

India Economics

Monthly Chartbook

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Sameer Narang

Aditi Gupta | Jahnavi

Dipanwita Mazumdar | Sonal Badhan

chief.economist@bankofbaroda.com



RBI's rate cut to support growth

While domestic manufacturing and services sector PMIs have risen to 8-year and 7-year highs respectively, global PMIs have shrunk led by China. Muted global manufacturing, trade and travel will also impact India. Indian 10Y yield has fallen by 23bps in Feb'20 and 25bps in Mar'20. Global yields led by US have fallen much more. This sets the context for RBI to ease rates by 25-40bps in Apr'20 after major central banks have done so lately. More importantly, this will also support the nascent recovery in India's consumption sector. However, any economic impact from current outbreak of COVID-19 may drag growth lower when government revenues are weak to support growth.

Muted consumption demand: Broad consumption indicators such as four-wheeler sales, freight activity, passenger traffic, electricity consumption, non-oil-non-gold imports show that economic growth has bottomed out. Fresh dip in consumption is possible if current outbreak of COVID-19 intensifies. On the agri front, foodgrain production is also expected to be higher by 2.4% for 2019-20 as per the 2nd advance estimates on the back of higher rabi sowing. Along with higher prices, it bodes well for consumption.

Government spending continues to cool: In Jan'20, general government spending cooled off further on a 3MMA basis (10% vs 13.3% in Q3), driven both by centre and states. Both revenue and capex spending has eased, with latter seeing a sharper slowdown. States' capex has

contracted the most (-12.1% in Jan'20 vs -1% in Q3). Muted revenue growth remains a key reason behind this trend. Centre's gross tax collections are down by (-) 2% in FYTD20 vs FY20RE of 4% growth. Indirect tax collections are also lower at 0.9% vs RE: 5.3%. States' tax receipts have risen by only 2% so far vs 14% growth in FYTD19. States are relying heavily on market borrowing at Rs 5.1tn (Apr'19-Feb'20) versus Rs 4.7tn in Apr'18-Feb'19.

Sharp drop in yield: India's 10Y yield fell by 23bps in Feb'20 after FY20 gross borrowings by Centre were kept at Rs 7.1tn and as global yields fell over impact of COVID-19 on economic activity. Gold prices rose by 2.5%. In Mar'20, India's 10Y yield has fallen further by 25bps after sharp drop in oil prices (-29% to US\$ 36/bbl) as OPEC+ failed to curtail output. Though CPI inflation is at 7.6%, higher than RBI's target of 4%, RBI too is widely expected to cut rates in Apr'20 to prop growth.

INR to see through short-term volatility: INR depreciated by (-) 1.1% in Feb'20 amidst heightened concerns over COVID-19 outbreak. In Mar'20, it has depreciated further by (-) 2.0% led by a global sell-off and resultant FPI outflows (US\$ 2.3bn in Mar'20). However, we expect INR to recover from the current levels once markets stabilise. Lower oil prices, higher FDI inflows and record forex reserves imply INR is likely to trade in the range of 70-72 to US\$.

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

Consumption

Final consumption expenditure

FIG 1 – CONSUMPTION REMAINS STEADY IN Q3FY20

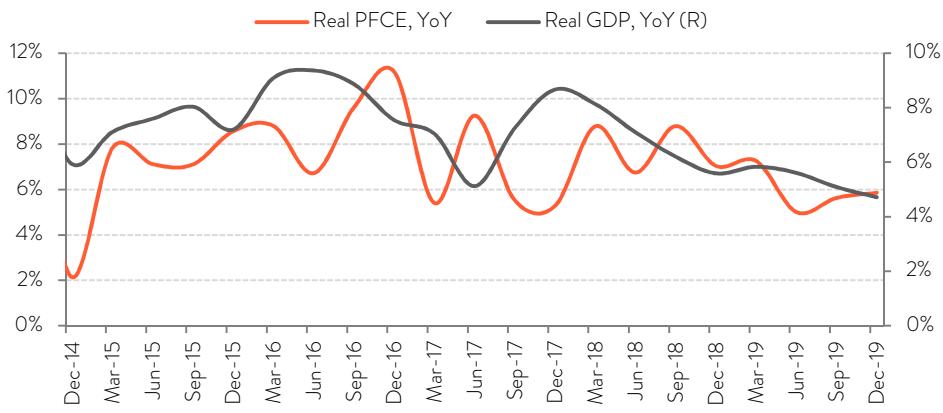


FIG 3 – GENERAL GOV REVENUE SPENDING FALLS IN JAN'20

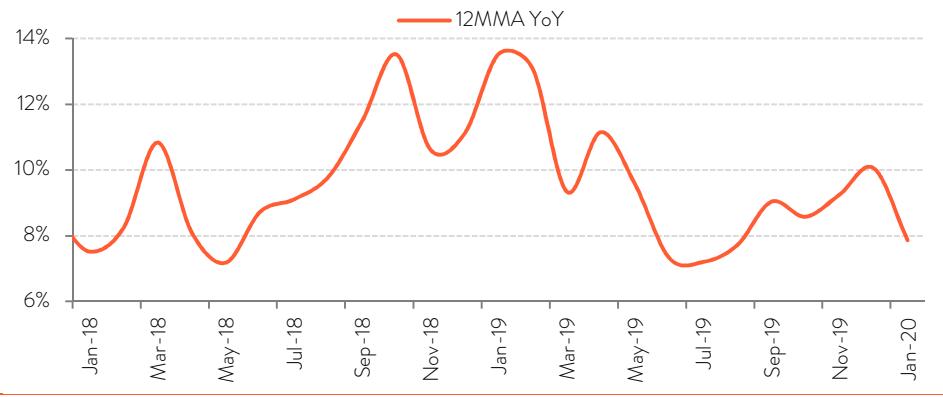


FIG 2 – GOVERNMENT CONSUMPTION SLIPS IN Q3FY20

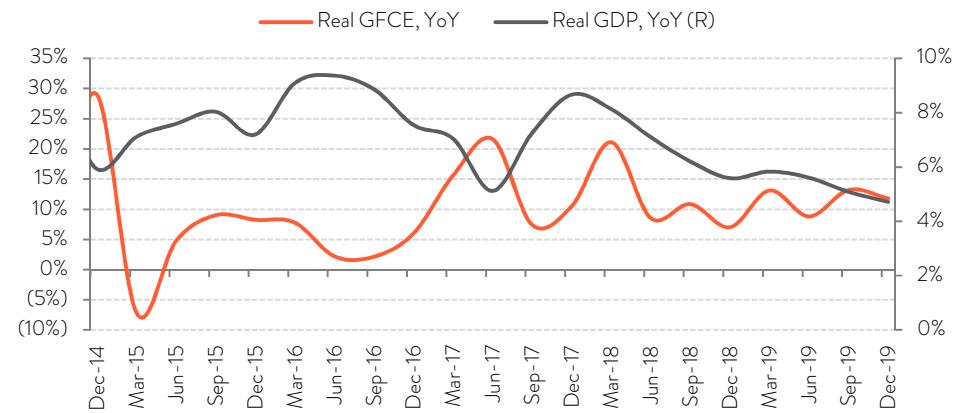
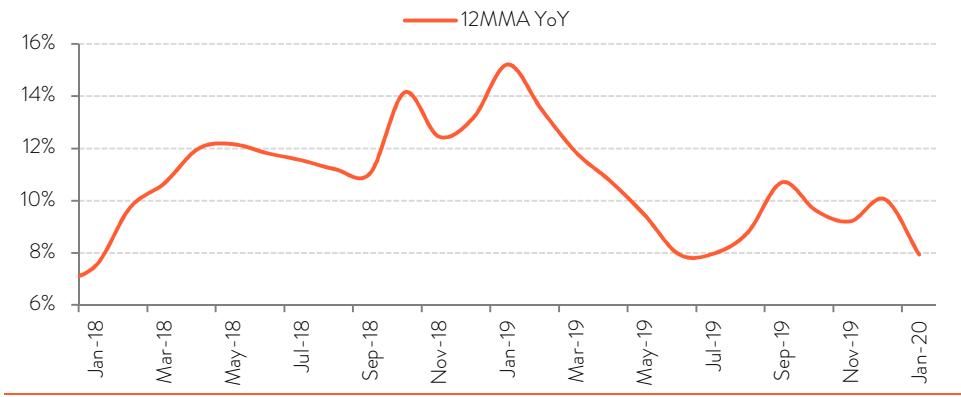


