

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 remains marginal in May

The global manufacturing sector eked out further marginal expansions of production and new business during May, with rates of growth ticking higher for both.

At 50.6 in May, up from 50.4 in April, the **JPMorgan Global Manufacturing PMI™** – a composite index* produced by JPMorgan and Markit in association with ISM and IFPSM – was only marginally above its key mark of 50.0 that separates expansion from contraction.

Manufacturing production increased for the seventh successive month in May. The rate of expansion was modest and in line with the average for the current sequence of increase. Among the largest nations covered by the survey, output rose in the US, China, Japan, Germany, the UK, South Korea and Brazil. The downturn in the euro area also eased sharply.

Incoming new orders rose for the fifth consecutive month in May. The rate of increase picked up slightly compared to April, but was nonetheless only moderate. The trend in new export business also remained near-stagnant.

The US, Japan, Germany, the UK and Brazil all reported higher levels of new business. Demand continued to weaken in the eurozone, extending the current period of decrease to two years. However, the rate of contraction at euro area manufacturers eased sharply. Manufacturers in Asia showed further signs of slowdown, as levels of new business received in China, Taiwan and Vietnam all fell back into contraction and India registered only a slight increase.

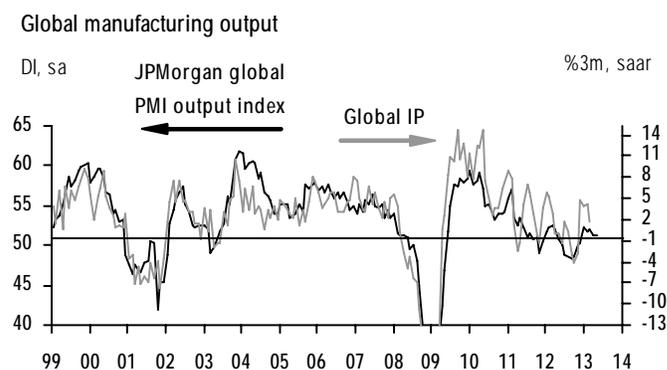
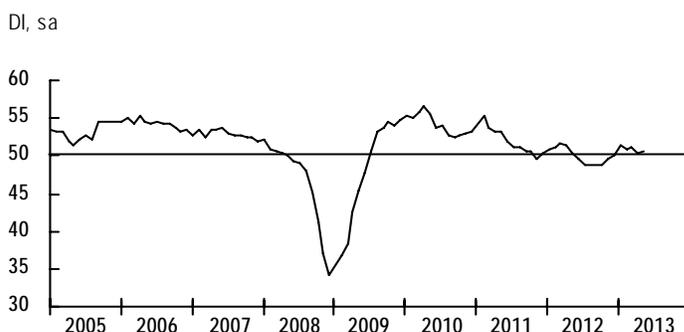
Manufacturing employment also posted a marginal increase in May, the sixth in successive months. Job creation was seen in the US, Japan, the UK, Czech Republic, Canada, Mexico, India, South Korea, Turkey and Indonesia.

Price pressures remained relatively muted during the latest survey period. Average purchasing costs were unchanged compared with April, mainly due to lower input prices in China, the eurozone and Taiwan offsetting increases in the US, Brazil and Russia. Meanwhile, average output prices in the global manufacturing sector declined for the second month in a row, again largely due to lower charges at manufacturers in Asia and the euro area.

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

"Although the global manufacturing sector recorded further growth of output in May, the rate of expansion remains sluggish. The good news is that the survey's leading indicators of new orders and finished goods inventory are moving in a constructive fashion, hinting that output growth might pick up into midyear. These indicators need to be watched carefully in the next few months."

JPMorgan Global Manufacturing PMI



Global Manufacturing PMI™ Summary

50 = no change on previous month.

	Apr	May	Change	Summary, rate of change
Global PMI	50.4	50.6	+	Expanding, faster rate
Output	51.2	51.4	+	Expanding, faster rate
New Orders	50.8	51.4	+	Expanding, faster rate
Input Prices	50.3	50.0	-	No change, from increasing
Employment	50.2	50.4	+	Rising, faster rate

*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. Please email rob.dobson@markit.com for further details.

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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 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 (pre Feb-10)	28.1	ISM	–	www.ism.ws
United States (post Jan-10)	28.1	Markit	–	www.markit.com
Japan	12.1	Markit	JMMA	www.jmma.gr.jp
China	7.9	Markit	HSBC	www.hsbc.com
Germany	5.0	Markit	BME	www.bme.de
United Kingdom	4.1	Markit	CIPS	www.cips.org
France	3.6	Markit	–	www.markit.com
Italy	2.7	Markit	ADACI	www.adaci.it
India	2.3	Markit	HSBC	www.hsbc.com
Brazil	2.2	Markit	HSBC	www.hsbc.com
Canada	2.1	Markit	Royal Bank of Canada/PMAC	www.rbc.com, www.pmac.ca
South Korea	1.9	Markit	HSBC	www.hsbc.com
Spain	1.7	Markit	AERCE	www.aerce.org
Mexico	1.7	Markit	HSBC	www.hsbc.com
Australia	1.3	AIG	–	www.aigroup.asn.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	0.7	Markit	HSBC	www.hsbc.com
Indonesia	0.7	Markit	HSBC	www.hsbc.com
Switzerland	0.7	procure.ch	Credit Suisse	www.procure.ch, www.credit-suisse.ch
Poland	0.6	Markit	HSBC	www.hsbc.com
Austria	0.5	Markit	Bank Austria/OPWZ	www.bankaustria.at, http://einkauf.opwz.com
South Africa	0.5	BER	CIPS/Kagiso	www.ber.sun.ac.za, www.cips.org, www.kagiso.com
Denmark	0.4	DILF	Kairoscommodities	www.dilf.dk, www.kairoscommodities.com
Israel	0.4	IPLMA	Bank Hapoalim Ltd	www.iplma.org.il, http://www.bankhapoalim.co.il
Singapore	0.4	SIPMM	–	www.sipmm.org.sg
Greece	0.4	Markit	HPI	www.hpi.org
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
Vietnam	0.2	Markit	HSBC	www.hsbc.com
Hungary	0.1	HALPIM	Hungarian National Bank	www.logisztika.hu

* Source: World Bank WDI (2010 data, constant US\$ measure)



www.jpmorganchase.com



www.markit.com



institute for supply management

www.ism.ws



IFPSM

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