

# India Economics

## Monthly Chartbook

January 2025

Economic Research Department

Aditi Gupta | Jahnvi

Dipanwita Mazumdar | Sonal Badhan

[chief.economist@bankofbaroda.com](mailto:chief.economist@bankofbaroda.com)



## Budget to support growth

Advance estimates peg India's growth at 6.4% for FY25. With H1 growth at 6.1%, we expect a pickup in growth in H2. High-frequency indicators such as digital payments, power demand, service PMI, air passenger traffic, toll collections etc. suggest a recovery is already underway. GST collections too rose by 8.3% in Q3 FY25, indicating a pickup in consumption demand. Rabi sowing has been robust which bodes well for agricultural prospects and rural demand, while reports also indicate recovery in urban demand. Inflation is likely to have edged down in Dec'24, and is expected to further moderate in the coming months. However, rupee depreciation is a key risk. Some degree of uncertainty is likely to prevail in the global and domestic financial system until there is more clarity on US policies under the new President. We remain cautiously optimistic on India's growth prospects in 2025.

**Mixed picture for domestic demand:** Some high frequency indicators have indicated a pick up in demand with uptick noted in digital payments, power demand, electronic imports and fertilizer sales. However, total PV sales were lower owing to post-festive inventory and limited new launches. On the rural front, two-wheeler sales also witnessed sharp drop due to cash flow issues and a shift towards EV market. Notably, the first advance estimates have pegged PFCE growth at 7.3% in FY25 against 4% in FY24, raising the possibility of a steady pickup in the coming months. Agriculture sector is expected to register robust growth of 3.8% in FY25 (1.4% in FY24). So far, rabi sowing has been higher compared with last year and bodes well for agriculture growth.

**Central government finances:** Centre's fiscal deficit was stable at 5.1% as of Nov'24 (12MMA basis). Till Nov'24 (FYTD basis), total expenditure rose by

3.3%, unchanged pace from Oct'24. Within this, while revenue expenditure growth slowed (7.8% versus 8.7% as of Oct'24), decline in capex eased (-12.3% versus -14.7%) On the income side, Centre's net revenue growth was also stable at 8.7% as of Nov'24. Within this, while direct tax collections improved (12.1% versus 11.1%), indirect tax collections growth slowed a tad (9.2% versus 10.5%). Non-tax collections held ground. We expect government to save on capex and fiscal deficit to meet the target for FY25.

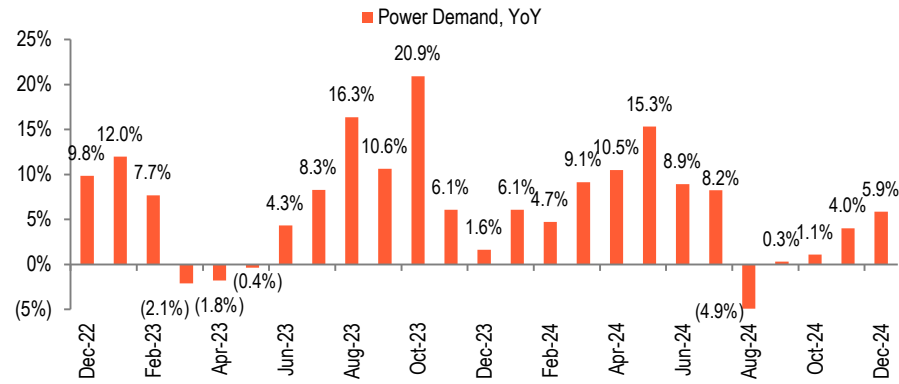
**Yields to remain rangebound:** India's 10Y yield broadly remained steady both in Dec'24 and Jan'25 (till 9th Jan). This is albeit the pressure on liquidity which plunged into an average deficit of Rs 0.7 lakh crore in Dec'24 and a further deficit of Rs 1 lakh crore in Jan'25 (1-9th Jan: average), on account of mounting pressure on INR which might have drained domestic liquidity. However, some correction on system liquidity is likely to be witnessed. The buyback results have been conducive and also reflect some pruning down of repayment obligation by the centre in FY26, which might be positive for yields. Apart from this, Rs 11,996 crore of GSec (6.89% GS 2025) is scheduled to mature this week, which will also be favourable for liquidity and hence provide further downward support to yields.

**INR to test record lows:** INR has continued to touch lifetime lows in each of the last few sessions. Pressure on the currency has stemmed from a stronger dollar and is further compounded by patchy FPI inflows. The pressure on INR is likely to persist in the near-term as uncertainty over the US rates and government policies is expected to keep the dollar strong. Range-bound oil prices and buoyancy in services receipts can offer only limited relief.

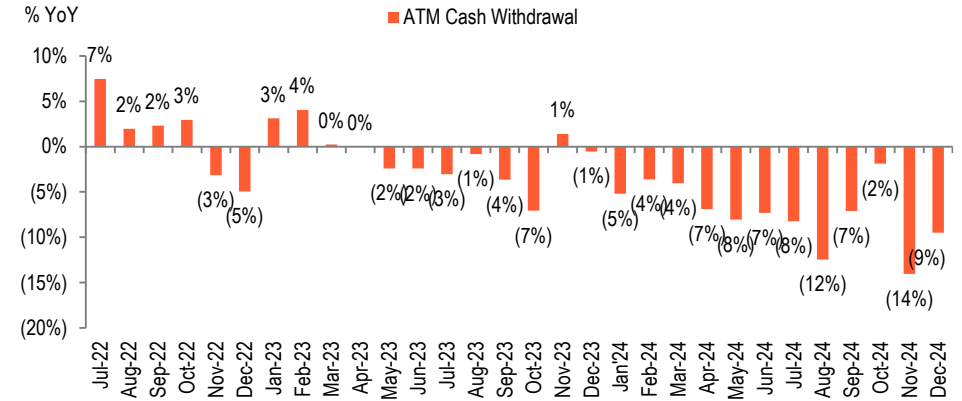
**Note: The source for all exhibits is 'CEIC and Bank of Baroda' unless otherwise specified**

## High frequency indicators

**Fig 1 – Uptick in power demand**

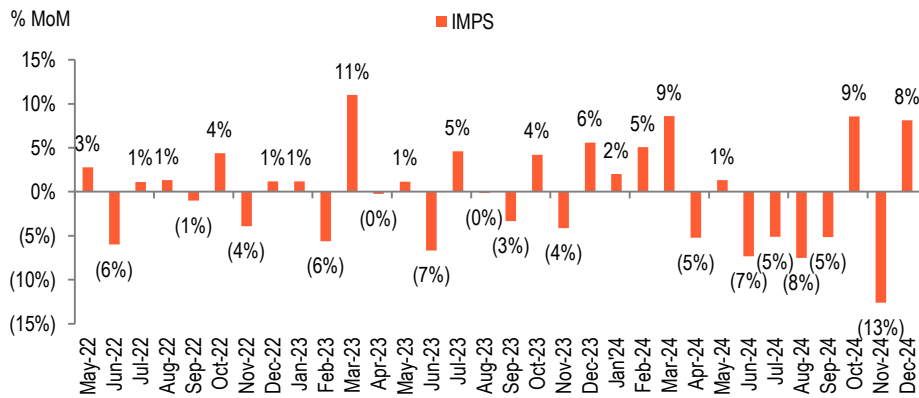


**Fig 2 – Slower pace of decline for cash withdrawals**



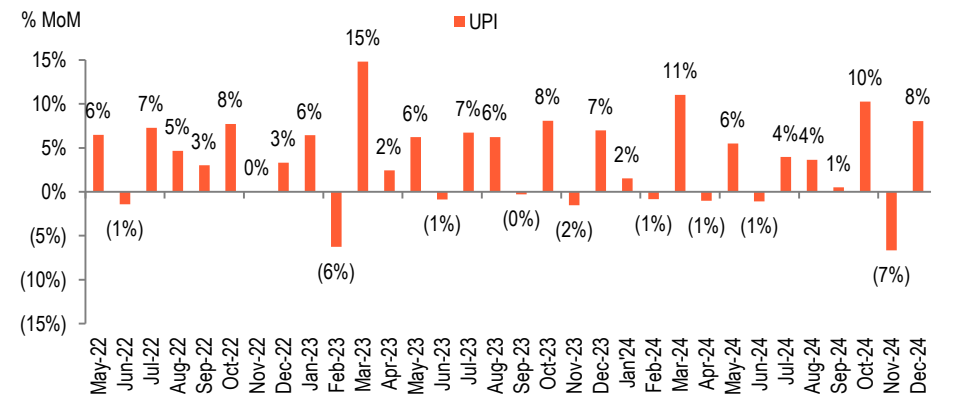
Source: NPCI. Note: NFS Cashwithdrawal amount does not include Card to Card Transfer

**Fig 3 – Higher volume of IMPS transactions**



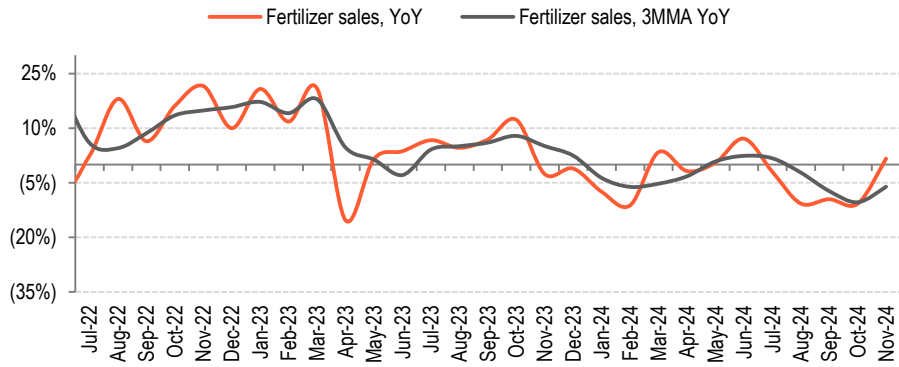
Source: RBI

**Fig 4 – Similar trend in UPI payments**

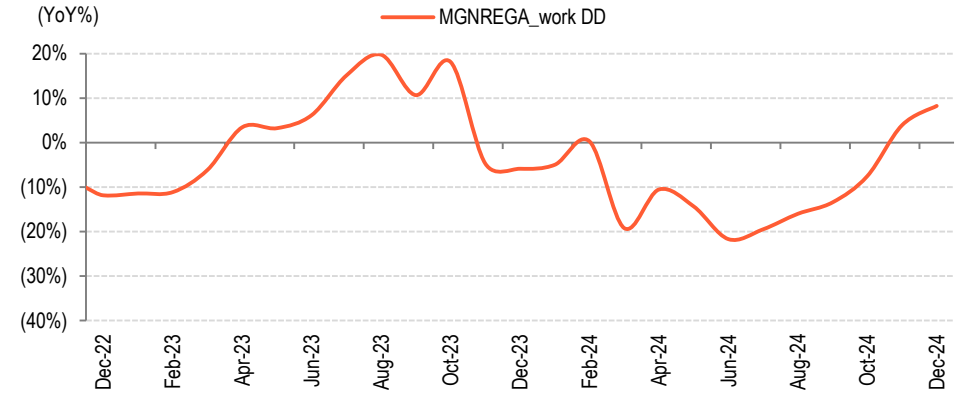


Source: RBI

**Fig 5 – Growth in fertilizer sales inched up**

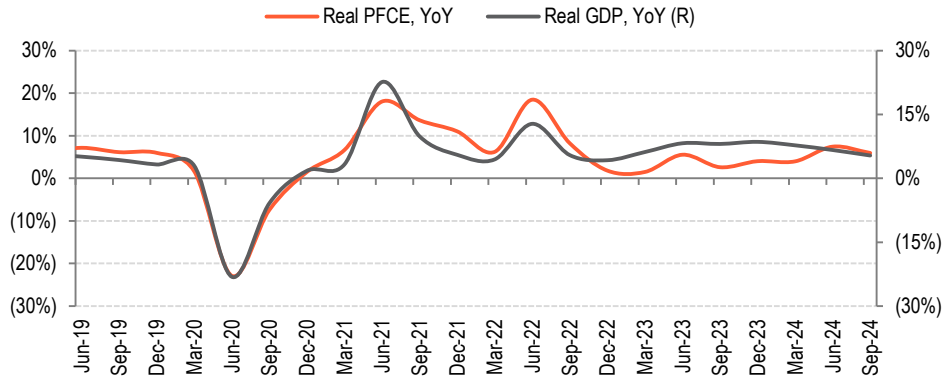


**Fig 6 – Demand for work (MGNREGA-household) climbs up**

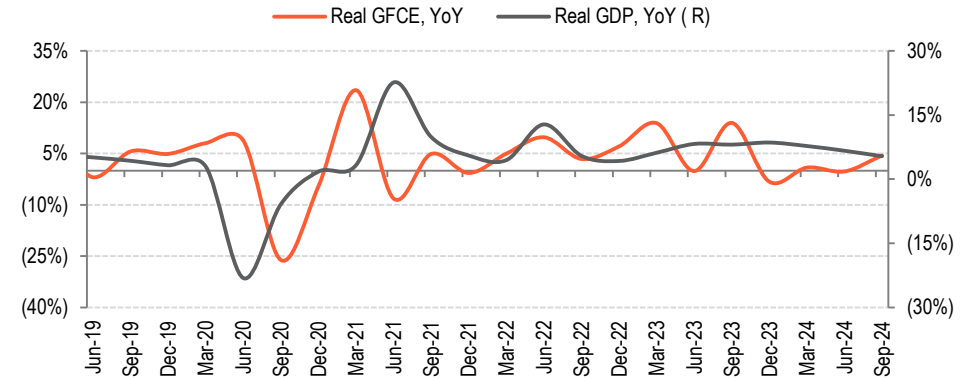


## Final consumption expenditure

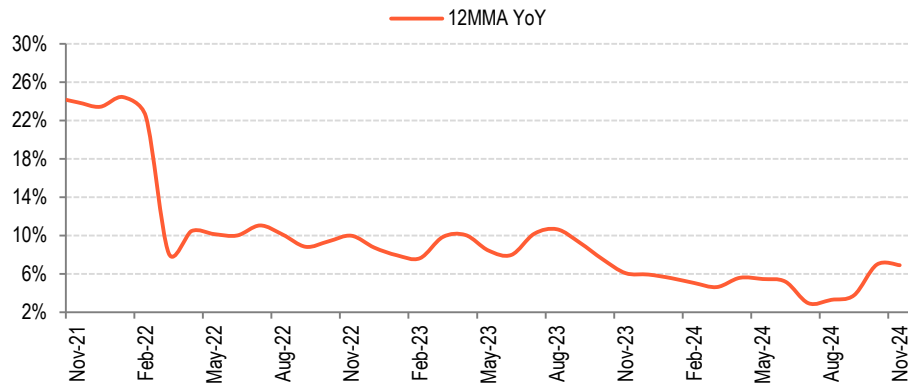
**Fig 7 – Private consumption fared better in Q2 versus last year**



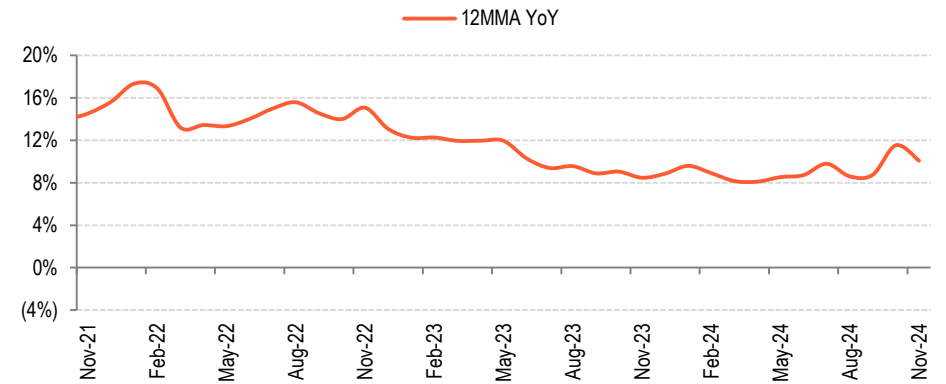
**Fig 8 – Government consumption growth was slower compared with last year**



**Fig 9 – General govt. revenue spending dips, led by central government**



**Fig 10 – ...similar trend for State\* govt. revenue spending**



Note: \*All states excluding North Eastern states (ex Assam), Goa, J&K, Jharkhand and Odisha

Non-oil imports, electronic imports

Fig 11 – Non-oil-non-gold imports inch up

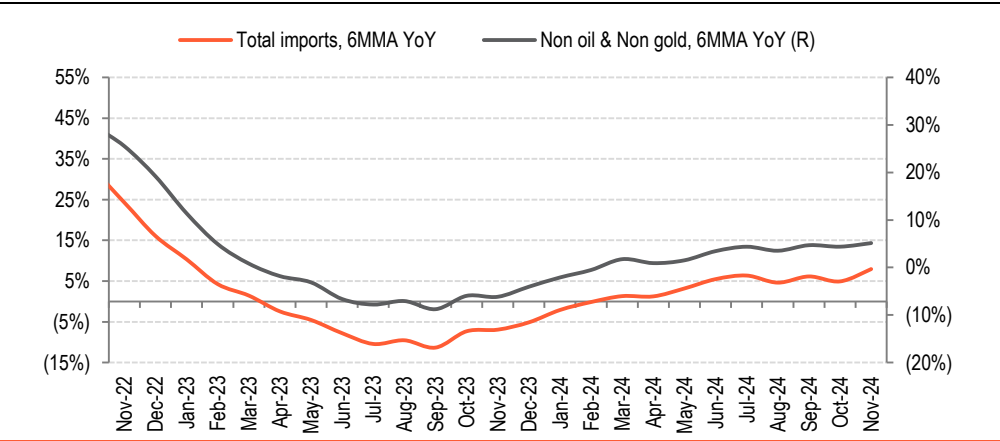


Fig 12 – Electronic imports higher

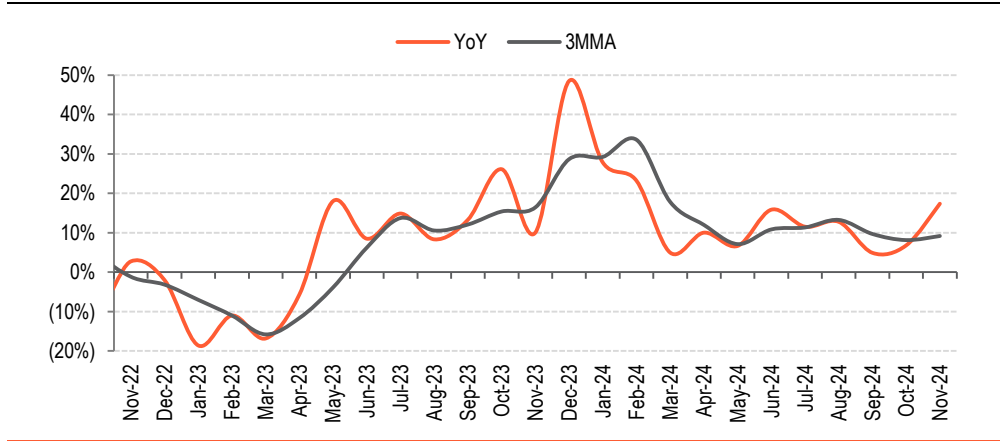
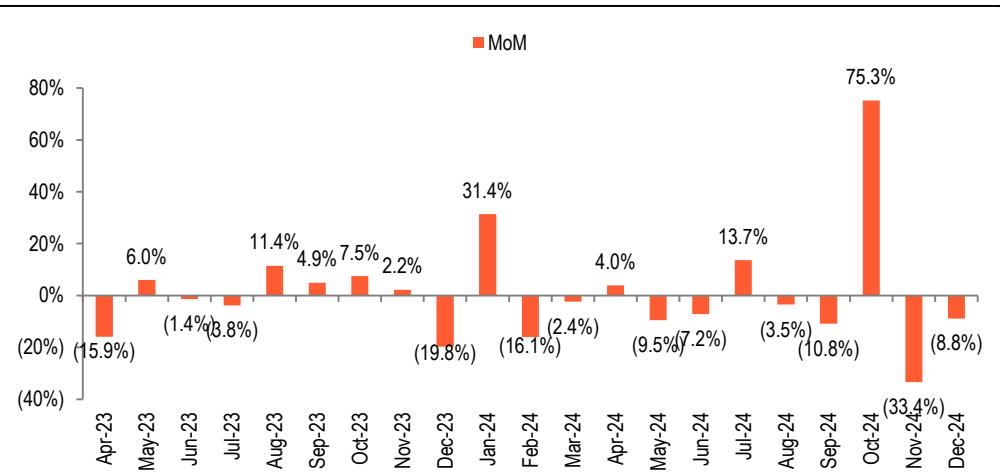
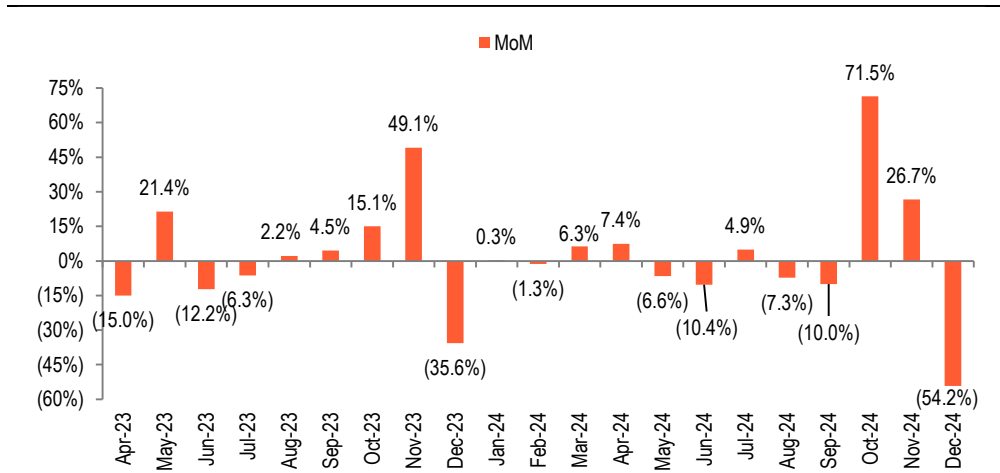


Fig 13 – Retail passenger vehicles noted some improvement since last month



Source: FADA

Fig 14 – Two-wheeler sales drop sharply



Credit deployment of personal loans

Fig 15 – Higher growth in personal loans

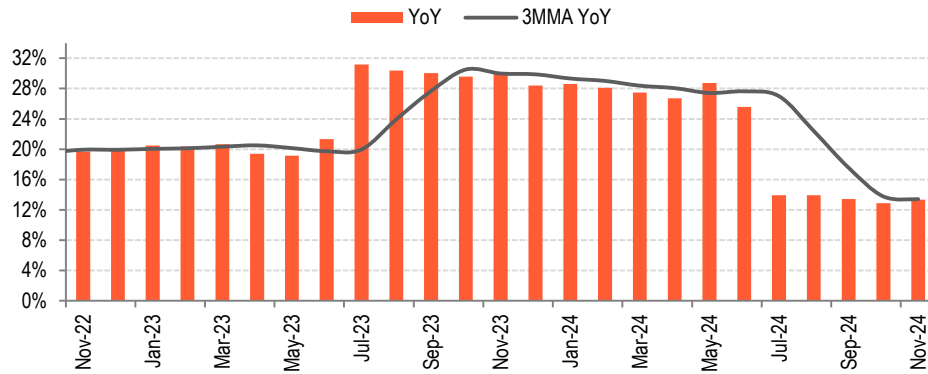


Fig 16 – Growth for credit card outstanding improves

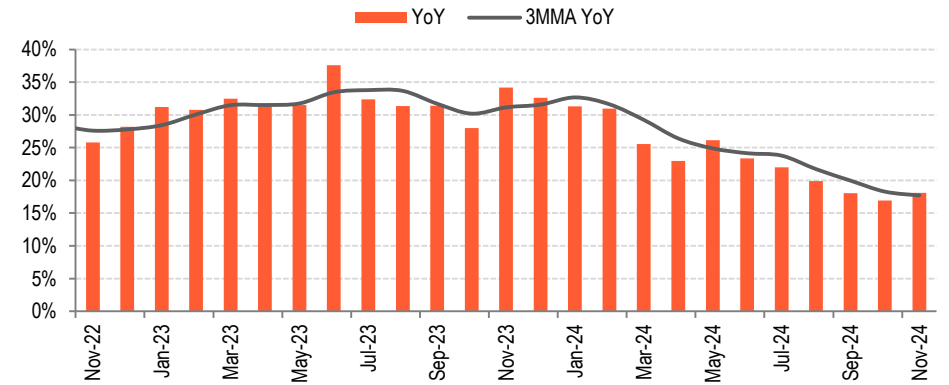


Fig 17 – Moderation in vehicle loans continues

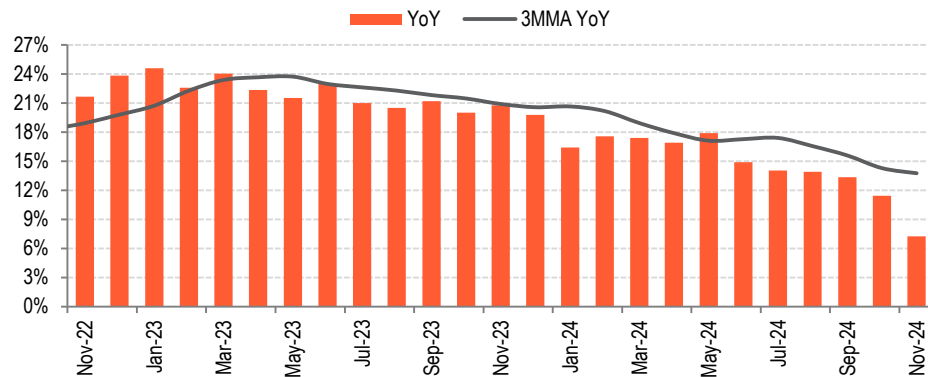
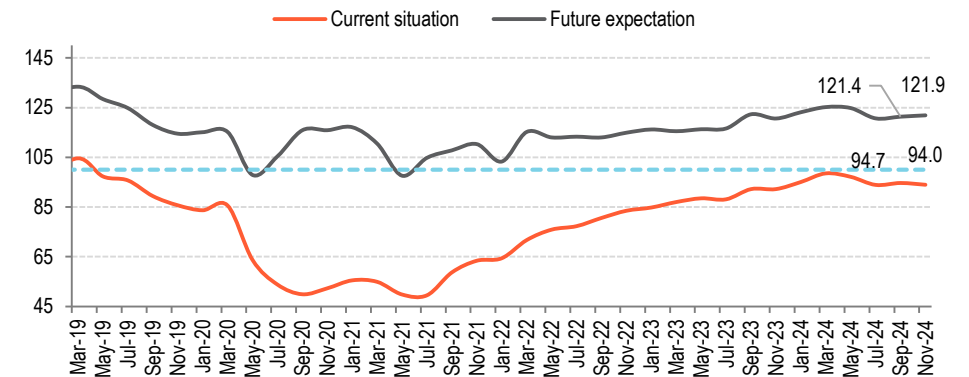
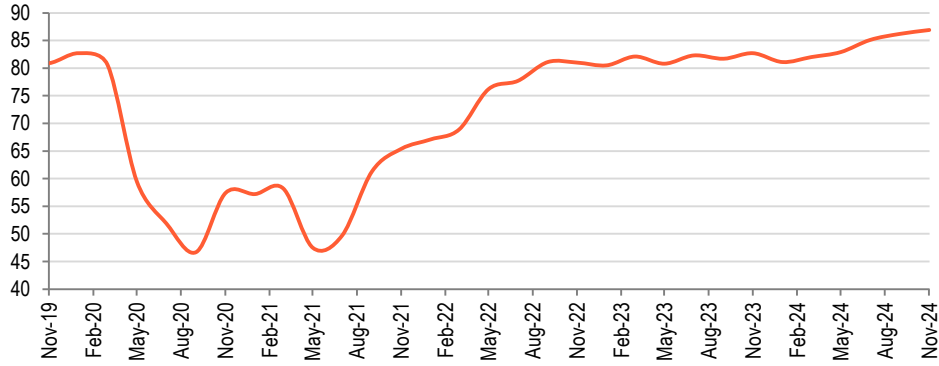


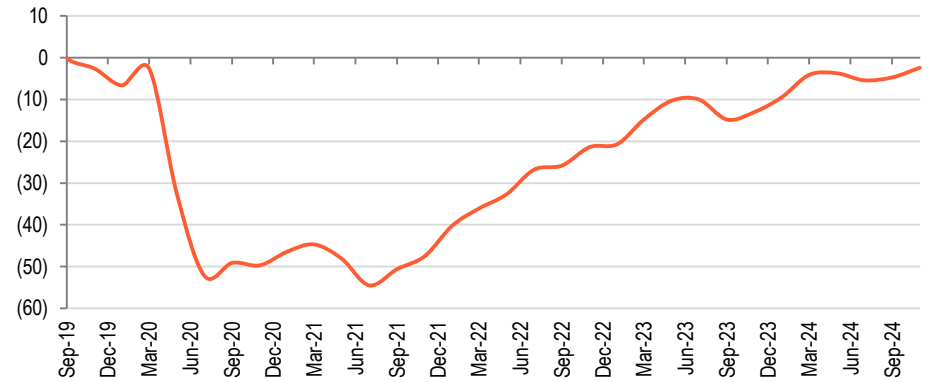
Fig 18 – Consumer's remained optimistic for the future



