



Merchants' Chamber of Commerce & Industry




Message from President

MCCI ECONOMY WATCH

August | 2024

The Indian economy is exhibiting resilience amidst global slow down. The economy is projected to grow between 6.5-7 per cent in FY 2024-25 as the domestic growth drivers have supported economic growth in FY24. Government's focus on fiscal consolidation is one of the key aspects of India's macroeconomic stability. The government has pegged the fiscal deficit at 4.9 per cent of GDP for 2024-25 in contrast to 5.6 per cent of GDP in 2023-24. Also, despite global supply chain disruptions and adverse weather conditions, domestic inflationary pressures moderated in FY24.

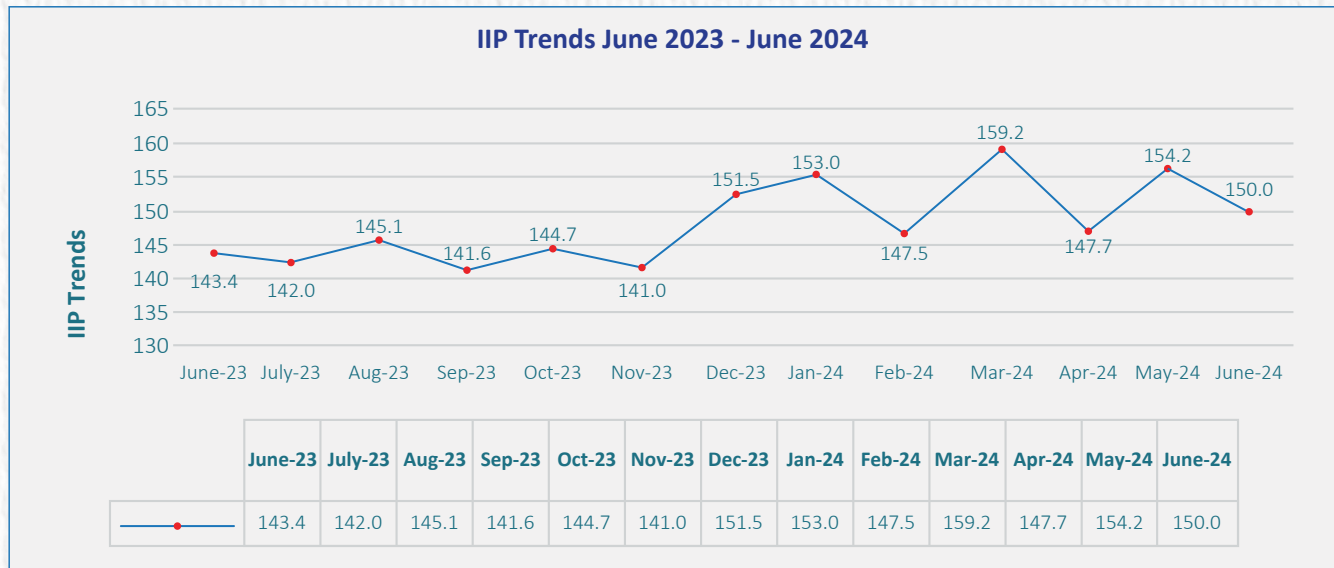

Namit Bajoria
President, MCCI

- Purchasing Manager's Index (PMI) in Services registered at 60.30 in July 2024 highlighting a contraction from 60.5 in June 2024
- Purchasing Managers' Index (PMI) in Manufacturing witnessed a contraction from 58.3 in June 2024 to 58.1 in July 2024
- As of August 2, 2024, reserve money stood at INR 46,63,407 crores
- As of August 2, 2024, currency in circulation (CiC) registered at INR 35,23,330 crores
- India's overall export increased by 2.81% to USD 62.42 billion in July 2024 as against USD 60.71 billion in the same month of last year
- CPI for all consumers decreased to 3.54% in July 2024

● Index of Industrial Production

1. The Index of Industrial Production (IIP) witnessed a y-o-y growth of 4.2% in June 2024. The IIP growth rate in June 2023 was 4.0 percent.
2. The growth rate in Manufacturing increased by 2.6 % in June 2024 compared to the previous year. However, Electricity and Mining witnessed higher growth at 8.6 % and 10.3% respectively compared to the previous year.

