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Economy

India to drive Asia Pacific growth as China's fortunes wane, says S&P

India will drive growth in the Asia-Pacific (Apac) region as the growth engine is likely to shift from China to South and Southeast Asia in the coming years, S&P Global Ratings said in a report on Tuesday. The rating agency's report projected China's growth to slow down to 4.6 per cent by 2026 from an estimated 5.4 per cent in 2023. India is likely to clock 7 per cent economic growth from 6.4 per cent estimated for 2023. "We expect Asia-Pacific's growth engine to shift from China to South and Southeast Asia. This shift could constrain the upside over the next few years for China's bond issuers while improving those of issuers in India, Vietnam, the Philippines, and Indonesia," the report says.

https://www.business-standard.com/economy/news/india-to-drive-asia-pacific-growth-as-china-s-fortunes-wane-says-s-p-123120501001_1.html

India set to become third-largest economy by 2030: S&P Global Ratings

India will become the world's third-largest economy by 2030, a report released by S&P Global Ratings said on Tuesday. In 2026-27, India's gross domestic product (GDP) is expected to grow 7 per cent. India is currently the fifth largest economy in the world behind the US, China, Germany and Japan. In its "Global Credit Outlook 2024", S&P said that India would be the fastest-growing emerging market in the world. Still, its paramount test will be whether the country can become the next big global manufacturing hub.

https://www.business-standard.com/economy/news/india-set-to-become-third-largest-economy-by-2030-s-p-global-ratings-123120500284_1.html

India's services PMI falls to 56.9 in November, lowest in 2023 so far

India's service sector activity expanded at its lowest pace in November, according to a private survey released on Tuesday. According to S&P Global, India's services Purchasing Managers' Index (PMI) in November fell to 56.9 as compared to 58.4 in October. This is the lowest figure in 2023 so far. Before this, services PMI was recorded at 57.2 in January. A reading above 50 shows the sector expanded, while below it signifies contraction.

https://www.business-standard.com/economy/news/india-november-services-pmi-down-to-56-9-due-to-inflation-expectations-lowest-in-2023-123120500233_1.html

Banking and Finance

CP issuances by corporates surge 60% in November

Fundraising by corporates through commercial papers (CPs) surged 60% in November despite the hardening in rates in the money market due to tighter liquidity. Companies raised Rs 26,000 crore in November, compared with Rs 16,300 crore in October, according to data provided by India Ratings & Research. Funds were primarily raised to meet working capital requirements. "When liquidity is comfortable and rates are low, companies are not in a hurry to raise funds, but when the availability of money is less, everybody would like to pre-emptively cover themselves," Ajay Manglunia, managing director and head of investment-grade group at JM Financial, told FE. "With tighter

liquidity, everybody wanted to have sufficient cash with them.” Corporates turned to the money market as banks have also raised rates, he added.

<https://www.financialexpress.com/money/cp-issuances-by-corporates-surge-60-in-november-3327891/>

Microfinance loan portfolio stands at Rs 3.76 lakh cr at end of FY'24 Q2: Industry body

Microfinance loan portfolio at the end of the second quarter of the current financial year stood at Rs 3.76 lakh crore, serving 7.1 crore borrowers, an industry body report said. According to the report prepared by Microfinance Institutions Network (MFIN), a self-regulatory body of the NBFC-MFIs, microloan disbursals during the July-September quarter of 2023-24 touched Rs 76,054 crore, as compared to Rs 71,916 crore in the same period of the previous financial year.

<https://economictimes.indiatimes.com/industry/banking/finance/microfinance-loan-portfolio-stands-at-rs-3-76-lakh-cr-at-end-of-fy24-q2-industry-body/articleshow/105760641.cms>

Industry

IT hiring to remain muted in 2-3 quarters on demand slump: ICRA

Research firm ICRA has predicted that IT companies will hire in the next 2-3 quarters as hiring will remain muted over the next two to three quarters as the industry faces a slump in demand. It said that the macro-economic challenges in the US and Europe have caused a slowdown in demand for IT services. This resulted in a drop in hiring in the last four quarters as they could meet demand with manpower added in 2021-22 and the first half of 2022-23.

