News Release

MARKET SENSITIVE INFORMATION

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JPMorgan Global Manufacturing & Services PMI™

Produced by JPMorgan and Markit in association with ISM and IFPSM

Global economy expands at faster rate at end of 2011

At 53.0 in December, up further from October's 27-month low of 51.4, the **JPMorgan Global All-Industry Output Index** rose to a nine-month high. Growth of global economic activity has now been sustained for almost two-and-a-half years.

The headline index tracked in a broad sideways direction through the second, third and fourth quarters of 2011, suggesting that the trend in global GDP growth remained steady, albeit only modest, during that period.

The main factor driving the faster rate of global economic expansion in December was the US, where growth of all-industry activity hit a nine-month peak. Rates of expansion also improved in the UK, India and Brazil, while the all-industry activity indices for China and Japan edged back above the neutral 50.0 mark. Russia continued to report solid growth, but slower than in November.

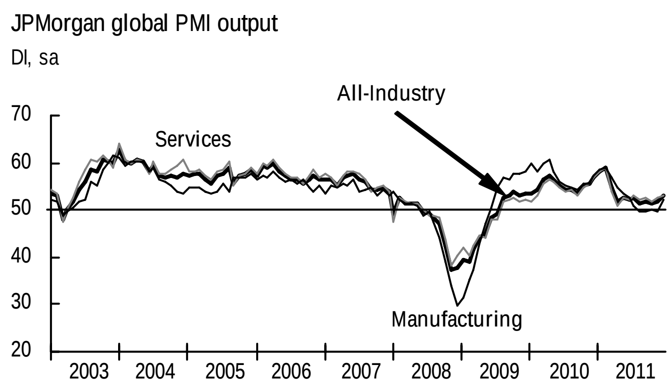
The Eurozone remained a drag on global output growth, however, as all-industry activity fell for the fourth month running. Signs of recovery in Germany were offset by stagnation in France and ongoing downturns in Italy and Spain. Ireland also fell back into contraction following an 11-month period of expansion.

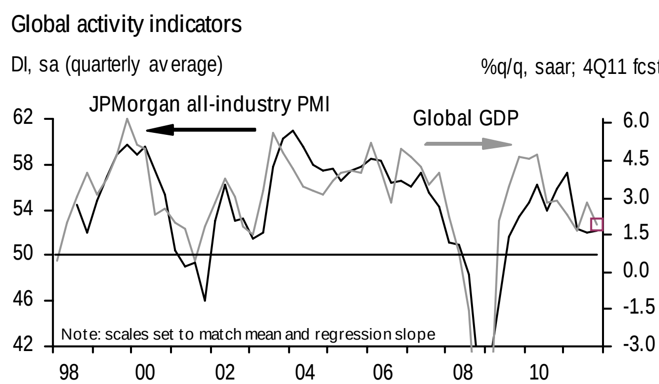
December saw output rise in both the global manufacturing and service sectors. Services activity rose at the fastest pace since March, while the increase in manufacturing production was an improvement on the contractions seen in the prior four months. Rates of expansion were nonetheless below the highs seen at the start of 2011 and averages for the year as a whole.

New business rose for the twenty-ninth month in a row during December, but the rate of growth was only mild and weaker than for activity. Subsequently, companies made further inroads into backlogs of work. Outstanding business fell for the seventh successive month and at the fastest pace since July.

Employment was broadly unchanged during December, as job losses at service providers offset rising payroll numbers in manufacturing. Brazil and Russia were the only nations to report meaningful increases in employment, although staffing levels also ticked higher in the US, the Eurozone, China and India.

December saw manufacturing input prices decline for the second successive month. In contrast, service sector costs rose sharply and at a broadly unchanged rate from November's three-month high. The steepest all-industry cost increases were seen in India, the US, Russia and the UK.





Global Manufacturing & Services *PMI*™ Summary

50 = no change on previous month.

	Nov	Dec	+/-	Change Summary
Output	52.0	53.0	+	Expanding, faster rate
New Orders	50.7	51.2	+	Expanding, faster rate
Input Prices	55.8	55.9	+	Rising, faster rate
Employment	49.6	50.2	+	Rising, change of direction

– Ends –

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Notes to editors

The Global Report on Manufacturing & Services is compiled by Markit based on the results of surveys covering over 11,000 purchasing executives in almost 30 countries. Together these countries account for an estimated 86% of global GDP. Questions are asked about real events and are not opinion based. Data are presented in the form of diffusion indices, where an index reading above 50.0 indicates an increase in the variable since the previous month and below 50.0 a decrease.

Data sources

Country	% share of global GDP*	Producer	In association with	Web
United States	28.6	ISM	–	www.ism.ws
Japan	12.3	Markit	JMMA	www.jmma.gr.jp
China	7.4	Markit	HSBC	www.hsbc.com
Germany	5.0	Markit	BME	www.bme.de
United Kingdom	4.2	Markit	CIPS	www.cips.org
France	3.7	Markit	–	www.markit.com
Italy	2.8	Markit	ADACI	www.adaci.it
Brazil	2.2	Markit	HSBC	www.hsbc.com
India	2.2	Markit	HSBC	www.hsbc.com
Canada	2.1	Markit	Royal Bank of Canada/PMAC	www.rbc.com, www.pmac.ca
South Korea	1.9	Markit	HSBC	www.hsbc.com
Spain	1.8	Markit	AERCE	www.aerce.org
Australia	1.4	AIG	PriceWaterhouseCoopers	www.aigroup.asn.au, www.pwcglobal.com/au
Netherlands	1.1	Markit	NEVI	www.nevi.nl
Russia	1.0	Markit	HSBC	www.hsbc.com
Turkey	0.9	Markit	HSBC	www.hsbc.com
Taiwan	0.8	Markit	HSBC	www.hsbc.com
Switzerland	0.7	procure.ch	Credit Suisse	www.procure.ch, www.credit-suisse.ch
Poland	0.6	Markit	HSBC	www.hsbc.com
Hong Kong	0.6	Markit	HSBC	www.hsbc.com
Austria	0.5	Markit	Bank Austria/OPWZ	www.bankaustria.at, http://einkauf.opwz.com
South Africa	0.5	BER	IPSA/Kagiso	www.ber.sun.ac.za, www.ipsa.co.za, www.kagiso.com
Denmark	0.4	DILF	Kairoscommodities	www.dilf.dk, www.kairoscommodities.com
Greece	0.4	Markit	HPI	www.hpi.org
Israel	0.4	IPLMA	Bank Hapoalim Ltd	www.iplma.org.il, http://www.bankhapoalim.co.il
Singapore	0.4	SIPMM	–	www.sipmm.org.sg
Ireland	0.3	Markit	NCB Stockbrokers	www.ncbdirect.com
Czech Republic	0.2	Markit	HSBC	www.hsbc.com
New Zealand	0.2	Business NZ	Bank of New Zealand	www.businessnz.org.nz, www.bnz.co.nz
Hungary	0.1	HALPIM	Hungarian National Bank	www.logisztika.hu

* Source: World Bank WDI (2009 data, constant US$ measure)

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