



# India Economics

## Monthly Chartbook

December 2019

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Important disclosures are provided at the end of this report.



## Broader recovery still afar

**While manufacturing and services PMIs picked up in Nov'19, muted diesel demand, decelerating railway freight and non-oil-non-gold imports imply that broader economic activity is muted. State government spending remains up, financed by 43% increase in borrowings in H1. This along with surprise pause by RBI has driven 10Y yield up by 24bps this month. CPI inflation is estimated to increase to 5.34% in Nov'19 and further acceleration is likely in Dec'19 and Jan'20. Hence, 10Y yield may rise further, before reverting lower.**

**Rural demand may recover:** Private consumption demand did improve to 5% in Q2FY20 from 3.1% in Q1FY20. In Q3, auto sales seem to have bottomed out. Non-oil-non-gold imports continue to decelerate at (-) 10% vs (-) 8.9% in Sep'19. Consumer confidence has fallen to a 5-year low in Nov'19 at 85.7 (89.4 in Sep'19). While rural wage growth is muted, rising domestic and global food prices along with anticipation of record output in this rabi season implies rural demand may see a revival.

**State capex on the upswing:** Both centre and state spending has seen slight moderation in Oct'19. However, states have stepped up on capex which has improved to 14% in Oct'19 vs 8% in Sep'19 (3MMA basis). With revenues under pressure, this has been funded by a 43% increase in state borrowings in H1. GST Council in its meeting on 18 Dec'19 is widely expected to raise GST rates to increase revenue mobilisation. At the

current run-rate, Centre is likely to fall short of its direct and indirect tax targets. Corporate tax has increased by 0.9% compared with BE of 15.4%. Customs, excise and GST collections are also running behind BE. Clearly, divestments is the way forward.

**Growth outlook is muted:** RBI reduced its GDP growth estimate for FY20 to 5% from 6.1% earlier and 7.2% in Apr'19. Lead indicators for Q3 such as diesel consumption, railway freight traffic, credit growth and tax collections imply ~5% growth in Q3FY20 as well.

**Inflation and rates:** While growth has fallen, inflation has been rising due to supply disruptions on account of unseasonal rainfall. Telecom inflation is structural. We expect CPI inflation to increase to 5.34% in Nov'19 from 4.62% in Oct'19. Yields have already risen by 24bps in Dec'19 (MTD basis) and may inch up more as inflation remains above 5% in the near-term and fiscal concerns emerge.

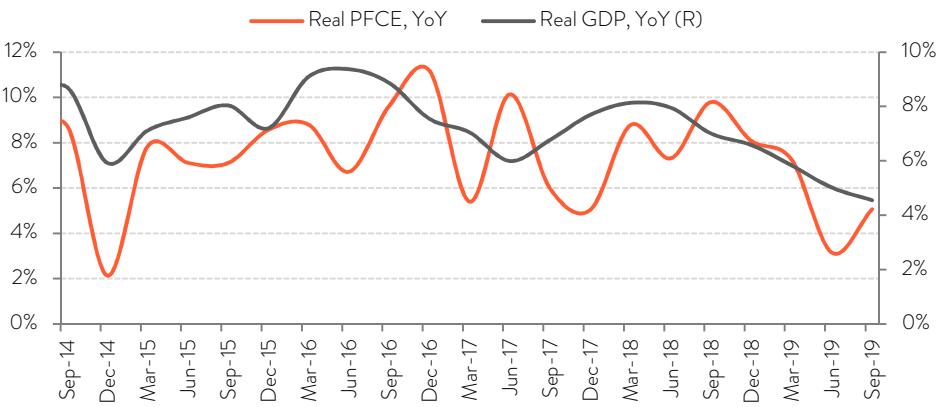
**INR weakens in Nov'19:** INR fell by (-) 1.1% in Nov'19 as oil prices rose by 5% MoM even as FII inflows were steady at US\$ 2.7bn versus US\$ 2.8bn in Oct'19. However, INR has risen by 1.1% in Dec'19 after RBI surprised with a pause. We continue to have an optimistic view on INR as forex inflows remain buoyant and oil prices are expected to be stable. Higher oil prices as a result of OPEC cuts or geo-political tensions and fiscal expansion remain key risks to our view.

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

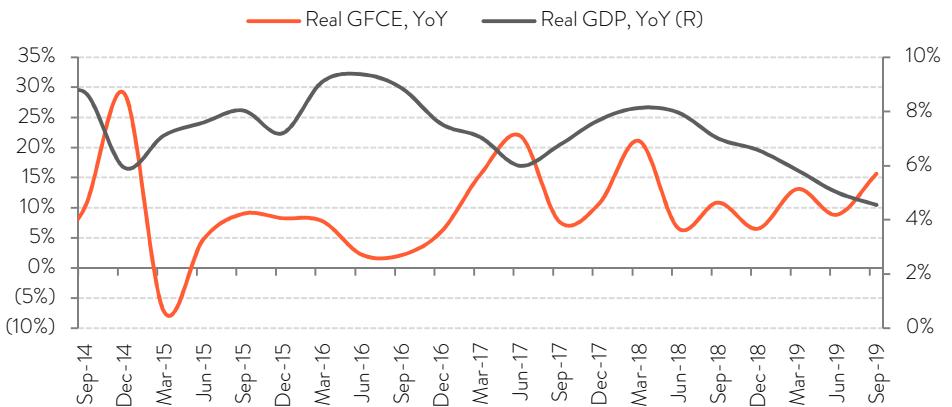
## Consumption

### Final consumption expenditure

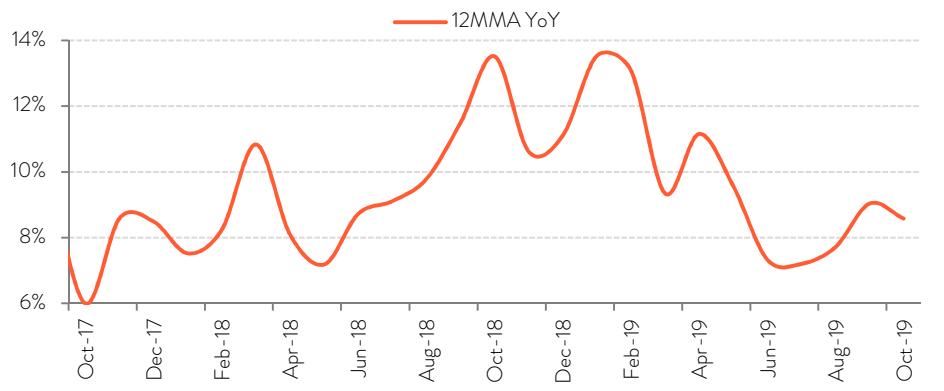
**FIG 1 – CONSUMPTION REBOUNDS TO 5.1% IN Q2FY20**



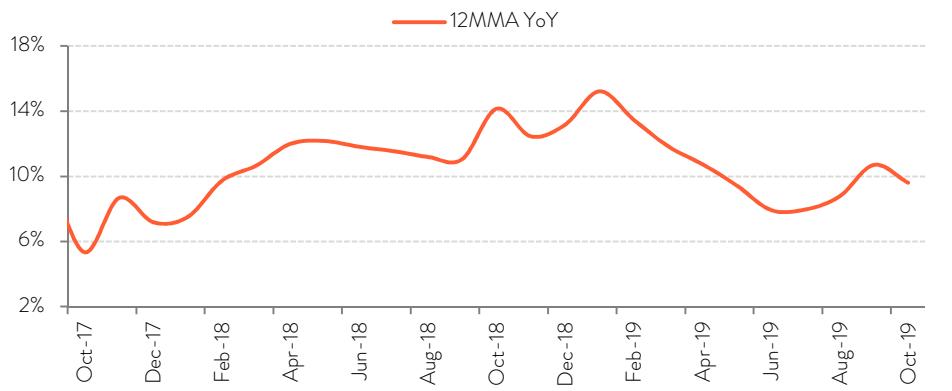
**FIG 2 – GOVERNMENT CONSUMPTION TOO TURNS AROUND IN Q2FY20**



**FIG 3 – GROWTH IN GENERAL GOV REVENUE SPENDING FALLS IN OCT'19**



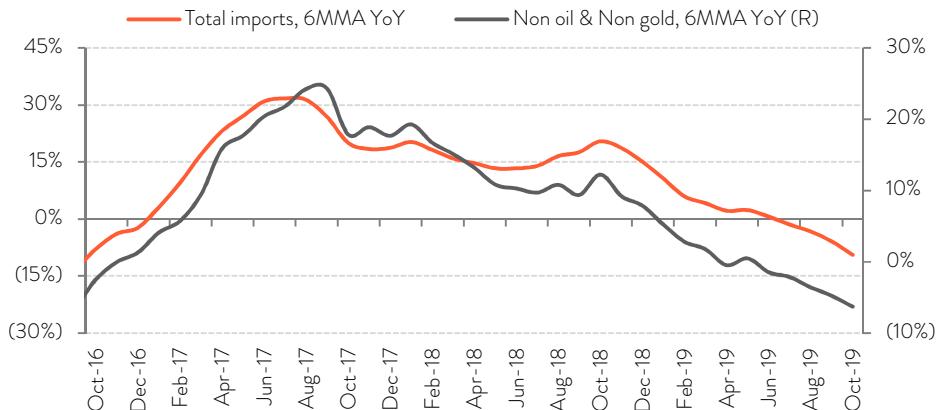
**FIG 4 – STATE\* GOV REVENUE SPENDING TOO SHOWING A DIP**



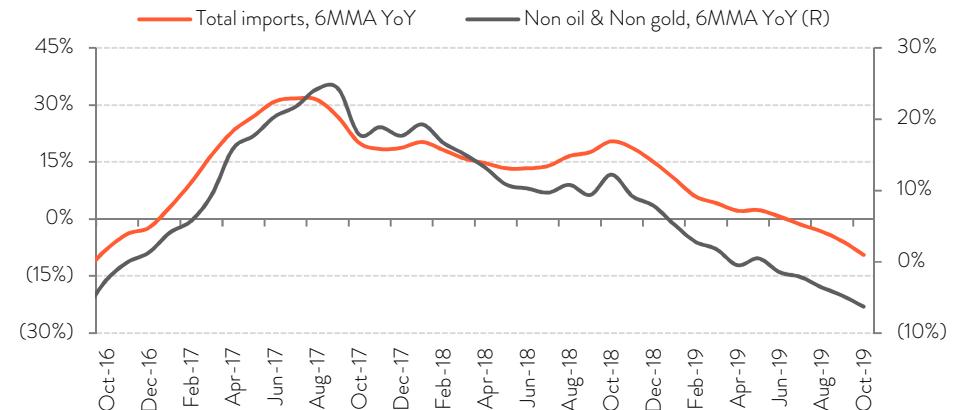
Note: \* All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

## Non-oil imports, electronic imports

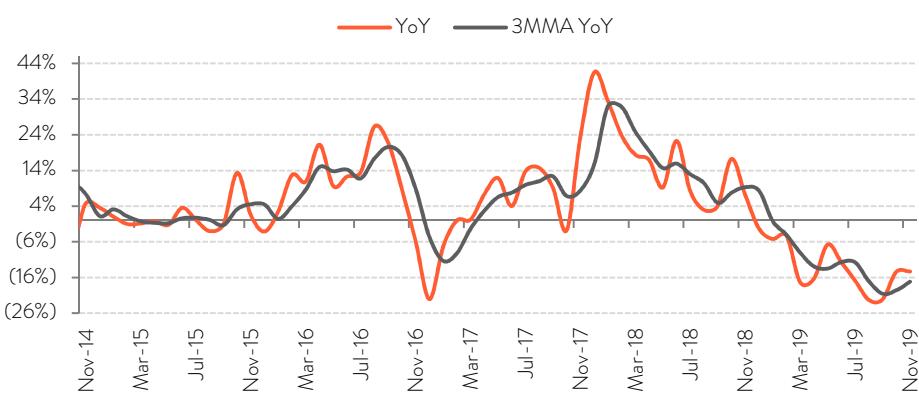
**FIG 5 – NON-OIL-NON-GOLD IMPORTS CONTINUE TO DIP**



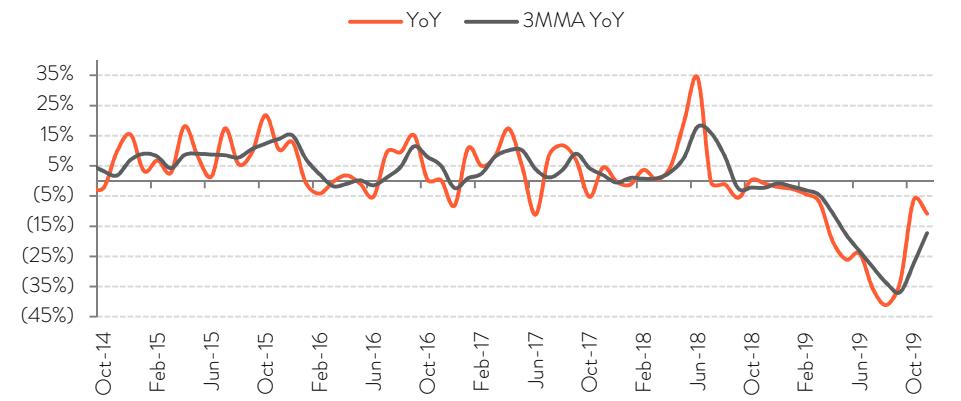
**FIG 6 – ELECTRONIC IMPORTS DECLINE SHARPLY IN OCT'19**



**FIG 7 – PASSENGER CAR SALES MODERATES FURTHER, SEEM TO HAVE BOTTOMED OUT**

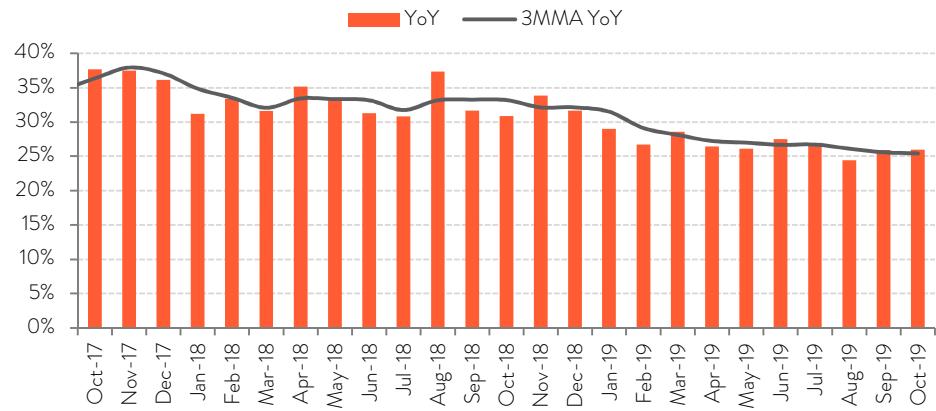


**FIG 8 – ..SIMILAR TREND IN TWO-WHEELER SALES**

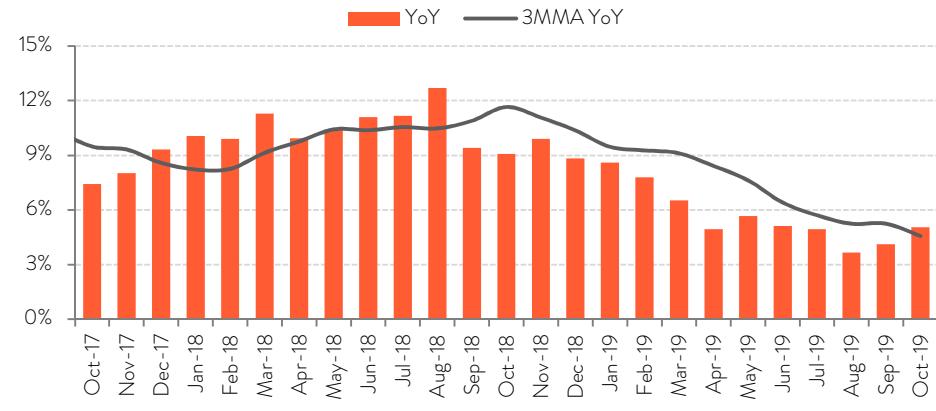


## Credit deployment of personal loans

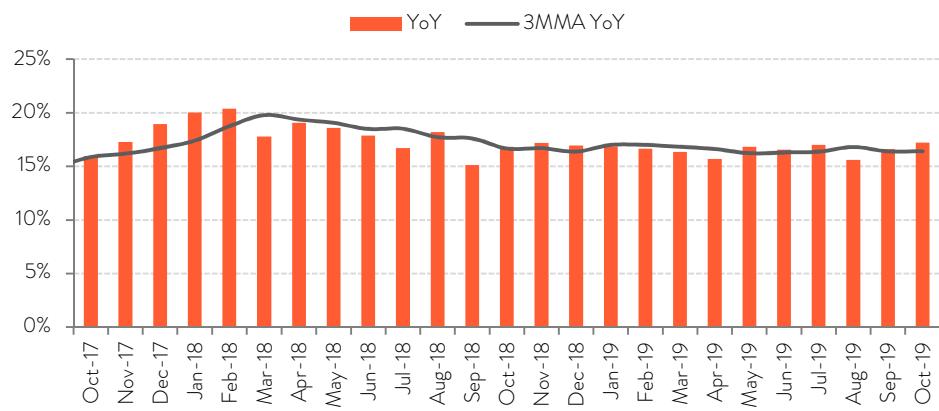
**FIG 9 – GROWTH IN CREDIT CARD OUTSTANDING RISES AT A STEADY PACE**



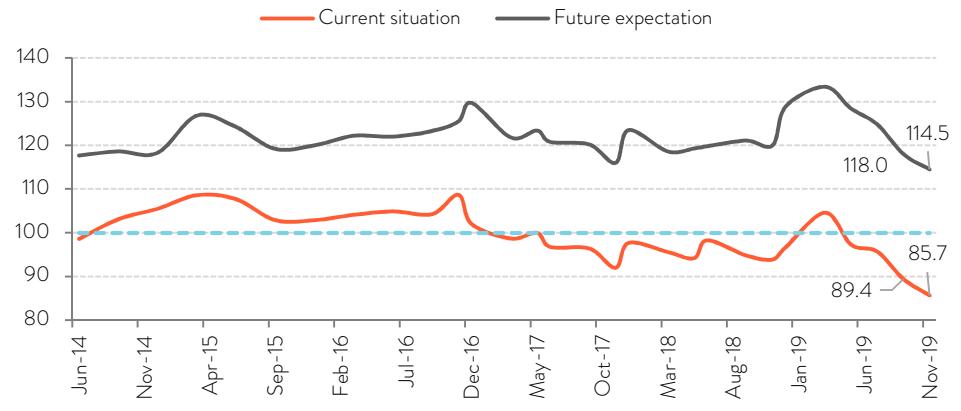
**FIG 11 – GROWTH IN VEHICLE LOANS RISES TO 5% IN OCT'19**



**FIG 10 – GROWTH IN PERSONAL LOANS INCHES UP**

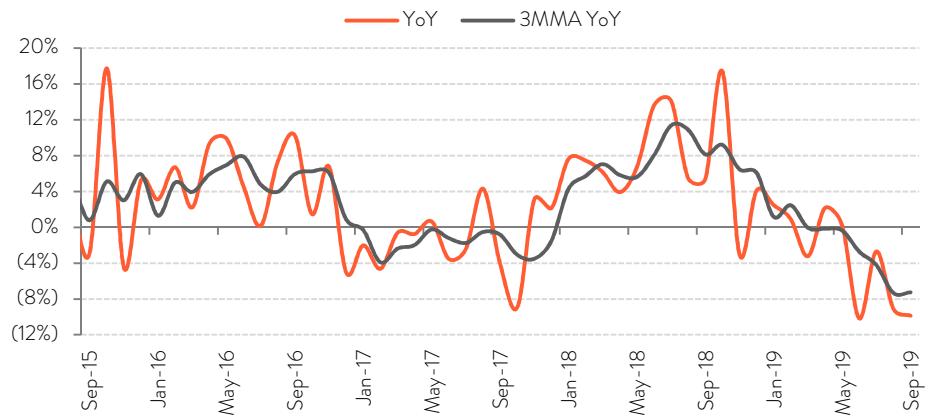


**FIG 12 – CONSUMER CONFIDENCE DROPS TO 5-YEAR LOW**

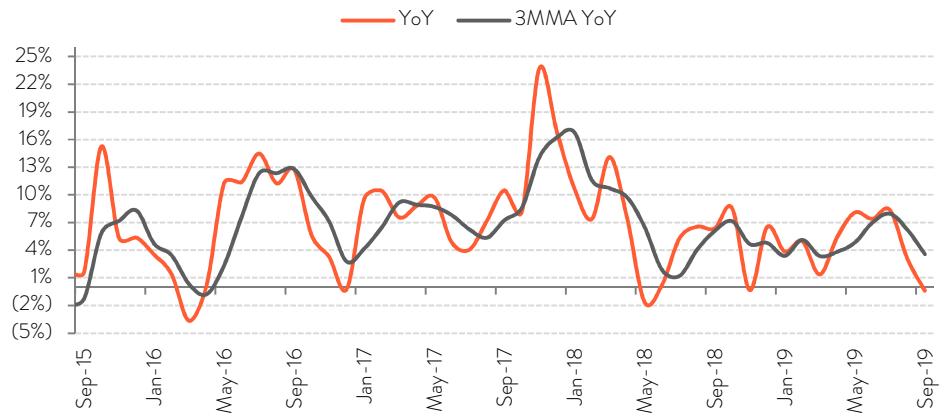


## Consumer durables & non-durables production

**FIG 13 – CONSUMER DURABLE OUTPUT DECLINES TO (-) 9.9% IN SEP'19**

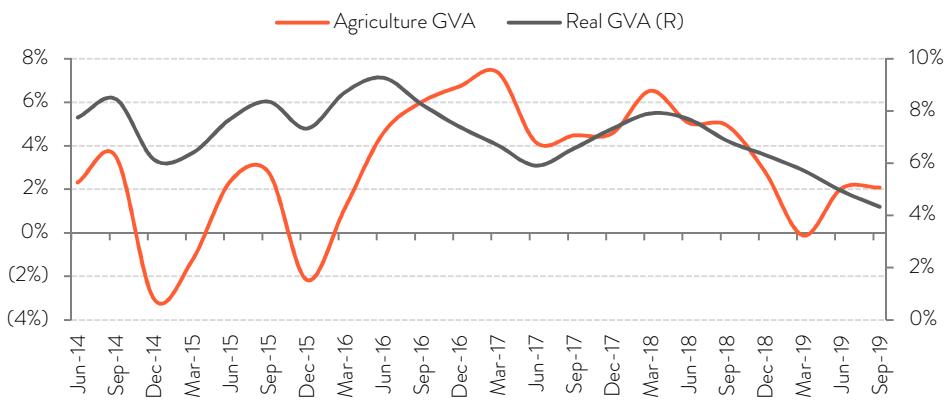


**FIG 14 – FMCG OUTPUT FALLS IN SEP'19**

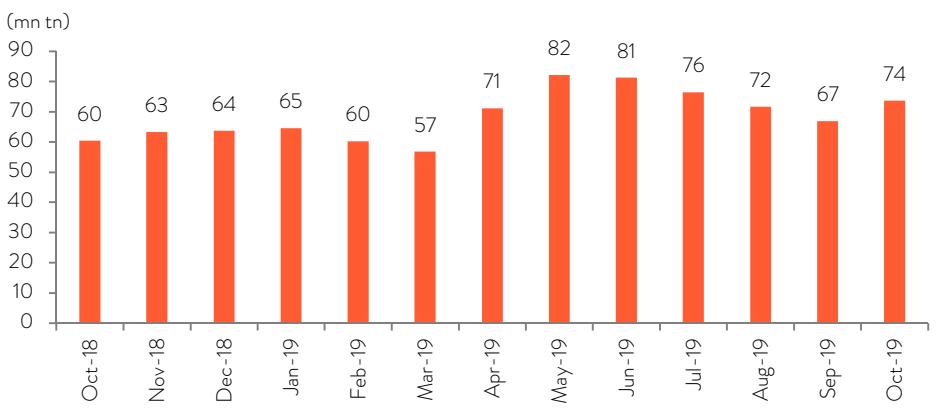


## Agriculture

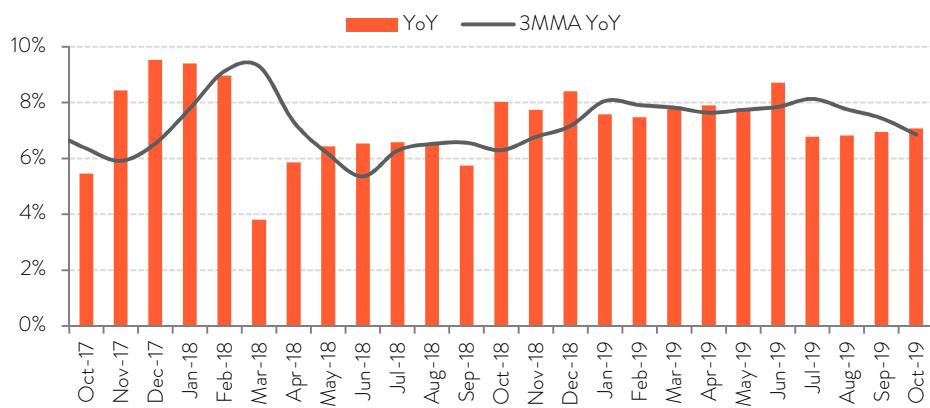
**FIG 15 – AGRICULTURE GROWTH REMAINS STEADY IN Q2FY20**



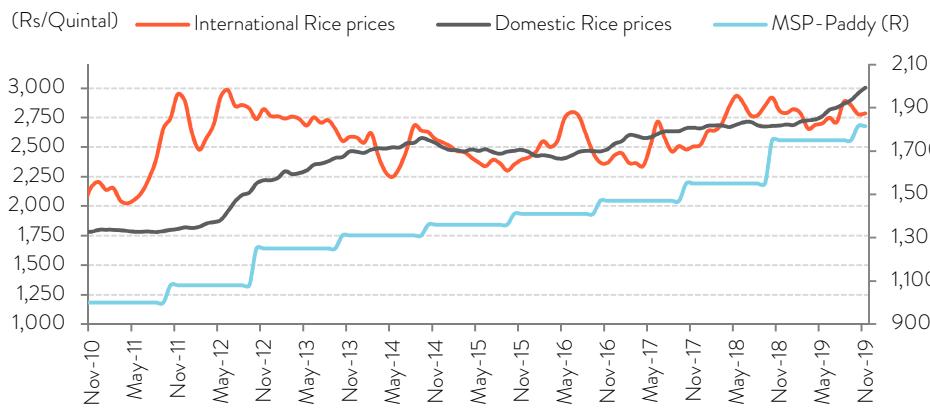
**FIG 16 – STOCK OF FOODGRAINS AT 74MN TN IN OCT'19 COMPARED WITH 60MN TN IN OCT'18**



**FIG 17 – GROWTH IN AGRICULTURE CREDIT IMPROVES IN OCT'19**



**FIG 19 – BOTH DOMESTIC AND INTERNATIONAL PRICE OF RICE IS RISING**



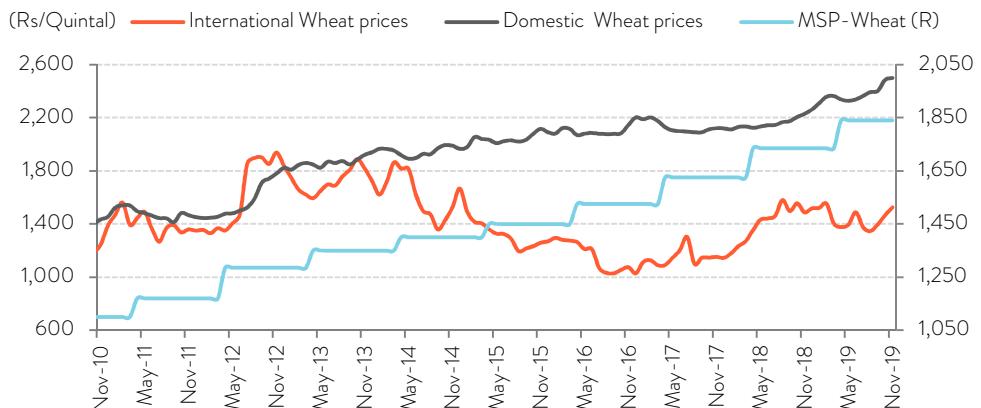
Source: World Bank

**FIG 18 – PROCUREMENT OF RICE EXPECTED TO BE HIGHER THAN WHEAT**

Year	Wheat	Rice
2011-12	28.34	35.04
2012-13	38.15	34.04
2013-14	25.09	31.85
2014-15	28.02	32.04
2015-16	28.09	34.22
2016-17	22.96	38.11
2017-18	30.83	38.19
2018-19	35.80	44.40
2019-20	34.13	17.09*

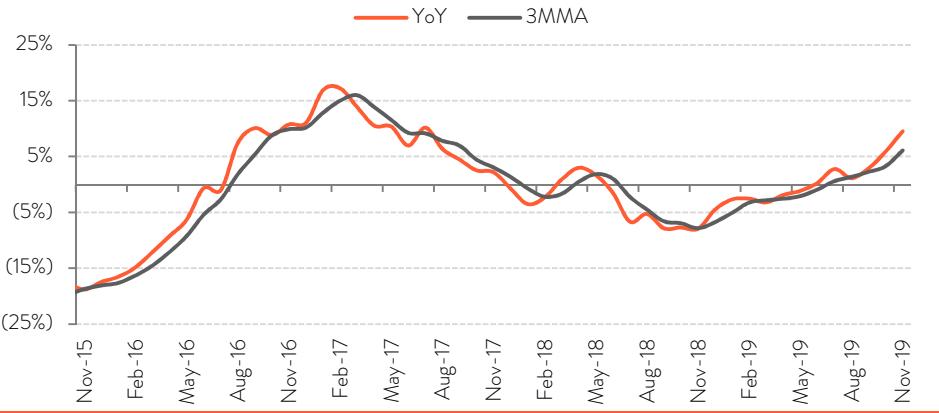
Source: Ministry of Consumer Affairs, Food and Public Distribution | \*As on: 30 Nov 2019

