

Monthly Economic Review

September 2024

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.



Highlights

- The World Bank has revised its real GDP growth projection for India upward to 7 percent for FY2024-25, from 6.6 percent predicted in June 2024. The Organisation for Economic Cooperation and Development (OECD) has also raised India's real GDP growth projection marginally to 6.7 percent in September, while the Standard and Poor's (S&P) Global and the Asian Development Bank (ADB) have maintained their projections at 6.8 and 7 percent, respectively.
- The Federal Open Market Committee (FOMC), in its meeting held on September 17-18, 2024, lowered the policy rate range to 4.75-5.00 percent. The European Central Bank (ECB) announced a rate cut of 0.25 percent for key policy rates.
- Trends in inflation have varied across advanced economies. The United States (US) inflation rate slowed down to 2.5 percent in August 2024 from 2.9 percent in July 2024, but inflation in UK remained unchanged at 2.2 percent in August 2024. Inflation in the Euro Area was 2.2 percent, down from 2.6 percent in August 2024. Inflation in Japan increased slightly to 3 percent in August 2024 as against 2.8 percent in July 2024.
- India's real GDP growth in Q1 of FY2024-25 stood at 6.7 percent decelerating from 7.8 percent Q4 of FY2023-24 and 8.2 percent in Q1 of FY2023-24. Industry grew by 8.3 percent; services by 7.2 percent; and agriculture, livestock, forestry, and fishing by only 2 percent.
- High-frequency indicators reveal that the domestic economy continues to remain buoyant despite softening of a few indicators. The Index of Industrial Production (IIP) accelerated in July but IIP for core industries decelerated in August 2024. The Purchasing Managers' Index (PMI) for manufacturing slowed in August 2024. The services PMI increased in August 2024, and the Consumer Price Index (CPI) inflation increased marginally to 3.65 percent in August 2024.
- The merchandise trade deficit widened while the services trade surplus increased sequentially in August 2024. The foreign exchange reserves increased, and the value of rupee appreciated marginally against the US dollar in September 2024. Net foreign portfolio investments (FPI) also increased sequentially in September 2024. The Current Account Deficit (CAD) widened to USD 9.7 billion (1.1 percent of nominal GDP) in Q1 FY2024-25 as compared to a deficit of USD 8.9 billion (1 percent of nominal GDP) in Q1 FY2023-24 and a surplus of USD 4.6 billion (0.5 percent of GDP) in Q4 FY2023-24.
- India's unemployment rate, as per the Periodic Labour Force Survey (PLFS), remained unchanged at 3.2 percent in 2023-24. In rural areas, it increased slightly to 2.5 percent in 2023-24 from 2.4 percent in 2022-23, but the urban unemployment rate dropped marginally to 5.1 percent from 5.4 percent during the same period of last year.
- The work demand under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) increased, but the Naukri JobSpeak Index decreased by 10.5 percent sequentially and 3.4 percent year-over-year.

Global Updates and Data Releases

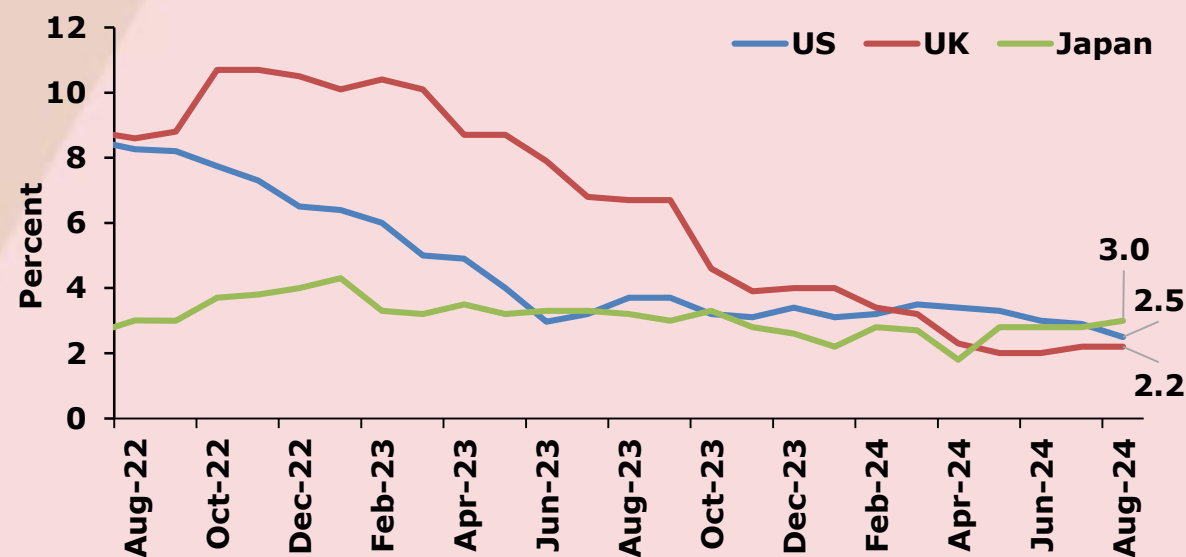
- Federal Open Market Committee (FOMC) lowered the policy rate range to 4.75-5 percent. The median growth projections released by the FOMC on September 18, 2024, are reported in Table 1. [\[Federal Reserve Press Release, 18 September, 2024\]](#)
- The European Central Bank (ECB) announced a rate cut of 0.25 percent for key policy rates, lowering the main refinancing rate to 3.65 percent, the marginal lending facility to 3.9 percent, and the deposit facility to 3.5 percent. [\[European Central Bank, Press Release, 12 September, 2024\]](#)
- Inflation trends vary across advanced economies. Inflation in the [US moderated to 2.5](#) percent in August 2024 from 2.9 percent in July 2024 (Figure 1). In the [Euro Area](#) inflation was 2.2 percent, down from 2.6 percent in August 2024. In the [UK](#), inflation remained unchanged at 2.2 percent in August 2024 compared to July 2024. Inflation in [Japan](#) increased slightly to 3 percent in August 2024 as against 2.8 percent in July 2024 (Figure 1).

Table 1: FOMC Projections

Variables	Median Projections				Long-run
	2024	2025	2026	2027	
Real GDP (% change)	2.0	2.0	2.0	2.0	1.8
Unemployment Rate (%)	4.4	4.4	4.3	4.2	4.2
PCE inflation	2.3	2.1	2.0	2.0	2.0
Core PCE inflation	2.6	2.2	2.0	2.0	-
Fund rate (%)	4.4	3.4	2.9	2.9	2.9

Source: [FOMC Meeting Statement \(17 - 18 September, 2024\)](#)

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

Note: In Table 1, the [Personal consumption expenditures price index, or PCE price index](#), is a narrower measure of inflation that looks at the changing prices of goods and services purchased by consumers in the US. The PCE price index measures inflation (or deflation) by tracking a broad range of consumer spending and adjusts for changes in buying habits. PCE inflation and core PCE inflation are the rates of change in the overall index and in the index excluding food and energy, respectively. The FOMC does not provide long-term projections for core PCE inflation.

GDP growth projections

- The Organization for Economic Cooperation and Development (OECD) has raised its forecast for global GDP for 2024 to 3.2 percent from 3.1 percent in May 2024 in their [Global Economic Outlook Interim Report, September 2024](#). The range of global real GDP growth projections by multilateral and rating organisations range between 2.6 to 3.2 percent in 2024 (Figure 2).
- The [World Bank](#) has revised its real GDP growth projection for India upward to 7 percent for FY2024-25, from 6.6 percent predicted earlier in June 2024. The [OECD](#) has also raised India's real GDP growth marginally to 6.7 percent in September, while the S&P Global and the [ADB](#) have maintained their forecasts at 6.8 and 7 percent, respectively (Figure 3).

Figure 2: Global Real GDP Growth Projections for 2024

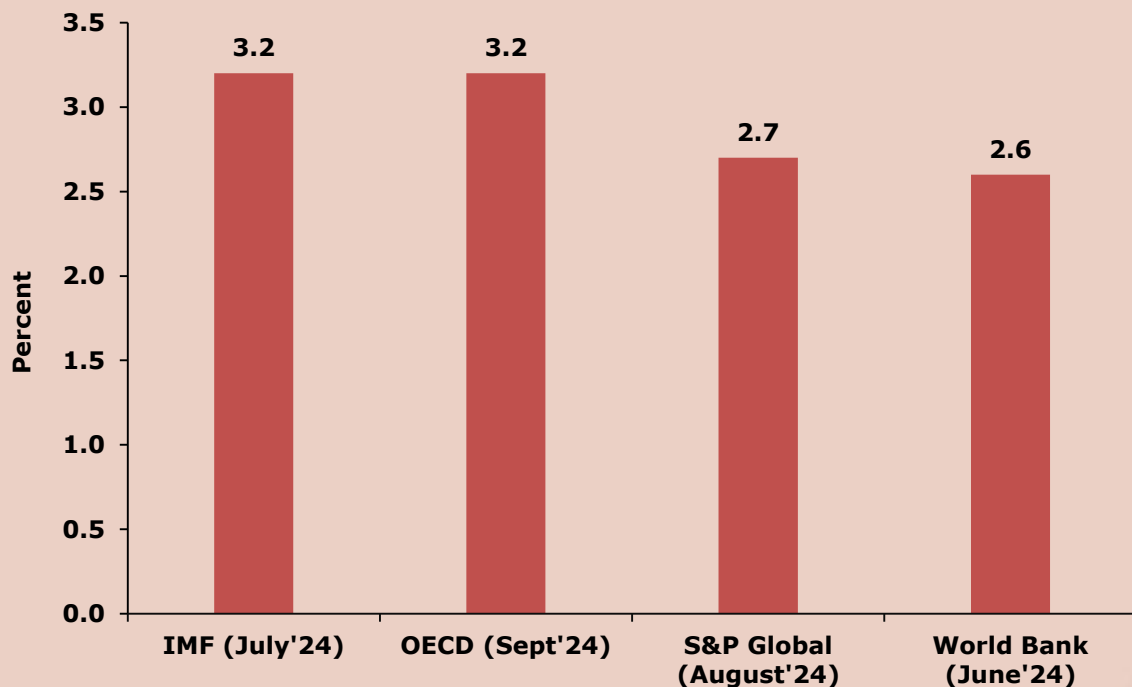
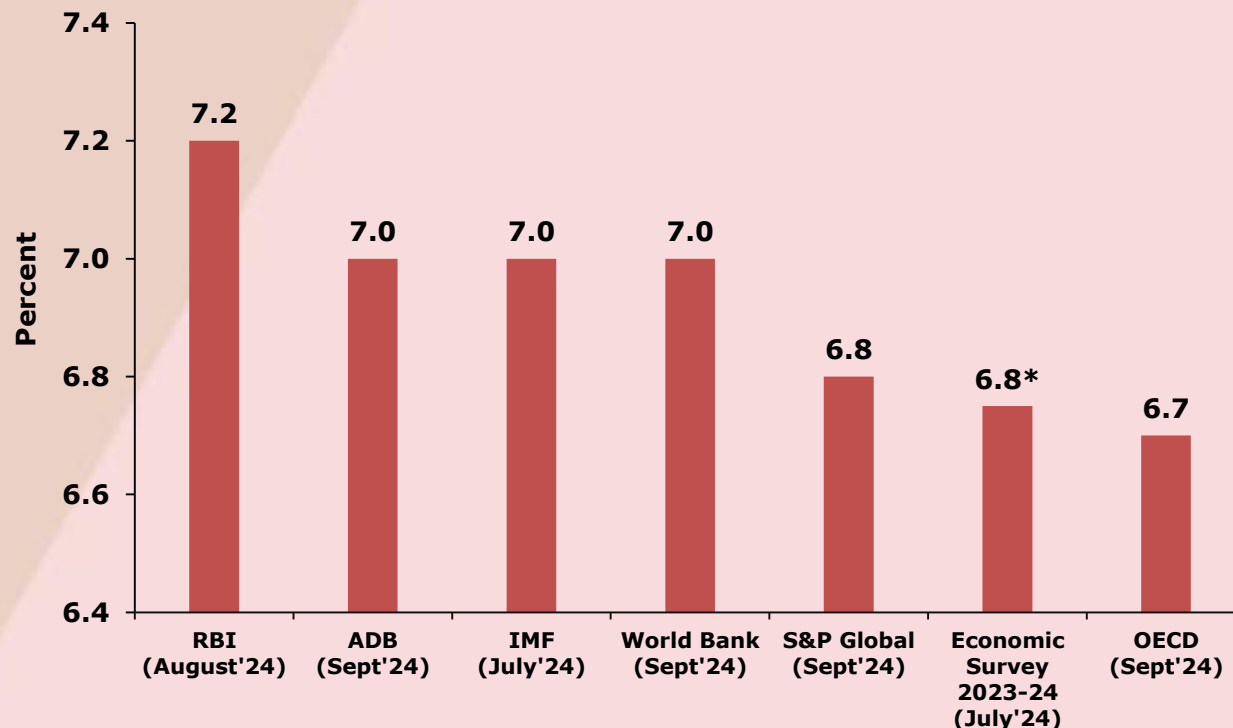


