

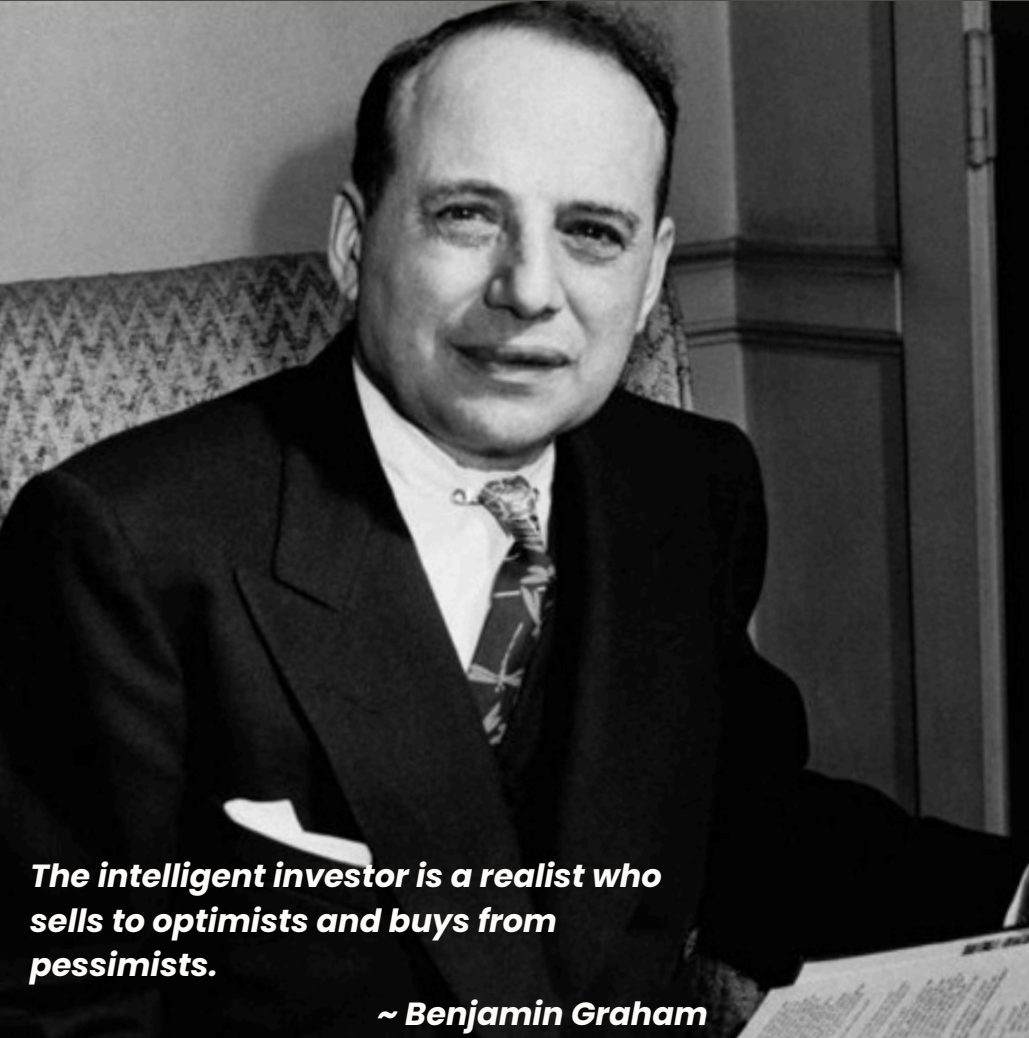
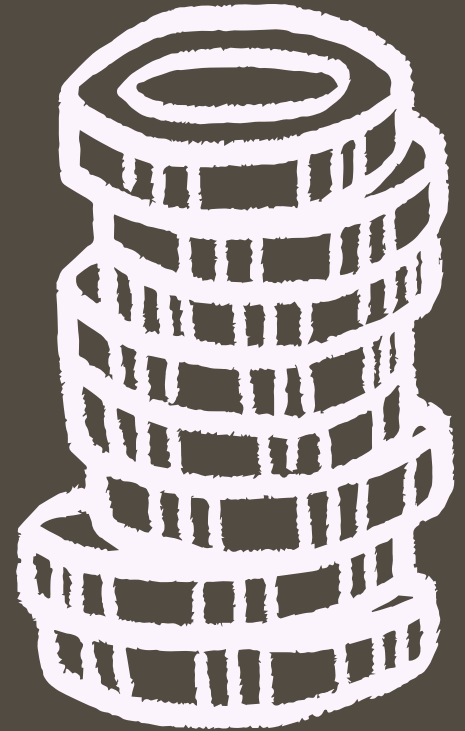
THE ECONOMIC POST

helping you make better financial and investment decision..