**FIG 20 – ... SIMILAR CASE FOR WHEAT PRICES**

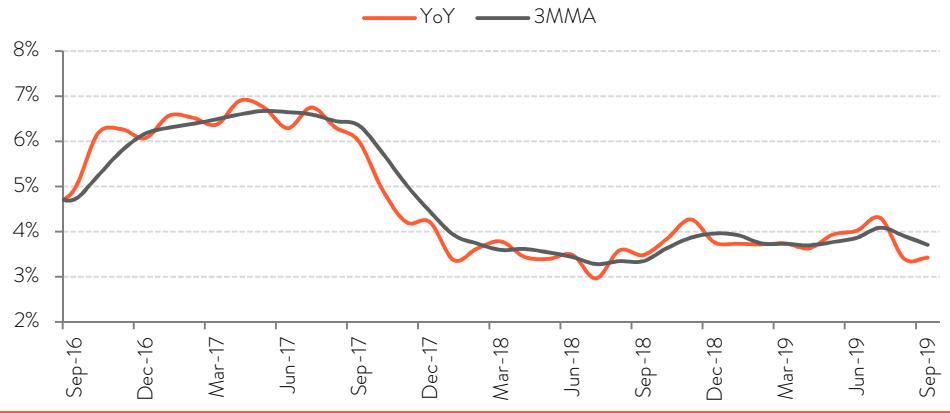


Source: World Bank

**FIG 21 – GLOBAL FOOD PRICES RISE TO 26-MONTH HIGH IN NOV'19**

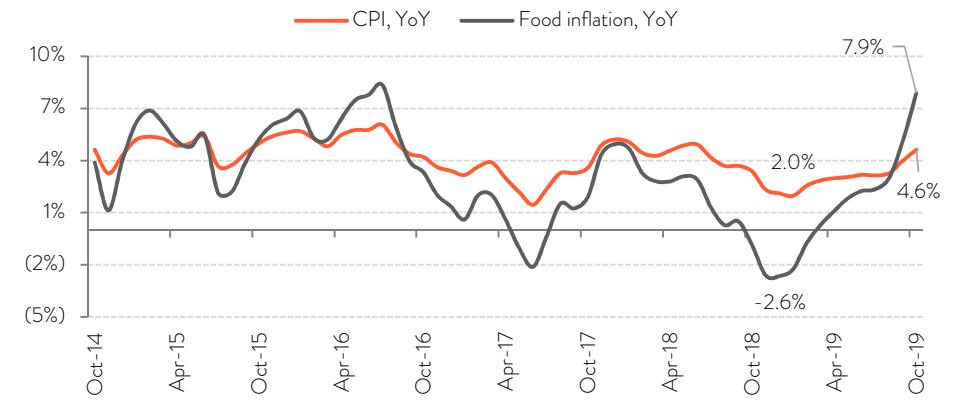


**FIG 22 – RURAL WAGES (MEN) RISE AT A STEADY PACE IN SEP'19**

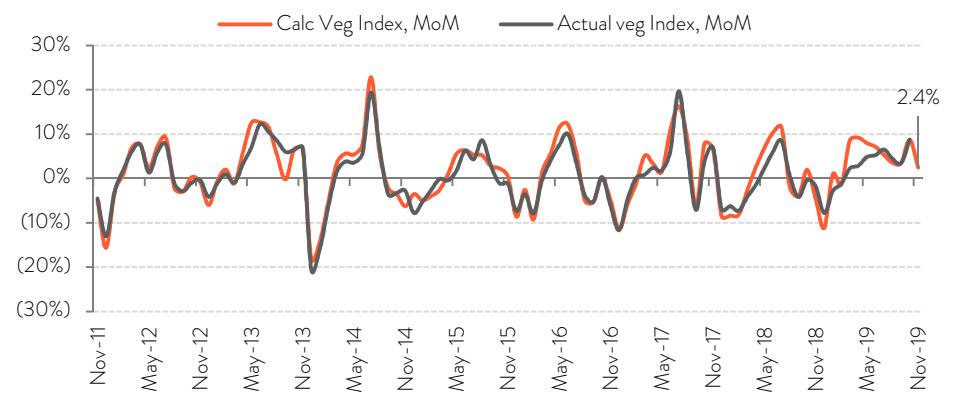


## Inflation

**FIG 23 – RETAIL INFLATION BREACHED MPC'S TARGET OF 4% AND ROSE BY 4.6% IN OCT'19 VS 4% IN SEP'19 LED BY FOOD**

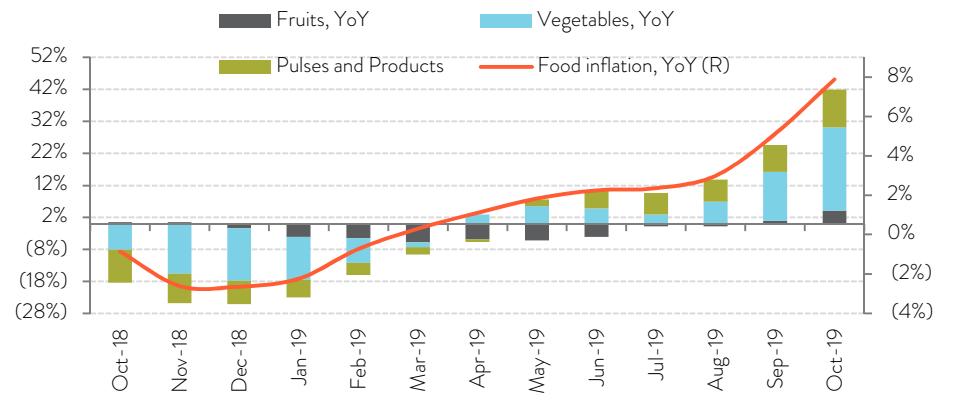


**FIG 25 – ... VEGETABLE PRICES EXPECTED TO INCREASE BY 2.4% IN NOV'19 ON MOM BASIS**

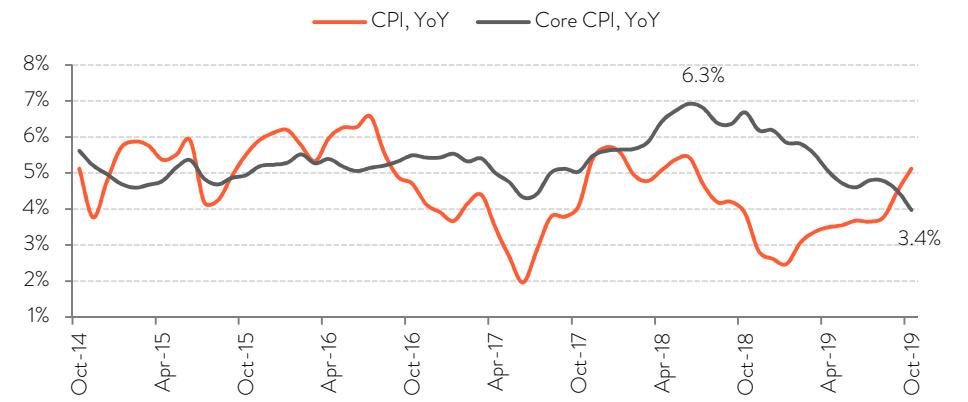


Note: \*Vegetable index computed using average retail price of major items

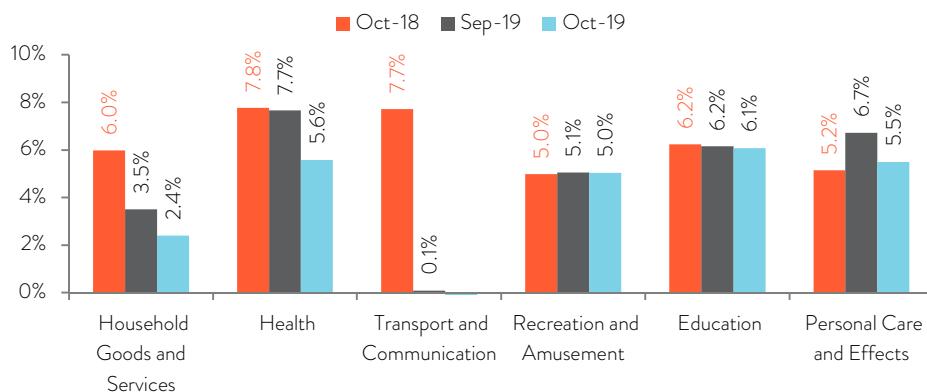
**FIG 24 – ...THE 280BPS JUMP IN FOOD INFLATION WAS LED BY HIGHER VEGETABLE INFLATION (26.1% IN OCT'19 VS 15.5% IN SEP'19)**



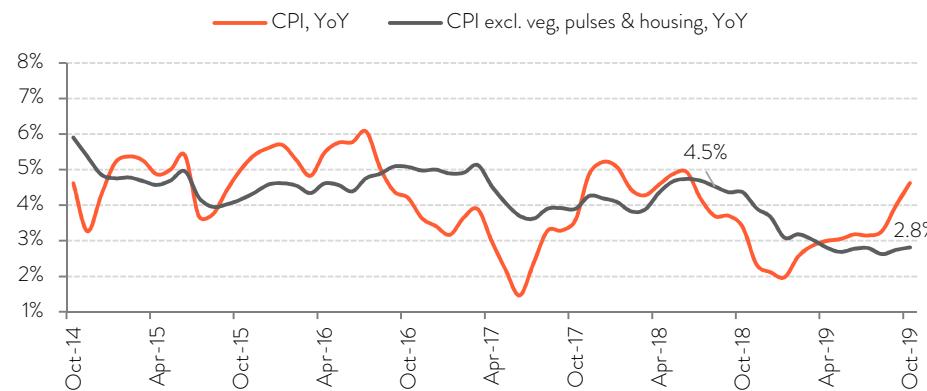
**FIG 26 – CORE INFLATION FELL BY 50BPS TO 3.4% IN OCT'19, FAR BELOW THE HEADLINE CPI PRINT**



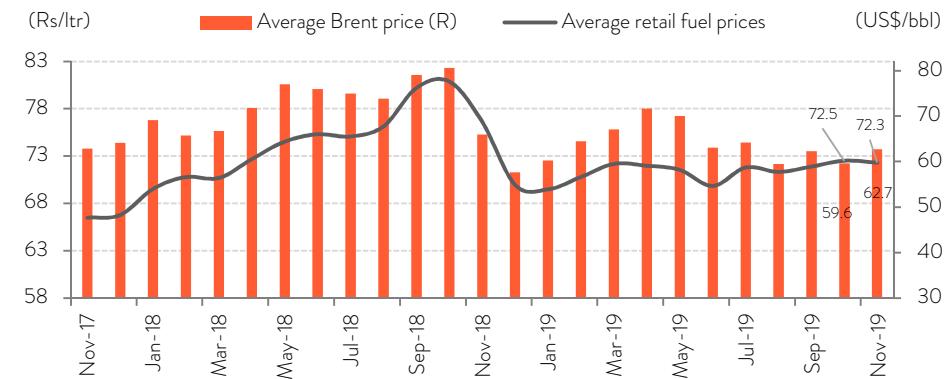
**FIG 27 – ...STEEP MODERATION IN TRANSPORT & COMMUNICATION INFLATION DROVE CORE LOWER**



**FIG 29 – CPI EXCL VOLATILE COMPONENTS SUCH AS VEG, PULSES AND HOUSING ROSE BY 10BPS TO 2.8% IN OCT'19**

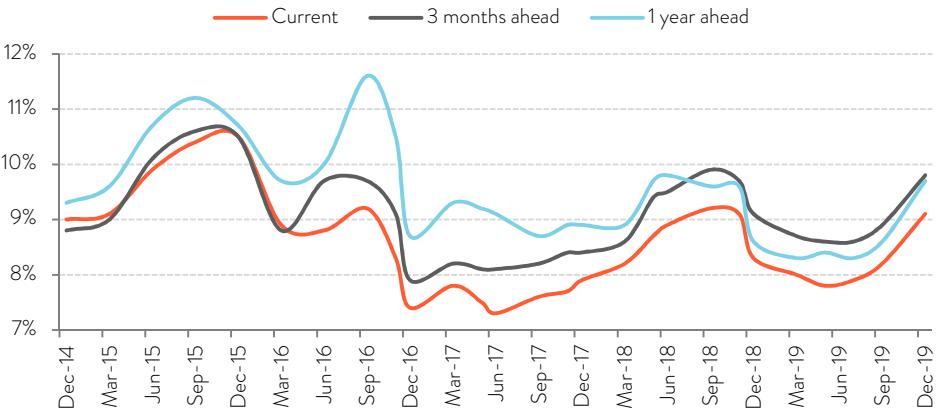


**FIG 28 – ...IN NOV'19, RETAIL FUEL PRICES WERE FAIRLY STABLE AT RS 72/LT; CRUDE PRICES ROSE TO US\$ 63/BBL IN NOV'19 VS US\$ 60/BBL IN OCT'19**



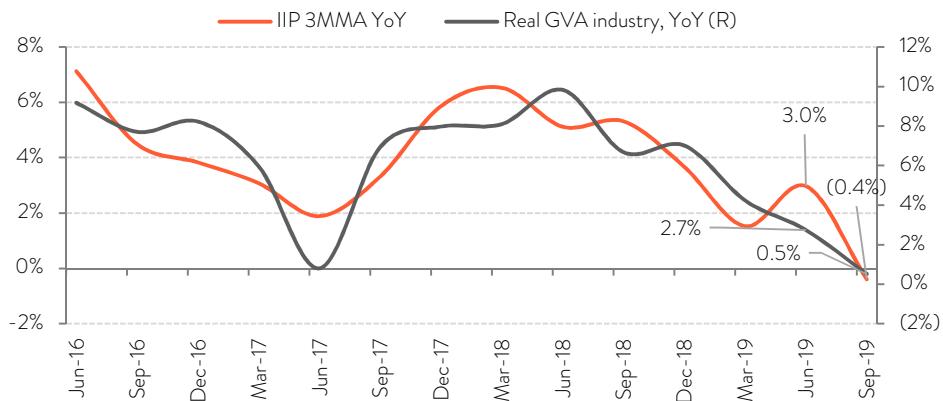
Note: \*Average retail price of Delhi, Kolkata, Mumbai and Chennai

**FIG 30 – RBI INFLATION INDEX (BOTH 3-MONTHS AND 1-YEAR) EDGED UP BY 90BPS AND 110BPS IN DEC'19**



## Industry

FIG 31 – INDUSTRIAL OUTPUT DROPS IN Q2FY20



Note: IIP for Aug'19 is average for Jul-Aug'19 on a YoY basis

FIG 33 – PRIMARY GOODS DRAGGED IIP DOWN

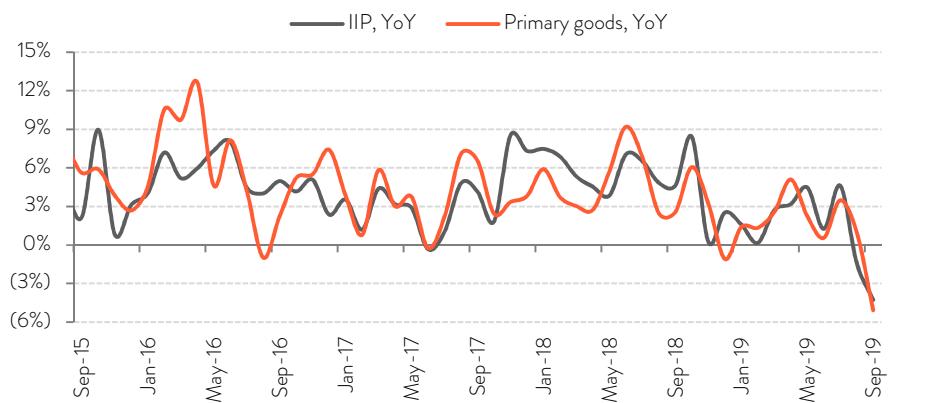


FIG 32 – GROWTH EASED ACROSS SECTORS IN Q2FY20

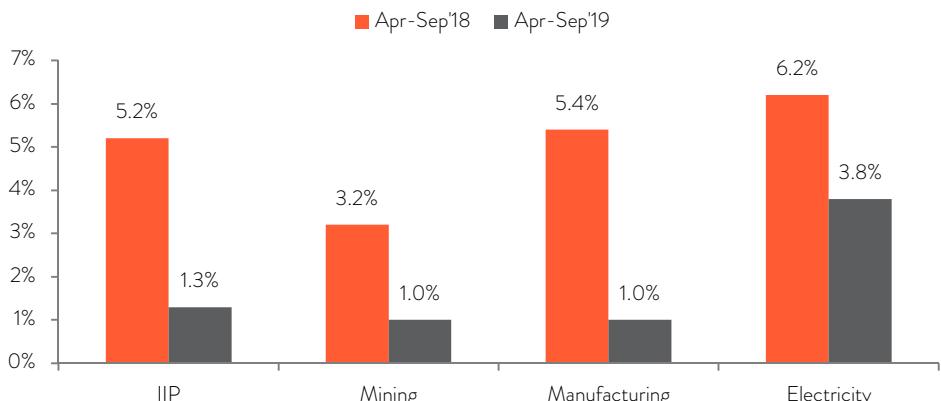
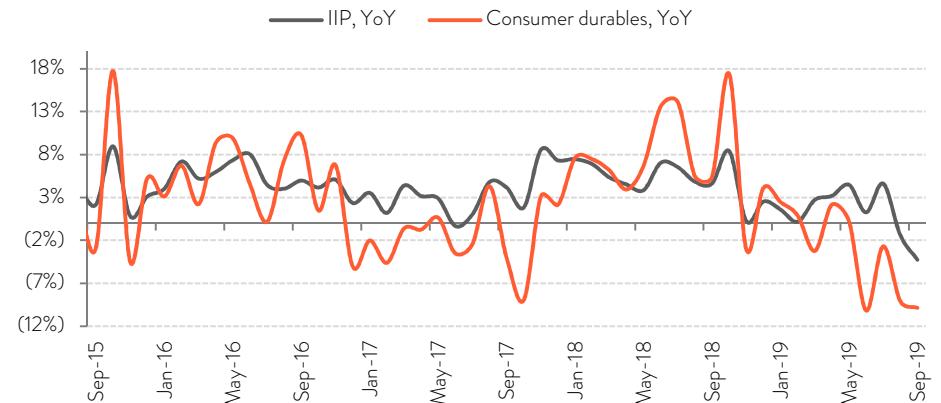


FIG 34 – CONSUMER DURABLES GOODS TOO DOING THE SAME



**FIG 35 – INDUSTRIAL PRODUCTION PLUNGES IN SEP'19**

Sectoral (%)	Weight	Sep-19	Aug-19	Sep-18	Apr-Sep'19	Apr-Sep'18
IIP	100.0	(4.3)	(1.4)	4.6	1.3	5.2
Mining	14.4	(8.5)	0	0.1	1.0	3.2
Manufacturing	77.6	(3.9)	(1.6)	4.8	1.0	5.4
Electricity	8.0	(2.6)	(0.9)	8.2	3.8	6.2
<b>Use-Based</b>						
Primary Goods	34.1	(5.1)	1.0	2.6	1.2	4.9
Capital Goods	8.2	(20.7)	(21.4)	6.9	(10.3)	7.6
Intermediate Goods	17.2	7.0	6.9	1.5	9.3	1.3
Infrastructure and Construction Goods	12.3	(6.4)	(4.8)	9.5	(1.1)	8.7
Consumer Durables Goods	12.8	(9.9)	(9.1)	5.4	(5.0)	8.1
Consumer Non-Durables Goods	15.3	(0.4)	3.1	6.4	4.0	5.2

## Manufacturing

FIG 36 – MANUFACTURING ACTIVITY FALLS IN Q2FY20

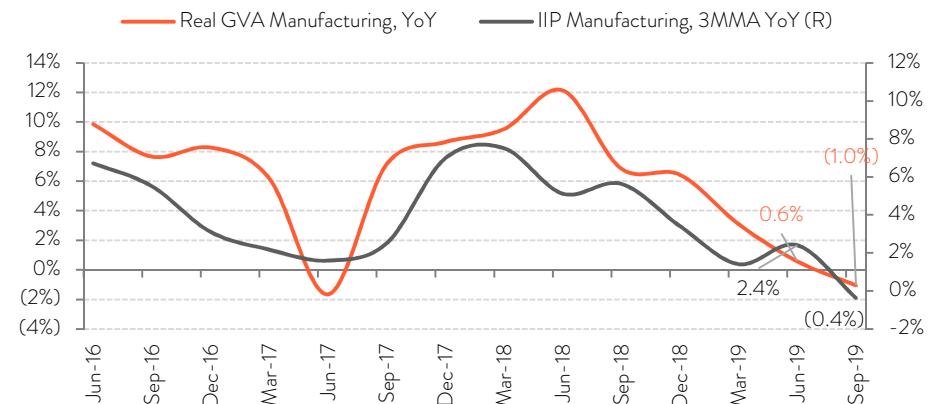
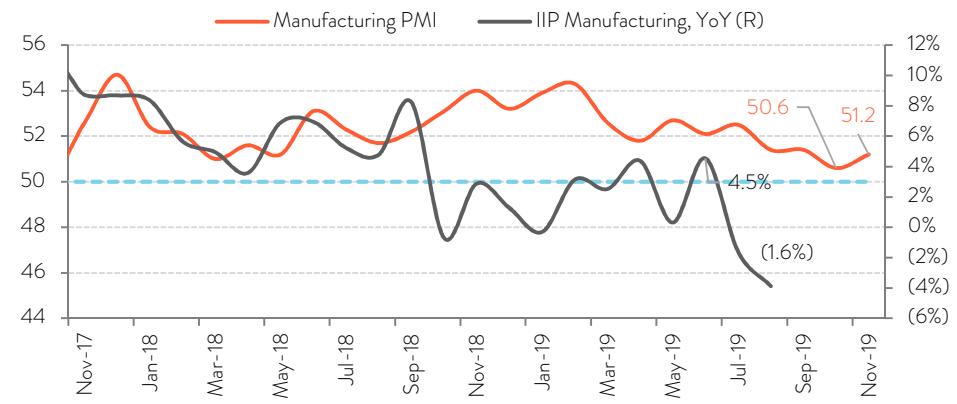


FIG 37 – MANUFACTURING PMI IMPROVES IN NOV'19



Source: Markit

## Mining & Electricity

FIG 38 – MINING ACTIVITY SLOWS IN Q2

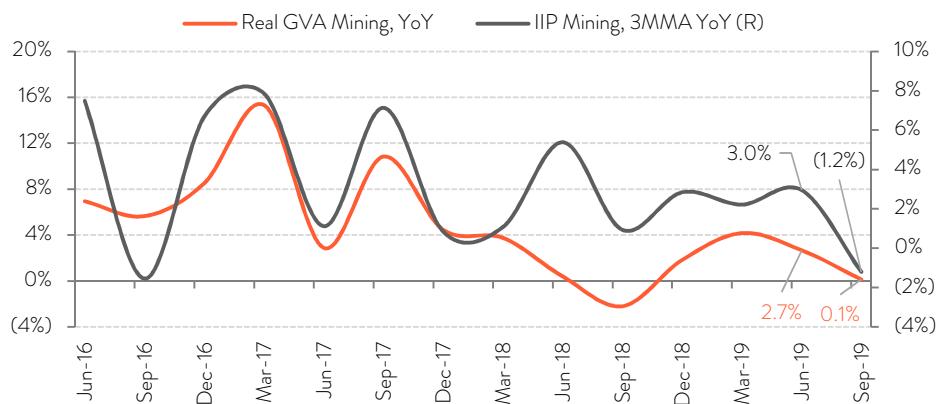
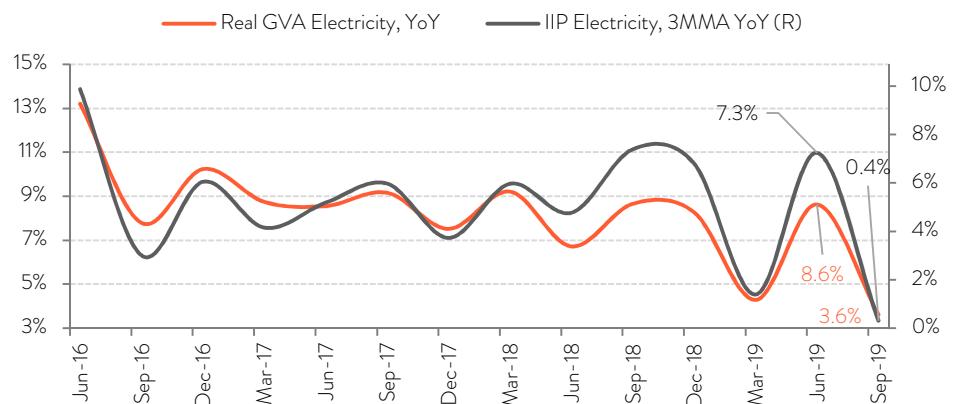
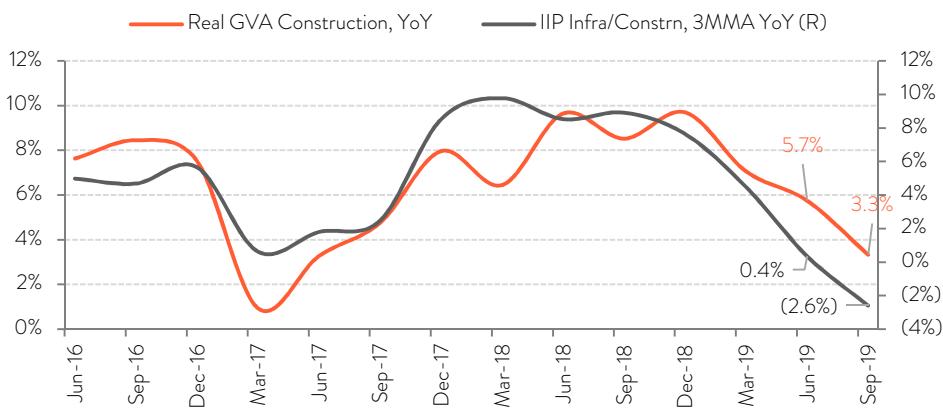


FIG 39 – ELECTRICITY OUTPUT DROPS SHARPLY IN Q2



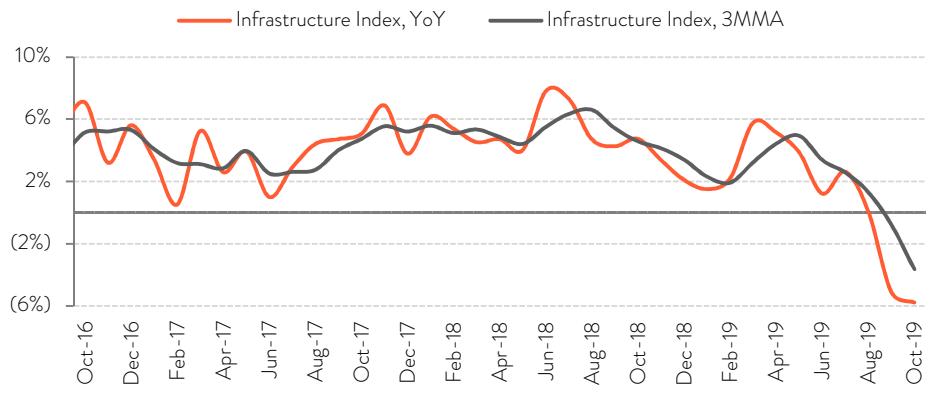
## Infrastructure and Construction

**FIG 40 – GROWTH IN CONSTRUCTION SECTOR SLIPS IN Q2FY20**

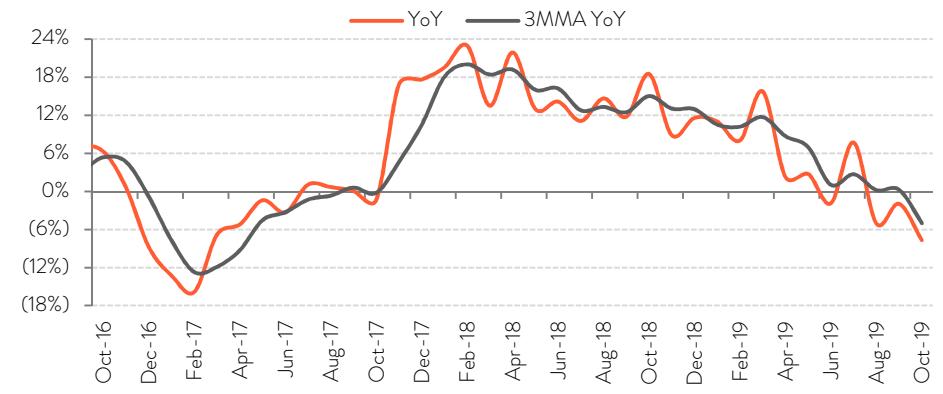


## Infrastructure Index

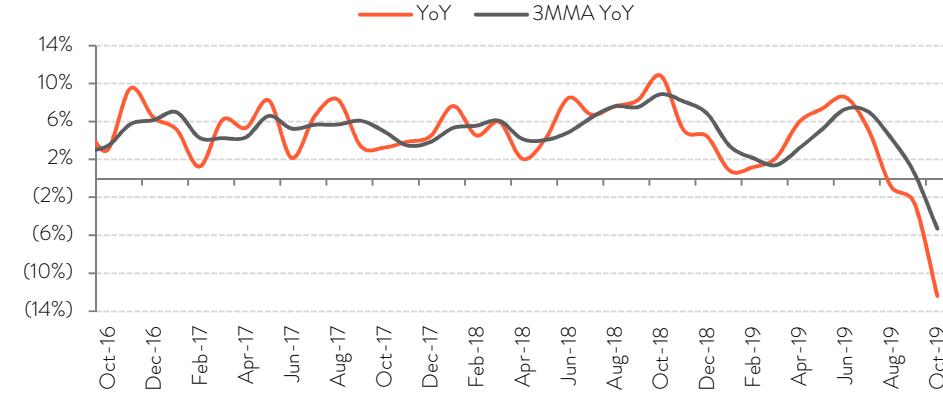
**FIG 42 – INFRA INDEX DECLINES FURTHER IN OCT'19**



