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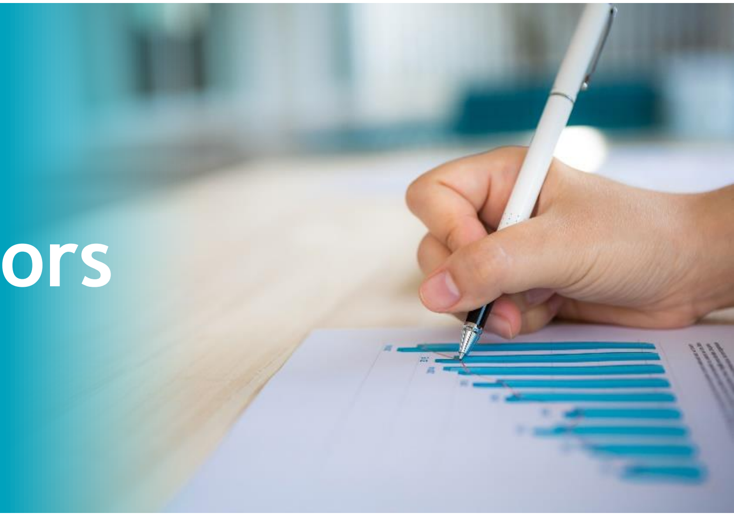
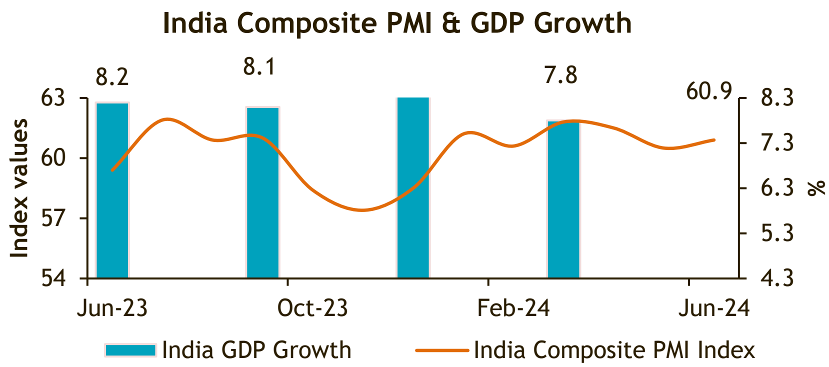
# Monthly Factbook

July 2024

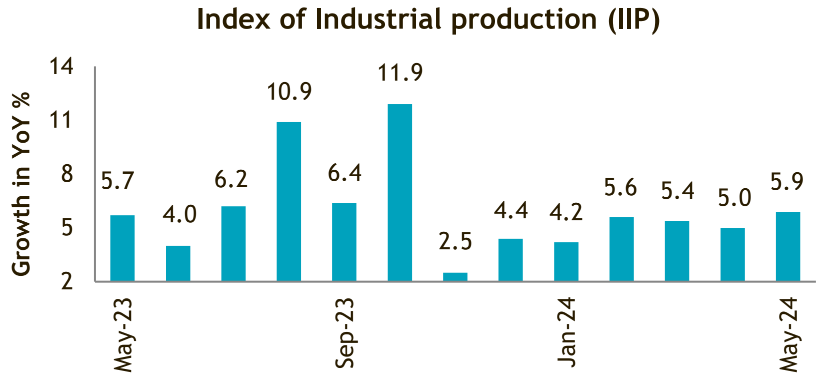
# Indian Economic Indicators





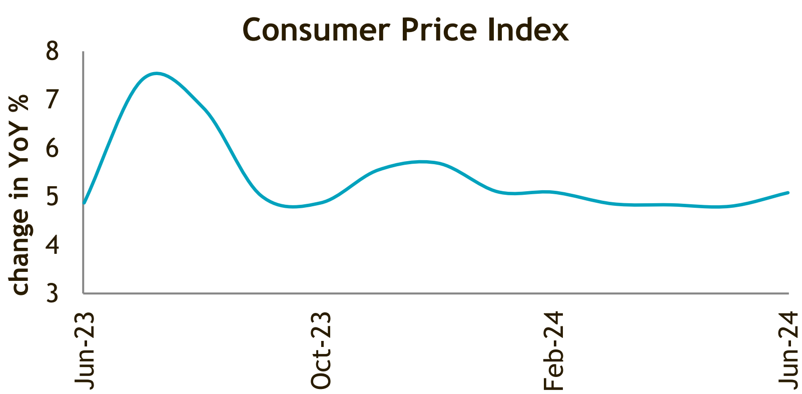

*Source: Refinitiv; PMI >50 denotes expansion and <50 is contraction*

India Composite PMI increased slightly to 60.9 in Jun 2024 from 60.5 in May 2024 and GDP of the Indian economy at constant (2011-12) prices witnessed a growth of 7.8% in the fourth quarter of FY24.



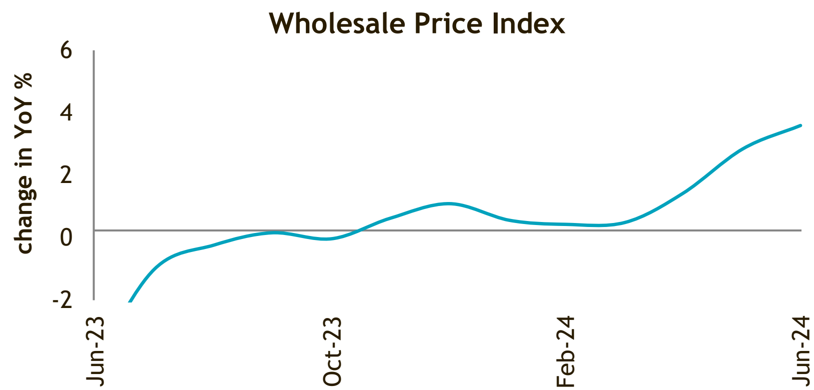

*Source: Refinitiv*

Industrial production growth in India (IIP) increased to 5.9% YoY in May 2024, as compared to 5.0% rise in Apr 2024. Production in the manufacturing industry increased by 4.6%, mining by 6.6% and electricity by 13.7% in May 2024.




*Source: Refinitiv*

The consumer price index-based inflation rose to 5.08% YoY in Jun 2024 compared to 4.80% in May 2024.




*Source: Refinitiv*

India’s wholesale price index (WPI) based inflation surged to 16-month high of 3.36% YoY in Jun 2024 as compared to 2.61% in May 2024.

