

Monthly Review of the Economy

February 2024

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Comments are welcome at directorgeneral@ncaer.org. The findings, interpretations, and conclusions expressed are those of the authors and do not necessarily reflect the views of the Governing Body or Management of NCAER.

Monthly Highlights

- The Federal Open Market Committee (FOMC), in its meeting on January 30-31, 2024, kept the policy rate unchanged at 5.50 percent (with the target range of 5.25 to 5.50 percent).
- Although inflation in the US, and the Euro Area decelerated, it stayed above the targeted rate of 2 percent. Inflation in the UK remained unchanged and above the target rate of 2 percent. Meanwhile, in Japan, inflation decelerated further but still exceeded the 2 percent target.
- As per the Union Government's Interim Budget, nominal Gross Domestic Product (GDP) is projected to grow at 10.5 percent year-over-year to reach a value of Rs. 3,27,71,808 crore in FY2024-25. The fiscal deficit target has been reduced, and capital expenditure increased for FY2024-25.
- The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 6.5 percent. The Reserve Bank of India projected India's real Gross Domestic Product (GDP) growth for FY2024-25 at 7 percent, and Consumer Price Index (CPI) inflation at 4.5 percent. Additionally, CPI inflation projection for FY2023-24 remained at 5.4 percent in line with its projection in December 2023.
- High-frequency indicators reveal that the domestic economy has remained resilient. The Purchasing Manager's Index (PMI) for services accelerated further, while PMI for manufacturing activity regained momentum sequentially; growth in IIP accelerated but growth in IIP core moderated, on a year-over-year basis. GST collections remained buoyant year-over-year, and grew on a sequential basis. Inflationary pressure eased, food inflation softened, and Wholesale Price Inflation moderated in January 2024. The total outstanding credit of Scheduled Commercial Banks increased by 19.9 percent on a year-over-year basis; credit growth remained robust for personal loans and the services sector.
- India's foreign exchange reserves remained flat; the rupee remained flat against the US dollar; the merchandise trade deficit narrowed, and the services trade surplus increased on a sequential basis.
- Employment indicators showed mixed trends (on a year-over-year basis)—the number of net new subscribers under EPFO increased; online hiring, as per the Naukri JobSpeak Index moderated by 11.1 percent, but sectors like Travel and Hospitality and Banking and Financial Services showed an increase of 8.3 percent. Work demand under MGNREGA moderated.
- Yields on 5-year and 10-year Indian government securities remained flat; net foreign portfolio investments turned positive; equity markets increased for India, world and emerging markets.

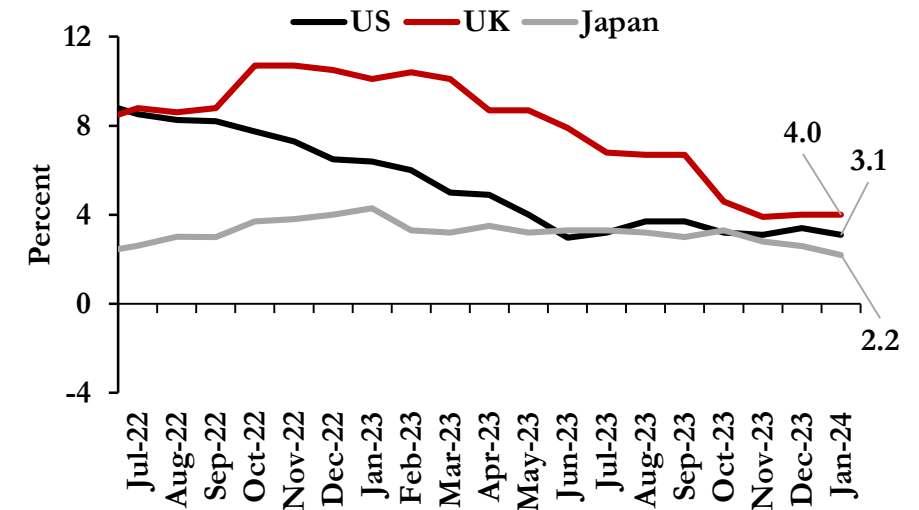
- Federal Open Market Committee (FOMC) kept the policy rate unchanged (with a target rate range of 5.25-5.50 percent) as reported in Table 1. [Federal Reserve Press Release, January 31, 2024](#)
- [Inflation in the US decelerated to 3.1 percent in January 2024](#) against 3.4 percent in December 2023. [Inflation in the UK remained unchanged at 4 percent in January 2024](#) as compared to December 2023. [Inflation in Japan decelerated to 2.2 percent in January 2024](#) from 2.6 percent in December 2023 (Figure 1).
- Inflation rate in the Euro area decelerated to 2.8 percent in January 2024 from 2.9 percent in December 2023. The annual inflation rate of the European Union decelerated to 3.1 percent in January 2024 from 3.4 percent in December 2023. [\[Eurostat, February 22, 2024\]](#).

Table 1: FOMC's target federal funds rate and range

	2024	2023							
FOMC Meeting Dates	30-31 Jan	12-13 Dec	31 Oct- 1 Nov	19 – 20 Sept	25 – 26 July	13 – 14 June	2 – 3 May	21 – 22 Mar	31 Jan – 1 Feb
US Policy Rate	5.50	5.50	5.50	5.50	5.50	5.25	5.25	5.00	4.75
Target Range	5.25 – 5.50	5.25 – 5.50	5.25 – 5.50	5.25 – 5.50	5.25 – 5.50	5.00 -5.25	5.00 - 5.25	4.75 – 5.00	4.50 – 4.75

Source: [FOMC Meeting calendars, statements, and minutes \(2019-2024\)](#)

Figure 1: Headline Inflation in Advanced Economies



Source: US Bureau of Labor Statistics; Office for National Statistics; Statistics Bureau, UK and The Bank of Japan (Figure 1).

- The International Monetary Fund (IMF), in its latest [World Economic Outlook \(WEO\) January 2024](#), raised its projection for global real GDP growth for 2024 to 3.1 percent from its previous projection of 2.9 percent as reported in WEO, October 2023 (Table 2). India’s real GDP growth estimate has been revised upward to 6.7 percent for the [FY2023-24 in WEO, January 2024](#), as compared to the previous forecast of 6.3 percent as reported in [IMF’s Article IV Mission Report for India, December 2023](#) and [WEO, October 2023](#) (Table 3).
- The Organization for Economic Co-operation and Development (OECD) raised its forecast for global real GDP for 2024 to 2.9 percent in the [Global Economic Outlook \(GEO\) Interim, February 2024](#), against 2.7 percent projected in its [OECD Economic Outlook, November 2023](#) (Table 2). India’s real GDP growth projection has been revised upward for the FY2023-24 to 6.7 percent in GEO (interim) February 2024, from 6.3 percent in GEO November 2023 (Table 3).

Table 2: Global Real GDP Growth Projections

Multilateral Institutions	IMF		OECD	
	January (2024)	October (2023)	February (2024)	November (2023)
Global Growth Projection 2024	3.1%	2.9%	2.9%	2.7%

Source: [IMF](#), [OECD](#).

Table 3: India’s Real GDP Growth Estimates and Projections

Multilateral Institutions	IMF			OECD	
	January (2024)#	December* (2023)	October (2023)	February (2024)	November (2023)
India’s Growth Projection (FY2023-24)	6.7%	6.3%	6.3%	6.7%	6.3%

Source: [IMF](#), [OECD](#).

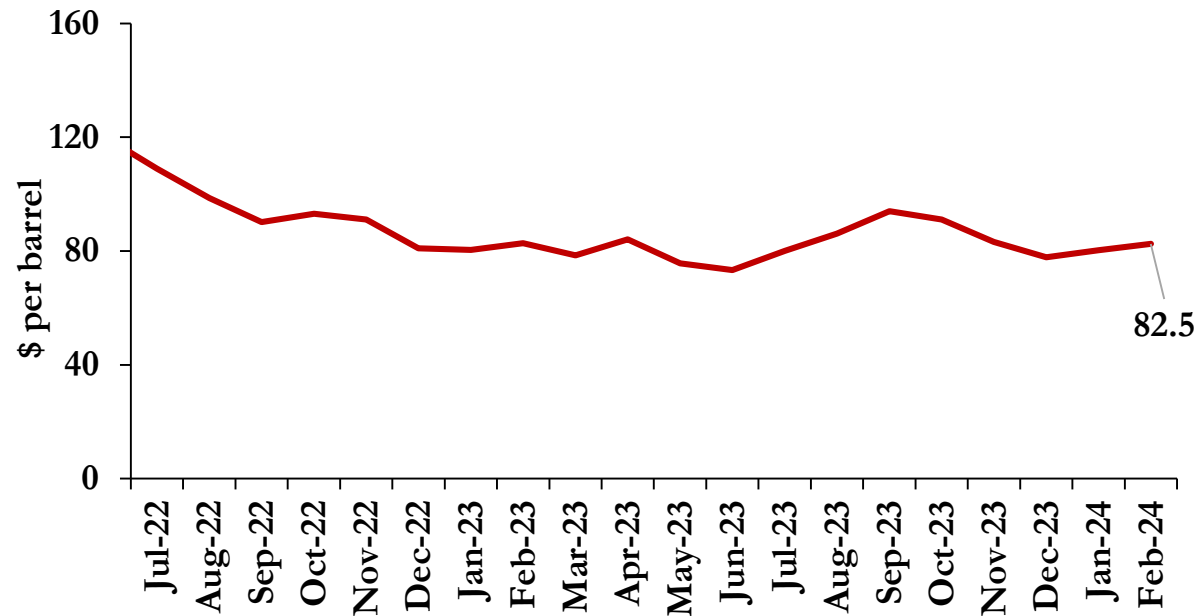
Note: * denotes the projection published in Article IV Mission Report for India in December 2023.
Growth Estimates

Oil prices continued to increase; MSCI Index for India, world and emerging markets showed sequential increase

Global

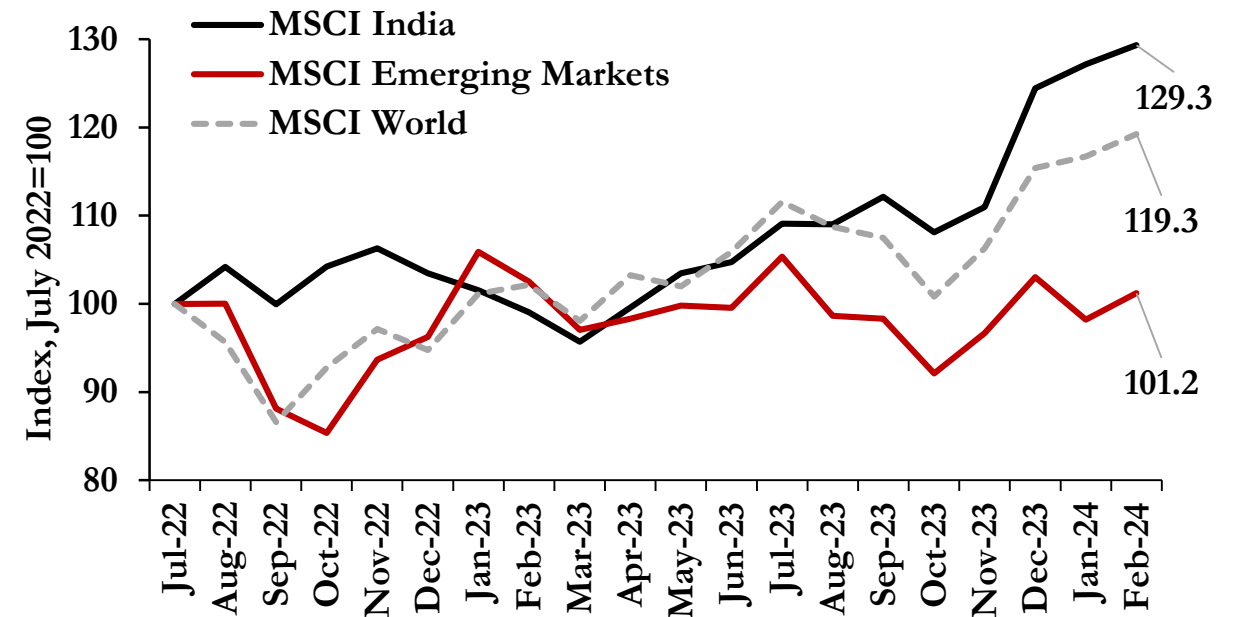
- The Brent crude oil price increased to USD 82.5 per barrel (as of February 23, 2024), as compared to the corresponding price of USD 80.2 per barrel at end-January 2024 (Figure 2).
- As of February, 23 2024, the Morgan Stanley Capital International (MSCI) Index increased sequentially by 1.7 percent for India, 3.1 percent for the world, and 2.2 percent for emerging markets as compared to the end of January 2024 (Figure 3).

Figure 2: Brent Crude Oil Price



Source: World Bank Pink Sheet (Figure 2).

Figure 3: Equity Markets



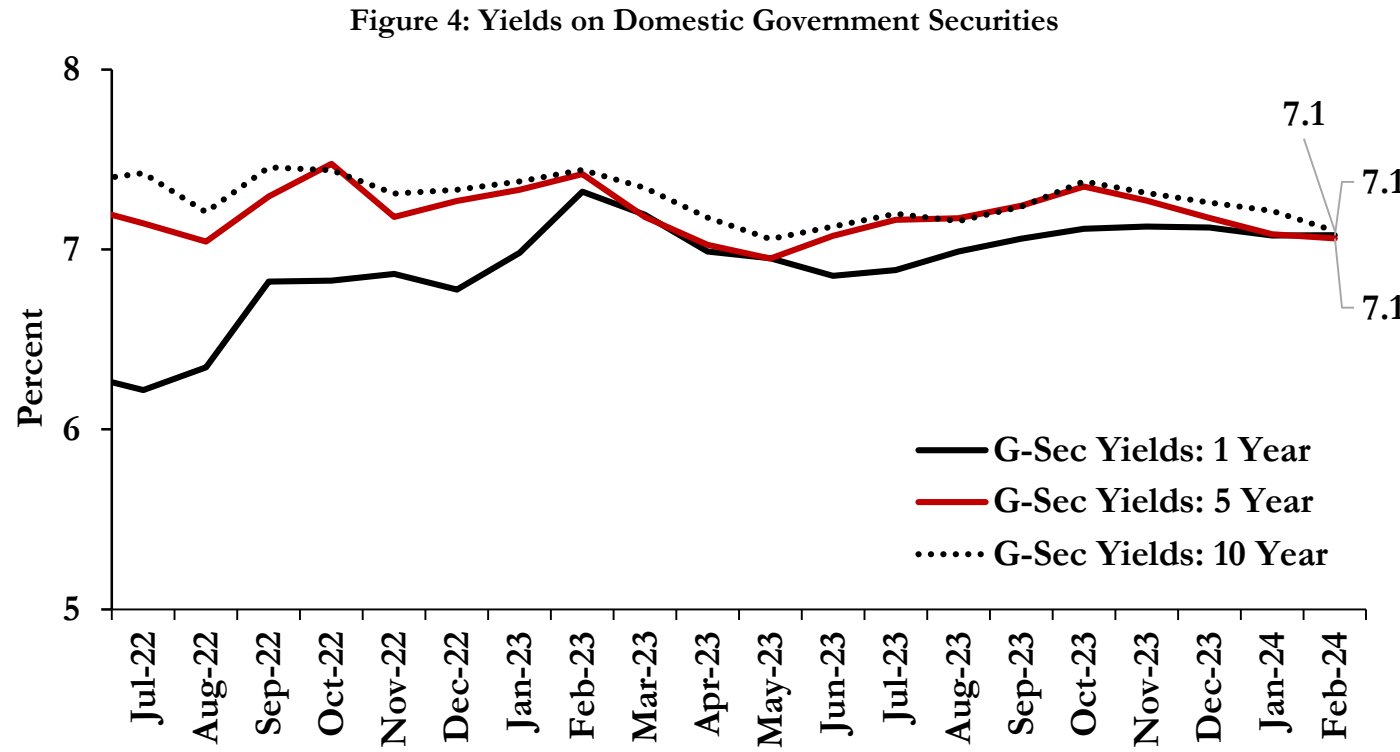
Source: Investing.com (Figure 3).

