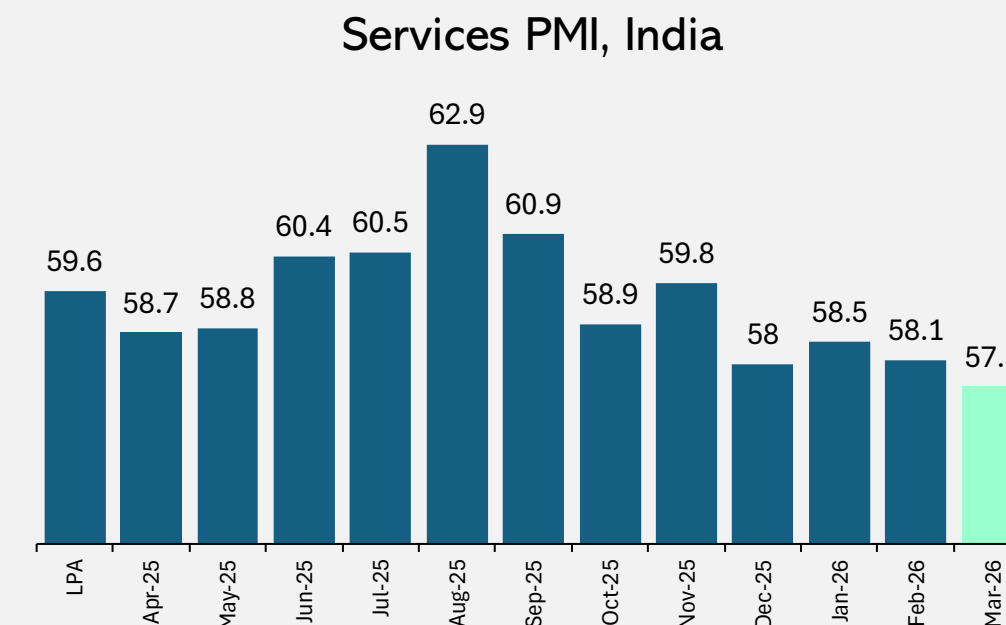
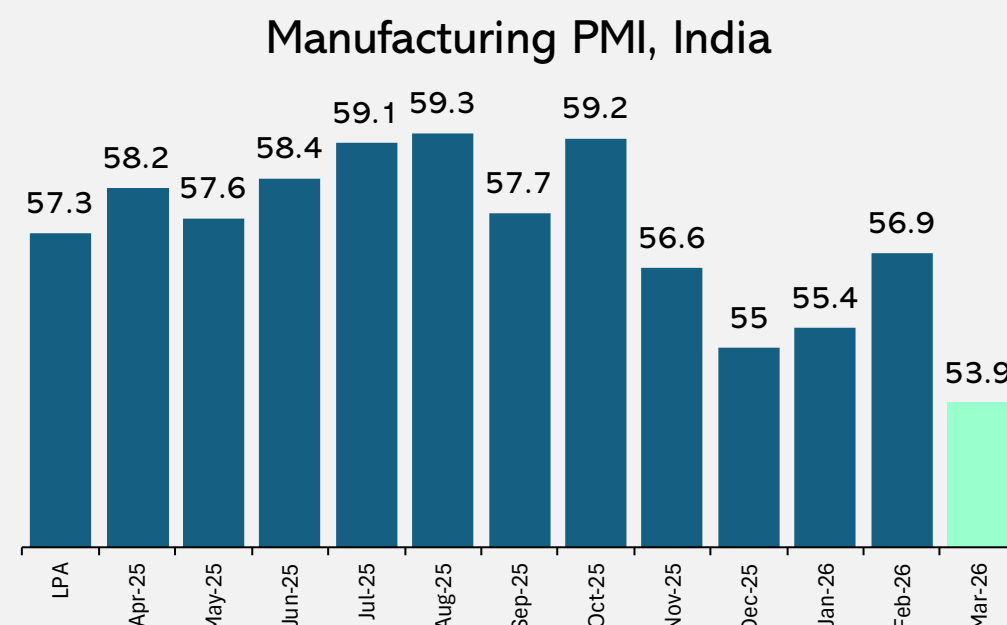
