

PMI™

by **S&P Global**

Global

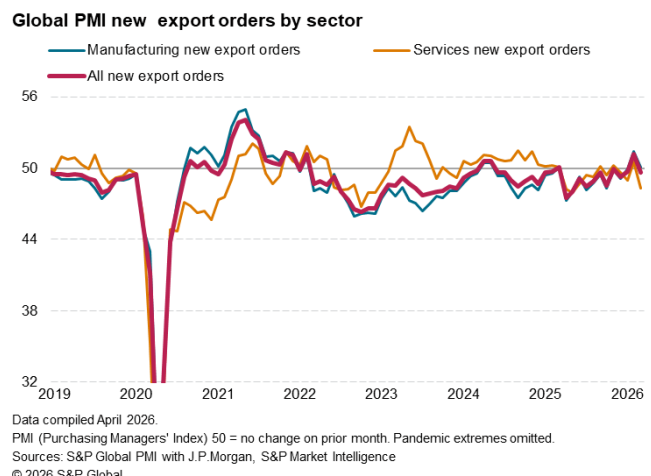
Global export orders fall amid outbreak of war in the Middle East

S&P Global's PMI survey data showed a weakening trend in worldwide trade in March, indicating that the outbreak of war in the Middle East has knocked off course a trade recovery that had been building earlier in the year. Most affected so far has been the service sector, reflecting disruptions to travel, as well as trade in financial services amid heightened economic uncertainty. Goods trade has also slowed but has been partially supported by the building of safety stocks, helping keep merchandise trade flows in growth territory in March.

Trade flows hit by Middle East conflict

The worldwide [Purchasing Managers' Index](#) (PMI) surveys indicated that global trade slipped back into decline at the end of the first quarter on the outbreak of war in the Middle East. The seasonally adjusted Global PMI New Export Orders, sponsored by J.P.Morgan and compiled by S&P Global, fell to 49.7 in March from 51.2 in February, dropping below the 50.0 neutral mark to signal falling trade volumes. March's decline comes after trade rose in February for the first time in nearly a year, in part reflecting easing headwinds from US tariff policy. While the February reading, which had been the highest since November 2021, had been compiled just ahead of the outbreak of war in the Middle East, March's data reflected the deteriorating trade environment amid the escalation of the conflict.

Trade dips after outbreak of war in the Middle East



The worsening trade picture was driven by the sharpest fall in exports of services for ten months. Manufacturing export orders meanwhile rose only very marginally, the expansion weakening from February's 56-month high led by fewer exports of basic materials amid the blockage of vessels in the Strait of Hormuz. The [March manufacturing PMI data nevertheless indicated encouraging resilience](#) and a further modest revival of manufacturing exports globally, broadly consistent with goods export volumes growing at a 5% annual rate.



Supply worries

However, some of this improvement in goods exports reflected the [purchasing of goods for safety stock considerations](#), as buyers often sought additional imports of goods ahead of potential supply shortages or price hikes resulting from the conflict, and in particular the closure of the Strait of Hormuz. Although well off the highs seen during the pandemic, the degree of safety stock building globally hit the highest recorded by the PMI since December 2022.

S&P Global PMI: worldwide factory input buying for safety stock considerations



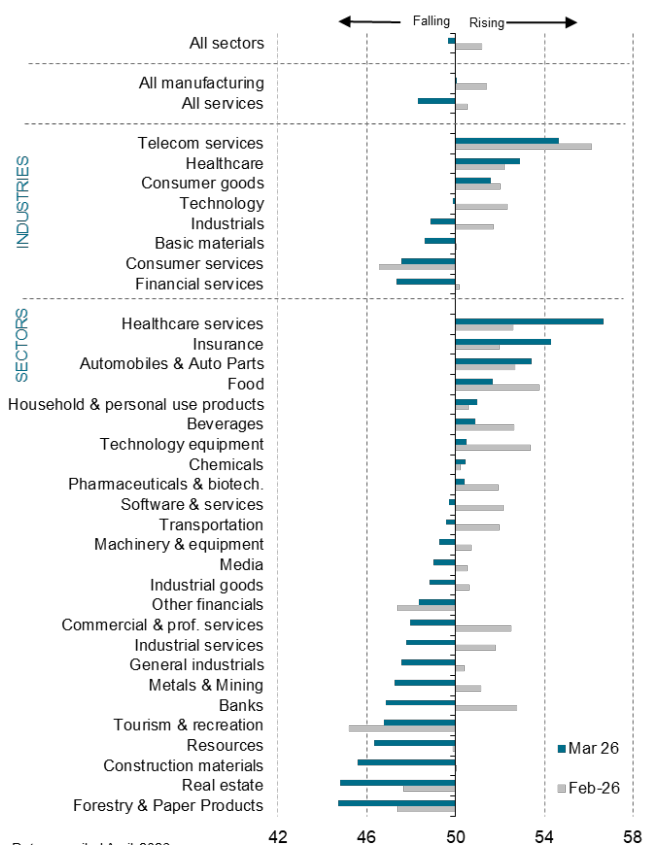
Data compiled April 2026.
PMI (Purchasing Managers' Index). Axis scale 1 = long term average.
Source: S&P Global PMI.
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The need to import additional inputs reflected escalating supply delays having already caused production problems at increasing numbers of companies around the world in March. Reports of manufacturing output having been constrained by a lack of raw materials rose worldwide to the highest recorded since October 2022.

