

News Release

MARKET SENSITIVE INFORMATION
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J.P.Morgan Global Manufacturing PMI™

Produced by J.P.Morgan and Markit in association with ISM and IFPSM

Manufacturing output rises at fastest pace since February 2011

The end of 2013 saw growth of the global manufacturing sector accelerate to a 32-month high. The J.P.Morgan Global Manufacturing PMI™ – a composite index¹ produced by JPMorgan and Markit in association with ISM and IFPSM – rose to 53.3 in December, up from 53.1 in November, to signal expansion for the twelfth month in a row.

The average reading of the headline PMI through 2013 as a whole (51.5) was better than the stagnation signalled over 2012 (PMI: 50.0). The rate of expansion registered for the final quarter of 2013 was the best since Q2 2011.

Global manufacturing production expanded for the fourteenth straight month in December. Moreover, the pace of increase was the fastest since February 2011, as the growth rate of new orders held broadly steady at November's 33-month record. New export orders rose for the sixth month running.

Output growth was again led by the G7 developed nations in December, as robust expansions in the US, Japan, Germany, the UK (which registered the highest Output PMI reading of all countries) and Italy offset the ongoing contraction in France and a sharp growth slowdown in Canada.

Among the larger emerging nations covered by the survey, already muted rates of increase for production eased in China, India and Russia, and remained similarly modest in Brazil and South Korea despite slight accelerations. Taiwan was a brighter spot, with output growth hitting a 32-month high.

December PMI data signalled an increase in global manufacturing employment for the sixth consecutive month. Although the rate of jobs growth was again only moderate, it was nonetheless the fastest for almost two-and-a-half years.

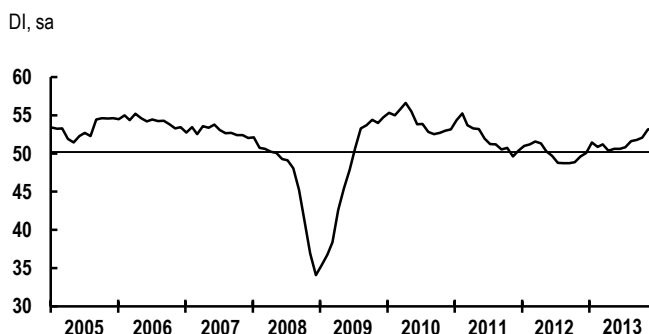
Payroll numbers were raised in the majority of the nations covered, including the US, Japan, Germany, the UK, India, Taiwan and South Korea. Job losses were recorded in China, France, Spain, Brazil, Russia, Austria and Greece.

Input price inflation accelerated to a 20-month peak in December, and was slightly above the survey average. Part of the increase in costs was passed on to clients, reflected in the pace of output price inflation reaching a near two-and-a-half year peak.

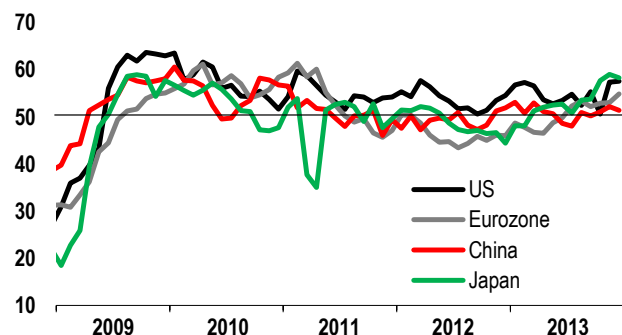
Commenting on the survey, David Hensley, Director of Global Economics Coordination at J.P.Morgan, said:

“The global manufacturing sector ended 2013 on a positive note. According to the global PMI, output was rising at the fastest pace in almost three years. Both final demand and inventory dynamics are supporting production. In addition, near-term dynamics appear to remain favorable, based on the elevated level of the global new orders PMI.”

JPMorgan Global Manufacturing PMI



PMI, Manufacturing Output Index



Global Manufacturing PMI™ Summary

50 = no change on prior month.

