

WEEKLY MEDIA UPDATE

(This document comprises news clips from various media in which Balmer Lawrie is mentioned, news related to GOI and PSEs, and news from the verticals that we do business in. This will be uploaded on intranet and website every Monday.)

S&P ups India's FY'24 growth forecast to 6.4% on robust domestic momentum

S&P Global Ratings on Monday raised India's growth forecast for the current financial year to 6.4 per cent, from 6 per cent, saying that robust domestic momentum has offset headwinds from high food inflation and weak exports. The US-based rating agency, however, has cut growth estimates for the next fiscal (2024-25) to 6.4 per cent, as it expects growth to slow in the second half (October-March) of the current fiscal, on higher base impact and subdued global growth. "We have revised up our projection for India's GDP growth for fiscal 2024 (ending in March 2024) to 6.4 per cent, from 6 per cent, as robust domestic momentum seems to have offset headwinds from high food inflation and weak exports. "Still, we expect growth to slow in the second half of the fiscal year amid subdued global growth, a higher base, and the lagged impact of rate hikes. As a result, we have lowered our outlook for growth in fiscal 2025 to 6.4 per cent, from 6.9 per cent," S&P said.

The Financial Express - 27.11.2023

<https://www.financialexpress.com/policy/economy-sampp-ups-indias-fy24-growth-forecast-to-6-4-pc-on-robust-domestic-momentum-3318771/>

Domestic demand to drive economy, Q2 GDP growth seen at 6.8%: Barclays Report

Domestic demand will continue to remain the key economic driver this fiscal as the country's gross domestic product (GDP) is estimated to have grown 6.8% year-on-year in the second quarter ended September, Barclays has said in a report. The estimated growth rate is lower than the 7.8% growth recorded in the first quarter, but the economy is expected to expand sequentially, the corporate and investment banker said. "Underlying growth trends continue to look robust in India, with activity underpinned by domestic

Economists estimate Q2 GDP growth rate at 6.7-7% on services, govt capex progress

A pickup in services, strong government-led capital expenditure and an uptick in consumption-oriented sectors, especially high-end consumption, has supported growth in the July-September quarter, with economists pegging Gross Domestic Product (GDP) growth rate at 6.7-7 per cent. Though growth rate is seen slowing down sequentially from the first quarter's (April-June) growth rate of 7.8 percent amid concerns over external demand, domestic consumption demand and services in totality are likely to have contributed the maximum share to the growth for the second quarter. Closer to the data release of the Q2 GDP data, which is slated on November 30, many economists are now expecting growth rate to be near 7 per cent. The overall growth forecast for financial year 2023-24 is, however, being seen around 6.2-6.7 per cent as growth may moderate in the second half of the year given the input cost pressures and waning of base effect. Both the government and the Reserve Bank of India (RBI) have forecast a growth rate of 6.5 per cent each for the financial year 2023-24.

The Financial Express - 27.11.2023

<https://indianexpress.com/article/business/economy/economists-estimate-q2-gdp-growth-rate-at-6-7-7-on-services-govt-capex-progress-9043576/>

FY2023-24 to end with strong growth performance, macroeconomic stability: Finance Ministry report

The current financial year should conclude as projected with a strong growth performance and macroeconomic stability as more than half of this fiscal has witnessed positive developments in the economy, a Finance Ministry report said on Tuesday. The Reserve Bank of India (RBI) has projected a 6.5 per cent GDP growth in the current financial year ending March 2024. In the Monthly Economic Review for October, the ministry also said the downside risk will continue to be inflation that should keep

consumption, high levels of state-led capex, and strong growth in the utilities sectors," said Rahul Bajoria, head of EM Asia (exChina) economics at Barclays. The firm's growth forecast for the second quarter is higher than the Reserve Bank of India's estimate of 6.5% growth in Q2FY24 and slightly above the 6.7% median in an ET poll of 10 economists conducted last week. Barclays predicts services growth to moderate from the first quarter, but manufacturing, construction and mining activity are expected to have picked up in the second quarter.

