

WEEKLY WRAP

Issue 05

BRICKWORK RESEARCH

9 December 2024

Weekly Wrap

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India Economic News

- Chief Economic Advisor V Anantha Nageswaran stated that the Economic Survey forecasts India's GDP growth to range between 6.5% and 7% for 2024-25, a decrease from the 8.2% growth recorded in the previous financial year
- A report by the SBI projects that India's consumer price inflation will stay above 5% for the remainder of 2024
- India's services sector experienced steady growth in November, with the PMI remaining nearly unchanged at 58.4, compared to 58.5 in October. However, it was lower than the preliminary estimate of 59.2

Global Economic News

- The global economy is projected to expand by 3.3% next year, as inflation continues to ease. However, growth could be hindered if tariffs increase, according to the OECD
- A UN report has revealed that global trade is set to reach a record \$33 trillion in 2024, demonstrating impressive resilience despite ongoing economic and geopolitical challenges
- Concerns about a global trade war have grown after Donald Trump warned of imposing 100% tariffs on BRICS countries if they establish a new currency to compete with the US dollar
- An IMF spokesperson stated that the global economy is "set for a soft landing," forecasting that inflation worldwide will keep easing without triggering a severe recession

Equity Markets	Last	1 Week	YTD
Nifty	24,645.7	-0.32%	9.15%
Dow Jones	44,643.66	0.15%	6.78%
S&P 500	6,090.27	0.71%	27.68%
Nasdaq	19,856.51	2.33%	32.28%
FTSE 100	8,308.61	0.26%	7.60%
Nikkei 225	39,162.02	-0.12%	10.29%
Shanghai	3,394.08	-1.02%	-5.67%
Commodities	Last	1 Week	YTD
Gold	\$2,641.8	0.13%	30.34%
Silver	\$30.90	1.35%	27.58%
Crude Oil WTI	\$68.35	-0.85%	-3.33%
Currency	Last	1 Week	YTD
USD / INR	84.74	0.37%	1.66%
EUR / INR	89.47	0.17%	-2.52%
Government Bond	Last	1 Week	1 Year
India 10 Year G-Bond	6.85	1.63%	-7.24%

Central Bank and Regulatory Updates

- RBI keeps the repo rate at 6.5% while reducing the Cash Reserve Ratio by 50 basis points to 4%, amid high inflation. Lowered the growth forecast to 6.6% from 7.2%
- RBI proposed to permit small finance banks to offer pre-sanctioned credit lines via the Unified Payments Interface
- Federal Reserve officials are expected to lower interest rates this month, following data indicating that the U.S. labor market stayed robust but showed signs of cooling in November
- Monetary easing by central banks in both developed and emerging economies continued in November. Of the six central banks responsible for the 10 most traded currencies that held meetings in November, four reduced their lending benchmark rates
- A panel has been established to update the base year for GDP calculation from 2011-12 to 2022-23. The panel, chaired by Biswanath Goldar and consisting of RBI representatives, central and state government officials, and academic experts, aims to finalize the revision by 2026

Sectoral News

- India has surpassed China as the top destination for clean technology investments, driven by efforts to boost domestic green manufacturing and attract investors. Approximately \$2.4 billion in deals were finalized in Q3
- India's steel imports from China reached a record high, with China exporting 1.7 million metric tons of finished steel to India between April and October, marking a 35.4% Y-o-Y increase
- PE-VC investments in India's healthcare sector appear to have slowed down in 2024, the sector attracted \$5.33 billion in investments across 57 deals during the first 11 months of 2024 marking a 14% decline from the \$6.26 billion invested in the entire year of 2023
- India's hospitality industry is thriving, with projections indicating it will reach \$31 billion in the next five years. Fueled by both domestic and international tourism, the sector is adopting AI and sustainable practices
- Government has removed the windfall profit tax on crude oil and fuel exports to stimulate growth in energy sector

Economic Indicators	Last	Previous
GDP Growth Rate	5.4%	6.7%
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
HSBC India Mfg PMI (Nov)	56.5	57.5
HSBC India Services PMI (Nov)	58.4	58.5
FX Reserves, USD Billion	658.09	656.58
Bank Deposit Growth	11.20%	11.80%
GST Collections (₹ Trillion) (Nov)	1.82	1.87
Infra Output (YoY) (Oct)	3.10%	2.00%
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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