

News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 0900 EST 21 November 2013

Markit Flash U.S. Manufacturing PMI™

PMI rebounds to eight-month high in November

Key points:

- PMI recovers from October's one-year low
- Underlying growth trend remains modest
- Stronger increases in both output and new orders
- Modest rise in employment

Data collected 12–20 November.

At 54.3, the **Markit Flash U.S. Manufacturing Purchasing Managers' Index™ (PMI™)**¹, which is based on approximately 85% of usual monthly survey replies, rose to an eight-month high in November. This was up from a one-year low of 51.8 in October. Meanwhile, the three-month average of the PMI, which gives an indication of the underlying trend, was at 52.9, consistent with an ongoing modest improvement in manufacturing business conditions.

Flash U.S. Manufacturing PMI™ Summary

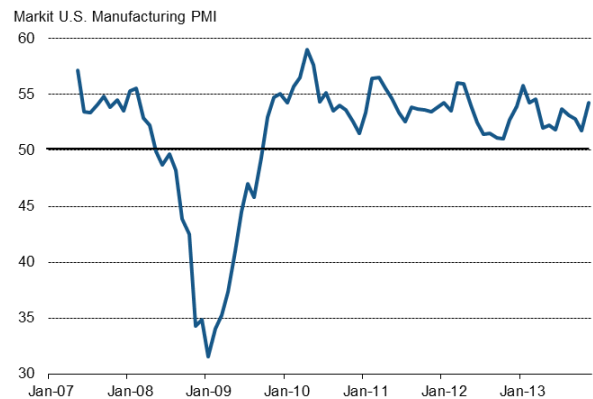
50.0 = no-change on previous month (seasonally adjusted)

Index	Nov'13	Oct'13	Change signalled
PMI	54.3	51.8	Expansion, faster rate
Output	57.1	50.6	Expansion, faster rate
New Orders	54.9	52.7	Expansion, faster rate
New Export Orders	52.6	51.3	Expansion, faster rate
Employment	52.2	52.7	Expansion, slower rate
Backlogs of Work	51.1	51.4	Expansion, slower rate
Output Prices	54.1	53.8	Rise, faster rate
Input Prices	58.0	57.7	Rise, faster rate
Stocks of Purchases	47.1	44.8	Contraction, slower rate
Stocks of Finished Goods	47.3	49.7	Contraction, faster rate
Quantity of Purchases	54.3	48.5	Expansion, change in direction
Suppliers' Delivery Times	44.1	44.7	Lengthening, faster rate

Source: Markit.

¹ Please note that Markit's PMI data, flash and final, are derived from information collected by Markit from a different panel of companies to those that participate in the ISM Report on Business. No information from the ISM survey is used in the production of Markit's PMI.

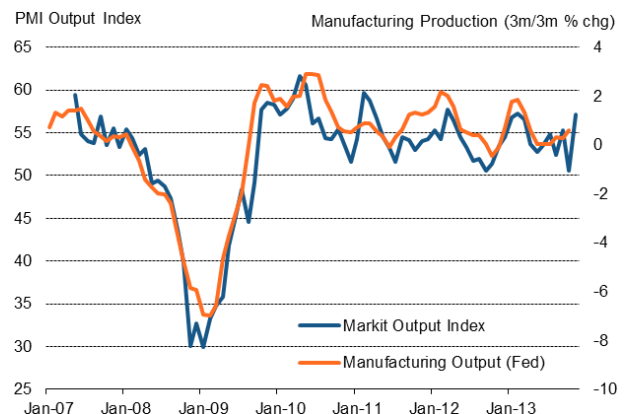
Markit U.S. Manufacturing PMI (seasonally adjusted)



Source: Markit.

After having increased only marginally in October, dampened by disruptions arising from the government shutdown, manufacturing production rose at the strongest pace for nine months during November. In the past three months, the average rate of output growth similarly picked up to a solid pace.

