

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 five-month high in March

March PMI data provided evidence that the worst of the global manufacturing recession may have passed. Indexes tracking trends in output and new orders rose further from the series lows registered at the end of 2008. However, both indexes remained at levels well below those consistent with an outright recovery in either component.

The **JPMorgan Global Manufacturing PMI** – which provides a single figure snapshot of operating conditions – posted 37.2 in March. Although substantially below the no-change mark of 50.0, the PMI rose for the third month in row and to its highest since last October. The vast majority of the national manufacturing PMIs rose in March, including the US, Japan, most Eurozone nations and the UK. However, all remained below 50.0.

Worldwide manufacturing output fell for the tenth month running in March, the most sustained period of contraction in the series history. Lower output mainly reflected weak demand, with **new orders** declining for the twelfth month in a row.

International trade volumes continued to be hit by the global economic downturn. The rate of contraction in new export orders was severe, and in line with that seen for total order books.

March data pointed to further **job losses**, as staffing levels were cut for the eleventh successive month. The rate of decline moderated but remained historically high. All of the national manufacturing surveys for which March data were available reported reductions in employment. Denmark, the US and Czech Republic registered the fastest rates of decline.

The **Global Manufacturing Input Prices Index** signalled a reduction in average purchase prices. Moreover, the rate of decline was slightly faster than in the previous month. Cost decreases were particularly marked in the Eurozone. The four fastest drops were recorded by the Netherlands, Austria, Germany and France.

Global manufacturers continued to unwind their inventory positions in March. **Stocks of purchases** declined at the fastest pace in the series history. Among the national manufacturing sectors covered, only India reported a gain in input inventories. Even here, the rate of growth was marginal.

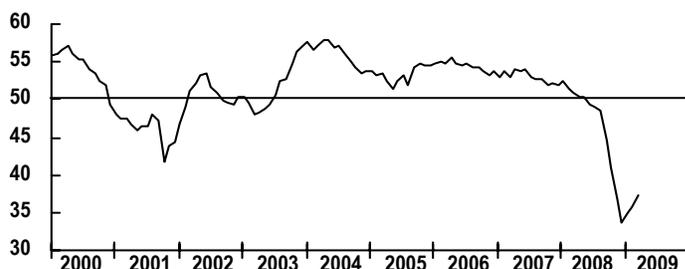
Please be advised that the historical series of the global services and global all-industry PMIs, scheduled for release on 3rd April, will contain revised figures for September 2007 onwards. This relates to the inclusion of data from the recently launched Japan Services PMI.

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

"The rate of contraction of the global manufacturing sector eased further in March. Although index values remain well below those consistent with an outright recovery, they do suggest that manufacturers may be passed the worst of the recession. Further jobs losses and unwinding of inventory positions suggests restructuring efforts are still ongoing."

JPMorgan Global Manufacturing PMI

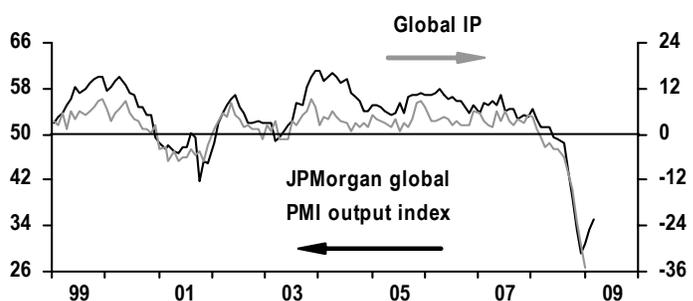
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Global manufacturing output

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Global Manufacturing PMI Summary

50 = no change on previous month.

	Feb	Mar	Change	Summary
Global PMI	35.8	37.2	+	Deteriorating, slower rate
Output	33.4	35.2	+	Contracting, slower rate
New Orders	31.4	35.8	+	Contracting, slower rate
Input Prices	35.1	34.2	-	Falling, faster rate
Employment	35.0	35.8	+	Falling, slower rate

For further information, please contact:

Markit

Rob Dobson, Senior Economist
Telephone +44-1491-418-695
Email rob.dobson@markit.com

Caroline Lumley, Corporate Communications
Telephone +44-20-7260-2047
Email caroline.lumley@markit.com

JPMorgan Chase Bank

David Hensley, Director of Global Economics Coordination
Telephone +1-212-834-5516
Email david.hensley@jpmorgan.com

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	ABNAMRO	www.abnamro.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	ABNAMRO	www.abnamro.com
Austria	0.6	Markit	BA Credenstalt/OPWZ	www.ba-ca.com , http://einkauf.opwz.com
Poland	0.5	Markit	RBS	www.rbs.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	ABNAMRO	www.abnamro.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



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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