

Monthly Economic Review

July 2024

Comments are welcome at directorgeneral@ncaer.org.

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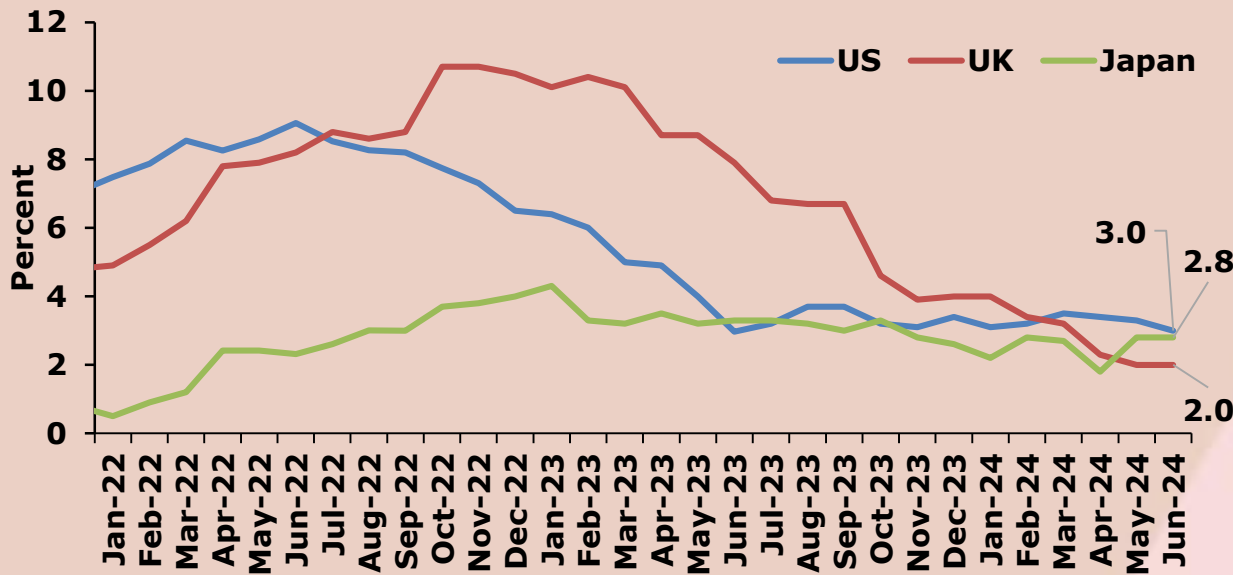


Highlights

- Inflation has continued to decelerate in advanced economies with the United States (US) inflation rate slowing to 3 percent from 3.3 percent, and the Euro area to 2.5 percent from 2.6 percent. Inflation in the United Kingdom (UK) and Japan remained unchanged at 2 and 2.8 percent respectively in June 2024 compared to May 2024.
- The International Monetary Fund (IMF) revised its growth projection for India upward to 7 percent, while the Asian Development Bank (ADB) maintained its projection at 7 percent as of July 2024 for FY2024-25.
- As per the Economic Survey 2023-24, India's real GDP grew by 8.2 percent in FY2023-24 due to stable consumption and improving investment demand, and it is projected to grow between 6.5–7 percent in FY2024-25.
- The Union Budget for FY2024-25 emphasised fiscal prudence, and capex. Nominal GDP is projected to grow at 10.5 percent in FY2024-25; while the fiscal deficit is budgeted at 4.9 percent of GDP.
- According to the Reserve Bank of India's (RBI) Financial Stability Report, the financial system remained resilient in terms of asset quality, capital position, and profitability. The Gross Non-Performing Assets (GNPA) ratio of Scheduled Commercial Banks (SCBs) declined to a low of 2.8 percent.
- The NCAER-NSE Business Confidence Index (BCI) increased to 149.8 in the first quarter (Q1), April-June, of FY2024-25, up from 138.2 in the fourth quarter (Q4), January-March, of FY2023-24 indicating improvement in business sentiments.
- High-frequency indicators reveal that the domestic economy has remained resilient. The Purchasing Managers' Index (PMI) for manufacturing and services increased in June 2024 and remained in expansionary momentum. Growth in Index of Industrial Production (IIP) accelerated but growth in IIP for Core industries decelerated in May 2024. Goods and Services Tax (GST) collections remained buoyant year-over-year. Consumer Price Index (CPI) headline inflation accelerated in June 2024, mainly due to food inflation. Wholesale Price Inflation accelerated in June 2024. The total outstanding credit of Scheduled Commercial Banks expanded by 20.8 percent on a year-over-year basis in May 2024; credit growth remained strong for personal loans, services, and agriculture and allied activities.
- The merchandise trade deficit narrowed while the services trade surplus moderated sequentially. Foreign exchange reserves increased, and the rupee remained flat against the US dollar in July 2024.
- Employment indicators showed mixed trends. Naukri JobSpeak Index moderated year-over-year, but sectors like travel and hospitality, banking, and retail showed an increase in hiring year-over-year. The number of net new subscribers under the Employees' Provident Fund Organisation (EPFO) increased year-over-year. Work demand under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) decreased year-over-year.
- Yields on Indian Government debt decreased marginally for 1-year, 5-year, and 10-year benchmarks in July 2024; the National Stock Exchange Volatility Index (VIX) decreased slightly in July 2024. Net foreign portfolio investments (FPI) sequentially reduced in July 2024. Morgan Stanley Capital International (MSCI) Index for India, Emerging Markets, and the world increased in July 2024.

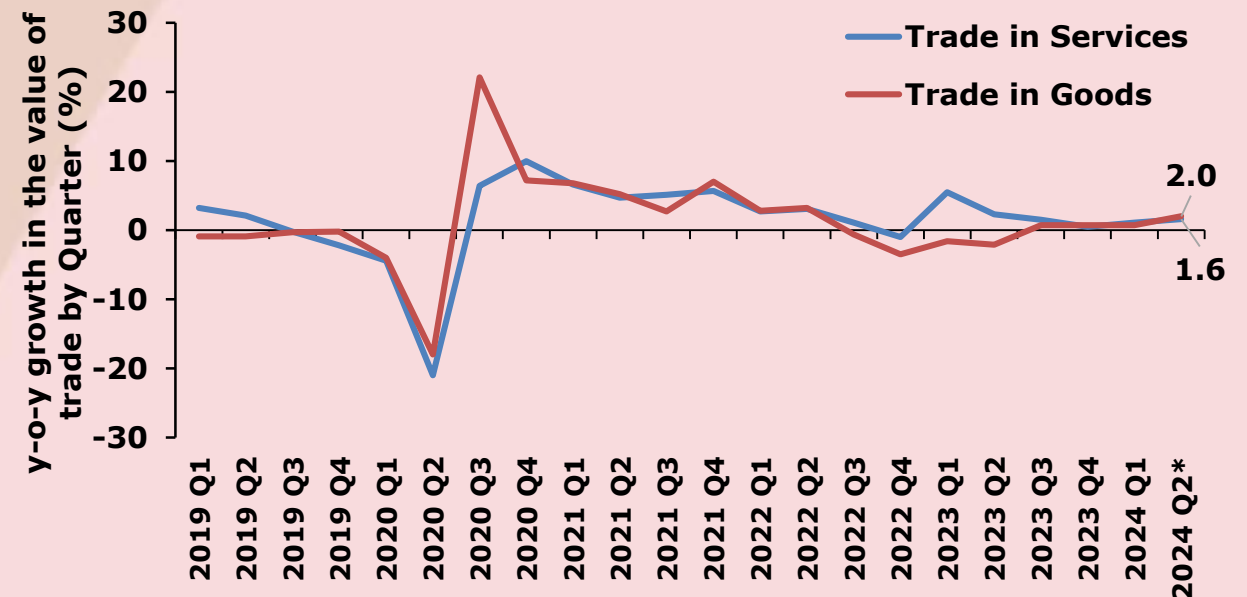
- Inflation has continued to decelerate across advanced economies with the [US inflation rate slowing to 3 percent from 3.3 percent](#), the [Euro area to 2.5 percent](#) from 2.6 percent, and the [European Union to 2.6 percent](#) from 2.7 percent from May to June 2024 respectively. Inflation in the [UK](#) and [Japan](#) remained unchanged at 2 and 2.8 percent, respectively, in June 2024 compared to May 2024 (Figure 1).
- According to the Global Trade Update, July 2024 from the United Nations Conference on Trade and Development (UNCTAD), global trade has shown positive trends in 2024. In Q1 of 2024, trade in goods increased by approximately 0.7 percent year-over-year, while trade in services increased by 1.1 percent year-over-year. The projections indicate a stronger positive trend for the second quarter (Q2) of 2024, predicting a 2 percent year-over-year increase in trade in goods and a 1.6 percent year-over-year rise in trade in services (Figure 2). [\[Global Trade Update \(July2024\) | \(unctad.org\)\]](#)

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).

Figure 2: Global trade in goods and services (Q1 2019–Q1 2024)



Source: UNCTAD (Figure 2).

Note: In figure 2, the asterisk denotes the projection for Q2 for the calendar year 2024.

GDP growth projections

- The [IMF](#) has retained its global growth forecast for 2024 at 3.2 percent as of July 2024. The growth rate is projected to be between 2.6 to 3.2 percent in 2024, by multilateral organisations and rating agencies (Figure 3).
- The [IMF](#) has revised its growth projections for India for FY2024-25 upward to 7 percent, and the [ADB](#) has maintained its projection at 7 percent, as of July 2024. The range of projections for India for the current fiscal year is between 6.6 to 7.2 percent (Figure 4).

Figure 3: Global Real GDP Growth Projections for 2024

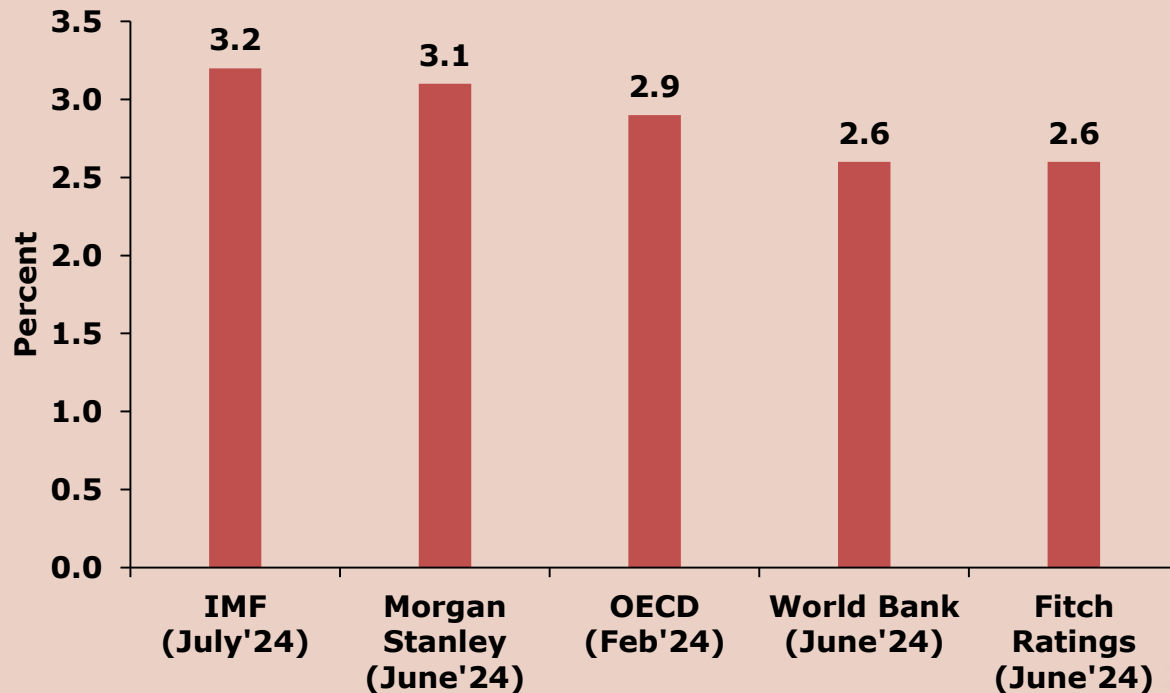
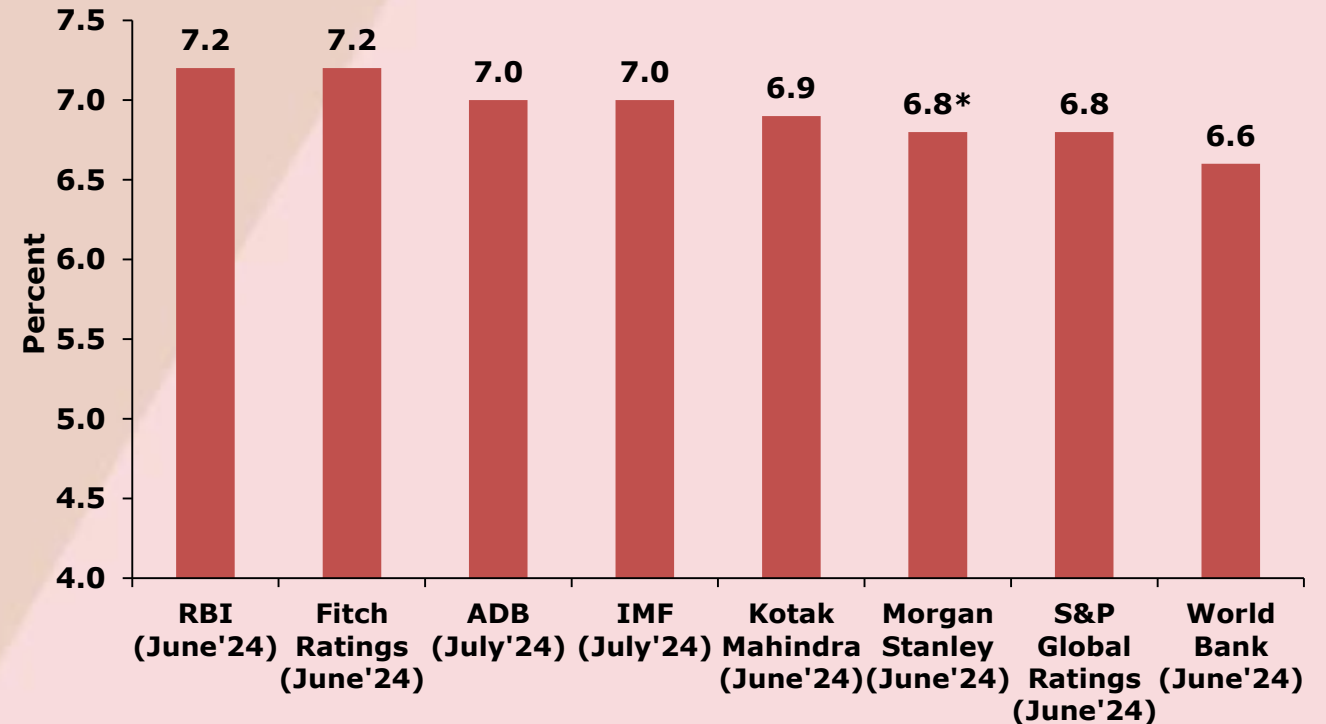


Figure 4: India's Real GDP Growth Projections for FY2024-25



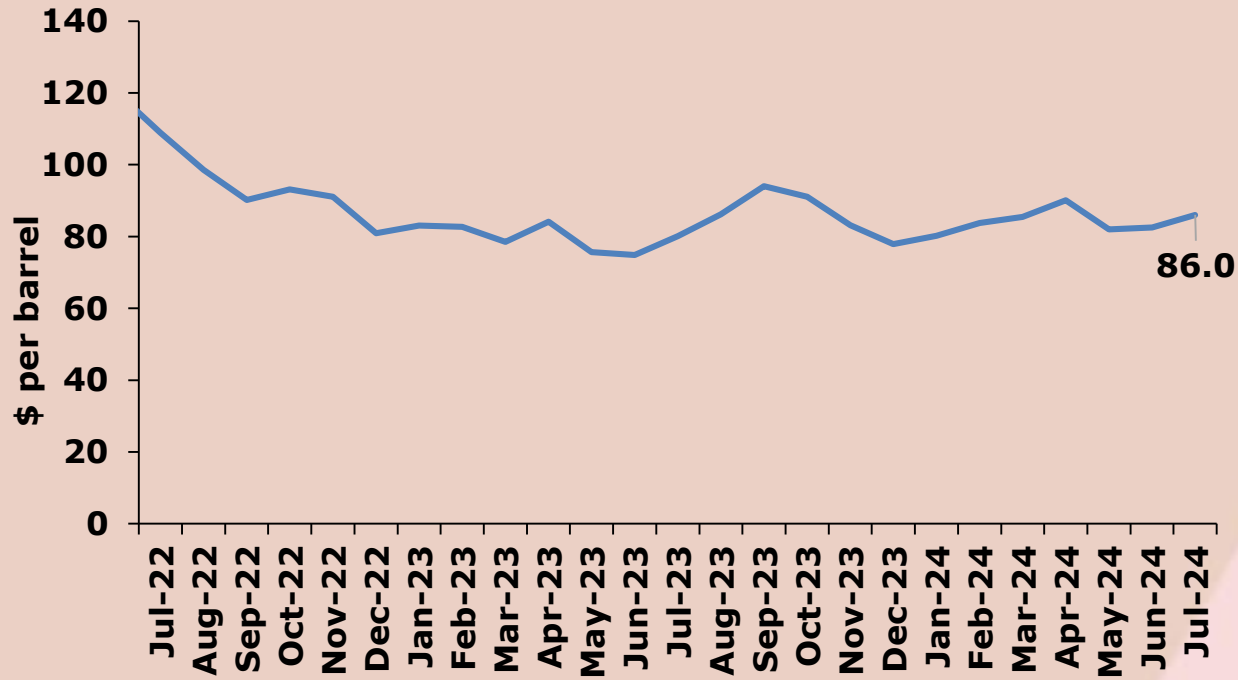
Source: Various reports and media articles by the institutions (Figures 3 and 4).

