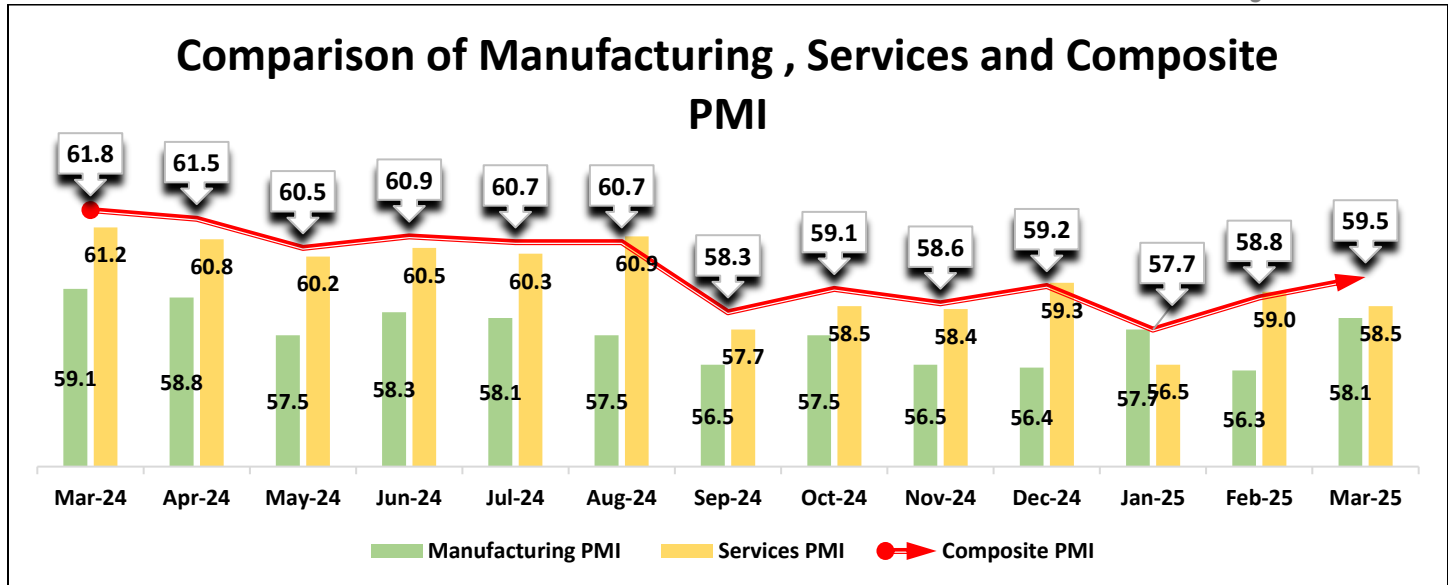


Macro Insights

05th April 2025

Purchasing Managers' Index (PMI) for March 2025

Manufacturing PMI	Services PMI
<p>☞ <i>The manufacturing PMI rose to an 8-month high of 58.1 in Mar'25, marked Quicker increases in factory orders and production.</i></p> <p>☞ The main observations for the month are:</p> <ul style="list-style-type: none"> ➤ Manufacturing sector growth in India recovered the ground lost in February, picking up to its highest in eight months as a faster upturn in total sales underpinned a sharper increase in output. ➤ Helping boost the PMI was a stronger contribution from its largest sub-component: the New Orders Index. March saw total sales expand to the greatest extent since July 2024, with companies remarking on positive customer interest, favorable demand conditions and successful marketing initiatives. ➤ Although new export orders continued to increase strongly in March, the pace of growth retreated to a three-month low. 	<p>☞ <i>India's service sector PMI was recorded at 58.5 in Mar'25 from 59.0 in Feb'25. This was primarily supported by favorable economic conditions at the end of 2024-25.</i></p> <p>☞ The main observations for the month are:</p> <ul style="list-style-type: none"> ➤ Inflationary pressures receded to a five-month low which, coupled with competitive conditions, curbed charge inflation. ➤ Although below February's reading of 59.0, the headline index remained above its long-run average (54.2). ➤ At the sub-sector level, there was a broad-based increase in business activity and sales, with Finance & Insurance exhibiting the strongest growth trends, followed by Consumer Services. ➤ There was a slowdown in growth of total new business reflected a weaker increase in international sales. New orders from abroad rose at the softest pace in 15 months.
<p>☞ <i>India's Composite PMI rose to 59.5 from 58.8 in February 2025, marking the fastest expansion in 7 months, another month of above-trend growth.</i></p> <p><i>(Composite PMI is a weighted average of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data.)</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 Mar'25, indicating a positive economic outlook and a robust demand.

Private sector activity continued to rise strongly in March, as companies welcomed a further upturn in new orders. For both new business and output, rates of expansion were stronger in the manufacturing sector, where there was a pick-up in growth. Despite seeing a slowdown, service providers still registered substantial increases.

Going forward, we expect domestic economic activity to hold steady as the Indian side is engaged in a proactive discussion with their US counterparts to minimize the impact of reciprocal tariff measures. However, geopolitical pressures do pose downside risks.

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