

# November Manufacturing PMIs

Global Economics Comment

## That will do nicely

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**In this month's review, we draw on our global strategy colleagues' work as it appeared real time on FT Alphaville.** Quite rightly, they share our enthusiasm for the global purchasing managers' surveys. For them, **the key indicator among the series is the new orders series from the US ISM.** In the latest month, they fell by just over 2 points having risen by almost 8 points in the prior month. It's a bit of a setback in a sense, but it's not a serious one. In fact, it's not very different to the typical correction after such a large rise.

**In their view, the surveys are consistent with global industrial production momentum of more than 6% or so in the next month** or so against the late summer low of 4.5%. As they put it, the prospect is massively unchanged this month. That might sound like a big anti-climax, but, as they put it, **confirmation of a turning point is far more valuable than the continuation of a well known trend.** From their standpoint, that's a good result, even a very good result, given all the double-dip doubts of only a few months ago.

It's also the case that we and they have learned a little more about the likely composition of that growth. **It's likely that the acceleration in global industrial production might come more from the G3 economies** – as did, perhaps, the slowdown before it – than the emerging market economies. Taken together, the US, Japan and Europe have put in some strong results in the most recent period. **The latter continues to do so despite the difficulties of the periphery.** Those have not been dominant in this context even if they have in others.

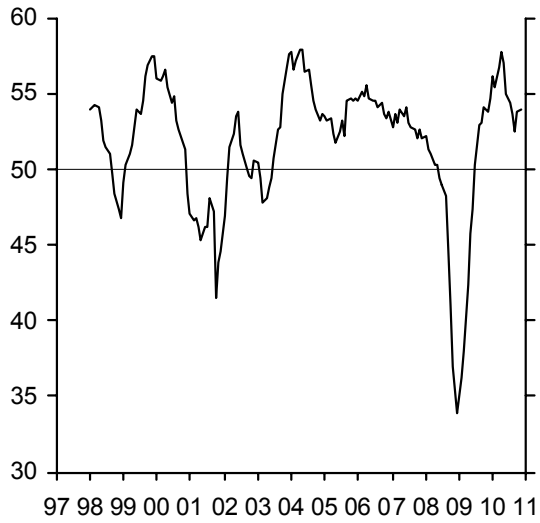
There is still work – homework as President Trichet sometimes calls it – for Europe's policymakers to do. We will see what happens, but, for now, **we join our colleagues in thinking that they are able to agree on a course of action that gives growth a chance again to dominate market talk and investor thinking.** As most of the time it should.

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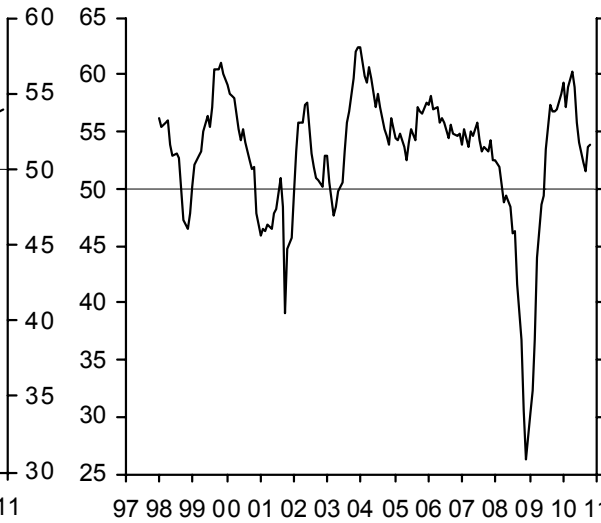
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# Global PMIs

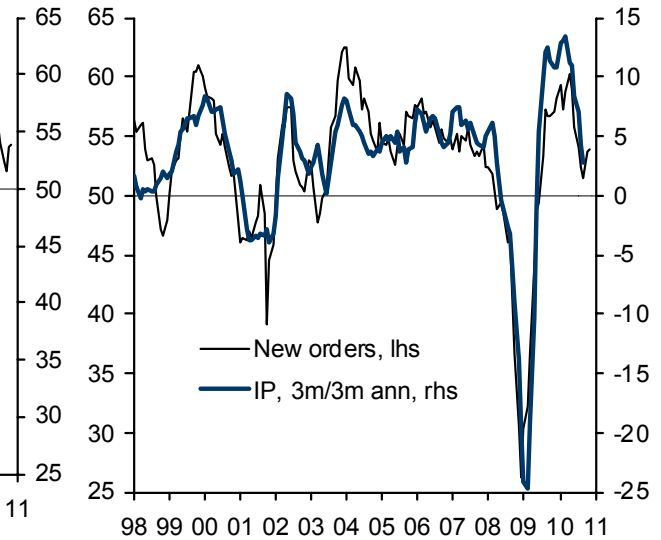
**Exhibit 1: Global manufacturing PMI**



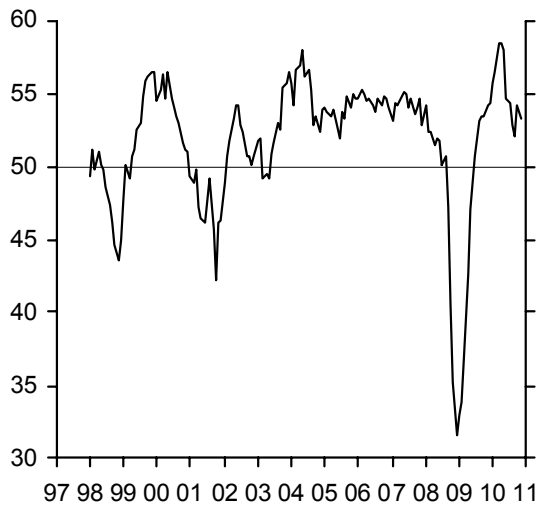
**Exhibit 2: Global PMI new orders**



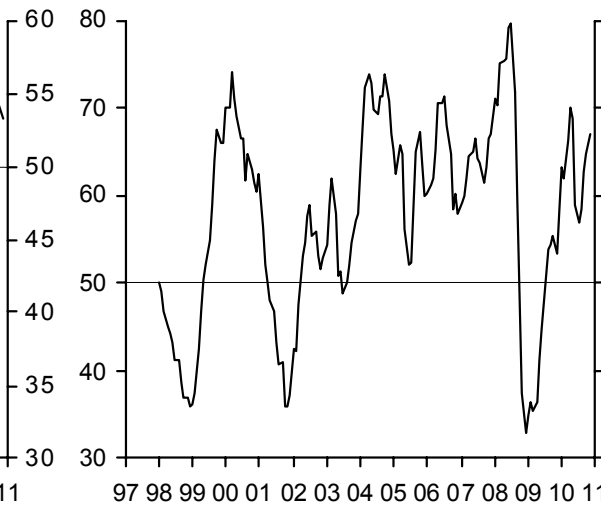
**Exhibit 3: PMI new orders vs. IP momentum**



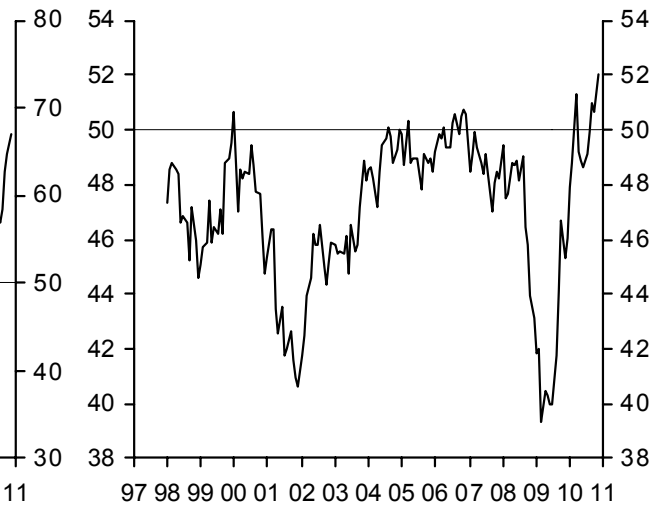
**Exhibit 4: Global PMI export orders**



**Exhibit 5: Global PMI input prices**



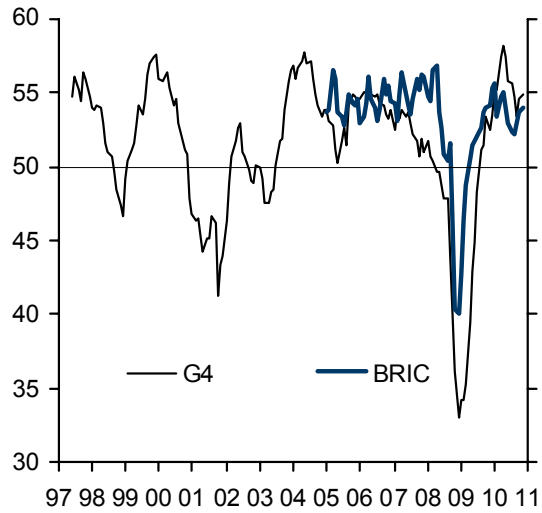
**Exhibit 6: Global PMI stocks of purchases**



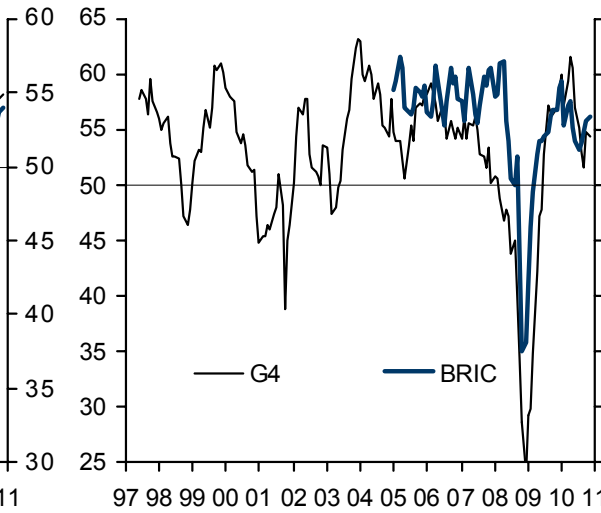
Source: Thomson Reuters DataStream, Markit Economics, Credit Suisse

