

The Composite CFO Optimism Index improved by 8.0% (q-o-q) in Q3 2024



Overall optimism for financial performance has improved by 2.4 % in Q3 2024



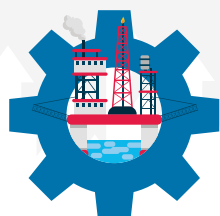
Optimism regarding the availability of funds stands highest since Q1 2017.



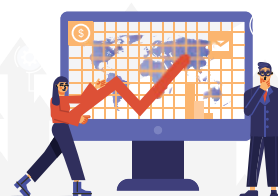
Optimism for overall macroeconomic scenario stands at 142.6 in Q3 2024, highest since Q2 2018.



Optimism for need to raise short term funds among the CFOs stands all-time high.



Optimism for financial performance within Industrial sector stands at all-time high at 134.2.



Optimism for the global macro-economic scenario stands highest in 13 quarters, with significant increase in industrial sector.



Optimism for operating margins of the company remain undeterred, standing highest in 14 quarters.

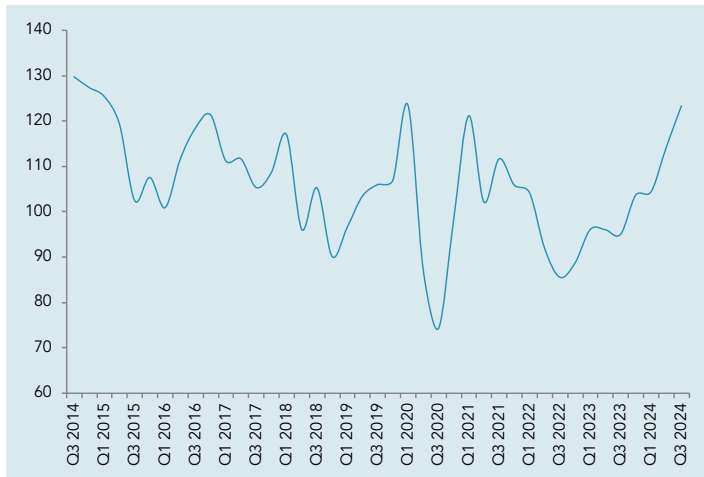


Optimism for the liquidity position of the company has moderated by 4 percentage points on quarterly basis.



Optimism regarding the reduction in level of financial risks on company's balance sheet stands highest in 12 quarters.

CFO Optimism Index

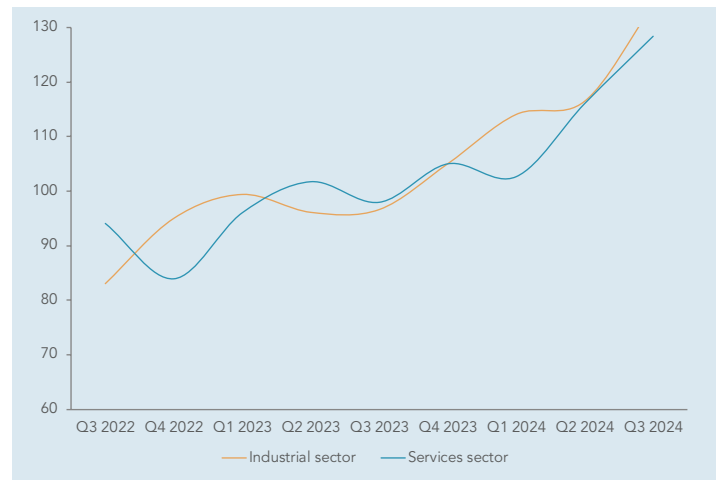


Note: Values represent index level

- The Composite CFO Optimism Index increased by 8.0%, on a q-o-q basis, to 123.3 for Q3 2024
- Optimism level for financial performance of the companies increased by 2.4% (q-o-q)
- Optimism level for macroeconomic scenario improved significantly by 14.5% (q-o-q)

