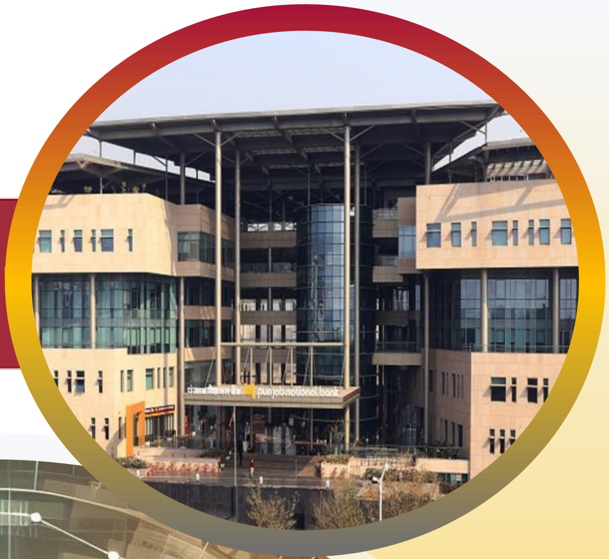
पंजाब नैशनल बैंक
punjab national bank



PNB ECO LENS

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STRATEGIC MANAGEMENT AND ECONOMIC ADVISORY DIVISION

कार्यनीति प्रबंधन एवं आर्थिक परामर्श प्रभाग

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पंजाब नैशनल बैंक
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1. FROM THE DESK OF CHIEF ECONOMIST

Global Divergence, Local Resilience

The global economic environment is currently marked by a significant shift in monetary policy across major economies. After a prolonged period of synchronized policy tightening to combat inflation, we are now witnessing the early stages of divergence in monetary approaches. The recent rate cuts by the Bank of England and the European Central Bank (ECB) are indicative of this shift. These central banks have moved to ease monetary conditions in response to signs of economic slowdown, with the objective of supporting growth and stabilizing financial markets. In July 2024, China's central banks also surprised the markets by cutting rates in a bid to support the economy which had been facing a myriad issues such a high youth unemployment, falling real estate prices and decreasing foreign investment. Bank of Japan, on the other hand, raised rates for a second time in July'24, post 2007.

In the United States, the Federal Reserve is widely expected to follow suit, albeit cautiously, as it balances the risks of an economic downturn against the still-persistent inflationary pressures. This anticipated rate cut would signal the end of a phase where global central banks moved in lockstep, marking the beginning of a period characterized by diverse monetary strategies tailored to the specific economic conditions of each region.

This divergence in policy has also contributed to heightened uncertainty in global financial markets. The increased risk of a recession, particularly in advanced economies, further complicates the outlook, as businesses and consumers adjust their expectations in an environment of slowing growth and tighter financial conditions.

Against this backdrop of global uncertainty, the Union Budget for FY24-25, presented in July, stands out as a well-calibrated approach to sustaining India's growth momentum while maintaining fiscal discipline. The budget strikes a delicate balance between the need for fiscal prudence and the imperative of supporting economic expansion.

The budget continued with its thrust on infrastructure development, with capital expenditure rising to 3.4% of GDP at Rs.11.11 lakh crore – the highest in 24 years. On the other hand, revenue expenditure is estimated to decline from 11.8% of GDP in Provisional Accounts 2023-24 to 11.4% in 2024-25 Budget Estimates.

Another key highlight of the budget is the adherence to a path of fiscal consolidation. The government's commitment to reducing the fiscal deficit to 4.9% by 2024-25, is crucial to maintaining macroeconomic stability. By targeting a gradual reduction in the deficit, the budget aims to keep public debt levels sustainable while creating space for private sector investment.

Moreover, the budget's focus on inclusive growth is evident from the enhanced allocations to sectors such as rural development, education, health and social welfare. This will help in ensuring that the benefits of economic growth are broadly shared and contribute to improving the overall quality of life.

The Budget also proposes to simplify both direct and indirect tax regimes, improve tax payer services, provide tax certainty and reduce litigation while enhancing revenues for funding the welfare and development schemes of the government. It has announced a comprehensive review of the Income Tax Act, 1961 which shall be completed in the next 6 months.

Turning to the Banking sector, the results for the first quarter of FY25, released by various peer banks, paint a picture of robust profitability. The sector continues to exhibit strong earnings, underpinned by healthy credit growth and improved asset quality in several segments. However, beneath the surface, there are emerging challenges that could impact the sector's performance in the coming quarters.

A key area of concern is the lagging deposit growth compared to credit growth. This divergence could pose liquidity challenges for the banks. To bridge this gap, banks may need to explore alternative sources of funding or focus on attracting more deposits through innovative products and competitive interest rates. Further, special drives in rural and semi-urban regions to gather small ticket deposits will aid in deposit mobilization.

Additionally, some banks have reported a rise in slippages during Q1 FY25. While overall asset quality remains stable, the increase in non-performing assets (NPAs) in certain sectors suggests that we need to remain cautious to preserve the hard-earned gains in improving asset quality. Structural reforms such as improved underwriting standards and robust credit monitoring mechanisms built over the years will help in preventing any deterioration in their loan portfolios.

Further, a contraction in Net Interest Margins (NIM) has been observed across all major banks. Banks will continue to focus on improving operational efficiencies and expanding fee-based income to sustain profitability in an environment which is marked with rising deposit rates and intense competition for low cost deposits.

Despite these challenges, the Union Budget presents several opportunities for the banking sector to capitalize on. The continued emphasis on infrastructure development offers significant avenues for credit growth, particularly in sectors such as construction, real estate, and manufacturing. Banks can play a crucial role in financing large-scale projects and supporting the government's infrastructure ambitions.

The budget's focus on digitalization and financial inclusion also aligns well with the banking sector's long-term growth strategies. By leveraging technology, banks can further expand their reach to underserved segments of the population, enhancing financial inclusion while also tapping into new markets. The increased allocation for rural development and MSME support provides further opportunities for banks to diversify their loan portfolios and contribute to inclusive growth.

Moreover, the government's commitment to fiscal consolidation and maintaining macroeconomic stability is likely to create a conducive environment for sustained economic growth. This, in turn, will benefit the banking sector by supporting the overall demand for financial services.

In conclusion, while the global economic outlook presents some headwinds, the Indian economy remains well-positioned to navigate these challenges, thanks in part to a well-balanced Union Budget that prioritizes growth and fiscal responsibility. The banking sector, though facing some near-term challenges, is equipped to seize the opportunities presented by the budget and continue its trajectory of growth and profitability.

Deepak Singh

(General Manager)

2. HIGHLIGHTS OF RBI's BI-MONTHLY MONETARY POLICY

Policy Rate	Existing	Now	Change	Stance
Policy Repo Rate	6.50%	6.50%	**No Change**	**Withdrawal of Accomodation**
Standing Deposit Facility (SDF)	6.25%	6.25%		
MSF Rate	6.75%	6.75%		
Bank Rate	6.75%	6.75%		
Cash Reserve Ratio (CRR)	4.50%	4.50%		
Statutory Liquidity Ratio (SLR)	18.0%	18.0%		

i. Economy and Inflation Outlook

Upsides	**Downsides**
✓ Domestic economy sustains momentum ✓ Steady urban consumption ✓ Rural prospects bright ✓ Strong investment demand ✓ Steady progress in southwest monsoon ✓ Higher cumulative Kharif sowing ✓ Manufacturing activity robust	✓ Food inflation remains stubborn ✓ Moderation in inflation expected to reverse in Q3 FY25 ✓ Services price inflation persists ✓ Varying growth-inflation prospects ✓ Volatility in financial markets ✓ Lower than anticipated corporate profitability, general government expenditure and core industries output

Domestic economic activity continues to be resilient. Going forward, the IMD projection of above normal southwest monsoon and healthy Kharif sowing will support improving rural demand. The sustained momentum in manufacturing and services suggests steady urban demand. High frequency indicators of investment activity and the Government's continued thrust on infrastructure spending point to a robust outlook. Improving world trade prospects could support external demand. Headwinds from geopolitical tensions, volatility in international commodity prices and geo-economic fragmentation, however, pose risks to the outlook.

RBI's GDP Projections	Q1 FY'25	Q2 FY'25	Q3 FY'25	Q4 FY'25	FY'25	Q1 FY'26
07.06.2024	7.3%	7.2%	7.3%	7.2%	7.2%	-
08.08.2024	**7.1%↓**	**7.2%↔**	**7.3%↔**	**7.2%↔**	**7.2%↔**	**7.2%**

In Q2:2024-25, though favourable base effects are large, the sharper uptick in price momentum relative to earlier expectations is likely to result in a shallower softening of CPI headline inflation. The steady progress in monsoon, pick-up in Kharif sowing, adequate buffer stocks of foodgrains and easing global food prices are positives for containing food inflation.

Adverse climate events remain an upside risk to food inflation. Crude oil prices continue to be volatile on demand concerns and geopolitical tensions. The revision in mobile tariff rates is likely to lead to an increase in core inflation.

RBI Inflation Projections	Q2 FY'25	Q3 FY'25	Q4 FY'25	FY'25	Q1 FY26
07.06.2024	3.8%	4.6%	4.5%	4.5%	-
08.08.2024	**4.4%↑**	**4.7%↑**	**4.3%↓**	**4.5%↔**	**4.4%**

ii. Additional Measures

I. Regulations

a) Public Repository of Digital Lending Apps

- Guidelines on Digital Lending addressing protection of customer's interest, data privacy, concerns on interest rates and recovery practices, mis-selling, etc. were issued on September 02, 2022. To aid the customers in verifying the claim of Digital Lending App's (DLAs) association with REs, **Reserve Bank is creating a public repository of DLAs deployed by the REs which will be available on RBI's website.**

b) Frequency of Reporting of Credit Information to Credit Information Companies

- At present credit institutions (CIs) are required to report the credit information of their borrowers to credit information companies (CICs) at monthly or such shorter intervals as mutually agreed between the CI and CIC. With a view to provide a more up-to-date picture of a borrower's indebtedness, **it has been decided to increase the frequency of reporting of credit information to CICs from monthly intervals to fortnightly basis** or at such shorter intervals as mutually agreed between the CI and CIC.

II. Payment Systems

a) Enhancing Transaction Limits for Tax Payments through UPI

- As direct and indirect tax payments are common, regular and high value, it has been decided to **enhance the limit for tax payments through UPI from ₹1 lakh to ₹5 lakh per transaction**.

b) Introduction of Delegated Payments through UPI

- The Unified Payments Interface (UPI) has a very large user base of 424 million individuals. There is, however, potential for further expansion of the user base. It is proposed to introduce "Delegated Payments" in UPI. **"Delegated Payments" would allow an individual (primary user) to set a UPI transaction limit for another individual (secondary user) on the primary user's bank account. This product is expected to add to the reach and usage of digital payments across the country.**

c) Continuous Clearing of Cheques under Cheque Truncation System (CTS)

- Cheque Truncation System (CTS) currently processes cheques with a clearing cycle of up to two working days. To improve the efficiency of cheque clearing and reduce settlement risk for participants, and to enhance customer experience, it is **proposed to transition CTS from the current approach of batch processing to continuous clearing with 'on-realisation-settlement'**. Cheques will be scanned, presented, and passed in a few hours and on a continuous basis during business hours. **The clearing cycle will reduce from the present T+1 days to a few hours.**

3. KEY HIGHLIGHTS: ECONOMIC SURVEY

- In 2023, the global economy stabilized, achieving a growth rate of 3.2%, higher than the 2.8% projected by the IMF. India's economy maintained strong growth momentum with an 8.2% real GDP growth in FY24, driven by stable consumption and improving investment demand.
- The agriculture sector saw slower growth due to erratic weather and uneven monsoon distribution, leading to a marginal decline in food grain output.
- Manufacturing GVA grew by 9.9% in FY24, benefiting from reduced input prices and stable domestic demand. Indicators like GST collections and e-way bill issuance reflected double-digit growth in the services sector.
- Retail inflation declined to 5.4% in FY24 from 6.7% in FY23, aided by government measures and RBI’s policy rates adjustment. The financial sector displayed robust performance with double-digit growth in bank credit, reduced NPAs, and a thriving capital market.
- India’s external sector showed resilience with a reduced trade deficit, stable rupee, and sufficient forex reserves.
- The unemployment rate declined to 3.2% in 2022-23, with increases in youth and female labor force participation. Artificial Intelligence is transforming the job market, presenting both opportunities for productivity gains and challenges related to job displacement.
- Only 4.4% of the young workforce is formally skilled, highlighting the need for further investment in skill development.
- India's recent economic growth has been accompanied by significant social and institutional progress. Government programs have successfully transformed various aspects of the social infrastructure, including health, education, sanitation, and digital empowerment.
- Programs like the Aspirational Districts Programme (ADP) have demonstrated substantial improvements in health, nutrition, and education indicators through targeted interventions and collaborative efforts.
- The Indian agriculture sector provides livelihood support to about 42.3 per cent of the population and has a share of 18.2 per cent in the country’s GDP at current prices.
- Enhancing private sector investment in agriculture is vital to provide impetus to the agriculture sector. Investment in technology, production methods, marketing infrastructure, and reduction in post-harvest losses need to be scaled up.
- E-National Agriculture Market (e-NAM), promoting Farmer Producer Organisations, and allowing cooperatives to participate in agri-marketing can improve the market infrastructure and allow better price discovery. Improving the market infrastructure by incentivising states can be explored.
- Industrial Gross Value Added (GVA) in FY24 grew robustly by 25% compared to pre- COVID FY20 levels, supported by increased credit availability, infrastructure investments, and favorable policies.