Note: The data for Figure 2 has been taken from the World Bank Pink Sheet for the period July 2022 until January 2024, and from Global Markets Monitor (GMM), for the month of February 2024, as of 23 February 2024. Figure 3 is indexed from July 2022, July 2022=100, data for Figure 3 is reported until 23 February 2024. The average of daily values was taken to create the monthly value for February 2024.

Yields on Indian Government debt remained flat for the 1-year, 5-year and 10-year benchmarks sequentially

Markets

- As of February 23, 2024, the yields for 1-year and 5-year benchmark government securities remained flat at 7.1 percent in line with the corresponding figures for January 2024. The 10-year benchmark government securities decreased marginally from 7.2 percent in January 2024 to 7.1 percent, as of 23 February 2024 (Figure 4).

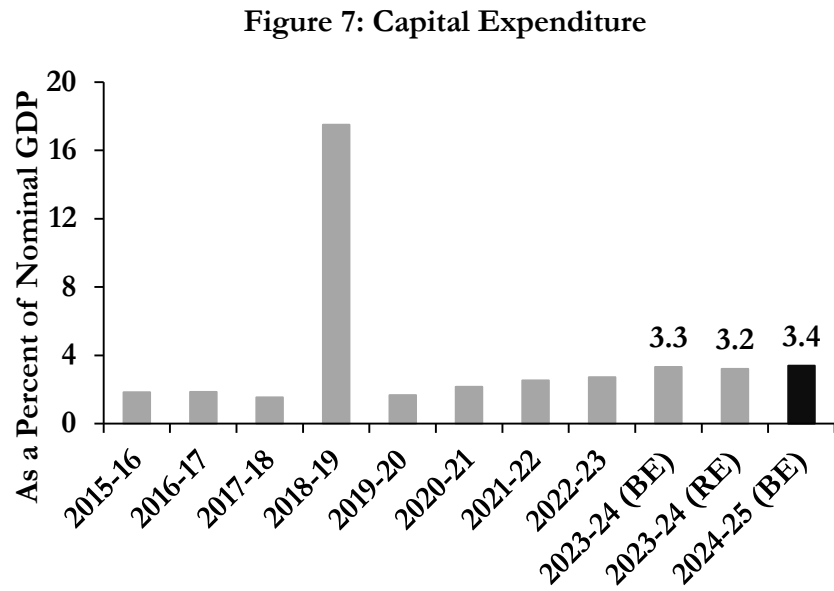
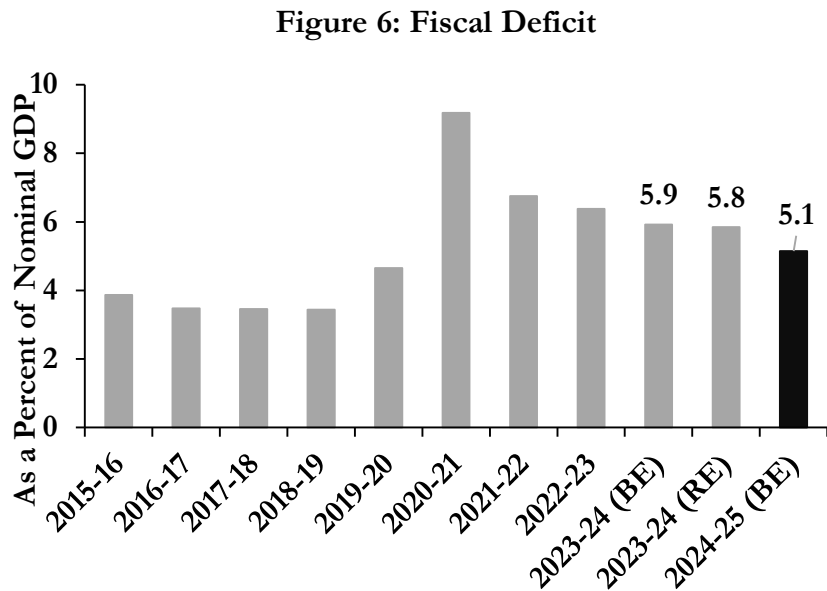
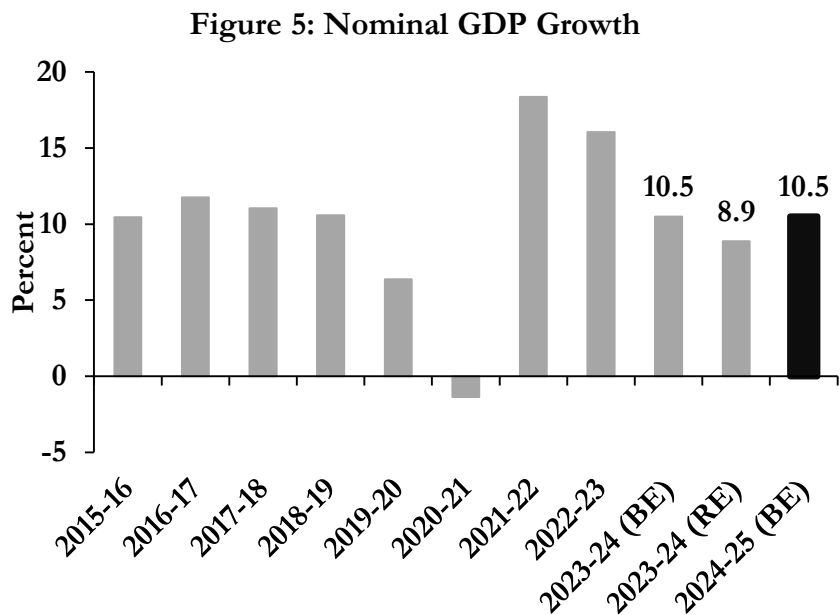


Source: Clearing Corporation of India Ltd (Figure 4).

Note: In Figure 4, for the month of February 2024, data is reported until 23 February 2024. The average of daily values is taken to create the monthly value for February 2024.

Union Government’s Interim Budget reduced the fiscal deficit target and increased the capital expenditure target for the FY2024-25 (BE)

- As per the Union Government’s Interim Budget, nominal Gross Domestic Product (GDP) is projected to grow at 10.5 percent to reach a value of Rs. 3,27,71,808 crore in FY2024-25 (Figure 5).
- The Union Government reduced the fiscal deficit target to 5.1 percent of nominal GDP for the FY2024-25 (BE) from 5.8 percent (of nominal GDP) as per the revised estimates of the FY2023-24 (RE) and 5.9 percent (of nominal GDP), as per the budget estimates of the FY2023-24 (BE) (Figure 6).
- The Union Government increased the capital expenditure to 3.4 as a percent of nominal GDP for the FY2024-25 (BE), from 3.2 percent(of nominal GDP) as per the revised estimates of the FY2023-24 (RE) and 3.3 percent (of nominal GDP), as per the budget estimates of the FY2023-24 (BE) (Figure 7). [The Interim Union Budget for the fiscal year 2024-25 | PIB Press Release dated February 1, 2024](#)



Source: Ministry of Finance (Figures 5, 6, and 7)

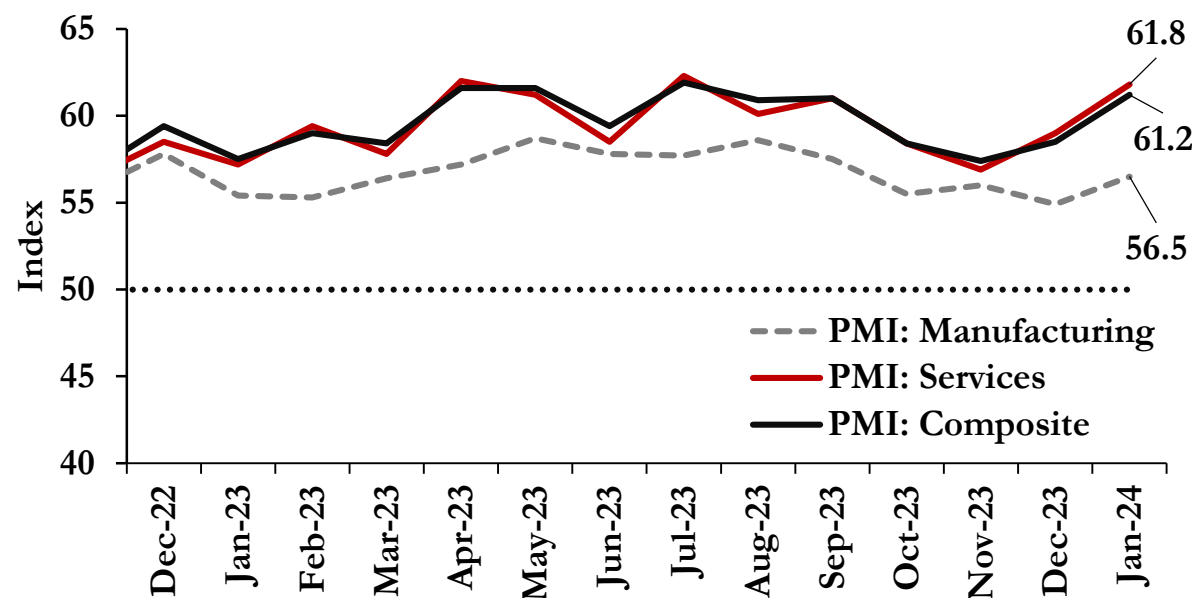
Note: In Figure 5, 6 and 7 REs refer to Revised Estimate for FY2023-24, BEs refer to Budget Estimates for FY2023-24 and FY2024-25.

PMI for services accelerated further, PMI for manufacturing regained momentum; growth in IIP accelerated on a year-over-year basis

Real Sector

- The Purchasing Manager's Index (PMI) for manufacturing activity accelerated to [56.5 in January 2024](#) from the value of 54.9 in December 2023, and it continued to reflect an expansionary momentum. The PMI for services accelerated to a value of [61.8 in January 2024](#) from the value of 59 in December 2023. The composite PMI accelerated to 61.2 in January 2024 from the value of 58.5 in December 2023 (Figure 8).
- The growth in the Index of Industrial Production (IIP) accelerated to 3.8 percent (Provisional Estimates) in December 2023 from 2.4 per cent in November 2023 on a year-over-year basis (Figure 9). [\[IIP Press Release dated February 12, 2024\]](#)
- The growth in the combined Index of Eight Core Industries (IIP Core) decelerated to 3.8 percent (Provisional Estimates) in December 2023 from 7.9 per cent in November 2023 on a year-over-year basis (Figure 9). [\[IIP Core Press Release \(Office of Economic Advisor, DPIIT, Govt. Of India\) dated January 31, 2024\]](#)

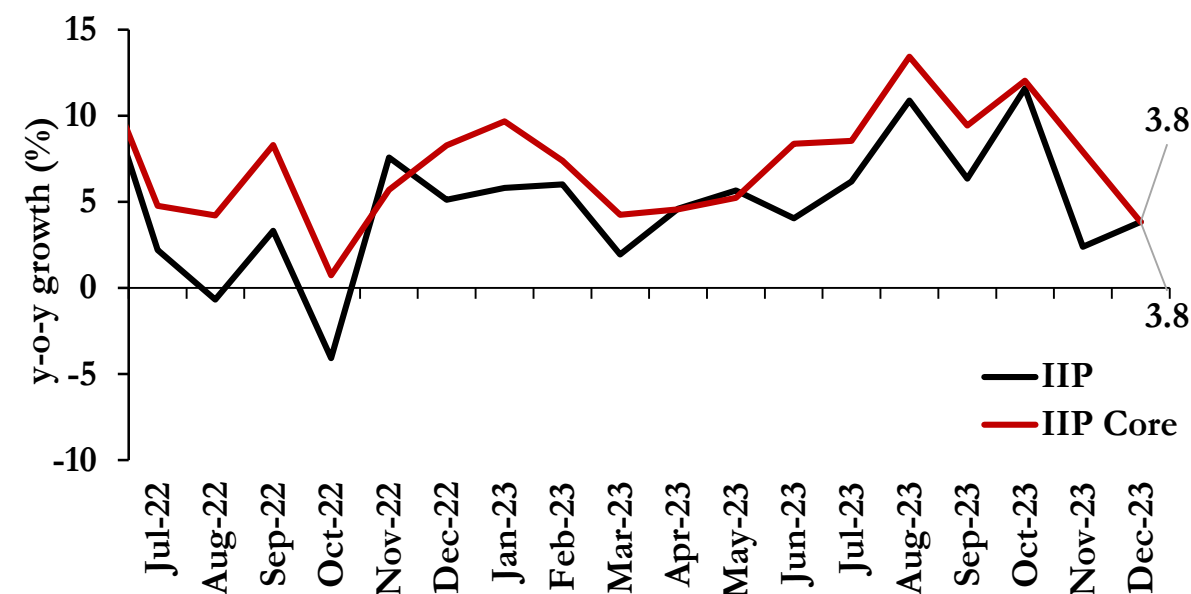
Figure 8: Purchasing Manager's Indices



Source: IHS Markit (Figure 8).

Note: PMI value ranges from 0 to 100. Any value under 50 represents a contraction, a reading at 50 indicates no change, and a reading above 50 indicates expansion. The further away from 50 is the reading, the greater is the level of change.