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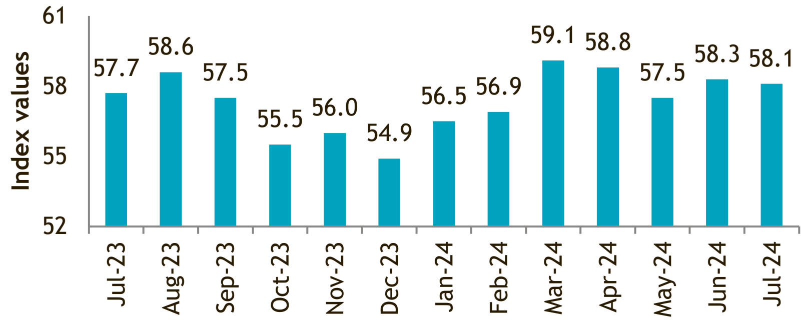
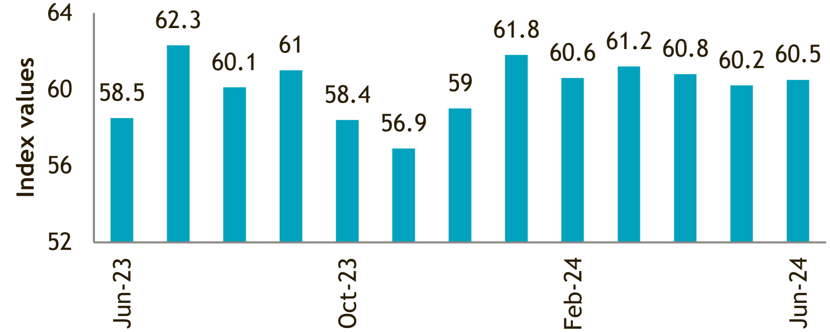
India Manufacturing PMI




*Source: Refinitiv; PMI >50 denotes expansion and <50 is contraction*

The Manufacturing Purchasing Managers' Index edged down slightly to 58.1 in Jul 2024 compared to 58.3 in Jun 2024.

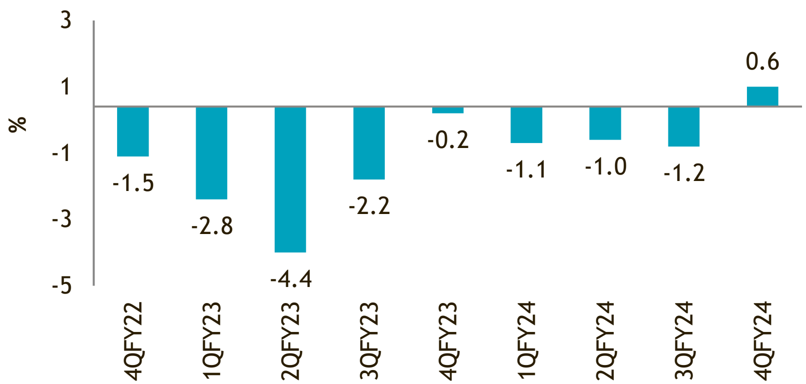
India Service PMI




*Source: Refinitiv; PMI >50 denotes expansion and <50 is contraction*

India's Services Purchasing Managers' Index (PMI) rose slightly to 60.5 in Jun 2024 as compared to 60.2 in May 2024 buoyed by strong demand and a record rise in export orders.

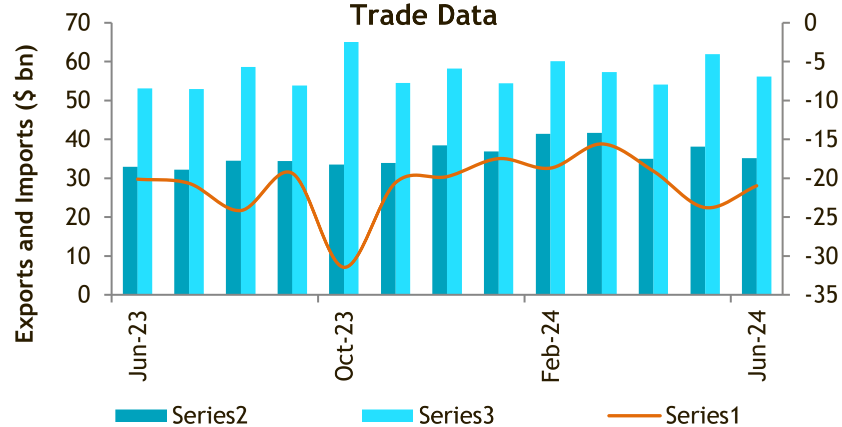
Current Account Deficit as % of GDP




*Source: Refinitiv*

India's current account balance recorded a surplus of US$ 5.7 billion (0.6% of GDP) in Q4 FY24 as against a deficit of US$ 8.7 billion (1.2% of GDP) in Q3 FY24 and US$ 1.3 billion (0.2% of GDP) in Q4 FY23.

Trade Data




*Source: Refinitiv*

India's merchandise trade deficit widened to $20.98 billion in Jun 2024 from $19.19 billion in Jun 2023.

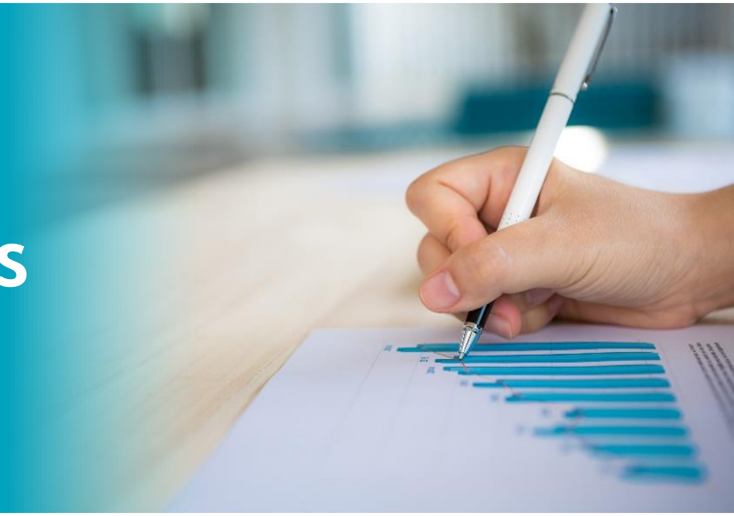
# Key Domestic Market Highlights

- Domestic equity markets started month on higher note amid reinstated expectations that the U.S. Federal Reserve would start interest rate cuts in Sep 2024 following the dovish commentary from the U.S. Federal Reserve Chairperson, which fuelled hopes that rate cuts are closer. Gains were extended after softer-than-expected U.S. consumer inflation data in Jun 2024, which fell by 0.1% sequentially, bolstered hopes for two rate cuts this year by the U.S. central bank. Markets reached fresh highs following the foreign fund inflows along with retreat in global crude oil prices from the recent high of $90 per barrel mark.

