

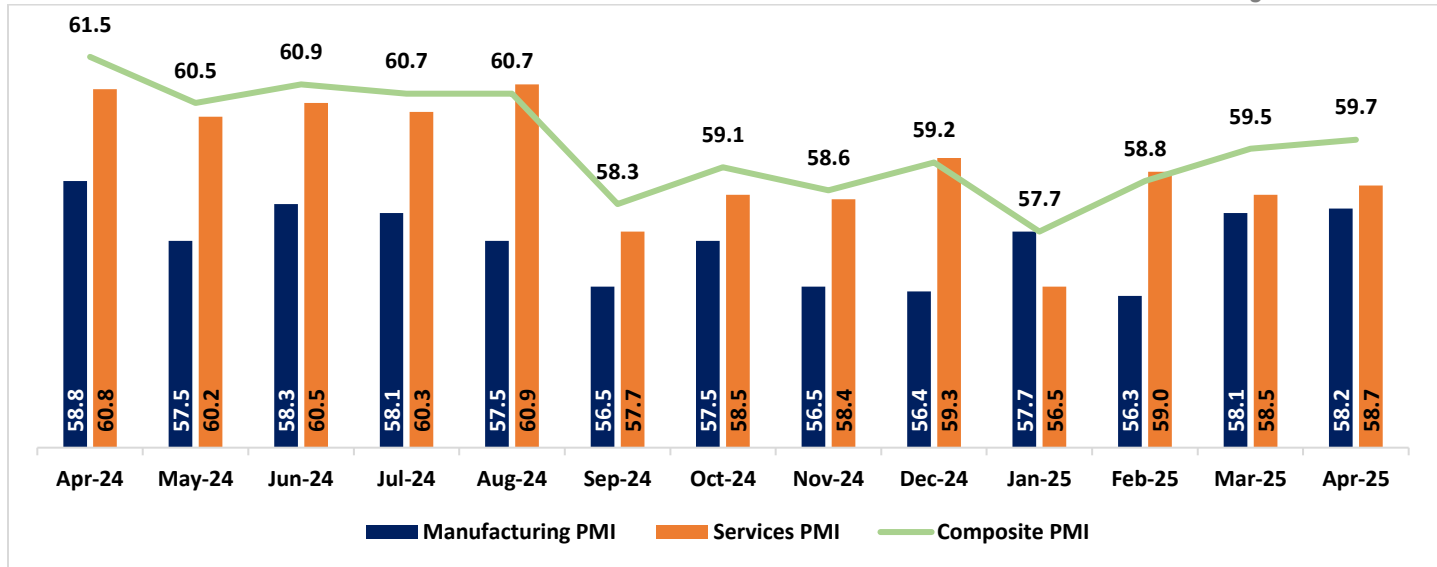
Macro Insights

07th May 2025

Purchasing Managers' Index (PMI) for April 2025

Manufacturing PMI	Services PMI
<p>☞ The seasonally adjusted HSBC India Manufacturing Purchasing Managers' Index (PMI) rose from 58.1 in March to 58.2 in April, indicating the strongest improvement in the health of the sector for ten months.</p> <p>☞ The main observations for the month are:</p> <ul style="list-style-type: none"> ➤ Growth momentum in the Indian manufacturing industry improved in April, with output increasing at the fastest pace since June 2024 on the back of another strong expansion in order books. ➤ Total sales were supported by the second fastest upturn in international orders since March 2011. This positive trend was accompanied by notable rises in employment and purchasing activity. ➤ A key factor contributing to the latest improvement in output growth was a sharp rise in new business. Little-changed from March, the rate of expansion was the second-strongest for nine months. Respondents attributed growth to better domestic and international demand. 	<p>☞ India's Services Purchasing Managers' Index (PMI) for April 2025, compiled by S&P Global, rose to 58.7, indicating a slight growth in the country's services sector compared to the 58.5 recorded in March.</p> <p>☞ The main observations for the month are:</p> <ul style="list-style-type: none"> ➤ After experiencing a slowdown in March, growth of business activity in the Indian service sector accelerated slightly in April. ➤ This regained momentum was largely driven by a quicker increase in new order inflows, which also underpinned a faster expansion in employment. Alongside this positive trend, capacity pressures continued to build, with unfinished work rising solidly. ➤ On the pricing front, average charges increased at a quicker pace, despite cost pressures retreating to a six-month low. ➤ The overall expansion in output was fuelled by a significant rise in new business intakes, the joint-best in eight months, with many firms noting favourable demand conditions and successful marketing efforts.
<p><i>The composite PMI for the Indian private sector for April 2025 was 59.7, indicating a robust expansion of economic activity. This figure represents a significant increase from the previous month and is the highest recorded growth rate since August 2024, driven by strong demand for both manufactured and service-related products and a notable rise in new export orders.</i></p>	

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



Outlook:

India's manufacturing and services sectors are exhibiting robust growth, with both the Manufacturing and Services PMIs' showing record expansion in April'25, indicating a positive economic outlook and a robust demand.

The overall output growth was driven by a substantial rise in new business intakes, matching an eight-month high, with numerous companies reporting favorable market conditions and effective marketing campaigns. The finance and insurance sub-sector showed the strongest output and growth rates for new orders. New export orders gained momentum, accelerating fastest since July 2024.

However, factors such as trade uncertainty, infrastructure bottlenecks for SMEs, input cost pressure, and slightly waning sentiment may pose downside risks, but the overall foundation is solid for sustained expansion into the next quarter.

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