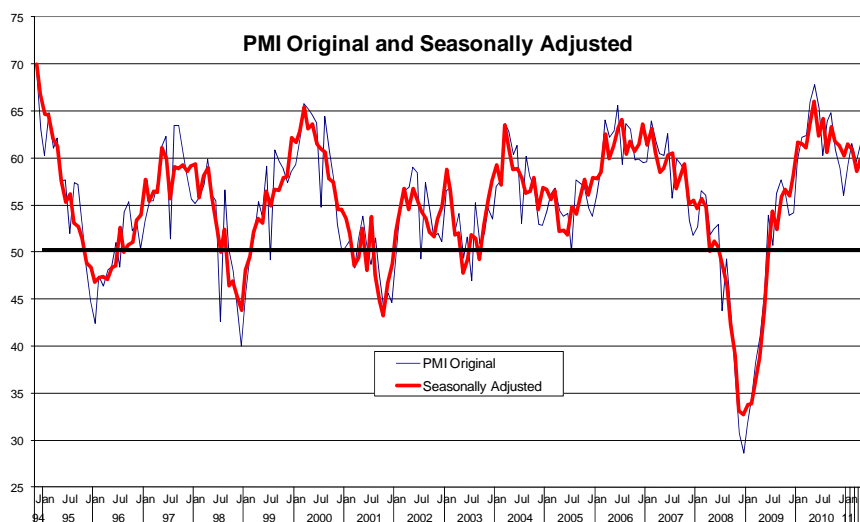


Purchasing Managers' Index

November 1, 2011

PMI climbs to 49.8 in October 2011 – mixed signals as to where the industrial economy is headed

- The PMI rose from 48.1 in September to 49.8 in October. This increase notwithstanding, the index has remained beneath the 50 mark – the boundary between growth and contraction in industry – for the past three months (August-October). The industrial economy has thus weakened considerably since the May-July three month period.
- The component index for new orders accounted for the most significant positive contribution to the PMI. Both new orders and employment landed above the 50 mark, which indicates that the decline in the industrial economy leveled off somewhat in October.
- Industrial companies continue to revise their production plans downward, though not as much as during the previous three month period. Plans remain geared toward expansion, but are more modest than before. Combined with inventory reductions, this indicates that companies are preparing for a weaker economy.
- Price pressure from producers continues to drop, and more sharply at that. The index for commodity and intermediate goods prices fell from 47.0 in September to 39.9 in October, which was consistent with the drop in commodity prices, as well as the outlook for economic cooling.



PMI

(Purchasing Managers' Index)

Seasonally adjusted

2011	Oct.	49.8
	Sep.	48.1
	Aug.	48.7
	Jul.	50.1
	Jun.	52.9
	May	56.1
	Apr.	59.8
	Mar.	58.6
	Feb.	60.9
	Jan.	61.5
2010	Dec.	60.2
	Nov.	61.3
	Oct.	61.8

Next publication of Purchasing Managers' Index: December 1, 2011.