- Meanwhile, fragile global sentiments due to a number of factors, including the deepening China-U.S. trade disputes, unpredictability surrounding the U.S. presidential election and a dearth of stimulus policies from China to spur economic expansion, restricted the gains, as profit bookings were witnessed at peak levels. Gains were further restricted as investors reacted to the Union Budget announcements, particularly the changes in capital gains tax. The long-term capital gains on all financial and non-financial assets will now attract a tax rate of 12.5% from 10% earlier. Short-term gains on certain financial assets shall henceforth attract a tax rate of 20% from 15% earlier.

- However, after witnessing some fall from peak levels, markets rallied to fresh high buoyed by the government's commitment to improving consumption and bridging the gap for energy transition in the Budget.

# Domestic Equity Markets



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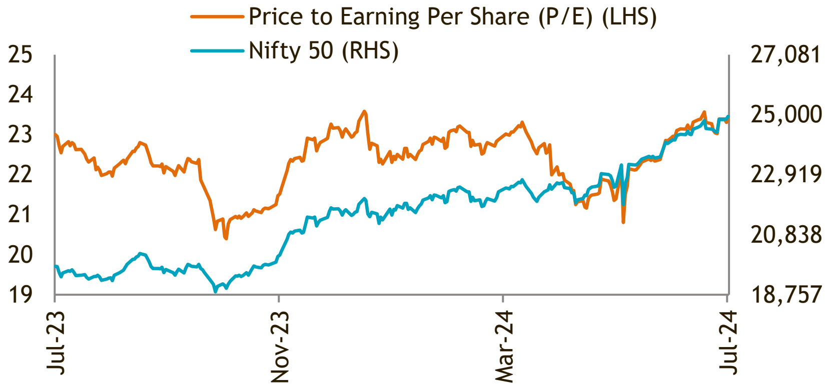
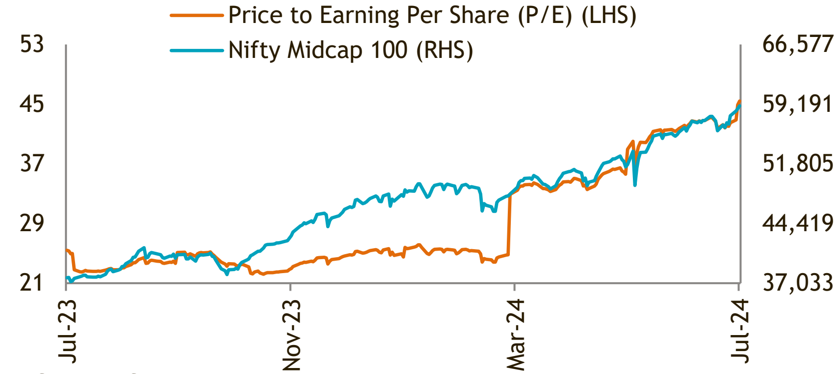


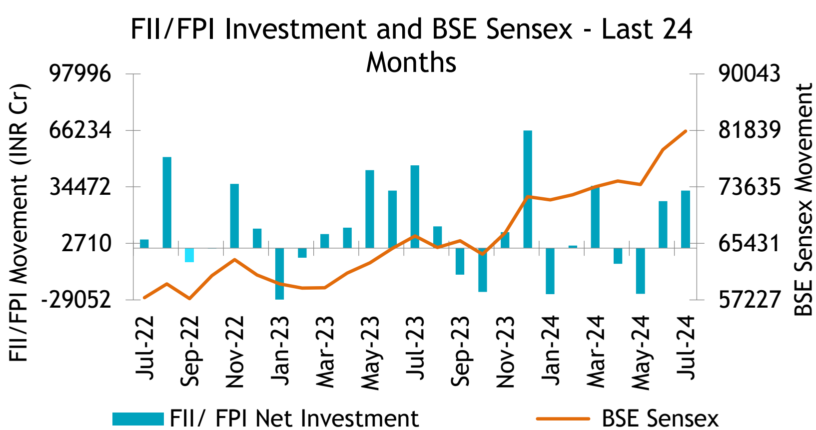

Source: NSE

During the month, BSE Sensex and Nifty 50 rose 3.43% and 3.92% respectively to close at 81,741.34 and 24,951.15 respectively.



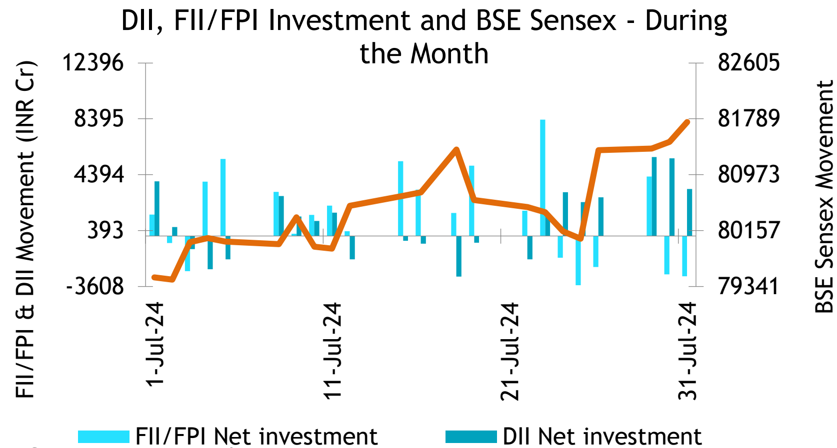

Source: NSE

During the month, Nifty Midcap 100 rose 5.84% and Nifty Small cap 100 rose 4.48% to close at 58,990.90 and 19,137.65 respectively.




Source : MFI 360 Explorer

Foreign portfolio investors (FPIs) were net buyer of domestic stocks worth Rs. 32,364.84 crore in Jul 2024 compared with net purchase of Rs. 26,564.54 crore in Jun 2024.




Source : MFI 360 Explorer

Domestic mutual funds remained net buyer in the equity segment to the tune of Rs. 20,601.340 crore in Jul 2024.

