

# 2024 REVIEW

Year-End Review of the global economy and capital markets, highlighting India's remarkable resilience.



**Capital**  
—SPROUT—

**Wealth Bulletin**  
**Dec, 2024**

**2025**

**2024**



Greetings from Capital Sprout!

It gives us great pleasure to share the December 2024 issue of Capital Sprout's Wealth Bulletin. This month, we present a 2024 Year-End Review of the global economy and capital markets, highlighting India's remarkable resilience.

The year 2024 has been challenging for the global economy. Geopolitical tensions, tight labor markets, and a recession in Europe have disrupted forecasts and created significant uncertainty. While some of the world's strongest economies have struggled to recover, India has demonstrated exceptional resilience.

Despite signs of a slowdown in the last two quarters, India has outperformed global peers over the past four years, emerging as a beacon of stability and growth. With strong macroeconomic and microeconomic fundamentals, unwavering political will, and a commitment to sustainable infrastructure development, India is poised to become the world's third-largest economy.

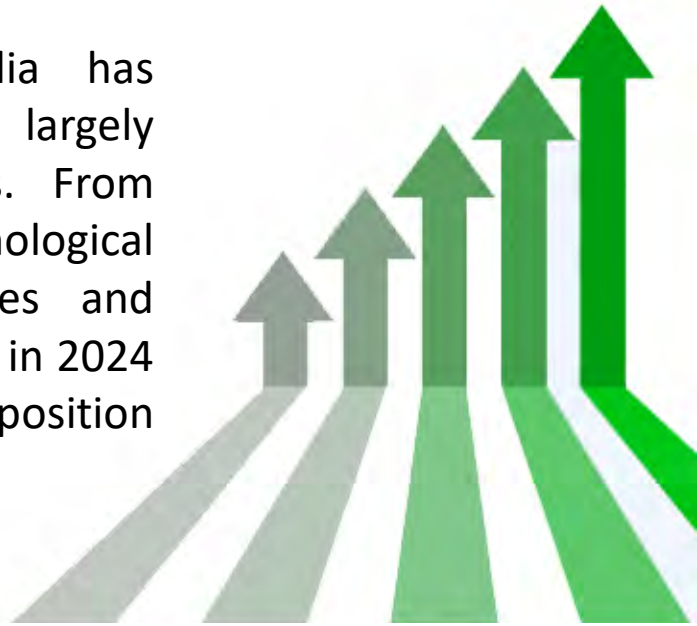
This bulletin provides an in-depth analysis of India's key economic indicators, a comparison of its capital market performance with leading global markets, and other insightful assessments of 2024 & outlook of 2025.

I trust you will find this newsletter valuable and informative

*CA DR Rajesh Khandol*

Over the past three years, geopolitical instability and conflicts have dominated global concerns, overshadowing other economic challenges. Following the COVID-19 pandemic, the global economy has faced a series of disruptions, including bilateral conflicts, rising inflation, increasing interest rates, and a severe recession in Europe.

Amidst this global uncertainty, India has emerged as a resilient economy, largely unaffected by these external shocks. From economic growth and technological advancements to diplomatic successes and social welfare initiatives, India's progress in 2024 has been transformative, cementing its position as a global powerhouse.



## Key economic indicators highlight India's growth story in 2024.

Gross Domestic Product (GDP) in year 2024 at current price.	3974.81 Billion USD (estimated)
Annual GDP growth rate in 2024	6.50%
Growth of 8 key infrastructure sectors in year 2024 (coal, cement, steel, electricity, fertilizers, natural gas etc)	4.00%
Foreign Direct Investment (FDI) inflow in India Jan to Sep 2024 (9 months)	42.3 Billion USD
Avg. Daily national highway construction in 2024	34 KMS
UPI transactions (amount)	2,877.50 Billion INR
UPI transactions (number)	155.47 Billion

\*India has shared its UPI technology with many countries including France, Australia, Singapore, UAE, Saudi Arabia, Oman, Nepal, Bhutan, Sri Lanka and others.

