



# MONTHLY ECONOMIC **OCT** REPORT ON INDIA **2024**

The Indian economy shows mixed trends. Services sector remains strong, as evidenced by **high PMI** and **e-way bill** growth. **Ports and railways** freight movement showed **steady growth**. **Industrial output** and **electricity generation** faced **challenges** partly due to base effects as well as September rains cooling power demand. **Vehicle registrations declined** ahead of the festive season. **Bank credit growth moderated** in September. **Monetary policy stance** shifted to **'neutral'** with repo rate unchanged in October. **Bonds yields are softening** with continued demand from foreign portfolio investors as well as an **expectation of a 75-bps cumulative rate cut** over next year by RBI. **Weak momentum** in government **capital expenditure** in FYTD2025. **Large forex reserves** of USD 700+ billion (as of 4 October) provide sufficient import cover to RBI. **Elevated food prices** nudged consumer inflation in September, although still within RBI's target range

## August – September 2024

### Growth

Q1FY25 **real GDP grew 6.7% yoy**, driven by **consumption** and **capex**. FY2025 median forecast: 7.0%; RBI projects 7.2%. August **industrial output contracted** 0.1%, with declines in mining, electricity, and cement. **Electricity generation continued to fall** 5% yoy in September, while **renewables'** share held at 14.4% in August. **Composite PMI** of 58.3 indicates robust economic activity

### Trade

**Services trade surplus** of USD 14 billion **partially offsets goods trade deficit** of USD 21 billion in September. Q1FY25 BOP surplus narrowed sequentially to 0.6% of GDP (from 2.8% in Q1FY24), with 1.1% CAD and 1.6% capital account surplus. **Steady ports cargo traffic** growth of ~6% yoy in September amid **falling container shipping costs**. **Continued momentum in rail freight** growth, up ~5% in July. **Toll collection steady** at INR 46 billion in September

### Demand

**Robust** ~19% yoy growth in **e-way bills** in September. **Vehicle registrations** (PV, CV, 2W) declined. **Bank credit and deposit** growth continue their **downward trends, moderating** to ~12% and ~9% respectively. **Muted growth** of 0.4% as rainfall in September cools **power demand**. South-west **monsoon tracked above long period average**, replenishing reservoirs despite skewed spatial distribution

### Foreign Exchange

**INR remains relatively stable** depreciating by 0.9% over the last year (as of 14 Oct), lower compared to **historical average** of ~3% over the last 10-years. USD-INR forward premium rose to 2.2%, as of 14 October. **Forex reserves** remained **above USD 700 billion**, as of 4 October, providing sufficient 9+ months of import cover

### Inflation

**Consumer inflation rose** to 5.5% yoy in September, driven by **higher food prices**, within RBI's target of 4 +/-2%. Wholesale inflation reached 1.8%, also due to elevated food prices. **Repo rate unchanged** at 6.50%, changing stance to 'neutral'. **Consensus** (as of Sep) projects **75-bps cumulative rate cut** over next year. Commodity prices rose – **crude oil** at USD 80 per bbl, and **gold** above USD 2,649 per troy oz, as of 14 Oct

### Investments

FYTD2025 (till Sep) saw **net foreign portfolio inflows** of **INR 1.8 trillion** and net domestic institutional inflows of **INR 2.3 trillion**. **Steady pace of gross FDI inflows** at USD 28 billion in FYTD2025 (till July). FDI recorded a **net outflow in July** of USD 1.4 billion. AIFs raised INR 195 billion and invested INR 217 billion in Q1FY25, led by **Categories II and III**

### Markets

3-month T-bill **yield moderated** to 6.4%, 10-year G-sec stable at 6.8% (as on 14 Oct). Banking **liquidity remains in surplus** in early October. Mutual funds recorded a net outflow of INR 46 billion in September. **Equity valuations** at 23.7 **edge above 10-year average** of 23.5 in September. **Indian equity markets outperformed global average**, generating ~30% vs 20% returns over TTM up to September

### Fiscal

**GST collection** remained **resilient** through September at INR 1.7 trillion. Government's revenue receipts on track in FYTD2025 (till August), up ~19% yoy. **Government capital expenditure remained weak** in the same period, down ~20% yoy. As a result, **fiscal deficit tracked lower** at ~27% of budget estimates up to August, down 32% yoy



# MONTHLY ECONOMIC REPORT ON INDIA OCT 2024

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# MONTHLY ECONOMIC REPORT ON INDIA OCT 2024

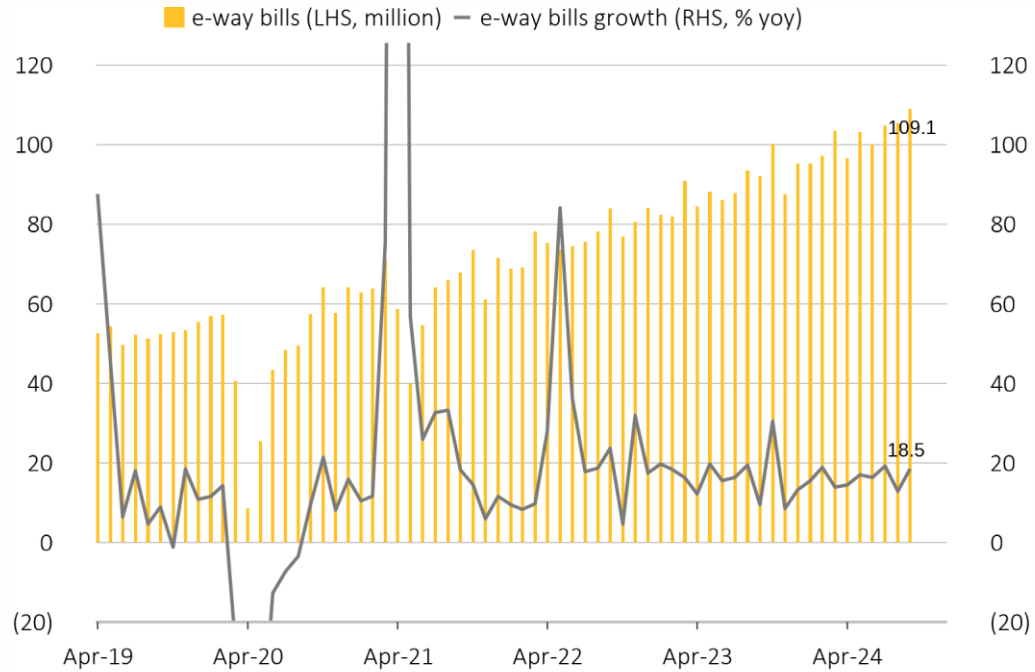
## Macroeconomic indicators

- Industrial output contracted by 0.1% yoy in August, with cement production declining 2.3%, while crude steel production grew 6.6%. Electricity demand saw muted 0.4% growth, with coal production rising by 2.5% in September. E-way bills recorded strong ~19% yoy growth, generating 109 million bills
- Vehicle registrations declined across four-wheelers (18%), commercial vehicles (10%), and two-wheelers (9%) in September, with subdued 3.5% growth in three-wheelers. Bank credit and deposit growth moderated to 11.8% and 9.2% (from ~19% and ~13% over last 12 months) respectively. Monthly UPI transactions crossed INR 20 trillion
- Above long period average south-west monsoon replenished reservoirs, despite skewed spatial distribution. Consumer inflation rose to 5.5% in September, driven by higher food prices. Elevated wholesale food prices also nudged WPI inflation to 1.8%.
- Government capex remained weak in FYTD2025 (till August), down ~20% yoy. Q1FY25 growth of 6.7% yoy was driven by private consumption and continued capex, with GVA at 6.8% led by services and industrial sectors

## Activity levels

### Strong growth in e-way bills in September

Monthly number of e-way bills, FY2020-FY2025 (Sep '24)



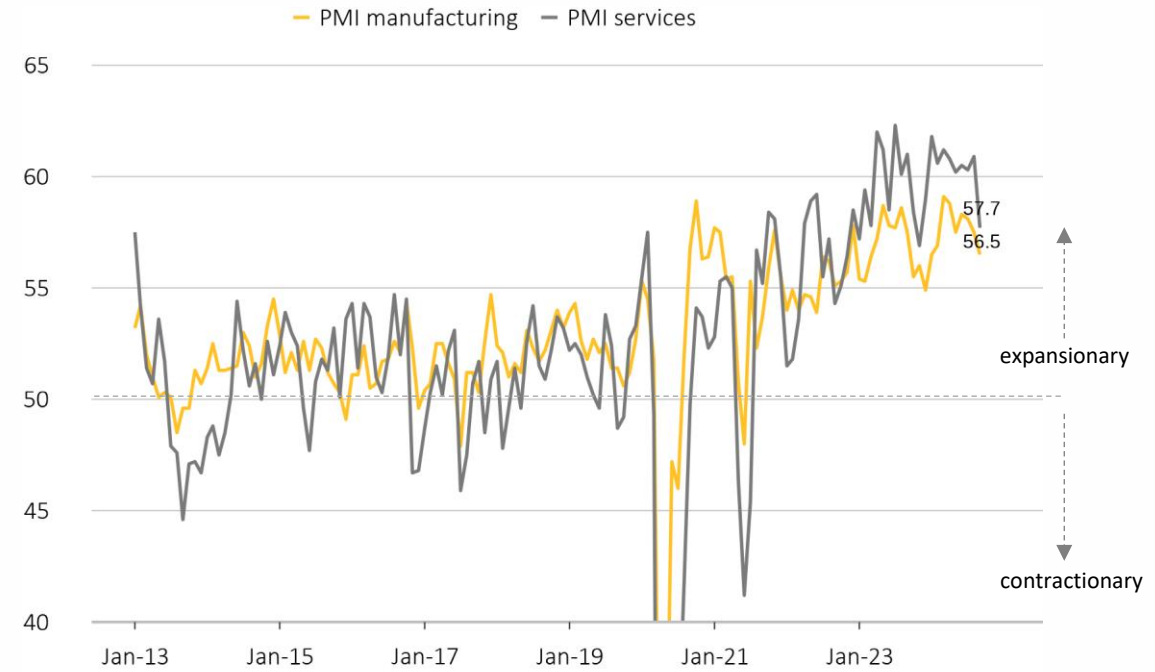
Source: Thurro, GSTN, NIIF Research

**Note:**

1. Includes all inter-state and intra-state e-way bills
2. e-way bill is a document required to be carried by a person in charge of the conveyance carrying any consignment of goods of value exceeding INR 50,000 under the Goods and Services Tax Act

### India's PMI fall sequentially, remains in expansionary zone in Sep

Monthly India PMI manufacturing and services, FY2013-FY2025 (Sep '24)



Source: Thurro, S&P, NIIF Research

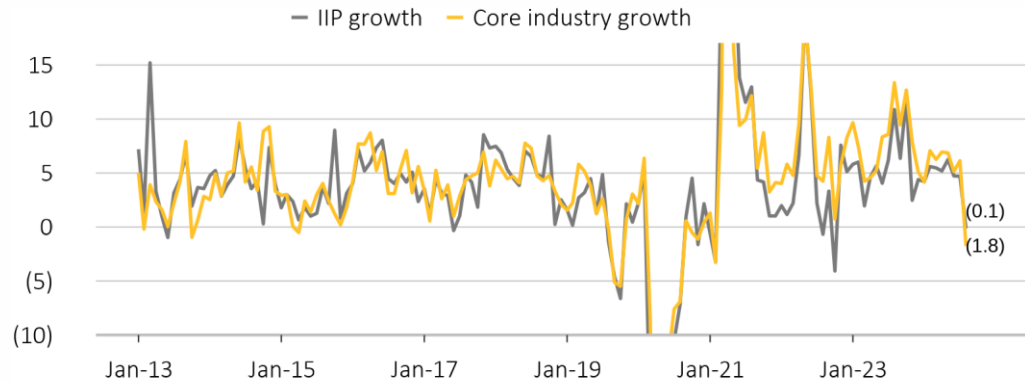
**Note:**

1. Purchase Managers Index (PMI) is based on a monthly survey of supply chain managers across 19 industries: a number above 50 indicates expansion and below 50 indicates contraction.
2. PMI for manufacturing and services dropped sharply between Apr '20 and Oct'20 due to impact of COVID-19

## Core sectors

### Industrial and core sector output contract in August, on a high base

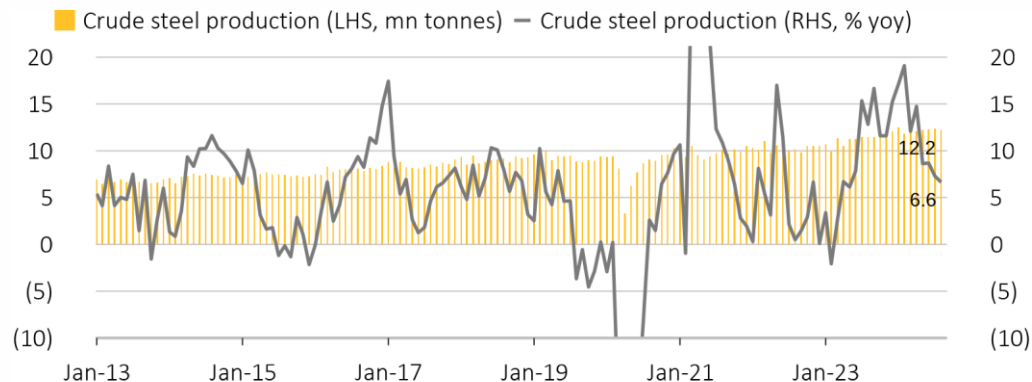
IIP and output of eight core industries (% yoy), FY2013-FY2025 (Aug '24)



Source: Thurro, Office of the Economic Advisor, NIIF Research  
 Note: IIP growth for May '20 and Apr '21 not shown due to low base effect

### Steady growth in crude steel production in August

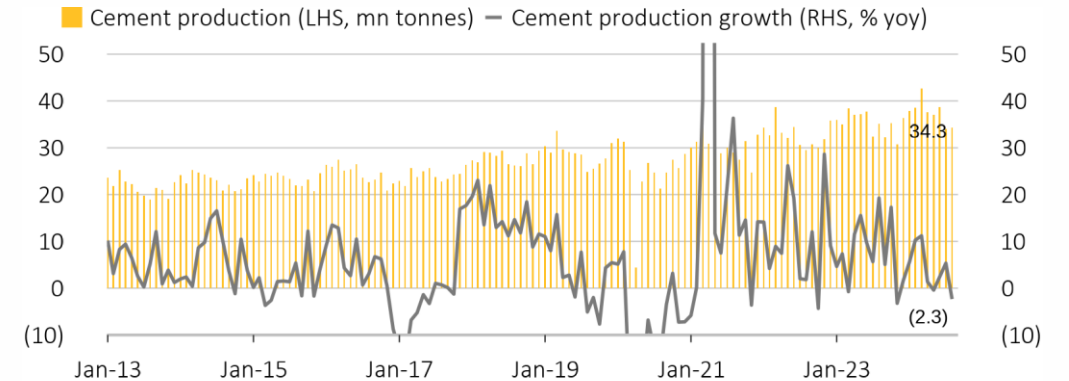
Monthly crude steel production, FY2013-FY2025 (Aug '24)



Source: Thurro, Ministry of Steel, JPC, NIIF Research  
 Note: Growth in steel production in Apr '21 not shown in the chart due to low base effect

### Cement production in August down by 2.3% yoy

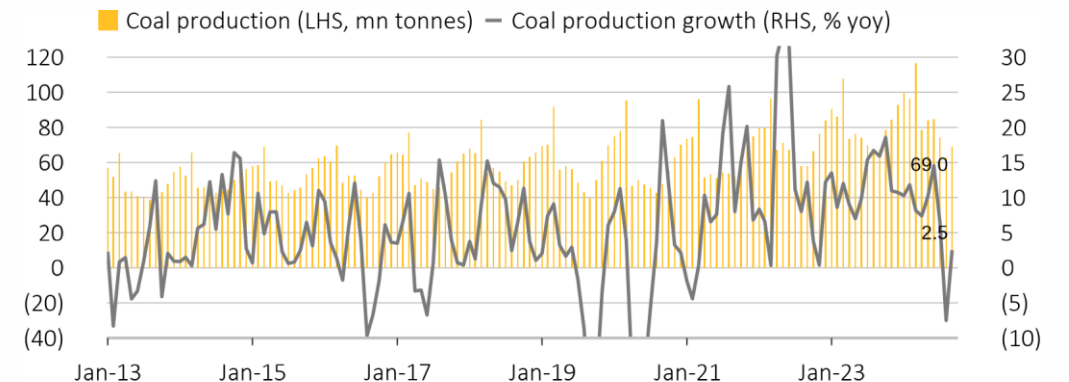
Monthly cement production, FY2013-FY2025 (Aug '24)



Source: Thurro, EAI, NIIF Research  
 Note: Growth in cement production in Apr '21 not shown in the chart due to low base effect

### Muted coal production growth in September

Monthly coal production, FY2013-FY2025 (Sep '24)

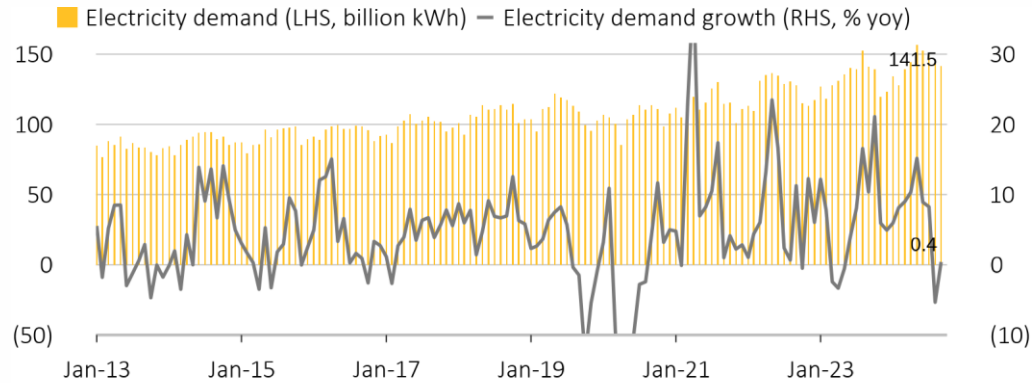


Source: Thurro, Ministry of Coal, NIIF Research

## Energy and fuel

### Electricity demand remains flat year-on-year in September

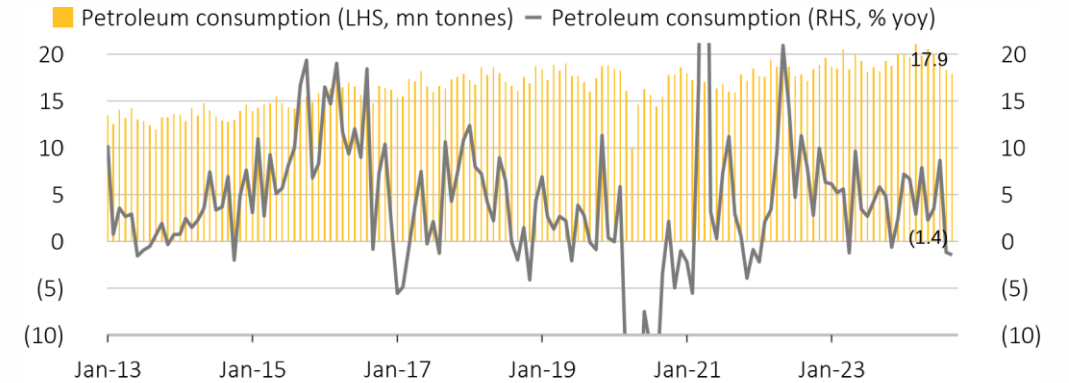
Monthly electricity demand in India, FY2013-FY2025 (Sep '24)



Source: Thurro, POSOCO, NIIF Research

### Petroleum products consumption declines by 1.4% in September

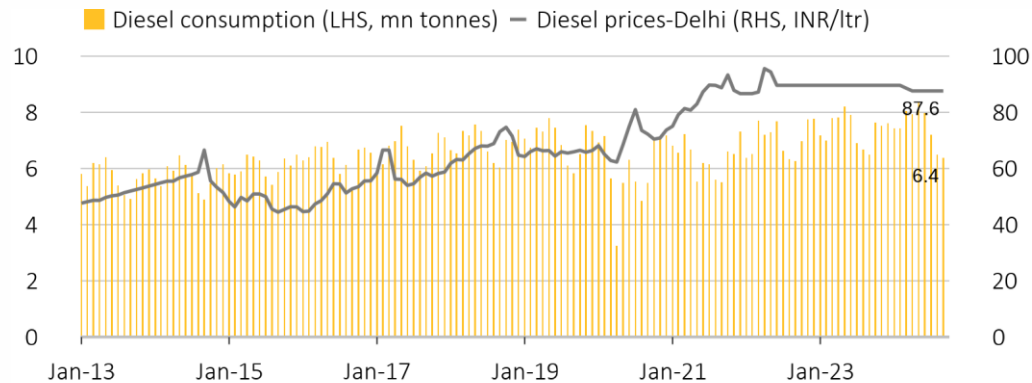
Monthly petroleum consumption in India, FY2013-FY2025 (Sep '24)



Source: Thurro, PPAC, NIIF Research

### Diesel consumption dips on a yoy basis in September

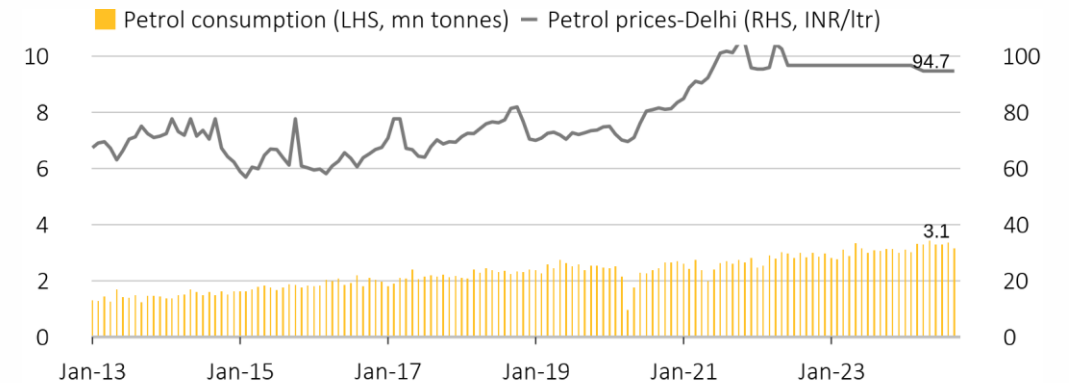
Monthly diesel consumption and prices, FY2013-FY2025 (Sep '24)



Source: Thurro, PPAC, NIIF Research

### Steady petrol consumption of ~3 MT in September

Monthly petrol consumption and prices, FY2013-FY2025 (Sep '24)

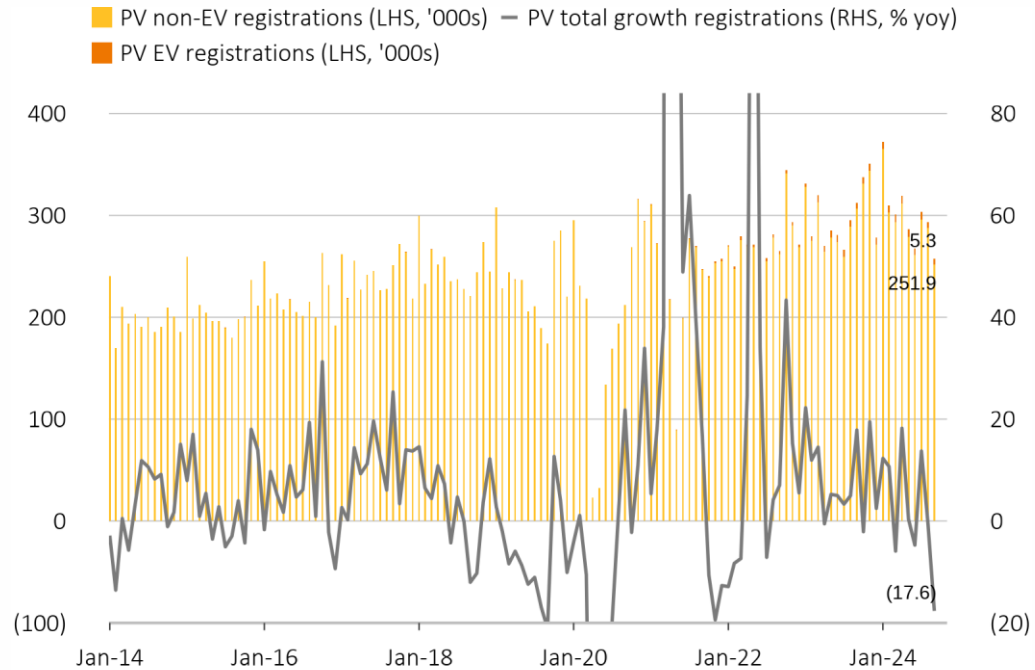


Source: Thurro, PPAC, NIIF Research

## Automobile sector (1/2)

### 4W registrations declined ~18% in September

Monthly passenger vehicle (PV) registrations, FY2014-FY2025 (Sep '24)



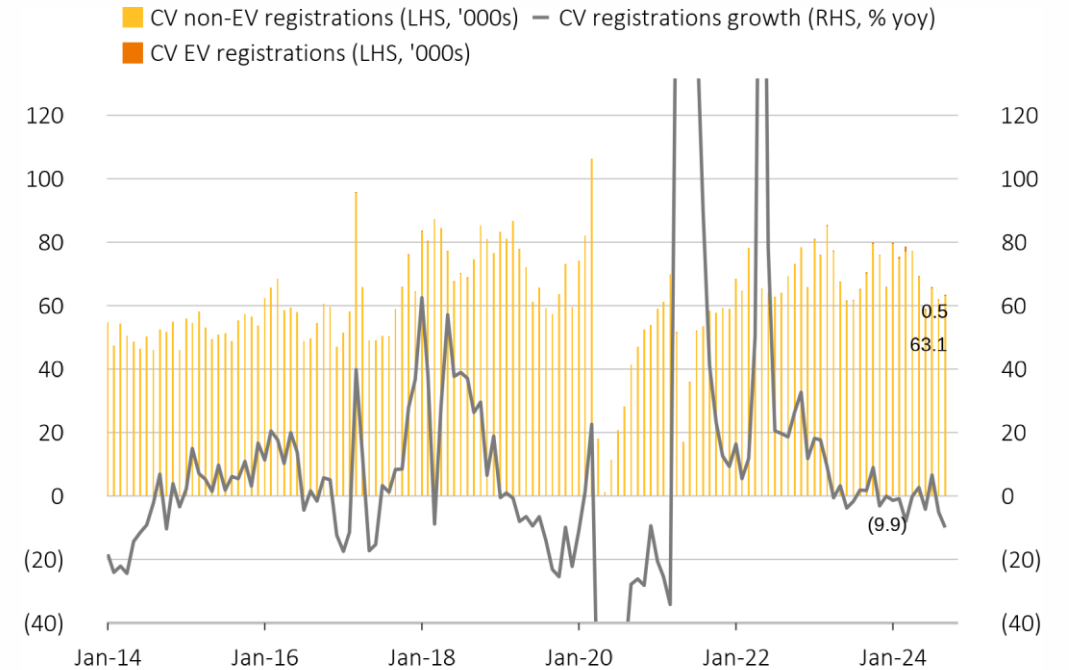
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

**Note:**

1. Growth in passenger vehicles registration not shown in Jun '21 due to low base effect

### Commercial vehicle registrations down ~10% in September

Monthly commercial vehicle (CV) registrations, FY2014-FY2025 (Sep '24)



Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

**Note:**

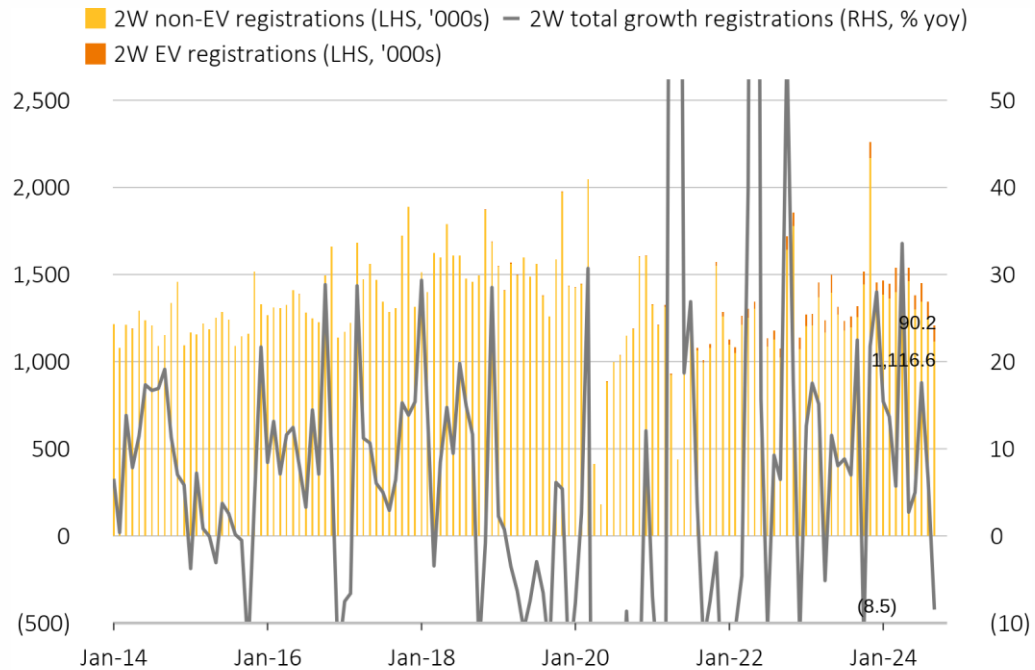
1. Low commercial vehicle registrations growth in Apr '20 and May '20, due to impact of Covid lockdown, not shown in the chart



## Automobile sector (2/2)

### Two-wheeler registrations dip in September

Monthly two-wheeler (2W) registrations, FY2014-FY2025 (Sep '24)



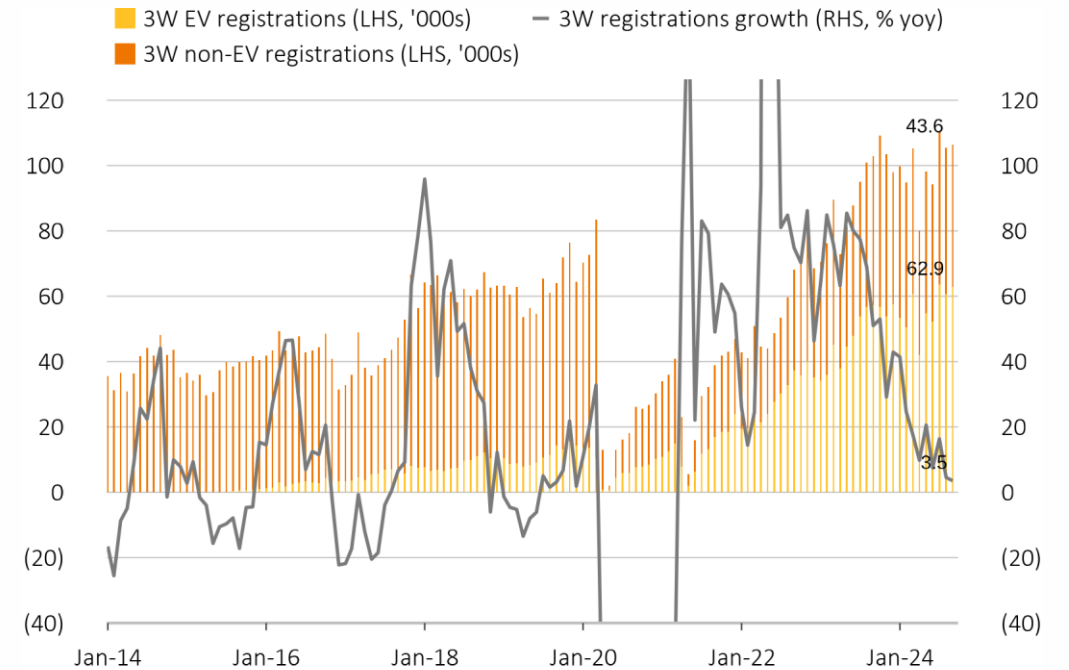
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

**Note:**

1. Low growth in two-wheeler registration for Apr '20 and May '20, due to the impact of Covid lockdown, not shown in the chart

### Three-wheeler registration growth moderates in September

Monthly three-wheeler (3W) registrations, FY2014-FY2025 (Sep '24)



Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

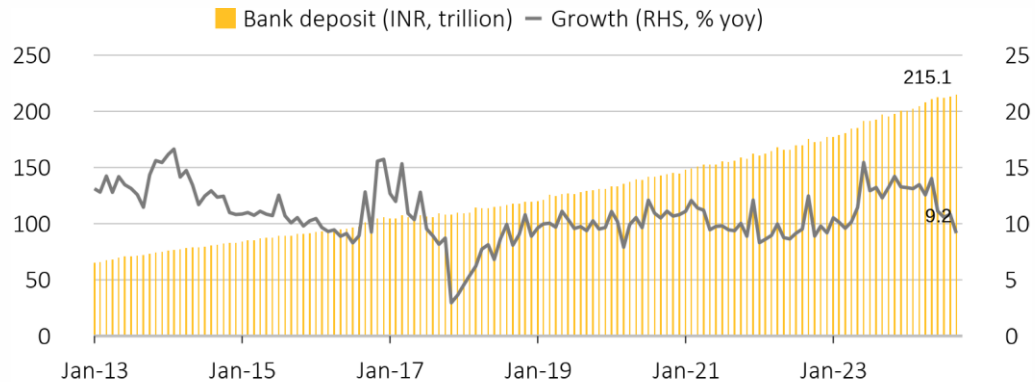
**Note:**

1. Growth in three-wheeler registrations for Apr '21 and May '21, and May '22 not depicted due to low base effect of Apr '20 and May '20, and May '21 respectively

## Banks: credit and deposits

### Deposit growth slows to 9% in September

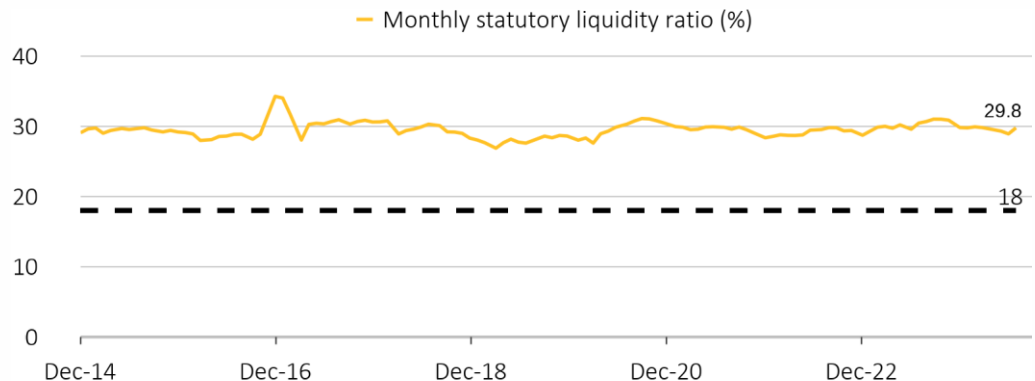
Monthly total bank deposits, FY2013-FY2025 (Sep '24)



Source: Thurro, RBI, NIIF Research  
 Note: Total deposits for scheduled commercial banks