Figure 9: Index of Industrial Production (IIP)



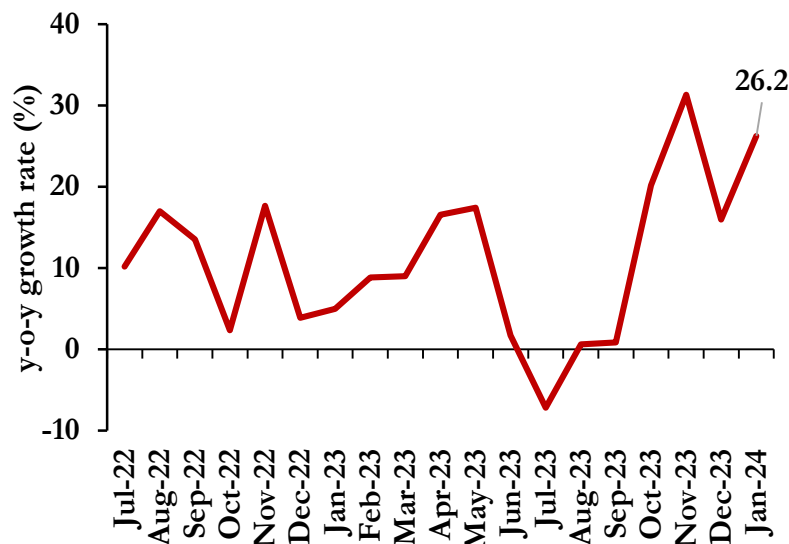
Source: Ministry of Statistics and Programme Implementation and Department for Promotion of Industry and Internal Trade (DPIIT), Government of India (Figure 9).

Sales of automobiles (non-EV two-wheelers) and EVs remained robust; digital toll collection registered growth

Real Sector

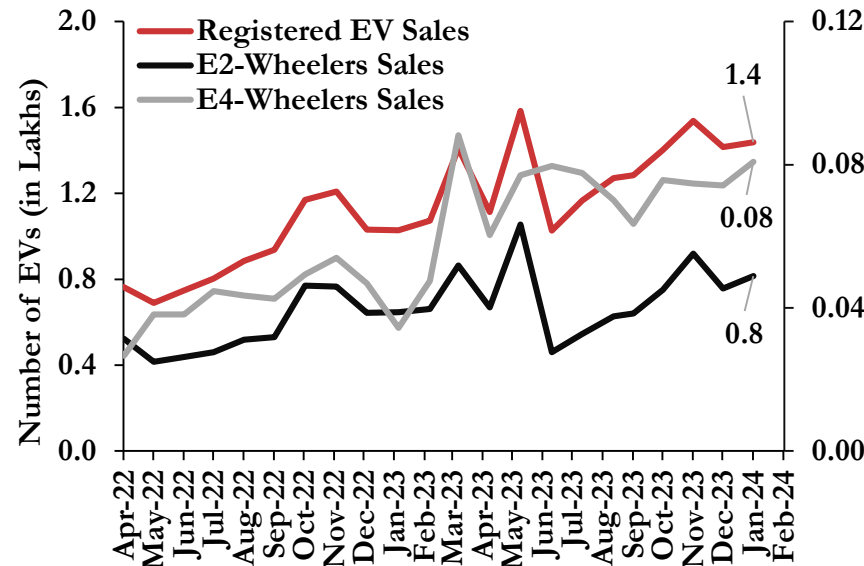
- The sales of non-Electric Vehicle (non-EV) two-wheelers registered a growth of 26.2 percent in January 2024 on a year-over-year basis and a sequential growth of 23.4 per cent. (Figure 10).
- As per the Vahan Dashboard of the Government of India, the overall EV sales registered a year-over-year growth of 39.8 percent in January 2024. Additionally, sales of overall registered EVs increased by 1.6 percent on a sequential basis. Sales among different categories for EVs like Electric Two-Wheelers (E2Ws) marked a year-over-year increase of 25.9 percent. Additionally, sales of E2Ws increased by 7.6 percent on a sequential basis. Sales of Electric Four-Wheelers registered a sequential increase of 8.9 percent, and a year-over-year increase of 134.7 percent in January 2024 (Figure 11). [\[Monthly EV Update – January 2024 \(https://evreporter.com/\)\]](https://evreporter.com/)
- The National Electronic Toll Collection (NETC) recorded 331.4 million transactions in January 2024, and registered a growth of 10.2 percent on a year-over-year basis in terms of the volume of transactions. However, sequentially the number of transactions declined by 4.8 percent (Figure 12).

Figure 10: Automobile (non-EV Two-wheeler) Sales



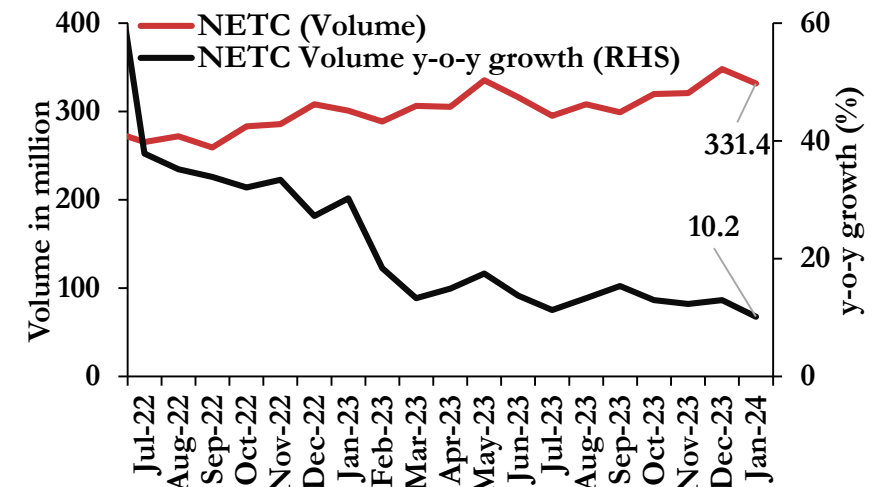
Source: CEIC estimates, Society of Indian Automobile Manufacturers (Figure 10).

Figure 11: Electric Vehicles Sales- by Categories



Source: EV reporter, Vahan Dashboard (Figure 11).

Figure 12: Digital Payments: NETC Volume and Growth Rates



Source: National Payments Corporation of India (NPCI) (Figure 12).

UPI transactions (in volume) registered 51.2 percent growth on a year-over-year basis but sequentially remained flat; IMPS (in volume) registered 7.2 percent growth on year-over-year basis

Real Sector

- The Unified Payments Interface (UPI), India's leading digital payment system, recorded 12.2 billion transactions in January 2024 (Figure 13), registering a growth of 51.8 percent on a year-over-year basis. However, sequentially the number of transactions remained flat (Figure 14).
- The electronic funds transfer system, Immediate Payment Service (IMPS), recorded 508.8 million transactions in January 2024 (Figure 13), registering a growth of 7.2 percent on a year-over-year basis (Figure 14).

Figure 13: Unified Payments Interface (UPI) and Immediate Payment Service (IMPS) Transactions

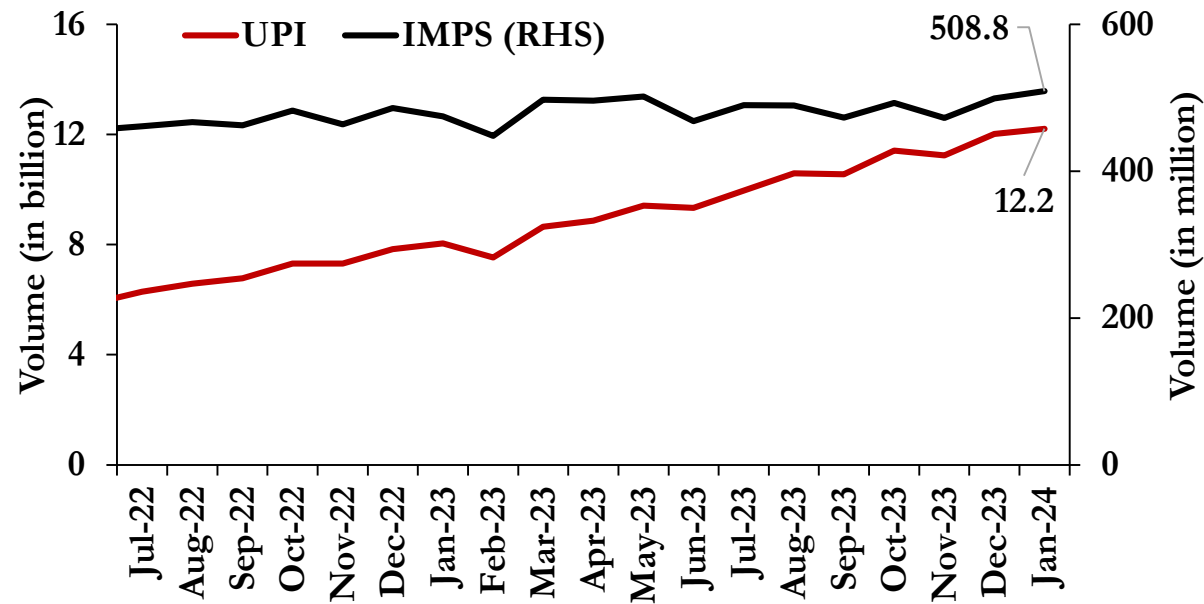
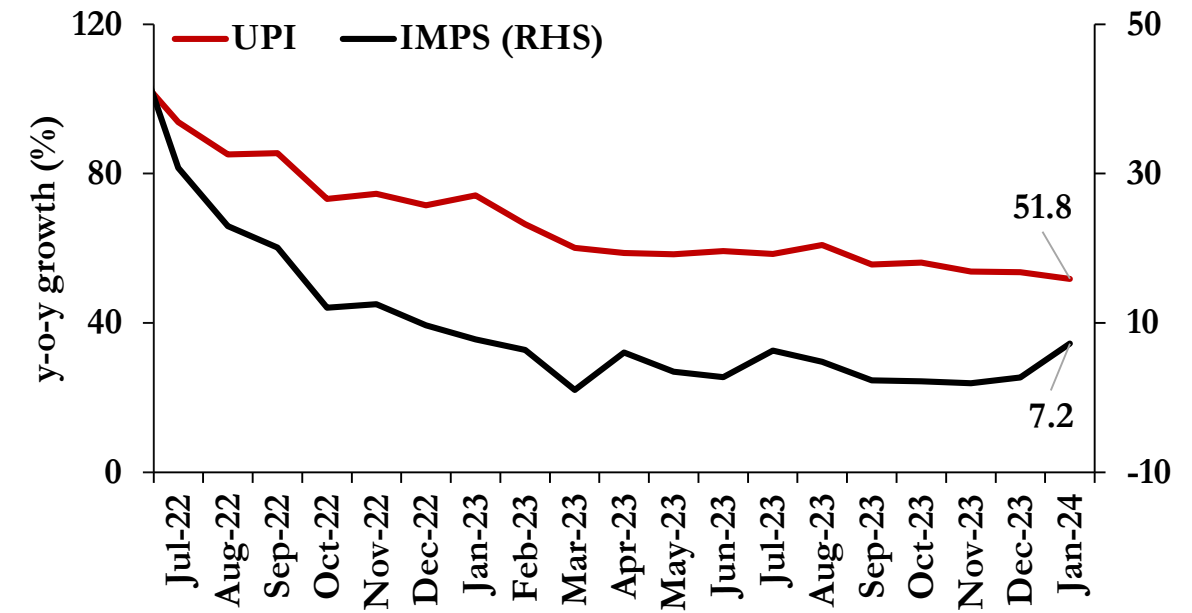


Figure 14: UPI and IMPS Growth in Volume of Transactions



Source: National Payments Corporation of India (NPCI) (Figures 13 and 14).

Centre’s fiscal deficit reached 55 percent of BE for FY2023-24 in December 2023

- As of December 2023, the fiscal deficit reached 55.0 percent of the Budget Estimate (BE) for FY2023-24, as compared to 59.8 percent of the BE for FY2022-23, as of December 2022 (Figure 15).
- Revenue inflows reached 77.6 percent of the budget projection as of December 2023, for FY2023-24, as compared to 80.3 percent of the BE for FY2022-23, as of December 2022 (Figure 16).
- Total expenditure reached 67.8 percent of the overall BE for FY2023-24, as of December 2023, as compared to 71.4 percent of the BE for FY2022-23, as of December 2022 (Figure 17). [\[Controller General of Accounts Monthly Report, December 2023\]](#)

Figure 15: Fiscal Deficit

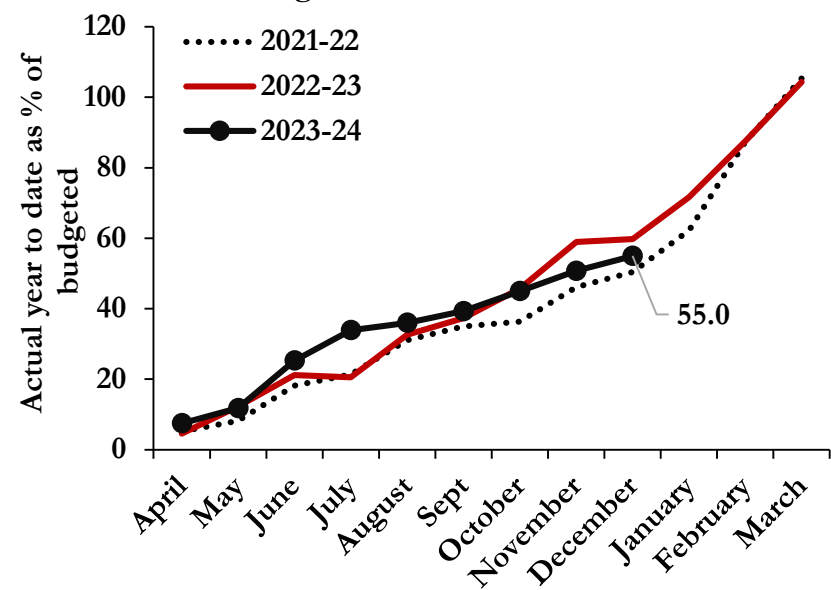


Figure 16: Revenue Receipts

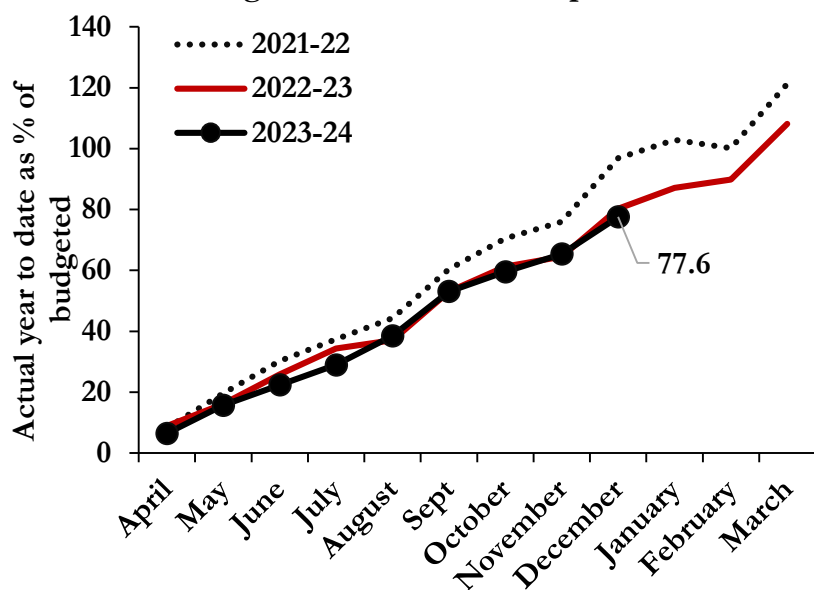
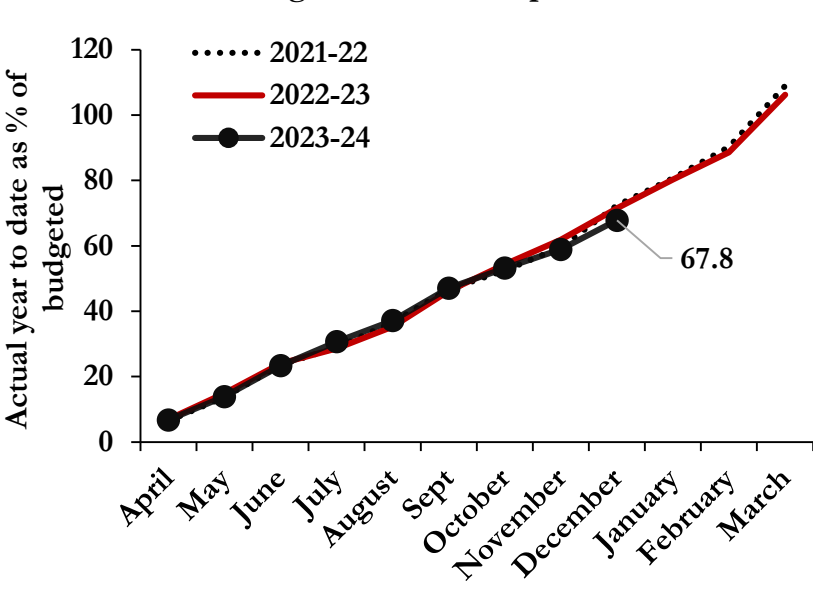