Travel disruptions hit services trade

Services exports were harder hit than goods exports in part reflecting a downturn in travel and tourism related activity due to the conflict, which disrupted air travel in particular. However, a further key element of the weakening picture on global trade in services was the uncertainty inflicted on financial markets and in particular interest rate-related products, which led to a steep fall in financial services activity, notably linked to real estate.

Global PMI sector new export orders

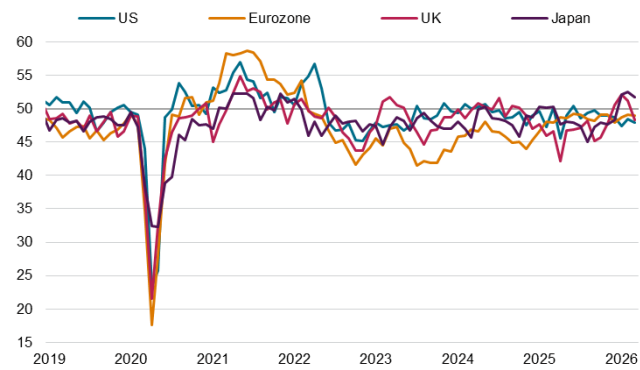


Data compiled April 2026.
PMI (Purchasing Managers' Index) value of 50 = no change on prior month.
Source: S&P Global PMI, JPMorgan.
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Japan bucks trade downturn in advanced economies

Exports fell across the advanced economies on average, though downturns in the United States, UK and Eurozone – all led by falling services export sales – were partly countered by a sustained rise in exports from Japan. Japan's exports increased for a third successive month amid rising orders received by both manufacturers and service providers.

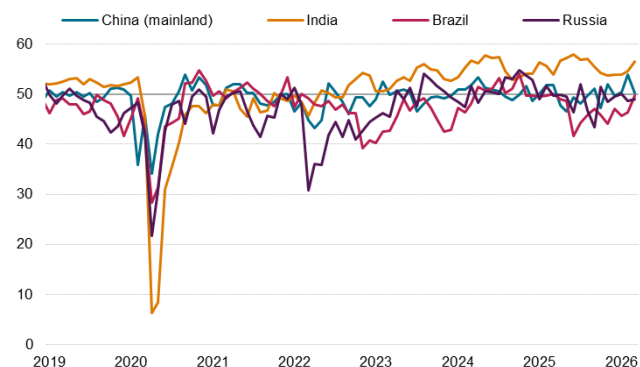
Major developed economies, new export orders (goods & services)



Data compiled April 2026.
PMI index 50 = no change on prior month.
Sources: S&P Global PMI, S&P Global Market Intelligence.
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Emerging market exports meanwhile rose for a third consecutive month, buoyed in particular by rising sales for India's goods and services, though the overall rate of increase slowed close to stalling thanks to a marked pull-back in export sales from mainland China. Exports from Brazil notably showed encouraging signs of near-stabilisation after the continual decline seen over the prior nine months.

Major emerging economies, new export orders (goods & services)



Data compiled April 2026.
PMI index 50 = no change on prior month.
Sources: S&P Global PMI, S&P Global Market Intelligence, HSBC, RatingDog.
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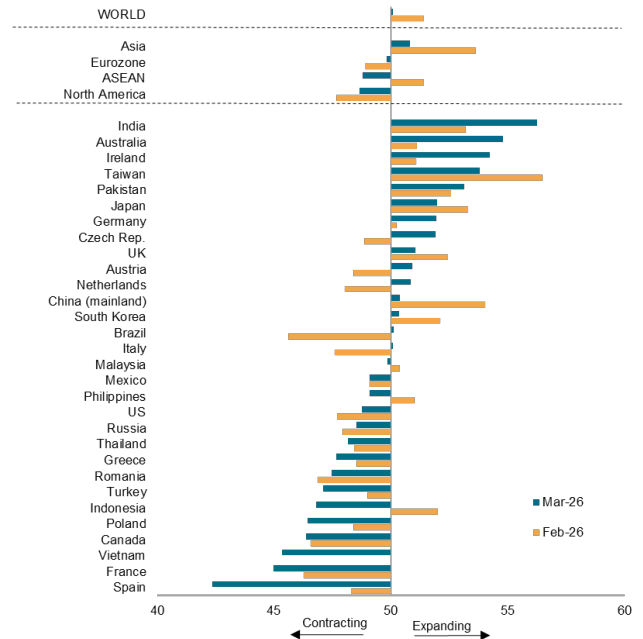
Asia leads manufacturing export trends as North America lags

Looking in more detail at goods exports, just 15 of the 30 economies tracked by the PMI reported higher sales in March, though that was up from 13 in February. The steepest gains were reported in India, Australia, Ireland and Taiwan, followed by Pakistan. Other notable economies reporting higher exports included Germany and the UK, as well as mainland China and South Korea, albeit with latter two economies merely reporting marginal gains.

The steepest declines were meanwhile reported in Spain and France, followed by Vietnam, Canada, Poland and Indonesia. Exports also notably fell in the US and Mexico, meaning North America continued to report the steepest

downturn in goods trade of the major regions tracked by the PMI. Asia as a whole led the worldwide goods trade expansion, though even here growth slowed thanks to a renewed downturn in the ASEAN region.

Manufacturing PMI new export orders index



Data compiled April 2026.
PMI index 50 = no change on prior month.
Source: S&P Global PMI, IFO, HSBC, NEVI, BME, Bank Austria, AIB, Davivienda, AERCE, BCR, Freedom Holding Corp., HBL, HPI, Istanbul Chamber of Industry, J.P. Morgan, RatingDog.
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