- Infrastructure development is pivotal, with substantial investments enhancing connectivity and logistics to drive industrial and economic growth. Innovation and technology adoption are critical for competitiveness, necessitating increased R&D investment and advanced technology integration.
- The services sector continues to be a significant contributor to India's growth, accounting for about 55 per cent of the total size of the economy in FY24.
- The Indian e-commerce industry is expected to cross USD 350 billion by 2030 and over the next 3 to 5 years, the share of modern retail (including e-commerce) will increase to 30-35 per cent of the total retail.
- Sustaining positive demand trends and effectively managing rising costs and competitive pressures will be critical for the services sector's continued growth and resilience in the upcoming year.
- Opportunities in the green economy include job creation, technological innovation, and sustainable development through investments in renewables and energy efficiency, advocating for a balanced approach integrating economic growth, energy security, and environmental sustainability.
- Total capital expenditure of the Union Government increased from 36.4 per cent in FY21 to 42.9 per cent in FY24 (RE). These two components of capital expenditure increased by 2.6 times from FY21 to FY24 (RE) in their absolute values.
- The survey projects a conservative real GDP growth of 6.5-7% for FY25, supported by structural reforms, private sector investment, and positive global trade prospects.
- The banking sector saw substantial loan growth, particularly in personal loans and services, supported by improved financial inclusion through robust Digital Public Infrastructure (DPI) and the participation of banks and microfinance institutions (MFIs).
- The elements of a robust financial services sector include a highly competitive and viable banking sector, universal access to banking and other financial services for all citizens, lowest intermediation costs, efficient and quick access to credit and equity funding for small businesses, highly liquid, efficient, and well-regulated stock, bond, and commodity markets.
- The next big step in the coming years is likely to be towards Artificial Intelligence/ Machine Learning (AI/ML), Decentralised Finance, Internet of Things (IoT), etc., which have a vast potential to disrupt the digital payments ecosystem. In the medium term, efforts should be made to move towards data-based lending, especially for small businesses.
- Financing green transition for India is an area where public-private partnerships will be critical. There need to be innovative financing instruments that can help mobilise private capital towards India’s transition efforts.
- The potential of agriculture to be an engine of growth, development, and equity has to be exploited through intelligent farmer-friendly policies that are environmentally and climatically sustainable.
- India’s education policies and skill policies should adopt a laser like focus on learning and skilling outcomes and need to be aligned with each other, as well. We can draw lessons from global experiences on how this could be achieved, such as the EU Cohesion Policy.
- Lastly, enhancing state capacity and capability is critical to ensure that the growth strategy achieves fruition.

4. KEY HIGHLIGHTS: UNION BUDGET

Budget Theme - Employment, Skilling, MSMEs & Middle Class

Focus Areas – Poor, Women, Youth & Farmer

Hon'ble Finance Minister Ms. Nirmala Sitharaman presented the full budget for the financial year 2024-25 in the Parliament Session on 23rd July 2024.

Key Pointers

- Amid global economic uncertainties, India's growth remains robust with 8.2% GDP growth in FY24 and is projected to continue on the growth path.
- Inflation is low and stable, with core inflation at 3.1%, and measures are being taken to ensure adequate supply of perishable goods.
- Capital Expenditure target unchanged (from Interim Budget) at ₹11.11 lakh crore in Budget 2024, 3.4% of GDP.
- **Fiscal deficit pegged at 4.9% of GDP, lower from 5.1% targeted in the Interim Budget.**
- **Total expenditure estimated at ₹48.21 Trillion in FY25, up from 47.66 Trillion in the Interim Budget, mainly on account of increased revenue expenditure.**
- **Total receipts other than borrowings estimated at ₹32.07 Trillion in FY25.**
- **Net market borrowings pegged at ₹11.63 Trillion.**
- **Gross market borrowings estimated at ₹14.01 Trillion, down from ₹14.13 Trillion projected in the Interim Budget, reflecting a firmer move aimed at fiscal prudence.**

Budget Highlights

- **Total Budget size is estimated at ₹48.21 lakh crore**.
- Total Expenditure in 2024-25 is estimated at ₹48.21 lakh crore.
- **Revenue Expenditure is expected to grow 6 per cent** in FY25 to ₹37.09 lakh crore.
- The government is continuing with push to **capital expenditure which is proposed at ₹11.11 Lakh crore in FY25 (~3.4% of GDP – the highest in 26 years)**, a rise of 17% over FY24 Provisionals.
- **Interest payments** which constitute ~30 per cent of revenue expenditure, **are budgeted to grow by 9 per cent** in the current financial year to ₹11.63 lakh crore.
- In line with its commitment to fiscal prudence, **the subsidy bill of the central government is likely to be contained at ₹4.28 lakh crore**, a drop of 3 per cent over revised estimates of FY24. Further, the share of subsidies in total expenditure is budgeted to improve to 9% in FY25 as compared to 10% in FY24 and 14% in FY'23.
- The government is resolute in its commitment to fiscal consolidation, aiming to reduce fiscal deficit to 4.5 per cent of GDP by FY26. It has **targeted to achieve a fiscal deficit 4.9 per cent in FY25**, 20bps below the target set in interim budget for FY25.
- **Gross Tax Revenues of the union government are budgeted to grow at a robust 11 per cent** to ₹38.04 lakh crore in FY25, in line with past year trends.
- At 57.5 per cent, direct tax continues to dominate the **Gross Tax Revenues (GTR)** of the Union government. GTR has been **estimated to grow by 13 per cent over the FY24 provisional actuals**.
- Within direct tax, **income tax receipts continue to grow at a faster pace**, aided by simplification of tax laws and procedures. The provisional actuals in FY24 grew at 25 per cent on a y-o-y basis.
- **Goods and Services Tax (GST) receipts**, which constitute the largest proportion within indirect taxes (65%), are **budgeted to grow at 11% in FY25** over PA FY24.

- ❖ **States' share in Centre's gross tax revenue is budgeted to increase** from ₹11.29 lakh crore in FY24 (PA) to ₹12.47 lakh crore in FY25, a growth of 10%.
- ❖ **Non-tax revenue** is budgeted at ₹5.46 lakh crore in FY25 with a **growth of 36 percent on y-o-y basis** on account of better dividend and profit expectation with growing economic activity and profitability.

Budget Priorities

The Finance Minister said, for pursuit of '***Viksit Bharat'***, the budget envisages sustained efforts on the following 9 priorities for generating ample opportunities for all.

1. **Productivity and resilience in Agriculture**
2. **Employment & Skilling**
3. **Inclusive Human Resource Development and Social Justice**
4. **Manufacturing & Services**
5. **Urban Development**
6. **Energy Security**
7. **Infrastructure**
8. **Innovation, Research & Development and**
9. **Next Generation Reforms**

Priority 1: Productivity and resilience in Agriculture

- A provision of ₹1.52 lakh crore for agriculture and allied sector.
- New 109 high-yielding and climate-resilient varieties of 32 field and horticulture crops will be released for cultivation by farmers.
- <u>In the next 2 years, 1 crore farmers across the country will be initiated into natural farming supported by certification and branding & 10,000 need-based bio-input resource centers will be established</u>.
- Govt. will facilitate the implementation of the Digital Public Infrastructure (DPI) in agriculture for coverage of farmers and their lands in 3 years.

Priority 2: Employment & Skilling

<u>PM Employment Linked Incentive Package</u>

- Govt. will implement following schemes for 'Employment Linked Incentive', as part of the Prime Minister's package.
  1. **Scheme A: First Timers**
     - This scheme will provide 1-month wage to all persons newly entering the workforce in all formal sectors.
       - Direct benefit transfers of one-month salary in 3 instalments to first-time employees, as registered in the EPFO, will be up to ₹15,000. The eligibility limit will be a salary of ₹1 lakh per month. The scheme is expected to benefit 210 lakh youth.
  2. **Scheme B: Job Creation in manufacturing**
     - This scheme will incentivize additional employment in the manufacturing sector, linked to the employment of first-time employees.
  3. **Scheme C: Support to employers**
     - This employer-focused scheme will cover additional employment in all sectors. All additional employment within a salary of ₹1 lakh per month will be counted.

4. **Skilling Programme**
    - The 4th scheme under the Prime Minister's package, for skilling in collaboration with state governments and Industry. 20 lakh youth will be skilled over a 5-year period.

   Internship in Top Companies
    - 5th scheme under the Prime Minister's package, government will launch a comprehensive scheme for providing internship opportunities in 500 top companies to 1 crore youth in 5 years.

- For helping youth who have not been benefitted under any government initiatives, financial support for loans upto ₹10 lakh for higher education in domestic institutions.

Priority 3: Inclusive Human Resource Development and Social Justice

- India's Eastern states are rich in endowments and have strong cultural traditions. The Govt. will formulate a plan, 'Purvodaya', for the all-round development of the eastern region of the country covering Bihar, Jharkhand, West Bengal, Odisha and Andhra Pradesh.
- Govt. will also support development of road connectivity projects, namely (1) Patna-Purnea Expressway, (2) Buxar-Bhagalpur Expressway, (3) Bodhgaya, Rajgir, Vaishali and Darbhanga spurs, and (4) additional 2-lane bridge over river Ganga at Buxar at a total cost of ₹26,000 crore.
- Recognizing Andhra Pradesh's need for a capital, Govt. will facilitate special financial support through multilateral development agencies. In the current financial year ₹15,000 crore will be arranged.
- 3 crore additional houses under the PM Awas Yojana in rural and urban areas in the country have been announced, for which the necessary allocations are being made.
- For promoting women-led development, the budget carries an allocation of more than ₹3 lakh crore for schemes benefitting women and girls.
- For improving the socio-economic condition of tribal communities, we will launch the PM Janjatiya Unnat Gram Abhiyan by adopting saturation coverage in tribal-majority villages and aspirational districts. This will cover 63,000 villages benefitting 5 crore tribal people.
- More than 100 branches of India Post Payment Bank will be set up in the North East region to expand the banking services.
- This year, a provision of **₹2.66 lakh crore for rural development** including rural infrastructure has been made.

Priority 4: Manufacturing & Services

- For facilitating term loans to MSMEs for purchase of machinery and equipment without collateral or third-party guarantee, a credit guarantee scheme will be introduced which will operate on pooling of credit risks of such MSMEs.
- The **limit of Mudra loans will be enhanced to ₹20 lakh from the current ₹10 lakh** for those entrepreneurs who have availed and successfully repaid previous loans under the 'Tarun' category.
- For facilitating **MSMEs to unlock their working capital** by converting their trade receivables into cash, the turnover threshold of buyers for mandatory onboarding on the **TReDS platform** will be reduced from ₹500 crore to ₹250 crore.
- Govt. will facilitate development of investment-ready **"plug and play"** industrial parks with complete infrastructure in or near **100 cities**.
- **12 Industrial parks** under the National Industrial Corridor Development Programme also will be sanctioned.

Priority 5: Urban Development

- Govt. will facilitate development of **'Cities as Growth Hubs'**. This will be achieved through economic and transit planning, and orderly development of peri-urban areas utilizing town planning schemes.
- Transit Oriented Development plans for 14 large cities with a population above 30 lakh will be formulated.
- Under the PM Awas Yojana Urban 2.0, housing needs of 1 crore urban poor and middle-class families will be addressed with an investment of ₹10 lakh crore. 2

Priority 6: Energy Security

- Nuclear energy is expected to form a very significant part of the energy mix for Viksit Bharat. Towards that pursuit, Govt. will partner with the private sector for –
  - Setting up Bharat Small Reactors
  - Research & development of Bharat Small Modular Reactor
  - Research & development of newer technologies for nuclear energy. The R&D funding announced in the interim budget will be made available for this sector.
- A joint venture between NTPC and BHEL will set up a full scale 800 MW commercial power plant using AUSC (Advanced Ultra Supercritical) technology. The government will provide the required fiscal support.

Priority 7: Infrastructure

- Provision of ₹11,11,111 crore for infrastructure (3.4% of GDP).
- Phase IV of PMGSY will be launched to provide all-weather connectivity to 25,000 rural habitations which have become eligible in view of their population increase.

Priority 8: Innovation, Research & Development

- Govt. will operationalize the Anusandhan National Research Fund for basic research and prototype development.
- With continued emphasis on expanding the space economy by 5 times in the next 10 years, a venture capital fund of ₹1,000 crore will be set up.

Priority 9: Next Generation Reforms

- States will be incentivized for Land-related reforms and actions within the next 3 years through appropriate fiscal support.
- Land-related reforms and actions in Rural areas to cover land administration & planning. In Urban areas, it will cover urban planning, usage and building bylaws.
- Rural land related actions will include ULPIN or Bhu-Aadhaar for all lands, digitization of cadastral maps, survey of map sub-divisions as per current ownership, establishment of land registry, and linking to the farmer's registry. These actions will facilitate credit flow & other Agri services.
- **Land records in urban areas will be digitized with GIS mapping**. An IT based system for property record and tax administration will be established. It will improve the financial position of Urban Local Bodies.

For more information, please click on the below link

https://www.pnbindia.in/downloadprocess.aspx?fid=bXvMNAaOKe4WtRRcUg7tag==

5. SURGING GOLD PRICES

Background:

Gold prices have been on a strong upward trend in recent months, driven by factors such as economic uncertainty, inflation concerns, and expectations of interest rate cuts. With the announcement of probable rate cut and expectations of low unemployment data leading to recession like situation, there has been constant decline in the dollar index, which has led investors to demand for gold and treasury bonds more. These are considered to be the safe haven for the investors.