Figure 17: Total Expenditure

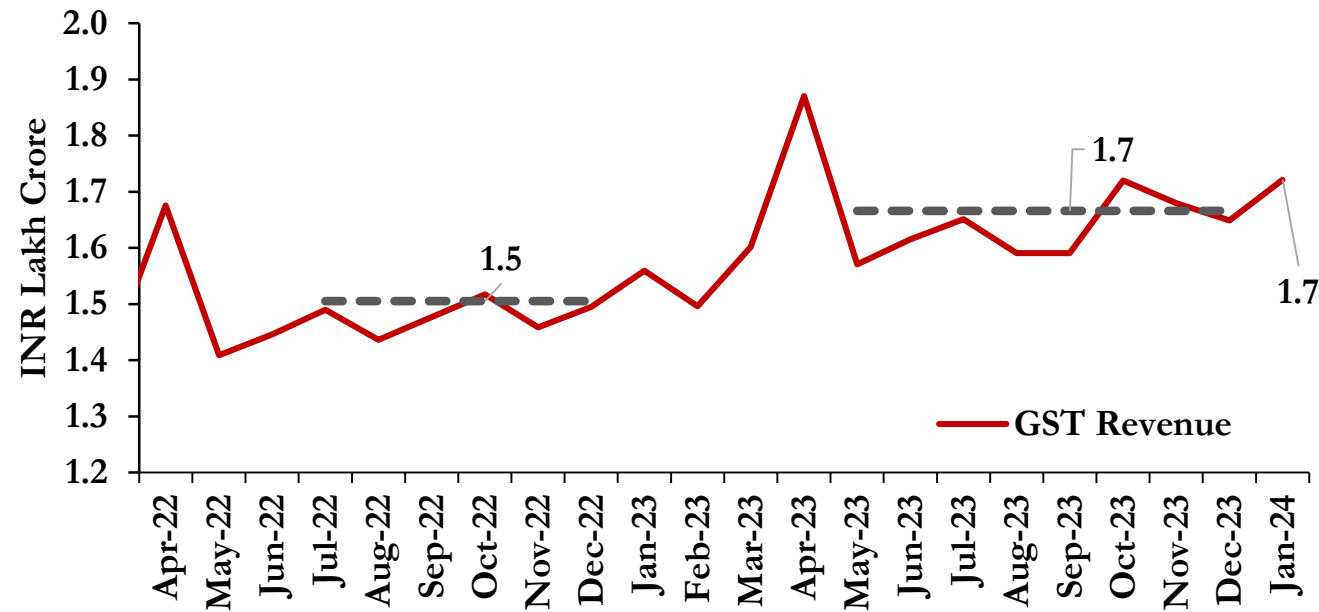


Source: Controller General of Accounts (Figures 15, 16 and 17).

GST collections remained robust year-over-year

- Goods and Services Tax (GST) collections reached a value of Rs. 1.7 lakh crore in January 2024, registering a year-over-year growth of 10.4 percent. Sequentially, GST collections increased by 4.4 percent (Figure 18). [\[GST Revenue Press Release dated January 31, 2024\]](#)

Figure 18: GST Revenue



Source: Ministry of Finance (Figure 18).

Note: In Figure 18, the dashed horizontal lines depict yearly averages of FY2022-23 and FY2023-24 (until January 2024), respectively.

Bank credit (food and non-food) expansion remained robust on a year-over-year basis

Financial Sector

- The total outstanding credit (food and non-food) of Scheduled Commercial Banks (SCBs) expanded by 19.9 percent on a year-over-year basis, and sequentially by 1.3 percent in December 2023 (Figure 19).
- Personal loans and the services sector experienced a growth in credit expansion of 28.5 percent and 22.9 percent in December 2023, respectively, but the growth in credit across both the sectors moderated from 30.1 percent and 25.4 percent, respectively, in November 2023 on a year-over-year basis. Credit to agriculture and allied activities expanded by 19.5 percent while credit to industry expanded by 8.6 percent year-over-year. (Figure 20).

Figure 19: Total Outstanding Credit (Food and Non-food) of Scheduled Commercial Banks

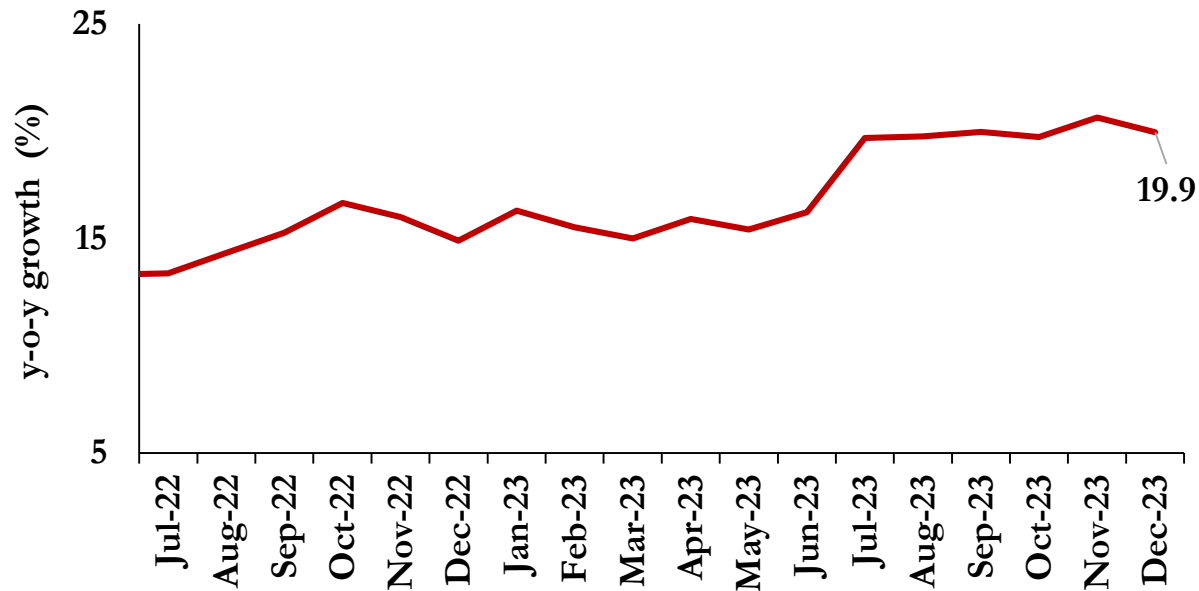
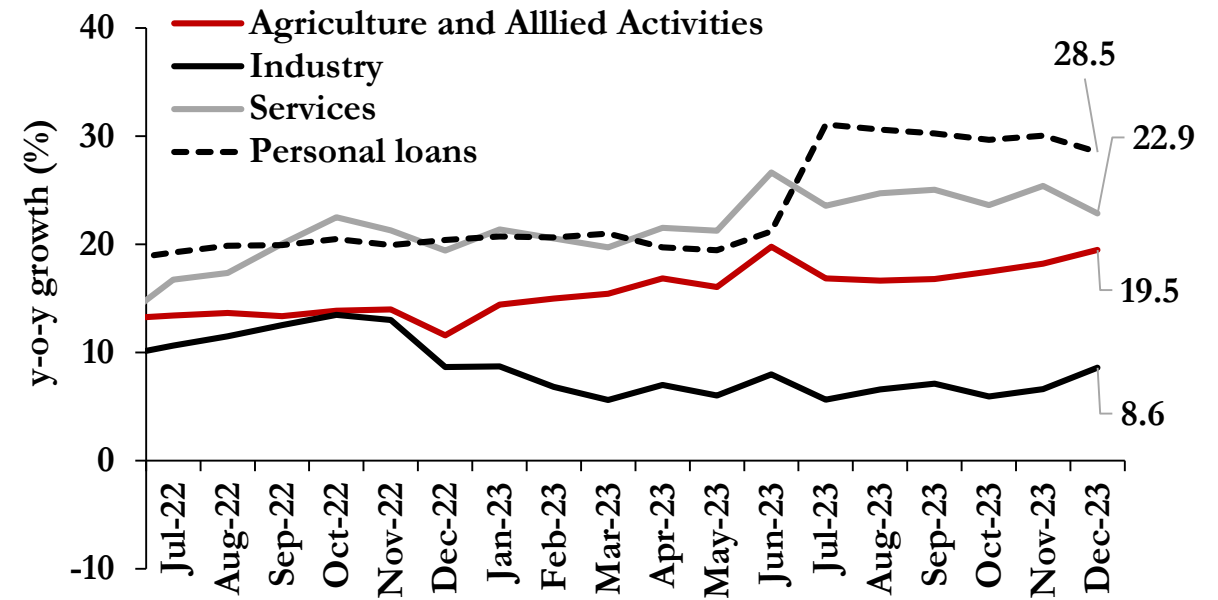


Figure 20: Sectoral Deployment of Non-food Credit by Scheduled Commercial Banks



Source: CEIC estimates (Figures 20 and 21).

MPC kept policy rates unchanged; projected real GDP growth at 7 percent for FY2024-25; kept CPI inflation projection unchanged for FY2023-24

Inflation and Monetary Policy

- In its meeting from February 6-8, 2024, the Monetary Policy Committee (MPC) decided to keep the policy repo rate under the Liquidity Adjustment Facility (LAF) unchanged at 6.50 percent. Accordingly, the Standing Deposit Facility (SDF) remained unchanged at 6.25 percent and the Marginal Standing Facility (MSF) rate and the Bank Rate remained at 6.75 percent, respectively ([Figure 21](#)). [Reserve Bank of India - Press Releases dated February 8, 2024](#)
- The Reserve Bank of India projected India's real Gross Domestic Product (GDP) growth for FY2024-25 at 7.0 percent, and Consumer Price Index (CPI) inflation at 4.5 percent (Table 4). Additionally, CPI inflation projection for FY2023-24 remained at 5.4 percent in line with its projection in December 2023.
- Quarterly real GDP growth projections of Q1 , Q2 and Q3 for the FY2024-25 were raised to 7.2, 6.8 and 7.0 percent, respectively, from its previous forecasts of 6.7, 6.5 and 5.4 percent, respectively. RBI projected real GDP growth of Q4 for the FY2024-25 at 6.9 percent (Table 4).

Figure 21: RBI Rates

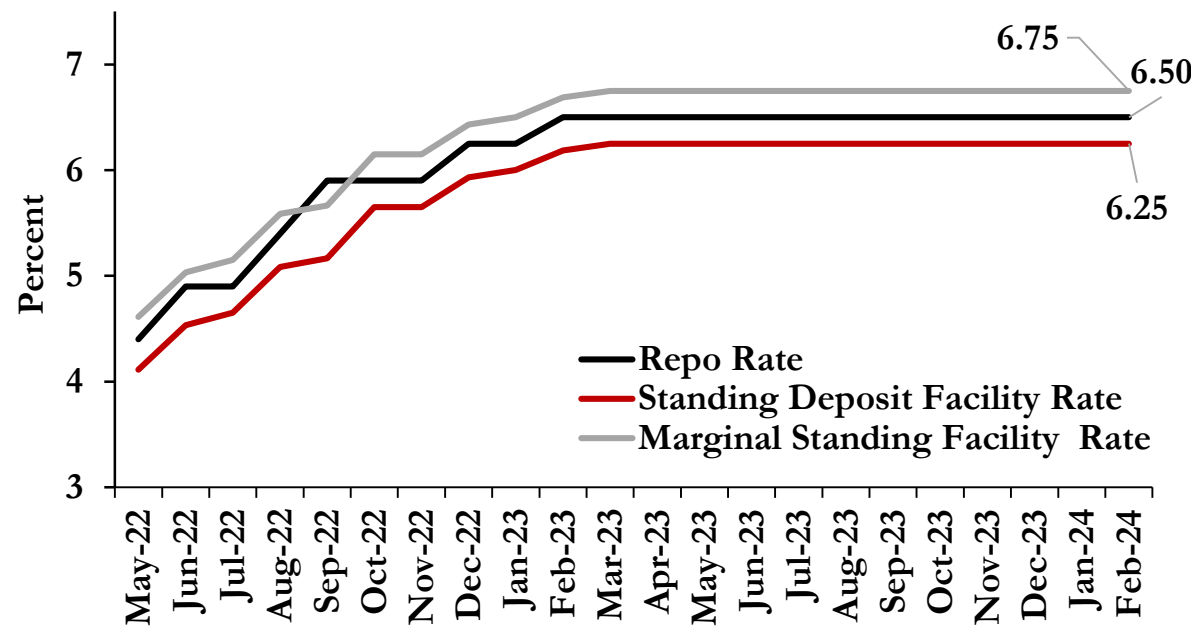


Table 4: RBI Projections

Real GDP Growth Projections (%)	FY2024-25	FY2024-25			
		Q1	Q2	Q3	Q4
Feb-24	7.0	7.2	6.8	7.0	6.9
Dec-23	-	6.7	6.5	6.4	-
Oct-23	-	6.6	-	-	-
Aug-23	-	6.6	-	-	-
CPI Inflation Projections (%)					
Feb-24	4.5	5.0	4.0	4.6	4.7
Dec-23	-	5.2	4.0	4.7	-
Oct-23	-	5.2	-	-	-
Aug-23	-	5.2	-	-	-

Source: Reserve Bank of India (Figure 22 and Table 4).

