

PMI and markets

US investor risk appetite tempered as apprehension on rates, October flash PMI to provide fresh market guidance

The latest S&P Global Investment Manager Index (IMI) revealed that risk sentiment improved among US equity investors at a time when Purchasing Managers' Index (PMI) data indicated that economic growth accelerated, both in the US and globally, thereby supporting current earnings expectations and market prices.

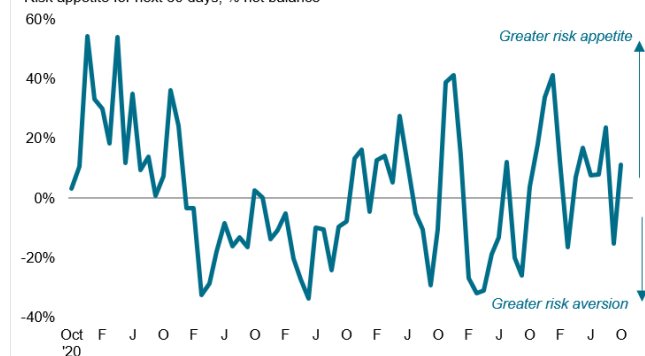
The improvement in risk sentiment was uneven by sector, however, as AI-driven optimism contrasted with concerns over the outlook for sectors affected by rising bond yields. Detailed PMI data meanwhile suggested that these worries are not unfounded, with the potential for inflation to stay elevated in the near-term and influence the path for central bank interest rates.

Overall, investors remain broadly optimistic regarding near-term growth for the US, but apprehension prevails regarding the global macroeconomic environment as we look to the upcoming October flash and final PMI releases for further insights amid a busy earnings season.

US equity investor risk appetite revives

Risk Appetite Index

Risk appetite for next 30 days, % net balance*



Data compiled October 2026.

* The net balance shows the percentage of those risk tolerant minus those risk averse.

Those reporting a high tolerance or aversion count with a double weight.

Source: S&P Global.

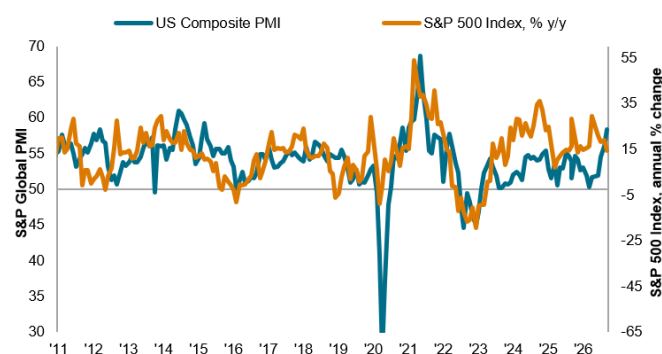
The [S&P Global IMI](#), a headline indicator based on a monthly survey of nearly 300 institutional investors managing funds in excess of \$3,500bn, revealed that US equity investor risk appetite improved in October after having deteriorated at the end of the third quarter.

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Qualitative responses from the survey showed that this was mainly driven by optimism regarding the Q3 earnings season, with hopes for positive results to justify current elevated market prices.

That said, the improvement in risk sentiment was not accompanied by bullish near-term market views. Investors are not anticipating higher US equity market returns on balance, according to the neutral reading of the survey's Expected Returns Index in October, which asks investors about their 30-day outlook for US market performance. Certainly, a comparison of the US S&P 500 index trajectory and the US Composite PMI, between which there is a high correlation, suggested that equity prices were just about supported by economic fundamentals at the end of September.

US PMI and S&P 500 Index



Data compiled October including September PMI and market data up to September 2026.

PMI (Purchasing Managers' Index) 50 = no change on prior month, covers manufacturing and services.

Source: S&P Global PMI, S&P Global Market Intelligence.