Note: (i) In figure 4, the asterisk with Morgan Stanley denotes the projection is for calendar year 2024. (ii) Releasing month of the outlook is shown in brackets under the agency's name.

Price for Brent Crude goes up; MSCI Index increases sequentially for India, Emerging Markets & World

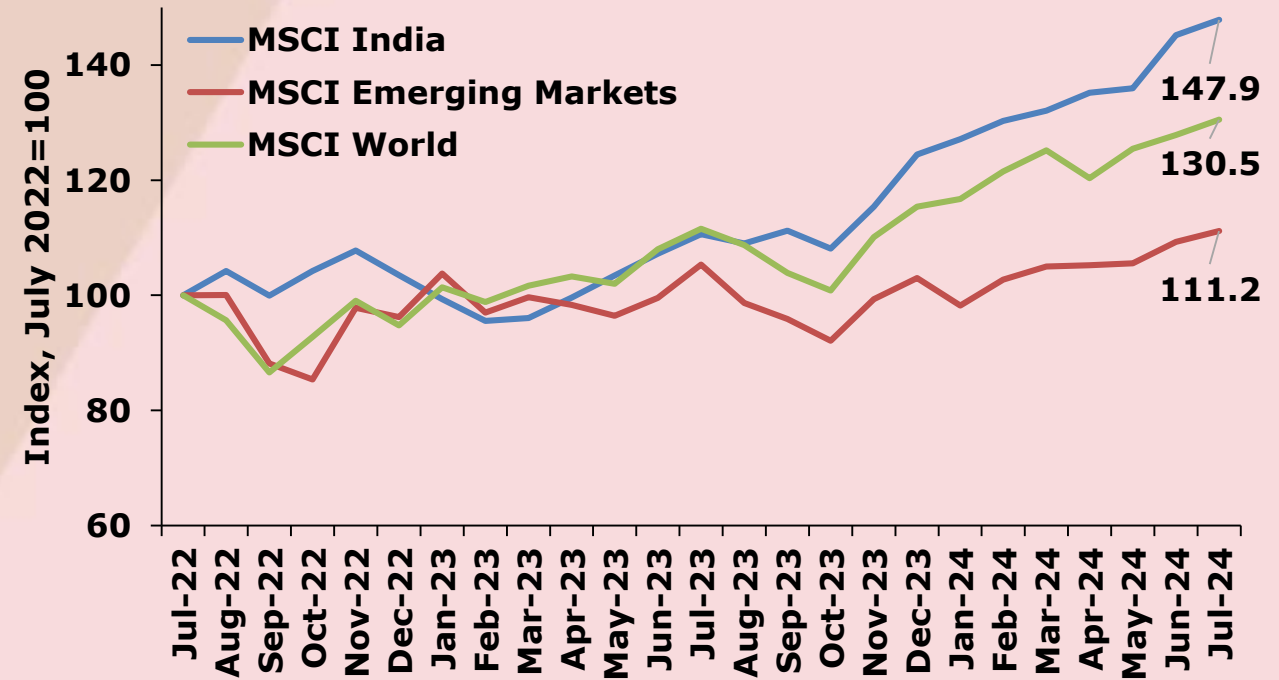
- The price for Brent crude oil increased to USD 86 per barrel as of July 12, 2024, as compared to the corresponding price of USD 82.6 per barrel at end-June 2024 (Figure 5).
- As of July 12, 2024, MSCI Index increased by 1.8 percent for India, 1.7 percent for Emerging Markets, and 2.1 percent for the world over their respective levels in June 2024 (Figure 6).

Figure 5: Brent Crude Oil Price



Source: World Bank Pink Sheet (Figure 5).

Figure 6: Equity Markets



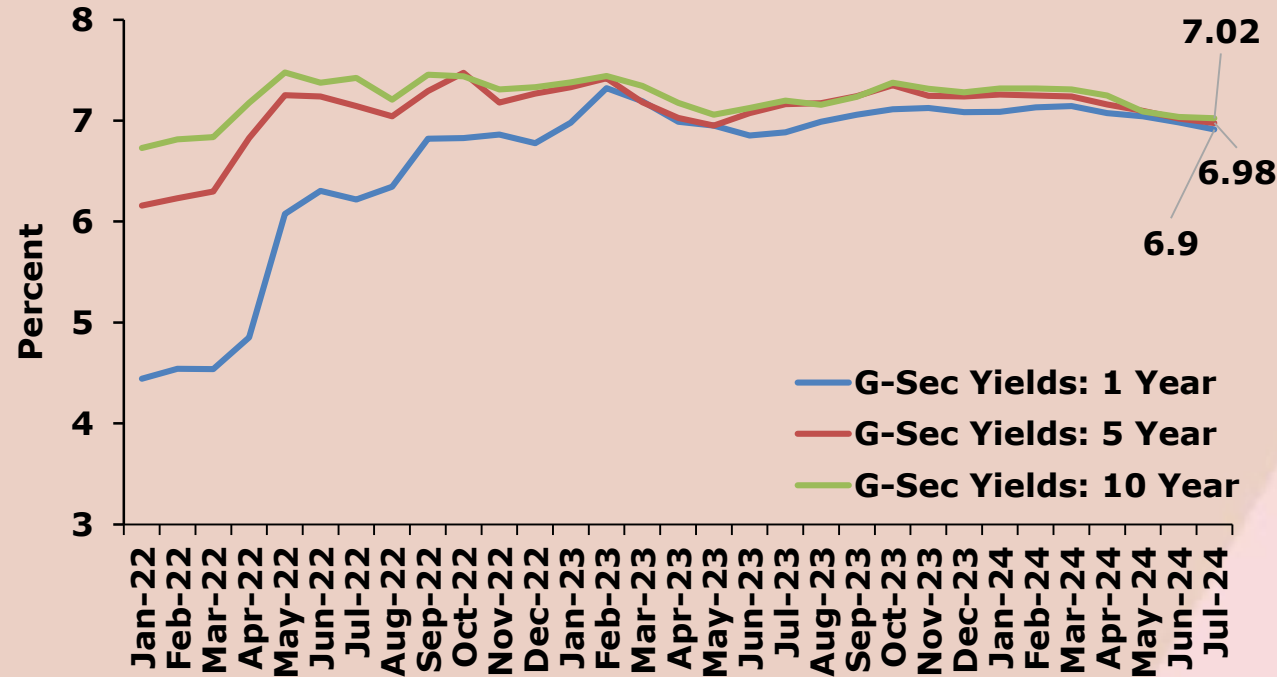
Source: Investing.com (Figure 6).

Note: The data for Figure 5 have been taken from the World Bank Pink Sheet for the period July 2022 until June 2024, and from Global Markets Monitor (GMM), for the month of July 2024, as on July 12, 2024. Figure 6 is indexed from July 2022, July 2022=100. Data is reported until July 22 2024, and the average of daily values was taken to create the monthly value for July 2024.

Yields on Indian Government Debt decrease marginally for 1-year, 5-year and 10-year benchmarks; National Stock Exchange Volatility Index (VIX) increases marginally

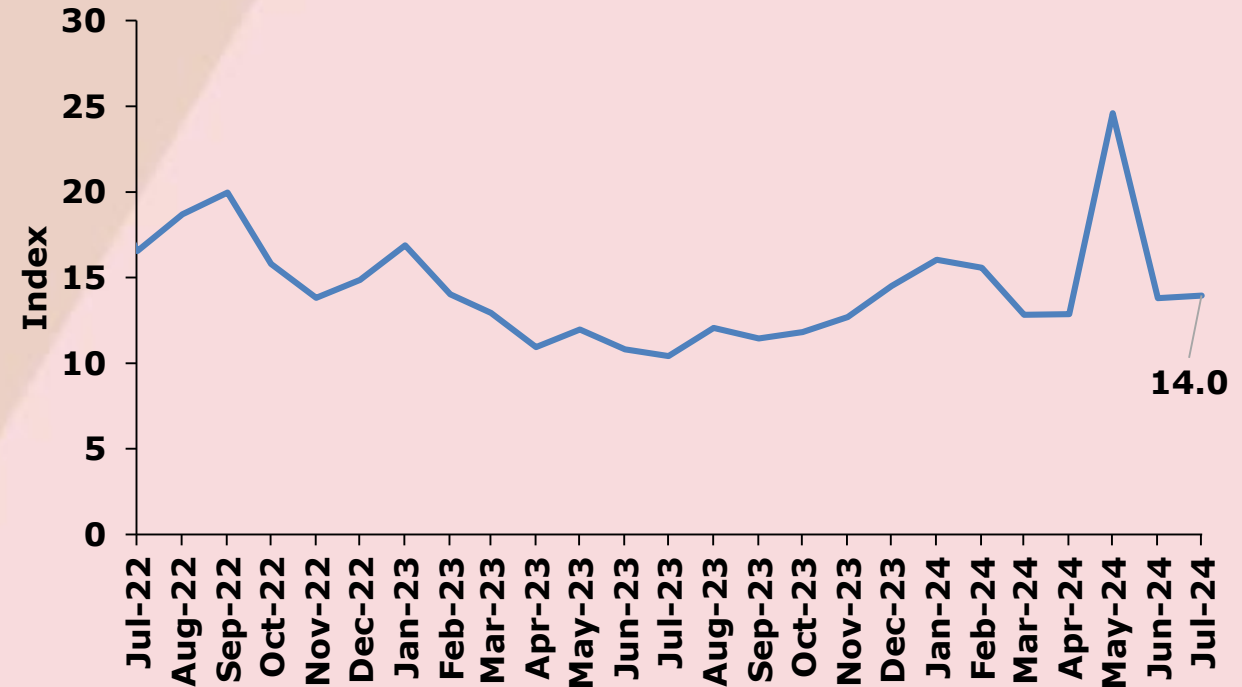
- The yields for 1-year, 5-year, and 10-year government securities decreased marginally to 6.9, 6.98, and 7.02 percent respectively, as on July 19, 2024, as compared to 7, 7.02, and 7.04 percent respectively, at the end of June 2024 (Figure 7).
- As of July 22, 2024, the National Stock Exchange VIX index for India increased by 1.1 percent to a level of 14 as compared to the level of 13.8 at the end of June 2024 (Figure 8).

Figure 7: Yields on Domestic Government Securities



Source: Clearing Corporation of India Ltd (Figure 7).

Figure 8: VIX Index



Source: CEIC estimates and Investing.com (Figure 8).

Note: (i) In Figure 7, for July 2024, data are reported until July 19, 2024. The average of daily values is taken to create the monthly value for July 2024. (ii) In Figure 8, for July 2024, data are reported until July 22, 2024. The average of daily values is taken to create the monthly value for July 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 Economic Survey 2023-24, India's Real GDP grew by 8.2 percent in FY2023-24 due to stable consumption and improving investment demand; GDP projected to grow by 6.5–7 percent in FY2024-25

- India’s real GDP is projected to grow between 6.5–7 percent in FY2024-25, 20 percent higher than the pre-COVID levels. Real GDP grew by 8.2 percent in FY2023-24, driven by stable consumption demand and steadily improving investment demand (Figures 9 and 10).
- The short to medium-term growth strategy is based on six key areas: Private Sector Capital Formation; Green Transition Financing; MSME Development; Agricultural Transformation; Education and Skill Development; and Enhanced State Capacity.
- India has remained on the path of fiscal consolidation with the fiscal deficit brought down from 6.4 percent of GDP in FY2022-23 to 5.6 percent of GDP in FY2023-24.
- Timely policy interventions by the RBI and its price stability measures helped maintain retail inflation at 5.4 percent in FY2023-24, the lowest level since the pandemic. The RBI projects inflation to fall further to 4.5 percent in FY2024-25 and 4.1 percent in FY2025-26, assuming normal monsoon and no external or policy shocks.
- Prioritising climate change, the Survey highlights that India achieved over 45 percent cumulative electrical power capacity from non-fossil fuel-based sources as of May 2024.

Figure 9: Nominal GDP (INR Lakh Crore) and Real GDP Growth

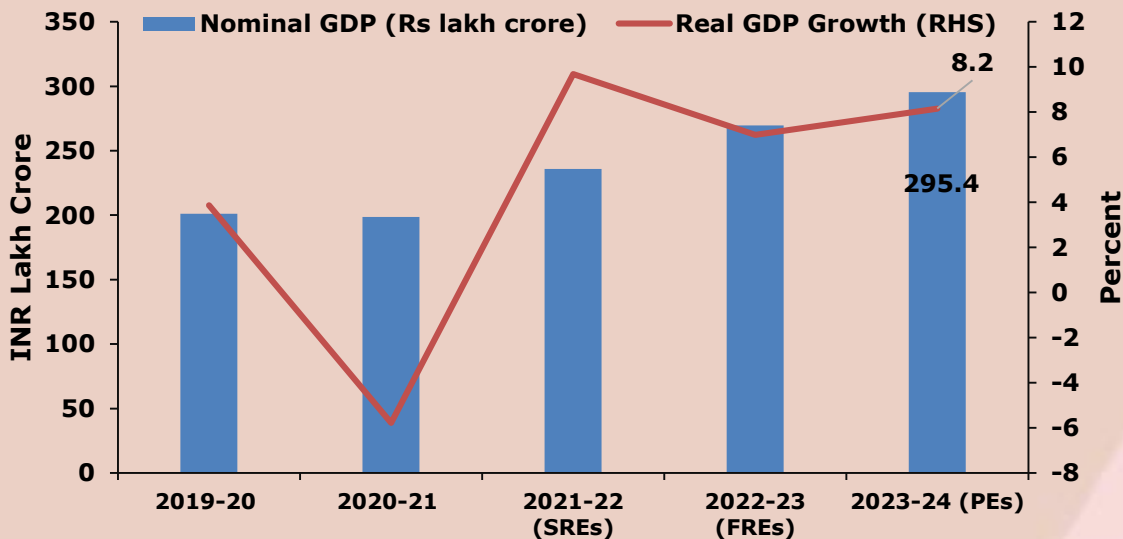
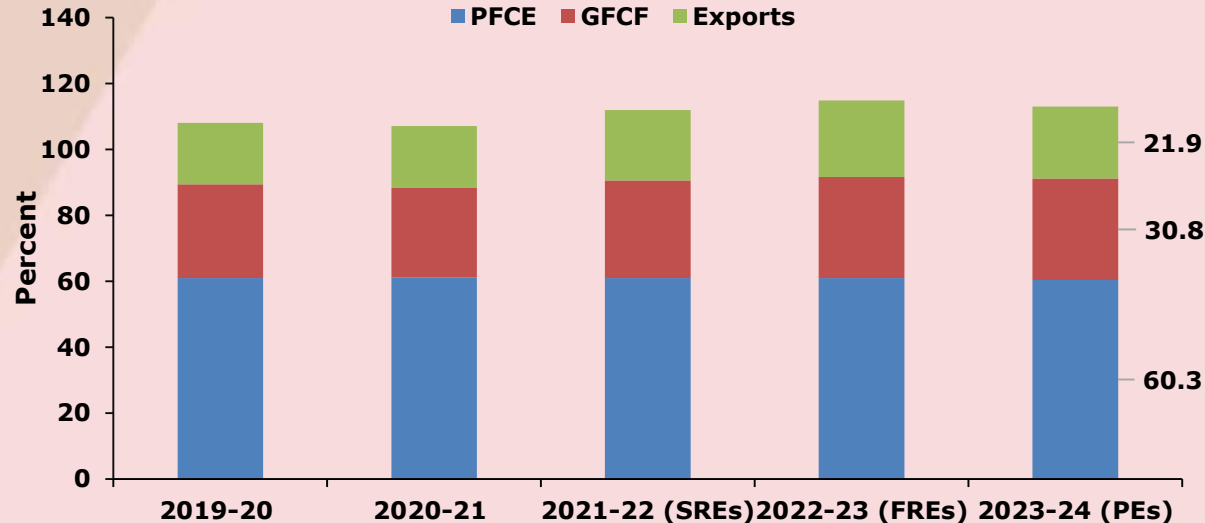


Figure 10: Shares in GDP at current prices



Source: Ministry of Statistics and Programme Implementation (Figures 9 and 10).

Note: (i) In Figures 9 and 10, SREs refer to Second Revised Estimates, FREs refer to First Revised Estimates, and PEs refer to the Provisional Estimates. (ii) In Figure 10, PFCE stands for Private Final Consumption Expenditure and GFCF stands for Gross Fixed Capital Formation.

