

# S&P Global US Flash PMI<sup>®</sup>

Flash PMI indicates slowest business growth for ten months in February amid weak demand, high prices and bad weather

## February 2026

Flash US Composite PMI Output Index: 52.3  
(January: 53.0). 10-month low.

Flash US Services PMI Business Activity Index: 52.3 (January: 52.7). 10-month low.

Flash US Manufacturing Output Index: 52.3 (January: 55.2). 7-month low.

Flash US Manufacturing PMI: 51.2 (January: 52.4). 7-month low.

US business activity rose at the weakest rate for ten months in February, according to early 'flash' PMI data, signaling a cooling of economic growth. Rates of expansion moderated in both manufacturing and services, reflecting weakened order book trends, in turn led by falling exports, though adverse weather was partly to blame. Employment rose only marginally as companies worried about weak sales and high costs.

Average input costs rose sharply again in February, linked to supplier price hikes, tariffs and higher wages, feeding through to the largest increase in average selling prices since last August.

Business expectations for the year ahead jumped to the highest for just over a year, adding to signs that at least part of February's slowdown may prove temporary.

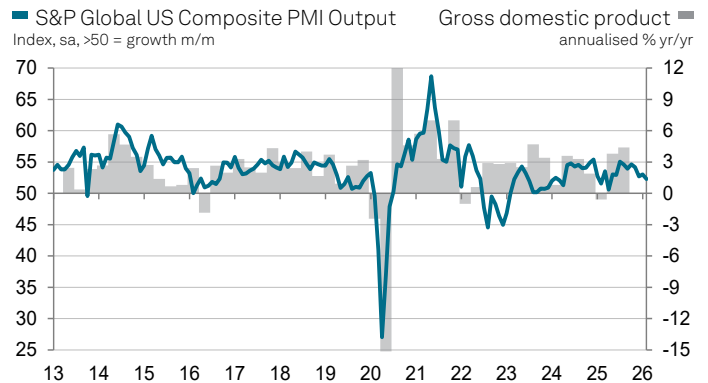
## Output and demand

At 52.3 in February, down from 53.0 in January, the headline S&P Global Flash US PMI Composite Output Index signaled ongoing, but moderating, growth of business activity midway through the first quarter of 2026. Output has now grown continually for 37 months, but February's rise was the weakest recorded since last April.

Growth slowed to modest rates across both manufacturing and services, down to seven- and ten-month lows respectively.

New orders growth likewise cooled, with factories reporting a slight drop in orders for the second time in the past three months while service providers reported a weakened, but sustained, inflow of new work. Both sectors reported falling export orders, which collectively fell at one of the steepest rates seen over the past year.

Companies cited high prices, stretched affordability, tariffs, and subdued confidence among customers as key



Data were collected 10-19 February 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:

*"A combination of weakened demand, high prices, and adverse weather colluded to dampened business activity in February, resulting in the slowest expansion of output for ten months. Customer demand growth has softened, with orders even falling in factories, curbing jobs growth to a crawl across both manufacturing and services.*

*"The PMI data so far this year are indicative of GDP rising at an annualized rate of just 1.5%, signaling a marked cooling of the economy in the first quarter compared to the robust growth rates seen in the second half of last year.*

*"Companies are suggesting that at least some of this slowdown may prove temporary, partly as extreme weather passes, with business growth expectations rising sharply to the highest for just over a year in February. However, confidence remains subdued on the whole, as companies worry about the political environment and impact of policies such as tariffs, the latter once again blamed for widespread price rises, in turn hitting affordability and limiting sales growth for many businesses."*

drags on sales, though adverse weather was often noted as an additional factor disrupting business across both manufacturing and services during the month.

### Employment and capacity

Sluggish sales growth and concerns over rising costs led to a further month of very modest employment growth, albeit with some companies also reporting difficulties finding staff. Payrolls rose only marginally for a third successive month and at the weakest rate since last April. Hiring slowed to marginal rates in both manufacturing and services.

Capacity constraints, combined with weather disruptions meanwhile caused backlogs of work to accumulate in the service sector at a rate not seen since May 2022, but backlogs fell in manufacturing as production often exceeded inflows of new work.

### Inventories and supply chains

Supplier lead times into factories lengthened in February to a degree not reported since October 2022, when the pandemic disrupted supply chains. February saw deliveries delayed due to bad weather, but companies also reported congestion in supply lines and delays from abroad, in part linked to tariff policy. Inventories of inputs consequently fell in February to the greatest extent since January 2025.

