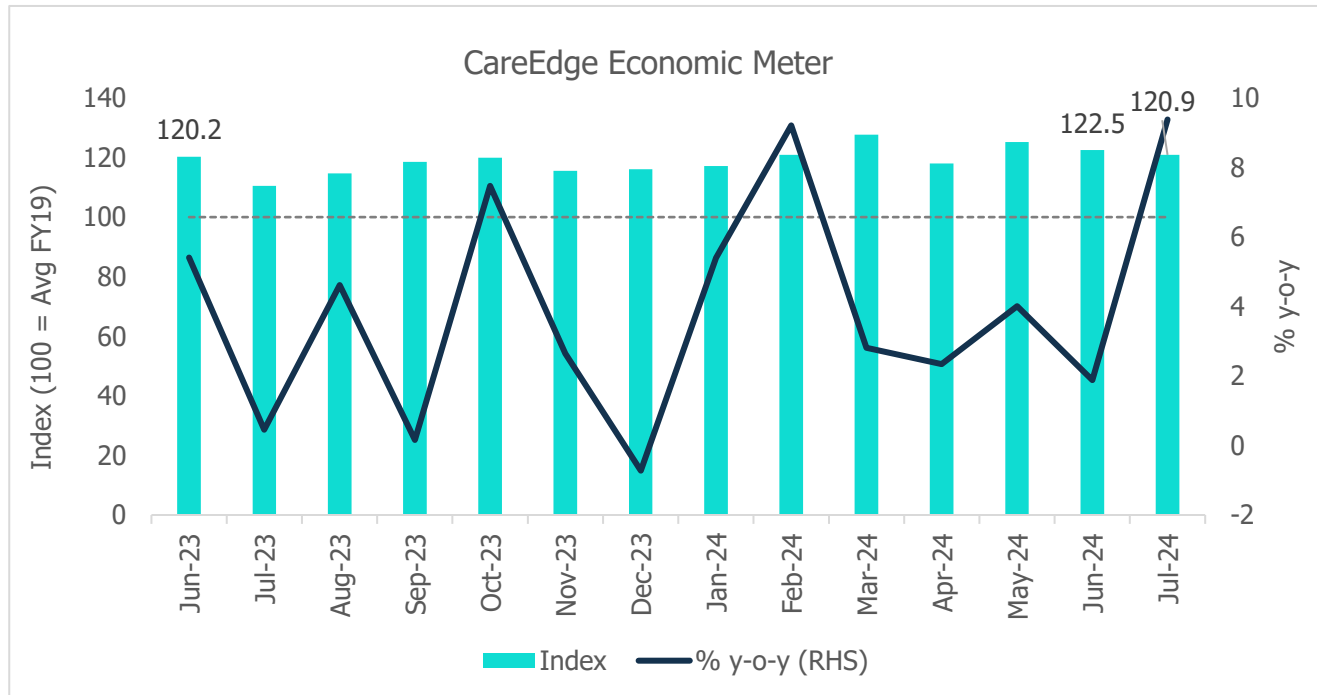


# CareEdge Economic Meter

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August 2024

# CEM Up by 9.4% in July



Source: CareEdge; \*Appropriate adjustments have been made for the unavailability of data

Note: CareEdge Economic Meter (CEM) is a composite index covering 16 high-frequency economic indicators to track the state of the economy on a real-time basis. We have considered FY19 as our base year to facilitate relative comparisons. Also, to discount for the impact of inflation on nominal variables such as GST collections, credit, exports, imports etc., we have deflated the series using CPI index.

- CEM expanded by 9.4% y-o-y in July higher than 1.9% growth witnessed last month. However, the CEM witnessed a sequential moderation in July.
- Out of 16 high-frequency indicators used in CEM calculation, 13 witnessed an annual growth in July.
- Debt issuances, E-way bill and petroleum consumption aided in CEM's performance; while slowing PMI services, contracting PV sales and slowing credit growth hindered the performance.

