



Merchants' Chamber of Commerce & Industry

MCCI ECONOMY WATCH

Message from President

September | 2024

India remains the fastest growing major economy and grew at a rapid rate of 8.2 percent in FY23-24. India's headline inflation may average 4.5 per cent in the second half of the fiscal year, aided by weaker crude oil prices, although volatility in food prices can pose a challenge. Also, India's exports are facing huge challenges due to the current global scenario, largely led by rising shipping costs and slowdown in China coupled with recessionary trends in Europe and US. India needs to diversify its export basket and leverage global value chains in order to achieve its US\$ 1 trillion merchandise exports goal of 2030. We believe that continued softening of inflationary pressures, and improvement in global trade prospects would support growth in the current fiscal.

Amit Saraogi
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President, MCCI

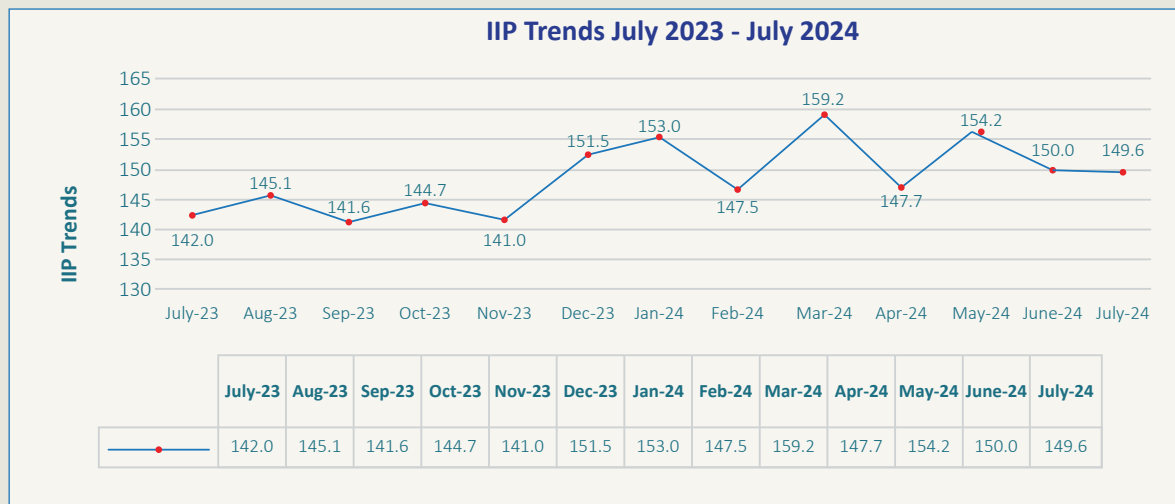
- Purchasing Manager's Index (PMI) in Services registered at 60.90 in August 2024 highlighting expansion from 60.30 in July 2024
- Purchasing Managers' Index (PMI) in Manufacturing witnessed a contraction from 58.10 in July 2024 to 57.50 in August 2024
- As of September 6, 2024, reserve money stood at INR 46,51,066 crores
- As of September 6, 2024, currency in circulation (CiC) registered at INR 35,05,395 crores
- India's overall export decreased by 2.38% to USD 65.40 billion in August 2024 as against USD 67.00 billion in the same month of last year
- CPI for all consumers increased to 3.65% in August 2024



● Index of Industrial Production

1. The Index of Industrial Production (IIP) witnessed a y-o-y growth of 4.8% in July 2024. The IIP growth rate in July 2023 was 6.2 percent.
2. The growth rate in Manufacturing increased by 4.6 % in July 2024 compared to the previous year. However, Electricity and Mining witnessed higher growth at 7.9% and 3.7% respectively compared to the previous year.

