



MONTHLY ECONOMIC **SEP** REPORT ON INDIA 2024

India's economy maintains **steady growth**, with Q1FY25 real GDP expanding by 6.7% driven by **rising private consumption** and **continued public capex**. Core infrastructure shows **robustness in steel and cement production**. August sees **record high e-way bills** and **double-digit railway freight** growth, while **ports cargo remains steady** amid **peak goods imports**. Automobile demand is mixed. **Power demand weakens**, due to excess rainfall, leading to lower electricity generation and coal production. **Renewable** energy share hit a **record high** in July, led by solar and wind. Credit growth eases in August. Foreign and domestic institutional investors remain invested in India in FYTD2025 (till August) while bond yields moderate. Consumer inflation softens further. Watch for likely impacts from **uneven monsoon** rainfall distribution. **Consensus** projects a 50-bps rate cut in H2FY25

July – August 2024

Growth

Real GDP grows by 6.7% yoy in Q1FY25 driven by rise in **consumption** and continued **capex**. Industry and services sectors drive 6.8% real GVA growth. **Steady core infrastructure growth** of 6% led by **steel** (7%) and **cement** (5%) production in July. **Electricity generation declines** by 5% yoy in August. **Renewable's** share in total generation at an **all-time high** of 15.9% in July. **Composite PMI** of 60.7 signal robust economic activity

Trade

Goods trade deficit widens in August as **imports** record an **all-time high** of USD 64 billion, driven by gold. **Services trade surplus rises** to USD 15 billion. **Steady ports cargo traffic** growth in August of ~6% yoy as **container shipping costs** moderate. **Robust growth in rail** freight traffic of ~10% yoy in June. Monthly FasTag transactions and road toll collection stable at INR 56 billion and INR 47 billion in August

Demand

Weak growth in PV and CV registrations in August. **Bank credit growth eases** in August to ~14% from its recent high of ~19% over trailing twelve months (TTM). UPI crosses **150 billion transactions** over TTM up to August. **E-way bills** at an **all-time high** of 106 million in August. **Power demand weakens** by ~5% yoy due to overall excess rainfall in August. **Skewed spatial rainfall distribution**, deficient rainfall in Punjab and Haryana

Foreign Exchange

INR depreciated against USD by 0.7% over the last year (as of Sept 19). Volatility in other INR currency pairs over Aug-early September. Forward premium on USD-INR rises above 2% after more than a year of staying in the 1.6-1.7% range. **All-time high forex reserves** with RBI of ~USD 689 billion (as on 6 Sept), provides sufficient 9+ months of import cover. **RBI remains a net buyer of USD** in August

Inflation

Consumer inflation eases to 3.7% yoy in August driven by decline in **non-food prices**. Core inflation remains soft. Wholesale inflation moderates sequentially to 1.3% in August, led by fall in energy prices. **Repo rate unchanged** at 6.50%. August-end **consensus** maintain projection of a **cumulative 50-bps rate cut** by RBI in H2FY25. Global commodity shifts – **crude oil** at USD 77 per bbl, and **gold** remains above USD 2,500 per troy oz, as of 19 Sept

Investments

Foreign and domestic investors stay invested in FYTD2025 - net investment by foreign portfolio investors of INR 869 billion (till August). **Domestic institutional investors invest INR 2 trillion** in FYTD2025, tracking FY2024 levels. **Gross FDI flows into India stable at USD 22 billion in FYTD2025 (till June)**. FDI records a net outflow in June of USD 0.2 billion. AIFs raise INR 195 billion capital and invest INR 217 billion in Q1FY25, led by **Category II and III**

Markets

Bond yields moderate - 10-year G-sec softens to 6.76%, closing the gap with 3-month T-bill at 6.6% (as on 19 Sept). Banking **liquidity in surplus** in early September. Average market volatility reduces in August as measured by VIX. **Equity valuations** of 22.9 in August **near 10-year average** of 23.5. **Indian equity** markets generate **strong returns** of an average ~29% in August, higher than global average of 15% over TTM.

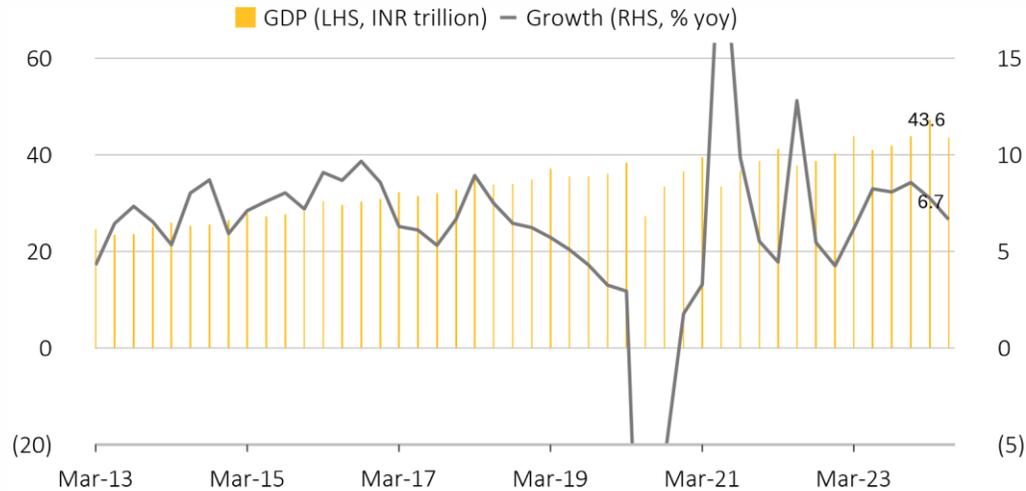
Fiscal

GST collection robust at INR 1.7 trillion in August. Overall **direct tax collection remains steady** growing by ~34% yoy in July. **Slower pace of government capital expenditure** in FYTD2025 (till July), down by ~18% yoy in July likely due to elections related restrictions. **Fiscal deficit tracking lower** at ~17 of budget estimates up to July, nearly half of the ~34% in the same period in FY2024

Key charts

Real GDP grows by 6.7% yoy in Q1FY25

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

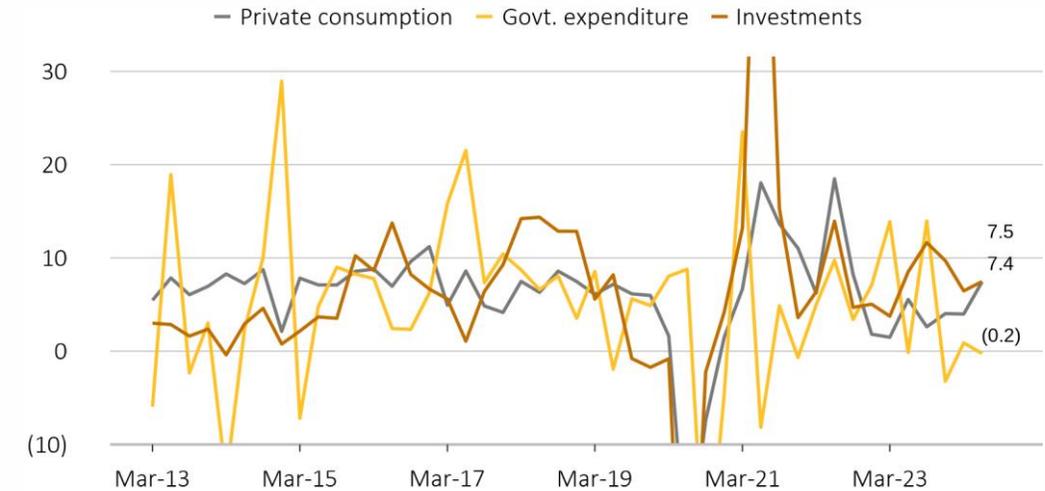


Source: Thurro, MOSPI, NIIF Research

Note: Real GDP growth is based on 2012 prices

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

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

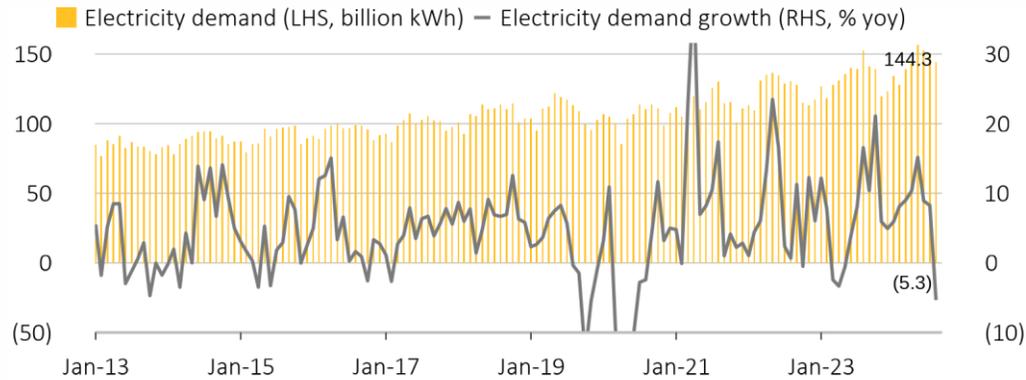
Pick up in private consumption and continued capex drive real GDP growth

- 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
- 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%

Key charts

Electricity demand down 5.3% yoy, on a high base, in August

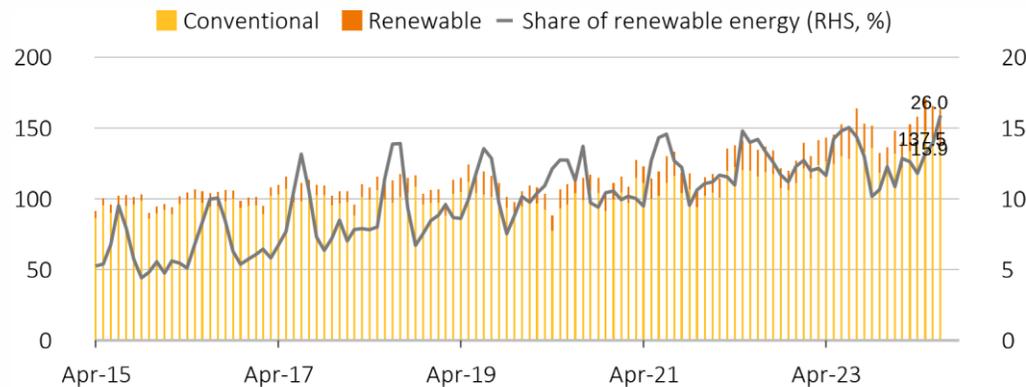
Monthly electricity demand in India, FY2013-FY2025 (Aug '24)



Source: Thurro, POSOCO, NIIF Research

Renewables share at all time high of 15.9% in July

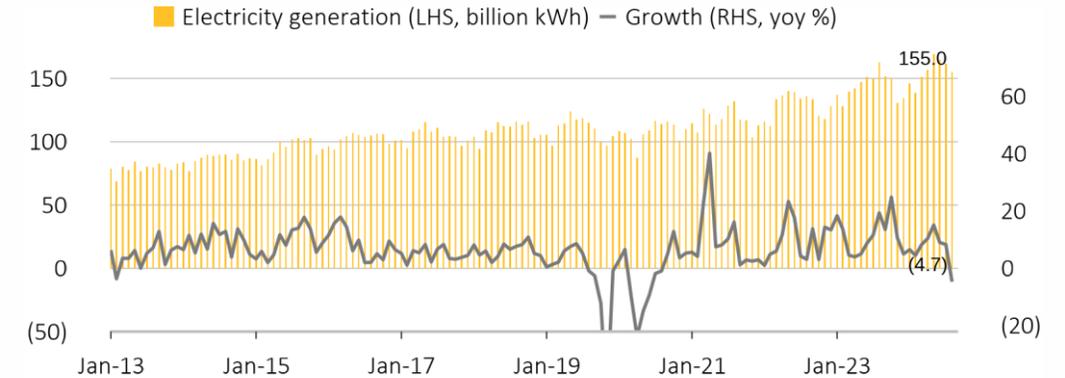
Monthly generation from energy sources (billion kWh), FY2016-FY2025 (Jul '24)



Source: Thurro, POSOCO, CEA, NIIF Research

Power generation down by ~5% yoy in August

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

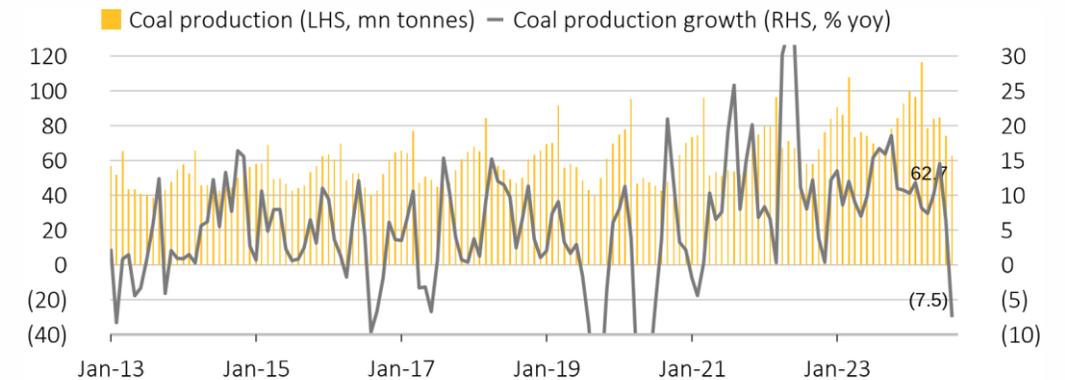


Source: Thurro, POSOCO, NIIF Research

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

Coal production declines by 7.5% yoy in August

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

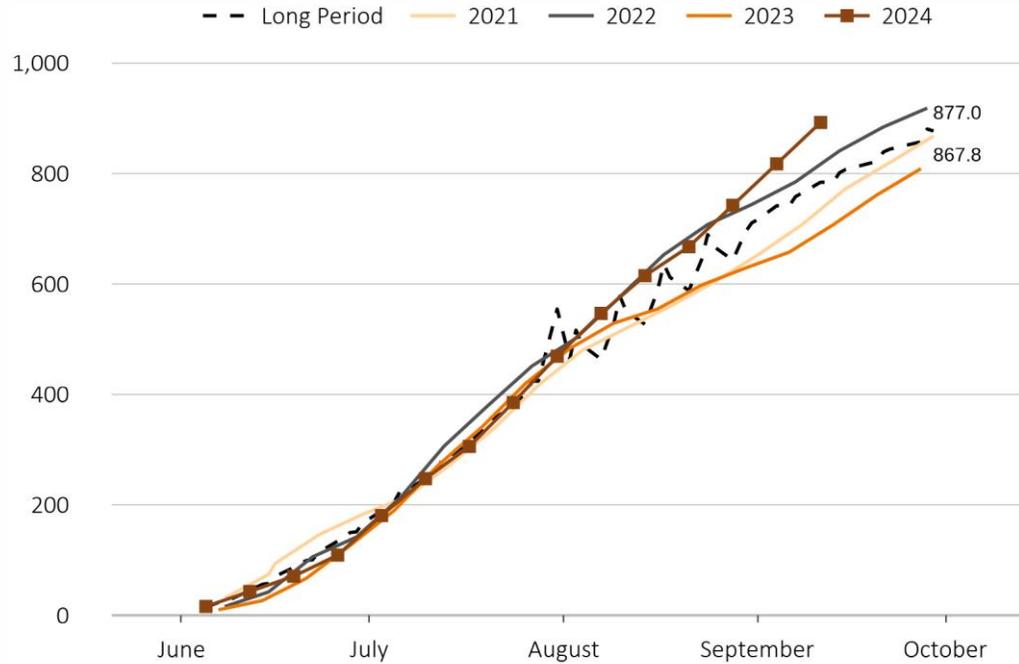


Source: Thurro, Ministry of Coal, NIIF Research

Key charts

Rainfall tracking above long-period average since August

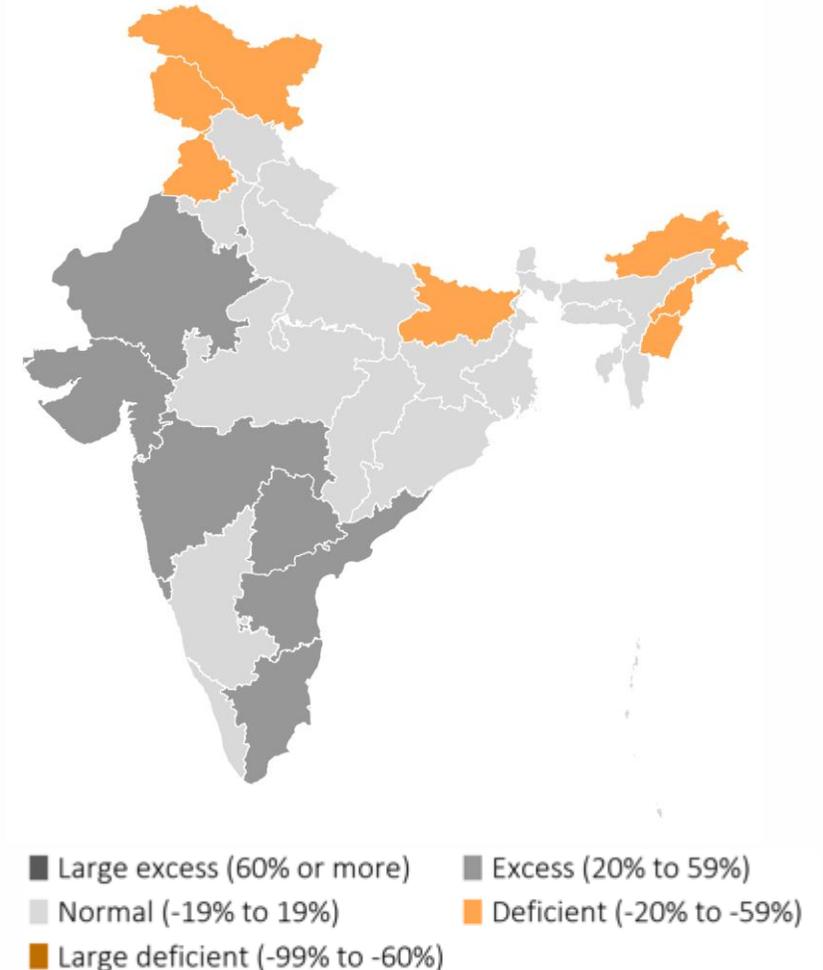
Cumulative rainfall at the end of the week (in mm), CY2020-CY2024 (11 Sep '24)



Source: Thurro, India Meteorological Department, NIIF Research

Deficient rainfall in Punjab and Bihar, major cereal producer states

Cumulative rainfall in mm, Jun 01 to Sep 16, 2024

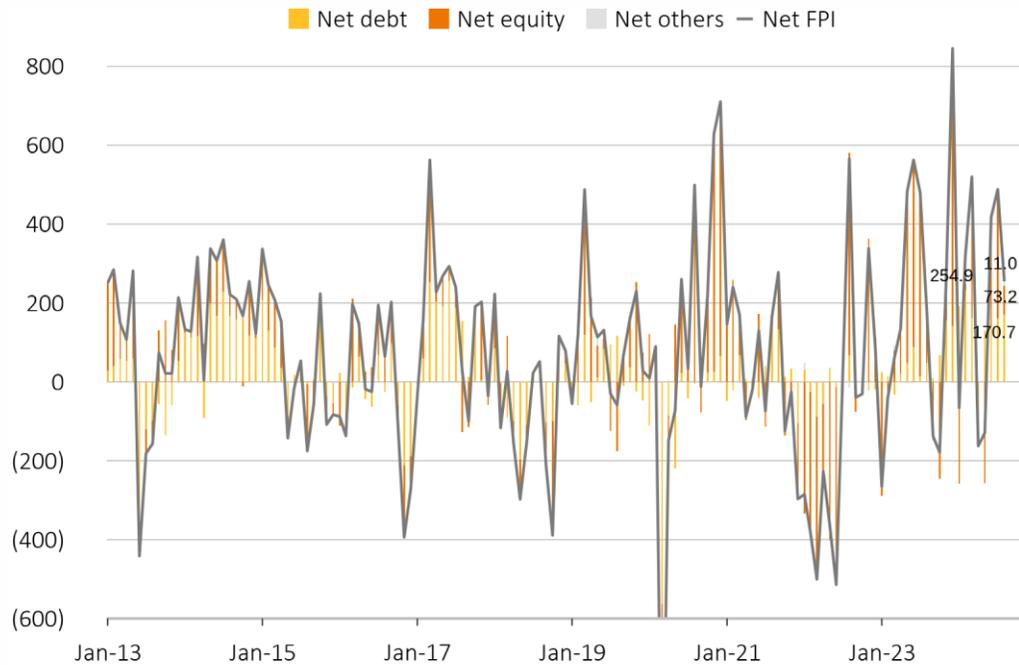


Source: Thurro, India Meteorological Department, NIIF Research

Key charts

Net FPI inflows of INR 254.9 billion in August

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



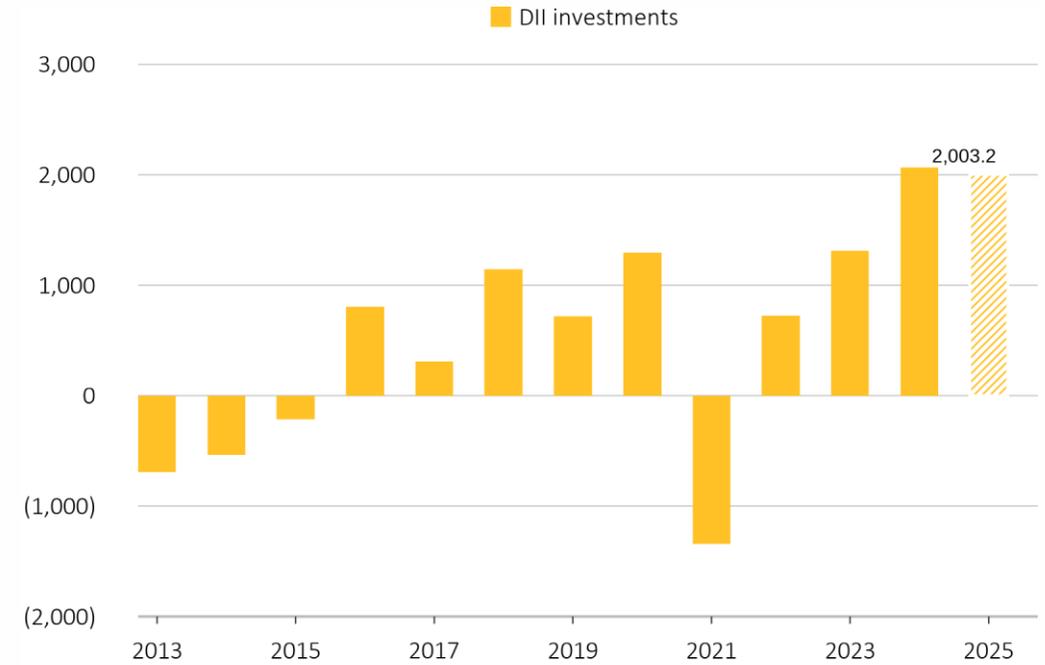
Source: Thurro, NSDL, NIIF Research

Note:

- Others comprise of debt-VRR and hybrid investments. Hybrid include investments in InvITs and REITs. 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 of ~INR 2.0 trillion in FYTD2025 (till Aug) near FY2024 level

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



Source: Thurro, NSE, BSE, NIIF Research

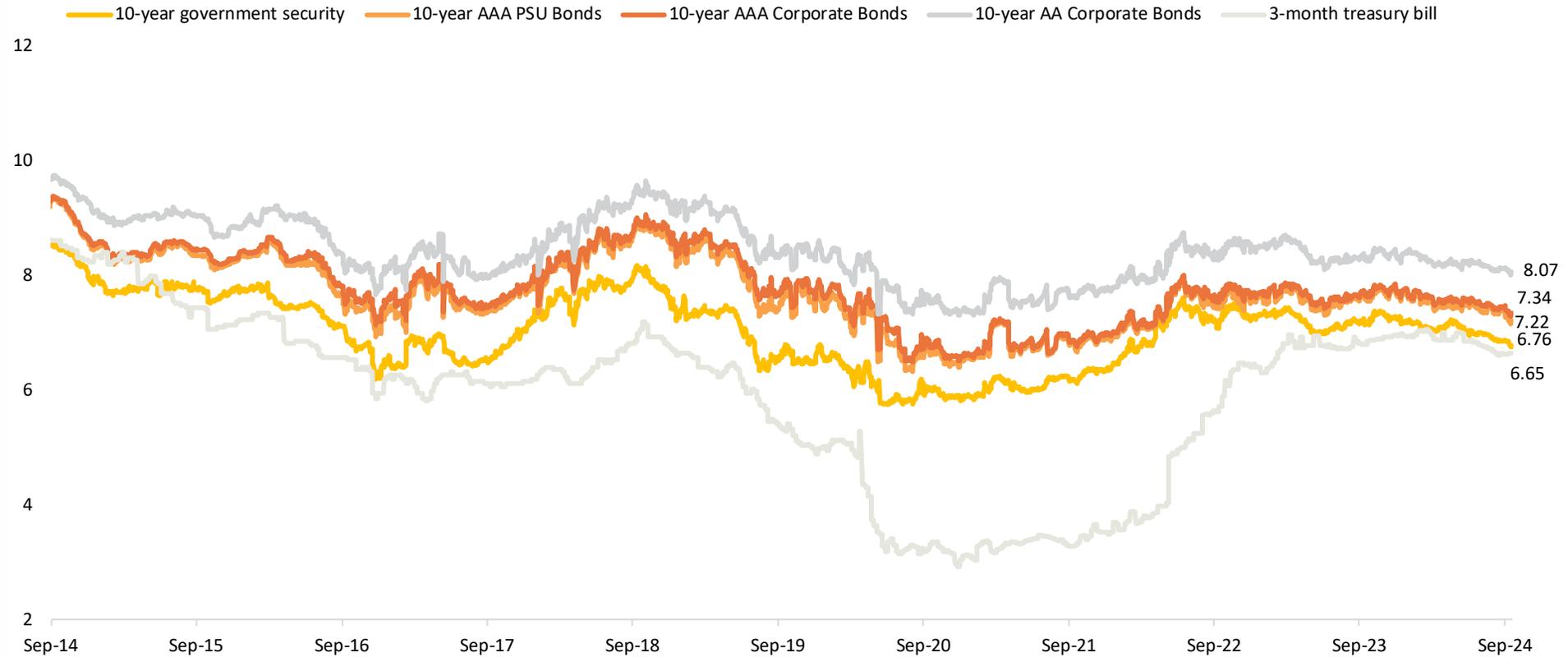
Note:

- 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.

Key charts

10-year G-Sec yields soften to 6.7% closing the gap with 3-month treasury yield

Daily India G-sec and corporate bond yields (%), FY2014-FY2025 (19 Sep 2024)



Source: Bloomberg, NIIF Research

High Frequency Indicators (1/2)

Steady growth across key supply-side high frequency indicators; slowdown in goods trade and energy supply

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

	Units	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	Aug-24
Fiscal															
Central government expenditure	% yoy	84.6	10.5	3.2	(14.0)	(13.8)	7.1	(14.0)	20.4	(0.6)	39.3	(37.9)	(18.4)	0.1	
Gross tax revenue	% yoy	1.5	95.2	15.9	(1.2)	21.3	12.9	16.5	(0.5)	13.5	16.9	14.4	35.0	14.0	
GST collection	% yoy	10.8	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
Industry															
Index of industrial production	% yoy	6.2	10.9	6.4	11.9	2.5	4.4	4.2	5.6	5.5	5.2	6.2	4.7	4.8	
Index of eight core industries	% yoy	8.6	13.4	9.5	12.7	7.9	5.1	4.2	7.1	6.3	6.9	6.4	5.1	6.1	
Electricity generation	% yoy	11.6	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)
Steel production	% yoy	15.3	12.8	16.7	11.6	11.6	15.2	17.1	19.1	12.1	14.7	8.6	8.7	7.3	
Cement production	% yoy	5.7	19.3	5.1	17.3	(3.2)	1.7	5.6	10.3	11.2	1.4	(0.4)	2.4	5.4	
Coal production	% yoy	15.4	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)
Wholesale price index	% yoy	(1.2)	(0.5)	(0.1)	(0.3)	0.4	0.9	0.3	0.2	0.3	1.2	2.7	3.4	2.0	1.3
Logistics															
Rail freight	% yoy	1.5	6.4	6.8	8.5	4.3	6.4	11.7	10.1	8.6	1.4	3.7	10.1		
Port cargo	% yoy	2.8	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
Air cargo	% yoy	(1.1)	6.9	(0.3)	13.1	6.6	10.8	15.0	20.5	17.3	5.0	15.6	15.9	18.1	
E-way bills (volume)	% yoy	16.4	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
Trade															
Merchandise exports	% yoy	(10.0)	3.4	(2.8)	5.8	(3.3)	0.8	4.3	11.9	(0.6)	2.0	13.3	2.5	(1.7)	(9.3)
Merchandise imports	% yoy	(16.1)	0.7	(14.0)	10.3	(3.3)	(6.6)	2.0	13.7	(6.4)	11.5	8.1	5.9	7.5	3.3
Non-oil merchandise exports	% yoy	(8.0)	0.7	(0.6)	8.9	(1.7)	5.9	2.2	13.8	7.9	0.2	8.2	7.6	3.2	0.1
Non-oil merchandise imports	% yoy	(7.8)	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
Services exports	% yoy	8.1	8.3	(2.7)	10.7	4.2	1.7	10.8	3.4	(1.4)	17.7	10.2	3.7	16.6	6.9
Services imports	% yoy	(2.3)	(0.9)	(10.4)	(0.4)	(11.1)	(1.1)	0.1	1.7	(2.1)	19.1	5.4	(3.8)	15.7	4.0

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), Jul '23 - Aug '24

	Units	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	Aug-24
Energy															
Electricity demand	% yoy	8.1	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)
Petrol consumption	% yoy	6.3	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
Automobile registrations															
Passenger vehicles	% yoy	3.3	5.0	17.9	(2.1)	19.5	2.5	12.3	10.7	(5.9)	18.2	0.4	(5.6)	12.6	(2.4)
Three-wheeler	% yoy	77.5	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
Two-wheeler	% yoy	8.8	7.0	22.5	(11.8)	21.7	28.0	15.4	13.7	5.7	33.6	2.7	5.0	17.5	6.5
Commercial vehicles	% yoy	(1.7)	1.9	1.7	9.0	(3.1)	0.0	(1.4)	(0.8)	(8.0)	(0.1)	2.7	(5.3)	5.9	(6.0)
Passenger vehicles-electric	% yoy	140.7	119.5	79.4	95.1	100.9	141.0	136.4	56.7	8.8	39.8	8.6	(5.3)	8.4	(6.1)
Three-wheeler-electric	% yoy	77.1	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
Two-wheeler-electric	% yoy	18.9	21.1	20.6	(2.6)	19.9	17.4	26.9	25.1	62.5	(2.0)	(26.8)	73.6	97.0	41.4
Commercial vehicles-electric	% yoy	510.0	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
Services															
Air passenger (domestic)	% yoy	24.7	22.8	18.4	10.8	9.3	8.6	5.1	5.2	4.1	2.8	5.0	6.2	7.8	5.7
Air passenger (international)	% yoy	20.8	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
Rail passenger	% yoy	6.1	7.7	2.5	7.7										
FASTag collection (volume)	% yoy	11.3	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
FASTag collection (value)	% yoy	19.7	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
UPI transactions (volume)	% yoy	58.5	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
UPI transactions (value)	% yoy	44.3	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
Consumer price index	% yoy	7.4	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
Banking															
Aggregate deposits	% yoy	12.9	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
Outstanding credit	% yoy	19.5	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

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 9 variable; rail passenger data unavailable since October 2023



