

## News Release

**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 11:00am (US EASTERN TIME) 1 December 2014**

# J.P.Morgan Global Manufacturing PMI™

Produced by J.P.Morgan and Markit in association with ISM and IFPSM

## Global manufacturing PMI at 14-month low

Global manufacturing production expanded at the slowest pace for 15 months in November, as growth of new orders hit a 16-month low and the trend in international trade volumes stagnated. The forward-looking orders-to-inventory ratio also edged down to its weakest level since the end of 2012.

At a 14-month low of 51.8 in November, the J.P.Morgan Global Manufacturing PMI™ – a composite index<sup>1</sup> produced by JPMorgan and Markit in association with ISM and IFPSM – nonetheless signalled a further expansion of the sector.

Manufacturing production rose for the twenty-fifth successive month in November, but the rate of expansion eased to its lowest since August 2013.

North America was a key growth engine. Canada was in joint-third place of the Output PMI growth rankings, a position it shared with the Netherlands, while Mexico and the US were in fifth and sixth places respectively. This was despite the US seeing a sharp growth slowdown. The UK and Japan also reported solid expansions.

Apart from the slower US expansion, the weakness in the global manufacturing sector also mainly reflected stagnation in China and further subdued growth in the eurozone.

The lacklustre performance of the euro area came despite it having three of the top-ranked nations (Ireland, Spain and the Netherlands), whose solid expansions were offset by weaker growth in Germany and contractions in Austria, France and Italy. Elsewhere, Brazil, Indonesia and South Korea also reported lower output.

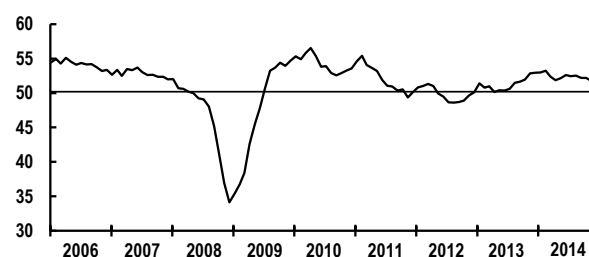
Manufacturing employment rose for the sixteenth month running in November, led by solid jobs growth in the US, the UK, Canada, the Czech Republic, Ireland and Turkey. Cuts were reported in China, Italy, France, South Korea, Brazil, Russia, Austria, Indonesia and Greece.

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

“The global manufacturing PMI fell to a 14-month low in November, as growth of production and new orders moderated and international trade stagnated. The Output PMI is now consistent with growth of global IP close to 3.3% annualized, a solid pace but not so strong as what was implied by the survey earlier in the year.”

JPMorgan Global Manufacturing PMI

DI, sa



### Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Oct.	Nov.	+/-	Summary
Global PMI	52.2	51.8	-	Expanding, slower rate
Output	53.0	52.3	-	Expanding, slower rate
New Orders	52.9	52.2	-	Expanding, slower rate
New Exports	51.0	50.3	-	Expanding, slower rate
Employment	51.2	51.2	=	Increasing, same rate
Input Prices	51.9	52.1	+	Increasing, faster rate
Output Prices	49.7	50.1	+	Rising, from falling

Average input prices rose again in November, extending the current sequence of increase to one-and-a-half years. Meanwhile, average selling prices were broadly unchanged over the month.

November data also pointed to little change in stock holdings, as inventories of purchases and finished products were both broadly unchanged. The former was despite a slight increase in purchasing activity among manufacturers.

## Contact Information:

For economics comments, data and technical queries, please call:

### Markit Economics

Rob Dobson  
Senior Economist  
Telephone: +44-1491-461-095  
Mobile: +44-7826-913-863  
Email: [rob.dobson@markit.com](mailto:rob.dobson@markit.com)

### Markit Press Office

Joanna Vickers  
Corporate Communications  
Telephone: +44-207-260-2234  
Email: [joanna.vickers@markit.com](mailto:joanna.vickers@markit.com)

### J.P.Morgan Chase Bank

David Hensley  
Director of Global Economics  
Coordination  
Telephone: +1-212-834-5516  
Email: [david.hensley@jpmorgan.com](mailto:david.hensley@jpmorgan.com)

