

PMI™

by **S&P Global**

United States

US manufacturers report weak end to 2025 with first drop in orders for a year

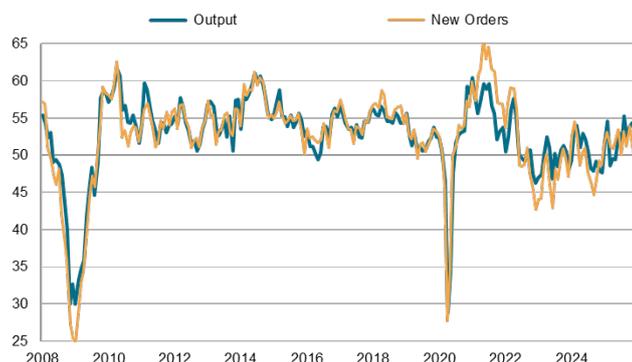
Although manufacturers continued to ramp up production in December, suggesting the goods producing sector will have contributed to further robust economic growth in the fourth quarter, growth prospects for the start of 2026 are looking less rosy.

Production exceeds demand

Something of a Wile E. Coyote scenario has developed, according to S&P Global's Manufacturing PMI data. Just like the cartoon character continues to run despite chasing the Road Runner off a cliff – factories are continuing to produce goods despite suffering a drop in orders.

While manufacturing output rose for a seventh successive month in December, new orders fell for the first time since December 2024.

US manufacturing PMI output and demand



Data compiled Jan. 2, 2026.

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

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

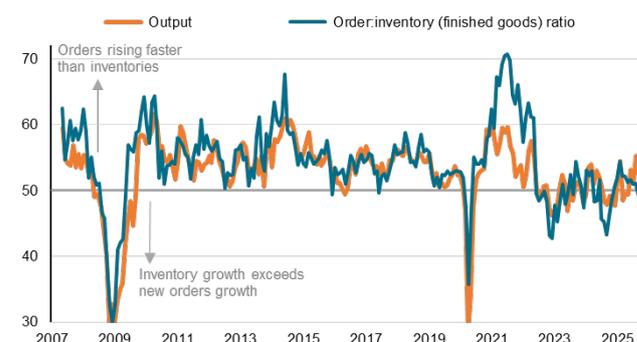
© 2026 S&P Global.

The gap between growth of production and the drop in orders in fact represents the widest disparity between what's being made and what's being sold since the height of the global financial crisis back in 2008-9. In other words, unless demand improves, current factory production levels are clearly unsustainable.

Backlogs of work are already falling, down for a fourth month in a row in December, but the growing gap between production and new order inflows suggest these backlogs

of work will start dropping more sharply in the new year absent a pick-up in new sales.

Falling orders and rising inventories hint at a slowdown in US manufacturing output



Data compiled January 2026.

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

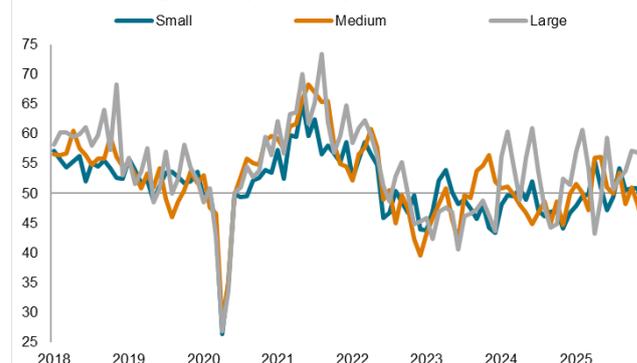
Source: S&P Global PMI, S&P Global Market Intelligence.

© 2026 S&P Global.

Smaller firms hit hardest

Small and medium sized manufacturers are struggling the most, where production is already falling in response to deteriorating sales. While larger manufacturers have proven more resilient, even here firms have reported a weakening of new order inflows in December.

US Manufacturing PMI, output index by firm size



Data compiled January 2026.

50 = no change on prior month, seasonally adjusted.

Source: S&P Global PMI.

© 2026 S&P Global.

Access the 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
- [PMI podcasts](#)
- [How to subscribe](#) to PMI data

CONTACT US

Chris Williamson

Chief Business Economist
S&P Global Market Intelligence
London

T: +44 779 5555 061
chris.williamson@spglobal.com

The Americas

+1-877-863-1306

EMEA

+44-20-7176-1234

Asia-Pacific

+852-2533-3565

spglobal.com/marketintelligence/en/mi/products/pmi