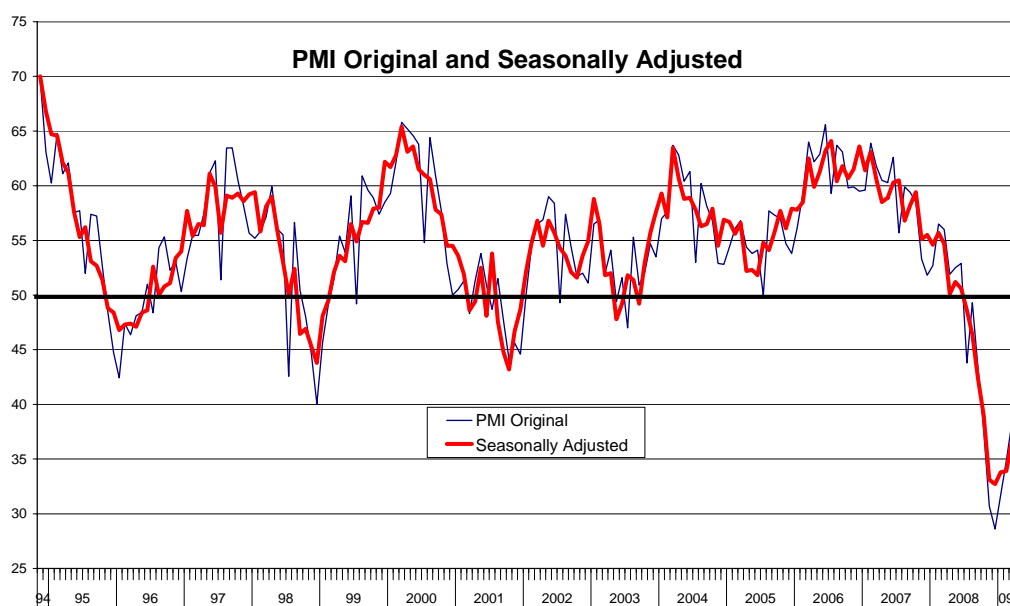


Jörgen Kennemar. Swedbank. Economic Research Department. Phone +46-8-5859 1478.  
 Administration. phone +46-8-5859 1028. fax +46-8-5859 1026. e-mail ek.sekr@swedbank.com  
 Hans-Gunnar Gustavsson. SILF. Phone +46-8-752 1670.

## PMI climbs to 36.7 in March - nevertheless, the decline in industry continues

- The PMI increased to 36.7 in March, up from 33.9 in February. That said, it is still too early to tell whether Swedish industry has bottomed out. Results for the first quarter of 2009 show that the industrial economy has stabilized at a low level after the significant drop during Q4 2008.
- New orders and production yielded the largest positive contributions to the PMI during March, while inventories and delivery times made negative contributions.
- The weak order situation and shrinking order backlogs indicate that the majority of industrial companies intend to decrease production volumes during the next six months. That said, pessimism is not as widespread as it was in December 2008.
- Employment in industry is decreasing as companies trim their personnel to adapt to lower production levels. Given companies' modest production plans, the downward trend in employment will likely continue for the next few quarters.
- Commodity and intermediate goods prices are falling, despite the weakening Swedish krona. The index dropped to 27.7 in March compared to 30.4 in February, which means the industrial supply chain continues to subdue price pressure. Difficulty passing on cost increases in the current economic scenario is another reason for the weak price trend.



