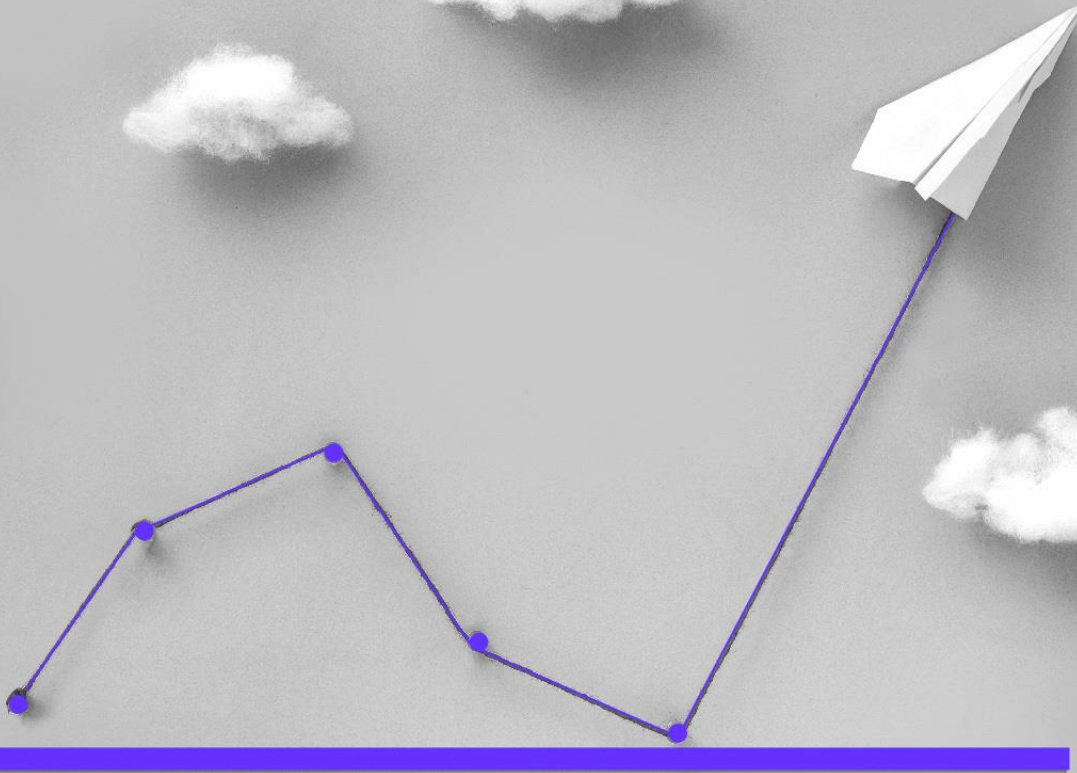


TRENDS & TIDES

**FY24 GDP growth revised
higher to 8.2% YoY, Q4FY24
GDP growth at 7.8% YoY**



FY24 GDP growth revised higher to 8.2% YoY from 7.6% earlier

Q4 GDP slows down to 7.8% YoY from 8.6% in Q3 due to weaker growth in the manufacturing and trade sectors

Real Growth YoY%	Share	FY23	FY24	FY24				
Sector	FY24			Q1	Q2	Q3	Q4	
Agriculture	15%	4.7%	1.4%	3.7%	1.7%	0.4%	0.6%	← Agricultural growth was muted due to weak agricultural production caused by an erratic monsoon in 2023
Industry	22%	(0.6%)	9.3%	5.0%	13.6%	10.8%	8.3%	
Mining	2%	1.9%	7.1%	7.0%	11.1%	7.5%	4.3%	
Manufacturing	17%	(2.2%)	9.9%	5.0%	14.3%	11.5%	8.9%	← Manufacturing sector growth moderated in Q4 as operating profit growth for listed manufacturing companies slowed down
Electricity	2%	9.4%	7.5%	3.2%	10.5%	9.0%	7.7%	
Services	64%	9.9%	7.9%	10.4%	6.9%	7.5%	7.0%	
Construction	9%	9.4%	9.9%	8.6%	13.6%	9.6%	8.7%	← Construction sector growth slowed down as the moderation in steel consumption growth offset higher cement production
Trade, Hotels, Transport, Communication	19%	12.0%	6.4%	9.7%	4.5%	7.0%	5.1%	← Trade+ impacted by poor CV sales and lower GST collections growth in Q4
Financial services, Real estate, Professional Services	23%	9.1%	8.4%	12.6%	6.2%	7.0%	7.6%	← The financial sector is supported by strong credit and deposit growth, but the IT sector continues to disappoint
Public Admin, Defence & Other Services	13%	8.9%	7.8%	8.3%	7.7%	7.5%	7.8%	
Real GVA	100%	6.7%	7.2%	8.3%	7.7%	6.8%	6.3%	← Gross Value Added (GVA), a better indicator of growth than GDP, slowed down to 6.3% YoY from 6.8% in Q3
Real GDP		7.0%	8.2%	8.2%	8.1%	8.6%	7.8%	