## G4/BRIC PMIs

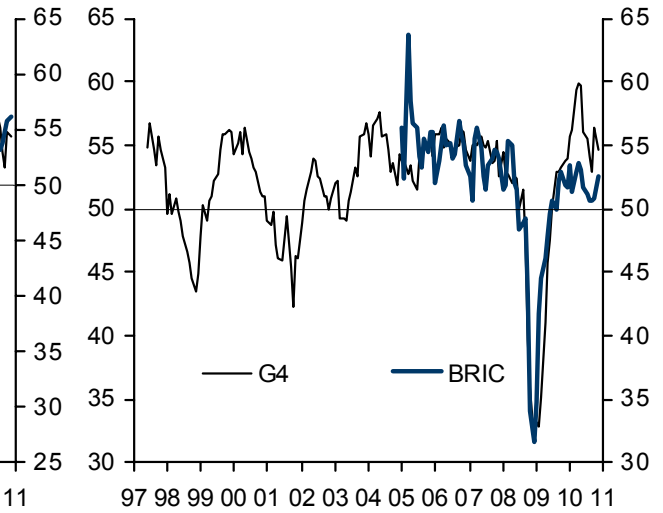
**Exhibit 7: G4/BRIC Manufacturing PMI**



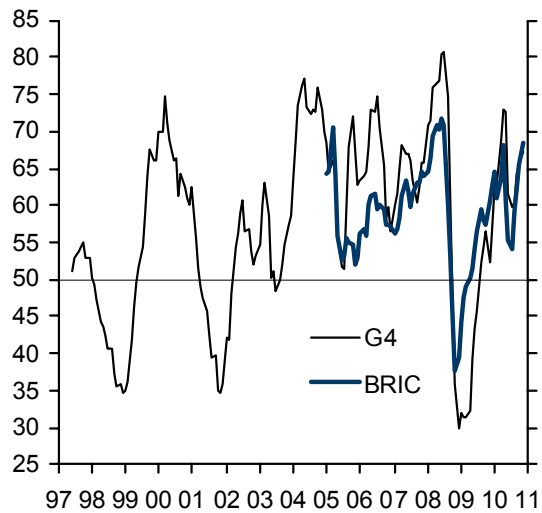
**Exhibit 8: G4/BRIC PMI new orders**



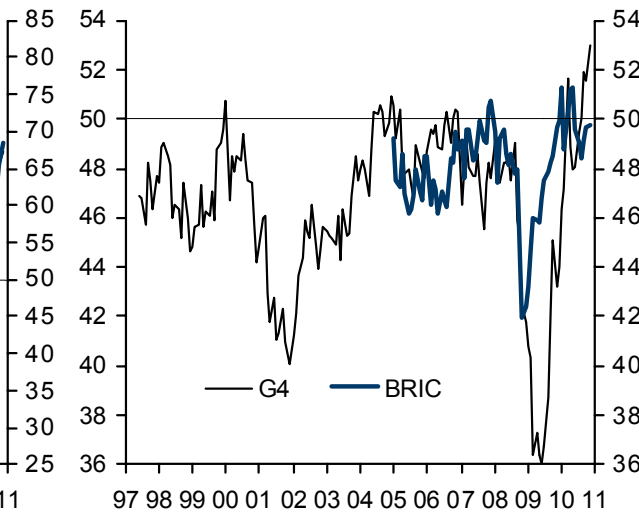
**Exhibit 9: G4/BRIC PMI export orders**



**Exhibit 10: G4/BRIC PMI input prices**



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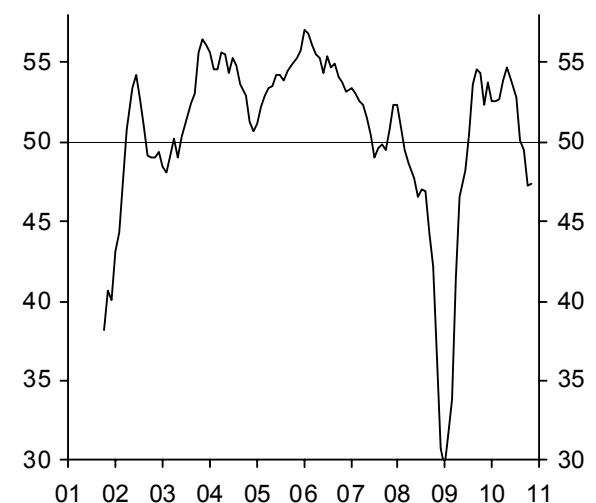
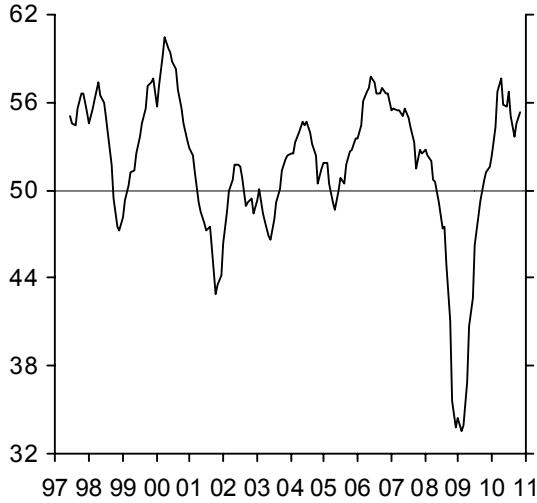
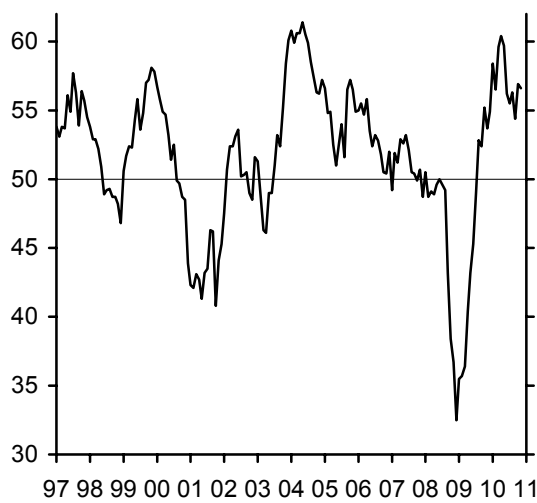
Source: Thomson Reuters DataStream, Markit Economics, NBS, CLIC, Credit Suisse

# Manufacturing PMIs: developed economies

**Exhibit 12: US manufacturing ISM**

**Exhibit 13: Euro area manufacturing PMI**

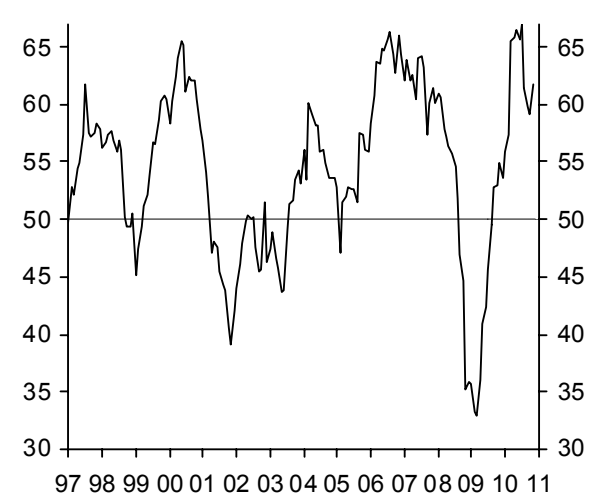
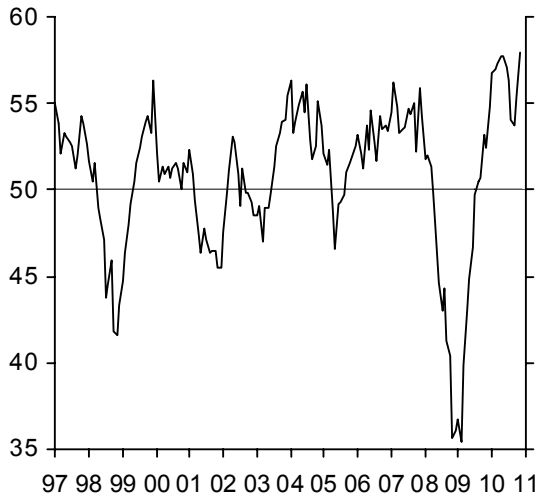
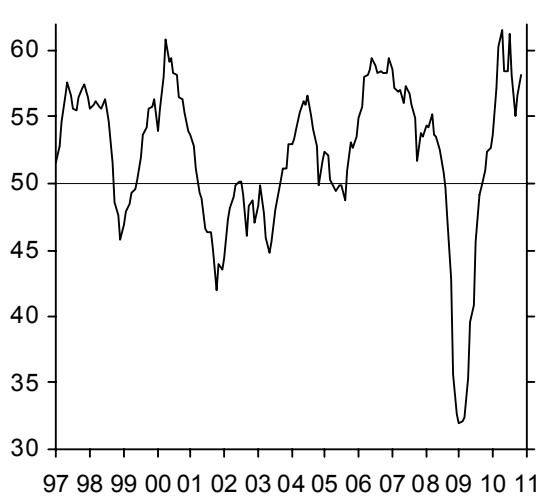
**Exhibit 14: Japanese manufacturing PMI**



