

## 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

## Growth of global economy at eight-month high in December

At 57.1 in December, up from 54.5 in November, the **JPMorgan Global All-Industry Output Index** rose to its highest level since April and was well above its average for the current 17-month sequence of expansion. For Q4 2010 as a whole, the average rate of growth signalled by the headline index was above that for Q3 and the second-strongest in the past three years.

Activity growth in the service sector outpaced the rate of expansion in manufacturing output for the second month running in December. Services activity rose for the seventeenth consecutive month and at the fastest pace since July 2007. Manufacturing production, meanwhile, also accelerated and rose at the quickest rate for six months.

National PMI data suggested that the acceleration was largely centred on the US, where growth picked up strongly to its highest since December 2004. Amongst the other major regions covered by the survey, output rose in the Eurozone, China and the UK, but declined for the seventh month running in Japan.

The rate of growth in the Eurozone steadied at November's three-month high. Strong expansions were seen in Germany and France, whereas the recovery in Italy slowed sharply and contractions were signalled in Spain and Ireland. Growth in the UK was only modest, mainly due to a weather-related decline in service sector activity. In contrast, UK manufacturing output rose at the fastest pace since May. The rate of growth in China remained solid, despite easing to three-month low.

Underpinning the latest expansion in output was a similar improvement in **new business** inflows. December saw new orders rise at the fastest pace since March, with stronger gains recorded in both the manufacturing and service sectors. Growth of new business was especially robust in the US, where new work rose at the quickest pace since August 2005.

**Employment** increased for the tenth consecutive month in December. The rate of jobs growth was modest and slightly weaker than November's 35-month high, but still broadly in line with the average for the current sequence of increase. Manufacturers raised employment at a solid clip in December, whereas the increase at service providers was only slight.

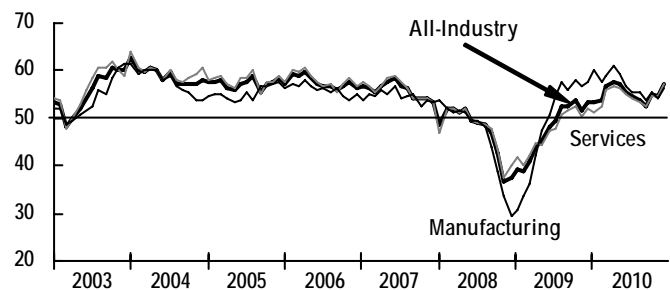
**Cost inflation** hit a 27-month high in December, reflecting marked increases in both the manufacturing and service sectors. Manufacturers saw by far the sharper inflation, with purchase prices rising at the steepest pace since May. The increase in service sector costs was nonetheless the steepest for over two years.

**Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:**

"December PMI data suggest that global GDP growth accelerated to an annualised rate of around 3.6% q/q. Rates of expansion in output and new orders gathered pace in both the manufacturing and service sectors, adding balance and sustainability to the recovery. The service sector has come to the fore in recent months, a trend which is likely to continue at the start of 2011."

JPMorgan global PMI output

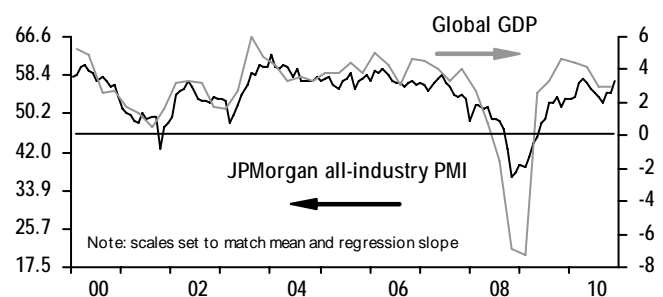
DI, sa



Global activity indicators

DI, sa

%q/q, saar



### Global Manufacturing & Services PMI™ Summary

50 = no change on previous month.

	Nov	Dec	+/-	Change Summary
Output	54.5	57.1	+	Expanding, faster rate
New Orders	54.6	57.0	+	Expanding, faster rate
Input Prices	60.2	63.2	+	Rising, faster rate
Employment	52.0	51.1	-	Rising, slower rate

## For further information, please contact:

### Markit

Rob Dobson, Senior Economist  
Telephone +44-1491-461-095  
Email rob.dobson@markit.com

Caroline Lumley, Director, Corporate Communications  
Telephone +44-20-7260-2047  
Email caroline.lumley@markit.com

### JPMorgan Chase Bank

David Hensley, Director of Global Economics Coordination  
Telephone +1-212-834-5516  
Email david.hensley@jpmorgan.com

### 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 84% 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	28.8	ISM	–	www.ism.ws
Japan	12.8	Markit	JMMA	www.jmma.gr.jp
China	6.5	Markit	HSBC	www.hsbc.com
Germany	5.2	Markit	BME	www.bme.de
United Kingdom	4.3	Markit	CIPS	www.cips.org
France	3.8	Markit	–	–
Italy	2.9	Markit	ADACI	www.adaci.it
Brazil	2.1	Markit	HSBC	www.hsbc.com
India	2.0	Markit	HSBC	www.hsbc.com
South Korea	1.9	Markit	HSBC	www.hsbc.com
Spain	1.8	Markit	AERCE	www.aerce.org
Australia	1.3	AIG	PriceWaterhouseCoopers Commonwealth Bank	www.aigroup.asn.au, www.pwcglobal.com/au www.commbank.com.au
Netherlands	1.1	Markit	NEVI	www.nevi.nl
Russia	1.1	Markit	HSBC	www.hsbc.com
Turkey	1.0	Markit	HSBC	www.hsbc.com
Taiwan	0.8	Markit	HSBC	www.hsbc.com
Switzerland	0.7	SVME	Credit Suisse	www.svme.ch, www.credit-suisse.ch
Poland	0.6	Markit	HSBC	www.hsbc.com
Austria	0.6	Markit	BA Creditanstalt/OPWZ	www.ba-ca.com, 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
Ireland	0.3	Markit	NCB Stockbrokers	www.ncbdirect.com
Singapore	0.3	SIPMM	–	www.sipmm.org.sg
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	0.2	HALPIM	Hungarian National Bank	www.logisztika.hu

\* Source: World Bank WDI (2008 data, constant US\$ measure)



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