MONTHLY ECONOMIC REPORT ON INDIA SEP 2024

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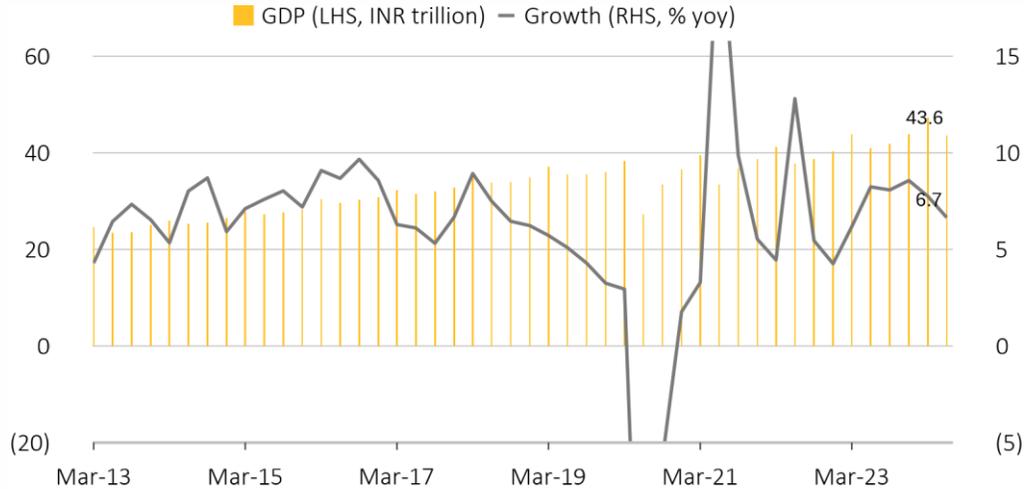
Macroeconomic indicators

- Real GDP growth of 6.7% yoy driven by a pickup in private consumption and continued capex. GVA grows by 6.8% in Q1FY25 led by services and industrial sectors. Core infrastructure growth (6%) led by steel (7%) and cement (5%) production in July. Power demand weakens in August, down 5% yoy, leading to a fall in coal production (8%)
- E-way bills at all-time high of 106 million and PMIs remain in deep expansionary zone in August. Weak growth in passenger and commercial vehicle registrations in August
- Bank credit growth eases from its recent high of ~19% to ~14% in August. UPI transactions cross 150 billion over trailing twelve months up to August. Skewed spatial rainfall distribution as monsoon picks up pace in Aug-early Sept; deficient rainfall in Punjab and Haryana
- Consumer inflation softens to 3.7% in August, remaining within RBI's target range. Wholesale inflation eases to 1.3% yoy in August. Slower pace of government capital expenditure in FYTD2025 (till July) resulting in lower than last year fiscal deficit so far

Growth

Real GDP grows by 6.7% yoy in Q1FY25

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

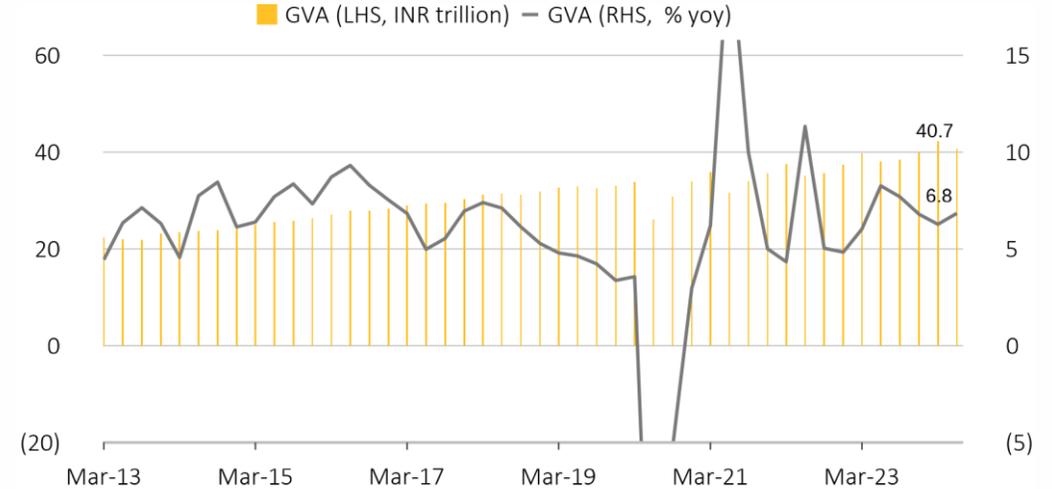


Source: Thurro, MOSPI, NIIF Research

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

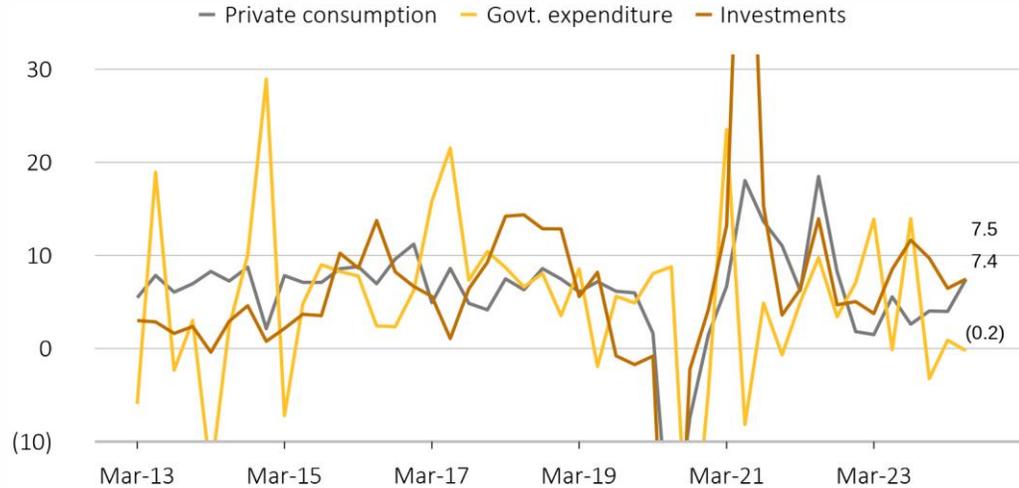
Steady growth on the supply side with real Gross Value Added (GVA) of 6.8% in Q1FY25

- 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

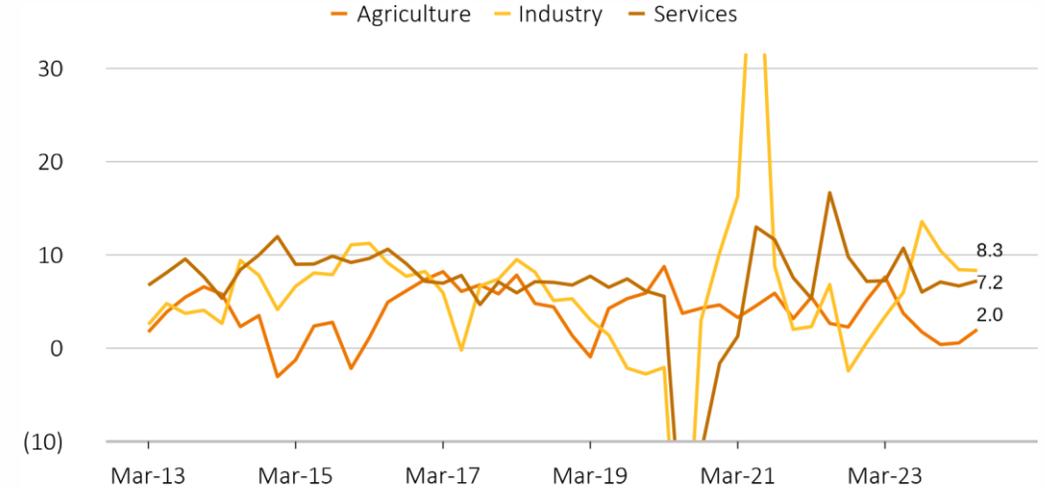
Quarterly real GDP growth by components (% yoy), FY2013-FY2025 (Jun '24)



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

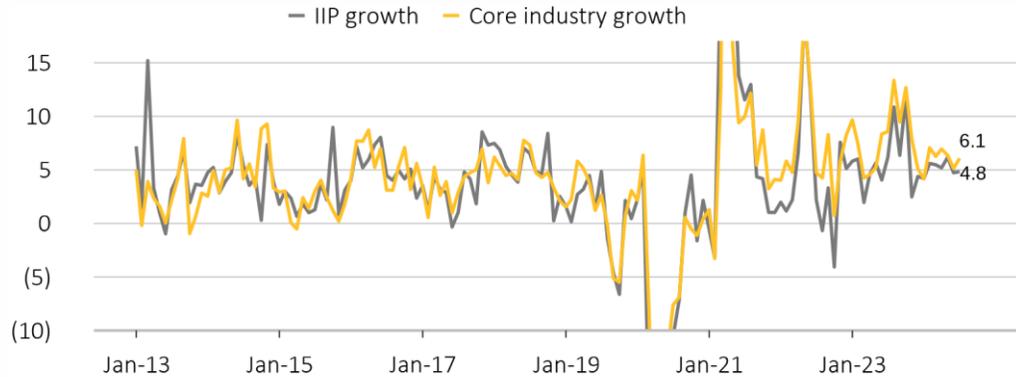
Industry and services sectors remain the key drivers of real GVA growth

- 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

Core sectors

Core industry growth steady at 6.1% in July

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

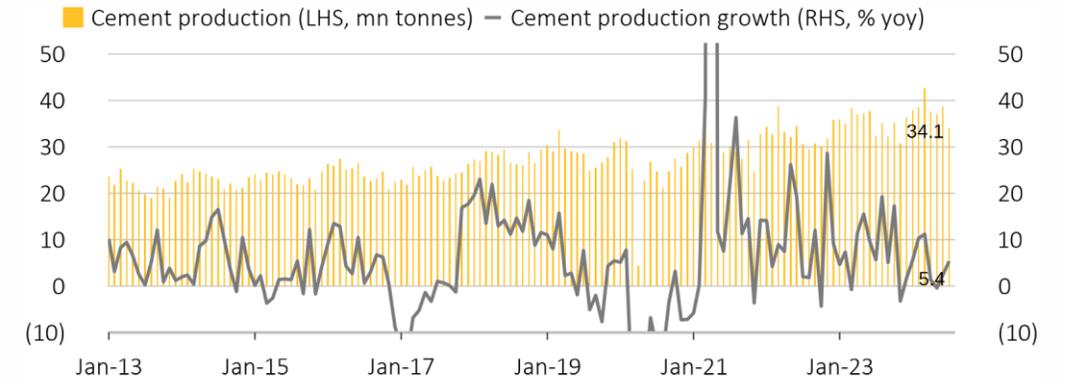


Source: Thurro, Office of the Economic Advisor, NIIF Research

Note: IIP growth for May '20 and Apr '21 not shown due to low base effect

Cement production up by 5.4% in July

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

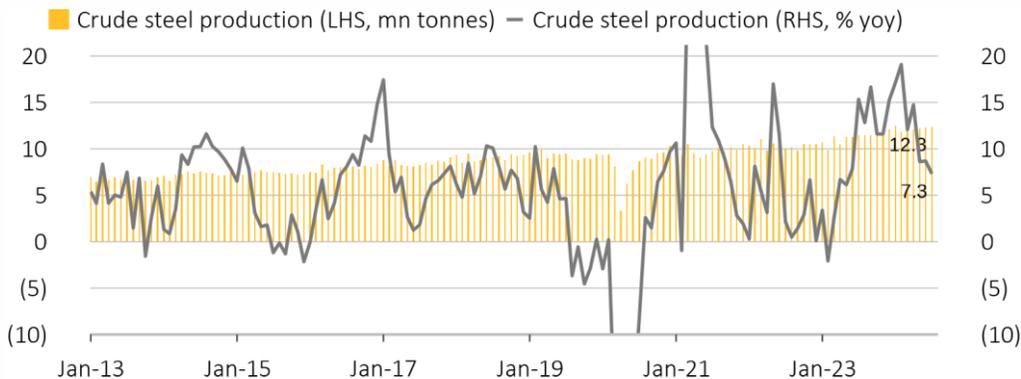


Source: Thurro, EAI, NIIF Research

Note: Growth in cement production in Apr '21 not shown in the chart due to low base effect

Strong year-on-year growth in production of steel, up 7.3% in July

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

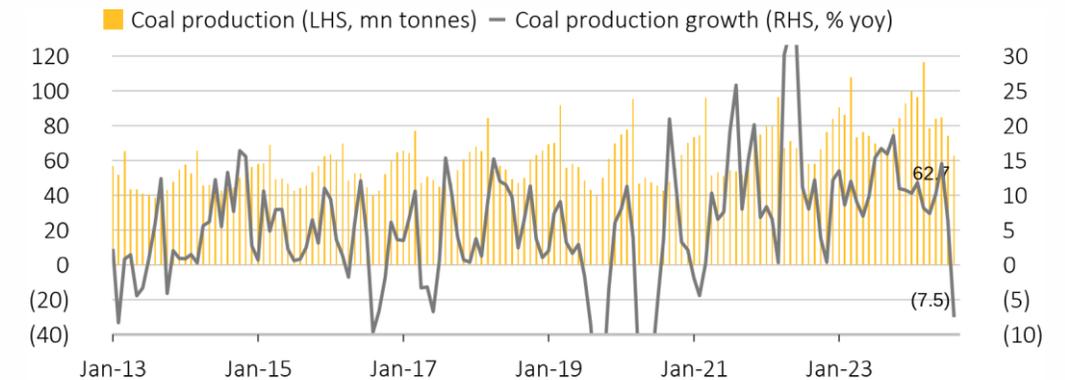


Source: Thurro, Ministry of Steel, JPC, NIIF Research

Note: Growth in steel production in Apr '21 not shown in the chart due to low base effect

Coal production declines by 7.5% yoy in August

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

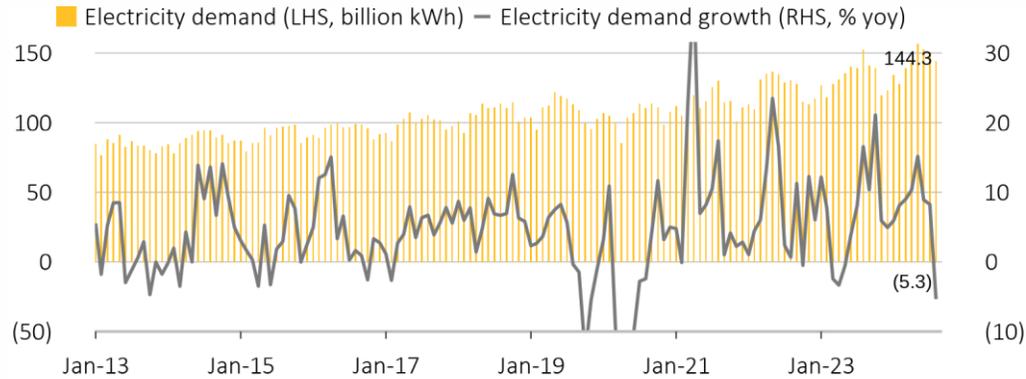


Source: Thurro, Ministry of Coal, NIIF Research

Energy and fuel

Electricity demand down 5.3% yoy, on a high base, in August

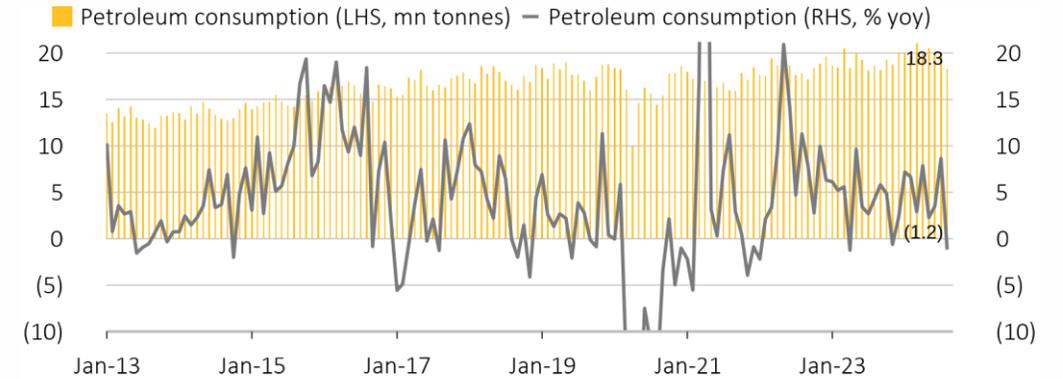
Monthly electricity demand in India, FY2013-FY2025 (Aug '24)



Source: Thurro, POSOCO, NIIF Research

Petroleum consumption declines by 1.2% in August

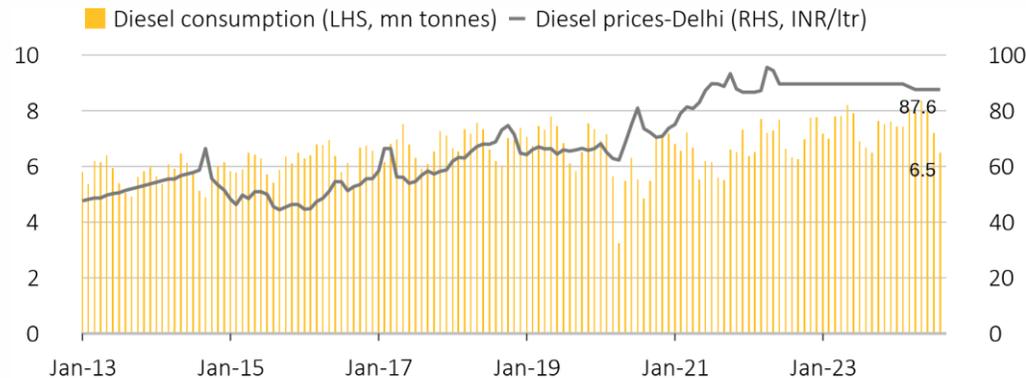
Monthly petroleum consumption in India, FY2013-FY2025 (Aug '24)



Source: Thurro, PPAC, NIIF Research

Sequential fall in high-speed diesel consumption in August

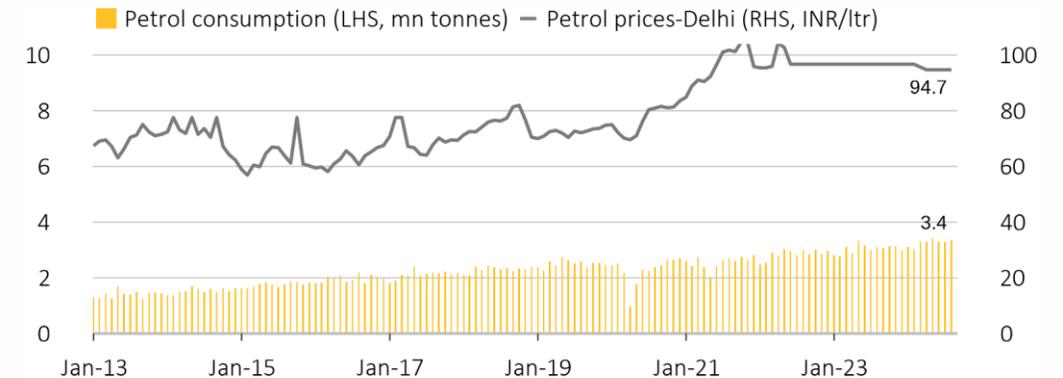
Monthly diesel consumption and prices, FY2013-FY2025 (Aug '24)



Source: Thurro, PPAC, NIIF Research

Steady petrol consumption in August

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

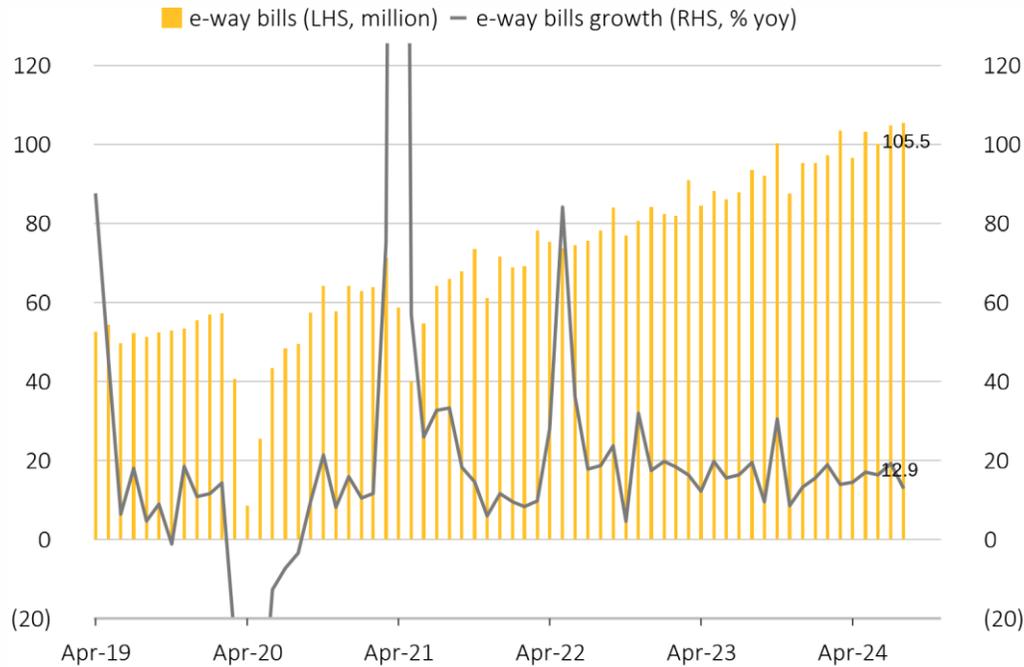


Source: Thurro, PPAC, NIIF Research

Activity levels

E-way bills at an all-time high at 105.5 million in August

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



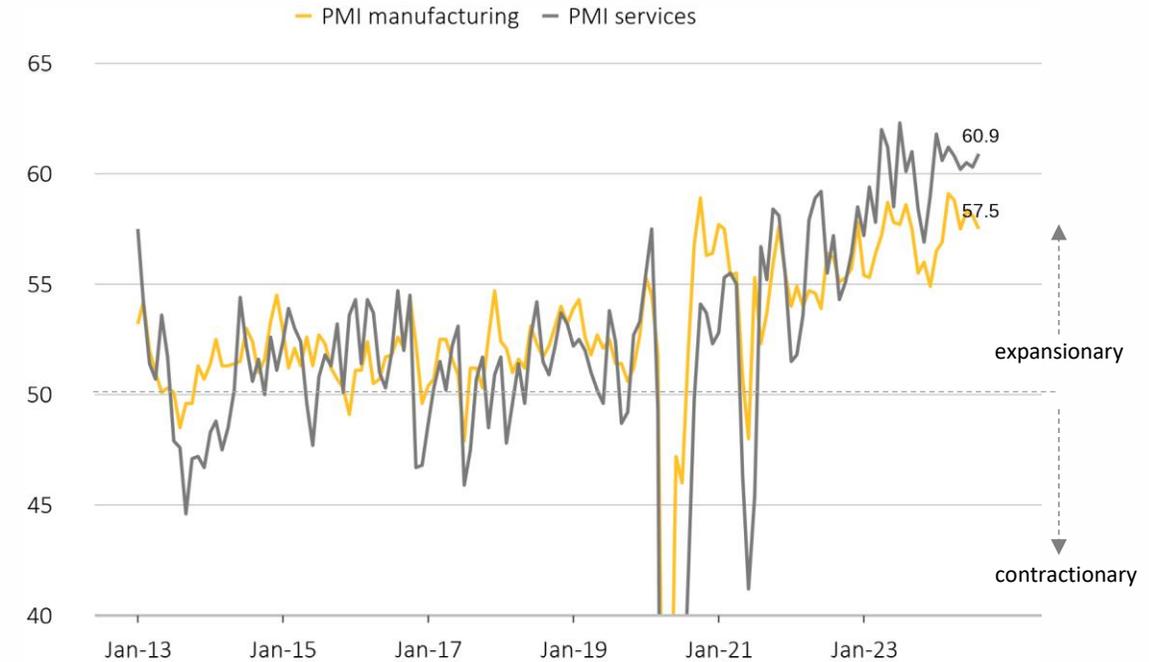
Source: Thurro, GSTN, NIIF Research

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

Services and manufacturing activities continue expansion in Aug

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



Source: Thurro, S&P, NIIF Research

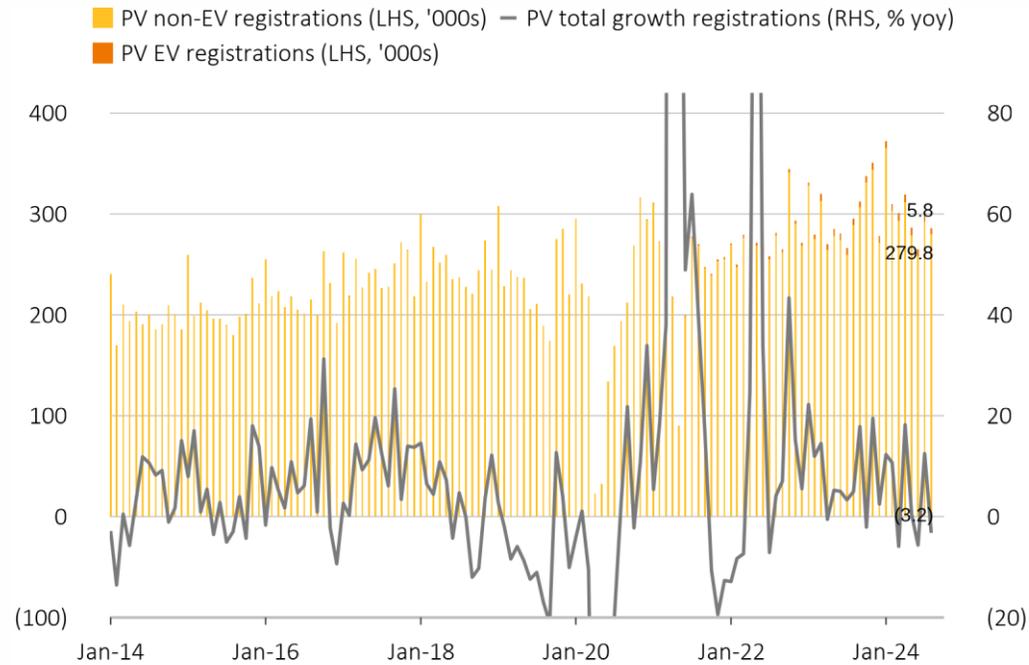
Note:

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

Automobile sector (1/2)

Registrations of PVs decline year-on-year in August

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



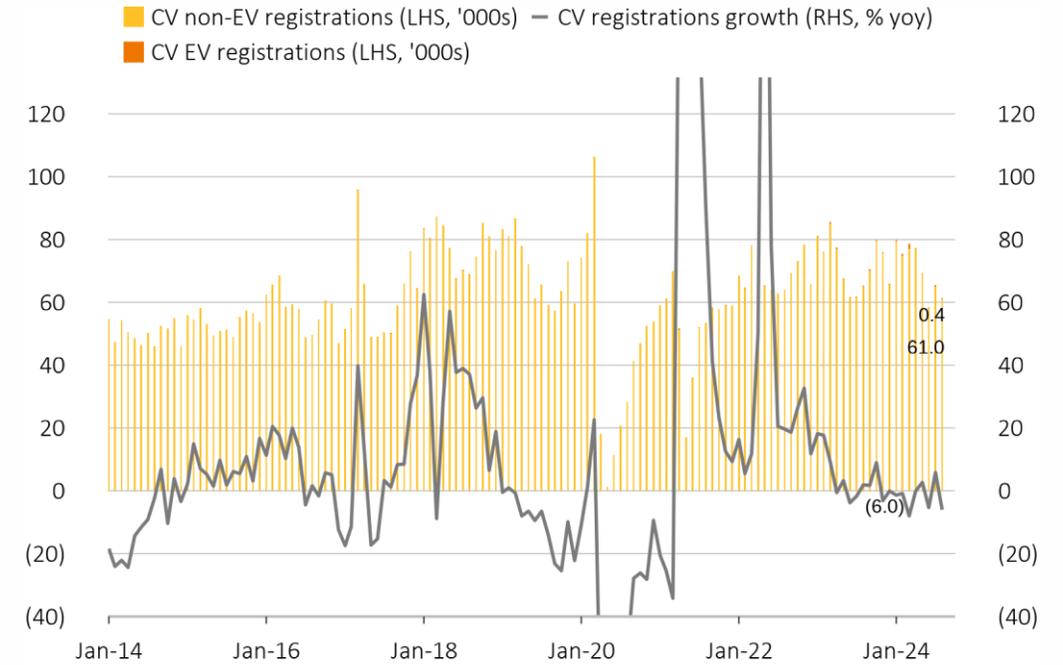
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

Note:

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

Commercial vehicle registrations dip by 6.0% in August

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



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

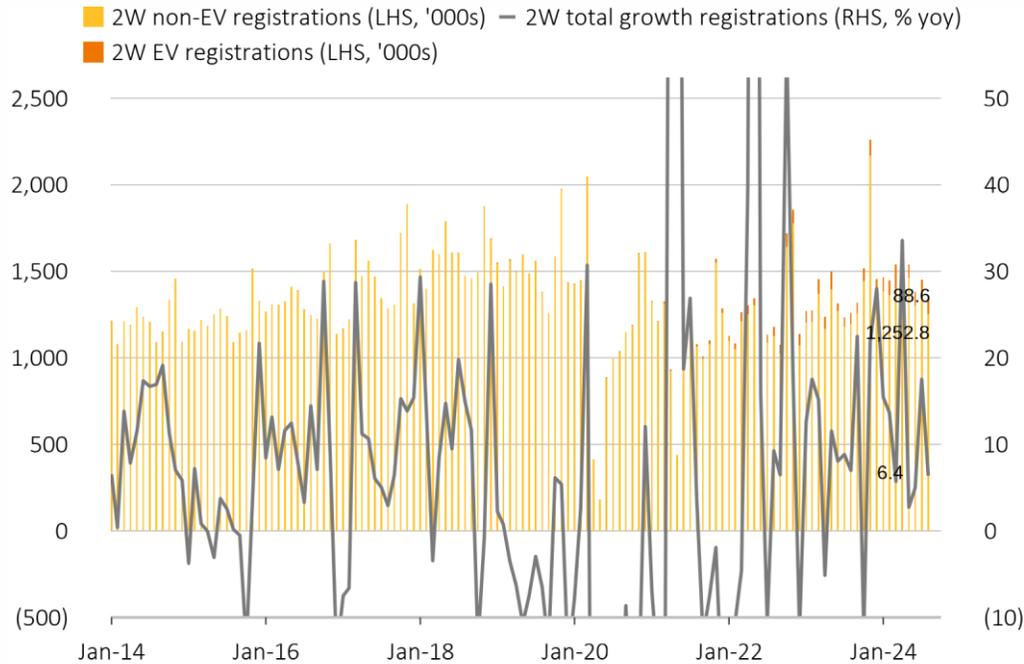
Note:

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)

Registrations for 2W up 6.4% yoy in August

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



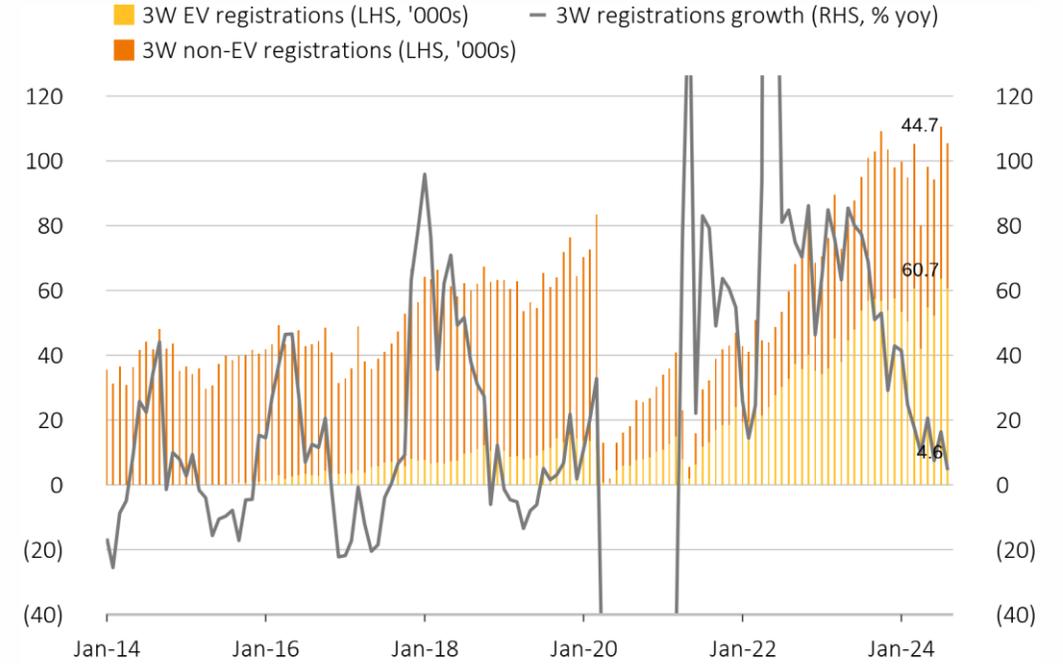
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