# Year in Review | How India's economic indicators fared in 2024

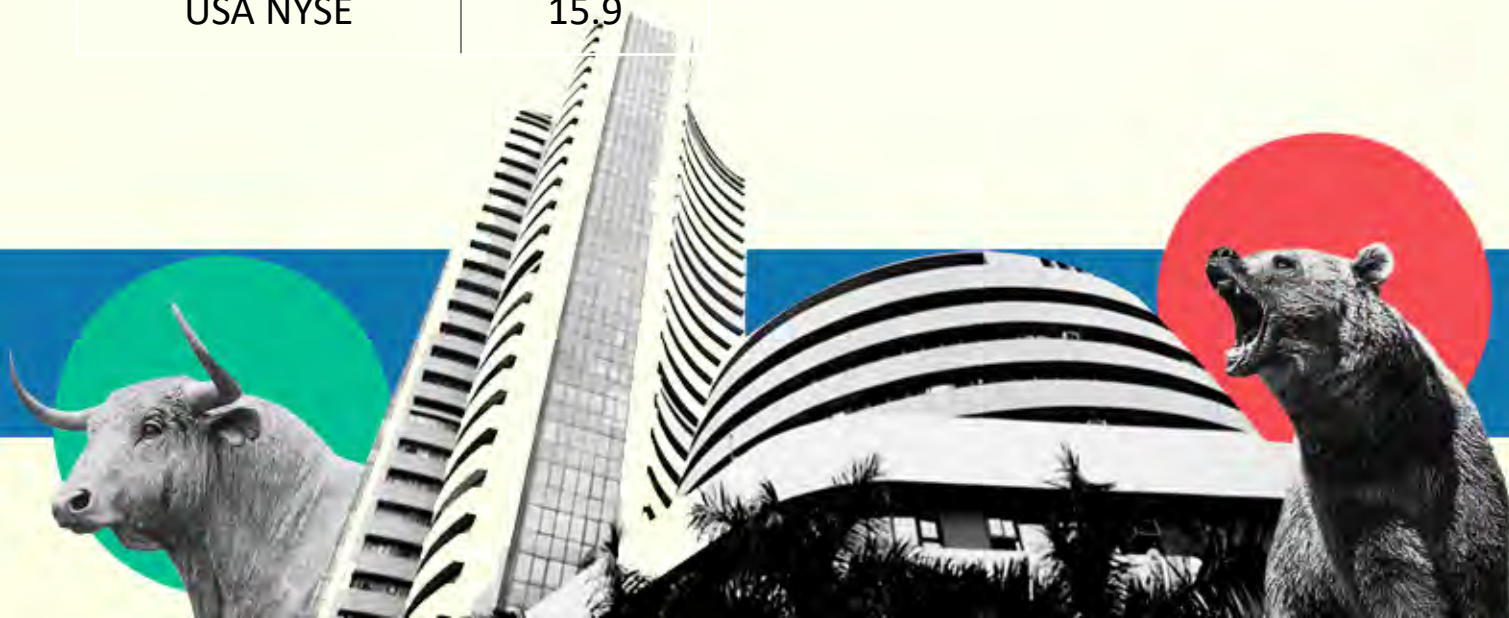
Key Economic Indicators	2023	2024	Change
Foreign Exchange Reserve	620.4 Billion USD	640.27 Billion USD	+19.87 Billion USD
Market cap of all companies listed in (NSE) National Stock Exchange (as on year end)	4213.28 Billion USD	5308.07 Billion USD	+1094.69 Billion USD +25.98%
AUM of Mutual Fund	48.75 Lakh Crore INR	68.05 Lakh Crore INR	+19.3 Lakh Crore INR
Monthly SIP inflow Nov 24 v/s Nov-23	17073 Crore INR	25320 Crore INR	+8247 Crore INR



Total funding raised through IPO

Total No. of IPO in 2024	268 IPO
Country/ Index	Billion USD
INDIA	19.5
USA NASDAQ	16.5
USA NYSE	15.9

Domestic Intuitional Investors (DII) Net Inflow in Stock Market :  
62.05 Billion USD



## 5th Largest economy



India's economy demonstrated remarkable resilience in 2024, achieving a 6.50% GDP growth rate—the highest among major economies. This performance solidifies India's position as the world's fastest-growing major economy. Currently ranked as the fifth-largest economy, India is rapidly closing the gap with Germany, which holds the fourth position.

The following table provides a comparative overview of GDP figures and growth rates over the past year and five years for key global economies.