Figure 3: India's Real GDP Growth Projections for FY2024-25



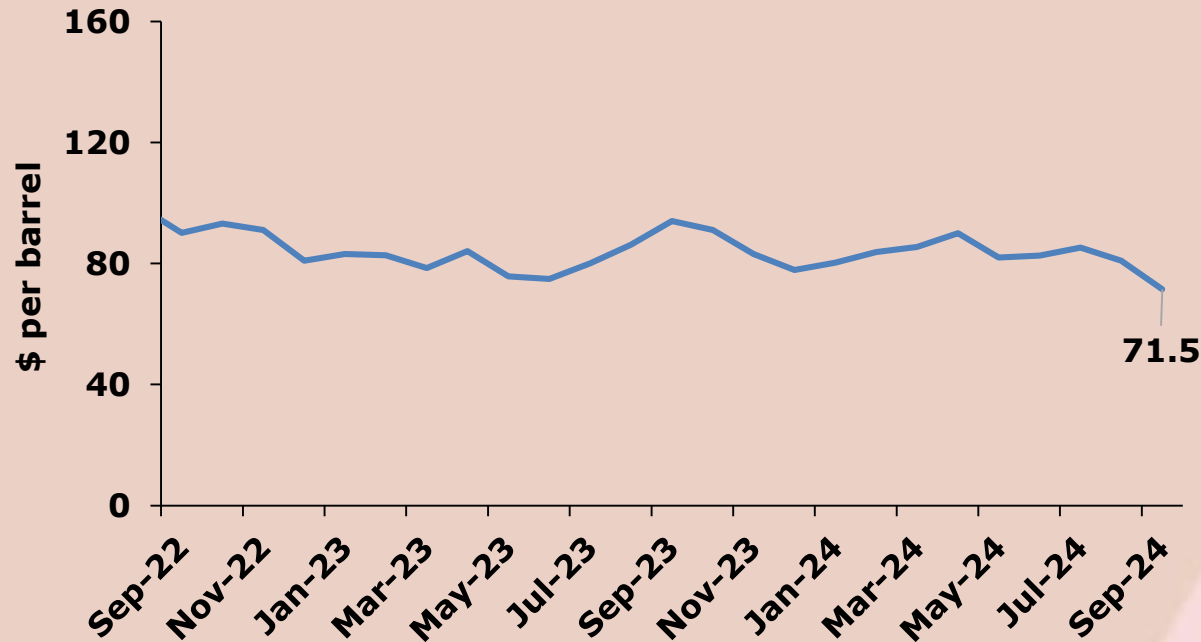
Source: Various reports and media articles by the institutions.

Note: (i) The asterisk indicates that the projection from the Economic Survey represents the midpoint of the 6.5–7 percent range. (ii) Real GDP is projected to grow by 6.5–7 percent in FY2024-25, according to Economic Survey 2023-24.

Price of Brent Crude declines; MSCI Index increases marginally for India and Emerging Markets but declines for the World

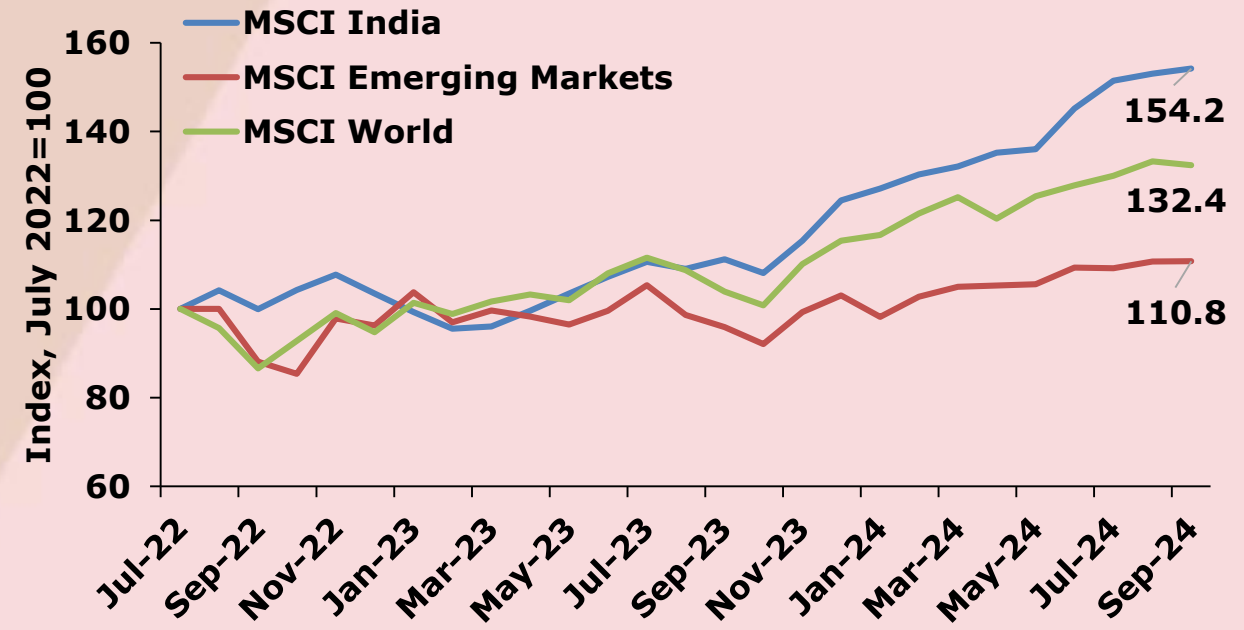
- Brent crude oil prices fell to USD 71.5 per barrel on September 30, 2024, from USD 80.9 in August 2024 (Figure 4).
- As of September 30, 2024, the MSCI Index for India increased marginally by 0.8 percent, and the index for Emerging Markets by 0.1 percent, while the global index decreased by 0.7 percent compared to their respective levels in August 2024 (Figure 5).

Figure 4: Brent Crude Oil Price



Source: World Bank Pink Sheet

Figure 5: Equity Markets



Source: Investing.com

Note: The data for Figure 4 have been taken from the World Bank Pink Sheet for the period September 2022 until August 2024, and from the Global Markets Monitor (GMM), for September 2024, as of September 30, 2024. Figure 5 is indexed from July 2022, July 2022=100. Data are reported until September 30, 2024, and the average of daily values was taken to create the monthly value for September 2024.

Q1 FY2024-25 estimates of India's GDP: Real GDP grew by 6.7 percent; Real GVA registered a growth of 6.8 percent

Real Sector

- According to the quarterly estimates for the first quarter (Q1) (April-June), India's real GDP growth stood at 6.7 percent in Q1 FY2024-25, decelerating from 7.8 percent in Q4 of FY2023-24 and 8.2 percent in Q1 of FY2023-24 (Figure 6). [\[Quarterly Estimates for GDP for Q1 \(April-June\), FY2024-25 Press Release \(pib.gov.in\)\]](#)
- Real GVA accelerated to 6.8 percent in Q1 of FY2024-25, up from 6.3 percent growth in Q4 of FY2023-24. The industry sector grew by 8.3 percent and services by 7.2 percent; but the growth in agriculture, livestock, forestry, and fishing sector was only 2 percent (Figures 7 and 8).
- The sectors which registered relatively higher growth were - Construction (10.5 percent); Electricity, Gas, Water Supply, and Other Utility Services (10.4 percent); Public Administration, Defence, and Other Services (9.5 percent); Mining & Quarrying (7.2 percent); Financial, Real Estate & Professional Services (7.1 percent); and, Manufacturing (7.0 percent) (Figure 8).

Figure 6: Growth Rates of Real GDP and Its Components

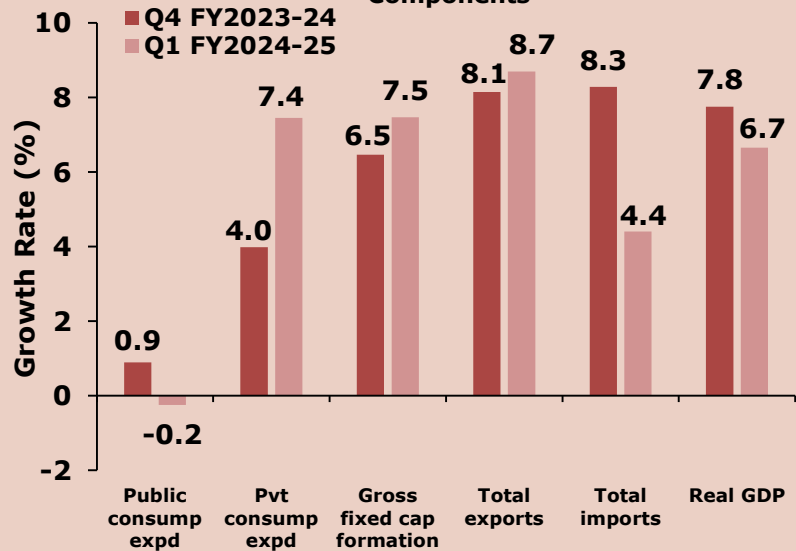


Figure 7: GVA Growth Rates—Agriculture, Industry and Services

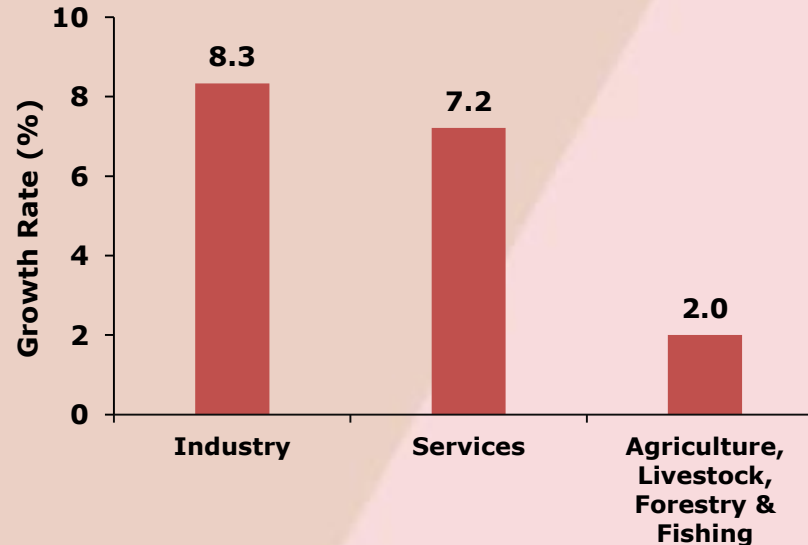
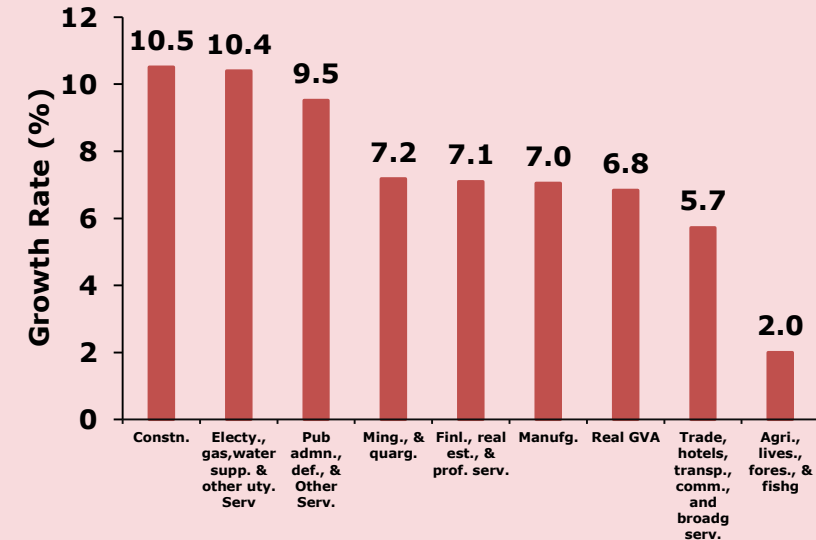


Figure 8: Growth Rates of GVA and Its Components



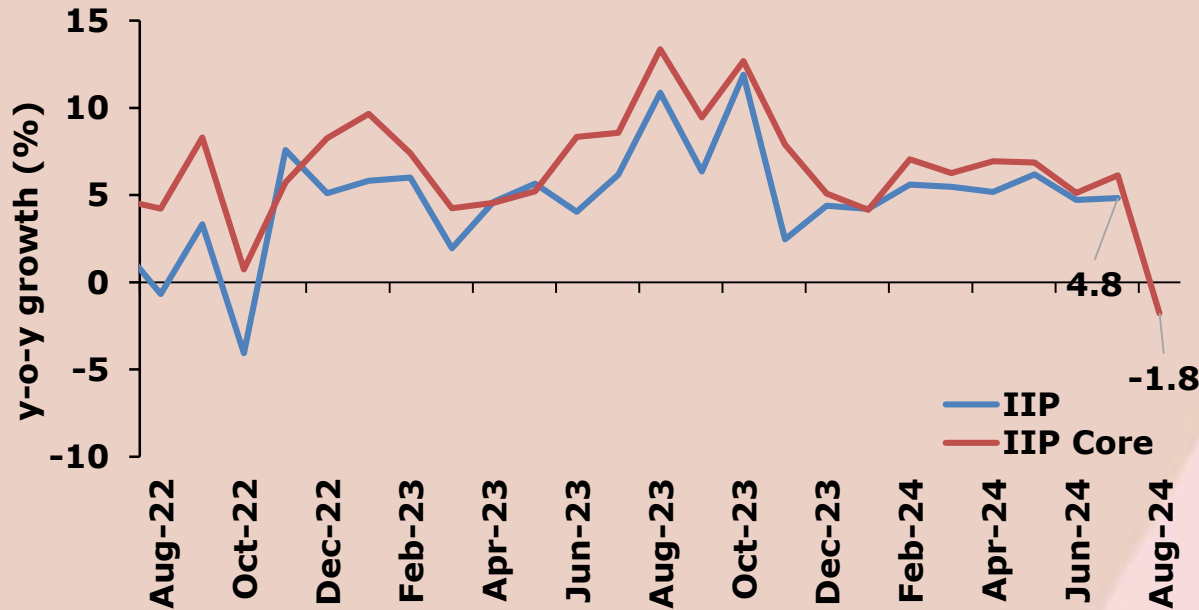
Source: Ministry of Statistics and Programme Implementation.