### SLR holdings of banks remain steady at 29.8% in July

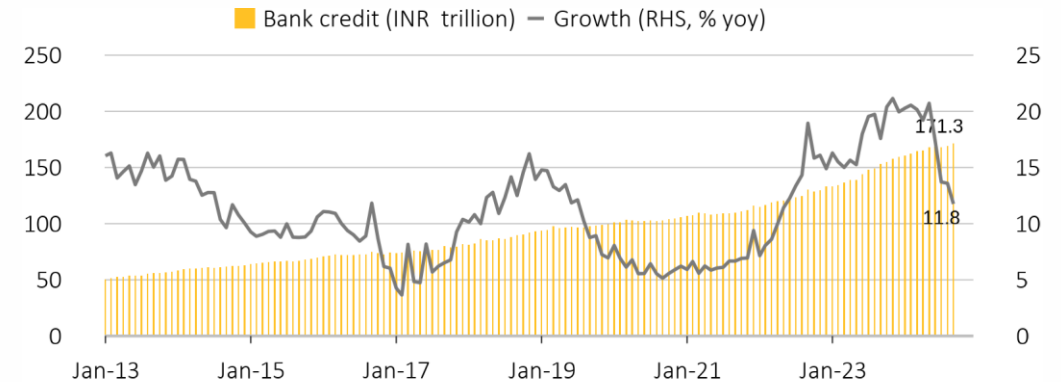
Monthly statutory liquidity ratio (SLR) of banks, FY2015-FY2025 (Jul '24)



Source: Thurro, RBI, NIIF Research  
 Note: Banks are required to hold 18% of their net demand and time liabilities as SLR, depicted as the black dotted line above

### Credit growth further moderates to 11.8% in September

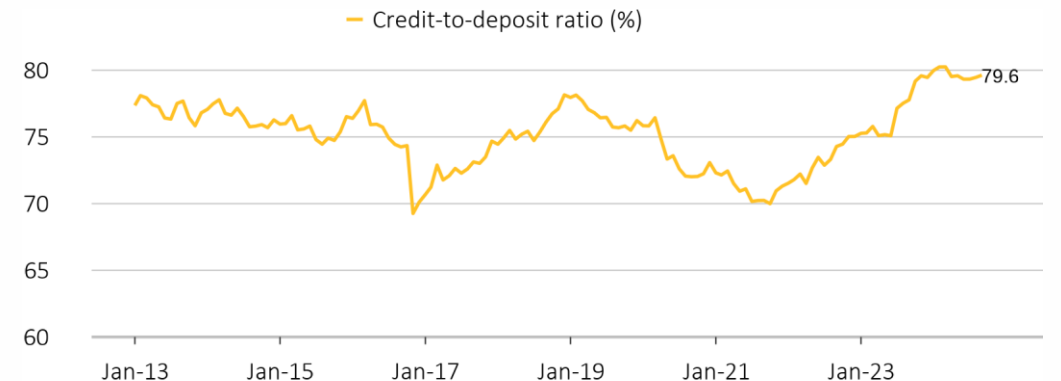
Monthly total credit outstanding, FY2013-FY2025 (Sep '24)



Source: Thurro, RBI, NIIF Research  
 Note: Outstanding credit for scheduled commercial banks (SCBs)

### Credit deposit ratio remains high near 80 in September

Monthly outstanding credit-deposit ratio with SCBs, FY2013-FY2025 (Sep '24)

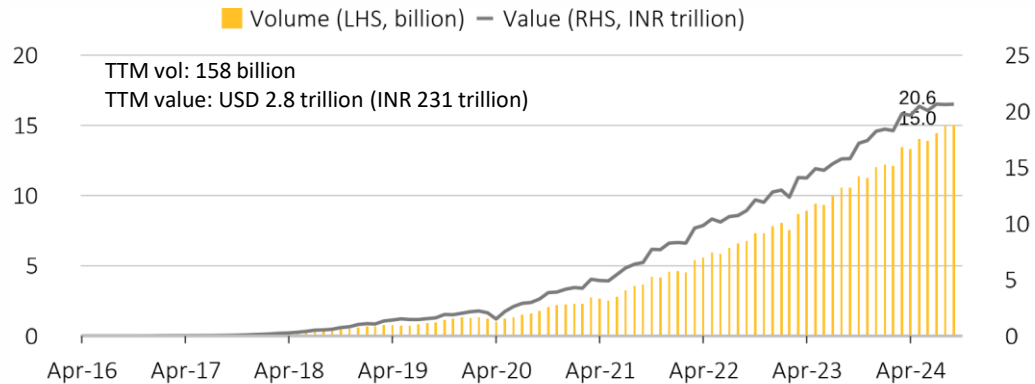


Source: Thurro, RBI, NIIF Research

## Currency and transactions

### Continued adoption of UPI in September

Unified Payment Interface (UPI), FY2017-FY2025 (Sep '24)

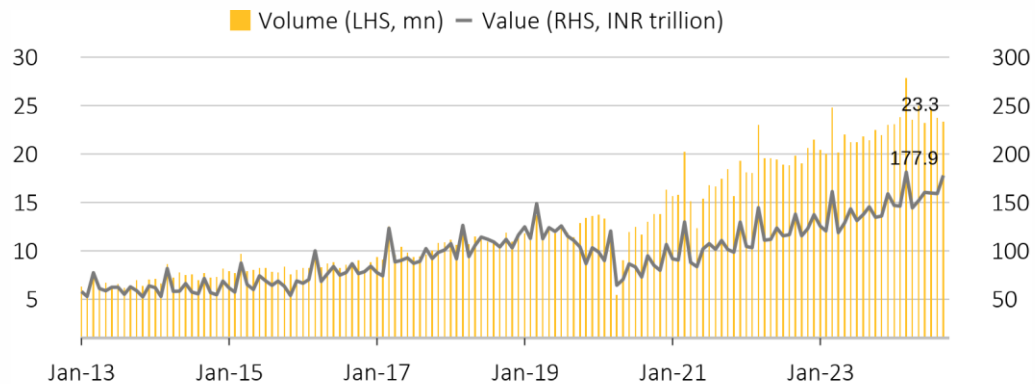


Source: Thurro, NPCI, NIIF Research

Note: TTM: trailing twelve months

### RTGS transactions maintain momentum

RTGS transactions, FY2013-FY2025 (Sep '24)

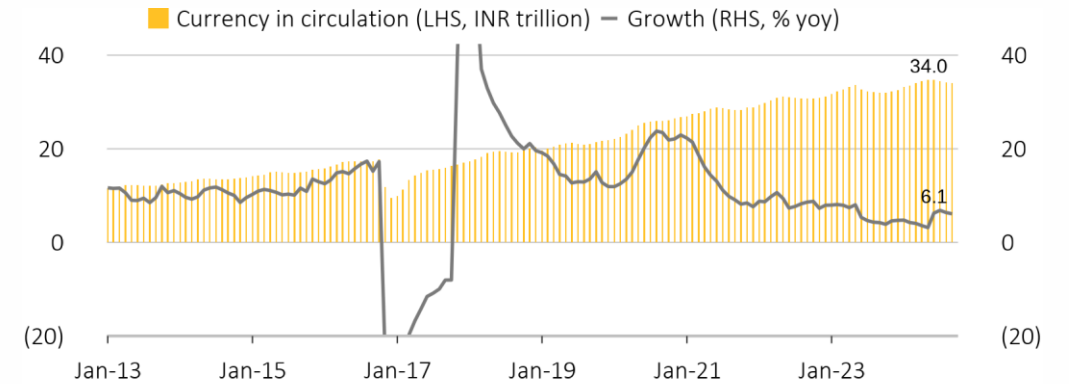


Source: Thurro, RBI, NIIF Research

Note: RTGS stands for Real Time Gross Settlements, that enables payments from one bank to another for a minimum amount of INR 200,000

### Currency in circulation grows by 6.1% in September

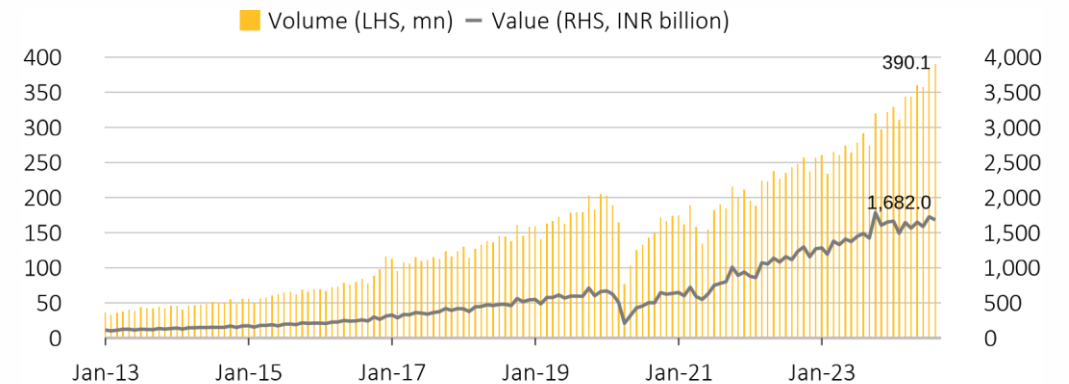
Currency in circulation, FY2013-FY2025 (Sep '24)



Source: Thurro, RBI, NIIF Research

### Increased adoption of credit cards over the last few months

Credit card transactions, FY2013-FY2025 (Aug '24)

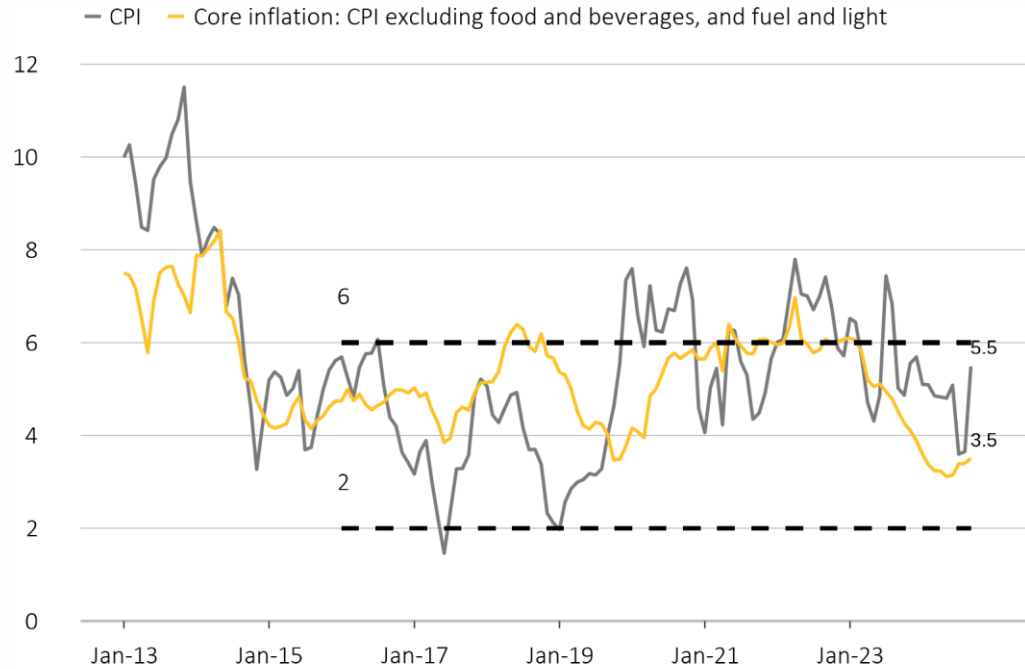


Source: Thurro, RBI, NIIF Research

## Inflation: India

### CPI inflation picks up to 5.5% in September

Monthly consumer price inflation (% yoy), FY2013-FY2025 (Sep '24)



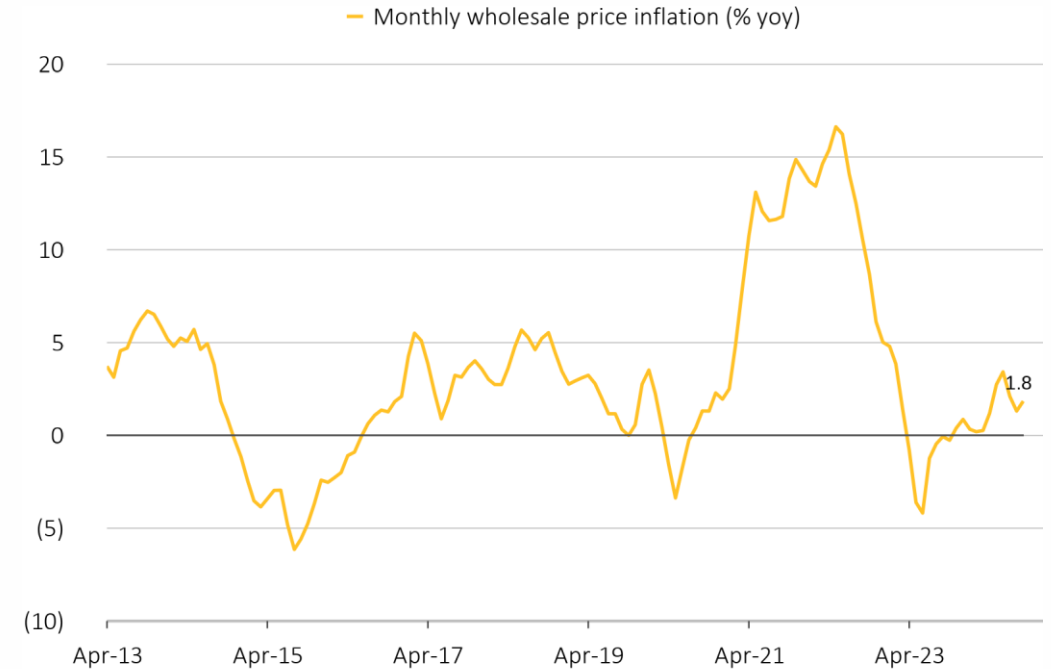
Source: Thurro, MoSPI, NIIF Research

**Note:**

1. RBI in 2016 adopted flexible inflation target set at 4%, with 6% as upper bound and 2% as lower bound

### Wholesale price inflation moves up to 1.8% in September

Monthly wholesale price inflation (% yoy), FY2014-FY2025 (Sep '24)



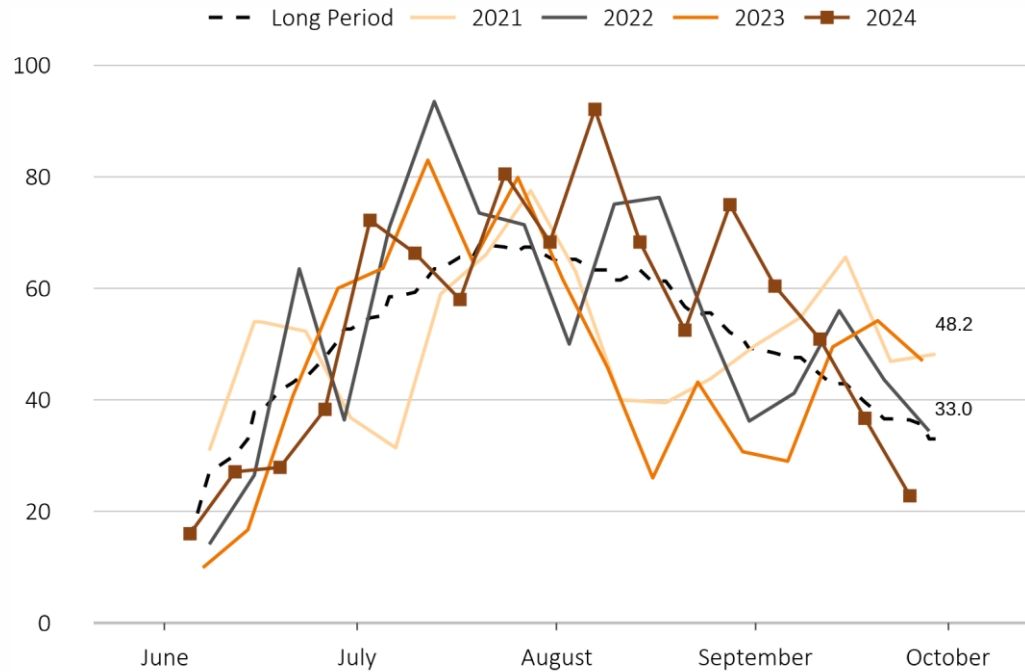
Source: Thurro, Ministry Of Commerce & Industry, NIIF Research

**Note:**

## Monsoon

### Rainfall falls below LPA towards end-September

Weekly rainfall (in mm), CY2020-CY2024 (25 Sep '24)



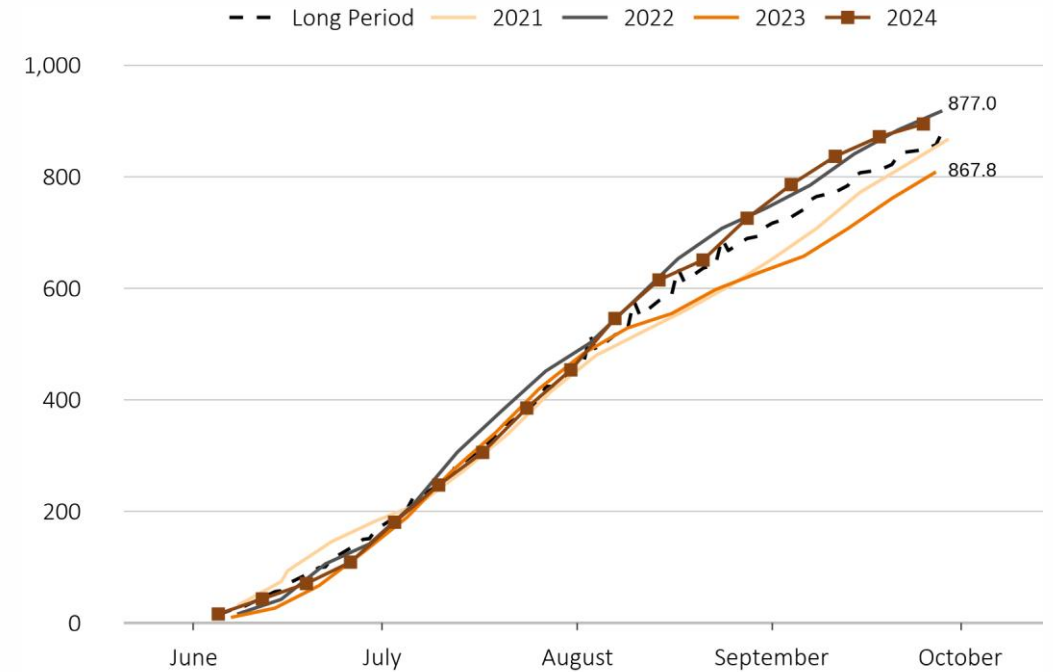
Source: Thurro, India Meteorological Department, CEIC, NIIF Research

**Note:**

1. Long-period average (LPA) is for a period of 50 years between 1971 to 2020

### Cumulative rainfall in 2024 above LPA, tracking 2022 levels

Cumulative rainfall at the end of the week (in mm), CY2020-CY2024 (25 Sep '24)

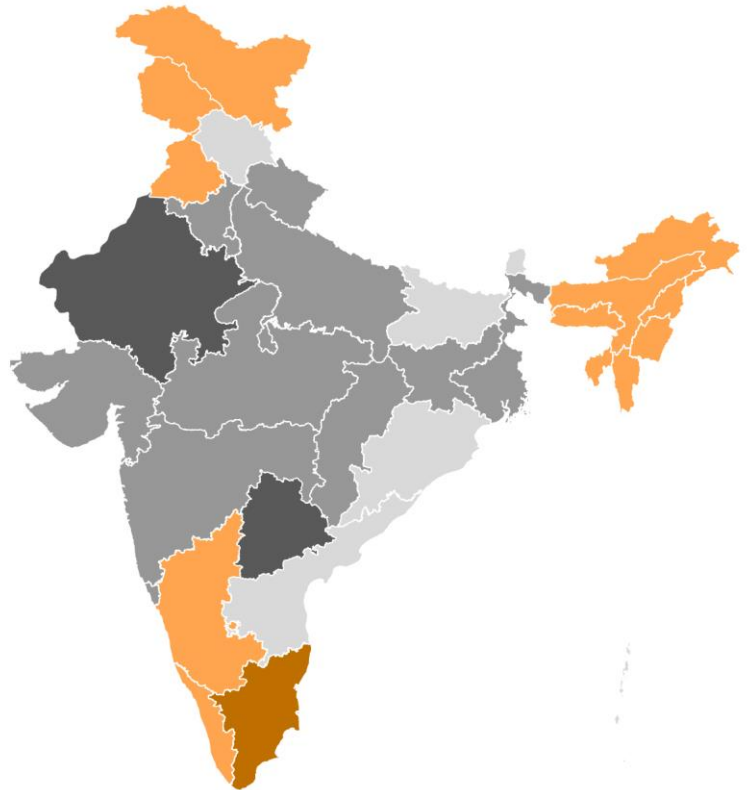


Source: Thurro, India Meteorological Department, CEIC, NIIF Research

## Monsoon

### Regional disparities between excess and deficiency in September

Monthly rainfall across states in mm, Sep 01 to Sep 30, 2024

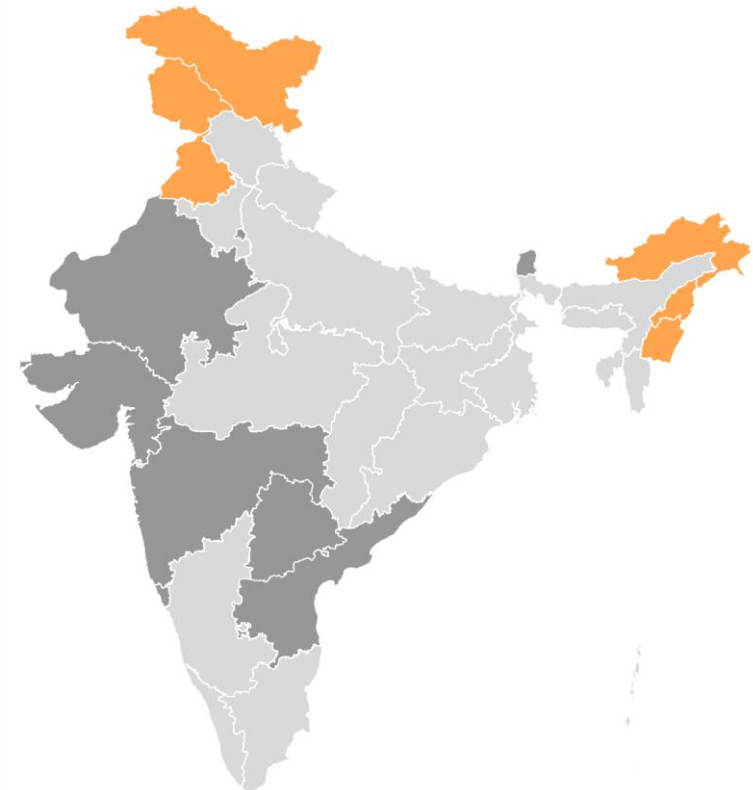


- Large excess (60% or more)
- Excess (20% to 59%)
- Normal (-19% to 19%)
- Deficient (-20% to -59%)
- Large deficient (-99% to -60%)

Source: Thurro, India Meteorological Department, NIIF Research

### Deficient rainfall in certain northern and eastern states this season

Cumulative rainfall in mm, Jun 01 to Sep 30, 2024



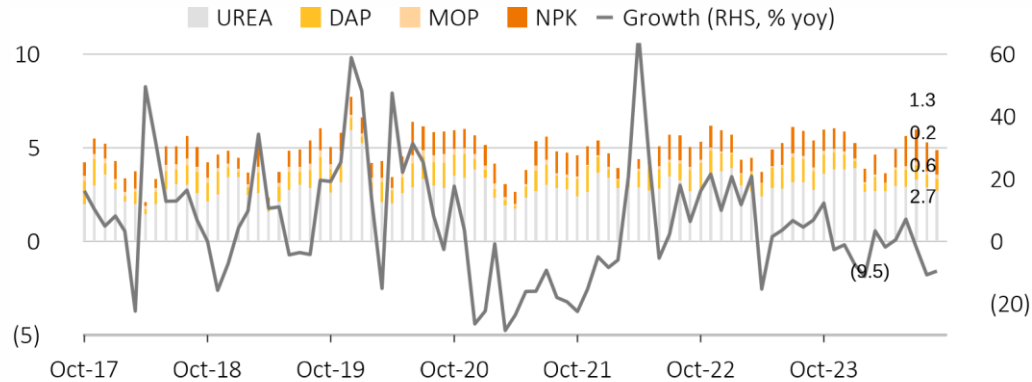
- Large excess (60% or more)
- Excess (20% to 59%)
- Normal (-19% to 19%)
- Deficient (-20% to -59%)
- Large deficient (-99% to -60%)

Source: Thurro, India Meteorological Department, NIIF Research

## Rural India

### Fertilizer sales decline by ~10% yoy in September

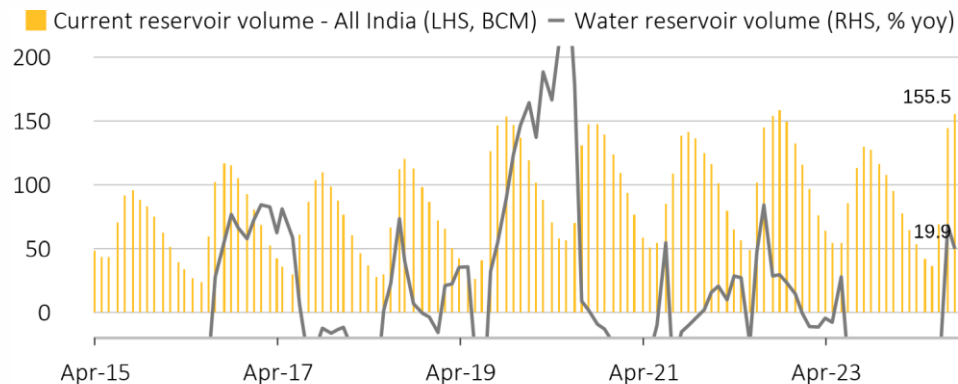
Monthly fertilizer sales, FY2018-FY2025 (Sep '24)



Source: Thurro, Department of Fertilizers, NIIF Research

### Reservoir levels back up after monsoon rains

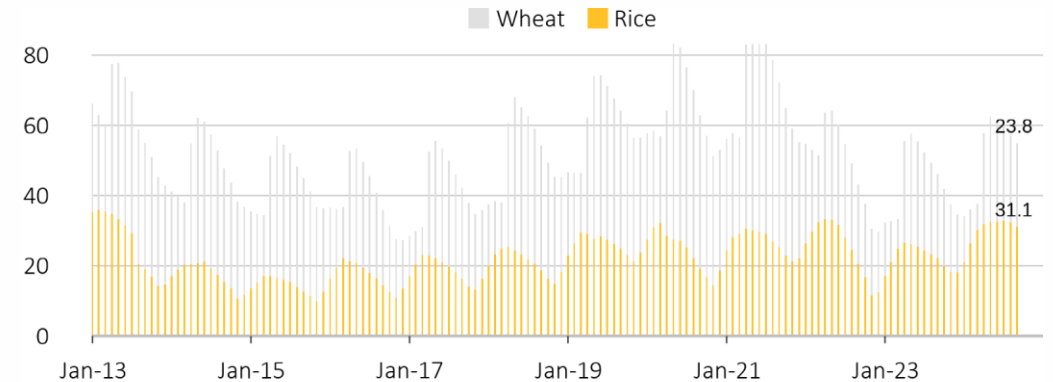
Monthly live water reservoir storage, FY2016-FY2025 (Sep '24)



Source: Thurro, CWC, NIIF Research

### Wheat and rice stock with FCI within buffer limit

Monthly food grain stocks with FCI (million tonnes), FY2013-FY2025 (Sep '24)



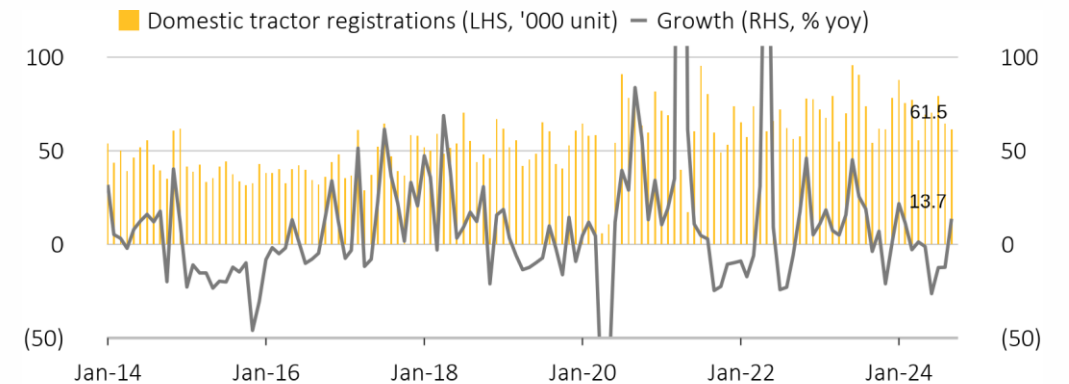
Source: Thurro, FCI, NIIF Research

Note: 1. Rice is excluding paddy

2. Buffer limit required as of Oct 1 for rice is 10.3 mn tons and for wheat is 20.5 mn tons

### Tractor registrations up ~14% in September

Monthly domestic tractor registrations, FY2014-FY2025 (Sep '24)



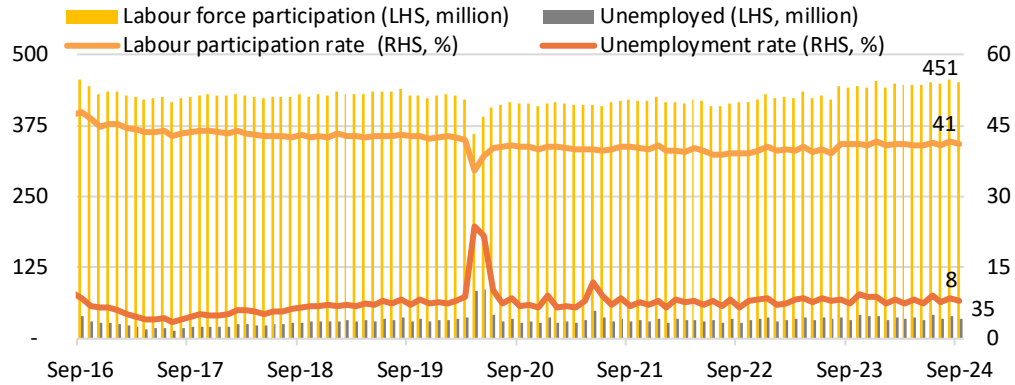
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

Note: Growth in tractor sales in March '20 and April '21 not shown above due to base effects

## Employment – all-India and rural

### India's unemployment estimate steady at 8%; labor force at 41%

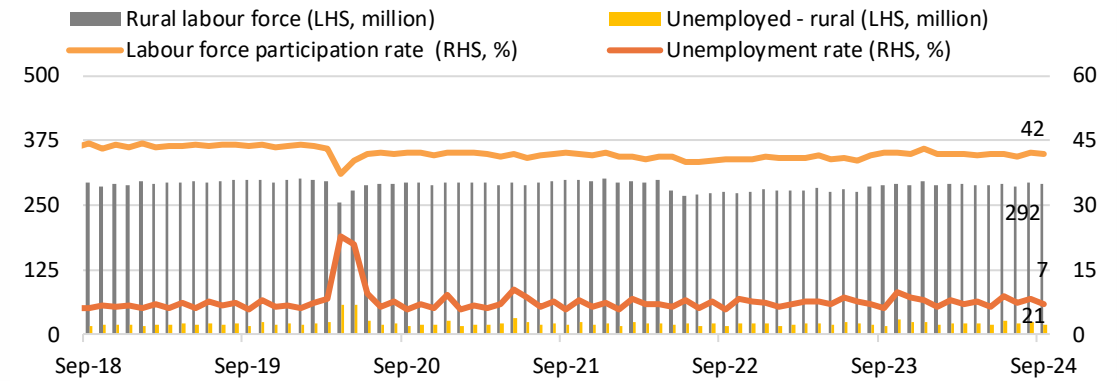
Monthly all-India labour participation and unemployment, FY2017-FY2025 (Sep '24)



Source: CMIE, NIIF Research

### Rural unemployment lower at 7% in Sep; 290+ mn rural labour force

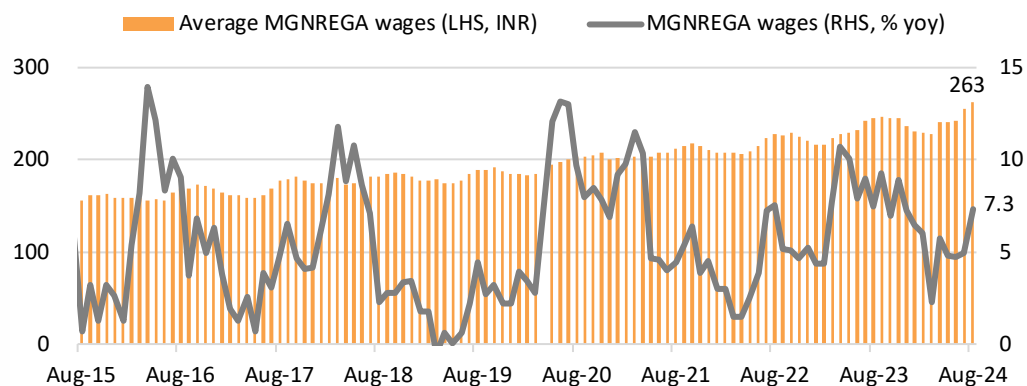
Monthly rural labour participation and unemployment, FY2019-FY2025 (Sep '24)



Source: CMIE, NIIF Research

### Robust growth in average MGNREGA wages in August

Daily average MGNREGA wages (INR), FY2016-FY2025 (Aug '24)

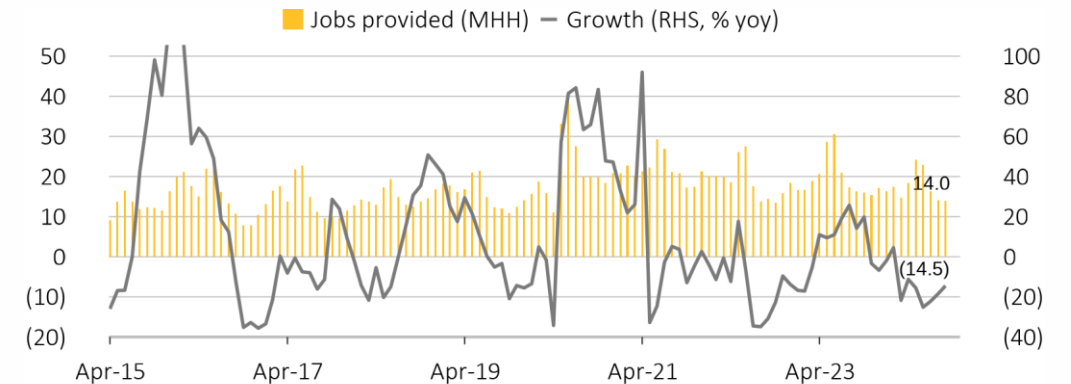


Source: CEIC, NIIF Research

Note: MGNREGA is Mahatma Gandhi National Rural Employment Guarantee Act

### Jobs provided under MNREGA declines in September

Monthly MNREGA employment data, FY2016-FY2025 (Sep '24)



