

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

Steady growth of global manufacturing continues in February

The global manufacturing sector expanded for the twenty-seventh consecutive month in February. The rate of output growth accelerated to a six-month high, as companies scaled up production to meet rising levels of new work and new export orders.

The J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by JPMorgan and Markit in association with ISM and IFPSM – rose to 52.0 in February, from 51.7 in January.

The US remained a prime driver of the global manufacturing upturn, as the US PMI rose to a four-month high. Neighbouring Mexico also saw solid growth during the latest survey month. However, the Canadian PMI signalled contraction for the first time in almost two years, as demand was hit by reduced orders from the oil and gas sector.

Growth was seen across much of the European manufacturing sector in February, with the strongest pockets of expansion registered in the UK, Ireland, Spain and East European nations such as Poland and the Czech Republic. Growth was also signalled in Germany, the Netherlands and Italy, while downturns continued in France, Austria and Greece.

Completing the picture of modest, yet broad-based expansion across the global manufacturing sector were the performances of the Asian nations. Mild growth was signalled in China, Japan, South Korea, Taiwan, India and Vietnam.

Brazil, Turkey, Russia and Indonesia all reported deteriorations in business conditions in February.

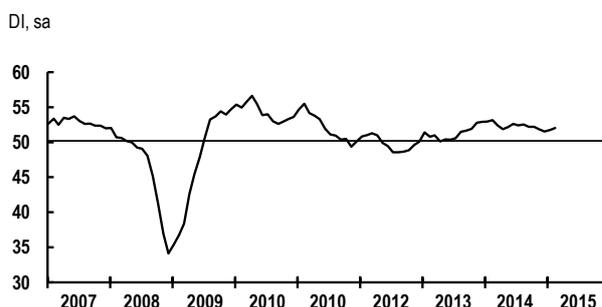
Global manufacturing employment rose for the nineteenth successive month in February, with the rate of jobs growth remaining consistent with those registered since September of last year.

Among the largest manufacturing nations covered by the survey, staffing levels increased in the US, the euro area, the UK, Taiwan, South Korea and Brazil.

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

“Global manufacturing production continued to rise at a pace of around 4% saar in February, continuing its run above of growth above its long-run potential. Other key measures from the survey also made steady progress, with employment and new orders both expanding at rates similar to those registered around the turn of the year. Price pressures remain on the downside, but to a lesser extent than in January.”

JPMorgan Global Manufacturing PMI



Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Jan.	Feb.	+/-	Summary
Global PMI	51.7	52.0	+	Expanding, faster rate
Output	52.9	53.3	+	Expanding, faster rate
New Orders	52.3	52.3	=	Expanding, same rate
New Exports	51.0	50.9	-	Expanding, slower rate
Employment	51.1	51.1	=	Increasing, same rate
Input Prices	47.5	49.0	+	Declining, slower rate
Output Prices	49.2	49.6	+	Falling, slower rate

Average input prices declined for the second successive month in February, although the rate of deflation eased since the prior month. Factory gate prices also posted a slight decrease, the third in as many months.

Inventory holdings were broadly unchanged in February, as stocks of purchases and finished goods both fell only negligibly. Meanwhile, purchasing activity rose for the twenty-first month in a row.

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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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