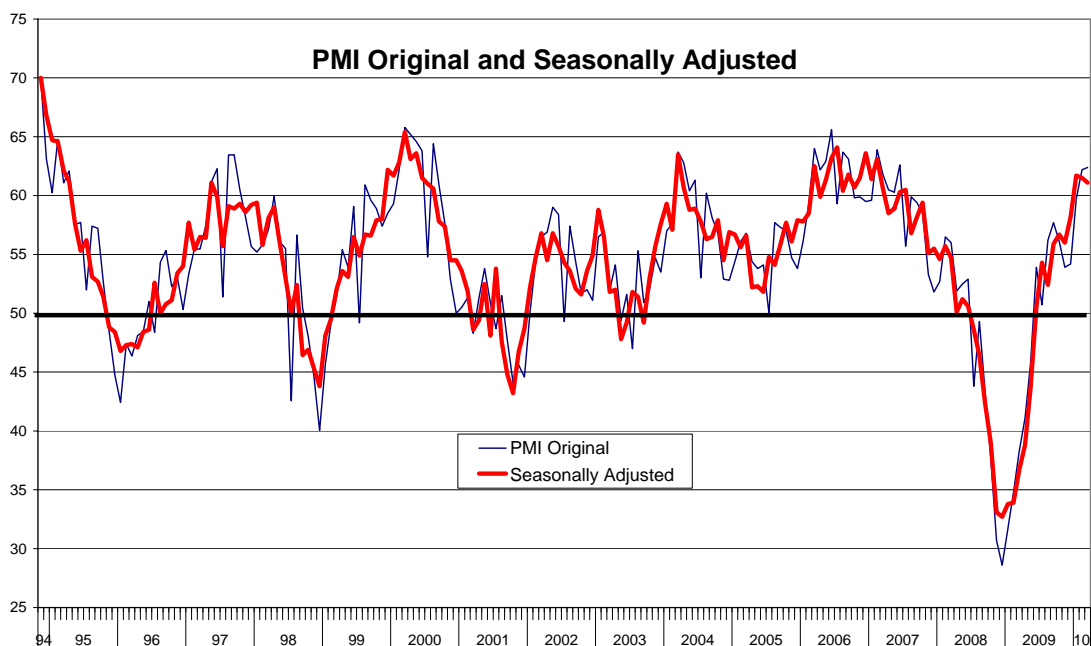


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PMI drops to 61.1 in March – still, industry continues to recover

- The PMI dropped to 61.1 in March, down from 61.5 in February. This makes two consecutive months of decline since January's peak of 61.7. That said, the index remains well within the growth zone.
- New orders, the most heavily weighted of the PMI's five component indices, fell by 3.7 points. The indices for production and employment also made negative contributions. Demand for labor continues to increase, though the index has stabilized around the 55 mark.
- Inventories and supplier delivery times made positive contributions to the PMI in March. The significant increase in the component index for supplier delivery times is a sign of relatively strong demand pressure.
- Despite the fact that the PMI has dropped somewhat, purchasing managers have nevertheless ratcheted up production plans for the next six months. The index for commodity and intermediate goods rose to 65.7 – the highest level since August 2008.