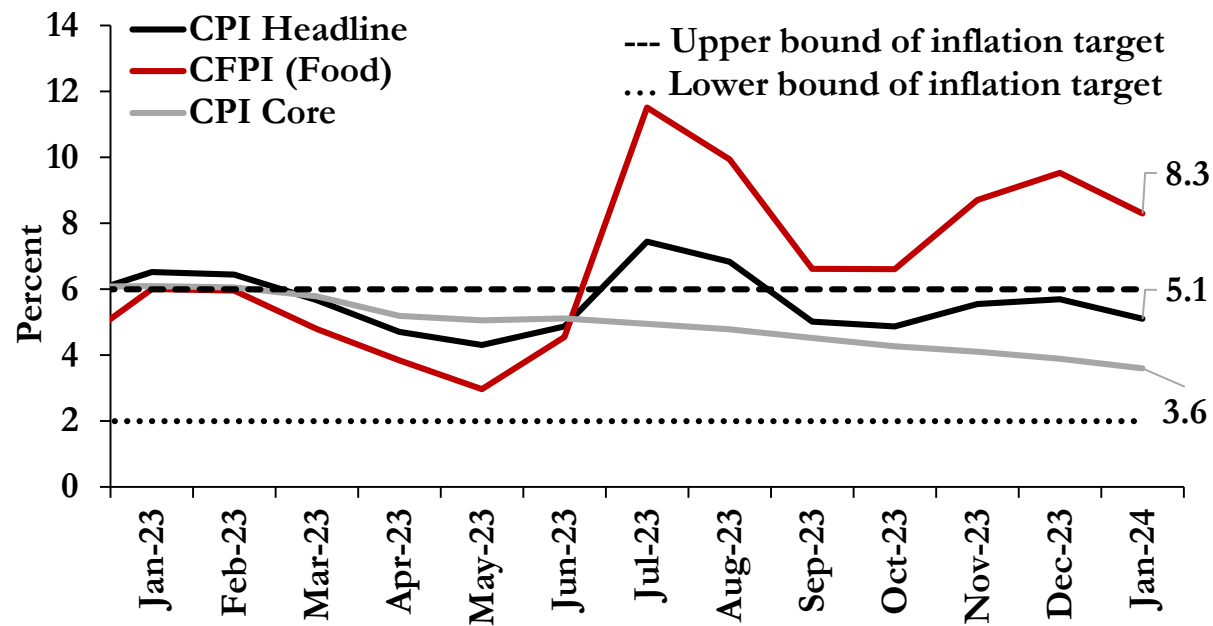
Note: In Table 2, - denotes that no projections were given by RBI for real GDP growth and CPI Inflation in that specific month.

CPI headline inflation, core inflation, and food inflation decelerated; WPI inflation eased

Inflation and Monetary Policy

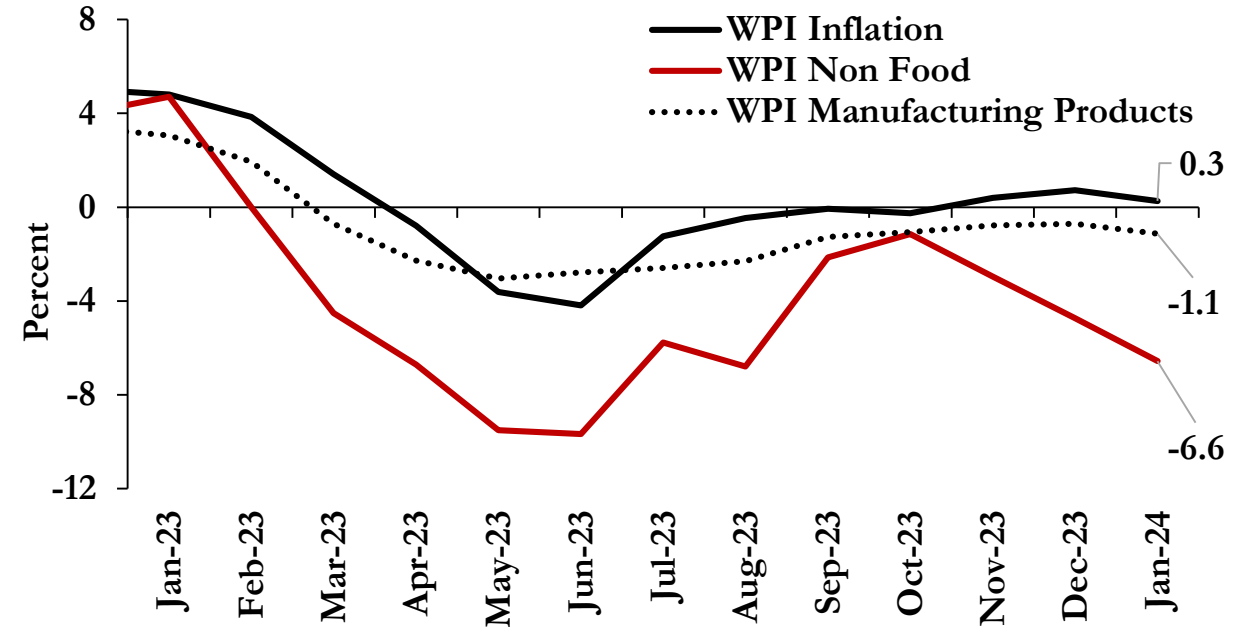
- The Consumer Price Index (CPI) headline inflation for January 2024 decelerated to 5.1 percent from 5.7 percent in December 2023. Core inflation decelerated to 3.6 percent in January 2024 from 3.9 percent in December 2023 (Figure 22).
- The Consumer Food Price Index (CFPI) inflation decelerated to 8.3 percent in January 2024 from 9.5 percent in December 2023 (Figure 22). [\[CPI Press Release dated February 12, 2024 | MOSPI\]](#)
- The Wholesale Price Index (WPI) inflation decelerated to 0.3 percent (Provisional Estimates) in January 2024 from 0.7 percent in December 2023 (Figure 23). [\[WPI Press Release dated February 14, 2024 | Ministry of Commerce and Industry, DPIIT\]](#)

Figure 22: Consumer Price Indices Inflation Rates



Source: [Ministry of Statistics and Programme Implementation](#).

Figure 23: Wholesale Price Indices Inflation Rates



Source: [Ministry of Commerce and Industry, Department for Promotion of Industry and Internal Trade \(DPIIT\), Government of India](#)

Note: In Figure 22, CFPI includes the following ten sub-groups- Cereals and Products, Meat and Fish, Eggs, Milk and Products, Oils and Fats, Fruits, Vegetables, Pulses and Products, Sugar and Confectionery, and Spices.

Food inflation contributed 2 percent to headline inflation; CPI inflation decelerated across various food categories

Inflation and Monetary Policy

- In January 2024, core inflation contributed 2.4 percent to headline inflation. The CFPI contributed 2 percent to headline inflation, and beverages contributed 0.3 percent. Fuel and light contributed 0.3 percent to headline inflation (Figure 24).
- The CPI inflation for vegetables decelerated to 27 percent in January 2024 from 27.6 percent in December 2023 (Figure 25).
- The CPI inflation for spices, pulses and products, cereals and products, and fruits decelerated to 16.4, 19.5, 7.8, and 8.7 percent, respectively, in January 2024, from 19.7, 20.7, 9.9 and 11.1 percent, respectively, in December 2023 (Figure 25).

Figure 24: Contributions to CPI Headline

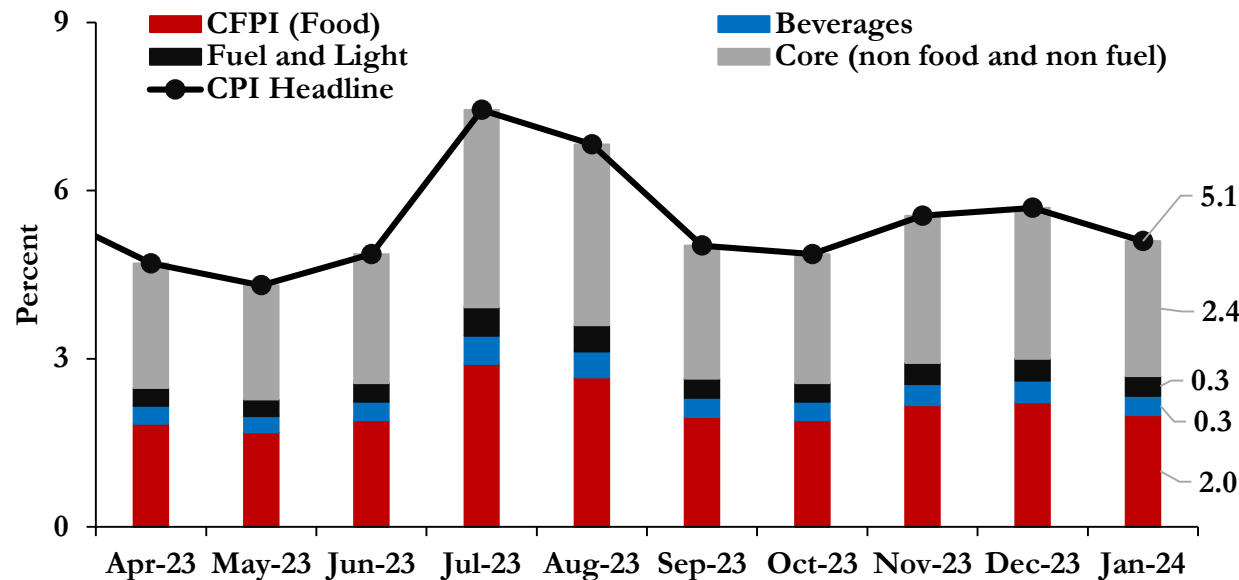
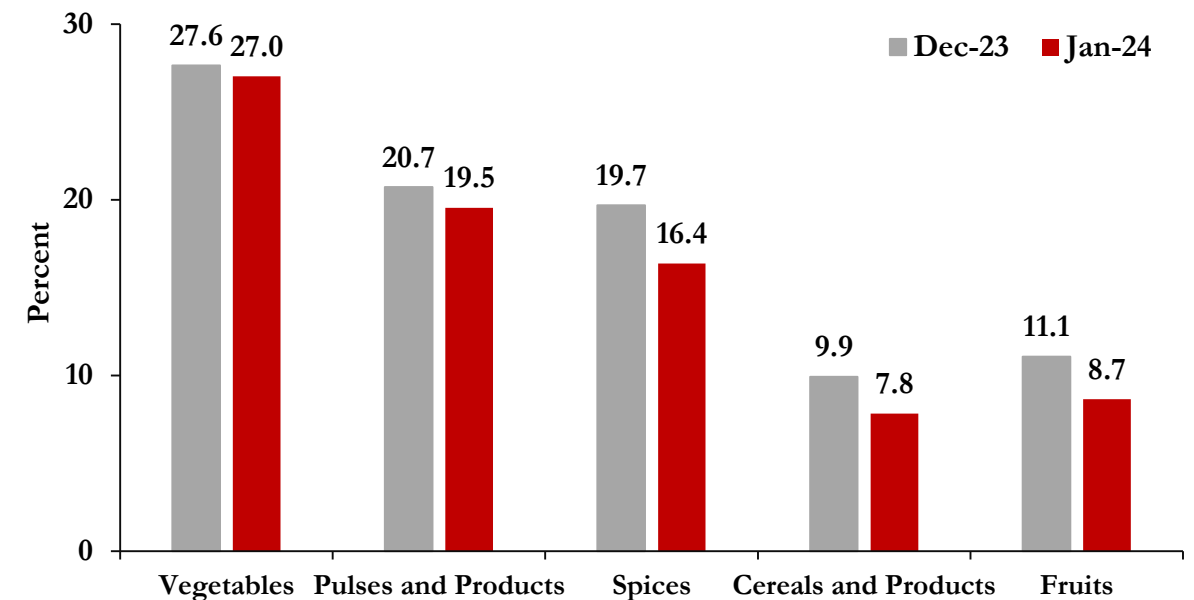


Figure 25: Consumer Price Indices Inflation Rates- Across Food Categories

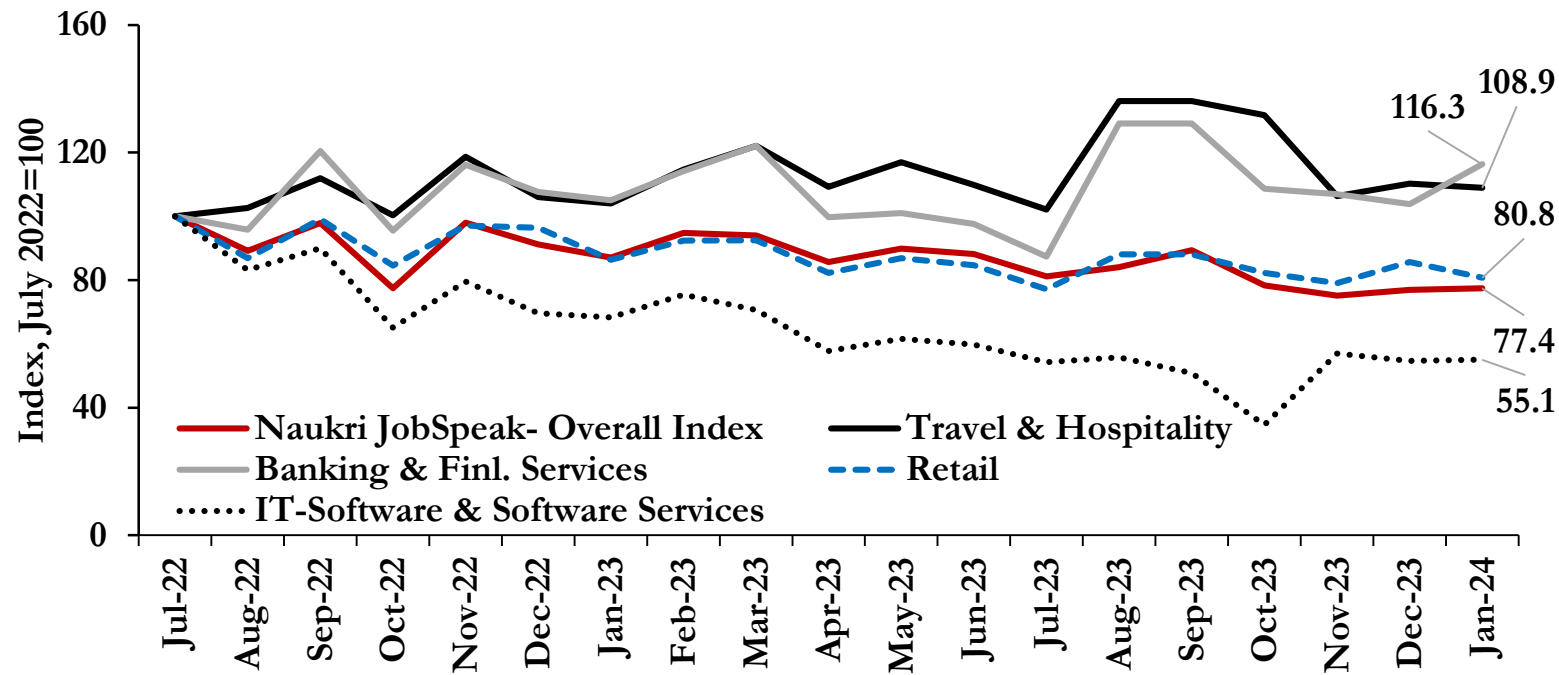


Source: Ministry of Statistics and Programme Implementation (Figures 24 and 25).

