Macro Insights

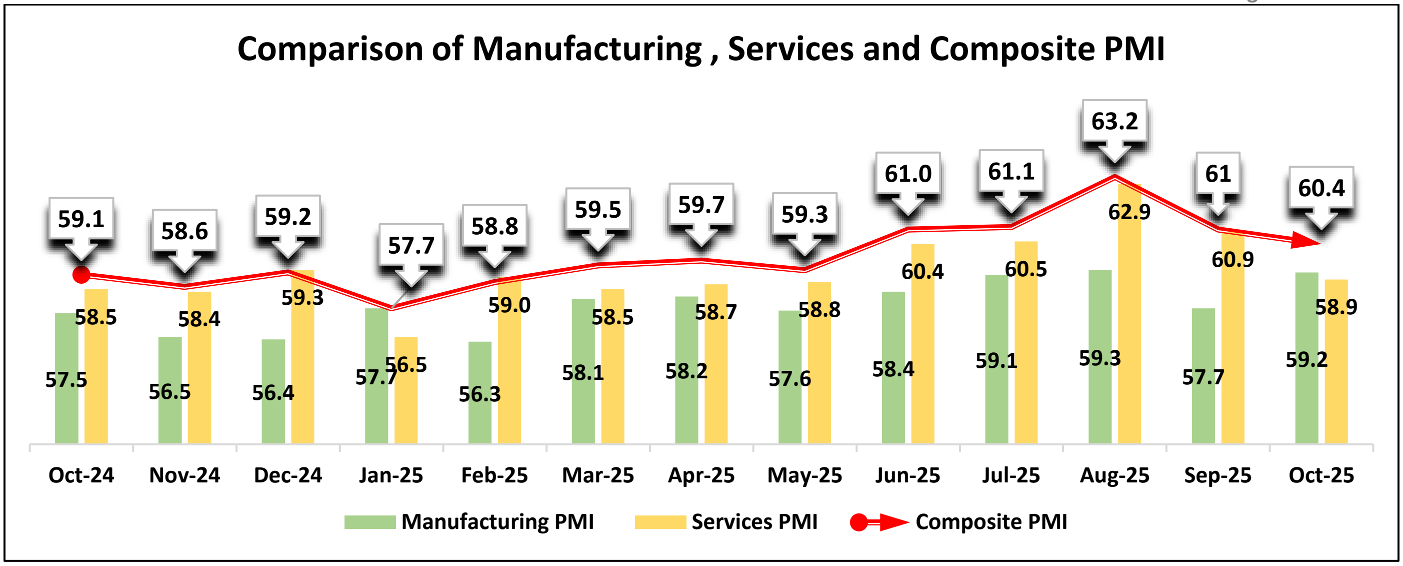
06th November 2025

Purchasing Managers' Index (PMI) for October 2025

Manufacturing PMI	Services PMI
☞ *HSBC India Manufacturing PMI rises to* ***59.2 in Oct'25,*** *higher than the flash estimate of 58.4 and Sept'25 figure of 57.7. The sector showed renewed strength in Oct'25.* *Strong demand, marketing initiatives, and confidence in GST changes fueled a sharp increase in new orders, while output growth remained on par with Aug'25.* The main observations for the month are: ➢ Sales growth was largely driven by the domestic market, with export orders rising at a slower pace. Although demand for Indian goods abroad did improve, the increase was the weakest recorded so far this year. ➢ Purchasing activity accelerated to its quickest since May 2023, as firms moved to expand inventories and safeguard inputs. ➢ On the price front, input cost inflation fell to an eight-month low in Oct'25, but output prices climbed to their joint-highest level in 12 years as firms passed on higher freight and labor expenses to customers.	☞ *India's services PMI fell to* ***58.9 in Oct'25*** *(lowest in past 5 months), it came higher than the initial estimate of 58.8, though lower than Sept'25 figure of 60.9.* *New business increased at the slowest pace in five months, weighed down by stronger competition & natural calamities such as floods and landslides.* The main observations for the month are: ➢ Overseas sales continued to rise, though the pace of growth was the slowest since Mar'25. Hiring also inched higher, matching the weakest increase seen in the past eighteen months. ➢ On the price front, input costs fell to their lowest inflation rate in 14 months, helped by a cut in GST rates. Consequently, output price inflation moderated to a seven-month low.

☞ *Composite* ***PMI*** *indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data.*

☞ *India's Composite PMI moderated to* ***60.4 in Oct'25*** *from 61.0 in Sept'25, indicating the weakest rate of expansion since Jun'25. The figure nevertheless remained comfortably above its long-run average and the neutral mark of 50.0.*



Source: HSBC India, S&P Global, PNB (EIC)

Outlook:

India's Oct'25 PMI data show a continued expansion in both manufacturing and services, though with a slight shift in momentum from the highs seen in Aug'25. The manufacturing sector remains firmly in expansion territory (i.e., PMI well above 50), which is positive for credit demand (capex, working capital) in manufacturing-linked sub-sectors.

The easing of input inflation also reduces cost-push risks, along with strengthening of domestic orders suggest economic resilience. However, the export slowdown and caution in sentiment imply a modest watch for export-driven sectors.

In services, the PMI slipped for a second straight month from its Aug'25 peak, yet it continues to signal resilience despite global headwinds. While the growth remains solid, the business sentiment has weakened to a three-month low and job growth moderation could have implications for consumption. Nevertheless, the input cost pressures increased at the slowest rate in 14 months with international sales for Indian services rising further in Oct'25 can be seen as a major positive.

Looking ahead, the PMI may witness some moderation but likely to remain broadly positive. Manufacturing activity is expected to sustain high growth, supported by resilient domestic demand and policy tailwinds from GST and investment measures. On the services side, growth is likely to remain steady, with domestic demand holding firm and operational challenges like adverse weather and rising competition recedes.

For any feedback or valuable suggestions: *Reach us at* ***eicsmead@pnb.co.in***

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