Silf/Swedbanks' Purchasing Managers' Index. seasonally adjusted

		PMI	Components of PMI				Other indices				Forecast		
		Total Index	New orders	Production	Employment	Delivery times	Inventories	Export orders	Domestic orders	Back-log of orders	Prices	Import	Planned Production
2008	Jul	48.6	46.0	53.6	45.5	50.4	53.1	46.6	44.6	42.7	76.8	58.5	58.7
	Aug	46.4	42.7	47.8	44.2	51.0	49.1	44.0	43.3	43.0	70.2	51.2	49.5
	Sep	42.3	38.7	41.3	42.6	42.5	45.4	40.9	38.0	39.7	55.1	48.7	47.4
	Oct	39.0	34.8	39.1	39.8	35.9	45.7	37.0	35.4	36.0	38.2	44.5	39.5
	Nov	33.1	26.0	31.0	36.5	31.0	43.6	29.4	25.8	28.1	29.4	37.5	31.8
	Dec	32.7	26.1	31.0	33.5	28.6	38.9	26.3	23.3	25.7	27.9	32.3	26.3
2009	Jan	33.8	29.0	33.3	32.1	30.3	41.8	34.2	27.9	25.9	29.1	35.5	32.9
	Feb	33.9	28.8	34.0	31.0	28.4	36.6	29.7	30.5	29.7	30.4	33.5	35.8
	Mar	36.7	35.1	38.8	31.1	28.0	39.6	39.7	35.5	30.8	27.7	38.5	38.2
	Apr	38.8	41.5	39.4	28.3	29.6	35.9	45.3	37.7	39.7	30.6	38.8	42.4
	May	43.7	46.4	47.4	31.1	34.2	33.5	47.5	44.1	42.8	32.7	41.0	47.3
	Jun	50.5	54.7	55.8	36.0	42.4	34.0	54.4	49.2	47.4	43.3	47.3	55.2
	Jul	54.3	60.5	61.0	40.3	44.4	38.4	56.4	58.1	54.1	46.9	51.0	59.1
	Aug	52.4	57.8	56.1	40.6	46.4	40.4	61.1	50.1	54.3	52.6	50.7	61.7
	Sep	55.9	59.2	60.5	45.0	53.7	40.6	61.1	55.0	54.0	54.5	55.7	63.3
	Oct	56.7	60.8	61.7	43.8	56.2	41.6	60.7	55.8	58.9	56.7	55.8	62.2
	Nov	56.0	57.9	59.0	48.7	55.0	41.3	59.7	53.6	53.6	59.8	57.0	62.2
	Dec	58.2	63.7	59.7	49.5	56.3	42.7	58.1	66.3	56.6	57.3	59.0	67.4
2010	Jan	61.7	66.8	70.2	49.6	61.5	48.3	62.3	64.8	62.6	61.2	61.3	69.5
	Feb	61.5	67.5	65.3	55.0	61.4	53.6	62.7	63.6	64.2	61.3	59.7	68.1
	Mar	61.1	63.8	63.7	54.9	67.0	50.2	62.3	58.9	60.6	65.7	62.3	69.6
	Apr	64.0	68.1	66.3	56.6	68.3	46.0	64.6	63.2	62.5	75.6	60.3	77.5
	May	66.0	68.8	71.0	60.1	71.5	50.7	62.6	64.1	64.3	71.0	59.9	73.0
	Jun	62.4	61.1	66.8	60.3	69.2	50.4	57.4	60.1	60.9	71.1	59.5	73.1
	Jul	64.2	67.3	72.2	56.3	66.4	51.4	61.4	63.2	63.4	70.9	60.9	72.0
	Aug	60.6	61.8	61.9	60.5	64.5	52.0	57.4	58.7	59.7	68.5	56.1	72.4
	Sep	63.3	65.8	67.4	60.3	66.3	52.9	61.4	62.9	62.2	71.1	58.6	70.8
	Oct	61.8	63.0	63.5	59.0	66.8	47.9	61.6	58.2	61.7	66.4	59.3	72.4
	Nov	61.3	60.4	64.2	60.2	67.2	50.2	58.9	56.3	58.2	70.8	61.4	72.5
	Dec	60.2	63.6	62.8	57.1	64.5	55.5	60.5	63.6	59.5	71.9	59.7	74.0
2011	Jan	61.5	64.2	64.9	57.7	64.6	51.9	61.9	62.1	60.2	77.1	58.6	70.9
	Feb	60.9	59.5	65.0	61.1	67.2	54.4	58.8	56.3	58.0	77.1	60.2	71.0
	Mar	58.6	56.1	61.4	58.3	66.0	52.0	54.7	54.0	54.3	73.8	58.9	71.6
	Apr	59.8	61.5	61.9	57.7	65.1	54.6	58.3	56.9	57.3	74.5	58.5	70.5
	May	56.1	55.4	59.8	54.4	61.0	55.6	52.8	56.4	55.3	63.5	56.2	69.1
	Jun	52.9	52.3	54.0	51.3	58.1	51.4	52.5	48.8	51.0	60.5	52.2	64.5
	Jul	50.1	45.4	49.4	53.7	55.4	50.1	46.9	43.4	49.1	51.5	50.4	63.1
	Aug	48.7	47.0	48.6	50.9	49.1	51.5	48.0	42.3	47.9	47.4	48.5	55.8
	Sep	48.1	46.5	48.9	50.0	47.5	52.0	48.3	46.2	47.0	47.0	45.8	53.8
	Oct	49.8	50.5	48.2	50.7	47.8	47.1	48.9	49.1	48.9	39.9	46.8	53.6

