

## News Release

**MARKET SENSITIVE INFORMATION**  
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# JPMorgan Global Manufacturing PMI

Produced by JPMorgan and Markit Economics in association with ISM and IFPSM

## Survey record drop in worldwide manufacturing employment

The global manufacturing sector remained in deep recession at the start of 2009. At 34.9 in January, the **JPMorgan Global Manufacturing PMI** posted a reading only slightly above December's record low of 33.7 and its second-weakest in the series history. The PMI has now remained below the critical no-change mark of 50.0 for eight successive months.

Indexes tracking trends for **output** and **new orders** rose only slightly from the record lows posted in December and were well below those recorded one year ago.

At 30.6 in January, the **Global Manufacturing Output Index** remained consistent with a substantial decline in world IP. All of the national manufacturing sectors covered by the survey for which January PMI data were available reported drops in production and new work received. Rates of reduction in output eased in the US, China and the UK, but held broadly steady in the Eurozone (despite a series record contraction in Germany). Meanwhile, the downturn in production in Japan accelerated to the fastest in survey history.

Manufacturers continued to face adverse market conditions, reflecting the ongoing credit market crisis and depressed client confidence. National PMI data indicated that domestic market conditions were weak in most of the nations covered by the survey, while **global trade volumes** have fallen sharply in each of the past five months.

Worldwide **manufacturing employment** fell at a series record rate in January, as companies trimmed capacity in line with lower workloads and in order to save costs. Staffing levels fell at series record rates in the Eurozone (with manufacturing jobs being cut at the fastest rates in their respective survey histories in the big-3 euro area nations), China, the UK, Russia, Brazil and Turkey. Japan saw a further substantial drop in staffing levels and, in the US, employment fell at a pace unchanged from December (which was the fastest since early 1991).

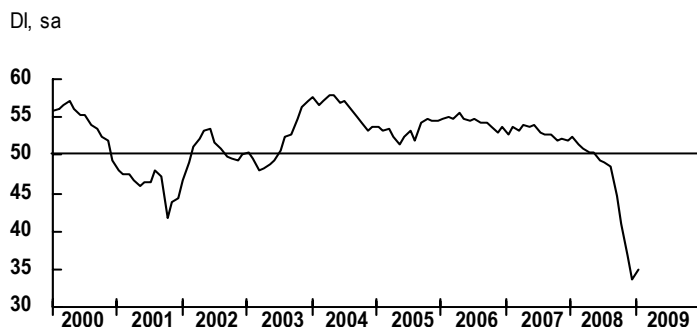
Global manufacturers also reported marked reductions in their **stocks of purchases** during January, as purchasing activity was cut in line with lower production requirements and efforts to hold down costs.

January data pointed to a further sharp drop in average **purchasing costs**, with the rate of deflation only slightly slower than December's series record.

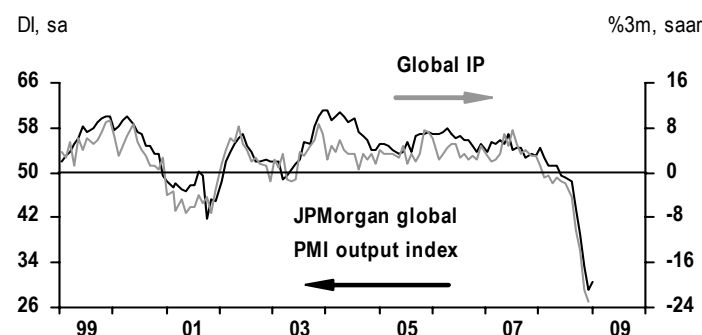
**Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:**

"January PMI data rose modestly in January, its first gain in 12 months. Encouragingly, the increase was led by a jump in the new orders index, whereas the index of inventories continued to decline. These dynamics point to a stabilization or a possible turning point in the global PMI. That said, the PMI points to continued, deep declines in global output in the near-term, reflecting a continued fall in final demand and a need to lower inventories."

**JPMorgan global manufacturing PMI**



**Global manufacturing output**



### Global Manufacturing PMI Summary

50 = no change on previous month.

