

# Economy likely to have grown 6.4-7.2% in Q4

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The economy is likely to have grown between 6.4 and 7.2 per cent during the January-March quarter (Q4) of fiscal year 2024-25 (FY25), four key economic research agencies estimated on Wednesday.

Growth, based on changes in Gross Domestic Product (GDP), was 6.2 per cent during October-December quarter (Q3) of FY25.

The government will come out with data for Q4 and full fiscal of FY25 on May 30.

Based on projections of different agencies, growth is mainly on account of some

improvement in consumption.

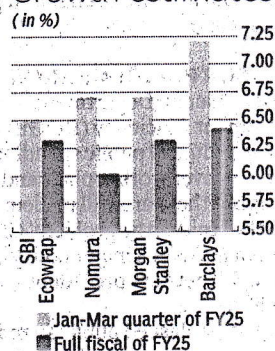
However, the Q4 number could be lower than the number based on advance estimates given by the Statistics Ministry. It may be noted that earlier, it was estimated that full-year growth could be 6.5 per cent.

Based on the three-quarter numbers, the implied growth rate for Q4 was estimated at 7.6 per cent.

In its research report, SBI said that to estimate GDP statistically, it has built a 'Nowcasting Model' with 36 high-frequency indicators associated with industry activity, service activity and global economy. The model uses the dynamic factor model to estimate the com-

in

## Growth estimates



mon or representative or latent factor of all the high-frequency indicators from Q4 of FY13 to Q2 of FY23.

"As per our (SBI) 'Nowcasting Model', the forecast GDP growth for Q4 FY25

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should come around 6.4-6.5 per cent," it said.

Assuming there are no major revisions in Q1 to Q3 estimates, it estimates full fiscal of FY25 growth at 6.3 per cent.

## GROWTH CYCLE

Morgan Stanley's report, 'India Economics Mid-Year Outlook', noted that India's growth cycle has been on a gradual cyclical recovery following a partially policy-in-

duced slowdown in 2H CY24. As such, high-frequency data have staged some recovery at the margin, especially from the trough in QE September 2024; however, the trend is not yet broad-based. The report expects growth to be 6.7 per cent at QE (quarter ending) March 2025.

## FARM SECTOR

With the same estimates, Nomura sees good growth in the farm sector. "Robust Rabi (winter) crop output should ensure continued strength in the agricultural sector," it said. While industrial growth is likely to be weaker, a broad-based pick-up in services growth is expected.