Movement of Gold price and US treasury Yield

Chart 1

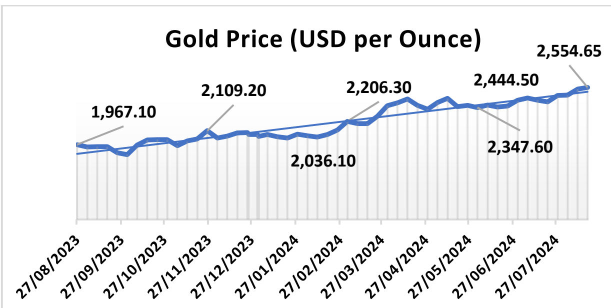
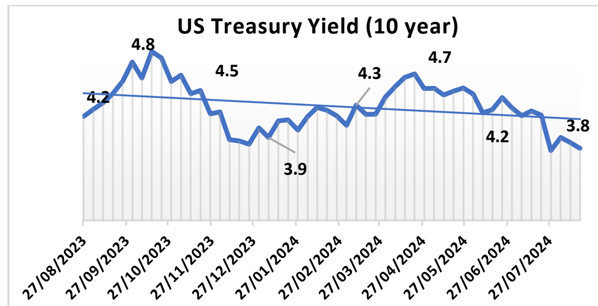
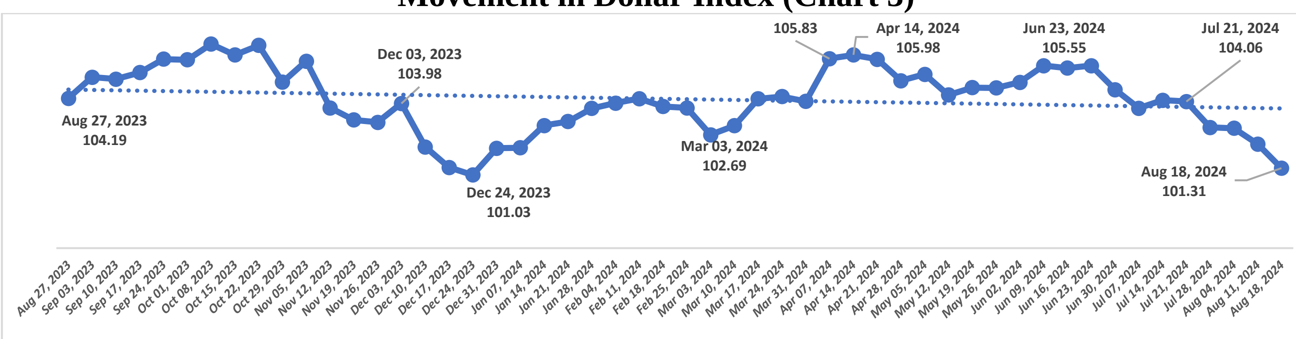


Chart 2



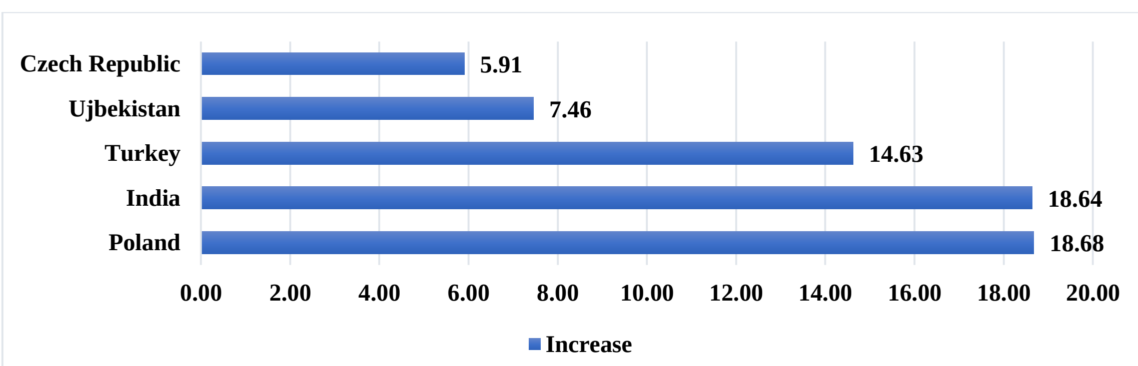
It can be seen from the trend above that the Gold prices and Yield have been moving inversely due to rise their demand as safe havens.

Movement in Dollar Index (Chart 3)



Central banks are actively accumulating substantial quantities of gold to diversify their foreign exchange reserves, reducing their reliance on the U.S. dollar. The influx of gold purchases by central banks is currently propelling gold prices to unprecedented levels.

Increase in Gold Purchases (tonnes) (Chart 4) (Q2-2024)



World Gold Council

There has been an uptick in gold purchases, acquiring 19 tonnes in Q1 FY24, surpassing its entire CY23 purchase of 16 tonnes. In CY22, India added 34 tonnes to its reserves, and in CY21, the Reserve Bank of India (RBI) bought 77 tonnes of gold, marking the highest yearly addition since 2009, when it acquired 200 tonnes.

The total quantity of gold held in central-bank reserves has increased by almost 19% by weight since the summer of 2004, jumping 7 times to $2.4 trillion in U.S. dollar value -led by Russia, China, India and Turkey according to World Gold Council.

Key factors influencing gold prices:

- **Economic uncertainty:** Geopolitical tensions, trade disputes, and concerns about global economic growth can boost demand for gold as a safe-haven asset.
- **Gold is considered to be a stable asset for central banks,** offering a safeguard during financial crises to stabilise economies. It’s inherent liquidity and value make it a sought-after asset in times of currency volatility or market turbulence.
- **Inflation:** Rising inflation can erode the purchasing power of authorised currencies, making gold a more attractive investment.
- **Interest rates:** Lower interest rates can reduce the opportunity cost of holding gold, which does not pay interest. The future movement of Gold will largely depend upon the US Fed move as there is an expectation of cut by 25 basis points at each of the three remaining 2024 meetings.

Outlook for gold prices:

The outlook for gold prices is mixed, with both bullish and bearish factors at play.

Bullish factors:

- **Continued economic uncertainty:** If economic uncertainty persists, gold prices could continue to rise.
- **Inflationary pressures:** If inflation remains high, gold could be a good hedge against rising prices.
- **Interest rate cuts:** If central banks cut interest rates, gold prices could benefit from a weaker dollar and increased demand for non-interest-bearing assets.

Bearish factors:

- **Stronger economic growth:** If the global economy strengthens, demand for gold as a safe-haven asset could decline.
- **Higher interest rates:** If Central Banks raise interest rates, the opportunity cost of holding gold could increase, putting downward pressure on prices.
- **Reduced geopolitical tensions:** If geopolitical tensions ease, gold prices could be negatively impacted.

Overall, the outlook for gold prices is uncertain, and it is difficult to predict where prices will go in the short term. However, gold is likely to remain a volatile asset, and investors should be prepared for price fluctuations.

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6. JAPANESE YIELD CURVE

The Bank of Japan (BOJ) has ended its historic negative interest rate policy this year, signaling a major shift in its approach to monetary policy. Originally implemented to combat deflation and stimulate economic growth, this policy aimed to encourage more active lending by charging banks for holding excess reserves.

Structural Challenges in Japanese Economy

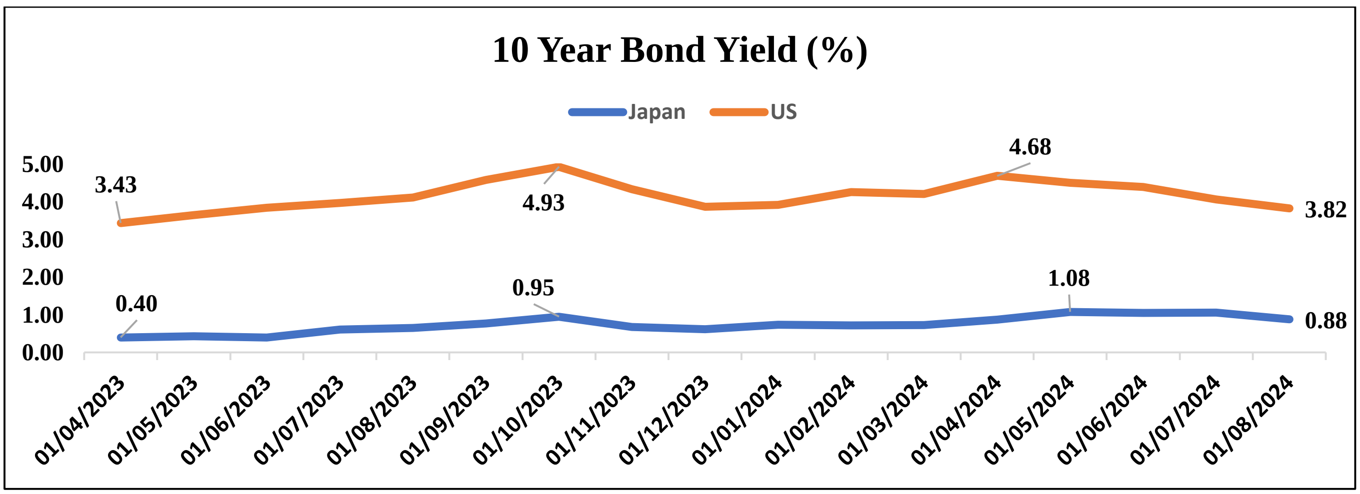
1. **Burst of the 1990s Asset Bubble**: The collapse of Japan's economic bubble led to prolonged stagnation and deflation, severely impacting consumer spending and investment.

2. **Demographic Challenges**: Japan's rapidly aging population and declining workforce have strained economic growth and public finances.

3. **Global Competition**: Increased competition, particularly from China, exerted downward pressure on prices, contributing to deflation and stifling innovation.

Recent signs of economic recovery, including wage growth and post-pandemic demand, prompted the BOJ to end the negative interest rate policy. However, the BOJ remains cautious, maintaining accommodative financial conditions and signalling that further rate hikes may not occur immediately.

Following the exit from negative interest rates, Japanese long-term yields have risen moderately. However, the increase was less pronounced compared to other advanced economies, reflecting ongoing uncertainty about Japan's future inflation trajectory.

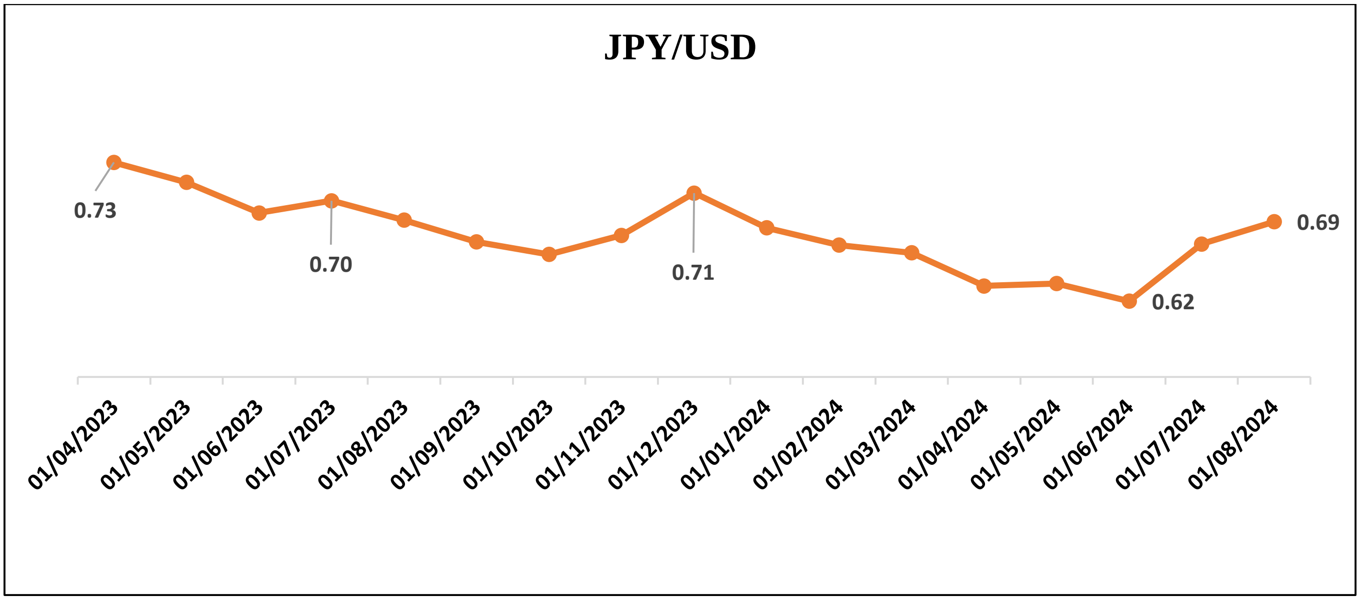


The Yen Carry Trade and its Implications

"Yen carry trade" strategy involves investors borrowing money from a country with low interest rates and a weaker currency, then reinvesting those funds in another country that offers higher returns. This strategy has been particularly popular due to the low volatility in the yen, with many market participants anticipating that Japanese interest rates would remain at historic lows.

Additionally, the Japanese government intervenes in the currency market to support the yen. This intervention, along with the interest rate hike is contributing to a significant appreciation of the Yen. Consequently, investors are exiting their carry trades to minimize losses. Also, the decline in U.S. interest rates as inflation eases is expected to cap the rise in Japanese yields. However, the repatriation of capital by Japanese investors, driven by higher domestic yields, could limit the extent of yield increases.

The rise in Japanese yields, coupled with the potential repatriation of capital, may contribute to a stronger yen. However, due to Japan's position as a significant exporter of capital, the impact on foreign bond markets may be limited, though global bond term premia could rise.



