

News Release

MARKET SENSITIVE INFORMATION
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JPMorgan Global Manufacturing PMI

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

Global manufacturing PMI rose to nine-month high in May

At 45.3 in May, up further from December 2008's record low, the **JPMorgan Global Manufacturing PMI** posted its highest reading for nine months. Indexes for output and new orders also printed at much higher levels than in April.

The headline PMI is still at an historically low level and well below one consistent with outright recovery. However, the easing of the worldwide manufacturing recession signalled during the past two months has been substantial. The month-on-month gains in the PMI, output and new orders indexes in April and May are the greatest in the series history. All of the national indexes for these variables rose during the latest survey period.

At 47.0 in May, the **Global Manufacturing Output Index** posted its highest reading since last August. Only China, India and Turkey reported growth of production. Japan (slowest for thirteen months), the US (weakest fall in current nine-month downturn) and the UK (slowest drop in a year) saw substantial easings in their respective rates of contraction. Although the Eurozone vastly underperformed relative to the global average, its output index rose to the greatest extent in survey history and to an eight-month high.

New orders contracted for the fourteenth month running in May, the longest period of contraction in the survey history. However, the **Global Manufacturing New Orders Index** climbed to 48.6, its highest level in a year. The rate of decline in global trade slowed sharply to its weakest since last September.

China and India reported increases in total new orders for the second successive months in May. The US and Turkey were the only other nations covered by the global survey to report gains, with new business rising for the first time in one-and-a-half years in the US and for seventeen months in Turkey.

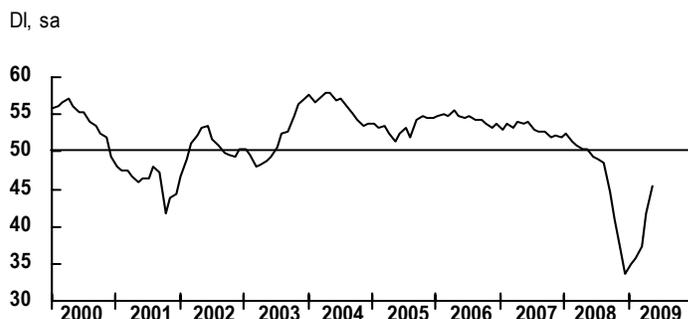
Although May data pointed to substantial **jobs losses**, the rate of decline eased to a six-month low. Employment has now fallen for fourteen successive months. Almost all of the nations covered reported lower staffing levels, the exceptions being India (slight gain) and China (no change). Amongst the other countries, only the US and Austria failed to report slower rates of decline. The pace of job cutting eased to five, six and seven-month lows in the Eurozone, Japan and the UK respectively.

At 40.8 in May, the **Global Manufacturing Input Prices Index** posted its highest reading since October 2008 but remained below the neutral 50.0 mark for the eighth month running. Only India and Russia saw increases in costs. The rate of decline eased sharply in the US.

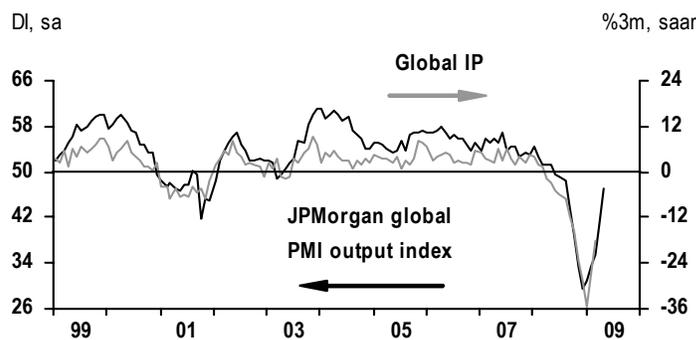
Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"The PMI indexes have staged an unprecedented recovery so far in 2009. Although still in recession territory, the substantial gains in the output and new orders indexes – combined with a rising orders-to-inventory ratio – point to the trend in global manufacturing stabilising by midyear. The main negative is the weak the labour market, which continues to damp consumption."

JPMorgan Global Manufacturing PMI



Global manufacturing output



Global Manufacturing PMI Summary

50 = no change on previous month.

	Apr	May	Change	Summary
Global PMI	41.8	45.3	+	Deteriorating, slower rate
Output	41.3	47.0	+	Contracting, slower rate
New Orders	43.8	48.6	+	Contracting, slower rate
Input Prices	35.6	40.8	+	Falling, slower rate
Employment	38.2	39.5	+	Falling, slower rate

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Notes to editors

The Global Report on Manufacturing is compiled by Markit Economics based on the results of surveys covering over 7,500 purchasing executives in 26 countries. Together these countries account for an estimated 83% of global manufacturing output. 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	–	www.ism.ws
Eurozone	18.7	Markit	–	www.markit.com
Japan	13.9	Markit	Nomura/JMMA	www.nomura.co.jp, www.jmma.gr.jp
Germany	5.6	Markit	BME	www.bme.de
China	4.9	Markit	CLSA	www.clsa.com
United Kingdom	4.5	Markit	CIPS	www.cips.org
France	4.0	Markit	CDAF	www.cdaf.asso.fr
Italy	3.2	Markit	ADACI	www.adaci.it
Spain	1.9	Markit	AERCE	www.aerce.org
Brazil	1.9	Markit	Santander	www.santander.com
India	1.7	Markit	–	www.markit.com
Australia	1.3	AIG	PriceWaterhouseCoopers	www.aigroup.asn.au, www.pwcglobal.com/au
Netherlands	1.1	Markit	NEVI	www.nevi.nl
Russia	0.9	Markit	VTB Capital	www.vtb.com
Switzerland	0.7	SVME	Credit Suisse	www.svme.ch, www.credit-suisse.ch
Turkey	0.7	Markit	–	www.markit.com
Austria	0.6	Markit	BA Credenstalt/OPWZ	www.ba-ca.com, http://einkauf.opwz.com
Poland	0.5	Markit	–	www.markit.com
Denmark	0.5	DILF	Kairoscommodities	www.dilf.dk, www.kairoscommodities.com
South Africa	0.4	BER	IPSA/Investec	www.ber.sun.ac.za, www.ipsa.co.za, www.investec.co.za
Greece	0.4	Markit	HPI	www.hpi.org
Israel	0.3	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	–	www.markit.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



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