

News Release

MARKET SENSITIVE INFORMATION
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JPMorgan Global Manufacturing PMI

Produced by JPMorgan and Markit Economics in association with ISM and IFPSM

Global manufacturing PMI hit new low in December

Global manufacturing ended 2008 on an exceptionally weak footing. December PMI data pointed to series-record contractions in output, new orders and employment as companies continued to face weak market demand resulting from the worldwide economic downturn and ongoing crises in the financial and credit markets. This was most striking in the US, where production and new work received fell at the fastest rates in the sixty-one year ISM survey.

At 33.2 in December, the **JPMorgan Global Manufacturing PMI** posted its weakest ever reading and has sunk to new lows in each month of Q4 2008. Based on the average reading for the headline PMI, the performance of the worldwide manufacturing sector through 2008 is the worst for a calendar year since 2001.

Latest data pointed to a broad-based scaling back of production and new work received. Almost all of the national output and new orders indexes for which December figures were available were at their lowest or second-lowest readings in their respective series histories.

The weakest performance was registered by Japan, whose output and new orders indexes fell to levels unprecedented in the histories of any of the national manufacturing surveys included in the global manufacturing PMI.

At 28.8 in December, the **Global Manufacturing Output Index** was consistent with a drop in global IP of around 12%-15% saar. Although emerging market economies fared comparatively better than developed economies, the downturn also deepened further in emerging nations.

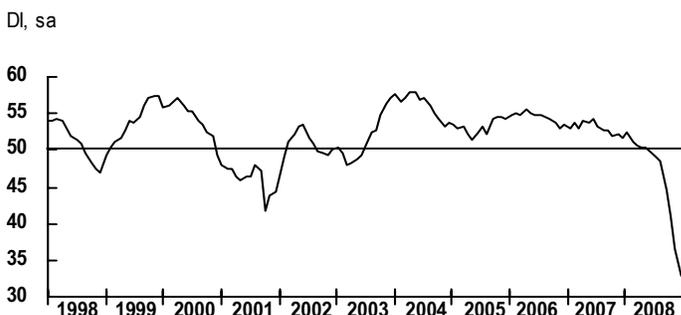
Employment fell for the fifth successive month in December, and to the greatest extent in survey history. All of the national manufacturing sectors recorded a drop in staffing levels, most at series-record rates including all of the Eurozone nations, China and the UK. The sharpest falls in employment were signalled for Denmark, Spain, the US, Russia and the UK.

Average input prices declined in December, as oil, metals and transportation costs fell further. The **Global Manufacturing Input Prices Index** posted 31.3, its lowest ever reading. The rate of deflation was especially marked in the US, where purchase prices fell to the greatest extent since June 1949. Rates of decrease in costs hit series records in the Eurozone, Russia, Switzerland, the Czech Republic and Denmark.

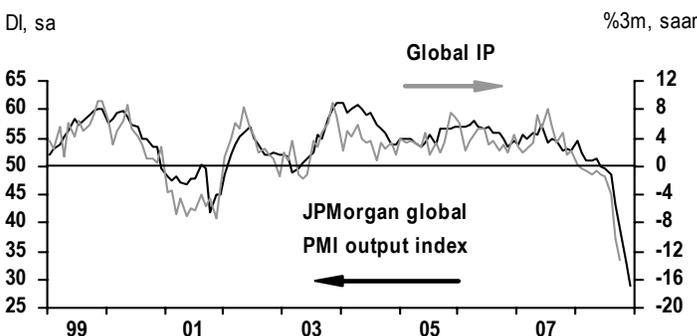
Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"The second half of 2008 has been dreadful for global manufacturing and the sector enters the new year mired in its deepest recession for decades. Manufacturing will therefore continue to weigh on world GDP figures, with December PMI data consistent with a drop in global IP of around 12%-15% saar as indexes for output, new orders and employment slumped to record lows."

JPMorgan global manufacturing PMI



Global manufacturing output



Global Manufacturing PMI Summary

50 = no change on previous month.

	Nov	Dec	Change	Summary
Global PMI	36.5	33.2	-	Index at series-record low
Output	33.1	28.8	-	Index at series-record low
New Orders	29.8	25.3	-	Index at series-record low
Input Prices	36.2	31.3	-	Index at series-record low
Employment	39.6	36.7	-	Index at series-record low

For further information, please contact:

Markit

Rob Dobson, Senior Economist
Telephone +44-1491-418-695
Email rob.dobson@markit.com

Caroline Lumley, Corporate Communications
Telephone +44-20-7260-2047
Email caroline.lumley@markit.com

JPMorgan Chase Bank

David Hensley, Director of Global Economics Coordination
Telephone +1-212-834-5516
Email david.hensley@jpmorgan.com

Notes to editors

The Global Report on Manufacturing is compiled by Markit Economics based on the results of surveys covering over 7,500 purchasing executives in 26 countries. Together these countries account for an estimated 83% of global manufacturing output. 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
United States	30.5	ISM	–	www.ism.ws
Eurozone	18.7	Markit	–	www.markit.com
Japan	13.9	Markit	Nomura/JMMA	www.nomura.co.jp , www.jmma.gr.jp
Germany	5.6	Markit	BME	www.bme.de
China	4.9	Markit	CLSA	www.clsa.com
United Kingdom	4.5	Markit	CIPS	www.cips.org
France	4.0	Markit	CDAF	www.cdaf.asso.fr
Italy	3.2	Markit	ADACI	www.adaci.it
Spain	1.9	Markit	AERCE	www.aerce.org
Brazil	1.9	Markit	Banco Real	www.bancoreal.com.br , www.abnamro.com
India	1.7	Markit	ABNAMRO	www.abnamro.com
Australia	1.3	AIG	PriceWaterhouseCoopers	www.aigroup.asn.au , www.pwcglobal.com/au
Netherlands	1.1	Markit	NEVI	www.nevi.nl
Russia	0.9	Markit	VTB Bank Europe	www.vtb.com
Switzerland	0.7	SVME	Credit Suisse	www.svme.ch , www.credit-suisse.ch
Turkey	0.7	Markit	ABNAMRO	www.abnamro.com
Austria	0.6	Markit	BA Credenstalt/OPWZ	www.ba-ca.com , http://einkauf.opwz.com
Poland	0.5	Markit	RBS	www.rbs.com
Denmark	0.5	DILF	Kairos	www.dilf.dk
South Africa	0.4	BER	IPSA/Investec	www.ber.sun.ac.za , www.ipsa.co.za , www.investec.co.za
Greece	0.4	Markit	HPI	www.hpi.org
Israel	0.3	IPLMA	Bank Hapoalim Ltd	www.iplma.org.il , http://www.bankhapoalim.co.il
Ireland	0.3	Markit	NCB Stockbrokers	www.ncbdirect.com
Singapore	0.3	SIPMM	–	www.sipmm.org.sg
Czech Republic	0.2	Markit	ABNAMRO	www.abnamro.com
New Zealand	0.2	Business NZ	Bank of New Zealand	www.businessnz.org.nz , www.bnz.co.nz
Hungary	0.2	HALPIM	Hungarian National Bank	www.logisztika.hu

* Source: World Bank



www.jpmorganchase.com



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