

India growth faster than data shows: Credit Suisse

PRESS TRUST OF INDIA

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India is growing faster than what is captured by the country's official data, and it presents a case for an upgrade of equities outlook, a Swiss brokerage said on Thursday.

Upgrading Indian equities to 'benchmark' from 'underweight', Credit Suisse said there is a scope for a growth of up to 14 per cent on the benchmark indices.

The brokerage firm's head of research Neelkanth Mishra said the country will grow at 7 per cent in FY24, as against the consensus estimates which peg the real growth to slip below 6 per cent.

Mishra told reporters that the consensus estimates are based on official data alone, whereas the brokerage analysis has taken into account a broad data set to arrive at its expectation.

Mishra said the growth in dense fuels — which is typically below the real GDP growth as fuel efficiencies go up — is over 4 per cent per annum for the last three years.

Similarly, revenue growths of the BSE500 companies also point out to a faster growth, he said.

"We are expecting a stronger acceleration in India's GDP growth in 2023 owing to several domestic growth drivers. Revival in government spending, increase in low-income jobs and easing of supply-chain bottlenecks should partly offset the impact of rate hikes, a slowing global economy and the need to reduce the balance-of-payments (BoP) deficit," he said.

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