

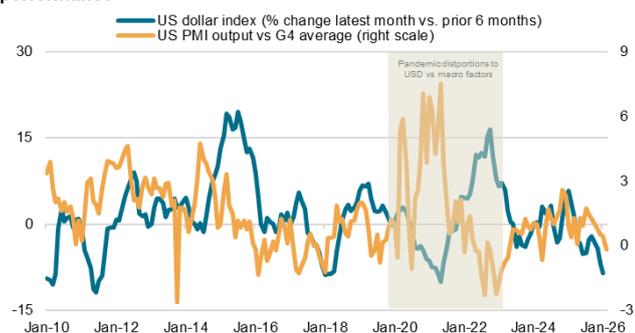
PMI[®]by **S&P Global**

G4 economies flash PMI

February flash PMIs faster growth in the UK, eurozone and Japan contrasting with US slowdown

S&P Global's flash PMI data showed output rising in all four largest developed economies for a tenth successive month in February, but the growth dynamics across these economies showed further signs of changing. Growth slowed in the US but accelerated elsewhere. US firms blamed bad weather for part of the latest slowdown, but also cited the sustained drag on the economic expansion from high prices, supply delays and ongoing political uncertainty.

The US \$ has weakened in line with a deteriorating relative economic performance



As of February 20, 2026.

PMI output covers goods and services. G4 includes US, eurozone, Japan and UK. US\$ index tracks the US dollar against a trade-weighted basket of currencies.

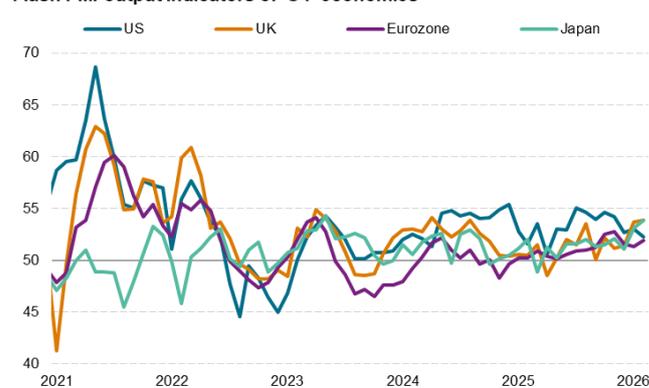
Source: S&P Global PMI, S&P Global Market Intelligence, LSEG.

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US growth slows behind G4 average

US business activity growth slipped to a ten-month low in February, according to the S&P Global PMI flash data. Japan's expansion meanwhile hit a 33-month high and UK growth climbed to the fastest in 22 months, according to the comparable flash PMI surveys covering goods and services. While the eurozone economy continued to lag behind, it also picked up some momentum to record one of its strongest expansions since mid-2023.

Flash PMI output indicators of 'G4' economies



Data compiled Feb. 20, 2026.

PMI covers manufacturing and services. 50 = no change on prior month.

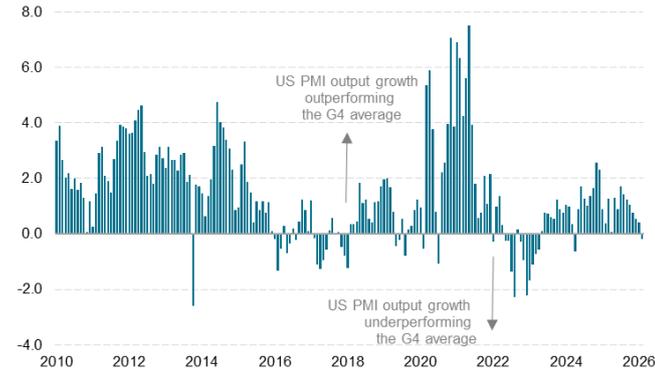
Sources: S&P Global PMI with HCOB (Eurozone).

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This means that, so far this year, the US expansion is now lagging that of the UK and Japan and drawing closer to the lacklustre pace seen in the eurozone.

