

# India Economics

## Monthly Chartbook

April 2024

Economic Research Department

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## Domestic resilience continues

Global monetary policy easing cycle is likely to get delayed as the growth and inflation dynamics in US has once again bolstered the case for higher for longer rates. In India as well, the room for rate cuts in Q1FY25 looks limited as domestic growth continues to remain on a strong footing. Both manufacturing and services PMI inched up further in Mar'24. Export growth too has shown revival. Other high-frequency indicators also suggest a steady growth momentum. Forecasts of La-Nina conditions developing during Jun'24, bodes well for expectations of a normal monsoon and also the inflation outlook. This along with recent cuts to LPG and fuel prices will have a positive impact on the trajectory of inflation. Concerns however remain from global geo-political tensions which have been pushing oil prices higher.

**Domestic demand signalling mixed trends:** Some of the high frequency indicators such as non-oil-non-gold imports, power demand and growth in personal loan segments have exhibited an improvement. Uptick in digital payments, higher manufacturing PMI and strong GST collections too are reflective of similar trends. Consumers continue to remain optimistic (125.2 from 123.1). However, moderation in auto sales, electronic imports and fertilizer sales raises some concerns for domestic demand. The focus this month will shift towards IMD's forecast of South-West Monsoon, given the recent heat wave conditions. Global food prices inched up in Mar'24.

**Health of centre's finances:** Centre's fiscal deficit ratio (% of GDP, 12MMA) rose to 6.1% as of Feb'24 compared with 5.7% as of Jan'24, on account of pickup in spending. In FYTD24 (Apr'23-Feb'24), centre's overall spending growth rose by 7.3%, from 5.9% as of Jan'24. This was mainly driven by jump in capex (36.5% versus 26.5%). Revenue expenditure growth remained broadly

stable (1.3% versus 1.4%). On the other hand, income side noted some slowdown. Centre's net revenue receipts rose by 11.6% compared with 15.5%, growth as of Jan'24. Within this, direct tax collection growth slowed (44.1% versus 48.1%), while indirect tax collection improved (5.1% versus 4.9%). Within direct taxes, both income and corporate receipts eased.

**Yield got some momentum post policy:** India's 10Y yield after losing steam in the past three months supported by buoyant FPI debt flows, has gathered some momentum in Apr'24. Notably, the timing also coincided with RBI's post policy. Broadly the policy remained dovish especially the inflation projections for FY25. However, market participants also sensed some bit of uncertainty regarding evolution of food inflation trajectory. In Apr'24, high frequency food price data have risen. Apart from this, even rate cut expectations by Fed have been pushed back with CME Fed watch tool paring down the probability of the same to a considerable extent. All these have impacted movement of India's 10Y yield. Even the 3-month OIS which is trading at 6.75% also posed some kind of sentiment-driven pressure on sovereign 10Y security.

**INR under pressure:** After appreciating for 3-straight months, INR came under pressure in Mar'24 and depreciated by 0.6%. Strong dollar demand due to fiscal year end and an uptick in oil prices weighed on the INR which depreciated to a record-low during the course of the month. This was notwithstanding buoyant FPI inflows. While INR did recoup some losses in Apr'24, it has once again come under pressure amidst expectations that the Fed rate cycle maybe pushed back. Apart from this, INR also faces risks from geo-political tensions which are pushing up both oil prices and the dollar.

**Note: The source for all exhibits is 'CEIC and Bank of Baroda' unless otherwise specified**

## High frequency indicators

Fig 1 – Higher growth in power demand

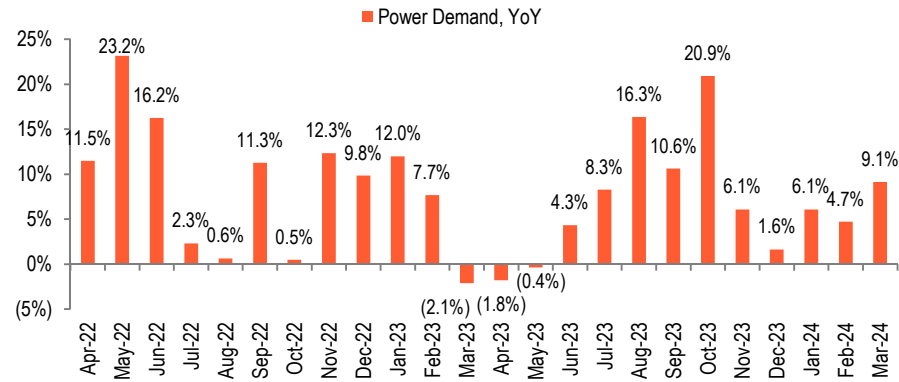
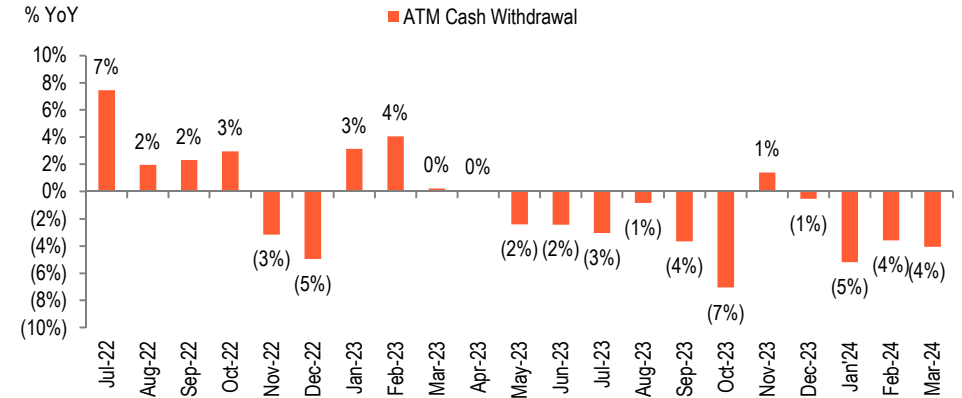
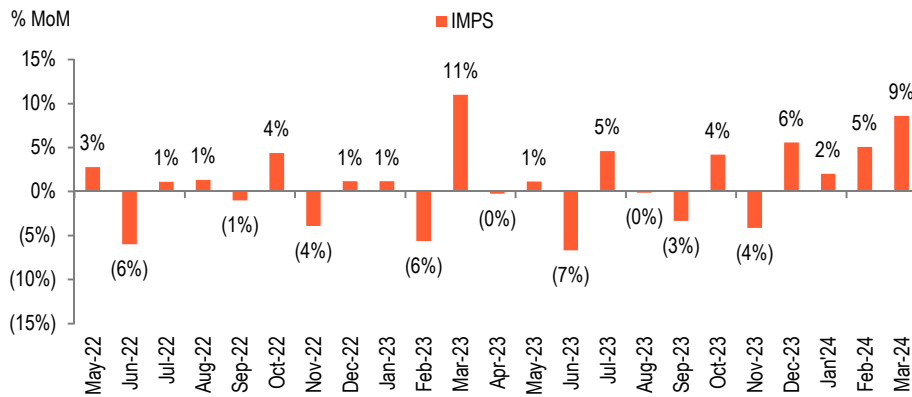


Fig 2 – Growth for cash withdrawal declines further



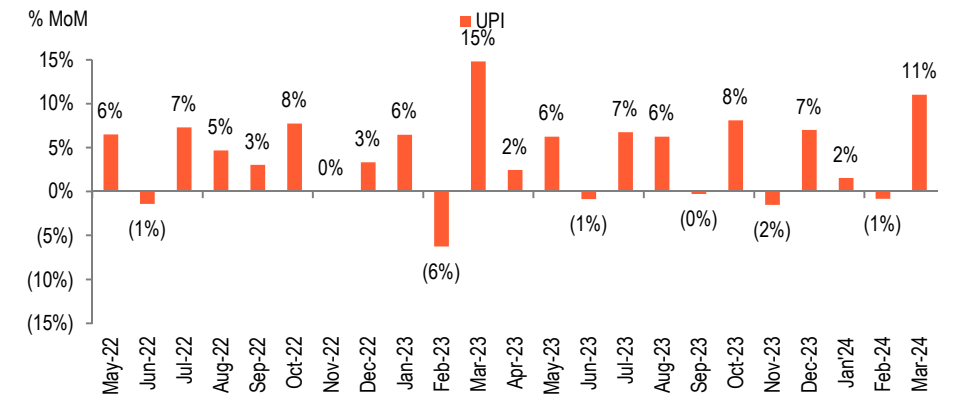
Source: NPCI. Note: NFS Cashwithdrawal amount does not include Card to Card Transfer

Fig 3 – Volume of IMPS transactions grows higher



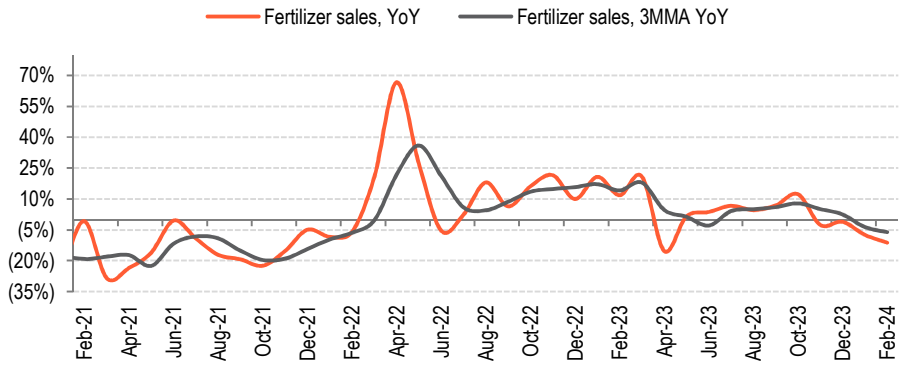
Source: RBI

Fig 4 – Double digit growth in UPI payments

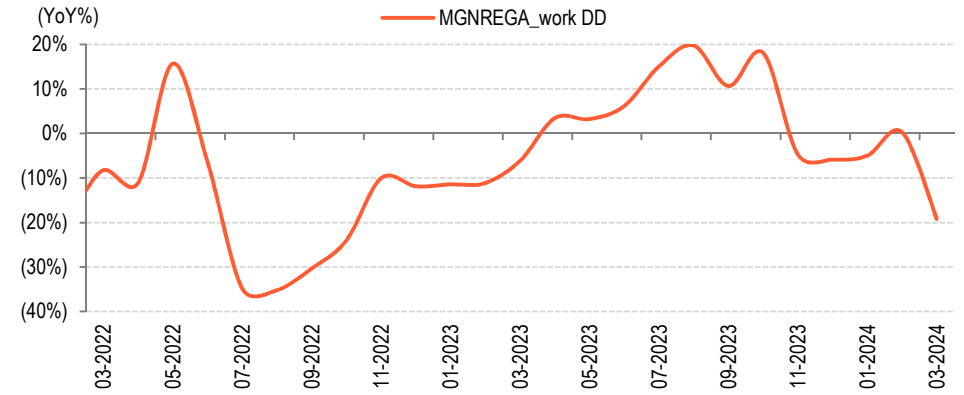


Source: RBI

**Fig 5 – Growth in fertilizer sales moderates further**



**Fig 6 – Demand for work (MGNREGA-household) drops**



Final consumption expenditure

Fig 7 – Private consumption improves in Q3

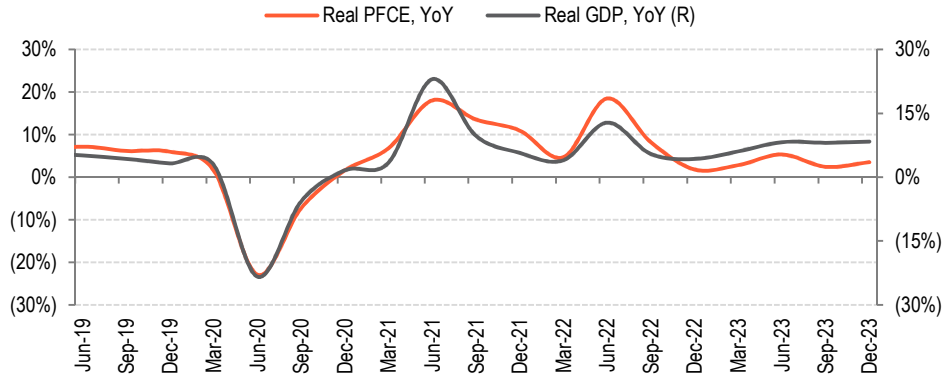


Fig 8 – Government consumption growth declines

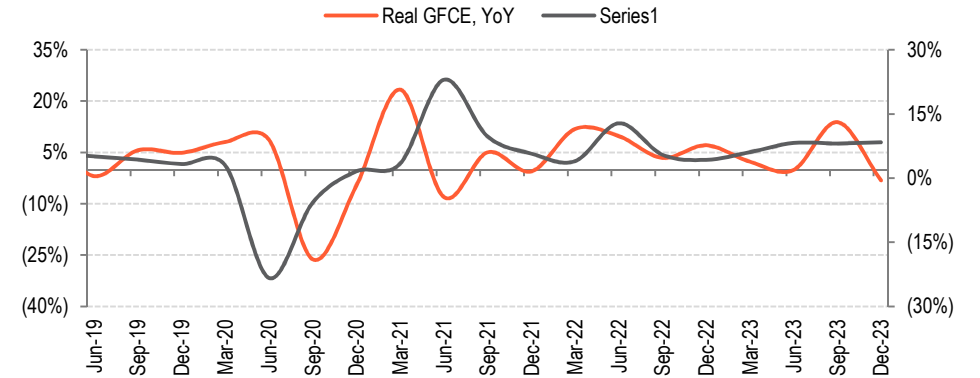


Fig 9 – General govt. revenue spending slips

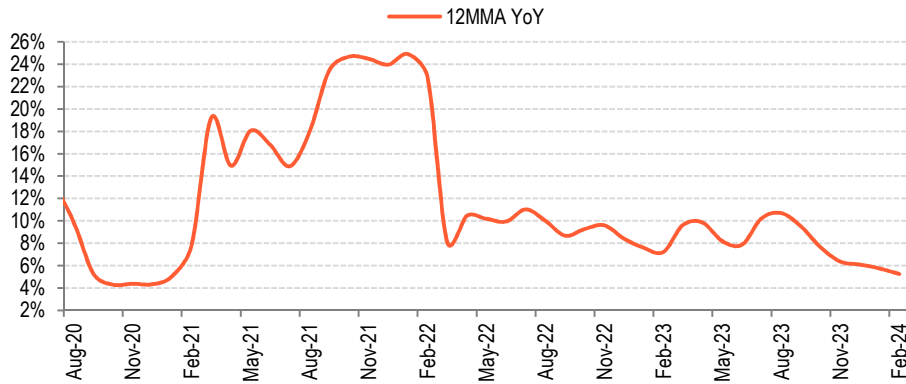
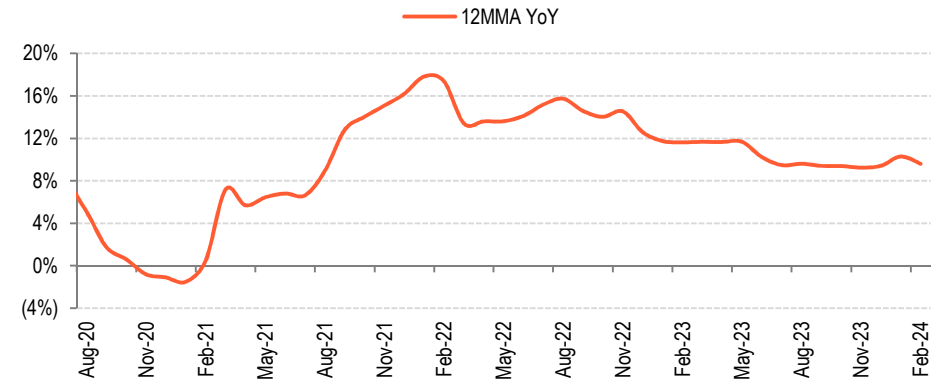


Fig 10 – State\* govt. revenue spending too slips



Note: \*All states excluding N.E states, Gujarat, Goa and J&K

Non-oil imports, electronic imports

Fig 11 – Growth in non-oil-non-gold imports scales up

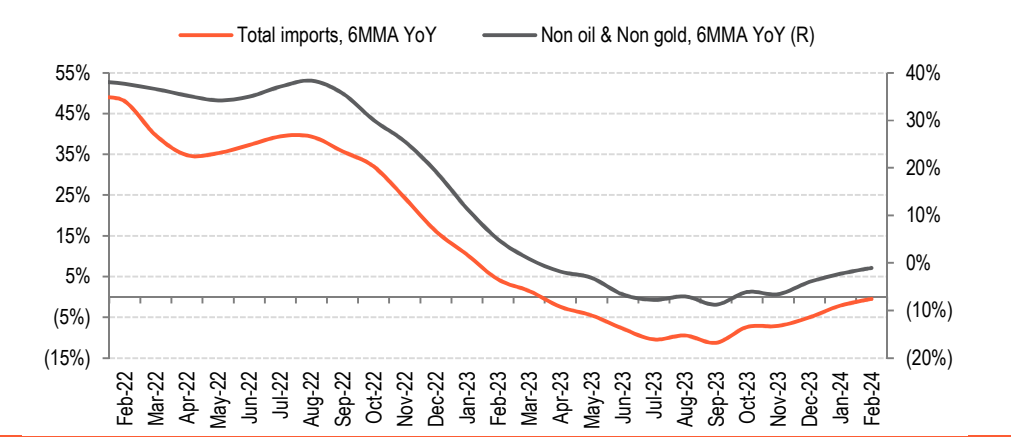


Fig 12 – Growth in electronic imports dips marginally in Feb'24

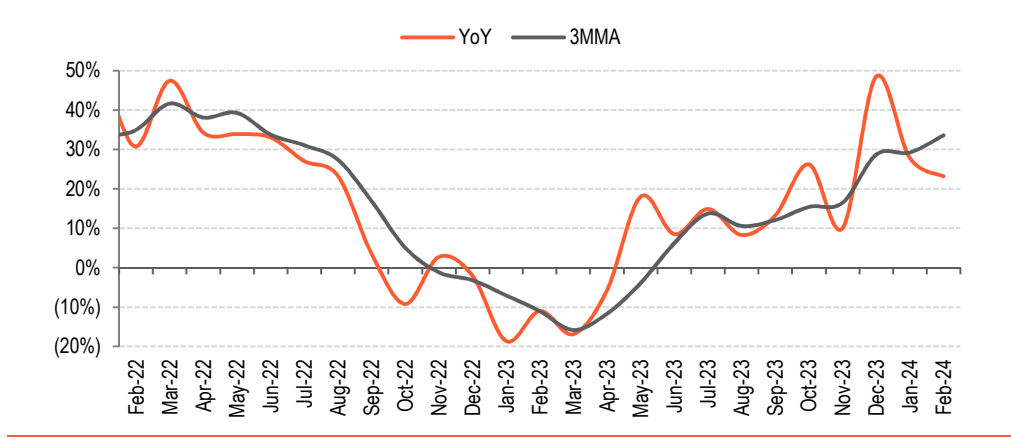


Fig 13 – Slower pace of contraction in retail passenger vehicle sales

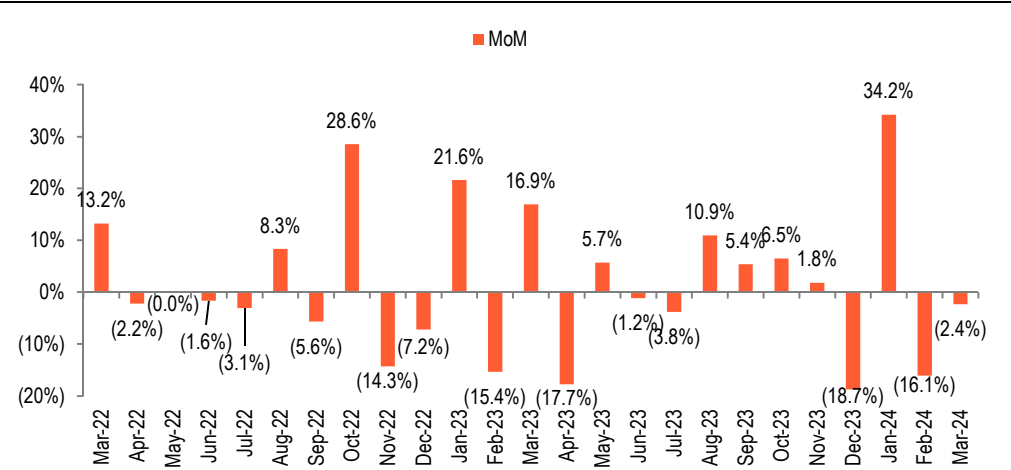
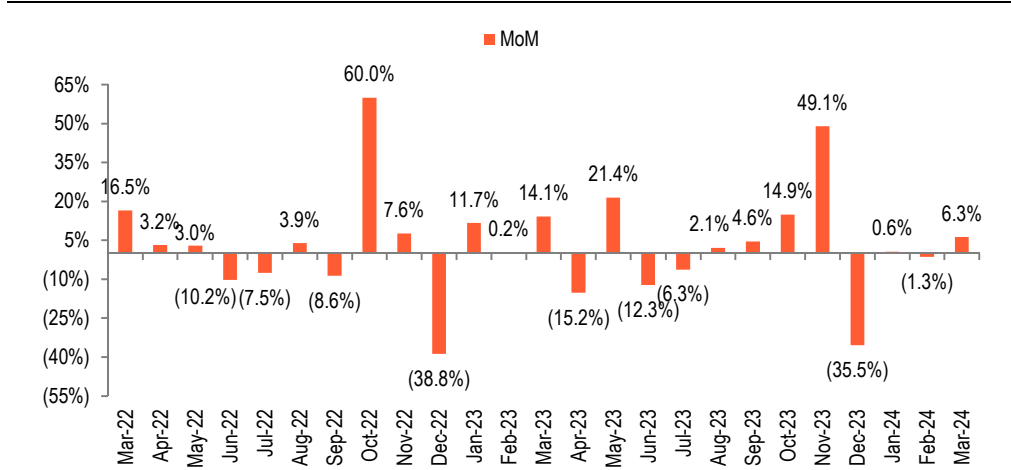


Fig 14 – Two-wheeler sales rebound in Mar'24



Source: FADA

Credit deployment of personal loans

Fig 15 – Growth in credit card loan remain steady

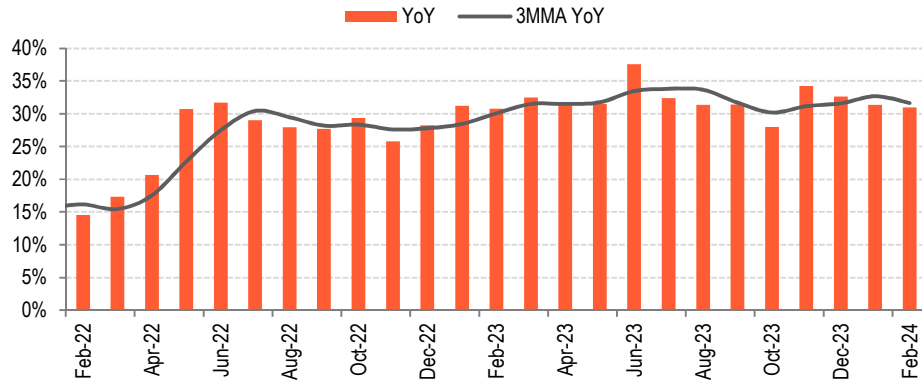


Fig 16 – Steady growth in personal loan

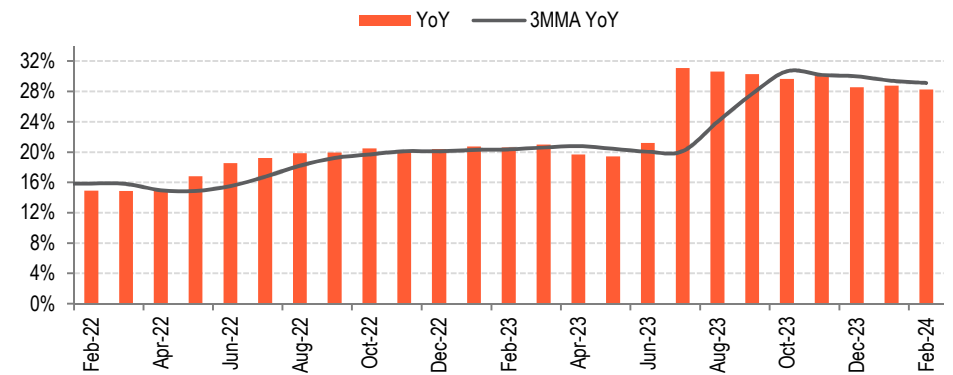


Fig 17 – Growth in vehicle loans inch up

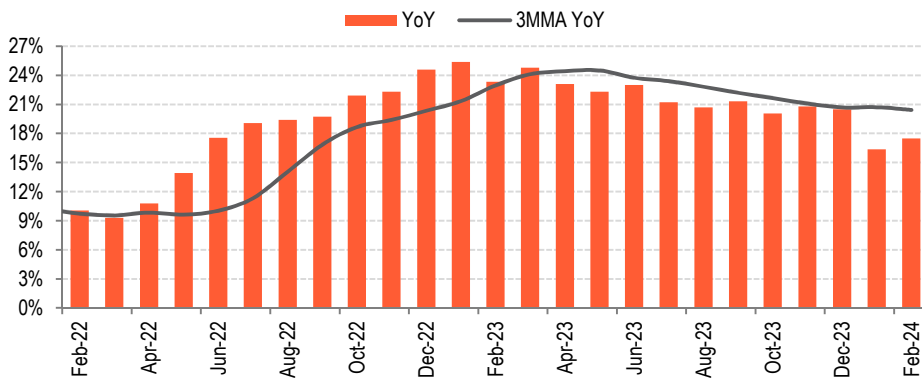
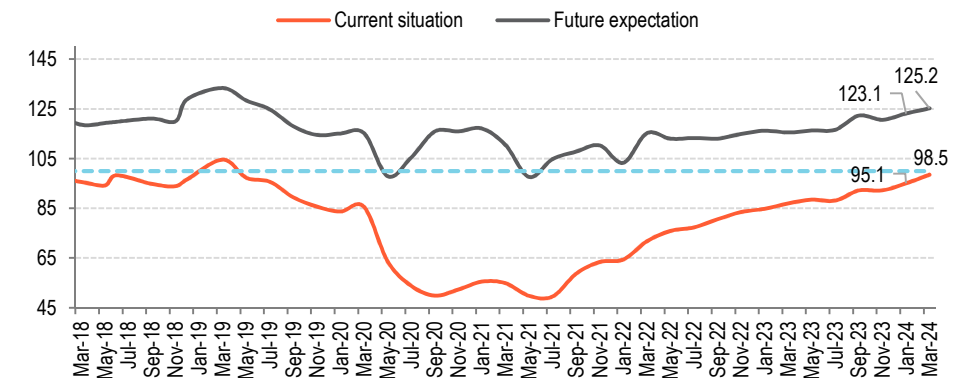
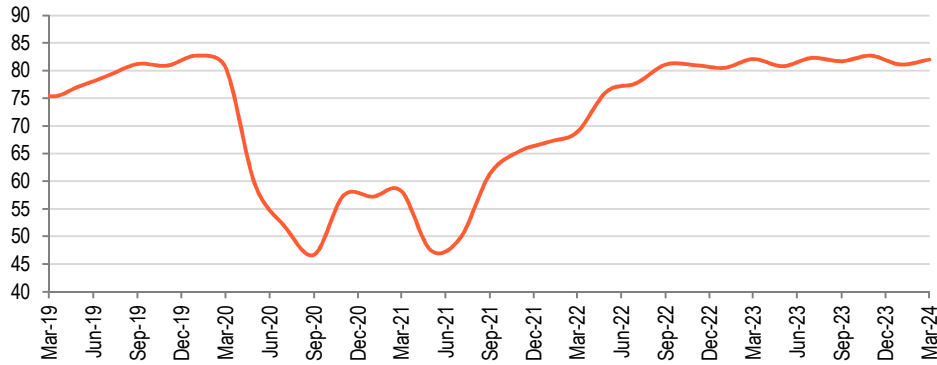


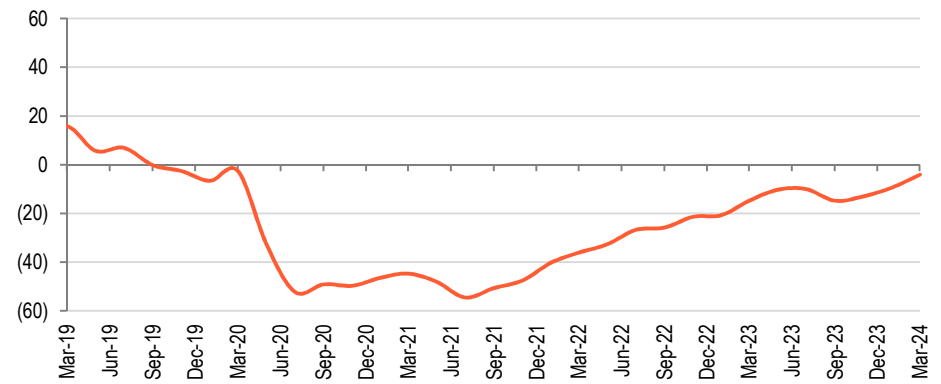
Fig 18 – Consumer's expectation turn optimistic



