

News Release

MARKET SENSITIVE INFORMATION
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JPMorgan Global Manufacturing PMI™

Produced by JPMorgan and Markit in association with ISM and IFPSM

Global PMI at 23-month low as manufacturing slowdown continues

The **JPMorgan Global Manufacturing PMI™** fell to 52.3 in June, down from 53.0 in May and well below February's near-series record high. The latest reading was the weakest since July 2009, the first month of the current two-year period of recovery.

Among the major industrial regions, PMIs signalled slower rates of expansion in the Eurozone, Japan, China and the UK. The US PMI ticked slightly higher from May's 20-month low, but remained well below the highs reached earlier in the year.

Within the euro area, PMIs fell in almost all of the nations for which data are collected. The exception was Greece which, nevertheless, still recorded the steepest rate of contraction. Expansions were seen in Germany, France, Austria and the Netherlands, but rates of increase were among the weakest since the recoveries began in these countries. Italy, Spain and Ireland saw deteriorations in business conditions.

Manufacturing production increased for the twenty-fifth consecutive month in June, although the rate of expansion was the weakest since June 2009 (the first month of that period of sustained expansion). The average output index reading in Q2 2011 (53.6) was well below that registered in the opening quarter (58.2). The slowdown in output growth mainly reflected a softening trend in new order inflows.

International trade volumes increased at the slowest pace of the current two-year run of expansion. Emerging markets reported a reduction in new export orders, while developed markets continued to report growth.

Employment rose in the global manufacturing sector for the nineteenth month in a row during June. The pace of jobs growth eased further from February's survey-record high to an eight-month low, but remained above the long-run average. Job creation was strongest in the US, Switzerland and the Czech Republic. Employment growth eased sharply in the UK, while moderate reductions were signalled for Japan, China, India, Brazil and Russia.

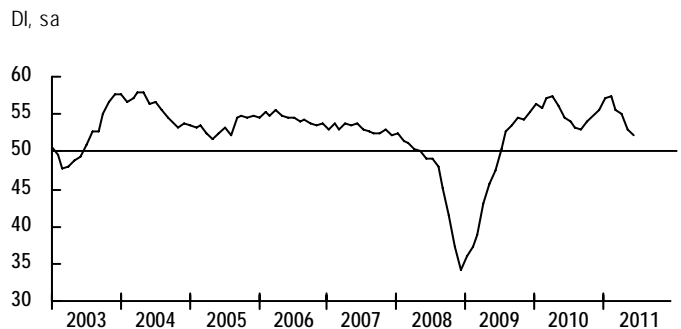
June saw a further marked easing in the rate of input price inflation, in part reflecting recent falls in the cost of a number of commodities. Prices rose at the slowest pace for ten months. Moreover, at 60.8, the Global Manufacturing Input Prices Index is over 15 points below February's two-and-a-half year high.

Input price inflation eased in almost all of the nations for which June data were collected. The extent of the easing was especially marked in Denmark, France and the UK. Cost inflation hit a 10-month low in the US and slowed sharply to a modest pace in China. Only Japan, India, Russia and Turkey reported faster price increases. Costs fell in Taiwan for the first time in over two years and also in South Africa.

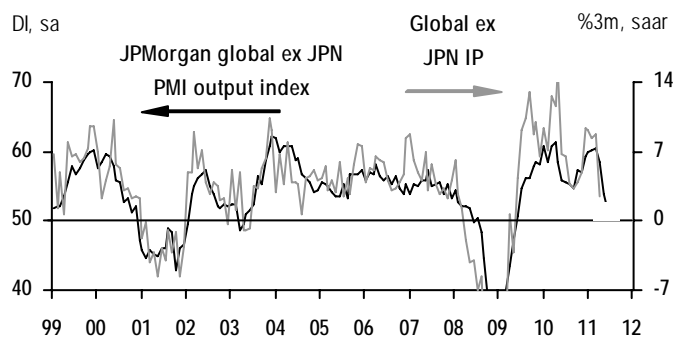
Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"The descent in the global manufacturing PMI continued in June, with the indexes of production, new orders and employment each declining. With that said, there are tentative signs that the PMI is nearing a bottom, consistent with the recent firming in some of the official data on manufacturing output. We continue to anticipate gradual improvement in global industry this summer, which will be signalled by a lift in the PMI new orders index."

JPMorgan Global Manufacturing PMI



Global ex Japan manufacturing output



Global Manufacturing PMI™ Summary

50 = no change on previous month.

	May	Jun	Change	Summary, rate of change
Global PMI	53.0	52.3	-	Expanding, slower rate
Output	53.4	52.6	-	Expanding, slower rate
New Orders	51.9	50.9	-	Expanding, slower rate
Input Prices	66.7	60.8	-	Rising, slower rate
Employment	53.6	53.4	-	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 7,500 purchasing executives in almost 30 countries. Together these countries account for an estimated 86% of global manufacturing output. 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
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
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)



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