Source: Thurro, MNREGA, NIIF Research

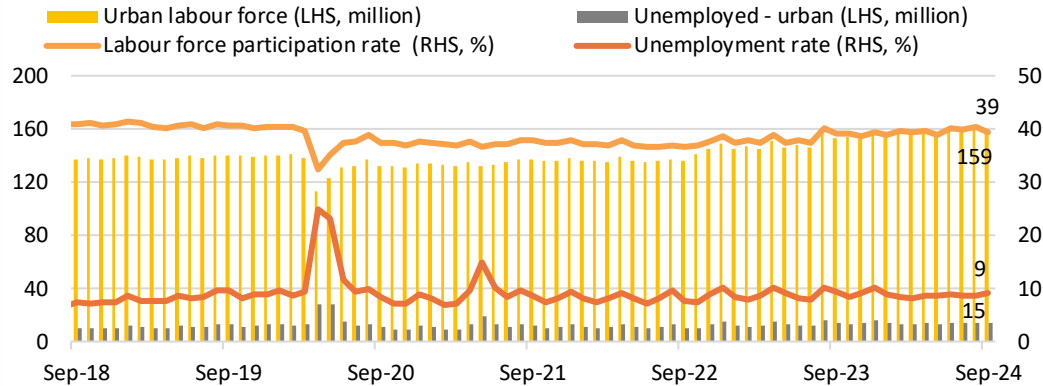
Note: MHH is million households



## Employment - urban

### CMIE's urban labor force estimate falls sequentially to ~40%

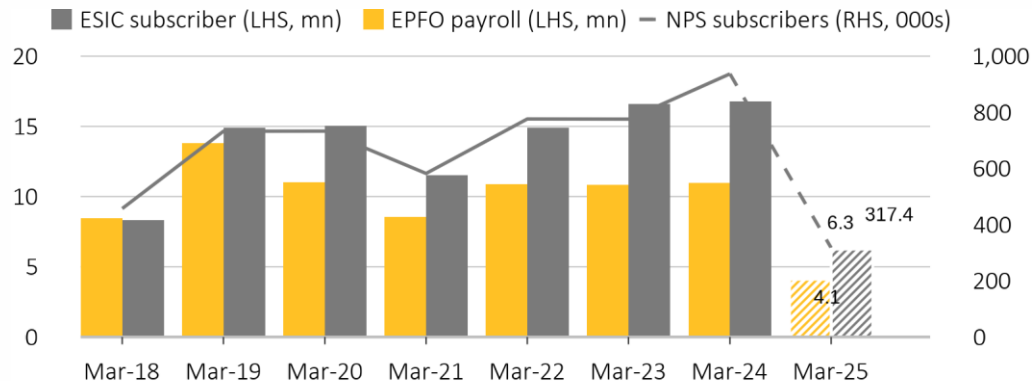
Monthly urban labour participation and unemployment, FY2019-FY2025 (Sep '24)



Source: CMIE, NIIF Research

### New subscriber additions maintain momentum in FYTD2025

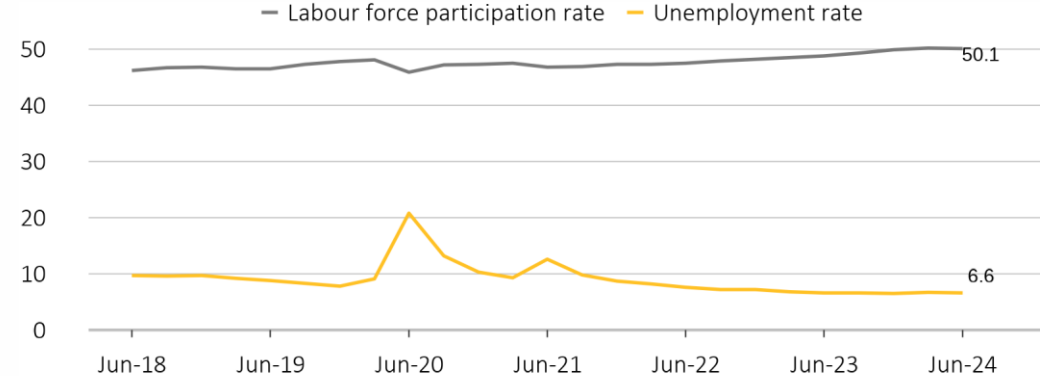
Monthly enrollment numbers, FY2018-FY2025 (Jul '24)



Source: Thurro, EPFO, NIIF Research

### PLFS estimates a rise in labour force participation to 50.1% in Q1FY25

Quarterly Periodic Labor Force Survey (urban), FY2019-FY2025 (Jun '24)

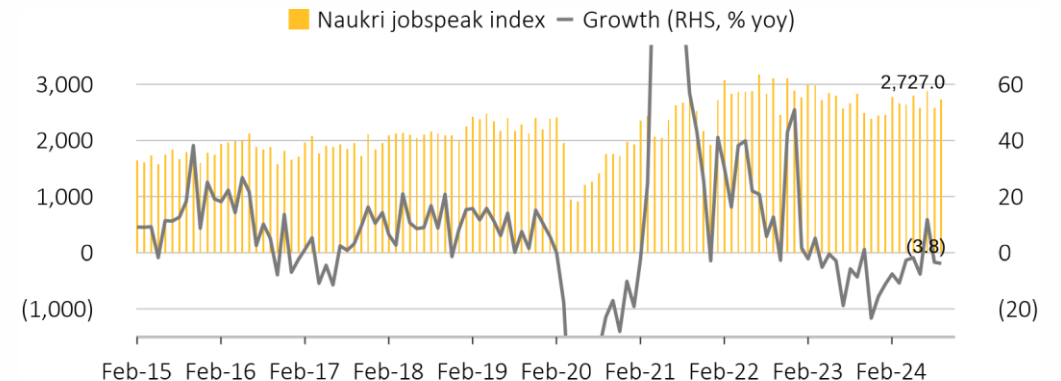


Source: Thurro, MoSPI (Periodic Labour Force Survey), NIIF Research

Note: The quarterly PLFS is conducted by NSSO only for the urban areas

### Corporate hiring activity declines by 3.8% yoy in September

Naukri jobspeak index, FY2015-FY2025 (Sep '24)



Source: Thurro, Naukri, NIIF Research

Note: Naukri Jobspeak Index is calculated based on job listings added Naukri.com on monthly basis. (July 2008 = 1000)

## Fiscal position

### Government's revenue growth on track in FYTD2025 (till August); slower pace of capex

Monthly snapshot of central government fiscal health (INR trillion), FY2024-FY2025 (Aug '24)

	FY2024		FY2025		% of BE		% yoy
	August	YTD	August	YTD	YTD FY2024	YTD FY2025	Δ YTD
1 Revenue receipts	2.5	10.1	1.9	12.1	38.5	38.6	19.2
1.1 Gross tax revenue	3.0	11.9	2.5	13.3	35.4	34.7	12.1
1.1.1 Direct tax	1.7	6.0	1.0	6.8	32.9	30.7	12.9
1.1.2 Indirect tax	1.3	5.9	1.5	6.6	38.6	40.4	11.2
2 Capital receipts (non-debt)	0.0	0.2	0.0	0.1	18.3	11.4	(42.4)
2.1 Net recovery of loans and advances	0.0	0.1	0.0	0.1	42.6	28.7	(17.9)
2.2 Miscellaneous receipts	0.0	0.1	0.0	0.0	9.2	1.6	(85.4)
<b>3 Total (non-debt) receipts (1 + 2)</b>	<b>2.5</b>	<b>10.3</b>	<b>1.9</b>	<b>12.2</b>	<b>37.9</b>	<b>38.0</b>	<b>18.3</b>
4 Revenue expenditure	2.3	13.0	3.1	13.5	37.1	36.4	4.1
4.1 Interest payment	0.7	3.7	0.7	4.0	34.0	34.4	8.9
5 Capital expenditure	0.6	3.7	0.4	3.0	37.3	27.1	(19.5)
<b>6 Total expenditure (4 + 5)</b>	<b>2.9</b>	<b>16.7</b>	<b>3.5</b>	<b>16.5</b>	<b>37.1</b>	<b>34.3</b>	<b>(1.2)</b>
7 Revenue deficit (4 - 1)	(0.2)	2.8	1.2	1.4	32.7	24.7	(49.7)
<b>8 Fiscal deficit (6 - 3)</b>	<b>0.4</b>	<b>6.4</b>	<b>1.6</b>	<b>4.4</b>	<b>36.0</b>	<b>27.0</b>	<b>(32.3)</b>
<b>9 Annual Nominal Gross Domestic Product (GDP)</b>	295.4		326.4				

Lower government capex in FYTD2025 resulting in fiscal deficit tracking lower by ~32% than last year

Source: CEIC, NIIF Research

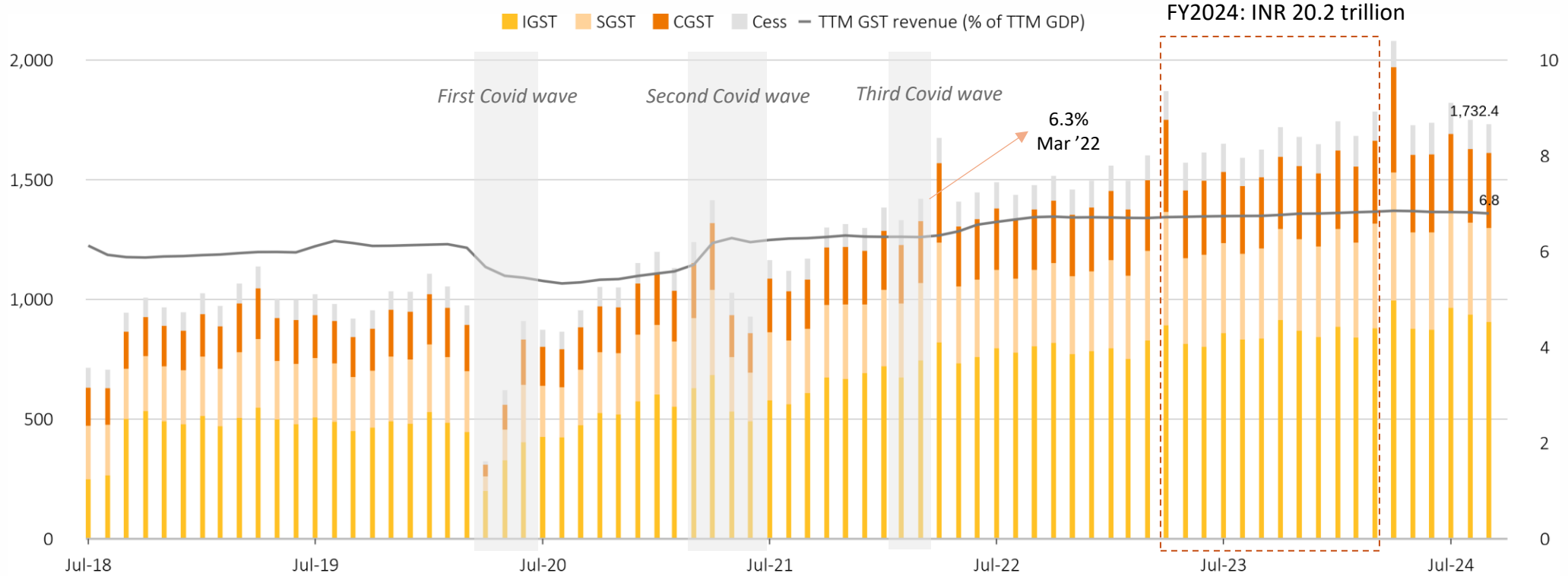
Note:

1. FY2025 is the period between April 2024 and March 2025, similarly for other years
2. YTD refers to financial year to date, i.e., from April onwards
3. BE is the budget estimate for the stated financial year

## Fiscal position

### GST to GDP ratio holds steady at 6.8% over past 12 months

Monthly composition of GST revenue (INR billion), FY2019-FY2025 (Sep '24)



Source: Thurro, Ministry of Finance, NIIF Research

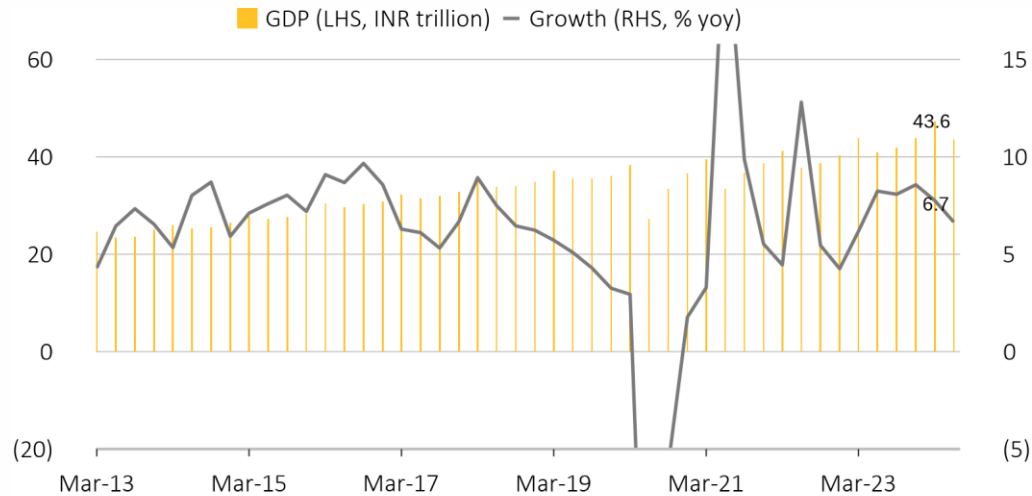
**Note:**

1. TTM is trailing twelve months
2. GST collected for April '20 and May '20 assumed to be entirely CGST
3. Nominal GDP for FY2024 is the provisional estimate by Ministry of Statistics and Programme Implementation of INR 295.4 trillion, and for FY2025 is the budget estimate of INR 327.7 trillion

## Growth

### Real GDP grows by 6.7% yoy in Q1FY25

Quarterly real GDP growth for India, FY2013-FY2025 (Jun '24)

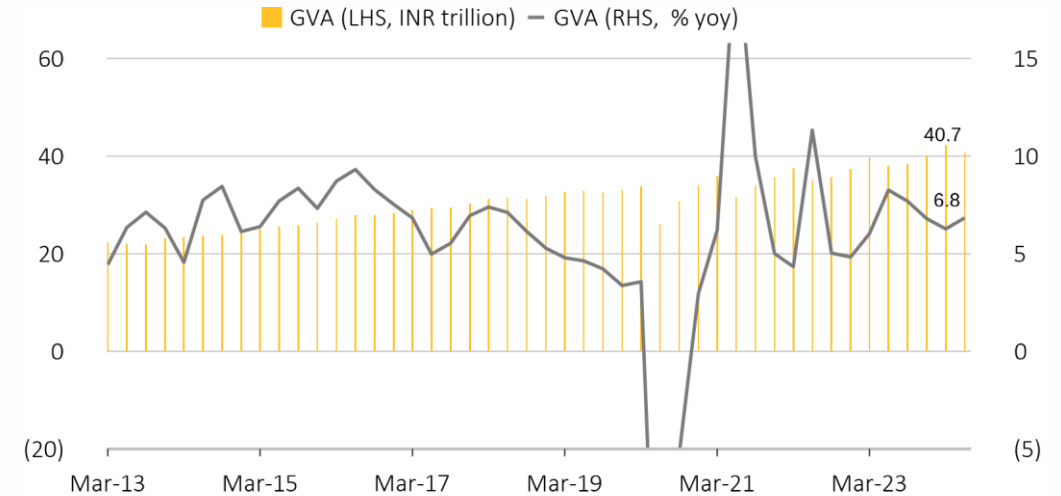


Source: Thurro, MOSPI, NIIF Research

Note: Real GDP growth is based on 2012 prices

### GVA growth rose to 6.8% in Q1FY25

Quarterly real GVA growth (% yoy), FY2013-FY2025 (Jun '24)



Source: Thurro, MOSPI, NIIF Research

### Demand side growth or Gross Domestic Product (GDP) grows by 6.7% yoy in Q1FY25 (Apr-Jun)

- This is slower compared to the 7.8% yoy GDP growth in Q4FY24, and 8.2% in Q1FY24
- Nominal GDP grew by 9.7% yoy in Q1FY25 compared to 9.9% in Q4FY24 and 8.5% in Q1FY24

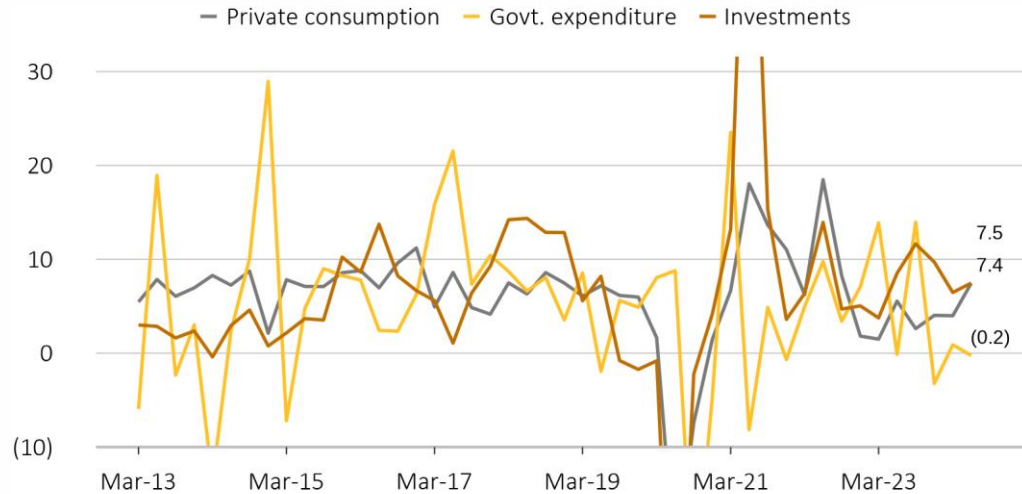
### Steady growth on the supply side with real Gross Value Added (GVA) of 6.8% in Q1FY25

- This is compared to 6.3% in Q4FY24 and 8.3% growth in Q1FY24
- The Reserve Bank of India (RBI) projects real GDP to grow by 7.2% yoy in FY2025, and the Economic Survey estimates a growth between 6.5-7.0%

## Growth

### Consumption and capex are key drivers of growth in Q1FY25

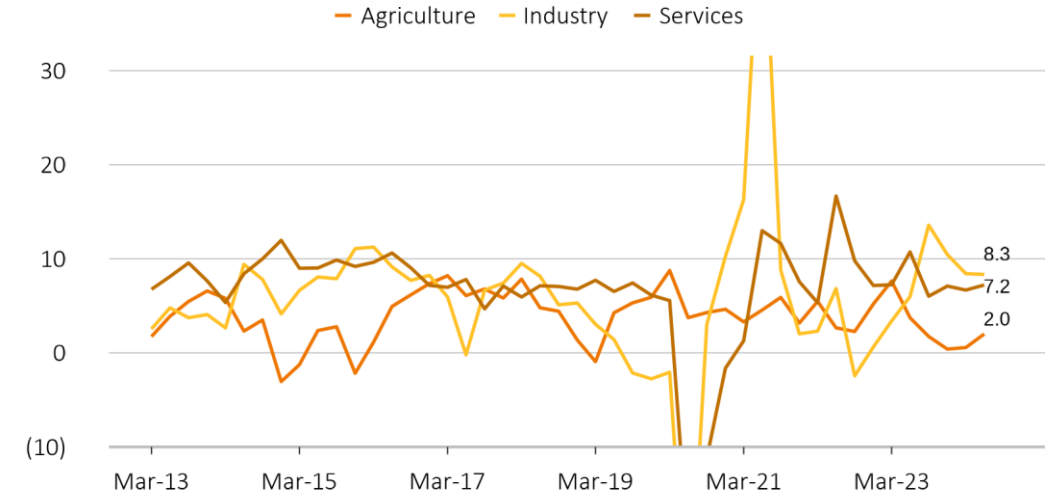
Quarterly real GDP growth by components (% yoy), FY2013-FY2025 (Jun '24)



Source: Thurro, MOSPI, NIIF Research

### GVA growth led by industrial and services sectors

Quarterly real GVA growth by components (% yoy), FY2013-FY2025 (Jun '24)



Source: Thurro, MOSPI, NIIF Research

### Pick up in private consumption and continued capex drive real GDP growth

- Fixed investments or capex growth maintains robust growth of 7.5% yoy in Q1FY25, compared to 6.5% in Q4FY24, and 8.5% in Q1FY24
- Private consumption growth rebounds to 7.4% from 4.0% in the previous quarter
- Government consumption contracted by 0.2%, from a positive 0.9% in Q4FY24, reflecting slower expenditure due to Lok Sabha elections

### Industry and services sectors remain the key drivers of real GVA growth

- Industrial GVA growth remains elevated at 8.3% yoy in Q1FY25 led by strong growth in electricity (10.4%) and construction (10.5%)
- Services GVA growth rose to 7.2%, with public administration, and 'financial, real estate, professional services' sectors driving this growth
- Moderate growth in the agriculture sector at 2.0% in Q1FY25, reflecting weaker Rabi production



# MONTHLY ECONOMIC REPORT ON INDIA OCT 2024

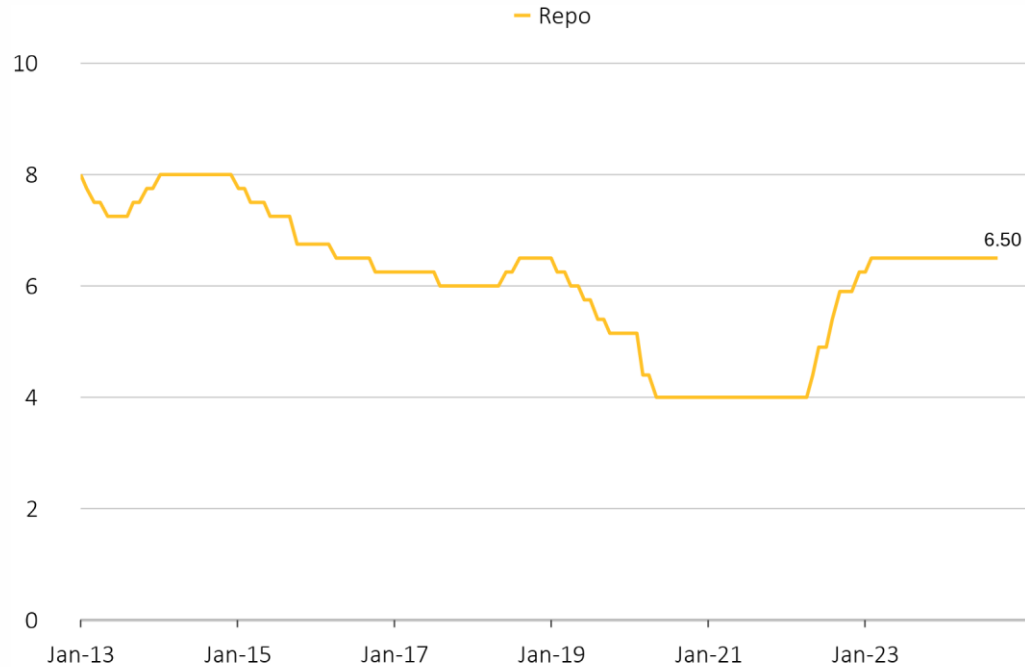
## Markets

- Repo rate unchanged at 6.50%, but stance changed to ‘neutral’ from ‘withdrawal of accommodation’ in October. Banks passed on majority of rate hikes to fresh loans (190 bps) and deposits (243 bps). Consensus estimates 75 bps cumulative rate cut over the next year. 3-month treasury yield softened to 6.4% (as of 14 October), a 21-month low. 10-year G-sec yield remained stable at 6.78%
- Services trade surplus of ~USD 14 billion partially offset goods trade deficit of USD 21 billion in September. Forex reserves surged past USD 700 billion (as of 4 October), providing 9+ months of import cover. Q1FY25 saw 1.6% of GDP capital account surplus supporting 0.6% balance of payment surplus, with a 1.1% current account deficit. INR depreciated 0.9% against USD over the last year, lower compared with the ~3% average over the last ten years
- Indian benchmark indices generated ~30% yoy return in September with low volatility. Commodity prices rose as of 14 October – brent crude oil at USD 80 per bbl, copper at USD 9,650 per tonne, iron ore at USD 102 per dry metric tonne, and gold at USD 2,649 per troy oz

## Policy rate and liquidity

### Repo rate unchanged at 6.50% after October RBI MPC meeting

Repo rates (%), FY2013-FY2025 (04 Oct '24)



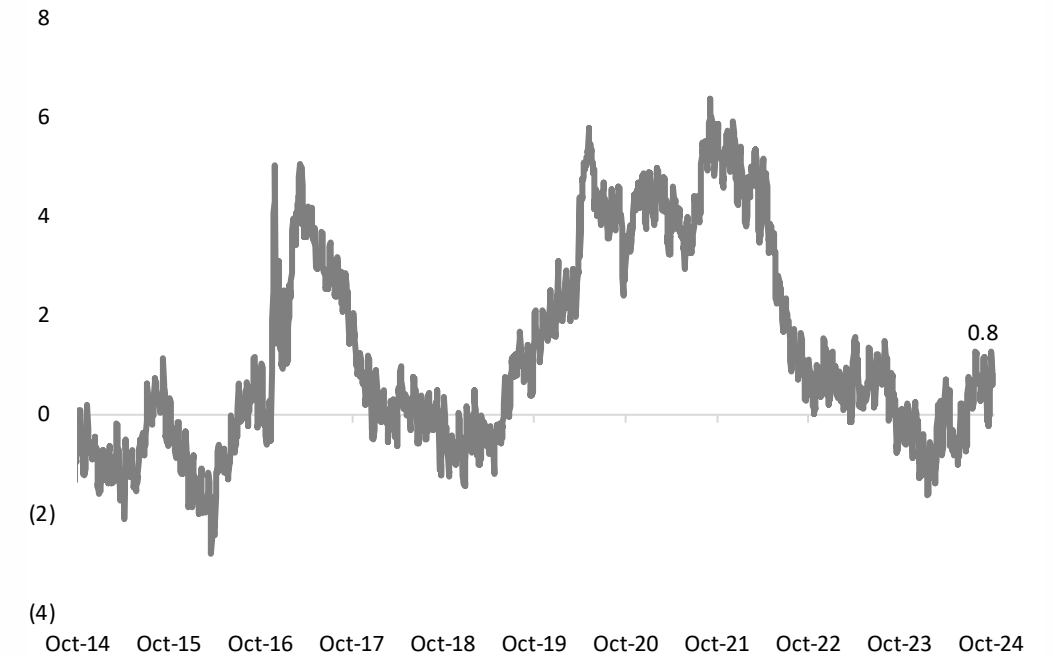
Source: Thurro, RBI, NIIF Research

**Note:**

1. MPC: Monetary Policy Committee

### Banking system liquidity remains in surplus in early October

Surplus liquidity (% of net demand and time liabilities), FY2015-FY2025 (14 Oct '24)



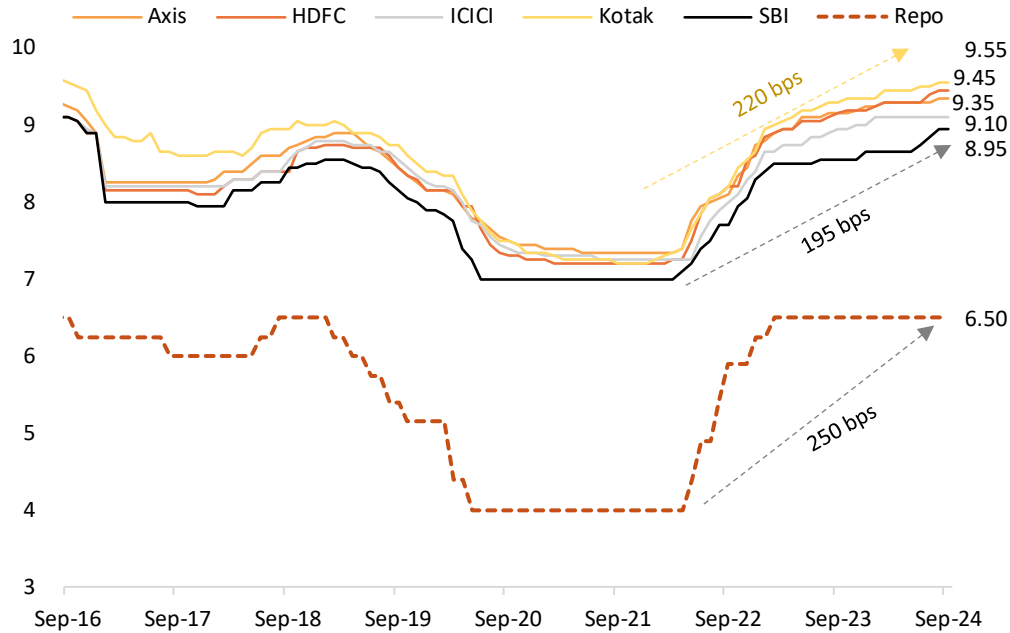
Source: Bloomberg, CEIC, NIIF Research

**Note:**

1. Liquidity operations by RBI include repo, term-repo, long-term repo operations, open market operations, marginal standing facility, and standing liquidity facilities
2. A positive number indicates liquidity surplus, and a negative number indicates a liquidity deficit

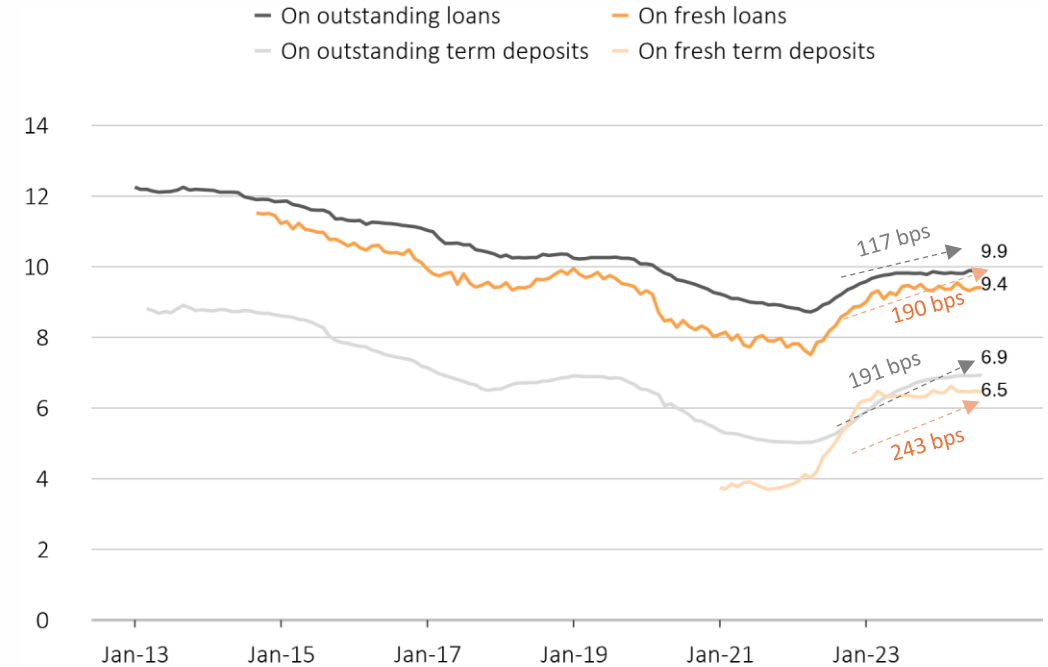
## Banking and financial institutions

**Five major banks increase MCLR by 195 to 220 bps in the last 30 months**  
 Monthly 1-year marginal cost of fund-based lending rate (%), FY2017-FY2025 (Sep '24)



Source: CEIC, NIIF Research

**Banks pass on majority of rate hikes to loans and deposits**  
 Monthly weighted average lending and deposit rates (%), FY2013-FY2025 (Aug '24)



Source: Thurro, RBI, NIIF Research



Forecast of policy rates

**Consensus median forecasts as of September-end estimate two 25-bps rate cut in H2FY25, followed by another 25 bps in Q2FY26**

Projections for RBI's benchmark repo rate (%), Q3FY25 to Q3FY26 (Sep '24)

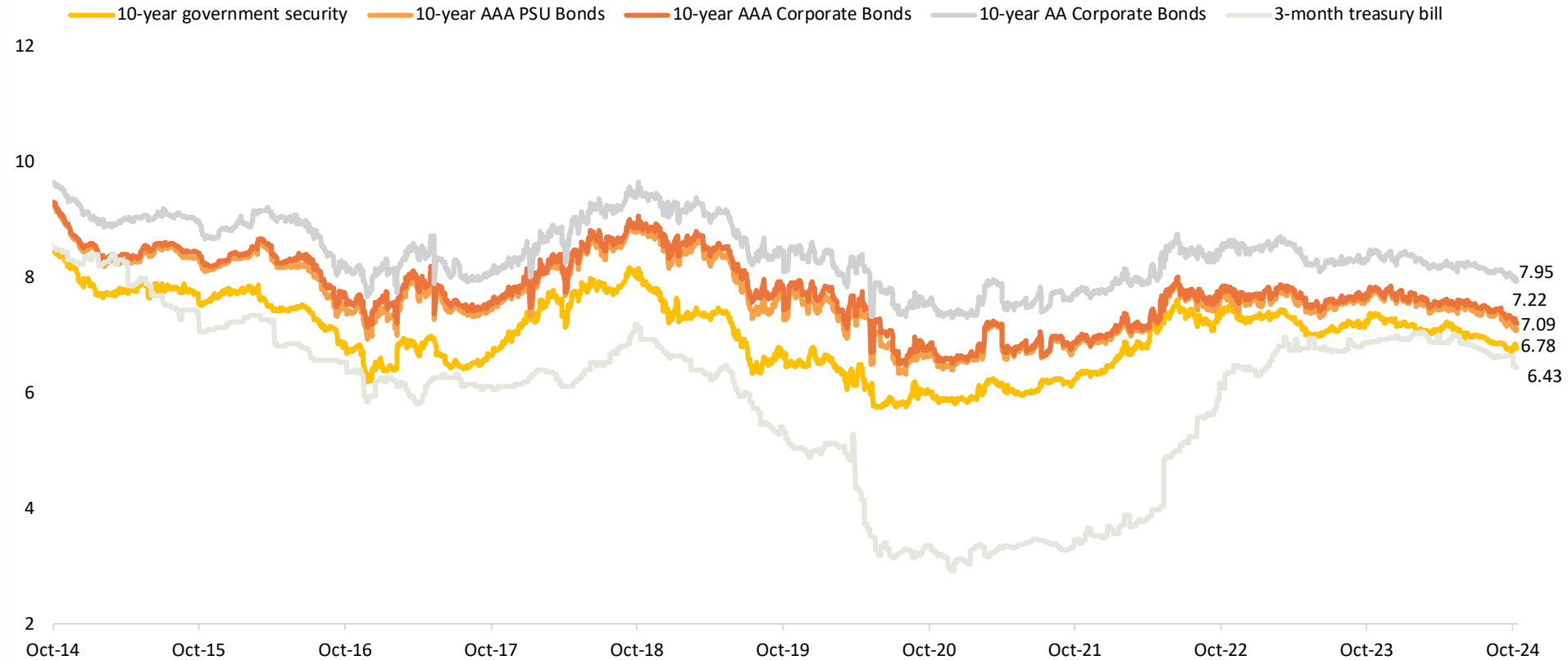
	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<i>Number of analysts</i>	36	38	33	32	28
High forecast	6.50	6.50	6.50	6.50	6.50
Low forecast	6.00	5.75	5.50	5.50	5.50
Bloomberg average	6.30	6.10	5.90	5.85	5.80
<b>Median forecast</b>	<b>6.25</b>	<b>6.00</b>	<b>6.00</b>	<b>5.75</b>	<b>5.75</b>
<b>Comparing previous survey median forecasts</b>					
Bloomberg Mar '24 survey	6.00	6.00	5.75	5.75	5.50
Bloomberg Jun '23 survey	5.75	6.00	6.00	6.00	-

