

PMI®

by **S&P Global**

Global inflation

US leads global PMI selling price inflation to 26-month high in July

The worldwide PMI surveys – produced by S&P Global in association with ISM and IFPSM for J.P.Morgan – showed global selling price inflation rising to its highest for over two years in July, led by rising charges for goods and services in the US. The elevated US price growth was widely linked by companies to US tariffs. The steep rise in US prices recorded by the PMI over the past three months contrasts with an easing price trend in the rest of the world.

Global consumer price inflation and PMI selling prices



Data compiled August 2025 including PMI data to July 2025, advanced six months.
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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Global PMI signals rising price pressure

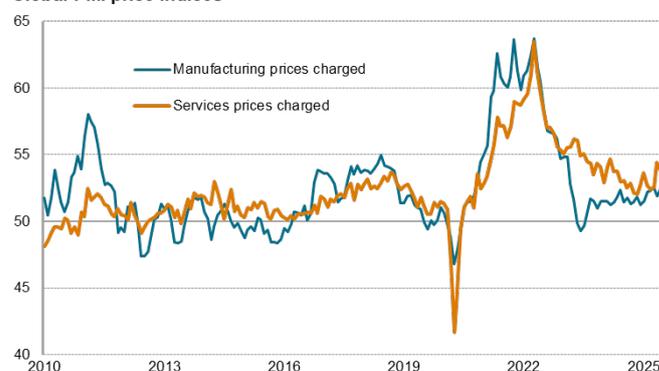
S&P Global Market Intelligence's PMI surveys indicated rising global price pressures in July. The headline J.P. Morgan PMI Global Prices Charged Index rose from 53.5 in June to 54.1 to signal the steepest rise in prices since May 2023.

Historical comparisons indicate that the index is broadly consistent with global consumer price inflation running at 4% in the coming months, up from the 3.0-3.1% rate currently being indicated by recent official data.

The service sector continued to be main driver of global inflation, with prices levied for services rising on average at a rate not seen since July 2023 as firms passed on higher costs to customers.

Global manufacturing price growth meanwhile remained relatively muted, with the rate of inflation easing slightly in June but remaining among the highest seen over the past two years.

Global PMI price indices



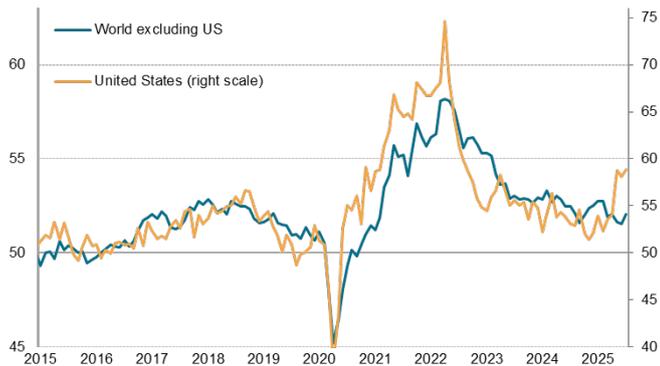
Data compiled August 2025 using PMI data to July 25.
PMI (Purchasing Managers' Index) value of 50 = no change on prior month.
Sources: S&P Global PMI with J.P. Morgan, S&P Global Market Intelligence.
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US inflation spike contrasts with disinflationary trend in rest of world

For a third month, the US stood out in reporting an especially steep rise in prices during July. Selling price inflation for goods and services in the US hit the highest since August 2022.

Measured across the rest of the world, prices rose only modestly. Whereas the average US prices charged index reading of 58.5 over the latest three months represents a large uplift in price pressures from an average of 53.6 over the prior year and a half, the rest of world latest three-month average of 51.7 is below the prior 18-month average of 52.5.