**FIG 41 – CEMENT PRODUCTION FALLS IN OCT'19**

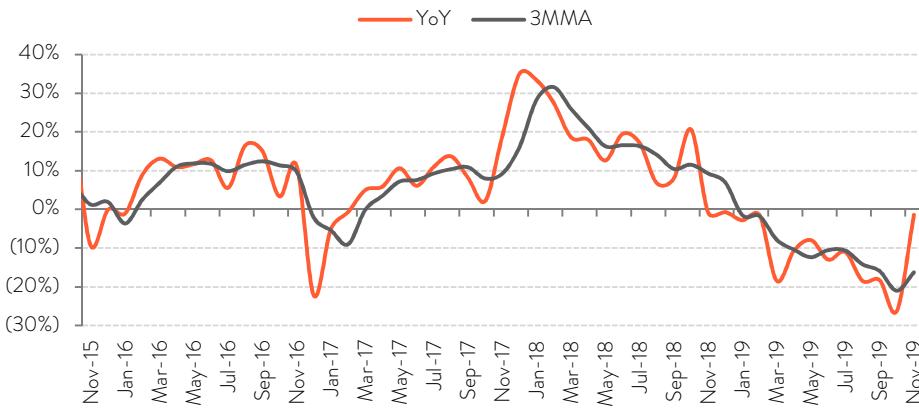


**FIG 43 – ELECTRICITY PRODUCTION CONTRACTS BY (-)12.4% IN OCT'19**

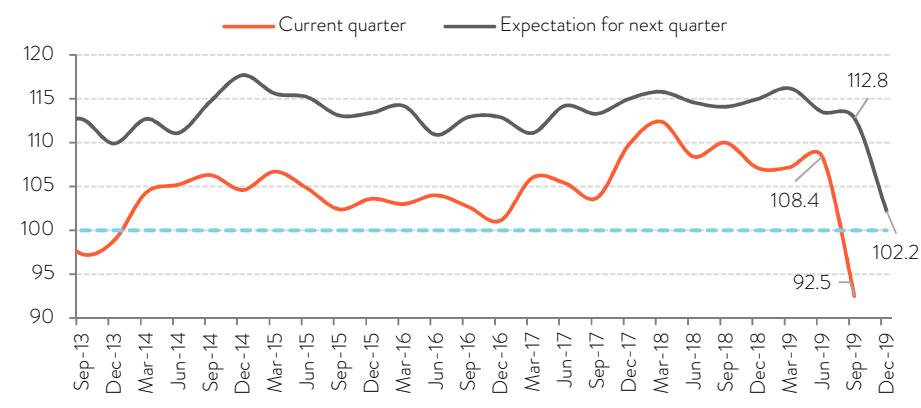


## Auto production & Business expectation index

**FIG 44 – GROWTH IN AUTO PRODUCTION REBOUNDS**



**FIG 45 – SUBDUE BUSINESS SENTIMENT IN Q3FY20**

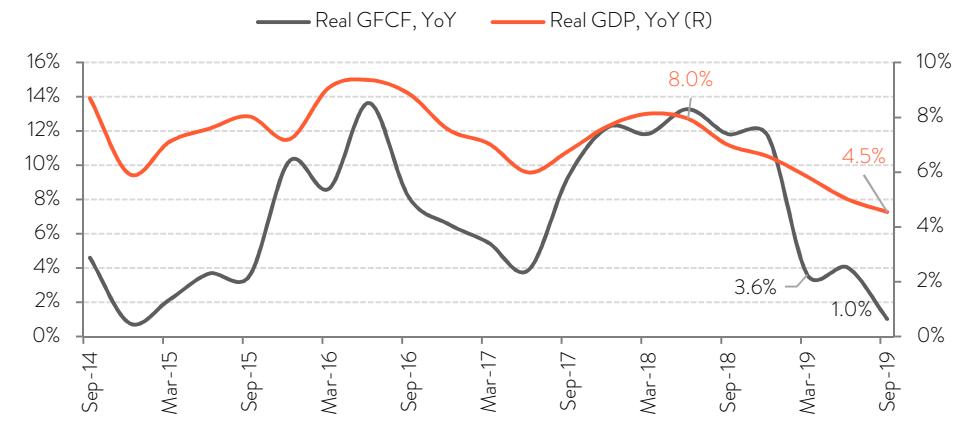


**FIG 46 – INFRASTRUCTURE INDEX SLUMPS TO (-) 5.8% IN OCT'19**

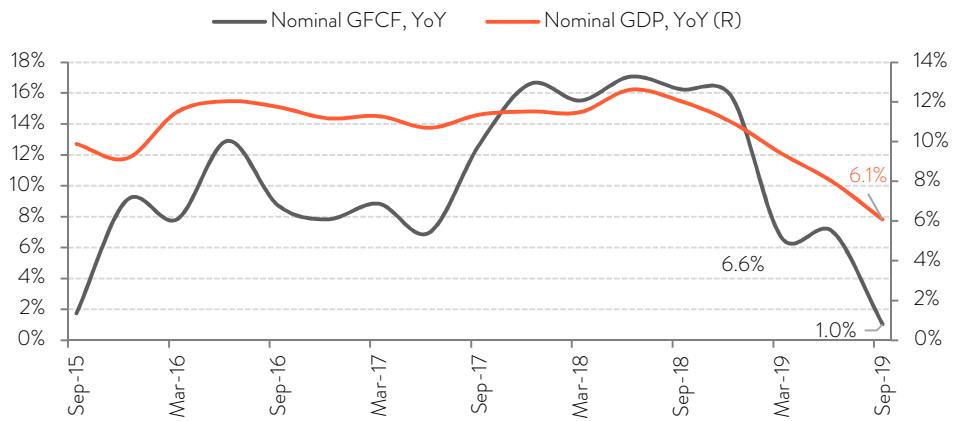
(%)	Weight	Oct-19	Sep-19	Aug-19	Oct-18
Infrastructure Index	100	(5.8)	(5.1)	0.1	4.8
Coal	10.3	(17.6)	(20.5)	(8.6)	11.3
Crude Oil	9.0	(5.1)	(5.4)	(5.4)	(5.0)
Natural Gas	6.9	(5.7)	(4.9)	(3.9)	(0.9)
Petroleum Refinery Products	28.0	0.4	(6.6)	2.6	1.3
Fertilizers	2.6	11.8	5.4	2.9	(11.5)
Steel	17.9	(1.6)	(1.5)	5.1	2.4
Cement	5.4	(7.7)	(2.0)	(5.1)	18.4
Electricity	19.9	(12.4)	(2.6)	(0.9)	10.9

## Investment

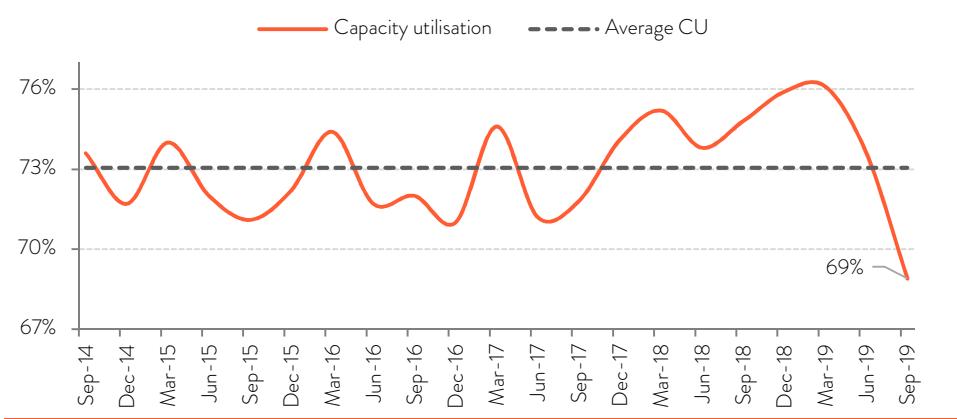
**FIG 47 – REAL GFCF GROWTH WAS AT ITS LOWEST SINCE MAR'14 AT 1% IN Q2FY20 VS 4% IN Q1FY20**



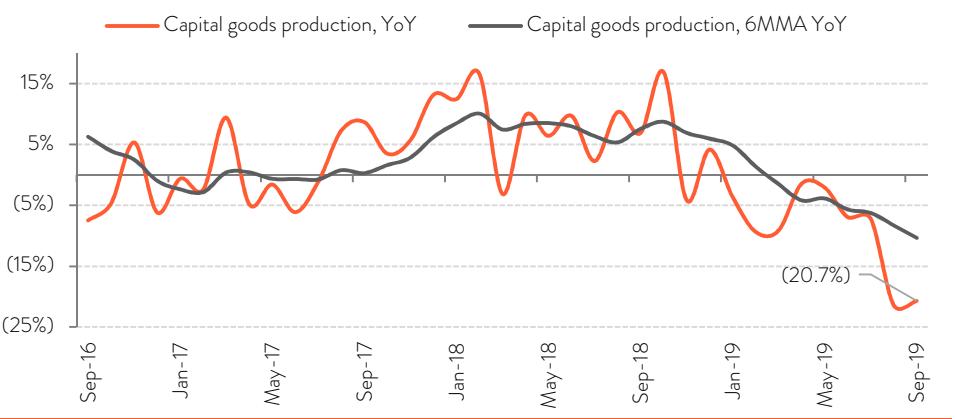
**FIG 48 – IN NOMINAL TERMS AS WELL GFCF REMAINED MUTED AT 1% IN Q2FY20 VS 7.1% IN Q1FY20**



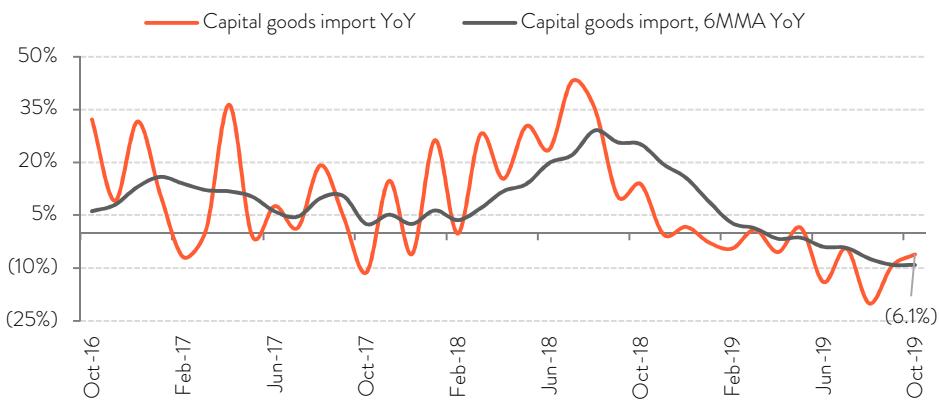
**FIG 49 – CAPACITY UTILISATION FELL TO ITS LOWEST AT 69% IN Q2FY20, FAR BELOW ITS LONG RUN AVERAGE**



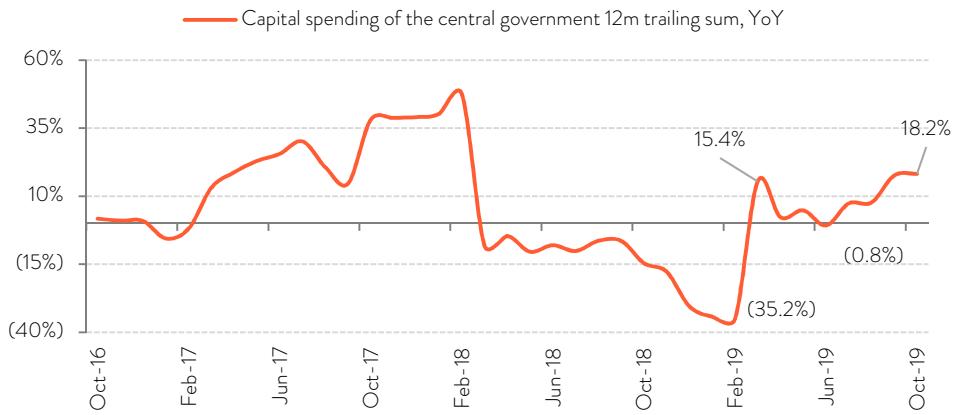
**FIG 50 – CAPITAL GOODS PRODUCTION CONTINUED TO DECLINE BY (-) 20.7% IN SEP'19 VS (-) 21.4% IN AUG'19**



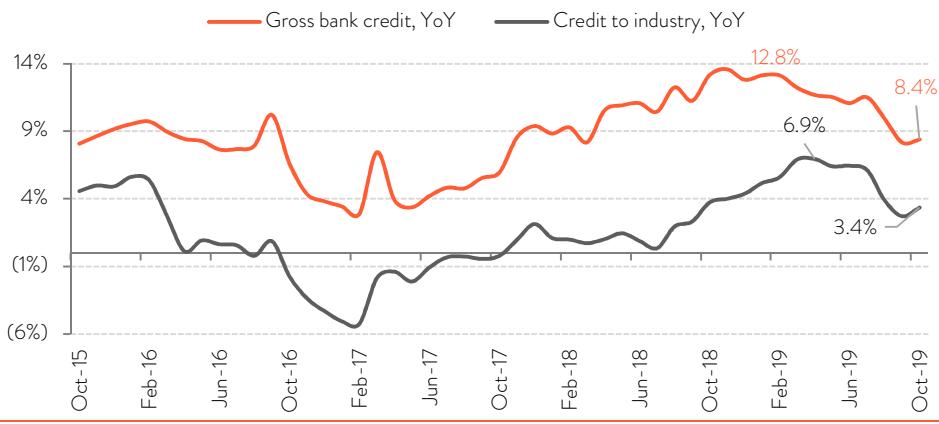
**FIG 51 – CAPITAL GOODS IMPORTS ALSO FELL BY (-) 6.1% IN OCT'19 VS (-) 9.4% IN SEP'19 ON YOY BASIS**



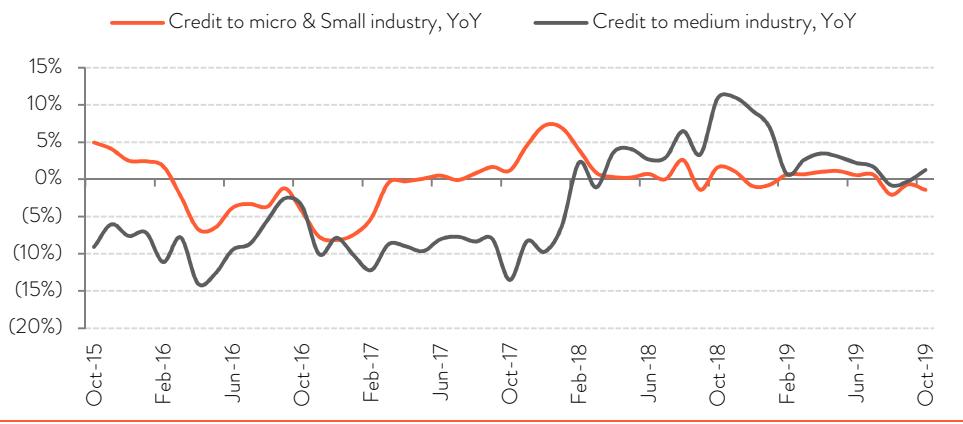
**FIG 52 – CENTRE'S CAPEX SPENDING PICKED UP TO 18.2% IN OCT'19 VS 17.6% IN SEP'19**



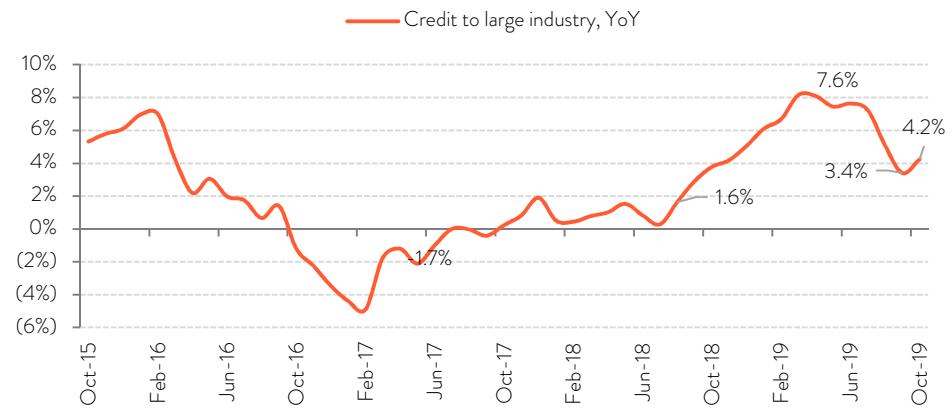
**FIG 53 – INDUSTRY CREDIT GROWTH PICKED UP TO 3.4% IN OCT'19 VS 2.7% IN SEP'19**



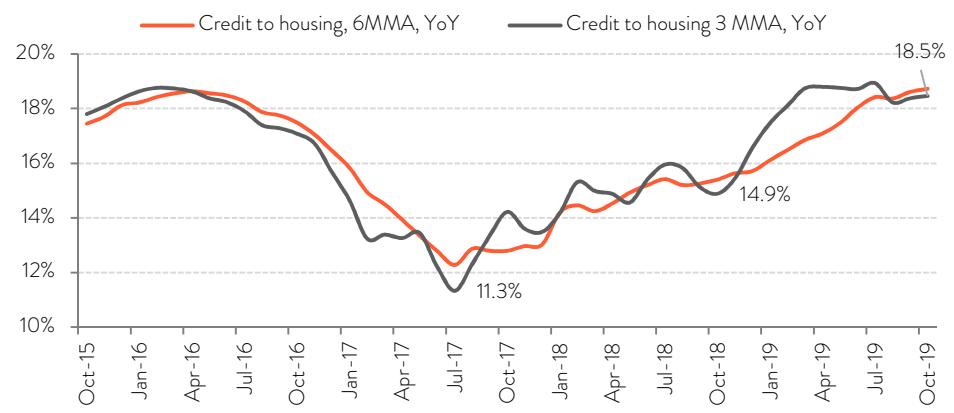
**FIG 54 – CREDIT GROWTH TO MSE SECTOR WAS MUTED AT (-) 1.4%, FOR MEDIUM INDUSTRY IT SLIGHTLY PICKED UP BY 1.2% (-0.3% IN SEP'19)**



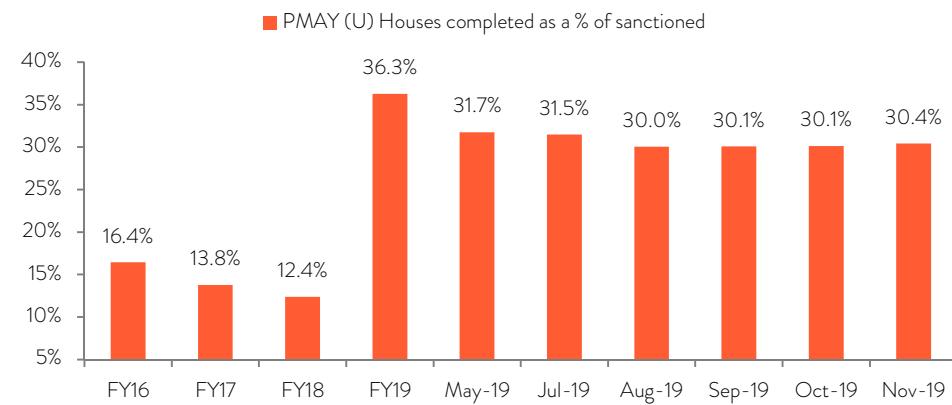
**FIG 55 – CREDIT TO LARGE INDUSTRY EDGED UP BY 4.2% IN OCT'19 VS 3.4% IN SEP'19**



**FIG 56 – CREDIT TO HOUSING REMAINED ROBUST**

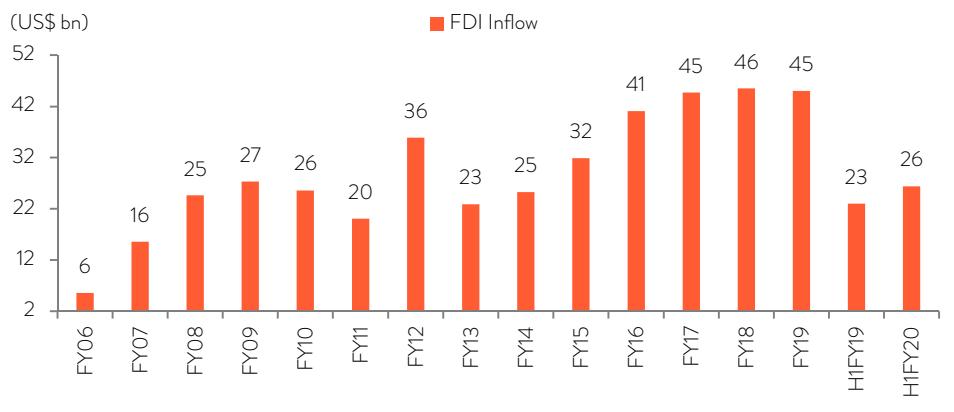


**FIG 57 – PMAY-U PROJECT CONSTRUCTION PICKED PACE, SIGNALLING DEMAND FOR AFFORDABLE HOUSING**



Source: MOHUA

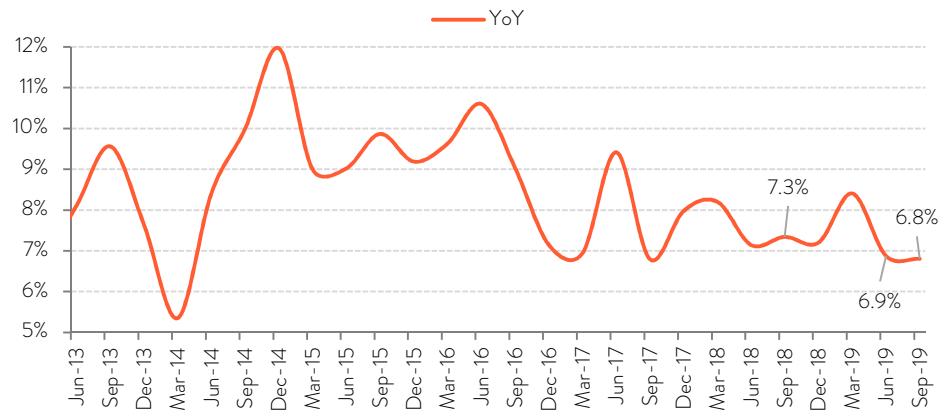
**FIG 58 – FDI INFLOWS IN H1FY20 PICKED UP TO US\$ 26BN VS US\$ 23BN IN H1FY19**



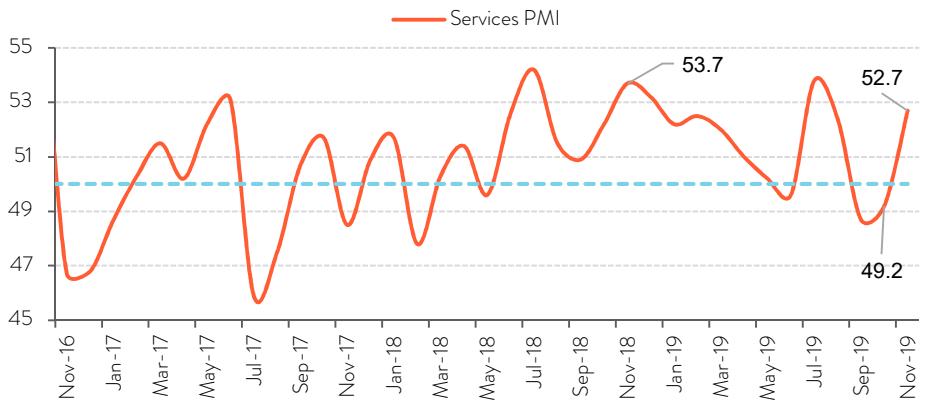
Source: RBI, \*Apr - Sep 2019

## Services sector

**FIG 59 – GVA: SERVICES ACTIVITY REMAINED STABLE IN Q2FY20 VS Q1**



**FIG 60 – SERVICES PMI REBOUNDS SHARPLY IN NOV'19**

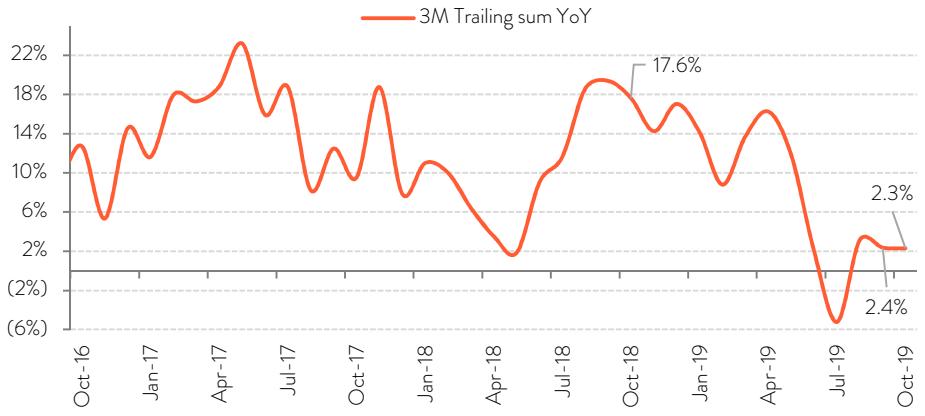


Source: Markit

**FIG 61 – GVA: TRADE & RELATED SERVICES GROWTH DROPPED STEEPLY IN Q2**



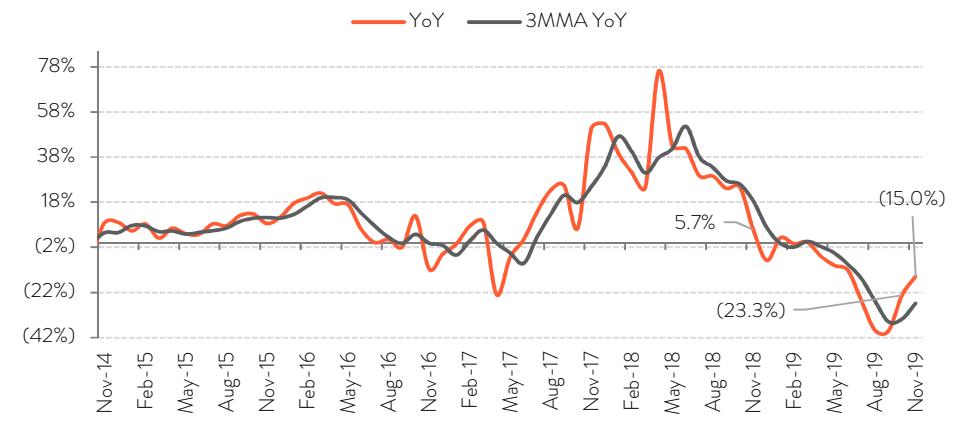
**FIG 62 – STATES\* TAX REVENUE GROWTH STEADY IN OCT'19**



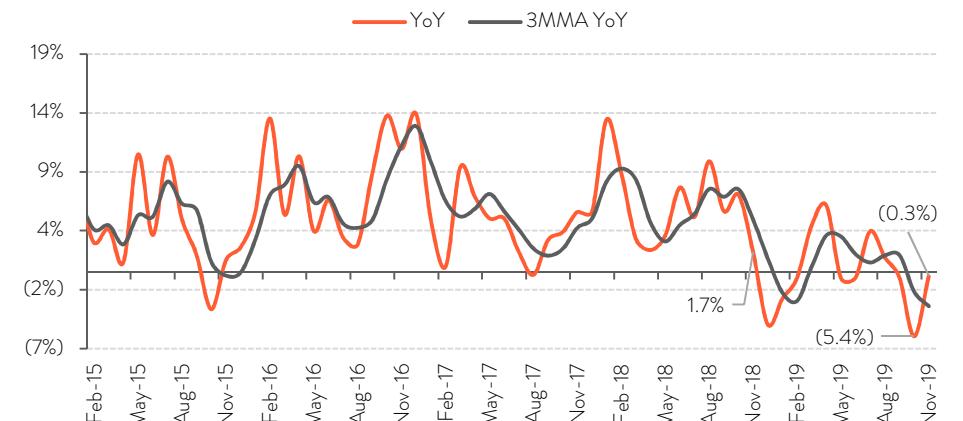
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

## Trade

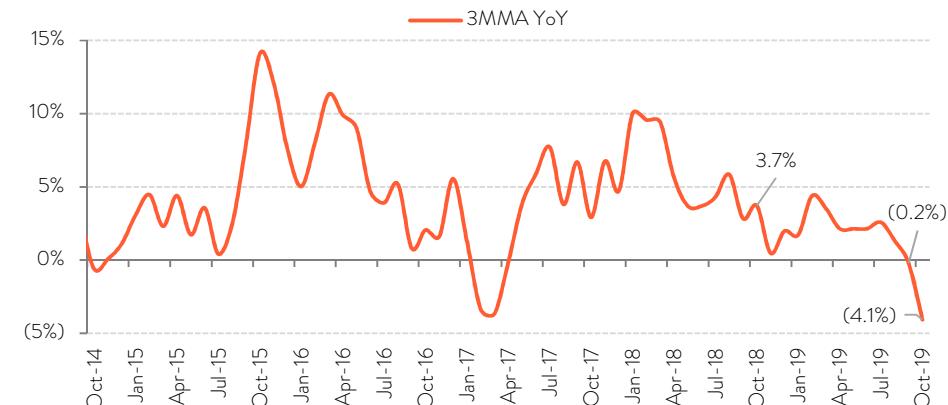
**FIG 63 – COMMERCIAL VEHICLE SALES CONTRACTED LESS SHARPLY IN NOV'19...**



**FIG 65 – PORT CARGO VOLUMES SHOW SLIGHT IMPROVEMENT IN NOV'19...**

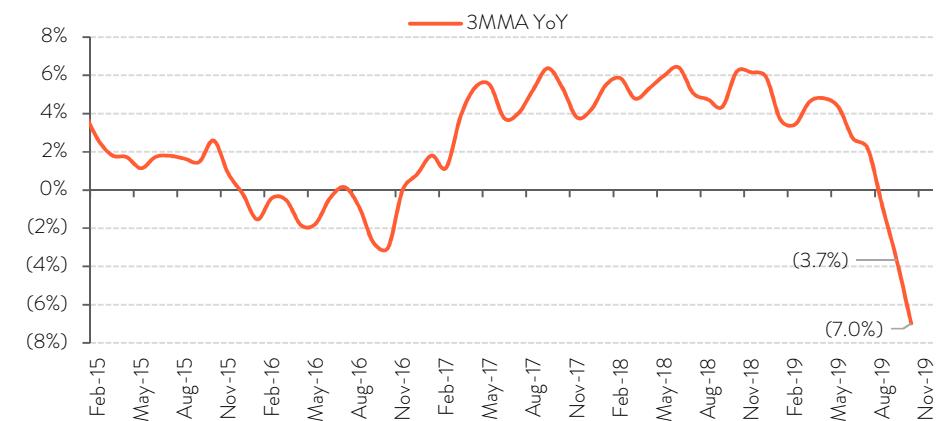


**FIG 64 – ...BUT DOWNWARD PRESSURE ON DIESEL CONSUMPTION REMAINS**



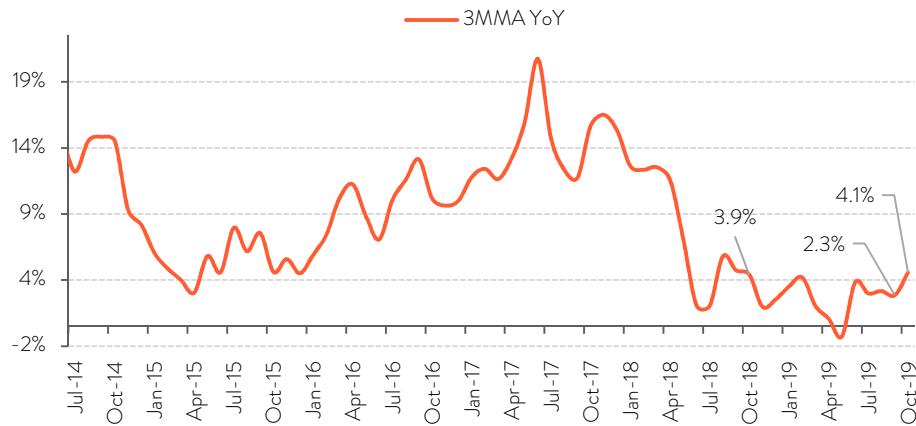
Source: PPAC

**FIG 66 – ...WHILE RAILWAY FREIGHT TRAFFIC CONTINUED TO DECLINE**

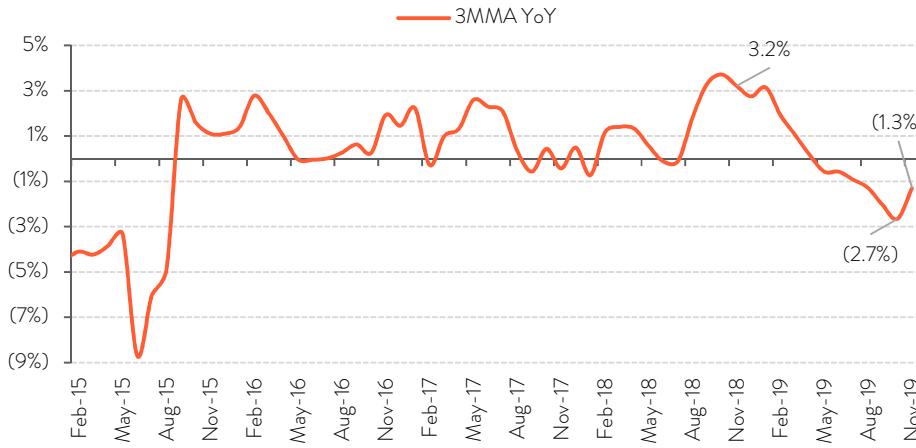


## Hotels and Communications

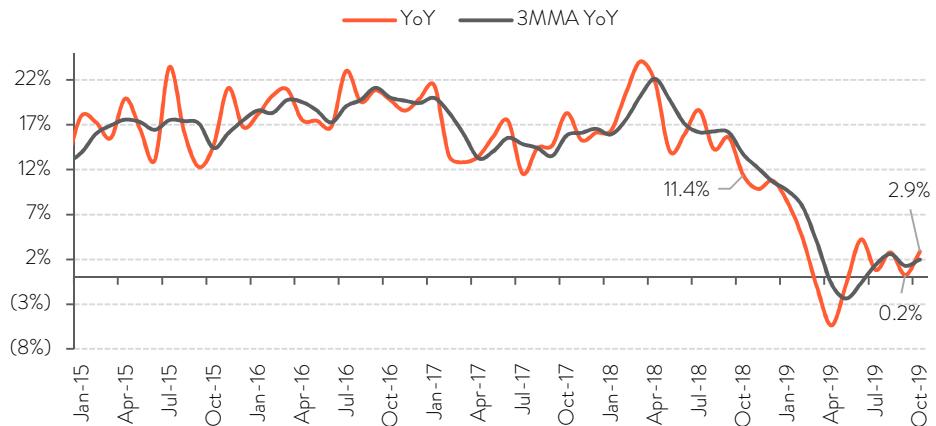
**FIG 67 – FOREIGN TOURIST ARRIVAL GROWTH RECOVERS IN OCT'19...**



