

S&P Global US Manufacturing PMI[®]

Notable upturn in production despite subdued sales growth in January

January 2026

Output growth joint best since May 2022 but only limited rise in new orders

Tariffs continued to weigh on exports and push up costs

Intensification of price pressures

A solid and stronger improvement in US manufacturing sector operating conditions was signaled by January's S&P Global PMI[®] data amid the joint-sharpest upturn in production since May 2022.

However, growth was in part driven by inventory building as new orders, despite returning to expansion in January, increased only modestly. Tariffs remained a notable theme from the latest survey, driving up input costs to a greater degree and limiting demand gains, especially from international markets.

Confidence in the outlook nonetheless held up well, remaining unchanged and only fractionally below its long-term trend level in January. Some firms are hopeful that lower interest rates and reduced import competition will help support growth. Expectations of higher output and increased present operational requirements subsequently led to a modest rise in employment.

The headline index from the report, the seasonally adjusted S&P Global US Manufacturing Purchasing Managers' Index[™] (PMI[®]), recorded 52.4 in January. That was up from 51.8 in the previous month and therefore signaled a stronger rate of expansion in the manufacturing economy that was broadly in line with the survey average.

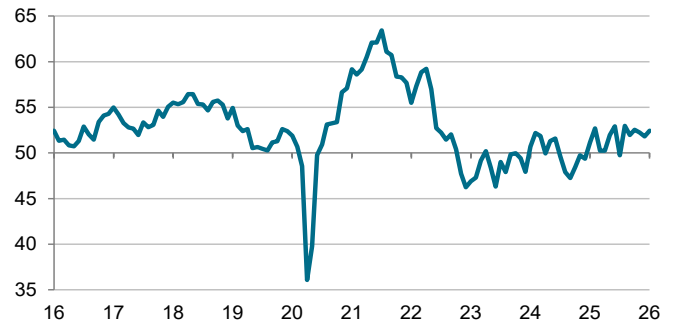
The upturn in the PMI emanated in part from a renewed rise in new orders, although growth was modest and below the survey average. Exports remained a source of demand weakness, falling overall for the seventh month in a row. Tariffs and ongoing trade uncertainties were reported to have weighed on sales, especially to South American and European clients.

Overall production increased at a sharp pace that was the most pronounced since last August and the joint-strongest since May 2022. Output growth was therefore notably faster than new orders, and rose sufficiently strongly for firms to add to their stocks of finished goods for a sixth successive month (albeit at the slowest rate in this sequence).

Work outstanding increased modestly in January, ending

S&P Global US Manufacturing PMI

Index, sa, >50 = improvement m/m



Data were collected 6-27 January 2026.

Source: S&P Global PMI. ©2026 S&P Global.

Comment

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

"News of the joint largest rise in factory production since May 2022 is tainted by reports of ongoing subdued sales growth. Production growth consequently significantly outpaced that of new orders at the start of the year, resulting in a further accumulation of unsold warehouse inventory.

"Over the past three months, the survey indicates that factories have typically produced more goods than they have sold to a degree we have not previously seen since the global financial crisis back in early 2009. This highly unusual situation is clearly unsustainable, hinting at risks of a production slowdown and a potential knock-on effect on employment, unless demand improves markedly in the coming months.

"Sluggish sales and order book growth are being commonly linked to customer resistance to high prices, in turn often blamed on tariffs, as well as increased uncertainty over the economic outlook. While just below trend, business growth expectations for the year ahead are, however, holding up as firms anticipate improving demand, thanks in part to lower interest rates, reduced import competition due to tariffs, and more government support. However, political uncertainty remains a key drag on business sentiment."

a four-month sequence of depletion, in part due to an expansion in new order intakes. Concurrently, January survey data pointed to a sustained increase in staffing levels, though the rate of job creation was modest and the lowest level for three months.

A positive outlook also helped encourage additional hiring, with manufacturers generally anticipating an increase in sales and output over the next 12 months. In some cases, the reshoring of industrial output to the US, alongside more favorable interest rates and domestic economic conditions were seen as reasons to be optimistic. That said, geopolitical concerns and higher prices continued to weigh on the outlook overall. Sentiment was therefore unchanged and just below its trend level at the start of 2026.

Meanwhile, tariffs continued to push up input prices during January, with vendors reportedly raising their charges as a result. Input cost inflation increased from December, while manufacturers' own charges rose to the greatest extent since last August.

Despite higher prices, purchasing activity rose moderately since December often linked to increased production requirements, as well as efforts to replenish stocks of inputs – which increased for a sixth successive month overall in January. That was despite difficulties sourcing inputs and resource constraints at suppliers, which again led to longer vendor delivery times at the start of 2026.

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.

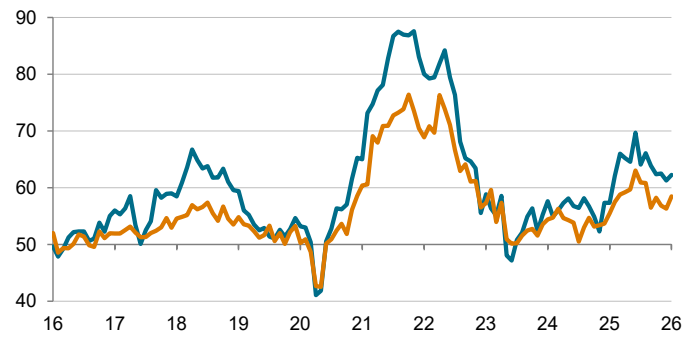
For further information on the PMI survey methodology, please contact economics@spglobal.com.

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■ PMI Input Prices ■ PMI Output Prices
Index, sa, >50 = inflation m/m



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PMI by S&P Global

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