Source: Bloomberg, NIIF Research

## Debt markets

### 3-month treasury yield eases to 6.4%, a 21-month low, while 10-year G-Sec yield remains stable at 6.8%

Daily India G-sec and corporate bond yields (%), FY2015-FY2025 (14 Oct 2024)

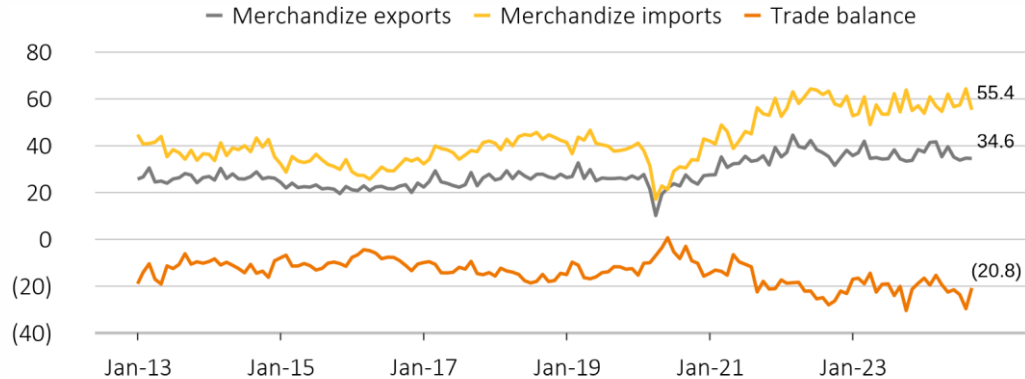


Source: Bloomberg, NIIF Research

## Balance of payments

### Goods trade deficit narrows sequentially with lower imports in September

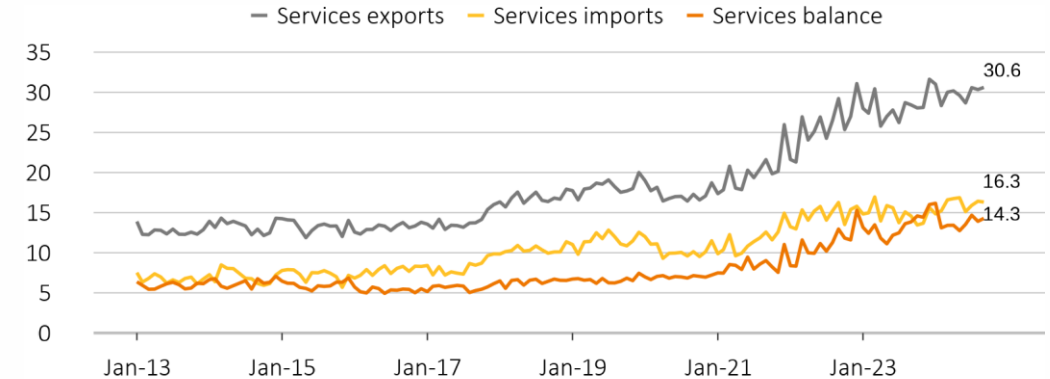
Monthly merchandise trade composition (USD billion), FY2013-FY2025 (Sep '24)



Source: Thurro, RBI, NIIF Research

### Services trade surplus continues to improve in September

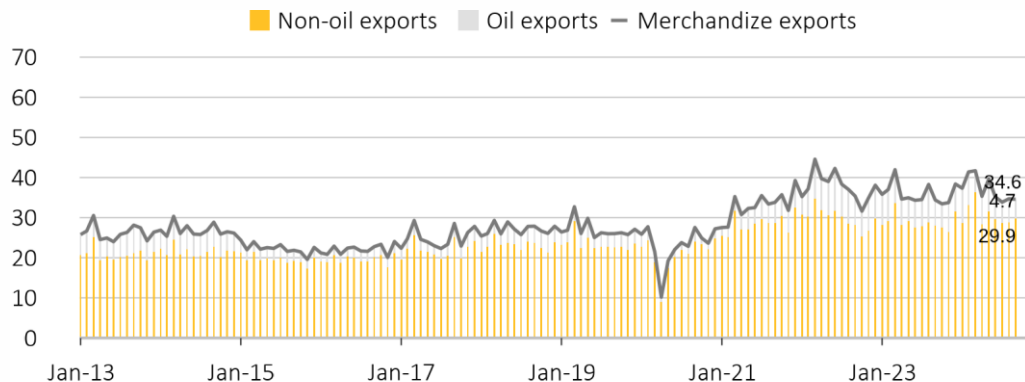
Monthly services trade (USD billion), FY2013-FY2025 (Sep '24)



Source: Thurro, RBI, NIIF Research

### Non-oil exports drive total goods exports in September

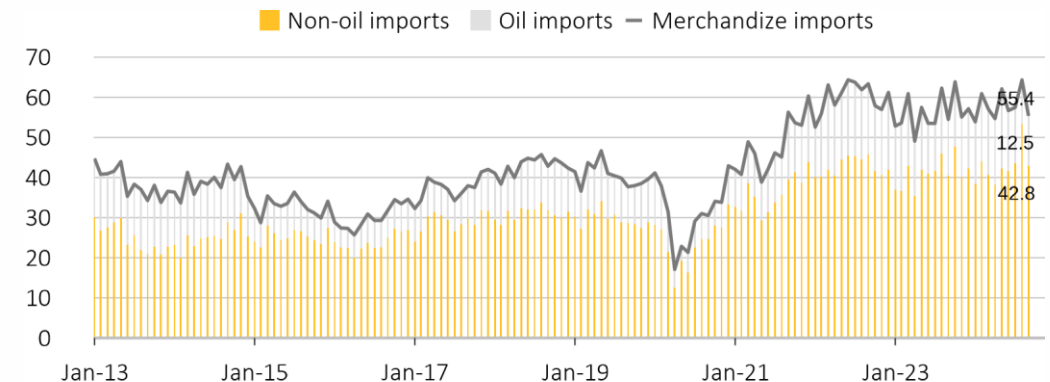
Monthly merchandise exports (USD billion), FY2013-FY2025 (Sep '24)



Source: Thurro, RBI, NIIF Research

### Higher non-oil imports drive overall imports in September

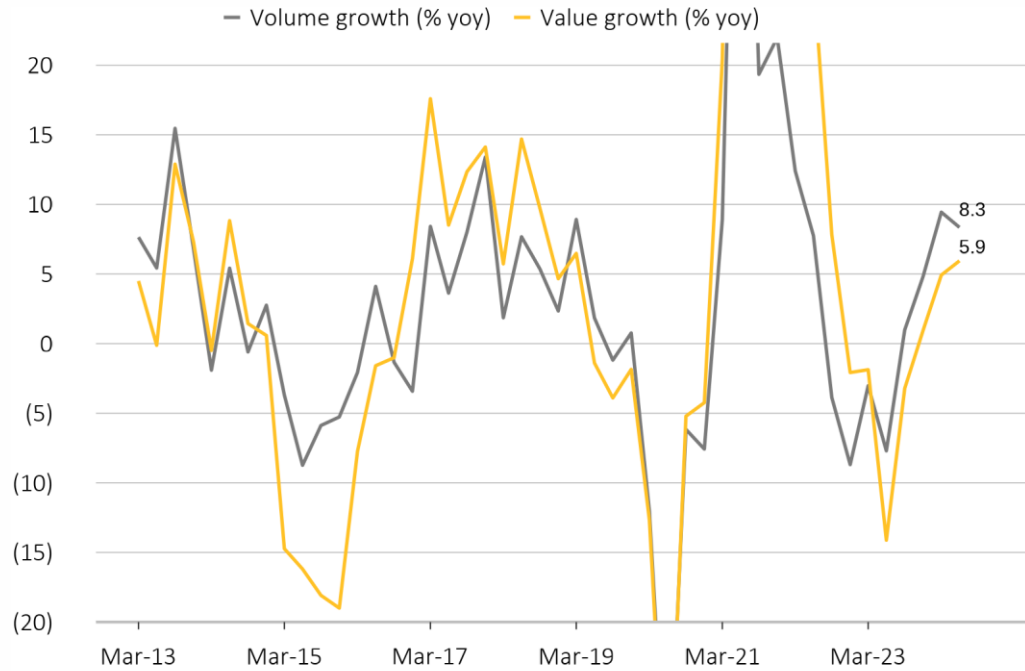
Monthly merchandise imports (USD billion), FY2013-FY2025 (Sep '24)



Source: Thurro, RBI, NIIF Research

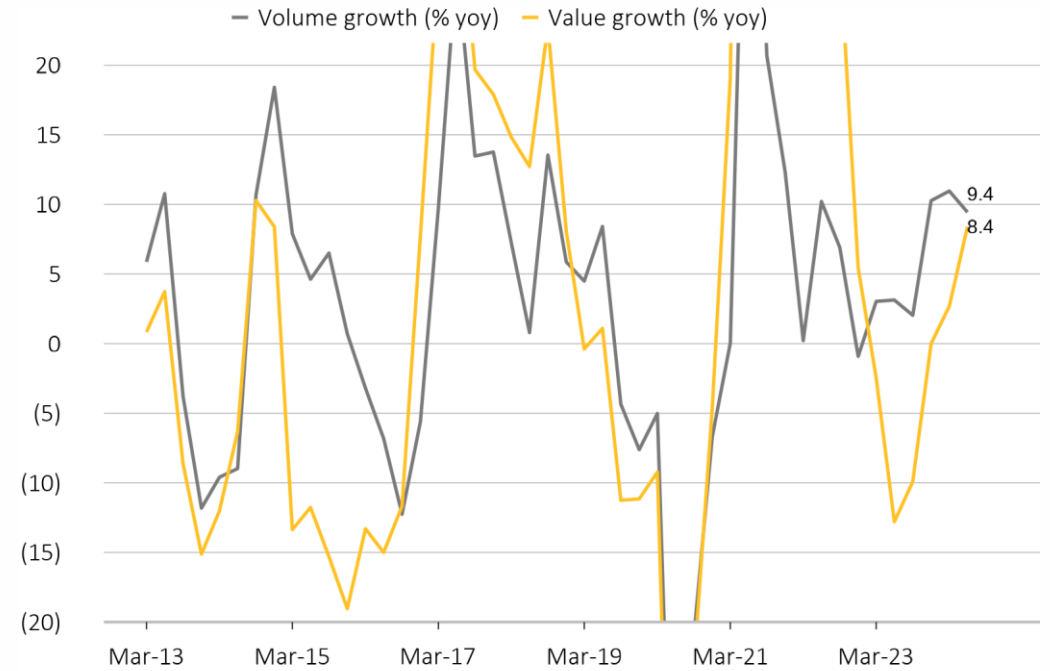
## Balance of payments

**Exports value grew by ~6% while volume up by ~8% in Q1FY25**  
 Quarterly growth in merchandize exports (% yoy), FY2013-FY2025 (Jun '24)



Source: Thurro, MOCI, UNCTAD, NIIF Research

**Imports value up by ~8% and volume by ~9% in Q1FY25**  
 Quarterly growth in merchandize imports (% yoy), FY2013-FY2025 (Jun '24)

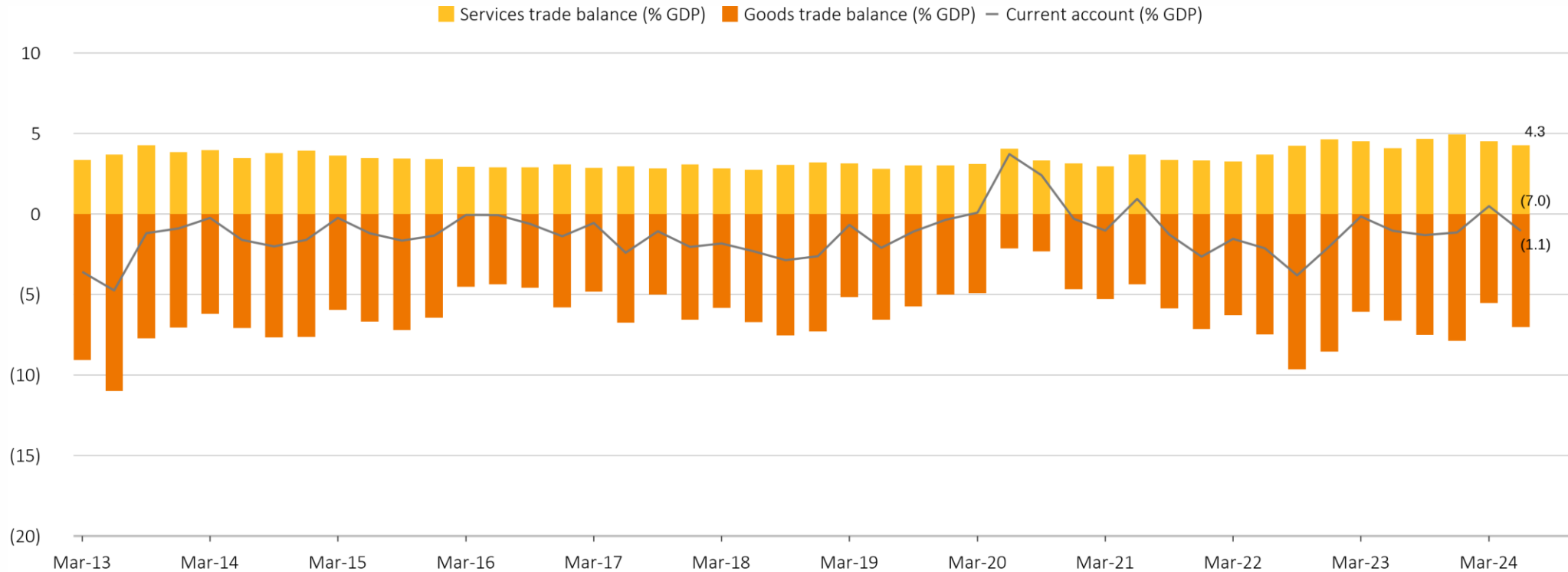


Source: Thurro, MOCI, UNCTAD, NIIF Research

## Balance of payments

### Current account balance in deficit at 1.1% of GDP in Q1FY25

Quarterly current account balance (% of GDP), FY2013-FY2025 (Jun '24)



Source: Thurro, RBI, NIIF Research

**Note:**

1. Current account comprises (1) goods trade, (2) services trade, (3) transfers (grants, gifts, remittances, etc.), and (4) income (investment income and compensation of employees)
2. Hence, current account balance as % of GDP would not add up to the balance of goods and services trade that are shown above

## Balance of payments

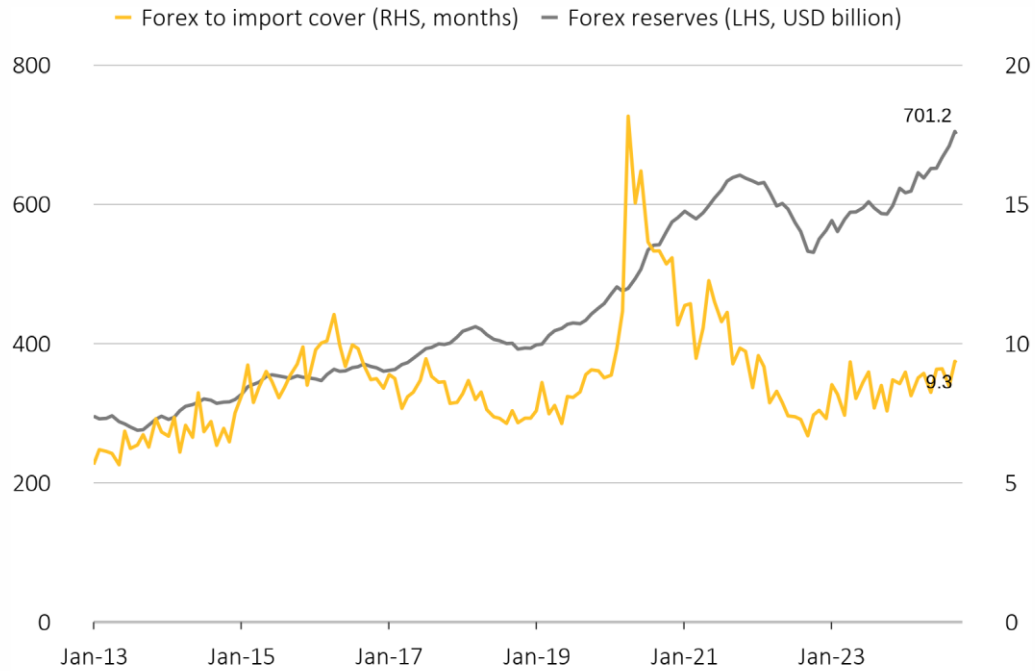
### Capital account surplus offsets current account deficit leading to a balance of payment surplus of 0.6% of GDP in Q1FY25

Quarterly balance of payments (USD billion), FY2021-FY2025 (Jun '24)

	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
a. Merchandise trade	(56.7)	(64.5)	(71.6)	(52.0)	(65.1)
<i>(as % of GDP)</i>	<i>(6.6)</i>	<i>(7.5)</i>	<i>(7.9)</i>	<i>(5.5)</i>	<i>(7.0)</i>
b. Exports	104.9	108.3	106.6	121.6	111.2
c. Imports	161.6	172.8	178.3	173.6	176.3
d. Services trade	35.1	39.9	45.0	42.7	39.7
e. Income	(10.2)	(11.6)	(13.1)	(14.8)	(10.7)
f. Transfers	22.9	24.9	29.3	28.7	26.4
<b>g. Current account (a + d + e + f)</b>	<b>(8.9)</b>	<b>(11.3)</b>	<b>(10.4)</b>	<b>4.6</b>	<b>(9.7)</b>
<i>(as % of GDP)</i>	<i>(1.0)</i>	<i>(1.3)</i>	<i>(1.1)</i>	<i>0.5</i>	<i>(1.1)</i>
h. Foreign direct investment	4.7	(0.8)	4.0	2.3	6.3
i. Portfolio	15.7	4.9	12.0	11.4	0.9
j. Loans (external assistance, commercial borrowings, short term credit to india)	2.2	3.3	(2.8)	3.9	6.0
k. Banking capital	12.9	4.3	16.4	6.9	2.9
l. Others	(1.7)	1.1	(12.3)	1.1	(1.6)
<b>m. Capital account (h+ i + j + k + l)</b>	<b>33.8</b>	<b>12.8</b>	<b>17.3</b>	<b>25.6</b>	<b>14.4</b>
<i>(as % of GDP)</i>	<i>3.9</i>	<i>1.5</i>	<i>1.9</i>	<i>2.7</i>	<i>1.6</i>
n. Net errors and omissions	(0.4)	1.0	(0.9)	0.6	0.6
<b>o. Balance of payment (g + m + n)</b>	<b>24.4</b>	<b>2.5</b>	<b>6.0</b>	<b>30.8</b>	<b>5.2</b>
<i>(as % of GDP)</i>	<i>2.8</i>	<i>0.3</i>	<i>0.7</i>	<i>3.3</i>	<i>0.6</i>

## Balance of payments

**Forex reserves surge past USD 700 billion as on 4 October**  
 Monthly foreign exchange reserves, FY2013-FY2025 (04 Oct '24)

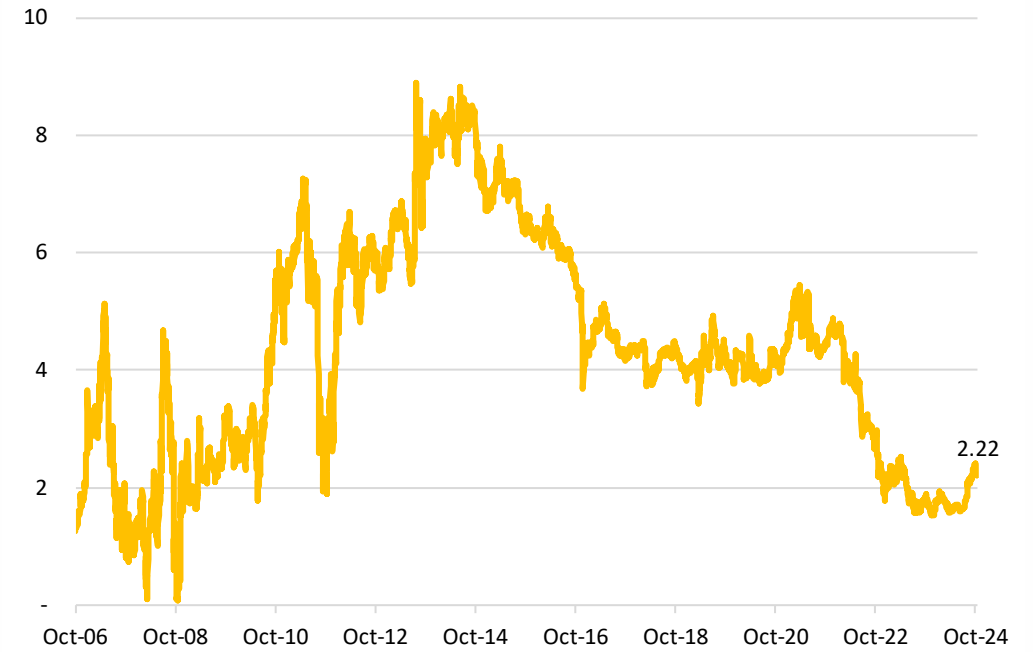


Source: Thurro, RBI, NIIF Research

**Note:**

1. Import cover calculated on total imports (merchandise plus services)

**Forward premium rises, reflecting widening interest rate differential**  
 USD/INR implied 1-year forward risk premium (%), FY2007-FY2025 (14 Oct '24)

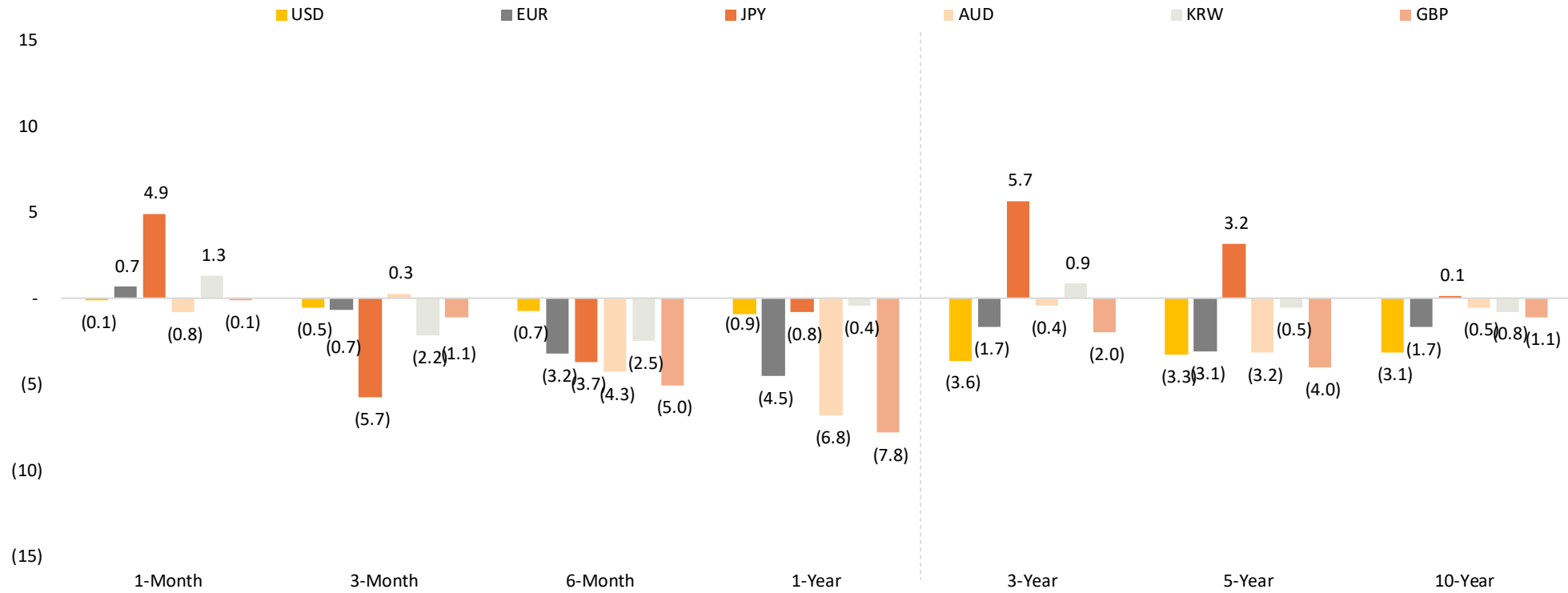


Source: Bloomberg, NIIF Research

## Foreign exchange markets

### INR depreciation against USD stable at ~3% p.a. over long-term; INR back to appreciating against JPY over last month

INR performance vis-a-vis major currencies (%), FY2015-FY2025 (14 Oct '24)



Source: Bloomberg, NIIF Research

**Note:**

1. Numbers are annualized for periods above 1 year
2. Positive return indicates appreciation of INR and negative means depreciation of INR vis-a-vis respective currency



## Foreign exchange markets

**Most major (advanced and emerging economy) currencies have depreciated more than INR has against USD in the long-term**

Currencies vs USD (% change) (14 Oct 2024)

	Current Market Price	Returns (%)							
		1-W	1-M	3-M	6-M	12-M	3-Y	5-Y	10-Y
<b>Exchange rates vis-à-vis USD</b>									
<b>Advanced economies</b>									
Japanese Yen	149.7	(1.0)	(5.9)	5.6	3.1	(0.1)	(8.6)	(6.2)	(3.3)
Pound Sterling	0.8	(0.3)	(0.6)	0.6	4.8	6.7	(1.8)	0.7	(2.1)
Euro	0.9	(0.6)	(1.5)	0.2	2.7	3.3	(2.0)	(0.2)	(1.6)
Australian Dollar	1.5	(0.7)	0.1	(0.7)	4.2	5.8	(3.3)	(0.2)	(2.6)
Israeli New Shekel	3.8	1.1	(1.2)	(3.8)	(0.4)	6.9	(5.0)	(1.4)	(0.1)
Canadian Dollar	1.4	(1.2)	(1.5)	(0.8)	(0.0)	(1.3)	(3.6)	(0.8)	(2.0)
Singapore Dollar	1.3	(0.3)	(0.8)	2.7	4.2	4.5	1.0	0.9	(0.3)
<b>Emerging economies</b>									
Turkish Lira	34.3	(0.0)	(1.0)	(3.7)	(5.4)	(18.7)	(35.4)	(29.6)	(23.9)
South African Rand	17.6	(1.1)	0.8	3.6	8.0	6.8	(6.0)	(3.4)	(4.5)
Brazilian Real	5.6	(2.6)	(1.3)	(3.4)	(8.0)	(10.6)	(1.0)	(6.0)	(8.0)
Indian Rupee	84.1	(0.1)	(0.2)	(0.5)	(0.7)	(0.9)	(3.6)	(3.3)	(3.1)
Indonesian Rupiah	15,560.0	0.8	(1.0)	3.9	1.8	1.0	(3.3)	(1.9)	(2.5)
Chinese Yuan	7.1	(0.3)	0.1	2.5	2.3	3.0	(3.2)	(0.1)	(1.4)

Source: Bloomberg, NIIF Research

**Note:**

1. % change over 12 months are annualized
2. Positive change indicates appreciation of currency vs USD while negative change indicates depreciation

## Foreign exchange markets

### INR remains overvalued against currencies of trading part

Monthly real effective exchange rate of INR, base year 2015-16 (X), (Aug '24)



Source: Thurro, RBI, NIIF Research

**Note:**

1. Real effective exchange rate (REER) is the weighted average of a country's currency in relation to basket of currencies of its major trading partners.
2. A REER value greater than 100 implies that the currency is overvalued, and undervalued if under 100

### Dollar index moves further lower in September, indicating a weak USD

Monthly average dollar index (X), FY2013-FY2025 (Sep '24)



Source: Thurro, Yahoo Finance, NIIF Research

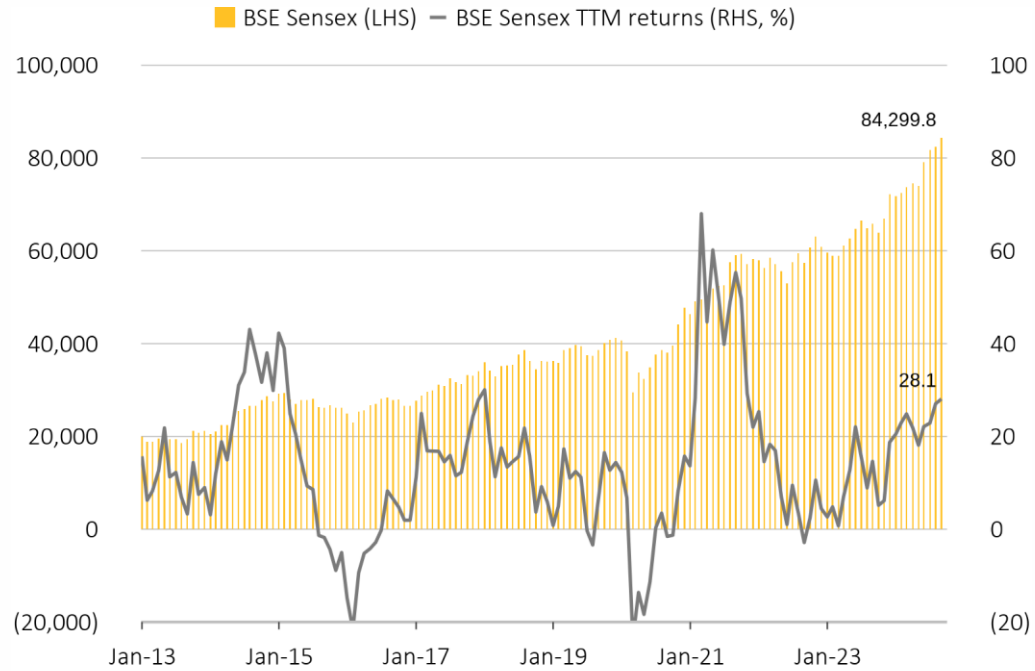
**Note:**

1. Dollar index measures the relative strength of USD compared to other major currencies (EUR, GBP, JPY, SEK, CAD, CHF). A higher number indicates a stronger USD.

## Equity markets

### Sensex generates 28.1% yoy return in September

Monthly BSE Sensex performance, FY2013-FY2025 (Sep '24)



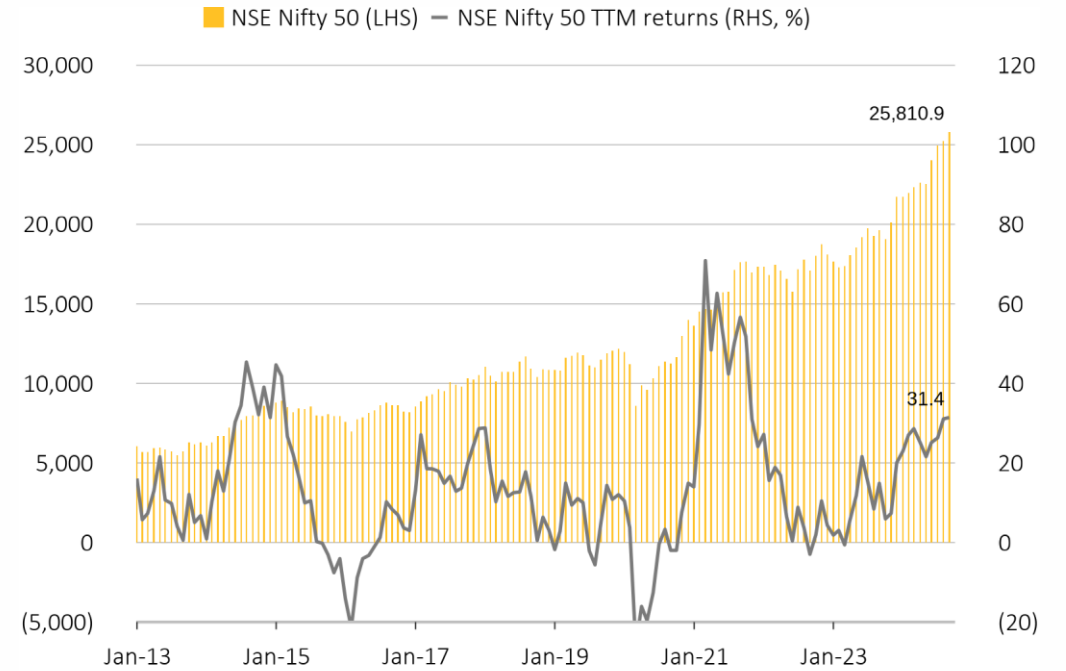
Source: Thurro, BSE, NIIF Research

**Note:**

1. TTM: trailing twelve months
2. Monthly data for stock indices is as on end of the month
3. Returns do not take into account any dividend payouts and stock buybacks, if any

### NIFTY 50 generates 31.4% yoy return in September

Monthly NSE Nifty performance, FY2013-FY2025 (Sep '24)



Source: Thurro, NSE, NIIF Research

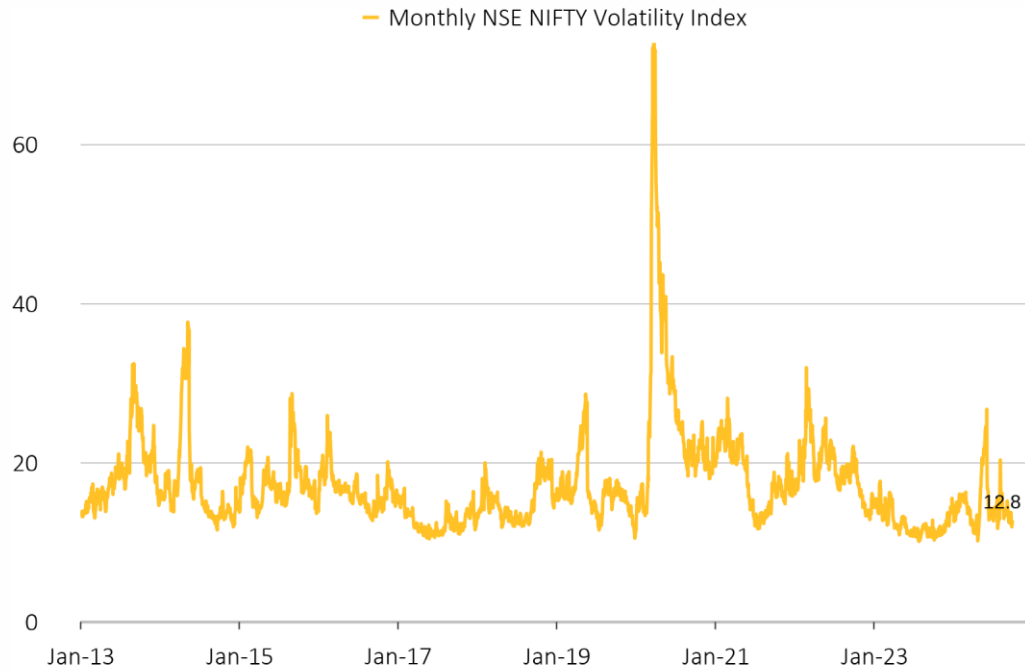
**Note:**

1. Monthly data for stock indices is as on end of the month
2. Returns do not take into account any dividend payouts and stock buybacks, if any

## Equity markets

### Low volatility on average in Indian markets in September

Daily NSE NIFTY Volatility Index (X), FY2013-FY2025 (Sep '24)