Implications for India

Shift in Japanese capital flows could lead to reduced foreign investment in India, as Japanese investors might prefer domestic opportunities. Indian companies that have relied on low-cost loans or yen-denominated bonds (Samurai bonds) may face higher refinancing costs due to Japan's flatter yield curve. Additionally, tighter credit and higher interest rates from Japanese banks could impact Indian borrowers.

Moreover, significant repatriation of Japanese funds could pressure the rupee-yen exchange rate, causing the yen to appreciate against the rupee. This would increase costs for Indian companies importing goods or services from Japan, leading to higher production costs and potentially higher prices for consumers. Industries with heavy reliance on Japanese imports such as the automotive (Maruti Suzuki, Toyota, Honda), electronics (Videocon, Havells) etc. may face significant cost pressures and might need to seek alternative suppliers.

The end of Japan's negative interest rate policy and the resulting shifts in yield curve signal a new phase in the nation's economic strategy. While this change signals the beginning of new phase in Japan' economic trajectory, BOJ's continued market interventions through the purchase Japanese Government Bonds (JGBs) have moderated the rise in long-term yields. Consequently, the 10-year yield is expected to remain below 1% in the short to medium term, reflecting the BOJ's cautious approach to ensuring stability as the economy adjusts to this new monetary environment.

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7. CLASSROOM: CARRY TRADE

Concept of Carry Trade

A carry trade involves borrowing or selling a financial instrument with a low interest rate, then using it to purchase a financial instrument with a higher interest rate. The profit is the money generated from the interest rate differential.

It is a hugely popular trading strategy in the currency market where an investor borrows from a country with low interest rates and a weaker currency to invest the money in assets of another country with a higher rate of return. It has been one of the biggest sources of flows in the global currency market.

Risks Involved

While the potential for profit is high, so are the risks:

- **Currency Fluctuations**: If the value of the invested currency starts depreciating against the borrowed currency, this could lead to significant losses if the trader does not exit timely. This will create nervousness among traders and volatility in the market
- **Interest Rate Changes**: If interest rates in the borrowing currency rise or interest rates in the investment currency fall, profit margins will narrow.
- **Leverage**: Many traders use leverage to amplify returns, but this also amplifies losses.

Yen Carry Trade and its importance in present context

While carry trades have been done with several currencies, the Japanese yen is considered one of the most widely used currencies for this purpose. This is because Japan has had near-zero interest rates for over two decades, barring the period 2006-08, to combat persistent deflation.

The yen rose over 3% against the dollar after the Bank of Japan (BoJ) raised interest rates to 0.25% and announced it would reduce bond purchases.

Expectations of interest rate cuts by the US Federal Reserve also contributed to the dollar's weakness. Though rates in Japan are still low, BoJ's moves are seen as signals that it is moving towards normalization of monetary policy. Sharp moves in the yen do not happen often, which is why it has been a preferred currency for carry trades.

What Will Be the Impact of the Yen Carry Trade Unwinding on Markets?

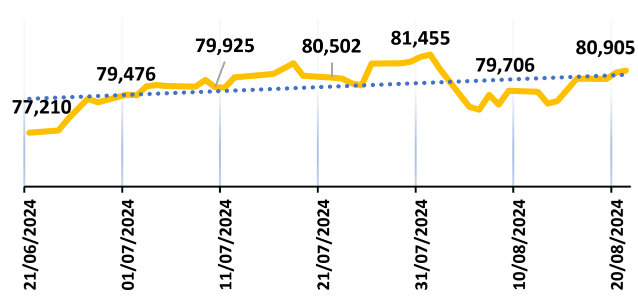
The repercussions of the unwinding of the yen carry trade were felt on markets worldwide. The selloff in the US spilled over to Asian equities too, including India. Going forward, much will depend on how much the yen strengthens against the dollar.

How Will This Impact Indian Equities?

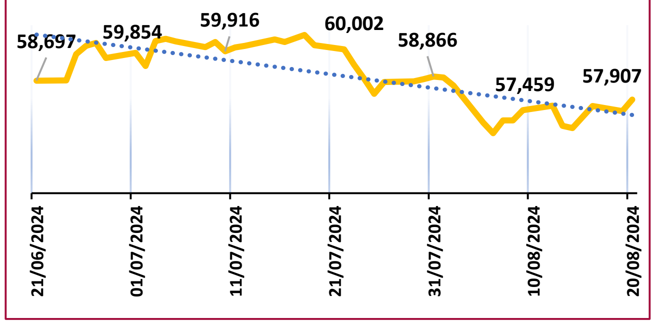
A stronger yen could also be a cause of worry for some Indian Corporates that have borrowed in yen but have not hedged against a sharp upward move in the currency. We need to remain watchful.

8. DAILY ECONOMIC INDICATORS

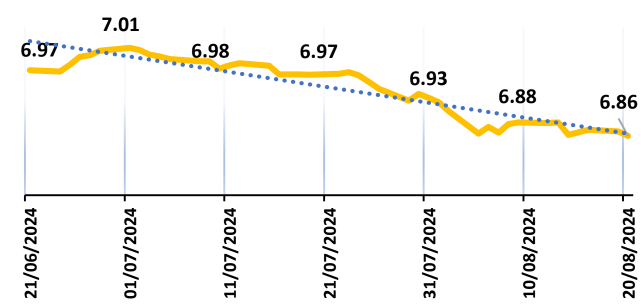
SENSEX



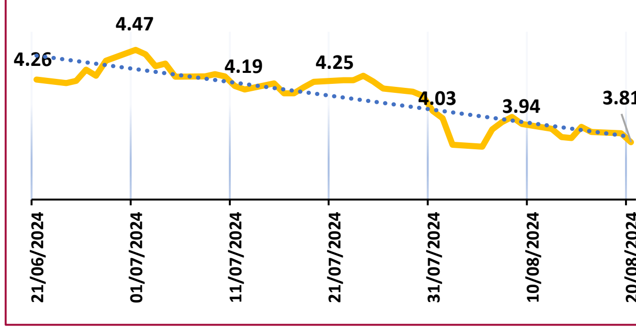
BANKEX



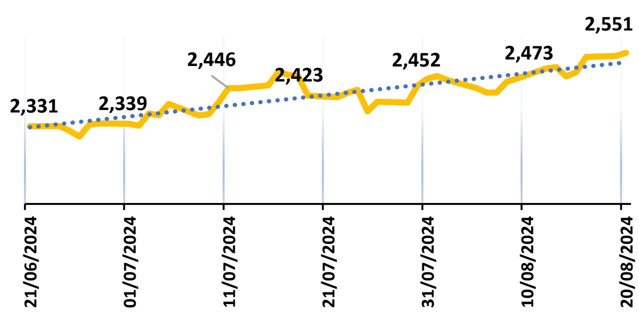
G SEC 10 Y



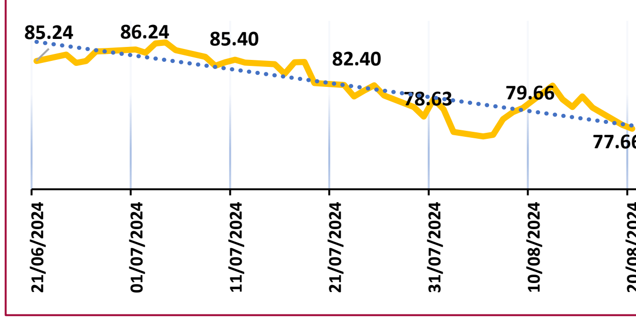
US TREASURY 10 Y



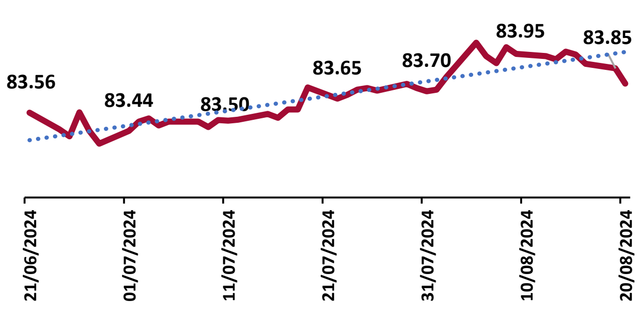
GOLD ($)



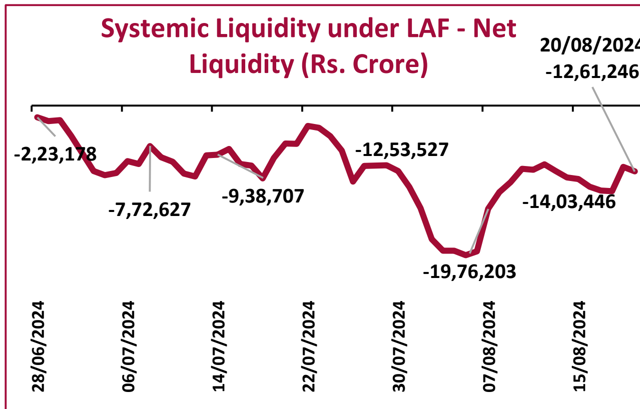
BRENT ($/bbl)



USD/INR



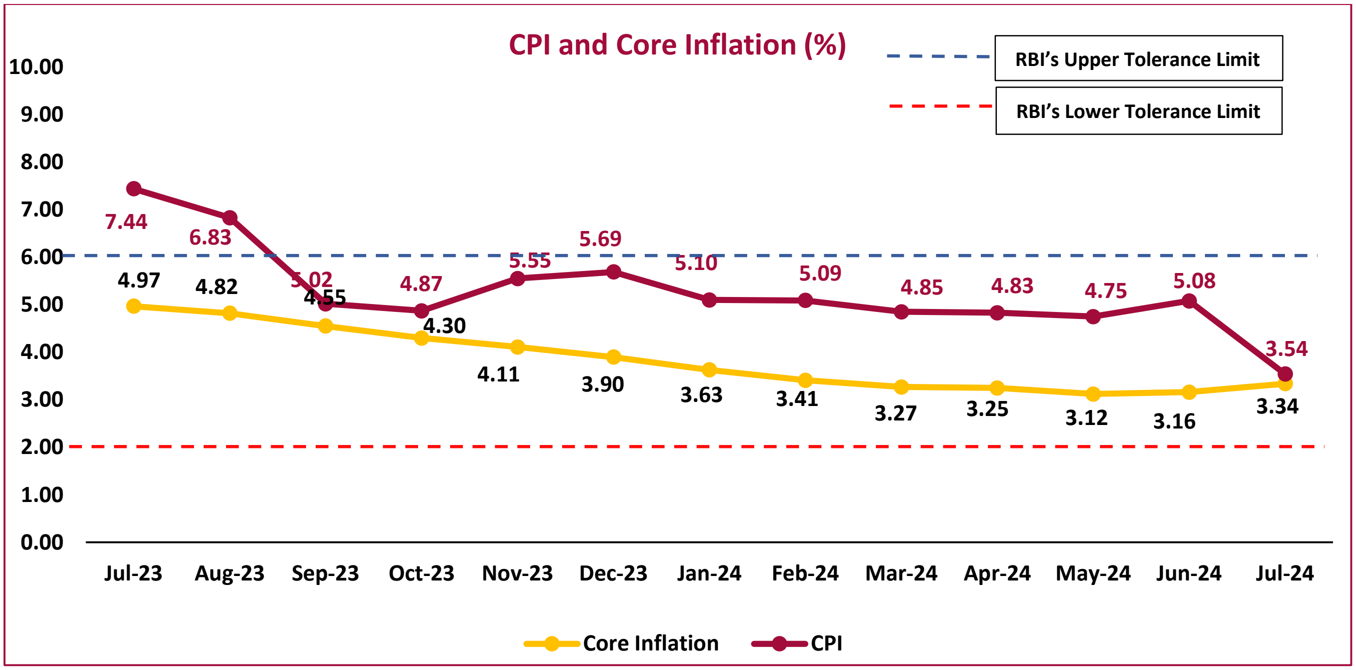
Systemic Liquidity under LAF - Net Liquidity (Rs. Crore)

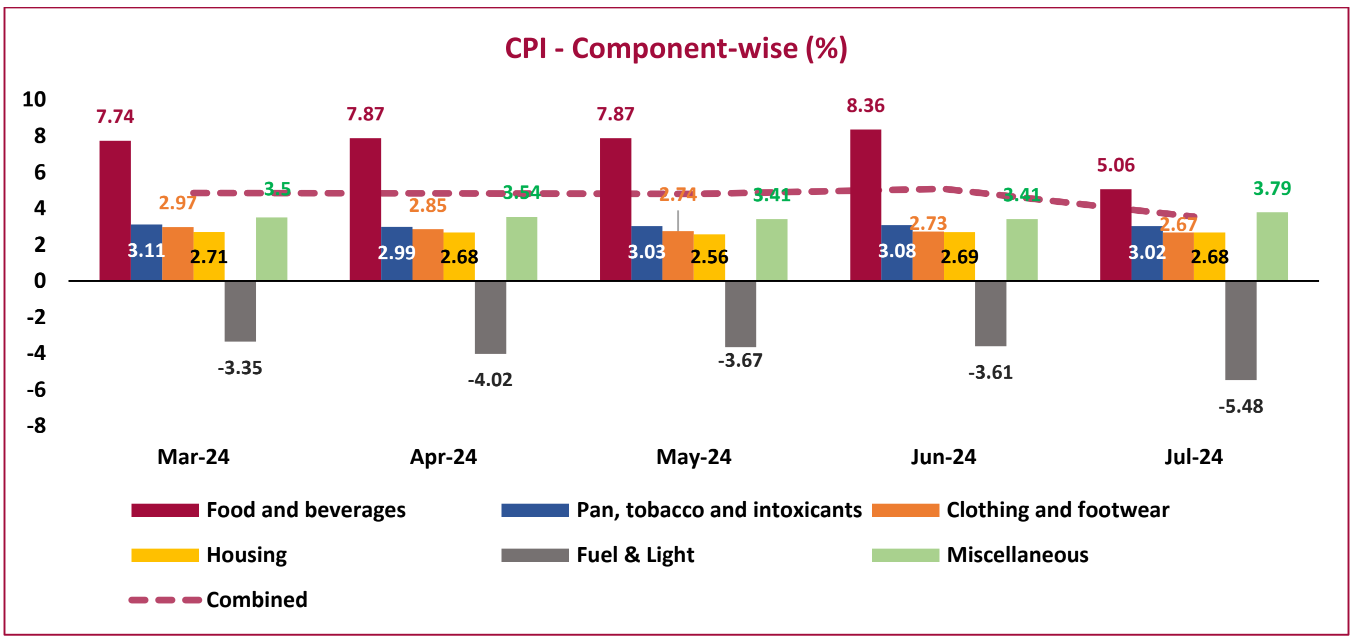


9. MONTHLY & FORTNIGHTLY ECONOMIC INDICATORS

CONSUMER PRICE INDEX (CPI)