**Fig 19 – Higher spending on essential items as per RBI’s survey**

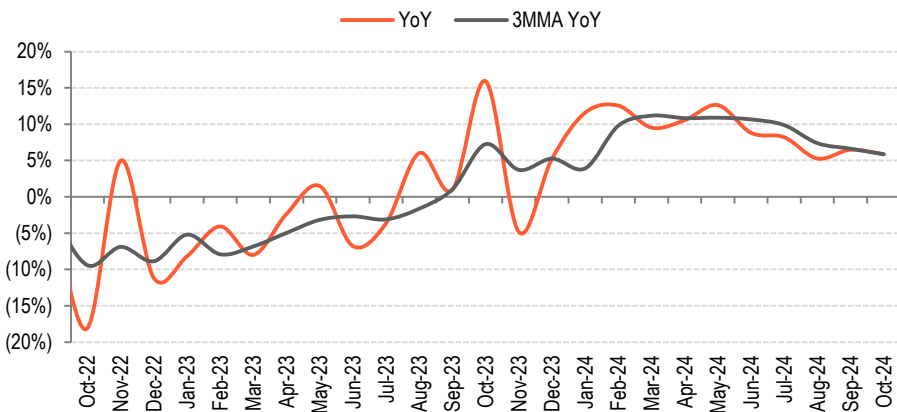


**Fig 20 – Spending on non-essential items inching up**

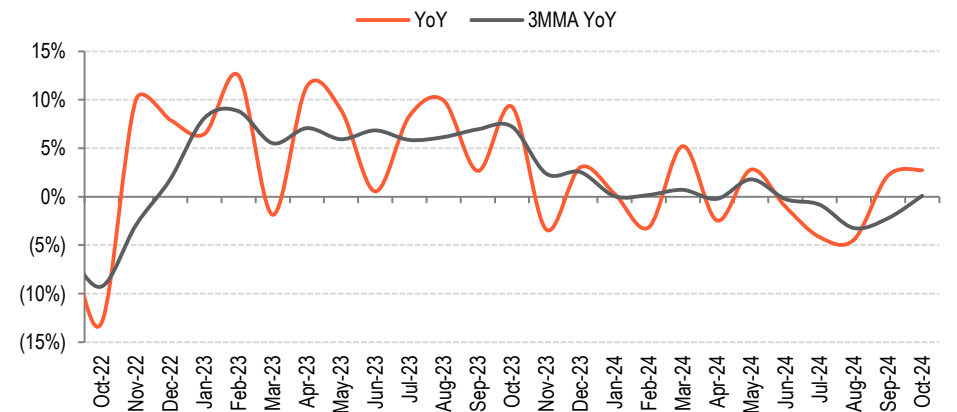


**Consumer durables & non-durables production**

**Fig 21 – Consumer durables output softens**



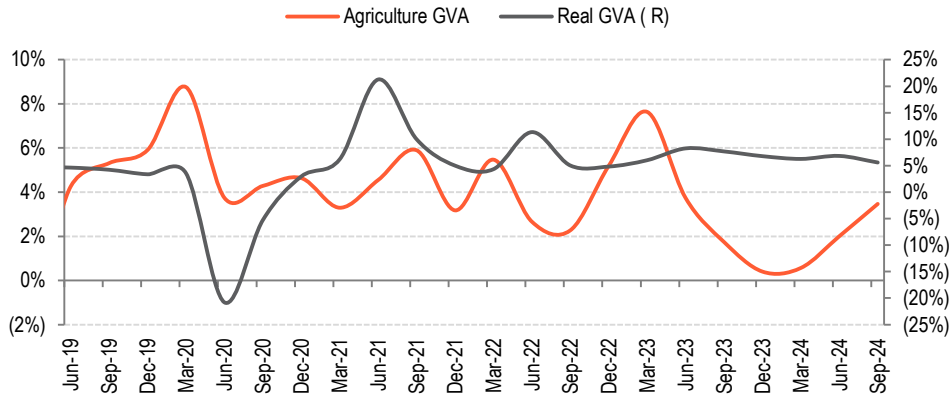
**Fig 22 – FMCG output inches up further**



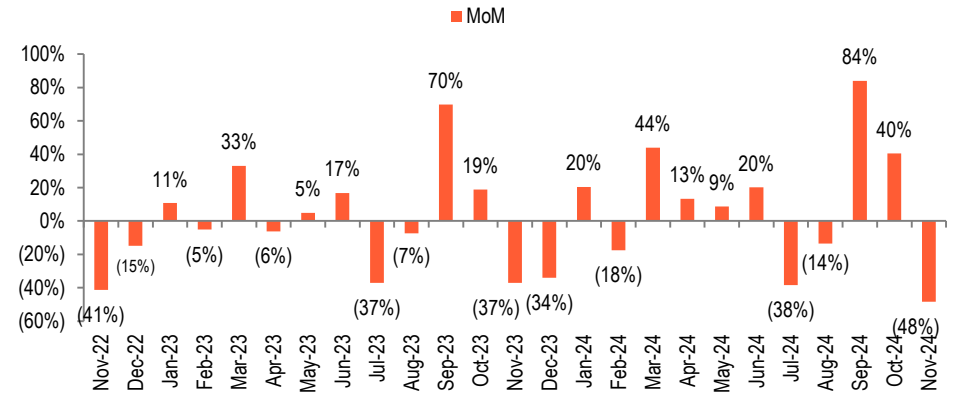


## Agriculture

**Fig 23 – Agriculture GVA rose at a robust pace**

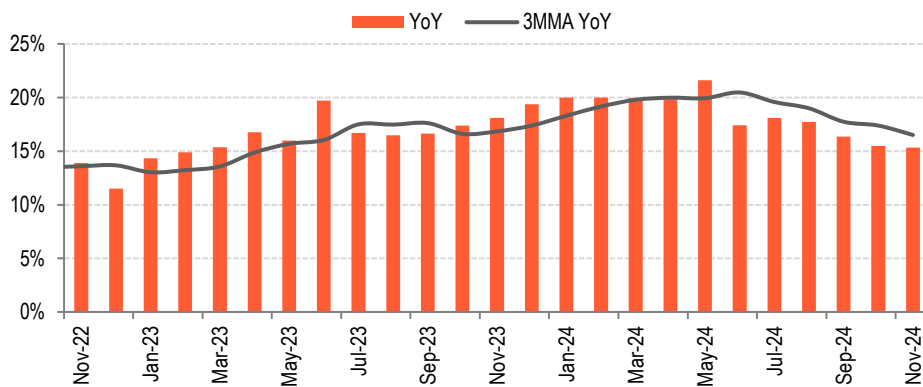


**Fig 24 – Tractor sales decline in Nov'24**



Note: Tractor sales including exports

**Fig 25 – Growth in agriculture credit improves**

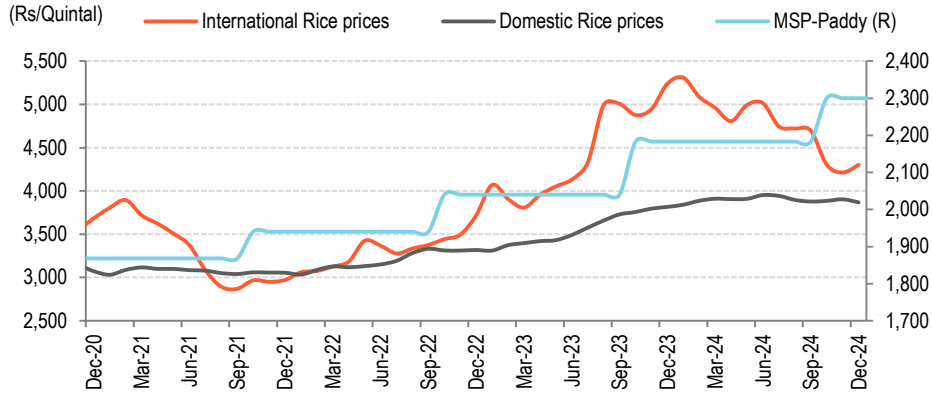


**Fig 26 – Procurement of rice and wheat**

Year	Wheat	Rice
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	18.79	54.32
2023-24	26.20	52.53
2024-25	26.66*	18.42

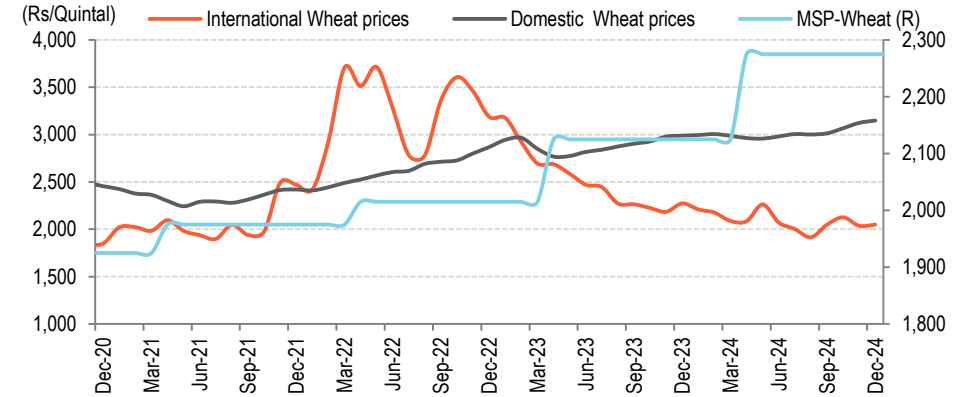
Source: Ministry of Consumer Affairs, Food and Public Distribution | \*As on: 30 Nov 2024

**Fig 27 – Domestic rice prices moderate; International prices inched up**



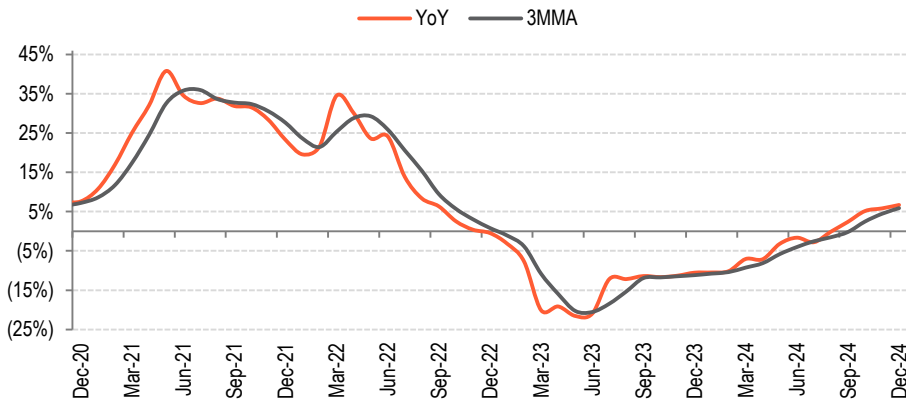
Source: World Bank

**Fig 28 – Both domestic and international wheat prices climb up**



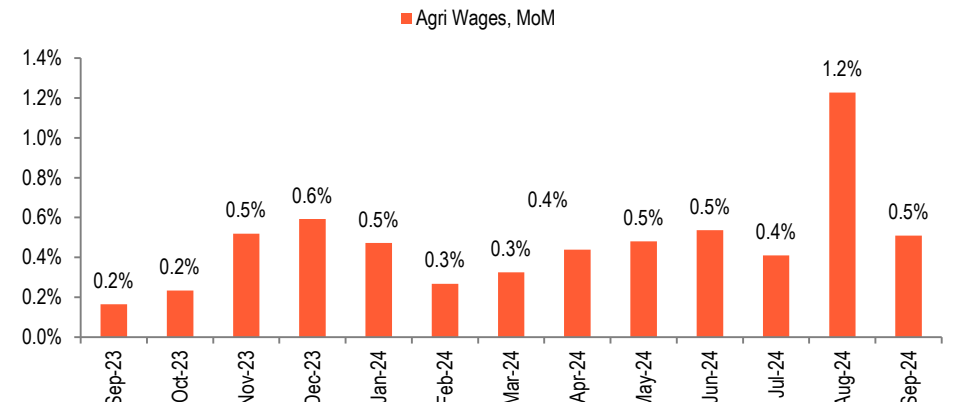
Source: World Bank

**Fig 29 – Global food prices inch up in Dec'24**



Source: FAO

**Fig 30 – Wage growth (men) slows in Sep'24**



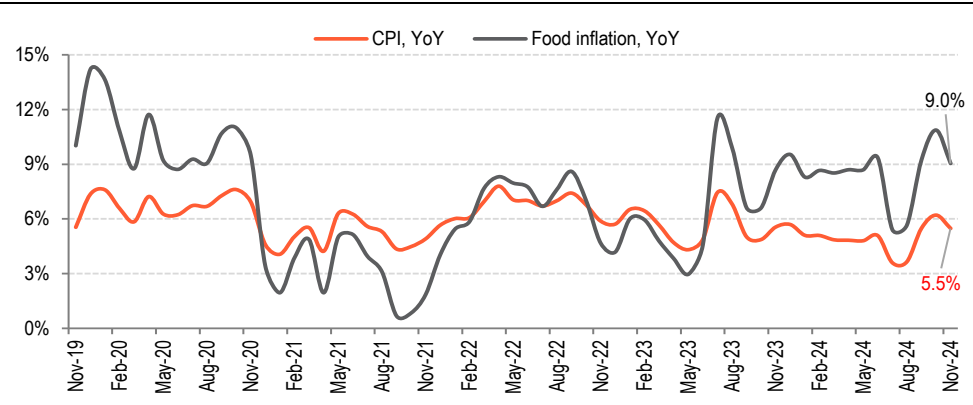
**Fig 31 – Rabi sowing is higher compared with last year**

Crop Type (Lakh ha)	Area sown in 2024-25	Area sown in 2023-24	Growth (YoY%)
Wheat	319.74	313	2.2
Rice	14.37	13.61	5.6
Coarse Cereals	48.55	47.77	1.6
Jowar	22.24	22.52	(1.2)
Maize	18.93	17.53	8.0
Pulses	136.13	136.05	0.1
Oilseeds	96.15	101.37	(5.1)
<b>Total</b>	<b>614.94</b>	<b>611.8</b>	<b>0.5</b>

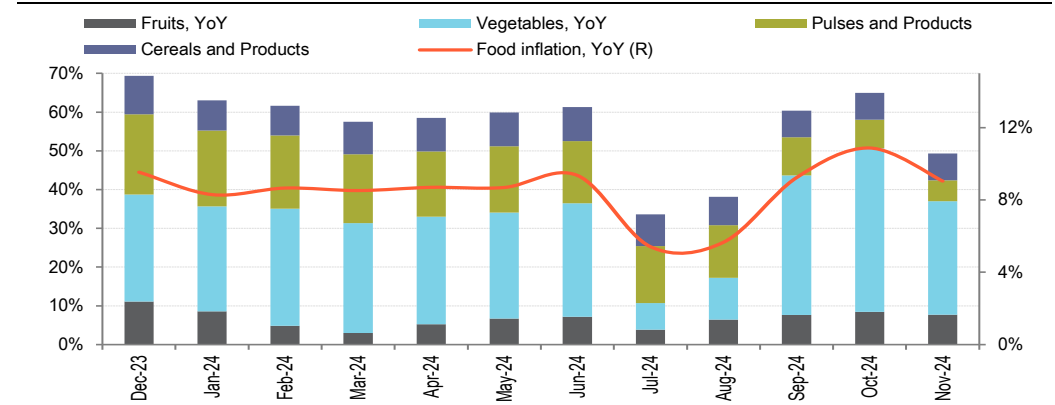
\*Note: Till 30 Dec 2024

## Inflation

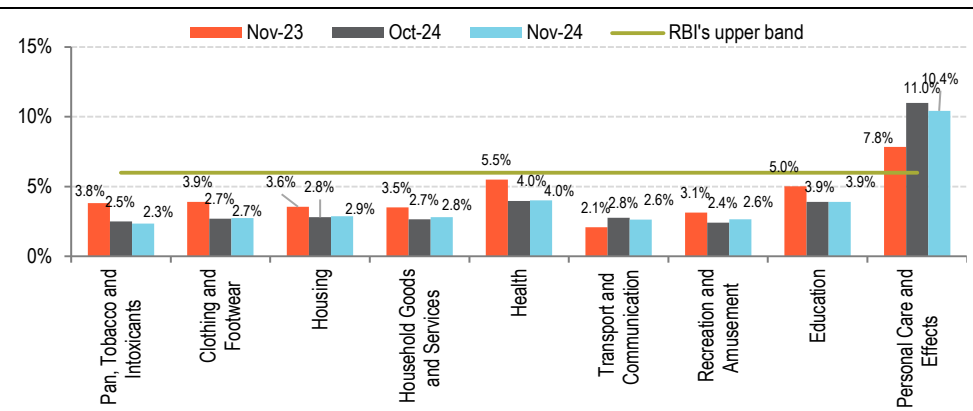
**Fig 32 – Headline CPI eased to 5.5% in Nov'24 from 6.2% in Oct'24, led by easing food prices**



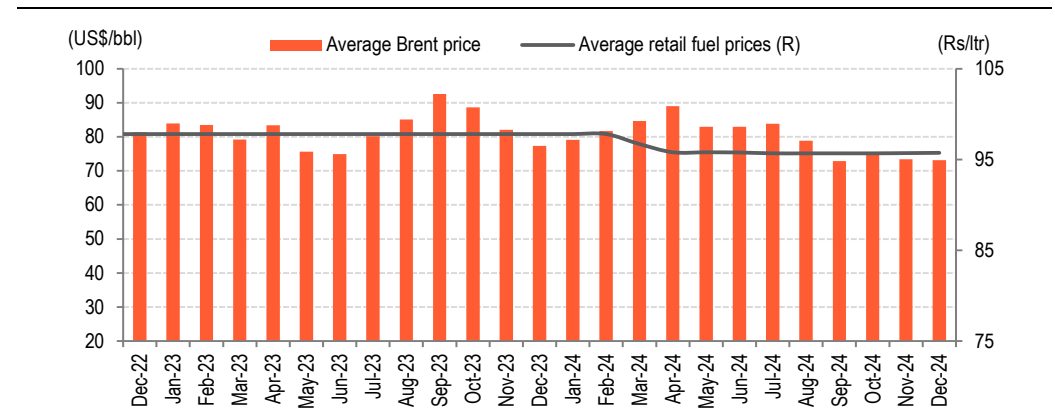
**Fig 33 – Food inflation firmed eased to 9% from 10.9% in Oct'24, led by easing vegetables**



**Fig 34 – Core inflation continues to remain benign**



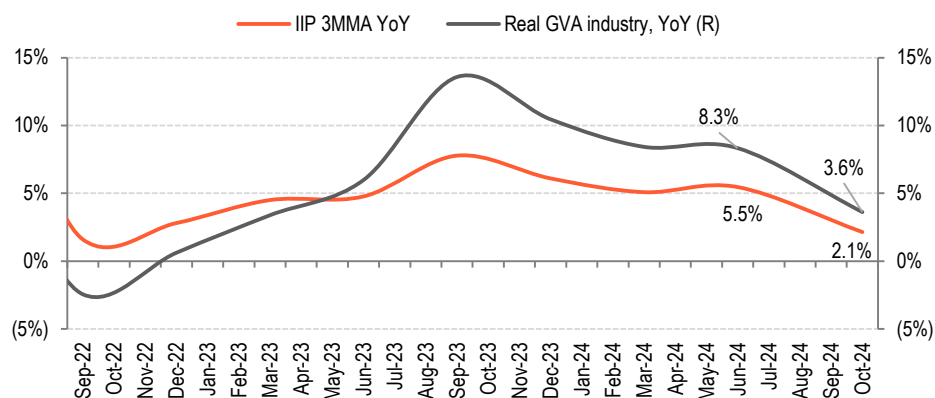
**Fig 35 – Domestic retail price was stable at Rs 95.7/lt in Dec'24, average crude price moderated to US\$ 73.1/bbl in Dec'24 from US\$ 73.4/bbl in Nov'24**



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

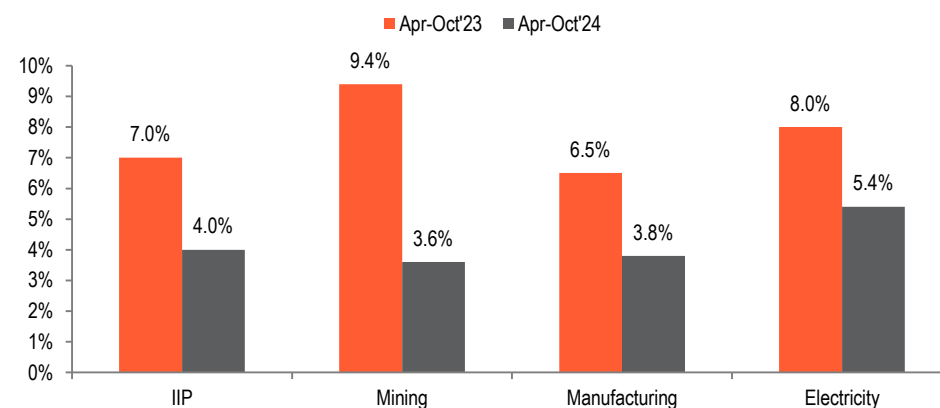
## Industry

**Fig 36 – Slower IIP growth likely in Q3**



Note: Oct'24 data on YoY basis

**Fig 37 – Sectorwise growth lower in FYTD25**

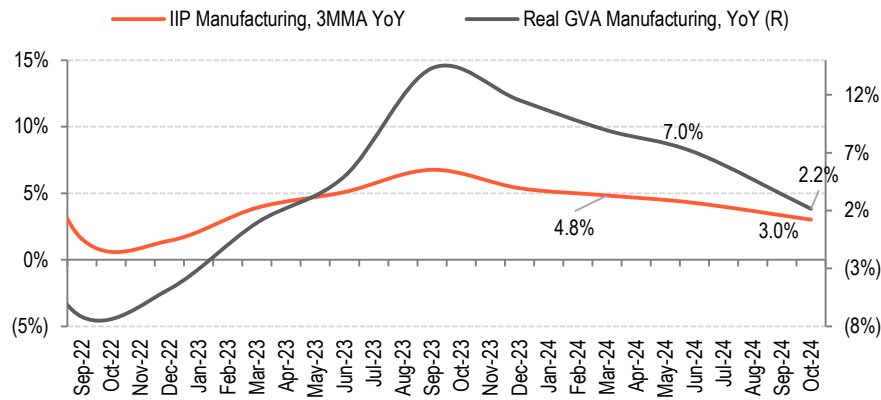


**Fig 38 – Stronger IIP growth noted in Oct'24**

Sectoral (%)	Weight	Aug-24	Sep-24	Oct-24	Apr-Oct'23	Apr-Oct'24
IIP	100.0	(0.1)	3.1	3.5	7.0	4.0
Mining	14.4	(4.3)	0.2	0.9	9.4	3.6
Manufacturing	77.6	1.1	3.9	4.1	6.5	3.8
Electricity	8.0	(3.7)	0.5	2.0	8.0	5.4
<b>Use-Based</b>						
Primary Goods	34.1	(2.6)	1.8	2.6	7.0	4.1
Capital Goods	8.2	0.5	3.6	3.1	8.9	3.9
Intermediate Goods	17.2	3.0	3.6	3.7	5.2	4.0
Infrastructure and Construction Goods	12.3	2.2	3.2	4.0	12.9	5.6
Consumer Durables Goods	12.8	5.3	6.5	5.9	1.4	8.2
Consumer Non-Durables Goods	15.3	(4.5)	2.2	2.7	7.2	(0.7)

## Manufacturing

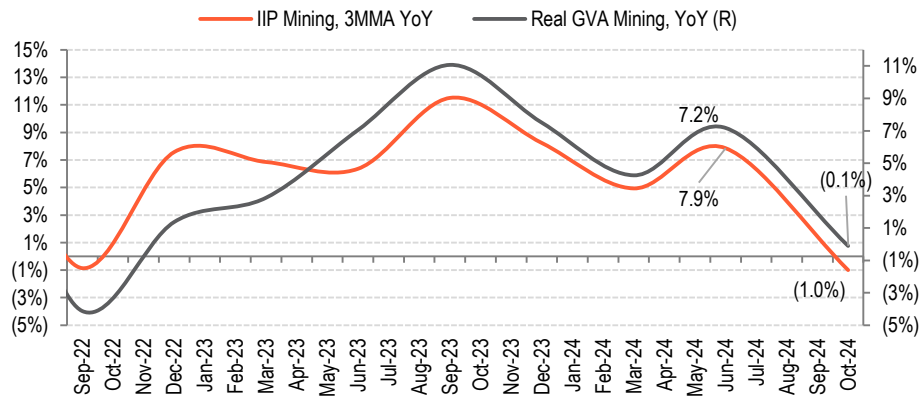
**Fig 39 – Manufacturing growth to moderate in Q3**