Table statistics clearly shows India's GDP growth rate is the highest in year 2024 whereas all other major economies have observed muted growth

#	Name of country	GDP US\$ trillion in 2024	GDP growth rate calendar year 2024
1	USA	25.43	2.80%
2	China	14.72	4.80%
3	Japan	4.25	1.10%
4	Germany	3.85	0.80%
<b>5</b>	<b>India</b>	<b>3.98</b>	<b>6.50%</b>
6	UK	2.67	1.10%
7	France	2.63	1.10%

## Strong capital market

India's capital market is also witnessing strong Growth consistently since 2020 Covid era. India is now the 4th country in the world with an equity market capitalization of \$5.63 trillion, just behind US, China, Japan. 19.50 US\$ Billion fresh fund infused in 2024 in Indian Stock market which suggests faith & growth expectations from India's Business conglomerate.



### Comparison of return of world's major stock markets

#	Index	Country	5 years absolute returns (%)	5 years * risk (%)	Risk per unit of return
1	NASDAQ Composite	USA	117.52%	21.52%	0.18x
2	Nifty 50 Index	India	96.33%	19.05%	0.20x
3	Nikkei	Japan	68.64%	16.64%	0.24x
4	Dow Jones	USA	49.23%	18.46%	0.37x
5	Straits time Index	Singapore	17.38%	14.56%	0.84x
6	FTSE 100	UK	7.89%	13.55%	1.72x

Above statistics shows that during last 5 years, India's Benchmark Index has emerged as the 2nd strongest in the world considering Absolute return & Risk undertaken.

\*Risk per Unit of Return shows risk undertaken to earn 1 unit of return. Lower the Risk per Unit of Return, better the investment as investor can earn same return with lower level of risk undertaken

## Future outlook

According to the Asian Development Bank, the Indian economy is expected to grow by approximately 8% in the next 5-6 years, endorsed by increasing public investment in infrastructure and a pickup in private sector investment.



Investors, motivated by the results of their investments in the past fiscal year, are prepared to devote a significant gear percentage of their savings to capital instruments in the forthcoming years. They are also motivated to invest in the growing sectors in India.

Following are some of sectors have huge potential in future & they have capabilities to turn around Indian Economy of India and which sectors in India will flourish even more in the investing shortly future.



## Health & insurance sector

Due to an ageing population, an increase in chronic illnesses, and a growth in disposable income, India's demand for healthcare services is on the rise. In addition, the COVID-19 epidemic has also brought attention to the need for improved healthcare services and infrastructure in India, encouraging further investment.

In India, the penetration of the Term Life Insurance & health insurance market have significantly increased in recent years. Life & health Insurance sector have huge potential in India



## Renewable energy

By 2030, it is expected that 450 GW of renewable energy capacity in India. The demand of energy will be increasing manifold with the development of robust energy centric technology. Renewable energy is first choice considering cost, environment & other factors. India's renewable energy industry is anticipated to continue to expand quickly in the coming years due to favorable government policies, cost reduction in technology and rising demand for clean energy.





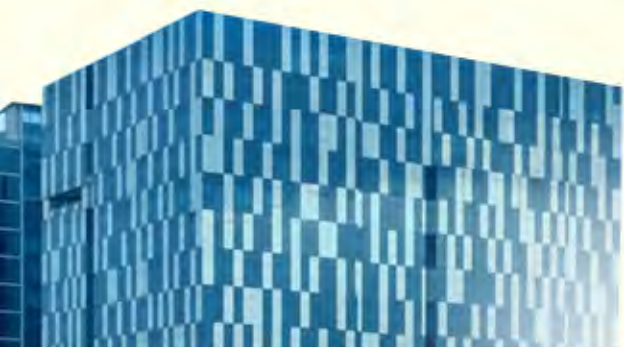
## The next gen. Digital infrastructure & it sector

India is poised to lead the global digital infrastructure space, with e-retail penetration expected to hit 10% by 2027. With nearly half a billion internet users in India, a host of indigenous digital services, platforms, applications, content, and solutions, are expected to transform the digital ecosystem.



## GIFT CITY (Gujarat International Finance Tec-City)

The next big thing for the Fintech industry could be GIFT CITY in coming years. GIFT City in Gujarat is India's first operational smart city and hosts India's first and only International Financial Services Centre (IFSC). It's a hub for financial, banking, capital market and IT companies from around the world, offering an ideal ecosystem for both local and international businesses. It is already considered as "FINTECH BUSINESS DISTRICT" of the world.