Retail Inflation cools down to 3.54% in July 2024

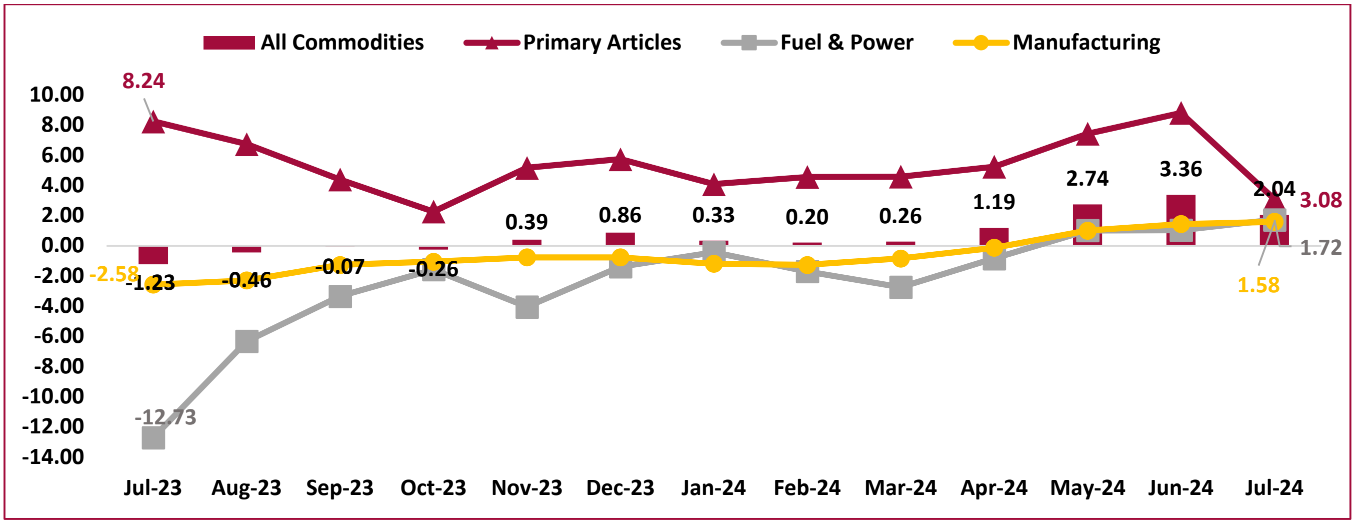




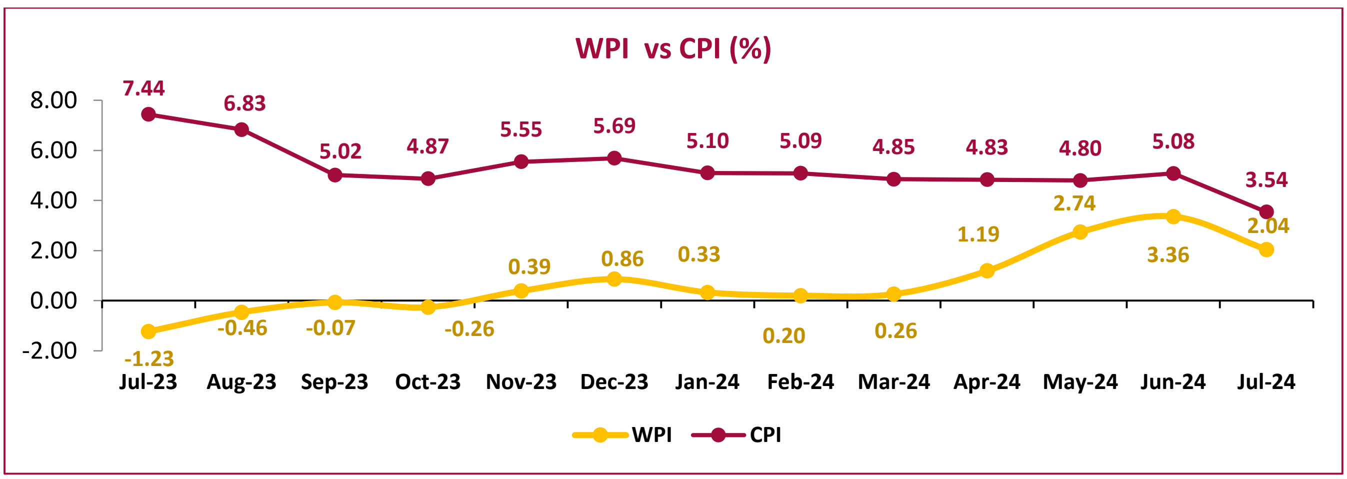
India's Consumer Price Index (CPI) based inflation moderated to an eleven-month low of 3.54 per cent in July 2024 – the lowest since August 2019, due to the statistical impact of the base effect. Food Inflation for July 2024 was the lowest since June 2023. Significant decline was observed across all the groups.

WHOLESALE PRICE INDEX (WPI)

WPI inflation decreases to 2.04% in July 2024 after 4 months of rising continuously



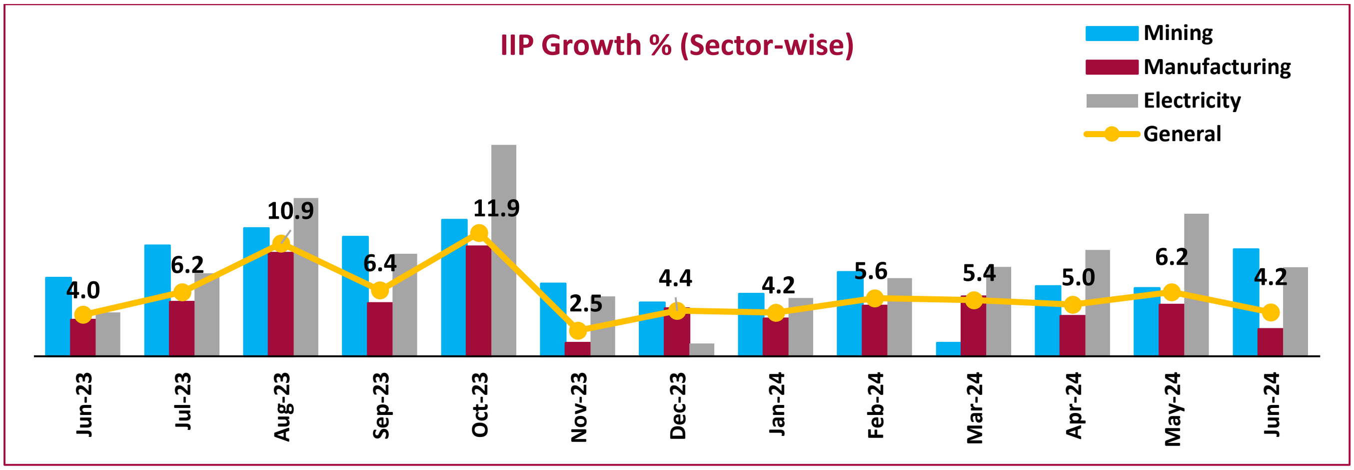
WPI Inflation (%)	Primary Articles		Fuel & Power		Manufactured Products		Food Articles *(Part of Primary Articles)*		All Commodities	
Weights	**22.62%**		**13.15%**		**64.23%**		**15.26%**		**100%**	
	2023	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**
May	-1.90	**7.42**	-9.17	**1.01**	-3.03	**1.00**	1.63	**9.93**	-3.61	**2.74**
June	-2.98	**8.80**	-12.51	**1.03**	-2.78	**1.43**	1.32	**10.87**	-4.18	**3.36**
July	8.24	**3.08**	-12.73	**1.72**	-2.58	**1.58**	15.09	**3.45**	-1.23	**2.04**



India's WPI fell in July'24, ending a four months' rise, due to lower food inflation of 3.45 per cent compared to 10.87 per cent in Jun'24. Positive rate of inflation is primarily due to increase in prices of food articles, manufacturing of food products, mineral oils, crude petroleum & natural gas, other manufacturing among others Fuel inflation rose for the third consecutive month, reaching 1.72 per cent in July.

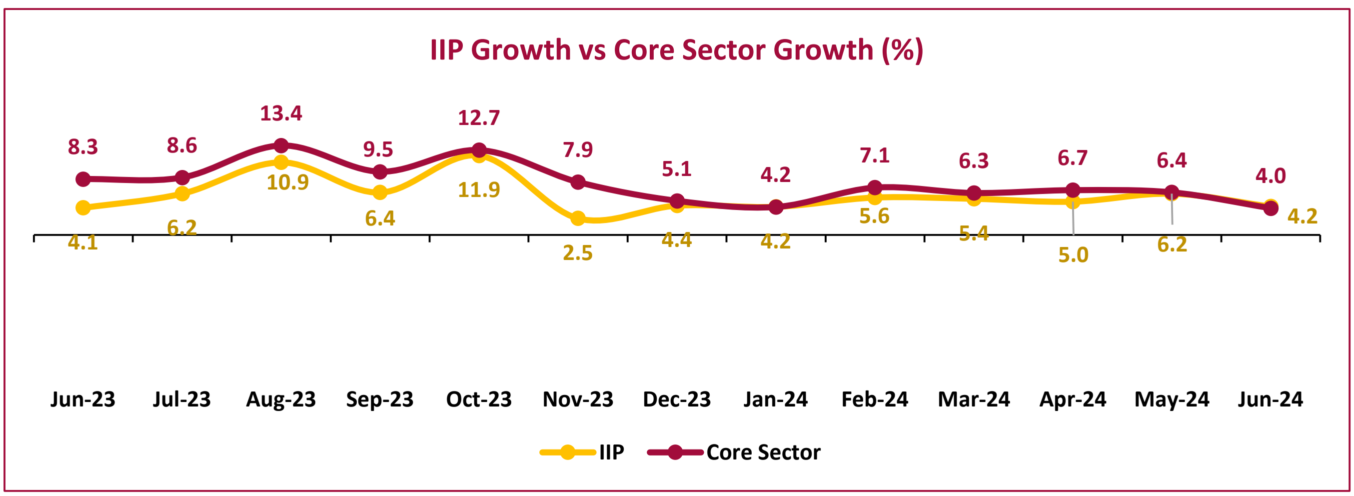
INDEX OF INDUSTRIAL PRODUCTION (IIP) & CORE SECTORS

IIP growth slows down to 4.2% in June 2024



IIP Growth % (Usage-wise)

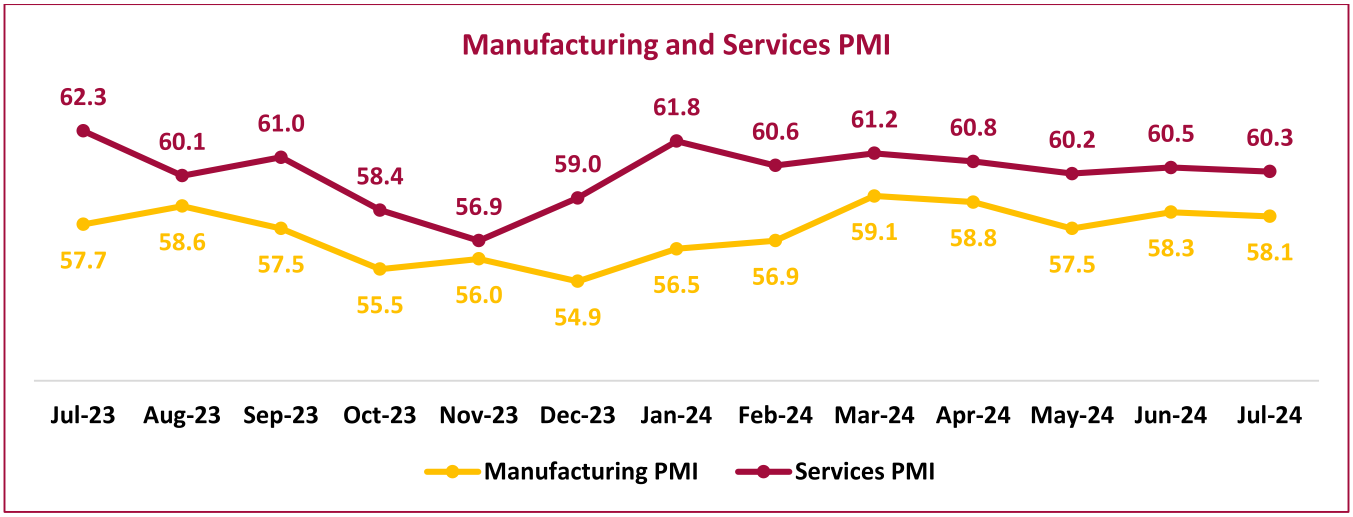
Component	Weight	Jun-23	Mar-24	Apr-24	May-24	Jun-24
Primary Goods	34.05%	5.3	3.0	7.0	7.3	**6.3**
Capital Goods	8.22%	2.9	7.0	2.7	2.9	**2.4**
Intermediate Goods	17.22%	5.2	6.2	3.2	3.9	**3.1**
Infra/Construction Goods	12.34%	13.3	7.4	8.0	6.3	**4.4**
Consumer Durables	12.84%	-6.8	9.5	10.0	12.6	**8.6**
Consumer Non- Durables	15.33%	0.51	5.2	-2.5	2.5	**-1.4**



In sector wise performance, mining sector recorded the highest growth of 10.3 per cent YoY. Lowest growth was observed in manufacturing, where output grew by 2.6 per cent in June 2024- compared to 5.0 per cent in May 2024. Electricity sector output witnessed a growth of 8.6 per cent (YoY), lower than the 13.7 per cent growth recorded in the previous month. Within manufacturing, growth rate of the top 3 positive contributors for the month of June 2024 are - "Basic metals" (4.9%), "Electrical equipment" (28.4%), and "Motor vehicles, trailers and semi-trailers" (4.1%).