The Times of India - 22.11.2023

https://epaper.indiatimes.com/article-share?article=22_11_2023_009_013_etkc_ET

Urban consumption hits 3-month high in September: Report

Domestic urban consumption accelerated to a three-month high in September, boosted by moderating price pressures, a pick-up in Southwest monsoon performance along with the onset of the festive season, data showed on Monday. "Urban consumption index rose to a 3-month high of 0.66 in September 2023 from 0.62 in August 2023, though still remaining below the recent peak of 0.70 as of May 2023," according to the TRUC index prepared by economic advisory firm QuantEco Research. It said that urban recovery was led by strong passenger sales and air passenger traffic and aided by a moderation in retail urban inflation. Rural consumption posted a sharper improvement, with the index rising to 0.65 in September 2023 from 0.57 in August 2023, led by seasonal pick-up in tractor sales, pre-festive season led buoyancy in two-wheeler sales... also supported by correction in CPI rural inflation," according to the index.

The Times of India - 28.11.2023

<https://timesofindia.indiatimes.com/business/india-business/urban-consumption-hits-3-month-high-in-september-report/articleshow/105543122.cms?from=mdr>

Core inflation may bottom out around 4%

Core inflation, which excludes volatile food and energy prices, may stabilise around 4% in January with a limited scope for further decline as prices continue to be sticky in certain service sectors, according to economists. A higher core is likely to keep retail inflation from declining significantly, they say. Core inflation eased to 4.3% in October, according to official data. "Core inflation internals remain favourable with decline led by services

both the government and the RBI on high alert. Financial flows in the external sector need constant monitoring as they impact the value of rupee and the balance of payments, the report said, adding that a fuller transmission of the monetary policy may also temper domestic demand. On the inflation front, it said the decline in international crude oil prices and continued moderation in core inflation are likely to control inflationary pressures going forward.

Millennium Post - 22.11.2023

<https://www.millenniumpost.in/business/fy2023-24-to-end-with-strong-growth-performance-macroeconomic-stability-finance-ministry-report-541294>

Global value chains to aid \$7-trillion aim: FM Nirmala Sitharaman

India's continued systemic reforms and participation in the global value chains will accelerate its path to a \$7-trillion economy, finance minister Nirmala Sitharaman said on Monday, stressing the importance of the India-Middle East-Europe Economic Corridor (IMEC) for international trade. "(We) will look at (making) Indian economy a lot more open and transparent to ensure manufacturing and exports. Global value chain participation is important for India to reach a \$7-trillion economy," Sitharaman said in a virtual address to the India Global Forum annual event at Dubai. In October, S&P Global Market Intelligence said India will likely overtake Japan and Germany to become the world's third-largest economy with a gross domestic product (GDP) of \$7.3 trillion by 2030. India's nominal GDP measured in US dollar terms was \$3.5 trillion in 2022. "The India-Middle East-Europe Economic Corridor has long-term considerations. IMEC is not going to be dependent on one or the other major event of concern.

The Financial Express - 28.11.2023

<https://www.financialexpress.com/policy/economy-global-value-chains-to-aid-7-trillion-aim-fm-nirmala-sitharaman-3319146/>

Surplus CPSE dividend may not offset disinvestment revenue shortfall in FY24

Unlike in the last fiscal, surplus dividend by Central Public Sector Enterprises (CPSEs) may not entirely make up for an expected steep shortfall in the government's disinvestment proceeds in FY24 from the budgeted ₹51,000 crore, now that the strategic sale of IDBI Bank could spill over to FY25, a senior official said. This could prompt the government to trim its

inflation that is typically less volatile. But the scope for a meaningful and sustained fall in core may be limited unless growth softens materially," said Abhishek Upadhyay, senior vice president and economist, ICICI Securities PD. An ET analysis shows that services inflation reached its lowest level since 2016 of 3.6% in October, from 3.8% the previous month. But some services still exhibit over 5% inflation, which economists say is unlikely to come down.

