



Merchants' Chamber of Commerce & Industry

MCCI ECONOMY WATCH

Message from President

October | 2024

India's current account deficit widened marginally standing at 1.1 percent of GDP in Q1 FY2024-25 against a surplus of 0.5 percent of GDP in Q4 FY2023-24. The widening current account deficit is due to merchandise trade deficits, which is largely on account of increasing import of oil and gold. However, increased services export has offset this deficit. On the other hand, retail inflation hit a nine month's high rate exceeding RBI's 4 % target. Rising food prices is a concern. We could expect a rate cut by RBI in December.

Amit Saraogi
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President, MCCI

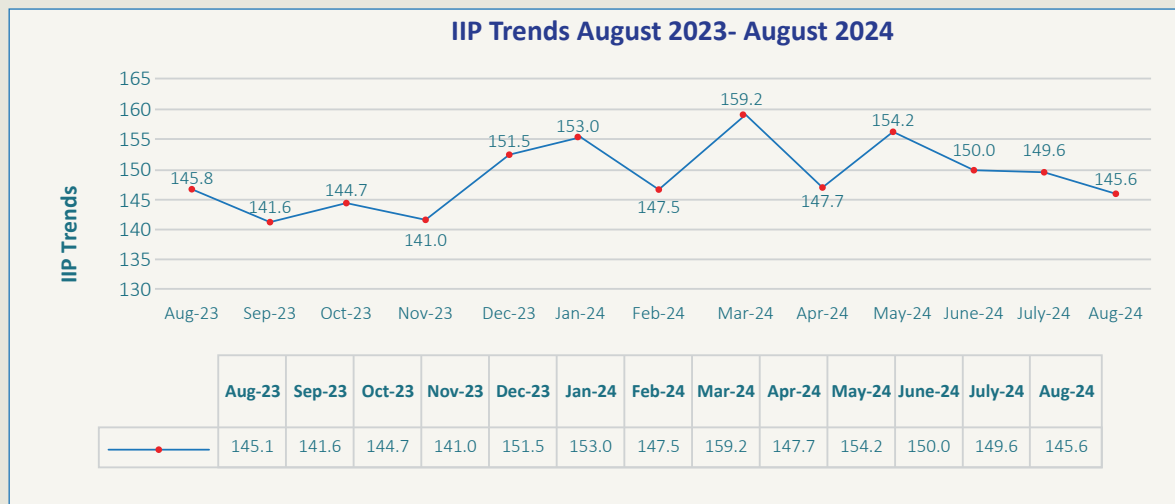
- Purchasing Manager's Index (PMI) in Services registered at 57.7 in September 2024 highlighting contraction from 60.90 in August 2024
- Purchasing Managers' Index (PMI) in Manufacturing witnessed a contraction from 57.5 in August 2024 to 56.5 in September 2024
- As of October 4, 2024, reserve money stood at INR 46,38,439 crores
- As of October 4, 2024, currency in circulation (CiC) registered at INR 34,93,295 crores
- India's overall export increased by 3.76% to USD 65.19 billion in September 2024 as against USD 62.83 billion in the same month of last year
- CPI for all consumers decreased by 1.84% in August 2024 from the previous month



● Index of Industrial Production

1. The Index of Industrial Production (IIP) witnessed a y-o-y negative growth of -0.1 % in August 2024. The IIP growth rate in August 2023 was 10.9 percent.
2. The growth rate in Manufacturing increased by 1.0 % in August 2024 compared to the previous year. However, Electricity and Mining witnessed negative growth at -3.7% and -4.3% respectively compared to the previous year.

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



Source: MOSPI

● Inflation

1. India's retail inflation (CPI) increased to 5.49% in September 2024 as compared to 3.65% in August 2024
2. Wholesale Price Index (WPI) increased to 1.84% in September 2024 as compared to 1.31% in August 2024

● Foreign Trade:

1. India's merchandise exports registered at USD 34.58 billion in September 2024 whereas it was USD 34.41 billion in September 2023, registering a positive growth rate of 0.49%
2. India's Service Export registered at USD 30.61 billion in September 2024, an increase of 7.70% over USD 28.42 billion in September 2023
3. Non-petroleum and non-gems & jewellery exports were USD 27.03 billion in September 2024 as compared to USD 24.76 billion in September 2023, registering a positive growth rate of 9.16%
4. India's merchandise import stood at USD 55.36 billion in September 2024 with a positive growth rate of 1.60% over USD 54.49 billion in September 2023
5. India's service import stood at USD 16.32 billion in September 2024, an increase of 11.93% over USD 14.58 billion in September 2023

Overall Trade (Merchandise & Service) in September 2024			
	Value in USD Billion		Growth
	September 2024	September 2023	
Export	65.19	62.83	3.76%
Import	71.68	69.06	3.79%
Deficit	6.49	6.23	

• Banking & Financial Indicators

a. Banking:

Indicators	Outstanding (in Cr.) as on September 23, 2024	% Variation over Fortnight	% Variation over Year
Total Bank Credit	171,25,371	0.5	20.0
Food Credit	19,926		
Non- Food Credit	171,05,445		
Aggregate Deposit	215,05,561	-0.2	13.2
Broad Money (M3)	258,78,742	-0.2	10.9

