

## News Release

**MARKET SENSITIVE INFORMATION**

**EMBARGOED UNTIL: 11:00am (US EASTERN TIME) 3 October 2013**

## JPMorgan Global Manufacturing & Services PMI™

Produced by JPMorgan and Markit in association with ISM and IFPSM

### Global growth hits one-and-a-half year high in Q3

The third quarter of 2013 saw the global economy record its sharpest quarterly growth of output for one-and-a-half years. At 53.5 in September, the Global All-Industry Output Index\* – which is produced by JPMorgan and Markit in association with ISM and IFPSM – signalled expansion for the fiftieth month running.

*Please note that, of the national services PMI data usually available for inclusion in the global PMI, data for China, India and Hong Kong were not available for September.*

The rate of expansion in global output slipped to a three-month low, as growth in the US eased sharply. Outside of the US, the rate of increase (on average) hit a two-and-a-half year high.

Although US manufacturing production rose at the sharpest pace since March, this was offset by a sharp growth slowdown in non-manufacturing activity. The rate of expansion in US all-industry output through the year-to-date is nonetheless similar to the same period of last year.

September data signalled that the UK remained a stand-out performer, with all-industry output rising at a rate close to August's series record high. Growth also ticked higher in Japan, hitting a four-month peak, while Brazil returned to expansion and the modest recovery in Russia continued.

The big story was the ongoing recovery in the eurozone, which expanded throughout the third quarter of the year. Output growth hit a 27-month peak in September, making the region less of a drag on the global average.

Global employment rose for the twelfth month running in September. Job creation was signalled in the US, the UK, Japan, Brazil and Ireland, while employment moved closer to stabilising in the eurozone.

Average input prices increased at a solid clip during September, with the rate of inflation accelerating to a seven-month peak. Cost increases were broadly similar in the manufacturing and service sectors.

#### Global Manufacturing & Services PMI™ Summary

50 = no change on previous month.

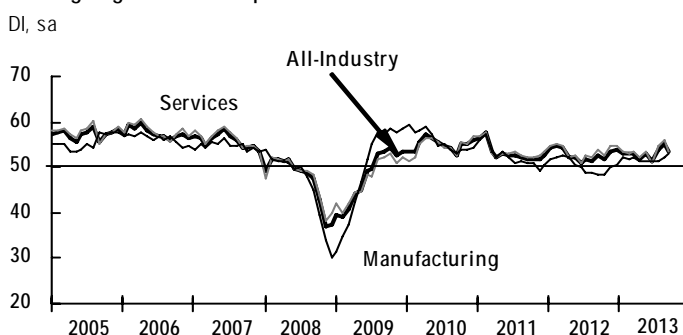
	Aug	Sep	+/-	Change Summary
Output	55.1	53.5	-	Expanding, slower rate
New Orders	54.8	54.5	-	Expanding, slower rate
Input Prices	54.0	55.6	+	Rising, faster rate
Employment	52.2	51.0	-	Rising, slower rate
Backlogs	49.8	50.0	+	Unchanged, from declining

\*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. Please email [rob.dobson@markit.com](mailto:rob.dobson@markit.com) for further details.

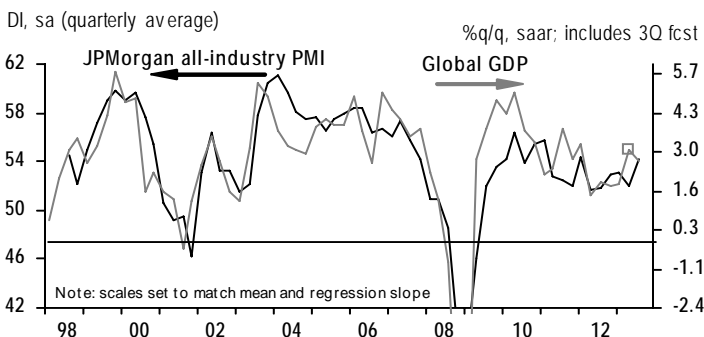
#### Commenting on the survey, Joe Lupton, Global Economist at JPMorgan, said:

"Despite giving back some of the August gains in September, the global all-industry PMI for 3Q13 points to the strongest pace of growth of global GDP in almost one-and-a-half years. Momentum in the manufacturing built steadily over the quarter as solid gains in final demand through to midyear helped to better align inventories with sales. And while September growth in the service sector came off the strong pace seen in August, the quarterly average shows a modest step up from the second quarter. On balance, the September business surveys round out a quarter in which we see global GDP expanding at a slightly below trend pace and on track to rise to trend in the current quarter. Employment conditions appear to be lagging the lift but this is to be expected as corporates look to raise productivity growth and improve profit margins. Once this adjustment is complete, we look for a more balanced expansion in production and employment heading into early next year."

#### JPMorgan global PMI output



#### Global activity indicators



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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 16,000 purchasing executives in 32 countries. Together these countries account for an estimated 85% of global gross domestic product (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**

\* Source: World Bank WDI (2010 data, constant US\$ measure)

Country	% share of global GDP*	Producer	In association with	Web
United States	28.1	ISM	–	www.ism.ws
United States	28.1	Markit	–	www.markit.com (manufacturing data post Jan 2010)
Japan	12.1	Markit	JMMA	www.jmma.gr.jp
China	7.9	Markit	HSBC	www.hsbc.com
Germany	5.0	Markit	BME	www.bme.de
United Kingdom	4.1	Markit	CIPS	www.cips.org
France	3.6	Markit	–	www.markit.com
Italy	2.7	Markit	ADACI	www.adaci.it
India	2.3	Markit	HSBC	www.hsbc.com
Brazil	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	1.7	Markit	AERCE	www.aerce.org
Mexico	1.7	Markit	HSBC	www.hsbc.com
Australia	1.3	AiGroup	–	www.aigroup.asn.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	0.7	Markit	HSBC	www.hsbc.com
Indonesia	0.7	Markit	HSBC	www.hsbc.com
Switzerland	0.7	procure.ch	Credit Suisse	www.procure.ch, www.credit-suisse.ch
Hong Kong	0.6	Markit	HSBC	www.hsbc.com
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	CIPS/Kagiso	www.ber.sun.ac.za, www.cips.org, www.kagiso.com
Denmark	0.4	DILF	Kairoscommodities	www.dilf.dk, www.kairoscommodities.com
Israel	0.4	IPLMA	Bank Hapoalim Ltd	www.iplma.org.il, http://www.bankhapoalim.co.il
Singapore	0.4	SIPMM	–	www.sipmm.org.sg
Greece	0.4	Markit	HPI	www.hpi.org
Ireland	0.3	Markit	Investec	www.investec.co.uk
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
Vietnam	0.2	Markit	HSBC	www.hsbc.com
Hungary	0.1	HALPIM	Hungarian National Bank	www.logisztika.hu

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