Note: Oct'24 data on YoY basis

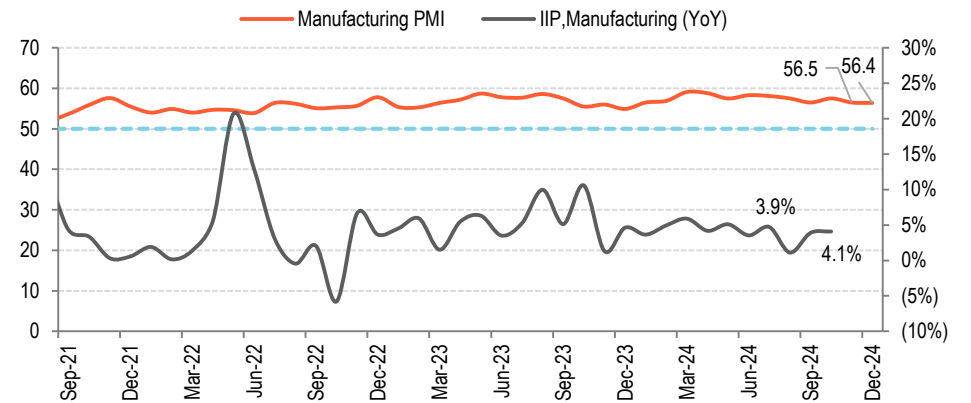
## Mining & Electricity

**Fig 41 – Mining activity to ease**



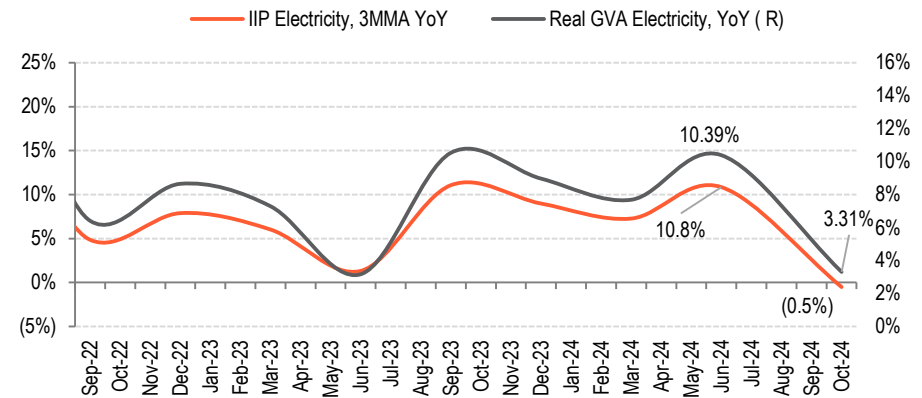
Note: Oct'24 data on YoY basis

**Fig 40 – Manufacturing PMI tad slower in Dec'24**



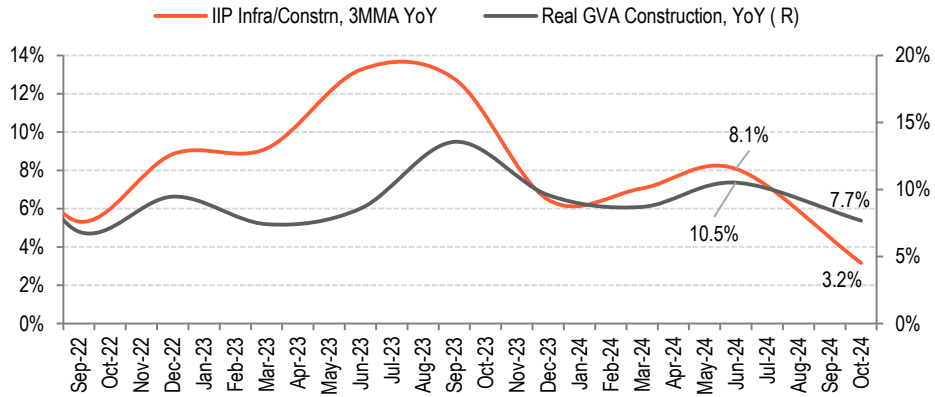
Source: Markit

**Fig 42 – Slower Electricity growth expected in Q3**



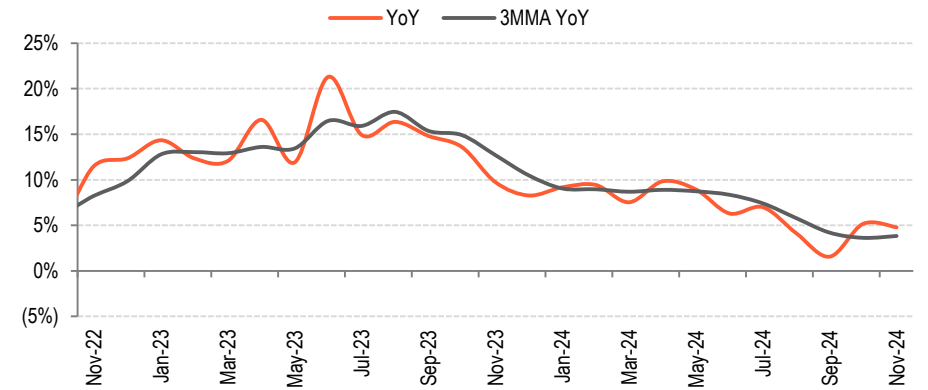
Infrastructure and construction

Fig 43 – Construction growth to soften in Q3



Note: Oct'24 data on YoY basis

Fig 44 – Deceleration in steel output in Nov'24



Infrastructure index

Fig 45 – Uptick in Core sector output

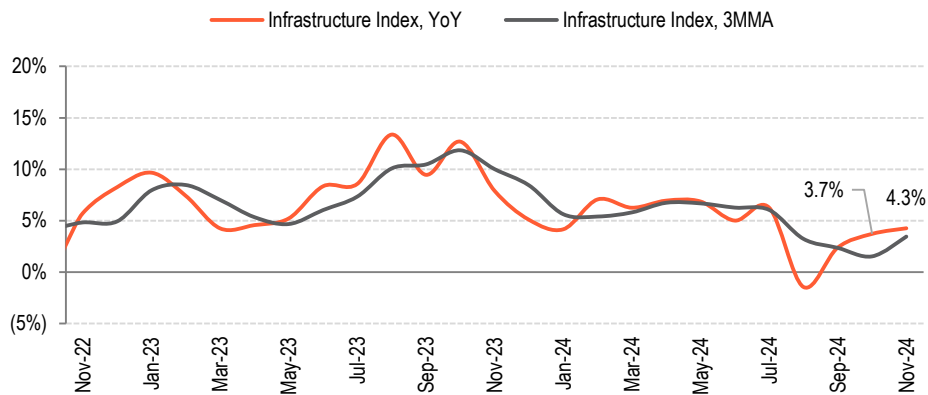
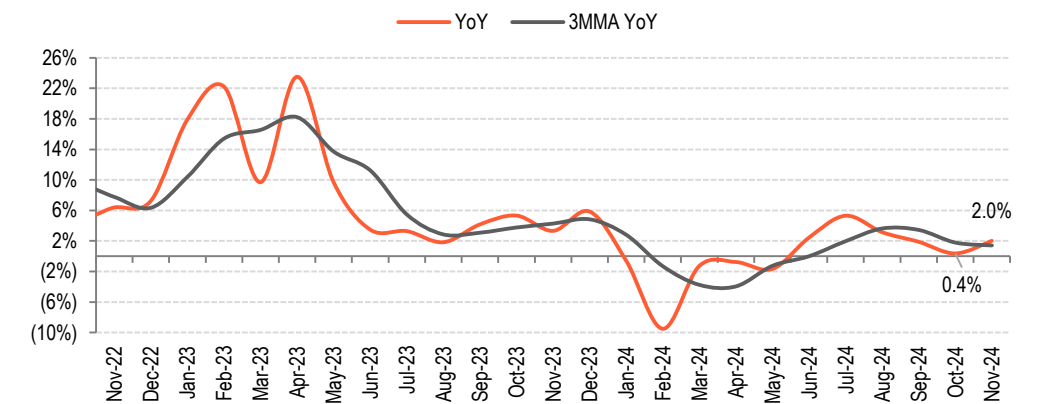
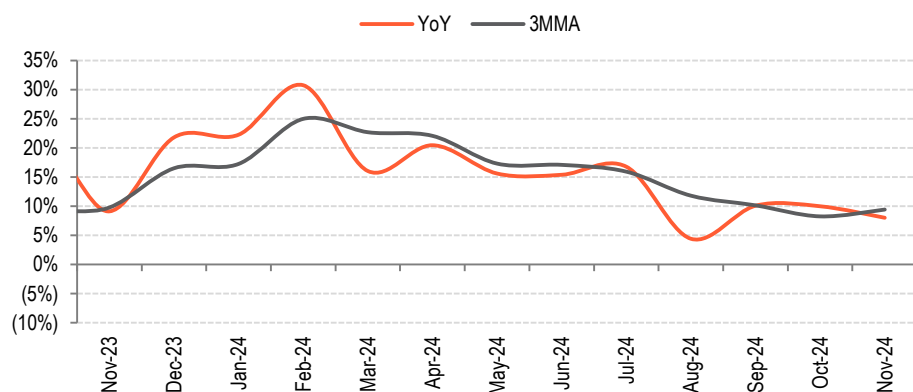


Fig 46 – Fertilizer output improves

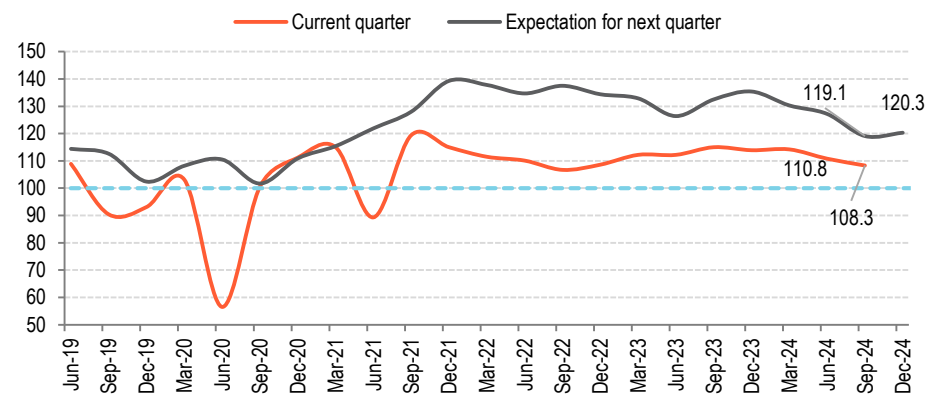


### Auto production & business expectation index

**Fig 47 – Growth in Auto production moderates**



**Fig 48 – Business sentiments for Q3 turned optimistic**



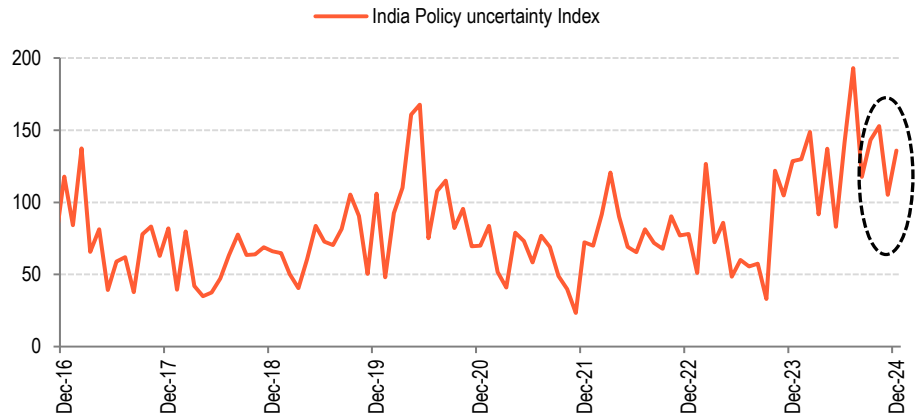
**Fig 49 – Infrastructure index improves in Nov'24**

(%)	Weight	Oct-24	Nov-24	Nov-23	Apr-Nov'23	Apr-Nov'24
Infrastructure Index	100	3.7	4.3	7.9	8.7	4.2
Coal	10.3	7.8	7.5	10.9	12.8	6.4
Crude Oil	9.0	(4.8)	(2.1)	(0.4)	(0.2)	(2.4)
Natural Gas	6.9	(1.2)	(1.9)	7.5	5.4	1.1
Petroleum Refinery Products	28.0	5.2	2.9	12.4	5.0	2.7
Fertilizers	2.6	0.4	2.0	3.3	6.3	1.6
Steel	17.9	5.2	4.8	9.7	14.8	5.9
Cement	5.4	3.1	13.0	(4.7)	10.1	3.1
Electricity	19.9	2.0	3.8	5.8	7.7	5.3



Investment

Fig 50 – Policy uncertainty index in India rose in Dec’24



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

Fig 52 – Capital goods production eased to 3.1% in Oct’24 from 3.6% in Sep’24

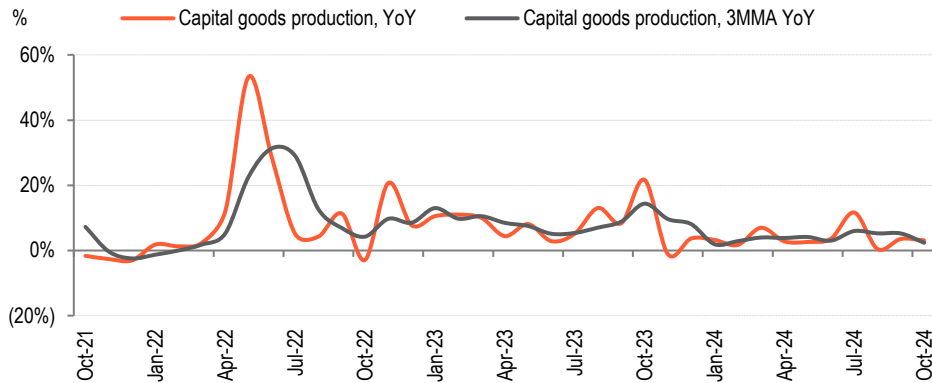


Fig 51 – Real GFCF moderated to 5.4% in Q2FY25 from 6.7% in Q1FY25

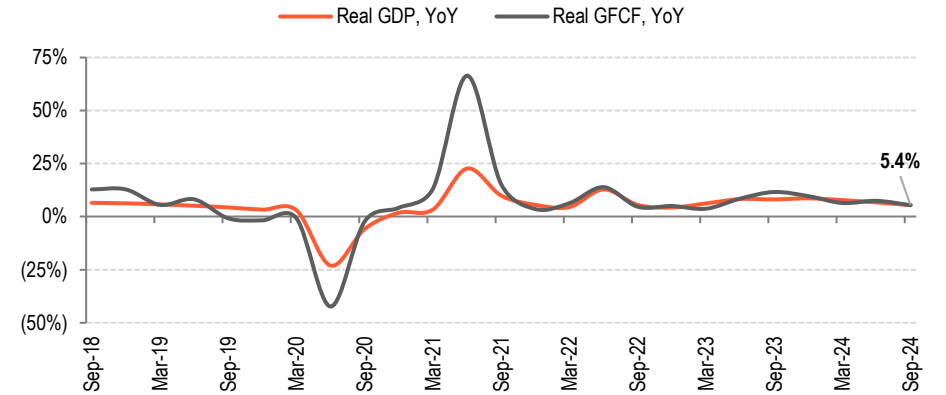
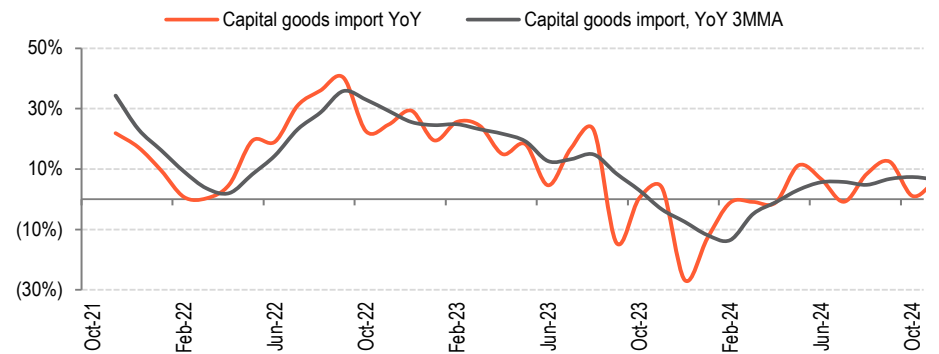
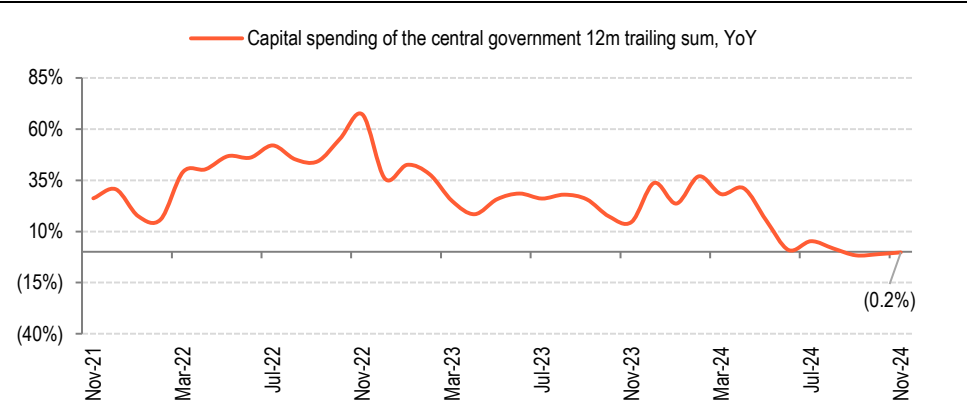


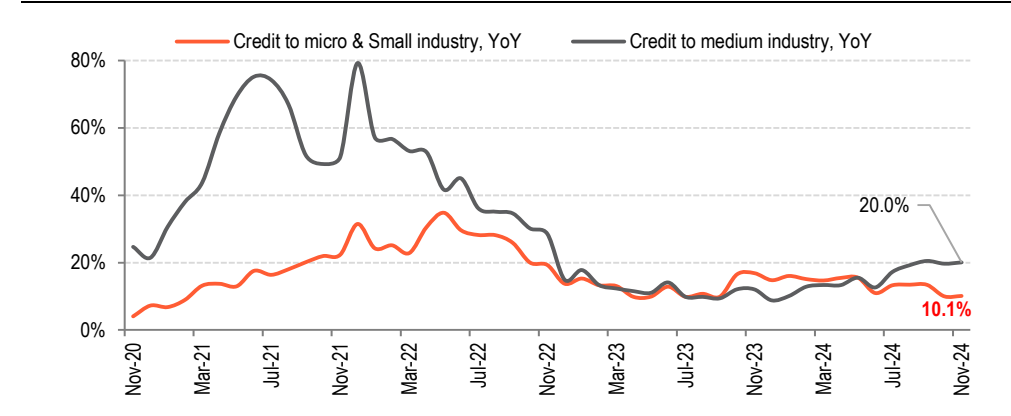
Fig 53 – Capital goods imports picked up pace in Nov’24, increasing by 6% compared with 1.1% in Oct’24



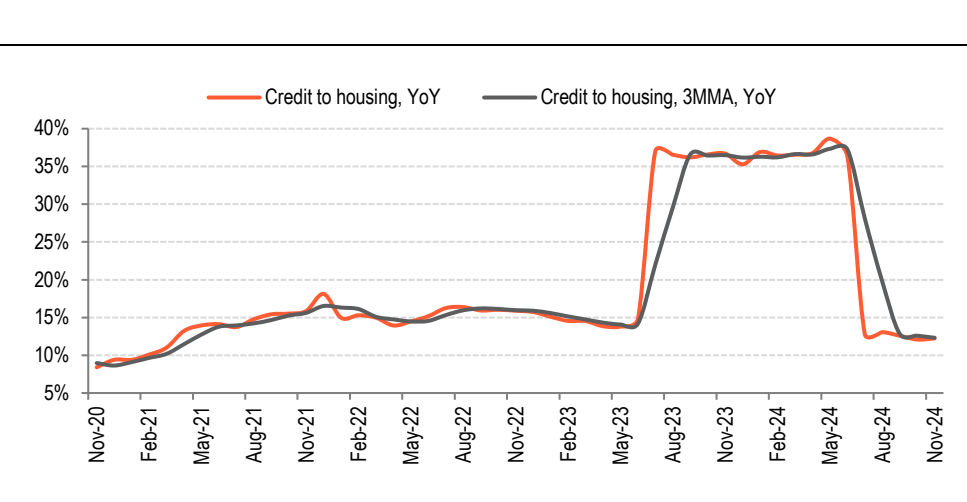
**Fig 54 – Centre’s capex spending declined at a softer pace of 0.2% in Nov’24 after declining by 1.1% in Oct’24**



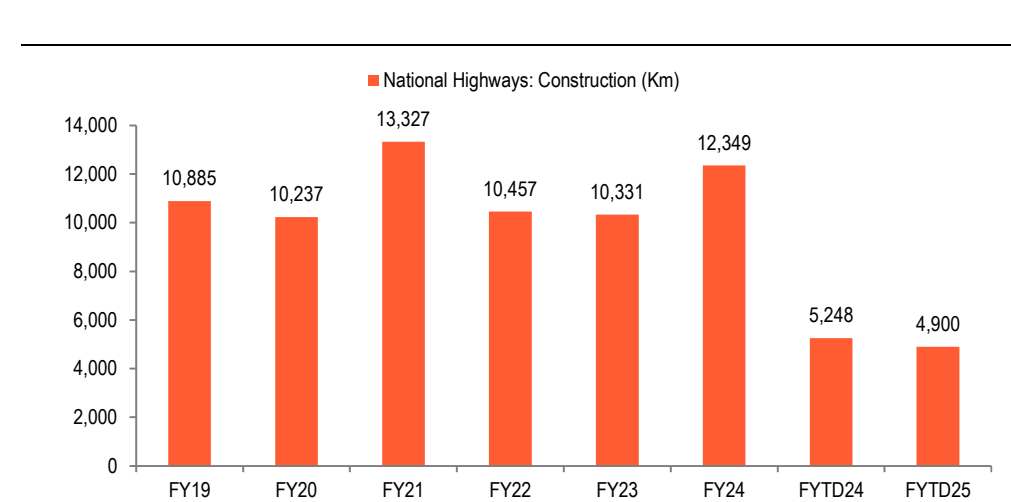
**Fig 55 – Credit to micro and small industry improved to 10.1% in Nov’24 from 10% in Oct’24, for medium industry as well there was a pickup to 20% (19.5% in Oct’24)**



**Fig 56 – Credit to housing was at 12.2% in Nov’24 compared with 12.1% in Oct’24**



**Fig 57 – Highway construction**



FYTD: Apr-Nov

Services sector

Fig 58 – GVA: Services sector growth was broadly steady in Q2FY25 versus Q1

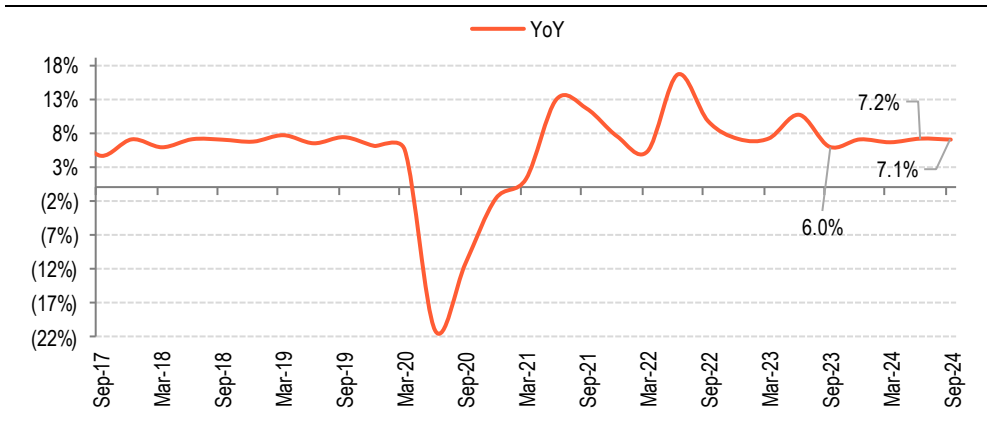
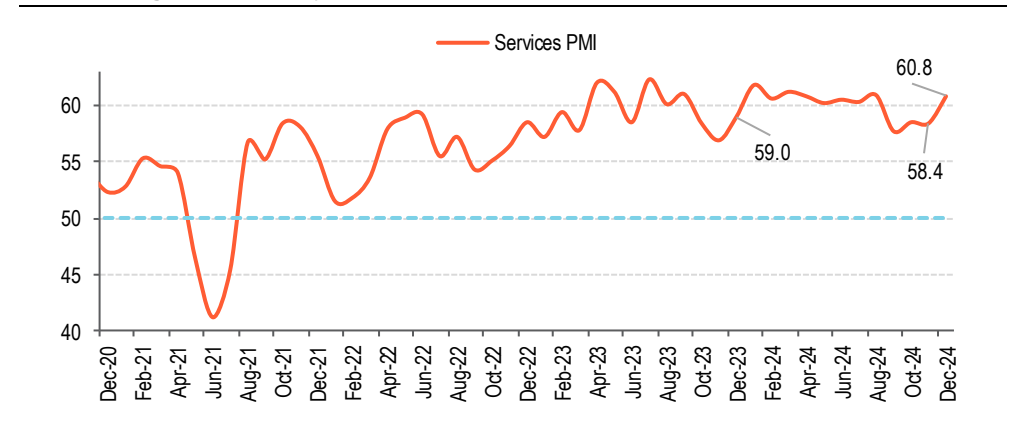


Fig 59 – Services PMI shows activity at the end of Q3 was bouyant; Q3 average (59.2) was higher than last year (58.1)



Source: Markit

Fig 60 – GVA: Trade & related services activity maintained pace in Q1 versus Q4

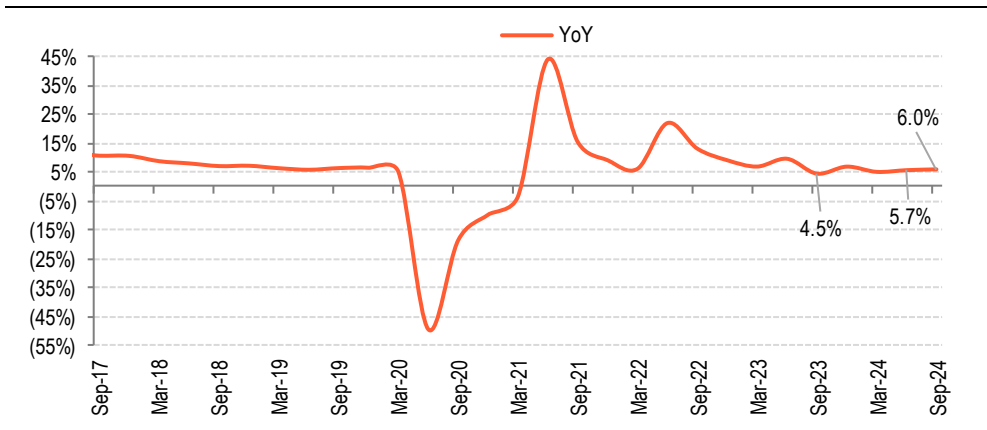
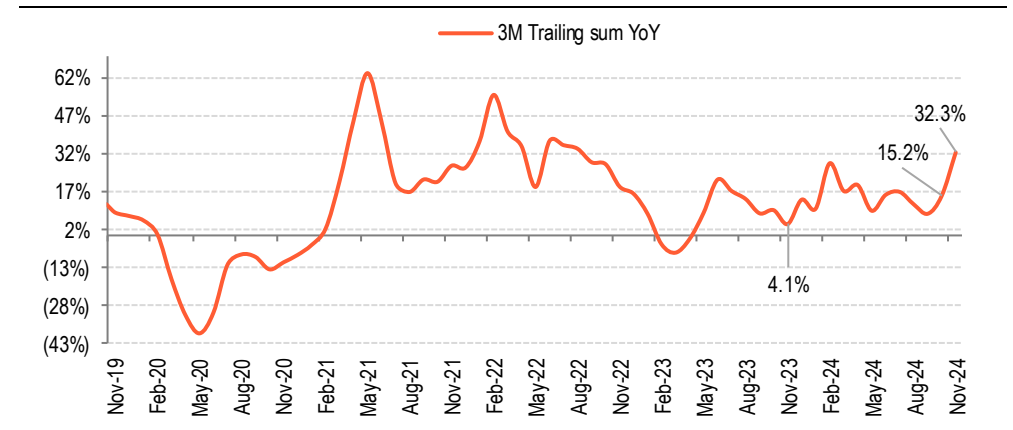


Fig 61 – States' tax revenue growth seen picking up pace in Q3 (Oct-Nov'24)



Note: \*All states excluding North Eastern states (ex Assam), Goa, J&K, and Jharkhand

Trade

Fig 62 – Vehicle registration growth in Q3FY25 was higher than last year and Q2FY25

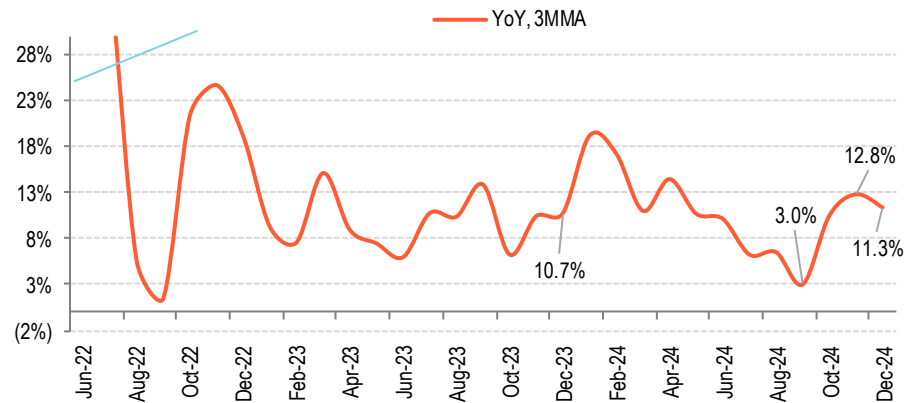


Fig 63 – Diesel consumption jumped in Q3FY25, was higher than Q2 and last year

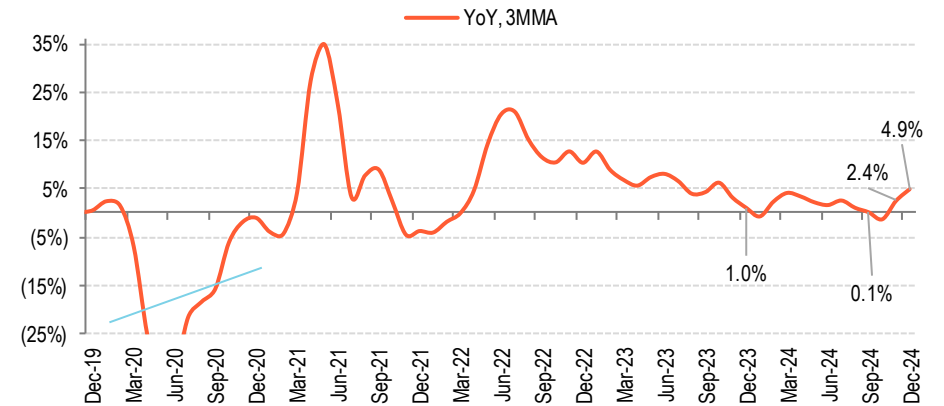


Fig 64 – Railway freight traffic growth dwindled further in Oct'24

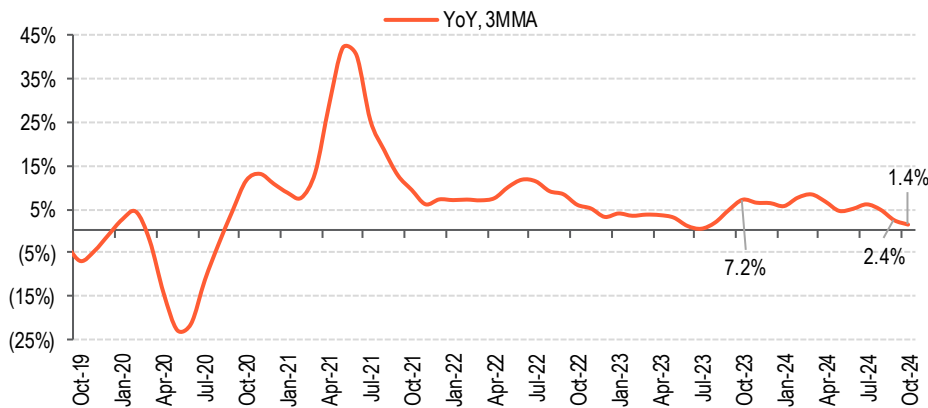
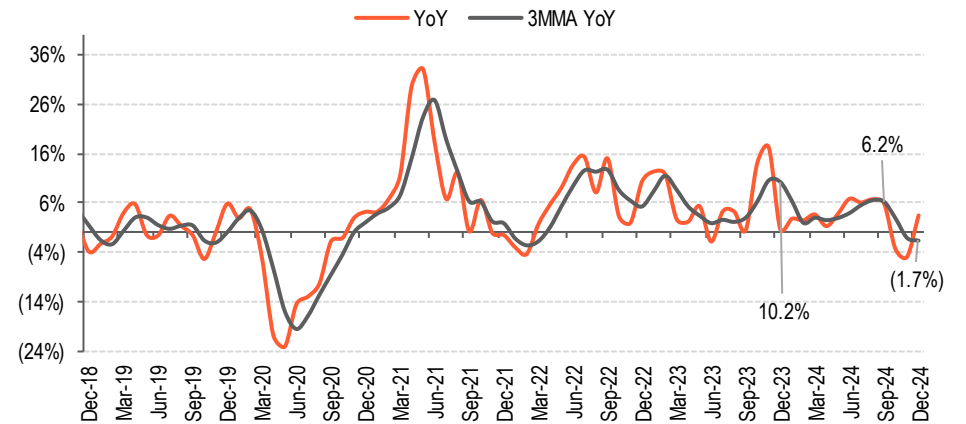
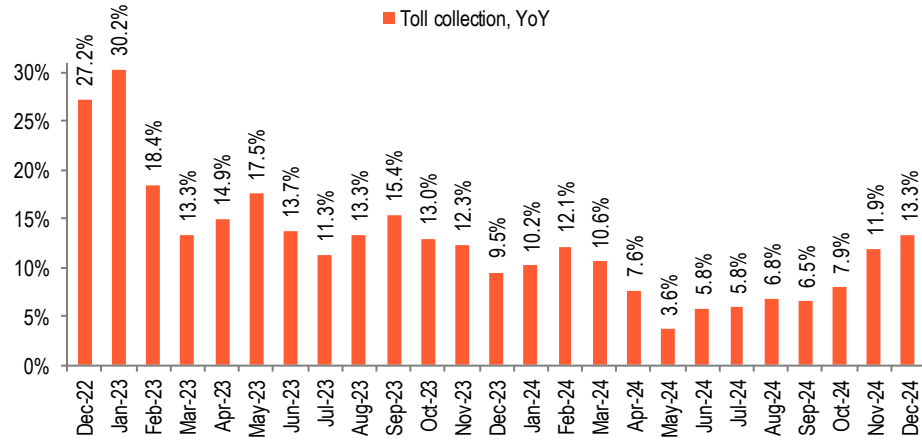