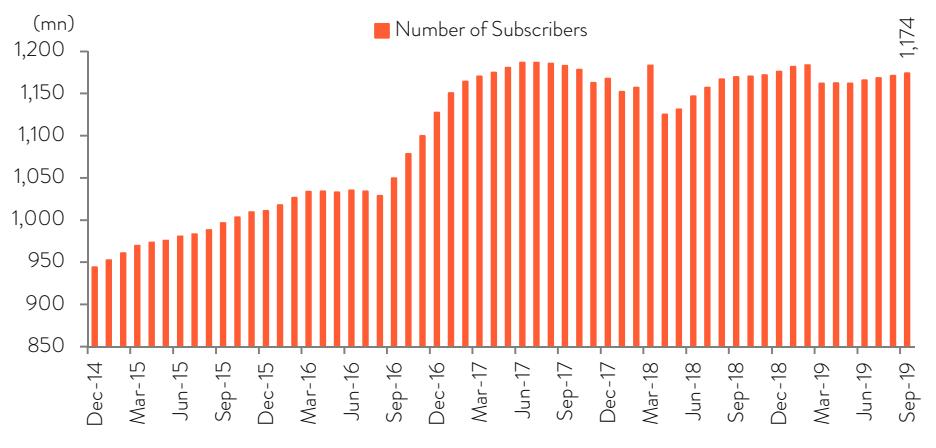
**FIG 69 – RAILWAY PASSENGER TRAFFIC GROWTH CONTRACTED LESS SHARPLY IN NOV'19**



**FIG 68 – ...HELPING REVIVAL IN AIRLINE PASSENGER TRAFFIC GROWTH**



**FIG 70 – WIRELESS SUBSCRIBERS STEADY AT 1.17BN IN SEP'19**

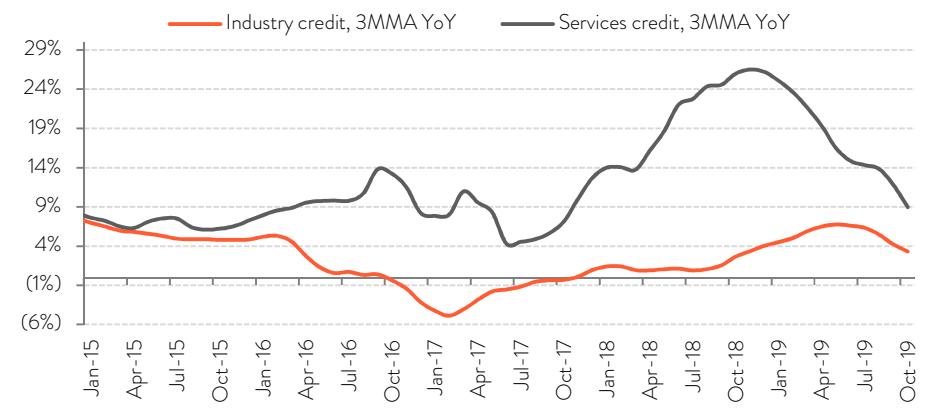


## Finance and Real estate

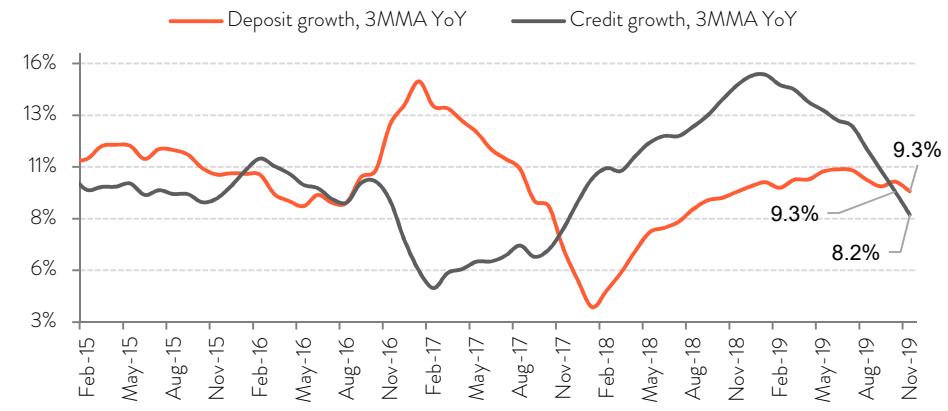
**FIG 71 – GROWTH IN GVA: FINANCE, REAL ESTATE & PROF. SERVICES BROADLY STABLE IN Q2FY20**



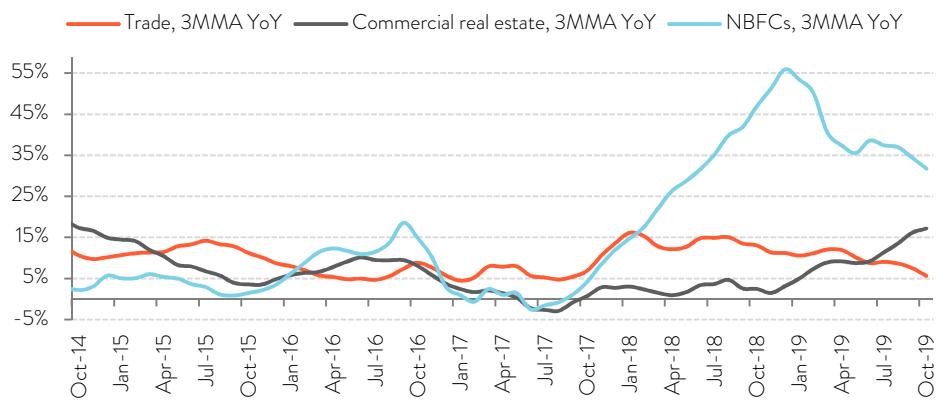
**FIG 73 – CREDIT TO SERVICES CONTINUES TO LEAD MODERATION IN OVERALL CREDIT GROWTH...**



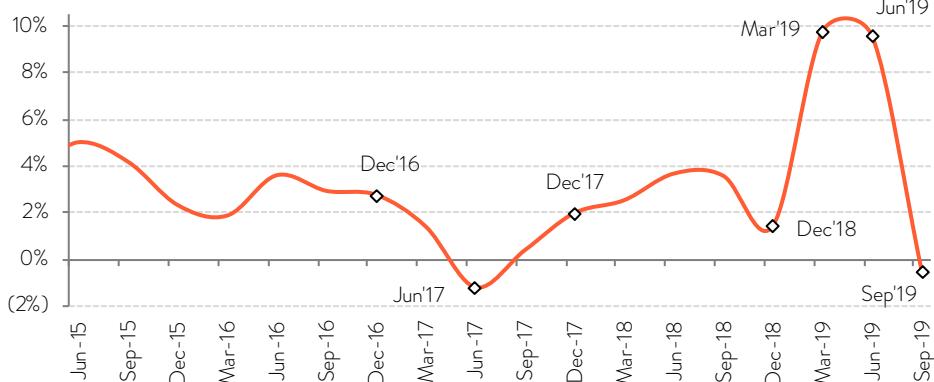
**FIG 72 – CREDIT AND DEPOSIT GROWTH SEEN DECELERATING IN NOV'19**



**FIG 74 – ...MAINLY LED BY NBFC AND TRADE; LENDING TO COMMERCIAL REAL ESTATE PICKING UP**

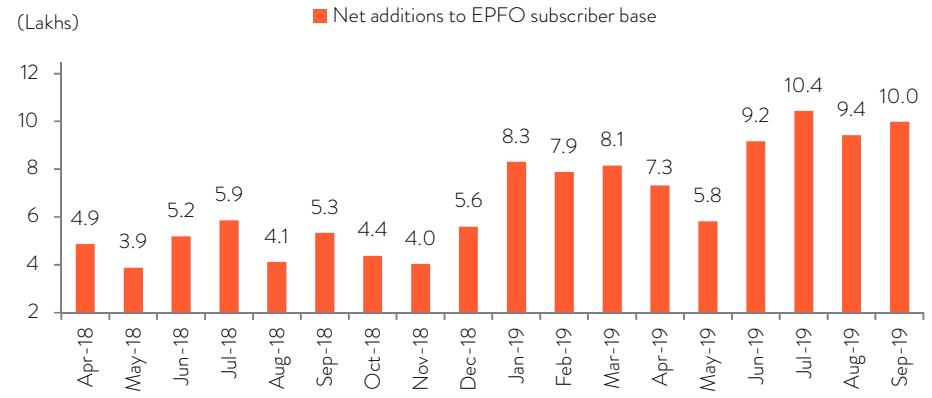


**FIG 75 – AVERAGE PROPERTY PRICE INDEX\* DROPS STEEPLY IN SEP'19**



Source: \*Index for Delhi-NCR, Mumbai & Bangalore; using Colliers International data for commercial property rental price (Rs/sqft)

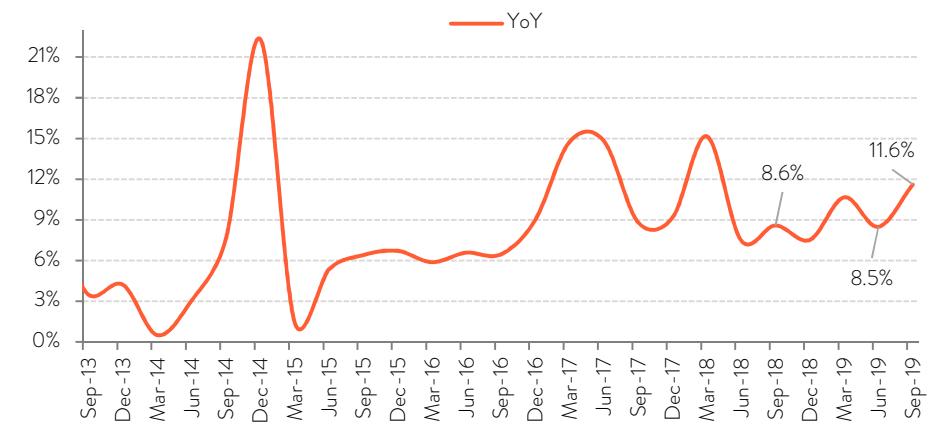
**FIG 76 – NET ADDITIONS IN Q2FY20 HIGHER AT 29.8 LAKH VS 15.3 LAKH IN Q2FY19**



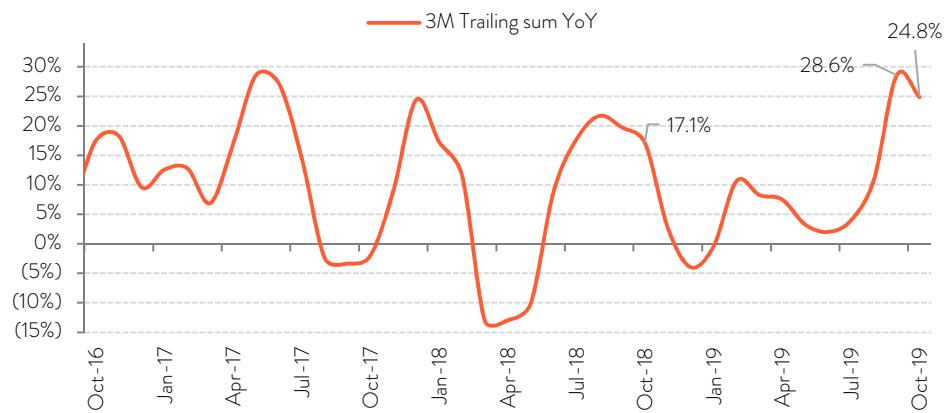
Source: EPFO

## Public administration

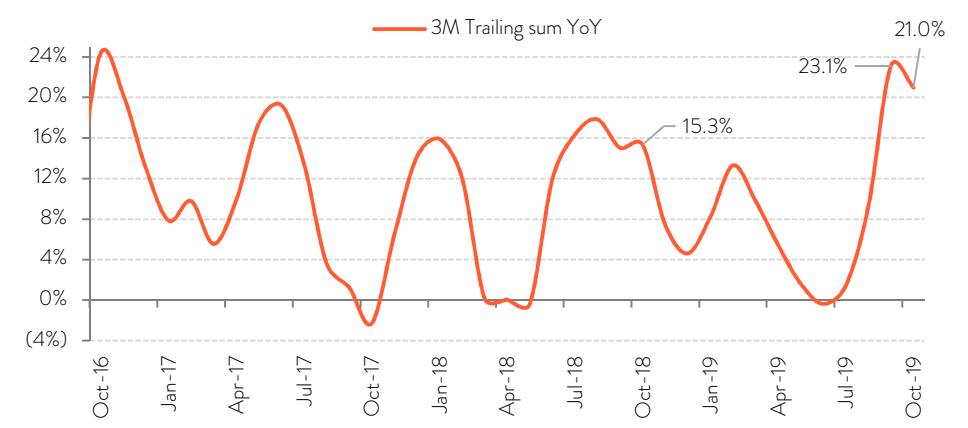
**FIG 77 – PUBLIC ADMINISTRATION & RELATED SERVICES HELPED SERVICE SECTOR GROWTH REMAIN STEADY IN Q2FY20**



**FIG 79 – ...LED BY CENTRAL GOVT. SPENDING**



**FIG 78 – ...GENERAL GOVT. SPENDING COOLS OFF MARGINALLY IN OCT'19**



**FIG 80 – STATE\* GOVT. SPENDING BROADLY STABLE**

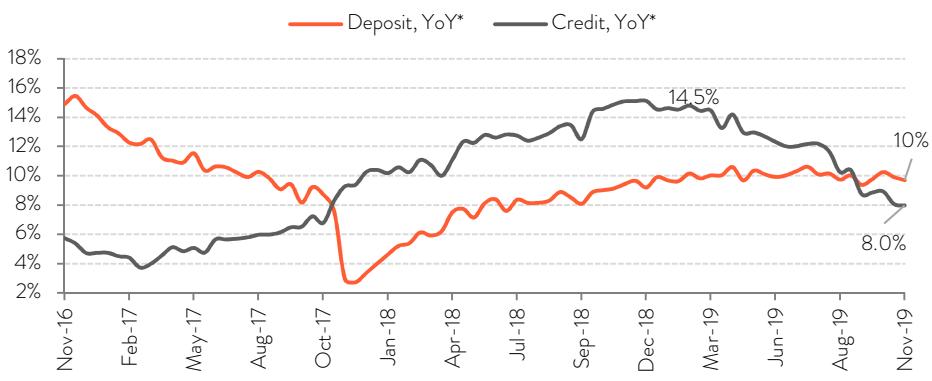


Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

## Financial sector

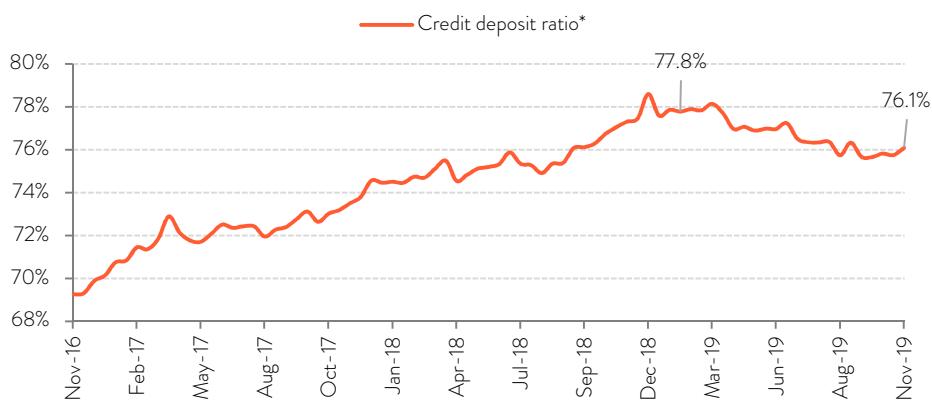
### Money and banking

**FIG 81 – IN NOV'19, CREDIT GROWTH WAS LOWER AT 8% VS 8.9% IN OCT'19, DEPOSIT GROWTH ALSO EDGED DOWN TO 9.7% VS 10.3% IN OCT'19**



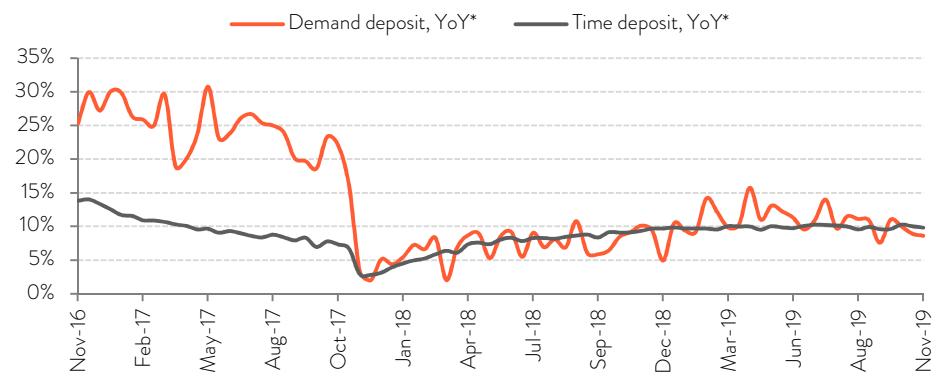
Note: \*Nov'19 implies fortnight as of 22 Nov 2019

**FIG 83 – CD RATIO WAS AT 76.1% IN NOV'19**



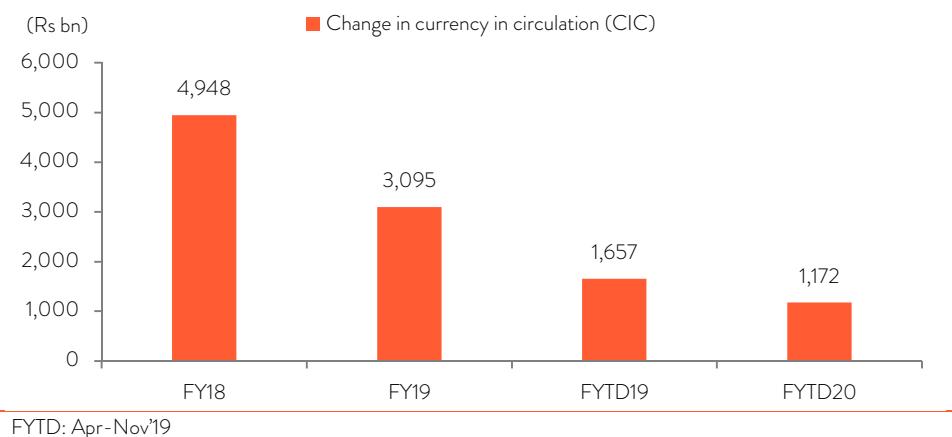
Note: \*Nov'19 implies fortnight as of 22 Nov 2019

**FIG 82 – BOTH DEMAND AND TIME DEPOSITS GREW AT A SLOWER PACE OF 8.6% (10% IN OCT'19) & 9.8% (10.3% IN OCT'19) RESPECTIVELY**

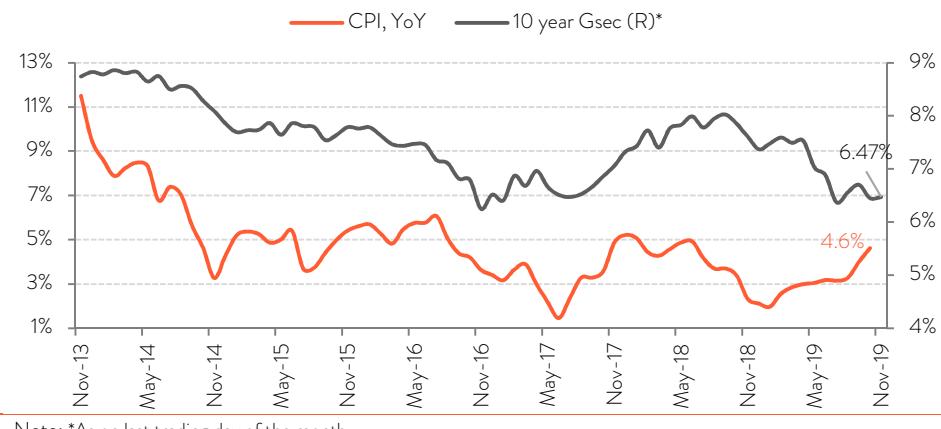


Note: \*Nov'19 implies fortnight as of 22 Nov 2019

**FIG 84 – CIC ACCRETION WAS FAR LOWER AT RS 1.2TN IN FYTD20 VS RS 1.7 TN IN THE SAME PERIOD LAST YEAR**

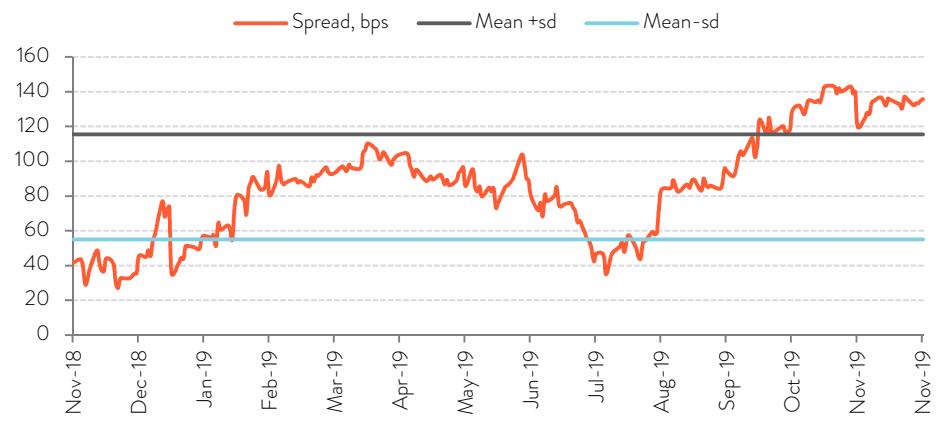


**FIG 85 – 10Y G-SEC YIELD INCHED UP BY 6.47% IN NOV'19 (6.45% IN OCT'19) AMIDST FISCAL CONCERN, INFLATION BREACHED MPC'S 4% MARK**



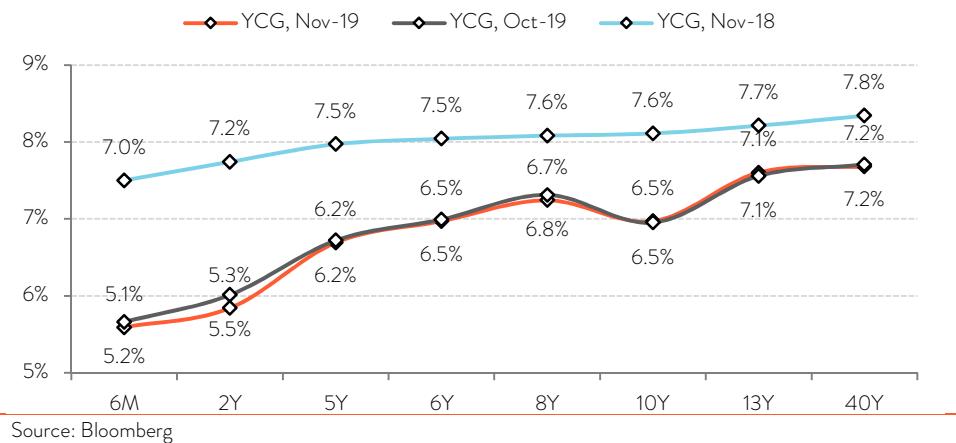
Note: \*As on last trading day of the month

**FIG 87 – SPREAD BETWEEN 10Y G-SEC YIELD AND 1YR T-BILL WAS AT 132BPS IN NOV'19 COMPARED TO 135BPS IN OCT'19**

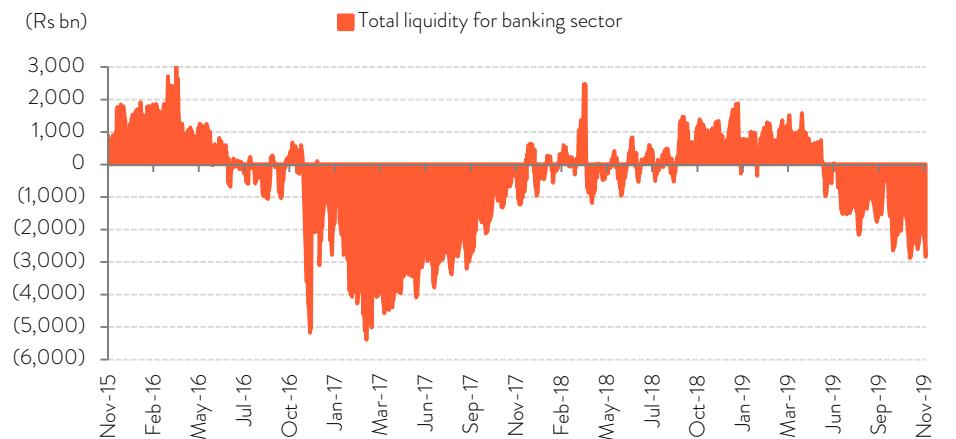


Source: RBI

**FIG 86 – YIELD CURVE GRAPH (YCG) SHOWS A STEEPENING BIAS**



**FIG 88 – AVERAGE SYSTEM LIQUIDITY SURPLUS ROSE TO RS 2.4TN IN NOV'19 VS RS 2TN IN OCT'19 AND CURRENTLY AT ~RS 3.2TN**



Source: RBI

## Interest rates on small savings schemes

**FIG 89 – INTEREST RATES ON SMALL SAVINGS SCHEME**

Instrument (%)	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	G-Sec Yield (1 Dec 2019)
Savings deposit	4.0	4.0	4.0	4.0	4.0	4.0	-
1 year time deposit	6.6	6.9	7.0	7.0	6.9	6.9	-
2 year time deposit	6.7	7.0	7.0	7.0	6.9	6.9	5.37
3 year time deposit	6.9	7.2	7.0	7.0	6.9	6.9	5.89
5 year time deposit	7.4	7.8	7.8	7.8	7.7	7.7	6.20
5 year recurring deposit	6.9	7.3	7.3	7.3	7.2	7.2	6.20
5 year senior citizen savings scheme	8.3	8.7	8.7	8.7	8.6	8.6	6.20
5 year monthly income scheme	7.3	7.7	7.7	7.7	7.6	7.6	6.20
5 year national savings certificate	7.6	8.0	8.0	8.0	7.9	7.9	6.20
Public provident fund scheme	7.6	8.0	8.0	8.0	7.9	7.9	6.49*
Kisan vikas patra	7.3	7.7	7.7	7.7	7.6	7.6	-
Sukanya samridhi account scheme	8.1	8.5	8.5	8.5	8.4	8.4	-

Source: Department of Economic Affairs, Ministry of Finance, Government of India, 10Y benchmark yield 6.45GS2029

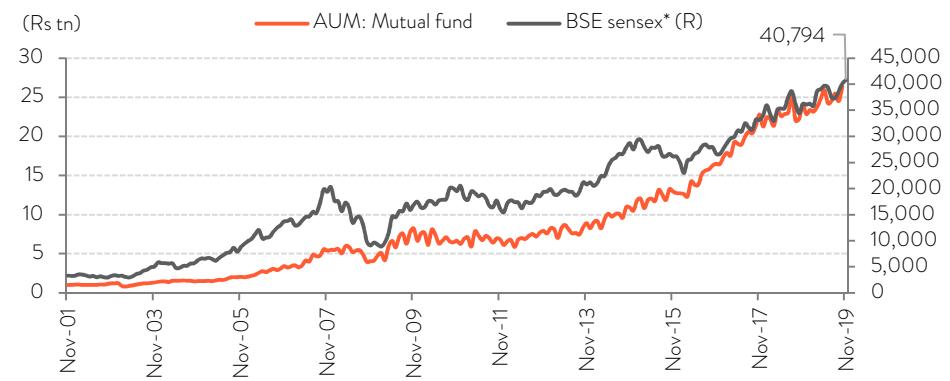
**FIG 90 – INTEREST RATES CHARGED BY LEADING BANKS**

1Y MCLR (%)	Mar'19	Apr'19	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19
<b>Public Sector Banks</b>									
Bank of Baroda	8.65	8.65	8.70	8.70	8.60	8.45	8.40	8.35	8.30
Bank of India	8.65	8.65	8.70	8.65	8.60	8.35	8.35	8.30	8.30
Canara Bank	8.65	8.65	8.70	8.70	8.60	8.50	8.40	8.40	8.35
Indian Bank	8.65	8.65	8.65	8.65	8.60	8.60	8.45	8.35	8.35
Punjab National Bank	8.45	8.45	8.45	8.45	8.40	8.30	8.30	8.25	8.15
State Bank of India	8.55	8.50	8.45	8.45	8.40	8.25	8.15	8.05	8.00
Union Bank of India	8.60	8.60	8.60	8.60	8.55	8.50	8.35	8.30	8.25
<b>Private Sector Banks</b>									
Axis Bank Ltd.	8.90	8.90	8.80	8.70	8.65	8.55	8.45	8.35	8.25
HDFC Bank Ltd.	8.75	8.70	8.70	8.70	8.70	8.60	8.45	8.35	8.30
ICICI Bank Ltd.	8.80	8.75	8.75	8.75	8.65	8.65	8.55	8.45	8.35
Indusind Bank	9.90	9.85	9.85	9.75	9.70	9.65	9.55	9.45	9.45
Kotak Mahindra Bank	9.00	8.90	8.90	8.90	8.85	8.75	8.75	8.60	8.50

Source: RBI

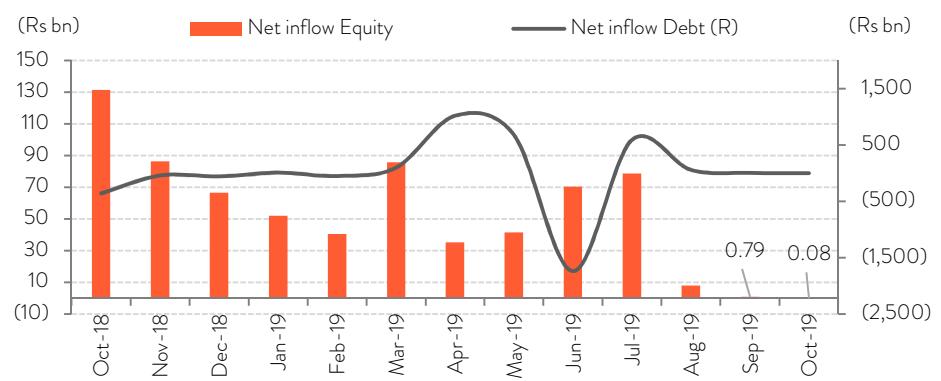
## Mutual fund (MF) indicators

**FIG 91 – SENSEX ROSE BY 1.7% TO ITS RECORD HIGH OF 40,794 IN NOV'19,  
SUPPORTED BY SURPLUS LIQUIDITY, AUM OF MFS ROSE TO RS 26TN**



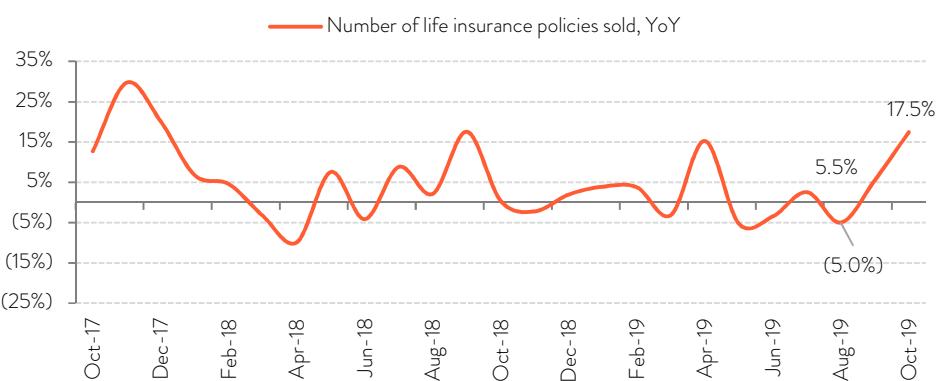
Source: \*Sensex as on last trading day of the month.