Source: RBI

b. Banking Rates:

Indicators	Actual Rates as of October 15, 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 October 15, 2024	Change (%) from last closing value
NYSE: DJIA	43,065.22	0.47
FTSE 100	8,263.00	-0.38
Nikkei 225	39,910.55	0.77
S & P/ ASX 200	8,318.40	0.79
KOSPI	2,633.45	0.39
Nasdaq 100	18,502.69	0.87
S & P 500	5,859.85	0.77
Hang Seng Index	20,318.79	-3.67

Source: Yahoo Finance

b. Indian Stock Indices:

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

Indian Stock Indices	Closing Value (in Rs.) as of October 17, 2024	Change (%) from the last closing value
BSE Sensex	81,006.61	-0.61
BSE Sensex 50	26,042.76	-0.83
NIFTY 50	24,749.85	-0.89
NIFTY100	25,765.35	-1.12

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 October 18, 2024	Change (%) from the last closing value
Auto Index	56,781.64	-3.48
Bankex	58,259.38	-0.88
Capital Goods	71,818.26	-1.46
Consumer Durables	64,685.93	-2.28
Energy	12,612.44	-1.20
Finance	11,497.96	-1.22
FMCG	22,370.94	-1.61
Health Care	44,146.25	-1.14
Metal Index	32,604.17	-1.31
Oil & Gas Index	30,192.01	-1.54
Power Index	8,403.39	-1.48
Teck Index	19,909.28	0.55

Source: BSE

d. Global Stock Exchange Future:

Global Future Indices witnessed positive trends over the last week.

Future Indices	Closing Value (in \$) as of October 18, 2024	Change (%) from the last closing value
Russell 2000 Futures	2,286.68	1.64
Nasdaq Futures	18,367.08	0.28
S & P Futures	5,842.47	0.47
Dow Futures	43,077.70	0.79

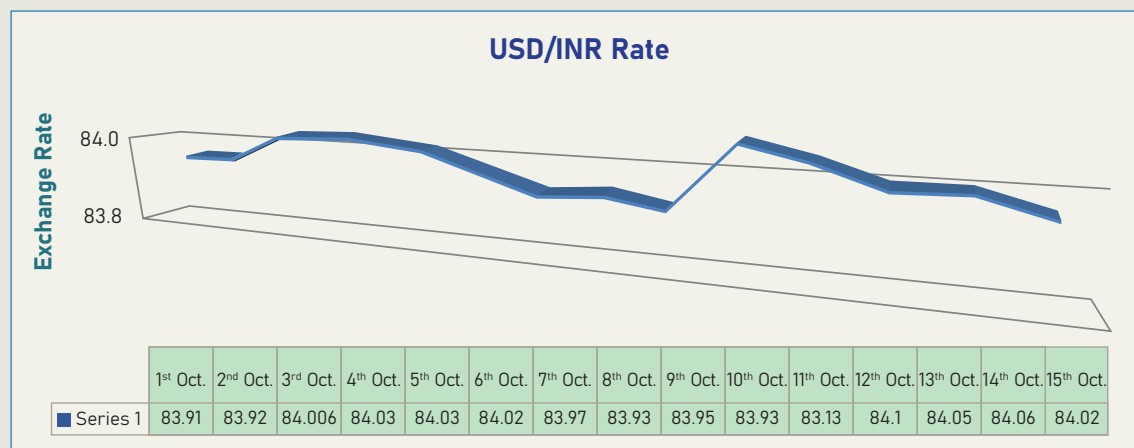
Source: Yahoo Finance



● Currency Market

a. INR Exchange Rate:

1. In the period of the first 15 days of October 2024 INR depreciated against the US dollar by 0.13 % to stand at INR 84.02 from INR 83.91 on October 1, 2024



Source: RBI

b. Foreign Exchange Reserve:

1. India's foreign exchange reserve decreased by USD 3709 million from USD 704.885 billion to stand at USD 701.176 billion as of October 4, 2024
2. Gold reserve decreased by USD 40 million while SDR decreased marginally as of October 4, 2024, and stands at USD 18.425 billion
3. Reserve Position with IMF was USD 4.352 billion on October 4, 2024

USD Billion	Value as on October 4, 2024	Variation over	
		Week	Fiscal
Total Reserves	701.176	-3.709	116.434
Foreign Currency Assets	612.643	-3.511	93.114
Gold	65.756	-40	23.450
SDRs	18.425	-0.123	0.502
Reserve Position in the IMF	4.352	-0.035	-0.631

Source: RBI

● Commodity Future Indices

1. MCX commodity composite index contracted by 0.03% and the base metal index contracted by 0.64% from the last closing value

