

Key International events:

As per the University of Michigan, **US consumer sentiment index for September 2024 was upwardly revised to 70.1** from a preliminary reading of 69.0. Economists had expected a more modest upward revision to 69.3.

As per the US Commerce Department, the **US core PCE price index accelerated to 2.7% YoY in August 2024** from 2.6% YoY in July 2024, in line with estimates.

According to US Fed Chair Jerome Powell, **Fed will continue to lower interest rates but it is not on a "preset course."** The decision to slash rates by 50 bps in Sep CY24 reflects the Fed's growing confidence that an appropriate recalibration of monetary policy will maintain strength in the labor market and keep inflation moving sustainably down to the 2% target.

According to ADP, **private sector employment in the U.S. climbed by 1,43,000 jobs in September 2024, after rising by an upwardly revised 103,000 jobs in August 2024.**

According to ISM, **Manufacturing activity in the U.S. continued to contract in the month of September 2024. Manufacturing PMI in the US came in at 47.2 in September 2024, unchanged from August 2024. Economists had expected the index to inch up to 47.5.** Manufacturing activity contracted for the sixth consecutive month and the 22nd time in the last 23 months.

According to ISM, **US service sector activity climbed in September 2024, reaching its highest level in well over a year. The US services PMI shot up to 54.9 in September 2024 from 51.5 in August 2024. Economists had expected the index to inch up to 51.7.**

As per the US Labor Department, **first-time claims for US unemployment benefits rose to 225,000 in the week ended September 28th, 2024, an increase of 6,000 from the previous week's revised level of 219,000.** Economists had expected jobless claims to inch up to 220,000 from the 218,000 originally reported for the previous week.

As per the European Commission, **the economic sentiment index of Eurozone fell to 96.2 in September 2024 from 96.5 in the previous month.** Meanwhile, the score was forecast to remain stable at 96.5.

As per Eurostat, **The Euro area unemployment rate was in line with expectations and remained stable in August 2024 at 6.4% the same as in July 2024.** The unemployment rate in August 2023 was 6.6%. The number of unemployed decreased by 94,000 from July 2024 to 10.925 mn.

The latest survey from Caixin revealed that **China's manufacturing PMI scored 49.3 in September 2024. That's down from 50.4 in August 2024.**

Key Domestic events:

As per RBI, **India's forex reserves have reached a new record high of USD 692.3 bn for the week ending September 20, 2024. This marks an increase of USD 2.8 bn from the previous week forex reserve of USD 689.46 bn.**

According to the latest data from the Department of Commerce, **in Q1 FY25, smartphone exports hit USD 2 bn, well ahead of non-industrial diamond (cut or otherwise but not mounted) exports, which stood at USD 1.44 bn.**

According to the NSDL data, **FPIs made a net investment of Rs 573.59 bn in equities until September 27, 2024 with one trading session still left this month.** This was the highest net inflow since December 2023, when FPIs had invested Rs 661.35 bn in equities. Since June, FPIs have consistently bought equities after withdrawing Rs 342.52 crore in April-May 2024.

As per RBI, **India's CAD widened marginally to USD 9.7 bn (1.1% of GDP) in Q1 FY25 from USD 8.9 bn (1% of GDP) in Q1 FY24 and against a surplus of USD 4.6 bn (0.5% of GDP) in Q4FY24.** The widening of CAD on a YoY basis was primarily due to a rise in merchandise trade deficit to USD 65.1 bn in Q1FY25 from USD 56.7 bn in Q1 FY24.

As per CGA data, **India's Fiscal Deficit during Apr-Aug of FY25 stood at Rs. 4.35 trillion, or 27% of BE, narrowing from 36% reported in Apr-Aug of FY24.** Total receipts stood at Rs.12.17 trillion, while overall expenditure stood at Rs.16.52 trillion. They were 38% and 34.3% of FY25 budgeted target.

As per DPIIT data, **India's core sector output growth declined to 1.8% YoY in August 2024 from 13.4% YoY in August 2023,** with significant declines in natural gas and coal production. Despite overall contraction, steel and fertilizer sectors saw positive growth. Core sector growth for Apr-Aug 2025 stood at 4.6%.

As per NSO data, **Employment generation in India's manufacturing sector saw 1.3 mn new jobs created in FY23, compared to 1.1 mn in FY22.** The total number of people employed in the manufacturing sector rose by 7.4% YoY in FY23, at 18.5 mn, compared to a 7% increase in FY22.

