PMI by S&P Global

Global PMI and inflation

Global PMI hint at stubborn inflation amid energy and supply chain pressures

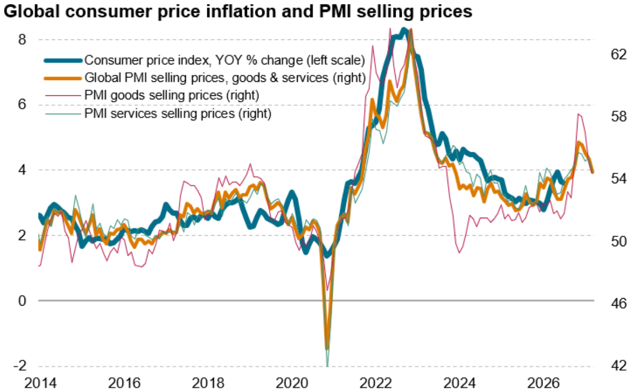
The latest official data point to global inflation cooling slightly in June and July from a recent peak in May, but the latest PMI data hint that it could rise further again in the near term. Concerns stem around renewed upward price pressures from energy and supply chains, principally linked to the ongoing war in the Middle East.

Cooling, but stubbornly high, inflation

Measured across both goods and services, average prices charged once again rose at an elevated rate by historical standards in August, according to the global PMI. Although the latest rise was the weakest recorded since February, the rate of inflation dropping for a fourth straight month, the index remains at a level indicative of higher global inflation than the 3.6% rate officially recorded for July. The leading indicator property of the PMI therefore also hints at the potential for stubbornly high inflation to run into the new year.

Rates of selling price inflation for both goods and services eased further in August, but both remained worryingly high thanks principally to the higher energy and raw material prices resulting from the war in the Middle East.

Global consumer price inflation and PMI selling prices



Data compiled September 2026 including PMI data to August 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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Japan reports steepest price rise of advanced economies

Among the major advanced economies, Japan reported the steepest rate of selling price inflation in August, the rate of increase hitting a new all-time survey high since data were first available in 2007.

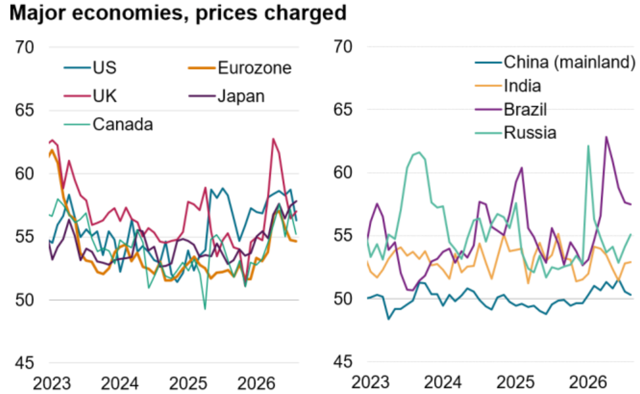
The rate of increase also ticked higher in the UK, albeit below recent highs, thanks to an accelerated rate of services inflation.

In contrast, rates of inflation cooled in the US, Canada and Australia, the former notably seeing a welcome slowing of inflation after the near-four-year highs in prior months. US price growth was consequently the slowest since last November.

Eurozone selling price inflation held steady on July, running below recent peaks but – as with all other major developed economies – still elevated by historical standards in both manufacturing and services.

Of the four major emerging markets, Brazil continued to report the steepest rate of inflation, though rates accelerated in both Russia and India. In contrast, mainland China saw the weakest rise of the four economies after its rate of inflation hit a seven-month low, with prices barely rising.

Major economies, prices charged



Data compiled September 2026 including PMI data to August 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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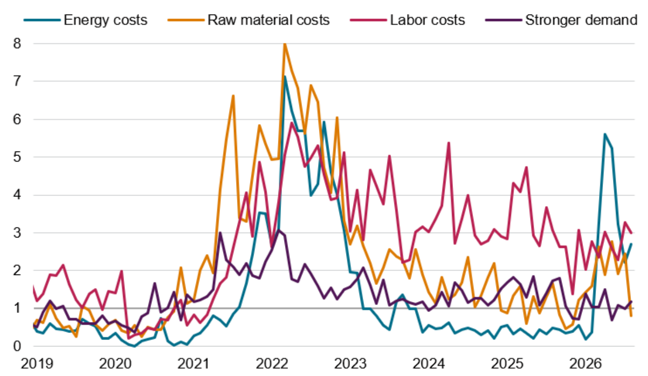
Energy and supply squeeze keep inflation worries elevated

The biggest shift in the factors driving global inflation in August was a downward lurch in pressure from raw material prices. Both labor cost and energy pressures remained elevated by historical standards, albeit the latter down from recent highs. Demand-pull price pressures meanwhile continue to hover around their long-run average.

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



Data compiled September 2026 including data to August 2026.
Axis scale 1 = long term average. Covers goods and services.
Source: S&P Global PMI.
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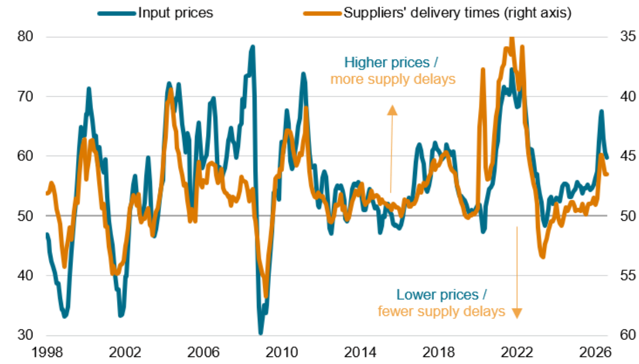
The concern is that renewed hostilities in the Middle East have pushed up energy costs again in September, which will add upward pressure to inflation again.

Meanwhile, the ongoing supply squeeze centred on the Middle East remains a concern for inflation. Supply chain delays continued to be widely reported in August, often linked to the drop in shipping through the Strait of Hormuz, though will additional delays coming from low water levels in other key transport routes, keeping raw material price pressures elevated and hence sending a warning signal on broader inflation trends.

Although supplier delivery times lengthened worldwide to a lesser degree than the peaks seen in April and May, the reporting of supply delays remained high by historical standards, sustaining the biggest supply shock since the pandemic.

Supply shortages combined with increased demand for raw materials, the latter in part reflecting safety/buffer stock building, put further upward pressure on manufacturing input costs. While cooling further from the peak in May, global factory input cost inflation in August remained higher than at any time since late 2022.

Global manufacturing supply delays and prices



Data compiled September 2026 using PMI data updated to August 2026.
PMI (Purchasing Managers' Index) 50 = no change on prior month
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