**FIG 92 – MF EQUITY AND DEBT INFLOWS WERE MUTED IN OCT'19**

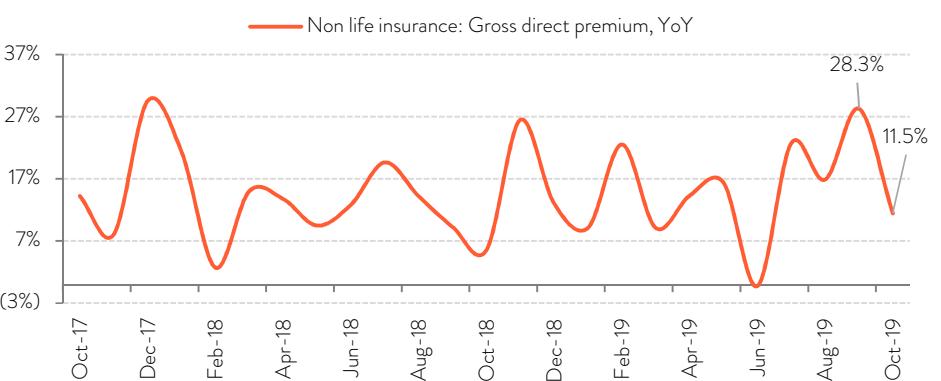


## Insurance sector indicators

**FIG 93 – LIFE INSURANCE POLICIES SOLD IN SEP'19 INCREASED DOUBLE DIGIT BY 17.5% VS 5.5% DRIVEN BY A FAVOURABLE BASE**



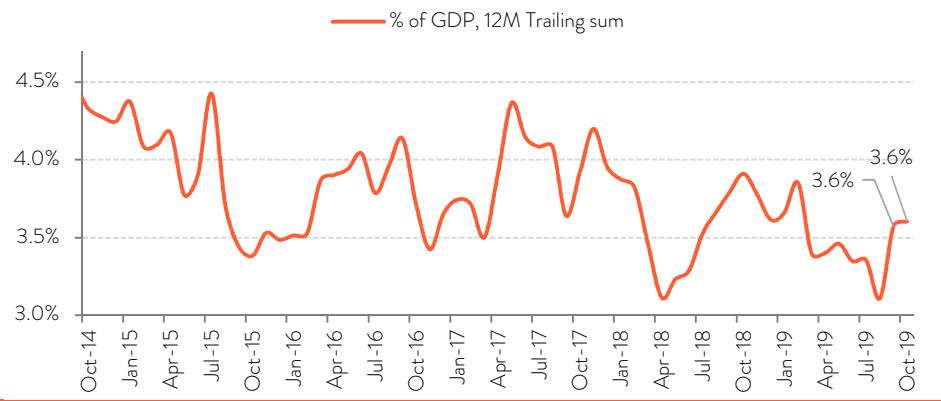
**FIG 94 – HOWEVER, GROSS DIRECT PREMIUM FOR NON LIFE INSURANCE MODERATED BY 11.5% IN OCT'19 VS 28.3% IN SEP'19**



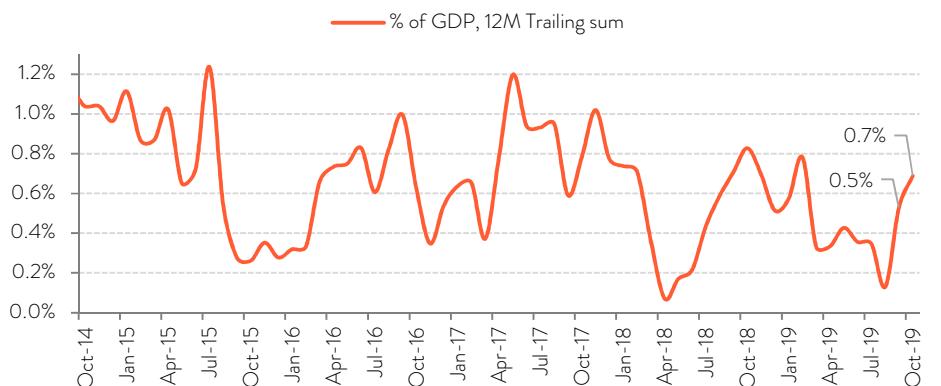
## Public finance

### Central government finances

**FIG 95 – FISCAL DEFICIT CONTINUES TO REMAIN ELEVATED IN OCT'19**



**FIG 97 – PRIMARY DEFICIT ALSO UP AT 0.7%**



**FIG 96 – REVENUE DEFICIT SEEN INCHING UP**



**FIG 98 – GOVERNMENT SPENDING CONTINUES TO MAINTAIN MOMENTUM IN OCT'19...**

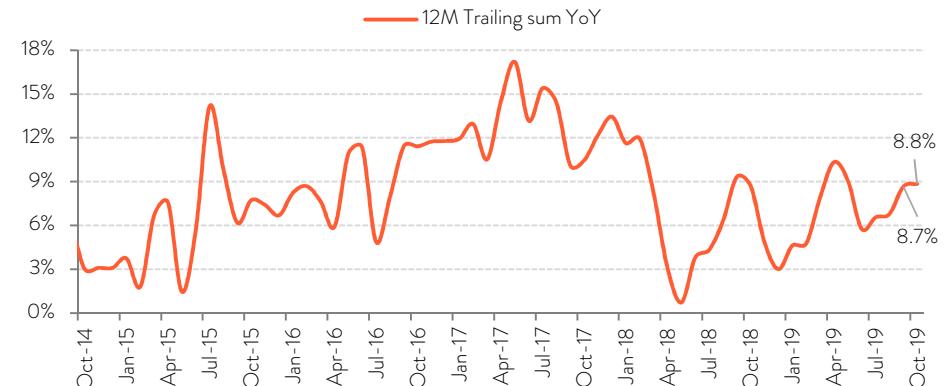


FIG 99 – ...LED BY REVENUE SPENDING

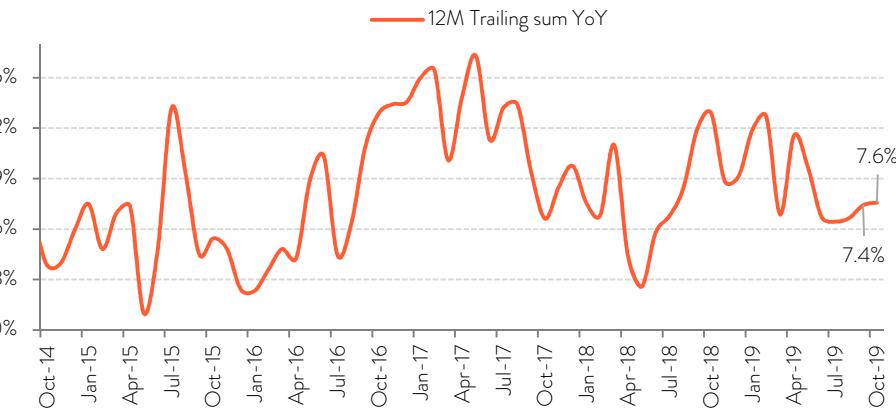


FIG 100 – ... AND CAPEX

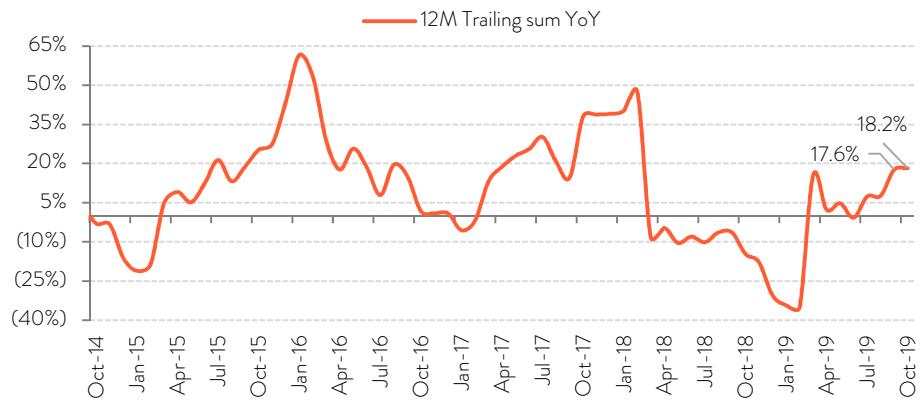
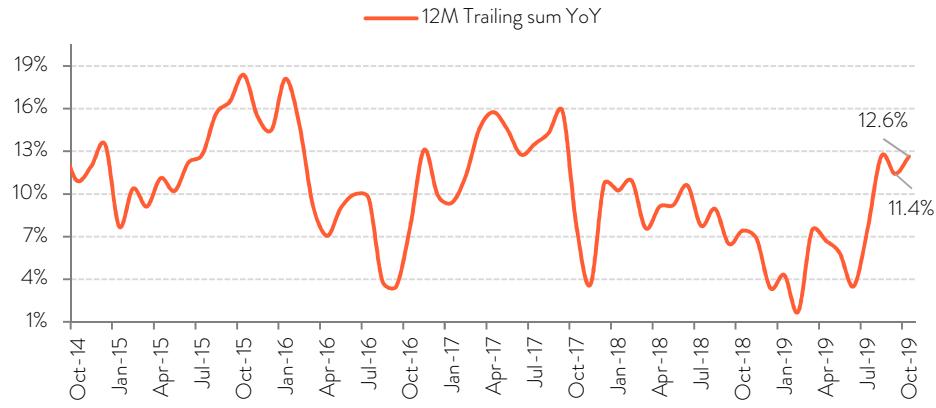


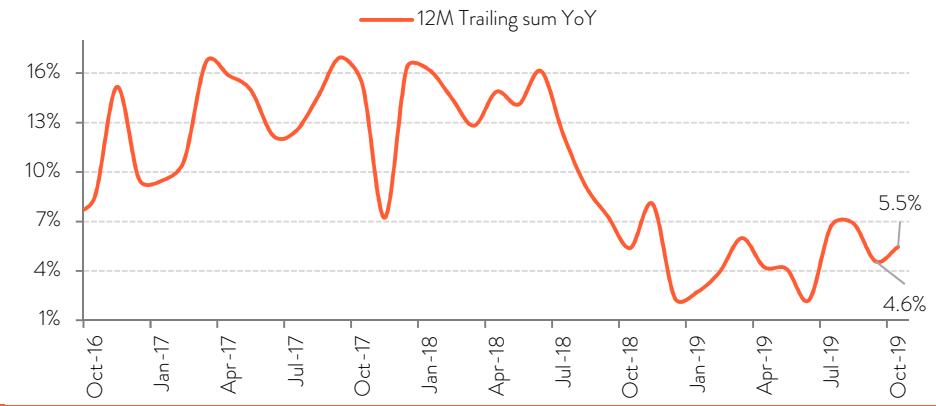
FIG 101 – HIGHER SPENDING BY MINISTRY OF CHEMICALS, PETROLEUM AND AGRICULTURE, LIFT HEADLINE EXPENDITURE UP IN H1FY20 (FYTD BASIS)

Ministry	Apr'17-Oct'17 (Rs bn)	Apr'18-Oct'18 (Rs bn)	% change	Apr'19-Oct'19 (Rs bn)	% change
Ministry of Finance	3,723	4,284	15.1	5,163	20.5
Ministry of Defence	2,430	2,654	9.2	2,977	12.2
Ministry of Consumer Affairs, Food and Public Distribution	1,332	1,377	3.4	1,316	(4.5)
Ministry of Rural Development	686	769	12.1	775	0.7
Ministry of Home Affairs	620	724	16.8	774	6.9
Ministry of Human Resource Development	465	461	(0.8)	533	15.5
Ministry of Road Transport and Highways	414	534	29.0	519	(2.8)
Ministry of Chemicals and Fertilisers	441	508	15.2	674	32.7
Ministry of Petroleum and Natural Gas	284	272	(4.3)	372	36.7
Ministry of Agriculture	328	394	20.2	649	64.5
Ministry of Health and Family Welfare	288	349	21.1	376	7.6

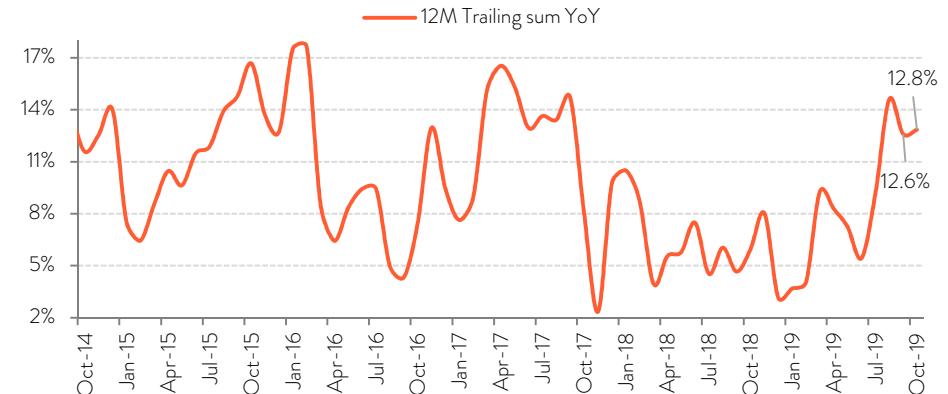
**FIG 102 – RECEIPT GROWTH RECOVERS MARGINALLY IN OCT'19**



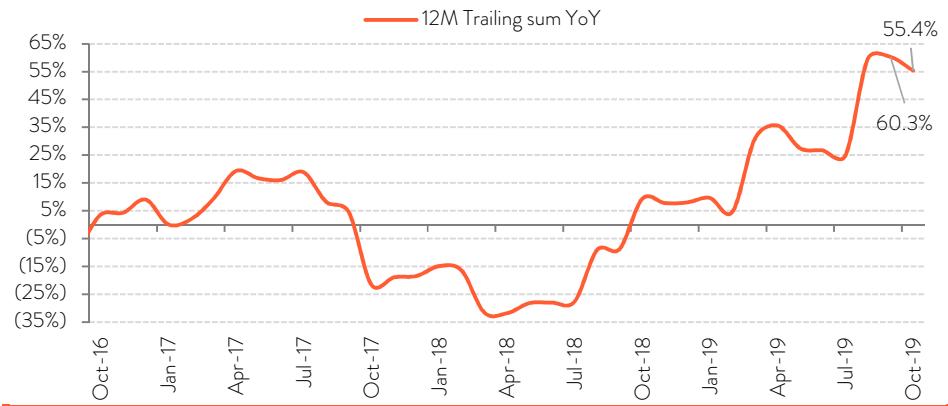
**FIG 104 – ...NET TAX REVENUE GROWTH KEY DRIVER**



**FIG 103 – ...AS REVENUE RECEIPT GROWTH IMPROVES**



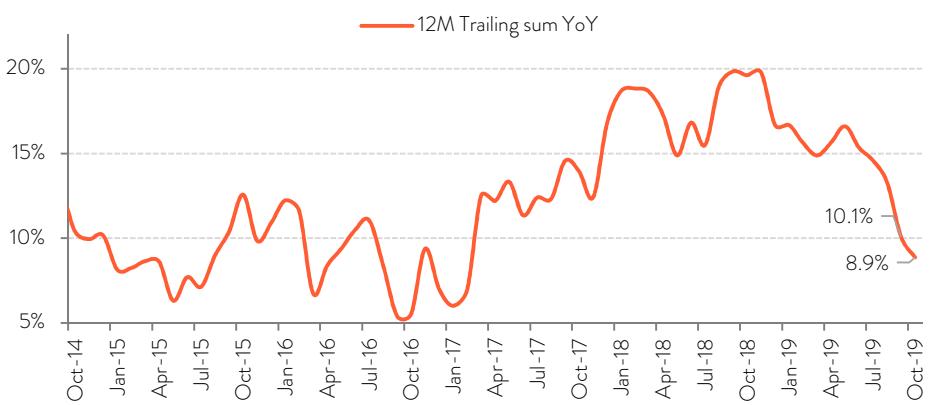
**FIG 105 – NON-TAX RECEIPT GROWTH SEEN EASING**

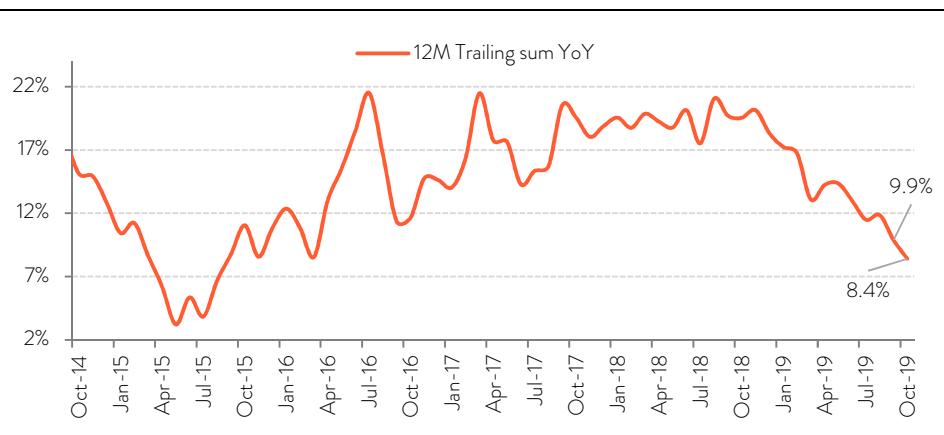
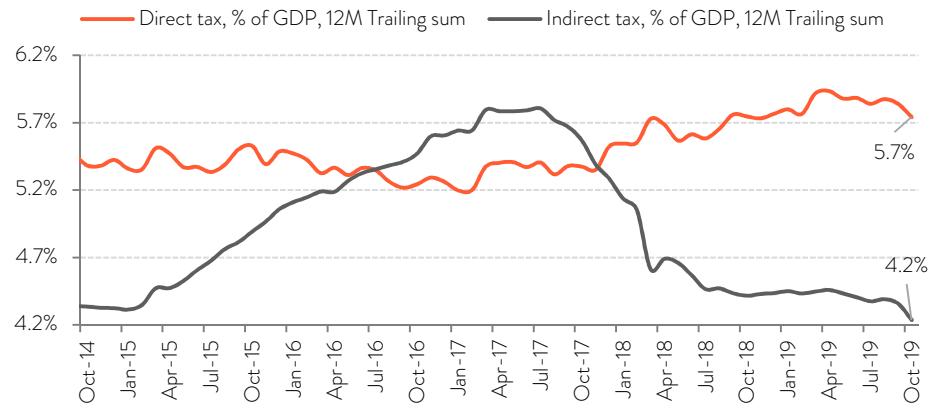


**FIG 106 – CENTRE'S SPENDING GROWTH REMAINS STEADY; DIRECT & INDIRECT TAX COLLECTIONS A CONCERN (FYTD BASIS)**

	Apr'17-Oct'17 (Rs bn)	Apr'18-Oct'18 (Rs bn)	% change	Apr'19-Oct'19 (Rs bn)	% change
Gross Tax revenue	8,897	9,779	9.9	9,935	1.6
Direct taxes	4,292	4,995	16.4	5,172	3.5
Corp Tax	2,319	2,704	16.6	2,728	0.9
Income Tax	1,974	2,291	16.1	2,444	6.7
Indirect taxes*	4,605	4,785	3.9	4,763	(0.4)
Non-tax revenue	952	1,277	34.2	2,241	75.5
Centre's revenue (net)	7,288	7,888	8.2	9,076	15.1
Total expenditure	12,926	14,566	12.7	16,549	13.6
Capital exp	1,628	1,771	8.8	2,013	13.6
Revenue exp	11,299	12,795	13.2	14,536	13.6
Fiscal deficit	5,253	6,486	23.5	7,204	11.1

Note: \*excluding GST compensation cess

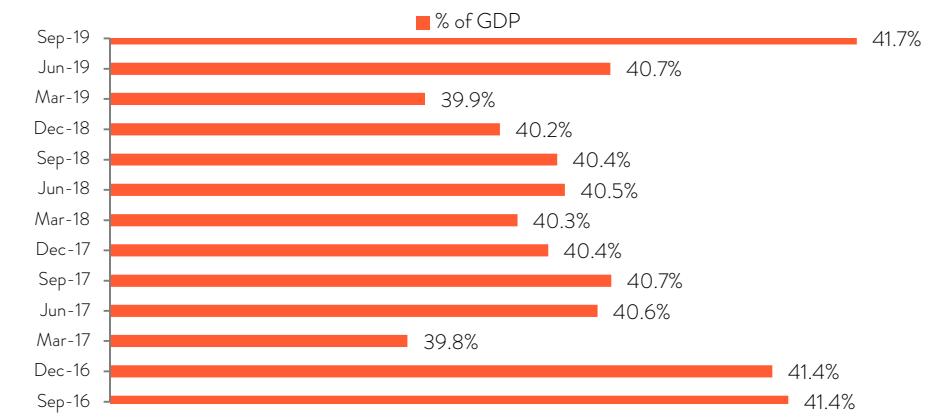
**FIG 107 – GROSS DIRECT TAX COLLECTIONS EASE FURTHER IN OCT'19...****FIG 108 – ...LED BY LOWER CORPORATE TAX COLLECTIONS**

**FIG 109 – ...AND INCOME TAX COLLECTIONS****FIG 110 – SHARE IN GDP OF BOTH DIRECT & INDIRECT TAX SLIPPING; SHARE OF INDIRECT TAXES BOTTOMS TO LOWEST SINCE FY12****FIG 111 – GST COLLECTIONS IN FYTD20 AVERAGE RS 988BN VS RS 961BN IN FYTD19**

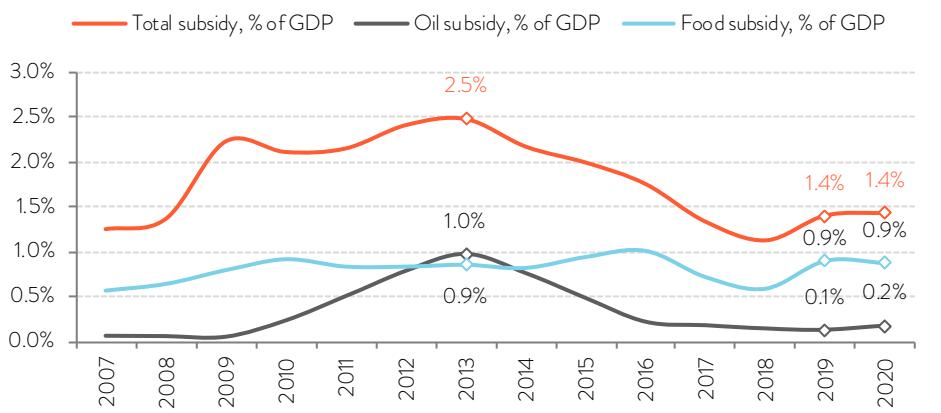
(Rs bn)	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Monthly run rate (FY20)	FYTD20	FY20 (BE)
CGST	480	344	431	351	359	462	468	346	354	241	685	381	371	407	2,847	5,260
UT GST	1.3	0.8	5.9	1.3	1.1	5.8	1.7	1.5	1.9	2.0	1.2	4.8	1.9	2	15	-
IGST	(142)	90	(94)	95	45	23	(6)	72	40	253	(461)	(37)	196	8	57	280
SGST*	561	433	605	441	579	566	450	503	544	405	625	533	379	491	3,439	6,128
Cess	77	79	77	84	82	82	89	77	80	82	68	71	87	79	555	1,093
Total GST	976	947	1,025	972	1,066	1,139	1,003	999	1,021	982	919	954	1,035	988	6,913	6,633
GST 3B Filing by deadline (mn)	7.0	7.2	7.3	7.3	7.6	7.2	7.2	7.4	7.6	7.6	7.6	7.4	7.8	-	-	-

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

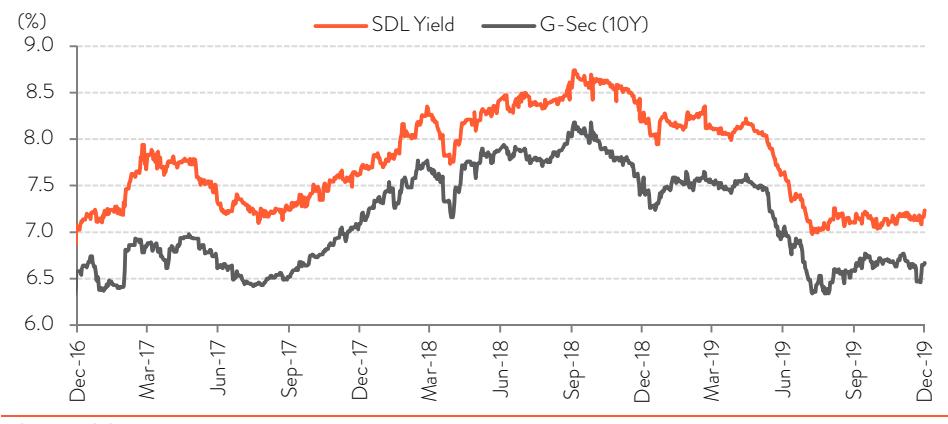
**FIG 112 – CENTRAL GOVT. PUBLIC DEBT SHOOTS TO 3-YEAR HIGH IN Q2FY20**



**FIG 114 – SUBSIDIES MAINTAINED AT A STEADY RATIO IN FY20**

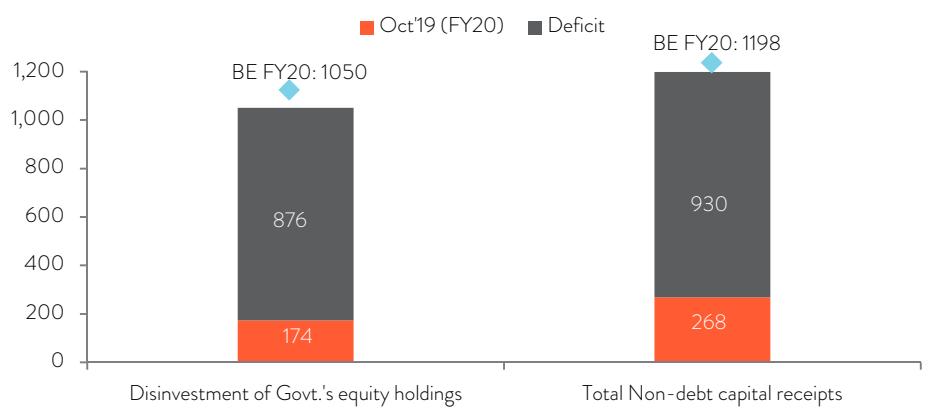


**FIG 113 – GAP BETWEEN AVG. YIELD ON SDL & 10Y G-SEC INCREASED IN NOV'19; FURTHER WIDENING SEEN IN DEC'19**



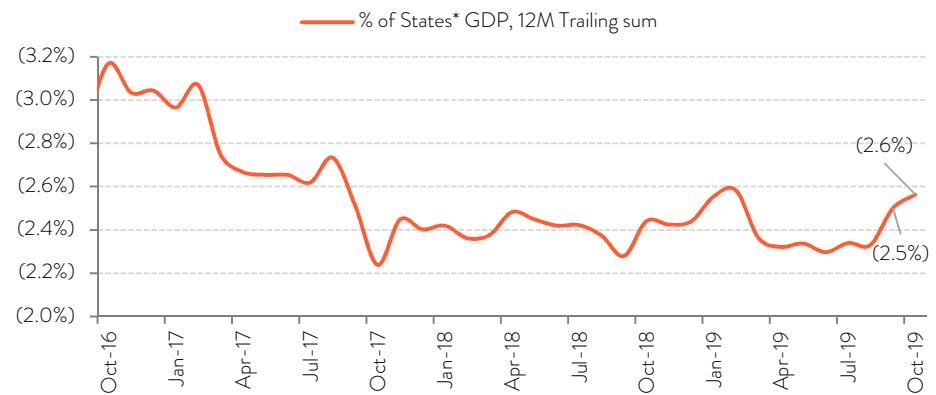
Source: CCIL

**FIG 115 – CENTRAL GOVT.'S FY20 DISINVESTMENT STATUS**



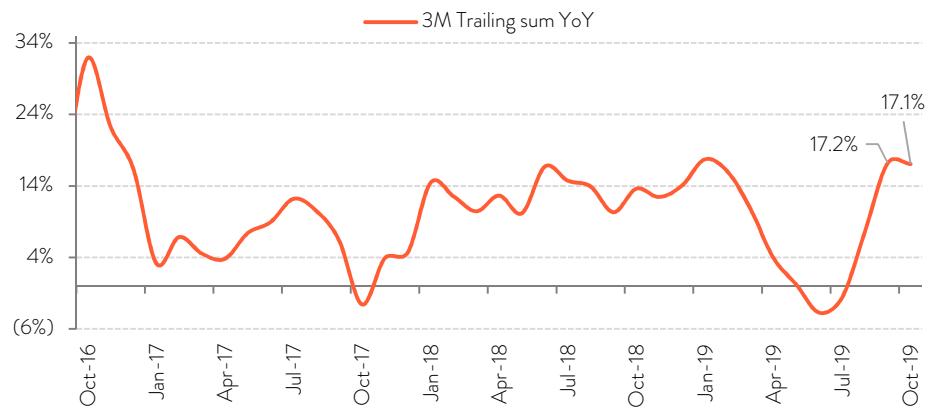
## State government finances

**FIG 116 – STATES\* FISCAL DEFICIT INCHES FURTHER UP IN OCT'19**



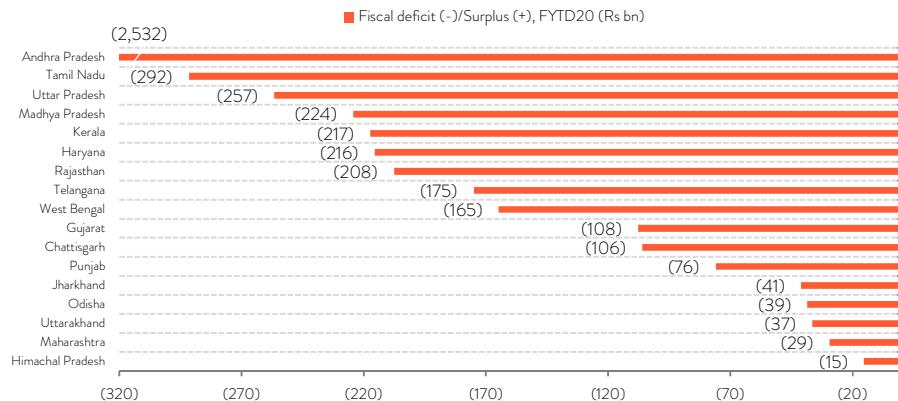
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 118 – TOTAL EXPENDITURE OF STATES\* BROADLY STEADY IN OCT'19**