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# Returns of Major NSE Indices

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | CYTD |
|---|---|---|---|---|---|---|---|---|---|---|
| Smallcap 69.57% | Media 10.30% | Metal 45.20% | Realty 110.22% | IT 23.64% | Realty 28.49% | Pharma 60.43% | Metal 69.66% | PSU Bank 70.92% | Realty 81.64% | Auto 43.33% |
| PSU Bank 67.07% | Smallcap 10.20% | Auto 10.75% | Smallcap 57.47% | FMCG 13.57% | Finance 25.65% | IT 54.75% | Smallcap 61.94% | Metal 21.83% | Smallcap 48.26% | Realty 39.68% |
| Midcap 60.26% | Pharma 9.26% | Midcap 5.41% | Midcap 54.53% | Finance 10.54% | Largecap 10.42% | Smallcap 25.02% | IT 59.58% | FMCG 17.59% | Auto 47.78% | PSU Bank 29.47% |
| Finance 57.34% | Midcap 8.41% | Finance 4.93% | Metal 48.71% | Largecap 1.13% | IT 8.39% | Midcap 24.31% | Realty 54.26% | Auto 15.36% | Midcap 43.82% | Pharma 29.38% |
| Auto 56.69% | FMCG 0.33% | PSU Bank 4.11% | Finance 41.56% | Pharma -7.77% | Midcap -0.28% | Metal 16.14% | Midcap 46.81% | Finance 9.55% | Pharma 33.72% | Midcap 28.01% |
| Pharma 43.42% | IT -0.03% | Largecap 3.60% | Media 32.80% | Midcap -13.26% | FMCG -1.29% | Largecap 14.82% | PSU Bank 44.37% | Largecap 3.64% | PSU Bank 32.40% | Smallcap 27.82% |
| Largecap 33.17% | Auto -0.32% | FMCG 2.78% | Auto 31.47% | PSU Bank -16.47% | Smallcap -8.27% | FMCG 13.42% | Media 34.56% | Midcap 2.97% | FMCG 29.10% | Metal 20.12% |
| Media 33.02% | Largecap -2.41% | Smallcap 0.36% | Largecap 31.15% | Metal -19.84% | Pharma -9.34% | Auto 11.43% | Largecap 25.04% | Smallcap -3.66% | IT 24.16% | Largecap 18.74% |
| FMCG 18.22% | Finance -5.41% | Media -0.85% | FMCG 29.47% | Auto -22.99% | Auto -10.69% | Realty 5.11% | Auto 18.96% | Media -10.25% | Largecap 20.11% | IT 15.02% |
| IT 17.84% | Realty -15.02% | Realty -4.20% | PSU Bank 24.17% | Media -25.80% | Metal -11.20% | Finance 4.46% | Finance 13.96% | Realty -10.84% | Media 19.94% | Finance 8.96% |
| Realty 10.02% | Metal -31.35% | IT -7.25% | IT 12.21% | Smallcap -26.68% | PSU Bank -18.25% | Media -8.55% | Pharma 10.12% | Pharma -11.46% | Metal 18.72% | FMCG 8.94% |
| Metal 7.02% | PSU Bank -32.91% | Pharma -14.18% | Pharma -6.32% | Realty -32.87% | Media -29.72% | PSU Bank -30.50% | FMCG 9.96% | IT -26.11% | Finance 13.24% | Media -9.98% |

IT returns represented by NIFTY IT
Metal returns represented by NIFTY Metal
Realty returns represented by NIFTY Realty
Auto returns represented by NIFTY Auto
Pharma returns represented by NIFTY Pharma
Media returns represented by NIFTY Media

Finance returns represented by NIFTY Finance
FMCG returns represented by NIFTY FMCG
PSU Bank returns represented by NIFTY PSU Bank
Largecap returns represented by Nifty 100
Midcap returns represented by Nifty Midcap 150
Smallcap returns represented by Nifty Small cap 250

*Source: MFI 360 Explorer*

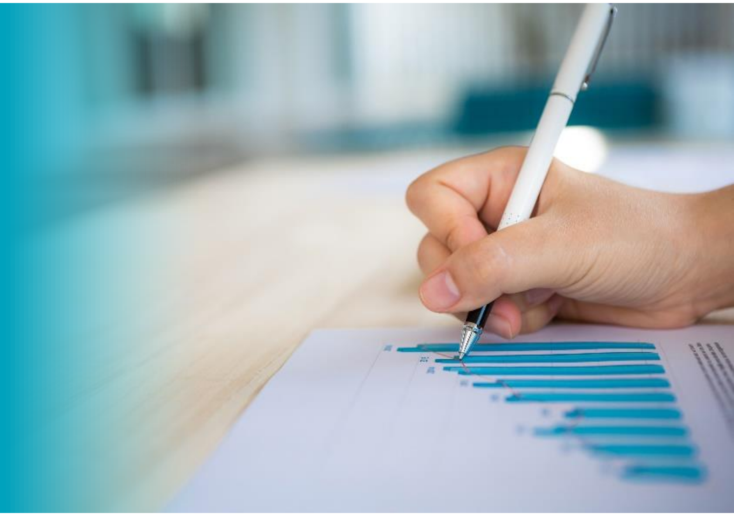
# Equity Market Outlook

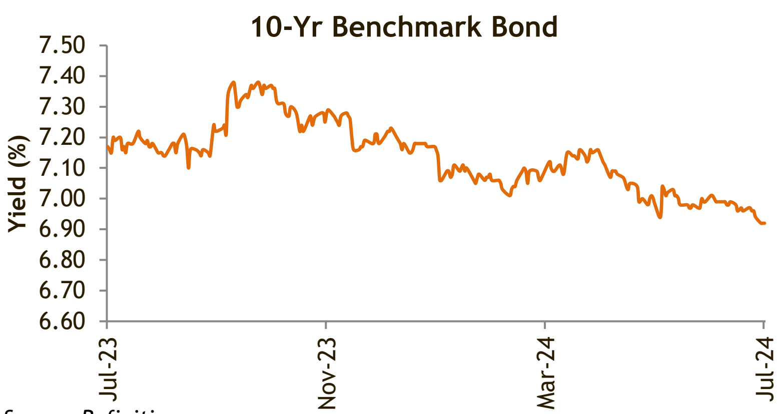
- Global macro environment just turned more complex in last few weeks with US employment data turning weak, Japan Increased interest rates (when US is expected to cut rates) reversing Yen trade and Israel killing Hamas leader in Iran. These are all significant events and pose a risk to a low volatility market that has existed for several months now. On the other hand, the US growth is stabilizing at lower levels as the fiscal and monetary impulse is receding, employment data moderating and inflation is moderating gradually – and seems like it is in last leg now. This is leading to a possible goldilocks scenario where you might get lower inflation without hurting growth too much. Given the way growth inflation dynamics is in US – we expect faster interest rate cuts than anticipated earlier. We expect 50-75bps cut before Dec 2024. Europe is gradually stabilizing at modest growth, but not deteriorating further, as inflation and interest rates peak in most economies there. China continues to have challenges on growth revival due to ageing population and leverage in households/Real estate, which are structural in our view. Thus, commodities in general will remain muted for extended period, given >30-40% of every commodity is consumed by China. Geopolitical tensions are taking time to abate and are only getting complex. Given these tensions, supply chains and global trade has become vulnerable to new dimension now, missing till pre-covid. India remains one of the differentiated markets in terms of growth and earnings. In our worldview, 1) the Liquidity, 2) Growth and 3) Inflation surfaced post monetary and fiscal expansion in CY20-21 in that order and they will reverse in the same order during CY23-24. We have seen an initial downtick in inflation, which will accelerate in our view over the next few quarters. We expect 100-150bps of interest rate cuts over the next 12 months now. Inflation is taking more time than usual to recede given healthy household savings in US, elevated energy prices, tight labor markets and challenged supply chains – but latest data points are final cracks in inflation and growth data in US.