Note: In Figures 7 and 8, for calculating the growth of the agriculture sector, we took the component agriculture, forestry & fishing, and for the services sector, we took the aggregate of three components, i.e., trade, hotels, transport, communication; services related to broadcasting, financial, real estate & professional services; and public administration, defence & other services. Similarly, for calculating the growth of industry, we took the aggregate of four components, i.e., mining & quarrying; manufacturing; electricity, gas, water supply & other utility services; and construction.

IIP registers growth but IIP Core decelerates; PMI for Manufacturing slows but PMI for Services increases

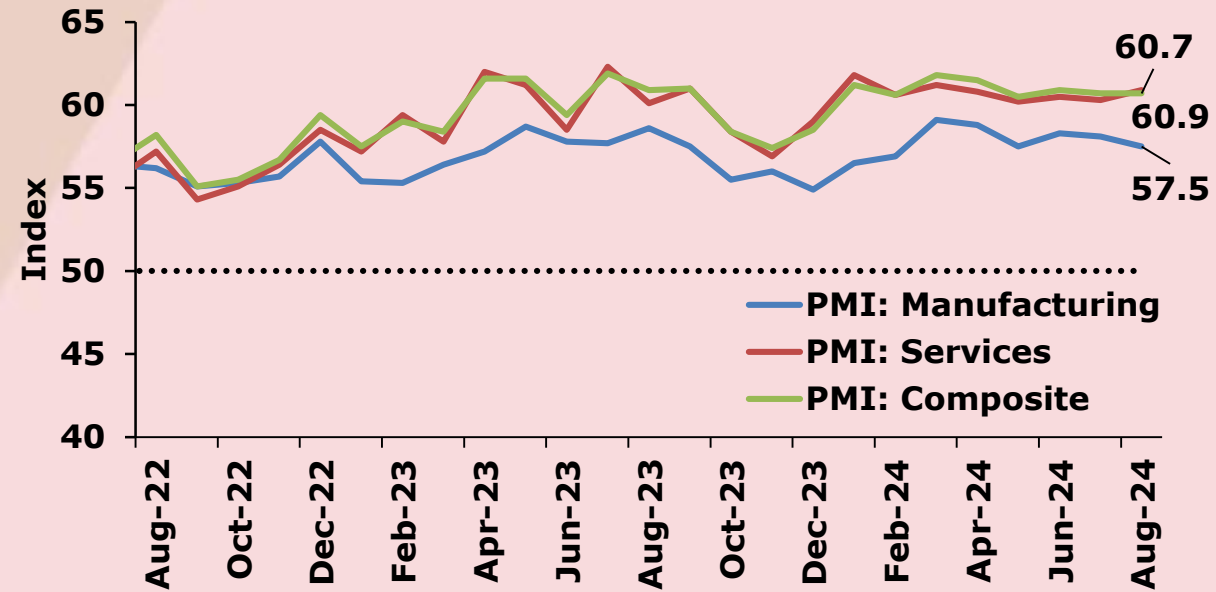
- The Index for Industrial Production (IIP) registered a growth of 4.8 percent (Provisional Estimates) in July 2024, increasing marginally from 4.7 percent (Revised Estimates) in June 2024 on a year-over-year basis (Figure 9). [\[IIP Press Release, September 12, 2024\]](#)
- The growth of the combined index of eight core industries (IIP Core) decelerated to negative 1.8 percent (Provisional Estimates) in August 2024 from 6.1 percent (Revised Estimates) in July 2024 on a year-over-year basis (Figure 9). [\[IIP Core Press Release \(Office of Economic Advisor, DPIIT, Govt. Of India\), September 30, 2024\]](#)
- The Purchasing Managers' Index (PMI) for manufacturing decreased to [57.5 in August 2024](#) from 58.1 in July 2024. The PMI for services increased slightly to [60.9 in August 2024](#) from 60.3 in July 2024, maintaining its steady trajectory. The composite PMI remained unchanged at 60.7 in August 2024 as compared to July 2024 (Figure 10).

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 10: Purchasing Managers' Indices



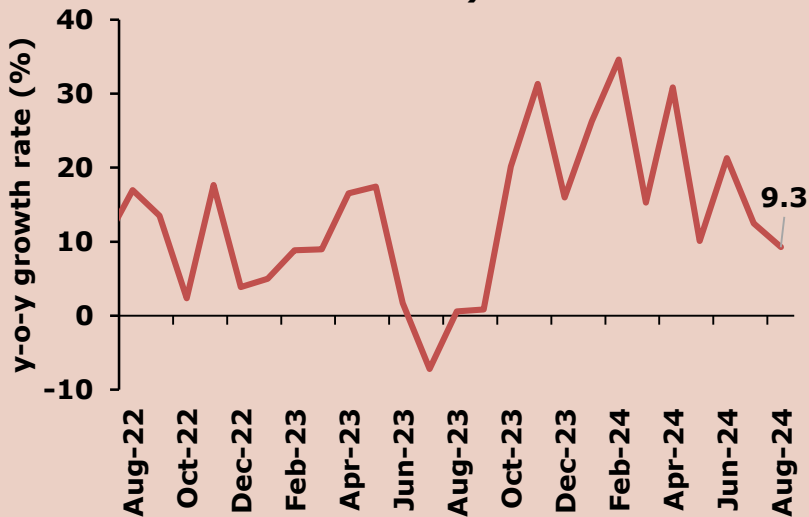
Source: IHS Markit

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 8).

Growth in sales of non-EV two-wheelers moderates year-over-year, but sales of EVs increase year-over-year; Growth in digital toll collection (by volume) increases year-over-year

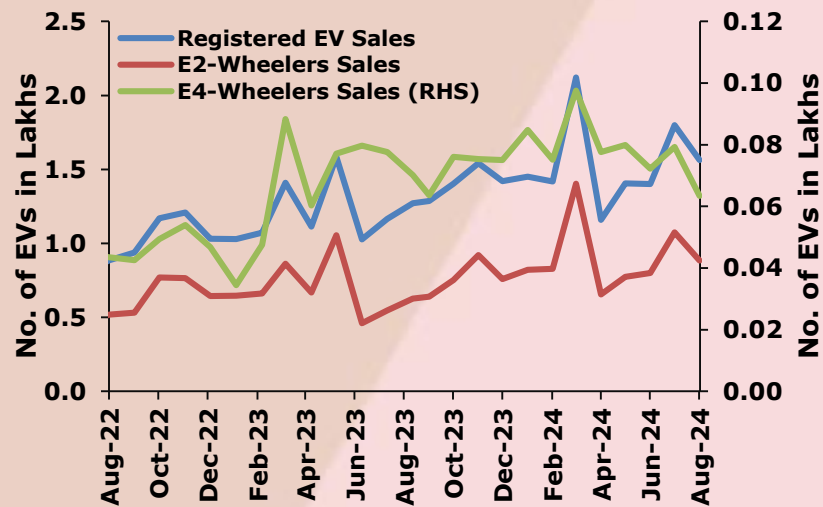
- The year-over-year growth in non-electric two-wheeler sales slowed to 9.3 percent in August 2024 compared to 12.5 percent in July 2024 (Figure 11).
- As per the Vahan Dashboard, the total registered electric vehicle (EV) sales increased by 22.8 percent year-over-year in August 2024 but decreased sequentially by 13.2 percent (Figure 12).
- Sales across different categories of EVs show varying trends. The sales of Electric two-wheelers (E2Ws) increased by 40.9 percent in August 2024 on a year-over-year basis but decreased by 17.7 percent sequentially. The sales of Electric four-wheelers (E4Ws) decreased by 9.7 percent in August 2024 year-over-year and by 20.1 percent sequentially (Figure 12). [Monthly EV Update – September 2024 \(https://evreporter.com/\)](https://evreporter.com/)
- The National Electronic Toll Collection (NETC) recorded 329 million transactions in August 2024 and registered a growth of 6.8 percent in terms of the volume of transactions on a year-over-year basis and by 1.9 percent sequentially (Figure 13).

Figure 11: Automobile (non-EV Two-wheeler) Sales



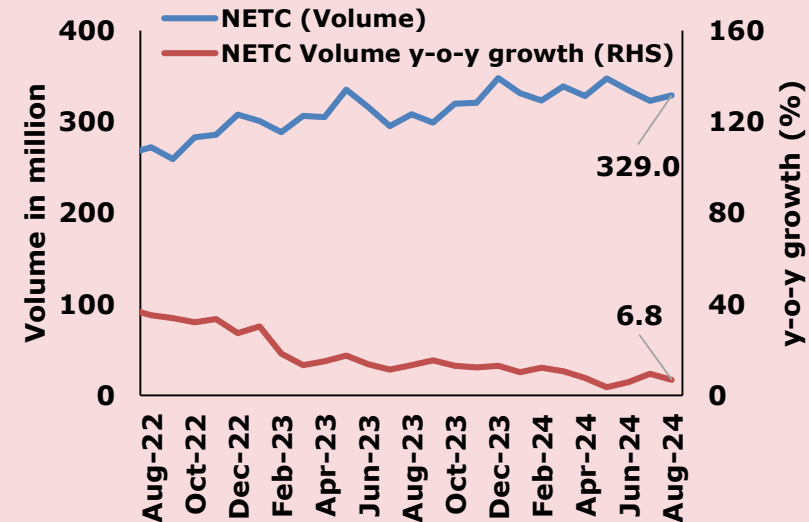
Source: CEIC estimates, Society of Indian Automobile Manufacturers

Figure 12: Electric Vehicles Sales- by Categories



Source: EV reporter, Vahan Dashboard

Figure 13: Digital Payments: NETC Volume and Growth Rates



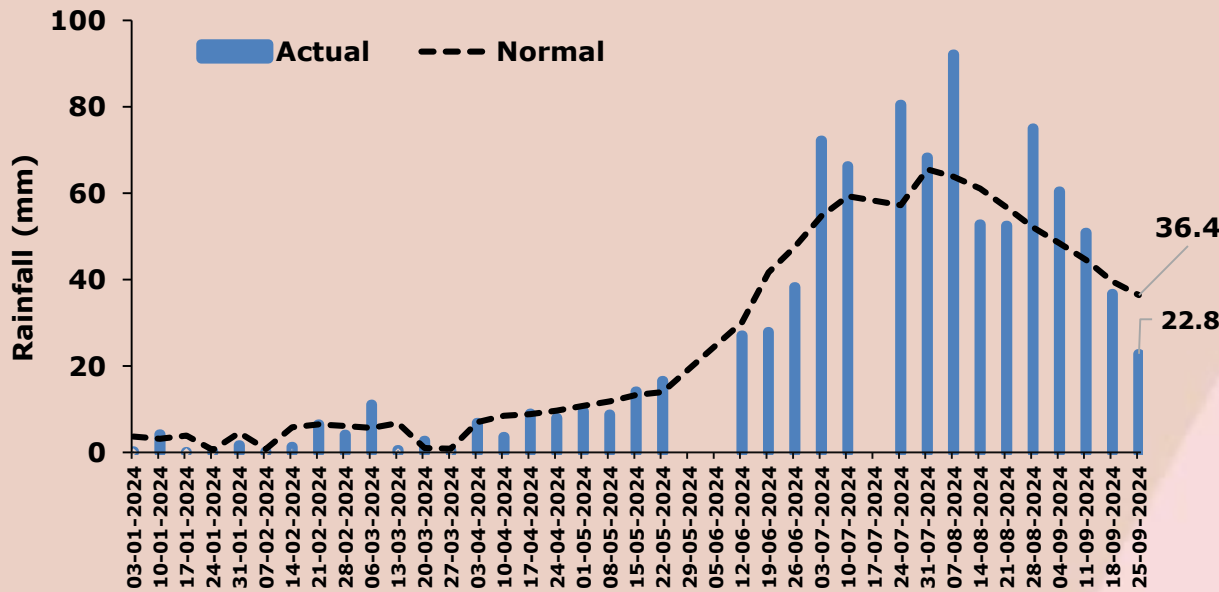
Source: National Payments Corporation of India (NPCI)

Note: In Figures 12 and 13, RHS axis rescaled for E4-Wheelers Sales and y-o-y growth rates for NETC Volume for comparability.

