

# WEEKLY WRAP

Version 04

**BRICKWORK RESEARCH**

2<sup>nd</sup> December 2024

# Weekly Wrap

2 December 2024

## India Economic News

- India's GDP growth in Q2 FY25 slowed to a 7-quarter low of 5.4%, driven by a slump in the manufacturing sector. Manufacturing growth in Q2 decelerated to 2.2%, a sharp decline from 7% in Q1
- RBI Governor Shaktikanta Das has affirmed the country's economic resilience, stating that it is "well placed" to handle the effects of emerging global shocks, especially with the potential rise of protectionism and trade wars during Donald Trump's second term as US president
- S&P has revised its forecast for India's economic growth over the next two financial years, lowering expectations due to high interest rates and reduced fiscal stimulus, which are dampening urban demand, the agency has projected a 6.7% GDP growth rate for the FY 2025 - 26
- India's core sector growth increased to 3.1% in October, up from a revised 2.4% in September 2024, as four out of the eight sectors saw a faster rate of growth

## Global Economic News

- U.S. economy grew at a robust annual rate of 2.8% from July to September 2024, driven by strong consumer spending and a significant increase in exports
- Inflation in Europe has climbed to 2.3%, with concerns over economic growth dominating discussions at the ECB, However, this is unlikely to prevent the Central Bank from lowering interest rates
- Germany reported a sharp decline in consumer confidence, which fell by 4.9 points to -23.3, driven by job losses in the automotive sector, dampening hopes for economic growth
- Eurozone economy grew by 0.4% in the third quarter of 2024, exceeding analysts' expectations of 0.2% growth. This growth also represents a 0.9% increase Y-o-Y, slightly surpassing the anticipated 0.8%

Equity Markets	Last	1 Week	YTD
<b>Nifty</b>	<b>24,130.8</b>	<b>0.15%</b>	<b>17.53%</b>
<b>Dow Jones</b>	<b>44,910.65</b>	<b>1.44%</b>	<b>19.22%</b>
<b>S&amp;P 500</b>	<b>6,032.38</b>	<b>1.06%</b>	<b>26.47%</b>
<b>Nasdaq</b>	<b>19,218.17</b>	<b>1.13%</b>	<b>28.02%</b>
<b>FTSE 100</b>	<b>8,287.30</b>	<b>0.31%</b>	<b>7.33%</b>
<b>Nikkei 225</b>	<b>38,501.08</b>	<b>0.76%</b>	<b>8.9%</b>
<b>Shanghai</b>	<b>3,360.38</b>	<b>1.02%</b>	<b>5.5%</b>
Commodities	Last	1 Week	YTD
<b>Gold</b>	<b>\$2,638.3</b>	<b>-0.30%</b>	<b>29.74%</b>
<b>Silver</b>	<b>\$30.50</b>	<b>-1.69%</b>	<b>22.52%</b>
<b>Crude Oil WTI</b>	<b>\$69.41</b>	<b>-0.99%</b>	<b>-8.06%</b>
Currency	Last	1 Week	YTD
<b>USD / INR</b>	<b>84.51</b>	<b>-0.53%</b>	<b>2.45%</b>
<b>EUR / INR</b>	<b>89.30</b>	<b>0.91%</b>	<b>-1.96%</b>
Government Bond	Last	1 Week	1 Year
<b>India 10 Year G-Bond</b>	<b>6.74</b>	<b>-0.88</b>	<b>-7.41</b>

## Central Bank and Regulatory Updates

- RBI is expected to maintain interest rates on December 6, as a significant increase in consumer inflation has led many economists in a Reuters poll to delay their forecasts for the first rate cut by a couple of months
- Minutes from the Federal Reserve reveal that officials supported a gradual approach to rate cuts. FOMC members adopted a more optimistic view on the labor market outlook during the November 2024 meeting
- China's central bank injects USD 111 billion in an effort to ensure adequate liquidity amid a spike in local government bond sales
- Poland's central bank has made a historic decision to become the world's largest buyer of gold, acquiring 100 tons of the precious metal, according to a Bloomberg report

## Sectoral News

- According to CII, India's medical technology sector is projected to reach exports of up to USD 20 billion by 2030. However, to boost international shipments, the sector requires additional government incentives
- Credit growth in the fortnight ending November 15 slowed to 11.15% Y-o-Y, while deposit growth slightly exceeded credit growth, reaching 11.21% Y-o-Y, according to the latest data from the RBI
- In a major relief for the financially struggling telecom industry, the Union Cabinet removed the requirement for submitting large bank guarantees for past spectrum purchases. This move is expected to provide over Rupees 30,000 crore in relief to various industry players
- According to Ericsson's latest mobility report, India is expected to reach 270 million 5G subscribers by the end of 2024, accounting for 23% of the country's total mobile subscriptions

Economic Indicators	Last	Previous
<b>GDP Annual Growth Rate</b>	<b>5.40%</b>	<b>6.70%</b>
Unemployment Rate	10.10%	7.80%
Interest Rate	6.50%	6.50%
Government Debt to GDP	81.59%	82.49%
Consumer Confidence	94.7	93.9
Business Confidence	119	127
<b>HSBC India Mfg PMI (Nov)</b>	<b>56.5</b>	<b>57.5</b>
HSBC India Services PMI (Nov)	59.2	58.5
<b>FX Reserves, USD Billion</b>	<b>656.58</b>	<b>657.89</b>
<b>Bank Deposit Growth</b>	<b>11.20%</b>	<b>11.80%</b>
<b>GST Collections (₹ Trillion) (Nov)</b>	<b>1.82</b>	<b>1.87</b>
<b>Infra Output (YoY) (Oct)</b>	<b>3.10%</b>	<b>2.00%</b>
Trade Balance (Oct)	-27.14B	-20.78B
WPI Food (YoY) (Oct)	11.59%	9.47%
WPI Fuel (YoY) (Oct)	-5.79%	-4.05%
WPI Inflation (YoY) (Oct)	2.36%	1.84%
WPI Mfg Inflation (YoY) (Oct)	1.50%	1.00%
CPI Inflation (YoY) (Oct)	6.21%	5.49%
Industrial Production (YoY) (Sep)	3.10%	-0.10%
Mfg Output (MoM) (Sep)	3.90%	3.1.00%

\* Views are personal

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