

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

Global Manufacturing PMI at five-month low in March

The upturn in the global manufacturing sector lost some traction at the end of the first quarter of 2014. At 52.4 in March, down from 53.2 in February, the J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by JPMorgan and Markit in association with ISM and IFPSM – fell to a five-month low, but remained above its average for the current 16-month sequence of expansion.

Global manufacturing production increased for the seventeenth consecutive month in March. However, the rate of expansion eased to a five-month low, mainly on the back of a slowdown in Asia. Growth of total new orders also eased slightly, despite improved inflows of new export business.

Japanese output growth continued to cool sharply from January's series-record – reaching a six-month low – but remained above the global average nonetheless. Production in China, meanwhile, contracted for the second straight month and to the greatest extent since November 2011.

Slower rates of output expansion were also signalled for Taiwan and India, while South Korea and Indonesia stayed close to stagnation. Vietnam recorded a faster pace of output growth.

US manufacturing production increased at a clip close to February's near three-year record, and although the strong upturn in the UK slowed again the rate of expansion remained well above its long-run trend and the global average.

Rates of output growth edged higher in the eurozone (with production rising in all of the member nations covered by the PMI surveys) and Brazil, slowed slightly in Canada and Mexico, while Russia contracted at the fastest pace since May 2009.

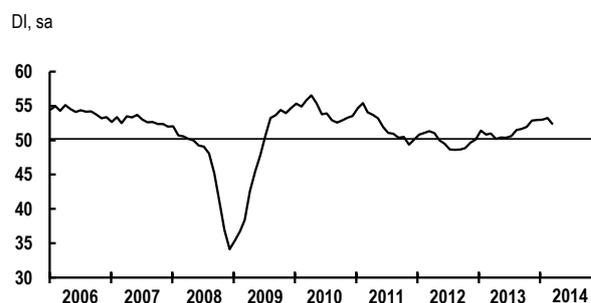
March data signalled an increase in manufacturing employment for the eighth month running, with the rate of jobs growth the fastest during that period. Among the larger industrial regions, employment rose in North America, the eurozone, Japan, the UK, South Korea, Taiwan and Brazil, but fell in China.

Average input cost inflation slowed to a nine-month low in March, while manufacturers' selling prices fell for the first time since July last year. These trends mainly reflected a lessening of price pressures in Asia and Europe.

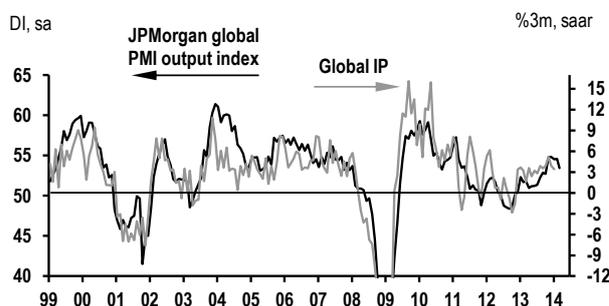
Commenting on the survey, David Hensley, Director of Global Economics Coordination at J.P.Morgan, said:

“The March PMI confirms the anticipated downshift in the global manufacturing sector, as the headline index resumes its slowing trend following the weather-related distortions from the US and Japan surveys in recent months. Although growth is cooling from the highs reached at the end of last year, the picture remains one of continued expansion, suggesting manufacturing will remain a contributor to both global economic growth and job creation.”

JPMorgan Global Manufacturing PMI



Global manufacturing output



Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Feb	Mar	+/-	Summary
Global PMI	53.2	52.4	-	Expanding, slower rate
Output	54.6	53.4	-	Expanding, slower rate
New Orders	54.6	53.2	-	Expanding, slower rate
Employment	51.3	51.5	+	Increasing, faster rate
Input Prices	53.5	51.5	-	Increasing, 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 10,000 purchasing executives in 32 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	JMMA	www.jmma.gr.jp
China	8.4%	Markit	HSBC	www.hsbc.com
Germany	5.7%	Markit	BME	www.bme.de
United Kingdom	4.5%	Markit	CIPS	www.cips.org
France	4.2%	Markit	–	www.markit.com
Italy	3.2%	Markit	ADACI	www.adaci.it
India	2.5%	Markit	HSBC	www.hsbc.com
Canada	2.3%	Markit	Royal Bank of Canada/SCMA	www.rbc.com , www.scmanational.ca
Spain	2.2%	Markit	AERCE	www.aerce.org
Brazil	2.1%	Markit	HSBC	www.hsbc.com
South Korea	2.0%	Markit	HSBC	www.hsbc.com
Mexico	1.9%	Markit	HSBC	www.hsbc.com
Russia	1.8%	Markit	HSBC	www.hsbc.com
Australia	1.6%	AiGroup	–	www.aigroup.asn.au
Netherlands (The)	1.3%	Markit	NEVI	www.nevi.nl
Turkey	1.2%	Markit	HSBC	www.hsbc.com
Taiwan	0.9%	Markit	HSBC	www.hsbc.com
Switzerland	0.8%	procure.ch	Credit Suisse	www.procure.ch , www.credit-suisse.ch
Indonesia	0.8%	Markit	HSBC	www.hsbc.com
Poland	0.8%	Markit	HSBC	www.hsbc.com
Austria	0.6%	Markit	Bank Austria/OPWZ	www.bankaustria.at , http://einkauf.opwz.com
South Africa	0.6%	BER	CIPS/Kagiso	www.ber.sun.ac.za , www.cips.org , www.kagiso.com
Denmark	0.5%	DILF	Kairoscommodities	www.dilf.dk , www.kairoscommodities.com
Ireland	0.4%	Markit	Investec	www.investec.co.uk
Greece	0.4%	Markit	HPI	www.hpi.org
Singapore	0.3%	SIPMM	–	www.sipmm.org.sg
Israel	0.3%	IPLMA	Bank Hapoalim Ltd	www.iplma.org.il , http://www.bankhapoalim.co.il
Czech Republic	0.3%	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
Vietnam	0.2%	Markit	HSBC	www.hsbc.com

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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