

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 holds steady at start of Q3

The global manufacturing sector started the third quarter in a similar vein to the end of the second. At 52.5 in July, the J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by JPMorgan and Markit in association with ISM and IFPSM – was little-changed from June’s four-month high of 52.6. Rates of growth in output and new orders were also broadly similar to those signalled in the prior month.

The Czech Republic, the US and Taiwan registered the highest PMI readings in July. The UK also remained towards the top of the PMI growth ranking table, despite the rate of expansion moderating. Growth was also above the global average in Canada, India, Indonesia, Ireland, the Netherlands and Spain.

The eurozone PMI held steady at June’s seven-month low, as expansions in Germany, Italy, Spain, the Netherlands, Austria and Ireland were offset by deeper downturns in France and Greece.

Growth in China accelerated to an 18-month high, while the Russia PMI edged above the 50.0 no-change mark for only the second time in the past 13 months. Japan continued to struggle from the after effects of April’s sales tax hike, with the rate of expansion in Japan falling back to near-stagnation. Contractions were signalled by Brazil, France, Greece, Poland, South Korea and Turkey.

Global manufacturing employment edged higher in July. Job creation has been registered in each of the past 12 months. Among the largest nations covered by the survey, payroll numbers increased in the US, the UK, Canada and Taiwan, were held broadly steady in the eurozone, Japan, South Korea and Brazil, but reduced in China, Mexico and Russia.

Average input costs increased at the fastest pace since January, while selling prices were raised for the third consecutive month.

Strong cost inflation was signalled in North America, much of Asia, Italy and Russia. In contrast, relatively muted price increases were seen in the eurozone, the UK and China. Germany and Denmark were the only nations to report reductions in input costs.

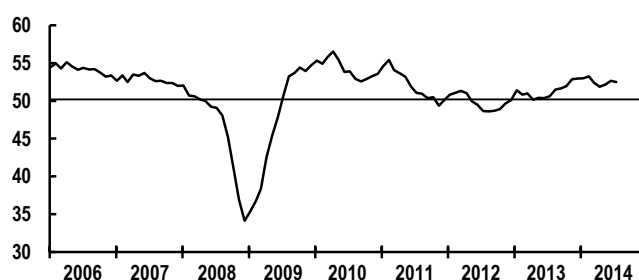
Global Manufacturing PMI™ Summary

50 = no change on prior month.

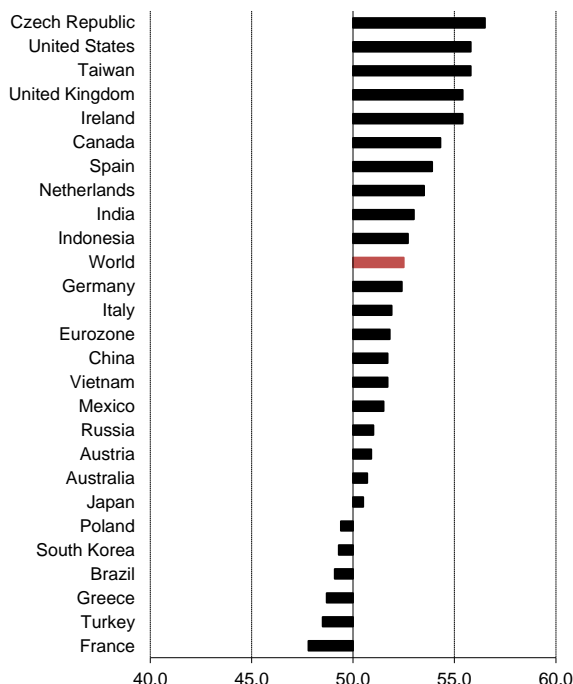
Index	Jun	Jul	+/-	Summary
Global PMI	52.6	52.5	-	Expanding, slower rate
Output	54.0	53.9	-	Expanding, slower rate
New Orders	54.2	54.0	-	Expanding, slower rate
New Exports	51.1	51.5	+	Increasing, faster rate
Employment	51.0	50.4	-	Increasing, slower rate
Input Prices	54.2	54.8	+	Increasing, faster rate

JPMorgan Global Manufacturing PMI

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National manufacturing PMI™ indices in July 2014
 Manufacturing PMI, sa, 50 = no change



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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
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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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