

CPI eases marginally to 11-month low



OVERVIEW

India's retail inflation eased marginally to hit 11-month low of 4.83% on an annual basis in April as against 4.85% in the previous month. Core inflation stood unchanged sequentially, at 3.2%.

MOVEMENT IN MAJOR COMPONENTS OF CPI

- Fuel prices fell 4.24% against a decline of 3.2% in March.
- Food and beverage inflation rose 7.87% in April versus 7.68% in the previous month. Fuel prices fell 4.24% against a decline of 3.2% in March.
- Cereal prices rose to 8.63% in April, as against 8.4% in March.
- Meat and fish was at 8.17%, as compared with 6.4% in the previous month.
- Eggs were at 7.08%, as against 10.3% last month.
- Milk and milk products were at 2.97%, as compared with 3.4%.
- Prices of oils and fats declined 9.43%, as compared with 11.7% in the previous month.
- Vegetable prices rose 27.8%, as against 28.3% last month.
- Fruits at 5.22% versus 3.07% in March.

- Pulses inflation rose 16.84%, as compared with 17.7%.
- Clothing and footwear inflation was at 2.85% versus 3% in the previous month.
- Housing inflation was at 2.68% versus 2.8%.

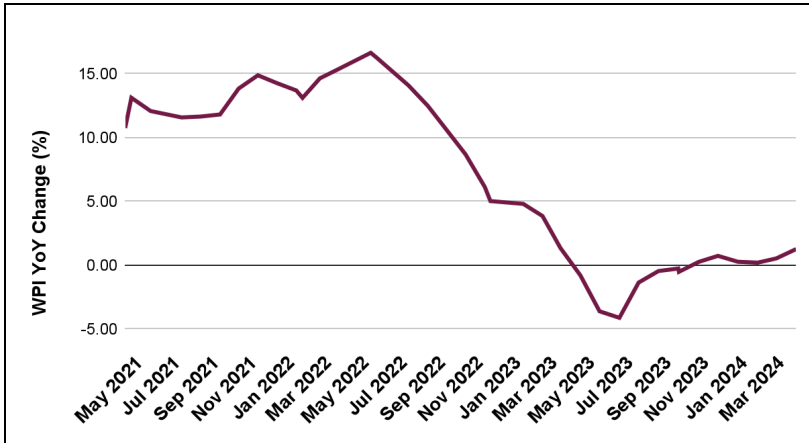
OUTLOOK

Despite global headwinds, the trajectory of WPI inflation in fuel and power remained low during April but the food inflation is still high. Food inflation was higher largely due to an increase in vegetables which is generally observed every summer. The monsoon is expected to be above normal, it will help in easing food inflation in the coming months.

RETAIL INFLATION FOR MAJOR ITEMS IN THE PAST 6 MONTHS

Group	APR'24	MAR'24	FEB'24	JAN'24	DEC'23	NOV'23
CPI	4.83	4.85	5.09	5.10	5.69	5.55
FOOD & BEVERAGES	7.87	7.68	7.76	7.58	8.70	8.02
PAN TOBACCO & INTOXICANTS	2.99	3.06	3.12	3.28	3.65	3.81
CLOTHING & FOOTWEAR	2.85	2.97	3.14	3.37	3.61	3.90
HOUSING	2.68	2.77	2.88	3.20	3.63	3.55
FUEL & LIGHTING	-4.24	-3.24	-0.77	-0.60	-0.99	-0.77
MISCELLANEOUS	3.54	3.50	3.57	3.82	4.07	4.38

WPI @ 13-month high in April



OVERVIEW

India's wholesale price inflation accelerated to 1.26% in April on an annual basis as against 0.53% in March, at a 13-month high.

KEY HIGHLIGHTS

- For the primary articles segment, the inflation rate in April surged to 5.01% from 4.51% in the preceding month.
- Crude petroleum and natural gas grew 4.97% in April as against 1.64% in the same month last year.
- Manufactured product prices further fell 0.42% against a 0.85% drop in the previous month.
- Fuel and power prices rose 1.38% compared with a 0.77% drop in March.

