

# News Release

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## HSBC India Manufacturing PMI®

### New order growth quickens despite slowest rise in exports for 17 months

#### Key findings

Domestic market fuels February's upturn in sales

Manufacturers scale up production and buying volumes

Rate of input cost inflation unchanged from January

A substantial improvement in domestic demand for Indian goods fuelled new order intakes and spurred the greatest upturn in production volumes for four months. International sales expanded at a comparatively mild pace, and one that was the weakest in close to a year-and-a-half. In response to increasing workloads, firms stepped up input purchasing, lifted their inventories and hired extra staff.

Cost pressures remained benign, rising at a moderate rate that matched that seen in January. Output charge inflation ticked higher, however, and outpaced its long-run average.

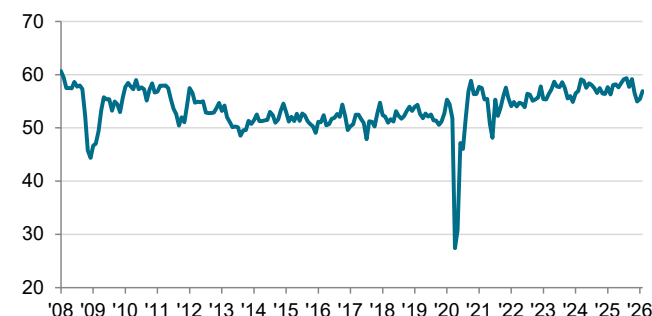
The seasonally adjusted HSBC India Manufacturing Purchasing Managers' Index™ (PMI®) – a gauge of overall conditions derived from measures of new orders, output, employment, supplier delivery times and stocks of purchases – rose from 55.4 in January to a four-month high of 56.9 in February. The latest figure was consistent with a marked improvement in the health of the sector.

Goods producers indicated that demand buoyancy, marketing initiatives and rising client requirements underpinned another expansion in new business intakes. Moreover, the pace of growth was historically elevated and the strongest since last October.

Output also rose at the fastest pace in four months and one that was above its long-run average. According to panel members, efficiency improvements, healthy underlying demand, rising intakes of new work and tech investment collectively boosted production volumes.

One area where growth took a step back was new export orders. February's increase was the slowest in 17 months, with the rate of expansion broadly converging towards its long-run average. Where external sales rose, monitored companies cited gains from Asia, Europe the Middle East and the US.

HSBC India Manufacturing PMI  
sa, >50 = improvement since previous month



Sources: HSBC, S&P Global PMI.

Data were collected 9-23 February 2026.

#### Comment

Pranjul Bhandari, Chief India Economist at HSBC, said:

"India's final manufacturing PMI reflected an acceleration in manufacturing activity in February. Output expanded at a faster rate for a second month, supported by stronger domestic orders. However, growth in new export orders continued its slowing trend that began in mid-2025, somewhat restricting employment creation in the manufacturing sector."

With total new orders continuing to expand sharply, manufacturers in India purchased additional materials to supplement production and add to inventories. Buying levels rose at the fastest pace in three months.

Concurrently, pre-production inventories increased to a greater extent in February. The rate of accumulation was sharp and well above its long-run trend.

Elsewhere, Indian goods producers suggested that greater outlays on labour, materials and transportation added to their expenses midway through the last fiscal quarter. That said, the rate of inflation was moderate and equal to January's.

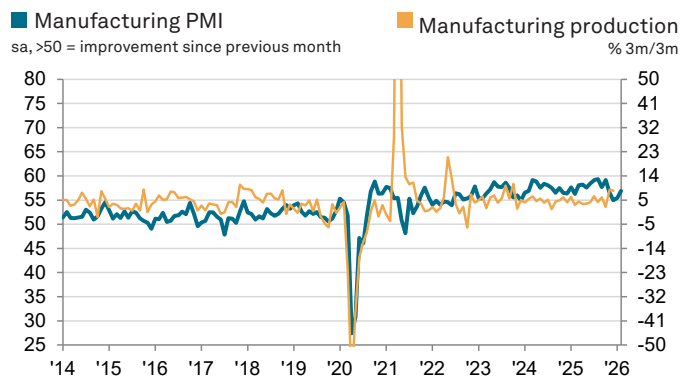
Companies sought to protect their margins from cost increases and lifted selling prices once again. Here the rate of inflation accelerated and outpaced its long-run trend.

Contributing to the increase in labour costs was another round of job creation. Factory employment expanded only slightly, but nevertheless at the quickest pace in four months.

One factor that supported additional hiring was a further increase in outstanding business volumes at manufacturers in India. Although marginal, the rate of backlog accumulation strengthened to a seven-month high.

In terms of supplier capacity, the latest data showed a lack of pressure as delivery times improved further.

Year-ahead assessments of output volumes remained positive as 16% of companies forecast growth and fewer than 1% anticipate a reduction. Boding well to the outlook were marketing efforts and favourable demand conditions, qualitative survey data showed.



Sources: HSBC, S&P Global PMI, CSO via S&P Global Market Intelligence.

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### Survey methodology

The HSBC India Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in March 2005.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

### About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. [www.spglobal.com/marketintelligence/en/mi/products/pmi](http://www.spglobal.com/marketintelligence/en/mi/products/pmi)

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