

News Release

MARKET SENSITIVE INFORMATION

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JPMorgan Global Manufacturing PMI™

Produced by JPMorgan and Markit in association with ISM and IFPSM

Global manufacturing growth remained robust in March

The **JPMorgan Global Manufacturing PMI** fell to a three-month low of 55.8 in March, from a near-record high of 57.4 in February. The PMI has now remained above the neutral 50.0 mark for 21 consecutive months.

Manufacturing production rose at a robust clip in March. Although the rate of growth eased to a four-month low, it was still above the long-run survey average and consistent with global industrial production expanding by between 5-6% *saar*.

The US manufacturing recovery continued to power ahead, with the rate of expansion the fastest in over seven years. China also saw a faster expansion, but not to an extent to fully recover the momentum lost following a marked slowdown in February. Although growth generally held up well in the other major industrial regions, rates of expansion were mostly slower than in recent months.

The Eurozone saw output rise at the slowest pace so far in the year-to-date and the UK at the least marked pace since last October. However, both saw growth remain well above their respective long-run survey averages. Rates of expansion stayed close to February highs in India and Russia. Meanwhile, the effects of the Tohoku earthquake meant that Japanese manufacturing output fell to the greatest extent since March 2009.

March saw growth of **new orders** also ease from the near-record highs signalled in the preceding two months. Rates of expansion moderated in the US, the Eurozone and China, while in the UK inflows of new business slowed sharply. Japan saw a marked decrease in incoming new orders.

New export orders posted a further solid gain in March, despite the rate of increase slipping to a three-month low. Growth slowed sharply in the US and also moderated in the Eurozone and the UK. Japan saw a slight reduction. China recorded a marginal increase in new exports following a decline in February.

Job creation was reported for the sixteenth month running in March, with the rate of increase remaining close to February's series record peak. Employment rose in almost all of the major industrial regions covered by the survey, the main exception being India. Rates of jobs growth were highest in the US and Germany, with the latter seeing employment rise at a survey record pace.

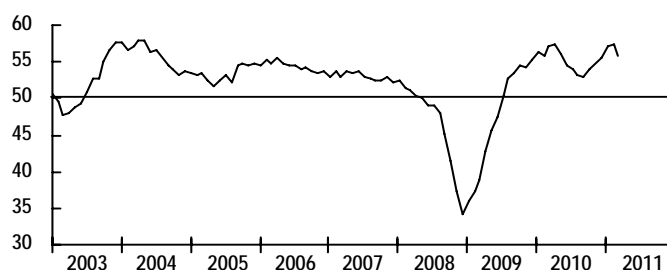
March saw a further marked increase in average **input prices**, with the rate of inflation remaining close to February's two-and-a-half year peak. Input prices indices were generally higher in the developed nations, especially the US where cost inflation hit a 32-month peak. The rate of increase in input prices in emerging markets eased sharply, led by China and Taiwan.

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

"Although easing from a near-record high in February, the March PMI data remained well above long-run trend and consistent with a robust increase in global IP of around 5-6% *saar*. This month's global PMI was considerably stronger excluding Japan, where the natural disasters sent the Japan PMI and industrial output plunging. There was little visible sign of supply-chain disruptions in the March surveys, but this effect is likely to be more visible in EM Asia in April."

JPMorgan Global Manufacturing PMI

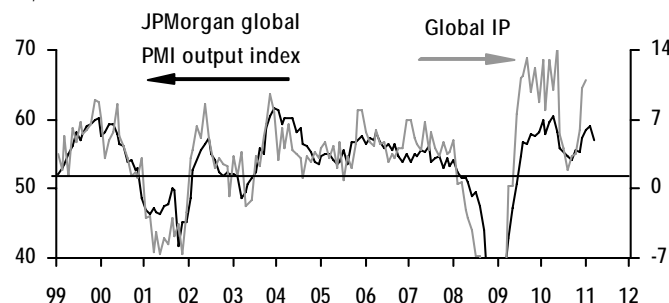
DI, sa



Global manufacturing output

DI, sa

%3m, *saar*



Global Manufacturing PMI™ Summary

50 = no change on previous month.

	Feb	Mar	Change	Summary, rate of change
Global PMI	57.4	55.8	–	Expanding, slower rate
Output	59.1	56.9	–	Expanding, slower rate
New Orders	59.5	55.1	–	Expanding, slower rate
Input Prices	76.0	75.4	–	Rising, slower rate
Employment	56.2	55.8	–	Rising, slower rate

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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 almost 30 countries. Together these countries account for an estimated 86% 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	28.6	ISM	—	www.ism.ws
Japan	12.3	Markit	JMMA	www.jmma.gr.jp
China	7.4	Markit	HSBC	www.hsbc.com
Germany	5.0	Markit	BME	www.bme.de
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
South Korea	1.9	Markit	HSBC	www.hsbc.com
Spain	1.8	Markit	AERCE	www.aerce.org
Australia	1.4	AIG	PriceWaterhouseCoopers	www.aigroup.asn.au , www.pwcglobal.com/au
Netherlands	1.1	Markit	NEVI	www.nevi.nl
Russia	1.0	Markit	HSBC	www.hsbc.com
Turkey	0.9	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	0.5	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
Singapore	0.4	SIPMM	—	www.sipmm.org.sg
Ireland	0.3	Markit	NCB Stockbrokers	www.ncbdirect.com
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	0.1	HALPIM	Hungarian National Bank	www.logisztika.hu

* Source: World Bank WDI (2009 data, constant US\$ measure)



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