

# JPMorgan Global PMI Global Report on Manufacturing

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

**Global Manufacturing PMI rises to three-and-a-half year high. Production and orders expand at survey record rates.**

Expansion of the global manufacturing economy gathered further significant momentum in November, accelerating to a three-and-a-half year peak. Global growth was led by the surging performance of the US manufacturing sector, which saw operating conditions improve at the fastest rate since December 1983. Japan and the UK also recorded marked expansion, with growth reaching a new series high in Japan and a four-year peak in the UK. Meanwhile, the recent recovery of the Eurozone manufacturing sector extended into a third successive month. Moreover, despite remaining below its US, UK and Japanese counterparts, the Eurozone Manufacturing PMI registered its highest reading since February 2001.

At 56.8 in November, the **Global Manufacturing PMI** – a composite index produced by JPMorgan and NTC in association with ISM and IFPMM – posted its highest reading since April 2000 and remained above the critical no-change mark of 50.0 for the fifth successive month. The Global Manufacturing PMI is based on responses from approximately 7,000 companies worldwide, operating in countries that account for roughly 76% of total global manufacturing output. PMIs rose in thirteen of the nineteen countries for which November data were available.

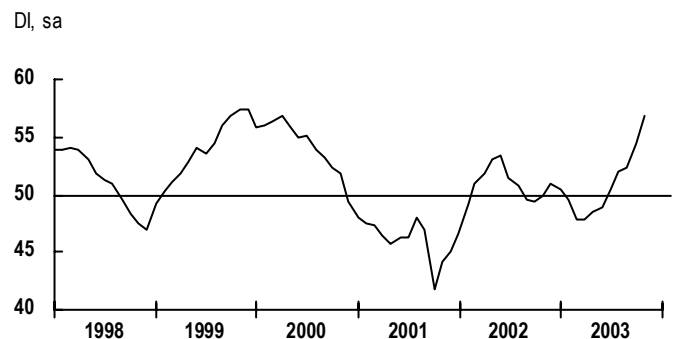
November saw worldwide manufacturing production expand at the steepest rate so far since global data were first compiled in January 1998. At 60.4, up from 58.1 in October, the **Global Manufacturing Output Index** signalled growth for the sixth consecutive month. The performance of the US economy was especially strong, as production increased at the sharpest rate since December 1983. Growth picked up in Japan and the Eurozone (hitting a survey record in Japan and thirty-four month peak in the euro area), and remained significant in the UK.

November data signalled the sharpest expansion of incoming new orders during the entire global series history. Growth of new business (which was driven by the current upturn in economic confidence) was widespread, with Greece the only country (for which November data were available) signalling reduced trading volumes. The **Global Manufacturing New Orders Index** rose 3.9 points to 63.0.

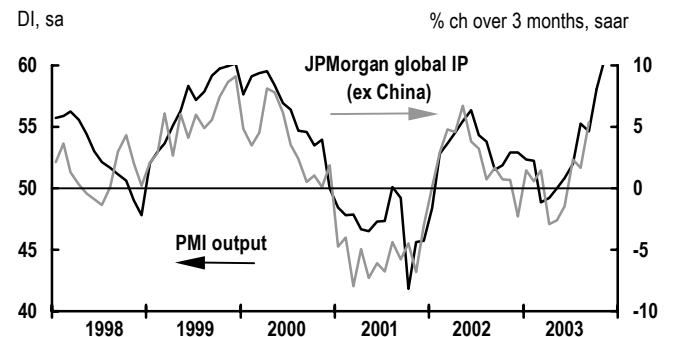
In a major development, the **Global Manufacturing Employment Index** increased to 49.9, a figure consistent with rough stability in manufacturing payrolls. The US and Japan both reported growth of staffing in November.

The **Global Manufacturing Input Prices Index** (which posted 56.4) signalled the steepest increase of raw material prices for seven months in November. Inflation of input prices picked up in the US, Japan, UK and euro area.

**JPMorgan global manufacturing PMI**



**Global manufacturing output**



## Global Manufacturing PMI Summary

50 = no change on previous month.

	Oct	Nov	Change	Comparison with previous month
Global PMI	54.5	56.8	+	Expanding at faster rate
Output	58.1	60.4	+	Expanding at faster rate
New Orders	59.1	63.0	+	Expanding at faster rate
Input Prices	54.2	56.4	+	Increasing at faster rate
Employment	48.4	49.9	+	Contracting at slower rate

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

“The global PMI signals a broad, robust recovery in the manufacturing sector. Survey details show that booming growth in output and orders is spurring firms to boost hiring and replenish inventories. The latest data are consistent with annualized growth of global industrial production of over 8%.”

# JPMorgan Global PMI

## Global Report on Manufacturing

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### Notes on data

The Global Report on Manufacturing 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 and Czech Republic by NTC Research and in a number of other countries: Denmark, Israel, Hungary, South Africa, Switzerland, Australia and Singapore. These countries together account for an estimated 76% of global manufacturing output.

The Global Report on Manufacturing provides the first indication each month of global manufacturing business conditions, based on data collected from around 7,000 purchasing executives. It is compiled by NTC Research. The data enable decision makers in the financial world and in government 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	PriceWaterhouseCoopers	www.aigroup.asn.au, www.pwcglobal.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
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, www.anz.com/nz

\* Source: World Bank



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