GDP = GVA + (indirect taxes – subsidies)

Source: MOSPI, 360 ONE Asset Research

FY24 GDP growth driven by the pick-up in fixed investment growth

Private consumption remains subdued in Q4, and investment growth slows down

Real Growth YoY%	Share FY24	FY23	FY24	FY24			
				Q1	Q2	Q3	Q4
Consumption Expenditure	65%	7.1%	3.8%	4.6%	4.1%	3.1%	3.4%
Private Consumption	56%	6.8%	4.0%	5.5%	2.6%	4.0%	4.0%
Government Consumption	10%	9.0%	2.5%	-0.1%	14.0%	-3.2%	0.9%
Gross Capital Formation	36%	2.0%	12.2%	7.5%	10.7%	11.5%	8.0%
Fixed Investments	34%	6.6%	9.0%	8.5%	11.6%	9.7%	6.5%
Changes in Stocks	1%	14.5%	5.9%	1.2%	10.2%	7.5%	5.0%
Valuables	2%	-19.1%	21.2%	-21.0%	-0.9%	63.9%	72.8%
Exports	23%	13.4%	2.6%	-6.6%	5.0%	3.4%	8.1%
Less Imports	25%	10.6%	10.9%	15.2%	11.6%	8.7%	8.3%
Real GDP	100%	7.0%	8.2%	8.2%	8.1%	8.6%	7.8%

Private consumption again underwhelms in Q4FY24

Government consumption improves in Q4 FY24, likely on account of recovery in the Centre's revenue expenditure

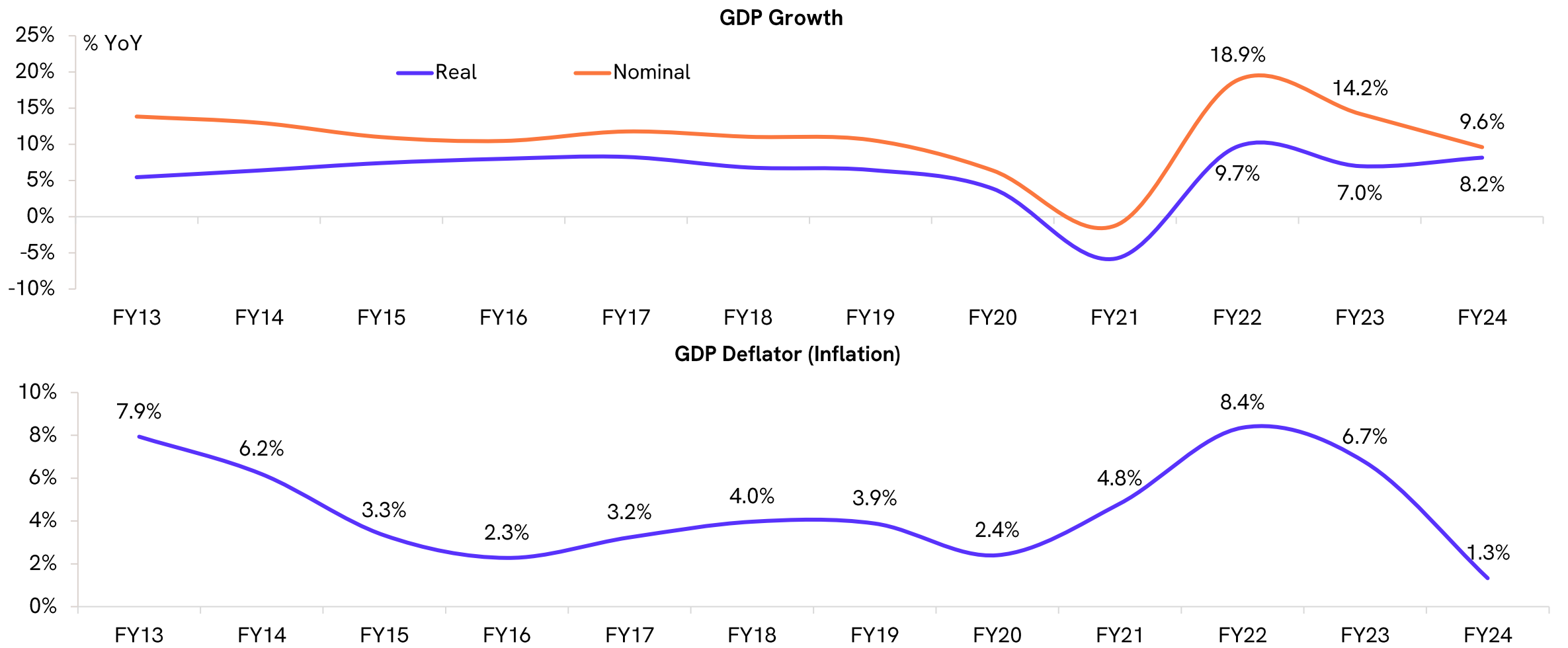
Fixed investments in FY24 were driven by strong growth in government capex and a recovery in private sector capex
However, the investment growth slowed down in Q4

