

GDP, CPI & Sectoral Market Intelligence Report

GDP Growth Trends & Sector Contributions

GDP Growth Trends & Sector Contributions

GDP growth is a key measure of economic performance, and different sectors contribute differently to its trajectory.

Sectors Driving Economic Growth

Agriculture & Allied Activities

- Contributes ~17-18% to India's GDP.
- Growth is dependent on monsoons, irrigation facilities, and government support (MSP, subsidies).
- Mechanization, organic farming, and agri-tech startups are influencing sectoral expansion.

Manufacturing & Industry

- Contributes ~25-30% of GDP.
- Driven by initiatives like "Make in India," PLI (Production Linked Incentive) schemes, and FDI inflows.
- Key industries: Automobiles, Pharmaceuticals, Textiles, Electronics.
- Industrial growth is sensitive to global supply chain disruptions and energy prices.

Services Sector (IT, Financial, Telecom, Healthcare, etc.)

- Contributes over 50% of GDP, making it the largest sector.
- IT services and software exports contribute significantly (~\$200 billion in 2023).
- Financial services (banking, insurance) benefit from digital banking and fintech growth.

Infrastructure & Construction

- Government spending on highways, railways, airports, and smart cities fuels this sector.
- Real estate is growing, but high inflation and interest rates can slow demand.

Energy & Utilities

- Renewable energy (solar, wind) is a key driver.
- India's energy demand is rising due to rapid urbanization and industrialization.

Historical GDP Growth & Forecast

- India's GDP has seen fluctuating growth rates due to global recessions, demonetization (2016), and

COVID-19 disruptions.

- Post-pandemic recovery showed 8.7% GDP growth in FY22, moderating to 6-7% in FY23-24.
- Future growth depends on global demand, fiscal policies, and private sector investments.

Policy & Global Economic Impact on GDP

- Government Initiatives: Atmanirbhar Bharat, PLI schemes, tax reforms.
- Global Conditions: Oil prices, geopolitical tensions, trade policies.
- FDI & Investments: Growing investor confidence in India's digital economy.

CPI & Inflation Analysis

CPI measures inflation by tracking price changes in a basket of goods and services.

Inflation Trends & Consumer Impact

- Rising Food Inflation: Vegetables, pulses, and dairy prices have been volatile.
- Fuel & Energy Costs: A major inflation driver, affected by global crude oil prices.
- Core Inflation (Excluding Food & Fuel): Indicates long-term price stability trends.

Forecasting CPI Changes

- Commodity Price Trends: Inflation rises when supply chain disruptions occur (e.g., Ukraine crisis impact on wheat, oil).
- Fiscal & Monetary Policy: RBI adjusts interest rates to control inflation.
- Global Demand-Supply: Affects commodity prices like metals, crude oil, and essentials.

Impact on Purchasing Power & Business Costs

- High Inflation Effects: Reduces household savings, increases cost of borrowing.
- Interest Rate Policy: RBI hikes rates to curb inflation, impacting loans & EMIs.
- Wage Growth vs. Inflation: If wages don't keep up, real income declines.

Sectoral Market Intelligence

Impact of Inflation & GDP Growth on Sectors

Banking & Financial Services

- Interest rate hikes boost banking profitability (higher loan rates).
- Credit growth slows when borrowing becomes expensive.

FMCG & Retail

- High inflation reduces consumer spending on non-essentials.
- Premium brands see slower growth, but essentials remain stable.

Technology & IT

- GDP slowdown in Western economies affects India's IT exports.
- Digital transformation and AI adoption continue to drive demand.