IIP trends from June 2023 to June 2024 are given in the following figure:



Source: MOSPI

● Inflation

1. India's retail inflation (CPI) decreased to 3.54% in July 2024 as compared to 5.08% in June 2024
2. Wholesale Price Index (WPI) fell to 2.04% in July 2024 as compared to 3.36% in June 2024

● Foreign Trade:

1. India's merchandise exports registered at USD 33.98 billion in July 2024 whereas it was USD 34.49 billion in July 2023, registering a negative growth rate of 1.48%
2. India's Service Export registered at USD 28.43 billion in July 2024, an increase of 8.43% over USD 26.22 billion in July 2023
3. Non-petroleum and non-gems & jewellery exports were USD 26.92 billion in July 2024 as compared to USD 25.47 billion in July 2023, registering a positive growth rate of 5.69%
4. India's merchandise import stood at USD 57.48 billion in July 2024 with a positive growth rate of 7.46% over USD 53.49 billion in July 2023
5. India's service import stood at USD 14.55 billion in July 2024, an increase of 5.89% over USD 13.74 billion in July 2023

Overall Trade (Merchandise & Service) in July 2024			
	Value in US\$ Billion		Growth
	July 2024	July 2023	
Export	62.42	60.71	2.81%
Import	72.03	67.23	7.13%
Deficit	9.61	6.52	

● Banking & Financial Indicators

a. Banking:

Indicators	Outstanding (in Cr.) as on July 24, 2024	% Variation over Fortnight	% Variation over Year
Total Bank Credit	163,21,156	-	19.5
Food Credit	28,190		
Non- Food Credit	167,86,602		
Aggregate Deposit	211,10,539	0.1	12.9
Broad Money (M3)	256,72,980	-0.1	10.6

Source: RBI

b. Banking Rates:

Indicators	Actual Rates as of August 16, 2024
Cash Reserve Ratio	4.50
Statutory Liquidity Ratio	18.00
Policy Repo Rate	6.50
Fixed Reverse Repo Rate	3.35
Bank Rate	6.75

Source: RBI

● Equity Market

a. Global Stock Indices:

Global Stock Indices witnessed mixed trends over the last week.

Global Stock Indices	Closing Value (in \$) as of August 16, 2024	Change (%) from last closing value
NYSE: DJIA	40,563.06	1.39
FTSE 100	8,331.24	-0.20
Nikkei 225	38,062.67	3.64
S & P/ ASX 200	7,971.10	1.34
KOSPI	2,697.23	1.99
Nasdaq 100	17,594.50	2.34
S & P 500	5,543.22	1.61
Hang Seng Index	17,422.96	1.83

Source: Yahoo Finance

b. Indian Stock Indices:

Indian Stock Market Indices witnessed positive trends over the past week.

Indian Stock Indices	Closing Value (in Rs.) as of August 16, 2024	Change (%) from the last closing value
BSE Sensex	80,251.23	1.45
BSE Sensex 50	25,763.73	1.36
NIFTY 50	24,449.90	1.27
NIFTY100	25,476.40	1.25

Source: BSE, NSE

c. BSE Sectoral Indices:

BSE Sectoral Indices witnessed positive trends over the last week.

BSE Indices	Closing Value (in Rs.) as of August 16, 2024	Change (%) from the last closing value
Auto Index	57,517.63	1.36
Bankex	57,666.23	1.66
Capital Goods	72,582.95	1.46
Consumer Durables	60,546.33	1.16
Energy	13,436.40	1.28
Finance	11,212.38	1.70
FMCG	22,483.18	1.08
Health Care	41,105.59	0.79
Metal Index	30,736.27	1.36
Oil & Gas Index	31,887.88	1.53
Power Index	8,191.94	1.34
Teck Index	19,000.64	2.16

Source: BSE

d. Global Stock Exchange Future:

Global Future Indices witnessed positive trends over the last week.