Manufacturing output

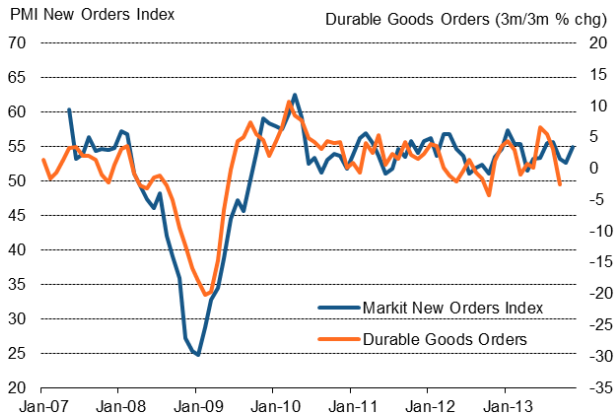


Sources: Markit, U.S. Federal Reserve.

The volume of new orders received by manufacturers rose further during November. The rate of growth was solid and broadly in line with the average for the year to date.

Both the levels of domestic and export orders increased over the month. This was the second consecutive monthly rise in new export work, with the rate of growth the fastest since December 2012, though still only moderate.

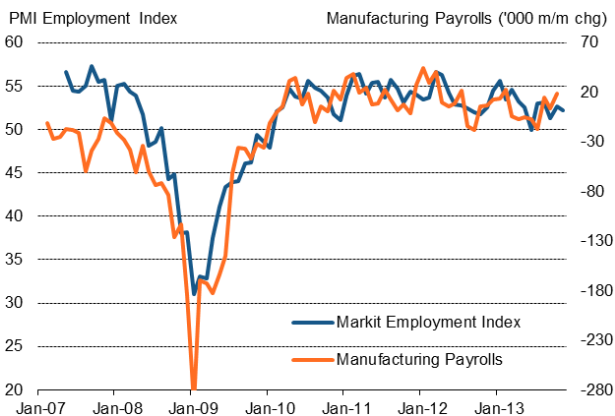
Manufacturing new orders



Sources: Markit, U.S. Census Bureau.

Employment in the U.S. manufacturing sector increased in November, with firms often citing higher order requirements and recent business expansions. Nonetheless, the rate of job creation was only modest and the second-weakest in the current five-month sequence of rising employment.

Manufacturing employment

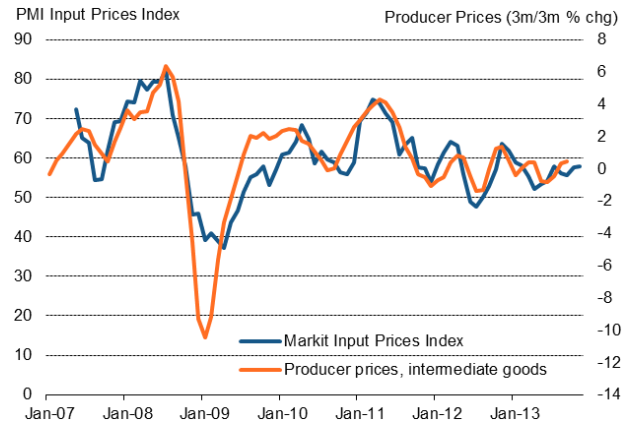


Sources: Markit, Bureau of Labor Statistics.

Input costs continued to rise in November, especially for metals. Overall, the rate of inflation was the fastest since February.

Higher costs were generally passed on to clients, with firms raising their selling prices for the fifteenth month in a row. Notably, the latest increase in charges was the joint-strongest recorded by the survey in the past two years.

Input prices



Sources: Markit, Bureau of Labor Statistics.

Reflective of higher new order volumes, the quantity of inputs bought by manufacturers increased in November. The solid rise in purchasing activity more than reversed a reduction in October. Meanwhile, input inventories were depleted further, albeit at a slower rate. Concurrently, suppliers' lead times continued to lengthen. The latest increase in delivery times was the strongest since July 2011, suggesting a build-up of capacity constraints in the manufacturing supply chain.

Commenting on the flash PMI data, **Chris Williamson, Chief Economist at Markit** said:

"The flash PMI suggests that the manufacturing economy continues to expand at a reasonable but unspectacular rate. The PMI bounced back from the fall seen in October, linked to business returning to normal after the uncertainty and disruption caused by the government shutdown (respondents are asked to compare the situation at mid-month versus one month ago).

