



Purchasing Managers' Index



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PMI falls to 50.1 in April 2008 – marked slowdown in the Swedish industrial economy

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The PMI fell to 50.1 in April, down from 54.7 in March, which means that the cooling trend in the Swedish industry that began in 2007 is still under way, and has now reached the lowest level since September 2003. Monthly fluctuations should be interpreted with caution. This doesn't change the fact that the Swedish manufacturing is showing a weaker level of activity than it did at the end of last year.

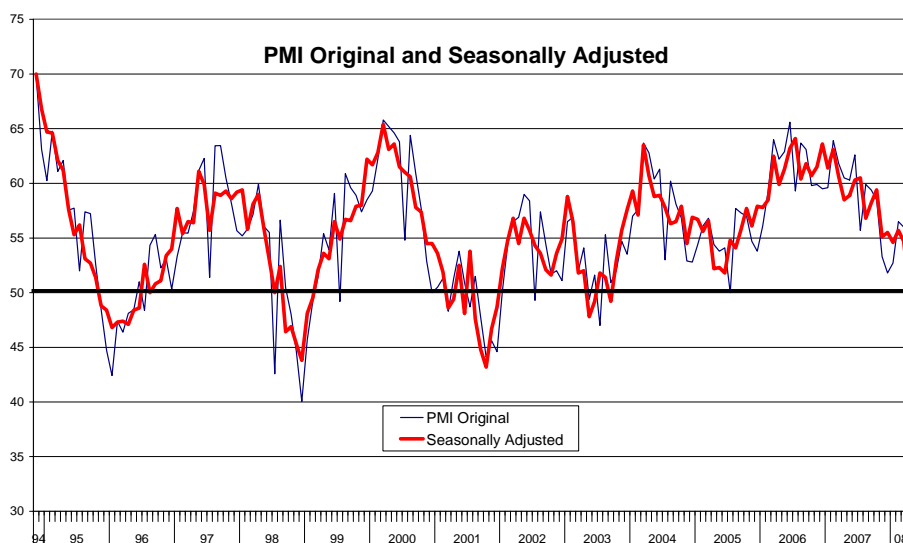
Of the PMI's five component indices, new orders saw the largest decline in April compared to March, falling 9.4 points. The index for order backlogs fell below the 50 mark as well, which raises questions about the strength of the Swedish industrial economy. The production index remains in the growth zone, however, despite weaker order bookings.

The index for delivery times dropped 5 points in April, which is a sign that demand pressure in industry has continued to shrink.

The employment index went below the 50 mark in April, breaking the hiring trend in industry. A less than ideal order situation as well as rising material and labor costs are putting pressure on Swedish manufacturing companies to streamline.

The index for industrial companies' production plans for the next six months dropped further to 61.9 in April – the lowest level since September 2003. This indicates that companies have less optimistic expectations for the future economy than they did at the beginning of 2008.

Commodity and intermediate goods prices continued to rise, despite a subdued industrial economy and strengthening of the Swedish krona against the dollar. Though the index dropped marginally to 69.6 in April, compared to 70.4 in March, the majority of companies are reporting rising commodity and intermediate goods prices.