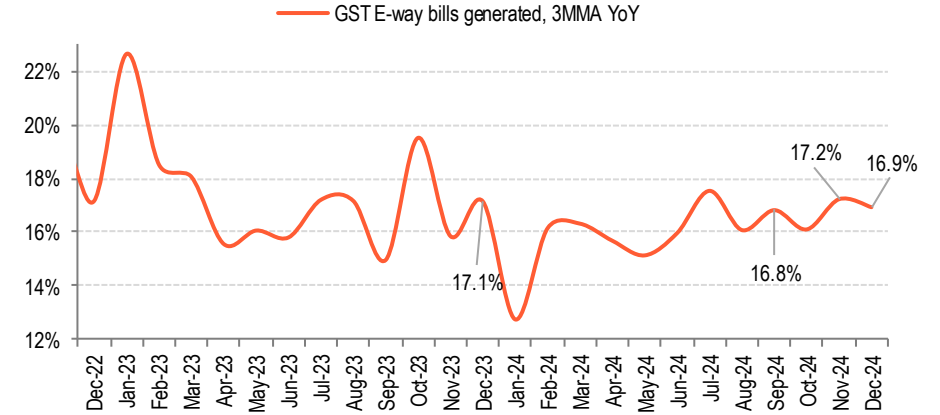
Fig 65 – Port cargo traffic growth in Q3 was much lower than Q2 and even last year



**Fig 66 – Toll collection in Q3FY25 was higher (11.1%) than last year (6.4%)**

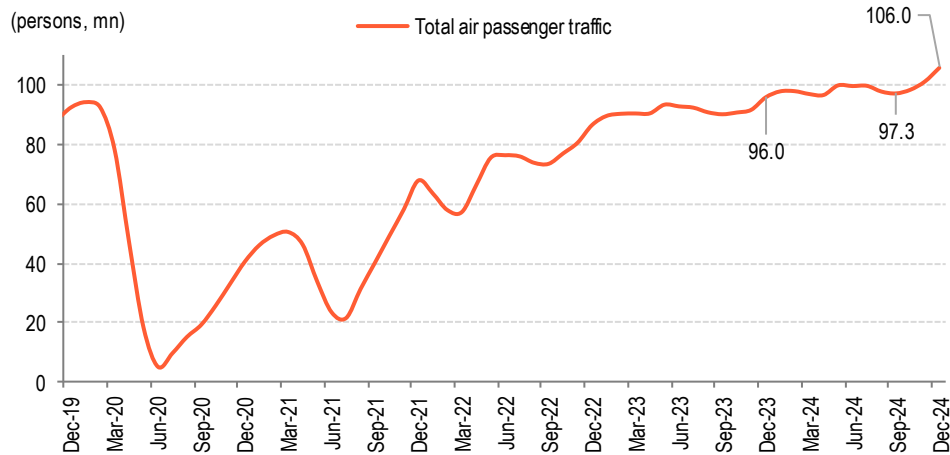


**Fig 67 – Growth in E-way bills broadly holding ground, despite a high base**

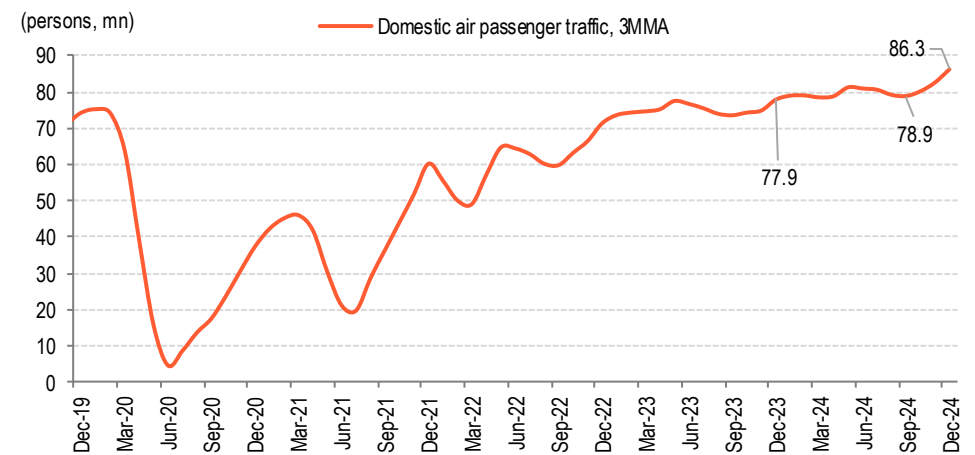


**Hotels and communications**

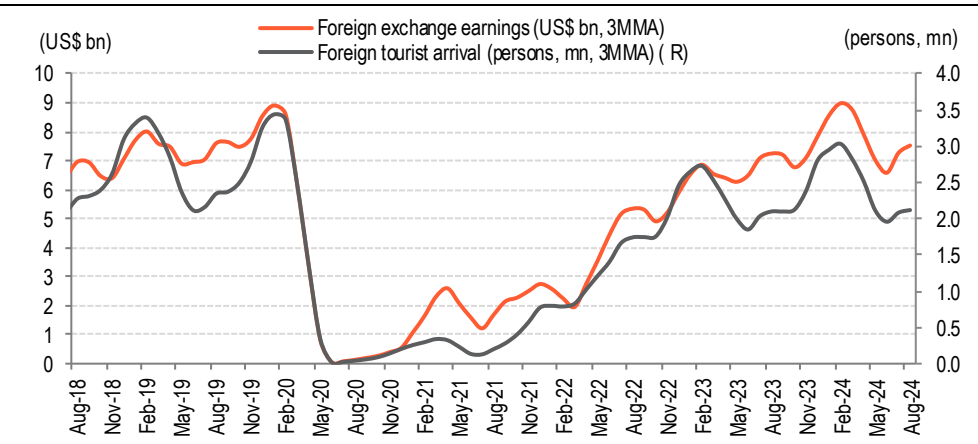
**Fig 68 – Airline passenger traffic improved in Q3 versus both Q2 and last year**



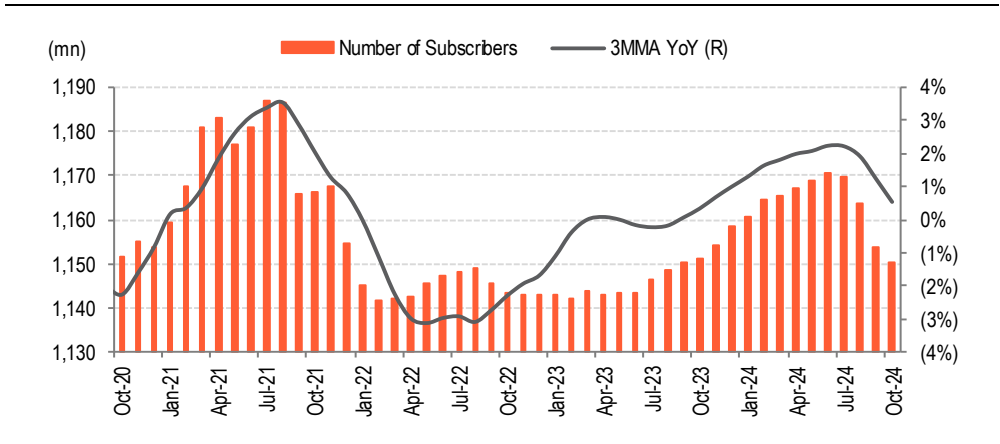
**Fig 69 – Domestic passenger traffic drives the trend in headline numbers**



**Fig 70 – Foreign tourist arrivals inched further up in Aug'24**

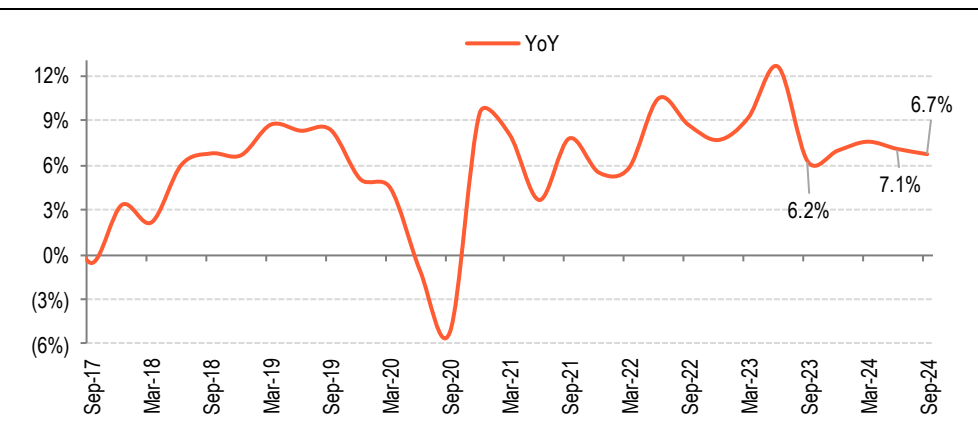


**Fig 71 – Number of telecom subscribers fell by 3.3mn in Oct'24 following 16.8mn decline in subscribers in Q2**

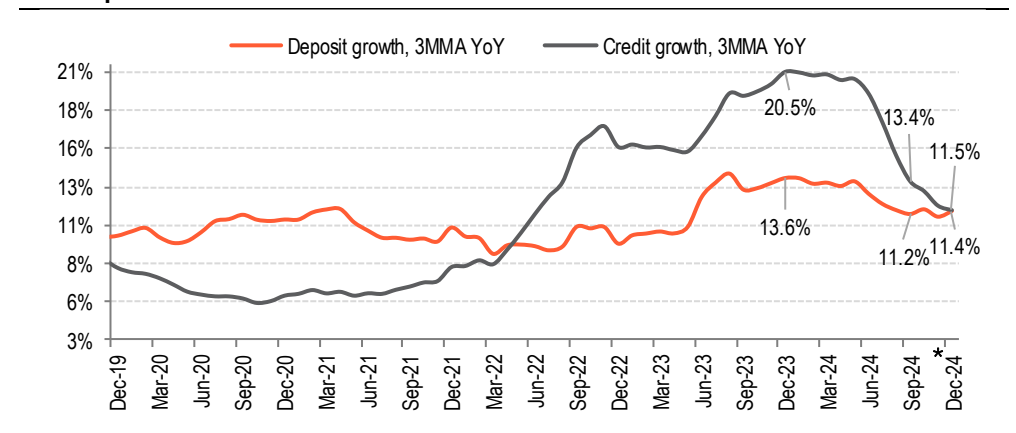


**Finance and real estate**

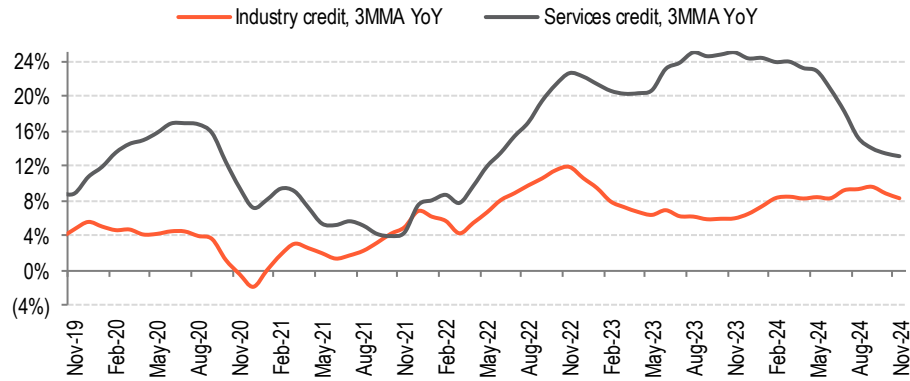
**Fig 72 – Growth in GVA: Finance, real estate & prof. acted as a drag in Q2**



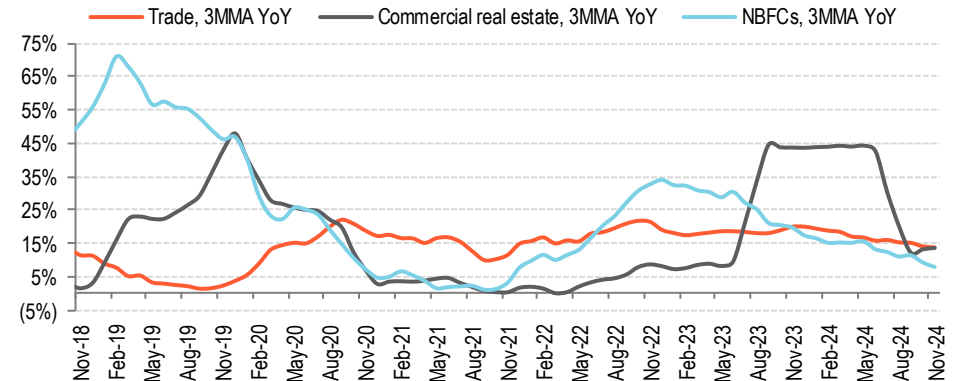
**Fig 73 – Credit growth in Q3 eased compared with Q2, deposit growth saw marginal improvement**



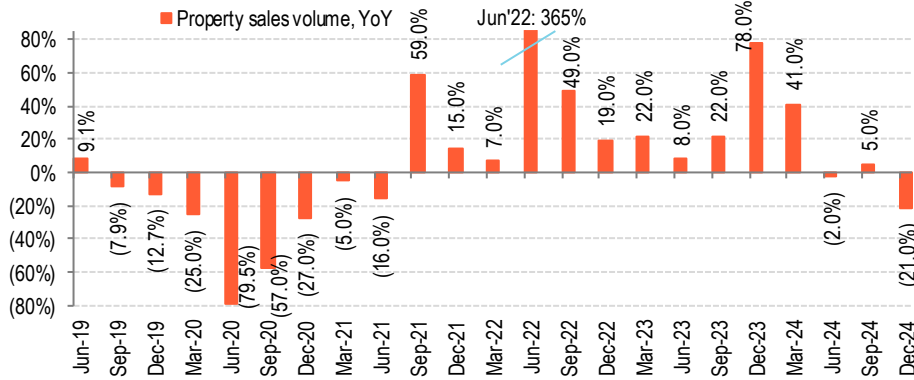
**Fig 74 – Credit to both industry and services slowed in Nov'24**



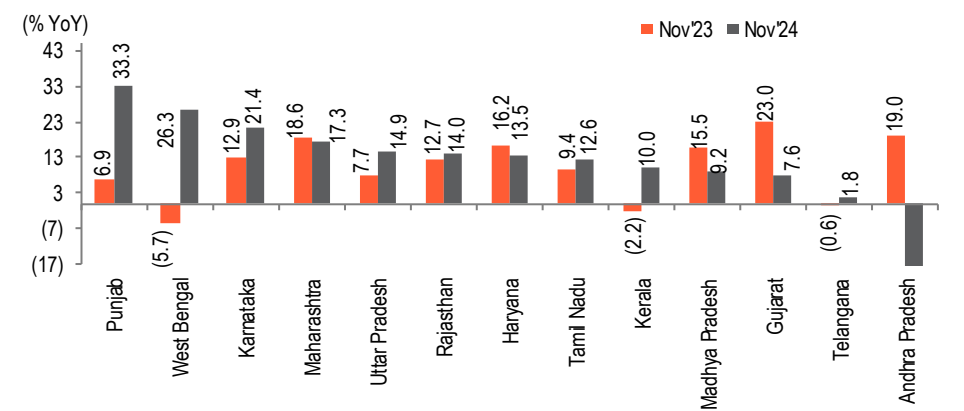
**Fig 75 – Within services, credit to commercial real estate and trade seen stabilizing, but credit to NBFCs remains weak**



**Fig 76 – Property sales volume declined sharply in Q3FY25, due to base effect**



**Fig 77 – Barring Maharashtra, MP, Gujarat, and AP, stamp duty collections of other states recorded improvement in FYTD so far (till Nov) versus last year**



Source: Proptiger

Labour market

Fig 78 – Naukri job index also improved at a faster pace in Q3FY25

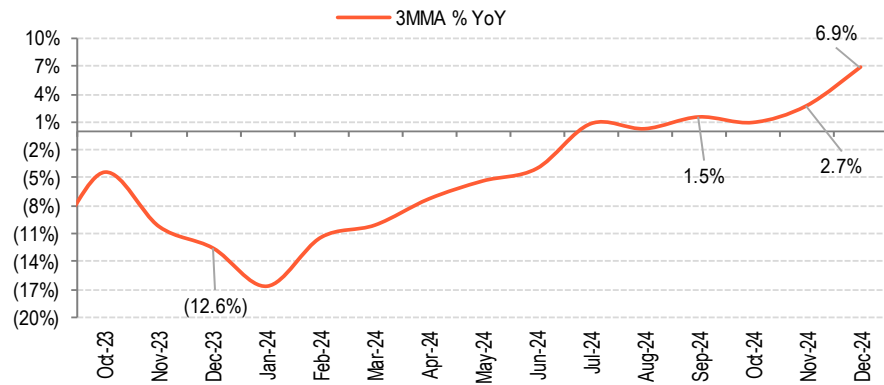


Fig 79 – Overall unemployment rate has remained broadly stable in Q3 (81%) versus Q2 (8%)



Public administration

Fig 80 – Public admin & defence services moderated in Q2, dragging headline growth

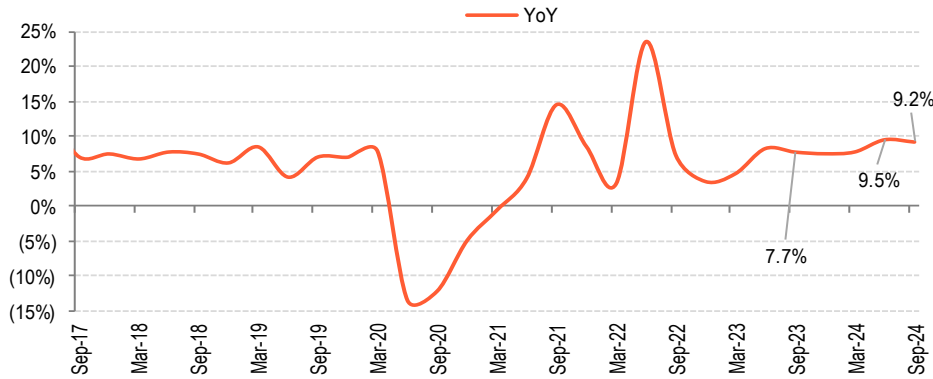
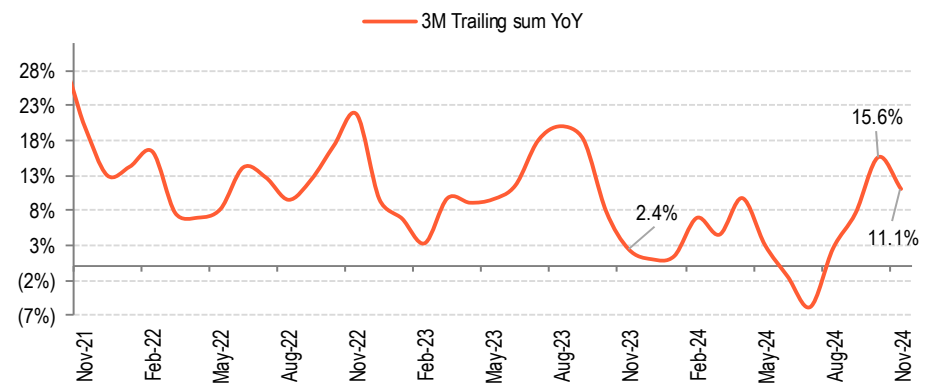
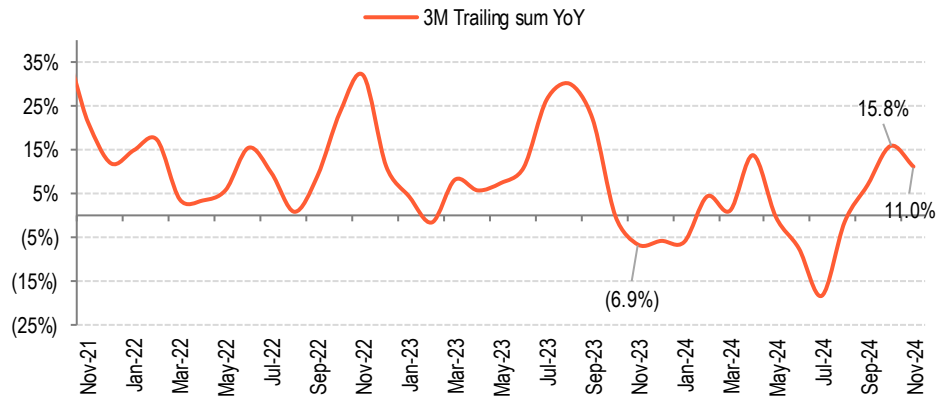


Fig 81 – General govt. spending slipped in Nov'24

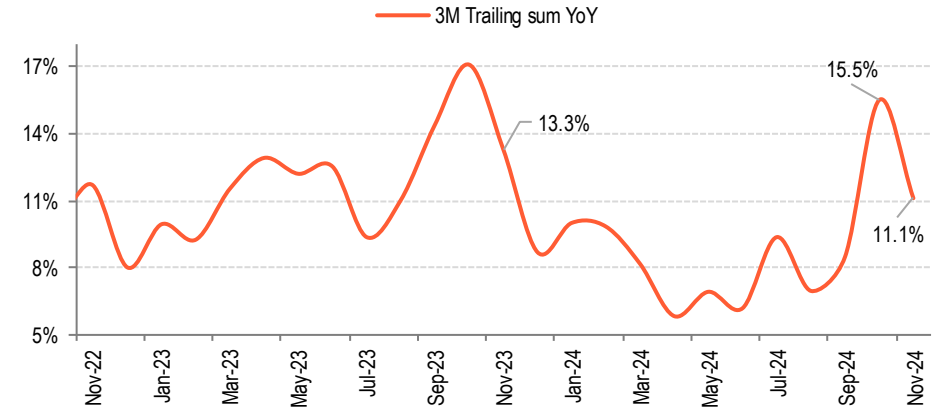




**Fig 82 – ...mirroring the trend in central government spending**



**Fig 83 – State\* Govt. spending also eased in Nov'24**

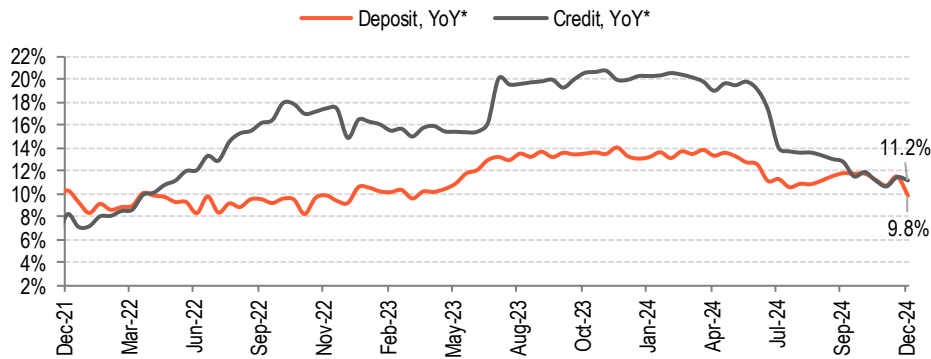


Note: \*All states excluding North Eastern states (ex Assam), Goa, J&K, and Jharkhand