	Dec	Jan	Change	Summary
Global PMI	33.7	34.9	+	Deteriorating, slower rate
Output	29.3	30.6	+	Contracting, slower rate
New Orders	25.8	30.0	+	Contracting, slower rate
Input Prices	31.3	33.6	+	Falling, slower rate
Employment	36.9	36.3	-	Index at series-record low

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### Notes to editors

The Global Report on Manufacturing is compiled by Markit Economics based on the results of surveys covering over 7,500 purchasing executives in 26 countries. Together these countries account for an estimated 83% 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	30.5	ISM	–	<a href="http://www.ism.ws">www.ism.ws</a>
Eurozone	18.7	Markit	–	<a href="http://www.markit.com">www.markit.com</a>
Japan	13.9	Markit	Nomura/JMMA	<a href="http://www.nomura.co.jp">www.nomura.co.jp</a> , <a href="http://www.jmma.gr.jp">www.jmma.gr.jp</a>
Germany	5.6	Markit	BME	<a href="http://www.bme.de">www.bme.de</a>
China	4.9	Markit	CLSA	<a href="http://www.clsa.com">www.clsa.com</a>
United Kingdom	4.5	Markit	CIPS	<a href="http://www.cips.org">www.cips.org</a>
France	4.0	Markit	CDAF	<a href="http://www.cdaf.asso.fr">www.cdaf.asso.fr</a>
Italy	3.2	Markit	ADACI	<a href="http://www.adaci.it">www.adaci.it</a>
Spain	1.9	Markit	AERCE	<a href="http://www.aerce.org">www.aerce.org</a>
Brazil	1.9	Markit	Banco Real	<a href="http://www.bancoreal.com.br">www.bancoreal.com.br</a> , <a href="http://www.abnamro.com">www.abnamro.com</a>
India	1.7	Markit	ABNAMRO	<a href="http://www.abnamro.com">www.abnamro.com</a>
Australia	1.3	AIG	PriceWaterhouseCoopers	<a href="http://www.aigroup.asn.au">www.aigroup.asn.au</a> , <a href="http://www.pwcglobal.com/au">www.pwcglobal.com/au</a>
Netherlands	1.1	Markit	NEVI	<a href="http://www.nevi.nl">www.nevi.nl</a>
Russia	0.9	Markit	VTB Capital	<a href="http://www.vtb.com">www.vtb.com</a>
Switzerland	0.7	SVME	Credit Suisse	<a href="http://www.svme.ch">www.svme.ch</a> , <a href="http://www.credit-suisse.ch">www.credit-suisse.ch</a>
Turkey	0.7	Markit	ABNAMRO	<a href="http://www.abnamro.com">www.abnamro.com</a>
Austria	0.6	Markit	BA Credenstalt/OPWZ	<a href="http://www.ba-ca.com">www.ba-ca.com</a> , <a href="http://einkauf.opwz.com">http://einkauf.opwz.com</a>
Poland	0.5	Markit	RBS	<a href="http://www.rbs.com">www.rbs.com</a>
Denmark	0.5	DILF	Kairoscommodities	<a href="http://www.dilf.dk">www.dilf.dk</a> , <a href="http://www.kairoscommodities.com">www.kairoscommodities.com</a>
South Africa	0.4	BER	IPSA/Investec	<a href="http://www.ber.sun.ac.za">www.ber.sun.ac.za</a> , <a href="http://www.ipsa.co.za">www.ipsa.co.za</a> , <a href="http://www.investec.co.za">www.investec.co.za</a>
Greece	0.4	Markit	HPI	<a href="http://www.hpi.org">www.hpi.org</a>
Israel	0.3	IPLMA	Bank Hapoalim Ltd	<a href="http://www.iplma.org.il">www.iplma.org.il</a> , <a href="http://www.bankhapoalim.co.il">http://www.bankhapoalim.co.il</a>
Ireland	0.3	Markit	NCB Stockbrokers	<a href="http://www.ncbdirect.com">www.ncbdirect.com</a>
Singapore	0.3	SIPMM	–	<a href="http://www.sipmm.org.sg">www.sipmm.org.sg</a>
Czech Republic	0.2	Markit	ABNAMRO	<a href="http://www.abnamro.com">www.abnamro.com</a>
New Zealand	0.2	Business NZ	Bank of New Zealand	<a href="http://www.businessnz.org.nz">www.businessnz.org.nz</a> , <a href="http://www.bnz.co.nz">www.bnz.co.nz</a>
Hungary	0.2	HALPIM	Hungarian National Bank	<a href="http://www.logisztika.hu">www.logisztika.hu</a>

\* Source: World Bank



[www.jpmorganchase.com](http://www.jpmorganchase.com)



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