Silf/Swedbanks' Purchasing Managers' Index

		PMI	Components of PMI					Other indices				Forecast	
		Total Index	New-orders	Production	Employment	Delivery times	Inventories	Export orders	Domestic orders	Back-log of orders	Prices	Import	Planned Production
2008	Jul	43.8	39.6	42.1	45.6	51.8	54.9	42.5	38.6	40.9	75.0	53.1	57.4
	Aug	49.3	46.7	53.6	44.7	52.7	49.7	46.2	47.7	47.7	69.9	53.4	51.0
	Sep	43.2	38.5	43.4	43.4	44.0	44.7	40.1	39.3	38.8	55.6	49.7	45.8
	Oct	37.7	31.9	37.8	38.9	35.7	44.0	33.8	33.6	31.3	36.6	42.5	36.0
	Nov	30.7	21.8	27.9	35.2	28.8	41.1	25.7	22.9	22.9	25.3	35.3	28.8
	Dec	28.6	20.2	24.8	30.6	24.6	35.1	21.5	17.9	19.9	22.9	28.9	24.3
2009	Jan	31.7	27.6	30.5	29.4	26.3	40.1	34.0	25.2	24.7	26.9	34.0	33.9
	Feb	34.8	32.0	35.3	29.9	26.3	35.2	33.1	32.1	32.5	29.7	33.7	38.2
	Mar	38.3	38.7	42.1	30.5	27.5	40.5	42.8	37.5	34.2	28.2	40.6	40.7
	Apr	41.1	44.8	43.2	29.7	30.6	36.8	47.8	40.4	42.6	34.1	40.6	45.1
	May	45.8	49.0	50.3	33.1	36.5	35.3	49.6	46.6	45.9	36.5	43.2	48.3
	Jun	53.9	59.4	60.8	39.1	45.5	37.3	58.3	53.5	50.3	45.1	50.0	54.6
	Jul	50.7	55.7	51.3	40.8	46.9	40.7	53.5	53.6	53.1	47.4	47.3	59.2
	Aug	56.2	62.9	62.9	41.9	49.3	41.5	64.6	55.3	60.2	54.5	53.9	64.7
	Sep	57.7	59.9	63.6	46.7	56.6	40.4	61.2	57.1	54.0	57.0	57.8	62.9
	Oct	56.1	58.6	61.1	43.6	57.2	40.4	58.1	54.7	55.0	56.8	54.7	59.6
	Nov	53.9	53.8	56.1	48.1	53.5	39.3	56.1	50.8	48.5	56.9	55.4	59.5
	Dec	54.2	57.9	53.5	47.2	52.8	39.3	61.6	52.8	50.8	52.8	56.0	65.7
2010	Jan	59.7	65.4	67.7	47.2	57.9	49.2	61.7	62.3	61.5	59.4	60.1	70.6
	Feb	62.2	70.4	66.3	54.3	59.4	52.9	65.5	65.0	66.9	60.6	59.8	70.2
	Mar	62.4	66.7	66.4	54.5	66.6	51.4	64.8	60.3	63.4	66.1	64.2	71.6
	Apr	66.0	70.9	69.6	58.0	69.2	46.8	66.6	65.4	64.9	79.3	61.7	79.9
	May	67.8	70.8	73.6	62.1	73.6	52.5	64.0	66.1	66.9	74.4	61.6	73.4
	Jun	65.3	64.9	71.2	63.2	71.8	53.6	60.4	63.7	63.2	72.5	61.6	72.0
	Jul	60.3	62.1	62.4	56.3	68.2	53.6	58.0	58.4	62.1	70.8	56.8	71.6
	Aug	63.9	66.3	68.0	61.5	66.7	53.0	60.4	63.4	65.1	69.7	58.7	75.0
	Sep	64.8	66.2	70.2	61.7	68.7	52.6	61.4	64.9	61.9	73.2	60.3	70.0
	Oct	60.9	60.5	62.5	58.4	67.3	46.3	58.9	56.6	57.6	65.8	57.9	69.5
	Nov	58.9	55.9	61.0	59.4	65.3	47.9	55.2	53.1	52.8	67.6	59.7	69.6
	Dec	56.0	57.6	56.2	54.3	60.5	52.1	55.9	58.3	53.4	67.2	56.6	72.2
2011	Jan	59.4	62.7	62.3	54.9	60.6	50.7	61.5	59.6	59.0	75.3	57.3	71.7
	Feb	61.5	62.2	65.9	60.3	65.0	53.7	61.6	57.4	60.5	76.4	60.3	72.8
	Mar	59.6	58.6	63.9	57.6	65.4	53.1	56.9	55.1	56.8	74.0	60.8	73.4
	Apr	61.7	64.3	65.0	58.9	65.8	55.4	60.3	59.0	59.6	78.1	59.9	72.8
	May	57.7	57.3	62.3	56.1	62.9	57.5	54.0	58.4	57.8	66.2	57.8	69.4
	Jun	55.6	56.1	58.1	54.1	59.9	54.8	55.8	52.4	53.7	61.8	54.0	63.1
	Jul	45.8	39.7	39.2	53.5	56.9	52.0	43.1	38.1	47.5	50.5	46.0	62.4
	Aug	51.7	51.3	54.4	51.7	50.7	52.4	50.7	46.6	53.0	47.7	50.7	57.8
	Sep	49.4	46.8	51.6	51.3	49.4	51.6	48.1	48.1	46.5	48.4	47.1	52.5
	Oct	48.9	48.1	47.1	50.0	48.1	45.1	46.2	47.7	44.9	38.5	45.2	50.3

