

Monthly PMI Bulletin

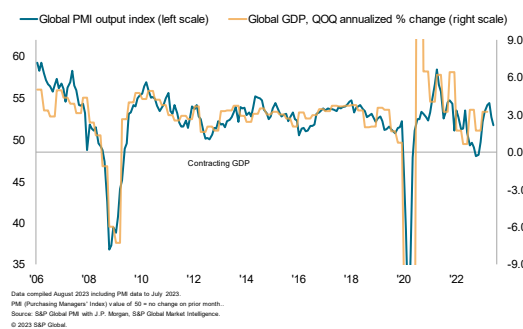
Global growth slows to six-month low in July

Monthly summary

The global economic expansion decelerated at the start of the second half of 2023 on the back of a deepening manufacturing downturn and cooling of service sector growth. Despite this, selling price inflation ticked higher, hinting at service sector-led stickiness of inflation.

The [J.P.Morgan Global PMI Composite Output Index](#) – produced by S&P Global – posted 51.7 in July, down from 52.7 in June. This signalled the slowest rate of expansion recorded since the global economy returned to growth in February. The current reading is broadly consistent with an annualized quarterly global GDP growth of around 2%, which is below the long-run average of 2.9%.

Global economic growth and the PMI



The service sector remained the primary driver of global economic growth at the start of the third quarter, though the pace of expansion eased for a second straight month to the weakest since February. Slowing new business growth in the service sector reflected the easing of the post-pandemic resurgence in demand. Concurrently, rising interest rates have also affected service providers.

Meanwhile, the manufacturing sector remained in contraction, with production levels declining for a second consecutive month in July. The demand dearth persisted with factories reported to still be running down their inventories amid fewer supply chain woes and with general weakness in underlying demand. As a result, prices have fallen in tandem within the goods producing sector.

That said, measured across both goods and services, selling prices rose at a faster rate in the latest July survey. Although forward-looking survey data outlined the likelihood for continued easing of price pressures in the coming months, the current data points to 'stickiness' in inflation which we will be watching with the next round of [flash August PMIs from August 23rd](#) (see calendar below).

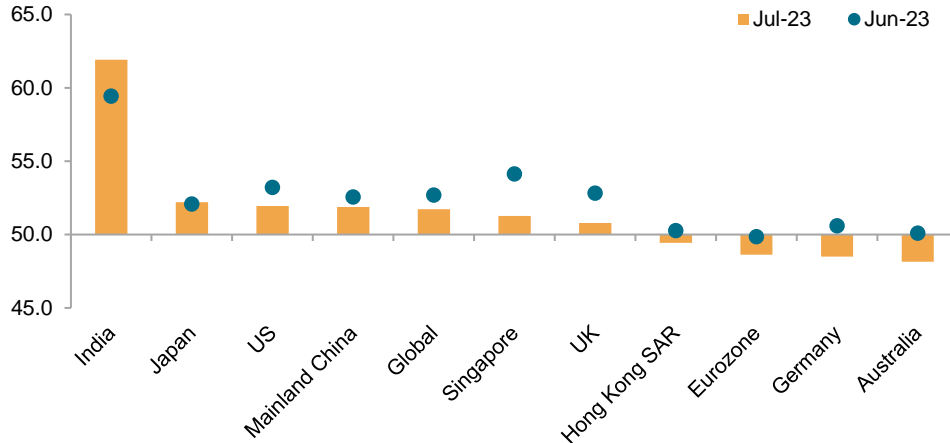
In short, our key takeaways from the July PMI are:

- 1) Further slowdown in global growth, underpinned by deepening manufacturing downturn and slowing services growth.
- 2) Global inflation continues to trend lower, but indications of 'stickiness' have surfaced, driven by higher service sector prices.
- 3) Softening demand conditions coupled with easing of future expectations hint at the likelihood that further cooling of global growth may ensue in the near-term.