Big Stories of the week

Central Bank to delay interest rate cut to late this year. Poll

FPIs turn net debt buyers in May on JP Morgan index inclusion



The intelligent investor is a realist who sells to optimists and buys from pessimists.

~ Benjamin Graham

What's inside

- Editor's pick of the week
- News of the week
- ep. Tech Buzz
- Industry research on auto sector
- Capital markets tracker
- International update

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Editors Pick



ADITYA BIRLA GROUP SURPASSES \$100 BILLION MARKET CAP MILESTONE



Aditya Birla Group's market cap surpasses \$100 billion fueled by Vodafone Idea's surge; strategic diversification and bullish investor sentiment drive conglomerate's remarkable performance.

VEDANTA CONSIDERING SHARE SALE WORTH \$1 BN IN COMING WEEKS

Vedanta is working with Axis Bank's subsidiary Axis Capital and Citigroup on the offering, gauging interest from potential investors, including Middle Eastern funds, and is working with advisers to ensure confidentiality.

GOVERNMENT TELECOM RECEIPTS IN FY24 FALL SHORT BY RS 10,000 CRORE



Government telecom receipts for FY24 fall short by Rs 10,000 crore due to BSNL adjustments, highlighting ongoing challenges despite rising revenues from private operators and sector optimism.

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AESL UNVEILS RS 20,000 CR INVESTMENT PLAN FOR 8-YEAR EXPANSION

Adani Energy Solutions plans Rs 20,000 crore investment over 8 years to expand distribution, targeting 20% market share and 4.5 million customers, eyeing parallel licensing opportunities.

HERO FINCORP ANNOUNCES ₹4,000 CR IPO, EYES EXPANSION



Hero FinCorp Ltd, a subsidiary of Hero MotoCorp Ltd, approves a ₹4,000 crore Initial Public Offering (IPO) for equity shares, aiming for expansion. Shares of Hero Motocorp Ltd ended at ₹5,136.10, down by ₹50.75, or 0.98% on the BSE.

INDIAN PHARMACEUTICAL EXPORTS EXPECTED TO SURGE BY 11% IN FY25

The Pharmaceuticals Export Promotion Council of India (Pharmexcil) forecasts a robust growth trajectory for India's pharmaceutical export sales in the fiscal year 2025, projecting a nearly 11% increase. This surge, led by key markets such as the United States and the UK, underscores India's resilience and competitiveness in the global pharmaceutical landscape.



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CENTRAL BANK TO DELAY INTEREST RATE CUT TO LATE THIS YEAR: POLL

The Central Bank of India will cut interest rates just once this year, most likely in October-December quarter rather than next quarter, although there was no clear majority among economists polled by Reuters on the timing of the first move.

With a growing likelihood many major central banks, including the US Federal Reserve, delay cutting interest rates, there is little upside for the RBI to step in front.



1

Almost all economists surveyed expect the RBI to maintain the repo rate at 6.50% at its June meeting, just after the election results.

2

Inflation is expected to average around 4.5% for this fiscal year and the next, remaining above the RBI's preferred range.

3

Economic growth is forecasted to average 6.8% this fiscal year and 6.6% next fiscal year.

4

Median forecasts suggest no further rate cuts beyond 6.00% in the near future.



Predictions for Rate Cuts: The most common prediction is for the first rate cut to occur in Q4 2024, with a median forecast of 6.25%. Inflation is expected to stay above 4%, despite forecasts showing a temporary dip.

Reasons for Delay in Rate Cut: With robust economic growth and inflation above target, there's little incentive for the Monetary Policy Committee (MPC) to cut rates before December, according to analysts.

FPIS TURN NET DEBT BUYERS IN MAY ON JP MORGAN INDEX INCLUSION

JP Morgan Index Inclusion

JP Morgan announced the inclusion of Indian government papers issued by the Reserve Bank of India under the Fully Accessible Route in its widely tracked GBI-EM.

Inclusion begins on June 28, gradually increasing weighting until March 31, 2025, with Indian bonds reaching a 10% weighting similar to China.



Expected Inflows and Index Inclusion Criteria

- With \$250 billion of assets under management tracking the index, an estimated \$25 billion inflow is expected.
- Eligible instruments for index inclusion require a notional outstanding above \$1 billion (equivalent) and at least 2.5 years remaining maturity.

FPIS boost Indian debt holdings as JP Morgan Index inclusion nears; ₹7,427 crore inflow in May, reversing April's ₹11,218 crore sell-off.

FPIS drawn by expected yield cool-down; 10-year govt bond yields drop by 20 bps to 7% in May.

April's debt market turmoil linked to US Treasury yield surge amid global tensions.