Financial sector

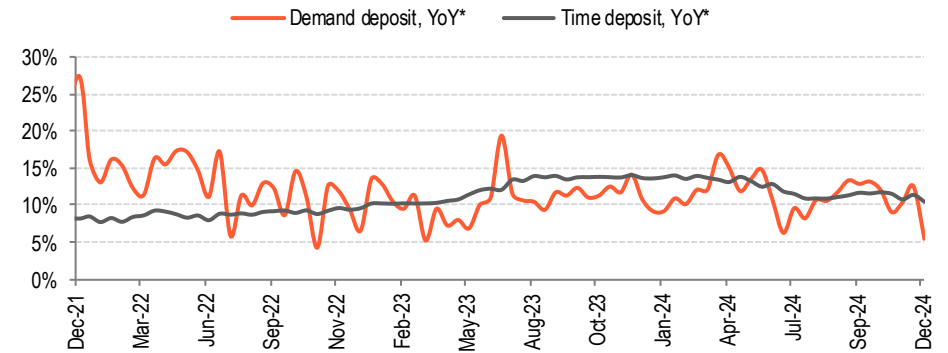
Money and banking

**Fig 84 – Credit growth was at 11.2% in Dec'24 (incl. merger), deposit growth moderated to 9.8%**



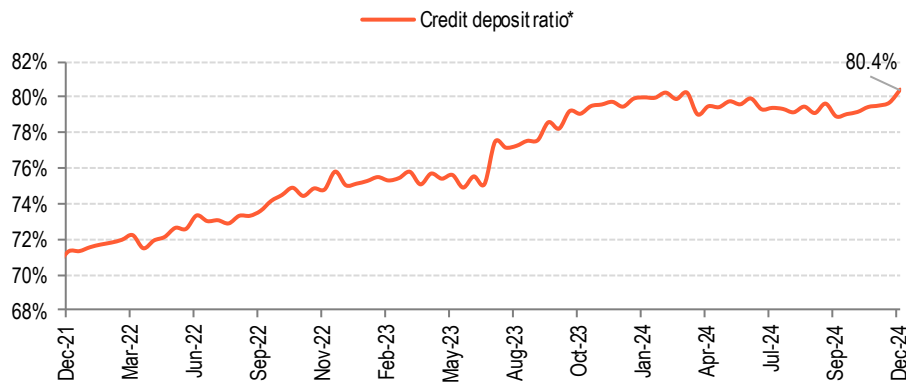
Note: Fortnight as of 27 Dec 2024

**Fig 85 – ...demand deposits eased notably, while time deposit growth remains stable**



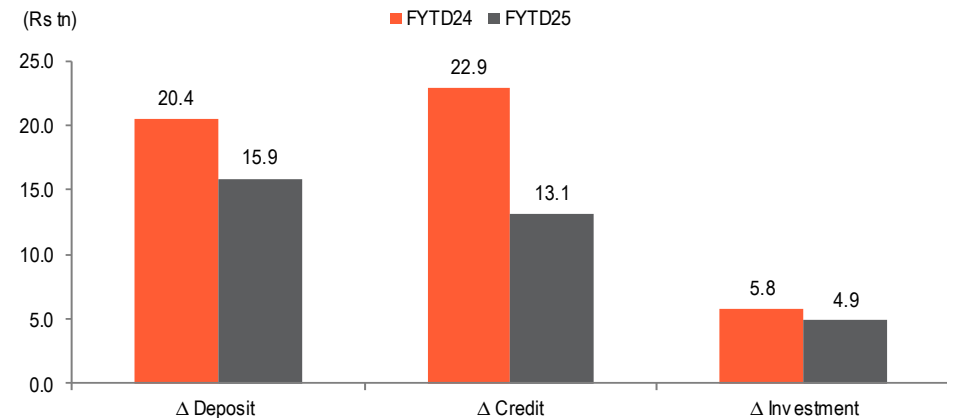
Note: Fortnight as of 27 Dec 2024

**Fig 86 – CD ratio was at 80.4**



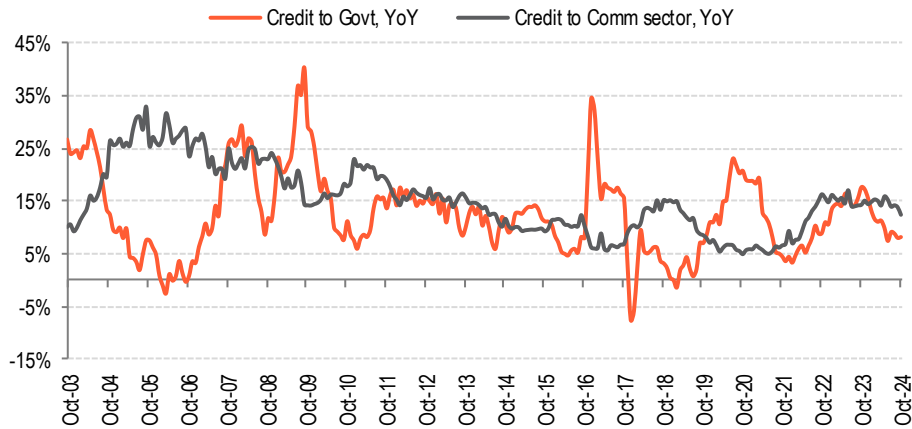
Note: Fortnight as of 27 Dec 2024

**Fig 87 – Credit, deposit and investment accretion**

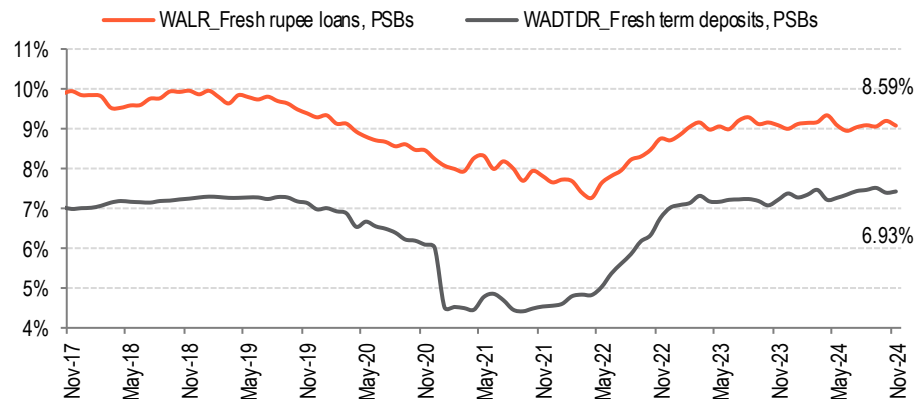


Note: Note: Fortnight as of 27 Dec 2024, Accretion from March

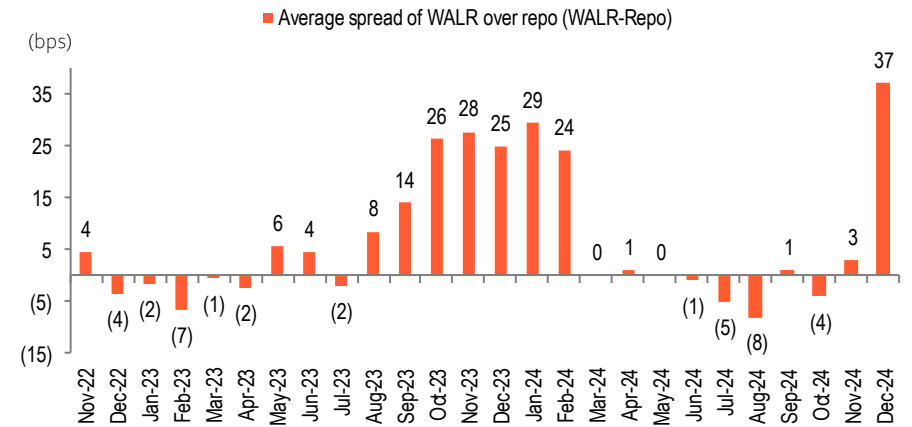
**Fig 88 – Credit to govt rose to 8.2% in Oct'24 from 8% in Sep'24, credit to commercial sector edged down to 12.4% from 13.8%**



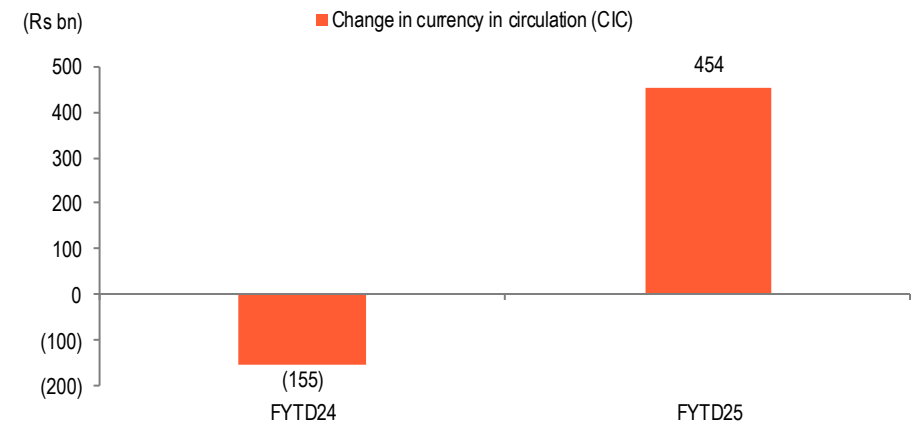
**Fig 90 – WALR on fresh loans eased in Nov'24, WADTDR rose a tad**



**Fig 89 – Spread between WALR and repo widened in Dec'24**

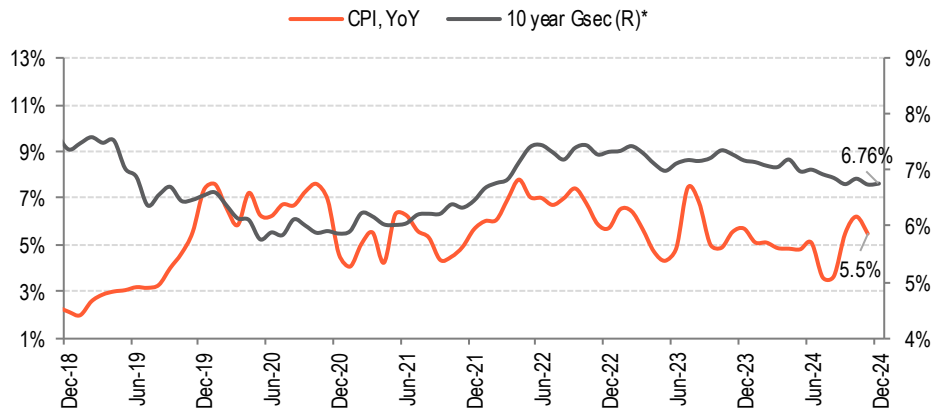


**Fig 91 – CIC accretion picking pace**



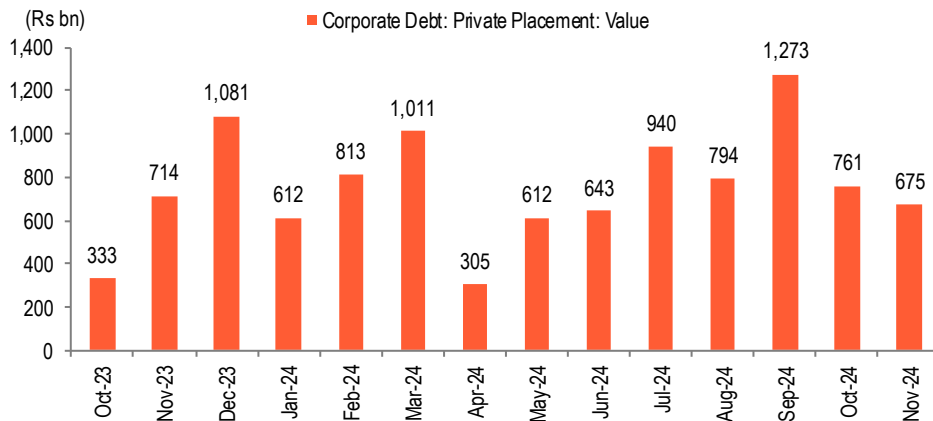
Note: Accretion from Mar

**Fig 92 – 10Y GSec yield broadly steady at 6.76% in Dec'24 versus 6.74% in Nov'24, inflation moderated to 5.5% from 6.2% in Oct'24**

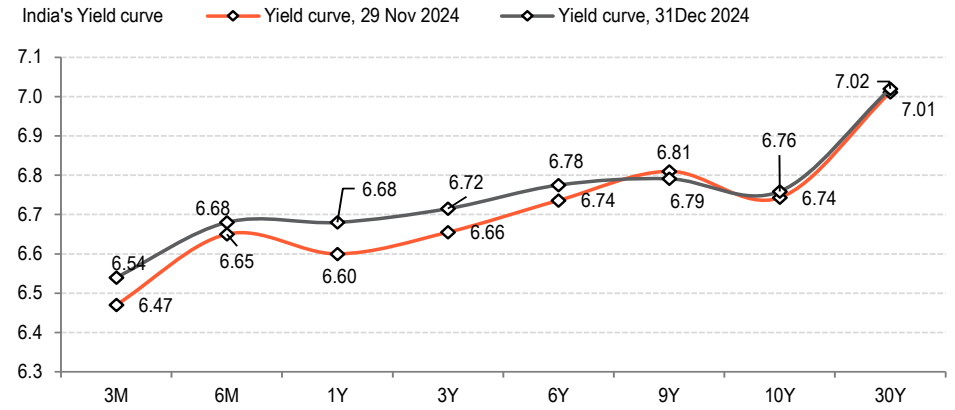


Note: \*As on last trading day of the month

**Fig 94 – Corporate debt issuances moderated to Rs 675bn in Nov'24**

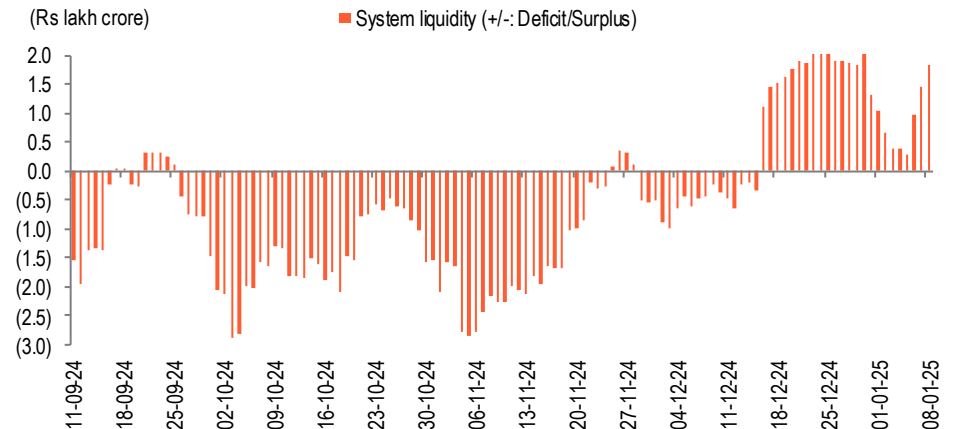


**Fig 93 – Yield curve Movement**



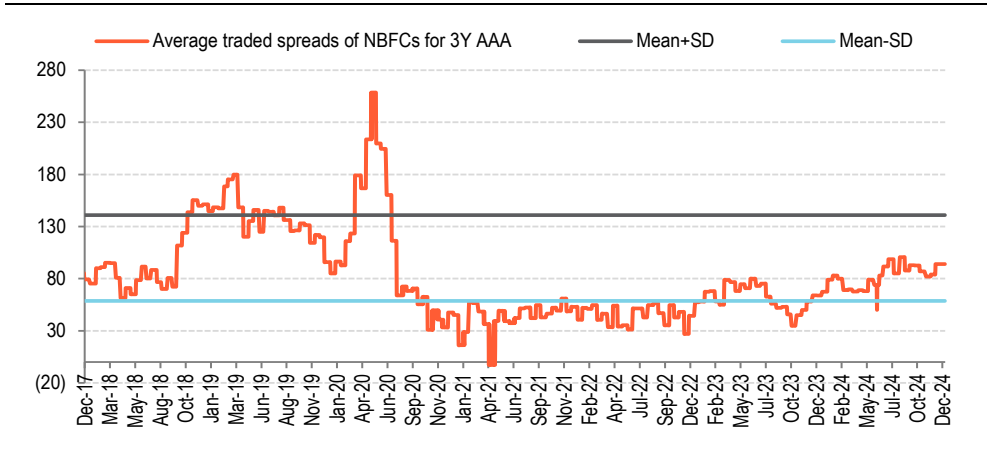
Source: Bloomberg

**Fig 95 – Avg. system liquidity deficit was at Rs 0.68tn in Dec'24 versus surplus of Rs 1.39tn in Nov'24; currently at deficit of Rs 0.88tn surplus (till 8<sup>th</sup> Jan)**

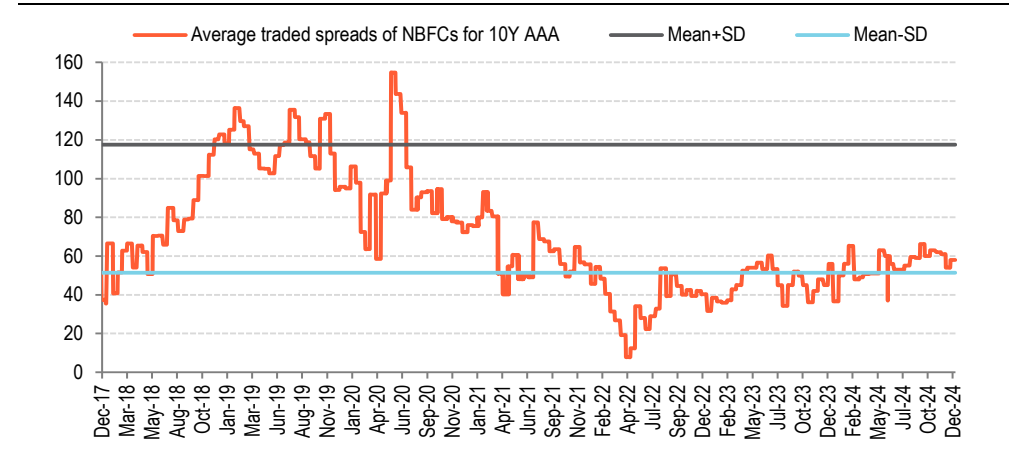


Source: RBI

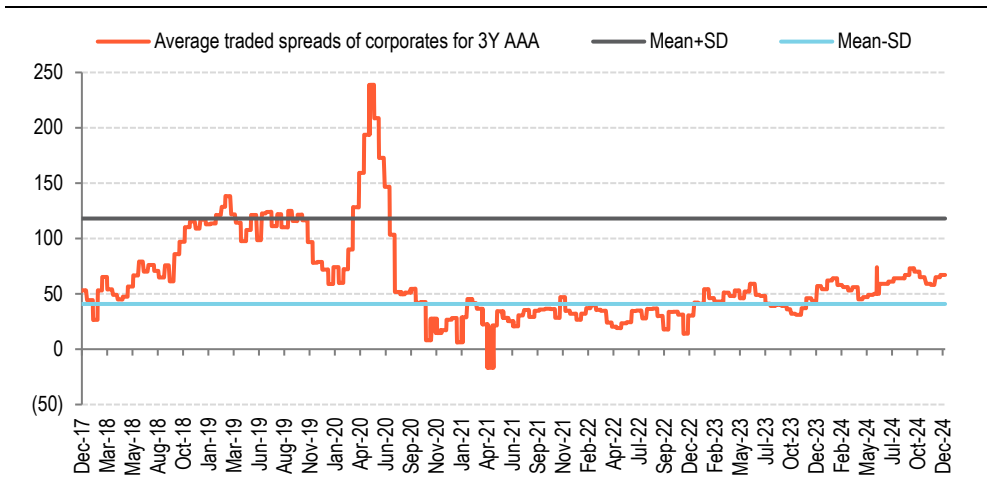
**Fig 96 – 3Y AAA NBFC spread increased to 94bps as of 31 Dec 2024 from 84bps as on 29 Nov 2024**



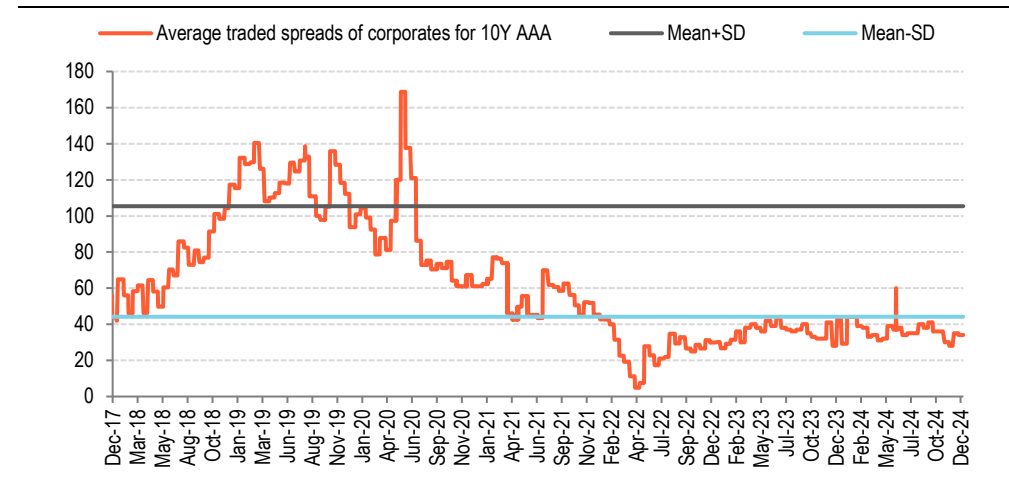
**Fig 97 – For 10Y AAA NBFC, it edged down slightly to 58bps from 61bps in Nov'24**



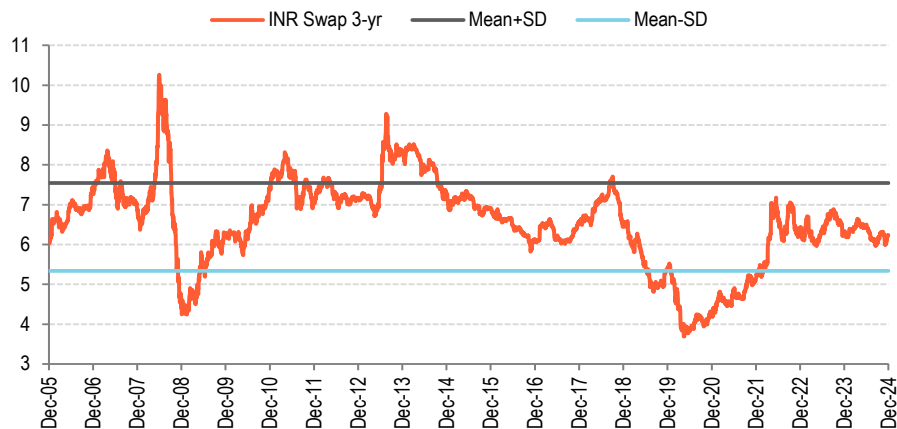
**Fig 98 – 3Y AAA corp spread rose to 67bps in Dec'24 from 58bps as of 29 Nov 2024**



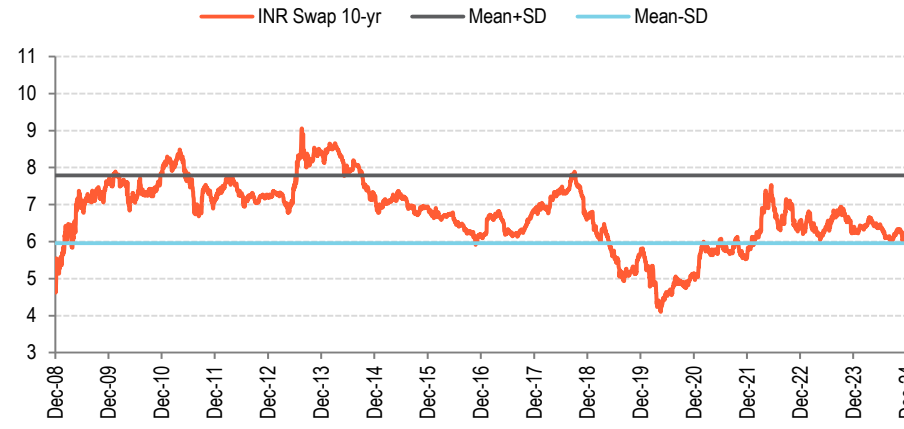
**Fig 99 – For 10Y AAA corp spread as well, it was higher at 34bps compared with 28bps**



**Fig 100 – INR 3Y swap increased to 6.22 as of 31 Dec 2024 from 6.12 as on 29 Nov 2024**



**Fig 101 – For 10Y as well, it was higher at 6.23 versus 6.12 as of Nov'24 end**



**Interest rates on small savings schemes**

**Fig 102 – Interest rate on small savings scheme to remain unchanged in Q4FY25**

Instrument (%)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
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	6.6	6.8	6.9	6.9	6.9	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	5.7	6.8	6.9	7.0	7.0	7.0	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	5.8	6.9	7.0	7.0	7.0	7.1	7.1	7.1	7.1	7.1
5 year time deposit	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	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	6.2	6.5	6.7	6.7	6.7	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	7.6	8.0	8.2	8.2	8.2	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	6.7	7.1	7.4	7.4	7.4	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	7.0	7.7	7.7	7.7	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	7.0	7.2	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Sukanya samridhhi account scheme	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	8.2	8.2	8.2

Source: Department of Economic Affairs, Ministry of Finance, Government of India

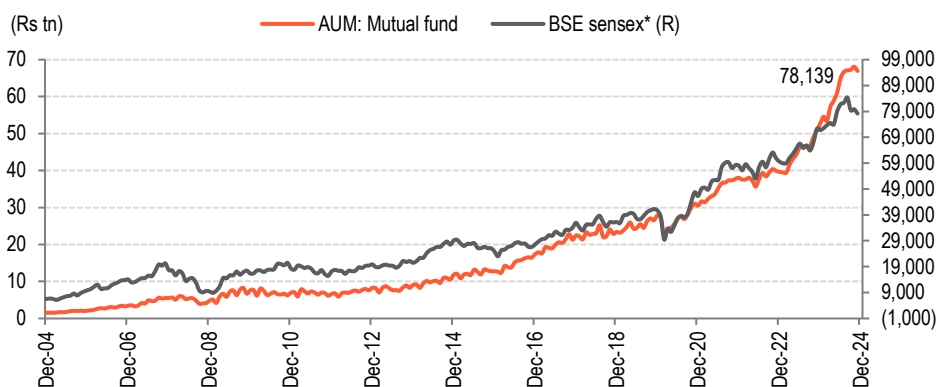
**Fig 103 – MCLR rate of few PSBs inched up**

1Y MCLR (%)	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sep'24	Oct'24	Nov'24	Nov'24
<b>Public Sector Banks</b>																
Bank of Baroda	8.70	8.70	8.75	8.75	8.80	8.80	8.80	8.85	8.85	8.85	8.90	8.95	8.95	8.95	9.00	9.00
Bank of India	8.70	8.70	8.75	8.80	8.80	8.80	8.85	8.85	8.85	8.90	8.90	8.95	8.95	8.95	9.00	9.00
Canara Bank	8.70	8.70	8.75	8.75	8.80	8.85	8.90	8.90	8.90	8.90	8.95	9.00	9.00	9.05	9.05	<b>9.10</b>
Indian Bank	8.70	8.70	8.75	8.75	8.80	8.85	8.85	8.85	8.85	8.90	8.95	8.95	9.00	9.00	9.00	<b>9.05</b>
Punjab National Bank	8.65	8.65	8.65	8.65	8.70	8.80	8.80	8.80	8.80	8.85	8.85	8.90	8.90	8.95	8.95	<b>9.00</b>
State Bank of India	8.55	8.55	8.55	8.65	8.65	8.65	8.65	8.65	8.65	8.75	8.85	8.95	8.95	8.95	9.00	9.00
Union Bank of India	8.70	8.70	8.70	8.80	8.80	8.90	8.90	8.90	8.90	8.90	8.90	8.95	8.95	8.95	9.00	<b>9.05</b>
<b>Private Sector Banks</b>																
Axis Bank Ltd.	9.15	9.15	9.20	9.25	9.25	9.30	9.30	9.30	9.30	9.30	9.30	9.35	9.35	9.35	9.35	<b>9.45</b>
HDFC Bank Ltd.	9.15	9.20	9.20	9.20	9.25	9.30	9.30	9.30	9.30	9.30	9.40	9.45	9.45	9.45	9.45	9.45
ICICI Bank Ltd.	8.95	8.95	9.00	9.00	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10
Indusind Bank	10.30	10.30	10.35	10.35	10.35	10.40	10.40	10.40	10.45	10.45	10.45	10.55	10.55	10.55	10.55	10.55
Kotak Mahindra Bank	9.30	9.35	9.35	9.35	9.35	9.45	9.45	9.45	9.45	9.50	9.50	9.55	9.55	9.55	9.55	9.55

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

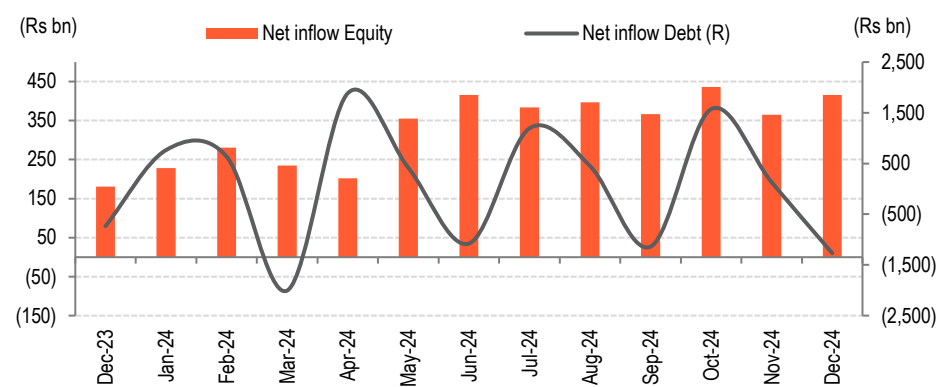
### Mutual fund (MF) indicators

**Fig 104 – Sensex fell by 2.1% in Dec'24, AUM of MFs moderated to Rs 66.9tn in Dec'24 from Rs 68.1tn in Nov'24**



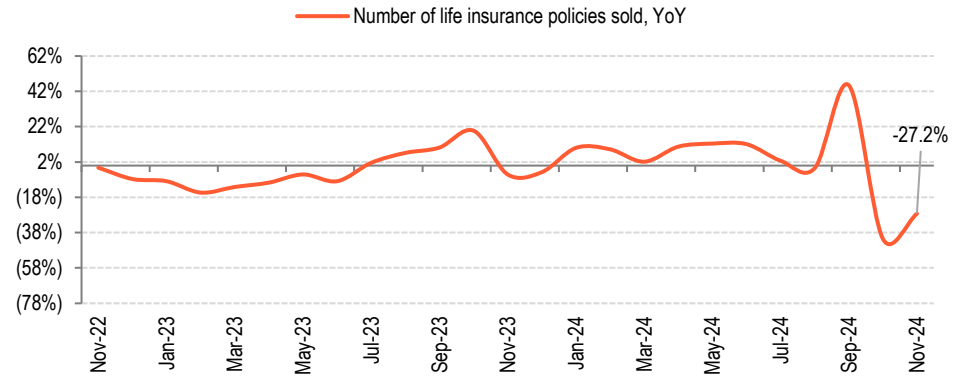
Source: \*Sensex as on last trading day of the month.