Regional comparisons

S&P Global Composite PMI regional comparisons

S&P Global PMI (Purchasing Managers' Index) Output Index
Diffusion index (50 = no change on prior month)



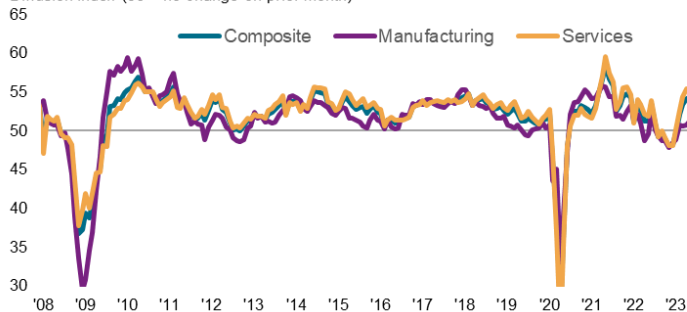
Source: S&P Global PMI surveys, au Jibun Bank, Caixin, CIPS, HCOB, JPMorgan, Judo Bank
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The Good, the Bad, and the Ugly | Key PMI developments

The Good: Global growth sustained into third quarter

Global PMI output

S&P Global PMI (Purchasing Managers' Index) Index
Diffusion index (50 = no change on prior month)

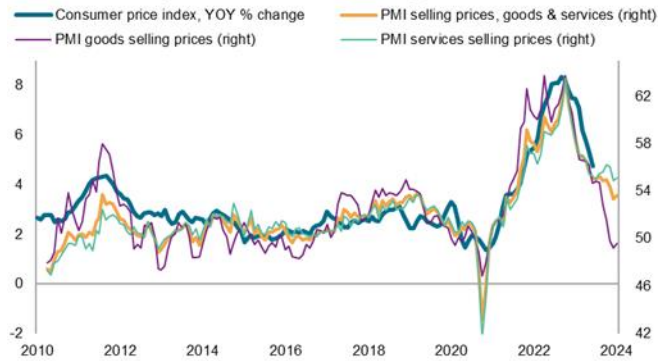


Source: S&P Global Market Intelligence, S&P Global PMI surveys with J.P. Morgan
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- The global economy remained in expansion mode at the start of the third quarter, which also marks the sixth straight month in which we have seen output rise globally.
- Although the pace of growth peaked earlier in May, it remained marked in the latest survey period, driven primarily by the expansion in services activity.
- This suggests that growth of the global economy continued into the second half of 2023, against earlier concerns that there may be an even quicker deterioration in economic performance.
- That said, the deterioration in future expectations hints at a further slowing of growth momentum in the coming months.
- Read our [full analysis here](#).

The Bad: Sticky price pressures

Global consumer price inflation and PMI selling prices

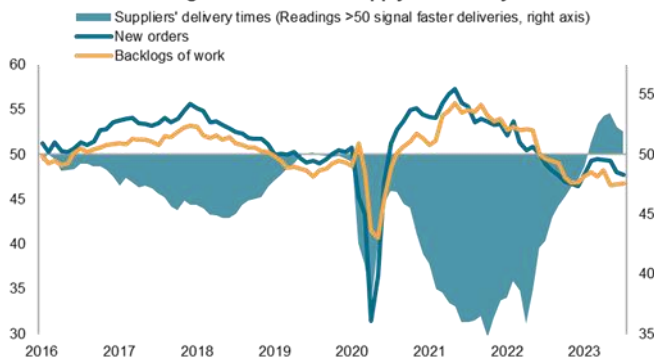


Data compiled August 2023 including PMI data to July 2023 advanced six months.
 PMI (Purchasing Managers' Index) value of 50 = no change on prior month.
 Sources: S&P Global PMI with J.P. Morgan, S&P Global Market Intelligence.
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- Despite the deepening manufacturing downturn and slowing services expansion, output price inflation, measured across both sectors, climbed to 53.6 in July from 53.4 in June.
- Higher services selling prices mainly accounted for the latest change as goods selling prices continued to fall, albeit at a slower pace.
- While it may be unwise to read too much into one month's data, the latest reading nevertheless points to the likelihood of prices remaining stickier for longer, around the 4% mark, rather than continuing the path towards the desired 2% level for global inflation.
- Read our [full analysis here](#).

The Ugly: Manufacturing downturn deepens

Global manufacturing order books and supply chain delays



Data compiled August 2023 including PMI data to July 2023.
 PMI (Purchasing Managers' Index) value of 50 = no change on prior month.
 Source: S&P Global PMI with J.P. Morgan, S&P Global Market Intelligence.
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- While the global economy remained in expansion, owing to service sector growth, manufacturing output declined for a second straight month in July.
- The pace of contraction was mild overall, though it is worth highlighting that any contraction of global production is an uncommon occurrence.
- Furthermore, both new orders and backlogs of work continued to decline relatively quickly in July, suggesting that production losses could accelerate in the coming months.
- Read our [full analysis here](#).

