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 recession continued in February

The performance of the worldwide manufacturing sector remained very weak in February. Although the JPMorgan **Global Manufacturing PMI** rose further from December's record low, at 35.8 it was still well below the critical no-change mark of 50.0. Rates of decline eased for **production** and **new orders**, but accelerated to reach a new survey record for **employment**.

All of the national PMI surveys for which February data were available indicated declines in output, new business and staffing levels. Amongst the larger manufacturing economies covered by the survey, rates of contraction for output eased in the US, Japan, China and India. However, the recession in the European manufacturing sector deepened, as production levels in the Eurozone and the UK both contracted at the fastest pace in their respective series histories.

International trade volumes also declined sharply during the latest survey period. However, indexes tracking trends in both total orders books and incoming new export orders both rose slightly over the month.

Employment declined for the eleventh successive month in February. The performance of the US manufacturing labor market was especially weak, with staffing levels falling at the fastest pace in the sixty-one year ISM series history. Employment also fell at survey record rates in the Eurozone, Japan, the UK, Australia and Switzerland.

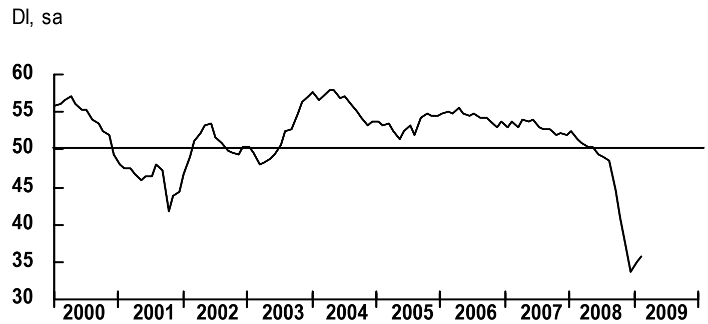
Average purchase prices continued to fall in February, although the rate of deflation eased further from December's survey record. **Vendor lead-times** showed a further marked improvement. This mainly reflected lower demand for raw materials, as companies adjusted their purchasing activity in line with reduced production requirements and to cut non-essential expenditure.

Stocks of purchases declined for the twenty-sixth successive month in February. Moreover, the rate of depletion in pre-production inventories was little-changed from the previous month's near series record. Almost all of the national manufacturing sectors for which February data were available, the exception being Japan, reported a drop in holdings of raw materials.

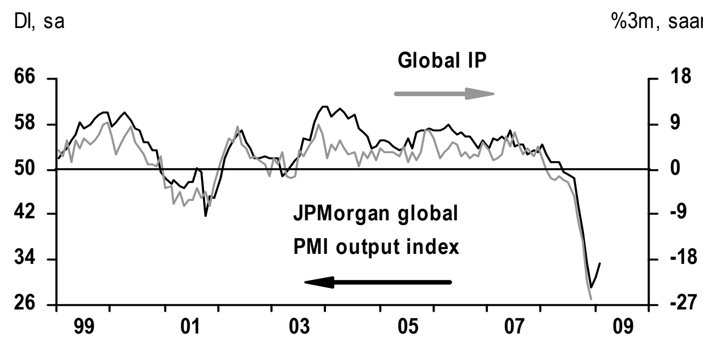
Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"The PMI edged higher for a second successive month in February. The data are still pointing to marked declines in output and new orders, but the gains in these indexes indicate that the rate of contraction has begun to ease in global industry. Production cuts are likely to remain deep near-term while companies reduce inventory."

JPMorgan global manufacturing PMI



Global manufacturing output



Global Manufacturing PMI Summary

50 = no change on previous month.

	Jan	Feb	Change	Summary
Global PMI	35.0	35.8	+	Deteriorating, slower rate
Output	30.7	33.4	+	Contracting, slower rate
New Orders	30.1	31.3	+	Contracting, slower rate
Input Prices	33.9	34.9	+	Falling, slower rate
Employment	36.4	34.9	–	Index at series-record low

– Ends –

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	ABN AMRO	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	ABN AMRO	www.abnamro.com
Austria	0.6	Markit	BA Creditanstalt/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	ABN AMRO	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

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www.jpmorganchase.com

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ISM
institute for supply management
www.ism.ws

IFPSM
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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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