Monsoon rainfall in September and season as a whole was above normal; Kharif sowing for the 2024-25 agricultural year remains consistent with the normal area sown

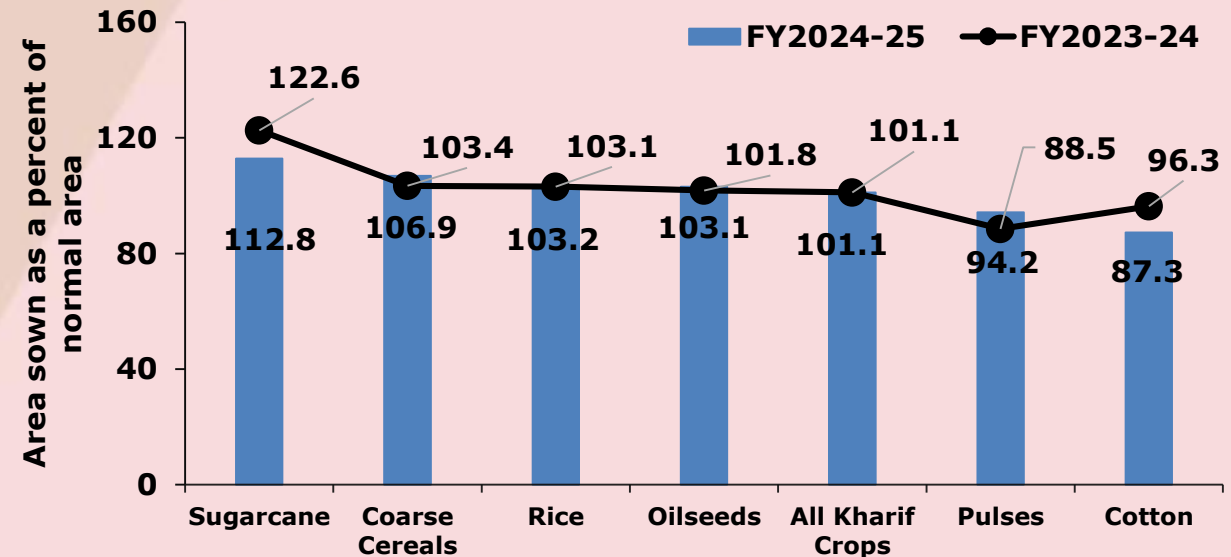
- As per the Indian Meteorological Department (IMD), the monthly average rainfall for September 2024 and the season as a whole across India was above normal range [(June- September) was 108% of its long period average (LPA)] (Figure 14). [\[IMD Press Release: Salient Features of the 2024 Southwest Monsoon Season\]](#)
- Kharif sowing as a proportion of the normal area sown stood at 101.1 percent for the agricultural season 2024-25 as of September 27, 2024, consistent with the figures in 2023-24 as of September 29, 2023 (Figure 15).
- The area sown for coarse cereals, rice, oilseeds, and pulses stood at 106.9, 103.2, 103.1, and 94.2 percent, respectively, in 2024-25, increasing from 103.4, 103.1, 101.8, and 88.5 percent in 2023-24. The area sown for sugarcane and cotton declined to 112.8 percent and 87.3 percent in 2024-25 compared to 122.6 percent and 96.3 percent in 2023-24 (Figure 15).

Figure 14: All-India Monthly Rainfall



Source: IMD

Figure 15: Kharif Sowing across Various Categories of Crops



Source: Department of Agriculture & Farmers Welfare

Note: (i) For Figure 14, IMD did not release data for the last week of May 2024 and the first week of June 2024. (ii) The LPA rainfall for the country during July is calculated from 1971-2020. (iii) In Figure 15, the data for the 2024-25 agricultural season are as of September 27, 2024, and are compared with the data from the 2023-24 season as of September 29, 2023.

UPI records 15 billion transactions (in volume), registering 41.3 percent growth year-over-year; IMPS transactions (in volume) decelerate

- Unified Payments Interface (UPI), India's leading digital payment system, recorded 15 billion transactions (in volume) in August 2024 (Figure 16), registering a growth of 41.3 percent year-over-year (Figure 17). Sequentially, the volume of transactions increased by 3.7 percent.
- The electronic funds transfer system - Immediate Payment Service (IMPS), recorded 453.3 million transactions in August 2024 (Figure 16), indicating a 7.3 percent year-over-year decline in the volume of transactions (Figure 17). Sequentially, the volume of IMPS transactions decreased by 7.5 percent. [\[National Payments Corporation of India, Monthly Metrics \(npci.org.in\)\]](https://npci.org.in)

Figure 16: Unified Payments Interface (UPI) and Immediate Payment Service (IMPS) Transactions

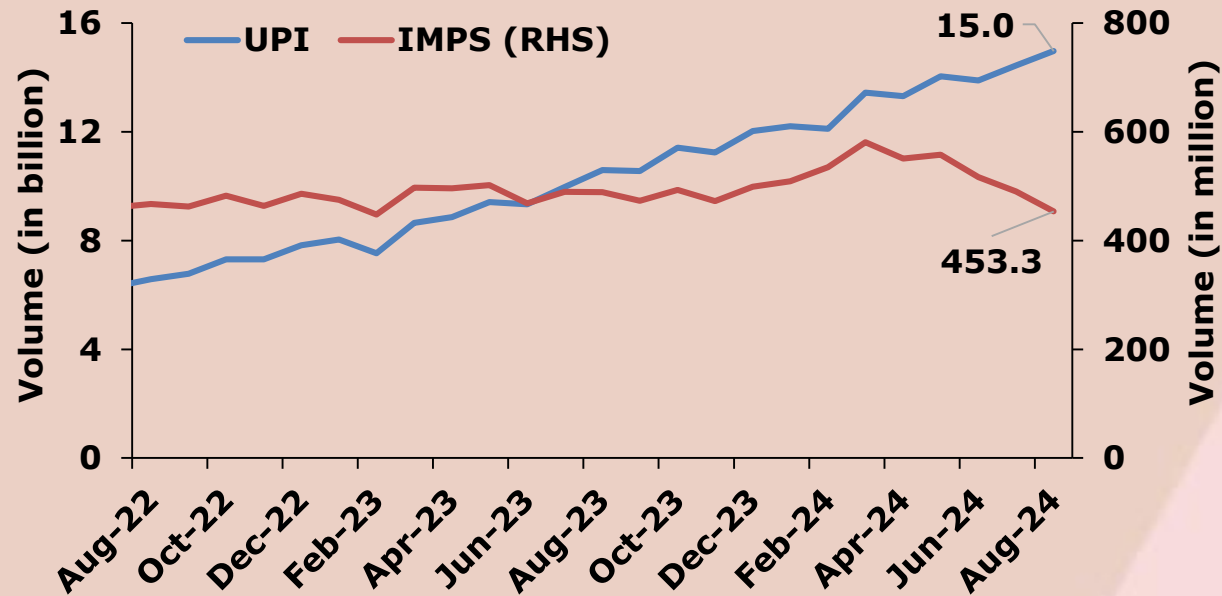
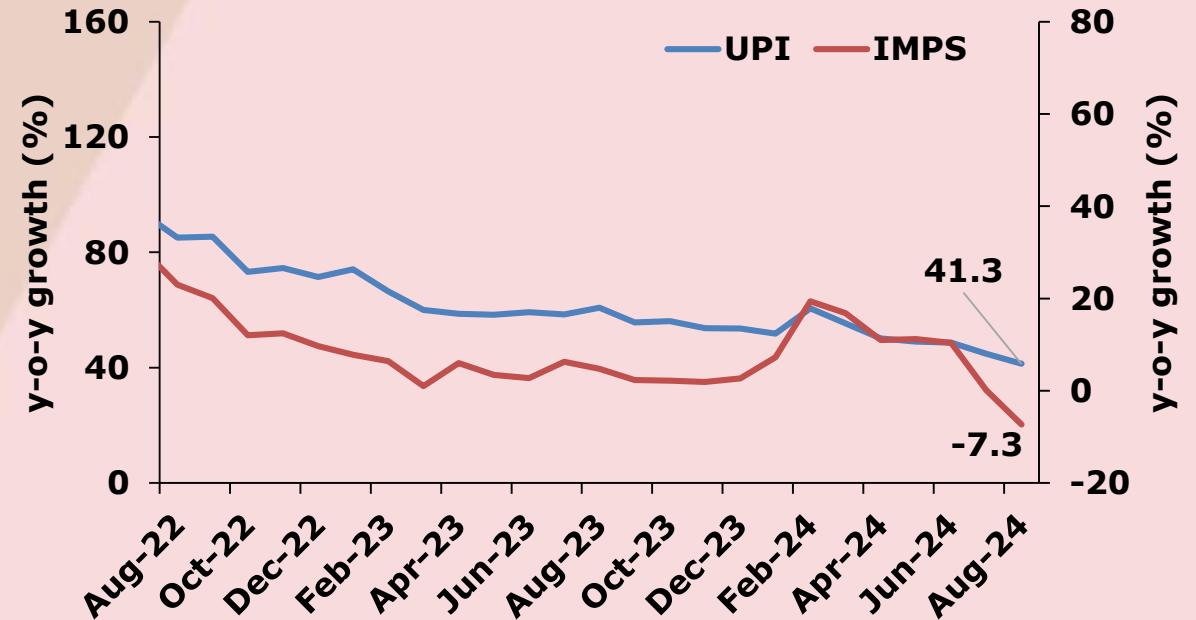


Figure 17: UPI and IMPS Growth



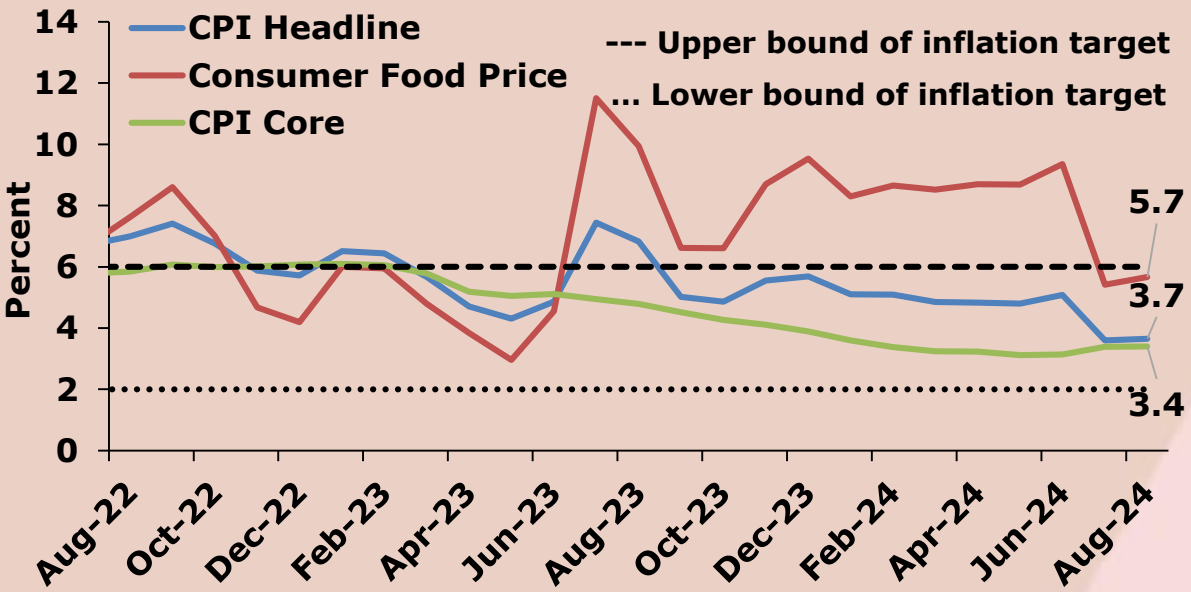
Source: National Payments Corporation of India (NPCI).

Note: In Figures 16 and 17, the RHS axis was rescaled for IMPS to ensure comparability.

Headline and food inflation increases marginally; Core inflation remains unchanged; WPI inflation decelerates

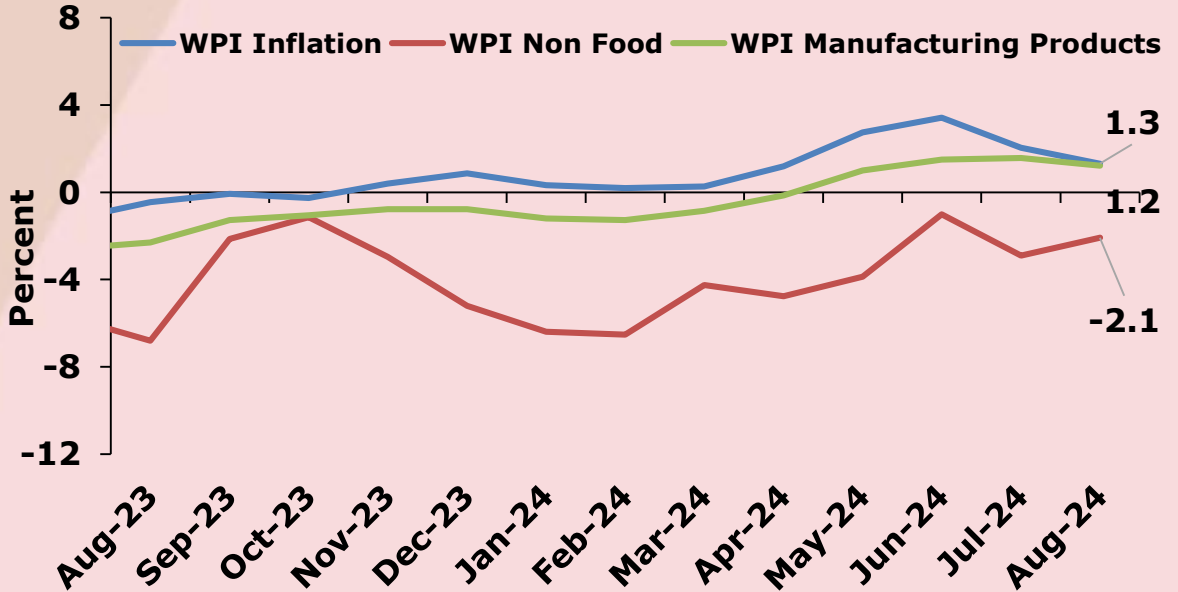
- The CPI headline inflation increased marginally to 3.65 percent in August 2024 from 3.6 percent in July 2024. Core inflation remained unchanged at 3.4 percent in August 2024 compared to July 2024 (Figure 18).
- The Consumer Food Price Index (CFPI) inflation rose to 5.66 percent in August 2024 from 5.42 percent in July 2024 (Figure 18). [[CPI Press Release, September 12, 2024 | MOSPI](#)]
- The Wholesale Price Index (WPI) inflation decelerated to 1.31 percent (Provisional Estimates) in August 2024 from 2 percent (Provisional Estimates) in July 2024 (Figure 19). [[WPI Press Release, September 17, 2024, | Ministry of Commerce and Industry, DPIIT](#)]