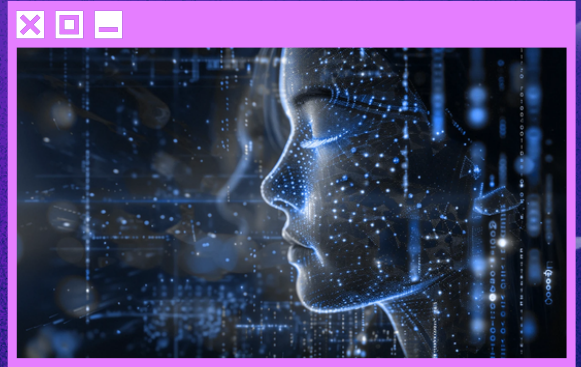
FY24 sees substantial foreign inflows, with ₹3.23 trillion entering Indian markets compared to ₹45,365 crore outflow in FY23.

5 TOP TECHNOLOGY TRENDS TO WATCH IN 2024

AI'S UBIQUITY



AI and machine learning are now integral to every industry, thanks to democratized processing power and accessible algorithms. Companies are leveraging AI APIs from major tech firms and startups like OpenAI to innovate affordably, from personalized assistants to streamlined workflows.



RESURGENCE OF PROGRAMMING LANGUAGES



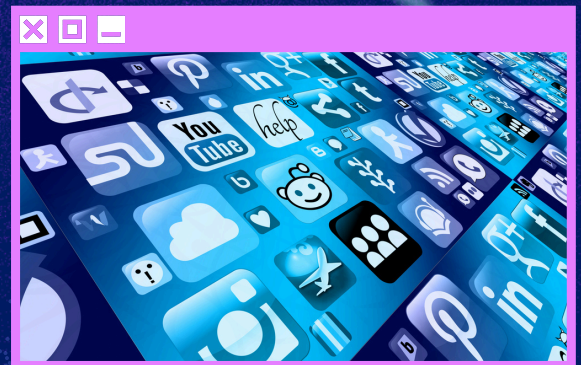
Python retains its top spot, driven by its role in machine learning. Meanwhile, older languages like C and JavaScript maintain relevance, while newer languages like Go and Rust find intriguing applications, ensuring a diverse linguistic landscape for developers.



MODULAR FRAMEWORKS RESHAPE APP DEVELOPMENT



Companies are shifting from monolithic to modular architectures, embracing microservices and serverless setups. This trend aligns with the rise of languages like Go and democratized development approaches, fostering agile and adaptable software creation.



INTERNET OF BEHAVIORS MERGES IOT AND AI



The Internet of Behaviors emerges as the latest IoT frontier, leveraging AI to understand user behavior deeply. Smart devices analyze rich data sets to deliver proactive responses, promising a future where IoT lives up to its "smart" moniker.



ZERO TRUST SECURITY



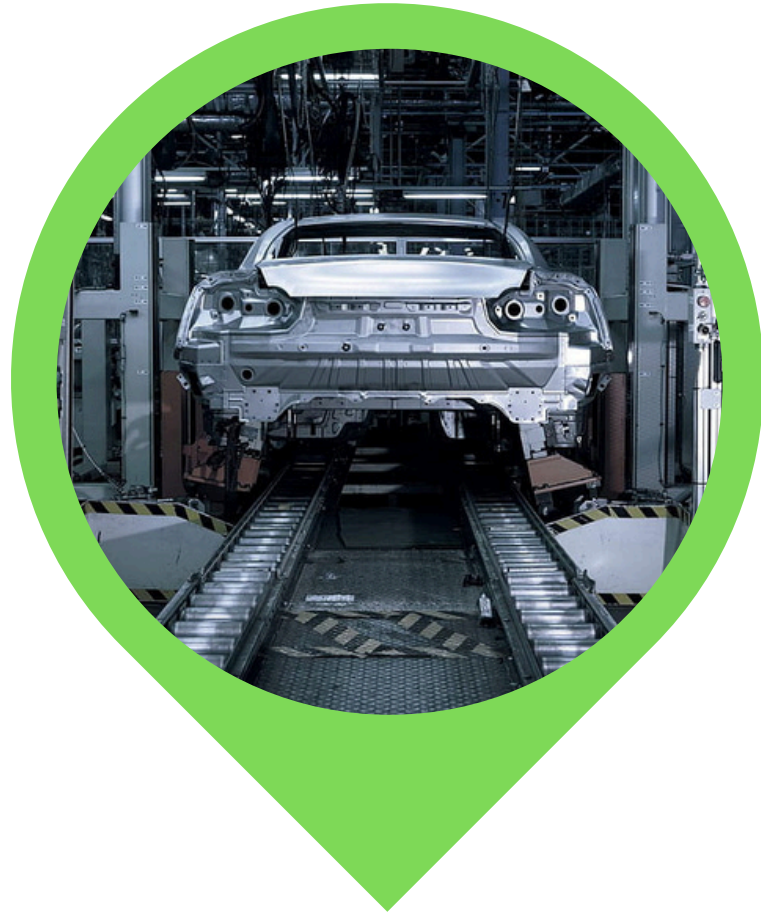
Legacy security methods give way to Zero Trust principles, emphasizing continuous user verification, minimal access, and assuming systems are already breached. Recent advancements in tech make implementing Zero Trust feasible, offering robust defense against cyber threats.