<https://www.thehindubusinessline.com/info-tech/it-hiring-to-remain-muted-in-2-3-quarters-on-demand-slump-icra/article67603913.ece>

Infra, manufacturing, utilities to be biggest beneficiaries of bull market

Capex-driven stocks like infrastructure, manufacturing, commodities, utilities etc are likely to be the biggest beneficiaries of the current bull market, said ICICI Securities in a note. Apart from the aforementioned traditional sectors, the current capex cycle may have additional drivers in the form of new-age sectors such as data centres, AI infrastructure, EVs and green energy, it added.

https://www.business-standard.com/markets/news/infra-manufacturing-utilities-to-be-biggest-beneficiaries-of-bull-market-123120600100_1.html

To meet EV target, OEMs need to rev up entry segment: Bain & Company

Indian OEMs need to accelerate the launch of new electric vehicle (EV) models in the entry-level, mass, and economy segments with affordable pricing if they want to achieve \$100 billion in revenue potential for the EV industry, says a report released by Bain & Company. Achieving the target requires EVs to grow more than tenfold in volumes in the next six-seven years with penetration going up from the current 5 per cent to 40 per cent by 2030.

https://www.business-standard.com/industry/news/to-meet-ev-target-oems-need-to-rev-up-entry-segment-bain-company-123120600066_1.html

Pre-Diwali orders still on shelves, kiranas cut back on fresh orders with FMCG companies

Kiranas or neighbourhood stores, which contribute more than 85% of sales of fast-moving consumer goods companies, saw orders placed with companies decline 7.5% in November from a year earlier. This is because retailers are left with excess inventory from pre-Diwali orders, which, however, failed to generate enough demand, especially in rural areas. Orders also fell 3.5% compared to the previous month October, according to Bizom, which analyses data based on orders at nearly 7.5 million kirana stores.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/pre-diwali-orders-still-on-shelves-kiranas-cut-back-on-fresh-orders-with-fmcg-companies/articleshow/105763437.cms>

Agriculture

Climate-resistant wheat sown in almost 85% area this year, says survey

Amid concerns over the impact of a cooler winter on rabi crops this year, a survey of the standing wheat crops in some main growing states by senior agriculture ministry officials has found that almost 85 per cent of the sown area

under the crop is under climate resistant varieties. This should protect the crop yield from the impact of any unusual weather movement in the coming months. Officials said the surveyors found that wheat sowing was delayed only in those parts where sugarcane crop hadn't been fully harvested. For such areas, they have recommended late sown varieties such as PBW 752, PBW 771, DBW 173, JKW 261, HD 3059 and WH 1021 up to December, 2023 and HI 1621 and HD 3271 WR 544 if sowing is done beyond December 25th.

https://www.business-standard.com/industry/agriculture/almost-85-wheat-sown-area-under-climate-resistant-varieties-this-year-123120501090_1.html

Indian cotton prices drop to 2-year low on slack demand

Cotton prices in India have declined to a two-year low on slack demand due to economic woes in western nations, particularly the US and UK, traders have said. There is practically no demand for cotton despite a low crop, which is in the range of 300 lakh bales (of 170 kg), including the carryover stock from last year. But the demand for garments in western countries is slack due to economic troubles," a source working for a multinational trading firm said.

<https://www.thehindubusinessline.com/economy/agri-business/indian-cotton-prices-drop-to-2-year-low-on-slack-demand/article67608324.ece>

Sowing area of Rabi crops down 5% at 434.66 lakh hectares

Area sown under Rabi crops during 2023 has reached 434.66 lakh hectares (lh) until December 1, which is 67 per cent of the normal area. But it is down by 5 per cent from 458.77 lh during the corresponding period of last year. Wheat acreage has been reported at 187.88 lh compared with 197.14 lh year-ago, which is lower by 5 per cent. However, higher area coverage has been reported from Uttar Pradesh by 2.19 lh and Madhya Pradesh 2.13 lh.

<https://www.thehindubusinessline.com/economy/agri-business/sowing-area-of-rabi-crops-down-5-at-43466-lakh-hectares/article67607917.ece>

Infrastructure

Real estate pre-sales to show robust growth in FY24: Motilal Oswal report

Real estate pre-sales in India are estimated to grow by 30 per cent year-on-year (Y-o-Y) in 2023-24 (FY24), driven by sustenance sales as launches were subdued for most companies, according to a Motilal Oswal report.