FIG 4 – STATE* GOV REVENUE SPENDING TOO MOVING AT THE SAME PACE



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 IMPROVE MARGINALLY

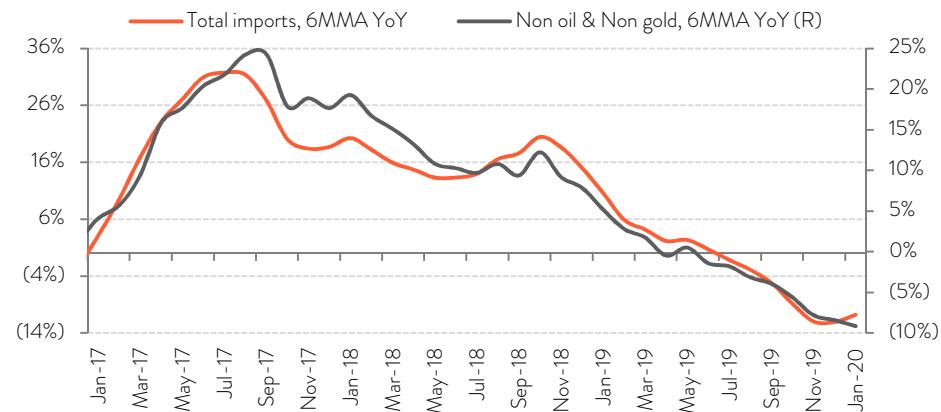


FIG 6 – ELECTRONIC IMPORTS DECLINE IN JAN'20

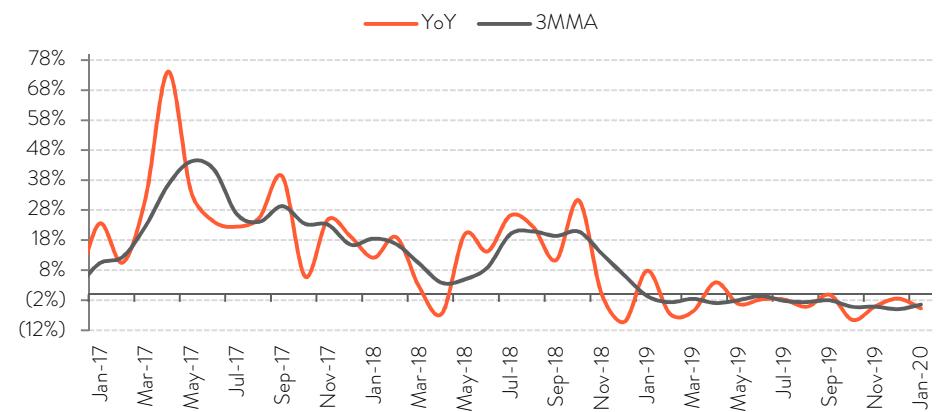


FIG 7 – PASSENGER CAR SALES CONTINUES TO DECLINE AT THE SAME PACE

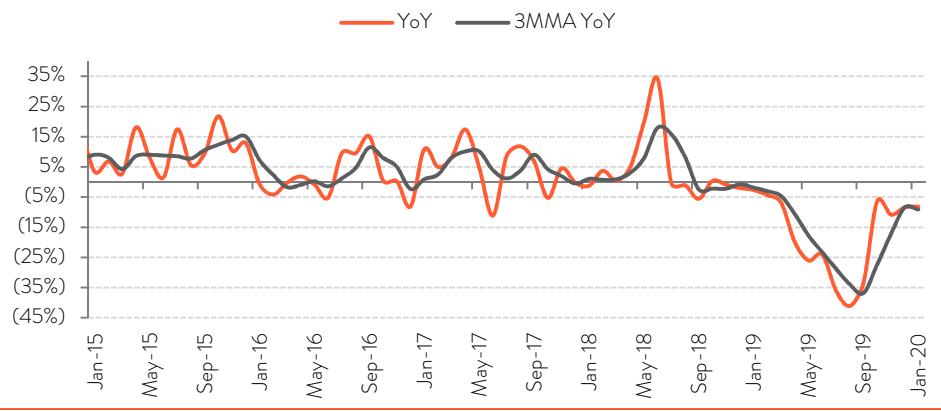
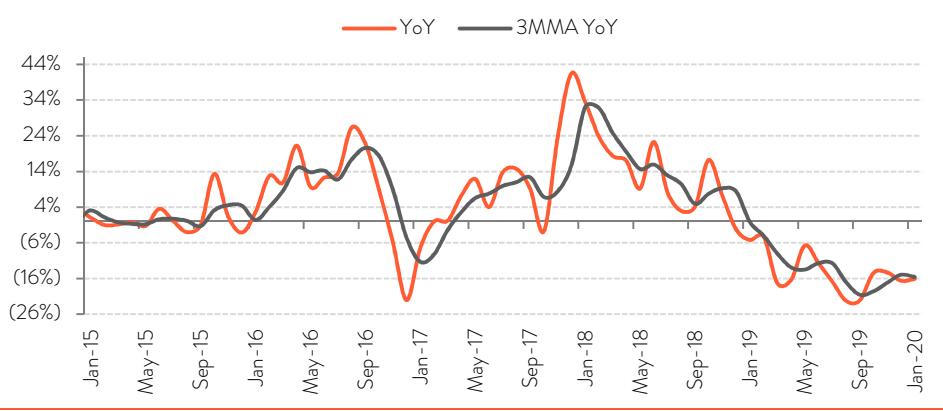