Real Estate & Infrastructure

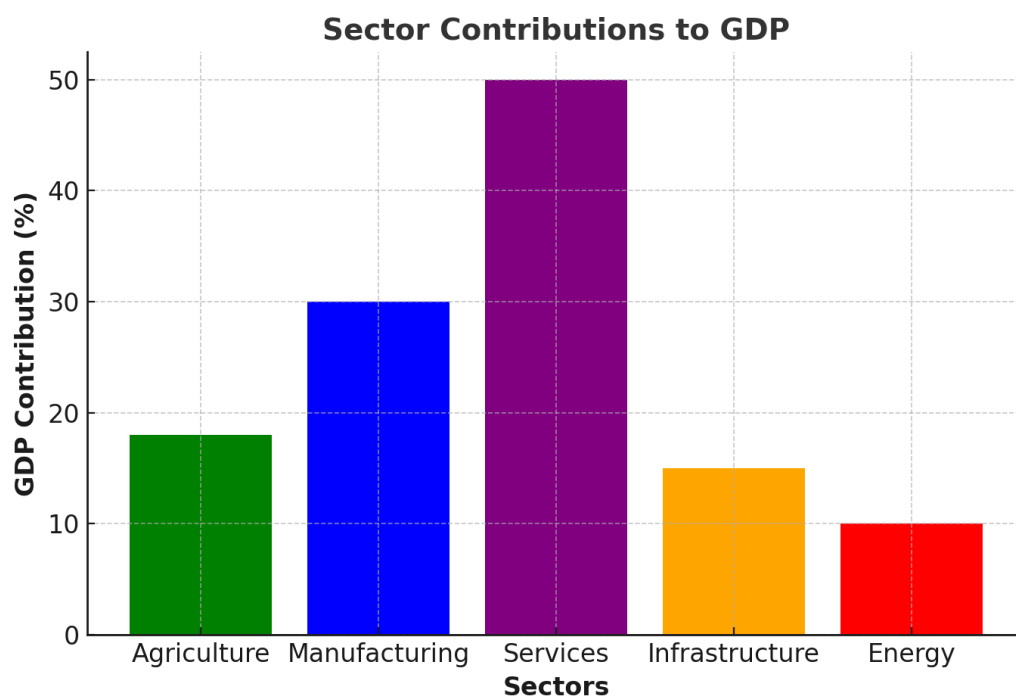
- Rising interest rates increase home loan costs, slowing real estate demand.
- Government spending on roads, metro, and housing supports growth.

Stock Market Reaction to Economic Changes

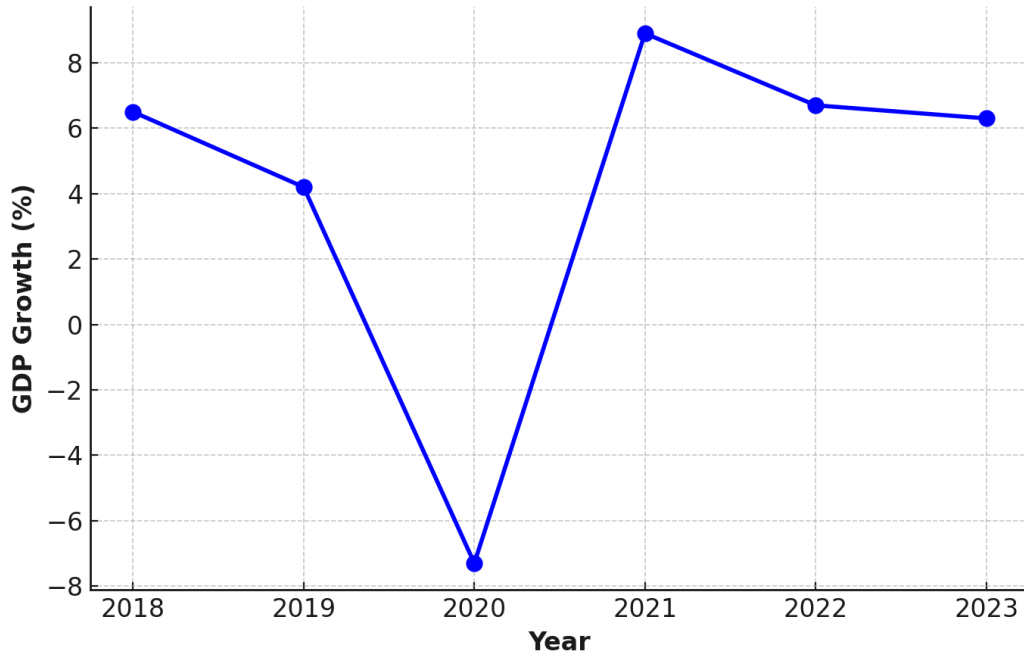
- GDP Growth Boosts Equity Markets: Bullish trends when corporate earnings rise.
- Inflation & Interest Rates: High rates reduce market liquidity, impacting stock valuations.
- Sectoral Shifts: Investors move to defensive sectors (FMCG, pharma) in downturns.

Monetary Policy Influence on Sectors

- Accommodative Policy: Boosts growth sectors (real estate, auto, infrastructure).
- Tightening Policy: Strengthens banking but slows discretionary sectors.



India's Historical GDP Growth Trends



India's CPI Inflation Trends

