

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 at six-month low in April

The growth rate of the global manufacturing sector eased to a six-month low at the start of the second quarter. At 51.9 in April, the J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by JPMorgan and Markit in association with ISM and IFPSM – still signalled expansion for the seventeenth successive month.

The slower rate of improvement highlighted by the headline global PMI partly reflected weaker increases in production and new orders. In both cases, the world aggregates were affected by a marked turnaround in the performance of Japan.

Japanese manufacturing output and new business fell sharply following a recent increase in sales tax. However, other evidence from the Japan survey suggests the downturn may be brief, providing a boost to the global indices in coming months.

In contrast, the UK and the US remained bright spots, with output and new order growth accelerating from already elevated rates. The Czech Republic also remained one of the strongest performers. In the euro area, output growth reached a three-month high and was only slightly off of January's near three-year high.

Conditions in Asia remained subdued in comparison. Apart from the sharp downturn in Japan, there was also a solid decline in Chinese output. South Korean and Indonesian output also contracted, while growth slowed in India and Taiwan. Elsewhere, Brazil and Russia both registered lower production.

International trade flows also rose again during April, although the rate of increase was modest and among the weakest signalled during the current ten-month sequence of expansion.

Global manufacturing employment increased for the ninth successive month in April. Jobs growth was recorded in 22 out of the 26 nations for which April data were available, with China, France, Brazil and Russia the sole exceptions.

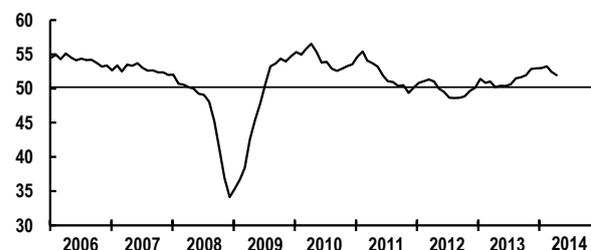
Inflationary pressures remained generally subdued during the latest survey period, with input costs rising at the slowest pace for ten months and selling prices falling for the second straight month.

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

“Growth of global manufacturing output and new orders slowed during April. However, this mainly reflected the timing of a change in sales tax in Japan that impacted on the performance of that nation’s manufacturing sector. The effects of this should only be temporary and, with rates of expansion tracking slightly higher on average elsewhere, growth of world IP should settle back at its Q1 pace moving 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	52.4	51.9	-	Expanding, slower rate
Output	53.5	53.0	-	Expanding, slower rate
New Orders	53.3	52.7	-	Expanding, slower rate
Employment	51.6	51.5	-	Increasing, slower rate
Input Prices	51.6	51.4	-	Increasing, slower rate

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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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