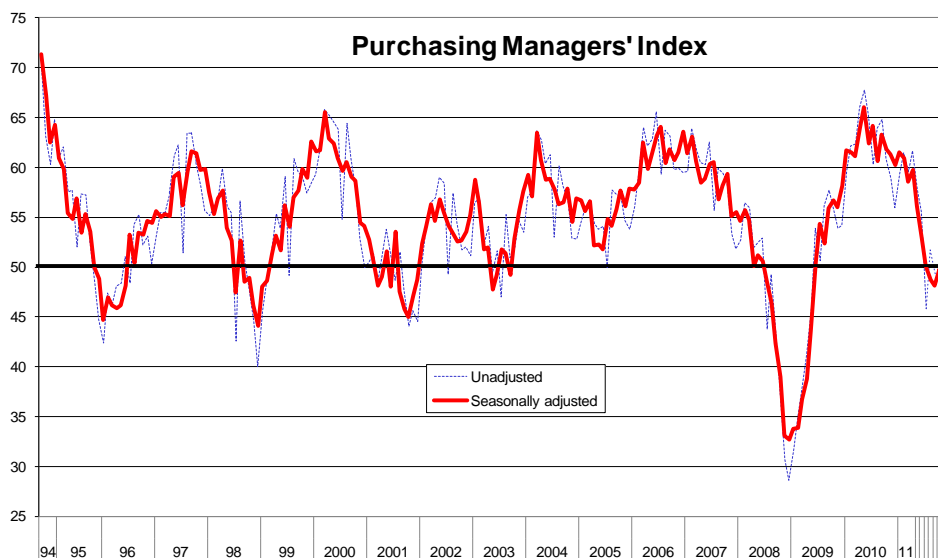


Purchasing Managers' Index

January 2, 2012

PMI climbs to 48.9 in December 2011 – a ray of light in an otherwise dismal outlook for industry

- The PMI increased from 47.6 in November to 48.9 in December. The industrial economy continues to contract, but the increase in the PMI shows that the rate of decline has leveled off somewhat.
- The production index had the most significant positive impact, followed by delivery times and employment. The index for new orders dropped marginally, primarily due to weaker demand from the home market.
- The index for industrial companies' production plans rose significantly in December, but it is too early to tell whether this indicates a break in the trend since order backlogs continue to shrink and the global economy remains weak, which is clear from the low price pressure on commodity and intermediate goods prices.
- The employment index approached the 50 mark, but given the current weak demand scenario and that the labor market lags orders, we expect that the need for new hiring in industry will remain limited in the next few months.



PMI	
(Purchasing Managers' Index)	
<i>Seasonally adjusted</i>	
2011	Dec. 48.9
	Nov. 47.6
	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

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Silf/Swedbanks' Purchasing Managers' Index. seasonally adjusted

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

Silf/Swedbanks' Purchasing Managers' Index

		PMI	Components of PMI					Other indices				Forecast	
		<i>Total Index</i>	<i>New-orders</i>	<i>Production</i>	<i>Employment</i>	<i>Delivery times</i>	<i>Inventories</i>	<i>Export orders</i>	<i>Domestic orders</i>	<i>Back-log of orders</i>	<i>Prices</i>	<i>Import</i>	<i>Planned Production</i>
2008	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
	Nov	45.2	42.6	42.9	47.4	43.5	43.4	43.8	42.9	39.6	39.0	42.6	48.4
	Dec	44.8	41.2	42.8	46.7	46.0	44.8	44.2	39.9	40.4	37.7	43.4	57.7

Silf/Swedbank's Purchasing Managers' Index

- objectives and methodology

<i>History</i>	Silf (earlier I&L) and Swedbank AB. publ. (at that time Sparbanken Sweden) make the first joint – internal – calculation of the “Purchasing Managers' Index” for the five indexes (PMI) in December 1994. Exactly one year later, the index was publicly announced for the first time. In Sweden the Purchasing Managers' Index is known as the ICI index. The model for PMI is the ISM index (Institute for Supply Management, formerly known as the NAPM index) – one of the most highly regarded and well-recognized economic indicators in the United States. The ISM index has existed since 1931 in the form of its predecessor, the NAPM index.	
<i>Participants</i>	About 200 purchasing managers in the manufacturing industry.	
<i>Publication</i>	First weekday of each month. 8:30 am.	
<i>Analysis Period</i>	Comparison with previous month.	
<i>Composition of PMI (%)</i>	New orders (within the company)	30
	Production (within the company)	25
	Employment (within the company)	20
	Suppliers' Delivery Times	15
	Inventories (purchased material)	10
<i>Other leading indicators (not included in PMI)</i>	New Export Orders New Domestic Orders Backlog of Orders Suppliers' commodity and intermediate goods prices Imports Production Plans next six months	
<i>Other questions</i>	Reason for higher/lower inventories level Important commodities and intermediate goods with rising/falling prices	
<i>Objective</i>	Quick economic indicator Simple statistics Statistics with relatively short publication intervals Constant contact with well-informed professional group	
<i>Calculation</i>	According to “diffusion index”. Positive changes are noted in percent for the five sub indexes. The percentage of unchanged replies, multiplied by 0.5, is added to this figure. Then the different sub indexes are weighted as described above to reach the total index. The Purchasing Managers' Index does not indicate activity levels but rather monthly changes in industrial activity.	
<i>“Break-even”</i>	The dividing line between growth and decline – in line with US praxis – has been drawn at a total index of 50. However, this boundary or “neutral growth zone” should not be applied excessively. Rather, “Break-even” at 50 indicates a target value.	

We believe we have used reliable sources and procedures to generate and analyze the Purchasing Managers' Index (PMI – in Sweden ICI). However, Swedbank AB (publ) and SILF (earlier Organisationen för Inköp och Logistik, /I&L/ – The Organization for Purchasing and Logistics) 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. The reader should base any decisions on other background material as well.

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