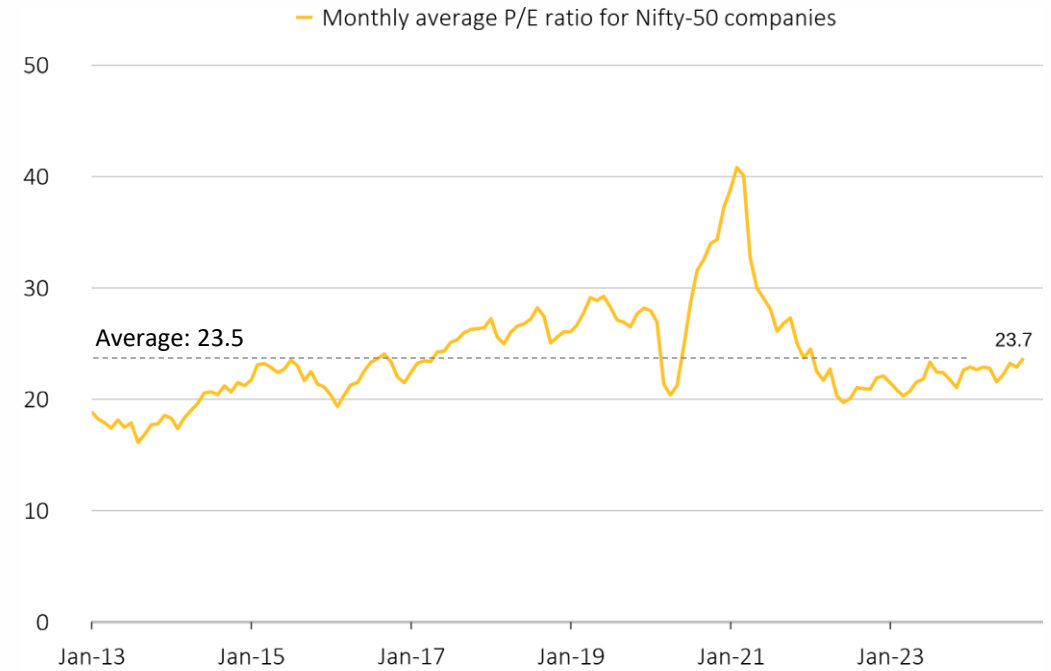
Source: Thurro, NSE, NIIF Research

**Note:**

- Volatility Index (VIX) represents the market's expectations of volatility over the next 30 days. India VIX is based on the NIFTY Index Option prices

### Nifty 50 P/E edges above 10-year average in September

Monthly average P/E ratio for Nifty-50 companies, FY2013-FY2025 (Sep '24)



Source: Thurro, NSE, NIIF Research

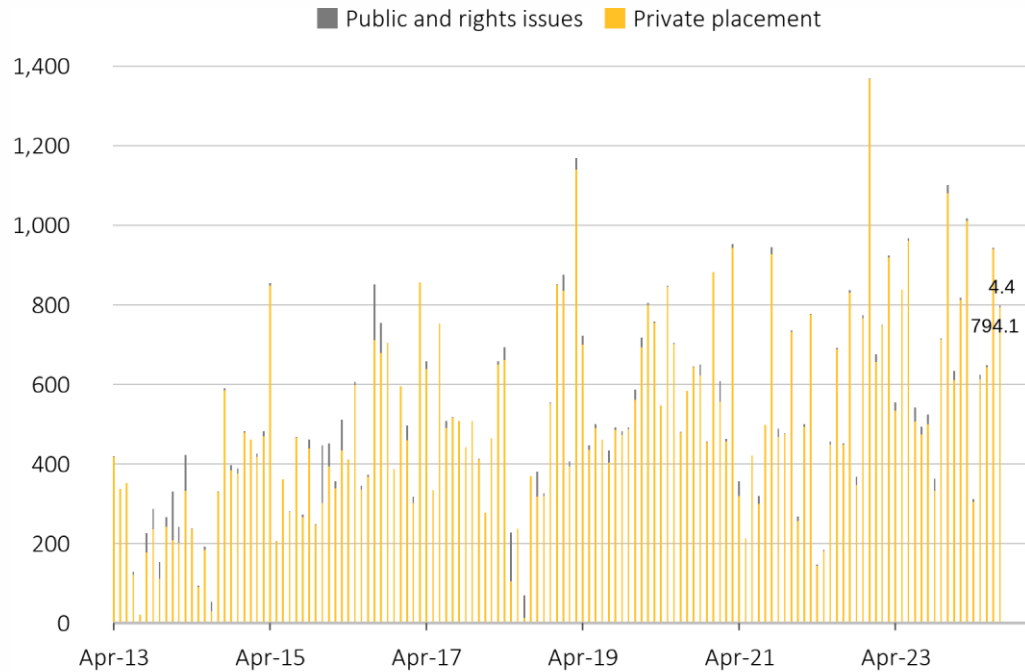
**Note:**

- Earnings assumed for P/E ratios are trailing 4-quarter earnings

## Debt and equity markets: issuance

### Capital raised through debt instruments at INR 798.5 billion

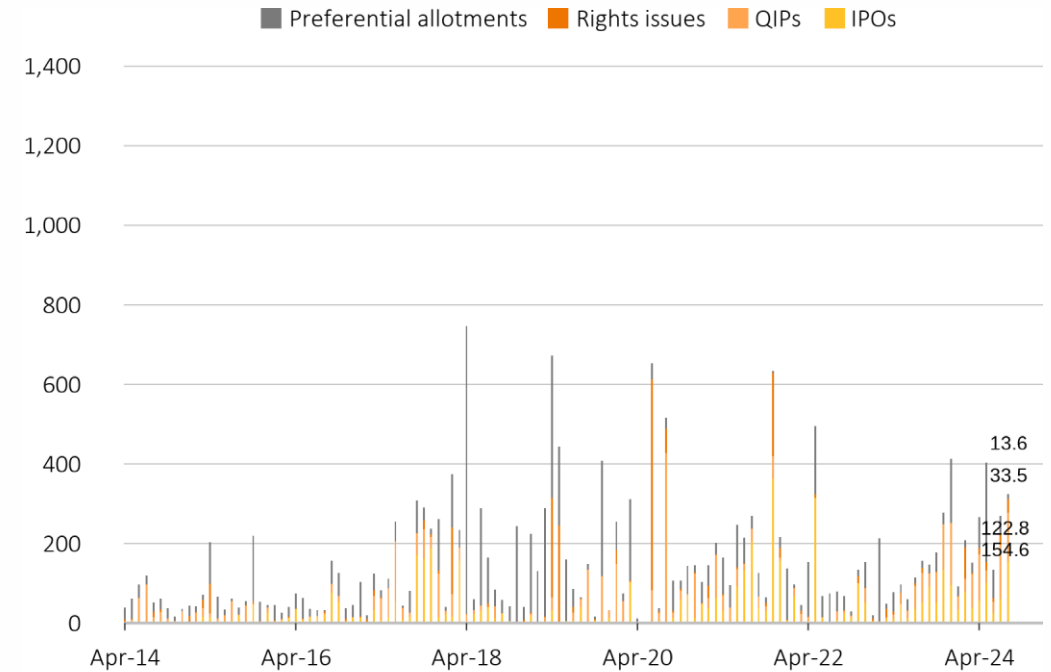
Monthly debt fund raising by corporate sector (INR billion), FY2014-FY2025 (Aug '24)



Source: Thurro, SEBI, NIIF Research

### Capital raised through equity instruments at INR 324.5 billion in August

Monthly equity fund raising by corporate sector (INR billion), FY2015-FY2025 (Aug '24)



Source: Thurro, SEBI, NIIF Research

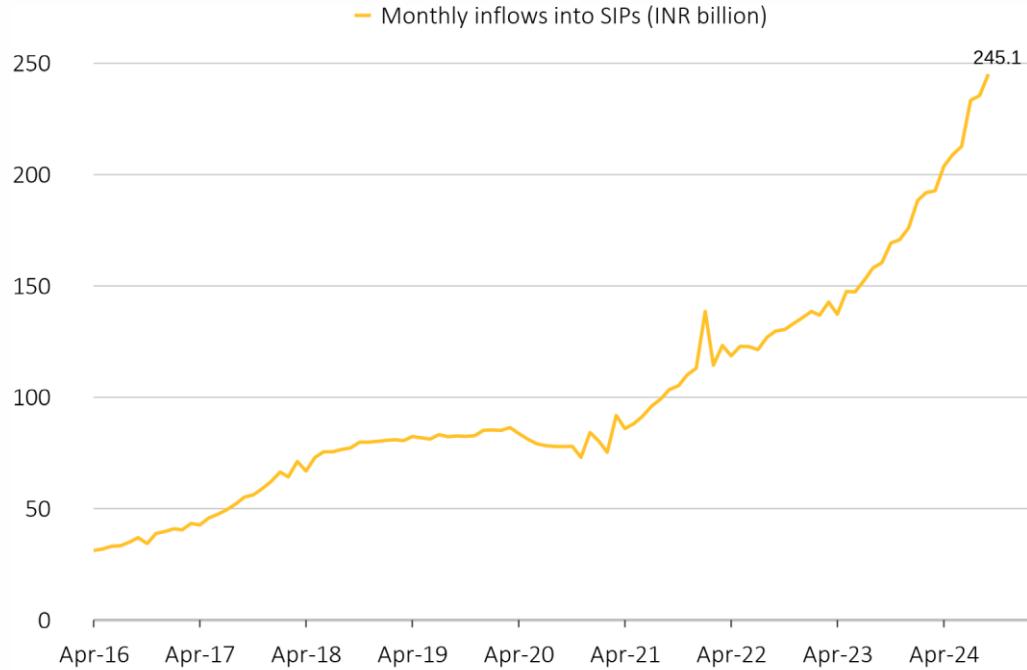
**Note:**

1. IPO here includes only fresh issuances, does not include OFS or secondary sales

## Debt and equity markets: mutual funds

### Monthly SIP inflows reach INR 245 billion in September

Monthly inflows into SIPs, FY2017-FY2025 (Sep '24)



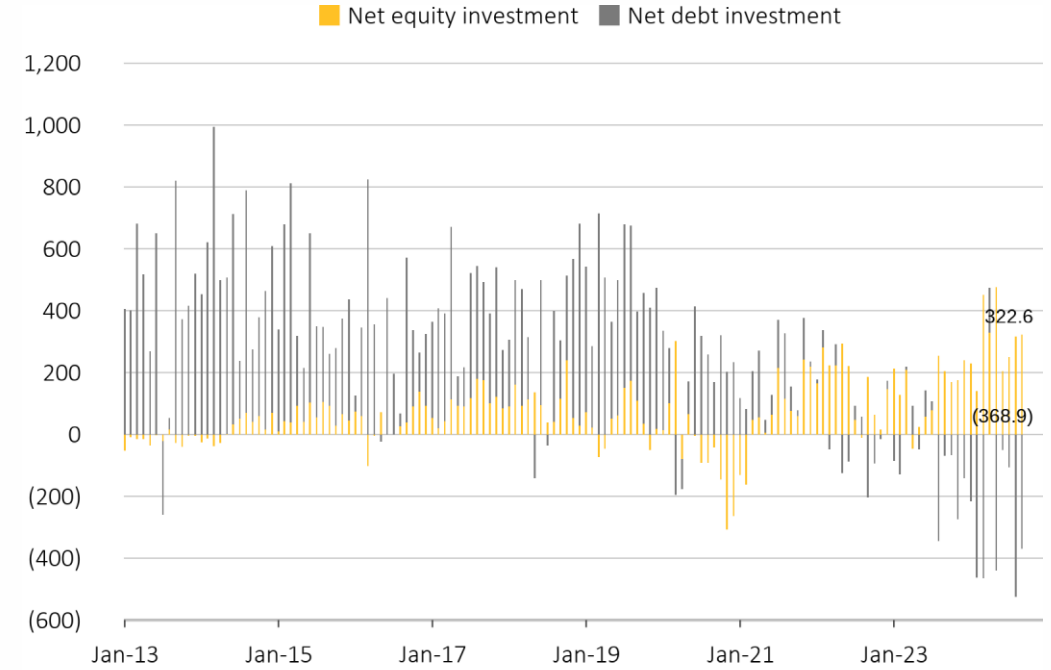
Source: Thurro, AMFI, NIIF Research

**Note:**

1. SIP stands for Systematic Investment Plans, an investment route offered by mutual funds wherein one can invest a fixed amount in a Mutual Fund scheme at regular intervals

### Mutual funds record a net outflow of INR 46 billion in September

Monthly net inflows into mutual funds (INR billion), FY2013-FY2025 (Sep '24)



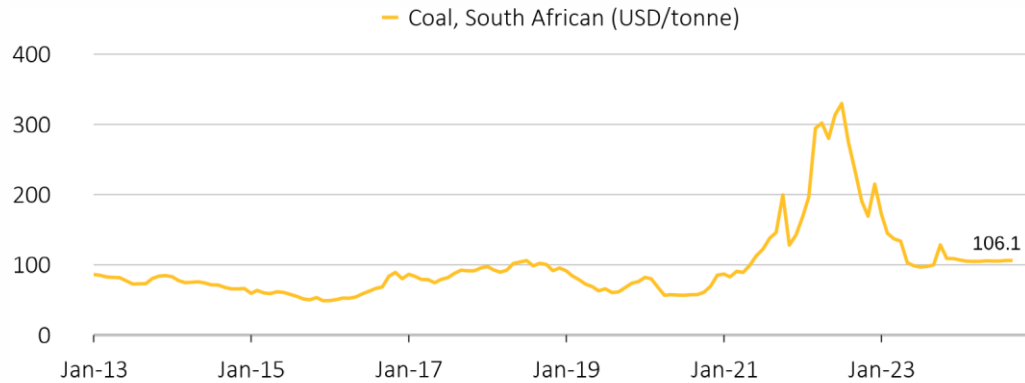
Source: Thurro, SEBI, NIIF Research

**Note:**

## Commodity markets

### Stable coal price in September

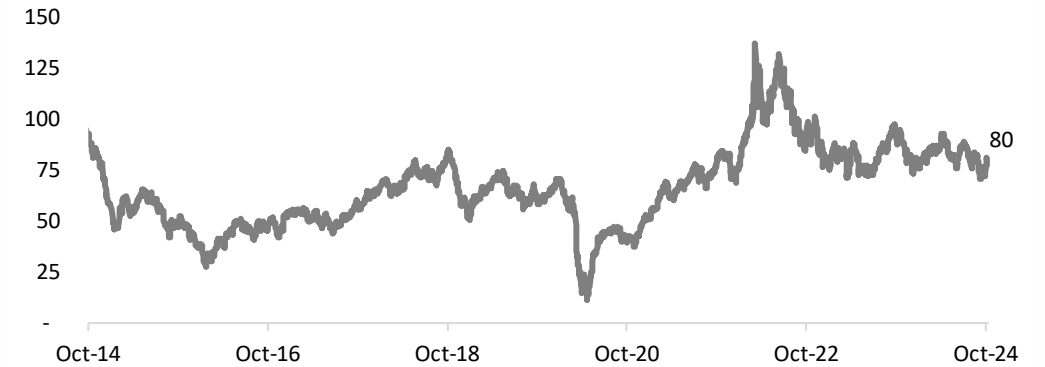
Monthly coal (South African) prices, FY2013-FY2025 (Sep '24)



Source: Thurro, World Bank Commodity Price Data (The Pink Sheet), NIIF Research

### Brent crude oil price rising again, at USD 80 per bbl as of 14 October

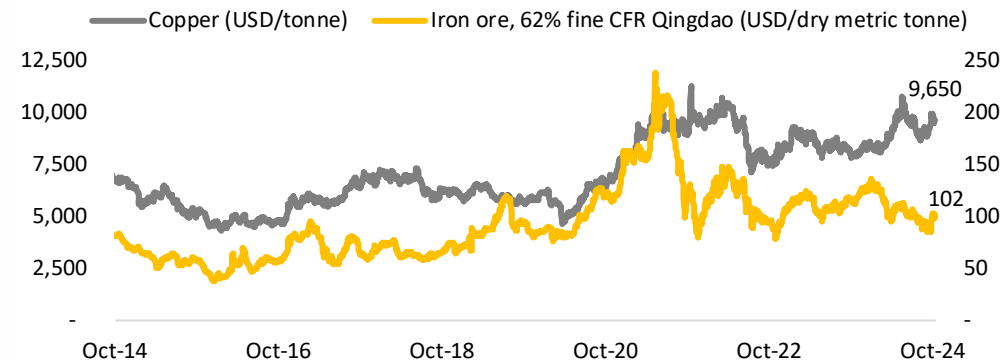
Daily Brent crude oil prices (USD per bbl), FY2015-FY2025 (14 Oct '24)



Source: Bloomberg, NIIF Research

### Copper and iron ore prices nudge up in early October

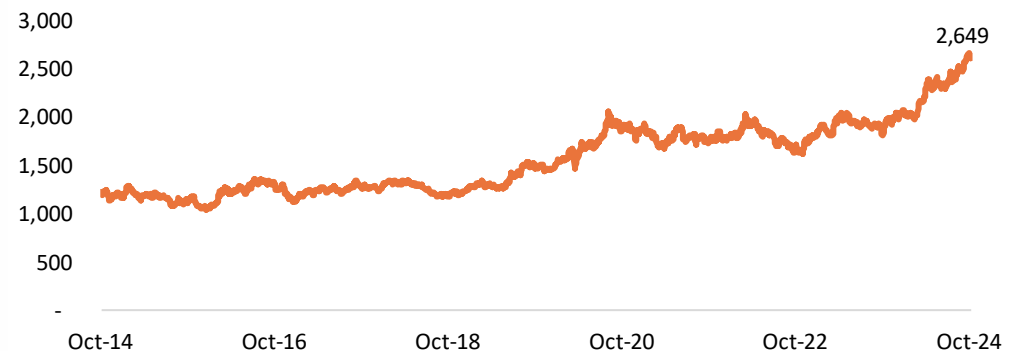
Daily copper and iron ore prices, FY2015-FY2025 (14 Oct '24)



Source: Bloomberg, NIIF Research

### Gold price remain elevated at USD 2,649 per troy oz as of 14 October

Daily gold prices (USD per troy oz), FY2014-FY2025 (14 Oct '24)



Source: Bloomberg, NIIF Research



# MONTHLY ECONOMIC REPORT ON INDIA OCT 2024

## Investments

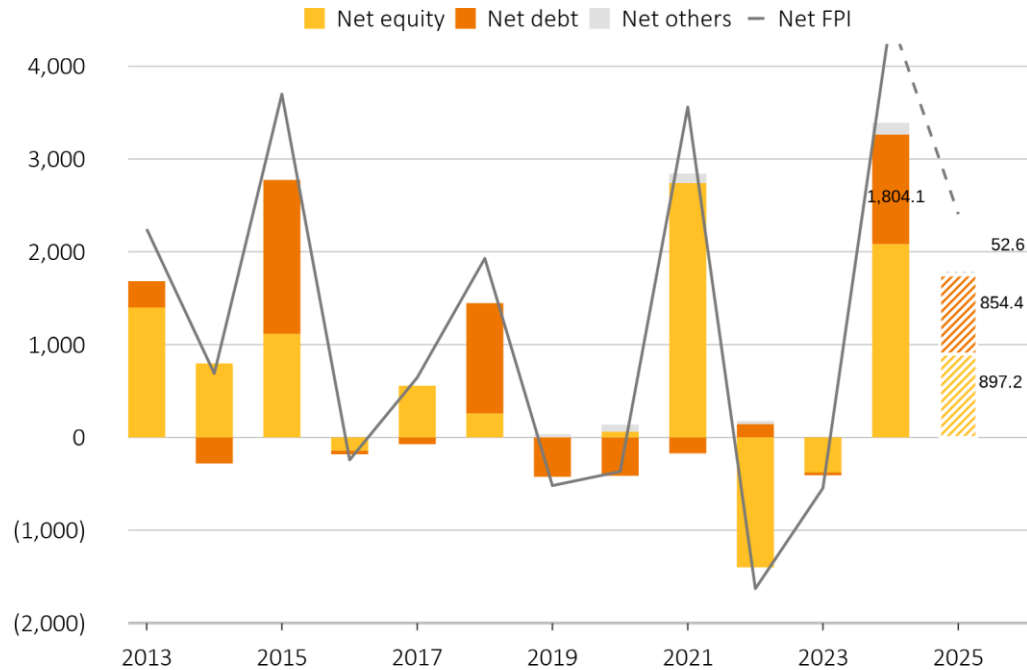
- Foreign Portfolio Investment (FPI) net inflows surged to INR ~935 billion in September, with cumulative inflows of INR 1.8 trillion in FYTD2025 (till September). Domestic institutional investors (DII) also remained invested with INR ~309 billion net inflows in September and cumulative INR 2.3 trillion inflow in FYTD2025 (till September)
- Gross foreign direct investment (FDI) inflows maintained steady pace in FYTD2025 (till July) at USD 28 billion. However, net inflows remain low at USD 5.5 billion due to repatriation and FDI outflows. July recorded a net FDI outflow of USD 1.4 billion
- Continued fund raising and investment momentum in Q1FY25, majorly across Alternative Investment Fund (AIF) categories II and III. AIFs raise ~INR 195 billion majorly led by Category II (INR 111 billion) and Category III (INR 85 billion). Investments worth INR 217 billion undertaken by AIFs, also driven by Category II (INR 76 billion) and III (INR 141 billion)



## Flows: Portfolio

### FPI net inflows reached INR 1.8 trillion in FYTD2025 (till September)

Annual net FPI investments in India (INR billion), FY2013-FY2025 (Sep '24)



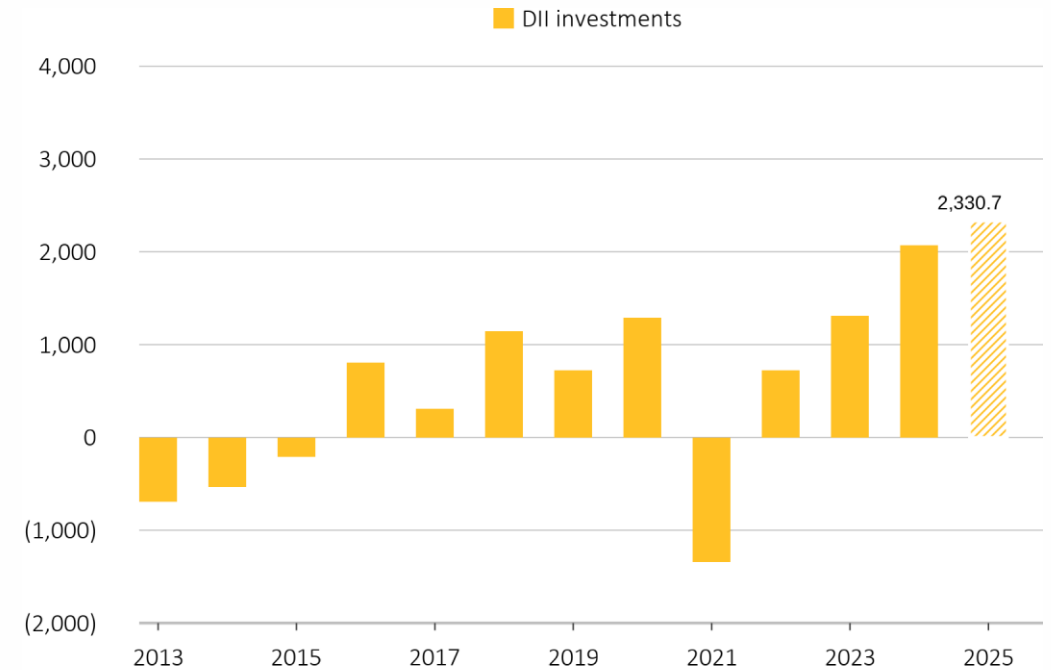
Source: Thurro, NSDL, NIIF Research

**Note:**

- Others comprise of hybrid, mutual funds and AIFs. Hybrid include investments in InvITs and REITs. Debt includes investments under Debt-VRR, Debt-FAR and Debt-General limit. Debt-VRR (voluntary retention route) allows FPIs to participate in repo transactions and also invest in exchange traded funds that invest in debt instruments.

### Net DII inflows reached INR 2.3 trillion in FYTD2025 (till September)

Annual net DII investments in India (INR billion), FY2013-FY2025 (Sep '24)



Source: Thurro, NSE, BSE, NIIF Research

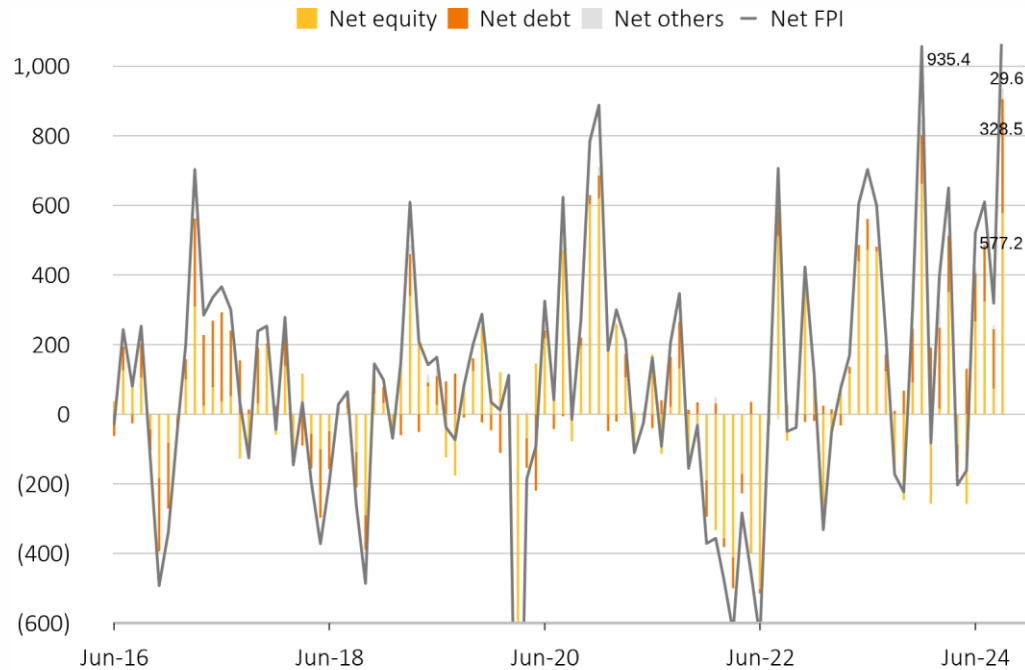
**Note:**

- Domestic institutional investors (DII) are those institutional investors who undertake investment in securities and other financial assets (debt, AIFs, etc.) within India. These include insurance companies, banks, DFIs, mutual funds, NPS, EPFO.

## Flows: Portfolio

### Net FPI inflows surge to INR 935.4 billion in September

Monthly net FPI investments in India (INR billion), FY2013-FY2025 (Sep '24)



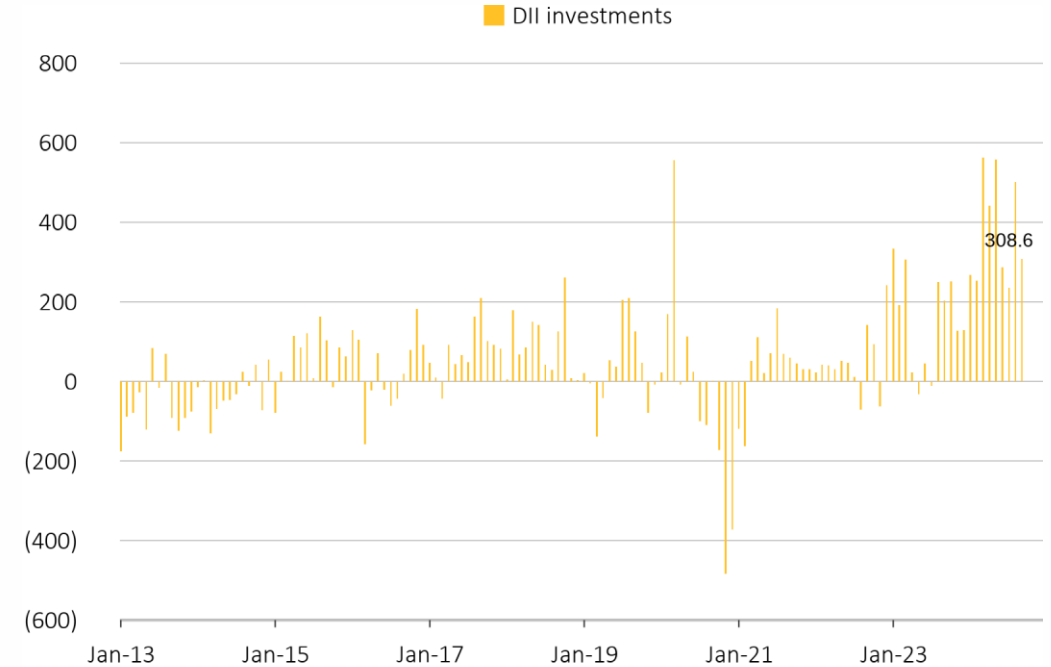
Source: Thurro, NSDL, NIIF Research

**Note:**

- Others comprise of hybrid, mutual funds and AIFs. Hybrid include investments in InvITs and REITs. Debt includes investments under Debt-VRR, Debt-FAR and Debt-General limit investments. Debt-VRR (voluntary retention route) allows FPIs to participate in repo transactions and also invest in exchange traded funds that invest in debt instruments.

### Net DII inflows at INR 308.6 billion in September

Monthly net DII investments in India (INR billion), FY2013-FY2025 (Sep '24)



Source: Thurro, NSE, BSE, NIIF Research

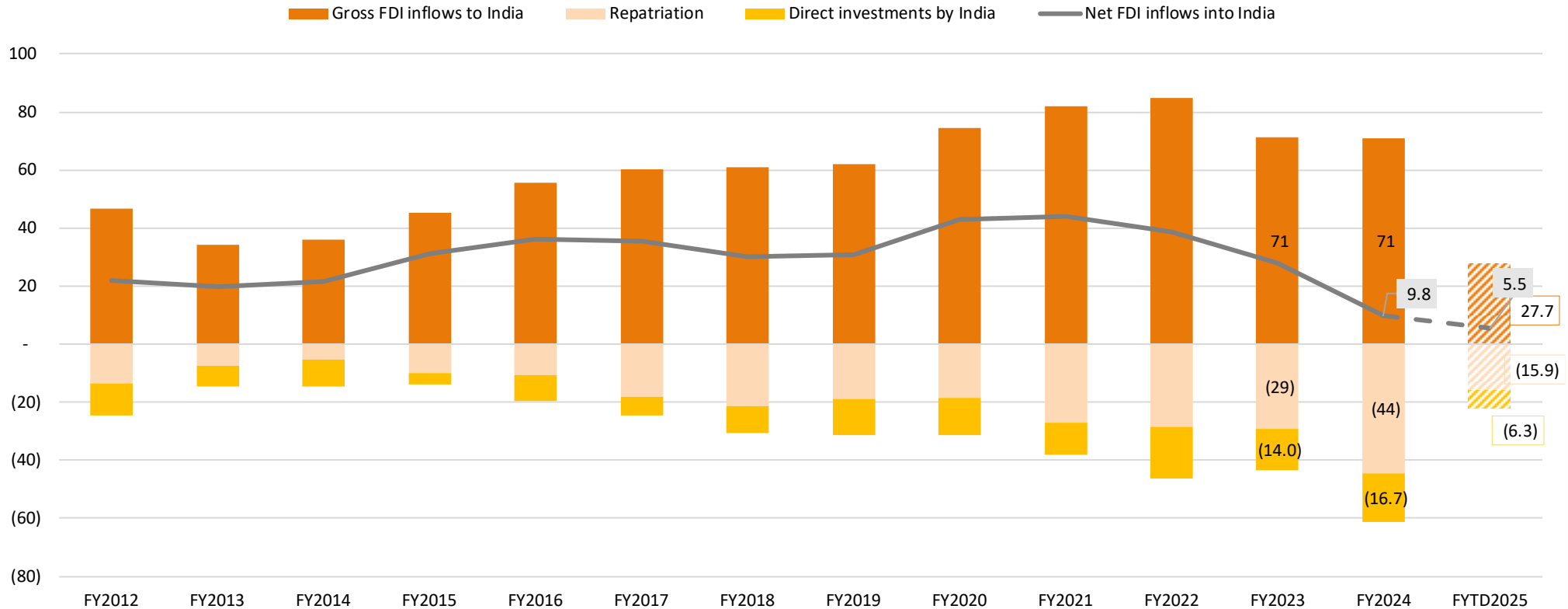
**Note:**

- Domestic institutional investors (DII) are those institutional investors who undertake investment in securities and other financial assets (debt, AIFs, etc.) within India. These include insurance companies, banks, DFIs, mutual funds, NPS, EPFO.