As per RBI data, **the growth in bank credit to the services sector moderated to 15.6% YoY in August 2024, down from 21% in August 2023, largely due to a considerable decline in credit to NBFCs.** Retail loan growth also slowed to 16.9% YoY in August 2024, compared to 18.3% in August 2023.

India's **GST collections in September 2024 hit Rs 1.73 trillion, a growth of 6.5% YoY. The government had collected Rs 1.63 trillion in September 2023.** After refunds, the government's net GST mop-up in September 2024 rose about 4% YoY to Rs 1.53 trillion.

As per IMD, **Southwest monsoon rains in India hit a 4-year high in the 2024 season, experiencing about 108% of the long period average at 934.8 mm.** A rainfall of 868.6 mm is the long period average in India.

As per the labour ministry, **Retail inflation for industrial workers, All-India CPI-IW, inched up marginally to 2.44% in August 2024 against 2.15% in July 2024.** The All-India CPI-IW for August 2024 decreased by 0.1 points and stood at 142.6 points.

As per CMIE data, **private sector companies announced the setting up of factories and other new projects worth Rs 4.1 trillion in Q2 FY25, a 42% YoY rise.** Coupled with government announcements of roads, railways, and similar new projects worth Rs 1.4 trillion, the total value of project announcements for the Q2FY25 reached Rs 5.49 trillion.

According to the Ministry of Road Transport and Highways, **EV sales saw a robust growth of 19% in H1 FY25, rising to 836,621 units from 702,013 units in H1 FY24.** EV sales also showed a 24.65% YoY growth in September 2024, climbing to 148,539 units compared to 119,163 units in September 2023.

According to latest balance of payments data, **RBI recorded a 52% YoY jump in income from its overseas reserve deployments during Q1 FY25, largely driven by higher returns on US treasury bonds and interest on deposits parked with other central banks.** Income from reserve assets surged to USD 4.1 bn, up from USD 2.7 bn in Q1 FY24.

According to PLFS, **the share of workers in manufacturing remains below the pre-pandemic levels while there is an increase in the proportion of people in agriculture (46.1% vs. 42.5%).** The share of workers in manufacturing is 11.4% while the pre-pandemic level was 12.1%.

According to the ministry of ports, shipping, and waterways, **Central Government-owned ports have outpaced their private and state-government counterparts in cargo traffic growth in FY25.** During 2024-25, cargo handled at major ports increased by almost 5% to 348.06 mn tonnes, driven by a 4.9% increase in overseas cargo and 5.2% increase in coastal cargo.

Equity Round up: S&P BSE Sensex opened at 85209 It made a weekly high of 85360 and a low of 81533 before closing 3883 points Lower at 81688.

Events to watch out for the next week:

International Events

1. US CPI for Sep'24 on 10 Oct'24

Domestic Events

1. Forex Reserves for week ended 27 September 2024 on 4 October 2024
2. RBI MPC Meeting outcome on 09 Oct'24
3. Industrial Production for Aug'24 on 11 Oct'24

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	81,688	-4.54
Nifty 50	25,015	-4.45
BSE 100	26,490	-4.33
BSE 200	11,559	-4.21
BSE Midcap	47,907	-3.20
BSE Smallcap	55,945	-2.01
BSE FMCG	23,013	-3.68
BSE HC	43,564	-1.97
BSE IT	42,361	-1.01
BSE Auto	58,540	-5.94
BSE BANKEX	58,394	-4.51
BSE CG	70,301	-4.62
BSE CD	65,858	-3.07
BSE Oil & Gas	30,509	-4.35

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (7.10% 2034)	6.78%	6 bps
Interbank Call	6.45%	(-) 9 bps
INR/USD	83.97	0.33%
Gold (Rs/10gm)	75,964	0.43%

Taken during market hours , 10 Year G-Sec (7.10% 2034) and Interbank Call as on 03 Oct 24

World Indices	Closing	% Change WoW
Dow Jones*	42,012	-0.39
Nasdaq*	17,918	-1.49
FTSE	8,241	-0.95
DAX	19,037	-1.82
Hang Seng	22,737	10.20
Nikkei	38,636	-3.00
Bovespa*	1,31,672	-1.01
Indonesia Jakarta	7,496	-2.61

* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	798.5	1066.3	-267.8
DIIs	721.6	536.3	185.3

Data for FPI from 27 Sep 2024 to 03 Oct 2024. Data for DII from 27 Sep 2024 to 01 Oct 2024.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	25,015	25,193	178

*October 2024 Expiry

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