

## News Release

**MARKET SENSITIVE INFORMATION**  
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# JPMorgan Global Manufacturing & Services PMI

Produced by JPMorgan and Markit Economics in association with ISM and IFPSM

## Growth of global economy at 21-month high in September

The **JPMorgan Global All-Industry Business Activity Index** rose to 52.9 in September, up from 52.0 in August, its highest reading since December 2007. The headline index has posted above the neutral 50.0 mark in each of the past two months. The average reading for Q3 2009 was 51.1, well above that for Q2.

The manufacturing sector continued to report faster growth of output than services in September. Manufacturing production rose for the fourth month in a row. Although the rate of expansion was less robust than the previous month's high, it was still above the long-run survey average.

The rebound in services activity gathered pace in September, with the sector posting back-to-back increases. The rate of growth was muted compared to that in the manufacturing sector – as highlighted by a near 3.5 point differential between the respective output indexes – but was nonetheless the fastest for 21 months.

Supporting the latest expansion of global economic activity was a second successive monthly gain in incoming new work. The **Global All-Industry New Orders Index** registered 52.6, up from 51.1 in August. Manufacturing new orders rose for the third month running and to a much greater extent than seen at service providers. Service sector new business rose slightly for the first time in 16 months, with the rate of expansion the steepest since December 2007.

The downturn in the labour market continued in September, as job losses were reported for the seventeenth successive month. At 46.0, down slightly from 46.1 in August, the **Global All-Industry Employment Index** signalled a further solid decrease in staffing levels. However, the rate of reduction was substantially slower than that seen during the first half of the year.

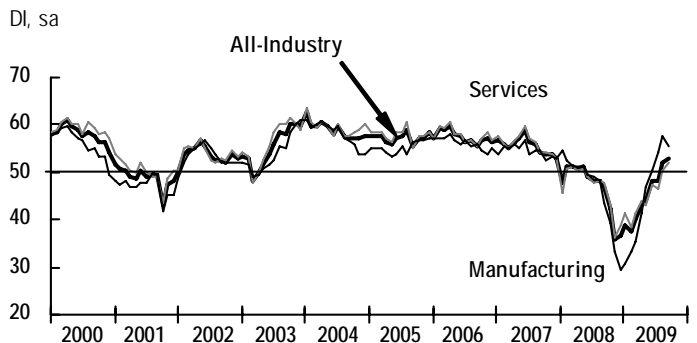
Services providers cut employment at a moderately faster pace than in August and to a greater extent than manufacturers. Manufacturing employment fell for the eighteenth month running, but at the weakest pace since August last year.

The **Global All-Industry Input Prices Index** posted 50.2 in September, down sharply from 55.9 in August, but above the 50.0 no-change mark for the second month in a row. Purchase prices rose in manufacturing, while costs declined at service providers. The fall registered in the service sector mainly reflected a marked turnaround in the trend in costs at US non-manufacturers.

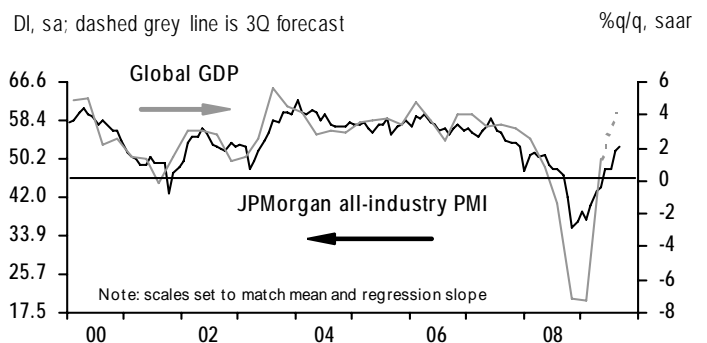
### Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"September PMI data round off a positive Q3 for the world economy, with the outcome for global GDP growth set to be the best since the end of 2007. Stronger gains in new business, an elevated manufacturing orders-to-inventory ratio and signs of rising confidence suggest that we are entering Q4 on a firm footing. The labour market should consolidate early in 2010 if the economy sustains its recent rebound."