Net exports (exports minus imports) continue to be a drag on GDP growth as import growth outpaces exports in real terms

Nominal GDP growth declines in FY24 as inflation corrects significantly

The GDP deflator, a measure of inflation, drops in FY24 largely due to the correction in commodity prices

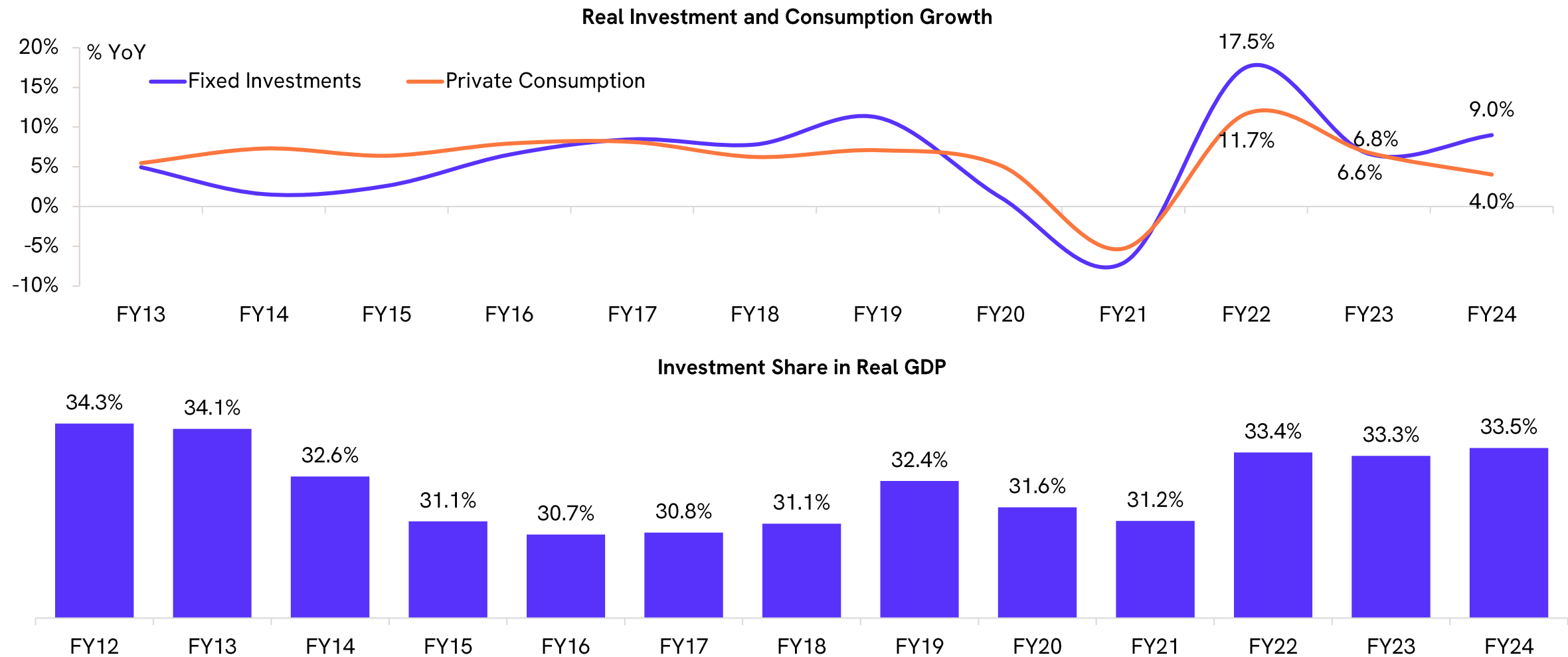
asset
360
ONE



Source: MOSPI, 360 ONE Asset Research

Investment growth significantly outpaces consumption in FY24

The investment share in real GDP increases to 33.5% in FY24 from a low of 30.7% in FY16



