

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 accelerated slightly in July, as faster expansion in services offset slowdown in manufacturing

The global economy expanded at a slightly quicker pace in July, as faster growth of services business activity offset a weaker increase in manufacturing production. At 52.6, up from 52.3 in June, the **JPMorgan Global All-Industry Output Index** remained above the 50.0 mark, signalling expansion, for the twenty-fourth consecutive month.

Manufacturing production rose at the slowest pace since June 2009 – the opening month of the ongoing recovery in the sector. Although growth in services business activity was the quickest since March, it was still below the average for the current two-year sequence of expansion. Growth in the service sector outpaced that in manufacturing for the first time in five months.

The acceleration at the headline level was mainly driven by a marked pick up in growth of the US non-manufacturing sector. This led US output to rise at the strongest pace for four months despite a sharp slowdown in the rate of expansion of manufacturing production to a 25-month low.

The Eurozone, meanwhile, drifted closer to stagnation. The slowdown was broad-based by nation. Expansion in China continued to cool, while the UK, India, Brazil and Russia all saw faster growth. Japan saw further contraction, but the rate of decline eased - mainly due to the ongoing recovery in manufacturing.

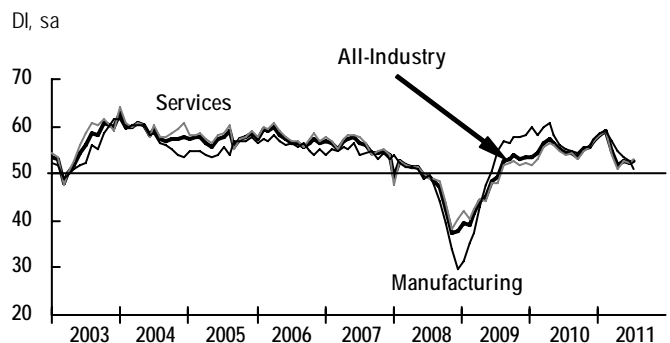
July saw a slight decline in manufacturing new orders, while services new business rose at the slowest pace for three months. Subsequently, the overall rate of increase across both sectors slipped to the weakest since the recovery in new orders began in August 2009.

Outstanding business fell for the second successive month, with declines seen in both the manufacturing and service sectors. Moreover, the overall rate of contraction accelerated to its fastest since August 2009.

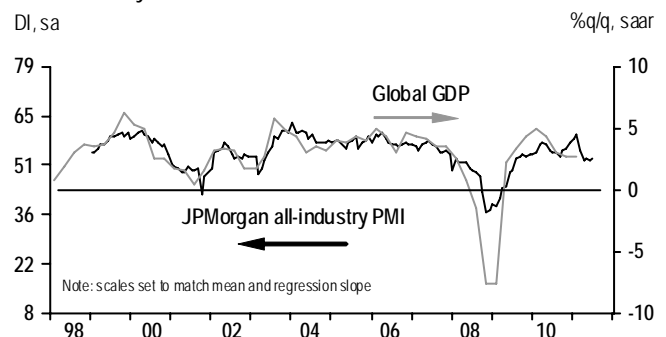
Employment increased for the sixteenth straight month in July. Jobs growth was recorded in China (26-month low), the US and India (10-month lows in both nations), the Eurozone (nine-month low), Russia (eight-month low) and Brazil (two-month high). The rate of increase was the weakest since last September, reflecting slower job creation at both manufacturers and service providers..

Recent falls in the price of a number of commodities led to a further reduction in input cost inflation during July. Average costs rose at the slowest pace for a year and to a much lesser extent than the 30-month high seen in February. Rates of increase eased in both the manufacturing and service sectors.

JPMorgan global PMI output



Global activity indicators



Global Manufacturing & Services PMI™ Summary

50 = no change on previous month.

	Jun	Jul	+/-	Change Summary
Output	52.3	52.6	+	Expanding, faster rate
New Orders	52.0	51.1	-	Expanding, slower rate
Input Prices	58.6	56.3	-	Rising, slower rate
Employment	52.5	51.2	-	Rising, slower rate

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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)



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