INDIA SERVICES PMI REPORT– JUNE 2026

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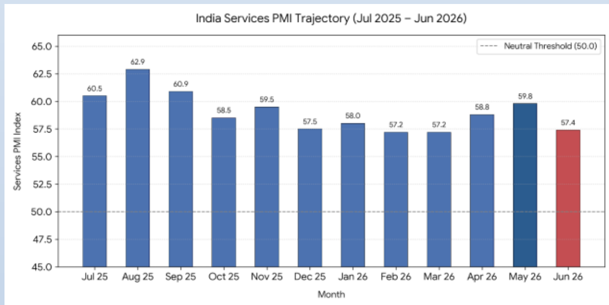
Highlights

Services PMI:
- India Services PMI Business Activity Index eased to **57.4** in June 2026, down from **59.8** in May. While remaining safely above the neutral 50 mark that indicates expansion, it marked a 17-month low.

Production & Demand:
- Growth in new orders slowed down due to intensifying domestic competition and reduced client interest, leading to weaker domestic business expansion.

Employment:
- Employment growth pulled back sharply after solid gains in April and May, with hiring largely pausing as companies felt existing payroll levels were sufficient for current workloads.

Inflation:
- Cost pressures moderated, with input price inflation easing to a five-month low. This gave service providers room to limit increases in customer selling prices.



Source - S&P Global India Services PMI®

"India's services PMI signalled an expansion in business activity in May, supported by a continued rise in new business. External demand for India-provided services also grew at a faster pace, rebounding after a sharp decline in April. Input cost inflation eased, which in turn reduced pressure on selling prices," said Pranjul Bhandari, chief India economist at HSBC.

Note:
1. PMI stands for Purchasing Managers' Index.
2. PMI is one of the closely watched indicators of business activity across the world.
3. The magic number is 50. A reading of 50 or higher generally indicates that the industry is expanding.
4. Share of the Service sector in GDP in India is nearly 50%.
5. The PMI is prepared by IHS Markit.
6. PMI was first prepared by ISM USA in 1948.

INDIA MANUFACTURING PMI REPORT - JUNE 2026

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HIGHLIGHTS

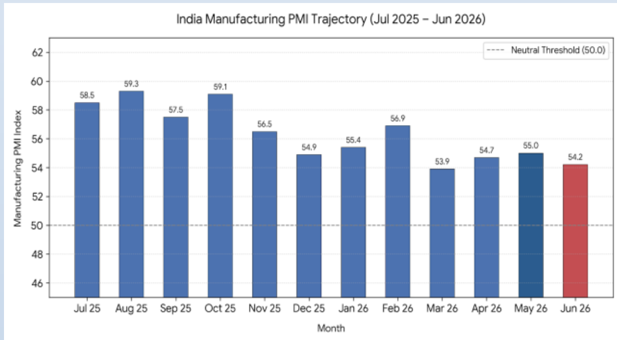
Manufacturing PMI:

- Manufacturing PMI eased to **54.2** in June 2026 from **55.0** in May, representing one of the lowest growth rates in factory activity since mid-2022.

Production & Demand:

- Production and total sales expanded at a slower rate due to softer domestic demand and increased client pushback against price hikes.

Employment:



- Factory hiring slowed down as firms adjusted workforce size to match current demand, while finished goods inventories fell at the fastest rate in six months.

Inflation:

- Input cost inflation dropped to a 4-month low, allowing manufacturers to moderate their output prices to a 3-month low.

Pollyanna De Lima commented on India's **May 2026** manufacturing PMI in the HSBC Flash India PMI release, saying manufacturing activity eased marginally and the Manufacturing PMI fell to 54.3 from 54.7 in April.

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2. PMI is one of the closely watched indicators of business activity across the world.
3. The magic number is 50. A reading of 50 or higher generally indicates that the industry is expanding.
4. Share of the manufacturing sector in GDP in India is nearly 17%.
5. The PMI is prepared by IHS Market.
6. PMI was first prepared by ISM USA in 1948.

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