Source: MOSPI, 360 ONE Asset Research

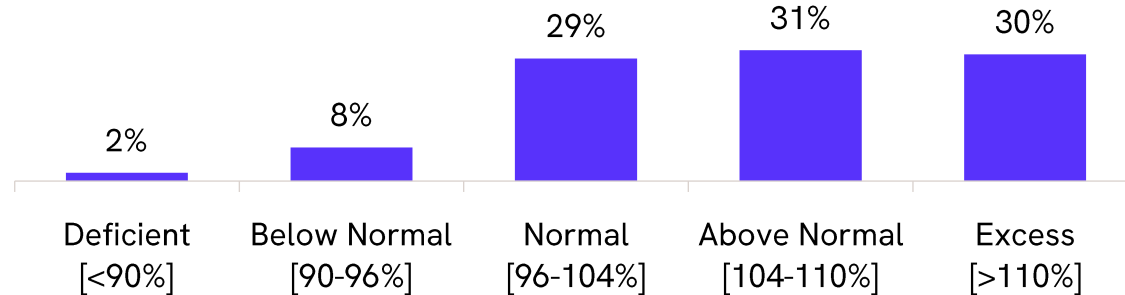
Outlook: FY25 GDP growth is expected to be around 6.8% YoY

Subdued consumption, 'higher for longer' interest rates, and a volatile external environment pose risks to the outlook

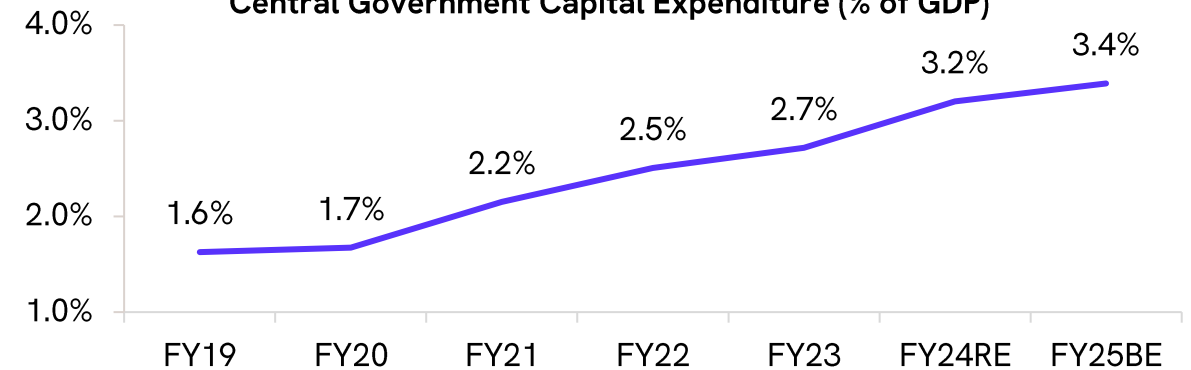
IMD's monsoon forecast of 106% of the long-period average bodes well for rural consumption, but weak hiring could impact urban consumption

The government continues to ramp up capital expenditure, while the private sector is also showing signs of recovery

