7 August 2026

PMI® by S&P Global

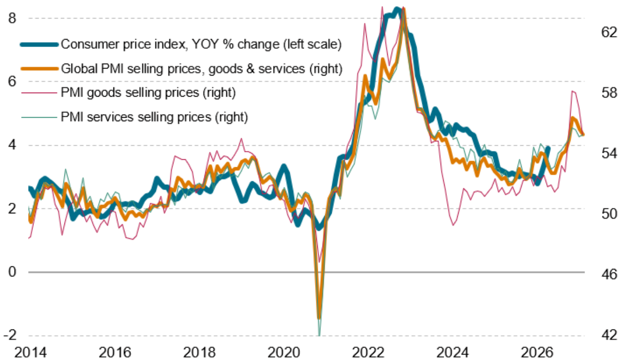
Global PMI and inflation

Global PMI shows inflation rates remaining elevated amid rising demand for services

Global PMI data show inflationary pressures remained elevated in July, though eased to their weakest since March as energy costs fell and demand-pull pressures from inventory building moderated. Services price pressures stayed noticeably elevated, however, especially in consumer-facing sectors, supported by revived demand and major events.

The US recorded the sharpest rise in selling prices among advanced economies, but Japan, Canada and Australia also saw increased rates of inflation. By contrast, inflation cooled in the eurozone and UK, and softened in Brazil and mainland China.

Global consumer price inflation and PMI selling prices



Data compiled August 2026 including PMI data to July 2026 advanced six months.
PMI 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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Elevated inflation

Measured across both goods and services, average prices charged rose at an elevated rate by historical standards again in July, though the latest rise was the weakest recorded since March, according to PMI survey data. The rate of inflation cooled for a third straight month.

Goods price inflation has slowed especially sharply. Having hit levels not seen since 2022 since the outbreak of war in the Middle East, goods price inflation slipped to a four-month low in July. Factory input cost growth likewise weakened considerably again in July, down to its lowest since February.

Service sector charge inflation meanwhile ticked higher, albeit remaining just below the three-year high average seen in the second quarter, commonly linked again to high energy prices. Similarly, services input cost growth edged higher, albeit below recent highs.

US reports steepest price rise of advanced economies

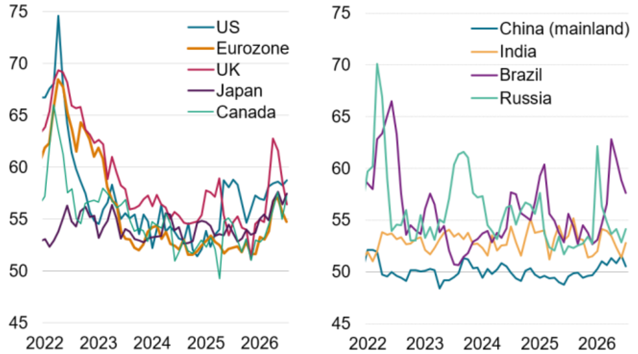
Among the major advanced economies, the US reported the steepest selling price growth in July. The rate of increase was among the sharpest seen over the past four years, accelerating from June. Services inflation, buoyed by events such as the FIFA World Cup and US250 celebrations, hit a 14-month high, accompanied by higher goods prices linked to tariffs and energy costs.

The rate of selling price inflation also lifted higher in Japan, hitting the second-highest in the survey's history thanks to the weaker yen and rising war-related input costs. Canada's inflation rate likewise accelerated, up to its second-highest since March 2023, while Australia saw the third-highest rate since January 2023.

In contrast, rates of inflation slowed in the eurozone and UK, largely due to lower energy prices.

Of the four major emerging markets, Brazil again reported the steepest rate of inflation, though the rate cooled to a four-month low, with price growth also moderating in mainland China. In fact, mainland China saw the weakest rise of the four economies after faster rates of inflation were reported in both Russia and India.