**Fig 19 – RBI's essential spending signals improvement**

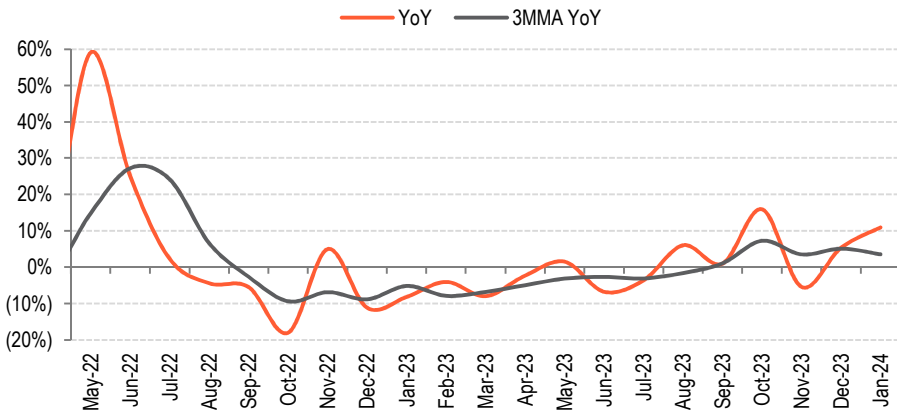


**Fig 20 – Similar movement in non-essential spending**

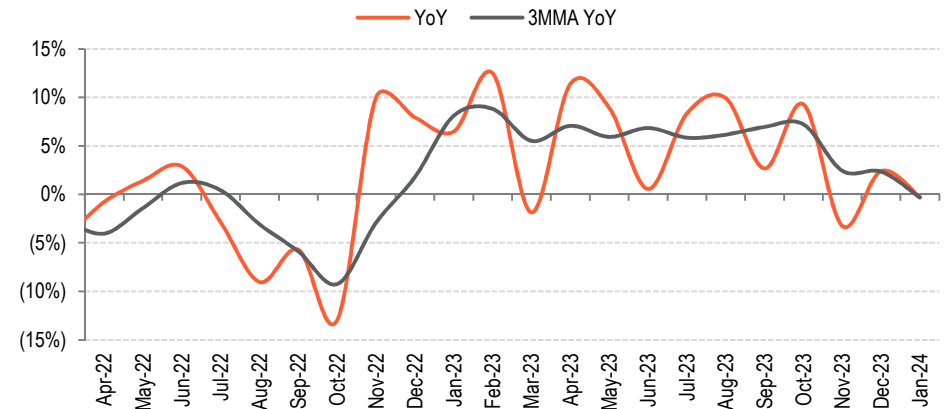


**Consumer durables & non-durables production**

**Fig 21 – Growth rebounds in consumer durables output**



**Fig 22 – FMCG output drops in Jan'24**





Agriculture

Fig 23 – Agriculture growth contracts in Q3

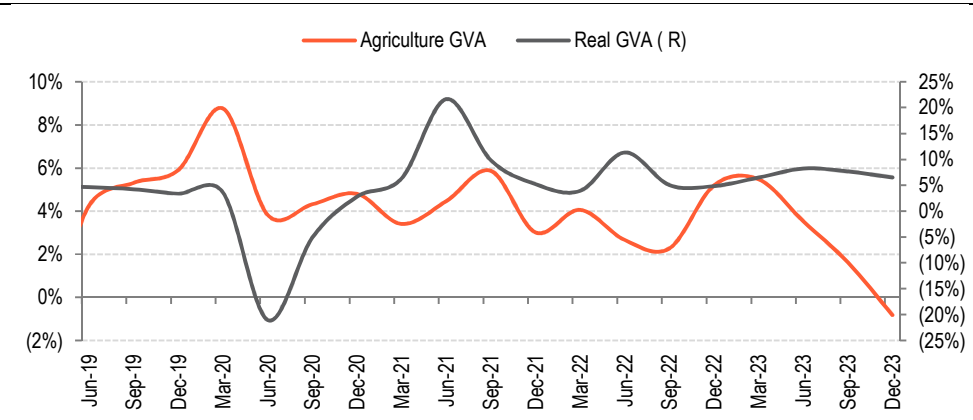
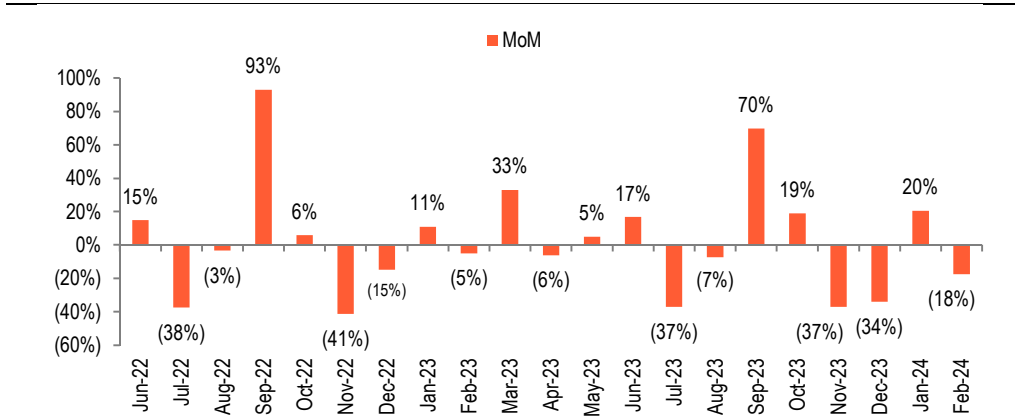


Fig 24 – Contraction in tractor sales



Note: Tractor sales including exports

Fig 25 – Growth in agriculture credit remain steady

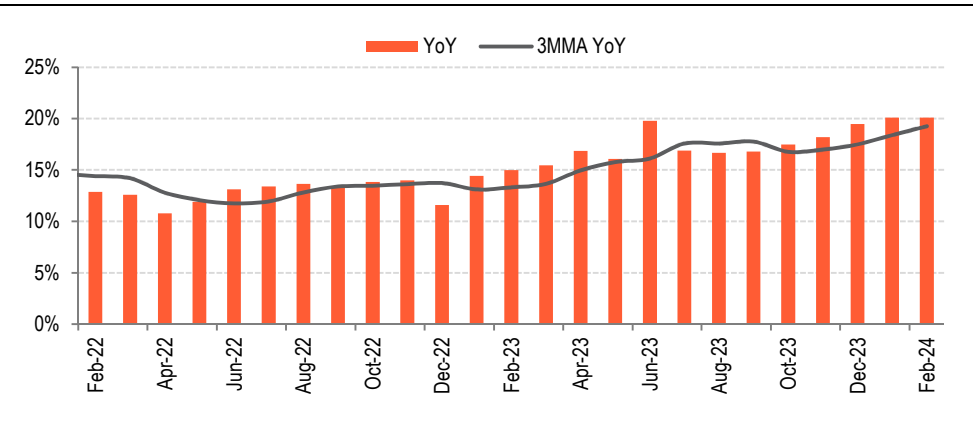


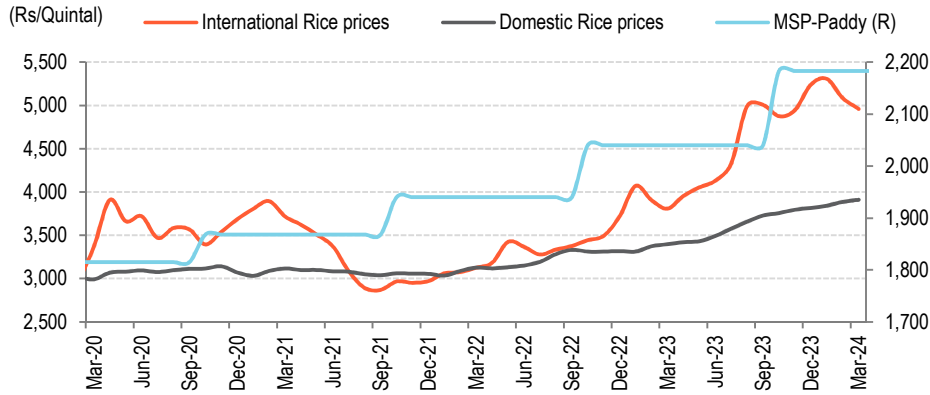
Fig 26 – Procurement of rice and wheat

Year	Wheat	Rice
2015-16	28.09	34.22
2016-17	22.96	38.11
2017-18	30.83	38.19
2018-19	35.80	44.39
2019-20	34.13	51.83
2020-21	38.99	60.17
2021-22	43.34	57.59
2022-23	18.8	56.9
2023-24*	26.2	44.0

Source: Ministry of Consumer Affairs, Food and Public Distribution | \*As on: 29 Feb 2024

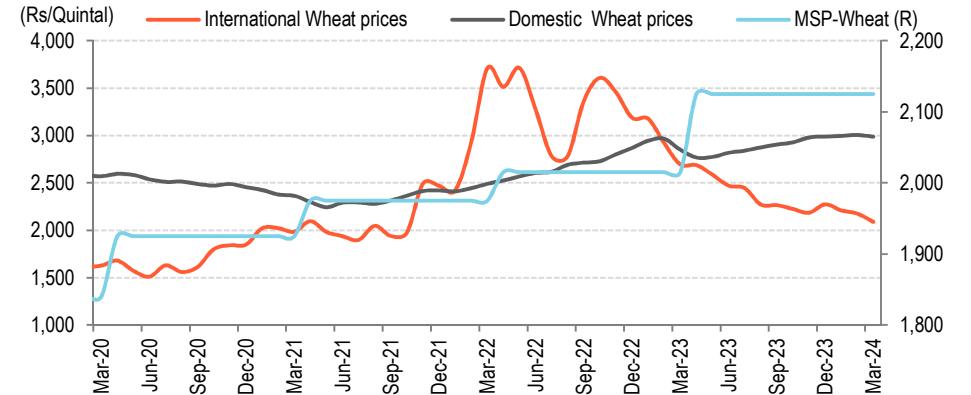
Fig 27 – Domestic rice price climbs higher; international rice prices declines

Fig 28 – Domestic wheat price scales up; International prices falls sharply



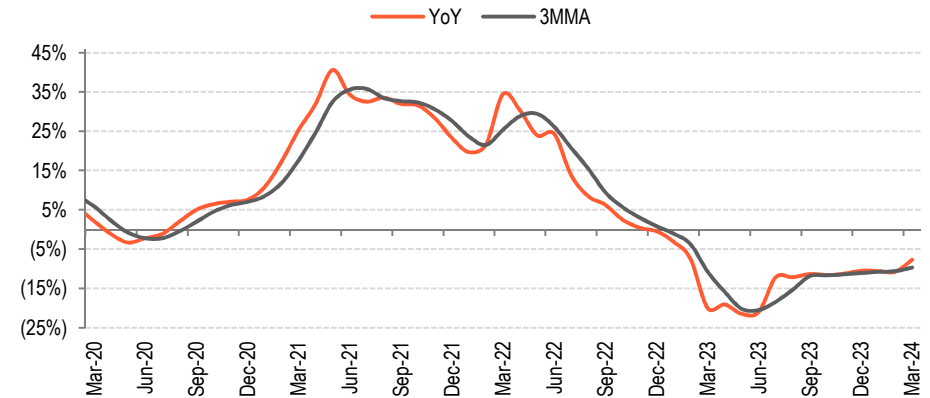
Source: World Bank

Fig 29 – Global food prices inch up in Mar'24, led by higher vegetable oil prices

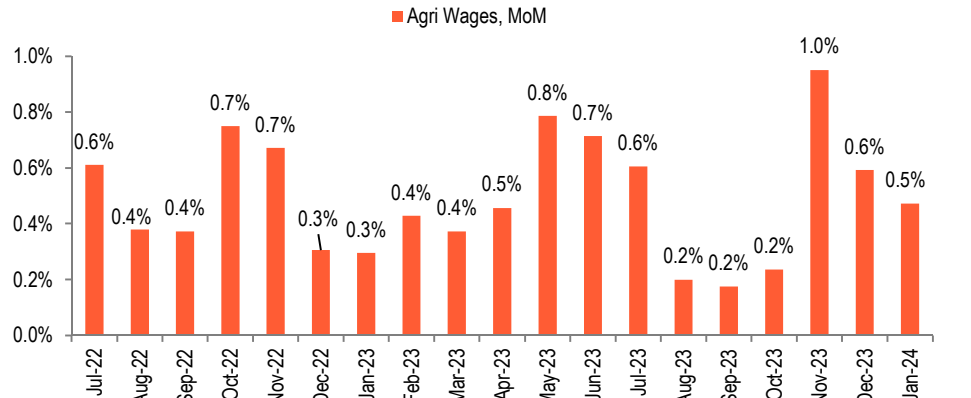


Source: World Bank

Fig 30 – Wage growth (men) moderates

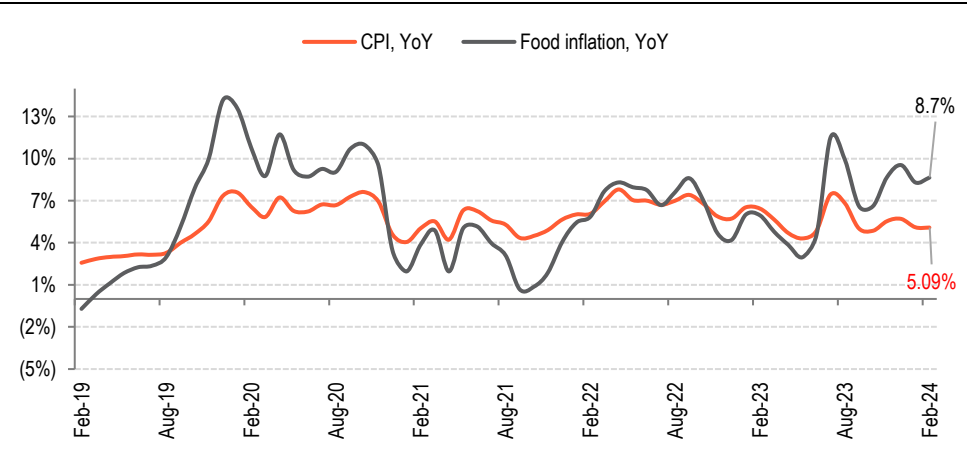


Source: FAO

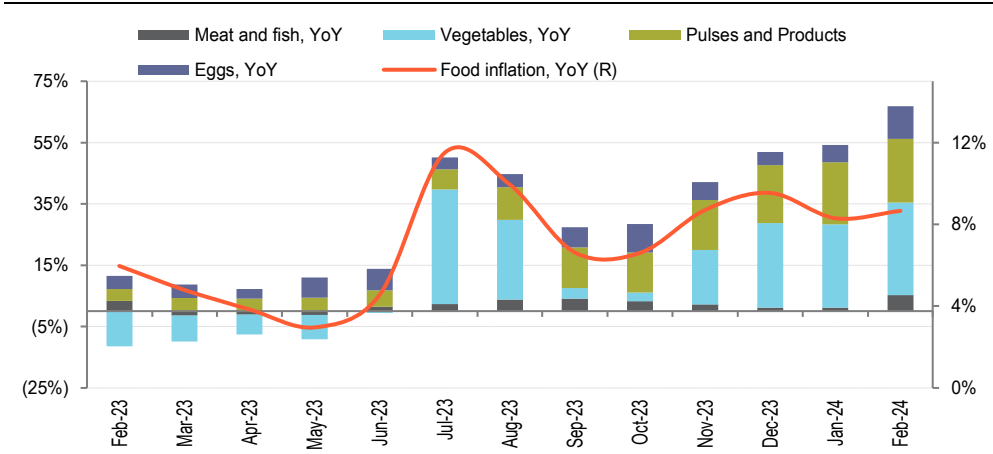


## Inflation

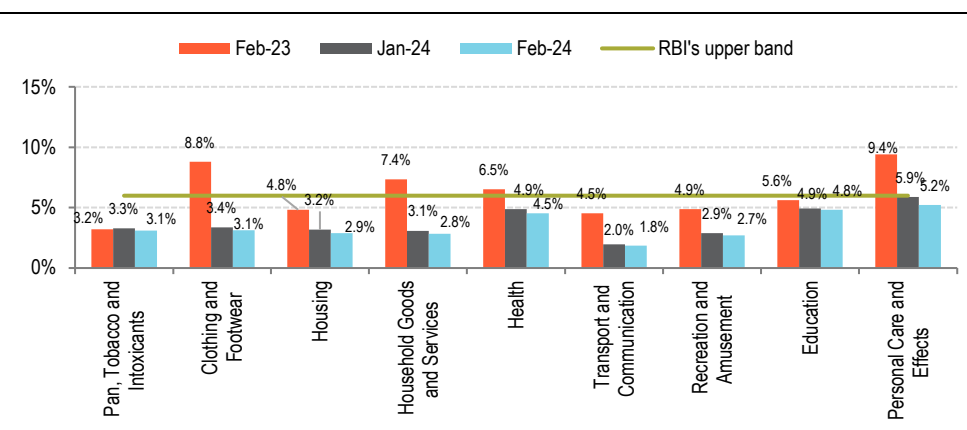
**Fig 31 – Headline CPI was broadly stable, food inched up by 36bps to 8.7% in Feb'24**



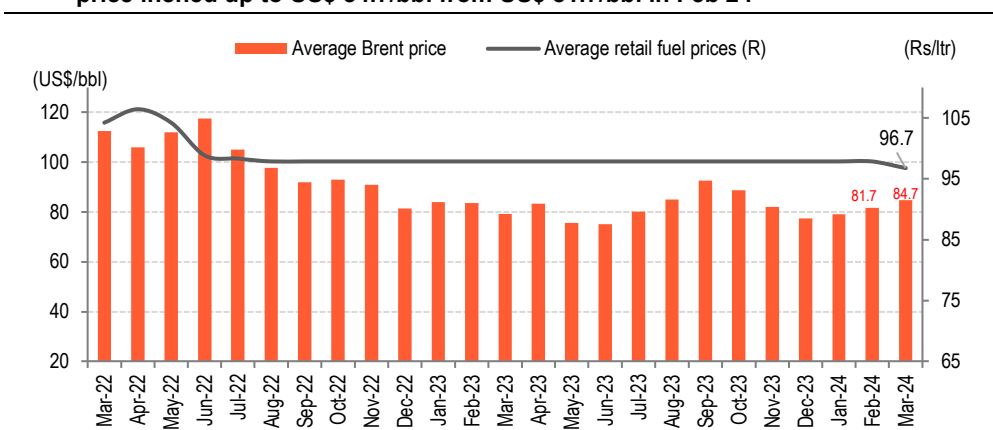
**Fig 32 – Led by vegetables, meat, fish, eggs etc.**



**Fig 33 – Core inflation and its sub-components continued to provide comfort**



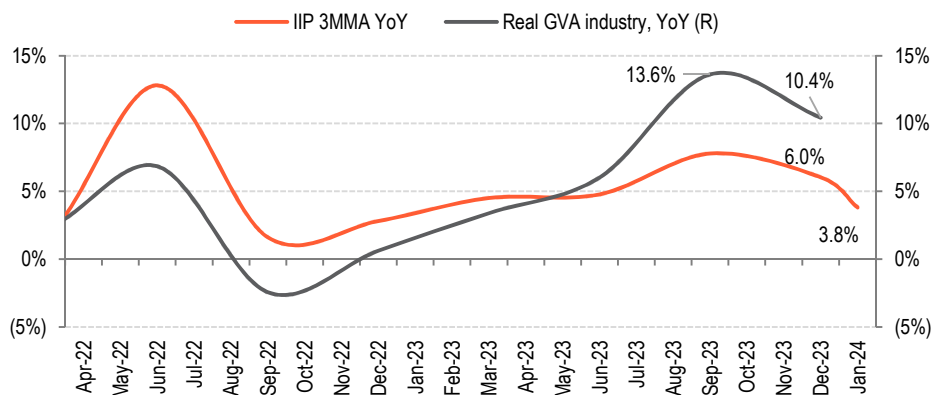
**Fig 34 – Domestic retail price inched down to Rs 96.7/ltr in Mar'24 from Rs 98/ltr, crude price inched up to US\$ 84.7/bbl from US\$ 81.7/bbl in Feb'24**



Note: Average retail price of petrol and diesel for Delhi, Kolkata, Mumbai and Chennai have been taken

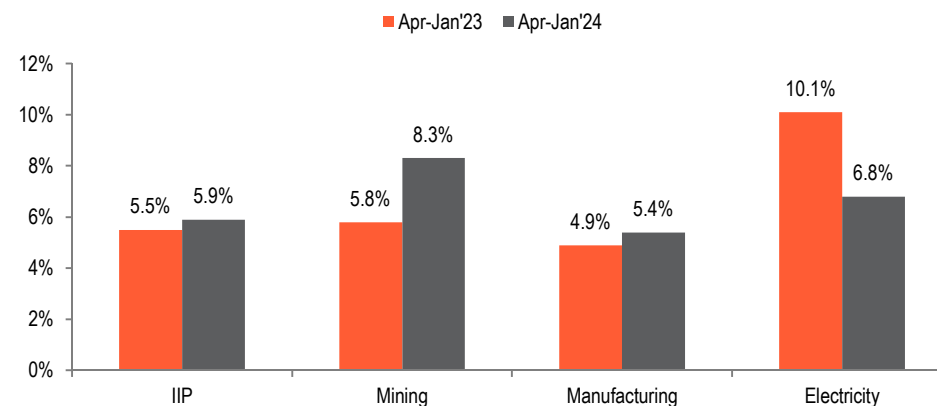
## Industry

**Fig 35 – Industrial growth to be lower in Q4**



Note: IIP for Jan'24 is on YoY basis

**Fig 36 – Sectorwise growth higher in FYTD'24**



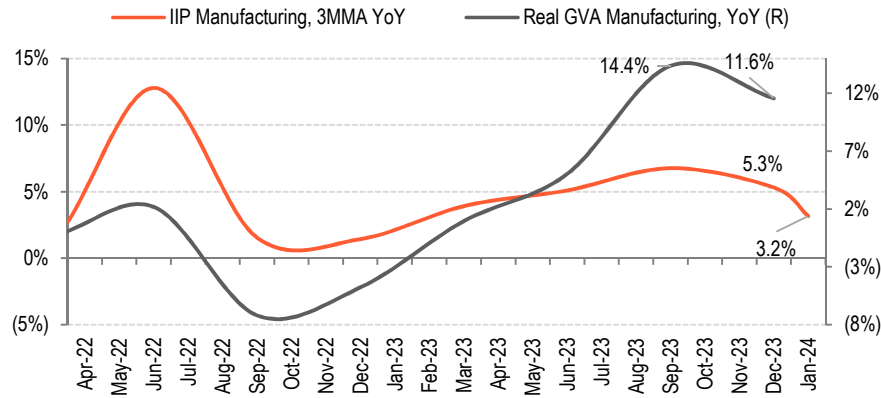
**Fig 37 – IIP growth moderates**

Sectoral (%)	Weight	Dec-23	Jan-24	Jan-23	Apr-Jan'23	Apr-Jan'24
IIP	100.0	4.2	3.8	5.8	5.5	5.9
Mining	14.4	5.2	5.9	9.0	5.8	8.3
Manufacturing	77.6	4.5	3.2	4.5	4.9	5.4
Electricity	8.0	1.2	5.6	12.7	10.1	6.8
<b>Use-Based</b>						
Primary Goods	34.1	4.8	2.9	9.8	8.0	6.5
Capital Goods	8.2	3.6	4.1	10.5	13.5	6.9
Intermediate Goods	17.2	3.9	4.8	1.4	4.3	4.8
Infrastructure and Construction Goods	12.3	5.1	4.6	11.3	8.5	10.0
Consumer Durables Goods	12.8	5.3	10.9	(8.2)	2.1	2.2
Consumer Non-Durables Goods	15.3	2.4	(0.3)	6.5	(0.2)	4.6

## Manufacturing

**Fig 38 – Manufacturing growth to be lower**

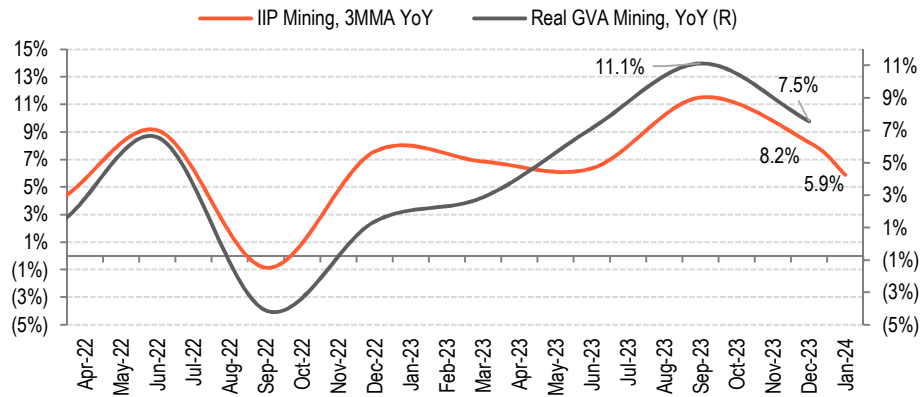
**Fig 39 – Higher manufacturing PMI in Mar'24**



Note: IIP for Jan'24 is on YoY basis

## Mining & Electricity

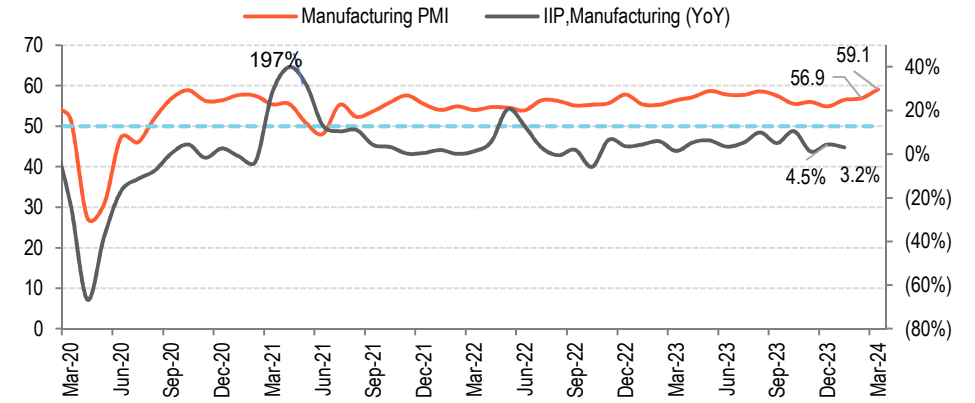
Fig 40 – Slower growth in mining activity



Note: IIP for Jan'24 is on YoY basis

## Infrastructure and construction

Fig 42 – Growth in construction sector to be lower



Source: Markit

Fig 41 – Growth in Q4 to be lower

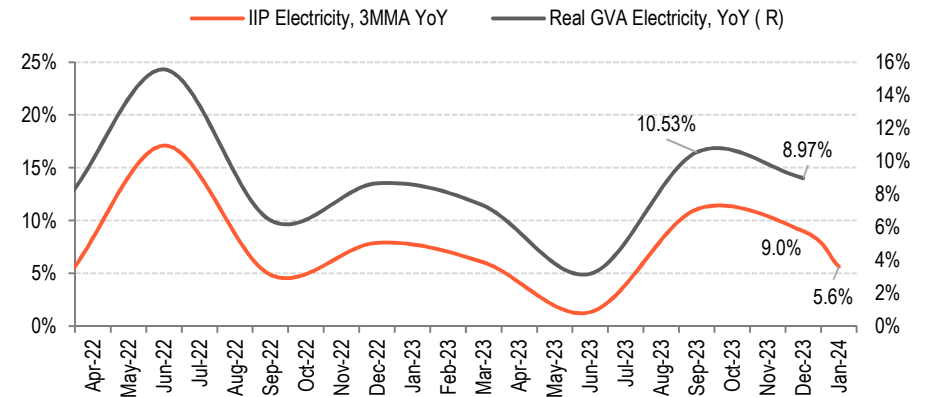
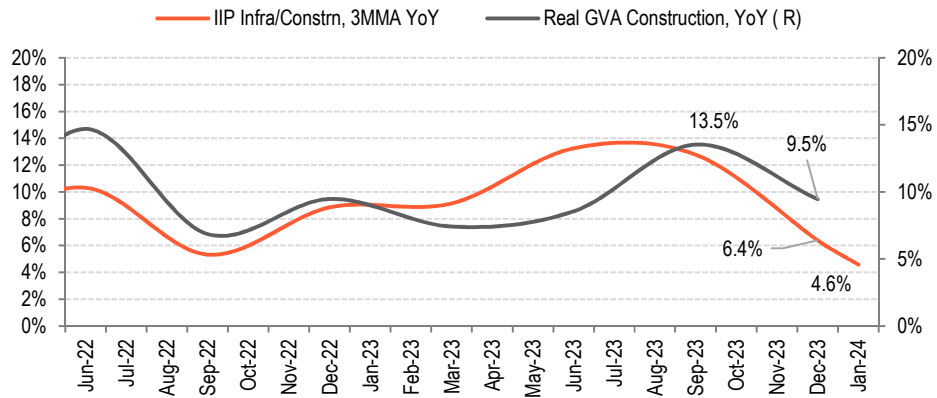