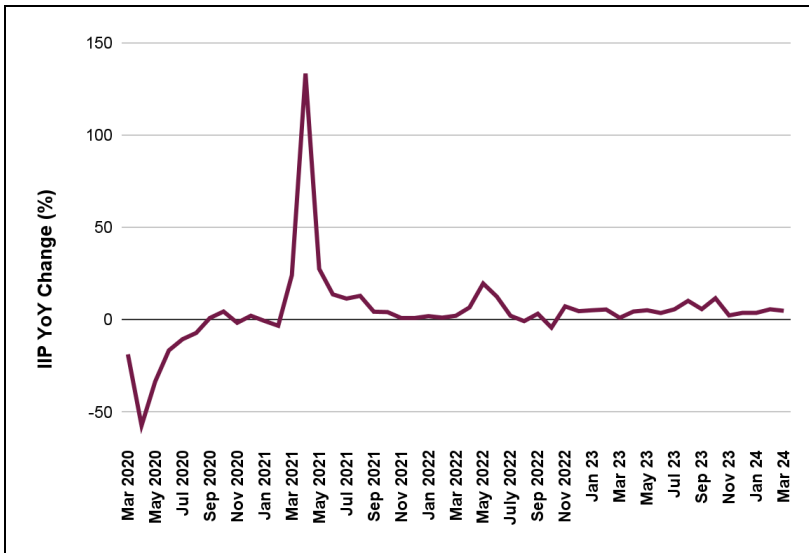
OUTLOOK

Despite global headwinds, the trajectory of WPI inflation in fuel and power remained low during April but the food inflation is still high. Food inflation was higher largely due to an increase in vegetables which is generally observed every summer. The monsoon is expected to be above normal, it will help in easing food inflation in the coming months.

WPI INFLATION FOR MAJOR ITEMS IN THE PAST 6 MONTHS

Group	APR'24	MAR'24	FEB'24	JAN'24	DEC'23	NOV'23
ALL COMMODITIES	1.26	0.53	0.20	0.27	0.86	0.39
PRIMARY ARTICLES	5.01	4.51	4.55	3.84	5.73	5.16
FOOD ARTICLES	7.74	6.88	6.95	6.85	9.38	8.18
NON FOOD ARTICLES	-4.41	-4.13	-6.29	-6.56	-4.73	-3.20
FUEL & POWER	1.38	-0.77	-1.71	-0.51	-1.39	-4.05
MANUFACTURED PRODUCTS	-0.42	-0.85	-1.27	-1.13	-0.78	-0.78

IIP slows to 4.9% in March



OVERVIEW

India's industrial production slowed to 4.9% in March from 5.6% in the previous month, but was higher than 1.9% growth in the year-ago period. In the January-March quarter, industrial output growth averaged 4.9% compared with 6.2% in the previous quarter.

KEY HIGHLIGHTS

Sectoral classification

- Manufacturing grew by 5.2% in March as against 4.9% in February and 1.5% in the year-ago period.
- Mining output slowed to a 19-month low of 1.2% in March, down from 8.1% in February and 6.8% in the year-ago period.
- Electricity output grew 8.6% in March as against 7.5% in February and a contraction of 1.6% in the year-ago period.
- Primary goods at 2.5%.
- Output of capital goods grew 6.1% in March, higher than 1% in February but lower than 10% in the year-ago period.
- Intermediate goods at 5.1%.
- Infrastructure goods at 6.9%.

- Consumer durables output grew 9.5% in March as against 12.4% in February and a low base of (-)8% in the year-ago period.
- Consumer non-durables output grew 4.9% in March as against (-)3.5% in the previous month and (-)1.9% in the year-ago period.

OUTLOOK

In the upcoming months, the industrial output may pick up pace with the likelihood of improvement in the demand owing to improvement in the rural spending ahead of the general election.

IIP GROWTH IN THE PAST 6 MONTHS

SECTOR	MAR'24	FEB'24	JAN'24	DEC'23	NOV'23	OCT'23
ALL INDUSTRIES	4.9	5.7	3.8	3.8	2.4	11.7
MINING & QUARRYING	1.2	8.0	5.9	5.1	6.8	13.1
MANUFACTURING	5.2	5.0	3.2	3.9	1.2	10.4
ELECTRICITY	8.6	7.5	5.6	1.2	5.8	20.4

Trade gap widens to 5-month high of \$19.1 bln

OVERVIEW

India's merchandise trade deficit expanded to \$19.1 billion in April, narrowed to \$15.6 billion in March, representing a 11-month low.