## Flows: FDI

### Gross FDI inflows at USD ~28 billion, net inflows of USD ~6 billion in FYTD2025 (till July)

Annual foreign direct investments (USD billion), FY2012-FY2025 (Jul '24)

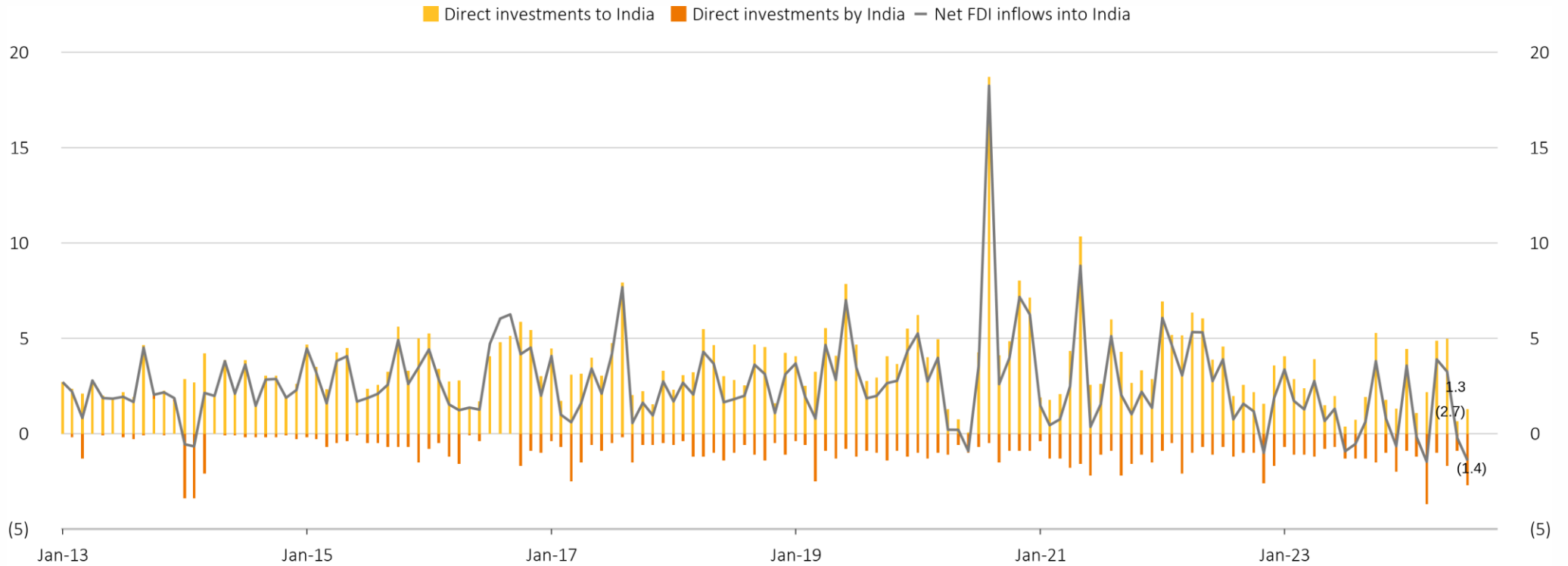


Source: CEIC, NIIF Research

## Flows: FDI

### Net FDI outflows of USD 1.4 billion in July

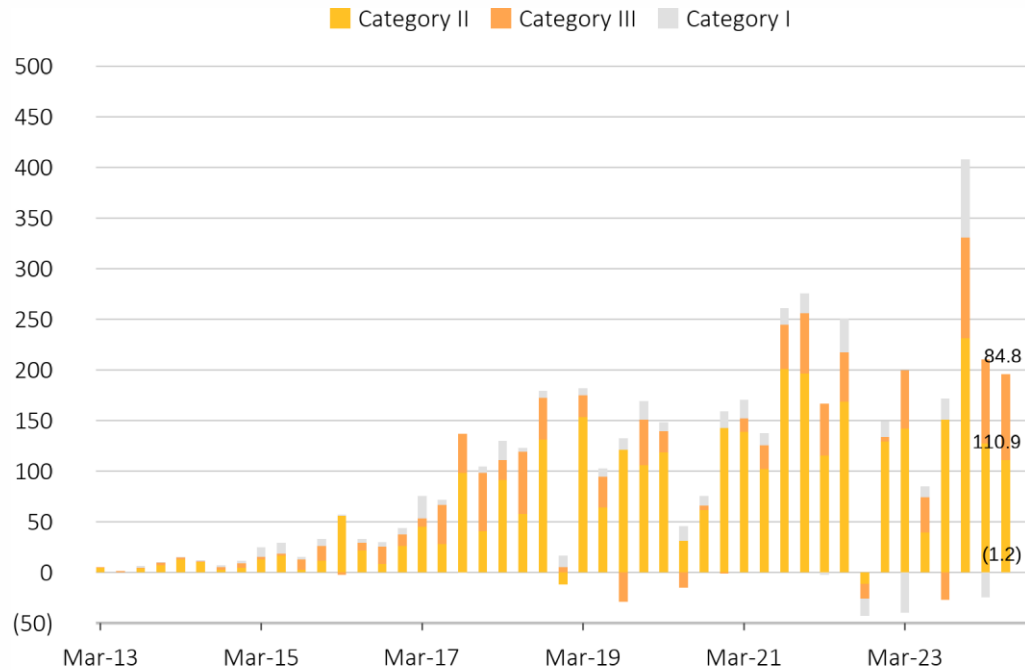
Monthly foreign direct investments (USD billion), FY2013-FY2025 (Jul '24)



Source: Thurro, RBI, NIIF Research

## Alternative investments

**AIFs raise ~INR 195 billion in Q1FY25, driven by Category II and III**  
 Quarterly AIF net fundraises (INR billion), FY2013-FY2025 (Jun '24)

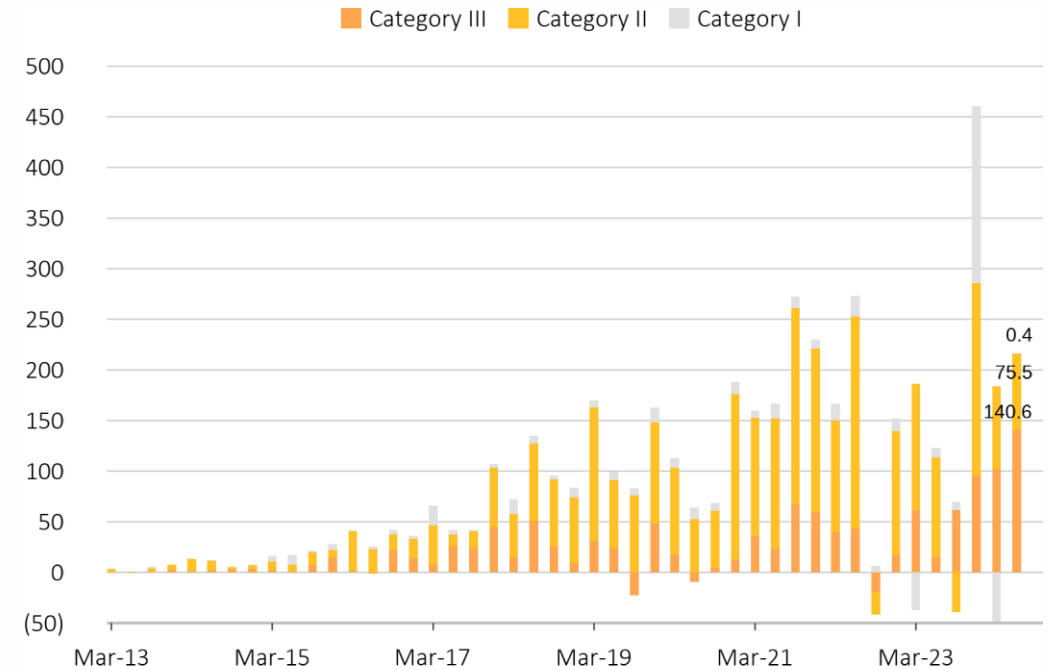


Source: Thurro, SEBI, NIIF Research

**Note:**

1. Category I Alternative Investment Funds (AIFs) invest in startup or early-stage ventures or social ventures, SMEs, infrastructure, or other sectors which the government or regulators consider as socially or economically desirable
2. Category II AIFs are those that do not fall in Category I and III and which do not undertake leverage other than to meet day-to-day operational requirements, such as real estate funds, private equity funds, etc.
3. Category III AIFs employ diverse trading strategies and may employ leverage including through investment in listed or unlisted derivatives such as hedge funds, PIPE funds, etc.

**AIFs net investments at INR 217 billion in Q1FY25, led by Category II and III**  
 Quarterly AIF net investments (INR billion), FY2013-FY2025 (Jun '24)



Source: Thurro, SEBI, NIIF Research

**Note:**

1. SEBI publishes quarterly data on Alternative Investment Funds (AIFs) related to cumulative commitments raised, funds raised, and investments made up to a quarter-end. Therefore, the chart above shows AIF activity in a quarter by subtracting the cumulative numbers provided by SEBI for current quarter from the previous quarter to get a flow number.



# MONTHLY ECONOMIC REPORT ON INDIA OCT 2024

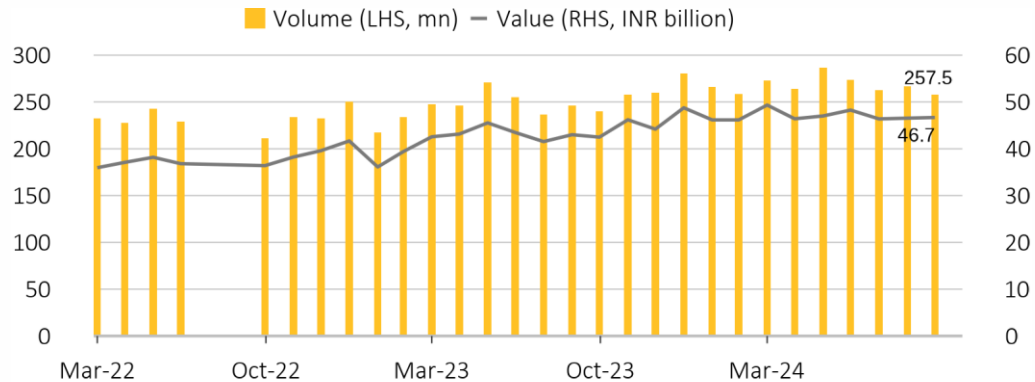
## Infrastructure

- September saw steady monthly toll collection of ~INR 47 billion. Truck freight rates fell ~5% yoy to INR 50.4 per 15 tons per km in Q2FY25. Port cargo traffic grew steadily at ~6% in September as shipping freight rates across container and bulk goods fell
- Rail cargo momentum continued with ~5% yoy growth in July, driven by coal, foodgrains, and mineral oil movement. Air cargo volume (~13%) and passenger traffic (~11%) surged in August and September respectively
- Renewable electricity generation rose, reaching a ~14% share despite muted 0.2% overall power production growth in September. This kept peak unmet power demand wide at 1.4%. Traded power tariffs declined to INR 4.2 per kWh in September
- Polysilicon prices remained at a multi-year low of ~USD 5 per kg in September, while silver prices stayed elevated at USD 31 per troy oz

## Roads

### Stable revenue and traffic across tolls in September

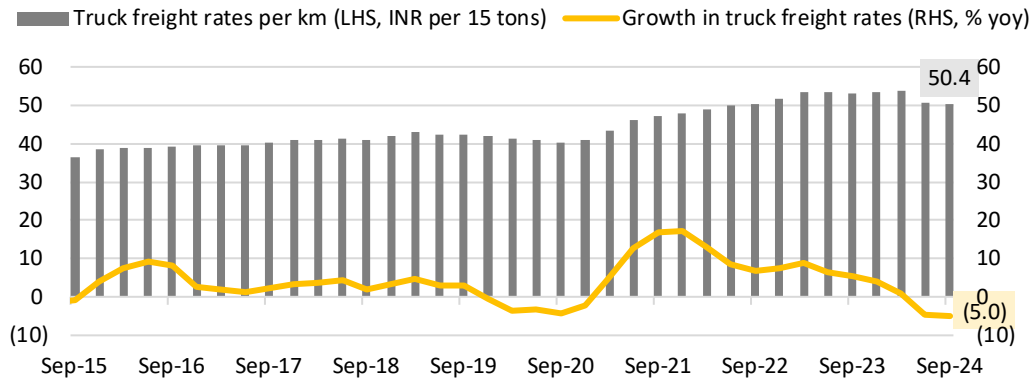
Monthly road toll collection at NHAH tolls, FY2022-FY2025 (Sep '24)



Source: Thurro, IHMCL, NIIF Research  
 Note: Data for July and August 2022 not available

### Truck freight rates fall by ~5% in Q2FY25

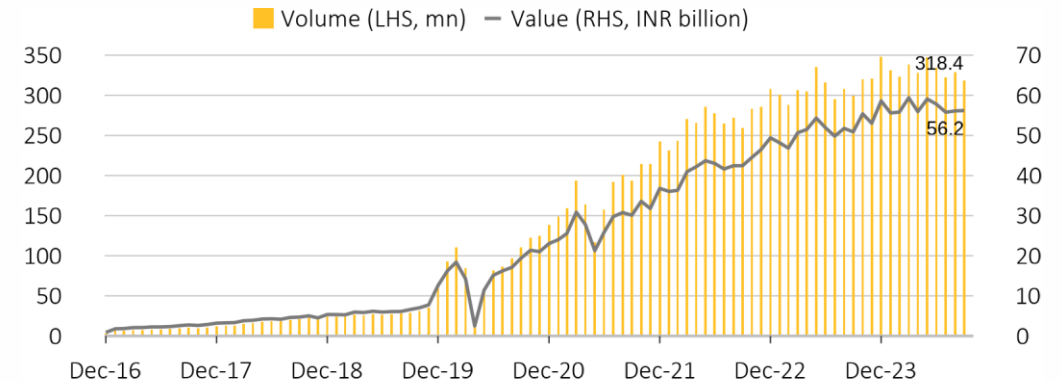
Quarterly average all-India truck freight rates, FY2015-FY2025 (Sep '24)



Source: CMIE, NIIF Research  
 Note: 1. Freight rates are from Delhi to 15 cities - Jaipur, Sirsa, Patna, Lucknow, Dehradun, Bhopal, Ahmedabad, Mumbai, Bangalore, Hyderabad, Chennai, Trivandrum, Guwahati, Bhuvaneshwar, and Kolkata  
 2. All-India rates calculated by averaging freight rates across each route

### Steady FASTag collections in September

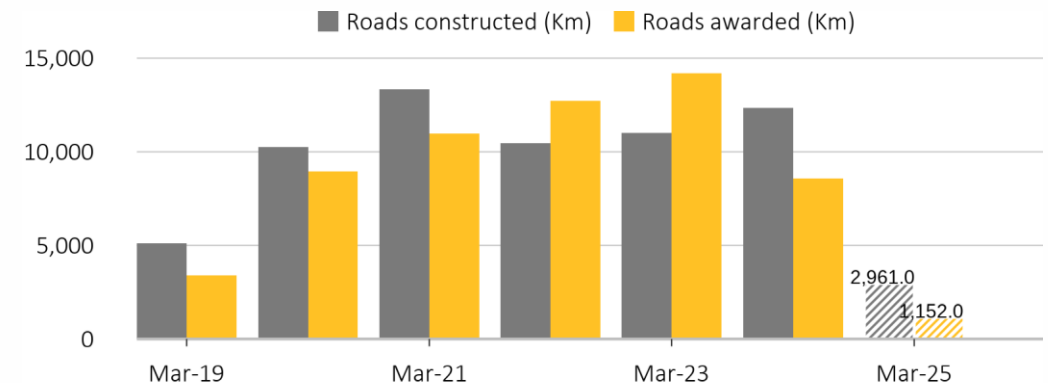
Monthly national electronic road toll collection, FY2017-FY2025 (Sep '24)



Source: Thurro, RBI, NIIF Research  
 Note: FasTag is primarily used at 800 national and 300 state highways, and at a few parking lots

### Road construction and awarding maintains momentum

Annual road construction in India, FY2019-FYTD2025 (Aug '24)

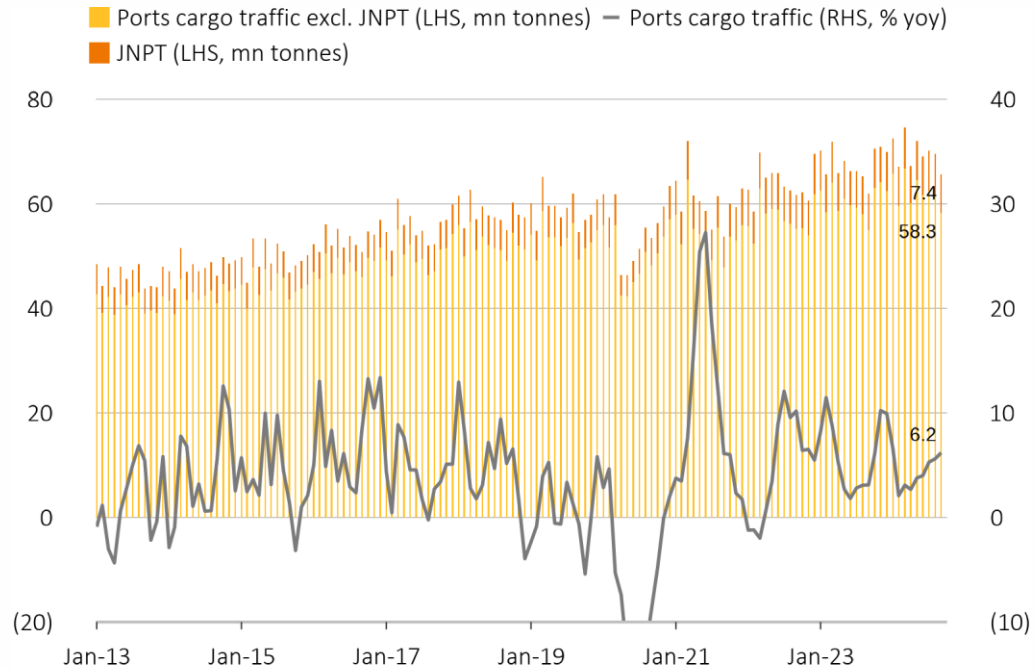


Source: Thurro, MoRTH, NIIF Research

## Ports

### Steady ~6% growth in cargo traffic at major ports in September

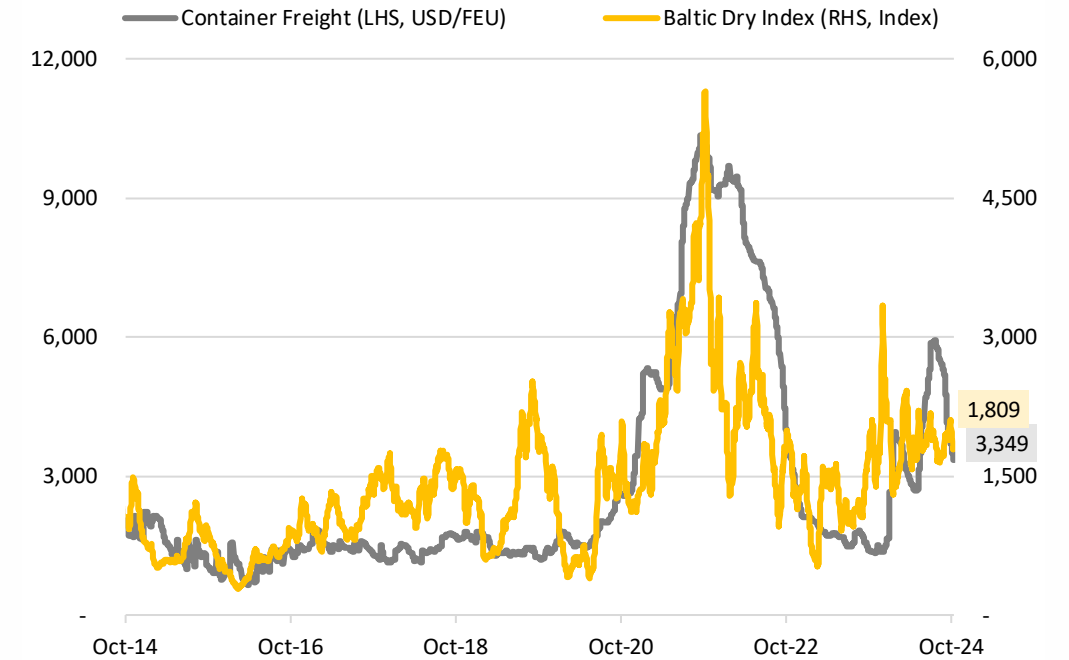
Monthly cargo traffic at major ports, FY2013-FY2025 (Sep '24)



Source: Thurro, Indian Ports Association, NIIF Research

### Shipping freight rates across container and bulk goods fall

Daily shipping freight indices, FY2015-FY2025 (14 Oct 2024)



Source: Bloomberg, NIIF Research

**Note:**

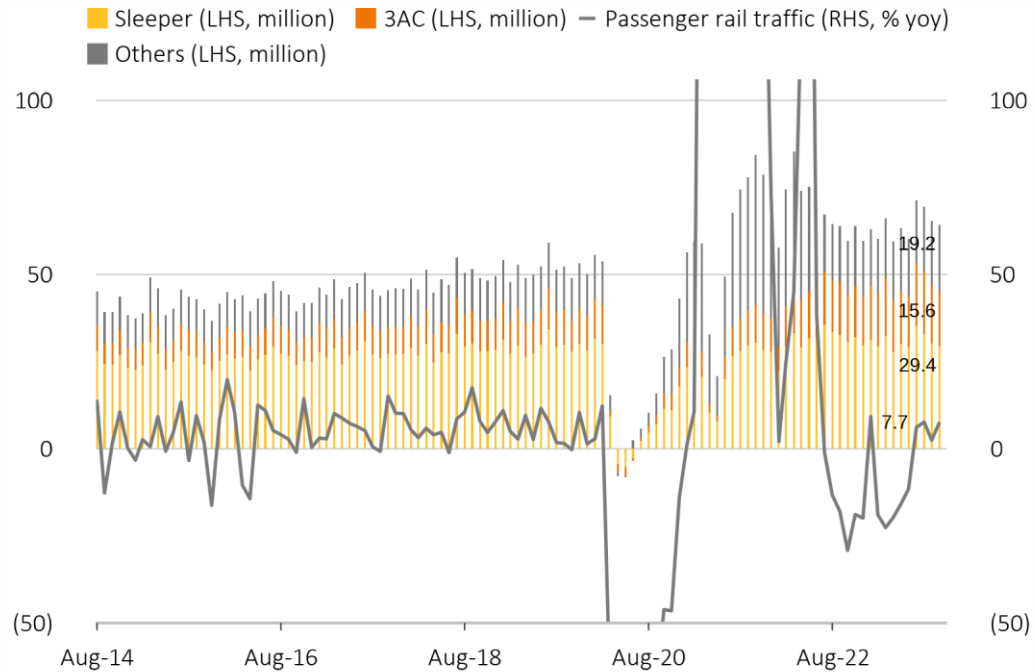
1. Baltic Indices represent average shipping freights across 12 major international routes Index units measured in points. (January 4, 1985 = 1,000).
2. Baltic Dry Index measures freight rates for ships carrying bulk commodities like coal, iron ore, food grains, bauxite and alumina, steel and fertilizers.
3. Container freight measures actual spot freight rates in USD for 40-foot containers for 8 major east-west trade routes compiled as World Container Index (WCI).



## Railways

### Railway passenger traffic growth picks up in October

Monthly passenger rail traffic, FY2015-FY2024 (Oct '23)



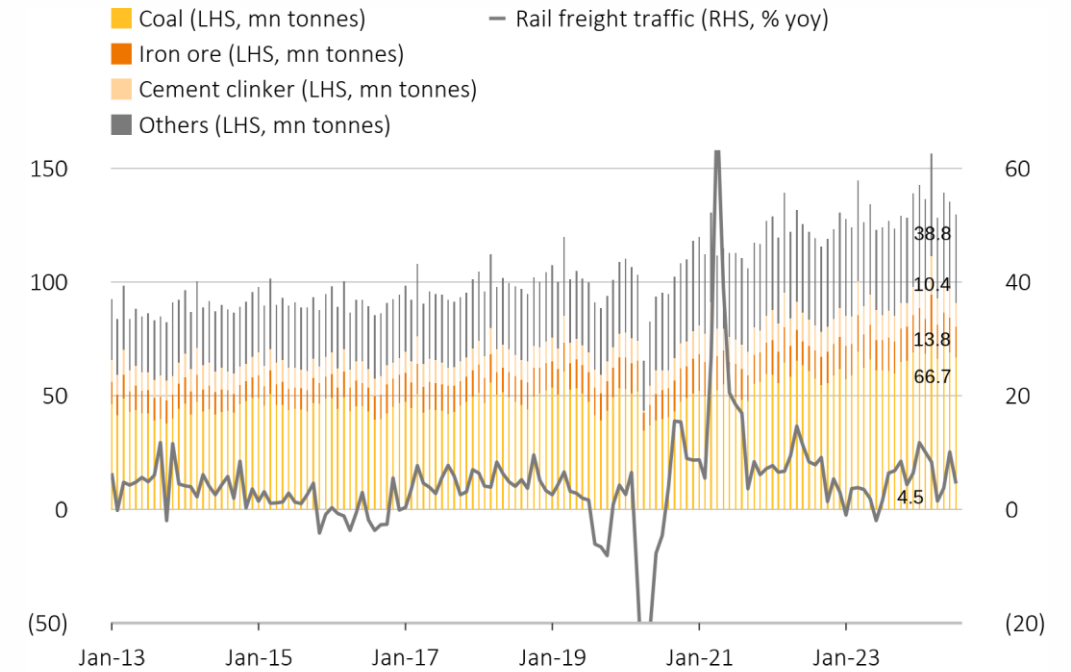
Source: Thurro, IRCTC, NIIF Research

**Note:**

1. Growth in railway passengers for Apr '21 to Nov '21, and May '22 not depicted due to low base effect of Apr '20 to Nov '20, and May '21 respectively
2. This data reflects only inter-city passengers. It does not include intra-city commuters
3. Data unavailable since October 2023

### Rail freight traffic maintains moderate ~5% growth in July

Monthly rail freight traffic, FY2013-FY2025 (Jul '24)



Source: Thurro, Indian Railways, NIIF Research

## Railways

### Rail cargo volume up by 4.5% in July, led by stronger growth in coal and decline in cement freight

Monthly railway freight (mn tonnes), Jul '23 - Jul '24

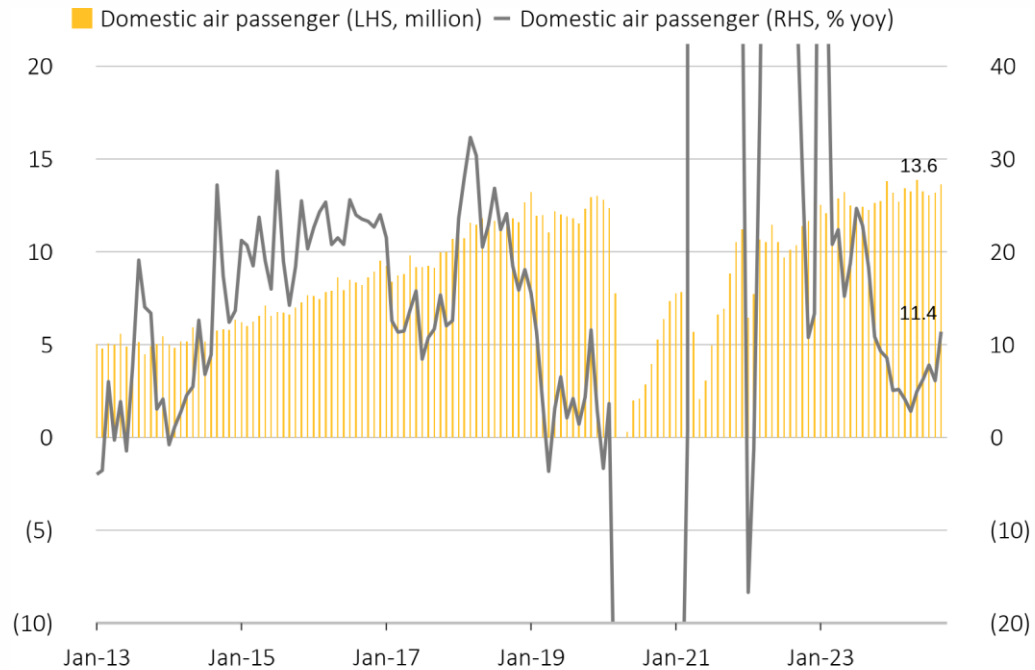
	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Growth (% yoy)
Coal	61.1	61.0	59.7	64.8	65.5	69.0	71.5	68.5	77.1	66.4	72.0	69.1	66.7	9.3
Iron ore	13.3	14.5	14.3	14.8	15.0	16.6	17.0	15.1	17.3	14.9	14.6	15.1	13.8	3.3
Cement and clinker	11.0	12.0	11.2	11.1	10.2	12.3	13.4	13.0	16.9	11.5	12.9	12.9	10.4	(5.5)
Container service	7.2	7.7	7.3	7.2	6.9	7.7	7.0	7.1	7.6	6.6	6.9	7.0	7.4	3.8
Pig iron and finished steel	5.7	5.9	5.8	5.7	5.3	6.0	6.1	5.7	6.9	5.2	5.4	5.4	5.6	(1.6)
Fertilizers	5.5	5.2	4.2	5.7	6.0	5.8	5.3	4.0	4.1	4.0	5.0	5.3	5.1	(7.1)
Foodgrains	3.6	4.0	4.6	3.6	3.8	4.3	4.5	5.1	4.4	3.9	4.8	4.2	4.0	10.8
Mineral oil	4.1	4.1	4.0	4.4	4.2	4.3	4.3	4.1	4.7	4.2	4.4	4.2	4.5	10.6
Raw material for steel plants (except iron ore)	2.5	2.4	2.4	3.2	3.0	3.3	3.4	3.4	3.6	2.1	2.5	2.3	2.7	4.7
Others	10.1	10.4	10.1	8.6	8.6	9.8	10.2	10.7	14.1	9.6	10.8	10.1	9.5	(5.8)
<b>Total</b>	<b>124.0</b>	<b>127.0</b>	<b>123.6</b>	<b>129.0</b>	<b>128.4</b>	<b>139.0</b>	<b>142.7</b>	<b>136.6</b>	<b>156.6</b>	<b>128.3</b>	<b>139.2</b>	<b>135.5</b>	<b>129.7</b>	<b>4.5</b>

Source: Thurro, Indian Railways, NIIF Research

## Aviation

### Strong growth in domestic air passengers in September

Monthly domestic air passengers, FY2013-FY2025 (Sep '24)



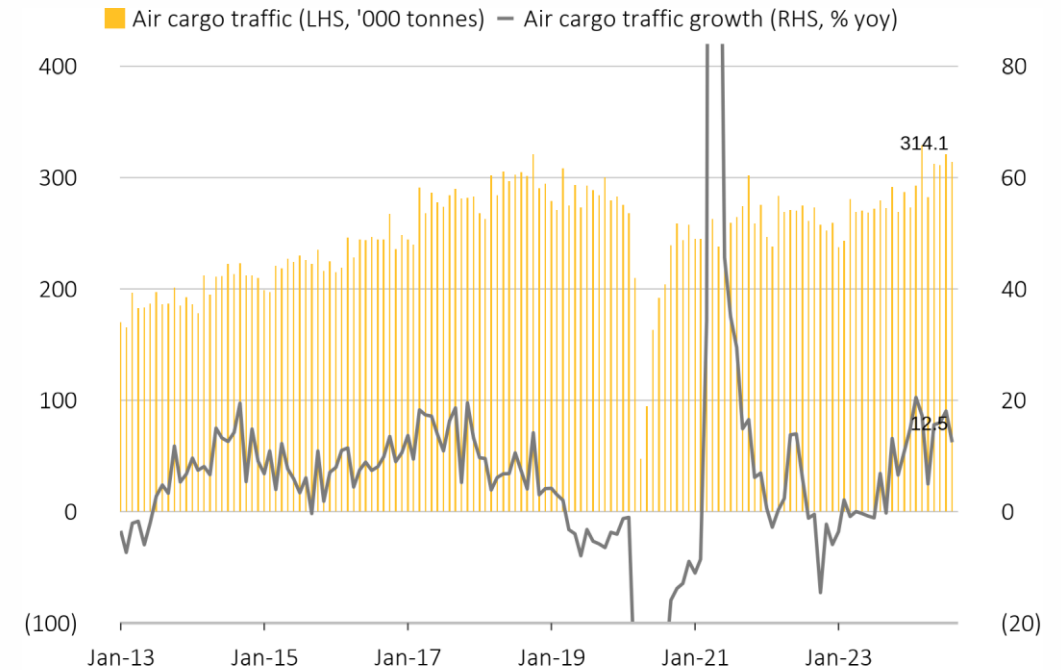
Source: Thurro, DGCA, Ministry of Civil Aviation, NIIF Research

**Note:**

1. Growth in air passengers between Apr '21 and Oct '21, and May '22 not depicted due to low base effect of Apr '20 to Oct '20, and May '21.

### Air cargo volume maintains growth momentum in August

Monthly air cargo traffic, FY2013-FY2025 (Aug '24)



Source: Thurro, AAI, NIIF Research

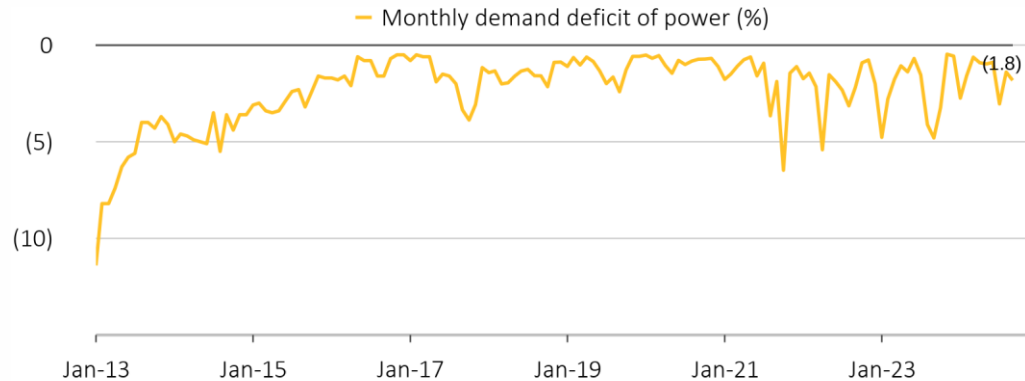
**Note:**

1. Growth in air cargo traffic between Apr '21 and Jun '21 not depicted due to low base effect of Apr '20 to Jun '20.

## Power

### Peak unmet power demand remains wide at 1.8% in September

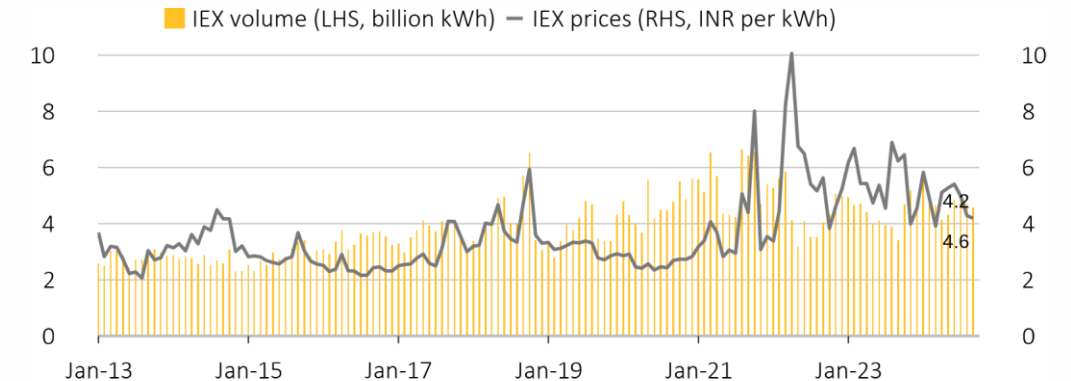
Monthly peak demand deficit of power (%), FY2013-FY2025 (Sep '24)



Source: Thurro, POSOCO, NIIF Research

### Traded power tariffs decline in September

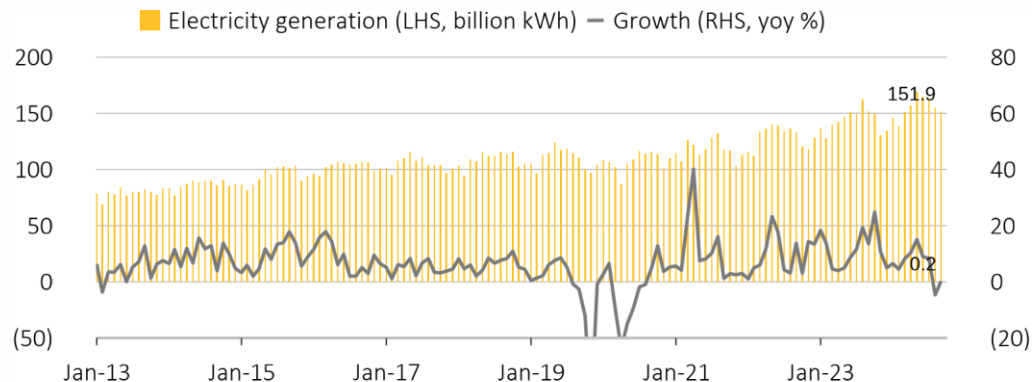
Monthly clearance prices on IEX DAM (INR/kWh), FY2013-FY2025 (Sep '24)



Source: Thurro, IEX, NIIF Research

### Growth in electricity generation flat in September

Monthly electricity generation, FY2013-FY2025 (Sep '24)

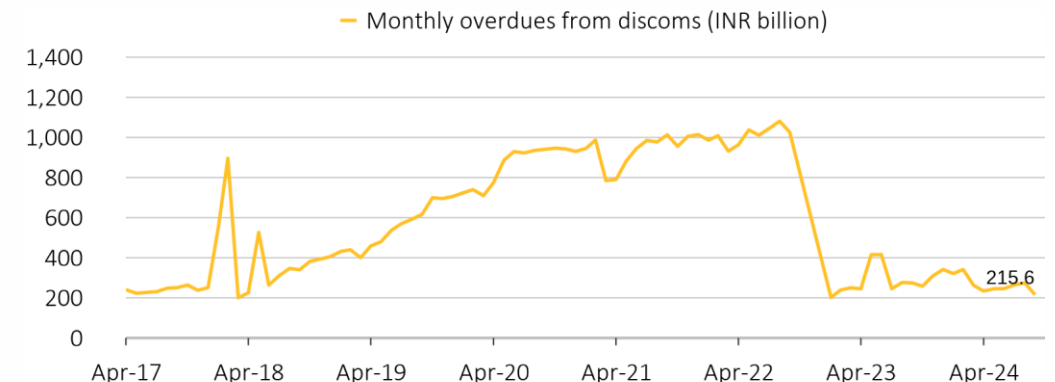


Source: Thurro, POSOCO, NIIF Research

Note: The residual difference between units of electricity generated and demanded is auxiliary consumption to run the power plants

