News Release

MARKET SENSITIVE INFORMATION

EMBARGOED UNTIL : 11:00am (US EASTERN TIME) 3 April 2009

JPMorgan Global Services PMI

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

Global service sector employment fell at record pace in March

At 41.5 in March, the **JPMorgan Global Services Business Activity Index** regained the ground lost in February to reach a five-month high. Although the average index reading for Q1 2009 was the second-weakest in the series history, it was slightly above the record low posted in Q4 2008.

Please note that the composition of the Global Services PMI now includes data covering the Japanese service sector. This has resulted in revisions to the historical data from September 2007 (the start of the Japan Services survey) onwards.

Global service sector **employment** fell at a survey record rate in March. Job losses were most severe in the US non-manufacturing sector and in Irish services. The UK saw staffing levels drop at a series record pace. Meanwhile, the rates of decline in the Eurozone and Japan remained close to February's records. The remaining nations covered by the PMIs also reported lower employment.

The principal factor weighing on activity and employment in March was a further substantial reduction in the volume of incoming new work. New business fell for the tenth month running and at the third-fastest rate in the survey history. The **Global Services New Business Index** edged up slightly from 38.1 in February to 38.3.

All of the national services economies for which March data were available reported contractions for both business activity and new work received. There was a broad-based easing in the overall pace of contraction in activity, with rates of decline slowing across all of the nations. Although a similar trend was seen for new business, a notable difference was an acceleration in the rate of decline for the US. New work received in the US fell at the second-fastest pace in the survey history.

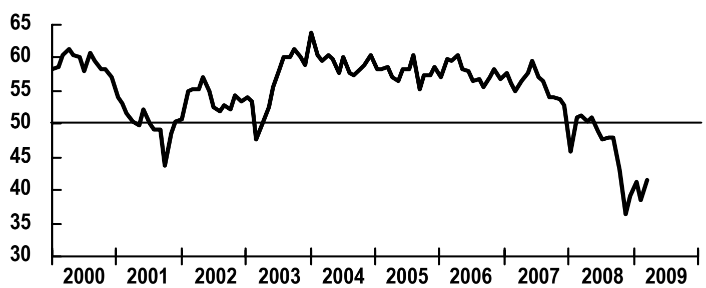
March data pointed to a further marked fall in **average costs**. The rate of decline was only slightly less marked than last December's series record pace. Falls in prices were most pronounced in Ireland and the US. Japan, Germany, France, Spain and Hong Kong also reported lower costs. In contrast, input prices rose in the UK, Russia and Italy.

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

"The gains in the activity and new business indexes are heartening, but both remain at historically low levels. The labour market is still being hit hard by the downturn, with job losses running at a record pace in March. Fiscal policy support is going to be key to sustaining a recovery in the sector."

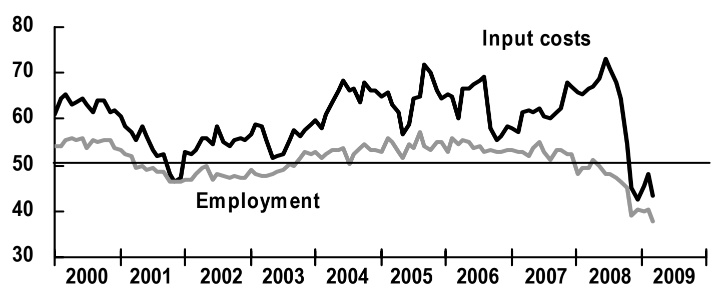
Service sector business activity

DI, sa



Service sector employment and input costs

DI, sa



Global Services PMI Summary

50 = no change on previous month.

	Feb	Mar	+/–	Summary
Output/activity	38.6	41.5	+	Contracting, slower rate
New business	38.1	38.3	+	Contracting, slower rate
Backlogs of work	37.9	40.6	+	Contracting, slower rate
Input prices	47.9	43.3	–	Falling costs, faster rate
Employment	40.3	37.9	–	Contracting, faster rate

– Ends –

For further information, please contact:

Markit

Rob Dobson, Senior Economist
Telephone +44-1491-461-095
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 Services is based on the results of surveys covering around 3,500 executives carried out in the USA by ISM, and in the UK, Germany, France, Spain, Italy, Russia, Ireland and Hong Kong by Markit Economics, in Australia by AiG and in New Zealand by Business NZ. These countries together account for an estimated 60% of global service sector output. For the US, data are taken from the ISM non-manufacturing survey which. in addition to the service sector included in the other countries, also includes agriculture, construction, mining, public administration, retail, utilities and wholesale sectors.