Index	Nov.	Dec.	+/-	Summary
Global PMI	53.1	53.3	+	Expanding, faster rate
Output	55.2	55.3	+	Expanding, faster rate
New Orders	54.8	54.7	-	Expanding, slower rate
Employment	50.8	51.6	+	Increasing, faster rate
Input Prices	55.6	56.5	+	Increasing, 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 10,000 purchasing executives in 32 countries. Together these countries account for an estimated 89% of global manufacturing output¹. 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 ²	Producer	In association with	Website
United States ¹ :				
After January 2010	25.2%	Markit	–	www.markit.com
Before Feb-2010	25.2%	ISM	–	www.ism.ws
Japan	8.8%	Markit	JMMA	www.jmma.gr.jp
China	8.4%	Markit	HSBC	www.hsbc.com
Germany	5.7%	Markit	BME	www.bme.de
United Kingdom	4.5%	Markit	CIPS	www.cips.org
France	4.2%	Markit	–	www.markit.com
Italy	3.2%	Markit	ADACI	www.adaci.it
India	2.5%	Markit	HSBC	www.hsbc.com
Canada	2.3%	Markit	Royal Bank of Canada/SCMA	www.rbc.com , www.scmanational.ca
Spain	2.2%	Markit	AERCE	www.aerce.org
Brazil	2.1%	Markit	HSBC	www.hsbc.com
South Korea	2.0%	Markit	HSBC	www.hsbc.com
Mexico	1.9%	Markit	HSBC	www.hsbc.com
Russia	1.8%	Markit	HSBC	www.hsbc.com
Australia	1.6%	AiGroup	–	www.aigroup.asn.au
Netherlands (The)	1.3%	Markit	NEVI	www.nevi.nl
Turkey	1.2%	Markit	HSBC	www.hsbc.com
Taiwan	0.9%	Markit	HSBC	www.hsbc.com
Switzerland	0.8%	procure.ch	Credit Suisse	www.procure.ch , www.credit-suisse.ch
Indonesia	0.8%	Markit	HSBC	www.hsbc.com
Poland	0.8%	Markit	HSBC	www.hsbc.com
Austria	0.6%	Markit	Bank Austria/OPWZ	www.bankaustria.at , http://einkauf.opwz.com
South Africa	0.6%	BER	CIPS/Kagiso	www.ber.sun.ac.za , www.cips.org , www.kagiso.com
Denmark	0.5%	DILF	Kairoscommodities	www.dilf.dk , www.kairoscommodities.com
Ireland	0.4%	Markit	Investec	www.investec.co.uk
Greece	0.4%	Markit	HPI	www.hpi.org
Singapore	0.3%	SIPMM	–	www.sipmm.org.sg
Israel	0.3%	IPLMA	Bank Hapoalim Ltd	www.iplma.org.il , http://www.bankhapoalim.co.il
Czech Republic	0.3%	Markit	HSBC	www.hsbc.com
New Zealand	0.2%	Business NZ	Bank of New Zealand	www.businessnz.org.nz , www.bnz.co.nz
Hungary	0.2%	HALPIM	Hungarian National Bank	www.logisztika.hu
Vietnam	0.2%	Markit	HSBC	www.hsbc.com

¹ Data from the Markit survey of US manufacturing are included in the global manufacturing PMI composition from February 2010 onwards. Data prior to that date are based on the ISM US manufacturing survey.

² Source: World Bank World Development Indicators (2010 data, constant US\$ measure).

Methodology: Global Manufacturing PMI™ Indices

The Global Manufacturing PMI™ indices are all seasonally adjusted. The seasonal adjustment is applied at the national level (as opposed to at the global aggregate level) in order to account for differing seasonal patterns in each of the nations included. Global Manufacturing PMI™ indices are weighted according to national contributions to global manufacturing gross value added. Weights for the global indices are derived from the latest available World Bank data on the gross value added of manufacturing for each of the nations covered. World Bank data on value added are in constant 2005 US\$, with all national currencies converted to 2005 US\$ by the World Bank using DEC alternative conversion factors.

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International Federation of Purchasing and Supply Management (IFPSM)

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