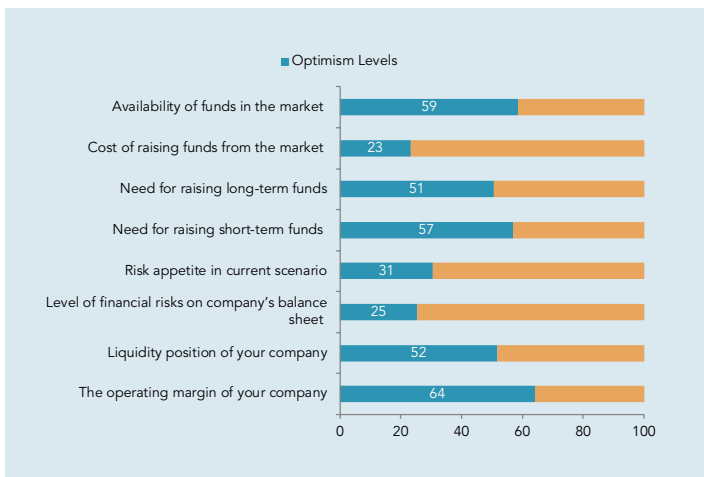
CFO optimism on a sectoral basis

- Optimism level among the CFOs in industrial sector improved significantly by 15.2% on quarterly basis.
- The rise is driven by a 19.9% (q-o-q) increase in optimism for macroeconomic scenario, moving away from negative growth, and a 12.0% (q-o-q) improvement in optimism for financial performance.
- Optimism level among the CFOs in service sector improved significantly by 10.6% on quarterly basis.
- This improvement is driven by a 19.4% (q-o-q) increase in optimism for macroeconomic scenario and a 5.3% (q-o-q) increase in optimism for financial performance.



Note: Values represent index level

Optimism at the company level



Note: Values represent % of total responses

- 59% of the CFOs expect the availability of funds in the market to improve in Q3 2024, increasing by 11 percentage points on quarterly basis.
- Overall optimism among CFOs about the liquidity position of the company is expected to decline by 4 percentage points in Q3 2024.
- However, optimism regarding the liquidity position for companies within the industrial sector is expected to improve by 3 percentage points on quarterly basis.
- 36% of the CFOs expect the risk appetite of the firms in industrial sector to improve in Q3 2024, 6 percentage points higher than previous quarter.
- 51% of the CFOs expect the need to raise long-term funds in Q3 2024, declining by 4 percentage points on quarterly basis.

Optimism at the company level

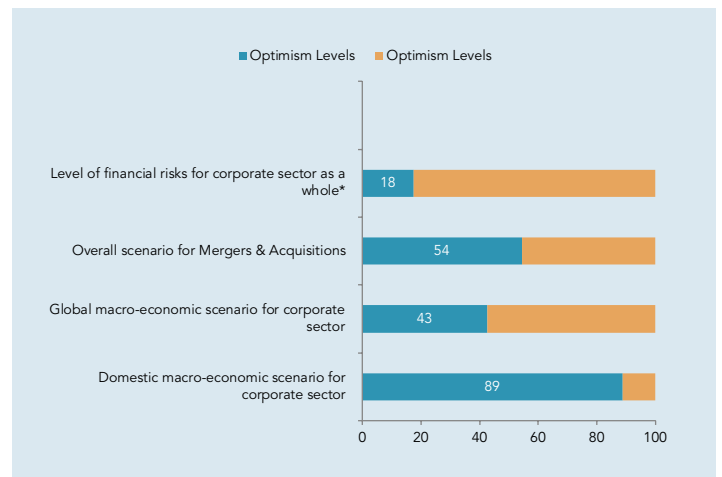


Note: % of CFOs indicating increase for the parameters

- 25% of the CFOs expect the level of financial risks to the balance sheet are expected to reduce in Q3 2024, highest in 12 quarters.
- 25% of CFOs expect the cost of raising funds in the market to reduce within industrial sector for Q3 2024, highest in 11 quarters.
- Optimism for need to raise short term funds among the CFOs stands all-time high, with 57% of respondents expecting an increase in Q3 2024
- 64% of CFOs expect the operating margins of the company to improve in Q3 2024, highest in 14 quarters.

