

March Flash PMI signals slower pvt sector output

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Private sector output in India increased at a slower pace in March as compared to the previous month, amid a quicker expansion in manufacturing activity and a softer increase in services activity, according to the HSBC Flash Purchasing Managers' Index (PMI) survey released on Monday.

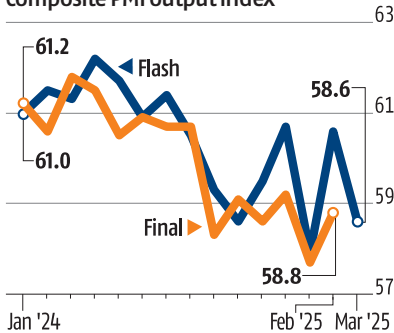
"Manufacturing was March's brighter spot, posting quicker increases in sales and output that were faster than those registered in the service economy," the survey noted.

The index compiled by S&P Global fell to 58.6 in March from February's final reading of 58.8. The index, which measures monthly change in the combined output of India's manufacturing and service sectors, has been above the neutral 50-mark that separates growth from contraction for the 44th consecutive month. "India's private sector economy ended the FY25 on strong footing, sustaining robust expansions in new business intakes and output. Rates of growth softened from February, though remained well above their respective long-run averages," the survey said.

In the manufacturing sector, the flash PMI, which is a composite measure of new orders, output, employment, supplier delivery times, and inventory levels, noted improvement in operating conditions that

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Composite PMI output index



Note: In PMI parlance, a reading above 50 denotes expansion, while below it shows contraction

Source: HSBC

was broadly aligned with average for FY25.

"When explaining the increase in output, private sector companies mostly remarked on positive demand trends. Indeed, new orders rose further, thereby stretching the current sequence of expansion to over three-and-a-half years," it said. "Goods producers indicated a quicker increase than in February, and one that was above the growth rate recorded for service providers. Among the latter, the pace of expansion was the second-slowest since November 2023 as firms noted an intensification of competitive pressure," the survey noted.