News Release
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S&P Global US Flash PMI®

Flash PMI shows faster growth in June, but also signals lower employment and elevated price inflation

June 2026

Flash US Composite PMI Output Index: 52.2 (May: 51.5). 5-month high.

Flash US Services PMI Business Activity Index: 51.3 (May: 50.7). 4-month high.

Flash US Manufacturing Output Index: 57.7 (May: 56.6). 59-month high.

Flash US Manufacturing PMI: 55.7 (May: 55.1). 49-month high.

US business activity growth improved for a third successive month in June, according to flash PMI survey data from S&P Global. However, the rate of growth remained weaker than at the start of the year. Companies also cut back on their staffing levels amid concerns over the outlook and in response to rising overheads, notably in terms of raw material prices. Input price inflation cooled but remained historically high, leading to an unchanged elevated rate of selling price inflation. The survey also showed an unbalanced economy, as sluggish demand for services contrasted with historically strong growth in demand for manufacturing goods, although the latter was again buoyed by precautionary stock building amid increasingly widespread supply issues.

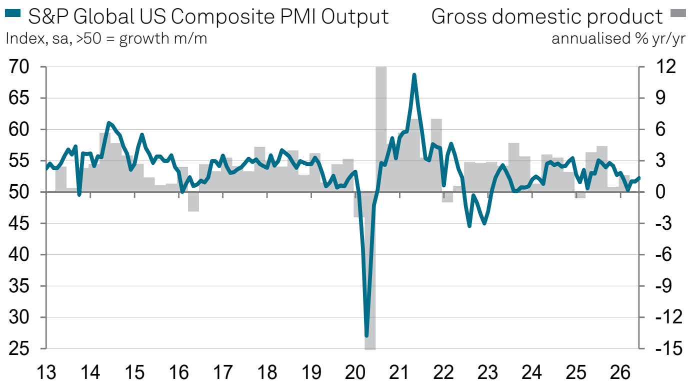
Output and demand

June saw US businesses report the largest rise in output since January, according to provisional PMI data. The headline flash S&P Global US PMI Composite Output Index rose from 51.5 in May to 52.2. While the latest reading signals an improvement in the growth trajectory from March's two-and-a-half year low, the expansion remains subdued compared to the start of the year, prior to the outbreak of the war in the Middle East

The June survey also pointed to an ongoing bifurcation of the economy, with sluggish service sector growth contrasting with an increasingly solid manufacturing expansion.

Although notching up its largest increase in business activity since February, buoyed in some cases by the soccer World Cup, the service sector again reported only a modest increase in both output and new orders. Service providers often cited elevated prices, higher interest rates, and low confidence among both business and consumer customers.

In contrast, manufacturing output grew at the fastest rate since July 2021 in response to the largest rise in new orders for



Data were collected 11-22 June 2026.
Sources: S&P Global PMI, Bureau of Economic Analysis via S&P Global Market Intelligence.
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Comment

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

"Brighter news out of the Middle East has helped restore some confidence among US businesses in June, though the overall rate of economic growth signalled by the flash PMI survey remains relatively sluggish compared to that seen earlier in the year in the lead up to the conflict. The survey signals that current output levels are consistent with the economy struggling to grow much faster than a 1% annualized rate in the second quarter.

"The service sector continues to grow at an especially subdued pace, reflecting push-back from customers over high prices amid low levels of consumer confidence in particular. While there is better news from the manufacturing sector, we remain concerned as factory growth continues to be temporarily buoyed by inventory building amid supply fears. Supply delays grew more widespread in June.

"Most worrying was the further fall in employment, notably in the manufacturing sector. Factory job cuts are running at the highest since 2009 if the pandemic is excluded, reflecting concerns over the sustainability of the recent upturn in demand alongside worries over the escalating cost of raw materials. However, while still running at one of the highest rates seen over the past four years, input cost inflation has shown sign of cooling in June thanks in part to the lower energy prices seen at the tail end of the survey data collection period."

PMI® by S&P Global

just over four years. However, the manufacturing expansion was again partly attributable to demand being temporarily supported by the front-running of potential supply issues and price hikes associated with the war. Input buying by factories rose at a pace not seen since September 2021, and inventories of inputs were accumulated in June at the fastest rate in the near-two-decade survey history barring only the rise following the announcement of tariffs in 2025.

Exports of both goods and services continued to fall.

Supply chains and prices

Supply chain delays grew more widespread in June. Supplier delivery times lengthened on average to the greatest extent since August 2022, commonly linked to shipping disruptions due to the war in the Middle East as well as tariffs.

Average input prices meanwhile rose sharply, the rate of inflation dipping from May but nonetheless the third-highest recorded since the start of 2023. Although manufacturing input cost inflation moderated from May's recent peak, it was the second-highest for almost four years. Services input cost inflation meanwhile edged up to a six-month high.

Average prices charged for goods and services rose at a pace unchanged on that seen in May, which had been the highest since July 2025. Cooler, but still elevated, goods price inflation was accompanied by an increase in service sector selling price inflation to an 11-month high.

Employment

Employment fell for a second month running in June, and for the third time in the past four months, as companies commonly continued to focus on cost reduction amid high input prices and concerns over the outlook. While only a modest drop in services jobs was reported, manufacturing headcounts were cut at the fastest rate since the COVID-19 lockdowns of early 2020.