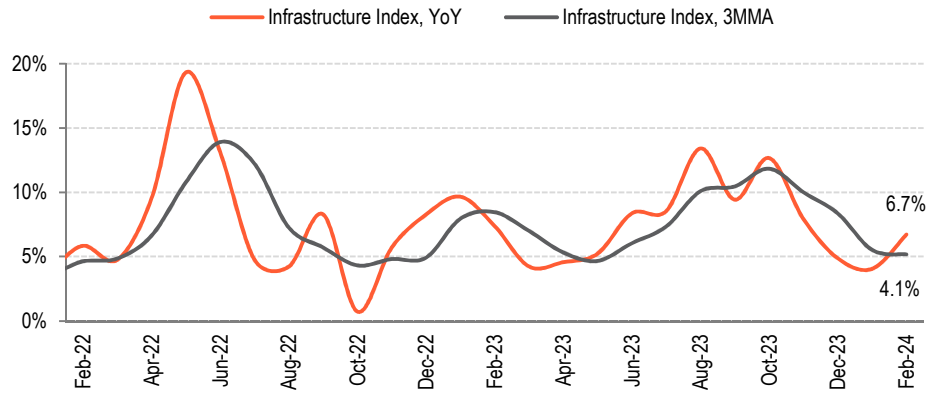
Fig 43 – Slower growth in steel output



Note: IIP for Jan'24 is on YoY basis

### Infrastructure index

Fig 44 – Growth rebounds in infrastructure index



### Auto production & business expectation index

Fig 46 – Higher auto production in Feb'24

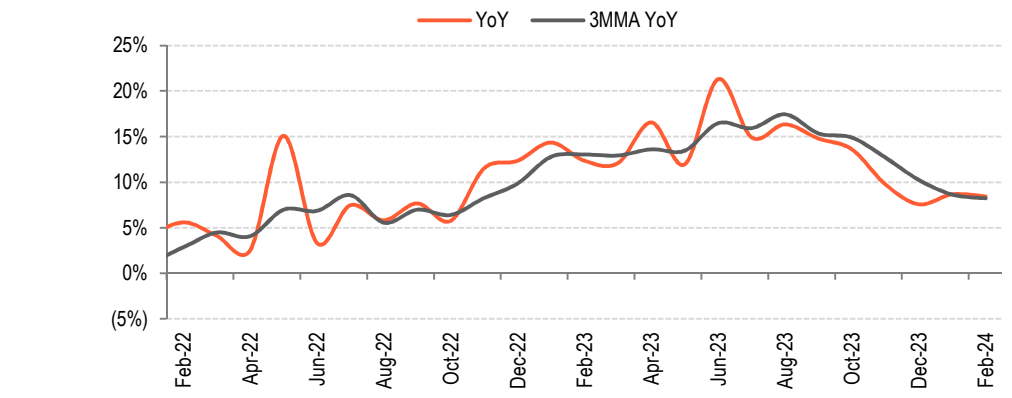


Fig 45 – Coal output improves

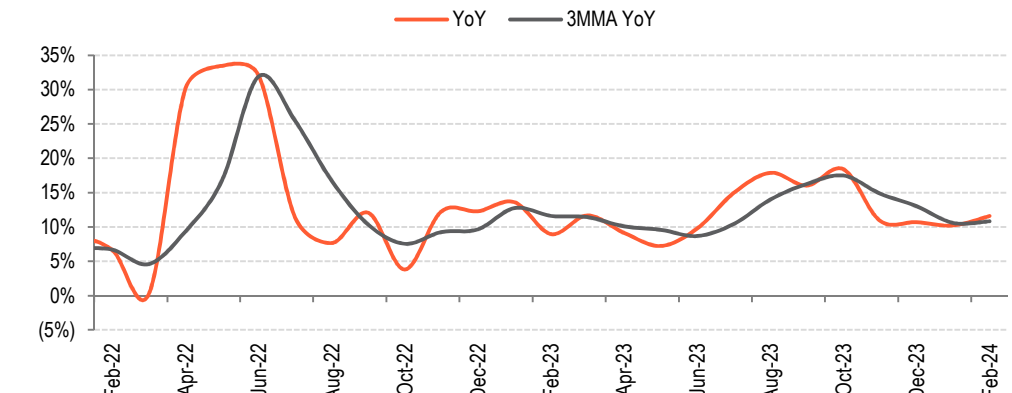
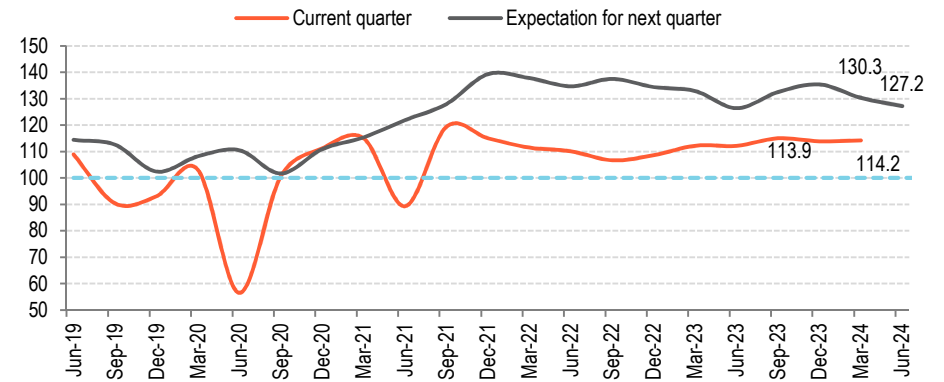
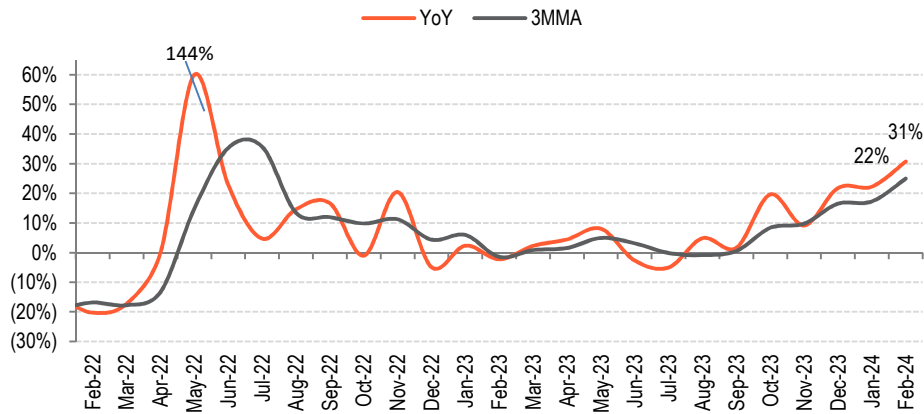


Fig 47 – Business sentiment remain optimistic for Q1



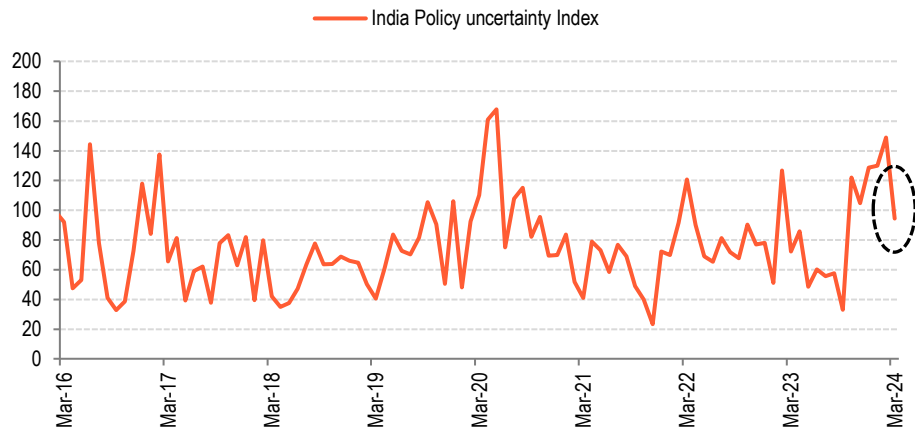
**Fig 48 – Infrastructure index rises to 3-month high**

(%)	Weight	Jan-23	Feb-24	Jan-24	Apr-Feb'23	Apr-Feb'24
Infrastructure Index	100	4.1	6.7	9.7	8.4	7.9
Coal	10.3	10.2	11.6	13.6	16.9	12.5
Crude Oil	9.0	0.7	7.9	(1.1)	(1.3)	(0.2)
Natural Gas	6.9	5.5	11.3	5.2	1.5	5.5
Petroleum Refinery Products	28.0	(4.3)	2.6	4.5	5.7	4.1
Fertilizers	2.6	(0.6)	(9.5)	17.9	10.7	6.0
Steel	17.9	8.7	8.4	14.3	8.6	13.6
Cement	5.4	5.7	10.2	4.7	10.8	9.1
Electricity	19.9	5.7	6.3	12.7	10.4	7.0

## Investment

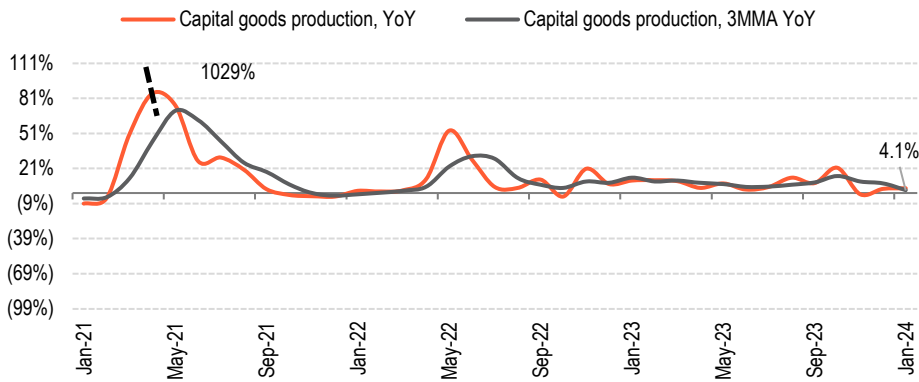
**Fig 49 – Policy uncertainty index in India fell sharply in Mar'24**

**Fig 50 – Capacity utilisation of manufacturing sector improved to 74.7% in Dec'23 from 74% in Sep'23**

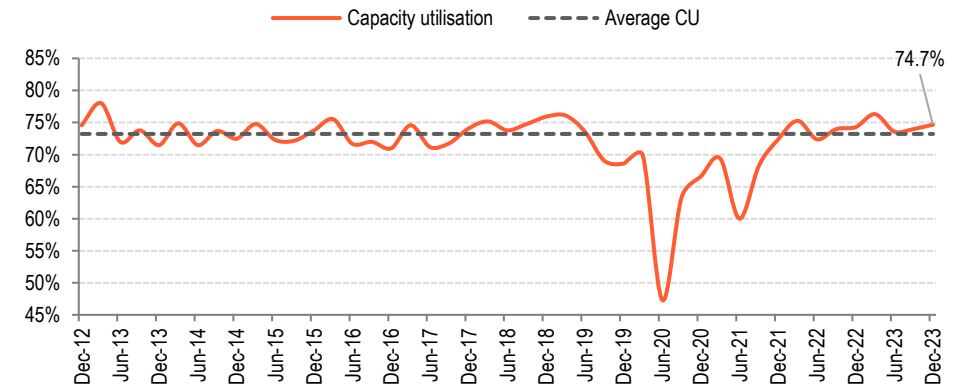


Source: <https://www.policyuncertainty.com>

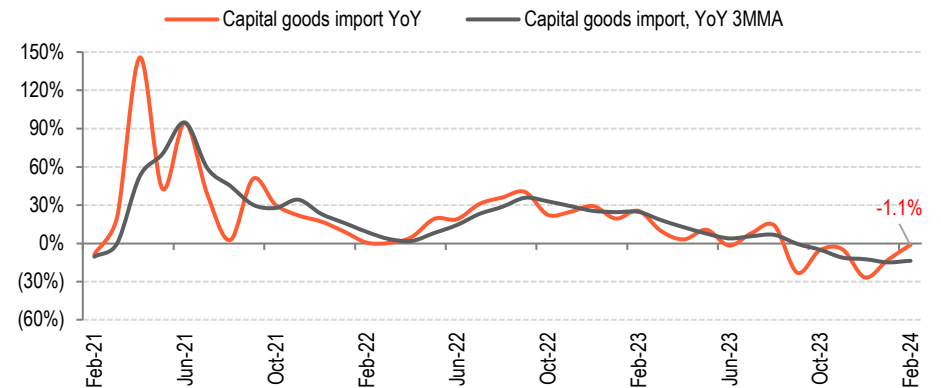
**Fig 51 – Capital goods production improved by 4.1% in Jan'24 from 3.6% in Dec'23, despite an unfavourable base**



**Fig 53 – Centre's capex spending growth rose to 36.5% in Feb'24 from 23.2% in Jan'24**

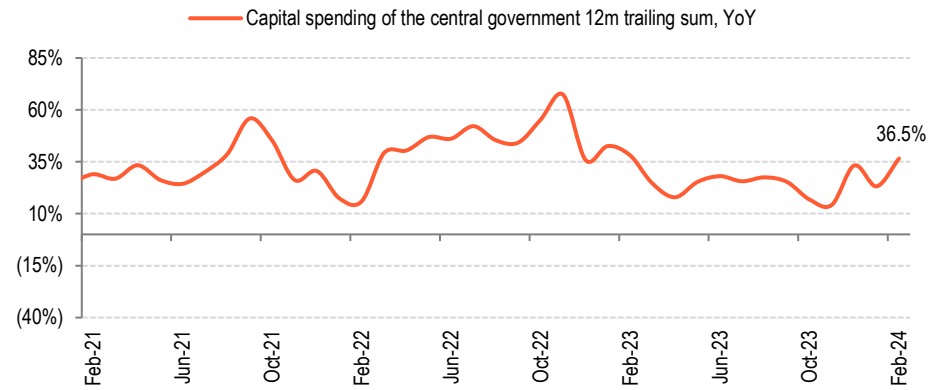


**Fig 52 – Capital goods imports declined at a much slower pace by 1.1% in Feb'24 compared to 12.8% decline seen in Jan'24**

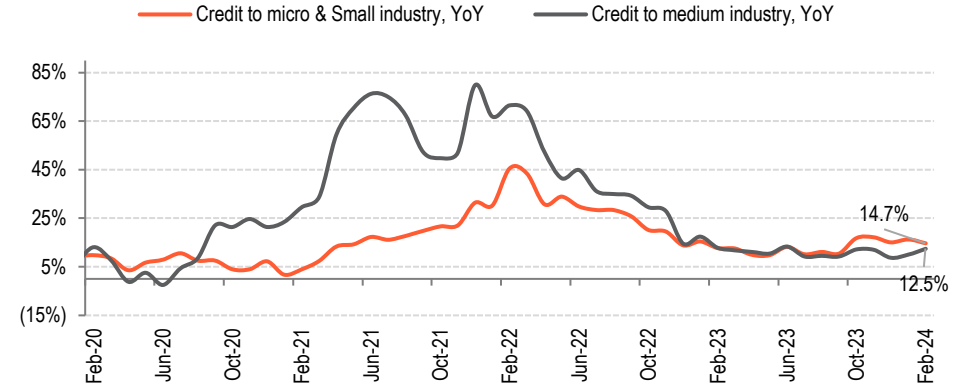


**Fig 54 – Credit to micro and small industry rose by 14.7% in Feb'24 compared to 16.3% in Jan'24, for medium industry, it inched up to 12.5% from 10%**

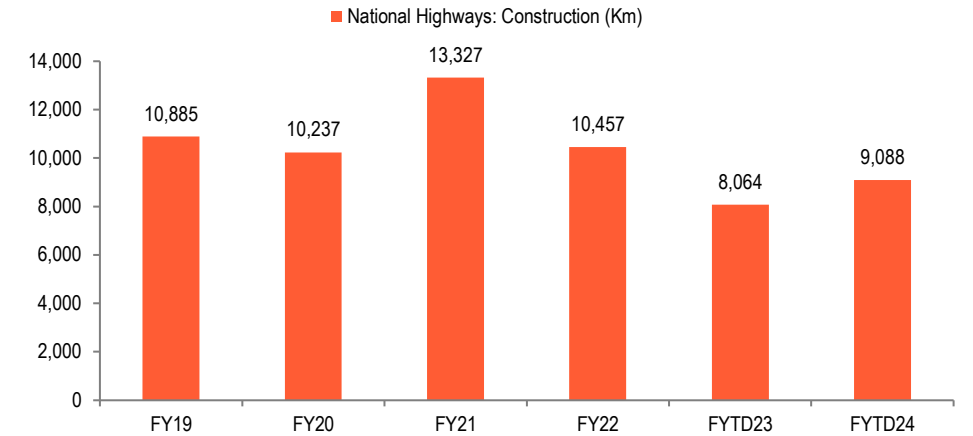
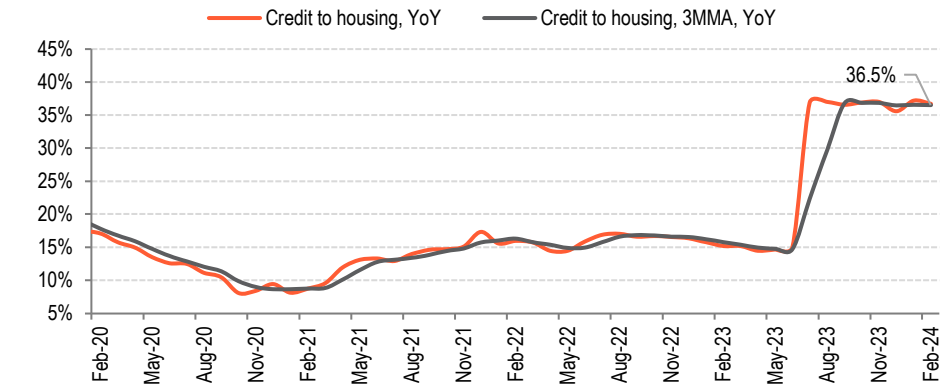




**Fig 55 – Credit to housing sector rose at a stable pace by 36.5% in Feb'24 from 36.6% in Jan'24**

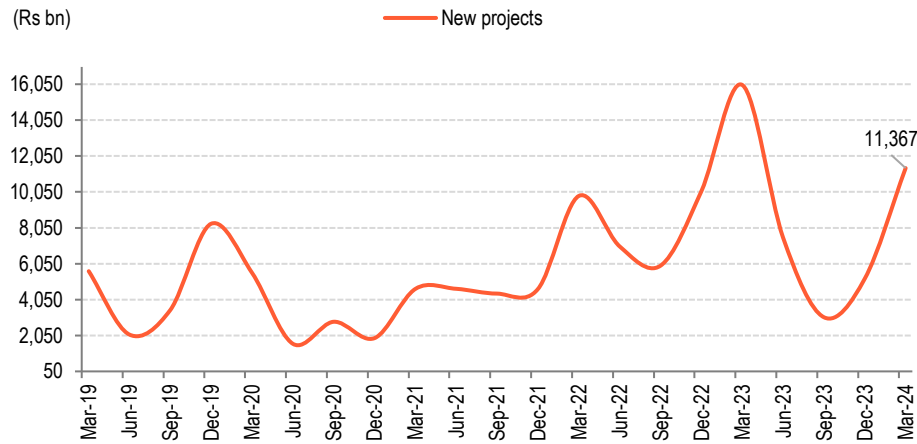


**Fig 56 – Highway construction is gaining pace**



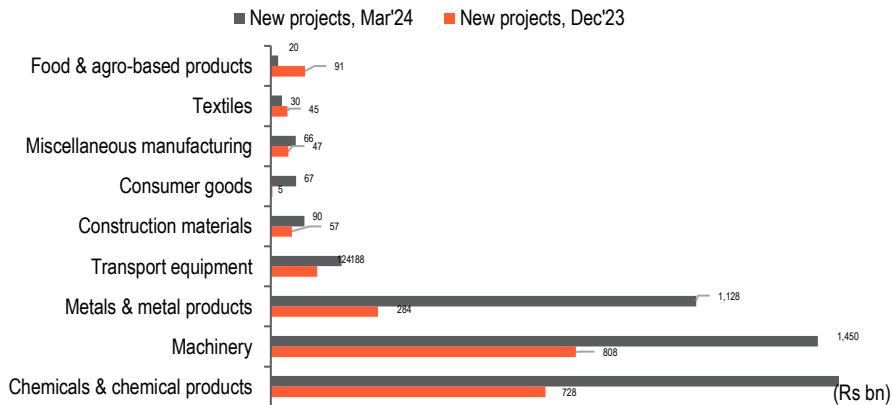
Capex data

**Fig 57 – New project announcements picked up to Rs 11.4tn in Q4FY24 compared to Rs 5.2tn in Q3FY24, for FY24 cumulatively at Rs 27.2tn**



Source: CMIE

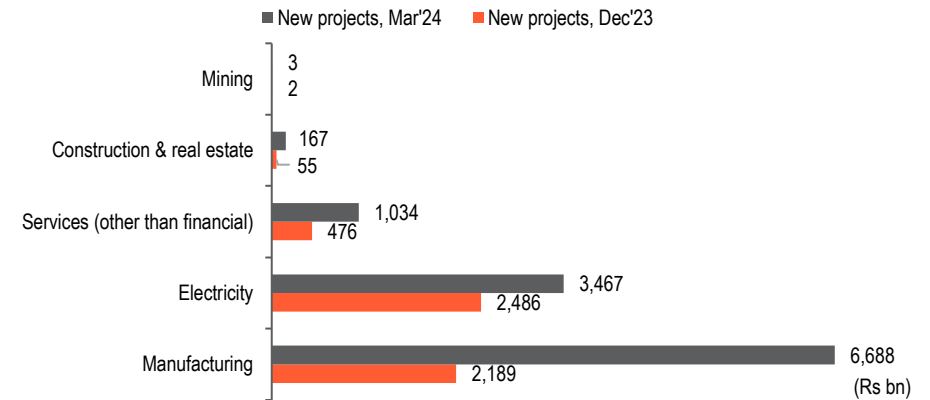
**Fig 59 – ...within manufacturing, it was led by chemicals, machinery and metals and product**



Source: CMIE

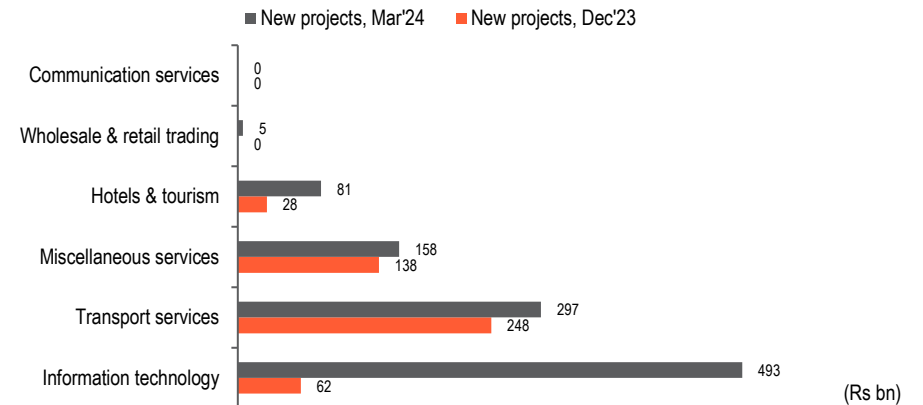
## Services sector

**Fig 58 – ...in Q4, sharp revival was seen in manufacturing segment w.r.t. new announcements**



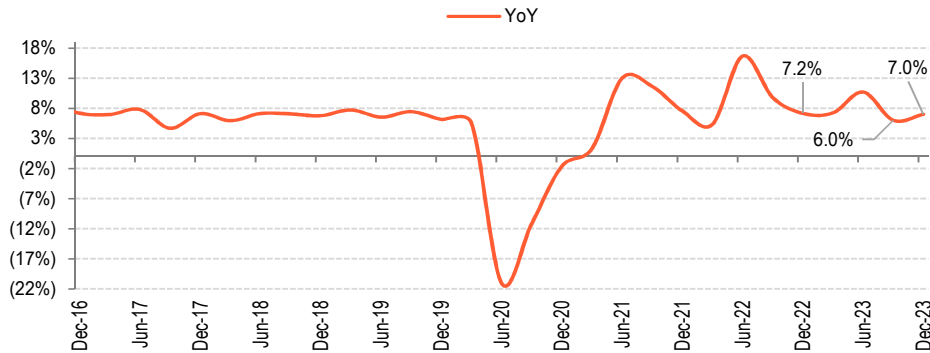
Source: CMIE

**Fig 60 – Within services, new announcements were led by IT and transport services**

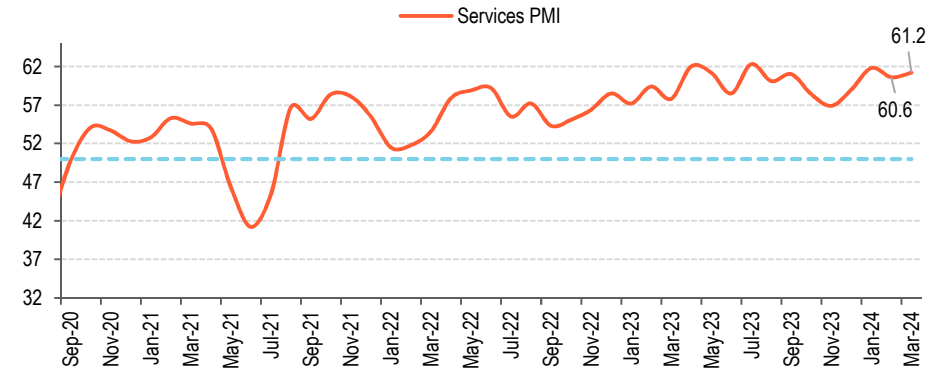


Source: CMIE

**Fig 61 – GVA: Services sector growth picked up pace in Q3FY24**

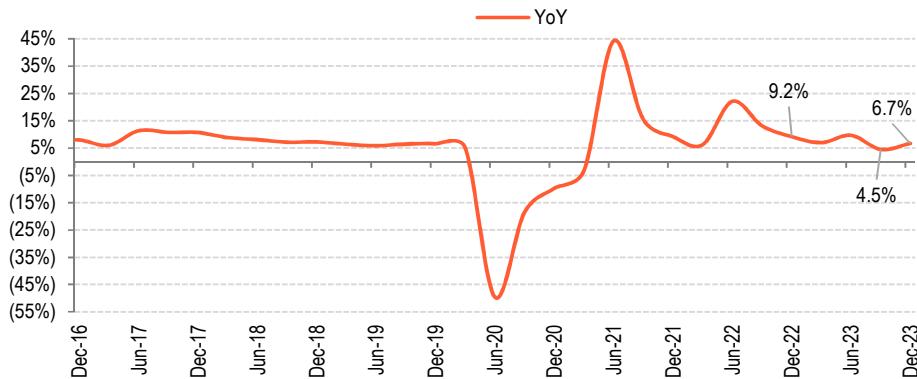


**Fig 62 – Services PMI rebounded in Mar'24; Q4FY24 averaged at 61.2, thus reaching multi year high and up from 58.1 in Q3**

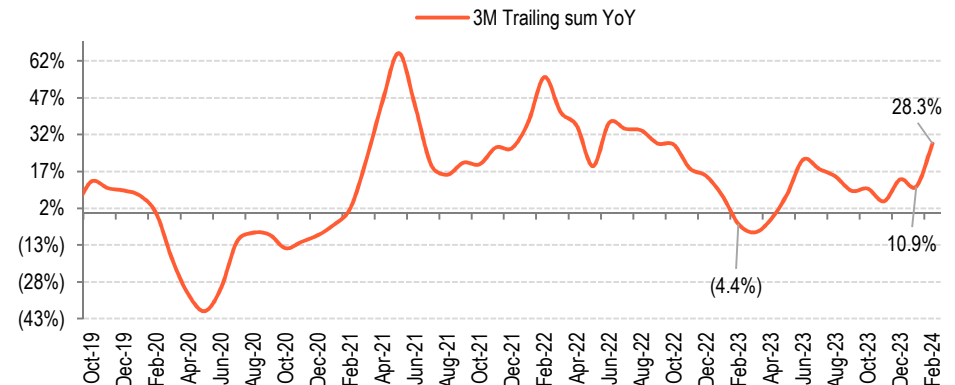


Source: Markit

**Fig 63 – GVA: Trade & related services activity supported growth in Q3**



**Fig 64 – States' tax revenue growth seen picking up pace in Feb'24**

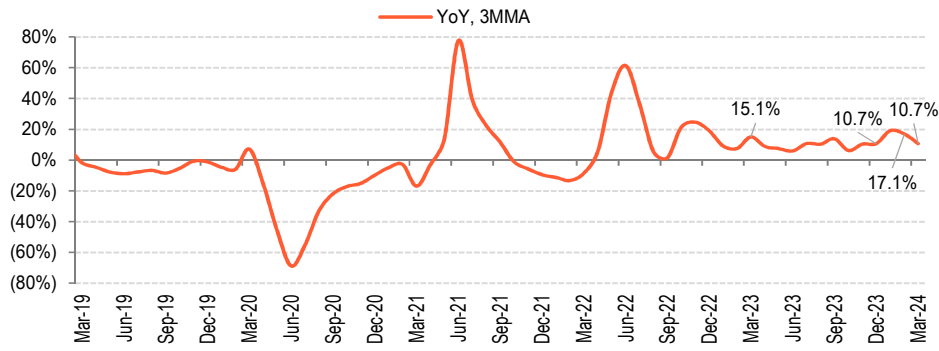


Note: \*All states excluding North Eastern states, Goa, Gujarat and J&K

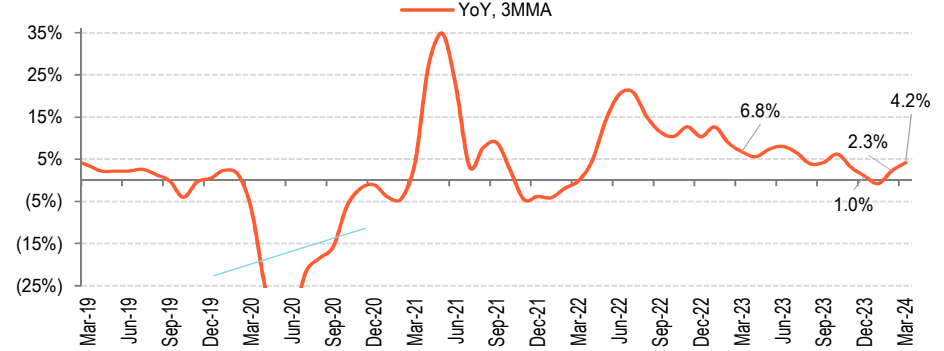
Trade

**Fig 65 – Vehicle registration growth in Q4FY24, unchanged from Q3, but lower than last year**

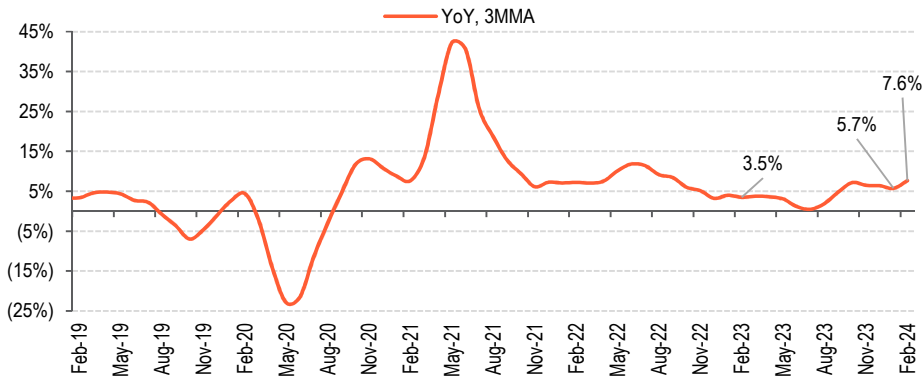
**Fig 66 – Diesel consumption picked up pace in Q4 compared with Q3, however was lower than Q4 of last year**