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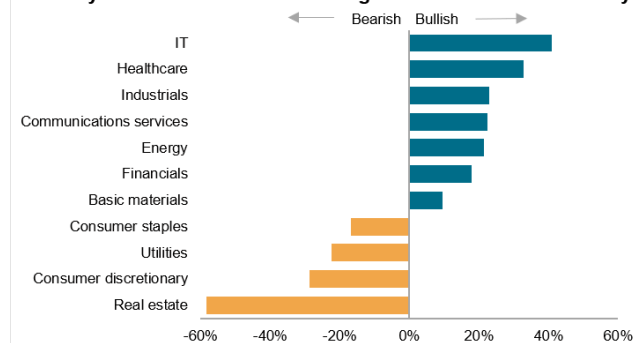
AI optimism contrasts with yield jitters

While US equity market investors held a neutral view regarding broad market performance, there were apparent variations by sectors.

Among the 11 sectors polled by the IMI, the technology sector emerged as the most favoured sector after having held lower positions in the prior four months. Interest in the technology sector had again revived as investors

focused on the potential AI-related investment gains going into the final quarter of the year.

What is your outlook on the following sectors for the next 30 days?



Data compiled October 2026.

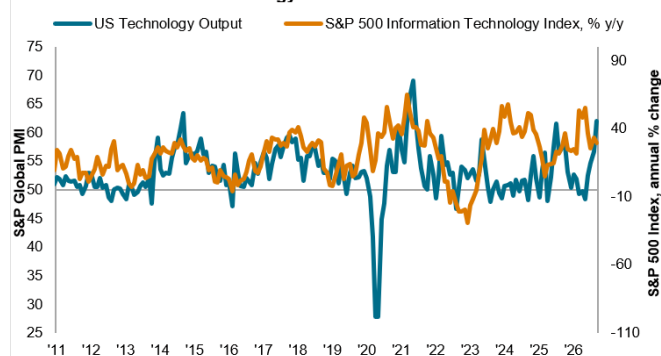
* The net balance shows the percentage of those bullish minus those bearish. Those only reporting a 'slight' bullish or bearish outlook count as half a response, while those reporting a 'strong' bullish or bearish outlook count as one-and-a-half responses.

Source: S&P Global Investment Manager Index survey.

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An assessment of the S&P 500 technology sector index and the US technology sector PMI output index showed that recent output gains in the sector provided long absent fundamental support and pointed to the likelihood of strong earnings per share (EPS) growth.

S&P 500 Information Technology and PMI



Data compiled October 2026 including September PMI and market data up to September 2026.

PMI (Purchasing Managers' Index) 50 = no change on prior month.

Source: S&P Global PMI, S&P Global Market Intelligence.

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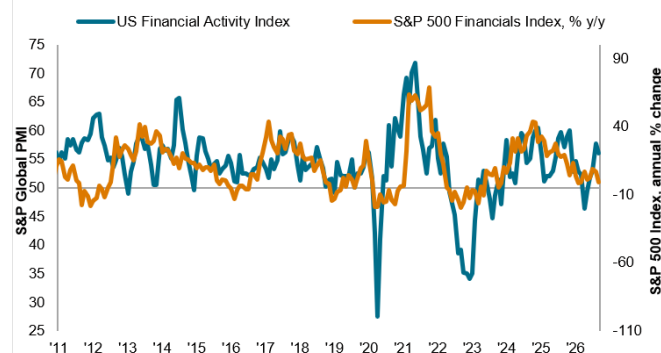
The improvement in bullish sentiment towards the technology sector meanwhile contrasted with a significant paring of positive views towards the financial sector, second only to the decline for the energy sector in the October IMI survey.

Central to the latest easing of bullish sentiment towards financials were concerns over the impact of higher long-term yields on lending, although investors remain net bullish towards the sector amid expectations for US economic conditions to remain buoyant. In comparison, the real estate sector, also hit by jitters stemming from rising yields, is now the least favoured in three years. However, we note that

US financial services activity has picked up momentum in recent months, according to S&P Global's PMI data,

supporting the sustained investor favour toward the sector evident in the October IMI.

S&P 500 Financials and PMI



Data compiled October 2026 including September PMI and market data up to September 2026.

PMI (Purchasing Managers' Index) 50 = no change on prior month.

Source: S&P Global PMI, S&P Global Market Intelligence.

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More detailed sector data from October will be closely watched at the [November 4th release](#) for insights following indications of gains for the financial sector ahead of major bank earnings releases thus far in October.