**Fig 105 – MF equity inflows rose to Rs 416bn in Dec'24 from Rs 365bn in Nov'24; debt outflow rose to Rs 1.3tn from Rs 129bn inflow seen in Nov'24**

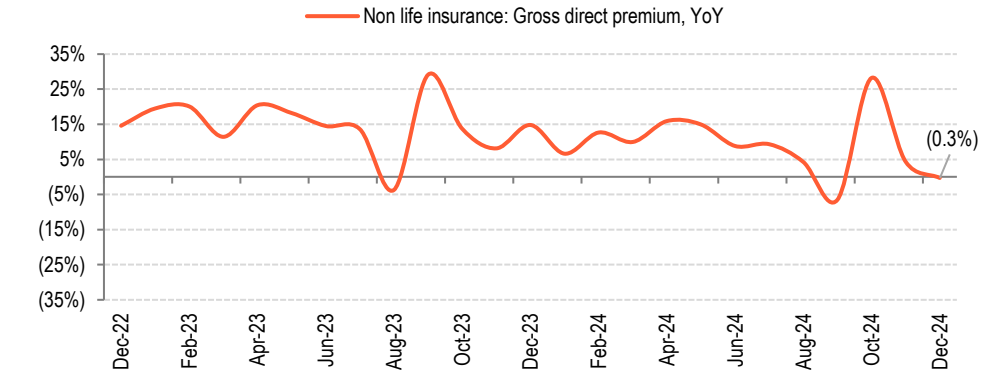


Insurance sector indicators

**Fig 106 – Sale of life insurance policies continued to be on the negative trajectory albeit at a slower pace, as it fell by 27.2% in Nov'24 from -41.6% in Oct'24**



**Fig 107 – Gross direct premium for non-life insurance fell by 0.3% from increase of 4.3% seen in Nov'24, led by an adverse base**





Public finance

Central government finances

Fig 108 – Fiscal deficit eased in Nov’24 (12MMA basis); and remains lower than last year

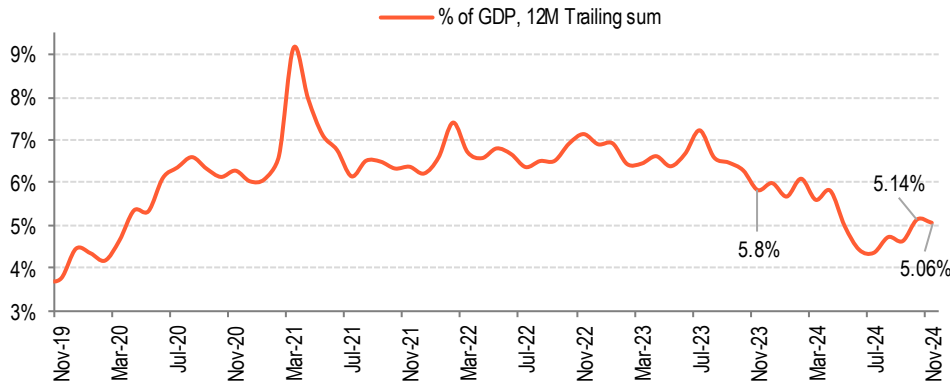


Fig 109 – Revenue deficit also marginally down

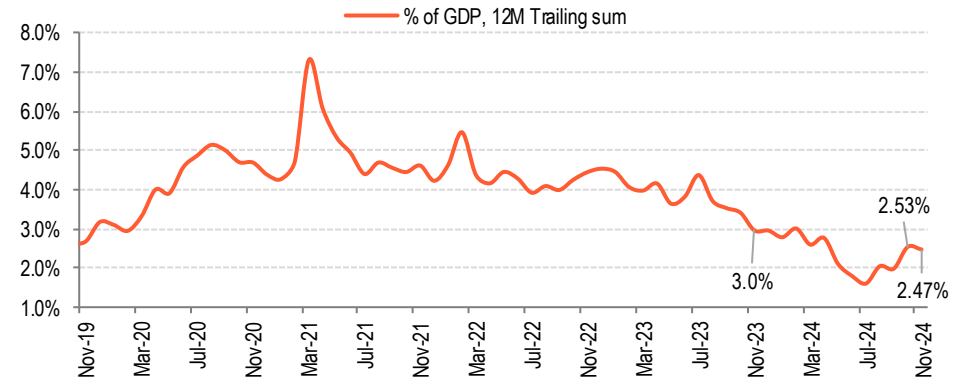


Fig 110 – Primary deficit stable at 1.5% as of Nov’24

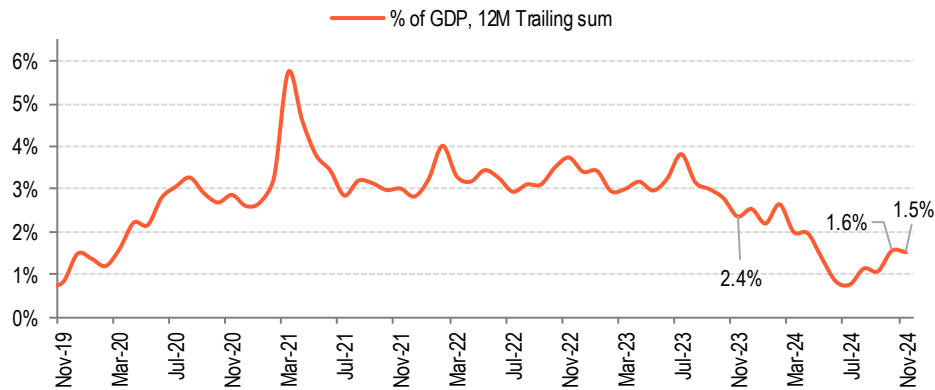
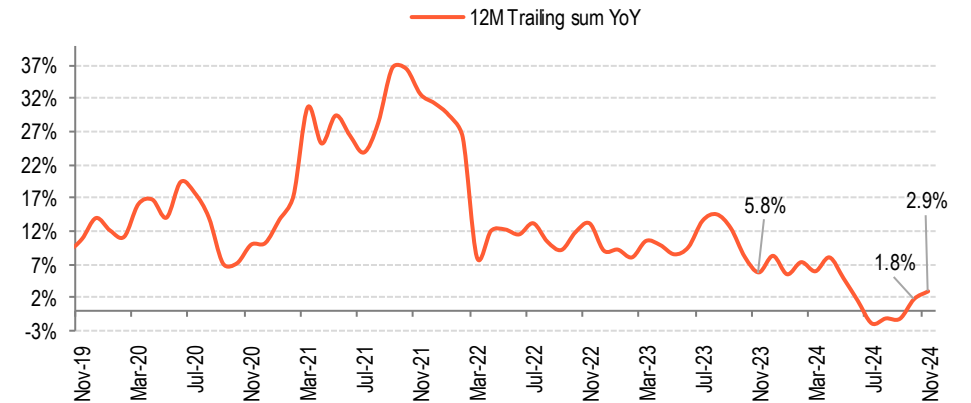
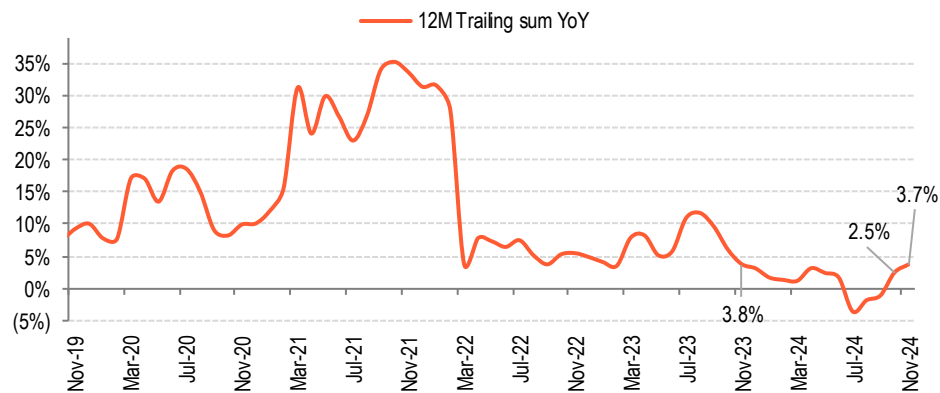


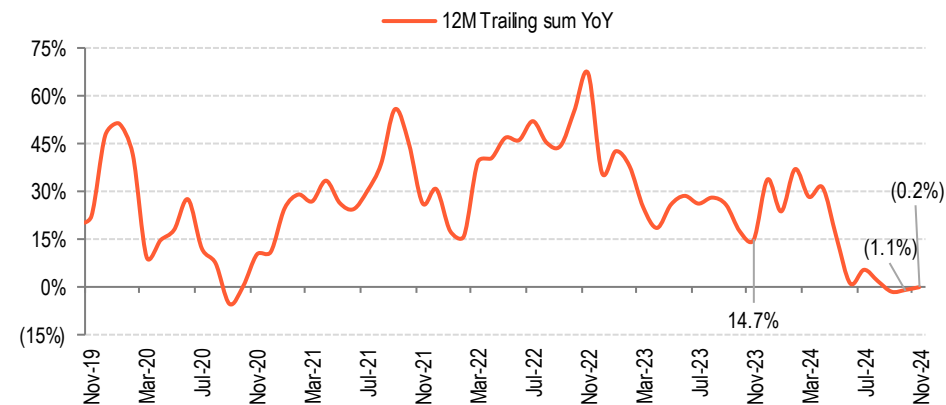
Fig 111 – Government spending picked up in Nov’24 (12MMA basis)...



**Fig 112 – ...Led by revenue spending**



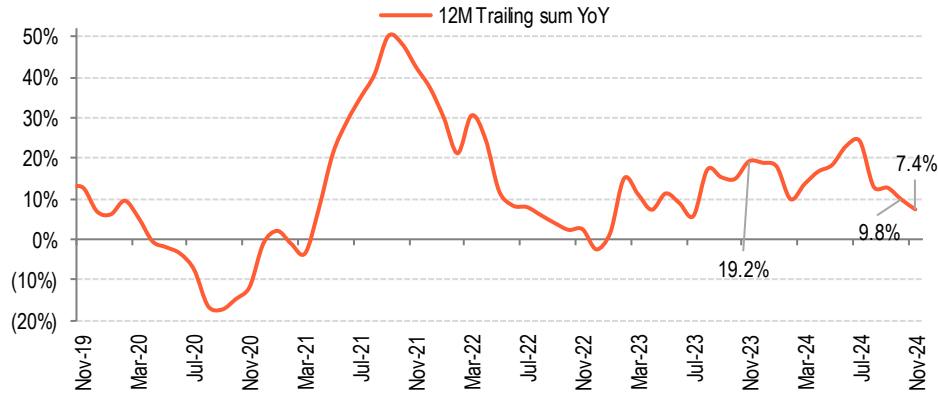
**Fig 113 – Capital expenditure fell less sharply in Nov'24**



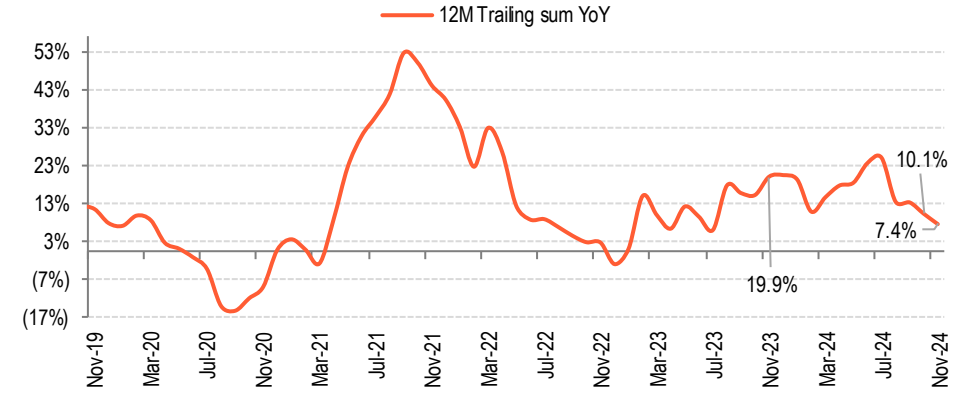
**Fig 114 – Capex spending was hit due to lower outgo from ministry of road transport; revenue exp seen improving due ministry of consumer affair/home affair/rural development**

Ministry	Apr-Nov'22	Apr-Nov'23	% change	Apr-Nov'24	% change
Ministry of Finance	8,459	9,088	7.4	9,754	7.3
Ministry of Defence	3,354	4,012	19.6	3,983	(0.7)
Ministry of Consumer Affairs, Food and Public Distribution	1,481	1,192	(19.5)	1,636	37.2
Ministry of Rural Development	955	877	(8.2)	1,036	18.2
Ministry of Home Affairs	1,210	1,281	5.8	1,573	22.8
Ministry of Education	587	538	(8.3)	579	7.5
Ministry of Road Transport and Highways	1,580	1,835	16.1	1,500	(18.3)
Ministry of Chemicals and Fertilisers	1,526	1,278	(16.3)	1,209	(5.4)
Ministry of Petroleum and Natural Gas	23	21	(9.8)	63	203.2
Ministry of Agriculture	682	682	0.1	784	14.9
Ministry of Health and Family Welfare	433	483	11.7	602	24.6

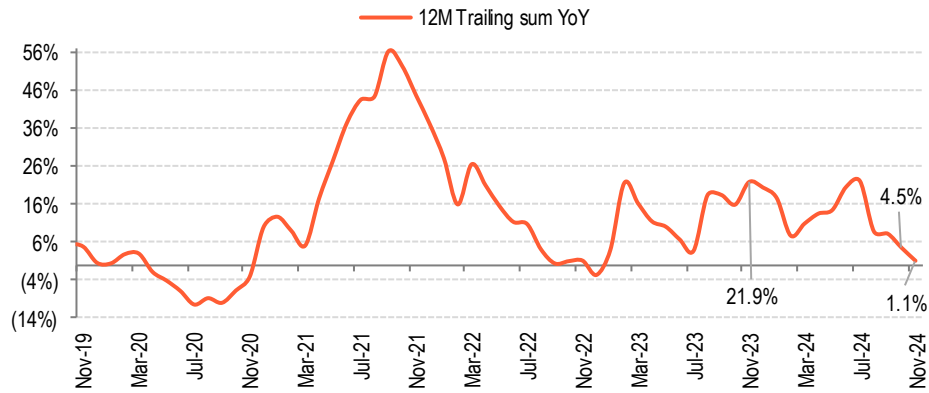
**Fig 115 – Receipt growth softened further in Nov’24...**



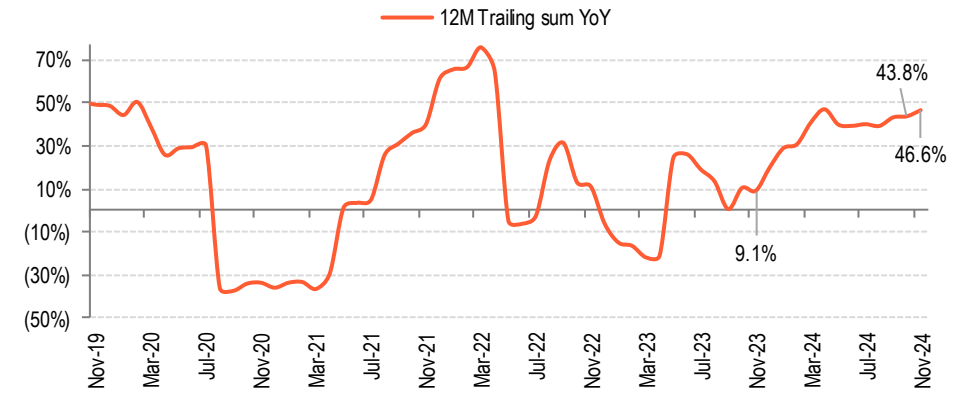
**Fig 116 – ...Led by slowdown in revenue receipts**



**Fig 117 – Net tax revenue receipts led the moderation in revenue receipts**



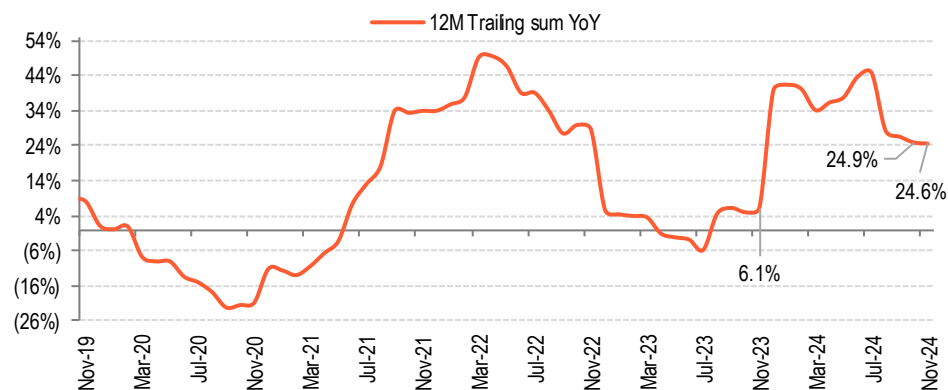
**Fig 118 – Non-tax collections continue to maintain steady growth path**



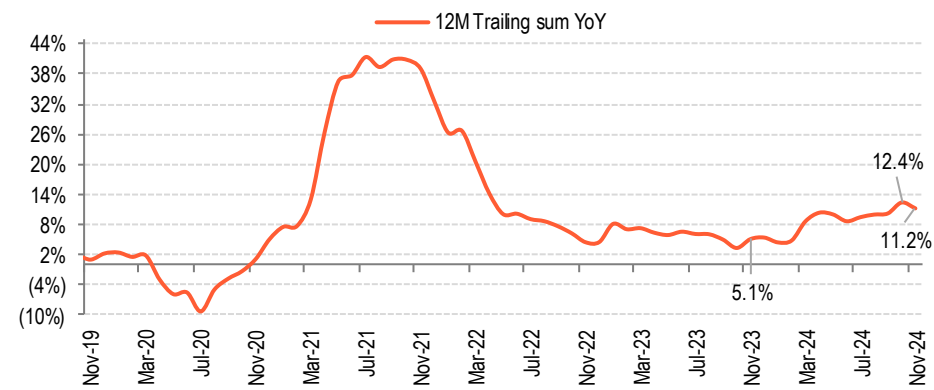
**Fig 119 – Centre’s net tax collections see a slowdown, due to higher base; capex still lower than last year**

	Apr-Nov'22	Apr-Nov'23	% change	Apr-Nov'24	% change
Gross Tax revenue	17,807	20,420	14.7	22,610	10.7
Direct taxes	8,668	10,818	24.8	12,124	12.1
Corp Tax	4,282	5,144	20.1	5,116	(0.5)
Income Tax	4,386	5,674	29.4	7,008	23.5
Indirect taxes	9,138	9,602	5.1	10,486	9.2
Non-tax revenue	1,983	2,844	43.4	4,270	50.2
Centre's revenue (net)	14,232	17,201	20.9	18,705	8.7
Total expenditure	24,428	26,522	8.6	27,410	3.3
Capital exp	4,471	5,856	31.0	5,135	(12.3)
Revenue exp	19,957	20,665	3.6	22,275	7.8
Fiscal deficit	9,782	9,066	-	8,466	-

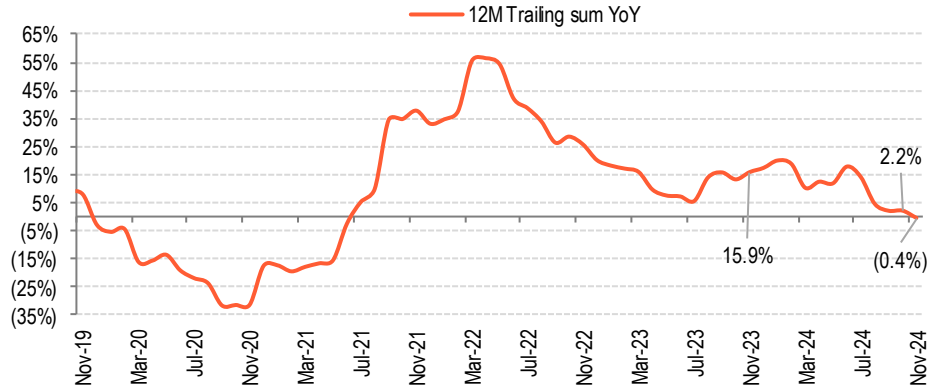
**Fig 120 – Gross direct tax collections broadly steady**



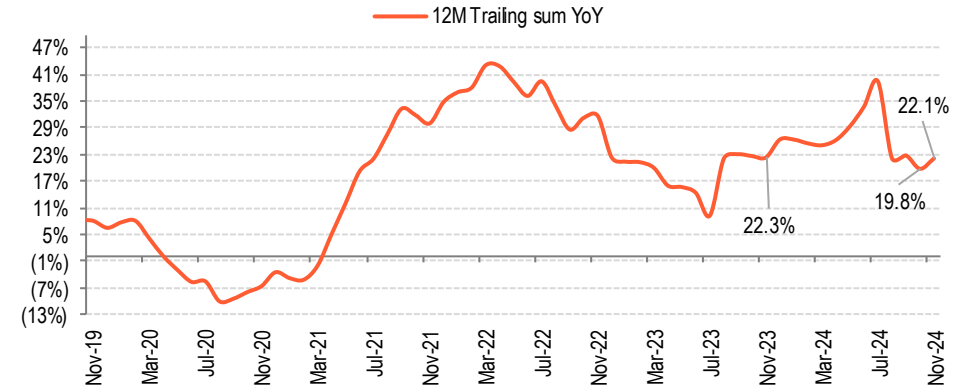
**Fig 121 – Gross indirect tax collections see some moderation**



**Fig 122 – Amongst direct taxes, corporate tax collections declined**



**Fig 123 – Income tax collection growth seen picking up pace**

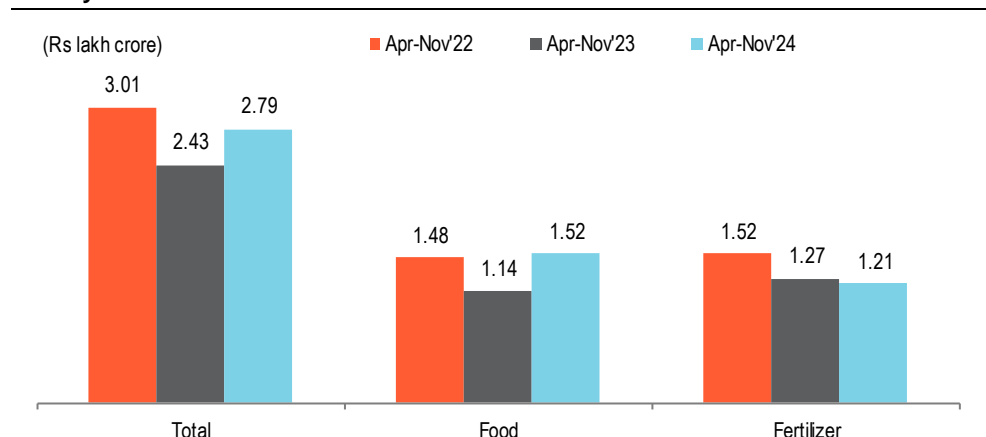


**Fig 124 – GST collections for Nov'24 broadly stable**

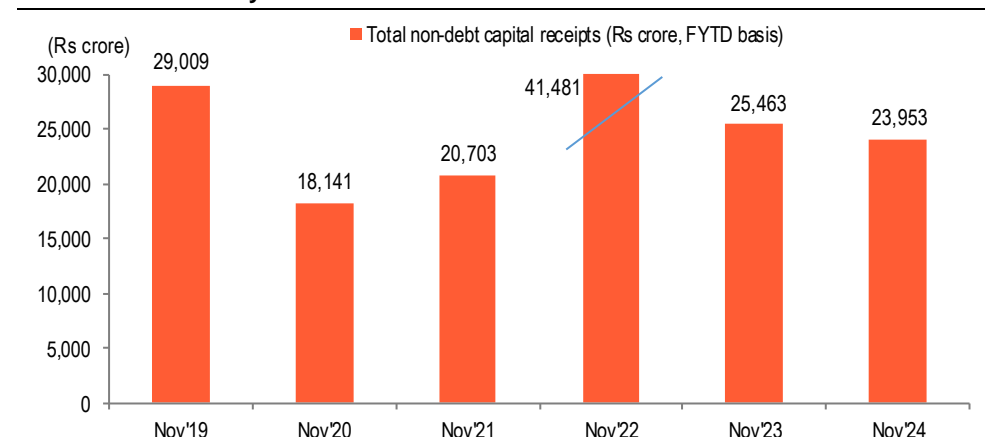
(Rs bn)	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Monthly run rate (FYTD25)	FYTD25	FY25 (BE)
CGST	661	680	737	711	731	912	677	695	723	706	700	804	823	755	6,039	9,177
UT GST	2.5	4.5	4.7	3.8	7.0	2.9	3.1	2.8	0.6	3.5	3.4	3.2	4.8	3	24	-
IGST	43	(113)	(65)	(127)	383	(26)	(82)	7	(5)	82	16	(96)	(174)	(35)	(279)	-
SGST*	855	959	949	970	537	1,084	1,012	904	974	839	894	1,041	1,038	973	7,787	-
Cess	118	118	116	125	127	130	118	129	128	119	119	122	131	124	996	1,500
<b>Total GST</b>	<b>1,679</b>	<b>1,649</b>	<b>1,741</b>	<b>1,683</b>	<b>1,785</b>	<b>2,103</b>	<b>1,727</b>	<b>1,738</b>	<b>1,821</b>	<b>1,750</b>	<b>1,732</b>	<b>1,873</b>	<b>1,823</b>	<b>1,821</b>	<b>14,567</b>	<b>-</b>

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

**Fig 125 – Total subsidy disbursed in FYTD25 so far has been higher than last year, led by food subsidies**



**Fig 126 – Central gov't's non-debt capital receipts as of FYTD25 continue to track lower than last year**



### Central government borrowing

**Fig 127 – Centre's borrowing through T-bill in Q3 was at ~Rs 4tn**

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	3,469	3,210
Q2	3,186	3,299	3,024	5,417	3,215	3,704	3,899	3,242	2,600
Q3	2,632	3,070	2,889	3,745	3,630	3,589	3,611	3,976	2,470
Q4	2,486	1,812	2,511	2,714	4,766	4,566	4,258	638*	
<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, \*Till 8 Jan 2025

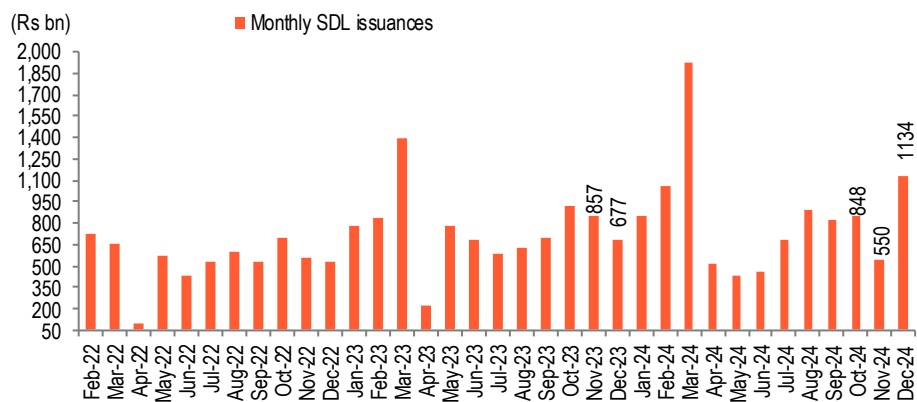
**Fig 128 – Centre has raised Rs 3.8tn in Q3**

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	3,410	3,780
Q2	1,890	1,440	2,210	4,220	3,649	4,390	4,800	3,647	3,720
Q3	1,640	1,270	1,930	2,910	3,190	3,510	3,850	3,785	4,140
Q4	670	1,680	920	3,191	1,370	2,740	2,700	320*	2,470
<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>		<b>14,110</b>

Source: RBI\* Against budgeted Rs 12.8tn, \* Till 3 Jan 2025

State government borrowing

Fig 129 – State government borrowings in Dec'24 jumped to highest in FYTD25 so far



Source: RBI

Fig 130 – States have borrowed 79% of the planned amount in Q3FY25; Q4 off to a slow start