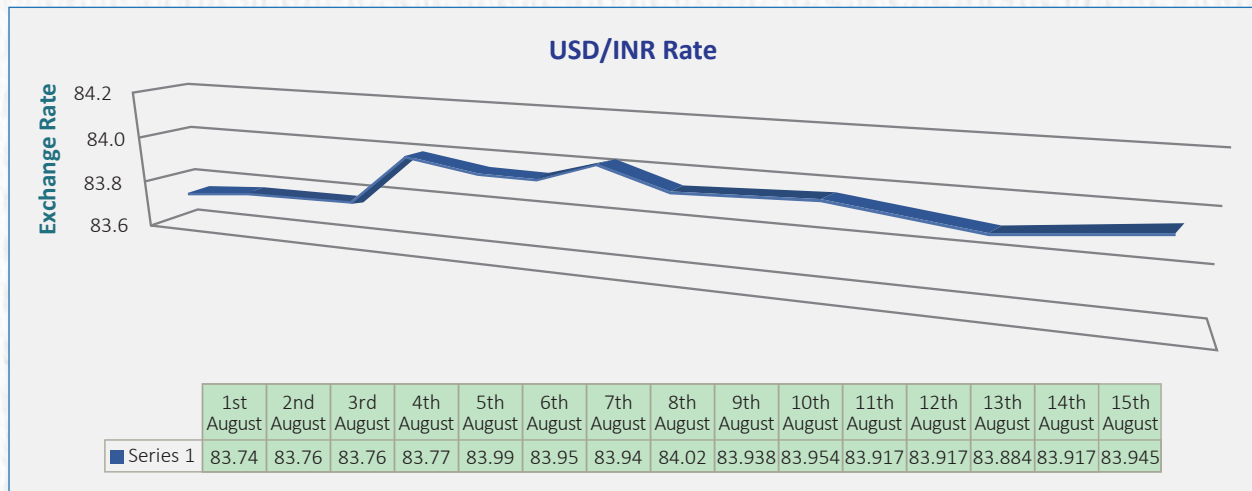
Future Indices	Closing Value (in \$) as of August 16, 2024	Change (%) from the last closing value
Russell 2000 Futures	2,154.00	0.39
Nasdaq Futures	19,631.25	0.26
S & P Futures	5,574.25	0.12
Dow Futures	40,727.00	0.11

Source: Yahoo Finance

● Currency Market

a. INR Exchange Rate:

1. In the period of the first 15 days of August 2024 INR depreciated against the US dollar by 0.24 % to stand at INR 83.945 from INR 83.74 on August 1, 2024



Source: RBI

b. Foreign Exchange Reserve:

1. India's foreign exchange reserve increased by USD 7533 million from USD 667.386 billion to stand at USD 674.919 billion as of August 2, 2024
2. Gold reserve increased by USD 2404 million while SDR decreased marginally as of August 2, 2024, and stands at USD 18.161 billion
3. Reserve Position with IMF was USD 4.620 billion on August 2, 2024

USD Billion	Value as on August 2, 2024	Variation over	
		Week	Fiscal
Total Reserves	674.919	7.533	73.466
Foreign Currency Assets	592.039	5.162	58.640
Gold	60.099	2.404	15.419
SDRs	18.161	-0.041	-0.113
Reserve Position in the IMF	4.620	0.008	-0.479