PMI prices charges for goods and services

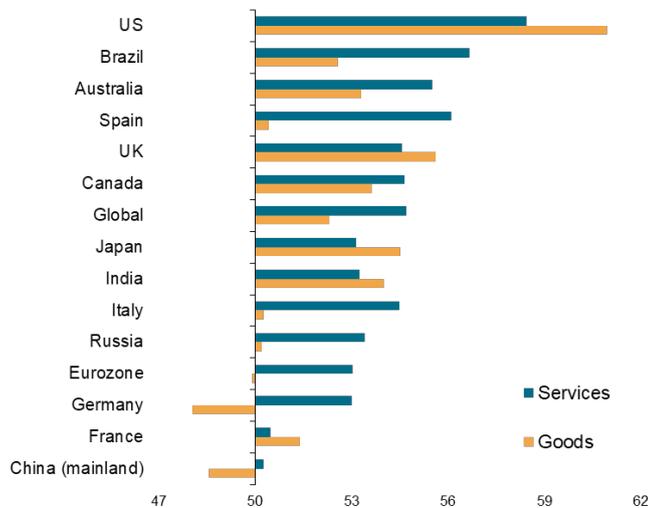


Data compiled August 2025.
PMI (Purchasing Managers' Index) value of 50 = no change on prior month.
Sources: S&P Global PMI with J.P. Morgan, S&P Global Market Intelligence.
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These price differential between the US and the rest of the world are even greater for manufacturing. US good prices rose especially sharply in July, the rate of inflation outpacing that of all other economies tracked by the PMI, and notably contrasting with falling goods prices in Germany and mainland China. Although below that seen in June, the July rise in US goods prices was the second-largest over the past 32 months.

However, prices charged for services also rose at a much faster rate in the US than other major economies, the rate of US inflation up to its second-highest in 27 months.

PMI Output Prices Index, July 2025 (Ranked by overall rise in goods and services prices)



Data compiled August 2025.
PMI index 50 = no change on prior month.
Source: S&P Global PMI, S&P Global Market Intelligence, HCOB, HSBC, J.P. Morgan.
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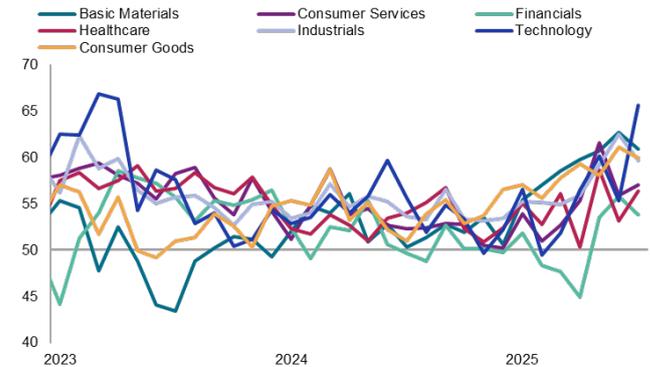
US tariff boost – to prices

Rising US prices were again widely blamed on rising costs of imports associated with tariffs, which were widely passed on to customers either partially or in full, according to the anecdotal reporting by PMI respondents. A weakened US dollar also contributed to rising costs, as did higher wage costs amid staff shortages in some areas.

The steepest rise in prices was reported in the technology sector, where a surge in demand allowed increased pricing power. Strong rises were also reported in basic materials, consumer goods and industrials, often reflecting the pass-through of tariffs, albeit with the rate of inflation easing compared to June's recent peaks.

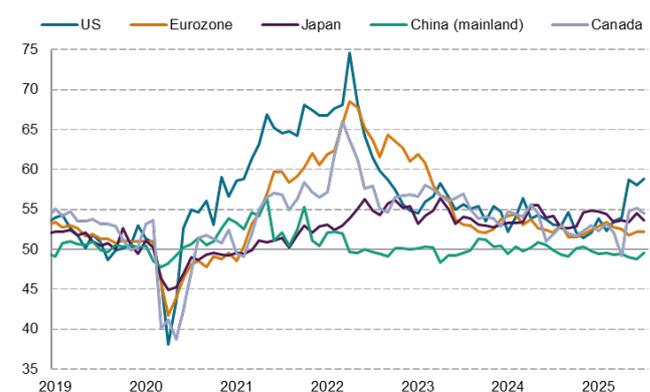
While the weakest price growth was recorded in financial services, July's rise was still the second-largest seen for over a year.

