

JPMorgan Global PMI

Report on Manufacturing and Services

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

Expansion of global economic activity eased to the least marked rate since July 2003, as growth in new business fell to a one-and-a-half year low.

Global economic activity rose for the twentieth consecutive month in November, the most sustained period of growth for over three-and-a-half years. However, the upturn in output has lost momentum in recent months. This was highlighted by the **Global All-Industry Output Index** registering 55.7, down for the fourth month in a row, to record the least marked rate of expansion since July 2003. At its current level, the All-Industry Output Index is consistent with more modest growth of global GDP of around 3-3.5% saar. National PMI data suggested that the easing in the rate of expansion in worldwide GDP was (generally) led by slower growth in the Eurozone and Asia-Pacific regions.

The performances of the manufacturing and service economies were both less robust than one month ago, with growth of manufacturing production and service sector business activity both easing to the least marked rates for sixteen months. In relative terms, the service economy outperformed the manufacturing industry, with the differential between the implied rates of expansion at its most significant since September 2003.

The less robust trend in growth of business activity coincided with an easing in the rate of increase of incoming new orders. The **Global All-Industry New Orders Index** posted 54.9, above the neutral mark of 50.0 for the nineteenth month in a row, but its lowest level since June 2003. Manufacturing new orders and service sector new business expanded at the least marked rates for sixteen and seventeen months respectively.

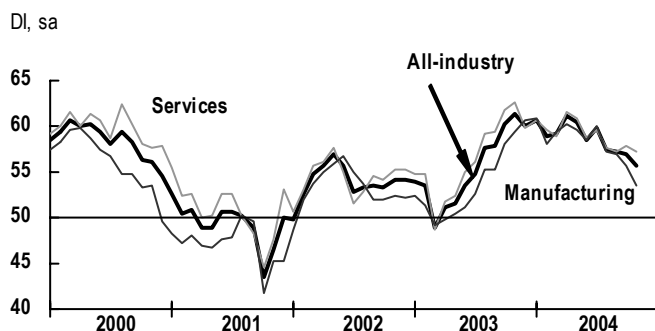
The global jobs market remained resilient in November, despite an easing in the rates of increase of activity and new orders. At 52.0, the **All-Industry Employment Index** pointed to a net gain in staffing levels for the fourteenth month running. Although employment rose at a similar rate in the manufacturing and service economies, this masked an important difference between the monthly trends of these sectors. While manufacturing jobs increased at a faster rate than October, growth of services employment was less marked than in the previous two months.

Private sector companies across the world continued to operate in a high cost environment in November. This was highlighted by the **Global All-Industry Input Prices Index** posting 65.6, a figure well above the no-change mark of 50.0. However, the rate of cost inflation was less severe than October's four-and-a-half year high, and could ease further in the coming months if oil prices fall as expected.

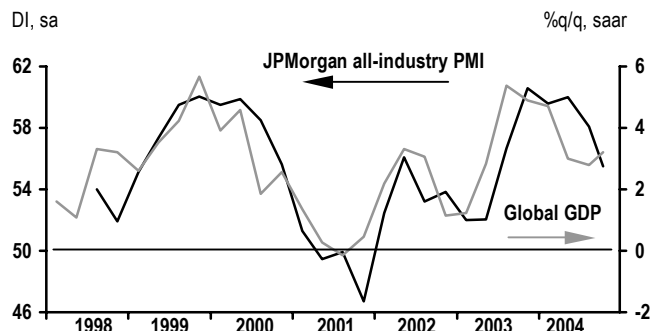
Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"The November PMI data are pointing to slower expansions in activity and new orders for both the manufacturing and services economies. Nonetheless, they remain consistent with a healthy pace of global GDP growth of near 3%."

JPMorgan global PMI output



Global activity indicators



Global PMI Summary

50 = no change on previous month.

		Oct	Nov	Latest movement
Output	Total	57.0	55.7	Expanding at slower rate
	Manufacturing	55.7	53.4	Expanding at slower rate
	Services	57.8	57.2	Expanding at slower rate
New orders	Total	56.5	54.9	Expanding at slower rate
	Manufacturing	54.9	53.9	Expanding at slower rate
	Services	57.5	55.5	Expanding at slower rate
Employment	Total	52.4	52.0	Expanding at slower rate
	Manufacturing	51.0	52.0	Expanding at faster rate
	Services	53.3	51.9	Expanding at slower rate
Input prices	Total	67.7	65.6	Rising at slower rate
	Manufacturing	75.0	71.9	Rising at slower rate
	Services	63.0	61.6	Rising at slower 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, China, 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 80% 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
China	3.1	NTC	CLSA	www.clsa.com
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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