

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 falls to 21-month low

The latest PMI surveys signalled a further growth slowdown in the global manufacturing sector, as rates of expansion in both production and new orders eased to the weakest since mid-2013.

At a 21-month low of 51.0 in April, down from 51.7 in March, the J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by JPMorgan and Markit in association with ISM and IFPSM – has now signalled expansion since December 2012.

Manufacturing production growth also eased to a 21-month low in April. The slowdown was broad-based in nature. Rates of expansion in previous standout performers the US and the UK were at four-and five-month lows respectively, China stagnated and Japan, South Korea and Taiwan all contracted.

Growth in the eurozone manufacturing sector held up comparatively well. Although the rate of expansion eased slightly over the month, it was still close to March's ten-month high and above the global average for the second straight month.

Ireland, Italy, Germany and Spain all reported solid expansions in manufacturing output, while Austria returned to growth following a sequence of contraction. In contrast, the downturns in the French and Greek manufacturing sectors continued, with rates of contraction accelerating to the fastest since December 2014 and June 2013 respectively.

Global manufacturing new orders expanded at the weakest pace in almost two years during April. This partly reflected a near-stalling of growth in incoming new export business. New export orders decreased in the US, the UK, France, Canada, Taiwan, South Korea, Turkey, Indonesia, Brazil and Greece. China and Japan reported only minor rises.

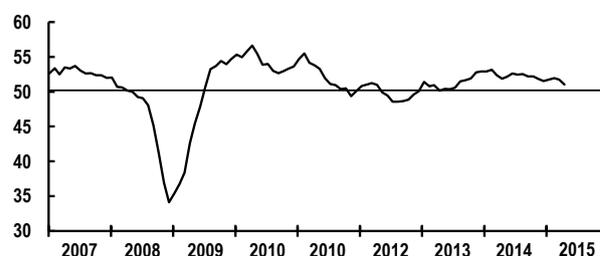
April data signalled an increase in global manufacturing employment for the twenty-first successive month in April. However, the rate of job creation has remained, at best, only moderate.

Commenting on the survey, Joseph Lupton, Senior Economist at J.P.Morgan, said:

“The April PMI shows a loss of momentum in global factory output in April, with production and new orders both decelerating. Combined with a pickup in the finished goods inventory PMI, the April readings suggest the headwinds to global industry will continue further into this quarter. Our forecast looks for goods demand to bounce in the coming months, aiding in the apparent need for some inventory adjustment. Assuming this stronger demand picture is sustained, the weak performance of global manufacturing so far this year should hopefully improve towards mid-year.”

JPMorgan Global Manufacturing PMI

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Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Mar.	Apr.	+/-	Summary
Global PMI	51.7	51.0	-	Expanding, slower rate
Output	53.3	51.7	-	Expanding, slower rate
New Orders	52.1	51.1	-	Expanding, slower rate
New Exports	50.7	50.1	-	Expanding, slower rate
Employment	50.7	50.7	=	Increasing, same rate
Input Prices	50.1	49.9	-	Declining, from rising
Output Prices	49.7	49.4	-	Falling, faster rate

Among the nations covered by the survey, staffing levels were raised in the US, the eurozone, Japan, the UK, Taiwan, Vietnam and Mexico.

Average input costs declined, albeit negligibly, during the latest survey month. Selling prices also registered a decrease, the fifth in as many months.

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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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