FIG 8 – SIMILAR CASE FOR TWO-WHEELER SALES



Credit deployment of personal loans

FIG 9 – GROWTH IN CREDIT CARD OUTSTANDING IMPROVES

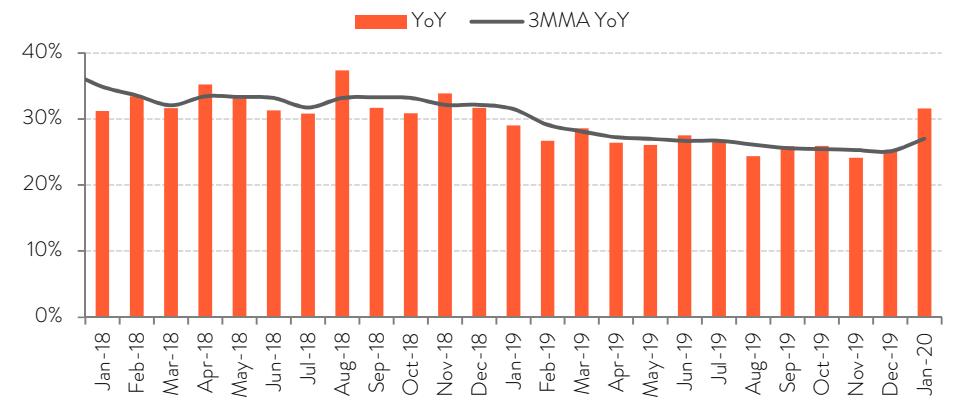


FIG 11 – GROWTH IN VEHICLE LOANS JUMPS IN JAN'20

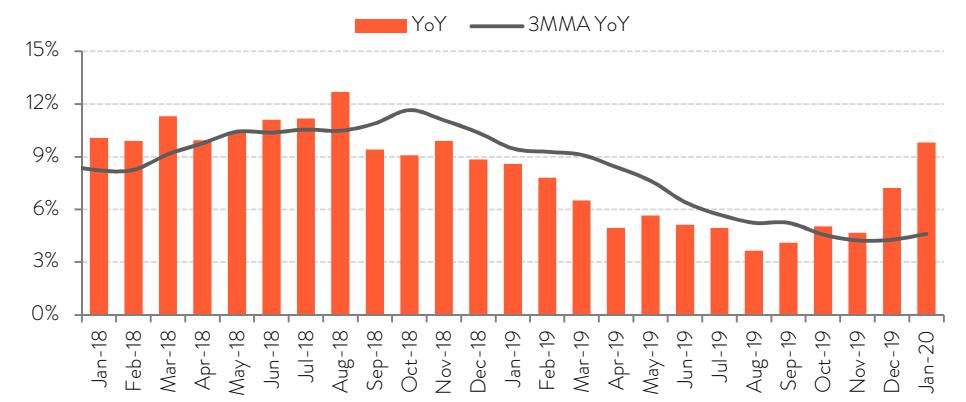


FIG 10 – GROWTH IN PERSONAL LOANS STEADIES

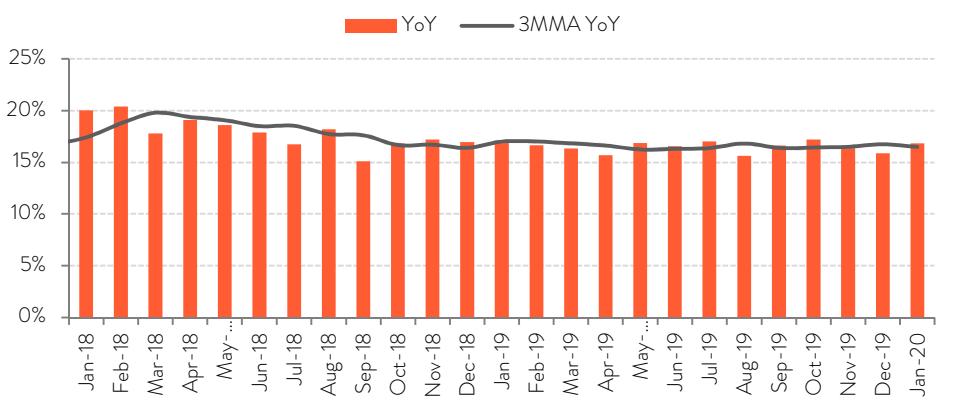
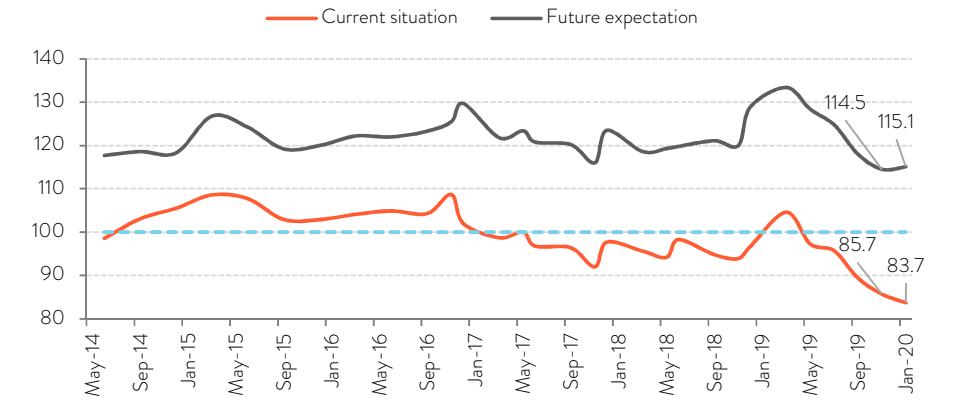
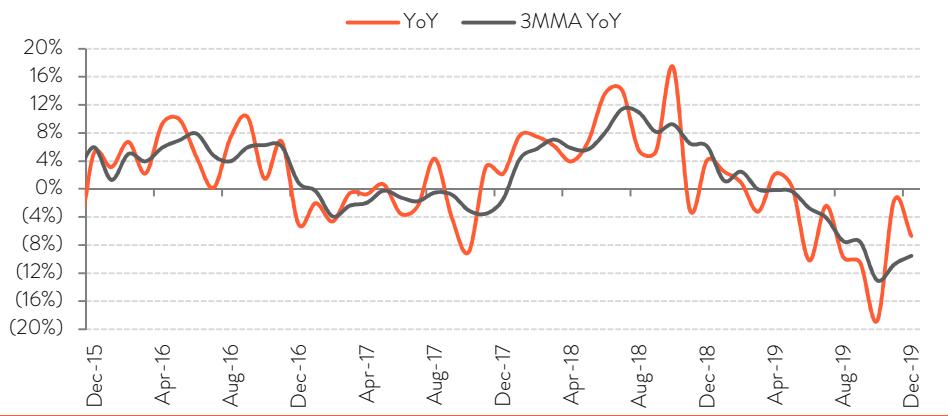


