

Manufacturing flash PMI jumps to 4-mth high of 60.7 in Dec

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The private sector output grew at the fastest pace in four months, preliminary readings from a survey showed, helping the economy end 2024 on a positive note underpinned by sturdier demand in services and manufacturing and record jobs growth.

The economy grew at a softer 5.4 per cent rate last quarter, but easing inflation is expected to spur demand among private sector firms, improving the outlook for next year. Monday's HSBC's December flash India Composite Purchasing Managers' Index (PMI), compiled by S&P Global, rose to 60.7 this month – matching August's reading – after dropping to 58.6 in November.

The 50-level separates growth from contraction and the business activity index has been above 60 in all but three months this year. Such strength hasn't been seen since 2008 when the global financial crisis hit, suggesting strong private sector expansion. "The small rise in the headline manufacturing PMI in December was mainly driven by gains in current production, new orders and employment," said Ines Lam, economist at HSBC. "The expansion in new domestic orders quickened, suggesting a pick-up in growth momentum in the economy."