Figure 18: Consumer Price Indices Inflation Rates



Source: Ministry of Statistics and Programme Implementation

Figure 19: Wholesale Price Indices Inflation Rates



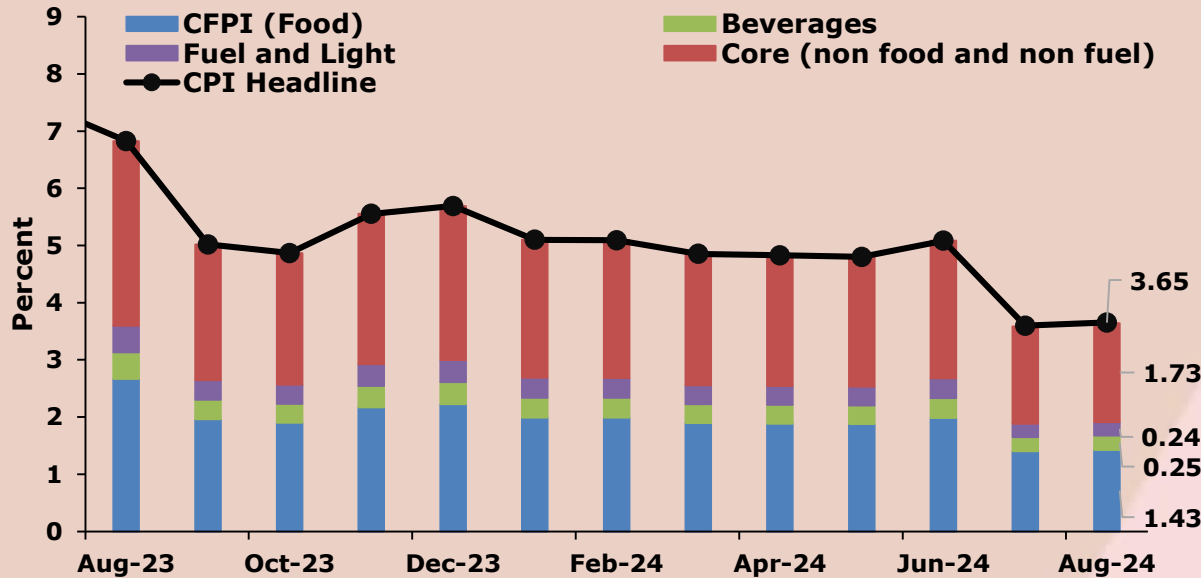
Source: Ministry of Commerce and Industry, Department for Promotion of Industry and Internal Trade (DPIIT), Government of India

Note: In Figure 18, 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.

Contributions of core and CFPI inflation to headline inflation increase marginally; CPI inflation forecasts signal elevated inflation expectations

- Core inflation and CFPI contributed 1.73 percent and 1.43 percent respectively, to headline inflation in August 2024, increasing marginally from their levels in July 2024 (Figure 20).
- The contributions of CPI inflation for beverages and for fuel and light to headline inflation in August 2024 remained close to their July 2024 levels (Figure 20).
- The 89th round of the Survey of Professional Forecasters signals elevated inflation expectations. Forecasts for FY2024-25 are at 4.1 percent for Q2, 4.8 percent for Q3, and 4.6 percent for Q4. The inflation outlook for Q1 of FY2025-26 is projected at 4.7 percent (Table 2).

Figure 18: Contributions to CPI Headline



Source: Ministry of Statistics and Programme Implementation

Table 2: Projections of Headline Inflation

Quarterly Projections (percent)	
Q2 FY2024-25	4.1
Q3 FY2024-25	4.8
Q4 FY2024-25	4.6
Q1 FY2025-26	4.7

Source: Reserve Bank of India

Note: In Figure 20, 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.

Growth in SCB's bank credit moderates slightly; decelerates for personal loans, services, agriculture and industry

- The total outstanding credit (food and non-food) of Scheduled Commercial Banks (SCBs) grew by 13.6 percent on a year-over-year basis in August 2024, moderating slightly from 13.7 percent in July 2024 (Figure 21).
- Personal loan credit growth decelerated from 14.4 percent in July 2024 to 13.9 percent in August 2024 year-over-year. Bank credit growth for the services sector was 13.9 percent in August 2024 moderating marginally from 14 percent in July 2024 (Figure 22).
- Bank credit growth for agriculture and allied activities was 17.7 percent in August 2024, decelerating from 18.1 percent in July 2024. Credit growth in the industry sector decreased to 9.7 percent in August 2024 moderating from 10.1 percent in July 2024 year-over-year (Figure 22).

Figure 21: Total Outstanding Credit (Food and Non-food) of Scheduled Commercial Banks

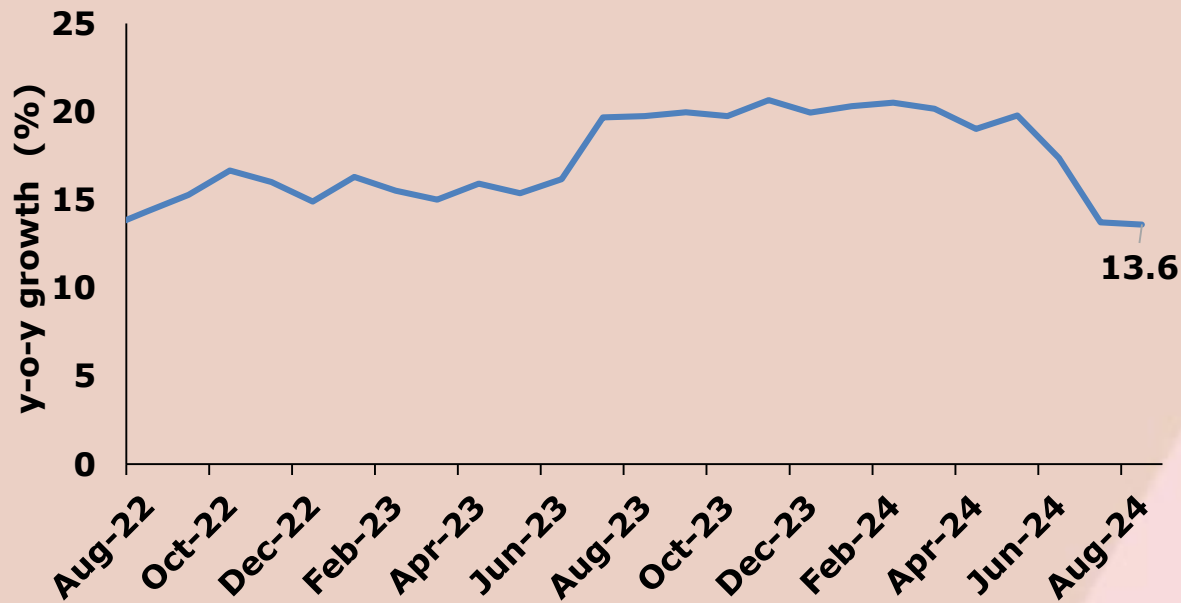
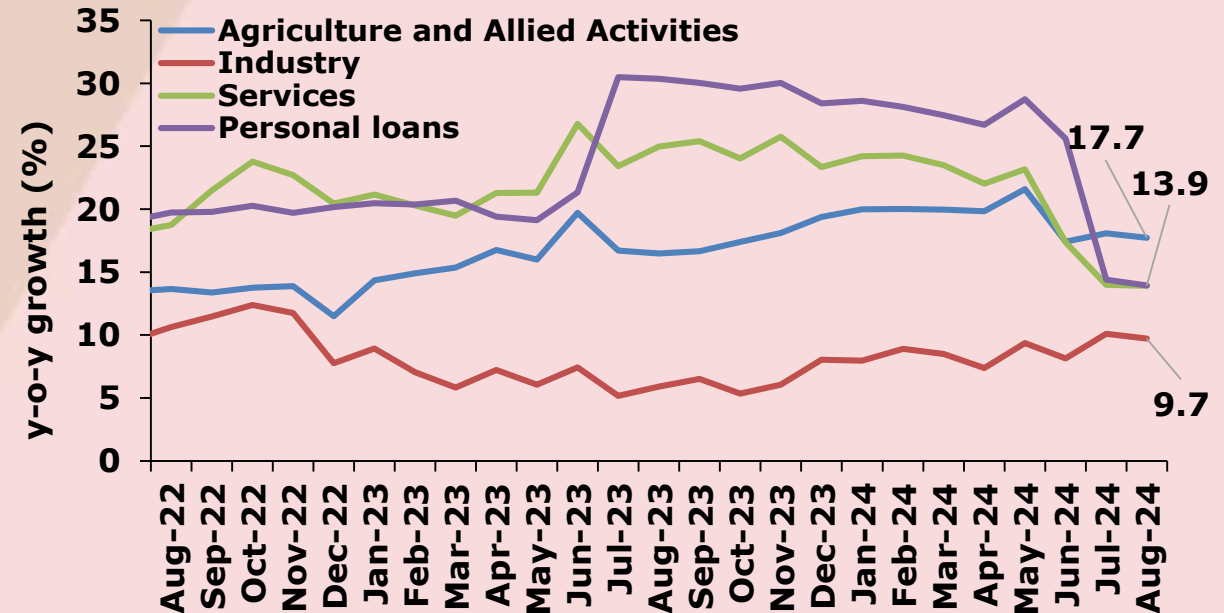


Figure 22: Sectoral Deployment of Non-food Credit by Scheduled Commercial Banks

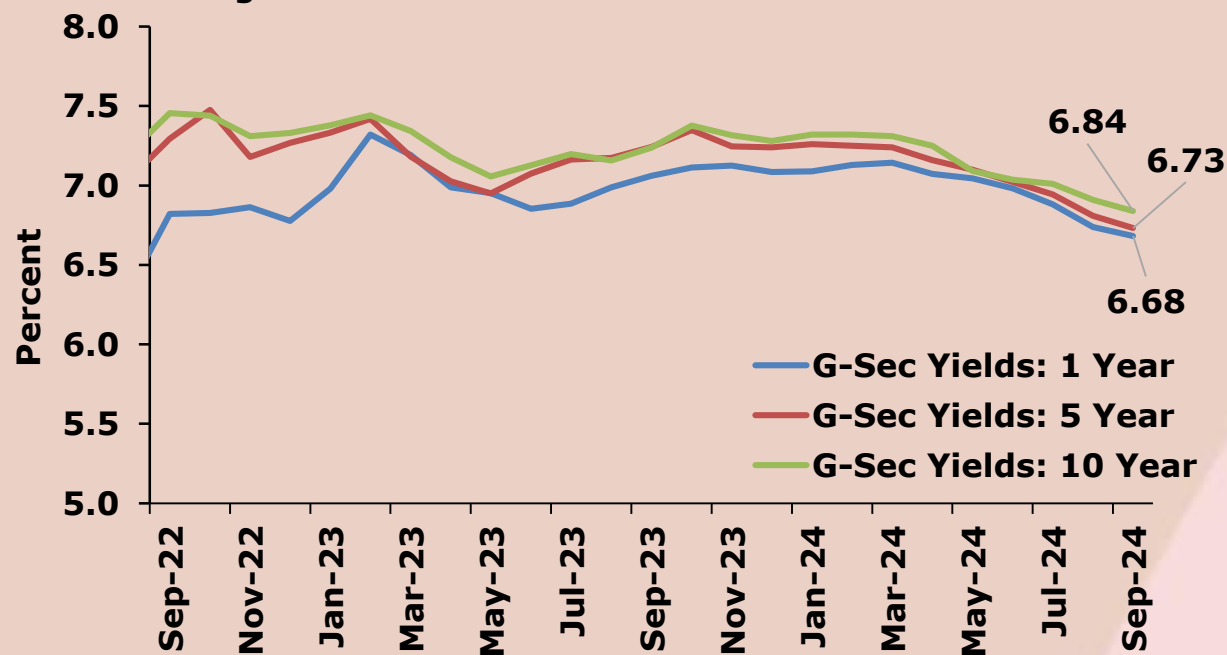


Source: CEIC estimates and RBI.