**Exhibit 15: German manufacturing PMI**

**Exhibit 16: UK manufacturing PMI**

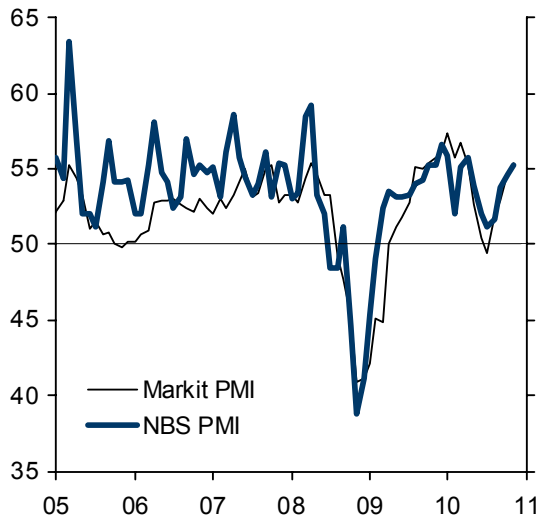
**Exhibit 17: Swiss manufacturing PMI**



Source: Thomson Reuters DataStream, Markit Economics, Credit Suisse

## Manufacturing PMIs: developing economies

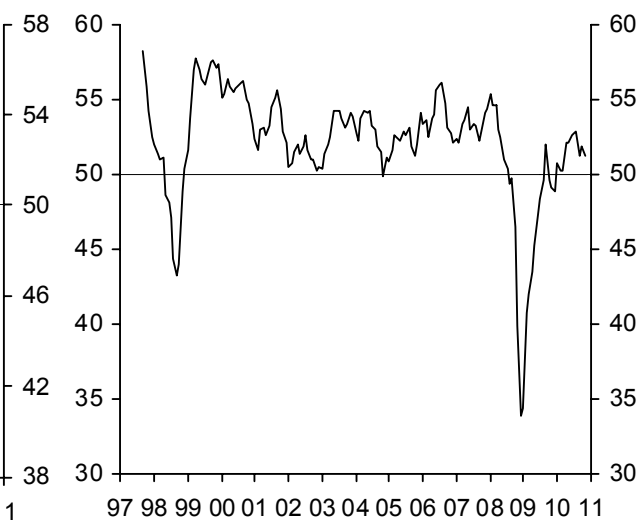
**Exhibit 18: Chinese manufacturing PMI**



**Exhibit 19: Brazilian manufacturing PMI**



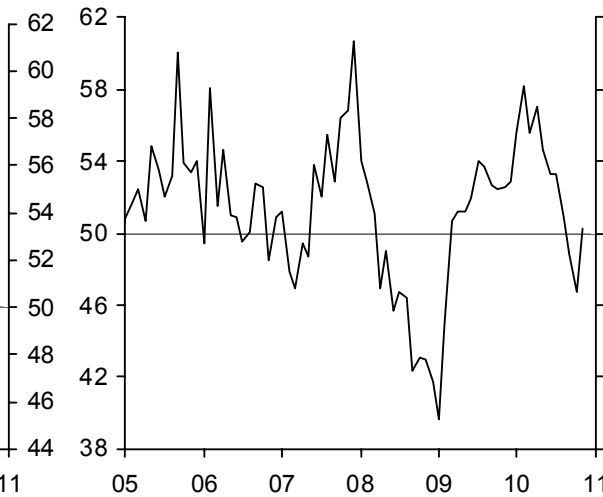
**Exhibit 20: Russian manufacturing PMI**



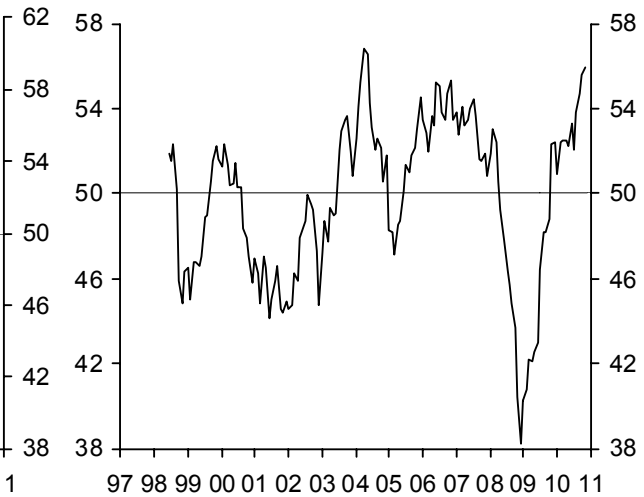
**Exhibit 21: Indian manufacturing PMI**



**Exhibit 22: South Korean manufacturing PMI**



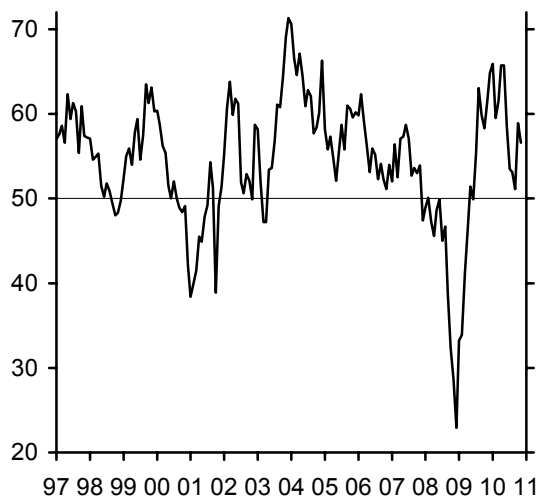
**Exhibit 23: Polish manufacturing PMI**



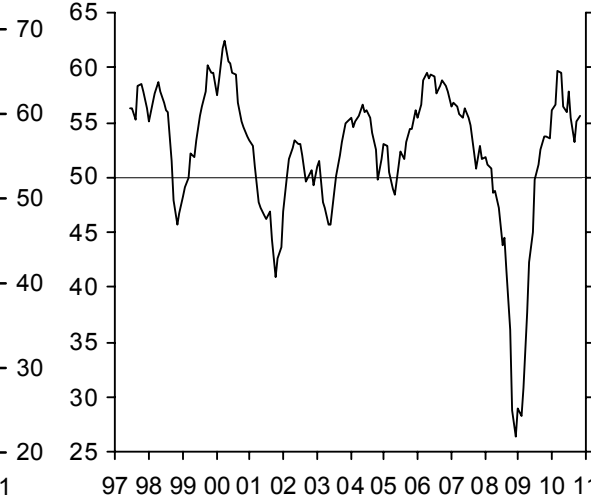
Note: Markit PMI is the CLSA PMI. Source: Markit Economics, NBS, CLIC, Credit Suisse

## PMI new orders: developed economies

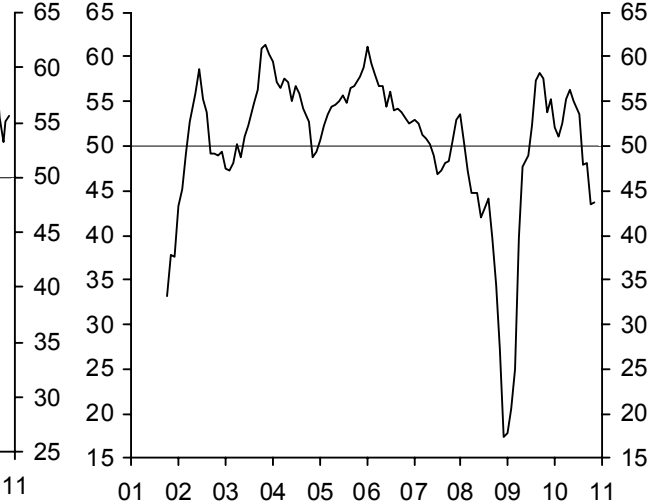
**Exhibit 24: US ISM new orders**



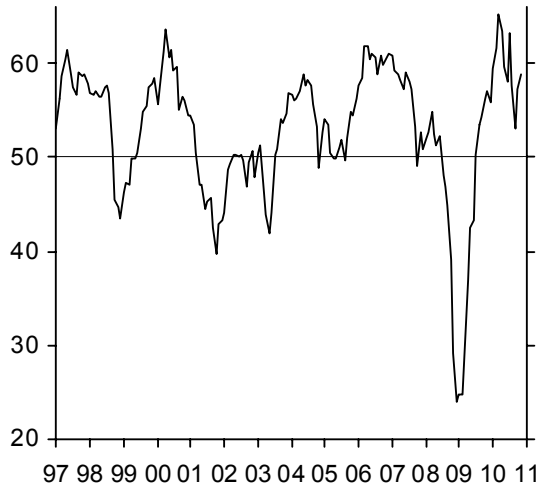
**Exhibit 25: Euro area PMI new orders**