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

Growth moderates in 3W registrations in August

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



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

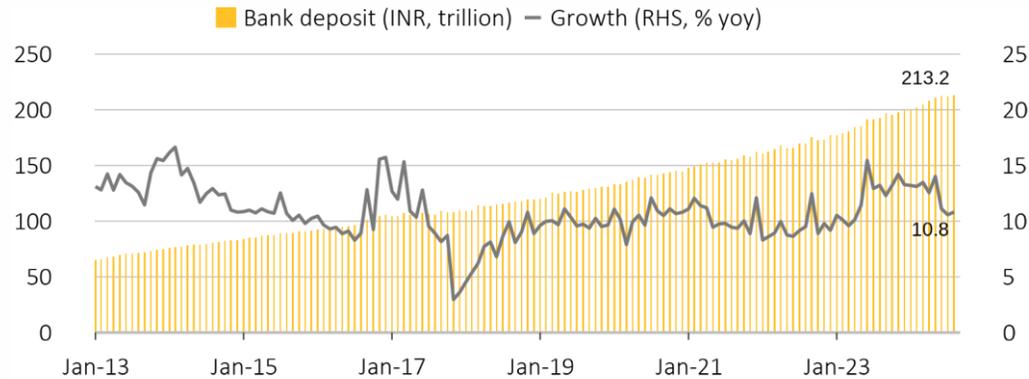
Note:

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

Bank deposit growth slows to ~11% in August

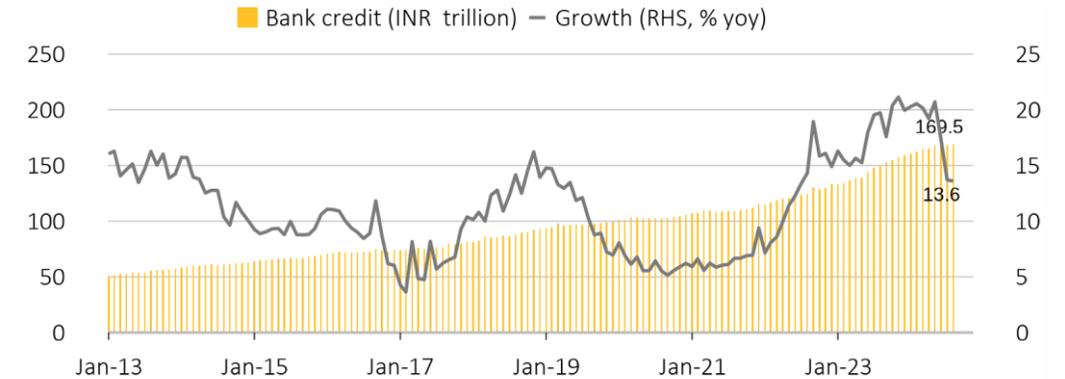
Monthly total bank deposits, FY2013-FY2025 (Aug '24)



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

Credit growth moderates in Aug compared to TTM average of ~19%

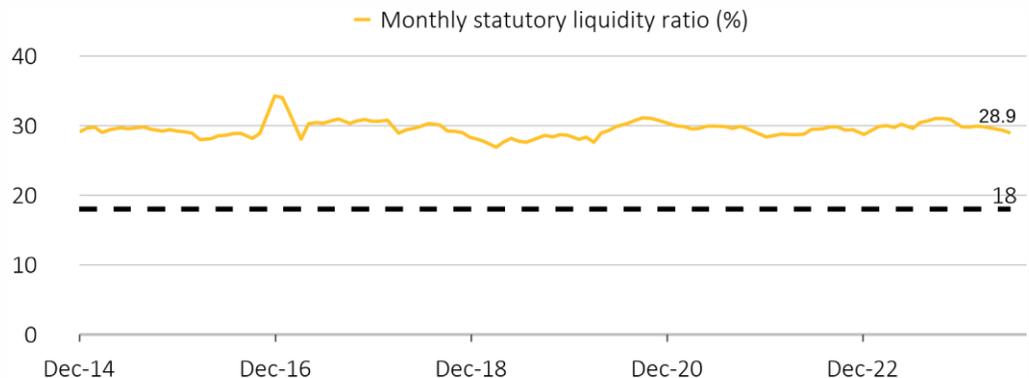
Monthly total credit outstanding, FY2013-FY2025 (Aug '24)



Source: Thurro, RBI, NIIF Research
 Note: Outstanding credit for scheduled commercial banks (SCBs); TTM: trailing twelve months

SLR holdings fall sequentially, still higher than the minimum required 18%

Monthly statutory liquidity ratio (SLR) of banks, FY2015-FY2025 (Jun '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-to-deposit ratio remains high at 79.5 in August

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

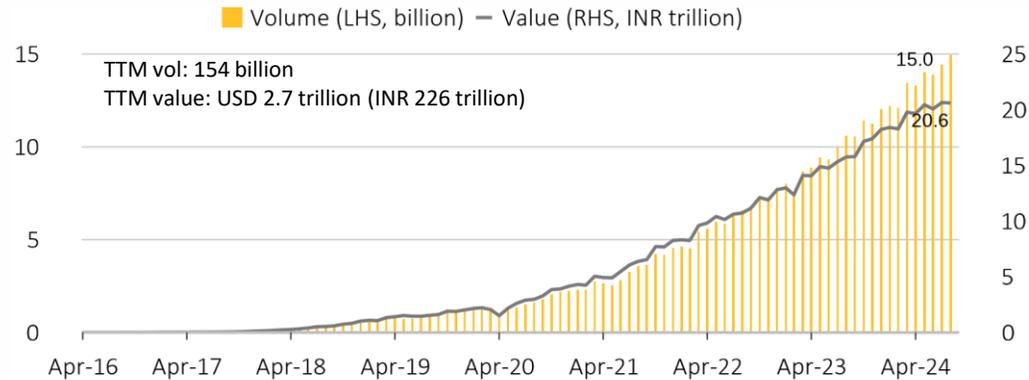


Source: Thurro, RBI, NIIF Research

Currency and transactions

UPI crosses 150 billion transactions over TTM up to August

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

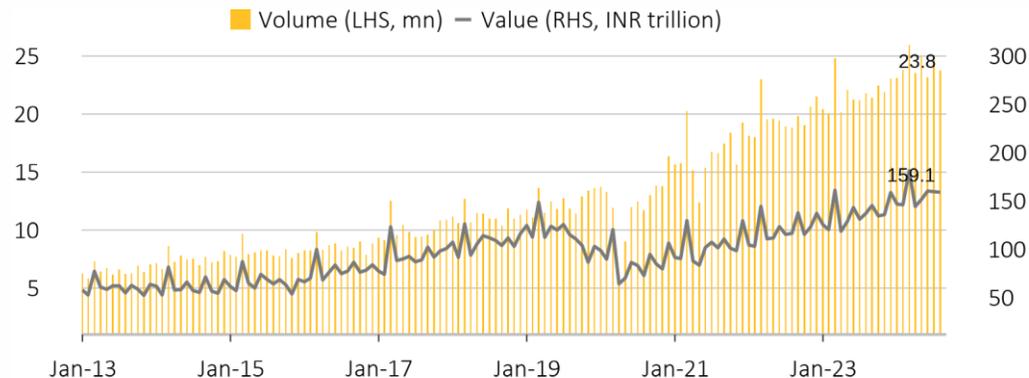


Source: Thurro, NPCI, NIIF Research

Note: TTM - trailing twelve months

RTGS transactions stable in August

RTGS transactions, FY2013-FY2025 (Aug '24)

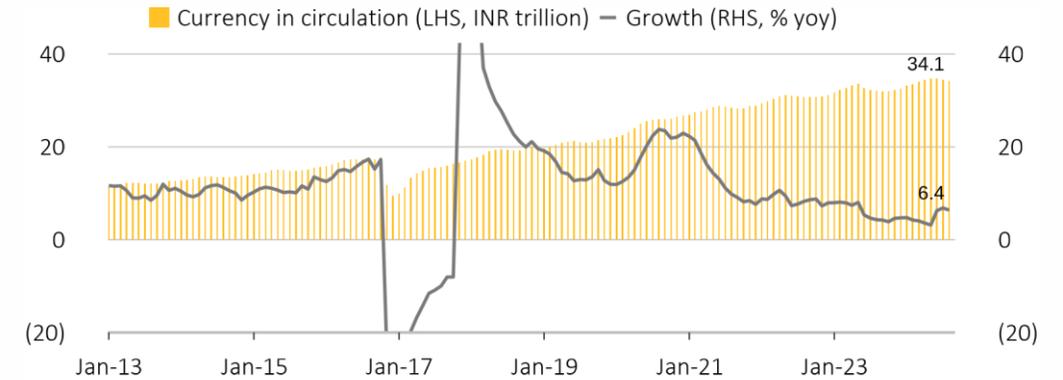


Source: Thurro, RBI, NIIF Research

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 up ~6% yoy in August

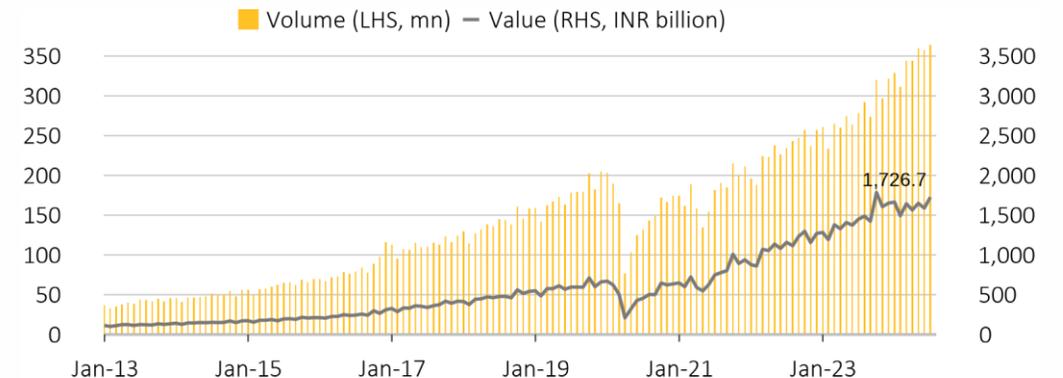
Currency in circulation, FY2013-FY2025 (Aug '24)



Source: Thurro, RBI, NIIF Research

Credit card transactions value stable at INR 1.7 trillion in July

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

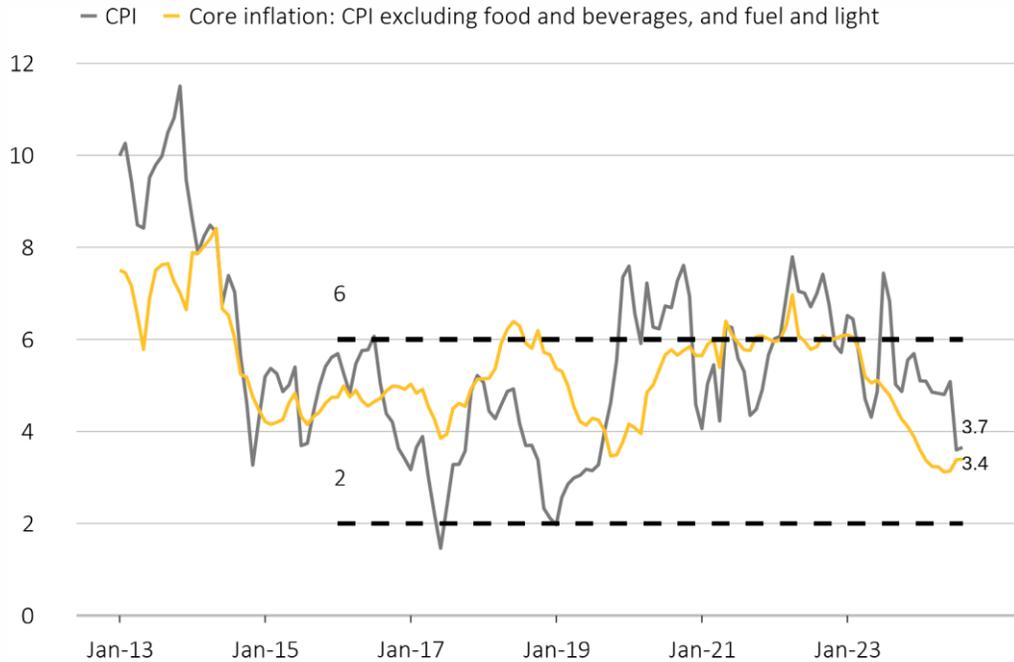


Source: Thurro, RBI, NIIF Research

Inflation: India

Consumer inflation remains moderate in August at 3.7%

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



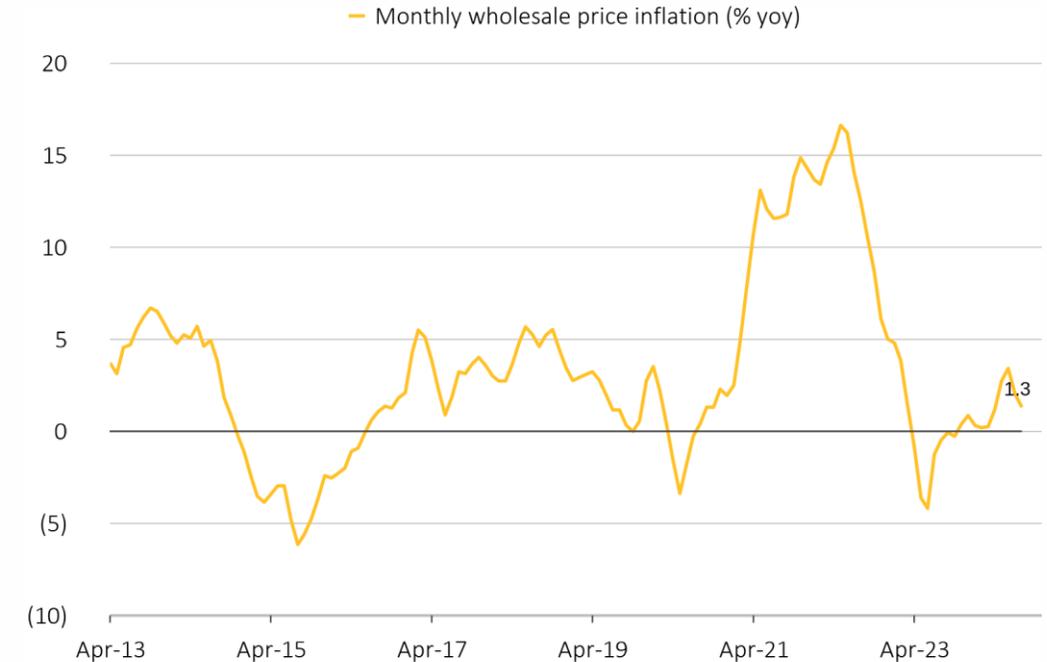
Source: Thurro, MoSPI, NIIF Research

Note:

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

Wholesale inflation eases to 1.3% in August

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

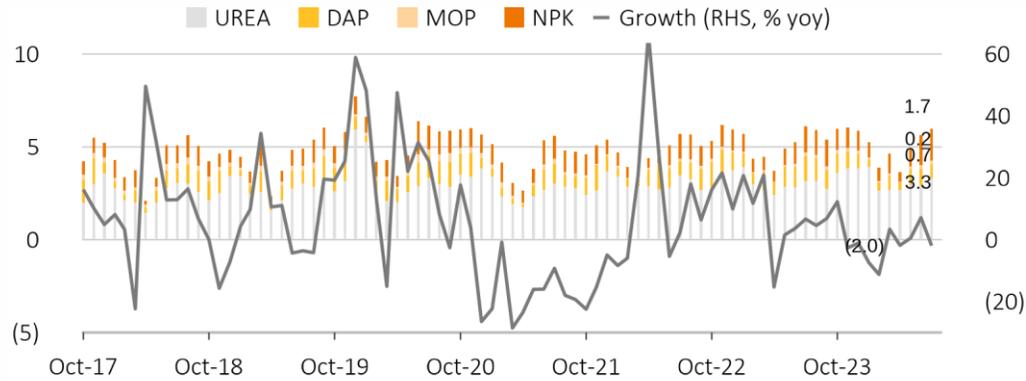


Source: Thurro, Ministry Of Commerce & Industry, NIIF Research

Rural India

Fertilizer sales decline by 2.0% yoy in July

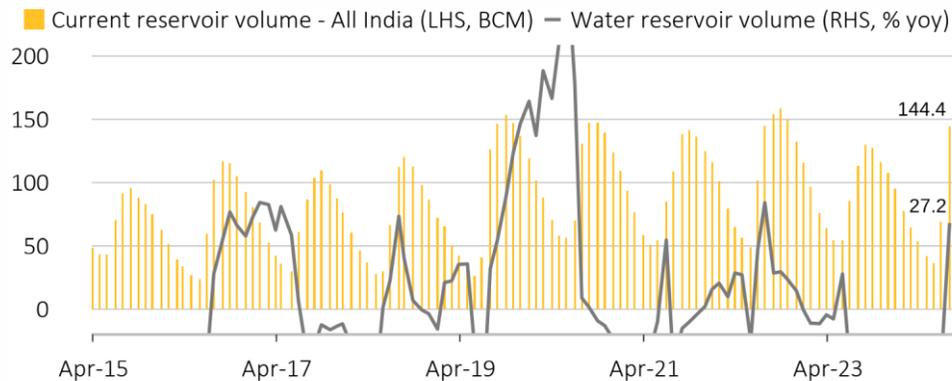
Monthly fertilizer sales, FY2018-FY2025 (Jul '24)



Source: Thurro, Department of Fertilizers, NIIF Research

Reservoir levels replenish in August after excess rains

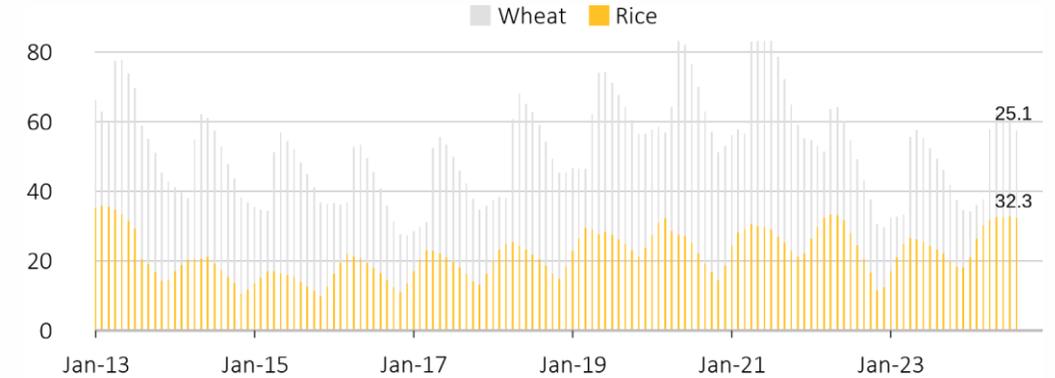
Monthly live water reservoir storage, FY2016-FY2025 (Aug '24)



Source: Thurro, CWC, NIIF Research

Wheat stock with FCI remains near buffer limits in August

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

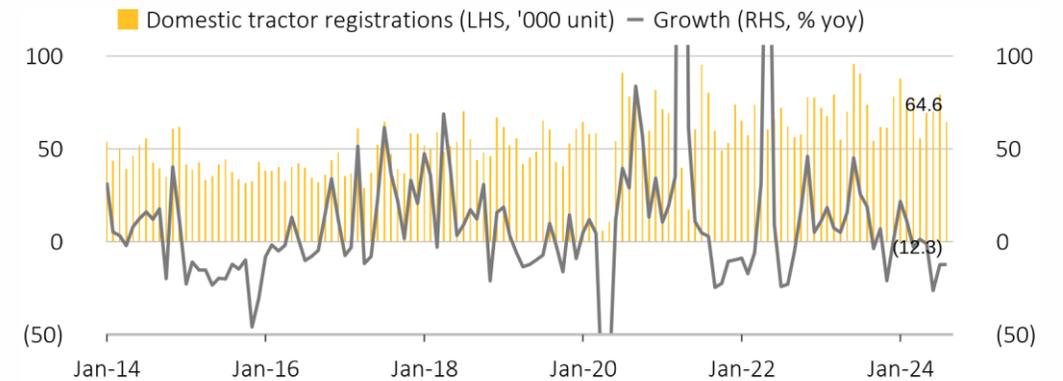


Source: Thurro, FCI, NIIF Research

Note: 1. Rice is excluding paddy
2. Buffer limit required as of Sep 1 for rice is 11.3 mn tons and for wheat is 22.9 mn tons

Tractor registrations decline by ~12% yoy in August

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



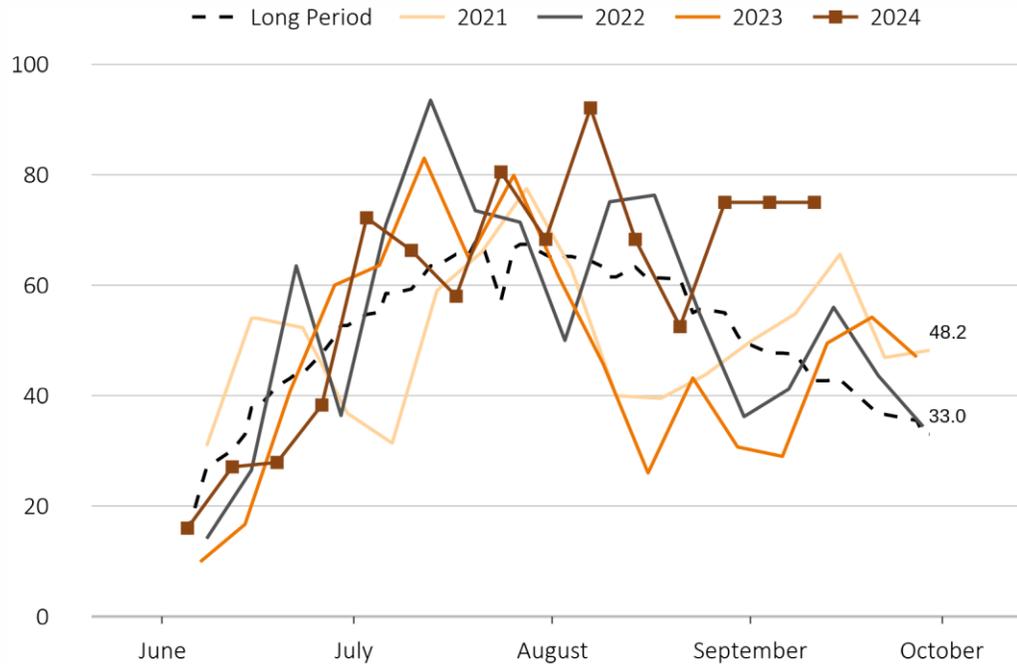
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

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

Monsoon

September records higher than long-period average rainfall

Weekly rainfall (in mm), CY2020-CY2024 (11 Sep '24)



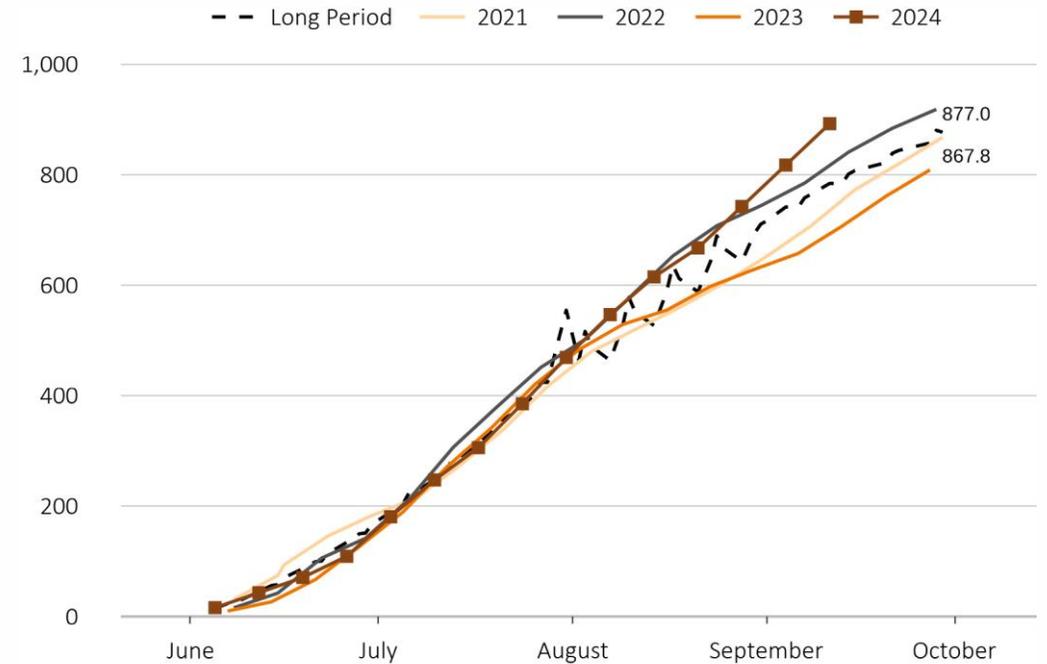
Source: Thurro, India Meteorological Department, CEIC, NIIF Research

Note:

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

Rainfall tracking above long-period average since August

Cumulative rainfall at the end of the week (in mm), CY2020-CY2024 (11 Sep '24)

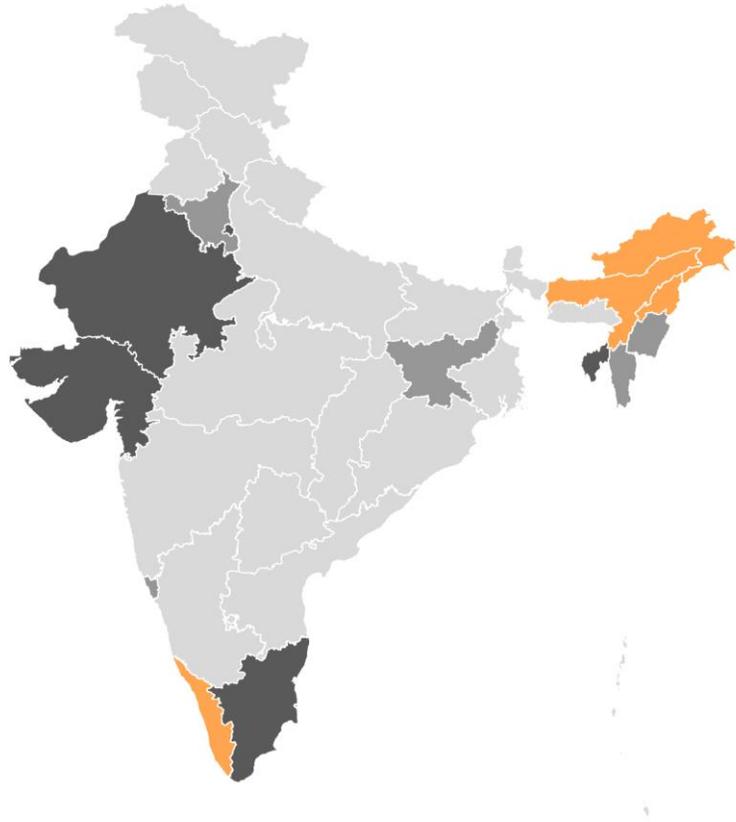


Source: Thurro, India Meteorological Department, CEIC, NIIF Research

Monsoon

August records normal rainfall across most parts of India

Monthly rainfall across states in mm, Aug 01 to Aug 31, 2024

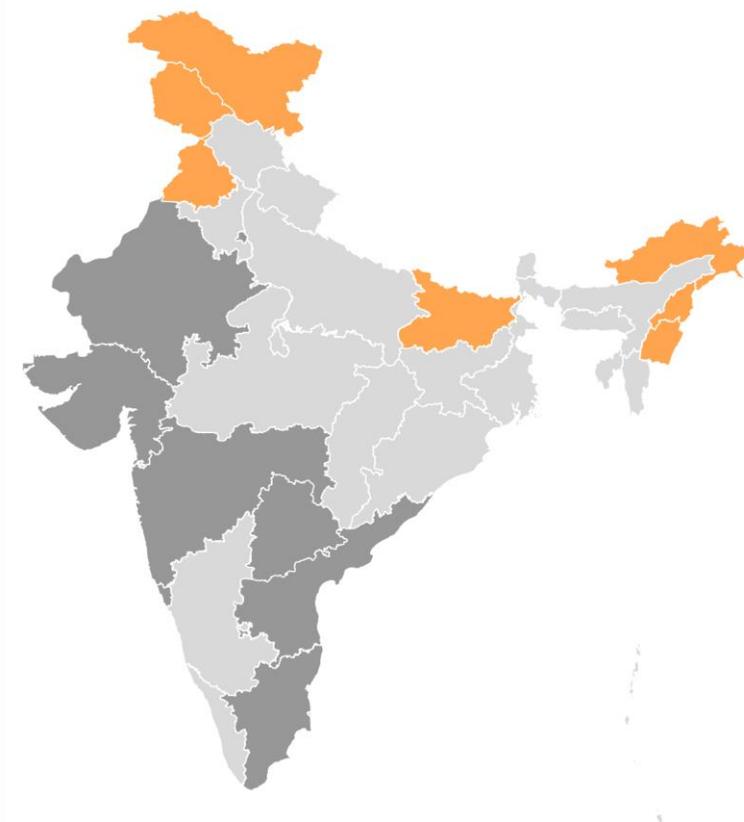


- Large excess (60% or more)
- Excess (20% to 59%)
- Normal (-19% to 19%)
- Deficient (-20% to -59%)
- Large deficient (-99% to -60%)

Source: Thurro, India Meteorological Department, NIIF Research

Deficient rainfall in Punjab and Bihar, major cereal producer states

Cumulative rainfall in mm, Jun 01 to Sep 16, 2024



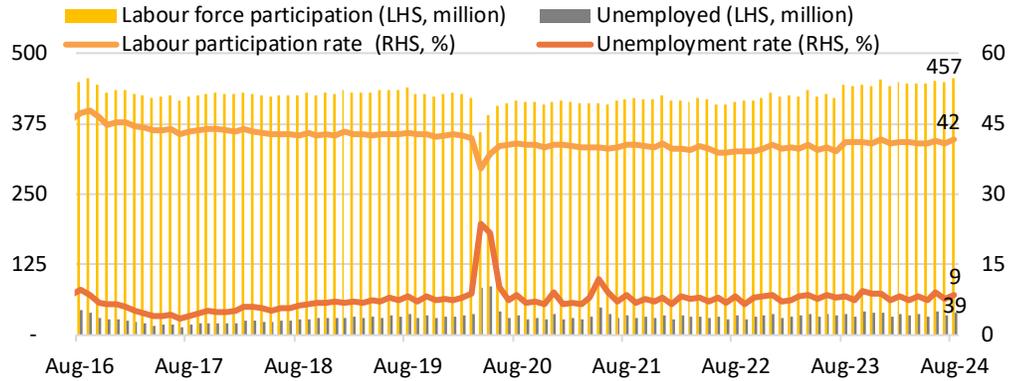
- Large excess (60% or more)
- Excess (20% to 59%)
- Normal (-19% to 19%)
- Deficient (-20% to -59%)
- Large deficient (-99% to -60%)

Source: Thurro, India Meteorological Department, NIIF Research

Employment - all-India and rural

Overall unemployment estimate rises to 9%; labor force stable at 42%

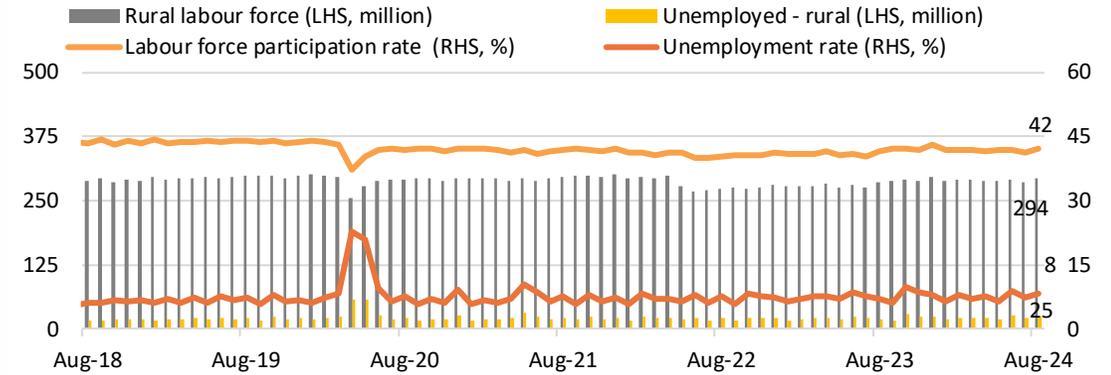
Monthly all-India labour participation and unemployment, FY2018-FY2025 (Aug '24)