FIG 12 – SUBDUE CONSUMER CONFIDENCE



Consumer durables & non-durables production

FIG 13 – CONSUMER DURABLES OUTPUT DECLINES IN DEC'19



Agriculture

FIG 15 – AGRI GVA IMPROVES IN Q3FY20

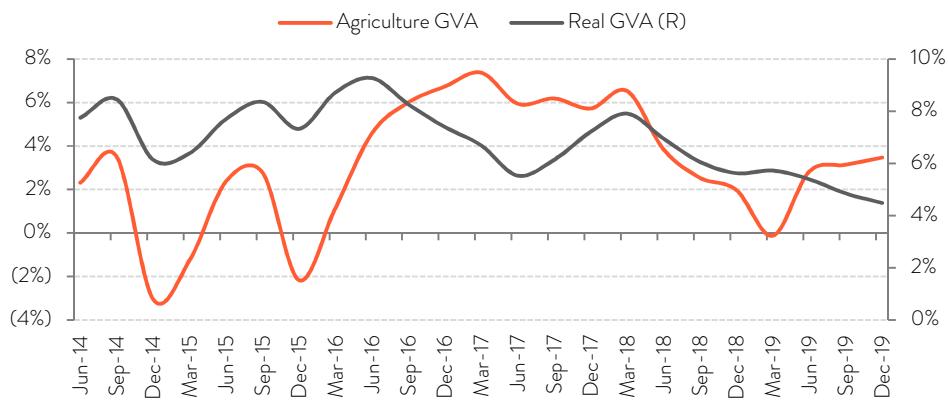


FIG 14 – FMCG OUTPUT TOO FALLS IN DEC'19

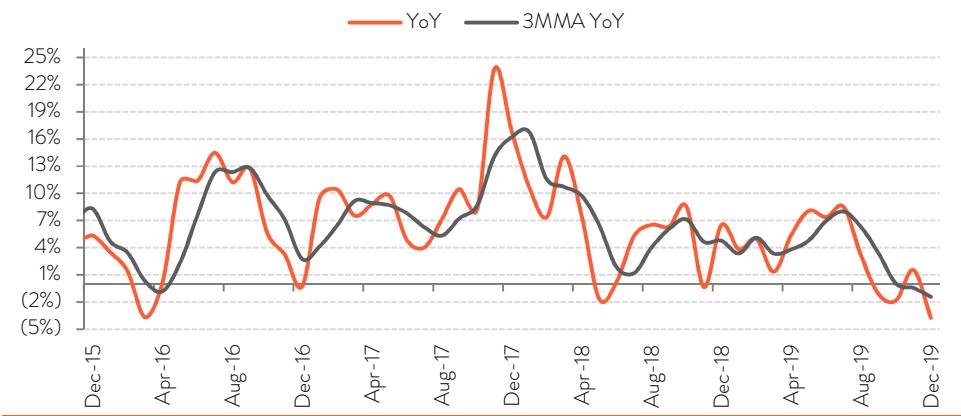


FIG 16 – STOCK OF FOODGRAINS AT 75MN TN IN JAN'20 COMPARED WITH 65MN TN IN JAN'19

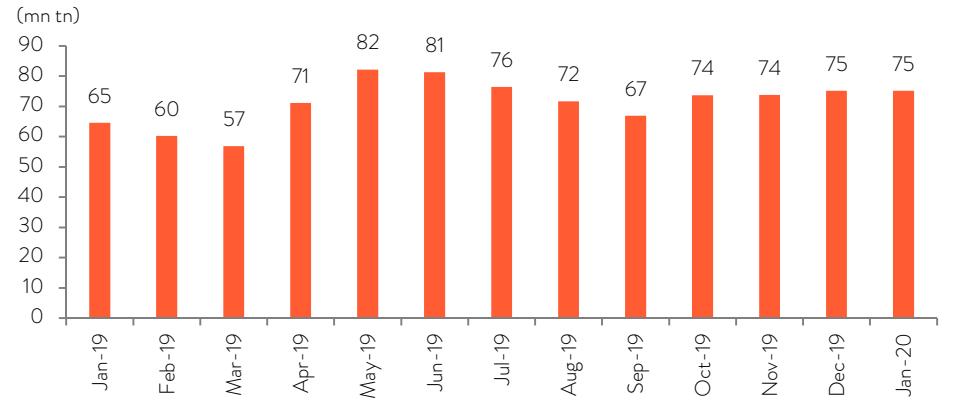
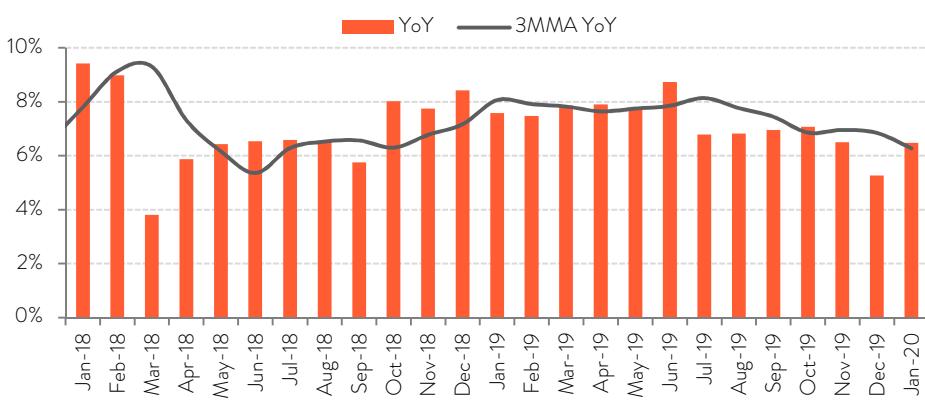
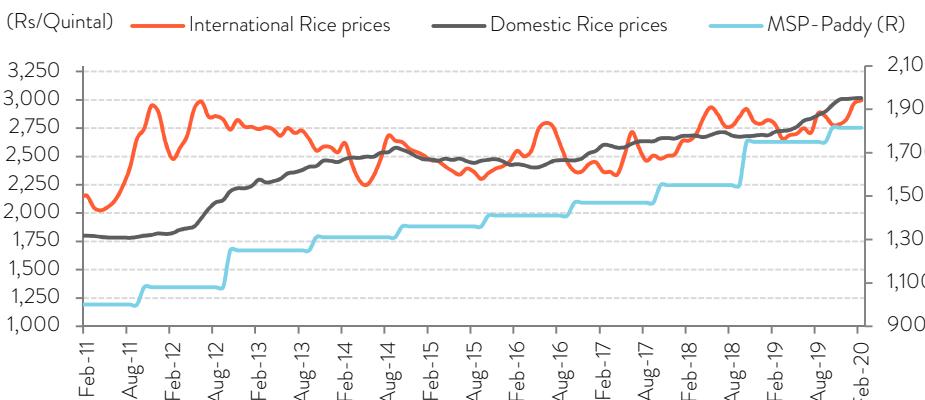


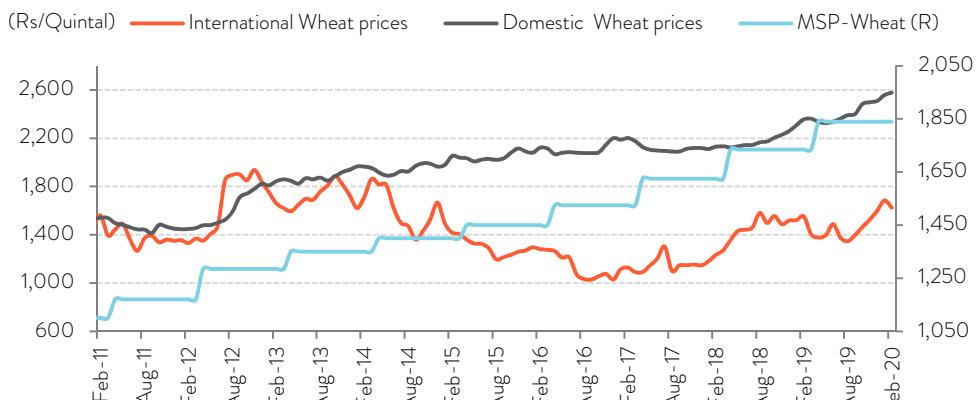
FIG 17 – IMPROVEMENT IN AGRICULTURE CREDIT**FIG 19 – BOTH DOMESTIC AND INTERNATIONAL PRICE OF RICE IS RISING**

