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JPMorgan Global PMI

Global Report on Services

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

Robust growth of the global service economy continued during April. Upturn in employment maintained despite surging input costs.

Growth of the global service economy picked up during April, with the latest data indicating a further substantial rise in the overall level of business activity. **The Global Services Business Activity Index** registered 61.7, up 2.8 points from 58.9 in March, to remain above the neutral mark of 50.0 for the thirteenth successive month and to signal a solid acceleration in the rate of increase from one month ago.

The positive performance of the global service economy was reflected at the national-level, with all of the countries for which PMI data were collected recording growth of business activity during April. The US was again the principal driver of global service sector growth, whilst the performances of the Russian and the UK service economies were especially robust. Business activity across the Eurozone also rose markedly, although the rate of expansion was weaker than its US, Russian, UK and Hong Kong counterparts. Meanwhile, Australia continued to lag behind the other regions included in the Global Services Business Activity Index, although the performance of Australia was an improvement on March.

The level of new business placed with service providers across the world increased during April, with the latest PMI data pointing to further substantial growth of new orders. Moreover, after rising to 58.9, the **Global Services New Business Index** recorded a sharper rate of improvement than one month ago. Growth of new business was especially buoyant in the US (which reported the sharpest rise), Russia and the UK. The Eurozone also saw a robust increase in new orders, although the rate of expansion was slower (on average) across the euro area than that recorded in the other regions covered by the services survey.

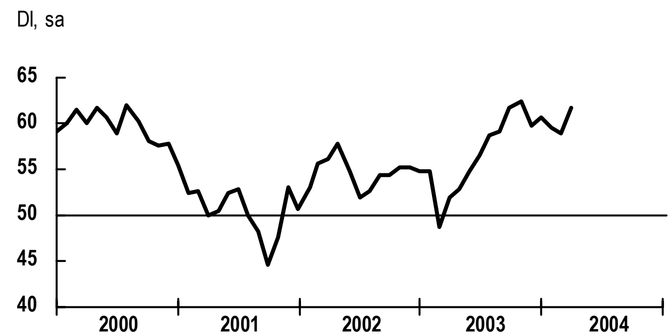
Growth of employment was recorded for the seventh month running in April. The **Global Services Employment Index** posted 53.7, a figure indicative of a robust rise in staffing levels and a sharper rate of increase than one month ago. Germany was the only nation for which April PMI data were collected that reported a decline in employment.

The volume of outstanding business expanded for the eighth month in a row in April, and at a faster rate than one month ago. The **Global Services Outstanding Business Index** registered 52.2, up from 50.9 in March.

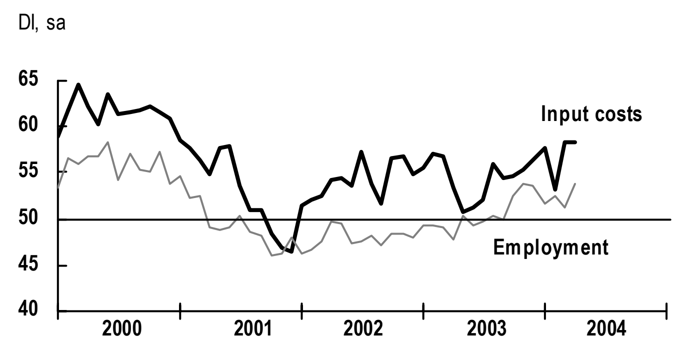
Inflation of average input costs was reported by companies across the globe in April, with all of the nations for which services PMI data were collected seeing a rise in input prices. Moreover, at 58.2, the **Global Services Input Prices Index** pointed to a rate of increase little changed from the previous month's substantial rate.

The Global Report on Services data are combined with the equivalent manufacturing data to produce indicators of all-industry global business conditions. See www.ntc-research.com for details.

Service sector business activity



Service sector employment and input costs



Global Services Summary

50 = no change on previous month.

	Mar	Apr	Change	Change on previous month
Output/activity	58.9	61.7	+	Expanding at faster rate
New business	57.9	58.9	+	Expanding at faster rate
Backlogs of work	50.9	52.2	+	Expanding at faster rate
Input prices	58.4	58.2	–	Rising at slower rate
Employment	51.3	53.7	+	Expanding at faster rate

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

"The strong upswing of the global service economy continued in April, as growth of business activity and new orders gathered pace. PMI data on employment was especially robust, with staffing levels rising at the fastest rate in five months."

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Press contacts

For further information or for other press enquiries please contact:

David Hensley
(1-212) 834-5516
david.hensley@jpmorgan.com
JPMorgan Chase Bank

Luke Thompson
(44) 1491 418 626
luke_thompson@ntc.co.uk
NTC Research Ltd

Notes on data

The Global Report on Services is based on the results of surveys carried out in the USA by ISM, and in the UK, Germany, France, Spain, Italy, Russia, Ireland and Hong Kong by NTC Research and in Australia. These countries together account for an estimated 60% of global service sector output. For the US, data for service industries are extracted from the ISM non-manufacturing survey in order to retain consistency with data for other countries.

The Global Report on Services provides the first indication each month of global private service sector business conditions, based on data collected from around 3,500 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.

The services report is accompanied by a Global Report on Manufacturing and a Global All-Industry PMI Report. See www.ntc-research.com for details.

Data sources

Country*	% share of global GDP**	Producer	In association with	Web
US*	27.0	ISM	–	www.ism.ws
Germany	8.0	NTC	Reuters	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
Australia	1.4	AiG	Commonwealth Bank	www.aigroup.asn.au, www.commbank.com.au
Russia	1.1	NTC	Moscow Narodny Bank	www.mosnar.com
Hong Kong	0.5	NTC	–	www.ntc-research.com
Ireland	0.3	NTC	NCB Stockbrokers	www.ncbdirect.com

* Note: ISM non-manufacturing data have been recalculated to be consistent with the service sector coverage used by NTC. ** Source: World Bank

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Founded in 1915, the **Institute for Supply Management™** (ISM) is the largest supply management organization in the world as well as one of the most respected. ISM's mission is to lead the supply management profession through its standards of excellence, research, promotional activities and education. ISM's membership base includes more than 45,000 supply management professionals with a network of domestic and international affiliated associations. ISM is a not-for-profit institute that provides opportunities for the promotion of the profession and the expansion of professional skills and knowledge.

The **International Federation of Purchasing and Materials Management** (IFPMM) is the union of 42 national purchasing associations worldwide. Within this circle, about 200,000 purchasing professionals can be reached. IFPMM is a non-political, independent and non-profit oriented international organisation, registered in Aarau, Switzerland. IFPMM facilitates the development and distribution of knowledge to elevate and advance the procurement profession, thus favourably impacting the standard of living of citizens worldwide through improved business practices.