

# News Release

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## HSBC Flash India PMI<sup>®</sup>

### PMI data signal stronger output growth and pick-up in inflationary pressures across private sector

#### Key findings

HSBC Flash India Composite PMI Output Index: 59.3 (January final: 58.4)

HSBC Flash India Services PMI Business Activity Index: 58.4 (January final: 58.5)

HSBC Flash India Manufacturing PMI Output Index: 61.4 (January final: 58.1)

HSBC Flash India Manufacturing PMI: 57.5 (January final: 55.4)

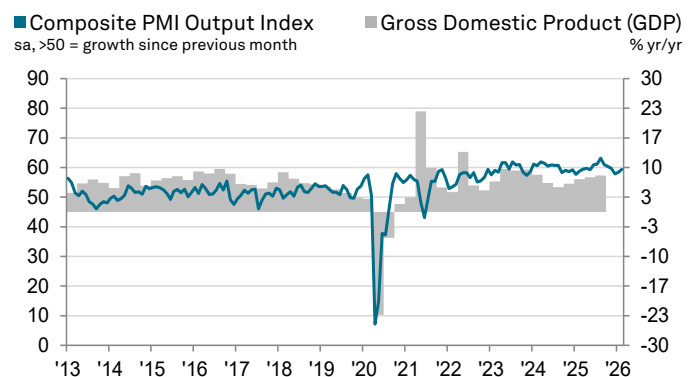
Private sector companies in India welcomed quicker increases in total new orders and international sales during February, which prompted them to recruit additional staff and scale up output. Also, businesses became more optimistic towards growth prospects. These improvements were accompanied by an intensification of inflationary pressures, with both input costs and selling charges rising at faster rates.

The **HSBC Flash India PMI<sup>®</sup> Composite\* Output Index** – a seasonally adjusted index that measures the month-on-month change in the combined output of India's manufacturing and service sectors – rose from 58.4 in January to 59.3 in February, indicating the strongest rate of expansion for three months. The acceleration was driven by a quicker upturn in factory production, as growth of services activity was broadly similar to that registered at the start of the 2026 calendar year.

Similar to the trend for output, aggregate new orders increased at the fastest pace since last November. Survey participants attributed growth to demand strength, local tourism, marketing efforts and rising client enquiries.

Goods producers signalled a stronger rise in total sales than services firms, and one that was the quickest in four months, as the latter saw growth retreat to a 13-month low. Dampening the upturn was competitive pressures and the offer of cheaper services elsewhere, qualitative data showed.

One area where the service economy outperformed was exports, as international orders rose at a substantial pace that was the steepest since August 2025. Conversely, manufacturers observed the slowest increase in external sales for 16 months. At the composite level, February's expansion was the strongest since last September.



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

\*Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data.

Data were collected 9-17 February 2026.

#### Comment

Pranjul Bhandari, Chief India Economist at HSBC, said:

*"The manufacturing industry strengthened in February, supported by robust growth in output and new domestic orders. That said, growth of new export orders slowed. Conversely, services saw a notable acceleration in new export business, while its domestic orders moderated. Both manufacturers and service providers were optimistic about the future, despite rising inflationary pressures."*

The preliminary PMI data showed a mild pick-up in capacity pressures among private sector companies operating in India. Outstanding business volumes rose for the third straight month in February and at the quickest pace since July 2025. The rate of accumulation was, however, only slight.

With backlogs of work rising in a broad-based fashion, employment increased in the manufacturing and service sectors. Rates of expansion were modest, but quickened in each case. At the composite level, the pace of job creation strengthened to a three-month high.

In addition to hiring additional staff, goods producers also scaled up purchasing volumes. Input buying growth climbed to a four-month high in February. Still, data suggested that suppliers were comfortably able to delivery materials in a timely manner, with the current sequence of improving vendor performance stretching to two years. This aided firms' efforts to lift stocks of raw materials and semi-finished items.

The strength seen across the goods-producing economy was evidenced by the **HSBC Flash India Manufacturing PMI** rising from 55.4 in January to a four-month high of 57.5 midway through the final fiscal quarter. The latest reading was comfortably above the neutral threshold of 50.0 and its long-run average of 54.2.

Levels of positive sentiment improved among services companies and their manufacturing counterparts. Collectively, firms were at their most optimistic regarding the year-ahead outlook for business activity in exactly one year. Panellists expect investment and marketing efforts to bear fruit.

In tandem with rising cost pressures, companies in India lifted their selling prices during February. Moreover, the aggregate rate of inflation accelerated to a six-month high and outpaced its long-run average.