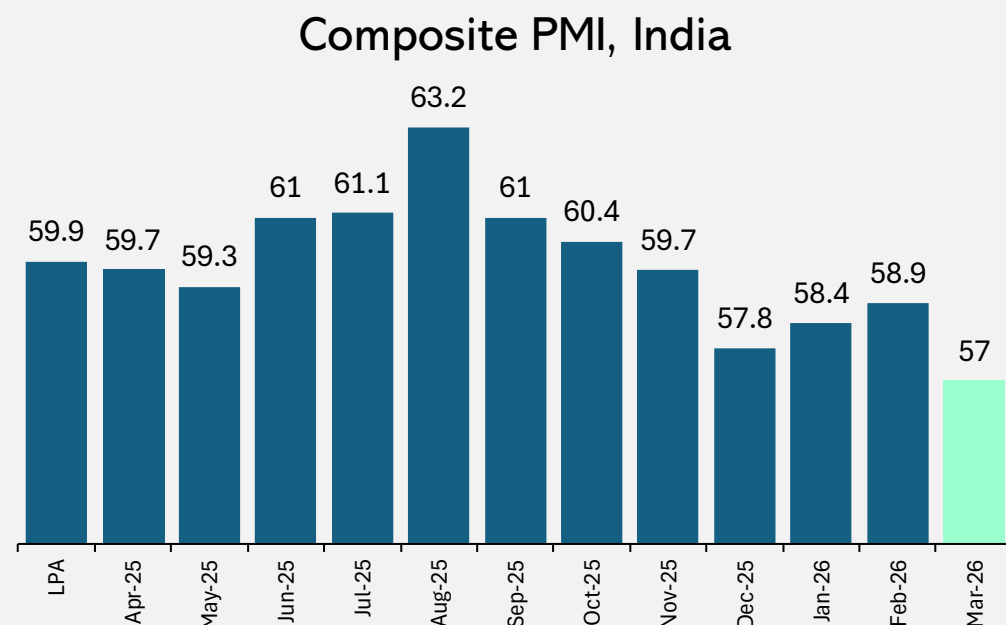