### Prices

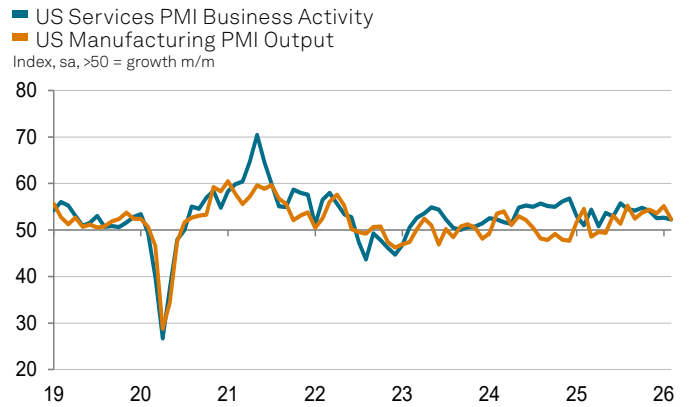
Average prices charged for goods and services increased in February at the steepest rate since last August, rising at an elevated rate well above the survey's long-run average. Although selling price inflation moderated in the manufacturing sector to a 14-month low, attributed to increased discounting to stimulate sales, services inflation jumped to a seven-month high, registering one of the strongest rates of increase recorded over the past three-and-a-half years.

Higher prices were widely linked to the need to pass through increased supplier charges, in turn often associated with tariffs, as well as rising labor costs. Measured across goods and services, input cost inflation ticked higher and remained elevated above long-run levels in both sectors, albeit below some of the peaks seen last year.

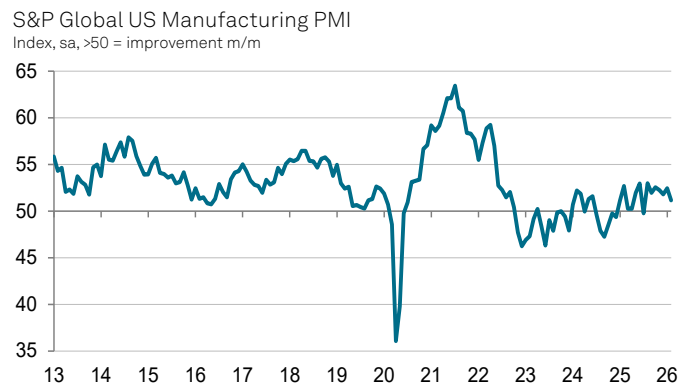
### Future sentiment

Companies' expectations for output in the year ahead improved markedly in February, rising to a 13-month high. Greater optimism was seen in both manufacturing and services. Companies were hoping that better weather will help drive better sales after February saw many businesses hampered by extreme cold. Survey respondents also cited expectations of improving economic conditions based on supportive financial conditions, including lower interest rates and government policies such as tax breaks, as well as more aggressive marketing and investment in business expansion.

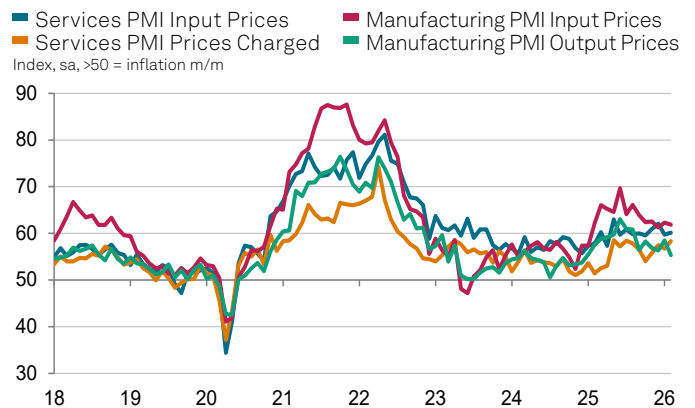
Despite February's improvement, future sentiment was fractionally below its long run average, reflecting concerns among many businesses regarding the adverse impact of policies such as tariffs and the broader uncertain political environment.



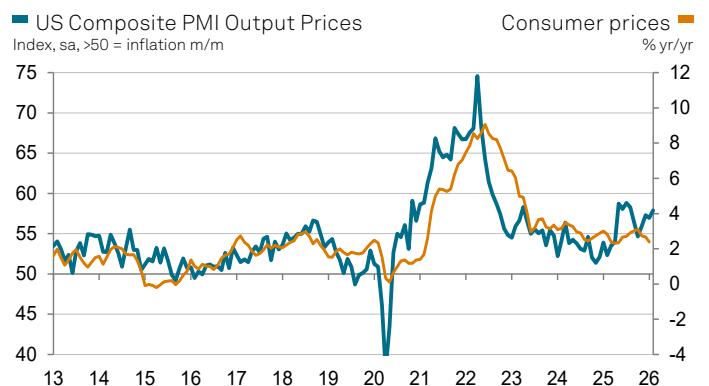
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## Manufacturing PMI

The S&P Global US Manufacturing PMI fell from 52.4 in January to 51.2 in February, according to the flash reading, signaling an improvement in factory business conditions for a seventh successive month but the weakest upturn seen over this period.

Production growth waned to the lowest since last July and new orders fell slightly for the second time in the past three months. Employment came close to stalling amid the weaker demand environment, registering the smallest increase since last July. Stocks of purchases meanwhile fell for the first time since last July, dropping at the sharpest rate for 13 months, in part reflecting lower input requirements but also due to supply constraints. Supplier lead times lengthened to the greatest extent since October 2022, blamed on supplier delays, shortages and adverse weather.

## Methodology

Final February data are published on 2 March for manufacturing and 4 March 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.

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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](mailto:economics@spglobal.com).

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