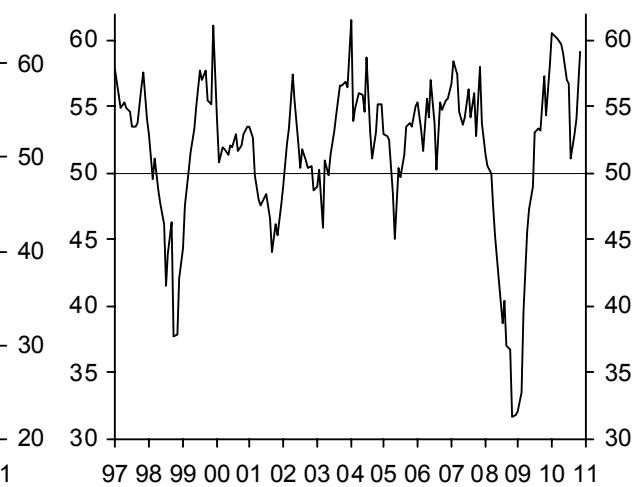
**Exhibit 26: Japanese PMI new orders**



**Exhibit 27: German PMI new orders**



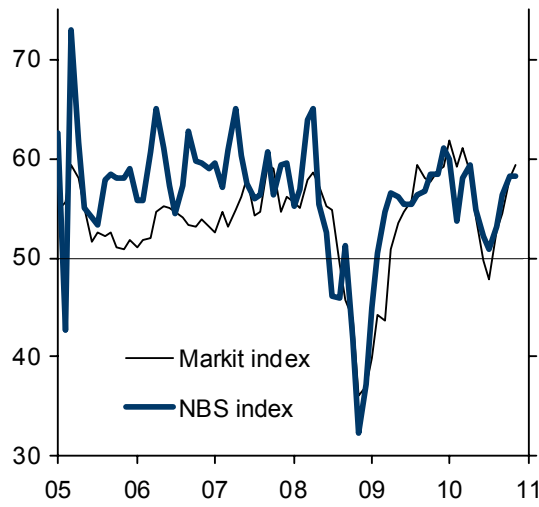
**Exhibit 28: UK PMI new orders**



Source: Thomson Reuters DataStream, Markit Economics, Credit Suisse

## PMI new orders: developing economies

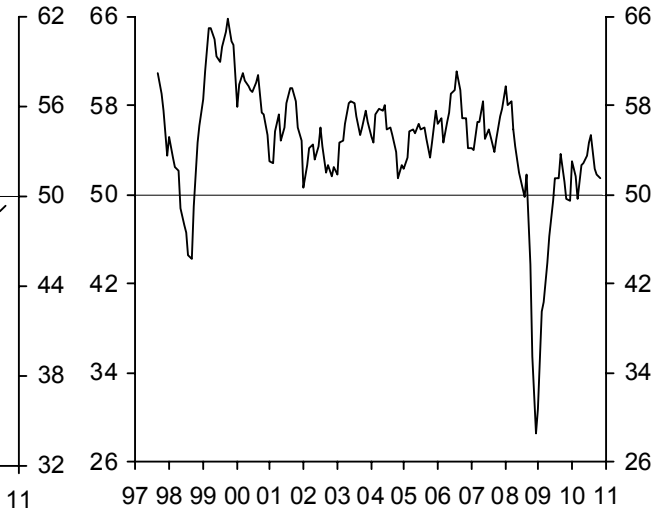
**Exhibit 29: Chinese PMI new orders**



**Exhibit 30: Brazilian PMI new orders**



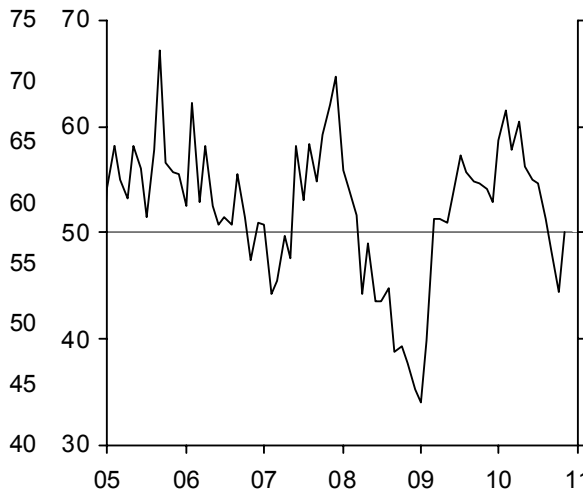
**Exhibit 31: Russian PMI new orders**



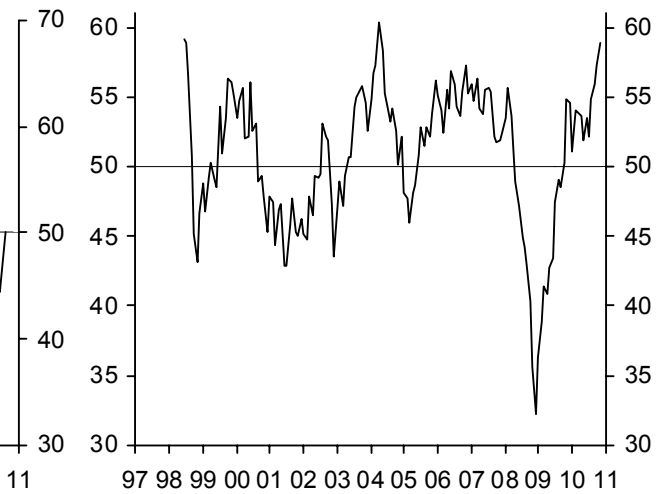
**Exhibit 32: Indian PMI new orders**



**Exhibit 33: South Korean PMI new orders**



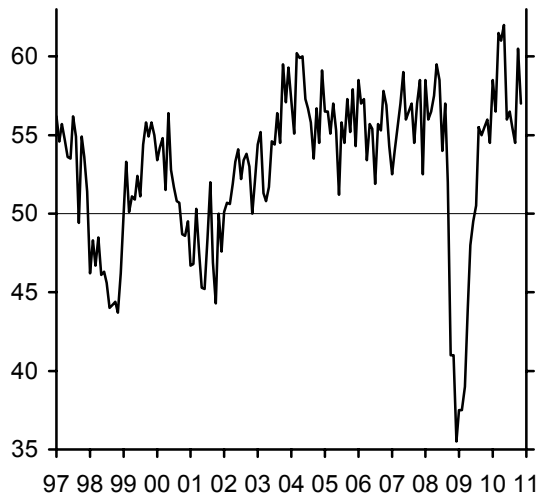
**Exhibit 34: Polish PMI new orders**



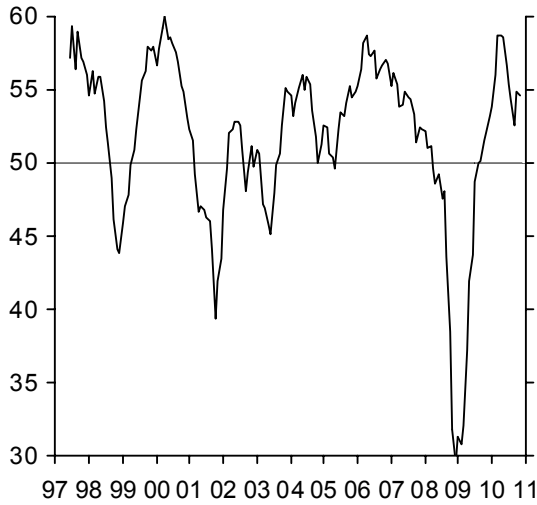
Note: Markit PMI is the CLSA PMI. Source: Markit Economics, NBS, CLIC, Credit Suisse

## PMI export orders: developed economies

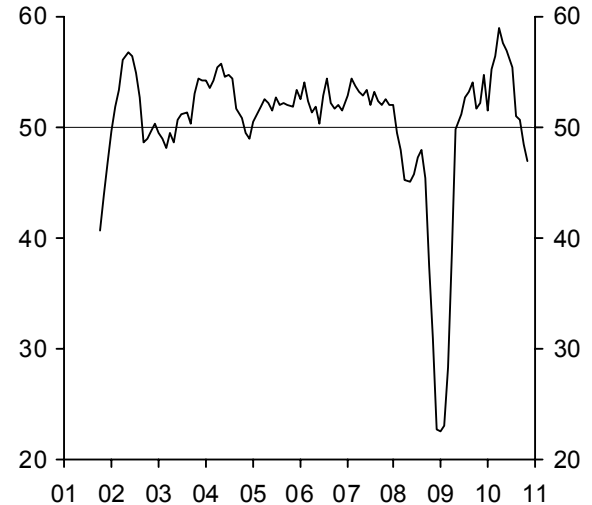
**Exhibit 35: US ISM export orders**



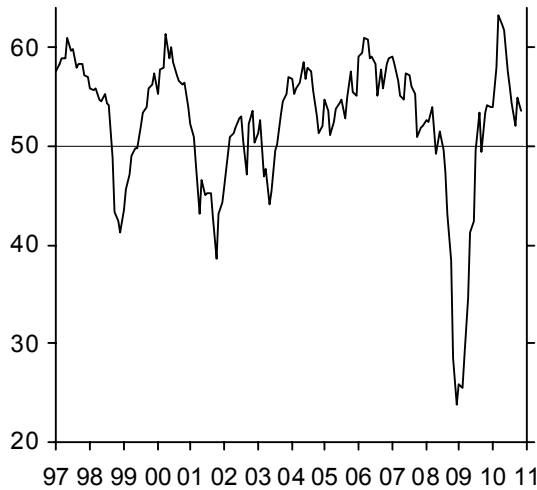
**Exhibit 36: Euro area PMI export orders**



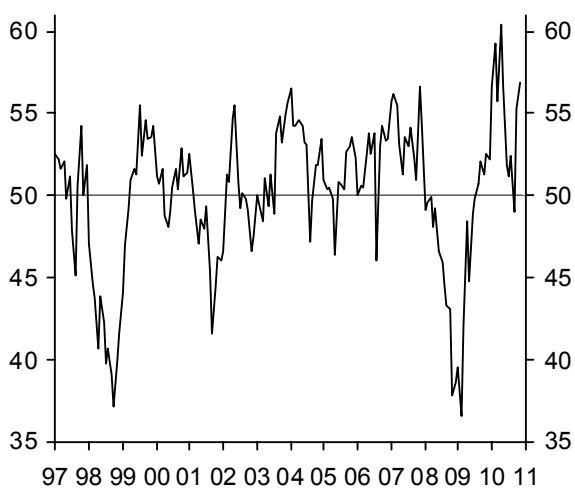
**Exhibit 37: Japanese PMI export orders**



**Exhibit 38: German PMI export orders**



**Exhibit 39: UK PMI export orders**



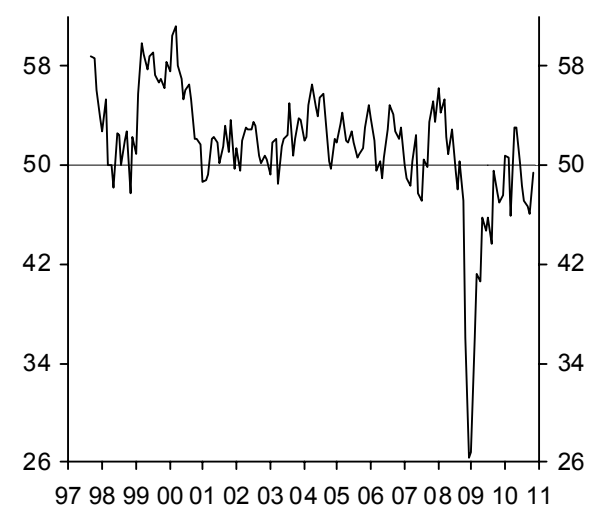
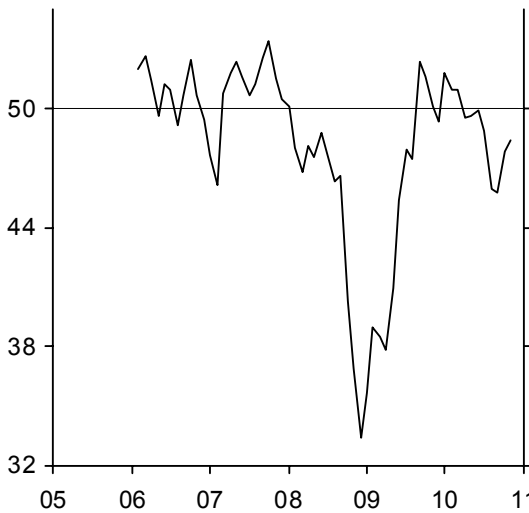
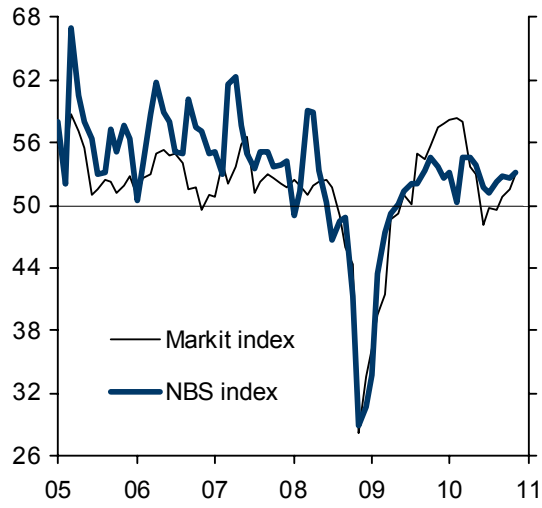
Source: Thomson Reuters DataStream, Markit Economics, Credit Suisse

