

News Release

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HSBC India Manufacturing PMI[®]

Input prices rise at steepest rate since August 2022

Key findings

Soaring cost pressures push up charge inflation

New order growth quickens, but remains among slowest in four years

Second-weakest increase in output since October 2022

April data showed mild recoveries in growth of new business intakes and production among Indian manufacturers, but rates of increase were still the second-weakest since 2022. Exports was a bright area, with firms welcoming the fastest upturn since last September. Companies continued to indicate that the war in the Middle East exerted upward pressure on inflation. Input costs and output charges rose at the quickest rates in 44 and six months respectively.

Despite rising from 53.9 in March to 54.7 in April, 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 – signalled the second-slowest improvement in overall operating conditions in close to four years.

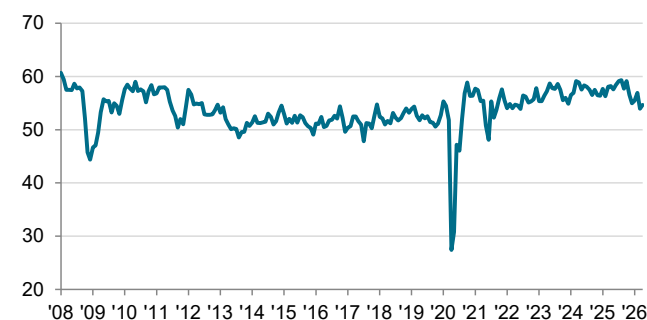
The two largest sub-components of the PMI, new orders and output, rose since March but trailed readings seen in at least three-and-a-half years. Survey participants indicated that advertising and demand resilience supported sales and production, but that growth was hampered by competitive conditions, the war in the Middle East and a reluctance among clients to approve pending quotes.

New export orders expanded sharply at the start of the first fiscal quarter, with the pace of growth reaching a seven-month high. Firms noted better demand from clients in several countries, including Australia, France, Japan, Kenya, mainland China, Saudi Arabia, the UAE and the UK.

Amid reports of higher prices for aluminium, chemicals, electrical components, fuel, leather, petroleum products and rubber, average cost burdens rose further in April. Panellists often attributed hikes to the Middle East war. The overall rate of inflation climbed to its highest August 2022. Subsequently, goods producers lifted their fees to the greatest extent in six months.

Consumer goods was the only category to see a slowdown

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



Sources: HSBC, S&P Global PMI.
Data were collected 8-24 April 2026.

Comment

Pranjul Bhandari, Chief India Economist at HSBC, said:

"India's manufacturing PMI rose to 54.7 in April, up from 53.9 in March, but still marking the second-slowest improvement in operating conditions in nearly four years. Spillovers from the Middle East conflict are becoming more evident, particularly through inflation: input costs increased at the fastest pace since August 2022, and output prices rose at the quickest rate in six months. Even so, output, new orders (including exports) and employment all grew moderately, pointing to continued resilience in India's manufacturing sector."

in cost inflation, but the rate of increase here nevertheless surpassed those seen elsewhere. This sub-sector also topped the rankings for output charge inflation.

Although manufacturers in India purchased additional raw materials and semi-finished items in April, the rate of expansion retreated to the joint-weakest in close to two-and-a-half years.

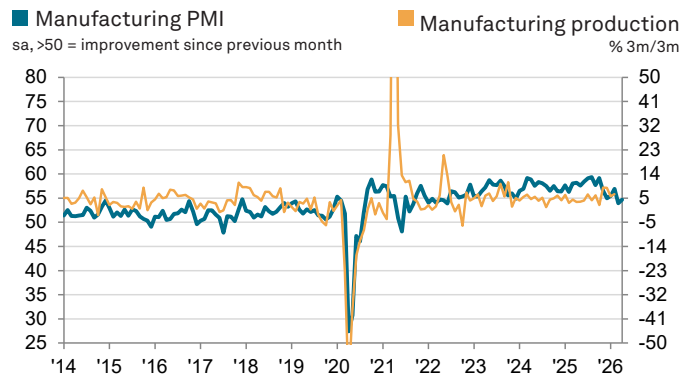
Concurrently, input inventories rose at the slowest pace in close to five years. Growth was constrained by attempts among some firms to keep stocks lean due to subdued sales performances, qualitative data showed.

Finished goods inventories increased for the first time in six months, but the rate of accumulation was slight overall.

Despite only a marginal increase in outstanding business volumes, manufacturers recruited additional workers at the start of the first fiscal quarter. Moreover, the rate of job creation was marked and the strongest in ten months. Hiring growth reflected expansion plans, according to anecdotal evidence.

Indian manufacturers remained optimistic towards growth prospects. The overall level of positive sentiment slipped since March, though was at its second-highest mark since November 2024. Confidence was pinned on hopes that marketing efforts will bear fruit and that pending projects will be approved.

Finally, goods producers signalled shorter input lead times in April, which they associated with better coordination with new and existing suppliers. The extent of the latest improvement was historically strong.



Contact

HSBC India
Shalaka Kagathra
T: +91 22 22681046
shalaka.kagathra@hsbc.co.in

Snehha Madhyani
T: +91 22 22685341
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

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

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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.

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

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