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.

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
Germany	5.6	Markit	–	–
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
Australia	1.3	AiG	Commonwealth Bank	www.aigroup.asn.co.uk, www.commbank.com.au
Russia	0.9	Markit	VTB Capital	www.vtb.com
Hong Kong	0.6	Markit	HKCIPS	www.cips.org
Ireland	0.3	Markit	NCB Stockbrokers	www.ncbdirect.com
New Zealand	0.2	Business NZ	Bank of New Zealand	www.businessnz.org.nz, www.bnz.co.nz

* Source: World Bank

www.jpmorganchase.com

J.P. Morgan Chase & Co. is a leading global financial services firm with assets of $803 billion and operations in more than 50 countries. The firm is a leader in investment banking, financial services for consumers and businesses, financial transaction processing, investment management, private banking and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase is headquartered in New York and serves more than 30 million consumer customers nationwide, and many of the world's most prominent corporate, institutional and government clients. Information about JPMorgan Chase is available on the internet at www.jpmorganchase.com.

www.markit.com

Markit Economics is a specialist compiler of business surveys and economic indices, including the Purchasing Managers' Index (PMI) series, which is now available for 26 countries and key regions including the Eurozone and BRIC. The PMIs have become the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

www.ism.ws

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 approximately 40,000 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.

www.ifpsm.org

The **International Federation of Purchasing and Supply Management** (IFPSM) is the union of 42 national purchasing associations worldwide. Within this circle, about 200,000 purchasing professionals can be reached. IFPSM is a non-political, independent and non-profit oriented international organisation, registered in Aarau, Switzerland. IFPSM 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.

News Release

MARKET SENSITIVE INFORMATION

EMBARGOED UNTIL : 11:00am (US EASTERN TIME) 3 April 2009

JPMorgan Global Manufacturing & Services PMI

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

Record job losses as global recession continued in March

At 40.1 in March, up from 37.4 in February, the **JPMorgan Global All-Industry Output Index** rose to a five-month high. The headline index nonetheless remained at a level consistent with a marked contraction in global GDP. The labour market was also exceptionally weak, with employment falling to the greatest extent since the series began in July 1998.

The average output index reading for Q1 2009 was slightly higher than the previous quarter's record low. March data pointed to slower rates of contraction for manufacturing production and service sector activity. However, the pace of contraction in both sectors remained historically steep.

Job losses were reported for the eleventh consecutive month in March. Moreover, the rate of decline in staffing levels has hit new series records in each month of 2009 so far. The faster pace of reduction was recorded for manufacturing, which remained historically fast. Although the decrease in service sector jobs was slower than for manufacturing, the rate of decline was a survey record. The US labour market was especially weak in March.

March data pointed to a substantial reduction in the volume of **incoming new business**, with manufacturers and service providers reporting marked drops in their respective levels of new work received. Although the overall rate of reduction was the weakest for five months, and eased in both manufacturing and services, it was still one of the most severe in the global survey history.

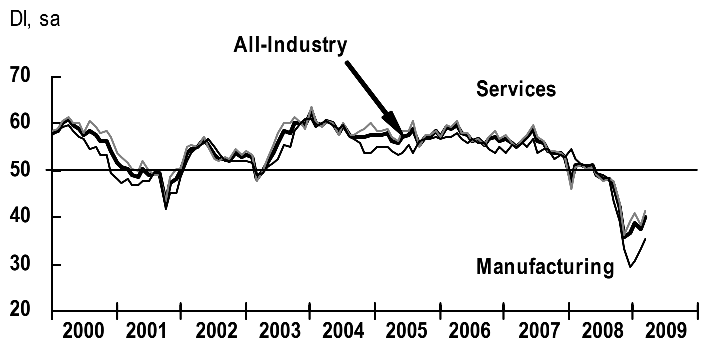
The **Global All-Industry Input Prices Index** fell to 41.3 in March, down sharply from 45.1 in February. The index has posted at a sub-50.0 level in each of the past five months. Cost decreases were recorded in both the manufacturing and service sectors, with by far the greater rate of decrease signalled at manufacturers.

