+357 96 030922
info@marketpublishers.com

India Business Forecast Report Q1 2015

https://marketpublishers.com/r/I79B5E3BAF0EN.html
Date: October 2014
Pages: 51
Price: US$ 1,195.00 (Single User License)
ID: I79B5E3BAF0EN

Abstracts

Includes 3 FREE quarterly updates

Core Views

We expect the progress of relations between India and Pakistan to remain slow, despite recent efforts to improve them. We believe that the long-standing dispute between India and Pakistan over Kashmir is unlikely to be resolved any time soon, and will continue to strain Indo-Pakistani relations for the foreseeable future. Consequently, security issues will be a greater concern than economic co-operation for India.

We maintain our above consensus forecast for India's real GDP growth to accelerating to 5.6% (consensus expectations of 5.4%) in FY2014/15 (April-March), from 4.7% in FY2013/14. Greater policy certainty and positive regulatory improvements will support an economic growth revival over the coming quarters. While the pace of recovery will also depend on the timing of monetary easing, we have seen optimistic signs from the strong Q1 GDP print.

Although headline inflation has eased somewhat in India, they remain at elevated levels, amongst the highest in the region. That said, we believe that inflationary pressures will ease over the short and medium term. Additionally, the Reserve Bank of India (RBI) maintained its repurchase rate at 8.00% at its September policy meeting. We forecast the central bank to stay determined to contain medium-term price pressures and therefore stand pat on interest rates at its next meeting in December. However, we expect the central bank to ease interest rates by 25 basis points to 7.75% by Q4FY2014/15 as it turns its focus towards supporting economic growth. Over the longer term, we remain constructive on the Indian rupee (INR) but expect a slow appreciation as the RBI seeks stability in the currency. We forecast the Indian rupee to appreciate slowly, averaging INR59.25/USD in 2015 and INR58.50/USD in 2016,

+357 96 030922
info@marketpublishers.com

supported by improved economic growth prospects.

Major Forecast Changes

We have upgraded up our forecasts for consumer price inflation to come in at 7.7% at the end of FY2014/15 (April-March) on the back of a likelihood that low levels of rainfall could persist for longer. That said, we believe that the government will actively employ measures to address the supply in the domestic market, should inflation worsens. We have revised our forecast for the INR to average INR59.25/USD in 2015 and INR58.50/USD in 2016 but remain constructive on the unit. Our revision was predicated on the back of recent weakness in the INR and continued intervention in the open market by the RBI in 2014.

+357 96 030922
info@marketpublishers.com

Contents

+357 96 030922
info@marketpublishers.com

sectors. We maintain our forecast for real GDP growth to accelerate to 5.6% in FY2014/15 (April-March), from 4.7% in FY2013/14.

Table: Economic Activity

Fiscal Policy

Small Efforts To Rein In Fiscal Expenditure Taking Shape

For the period from April-July, the Indian government fiscal deficit stood at 61.2% of the INR5.31bn budgeted for FY2014/15 (April-
March). Our view for the government to take gradual efforts to rein in expenditure rather than increase revenue collection informs our
forecast for the central government's fiscal deficit to narrow to 4.5% and 3.9% of GDP in FY2014/15 and FY2015/16, respectively.

Table: Fiscal Policy

Monetary Policy

RBI To Remain Cautious

The Reserve Bank of India maintained its repurchase rate at 8.00% at its September policy meeting. We forecast the central bank to
stay determined to contain medium-term price pressures and therefore stand pat on interest rates at its next meeting in December.

That said, we expect the central bank to ease interest rates by 25 basis points to 7.75% by Q4FY2014/15 as it turns its focus towards
supporting economic growth.

Table: Monetary Policy

Exchange Rate Policy

INR: Neutral Short-Term, Appreciatory Bias Thereafter

The Indian rupee is likely to trade in a tight range over the coming months and we forecast the unit to average INR60.00/USD in 2014
as the Reserve Bank of India's intervention in the open market should dampen further appreciatory pressures. Over the longer term, we
forecast the unit to appreciate slowly, averaging INR59.25/USD in 2015 and INR58.50/USD in 2016, supported by improved economic
growth prospects.

Table: CURENCY FORECAST

Table: Current Account

CHAPTER 3: 10-YEAR FORECAST

The Indian Economy To 2023

Will Indian Growth Live Up To Expectations?

Improving demographics, structural reforms and trade liberalisation in India during the

+357 96 030922
info@marketpublishers.com

1990s set the stage for an explosion in the country's domestic savings rate, which, in turn, ignited economic growth in the 2000s. Going forward, favourable demographics and trade integration should remain strong tailwinds. However, should India's reform momentum continue to disappoint, the country could struggle to generate sufficient savings growth to finance its investment needs, with headline economic growth suffering as a result.

Table: Long-Term Macroeconomic Forecasts

CHAPTER 4: OPERATIONAL RISK

Operational Risk Index
Operational Risk
  Table: Operational Risk
  Table: Transport Network Risk
Economic Openness
  Table: Economic Openness
  Table: Top Five Trade Partners - Product Exports (USDmn)
  Table: Top Five Product Imports, (USDmn)

CHAPTER 5: KEY SECTORS

Oil & Gas
  Table: Refined Petroleum Products , Production Breakdown
  Table: Refined Petroleum Products , Production Breakdown
  Table: Construction & Infrastructure Industry Data
Infrastructure
  Table: Construction & Infrastructure Industry Data
Other Key Sectors
  Table: Pharma Sector Key Indicators
  Table: Telecoms Sector Key Indicators
  Table: Defence & Security Sector Key Indicators
  Table: Food & Drink Sector Key Indicators
  Table: Autos Sector Key Indicators
  Table: Freight Key Indicators

CHAPTER 6: BMI GLOBAL ASSUMPTIONS

Global Outlook

+357 96 030922
info@marketpublishers.com

Market Publishers

+357 96 030922
info@marketpublishers.com

I would like to order

Product name: India Business Forecast Report Q1 2015

Product link: https://marketpublishers.com/r/I79B5E3BAF0EN.html

Price: US$ 1,195.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page https://marketpublishers.com/r/I79B5E3BAF0EN.html