# Equity Market Outlook

- Indian macro remains best among large markets. Political stability looks almost given. CAD has improved significantly and is expected to be ~1% for FY24. Most domestic macro and micro indicators remain steady. Given these aspects, the domestic equity market remains focused on earnings. Earnings growth (13-15% earnings CAGR FY24-26E) remains relatively far better than most EM/DM markets. While the earnings are not getting upgraded significantly yet; they are resilient and seems to be bottoming. Financials, Auto, industrials, Telecom, Hospital and Real Estate are witnessing a healthy earnings cycle whereas FMCG, chemicals and IT continue to face headwinds. Indian equity market trades at 21FY26 earnings – with earnings CAGR of ~15% over FY24-26E – in a fair valuation zone from medium term perspective – given longevity of earnings cycle in India. The broader market has moved up >50% in last 1 year -capturing near term earnings valuation positives for FY24/25. Expect a rollover return as the earnings rollover to FY26. Given the upfronting of returns in mid and small caps (aided by very strong flows also), valuations are at 20-30% premium to past; we are more constructive on large cap from FY25/26 perspective. Domestic cyclicals continue to have earnings edge over global cyclical and consumption. Financials, Auto, RE, Cement, Industrials, Power, Hotels/Hospitals/Aviation on domestic side continue to display healthy earnings.
- Having said this on near term earnings /market context, we believe that Indian economy is in a structural upcycle which will come to fore as global macroeconomic challenges recede over next few quarters. Our belief on domestic economic up-cycle stems from the fact that the enabling factor are in place viz. 1) Corporate and bank balance sheets are in best possible shape to drive capex and credit respectively, 2) Consumer spending remains resilient through cycle given our demographics, 3) Govt is focused on growth through direct investments in budget as well as through reforms like GST(increasing tax to GDP), lower corporate tax and ease of doing business (attracting private capex), PLIs( private capital through incentives for import substitution or export ecosystem creation) and 4) Accentuated benefits to India due to global supply chain re-alignments due to geopolitics. This makes us very constructive on India equities with 3-years view. We believe that India is in a business cycle / credit growth / earnings cycle through FY24-27E – indicating a healthy earnings cycle from medium term perspective.

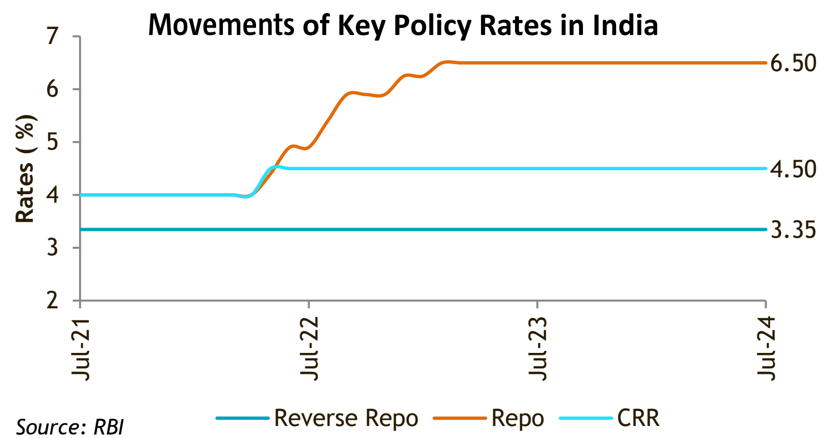
# Domestic Debt Markets





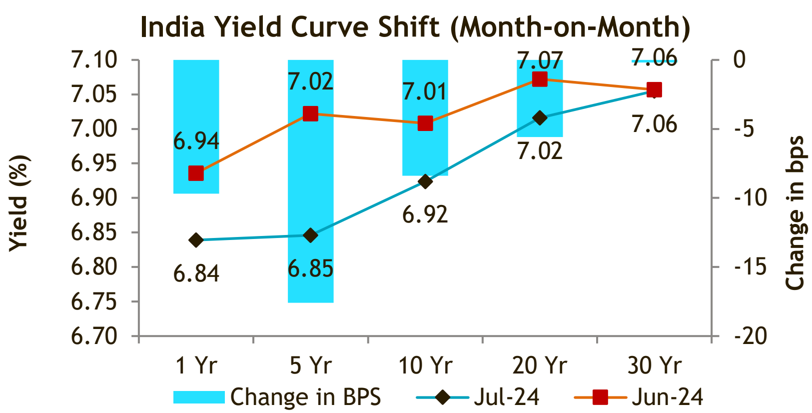

*Source: Refinitiv*

Bond yields slipped during the month in tandem with a drop in U.S. Treasury yields on expectations of rate cut in Sep 2024 by the U.S. Federal Reserve.



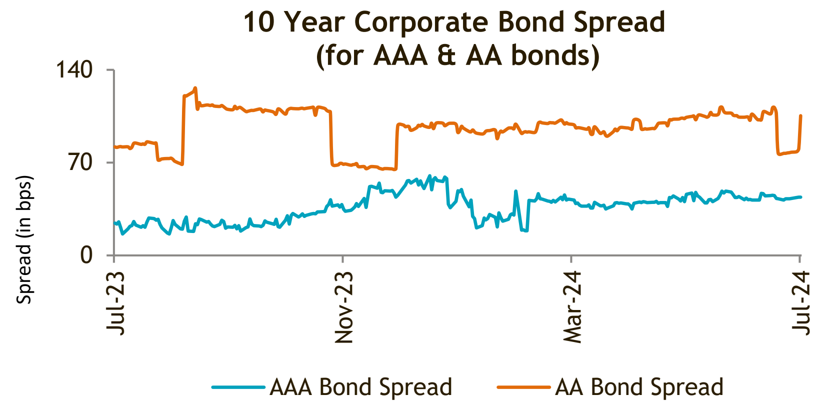

*Source: RBI*

The Monetary Policy Committee in its second bi-monthly monetary policy review of FY25 kept key policy repo rate unchanged at 6.50% with immediate effect for the eighth consecutive time.




*Source: Refinitiv*

Yield on gilt securities fell between 4 to 18 bps across the maturities, barring 30-year paper that was unchanged.




*Source: Refinitiv*

Yield on corporate bonds decreased between 8 to 17 bps across the curve.