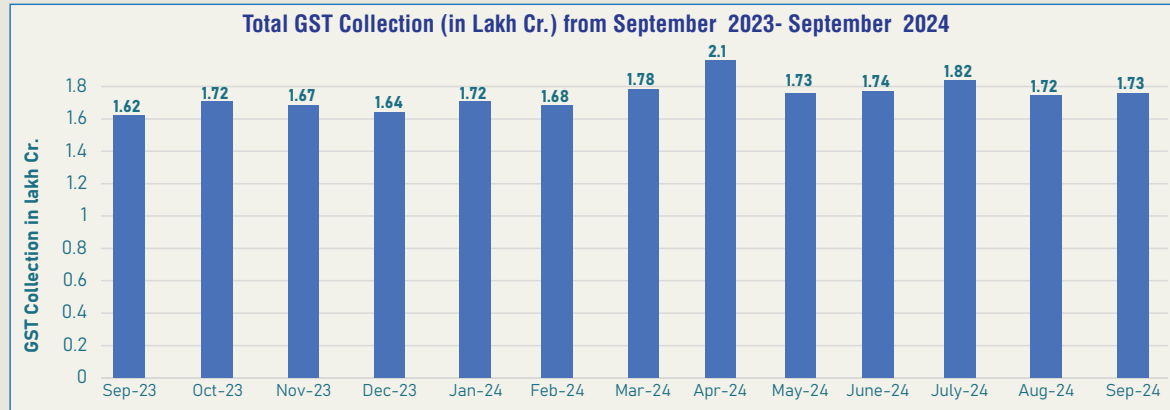
Commodity Future Indices (MCX ICOMDEX)	Closing Value as on October 18, 2024	Change from the last closing value (%)
Brent Crude	5,907.0	0.08
Gold	76,931.00	0.35
iCOMDEX Composite	14,316.94	-0.03
iCOMDEX Base Metals	17,517.74	-0.64
Natural Gas	199.70	-0.35

Source: MCX



● Goods and Services Tax (GST)

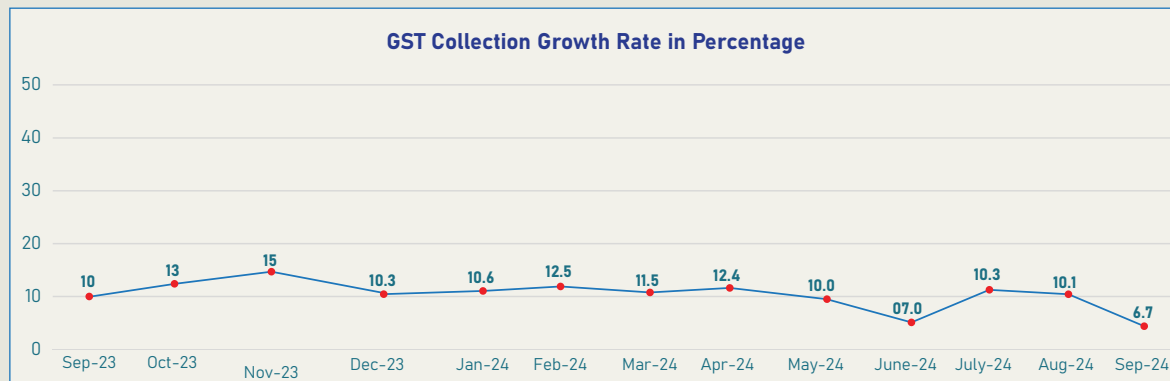
1. The gross GST revenue collected in September 2024 was INR 1,73,240 crore



Source: CGA, Govt. of India)

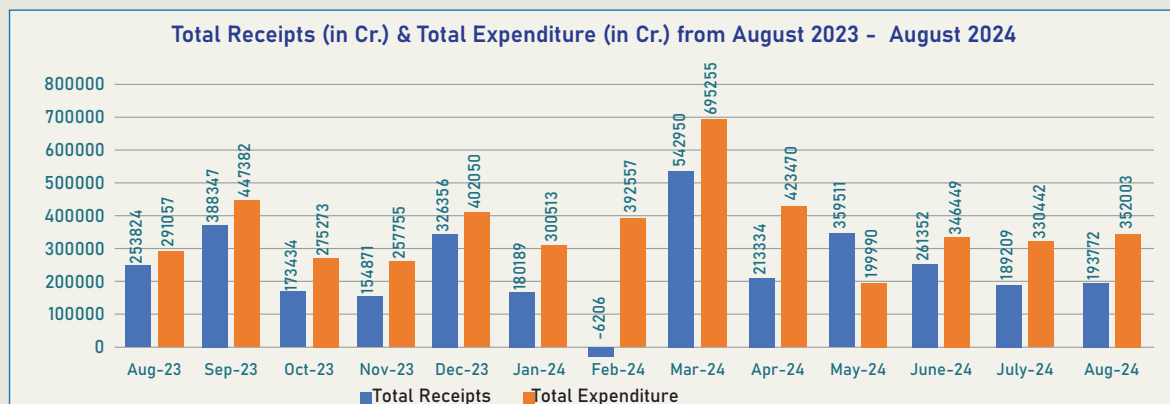
2. The GST revenues for September 2024 are 6.7% higher than the GST revenues in the same month last year of INR 1.62 lakh crore

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