KEY HIGHLIGHTS

- Exports rose 1.1% annually to \$34.99 billion year-on-year and fell 16.1% month-on-month from March.
- Imports increased 10.3% annually to \$54.1 billion year-on-year and declined 5.6% month-on-month from March.
- Services exports in April stood at \$29.57 billion, compared to \$28.54 billion in March.
- Services imports totaling \$16.97 billion, compared to \$15.84 billion recorded in March.

EXPORTS

- Exports of engineering goods stood at \$8.7 billion, 3.2% lower year-on-year.
- Petroleum product exports were at \$6.6 billion, 3.1% higher than a year earlier.
- Gems and jewellery exports were at \$2.3 billion, 6.9% lower on an annual basis.
- Organic and inorganic chemical exports were at \$2.5 billion, 16.8% higher on an annual basis.
- Drugs and pharmaceutical exports were at \$2.4 billion, 7.4% higher from over a year earlier.
- Electronic exports were at \$2.7 billion, 25.8% higher from over a year earlier.

IMPORTS

- Petroleum, crude, and product imports were down 20.2% from a year ago at \$16.5 billion.
- Organic and inorganic chemical imports were at \$2.2 billion, 5.2% lower on an annual basis.
- Coal, coke, and briquettes imports were down 11.7% than a year ago at \$3.1 billion.
- Electronic goods imports were at \$7 billion, 10% higher over a year earlier.
- Machinery, electrical and non-electrical goods imports were at \$3.8 billion, down 3.5% over the previous year.
- Gold imports stood at \$3.1 billion, 209% higher than a year ago.

OUTLOOK

Slowing Imports outstripped exports in value terms against the backdrop of the Red Sea conflict. The marginal growth in exports is mainly due to the armed conflict in the Red Sea. Indian exports have been impacted by a slowdown in global growth. The tightening of interest rates due to nagging inflation, especially in advanced Western economies, has led to a slowdown in business, investment and trade. Growth in exports may continue to remain subdued owing largely to Red-Sea conflict.

DISCLAIMER

This document has been prepared by Shriram Insight Share Brokers Ltd. and is meant for sole use by the recipient and not for circulation. This document is not to be reported or copied or made available to others. The information contained herein is from sources believed reliable. It should not be considered as an offer to sell or a solicitation to buy any security or as an official confirmation of any transaction. We do not represent that it is accurate or complete and it should not be relied upon as such. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The investments discussed or recommended in this report may not be suitable for all investors. Shriram Insight Share Brokers Ltd. Stock Recommendation Service is a general recommendation service and is not to be construed as an individual investor-specific Portfolio Management and Advisory Service.

The user assumes the entire risk of any use made of this information. Each recipient of this document should arrive at an independent evaluation of an investment in the securities of companies referred to in this document and should consult their own advisors to determine the merits and risks of such an investment.

Shriram Insight Share Brokers Ltd. shall not be responsible for any loss or liability incurred to the user as a consequence of his or any other person on his behalf taking any investment decisions based on the information, recommendations, research reports, analysis, quotes, etc. provided on the web site.

Shriram Insight Share Brokers Ltd shall not be liable for errors, omissions or typographical errors, disruption delay, interruption, failure, deletion or defect of/in the Service provided by it.

All Users of the Service in countries other than India understand that by using the Service, they may be violating the local laws in such countries. If the User chooses to access the Service from outside India, he shall be responsible for compliance with foreign and local laws.

EQUITIES | DERIVATIVES | COMMODITIES | DP SERVICES | MUTUAL FUNDS | RESEARCH

SHRIRAM INSIGHT SHARE BROKERS LTD. CK-5, Sector-II, Saltlake City, Kolkata - 700091 | Tel : 2359 4612, 2359 4614, 2359 4877 | Fax : (033) 2321-8429 | E-mail : research@shriraminsight.com | www.shriraminsight.com | *Through Insight Commodities & Futures Pvt. Ltd