Measured across both manufacturing and services, the US has now also slipped below the G4 average in terms of output growth for the first time since April 2024, and for only the second time in the past 34 months. This reflects a steady deterioration of US performance over the past eight months in particular, and represents a marked contrast to the strong outperformance recorded by the US in late 2024. This has also coincided with an 8.4% drop in value of the US dollar against a trade-weighted basket of currencies.

Outperformance of US output vs. G4 average



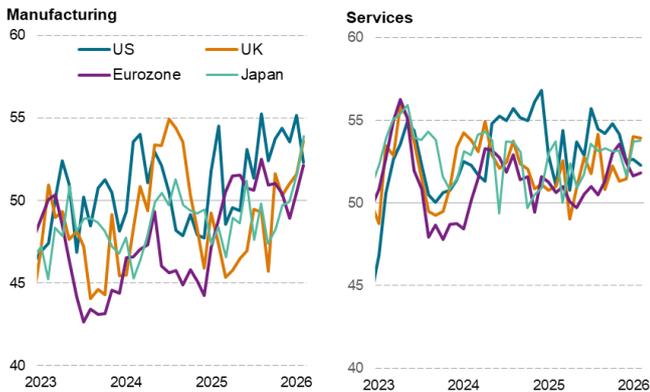
As of Feb. 20, 2026.
 G4 includes US, Eurozone, UK and Japan. PMI covers manufacturing and services output, including flash data for February 2026.
 Source: S&P Global PMI, with HCOB (eurozone).
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The US's waning performance is notable across both manufacturing and services.

US manufacturing output growth slipped to a seven-month low, contrasting with strengthening gains elsewhere among the G4 economies. Japan's manufacturing output growth surged to the highest for just over four years and the UK's expansion hit a near-one-and-a-half year high, both now outpacing the US. Eurozone production growth meanwhile climbed to a six-month high, with German factory production growth one of the strongest seen since the pandemic.

The US also reported slower service sector growth, which cooled to a ten-month low in February. US services growth consequently fell behind that seen in both the UK and Japan - the latter notching up a 21-month high - and only marginally exceeded that seen in the eurozone.

Flash PMI output of 'G4' developed economies



Data compiled Feb. 20, 2026.
 G4 PMI covers the US, Eurozone, UK and Japan. 50 = no change on prior month.
 Sources: S&P Global PMI with HCOB (eurozone).
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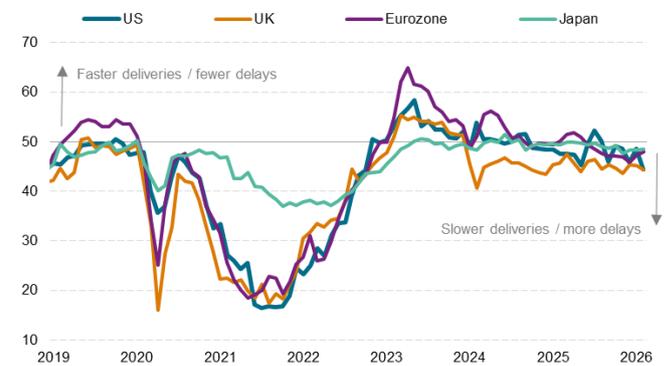
US reports above average price growth and supply delays

No single factor explains these changing growth dynamics, but several developments have contributed.

In the first instance, the US suffered extreme winter weather in February, which reportedly not only affected customer demand but also disrupted supply chains.

US firms reported a lengthening of supplier delivery delays into factories of a degree not seen since October 2022 (a period when pandemic delays were causing supply chain problems), which impeded output. US supply delays are now exceeding those even of the UK, which has seen a prolonged period of supply delays over the past two years. However, although adverse US weather was cited as a factor causing supply disruption, US firms often reported supply delays to have been caused by tariff-policy related issues, often limiting the supply of imports in particular.

