News Release
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S&P Global US Manufacturing PMI®

Inventory building underpins solid growth of US manufacturing output

November 2025

Record rise in warehouse stocks recorded in November

Demand growth slides as international trade deteriorates again

Confidence improves and employment growth picks up to three-month high

Operating conditions in the US manufacturing sector improved for a fourth successive month in November. A solid rise in production and a further increase in employment was reported as confidence in the outlook strengthened.

However, current sector performance was limited by a considerable slowdown in demand growth, in part due to weak sales, which in turn contributed to an unprecedented rise in stock of finished goods for a second month in a row.

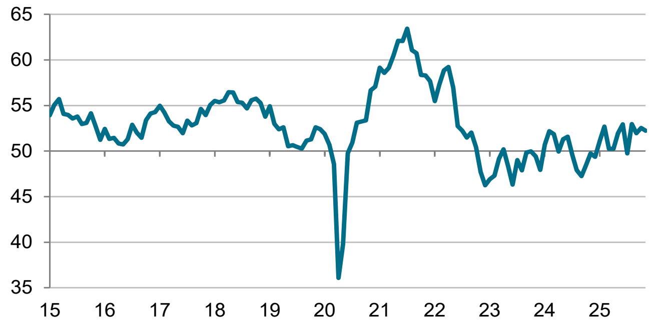
Inflationary pressures meanwhile remained historically elevated. Tariffs were again frequently mentioned by panelists as having driven input costs higher, although the degree of pass through by manufacturers was weaker than in November with selling price inflation amongst the lowest of the year so far amid intense competition and weak demand.

The headline index from the report, the seasonally adjusted **S&P Global US Manufacturing Purchasing Managers' Index™ (PMI®)**, recorded 52.2 in November. That was down from 52.5 in the previous month and consistent with another solid, albeit slower, improvement in operating conditions. The index has now posted above the critical 50.0 no-change mark for four successive months.

Growth in November was underpinned by the best rise in output since August. This was partly reflective of a rise in new orders, with success in securing work from both new and existing clients noted. However, overall demand growth was modest – and much slower than seen in October – amid some ongoing market uncertainty. This was especially the case in international markets, where tariffs were reported to have led to a fifth successive monthly decline in new export trade. Amid a drop in sales to neighboring countries and key Asian economies, the decline in overall new export orders was the steepest since July.

In some instances, firms noted that sales volumes were weaker than expected, and with output rising solidly, the net impact was an unintended increase in inventories of finished goods. Overall, the rise in warehouse stocks was the steepest in the survey's 18-and-a-half-year history,

S&P Global US Manufacturing PMI
Index, sa, >50 = improvement m/m



Data were collected 12-25 November 2025.
Source: S&P Global PMI. ©2025 S&P Global.

Comment

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

"Although the headline PMI signalled a further expansion of factory activity in November, the health of the US manufacturing sector gets more worrying the more you scratch under the surface. The main impetus came from a strong rise in factory production, but growth in new order inflows slowed sharply, hinting at a marked weakening of demand growth.

"In short, manufacturers are making more goods but often not finding buyers for these products. This combination of sustained robust production growth alongside weaker than expected sales led to a worryingly steep rise in unsold inventories. For two successive months now, warehouses have filled with unsold stock to a degree not previously seen since comparable data were available in 2007. This unplanned accumulation of stock is usually a precursor to reduced production in the coming months.

"Profit margins are meanwhile coming under pressure from a combination of disappointing sales, stiff competition and rising input costs, the latter widely linked to tariffs.

"Encouragingly, manufacturers have grown more optimistic about the year ahead, with the ending of the government shutdown helping lift confidence from the sharp drop suffered in October. Optimism is being fueled by hopes of improved policy support, including lower interest rates, as well as greater political stability, though it is clear that uncertainty remains elevated and a drag on business growth in many firms, holding confidence well below levels seen at the start of the year."

PMI® by S&P Global

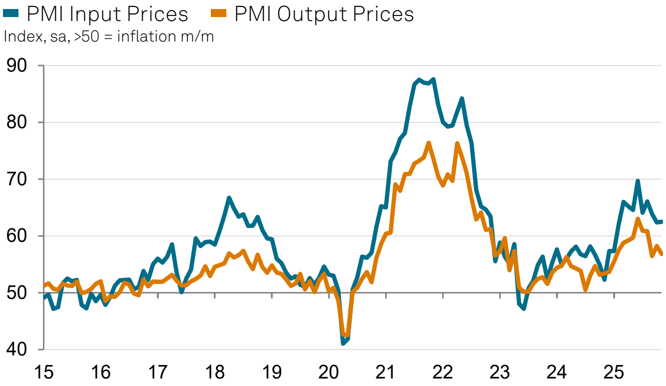
surpassing October's previous record.

Despite weaker than expected sales in November, confidence in the outlook jumped since October to reach its highest level since June. There are plans amongst the survey panel to raise investment and release new products, providing them with a positive platform to take advantage of projected new business opportunities in the year ahead. Some companies also expect government spending to rise and support economic growth, especially given the ending of the federal shutdown.

Additional staff were also taken on to fill vacancies and in expectation of higher production and sales in the coming months. Overall, jobs growth was the steepest in three months and, combined with a solid increase in production, companies were able to comfortably keep on top of their workloads – as evidenced by a third successive (albeit modest) monthly decline in backlogs of work.

Stock building earlier in the year meant that firms were hesitant in purchasing additional inputs during November, with input buying activity rising only marginally. Delays in the delivery of inputs were also noted, with vendor lead times deteriorating for a third month in succession. Logistical challenges at borders due to tariffs were again reported.

Tariffs also continued to drive higher input price inflation in November, which remained elevated and little changed since October. Metals were noted especially to have increased in price. Selling charges were raised markedly (again linked to tariffs), although the rate of inflation weakened and was amongst the lowest of the year so far.



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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

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. www.spglobal.com/marketintelligence/en/mi/products/pmi