## 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<sup>1</sup>. 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 <sup>2</sup>	Producer	In association with	Website
United States <sup>1</sup> :				
After January 2010	25.2%	Markit	–	<a href="http://www.markit.com">www.markit.com</a>
Before Feb-2010	25.2%	ISM	–	<a href="http://www.ism.ws">www.ism.ws</a>
Japan	8.8%	Markit	JMMA	<a href="http://www.jmma.gr.jp">www.jmma.gr.jp</a>
China	8.4%	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
Germany	5.7%	Markit	BME	<a href="http://www.bme.de">www.bme.de</a>
United Kingdom	4.5%	Markit	CIPS	<a href="http://www.cips.org">www.cips.org</a>
France	4.2%	Markit	–	<a href="http://www.markit.com">www.markit.com</a>
Italy	3.2%	Markit	ADACI	<a href="http://www.adaci.it">www.adaci.it</a>
India	2.5%	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
Canada	2.3%	Markit	Royal Bank of Canada/SCMA	<a href="http://www.rbc.com">www.rbc.com</a> , <a href="http://www.scmanational.ca">www.scmanational.ca</a>
Spain	2.2%	Markit	AERCE	<a href="http://www.aerce.org">www.aerce.org</a>
Brazil	2.1%	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
South Korea	2.0%	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
Mexico	1.9%	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
Russia	1.8%	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
Australia	1.6%	AiGroup	–	<a href="http://www.aigroup.asn.au">www.aigroup.asn.au</a>
Netherlands (The)	1.3%	Markit	NEVI	<a href="http://www.nevi.nl">www.nevi.nl</a>
Turkey	1.2%	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
Taiwan	0.9%	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
Switzerland	0.8%	procure.ch	Credit Suisse	<a href="http://www.procure.ch">www.procure.ch</a> , <a href="http://www.credit-suisse.ch">www.credit-suisse.ch</a>
Indonesia	0.8%	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
Poland	0.8%	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
Austria	0.6%	Markit	Bank Austria/OPWZ	<a href="http://www.bankaustria.at">www.bankaustria.at</a> , <a href="http://einkauf.opwz.com">http://einkauf.opwz.com</a>
South Africa	0.6%	BER	CIPS/Kagiso	<a href="http://www.ber.sun.ac.za">www.ber.sun.ac.za</a> , <a href="http://www.cips.org">www.cips.org</a> , <a href="http://www.kagiso.com">www.kagiso.com</a>
Denmark	0.5%	DILF	Kairoscommodities	<a href="http://www.dilf.dk">www.dilf.dk</a> , <a href="http://www.kairoscommodities.com">www.kairoscommodities.com</a>
Ireland	0.4%	Markit	Investec	<a href="http://www.investec.co.uk">www.investec.co.uk</a>
Greece	0.4%	Markit	HPI	<a href="http://www.hpi.org">www.hpi.org</a>
Singapore	0.3%	SIPMM	–	<a href="http://www.sipmm.org.sg">www.sipmm.org.sg</a>
Israel	0.3%	IPLMA	Bank Hapoalim Ltd	<a href="http://www.iplma.org.il">www.iplma.org.il</a> , <a href="http://www.bankhapoalim.co.il">http://www.bankhapoalim.co.il</a>
Czech Republic	0.3%	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>
New Zealand	0.2%	Business NZ	Bank of New Zealand	<a href="http://www.businessnz.org.nz">www.businessnz.org.nz</a> , <a href="http://www.bnz.co.nz">www.bnz.co.nz</a>
Hungary	0.2%	HALPIM	Hungarian National Bank	<a href="http://www.logisztika.hu">www.logisztika.hu</a>
Vietnam	0.2%	Markit	HSBC	<a href="http://www.hsbc.com">www.hsbc.com</a>

<sup>1</sup> 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.

<sup>2</sup> Source: World Bank World Development Indicators (2012 data, constant US\$ measure).

<sup>3</sup> 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.

# J.P.Morgan

# markit®



### JPMorgan Chase & Co.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.3 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands. Information about JPMorgan Chase & Co. is available at [www.jpmorganchase.com](http://www.jpmorganchase.com).

### Markit Economics

Markit Economics is a specialist compiler of business surveys and economic indices, including the Purchasing Managers' Index™ (PMI™) series, which is now available for 32 countries and key regions including the Eurozone. The PMI series has become the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more go to [www.markit.com/economics](http://www.markit.com/economics).

### Institute for Supply Management™ (ISM)

Founded in 1915, the Institute for Supply Management™ (ISM) is the largest supply management association in the world as well as one of the most respected. ISM's mission is to lead the supply management profession through its standards of excellence, research, promotional activities, and education. ISM's membership base includes more than 40,000 supply management professionals with a network of domestic and international affiliated associations. ISM is a not-for-profit association that provides opportunities for the promotion of the profession and the expansion of professional skills and knowledge. [www.ism.ws](http://www.ism.ws)

### International Federation of Purchasing and Supply Management (IFPSM)

The International Federation of Purchasing and Supply Management (IFPSM) is the union of 48 national purchasing associations worldwide. Within this circle, about 250,000 purchasing professionals can be reached. IFPSM is a non-political, independent and non-profit oriented international organisation, registered in Aarau, Switzerland. IFPSM facilitates the development and distribution of knowledge to elevate and advance the procurement profession, thus favourably impacting the standard of living of citizens worldwide through improved business practices. [www.ifpsm.org](http://www.ifpsm.org)

The intellectual property rights to the Global Manufacturing PMI™ provided herein are owned by or licensed to Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index™* and *PMI™* are either registered trademarks of Markit Economics Limited or licensed to Markit Economics Limited. *Markit* is a registered trade mark of Markit Group Limited.