

The background features a collage of business-related elements. On the left, a world map is overlaid with a grid of numerical data. In the center and right, there are various charts including a 3D bar chart, a pie chart, and a line graph. A tablet computer is positioned on the right side, displaying a dashboard with a circular gauge and bar charts. The overall color palette is dominated by blues and yellows.

# WEEKLY WRAP

Issue 12

**BRICKWORK RESEARCH**

**27 January 2025**

# Weekly Wrap

27 January 2025

## India Economic News

- According to a report by the McKinsey Global Institute on "Dependency and Depopulation," India is expected to represent 16% of global consumption at purchasing power parity (PPP) by 2050. This marks a significant increase from 4% in 1997 and 9% in 2023, as projected by World Data Lab
- The RBI, in its monthly bulletin, stated that India's economic growth is set to recover as domestic demand strengthens. However, it highlighted the need for careful monitoring of the "stickiness" in food inflation
- A global survey released by PwC revealed that India ranks highly for CEO investment plans and confidence in its economic growth. Nearly 9 out of 10 Indian CEOs are optimistic about economic growth, with plans for headcount increases and continued AI adoption
- The World Economic Forum's annual meeting began in Davos, Switzerland. Maharashtra has signed MoUs worth ₹4.99 lakh crore. These investments are anticipated to generate 92,235 jobs across various sectors

## Global Economic News

- According to PwC's 2025 Global CEO Survey, nearly 60% of CEOs are optimistic about the global economic outlook, with plans to increase headcount and continue expanding AI initiatives. However, despite this optimism, macroeconomic volatility and inflation continue to be the primary risks for 2025
- The IMF increased its 2025 global growth forecast by 0.1 percentage point, citing stronger U.S. growth that offset downgrades for other major economies. In its latest outlook, the IMF projected global growth at 3.3% for both 2025 and 2026, with inflation expected to drop to 4.2% in 2025 and 3.5% in 2026, aiding a return to stable monetary policies
- Economic decoupling between the West and East could lead to a \$5.7 trillion global loss, with developing economies facing GDP declines of up to 10%. The World Economic Forum suggests safeguards to maintain financial intermediation and tackle shared challenges amid rising geopolitical tensions

Equity Markets	Last	1 Week	YTD
Nifty	22,970.65	-0.53	-3.76%
Sensex	75,425.09	-1.00%	-3.91%
Dow Jones	44,565.07	0.92%	4.42%
S&P 500	6,101.77	1.75%	3.74%
Nasdaq	19,956.29	1.72%	3.37%
FTSE 100	8,502.35	-0.03%	2.93%
Nikkei 225	39,931.98	-0.07%	1.13%
Shanghai	3,255.62	0.09%	0.07%
CAC 40	7,927.62	2.83%	7.22%
DAX	21,394.93	2.43%	6.84%
Commodities	Last	1 Week	YTD
Gold	\$2,743.7	2.03%	4.07%
Silver	\$30.6	1.27%	3.68%
Crude Oil WTI	\$76.79	-3.14%	4.08%
Currency	Last	1 Week	YTD
USD / INR	86.33	0.16%	0.69%
EUR / INR	90.40	-0.06%	2.16%
Government Bond	Last	1 Week	1 Year
India 10 Year G-Bond	6.78	1.03%	-6.29%

\*YTD – Indicates % gain/loss as of today

## Central Bank and Regulatory Updates

- The RBI injected ₹75,772 crore into the banking system via a variable rate repo (VRR) operation to boost liquidity. This move is designed to ease liquidity conditions and prevent call money rates from rising significantly above the current repo rate of 6.5%
- Fintech startups suspend salary loan products as the RBI tightens regulations on unsecured loans. The advance salary product was aimed at offering working professionals quick personal loans for short-term use
- The Federal Open Market Committee (FOMC) is widely expected to maintain interest rates at their current level on January 29, 2025. According to the CME FedWatch Tool, fixed income markets are pricing in a 99.5% probability that rates will remain unchanged at the current range of 4.25% to 4.5%. However, there is still a potential for a rate cut in either March or May 2025
- The Bank of Japan (BOJ) has raised interest rates to 0.5%, the highest level since 2008. This increase is part of the BOJ's strategy to gradually raise rates to a neutral level of about 1% in order to maintain economic stability

## Sectoral News

- According to the report by Google and Boston Consulting Group, the Indian mobility industry is projected to exceed \$600 billion by 2030. Gen Z is playing an increasingly significant role in shaping mobility trends. India's automobile sector, which is already the third-largest in the world, is poised for substantial transformation
- The \$500 billion Stargate Project, led by OpenAI, Softbank, Oracle, and others, presents a major opportunity for India to accelerate its AI goals by deepening ties with the US. Experts suggest leveraging India's role in the Critical and Emerging Technology agreement and the Indo-Pacific Economic Framework for Prosperity
- Union Minister Nitin Gadkari encouraged the fibre-reinforced plastics (FRP) industry to invest in R&D to lower production costs by 25%. He emphasized FRP's potential across sectors like infrastructure, energy, and transport, and assured the government's support in tackling industry challenges
- Union Minister Ashwini Vaishnaw announced at the World Economic Forum in Davos that the first 'Made in India' chip will be launched this year. Originally, the chip was scheduled for release in December 2024

Economic Indicators	Last	Previous
GDP Annual Growth Rate*	6.4%	8.2%
<b>Unemployment Rate</b>	<b>8.3%</b>	<b>8%</b>
Interest Rate	6.5%	6.5%
Government Debt to GDP	81.59%	82.49%
Consumer Confidence	94	94.7
Business Confidence	119	127
<b>HSBC India Mfg PMI (Jan)</b>	<b>58</b>	<b>56.4</b>
<b>HSBC India Services PMI (Jan)</b>	<b>56.8</b>	<b>59.3</b>
<b>FX Reserves, USD Billion</b>	<b>623.98</b>	<b>625.87</b>
<b>Bank Deposit Growth</b>	<b>10.8%</b>	<b>9.8%</b>
GST Collections (₹ Trillion) (Dec)	1.77	1.82
Infra Output (YoY) (Nov)	4.30%	3.70%
Trade Balance (Dec) USD Billion	-21.94	-37.84
WPI Food (YoY) (Dec)	8.47%	8.63%
WPI Fuel (YoY) (Dec)	-3.79%	-5.83%
WPI Inflation (YoY) (Dec)	2.37%	1.89%
WPI Mfg Inflation (YoY) (Dec)	2.14%	2.00%
CPI Inflation (YoY) (Dec)	5.22%	5.48%
<b>Industrial Production (YoY) (Nov)</b>	<b>5.2%</b>	<b>3.7%</b>

\*GDP Estimates

\* Views are personal

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