## Silf/Swedbanks' Purchasing Managers' Index. seasonally adjusted

		<b>PMI</b>	<b>Components of PMI</b>					<b>Other indices</b>			<b>Forecast</b>		
		<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>
2006	Jan	<b>57.8</b>	61.6	60.2	52.2	57.0	47.9	63.3	55.6	63.1	60.3	57.1	69.6
	Feb	<b>58.5</b>	61.8	63.4	54.0	56.6	52.4	63.0	56.4	59.7	62.9	61.1	70.5
	Mar	<b>62.5</b>	67.7	67.7	55.8	61.2	49.9	67.3	63.7	64.8	66.7	61.6	72.4
	Apr	<b>59.9</b>	62.8	64.6	54.8	59.3	50.4	62.4	57.7	64.8	72.7	59.3	70.1
	May	<b>61.3</b>	62.4	66.1	56.7	64.0	49.3	64.3	54.5	62.4	75.6	58.7	69.8
	Jun	<b>63.2</b>	65.6	68.3	56.5	68.7	50.9	62.3	59.4	63.2	72.1	62.8	72.9
	Jul	<b>64.1</b>	66.1	69.6	56.7	69.6	48.9	65.7	61.7	62.8	78.0	65.2	75.3
	Aug	<b>60.4</b>	61.9	63.4	56.0	65.8	51.2	61.2	57.0	59.8	78.5	59.8	70.7
	Sep	<b>61.8</b>	63.5	64.9	58.0	65.6	48.8	62.4	60.1	63.2	72.3	58.9	71.9
	Oct	<b>60.7</b>	61.4	62.4	57.1	68.7	50.5	59.9	57.5	59.4	73.0	61.0	72.4
	Nov	<b>61.5</b>	66.2	65.1	54.6	68.6	58.1	64.7	60.9	61.9	69.3	60.6	74.7
	Dec	<b>63.6</b>	69.1	68.6	54.6	66.5	52.2	66.5	64.8	65.2	69.9	61.5	72.0
2007	Jan	<b>61.4</b>	62.9	64.1	59.3	65.0	50.9	62.4	60.0	60.7	68.2	59.8	74.3
	Feb	<b>63.1</b>	65.6	67.3	59.3	67.6	53.7	63.7	59.5	62.5	64.5	60.2	74.1
	Mar	<b>60.6</b>	64.3	60.9	56.3	63.7	47.7	62.9	58.4	60.2	68.9	57.8	73.1
	Apr	<b>58.5</b>	56.2	60.7	59.3	64.0	50.0	57.3	53.5	58.3	70.5	60.5	72.3
	May	<b>58.9</b>	58.8	63.8	55.1	64.1	52.7	59.0	54.2	57.6	67.9	59.0	70.8
	Jun	<b>60.3</b>	59.6	62.5	57.9	70.5	53.9	61.0	54.4	54.5	71.7	61.1	69.2
	Jul	<b>60.5</b>	63.0	65.6	54.0	64.4	53.1	62.7	59.7	56.3	67.8	64.1	71.8
	Aug	<b>56.8</b>	57.3	58.4	54.9	61.0	52.3	59.2	54.1	55.8	63.0	55.7	70.2
	Sep	<b>58.2</b>	62.0	59.2	56.7	59.6	55.0	61.0	56.4	60.0	59.0	58.1	72.1
	Oct	<b>59.4</b>	61.0	63.7	57.1	60.2	52.8	59.1	58.9	62.7	62.3	59.0	72.5
	Nov	<b>55.1</b>	54.7	57.4	55.7	57.5	53.1	53.3	54.5	53.7	60.4	55.7	69.2
	Dec	<b>55.5</b>	57.1	58.3	53.8	55.5	53.1	57.7	55.0	60.2	62.7	56.4	69.7
2008	Jan	<b>54.6</b>	53.6	55.2	55.4	58.2	50.5	54.2	54.5	51.5	65.6	55.7	67.8
	Feb	<b>55.7</b>	56.9	60.2	52.5	55.6	52.6	56.1	57.9	57.9	67.5	59.2	64.4
	Mar	<b>54.7</b>	56.5	56.8	51.9	57.0	53.5	56.9	51.6	51.5	70.4	56.5	63.9
	Apr	<b>50.1</b>	47.1	54.0	48.0	52.0	48.9	46.4	49.7	47.1	69.6	52.1	61.9
	May	<b>51.2</b>	51.3	53.4	48.6	51.1	49.0	50.9	50.7	52.0	74.3	56.2	59.9
	Jun	<b>50.6</b>	50.3	53.9	47.8	51.8	52.2	52.5	46.7	49.0	75.6	56.2	64.7
	Jul	<b>48.6</b>	46.0	53.6	45.5	50.4	53.1	46.6	44.6	42.7	76.8	58.5	58.7
	Aug	<b>46.4</b>	42.7	47.8	44.2	51.0	49.1	44.0	43.3	43.0	70.2	51.2	49.5
	Sep	<b>42.3</b>	38.7	41.3	42.6	42.5	45.4	40.9	38.0	39.7	55.1	48.7	47.4
	Oct	<b>39.0</b>	34.8	39.1	39.8	35.9	45.7	37.0	35.4	36.0	38.2	44.5	39.5
	Nov	<b>33.1</b>	26.0	31.0	36.5	31.0	43.6	29.4	25.8	28.1	29.4	37.5	31.8
	Dec	<b>32.7</b>	26.1	31.0	33.5	28.6	38.9	26.3	23.3	25.7	27.9	32.3	26.3
2009	Jan	<b>33.8</b>	29.0	33.3	32.1	30.3	41.8	34.2	27.9	25.9	29.1	35.5	32.9
	Feb	<b>33.9</b>	28.8	34.0	31.0	28.4	36.6	29.7	30.5	29.7	30.4	33.5	35.8
	Mar	<b>36.7</b>	35.1	38.8	31.1	28.0	39.6	39.7	35.5	30.8	27.7	38.5	38.2