US PMI prices charged by sector



Data compiled August 4, 2025.
PMI (Purchasing Managers' Index) 50 = no change on prior month.
Source: S&P Global PMI.
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PMI prices charged (goods & services)



Data compiled August 2025 including PMI data to July 2025.
PMI (Purchasing Managers' Index) 50 = no change on prior month.
Sources: S&P Global PMI, HCOB.
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Comparisons with official data

The strength of the price growth reported in the US remains broadly indicative of consumer price inflation running close to 4%, according to historical comparisons, and well above levels consistent with the central bank's 2% target.

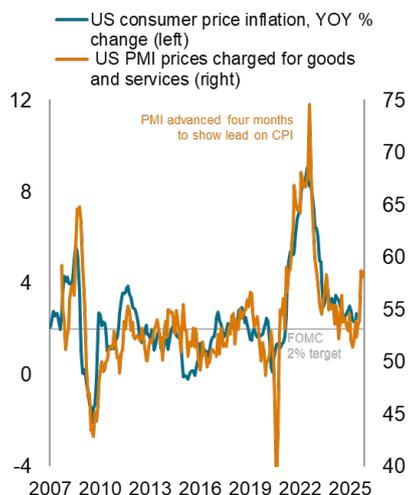
In contrast, the equivalent PMI Prices Charged Index for the eurozone has remained relatively subdued in recent months, running at levels broadly consistent with 2% inflation.

While the UK PMI Prices Charged Index has fallen back to a level comparable with 2% consumer price inflation in June, it rose again in July to signal above target price pressures, presenting a dilemma for the Bank of England.

Policymakers in the UK have been split between the need to cut interest rates to help support a flagging economy and the need to keep rates restrictive enough to quash

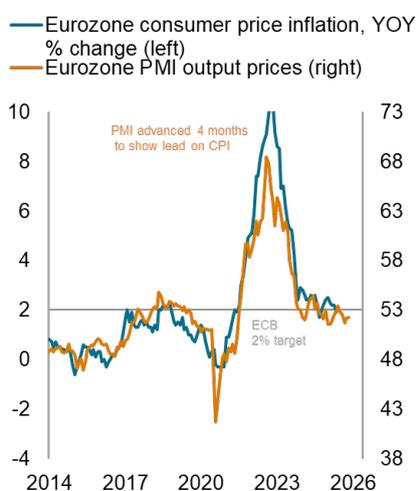
upward price pressures associated with higher costs introduced in last autumn's Budget.

US inflation



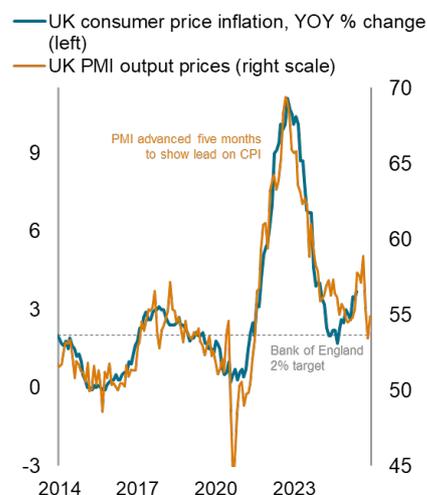
Data compiled August 4, 2025.
 PMI covers manufacturing only prior to 2009 but manufacturing & services thereafter.
 Source: S&P Global PMI, BLS via S&P Global Market Intelligence.
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Eurozone inflation



Data compiled August 4, 2025.
 PMI (Purchasing Managers' Index) value of 50 = no change on prior month, covers manufacturing and services.
 Source: S&P Global PMI, HCOB, Eurostat.
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UK inflation



Data compiled August 4, 2025.
 PMI based on 50 = no change on prior month, covers manufacturing and services.
 Source: S&P Global PMI, ONS via S&P Global Market Intelligence.
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