

PMI®

by **S&P Global**

Global economy

Global PMI signals faster output growth but optimism about the year ahead worsens

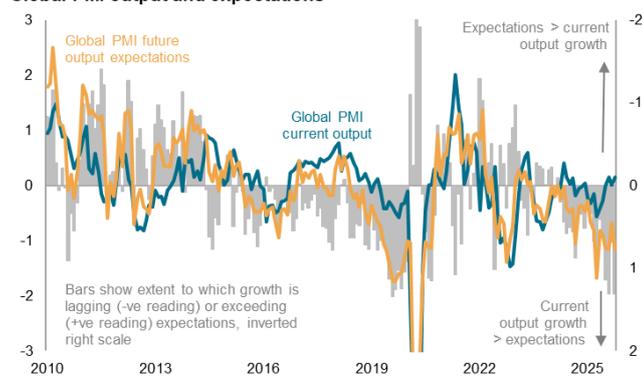
The worldwide PMI surveys – produced by S&P Global in association with ISM and IFPSM for J.P.Morgan – signalled a renewed upturn in worldwide business activity growth in October.

The US continued to lead the major developed economies in terms of output growth, but growth also notably picked up in the eurozone, while India continued to lead emerging markets as growth dipped lower in mainland China.

However, although current growth picked up in October, business confidence about the year ahead dropped to one of the lowest levels seen since the pandemic.

Looking ahead, the gap between current global output growth and business expectations for the year ahead is among the widest seen in the survey history, suggesting downside risks to growth and employment in the coming months barring an improvement in business confidence.

Global PMI output and expectations



Data compiled November 2025.

PMI (50 = no change on prior month) covers manufacturing and services standardised using z-scores.

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

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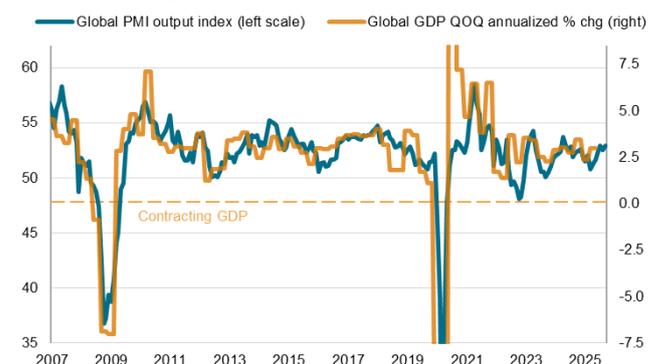
Faster global growth in October

A strong start to the fourth quarter was signalled for the global economy by S&P Global Market Intelligence's PMI surveys. The J.P. Morgan Global Composite PMI Output Index, covering manufacturing and services in over 40 economies, rose from 52.5 in September to 52.9 in October – the joint-highest over the past 17 months.

Historical comparisons indicate that the latest PMI is broadly consistent with global GDP growing at an annualized rate of 3.0%. This follows a robust third quarter, for which the PMI signalled a 2.8% pace of growth.

The survey data therefore suggest that global economic growth has improved markedly since the low seen back in April, when activity slowed in response to US tariff uncertainty, reviving to a pace close to long-term trend.

Global economic growth and the PMI



Data compiled November 5 including PMI data to October 2025

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

Source: S&P Global PMI with J.P. Morgan, S&P Global Market Intelligence.

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US leads developed world economic growth to fastest for one-and-a-half years

Growth picked up across the developed economies to the fastest for nearly one-and-a-half years in October, led again by the US, which has reported the fastest growth of the largest economies throughout much of this period. Output rose at an increased rate across both manufacturing and services in the US, taking the overall pace of expansion to the second-fastest seen so far this year.

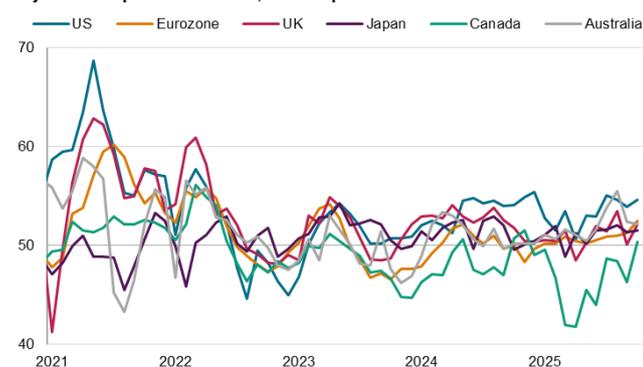
The eurozone also reported a notable improvement in performance, notching up its best expansion since May 2023, with a marked upturn in the service sector accompanied by a sustained but more modest increase in manufacturing output.

While UK growth likewise accelerated, led by the service sector, the increase was flattered by the reopening of production at JLR and its supply chains, following September's cyber-attack, which helped manufacturing rebound.

