

# S&P Global Flash US PMI<sup>®</sup>

## Growth slips lower as goods prices jump higher, but job gains accelerate

### Key findings, June:

Flash US PMI Composite Output Index<sup>(1)</sup>: 52.8 (May: 53.0). 2-month low.

Flash US Services PMI Business Activity Index<sup>(2)</sup>: 53.1 (May: 53.7). 2-month low.

Flash US Manufacturing Output Index<sup>(3)</sup>: 51.5 (May: 49.4). 4-month high.

Flash US Manufacturing PMI<sup>(4)</sup>: 52.0 (May: 52.0). Unchanged rate of growth.

Data were collected 12-20 June

US business activity continued to grow in June, though the overall rate of expansion lost a little momentum to remain well below those seen late last year. Falling exports of goods and services acted as a drag on growth, in part offset by stock building by US companies, often linked to concerns over tariffs.

Tariffs were also widely blamed on higher prices. These rose at an especially sharp and increased rate in manufacturing, but also continued to rise steeply in services.

Companies meanwhile struggled to meet rising workloads, with backlogs of work increasing at the fastest rate for over three years and encouraging firms to take on additional staff to the greatest degree for a year. However, confidence in the outlook deteriorated slightly.

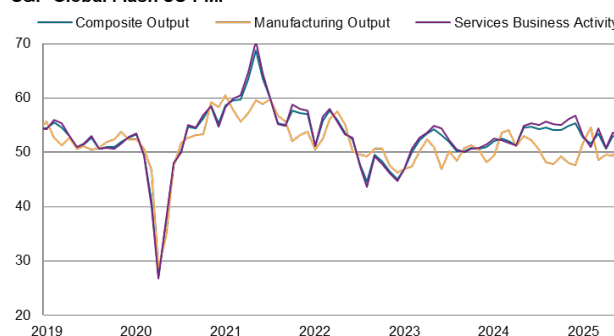
### Output and demand

The headline S&P Global US PMI Composite Output Index registered 52.8 in June, according to the 'flash' reading (based on about 85% of usual survey responses), down from 53.0 in May. While the June rise in output was the third strongest so far this year, the pace of growth remains well below that recorded in late 2024. Output has nevertheless now grown continually for 29 months.

A positive aspect of June's expansion was that growth became more balanced between manufacturing and services. Although service sector output growth cooled

slightly, it remained solid while manufacturing output rose for the first time since February.

S&P Global Flash US PMI



Data compiled June 23, 2025. Index, sa, >50 = growth since previous month. Source: S&P Global PMI. © 2025 S&P Global.

The ongoing expansion reflected a further rise in new orders, which have now risen continually for 14 months, though the rise in orders dipped slightly in June to remain well below the strong gains seen at the turn of the year. Similar gains in inflows of new work were recorded in the manufacturing and service sectors and, in both cases, growth was driven by rising domestic demand.

This served to mask a fall in export orders in June. Service providers again recorded a steeper contraction than manufacturers, the latter down only slightly in June after a small rise in May. Services exports have suffered the largest quarterly contraction since late 2022 in the three months to June.

### Inventories and supply chains

June saw further inventory building in manufacturing. Purchasing of inputs was expanded at the fastest rate in 37 months, causing inventories of inputs to also rise again, increasing at the second-fastest rate in over three years following May's survey record rise. Inventories of finished goods at factories meanwhile registered the largest rise for nine months; a rise that was among the greatest in the survey's 18-year history.

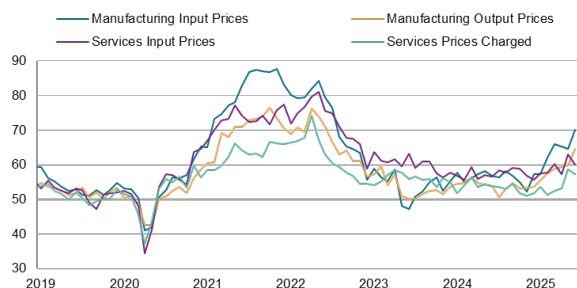
## Prices

Price pressures rose sharply across both manufacturing and service sectors during June, the former reporting an especially steep increase, and again commonly linked to tariffs.

Manufacturers' input prices and selling prices both rose at rates not seen since July 2022, as higher costs were passed on to customers. Close to two-thirds of all manufacturers reporting higher input costs attributed these to tariffs, whilst just over half of respondents linked increased selling prices to tariffs.

However, prices also rose sharply in the service sector, likewise often attributed to tariffs but also reflecting higher financing, wage and fuel costs. Service sector input costs and selling prices nonetheless rose at slower rates than in May, in part reflecting more intense competition.

**S&P Global Flash US PMI price indices**



Data compiled June 23, 2025. Index, sa, >50 = inflation since previous month  
Source: S&P Global PMI.  
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While the slower rates of service sector price inflation helped offset some of the increase in manufacturing prices to bring rates of inflation down from May's recent peaks, the overall rise in costs was still the second largest since the start of 2023. The rise in prices charged for goods and services was the second highest since September 2022.

## Capacity and employment

Companies took on additional staff at a rate not seen for just over a year largely in response to the need to meet higher workloads. A 12-month high rate of job creation in manufacturing was accompanied by a five-month peak in services.

June saw the largest accumulation of uncompleted work recorded for three years. Higher work outstanding in services were accompanied by the first rise in manufacturing backlogs since September 2022.