PMI – Mar'26

Growth slows
amid uncertainty

India's composite PMI noted a sharp deterioration in Mar'25, weakest in over three years. The moderation was driven on account of a steep fall in manufacturing PMI which too came in at a two-year low. Sentiments seem to be dragged lower on account of elevated risks, while a softer rise in new orders and output can indicate early signs of pain in domestic economic activity. Further, the survey noted elevated cost pressures in four years.



6 April, 2026

Sujan Hajra | Chief Economist

Raj Singh | Economist

Sweta Jain | Research Analyst

Manufacturing PMI falls amid Iran war. India's manufacturing sector growth plunged to 53.9 in March from 56.9 in February. The decrease was driven largely by new orders and output, which recorded the slowest growth since mid-2022, amid challenging market conditions, cost pressures and heightened uncertainty caused by the war. Employment growth strengthened as firms hired to support operations and clear backlogs, while stable supply conditions kept improvements in delivery times modest. Meanwhile, stocks of purchases increased as companies built buffer inventories to safeguard against uncertainty and ensure smooth production.

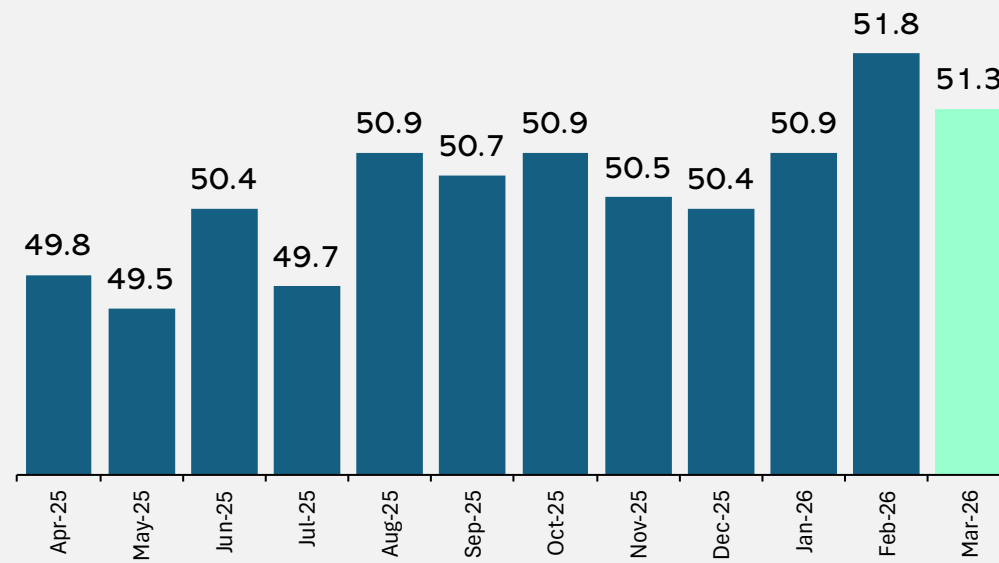
Global Demand keeps Services PMI resilient. The services sector remained in expansion in March, though momentum eased with the PMI falling to 57.5. New export orders strengthened, supporting overall demand even as domestic order growth slowed. Employment growth extended for a third month, with firms outlook remaining optimistic.

Composite activity softens amid rising cost pressures. Composite PMI eased to 57.0 in Mar'26 from 58.9, marking the slowest expansion in nearly three-and-a-half years as momentum weakened across both manufacturing and services.

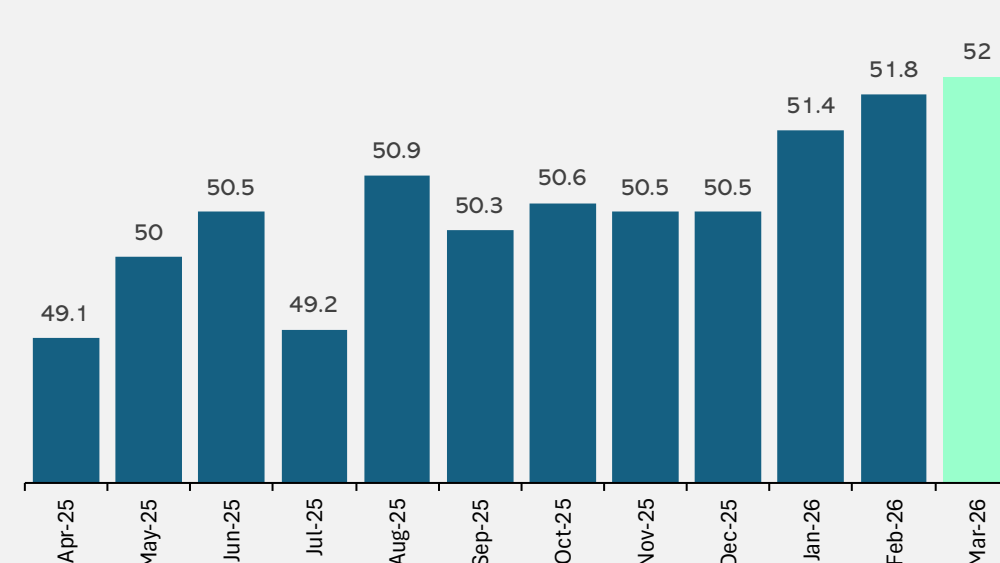
Global Manufacturing PMI

Global PMI for Mar'26 suggests that the world economy remains in expansion but has softened, with manufacturing resilience tested by geopolitical disruptions and rising costs. Supply chain delays and surging input prices, particularly linked to the West Asia conflict, have masked weakening demand and weighed on business confidence. Regional divergences have widened, with Europe facing the most severe supply shocks, Asia seeing a broad-based slowdown in output, and North America remaining relatively resilient.