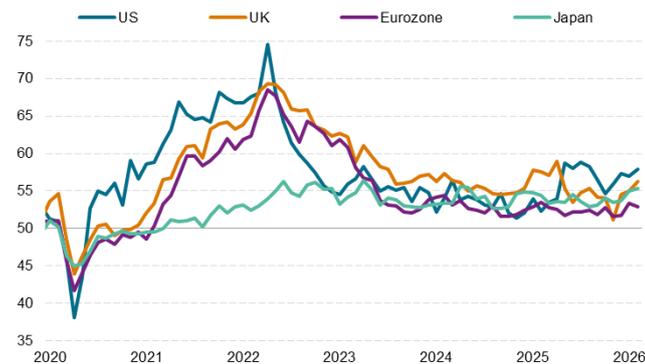
Flash PMI, manufacturing supplier delivery times



Data compiled Feb. 20, 2026.
 PMI based on 50 = no change on prior month.
 Source: S&P Global PMI, HCOB.
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The flash PMI also once again showed above average price growth for the US compared to the other G4 economies in February, helping in part to explain some of the spending aversion reported by many firms. Survey respondents continued to blame tariffs and affordability issues for order book malaise, especially in terms of exports.

Flash PMI output price indicators

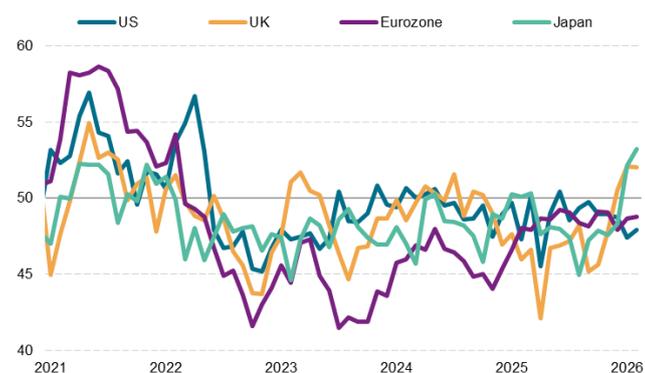


Data compiled Feb. 20, 2026.
PMI covers manufacturing and services. 50 = no change on prior month.
Source: S&P Global PMI with HCOB (Eurozone).
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US exports slide as Japan's export boom hits eight-year high

While US exports of goods and services have slumped in recent months, exports from the UK and Japan have surged higher. Japan's export boom is now the strongest recorded for eight years and the UK's export growth this year so far is the highest since mid-2021.

Flash PMI new export orders indicators of 'G4' economies



Data compiled Feb. 20, 2026.
PMI covers manufacturing and services. 50 = no change on prior month.
Sources: S&P Global PMI with HCOB (Eurozone).
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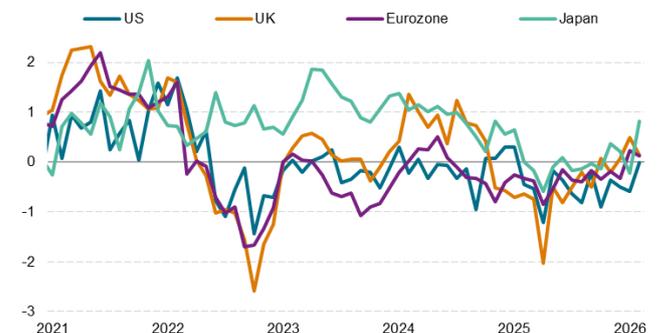
US optimism lags peers

US companies also reported labour availability issues as a constraint on business activity, in turn partly tied to US government immigration policies. Broader political uncertainty in the US has also manifested itself in business optimism continuing to run behind the other G4 economies, and notably Japan, where the business mood has become the most buoyant for 15 months.

However, US sentiment did improve markedly in February, albeit still running below its long run average in contrast to the other G4 economies, hinting that companies expect at least some of the current bout of weakness to be temporary. It remains to be seen whether this merely

represents hopes that bad weather will clear to reveal a more positive economic environment, or whether the other factors of higher prices, supply delays, tariff and other government policy changes, will continue to subdue US performance.

Flash PMI future output expectations rebased to show divergence from long-run trends (zero on axis)



Data compiled Feb. 20 2026.
PMI covers manufacturing and services. 50 = no change in year ahead rebased using z-scores (0 = long run average).
Source: S&P Global PMI with HCOB.
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