Union Budget FY2024-25 emphasises Fiscal Prudence, Sectoral Growth, and Capex

Union Budget 2024-25

- As per the Union Budget, nominal GDP is projected to grow at 10.5 percent reaching a value of Rs. 326.4 lakh crore in FY2024-25. [\[Summary of the Union Budget for the fiscal year 2024-25 | PIB Press Release dated July 23, 2024.\]](#)
- The fiscal deficit is estimated at 4.9 percent of nominal GDP in FY2024-25 as per the Budget Estimate (BE) compared to the Provisional Actual (PA) of 5.6 percent in FY2023-24 (Figure 11). Revenue receipts are estimated to increase to 9.6 percent of nominal GDP in FY2024-25 (BE), from 9.2 percent of nominal GDP as per the PA of FY2023-24 (Figure 12). Total expenditure is estimated at 14.8 percent of nominal GDP as per the BE in FY2024-25 (Figure 13).
- The nine priority areas spelt out in the Union Budget FY2024-25 are: Productivity and Resilience in Agriculture; Employment and Skill Development; Inclusive Human Resource Development and Social Justice; Manufacturing and Services; Urban Development; Energy Security; Infrastructure; Innovation and Research; and Next Generation Reforms.
- The Union Budget includes five major schemes and initiatives with an outlay of Rs. 2 lakh crore to create employment, skilling, and opportunities for 4.1 crore youths over five years, alongside provisions of Rs. 1.5 lakh crore for agriculture and allied activities, Rs. 3 lakh crore for women and girls' development schemes, and Rs. 2.7 lakh crore for rural development and infrastructure.

Figure 11: Fiscal Deficit

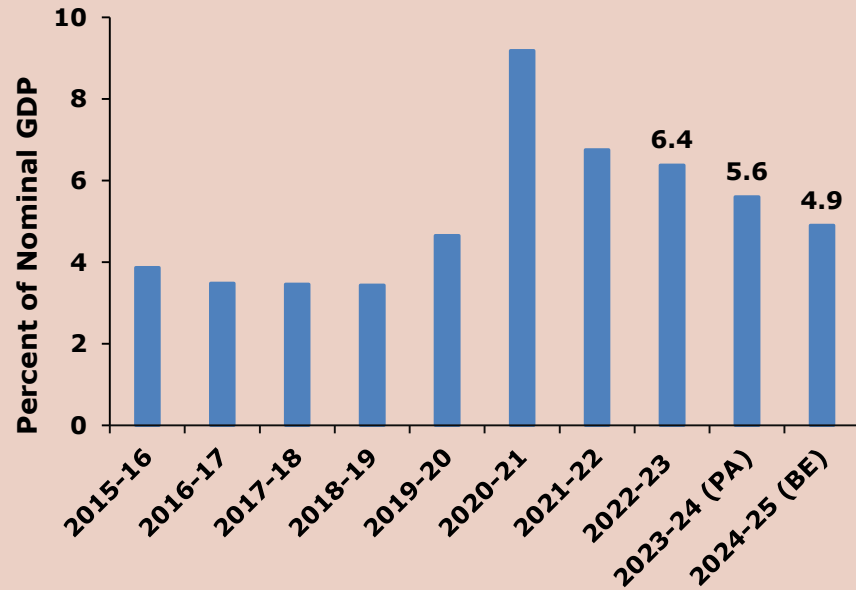


Figure 12: Revenue Receipts

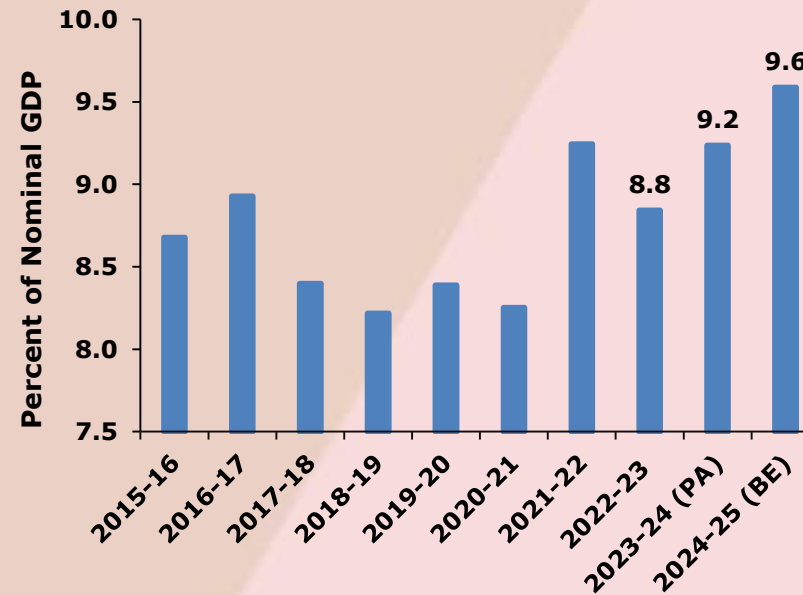
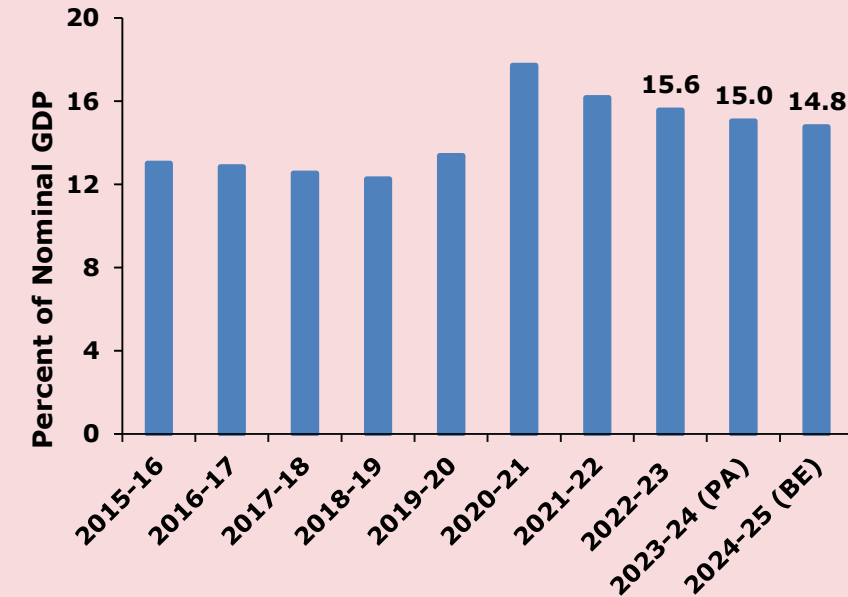


Figure 13: Total Expenditure



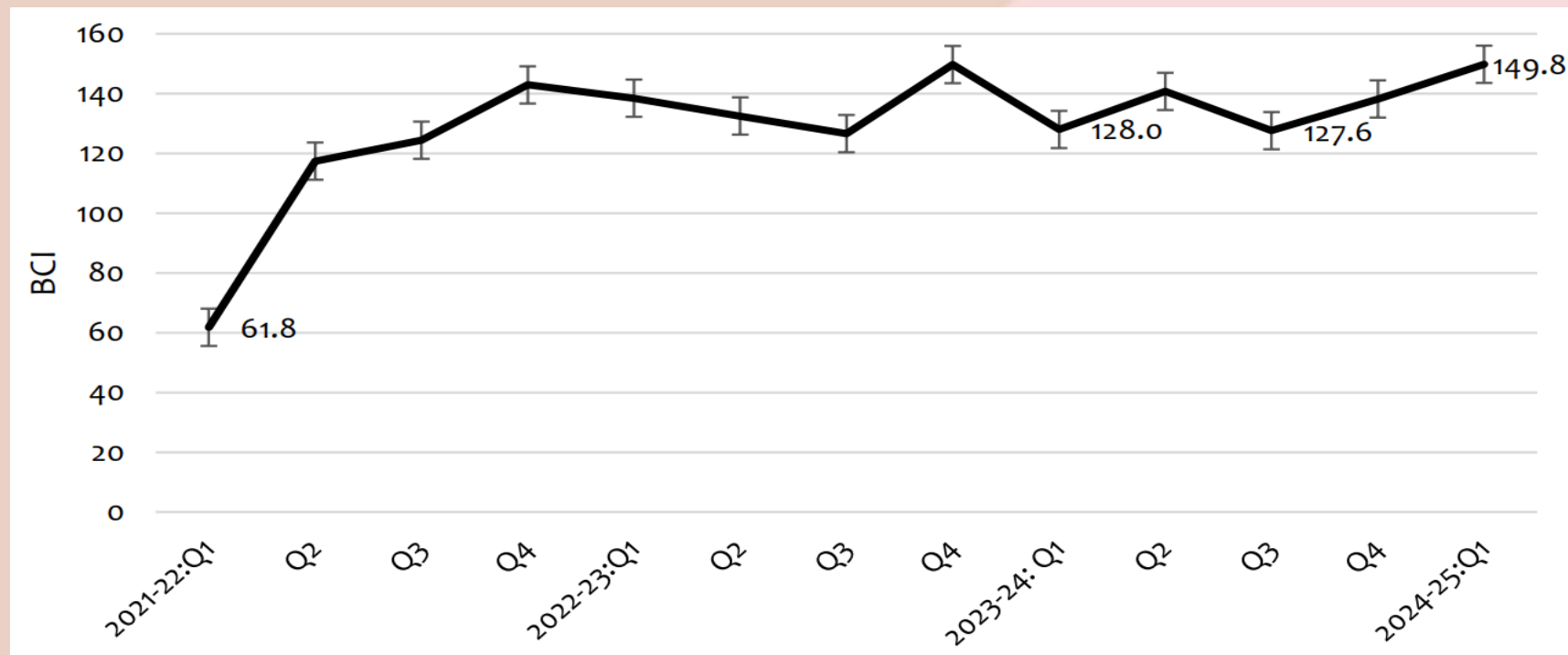
Source: Ministry of Finance (Figures 11, 12 and 13).

129th Round of NCAER-NSE Business Expectations Survey (BES) for Q1 FY2024-25 shows uptick in business sentiments

NCAER Report

- The BCI increased to 149.8 in Q1 (April-June) of FY2024-25, up from 138.2 in Q4 (January-March) of FY2023-24. It increased for the second consecutive quarter indicating improvement in business sentiments (Figure 14).
- BCI increased from the corresponding figure of 128 recorded in Q1, April-June of FY2023-24 (Figure 14).

Figure 14: Business Confidence Index (BCI)



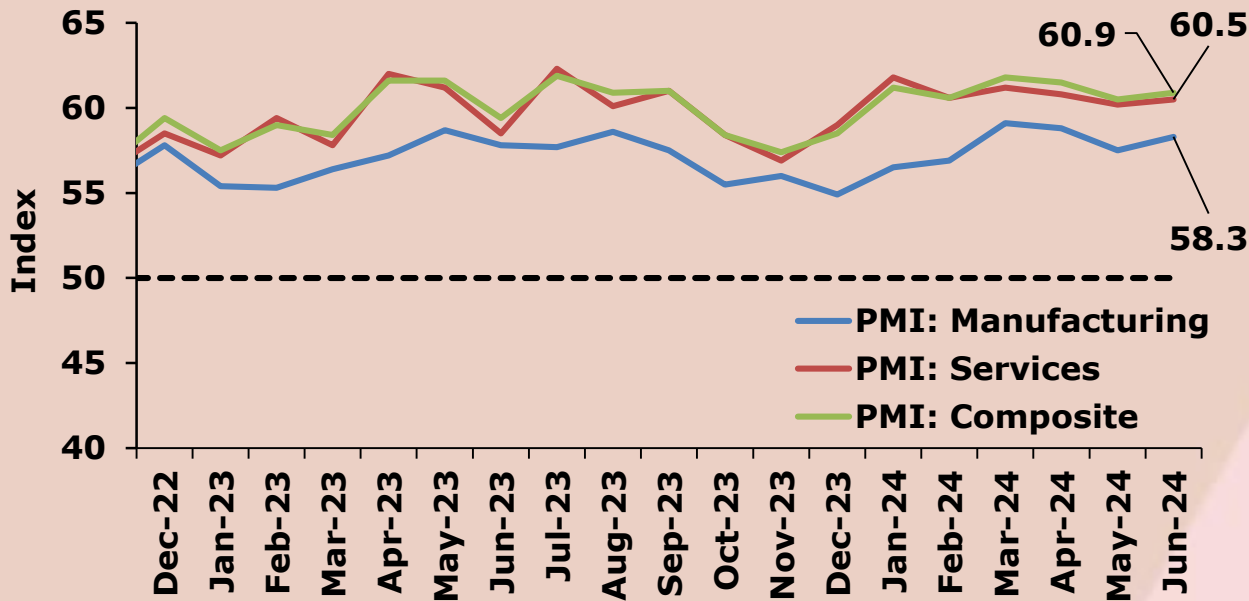
Source: NCAER-NSE Business Expectations Survey (BES) (Figure 14).

PMI for Manufacturing and Services increase; IIP registers growth, but IIP Core decelerates marginally

Real Sector

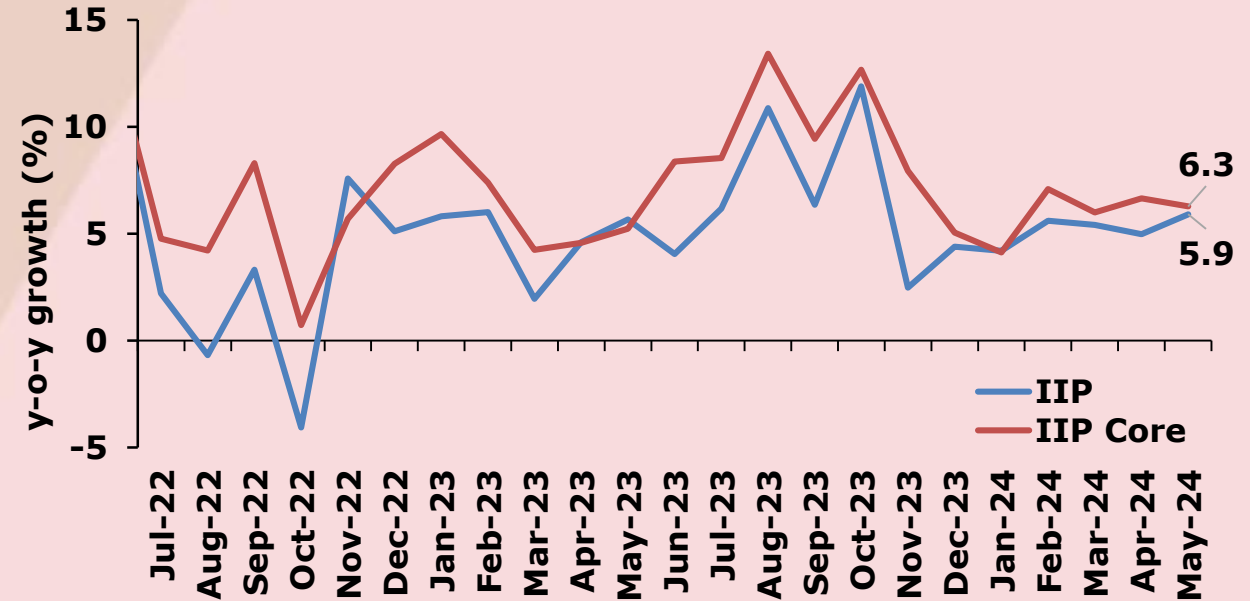
- The PMI for manufacturing activity increased to [58.3 in June 2024](#) from 57.5 in May 2024, reflecting expansionary momentum. The PMI for services increased to [60.5 in June 2024](#) from 60.2 in May 2024, maintaining its steady trajectory. The composite PMI increased to 60.9 in June 2024 from 60.5 in May 2024 (Figure 15).
- Growth in the IIP accelerated to 5.9 percent (Provisional Estimates) in May 2024 from 5 percent (Revised Estimates) in April 2024 on a year-over-year basis (Figure 16). [\[IIP Press Release, July 12, 2024\]](#)
- Growth in the combined Index of Eight Core Industries (IIP Core) decelerated marginally to 6.3 percent (Provisional Estimates) in May 2024 from 6.7 percent (Revised Estimates) in April 2024 on a year-over-year basis (Figure 16). [\[IIP Core Press Release \(Office of Economic Advisor, DPIIT, Govt. Of India\), June 28, 2024\]](#)

Figure 15: Purchasing Managers' Indices



Source: IHS Markit (Figure 15).

Figure 16: Index of Industrial Production (IIP)



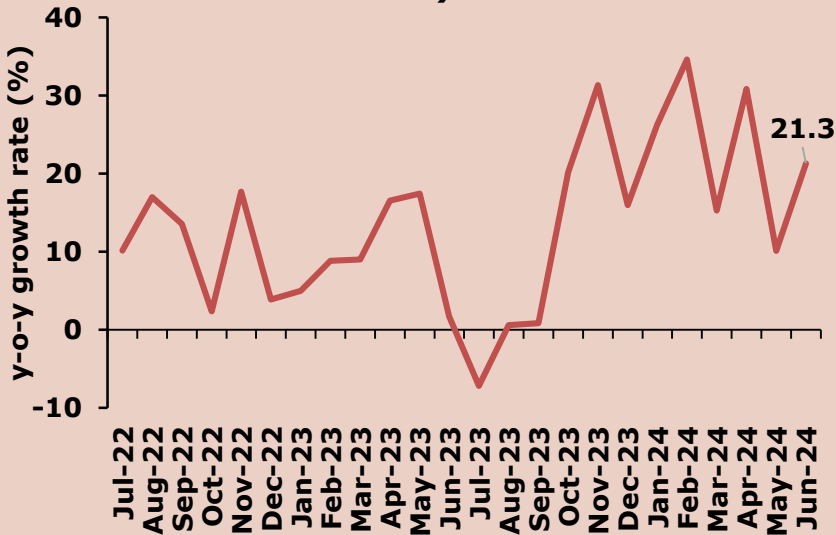
Source: Ministry of Statistics and Programme Implementation and Department for Promotion of Industry and Internal Trade (DPIIT), Government of India (Figure 16).