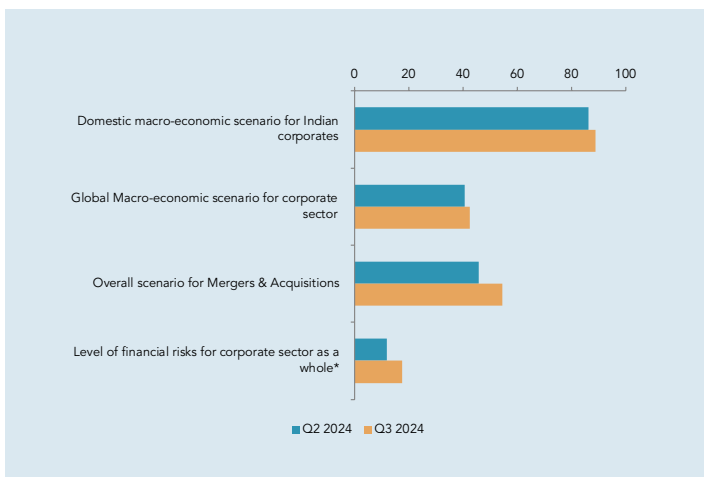
Optimism at the macro level

- Optimism for the domestic macroeconomic scenario has improved by 3 percentage points in Q3 2024, with significant improvement in Industrial sector
- Optimism for the global macroeconomic scenario for industrial sector has improved by 8 percentage points in Q3 2024 on quarterly basis
- Optimism for overall scenario of mergers and acquisitions within industrial sector stands at all-time high, with to 60% of CFOs expecting an improvement in Q3 2024
- 21% of the CFOs within service sector expect the overall level of financial risks to reduce in Q3 2024, increasing by 6 percentage points on quarterly basis



Note: Values represent % of total responses.

Optimism at the macro level



Note: % of CFOs indicating favourable for the parameters

- Optimism for the domestic macro-economic scenario stands at all-time high, with 89% of CFOs expecting it to improve in Q3 2024.
- Optimism for the reduction in level of financial risks to the businesses stands highest in 11 quarters with 18% of CFOs expecting risks to reduce in Q3 2024
- Optimism for overall scenario of mergers and acquisitions within industrial sector stands at all-time high, with to 60% of CFOs expecting an improvement in Q3 2024
- 43% of CFOs expect the global macro-economic scenario to improve in Q3 2024, standing highest in 13 quarters



Research Team: Economic Research Team

The D&B CFO Optimism Index is arrived at on the basis of a quarterly survey of CFO expectations regarding the financial state of their company as well as overall macroeconomic scenario.

Methodology

For the purpose of conducting the survey, a sample of companies belonging to basic goods, capital goods, intermediate goods, consumer durables, consumer non-durables and the services sector is selected randomly from Dun & Bradstreet's commercial credit information file. The sample selected is a microcosmic representation of India's business community. All the respondents in the survey are asked a set of questions regarding the financial performance of their companies and the overall macroeconomic scenario for the corporate sector in the forthcoming period. The CFOs are asked to state their expectations as to whether the specified parameters pertaining to their respective companies and the overall macroeconomic scenario will register an increase, decrease or show no change in the ensuing quarter as compared to the same quarter in the previous year. Two broad indices, optimism at the company level and optimism at the macroeconomic level, each consisting of 8 and 4 sub-parameters respectively, are then designed.

CFO Optimism Index

Dun & Bradstreet introduced the Composite CFO Optimism Index from Q3 2013. The purpose of the Composite CFO Optimism Index is to capture the aggregate behaviour of the two broad indices. Each of the 12 parameters under the two broad indices has a weight assigned to it. For calculating the Composite CFO Optimism Index, the positive responses for each of these parameters for the period under review are expressed as a proportion of positive responses in the base period (Q2 2012). The parameter weights are then applied to these ratios and the results aggregated to arrive at the Composite CFO Optimism Index. For the purpose of the survey, Q1 is the period between January and March, Q2 is the period between April and June, Q3 is the period between July and September and Q4 is the period between October and December each year. We trust that you will find the D&B CFO Optimism Index as a useful tool in your day-to-day decision making.

Please send your feedback to Dr. Arun Singh, Global Chief Economist, Dun & Bradstreet
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