

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 eases to four-month low

The global manufacturing sector ended the third quarter on a steady growth footing. The J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by JPMorgan and Markit in association with ISM and IFPSM – edged down to a four-month low of 52.2 in September. Despite slowing slightly, the rate of expansion signalled was similar to those registered through much of mid-2014.

Meaningful expansions are coming from a narrowing base of nations, however, with growth heavily skewed towards the US in particular. Solid improvements were also signalled for the Czech Republic, Ireland, Taiwan and Canada.

Growth was near-stagnant in the eurozone – with PMI indices below 50.0 in Germany, France, Austria and Greece – and Asia. Japan slowed, China broadly stagnated and growth was muted in India and Indonesia. South Korea contracted.

Global manufacturing output rose for the twenty-third successive month in September. The rate of expansion was the weakest since April and below the average for the year-to-date. Despite this, the rate of growth for the third quarter as a whole was a shade above that registered in the second quarter. A similar trend was also signalled for new orders.

Manufacturing employment rose for the fourteenth successive month in September. Although still only mild, the rate of increase was the fastest in five months. Job creation was recorded in the US (near series record high), the UK, Canada, Mexico, Taiwan, Turkey, Ireland, Czech Republic, Poland and Vietnam.

Growth in payroll numbers was near-stagnant in the eurozone (on average), Japan, South Korea, India and Brazil. Job losses were signalled in China, Indonesia and Russia.

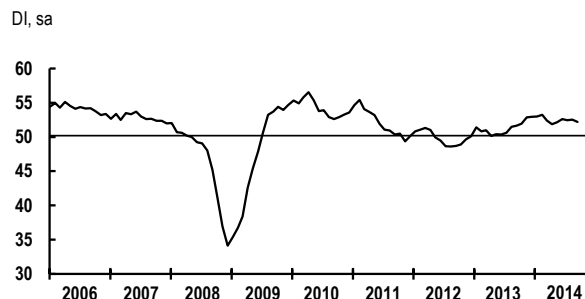
Cost inflation eased to a four-month low in September. Selling price inflation was, meanwhile, only slight and the weakest since May.

The trend in inventory holdings remained relatively stable in September, with little change in either stocks of purchases or finished goods. The former held steady despite a further solid increase in purchasing activity.

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

“The global PMI indicates the global manufacturing sector maintained solid growth momentum in September. However, in recent months, production gains have lagged well behind the pace implied by the PMI. We continue to look for convergence into year’s end, with the PMI giving up some ground, based on the decline in new orders, alongside a meaningful acceleration in output.”

JPMorgan Global Manufacturing PMI



Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Aug.	Sep.	+/-	Summary
Global PMI	52.5	52.2	-	Expanding, slower rate
Output	53.7	53.2	-	Expanding, slower rate
New Orders	53.8	52.9	-	Expanding, slower rate
New Exports	52.3	52.3	=	Increasing, same rate
Employment	50.7	51.1	+	Increasing, faster rate
Input Prices	53.7	52.9	-	Increasing, slower rate
Output Prices	50.9	50.4	-	Rising, 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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Markit Economics

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International Federation of Purchasing and Supply Management (IFPSM)

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