Note: In Figure 24, CFPI includes the following ten sub-groups- Cereals and Products, Meat and Fish, Eggs, Milk and Products, Oils and Fats, Fruits, Vegetables, Pulses and Products, Sugar and Confectionery, and Spices.

- Overall online hiring activity in India, reported by the Naukri JobSpeak Index, decelerated by 11.1 percent on a year-over-year basis in January 2024. However, it accelerated slightly by 0.7 percent, on a sequential basis. The Travel and Hospitality sector accelerated by 4.7 percent and the Banking and Financial Services sector witnessed a corresponding year-over-year increase of 10.8 percent. Retail, and IT & Software Services decelerated by 6.5 and 19.4 percent, respectively, on a year-over-year basis. However, the IT and Software Services sectors recorded a growth of 0.7 percent on a sequential basis (Figure 26).

Figure 26: Naukri JobSpeak Index

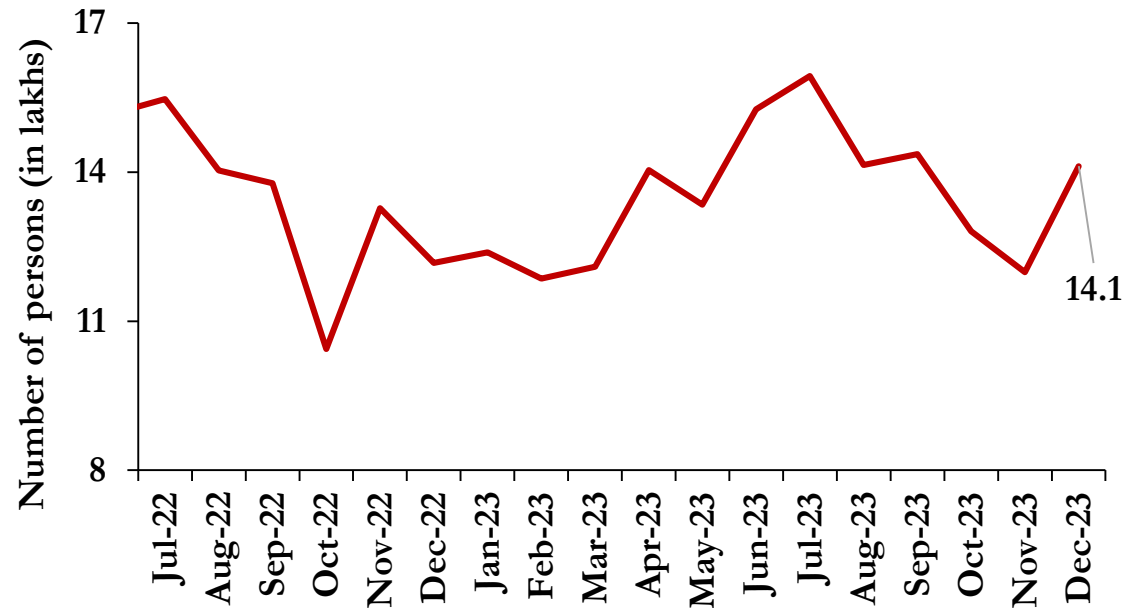


Source: CEIC estimates (Figure 26).

Net new subscribers under EPFO increased year-over-year; demand for jobs under MGNREGA moderated year-over-year

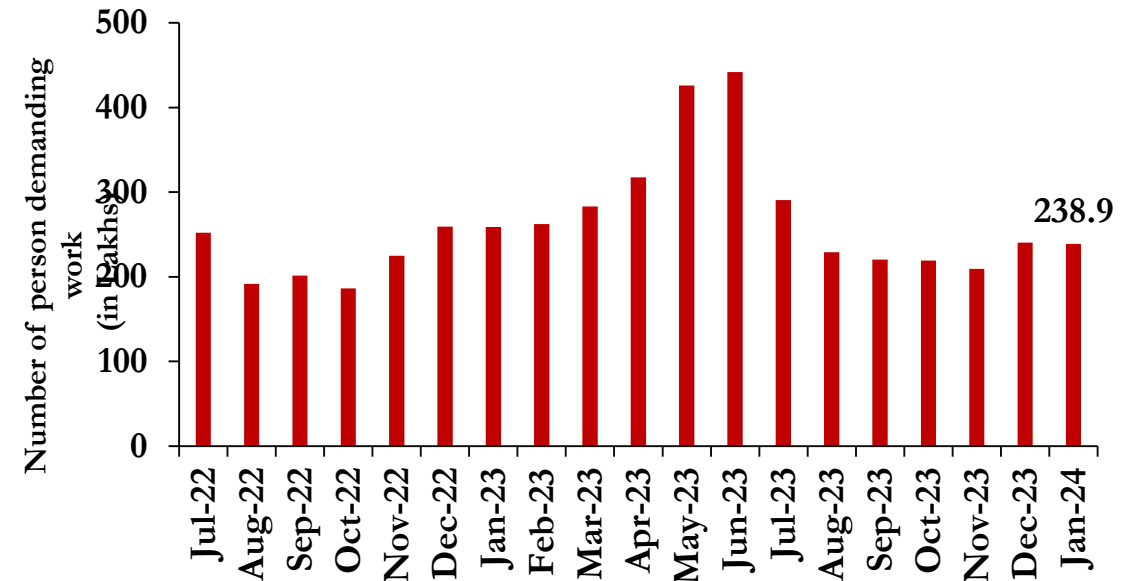
- In December 2023, the net new subscribers of Employees' Provident Fund Organisation (EPFO) increased by 16 percent on a year-over-year basis. The number of subscribers increased sequentially by 17.8 percent, recording a value of 14.1 lakh (Provisional Estimates) in December 2023, as compared to the value of 12 lakh (Revised Estimates) net new subscribers November 2023 (Figure 27).
- The demand for work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) decreased by 7.7 percent on a year-over-year basis in January 2024 (Figure 28). The Union Government increased the expenditure allocation for MGNREGA to Rs. 86,000 crore, 0.3 percent of nominal GDP for the FY2024-25 (BE) from Rs. 60,000 crore, 0.2 percent (of nominal GDP) as per the budget estimates of FY2023-24 (BE). [\[Budget 2024: MGNREGA boost to ₹86,000 crore, Page 21: Statement 4A\]](#)

Figure 27: EPFO Net New Subscribers



Source: Employees' Provident Fund Organisation (Figure 27).

Figure 28: Work Demand under MGNREGA



Source: Ministry of Rural Development (Figure 28).

Merchandise trade deficit narrowed and services trade surplus increased on a sequential basis

External Sector

- India's merchandise exports decreased sequentially to USD 36.9 billion in January 2024 (Provisional Estimates) as compared to USD 38.5 billion in December 2023 (Revised Estimates). Merchandise imports decreased sequentially to USD 54.4 billion in January 2024 (Provisional Estimates), as compared to USD 58.3 billion in December 2023 (Revised Estimates). The merchandise trade deficit narrowed to USD 17.5 billion in January 2024, as compared to USD 19.8 billion in December 2023 (Figure 29).
- Services exports increased sequentially to USD 32.8 billion in January 2024 (Provisional Estimates) from a value of USD 31.6 billion in December 2023 (Revised Estimates). The import of services increased slightly to USD 16.1 billion in January 2024 (Provisional Estimates) from USD 15.6 billion in December 2023 (Revised Estimates). The services trade surplus increased to USD 16.8 billion in January 2024, from USD 16.0 billion in December 2023 (Figure 30). [\[Press Release dated February 15, 2024 | Ministry of Commerce & Industry\]](#)

Figure 29: Merchandise Trade

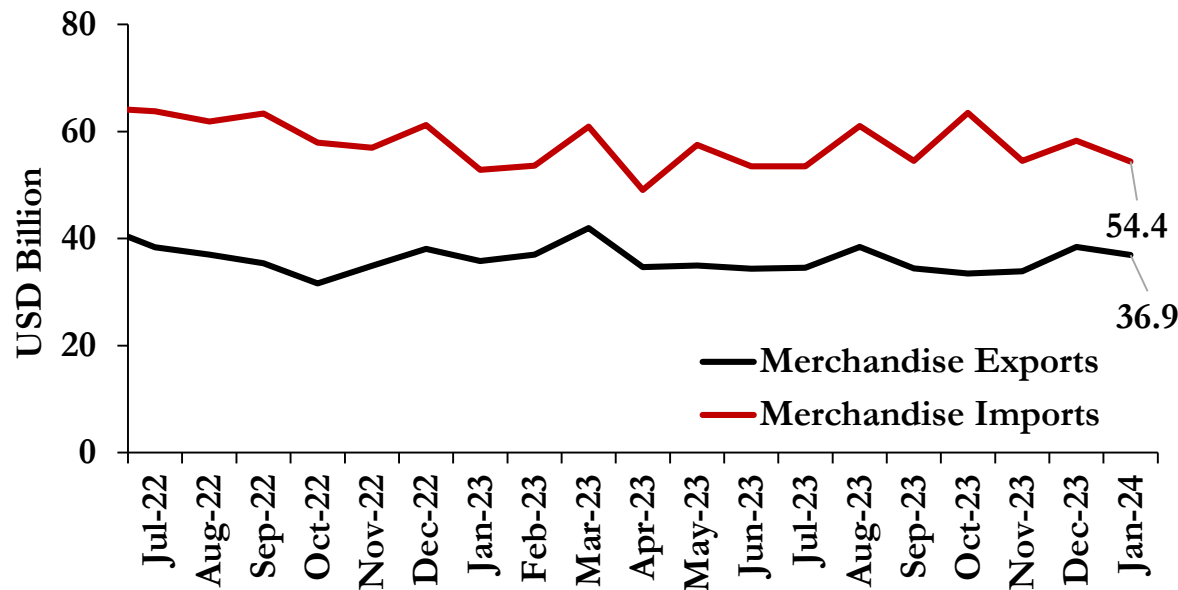
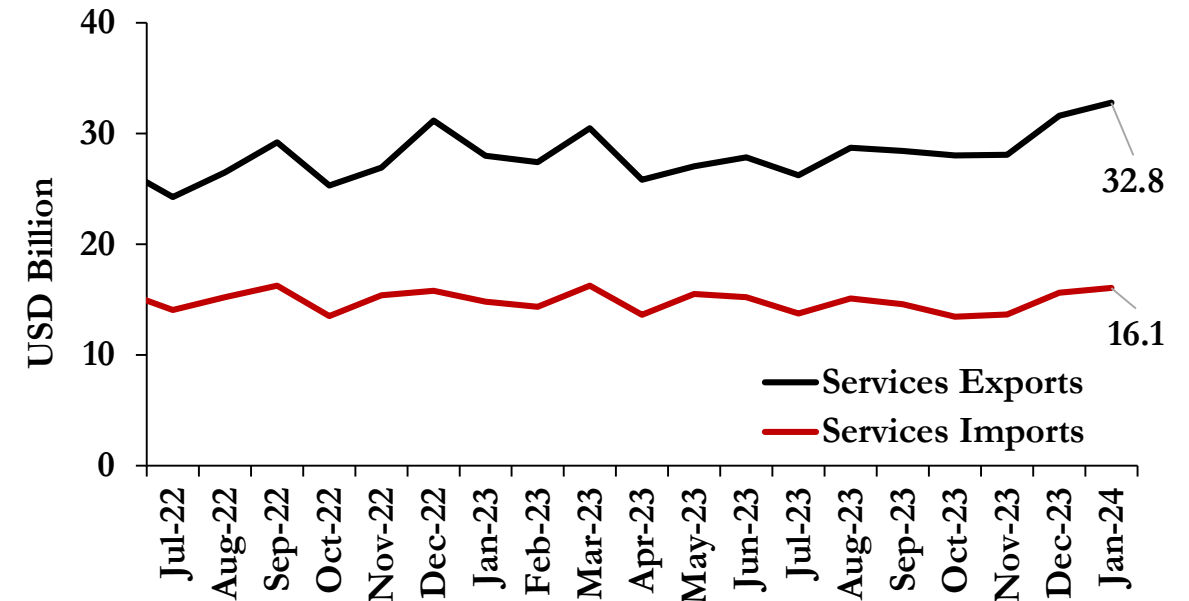


Figure 30: Services Trade



Net inflows of foreign portfolio investments turned positive in February 2024

External Sector

- As of February 23, 2024, net foreign portfolio flows totalled to USD 3 billion, increasing sequentially by USD 3.8 billion as compared to a negative of USD 0.8 billion in January 2024 (Figure 31).
- The Net Foreign Portfolio Investment (FPI) equity totalled a negative of USD 0.1 billion, as of February 23, 2024, increasing sequentially by USD 3 billion as compared to a negative of USD 3.1 billion at the end of January 2024 (Figure 32).
- The Net FPI debt totalled USD 2.2 billion, as of February 23, 2024, decreasing sequentially by USD 0.2 billion as compared to USD 2.4 billion at the end of January 2024 (Figure 33).

