

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 ticks higher in May

May data signalled a further expansion of the global manufacturing sector, taking the current sequence of growth to one-and-a-half years.

This was highlighted by the J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by JPMorgan and Markit in association with ISM and IFPSM – posting 52.2, ticking higher from April’s six-month low of 51.9.

The overall rate of improvement in business conditions remained modest, however, with the average pace of increase in Q2 so far below that registered in Q1.

Manufacturing production rose for the nineteenth month running in May, underpinned by further growth in total new orders and new export orders. Furthermore, rates of expansion in all three of these variables accelerated slightly from April lows.

The US, the UK and the Czech Republic registered the steepest rates of output growth during May. The US saw its pace of expansion accelerate to a 39-month high, while growth rates in the UK and Czech Republic stayed close to recent peaks.

The rate of increase in euro area output remained solid in May, despite easing to a six-month low, as all of the member nations covered by the survey reported higher output. In Asia, production declined in China, Japan and South Korea, but expanded in India, Taiwan, Indonesia and Vietnam. Brazil and Russia both registered lower output.

The upturn in the sector continued to support job creation at manufacturers, with staffing levels rising for the tenth straight month. Payroll numbers increased in 20 of the 25 nations for which May data were available, the exceptions being China, France, Russia, Brazil and Indonesia. Jobs growth slowed in the eurozone, the UK and Japan, and stabilised at a solid clip in the US.

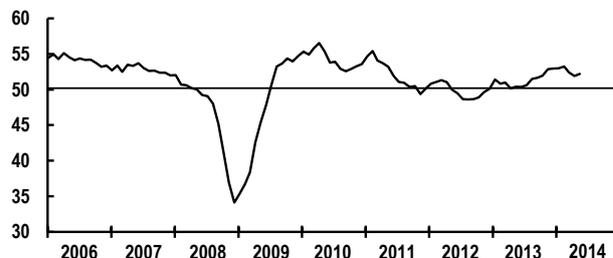
Price indicators gained in May, with input cost inflation at a three-month high and output charges increasing for the first time since February. However, rates of inflation for input costs and selling prices were both below their respective survey averages.

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

“The growth rate of global manufacturing production ticked higher in May, as companies raised output in response to rising levels of new business and international trade volumes. The effects of the upturn are still being felt in the labour market, with job creation registered for the tenth successive month. Improving demand and rising employment should position the sector well to achieve faster growth heading into the second half of the year.”

JPMorgan Global Manufacturing PMI

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Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Apr	May	+/-	Summary
Global PMI	51.9	52.2	+	Expanding, faster rate
Output	52.9	53.5	+	Expanding, faster rate
New Orders	52.6	53.1	+	Expanding, faster rate
New Exports	51.0	51.8	+	Increasing, faster rate
Employment	51.5	50.9	-	Increasing, slower rate
Input Prices	51.2	53.0	+	Increasing, faster rate
Output Prices	49.7	50.4	+	Rising, from falling

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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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