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



Source: MOSPI

● Inflation

1. India's retail inflation (CPI) increased to 3.65% in August 2024 as compared to 3.54% in July 2024
2. Wholesale Price Index (WPI) fell to 1.31% in August 2024 as compared to 2.04% in July 2024

● Foreign Trade:

1. India's merchandise exports registered at USD 34.71 billion in August 2024 whereas it was USD 38.28 billion in August 2023, registering a negative growth rate of 9.32%
2. India's Service Export registered at USD 30.69 billion in August 2024, an increase of 6.89% over USD 28.71 billion in August 2023
3. Non-petroleum and non-gems & jewellery exports were USD 26.76 billion in August 2024 as compared to USD 26.14 billion in August 2023, registering a positive growth rate of 2.37%
4. India's merchandise import stood at USD 64.36 billion in August 2024 with a positive growth rate of 3.30% over USD 62.30 billion in August 2023
5. India's service import stood at USD 15.70 billion in August 2024, an increase of 4.04% over USD 15.09 billion in August 2023

Overall Trade (Merchandise & Service) in August 2024			
	Value in US\$ Billion		Growth
	August 2024	August 2023	
Export	65.40	67.00	-2.38%
Import	80.06	77.39	3.45%
Deficit	14.66	10.39	

● Banking & Financial Indicators

a. Banking:

Indicators	Outstanding (in Cr.) as on August 23, 2024	% Variation over Fortnight	% Variation over Year
Total Bank Credit	169,45,162	0.4	19.7
Food Credit	24,361		
Non- Food Credit	169,20,802		
Aggregate Deposit	213,24,206	-	13.2
Broad Money (M3)	257,02,747	-0.1	10.8

Source: RBI

b. Banking Rates:

Indicators	Actual Rates as of September 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 September 19, 2024	Change (%) from last closing value
NYSE: DJIA	41,503.10	-0.25
FTSE 100	8,366.96	1.33
Nikkei 225	37,155.33	2.13
S & P/ ASX 200	8,191.90	0.61
KOSPI	2,580.80	0.21
Nasdaq 100	17,573.30	-0.31
S & P 500	5,618.26	-0.29
Hang Seng Index	18,013.16	2.00

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 September 19, 2024	Change (%) from the last closing value
BSE Sensex	83,184.80	0.29
BSE Sensex 50	26,689.80	0.16
NIFTY 50	25,415.80	0.15
NIFTY100	26,425.25	0.02

Source: BSE, NSE

c. BSE Sectoral Indices:

BSE Sectoral Indices witnessed mixed trends over the last week.

BSE Indices	Closing Value (in Rs.) as of September 19, 2024	Change (%) from the last closing value
Auto Index	58,408.63	0.32
Bankex	60,089.58	0.46
Capital Goods	71,712.98	-1.46
Consumer Durables	67,210.95	0.64
Energy	12,856.59	-1.22
Finance	11,877.81	0.14
FMCG	23,624.31	0.4
Health Care	43,655.3	-0.25
Metal Index	31,401.91	-0.85
Oil & Gas Index	29,905.28	-1.81
Power Index	8,339.55	0.01
Teck Index	19,590.7	-0.6

Source: BSE

d. Global Stock Exchange Future:

Global Future Indices witnessed positive trends over the last week.

Future Indices	Closing Value (in \$) as of September 19, 2024	Change (%) from the last closing value
Russell 2000 Futures	2,294.40	2.89
Nasdaq Futures	19,766.50	2.16
S & P Futures	5,713.75	1.65
Dow Futures	42,023.00	1.20

