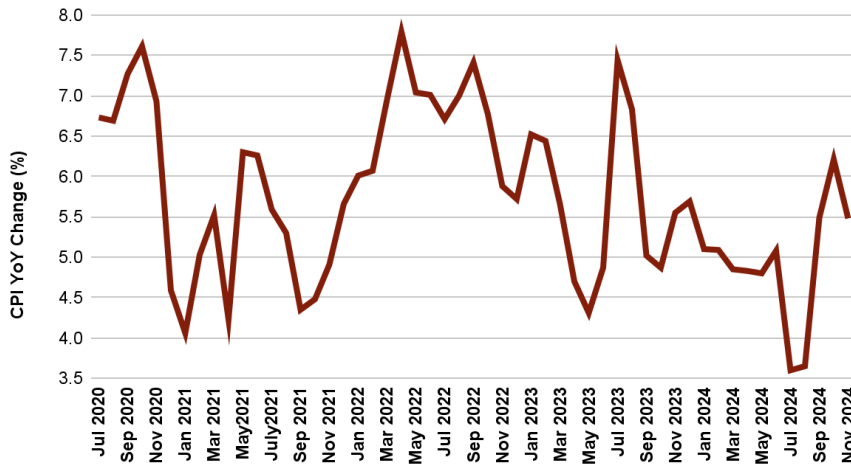


CPI inflation eases to 5.48% in November



OVERVIEW

India's annual inflation rate eased to 5.48% in November of 2024 from 6.21% in the previous month. Inflation remained elevated but eased for food (9.04% vs 10.87% in October). Price growth remained steady for housing (2.87% vs 2.81%) and slowed more for fuel and light (-1.83% vs -1.39%). From the previous month, consumer prices edged down by 0.15%.

MOVEMENT IN MAJOR COMPONENTS OF CPI

- Cereal prices rose by 6.88% after rising by 6.94% in October.
- Meat and fish prices were 4.67% compared to a rise of 3.17% in the previous month.
- Eggs prices rose 4.84% after rising by 4.87% last month.
- Milk and milk products were 2.85%, compared to 2.97% in the previous month.
- Inflation in pulses rose 7.43% after rising by 9.81% last month.
- Clothing and footwear inflation rose to 2.75%, compared to 2.7% in the previous month.
- Housing prices went up by 2.87%, compared to 2.81% last month.
- The highest year-on-year inflation in November are garlic (85.14%), potato (66.65%), cauliflower (47.7%), cabbage (43.58%), and coconut oil (42.13%).

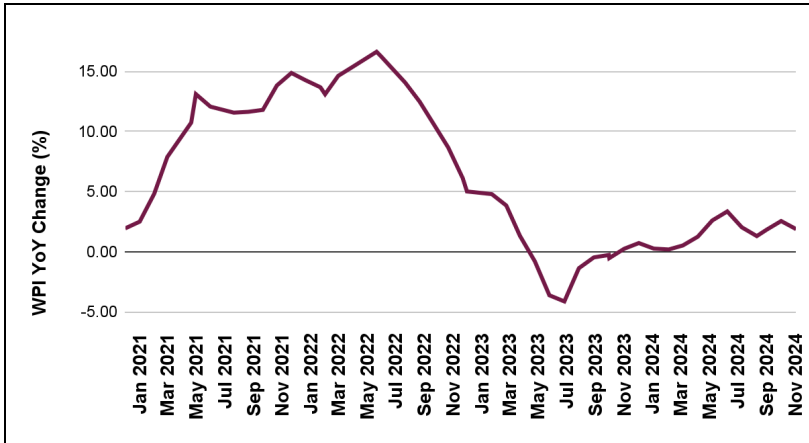
OUTLOOK

The sharp spike in inflation data last month cooled off partially and expected to subsidize going forward. High prices of vegetables are attributable to the seasonality and heavy rains in some part of the country, causing supply-side constraints.