# PMI export orders: developing economies

**Exhibit 40: Chinese PMI export orders**

**Exhibit 41: Brazilian PMI export orders**

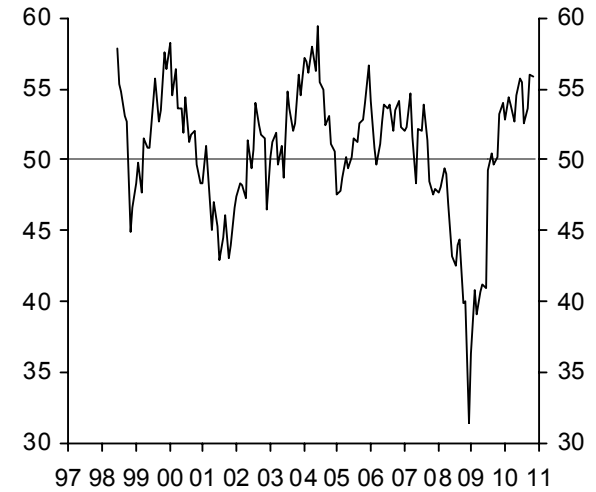
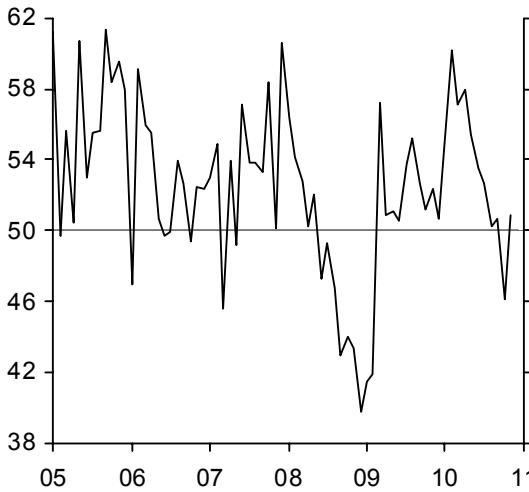
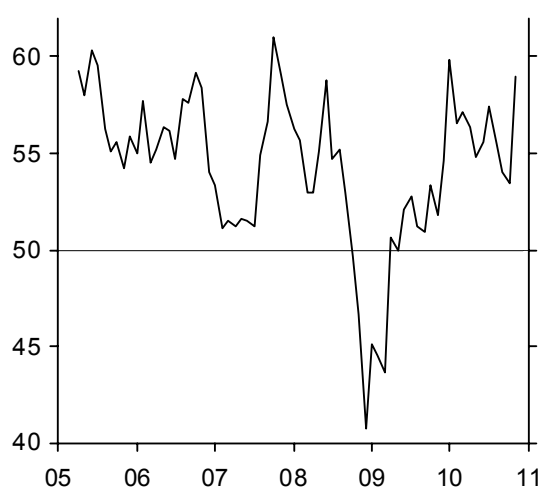
**Exhibit 42: Russian PMI export orders**



**Exhibit 43: Indian PMI export orders**

**Exhibit 44: South Korean PMI export orders**

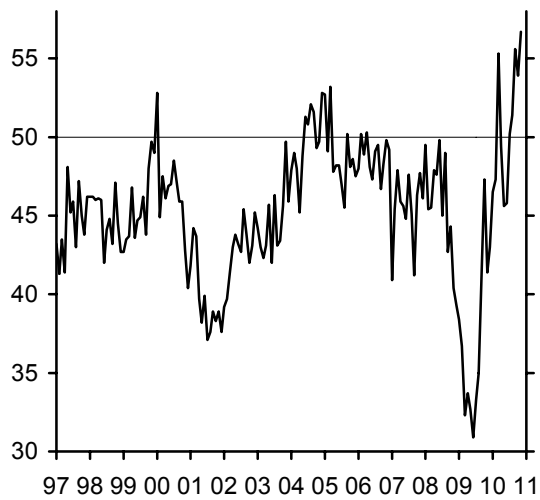
**Exhibit 45: Polish PMI export orders**



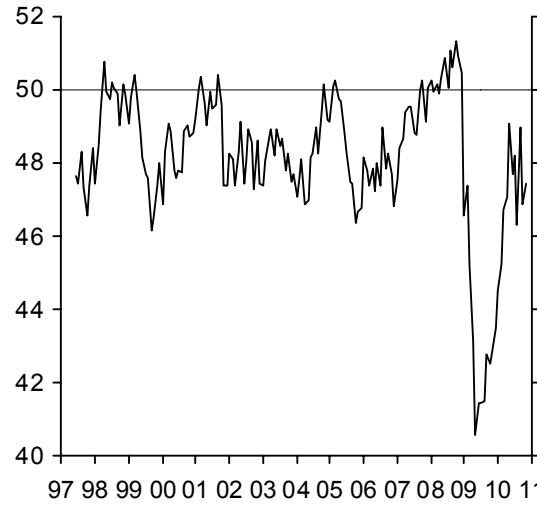
Note: Markit PMI is the CLSA PMI. Source: Markit Economics, NBS, CLIC, Credit Suisse

# PMI inventories: developed economies

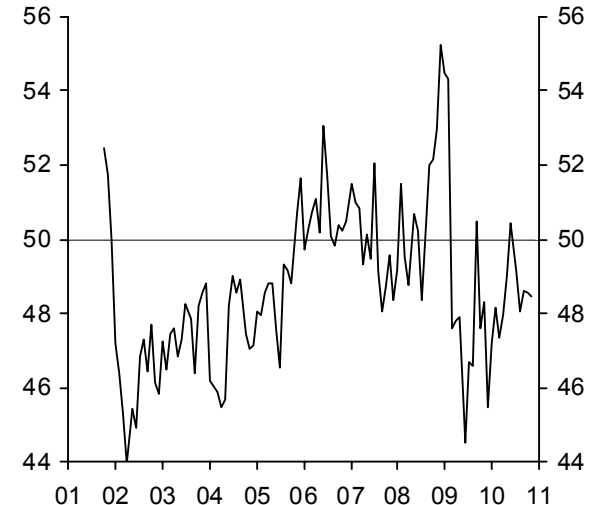
**Exhibit 46: US ISM stock of purchases**



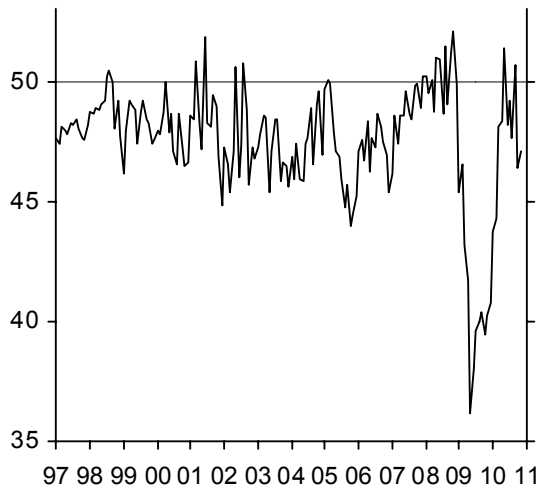
**Exhibit 47: Euro area PMI stocks of fin. goods**



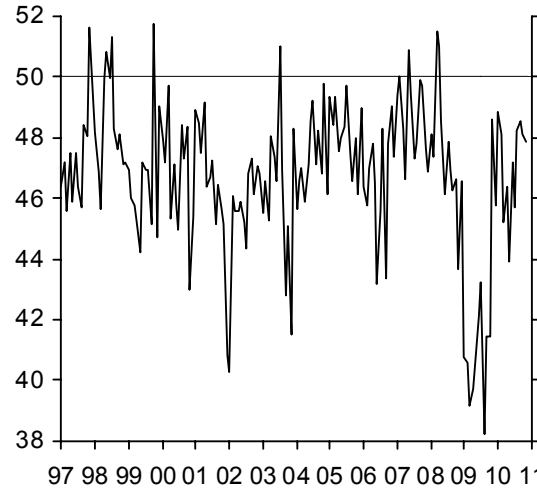
**Exhibit 48: Japanese PMI stocks of fin. goods**



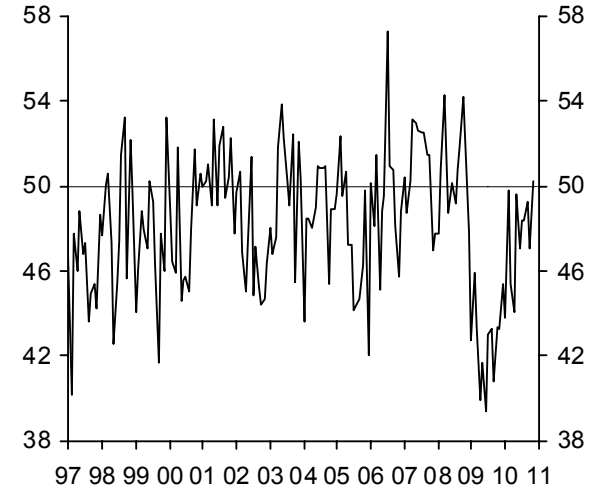
**Exhibit 49: German PMI stocks of fin. goods**



