

India BOI

- Dun & Bradstreet’s Business Optimism Index for India stood at 111.7 for Q4 2026, marginally below 111.8 for Q3 2026 and 3.0% lower than for Q4 2025. This marked the fifth consecutive quarter of YoY decline, indicating a sustained moderation in business optimism despite the near-flat quarterly headline reading.
- The steady headline reading masked divergent movements across firm sizes. Optimism among medium enterprises rose 6.2% QoQ to 96.2, while sentiment among large and small enterprises declined by 3.0% and 1.6%, respectively, to 118.7 and 120.3. The improvement among medium firms therefore offset moderation among their larger and smaller counterparts.
- The principal signal for Q4 2026 was the weakening in domestic-order optimism, which fell 14.9% YoY to 67.2, its lowest level since Q3 2024. Profit optimism also declined by 5.3% QoQ even as selling-price optimism rose by 2.7%, suggesting that firms expect to raise prices but remain concerned about demand and sales volumes. Meanwhile, the global-macroeconomic average of 71.8 concealed a marked size divergence, with optimism at 87.1 for large firms and 90.5 for small firms, compared with only 37.7 for medium firms.

D&B Business Optimism Indices (BOI)



Source: D&B Global Business Optimism Insights Q4 2026

D&B India BOI for Q4 2026

Domestic-order optimism falls to its lowest level since Q3 2024 as the BOI records a fifth consecutive YoY decline

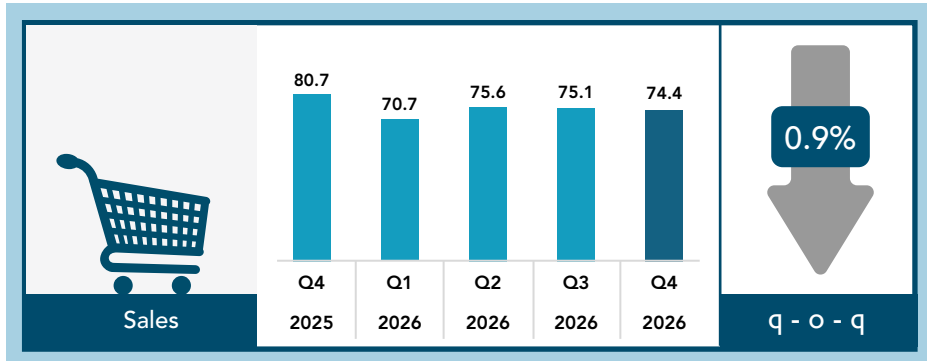
The Dun & Bradstreet Business Optimism Index (BOI) stood at 111.7 for Q4 2026, broadly unchanged from 111.8 for Q3, with the QoQ movement at -0.04%, while declining by 3.0% from its Q4 2025 level. Although the QoQ movement was negligible, the index declined YoY for the fifth consecutive quarter, from Q4 2025 to Q4 2026, pointing to a sustained moderation in business optimism. The headline reading also masked divergent trends across firm sizes. Optimism among medium enterprises rebounded by 6.2% QoQ to 96.2 from a low base but remained below the base-period benchmark of 100.0. In contrast, sentiment among large and small enterprises declined by 3.0% and 1.6%, respectively, although their index levels remained higher at 118.7 and 120.3.

The clearest indication of weakening operating conditions came from domestic orders. Domestic-order optimism fell 4.4% QoQ and

14.9% YoY to 67.2, its lowest level since Q3 2024. Profit optimism also declined by 5.3% QoQ, even as selling-price optimism increased by 2.7%. This divergence suggests that firms expect some scope to raise prices but remain concerned about demand and sales volumes, limiting the anticipated improvement in profits. Inventory-level optimism rose sharply by 11.7% QoQ from a low base, while export-order and employment sentiment were broadly unchanged.