Source: World Bank

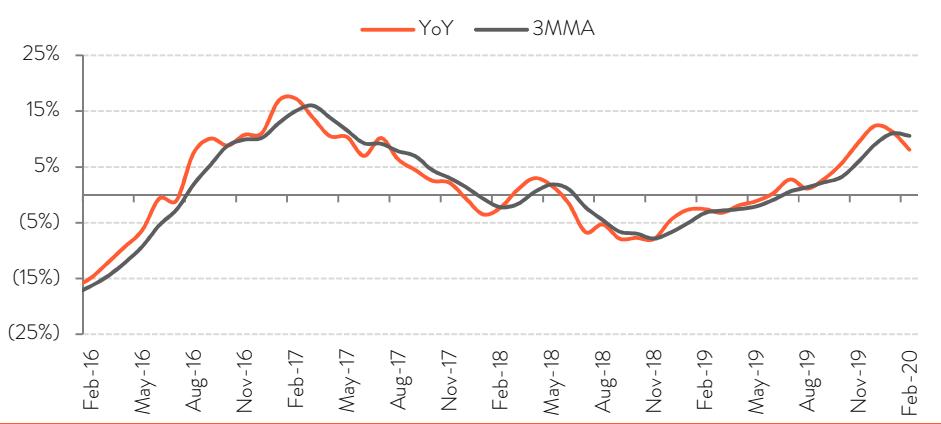
FIG 18 – PROCUREMENT INCREASING LED BY RICE

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	44.39
2019-20	34.13	37.71*

Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 28 Feb 2020

FIG 20 – WHILE DOMESTIC WHEAT PRICES ARE RISING, INTERNATIONAL PRICES MODERATING

Source: World Bank

FIG 21 – GLOBAL FOOD PRICES MODERATE IN FEB'20**FIG 22 – HIGHER PRODUCTION OF FOODGRAINS AS PER 2ND AE**

Growth (% YoY)	2016	2017	2018	2019
Rice	5.1	2.79	3.3	0.8
Wheat	6.7	1.4	3.7	2.5
Pulses	41.5	9.9	(13.1)	4.3
Cereals	7.1	3.0	1.4	2.2
Foodgrain Production	9.4	3.6	0.1	2.4
Sugarcane	(12.2)	24.1	6.7	(12.7)
Oilseeds	23.9	0.6	0.2	8.5
Cotton	8.6	0.7	(14.5%)	24.4

Inflation

FIG 23 – RETAIL INFLATION ROSE TO ITS 68-MONTH HIGH OF 7.6% IN JAN'20 VS 7.4% IN DEC'19, 4TH CONSECUTIVE MONTH ABOVE MPC'S 4% TARGET

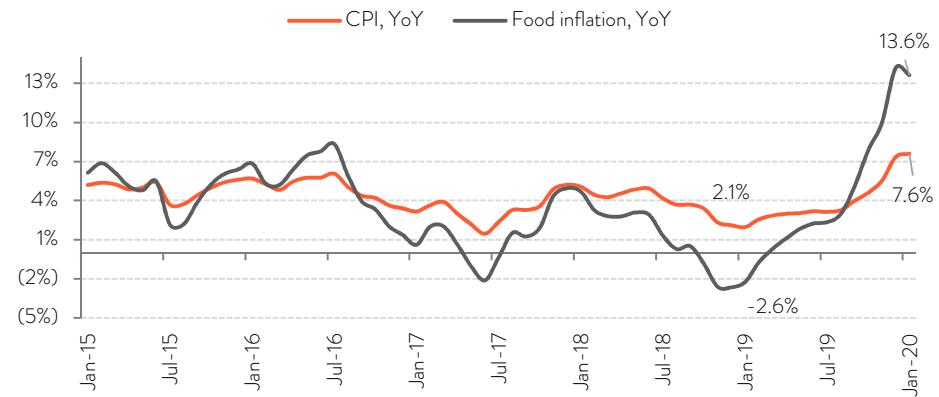
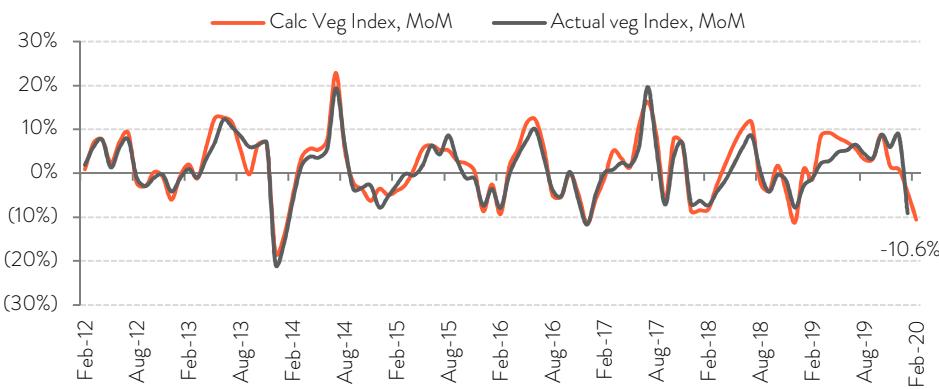