# What Moved the CEM in July?

## Indicators which Supported Growth

- **Debt Issuances** recovered from a contraction in the last four months and witnessed a growth of ~90% (y-o-y) compared to the last year on a nominal basis. The index was further supported by issuances of commercial papers.
- **E-way bill issuances** rose by 19.2% (y-o-y) in July, higher than the 16.3% (y-o-y) growth witnessed last month. **GST collection** also grew by 10.3% (y-o-y) in July in nominal terms, recovering from single digit growth witnessed in the previous month.
- **Farm tractor sales** grew by 1.4% (y-o-y) in July, thereby remaining in positive territory for the past three months. Good progress of monsoon at a national level supported the tractor sales.
- **Petroleum Consumption** grew by 7.4% (y-o-y), higher than 2.7% growth witnessed last month.
- **Currency in circulation** grew by 6.4% (y-o-y) in nominal terms, higher than the average growth of 4% witnessed over the past 12 months.

## Indicators which Limited Upside

- In July, **passenger vehicle (PV) sales** experienced a decline of 0.9% (y-o-y), representing the first contraction since April 2022.
- **SCB's credit** growth slowed to 13.6% (y-o-y) in nominal terms, marking the slowest pace of expansion in the last one year.
- **Services PMI** moderated to 60.3 in July from 60.5 in June. **Manufacturing PMI** also moderated to 58.1 in July from 58.3 last month.

# Indicators At a Glance - Monthly Trend

y-o-y % <sup>^</sup>	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
PMI - Manufacturing	2.3	4.3	4.4	0.4	0.5	-5.0	2.0	2.9	4.8	2.8	-2.0	0.9	0.7
PMI - Services	12.3	5.1	12.3	6.0	0.9	0.9	8.0	2.0	5.9	-1.9	-1.6	3.4	-3.2
E-way Bill Issuances	16.4	19.5	9.5	30.5	8.5	13.2	16.4	18.9	13.9	14.5	17.0	16.3	19.2
GST Collections	3.1	3.7	4.9	8.1	9.1	4.3	5.0	7.1	6.0	7.2	5.1	2.4	6.5
Exports*	-13.6	0.8	-4.2	2.0	-6.7	-3.7	0.7	6.9	-4.4	-1.1	9.6	-1.0	-3.2
Imports*	-19.4	-1.9	-15.3	5.6	-7.7	-11.9	-2.5	7.2	-9.6	7.4	3.8	1.4	5.6
Credit Outstanding	11.4	12.1	14.2	14.2	14.3	13.5	14.5	14.7	14.6	13.5	14.3	11.7	9.7
Commercial Paper Issued	-9.3	-28.2	-16.7	-2.8	-21.7	-12.5	-13.2	30.2	13.4	-27.8	7.6	2.9	10.4
Debt issuances	-15.3	-15.9	-22.4	-25.8	-2.9	-16.8	1.7	30.3	-6.3	-47.7	-21.6	-44.1	83.5
Power Consumption	8.3	16.3	10.3	20.9	6.1	1.6	6.1	8.4	9.1	10.5	15.3	8.9	8.2
Petroleum Consumption	3.1	8.0	7.9	4.8	-2.2	3.7	7.3	8.2	1.7	7.8	1.9	2.7	7.4
PV Sales	4.1	12.4	5.1	16.7	3.6	0.2	9.9	10.9	4.8	3.7	3.8	9.6	-0.9
2-3-Wheeler Sales	-8.0	0.2	2.0	17.2	24.2	13.8	23.9	34.5	17.8	28.9	11.4	18.3	11.6
Tractor Sales	0.0	-4.1	-15.6	-5.3	1.5	-21.3	-14.5	-25.7	-19.5	-2.9	0.5	3.5	1.4
Currency in Circulation	-2.8	-2.7	-0.8	-1.9	-1.2	-1.6	-1.2	-1.3	-0.8	-1.5	-1.0	0.9	2.7
Unemployment Rate	-1.1	0.1	-1.0	-1.6	-0.9	-0.4	-0.3	-0.7	0.7	0.5	0.5	-0.5	0.2
<b>Composite CEM</b>	<b>0.5</b>	<b>4.6</b>	<b>0.2</b>	<b>7.5</b>	<b>2.6</b>	<b>-0.7</b>	<b>5.4</b>	<b>9.2</b>	<b>2.8</b>	<b>2.3</b>	<b>4.0</b>	<b>1.9</b>	<b>9.4</b>

Source: CEIC, CMIE, Prime database, CareEdge; \*Refers to merchandise exports and imports

Note: All indicators have been indexed to average of FY19 (100 = Average 2018-19); PMI numbers have also been re-indexed to the average of FY19; Nominal indicators have been deflated using CPI index;

<sup>^</sup>Percentage change is calculated based on the respective indexes for each indicator

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