The Economic Times - 27.11.2023

<https://economictimes.indiatimes.com/news/economy/indicators/core-inflation-may-bottom-out-around-4/articleshow/105518748.cms>

Subsidies to drive growth till general elections, private investment to take off after polls

India's spending on subsidies and the rural employment guarantee scheme are expected to rise ahead of the Lok Sabha elections possibly at the expense of public capex outlays, while private investments are likely to rebound after the 2024 ballot, Goldman Sachs said in a report on Monday. The firm's India 2024 Outlook report forecasts that the Reserve Bank of India may cut interest rates only towards the end of 2024 and early 2025, in two tranches of 25 basis points each, as inflation will remain elevated at about 5.1% through next year from an estimated 5.7% this year, limiting the room for monetary easing. "The pivot towards subsidies and welfare spending going into the elections is likely to continue, though given the fiscal constraints... we don't expect the government to increase the fiscal deficit. Thus, we think that a decline in public capital expenditure will have to share the burden of fiscal consolidation, among a reduction in other current expenditure," Goldman Sachs' economic research team projected.

The Hindu - 21.11.2023

<https://www.thehindu.com/business/subsidies-to-drive-growth-till-general-elections-private-investment-to-take-off-after-polls/article67555256.ece>

Plans afoot to build strategic natural gas reserve

India is drawing up a plan to build a strategic natural gas reserve with a capacity to store up to 4 billion cubic metres (BCM) of imported gas, which can be used in case of supply emergencies and to smoothen the domestic market, according to people familiar with the matter. After oil

combined disinvestment and dividend target of ₹94,000 crore in the revised estimate for FY24, he told ET. The government could, however, realise the dividend target of ₹43,000 crore from CPSEs (barring banks and other financial institutions) for FY24, the official indicated. But any shortfall in the combined target may not be substantial enough to disrupt the government's plan to rein in its FY24 fiscal deficit at 5.9% of gross domestic product (GDP), said another official. As such, the combined target makes up less than 3.5% of the government's budgeted non-debt receipts for FY24.

The Economic Times - 28.11.2023

<https://economictimes.indiatimes.com/news/economy/indicators/surplus-cpse-dividend-unlikely-to-offset-disinvestment-revenue-shortfall-in-fy24/articleshow/105474295.cms>

Oil and gas demand to peak by 2030: IEA

Oil and gas demand is expected to peak by 2030 under current policies, the International Energy Agency (IEA) has projected, days ahead of the UN Climate Summit (COP28) to be held in UAE, in a region home to some of the largest oil and gas producers globally. Following the peak, demand will not decline immediately to align with the Paris Agreement goal of keeping warming under 1.5 degrees C or 2 degrees C, but if governments deliver in full on their national energy and climate pledges, then oil and gas demand would be 45% below today's level by 2050 and the temperature rise could be limited to 1.7 degrees C over pre-industrial levels, the agency added. In a pathway to reaching net zero emissions by mid-century, necessary for keeping 1.5 degrees C within reach, oil and gas use would need to decline by more than 75% by 2050, it said. "The oil and gas industry is facing a moment of truth at COP28 in Dubai.

The Hindustan Times - 23.11.2023

<https://www.hindustantimes.com/india-news/oil-and-gas-demand-to-peak-by-2030-iea-101700760445540.html>

FY24 to be blockbuster year for oil marketing companies with strong dividends

FY24 is turning out to be the best year in terms of earnings for oil marketing companies despite the upcoming general elections. "We raise our earnings estimates by 8-50 per cent for FY24-26, with BPCL seeing the highest upgrade

minister Hardeep Singh Puri recently gave a green signal to the idea of setting up the gas reserve, the oil ministry directed Oil and Natural Gas Corp (ONGC), Oil India and GAIL to jointly prepare a detailed feasibility report on the same, people said. The companies are expected to submit the report in three months. India has evaluated building strategic gas storage in the past as part of its energy security plan but didn't go ahead with it due to its prohibitive costs. The geopolitics-driven frenzy in the global gas market last year, which disrupted India's gas imports and forced some factories to cut production, has brought a strategic policy rethink, people said.