FIG 25 – ...HOWEVER, VEGETABLE INFLATION IS SEEN FALLING IN FEB'20



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

FIG 24 – FOOD INFLATION WAS ELEVATED AT 13.6%, DUE TO BROADER INCREASE IN PRICES OF ALL FOOD ITEMS ESPECIALLY VEGETABLES

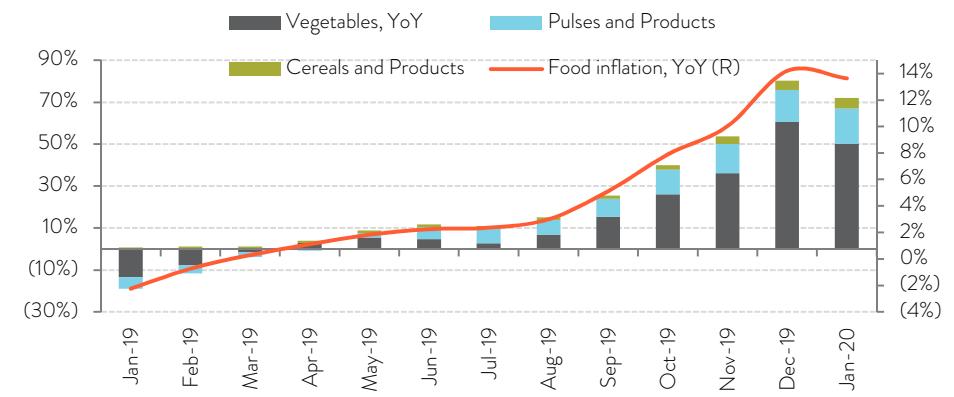


FIG 26 – CORE INFLATION ROSE BY 40BPS TO 4.2% IN JAN'20 VS 3.8% IN DEC'19

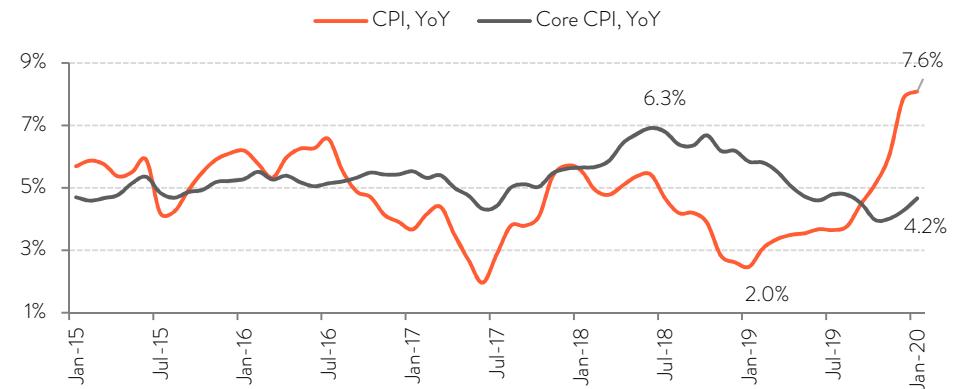


FIG 27 – ...LED BY ACCELERATION IN ALL CATEGORIES ESPECIALLY TRANSPORT & COMMUNICATION

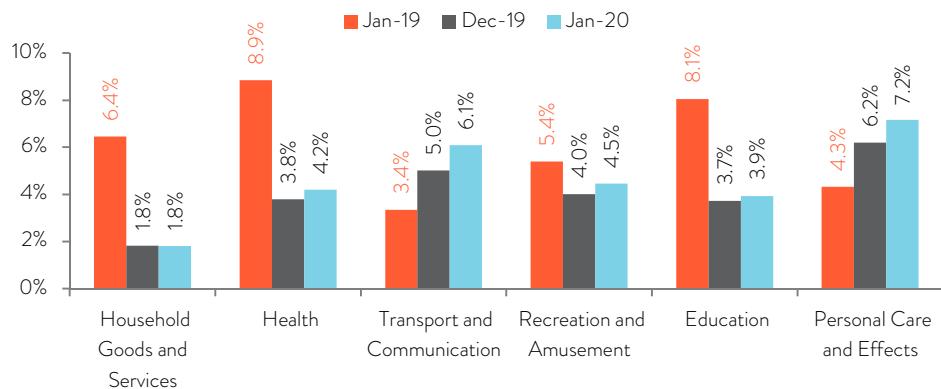


FIG 29 – CPI EXCL VOLATILE COMPONENTS SUCH AS VEG & PULSES ALSO ROSE BY 100BPS TO 4.8% IN JAN'20 VS 3.8% IN DEC'19

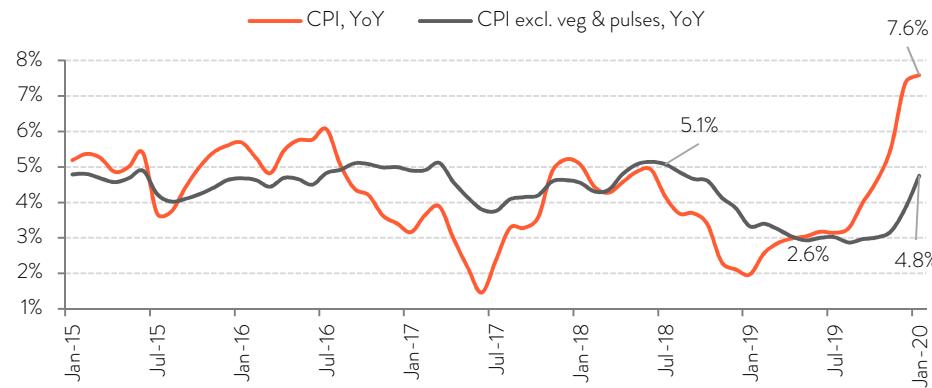
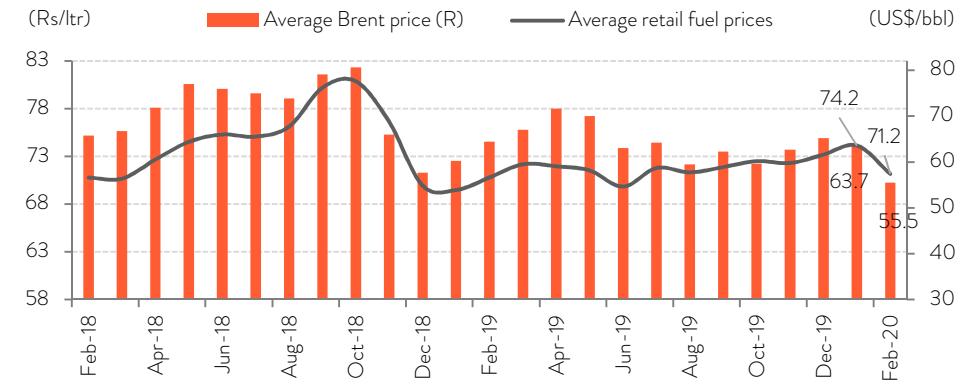
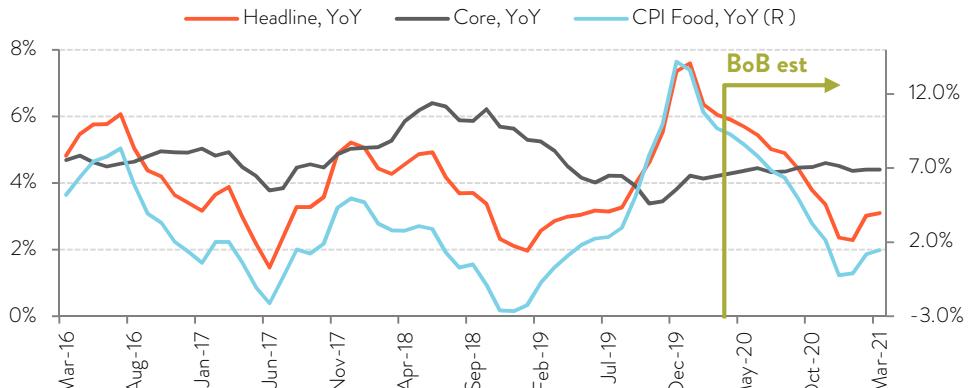


FIG 28 – IN FEB'20, RETAIL FUEL PRICES HAVE FALLEN TO RS 71/LT; CRUDE FELL TO US\$ 55.5/BBL AND IS CURRENTLY TRADING LOWER AT US\$ 36/BBL