## Future sentiment

Companies' expectations about output in the year ahead dipped slightly in June, remaining well below levels seen at the turn of the year (and the surveys' long-

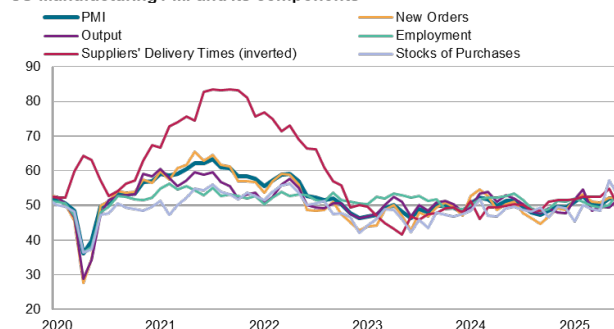
run average). Sentiment was however above April's two-and-a-half year low.

While trade worries and anxiety around government policies have moderated since April, companies generally remained less upbeat than prior to the inauguration of President Trump. This was especially notable in the service sector, where confidence fell in June amid heightened uncertainty over government policy such as spending cuts. In contrast, manufacturers grew slightly more upbeat, in part reflecting hopes of greater benefits from trade protectionism than service sector counterparts.

## Manufacturing PMI

The S&P Global Flash US Manufacturing PMI held steady at 52.0 in June, signaling a rate of expansion matching May's 15-month high.

**US Manufacturing PMI and its components**



Data compiled June 23, 2025. Index, sa, >50 = improvement since previous month  
Source: S&P Global PMI.  
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Factory production rose for the first time in four months in June, and new orders growth slipped only marginally from May's three-month high. A notable boost to the PMI also came from employment, which rose in factories at the fastest rate for 12 months. Although inventories and supplier delivery times also contributed positively to the PMI, their contributions moderated compared to May.

**Commenting on the flash PMI data, Chris Williamson, Chief Business Economist at S&P Global Market Intelligence said:**

*"The June flash PMI data indicated that the US economy continued to grow at the end of the second quarter, but that the outlook remains uncertain while inflationary pressures have risen sharply in the past two months.*

*"Although business activity and new orders have continued to grow in June, growth has weakened amid falling exports of both goods and services. Furthermore, while domestic demand has strengthened, notably in manufacturing, to encourage higher employment, this in part reflects a boost from stock building, in turn often linked to concerns over higher prices and supply issues*

## News release

resulting from tariffs. Such a boost is likely to unwind in the coming months.

“Prices for goods have meanwhile jumped sharply again, the rate of increase accelerating to a three year high as firms pass higher tariff-related costs on to customers. Service providers are by no means immune to this tariff impact and likewise reported another jump in prices, often linked to tariffs on inputs such as food.

“The data therefore corroborate speculation that the Fed will remain on hold for some time to both gauge the economy’s resilience and how long this current bout of inflation lasts for.”

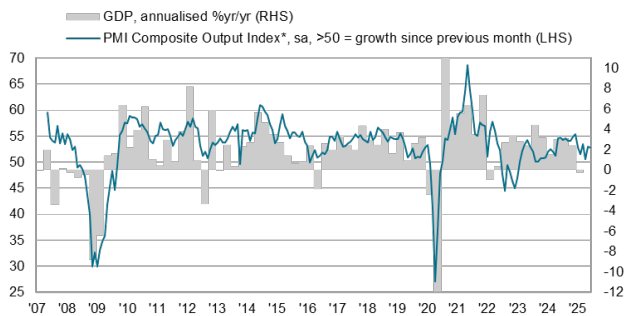
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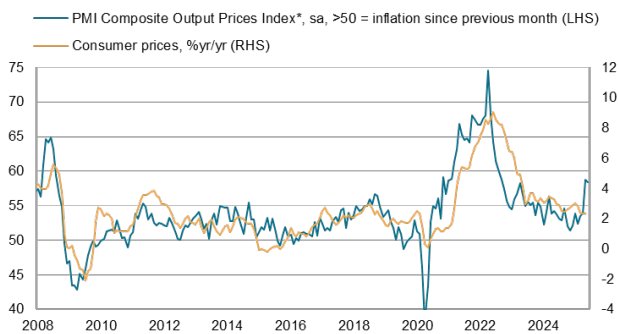
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### S&P Global Flash US PMI vs gross domestic product (GDP)



Sources: S&P Global PMI, Bureau of Economic Analysis via S&P Global Market Intelligence.  
© 2025 S&P Global. \*PMI Manufacturing Output Index May '07- Sep '09.

### S&P Global Flash US PMI vs inflation



Data compiled June 23, 2025. \*PMI Manufacturing Output Prices Index May '07- Sep '09  
Sources: S&P Global PMI, Bureau of Economic Analysis via S&P Global Market Intelligence.  
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### Notes to editors

Final June data are published on 1 July for manufacturing and 3 July for services and composite indicators.

The S&P Global Flash US 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. Please contact [economics@spglobal.com](mailto:economics@spglobal.com).

#### Notes

1. The Composite Output *PMI* is a weighted average of the Manufacturing Output Index and the Services Business Activity Index.
2. The Services Business Activity Index is the direct equivalent of the Manufacturing Output Index, based on the survey question "Is the level of business activity at your company higher, the same or lower than one month ago?"
3. The Manufacturing Output Index is based on the survey question "Is the level of production/output at your company higher, the same or lower than one month ago?"
4. The Manufacturing *PMI* is a composite index based on a weighted combination of the following five survey variables (weights shown in brackets): new orders (0.3); output (0.25); employment (0.2); suppliers' delivery times (0.15); stocks of materials purchased (0.1). The delivery times index is inverted.

# PMI®

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Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

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