

JPMorgan Global PMI

Report on Manufacturing and Services

Produced by JPMorgan and NTC Research in association with ISM and IFPMM

Global private sector economy exhibits continued strength on back of buoyant manufacturing and services growth.

The broad-based upturn of the global private sector economy continued in March, with the respective performances of the manufacturing and service sectors remaining robust. Of the twenty-nine PMI surveys covering manufacturing and services for which March data were available, all except two (Hungarian manufacturing and Australian services) reported growth of economic activity. Expansion of the worldwide private sector economy was again led by the US, which reported the strongest growth of all nations in both manufacturing and services.

The **Global All-Industry Output Index** posted 58.9 in March, a level unchanged from February, to suggest growth of output at the same substantial rate as one month ago. The rise in global economic output reflected marked gains in both manufacturing production and service sector activity, with the sharper growth recorded in manufacturing.

The **Global All-Industry New Orders Index** registered 58.5 in March, down slightly from 58.8 in February, to point to an expansion of new business for the eleventh month running. Manufacturing new orders increased at a sharper rate than service sector new business for the fourth month in a row, with the growth differential widening from February.

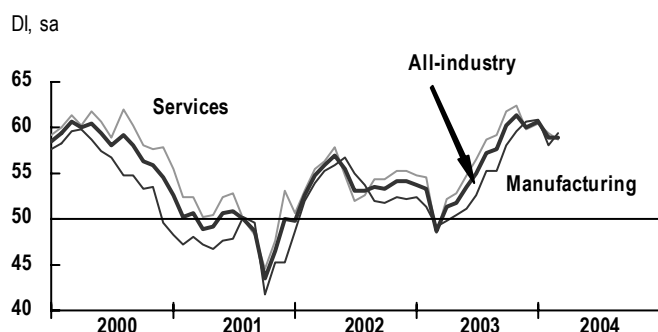
Global private sector employment increased for the sixth successive month in March, reflecting higher staffing levels in both manufacturing and services. Nevertheless, the **Global All-Industry Employment Index** fell slightly to 51.2, from 51.9 in February, to record only a modest rise in staffing and a slower rate of increase than one month ago. Growth of employment was slightly faster in manufacturing than in services, with the Global Manufacturing Employment Index rising above its service sector counterpart for the first time since June 2002.

Substantial inflation of input prices was recorded during March. Furthermore, after rising by 5.1 points to 63.6, the **Global All-Industry Input Prices Index** pointed to a marked acceleration in the rate of increase. Inflation of input prices picked up sharply in manufacturing and services, reflecting a surge in steel costs in manufacturing, rising payroll pressure in services and the effect of higher oil prices in both sectors.

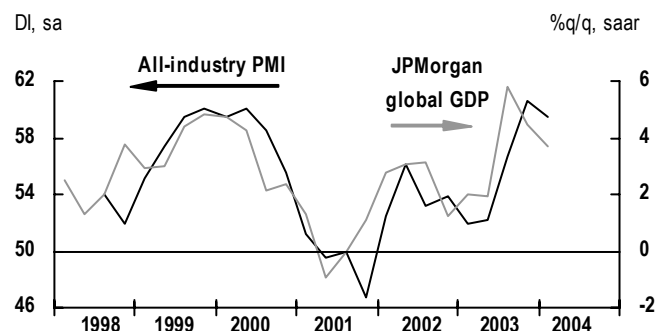
Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"Rapid expansion of the global private sector economy was maintained in March, with the All-Industry Output Index remaining at a level consistent with annualised growth of global GDP of 4-5%. Price pressures are mounting across-the-board, but are especially intense in manufacturing."

JPMorgan global PMI output



Global activity indicators



Global PMI Summary

50 = no change on previous month.

		Feb	Mar	Latest movement
Output	Total	58.9	58.9	Expanding at unchanged rate
	Manufacturing	58.1	59.4	Expanding at faster rate
	Services	59.4	58.6	Expanding at slower rate
New orders	Total	58.8	58.5	Expanding at slower rate
	Manufacturing	59.1	59.7	Expanding at faster rate
	Services	58.6	57.7	Expanding at slower rate
Employment	Total	51.9	51.2	Expanding at slower rate
	Manufacturing	51.1	51.3	Expanding at faster rate
	Services	52.4	51.1	Expanding at slower rate
Input prices	Total	58.5	63.6	Rising at faster rate
	Manufacturing	66.4	71.4	Rising at faster rate
	Services	53.4	58.6	Rising at faster rate

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Notes on data

The Global Report on Manufacturing and Services is based on the results of surveys carried out in the USA by ISM, in Japan, the UK, Germany, France, Spain, Italy, Russia, Ireland, Greece, Austria, the Netherlands, Poland, Czech Republic and Hong Kong by NTC Research and in a number of other countries: Denmark, Israel, Hungary, South Africa, Australia, Switzerland, Singapore and New Zealand. These countries together account for an estimated 76% of global GDP.

The Global Report on Manufacturing and Services provides the first indication each month of global business conditions, based on data collected from around 10,000 purchasing executives. It is compiled by NTC Research. The data enable decision makers in the financial world to make better judgements much earlier than would otherwise be the case.

The wide coverage of the indexes, together with their speed of production, accuracy and direct comparability, make them unmatched as economic indicators. They provide truly "must have" information for financial institutions of all kinds and for major corporations world-wide. 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
US	27.0	ISM	-	www.ism.ws
Japan	17.0	NTC	Reuters/Nomura/JMMA	www.reuters.co.jp, www.nomura.co.jp, www.jmma.gr.jp
Germany	8.0	NTC	BME/Reuters	www.bme.de, www.reuters.de
France	5.3	NTC	CDAF/Reuters	www.cdaf.asso.fr, www.reuters.fr
UK	3.9	NTC	CIPS/Reuters	www.cips.org, www.reuters.co.uk
Italy	3.6	NTC	Reuters/ADACI	www.reuters.it, www.adaci.it
Spain	2.1	NTC	AERCE	www.aerce.org
Netherlands	1.5	NTC	NEVI/YACHT	www.nevi.nl, www.yachtgroup.com
Australia	1.4	AiG	PWC, Commonwealth Bank	www.aigroup.asn.au, www.pwcglobal.com/au, www.commbank.com.au
Russia	1.1	NTC	Moscow Narodny Bank	www.mosnar.com
Switzerland	1.0	SVME	Credit Suisse	www.svme.ch, www.credit-suisse.ch
Austria	0.8	NTC	BA Creditanstalt/OPWZ	www.ba-ca.com, http://einkauf.opwz.com
Denmark	0.6	DILF	Danske Bank	www.dilf.dk, www.danskebank.dk
South Africa	0.5	BER	IPSA/Investec	www.ber.sun.ac.za, www.ipsa.co.za, www.investec.co.za
Poland	0.5	NTC	-	www.ntc-research.com
Hong Kong	0.5	NTC	-	www.ntc-research.com
Greece	0.4	NTC	HPI	www.hpi.org
Ireland	0.3	NTC	NCB Stockbrokers	www.ncbdirect.com
Singapore	0.3	SIPMM	-	www.sipmm.org.sg
Israel	0.3	IPLMA	-	www.iplma.org.il
Czech Republic	0.2	NTC	-	www.ntc-research.com
Hungary	0.2	HALPIM	Hungarian National Bank	www.logisztika.hu
New Zealand	0.2	Business NZ	ANZ Banking Group	www.businessnz.org.nz, www.anz.com/nz

* Source: World Bank



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