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 15).

Growth in Automobile Sales (non-EV two-wheelers) accelerates year-over-year; sales of registered EVs increase year-over-year; Growth in Digital Toll Collection (in volume) increases year-over-year

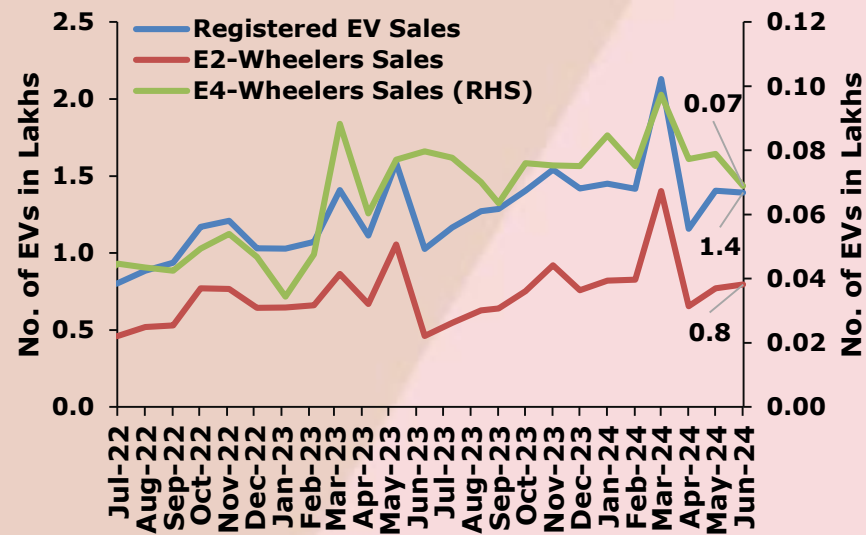
- Growth in sales of non-electric vehicle (non-EV) two-wheelers accelerated to 21.3 percent in June 2024 from 10.1 percent in May 2024 year-over-year (Figure 17). However, growth in the sales of non-EV two-wheelers decelerated by 0.4 percent sequentially.
- As per Vahan Dashboard, Government of India, growth in total registered electric vehicle (EV) sales accelerated by 35.7 percent in June 2024, on a year-over-year basis. However, sequentially, growth in overall EV sales decelerated by 0.8 percent (Figure 18).
- Sales across different categories of EVs showed mixed trends. Growth in the sales of Electric two-wheelers (E2Ws) accelerated by 72.5 percent in June 2024 on a year-over-year basis and by 3.1 percent sequentially. Growth in the sales of Electric four-wheelers (E4Ws) decelerated by 13.5 percent in June 2024 year-over-year, and sequentially by 12.7 percent (Figure 18). [[Monthly EV Update – July 2024 \(https://evreporter.com/\)](https://evreporter.com/)]
- The National Electronic Toll Collection (NETC) recorded 334.4 million transactions in June 2024 and registered a growth of 5.8 percent on a year-over-year basis in terms of the volume of transactions. However, the volume of transactions decreased by 3.7 percent in June 2024 sequentially (Figure 19).

Figure 17: Automobile (non-EV Two-wheeler) Sales



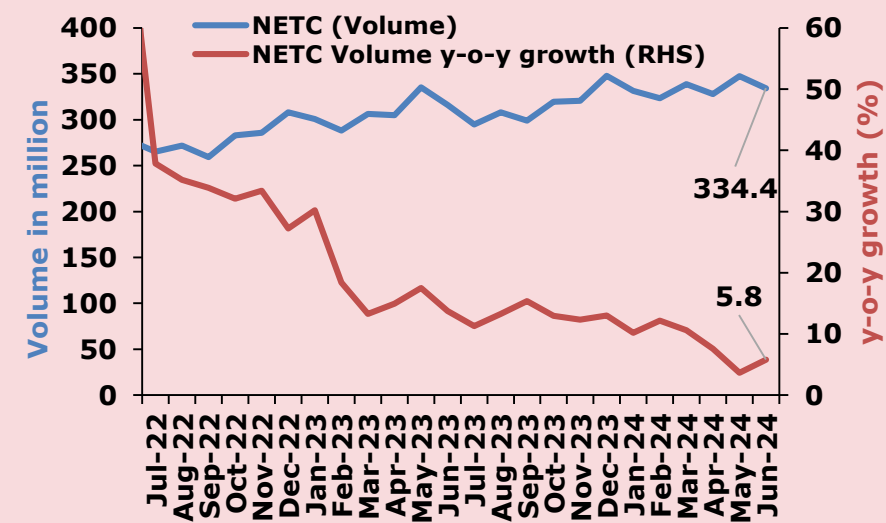
Source: CEIC estimates, Society of Indian Automobile Manufacturers (Figure 17).

Figure 18: Electric Vehicles Sales- by Categories



Source: EV reporter, Vahan Dashboard (Figure 18).

Figure 19: Digital Payments: NETC Volume and Growth Rates



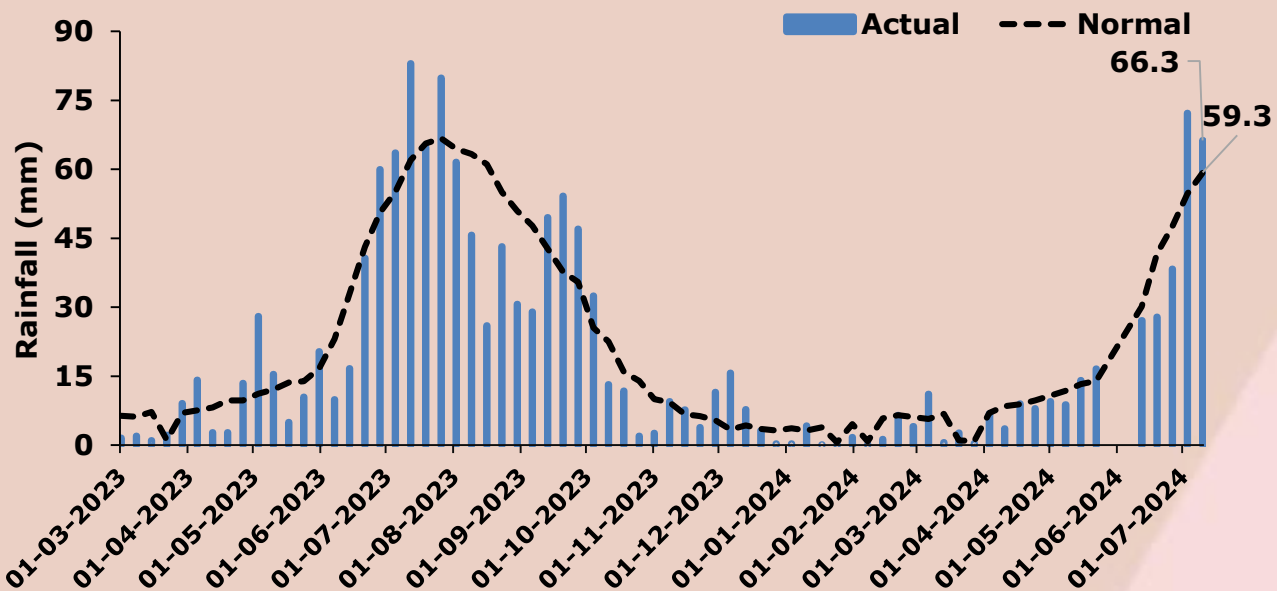
Source: National Payments Corporation of India (NPCI) (Figure 19).

Note: In Figures 18 and 19, RHS axis rescaled for E4-Wheelers Sales and y-o-y growth rates for NETC Volume for comparability.

IMD predicts July 2024 rainfall to be above normal; Kharif Sowing for 2024-25 remains higher than in 2023-24

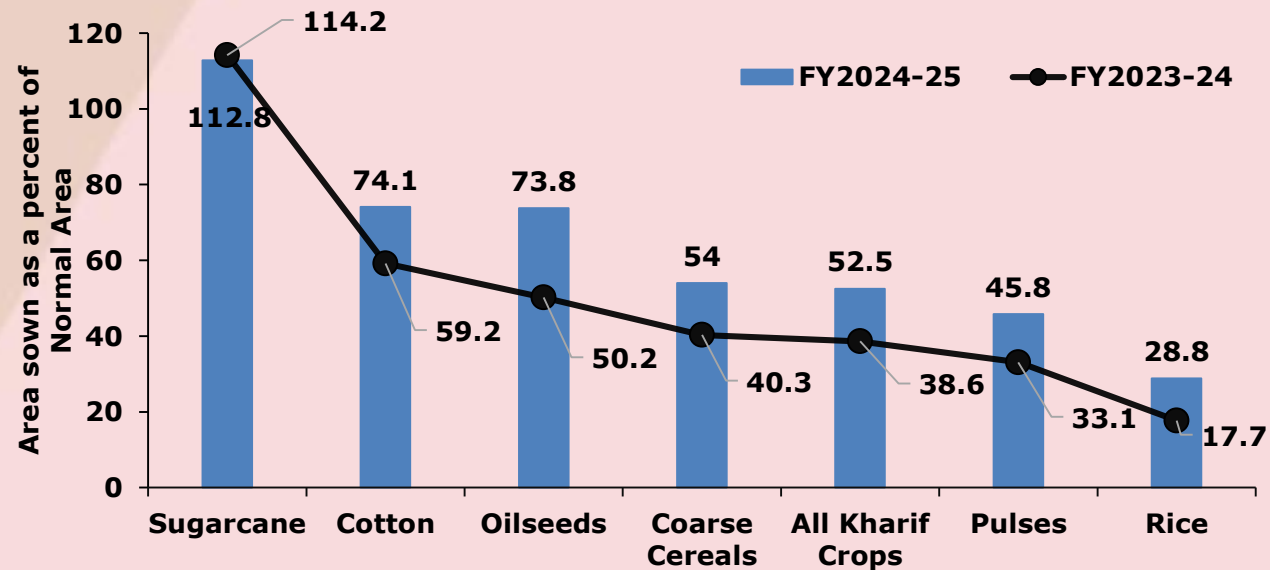
- Weekly data from India Meteorological Department (IMD) showed an increase in actual rainfall to 66.3 mm from July 4-10, 2024, all over India, as compared to normal rainfall of 59.3 mm for the same period (Figure 20).
- As per the IMD forecast released on July 1, 2024, the monthly average rainfall for July 2024 across India is expected to be above normal (>106 percent of the Long Period Average (LPA) of 280.4 mm). [\[IMD Press Release: Monthly forecast update for July 2024\]](#)
- Kharif sowing stood at 52.5 percent as a proportion of the normal area sown for the agricultural season 2024-25 as of July 12, 2024, compared to 38.6 percent in 2023-24 as of July 9, 2023 (Figure 21).
- The area sown for sugarcane, cotton, and oilseeds stood at 112.8, 74.1, and 73.8 percent, respectively, in 2024-25 as compared to 114.2, 59.2, and 50.2 percent, respectively, in 2023-24. For coarse cereals, pulses and rice, the area sown stood at 54, 45.8 and 28.8 percent, respectively, in 2024-25, as compared to 40.3, 33.1 and 17.7 percent, respectively, in 2023-24 (Figure 21).

Figure 20: All-India Monthly Rainfall



Source: IMD (Figure 20).

Figure 21: Kharif sowing across various categories of crops



Source: Department of Agriculture & Farmers Welfare (Figure 21).

Note: (i) For Figure 20, 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 over 1971-2020. In Figure 21, the data for the 2024-25 agricultural season is as of July 12, 2024, and is compared with the data from the 2023-24 season as of July 9, 2023.

UPI records 13.9 billion transactions (in volume), registering 48.7 percent growth year-over-year; IMPS (in volume) registers 10.4 percent growth year-over-year

- Unified Payments Interface (UPI), India's leading digital payment system, recorded 13.9 billion transactions (in volume) in June 2024 (Figure 22), registering a growth of 48.7 percent on a year-over-year basis (Figure 23). However, growth in the volume of transactions decelerated by 1.1 percent sequentially.
- The electronic funds transfer system, Immediate Payment Service (IMPS), recorded 516.8 million transactions in June 2024 (Figure 22), registering a growth of 10.4 percent on a year-over-year basis (Figure 23). However, growth in the volume of transactions decelerated by 7.3 percent sequentially. [[National Payments Corporation of India, Monthly Metrics \(npci.org.in\)](https://npci.org.in)]

Figure 22: Unified Payments Interface (UPI) and Immediate Payment Service (IMPS) Transactions

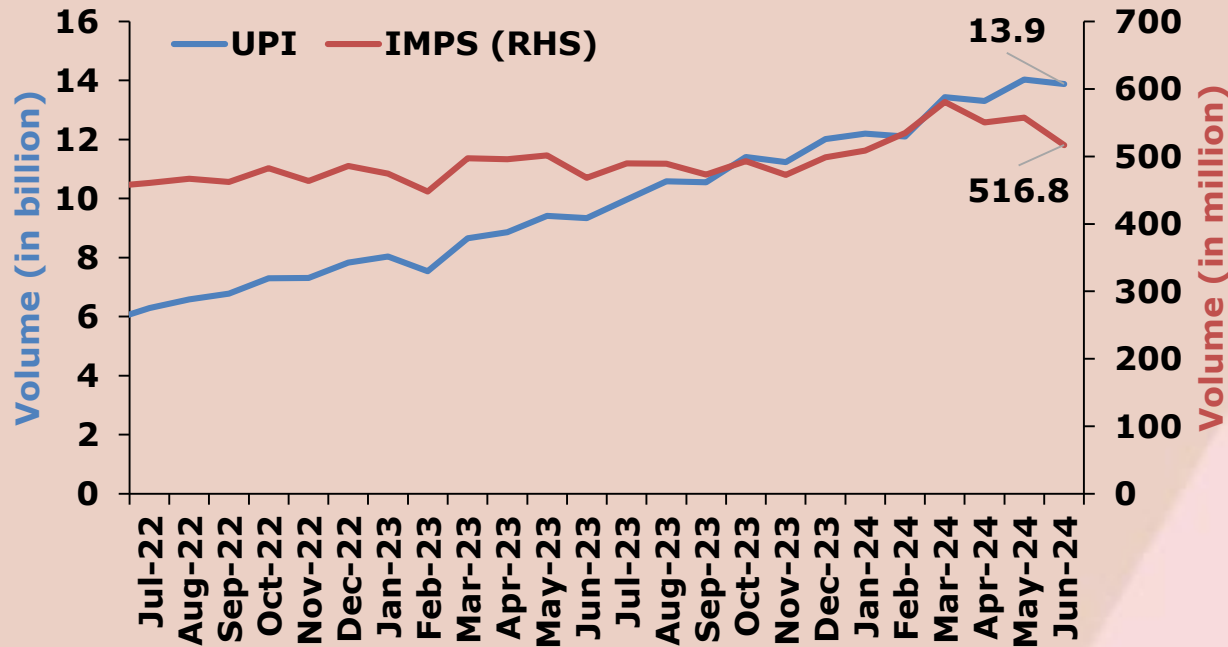
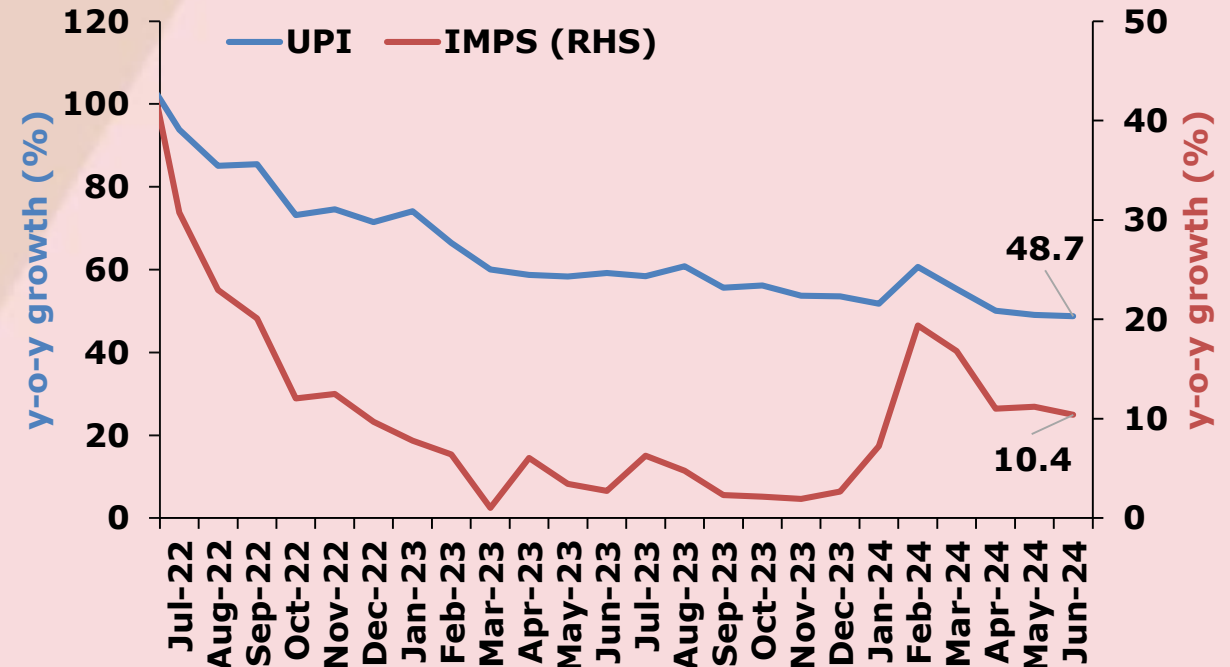


Figure 23: UPI and IMPS Growth



Source: National Payments Corporation of India (NPCI) (Figures 22 and 23).