Global PMI heatmap

Manufacturing

		Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23	Apr'23	May'23	Jun'23	Jul'23
Global	Global												
Americas	Canada												
	US												
	Brazil												
	Colombia												
	Mexico												
Europe	Eurozone												
	Austria												
	Czech Republic												
	France												
	Germany												
	Greece												
	Ireland												
	Italy												
	Netherlands												
	Poland												
	Spain												
UK													
Asia Pacific	Australia												
	China (Mainland)												
	India												
	Indonesia												
	Japan												
	Kazakhstan												
	Malaysia												
	Myanmar												
	Philippines												
	Russia												
	South Korea												
	Taiwan												
	Thailand												
Vietnam													
Middle East	Turkey												

Source: S&P Global PMI in association with relevant sponsors.

Services

		Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23	Apr'23	May'23	Jun'23	Jul'23
Global	Global												
Americas	US												
	Brazil												
Europe	Eurozone												
	France												
	Germany												
	Ireland												
	Italy												
	Spain												
	UK												
Asia Pacific	Australia												
	China (Mainland)												
	India												
	Japan												
	Russia												

Source: S&P Global PMI in association with relevant sponsors.

Manufacturing indices

- Output*
- New orders*
- New export orders
- Backlogs of work
- Employment*
- Input prices
- Output prices
- Future expectations
- Quantity of purchases
- Suppliers' delivery times*
- Stocks of purchases*
- Stocks of finished goods

*PMI components

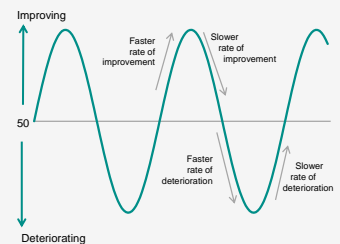
Services indices

- Business activity
- New business
- New export orders
- Outstanding business
- Employment
- Input costs
- Prices charged
- Future expectations

Read more about the headline PMI™ and its subindices [here](#).

Key:

Improving at a faster rate	
Improving at a slower rate	
At neutral 50.0 mark	
Deteriorating at a slower rate	
Deteriorating at a faster rate	



To receive underlying PMI data, please contact: economics@ihsmarkit.com

Composite / Whole Economy

		Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23	Apr'23	May'23	Jun'23	Jul'23
Global	Global												
Americas	Brazil												
	US												
Europe	Eurozone												
	France												
	Germany												
	Ireland												
	Italy												
	Spain												
	UK												
Asia Pacific	Australia												
	China (Mainland)												
	Hong Kong SAR												
	India												
	Japan												
	Khazakistan												
	Russia												
Singapore													
Middle East	Lebanon												
	Qatar												
	Saudi Arabia												
	UAE												
Africa	Ghana												
	Kenya												
	Mozambique												
	Nigeria												
	South Africa												
	Uganda												
	Zambia												

Source: S&P Global PMI in association with relevant sponsors

Metal Users (trend) and Electronics

		Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23	Apr'23	May'23	Jun'23	Jul'23
Global	Aluminium												
	Copper												
	Steel												
	Electronics												

Source: S&P Global PMI in association with relevant sponsors

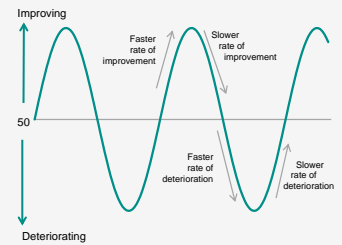
Composite indices comprise:

- Output/business activity
- New business
- New export orders
- Outstanding business
- Employment
- Input costs
- Output prices
- Future expectations

Read more about the headline PMI™ and its subindices [here](#).