Figure 31: Net Foreign Portfolio Investment (FPI)

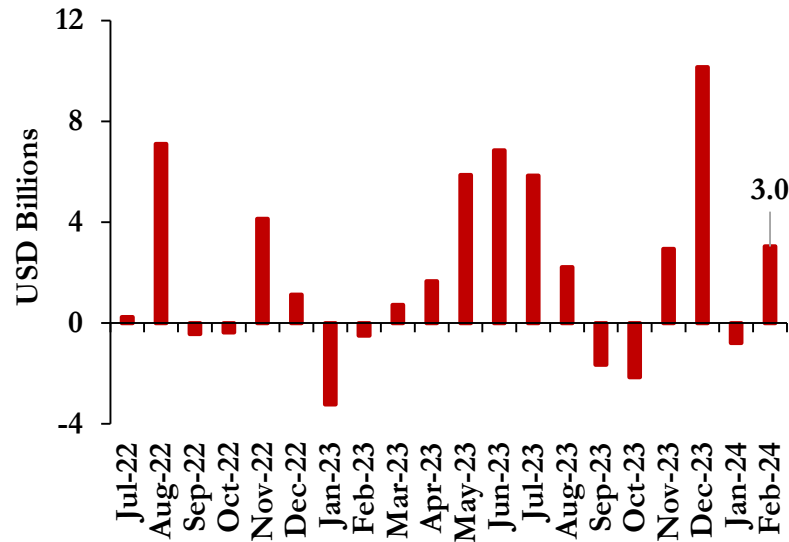


Figure 32: Net Foreign Portfolio Investment (FPI) Equity

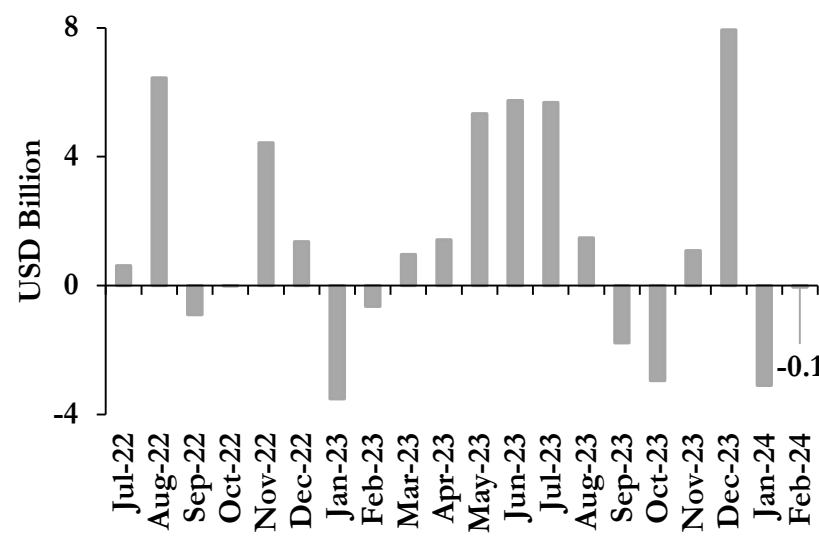
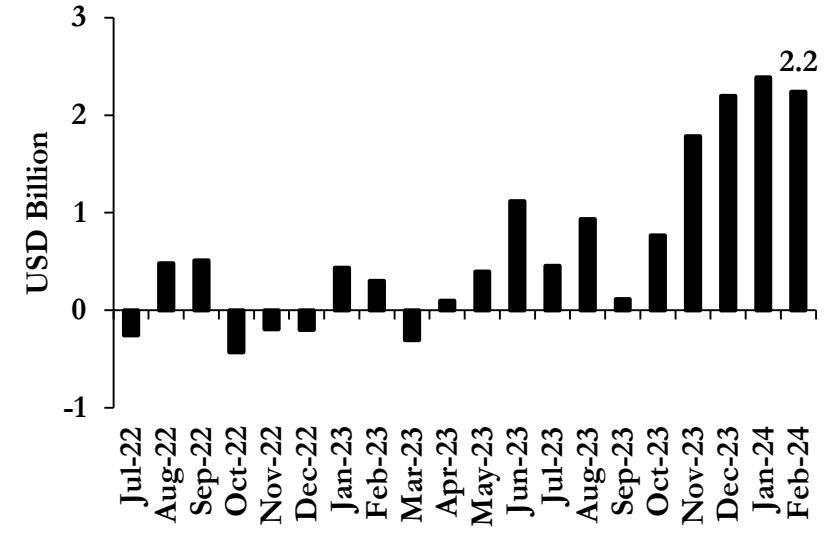


Figure 33. Net Foreign Portfolio Investment (FPI) Debt



Source: CEIC estimates (Figures 31, 32, and 33).

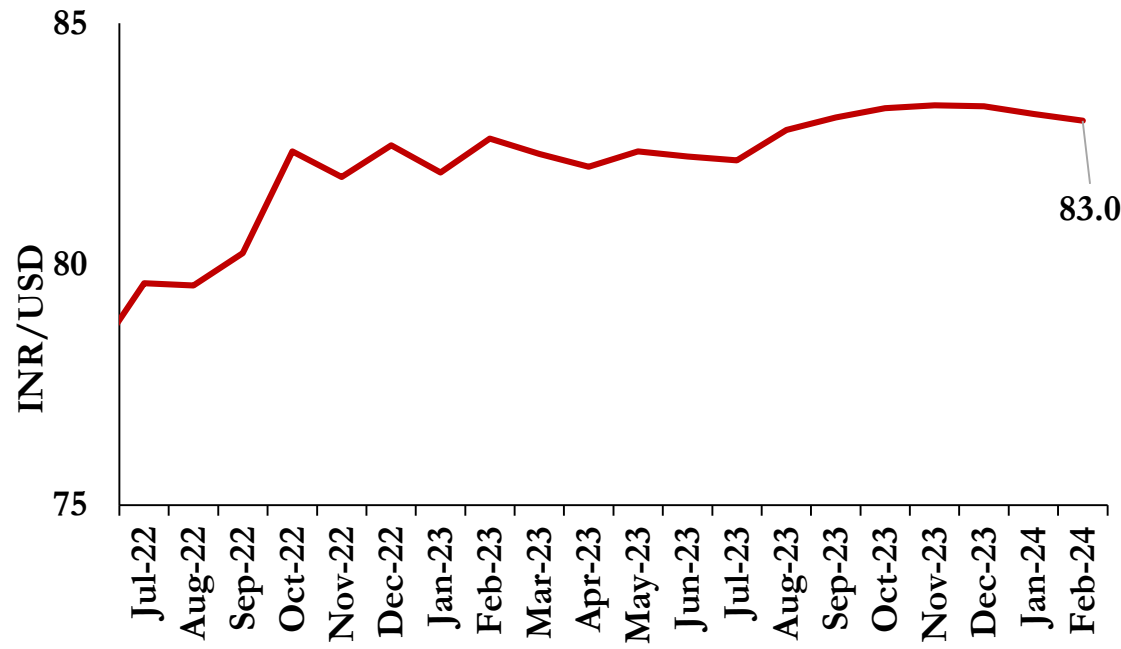
Note: For February 2024, data for Figures 31, 32 and 33 is as of February 23, 2024, monthly values for February 2024 have been created by summing up the daily values of Net FPI Equity and Net FPI Debt. For Figure 31, the monthly value for February 2024 has been calculated by taking the sum of the daily data for Net FPI Equity, Net Debt, Net Debt VRR and Net Hybrid.

The rupee remained flat against the dollar; forex reserves remained flat sequentially

External Sector

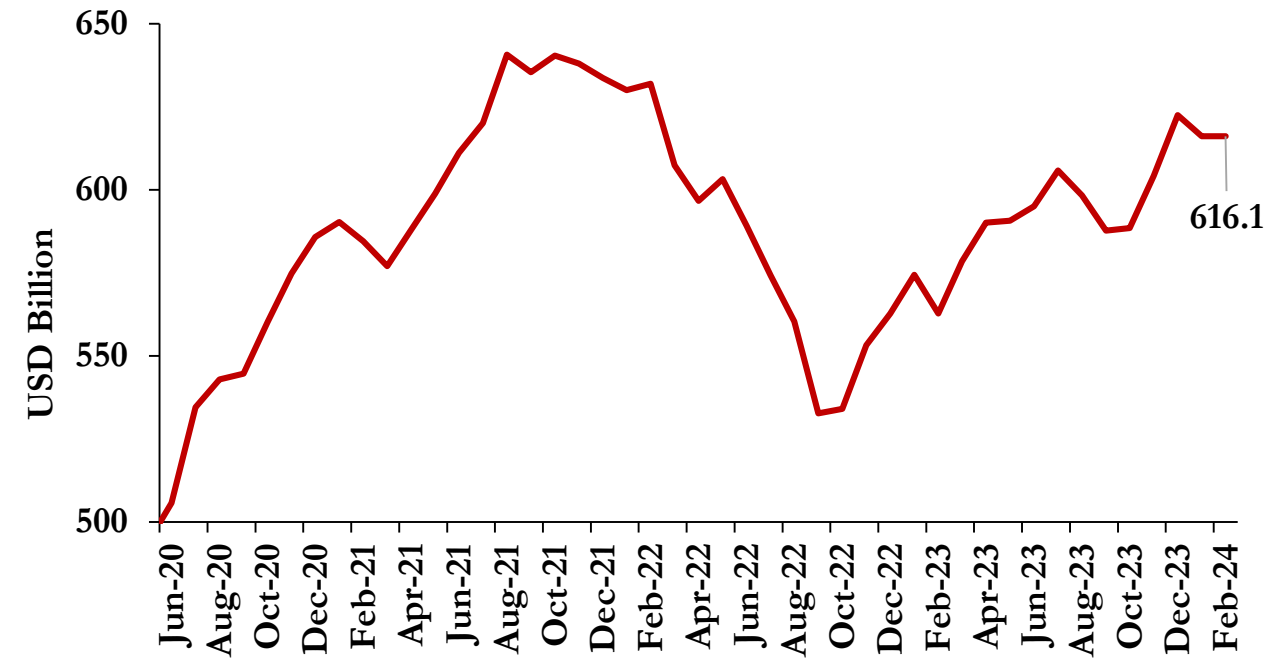
- The rupee remained flat at Rs. 83 against the US dollar, as of February 23, 2024 (Figure 34).
- Foreign exchange reserves remained flat, reaching a total of USD 616.1 billion, as of February 23, 2024, as compared to USD 616.14 billion at the end of January 2024 (Figure 35). [Reserve Bank of India – Bulletin Weekly Statistical Supplement, Foreign Exchange Reserves Press Release dated February 23, 2024](#)

Figure 34: Exchange Rate



Source: Reserve Bank of India (Figure 34).

Figure 35: Foreign Exchange Reserves



Source: CEIC estimates (Figure 35).

Note: For the month of February 2024, data for Figure 34 is taken as of February 23, 2024; and data for Figure 35 is taken as on February 16, 2024.

Heatmap for high-frequency indicators

Indicators	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Agriculture																						
Fertilizer Sales: Urea	64.3	17.3	5.5	14.3	15.0	-3.3	16.5	26.3	2.4	15.1	4.3	-6.1	-16.6	4.3	0.5	-8.5	-2.8	2.2	28.5	15.0	2.7	
Industry																						
IIP Manufacturing	5.6	20.7	12.9	3.1	-0.5	2.0	-5.8	6.7	3.6	4.5	5.9	1.5	5.5	6.3	3.5	5.3	10.0	4.9	10.2	1.2	3.9	
IIP Core	9.5	19.3	13.1	4.8	4.2	8.3	0.7	5.7	8.3	9.7	7.4	4.2	4.6	5.2	8.4	8.5	13.4	9.2	12.0	7.8	3.8	
PMI Manufacturing	54.7	54.6	53.9	56.4	56.2	55.1	55.3	55.7	57.8	55.4	55.3	56.4	57.2	58.7	57.8	57.7	58.6	57.5	55.5	56.0	54.9	56.5
PMI Services	57.9	58.9	59.2	55.5	57.2	54.3	55.1	56.4	58.5	57.2	59.4	57.8	62.0	61.2	58.5	62.3	60.1	61.0	58.4	56.9	59.0	61.8
Automobile Sales: 2-wheelers (excluding EVs)	15.4	255.3	24.0	10.2	17.0	13.5	2.3	17.7	3.9	5.0	8.8	9.0	16.5	17.4	1.7	-7.2	0.6	0.8	20.2	31.3	16.0	26.2
Natural Gas Production	6.6	6.3	1.3	-0.4	-1.0	-1.7	-4.1	-1.0	1.9	4.0	1.9	2.4	-2.9	-0.1	3.4	8.3	9.3	6.1	9.3	7.4	6.7	
Crude Steel Production	8.8	18.4	5.8	2.9	0.6	1.8	2.6	5.5	1.6	2.6	2.4	2.7	7.7	5.9	13.6	13.7	17.6	18.8	16.3	11.4	8.0	7.3
Electricity Supply	12.8	24.2	16.4	3.7	2.0	12.9	1.0	11.0	11.7	13.4	9.7	-1.3	0.1	0.9	5.9	12.3	17.5	11.6	23.2	6.2	1.0	5.1
Services																						
Rail Passenger Traffic	116.1	478.0	237.6	168.6	113.6	87.6	62.2	51.1	40.7	64.5	29.8	20.5	20.2	17.7	12.5	10.3	9.4	3.9	8.5			
Rail Freight	9.4	14.6	11.3	8.3	7.9	9.1	1.4	5.2	3.1	3.9	3.6	3.8	3.5	1.9	-1.9	1.5	6.4	6.7	8.5	4.3	6.4	6.4
Air Passenger Traffic	95.3	502.4	288.1	127.4	73.1	61.6	40.0	21.8	23.1	101.0	64.4	27.0	25.5	19.0	20.5	25.8	23.2	19.4	11.9	10.7	9.9	7.2
Air Cargo	2.3	13.8	13.9	6.1	-1.2	-0.5	-14.5	-2.3	-5.9	-3.7	2.1	-0.9	0.0	-0.3	-0.8	-1.2	6.9	-0.3	13.1	6.6	10.8	15.5
Trade																						
Merchandise Export	29.1	20.8	30.1	7.9	10.9	4.7	-11.6	9.7	-3.0	1.6	-0.4	-5.9	-12.7	-10.3	-18.8	-10.0	3.8	-2.7	6.2	-3.8	-11.9	-6.2
Services Export	33.2	40.7	32.6	25.3	29.6	35.2	24.2	30.7	20.4	29.6	28.8	13.1	7.2	7.4	3.2	8.1	8.4	-2.7	13.4	6.2	-8.3	2.4
Fiscal																						
Gross Tax Revenue (Centre)	36.5	20.1	12.8	33.3	-7.7	14.5	20.8	-3.8	0.8	13.5	4.5	16.8	-6.1	4.4	11.3	1.5	95.2	15.9	-1.2	21.3	12.9	
Goods and Services Tax Revenue	18.5	37.2	55.8	28.0	28.2	26.2	16.6	10.9	15.2	12.7	12.4	12.7	11.6	11.5	11.7	10.8	10.8	10.2	13.4	15.1	10.3	10.4
Banking																						
SCB bank Credit: Total Outstanding	10.1	11.1	13.3	13.4	14.3	15.3	16.6	16.0	14.9	16.3	15.5	15.0	15.9	15.4	16.2	19.7	19.8	20.0	19.7	20.6	19.9	
SCB bank Credit Non-food: Personal Loans	14.4	16.3	18.1	18.7	19.4	19.4	20.1	19.6	20.0	20.4	20.4	20.6	19.4	19.2	20.9	31.2	30.8	30.4	29.7	30.1	28.5	
SCB bank Credit Non-food: Agriculture	10.6	11.7	13.0	13.2	13.4	13.4	13.6	19.0	15.8	14.4	14.9	15.4	16.7	16.0	19.7	16.8	16.6	16.8	17.5	18.2	19.5	
SCB bank Credit Non-food: Industry	8.0	8.8	9.5	10.5	11.4	12.6	13.6	17.0	13.8	8.7	7.0	5.7	7.0	6.0	8.1	5.8	6.6	7.1	5.9	6.6	8.6	
SCB bank Credit Non-food: Services	11.2	12.7	12.8	16.5	17.2	20.0	22.5	29.2	26.2	21.5	20.7	19.6	21.6	21.4	26.7	23.1	24.8	25.1	23.6	25.4	22.9	
Financial Markets																						
NIFTY 50 Index	16.9	6.4	0.4	8.9	3.7	-3.0	1.9	10.5	4.3	1.9	3.0	-0.6	5.6	11.8	21.6	15.1	8.4	14.9	5.9	7.3	20.0	23.0
BSE SENSEX	17.0	7.0	1.0	9.5	3.4	-2.9	2.4	10.6	4.4	2.6	4.8	0.7	7.1	12.7	22.1	15.6	8.9	14.6	5.1	6.2	18.7	20.5
Employment and Inflation																						
Naukri JobSpeak Index	38.2	39.9	22.0	20.8	5.8	12.7	-2.7	42.9	50.9	1.7	-2.2	5.2	-5.2	-0.5	-2.9	-18.8	-5.7	-8.6	1.2	-23.3	-15.6	-11.1
EPFO Net New Subscribers	46.8	87.4	42.7	25.4	11.7	9.4	1.7	16.2	-2.5	-3.4	-3.2	-11.6	-2.3	-3.2	0.7	3.0	0.8	4.3	22.6	-9.7	16.0	
Consumer Price Inflation	7.8	7.0	7.0	6.7	7.0	7.4	6.8	5.9	5.7	6.5	6.4	5.7	4.7	4.3	4.9	7.4	6.8	5.0	4.9	5.6	5.7	5.1
Wholesale Price Inflation	15.4	16.6	16.2	14.1	12.5	10.6	8.7	6.1	5.0	4.8	3.9	1.4	0.8	3.6	4.2	1.4	0.5	0.3	0.5	0.3	0.7	0.3



