News Release

MARKET SENSITIVE INFORMATION

EMBARGOED UNTIL: 11:00am (US EASTERN TIME) 3 December 2009

JPMorgan Global Manufacturing & Services PMI

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

Growth of global economy slowed in November

At 51.6 in November, the JPMorgan **Global All-Industry Output Index** signalled an expansion in business activity for the fourth successive month. However, after easing from the near two-year high of 54.2 reached in October, the headline index pointed to the slowest rate of increase during the current upturn.

The average reading for the All-Industry Output Index so far in Q4 2009 is consistent with growth of global GDP of around 2.0%-2.5% saar. This would be broadly consistent with the rates of expansion seen just prior to the onset of the recession.

The deceleration signalled by PMI data in November was mainly focussed on the service sector. Growth of service sector business activity eased to a near halt following a slowdown in the rate of expansion of incoming new work. Manufacturing continued to lead the recovery. Although the rate of expansion in manufacturing production eased in November, it was still amongst the fastest registered since Q2 2006.

At 53.0 in November, down slightly from 53.7 in October, the **Global All-Industry New Orders Index** remained above the neutral 50.0 mark for the fourth consecutive month. The rate of growth in new orders at manufacturers held broadly steady at the previous month's elevated level. Service sector new business rose for the third month running, but remained comparatively modest to that recorded at manufacturers.

Employment declined for the nineteenth successive month in November. This was signalled by the **Global All-Industry Employment Index** posting 46.2, little-changed from 46.1 in October. The recent trend in the index suggests that, although still solid, the rate of job losses has stabilised.

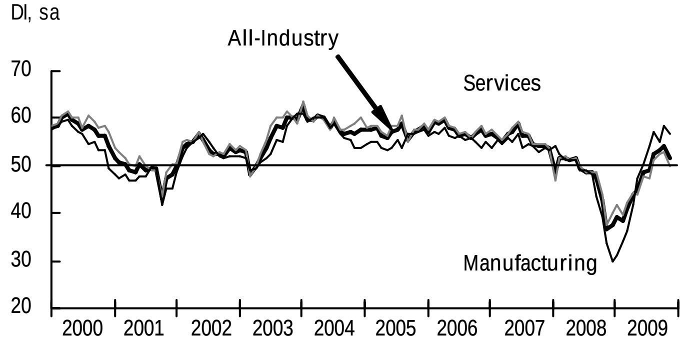
Manufacturers and service providers both cut employment in November, with the faster rate of decline in services. The reduction in manufacturing employment was only slight.

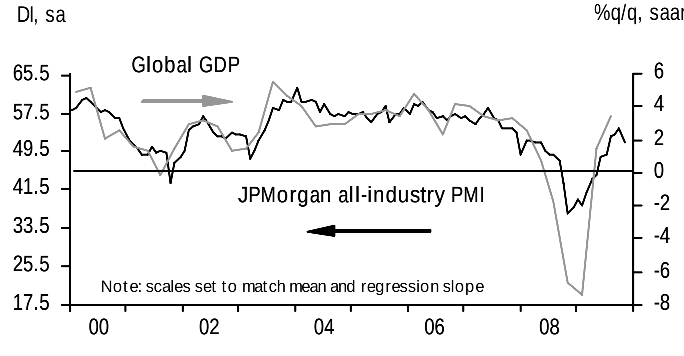
November data pointed to a fourth successive monthly increase in average input prices. The **Global All-Industry Input Prices Index** posted 53.6, up from 52.3 in October, to register its highest reading for three months. Costs rose in the manufacturing and service sectors, with rates of inflation broadly similar in both.

Backlogs of work decreased for the twenty-seventh month in a row in November, with the rate of decline slightly faster than in October. However, while service providers continued to report lower backlogs, manufacturers indicated that the volume of work-in-hand at their plants had risen for the third consecutive month.

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

"The global economic recovery continued in November, but a growth pause in services hit the overall rate of expansion. However, new business is still rising and this should support growth looking ahead. In addition, official activity data continue to advance, suggesting the underlying recovery remains intact."





Global Manufacturing & Services PMI Summary

50 = no change on previous month.

	Oct	Nov	Change	Summary
Output	54.2	51.6	–	Expanding, slower rate
New Orders	53.7	53.0	–	Expanding, slower rate
Input Prices	52.3	53.6	+	Rising, faster rate
Employment	46.1	46.2	+	Declining, slower rate

– Ends –

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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

www.jpmorganchase.com

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Markit Economics is a specialist compiler of business surveys and economic indices, including the Purchasing Managers' Index (PMI) series, which is now available for 26 countries and key regions including the Eurozone and BRIC. The PMIs have become the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

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