Please note that the composition of the Global All-Industry PMI now includes data for the Japanese service sector. This has resulted in revisions to the previously published historical data for September 2007 (the start of the Japan Services survey) onwards.

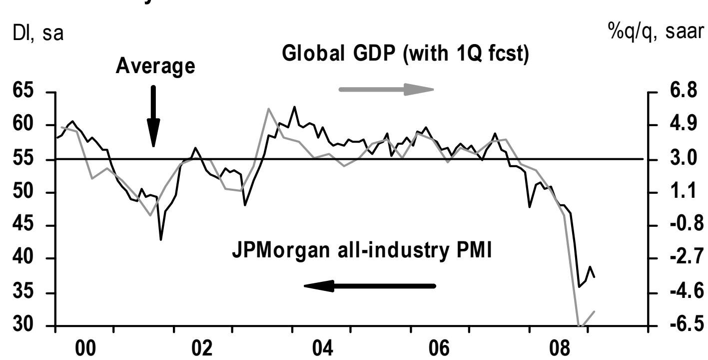
Commenting on the survey, David Hensley, Director of Global Economics Coordination at JPMorgan, said:

"Output and new orders indexes for both manufacturing and services tracked higher in March. Although nowhere near levels consistent with outright recovery, it suggests that the fall in global GDP expected for Q2 will be markedly slower than in Q1 2009 and Q4 2008. The labour market is still exceptionally weak and we are likely to see the severe job losses until mid-year."

JPMorgan global PMI output



Global activity indicators



Global Manufacturing & Services PMI Summary

50 = no change on previous month.

	Feb	Mar	Change	Summary
Output	37.4	40.1	+	Contracting, slower rate
New Orders	36.7	37.7	+	Contracting, slower rate
Input Prices	45.1	41.3	–	Falling, faster rate
Employment	39.1	37.5	–	Declining, series record rate

– Ends –

For further information, please contact:

Markit

Rob Dobson, Senior Economist
Telephone +44-1491-461-095
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 & Services is compiled by Markit Economics based on the results of surveys covering over 11,000 purchasing executives in 26 countries. Together these countries account for an estimated 81% of global 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

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	Santander	www.santander.com
India	1.7	Markit	ABN AMRO	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 Capital	www.vtb.com
Switzerland	0.7	SVME	Credit Suisse	www.svme.ch, www.credit-suisse.ch
Turkey	0.7	Markit	ABN AMRO	www.abnamro.com
Austria	0.6	Markit	BA Creditanstalt/OPWZ	www.ba-ca.com, http://einkauf.opwz.com
Poland	0.5	Markit	RBS	www.rbs.com
Denmark	0.5	DILF	Kairoscommodities	www.dilf.dk, www.kairoscommodities.com
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	ABN AMRO	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

www.markit.com

www.ism.ws

www.ifpsm.org

J.P. Morgan Chase & Co. is a leading global financial services firm with assets of $803 billion and operations in more than 50 countries. The firm is a leader in investment banking, financial services for consumers and businesses, financial transaction processing, investment management, private banking and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase is headquartered in New York and serves more than 30 million consumer customers nationwide, and many of the world's most prominent corporate, institutional and government clients. Information about JPMorgan Chase is available on the internet at www.jpmorganchase.com.

Markit Economics is a specialist compiler of business surveys and economic indices, including the Purchasing Managers' Index (PMI) series, which is now available for 26 countries and key regions including the Eurozone and BRIC. The PMIs have become the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

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 approximately 40,000 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 Supply Management** (IFPSM) is the union of 42 national purchasing associations worldwide. Within this circle, about 200,000 purchasing professionals can be reached. IFPSM is a non-political, independent and non-profit oriented international organisation, registered in Aarau, Switzerland. IFPSM 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.