Yields on Indian Government Debt decline marginally for 1-year, 5-year, and 10-year benchmarks; NSE Volatility Index (VIX) decreases

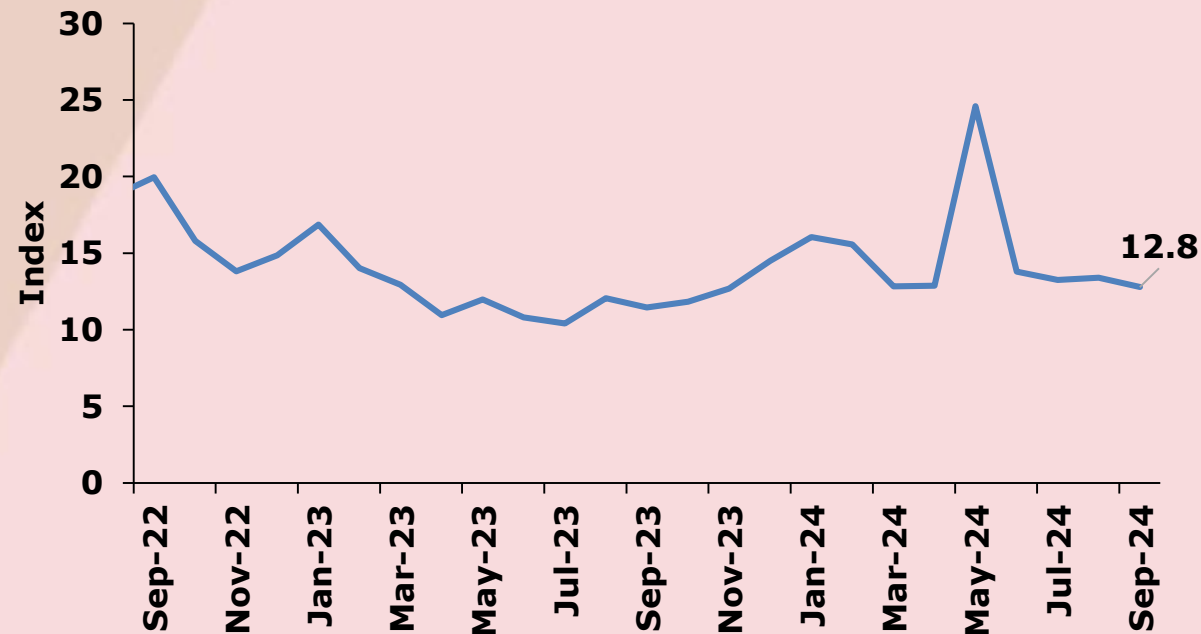
- The yields for 1-year, 5-year, and 10-year government securities decreased marginally to 6.68, 6.73, and 6.84 percent respectively, as of September 30, 2024, compared to their levels at the end of August 2024 (Figure 23).
- As of September 30, 2024, the National Stock Exchange VIX index for India decreased to a level of 12.8 compared to 13.4 at the end of August 2024 (Figure 24).
- As of September 30, 2024, the monthly average of the Bombay Stock Exchange (BSE) Sensex Index is 83294.1 and the National Stock Exchange of India Nifty 50 Index is 25470.1.

Figure 23: Yields on Domestic Government Securities



Source: Clearing Corporation of India Ltd

Figure 24: VIX Index



Source: CEIC estimates and Investing.com

Note: (i) In Figure 23, for September 2024, data are reported as of September 30, 2024. The average of daily values is taken to create the monthly value for September 2024. (ii) In Figure 24, for September 2024, data are reported as of September 30, 2024. The NSE VIX (National Stock Exchange Volatility Index) for India is a measure of the market's expectations of volatility of the NIFTY 50 index over the next 30 calendar days. A high VIX value indicates high volatility and uncertainty, suggesting that investors expect significant price movements in the near term. Conversely, a low VIX value suggests a stable or less volatile market.

As per the PLFS Annual Survey 2023-24, unemployment rate remained unchanged at the last year's level; Naukri JobSpeak Index moderates year-over-year

- According to the Periodic Labour Force Survey (PLFS) for (July 2023–June 2024) 2023-24, India's unemployment rate, based on the usual status, remained unchanged at 3.2 percent as in 2022-23.
 - In rural areas, it increased slightly to 2.5 percent from 2.4 percent.
 - The urban unemployment rate dropped slightly to 5.1 percent from 5.4 percent.
 - Female unemployment increased to 3.1 percent from 2.9 percent, while the rate for males decreased slightly from 3.3 percent to 3.2 percent (Figure 25). [\[PLFS Annual Report, July 2023–June 2024, September 23, 2024\]](#)
- In August 2024, online hiring activity indicated by the Naukri JobSpeak Index decreased by 10.5 percent sequentially and 3.4 percent year-over-year.
 - In the travel and hospitality sector, hiring decreased by 3.7 percent sequentially and 6 percent year-over-year.
 - The banking and financial services sector experienced an 11.4 percent drop in hiring sequentially but a 4.1 percent increase in hiring year-over-year in August 2024.
 - In the retail sector hiring declined by 16.2 percent sequentially and 7.9 percent year-over-year.
 - Hiring in IT and software services decreased by 10.9 percent sequentially but increased by 1 percent year-over-year in August 2024 (Figure 26).

Figure 25: PLFS Annual Unemployment Rates

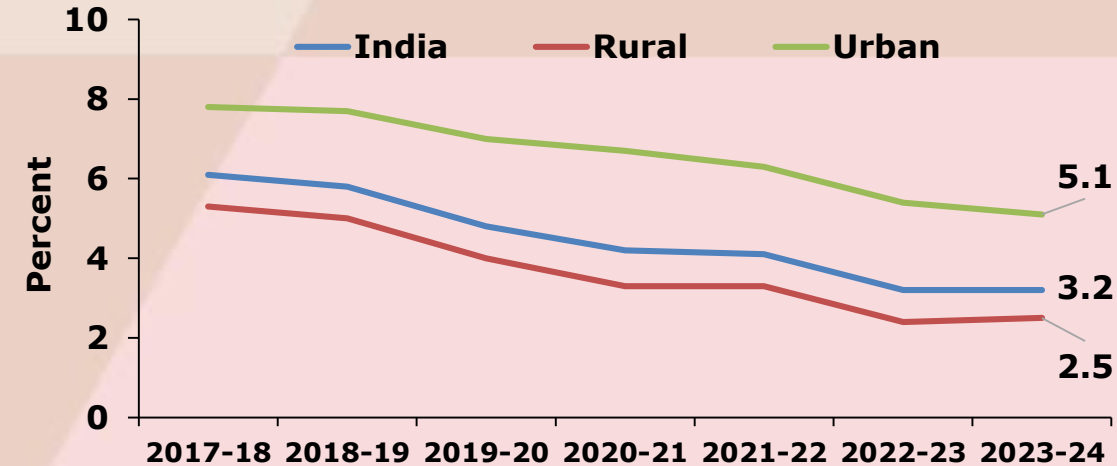
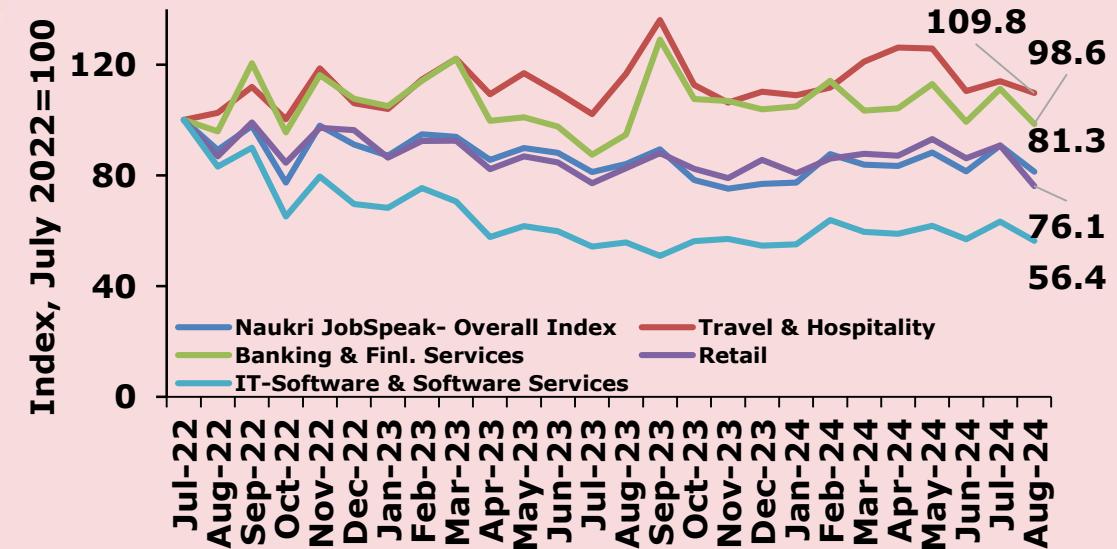


Figure 26: Naukri JobSpeak Index

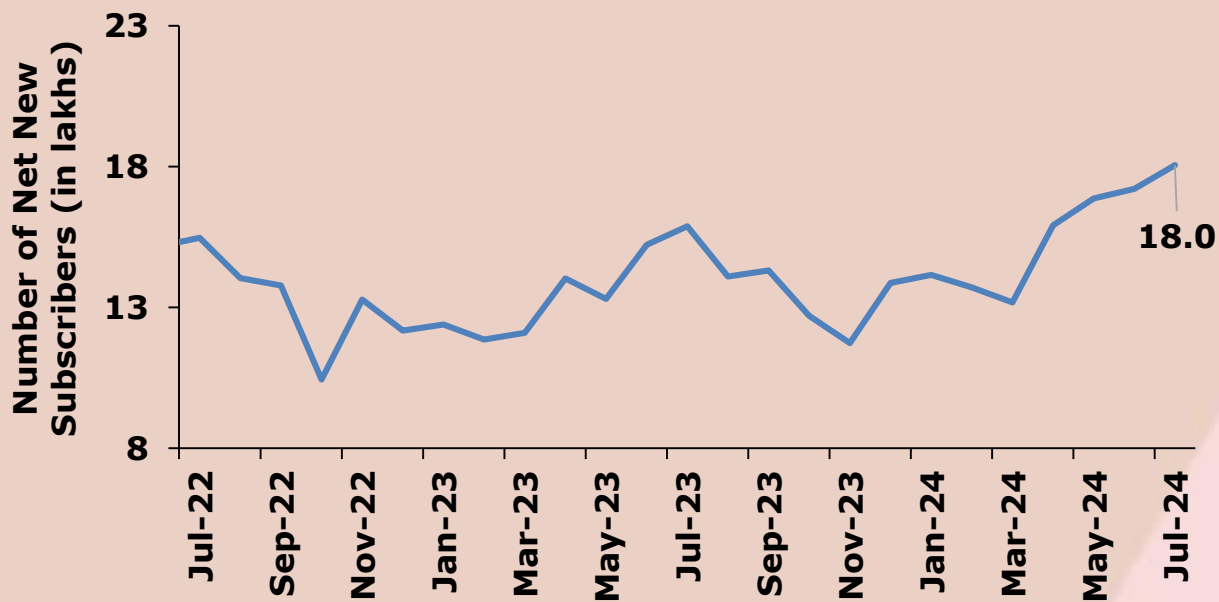


Source: Ministry of Statistics and Programme Implementation; CEIC estimates.

New subscribers under EPFO increased both year-over-year and sequentially; demand for jobs under MGNREGA increases year-over-year

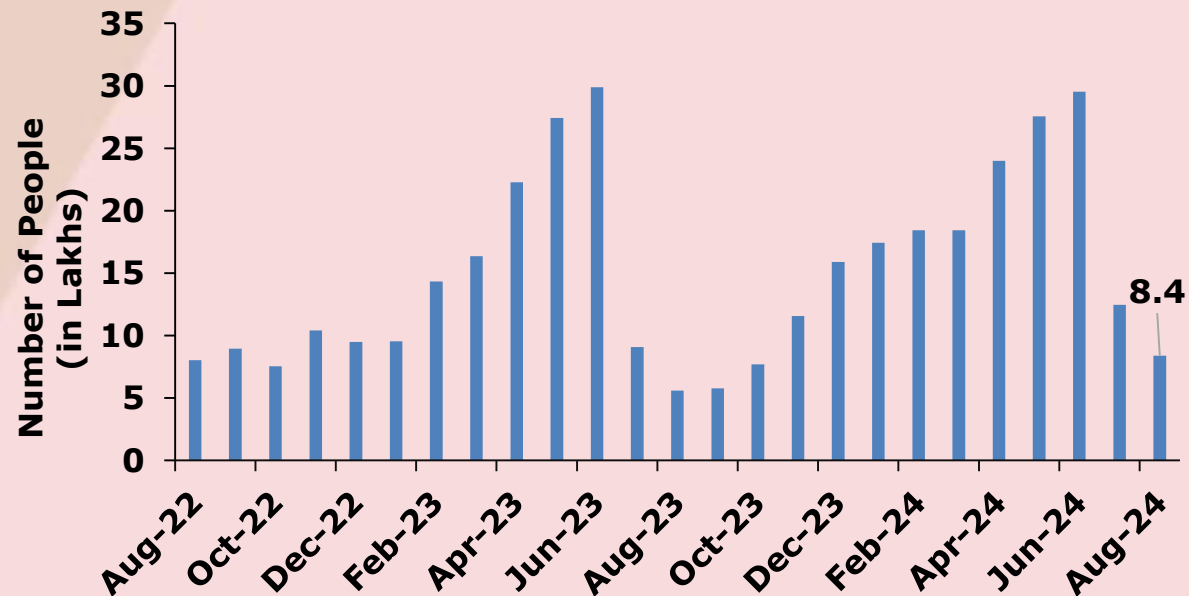
- In July 2024, the number of new EPFO subscribers increased by 13.6 percent year-over-year. The number of subscribers increased sequentially by 4.9 percent, recording 18 lakh new subscribers (Provisional Estimates) in July 2024, as compared to 17.2 lakh (Revised Estimates) in July 2024 (Figure 27).
- The demand for work under the MGNREGA increased by 50 percent on a year-over-year basis in August 2024 but decreased sequentially by 32.7 percent (Figure 28).