**Exhibit 50: UK PMI stocks of finished goods**



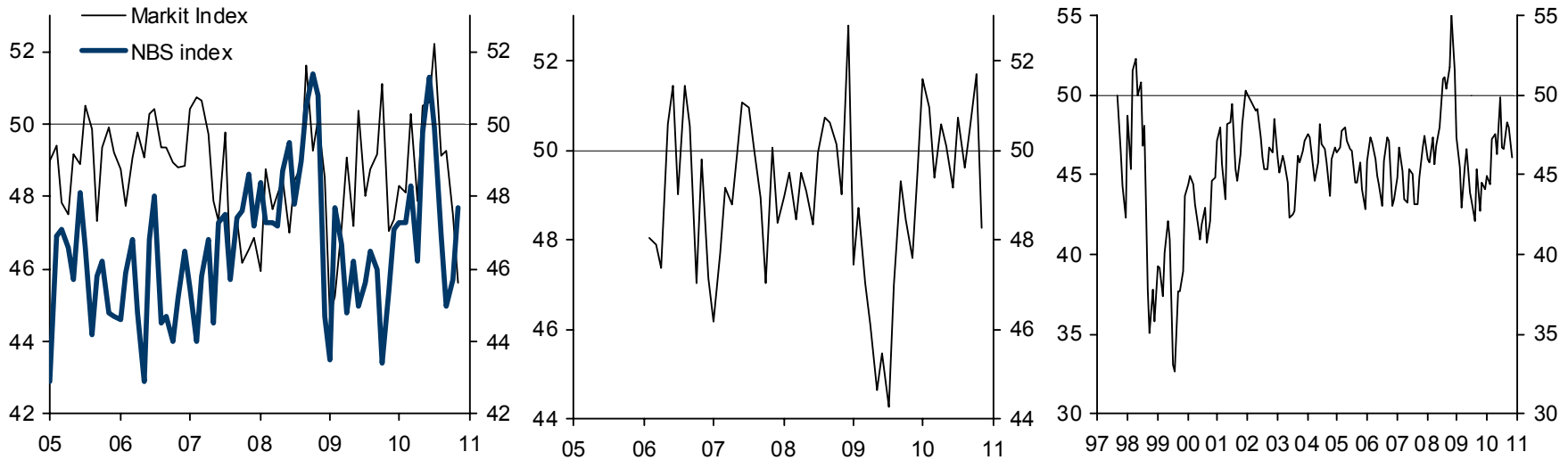
**Exhibit 51: Swiss PMI stocks of fin. goods**



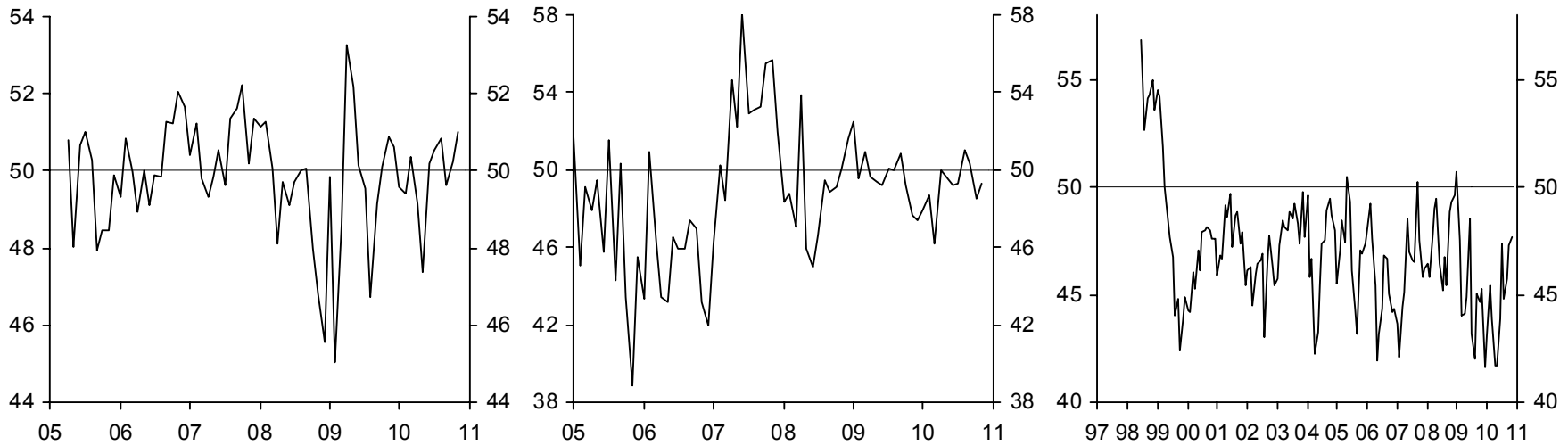
Source: Thomson Reuters DataStream, Markit Economics, Credit Suisse

## PMI inventories: developing economies

**Exhibit 52: Chinese PMI stocks of fin. goods**    **Exhibit 53: Brazilian PMI stocks of fin. goods**    **Exhibit 54: Russian PMI stocks of fin. goods**



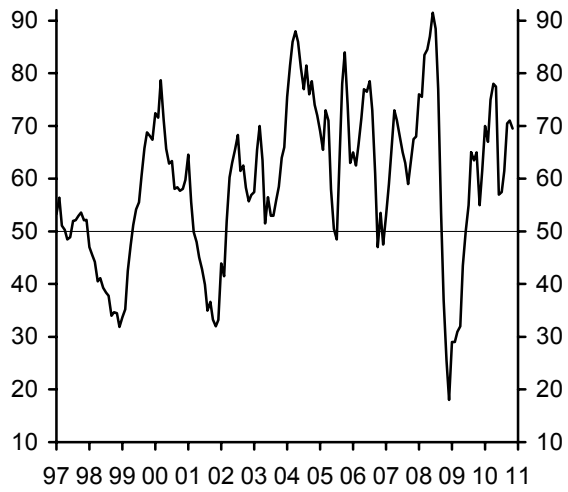
**Exhibit 55: Indian PMI stocks of fin. goods**    **Exhibit 56: South Korean PMI stk. fin. goods**    **Exhibit 57: Polish PMI stocks of fin. goods**



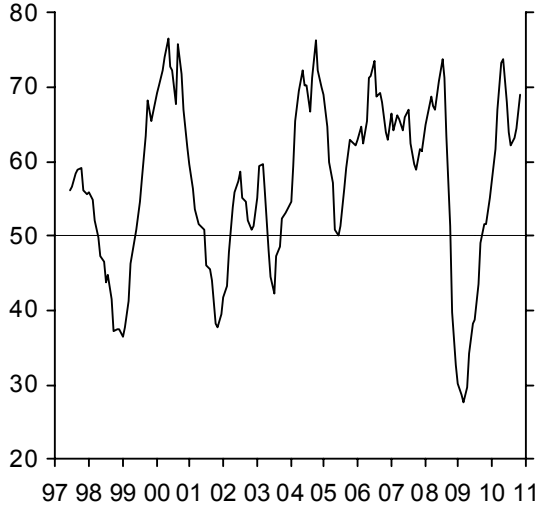
Note: Markit PMI is the CLSA PMI. Source: Markit Economics, NBS, CLIC, Credit Suisse

# PMI input prices: developed economies

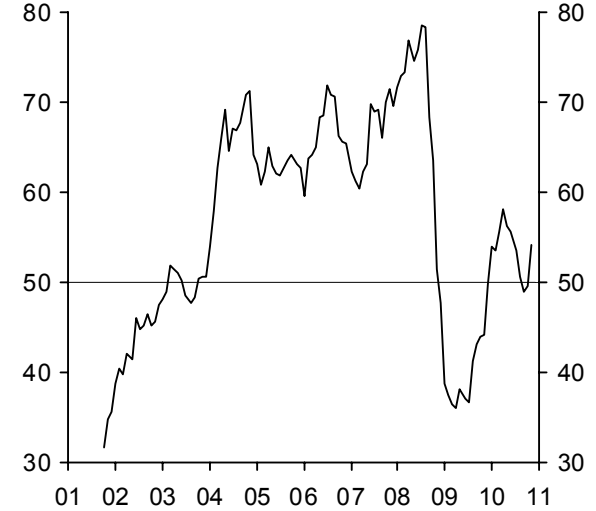
**Exhibit 58: US ISM input prices**



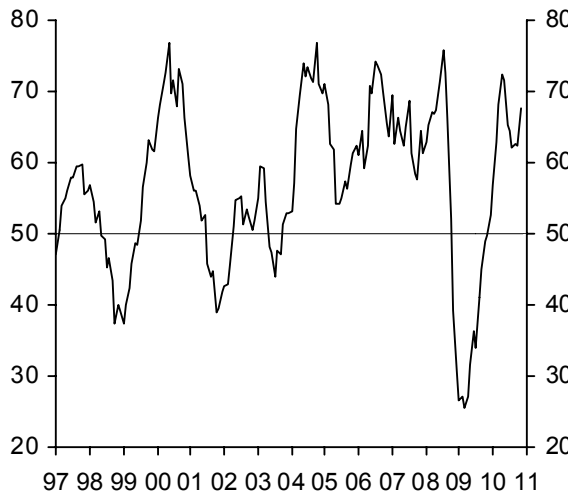
**Exhibit 59: Euro area PMI input prices**



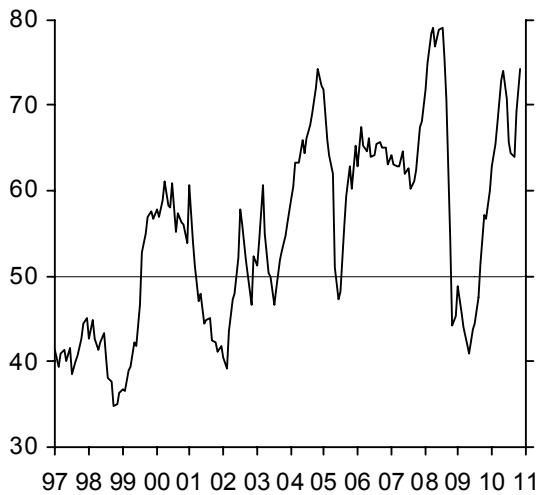
**Exhibit 60: Japanese PMI input prices**