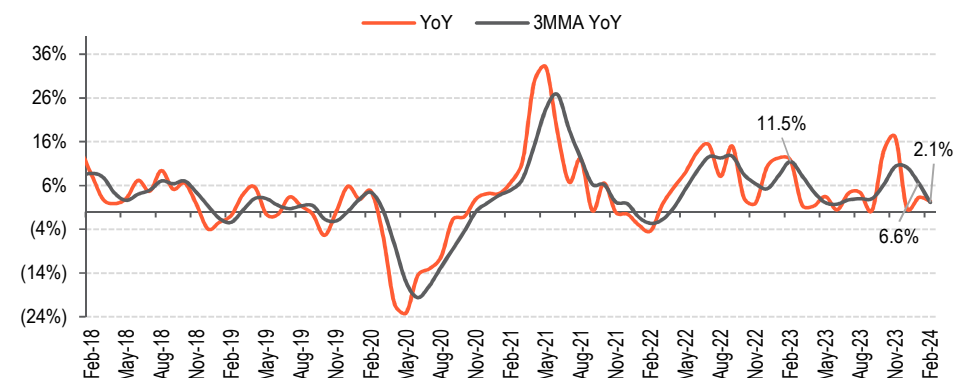
**Fig 67 – Railway freight traffic growth in Jan-Feb’24 (8.3%), higher than Q3 (6.4%)**



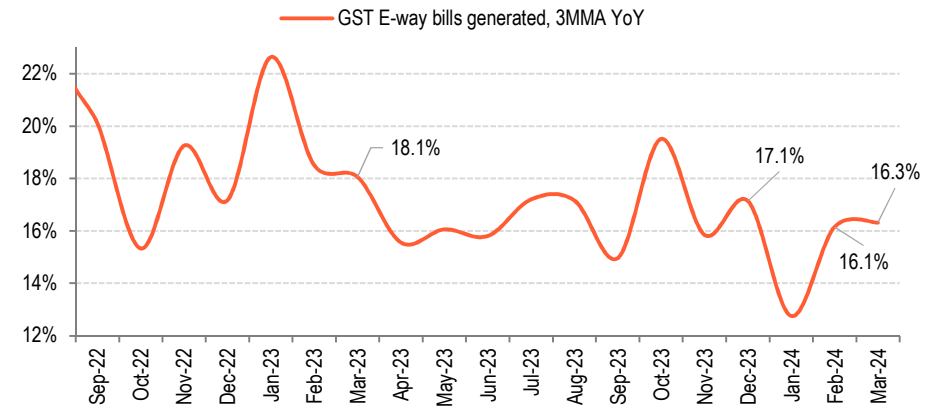
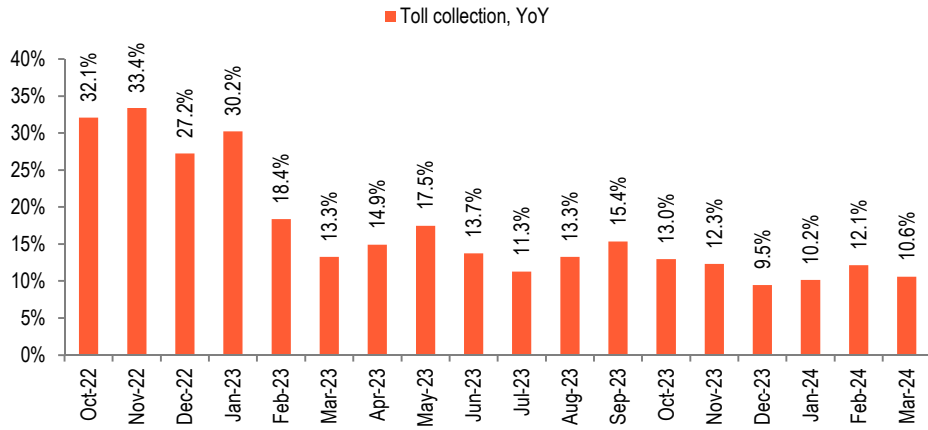
**Fig 68 – Port cargo traffic growth slowed in Feb’24**



**Fig 69 – Toll collections growth seen plateauing**

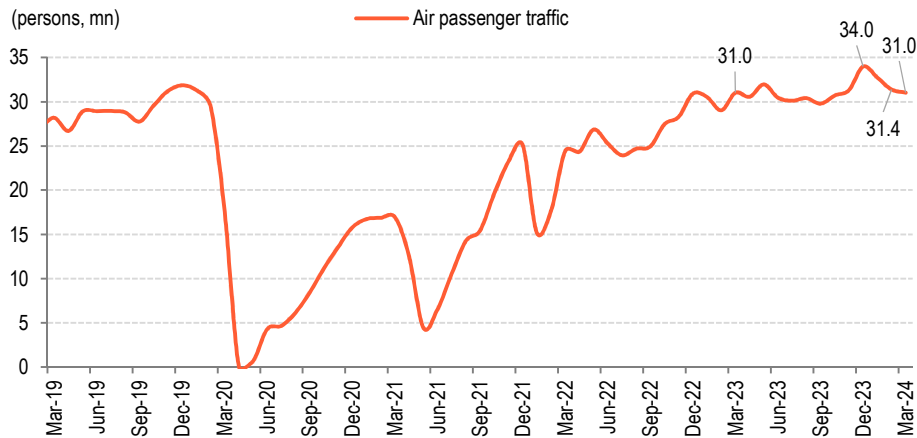


**Fig 70 – E-way bills growth in Q4FY24 broadly at similar levels versus Q3 and Q4FY23**



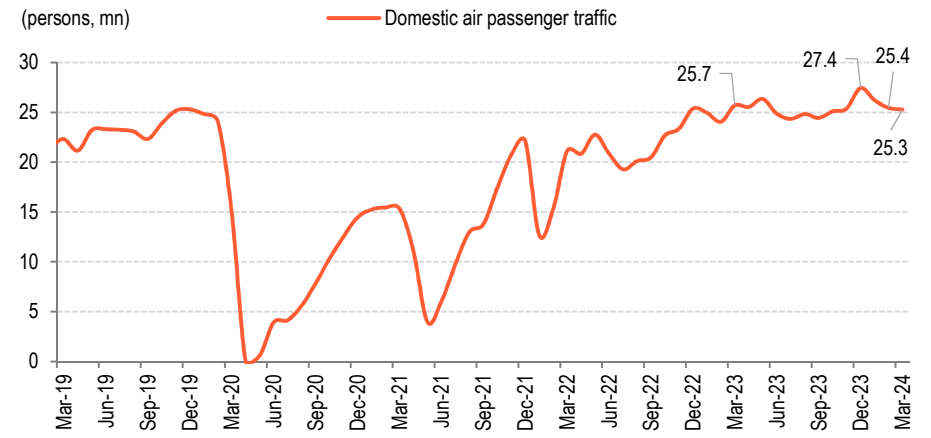
**Hotels and communications**

**Fig 71 – Airline passenger traffic in Q4 lower than Q3, but at the same level as last year**

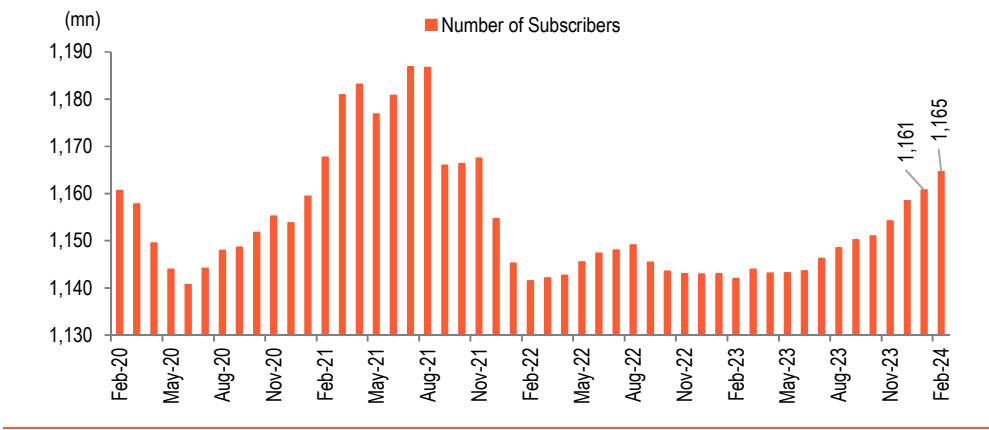
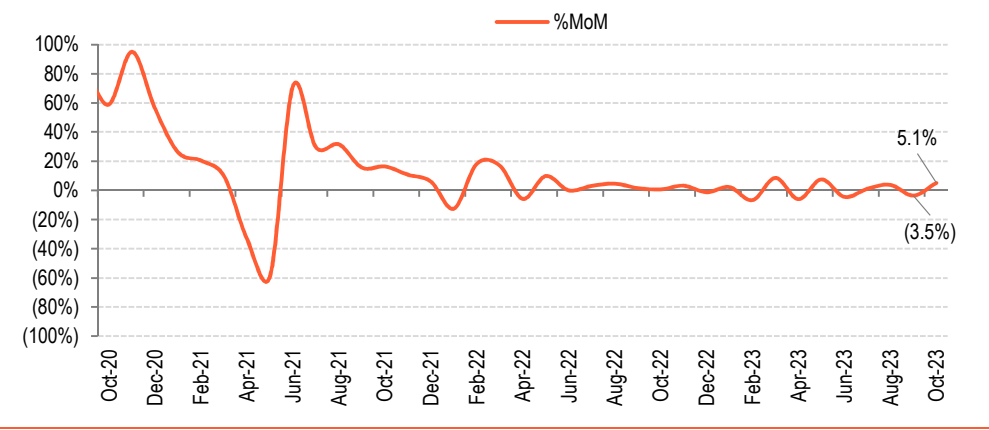


**Fig 73 – Railway passenger traffic picked up pace in Oct'23**

**Fig 72 – Domestic passenger traffic flows in Q4 lower than Q3 and last year as well**



**Fig 74 – Number of telecom subscribers have risen by 6.2mn in Q4FY24 (Jan-Feb), following 8.3mn subscribers added in Q3 and 1mn subscribers lost in Q4FY23**



Finance and real estate

Fig 75 – Growth in GVA: Finance, real estate & prof. pushed growth higher in Q3

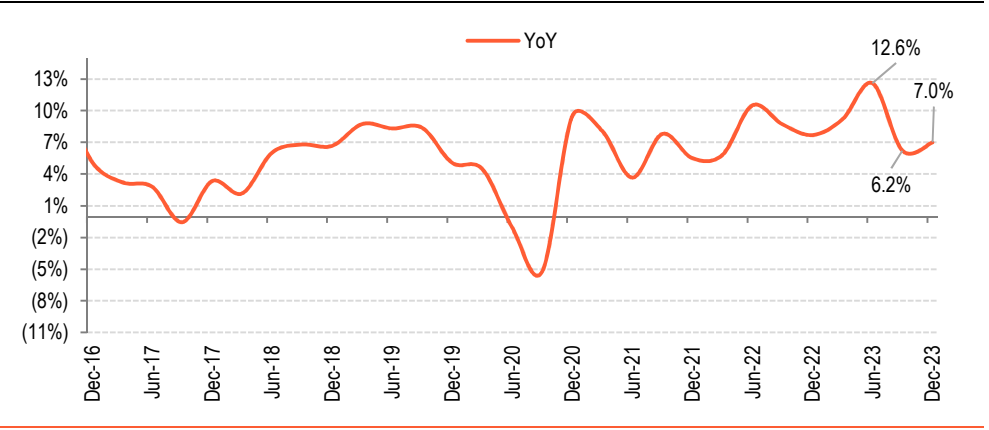
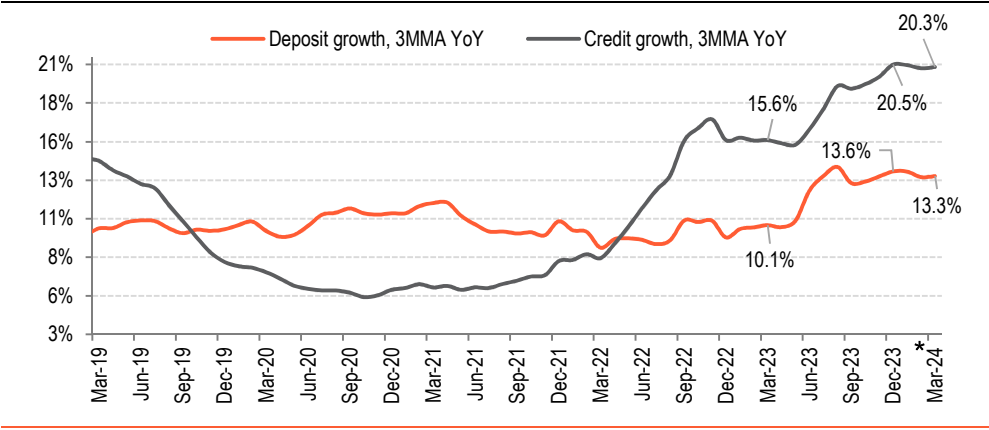


Fig 77 – Credit to services remains steady, credit to industries showed further improvement in Feb'24

Fig 76 – Both credit and deposit growth broadly steady in Q4FY24 versus Q3; and much higher than Q4 last year



\*Data as of 22 Mar 2024

Fig 78 – Within services, credit to NBFCs remains under pressure, and credit to trade and commercial real estate was stable in Feb'24

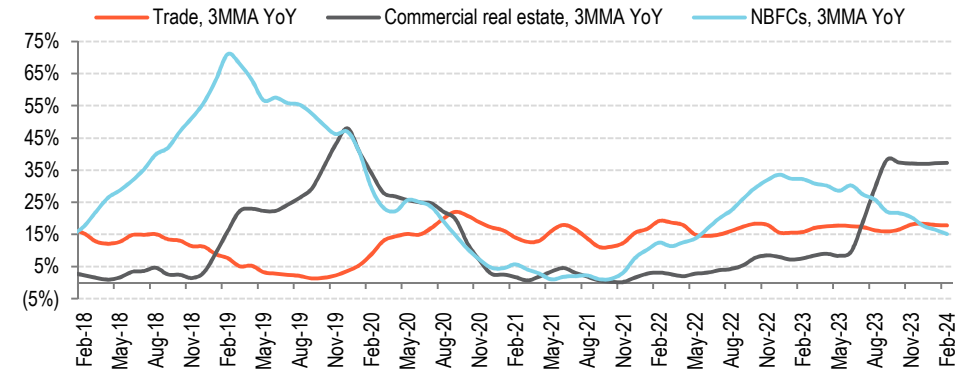
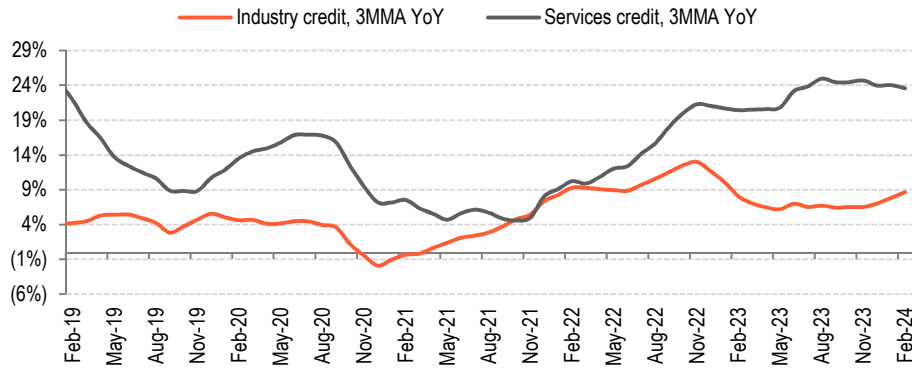
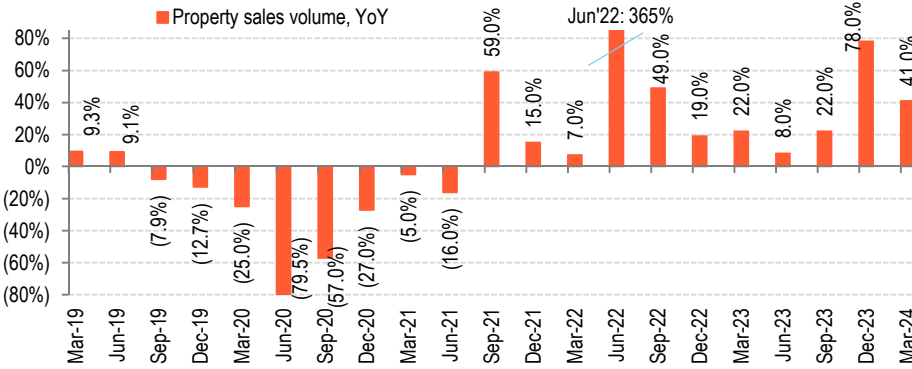


Fig 79 – Property sales volume growth in Q4FY24 much higher than last year



Source: Proptiger

Labour market

Fig 81 – Naukri job index rebounded in Q4FY24; was higher than both Q3 and Q4FY23

Fig 80 – Stamp duty collection growth of Haryana, A.P. and M.P. continues to do well, while that of Kerala and W.Bengal declined further in Feb'24

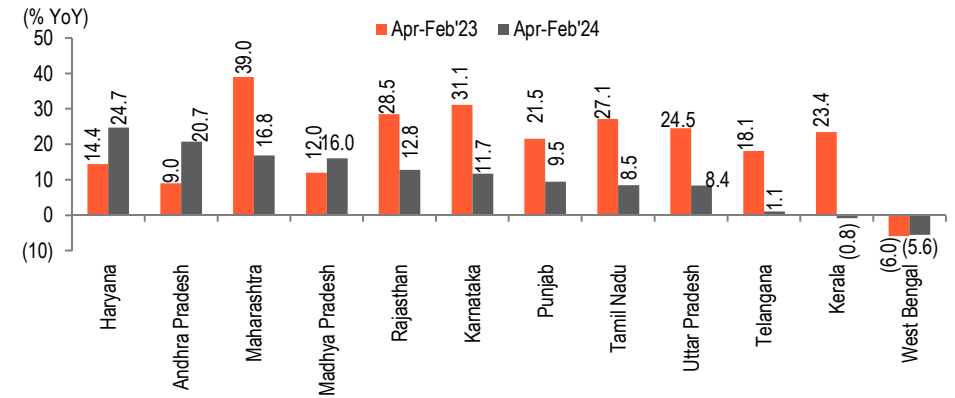
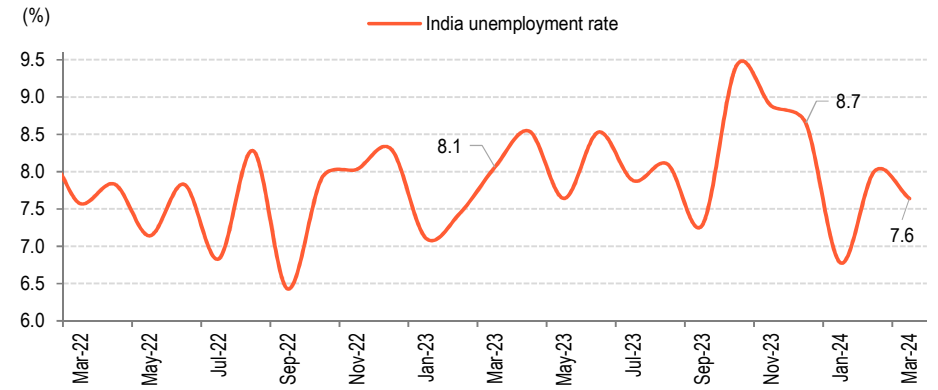
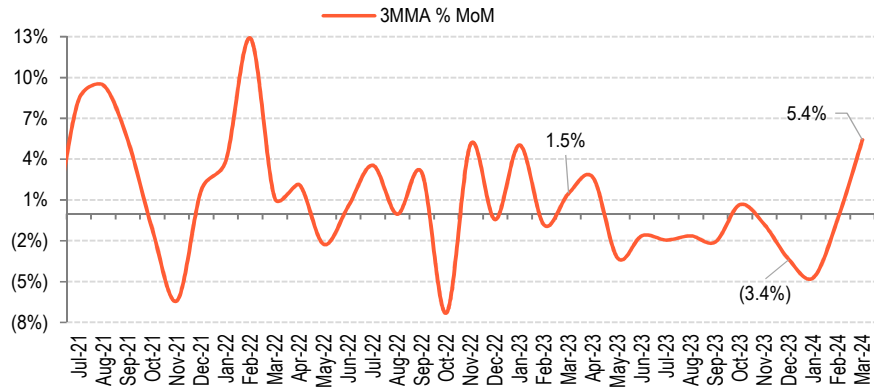
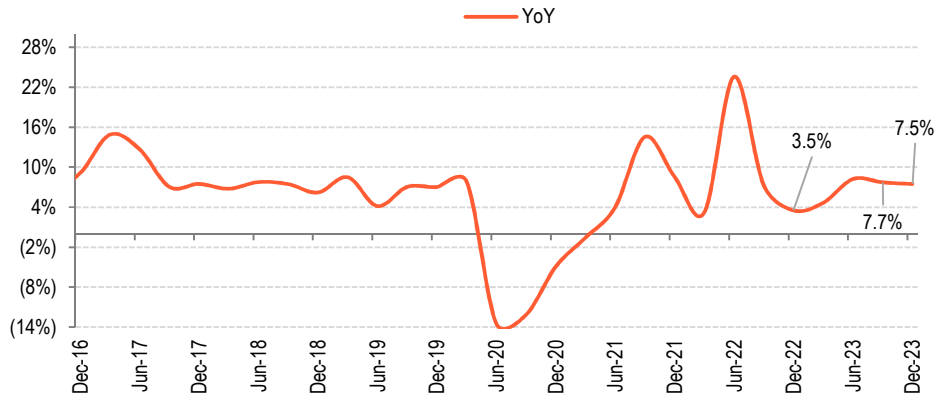


Fig 82 – Overall unemployment rate also eased at the end of Q4FY24; avg unemployment rate was at 8.1% in FY24 versus 7.6% in FY23



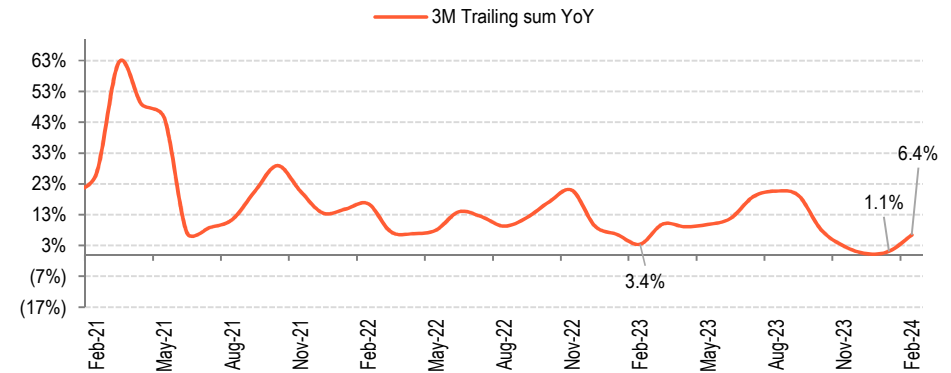
**Public administration**

**Fig 83 – Public admin & defence services eased only slightly in Q3**



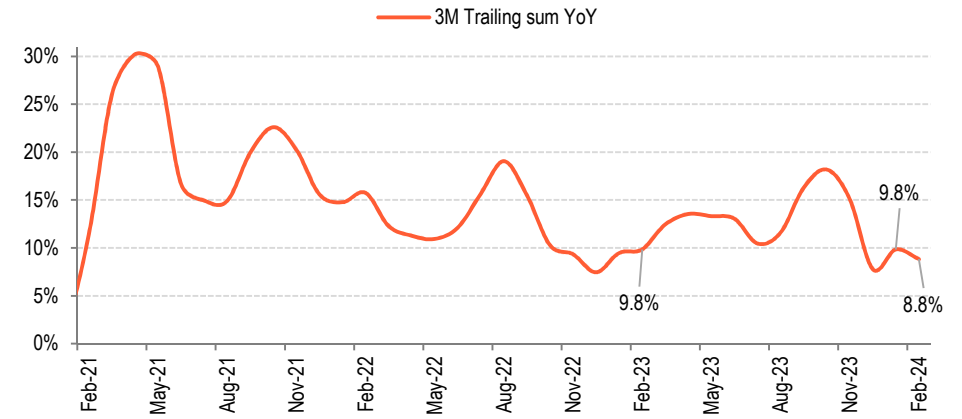
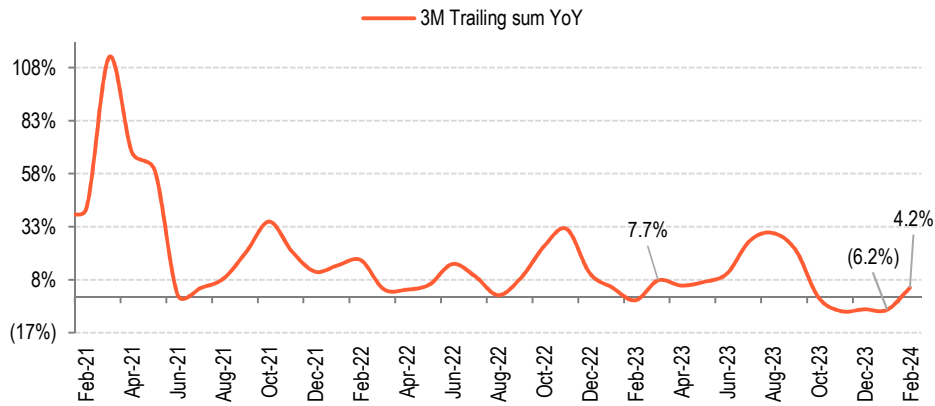
**Fig 85 – Central government spending rebounded**

**Fig 84 – General govt. spending gained further momentum in Feb'24**



**Fig 86 – State\* Govt. spending slowed in Feb'24**



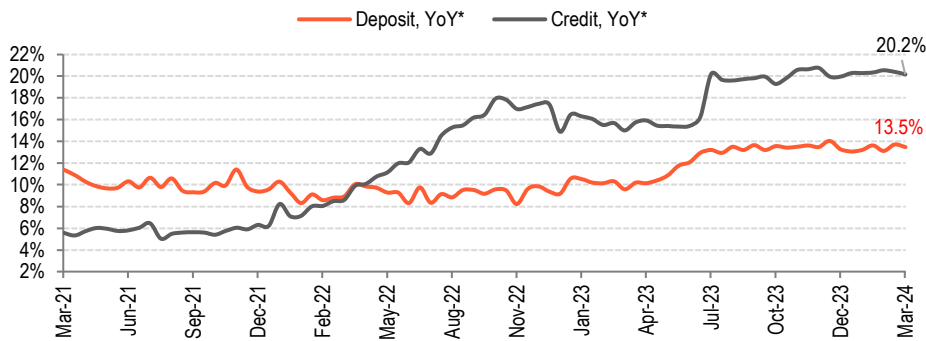


Note: \*All states excluding North Eastern states, Goa, Gujarat and J&K

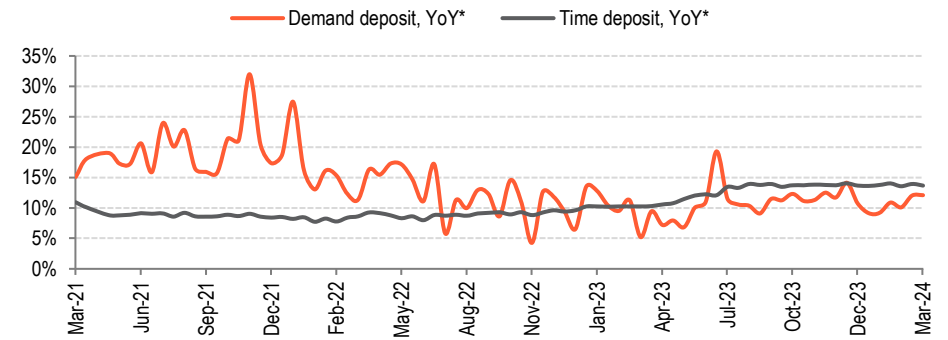
Financial sector

Money and banking

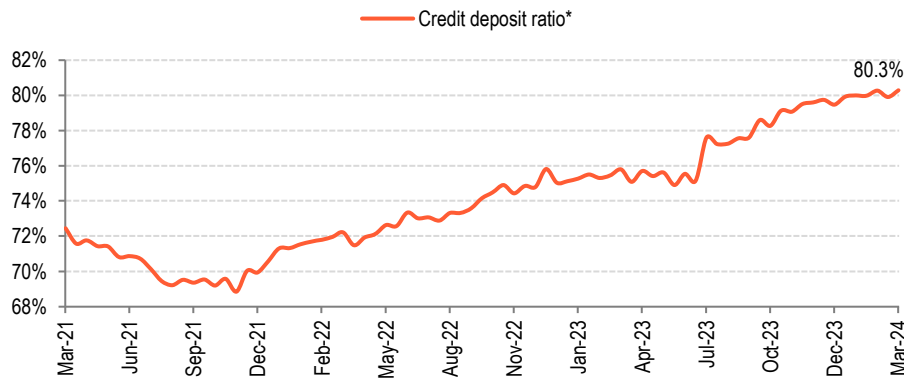
**Fig 87 – Credit growth was buoyant at 20.2% in Mar’24 from 20.5% in Feb’24 (incl. merger), deposit growth rose to 13.5% from 13.1%**



