

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 growth remained lacklustre in June

The global manufacturing sector continued to hover around the point of stagnation in June, providing a subdued end to what was already a lacklustre first half of the year. At 50.4, the J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by J.P.Morgan and Markit in association with ISM and IFPSM – was only marginally above May's 50.0.

Only a handful of nations registered a solid improvement in operating performance during June, all of which were in the euro area (Germany, Italy, Austria and Ireland). The US, the UK, Spain, the Netherlands, Russia, Mexico, India, Taiwan, South Korea, Indonesia and Vietnam were the other larger manufacturing nations to record growth.

However, it should be noted that around 99% of survey responses for UK manufacturing were received before the EU referendum result was announced on June 24th.

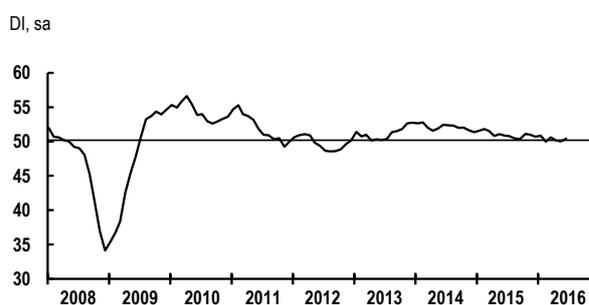
The two largest Asian manufacturing nations – China and Japan – both reported contractions in June. Operating conditions also deteriorated in France, Brazil, Malaysia and Turkey.

Global manufacturing production rose only marginally during June. Moreover, the average pace of expansion over the second quarter as a whole was the weakest since the final quarter of 2012.

Sector data signalled that output growth in the consumer goods industry accelerated to a three-month peak, while intermediate goods production ticked higher following May's decline. The main drag was the investment goods sector, which saw output contract slightly for the first time since December 2012. This followed weakening inflows of new business into the sector through the second quarter.

June saw a marginal increase in global manufacturing new orders, and a slightly quicker pace of expansion than in the prior survey month. The trend in new export business remained muted, with a decrease signalled for the fifth successive month. North American and European

JPMorgan Global Manufacturing PMI



Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	May	Jun.	+/-	Summary
Global PMI	50.0	50.4	+	Rising, from stagnation
Output	50.0	50.5	+	Rising, from stagnation
New Orders	50.3	50.8	+	Expanding, faster rate
New Exports	48.9	49.9	+	Falling, slower rate
Employment	49.7	49.9	+	Falling, slower rate
Input Prices	52.3	51.8	-	Rising, slower rate
Output Prices	50.4	50.3	-	Rising, slower rate

nations tended to report higher inflows of new export business, in contrast to the decreases seen in Japan, China, Brazil, Russia, Indonesia and Malaysia.

Global manufacturing employment decreased for the fifth successive month in June. Staffing levels were reduced in China, the UK, India, Turkey and Brazil (survey record pace). The US, the eurozone, Japan, South Korea, Taiwan, Russia, Indonesia and Vietnam all registered increased headcounts.

Price pressures remained moderate during June. Average output charges rose only marginally, while input costs increased at a rate well below the long-run survey trend.

N.B. June data from the Canadian Manufacturing PMI are not included in the latest report due to a later release date (4th July).

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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	–	www.markit.com
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).

³ Source: World Bank World Development Indicators (2014 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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