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

FIG 30 – ...HOWEVER, INFLATION IS LIKELY TO EDGE DOWN FROM 4.7% IN FY20 TO 3.7% IN FY21



Industry

FIG 31 – INDUSTRIAL OUTPUT HAS DROPPED IN Q3FY20

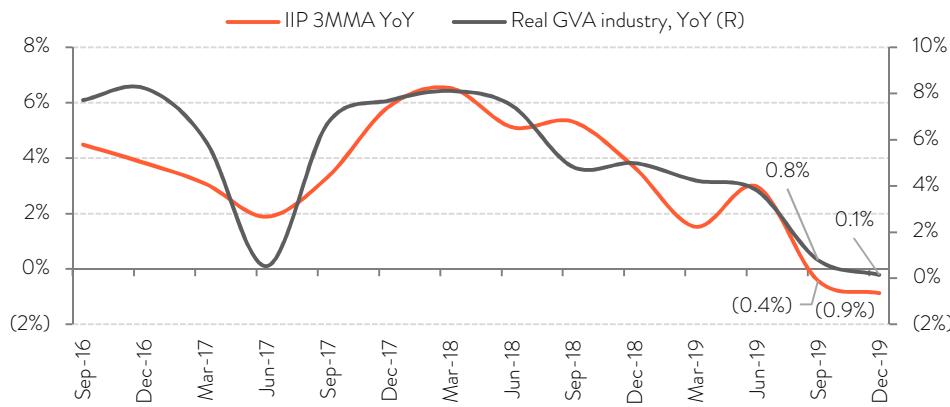


FIG 32 – BROAD BASED SLOWDOWN ACROSS SECTORS

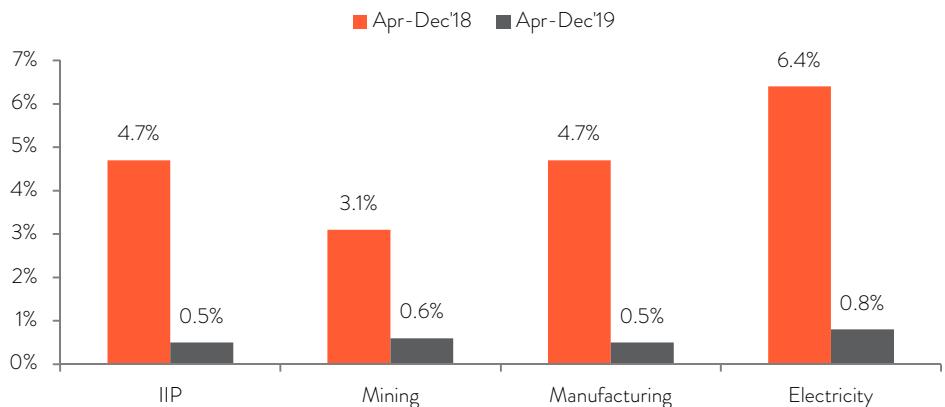


FIG 33 – CAPITAL GOODS DRAGGED IIP LOWER

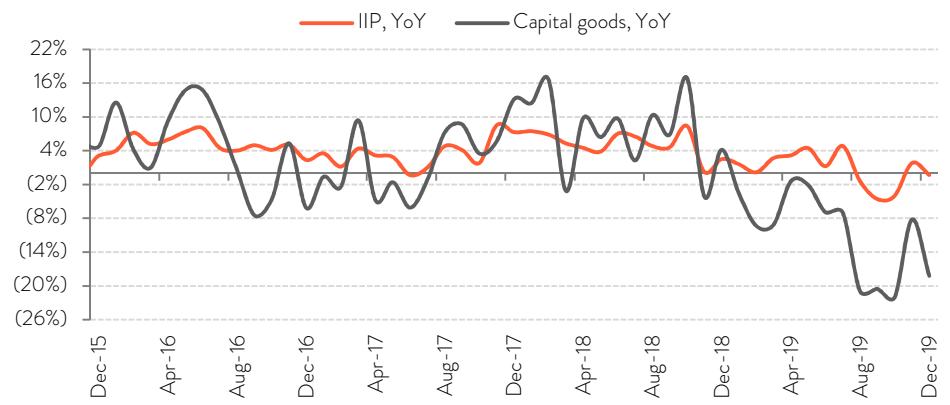


FIG 34 – CONSUMER DURABLES GOODS TOO DOING THE SAME

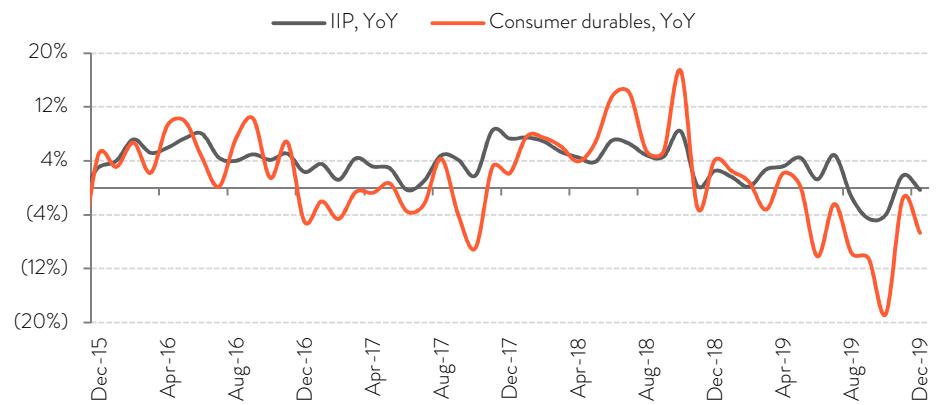


FIG 35 – INDUSTRIAL PRODUCTION SLIPS INTO CONTRACTION

Sectoral (%)	Weight	Dec-19	Nov-19	Dec-18	Apr-Dec'19	Apr-Dec'18
IIP	100.0	(0.3)	1.8	2.5	0.5	4.7
Mining	14.4	5.4	1.8	(1.0)	0.6	3.1
Manufacturing	77.6	(1.2)	2.7	2.9	0.5	4.7
Electricity	8.0	(0.1)	(5.0)	4.5	0.8	6.4
Use-Based						
Primary Goods	34.1	2.2	(0.3)	(1.1)	0.3	4.2
Capital Goods	8.2	(18.2)	(8.2)	4.2	(12.3)	6.8
Intermediate Goods	17.2	12.5	16.5	(0.8)	12.2	0.5
Infrastructure and Construction Goods	12.3	(2.6)	(2.4)	9.0	(2.7)	8.3
Consumer Durables Goods	12.8	(6.7)	(1.6)	4.1	(6.6)	7.4
Consumer Non-Durables Goods	15.3	(3.7)	1.5	6.5	2.8	4.3

Manufacturing

FIG 36 – MANUFACTURING OUTPUT SLOWS IN Q3FY20

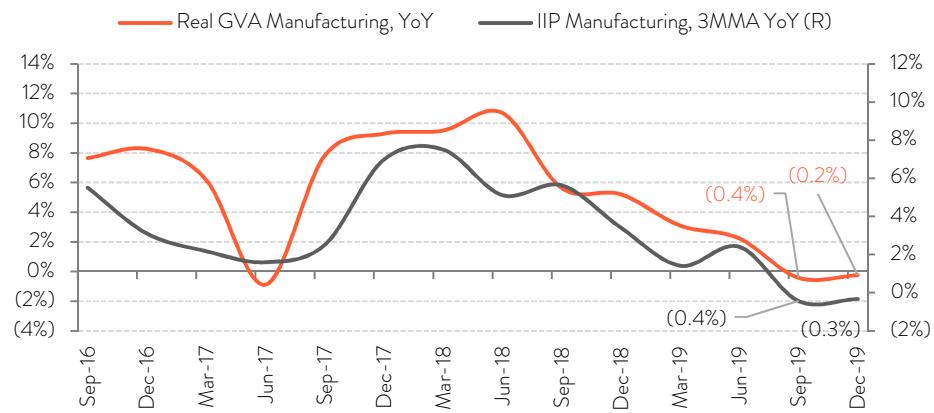
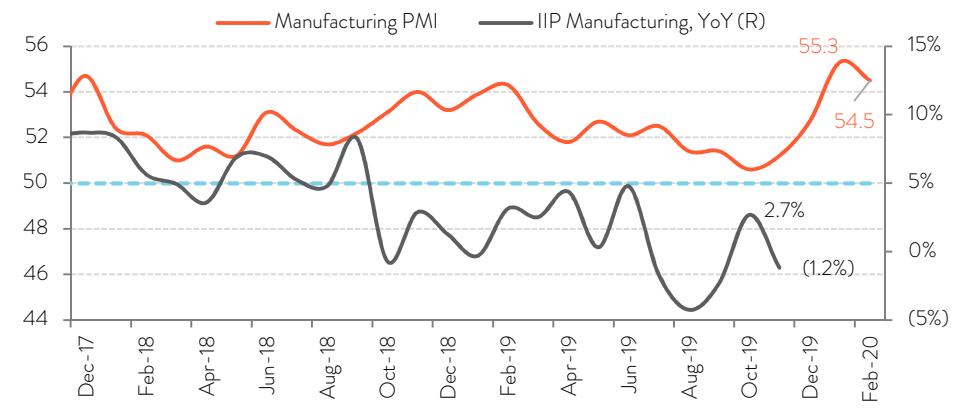