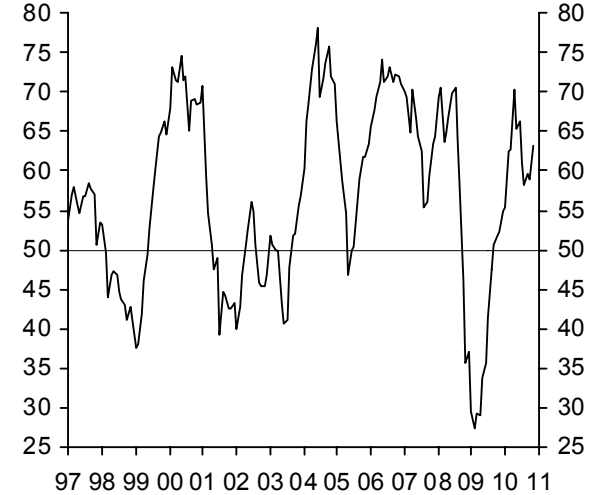
**Exhibit 61: German PMI input prices**



**Exhibit 62: UK PMI input prices**



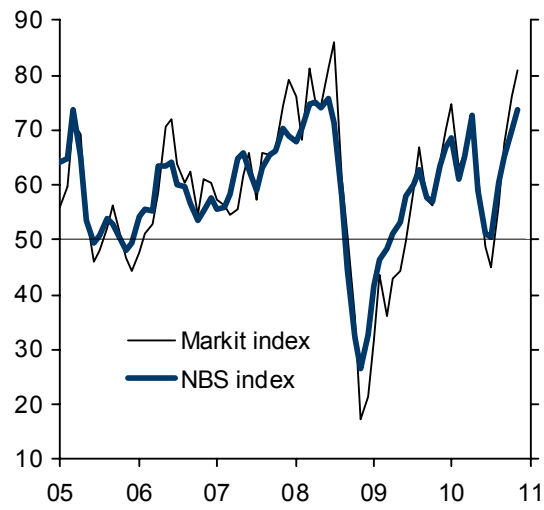
**Exhibit 63: Swiss PMI input prices**



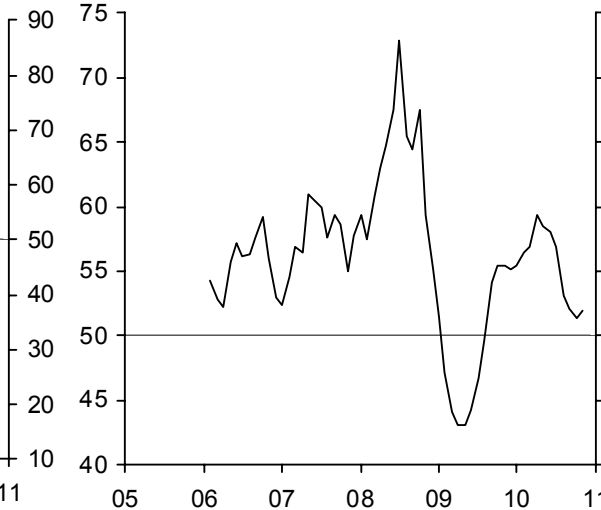
Source: Thomson Reuters DataStream, Markit Economics, Credit Suisse

# PMI input prices: developing economies

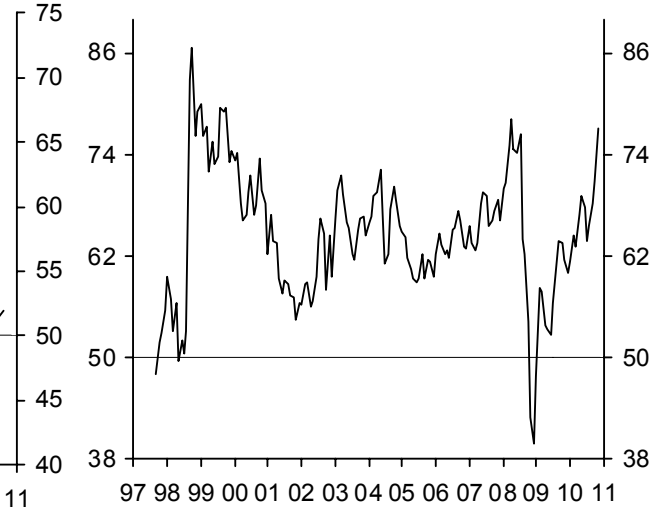
**Exhibit 64: Chinese PMI input prices**



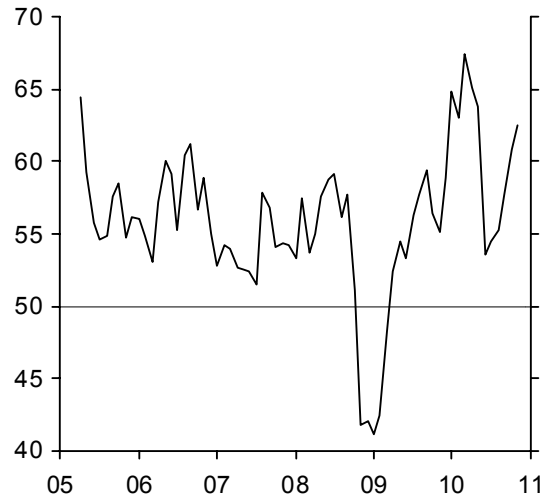
**Exhibit 65: Brazilian PMI input prices**



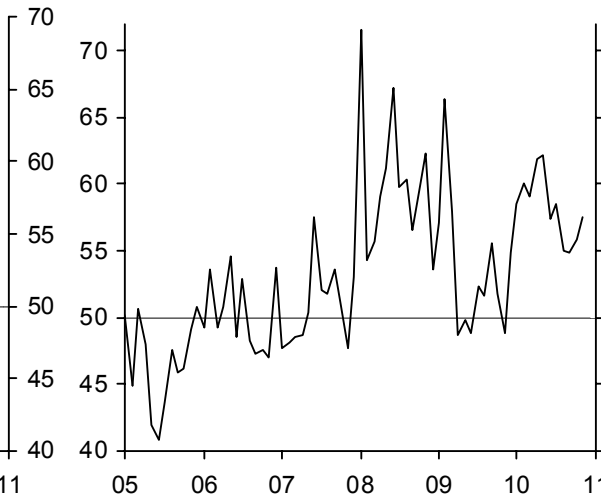
**Exhibit 66: Russian PMI input prices**



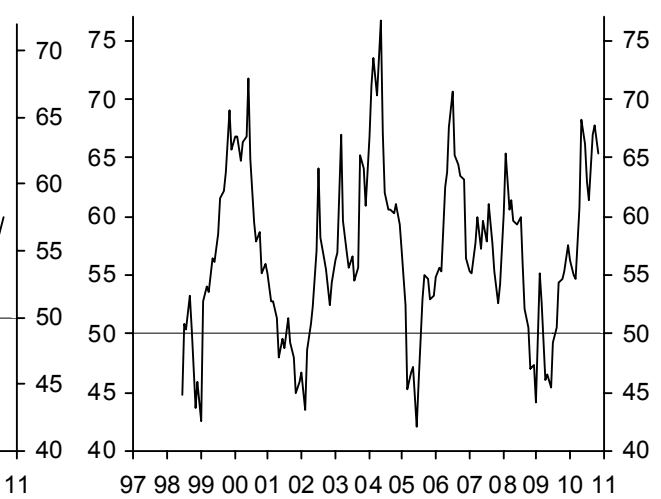
**Exhibit 67: Indian PMI input prices**



**Exhibit 68: South Korean PMI input prices**



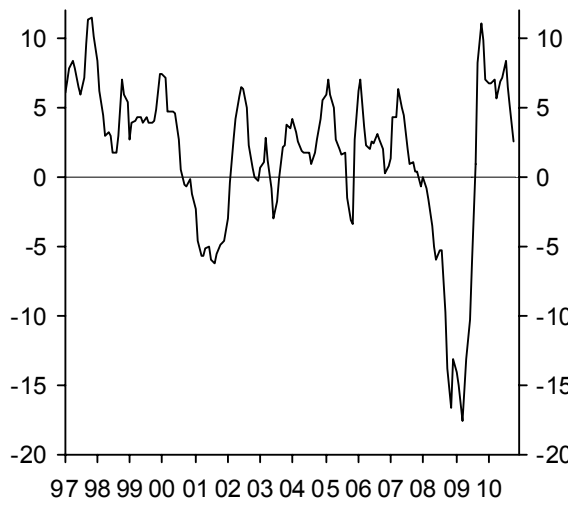
**Exhibit 69: Polish PMI input prices**



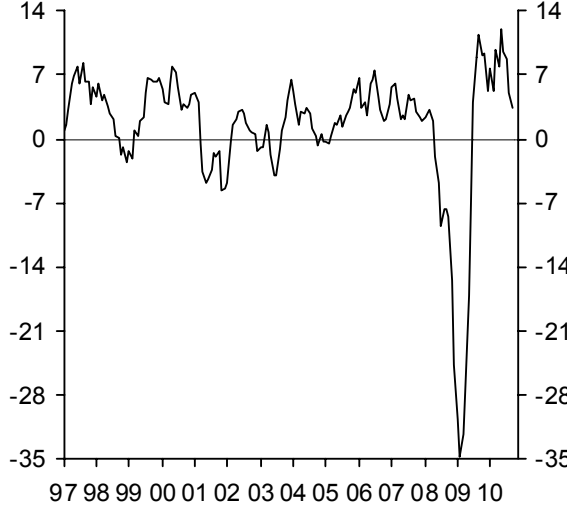
Note: Markit PMI is the CLSA PMI. Source: Markit Economics, NBS, CLIC, Credit Suisse