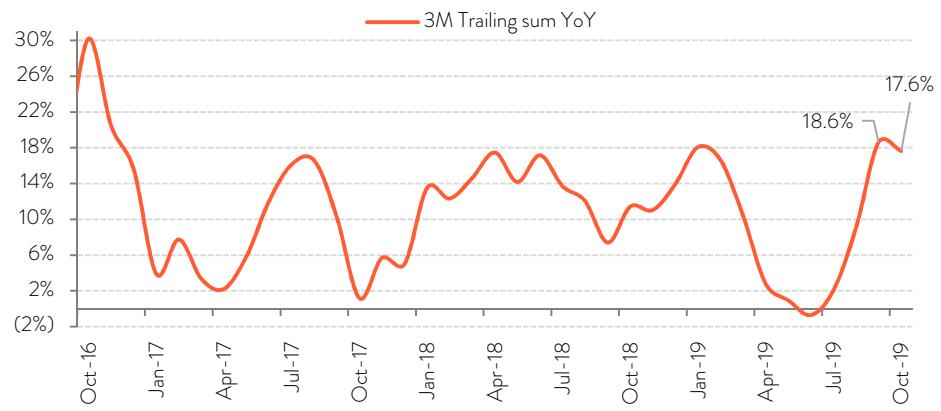
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 117 – A.P REMAINS HIGHEST DEFICIT STATE IN FYTD20**



Note: FYTD20- Apr'19-Oct'19

**FIG 119 – REVENUE EXPENDITURE SEES A DIP IN OCT'19...**

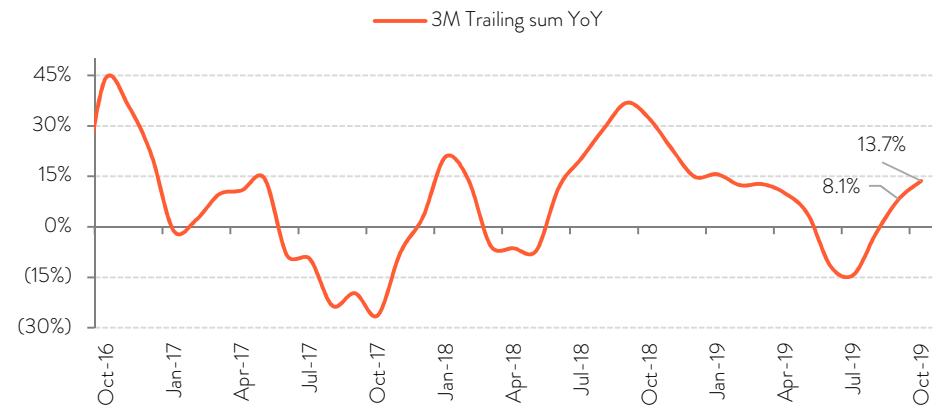


Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

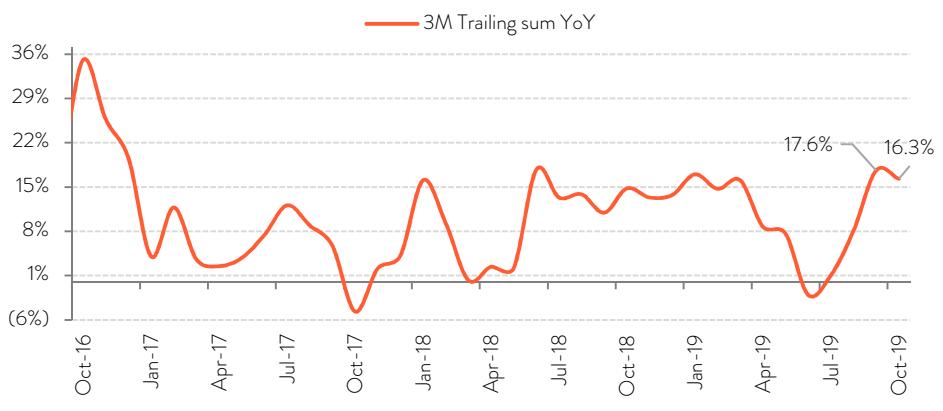
**FIG 120 – STATE\* GOVT. REVENUE RECEIPTS LOOK STRAINED IN FYTD20, CAPEX SEEING MARGINAL UPTICK**

	Apr'17-Oct'17 (Rs bn)	Apr'18-Oct'18 (Rs bn)	% change	Apr'19-Oct'19 (Rs bn)	% change
Total Receipts	10,922	12,623	15.6	13,641	8.1
Revenue Receipts	9,177	10,633	15.9	11,092	4.3
Receipts: Tax Revenue	7,209	8,215	14.0	8,231	0.2
Receipts: Non-Tax Revenue	667	764	14.5	754	(1.4)
Receipts: Grant in aid & contributions	1,263	1,611	27.5	2,064	28.2
Capital Receipts	1,745	1,991	14.1	2,549	28.1
Total Expenditure	10,838	12,460	15.0	13,401	7.5
Revenue Expenditure	9,627	10,941	13.6	11,965	9.4
Capital Expenditure	1,211	1,502	24.1	1,508	0.3
Revenue Surplus or Deficit	(450)	(308)	-	(873)	-
Fiscal Surplus or Deficit	(1777)	(1876)	-	(2457)	-

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

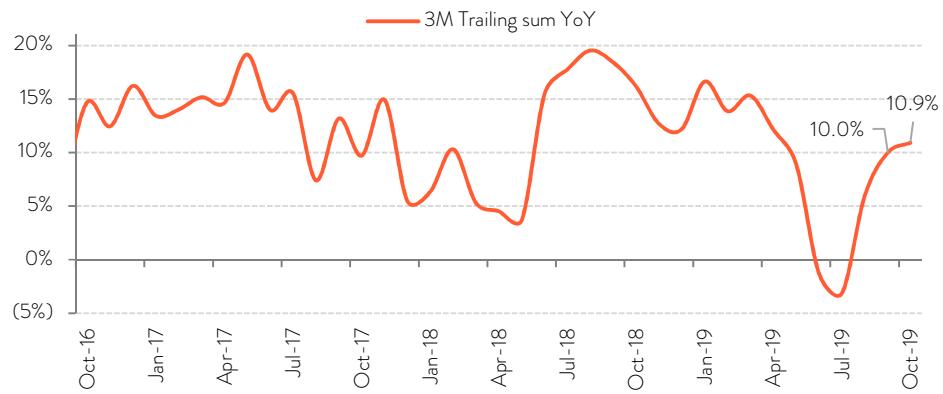
**FIG 121 – ...WHILE CAPEX OF STATES\* CONTINUES TO IMPROVE**

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

**FIG 122 – TOTAL RECEIPT GROWTH OF STATES\* EASED IN OCT'19**

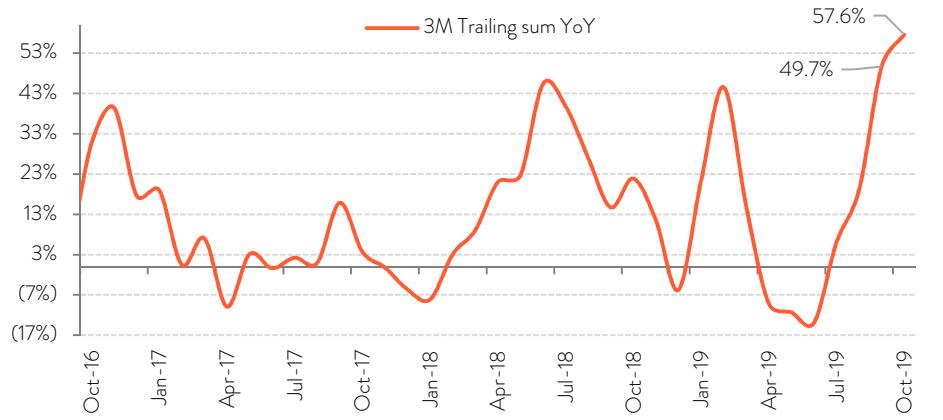
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 123 – REVENUE RECEIPTS OF STATES\* CONTINUES TO IMPROVE**



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

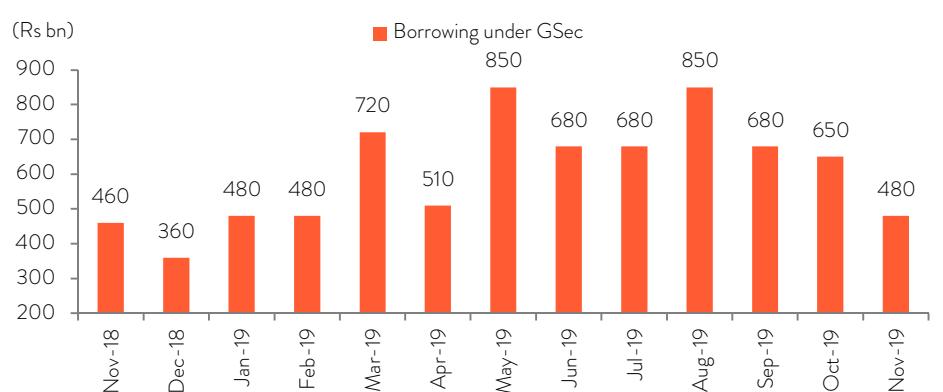
**FIG 124 – ...LED BY HIGHER GRANTS FROM CENTRE**



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

## Central government borrowing

**FIG 125 – CENTRE'S GROSS BORROWING\* IN NOV'19 WAS AT RS 480BN VS RS 650BN IN OCT'19**



Source: RBI, \* till 22 Nov 2019

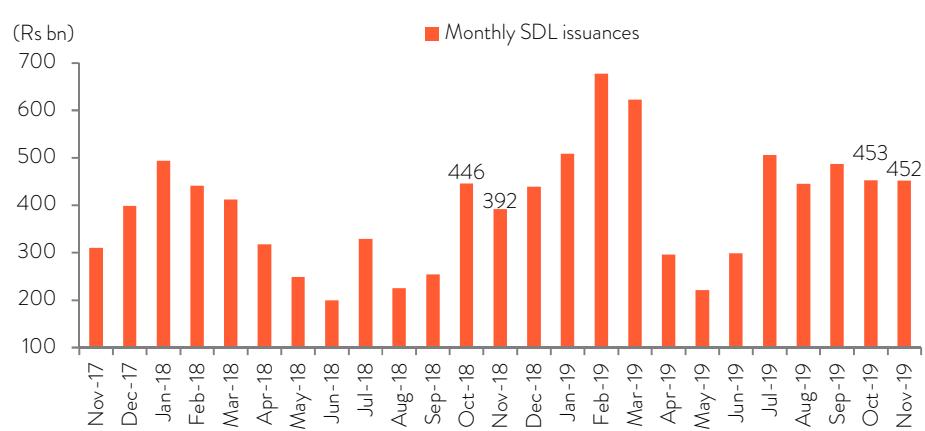
**FIG 126 – CENTRE'S GROSS BORROWING FOR H2FY20 HAS BEEN KEPT AS PER BUDGETED AT RS 2.68TN**

Total accepted amount (G-Sec), (Rs bn)	FY15	FY16	FY17	FY18	FY19	FY20 (actual)	FY20 (planned)
Q1		1,830	1,740	1,500	1,680	1,320	2040
Q2		1,570	1,630	1,910	1,890	1,440	2210
Q3		1,430	1,640	1,610	1,640	1,270	1130*
Q4		1,090	840	800	670	1680	-
<b>Total</b>	<b>5,920</b>	<b>5,850</b>	<b>5,820</b>	<b>5,880</b>	<b>5,710</b>	-	<b>7100</b>

Source: RBI, \*till 22 Nov 2019

## State government borrowing

**FIG 127 – STATE GOVT. BORROWINGS IN NOV'19 HIGHER THAN LAST YEAR**



Source: RBI

**FIG 128 – MARKET BORROWINGS OF STATES REACHES RS 3.4TN IN FYTD20**

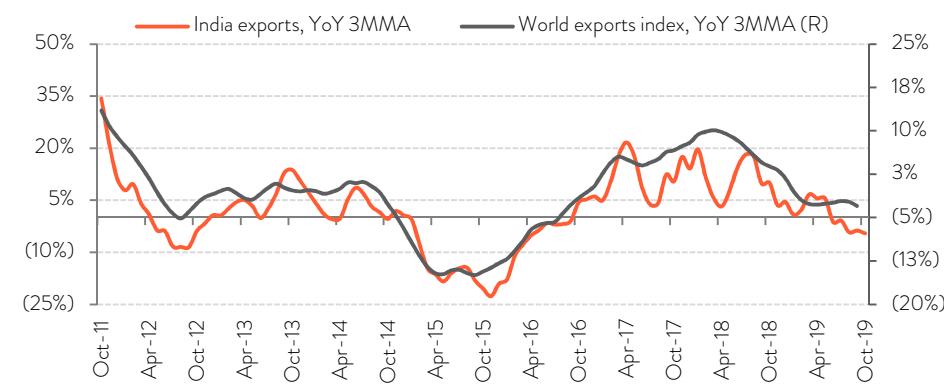
Quarterly SDL issuances, (Rs bn)	FY15	FY16	FY17	FY18	FY19	FY20 (actual)	FY20 (planned)
Q1	439	502	548	650	766	815	1,101
Q2	469	627	792	1,130	809	1,439	1,394
Q3	692	858	1,214	1,054	1,277	1,180*	1,707
Q4	809	959	1,322	1,348	1,809	-	-
<b>Total</b>	<b>2,408</b>	<b>2,946</b>	<b>3,876</b>	<b>4,182</b>	<b>4,661</b>	-	-

Source: RBI; \*As of 10 Dec 2019

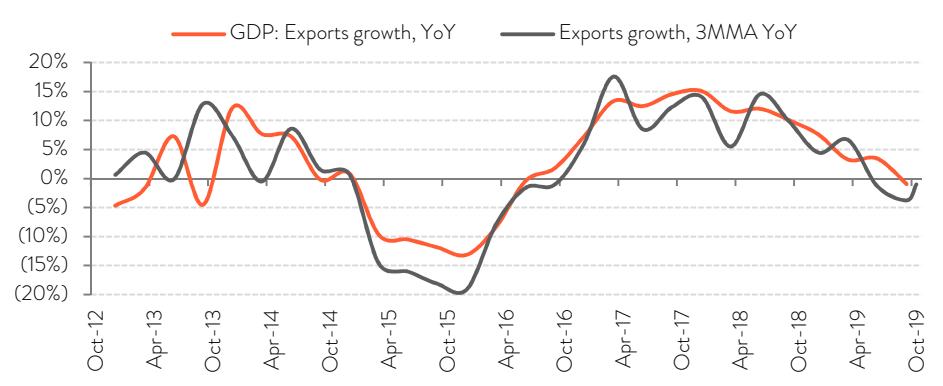
## External sector

### Exports

**FIG 129 – INDIA'S EXPORTS DECLINING IN LINE WITH GLOBAL EXPORTS**

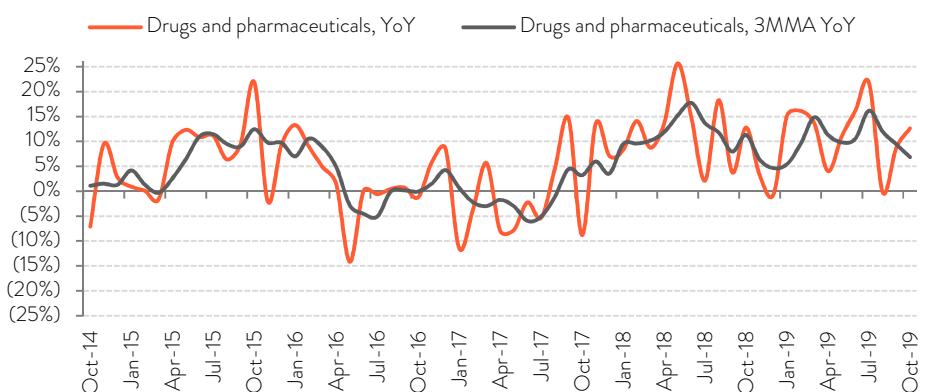


**FIG 130 – EXPORTS DECLINE IN OCT'19, ALBEIT AT A SLOWER PACE**



### Exports by major sectors

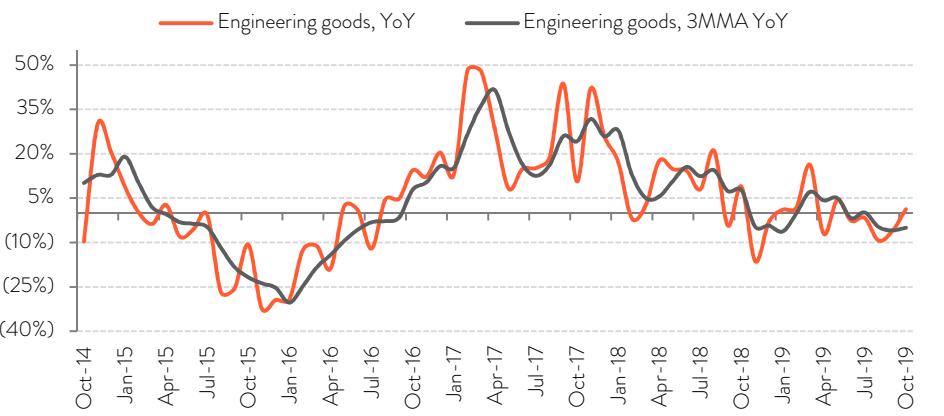
**FIG 131 – PHARMACEUTICAL EXPORTS RISE BY 12.6% IN OCT'19**



**FIG 132 – EXPORT OF GEMS AND JEWELLERY ALSO REBOUNDS**

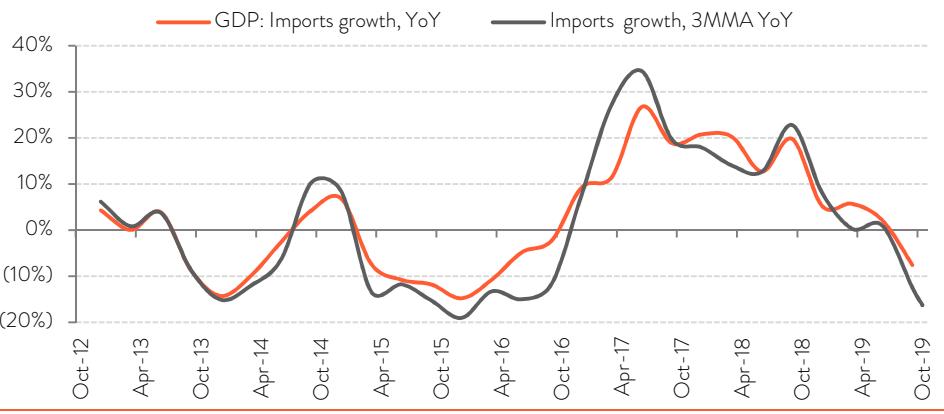


**FIG 133 – EXPORT OF ENGINEERING GOODS ALSO PICKS UP SLIGHTLY IN OCT'19 (1.2% VERSUS -6.2% IN SEP'19)**

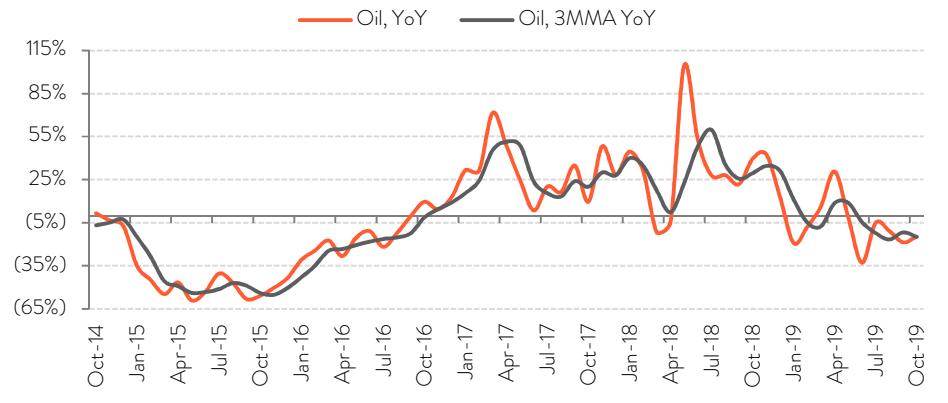


## Imports

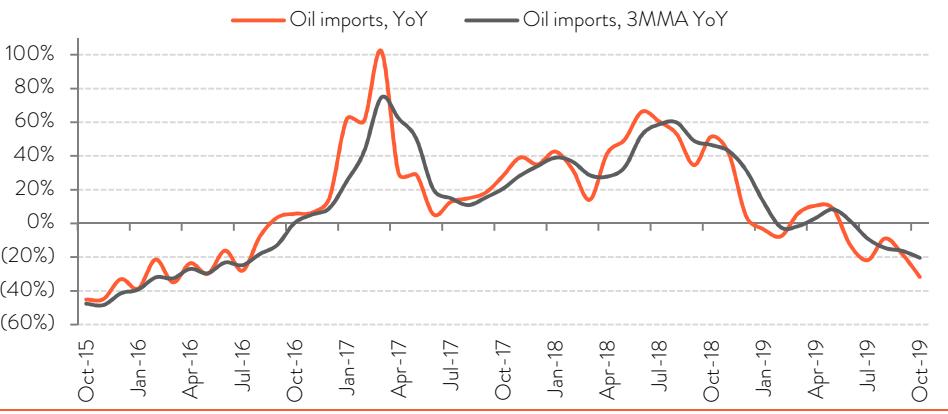
**FIG 135 – IMPORT GROWTH PLUNGES FURTHER**



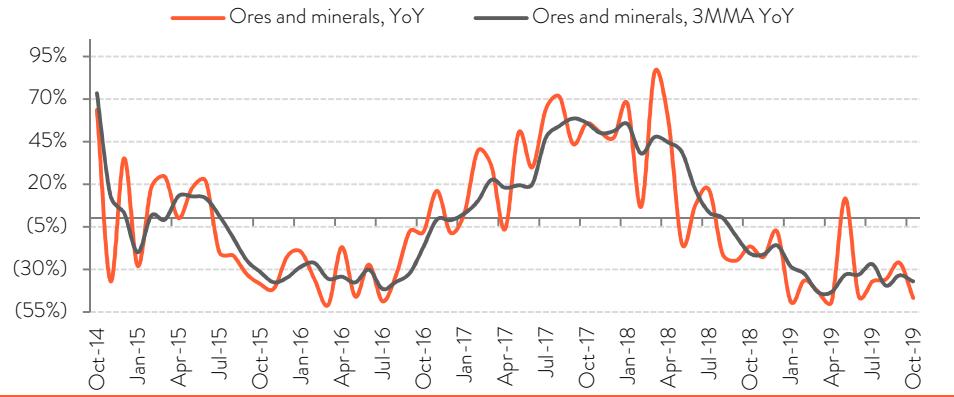
**FIG 134 – OIL EXPORTS HOWEVER CONTINUE TO CONTRACT**



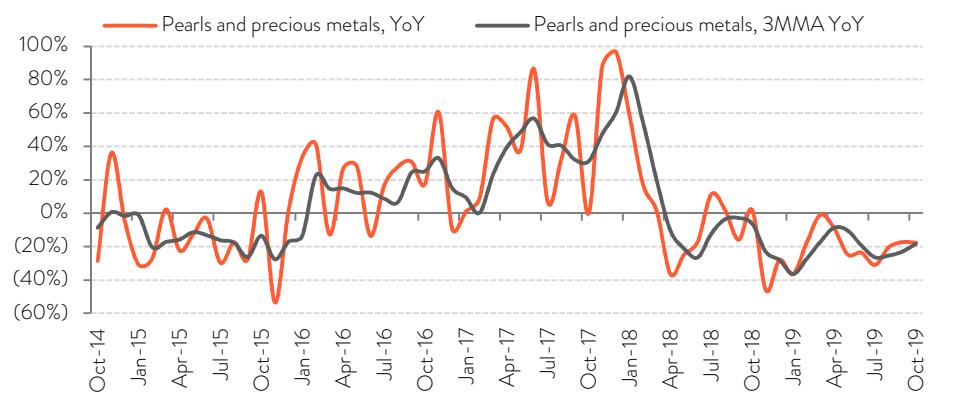
**FIG 136 – LED BY A DECLINE IN OIL IMPORTS AT (-) 31.7% IN OCT'19**



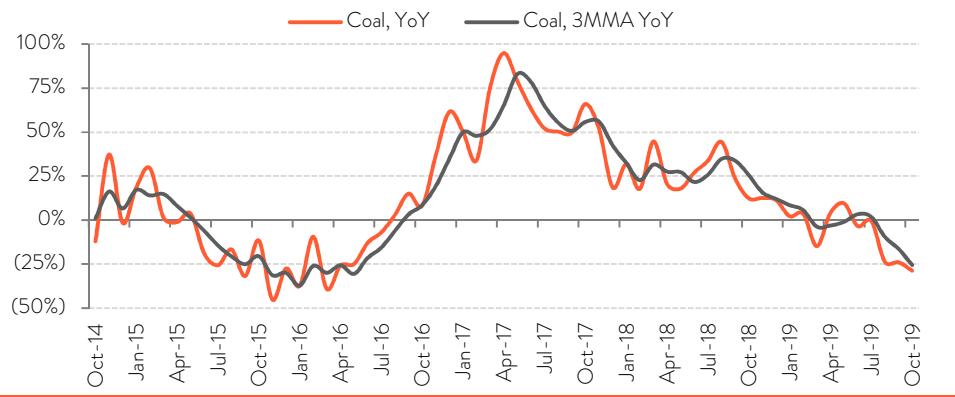
**FIG 137 – IMPORT OF ORES AND OTHER MINERALS PLUNGES BY (-) 46.7%**



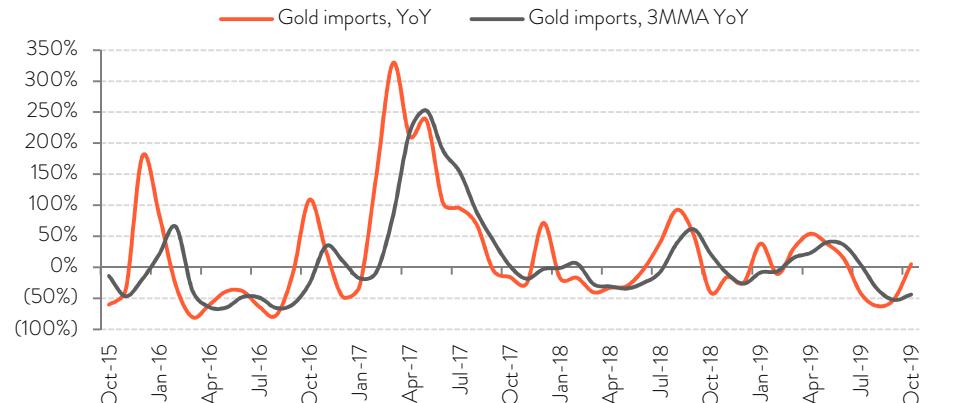
**FIG 139 – IMPORT OF PRECIOUS STONES CONTRACT FOR THE 12TH CONSECUTIVE MONTH IN OCT'19**



**FIG 138 – COAL IMPORTS ALSO DECLINE**



**FIG 140 – HOWEVER, GOLD IMPORTS RISE FOR THE FIRST TIME IN 4-MONTHS**



## Exports and imports by major regions

**FIG 141 – EXPORTS TO ASIAN COUNTRIES (EX. CHINA) HAVE FALLEN THE MOST IN FYTD20**

Region (% YoY)	Share (in %) FY19	Aug'19	Sep'19	Oct'19	FYTD19	FYTD20
Americas	21.1	(6.1)	(1.5)	3.0	13.2	1.1
Asia and Pacific (Ex. China)	28.1	(16.2)	(20.2)	(17.5)	10.9	(12.0)
China	5.1	19.7	0.4	1.9	38.5	7.5
Europe	19.7	(7.6)	(2.4)	2.7	13.3	(2.1)
Middle East and Africa	24.8	(0.6)	4.4	9.4	9.5	2.2
Other	1.1	29.7	(10.1)	40.2	30.6	11.5

**FIG 142 – IMPORTS FROM ALL REGIONS HAVE FALLEN IN FYTD20**

Region (% YoY)	Share (in %) FY19	Aug'19	Sep'19	Oct'19	FYTD19	FYTD20
China	13.7	(1.2)	(0.5)	(11.1)	(2.0)	(1.9)
Europe	15.3	(25.6)	(21.6)	(15.1)	21.0	(8.6)
Asia and Pacific (Ex. China)	25.3	(11.3)	(15.5)	(15.0)	25.6	(6.4)
Middle East	31.1	(7.8)	(10.8)	(23.2)	32.4	(11.4)
Americas	12.7	(33.5)	(15.2)	(12.2)	23.3	(6.6)
Other	1.9	65.8	(17.5)	16.4	(56.9)	20.6

