News Release

MARKET SENSITIVE INFORMATION

EMBARGOED UNTIL: 11:00am (US EASTERN TIME) 1 June 2011

JPMorgan Global Manufacturing PMI™

Produced by JPMorgan and Markit in association with ISM and IFPSM

Global manufacturing sector cools further in May

At 52.9 in May, the **JPMorgan Global Manufacturing *PMI*™** fell for the third month running to reach its lowest level since September 2010. Although the headline index remained above the neutral 50.0 mark for the twenty-third successive month, the rate of growth was below the average for this period.

Rates of expansion eased for manufacturing output, new orders, new export orders and employment.

A marked slowdown in the US was the main factor weighing on global manufacturing growth, with the US PMI dropping by almost seven points to a 20-month low of 53.5. Among the other major industrial regions covered by the survey, rates of improvement eased in the Eurozone (seven-month low), China (weakest since July 2010), the UK (20-month low) and India (4-month low).

The Japan PMI rose sharply in May, to signal a slight overall improvement in manufacturing conditions following the earthquake-affected readings in March and April.

Production rose at the slowest pace in almost two years in May, as growth of new orders eased to its weakest during the current 23-month sequence of increase. By far the steepest easing in output and new order growth was seen in the US.

Rates of expansion in these variables also slowed in the Eurozone, China and India. The UK saw slight declines in both output and new orders. Japan reported increased production for the first time in three months, despite a negligible reduction in new work received.

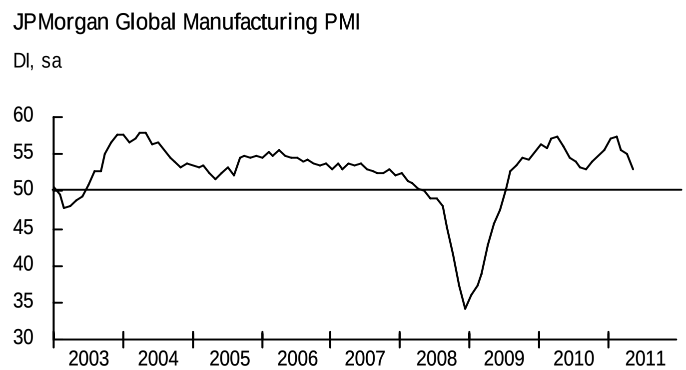
Growth of international trade volumes eased to an eight-month low in May. Rates of increase eased in the US, the Eurozone and the UK, while declines in new export business were seen in both China and Japan.

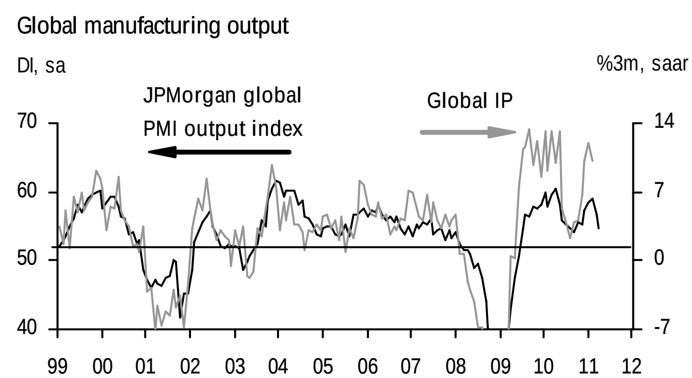
Employment rose again in May, continuing a trend of rising staffing levels seen throughout the past one-and-a-half years. Although the pace of jobs growth slipped to its weakest since last November, it remained comfortably above the survey average. Job creation was marked in the US, the Eurozone and the UK – albeit slower than in the previous month in the US and Eurozone.

Average input costs rose at the slowest pace since last October, in part reflecting lower oil and other commodity prices. However, the extent of the increase was still much stronger than the long-run series average. Cost inflation eased in almost all of the nations covered by the survey, the exception being South Korea (where no change was reported). The extent of the easing was sharpest in Taiwan, the Netherlands, Italy and Poland.

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

"The global manufacturing sector continued to cool in May. Rates of expansion in output and new orders were either at, or close to, the weakest since the recovery began in mid-2009, and growth of international trade flows slowed. The trend in employment held up comparatively well, with solid job creation recorded, but further firming of the labor market will be restricted if the trends in output and new orders fail to regain momentum."





Global Manufacturing *PMI*™ Summary

50 = no change on previous month.

	Apr	May	Change	Summary, rate of change
Global PMI	55.0	52.9	–	Expanding, slower rate
Output	54.7	53.3	–	Expanding, slower rate
New Orders	53.8	51.8	–	Expanding, slower rate
Input Prices	72.3	66.8	–	Rising, slower rate
Employment	55.1	53.7	–	Rising, slower rate

– Ends –

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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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