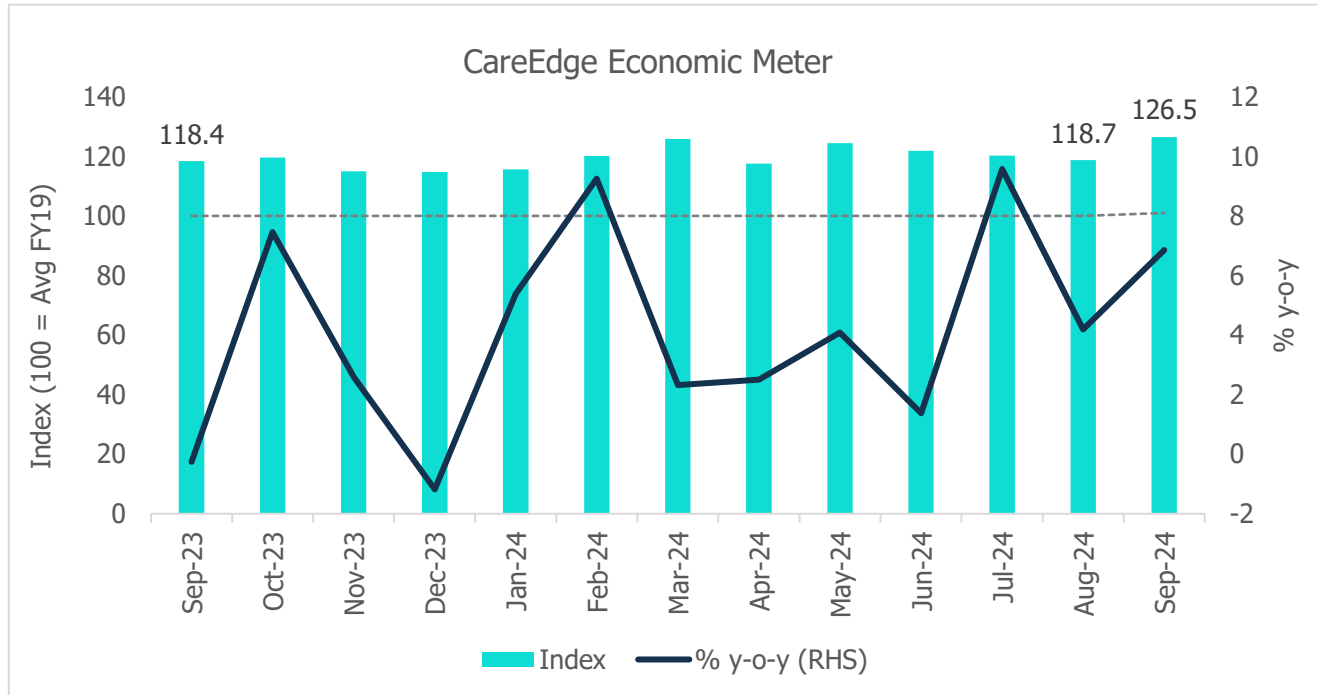


# CareEdge Economic Meter (CEM)

---

October 2024

# CEM Edged Up by 6.9% in September



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 grew by 6.9% year-over-year (y-o-y) in September, up from 4.2% in the previous month, and showed sequential growth as well.
- 9 out of 16 high-frequency indicators used in CEM calculation witnessed an annual growth in September.
- Debt issuances, merchandise exports, tractor sales and E-way bill issuances provided support to the the overall CEM; while slowing PMI services constrained its performance.

# What Moved the CEM in September?

## Indicators which Supported Growth

- **Debt issuances** witnessed a growth of 76.7% (y-o-y) in September, as against a growth of 61.5% in the previous month.
- **Merchandise exports** grew by 0.5% (y-o-y) reaching USD 34.6 billion, reversing from two consecutive months of contraction. Major drivers of merchandise exports growth include engineering goods, organic & inorganic chemicals, plastic & linoleum, drugs & pharmaceuticals and RMG of all textiles.
- **Farm tractor sales** grew by 2.4% (y-o-y) in September, up from a contraction of 5.5% in August. Both **passenger vehicle (PV) sales and 2-3 wheeler sales** experienced growth on y-o-y basis, reaching 1.6% (Vs -0.7% in August) and 16.2% (Vs 10.3% in August), respectively.
- **E-way bill issuances** rose by 18.5% (y-o-y) in September, up from 12.9% growth witnessed last month.
- In September, **power consumption** grew by 0.6% (y-o-y), reversing from a contraction of 4.9% witnessed last month.

## Indicators which Limited Upside

- **Services PMI** moderated to 57.7 in September from 60.9 in August, while the **Manufacturing PMI** also declined to 56.5 from 57.5 over the same period.
- **GST collection** slowed to 6.5% (y-o-y) in September, down from 10% in the previous month.
- **SCB's credit** growth slowed to 13% (y-o-y), marking the slowest expansion since May 2022.
- In September, **merchandise import** growth declined to 1.6% (y-o-y), compared to 3.3% in August.