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# Category-wise Fixed Income returns

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | CYTD* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| LD 9.05% | LT 14.31% | LD 8.94% | 10 Y Gilt 14.93% | LD 6.80% | LD 7.69% | LT 10.72% | LT 12.25% | ST 4.38% | LIQ 5.08% | LD 8.86% | LT 9.08% |
| LIQ 9.03% | 10 Y Gilt 14.14% | ST 8.66% | LT 12.91% | LIQ 6.66% | LIQ 7.58% | 10 Y Gilt 10.46% | ST 10.39% | LD 4.23% | LD 3.65% | 10 Y Gilt 7.82% | 10 Y Gilt 9.06% |
| ST 8.27% | ST 10.47% | LT 8.63% | ST 9.82% | ST 6.05% | ST 6.65% | ST 9.53% | 10 Y Gilt 9.23% | LIQ 3.60% | ST 3.59% | LT 7.30% | LD 7.85% |
| LT 3.79% | LD 9.87% | LIQ 8.23% | LD 9.02% | LT 4.71% | 10 Y Gilt 6.03% | LD 8.60% | LD 7.45% | LT 3.44% | LT 2.51% | ST 7.26% | ST 7.69% |
| 10 Y Gilt -0.68% | LIQ 9.21% | 10 Y Gilt 7.39% | LIQ 7.48% | 10 Y Gilt -0.05% | LT 5.91% | LIQ 6.86% | LIQ 4.60% | 10 Y Gilt 1.35% | 10 Y Gilt 0.46% | LIQ 7.13% | LIQ 7.33% |

| | |
|---|---|
| LIQ | Liquid Returns represented by Crisil Liquid Fund Index |
| ST | Short Term Returns represented by Crisil Short Term Bond Fund Index |
| LT | Long Term Returns represented by Crisil Composite Bond Fund Index |
| LD | Low Duration Returns represented by Crisil Low Duration Index |
| 10 Y Gilt | 10 Year G-sec Returns represented by CRISIL 10 Yr Gilt |

*Data as on 30$^{th}$ Jun,2024

*Source: MFI 360 Explorer*

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# Asset Class Returns

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | CYTD |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Equity 4.44% | Equity 35.53% | Debt 8.63% | Debt 12.91% | Equity 33.54% | Gold 7.87% | Gold 23.79% | Gold 27.88% | Equity 27.47% | Gold 13.94% | Equity 23.56% | Equity 20.90% |
| Debt 3.79% | Debt 14.31% | Equity -1.90% | Gold 11.35% | Gold 5.12% | Debt 5.91% | Debt 10.72% | Equity 15.57% | Debt 3.44% | Equity 3.66% | Gold 15.41% | Gold 9.70% |
| Gold -4.50% | Gold -7.91% | Gold -6.65% | Equity 3.70% | Debt 4.71% | Equity -1.00% | Equity 8.68% | Debt 12.25% | Gold -4.21% | Debt 2.51% | Debt 7.30% | Debt* 9.08% |

| | |
|---|---|
| Equity | Equity Returns represented by Nifty 200 Index |
| Debt | Debt Returns represented by Crisil Composite Bond Fund Index |
| Gold | Gold Returns represented by domestic prices of gold |

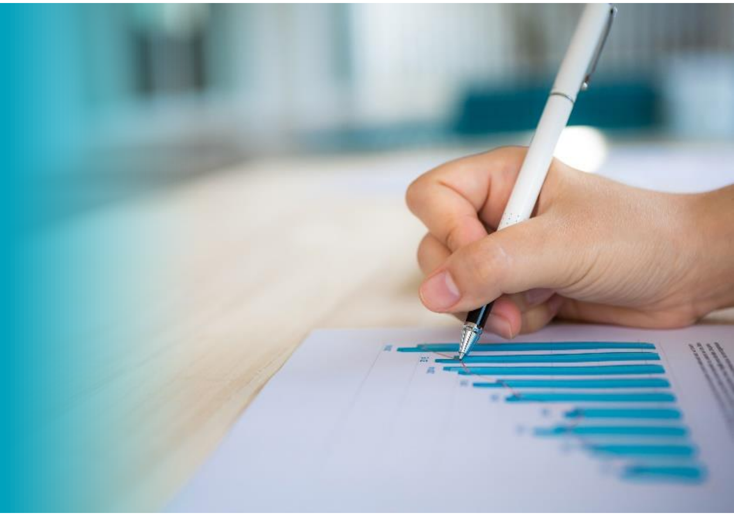
*Data as on 30th Jun, 2024

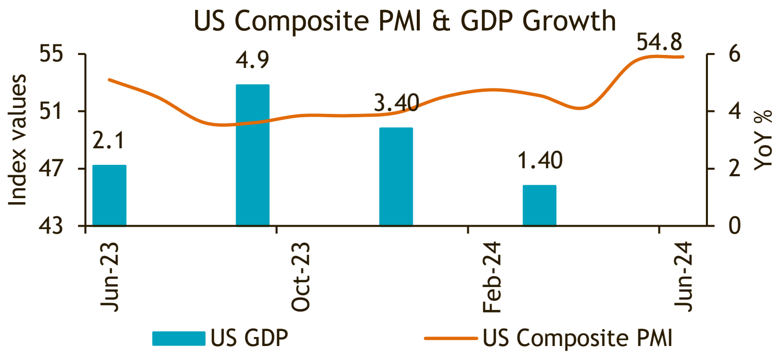
*Source: MFI 360 Explorer*

# Fixed Income Market Outlook

- The government surprised in the Union Budget 2024-25 (in July 2024, post the general elections) by reducing the fiscal deficit to 4.9% of GDP (from 5.1% announced in interim budget 2024-25), though the government borrowing number was only marginally lower.
- However, the budget continued with the fiscal consolidation efforts, which enthused markets and overall yields softened post Budget.
- Market dynamics are likely to be influenced by global factors as RBI is likely to remain in pause mode.
- The Bank of England (BoE) started its easing cycle, by reducing its key policy rate by 25bps. ECB had already cut rates in early July.
- With US FED indicating likely rate easing in September, markets are pricing in more rate cuts in 2024 and yields have dropped from highs seen in Apr-May 2024.
- FII flows continued to remain strong post inclusion in JP Morgan EM Bond Index from June 24. Overall, CYTD FIIs have invested over USD 11 billion in debt.
- The influx of foreign funds is anticipated to be liquidity-positive, further contributing to the positive sentiment surrounding bonds.
- Looking ahead to the medium and long term, the effect on bonds is expected to be positive due to inclusion in JP Morgan Bond Index, as the demand for Government Securities (G-Sec) is likely to drive yields downward.
- Coupled with anticipated rate moves from the US FED, RBI may change to neutral stance in next few policies.
- We may expect 25 bps rate cut from RBI in FY2025.
- We anticipate that over the next few months, 10-year yields may trade in 6.85 - 7.00% range.