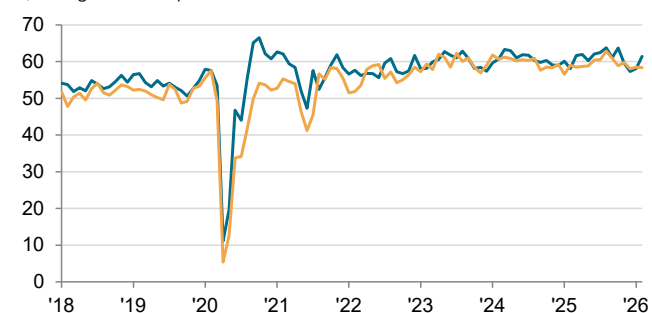
Service providers registered a faster increase in output charges than manufacturers, reflecting more intense cost pressures. In fact, the rate of input price inflation faced by Indian factories was equal to that seen in January, while services firms noted the steepest rise in two-and-a-half years. Across the combined private sector, cost burdens rose to the greatest extent in 15 months. Panel members reported greater outlays on chemicals, eggs, freight, labour, machinery, meat, metals, packaging materials and vegetables.

HSBC India Manufacturing PMI



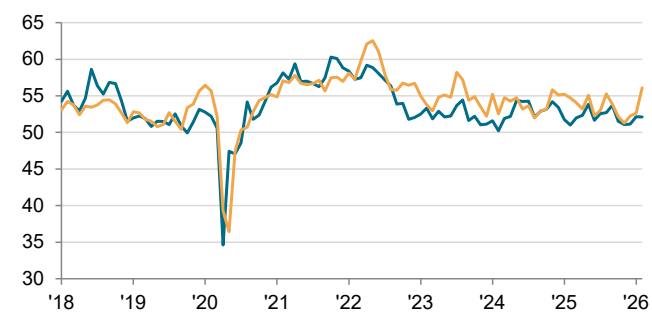
Sources: HSBC, S&P Global PMI.

■ Manufacturing PMI Output Index  
 ■ Services PMI Business Activity Index  
 sa, >50 = growth since previous month



Sources: HSBC, S&P Global PMI.

■ Manufacturing PMI Input Prices Index  
 ■ Services PMI Input Prices Index  
 sa, >50 = inflation since previous month



Sources: HSBC, S&P Global PMI.

## Contact

HSBC India  
Shalaka Kagathra  
T: +91 22 22681046  
[shalaka.kagathra@hsbc.co.in](mailto:shalaka.kagathra@hsbc.co.in)

Snehha Madhyani  
T: +91 22 22685341  
[snehha.madhyani@hsbc.co.in](mailto:snehha.madhyani@hsbc.co.in)

S&P Global Market Intelligence  
Pollyanna De Lima  
Economics Associate Director  
T: +44 1491 461 075  
[pollyanna.delima@spglobal.com](mailto:pollyanna.delima@spglobal.com)

Eri Amano  
APAC Senior Communications Manager  
T: +81 (0) 80 3714 7658  
[eri.amano@spglobal.com](mailto:eri.amano@spglobal.com)  
[press.mi@spglobal.com](mailto:press.mi@spglobal.com)

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### Survey methodology

The HSBC Flash India PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of around 400 manufacturers and 400 service providers. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. The services sector is defined by S&P Global as consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. The following variables are monitored:

**Manufacturing:** Output, new orders, new export orders, backlogs of work, stocks of finished goods, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, future output.

**Services:** Business activity, new business, new export business, outstanding business, employment, input prices, prices charged, future activity.

A diffusion index is calculated for each manufacturing and services 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.

Composite indices for are calculated by weighting together comparable manufacturing and services indices using official manufacturing and services annual value added.

The headline figure is the Composite Output Index. This is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. It may be referred to as the 'Composite PMI' but is not comparable with the headline Manufacturing PMI, which is a weighted average of five manufacturing indices (including the Manufacturing Output Index).

The headline manufacturing figure is the Manufacturing 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.

The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline Manufacturing PMI.

Flash data are calculated from around 80-90% of total responses and are intended to provide an accurate early indication of the final data. Since flash data were first processed, the average differences between final and flash index values for the headline indices are:

Composite Output Index = -0.2 (absolute difference = 0.5)

Services Business Activity Index = -0.2 (absolute difference = 0.7)

Manufacturing PMI = -0.1 (absolute difference = 0.4)

Underlying final 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).

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### 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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