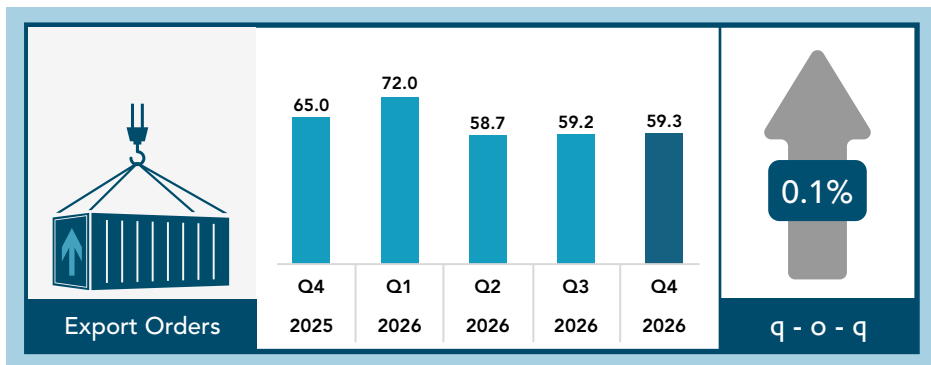
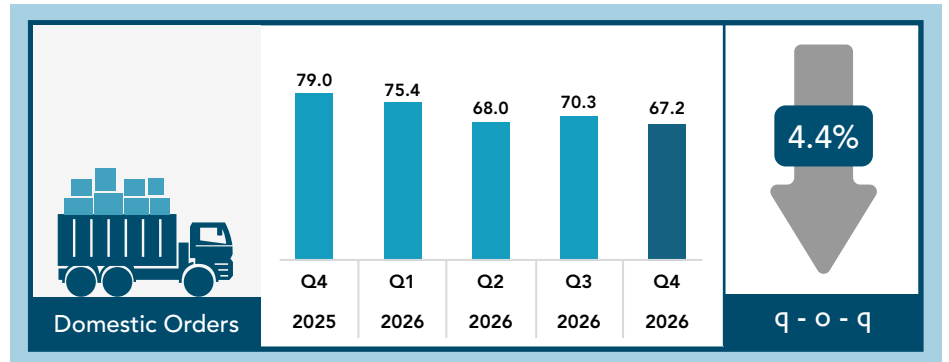
Overall, the Q4 2026 results point to a cautious and uneven business outlook rather than headline stability. The sustained YoY decline in the BOI and the marked weakening in domestic-order optimism indicate softer demand conditions. At the same time, the combination of higher selling-price expectations and lower profit optimism suggests that anticipated price increases may not fully translate into stronger earnings if sales volumes remain subdued. The aggregate improvement in global-macroeconomic confidence also warrants caution, as medium firms remained considerably less optimistic than large and small firms.

Optimism on Sub-indices



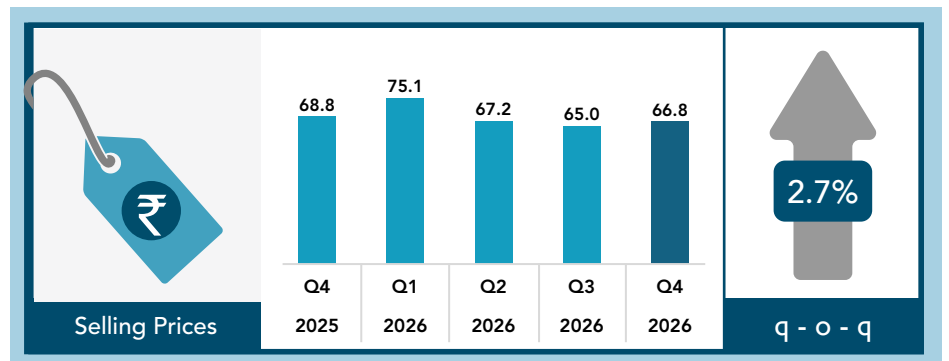
Sales optimism moderated marginally to 74.4 for Q4 2026, declining 0.9% QoQ and 7.8% YoY. At the sector level, optimism was strongest in accommodation and food service activities (87.5), information and communication (83.3), real estate and wholesale & retail trade (81.7). In contrast, professional and administrative services (53.3), automobile and textiles manufacturing (62.5 each), and capital goods manufacturing (64.6) were the least optimistic.

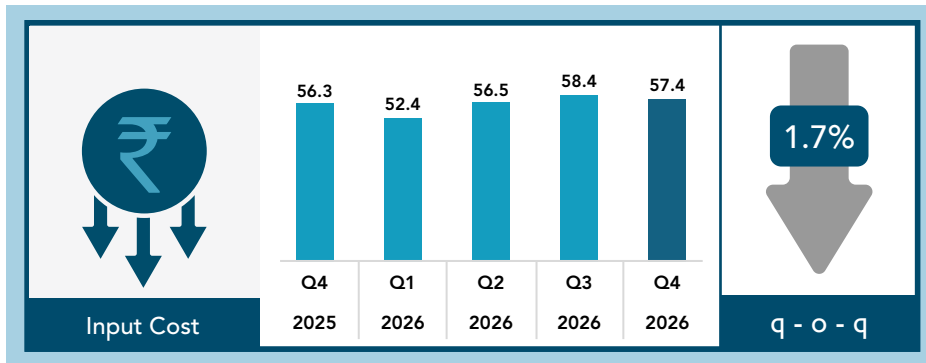
Domestic-order optimism weakened notably for Q4 2026, with the index falling 4.4% QoQ and 14.9% YoY to 67.2, its lowest since Q3 2024. Utilities led optimism at 83.3, followed by food manufacturing at 79.2. In contrast, chemicals stood at 54.2, while capital goods, electricals, metals and real estate recorded 58.3 each.