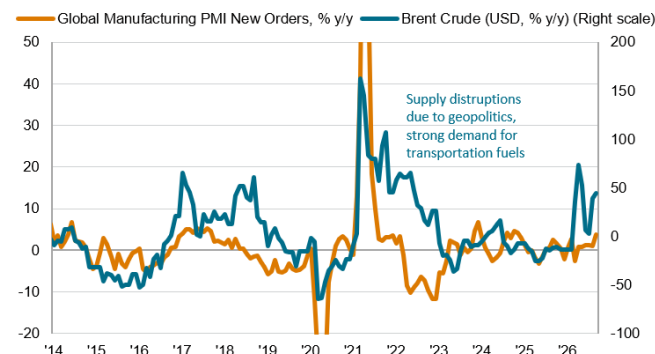
US equity investors apprehensive about global economic growth amid central bank jitters

The October IMI survey also looked at investors' views regarding key drivers for US equity market returns and found that sentiment towards the global macroeconomic environment remained subdued from September.

Although optimism has proven resilient in terms of global economic growth, as evident from September's PMI data (produced by S&P Global on behalf of J.P. Morgan), the mood is being dampened by concerns over the outlook for inflation and thereby central bank interest rates. The latter has deepened as an area of concern for US equity investors in October to an extent not beaten since July 2023. We note that the [PMI price indices have alluded to the likelihood that global inflation is expected to further rise in the coming months, which would lead to greater hawkish policy signals from central banks](#) and higher interest rates if central bankers do not 'look through' the recent surge in oil prices, driven by geopolitical uncertainties. This is with energy prices identified as the key driver for inflation based on comments gathered from panellists from the PMI survey.

As far as global demand is concerned, the recent improvement in September's global PMI data fails to justify the elevated Brent crude oil prices, which means central banks would still have to weigh the persistence of elevated oil prices principally via a supply shock in their decisions on whether to tighten monetary policy.

Global PMI and Brent Crude Oil

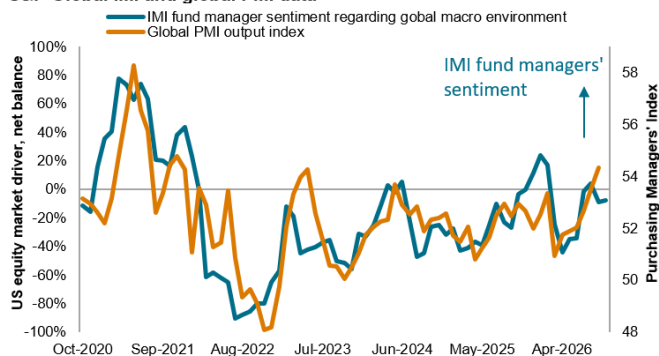


Data compiled October 2026 including PMI and market data up to September.
PMI (Purchasing Managers' Index) 50 = no change on prior month.
Source: S&P Global PMI with J.P. Morgan, S&P Global Market Intelligence.
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A comparison of investors' views regarding the global macroeconomic environment and the global PMI output index meanwhile revealed that we could be seeing more muted global growth into the start of the fourth quarter, potentially reflecting some of the impact from tighter monetary policy settings from adjustments done by various central banks around the turn of the quarter. That said, any further surprises on the upside for growth, [such as the improvement in the September US flash PMI](#), may strengthen the case for rate hikes and introduce greater tremors in the bond market.

[October's S&P Global PMI surveys will be published](#) on November 2 for manufacturing and November 4 for services and composite, with detailed sector data also released on the latter date.

S&P Global IMI and global PMI data



Data compiled October 2026, including October IMI data and PMI data to September.
PMI (Purchasing Managers' Index) value of 50 = no change on prior month. IMI index presented as net balance.
Source: S&P Global with J.P. Morgan, S&P Global Market Intelligence.
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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
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CONTACT US

Jingyi Pan
Economics Associate Director
S&P Global Market Intelligence
Singapore

T: +65 6439 6022
jingyi.pan@spglobal.com

The Americas	EMEA	Asia-Pacific
+1-877-863-1306	+44-20-7176-1234	+852-2533-3565

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