

## 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 growth edges higher

The growth rate of the global manufacturing sector continued to edge higher in August. Although the overall pace of expansion remained only moderate at best, it was nonetheless the fastest signalled since June 2011.

At 51.7 in August, up from 50.8 in July, the **JPMorgan Global Manufacturing PMI™** – a composite index\* produced by JPMorgan and Markit in association with ISM and IFPSM – signalled growth for the eighth month running.

Manufacturing production rose for the tenth successive month, with the rate of growth accelerating to the highest since January. The main drag came from broad-based weakness in a number of emerging markets, with India, Taiwan, South Korea, Indonesia, Vietnam and Brazil were among the countries to report lower output volumes.

US manufacturers reported a slowdown in production growth to a ten-month low in August, which offset some of the momentum gained through a return to growth in China and faster expansions in Japan and the UK. The rate of increase in UK manufacturing output surged to its highest since 1994 and in Japan hit a two-and-a-half year high. The recovery in the euro area also gained traction.

The rate of growth in global manufacturing new orders rose to a 30-month high in August. The acceleration was also firmer than that seen for production, raising the possibility that output may continue to rise in the months ahead. Moreover, the ratio of new orders to stocks of finished goods – which acts as a bellwether for the near-term trend in output – also hit a 30-month high. Holdings of pre- and post-production inventories both fell over the month.

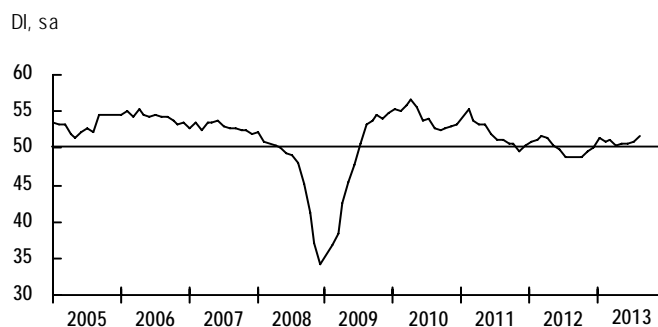
Manufacturing employment ticked higher in August. The latest data point to a slight increase in payroll numbers, with job creation reported by the US, Japan, the UK, Canada, Mexico, India, Taiwan, Turkey, Vietnam, Poland, Czech Republic and Ireland.

August saw average input prices rise at the fastest pace since January. On a regional basis, rates of increase accelerated in Asia and eased slightly in North America. Cost inflation was recorded for the first time in seven months in the European Union.

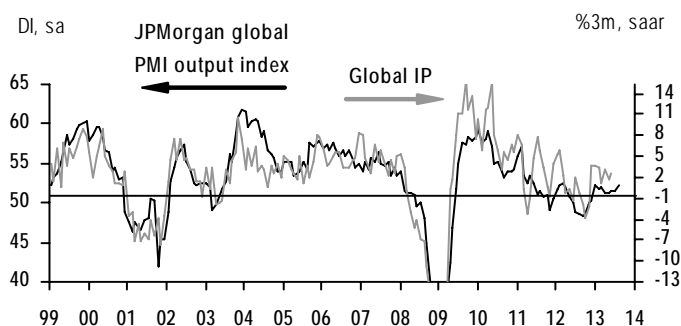
**Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:**

"The global manufacturing sector showed signs of strengthening in the past two month's surveys. Inventory positions are lean, and this appears to be combining with faster gains in final demand to promote an acceleration in factory output."

JPMorgan Global Manufacturing PMI



Global manufacturing output



### Global Manufacturing PMI™ Summary

50 = no change on previous month.

	Jul	Aug	Change	Summary, rate of change
Global PMI	50.8	51.7	+	Expanding, faster rate
Output	51.5	52.3	+	Expanding, faster rate
New Orders	51.6	53.3	+	Expanding, faster rate
Input Prices	52.5	54.9	+	Expanding, faster rate
Employment	50.0	50.5	+	Increasing, from no change

\*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.

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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 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 (pre Feb-10)	28.1	ISM	–	www.ism.ws
United States (post Jan-10)	28.1	Markit	–	www.markit.com
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
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

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

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www.ism.ws



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www.ifpsm.org

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