Key:

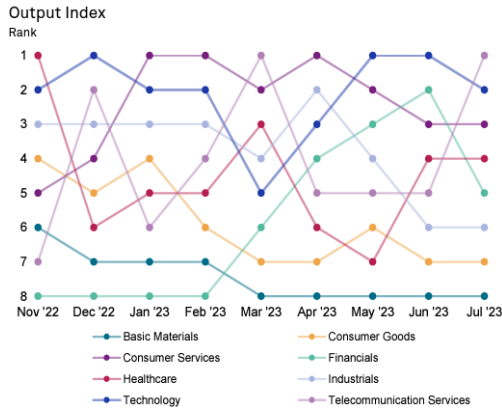
Improving at a faster rate	
Improving at a slower rate	
At neutral 50.0 mark	
Deteriorating at a slower rate	
Deteriorating at a faster rate	



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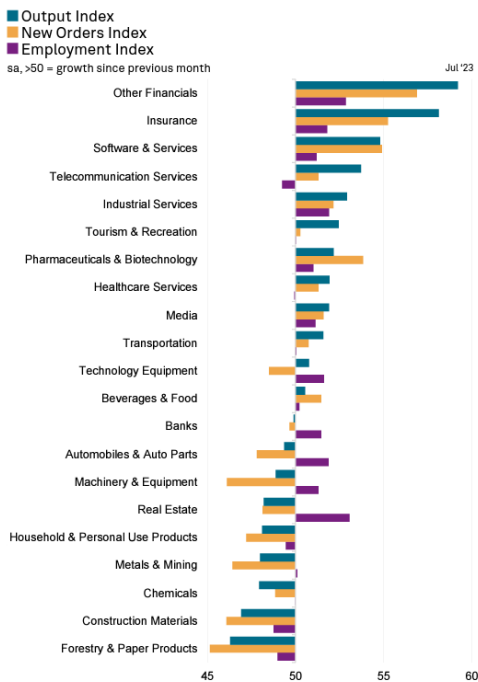
Global Sector PMI

Latest S&P Global Sector PMI™ data revealed that the divergence between manufacturing and services persisted at the start of the third quarter. While most of the sector rankings were unchanged across the **eight industry groups**, *Telecommunication Services* and *Financials* saw more prominent changes, with the former rising to the top spot and the latter falling the most over July.



Source: S&P Global PMI.

Meanwhile amongst the more detailed sectors, growth became less widespread with just over half of the 21 sectors monitored seeing business activity rise in July. Growth was led by *Other Financials* and *Insurance*. Manufacturing sub-sectors such as *Forestry & Paper Products* and *Construction Materials* lagged well behind.



Source: S&P Global PMI.

For more global sector PMI details, please visit [here](#) or contact economics@ihsmarkit.com to receive underlying PMI data.

Sector data is also available for US, Europe and Asia. Read more about using PMI data in active investment strategies [here](#).

Recent PMI and economic analysis from S&P Global Market Intelligence

Global	Global upturn loses further momentum at start of third quarter, hiring spree cools	9-Aug	Chris Williamson
	Global trade downturn accelerates in July	8-Aug	Chris Williamson
	PMI surveys show global inflation pressures ticking higher in July on rising staff costs	4-Aug	Chris Williamson
	Worldwide producer prices deflation slows in July amid rising wage pressures	2-Aug	Chris Williamson
	Factories report deeper global production downturn in July as world trade slumps	2-Aug	Chris Williamson
Europe	United Kingdom flash PMI data point to cooler inflation as economy stalls	24-Jul	Chris Williamson
	Eurozone flash PMI signals cooling inflation amid rising recession risks	24-Jul	Chris Williamson
US	Flash US PMI signals growth slowdown but stubborn price pressures at start of third quarter	24-Jul	Chris Williamson
Asia-Pacific Commodities	Weak start to third quarter for China as PMI signals divergent sector growth and inflation trends	3-Aug	Chris Williamson
	APAC merchandise exports remain weak in first half of 2023	28-Jul	Rajiv Biswas
	Japan's economic growth sustains in July though price pressures and outlook worsen	24-Jul	Jingyi Pan

For PMI use-case illustrations, visit our [use-case library](#).