Silf / Swedbank's Purchasing Managers' Index (PMI) – goals and methodology

<i>History</i>	Silf (previously I&L) and Swedbank AB, publ, (formerly Sparbanken Sverige) made the first joint – internal – calculation of the “Purchasing Managers' Index” for the five component indices in December 1994. Exactly one year later the index figures were published for the first time. The model for what was then known as the ICI (now the PMI, Purchasing Managers' Index) was the NAPM index – one of the USA's most important and most well known economic indicators. The NAPM index has existed since 1931 and was subsequently renamed PMI (or ISM index).										
<i>Participants</i>	About 200 purchasing managers in the manufacturing industry.										
<i>Publication</i>	First business day of every month, 8:30 a.m.										
<i>Survey period</i>	Comparison with the previous month.										
<i>Composition of PMI (%)</i>	<table border="0"> <tr> <td>New orders (in manager's own company)</td> <td>30</td> </tr> <tr> <td>Production (same as above)</td> <td>25</td> </tr> <tr> <td>Employment (same as above)</td> <td>20</td> </tr> <tr> <td>Suppliers' delivery times</td> <td>15</td> </tr> <tr> <td>Inventories (purchased material)</td> <td>10</td> </tr> </table>	New orders (in manager's own company)	30	Production (same as above)	25	Employment (same as above)	20	Suppliers' delivery times	15	Inventories (purchased material)	10
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Suppliers' delivery times	15										
Inventories (purchased material)	10										
<i>Other ratios (not included in PMI)</i>	<ul style="list-style-type: none"> New export orders New domestic orders Order Backlogs Suppliers' commodity and intermediate goods prices Imports Production plans for the next six months 										
<i>Goals</i>	<ul style="list-style-type: none"> Quick economic indicator Simple statistics and ease of interpretation Statistics with relatively short publication intervals Constant contact with well-informed professional group 										
<i>Calculation</i>	Same as for calculating a diffusion index. Positive changes are noted in percent for the five component indexes. The percentage of unchanged replies, multiplied by 0.5, is added to this figure. Then the different component indices are weighted as described above to calculate the total index. The Purchasing Managers' Index does not indicate activity levels but rather monthly changes in industrial activity. The seasonally adjusted figures are shown first.										
<i>”Break even”</i>	The dividing line between growth and contraction in the industrial economy has – in line with American practice – been set at 50. However, this figure should not be interpreted as a precise boundary or “neutral growth zone.” A PMI index level of 49.7 or 50.3 would not indicate a particularly different economic situation.										

We believe we have used reliable sources and procedures to generate and analyze the Purchasing Managers' Index (ICI/PMI). However, Swedbank AB (publ) and Silf cannot guarantee the accuracy or completeness of the analyses and cannot be responsible for any errors or omissions in the basic data or processing thereof. Readers are encouraged to base any decisions on other sources as well.

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