INDUSTRY RESEARCH ON AUTO SECTOR

ABOUT

The Indian auto industry is pivotal for economic growth and technological advancement. It's poised for future expansion, notably in electric vehicles, especially in three-wheelers and small passenger cars. With government initiatives like the Automotive Mission Plan 2026, scrappage policy, and production-linked incentives, India aims to lead globally in two-wheelers and four-wheelers, reinforcing its position as a major auto exporter.



GROWING DEMAND & OPPORTUNITIES

1 Strong demand fueled by rising middle-class income and youth population.



2 January 2024 saw production of 23,28,329 units spanning various vehicle types



3 Global EV market set to surge from US\$ 250 billion in 2021 to US\$ 1,318 billion by 2028.



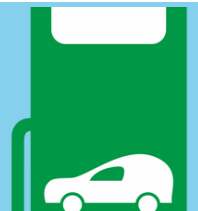
4 India poised to lead shared mobility by 2030, offering electric and autonomous vehicle opportunities.



5 Shifting focus to electric vehicles for emissions reduction; aiming for 30% market share by 2030.

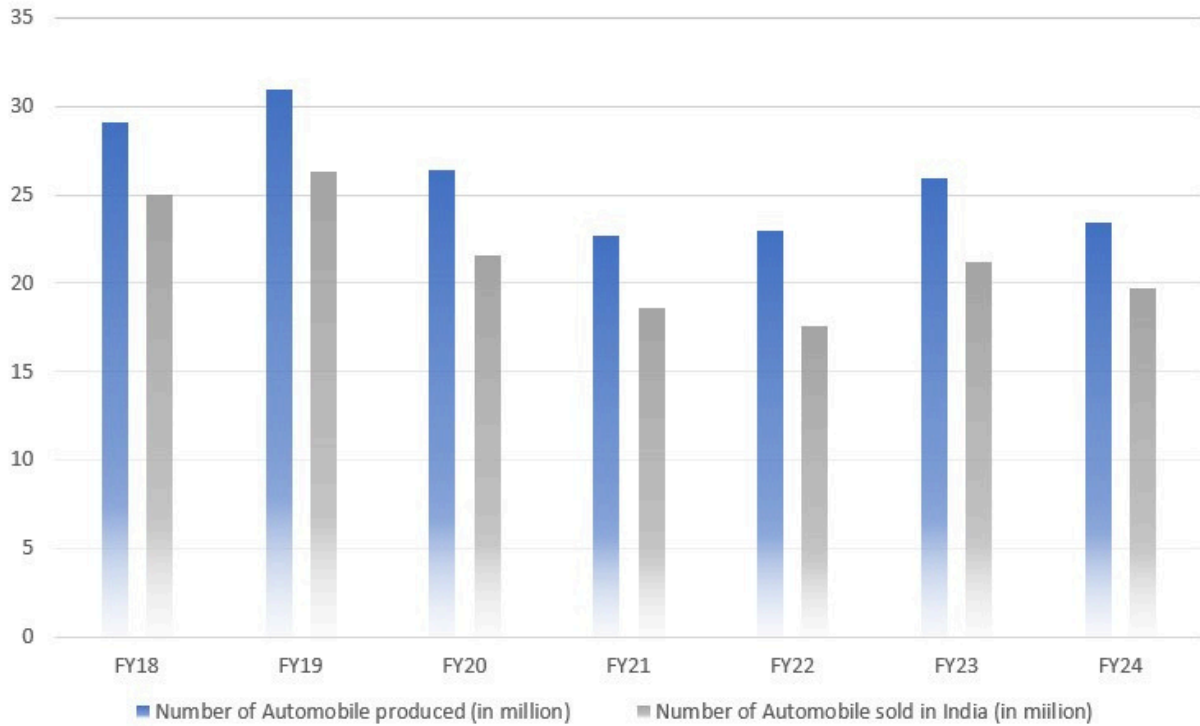


EV market



- India's EV market set to reach US\$ 7.09 billion (Rs. 50,000 crore) by 2025.
- CEEW study identifies a US\$ 206 billion EV opportunity in India by 2030.
- Forecast suggests India's EV finance industry to hit US\$ 50 billion (Rs. 3.7 lakh crore) by 2030.
- Positive outlook underscores the promising growth trajectory for India's electric vehicle sector.