Release calendar

UTC		Local		Product
08 Aug 14:00	08 Aug 10:00	UTC-4	EDT	US Investment Manager Index
22 Aug 23:00	23 Aug 09:00	UTC+10	AEST	Flash Australia PMI*
23 Aug 00:30	23 Aug 09:30	UTC+9	JST	Flash Japan PMI*
23 Aug 07:15	23 Aug 09:15	UTC+2	CEST	Flash France PMI*
23 Aug 07:30	23 Aug 09:30	UTC+2	CEST	Flash Germany PMI*
23 Aug 08:00	23 Aug 10:00	UTC+2	CEST	Flash Eurozone PMI*
23 Aug 08:30	23 Aug 09:30	UTC+1	BST	Flash UK PMI*
23 Aug 13:45	23 Aug 09:45	UTC-4	EDT	Flash US PMI*
29 Aug 08:00	29 Aug 10:00	UTC+2	CEST	Austria Manufacturing PMI
31 Aug 23:00	01 Sep 09:00	UTC+10	AEST	Australia Manufacturing PMI
01 Sep 00:01	01 Sep 01:01	UTC+1	IST	Ireland Manufacturing PMI
01 Sep 00:30	01 Sep 09:30	UTC+9	JST	Japan Manufacturing PMI
01 Sep 00:30	01 Sep 08:30	UTC+8	CST	Taiwan Manufacturing PMI
01 Sep 00:30	01 Sep 08:30	UTC+8	PHT	Philippines Manufacturing PMI
01 Sep 00:30	01 Sep 08:30	UTC+8	MYT	Malaysia Manufacturing PMI
01 Sep 00:30	01 Sep 09:30	UTC+9	KST	South Korea Manufacturing PMI
01 Sep 00:30	01 Sep 07:30	UTC+7	WIB	Indonesia Manufacturing PMI
01 Sep 00:30	01 Sep 07:00	UTC+6.5	MMT	Myanmar Manufacturing PMI
01 Sep 00:30	01 Sep 07:30	UTC+7	ICT	Thailand Manufacturing PMI
01 Sep 01:45	01 Sep 09:45	UTC+8	CST	China General Manufacturing PMI
01 Sep 05:00	01 Sep 10:30	UTC+5.5	IST	India Manufacturing PMI
01 Sep 05:00	01 Sep 07:00	UTC+2	CEST	Netherlands Manufacturing PMI
01 Sep 06:00	01 Sep 09:00	UTC+3	MSK	Russia Manufacturing PMI
01 Sep 06:00	01 Sep 12:00	UTC+6	ALMT	Kazakhstan Manufacturing PMI
01 Sep 07:00	01 Sep 10:00	UTC+3	TRT	Turkey Manufacturing PMI
01 Sep 07:00	01 Sep 09:00	UTC+2	CEST	Poland Manufacturing PMI
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01 Sep 07:55	01 Sep 09:55	UTC+2	CEST	Germany Manufacturing PMI
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01 Sep 08:45	01 Sep 09:45	UTC+1	WAT	Nigeria PMI
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01 Sep 13:30	01 Sep 09:30	UTC-4	EDT	Canada Manufacturing PMI
01 Sep 13:45	01 Sep 09:45	UTC-4	EDT	US Manufacturing PMI
01 Sep 15:00	01 Sep 09:00	UTC-6	CST	Mexico Manufacturing PMI
01 Sep 15:00	01 Sep 10:00	UTC-5	COT	Colombia Manufacturing PMI
01 Sep 15:00	01 Sep 11:00	UTC-4	EDT	Global Manufacturing PMI
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05 Sep 00:01	05 Sep 01:01	UTC+1	IST	Ireland Services PMI*
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05 Sep 00:30	05 Sep 07:30	UTC+7	ICT	ASEAN Manufacturing PMI
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06 Sep 15:00	06 Sep 11:00	UTC-4	EDT	Global Services PMI*
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07 Sep 06:00	07 Sep 07:00	UTC+1	BST	UK House Price Index
07 Sep 08:30	07 Sep 09:30	UTC+1	BST	Global Sector PMI
07 Sep 23:01	08 Sep 00:01	UTC+1	BST	UK & English Regions Report on Jobs
07 Sep 23:01	08 Sep 00:01	UTC+1	BST	Scotland Report on Jobs
08 Sep 08:00	08 Sep 09:00	UTC+1	BST	Global Aluminium Users PMI
08 Sep 08:00	08 Sep 09:00	UTC+1	BST	Global Copper Users PMI
08 Sep 08:00	08 Sep 09:00	UTC+1	BST	Global Steel Users PMI
08 Sep 08:30	08 Sep 09:30	UTC+1	BST	Global Electronics PMI
10 Sep 23:01	11 Sep 00:01	UTC+1	BST	UK Regional PMI
11 Sep 00:01	11 Sep 01:01	UTC+1	IST	Ireland Construction PMI
11 Sep 04:15	11 Sep 08:15	UTC+4	GST	Dubai PMI

Notes

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Dates are provisional and subject to change *includes composite PMI.

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