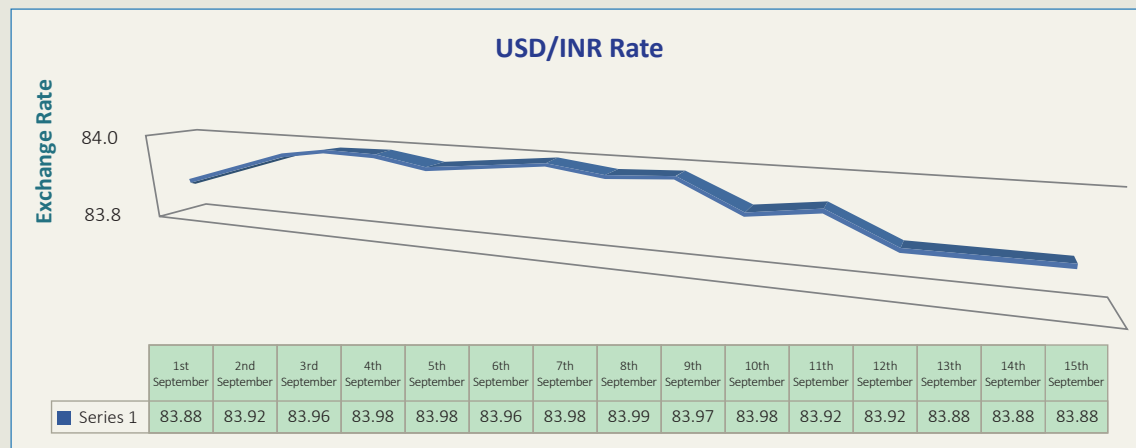
Source: Yahoo Finance



● Currency Market

a. INR Exchange Rate:

1. In the period of the first 15 days of September 2024 INR appreciated against the US dollar by 0.0013 % to stand at INR 83.887 from INR 83.888 on September 1, 2024



Source: RBI

b. Foreign Exchange Reserve:

1. India's foreign exchange reserve increased by USD 5248 million from USD 683.987 billion to stand at USD 689.235 billion as of September 6, 2024
2. Gold reserve increased by USD 129 million while SDR increased marginally as of September 6, 2024, and stands at USD 18.472 billion
3. Reserve Position with IMF was USD 4.631 billion on September 6, 2024

USD Billion	Value as on September 6, 2024	Variation over	
		Week	Fiscal
Total Reserves	689.235	5.248	95.331
Foreign Currency Assets	604.144	5.107	77.719
Gold	61.988	1.29	17.603
SDRs	18.472	0.004	0.412
Reserve Position in the IMF	4.631	0.009	-0.403

Source: RBI

● Commodity Future Indices

1. MCX commodity composite index expanded by 1.07% and the base metal index expanded by 0.85% from the last closing value

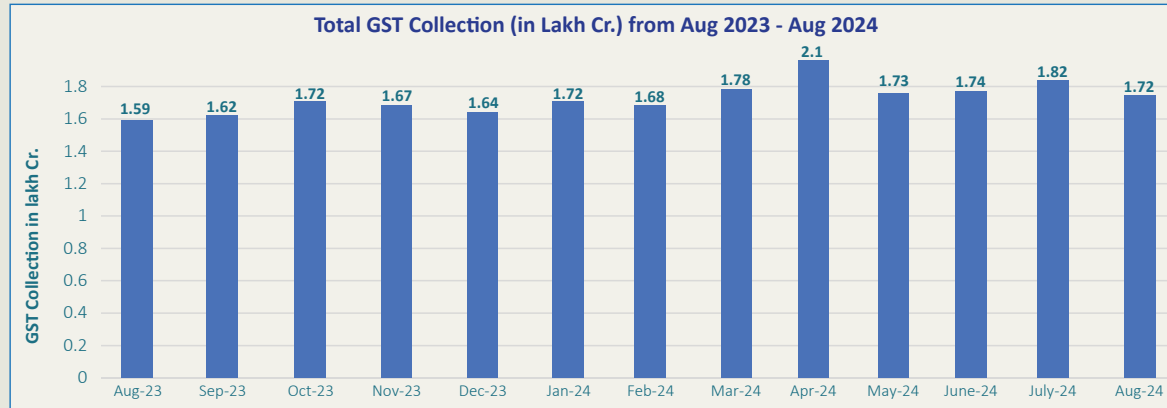
Commodity Future Indices (MCX ICOMDEX)	Closing Value as on September 19, 2024	Change from the last closing value (%)
Brent Crude	7,692.32	1.61
Gold	21,794.78	0.60
iCOMDEX Composite	14,044.85	1.07
iCOMDEX Base Metals	17,343.01	0.85
Natural Gas	915.25	-2.16