At 59.3, export-order optimism was broadly unchanged for Q4 2026, edging up 0.1% QoQ but remaining 8.8% below Q4 2025. Optimism was highest for automobile manufacturing (87.5), ahead of capital goods manufacturing (77.1) and textiles manufacturing (75.0), signalling comparatively better external demand visibility.

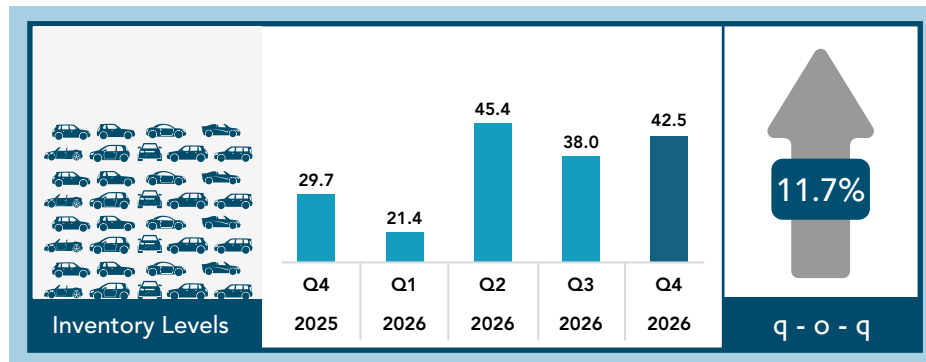
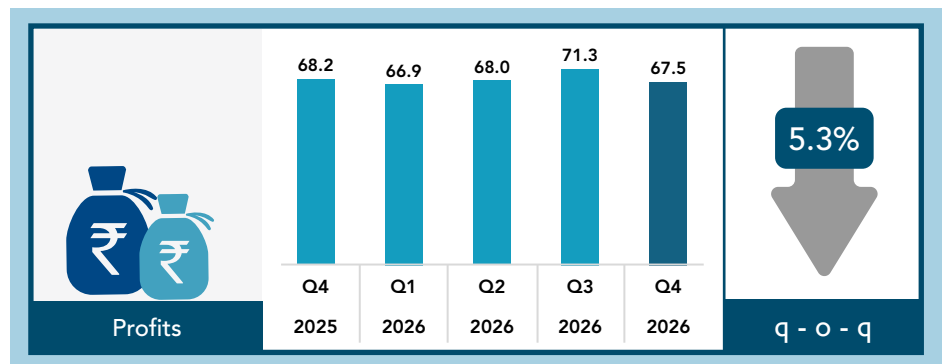
A modest recovery took the selling-price optimism index to 66.8 for Q4 2026, 2.7% above the previous quarter but still 2.9% lower YoY. Optimism for construction and automobile manufacturing topped the sectoral assessment at 75.0 each, with chemicals manufacturing at 72.9 and capital goods manufacturing at 70.8. By comparison, sectors with low optimism were metals manufacturing (58.3), professional and administrative services (60.0), and transportation and storage (61.9).





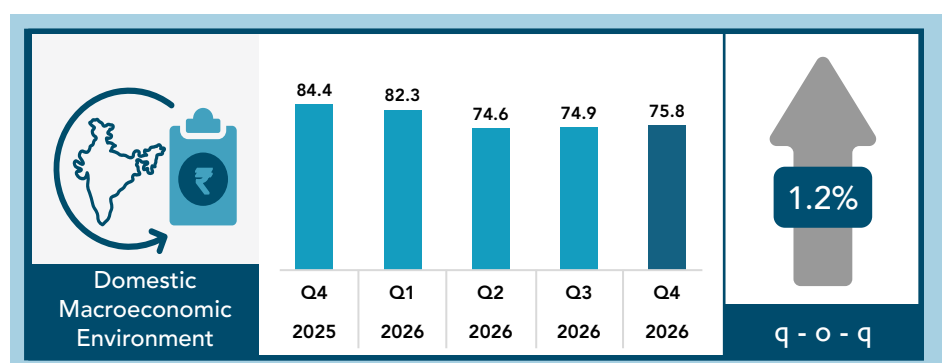
Input-cost pressures increased marginally for Q4 2026, with optimism declining 1.7% QoQ to 57.4, though remaining 2.1% higher YoY. Food manufacturing led at 75.0, followed by electricals at 70.8. In contrast, financial and insurance activities recorded the lowest optimism at 37.5, followed by real estate at 48.3 and professional and administrative services at 50.0.