## Sif/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
2006	Jan	56.1	60.7	58.1	49.6	53.7	46.6	63.2	54.2	62.7	59.7	56.4	70.9
	Feb	<b>59.3</b>	64.8	64.4	53.1	55.0	51.2	66.3	57.7	62.2	63.4	61.5	72.9
	Mar	<b>64.0</b>	70.5	70.9	55.4	61.2	51.1	69.5	65.3	68.1	67.5	63.7	74.5
	Apr	<b>62.2</b>	66.2	68.4	56.5	60.7	51.9	64.8	60.2	67.4	75.9	61.2	72.2
	May	<b>62.9</b>	64.2	68.2	58.8	66.3	51.5	65.6	56.3	64.6	78.5	60.5	70.1
	Jun	<b>65.6</b>	68.9	71.9	59.1	70.4	54.0	64.8	63.0	65.4	71.8	64.4	70.9
	Jul	<b>59.3</b>	59.7	58.1	56.8	71.0	50.7	61.6	55.7	61.0	76.2	59.8	74.0
	Aug	<b>63.7</b>	66.5	69.8	56.9	67.7	52.0	63.8	61.9	65.0	78.5	62.5	73.1
	Sep	<b>63.1</b>	63.5	67.7	59.0	67.8	48.3	61.8	61.9	62.4	74.2	60.3	70.8
	Oct	<b>59.8</b>	58.9	61.4	56.4	69.2	49.1	57.2	56.0	54.7	73.4	59.4	69.7
	Nov	<b>59.9</b>	63.1	63.0	53.7	67.3	55.9	62.1	58.9	57.6	67.3	59.3	72.7
	Dec	<b>59.5</b>	62.7	62.4	52.2	63.5	49.4	61.5	59.7	58.4	65.7	58.6	69.7
2007	Jan	<b>59.6</b>	61.8	61.7	56.8	61.2	49.4	62.2	57.4	60.1	66.9	58.8	75.6
	Feb	<b>63.9</b>	68.5	68.2	58.4	65.7	52.6	67.0	60.5	64.9	64.1	60.5	76.5
	Mar	<b>61.8</b>	67.0	63.7	55.8	63.1	48.5	65.1	59.8	63.3	69.3	59.7	75.2
	Apr	<b>60.5</b>	59.0	64.1	61.0	64.9	51.3	59.3	55.5	60.6	73.5	62.3	74.2
	May	<b>60.3</b>	60.2	65.8	57.0	65.9	54.9	60.1	55.6	59.6	70.3	60.7	70.9
	Jun	<b>62.6</b>	62.8	66.0	60.5	72.4	57.2	63.5	57.8	56.3	71.5	62.8	66.9
	Jul	<b>55.7</b>	56.6	54.1	54.1	65.8	54.9	58.6	53.7	54.5	66.0	58.7	70.5
	Aug	<b>59.9</b>	61.7	64.5	55.7	62.6	53.1	61.7	58.8	60.9	62.7	58.1	72.4
	Sep	<b>59.4</b>	62.2	61.9	57.7	61.5	54.6	60.5	58.2	59.5	60.6	59.4	71.1
	Oct	<b>58.5</b>	58.6	62.8	56.4	60.6	51.3	56.3	57.6	58.4	62.7	57.4	69.9
	Nov	<b>53.3</b>	51.2	55.0	54.7	55.9	50.9	50.3	52.4	49.1	58.3	54.2	67.1
	Dec	<b>51.8</b>	51.7	52.6	51.2	52.1	49.7	53.4	50.3	54.9	59.4	53.8	68.6
2008	Jan	<b>52.7</b>	52.3	52.6	52.9	54.4	48.9	53.8	52.0	50.6	64.6	54.7	68.9
	Feb	<b>56.5</b>	59.9	61.4	51.5	53.6	51.5	59.5	59.2	60.5	67.5	59.7	66.5
	Mar	<b>56.0</b>	59.4	59.6	51.2	56.5	54.4	59.3	52.9	54.4	71.3	58.3	65.8
	Apr	<b>51.9</b>	49.4	57.2	49.4	52.7	50.0	47.9	51.5	49.1	73.0	53.7	63.6
	May	<b>52.5</b>	52.7	55.3	50.3	52.7	51.0	51.9	52.0	54.0	77.5	57.9	59.7
	Jun	<b>52.9</b>	53.4	57.4	50.3	53.7	55.5	55.0	49.7	50.7	76.0	58.0	62.5
	Jul	<b>43.8</b>	39.6	42.1	45.6	51.8	54.9	42.5	38.6	40.9	75.0	53.1	57.4
	Aug	<b>49.3</b>	46.7	53.6	44.7	52.7	49.7	46.2	47.7	47.7	69.9	53.4	51.0
	Sep	<b>43.2</b>	38.5	43.4	43.4	44.0	44.7	40.1	39.3	38.8	55.6	49.7	45.8
	Oct	<b>37.7</b>	31.9	37.8	38.9	35.7	44.0	33.8	33.6	31.3	36.6	42.5	36.0
	Nov	<b>30.7</b>	21.8	27.9	35.2	28.8	41.1	25.7	22.9	22.9	25.3	35.3	28.8
	Dec	<b>28.6</b>	20.2	24.8	30.6	24.6	35.1	21.5	17.9	19.9	22.9	28.9	24.3
2009	Jan	<b>31.7</b>	27.6	30.5	29.4	26.3	40.1	34.0	25.2	24.7	26.9	34.0	33.9
	Feb	<b>34.8</b>	32.0	35.3	29.9	26.3	35.2	33.1	32.1	32.5	29.7	33.7	38.2
	Mar	<b>38.3</b>	38.7	42.1	30.5	27.5	40.5	42.8	37.5	34.2	28.2	40.6	40.7

# 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.

Swedbank AB (publ), SILF, their employees, and other coworkers accept no liability whatsoever for any direct or consequential loss or injury of any kind arising from any errors or omissions in the analyses presented in the Purchasing Managers' Index.