

MONTHLY MAGAZINE NOVEMBER, 2024



INDIA'S GST COLLECTIONS

Gross GST collection in October rose 9 per cent to over Rs 1.87 lakh crore, the second-highest ever, on pick-up in domestic sales and improved compliance. The Central GST collection stood at Rs 33,821 crore, State GST at Rs 41,864 crore, Integrated IGST at Rs 99,111 crore and cess at Rs 12,550 crore during the month. As per the government data released on Friday, the total gross Goods and Services Tax (GST) revenue grew 8.9 per cent to Rs 1,87,346 crore. In October 2023, the mop-up was at Rs 1.72 lakh crore.

October 2024 recorded the second-best GST mop-up. The highest ever collection was in April 2024 at over Rs 2.10 lakh crore. During the month under review, GST from domestic transactions grew 10.6 per cent to Rs 1.42 lakh crore, while revenues from tax on imports rose about 4 per cent to Rs 45,096 crore.



INDIA'S RETAIL INFLATION

India's retail inflation rose to a nine-month high in September due to higher food prices, according to government data on Monday. Annual retail inflation, based on the All India Consumer Price Index (CPI), rose to 5.49% in September, higher than 3.65% in August. This is the highest retail inflation rate since December 2023, when it was 5.69%.

However, the inflation was within the Reserve Bank of India's (RBI) medium-term target of 2-6%. Food inflation, a persistent challenge, rose 9.24% annually compared to a 5.66% rise in August. It stood at 5.42% in July, 9.36% in June, 8.69% in May and 8.70% in April, according to the ministry of statistics and programme implementation (MoSPI).

WPI INFLATION

India's wholesale inflation accelerated to 1.84 per cent in September on an annual basis, as against 1.31 per cent in August amid surge in food prices, showed government data on Monday. The WPI for September 2023 was pegged at 0.26 per cent. The wholesale inflation, measured using the Wholesale Price Index, was expected to be at 1.92%, according to economists polled by Reuters.

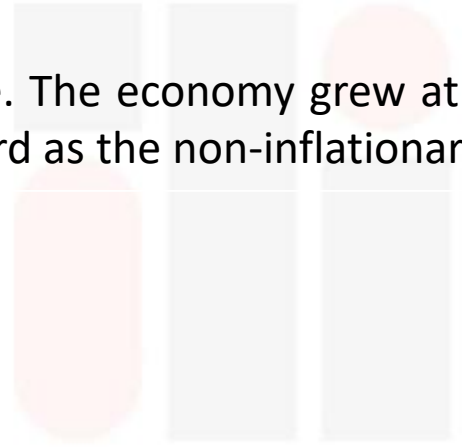
Fuel and power deflated in September with prices falling over 4 per cent when compared to 0.67 per cent in the previous month. Food prices, a key indicator went up to 9.47 per cent in September from 3.26 per cent in August, showed government data. Vegetable prices rose 48.7 per cent, compared to a drop of 10 per cent in August. Cereal prices rose 8.1 per cent over last year from an 8.4 per cent increase a month ago.



The US economy maintained a solid pace of growth in the third quarter as ebbing inflation and strong wage gains powered consumer spending ahead of a contentious presidential election set to turn on pocketbook issues.

Gross domestic product increased at a 2.8% annualized rate last quarter, the Commerce Department's Bureau of Economic Analysis said in its advance estimate of third-quarter GDP on Wednesday. Economists polled by Reuters had forecast GDP advancing at a 3% pace.

Estimates ranged from a 2.0% pace to a 3.5% rate. The economy grew at a 3% pace in the second quarter. The pace of growth was well above what Federal Reserve officials regard as the non-inflationary growth rate of around 1.8%.



India's fiscal deficit for April-September stood at ₹4.75 trillion, 29.4% of the estimate for 2024-25, according to the data released by the Controller General of Accounts (CGA) on Wednesday.