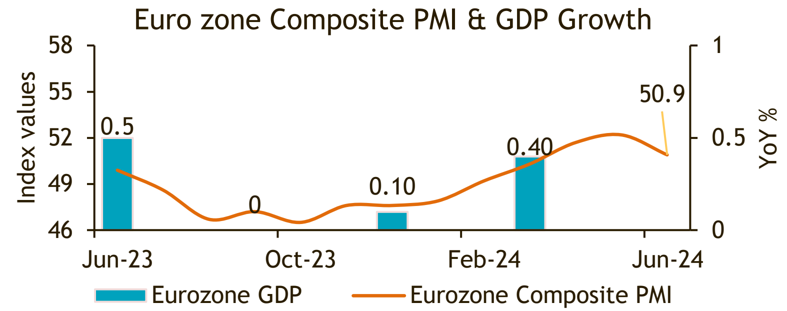
# Global Markets





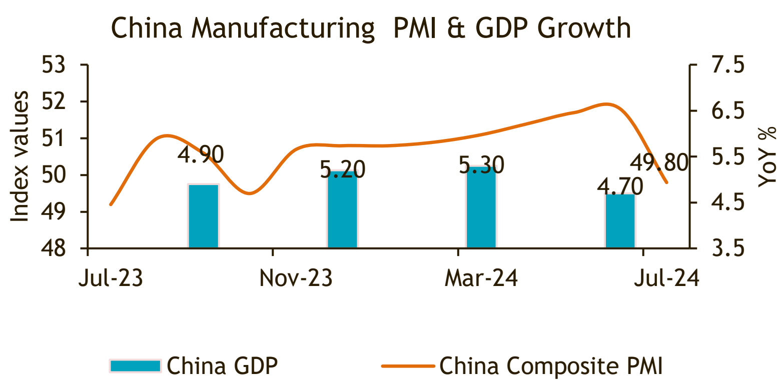

*Source: Refinitiv, fxstreet; PMI > 50 denotes expansion and < 50 is contraction*

U.S. gross domestic product jumped by 1.4% in the first quarter of 2024 after jumping by 3.40% in the fourth quarter of 2023. And the U.S. Composite PMI surged to 54.8 in Jun 2024 from 54.3 in May 2024.



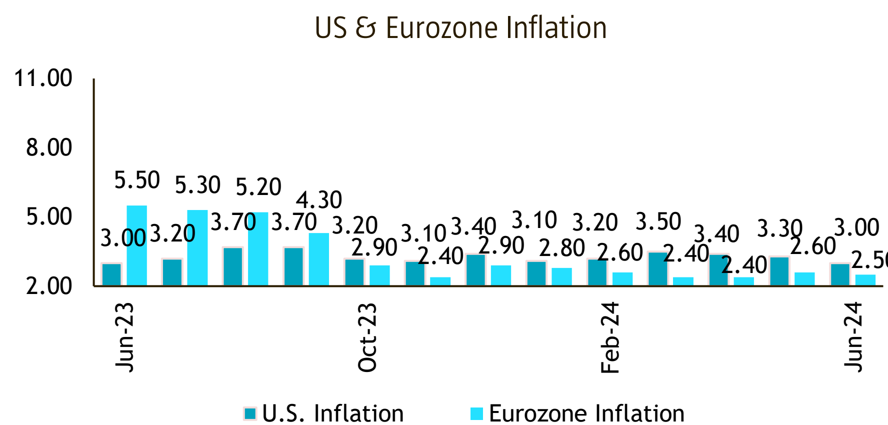

*Source: Refinitiv, fxstreet; PMI > 50 denotes expansion and < 50 is contraction*

Year-on-year growth of the Euro zone economy grew to 0.4% in the first quarter of 2024 from 0.1% in the fourth quarter of 2023.



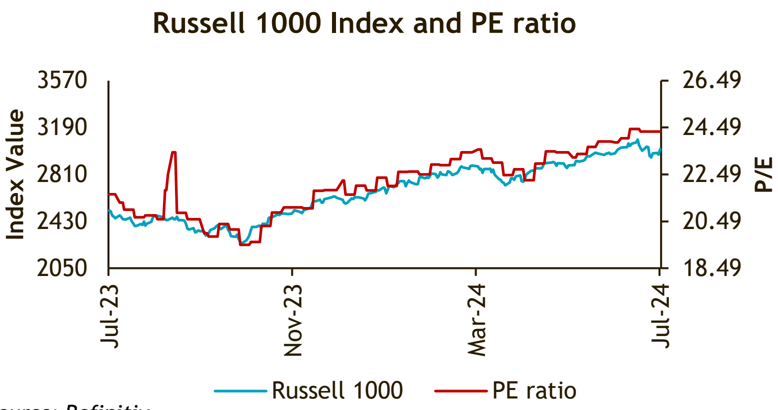

*Source: Reuters, fxstreet; PMI > 50 denotes expansion and < 50 is contraction*

According to a survey, China's caixin manufacturing Purchasing Managers' Index fell to 49.8 in Jul 2024 from 51.8 in Jun 2024.



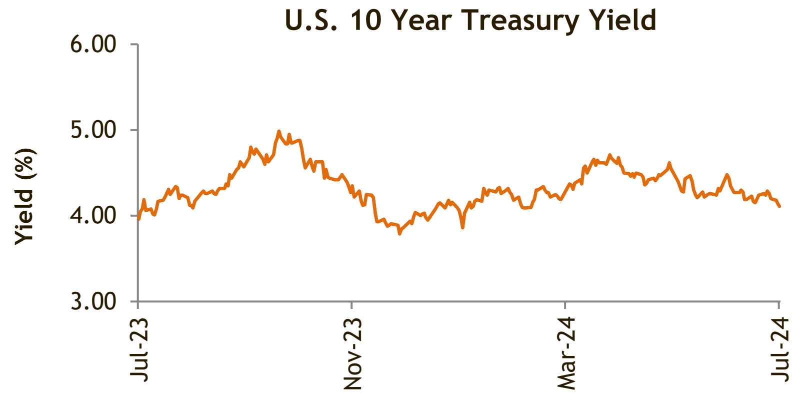

*Source: Refinitiv*

U.S. inflation stood at 3.00% in Jun 2024 from 3.30% in May 2024, and the eurozone inflation rate stood at 2.50% in Jun 2024 from 2.60% in May 2024.



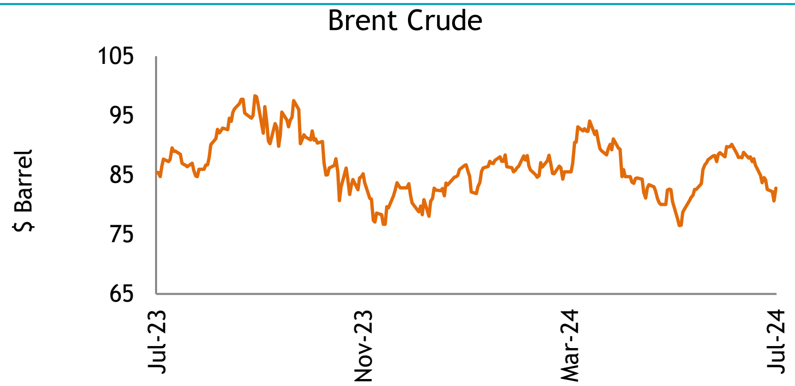

*Source: Refinitiv*

U.S. equity markets rose after the Federal Reserve's monetary policy announcement on 31st Jul, 2024 where the U.S. Federal Reserve maintained the current interest rates as anticipated but opened the door to easing in Sep 2024.