PURCHASING MANAGERS' INDEX (PMI)

Manufacturing PMI moderates to 58.1 in July 2024

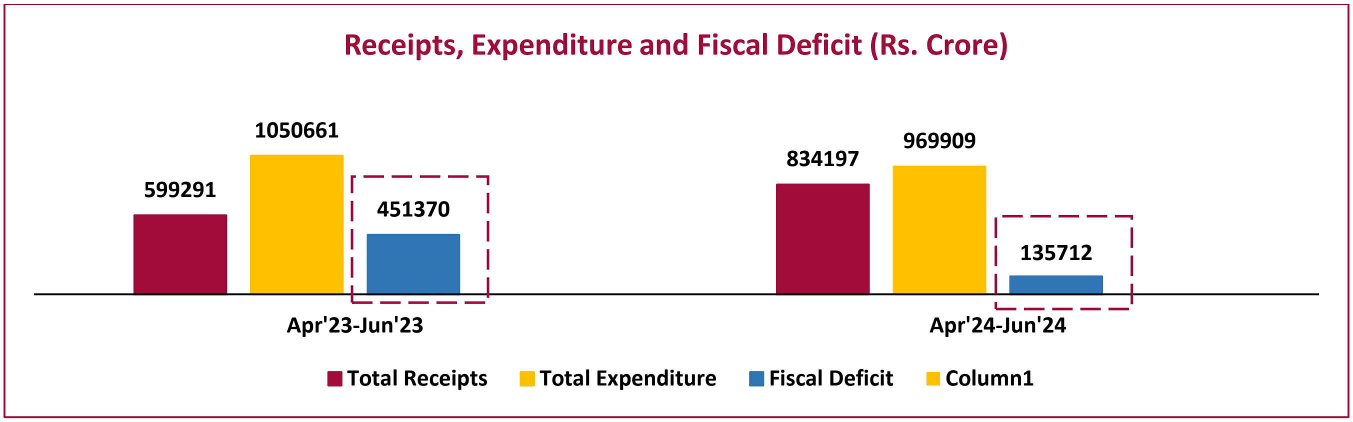


The **HSBC India Manufacturing PMI** declined marginally to 58.1 in July'24 from 58.3 recorded in June'24. Despite a slight slowdown in services sector, new business growth remained strong driven by domestic demand and technology investments. **PMI services** moderated slightly to 60.3 in July from 60.5 in June. Input cost pressures are building up in both manufacturing and services sectors, leading to rising business expenses and prices. **HSBC India Composite PMI stood at 60.7 in July'24 from 60.9 in June'24, lower than 61.9 recorded in July'23.**

PERFORMANCE OF OTHER LEADING INDICATORS

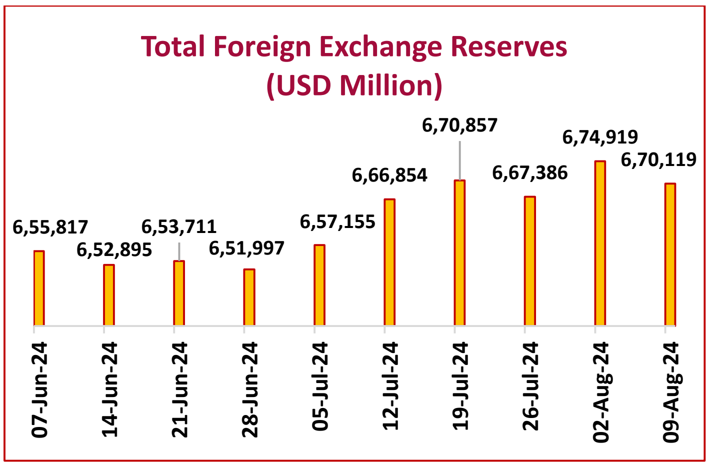
Indicators	Jul -23	Aug -23	Sep -23	Oct -23	Nov -23	Dec -23	Jan -24	Feb -24	Mar -24	Apr -24	May -24	Jun -24	Jul -24
Coal production (YoY%)	15.4	17.8	16.0	18.5	11.0	10.7	10.3	11.9	8.2	7.5	10.2	14.6	6.4
Electricity generation (YoY%)	2.4	6.2	13.2	8.8	21.9	5.8	0.4	7.9	6.4	8.0	10.0	14.6	9.7
Consumption of petroleum products (YoY%)	3.1	8.1	7.9	4.8	-2.2	2.5	8.1	5.9	-0.6	7.8	1.9	2.7	7.5
Railways: freight traffic (YoY%)	1.5	6.4	6.7	8.5	4.3	6.4	6.4	10.1	-	-	-	10.1	-
GST collection (YoY%)	10.8	10.8	10.2	13.4	15.1	10.3	11.7	12.5	11.5	12.4	10.0	7.6	10.3
Cement production (million tonnes)	31.0	33.9	31.0	33.9	29.1	35.9	35.9	36.4	41.2	35.7	35.7	37.2	-
Steel consumption (million tonnes)	10.7	11.1	11.2	11.6	11.3	12.1	11.6	11.7	12.4	11.3	12.0	12.2	12.1
Fertiliser sales (YoY%)	4.5	2.7	5.7	10.5	-5.5	-3.1	-9.1	-13.5	0.6	-3.7	10.5	7.3	-1.4
Two-wheelers sales (Nos. in Lakhs)	15.8	18.6	20.5	21.9	19.0	15.0	17.6	18.5	18.1	20.7	19.3	19.0	17.7
Tractors sales (Nos. in Thousand)	67.0	62.1	105.5	125.4	79.0	52.1	62.8	51.8	74.5	84.4	91.8	110.3	68.0

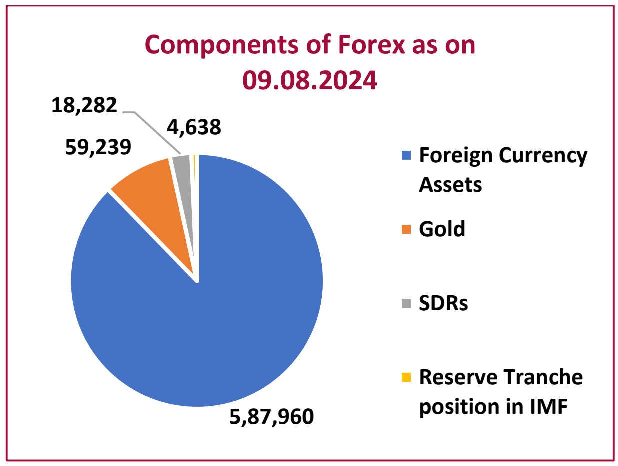
FISCAL DEFICIT



The government's fiscal deficit in Q1 FY25 (April-June 2024 period) came in at Rs. 1.36 lakh crore-amounting to 8% of the budget estimates vis-à-vis 25.30% of BE reached during the same period last year.

FOREIGN EXCHANGE RESERVES





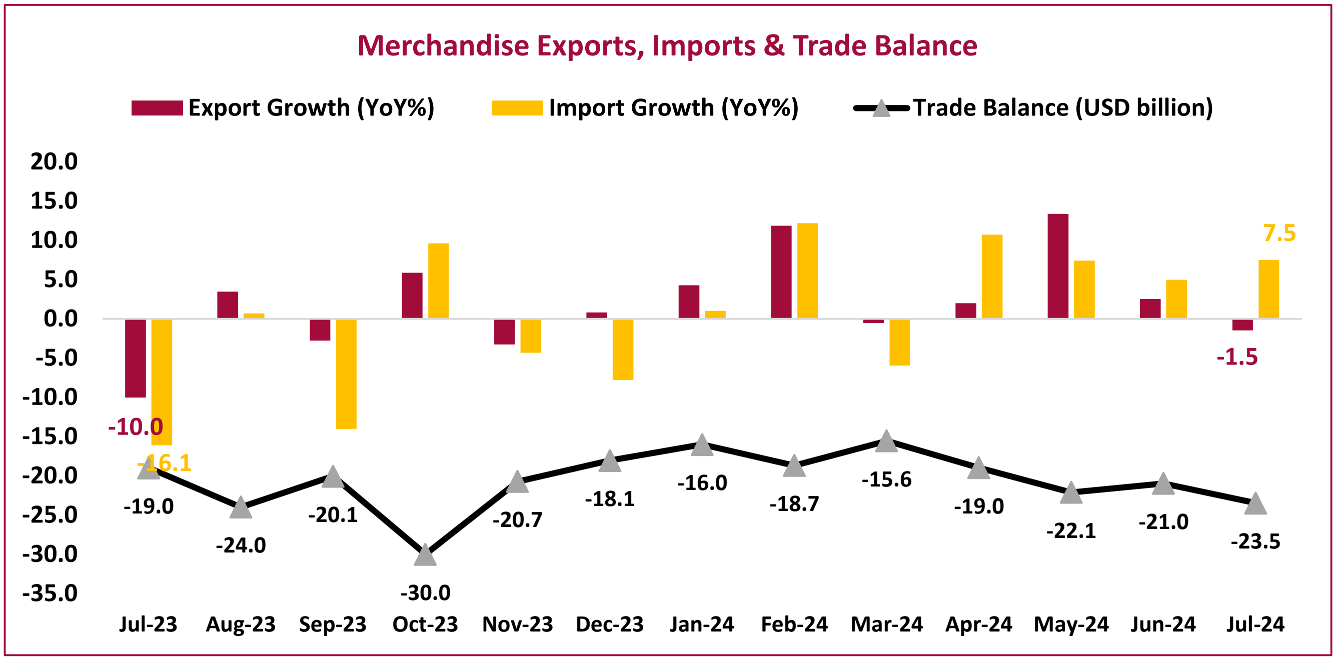
India's foreign exchange reserves fell by $4.8 billion in the week ended 9th August 2024 to settle at $670.12 billion, down from the record high of $674.92 billion in the previous week. Foreign Currency Assets (FCA) declined by $4.079 billion to $587.96 billion. Gold reserved fell by $860 million to $59.24 billion, whereas SDRs rose by $121 million to $18.28 billion. Reserve position at IMF improved to $4.64 billion as on 09.08.2024.

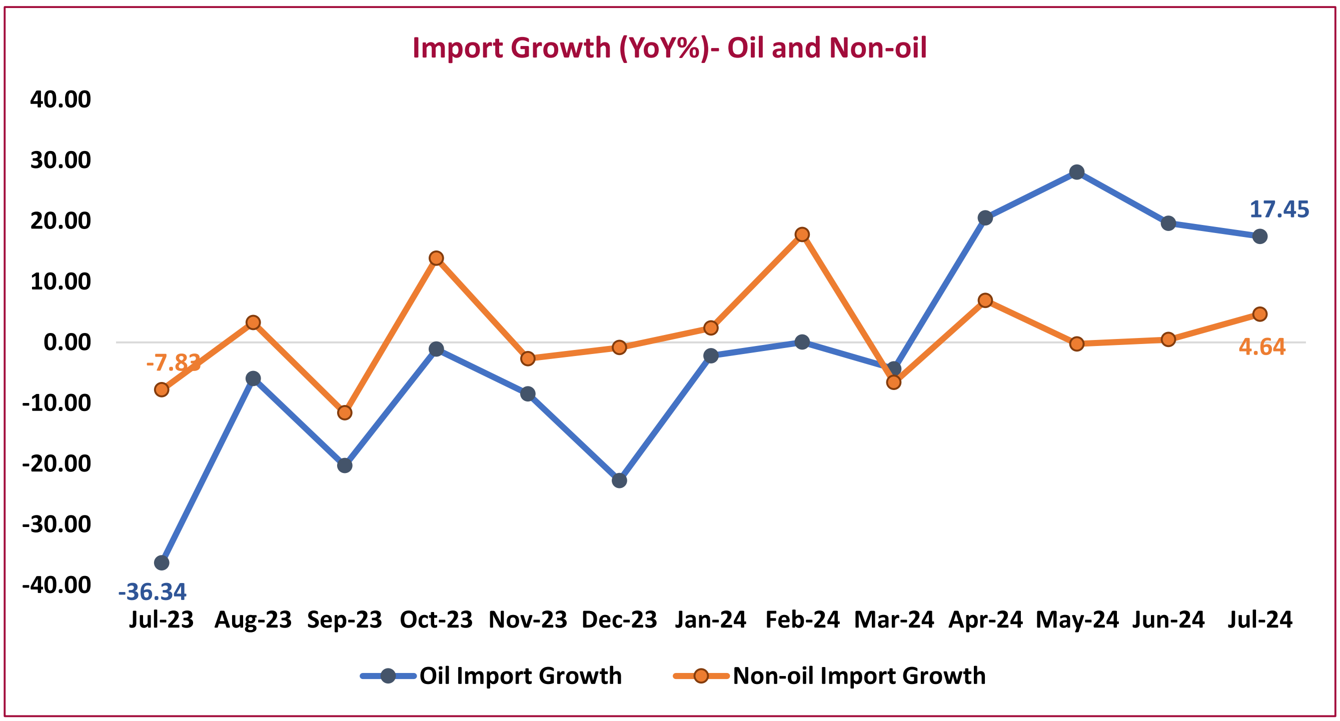
E-way Bill Generation (No. In Cr.)