## Trade deficit

FIG 143 – TRADE DEFICIT REMAINED STEADY IN OCT'19



## Trade in services

FIG 145 – EXPORT OF SERVICES EASING

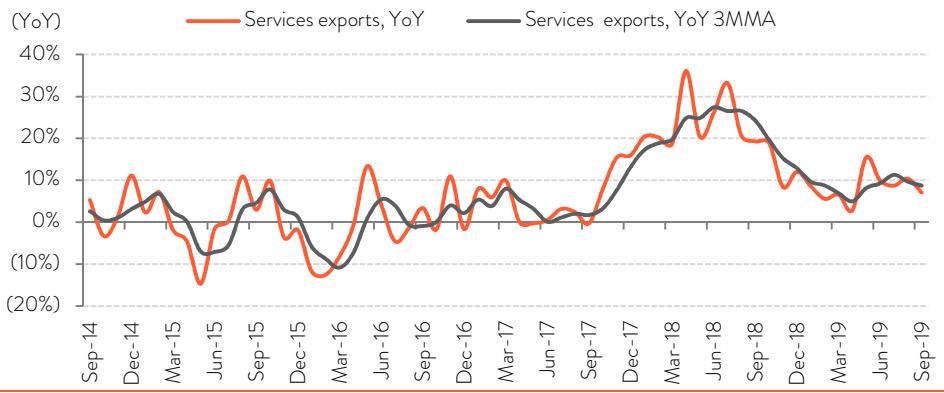
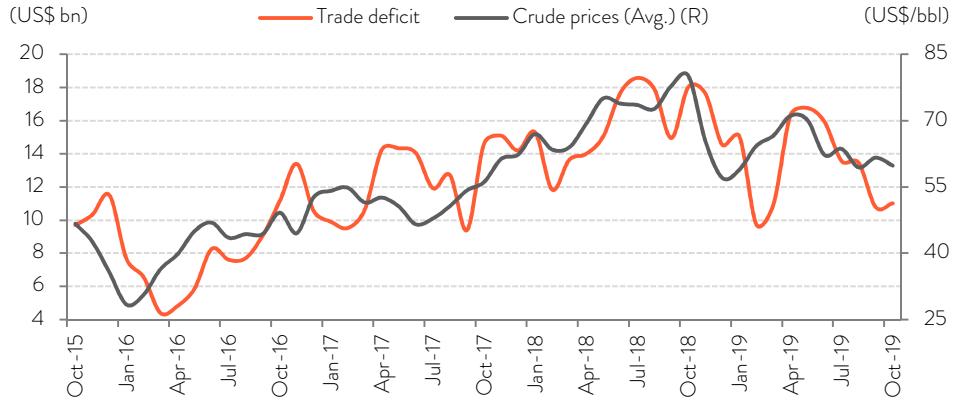
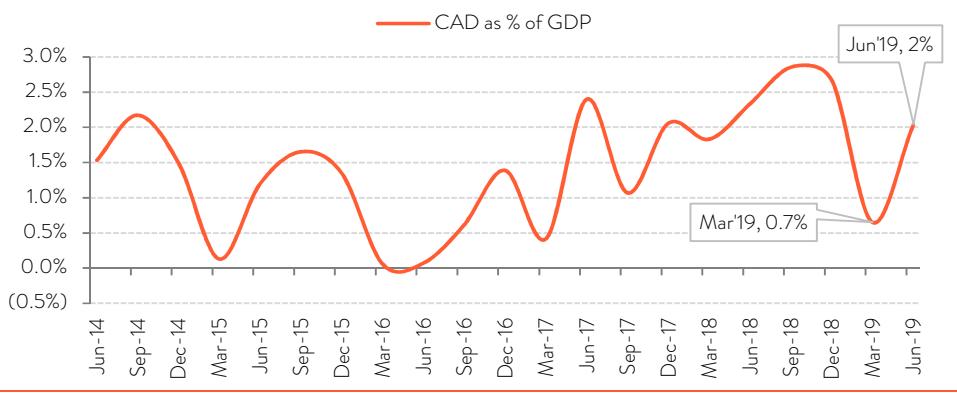


FIG 144 – EVEN AS OIL PRICES FELL



## BoP

FIG 146 – CAD ROSE TO 2% OF Q1FY20 FROM 0.7% OF GDP IN Q4FY19



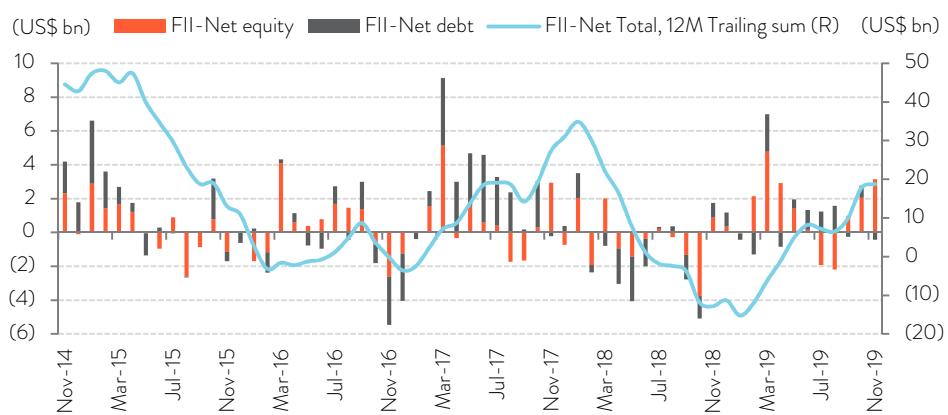
**FIG 147 – LED BY HIGHER TRADE DEFICIT**

(US\$ bn)	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20
<b>Current account</b>	<b>(15.8)</b>	<b>(19.1)</b>	<b>(17.8)</b>	<b>(4.6)</b>	<b>(14.3)</b>
<b>CAD/GDP (%)</b>	<b>(2.3)</b>	<b>(2.9)</b>	<b>(2.7)</b>	<b>(0.7)</b>	<b>(2.0)</b>
Trade balance	(45.8)	(50.0)	(49.3)	(35.2)	(46.2)
- Merchandise exports	83.4	83.4	83.1	87.4	82.7
- Merchandise imports	129.1	133.4	132.4	122.6	128.9
--Oil imports	34.8	35.2	34.7	32.4	35
--Non-oil imports	94.3	98.2	97.7	90.2	93.9
- Net Services	18.7	20.3	21.7	21.3	20
--Software	18.6	19.3	19.9	19.9	21
Transfers	17.1	19.3	17.4	16.2	18
Other invisibles	(5.8)	(8.7)	(7.6)	(6.9)	(6.1)
<b>Capital account</b>	<b>4.8</b>	<b>16.7</b>	<b>13.8</b>	<b>19.2</b>	<b>27.9</b>
<b>% of GDP</b>	<b>0.7</b>	<b>2.6</b>	<b>2.1</b>	<b>2.7</b>	<b>4.0</b>
Foreign investments	1.4	7.7	5.2	15.9	18.7
- FDI	9.6	7.5	7.3	6.4	13.9
- FII	(8.1)	0.2	(2.1)	9.4	4.8
Banking capital	10.1	0.5	4.9	(8.1)	(3.9)
Short-term credit	(3.5)	4.8	(0.7)	1.5	2.0
ECBs	(1.3)	2.2	2.0	7.2	6.4
External assistance	0.5	0	1.7	1.3	1.5
Other capital account items	(2.4)	1.5	0.7	1.2	3.2
E&O	(0.3)	0.5	(0.3)	(0.4)	0.4
Overall balance	(11.3)	(1.9)	(4.3)	14.2	14.0

## Foreign inflows

### FII inflows

**FIG 148 – FII INFLOWS AT US\$ 2.7BN IN NOV'19; INFLOWS IN EQUITY SEGMENT RISE TO US\$ 3.1BN**



Source: Bloomberg

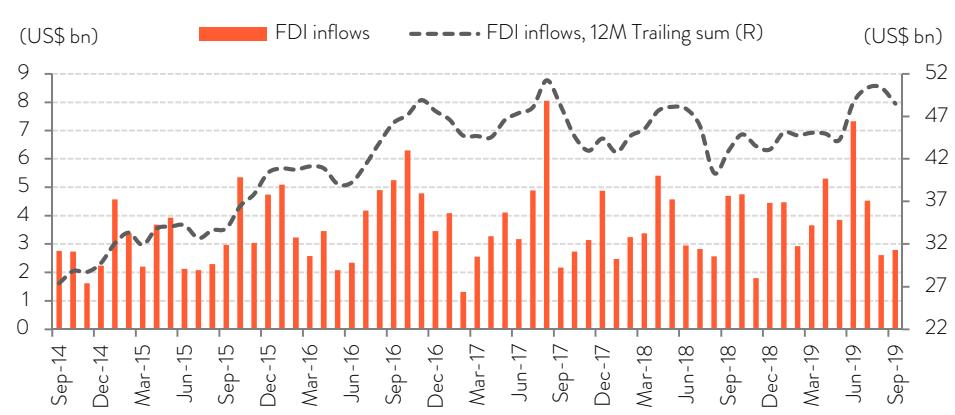
**FIG 150 – FDI INFLOWS INTO TELECOM SECTOR RISE TO US\$ 4.2BN IN Q1FY20**

Sector	% Share FY19	Jun'18	Sep'18	Dec'18	Mar'19	Jun'19
Services sector	20.6	2.4	2.5	1.7	2.6	2.8
Computer software and hardware	14.5	1.4	1.1	2.5	1.4	2.2
Trading	10.1	1.6	0.5	0.9	1.4	1.1
Telecommunications	6.0	1.6	0.6	0.1	0.4	4.2
Automobile industry	5.9	0.5	1.1	0.5	0.5	1.0

Source: DIPP

### FDI inflows

**FIG 149 – FDI INFLOWS ROSE TO US\$ 2.8BN IN SEP'19 VERSUS US\$ 2.6BN IN AUG'19**



Source: RBI, Bank of Baroda Research

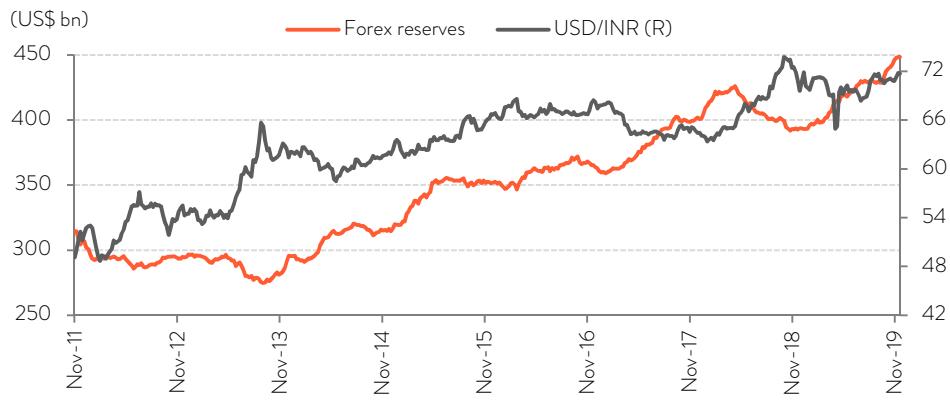
**FIG 151 – SINGAPORE REMAINS THE BIGGEST SOURCE OF FDI INFLOWS INTO INDIA**

Country (US\$ bn)	% Share in FY19	Jun'18	Sep'18	Dec'18	Mar'19	Jun'19
Singapore	36.6	6.5	2.1	4.4	3.3	5.3
Mauritius	18.2	1.5	2.4	2.1	2.1	4.7
Netherlands	8.7	0.8	1.5	0.6	0.9	1.4
Japan	6.7	0.9	1.0	0.3	0.8	0.5
UK	3.0	0.6	0.2	0.2	0.3	0.3

Source: DIPP

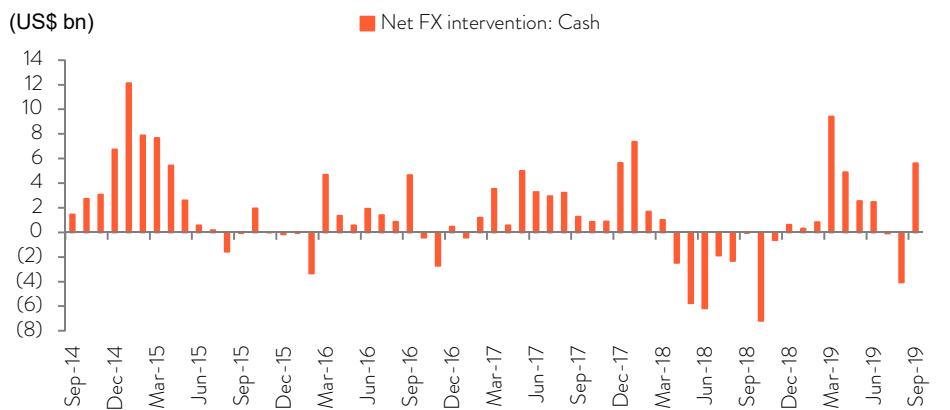
## Forex reserves and external debt

**FIG 152 – INDIA'S FX RESERVES RISE TO A LIFETIME HIGH AT US\$ 451.1BN IN NOV'19; UP BY US\$ 39.2BN IN FYTD20**

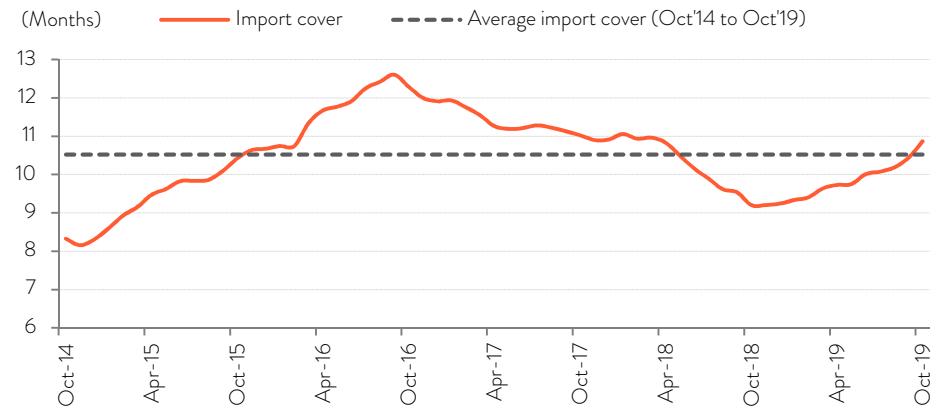


Source: Bloomberg | Weekly data as of 29 Nov 2019

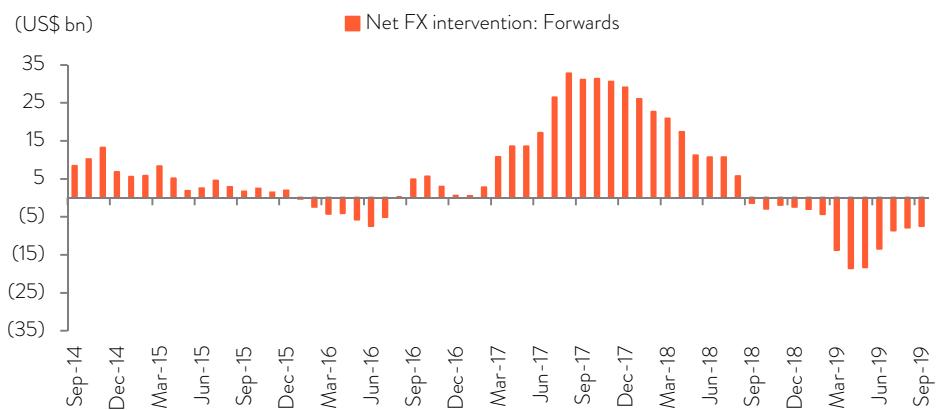
**FIG 154 – RBI BOUGHT US\$ 5.6BN IN SPOT MARKET IN SEP'19**



**FIG 153 – IMPORT COVER RISES TO 10.9 MONTHS IN OCT'19**



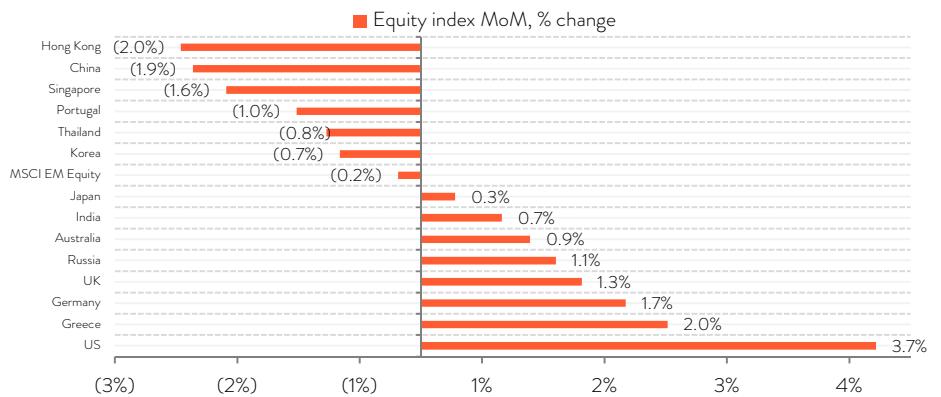
**FIG 155 – IN FORWARDS MARKET, RBI BOUGHT US\$ 6.3BN BETWEEN APR-SEP'19, OUTSTANDING POSITION AT (-) US\$ 7.5BN**



## Markets

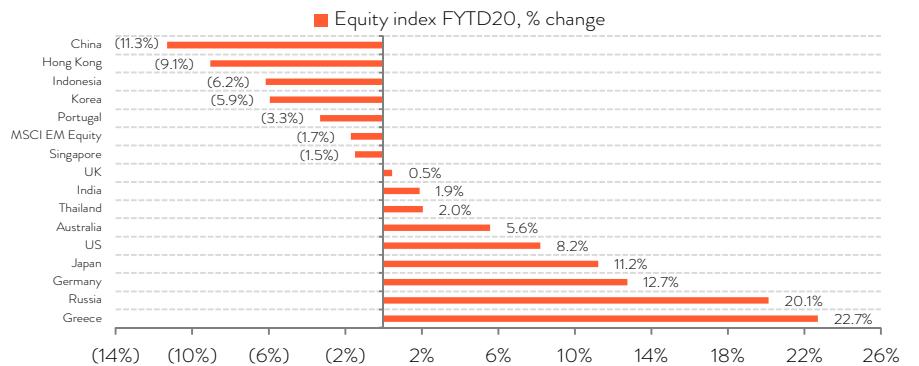
### Equity

**FIG 156 – IN NOV'19, SENSEX ROSE BY 0.7% IN CONSTANT CURRENCY WHILE MSCI EM INDEX FELL BY (-) 0.2%**



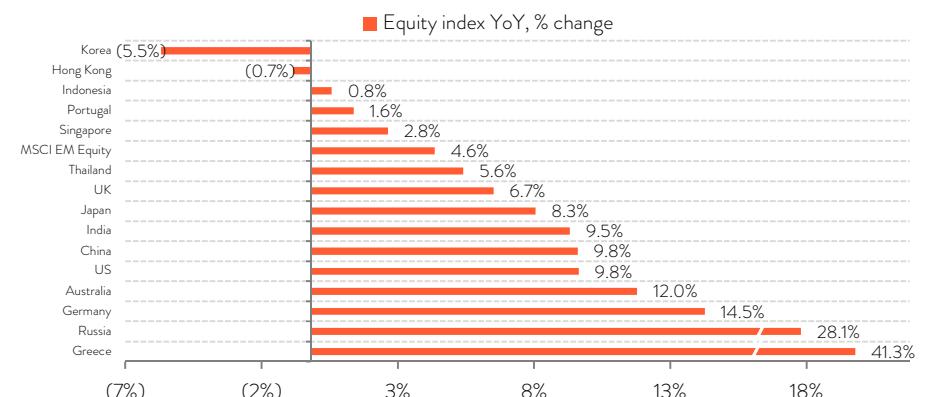
Source: Bloomberg | \*As on 29 Nov 2019, Indices are in US\$ terms

**FIG 158 – IN FYTD20\*, SENSEX ROSE BY 1.9%**



Source: Bloomberg | \* As on 29 Nov 2019, Indices are in US\$ terms

**FIG 157 – ON YOY BASIS\*, SENSEX HAS RISEN BY 9.5% AND MSCI EM INDEX HAS RISEN BY 4.6%**



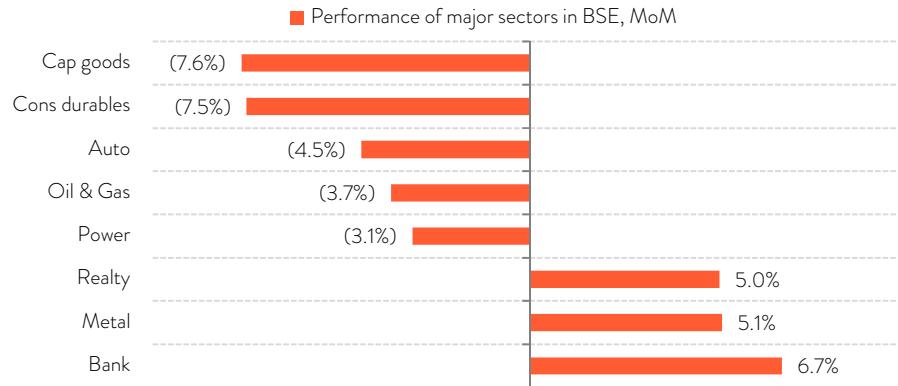
Source: Bloomberg | \* As on 29 Nov 2019, Indices are in US\$ terms

**FIG 159 – VIX INDEX FELL TO 13.9 IN NOV'19 AGAINST 16.28 IN OCT'19 ON HOPES OF US-CHINA TRADE DEAL**



Source: Bloomberg

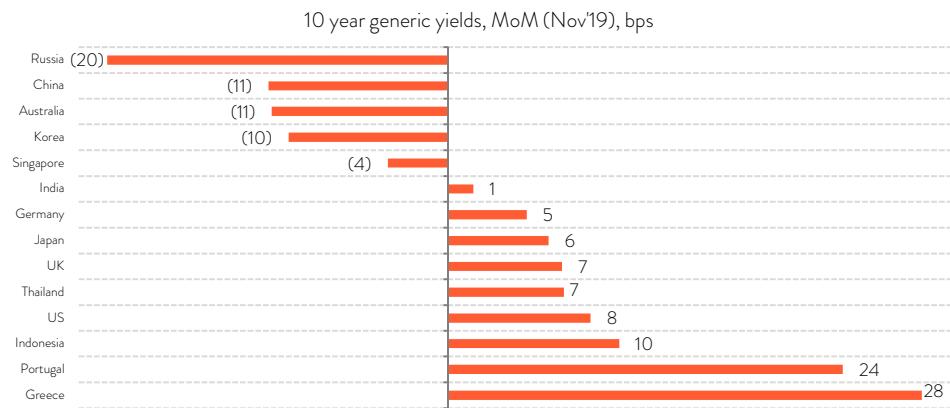
**FIG 160 – BANK STOCKS LED THE GAINS IN BSE SENSEX IN NOV'19**



Source: Bloomberg | \* As on 29 Nov 2019

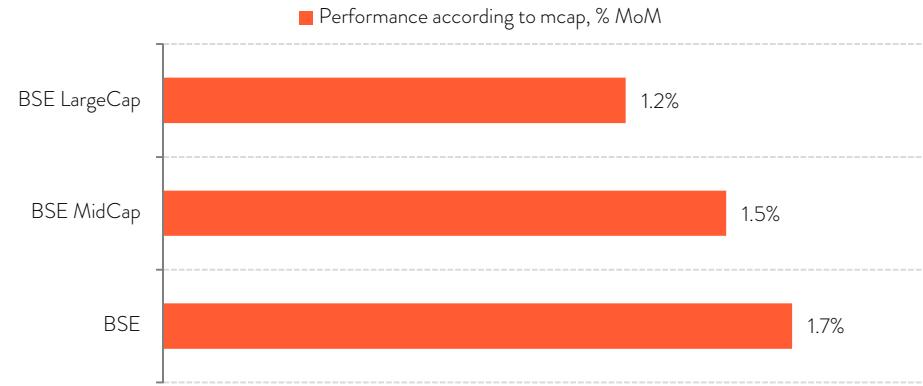
## 10 year Bond yields

**FIG 162 – IN NOV'19, INDIA'S 10Y YIELD ROSE BY 1BPS**



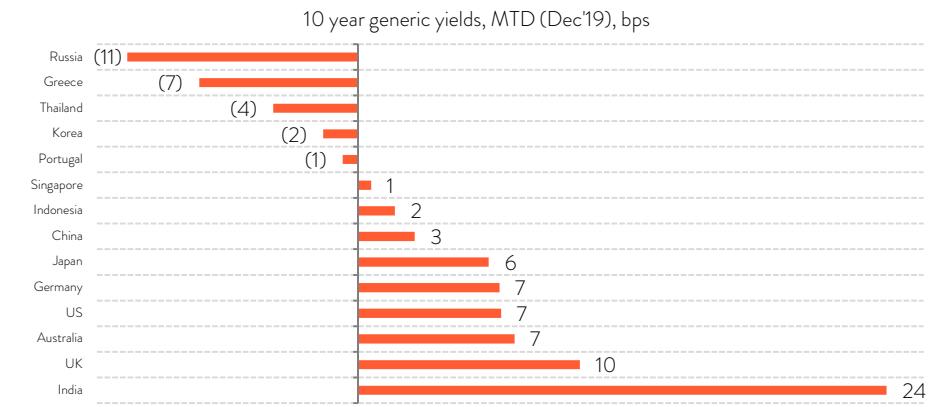
Source: Bloomberg | \*As on 29 Nov 2019

**FIG 161 – MID CAPS OUTPERFORM LARGE CAPS IN NOV'19**



Source: Bloomberg | \* As on 29 Nov 2019

**FIG 163 – IN DEC'19\*, INDIA'S 10Y YIELD HAS RISEN BY 24BPS AS RBI KEPT POLICY RATE UNCHANGED**

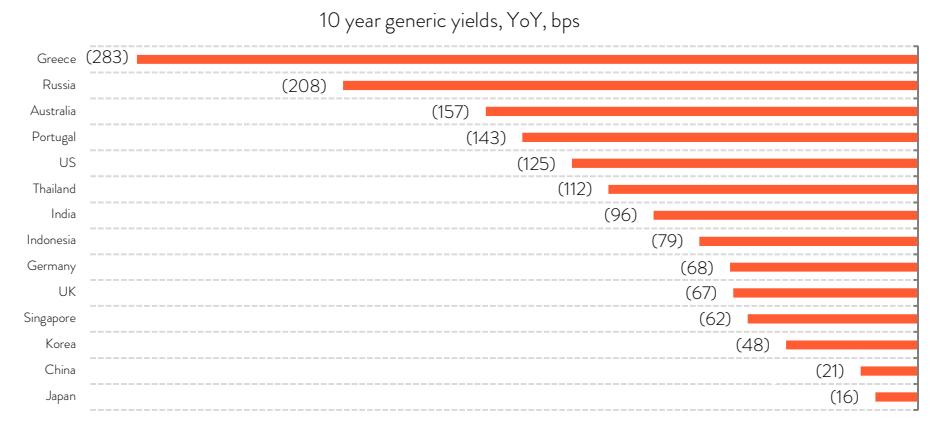


Source: Bloomberg | \* As on 10 Dec 2019

## MONTHLY CHARTBOOK



**FIG 164 – GLOBAL YIELDS HAVE FALLEN ON A YOY BASIS; INDIA'S 10Y YIELD HAS FALLEN BY 96BPS**



Source: Bloomberg | \*As on 29 Nov 2019

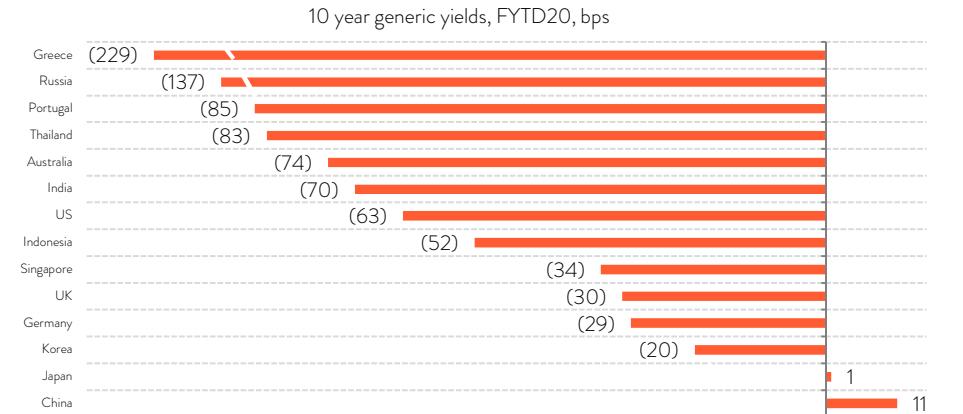
## Currencies

**FIG 166 – INR DEPRECIATED BY (-)1.1% IN NOV'19**



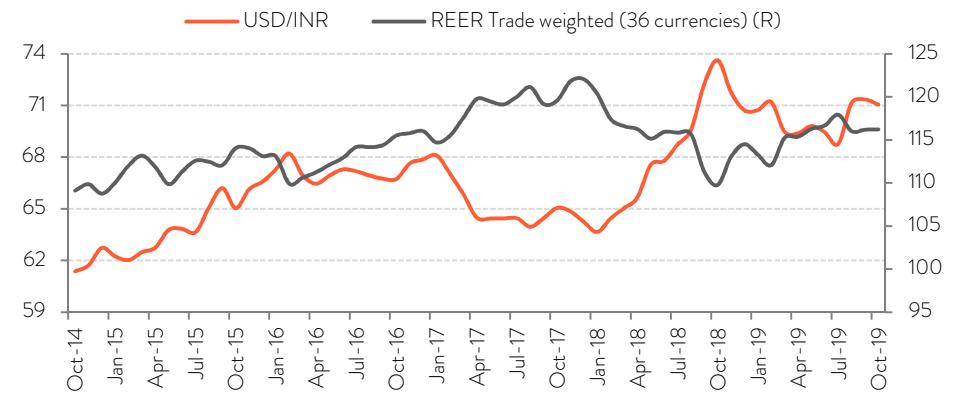
Source: Bloomberg | \*As on 29 Nov 2019

**FIG 165 – IN FYTD20, INDIA'S 10Y YIELD HAS FALLEN BY 70BPS**



Source: Bloomberg | \*As on 29 Nov 2019

**FIG 167 – INR STILL OVERVALUED BY 16.2% (OCT'19)**



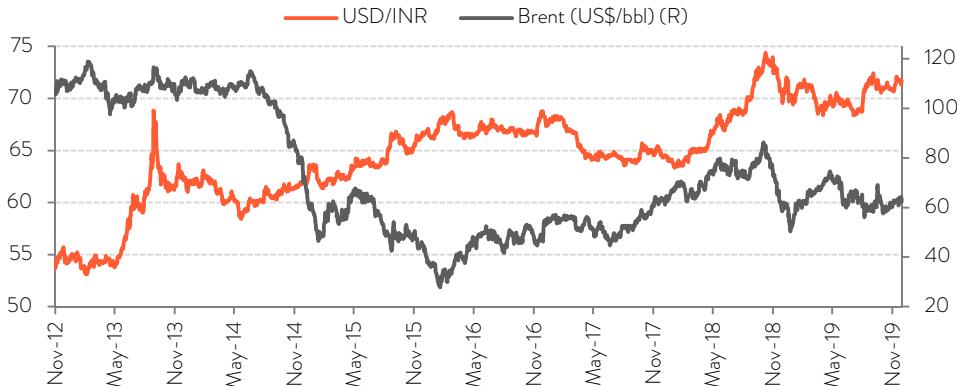
Source: Bloomberg

**FIG 168 – EM CURRENCIES ALSO WEAKENED**



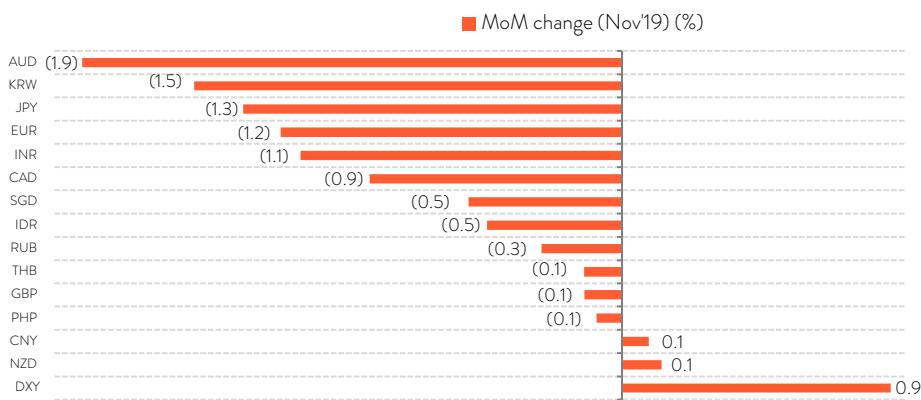
Source: Bloomberg | \*As on 29 Nov 2019

**FIG 169 – AS OIL PRICES ROSE IN NOV'19**



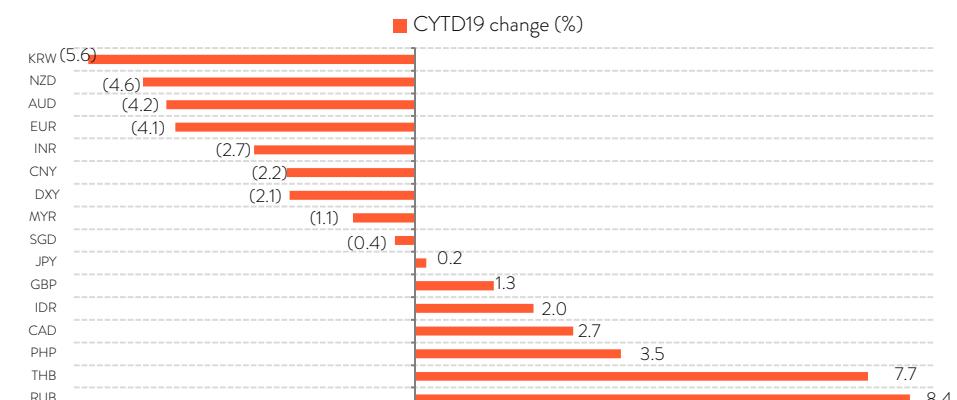
Source: Bloomberg | \*As on 29 Nov 2019

**FIG 170 – GLOBAL CURRENCIES DEPRECIATED IN NOV'19**



Source: Bloomberg | \*As on 29 Nov 2019

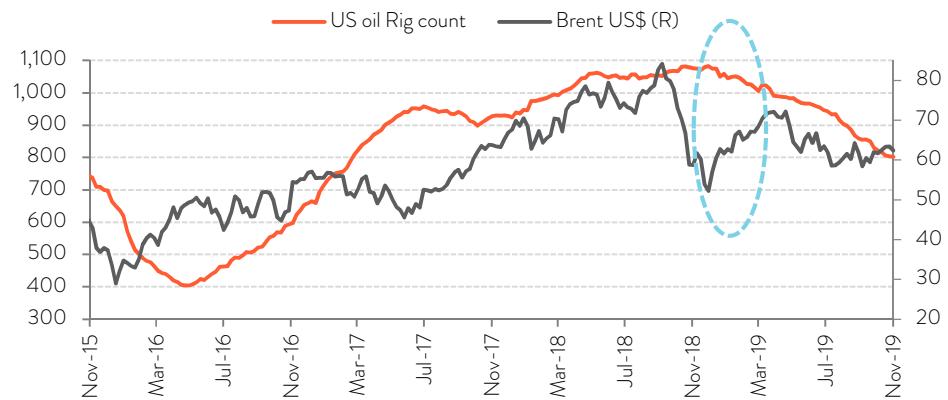
**FIG 171 – IN CYTD19, INR HAS DEPRECIATED BY (-) 2.7%**



