

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 remains in slow growth gear during April

The growth rate of the global manufacturing sector ground to a near-standstill at the start of the second quarter. At 50.1 in April, the J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by J.P.Morgan and Markit in association with ISM and IFPSM – posted a reading barely above its no-change level of 50.0 and the second weakest during the past forty months.

Rates of expansion in output and new orders also decelerated back towards the broadly stagnant outcomes registered in February. Conditions remained muted in many domestic markets, while international trade flows continued to deteriorate. The level of new export business fell for the third straight month and to the greatest extent since September of last year.

The performances of the main industry groups covered by the survey all remained lacklustre during April. Output growth slowed to marginal rates at both consumer and intermediate goods producers, while the investment goods sector stagnated.

Developed and emerging markets both exhibited a degree of weakness during the latest survey month. Developed nations (on average) saw their combined pace of output expansion slow to a three-year low. Production growth slipped to a 16-month low in the European Union, to a (Markit) survey low in the US and declined at the fastest pace in two years in Japan.

April saw output fall back into contraction territory in the emerging markets, the tenth time in the past 12 months that a decrease has been registered. China stagnated, growth slowed in India and Indonesia, while Brazil, Russia and Malaysia recorded substantial downturns in production.

Global manufacturing employment fell for the third consecutive month in April. Although the pace of job losses was again only moderate, it was nonetheless the steepest signalled since June 2013. The US saw only a negligible gain in staffing levels, while employment in China fell at the second-fastest pace since January 2009.

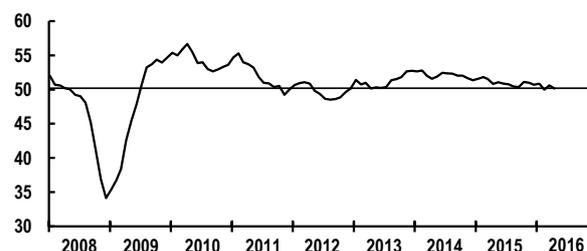
Brighter labour market news was provided by the eurozone and Japan, which both saw jobs growth accelerate. Among the euro area nations for which April data were available, only France registered a decrease in workforce numbers during the latest survey month.

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

“The latest PMI data indicate global manufacturing output is growing at an anemic pace, similar to the past year. What is notable is the sharp drop in the PMI finished goods inventory index. Once manufacturers have aligned inventories with sales, faster production gains should ensue.”

JPMorgan Global Manufacturing PMI

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Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Mar.	Apr.	+/-	Summary
Global PMI	50.6	50.1	-	Rising, slower rate
Output	51.3	50.4	-	Expanding, slower rate
New Orders	51.4	50.4	-	Expanding, slower rate
New Exports	49.6	49.2	-	Falling, faster rate
Employment	49.6	49.4	-	Falling, faster rate
Input Prices	49.5	51.5	+	Rising, from falling
Output Prices	49.5	50.3	+	Rising, from falling

Price gauges tracked higher in April, with both input costs and output charges rising to halt recent sequences of decline. However, a marked disparity was evident between the trends seen (on average) in developed and emerging nations. While prices tended to fall in the developed world, emerging markets generally registered solid rates of inflation.

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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	25.4%	Markit	–	www.markit.com
Before Feb-2010	25.4%	ISM	–	www.ism.ws
China	9.1%	Markit	Caixin	www.caixin.com
Japan	8.2%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Germany	5.5%	Markit	BME	www.bme.de
United Kingdom	4.6%	Markit	CIPS	www.cips.org
France	4.1%	Markit	–	www.markit.com
Italy	3.0%	Markit	ADACI	www.adaci.it
India	2.7%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Canada	2.3%	Markit	Royal Bank of Canada/SCMA	www.rbc.com , www.scmanational.ca
South Korea	2.1%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Brazil	2.1%	Markit	–	www.markit.com
Spain	2.0%	Markit	AERCE	www.aerce.org
Mexico	1.8%	Markit	–	www.markit.com
Russia	1.7%	Markit	–	www.markit.com
Australia	1.5%	AiGroup	–	www.aigroup.asn.au
Netherlands (The)	1.3%	Markit	NEVI	www.nevi.nl
Turkey	1.2%	Markit	ISO	www.markit.com
Switzerland	0.8%	procure.ch	Credit Suisse	www.procure.ch , www.credit-suisse.ch
Indonesia	0.8%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Taiwan	0.8%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Poland	0.7%	Markit	–	www.markit.com
Austria	0.6%	Markit	Bank Austria/OPWZ	www.bankaustria.at , http://einkauf.opwz.com
South Africa	0.6%	BER	CIPS/Barclays	www.ber.sun.ac.za , www.cips.org , www.barclays.com
Denmark	0.5%	DILF	Kairoscommodities	www.dilf.dk , www.kairoscommodities.com
Ireland	0.4%	Markit	Investec	www.investec.co.uk
Malaysia	0.4%	Markit	Nikkei	www.nikkei.co.jp/nikkeiinfo/en/
Singapore	0.4%	SIPMM	–	www.sipmm.org.sg
Israel	0.3%	IPLMA	Bank Hapoalim Ltd	www.iplma.org.il , http://www.bankhapoalim.co.il
Greece	0.3%	Markit	HPI	www.hpi.org
Czech Republic	0.3%	Markit	–	www.markit.com
New Zealand	0.3%	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	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 (2014 data, constant US\$ measure).

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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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