

News Release

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S&P Global US Business Outlook

US business confidence and profit outlook improve but costs set to rise further

Key findings

Activity projected to rise over the year ahead

Expectations for non-staff costs reach the highest since October 2022

Profits and investment growth expected, but employment plans relatively downbeat

Confidence amongst US private sector companies improved during February, according to the latest Business Outlook survey data from S&P Global. Business activity is broadly forecast to rise from present levels, while profit and investment projections also improved from October 2025. Hiring expectations meanwhile were more downbeat compared to late last year, and non-staff costs are forecast to rise markedly.

Panelists widely noted that new customer acquisitions and product offerings were key tailwinds to the outlook. That said, firms cited challenges regarding tariffs and highly competitive markets. Elevated economic and political uncertainty was also cited as likely to weigh on the US private sector.

The latest survey was conducted between the 10th and 24th February, and therefore the results were calculated prior to the outbreak of war in the Middle East.

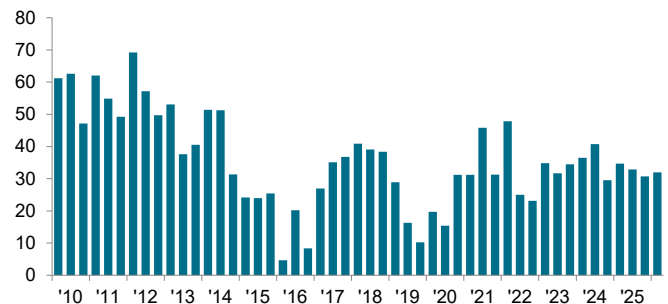
Compared to last October's one-year low of +31%, the headline Business Activity net balance improved slightly to +32% in February. The reading was lower than the average since data were first collected since late-2009, but remained well above February's global reading of +25%.

Of the two sectors for which data are collected, manufacturers registered a stronger upturn in sentiment. The respective net balance for goods producers jumped since October to +50%, the best outturn for exactly four years. For services, the net balance was unchanged from +29% in the last survey period and below its post-pandemic trend.

Comments related to tariffs remained widespread in the latest survey. Some panelists viewed tariffs as an opportunity to stimulate domestic demand and production, whilst also encouraging reshoring of

US Business Activity expectations

% net balance



Source: S&P Global PMI.

Data were collected 10-25 February 2026.

Comment

Commenting on the US Business Outlook survey data, Usamah Bhatti at S&P Global Market Intelligence, said:

"The latest S&P Global Business Outlook survey, completed prior to the outbreak of war in the Middle East, highlights a slight uptick in US private sector sentiment regarding the year ahead.

"Private sector firms saw expectations regarding activity over the coming 12 months pick up slightly from last October, with stronger activity expected to tie in to improved outlooks for both investment expenditure and company profitability. As such, firms commonly noted new product offerings and customer acquisitions.

"That said, areas of concern continued to rear their head across the US private sector. Companies mentioned that worries regarding the availability of labor had persisted into the new year. Moreover, the net balance for job creation was the lowest registered since June 2020. At the same time, input prices are expected to increase markedly, with non-staff cost projections the highest since October 2022."

manufacturing back to the US. However, many survey respondents held on to concerns that tariffs would continue to contribute to rising prices and supply chain disruption.

More generally, survey participants are expecting to offer a diversified set of goods and services to help drive new customer acquisitions. Some companies also mentioned that workforce retention and the take-up of new technologies would benefit the private sector over the coming year. That said, concerns regarding inflationary pressures, the health of the economy and political uncertainty were cited as headwinds towards the outlook.

Inflation and profits

The net balance for non-staff costs rose to +32% in February, up from +27% in October and the highest level since October 2022. Both manufacturers (+33% to +35%) and service providers (+26% to +32%) saw their respective net balances rise in the latest survey period.

Staff costs, while expected to increase, are now forecast to rise at a slower pace. The net balance eased from +43% to +40% and the lowest for a year.

US companies anticipated raising their charges over the coming year in February. The output prices net balance edged up from +37% in October to +38%. Again, it was manufacturers (+48%) that anticipated the greater rate of inflation as opposed to services (+37%).

Despite elevated input cost expectations, the outlook for profitability strengthened in February. The respective net balance for profits came in at +21% (up from +15%). While weaker than the series average, it was the highest since June 2024, and far exceed that seen at the global level (+12%).

