

News Release

MARKET SENSITIVE INFORMATION

EMBARGOED UNTIL: 11:00am (US EASTERN TIME) 5 August 2013

JPMorgan Global Manufacturing & Services PMI™

Produced by JPMorgan and Markit in association with ISM and IFPSM

Global economic growth accelerates to 16-month high

Global economic growth accelerated sharply at the start of the third quarter. The rate of expansion in output hit a 16-month high, as manufacturers and service providers benefited from improved inflows of new business.

The expansion remained uneven by region, however. Stronger growth was registered in the US* and the UK, while the eurozone stabilised. This was partly offset by weaker performances in Asia and a number of emerging markets.

The **Global All-Industry Output Index** – produced by JPMorgan and Markit in association with ISM and IFPSM – posted 54.1 in July, up from 51.2 in June, to extend the current unbroken sequence of expansion to four years.

Rates of output expansion in the US and the UK were the fastest for seven months and 16 years respectively. Moreover, the all-industry PMI output indices for both the US and the UK were almost ten points higher than the average for elsewhere in the global economy. Output growth in Japan eased to a five-month low, while contractions were signalled for China, India, Brazil and Russia.

Global employment increased for the tenth successive month in July. Jobs growth was recorded in the US, Germany, the UK and India. In contrast, payroll numbers were cut in China, Japan, France, Italy, Spain and Russia. Brazil reported no change in staffing levels over the month.

Cost inflation accelerated during July, with the rate of increase hitting a five-month high. The stronger inflation of input prices was signalled by the service sector, although manufacturers also saw a pick in the rate of increase in costs. Inflationary pressure surged higher in the US, while Italy also saw a marked acceleration.

Global Manufacturing & Services PMI™ Summary

50 = no change on previous month.

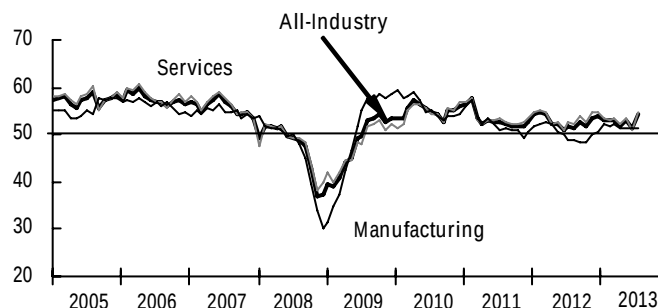
	Jun	Jul	+/-	Change Summary
Output	51.2	54.1	+	Expanding, faster rate
New Orders	50.9	53.2	+	Expanding, faster rate
Input Prices	52.4	55.4	+	Rising, faster rate
Employment	51.6	51.0	-	Rising, slower rate

Commenting on the survey, Joe Lupton, Senior Economist at JPMorgan, said:

"The global economy made a positive start to the third quarter. According to the July survey reading, output growth hit a 16-month high as market conditions showed further signs of improvement, with the recoveries in manufacturing and services both gaining traction. Although the stronger performance signalled is pleasing in itself, the structure remains uncomfortably uneven by region, particularly with regard to job creation. A greater degree of positive spillover across world markets will aid in sustaining this upturn."

JPMorgan global PMI output

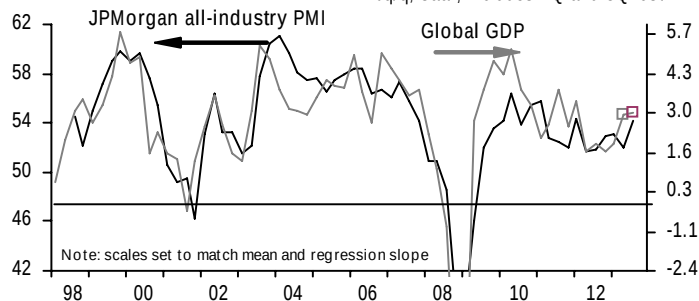
DI, sa



Global activity indicators

DI, sa (quarterly average)

%q/q, saar; includes 2Q and 3Q fct



*Data from the Markit survey of US manufacturing are included in the global manufacturing PMI composition from February 2010 onwards. Data prior to that date are based on the ISM US manufacturing survey. Please email rob.dobson@markit.com for further details.

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Notes to editors

The Global Report on Manufacturing & Services is compiled by Markit based on the results of surveys covering over 16,000 purchasing executives in 32 countries. Together these countries account for an estimated 85% of global gross domestic product (GDP)*. 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

* Source: World Bank WDI (2010 data, constant US\$ measure)

Country	% share of global GDP*	Producer	In association with	Web
United States	28.1	ISM	–	www.ism.ws
United States	28.1	Markit	–	www.markit.com (manufacturing data post Jan 2010)
Japan	12.1	Markit	JMMA	www.jmma.gr.jp
China	7.9	Markit	HSBC	www.hsbc.com
Germany	5.0	Markit	BME	www.bme.de
United Kingdom	4.1	Markit	CIPS	www.cips.org
France	3.6	Markit	–	www.markit.com
Italy	2.7	Markit	ADACI	www.adaci.it
India	2.3	Markit	HSBC	www.hsbc.com
Brazil	2.2	Markit	HSBC	www.hsbc.com
Canada	2.1	Markit	Royal Bank of Canada/PMAC	www.rbc.com, www.pmac.ca
South Korea	1.9	Markit	HSBC	www.hsbc.com
Spain	1.7	Markit	AERCE	www.aerce.org
Mexico	1.7	Markit	HSBC	www.hsbc.com
Australia	1.3	AiGroup	–	www.aigroup.asn.au
Netherlands	1.1	Markit	NEVI	www.nevi.nl
Russia	1.0	Markit	HSBC	www.hsbc.com
Turkey	0.9	Markit	HSBC	www.hsbc.com
Taiwan	0.7	Markit	HSBC	www.hsbc.com
Indonesia	0.7	Markit	HSBC	www.hsbc.com
Switzerland	0.7	procure.ch	Credit Suisse	www.procure.ch, www.credit-suisse.ch
Hong Kong	0.6	Markit	HSBC	www.hsbc.com
Poland	0.6	Markit	HSBC	www.hsbc.com
Austria	0.5	Markit	Bank Austria/OPWZ	www.bankaustria.at, http://einkauf.opwz.com
South Africa	0.5	BER	CIPS/Kagiso	www.ber.sun.ac.za, www.cips.org, www.kagiso.com
Denmark	0.4	DILF	Kairoscommodities	www.dilf.dk, www.kairoscommodities.com
Israel	0.4	IPLMA	Bank Hapoalim Ltd	www.iplma.org.il, http://www.bankhapoalim.co.il
Singapore	0.4	SIPMM	–	www.sipmm.org.sg
Greece	0.4	Markit	HPI	www.hpi.org
Ireland	0.3	Markit	Investec	www.investec.co.uk
Czech Republic	0.2	Markit	HSBC	www.hsbc.com
New Zealand	0.2	Business NZ	Bank of New Zealand	www.businessnz.org.nz, www.bnz.co.nz
Vietnam	0.2	Markit	HSBC	www.hsbc.com
Hungary	0.1	HALPIM	Hungarian National Bank	www.logisztika.hu

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