Note: In Figures 22 and 23, RHS axis rescaled for IMPS for comparability.

Centre's Fiscal Deficit reaches 3 percent of BE for FY2024-25 in May 2024

Fiscal Developments

- As of May 2024, the fiscal deficit reached 3 percent of BE in FY2024-25, as compared to 11.8 percent of BE in FY2023-24, as of May 2023 (Figure 24).
- Revenue receipts reached 19 percent of BE in FY2024-25, as of May 2024, as compared to 15.7 percent of BE in FY2023-24, as of May 2023 (Figure 25).
- Total expenditure reached 13.1 percent of BE in FY2024-25, as of May 2024, as compared to 13.9 percent of BE in FY2023-24, as of May 2023 (Figure 26). [\[Controller General of Accounts Monthly Report, May 2024\]](#)

Figure 24: Fiscal Deficit

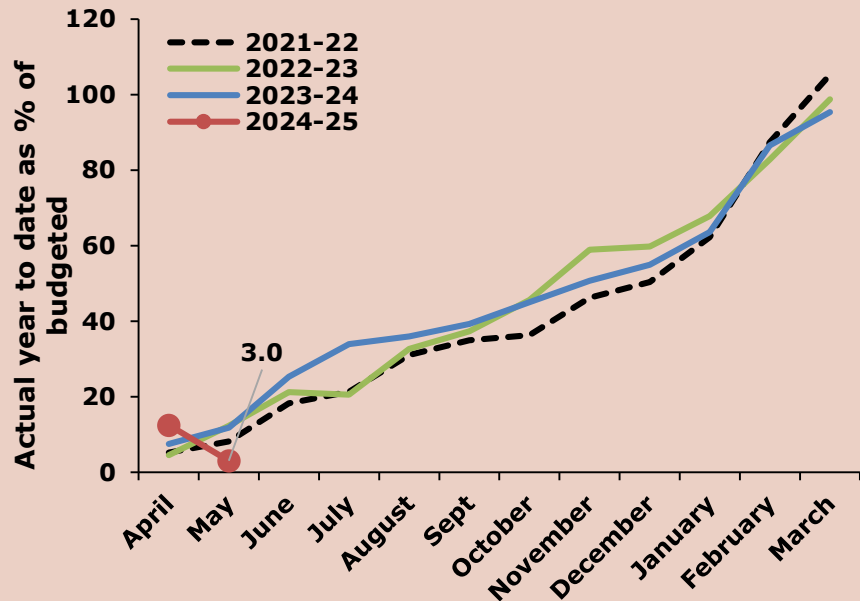


Figure 25: Revenue Receipts

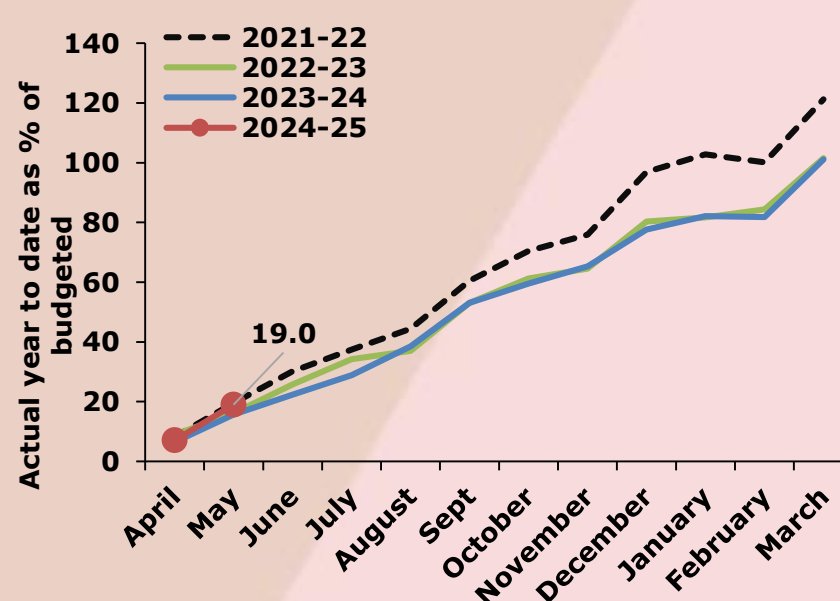
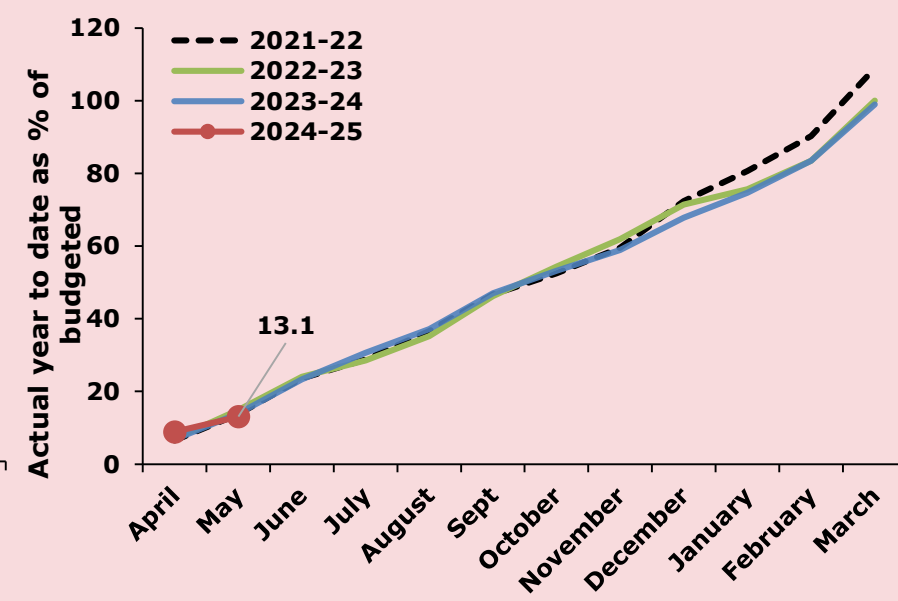


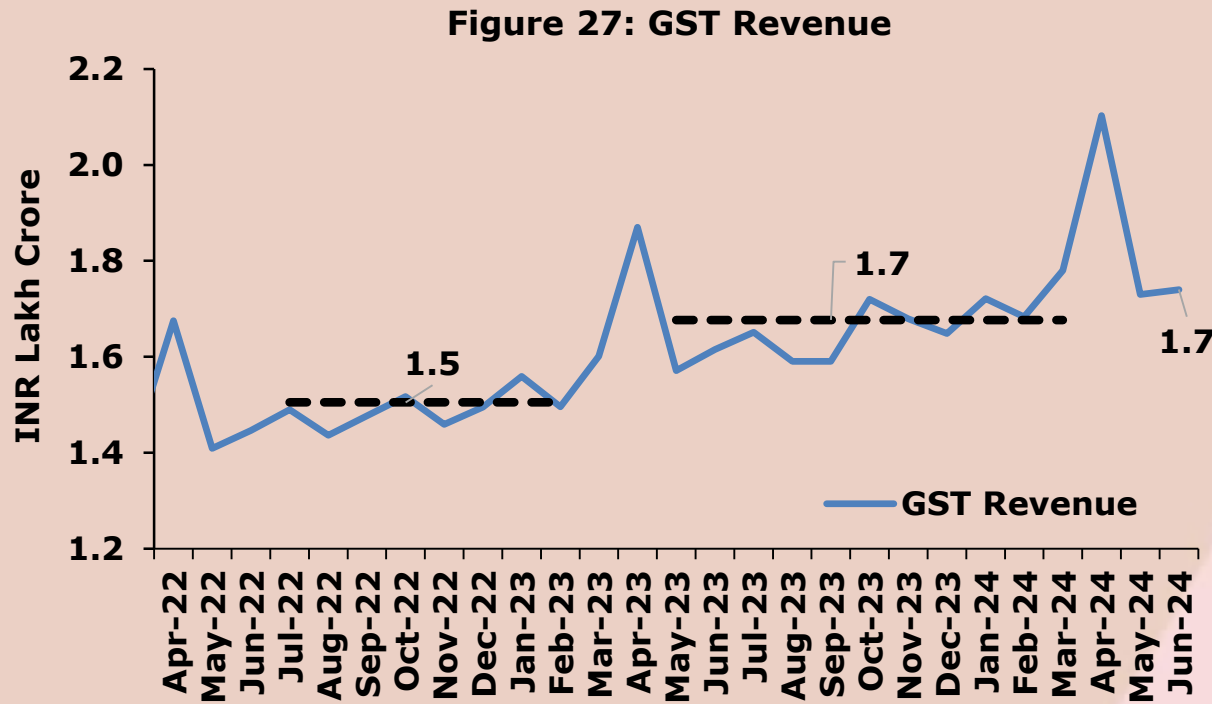
Figure 26: Total Expenditure



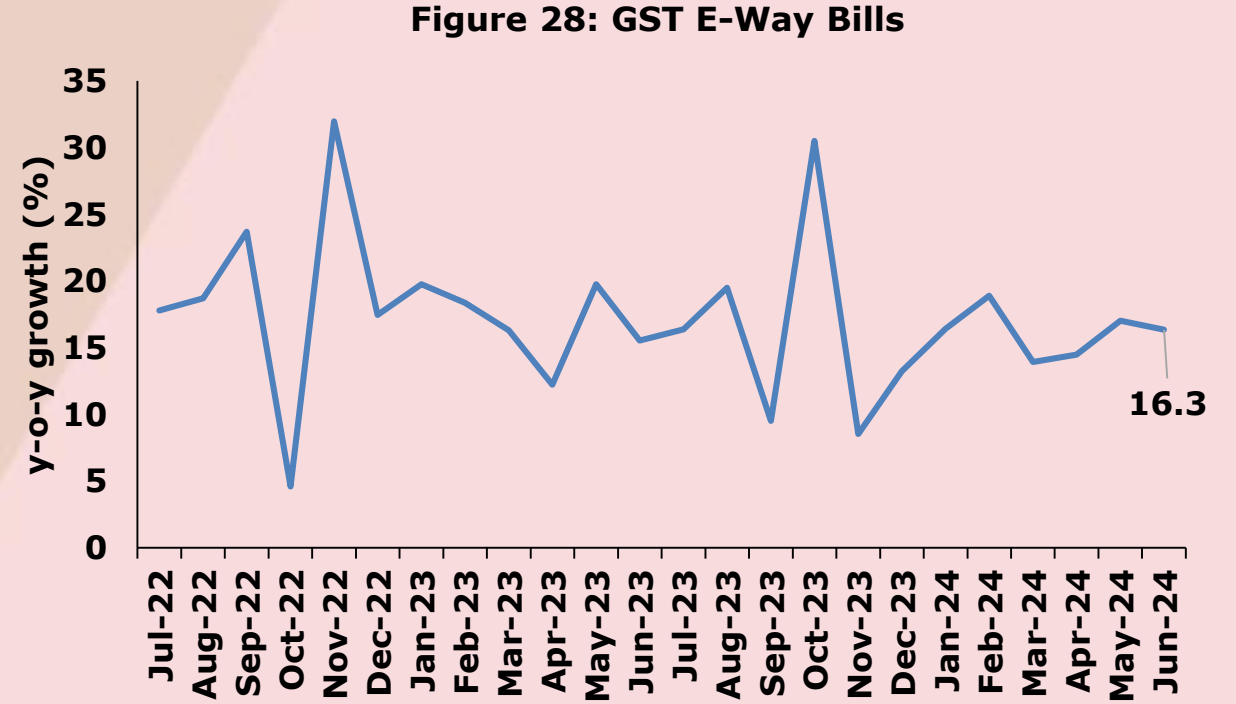
Source: Controller General of Accounts (Figures 24, 25 and 26).

GST collections reach Rs 1.7 lakh crore in June, recording 7.7 percent growth year-over-year; GST E-way Bills generation moderates year-over-year

- GST collections stood at Rs 1.7 lakh crore in June 2024, recording a year-over-year growth of 7.7 percent. Sequentially, collections of GST increased by 0.6 percent (Figure 27).
- GST E-way bill generation reached 10 crore in June 2024. Growth in GST E-way bills generation moderated to 16.3 percent in June 2024 from 17 percent in May 2024 on a year-over-year basis. Sequentially, growth in GST E-way bills generation moderated by 3 percent (Figure 28).



Source: Ministry of Finance and CEIC estimates (Figure 27).



Source: Goods and Services Tax Network (Figure 28).

Note: In Figure 27, the dashed horizontal lines depict yearly averages of FY2022-23 and FY2023-24, respectively.

As per the RBI's Financial Stability Report financial sector remains robust and resilient, GNPA ratio for SCBs decreases to 2.8 percent

Financial Sector

- As per RBI's Financial Stability Report, June 2024, the financial system consolidated further in terms of asset quality, capital position, and profitability.
- The GNPA ratio of SCBs declined to a low of 2.8 percent at the end of March 2024. Among the bank groups, Public Sector Banks (PSBs) experienced a substantial reduction in their GNPA ratio to 3.7 percent. Similarly, the GNPA ratios for Private Sector Banks (PVBs) and Foreign Banks (FBs) decreased to 1.8 percent and 1.2 percent, respectively (Figure 29).
- The Capital to Risk-Weighted Assets ratio (CRAR) and the Common Equity Tier 1 (CET1) ratio of SCBs stood at 16.8 percent and 13.9 percent, respectively, at the end of March 2024. CRAR increased for PSBs to 15.5 percent, but it decreased for PVBs and FBs to 17.8 percent and 18.5 percent, respectively (Figure 30).
- Net Interest Income (NII) of SCBs increased by 14.2 percent year-over-year in March 2024, with a rise in trading income augmenting Other Operating Income (OOI). Profit After Tax (PAT) increased by 32.5 percent year-over-year in March 2024. [\[Financial Stability Report, June 2024\]](#)

Figure 29: SCBs' GNPA Ratio

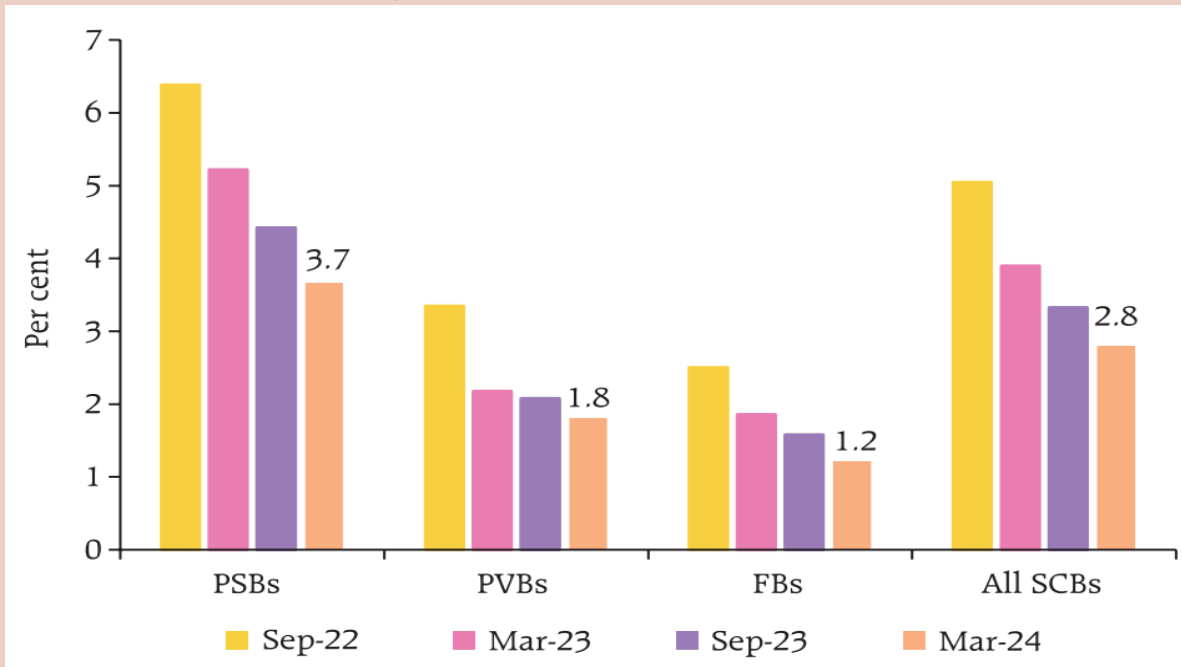
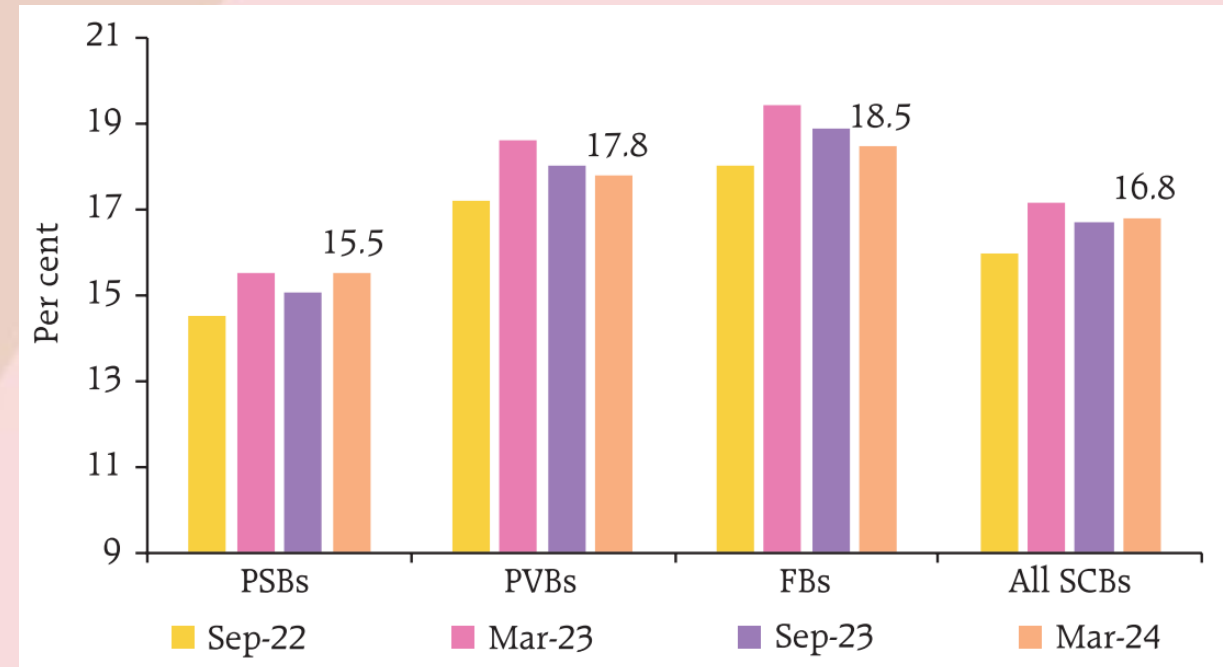


Figure 30: Capital to Risk-weighted Assets Ratio



Source: RBI staff calculations (Figures 29 and 30).