MARKET SIZE



MARKET SIZE OF THE INDUSTRY

- Indian passenger car market valued at US\$32.70 billion in 2021, projected to reach US\$ 54.84 billion by 2027, with a CAGR exceeding 9% between 2022-27.
- Global EV market estimated at US\$ 250 billion in 2021, expected to expand fivefold to US\$ 1,318 billion by 2028.
- January 2024 witnessed production of 2.32 million units of passenger vehicles, 3W, 2W, and quadricycles.
- April-January FY24 saw total production of 23.36 million units across passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, and quadricycles.

GOVERNMENT ACTIONS

Indian EV market projected to hit US\$ 7.09 billion (₹50,000 crore) by 2025.

India strategizes schemes to encourage EV adoption and enhance charging infrastructure, earmarking US\$ 321.5 Mn for 2024-25.

Gujarat government unveils semiconductor policy in July 2022, introducing Dholera Semicon City and offering investment incentives in the semiconductor sector.

CAPITAL MARKETS

Overview of Indian Market

As per 31/May/2024

- The Nifty suffered significant losses during the week and settled below the 22,550 level.
- The benchmarks were lower for three out of five trading sessions.
- The broader market failed to maintain its outperformance, with the S&P BSE Sensex losing 1.92%, the Nifty 50 index losing 1.86%.
- BSE Mid-Cap index and BSE Small-Cap index all experiencing losses.



Weekly report

1) On Monday, the S&P BSE Sensex declined 19.89 points to 75,390.50, while the Nifty 50 index lost 24.65 points to 22,932.45.

2) On Tuesday, the S&P BSE Sensex was down 220.05 points to 75,170.45, and the Nifty 50 index lost 44.30 points to 22,888.15.

3) On Wednesday, the S&P BSE Sensex was down 667.55 points to 74,502.90, and the Nifty 50 index lost 183.45 points to 22,704.70.

4) On Thursday, the S&P BSE Sensex was down 617.30 points to 73,885.60, and the Nifty 50 index lost 216.05 points to 22,488.65.

5) On Friday, the S&P BSE Sensex was up 75.71 points to 73,961.31, and the Nifty 50 index rose 42.05 points to 22,530.70.

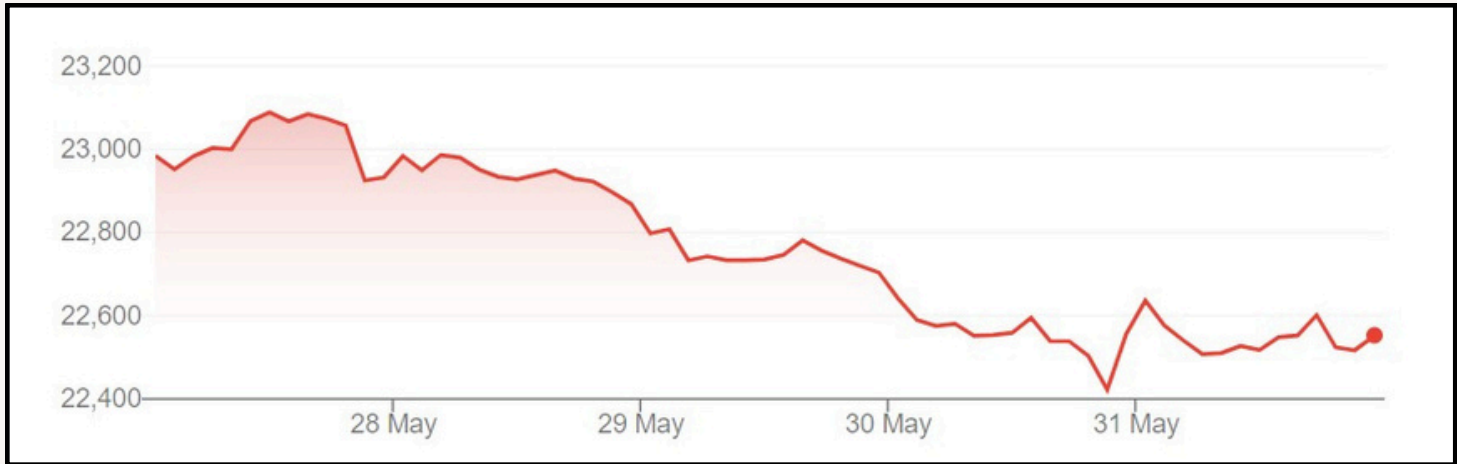
Global Market Indices

Name	Last	Open	High	Low	Chg.	Chg. (%)	Vol.	Time
Nifty 50	22,530.70	22,568.10	22,653.75	22,465.10	+42.05	+0.19%	572.12B	01:29:59
BSE Sensex	73,961.31	74,208.53	74,478.89	73,765.15	+75.71	+0.10%	19.20K	31/05
Nifty Bank	48,983.95	48,895.15	49,122.55	48,569.05	+301.60	+0.62%	303.63K	31/05
Nasdaq	16,735.02	16,771.90	16,789.27	16,445.54	-2.06	-0.01%	1.81B	01:30:57
DAX	18,483.07	18,495.22	18,542.27	18,426.72	-13.72	-0.07%	144.01M	31/05
FTSE 100	8,275.38	8,231.05	8,289.22	8,231.05	+44.33	+0.54%	2.23B	31/05
Nikkei 225	38,495.50	38,163.50	38,525.50	38,084.50	+483.00	+1.27%	-	31/05
Hang Seng	18,079.61	18,409.62	18,551.18	18,077.39	-150.58	-0.83%	5.34B	31/05
KOSPI	2,636.20	2,657.87	2,664.48	2,635.77	+0.76	+0.03%	594.08K	31/05

