

# Global economy

## Global economic growth buoyed by signs of consumer upturn

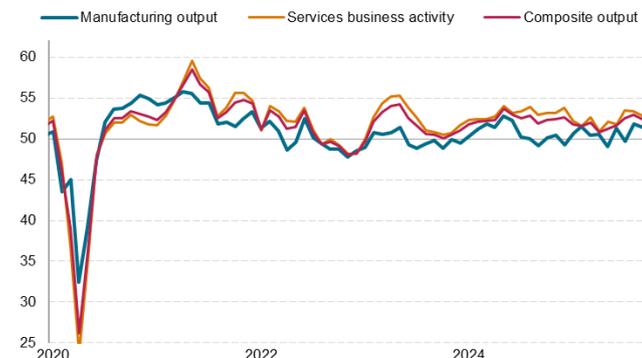
The worldwide PMI surveys – produced S&P Global in association with ISM and IFPSM for J.P.Morgan – signalled slower global business activity growth in September. However, signs of an improvement in consumer services activity hinted at a welcome broadening out of a narrow upturn that has been so far, largely led this year by the financial services and technology sectors.

### Global PMI dips lower but still supported by growth of both manufacturing and services

S&P Global Market Intelligence’s PMI surveys indicated that worldwide business activity slowed for the first time in five months during September. However, with the J.P. Morgan Global Composite PMI Output Index, covering manufacturing and services in over 40 economies, merely falling from 52.9 in August to a three-month low of 52.4, the pace of growth remained close to the survey’s long-run trend.

The global expansion continued to be led by the service sector, which grew at a slightly reduced rate for a second successive month but still recorded its best calendar quarter so far this year. Manufacturing growth, likewise, slowed but the past two months have seen the best back-to-back expansions since mid-2024.

#### Global PMI output



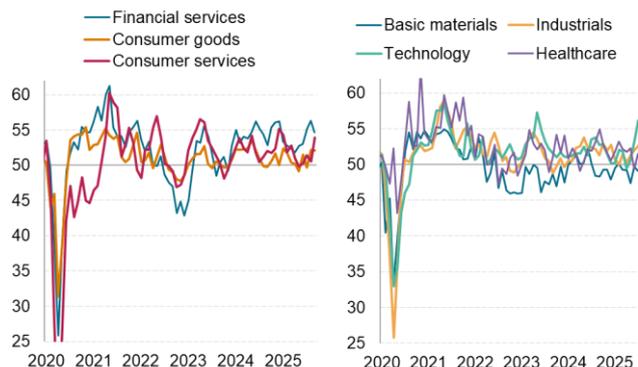
Data compiled October 2025 including PMI data to September 2025.  
PMI (Purchasing Managers’ Index) value of 50 = no change on prior month.  
Sources: S&P Global PMI with J.P.Morgan, S&P Global Market Intelligence.  
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### Expansion shows signs of becoming more broad-based

At the industry level, global growth divergences are more marked. Growth was again strongest in technology and financial services, but a notable improvement was also evident in consumer services, which recorded the fastest global expansion for over a year.

Only healthcare reported lower output, though basic materials remained close to stagnant.

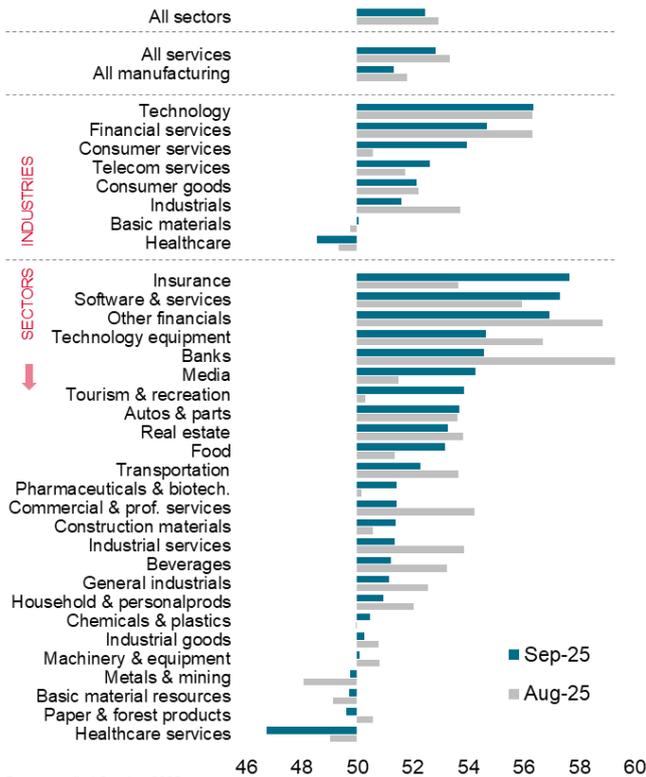
#### Global PMI sector output



Data compiled October 2025.  
PMI (Purchasing Managers’ Index) value of 50 = no change on prior month.  
Source: S&P Global PMI, J.P. Morgan.  
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At the more detailed sector level, the sharpest expansions were recorded for insurance and software & services, followed by non-banking financial services, tech equipment and banking, which have collectively benefitted from rising tech investment and improving financial conditions. Only four sectors reported falling activity, of which only healthcare services reported a substantial decline.