Silf/Swedbank's 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>Stocks</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>	
2005	Apr	52.2	50.7	56.9	50.1	52.2	50.8	52.0	49.6	49.1	61.9	56.5	67.8	
	May	52.3	53.3	56.1	48.1	49.4	47.5	53.7	50.1	50.2	55.3	53.5	65.1	
	Jun	51.8	53.3	54.9	48.7	47.4	46.6	53.0	50.5	50.5	51.6	55.4	63.6	
	Jul	54.8	55.0	60.8	53.5	49.0	48.6	54.4	52.2	49.7	51.0	59.4	63.9	
	Aug	54.1	57.3	56.8	50.6	49.2	48.5	59.2	47.2	54.7	53.3	52.2	62.8	
	Sep	55.8	59.6	58.9	51.3	50.8	46.9	63.9	47.4	58.2	58.3	55.3	62.7	
	Oct	57.7	61.2	62.3	52.5	52.6	46.6	63.0	55.1	60.5	63.5	58.5	68.2	
	Nov	56.1	59.5	58.6	52.6	51.9	47.1	62.4	51.5	55.6	61.0	54.9	69.4	
	Dec	57.9	62.0	62.2	51.6	54.9	48.3	61.3	55.9	60.9	63.7	59.7	71.5	
	2006	Jan	57.8	61.6	60.2	52.2	57.0	47.9	63.3	55.6	63.1	60.3	57.1	69.6
		Feb	58.5	61.8	63.4	54.0	56.6	52.4	63.0	56.4	59.7	62.9	61.1	70.5
		Mar	62.5	67.7	67.7	55.8	61.2	49.9	67.3	63.7	64.8	66.7	61.6	72.4
Apr		59.9	62.8	64.6	54.8	59.3	50.4	62.4	57.7	64.8	72.7	59.3	70.1	
May		61.3	62.4	66.1	56.7	64.0	49.3	64.3	54.5	62.4	75.6	58.7	69.8	
Jun		63.2	65.6	68.3	56.5	68.7	50.9	62.3	59.4	63.2	72.1	62.8	72.9	
Jul		64.1	66.1	69.6	56.7	69.6	48.9	65.7	61.7	62.8	78.0	65.2	75.3	
Aug		60.4	61.9	63.4	56.0	65.8	51.2	61.2	57.0	59.8	78.5	59.8	70.7	
Sep		61.8	63.5	64.9	58.0	65.6	48.8	62.4	60.1	63.2	72.3	58.9	71.9	
Oct		60.7	61.4	62.4	57.1	68.7	50.5	59.9	57.5	59.4	73.0	61.0	72.4	
Nov		61.5	66.2	65.1	54.6	68.6	58.1	64.7	60.9	61.9	69.3	60.6	74.7	
Dec		63.6	69.1	68.6	54.6	66.5	52.2	66.5	64.8	65.2	69.9	61.5	72.0	
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	

Silf/Swedbank's 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>Stocks</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>
2005	Jan	54.4	55.6	57.0	50.7	55.7	50.7	59.3	49.6	55.0	76.8	58.9	71.1
	Feb	56.1	58.8	60.6	49.6	55.6	50.0	61.4	52.1	58.0	70.7	57.8	68.7
	Mar	56.8	59.2	60.9	53.8	55.4	52.1	59.6	53.4	55.4	65.8	60.4	67.0
	Apr	54.4	54.1	60.5	51.7	53.1	52.1	54.5	52.0	51.4	63.7	58.3	69.7
	May	53.8	55.2	58.0	50.0	51.0	49.6	55.1	52.1	52.4	57.0	55.9	65.4
	Jun	54.1	56.7	58.3	51.2	48.4	49.6	55.8	54.0	52.8	50.8	56.8	61.4
	Jul	50.0	48.7	49.1	53.5	50.0	50.4	50.5	46.0	48.2	48.7	53.6	62.4
	Aug	57.7	62.4	63.6	51.6	51.2	49.2	62.4	52.4	60.5	53.1	55.1	65.4
	Sep	57.3	60.0	62.1	52.2	53.3	46.6	63.7	49.3	57.7	60.8	57.0	61.9
	Oct	57.0	59.1	61.7	51.8	53.3	45.2	60.7	54.0	56.2	64.4	57.1	65.7
	Nov	54.7	56.4	56.7	51.9	50.8	44.4	59.8	49.6	51.5	59.7	53.8	67.5
	Dec	53.8	55.6	56.0	49.2	51.9	45.5	56.3	50.8	54.1	59.5	56.8	69.2
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	59.3	64.8	64.4	53.1	55.0	51.2	66.3	57.7	62.2	63.4	61.5	72.9
	Mar	64.0	70.5	70.9	55.4	61.2	51.1	69.5	65.3	68.1	67.5	63.7	74.5
	Apr	62.2	66.2	68.4	56.5	60.7	51.9	64.8	60.2	67.4	75.9	61.2	72.2
	May	62.9	64.2	68.2	58.8	66.3	51.5	65.6	56.3	64.6	78.5	60.5	70.1
	Jun	65.6	68.9	71.9	59.1	70.4	54.0	64.8	63.0	65.4	71.8	64.4	70.9
	Jul	59.3	59.7	58.1	56.8	71.0	50.7	61.6	55.7	61.0	76.2	59.8	74.0
	Aug	63.7	66.5	69.8	56.9	67.7	52.0	63.8	61.9	65.0	78.5	62.5	73.1
	Sep	63.1	63.5	67.7	59.0	67.8	48.3	61.8	61.9	62.4	74.2	60.3	70.8
	Oct	59.8	58.9	61.4	56.4	69.2	49.1	57.2	56.0	54.7	73.4	59.4	69.7
	Nov	59.9	63.1	63.0	53.7	67.3	55.9	62.1	58.9	57.6	67.3	59.3	72.7
	Dec	59.5	62.7	62.4	52.2	63.5	49.4	61.5	59.7	58.4	65.7	58.6	69.7
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	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
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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

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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