Source: MCX



● Goods and Services Tax (GST)

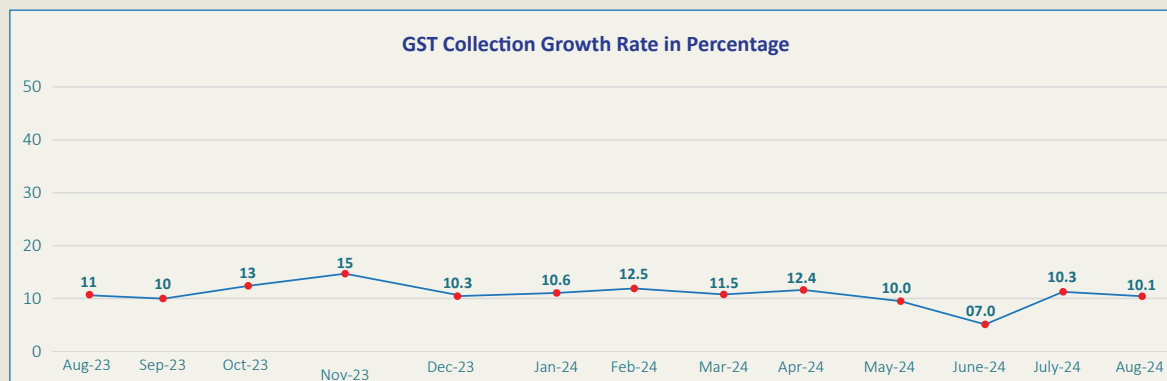
1. The gross GST revenue collected in August 2024 was INR 1.72 lakh crore



Source: CGA, Govt. of India)

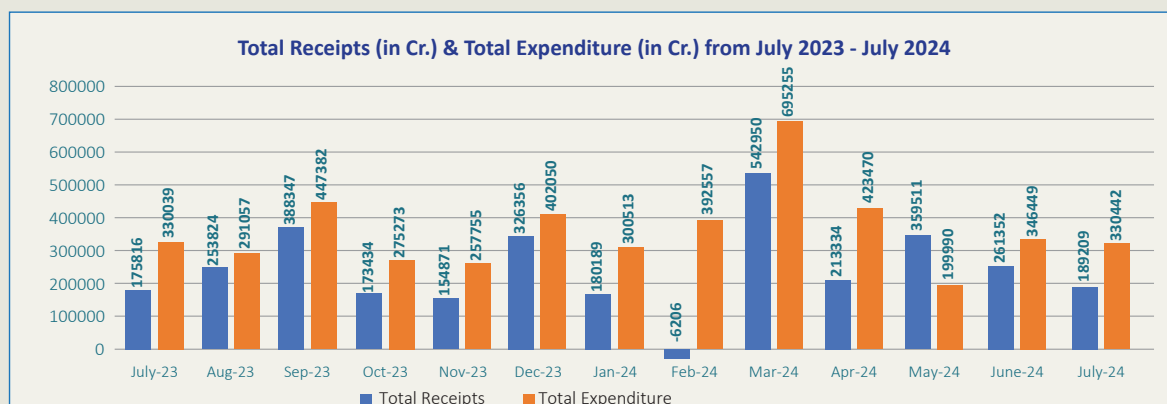
2. The GST revenues for August 2024 are 10.1% higher than the GST revenues in the same month last year of INR 1.59 lakh crore

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

15B, Hemanta Basu Sarani, Kolkata – 700 001 • Ph : 2262-5070 to 74 (5 lines)
E-mail : mcciorg@mcciorg.com • Website : www.mcciorg.com

