# Purchasing Managers' Index

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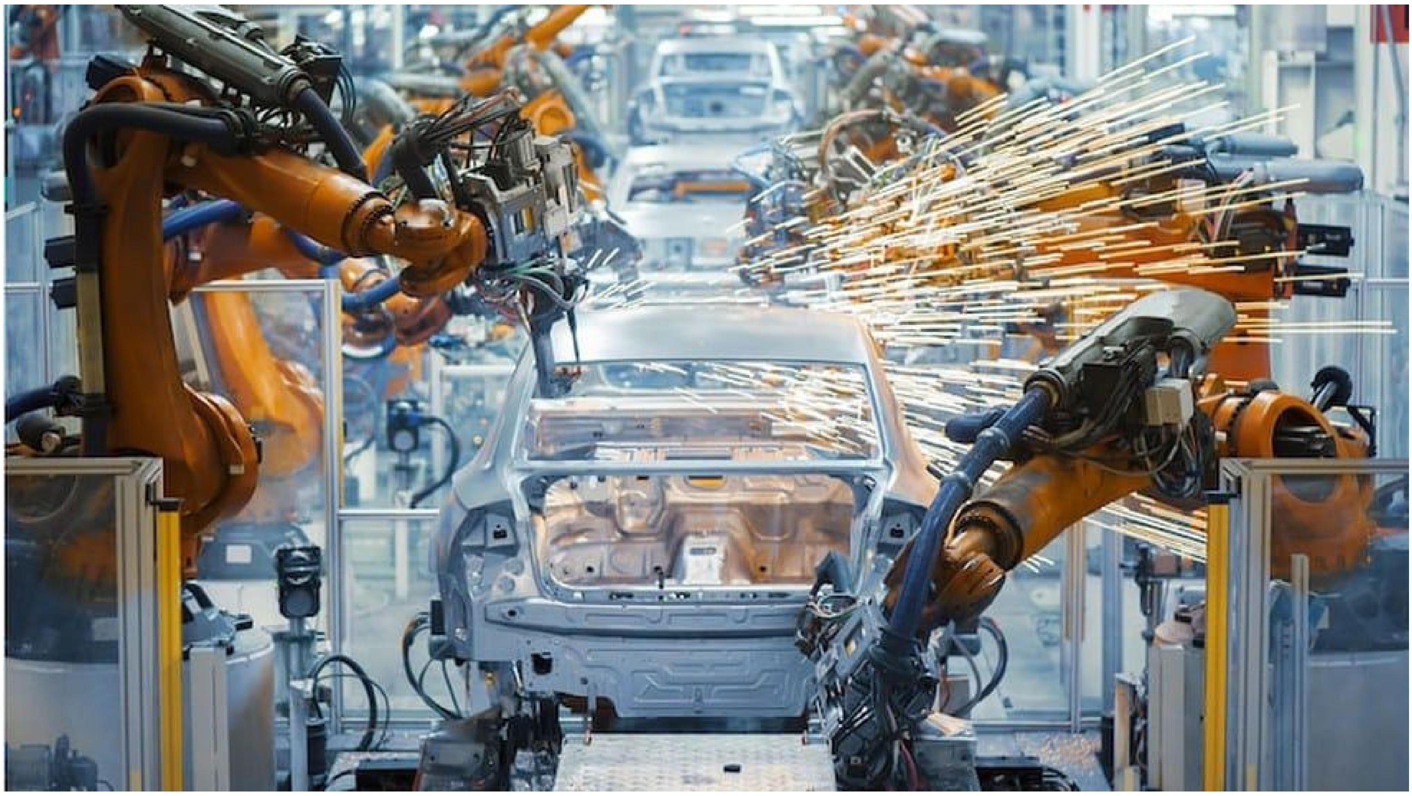

## About:

- It was the 15th straight month the figure was above the 50-mark separating growth from contraction.
- The survey pointed out that Indian businesses become more confident in the outlook as inflation worries were tamed.
- The overall level of positive sentiment seen in September was the best in over seven-and-a-half years, according to the survey.

## Purchasing Managers' Index

- Purchasing Managers' Index or PMI is an economic indicator, which is derived after monthly surveys of different companies.
- The index shows trends in both the manufacturing and services sector.
- The index helps in determining whether the market conditions, as seen by purchasing managers, is expanding, contracting or staying the same.
- It is used to provide information regarding the current and future business conditions.

- PMI is one of the closely watched indicators of business activity and helps in predicting the economic health of a country.
- There are two types of PMI — Manufacturing PMI and Services PMI. A combined index is also made using both manufacturing PMI and services PMI.
- A PMI number greater than 50 indicates expansion in business activity. A number less than 50 shows contraction. The rate of expansion is also judged by the difference from the mid-point (50) and also by previous month’s data.

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**Source :** Mint