"The recent index readings are consistent with manufacturing output growing 0.6% in the fourth quarter (equivalent to an annualised rate of 2.3%). However, even this pace of expansion is barely generating any employment growth, with the survey consistent with manufacturing payrolls rising by only 1,000 in November.

"The resilience of the manufacturing economy in the face of headwinds such as the shutdown and fiscal wrangling will add to calls for policy to be tapered. However, the recent drop in inflation to its lowest since October 2009 suggests that the Fed will be in no rush to tighten policy until the new year, eager instead to see the pace of growth show greater robustness and sustainability."

-Ends-

For further information, please contact:

Markit

Chris Williamson, Chief Economist
Telephone +44-20-7260-2329
Mobile +44-779-555-5061
Email chris.williamson@markit.com

Rob Dobson, Senior Economist
Telephone +44-1491-461-095
Mobile +44-782-691-3863
Email rob.dobson@markit.com

Caroline Lumley, Corporate Communications
Telephone +44-20-7260-2047
Mobile +44-7815-812-162
Email caroline.lumley@markit.com

Alex Paidas, Corporate Communications
Telephone +1-212-205-7101
Mobile +1-646-246-4889
Email alex.paidas@markit.com

Note to Editors:

Final November data are published on 2 December 2013.

Markit originally began collecting monthly *Purchasing Managers' Index*[™] (*PMI*[™]) data in the U.S. in April 2004, initially from a panel of manufacturers in the U.S. electronics goods producing sector. In May 2007, Markit's U.S. PMI research was extended out to cover producers of metal goods. In October 2009, Markit's U.S. Manufacturing PMI survey panel was extended further to cover all areas of U.S. manufacturing activity. Back data for Markit's U.S. Manufacturing PMI between May 2007 and September 2009 are an aggregation of data collected from producers of electronic goods and metal goods producers, while data from October 2009 are based on data collected from a panel representing the entire U.S. manufacturing economy. Markit's total U.S. Manufacturing PMI survey panel comprises over 600 companies.

The flash estimate is typically based on approximately 85%–90% of total *PMI* survey responses each month and is designed to provide an accurate advance indication of the final *PMI* data.

The panel is stratified by North American Industrial Classification System (NAICS) group and company size, based on industry contribution to U.S. GDP. Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

The *Purchasing Managers' Index*[™] (*PMI*[™]) is a composite index based on five of the individual indexes with the following weights: New Orders – 0.3, Output – 0.25, Employment – 0.2, Suppliers' Delivery Times – 0.15, Stocks of Items Purchased – 0.1, with the Delivery Times Index inverted so that it moves in a comparable direction.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from Markit. Please contact economics@markit.com.

About Markit

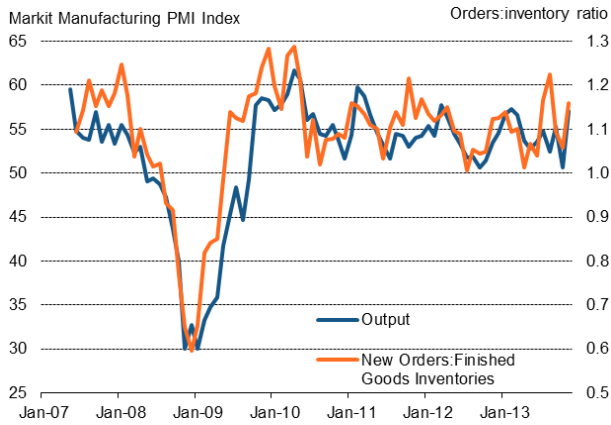
Markit is a leading, global financial information services company with over 3,000 employees. The company provides independent data, valuations and trade processing across all asset classes in order to enhance transparency, reduce risk and improve operational efficiency. Its client base includes the most significant institutional participants in the financial market place. For more information, see <http://www.markit.com/en/>.

