

News Release

MARKET SENSITIVE INFORMATION

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JPMorgan Global Manufacturing & Services PMI™

Produced by JPMorgan and Markit in association with ISM and IFPSM

Global growth improves despite ongoing manufacturing downturn

The rate of global economic expansion picked up slightly in November, regaining the growth momentum lost in the previous month. At 52.0, up from October's recovery-low of 51.3, the **JPMorgan Global All-Industry Output Index** signalled an increase in activity for the twenty-eighth consecutive month.

The manufacturing sector remained in contraction territory, however, with production volumes falling slightly for the fourth straight month. Although service providers reported faster growth of business activity, the rate of increase was modest and well down on the highs reached earlier in the year.

Output growth accelerated sharply in both the US manufacturing and non-manufacturing sectors, leading combined activity to increase at the fastest pace since March. Russia was another brighter spot, with all-industry output growth hitting a four-month high. Rates of increase also accelerated slightly in India and Brazil, while the expansions continued in Ireland and the UK.

The main drag on global growth was the Eurozone, with contraction recorded in each of the big-four euro area nations. Output indices edged below 50.0 in Japan and China.

The level of incoming new business rose for the twenty-eighth month running in November, but the rate of expansion was little-changed from the previous month's post-recession low. Manufacturing was the main drag on the global trend, with new order inflows in this sector declining for the fourth month running. In contrast, service providers reported a slight increase in new business.

Staffing levels declined for the second time in the past three months in November, as modest jobs growth at manufacturers failed to fully offset losses in the service sector. Employment rose in China, Russia and Brazil.

November data highlighted a divergence between price trends in the global manufacturing and service sectors. Manufacturers reported a decline in input costs for the first time since July 2009, partly reflecting the ongoing unwinding of the commodity price boom at the start of the year. In contrast, service providers reported the sharpest cost inflation for three months.

Global Manufacturing & Services PMI™ Summary

50 = no change on previous month.

	Oct	Nov	+/-	Change Summary
Output	51.3	52.0	+	Expanding, faster rate
New Orders	50.5	50.6	+	Expanding, faster rate
Input Prices	54.3	55.7	+	Rising, faster rate
Employment	51.4	49.6	-	Falling, change of direction

Commenting on the survey, Joseph Lupton, Global Economist at JPMorgan, said:

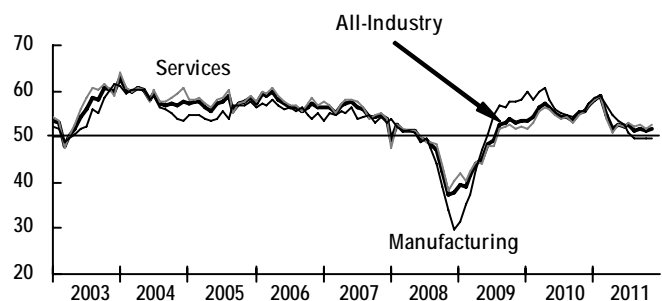
"According to the J.P.Morgan global PMI survey, global growth improved somewhat in November on the back of a slight acceleration in service sector activity even as output in the manufacturing sector continued to downshift.

"On balance, economic activity appears to be decelerating as the rebound from the commodity price surge and Japanese earthquake earlier in this year is now giving way to a Euro area recession and a lingering inventory problem throughout Asia.

"Although the PMIs are not pointing to a break in behavior that would be indicative of a slide into a deeper global downturn, the relatively low levels of the new orders PMIs along with the depressed employment PMIs suggest the rate of the global economic expansion will remain below trend into the new year."

JPMorgan global PMI output

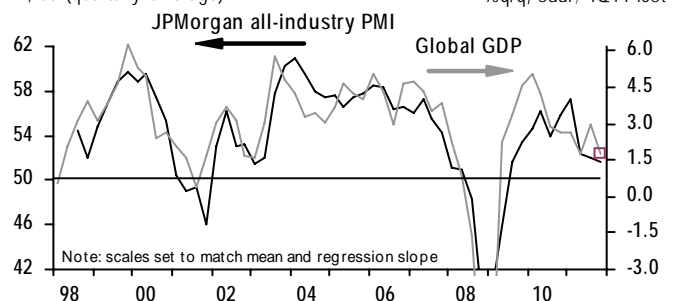
DI, sa



Global activity indicators

DI, sa (quarterly average)

%q/q, saar, 4Q11 fcst



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Notes to editors

The Global Report on Manufacturing & Services is compiled by Markit based on the results of surveys covering over 11,000 purchasing executives in almost 30 countries. Together these countries account for an estimated 86% of global GDP. 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*	Producer	In association with	Web
United States	28.6	ISM	–	www.ism.ws
Japan	12.3	Markit	JMMA	www.jmma.gr.jp
China	7.4	Markit	HSBC	www.hsbc.com
Germany	5.0	Markit	BME	www.bme.de
United Kingdom	4.2	Markit	CIPS	www.cips.org
France	3.7	Markit	–	www.markit.com
Italy	2.8	Markit	ADACI	www.adaci.it
Brazil	2.2	Markit	HSBC	www.hsbc.com
India	2.2	Markit	HSBC	www.hsbc.com
Canada	2.1	Markit	Royal Bank of Canada/PMAC	www.rbc.com, www.pmac.ca
South Korea	1.9	Markit	HSBC	www.hsbc.com
Spain	1.8	Markit	AERCE	www.aerce.org
Australia	1.4	AIG	PriceWaterhouseCoopers	www.aigroup.asn.au, www.pwcglobal.com/au
Netherlands	1.1	Markit	NEVI	www.nevi.nl
Russia	1.0	Markit	HSBC	www.hsbc.com
Turkey	0.9	Markit	HSBC	www.hsbc.com
Taiwan	0.8	Markit	HSBC	www.hsbc.com
Switzerland	0.7	procure.ch	Credit Suisse	www.procure.ch, www.credit-suisse.ch
Poland	0.6	Markit	HSBC	www.hsbc.com
Hong Kong	0.6	Markit	HSBC	www.hsbc.com
Austria	0.5	Markit	Bank Austria/OPWZ	www.bankaustria.at, http://einkauf.opwz.com
South Africa	0.5	BER	IPSA/Kagiso	www.ber.sun.ac.za, www.ipsa.co.za, www.kagiso.com
Denmark	0.4	DILF	Kairoscommodities	www.dilf.dk, www.kairoscommodities.com
Greece	0.4	Markit	HPI	www.hpi.org
Israel	0.4	IPLMA	Bank Hapoalim Ltd	www.iplma.org.il, http://www.bankhapoalim.co.il
Singapore	0.4	SIPMM	–	www.sipmm.org.sg
Ireland	0.3	Markit	NCB Stockbrokers	www.ncbdirect.com
Czech Republic	0.2	Markit	HSBC	www.hsbc.com
New Zealand	0.2	Business NZ	Bank of New Zealand	www.businessnz.org.nz, www.bnz.co.nz
Hungary	0.1	HALPIM	Hungarian National Bank	www.logisztika.hu

* Source: World Bank WDI (2009 data, constant US\$ measure)



www.jpmorganchase.com



www.markit.com



institute for supply management
www.ism.ws



IFPSM
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