Source: CMIE, NIIF Research

Rural unemployment picks up to 8% in Aug; 290+ mn rural labour force

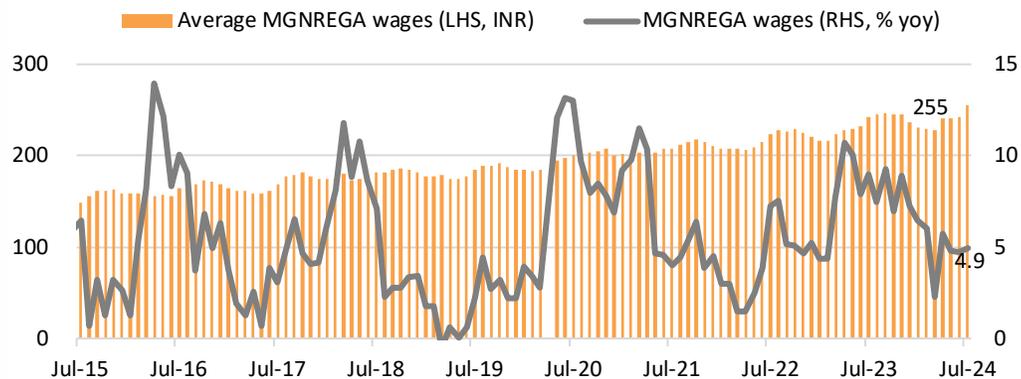
Monthly rural labour participation and unemployment, FY2019-FY2025 (Aug '24)



Source: CMIE, NIIF Research

Average MGNREGA wages picks up by ~5% yoy in July

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

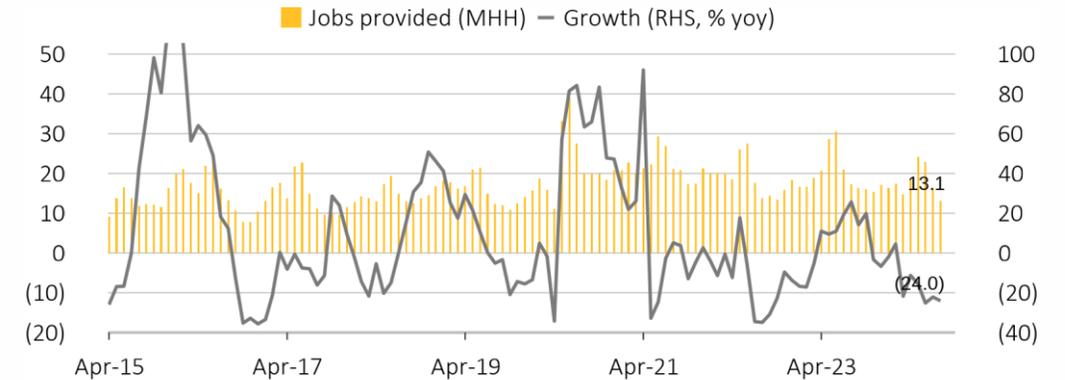


Source: CMIE, NIIF Research

Note: MGNREGA is Mahatma Gandhi National Rural Employment Guarantee Act

Jobs provided under MNREGA declines on a yoy basis in August

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



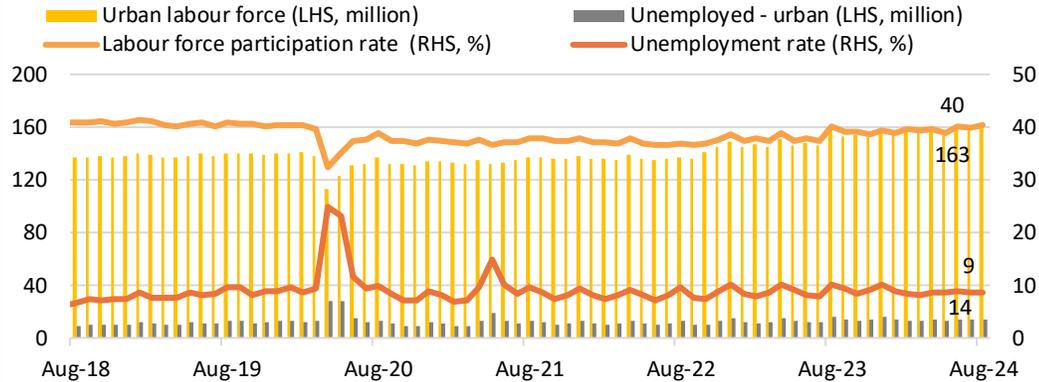
Source: Thurro, MNREGA, NIIF Research

Note: MHH is million households

Employment - urban

CMIE's urban labor force estimate stable at ~40%

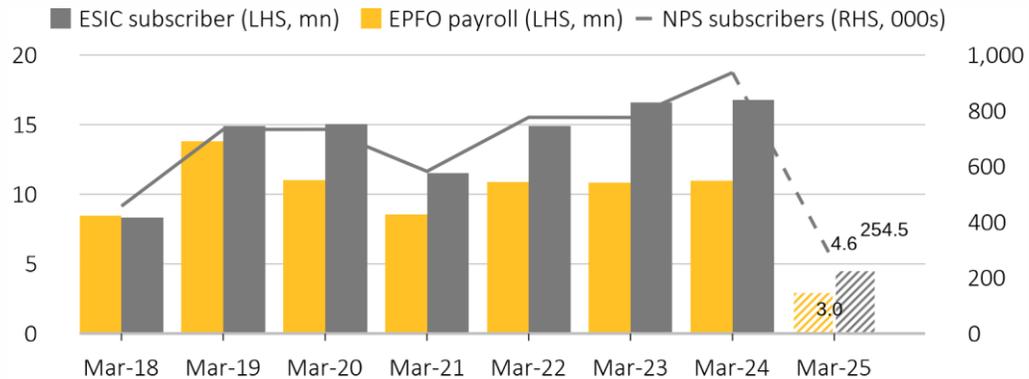
Monthly urban labour participation and unemployment, FY2016-FY2025 (Aug '24)



Source: CMIE, NIIF Research

EPFO subscriber additions at 3.0 million in June 24

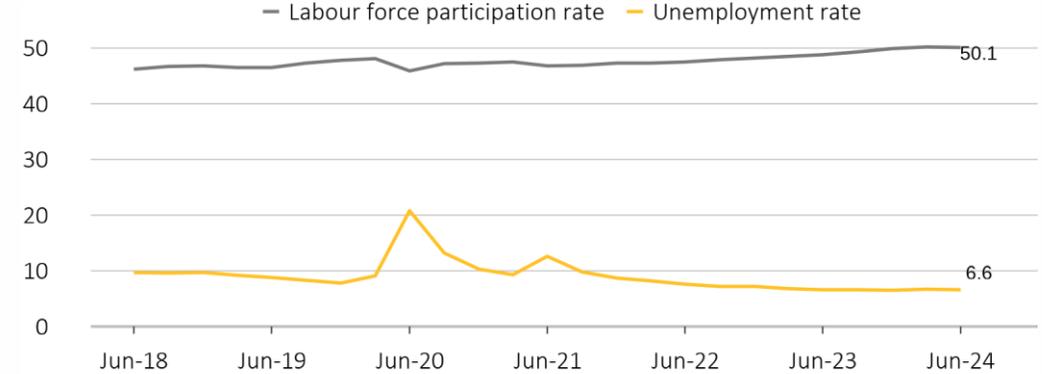
Monthly enrollment numbers, FY2018-FY2025 (Jun '24)



Source: Thurro, EPFO, NIIF Research

PLFS estimates a fall in unemployment in urban areas in June quarter

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

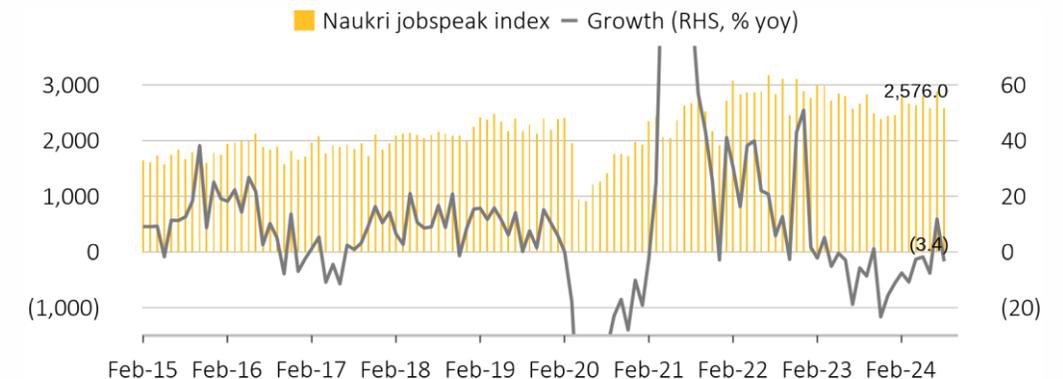


Source: Thurro, MoSPI (Periodic Labour Force Survey), NIIF Research

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

Year-on-year hiring activity in the corporate sector declines in August

Naukri jobspeak index, FY2015-FY2025 (Aug '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

Strong direct tax revenue growth in FYTD2025 (till July); pace of capex slows owing to elections

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

	FY2024		FY2025		% of BE		% yoy
	July	YTD	July	YTD	YTD FY2024	YTD FY2025	Δ YTD
1 Revenue receipts	1.7	7.6	1.9	10.2	28.9	32.5	33.6
1.1 Gross tax revenue	2.2	8.9	2.5	10.8	26.6	28.2	21.3
1.1.1 Direct tax	1.0	4.3	1.2	5.8	23.8	26.2	33.6
1.1.2 Indirect tax	1.2	4.6	1.4	5.1	30.1	31.1	9.6
2 Capital receipts (non-debt)	0.0	0.1	0.0	0.1	16.3	8.2	(53.5)
2.1 Net recovery of loans and advances	0.0	0.1	0.0	0.1	35.9	22.8	(22.7)
2.2 Miscellaneous receipts	0.0	0.1	0.0	0.0	9.0	0.0	(99.9)
3 Total (non-debt) receipts (1 + 2)	1.8	7.8	1.9	10.2	28.5	31.9	32.0
4 Revenue expenditure	2.9	10.6	2.5	10.4	30.4	28.0	(2.3)
4.1 Interest payment	0.6	3.0	0.6	3.3	27.8	28.2	9.3
5 Capital expenditure	0.4	3.2	0.8	2.6	31.7	23.5	(17.6)
6 Total expenditure (4 + 5)	3.3	13.8	3.3	13.0	30.7	27.0	(5.8)
7 Revenue deficit (4 - 1)	1.2	3.0	0.6	0.2	34.7	3.8	(92.7)
8 Fiscal deficit (6 - 3)	1.5	6.1	1.4	2.8	33.9	17.2	(54.3)
9 Annual Nominal Gross Domestic Product (GDP)	295.4		326.4				

Lower government capex in FYTD2025 resulting in fiscal deficit at 17% of the annual estimate, lower than last year

Source: CEIC, NIIF Research

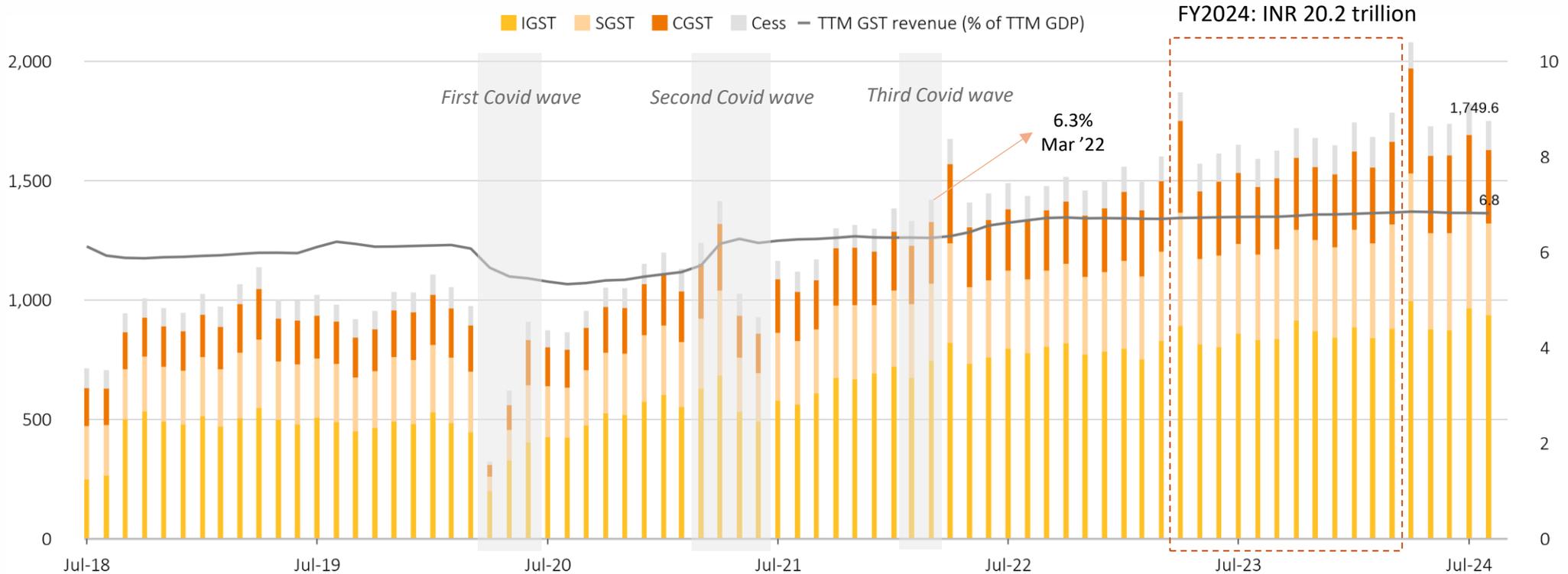
Note:

1. FY2024 is the period between April 2023 and March 2024, 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 collections to GDP over trailing twelve months stable at 6.8%

Monthly composition of GST Revenue (INR billion), FY2019-FY2025 (Aug '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



MONTHLY ECONOMIC REPORT ON INDIA SEP 2024

Markets

- Repo rate unchanged at 6.50%. August-end consensus projects a cumulative 50-bps rate cut over the next year. Banking liquidity in surplus in early September. 10-year G-sec yield softens to 6.76% (as of 19 Sept), closing the gap with 3-month T-bill yield of 6.65%
- All-time high goods import of USD 64 bn in August driven by gold. Goods trade deficit widens to USD 30 billion, partially offset by a rise in services trade surplus of USD 15 bn. All-time high forex reserves with RBI of USD 689 billion (as of 6 Sept) provide sufficient 9+ months import cover. INR depreciated by 0.7% against USD over the last year - volatility in other currency pairs over the last 3-6 months
- Indian benchmark equity indices generate ~29% yoy returns in August. Equity valuations nearing 10-year average while market volatility moderates in August. Global commodity shifts (as of 19 Sept): crude oil down to USD 77 per bbl, gold surges above USD 2,500 per troy oz, copper remains elevated at USD 9,388 per tonne

Policy rate and liquidity

Repo rate remains unchanged as of September 19

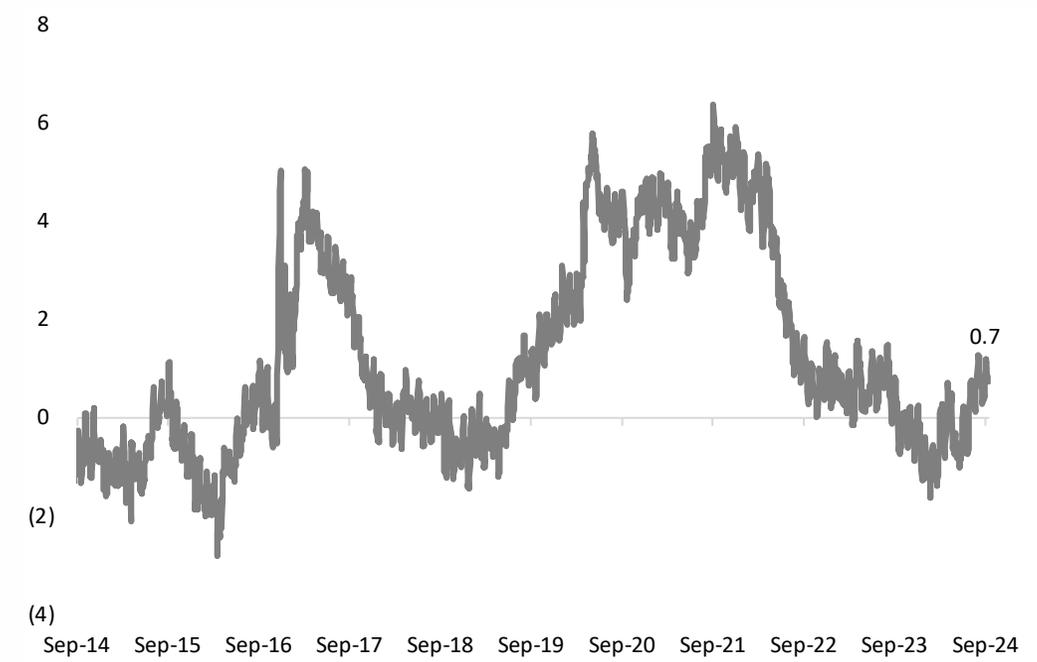
Repo rates (%), FY2013-FY2025 (15 Sep '24)



Source: Thurro, RBI, NIIF Research

Banking system liquidity in surplus in early September

Surplus liquidity (% of net demand and time liabilities), FY2013-FY2025 (16 Sep '24)



Source: Thurro, RBI, 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

Forecast of policy rates

Consensus median forecasts as of August-end estimate a cumulative repo rate cut of 50bps in H2FY25

Projections for RBI's benchmark repo rate (%), Q2FY25 to Q2FY26 (Aug '24)

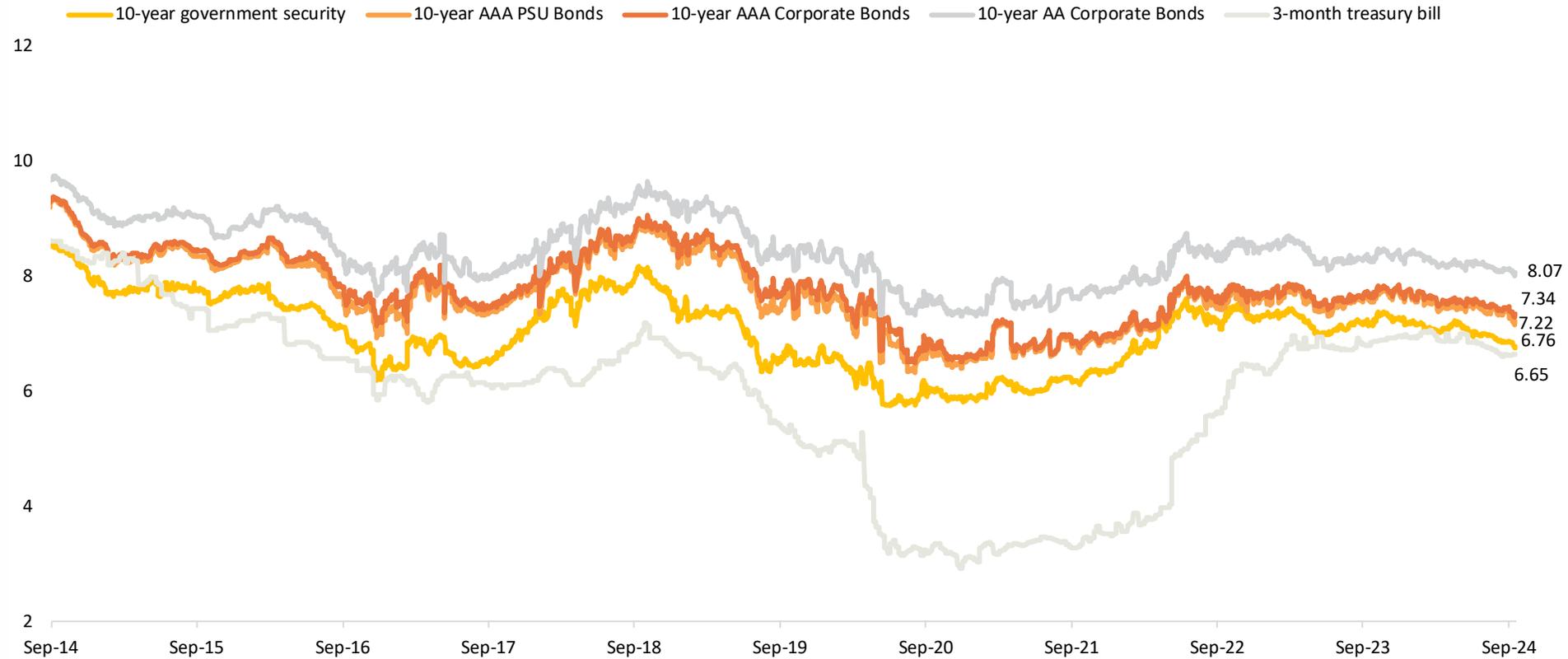
	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
<i>Number of analysts</i>	31	32	32	26	24
High forecast	6.50	6.50	6.50	6.25	6.00
Low forecast	6.25	6.00	5.75	5.50	5.50
Bloomberg average	6.50	6.25	6.05	5.90	5.85
Median forecast	6.50	6.25	6.00	6.00	6.00
Comparing previous survey median forecasts					
Bloomberg Mar '24 survey	6.25	6.00	6.00	5.75	5.75
Bloomberg Jun '23 survey	6.00	5.75	6.00	6.00	6.00

Source: Bloomberg, NIIF Research

Debt markets

10-year G-Sec yields soften to 6.7% closing the gap with 3-month treasury yield

Daily India G-sec and corporate bond yields (%), FY2014-FY2025 (19 Sep 2024)

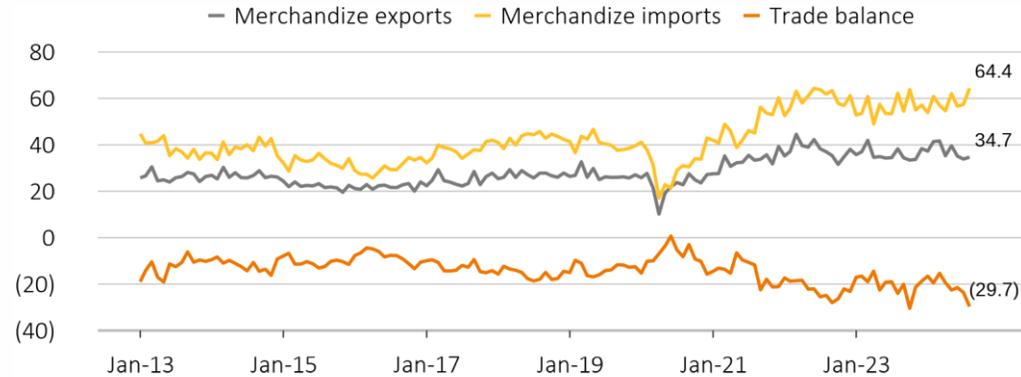


Source: Bloomberg, NIIF Research

Balance of payments

Goods trade deficit widens as imports record an all-time high in August

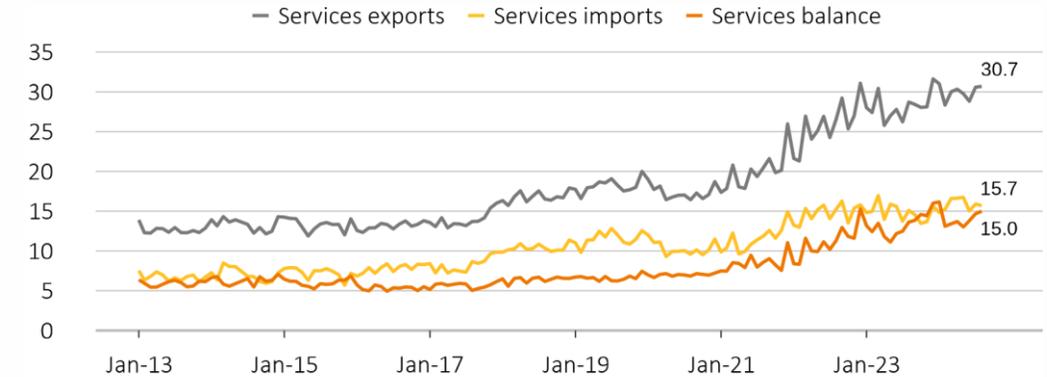
Monthly trade composition (USD billion), FY2013-FY2025 (Aug '24)



Source: Thurro, RBI, NIIF Research

Services trade surplus continues to increase in August

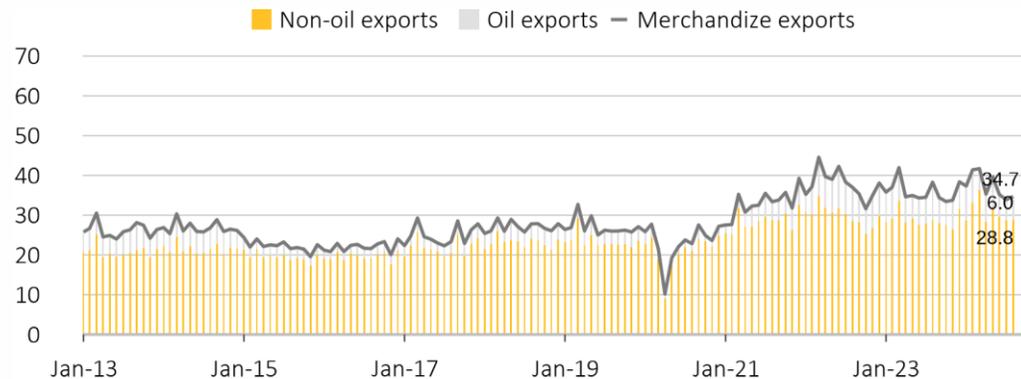
Monthly services trade (USD billion), FY2013-FY2025 (Aug '24)



Source: Thurro, RBI, NIIF Research

Oil exports dip in August

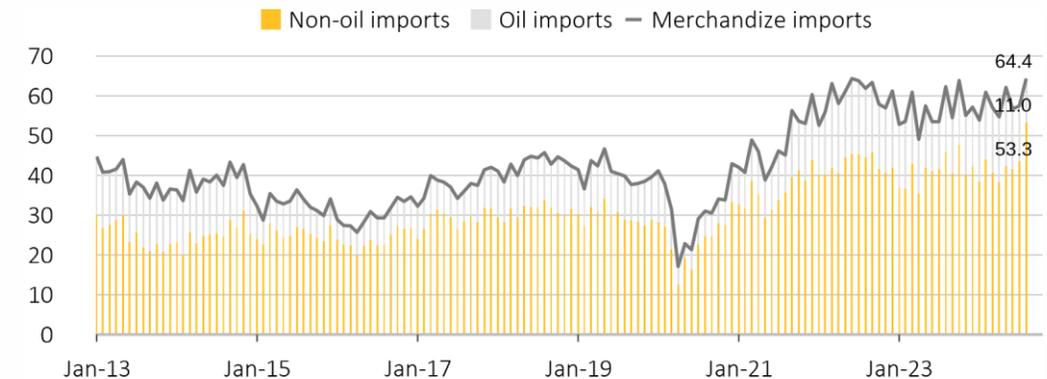
Monthly merchandize exports (USD billion), FY2013-FY2025 (Aug '24)



Source: Thurro, RBI, NIIF Research

Non-oil imports surge on account of increased gold imports in August

Monthly merchandize imports (USD billion), FY2013-FY2025 (Aug '24)

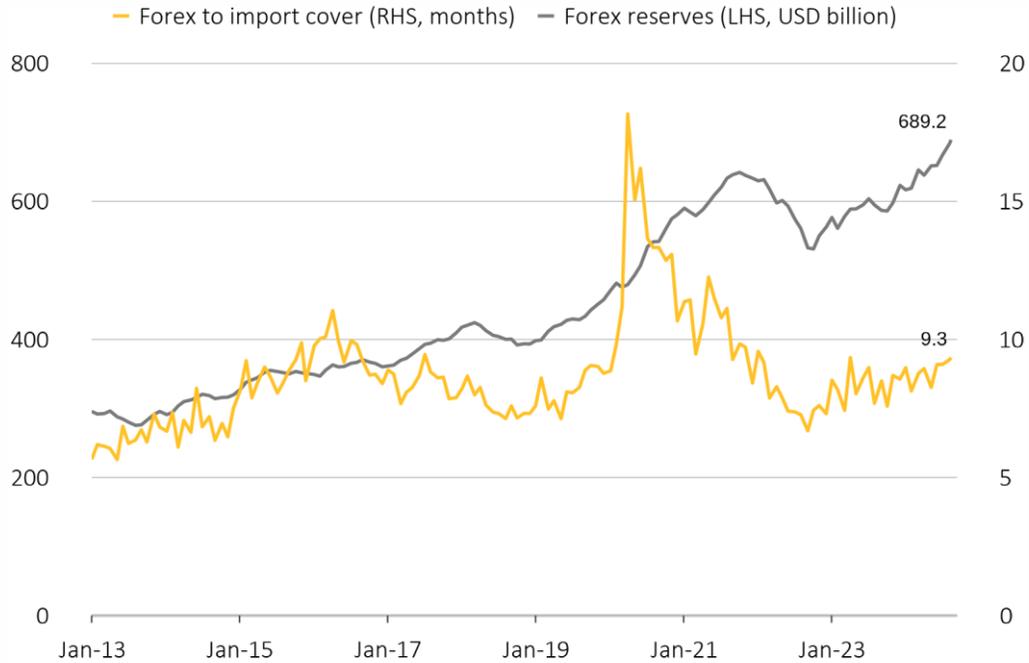


Source: Thurro, RBI, NIIF Research

Balance of payments

Record high forex reserves provide 9+ months of import cover

Monthly foreign exchange reserves, FY2013-FY2025 (06 Sep '24)



Source: Thurro, RBI, NIIF Research

Note:

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

Forward premium on USD-INR rises above 2% after more than a year

USD/INR implied 1-year forward risk premium (%), FY2007-FY2025 (19 Sep '24)

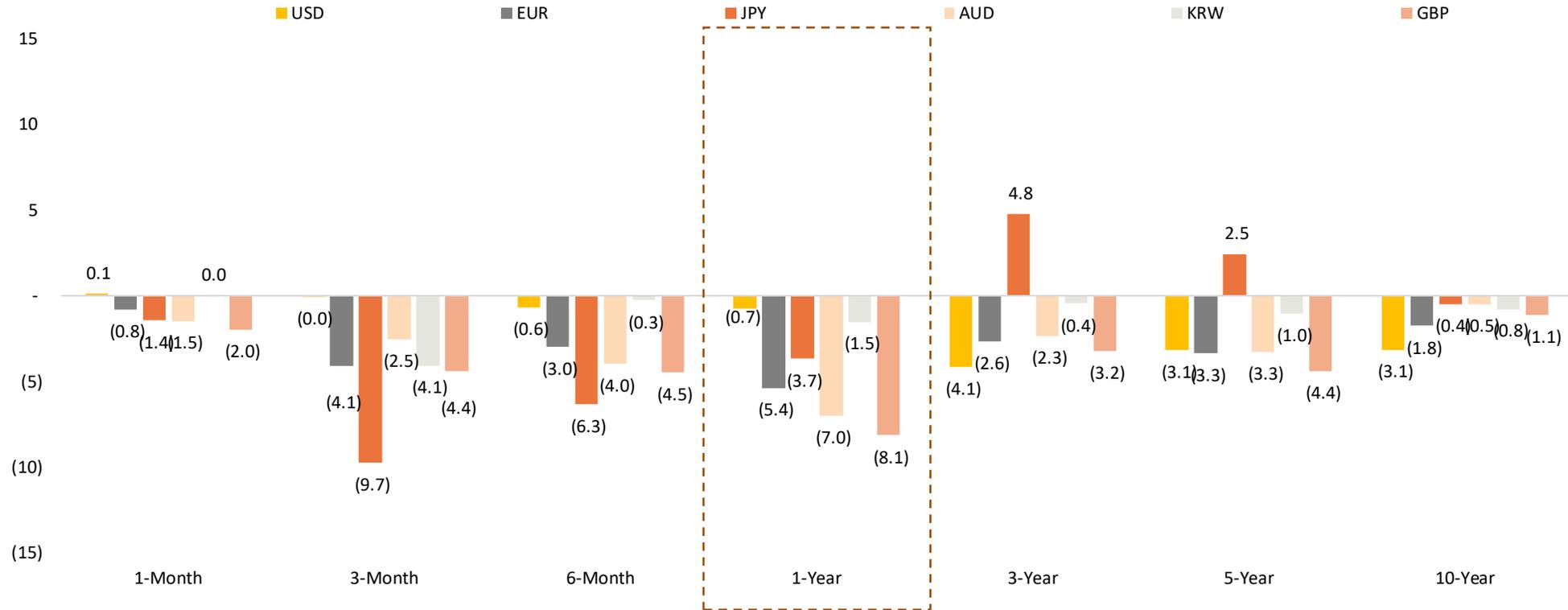


Source: Bloomberg, NIIF Research

Foreign exchange markets

INR depreciation against USD stable at ~3% p.a. over long-term; INR maintains appreciation bias against JPY over 3-5 years