## Private Equity Trends Shaping 2025

The private equity (PE) landscape is evolving with six major trends influencing global and Indian markets:

**1. Infrastructure Investments:** PE firms are heavily investing in infrastructure, especially energy and digital sectors. Over the past three years, over US\$100 billion has been allocated to data center projects. With data centers consuming more than 2% of global electricity—projected to rise to 3%-4% by the decade's end—opportunities abound across the value chain, including supporting software, hardware, and power infrastructure.

**2. Focused Artificial Intelligence (AI) Utilization:** PE firms are leveraging AI to enhance investment processes. AI-driven tools are streamlining origination, due diligence, and portfolio management, reducing costs by up to 70%, and boosting productivity within portfolio companies.

**3. Emphasis on Growth:** Firms are prioritizing revenue growth through advanced analytics, strategic outsourcing, and robust reporting frameworks. These strategies enhance value creation and working capital efficiency.



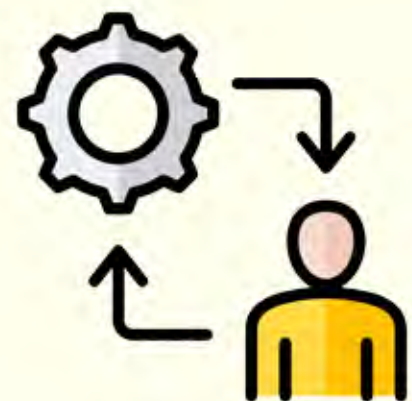
**4. Increased Role of Sovereign Wealth Funds (SWFs):** SWFs are emerging as key players, investing nearly US\$30 billion in U.S. PE deals year-to-date, with a total of over US\$367 billion since 2018. Partnerships with SWFs, including co-investments and tailored accounts, are shaping PE strategies.

**5. Expanding Definition of Capital:** Private credit funds now hold US\$1.5 trillion in assets under management, expected to double in five years. New fund structures, such as semi-liquid funds, are attracting diverse investor bases.

**6. Focus on Change Management:** As investment portfolios grow, PE firms are prioritizing people-centric approaches to back-office transformation and cultural development within portfolio companies to drive sustainable value.



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# Conclusion

India's resilience amid global economic challenges has been remarkable. While economies like the US, China, Japan, and Germany faced severe turbulence; India has maintained steady growth over the past four years. Although the last two quarters have shown signs of a slowdown, it is expected after consistent outperformance.



The recent approval of the "One Nation, One Election" bill marks a significant democratic reform. With election expenditures accounting for 1% of GDP, this move could save resources, enhance governance, and potentially boost GDP by 1%. The reform could reduce disruptions caused by frequent elections, fostering a stable environment for economic growth.



India's strategic advantages position it for long-term success. A young population, digitalization through initiatives like UPI and Aadhaar, and a focus on infrastructure and manufacturing, such as the PLI schemes, are driving growth. Pro-development government policies have further bolstered investor confidence.



Economists and global institutions predict India could surpass China and rank among the top three global economies by 2035. However, challenges like inequality, job creation, and sustainability remain. Addressing these will be crucial to ensure inclusive and balanced growth.

With sustained reforms and collective efforts, India is poised to lead the global economy in the coming decade.

# Performances

## Equity Market

Indices	01-12-2024	31-12-2024	High	Low
BSE S&P SENSEX	79,743.87	78,139.01	82,317.74	77,560.79
NIFTY 50	24,140.85	23,644.80	24,857.75	23,460.45

## Mutual Fund

### AUM Data of Mutual Fund for the Month of Dec 2024

(INR. In Lakh Crore)

Particulars	AUM As On 30-11-2024	Fresh Fund Mobilize During Dec- 24	Redemption During Dec-24	AUM As On 31-12-2024
Total AUM of all mutual funds scheme	67.47	12.41	13.22	66.66
AUM of equity oriented (growth) schemes	30.17	0.72	0.31	30.58

Source: Association of Mutual Fund of India (AMFI)

### SIP Contribution

(INR. In Crore)

Month	SIP Contribution	SIP AUM
Dec-2024	26,459	13,63,137

## FII & DII Inflow/Outflow Position

FII's selling in the month of Dec-24 is 0.17 Lakh.  
DII's buying in the month of Dec-24 is 0.34 Lakh.

### Inflow/Outflow position in the month of Dec 2024

(INR. In Crore)

FII /DII	Gross Purchase	Gross Sale	Net
FII	3.00 Lakh	3.17 Lakh	(0.17)Lakh
DII	2.90 Lakh	2.56 Lakh	0.34 Lakh

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