Figure 27: EPFO Net New Subscribers



Source: Employees' Provident Fund Organisation

Figure 28: Work Demand under MGNREGA



Source: Ministry of Rural Development

Merchandise trade deficit widens while services trade surplus increases

External Sector

- India's merchandise exports decreased by 9.3 percent year-over-year. However, merchandise imports increased by 3.3 percent in August 2024. The merchandise trade deficit widened to USD 29.7 billion in August 2024, compared to USD 23.6 billion in July 2024 (Figure 29).
- In August 2024, services exports increased by 6.9 percent and services imports increased by 4 percent year-over-year. The services trade surplus increased to USD 15 billion in August 2024 compared to USD 14.7 billion in July 2024 (Figure 30). [\[Press Release, September 17, 2024 | Ministry of Commerce & Industry\]](#)

Figure 29: Merchandise Trade

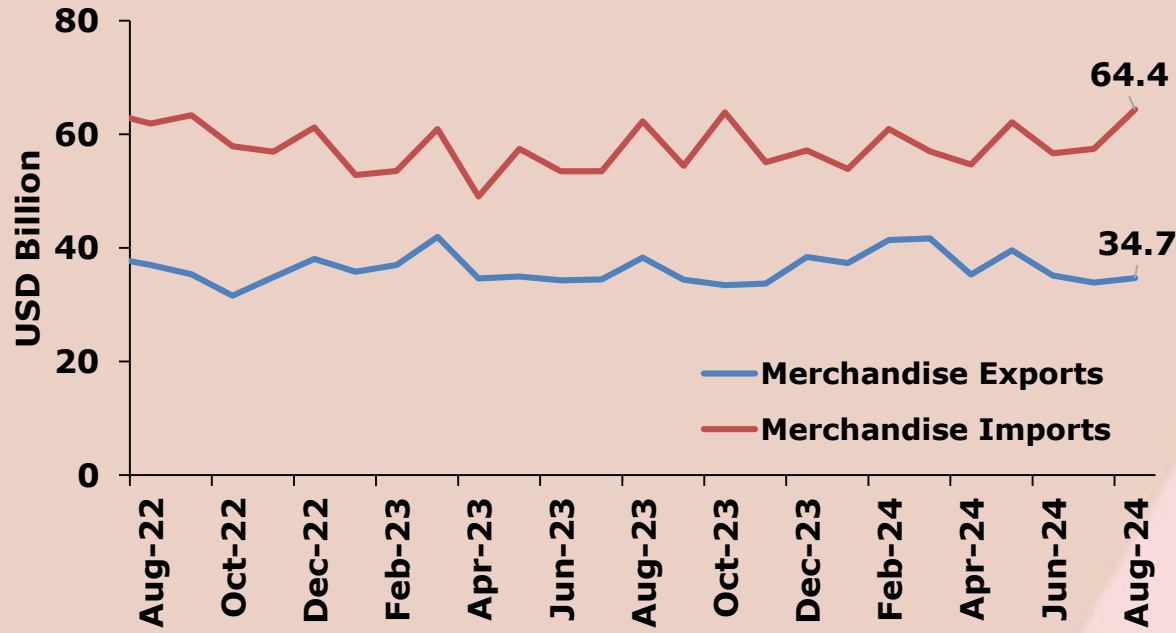
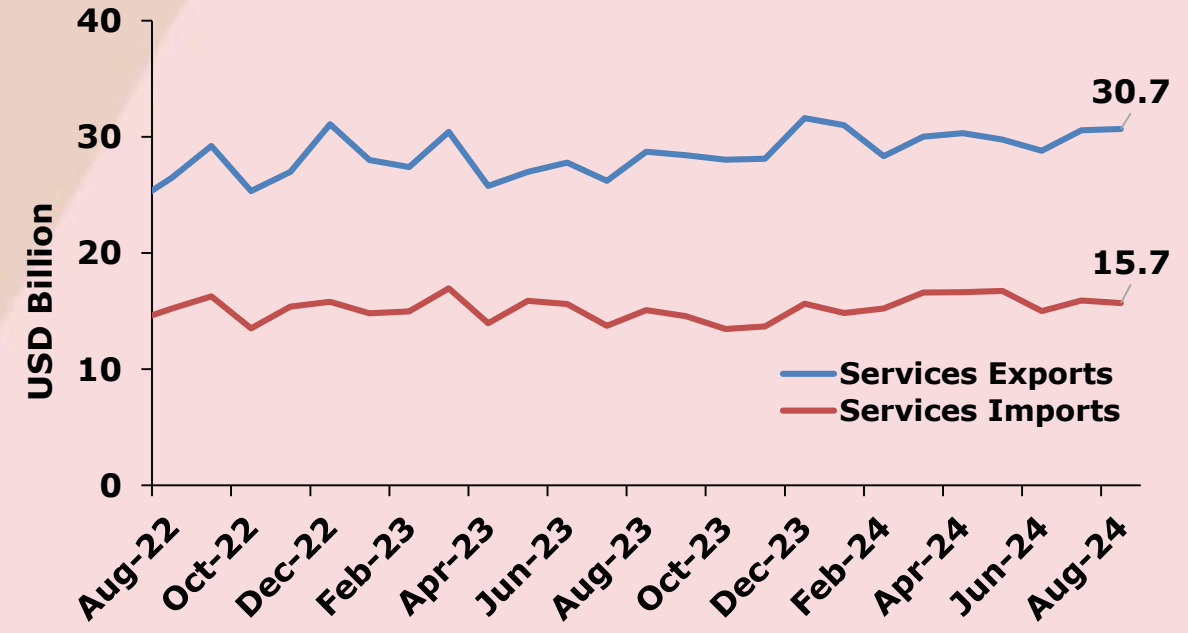


Figure 30: Services Trade

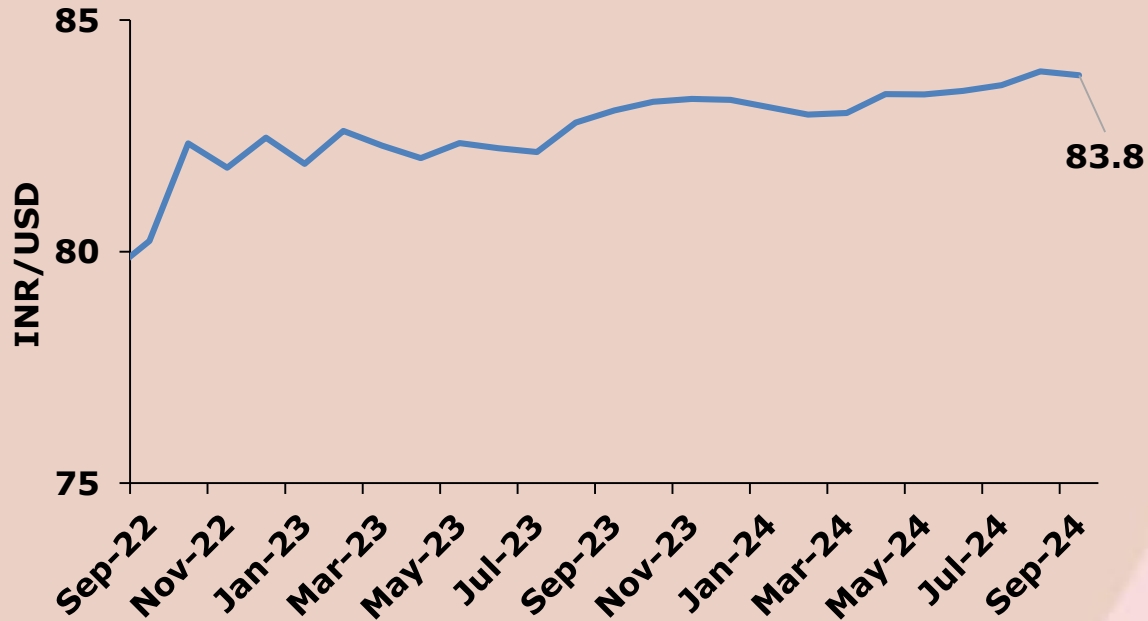


Source: Ministry of Commerce and Industry, Government of India.

Rupee appreciates marginally against the dollar; Foreign exchange reserves increase sequentially

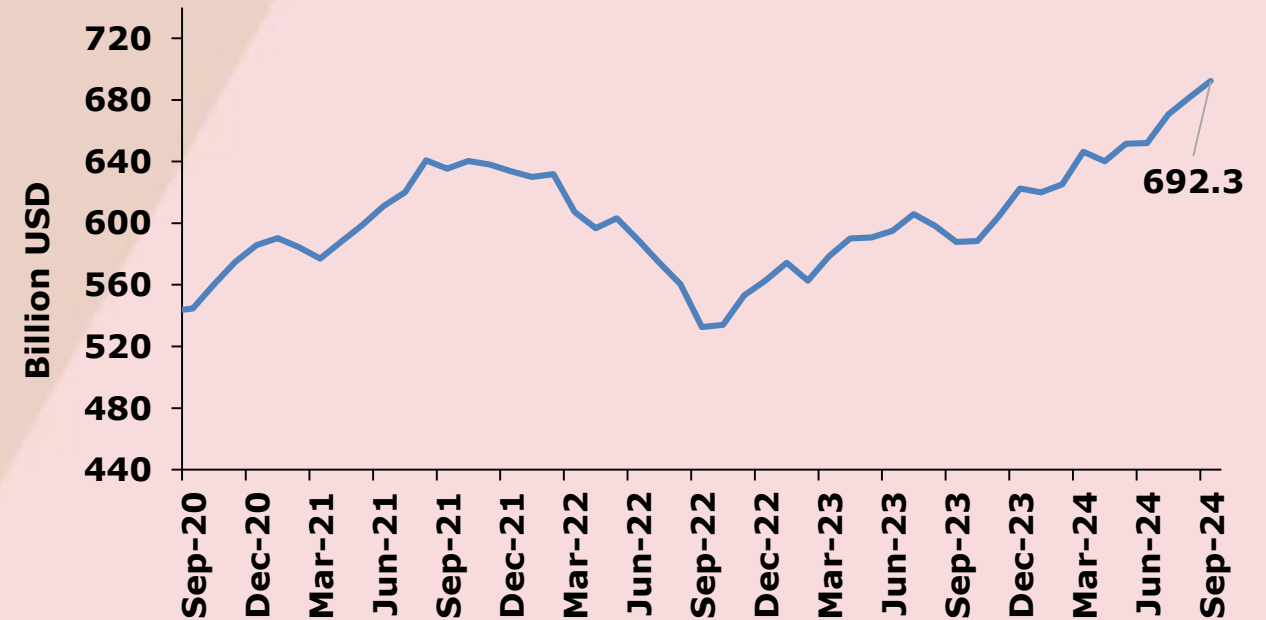
- The rupee appreciated marginally to Rs. 83.8 against the US dollar, as of September 30, 2024, compared to Rs. 83.9 in August 2024 (Figure 31).
- As of September 20, 2024, Foreign exchange reserves increased by USD 10.6 billion, reaching a total of USD 692.3 billion compared to their level of USD 681.7 billion in August 2024 (Figure 32). [[Reserve Bank of India – Bulletin Weekly Statistical Supplement, Foreign Exchange Reserves Press Release, September 27, 2024](#)]

Figure 31: Exchange Rate



Source: Reserve Bank of India

Figure 32: Foreign Exchange Reserves



Source: CEIC estimates

Note: For September 2024, data for Figure 31 is taken as of September 23, 2024; data for Figure 32 is taken as of September 30, 2024.

Net inflows of foreign portfolio investments increase; Foreign direct investment flows increase in Q1 FY 2024-25 year-over-year

- As of September 30, 2024, net foreign portfolio investments (FPI) amounted to USD 12.4 billion, marking a sequential increase of USD 9.4 billion compared to USD 3 billion recorded at the end of August 2024 (Figure 33).
- Foreign direct investment flows increased to USD 6.3 billion in Q1 FY2024-25 as compared to USD 4.7 billion in Q1 FY2023-24 (Figure 34).