Source: RBI

● Commodity Future Indices

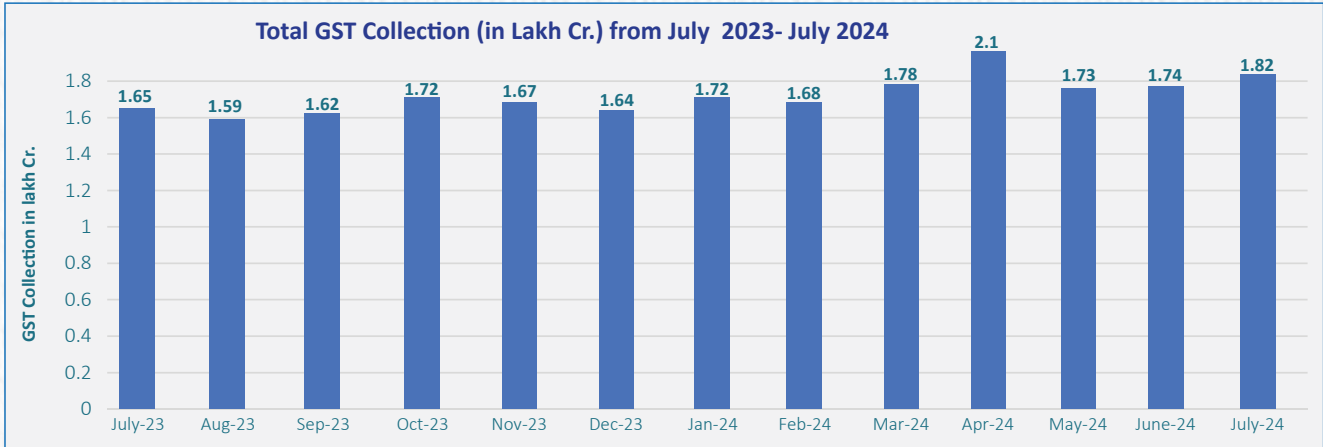
1. MCX commodity composite index expanded by 1.05% and the base metal index expanded by 1.71% from the last closing value

Commodity Future Indices (MCX ICOMDEX)	Closing Value as on August 17, 2024	Change from the last closing value (%)
Brent Crude	8259.34	-0.12
Gold	20799.78	0.60
iCOMDEX Composite	13569.06	1.05
iCOMDEX Base Metals	16628.09	1.71
Natural Gas	969.48	-0.40

Source: MCX

● Goods and Services Tax (GST)

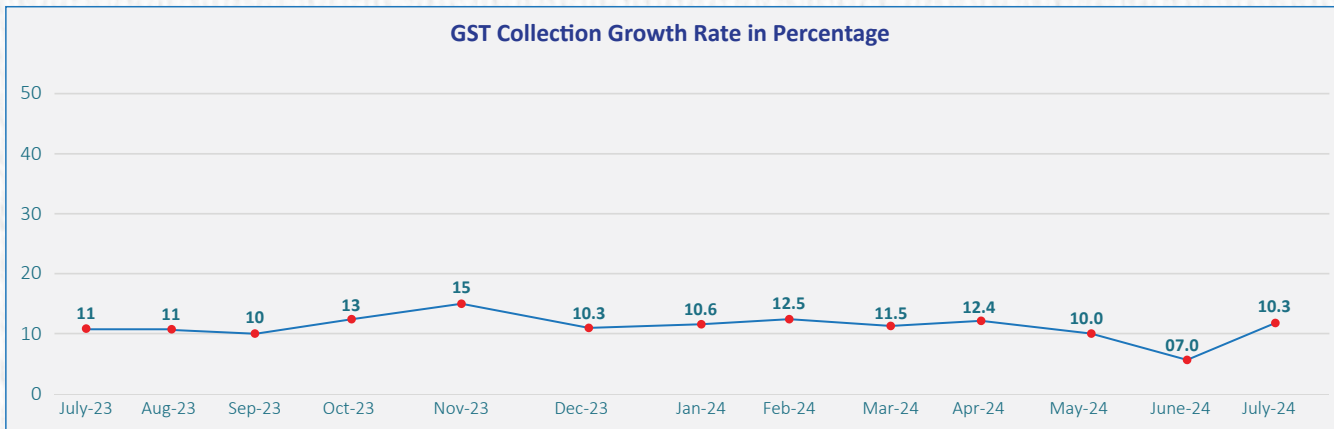
1. The gross GST revenue collected in July 2024 was INR 1.82 lakh crore



