

US Manufacturing Activity Expands at Fastest Pace Since 2022

- S&P Global flash February gauge advanced to 51.5 from 50.7
- Factory orders index increased to highest since May 2022

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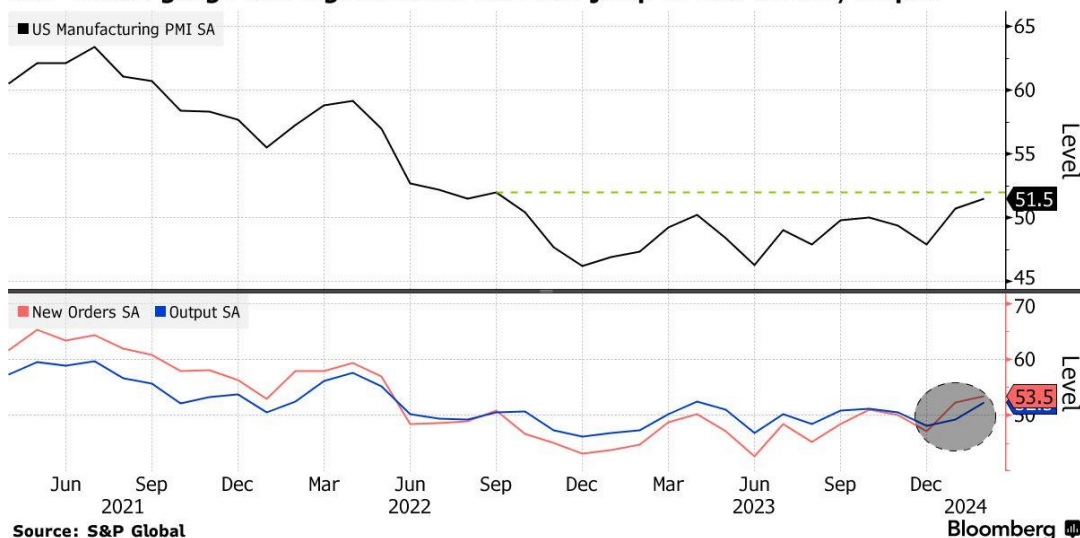
US manufacturing activity expanded at the fastest pace since September 2022, powered by stronger orders growth and suggesting producers are breaking out of an extended slump.

The S&P Global flash February purchasing managers index advanced to 51.5 from 50.7. Readings greater than 50 indicate expansion and, while only modest, the gauge has shown growth in consecutive months for the first time in over a year.

The group's measure of orders climbed to the highest since May 2022, while factory output expanded the most in 10 months.

US Manufacturing Activity Expands

S&P Global gauge hits highest since 2022 on jump in new orders, output



“Signs of inventory reduction policies becoming less widespread also helped boost production and sustain high levels of business confidence in the outlook for the year ahead among manufacturers,” Chris Williamson, chief business economist at S&P Global Market Intelligence, said in a statement.

The gauge of future factory output eased slightly but still hovered near the highest level since April 2022. Another bright spot was stronger export demand growth.

Separate figures from S&P Global showed business activity for service providers cooled to a three-month low. Despite firmer manufacturing, the softer growth in services pushed the composite output gauge down 0.6 point to 51.4.

Employment growth at services firms and manufacturers was little changed from the prior month, with service providers expressing some caution about hiring because of cost concerns.

Composite measures of prices showed input costs grew at the slowest pace since October 2020, while prices charged increased at a slightly faster pace.

(Adds graphic)