RETAIL INFLATION FOR MAJOR ITEMS IN THE PAST 6 MONTHS

Group	NOV'24	OCT'24	SEP'24	AUG'24	JUL'24	JUN'24
CPI	5.48	6.21	5.49	3.65	3.60	5.08
FOOD & BEVERAGES	8.20	9.69	8.36	5.30	5.06	8.36
PAN TOBACCO & INTOXICANTS	2.35	2.60	2.51	2.71	3.02	3.08
CLOTHING & FOOTWEAR	2.75	2.70	2.71	2.72	2.67	2.73
HOUSING	2.87	2.81	2.78	2.66	2.68	2.69
FUEL & LIGHTING	-1.83	-1.61	-1.39	-5.31	-5.48	-3.66
MISCELLANEOUS	4.26	4.32	4.05	3.89	3.79	3.41

WPI eases to 3-month low



OVERVIEW

India's wholesale prices increased by 1.89% year-on-year in November 2024, easing from a 2.36% gain in October. Primary articles saw softer growth (5.49% vs 8.09% in October), while food prices moderated (8.92% vs 11.59%), mainly due to a slower rise in the prices of vegetables (28.57% vs 63.04%) and onion (2.85% vs 39.25%). Meanwhile, manufacturing prices accelerated to a 22-month high (2.00% vs 1.50%), mainly driven by faster rises in food products (9.44% vs 7.77%) and pharmaceuticals, medicinal, chemical, and botanical products (1.19% vs 0.42%). In contrast, fuel & power prices fell the most since August 2023 (-5.83% vs -5.79%), attributed to drops in petrol (-6.83%) and HSD (-5.68%). Monthly, wholesale prices edged down 0.06%, after a downwardly revised 0.90% rise in October.

KEY HIGHLIGHTS

- Primary-article inflation rose 5.5% in November, compared to 8.1% in the previous month.
- Inflation in food articles - a sub-component of primary articles - rose by 8.6% in November, compared to a rise of 13.5% in October.
- Vegetable inflation rose by 28.6% in November, after rising 63% in the previous month.
- Inflation in fuel and power fell by 5.8% in November, the same as a month ago.
- Inflation in manufactured rose at 2% in November, compared to 1.5% in October.

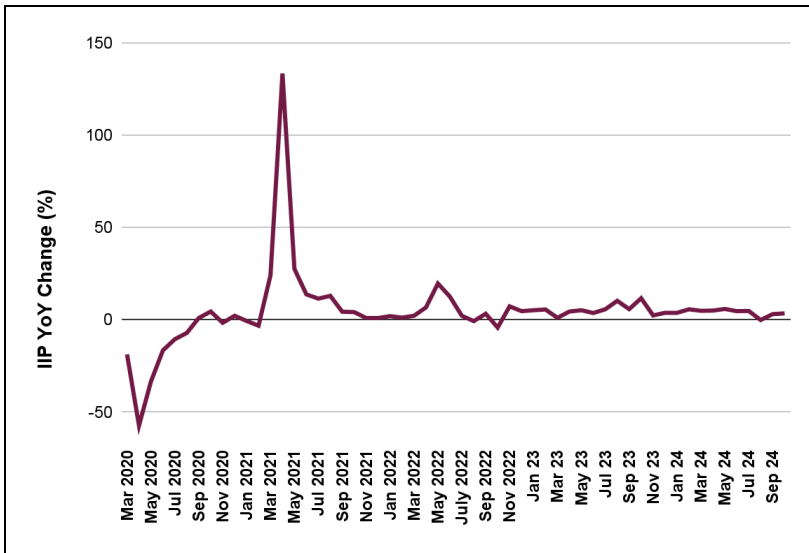
OUTLOOK

The sharp spike in inflation data last month cooled off partially and expected to subsidize going forward. High prices of vegetables are attributable to the seasonality and heavy rains in some part of the country, causing supply-side constraints.