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
8.88	9.3	9.2	10.0	8.8	9.5	9.6	9.7	10.4	9.7	10.3	10.0	10.5

FOREIGN TRADE

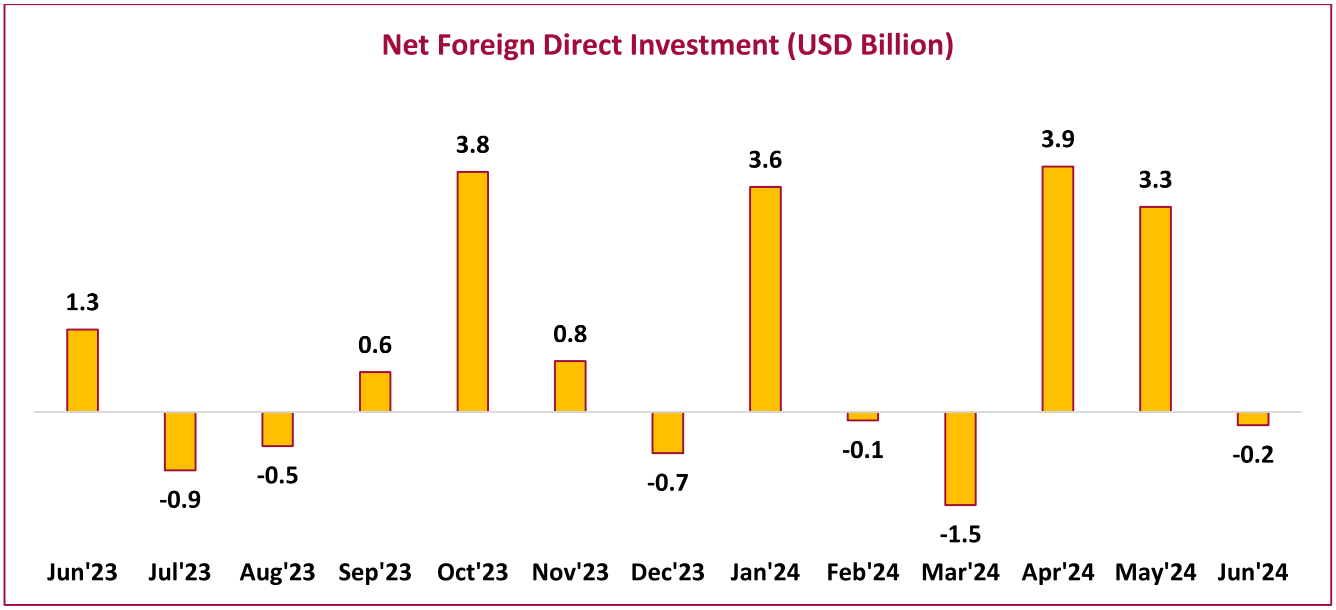
Trade deficit widens to USD 23.5 Billion in July 2024



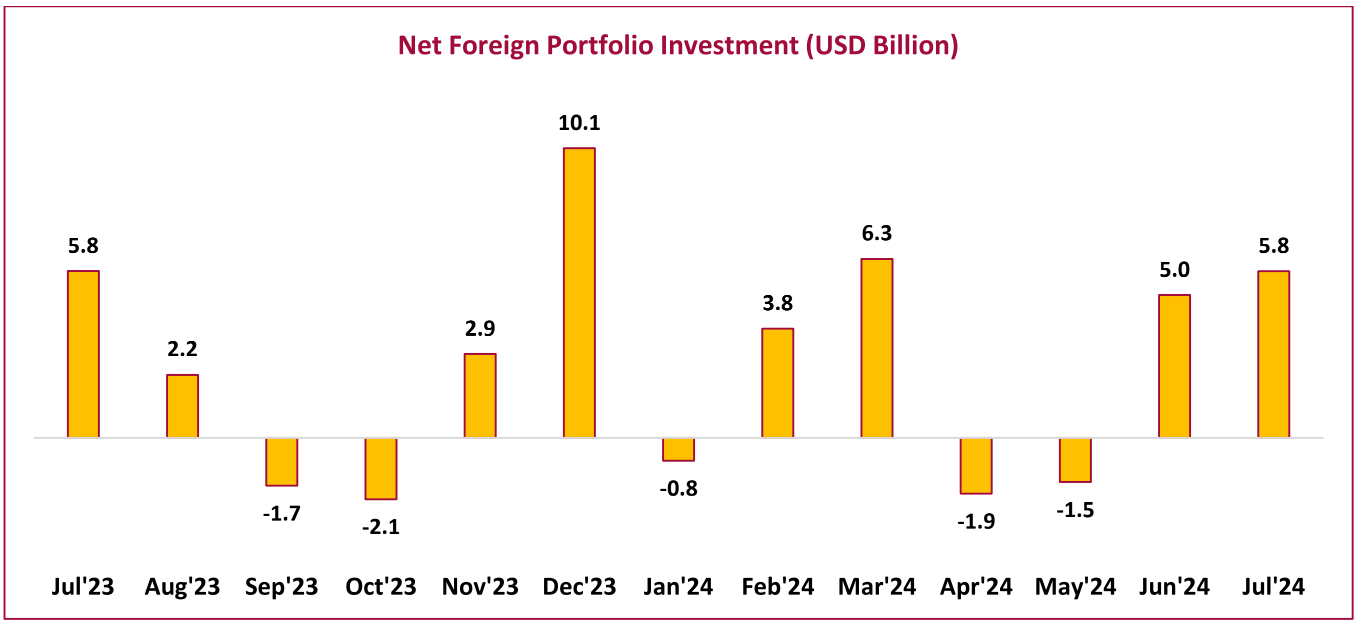


India's merchandise trade deficit hit a nine-month high of $23.50 billion in July'24. While imports expanded in May'24, exports recorded a contraction of 1.47 per cent in July. This is the first time in the current financial year 2024-25 where exports have contracted. Under merchandise exports, 18 out of 30 key sectors exhibited positive growth in July. Non-oil exports rose 3.53 per cent, whereas non-oil imports increased by 4.64 per cent, on a YoY basis.

FOREIGN INVESTMENTS



Net Foreign Direct Investments into the country witnessed a fall in June 2024 to USD 0.2 billion. India's FDI inflow weakened due to geopolitical conflicts, high borrowing costs and global economic fracturing.



Net FPI inflows into the country also witnessed a sharp increase after May 2024. July witnessed net inflow amounting to USD 5.8 billion in July 2024 vis-a-vis net inflow of USD 5.0 billion in June 2024 and net outflow of USD 1.5 billion in May 2024. The construction materials sector saw FPI outflows of ₹2,036 crore, while the automobile and auto components sector, along with capital goods stocks, suffered FPI selling worth ₹1,628 crore and ₹1,089 crore, respectively.

BANK DEPOSIT AND CREDIT

Parameter (Rs. Lakh Crore)	11.08.23	22.03.24	26.07.24	09.08.24	*YoY (%)*	*YTD (%)*	*Fortnightly (%)*
Deposits	192.38	204.75	211.94	213.28	10.87%	4.17%	0.64%
Advances	148.61	164.35	168.14	168.81	13.60%	2.72%	0.40%
Business	340.99	369.10	380.08	382.10	12.06%	3.52%	0.53%

SECTORAL DEPLOYMENT OF CREDIT- INDUSTRY WISE

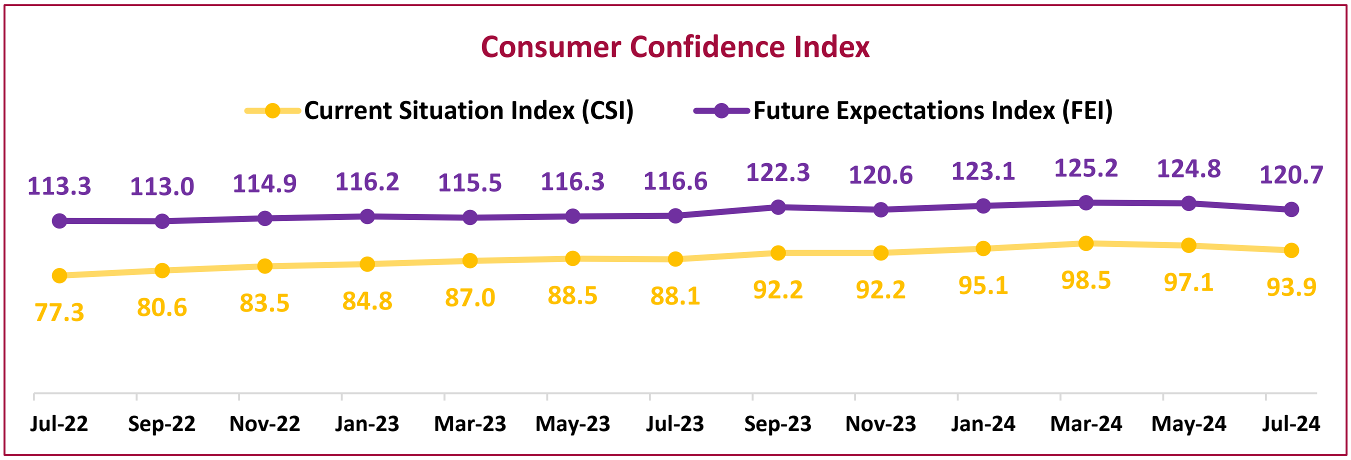
Parameter (Rs. Lakh Crore)	Jun-23	Apr-24	May-24	Jun-24
Total Non-food	**143.6**	**164.8**	**167.4**	**168.5**
Agriculture and allied activities	**18.4**	**21.1**	**21.3**	**21.6**
Industry	**34.5**	**36.6**	**37.0**	**37.3**
Of which				
Micro & small	6.6	7.3	7.4	7.3
Medium	2.8	3.1	3.1	3.2
Large	25.1	26.1	26.5	26.8
Personal loans		**53.6**	**54.6**	
Of which				
Housing (Including priority sector housing)	20.5	27.4	27.9	28.0
Education	1.0	1.2	1.2	1.2
Vehicle loans	5.3	5.9	6.0	6.0
Services		**45.9**	**46.8**	
Of which				
Computer software	0.2	0.2	0.3	0.3
Tourism, hotels & restaurants	0.7	0.8	0.8	0.8
Shipping	0.1	0.1	0.7	0.1
Aviation	0.4	0.4	0.5	0.5
Retail trade	4.4	4.9	5.0	5.0
Commercial real estate	3.4	4.5	4.8	4.8

Non-food bank credit registered a growth of 17.4 per cent YoY in June 2024 as compared with 16.3 per cent a year ago. Credit growth to agriculture and allied activities remained robust at 17.4 per cent (y-o-y) in June 2024 (19.7 per cent a year ago), while credit growth to industry remained almost flat at 8.1 per cent (7.4 per cent a year ago). Credit to food processing, infrastructure, chemicals, and leather and leather products accelerated in June 2024. Personal loans grew 25.6 per cent (y-o-y) in June 2024 (21.3 per cent a year ago), while credit to services grew at 17.4 per cent (y-o-y) in June 2024 vis-à-vis 26.8 per cent last year.

10. BI-MONTHLY ECONOMIC INDICATORS

RBI CONSUMER CONFIDENCE INDEX

Consumer Confidence moderated in latest survey round

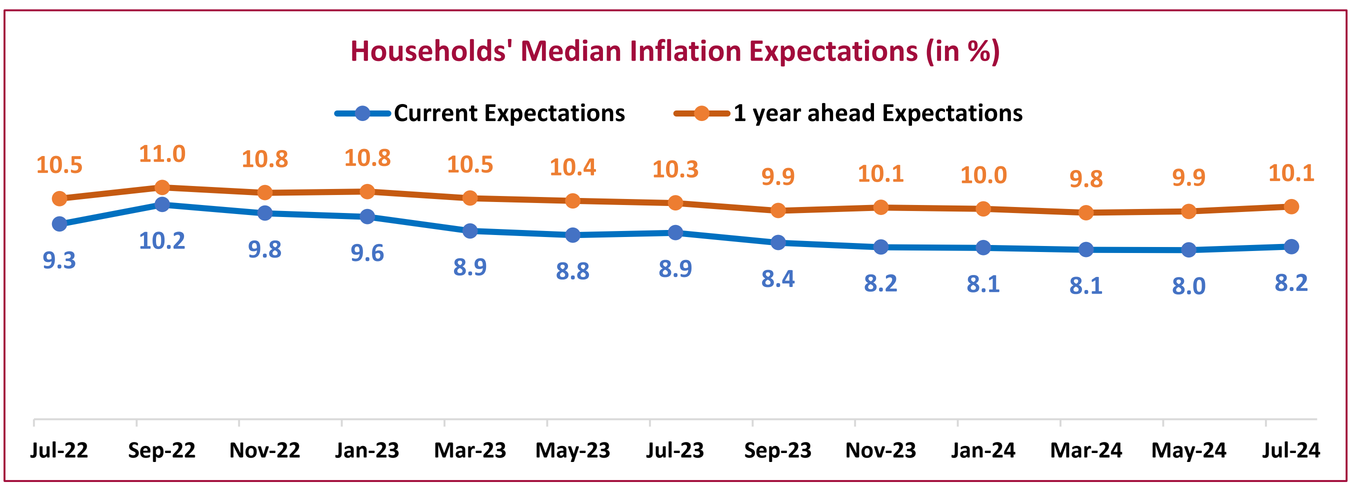


Note: CSI and FEI are compiled on the basis of net responses on the economic situation, income, spending, employment and the price level for the current period (as compared with one year ago) and a year ahead, respectively. CSI and FEI = 100 + Average of Net Responses of the above parameters.