INR performance vis-a-vis major currencies (%), FY2015-FY2025 (16 Sep '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

INR remains overvalued against currencies of trading partners

Monthly real effective exchange rate of INR, base year 2015-16 (X), (Jul '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 declines sequentially in August

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



Source: Thurro, Yahoo Finance, NIIF Research

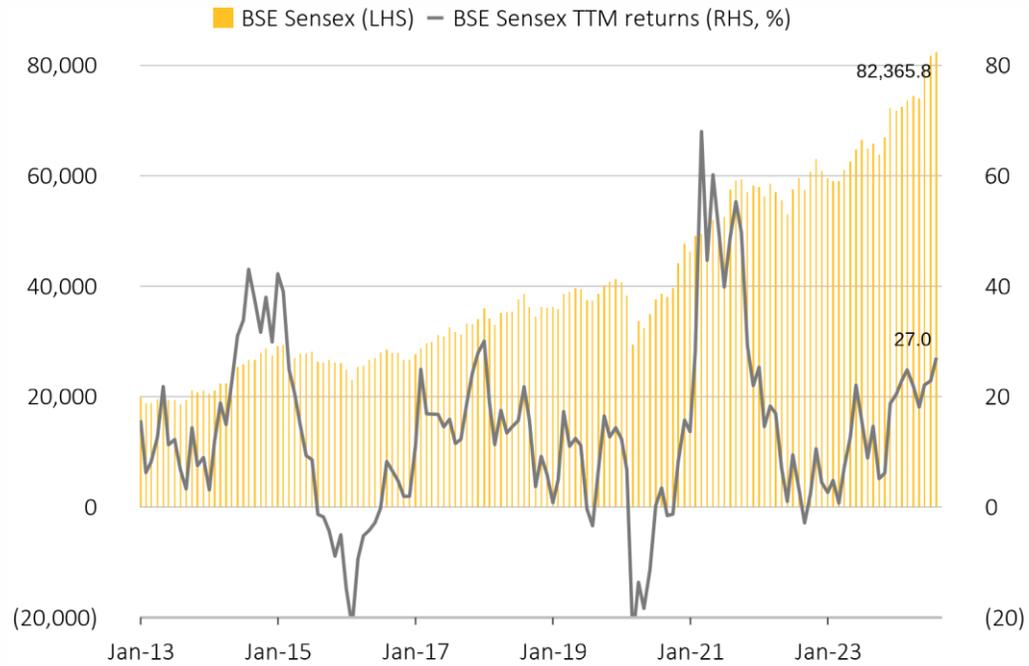
Note:

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 ~27% yoy return in August

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



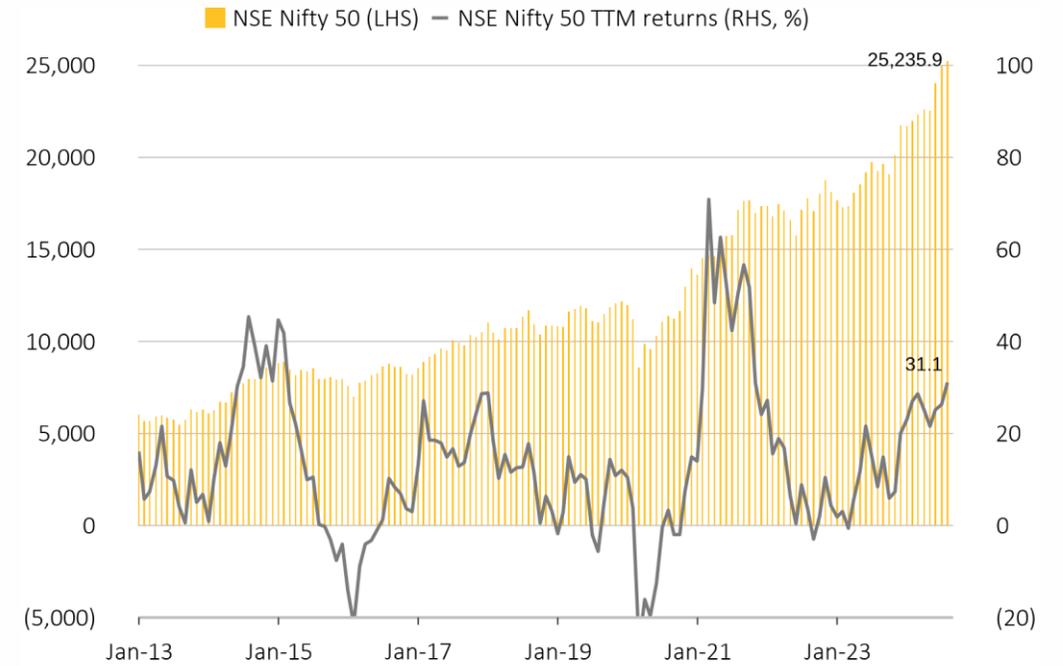
Source: Thurro, BSE, NIIF Research

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% yoy return in August

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



Source: Thurro, NSE, NIIF Research

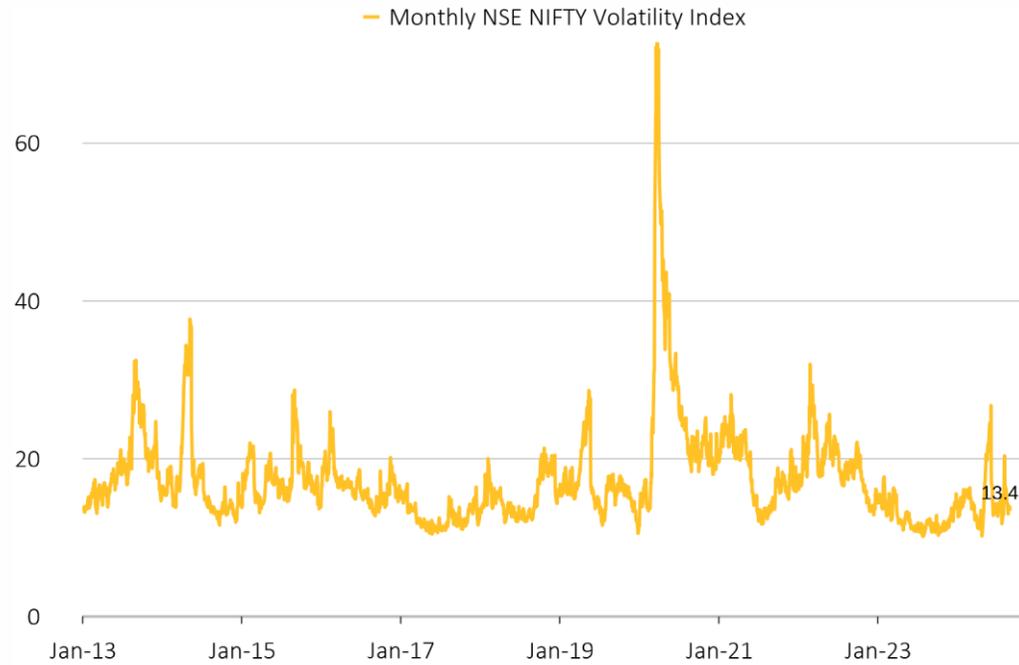
Note:

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

Volatility index low at 13.4 in August

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



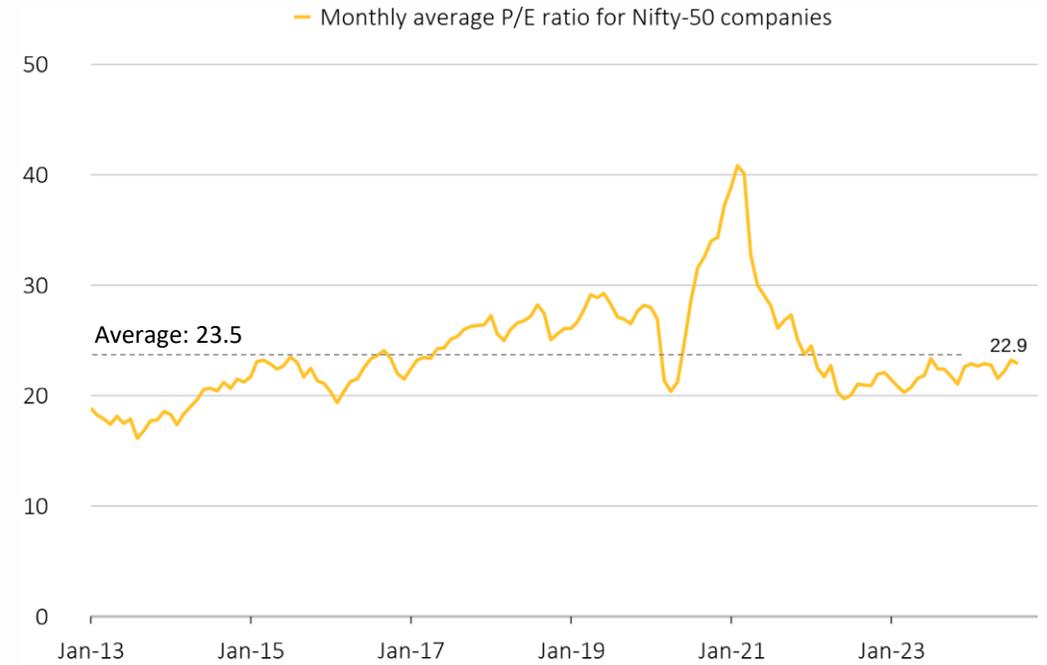
Source: Thurro, NSE, NIIF Research

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

Equity valuations near 10-year average

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



Source: Thurro, NSE, NIIF Research

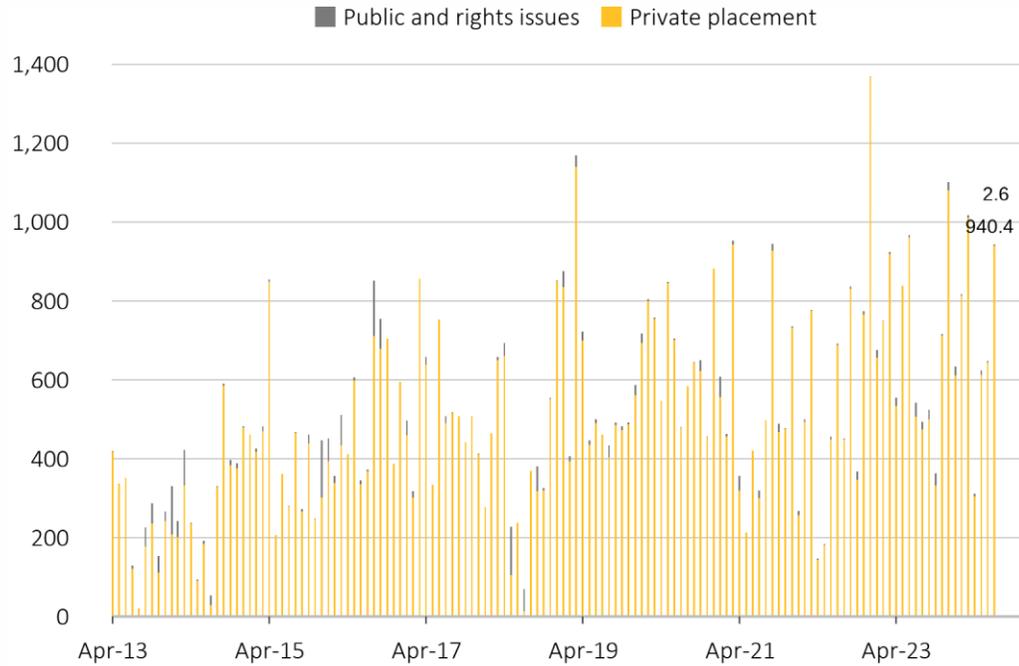
Note:

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

Debt and equity markets: issuance

INR 943 billion debt raised by corporate in July

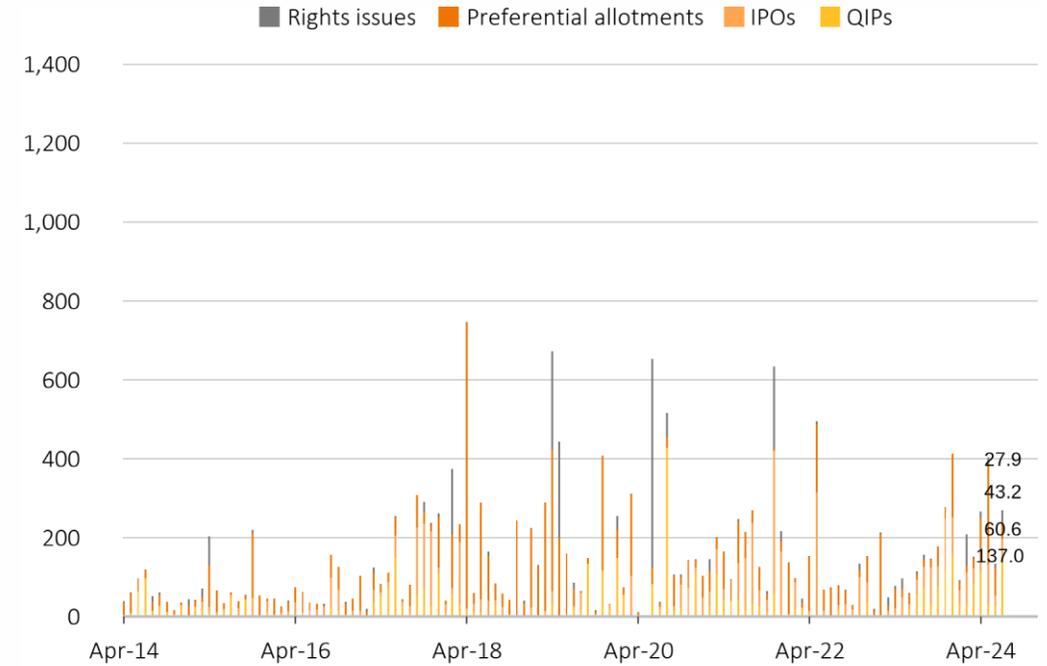
Monthly debt fund raising by corporate sector (INR billion), FY2014-FY2025 (Jul '24)



Source: Thurro, SEBI, NIIF Research

~INR 269 billion equity capital raised in Indian markets in July

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

Gross SIP inflows continues to pick up to ~INR 236 billion in August Monthly inflows into SIPs, FY2017-FY2025 (Aug '24)

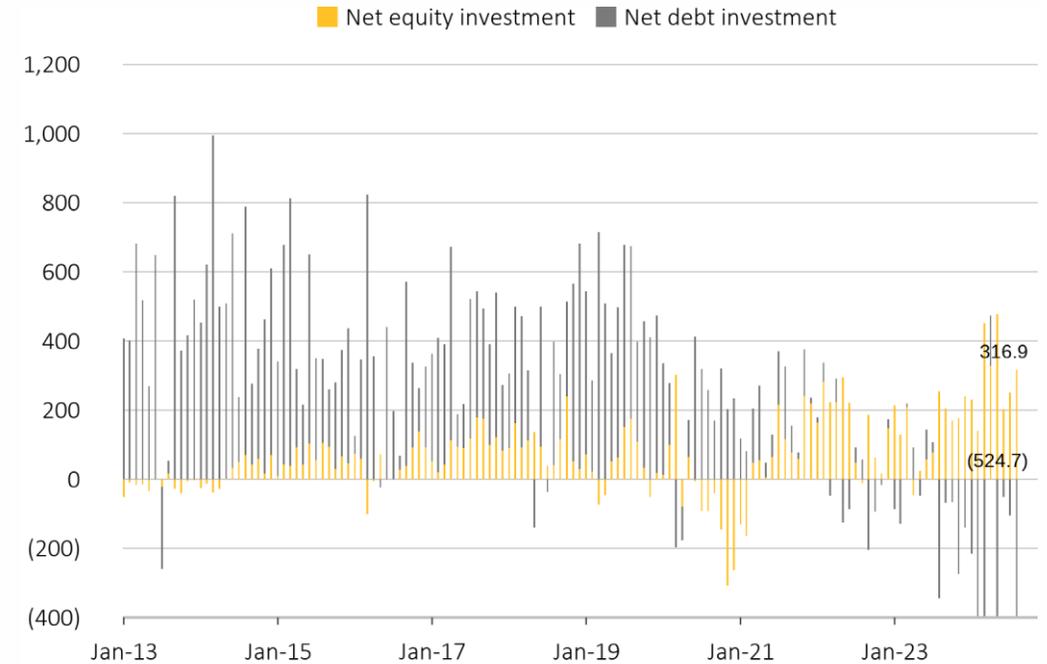


Source: Thurro, AMFI, NIIF Research

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 records a net outflow of INR 208 billion in August Monthly net inflows into mutual funds (INR billion), FY2013-FY2025 (Aug '24)

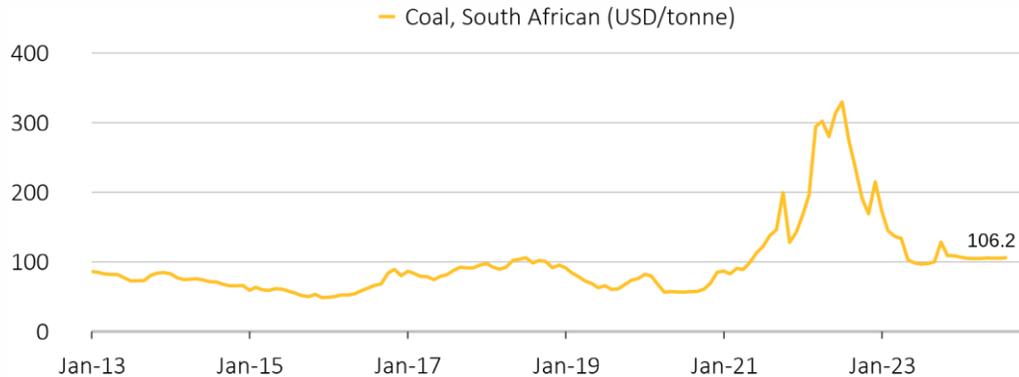


Source: Thurro, SEBI, NIIF Research

Commodity markets

Coal prices remain stable in August

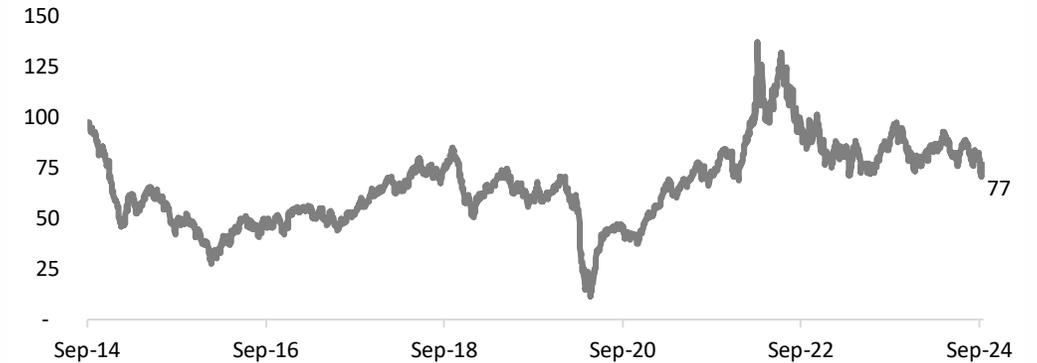
Monthly coal (South African) prices, FY2013-FY2025 (Aug '24)



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

Moderation in Brent crude oil price to USD 77 per bbl (as of 19 Sept)

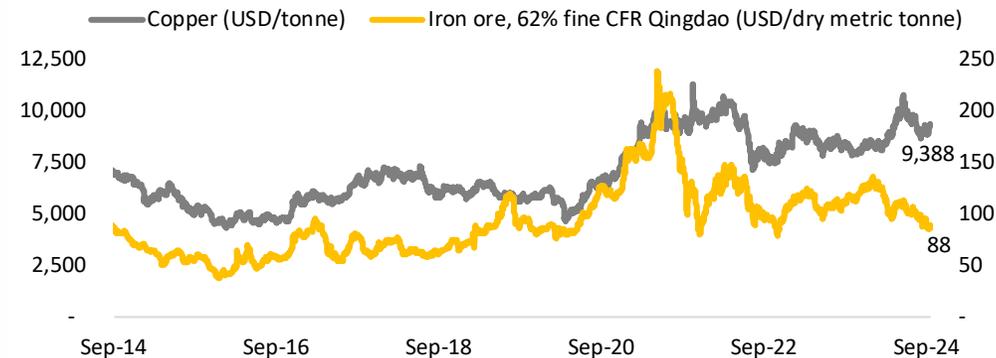
Daily Brent crude oil prices (USD per bbl), FY2015-FY2025 (19 Sep '24)



Source: Bloomberg, NIIF Research

Commodity prices fluctuate as copper soars, iron ore dips

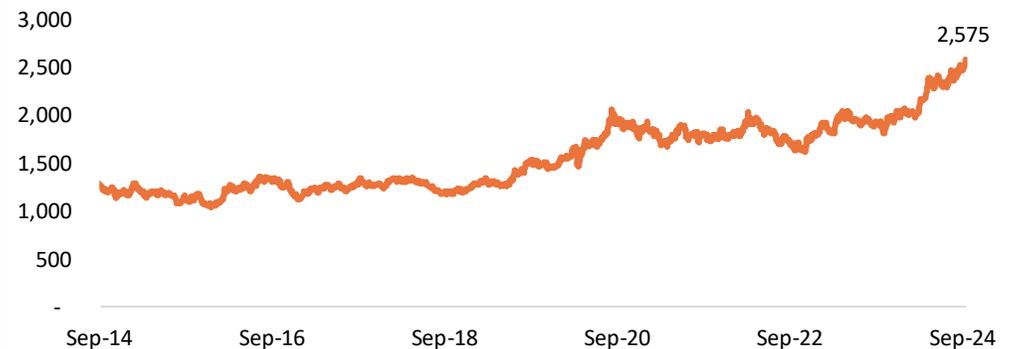
Daily copper and iron ore prices, FY2014-FY2025 (19 Sep '24)



Source: Bloomberg, NIIF Research

Gold prices surge above USD 2,500 per troy oz (as of 19 Sept)

Daily gold prices (USD per troy oz), FY2014-FY2025 (19 Sep '24)



Source: Bloomberg, NIIF Research



MONTHLY ECONOMIC REPORT ON INDIA SEP 2024

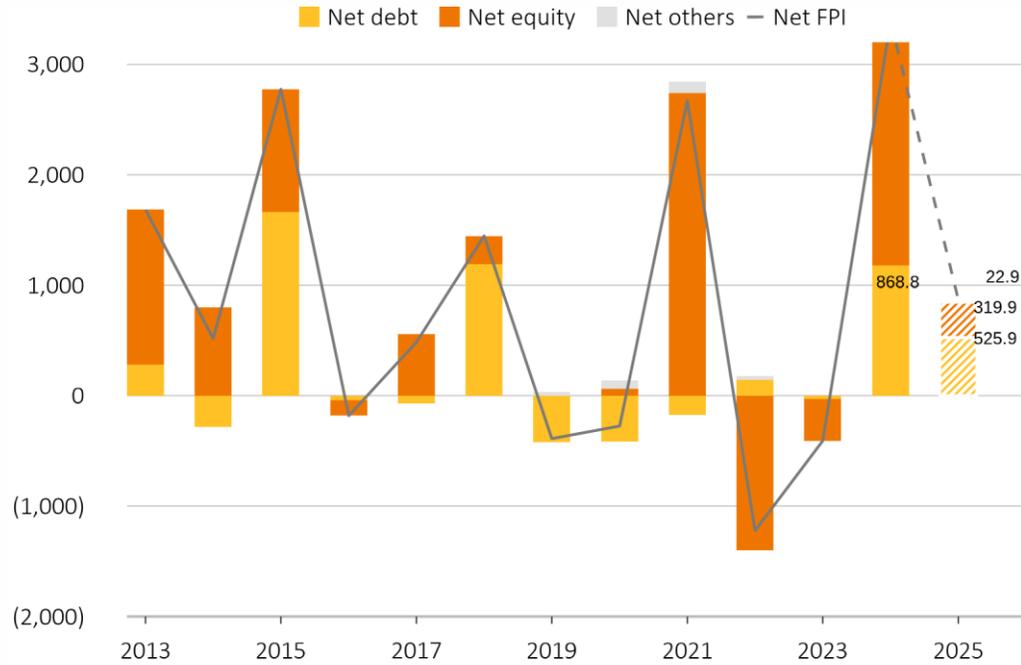
Investments

- Foreign and domestic investors stay invested in India – net investment by foreign portfolio investors at INR 255 billion in August, with net inflow of ~INR 869 billion in FYTD2025 (till August). Net investments by domestic institutional investors to the tune of INR ~2.0 trillion, tracking close to FY2024 levels already. DIIs invested INR 483 billion in August
- Gross foreign direct investments (FDI) flows into India stable in FYTD2025 (till June) at USD 22.5 billion. Net FDI inflow also steady at USD 6.9 billion in FYTD2025, compared with USD 9.8 billion in FY2024. June records a net outflow of FDI to the tune of USD 0.2 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

Continued net inflow of FPI into India in FYTD2025 (till Aug)

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



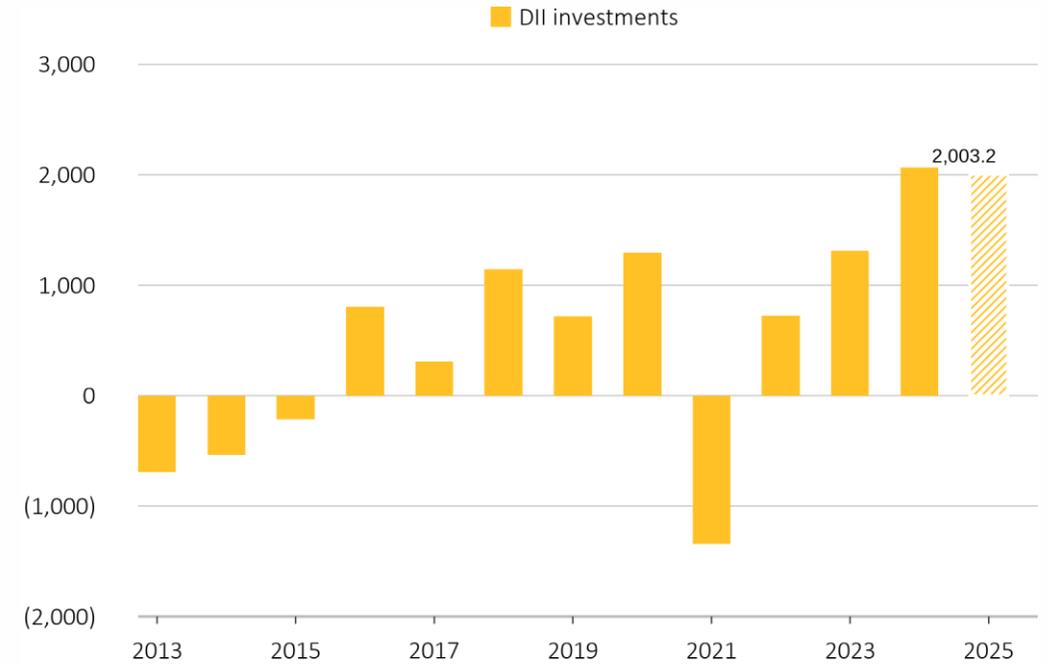
Source: Thurro, NSDL, NIIF Research

Note:

- Others comprise of debt-VRR and hybrid investments. Hybrid include investments in InvITs and REITs. 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 of ~INR 2.0 trillion in FYTD2025 (till Aug) near FY2024 level

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



Source: Thurro, NSE, BSE, NIIF Research

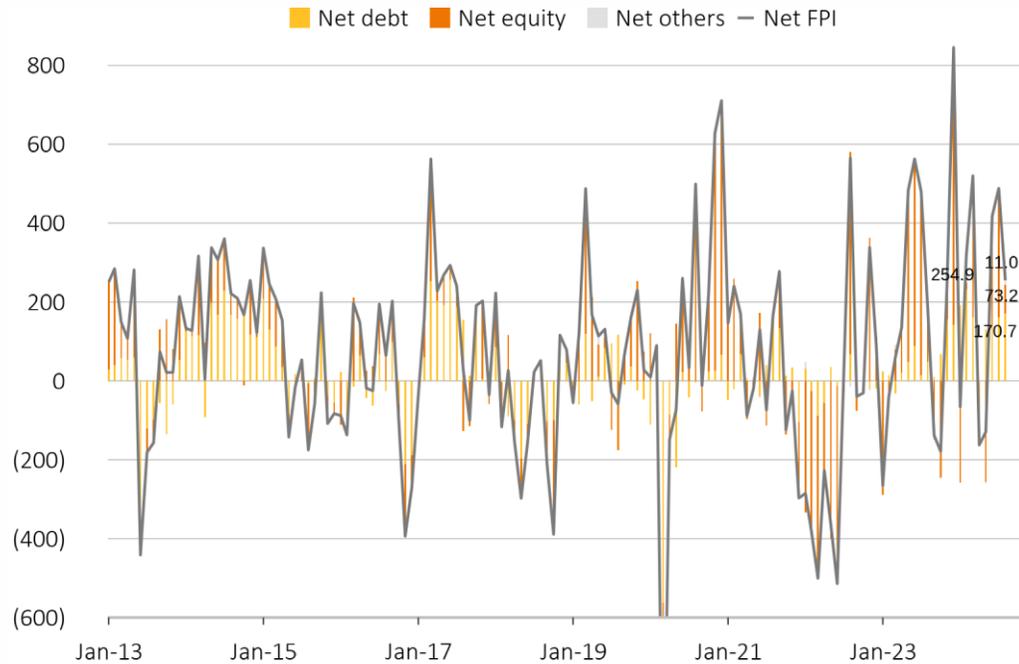
Note:

- 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 of INR 254.9 billion in August

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



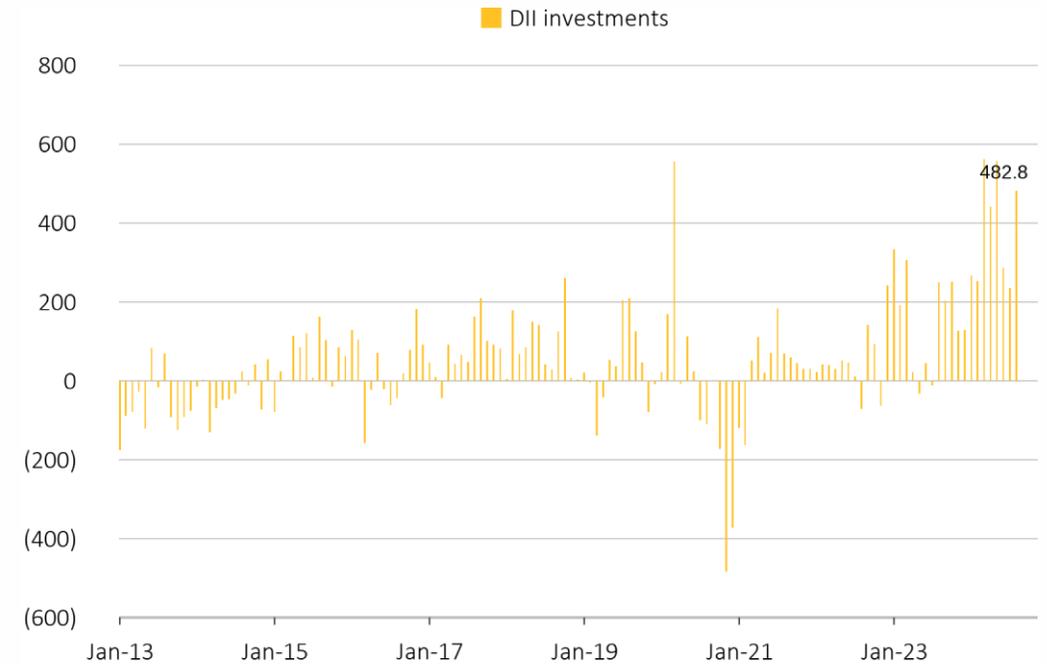
Source: Thurro, NSDL, NIIF Research

Note:

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

Domestic institutional investors invest ~INR 483 billion in August

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



Source: Thurro, NSE, BSE, NIIF Research

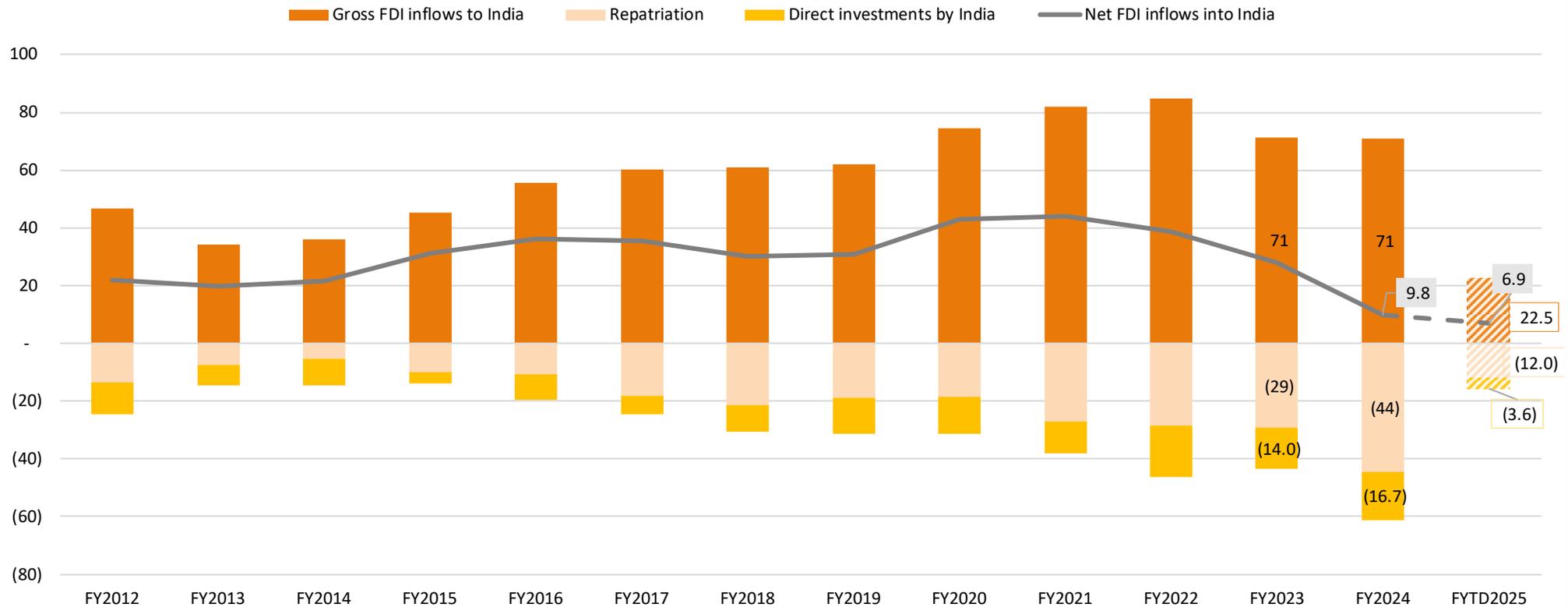
Note:

- 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 22 billion, net inflows of ~USD 7 billion in FYTD2025 (up to June)

Annual foreign direct investments (USD billion), FY2012-FYTD2025 (Jun '24)

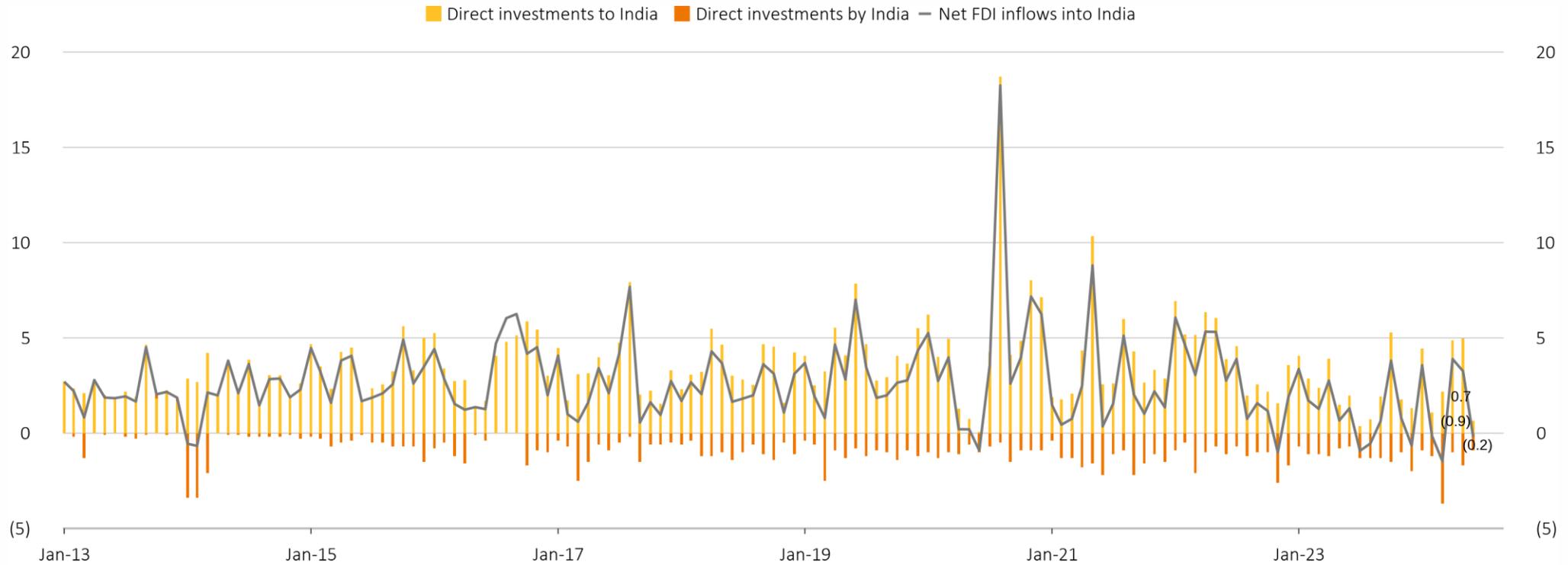


Source: CEIC, NIIF Research

Flows: FDI

Foreign investment decline in June, an outflow of USD 0.2 billion

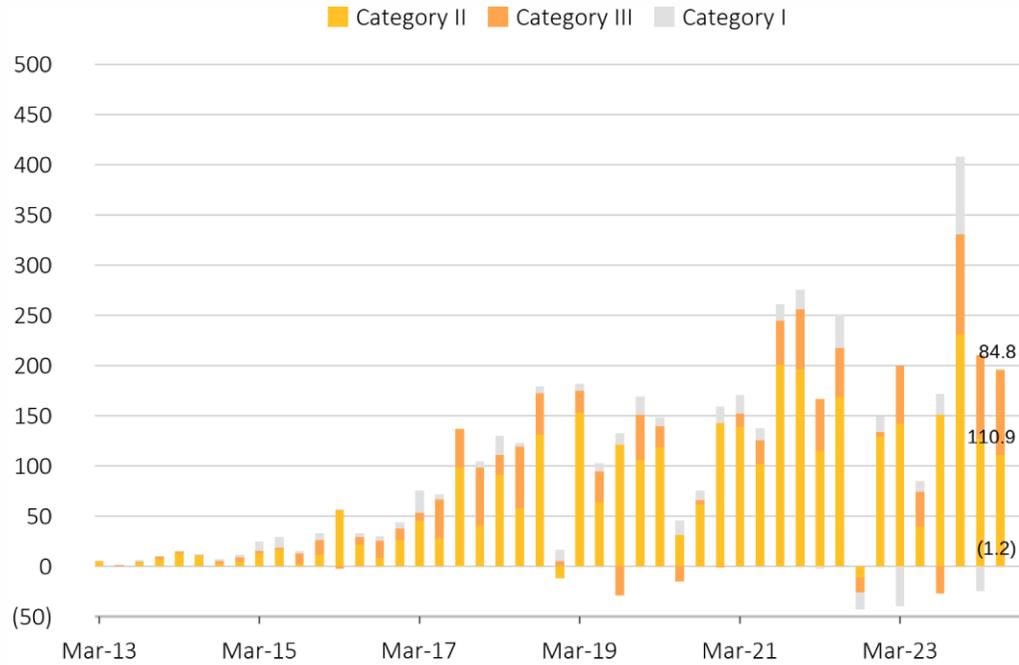
Monthly foreign direct investments (USD billion), FY2013-FY2025 (Jun '24)



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)

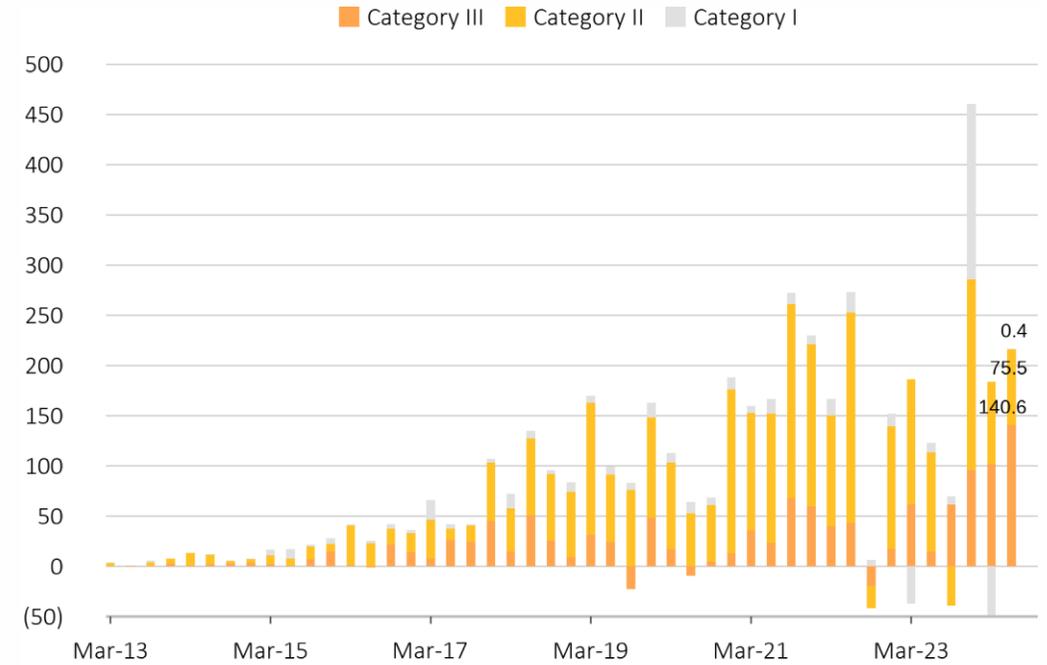


Source: Thurro, SEBI, NIIF Research

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.



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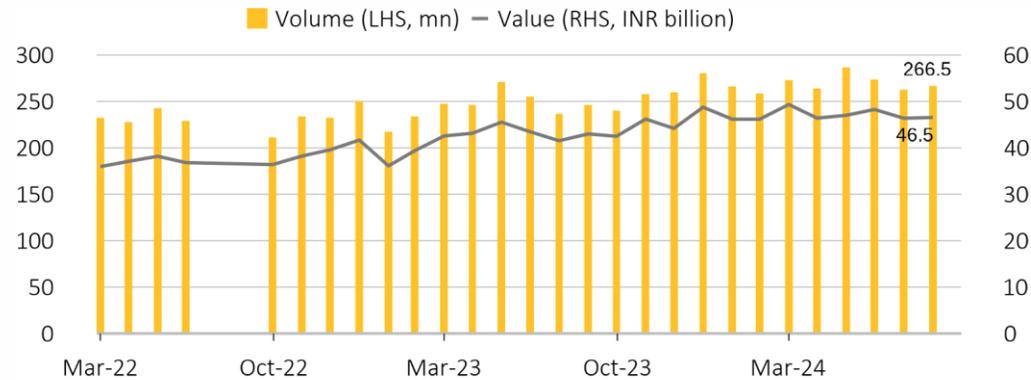
Infrastructure

- Stable monthly collection across FasTag (~INR 56 billion) and road tolls (INR ~47 billion) in August. Truck freight rates fall to INR 51 per 15 tons per km in Q1FY25. Steady growth in port cargo traffic in August at ~6% yoy while container freight rates moderate
- Robust growth in rail cargo traffic of ~10% yoy in June driven by container service, and agricultural and energy commodities. Sustained rise in air cargo (~18%) and passenger travel (~6%) movement in July and August respectively
- Peak power deficit moderates sequentially to 1.4% leading to a fall in traded power tariffs to INR 4.3 per kWh in August. Weak power generation of a *negative* ~5% yoy tracking demand dynamics. Renewable energy's share in overall power generation surges to an all-time high of 15.9% in July, led by solar and wind
- Polysilicon price remains at a multi-year low of ~USD 4 per kg in August, while silver prices remain elevated at USD 29 per troy oz

Roads

Toll revenue and traffic remain stable in August

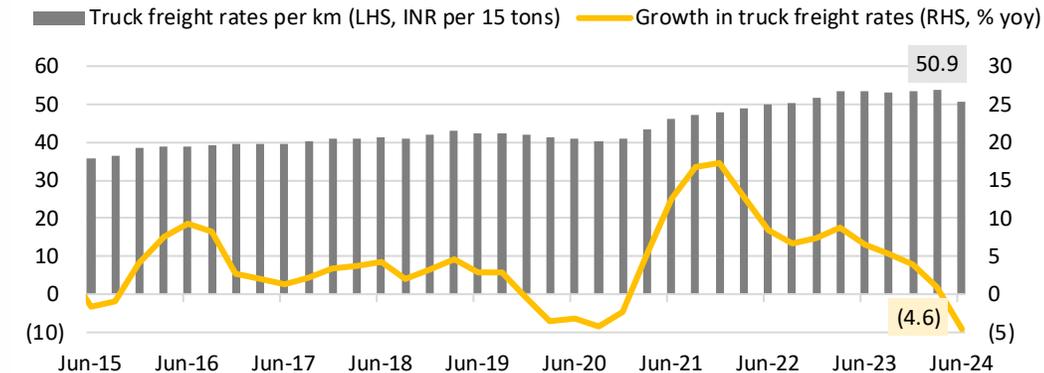
Monthly road toll collection at NHA1 tolls, FY2022-FY2025 (Aug '24)



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

Truck freight rates falls to INR 51 per 15 tons per km in Q1FY25

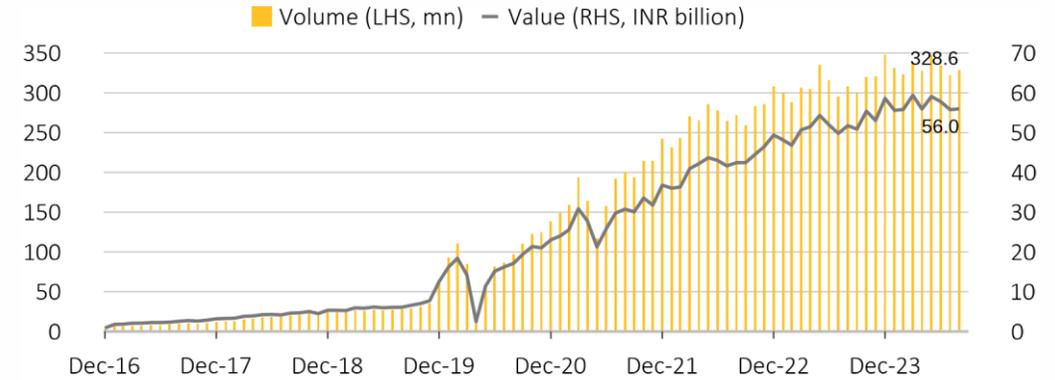
Quarterly average all-India truck freight rates, FY2015-FY2025 (Jun '24)



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

FasTag collections in August stable at INR 56 billion

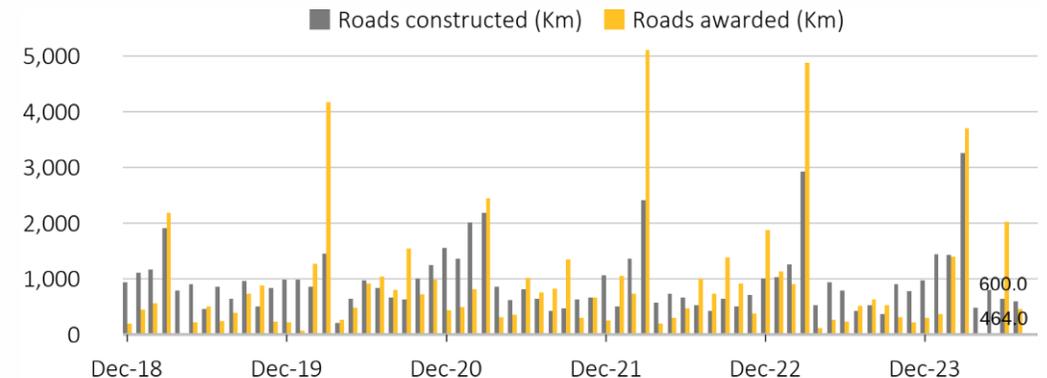
Monthly national electronic road toll collection, FY2017-FY2025 (Aug '24)



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

Monthly road construction in India, FY2019-FY2025 (Jul '24)

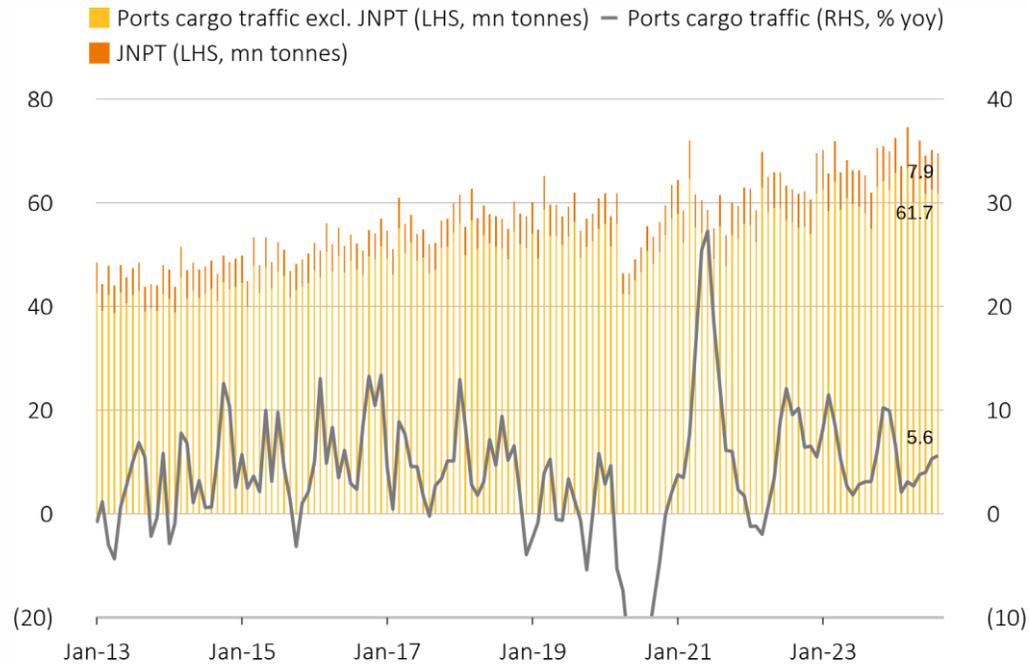


Source: Thurro, MoRTH, NIIF Research

Ports

Cargo traffic at major ports up 6% in August

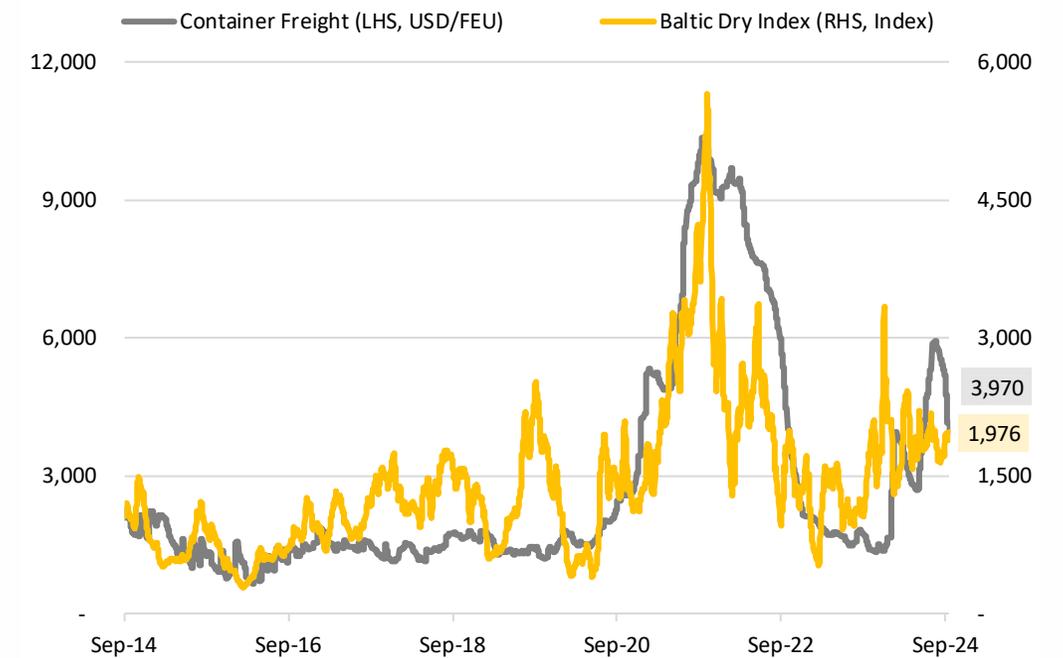
Monthly cargo traffic at major ports, FY2013-FY2025 (Aug '24)



Source: Thurro, Indian Ports Association, NIIF Research

Fall in container freight rates while bulk dry goods index remains elevated

Daily shipping freight indices, FY2012-FY2025 (19 Sep 2024)



Source: Bloomberg, NIIF Research

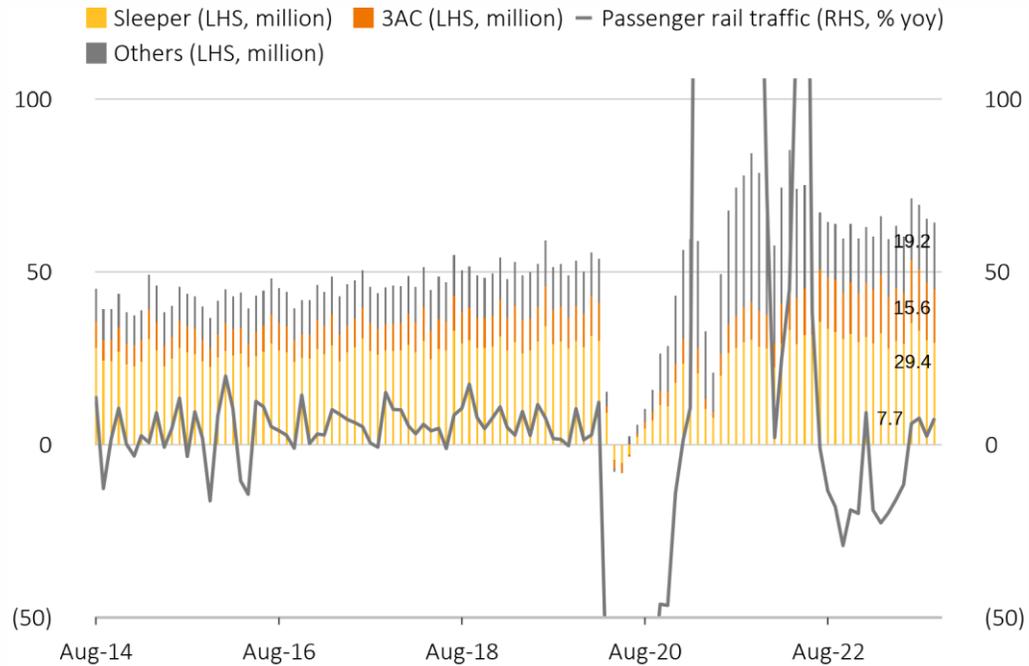
Note:

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)



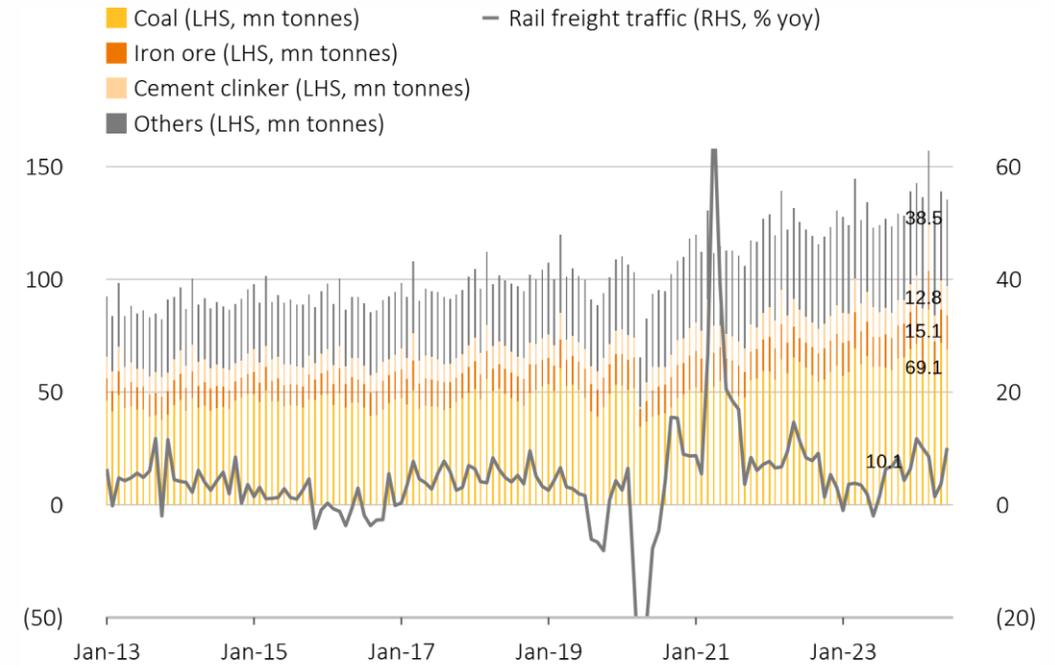
Source: Thurro, IRCTC, NIIF Research

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 cargo volume records robust growth in June

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



Source: Thurro, Indian Railways, NIIF Research

Railways

Rail cargo up 10.1% yoy in June driven by foodgrain, container service, coal, and iron ore

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

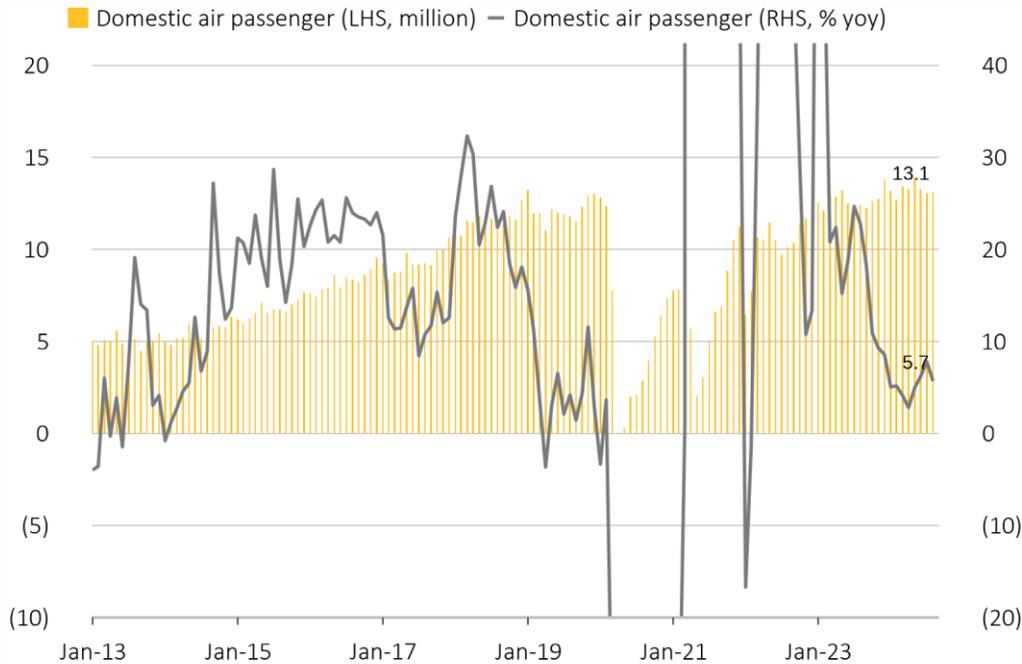
	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Growth (% yoy)
Coal	61.1	61.1	61.0	59.7	64.8	65.5	69.0	71.5	59.1	86.5	57.6	72.0	69.1	13.0
Iron ore	13.3	13.3	14.5	14.3	14.8	15.0	16.5	17.0	15.1	17.3	14.9	14.6	15.1	13.1
Cement and clinker	13.3	11.0	12.0	11.2	11.1	10.2	12.3	13.4	13.0	20.6	11.5	12.9	12.8	(3.3)
Container service	6.0	7.2	7.7	7.3	7.2	6.9	7.7	7.0	7.0	0.0	6.6	0.0	7.0	16.9
Fertilizers	4.7	5.5	5.2	4.2	5.7	6.0	5.8	5.3	4.0	0.0	4.0	0.0	5.3	13.5
Foodgrains	3.6	3.6	4.0	4.6	3.6	3.8	4.3	4.5	5.1	4.0	3.9	0.0	4.2	17.9
Mineral oil	4.1	4.1	4.1	4.0	4.4	4.2	4.3	4.3	4.1	0.0	4.2	0.0	4.2	1.7
Pig iron and finished steel	5.4	5.7	5.9	5.8	5.7	5.3	6.0	6.1	5.7	0.0	5.2	0.0	5.4	(1.1)
Raw material for steel plants (except iron ore)	2.2	2.5	2.4	2.4	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	9.4	10.1	10.4	10.1	8.6	8.6	9.8	10.2	10.7	6.6	9.5	0.0	10.1	7.1
Total	123.0	124.0	127.0	123.6	129.0	128.4	139.0	142.7	136.6	157.0	128.3	139.2	135.5	10.1

Source: Thurro, Indian Railways, NIIF Research

Note: Data for some rail freight commodities such as container service, fertilizers, etc. not available for March and May 2024; for raw material for steel plants (except iron ore), not available since November

Aviation

Domestic air passenger traffic up ~6% yoy to 13.1 million in August
 Monthly domestic air passengers, FY2013-FY2025 (Aug '24)

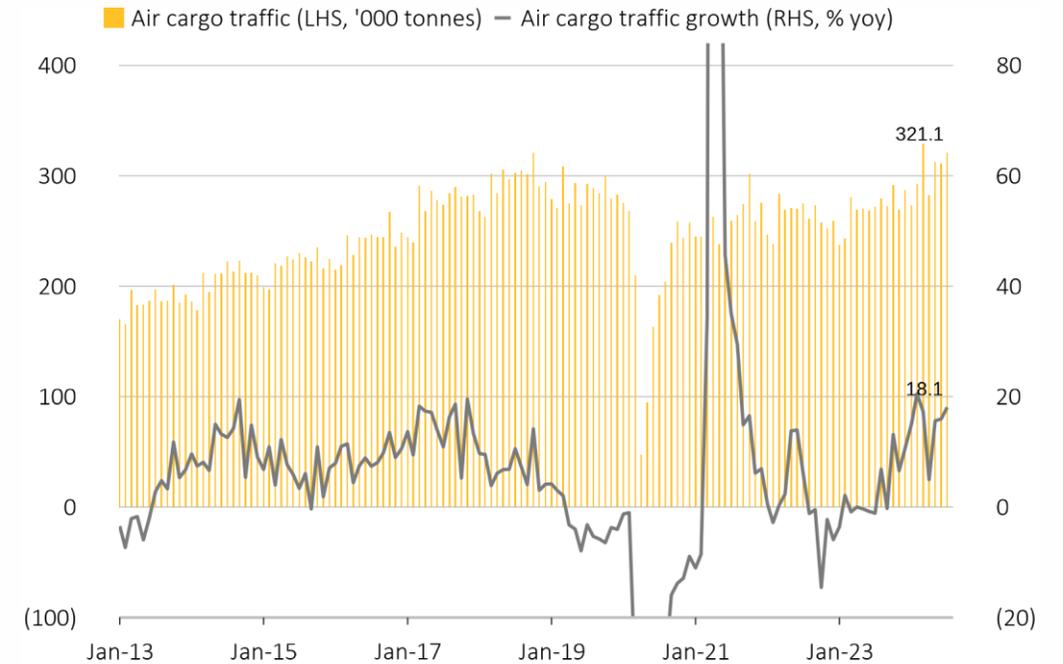


Source: Thurro, DGCA, Ministry of Civil Aviation, NIIF Research

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.

