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# News Release

**MARKET SENSITIVE INFORMATION**

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# JPMorgan Global Manufacturing PMI™

Produced by JPMorgan and Markit in association with ISM and IFPSM

## Growth of global manufacturing production and new orders eased to one-year lows in July

July saw growth of the global manufacturing sector cool further from the post-recession peak reached in April. The **JPMorgan Global Manufacturing PMI** posted 54.3, its lowest reading in eight months but still consistent with a solid rate of expansion. The headline PMI has signalled an improvement in operating conditions in each month since July 2009.

Underlying the ongoing recovery signalled by the manufacturing PMI were solid gains in output, new orders and employment.

**Manufacturing production** increased for the fourteenth month running in July. Although the rate of expansion eased to a one-year low, it was above the average for the survey history.

National PMI data signalled that output growth eased in the US, Japan, the UK and emerging markets. The rate of expansion improved slightly in the euro area, rising to a three-month high.

Supporting the latest increase in output was a further rise in the level of **incoming new work** during July. However, the rate of growth in new order books eased to its weakest since July 2009, when the current thirteen-month sequence of expansion began. The slowdown in new order growth was mainly centred on the US, China and Japan. In contrast, both the Eurozone and the UK saw stronger rates of increase.

Growth of international trade flows also eased further in July. The rate of expansion in **new export orders** was the slowest in seven months, having eased sharply since hitting a survey record high in April. The Eurozone, Japan and the UK all reported weaker rates of increase in July, but growth accelerated in the US.

Global manufacturing **employment** rose for the seventh successive month in July, with the rate of jobs growth picking up slightly from June's three-month low. Staffing levels rose at a faster pace in the US, the Eurozone and Japan. China and the UK both recorded further increases in employment, but their respective rates of job creation eased slightly over the month.

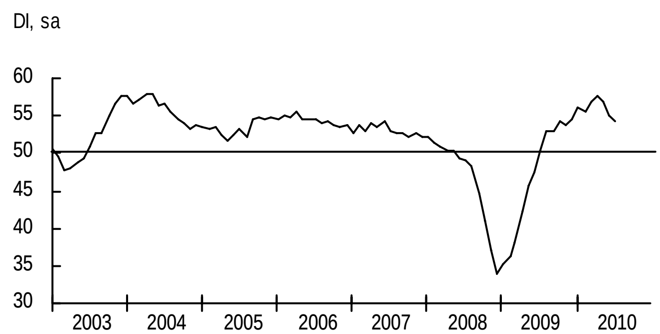
July data pointed to the slowest rate of increase in **average purchase prices** since last November, with the rate of inflation below the survey average for the first time in eight months. The slowdown in cost pressures was mainly centred on the Eurozone, Japan and China (with China the only nation covered to report a decline in purchase prices). In contrast, the US saw costs rise at a slightly sharper pace in July.

Apart from higher raw material prices, part of the latest inflation of costs reflected ongoing supply-chain disruption. This was highlighted by a further increase in average **vendor lead times**.

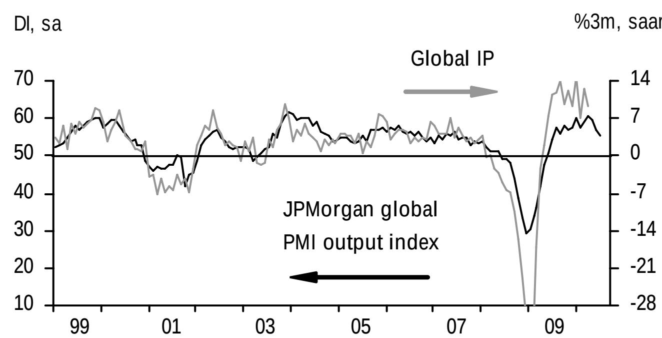
**Commenting on the survey, Joseph Lupton, Global Economist at JPMorgan, said:**

"The July PMI data are consistent with global manufacturing activity decelerating from the post-recession boom seen over the past year. However, rates of expansion in new orders, output and employment all remained above their respective survey averages. As such, while the loss of momentum will be quite noticeable, today's data confirms our view that the pace of growth will remain solid into the second half of this year."

JPMorgan Global Manufacturing PMI




Global manufacturing output




### Global Manufacturing PMI™ Summary

50 = no change on previous month.

| | Jun | Jul | Change | Summary, rate of change |
|---|---|---|---|---|
| Global PMI | 55.0 | 54.3 | – | Expanding, slower rate |
| Output | 56.9 | 55.5 | – | Expanding, slower rate |
| New Orders | 55.7 | 54.0 | – | Expanding, slower rate |
| Input Prices | 58.9 | 57.0 | – | Rising, slower rate |
| Employment | 53.2 | 53.5 | + | Rising, faster rate |

– Ends –

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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 | – | www.markit.com |
| 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)

www.jpmorganchase.com

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www.ifpsm.org

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