## Industrial production momentum: developed economies

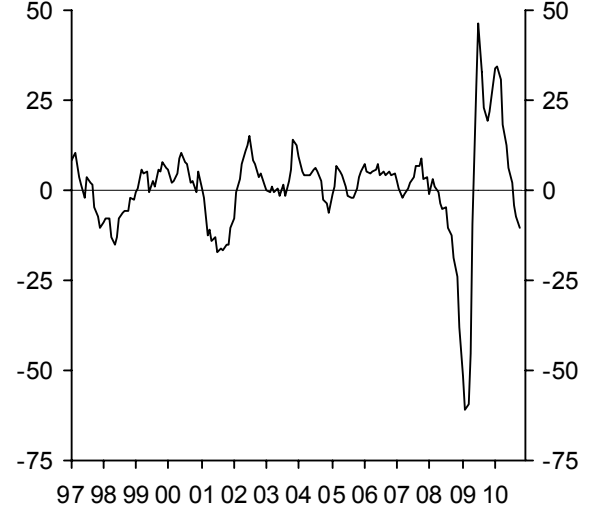
**Exhibit 70: US IP, 3m/3m ann.**



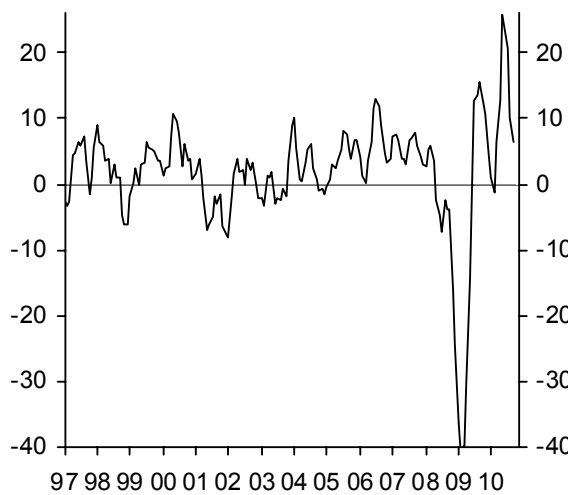
**Exhibit 71: Euro area IP, 3m/3m ann.**



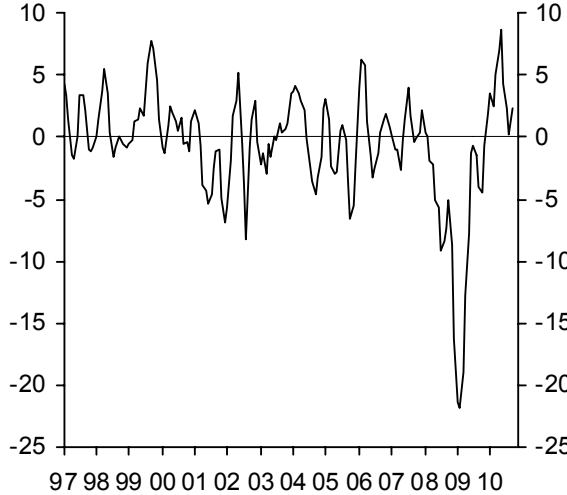
**Exhibit 72: Japanese IP, 3m/3m ann.**



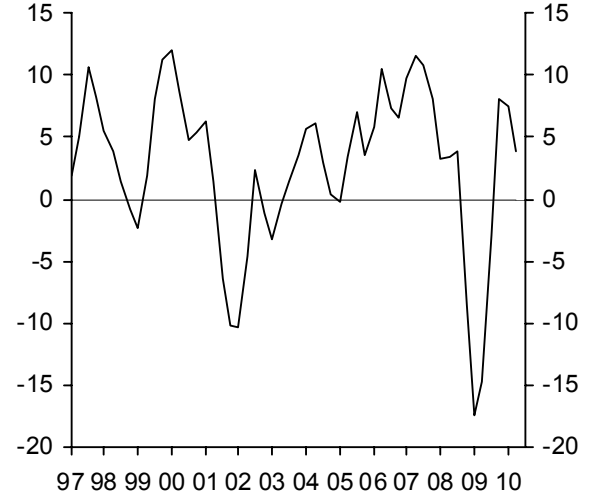
**Exhibit 73: German IP, 3m/3m ann.**



**Exhibit 74: UK IP, 3m/3m ann.**



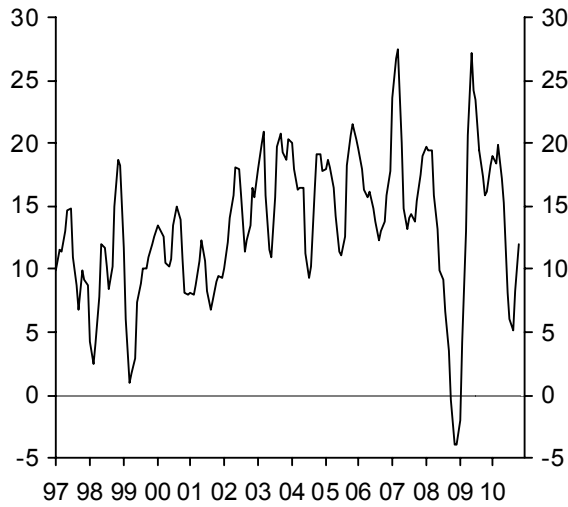
**Exhibit 75: Swiss IP, 6m/6m ann.**



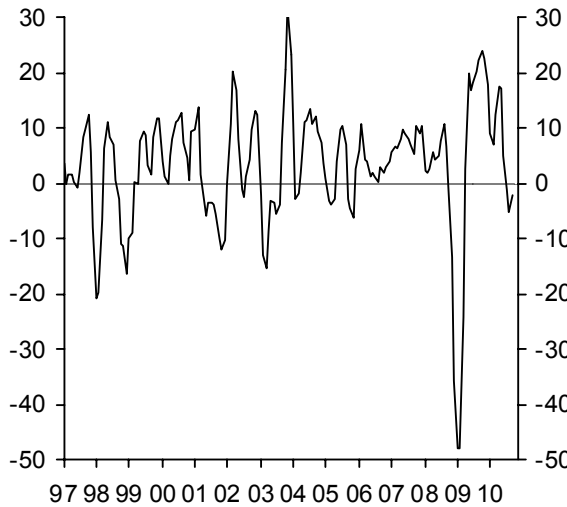
Source: Thomson Reuters DataStream, Credit Suisse

## Industrial production momentum: developing economies

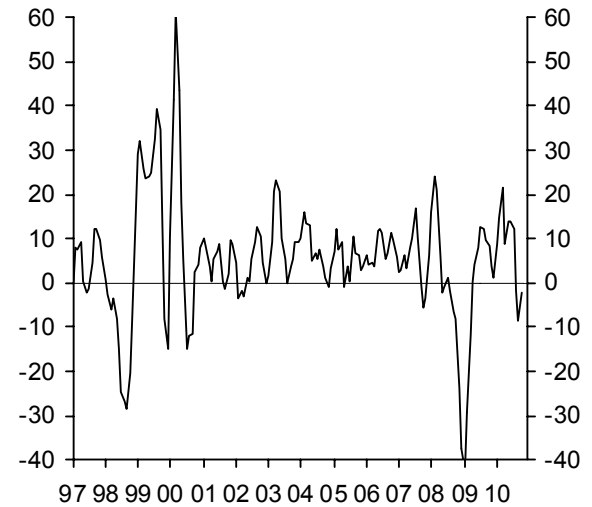
**Exhibit 76: Chinese IP, 3m/3m ann.**



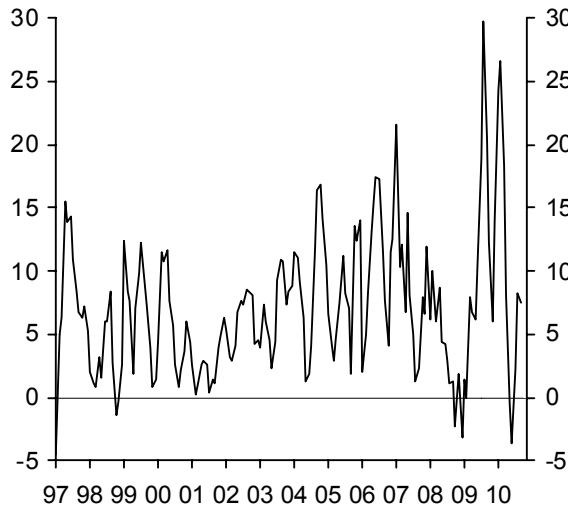
**Exhibit 77: Brazilian IP, 3m/3m ann.**



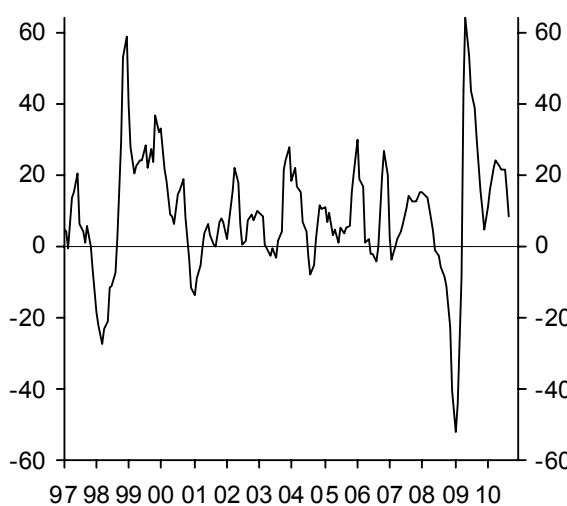
**Exhibit 78: Russian IP, 3m/3m ann.**



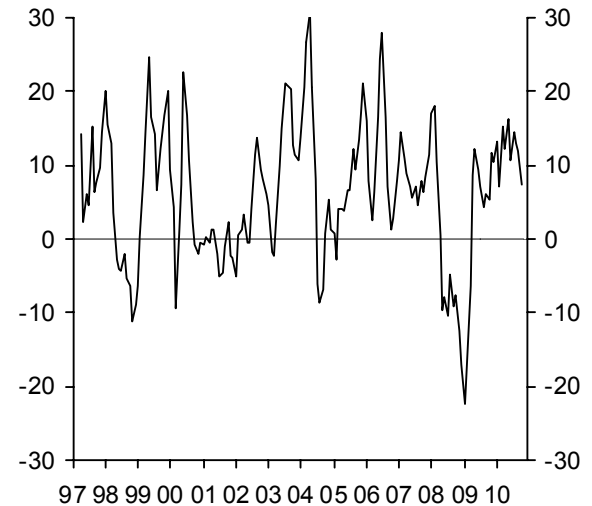
**Exhibit 79: Indian IP, 3m/3m ann.**



**Exhibit 80: South Korean IP, 3m/3m ann.**



**Exhibit 81: Polish IP, 6m/6m ann.**



Source: Thomson Reuters DataStream, Credit Suisse

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## Disclosure Appendix

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