Note: GNPA ratio is the proportion of gross non-performing assets in gross loans and advances. NNPA ratio is the proportion of net non-performing assets in net loans and advances. CRAR is the proportion of tier 1 and 2 capital in risk weighted assets. CET1 ratio is the proportion of common equity tier 1 capital in risk weighted assets.

Bank credit expansion (food and non-food) for Scheduled Commercial Banks remains robust year-over-year

- The total outstanding credit (food and non-food) of Scheduled Commercial Banks (SCBs) expanded by 20.8 percent on a year-over-year basis in May 2024, compared to 19 percent on a year-over-year basis in April 2024 (Figure 31).
- Personal loans experienced growth in credit of 28.8 percent in May 2024 on a year-over-year basis compared to 27.1 percent in April 2024. Bank credit growth for services sector remained strong at 22.8 percent in May 2024 compared to 21.7 percent in April 2024 (Figure 32).
- Bank credit for agriculture and allied activities expanded by 21.5 percent in May 2024 compared to 19.7 percent in April 2024. Credit growth in the industry sector improved to 8.8 percent in May 2024 compared to 7.4 percent in April 2024 on a year-over-year basis (Figure 32).

Figure 31: Total Outstanding Credit (Food and Non-food) of Scheduled Commercial Banks

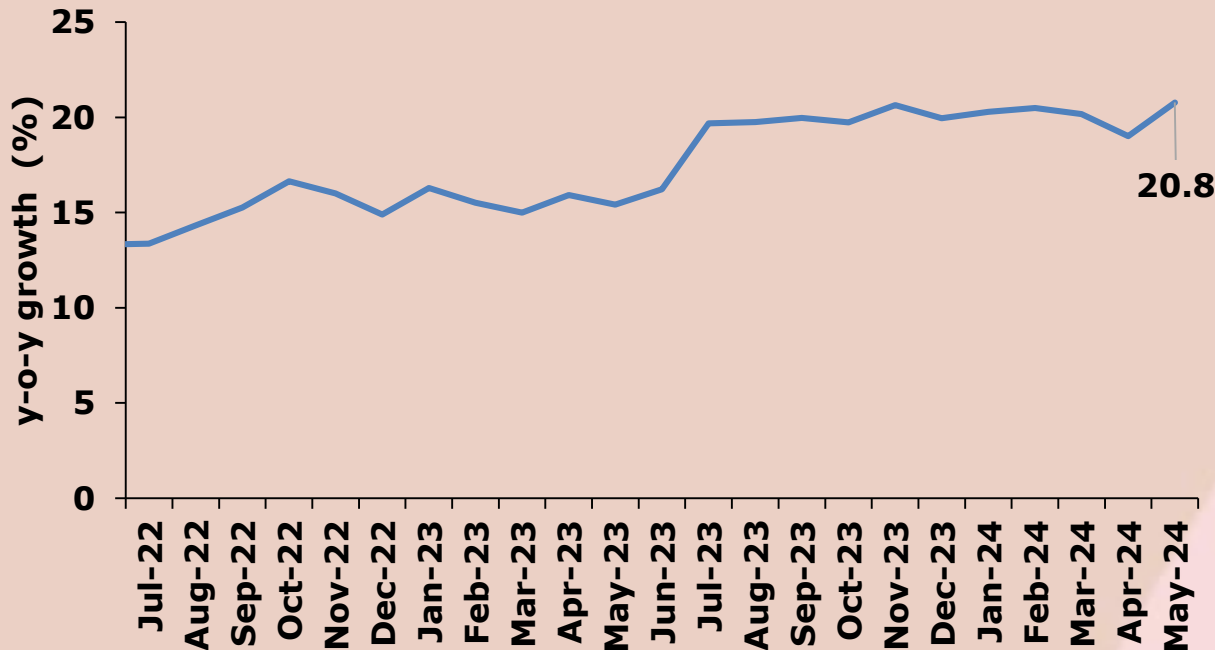
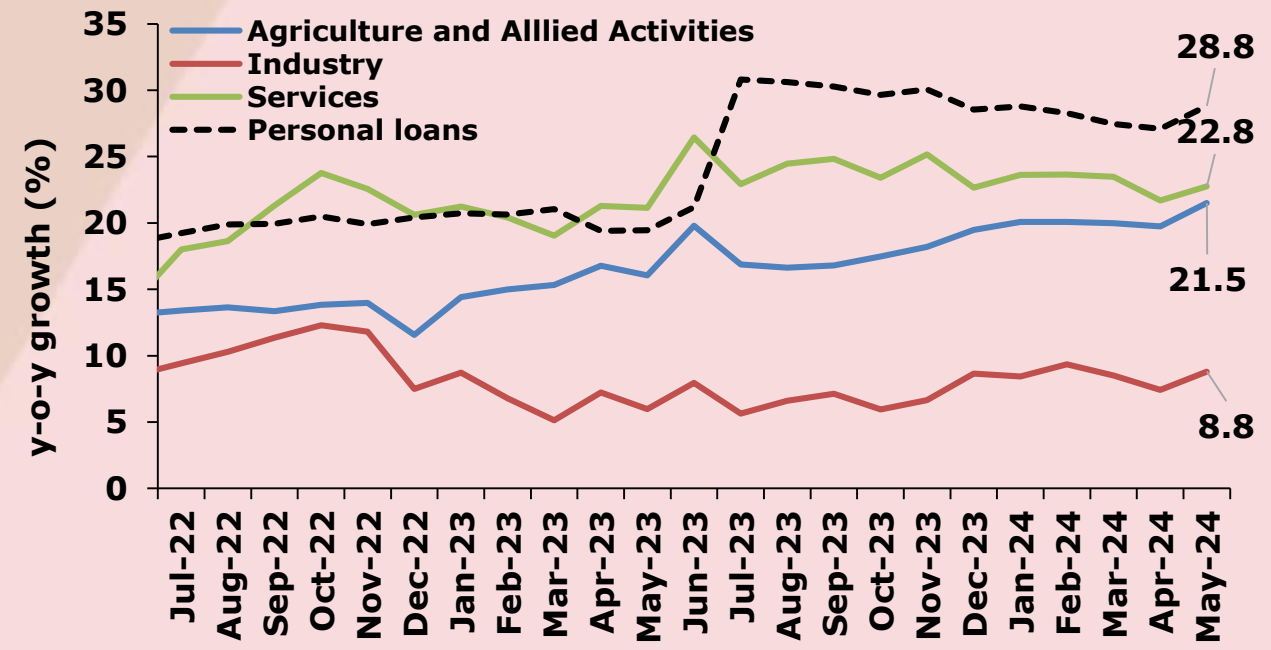


Figure 32: Sectoral Deployment of Non-food Credit by Scheduled Commercial Banks

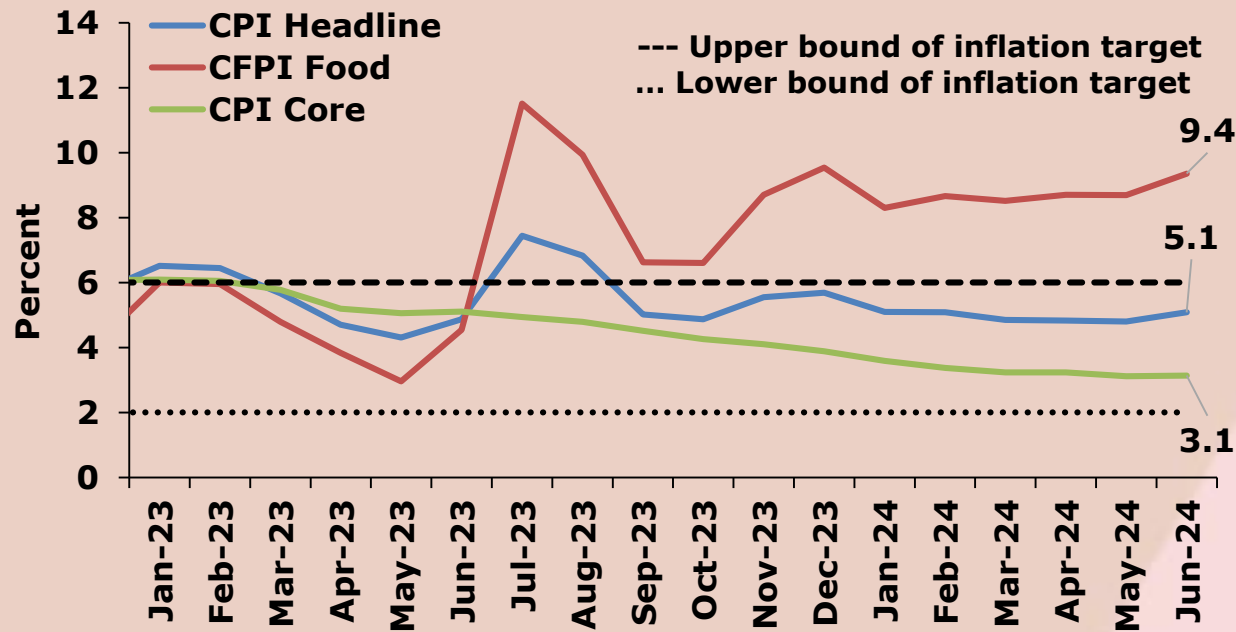


Source: CEIC estimates (Figures 31 and 32).

CPI headline, food and WPI inflation accelerate; Core inflation remains unchanged

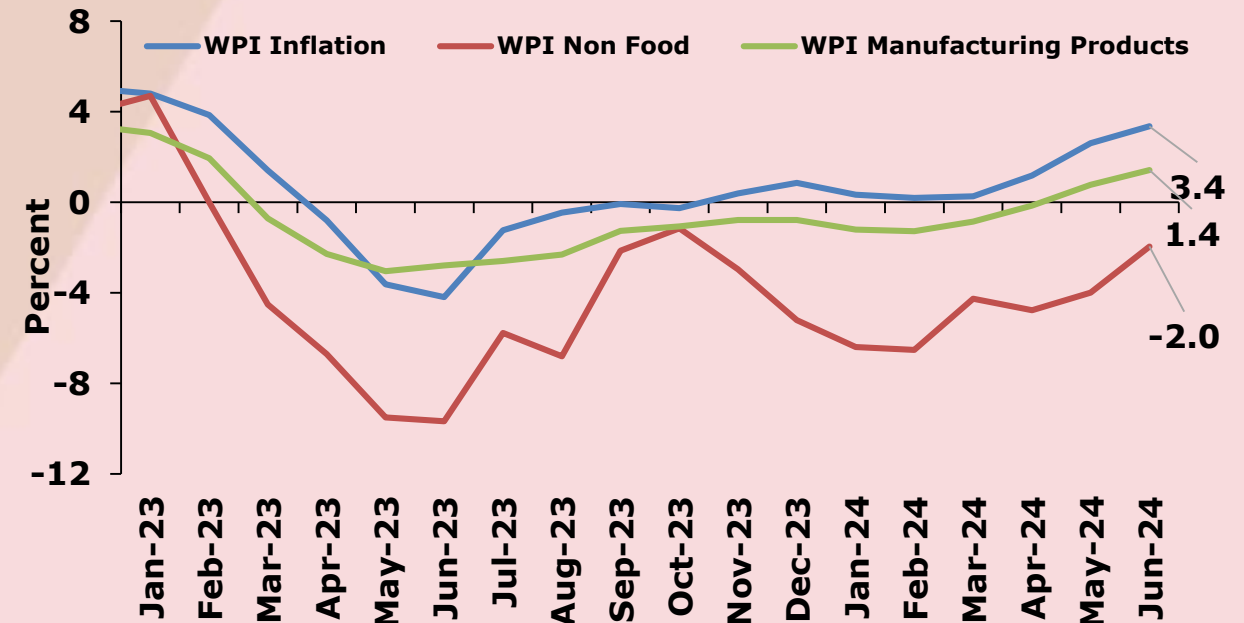
- The CPI headline inflation accelerated to 5.1 percent in June 2024 from 4.8 percent in May 2024. Core inflation remained unchanged at 3.1 percent in June 2024 compared to May 2024 (Figure 33).
- The Consumer Food Price Index (CFPI) inflation accelerated to 9.4 percent in June 2024 as compared to 8.7 percent in May 2024 (Figure 33). [\[CPI Press Release, July 12, 2024 | MOSPI\]](#)
- The Wholesale Price Index (WPI) inflation accelerated to 3.4 percent (Provisional Estimates) in June 2024 from 2.6 percent (Revised Estimates) in May 2024 (Figure 34). [\[WPI Press Release, July 15, 2024 | Ministry of Commerce and Industry, DPIIT\]](#)

Figure 33: Consumer Price Indices Inflation Rates



Source: Ministry of Statistics and Programme Implementation (Figure 33).

Figure 34: Wholesale Price Indices Inflation Rates



Source: Ministry of Commerce and Industry, Department for Promotion of Industry and Internal Trade (DPIIT), Government of India (Figure 34).

Note: In Figure 33, 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.

Contribution of core, CFPI inflation to headline inflation increases; CPI inflation accelerates for vegetables, cereals, fruits, and sugar but decelerates for pulses, meat and fish

- Core inflation contributed 2.4 percent to headline inflation in June 2024, increasing from 2.3 percent in May 2024. CFPI inflation contributed 2 percent to headline inflation in June 2024, increasing from 1.9 percent in May 2024. Both CPI inflation for beverages, and for fuel and light contributed 0.3 percent to headline inflation in June 2024, remaining consistent with May 2024 (Figure 35).
- CPI inflation for vegetables accelerated slightly to 29.3 percent in June 2024 from 27.4 percent in May 2024 (Figure 36).
- CPI inflation for pulses and products decelerated from 17.1 percent in May 2024 to 16.1 percent in June 2024. CPI inflation for meat and fish decelerated from 7.3 percent in May 2024 to 5.4 percent in June 2024. However, CPI inflation for cereals and products, fruits and sugar and confectionery accelerated from 8.7, 6.7, and 5.7 percent, respectively, in May 2024 to 8.8, 7.2 and 5.8 percent, respectively, in June 2024 (Figure 36).

