

**RESEARCH**
**BOB ECONOMICS RESEARCH | MONTHLY ECONOMIC BUFFET**

Economic Round-up: March 2024

**Daily macro indicators**

Indicator	02-Apr	03-Apr	Chg (%)
US 10Y yield (%)	4.35	4.35	0bps
India 10Y yield (%)	7.12	7.10	(1bps)
USD/INR	83.38	83.43	(0.1)
Brent Crude (US\$/bbl)	88.9	89.4	0.5
Dow	39,170	39,127	(0.1)
Hang Seng	16,932	16,725	(1.2)
Sensex	73,904	73,877	0.0
India FII (US\$ mn)	28-Mar	01-Apr	Chg (\$ mn)
FII-D	566.5	119.3	(447.2)
FII-E	282.5	(53.7)	(336.2)

Source: Bank of Baroda Economics Research

**SUMMARY**
**INDIA ECONOMICS: MONTHLY ECONOMIC BUFFET**

Markit global manufacturing PMI data reveals that headline PMI index rose to 50.6 in Mar'24, from 50.3 in Feb'24. Among the best performing countries, India topped the chart, followed by Greece, Russia, Indonesia, Brazil, Mexico and US. China also performed better than the world average in Mar'24. Eurozone economies however registered further deterioration in conditions last month, led by Germany, Austria and France. The divergence is even more when we take into account other macro-data points. On one hand, US economy is showing signs of resilience with retail sales improving, labour market still strong, and consumer confidence steady. On the other hand, within Eurozone, its major economies (Germany/France) are reporting job losses, slump in retail sales and drop in external demand.

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**MONTHLY ECONOMIC BUFFET**

04 April 2024

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**Sonal Badhan**  
Economist

**In China, while official PMIs (manufacturing and non-manufacturing) registered notable improvement in Mar'24, data till Feb'24 (CYTD) shows that consumer and property sector remain weak, thus signalling uneven recovery path. To support growth and avoid recession, major Central Banks (US/UK/ECB) are expected to begin cutting rates from Jun/Aug'24. RBI this month is expected to maintain status quo and deliver its 1st rate cut in Aug'24.**

**Global growth:** US economic growth continues to hold ground with production, consumption and labour market strengthening further. In China, uneven signs of recovery are emerging with production and external trade performing better than labour market and property sector. However, Eurozone is struggling to stabilize. Continued contraction in manufacturing activity remains a cause of concern. However, with inflation coming down in Germany and Eurozone, some relief from Central Banks is expected. Germany's IFO business sentiment also expects Germany to come out of recession in H2CY24. Domestically, resilience in India's economic growth continues and we expect 7.8% growth in FY25. It is to be seen if RBI also revises its growth numbers in its upcoming policy.

**Global Central Banks:** In Mar'24, US Fed, ECB, and BoE, kept their respective rates on hold. US Fed revised its growth, core PCE, and long-term rate projections upwards for CY24, and hinted at 3 rate cuts this year. With economy showing signs of resilience there is increased uncertainty around the quantum of rate cuts by Fed. Markets are expecting Fed's 1st rate cut in Jun'24. ECB officials have also signalled that the rate cut cycle will begin soon. With Q1CY24 inflation undershooting ECB's projections, it is expected that the rate cut cycle will begin in Jun'24.



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