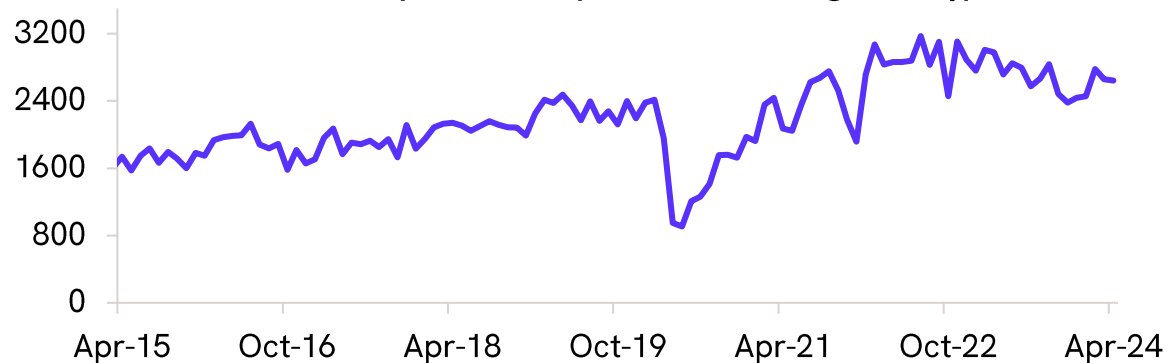
IMD 1st Stage Long Range Forecasts
Probabilities for Rainfall Range (% of Long Period Average)



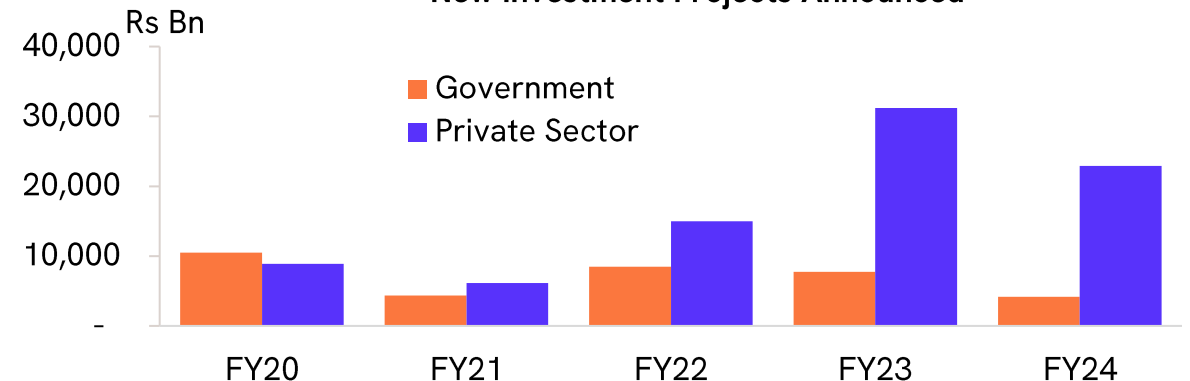
Central Government Capital Expenditure (% of GDP)



Naukri JobSpeak Index (Measure of Hiring Activity)



New Investment Projects Announced



Disclaimer

This document constitutes confidential and proprietary material and may not be reproduced or further distributed in part or full to any other person without the written permission of 360 ONE AMC. This document is the property of 360 ONE AMC and must be returned to 360 ONE AMC or its affiliates upon request. This document is provided for assistance only and is not intended to be used for taking investment decisions or otherwise. This document is not investment, legal, tax, or accounting advice. The recipients should also inform themselves, and should take appropriate advice, on the legal requirements and shall not rely on this document for any subscription, purchase, holding, exchange, redemption or disposal of any investments. The opinions expressed herein are the personal opinions of the author. Past Performance is not an indicator/guarantee of future returns. Investment in securities are subject to market risk. Whilst every care has been taken in preparing this document, 360 ONE AMC and its affiliates and agents to the fullest extent permitted by applicable law disclaim any liability or responsibility for any error or omission or inaccuracy or mistake of any nature or any consequences of the use of the material/ information displayed on this document. Notwithstanding the aforesaid, nothing set out above shall exclude liability for any undertaking, representation, warranty or other assurance made fraudulently. The information given in this document is not exhaustive and is subject to change without notice.

asset
360
ONE