## Global PMI output index

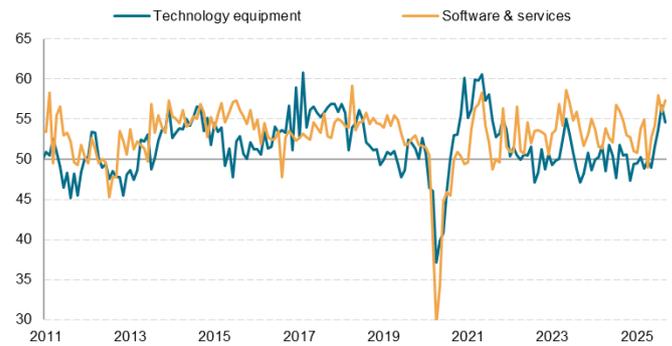


Data compiled October 2025.  
PMI (Purchasing Managers' Index) value of 50 = no change on prior month.  
Source: S&P Global PMI, JPMorgan.  
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## Surging tech demand contrasts with sluggish demand in other capex sectors

In the tech sector, demand has surged in recent months for both tech equipment and software and related services.

### Global PMI sector output



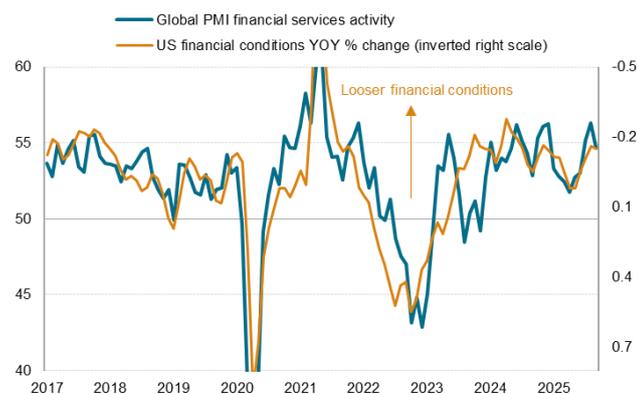
Data compiled October 2025.  
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More disappointing, as noted in the previous survey period, is that the increased investment in technology is not being matched by a similar surge in other capex-related sectors, such as machinery & equipment manufacturing and construction materials.

## Financial services supported by looser financial conditions

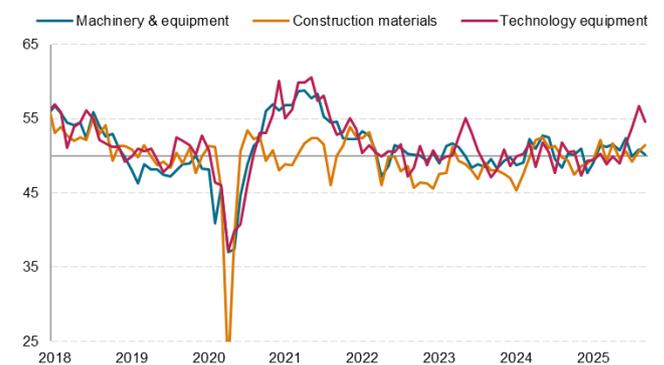
The upturn in the financial services sector was again commonly linked to improved financial conditions, including lower borrowing costs in many economies as well as rising asset prices, notably including equity prices, which has stimulated demand for products. Indicators of financial conditions, such as those compiled by the Federal Reserve Bank of Chicago, show US financial conditions at their most accommodative since the start of 2022.

### Global PMI financial services output vs. financial conditions



Data compiled October 2025.  
Source: S&P Global Market Intelligence, Federal Reserve Bank of Chicago.  
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### Global PMI sector output



Data compiled October 2025.  
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While the strong performance of technology can be linked to the recent surge in AI investment as well as increased spending more broadly on technology as companies seek efficiencies and competitive advantage, the sluggish output of machinery & equipment and construction materials sectors reflects weak global business optimism, in turn deterring capex spending. Measured worldwide, companies' expectations of their output in the coming year remains well below its long run average, albeit up from lows seen at the time of April's tariff announcements by the US.

## Global PMI investment and PMI



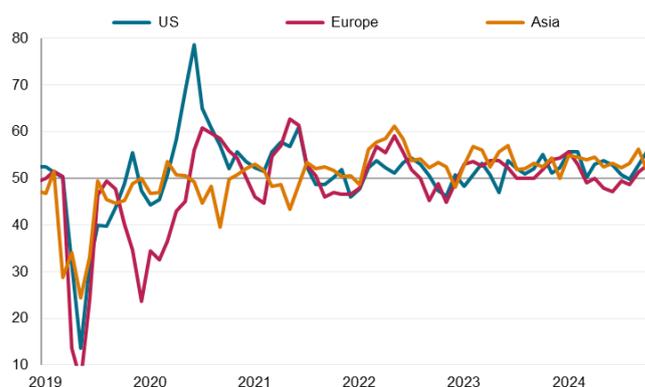
Data compiled October 2025.

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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## PMI new orders for consumer services



Data compiled October 2025 including PMI data to September 2025.

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Source: S&P Global PMI.

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## Consumer revival?

An interesting aspect of the surveys to watch in the coming months will be the trajectory of consumer spending, as monitored by the PMI indices relating to output and orders for consumer goods and services. The latter showed especially welcome signs of reviving in September, with consumer services activity rising globally at the fastest rate since January. While consumer services activities in Europe showed the largest gain since last December, it was the US which saw the largest improvement, with consumer service providers reporting the largest monthly gain in activity since the President's inauguration in January, driven by the largest influx of new orders into these businesses since May 2022.

Access the Global sector PMI press release [here](#).

## 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

### 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

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