Major economies, prices charged



Data compiled August 2026 including PMI data to July 2026.
PMI index 50 = no change on prior month, covers manufacturing and services.
Source: S&P Global PMI, S&P Global Market Intelligence, HSBC, RatingDog.
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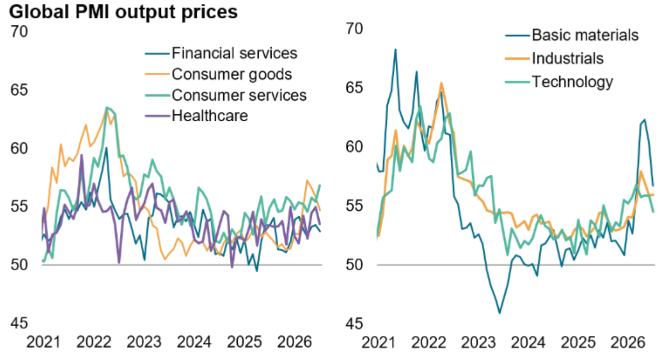
However, drilling down further, the sharp jump in tourism & recreation prices was exceeded only by that reported for insurance, where geopolitical and climate issues continued to drive up prices.

Global PMI output prices



Data compiled August 2026.
PMI (Purchasing Managers' Index) value of 50 = no change on prior month.
Source: S&P Global PMI, JPMorgan.
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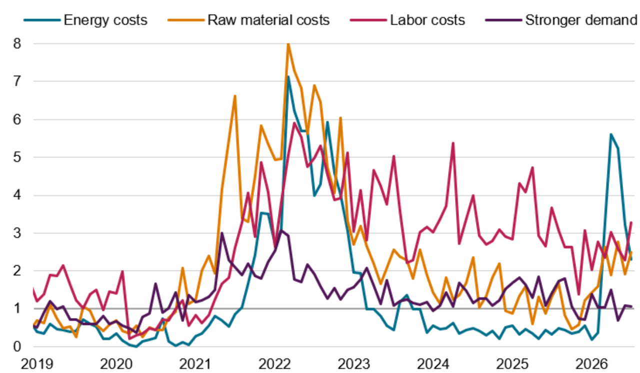
Energy price drop

Key to the cooler rates of inflation was a further sharp easing of reported energy price pressures in July, following reduced tensions in the Middle East. At the same time, however, upward pressure from labour costs intensified, often linked to higher staffing costs for labour-intensive industries such as consumer-facing services, which saw revived demand in July.

S&P Global PMI: drivers of higher worldwide selling prices



Data compiled August 2026 including data to July 2026.
Axis scale 1 = long term average. Covers goods and services.
Source: S&P Global PMI.
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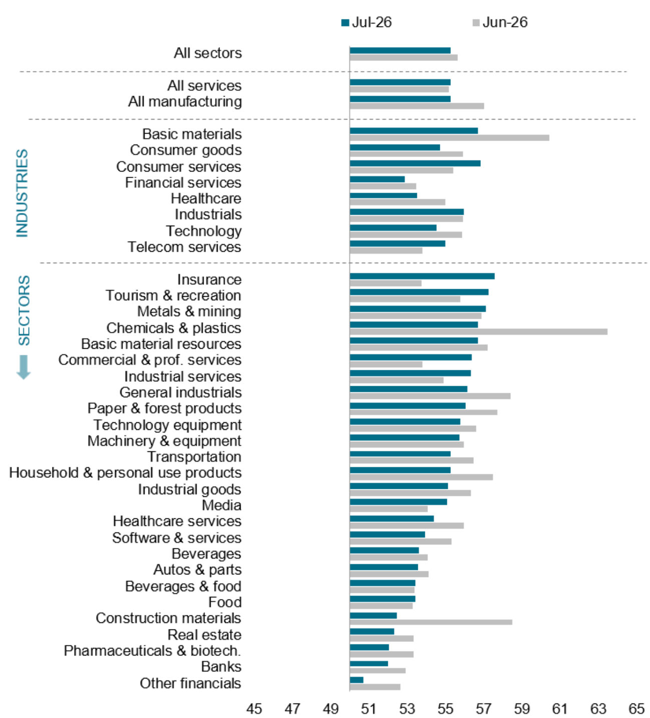
S&P Global PMI, global prices charged index



Data compiled August 2026.
PMI (Purchasing Managers' Index) value of 50 = no change on prior month.
Source: S&P Global PMI with J. P. Morgan.
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Consumer-service providers report jump in selling prices

The biggest uplift in price pressures globally in July was reported for consumer services, where rates levied rose at the fastest pace since May 2023. Higher charges often reflected demand that was supportive of increased rates thanks to one-off events such as the FIFA World Cup, but also reflected a broader revival in demand for tourism & recreation activities following the easing of Middle East tensions.

Selling price inflation eased most markedly for basic materials, as lower energy prices were accompanied by reduced demand as the recent trend towards precautionary inventory building faded during the month.

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