Figure 33: Foreign Portfolio Investment

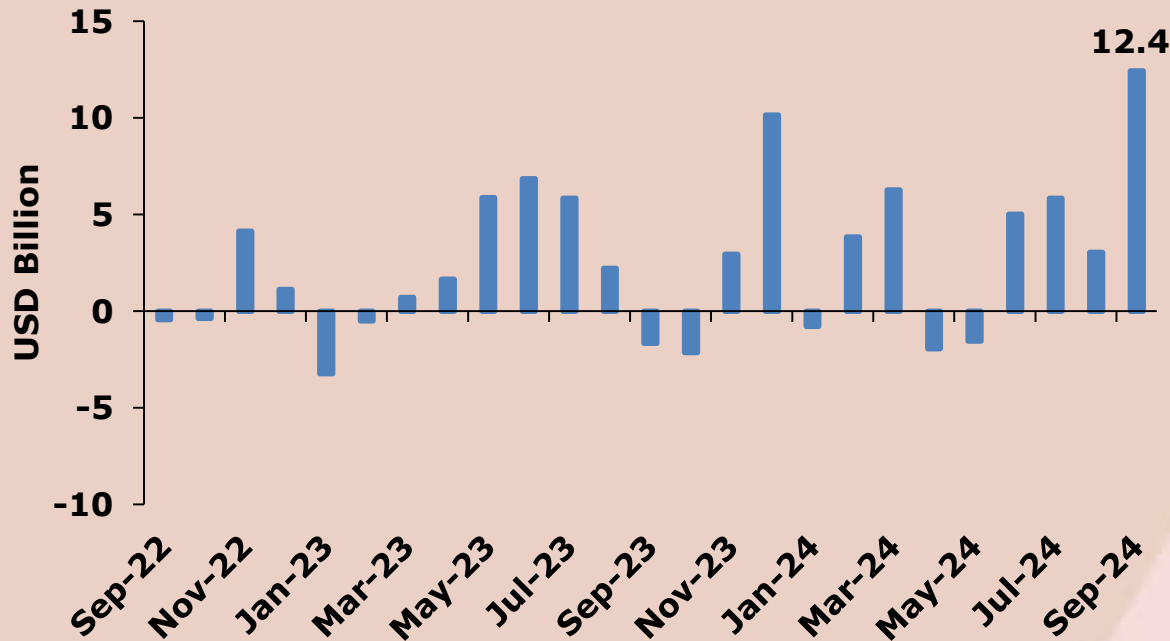
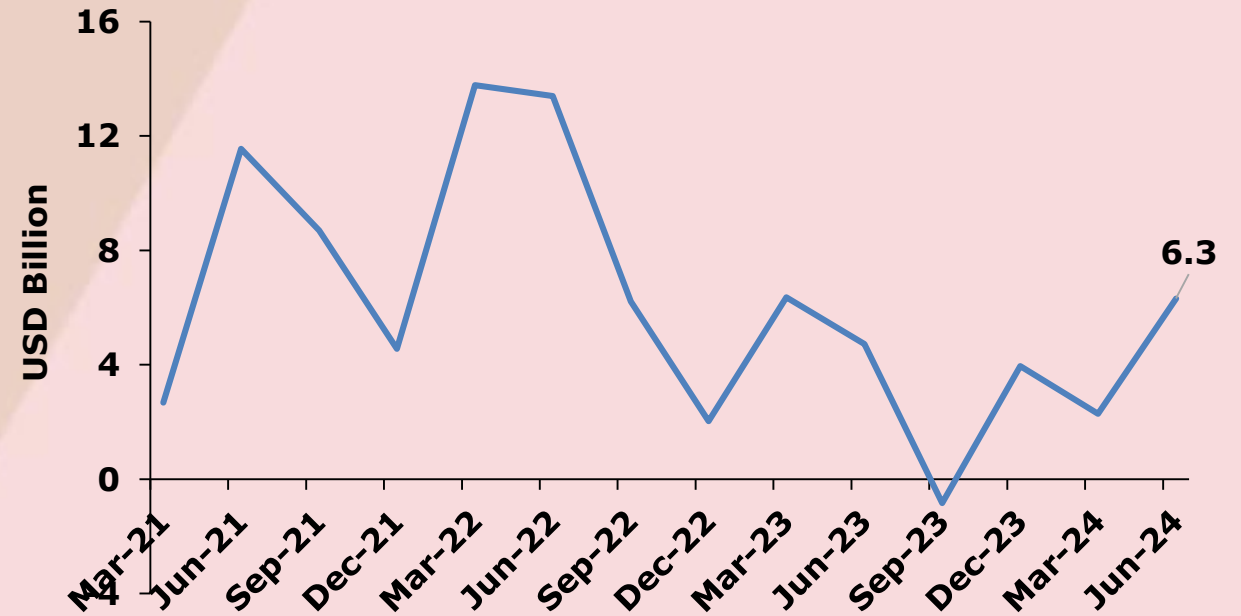


Figure 34: Foreign Direct Investment



Source: Reserve Bank of India

Note: For Figure 33, the monthly value for September 2024 has been calculated by taking the sum of the daily data for Net FPI Equity, Net Debt, Net Debt VRR, and Net Hybrid.

Balance of Payments Data: Current Account Balance widens in Q1 FY2024-25, Remittances flow remains high year-over-year

- The current account deficit widened to USD 9.7 billion (1.1 percent of GDP) in Q1 FY2024-25 as compared to a deficit of USD 8.9 billion (1 percent of GDP) in Q1 FY2023-24 and a surplus of USD 4.6 billion (0.5 percent of GDP) in Q4 FY2023-24 (Figure 35).
- The merchandise trade deficit widened USD 65.1 billion in Q1 FY2024-25 as compared to USD 56.7 billion in Q1 FY2023-24.
- The services trade surplus increased to USD 39.7 billion in Q1 FY2024-25 as compared to USD 35.1 billion in Q1 FY2023-24.
- Remittances increased to USD 29.5 billion in Q1 FY2024-25 as compared to USD 27.1 billion in Q1 FY2023-24 but moderated from USD 32 billion in Q4 FY2023-24 (Figure 36). [\[Developments in India's Balance of Payments during the First Quarter \(April-June\) of 2024-25 | RBI Press Release, 30th September 2024\]](#)

Figure 35: Current Account Balance

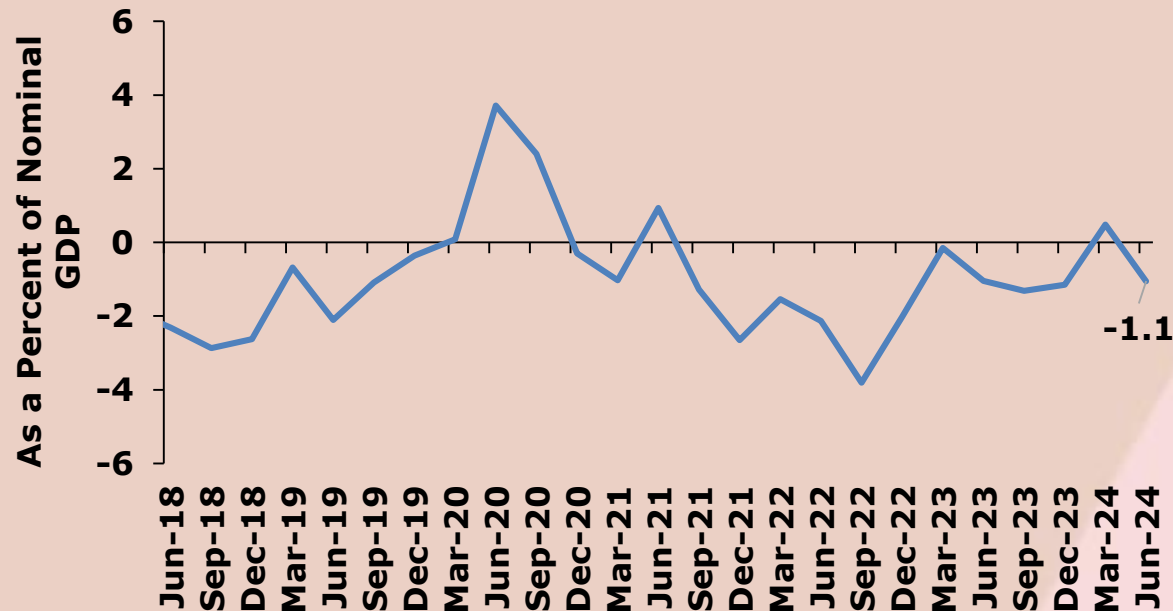
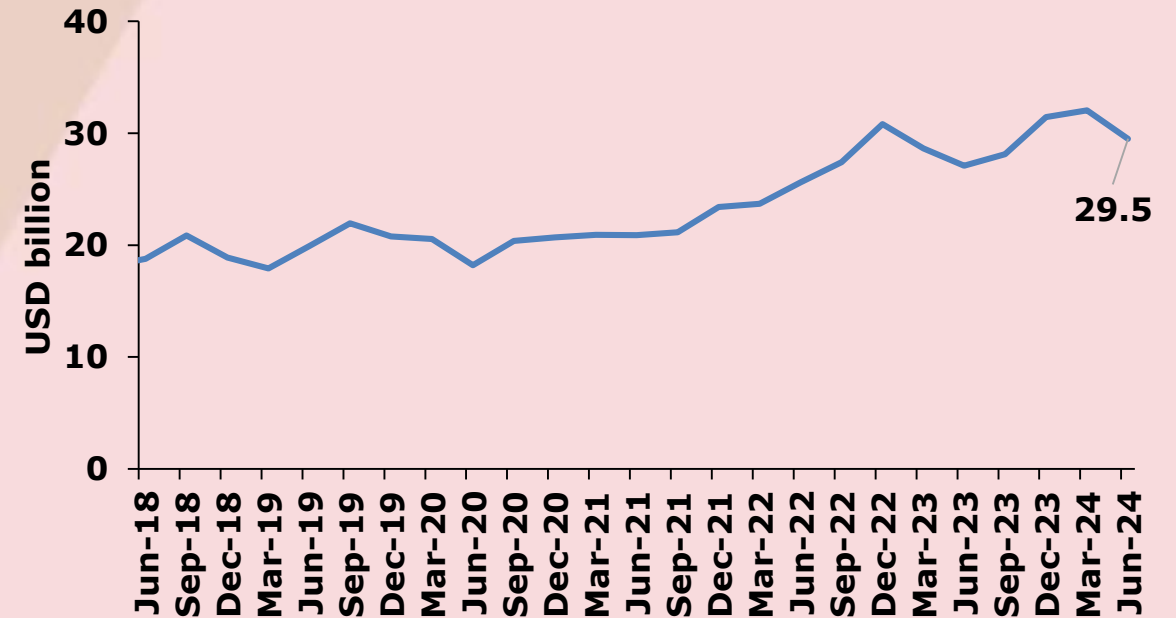
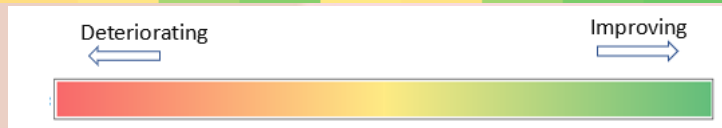


Figure 36: Private Transfer Receipts (Remittances)



Heatmap for high-frequency indicators

Indicators	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	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
Agriculture																									
Fertilizer Sales: Urea	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	-0.2	-10.7	-1.1	11.9	3.3	3.5	4.1	
Industry																									
IIP Manufacturing	-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	5.1	10.6	1.3	4.6	3.6	4.9	5.9	4.2	5.0	3.2	4.6	
IIP Core	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	9.4	12.7	7.9	5.0	4.1	7.1	6.3	6.9	6.3	5.1	6.1	-1.8
PMI Manufacturing	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	56.9	59.1	58.8	57.5	58.3	58.1	57.5
PMI Services	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	60.6	61.2	60.8	60.2	60.5	60.3	60.9
Automobile Sales: 2-wheelers (excluding EVs)	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	34.6	15.3	30.8	10.1	21.3	12.5	9.3
Natural Gas Production	-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	6.1	5.5	11.1	6.2	7.8	6.7	2.9	-1.6	-3.7
Crude Steel Production	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	11.0	11.0	8.7	12.3	8.6	4.2	4.1	3.4	6.8	2.6
Electricity Supply	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	5.7	9.1	10.1	9.2	13.8	8.0	3.9	-6.1
Services																									
Rail Freight	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	10.1	8.6	1.4	3.7	10.1	4.5	0.02
Air Passenger Traffic	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	8.1	6.5	6.0	8.3	7.7	7.8	7.5
Air Cargo	-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	22.7	17.3	10.0	15.6	15.9	18.1	12.5
Trade																									
Merchandise Export	10.9	4.7	-11.5	9.7	-3.0	1.6	-0.4	-5.9	-12.8	-10.4	-18.8	-10.0	3.5	-2.8	5.8	-3.3	0.8	4.3	11.9	-0.6	2.0	13.3	2.5	-1.7	-9.3
Services Export	29.6	35.2	24.4	30.6	19.7	29.5	28.6	13.0	7.2	7.4	3.2	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
Fiscal																									
Gross Tax Revenue (Centre)	-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	16.5	-0.5	13.4	16.9	14.4	35.0	14.0	-15.8
Goods and Services Tax Revenue	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	12.5	11.2	12.4	10.1	7.6	10.3	10.0
Banking																									
SCB bank Credit: Total Outstanding	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	20.3	20.5	20.2	19.0	19.8	17.4	13.6	13.6
SCB bank Credit Non-food: Personal Loans	19.4	19.4	20.1	19.6	20.0	20.4	20.4	20.6	19.4	19.1	21.3	30.5	30.4	30.0	29.6	30.0	28.4	28.6	28.1	27.5	26.7	28.7	25.6	15.0	13.9
SCB bank Credit Non-food: Agriculture	13.4	13.4	13.6	19.0	15.8	14.4	14.9	15.4	16.7	16.0	19.7	16.7	16.5	16.7	17.4	18.1	19.4	20.0	20.0	20.0	19.8	21.6	17.4	18.1	17.7
SCB bank Credit Non-food: Industry	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	8.3	9.3	8.5	7.4	9.4	8.1	10.1	9.7
SCB bank Credit Non-food: Services	18.7	21.5	23.8	22.7	20.4	21.2	20.3	19.5	21.3	21.3	26.8	23.4	25.0	25.4	24.0	25.7	23.3	24.2	24.3	23.5	22.0	23.2	17.4	14.0	13.9
Financial Markets																									
NIFTY 50 Index	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	27.0	28.6	25.1	21.6	25.1	26.3	31.1
BSE SENSEX	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	23.0	24.9	21.9	18.1	22.1	22.9	27.0
Employment and Inflation																									
Naukri JobSpeak Index	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	-7.5	-10.8	-2.7	-1.8	-7.6	11.8	-3.4
EPFO Net New Subscribers	11.7	9.4	1.7	16.2	-2.5	-3.4	-3.2	-11.6	-2.5	-3.5	0.4	2.7	0.4	3.9	21.6	-11.6	14.0	14.3	15.6	8.9	13.5	26.8	13.0	13.6	
Consumer Price Inflation	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	5.1	4.9	4.8	4.7	5.1	3.5	3.7
Wholesale Price Inflation	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	0.2	0.5	1.3	2.6	3.4	2.0	1.3



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).

National Council of Applied Economic Research

www.ncaer.org

11 Indraprastha Estate, New Delhi 110 002, India
Tel: +91-11-2345-2698