Figure 35: Contributions to CPI Headline

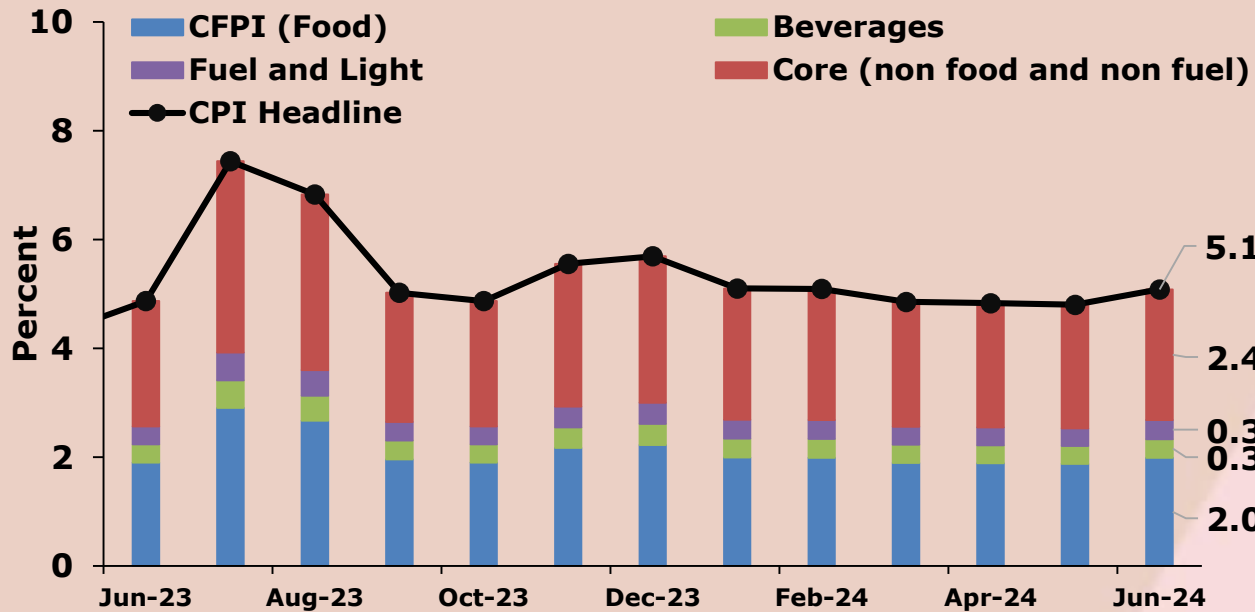
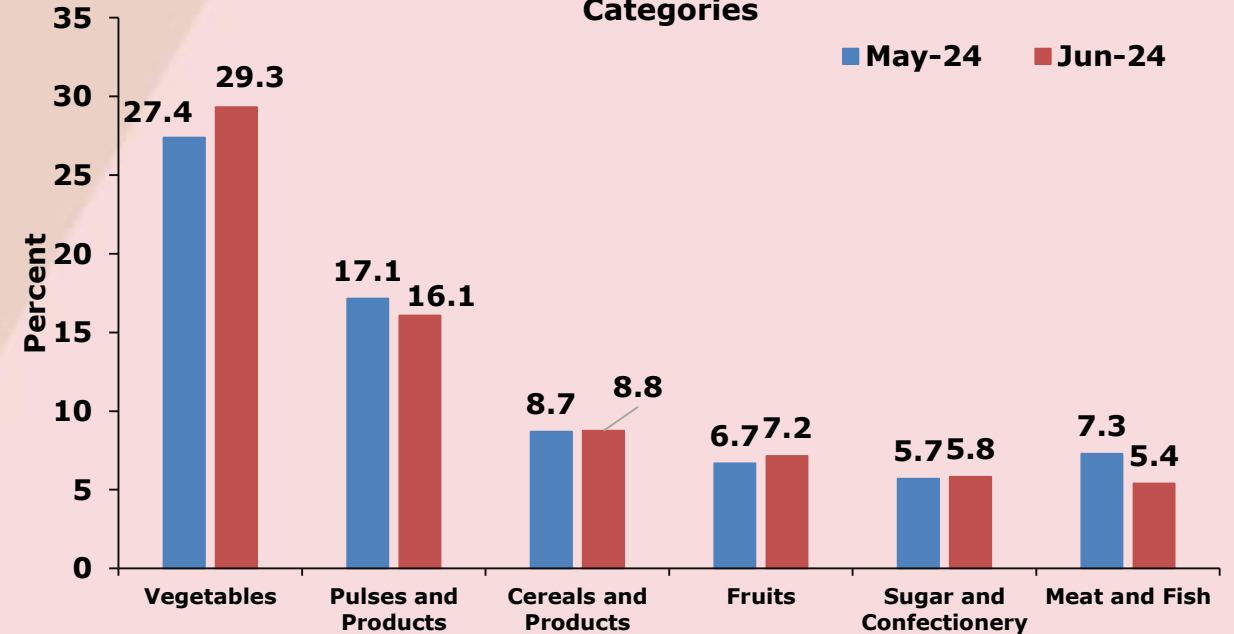


Figure 36: Consumer Price Indices Inflation Rates- Across Food Categories

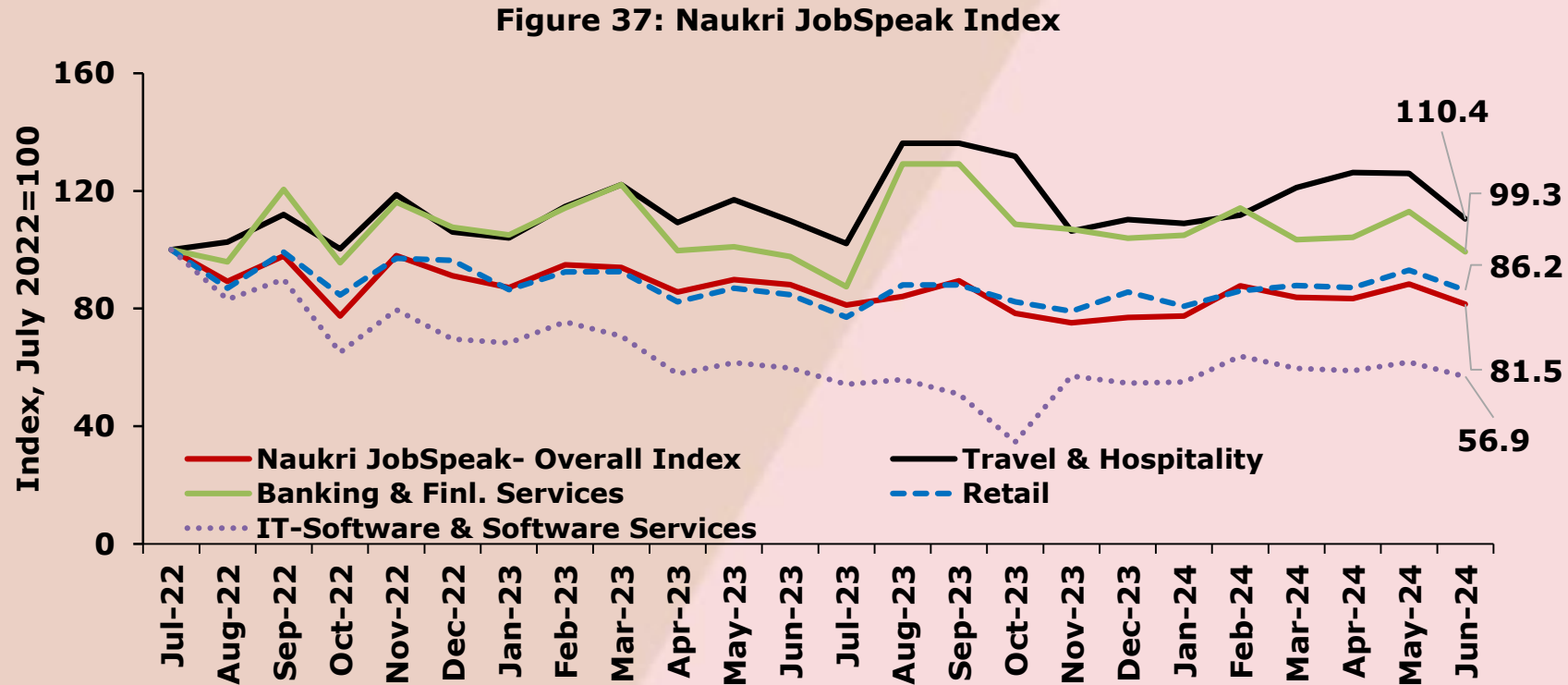


Source: Ministry of Statistics and Programme Implementation (Figures 35 and 36).

Note: In Figure 35, 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.

Naukri JobSpeak Index moderates year-over-year and sequentially; Sectors like travel and hospitality, banking, and retail show increase in hiring

- Online hiring activity in India, reported by the Naukri JobSpeak Index, decreased by 7.8 percent, sequentially and 7.6 percent on a year-over-year basis in June 2024. For the travel and hospitality sector, hiring decreased by 12.3 percent sequentially, but increased slightly by 0.5 percent year-over-year. Hiring in the banking and financial services sector decreased by 12.1 percent sequentially but increased by 1.7 percent year-over-year. For the retail sector online hiring decreased by 7.4 percent sequentially but increased by 1.8 percent year-over-year. Hiring in IT and software services decreased by 8 percent sequentially, and 4.8 percent year-over-year (Figure 37).

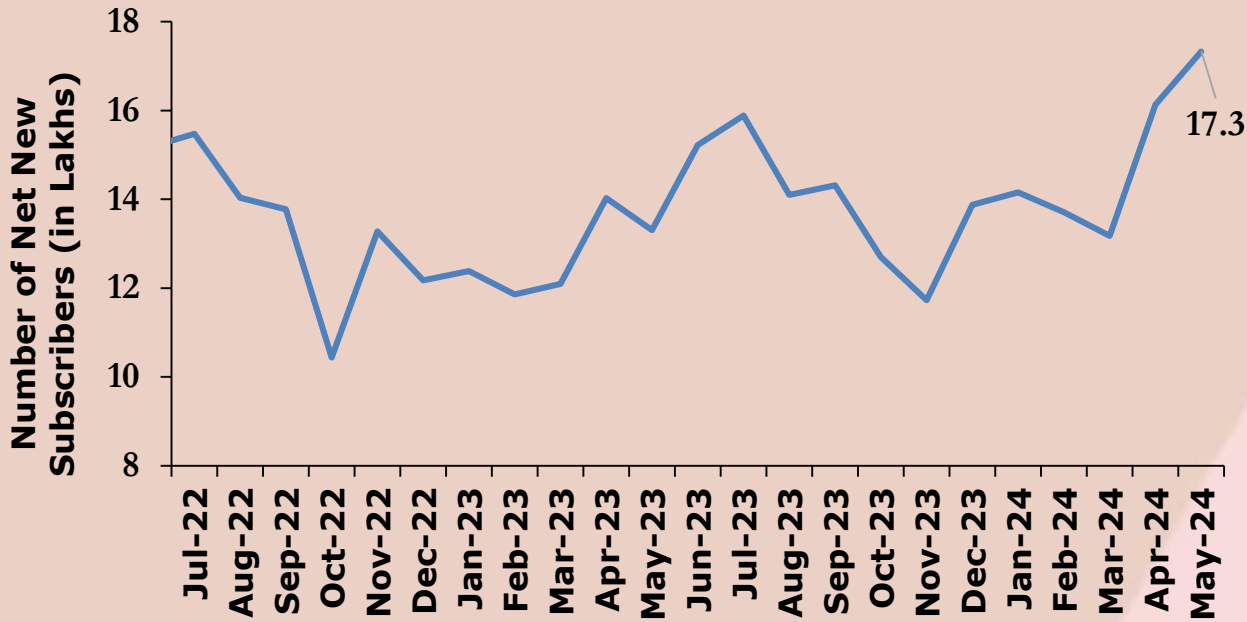


Source: CEIC estimates (Figure 37).

New subscribers under EPFO increase by 30.3 percent year-over-year; Demand for jobs under MGNREGA decreases year-over-year

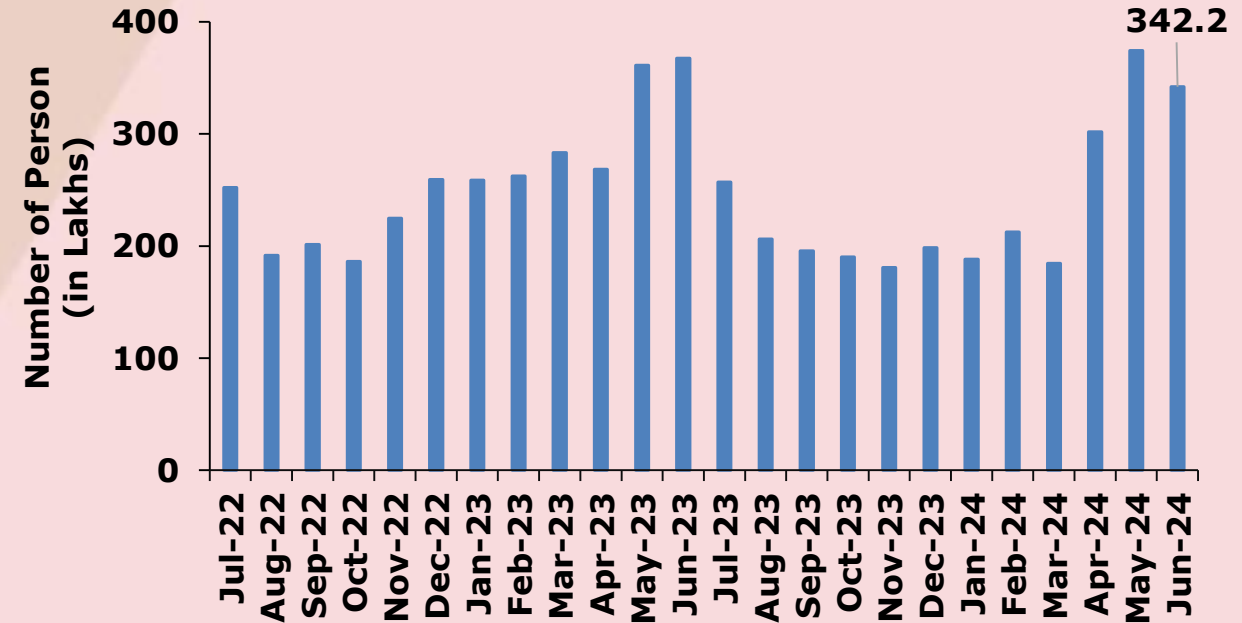
- In May 2024, the net new subscribers of EPFO increased by 30.3 percent on a year-over-year basis. The number of subscribers increased sequentially by 7.4 percent, recording 17.3 lakh net new subscribers (Provisional Estimates) in May 2024, as compared to 16.1 lakh (Revised Estimates) in April 2024 (Figure 38).
- The demand for work under the MGNREGA decreased by 6.9 percent on a year-over-year basis in June 2024, and sequentially, it decreased by 8.6 percent (Figure 39).

Figure 38: EPFO Net New Subscribers



Source: Employees' Provident Fund Organisation (Figure 38).

Figure 39: Work Demand under MGNREGA



Source: Ministry of Rural Development (Figure 39).

Merchandise trade deficit narrows; Services trade surplus moderates sequentially

- India's merchandise exports decreased sequentially, reaching a value of USD 35.2 billion in June 2024 (Provisional Estimates) as compared to USD 39.4 billion in May 2024 (Revised Estimates). Merchandise exports increased by 2.6 percent on a year-over-year basis. Merchandise imports decreased sequentially, reaching a value USD 56.2 billion in June 2024 (Provisional Estimates), as compared to USD 61.8 billion in May 2024 (Revised Estimates). The merchandise trade deficit narrowed to USD 21 billion in June 2024, as compared to USD 22.3 billion in May 2024 (Figure 40).
- Services exports increased to at USD 30.3 billion in June 2024 (Provisional Estimates) compared to USD 29.8 billion in May 2024 (Revised Estimates). Services exports increased by 8.9 percent on a year-over-year basis. The import of services increased to USD 17.3 billion in June 2024 (Provisional Estimates) from USD 16.7 billion in May 2024 (Revised Estimates). The services trade surplus declined slightly to USD 12.98 billion in June 2024 as compared to USD 13.02 billion in May 2024 (Figure 41). [\[Press Release, July 15, 2024 | Ministry of Commerce & Industry\]](#)