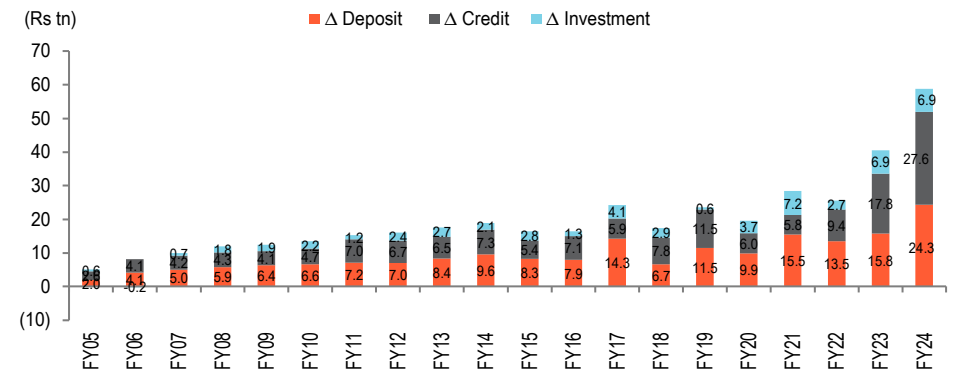
**Fig 88 – ...Both demand and time deposits picked pace**



**Fig 89 – CD ratio rose to 80.3%**

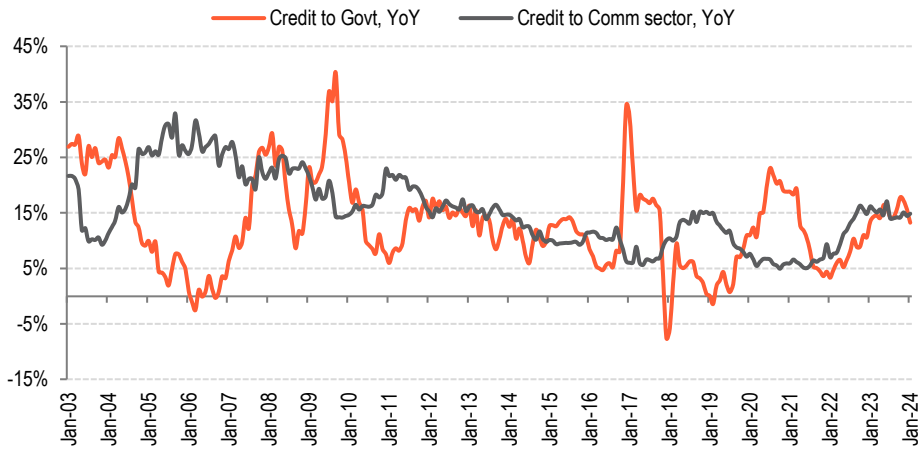


**Fig 90 – Credit, deposit and investment accretion**

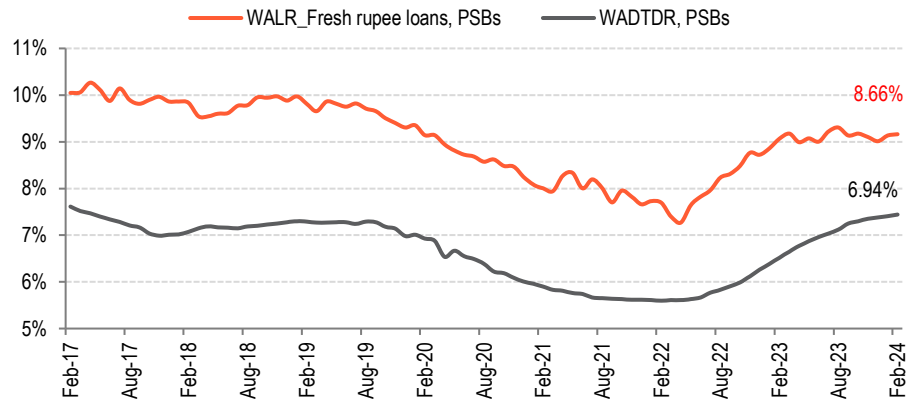


**Fig 91 – Credit to govt moderated to 13.2% in Jan’24 from 15.6% in Dec’23, credit to commercial sector also edged down to 14.4% from 14.7%**

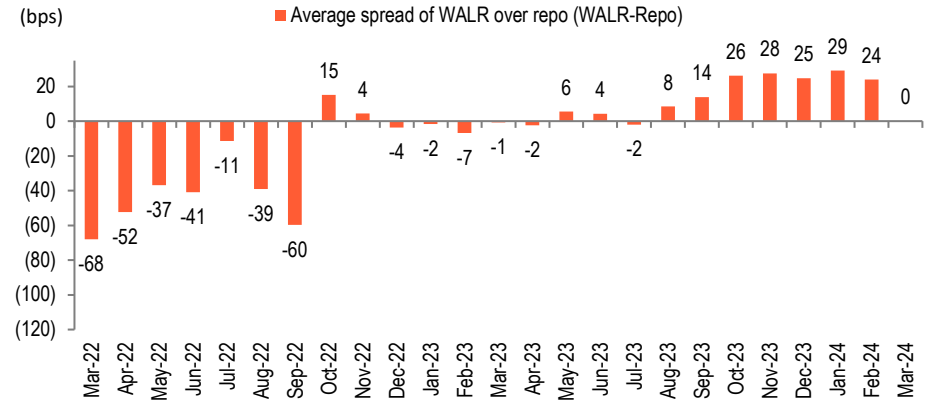
**Fig 92 – WALR and repo closely aligned**



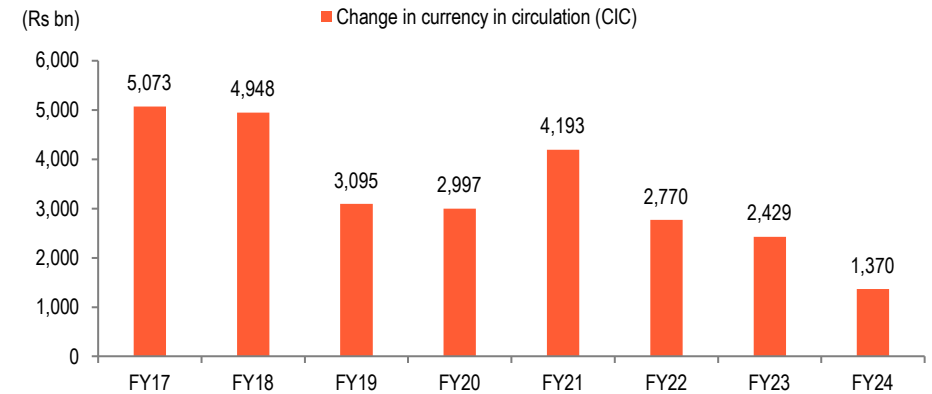
**Fig 93 – WALR on fresh loans rose slightly to 8.66% from 8.63% in Jan'24, WADTDR rose to 6.94% from 6.91%**



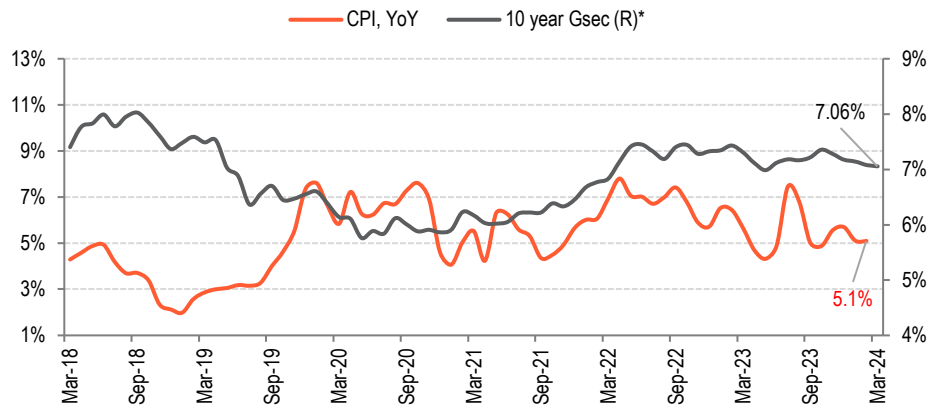
**Fig 95 – 10Y GSec yield moderated to 7.06% in Mar'24 from 7.08% in Feb'24 and currently trading higher at 7.18%, inflation broadly stable at 5.1% in Feb'24**



**Fig 94 – CIC accretion in FY24 ended lower compared to FY23**

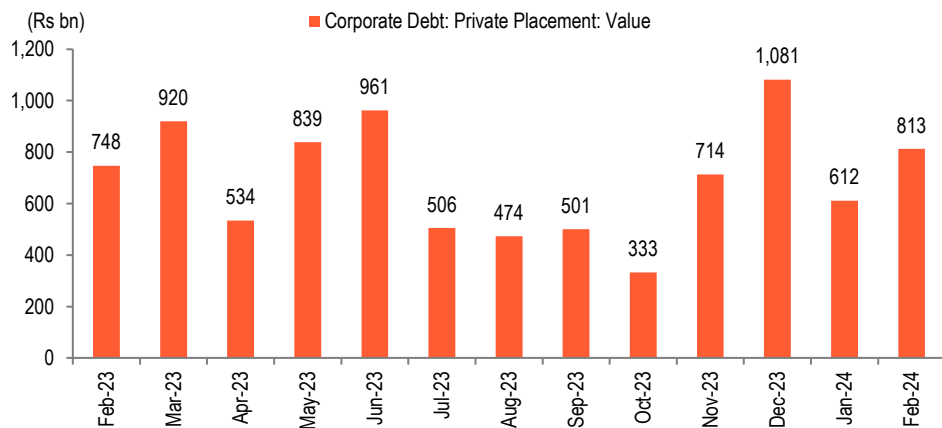


**Fig 96 – Momentum seen lately towards long part of the curve**

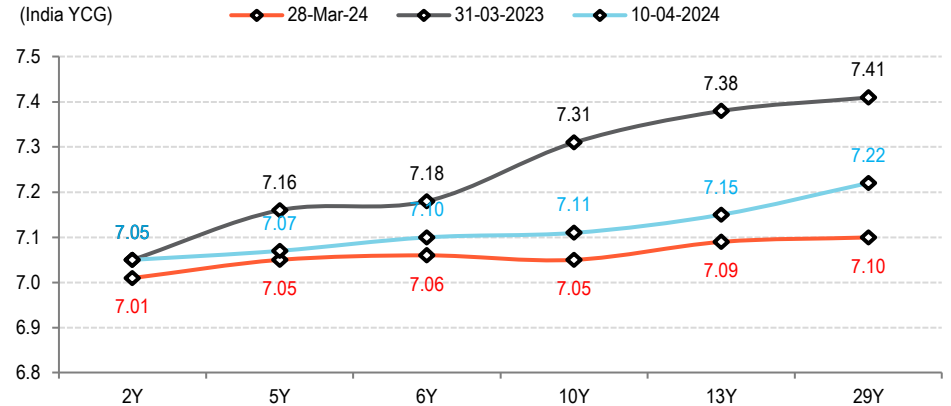


Note: \*As on last trading day of the month

**Fig 97 – Corporate debt issuances rose to Rs 813bn in Feb’24 from Rs 612bn in Jan’24**

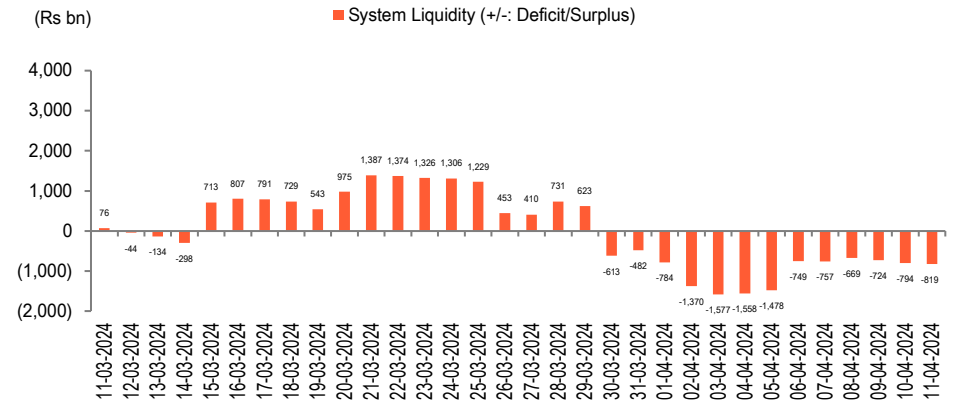


**Fig 99 – 3Y AAA NBFC spread inched down to 70bps as on 29 Mar 2024 from 80bps as on 29 Feb 2024**



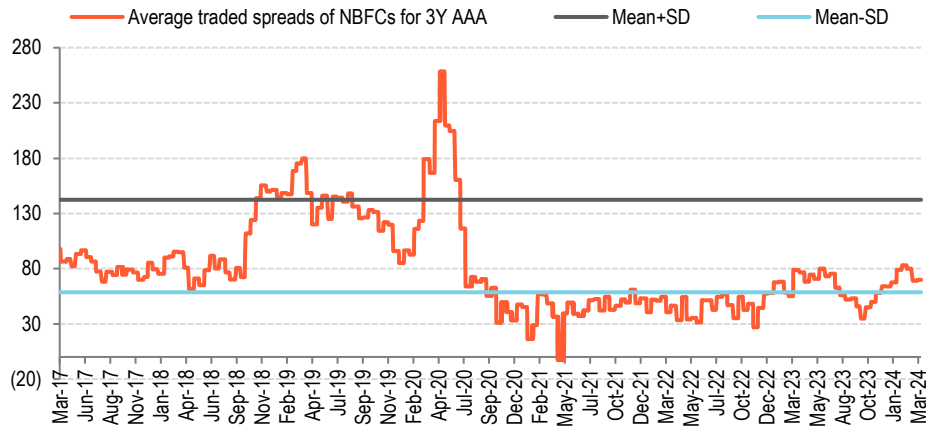
Source: Bloomberg, Note for the latest Apr data 6Y and 29Y have been used interchangeably with 7Y and 30Y due to unavailability of same papers

**Fig 98 – Avg. system liquidity deficit moderated to Rs 38,584 crore in Mar’24 from Rs 1.9 lakh crore in Feb’24 and is at an avg surplus of Rs 1 lakh crore (1-11Apr)**

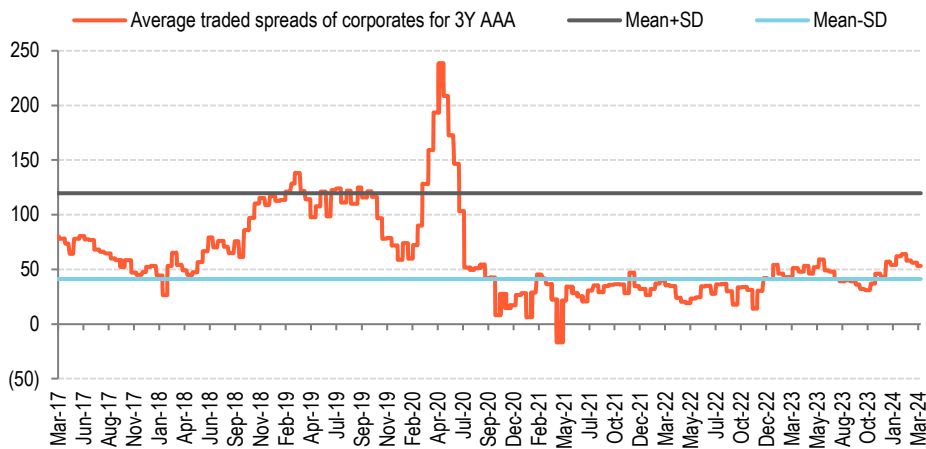


Source: RBI

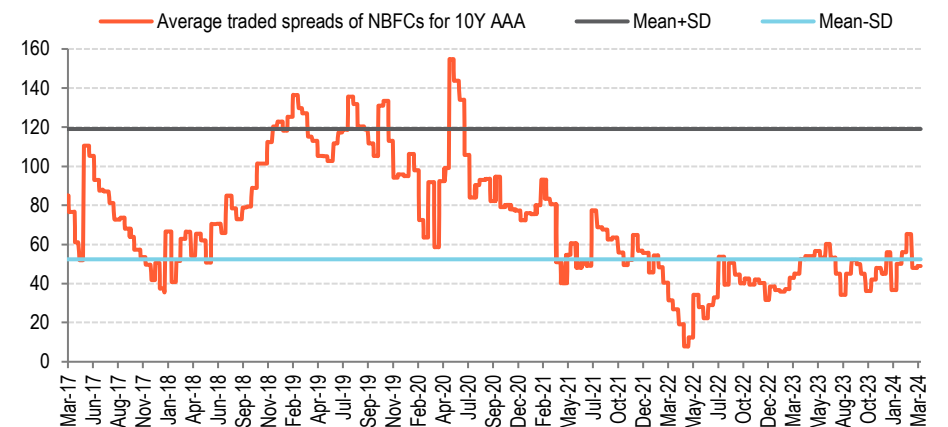
**Fig 100 – For 10Y AAA NBFC, it fell to 49bps from 65bps**



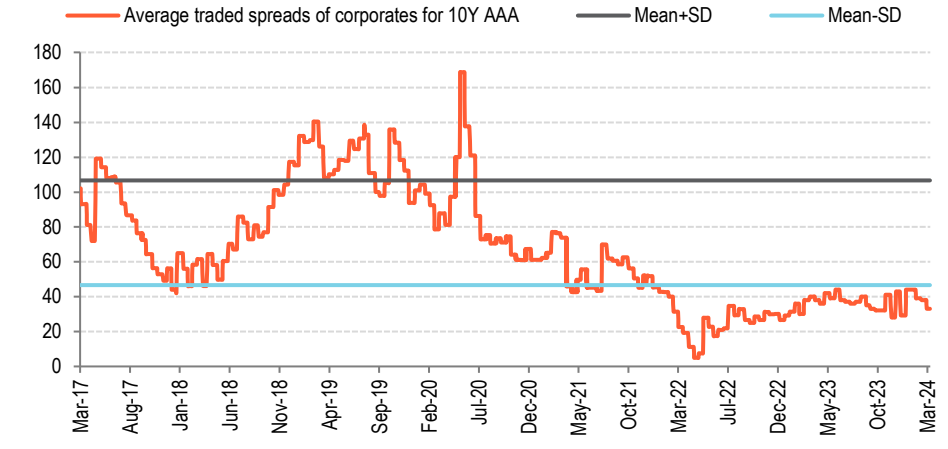
**Fig 101 – 3Y AAA corp spread moderated to 53bps from 58bps**



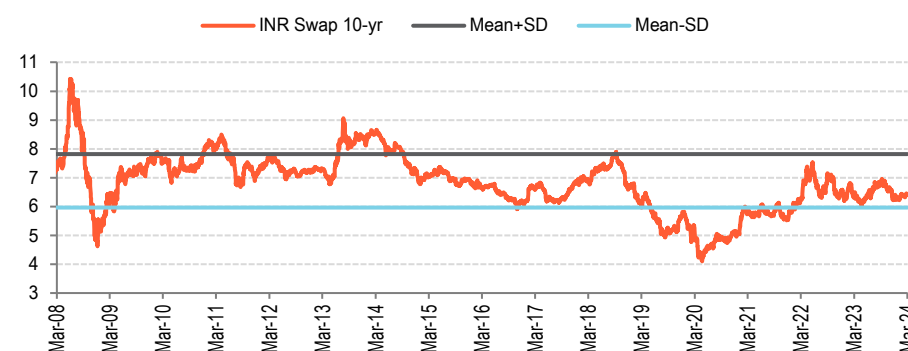
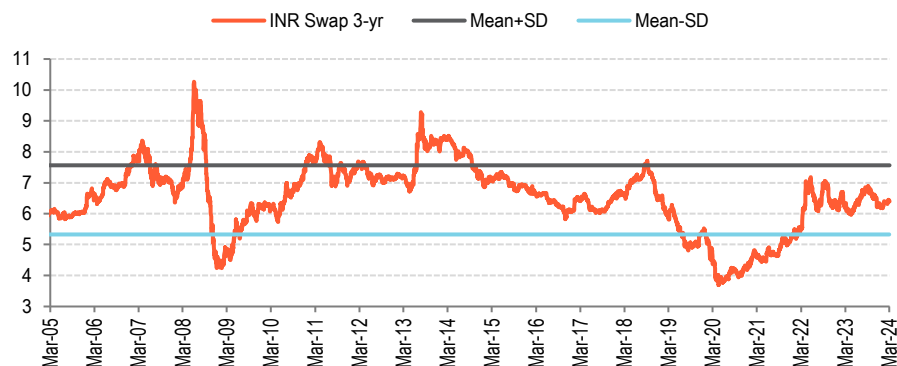
**Fig 103 – INR 3Y swap was stable at 6.39**



**Fig 102 – For 10Y AAA corp spread, it moderated to 33bps from 39bps**



**Fig 104 – For 10Y, it was at 6.41**



### Interest rates on small savings schemes

Fig 105 – Interest rate small savings scheme to remain unchanged in Q1FY25

Instrument (%)	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Savings deposit	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
1 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.6	6.8	6.9	6.9	6.9	6.9
2 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.7	6.8	6.9	7.0	7.0	7.0	7.0
3 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.8	6.9	7.0	7.0	7.0	7.1	7.1
5 year time deposit	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	7.0	7.5	7.5	7.5	7.5	7.5
5 year recurring deposit	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	6.2	6.5	6.7	6.7	6.7
5 year senior citizen savings scheme	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.6	8.0	8.2	8.2	8.2	8.2	8.2
5 year monthly income scheme	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.7	7.1	7.4	7.4	7.4	7.4	7.4
5 year national savings certificate	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	7.0	7.7	7.7	7.7	7.7	7.7
Public provident fund scheme	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Kisan vikas patra	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	7.0	7.2	7.5	7.5	7.5	7.5	7.5
Sukanya samriddhi account scheme	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	8.0	8.0	8.0	8.2	8.2

Source: Department of Economic Affairs, Ministry of Finance, Government of India, Red highlighted ones are the change in rates

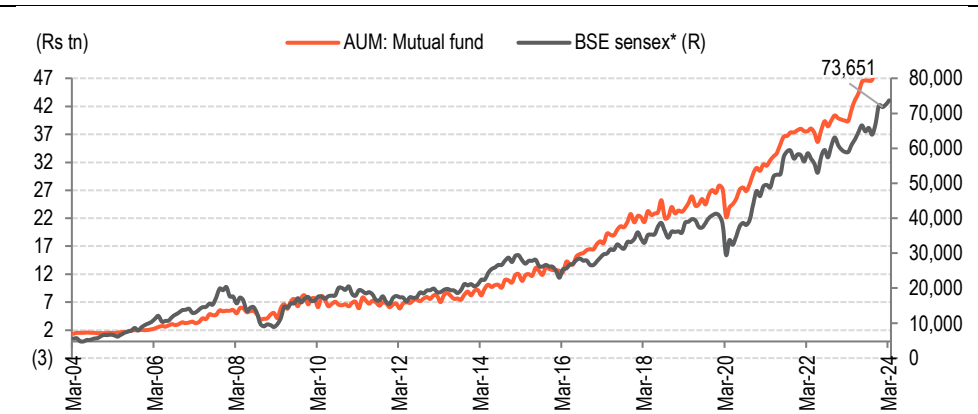
**Fig 106 – MCLR rate of major banks have broadly remained stable**

1Y MCLR (%)	Dec'22	Jan'23	Feb'23	Mar'23	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24
<b>Public Sector Banks</b>																
Bank of Baroda	8.30	8.50	8.55	8.55	8.60	8.60	8.65	8.65	8.65	8.70	8.70	8.75	8.75	8.80	8.80	8.80
Bank of India	8.15	8.30	8.40	8.50	8.60	8.60	8.65	8.65	8.70	8.70	8.70	8.75	8.80	8.80	8.80	<b>8.85</b>
Canara Bank	8.15	8.35	8.50	8.60	8.65	8.65	8.65	8.65	8.70	8.70	8.70	8.75	8.75	8.80	8.85	<b>8.90</b>
Indian Bank	8.20	8.30	8.45	8.55	8.60	8.60	8.65	8.65	8.65	8.70	8.70	8.75	8.75	8.80	8.85	8.85
Punjab National Bank	8.10	8.30	8.40	8.50	8.50	8.50	8.60	8.60	8.60	8.65	8.65	8.65	8.65	8.70	8.80	8.80
State Bank of India	8.30	8.40	8.50	8.50	8.50	8.50	8.50	8.55	8.55	8.55	8.55	8.55	8.65	8.65	8.65	8.65
Union Bank of India	8.25	8.40	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.70	8.70	8.70	8.80	8.80	8.90	8.90
<b>Private Sector Banks</b>																
Axis Bank Ltd.	8.75	8.80	8.90	8.95	8.95	9.10	9.10	9.10	9.15	9.15	9.15	9.20	9.25	9.25	9.30	9.30
HDFC Bank Ltd.	8.60	8.85	8.90	8.95	8.95	9.05	9.05	9.05	9.10	9.15	9.20	9.20	9.20	9.25	9.30	9.30
ICICI Bank Ltd.	8.40	8.65	8.65	8.75	8.75	8.75	8.85	8.85	8.90	8.95	8.95	9.00	9.00	9.10	9.10	9.10
Indusind Bank	9.95	9.95	10.05	10.15	10.20	10.20	10.20	10.25	10.25	10.30	10.30	10.35	10.35	10.35	10.40	10.40
Kotak Mahindra Bank	8.65	8.95	9.00	9.05	9.10	9.20	9.20	9.25	9.30	9.30	9.35	9.35	9.35	9.35	9.45	9.45

Source: RBI, Note: Banks whose MCLR went up in Mar'24 have been marked red

Mutual fund (MF) indicators

Fig 107 – Sensex inched up by 1.6% in Mar'24, AUM of MFs was at Rs 53.4tn in Mar'24



Source: \*Sensex as on last trading day of the month.

