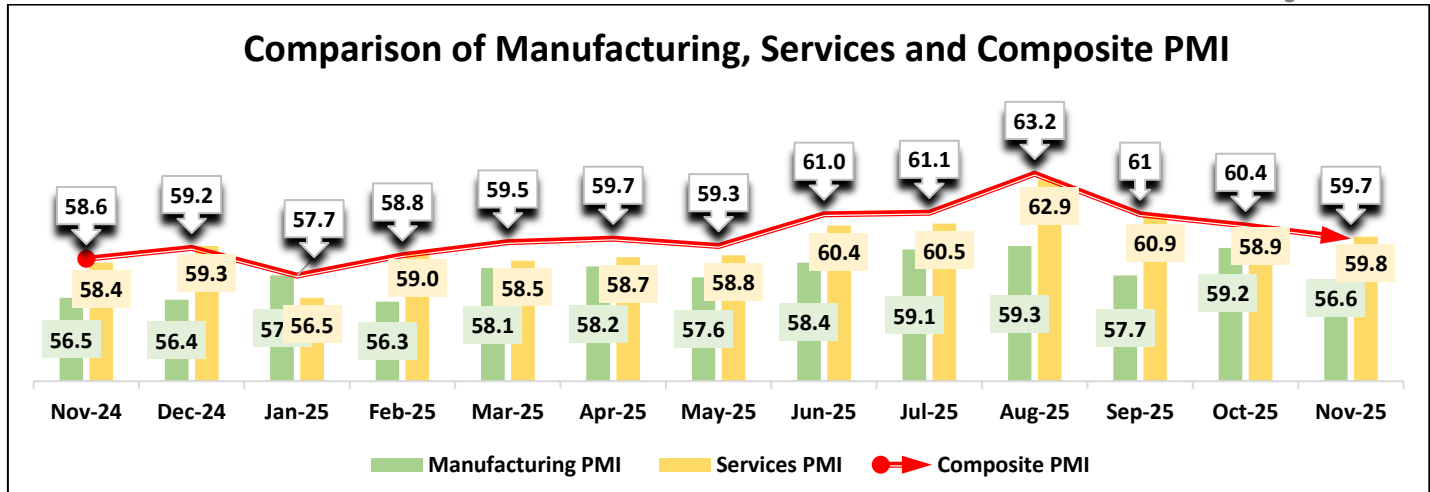


Macro Insights

03th December 2025

Purchasing Managers' Index (PMI) for November 2025

Manufacturing PMI	Services PMI
<p>👉 <i>HSBC India Manufacturing PMI moderated to 56.6 in Nov'25, from October's 59.2, marking the slowest expansion in nine months.</i></p> <p><i>Weaker sales/production growth and fading GST boost, with high US tariffs translating into slower export orders. Nonetheless, overall conditions remained expansionary (above 50) and the sector remained above its long-run average of 54.2.</i></p> <p>The main observations for the month are:</p> <ul style="list-style-type: none"> ➤ New orders and output remained in expansionary zone, although it was the slowest since Feb'25. ➤ New export orders rose at the weakest pace in over a year, but manufacturers noted substantial upturn in order books, attributed to competitive pricing and positive demand trends. ➤ Purchasing activity witnessed its slowest expansion since Feb'25 in line with the slowdown in new order growth. <p>Input cost inflation fell to a 9-month low, while output charge inflation receded to an eight-month low, allowing firms to limit hikes to selling prices.</p>	<p>👉 <i>India's services PMI showed strong growth in Nov'25, rising to 59.8, up from October's five-month low of 58.9.</i></p> <p><i>Demand for Indian services strengthened, with new orders in November rising quicker than in October. However, the growth in international sales slowed to an eight-month low, attributed to aggressive global competition and cheaper alternatives abroad.</i></p> <p>The main observations for the month are:</p> <ul style="list-style-type: none"> ➤ Job creation continued for the 42nd consecutive month, but the rate of expansion remained modest and broadly similar to the previous two months. ➤ Input cost inflation softened to its lowest rate in nearly five-and-a-half years. As a result, output price inflation was negligible, easing to an eight-month low, as firms faced intense competition that limited their pricing power.
<p>👉 <i>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.</i></p> <p>👉 <i>India's Composite PMI eased slightly to 59.7 in Nov'25 from 60.4 in Oct'25, marking the slowest growth since May'25, primarily due to a slowdown in manufacturing activity. The figure nevertheless remained comfortably above its long-run average and the neutral mark of 50.0.</i></p>	



Source: HSBC India, S&P Global, PNB (EIC)

Outlook:

India's private sector saw a mixed performance in Nov'25, with the Services PMI accelerating, but the Manufacturing PMI (it was vice-versa in Oct'25) and Composite PMI continued to moderate for 3rd straight month after August highs. This indicates a shift in momentum, driven by strong domestic services demand, counterbalanced by a slowdown in manufacturing activity and weaker export performance across both sectors.

The continued easing of input inflation in both sectors reduces cost-push risks, along with strengthening of domestic orders suggest economic resilience.

In manufacturing the export slowdown, attributed to global competition and potential factors like US tariffs, weighed on the sector, with new export orders rising at the weakest pace in over a year.

In services, the PMI gained traction in Nov'25 after witnessing moderation in last two months. Growth was underpinned by robust new business intakes and strong domestic demand, with operational challenges easing. However, international sales growth slowed to an eight-month low due to competition. Nevertheless, a significant positive was the easing of inflation, with input cost pressures reaching a nearly five-and-a-half-year low, which helped boost demand.

Overall, the PMI is expected to remain in expansionary zone i.e. above the 50-mark. Manufacturing activity may sustain high growth but will face headwinds from the export market, while the services sector is likely to remain steady, driven by strong domestic fundamentals and receding operational issues. The easing of inflation across both sectors bodes well for the broader economy.

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