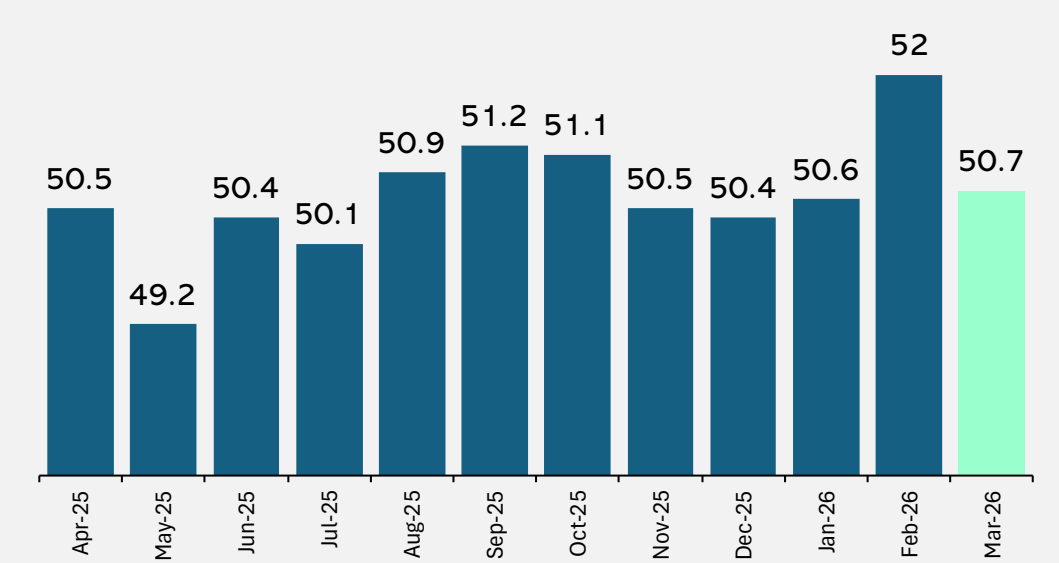
Global Manufacturing PMI



Developed Markets Manufacturing PMI



Emerging Markets Manufacturing PMI



Countries		Mar-26	Feb-26	Jan-26	1-year	LPA
Advanced	Australia	49.8	51	52.3	51.3	49.5
	Germany	52.2	50.9	49.1	49.2	45.0
	Japan	51.6	53	51.5	49.7	49.4
	United Kingdom	51	51.7	51.8	48.5	48.2
	United States	52.3	51.6	52.4	51.8	50.4
Emerging	Brazil	49	47.3	47	48.5	50.0
	China	50.8	52.1	50.3	50.4	50.5
	India	53.9	56.9	55.4	57.3	57.3
	Indonesia	50.1	53.8	52.6	50.5	51.3
	Korea	52.6	51.1	51.2	49.5	49.7

Developed economies saw mixed trends in manufacturing in March. U.S. and Germany manufacturing performance improved since February, supported by stronger output and new orders. In contrast, UK output marginally declined to 51 albeit remaining in expansion, while Australia slipped into contraction, with the PMI falling to 49.8.

Emerging market economies saw a moderation in growth momentum in March despite continued expansion. Manufacturing conditions softened across Asia, with ASEAN economies slowing to multi-month lows. While India witnessed a cooling in output trends, China remained a relatively bright spot with sustained expansion in output and new orders, despite rising cost and supply pressures.

Appendix

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