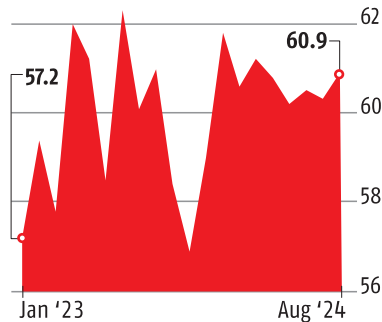


Aug Services PMI hits 5-mth high

HOLDING STEADY

Services PMI



Note: A print above 50 denotes expansion, while one below it shows contraction
Source: HSBC

SHIVA RAJORA

New Delhi, 4 September

Growth in India's dominant services sector rose to a five-month high in August as new businesses expanded amid easing inflationary pressure, said a private survey on Wednesday.

The HSBC headline Purchasing Managers' Index (PMI), compiled by S&P Global, rose to 60.9 in August from 60.3 in July. The index was above the neutral 50-mark that separates contraction from expansion for the 37th month straight.

Inflationary pressures retreated to their lowest in four years

and job creation rose as firms said they are upbeat about the economy. "Indian service providers signalled that the strong start to the second financial quarter continued into August, with business activity expanding to the greatest extent since March as growth of incoming new business ticked higher," said the survey.

It noted that sales growth was centered on the domestic market and new export business increased at a slower pace in August.

Finance and insurance were the best-performing sectors in services, in terms of both output and new business.