

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

Growth of global manufacturing continued in September

The JPMorgan **Global Manufacturing PMI** posted 53.0 in September, broadly in line with the 26-month high of 53.1 reached in August. The sector continued to record robust gains in production and new orders, but at less marked rates than in the previous month. The downturn in the labour market continued to ease, although job losses remained substantial.

The headline PMI has now posted above the neutral 50.0 mark for two months running. Over Q3 2009 as a whole, the average reading was the highest since Q4 2007.

Manufacturing production increased for the fourth successive month in September. The **Global Manufacturing Output Index** fell slightly to 55.6, the first decline in its level during the year-to-date, but remained at one of its highest levels since mid-2007.

The upturn in production was broad-based by nation. Rates of expansion were relatively elevated in Asia. Growth hit a 43-month high in Japan, remained close to August's 22-month peak in China and reaccelerated in India. The US also posted marked output gains, although the pace of increase eased sharply compared to the previous month's high.

Although the European manufacturing sectors continued (broadly speaking) to recover in September, the performance was weaker than the global average. The Eurozone reported slight gains for the second month in a row. UK output rose, but at a much slower pace than in August. Four of the five national surveys to report contractions at the time of writing – Italy, Spain, Ireland and Denmark – were European (the other was South Africa).

Following a further increase in September, the level of **new orders** has risen throughout Q3 2009. The rate of expansion remained robust, led by gains in the US, China, Japan and India. There was also a moderate increase in the Eurozone which was the strongest since November 2007. **International trade volumes** increased at the fastest pace since the start of 2008.

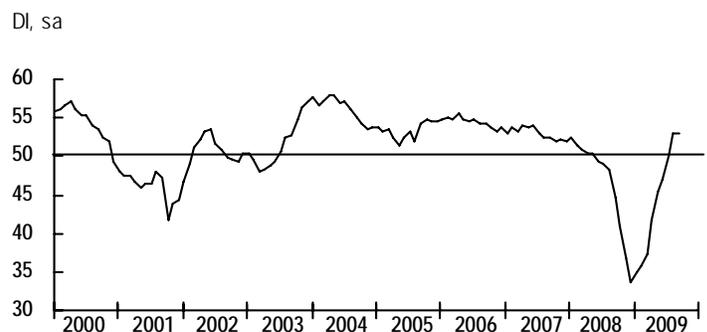
Holdings of raw materials declined for the thirty-third month running in September. The rate of depletion remained rapid, despite easing to its weakest since last October. Lower holdings were reported in almost all of the nations covered, the exception being a solid increase recorded for India. The forward-looking orders-to-inventory ratio also remained at a highly supportive level, albeit lower than the previous month's record high.

The **Global Manufacturing Input Prices Index** posted 54.2 in September, unchanged from August. The US, China and India all reported marked increases in purchase prices. In contrast, costs continued to fall in the Eurozone, Japan and the UK.

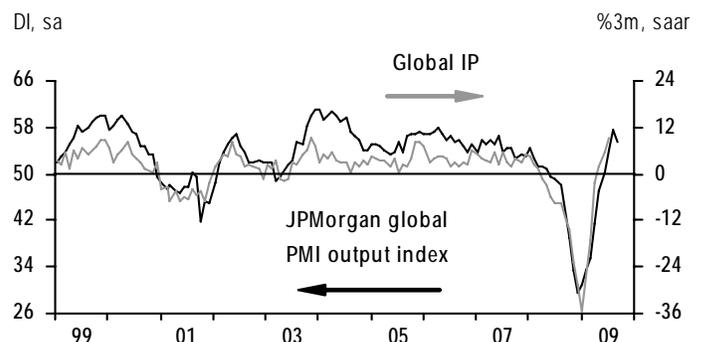
Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"The global PMI stalled in September after many months of gains. Current levels of output and orders are extremely elevated, consistent with robust growth in current and near-term manufacturing activity. The PMI's employment and inventory indexes are gradually recovering, signaling that companies are retrenching less aggressively as sales and production recover."

JPMorgan Global Manufacturing PMI



Global manufacturing output



Global Manufacturing PMI Summary

50 = no change on previous month.

	Aug	Sep	Change	Summary
Global PMI	53.1	53.0	-	Expanding, slower rate
Output	57.4	55.6	-	Growth, slower rate
New Orders	58.1	57.3	-	Growth, slower rate
Input Prices	54.2	54.2	=	Rising, unchanged rate
Employment	46.5	46.9	+	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	HSBC	www.hsbc.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	HSBC	www.hsbc.com
India	1.7	Markit	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	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	HSBC	www.hsbc.com
Austria	0.6	Markit	BA Creditanstalt/OPWZ	www.ba-ca.com, http://einkauf.opwz.com
Poland	0.5	Markit	HSBC	www.hsbc.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	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



www.jpmorganchase.com



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