Consumer confidence for the current period declined for the second consecutive survey round after its prolonged uptrend in the post Covid period. Sentiments on major parameters, except spending, recorded moderations in the latest survey round. For the year ahead, consumer confidence remained at elevated level in the optimistic terrain though it declined from the previous round due to relatively tempered sentiments on the general economic situation and employment prospects.

RBI INFLATION EXPECTATIONS SURVEY

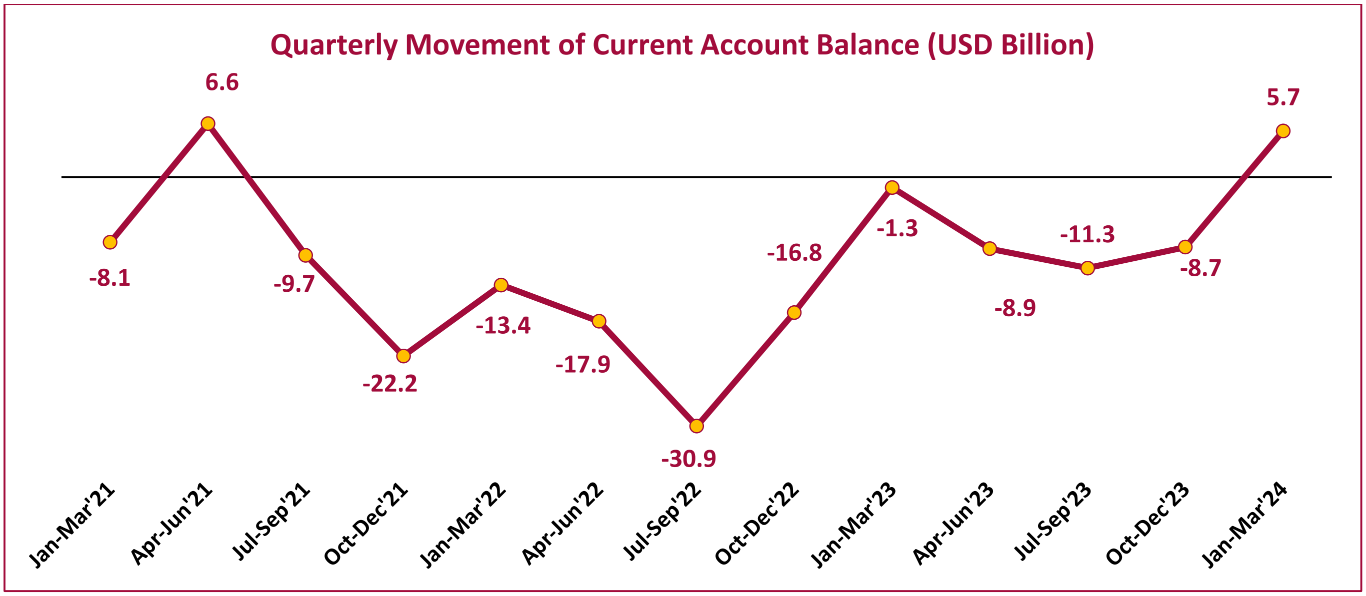
Inflation expectations on the rise compared to previous survey round



Households' median inflation expectations for one year ahead period and on current inflation, rose by 20 bps each and stood at 10.1 per cent and 8.2 per cent in the latest survey round. A larger share of households now expect a rise in general price level compared to the previous survey round.

11. QUARTERLY ECONOMIC INDICATORS

CURRENT ACCOUNT BALANCE



India's Current Account recorded a surplus of USD 5.7 billion (0.6 per cent of GDP) in Q4 FY'24 as against a deficit of USD 8.7 billion (1.0 per cent of GDP) in Q3 FY'24. In the same quarter last year, the current account had recorded a deficit of USD 1.3 billion (0.2 per cent of GDP). The surplus recorded was bolstered by growth in services exports, especially software, travel and business services as well as a surge in remittances to India.

12. GLOBAL INTEREST RATES

Central Banks	Countries	Latest Interest Rate (%)	Last Change	Next Meeting Date
Bank of Japan	Japan	0.25%	Jul 31, 2024 (15 bps)	Sep 20, 2024
European Central Bank	Europe	4.25%	Jun 06, 2024 (-25 bps)	Sep 12, 2024
Federal Reserve	U.S.A	5.50%	Jul 26, 2023 (25 bps)	Sep 18, 2024
Bank of England	U.K	5.00%	Aug 01, 2024 (-25 bps)	Sep 19, 2024
Peoples Bank of China	China	3.35%	Jul 22, 2024 (-10 bps)	-
Reserve Bank of India	India	6.50%	Feb 08, 2023 (25 bps)	Oct 09, 2024

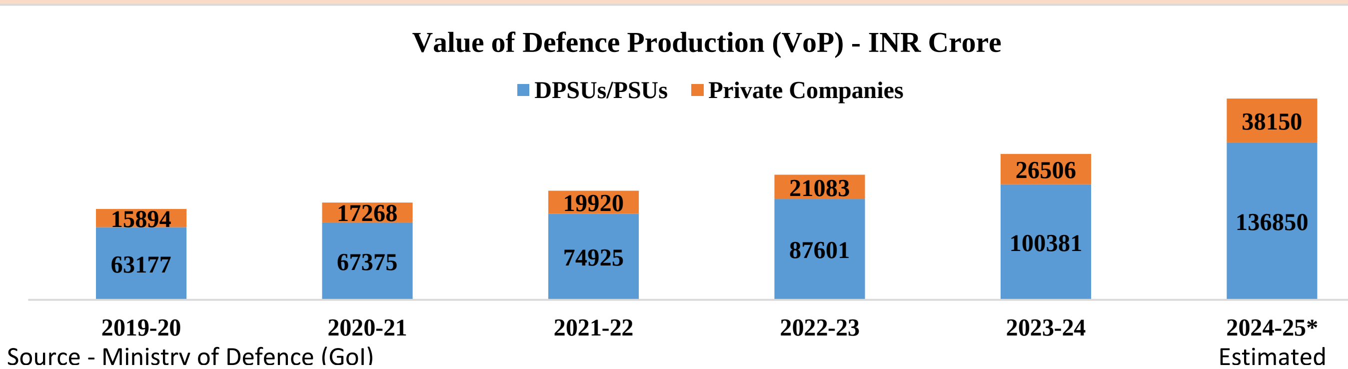
13. INDUSTRY OUTLOOK

Defence Manufacturing

The defense manufacturing industry in India is flourishing, propelled by a potent combination of government initiatives, technological advancements, and a growing emphasis on self-reliance. The industry is experiencing unprecedented growth, with production hitting a record high of ₹1.27 lakh crore in FY24, a 16.7% YoY increase. The sector is poised for further expansion, by aiming to reach ₹1.75 lakh crore valuation including ₹35,000 crore in exports by 2025. This momentum is fueled by a substantial increase in the defense budget over the years (4.8% rise in FY25 budget), and a commitment to invest $130 billion in fleet modernization across all armed services in next 5-7 years.

In the **current landscape**, India's defense exports are experiencing a remarkable surge, with a 78% increase in Q1 FY25, reaching ₹6,915 Crore. This impressive growth encompasses exports to over 85 countries and involves the participation of 12,000 MSMEs. This underscores country's growing presence in the global arms market, driven by robust domestic production (involving MSMEs) and strategic policy reforms.

This explosive growth is fueled by a strong indigenization push by the government aimed at achieving self-reliance in defence when India seeks a bigger strategic role for itself in the world as it races to become the world's third-largest economy by 2027.



Of the total value of production (VoP) in FY24, about 79.2% has been contributed by Defence PSUs/other PSUs and 20.8% by the private sector (share growing steadily). Additionally, in a major push for self-reliance, over 36,000 defense items have been identified for indigenization by DPSUs and SHQs as of June 2024 and 2 dedicated Defence Industrial Corridors in Tamil Nadu and Uttar Pradesh have been announced.

In this context, **Banks** are playing the role of indispensable partners in fueling India's defense manufacturing industry's growth by providing diverse financial solutions, from loans and project financing to facilitating investments and managing industry-specific risks. Further, by demonstrating a deep understanding of the industry's intricacies and offering bespoke financial solutions, banks can position themselves as strategic partners in this promising sector, driving both their own business success and the nation's defense capabilities.

Kartik Khandelwal
Officer (Economics)
SMEAD, Head Office.

14. DATA SOURCES

- *Reserve Bank of India (RBI)*
- *Ministry of Statistics and Programme Implementation (MOSPI)*
- *Office of Economic Adviser*
- *Ministry of Commerce and Industry, Department of Commerce, DGFT*
- *S&P Global*
- *Press Information Bureau*
- *GST Council*
- *Websites of major Central Banks*
- *Controller General of Accounts (CGA)*
- *Investing.com*
- *CMIE*
- *NSDL*
- *Press Articles*

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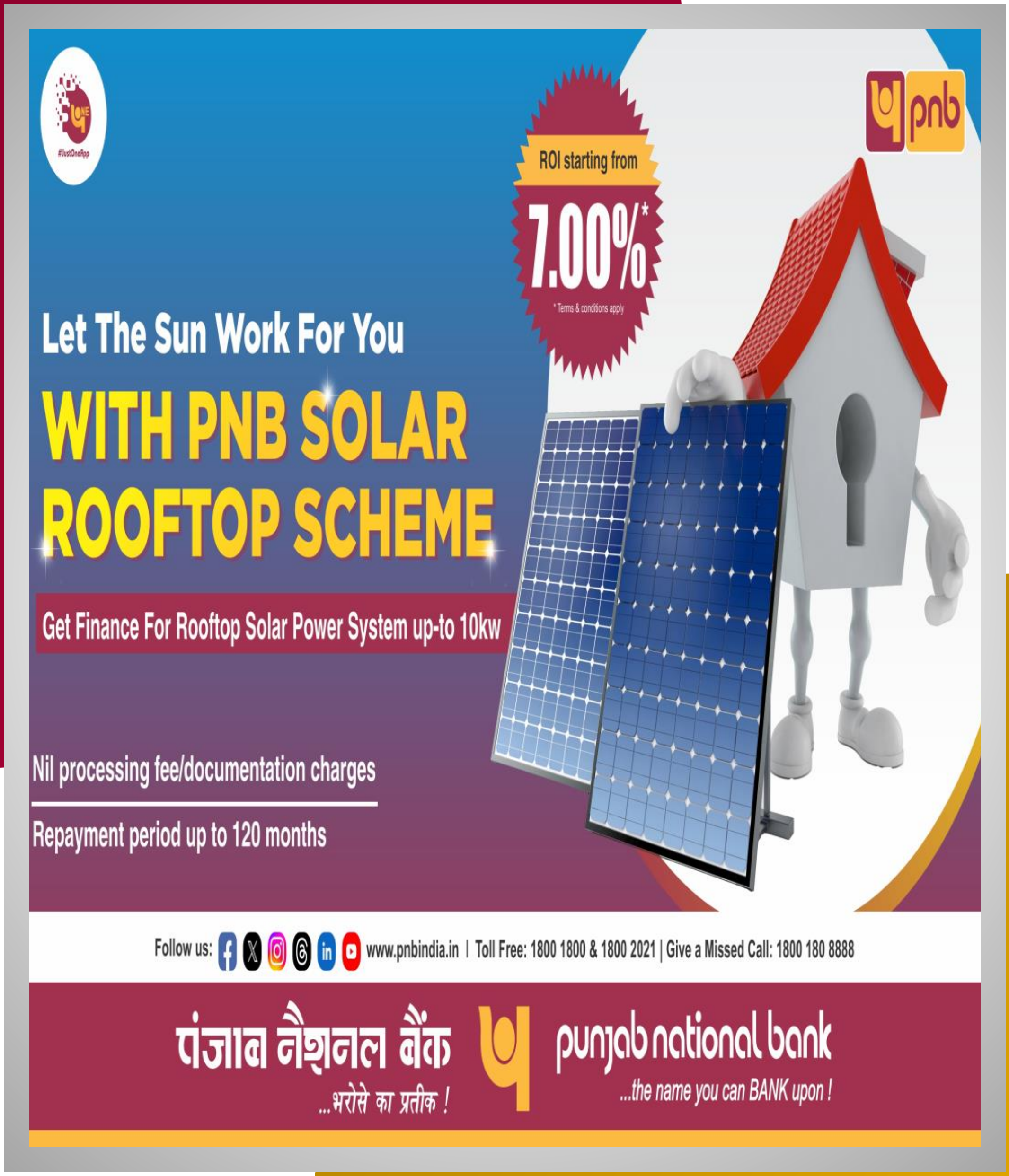
QUOTE OF THE MONTH

"By three methods we may learn wisdom: First, by reflection, which is noblest; Second, by imitation, which is easiest; and third by experience, which is the bitterest.."

—Confucius



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