As per 31/May/2024

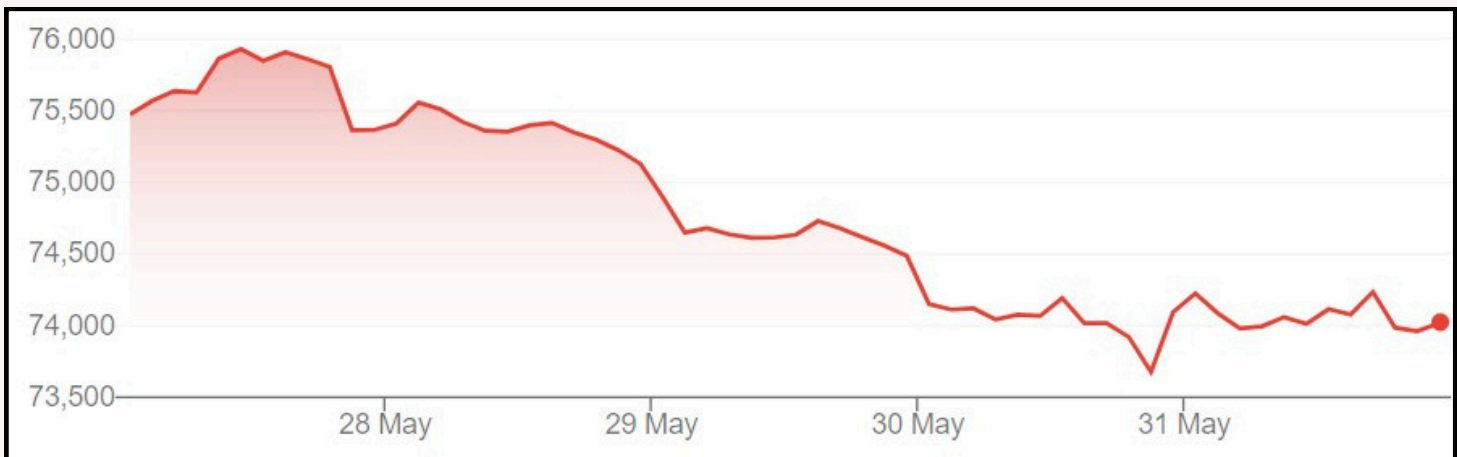
CAPITAL MARKETS

Nifty 50 weekly chart



As per 31/May/2024

Sensex weekly chart



As per 31/May/2024

Nifty 50 weekly gainer

Company Name	Last Price(₹)	Prev Price(₹)	Change(%)	Change(₹)
Divi's Lab	4307.20	4122.40	4.48	184.80
Hindalco	689.35	673.25	2.39	16.10
Bajaj Auto	9084.75	8948.20	1.53	136.55
Adani Ports -Special	1437.40	1416.10	1.50	21.30
Indusind Bank	1461.85	1441.80	1.39	20.05

Sensex weekly gainers

Company Name	Last Price(₹)	Prev Price(₹)	Change(%)	Change(₹)
Indusind Bank	1459.75	1441.80	1.24	17.95
Larsen Toubro	3667.40	3625.95	1.14	41.45
HDFC Bank	1530.85	1516.65	0.94	14.20
SBI	830.10	828.60	0.18	1.50
Asian Paints	2877.70	2875.25	0.09	2.45

Nifty 50 weekly losers

Company Name	Last Price(₹)	Prev Price(₹)	Change(%)	Change(₹)
Tech Mahindra	1228.45	1321.75	-7.06	-93.30
ONGC	264.35	283.25	-6.67	-18.90
Wipro	438.20	463.65	-5.49	-25.45
Grasim Industries	2316.25	2441.00	-5.11	-124.75
Titan Co	3241.90	3412.40	-5.00	-170.50

Sensex weekly losers

Company Name	Last Price(₹)	Prev Price(₹)	Change(%)	Change(₹)
Tech Mahindra	1228.85	1321.90	-7.04	-93.05
Wipro	437.75	463.50	-5.56	-25.75
Titan Co	3242.65	3414.05	-5.02	-171.40
TCS	3669.50	3850.75	-4.71	-181.25
Maruti Suzuki	12397.45	12999.60	-4.63	-602.15

