

PMI™

by **S&P Global**

# United States

## US manufacturers report surge in factory output despite subdued demand

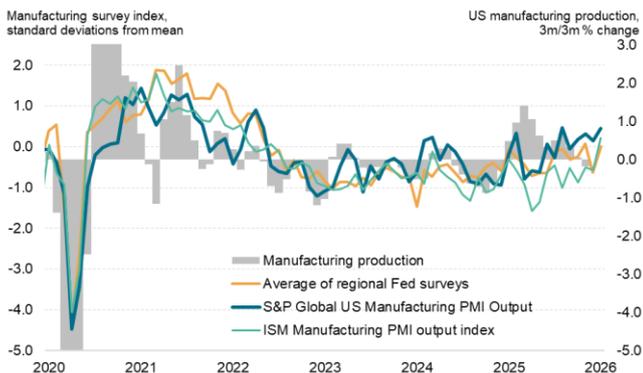
US manufacturers reported a surge in factory output in January, according to the S&P Global PMI, though new business growth remained worryingly subdued by comparison. The gap between strong output growth and only modest order expansion suggests production could weaken in the coming months unless demand revives.

Weak sales were often linked to high prices, with factory gate selling prices rising at an increased rate at the start of the year, often blamed on tariffs. However, more encouragingly, the January survey brought signs that input cost inflation is trending lower in US factories compared to the peaks seen last year, and business confidence is also holding up well, albeit constrained by political uncertainty.

### Production surges higher

US manufacturing output growth surged higher in January. The headline S&P Global US Manufacturing Purchasing Managers' Index™ (PMI®), recorded 52.4 in January. That was up from 51.8 in December. The upturn in the PMI was driven in particular by a faster rate of output growth: factory production reportedly grew at the fastest rate since last August, which had in turn been the best performance since May 2022.

#### US manufacturing production indicators



Data compiled February 2026.  
Sources: S&P Global, ISM, Dallas Fed, Kansas City Fed, Richmond Fed, New York Fed, Philadelphia Fed, Federal Reserve.  
© S&P Global 2026.

The PMI data are broadly indicative of factory output growing at a quarterly rate of approximately 1%, hinting at

an improvement in the upcoming official manufacturing output data.

However, this brighter news is tainted by reports of ongoing subdued sales growth, which rebounded only modestly after a drop in orders was recorded in December. That had been the first fall in demand for US goods since December 2024.

### Order book risks

Over the latest three months, the PMI new orders index has averaged just 50.8. That compares with an average output index reading of 54.4 over this period. This indicates that production growth is significantly outpacing that of new orders to the greatest extent 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.

#### Manufacturing PMI: production growth vs. new orders



Data compiled February 2, 2026.  
Data show PMI Output Index minus PMI New Orders Index, averaged over rolling three-month period.  
Source: S&P Global PMI.  
© 2026 S&P Global.

### Sales growth curbed by affordability

Sluggish sales and order book growth are being commonly linked to customer resistance to high prices, in turn often blamed on tariffs. Average prices charged by producers rose in January at an increased rate, registering the steepest monthly increase since last August.

**Manufacturing PMI: average prices charged for goods by US factories**



Data compiled February 2, 2026.  
PMI of 50 = no change in prices on prior month.  
Source: S&P Global PMI.  
© 2026 S&P Global.

**US manufacturing PMI future output expectations**

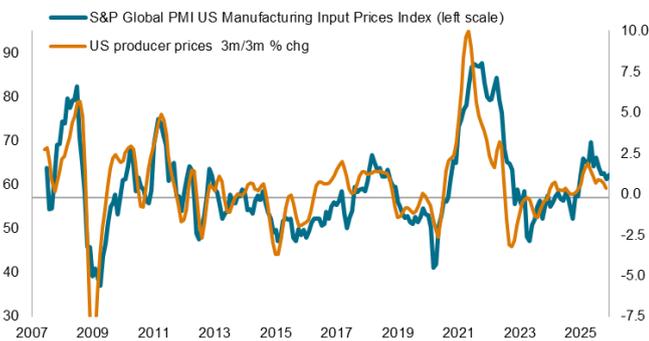


Data compiled February 2026 including PMI data to January 2026.  
PMI (Purchasing Managers' Index) 50 = no change in output expected over coming year.  
Source: S&P Global PMI, S&P Global Market Intelligence.  
© 2026 S&P Global.

However, some better news has appeared in recent months, with input cost inflation showing a cooling trend. January's rise in manufacturing costs was the second-weakest recorded over the past 11 months, albeit up slightly on December. This slower cost growth could take some pressure off selling prices in the coming months.

Access the press release [here](#).

**US manufacturing producer input prices**



Data compiled February 2, 2026.  
PMI (Purchasing Managers' Index), 50 = no change on prior month. All data seasonally adjusted.  
Sources: S&P Global PMI, US Commerce Dept. via S&P Global Market Intelligence.  
© 2026 S&P Global.

## Confidence holding up

Meanwhile, although still running just below the long-run trend level, business growth expectations for the year ahead are holding up. Firms generally anticipate improving demand, thanks in part to lower interest rates, reduced import competition due to tariffs, and more government support. However, political uncertainty clearly remains a key drag on business sentiment, according to survey responses, dampening spending by both businesses and households.

The outlook for manufacturing therefore very much depends on whether the order book situation can indeed improve to match these expectations, or whether production growth will need to be adjusted lower in the face of persistent weaker-than-anticipated sales.

## Links to more resources

- [Sign up to receive updated commentary in your inbox here.](#)
- [Calendar of upcoming PMI releases](#)
- [Running commentary on the PMI survey findings](#)
- [PMI Frequently Asked Questions](#)
- [Background to the PMIs \(video\)](#)
- [Understanding the headline PMI and its various subindices](#)
- [PMI data use-case illustrations](#), from nowcasting to investment strategy
- [PMI podcasts](#)
- [How to subscribe](#) to PMI data

## CONTACT US

### Chris Williamson

Chief Business Economist  
S&P Global Market Intelligence  
London

T: +44 779 5555 061  
[chris.williamson@spglobal.com](mailto:chris.williamson@spglobal.com)

### The Americas

+1-877-863-1306

### EMEA

+44-20-7176-1234

### Asia-Pacific

+852-2533-3565

[spglobal.com/marketintelligence/en/mi/products/pmi](https://spglobal.com/marketintelligence/en/mi/products/pmi)