

S&P Global US Manufacturing PMI[®]

US manufacturing growth weakest in seven months

February 2026

Softer rises in both output and new orders as exports falter again

Little change in employment

Business confidence strengthens to eight-month high

The performance of the US manufacturing economy improved again in February, but the pace of growth eased to the weakest in seven months.

Both output and new orders rose at slower rates, in part due to extreme weather but also due to tariffs impacting international trade. Tariffs also underpinned another round of steep cost inflation, albeit at a level that remained lower than peaks recorded in 2025. Selling price inflation fell to a 14-month low as competition limited the pass through of costs to clients.

Employment growth meanwhile was muted in February, whilst supply constraints were more widespread. However, business optimism regarding the year ahead strengthened in February, with firms registering the greatest degree of positive sentiment since June last year.

The headline index from the report, the seasonally adjusted S&P Global US Manufacturing Purchasing Managers' Index[™] (PMI[®]), recorded 51.6 in February, compared to 52.4 in January. That signaled a seventh successive month that the PMI has posted above the crucial 50.0 threshold but was indicative of only a modest improvement in operating conditions that was the slowest in this sequence.

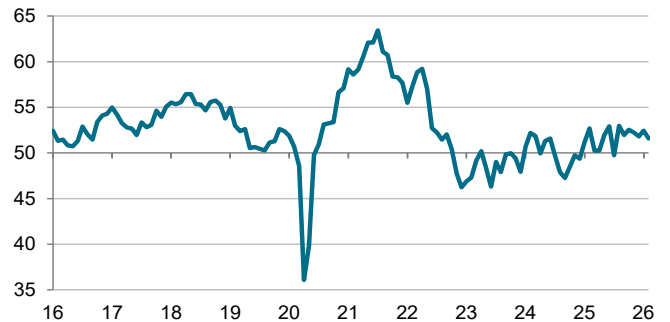
The PMI was supported in February by concurrent gains in both output and new orders. That said, the pace of growth moderated for both indices, with production rising at the softest rate since last September amid only a marginal increase in the volume of new work. According to panel members, high prices, tariffs and adverse weather weighed on both output and demand growth.

Moreover, where an increase in sales was reported, data pointed to a reliance on the domestic market as new export orders continued to falter. Exports declined for the eighth consecutive month and to the greatest degree since April 2025. Tariffs reportedly remained the primary driver behind the drop in exports, with particular emphasis on weakness in sales to neighboring Canada.

In response, US manufacturers exercised restraint in hiring

S&P Global US Manufacturing PMI

Index, sa, >50 = improvement m/m



Data were collected 10-24 February 2026.

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Comment

Chris Williamson, Chief Business Economist at S&P Global Market Intelligence

"February saw US manufacturers report the weakest expansion since last July, in a further sign that the overall pace of economic growth has moderated in recent months.

"Production growth slowed in response to a near-stalling of orders from customers, with exports falling especially sharply. Factory payroll growth was also barely changed, as concern over order book health caused a growing reticence to add to workforce numbers.

"Businesses were often disrupted by extreme weather, which has clouded insights into the underlying strength of economic growth and suggests we may see some rebound once the weather clears, and it is encouraging to see manufacturers reporting improved optimism about the outlook. However, uncertainty over the political environment, and the tariff picture in particular, remains a drag on confidence, hiring and investment, which looks likely to persist in the coming months.

"Meanwhile, although cost inflation remained elevated, often linked to tariffs, it is running lower than the peaks seen last year, and stiff competition has limited the pass through to selling prices, which rose in February at the slowest rate for over a year. While this is good news for inflation, it hints at downward pressure on profits."

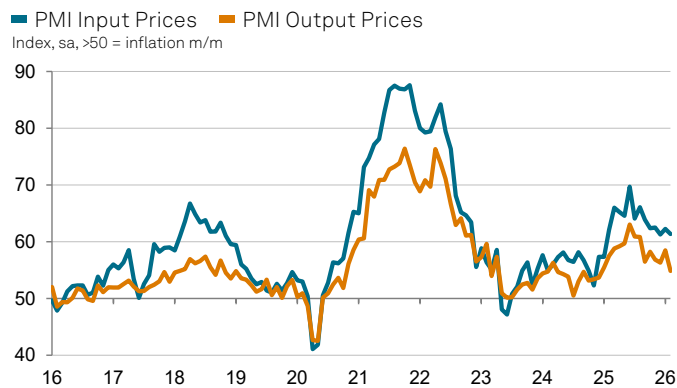
in February, causing employment to rise only fractionally overall. A degree of excess capacity in the manufacturing sector also served to limit hiring, as backlogs of work declined.

Meanwhile, inventories of finished goods were unchanged in February, ending a six-month accumulation period. There was evidence that firms were looking to streamline stocks as part of cost-saving efforts given output and demand growth remained underwhelming.

Despite the muted start to 2026, firms' assessment of future output trends was positive, with the overall degree of business optimism strengthening. The level of positive sentiment was the highest for eight months amid expectations of new product launches and business expansion plans.

Manufacturers registered a steeper deterioration in vendor performance in the latest survey period with reports of low stock availability, transportation delays and adverse weather disrupting suppliers. As a result, companies utilized input holdings, with pre-production inventories falling for the first time in seven months. At the same time, purchasing activity rose at a softer rate than in January.

Finally, tariffs and higher raw material prices remained a key source of higher input costs during February, with the latest data showing another round of historically elevated inflation – albeit slower than in January and below peaks seen in 2025. Selling prices were raised solidly, but at the slowest pace since December 2024 amid evidence of stiff competition limiting pricing power.



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Methodology

The S&P Global US Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 600 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in May 2007.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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PMI by S&P Global

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