Growth also edged higher in Japan as continued robust service sector growth was joined by a moderation in the manufacturing sector's decline, and Canada reported a return to growth for the first time since last November. Growth returned to the Canadian service sector and manufacturing came close to stabilizing.

That left Australia as the only major developed economy to report a tempered performance in October, albeit with its expansion remaining solid by standards seen over the past two years, thanks to sustained service sector growth.

Major developed economies, PMI output index



Data compiled November 2025 including PMI data to October 2025. PMI index value of 50 = no change on prior month, covers manufacturing and services. Sources: S&P Global PMI, S&P Global Market Intelligence, HCOB. © 2025 S&P Global.

Sustained emerging market growth reported but Brazil's downturn persists

Emerging market growth slowed slightly in October but remained among the strongest seen over the past year, albeit reflecting mixed performances.

While India again led the four 'BRIC' economies in terms of growth across both goods and services, its rate of expansion slowed to a five-month low as a softer service sector upturn offset an improved manufacturing performance.

Mainland China also continued to report ongoing growth in October, recovering further from the brief slip into contraction back in May, though the pace of expansion cooled thanks to an export-led slowdown in manufacturing and a moderation of service sector growth.

Output meanwhile fell in Brazil for a seventh straight month but, after contracting at the sharpest rate for nearly three years in September, Russia's economy showed signs of steadying in October.

Major emerging economies, output



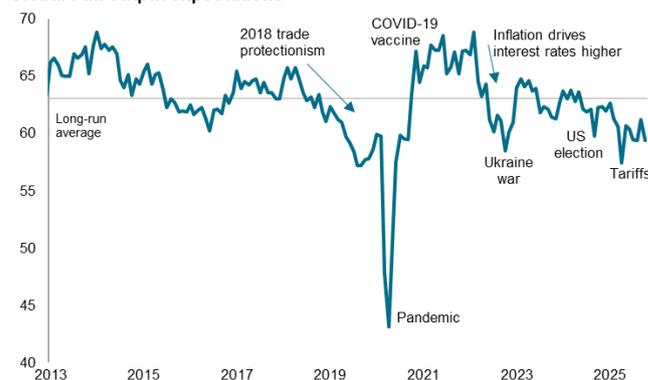
Data compiled November 2025 including PMI data to October 2025. PMI index value of 50 = no change on prior month, covers manufacturing and services. Sources: S&P Global PMI, S&P Global Market Intelligence, HSBC, RatingDog. © 2025 S&P Global.

Global business growth expectations relapse to near three-year low

Less encouraging was the news on business optimism. Business expectations about the year ahead fell globally in October as companies continued to report confusion and uncertainty regarding US trade policy in particular. Perceived economic growth risks also remained elevated by historical standards. Sentiment fell globally in both manufacturing and services.

Business sentiment is now back down to the joint-lowest seen over the past three years if the slump in optimism seen in the immediate aftermath of April's US tariff announcements is excluded.

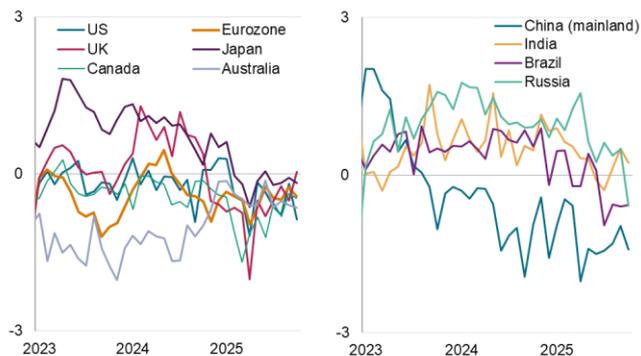
Global PMI output expectations



Data compiled November 2025. PMI index value of 50 = no change in 12 months' time. Sources: S&P Global PMI J.P. Morgan. © 2025 S&P Global.

Expectations have fallen further below survey long-run averages in mainland China, the US, the eurozone and Japan. An exception is the UK, where business sentiment has improved to meet its long-run average for the first time in a year. Only India and Spain are reporting sentiment to be running above their respective long-run averages.

Major economies, future expectations (z-scores)



Data compiled November 2025 including PMI data to October 2025.
PMI index rebased to 0 = long-run trend, covers manufacturing and services.
Source: S&P Global PMI, S&P Global Market Intelligence, HCOB, HSBC, RatingDog.
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Unusual, but not unprecedented, gap between current and expected output growth

The extent to which global output expectations for the year ahead have fallen below current output growth is unusual, and points to elevated downside risks to the business outlook, both in terms of output growth and employment, though is not unprecedented. The last time the global PMI survey has seen such a wide gap between current and expected future output was during 2019, when US-China trade tensions escalated during the first Trump presidency. Back then, moves toward trade agreements in late-2019 helped alleviate outlook concerns, helping to stabilize growth (only for the COVID-19 pandemic to then derail the recovery).

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

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