

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 PMI at five-and-a-half year high in January

At 56.1 in January, up from 54.6 in December, the JPMorgan **Global Manufacturing PMI** registered its highest reading for five-and-a-half years. The latest improvement in overall operating performance reflected accelerated growth of production and new orders, while a slight gain in staffing levels was signalled for the first time since March 2008.

N.B. Please note that the historical data from the global PMI indexes have been revised to reflect the annual assessment of seasonal factors by the US ISM and to incorporate latest weights data.

Manufacturing production increased for the eighth successive month in January, with the rate of expansion hitting a 69-month high. The improvement in the performance of the US manufacturing sector was most noticeable. The ISM output index rose by 6.5 points since December to reach its highest level since April 2004. Rates of expansion reached 69-, 16-, 26- and 25-month highs in China, India, Taiwan and South Korea respectively.

Western European and Japanese manufacturing also showed further signs of improvement at the start of 2010, but rates of expansion were below the global average. Growth of output was the strongest for almost two-and-a-half years in the euro area. Solid expansions in output were recorded in France, Germany, Italy, the Netherlands and Austria, but these were in marked contrast to the deeper recessions in Spain, Ireland and Greece. UK manufacturing production rose to the greatest extent for 43 months, while growth in Japan remained solid.

Global manufacturing **new orders** increased for the seventh straight month in January. Moreover, the rate of expansion was the quickest since May 2004. Almost all of the countries for which January data were available reported higher new order books. The exceptions were Spain, Ireland and Greece. The strongest gains in new work received were seen in the US (61-month high), Taiwan (fastest since October 2007), India (17-month high) and China (69-month peak).

Rising further from the record low posted in December 2008, the **Global Manufacturing New Export Orders Index** hit a five-and-a-half year high in January. Taiwan, India, the US, China, the Netherlands and the UK recorded the sharpest growth.

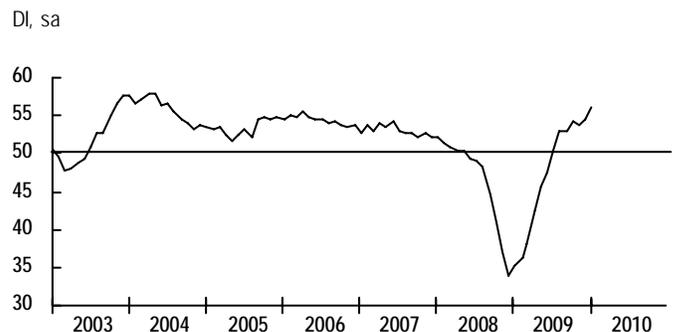
Manufacturing employment rose slightly for the first time in 22 months in January. Amongst the major industrial regions covered by the survey, jobs were created in the US, China and the UK, but cut in the Eurozone and Japan (with both the euro area and Japan seeing accelerated reductions in staffing).

Having gained 10 points over the past two months, to reach 63.4 in January, the **Global Manufacturing Input Prices Index** posted its highest reading since August 2008. Higher purchasing costs reflected increase commodity prices and supply-chain factors.

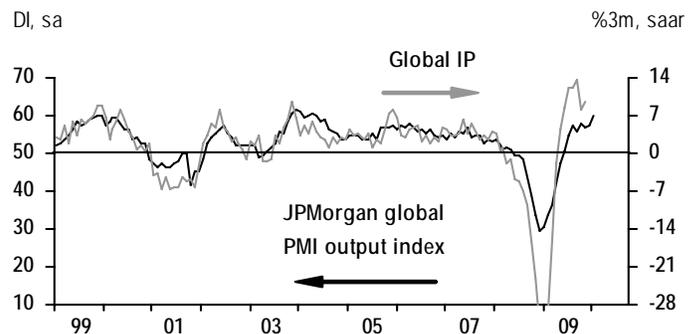
Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"According to the global PMI data, the world manufacturing sector started 2010 on a robust footing. Growth of production and new orders gained traction and were the fastest since mid-2004, while manufacturing employment increased for the first time since March 2008. The current phase of the recovery looks to still have significant momentum and an elevated orders-to-inventory ratio suggests growth will continue in the months ahead."

JPMorgan Global Manufacturing PMI



Global manufacturing output



Global Manufacturing PMI Summary

50 = no change on previous month.

	Dec	Jan	Change	Summary
Global PMI	54.6	56.1	+	Expanding, faster rate
Output	57.5	60.2	+	Expanding, faster rate
New Orders	58.3	59.5	+	Expanding, faster rate
Input Prices	58.4	63.4	+	Rising, faster rate
Employment	49.7	50.4	+	Rising, change of direction

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Notes to editors

The Global Report on Manufacturing is compiled by Markit based on the results of surveys covering over 7,500 purchasing executives in 29 countries. Together these countries account for an estimated 90% 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	28.8	ISM	–	www.ism.ws
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
Mexico	1.7	HSBC	–	www.hsbc.com
Australia	1.3	AIG	PriceWaterhouseCoopers	www.aigroup.asn.au , www.pwcglobal.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	0.8	Markit	HSBC	www.hsbc.com
Switzerland	0.7	SVME	Credit Suisse	www.svme.ch , www.credit-suisse.ch
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 data, constant US\$ measure)



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