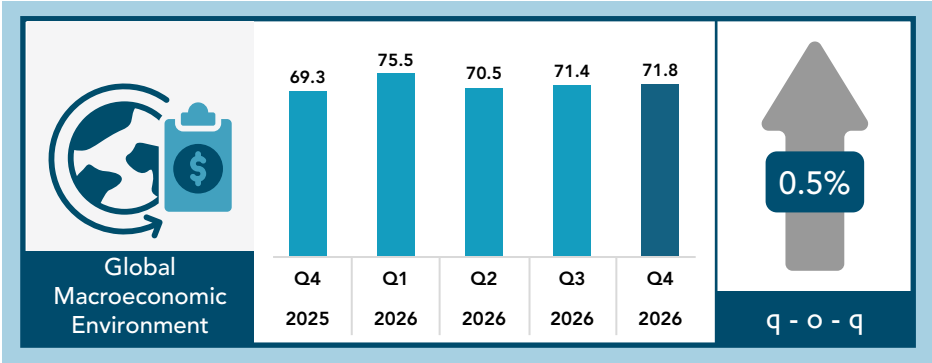
Profit expectations weakened for Q4 2026, with the index falling 5.3% QoQ and 1.0% YoY to 67.5, despite a 2.7% rise in selling-price optimism. Utilities led at 79.2, followed by transportation & storage at 78.6. Mining recorded the lowest optimism at 58.3, followed by real estate at 60.0 and capital goods at 60.4.



Inventory optimism recorded the sharpest improvement for Q4 2026, rising 11.7% QoQ to 42.5. Professional and administrative services led at 90.0, followed by transportation and storage at 58.0. In contrast, accommodation and food services and metals manufacturing recorded the lowest optimism at 16.7 each, followed by information and communication at 27.8.

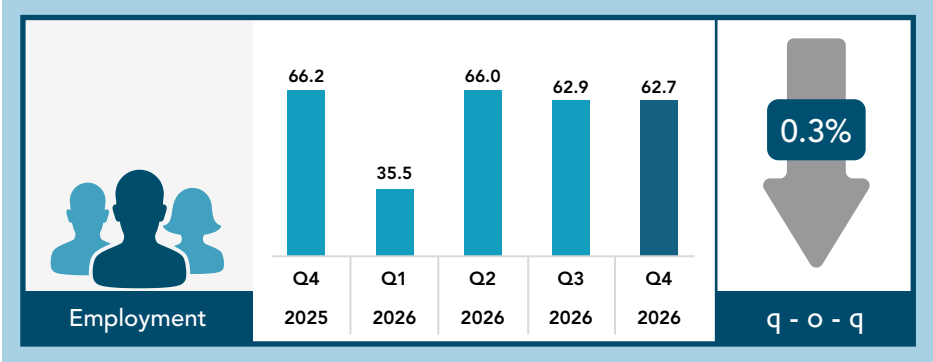
Confidence in the domestic macroeconomic environment improved marginally for Q4 2026, with the index rising 1.2% QoQ to 75.8, though remaining 10.2% lower YoY. Construction led optimism at 88.3, followed by electricals manufacturing at 87.5. In contrast, automobile manufacturing recorded the lowest optimism at 58.3, followed by professional and administrative services and utilities at 66.7 each.





Global macroeconomic optimism edged up for Q4 2026, rising 0.5% QoQ and 3.5% YoY to 71.8. However, confidence varied sharply by firm size, reaching 90.5 among small and 87.1 among large firms, compared with 37.7 for medium firms. In sectors, accommodation and food services and automobile manufacturing led optimism at 83.3 each.

Employment optimism remained broadly stable for Q4 2026, edging down 0.3% QoQ to 62.7, while falling 5.3% YoY. Automobile manufacturing led at 75.0, followed by financial and insurance activities at 72.9. In contrast, electricals manufacturing recorded the lowest optimism at 45.8, followed by chemicals manufacturing and utilities at 50.0 each.



Methodology

The Dun & Bradstreet Business Optimism Index report is a synthesis of data from a comprehensive survey, alongside insights from Dun & Bradstreet, leveraging the firm’s proprietary data and economic expertise. The primary survey is conducted on a stratified random sample of around 300 businesses, across 17 sectors and across three size segments (small, medium and large businesses). A diffusion index is calculated for each parameter and normalized against base period values

(Sep-2023 to Jun-2024). An index reading above 100 indicates an improvement in optimism relative to the base period, while an index reading below 100 signifies a deterioration. The composite index at size and sector level is calculated using factor-weighted averages of the parameter-level indices. The economy-level index is a weighted average of sector-level indices by their contribution to GDP.

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