

## 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 contracted at fastest rate since late-2001

At 44.2 in September, down sharply from 48.6 in August, the **JPMorgan Global Manufacturing PMI\*** indicated that manufacturers are currently facing the toughest operating conditions since the immediate aftermath of 9/11. PMIs for the US, the Eurozone, Japan and the UK were all down on levels one month ago, hitting their lowest since late-2001 in the US and the euro area, weakest since February 2002 in Japan and a survey record low in the UK. Meanwhile, operating conditions in Spain and the Czech Republic deteriorated to the greatest extents in their respective series histories.

The retrenchment of the manufacturing sector mainly reflected marked deteriorations in the trends for production, new orders and employment. The declines in output and new work received were the second most severe in the survey history, while staffing levels fell at the fastest pace for over six-and-a-half years.

The **Global Manufacturing Output Index** registered 42.7 in September, well below the 48.5 posted for August. The sharpest decline in production was recorded for Spain, followed by the US, Japan and then the UK. Although the Eurozone Output Index sank to its second-lowest reading in the survey history, it was above the global average for the first time in four months.

Within the euro area, France and Spain saw output fall at survey record rates, while in Italy and Ireland the contractions were the second and third most marked in their respective series. Germany, which until recently was the main growth engine of the Eurozone, saw production fall for the second month running and to the greatest extent for six years.

At 40.8 in September, the **Global Manufacturing New Orders Index** posted a reading well below the neutral 50.0 mark. The trends in new work received were especially weak in Spain, the UK, France and the US, with the all bar the latter seeing new orders fall at a series record pace (for the US it was the strongest drop since January 2001).

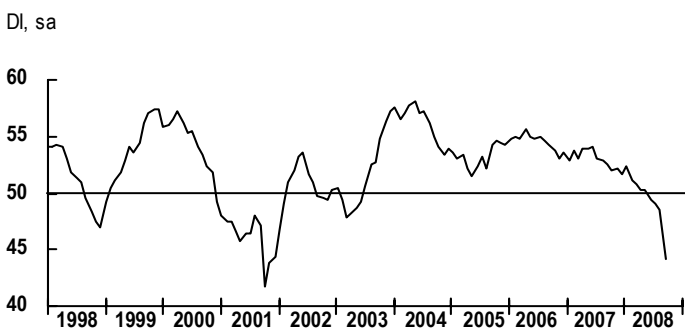
The downturn of the sector led to further **job losses** in September, with the rate of reduction in employment the fastest since February 2002. Conditions in the Spanish, the UK and the US manufacturing labour markets were especially weak.

The **Global Manufacturing Input Prices Index** fell from 73.0 in August to a nineteen-month low of 61.1 in September – its greatest month-on-month decline in series history – and has dropped by almost twenty points since hitting a survey record in July. Most of the national manufacturing sectors covered by the survey saw their rates of increase in purchase prices slow, with the trend most notable in the US.

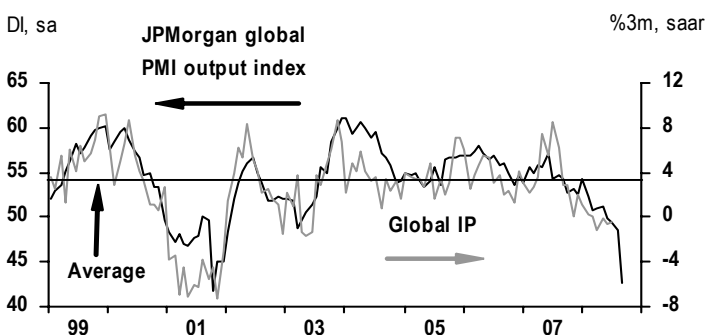
Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"The deepening of the downturn in global manufacturing during September was greater than anticipated, with rates of contraction for production and new orders the second-strongest in the survey history. If this is borne out by official data, this would be consistent with a decline in global IP of around 4%. The widespread nature of the contraction, combined with its corresponding reduction in employment, further reinforces the far reaching effects of the turmoil manufacturers are facing."

### JPMorgan global manufacturing PMI



### Global manufacturing output



### Global Manufacturing PMI Summary

50 = no change on previous month.

	Aug	Sep	Change	Summary
Global PMI	48.6	44.2	-	Contracting at faster rate
Output	48.5	42.7	-	Contracting at faster rate
New Orders	46.8	40.8	-	Contracting at faster rate
Input Prices	73.0	61.1	-	Increasing at slower rate
Employment	49.2	45.0	-	Contracting at faster 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	–	<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	CLSA	<a href="http://www.clsa.com">www.clsa.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	Banco Real	<a href="http://www.bancoreal.com.br">www.bancoreal.com.br</a> , <a href="http://www.abnamro.com">www.abnamro.com</a>
India	1.7	Markit	ABNAMRO	<a href="http://www.abnamro.com">www.abnamro.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/DPA	<a href="http://www.nevi.nl">www.nevi.nl</a> , <a href="http://www.dpasupplychainpeople.com">www.dpasupplychainpeople.com</a>
Russia	0.9	Markit	VTB Bank Europe	<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	ABNAMRO	<a href="http://www.abnamro.com">www.abnamro.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	ABNAMRO	<a href="http://www.abnamro.com">www.abnamro.com</a>
Denmark	0.5	DILF	–	<a href="http://www.dilf.dk">www.dilf.dk</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	Dun & Bradstreet	<a href="http://www.iplma.org.il">www.iplma.org.il</a> , <a href="http://www.dnb.com">www.dnb.com</a> , <a href="http://www.dbisrael.co.il">www.dbisrael.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	ABNAMRO	<a href="http://www.abnamro.com">www.abnamro.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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