### DISCOMS' outstanding dues to power generators falls sequentially

Monthly outstanding dues of discoms, FY2018-FY2025 (Sep '24)

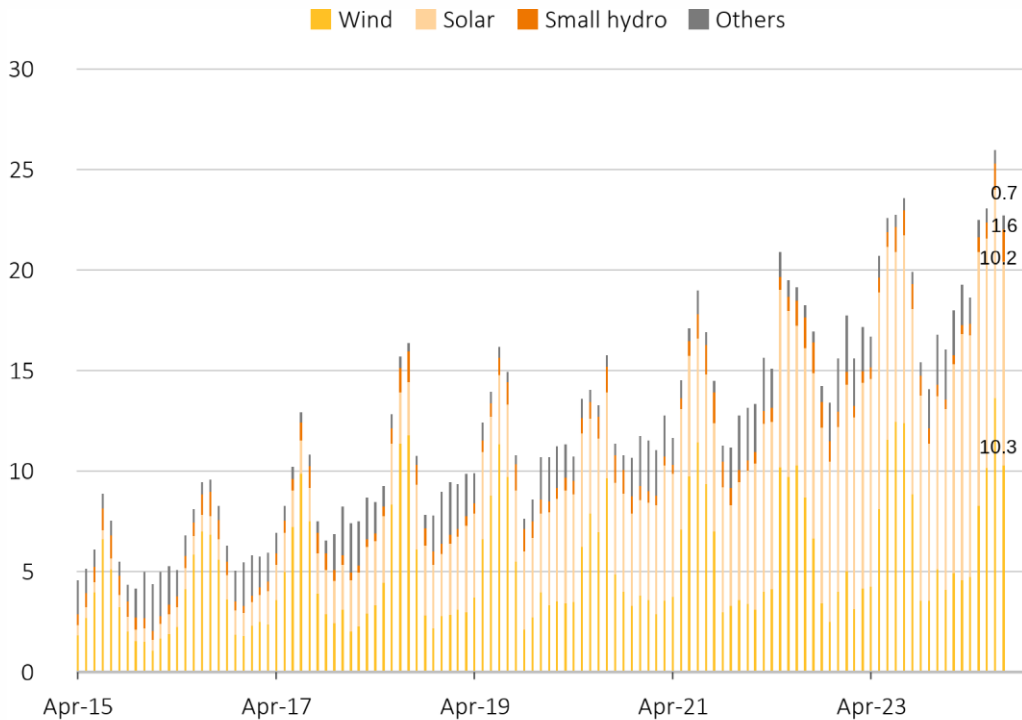


Source: Thurro, PRAAPTI, NIIF Research

## Renewables

### Rise in renewable electricity generation in August

Monthly generation from renewables (billion kWh), FY2016-FY2025 (Aug '24)



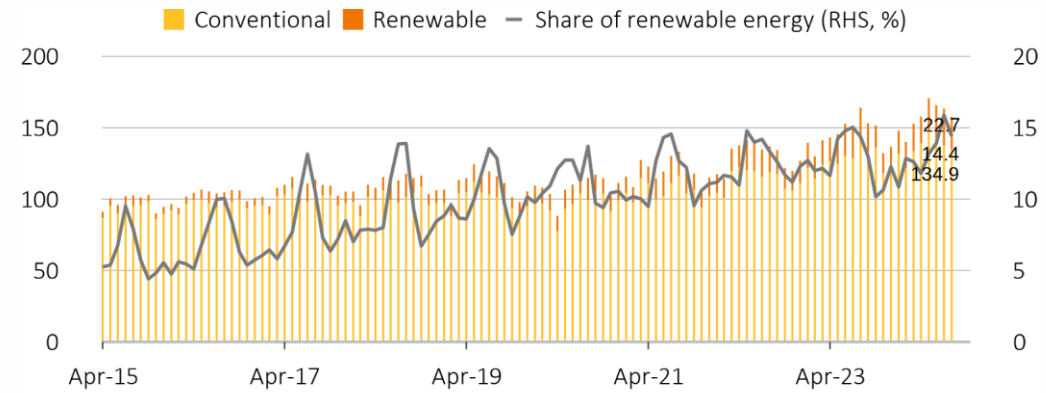
Source: Thurro, CEA, NIIF Research

**Note:**

- Others include bagasse-based energy and biomass other than bagasse, among other sources

### Share of renewable in total energy generation remains high at ~14% in August

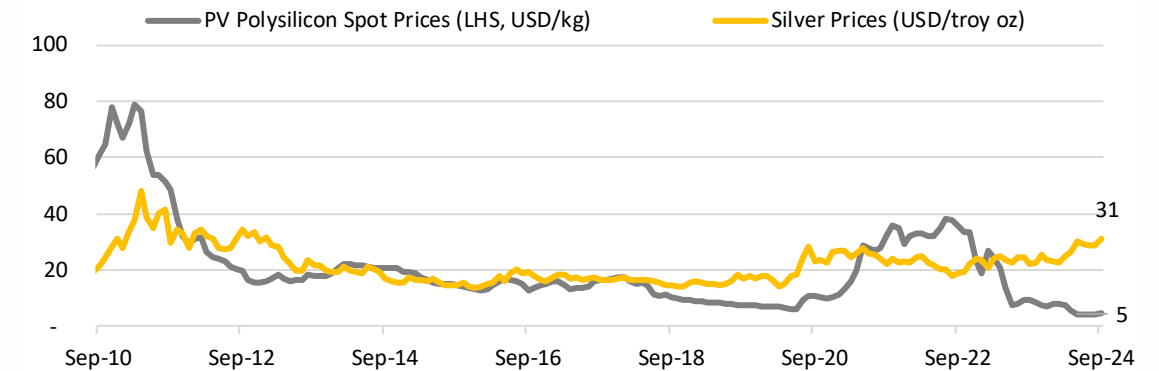
Monthly generation from energy sources (billion kWh), FY2016-FY2025 (Aug '24)



Source: Thurro, POSOCO, CEA, NIIF Research

### Polysilicon prices remain at a multi-year low, silver prices elevated

Monthly average silicon prices, FY2011-FY2025 (Sep '24)



Source: Bloomberg, NIIF Research



# MONTHLY ECONOMIC REPORT ON INDIA OCT 2024

## Global

- The International Monetary Fund (IMF) expects global growth to be driven by emerging markets, primarily led by India with a 7.0% growth forecast in FY2025 and 6.5% p.a. thereafter till FY2030. RBI projects 7.2% real GDP growth in FY2025
- India's composite PMI remained in deep expansionary zone at 58.3 in September, indicating strong expansion in both manufacturing and services sectors. PMIs for other major economies showed mixed trends, with Brazil improving while France and Germany moved into contraction
- Inflationary pressure cooled across major economies in September, including US, UK, Japan, Germany, and France. India recorded a pickup to 5.5%, remaining within RBI's inflation target of 4 +/-2%
- Indian equity markets continued to generate strong average annual returns of ~30% in September, higher than the global average of ~20% over the last twelve months

## Growth: Global

### India's GDP growth projected to outpace other major economies as per IMF estimates

IMF nominal GDP (USD trillion) and real GDP growth projections (%), FY2024 to FY2030

	Nominal GDP (USD trillion)		Real GDP growth (% yoy)		
	Actual	Projection	Actual	Projection	
	2023	2025	2023	2024	2029
<b>World</b>	<b>104.8</b>	<b>114.8</b>	<b>3.3</b>	<b>3.2</b>	<b>3.1</b>
<b>Advanced Economies</b>	<b>61.4</b>	<b>66.4</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>
United States	27.4	29.8	2.5	2.6	2.1
Euro Area	15.5	16.6	0.5	0.9	1.2
Germany	4.5	4.8	(0.2)	0.2	0.7
Japan	4.2	4.3	1.9	0.7	0.4
United Kingdom	3.3	3.7	0.1	0.7	1.4
Canada	2.1	2.4	1.2	1.3	1.7
<b>Emerging markets and developing economies</b>	<b>43.4</b>	<b>48.5</b>	<b>4.4</b>	<b>4.3</b>	<b>3.9</b>
China	17.7	19.8	5.2	5.0	3.3
India	3.6	4.3	8.2	7.0	6.5
Russia	2.0	2.1	3.6	3.2	1.3
Brazil	2.2	2.4	2.9	2.1	2.0
South Africa	0.4	0.4	0.7	0.9	1.4

Source: IMF, NIIF Research

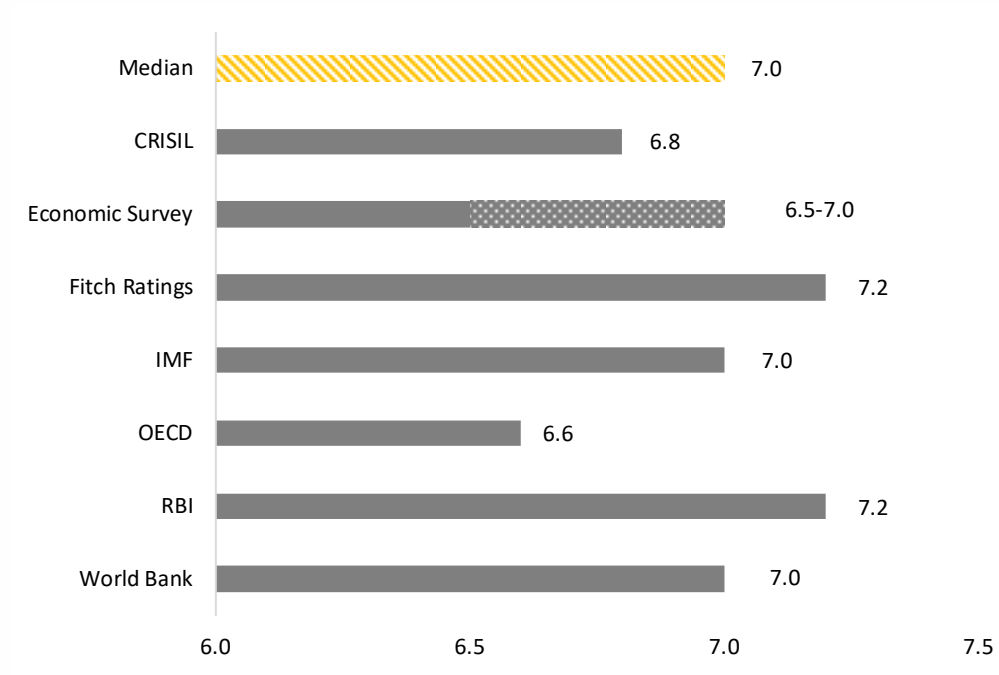
**Note:**

1. For India, data and forecasts are presented on a fiscal year basis (Apr-Mar)
2. FY stands for financial year with the period starting Apr 1 and ending on Mar 31
3. The 7.0% GDP growth for India under the 2024 column is projected for FY2024-25. Calendar year-wise, India's growth projections by IMF are 7.3% in CY2024 and 6.5% in CY2025

## Growth: India

### Real GDP growth (median) projected to be 7.0% in FY2025

Projections for real GDP growth in FY2025 (% yoy), May '24 to Sep '24



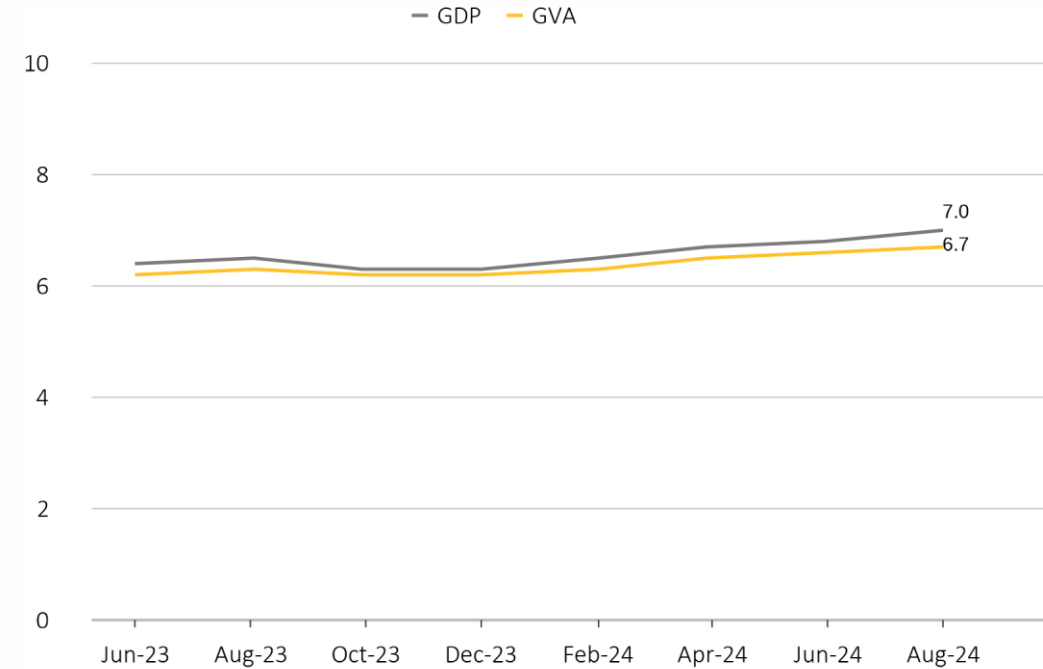
Source: CMIE, NIIF Research

**Note:**

- The data shown above is the projections made by same agencies across two time periods, Jan to April 2022 and May to July 2022

### RBI's survey projects 7.0% real GDP growth in FY2025

Bi-monthly median real GDP projections for FY2025 by RBI (% yoy), (Aug '24)



Source: Thurro, RBI, NIIF Research

**Note:**

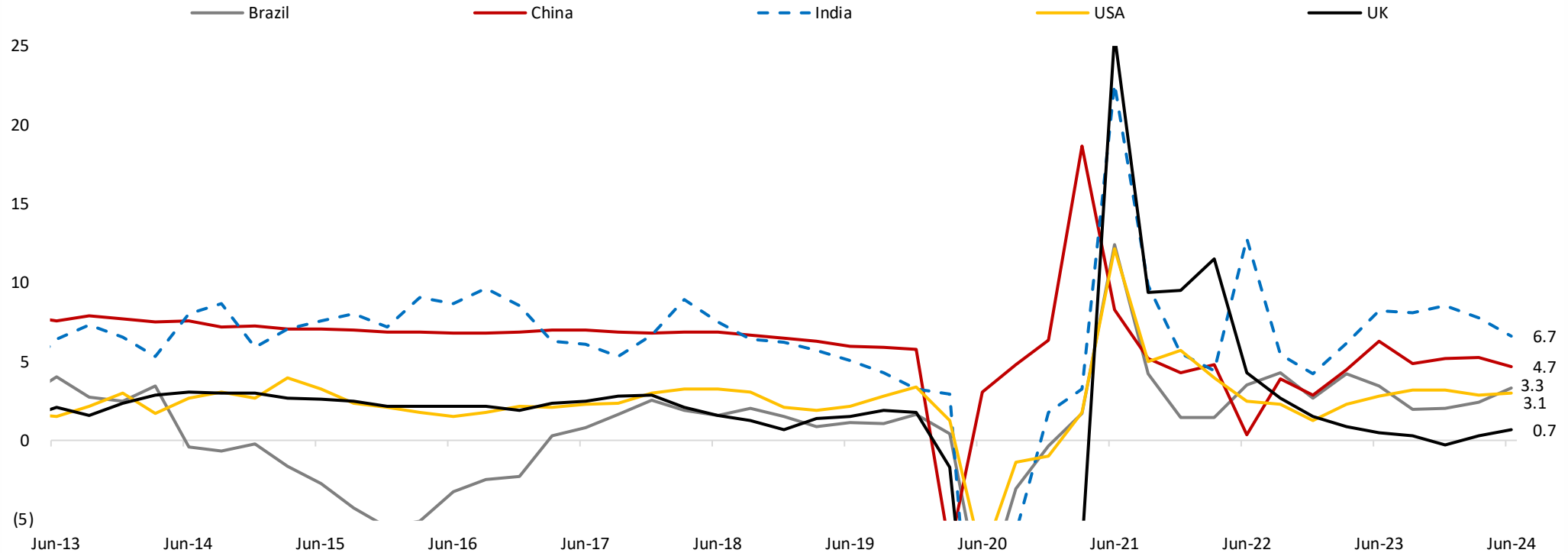
- RBI's Professional Forecasters' Survey presents short to medium term economic development on GDP growth, among other macroeconomic indicators. In every round of survey, questionnaires are shared with 30 to 40 selected forecasters.



## Growth

**India's GDP grew by 6.7% in Q1FY25, China records a steady 4.7% growth while US sees a stable 3.1% growth**

Quarterly real GDP growth across countries (% yoy), FY2014-FY2025 (Jun '24)



Source: Bloomberg, NIIF Research

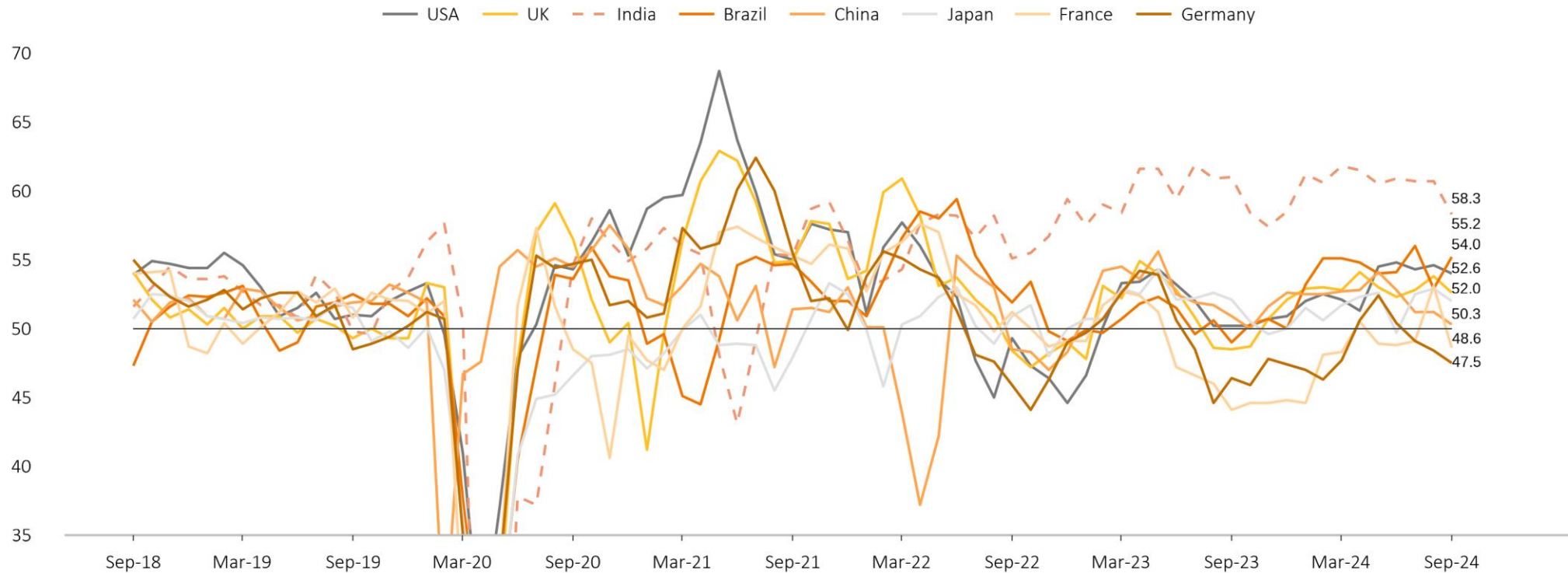
**Note:**

1. Contraction in growth for four quarters between March 2020 to March 2021 not shown due to the impact of Covid-19 lockdown on the economy

## Purchasing managers' index: Global

### India's PMI at 58.3 continues to outpace other economies; Brazil improves to 55.2, France and Germany see a contraction

Monthly PMI composite indices across major economies, FY2019-FY2025 (Sep '24)



Source: Thurro, S&P, NIIF Research

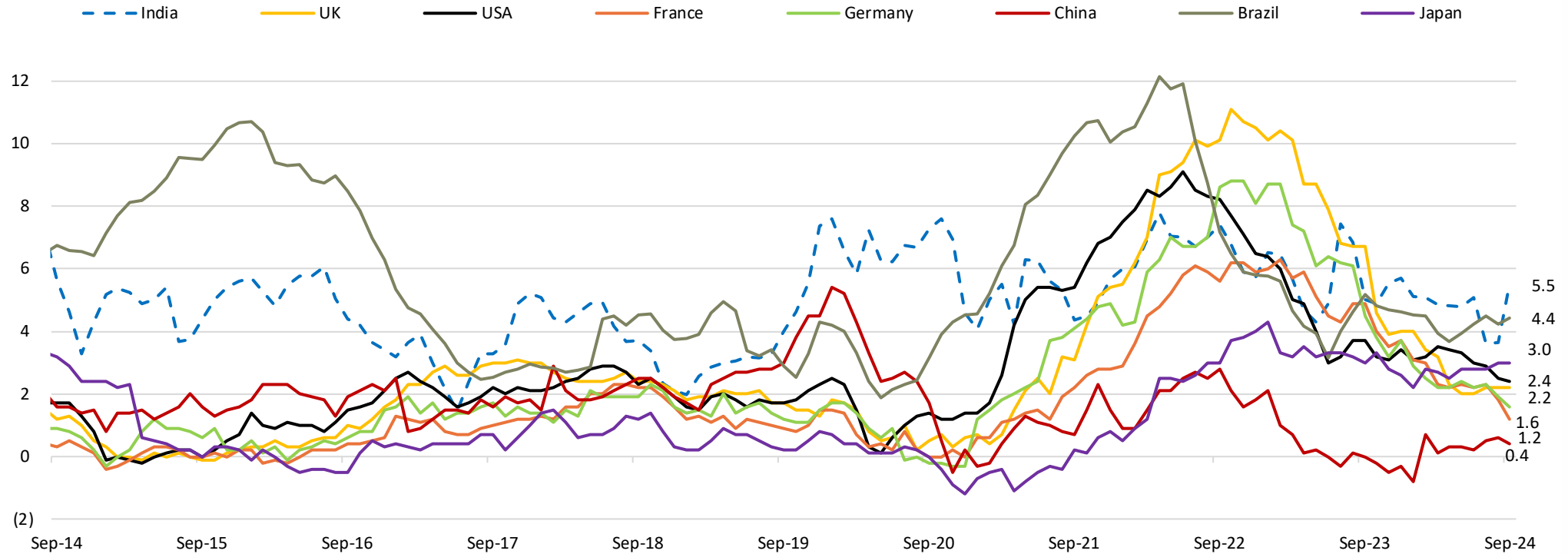
**Note:**

1. Impact of Covid on economic activity seen across countries for months between Feb '20 and May '20 and hence not shown in the chart.
2. The headline PMI Composite (Output) Index is a weighted average of the headline PMI Services Index and the Manufacturing Output Index (not the headline PMI manufacturing). Hence, a simple average of PMI Services and Manufacturing indices may not reflect in the PMI Composite.

**Inflation: Global**

**Inflationary pressures ease globally across US, UK, Japan, Germany, and France**

Monthly consumer price inflation (% yoy), FY2015-FY2025 (Sep '24)

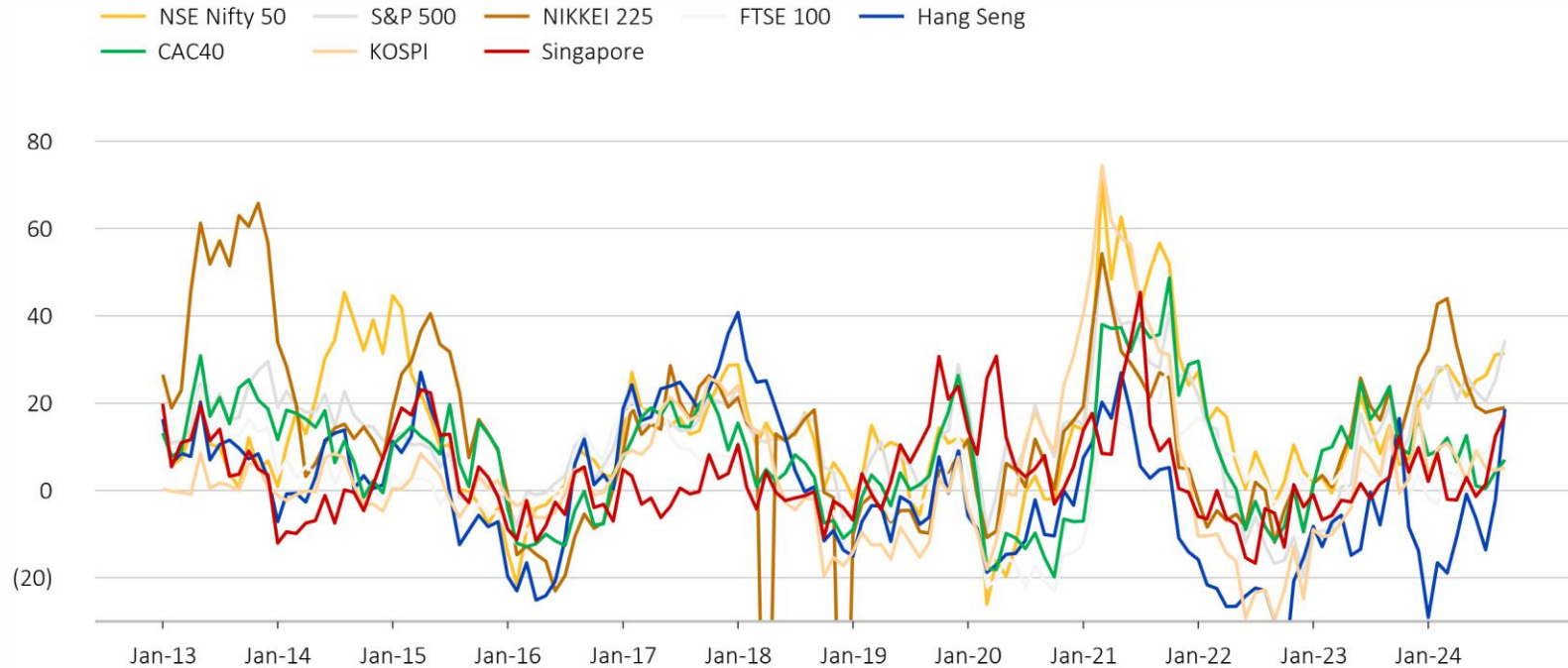


Source: Bloomberg, NIIF Research

## Equity markets: Global

**Global indices generate an average annual return of ~20% in September compared to ~30% in India**

Monthly performance of Nifty-50, Sensex and other global indices, returns in local currency (% yoy), FY2013-FY2025 (Sep '24)



Returns as on September 30, 2024 (% yoy)

S&P 500	34.4
NSE Nifty 50	31.4
BSE Sensex	28.1
Dow Jones	26.3
NIKKEI 225	19.0
Hang Seng	18.7
Singapore	17.1
FTSE 100	8.3
CAC40	7.0
KOSPI	5.2

Source: Thurro, BSE, NIIF Research

**Note:**

1. Return is calculated as on month end



## Annexures

# MONTHLY ECONOMIC REPORT ON INDIA OCT 2024

## High frequency indicators (1/2)

### Mixed growth momentum across key supply-side high frequency indicators

Change in major economic indicators (% yoy), Aug '23 - Sep '24

	Units	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
<b>Fiscal</b>															
Central government expenditure	% yoy	10.5	3.2	(14.0)	(13.8)	7.1	(14.0)	20.4	(0.6)	39.3	(37.9)	(18.4)	0.1	20.9	
Gross tax revenue	% yoy	95.2	15.9	(1.2)	21.3	12.9	16.5	(0.5)	13.5	16.9	14.4	35.0	14.0	(15.8)	
GST collection	% yoy	10.8	10.2	13.4	15.1	10.3	11.8	12.5	11.5	12.4	10.0	7.6	10.3	10.0	6.5
<b>Industry</b>															
Index of industrial production	% yoy	10.9	6.4	11.9	2.5	4.4	4.2	5.6	5.5	5.2	6.3	4.7	4.7	(0.1)	
Index of eight core industries	% yoy	13.4	9.5	12.7	7.9	5.1	4.2	7.1	6.3	6.9	6.9	5.1	6.1	(1.8)	
Electricity generation	% yoy	19.3	13.5	24.8	10.6	5.0	6.5	4.5	8.3	10.4	15.1	9.0	8.3	(4.7)	0.2
Steel production	% yoy	12.8	16.7	11.6	11.6	15.2	17.1	19.1	12.1	14.7	8.6	8.7	7.3	6.6	
Cement production	% yoy	19.3	5.1	17.3	(3.2)	1.7	5.6	10.3	11.2	1.4	(0.4)	2.4	5.4	(2.3)	
Coal production	% yoy	16.7	15.9	18.6	11.0	10.7	10.3	11.8	8.2	7.4	10.2	14.6	6.4	(7.5)	2.5
Wholesale price index	% yoy	(0.5)	(0.1)	(0.3)	0.4	0.9	0.3	0.2	0.3	1.2	2.7	3.4	2.1	1.3	1.8
<b>Logistics</b>															
Rail freight	% yoy	6.4	6.8	8.5	4.3	6.4	11.7	10.1	8.3	1.5	3.7	10.1	4.5		
Port cargo	% yoy	3.1	3.1	6.1	10.2	9.9	6.6	2.1	3.1	2.7	3.8	4.0	5.3	5.6	6.2
Air cargo	% yoy	6.9	(0.3)	13.1	6.6	10.8	15.0	20.5	17.3	5.0	15.6	15.9	18.1	12.5	
E-way bills (volume)	% yoy	19.5	9.5	30.5	8.5	13.2	15.6	18.9	13.9	14.5	17.0	16.3	19.2	12.9	18.5
<b>Trade</b>															
Merchandise exports	% yoy	3.4	(2.8)	5.8	(3.3)	0.8	4.3	11.9	(0.6)	2.0	13.3	2.4	(1.8)	(9.3)	0.5
Merchandise imports	% yoy	0.7	(14.0)	10.3	(3.3)	(6.6)	2.0	13.7	(6.4)	11.5	8.1	5.9	7.4	3.3	1.6
Non-oil merchandise exports	% yoy	0.7	(0.6)	8.9	(1.7)	5.9	2.2	13.8	7.9	0.2	8.2	7.6	3.2	0.0	6.8
Non-oil merchandise imports	% yoy	3.3	(11.6)	14.8	(1.2)	0.8	3.8	20.0	(5.2)	8.0	0.6	1.7	4.6	15.9	5.8
Services exports	% yoy	8.3	(2.7)	10.7	4.2	1.7	10.8	3.4	(1.4)	17.1	9.7	3.2	16.6	5.7	7.7
Services imports	% yoy	(0.9)	(10.4)	(0.4)	(11.1)	(1.1)	0.1	1.7	(2.1)	20.0	6.2	(3.1)	15.7	8.8	12.0

Source: Thurro, CGA, Ministry of Finance, MoSPI, EAI, POSOCO, Indian Railways, Indian Ports Association, AAI, GSTN, RBI, NPCI, NIIF Research

**Note:**

1. Conditional formatting based on absolute values with respect to zero, with the largest negative values represented by dark red and largest positive values represented by dark green for each variable

## High frequency indicators (2/2)

### Diverging trends across demand-side high frequency indicators

Change in major economic indicators (% yoy), Aug '23 - Sep '24

	Units	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
<b>Energy</b>															
Electricity demand	% yoy	16.6	10.4	21.1	5.9	4.9	5.9	8.1	9.0	10.3	15.2	8.9	8.3	(5.3)	0.4
Petrol consumption	% yoy	2.9	8.2	4.9	9.4	0.2	9.8	8.9	7.0	14.2	2.4	4.6	10.4	8.6	3.0
<b>Automobile registrations</b>															
Passenger vehicles	% yoy	5.0	17.9	(2.1)	19.5	2.5	12.3	10.7	(5.9)	18.2	0.4	(4.7)	13.7	(0.6)	(17.6)
Three-wheeler	% yoy	69.0	51.0	53.0	29.2	42.9	41.5	24.7	17.6	9.8	20.6	7.5	16.4	4.6	3.6
Two-wheeler	% yoy	7.0	22.5	(11.8)	21.7	28.0	15.4	13.7	5.7	33.6	2.7	5.0	17.6	6.6	(8.5)
Commercial vehicles	% yoy	1.9	1.7	9.0	(3.1)	0.0	(1.4)	(0.8)	(8.0)	(0.1)	2.7	(4.2)	6.6	(5.1)	(9.9)
Passenger vehicles-electric	% yoy	119.5	79.4	95.1	100.9	141.0	136.4	56.7	8.8	39.8	8.6	(5.2)	8.8	(3.6)	(7.6)
Three-wheeler-electric	% yoy	72.5	54.2	59.1	34.0	63.2	56.3	40.6	34.4	10.6	22.7	8.9	18.5	7.0	9.5
Two-wheeler-electric	% yoy	21.1	20.6	(2.6)	19.9	17.4	26.9	25.1	62.5	(2.0)	(26.8)	73.6	97.1	41.8	40.9
Commercial vehicles-electric	% yoy	450.9	371.9	550.9	244.2	128.8	202.2	214.0	393.9	(5.6)	43.3	61.3	49.6	46.9	50.0
<b>Services</b>															
Air passenger (domestic)	% yoy	22.8	18.4	10.8	9.3	8.6	5.1	5.2	4.1	2.8	5.0	6.2	7.8	6.1	6.4
Air passenger (international)	% yoy	21.1	20.0	20.8	21.4	18.2	20.7	17.5	14.7	14.6	14.9	13.5	9.7	10.4	11.0
Rail passenger	% yoy	7.7	2.5	7.7											
FASTag collection (volume)	% yoy	13.3	15.4	13.0	12.3	13.0	10.2	8.3	10.6	7.6	3.7	5.8	9.4	6.8	6.5
FASTag collection (value)	% yoy	21.9	19.9	24.4	14.1	18.6	15.5	15.1	17.2	8.6	8.7	11.2	12.0	8.4	10.4
UPI transactions (volume)	% yoy	60.9	55.7	56.2	53.7	53.5	51.8	60.6	54.7	49.5	49.1	48.7	44.9	41.3	42.5
UPI transactions (value)	% yoy	47.0	41.4	41.6	46.1	42.2	41.8	47.9	40.3	39.6	37.3	36.0	34.6	30.7	30.7
Consumer price index	% yoy	6.8	5.0	4.9	5.6	5.7	5.1	5.1	4.9	4.8	4.8	5.1	3.6	3.7	5.5
<b>Banking</b>															
Aggregate deposits	% yoy	13.2	12.3	13.2	14.2	13.3	13.2	13.1	13.5	12.6	14.0	11.1	10.6	10.8	9.2
Outstanding credit	% yoy	19.7	17.6	20.4	21.1	20.0	20.3	20.5	20.2	19.2	20.7	17.4	13.7	13.6	11.8

Source: Thurro, CGA, Ministry of Finance, MoSPI, EAI, POSOCO, Indian Railways, Indian Ports Association, AAI, GSTN, RBI, NPCI, NIIF Research

Note: Conditional formatting based on absolute values with respect to zero, with the largest negative values represented by dark red and largest positive values represented by dark green for each variable. Rail passenger data unavailable post October 2023