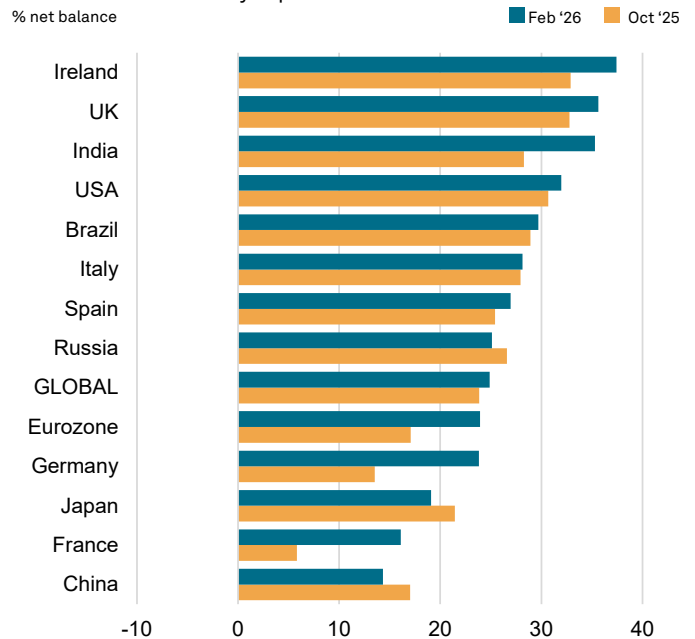
Employment and investment

February data signalled a subdued outlook for employment growth in the year ahead. At a net balance of +12%, expected job creation was at the lowest since June 2020. There was a divergence between sectors however, with manufacturers citing more upbeat projections (+23%, from +20%) than services firms (+11%, from +13%).

Optimism regarding the outlook for capital expenditure strengthened for the year ahead in February. The net balance of +10% in February was up sharply from last October's +4%.

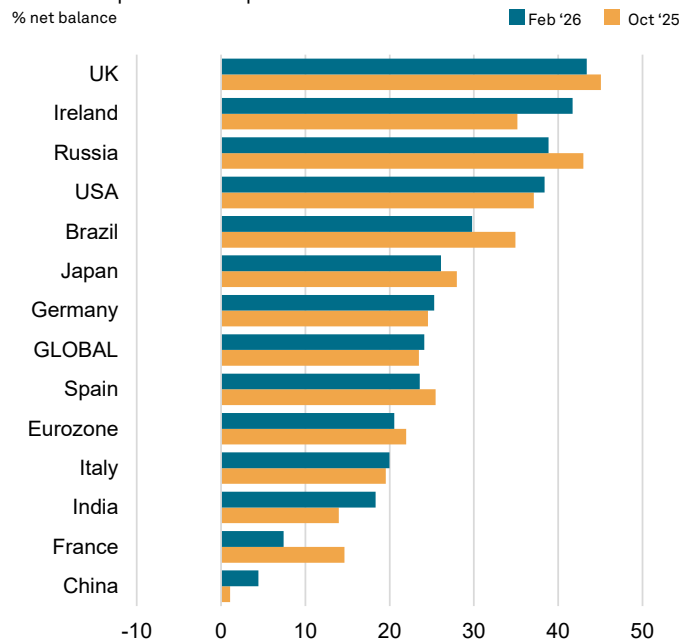
Firms were also more upbeat about R&D spending, with an increase forecast for the year ahead. The net balance rose from -2% in October 2025 to +4% in February, which was a three-year high.

Global Business Activity expectations



Source: S&P Global PMI.

Global Output Prices expectations



Source: S&P Global PMI.

Full data available on request from economics@spglobal.com.

Survey methodology

The Global Business Outlook Survey for worldwide manufacturing and services is produced by S&P Global and is based on a survey of around 12,000 manufacturers and service providers that are asked to give their thoughts on future business conditions. The reports are produced on a tri-annual basis, with data collected in February, June and October.

Interest in the use of economic surveys for predicting turning points in economic cycles is ever increasing and the Business Outlook survey uses an identical methodology across all nations covered. It gives a unique perspective on future business conditions from Global manufacturers and service providers.

The methodology of the Business Outlook survey is identical in all countries that S&P Global operates. This methodology seeks to ensure harmonization of data and is designed to allow direct comparisons of business expectations across different countries. This provides a significant advantage for economic surveillance around the globe and for monitoring the evolution of the manufacturing and services economies by governments and the wider business community.

Data collection is undertaken via the completion of questionnaires three times a year at four-month intervals. A combination of phone, website and email are used, with respondents allowed to select which mechanism they prefer to use.

The Business Outlook survey uses net balances to indicate the degree of future optimism or pessimism for each of the survey variables. These net balances vary between -100 and 100, with a value of 0 signalling a neutral outlook for the coming 12 months. Values above 0 indicate optimism amongst companies regarding the outlook for the coming 12 months while values below 0 indicate pessimism. The net balance figure is calculated by deducting the percentage number of survey respondents expecting a deterioration/decrease in a variable over the next twelve months from the percentage number of survey respondents expecting an improvement/increase.

Questionnaires are sent to a representative panel of around 12,000 manufacturing and services companies spread across the global economy*. Companies are carefully selected to ensure that the survey panel accurately reflects the true structure of each economy in terms of sectoral contribution to GDP, regional distribution and company size. This panel forms the basis for the survey. The current report is based on responses from around 7,800 firms.

* The countries with manufacturing and service sector surveys are Brazil, China, France, Germany, India, Italy, Japan, Russia, Spain, the Republic of Ireland, the UK and the USA. Manufacturing data are collected for the Netherlands, Austria, Greece, Poland and the Czech Republic.

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