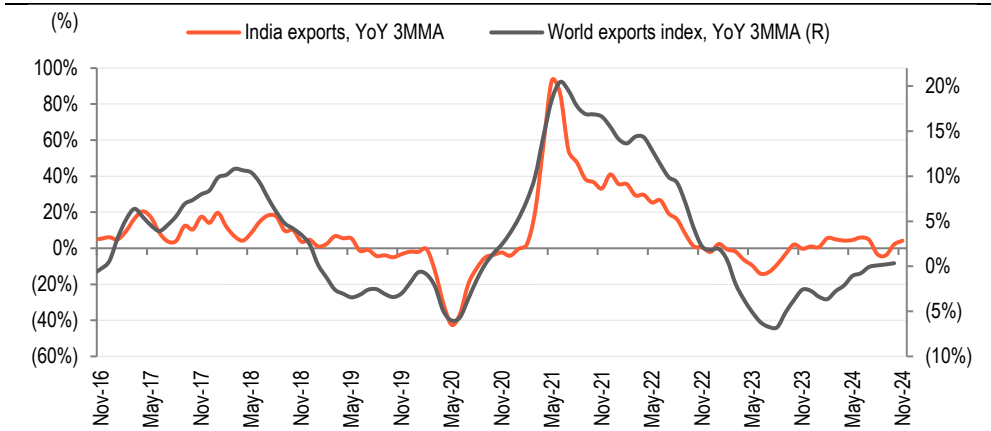
Quarterly SDL issuances, (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FYTD25 (actual)	FY25 (planned)
Q1	766	815	1,673	1,446	1,102	1,677	1,401	2,540
Q2	809	1,439	1,614	1,644	1,661	1,903	2,536	2,636
Q3	1,277	1,470	2,023	1,653	1,879	2,460	2,532	3,201
Q4	1,809	2,006	1,898	2,184	3,009	3,838	195*	4,735
<b>Total</b>	<b>4,661</b>	<b>5,731</b>	<b>7,206</b>	<b>6,927</b>	<b>7,652</b>	<b>9,879</b>	<b>6,664</b>	<b>13,112</b>

Source: RBI; \*as of 7 Jan 2025

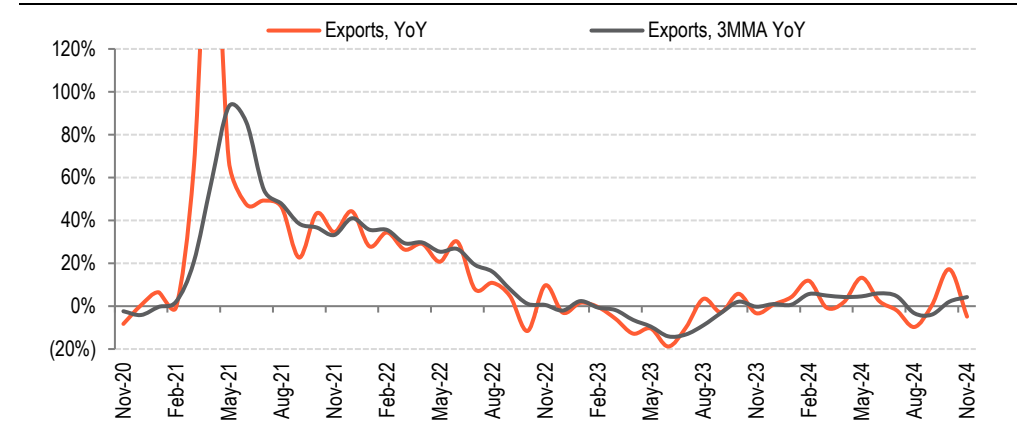
## External sector

### Exports

**Fig 131 – Gradual improvement in global exports**

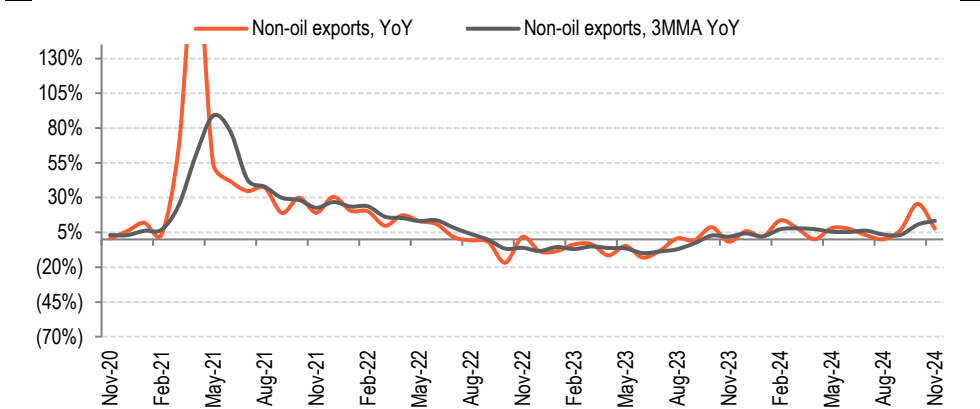


**Fig 132 – India's exports declined by 4.9% in Noc'24, after increasing by 17.2% in Oct'24**

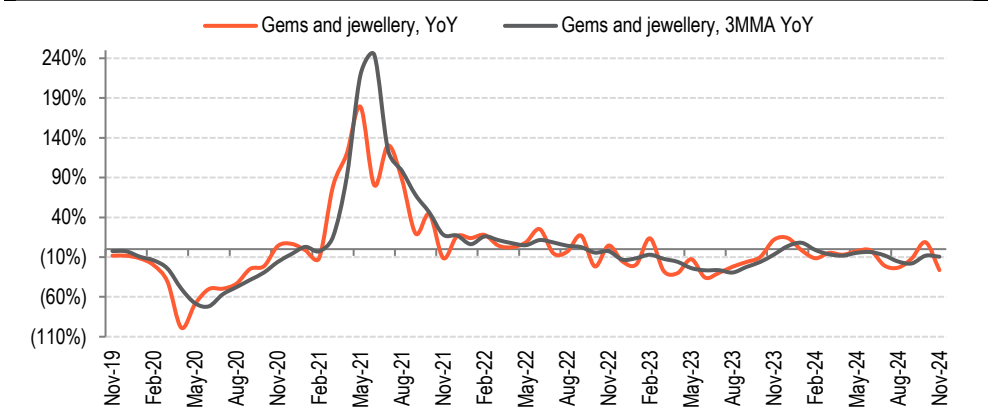


### Exports by major sectors

**Fig 133 – This was led by a sharp moderation in non-oil exports**

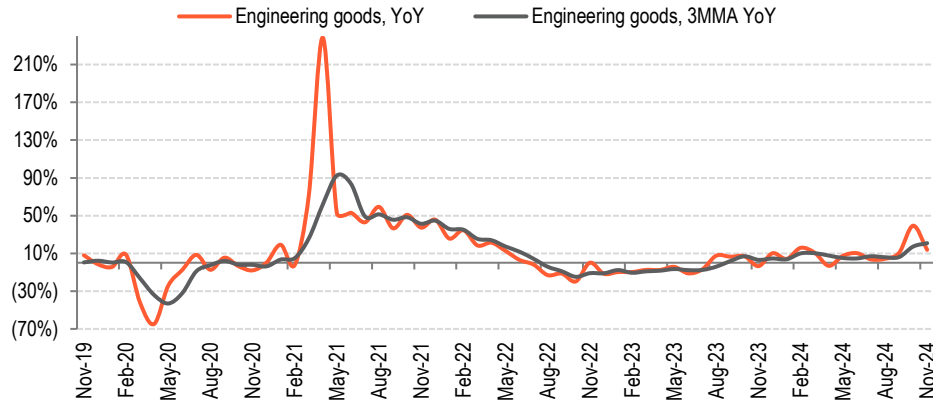


**Fig 134 – Sharp fall in exports of gems and jewellery in Nov'24**

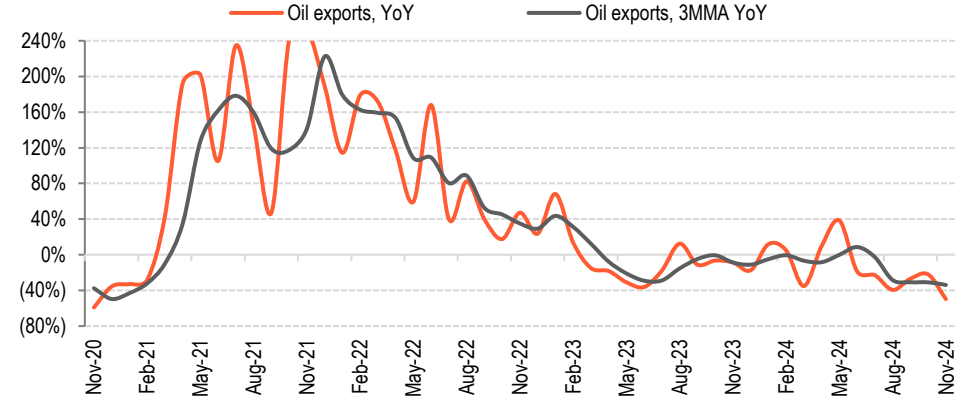




**Fig 135 – Exports of engineering goods also decelerated**

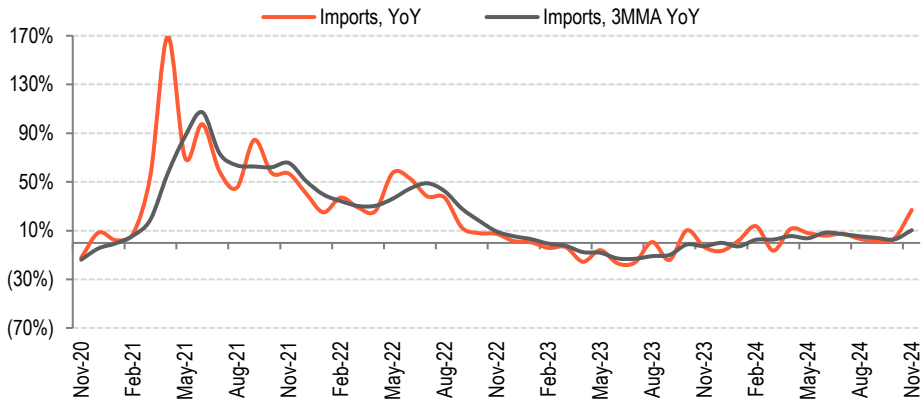


**Fig 136 – Oil exports continued to contract**

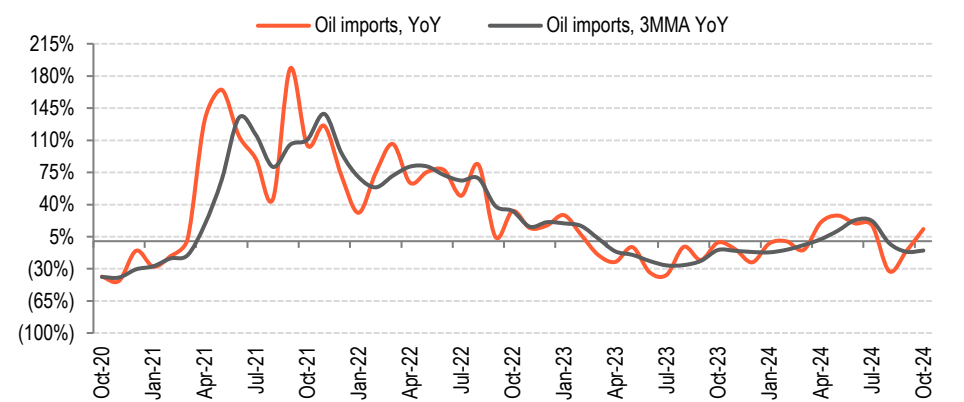


**Imports**

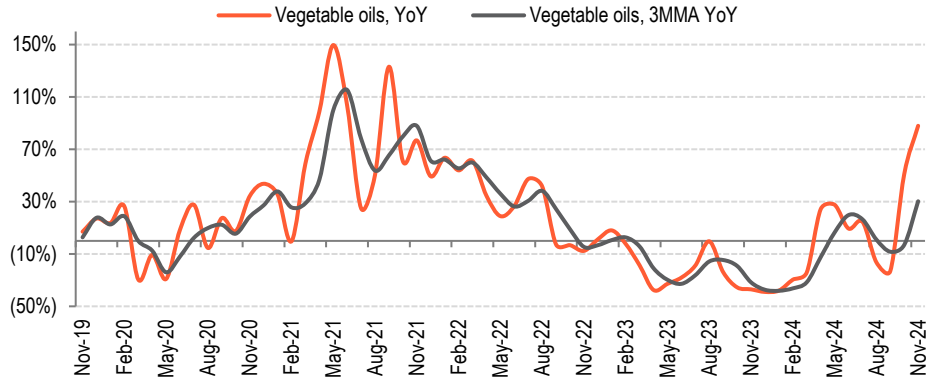
**Fig 137 – Import growth picked up to 27% in Nov'24**



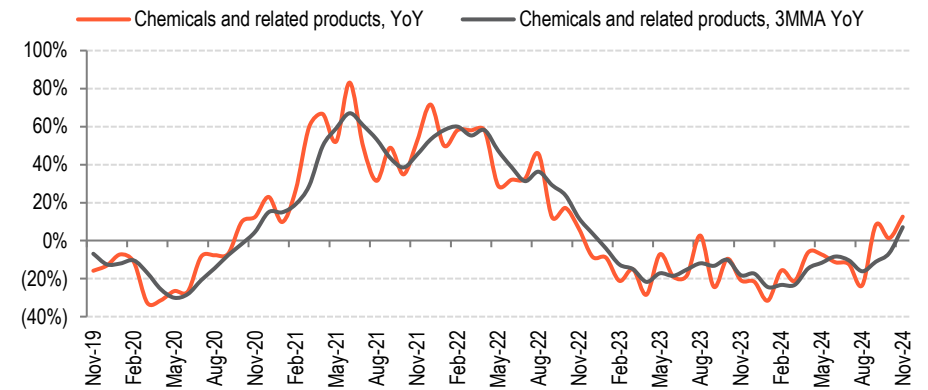
**Fig 138 – .. led by higher gold imports (revised lower)**



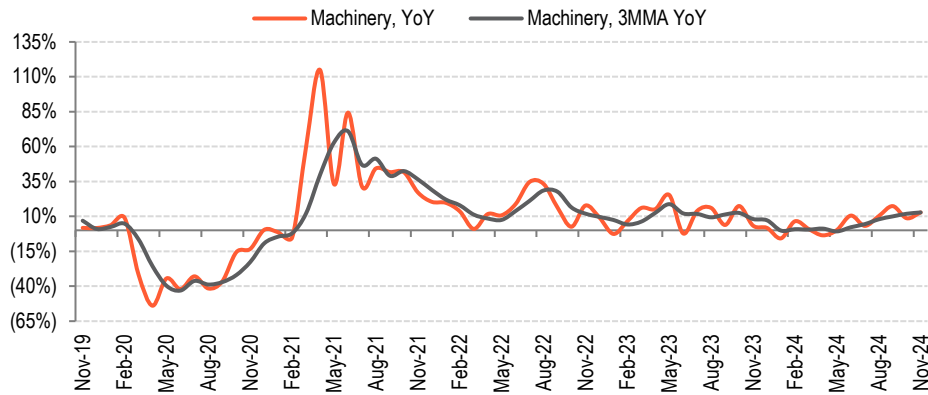
**Fig 139 – Imports of vegetable oils higher due to higher global prices**



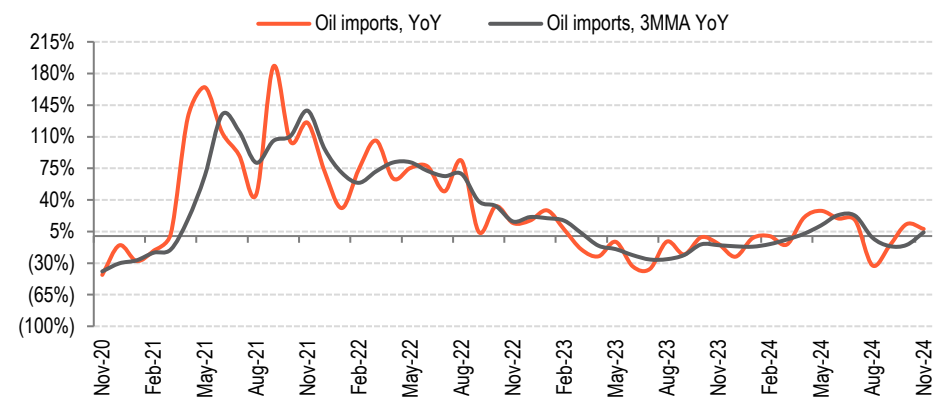
**Fig 140 – Chemical imports also picking up**



**Fig 141 – Improvement seen in imports of machinery**



**Fig 142 – Oil imports still benign due to lower global prices**



## Exports and imports by major regions

**Fig 143 – Exports to China have declined sharply in FYTD25**

Region (% YoY)	Share in FY24	FYTD24	FYTD25	Sep-24	Oct-24	Nov-24
Americas	23.5	(8.6)	6.5	(2.5)	7.7	11.5
Asia and Pacific (Ex. China)	22.5	(14.4)	2.0	(13.1)	(5.4)	34.6
China	3.9	0.6	(9.5)	(22.8)	(14.1)	(10.2)
Europe	22.9	1.8	5.8	(10.2)	6.1	17.9
Middle East and Africa	26.3	(9.1)	(0.2)	(12.9)	(3.2)	13.0
Other	1.0	12.2	(17.3)	(10.3)	(37.5)	(38.0)

**Fig 144 – Continued weakness in imports from Europe**

Region (% YoY)	Share in FY24	FYTD24	FYTD25	Sep-24	Oct-24	Dec-24
Americas	10.4	(13.7)	(1.8)	1.8	10.0	(39.1)
Asia and Pacific (Ex. China)	25.0	(6.6)	2.5	1.2	3.2	5.9
China	15.0	0.2	9.8	14.4	0.7	9.9
Europe	14.1	8.0	(7.9)	(14.4)	(38.6)	15.9
Middle East and Africa	26.3	(26.6)	14.8	1.6	22.6	6.8
Other	9.2	47.5	10.4	3.0	31.5	9.9

Trade deficit

Fig 145 – Trade deficit widened, but expected to be revised lower

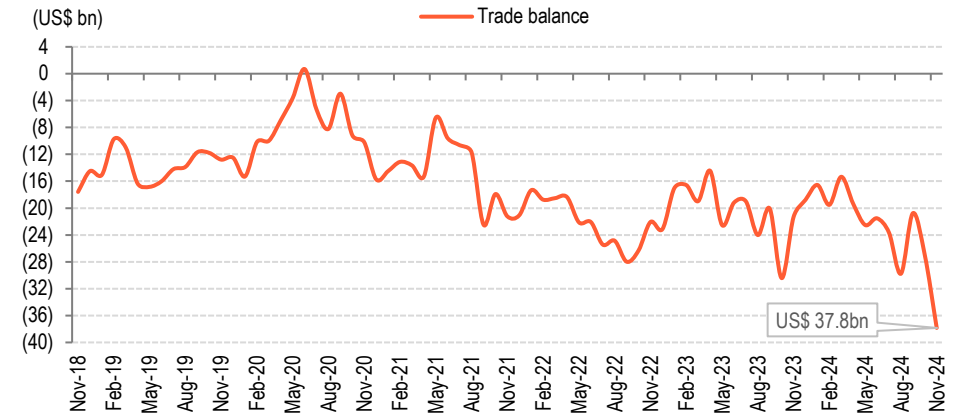
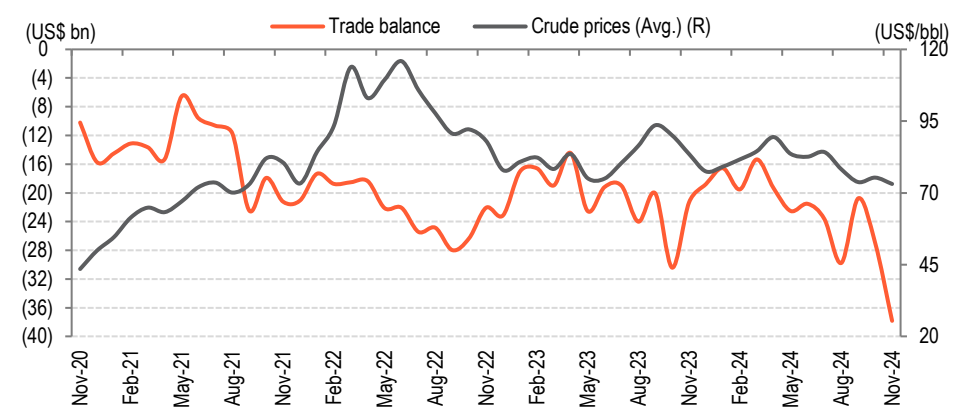
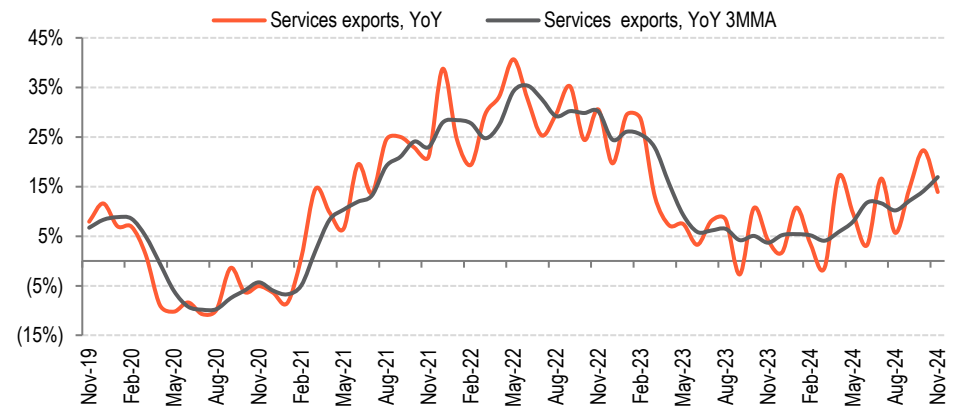


Fig 146 – Oil prices were largely lower



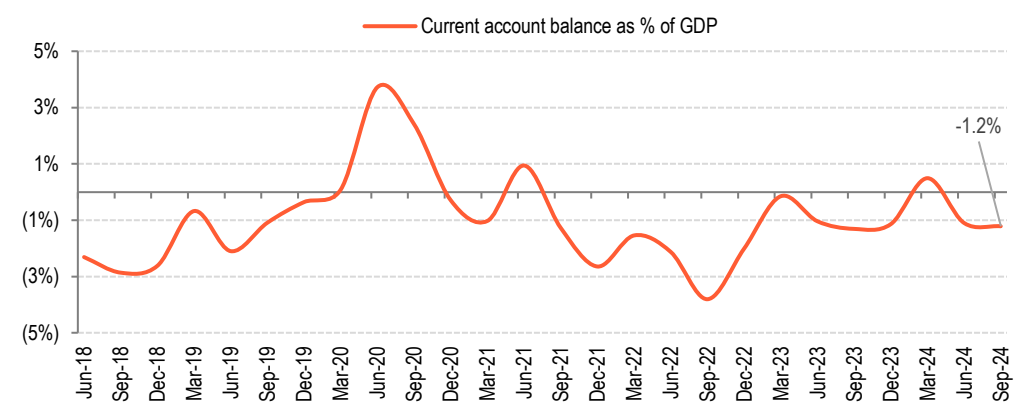
Trade in services

Fig 147 – Services exports increase by 13.9% in Nov'24, after increasing 22.3% in Oct'24



BoP

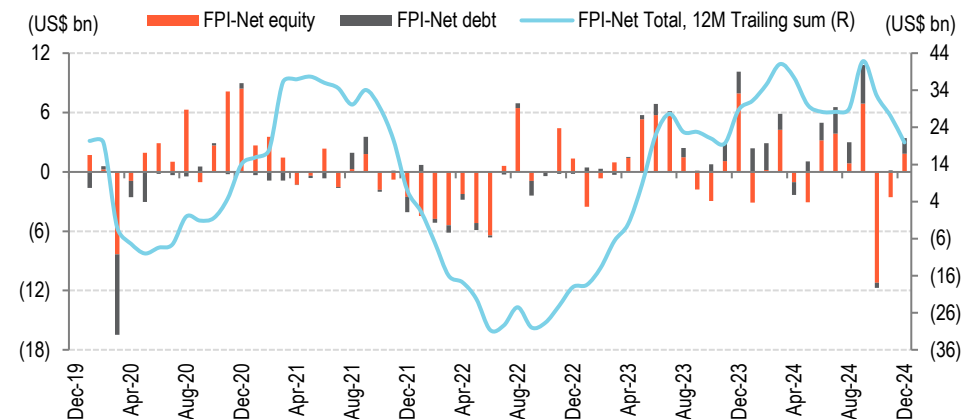
Fig 148 – India's current account deficit at 1.2% of GDP in Q2 FY25



## Foreign inflows

### FPI inflows

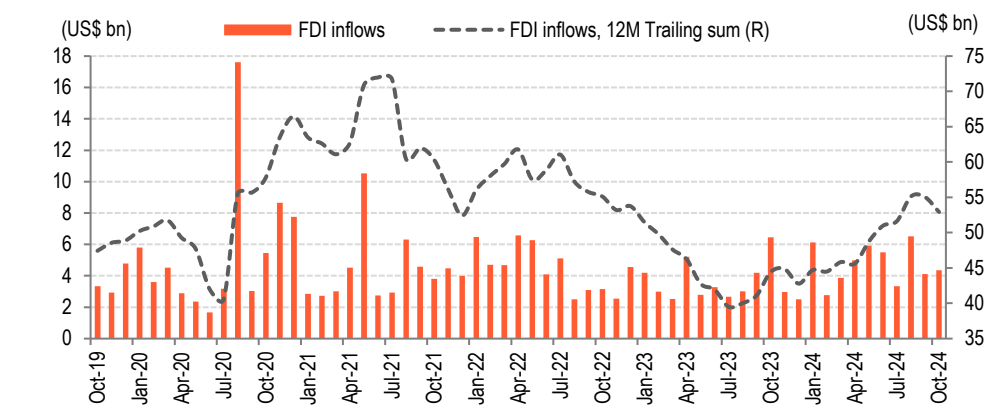
**Fig 149 – FPI inflows end the year on a positive note; inflows of ~US\$ 20bn in CY24**



Source: Bloomberg

### FDI inflows

**Fig 150 – FDI inflows improve a tad to US\$ 4.3bn in Oct'24 versus US\$ 4.1bn in Sep'24**



Source: RBI, Bank of Baroda Research

**Fig 151 – FDI inflows into trading sector rise sharply in Q2FY25**

Sector	% Share FY24	FYTD24	FYTD25	Q2FY24	Q1FY25	Q2FY25
Computer software and hardware	17.9	2.4	4.2	1.4	2.7	1.4
Services Sector	14.9	3.9	5.7	1.3	4.0	1.7
Construction (Infrastructure) activities	9.5	2.4	1.3	1.6	0.7	0.7
Trading	8.7	0.9	2.7	0.4	0.5	2.3
Non Conventional Energy	8.5	1.2	2.1	0.5	1.0	1.1
Automobile industry	3.4	0.7	0.9	0.3	0.4	0.6
Drugs and Pharmaceuticals	2.4	0.1	0.5	0.0	0.2	0.3

Source: DIPP

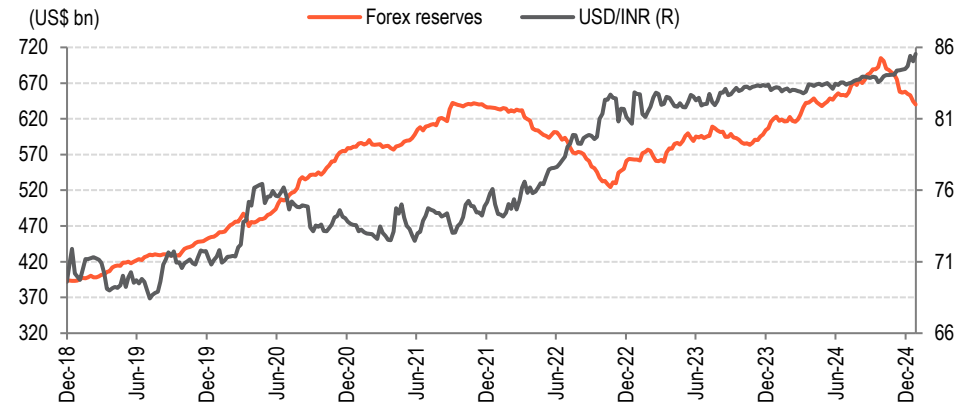
**Fig 152 – Country wise, inflows from key sources lower in Q2 FY25**

Country (US\$ bn)	Share in FY24	FYTD24	FYTD25	Q2FY24	Q1FY25	Q2FY25
Singapore	26.5	5.2	7.5	2.2	3.9	3.6
Mauritius	17.9	3.0	5.3	2.0	3.2	2.1
US	11.3	2.1	2.6	1.0	1.5	1.1
Netherlands	11.1	1.9	3.6	0.4	2.5	1.1
Japan	7.2	2.1	1.2	0.9	0.6	0.6
UK	2.7	0.6	0.2	0.2	0.1	0.1

