

News Release

MARKET SENSITIVE INFORMATION
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J.P.Morgan Global Manufacturing PMI™

Produced by J.P.Morgan and Markit in association with ISM and IFPSM

Manufacturing output and employment growth remain subdued

Growth in the global manufacturing sector remained lacklustre during August. The rate of expansion in production volumes eased to the weakest seen in 28 months and the pace of increase in new business stayed close to recent lows.

At 50.7 in August, the J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by J.P.Morgan and Markit in association with ISM and IFPSM – fell to its lowest level since July 2013.

Furthermore, the average so far in 2015 (51.3) is below the average for 2014 as a whole (52.3), suggesting that a solid rebound in growth will be needed if the sector is to even match last year's tepid pace.

Manufacturing production increased for the thirty-third successive month in August. However, the rate of expansion was the weakest since April 2013, as the downturn in emerging markets accelerated and growth slowed in the developed world.

The Czech Republic, Italy, Spain and Germany recorded the fastest rates of output expansion during August. The US, due to its large relative size, was also a significant contributor to the latest increase in global manufacturing production, despite growth in the nation easing to a 19-month low. Conditions continued to strengthen in the eurozone, with output growth accelerating to a 15-month high.

The main drags on the global average were contractions in China, France, Taiwan, South Korea, Indonesia, Malaysia, Russia, Greece and Brazil. There were some pockets of growth in Asia, however, with expansions in Japan, India and Vietnam.

Inflows of new orders in the global manufacturing sector also rose only moderately during August. A faster rate of contraction in emerging markets (which also reported a drop in new export business) partly offset quicker new order growth across developed nations (who also saw export orders rise).

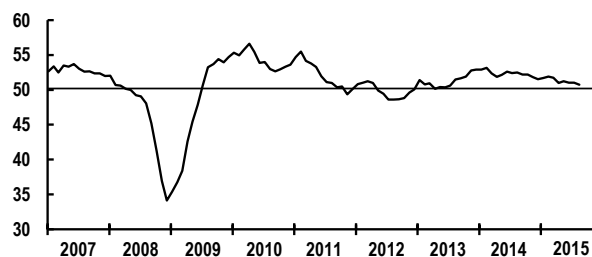
Global manufacturing employment rose for the twenty-fifth successive month in August, although the rate of jobs growth eased closer to stagnation.

Commenting on the survey, David Hensley, Director of Global Economic Coordination at J.P.Morgan, said:

“The August PMI surveys suggest that conditions in the global manufacturing sector remain relatively lacklustre, with growth staying stubbornly below its long-run trend and jobs growth slowing to near-stagnation. Price inflationary pressures are also muted, with input costs and selling prices showing little change during the month.”

JPMorgan Global Manufacturing PMI

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Global Manufacturing PMI™ Summary

50 = no change on prior month.

| Index | Jul. | Aug. | +/- | Summary |
|---------------|------|------|-----|-------------------------|
| Global PMI | 51.0 | 50.7 | - | Expanding, slower rate |
| Output | 51.6 | 51.0 | - | Expanding, slower rate |
| New Orders | 51.3 | 51.4 | + | Expanding, faster rate |
| New Exports | 49.9 | 49.9 | = | Falling, same rate |
| Employment | 50.7 | 50.2 | - | Increasing, slower rate |
| Input Prices | 51.4 | 50.5 | - | Increasing, slower rate |
| Output Prices | 49.5 | 49.7 | + | Falling, slower rate |

Employment rose in the US (albeit at the slowest pace in 13 months), the eurozone (four-year record), Japan, Mexico, Taiwan, Vietnam and Eastern Europe. Cuts were registered in China, the UK, France, Canada, South Korea, Russia, Brazil, Turkey, Malaysia, Austria, and Greece.

Price pressures remained muted during August. Average costs rose only marginally and at the weakest pace in four months. Meanwhile, average output charges fell for the second successive month. Selling prices declined in emerging markets, but increased in developed nations.

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Notes to Editors:

The Global Report on Manufacturing is compiled by Markit based on the results of surveys covering over 10,000 purchasing executives in over 30 countries. Together these countries account for an estimated 89% of global manufacturing output¹. 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 ² | Producer | In association with | Website |
|------------------------------|------------------------------------|-------------|---------------------------|--|
| United States ¹ : | | | | |
| After January 2010 | 25.2% | Markit | – | www.markit.com |
| Before Feb-2010 | 25.2% | ISM | – | www.ism.ws |
| Japan | 8.8% | Markit | Nikkei | www.nikkei.co.jp/nikkeiinfo/en/ |
| China | 8.4% | Markit | Caixan | www.caixin.com |
| Germany | 5.7% | Markit | BME | www.bme.de |
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| Vietnam | 0.2% | Markit | Nikkei | www.nikkei.co.jp/nikkeiinfo/en/ |

1 Data from the Markit survey of US manufacturing are included in the global manufacturing PMI composition from February 2010 onwards. Data prior to that date are based on the ISM US manufacturing survey.
2 Source: World Bank World Development Indicators (2012 data, constant US\$ measure).
3 Source: World Bank World Development Indicators (2010 data, constant US\$ measure).

Methodology: Global Manufacturing PMI™ Indices

The Global Manufacturing PMI™ indices are all seasonally adjusted. The seasonal adjustment is applied at the national level (as opposed to at the global aggregate level) in order to account for differing seasonal patterns in each of the nations included. Global Manufacturing PMI™ indices are weighted according to national contributions to global manufacturing gross value added. Weights for the global indices are derived from the latest available World Bank data on the gross value added of manufacturing for each of the nations covered. World Bank data on value added are in constant 2005 US\$, with all national currencies converted to 2005 US\$ by the World Bank using DEC alternative conversion factors.

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International Federation of Purchasing and Supply Management (IFPSM)

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