News Release

MARKET SENSITIVE INFORMATION

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JPMorgan Global Services PMI™

Produced by JPMorgan and Markit in association with ISM and IFPSM

Growth of global services activity at 9-month high in December

Growth of global services business activity accelerated to a nine-month high in December. At 53.2, up from 52.7 in November, the **JPMorgan Global Services Business Activity Index** posted above the neutral 50.0 mark for the twenty-ninth consecutive month. The rate of expansion was nonetheless well below the highs seen at the start of 2011.

December data pointed to broad-based growth of business activity. Increases were signalled in almost all of the nations for which data were available, the exceptions being Italy, Spain, Ireland and Hong Kong. Growth was led by the US.

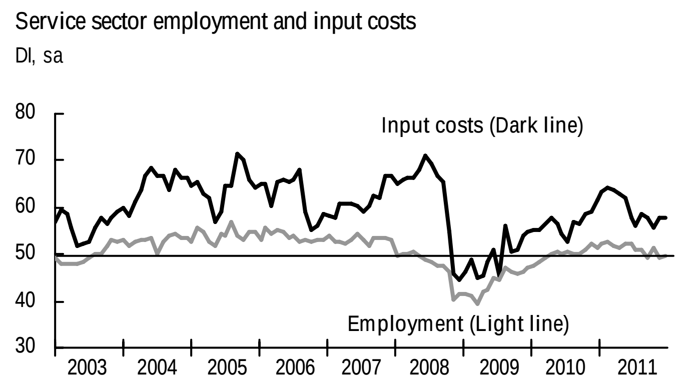
Brazil, India and the UK all reported solid and accelerated rates of expansion. The trend in business activity growth also improved in Germany, while the pace of expansion in China held steady at its November level.

However, with the exceptions of Japan, the UK and Brazil, national business activity index readings in December were all below their respective averages for 2011 as a whole.

The expansion in business activity was sustained, in part, through an increase in new orders. However, the rate of growth in new business was only modest, and below that for output, meaning that companies continued to work through backlogs of previously agreed orders. Outstanding business subsequently fell for the seventh month running and at the fastest pace since July.

Service sector employment fell slightly for the second successive month in December. Job losses were reported in the US, Japan, Italy, Spain, Ireland and Hong Kong, with the steepest reductions signalled in Spain and Italy. In contrast, Germany, Brazil and Russia reported the fastest growth in payroll numbers.

Average input prices rose further in December, continuing a near two-and-a-half year period of sustained increase. The rate of inflation remained marked, but well below the surging cost increases signalled at the start of 2011. Input prices rose across all of the nations covered by the survey, with the sharpest increases in the US and the UK.



Global Services *PMI*™ Summary

50 = no change on previous month.

	Nov	Dec	+/–	Summary
Output/activity	52.7	53.2	+	Growth, faster rate
New business	51.3	51.6	+	Growth, faster rate
Backlogs of work	48.0	47.2	–	Falling, faster rate
Input prices	57.9	57.7	–	Rising, slower rate
Employment	49.4	49.7	+	Falling, slower rate

– Ends –

compiled by markit

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Notes to editors

The Global Report on Services is based on the results of surveys covering around 3,500 executives carried out in the USA by ISM, and in Japan, China, the UK, Germany, France, Spain, Italy, Brazil, India, Russia, Ireland and Hong Kong by Markit, in Australia by AiG, New Zealand by Business NZ and Mexico by HSBC. These countries together account for an estimated 80% of global service sector output. For the US, data are taken from the ISM non-manufacturing survey which, in addition to the service sector included in the other countries, also includes agriculture, construction, mining, public administration, retail, utilities and wholesale sectors. The Hong Kong *PMI*™ also covers construction, manufacturing and retail.

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.

The services report is accompanied by a Global Report on Manufacturing and a Global All-Industry *PMI*™ Report.

Data sources

Country	% share of global GDP*	Producer	In association with	Web
United States	28.6	ISM	–	www.ism.ws
Japan	12.3	Markit	–	www.markit.com
China	7.4	Markit	HSBC	www.hsbc.com
Germany	5.0	Markit	–	www.markit.com
United Kingdom	4.2	Markit	CIPS	www.cips.org
France	3.7	Markit	–	www.markit.com
Italy	2.8	Markit	ADACI	www.adaci.it
Brazil	2.2	Markit	HSBC	www.hsbc.com
India	2.2	Markit	HSBC	www.hsbc.com
Spain	1.8	Markit	AERCE	www.aerce.org
Australia	1.4	AIG	Commonwealth Bank	www.aigroup.asn.au, www.commbank.com.au
Russia	1.0	Markit	HSBC	www.hsbc.com
Hong Kong	0.6	Markit	HSBC	www.hsbc.com
Ireland	0.3	Markit	NCB Stockbrokers	www.ncbdirect.com
New Zealand	0.2	Business NZ	Bank of New Zealand	www.businessnz.org.nz, www.bnz.co.nz

* Source: World Bank WDI (2008 data, constant US$ measure)

www.jpmorganchase.com

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www.markit.com

Markit Economics is a specialist compiler of business surveys and economic indices, including the *Purchasing Managers' Index*™ (*PMI*™) series, which is now available for 32 countries and key regions including the Eurozone. 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. To learn more go to www.markit.com/economics.

www.ism.ws

Founded in 1915, the **Institute for Supply Management™** (ISM) is the largest supply management organization in the world as well as one of the most respected. ISM's mission is to lead the supply management profession through its standards of excellence, research, promotional activities and education. ISM's membership base includes approximately 40,000 supply management professionals with a network of domestic and international affiliated associations. ISM is a not-for-profit institute that provides opportunities for the promotion of the profession and the expansion of professional skills and knowledge.

www.ifpsm.org

The **International Federation of Purchasing and Supply Management** (IFPSM) is the union of 42 national purchasing associations worldwide. Within this circle, about 200,000 purchasing professionals can be reached. IFPSM is a non-political, independent and non-profit oriented international organisation, registered in Aarau, Switzerland. IFPSM facilitates the development and distribution of knowledge to elevate and advance the procurement profession, thus favourably impacting the standard of living of citizens worldwide through improved business practices.