

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 Manufacturing PMI dips to 27-month low in September

At 49.9 in September, down from 50.2 in August, the **JPMorgan Global Manufacturing PMI™** posted below the neutral 50.0 mark for the first time since June 2009.

The performance of the global manufacturing sector has weakened noticeably since the start of the year. Over Q3 2011 as a whole, production growth was negligible and down sharply from Q1's recent peak. Incoming new work, meanwhile, contracted for the first time since Q2 2009.

September saw new orders contract at the fastest pace 28 months, meaning that manufacturers depleted backlogs of work to the greatest extent in almost two-and-a-half years just to hold production steady at its August level. International trade flows have also fallen in recent months.

September saw production expand in the US and the UK, following slight reductions in August. China reported a further slight expansion, while growth in India slowed sharply to its weakest in the current two-and-a-half year period of increase. Output declined in the Eurozone, Japan and Brazil.

The level of incoming new work fell for the third consecutive month in September. Among the major industrial nations covered by the survey, new orders declined in the US, the Eurozone, China, and Japan. All of the euro area member states for which data are collected saw a contraction.

New export orders declined for the second successive month in September. Reductions were seen in the Eurozone (steepest since June 2009), Japan (fastest for five months), China, the UK and Brazil (both the most marked since May 2009), India, Russia, Taiwan, Poland and Australia. Within the euro area, all nations reported lower levels of new export business. In contrast, the US saw growth in foreign demand improve from August's two-year low. Canada, the Czech Republic and Turkey also reported increases.

Manufacturing employment increased for the twenty-second straight month in September. However, the average rate of jobs growth over Q3 2011 was the least marked since the final quarter of 2009. The latest survey period saw staffing levels increase in the US, the Eurozone (but driven almost entirely by Germany), Japan, Canada, Eastern Europe, Switzerland, Taiwan and Turkey. Job losses were seen China, the UK, India, Russia, Brazil, South Africa and Australia.

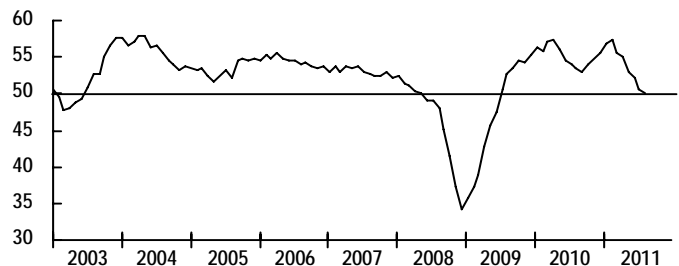
September saw average input prices rise at the same pace as August's 13-month low. Cost inflation continued to ease in developed markets, whereas emerging nations saw input prices rise at the fastest pace in four months.

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

"The global manufacturing PMI dipped below the no-change mark of 50.0 for the first time since June 2009. The PMI output index has stagnated in recent months as the trend in new orders has switched into reverse gear, exacerbated by declining international trade flows. The signs point to weak growth or possible month-to-month declines in industrial production in the next few months."

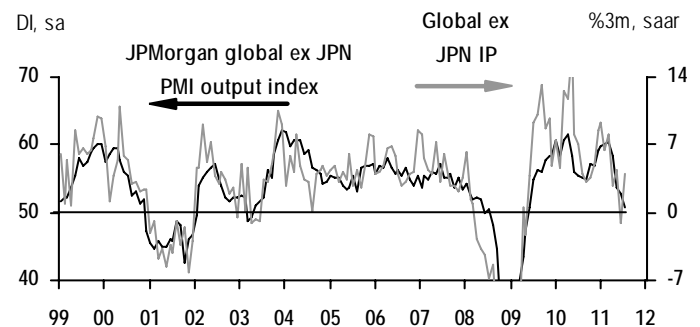
JPMorgan Global Manufacturing PMI

DI, sa



Global ex Japan manufacturing output

DI, sa



Global Manufacturing PMI™ Summary

50 = no change on previous month.

	Aug	Sep	Change	Summary, rate of change
Global PMI	50.2	49.9	-	Contracting, change of direction
Output	49.8	50.0	+	No change, from contraction
New Orders	49.4	48.5	-	Contracting, faster rate
Input Prices	56.5	56.5	=	Rising, unchanged rate
Employment	51.0	51.3	+	Rising, faster 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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