Source: NCAER Team's calculation, based on the CEIC database.

Methodology Note: The y-o-y growth (%) has been calculated for all indicators for the period as indicated in the data appendix (except for PMI Manufacturing and PMI Services).

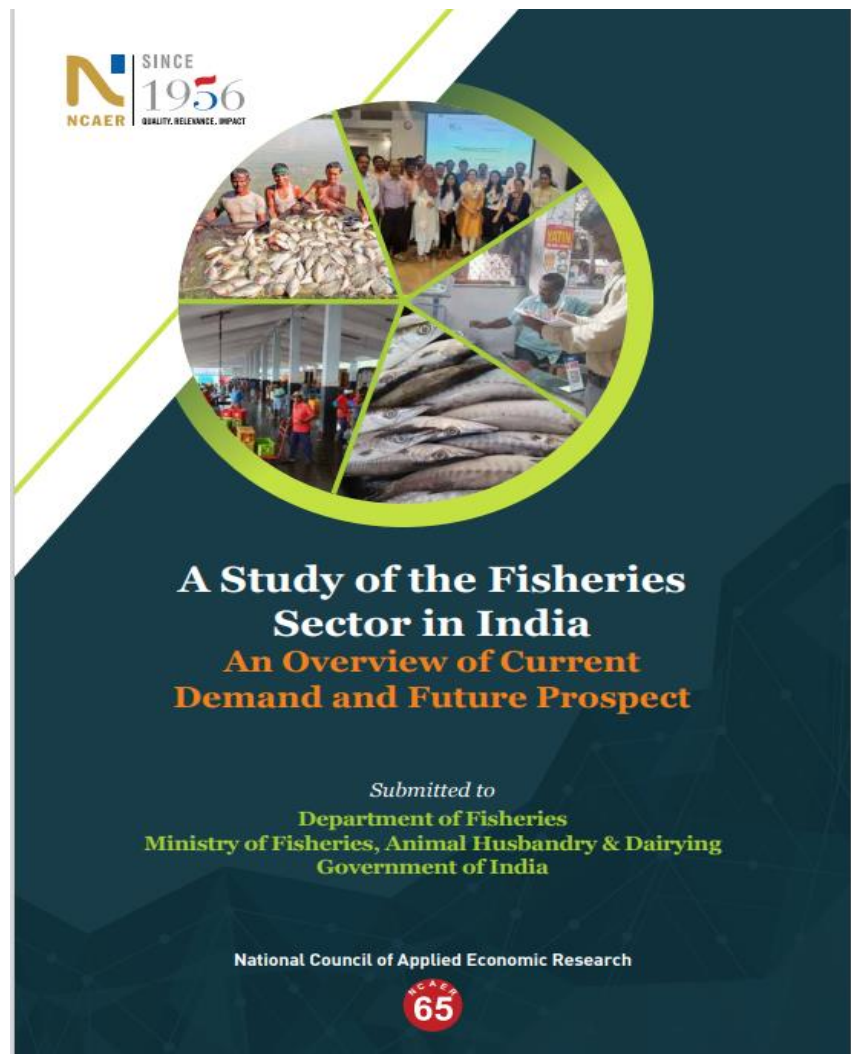
Opinion Articles

- i. [Gupta, P. \(2024\). “How Can Gujarat Defy the Middle-Income Trap?”, *The Economic Times*, February 8](#)
- ii. [Mohapatra, C. \(2024\). “Boosting Jan Dhan account activity: Strategy for enhanced financial inclusion”, *Livemint*, February 25](#)
- iii. [Desai, A., and Sensarma, R. \(2024\). “What’s the secret behind creating ‘lakhpati didis’?”, *The Hindu Business Line*, February 21](#)
- iv. [Sabharwal, M., and Narayan, K. \(2024\). “Shift of labour to non-farm jobs: Why it's high time to reform India's job-creation laws”, *The Economic Times*, February 20](#)
- v. [Baruah, P., and Wankhar, D. \(2024\). “Assessing women’s financial inclusion through PMJDY”, *The Hindu Business Line*, February 19](#)
- vi. [Eichengreen, B. \(2024\). “Monetary policy had a relevant role in the US inflation episode”, *Livemint*, February 19](#)
- vii. [Eichengreen, B. \(2024\). “The Middle Truth in the Inflation Muddle”, *Project Syndicate*, February 15](#)
- viii. [Choudhuri, C., and Pohit, S. \(2024\). “A boost for green power”, *The Hindu Business Line*, February 10](#)
- ix. [Desai, S. \(2024\). “Population growth committee: Move beyond Emergency-era fears”, *The Indian Express*, February 6](#)
- x. [Nilekani, N. \(2024\). “Technology can help in enabling access to judicial services at finger tips”, *The Hindu*, February 3](#)

Working Papers

- i. [Mahal, A., Kumar, A., and Kane, T. \(2024\). “The ‘missing middle’: How to provide 350 million Indians with health coverage?”, *Working Paper No. WP 162*, New Delhi: National Council of Applied Economic Research](#)
- ii. [Eichengreen, B. \(2024\). “Globalization and Growth in a Bipolar World”, *Working Paper No. WP 161*, New Delhi: National Council of Applied Economic Research](#)
- iii. [Chaudhuri, C., Pratap, D., and Pohit, S. \(2024\). “Estimation of SAM for India: An Application for India’s Energy Transition Targets”, *Working Paper No. WP 160*, New Delhi: National Council of Applied Economic Research](#)
- iv. [Aiyar, S., and Patnam, M. \(2024\). “IMF Programs and Financial Flows to Offshore Centres”, *Working Paper No. WP 159*, New Delhi: National Council of Applied Economic Research](#)
- v. [Aiyar, S., Malacrino, D., and Presbitero, A. \(2024\). “Investing in Friends: The Role of Geopolitical Alignment in FDI Flows”, *Working Paper No. WP 158*, New Delhi: National Council of Applied Economic Research](#)

[Bandyopadhyay, S., Joshi, L., Baruah, P., Deka, N., Manna, G., Naz, F., and Pal, G. \(2024\). "A Study of the Fisheries Sector in India: An Overview of Current Demand and Future Prospect", New Delhi: National Council of Applied Economic Research](#)



- **Objectives:**

- Firstly, the study aims to assess the household-level consumption of fish across 24 major States/Union Territories, and evaluate the prevalence of various fish species in household diets.
- Secondly, it seeks to analyze the market dynamics and State-wise consumption patterns, thereby providing insights about the functioning of the fish market.
- Thirdly, it forecasts fish consumption trends for the upcoming 5-10 years, thereby contributing valuable insights for policy formulation and market planning.

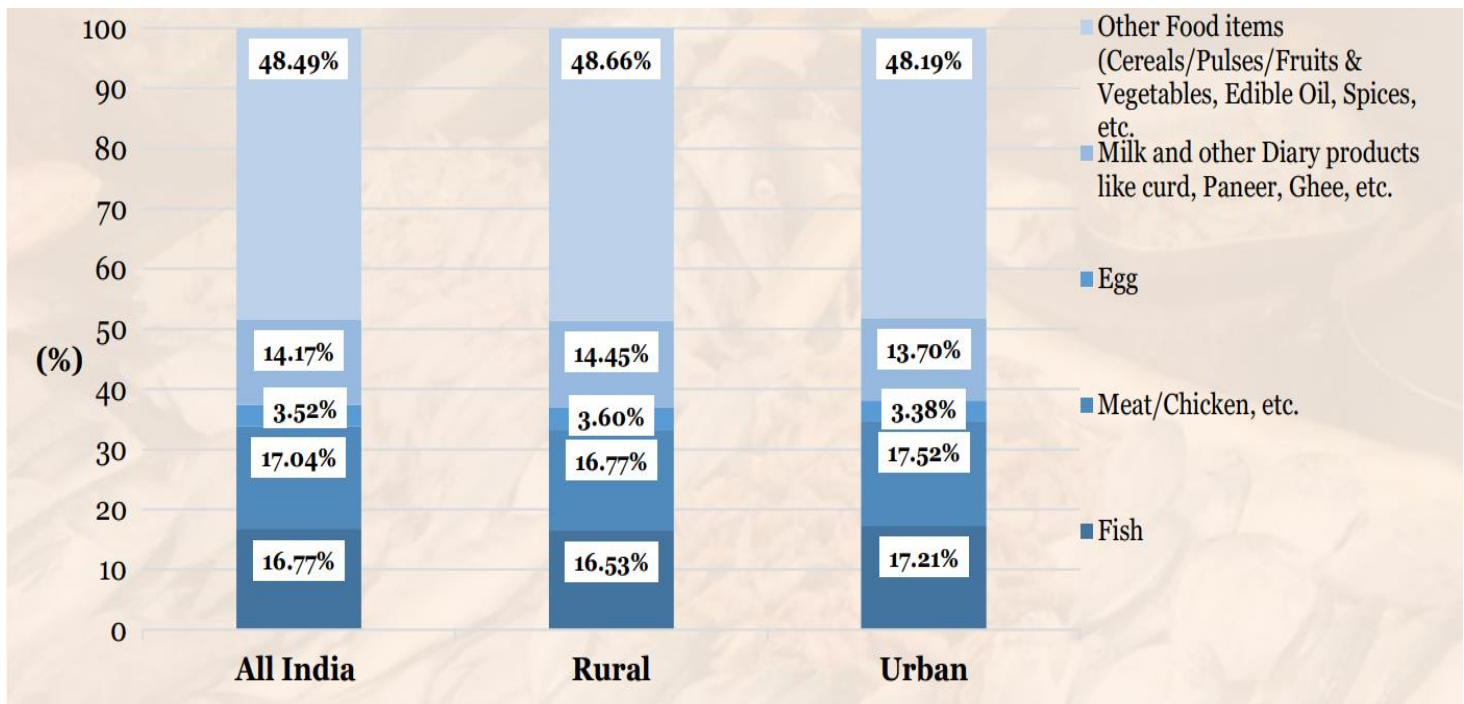
- **Methodology:**

- The survey employed a three-stage stratified sampling approach to ensure the generation of representative samples. In this design, sample districts, villages/urban wards, and households constituted the first, second, and third stage sample units, respectively.

Source: [A Study of the Fisheries Sector in India: An Overview of Current Demand and Future Prospect](#)

Recent NCAER publications

Figure 36: Share (%) of Household Expenditure on Fish, Meat/Chicken, Egg, Milk and Milk Products in Total Food



Source: NCAER computation from primary field survey.

Key Findings of the Report:

- The main insights from the household survey indicate that in 2022, the proportion of overall household monthly consumption expenditure on fish, relative to total food expenditure, rose to 16.8 percent, as compared to a 7.6 percent share in 2011-12, according to the NSS survey (68th Round).
- In 2022, monthly fish consumption has seen a rise, with urban areas experiencing a higher demand growth as compared to rural regions.
- The research has projected future fish demand in India through three scenarios: (A) Business as Usual Scenario; (B) Moderately Optimistic Scenario; and (C) Highly Optimistic Scenario. Total fish availability, which stood at approximately 15 million tons in 2022, is forecasted to reach 26 million tons by 2031 in Scenario A, 30 million tons in Scenario B, and 35 million tons under Scenario C.

Main Recommendations from the Report:

- To boost fish consumption across the country, the research report recommends establishing reliable transportation, storage, and packaging facilities for fresh fish, promoting hygienic practices in handling fish, and ensuring availability of fish in convenient formats such as ready-to-cook and ready-to-eat options.
- The government should utilize social media platforms to raise awareness and educate the public about the advantages of consuming fish. Additionally, they should highlight the diverse range of available fish species in specific regions.
- The government should prioritize the development of market-related infrastructure facilities in potential locations, as the scarcity of land at strategic sites for establishing modern fish markets poses a significant challenge.

"Our study provides a detailed narrative of the methodology used to construct a Input-Output table and a Social Accounting Matrix (SAM), from Supply-Use tables. By synthesizing diverse data sources and application of numerous steps and adjustments, we lay out the construction process. With a specialized focus on and intricate dissection of energy-producing sectors and energy-intensive industries, our IO and SAM offer vital insights for energy and environmental policy research. Our comprehensive 59x59 SAM, encompassing production factors and household dynamics, serves as a powerful tool for analyzing the employment implications of India's Nationally Determined Contribution (NDC) emission commitments."

-Chetana Chaudhuri (Fellow), Devender Pratap (Senior Fellow) and Sanjib Pohit (Professor)

[\[Chaudhuri, C., Pratap, D., & Pohit, S. \(2024\). "Estimation of SAM for India: An Application for India's Energy Transition Targets", Working Paper No: WP 160, New Delhi: National Council of Applied Economic Research.\]](#)

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