Data as per 31/May/2024

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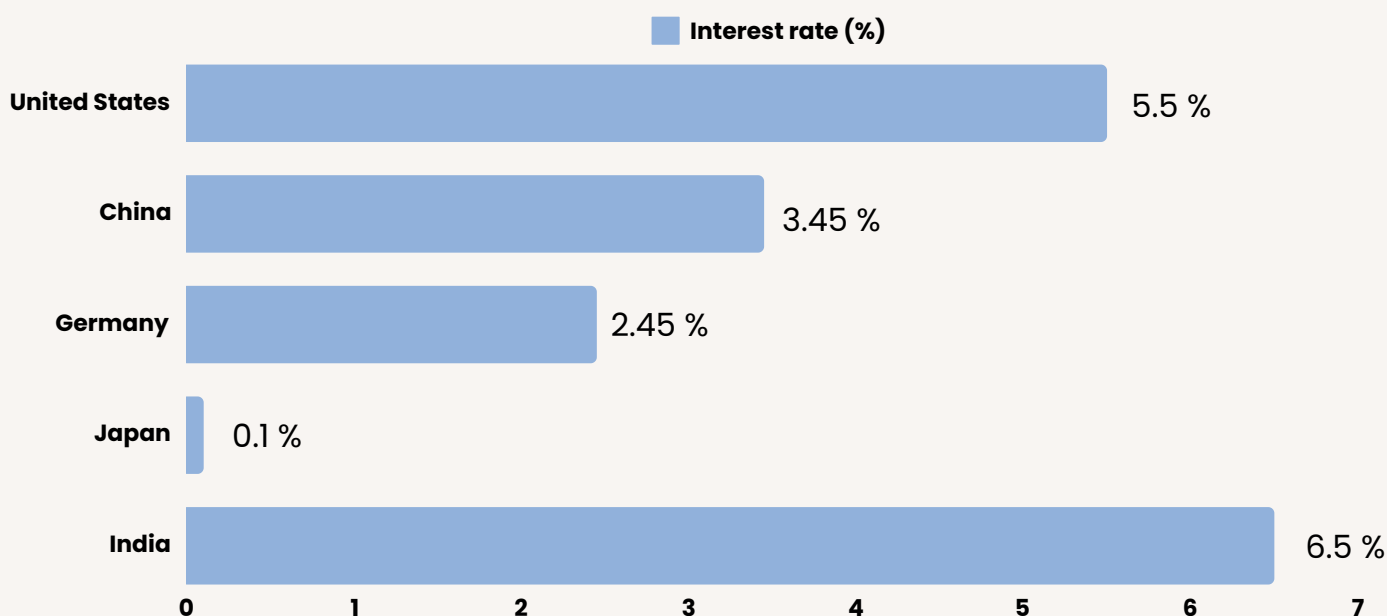


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CAPITAL MARKETS

Major Economies Interest Rate



Top 5 Index Fund

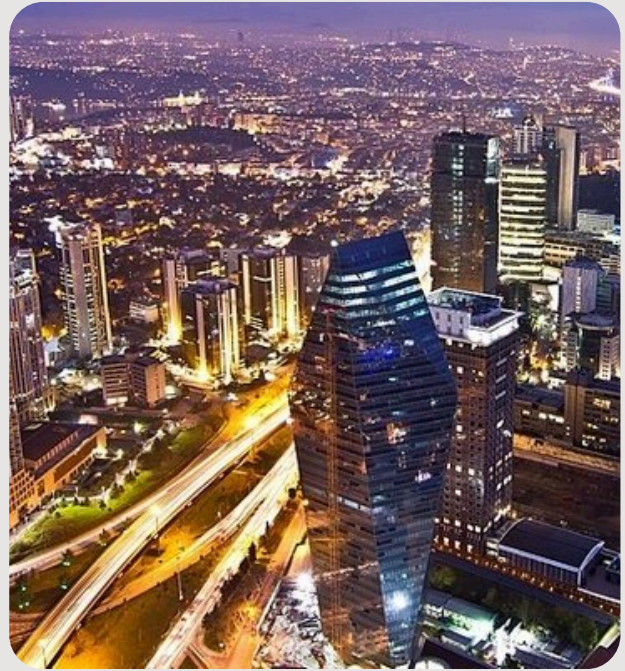
Index Fund	3-year return	Expense ratio
Motilal Oswal Nifty Small Cap 250 Index Fund Direct - Growth	33.64%	0.36
ICICI Prudential Nifty 50 Index Direct Plan-Growth	16.34%	0.17
Canara Robeco Small Cap Fund Direct - Growth	37.33%	0.44
DSP Nifty 50 Equal Weight Index Fund Direct - Growth	22.94%	0.40
Nippon India Nifty Small Cap 250 Index Fund Direct - Growth	33.50%	0.32

INTERNATIONAL UPDATES

TURKEY'S INFLATION IS CURRENTLY AT A PEAK, ACCORDING TO ECONOMISTS.