Insurance sector indicators

Fig 109 – Sale of life insurance policies moderated to 9.2% in Feb'24 from 10% in Jan'24

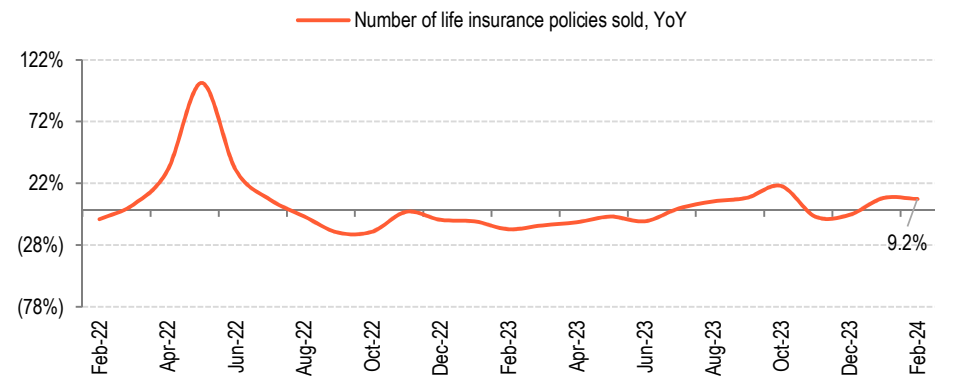


Fig 108 – MF equity inflows moderated to Rs 235bn compared to Rs 280bn in Feb'24; debt outflow rose sharply to Rs 2tn from Rs 636bn inflow in Feb'24

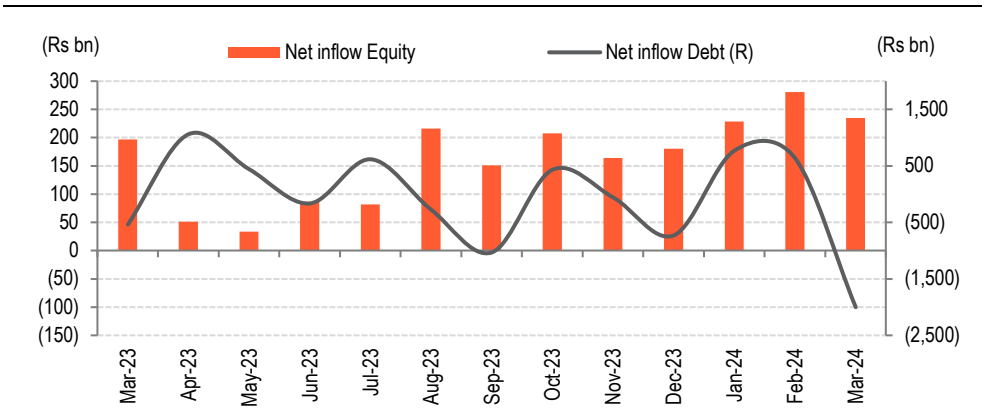
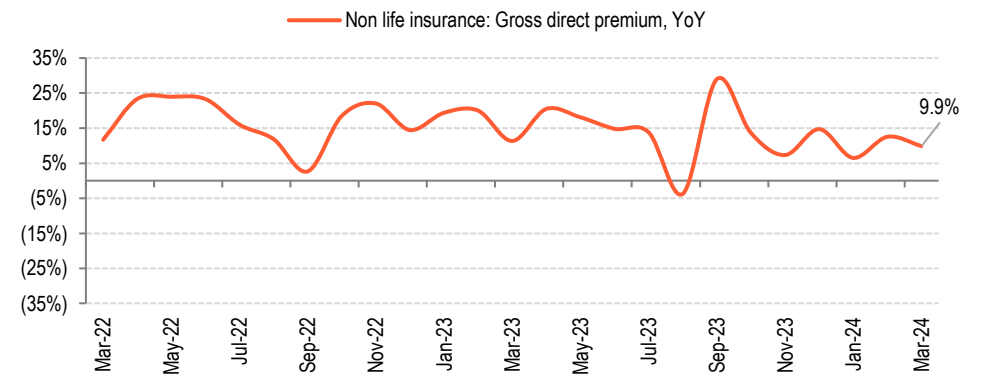


Fig 110 – Gross direct premium for non-life insurance moderated to 9.9% in Mar'24 from 12.6% in Feb'24





Public finance

Central government finances

Fig 111 – Fiscal deficit inched back up in Feb'24 (12MMA basis)

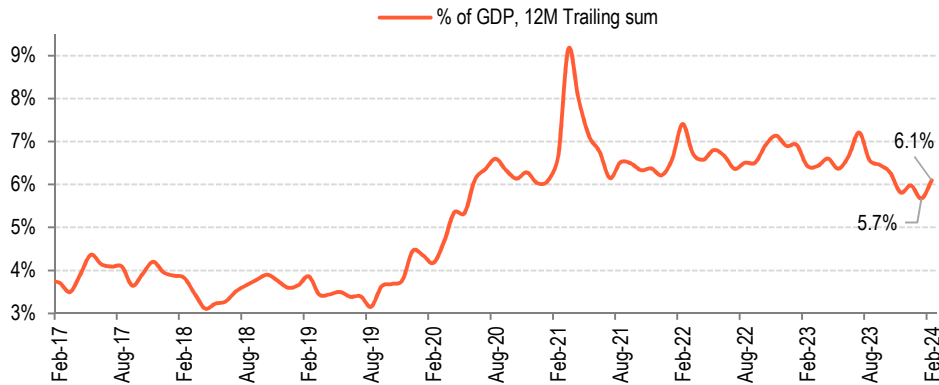


Fig 112 – Revenue deficit also went up

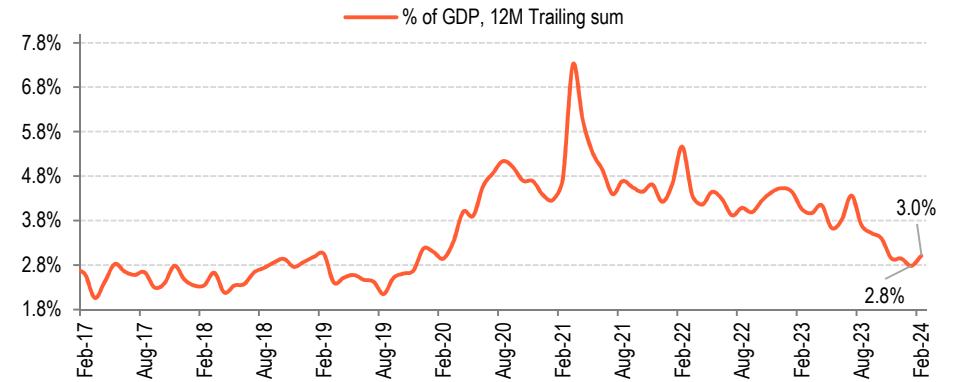


Fig 113 – Primary deficit at 2.6% as of Feb'24

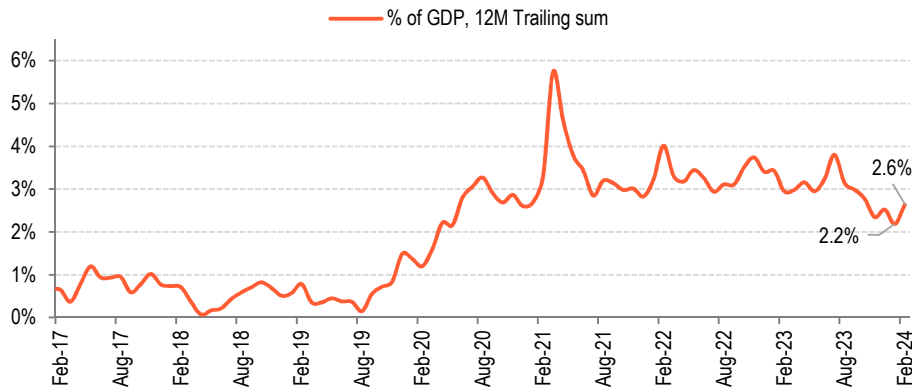


Fig 114 – Government spending picked up pace in Feb'24 (12MMA basis)...

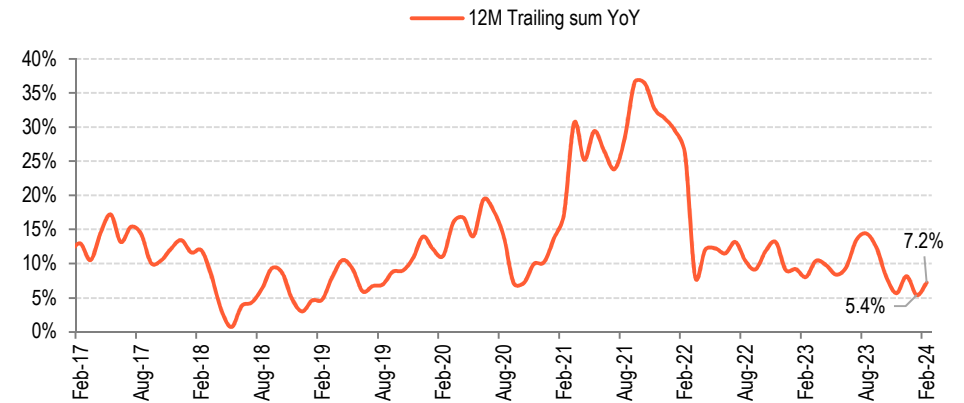


Fig 115 – ...led by increase in capex

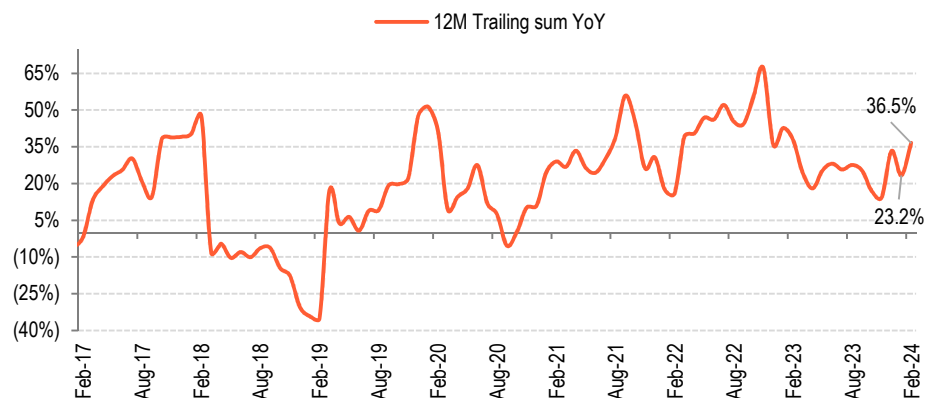


Fig 116 – Revenue spending moderated further

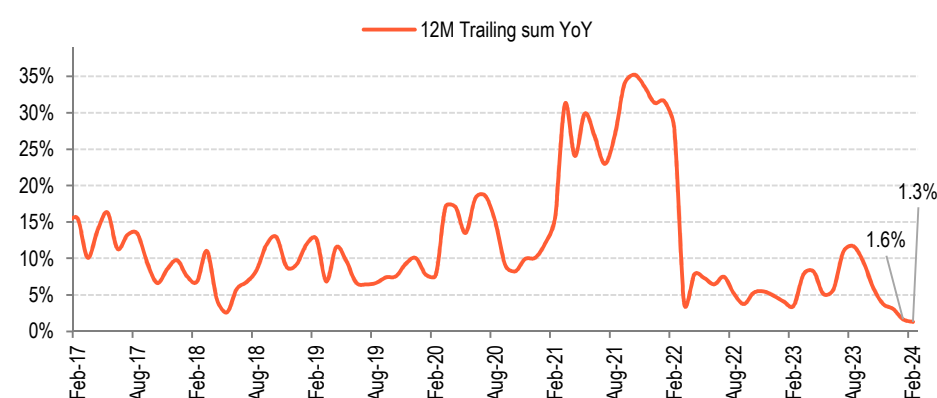
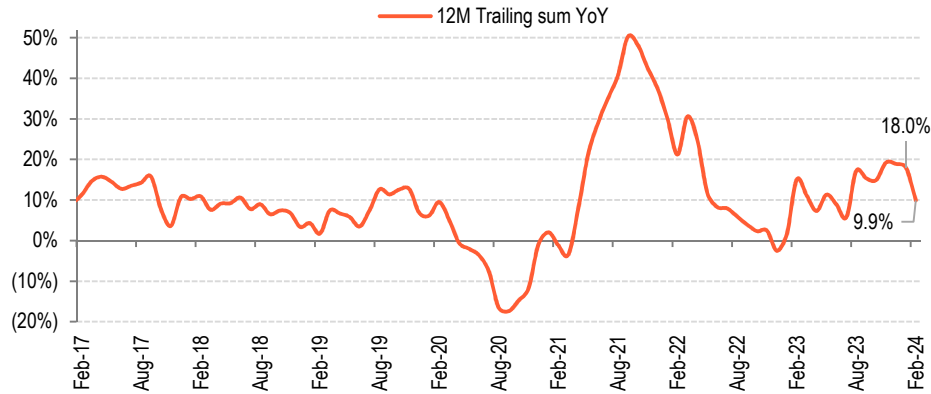


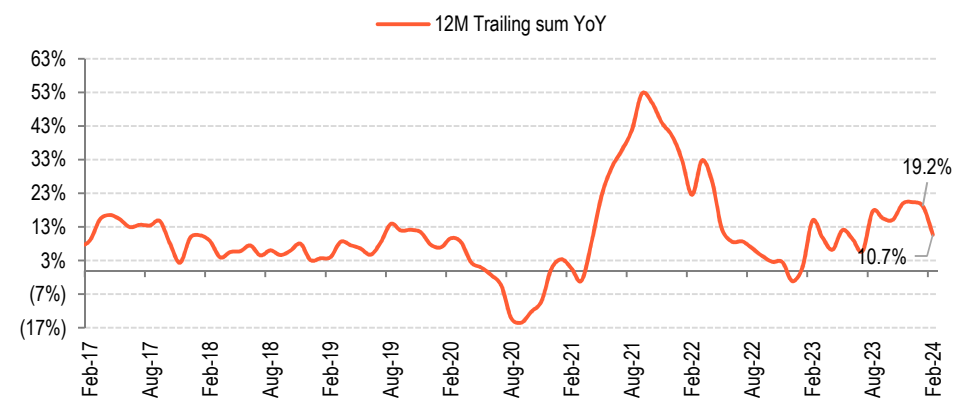
Fig 117 – Pickup in spending was led by ministries of road transport, agriculture, finance and defence

Ministry	Apr-Feb'22	Apr-Feb'23	% change	Apr-Feb'24	% change	FY24RE	% change
Ministry of Finance	11,567	12,010	3.8	13,263	10.4	16,272	8.9
Ministry of Defence	4,367	4,738	8.5	5,485	15.8	6,239	8.9
Ministry of Consumer Affairs, Food and Public Distribution	2,696	2,316	(14.1)	1,871	(19.2)	2,222	(21.7)
Ministry of Rural Development	1,300	1,406	8.1	1,249	(11.2)	1,730	(2.7)
Ministry of Home Affairs	1,510	1,724	14.2	1,823	5.8	2,000	7.1
Ministry of Human Resource Development	647	752	16.1	807	7.4	1,297	33.5
Ministry of Road Transport and Highways	1,085	2,064	90.2	2,500	21.1	2,764	27.3
Ministry of Chemicals and Fertilisers	1,295	2,349	81.3	1,761	(25.0)	1,922	(24.2)
Ministry of Petroleum and Natural Gas	45	254	461.8	105	(58.7)	148	(52.3)
Ministry of Agriculture	1,035	952	(8.0)	1,060	11.3	1,267	17.0
Ministry of Health and Family Welfare	686	630	(8.2)	685	8.8	805	6.3

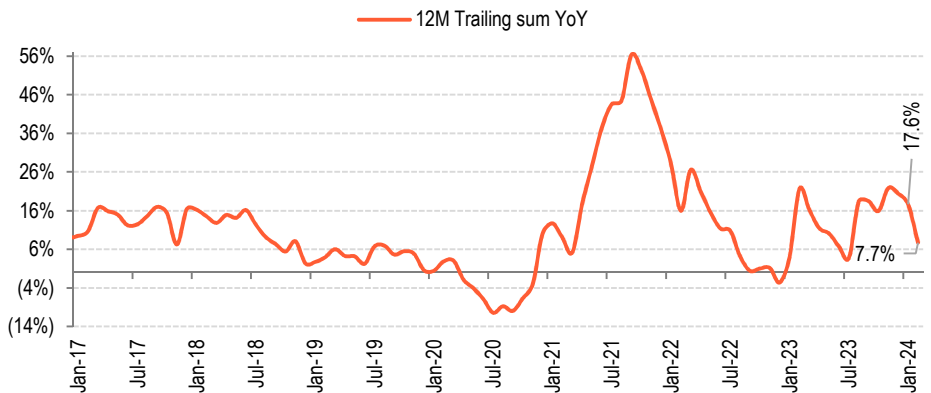
**Fig 118 – Receipt growth eased again in Feb’24**



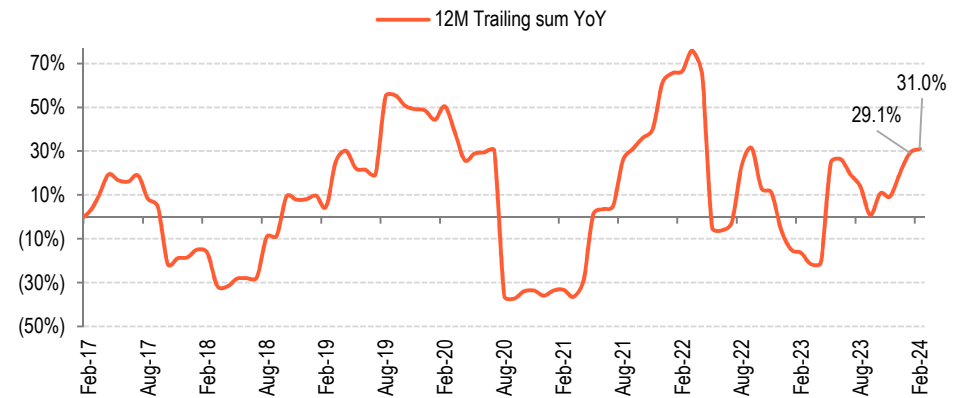
**Fig 119 – Revenue receipts contributed to the drag**



**Fig 120 – ...As net tax revenue receipts fell**



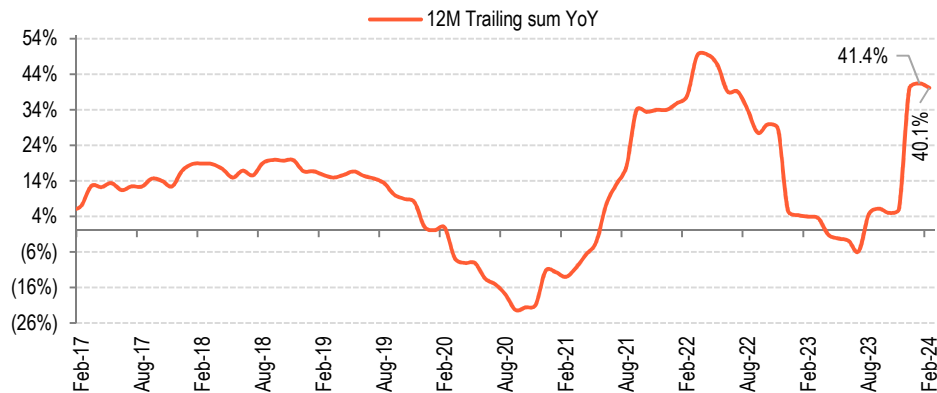
**Fig 121 – However, non-tax collections continue to improve**



**Fig 122 – Centre’s gross tax collections at 84% of FY24RE as of Feb’24; net revenue at 82%; capex at 85%**

	Apr-Feb'22	Apr-Feb'23	% change	Apr-Feb'24	% change	FY24RE	% change
Gross Tax revenue	22,748	23,462	3.1	28,899	23.2	34,372	12.5
Direct taxes	11,077	10,863	(1.9)	15,651	44.1	19,450	17.2
Corp Tax	5,656	6,418	13.5	7,527	17.3	9,227	11.7
Income Tax	5,421	6,456	19.1	8,124	25.8	10,223	22.7
Indirect taxes	11,671	12,599	8.0	13,248	5.1	14,794	7.1
Non-tax revenue	3,101	2,486	(19.8)	3,603	44.9	3,758	31.7
Centre's revenue (net)	17,910	19,808	10.6	22,098	11.6	26,997	13.3
Total expenditure	31,439	34,936	11.1	37,473	7.3	44,905	7.1
Capital exp	4,852	5,902	21.7	8,056	36.5	9,502	28.4
Revenue exp	26,587	29,034	9.2	29,417	1.3	35,402	2.5
Fiscal deficit	13,166	14,539	-	15,014	-	17,348	-

**Fig 123 – Gross direct tax collection growth seen easing**



**Fig 124 – Gross indirect tax collections have stabilized**

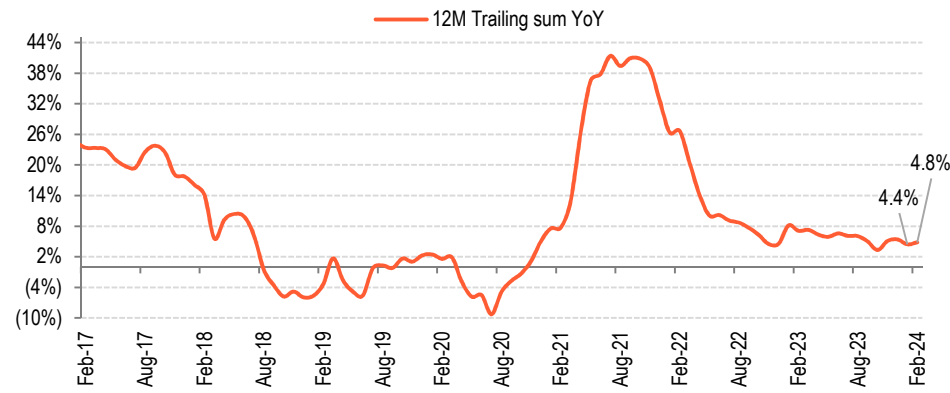


Fig 125 – Amongst direct taxes, both corporate tax collections and...

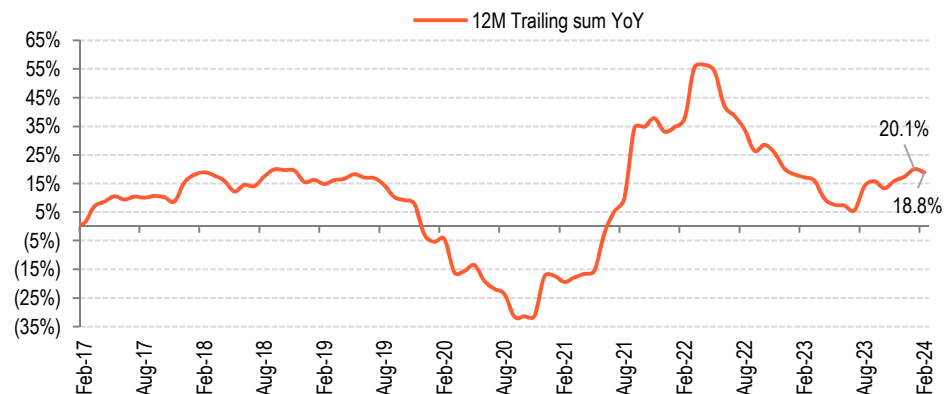


Fig 126 – ...Income tax collections register marginal easing

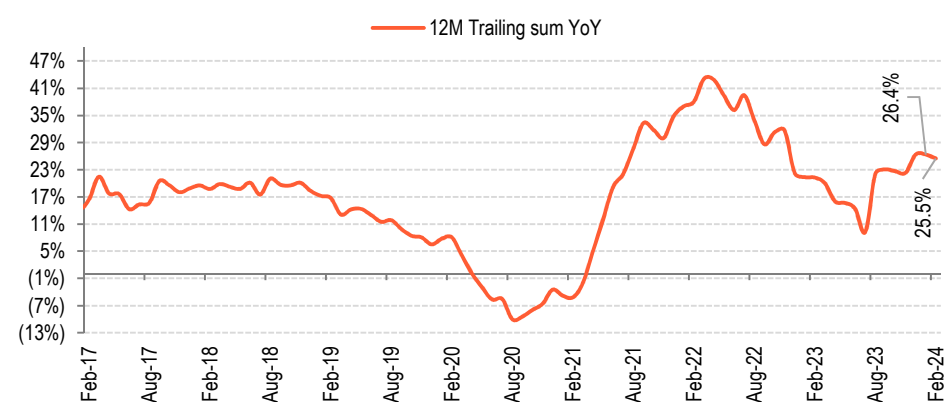
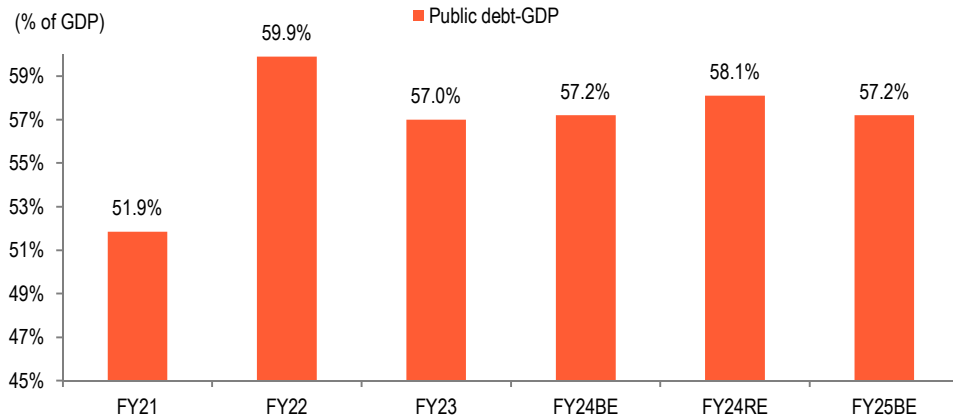


Fig 127 – GST collections for Feb'24 jumped to the highest level since Mar'23

(Rs bn)	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Monthly run rate (FYTD24)	FYTD24	FY24 (RE)
CGST	601	611	809	607	648	672	627	617	705	661	680	737	711	680	7,475	8,116
UT GST	3.9	9.2	3.1	2.6	3.4	2.5	3.1	2.0	11.2	2.5	4.5	4.7	3.8	4	43	-
IGST	(23)	86	(93)	10	16	(24)	63	17	(159)	43	(113)	(65)	(127)	(39)	(433)	-
SGST*	901	1,062	733	884	865	826	820	970	1,003	824	1,031	891	1,067	901	9,915	-
Cess	118	102	119	112	118	114	114	114	119	118	118	116	125	117	1,287	1,450
<b>Total GST</b>	<b>1,601</b>	<b>1,870</b>	<b>1,571</b>	<b>1,615</b>	<b>1,651</b>	<b>1,591</b>	<b>1,627</b>	<b>1,720</b>	<b>1,679</b>	<b>1,649</b>	<b>1,721</b>	<b>1,683</b>	<b>1,780</b>	<b>1,663</b>	<b>18,288</b>	-

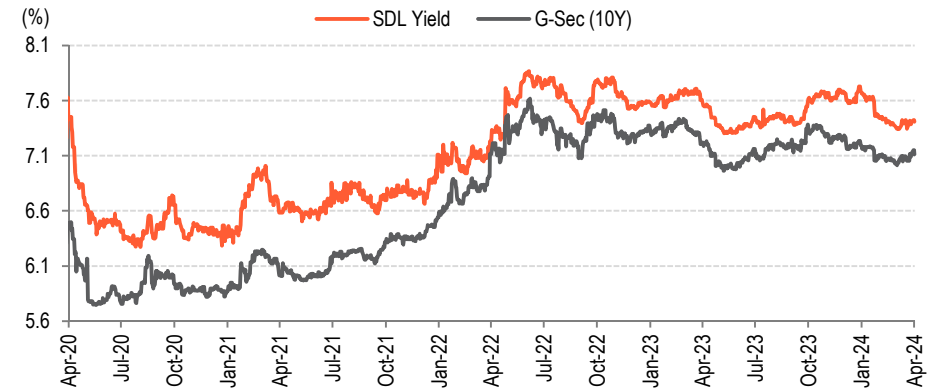
Source: PIB | \*Computed from PIB and CGA data

**Fig 128 – Central government debt is estimated to come down in FY25**



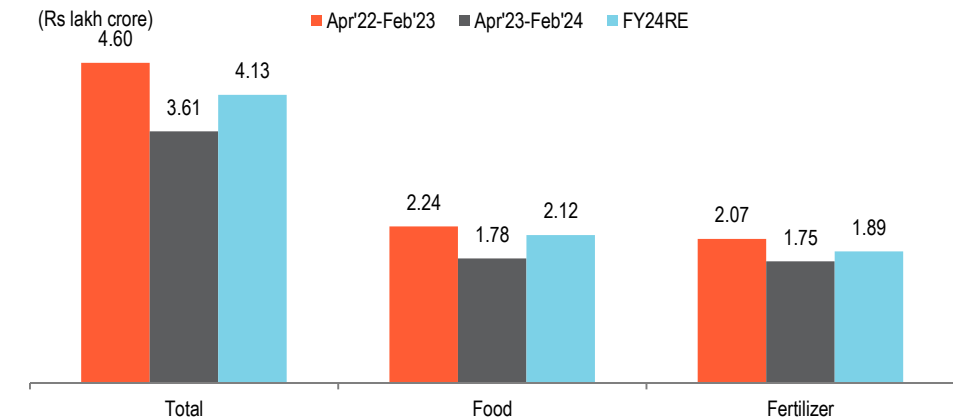
Source: Union Budget documents

**Fig 129 – Spread between 10Y G-sec and SDL yield narrowed further in Mar'24, and is showing further signs of narrowing in Apr'24 so far**

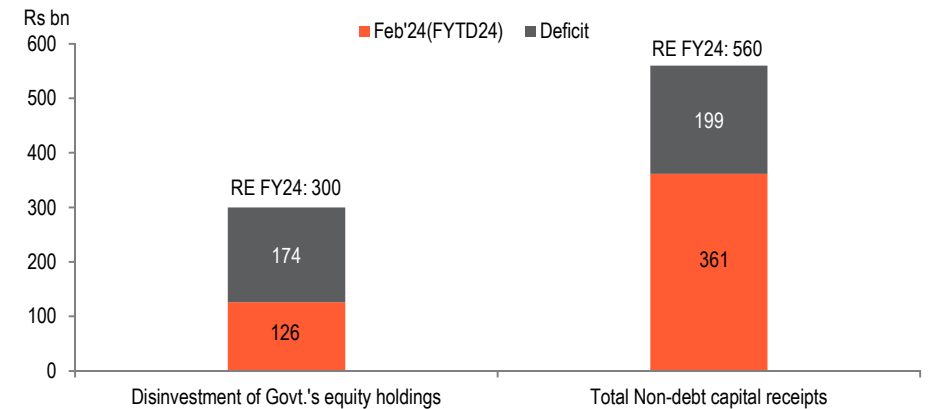


Source: CCIL

**Fig 130 – Subsidy bill lower so far in FYTD24 (till Feb'24) compared with FYTD23**



**Fig 131 – Central govt. disinvestment status (FYTD24)**



## Central government borrowing

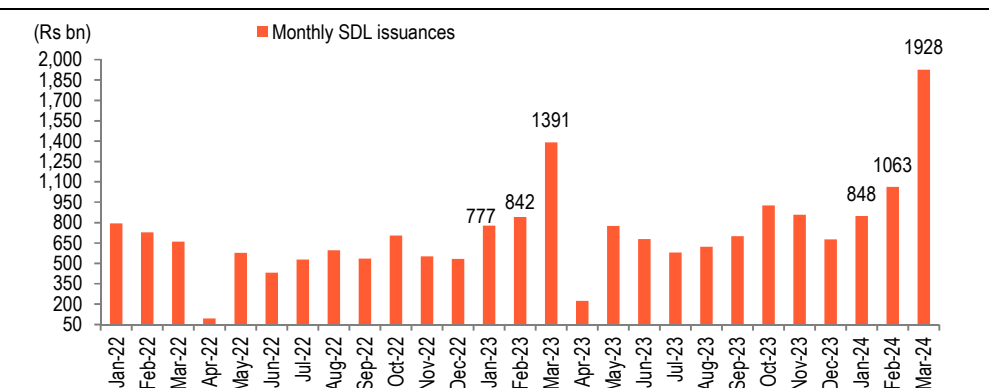
Fig 132 – Centre’s borrowing through T-bill in FY24 has been at Rs 16.7 lakh crore

Total accepted amount (T-bills), (Rs bn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY25 (planned)
Q1	2,888	3,089	3,364	5,328	5,375	5,247	4,963	873*	3,210
Q2	3,186	3,299	3,024	5,417	3,215	3,704	3,899		
Q3	2,632	3,070	2,889	3,745	3,630	3,589	3,611		
Q4	2,486	1,812	2,511	2,714	4,766	4,566	4,258		
<b>Total</b>	<b>11,192</b>	<b>11,271</b>	<b>11,788</b>	<b>17,204</b>	<b>16,986</b>	<b>17,105</b>	<b>16,731</b>		

Source: RBI, \* Only first two auctions of Apr'24

## State government borrowing

Fig 134 – State government borrowings rose by 30% (YoY) in FY24



Source: RBI

## External sector

Fig 133 – Centre has planned to raise Rs 7.5 lakh crore in H1FY25

Total accepted amount (G-Sec), (Rs bn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY25 (planned)
Q1	1,680	1,320	2,040	3,140	3,064	3,570	4,080	-	3,780
Q2	1,890	1,440	2,210	4,220	3,649	4,390	4,800		3,720
Q3	1,640	1,270	1,930	2,910	3,190	3,510	3,850		
Q4	670	1680	920	3,191	1370	2,740	2,700		
<b>Total</b>	<b>5,880</b>	<b>5,710</b>	<b>7,100</b>	<b>13,461*</b>	<b>11,273</b>	<b>14,210</b>	<b>15,430</b>		