The Economic Times - 21.11.2023

<https://economictimes.indiatimes.com/industry/energy/oil-gas/plans-afoot-to-build-strategic-natural-gas-reserve/articleshow/105364929.cms>

India's October crude oil imports rise after four months of declines

India's crude oil imports rose in October, after falling in the previous four months, as the world's third biggest oil importer and consumer shipped in more fuel to meet winter demand, Petroleum Planning and Analysis Cell (PPAC) data showed on Thursday. Crude imports in October rose 5.9% month-on-month to 18.53 million metric tons, rebounding from a one-year low in September. India's fuel consumption also rose to a four-month high in October, as increased industrial activity boosted sales during the festive season and the onset of winter, government data showed earlier in the month. "With demand picking seasonally up as we approach the end of the year, there was a higher need to import more crude to cover higher demand for refined products," said UBS analyst Giovanni Staunovo. The year-on-year rise in imports is due to the rise in domestic demand, supported by solid economic growth, Staunovo added.

The Economic Times - 24.11.2023

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-october-crude-oil-imports-rise-after-four-months-of-declines/105462876>

Invest in clean energy or risk obsolescence, IEA warns oil sector

Oil and gas companies are at a crossroads as the climate crisis worsens, the International Energy Agency (IEA) noted in a special report released before the COP28 climate summit in Dubai. The

followed by HPCL and IOCL. Under this scenario, FY24/FY25 dividend yield would be 9-12 per cent / 5-7 per cent; although post the election season, we believe the outlook would improve," Emkay Global Financial Services said in a report. "We reiterate BUY on BPCL and upgrade HPCL and IOCL to BUY from Hold. Recent media reports revisiting the government's capital infusion plans and HPCL's aim to double EBITDA in the next five years add up to the positive sentiments," it said. The macro environment w.r.t. oil prices, currency and refining margins has been favorable and a feared cut in auto-fuel RSPs has also not materialized so far. While a cut may still happen, particularly between the state and national elections, the impact should not be more than 4-5 months.

Sarkaritel.com - 24.11.2023

<https://www.sarkaritel.com/fy24-to-be-blockbuster-year-for-oil-marketing-companies-with-strong-dividends/>

OPEC+ weighs deeper cuts as global oil supply challenges loom

The OPEC+ conglomerate is poised to deliberate on critical supply strategies in the upcoming meeting on November 26, with Saudi Arabia and Russia's production cuts at the forefront. The current reductions, amounting to 1.3 million barrels per day, may either be extended or increased as the organization grapples with oil inventories projected to rise until the second quarter of 2024. According to S&P Global Commodity Insights, the oil market could face downward price pressures unless OPEC+ enforces further output reductions. "We say this because our data and projections show that OPEC+ will need to cut more than just the voluntary reductions by Russia (300,000 b/d lower oil exports) and Saudi Arabia (1 million b/d below its OPEC target, resulting in production of around 9 million b/d). That means OPEC+ also needs to make cuts over and above those made in November 2022 and May 2023 (totalling 3.7 million b/d)," said Bhushan Bahree, Executive Director, S&P Global Commodity Insights.

The Economic Times - 24.11.2023

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/opec-weighs-deeper-cuts-as-global-oil-supply-challenges-loom/105458333>

Domestic air traffic touches new peak with 4,59,526 passengers on Nov 20

For the third straight day, the country's domestic air traffic touched a new peak on Monday as airlines carried 4,59,526 passengers. With the traffic numbers touching

report, "The Oil and Gas Industry in Net Zero Transitions," urges the industry to align with the Paris Agreement goals, warning of a peak in global oil and gas demand by 2030 under current policies, with a potential 45% demand drop by 2050 if climate pledges are fulfilled. The sector, providing over half the global energy supply and employing nearly 12 million people, has been a marginal player in the clean energy transition, with only 1% of global clean energy investment. IEA Executive Director Fatih Birol emphasized the industry's "moment of truth," urging a move away from relying on carbon capture as a solution. The diverse industry, where private sector majors own less than 13% of production and reserves, is faced with the need to drastically reduce its own emissions—15% of global energy-related greenhouse gases.

