

# WEEKLY WRAP

Issue 09

**BRICKWORK RESEARCH**

**6 January 2025**

# Weekly Wrap

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## India Economic News

- According to a report by RBI, India's economy is expected to grow by approximately 6.6% in FY25. This growth is attributed to a revival in both urban and rural demand, as structural growth drivers continue to support the economy, despite a recent slowdown
- India's goods and services exports are projected to exceed USD 814 billion as of year end 2024, marking a 5.58% rise from 2023. While exports of machinery and electronics are on the rise, traditional sectors like textiles and garments are facing a decline, reflecting both opportunities and challenges amid weak global trade and geopolitical tensions
- India's core sector growth reached a four-month high of 4.3% in November 2024, driven by increases in six of the eight core sectors
- India's manufacturing PMI dropped to a 12-month low of 56.4 in December 2024, as the growth in fresh business orders and production slowed down

## Global Economic News

- In 2025, The global economy is expected to face new challenges, including potential trade tariffs from Donald Trump that could drive inflation, ongoing military conflicts in Ukraine and the Middle East, political tensions in Germany and France, and economic uncertainties in China
- US employers likely slowed hiring in December, ending a year of steady job growth. Payrolls rose by 160,000, bringing the average monthly growth for 2024 to around 180,000, lower than the previous three years
- China's factory activity grew at a slower rate in December, as per official data. The Purchasing Managers' Index dipped to 50.1 in December from 50.3 in November 2024

Equity Markets	Last	1 Week	YTD
Nifty	24,022.10	0.07%	10.57%
Sensex	79,494.17	0.34%	9.99%
Dow Jones	42,732.13	-0.60%	14.06%
S&P 500	5,942.47	-0.48%	1.03%
Nasdaq	19,619.17	-0.52%	1.63%
FTSE 100	8,223.98	0.91%	-0.44%
Nikkei 225	39,621.07	-0.78%	18.28%
Shanghai	3,206.75	-0.15%	9.21%
CAC 40	7,282.22	-0.99%	-1.51%
DAX	19,906.08	-2.75%	-1.71%
Commodities	Last	1 Week	YTD
Gold	\$2,628.3	0.53%	28.12%
Silver	\$29.4	-0.60%	26.22%
Crude Oil WTI	\$72.09	2.24%	-0.56%
Currency	Last	1 Week	YTD
USD / INR	85.75	0.60%	2.45%
EUR / INR	88.10	0.45%	3.12%
Government Bond	Last	1 Week	1 Year
India 10 Year G-Bond	6.89%	1.77%	-6.29%

## Central Bank and Regulatory Updates

- RBI will conduct a test by crediting reimbursement allowances to its officers' digital currency wallets. This initiative is designed to promote the central bank digital currency, potentially making cross-border fund transfers more efficient and cost-effective, while also countering cryptocurrencies
- RBI has cautioned about the potential spillover of stress from unsecured loans, the share of stressed microfinance assets rose in the first half of 2024-25, with loans overdue by 31 to 180 days increasing from 2.15% in March to 4.3% in September 2024
- RBI has announced that it will allow UPI payments to and from full-KYC Prepaid Payment Instruments (PPI) through third-party UPI applications to enable PPI holders to send and receive UPI payments via third-party UPI mobile applications
- In 2025, China's central bank may reduce interest rates from 1.5%, focusing on rate cuts rather than setting loan growth targets as part of its interest rate reform. This strategy aims to boost lending and investment in response to persistent economic challenges

## Sectoral News

- India's electronics industry is poised for a transformative phase, aiming for a manufacturing output of USD 500 billion by 2030, up from the current USD 101 billion, with mobile phones representing 43% of this target
- In 2025, India's steel industry is expected to face challenges from rising imports and fluctuating raw material prices. The focus will be on expanding capacity to 300 million tons by 2030, up from the current 155 million tons, Government intervention, import protection, and policy support are seen as vital to overcoming these challenges
- India's financial sector is stepping into 2025 on a solid foundation, supported by strong earnings, low levels of impaired assets, and healthy capital buffers, according to RBI Governor Sanjay Malhotra
- The Indian IT sector is expected to experience a 20% increase job growth in 2025, driven by emerging technologies. Artificial Intelligence, a key trend in 2024, is anticipated to further accelerate this growth in 2025

Economic Indicators	Last	Previous
GDP Annual Growth Rate	5.4%	6.7%
Unemployment Rate	8%	8.7%
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 (Dec)</b>	<b>56.4</b>	<b>56.5</b>
<b>HSBC India Services PMI (Dec)</b>	<b>59.3</b>	<b>58.4</b>
<b>FX Reserves, USD Billion</b>	<b>640.28</b>	<b>644.39</b>
<b>Bank Deposit Growth</b>	<b>11.50%</b>	<b>10.70%</b>
<b>GST Collections (₹ Trillion) (Dec)</b>	<b>1.77</b>	<b>1.82</b>
<b>Infra Output (YoY) (Nov)</b>	<b>4.30%</b>	<b>3.70%</b>
Trade Balance (Dec)	-37.84B	-27.10B
WPI Food (YoY) (Nov)	8.92%	11.59%
WPI Fuel (YoY) (Nov)	-5.83%	-5.79%
WPI Inflation (YoY) (Nov)	1.89%	2.36%
WPI Mfg Inflation (YoY) (Nov)	2.00%	1.50%
CPI Inflation (YoY) (Nov)	5.48%	6.21%
Industrial Production (YoY) (Oct)	3.50%	3.10%
Mfg Output (MoM) (Oct)	4.10%	3.90%

\* Views are personal

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