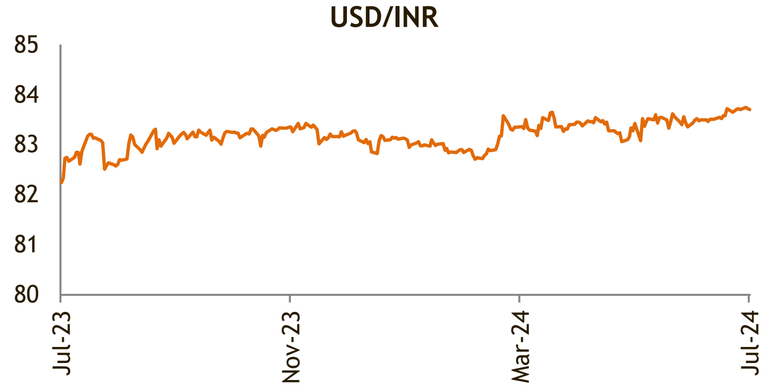

*Source: Refinitiv*

U.S. Treasury prices after closely monitoring job data that indicated a decline in the U.S. labor market in Jun 2024. Market expectations have increased that the U.S. Federal Reserve will likely start reducing interest rates in Sep 2024.




*Source: Refinitiv*

Brent crude oil prices fell on concerns about political uncertainty in the U.S. and weak economic data from China. Further, prices fell after the U.S. President's decision to withdraw from the 2024 U.S. presidential race.




*Source: Refinitiv*

Rupee fell against the U.S. dollar after the proposal by the finance minister to raise tax rates on long-term capital gains (LTCG) and short-term capital gains (STCG) which led to a decline in the domestic equity markets on 23rd Jul, 2024.

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# Returns of Major Global Indices

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | CYTD |
|---|---|---|---|---|---|---|---|---|---|---|
| SSEC 52.87% | DAX 9.56% | RTS 52.22% | HangSeng 35.99% | Nasdaq -1.04% | RTS 45.28% | Nasdaq 47.58% | CAC 28.85% | STI 4.09% | Nasdaq 53.81% | Nikkei 16.85% |
| Nasdaq 17.94% | SSEC 9.41% | FTSE 14.43% | Nasdaq 31.52% | RTS -7.65% | Nasdaq 37.96% | Kospi 30.75% | Nasdaq 26.63% | FTSE 0.91% | Nikkei 28.24% | Nasdaq 15.07% |
| Nikkei 7.12% | Nikkei 9.07% | DAX 6.87% | Kospi 21.76% | STI -9.82% | CAC 26.37% | Nikkei 16.01% | DAX 15.79% | Nikkei -9.37% | DAX 20.31% | DAX 10.49% |
| STI 6.24% | CAC 8.53% | Nasdaq 5.89% | Nikkei 19.10% | CAC -10.95% | DAX 25.48% | SSEC 13.87% | RTS 15.01% | CAC -9.50% | Kospi 18.73% | FTSE 8.21% |
| DAX 2.65% | Nasdaq 8.43% | CAC 4.86% | STI 18.13% | Nikkei -12.08% | SSEC 22.30% | DAX 3.55% | FTSE 14.30% | DAX -12.35% | CAC 16.52% | STI 6.66% |
| HangSeng 1.28% | Kospi 2.39% | Kospi 3.32% | DAX 12.51% | FTSE -12.48% | Nikkei 18.20% | HangSeng -3.40% | STI 9.84% | SSEC -15.12% | RTS 11.63% | RTS 4.36% |
| CAC -0.54% | RTS -4.26% | Nikkei 0.42% | CAC 9.26% | HangSeng -13.61% | FTSE 12.10% | CAC -7.14% | Nikkei 4.91% | HangSeng -15.46% | FTSE 3.78% | Kospi 4.35% |
| FTSE -2.71% | FTSE -4.93% | HangSeng 0.39% | FTSE 7.63% | Kospi -17.28% | HangSeng 9.07% | RTS -10.42% | SSEC 4.8% | Kospi -24.89% | STI -0.34% | HangSeng 1.74% |
| Kospi -4.76% | HangSeng -7.16% | STI -0.07% | SSEC 6.56% | DAX -18.26% | Kospi 7.67% | STI -11.76% | Kospi 3.63% | Nasdaq -32.97% | SSEC -3.70% | CAC -0.16% |
| RTS -45.17% | STI -14.34% | SSEC -12.31% | RTS 0.18% | SSEC -24.59% | STI 5.02% | FTSE -14.34% | HangSeng -14.08% | RTS -39.18% | HangSeng -13.82% | SSEC -1.22% |

CAC returns represented by CAC 40 Index (France)
DAX Index returns represented by FSE DAX (Germany)
FTSE returns represented by FTSE 100 (United Kingdom)
HangSeng returns represented by HangSeng (Hong Kong)
Nasdaq returns represented by Nasdaq 100 (US)
Nikkei returns represented by Nikkei 225 (Japan)
RTS returns represented by RTS Index (Russia)
SSEC represented by SHANGHAI SE COMPOSITE (China)
STI returns represented by FTSE Straits Times (Singapore)
Kospi represented by Kospi Index (South Korea)

*Source: MFI 360 Explorer*

# Key Global Market Highlights

- U.S. equity markets closed on a mixed note during the month. The market experienced a rise after the Labor Department reported that the U.S. consumer price index slipped by 0.1% MoM in Jun 2024 after coming in unchanged in May 2024. However, gains were restricted as a sell-off by semiconductor stocks came after a report suggested that political uncertainty could impact global trade. The market fell further as weak earning updates from some of the key technology stocks.

- U.S. Treasury prices rose following the release of data indicating a slight increase in the U.S. personal consumption expenditures (PCE) price index in Jun 2024, offsetting concerns about a higher-than-expected uptick in inflation following hotter-than-expected price increases for the second quarter of 2024.

- European equity markets rose as positive economic data from Germany and the U.K. helped boost sentiment in the European markets as data showed that U.K. real gross domestic product grew 0.4% MoM in May 2024 after showing no growth in Apr 2024. Strong earnings reports from European companies also have supported market sentiment.

- Asian equity markets mostly fell after the release of disappointing earnings from U.S. major companies. Losses were increased further as the EU imposed tariffs on Chinese imports while China revealed the next phase of its anti-dumping investigation into European brandy imports. The Chinese and Hong Kong markets fell after China's third plenum failed to address key economic issues.

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