Turkey's Inflation Peaks in May

- Inflation in Turkey reached 75% in May, up from 69.8% in April.
- Consumer prices rose 75.45% annually and 3.37% monthly, according to the Turkish Statistical Institute.
- Turkey's central bank has kept its interest rate at 50% since March to counter inflation.
- The month-on-month CPI increase of 3.4% in May was higher than in both March and April, leading some analysts to expect a less straightforward trajectory in terms of price easing.
- Economists remain mixed on whether Turkey's central bank will cut interest rates by the end of this year or wait until 2025.



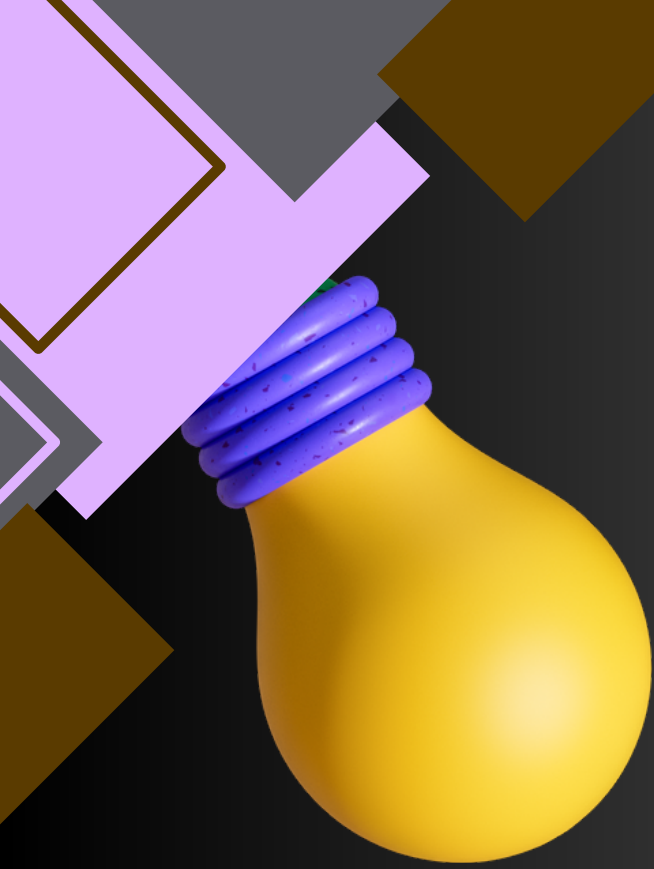
TRUMP CAMPAIGN RAISES RECORD \$141 MILLION FOLLOWING GUILTY VERDICT

- Donald Trump's Campaign and Republican National Committee Report \$141 Million in May
- Over two million donations reported, averaging \$70.27.
- 37.6% of donations occurred within 24 hours post-verdict.
- Trump's fundraising prowess challenges Biden's financial advantage, potentially narrowing the gap in the race.

THE GLOBAL DEBT HAS RISEN TO \$315 TRILLION THIS YEAR, WITH THE GROWTH BEING ATTRIBUTED TO VARIOUS FACTORS.

- IIF reports a **\$315 trillion** global debt wave, largest since World War II.
- The increase is primarily driven by emerging markets, where debt surged to an unprecedented high of over \$105 trillion.
- Around two-thirds of the debt originates from mature economies, with **Japan** and the **US** contributing the most.
- The debt-to-GDP ratio for mature economies is generally falling, while emerging markets' debt-to-GDP ratio hit a new high of 257%.
- China, India, and Mexico were the biggest contributors.
- The IIF identified **inflation**, **rising trade friction**, and **geopolitical tensions** as potential risks to debt dynamics.
- Business debt, stood at \$164.5 trillion, with the financial sector alone making up \$70.4 trillion of that amount.





At the heart of economic thought, policy, and progress lies a shared passion for understanding the world's financial landscape. Founded on this very principle, The Economic Club of India along with the Economic Post network brings together a diverse community of professionals, scholars, and enthusiasts dedicated to exploring the dynamic forces shaping our global economy. Also referred to as "India Economic Club" - we are a vibrant community of economists, finance experts, students, and business leaders. Our members share a common goal: to delve into the intricacies of economic theory, financial markets, and global trends. Whether you are an established professional seeking to stay abreast of the latest developments or a student eager to explore the foundations of economic thought, you will find a welcoming home within our club. The key focus areas will be Business news for all the action taking place in India Inc., analyzing Government Policies for its impact on businesses and the Indian Economy.

The Economic Post recently released its monthly journal - the ep. Epistle. Check out the latest monthly edition of the EP. Epistle May 2024 Edition



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