Source: RBI\* Against budgeted Rs 12.8tn, Note: for April only one auction has been conducted and bids accepted worth of Rs 380bn

Fig 135 – States raised 91% of the planned borrowing in FY24, Q1FY25 target has been set at an upside

Quarterly SDL issuances, (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FYTD25 (actual)	FY25 (planned)
Q1	766	815	1,673	1,446	1,102	1,677	226*	2,540
Q2	809	1,439	1,614	1,644	1,661	1,903		
Q3	1,277	1,470	2,023	1,653	1,879	2,460		
Q4	1,809	2,006	1,898	2,184	3,009	3,838		
<b>Total</b>	<b>4,661</b>	<b>5,731</b>	<b>7,206</b>	<b>6,927</b>	<b>7,652</b>	<b>9,879</b>		

Source: RBI; \*as of 8 Apr 2024

Exports

Fig 136 – Global exports showing some improvement

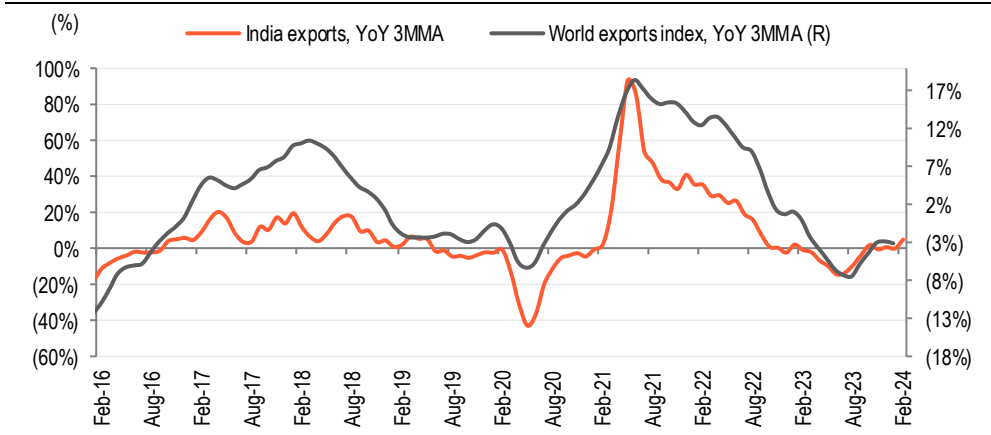
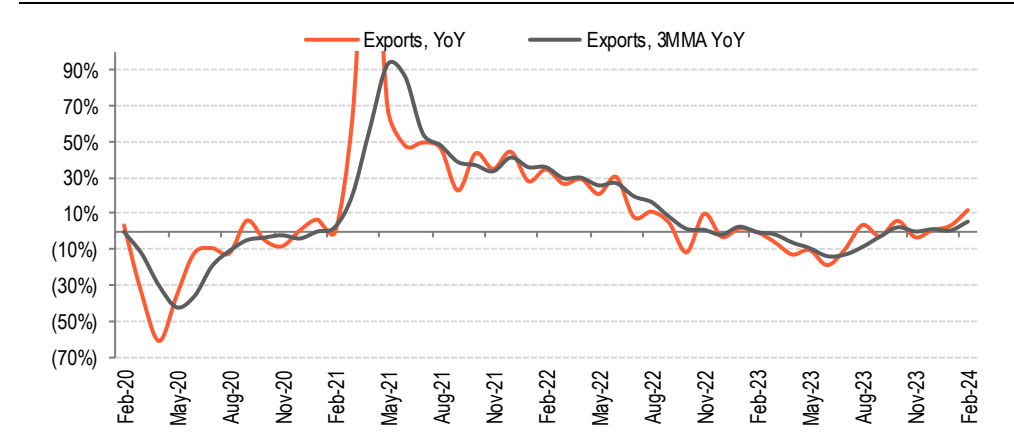


Fig 137 – India's exports showing traction to increase by 11.9% in Feb'24 on a YoY basis, following an increase of 3.1% in Jan'24



Exports by major sectors

Fig 138 – Non-oil exports increased by 13.7% in Feb'24 versus 2.1% growth in Jan'24

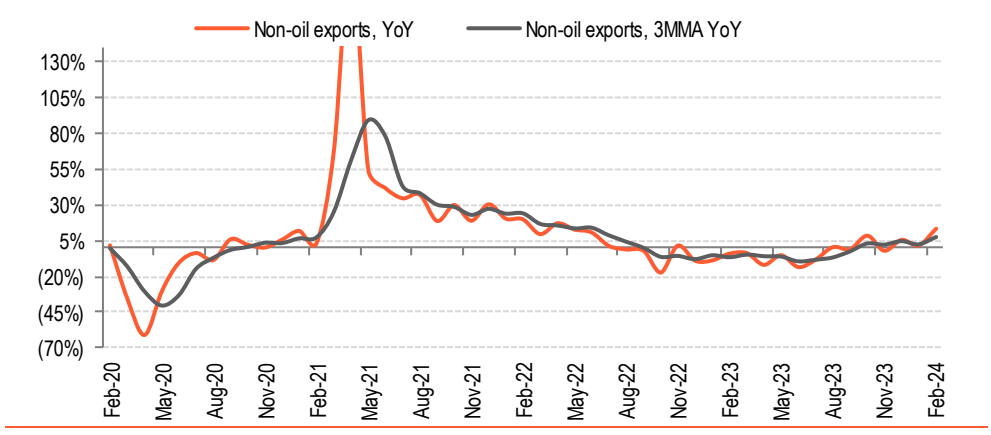


Fig 139 – Within non-oil, exports of electronics jumped sharply to 54.8% in Feb'24

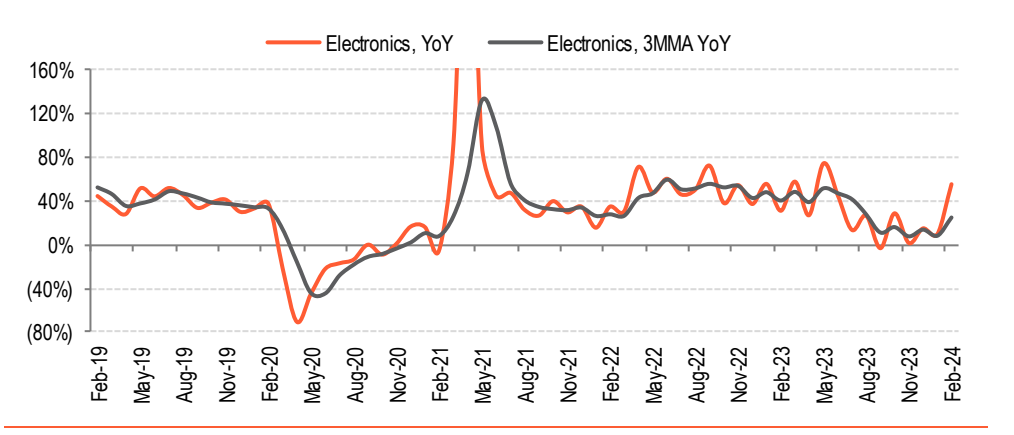
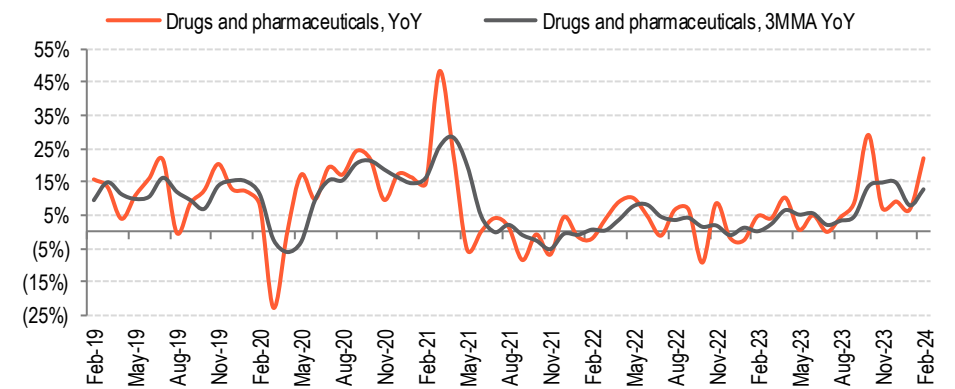
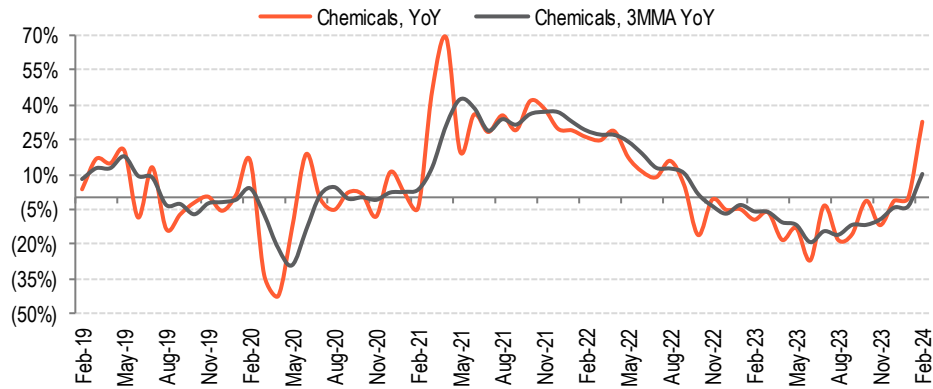


Fig 140 – Exports of chemicals also showed upward momentum

Fig 141 – ... similar trend in exports of drugs and pharmaceuticals products





Imports

Fig 142 – Imports rose by 12.2% in Feb'24, following an increase of 3.1% in Jan'24

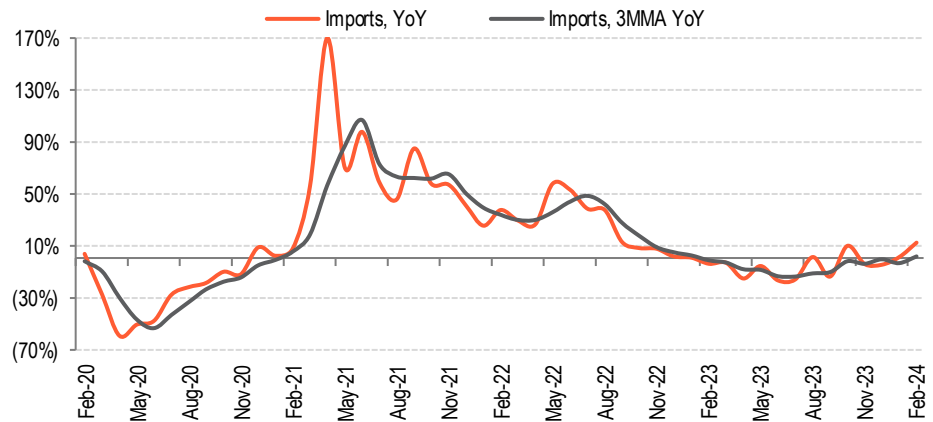
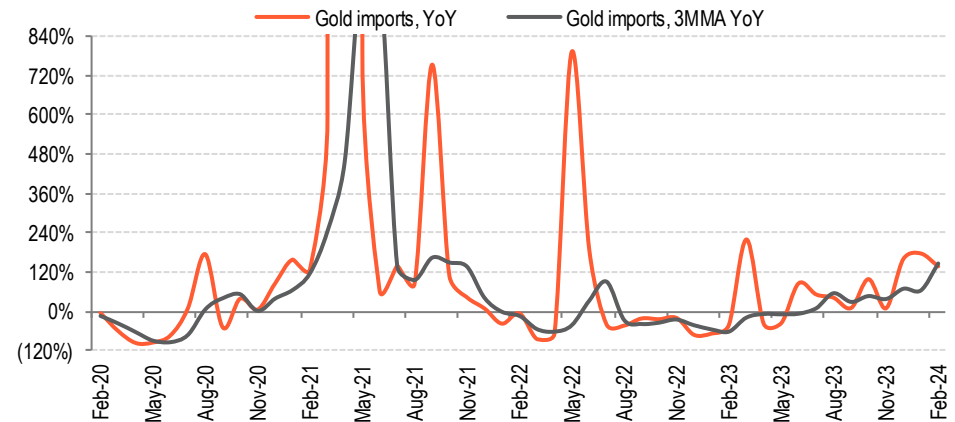
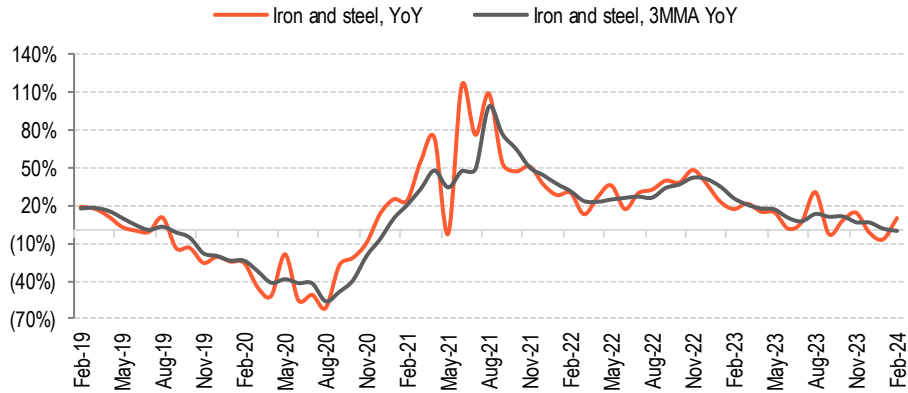


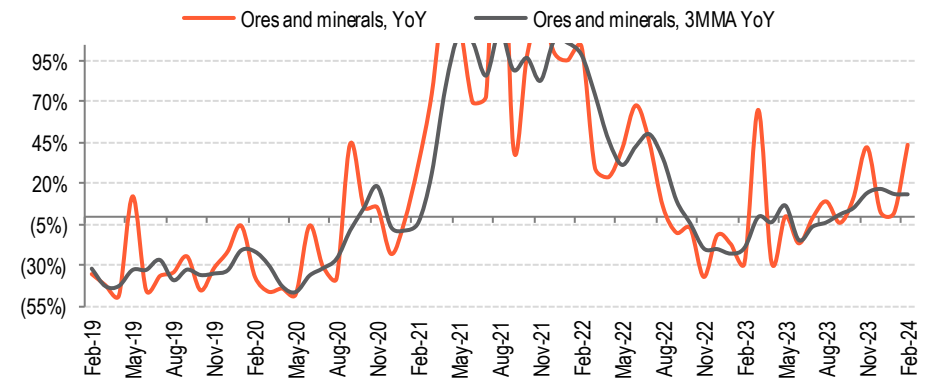
Fig 143 – Gold imports remained elevated



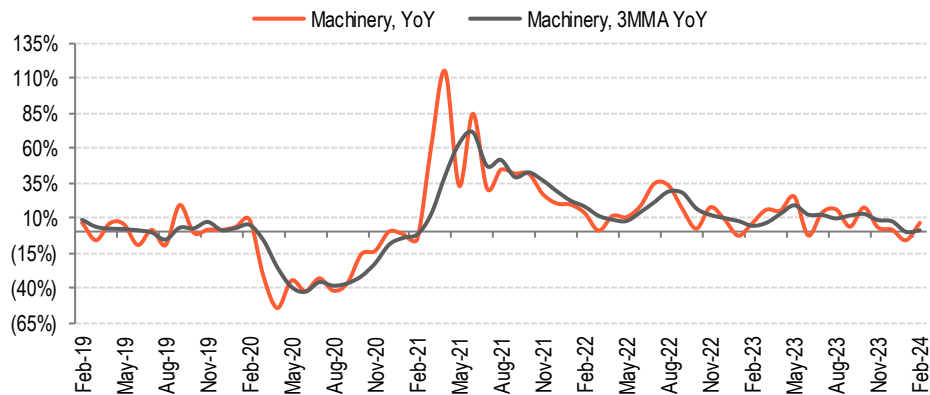
**Fig 144 – Within non-oil-non-gold imports, imports of iron and steel increase by 9.5%, after declining in the last 2-months**



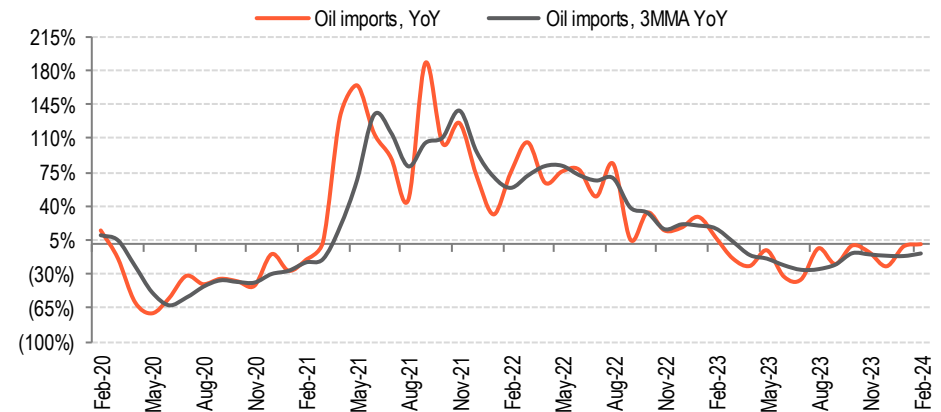
**Fig 145 – Sharp pickup in imports of ores and minerals as well**



**Fig 146 – Machinery imports rise by 6.5% in Feb'24 following a decline of 5.7% in Jan'24**



**Fig 147 – Oil imports inch up marginally, after falling for 11 consecutive months**



## Exports and imports by major regions

**Fig 148 – Except China and Europe, exports to all regions have declined in FYTD24**

Region (% YoY)	Share in FY23	FYTD23	FYTD24	Dec-23	Jan-24	Feb-24
Americas	23.7	7.5	(4.7)	(0.6)	2.5	17.8
Asia and Pacific (Ex. China)	23.3	(6.8)	(7.5)	(1.9)	23.4	7.0
China	3.5	(31.3)	11.1	47.8	33.4	13.4
Europe	22.0	15.8	1.2	(5.2)	(9.2)	20.1
Middle East and Africa	26.6	29.3	(5.5)	1.6	(3.7)	6.4
Other	0.9	103.4	(1.3)	55.4	(33.5)	(47.5)

**Fig 149 – Imports from Middle East and Africa have declined the most in FYTD24**

Region (% YoY)	Share in FY23	FYTD23	FYTD24	Dec-23	Jan-24	Feb-24
Americas	11.2	13.9	(14.3)	(23.1)	(24.9)	14.1
Asia and Pacific (Ex. China)	24.9	21.9	(3.3)	(0.6)	14.8	8.7
China	13.8	6.2	3.6	12.3	13.6	16.1
Europe	12.6	3.0	5.8	2.0	(24.4)	28.1
Middle East and Africa	30.8	16.6	(20.3)	(14.2)	2.6	10.3
Other	6.8	242.9	33.1	7.0	10.7	(3.9)

Trade deficit

Fig 150 – Trade deficit widened to US\$ 18.7bn in Feb’24 from US\$ 16.5bn in Jan’24

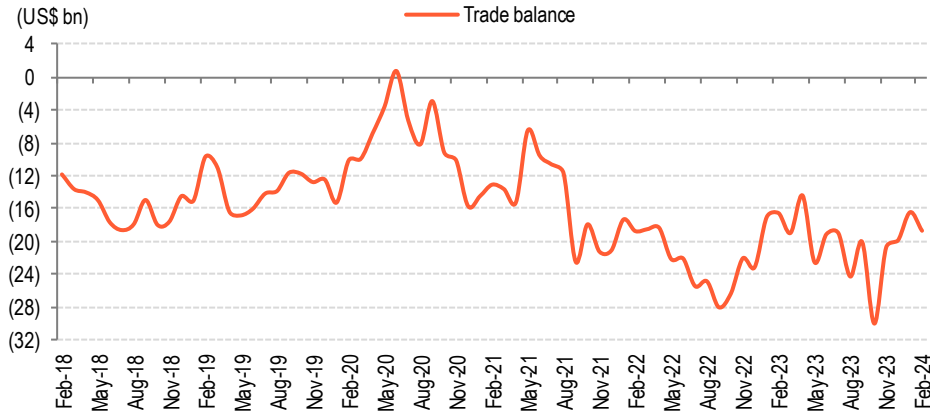
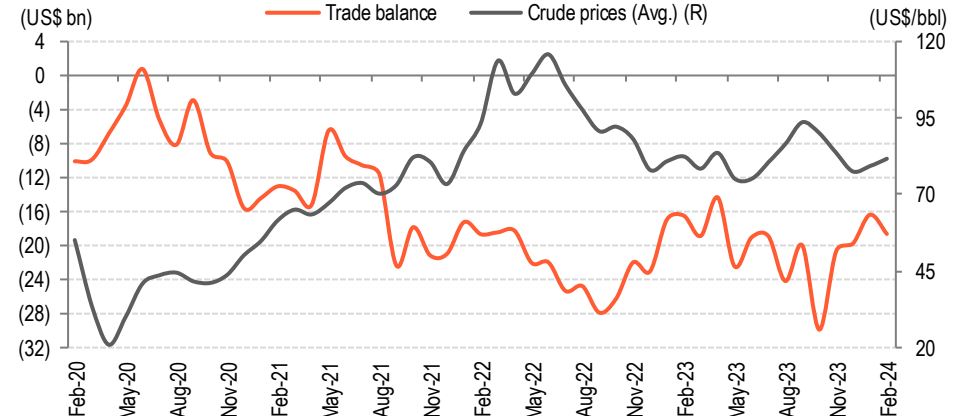
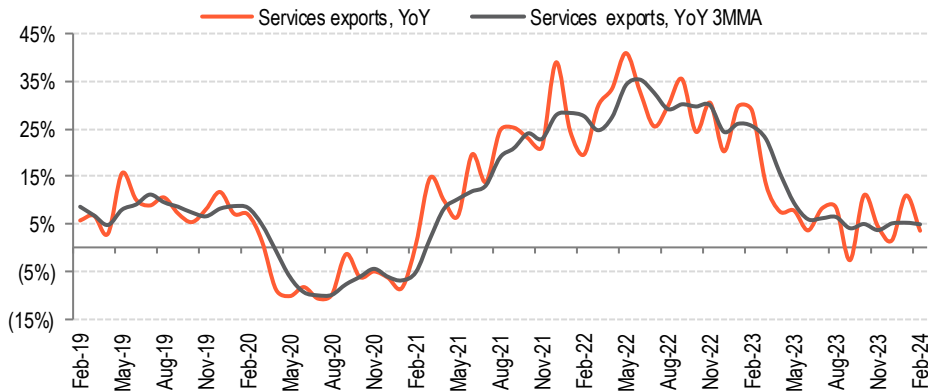


Fig 151 – ... led by higher oil prices



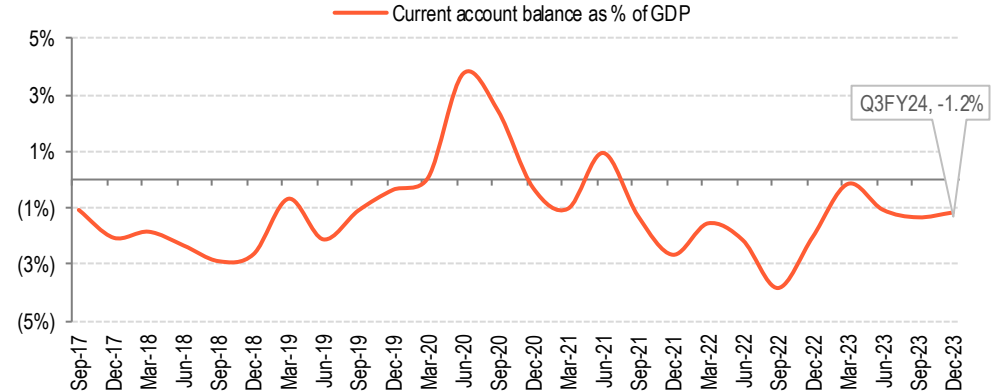
Trade in services

Fig 152 – Services exports increase by 3.5% in Feb’24 compared with 10.8% in Jan’24



BoP

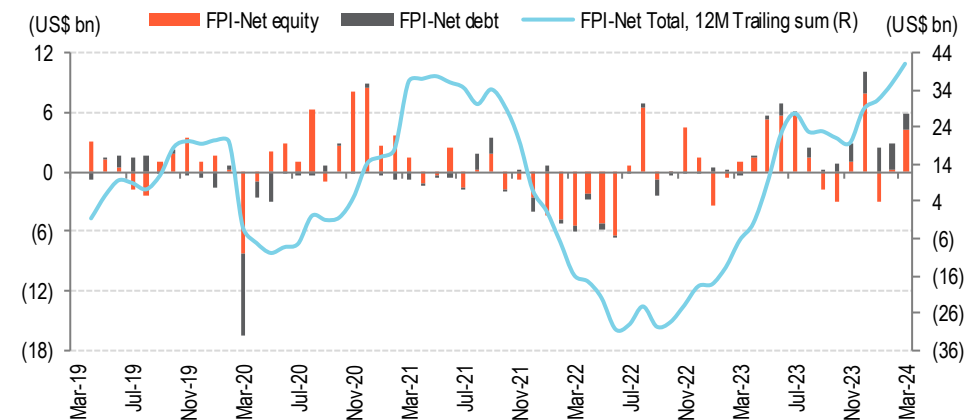
Fig 153 – India’s current account deficit at 1.2% of GDP in Q3FY24 versus 1.3% in Q2



Foreign inflows

FPI inflows

Fig 154 – FPI inflows rise to us4 6.3bn in Mar'24 versus inflows of US\$ 3.8bn



Source: Bloomberg

Fig 156 – FDI inflows lower in FYTD24, led by computer hardware and software and services

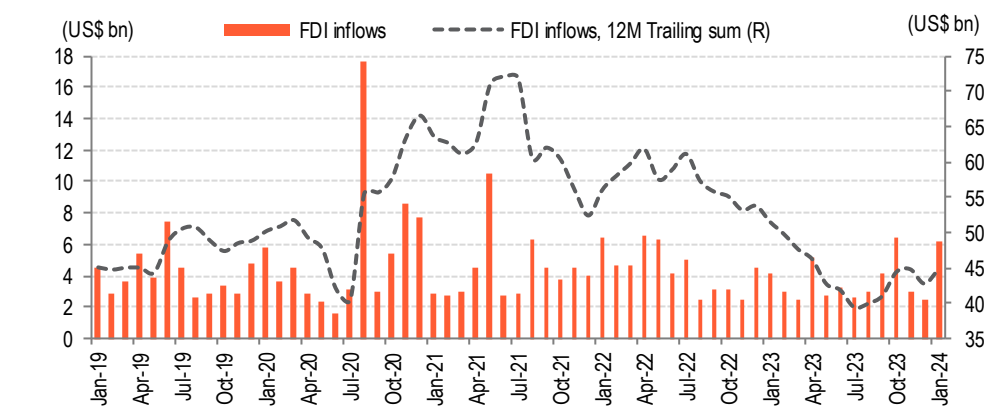
Sector	% Share FY23	FYTD23	FYTD24	Q3FY23	Q2FY24	Q3FY24
Computer software and hardware	20.4	8.1	3.4	1.8	1.4	1.0
Services	18.9	6.6	5.2	2.4	1.3	1.3
Trading	10.4	4.1	2.7	0.9	0.4	1.7
Non-conventional energy	5.4	1.7	2.1	0.3	0.5	0.9
Drugs and Pharmaceuticals	4.5	1.8	0.9	1.1	0.0	0.8
Automobile industry	4.1	1.3	0.9	0.3	0.3	0.2
Construction (Infrastructure) activities	3.7	1.2	3.8	0.2	1.6	1.4

Source: DIPP

Forex reserves and external debt

FDI inflows

Fig 155 – FDI equity inflows rise to US\$ 6.1bn in Jan'24 versus US\$ 2.5bn in Dec'23



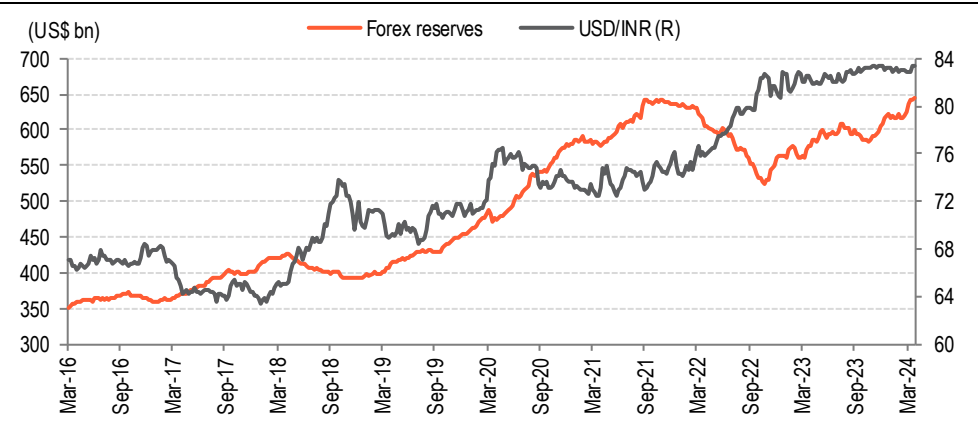
Source: RBI, Bank of Baroda Research

Fig 157 – Country wise, inflows from Singapore have fallen sharply in FYTD24 while inflows from US have been higher

Country (US\$ bn)	% Share FY23	FYTD23	FYTD24	Q3FY23	Q2FY24	Q3FY24
Singapore	37.4	13.1	7.4	3.1	2.2	2.2
US	13.3	4.7	7.0	1.4	2.0	4.1
Mauritius	13.1	5.0	2.8	2.4	1.0	0.8
Netherlands	5.4	2.2	2.3	0.4	0.4	0.4
UK	3.9	1.4	2.7	0.2	0.9	0.6
Japan	3.8	1.6	0.9	0.7	0.2	0.3