Silf/Swedbanks' Purchasing Managers' Index. seasonally adjusted

		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>
2007	Jan	61.4	62.9	64.1	59.3	65.0	50.9	62.4	60.0	60.7	68.2	59.8	74.3
	Feb	63.1	65.6	67.3	59.3	67.6	53.7	63.7	59.5	62.5	64.5	60.2	74.1
	Mar	60.6	64.3	60.9	56.3	63.7	47.7	62.9	58.4	60.2	68.9	57.8	73.1
	Apr	58.5	56.2	60.7	59.3	64.0	50.0	57.3	53.5	58.3	70.5	60.5	72.3
	May	58.9	58.8	63.8	55.1	64.1	52.7	59.0	54.2	57.6	67.9	59.0	70.8
	Jun	60.3	59.6	62.5	57.9	70.5	53.9	61.0	54.4	54.5	71.7	61.1	69.2
	Jul	60.5	63.0	65.6	54.0	64.4	53.1	62.7	59.7	56.3	67.8	64.1	71.8
	Aug	56.8	57.3	58.4	54.9	61.0	52.3	59.2	54.1	55.8	63.0	55.7	70.2
	Sep	58.2	62.0	59.2	56.7	59.6	55.0	61.0	56.4	60.0	59.0	58.1	72.1
	Oct	59.4	61.0	63.7	57.1	60.2	52.8	59.1	58.9	62.7	62.3	59.0	72.5
	Nov	55.1	54.7	57.4	55.7	57.5	53.1	53.3	54.5	53.7	60.4	55.7	69.2
	Dec	55.5	57.1	58.3	53.8	55.5	53.1	57.7	55.0	60.2	62.7	56.4	69.7
2008	Jan	54.6	53.6	55.2	55.4	58.2	50.5	54.2	54.5	51.5	65.6	55.7	67.8
	Feb	55.7	56.9	60.2	52.5	55.6	52.6	56.1	57.9	57.9	67.5	59.2	64.4
	Mar	54.7	56.5	56.8	51.9	57.0	53.5	56.9	51.6	51.5	70.4	56.5	63.9
	Apr	50.1	47.1	54.0	48.0	52.0	48.9	46.4	49.7	47.1	69.6	52.1	61.9
	May	51.2	51.3	53.4	48.6	51.1	49.0	50.9	50.7	52.0	74.3	56.2	59.9
	Jun	50.6	50.3	53.9	47.8	51.8	52.2	52.5	46.7	49.0	75.6	56.2	64.7
	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

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>
2007	Jan	59.6	61.8	61.7	56.8	61.2	49.4	62.2	57.4	60.1	66.9	58.8	75.6
	Feb	63.9	68.5	68.2	58.4	65.7	52.6	67.0	60.5	64.9	64.1	60.5	76.5
	Mar	61.8	67.0	63.7	55.8	63.1	48.5	65.1	59.8	63.3	69.3	59.7	75.2
	Apr	60.5	59.0	64.1	61.0	64.9	51.3	59.3	55.5	60.6	73.5	62.3	74.2
	May	60.3	60.2	65.8	57.0	65.9	54.9	60.1	55.6	59.6	70.3	60.7	70.9
	Jun	62.6	62.8	66.0	60.5	72.4	57.2	63.5	57.8	56.3	71.5	62.8	66.9
	Jul	55.7	56.6	54.1	54.1	65.8	54.9	58.6	53.7	54.5	66.0	58.7	70.5
	Aug	59.9	61.7	64.5	55.7	62.6	53.1	61.7	58.8	60.9	62.7	58.1	72.4
	Sep	59.4	62.2	61.9	57.7	61.5	54.6	60.5	58.2	59.5	60.6	59.4	71.1
	Oct	58.5	58.6	62.8	56.4	60.6	51.3	56.3	57.6	58.4	62.7	57.4	69.9
	Nov	53.3	51.2	55.0	54.7	55.9	50.9	50.3	52.4	49.1	58.3	54.2	67.1
	Dec	51.8	51.7	52.6	51.2	52.1	49.7	53.4	50.3	54.9	59.4	53.8	68.6
2008	Jan	52.7	52.3	52.6	52.9	54.4	48.9	53.8	52.0	50.6	64.6	54.7	68.9
	Feb	56.5	59.9	61.4	51.5	53.6	51.5	59.5	59.2	60.5	67.5	59.7	66.5
	Mar	56.0	59.4	59.6	51.2	56.5	54.4	59.3	52.9	54.4	71.3	58.3	65.8
	Apr	51.9	49.4	57.2	49.4	52.7	50.0	47.9	51.5	49.1	73.0	53.7	63.6
	May	52.5	52.7	55.3	50.3	52.7	51.0	51.9	52.0	54.0	77.5	57.9	59.7
	Jun	52.9	53.4	57.4	50.3	53.7	55.5	55.0	49.7	50.7	76.0	58.0	62.5
	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

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.