Source: Bloomberg | \*As on 29 Nov 2019

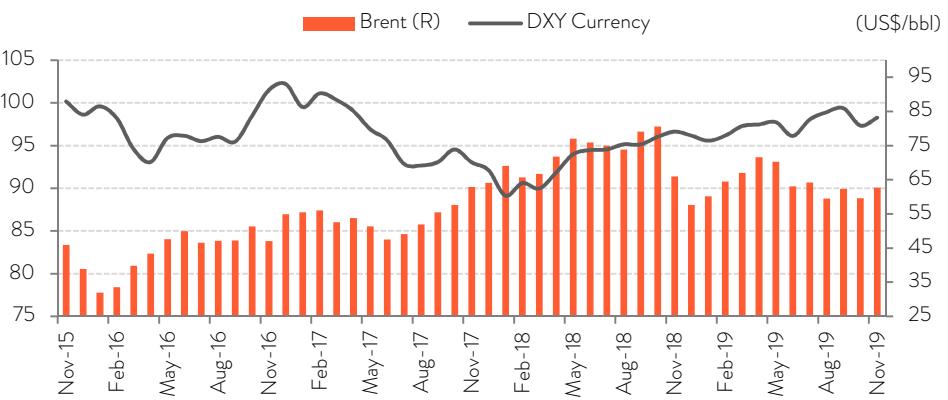
## Commodities

**FIG 172 – US RIG COUNT FELL TO 802 IN NOV'19 VERSUS 830 IN OCT'19**



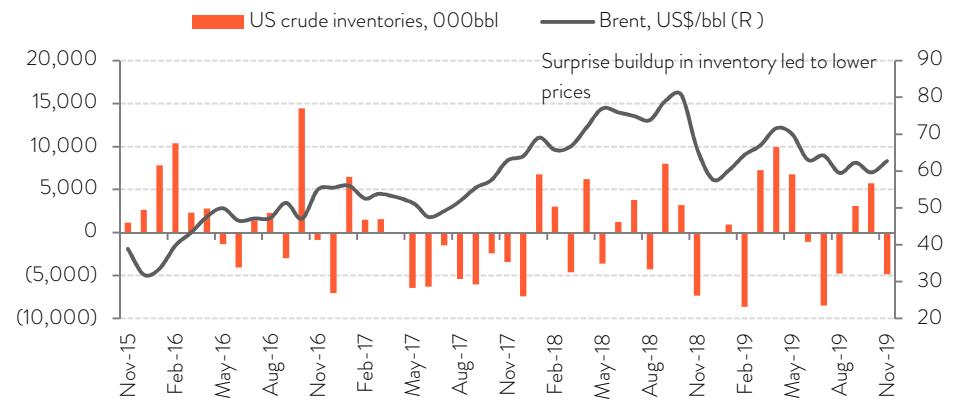
Source: Bloomberg

**FIG 174 – DXY ROSE TO 98.27 IN NOV'19 FROM 97.35 IN OCT'19, CRUDE PRICES WERE ALSO HIGHER ON AN AVERAGE**



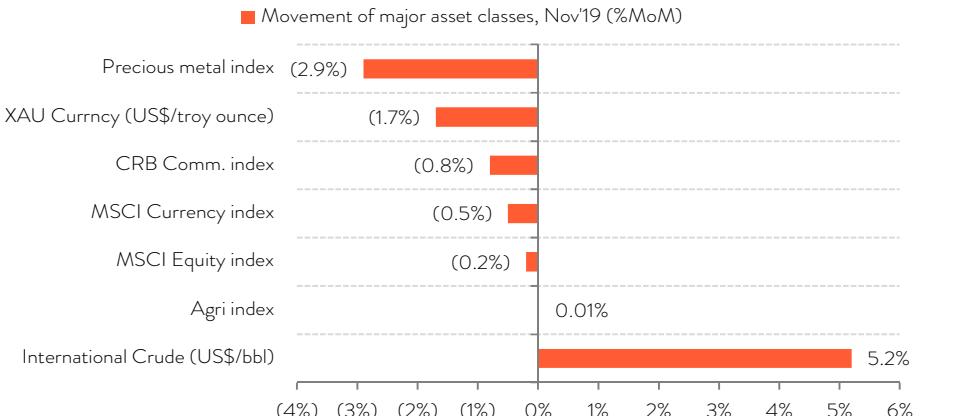
Source: Bloomberg | DXY Index as on last trading day of the month

**FIG 173 – US INVENTORIES DECLINED IN NOV'19; OIL PRICES ROSE BY 5.2% ON MOM BASIS (US\$ 62.7/BBL)**



Source: Bloomberg

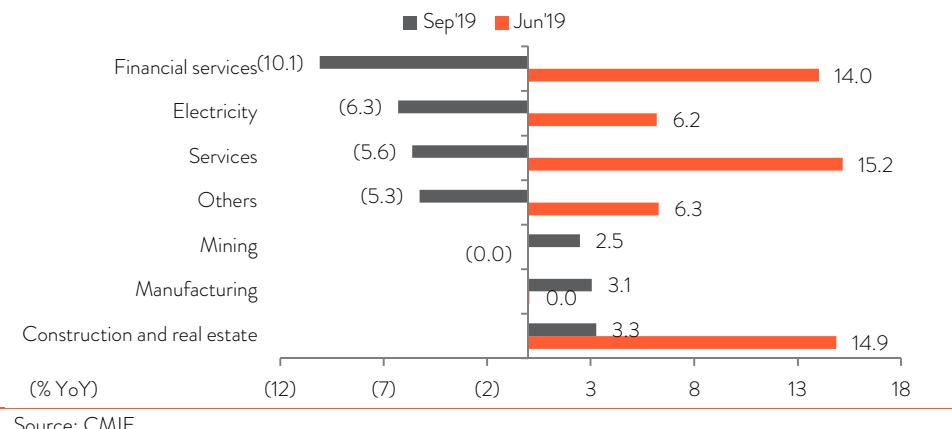
**FIG 175 – AMONGST MAJOR ASSET CLASS, OIL PRICES ROSE THE MOST; PRECIOUS METALS DECLINED**



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

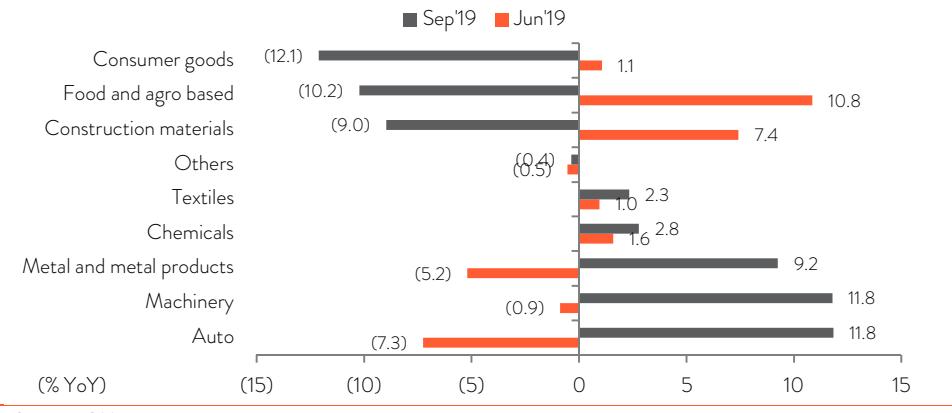
## Corporate earnings

FIG 176 – NET SALES IN MANUFACTURING IMPROVED IN SEP'19



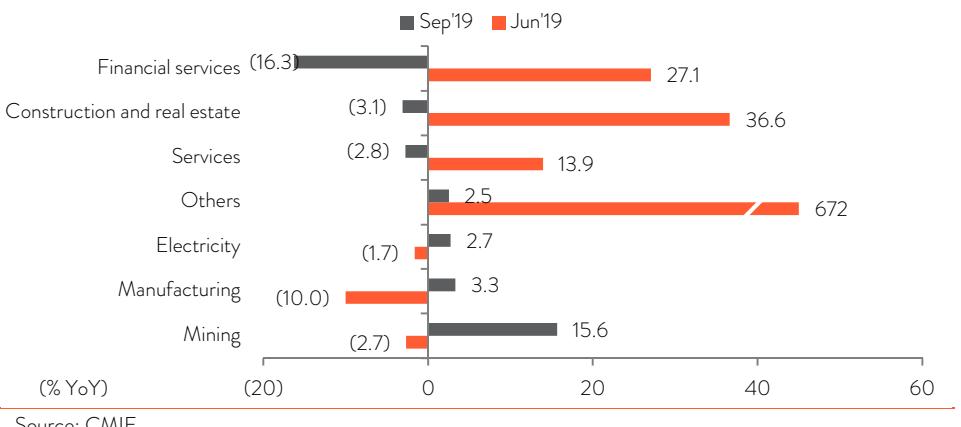
Source: CMIE

FIG 178 – WITHIN MANUFACTURING, NET SALES IN CONSUMER GOODS SECTORS FELL THE MOST IN Q2FY20



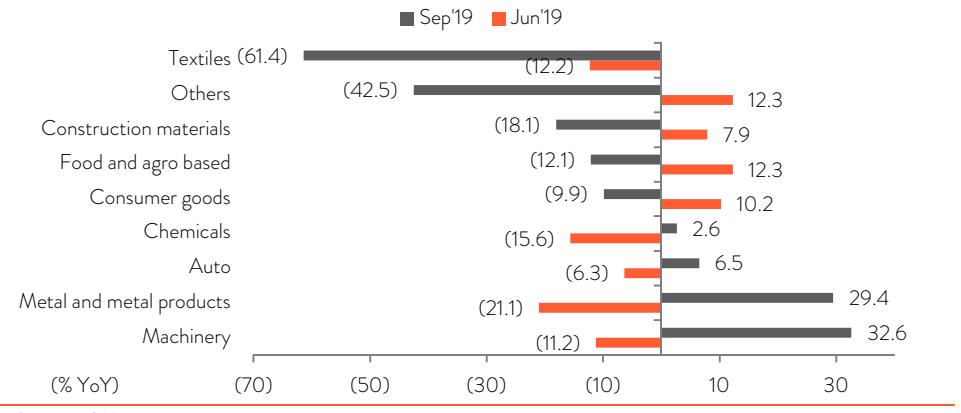
Source: CMIE

FIG 177 – PBDIT OF MANUFACTURING SECTOR ALSO IMPROVED



Source: CMIE

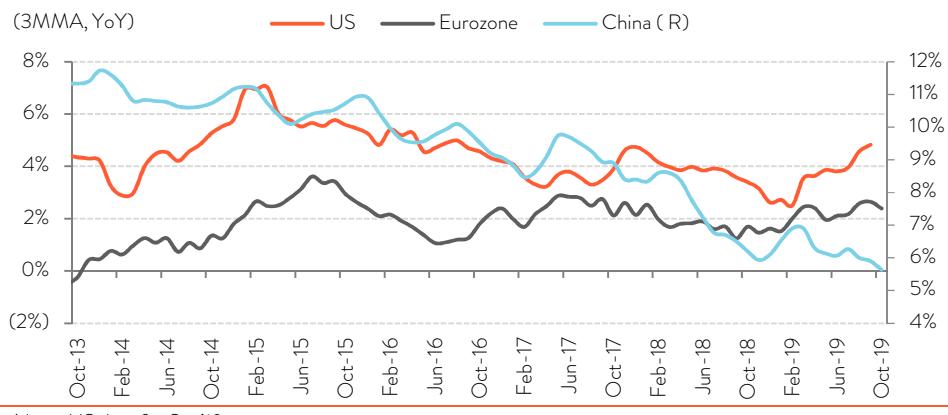
FIG 179 – PBDIT FOR AUTO SECTOR IMPROVES IN SEP'19



Source: CMIE

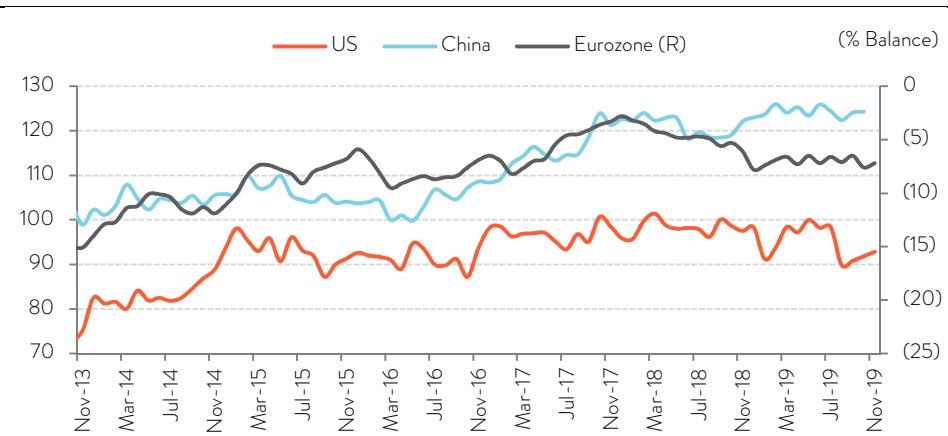
## Global consumption

**FIG 180 – RETAIL SALES MODERATES IN CHINA AND EUROZONE**



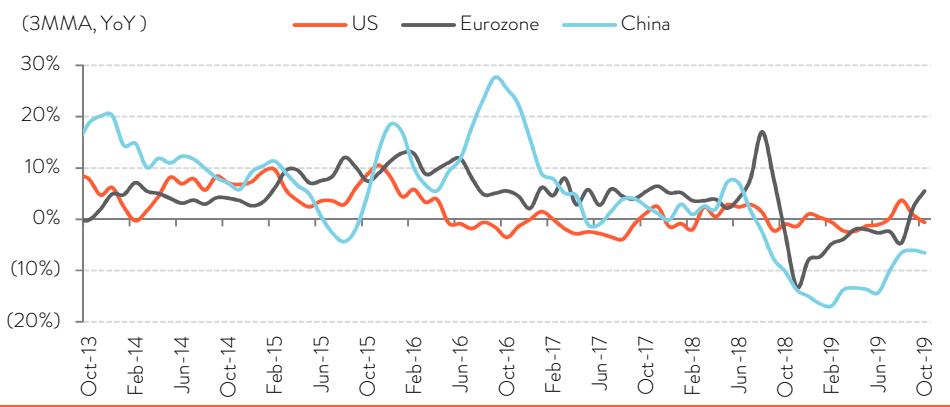
Note: US data for Sep'19

**FIG 182 – CONSUMER CONFIDENCE IMPROVES IN US AND EUROZONE**

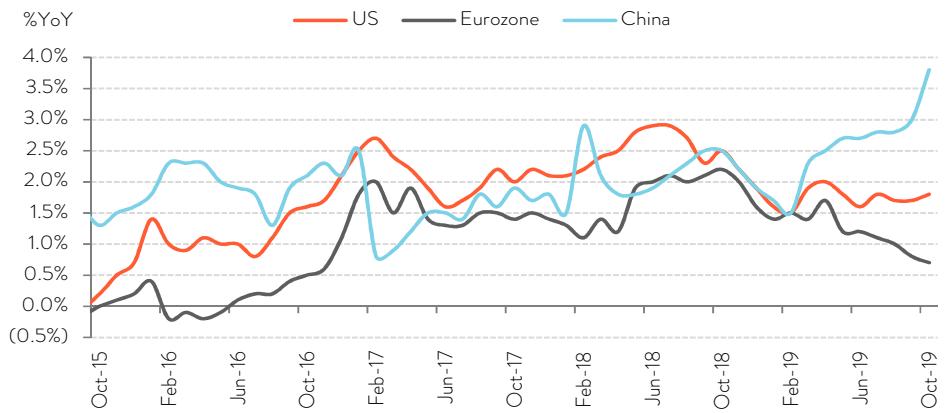


Note: Consumer confidence for eurozone is % diffusion index, China's consumer confidence is for Oct'19

**FIG 181 – AUTO SALES IMPROVE IN EUROZONE; DIPS IN US AND CHINA**



**FIG 183 – CPI EASES IN EUROZONE; INCHES UP FOR US AND ACCELERATES IN CHINA**



## Global inflation and policy rates

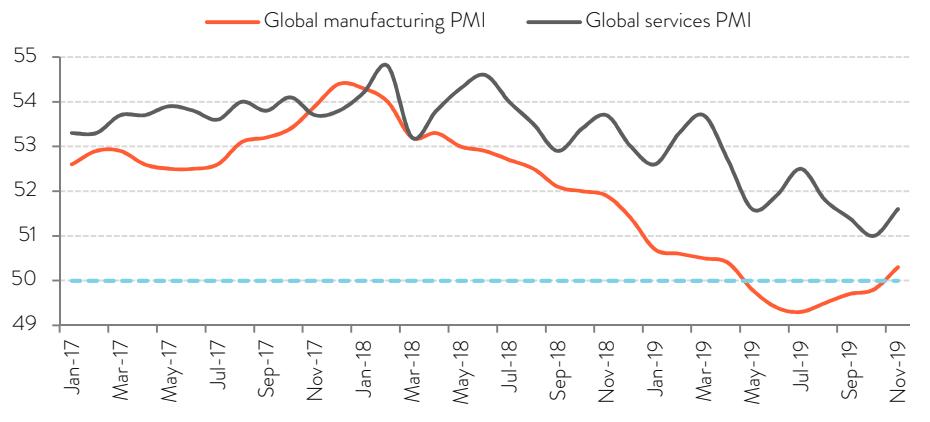
**FIG 184 – GLOBAL POLICY EASING CYCLE CONTINUES**

Country	Current inflation rate (%)	Current policy rate (%)	CY18 (change in bps)	CYTD19 (change in bps)	Direction of policy rate in CYTD19
Germany	1.1	0	0	0	-
UK	1.5	0.75	25	0	-
Japan	0.2	(0.1)	0	0	-
China	4.5	4.35	0	0	-
Brazil	3.27	1.75	75	0	-
Malaysia	1.1	3	25	(25)	⬇️
Phillipines	1.3	4.5	175	(25)	⬇️
Thailand	0.21	1.5	25	(50)	⬇️
US	1.8	1.75	100	(50)	⬇️
Korea	0.2	1.25	25	(75)	⬇️
Australia	1.7	0.75	0	(75)	⬇️
Mexico	2.97	8.25	100	(75)	⬇️
Indonesia	3	5.25	175	(100)	⬇️
Russia	3.5	6.5	0	(125)	⬇️
India	4.62	5.15	50	(135)	⬇️
Turkey	10.56	19.75	1600	(1000)	⬇️

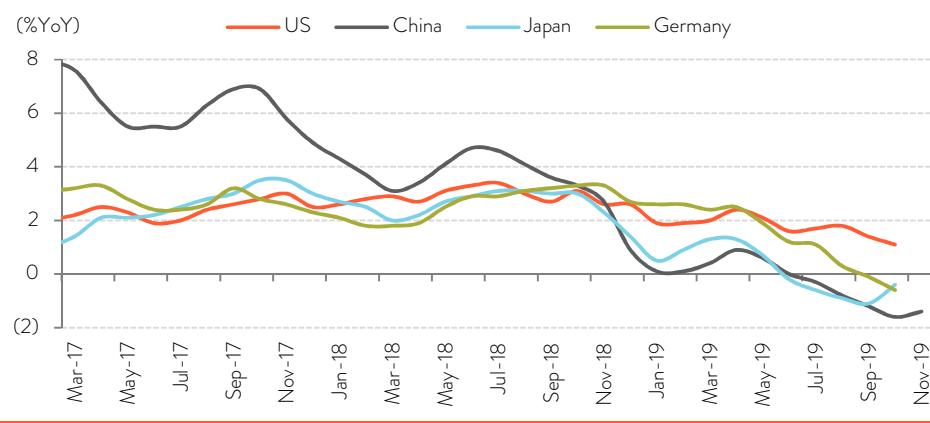
Source: Bloomberg

## Global investment and manufacturing

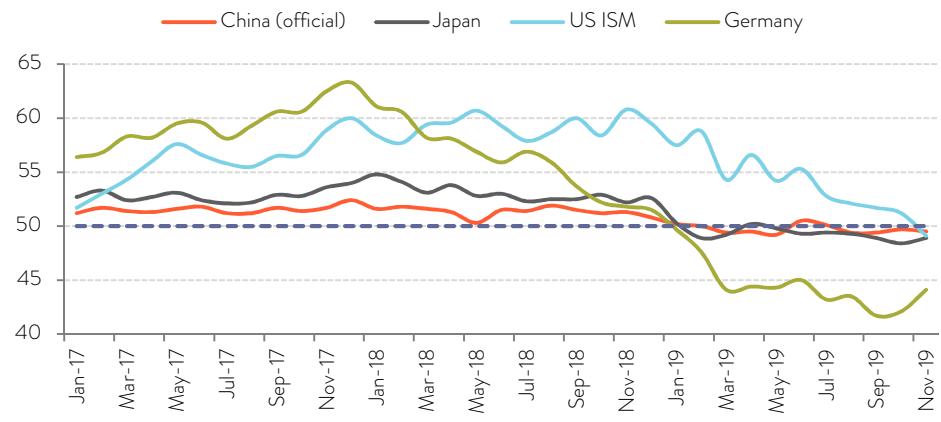
**FIG 185 – GLOBAL MANUFACTURING AND SERVICES ACTIVITY REBOUNDS IN NOV'19**



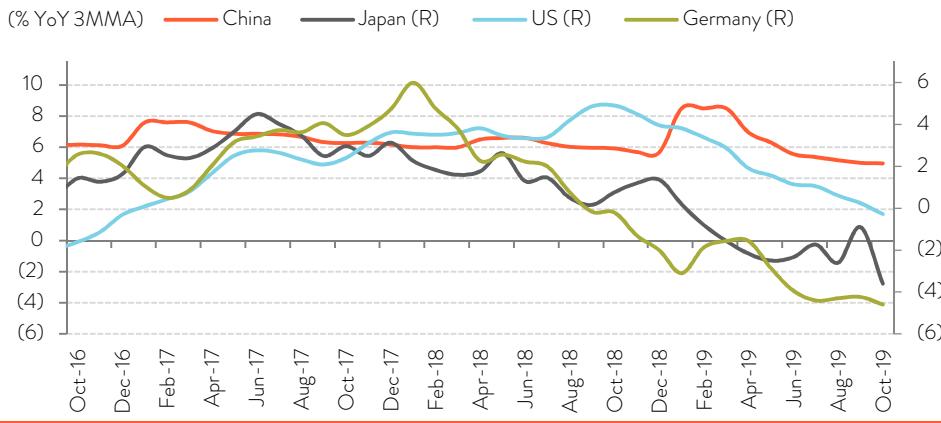
**FIG 187 – PRODUCER PRICES WITNESSING CONTINUED DECELERATION**



**FIG 186 – EXCEPT US, MANUFACTURING ACTIVITY (PMI) SEEN STABILIZING ACROSS OTHER MAJOR ECONOMIES IN NOV'19**



**FIG 188 – GLOBAL INDUSTRIAL PRODUCTION REMAINED WEAK IN OCT'19**



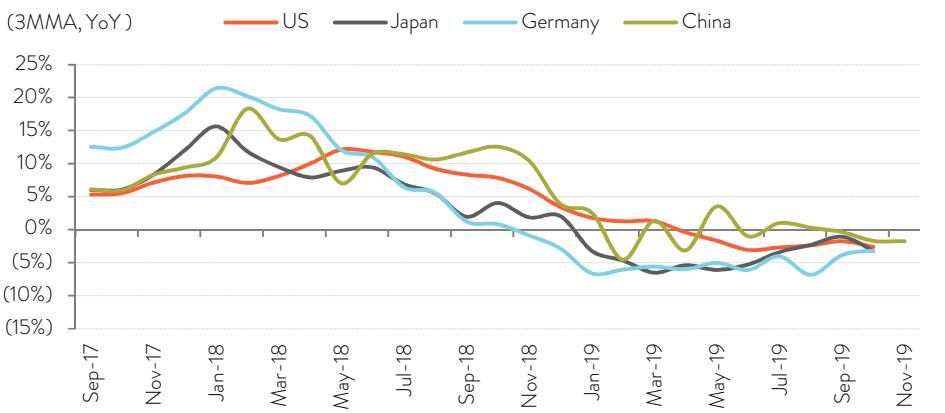
## Global trade

**FIG 189 – WORLD TRADE VOLUME DIPS FURTHER IN SEP'19**



Source: NPB, World Trade Monitor

**FIG 191 – EXPORT GROWTH IN ALL MAJOR ECONOMIES DECLINING**



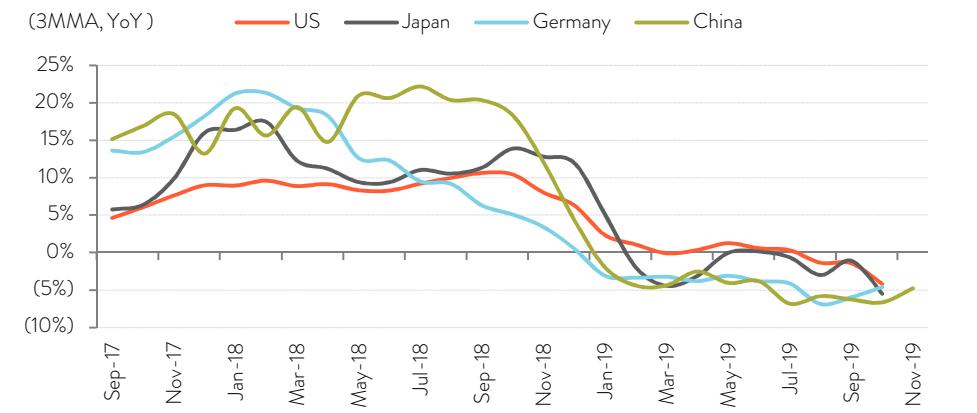
Source: Bloomberg

**FIG 190 – TRADE VOLUMES IN JAPAN AND EUROPE IMPROVES IN SEP'19**

Country/Region (% YoY)	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Africa and Middle East	0.1	0.2	(1.2)	(2.7)	(3.3)	(2.9)	(5.8)
China	9.0	2.4	(2.5)	(1.9)	(4.7)	(0.3)	(4.4)
Eastern Europe / CIS	(1.8)	(0.2)	(0.6)	(1.8)	0.2	1.4	2.5
Emerging Asia (ex. China)	(0.3)	0.9	(1.5)	(2.5)	(3.4)	(3.9)	(3.3)
Euro Area	0.9	(0.4)	0.7	(1.0)	(0.8)	(1.4)	0.4
Japan	0.7	0.9	(0.7)	1.6	2.3	(0.2)	3.2
Latin America	(5.0)	(1.0)	3.8	(4.0)	2.5	(1.6)	(0.5)
US	0.6	(1.7)	1.0	0.2	0.4	1.2	(1.7)

Source: NPB, World Trade Monitor

**FIG 192 – IMPORTS TOO REMAIN LACKLUSTRE**



Source: Bloomberg

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