Source: DIPP

Forex reserves and external debt

Fig 153 – India’s FX reserves slip to US\$ 640bn from a peak of US\$ 705bn



Source: Bloomberg | Note: Weekly data as of 27 Dec 2024

Fig 154 – India’s import cover at 11 months

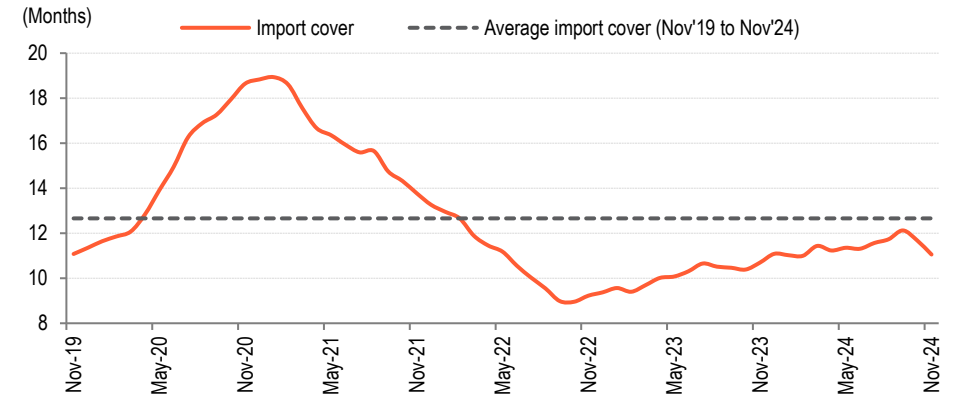


Fig 155 – RBI’s sold net US\$ 9.3bn in the spot market in Oct’24

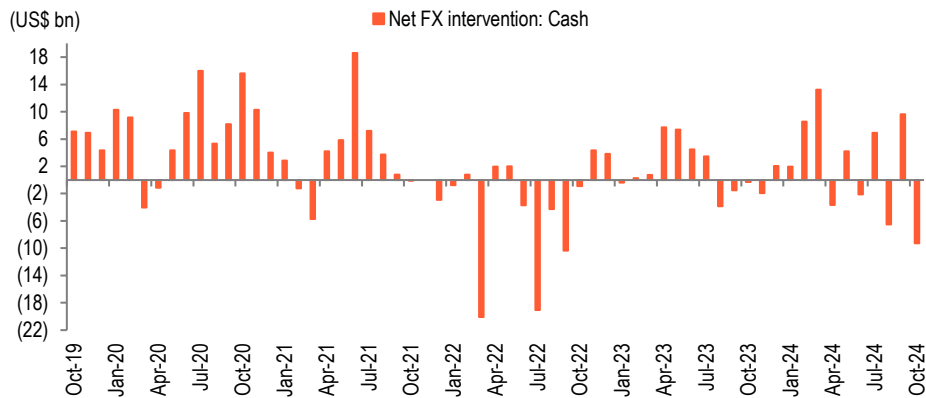
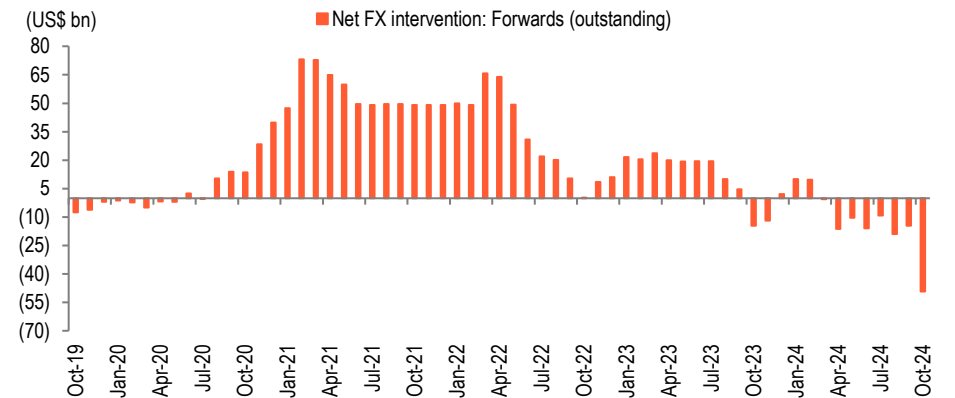


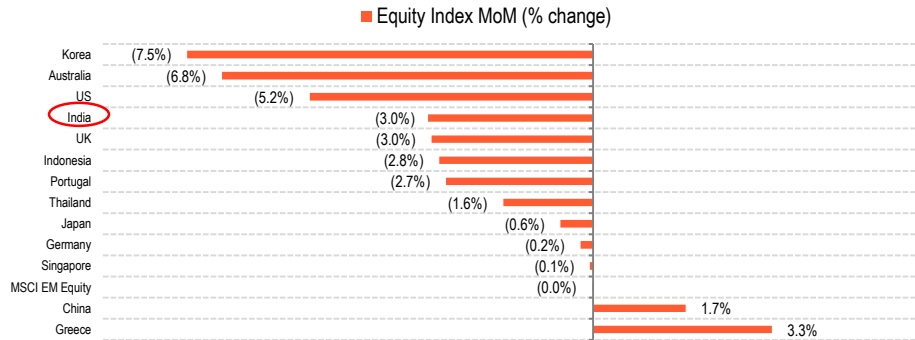
Fig 156 – RBI’s sold net US\$ 34.6bn in the forwards market in Oct’24, a record high



Markets

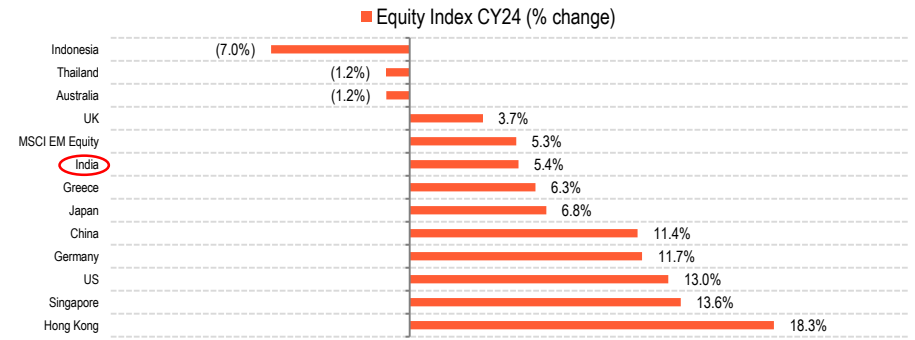
Equity

Fig 157 – In Dec'24, Sensex slipped by 3%



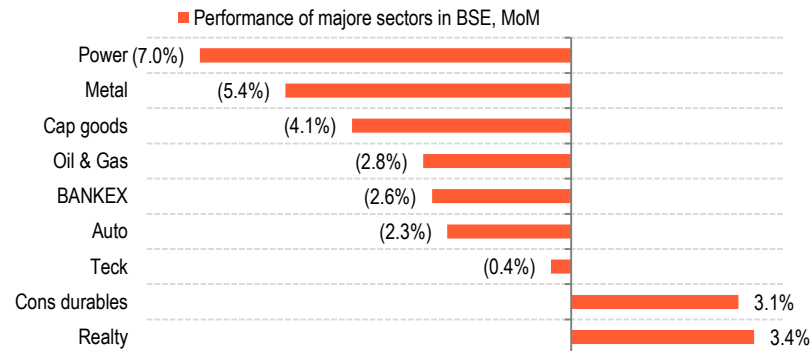
Source: Bloomberg | \* As on 31 Dec 2024, Indices are in US\$ terms

Fig 158 – However, in CY24, Sensex rose by 5.4%



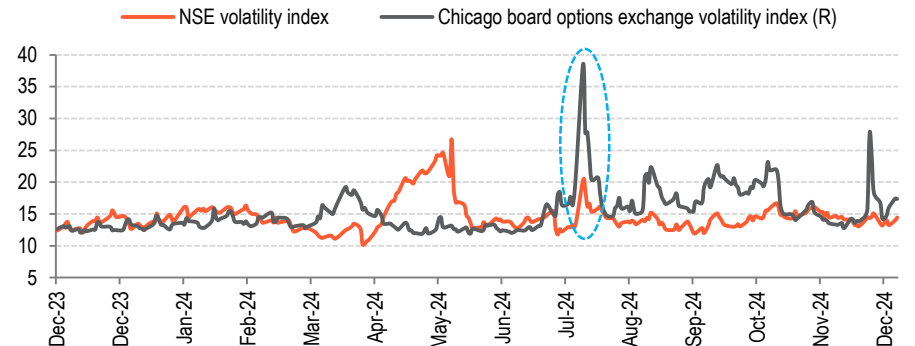
Source: Bloomberg | \* As on 31 Dec 2024, Indices are in US\$ terms

Fig 159 – Real estate stocks rose the most while power and metal stocks moderated



Source: Bloomberg | \* As on 31 Dec 2024

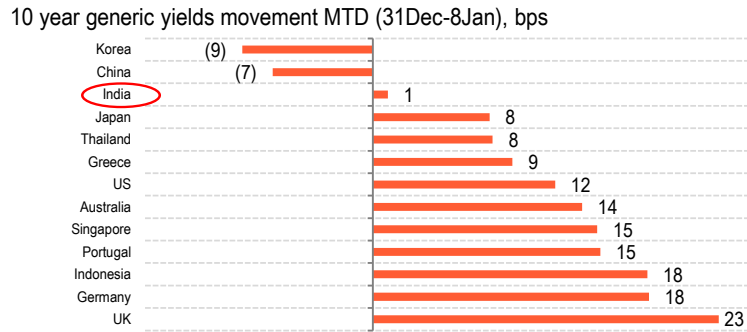
Fig 160 – VIX index inched up to 14.47 as on 31 Dec 2024 from 14.43 as on 29 Nov 2024



Source: Bloomberg

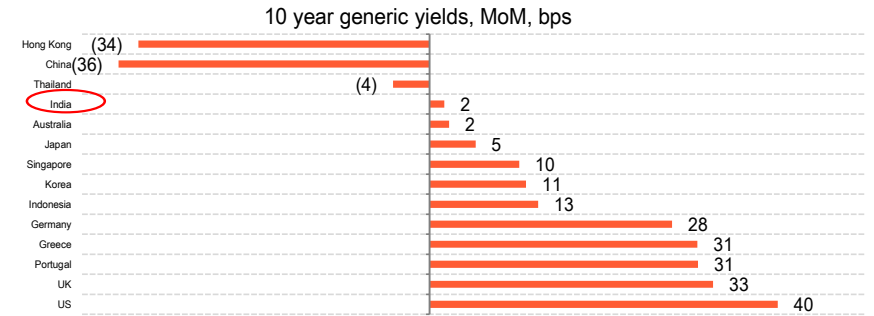
10-year bond yields

Fig 161 – In Jan'25\*, India's 10Y yield virtually remained stable



Source: Bloomberg, \*As on 8 Jan 2025

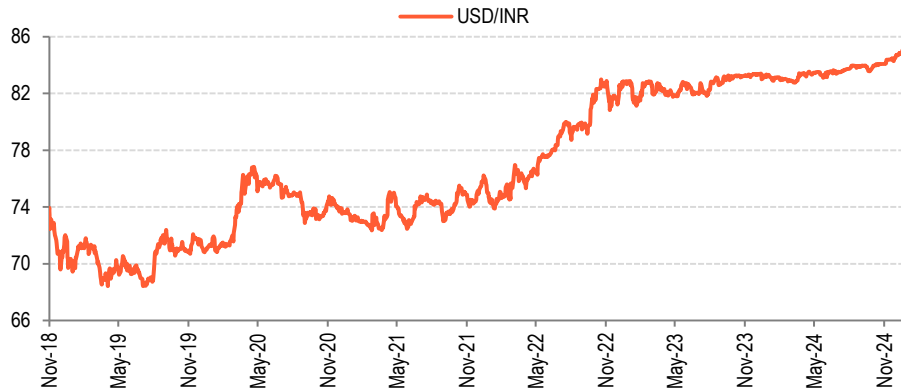
Fig 162 – In Dec'24, India's 10Y yield inched up by 2bps



Source: Bloomberg, As on 31 Dec 2024

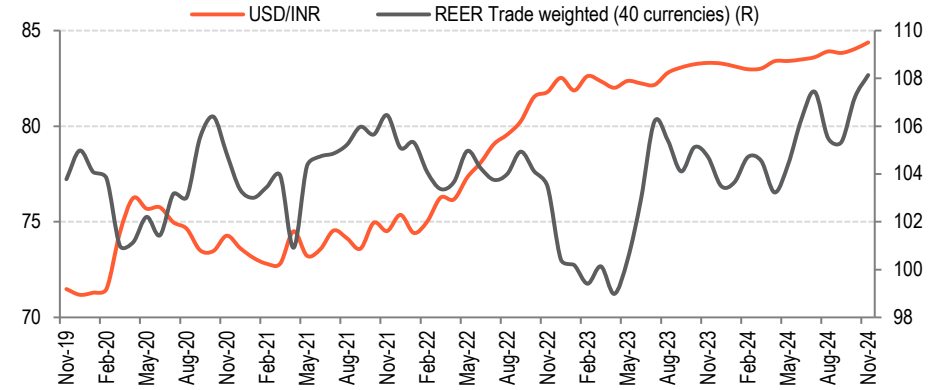
Currencies

Fig 163 – INR depreciated to a record low in Dec'24



Source: Bloomberg | \*As on 31 Dec 2024

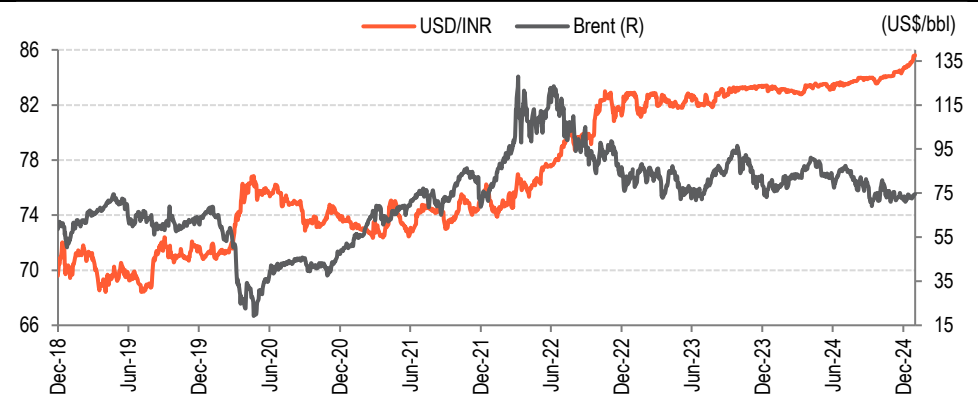
Fig 164 – INR overvalued by 8.1% on REER basis (Nov'24)



Source: Bloomberg

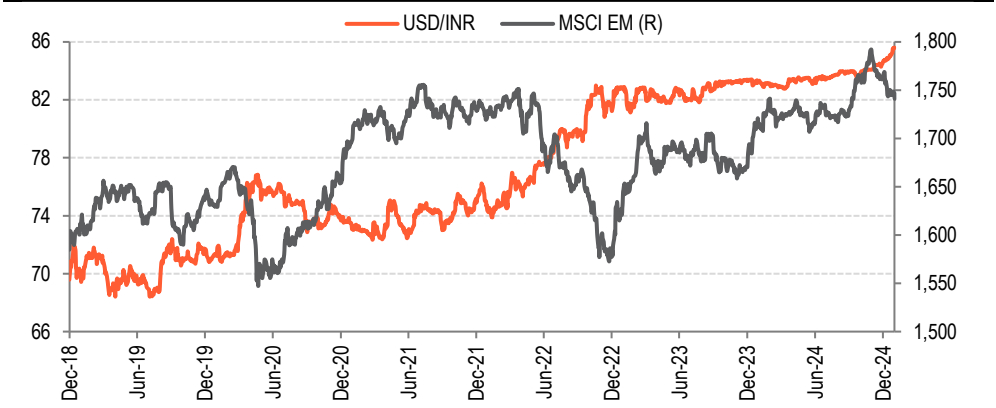


Fig 165 – Oil prices were broadly lower in Dec'24



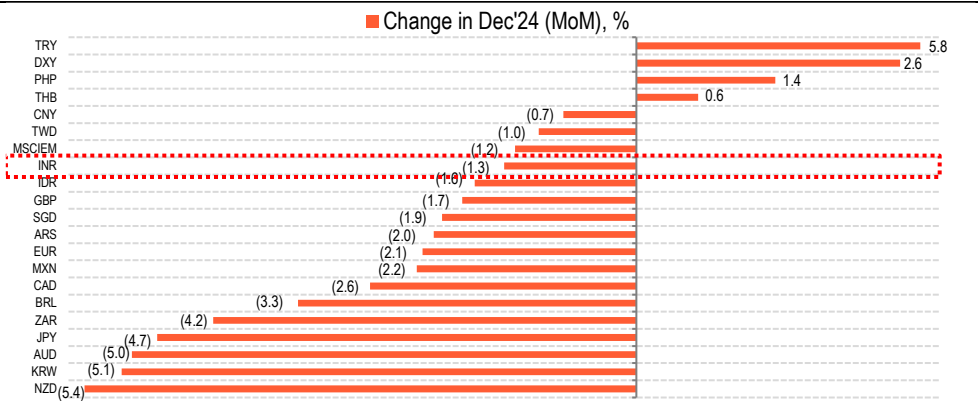
Source: Bloomberg | \*As on 31 Dec 2024

Fig 166 – .. a higher dollar weighed on EM currencies



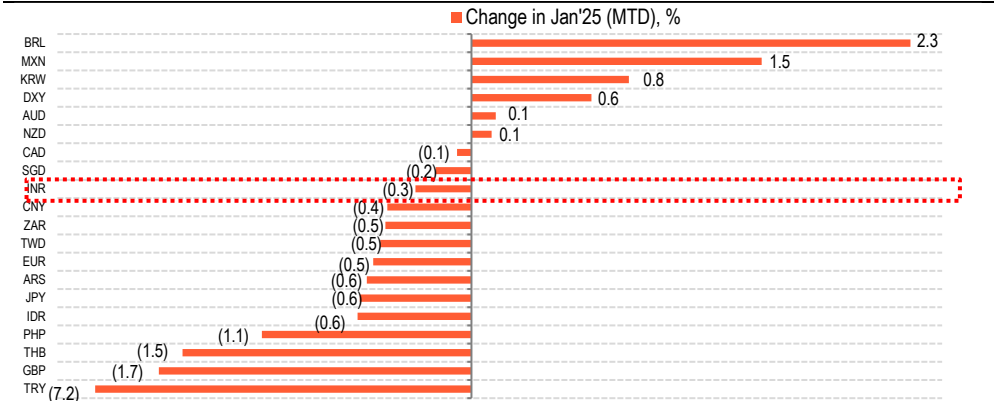
Source: Bloomberg | \*As on 31 Dec 2024

Fig 167 – INR depreciated by 1.3% in Dec'24, to end 2024 lower by 2.8%



Source: Bloomberg | \*As on 31 Dec 2024

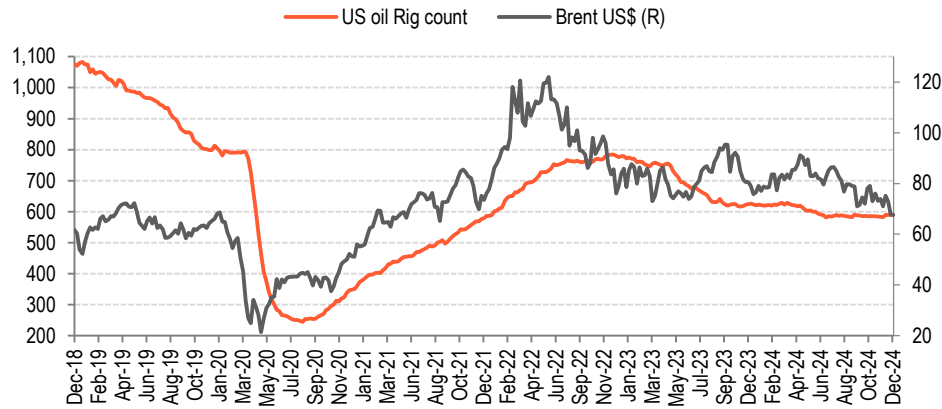
Fig 168 – In Jan'25, INR has depreciated further by 0.3%



Source: Bloomberg | \*As on 9 Jan 2025

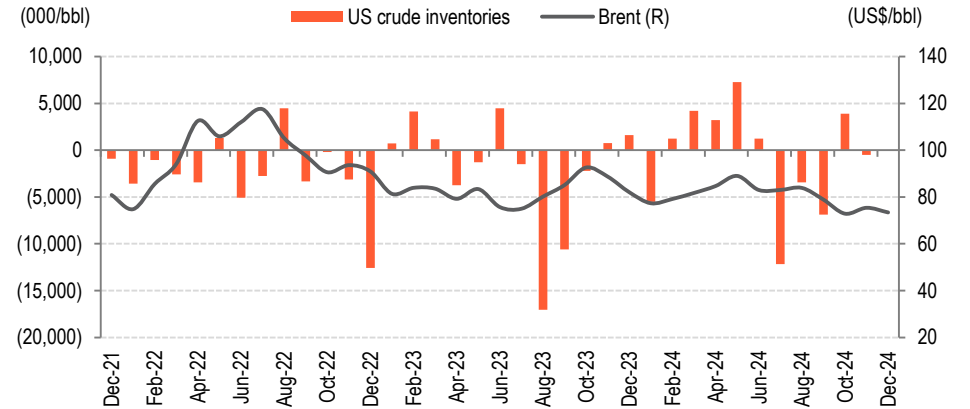
Commodities

Fig 169 – US rig count edged up marginally



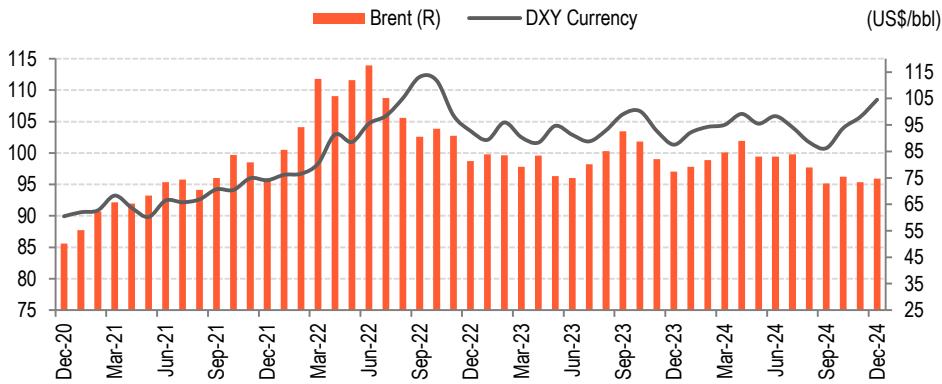
Source: Bloomberg

Fig 170 – Crude inventories have fallen



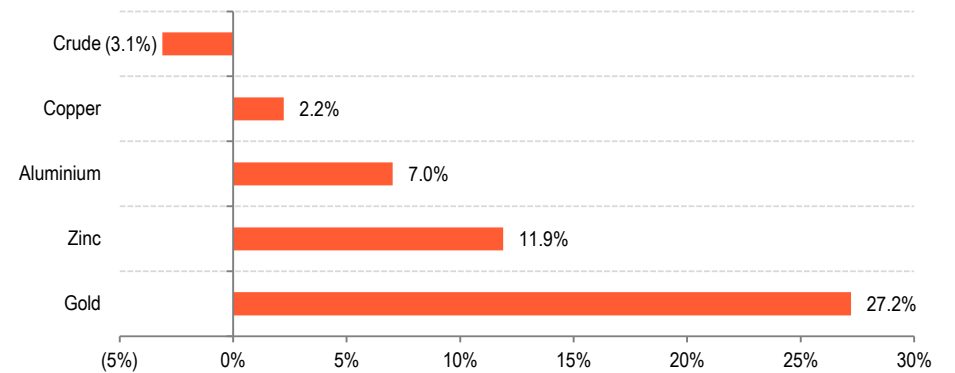
Source: Bloomberg

Fig 171 – Oil price averaged to US\$ 74.6/bbl from US\$ 73.4/bbl in Nov'24, DXY rose to 108.49 from 105.7



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

Fig 172 – Commodity Price movement in CY24



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

**Fig 173 – Performance of high frequency indicators**

Indicators	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
<b>Agriculture</b>													
Tractor sales	(21.3)	(14.5)	(25.7)	(19.5)	(2.9)	0.5	3.5	1.4	(5.5)	2.4	21.0	(0.9)	-
Two wheeler sales	27.6	15.0	13.3	5.4	33.2	2.5	4.7	17.2	6.3	(8.5)	36.3	15.8	15.8
MNREGA work (HH)	(5.9)	(5.0)	0.3	(19.2)	(10.6)	(14.3)	(21.7)	(19.5)	(16.0)	(13.4)	(7.6)	3.9	8.2
<b>Manufacturing</b>													
IIP: General index	4.4	4.2	5.6	5.5	5.2	6.3	4.7	4.7	(0.1)	3.1	3.5	-	-
IIP: Manufacturing	4.6	3.6	4.9	5.9	4.2	5.1	3.2	4.4	1.1	3.9	4.1	-	-
IIP: Capital goods	3.7	3.2	1.7	7.0	2.8	2.6	3.8	11.8	0.5	3.6	3.1	-	-
IIP: Infra & construction goods	5.5	5.5	8.3	7.4	8.5	7.6	7.1	4.6	2.2	3.2	4.0	-	-
IIP: Consumer goods	5.2	11.6	12.6	9.5	10.5	12.6	8.7	8.3	5.3	6.5	5.9	-	-
Steel	8.3	9.2	9.4	7.5	9.8	8.9	6.3	6.4	3.9	1.6	5.2	4.8	-
Cement	3.8	4.1	7.8	10.6	0.2	(0.6)	1.8	5.5	(3.0)	7.2	3.1	13.0	-
Electricity	1.2	5.7	7.6	8.6	10.2	13.7	8.6	7.9	(3.7)	0.5	2.0	3.8	-
PMI: Manufacturing	54.9	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5	56.4
<b>Services</b>													
Services PMI index	59.0	61.8	60.6	61.2	60.8	60.2	60.5	60.3	60.9	57.7	58.5	58.4	60.8
Automobile sales	21.1	15.0	13.1	3.1	26.7	2.6	0.7	13.8	2.9	(9.3)	32.1	11.2	(12.5)
Passenger vehicle sales	2.7	13.3	12.4	(6.2)	15.9	(1.0)	(6.8)	10.2	(4.5)	(18.8)	32.4	(13.7)	(2.0)
Vehicle registration	22.0	16.1	14.0	3.8	27.5	3.3	1.4	14.7	3.7	(8.7)	33.3	11.7	(12.6)
Rail freight traffic	6.4	6.4	10.1	8.6	1.4	3.7	10.1	4.5	0.0	2.8	1.5	-	-
Port cargo volume	0.6	2.7	2.4	3.6	1.3	3.7	6.8	6.0	6.7	5.9	(3.4)	(5.0)	3.4
Credit growth	20.0	20.3	20.5	20.2	19.2	20.7	17.4	13.7	14.0	12.3	11.8	11.2	11.5
Deposit growth	13.3	13.2	13.1	13.5	12.6	14.0	11.1	10.6	12.7	10.4	11.5	11.2	11.5
CIC	4.0	3.9	3.7	4.1	3.2	4.6	6.0	6.4	5.7	5.9	7.0	5.9	-
Toll collection (in mn)	337.2	331.4	323.4	338.7	328.1	347.4	334.4	312.3	329.0	318.4	345.0	358.8	382.0
Diesel consumption	(2.4)	3.4	6.3	2.7	1.4	2.4	1.0	4.5	(2.5)	(1.9)	0.1	8.5	6.0
GST E-way bill (in mn)	95.3	96.0	97.3	103.5	96.7	103.2	100.1	104.9	105.5	109.1	117.3	101.8	112.0
<b>External Trade</b>													
Merchandise exports	0.8	4.3	11.9	(0.6)	2.0	13.3	2.4	(2.0)	(9.7)	0.4	17.2	(4.9)	-
Merchandise imports	(6.6)	2.0	13.7	(6.4)	11.5	8.1	5.9	7.4	3.3	1.5	3.6	27.0	-
Services exports	1.7	10.8	3.4	(1.4)	17.1	9.7	3.2	16.6	5.7	14.6	22.3	13.9	-
Services imports	(1.1)	0.1	1.7	(2.1)	20.0	6.2	(3.1)	16.0	9.1	13.5	27.9	26.0	-

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

## Disclaimer

The views expressed in this research note are personal views of the author(s) and do not necessarily reflect the views of Bank of Baroda. Nothing contained in this publication shall constitute or be deemed to constitute an offer to sell/ purchase or as an invitation or solicitation to do so for any securities of any entity. Bank of Baroda and/ or its Affiliates and its subsidiaries make no representation as to the accuracy; completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. Bank of Baroda Group or its officers, employees, personnel, directors may be associated in a commercial or personal

capacity or may have a commercial interest including as proprietary traders in or with the securities and/ or companies or issues or matters as contained in this publication and such commercial capacity or interest whether or not differing with or conflicting with this publication, shall not make or render Bank of Baroda Group liable in any manner whatsoever & Bank of Baroda Group or any of its officers, employees, personnel, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this publication from time to time.

Visit us at [www.bankofbaroda.com](http://www.bankofbaroda.com)



For further details about this publication, please contact:

**Economics Research Department**

Bank of Baroda

[chief.economist@bankofbaroda.com](mailto:chief.economist@bankofbaroda.com)