'Sustenance sales' refer to brisk sales of residual inventory from existing projects. Twelve listed real estate companies registered their second-best quarter ever, with cumulative pre-sales of Rs 252 billion, up 54 per cent Y-o-Y and 44 per cent quarter-on-quarter. Ongoing projects contributed 56 per cent to total pre-sales in the first half (H1) of FY24. At the same time, new launches reported a 60 per cent absorption, contributing to 44 per cent of pre-sales, according to Motilal Oswal.

https://www.business-standard.com/industry/news/real-estate-pre-sales-to-show-robust-growth-in-fy24-motilal-oswal-report-123120400666_1.html

Energy

LNG consumption, imports seen rising as prices ease

India's consumption of Liquefied Natural Gas (LNG) is expected to rise further in the coming months on the back of growing demand from the fertiliser and power industries, analysts say. Anticipated lower spot LNG prices will further add to this growth. "Our current forecast for December, January, and February averages at 76 MMcm/d, with an upside risk of 4 MMcm/d to this forecast, as spot prices are now expected to average around \$16/MMBtu for the next three months, incentivizing spot buying for the industrial sector," S&P Global said in a note.

<https://www.financialexpress.com/policy/economy-lng-consumption-imports-seen-rising-as-prices-ease-3327770/>

Telecom

Telcos gross revenue rises 5.8%, govt spectrum usage charge declines 59%

Telecom service providers gross revenue increased by 5.88 per cent on a year-on-year basis to Rs 80,899 crore during the quarter ended June 2023, sector regulator Trai said on Tuesday. According to the Telecom Regulatory Authority of India (Trai) Performance Indicator Report, the gross revenue declined 5.22 per cent on a quarterly basis from Rs 85,356 crore registered in March 2023 quarter.

https://www.business-standard.com/industry/news/telcos-gross-revenue-rises-5-8-govt-spectrum-usage-charge-declines-59-123120501270_1.html

Digital revolution in telecom: India to eliminate physical verification process for SIM cards

In a move that will cheer India's telcos, the Department of Telecommunications (DoT) is doing away with the costly and time-consuming method of physically verifying customer details before selling mobile connections from January 1, 2024. The move is also aimed to rein in SIM fraud. "Considering various amendment/changes made in the existing KYC (Know Your Customer) framework from time to time, it has been decided that the use of paper-based KYC process, as envisaged in instructions, dated ..

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/digital-revolution-in-telecom-india-to-eliminate-physical-verification-process-for-sim-cards/articleshow/105760939.cms>

Healthcare

India among 8 nations seeking 5-year patent waiver for Covid diagnostics

India, Pakistan and South Africa, along with five others, have pushed for a five-year global patent waiver for Covid-19 diagnostics and therapeutics. In a submission to the World Trade Organization, they said that diagnostics and therapeutics are "essential tools for a comprehensive approach to fight the pandemic, that it is not over".

<https://economictimes.indiatimes.com/industry/healthcare/biotech/india-among-8-nations-seeking-5-year-patent-waiver-for-covid-diagnostics/articleshow/105763700.cms>

External

Govt permits NCEL to export 900k tonnes rice, 35k tonnes wheat products

National Cooperative Exports Ltd (NCEL) has been allowed to export nearly 9 lakh tonnes of broken rice and about 35,000 tonnes of wheat and wheat products to various countries. According to a recent gazette notification, the government has permitted export of 34,736 tonne of wheat and wheat products and 8,98,804 tonnes of broken rice. Of the total wheat and wheat products export, NCEL has been allowed to export 15,226 tonnes of maida/semolina, 14,184 tonnes of wheat grain, 5,326 tonnes of wheat flour and 48,804 tonnes of broken rice to Bhutan this year. In case of broken rice, the cooperative has been permitted to export 5 lakh tonnes of the grain to Senegal and 50,000 tonnes to Gambia in six month, the notification said.

https://www.business-standard.com/industry/agriculture/govt-permits-ncel-to-export-900k-tonnes-rice-35k-tonnes-wheat-products-123120400715_1.html

MDBs need different approaches to draw in private financing and achieve their full potential

Multilateral Development Banks need an institutional mechanism to work synchronously, co-chair of the Independent Expert Group of MDB reforms set up under India's G20 presidency N K Singh said while stressing on the need for steps to mitigate risks, harness private capital and optimise their balance sheet. Speaking at COP28 UAE, Singh said MDBs mobilising and galvanising private financing requires a multi-year strategic and whole-of-institution approach by MDBs.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/mdbs-need-different-approaches-to-draw-in-private-financing-and-achieve-their-full-potential/articleshow/105762414.cms>