Robust growth in air cargo volume in July, up ~18% yoy
 Monthly air cargo traffic, FY2013-FY2025 (Jul '24)



Source: Thurro, AAI, NIIF Research

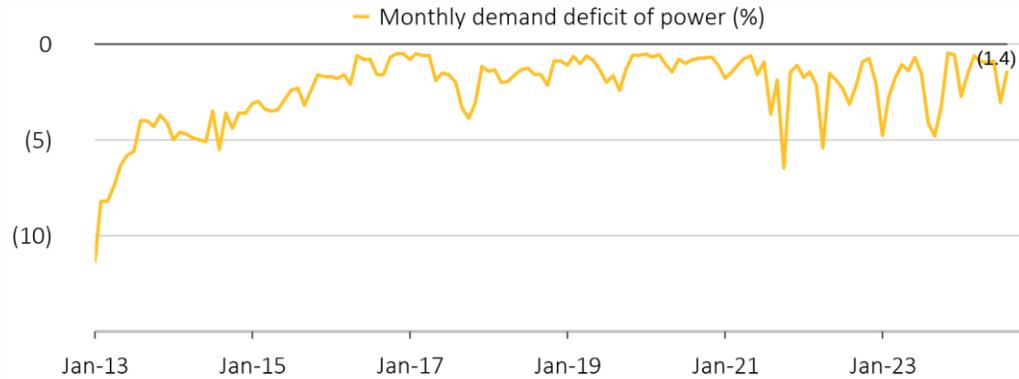
Note:

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 shortage eases sequentially to 1.4% in August

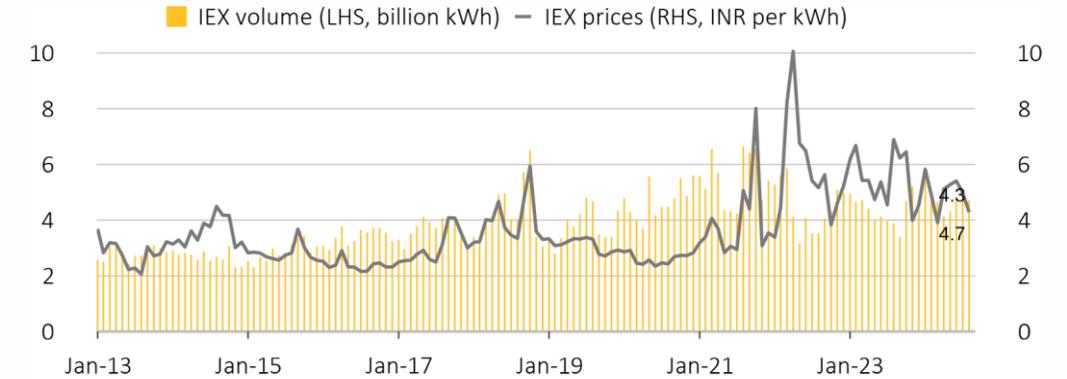
Monthly peak demand deficit of power (%), FY2013-FY2025 (Aug '24)



Source: Thurro, POSOCO, NIIF Research

Traded power tariffs fall sequentially in August

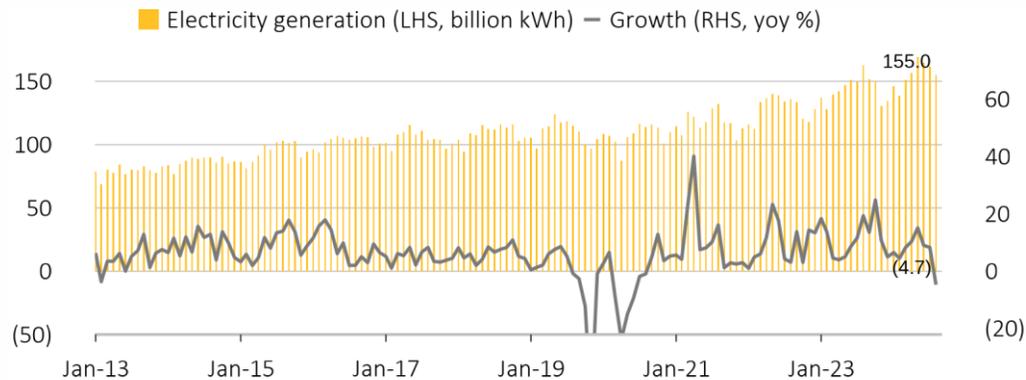
Monthly clearance prices on IEX DAM (INR/kWh), FY2013-FY2025 (Aug '24)



Source: Thurro, IEX, NIIF Research

Power generation down by ~5% yoy in August

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

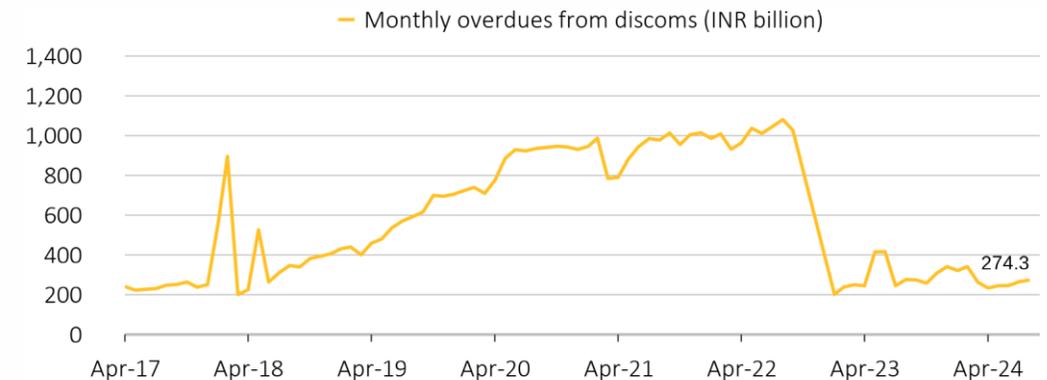


Source: Thurro, POSOCO, NIIF Research

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

Discom dues see a marginal rise in August

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

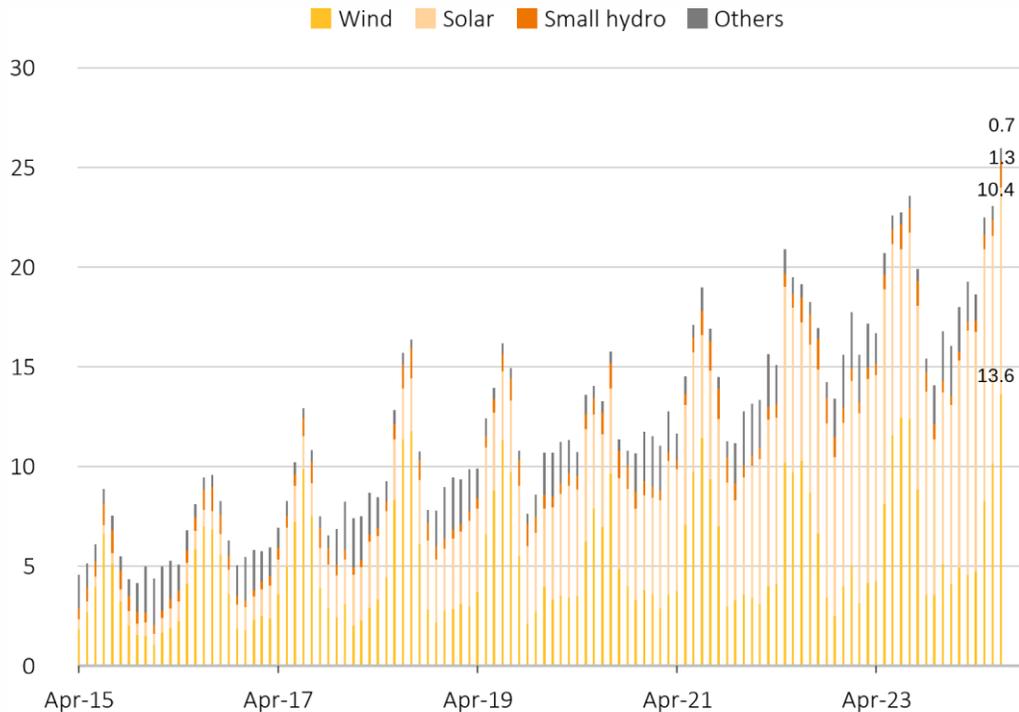


Source: Thurro, PRAAPTI, NIIF Research

Renewables

Renewable energy generation rises sharply in July

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



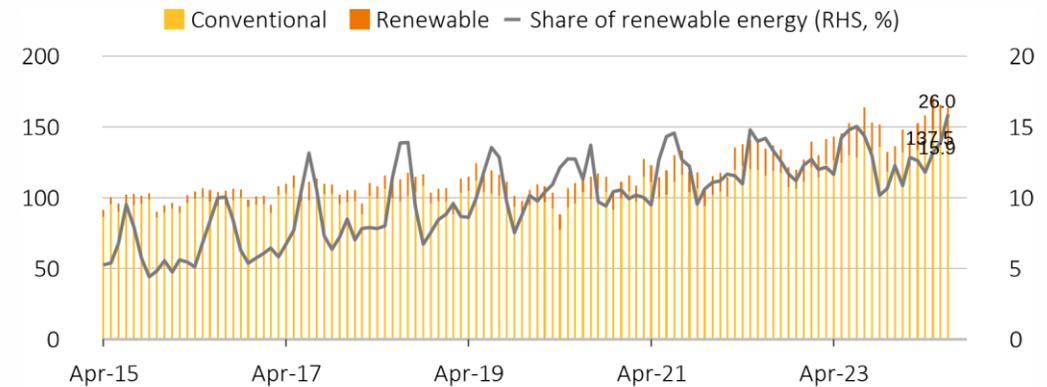
Source: Thurro, CEA, NIIF Research

Note:

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

Renewables share at all time high of 15.9% in July

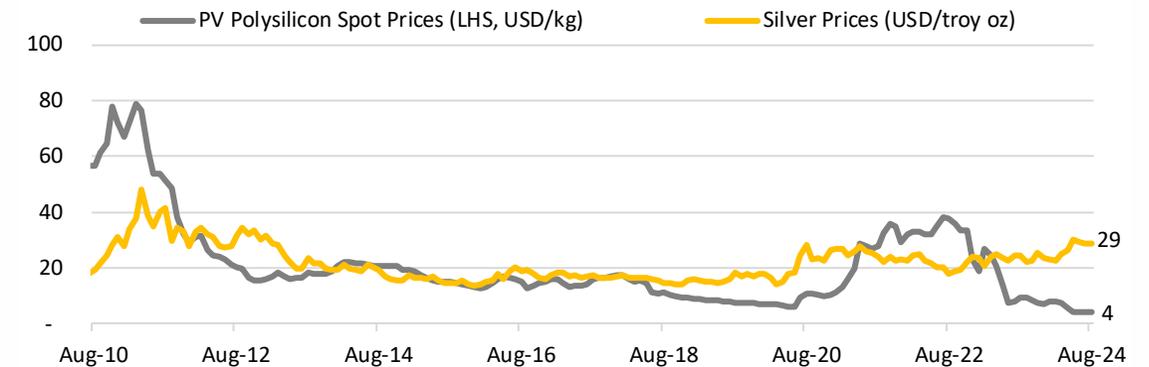
Monthly generation from energy sources (billion kWh), FY2016-FY2025 (Jul '24)



Source: Thurro, POSOCO, CEA, NIIF Research

Polysilicon prices continue to be at a multi-year low, silver prices elevated

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



Source: Bloomberg, NIIF Research



MONTHLY ECONOMIC REPORT ON INDIA SEP 2024

Global

- India estimated to maintain robust growth momentum with a ~7% median real GDP projection in FY2025. Global growth of 3.2% expected to be driven by emerging markets (4.3%) in CY2024, primarily led by India, as per the International Monetary Fund (IMF). India continues to outpace major economies in terms of growth in Q1FY25 - India's GDP grew by 6.7%, China by 4.7%, and US by 3.1% in Q1FY25
- Economic activity in India measured by Purchasing Managers' Index (PMI) - at 60.7 in August - consistently outperforms other major economies. PMI of other major countries remain between 48-55 (above 50 indicates expansion); Germany's PMI indicates a contraction
- Inflationary pressure eases across major economies in August, including India, US, UK, Japan, Germany, and France. Indian equity markets continue to generate strong average annual returns of ~29% in August, higher than the global average of ~15% over the last twelve months

Global economy

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
World	104.8	114.8	3.3	3.2	3.1
Advanced Economies	61.4	66.4	1.6	1.7	1.7
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
Emerging markets and developing economies	43.4	48.5	4.4	4.3	3.9
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: Bloomberg, NIIF Research

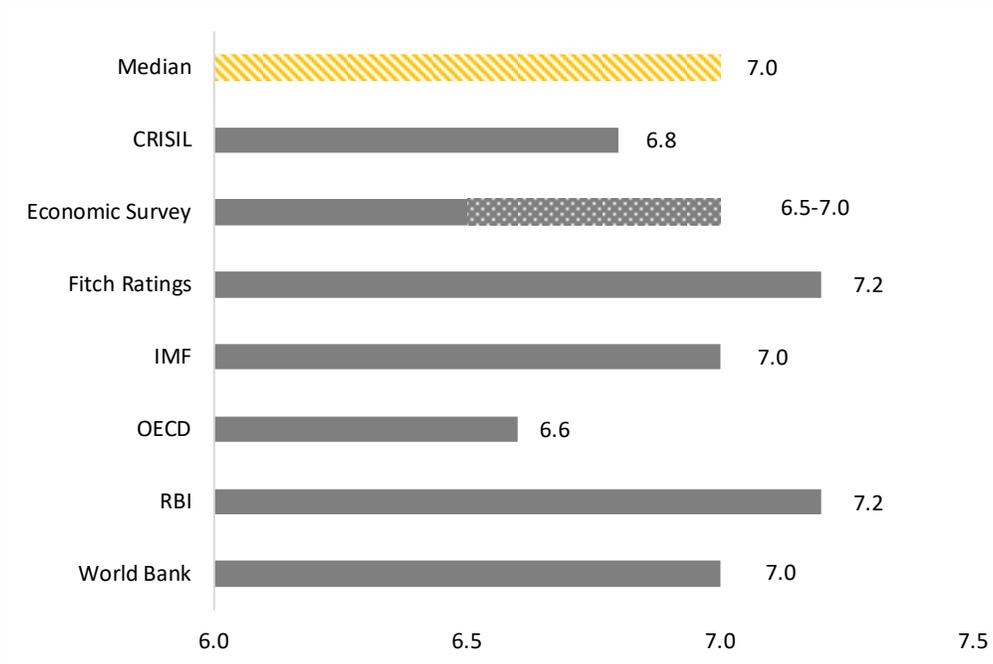
Note:

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

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

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



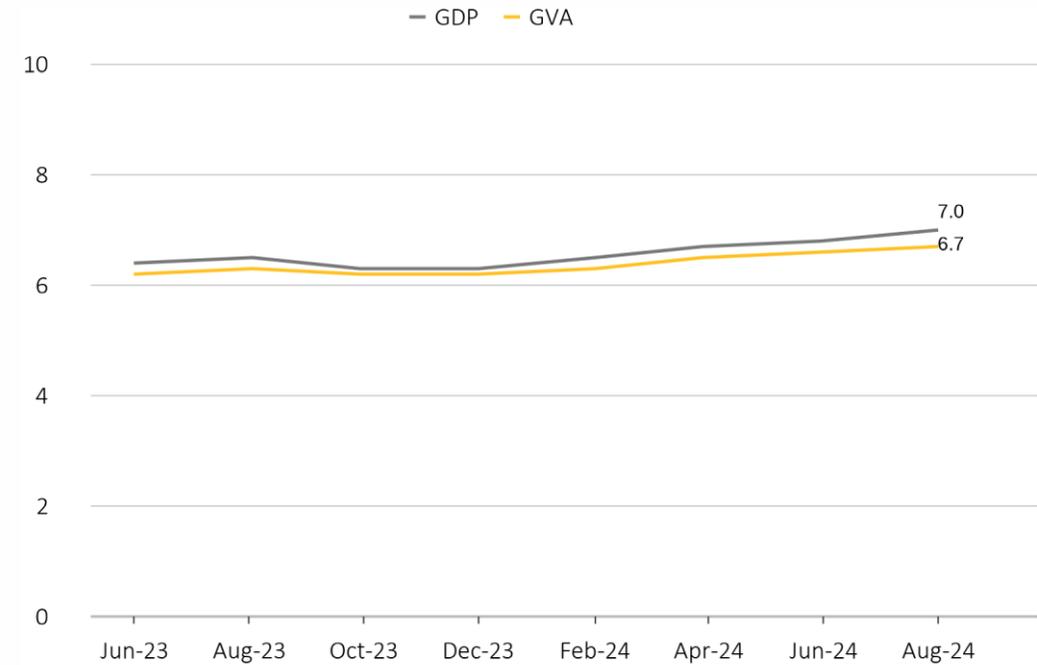
Source: CMIE, NIIF Research

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

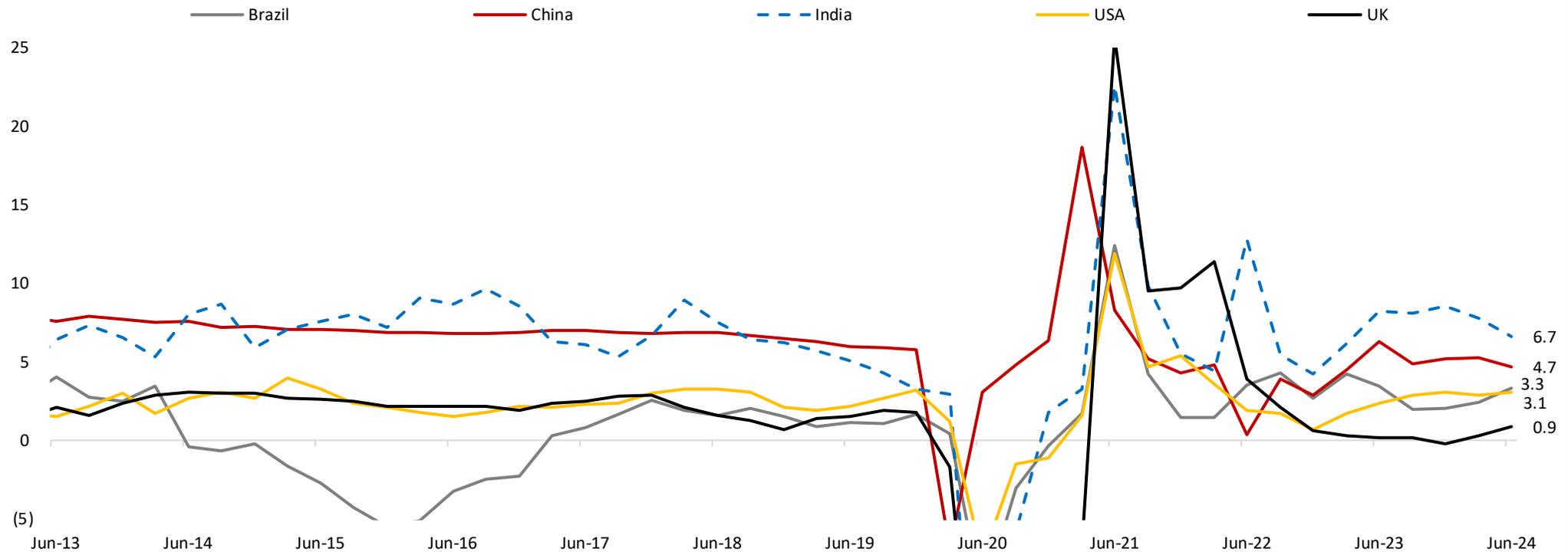
Note:

- 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

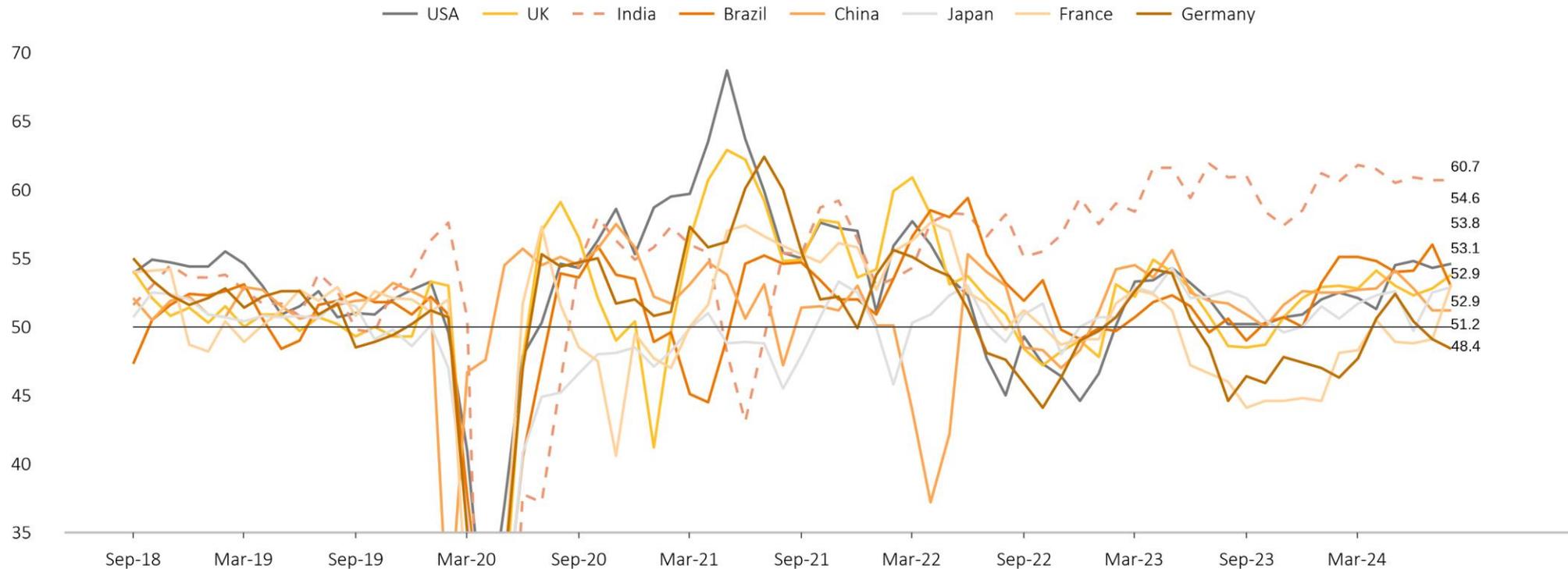
Note:

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

Diverging trends in composite PMI across economies; India remains in the deep expansionary zone in August

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



Source: Thurro, S&P, NIIF Research

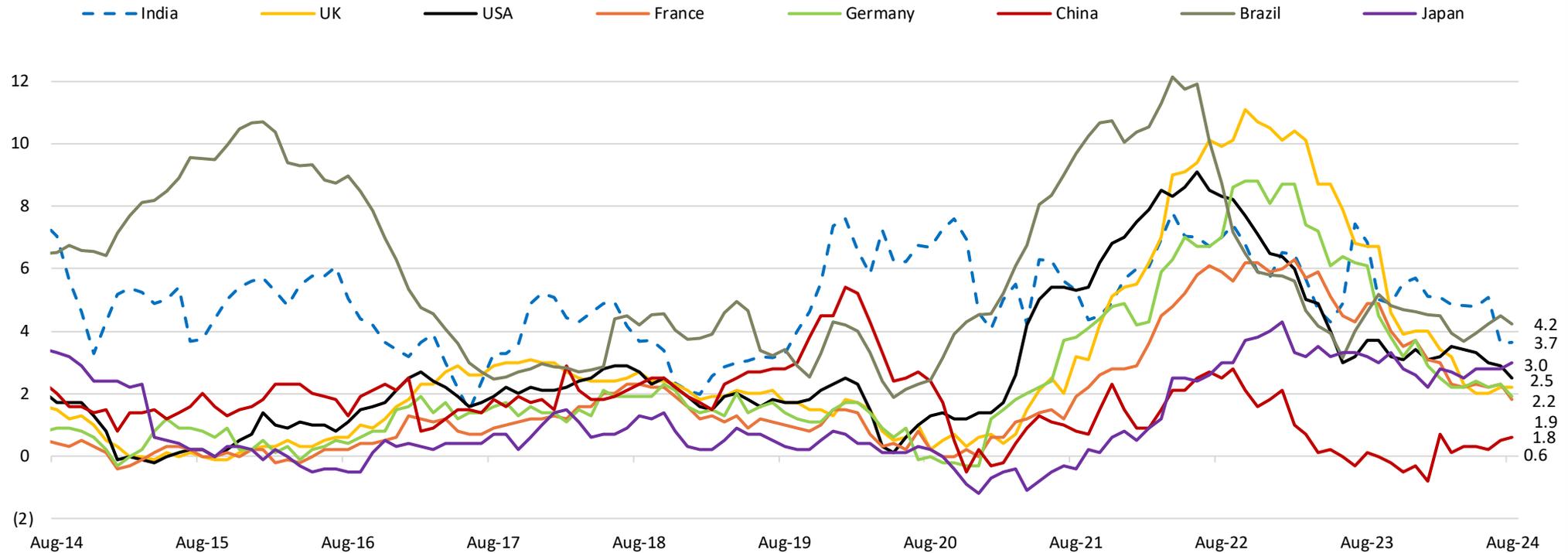
Note:

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 pressure eases across India, US, UK, Japan, Germany, and France

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

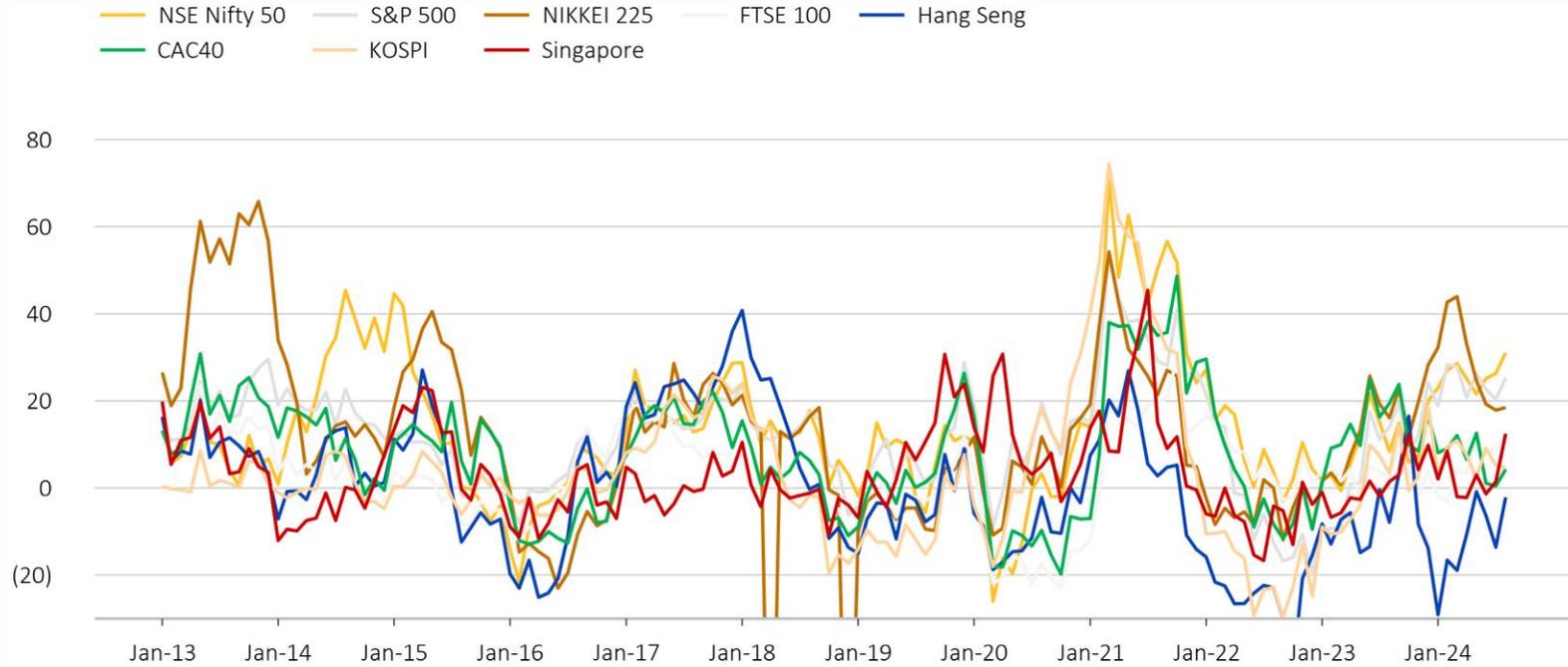


Source: Bloomberg, NIIF Research

Equity markets: global

Indian equity markets outperform global indices, generating an average ~29% yoy returns in August

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



Returns as on August 31, 2024 (% yoy)

NSE Nifty 50	31.1
BSE Sensex	27.0
S&P 500	25.3
Dow Jones	19.7
NIKKEI 225	18.5
FTSE 100	12.6
Singapore	12.5
KOSPI	4.6
CAC40	4.3
Hang Seng	(2.1)

Source: Thurro, BSE, NIIF Research

Note:

- Return is calculated as on month end



Annexures

MONTHLY ECONOMIC REPORT ON INDIA SEP 2024

High Frequency Indicators (1/2)

Steady growth across key supply-side high frequency indicators; slowdown in goods trade and energy supply