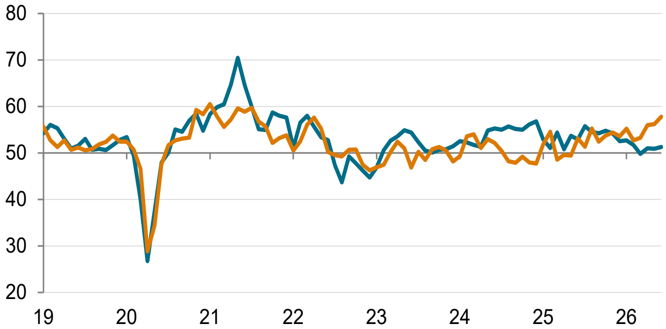
Future sentiment

Companies' expectations for output in the year ahead improved in June to the brightest since February, lifting in both manufacturing and services. Improved outlooks were partly linked to hopes of an easing of war-related disruptions and price pressures. In both cases sentiment nonetheless remained well below long-run averages to point to historically subdued business confidence overall, often blamed on uncertainty over the economic outlook amid concerns relating to the ongoing impact of the war in the Middle East and government policies such as tariffs.

Manufacturing PMI

The S&P Global US Manufacturing PMI rose from 55.1 in May to 55.7 in June, according to the flash reading, its highest since May 2022. The expansion means factory business conditions have improved continually since last August with the rate of growth steadily improving from February's recent low.

Production growth accelerated to the fastest since July 2021 as new orders showed the largest rise since April 2022. Input inventories posted the largest rise since May 2025, and the second steepest in the survey history. The greatest



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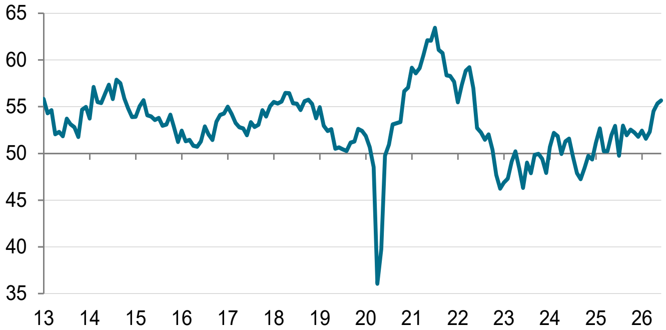

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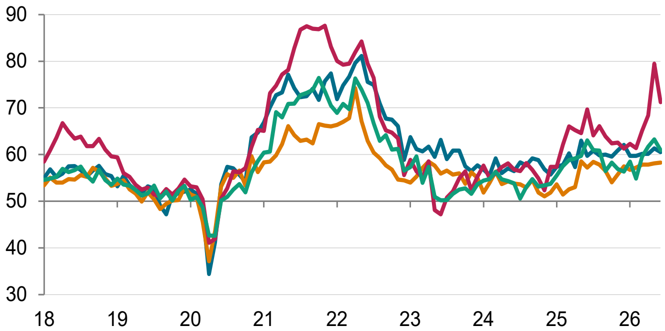

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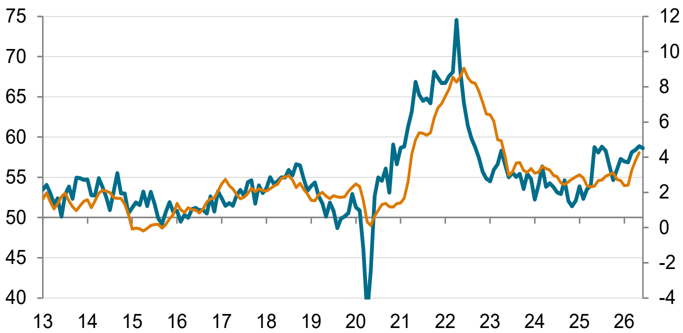

Sources: S&P Global PMI, Bureau of Labor Statistics via S&P Global Market Intelligence. ©2026 S&P Global.

lengthening of supplier delivery times since August 2022 also contributed positively to the PMI. However, weighing on the PMI was the sharpest fall in employment since May 2020.

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Methodology

Final June data are published on 1 July for manufacturing and 6 July for services and composite indicators.

The S&P Global Flash US Composite PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of around 650 manufacturers and 500 service providers. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. The services sector is defined as consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. The following variables are monitored:

Manufacturing: Output, new orders, new export orders, backlogs of work, stocks of finished goods, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, future output.

Services: Business activity, new business, new export business, outstanding business, employment, input prices, prices charged, future activity.

A diffusion index is calculated for each manufacturing and services 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.

Composite indices for are calculated by weighting together comparable manufacturing and services indices using official manufacturing and services annual value added.

The headline figure is the Composite Output Index. This is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. It may be referred to as the 'Composite PMI' but is not comparable with the headline Manufacturing PMI, which is a weighted average of five manufacturing indices (including the Manufacturing Output Index).

The headline manufacturing figure is the Manufacturing 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.

The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline Manufacturing PMI.

Flash data are calculated from around 80-90% of total responses and are intended to provide an accurate early indication of the final data. Since flash data were first processed, the average differences between final and flash index values for the headline indices are:

Composite Output Index = 0.1 (absolute difference 0.4)

Services Business Activity Index = 0.1 (absolute difference 0.4)

Manufacturing PMI = 0.0 (absolute difference 0.3)

S&P Global do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from S&P Global.

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

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