#### JPMorgan global PMI output



#### Global activity indicators



### Global Manufacturing & Services PMI Summary

50 = no change on previous month.

	Aug	Sep	Change	Summary
Output	52.0	52.9	+	Expanding, faster rate
New Orders	51.1	52.6	+	Expanding, faster rate
Input Prices	55.9	50.2	-	Rising, slower rate
Employment	46.1	46.0	-	Declining, faster rate

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### Notes to editors

The Global Report on Manufacturing & Services is compiled by Markit Economics based on the results of surveys covering over 11,000 purchasing executives in 26 countries. Together these countries account for an estimated 81% 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	30.5	ISM	–	<a href="http://www.ism.ws">www.ism.ws</a>
Eurozone	18.7	Markit	–	<a href="http://www.markit.com">www.markit.com</a>
Japan	13.9	Markit	Nomura/JMMA	<a href="http://www.nomura.co.jp">www.nomura.co.jp</a> , <a href="http://www.jmma.gr.jp">www.jmma.gr.jp</a>
Germany	5.6	Markit	BME	<a href="http://www.bme.de">www.bme.de</a>
China	4.9	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
United Kingdom	4.5	Markit	CIPS	<a href="http://www.cips.org">www.cips.org</a>
France	4.0	Markit	CDAF	<a href="http://www.cdaf.asso.fr">www.cdaf.asso.fr</a>
Italy	3.2	Markit	ADACI	<a href="http://www.adaci.it">www.adaci.it</a>
Spain	1.9	Markit	AERCE	<a href="http://www.aerce.org">www.aerce.org</a>
Brazil	1.9	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
India	1.7	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
Australia	1.3	AIG	PriceWaterhouseCoopers	<a href="http://www.aigroup.asn.au">www.aigroup.asn.au</a> , <a href="http://www.pwcglobal.com/au">www.pwcglobal.com/au</a>
Netherlands	1.1	Markit	NEVI	<a href="http://www.nevi.nl">www.nevi.nl</a>
Russia	0.9	Markit	VTB Capital	<a href="http://www.vtb.com">www.vtb.com</a>
Switzerland	0.7	SVME	Credit Suisse	<a href="http://www.svme.ch">www.svme.ch</a> , <a href="http://www.credit-suisse.ch">www.credit-suisse.ch</a>
Turkey	0.7	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
Austria	0.6	Markit	BA Creditanstalt/OPWZ	<a href="http://www.ba-ca.com">www.ba-ca.com</a> , <a href="http://einkauf.opwz.com">http://einkauf.opwz.com</a>
Poland	0.5	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
Denmark	0.5	DILF	Kairoscommodities	<a href="http://www.dilf.dk">www.dilf.dk</a> , <a href="http://www.kairoscommodities.com">www.kairoscommodities.com</a>
South Africa	0.4	BER	IPSA/Investec	<a href="http://www.ber.sun.ac.za">www.ber.sun.ac.za</a> , <a href="http://www.ipsa.co.za">www.ipsa.co.za</a> , <a href="http://www.investec.co.za">www.investec.co.za</a>
Greece	0.4	Markit	HPI	<a href="http://www.hpi.org">www.hpi.org</a>
Israel	0.3	IPLMA	Bank Hapoalim Ltd	<a href="http://www.iplma.org.il">www.iplma.org.il</a> , <a href="http://www.bankhapoalim.co.il">http://www.bankhapoalim.co.il</a>
Ireland	0.3	Markit	NCB Stockbrokers	<a href="http://www.ncbdirect.com">www.ncbdirect.com</a>
Singapore	0.3	SIPMM	–	<a href="http://www.sipmm.org.sg">www.sipmm.org.sg</a>
Czech Republic	0.2	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
New Zealand	0.2	Business NZ	Bank of New Zealand	<a href="http://www.businessnz.org.nz">www.businessnz.org.nz</a> , <a href="http://www.bnz.co.nz">www.bnz.co.nz</a>
Hungary	0.2	HALPIM	Hungarian National Bank	<a href="http://www.logisztika.hu">www.logisztika.hu</a>

\* Source: World Bank



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