

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

Global manufacturing downturn deepened in November

The **JPMorgan Global Manufacturing PMI** plummeted to a new series-record low of 36.4 in November, a reading indicative of a substantial deterioration in operating performance. The deepening of the global manufacturing downturn was broad-based, with almost all of the national manufacturing PMIs for which November data were available falling to series-record lows. The only exceptions were Denmark, where the PMI edged higher from the previous month's low, and the US. The US PMI reading was the weakest since May 1982, making it the lowest during the history of the global manufacturing PMI (which was first compiled in January 1998).

Series-record contractions were also signalled for **production, new orders, new export orders** and **employment**. Moreover, the headline PMI and the Output Index have both remained at sub-50.0 levels for six successive months, providing further evidence that the worldwide manufacturing sector has fallen into a technical recession.

The marked downshift of conditions in the global manufacturing sector mainly reflected the onset of the world economic downturn and ongoing financial market turmoil. The far-reaching impact of this was reflected in the national manufacturing surveys, which all reported declines in output and new orders – the vast majority at survey-record rates.

None of the national surveys pointed to an increase in staffing levels during November.

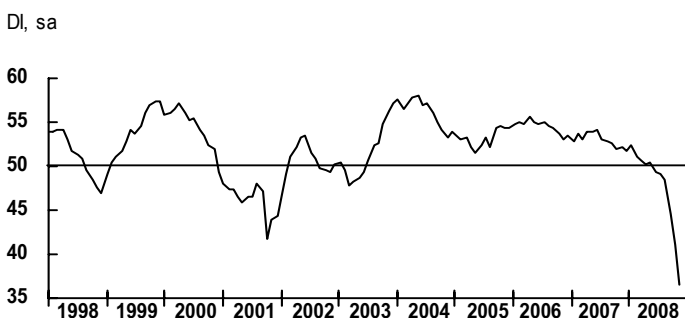
The weakness of the global manufacturing sector was again predominantly centred on the developed economies. The Eurozone and the UK saw output and new orders contract at the fastest pace in their respective series histories while, in the US, rates of decline accelerated to the steepest since mid-1980. The latest data also indicated that the contraction in emerging markets gathered pace and broadened – with India recording a drop in production after posting growth in the previous month.

At 35.9 in November, the **Global Manufacturing Input Prices Index** posted its lowest reading since global PMI data were first compiled. This marked a noticeable reversal in the trend in average purchasing costs, as the index has fallen by almost 45 points since peaking at 80.8 just four months ago. Rates of decline in input prices were especially marked in the US and China. The US saw raw material costs drop at the fastest pace since June 1949 and, in China, the pace of decline was the steepest since the China survey began in April 2004.

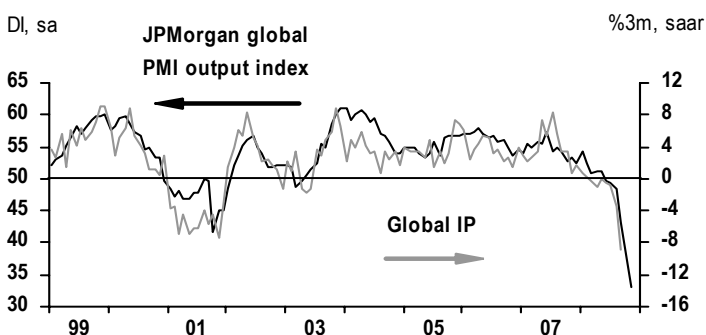
Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"The November PMIs confirm that global manufacturing has fallen into a deep and broad-based recession during H2 2008. Indexes tracking output, new orders and employment all sank to record lows, with the contraction in production accelerating to a double-digit rate. The only positive to come from the surveys was the marked retreat in average purchasing costs, with the Input Prices Index downshifting sharply from a series high just four months' ago to a record low in November."

JPMorgan global manufacturing PMI



Global manufacturing output



Global Manufacturing PMI Summary

50 = no change on previous month.

	Oct	Nov	Change	Summary
Global PMI	41.0	36.4	-	Index at series-record low
Output	39.1	33.1	-	Index at series-record low
New Orders	36.2	29.7	-	Index at series-record low
Input Prices	48.1	35.9	-	Index at series-record low
Employment	42.2	39.6	-	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	–	www.ism.ws
Eurozone	18.7	Markit	–	www.markit.com
Japan	13.9	Markit	Nomura/JMMA	www.nomura.co.jp , www.jmma.gr.jp
Germany	5.6	Markit	BME	www.bme.de
China	4.9	Markit	CLSA	www.clsa.com
United Kingdom	4.5	Markit	CIPS	www.cips.org
France	4.0	Markit	CDAF	www.cdaf.asso.fr
Italy	3.2	Markit	ADACI	www.adaci.it
Spain	1.9	Markit	AERCE	www.aerce.org
Brazil	1.9	Markit	Banco Real	www.bancoreal.com.br , www.abnamro.com
India	1.7	Markit	ABNAMRO	www.abnamro.com
Australia	1.3	AIG	PriceWaterhouseCoopers	www.aigroup.asn.au , www.pwcglobal.com/au
Netherlands	1.1	Markit	NEVI/DPA	www.nevi.nl , www.dpasupplychainpeople.com
Russia	0.9	Markit	VTB Bank Europe	www.vtb.com
Switzerland	0.7	SVME	Credit Suisse	www.svme.ch , www.credit-suisse.ch
Turkey	0.7	Markit	ABNAMRO	www.abnamro.com
Austria	0.6	Markit	BA Credenstalt/OPWZ	www.ba-ca.com , http://einkauf.opwz.com
Poland	0.5	Markit	RBS	www.rbs.com
Denmark	0.5	DILF	–	www.dilf.dk
South Africa	0.4	BER	IPSA/Investec	www.ber.sun.ac.za , www.ipsa.co.za , www.investec.co.za
Greece	0.4	Markit	HPI	www.hpi.org
Israel	0.3	IPLMA	Dun & Bradstreet	www.iplma.org.il , www.dnb.com , www.dbisrael.co.il
Ireland	0.3	Markit	NCB Stockbrokers	www.ncbdirect.com
Singapore	0.3	SIPMM	–	www.sipmm.org.sg
Czech Republic	0.2	Markit	ABNAMRO	www.abnamro.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

* Source: World Bank



www.jpmorganchase.com



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Markit Economics is a specialist compiler of business surveys and economic indices, including the Purchasing Managers' Index (PMI) series, which is now available for 26 countries and key regions including the Eurozone and BRIC. The PMIs have become the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

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