The Economic Times - 23.11.2023

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/invest-in-clean-energy-or-risk-obsolence-iaa-warns-oil-sector/105445349>

Fresh formal job creation declines to six-month low, shows EPFO data

Fresh formal job creation cooled for the second consecutive month to decline to a six-month low in September, signalling a downturn in the labour markets this financial year. The number of new monthly subscribers under the Employees' Provident Fund (EPF) declined by 6.45 per cent to 891,583 in September from 953,092 in August, shows the latest payroll data released by the Employees' Provident Fund Organisation (EPFO) on Monday. Besides, the net payroll additions -- calculated by taking into account the number of new subscribers, the number of exits, and the return of old subscribers -- increased by 14.9 per cent to 1.72 million in September from 1.49 million in August. The net monthly payroll numbers are, however, provisional in nature and are often revised sharply the following month. That is why the new EPF subscriber figure has greater certitude than net additions.

Business Standard - 21.11.2023

https://www.business-standard.com/economy/news/fresh-formal-job-creation-dips-to-6-month-low-in-september-epfo-data-123112000919_1.html

Vinay M Tonse appointed as Managing Director of SBI

Vinay M Tonse has been appointed as Managing Director (MD) of the State Bank of India (SBI) on Tuesday. He has been appointed to the post with effect from the date of assumption of office and up

a fresh single-day record on Monday (November 20), the civil aviation ministry said that post-Covid, India's domestic aviation turnaround story has not just been overwhelming but inspiring as well. "Positive attitude, progressive policies, and deep trust among passengers are taking it to new heights with every flight, every day," the ministry said in a post on X. On November 20 (Monday), there were 4,59,526 passengers and the total flight dome movements stood at 5,958, as per the latest official data. The count of domestic air passengers was at 3,94,07 and the number of flight movements was 5,468 on November 20, 2022. Sharing a graphic of the figures, the ministry said, "India's domestic aviation touching new skies, daily". Civil aviation minister Jyotiraditya Scindia on Tuesday said, "Another day, another record!"

Business Standard - 22.11.2023

https://www.business-standard.com/industry/news/domestic-air-traffic-touches-new-peak-with-4-59-526-passengers-on-nov-20-123112100838_1.html

India's steel demand to touch 190 MT-mark in 2030; production to reach 210 MT: SteelMint

India's steel demand is expected to grow at a CAGR of 7 per cent to touch 190 million tonnes (MT) level by 2030, according to a report by SteelMint India. The demand will be largely fuelled by construction and infrastructure sectors, which contribute 60-65 per cent to the demand, the market research firm said. In 2030, India's steel demand is projected to reach 190 MT based on a 7 per cent Compound Annual Growth Rate (CAGR). "In the best-case scenario, it can also reach 230 MT by 2030," the report titled 'India's Steel and Coking Coal Demand 2030' stated. The demand will also be pushed by sectors like auto and engineering, and factors like population growth, growing urbanisation, various government initiatives will be its key drivers. The demand is expected to touch 120 MT mark by 2023-end, and production will be at 136 MT, as per the report. India's crude steel production is expected to be at 210 MT by 2030, 45 per cent higher from production levels of 2023.

Business Outlook - 27.11.2023

<https://business.outlookindia.com/news/indias-steel-demand-to-touch-190-mt-mark-in-2030-production-to-reach-210-mt-steelmint>

to the date of his superannuation, i.e., November 30, 2025, or until further orders, whichever is earlier. Presently, he is serving as Deputy Managing Director of the bank. d

PSU Watch - 22.11.2023

<https://psuwatch.com/psu-appointments/vinay-m-tonse-appointed-as-managing-director-of-sbi>