Figure 40: Merchandise Trade

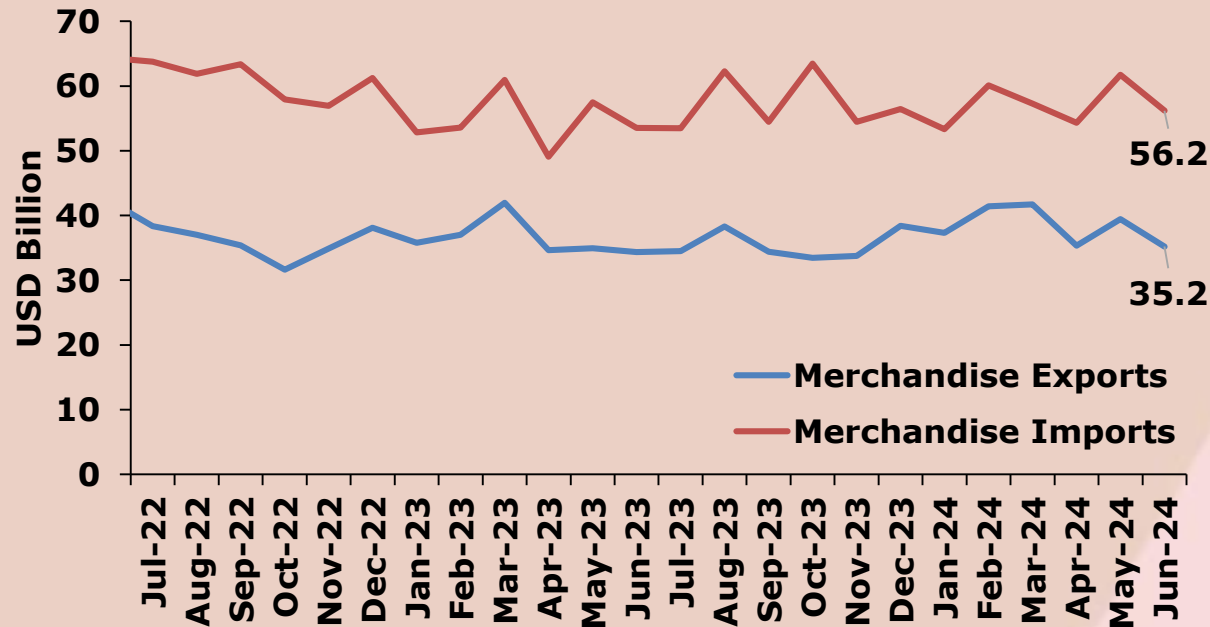
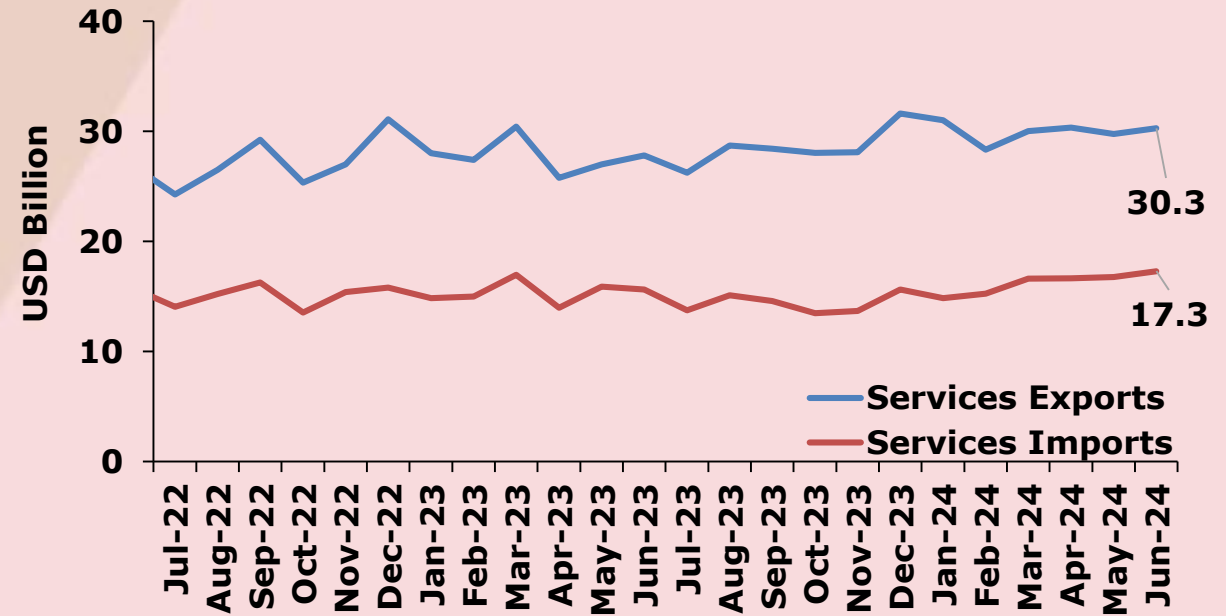


Figure 41: Services Trade



Source: Ministry of Commerce and Industry, Government of India (Figures 40 and 41).

Net inflows of foreign portfolio investments decrease in June 2024

- As of July 19, 2024, net foreign portfolio flows reached USD 4.8 billion, decreasing sequentially by USD 0.2 billion as compared to USD 5 billion at the end of June 2024 (Figure 42).
- The Net FPI equity reached USD 3.7 billion as of July 19, 2024, increasing sequentially by USD 0.5 billion as compared to USD 3.2 billion at the end of June 2024 (Figure 43).
- The Net FPI debt reached USD 1.6 billion as of July 19, 2024, decreasing sequentially by USD 0.2 billion as compared to USD 1.8 billion at the end of June 2024 (Figure 44).

Figure 42: Net Foreign Portfolio Investment (FPI)

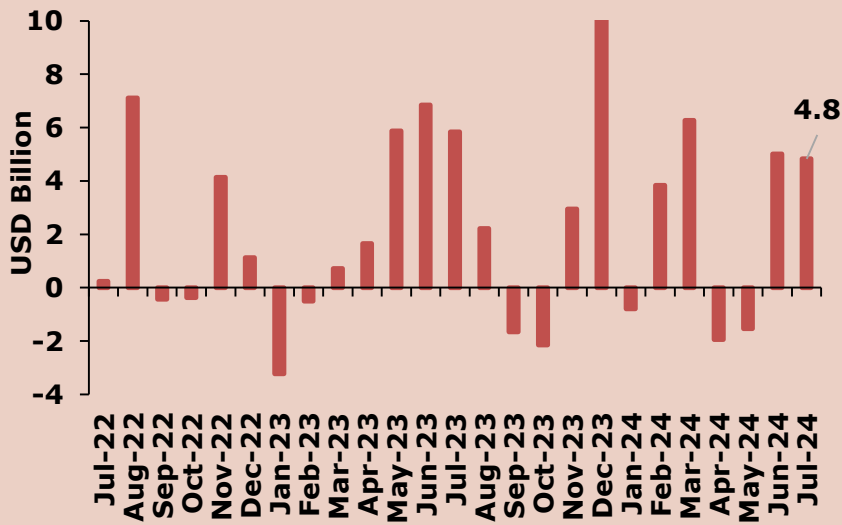


Figure 43: Net Foreign Portfolio Investment (FPI) Equity

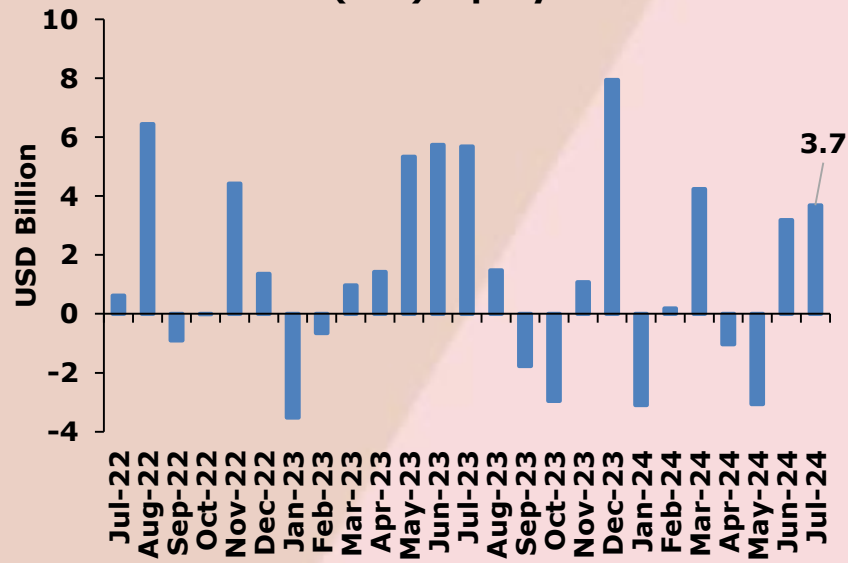
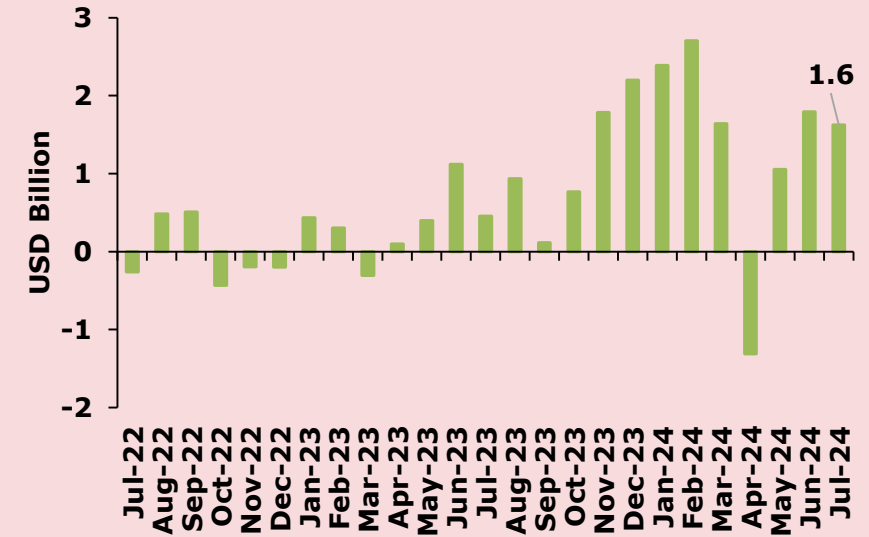


Figure 44. Net Foreign Portfolio Investment (FPI) Debt



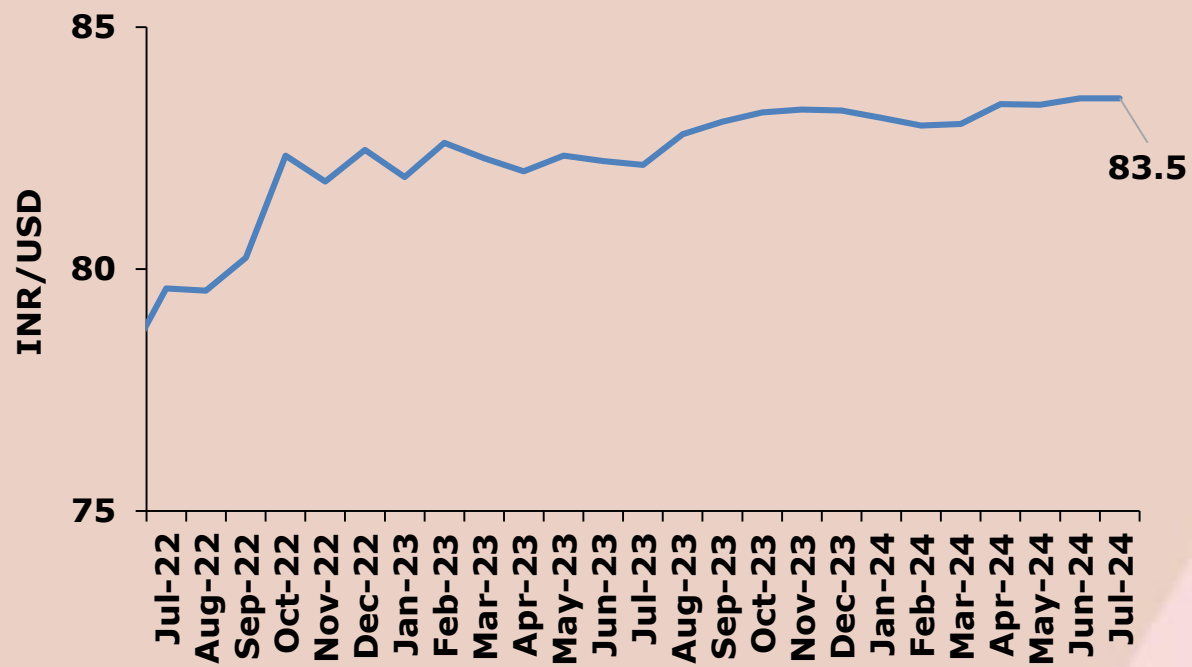
Source: CEIC estimates (Figures 42, 43, and 44).

Note: For July 2024, data for Figures 42, 43 and 44 is as of July 19, 2024. Monthly values for July 2024 have been created by summing up the daily values of Net FPI Equity and Net FPI Debt. For Figure 42, the monthly value for July 2024 has been calculated by taking the sum of the daily data for Net FPI Equity, Net Debt, Net Debt VRR and Net Hybrid.

Rupee remains flat against dollar; Forex reserves increase sequentially

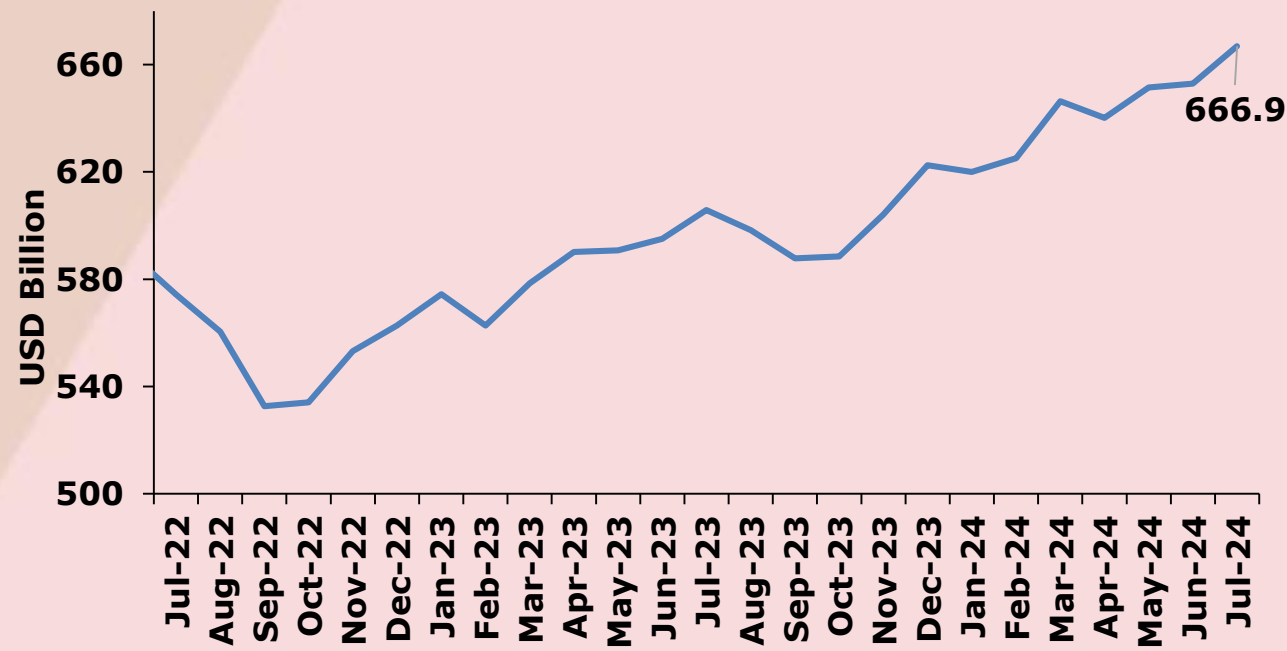
- The rupee remained flat at Rs. 83.5 against the US dollar, as of July 19, 2024, compared to the end of June 2024 (Figure 45).
- Foreign exchange reserves increased by USD 14 billion, reaching a total of USD 666.9 billion, as of July 12, 2024, as compared to USD 652.9 billion at the end of June 2024 (Figure 46). [[Reserve Bank of India – Bulletin Weekly Statistical Supplement, Foreign Exchange Reserves Press Release, June 14, 2024](#)]

Figure 45: Exchange Rate



Source: Reserve Bank of India (Figure 45).

Figure 46: Foreign Exchange Reserves



Source: CEIC estimates (Figure 46).

Note: For July 2024, data for Figure 45 is taken as of July 19, 2024; data for Figure 46 is taken as on July 12, 2024.

Heatmap for high-frequency indicators

Indicators	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	Feb-24	Mar-24	Apr-24	May-24	Jun-24	
Agriculture																										
Fertilizer Sales: Urea	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	-0.2	-10.7	-1.1	11.9			
Industry																										
IIP Manufacturing	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	5.1	10.6	1.3	4.6	3.6	4.9	5.8	3.9	4.6		
IIP Core	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	9.4	12.7	7.9	5.0	4.1	7.1	6.0	6.2	6.3		
PMI Manufacturing	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	56.9	59.1	58.8	57.5	58.3	
PMI Services	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	60.6	61.2	60.8	60.2	60.5	
Automobile Sales: 2-wheelers (excluding EVs)	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	34.6	15.3	30.8	10.1	21.3	
Natural Gas Production	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	6.1	5.5	11.1	6.2	7.8	6.7		
Crude Steel Production	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	11.0	11.0	8.7	12.3	8.6	4.2	3.5	6.0	
Electricity Supply	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	5.7	9.1	10.1	9.2	13.8		
Services																										
Rail Freight	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	10.1	8.6	1.4	3.7	10.1	
Air Passenger Traffic	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	8.1	6.5	6.0	8.3		
Air Cargo	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	22.7	17.3	10.0	15.6		
Trade																										
Merchandise Export	30.1	7.9	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	2.1	12.8	2.6	
Services Export	32.6	25.3	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	8.9	
Fiscal																										
Gross Tax Revenue (Centre)	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	16.5	-0.5	13.4	16.9			
Goods and Services Tax Revenue	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	12.5	11.2	12.4	10.1	7.7	
Banking																										
SCB bank Credit: Total Outstanding	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	20.3	20.5	20.2	19.0	20.8		
SCB bank Credit Non-food: Personal Loans	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	28.8	28.3	27.6	27.1	28.8		
SCB bank Credit Non-food: Agriculture	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	20.1	20.1	20.1	19.7	21.5		
SCB bank Credit Non-food: Industry	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	8.3	9.3	8.5	7.4	8.8		
SCB bank Credit Non-food: Services	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	23.9	23.6	23.4	21.7	22.8		
Financial Markets																										
NIFTY 50 Index	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	27.0	28.6	25.1	21.6	25.1	
BSE SENSEX	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	23.0	24.9	21.9	18.1	22.1	
Employment and Inflation																										
Naukri JobSpeak Index	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	-7.5	-10.8	-2.7	-1.8	-7.6	
EPFO Net New Subscribers	42.7	25.4	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	15.6	30.3		
Consumer Price Inflation	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	5.1	4.9	4.8	4.7	5.1	
Wholesale Price Inflation	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	0.2	0.5	1.3	2.6	3.4	



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).

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