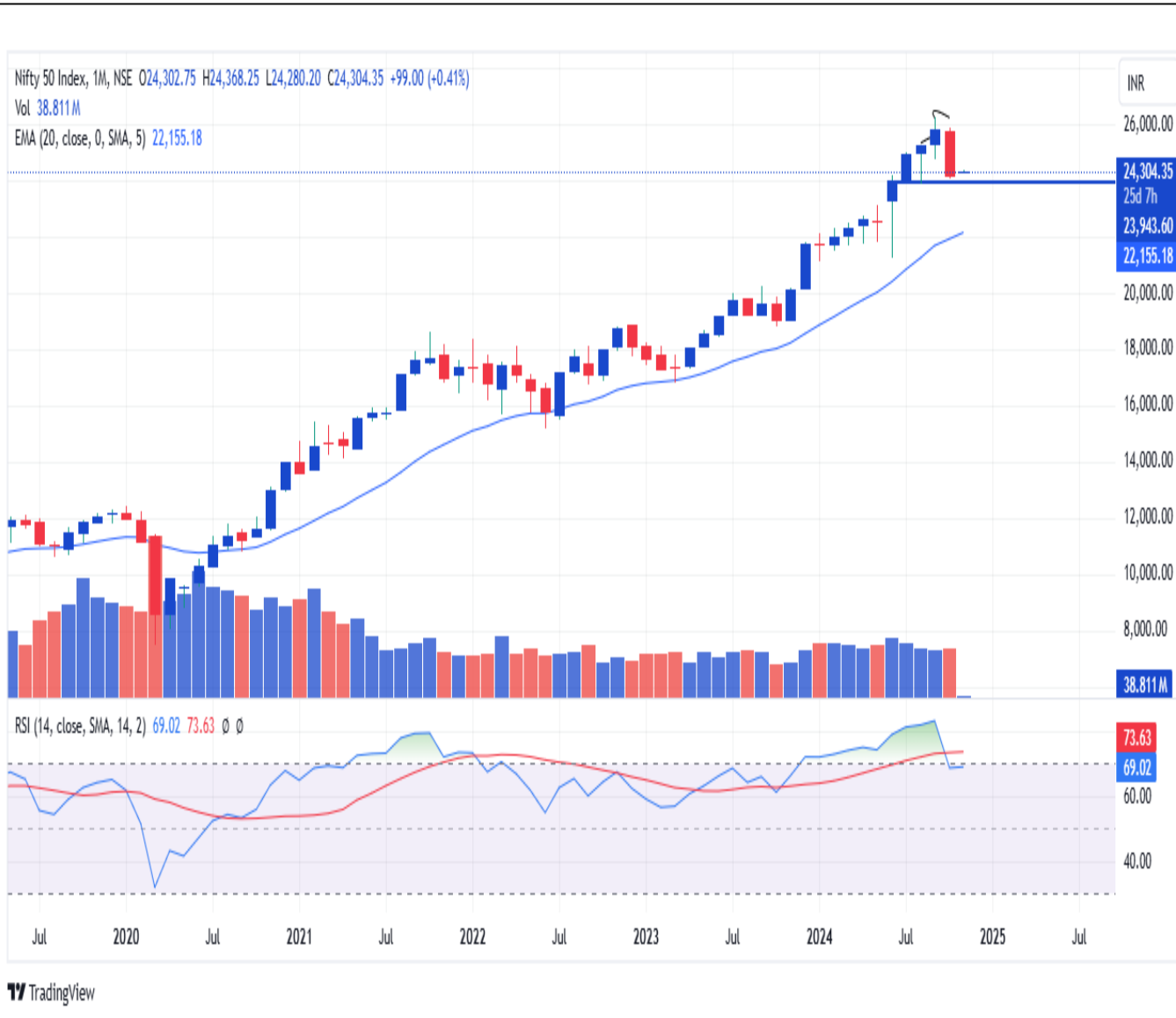
The latest figure is lower than ₹7.02 trillion a year ago due to higher tax receipts, Reserve Bank of India (RBI) dividend, and subdued government capex during the quarter that ended 30 June (Q1FY25) amid the general elections.

The central government's fiscal deficit target is 4.9% of the gross domestic product (GDP) for 2024-25, as announced by finance minister Nirmala Sitharaman in the Union Budget 2024-25 against 5.6% in 2023-24, which was lower than the revised estimates of 5.8%.

ECONOMIC OVERVIEW

In conclusion, India's economic outlook in October 2024 reflects a promising yet complex landscape. The significant GST collection growth indicates robust economic activity and improved tax compliance, underscoring the government's fiscal strength. The lower-than-expected fiscal deficit also provides reassurance of sound fiscal management as the country moves towards its deficit target for FY 2024-25. However, rising inflation—especially within food categories—poses a potential challenge to sustaining consumer purchasing power and could lead to increased pressure on household finances.

NIFTY TECHNICAL VIEW (MONTHLY CHART) – 24,304.35



- In October, the Nifty saw significant bearish momentum, closing down by -6.22% as selling pressure persisted throughout the month.
- On a monthly scale, a strong bearish candle formed, and the RSI displayed a negative crossover, continuing to trend south, indicating ongoing weakness. However, the index managed to hold its horizontal support level, offering a glimmer of hope for bullish recovery.
- **Looking ahead to November, sustaining above the psychological support of 24,000 will be crucial to maintain bullish sentiment. On the upside, 25,380 will serve as an initial resistance level.**



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