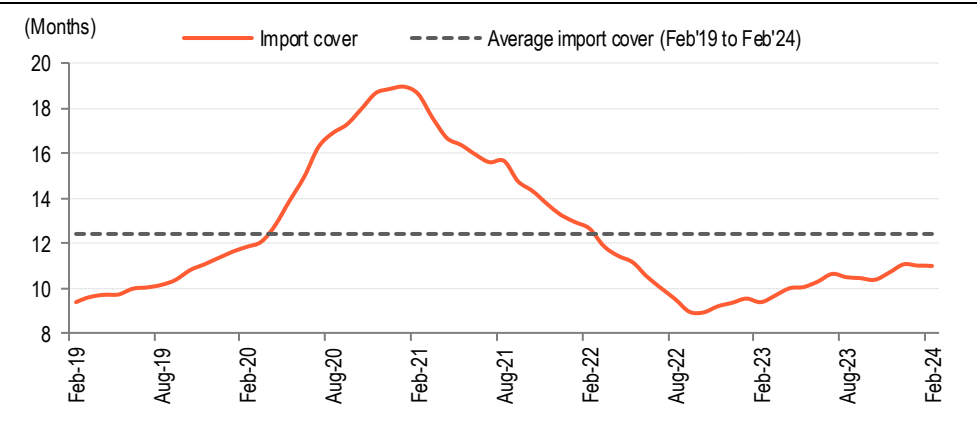
Source: DIPP

**Fig 158 – India’s FX reserves at a record high of US\$ 645.6bn, up by US\$ 67.1bn in FYTD24**

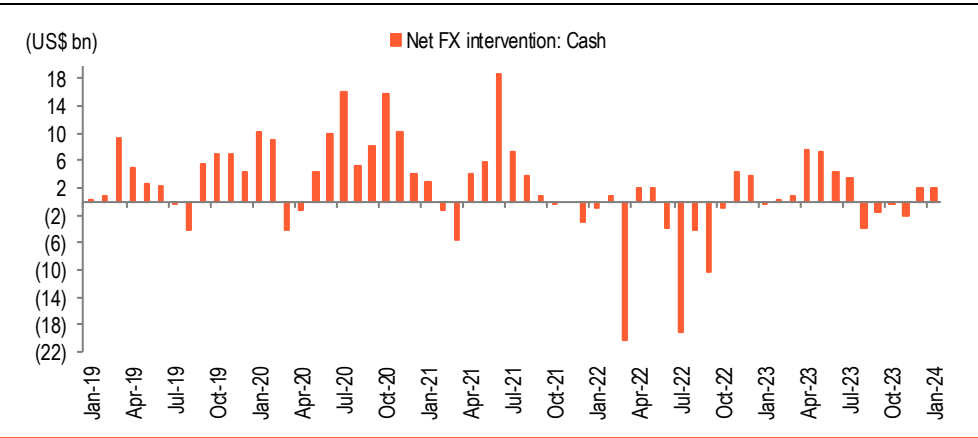


Source: Bloomberg | Note: Weekly data as of 29 Mar 2023

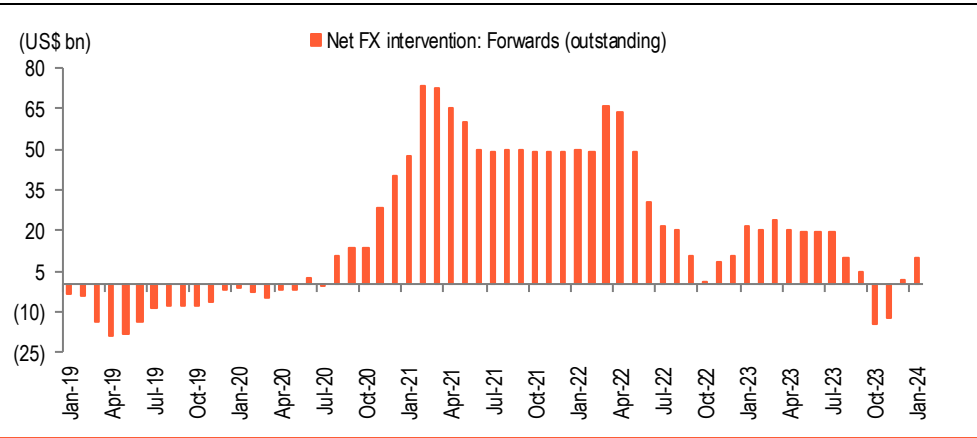
**Fig 159 – India’s import cover stable at 11 months as of Feb’24**



**Fig 160 – RBI’s bought net US\$ 2.0bn in the spot market in Jan’24**



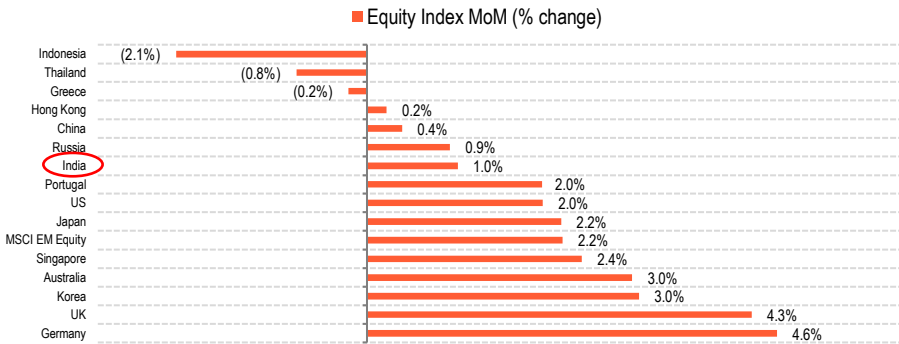
**Fig 161 – RBI’s outstanding forwards book at US\$ 10bn as of Jan’24**



**Markets**

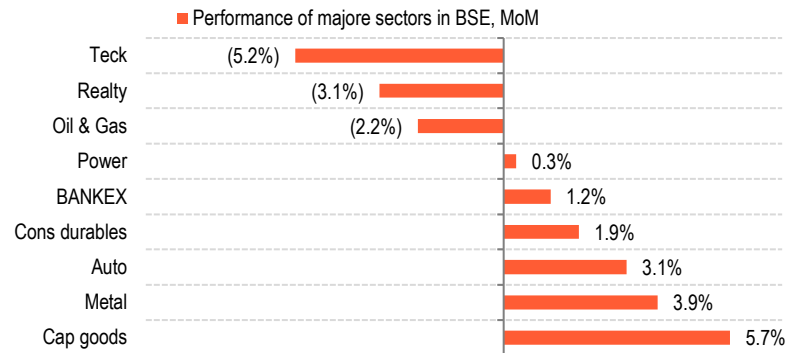
**Equity**

**Fig 162 – In Mar'24, Sensex underperformed MSCI EM and rose by 1%**



Source: Bloomberg | \* As on 28 Mar 2024, Indices are in US\$ terms

**Fig 164 – Capital goods and metal stocks rose the most in Mar'24**

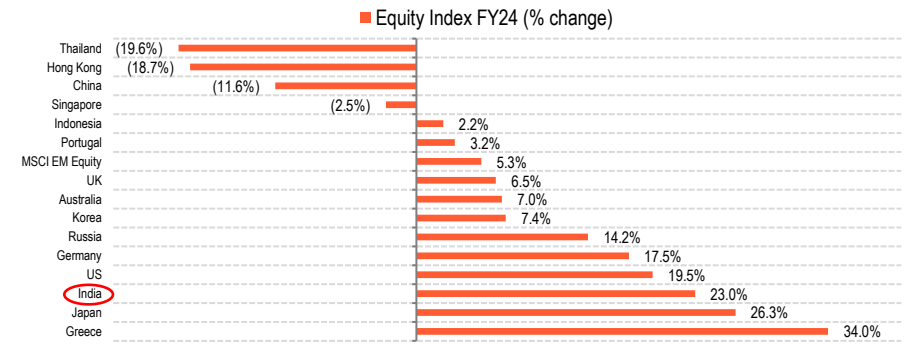


Source: Bloomberg | \* As on 28 Mar 2024

### 10-year bond yields

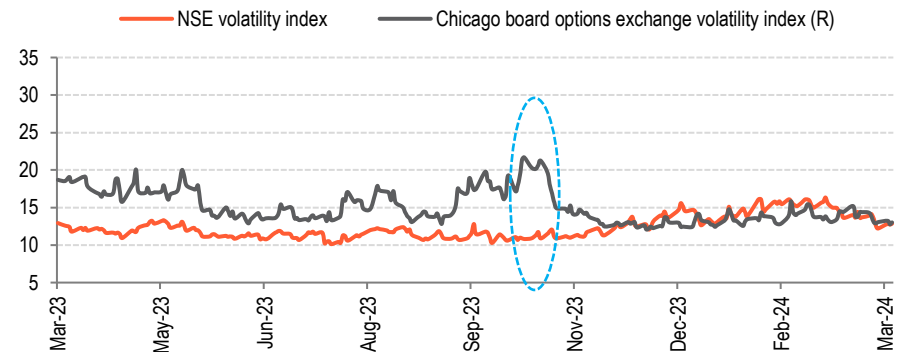
**Fig 166 – In Apr'24\*, India's 10Y yield has risen by 6bps**

**Fig 163 – In FY24, Sensex has risen by 23%**



Source: Bloomberg | \* As on 28 Mar 2024, Indices are in US\$ terms

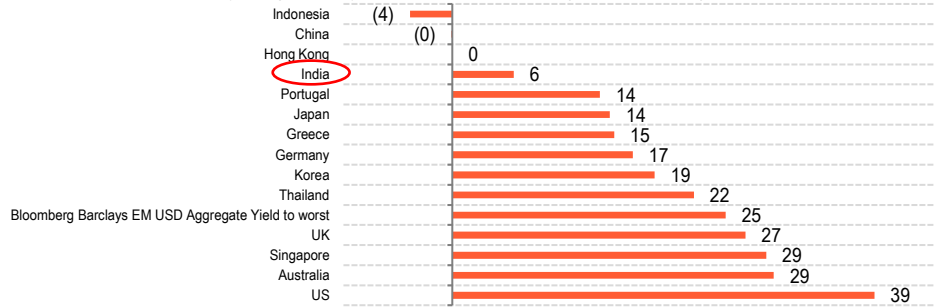
**Fig 165 – VIX index inched down to 12.83 in Mar'24 from 15.57 in Feb'24**



Source: Bloomberg

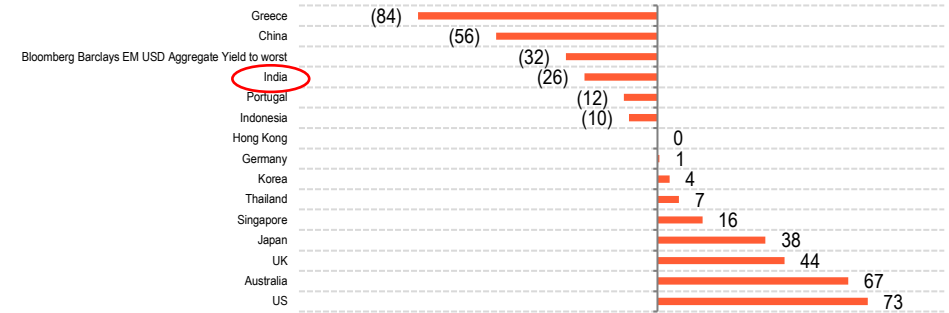
**Fig 167 – In FY24, India's 10Y yield has fallen by 26bps**

10 year generic yields movement MTD (28 Mar-11Apr), bps



Source: Bloomberg, \*As on 11 Apr 2024

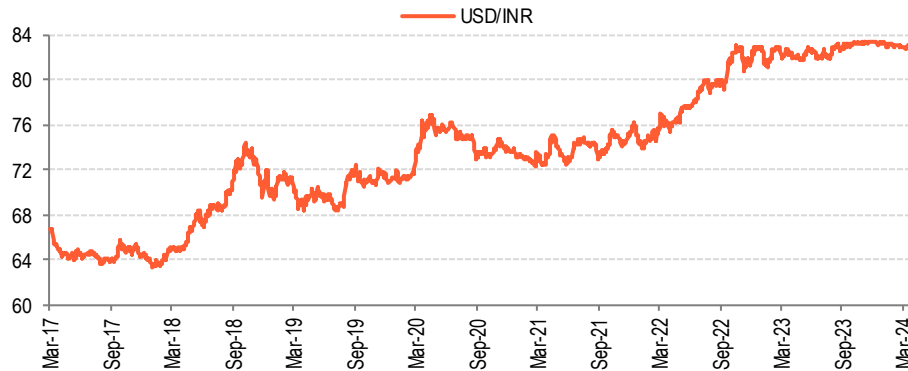
10 year generic yields, FY24, bps



Source: Bloomberg, As on 28 Mar 2024

## Currencies

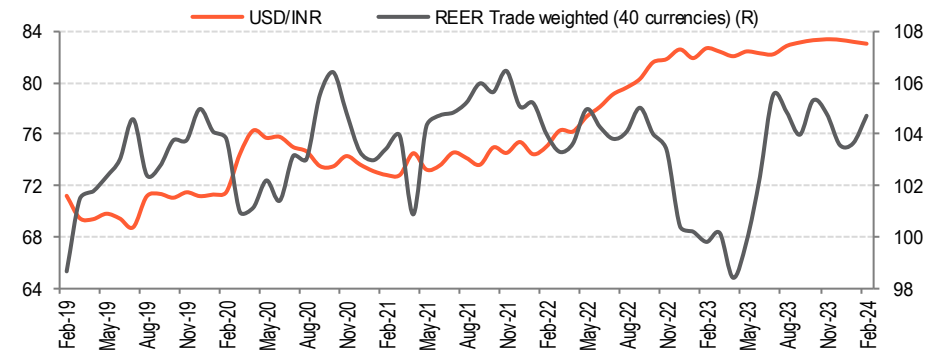
Fig 168 – INR remained depreciated a tad in Mar'24



Source: Bloomberg | \*As on 29 Mar 2024

Fig 170 – EM currencies depreciated against the dollar

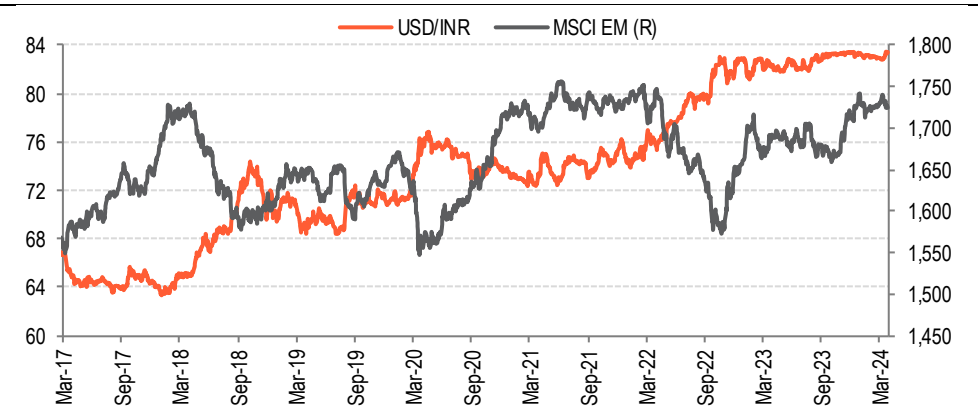
Fig 169 – INR overvalued by 4.7% on REER basis



Source: Bloomberg

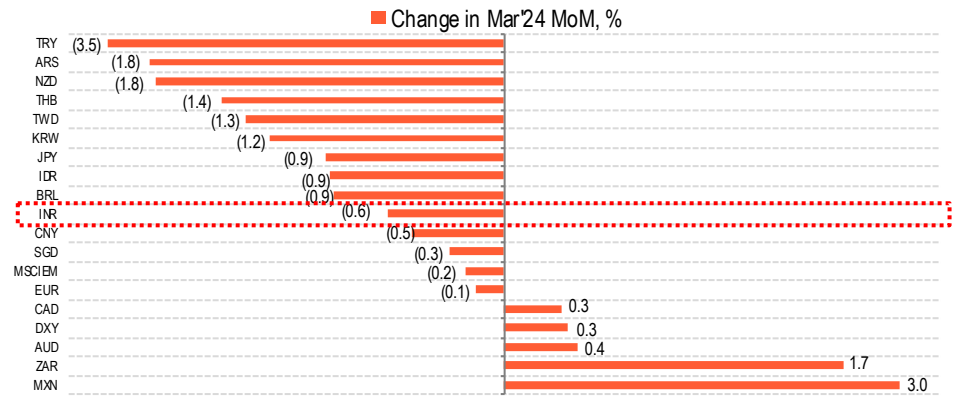
Fig 171 – ... as oil prices inched up on an average



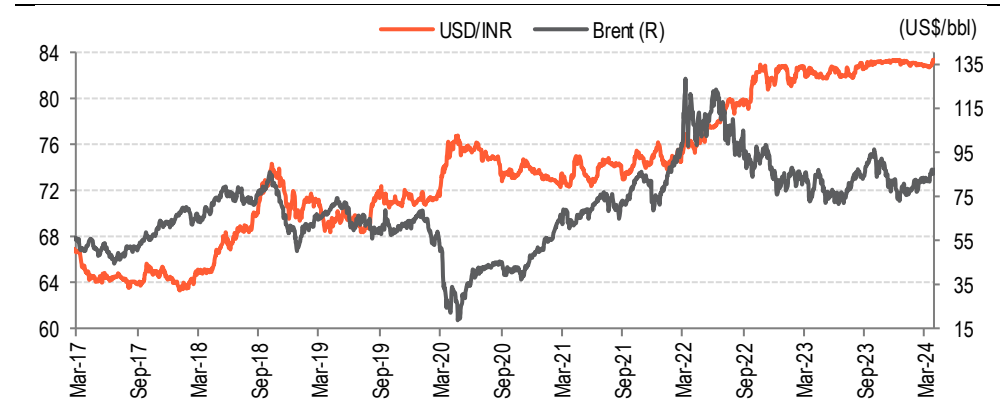


Source: Bloomberg | \*As on 29 Mar 2024

Fig 172 – In Mar'24, INR depreciated by 0.6% led by strong dollar demand

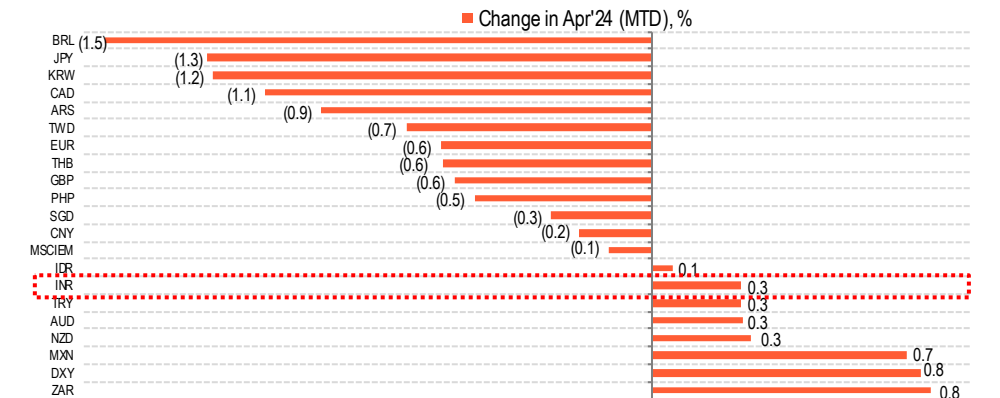


Source: Bloomberg | \*As on 29 Mar 2024



Source: Bloomberg | \*As on 29 Mar 2024

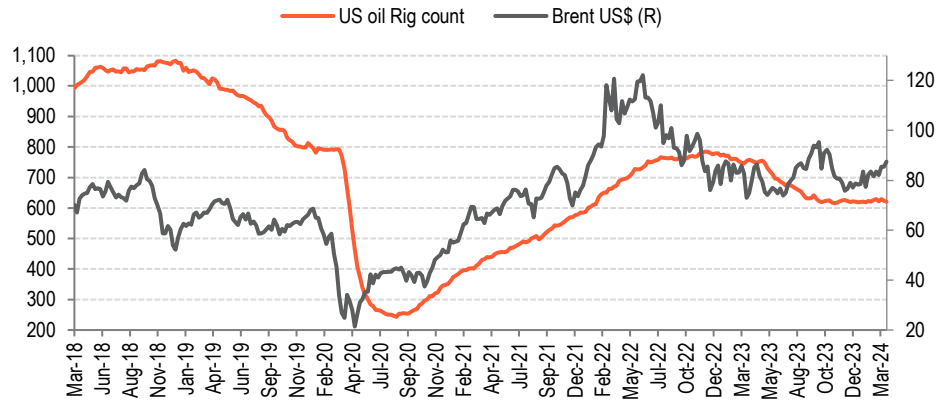
Fig 173 – INR has recouped some of its losses in Apr'24 and appreciated by 0.3%



Source: Bloomberg | \*As on 11 Apr 2024

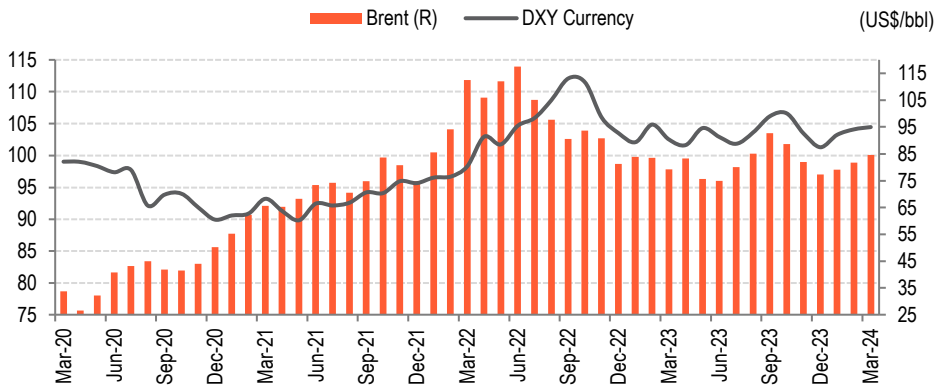
Commodities

Fig 174 – US rig count moderated and Brent prices inched up



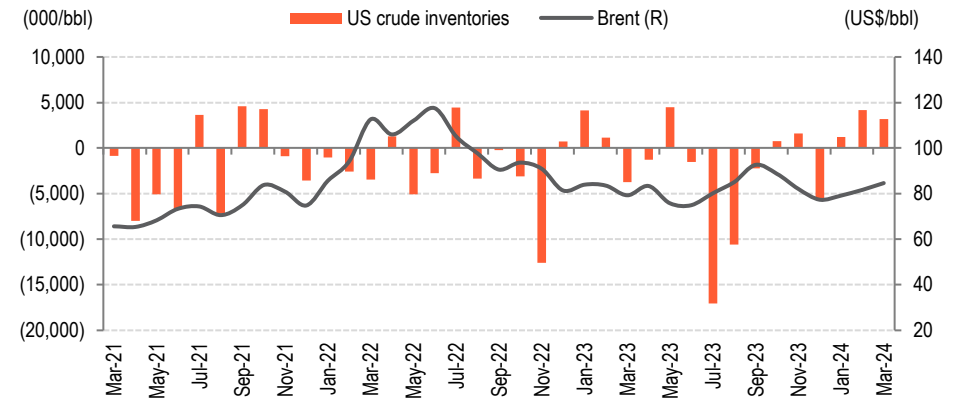
Source: Bloomberg

Fig 176 – Oil prices (average) inched up to US\$ 84.7/bbl in Mar'24 from US\$ 81.7/bbl in Feb'24, DXY also rose to 104.49 due to delayed hopes of rate cut by Fed



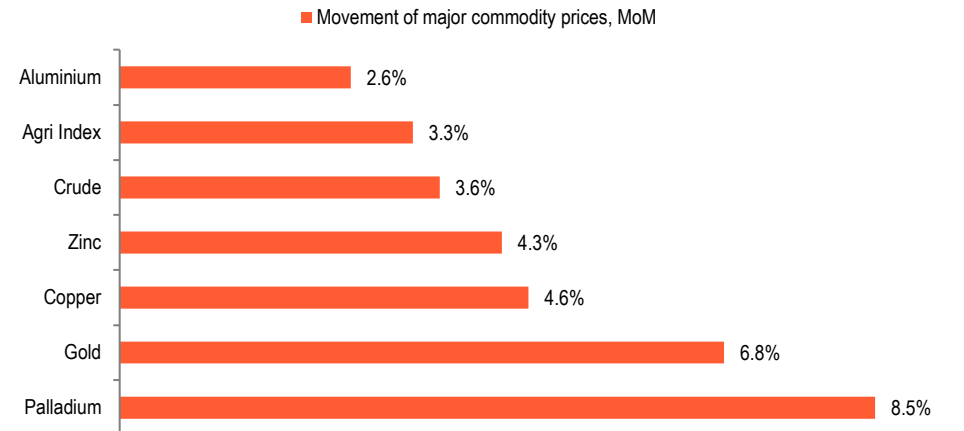
Source: Bloomberg | DXY Index as on last trading day of the month

Fig 175 – Inventory accumulation moderated



Source: Bloomberg

Fig 177 – Commodity prices have broadly risen



Source: Bloomberg | Index as on last trading day of the month, all other commodities are averaged and MoM change is taken

Fig 178 – Performance of high frequency indicators

Indicators	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
<b>Agriculture</b>													
Tractor sales	10.1	(13.0)	(2.4)	(0.7)	0	(4.1)	(15.6)	(5.3)	1.5	(21.3)	(14.5)	(25.7)	-
Two wheeler sales	12.4	(7.3)	9.3	6.8	8.2	6.3	21.7	(12.6)	21.1	27.6	15.0	13.3	5.4
MNREGA work (HH, MoM)	6.8	6.6	31.9	6.3	(30.4)	(18.9)	(3.2)	(1.4)	(3.5)	12.8	(1.4)	7.9	(14.0)
<b>Manufacturing</b>													
IIP: General index	1.7	4.6	5.7	3.8	6.0	10.3	6.2	11.6	2.4	4.2	3.8	-	-
IIP: Manufacturing	1.5	5.5	6.3	3.1	5.0	9.3	4.9	10.2	1.2	4.5	3.2	-	-
IIP: Capital goods	9.1	4.4	8.1	2.0	4.5	13.1	8.4	21.3	(1.1)	3.6	4.1	-	-
IIP: Infra & construction goods	7.2	13.4	13.0	13.3	12.6	15.7	10.1	12.6	1.7	5.1	4.6	-	-
IIP: Consumer goods	(8.1)	(2.3)	1.5	(6.7)	(2.6)	5.8	1.1	15.9	(5.5)	5.3	10.9	-	-
Steel	12.1	16.6	12.0	21.3	14.9	16.3	14.8	13.6	9.8	7.6	8.7	8.4	-
Cement	(0.2)	12.4	15.9	9.9	6.9	19.7	4.7	17.0	(4.8)	3.8	5.7	10.2	-
Electricity	(1.6)	(1.1)	0.8	4.2	8.0	15.3	9.9	20.3	5.7	1.2	5.7	6.3	-
PMI: Manufacturing	56.4	57.2	58.7	57.8	57.7	58.6	57.5	55.5	56.0	54.9	56.5	56.9	59.1
<b>Services</b>													
Services PMI index	57.8	62.0	61.2	58.5	62.3	60.1	61.0	58.4	56.9	59.0	61.8	60.6	61.2
Automobile sales	13.9	(4.0)	10.1	9.6	10.0	8.6	20.4	(7.7)	18.5	21.1	15.0	13.1	3.1
Passenger vehicle sales	14.4	(1.3)	4.3	4.8	4.0	6.5	19.0	(1.4)	17.2	2.7	13.3	12.4	(6.2)
Vehicle registration	14.7	(3.4)	10.9	10.5	10.9	9.8	21.3	(6.6)	19.5	21.9	16.1	13.6	3.3
Rail freight traffic	3.8	3.5	1.9	(1.9)	1.5	6.4	6.7	8.5	4.3	6.4	6.4	10.1	-
Port cargo volume	1.5	1.3	3.5	0.4	4.3	4.4	0.3	13.8	17.0	0.7	3.2	2.4	-
Credit growth	15.0	15.7	15.3	18.0	19.5	19.7	17.6	20.4	21.1	20.0	20.3	20.5	20.2
Deposit growth	9.6	10.1	11.4	15.5	12.9	13.2	12.3	13.2	14.2	13.3	13.2	13.1	13.5
CIC	7.8	7.6	6.9	4.9	4.4	4.0	4.1	2.9	4.3	4.0	3.9	3.7	4.1
Toll collection (in mn)	306.3	305.0	335.2	316.1	295.0	308.0	298.9	319.7	320.8	337.2	331.4	323.4	338.7
Diesel consumption	1.2	8.6	12.8	3.0	3.8	5.2	3.8	9.3	(3.1)	(2.3)	3.4	6.2	3.1
GST E-way bill (in mn)	90.9	84.4	88.2	86.1	88.0	93.4	92.0	100.3	87.6	95.3	96.0	97.3	103.5
<b>External Trade</b>													
Merchandise exports	(5.9)	(12.8)	(10.4)	(18.8)	(10.0)	3.5	(2.8)	5.9	(3.2)	0.8	3.1	11.9	-
Merchandise imports	(3.4)	(15.5)	(6.0)	(16.9)	(16.1)	1.1	(14.0)	9.6	(4.3)	(4.8)	1.0	12.2	-
Services exports	13.1	7.4	7.7	3.5	8.1	8.4	(2.7)	10.9	4.4	1.4	10.8	3.5	-
Services imports	6.0	(3.1)	2.0	(3.4)	(2.2)	(0.8)	(10.3)	(0.4)	(11.1)	(1.2)	0.1	1.8	-

Source: CEIC, Posoco, Markit, RBI, Bank of Baroda Research

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