# Indicators At a Glance - Monthly Trend

y-o-y % <sup>^</sup>	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
PMI - Manufacturing	4.4	0.4	0.5	-5.0	2.0	2.9	4.8	2.8	-2.0	0.9	0.7	-1.9	-1.7
PMI - Services	12.3	6.0	0.9	0.9	8.0	2.0	5.9	-1.9	-1.6	3.4	-3.2	1.3	-5.4
E-way Bill Issuances	9.5	30.5	8.5	13.2	16.4	18.9	13.9	14.5	17.0	16.3	19.2	12.9	18.5
GST Collections	4.9	8.1	9.1	4.3	5.0	7.1	6.0	7.2	5.1	2.4	6.4	6.1	0.9
Exports*	-4.2	2.0	-6.7	-3.7	0.7	6.9	-4.4	-1.1	9.5	-1.0	-3.6	-11.4	-3.8
Imports*	-15.3	6.3	-6.7	-10.8	-1.5	8.7	-10.0	8.1	4.4	2.3	5.5	1.0	-2.8
Credit Outstanding	14.2	14.2	14.3	13.5	14.5	14.7	14.6	13.5	14.3	11.7	9.6	9.6	7.2
Commercial Paper Issued	-16.7	-2.8	-21.7	-12.5	-13.2	30.2	13.4	-27.8	7.6	2.9	10.3	18.7	-0.7
Debt issuances	-22.4	-25.8	-3.0	-16.9	1.8	30.4	-6.3	-47.0	-21.6	-44.0	84.0	55.8	67.5
Power Consumption	10.3	20.9	6.1	1.6	6.1	8.4	9.1	10.5	15.3	8.9	8.2	-4.9	0.6
Petroleum Consumption	7.9	4.8	-2.2	3.7	7.3	8.2	1.7	7.8	1.9	2.3	10.6	-2.3	-1.6
PV Sales #	5.1	16.7	3.6	0.2	9.9	10.9	4.8	3.7	3.8	9.6	-0.9	-0.7	1.6
2-3 Wheeler Sales #	2.0	17.2	24.2	13.8	23.9	34.5	17.8	28.9	11.4	18.3	11.6	10.3	16.2
Tractor Sales	-15.6	-5.3	1.5	-21.3	-14.5	-25.7	-19.5	-2.9	0.5	3.5	1.4	-5.5	2.4
Currency in Circulation	-0.8	-1.9	-1.2	-1.6	-1.2	-1.3	-0.8	-1.5	-0.7	0.9	2.7	1.8	0.4
Unemployment Rate	-1.0	-1.6	-0.9	-0.4	-0.3	-0.7	0.7	0.5	0.5	-0.5	0.2	-0.4	-0.5
<b>Composite CEM</b>	<b>-0.3</b>	<b>7.5</b>	<b>2.6</b>	<b>-1.2</b>	<b>5.4</b>	<b>9.2</b>	<b>2.3</b>	<b>2.5</b>	<b>4.1</b>	<b>1.4</b>	<b>9.6</b>	<b>4.2</b>	<b>6.9</b>

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

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

### Contact

Sarbartho Mukherjee	Senior Economist	<a href="mailto:sarbartho.mukherjee@careedge.in">sarbartho.mukherjee@careedge.in</a>	+91 - 22 - 6754 3493
Khushi Jindal	Associate Economist	<a href="mailto:khushi.jindal@careedge.in">khushi.jindal@careedge.in</a>	+91 - 22 - 6754 3568
Mradul Mishra	Media Relations	<a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a>	+91 - 22 - 6754 3596

### CARE Ratings Limited

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022  
Tel. : +91-22-6754 3456 | CIN: L67190MH1993PLC071691

Connect:



Locations: Ahmedabad | Andheri-Mumbai | Bengaluru | Chennai | Coimbatore | Hyderabad | Kolkata | Noida | Pune

### About us:

CareEdge is a knowledge-based analytical group offering services in Credit Ratings, Analytics, Consulting and Sustainability. Established in 1993, the parent company CARE Ratings Ltd (CareEdge Ratings) is India's second-largest rating agency, with a credible track record of rating companies across diverse sectors and holding leadership positions in high-growth sectors such as BFSI and Infra. The wholly-owned subsidiaries of CareEdge Ratings are (I) CARE Analytics & Advisory Private Ltd (previously known as CARE Risk Solutions Pvt Ltd), (II) CARE ESG Ratings Ltd, (previously known as CARE Advisory Research and Training Ltd) and (III) CareEdge Global IFSC Ltd. CareEdge Ratings' other international subsidiary entities include CARE Ratings (Africa) Private Ltd in Mauritius, CARE Ratings South Africa (Pty) Ltd, and CARE Ratings Nepal Ltd.

### Disclaimer:

This report is prepared by CARE Ratings Limited (CareEdge Ratings). CareEdge Ratings has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in this report is guaranteed. CareEdge Ratings is not responsible for any errors or omissions in analysis / inferences / views or for results obtained from the use of information contained in this report and especially states that CareEdge Ratings has no financial liability whatsoever to the user of this report.