Source: CGA, Govt. of India)

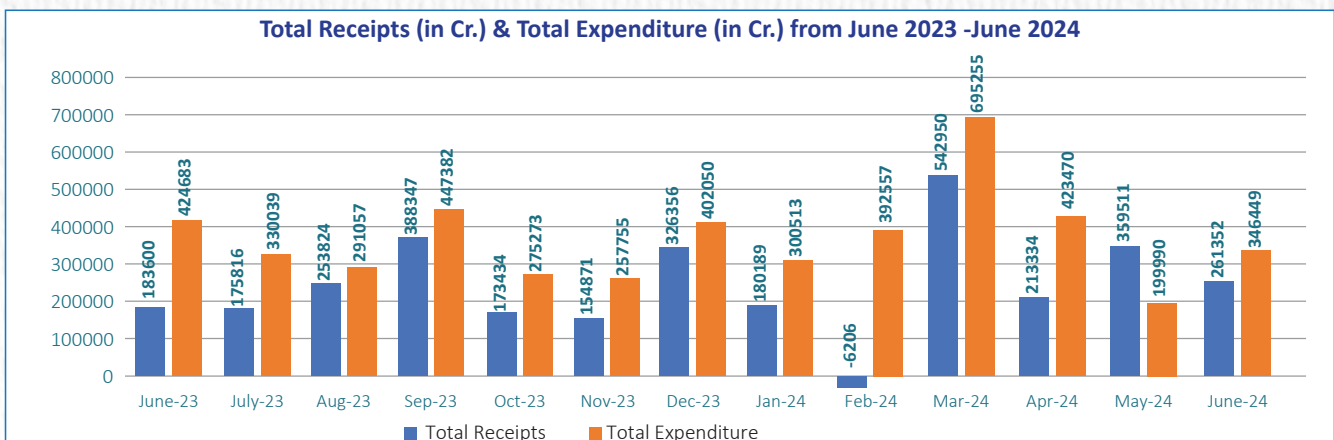
2. The GST revenues for July 2024 are 10.3% higher than the GST revenues in the same month last year of INR 1.65 lakh crore

GST Collection Growth Rate in Percentage (Y-O-Y) with respect to corresponding months of 2023 and 2024.



Source: GST Council, Govt. of India

● Total Revenue Receipt and Total Expenditure



(Source: CGA)



ABOUT MCCI

MCCI is a 123 years old non-government, not-for-profit, industry-led and industry-managed organization, with 700 direct members and 15,000 indirect members covering a wide cross-section of small, medium & large industries, trade and services besides, 10 Associations of Industry & Trade are also affiliated to MCCI.

MCCI addresses various aspects of the industry, trade and service sectors, their issues & Challenges and through several learning and best practices forums, guide them to the future. MCCI also helps members to explore international business opportunities through its international connect initiatives.

MCCI has been working on the development of an indigenous vibrant industrial base in the country, especially in Eastern India. The indomitable spirit and quest to build an institution to safeguard the interests of the indigenous business community led to the birth of Vaishya Sabha and with the changing times, now it stands as MCCI. MCCI has evolved to reinvent itself to address the challenges in this era of new normal.

MCCI works as a bridge between businesses and the policy makers to create a conducive economic environment for the industry to prosper and flourish while benefitting all the stakeholders in the economy. The Executive Committee, which has 30 Councils reporting to it, is the principal facilitating structure of the Chamber.

We are one of the leading Chambers of Eastern India relentlessly working for the betterment of MSMEs through several initiatives. MSME Helpdesk, IP facilitation, connecting with Banking and Financial institutions, technology for MSMEs, besides taking up members' issues at the appropriate level. Several Business meets are organized for the benefit of the members.



Merchants' Chamber of Commerce & Industry

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