

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

Global recovery gathered pace at start of Q4 2009

The global economic recovery gained further momentum in October. Activity and new orders rose at the fastest rates since late 2007. However, the labour market continued to disappoint, with job losses recorded for the eighteenth month in a row and at a quicker pace than in September.

At 54.2 in October, up from 53.2, the **JPMorgan Global All-Industry Output Index** posted its highest reading since November 2007. At its current level, the output index is consistent with growth of global GDP of around 3% q/q saar.

N.B. the historical data series for the global manufacturing and services PMI indicators have been revised due to the inclusion of data from additional national PMI surveys.

Manufacturing remained the main driver of the global economic recovery in October, with growth of production accelerating to a sixty-three month high. The output index for manufacturing has now posted above the comparable index for services activity in each month since May.

However, service providers also reported an increase in activity during October. Activity in the sector has now risen for three successive months, with the latest rate of expansion the quickest since December 2007.

The **Global All-Industry New Orders Index** posted 53.7 in October, its highest level for two years. New work received has now risen for three successive months. Growth of manufacturing new orders was faster than for service sector new business. However, the rate of increase eased to a three-month low in manufacturing but hit its highest since November 2007 at service providers.

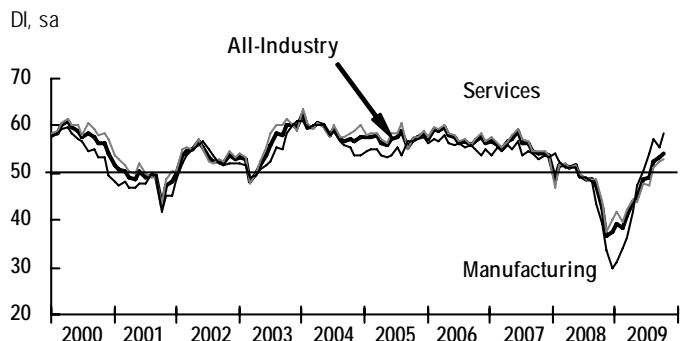
Global employment fell for the eighteenth month in a row in October, with the rate of decrease accelerating marginally compared to that signalled for September. This mainly reflected a faster pace of job losses in the service sector. Manufacturing employment moved closer to stabilisation, with only a slight reduction reported. The downturns in the US and Japanese labour markets accelerated during October, whereas rates of decline eased in the Eurozone and the UK. China, India and Brazil all reported higher levels of staffing.

At 52.3 in October, the **Global All-Industry Input Prices Index** remained above the neutral 50.0 mark for the third successive month. Input price inflation was stronger in the manufacturing sector than at service providers. The US, the Eurozone, China, Germany, the UK, France, Italy, Spain, India and Brazil all reported increased costs. Japan and Ireland saw input prices fall further.

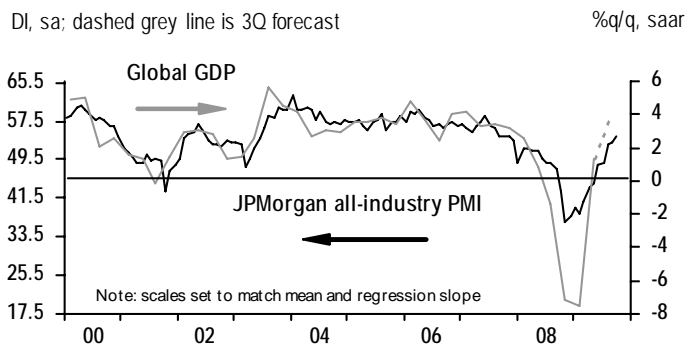
Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"The October PMI data show that the global recovery is gaining traction, with activity and new orders rising at rates last seen at the end of 2007. The continued downturn in the labour market is cause for concern but should the trend in employment should hopefully catch up with that of output as business confidence strengthens."

JPMorgan global PMI output



Global activity indicators



Global Manufacturing & Services PMI Summary

50 = no change on previous month.

	Sep	Oct	Change	Summary
Output	53.2	54.2	+	Expanding, faster rate
New Orders	53.0	53.7	+	Expanding, faster rate
Input Prices	50.7	52.3	+	Rising, faster rate
Employment	46.7	46.1	-	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 almost 30 countries. Together these countries account for an estimated 83% 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	28.8	ISM	–	www.ism.ws
Eurozone	17.7	Markit	–	www.markit.com
Japan	12.8	Markit	Nomura/JMMA	www.nomura.co.jp, www.jmma.gr.jp
China	6.5	Markit	HSBC	www.hsbc.com
Germany	5.2	Markit	BME	www.bme.de
United Kingdom	4.3	Markit	CIPS	www.cips.org
France	3.8	Markit	CDAF	www.cdaf.asso.fr
Italy	2.9	Markit	ADACI	www.adaci.it
Brazil	2.1	Markit	HSBC	www.hsbc.com
India	2.0	Markit	HSBC	www.hsbc.com
South Korea	1.9	Markit	HSBC	www.hsbc.com
Spain	1.8	Markit	AERCE	www.aerce.org
Australia	1.3	AIG	PriceWaterhouseCoopers Commonwealth Bank	www.aigroup.asn.au, www.pwcglobal.com/au www.commbank.com.au
Netherlands	1.1	Markit	NEVI	www.nevi.nl
Russia	1.1	Markit	VTB Capital	www.vtb.com
Turkey	1.0	Markit	HSBC	www.hsbc.com
Taiwan	1.0	Markit	HSBC	www.hsbc.com
Switzerland	0.7	SVME	Credit Suisse	www.svme.ch, www.credit-suisse.ch
Hong Kong	0.6	Markit	HSBC	www.hsbc.com
Poland	0.6	Markit	HSBC	www.hsbc.com
Austria	0.6	Markit	BA Creditanstalt/OPWZ	www.ba-ca.com, 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
Ireland	0.3	Markit	NCB Stockbrokers	www.ncbdirect.com
Singapore	0.3	SIPMM	–	www.sipmm.org.sg
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	0.2	HALPIM	Hungarian National Bank	www.logisztika.hu

* Source: World Bank WDI 2008



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