

## 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 economic growth improves in May, as faster expansion in services offsets slowdown in manufacturing

May PMI™ data signal a slight improvement in the rate of expansion of the global private sector economy. The **JPMorgan Global All-Industry Output Index** posted 52.6, up from April's 21-month low of 51.8. Global output has risen throughout the past 22 months. The underlying trend is still one of slower growth than at the start of the year, as the average index reading so far in Q2 2011 (52.2) is well below that for Q1 (57.3).

Manufacturing continued to lead the recovery, despite seeing output growth slip to a near two-year low. Service sector activity rose at a slightly faster pace than in April.

National data pointed to slower rates of expansion in the US, the Eurozone, the UK and India during May. The cooling in the US mainly reflected a sharp easing in growth of manufacturing output (to a near two-year low) following a sharp slowdown in the non-manufacturing sector seen during April.

Rates of expansion gathered pace in both China and Brazil, and held steady at a solid pace in Russia. Although Japan remained in contraction territory, the rate of decline was substantially slower than during the earthquake-affected months of March and April.

The rate of expansion in the Eurozone slipped to a five-month low, with growth slowing in all of the euro area member states for which data are collected. The recovery also remained lopsided, with strong expansions in France and Germany contrasting with only slight increases in Italy, Spain and Ireland.

The UK saw output growth moderate further in May. The expansion of service sector business activity slowed again, but the main weak point was manufacturing production – which declined slightly for the first time since May 2009.

At 53.0 in May, the **Global All-Industry New Orders Index** rose from April's 21-month low of 51.4. The rate of expansion was modest and weaker than the average for the current sequence of increase which began in August 2009.

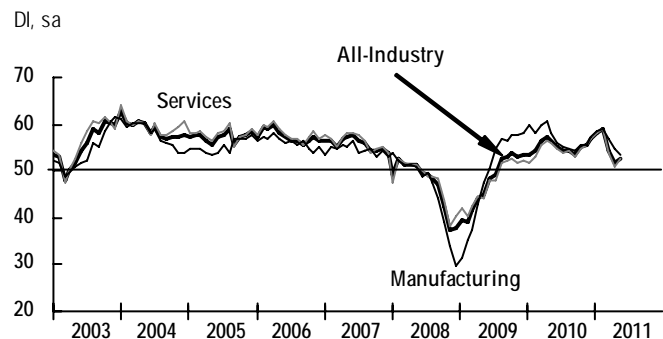
**Employment** rose for the fourteenth month in a row during May, with job creation seen in both the manufacturing and service sectors. Staffing levels rose in the US, the Eurozone, China, the UK, India, Brazil and Russia. Within the euro area, jobs growth continued in Germany, France and Italy, whereas losses were seen in Spain and Ireland. Japan also reported a reduction in payroll numbers.

**Cost inflation** eased for the third month running in May, to its lowest level since last November. Rates moderated in both the manufacturing and service sectors. Cost inflation slowed in the US, the Eurozone, China, Japan, the UK, India and Russia, but accelerated in Brazil.

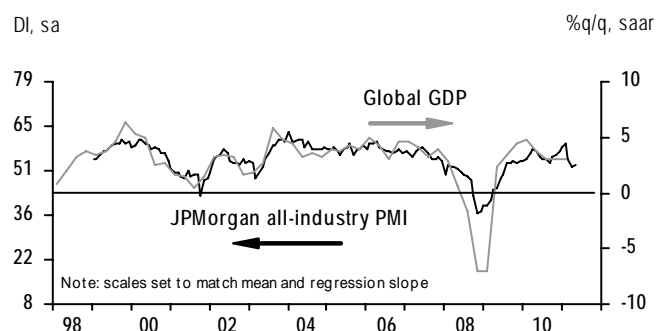
**Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:**

"Growth of the global economy showed a slight improvement in May, although this mainly reflected a slight bounce in the service sector following March's sharp easing. The underlying trend remains consistent with the recovery entering a softer growth phase, especially as manufacturing slowed further. Job creation continued, but sustaining this may be dependent on output and demand firming in the coming months."

JPMorgan global PMI output



Global activity indicators



### Global Manufacturing & Services PMI™ Summary

50 = no change on previous month.

	Apr	May	+/-	Change Summary
Output	51.8	52.6	+	Expanding, faster rate
New Orders	51.4	53.0	+	Expanding, faster rate
Input Prices	65.0	63.2	-	Rising, slower rate
Employment	52.2	52.6	+	Rising, faster 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 83% 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
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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