WPI INFLATION FOR MAJOR ITEMS IN THE PAST 6 MONTHS

Group	NOV'24	OCT'24	SEP'24	AUG'24	JUL'24	JUN'24
ALL COMMODITIES	1.89	2.36	1.91	1.25	2.10	3.43
PRIMARY ARTICLES	5.49	8.09	6.48	2.52	3.18	9.20
FOOD ARTICLES	8.63	13.54	11.48	3.06	3.50	11.14
NON FOOD ARTICLES	-0.98	-1.71	-1.46	-1.84	-1.85	-1.01
FUEL & POWER	-5.83	-5.79	-3.85	-0.54	1.93	0.48
MANUFACTURED PRODUCTS	2.00	1.50	1.07	1.00	1.58	1.50

IIP grows 3.5% in October



OVERVIEW

India's industrial production increased 3.5% year-on-year in October 2024, following a 3.1% rise in the previous month. Considering the April-October period, industrial output went up 4%. Manufacturing (4.1% vs 3.9% in September), mining (0.9% vs 0.2%), and electricity (2% vs 0.5%). Within the manufacturing sector, the largest contributors to growth were the production of basic metals (+3.5%), electrical equipment (+33.1%), and coke and refined petroleum products (+5.6%).

KEY HIGHLIGHTS

Sectoral classification

- Mining output rose by 0.9%.
- Manufacturing output grew by 4.1%.
- Electricity generation rose by 2%.
- Primary goods output rose by 2.6%.
- Capital goods output increased by 3.1%.
- Intermediate goods output grew by 3.7%.

- Infrastructure and construction goods output gained 4%.
- Consumer durable output rose by 5.9%.
- Non consumer durable output rose by 2.7%.

OUTLOOK

India's industrial sector showcased renewed momentum as the Index of Industrial Production (IIP) reported a growth rate of 3.5% in October 2024. Manufacturing, Consumer durable & Infra and construction acted as main growth driver followed by surge of 3.1% in Capital Goods. Momentum may continue in coming months owing to recovery in industrial activities post monsoon and resumption of government expenditure.

IIP GROWTH IN THE PAST 6 MONTHS

SECTOR	OCT'24	SEP'24	AUG'24	JUL'24	JUN'24	MAY'24
ALL INDUSTRIES	3.5	3.1	-0.1	4.8	4.7	5.9
MINING & QUARRYING	0.9	0.2	-4.3	3.7	10.3	6.6
MANUFACTURING	4.1	3.9	1.1	4.6	3.2	4.6
ELECTRICITY	2.0	0.5	-3.7	7.9	8.6	13.7

Trade deficit widens to \$27.14 bln

OVERVIEW

India's merchandise trade deficit was at \$37.8 billion in November of 2024, widening sharply from the \$20.6 billion shortfall from the corresponding period of the previous year. Imports soared by 27% from the previous year to \$69.95 billion, exports dropped by 5.3% annually to \$32.1 billion.

KEY HIGHLIGHTS

- Exports fell by 4.9% year-on-year to \$32.1 billion in November. Non-petroleum exports grew by 7.8% to \$28.4 billion, compared to \$26.4 billion a year ago. Overall, trade continued to grow, led by services exports, which rose by 26.9% to \$35.7 billion in November.
- Imports rose 27% year-on-year to \$69.95 billion in November.

EXPORTS

- Engineering goods exports stood at \$8.9 billion, 13.8% lower year-on-year.
- Petroleum product exports were at \$3.7 billion, 49.7% lower than a year earlier.
- Gems and jewellery exports were at \$2.1 billion, 26.3% lower on an annual basis.
- Organic and inorganic chemical exports were at \$2 billion, 4.1% lower on an annual basis.
- Drugs and pharmaceutical exports were at \$2.1 billion, 1.1% higher than over a year earlier.
- Electronic exports were at \$3.5 billion, 54.7% higher than over a year earlier.

IMPORTS

- Petroleum, crude, and product imports were up 7.9% from a year ago at \$16.1 billion.
- Organic and inorganic chemical imports were at \$2.5 billion, 1.3% lower on an annual basis.
- Coal, coke, and briquettes import were down 29.3% from a year ago at \$2.4 billion.
- Electronic goods imports were at \$7.6 billion, 17.4% higher than a year earlier.
- Machinery, electrical, and non-electrical goods were at \$4.5 billion, down 12.9% over the previous year.
- Gold imports stood at \$14.9 billion, 331.3% higher than a year ago.

OUTLOOK

Trade deficit surged owing to a big jump in gold imports. Subdued Engineering goods export also widened the trade deficit significantly. Gold imports may come down post festival season in coming months. Trade Deficit likely to narrow in coming months.

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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