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

	Units	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	Aug-24
Fiscal															
Central government expenditure	% yoy	84.6	10.5	3.2	(14.0)	(13.8)	7.1	(14.0)	20.4	(0.6)	39.3	(37.9)	(18.4)	0.1	
Gross tax revenue	% yoy	1.5	95.2	15.9	(1.2)	21.3	12.9	16.5	(0.5)	13.5	16.9	14.4	35.0	14.0	
GST collection	% yoy	10.8	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
Industry															
Index of industrial production	% yoy	6.2	10.9	6.4	11.9	2.5	4.4	4.2	5.6	5.5	5.2	6.2	4.7	4.8	
Index of eight core industries	% yoy	8.6	13.4	9.5	12.7	7.9	5.1	4.2	7.1	6.3	6.9	6.4	5.1	6.1	
Electricity generation	% yoy	11.6	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)
Steel production	% yoy	15.3	12.8	16.7	11.6	11.6	15.2	17.1	19.1	12.1	14.7	8.6	8.7	7.3	
Cement production	% yoy	5.7	19.3	5.1	17.3	(3.2)	1.7	5.6	10.3	11.2	1.4	(0.4)	2.4	5.4	
Coal production	% yoy	15.4	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)
Wholesale price index	% yoy	(1.2)	(0.5)	(0.1)	(0.3)	0.4	0.9	0.3	0.2	0.3	1.2	2.7	3.4	2.0	1.3
Logistics															
Rail freight	% yoy	1.5	6.4	6.8	8.5	4.3	6.4	11.7	10.1	8.6	1.4	3.7	10.1		
Port cargo	% yoy	2.8	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
Air cargo	% yoy	(1.1)	6.9	(0.3)	13.1	6.6	10.8	15.0	20.5	17.3	5.0	15.6	15.9	18.1	
E-way bills (volume)	% yoy	16.4	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
Trade															
Merchandise exports	% yoy	(10.0)	3.4	(2.8)	5.8	(3.3)	0.8	4.3	11.9	(0.6)	2.0	13.3	2.5	(1.7)	(9.3)
Merchandise imports	% yoy	(16.1)	0.7	(14.0)	10.3	(3.3)	(6.6)	2.0	13.7	(6.4)	11.5	8.1	5.9	7.5	3.3
Non-oil merchandise exports	% yoy	(8.0)	0.7	(0.6)	8.9	(1.7)	5.9	2.2	13.8	7.9	0.2	8.2	7.6	3.2	0.1
Non-oil merchandise imports	% yoy	(7.8)	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
Services exports	% yoy	8.1	8.3	(2.7)	10.7	4.2	1.7	10.8	3.4	(1.4)	17.7	10.2	3.7	16.6	6.9
Services imports	% yoy	(2.3)	(0.9)	(10.4)	(0.4)	(11.1)	(1.1)	0.1	1.7	(2.1)	19.1	5.4	(3.8)	15.7	4.0

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), Jul '23 - Aug '24

	Units	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	Aug-24
Energy															
Electricity demand	% yoy	8.1	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)
Petrol consumption	% yoy	6.3	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
Automobile registrations															
Passenger vehicles	% yoy	3.3	5.0	17.9	(2.1)	19.5	2.5	12.3	10.7	(5.9)	18.2	0.4	(5.6)	12.6	(2.4)
Three-wheeler	% yoy	77.5	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
Two-wheeler	% yoy	8.8	7.0	22.5	(11.8)	21.7	28.0	15.4	13.7	5.7	33.6	2.7	5.0	17.5	6.5
Commercial vehicles	% yoy	(1.7)	1.9	1.7	9.0	(3.1)	0.0	(1.4)	(0.8)	(8.0)	(0.1)	2.7	(5.3)	5.9	(6.0)
Passenger vehicles-electric	% yoy	140.7	119.5	79.4	95.1	100.9	141.0	136.4	56.7	8.8	39.8	8.6	(5.3)	8.4	(6.1)
Three-wheeler-electric	% yoy	77.1	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
Two-wheeler-electric	% yoy	18.9	21.1	20.6	(2.6)	19.9	17.4	26.9	25.1	62.5	(2.0)	(26.8)	73.6	97.0	41.4
Commercial vehicles-electric	% yoy	510.0	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
Services															
Air passenger (domestic)	% yoy	24.7	22.8	18.4	10.8	9.3	8.6	5.1	5.2	4.1	2.8	5.0	6.2	7.8	5.7
Air passenger (international)	% yoy	20.8	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
Rail passenger	% yoy	6.1	7.7	2.5	7.7										
FASTag collection (volume)	% yoy	11.3	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
FASTag collection (value)	% yoy	19.7	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
UPI transactions (volume)	% yoy	58.5	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
UPI transactions (value)	% yoy	44.3	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
Consumer price index	% yoy	7.4	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
Banking															
Aggregate deposits	% yoy	12.9	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
Outstanding credit	% yoy	19.5	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

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

Note:

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High Frequency Indicators (1/2)

Steady growth across key supply side high frequency indicators; slowdown in goods trade and energy supply

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

	Units	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	Aug-24
Fiscal															
Central government expenditure	INR trillion	3.3	2.9	4.5	2.8	2.6	4.0	3.0	3.9	7.0	4.2	2.0	3.5	3.3	
Gross tax revenue	INR trillion	2.2	3.0	4.3	2.2	2.1	4.4	2.2	1.8	5.7	2.6	2.0	3.7	2.5	
GST collection	INR trillion	1.7	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
Industry															
Index of industrial production	Index	142.7	145.8	142.3	144.9	141.1	152.3	153.6	147.1	160.0	148.0	154.6	150.7	149.6	
Index of eight core industries	Index	153.2	158.6	151.7	156.4	150.4	161.2	165.4	157.7	175.0	161.7	167.4	163.9	162.5	
Electricity generation	billion kWh	149.4	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
Steel production	mn tonnes	11.5	11.4	11.5	11.7	11.8	12.1	12.5	11.8	12.7	12.1	12.2	12.3	12.3	
Cement production	mn tonnes	32.3	35.1	32.3	35.3	30.8	36.4	37.9	38.6	42.7	37.6	37.0	38.6	34.1	
Coal production	mn tonnes	69.6	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
Wholesale price index	Index	152.1	152.5	151.8	152.5	153.1	151.8	151.2	151.2	151.4	152.9	153.5	154.0	155.2	154.5
Logistics															
Rail freight	mn tonnes	124.0	127.0	123.6	129.0	128.4	139.0	142.7	136.6	157.0	128.3	139.2	135.5		
Port cargo	mn tonnes	66.2	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
Air cargo	'000 ton	272.0	279.3	272.7	291.8	269.3	287.0	273.3	293.0	329.3	282.7	312.4	311.1	321.1	
E-way bills (volume)	million	88.0	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
Trade															
Merchandise exports	USD billion	34.5	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
Merchandise imports	USD billion	53.5	62.3	54.5	63.9	55.1	57.2	53.9	60.9	57.0	54.7	62.1	56.7	57.5	64.4
Non-oil merchandise exports	USD billion	27.8	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
Non-oil merchandise imports	USD billion	41.7	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
Services exports	USD billion	26.2	28.7	28.4	28.0	28.1	31.6	31.0	28.3	30.0	30.3	29.8	28.8	30.6	30.7
Services imports	USD billion	13.7	15.1	14.6	13.5	13.7	15.6	14.8	15.2	16.6	16.6	16.7	15.0	15.9	15.7

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

High Frequency Indicators (2/2)

Diverging trends across demand-side high frequency indicators

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

	Units	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	Aug-24
Energy															
Electricity demand	billion kWh	139.2	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
Petrol consumption	mn tonnes	3.0	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
Automobile registrations															
Passenger vehicles	'000s	266.5	295.2	312.3	337.4	350.7	278.3	372.0	309.6	301.1	319.0	286.5	265.0	300.2	288.1
Three-wheeler	'000s	95.0	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
Two-wheeler	'000s	1,233.8	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	1,381.4	1,450.1	1,342.7
Commercial vehicles	'000s	61.8	65.3	70.5	79.8	76.0	65.9	79.9	75.4	78.7	77.3	69.4	58.3	65.4	61.4
Passenger vehicles-electric	'000s	6.9	6.3	5.7	6.4	7.1	7.0	7.0	6.8	7.8	7.6	7.4	6.6	7.5	5.9
Three-wheeler-electric	'000s	53.7	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
Two-wheeler-electric	'000s	54.6	62.7	64.0	75.1	92.0	75.8	82.0	82.6	140.3	65.5	77.3	80.0	107.6	88.8
Commercial vehicles-electric	'000s	0.2	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
Services															
Air passenger (domestic)	million	12.1	12.4	12.2	12.6	12.7	13.8	13.2	12.7	13.4	13.3	13.9	13.3	13.0	13.1
Air passenger (international)	million	5.7	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
Rail passenger	million	71.2	69.4	65.4	64.3										
FASTag collection (volume)	million	295.0	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
FASTag collection (value)	INR billion	49.8	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
UPI transactions (volume)	billion	10.0	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
UPI transactions (value)	INR trillion	15.3	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
Consumer price index	Index	186.3	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
Banking															
Aggregate deposits	INR trillion	191.7	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
Outstanding credit	INR trillion	147.9	149.2	153.2	154.9	157.5	159.6	160.4	162.1	164.3	165.5	167.8	168.8	168.1	169.5

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

Note: Rail passenger data unavailable since October 2023

Core sectors

Industrial production growth accelerated sequentially to 4.8% yoy in July

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

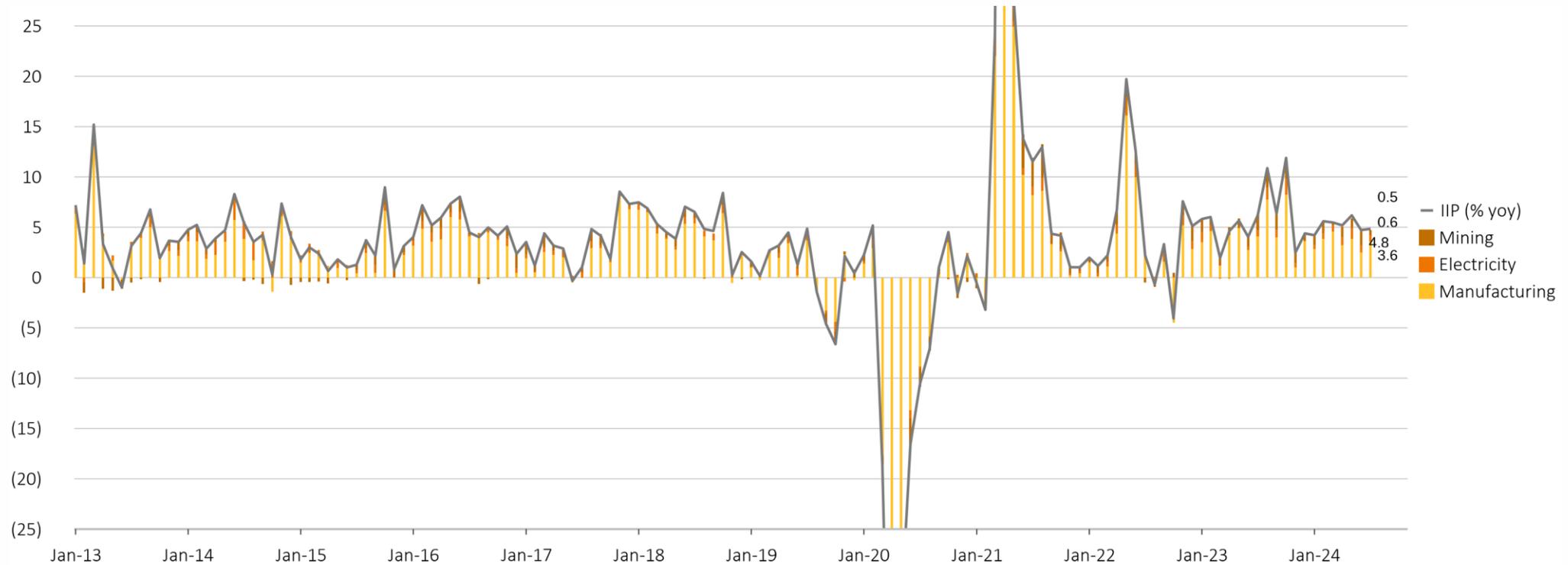
	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
IIP	6.2	10.9	6.4	11.9	2.5	4.4	4.2	5.6	5.5	5.2	6.2	4.7	4.8
Sector-based classification													
Mining	10.7	12.3	11.5	13.1	7.0	5.2	6.0	8.1	1.3	6.8	6.6	10.3	3.7
Manufacturing	5.3	10.0	5.1	10.6	1.3	4.6	3.6	4.9	5.9	4.2	5.0	3.2	4.6
Electricity	8.0	15.3	9.9	20.4	5.8	1.2	5.6	7.6	8.6	10.2	13.7	8.6	7.9
Use-based classification													
Primary goods	7.7	12.4	8.0	11.4	8.4	4.8	2.9	5.9	3.0	7.0	7.3	6.3	5.9
Capital goods	5.1	13.1	8.4	21.7	(1.1)	3.7	3.2	1.7	7.0	2.8	2.9	3.8	12.0
Intermediate goods	3.2	7.4	6.1	9.5	3.4	3.7	5.3	8.6	6.1	3.8	3.9	3.0	6.8
Infrastructure and construction goods	12.6	15.7	10.1	12.6	1.5	5.5	5.5	8.3	7.4	8.5	6.3	7.1	4.9
Consumer durable goods	(3.6)	6.0	1.0	15.9	(4.8)	5.2	11.6	12.6	9.5	10.5	12.6	8.7	8.2
Consumer non-durable goods	8.3	9.9	2.7	9.3	(3.4)	3.0	0.3	(3.2)	5.2	(2.5)	2.5	(1.5)	(4.4)

Source: Thurro, MOSPI, NIIF Research

Core sectors

Manufacturing accounts for 3.6pp of the 5.9% IIP growth in May, followed by electricity at 1.1 pp and mining at 0.9pp

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



Source: Thurro, MOSPI, NIIF Research

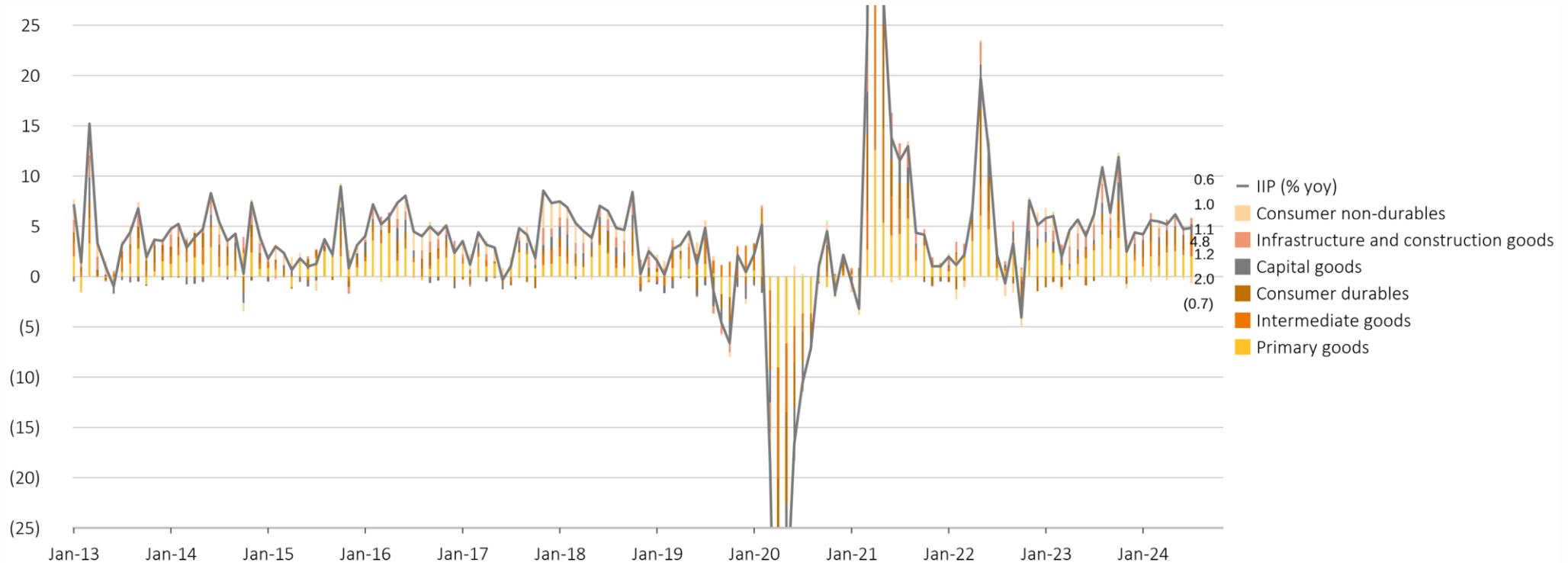
Note:

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

Core sectors

Primary goods contribute 2.0pp of 4.8% IIP growth in July, followed by intermediate and consumer durable goods at 1.2pp and 1.1pp respectively

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

Credit growth in agriculture maintains momentum while retail and services credit growth moderates sharply

Monthly total credit outstanding by sector (INR trillion), 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)
Agriculture	17.9	18.0	18.2	19.1	19.3	19.9	20.1	20.4	20.7	21.1	21.4	21.6	21.6	20.7
Industry	33.7	34.1	34.7	35.7	36.0	36.6	36.5	36.7	36.8	36.6	37.0	37.3	37.2	10.6
Construction	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.3	1.4	1.4	1.4	12.4
Infrastructure	12.3	12.4	12.5	12.7	12.8	12.9	12.8	12.8	12.8	13.2	13.4	13.2	13.0	5.6
Power	6.2	6.1	6.2	6.2	6.3	6.5	6.4	6.5	6.5	6.5	6.6	6.5	6.4	3.3
Telecom	1.3	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)
Roads	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.0	3.3	3.4	3.4	3.3	11.0
Services	39.0	39.4	40.3	42.1	42.6	44.1	44.2	44.9	45.9	45.9	46.8	47.1	46.0	17.9
Services - NBFC	13.8	13.8	14.2	14.8	14.9	15.2	15.0	15.1	15.5	15.5	15.7	15.6	15.3	11.0
Services – Trade	8.4	8.4	8.7	9.3	9.1	9.4	9.6	10.1	10.2	10.2	10.5	10.6	10.4	23.5
Services - Commercial Real Estate	4.1	4.1	4.1	4.2	4.3	4.4	4.4	4.4	4.5	4.5	4.8	4.8	4.8	19.0
Retail loans	47.3	47.7	48.3	50.0	50.6	51.8	52.2	52.7	53.4	53.6	54.6	54.9	55.3	16.9
Other non-food loans	9.9	9.8	9.8	7.1	7.3	6.8	6.9	7.0	7.3	7.5	7.6	7.7	7.7	(22.1)
Non-food credit	147.8	149.0	151.3	154.1	155.8	159.2	160.0	161.7	164.1	164.8	167.4	168.5	167.9	13.6
Total Credit Outstanding (without HDFC merger)	141.9	143.2	145.6	148.4	150.4	153.9	154.9	156.7	159.0	159.7	162.7	163.8	163.2	15.0
Total Credit Outstanding	148.0	149.2	151.5	154.3	156.2	159.6	160.4	162.1	164.3	164.9	167.8	168.8	168.1	13.6

Source: Thurro, RBI, NIIF Research

Bank: credit and deposits

Sequential moderation in housing loan growth reflected in slower overall credit growth in July

Monthly retail loans (INR trillion), 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)
Personal loans	47.3	47.7	48.3	50.0	50.6	51.8	52.2	52.7	53.4	53.6	54.6	54.9	55.3	16.9
Housing	24.3	24.6	24.8	25.6	25.9	26.4	26.6	26.8	27.2	27.4	27.9	28.0	28.1	15.7
Vehicle loans	5.3	5.3	5.4	5.5	5.6	5.8	5.8	5.8	5.9	5.9	6.0	6.0	6.2	16.8
Credit card outstanding	2.1	2.2	2.2	2.4	2.4	2.5	2.6	2.6	2.6	2.6	2.7	2.7	2.8	29.0
Advances against fixed deposits	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.2	1.2	1.3	1.2	10.2
Education	1.0	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	19.3
Loans against gold jewellery	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.2	1.2	1.3	38.4
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	16.2
Others	12.2	12.2	12.4	12.9	13.0	13.3	13.5	13.7	13.9	13.9	14.0	14.0	14.2	15.6

Source: Thurro, RBI, NIIF Research

Inflation

Inflationary pressures ease across major commodities; food and personal care prices remain elevated in August

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

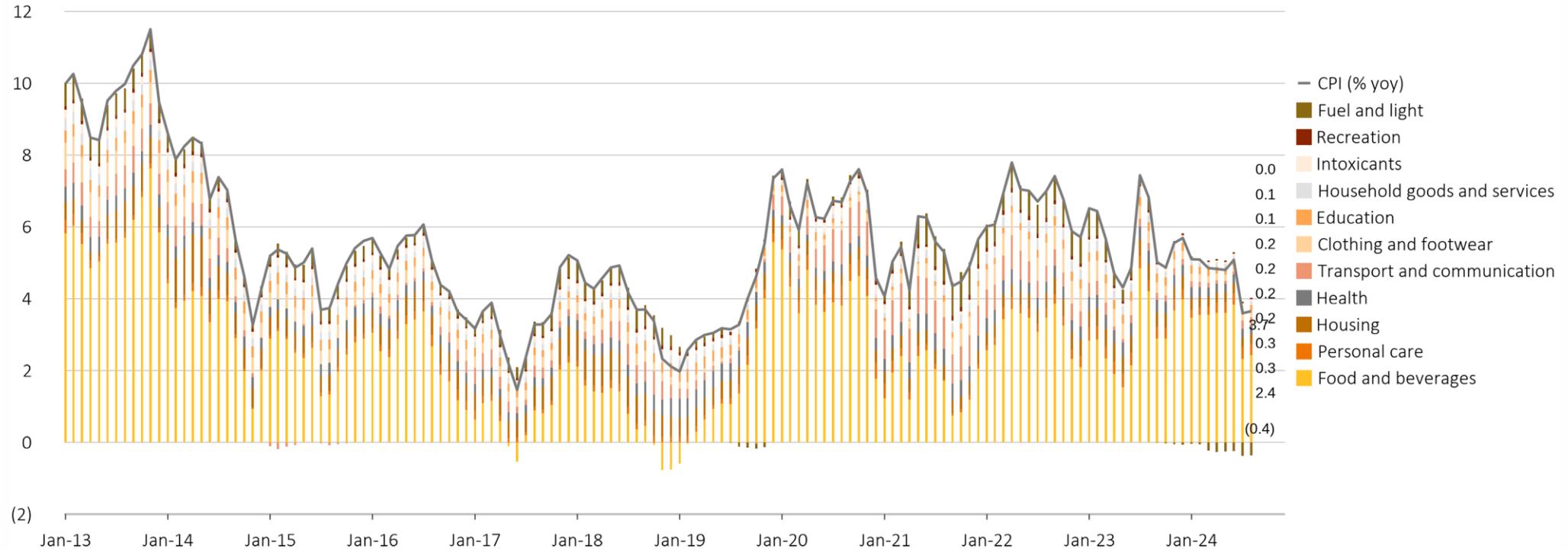
	Weights	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
Consumer Price Index	100.0	6.8	5.0	4.9	5.6	5.7	5.1	5.1	4.9	4.8	4.8	5.1	3.6	3.7
Consumer Price Index - Core	47.3	4.8	4.5	4.3	4.1	3.9	3.6	3.4	3.2	3.2	3.1	3.1	3.4	3.4
Food and beverages	45.9	9.2	6.3	6.3	8.0	8.7	7.6	7.8	7.7	7.9	7.9	8.4	5.1	5.3
Pan, tobacco and intoxicants	2.4	4.1	3.9	3.9	3.8	3.6	3.3	3.1	3.1	3.0	3.0	3.1	3.0	2.7
Clothing and footwear	6.5	5.2	4.6	4.3	3.9	3.6	3.4	3.1	3.0	2.9	2.7	2.7	2.7	2.7
Housing	10.1	4.4	4.0	3.8	3.6	3.6	3.2	2.9	2.7	2.7	2.6	2.7	2.7	2.7
Fuel and light	6.8	4.3	(0.1)	(0.4)	(0.8)	(1.0)	(0.6)	(0.8)	(3.4)	(4.0)	(3.7)	(3.6)	(5.5)	(5.3)
Miscellaneous	28.3	4.9	4.8	4.5	4.4	4.1	3.8	3.6	3.5	3.5	3.4	3.4	3.8	3.9
Household goods and services	3.8	4.8	4.3	3.9	3.5	3.4	3.1	2.8	2.7	2.7	2.5	2.4	2.3	2.4
Health	5.9	6.2	5.9	5.9	5.5	5.1	4.9	4.5	4.3	4.3	4.2	4.1	4.1	4.1
Transportation and communication	8.6	2.5	2.3	2.0	2.1	2.0	2.0	1.8	1.5	1.1	1.0	1.0	2.6	2.7
Recreation and amusement	1.7	3.6	3.4	3.3	3.1	3.1	2.9	2.7	2.8	2.6	2.6	2.3	2.2	2.3
Education	4.5	5.5	5.3	5.1	5.0	4.8	4.9	4.8	4.7	4.2	4.1	3.6	3.5	3.7
Personal Care and effects	3.9	8.1	8.5	7.8	7.8	7.3	5.9	5.2	6.0	7.4	7.7	8.2	8.4	7.9

Source: Thurro, MoSPI, NIIF Research

Inflation

Food and beverages contribute 2.4pp to 3.7% of CPI inflation in August, followed by personal care and housing at 0.3pp each

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



Source: Thurro, MoSPI, NIIF Research

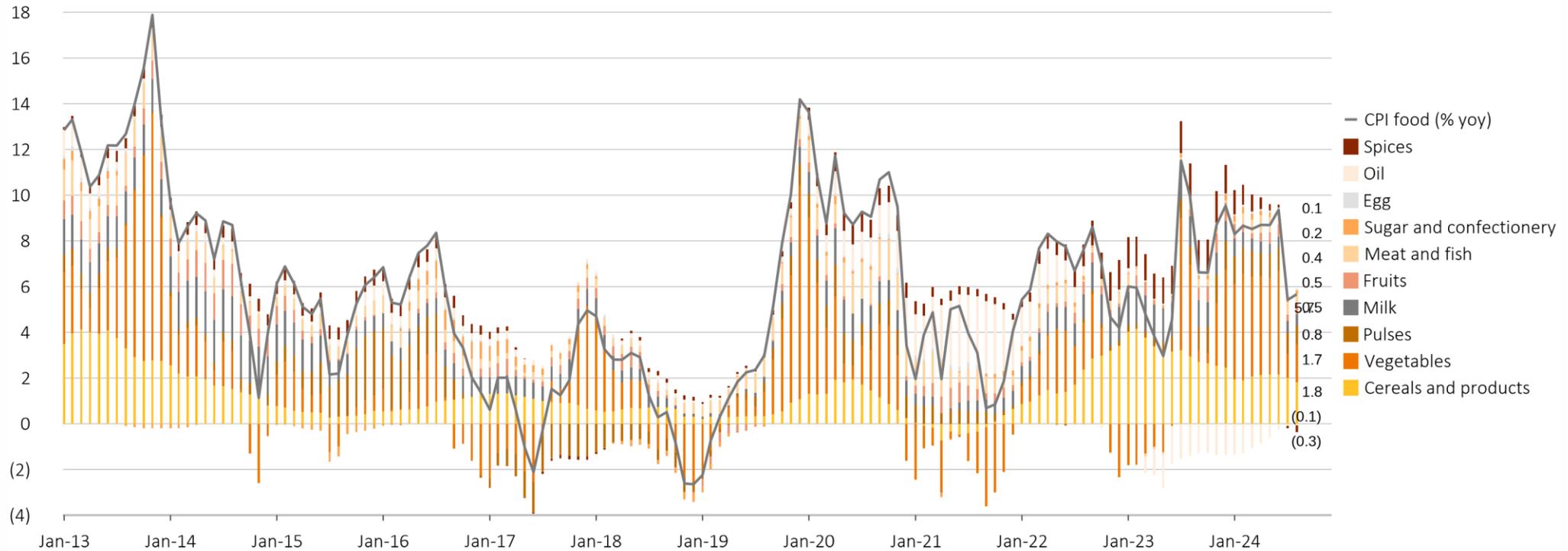
Note:

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

Cereals contribute 1.8pp of overall 5.7% food inflation in July, followed by vegetables at 1.7pp, and pulses at 0.8pp

Contribution of key components to consumer food price inflation (CPI food) (% yoy/pp), FY2013-FY2025 (Aug '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 1.3% yoy in August led by rise in food and mineral prices, and a fall in crude oil and power prices

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

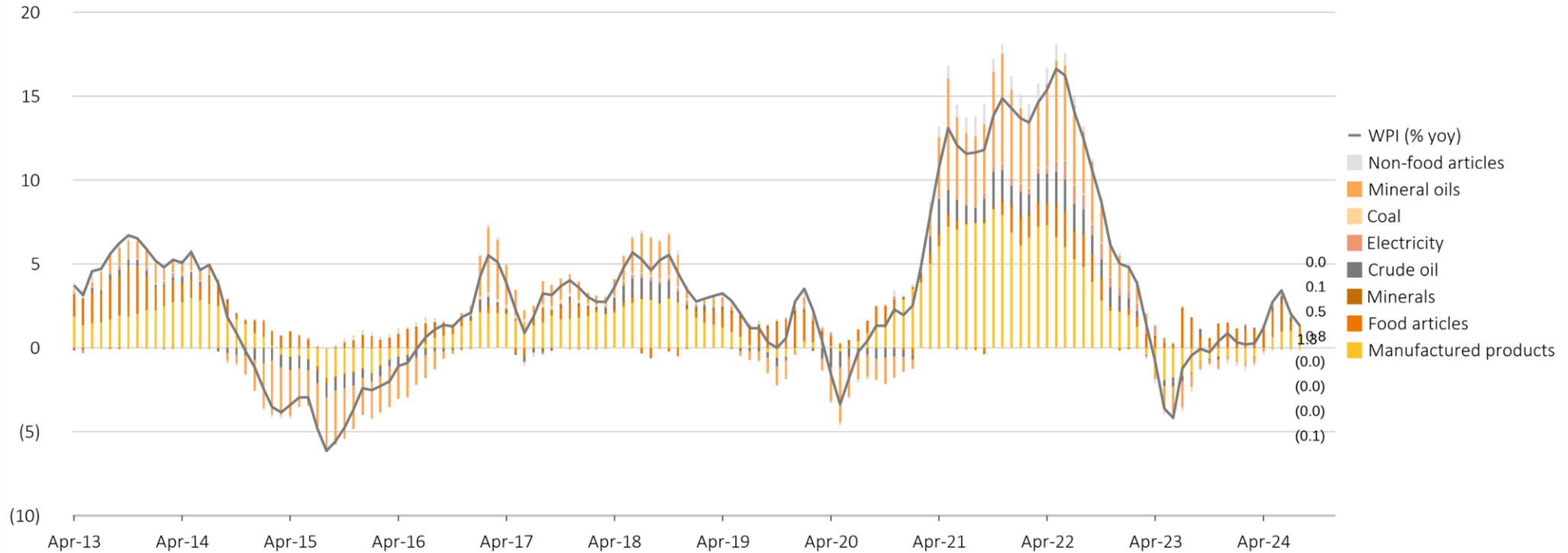
	Weights	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
WPI	100.0	(0.5)	(0.1)	(0.3)	0.4	0.9	0.3	0.2	0.3	1.2	2.7	3.4	2.0	1.3
Primary articles	22.6	6.7	4.4	2.3	5.2	5.7	4.1	4.6	4.6	5.2	7.4	9.2	3.1	2.4
Food articles	15.3	11.4	3.8	3.2	8.8	9.3	6.9	7.1	7.0	8.1	9.9	11.1	3.4	3.1
Non-food articles	4.1	(6.8)	(2.1)	(1.1)	(3.0)	(5.2)	(6.4)	(6.5)	(4.2)	(4.8)	(3.9)	(1.0)	(2.9)	(2.1)
Minerals	0.8	6.5	19.0	11.6	8.7	6.8	10.6	3.4	(0.4)	(0.3)	5.7	10.7	6.6	8.8
Crude oil, petroleum and natural gas	2.4	(1.9)	15.6	(2.2)	(7.1)	(0.1)	0.2	8.2	4.9	5.0	9.8	12.6	9.1	1.8
Fuel and power	13.2	(6.3)	(3.3)	(1.6)	(4.1)	(1.4)	(0.4)	(1.7)	(2.7)	(0.9)	1.0	0.5	1.7	(0.7)
Coal	2.1	2.5	1.8	1.8	1.8	1.8	1.4	0.3	0.5	0.3	1.2	(1.3)	(1.5)	(1.5)
Mineral oils	7.9	(9.7)	(4.7)	(0.5)	(5.7)	(2.7)	(1.1)	(3.8)	(3.5)	(0.1)	2.0	1.9	3.7	(0.4)
Electricity	3.1	(1.0)	(2.6)	(6.8)	(2.9)	0.4	0.3	3.0	(2.6)	(3.9)	(2.0)	(2.4)	(1.7)	(0.8)
Manufactured products	64.2	(2.3)	(1.3)	(1.1)	(0.8)	(0.8)	(1.2)	(1.3)	(0.8)	(0.1)	1.0	1.5	1.6	1.2

Source: Thurro, EAI, NIF Research

Inflation

Manufactured products contribute 0.8pp of 1.3% WPI inflation in August

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