About PMIs

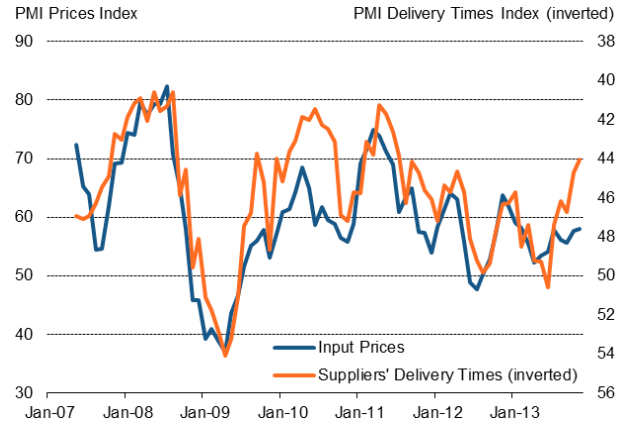
Purchasing Managers' Index[™] (*PMI*[™]) surveys are now available for 32 countries and also for key regions including the Eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more go to www.markit.com/economics.

The intellectual property rights to the Flash U.S. Manufacturing *PMI*[™] provided herein is owned by Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index*[™] and *PMI*[™] are trade marks of Markit Economics Limited. Markit and the Markit logo are registered trade marks of Markit Group Limited.

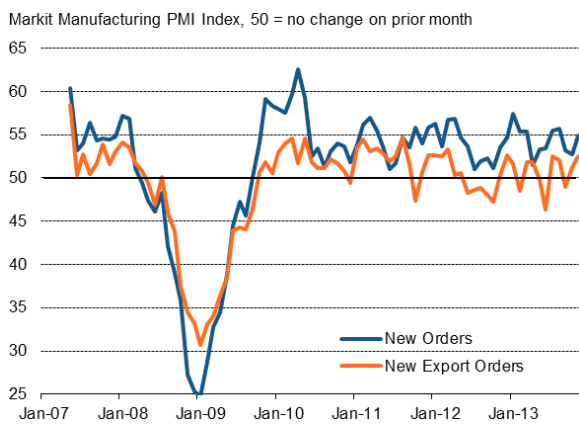
Output and orders:inventory ratio



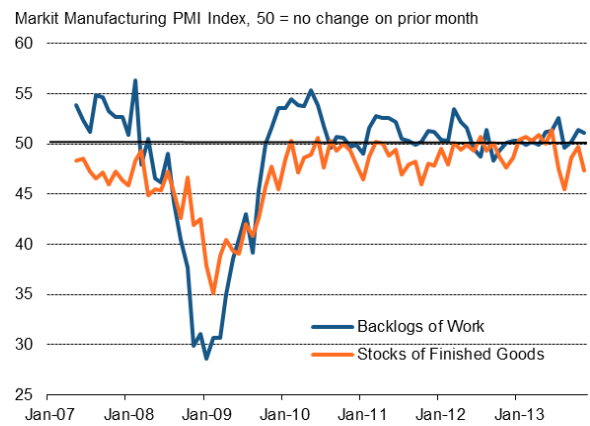
Supply chain developments



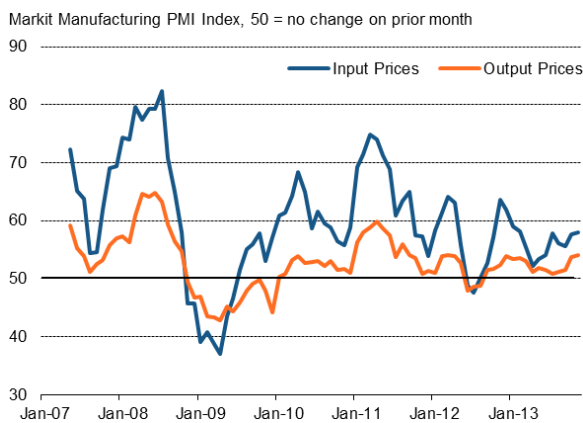
New orders



Backlogs of work and warehouse inventories



Prices



Purchasing and input inventories

