PMI® by S&P Global

Global economy

Financial services growth restrains global economy in January

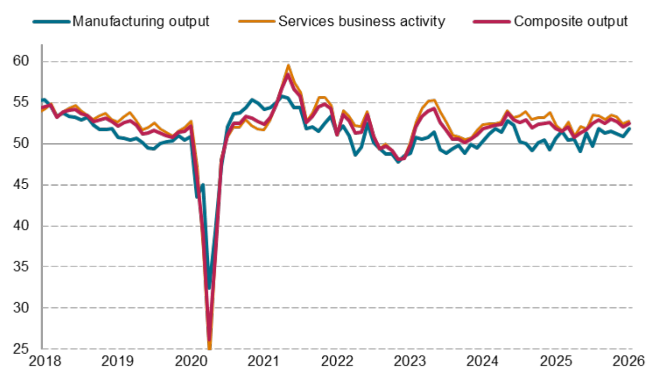
The global economic upturn failed to fully regain earlier momentum in January, having slowed in December, due largely to a cooling in demand growth for financial services around the turn of the year, according to global PMI data. More positively, improved manufacturing growth has slipped over to drive a faster upturn among industrial service providers. The global upturn, while lacking strength, consequently remained encouragingly broad-based by recent standards.

Global business growth off recent highs

January saw an uptick to global economic growth, according to the worldwide PMI surveys produced by S&P Global in association with ISM and IFPSM for J.P.Morgan. However, the rate of expansion remained the second-weakest recorded since last July, the reduced pace of expansion largely due to a service sector slowdown over the turn of the year.

While manufacturing output growth kicked higher globally in January, rising to the joint-highest since June 2024, service sector growth edged up only slightly from December's six-month low, failing to regain prior momentum.

Global PMI output



Data compiled February 2026 including PMI data to January 2026.
PMI (Purchasing Managers' Index) value of 50 = no change on prior month.
Sources: S&P Global PMI with J.P.Morgan, S&P Global Market Intelligence.
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Financial services report cooler demand growth

Digging deeper, a key element of the service sector slowdown around the turn of the year has been weaker growth of financial services activity. Over December and January, the PMI output index of the global financial services sector averaged just 52.5 against 55.2 during the prior six months. New orders growth for financial services has likewise slowed over this period. Compared to the situation seen prior to November, demand has cooled markedly for banking services globally but also for insurance and other financial services (such as investment and pension funds), while real estate has seen a renewed drop in demand over both December and January.

The slowdown in financial services activity growth in part reflects a similar moderation in the extent to which financial conditions have been loosening over the past two months, as depicted for example by the Chicago Fed's financial conditions index.

Global PMI financial services output vs. financial conditions

Data compiled February 2026. Pandemic extremes omitted.
Source: S&P Global Market Intelligence, Federal Reserve Bank of Chicago.
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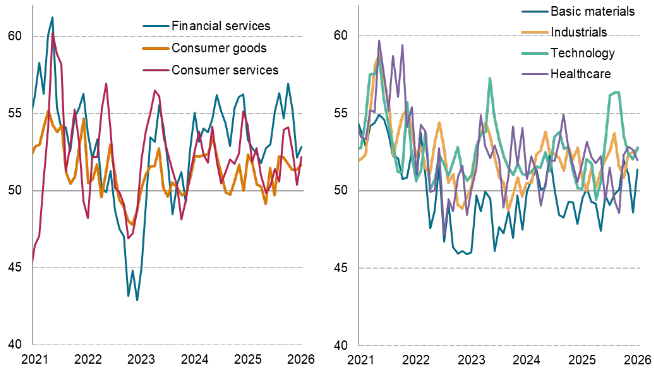
However, it is not just growth of financial services that has slowed over the turn of the year. Growth of technology and consumer services in particular remain well off the highs seen over the second half of last year, acting as further dampeners on global service sector activity.

Manufacturing spillovers

More encouragingly, growth of industrial services output has picked up heading into 2026, with January seeing the sharpest rise in new orders for this sector since April 2023. This suggests that some of the recent improved performance of the manufacturing sector is spilling over to related services providers.

Global PMI output for key industries



Data compiled February 2026.
PMI (Purchasing Managers' Index) value of 50 = no change on prior month.
Source: S&P Global PMI, J.P. Morgan.
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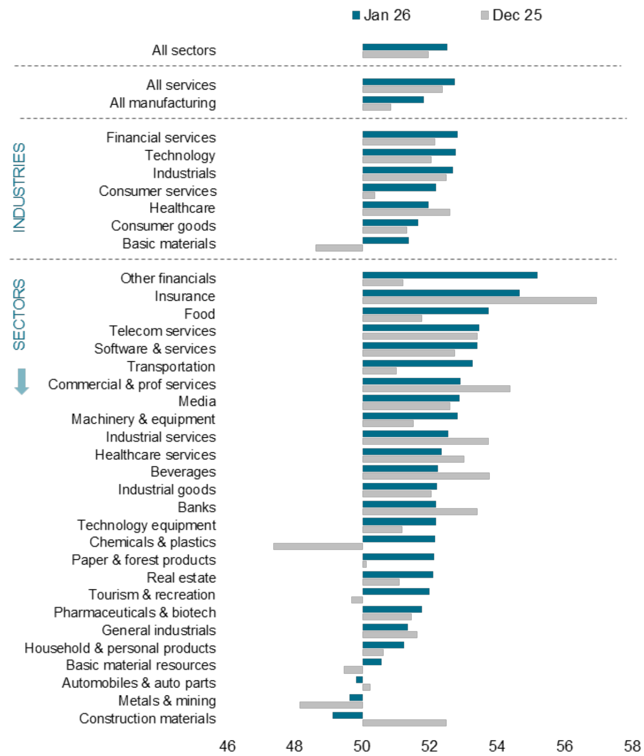
Broad-based upturn

January's improvement in manufacturing performance was by no means broad-based, with construction materials, metals & mining and autos & parts all reporting reduced production volumes at the start of the year. But with only three sectors in decline globally across both manufacturing and services, the number of sectors reporting an expansion of global output in January remains one of the highest recorded since the pandemic and suggests that, although not impressive in terms of strength, the global upturn at least remains encouragingly broad-based.

Global PMI output index



Data compiled February 2026.
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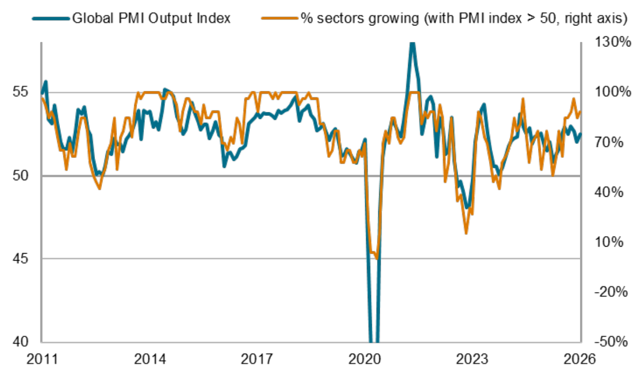
Global PMI output



Data compiled February 2026.
PMI based on 50 = no change on prior month.
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