## High frequency indicators (1/2)

### Mixed growth momentum across key supply-side high frequency indicators

Major economic indicators (absolute values), Aug '23 - Sep '24

	Units	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
<b>Fiscal</b>															
Central government expenditure	INR trillion	2.9	4.5	2.8	2.6	4.0	3.0	3.9	7.0	4.2	2.0	3.5	3.3	3.5	
Gross tax revenue	INR trillion	3.0	4.3	2.2	2.1	4.4	2.2	1.8	5.7	2.6	2.0	3.7	2.5	2.5	
GST collection	INR trillion	1.6	1.6	1.7	1.7	1.6	1.7	1.7	1.8	2.1	1.7	1.7	1.8	1.7	1.7
<b>Industry</b>															
Index of industrial production	Index	145.8	142.3	144.9	141.1	152.3	153.6	147.1	160.0	148.0	154.7	150.7	149.4	145.6	
Index of eight core industries	Index	158.6	151.7	156.4	150.4	161.2	165.4	157.7	175.0	161.7	168.2	163.9	162.6	155.8	
Electricity generation	billion kWh	162.6	151.6	150.3	130.5	134.6	145.9	138.6	151.3	156.6	169.3	164.7	161.8	155.0	151.9
Steel production	mn tonnes	11.4	11.5	11.7	11.8	12.1	12.5	11.8	12.7	12.1	12.2	12.3	12.3	12.2	
Cement production	mn tonnes	35.1	32.3	35.3	30.8	36.4	37.9	38.6	42.7	37.6	37.0	38.6	34.1	34.3	
Coal production	mn tonnes	67.8	67.3	78.7	84.5	92.9	99.7	96.6	116.6	78.7	83.9	84.7	74.0	62.7	69.0
Wholesale price index	Index	152.5	151.8	152.5	153.1	151.8	151.2	151.2	151.4	152.9	153.5	154.0	155.3	154.5	154.6
<b>Logistics</b>															
Rail freight	mn tonnes	127.0	123.6	129.0	128.4	139.0	142.7	136.6	156.6	128.3	139.2	135.5	129.7		
Port cargo	mn tonnes	65.3	61.9	70.5	70.9	70.0	72.5	67.1	74.6	67.3	72.0	69.1	70.2	69.6	65.7
Air cargo	'000 ton	279.3	272.7	291.8	269.3	287.0	273.3	293.0	329.3	282.7	312.4	311.1	321.1	314.1	
E-way bills (volume)	million	93.4	92.0	100.3	87.6	95.3	95.3	97.3	103.5	96.7	103.2	100.1	104.9	105.5	109.1
<b>Trade</b>															
Merchandise exports	USD billion	38.3	34.4	33.4	33.7	38.4	37.3	41.4	41.7	35.3	39.6	35.2	33.9	34.7	34.6
Merchandise imports	USD billion	62.3	54.5	63.9	55.1	57.2	53.9	60.9	57.0	54.7	62.1	56.7	57.5	64.3	55.4
Non-oil merchandise exports	USD billion	28.7	28.0	27.5	26.4	31.5	28.7	33.2	36.3	28.3	31.5	29.7	28.7	28.8	29.9
Non-oil merchandise imports	USD billion	46.0	40.5	47.7	40.1	42.2	38.4	44.0	40.7	38.2	42.2	41.6	43.6	53.3	42.8
Services exports	USD billion	28.7	28.4	28.0	28.1	31.6	31.0	28.3	30.0	30.2	29.6	28.7	30.6	30.3	30.6
Services imports	USD billion	15.1	14.6	13.5	13.7	15.6	14.8	15.2	16.6	16.7	16.9	15.1	15.9	16.4	16.3



## High frequency indicators (2/2)

### Diverging trends across demand-side high frequency indicators

Major economic indicators (absolute values), Aug '23 - Sep '24

	Units	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
<b>Energy</b>															
Electricity demand	billion kWh	152.4	140.9	139.3	119.7	123.2	134.3	128.0	139.2	144.4	156.4	152.6	150.7	144.3	141.5
Petrol consumption	mn tonnes	3.1	3.1	3.1	3.1	3.0	3.1	3.0	3.3	3.3	3.4	3.3	3.3	3.4	3.1
<b>Automobile registrations</b>															
Passenger vehicles	'000s	295.2	312.3	337.4	350.7	278.3	372.0	309.6	301.1	319.0	286.5	267.5	303.1	293.5	257.2
Three-wheeler	'000s	100.9	102.9	109.2	103.5	98.1	99.9	94.9	105.3	80.1	98.3	94.3	110.5	105.5	106.5
Two-wheeler	'000s	1,261.0	1,318.4	1,517.1	2,258.5	1,455.2	1,465.3	1,446.5	1,537.8	1,650.5	1,540.5	1,381.6	1,450.6	1,344.5	1,206.8
Commercial vehicles	'000s	65.3	70.5	79.8	76.0	65.9	79.9	75.4	78.7	77.3	69.4	59.1	65.9	62.0	63.5
Passenger vehicles-electric	'000s	6.3	5.7	6.4	7.1	7.0	7.0	6.8	7.8	7.6	7.4	6.6	7.5	6.1	5.3
Three-wheeler-electric	'000s	56.7	57.4	56.9	53.8	57.5	53.4	50.6	60.8	42.0	54.7	52.3	63.7	60.7	62.9
Two-wheeler-electric	'000s	62.7	64.0	75.1	92.0	75.8	82.0	82.6	140.3	65.5	77.3	80.0	107.6	89.0	90.2
Commercial vehicles-electric	'000s	0.3	0.3	0.3	0.3	0.3	0.4	0.5	1.7	0.3	0.3	0.4	0.4	0.4	0.5
<b>Services</b>															
Air passenger (domestic)	million	12.4	12.2	12.6	12.7	13.8	13.2	12.7	13.4	13.3	13.9	13.3	13.0	13.2	13.0
Air passenger (international)	million	5.6	5.5	5.7	6.2	6.5	6.6	6.4	6.2	6.1	6.4	6.4	6.2	6.2	6.1
Rail passenger	million	69.4	65.4	64.3											
FASTag collection (volume)	million	308.0	298.9	319.7	320.8	348.0	331.4	323.4	338.7	328.1	347.4	334.4	322.7	329.0	318.4
FASTag collection (value)	INR billion	51.8	50.9	55.4	53.0	58.6	55.6	55.8	59.4	55.9	59.1	57.8	55.8	56.1	56.2
UPI transactions (volume)	billion	10.6	10.6	11.4	11.2	12.0	12.2	12.1	13.4	13.3	14.0	13.9	14.4	15.0	15.0
UPI transactions (value)	INR trillion	15.8	15.8	17.2	17.4	18.2	18.4	18.3	19.8	19.6	20.4	20.1	20.6	20.6	20.6
Consumer price index	Index	186.2	184.1	185.3	186.3	185.7	185.5	185.8	185.8	186.7	187.7	190.2	193.0	193.0	194.2
<b>Banking</b>															
Aggregate deposits	INR trillion	192.4	197.0	195.6	197.9	200.9	200.6	202.0	204.8	208.0	210.9	212.9	211.9	213.2	215.1
Outstanding credit	INR trillion	149.2	153.2	154.9	157.5	159.6	160.4	162.1	164.3	165.5	167.8	168.9	168.1	169.5	171.3

Source: Thurro, CGA, Ministry of Finance, MoSPI, EAI, POSOCO, Indian Railways, Indian Ports Association, AAI, GSTN, RBI, NPCI, NIIF Research

## Core sectors

### IIP contracted by 0.1% in August, partly due to a high base in 2023, as well as contraction in mining and electricity production

Monthly index of industrial production (% yoy), Aug '23 - Aug '24

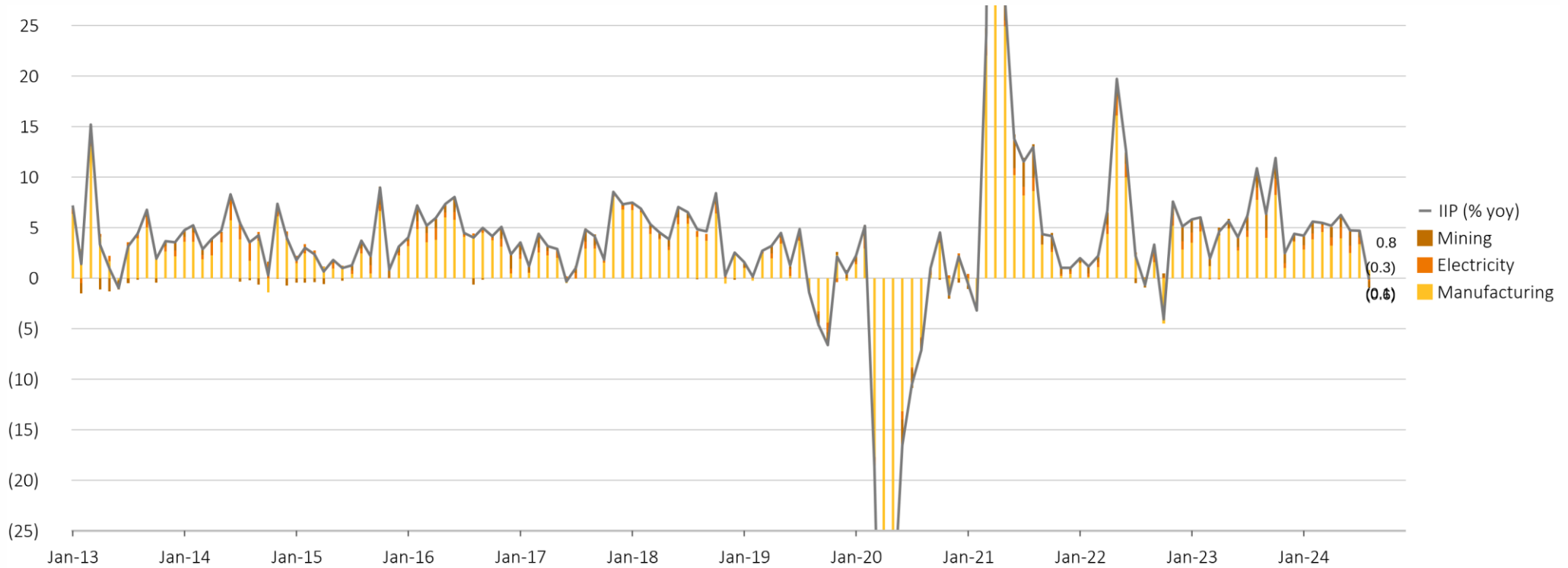
	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
<b>IIP</b>	<b>10.9</b>	<b>6.4</b>	<b>11.9</b>	<b>2.5</b>	<b>4.4</b>	<b>4.2</b>	<b>5.6</b>	<b>5.5</b>	<b>5.2</b>	<b>6.3</b>	<b>4.7</b>	<b>4.7</b>	<b>(0.1)</b>
<b>Sector-based classification</b>													
Mining	12.3	11.5	13.1	7.0	5.2	6.0	8.1	1.3	6.8	6.6	10.3	3.8	(4.3)
Manufacturing	10.0	5.1	10.6	1.3	4.6	3.6	4.9	5.9	4.2	5.1	3.2	4.4	1.0
Electricity	15.3	9.9	20.4	5.8	1.2	5.6	7.6	8.6	10.2	13.7	8.6	7.9	(3.7)
<b>Use-based classification</b>													
Primary goods	12.4	8.0	11.4	8.4	4.8	2.9	5.9	3.0	7.0	7.3	6.3	5.9	(2.6)
Capital goods	13.1	8.4	21.7	(1.1)	3.7	3.2	1.7	7.0	2.8	2.6	3.8	11.8	0.7
Intermediate goods	7.4	6.1	9.5	3.4	3.7	5.3	8.6	6.1	3.8	3.5	3.0	6.4	3.0
Infrastructure and construction goods	15.7	10.1	12.6	1.5	5.5	5.5	8.3	7.4	8.5	7.6	7.1	4.6	1.9
Consumer durable goods	6.0	1.0	15.9	(4.8)	5.2	11.6	12.6	9.5	10.5	12.6	8.7	8.3	5.2
Consumer non-durable goods	9.9	2.7	9.3	(3.4)	3.0	0.3	(3.2)	5.2	(2.5)	2.8	(1.5)	(4.3)	(4.5)

Source: Thurro, MOSPI, NIIF Research

## Core sectors

### Electricity and mining contribute (0.3)pp and (0.4)pp respectively to August's 0.1% IIP contraction

Contribution from key components of index of industrial production-sector-based classification (% yoy/pp), FY2013-FY2025 (Aug '24)



Source: Thurro, MOSPI, NIIF Research

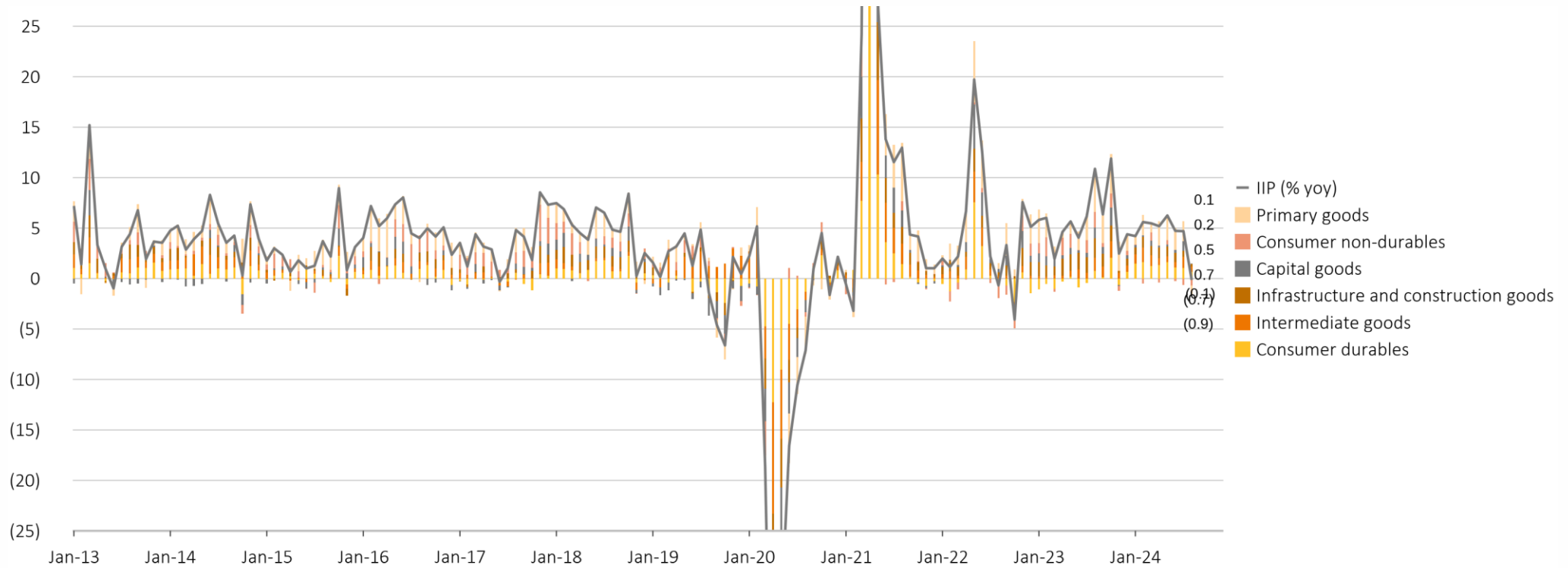
#### Note:

1. Mining accounts for ~14.37%, manufacturing 77.63%, and electricity 7.99% weight in the Index of Industrial Production

## Core sectors

### Consumer non-durables and primary goods contribute (0.7)pp and (0.9)pp respectively to August's 0.1% IIP contraction

Contribution from key components of index of industrial production-use-based classification (% yoy/pp), FY2013-FY2025 (Aug '24)



Source: Thurro, MOSPI, NIIF Research

#### Note:

1. Primary goods account for ~34.05%, capital goods 8.22%, intermediate 17.22%, infrastructure and construction goods 12.34%, consumer durables 12.84%, and consumer non-durable goods 15.33% weight in the Index of Industrial Production

## Bank: credit and deposits

### Bank credit growth at 13.6% in August, led by agriculture, services and retail

Monthly total credit outstanding by sector (INR trillion), Aug '23 - Aug '24

	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Growth (% yoy)
Agriculture	18.0	18.2	19.1	19.3	19.9	20.1	20.4	20.7	21.1	21.4	21.6	21.6	21.6	20.3
Industry	34.1	34.7	35.7	36.0	36.6	36.5	36.7	36.8	36.6	37.0	37.3	37.2	37.6	10.2
Construction	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.3	1.4	1.4	1.4	1.4	12.1
Infrastructure	12.4	12.5	12.7	12.8	12.9	12.8	12.8	12.8	13.2	13.4	13.2	13.0	13.1	5.3
Power	6.1	6.2	6.2	6.3	6.5	6.4	6.5	6.5	6.5	6.6	6.5	6.4	6.4	4.0
Telecom	1.3	1.4	1.4	1.5	1.4	1.4	1.3	1.4	1.4	1.3	1.3	1.3	1.3	(1.9)
Roads	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.0	3.3	3.4	3.4	3.3	3.3	9.4
Services	39.4	40.3	42.1	42.6	44.1	44.2	44.9	45.9	45.9	46.8	47.1	46.0	46.4	17.8
Services - NBFC	13.8	14.2	14.8	14.9	15.2	15.0	15.1	15.5	15.5	15.7	15.6	15.3	15.2	10.0
Services - Trade	8.4	8.7	9.3	9.1	9.4	9.6	10.1	10.2	10.2	10.5	10.6	10.4	10.5	25.9
Services - Commercial Real Estate	4.1	4.1	4.2	4.3	4.4	4.4	4.4	4.5	4.5	4.8	4.8	4.8	4.9	21.1
Retail loans	47.7	48.3	50.0	50.6	51.8	52.2	52.7	53.4	53.6	54.6	54.9	55.3	55.6	16.5
Other non-food loans	9.8	9.8	7.1	7.3	6.8	6.9	7.0	7.3	7.5	7.6	7.7	7.7	8.0	(18.2)
Non-food Credit	149.0	151.3	154.1	155.8	159.2	160.0	161.7	164.1	164.8	167.4	168.5	167.9	169.2	13.6
<b>Total Credit Outstanding</b>	<b>149.2</b>	<b>151.5</b>	<b>154.3</b>	<b>156.2</b>	<b>159.6</b>	<b>160.4</b>	<b>162.1</b>	<b>164.3</b>	<b>164.9</b>	<b>167.8</b>	<b>168.8</b>	<b>168.1</b>	<b>169.5</b>	<b>13.6</b>

Source: Thurro, RBI, NIIF Research

## Bank: credit and deposits

### Retail loans growth at 16.5%, led by a pickup in loans against gold jewellery, credit card, and education

Monthly retail loans (INR trillion), Aug '23 - Aug '24

	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Growth (% yoy)
<b>Personal loans</b>	<b>47.7</b>	<b>48.3</b>	<b>50.0</b>	<b>50.6</b>	<b>51.8</b>	<b>52.2</b>	<b>52.7</b>	<b>53.4</b>	<b>53.6</b>	<b>54.6</b>	<b>54.9</b>	<b>55.3</b>	<b>55.6</b>	<b>16.5</b>
Housing	24.6	24.8	25.6	25.9	26.4	26.6	26.8	27.2	27.4	27.9	28.0	28.1	28.3	15.3
Vehicle loans	5.3	5.4	5.5	5.6	5.8	5.8	5.8	5.9	5.9	6.0	6.0	6.2	6.1	14.4
Credit card outstanding	2.2	2.2	2.4	2.4	2.5	2.6	2.6	2.6	2.6	2.7	2.7	2.8	2.8	26.9
Advances against fixed deposits	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.2	1.2	1.3	1.2	1.2	9.7
Education	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3	18.4
Loans against gold jewellery	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.2	1.2	1.3	1.4	45.8
Consumer durables	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	15.0
Others	12.2	12.4	12.9	13.0	13.3	13.5	13.7	13.9	13.9	14.0	14.0	14.2	14.1	15.8

Source: Thurro, RBI, NIIF Research

## Inflation

### Inflationary pressures ease across major commodities except food and personal care prices in September

Monthly consumer price inflation (% yoy), Sep '23 – Sep '24

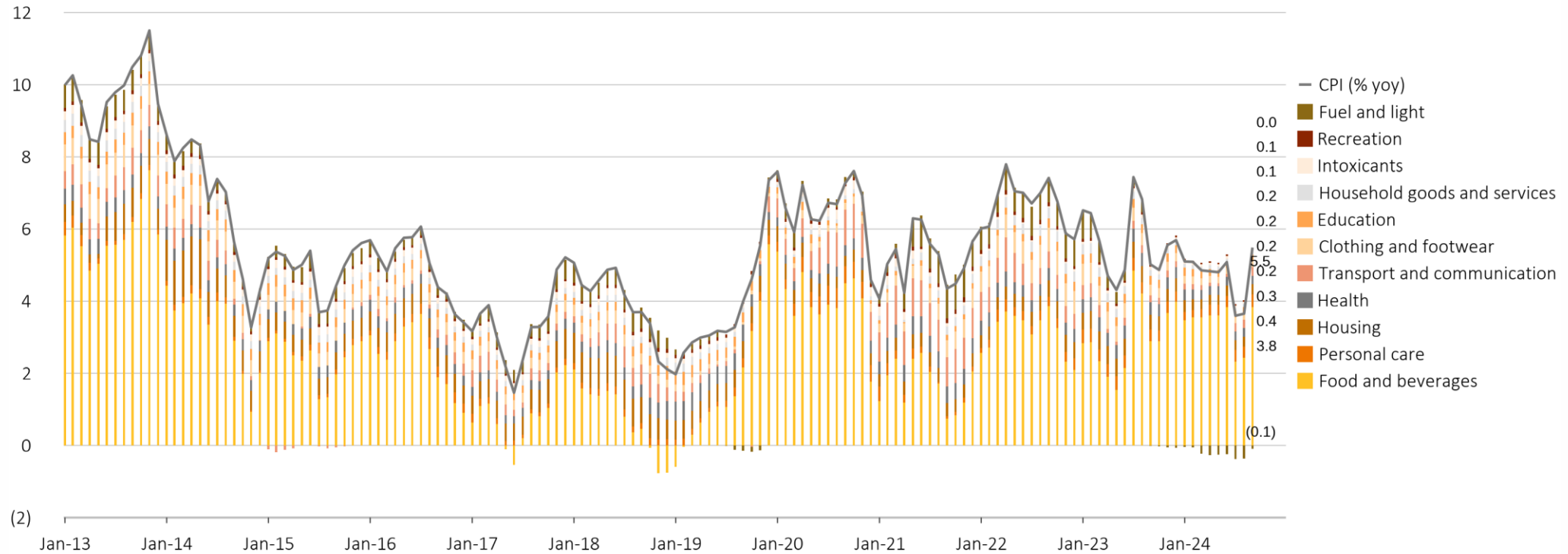
	Weights	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
<b>Consumer Price Index</b>	<b>100.0</b>	<b>5.0</b>	<b>4.9</b>	<b>5.6</b>	<b>5.7</b>	<b>5.1</b>	<b>5.1</b>	<b>4.9</b>	<b>4.8</b>	<b>4.8</b>	<b>5.1</b>	<b>3.6</b>	<b>3.7</b>	<b>5.5</b>
<b>Consumer Price Index - Core</b>	<b>47.3</b>	<b>4.5</b>	<b>4.3</b>	<b>4.1</b>	<b>3.9</b>	<b>3.6</b>	<b>3.4</b>	<b>3.2</b>	<b>3.2</b>	<b>3.1</b>	<b>3.1</b>	<b>3.4</b>	<b>3.4</b>	<b>3.5</b>
Food and beverages	45.9	6.3	6.3	8.0	8.7	7.6	7.8	7.7	7.9	7.9	8.4	5.1	5.3	8.4
Pan, tobacco and intoxicants	2.4	3.9	3.9	3.8	3.6	3.3	3.1	3.1	3.0	3.0	3.1	3.0	2.7	2.5
Clothing and footwear	6.5	4.6	4.3	3.9	3.6	3.4	3.1	3.0	2.9	2.7	2.7	2.7	2.7	2.7
Housing	10.1	4.0	3.8	3.6	3.6	3.2	2.9	2.7	2.7	2.6	2.7	2.7	2.7	2.8
Fuel and light	6.8	(0.1)	(0.4)	(0.8)	(1.0)	(0.6)	(0.8)	(3.4)	(4.0)	(3.7)	(3.6)	(5.5)	(5.3)	(1.4)
Miscellaneous	28.3	4.8	4.5	4.4	4.1	3.8	3.6	3.5	3.5	3.4	3.4	3.8	3.9	4.0
Household goods and services	3.8	4.3	3.9	3.5	3.4	3.1	2.8	2.7	2.7	2.5	2.4	2.3	2.4	2.5
Health	5.9	5.9	5.9	5.5	5.1	4.9	4.5	4.3	4.3	4.2	4.1	4.1	4.1	4.1
Transportation and communication	8.6	2.3	2.0	2.1	2.0	2.0	1.8	1.5	1.1	1.0	1.0	2.6	2.7	2.8
Recreation and amusement	1.7	3.4	3.3	3.1	3.1	2.9	2.7	2.8	2.6	2.6	2.3	2.2	2.4	2.3
Education	4.5	5.3	5.1	5.0	4.8	4.9	4.8	4.7	4.2	4.1	3.6	3.5	3.9	3.8
Personal Care and effects	3.9	8.5	7.8	7.8	7.3	5.9	5.2	6.0	7.4	7.7	8.2	8.4	8.0	9.0

Source: Thurro, MoSPI, NIIF Research

## Inflation

**Food and beverages contribute 3.8pp to September's 5.5% CPI inflation, followed by personal care and housing at 0.4 and 0.3pp respectively**

Contribution of key components to consumer price index (CPI) inflation (% yoy/pp), FY2013-FY2025 (Sep '24)



Source: Thurro, MoSPI, NIIF Research

**Note:**

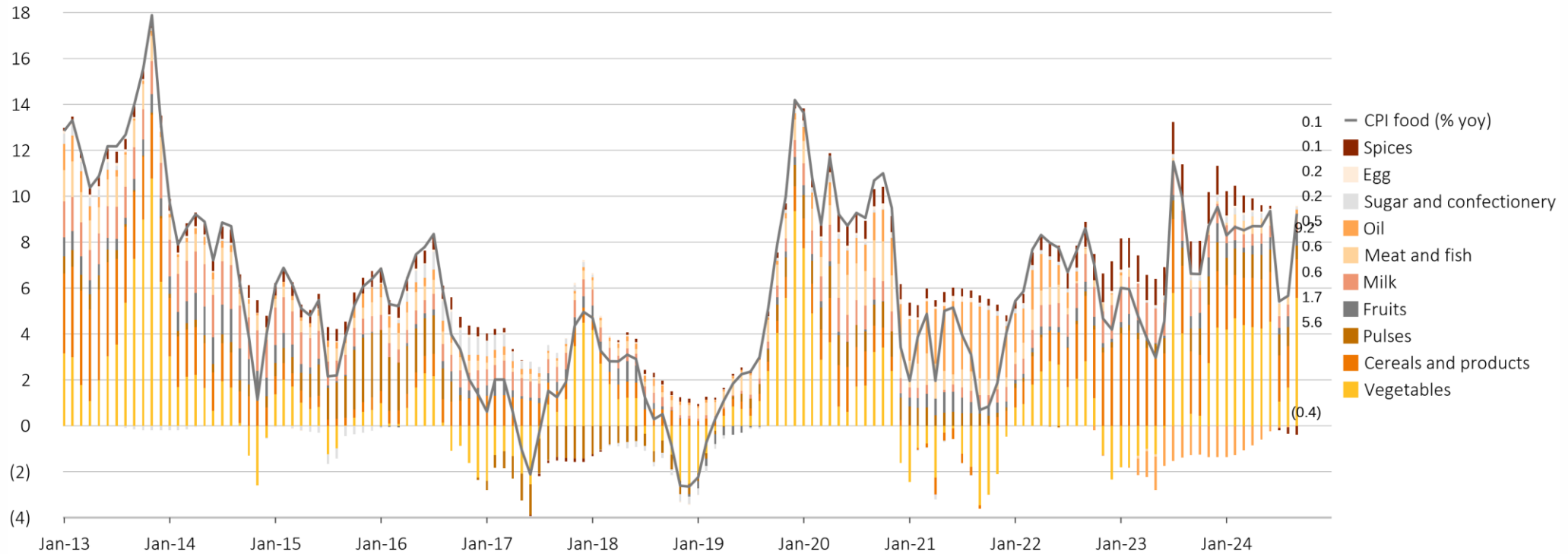
1. Food and beverages account for ~45.86%, intoxicants 2.38%, clothing and footwear 6.53%, housing 10.07%, fuel and light 6.84%, and household goods and services 3.8%, health 5.89%, transport and communication 8.59%, recreation 1.68%, education 4.46%, and personal care 3.89% weight in the headline consumer price index inflation



## Inflation

### Vegetables contribute 5.6pp to the overall 9.2% food inflation in September, followed by cereals at 1.7pp

Contribution of key components to consumer food price inflation (CPI food) (% yoy/pp), FY2013-FY2025 (Sep '24)



Source: Thurro, MoSPI, NIIF Research

#### Note:

1. Cereals account for ~9.67%, meat and fish 3.61%, egg 0.43%, milk 6.61%, oils 3.56%, fruits 2.89%, vegetables 6.04%, pulses 2.38%, sugar and confectionery 1.36%, and spices 2.5% weight in the consumer food price index inflation

## Inflation

### WPI inflation at 1.8% yoy in September led by a rise in food prices as energy prices decline yoy

Monthly wholesale price inflation (% yoy), Sep '23 – Sep '24

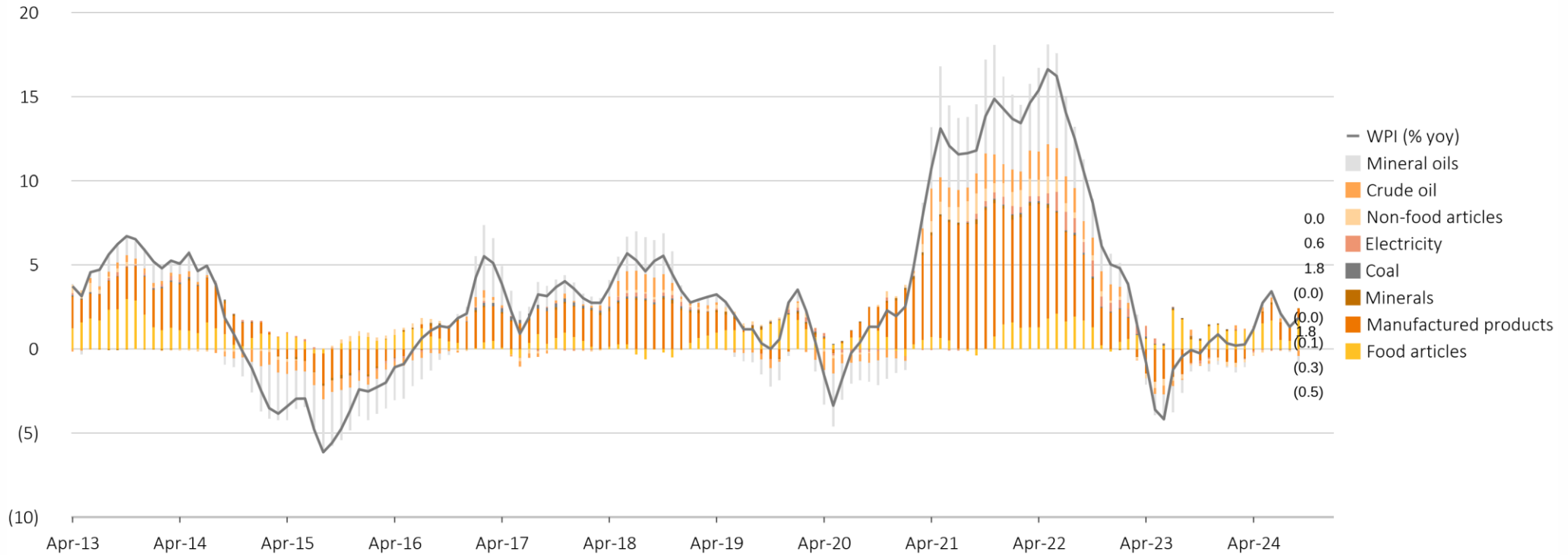
	<i>Weights</i>	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
<b>WPI</b>	<b>100.0</b>	<b>(0.1)</b>	<b>(0.3)</b>	<b>0.4</b>	<b>0.9</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>1.2</b>	<b>2.7</b>	<b>3.4</b>	<b>2.1</b>	<b>1.3</b>	<b>1.8</b>
<b>Primary articles</b>	<b>22.6</b>	<b>4.4</b>	<b>2.3</b>	<b>5.2</b>	<b>5.7</b>	<b>4.1</b>	<b>4.6</b>	<b>4.6</b>	<b>5.2</b>	<b>7.4</b>	<b>9.2</b>	<b>3.2</b>	<b>2.4</b>	<b>6.6</b>
Food articles	15.3	3.8	3.2	8.8	9.3	6.9	7.1	7.0	8.1	9.9	11.1	3.5	3.1	11.5
Non-food articles	4.1	(2.1)	(1.1)	(3.0)	(5.2)	(6.4)	(6.5)	(4.2)	(4.8)	(3.9)	(1.0)	(1.9)	(2.1)	(1.6)
Minerals	0.8	19.0	11.6	8.7	6.8	10.6	3.4	(0.4)	(0.3)	5.7	10.7	5.2	8.8	3.0
Crude oil, petroleum and natural gas	2.4	15.6	(2.2)	(7.1)	(0.1)	0.2	8.2	4.9	5.0	9.8	12.6	9.1	1.8	(13.0)
<b>Fuel and power</b>	<b>13.2</b>	<b>(3.3)</b>	<b>(1.6)</b>	<b>(4.1)</b>	<b>(1.4)</b>	<b>(0.4)</b>	<b>(1.7)</b>	<b>(2.7)</b>	<b>(0.9)</b>	<b>1.0</b>	<b>0.5</b>	<b>1.9</b>	<b>(0.7)</b>	<b>(4.0)</b>
Coal	2.1	1.8	1.8	1.8	1.8	1.4	0.3	0.5	0.3	1.2	(1.3)	(1.5)	(1.5)	(0.8)
Mineral oils	7.9	(4.7)	(0.5)	(5.7)	(2.7)	(1.1)	(3.8)	(3.5)	(0.1)	2.0	1.9	3.7	(0.4)	(5.8)
Electricity	3.1	(2.6)	(6.8)	(2.9)	0.4	0.3	3.0	(2.6)	(3.9)	(2.0)	(2.4)	(1.0)	(0.8)	(0.9)
<b>Manufactured products</b>	<b>64.2</b>	<b>(1.3)</b>	<b>(1.1)</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(1.2)</b>	<b>(1.3)</b>	<b>(0.8)</b>	<b>(0.1)</b>	<b>1.0</b>	<b>1.5</b>	<b>1.6</b>	<b>1.2</b>	<b>1.0</b>

Source: Thurro, EAI, NIF Research

## Inflation

### Food articles contribute 1.8pp of September's 1.8% WPI inflation, followed by manufactured products at 0.6pp

Contribution of key components to wholesale price inflation (WPI) (% yoy/pp), FY2014-FY2025 (Sep '24)



Source: Thurro, Office of the Economic Advisor, NIIF Research

**Note:**

1. Food articles account for ~15.26%, non-food 4.12%, mineral 0.83%, crude oil 2.41%, coal 2.14%, mineral oils 7.95%, electricity 3.06%, and manufactured products 64.23% weight in the wholesale price index inflation

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# MONTHLY ECONOMIC REPORT ON INDIA OCT 2024

## Contact



- Akshata Kalloor  
[akshata.kalloor@niifindia.in](mailto:akshata.kalloor@niifindia.in)

Volume 38

Published on Oct 20, 2024