FIG 37 – MANUFACTURING PMI EASES MARGINALLY IN FEB'20



Mining & Electricity

FIG 38 – MINING ACTIVITY IMPROVES IN Q3FY20

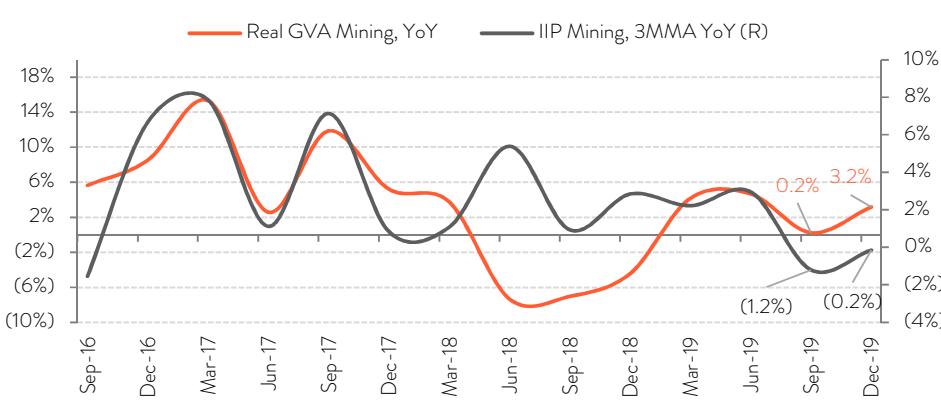
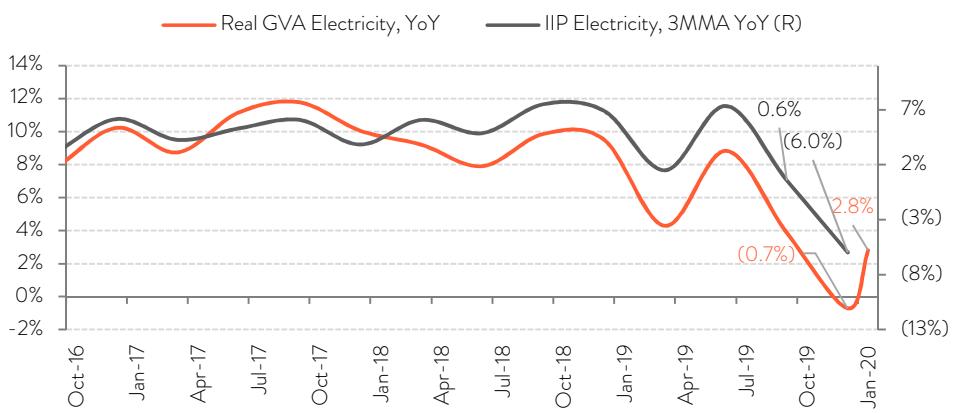


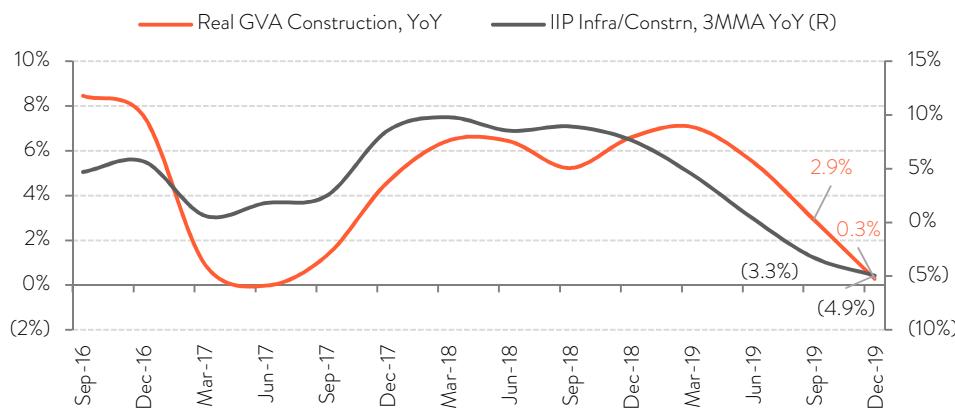
FIG 39 – ELECTRICITY OUTPUT IMPROVES IN JAN'20



Note: IIP for Jan'20 is on YoY basis.

Infrastructure and Construction

FIG 40 – GROWTH IN CONSTRUCTION FALLS FURTHER



Infrastructure Index

FIG 42 – GROWTH IN INFRA INDEX AT 2.2% IN JAN'20

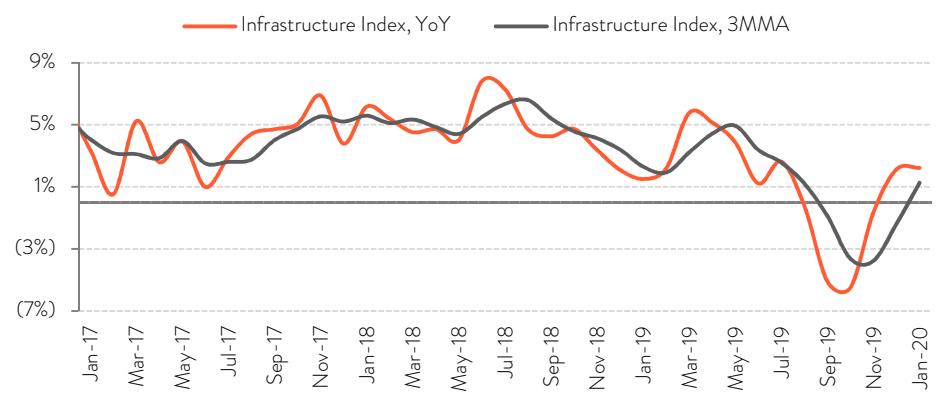


FIG 41 – CEMENT PRODUCTION LOWERS A TAD BIT

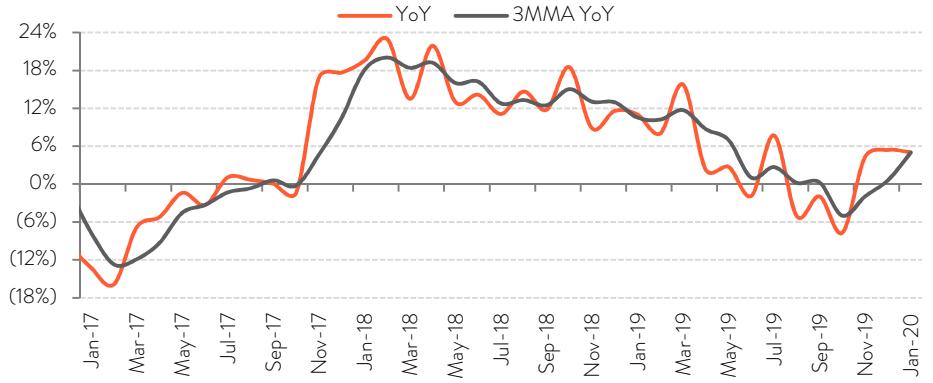
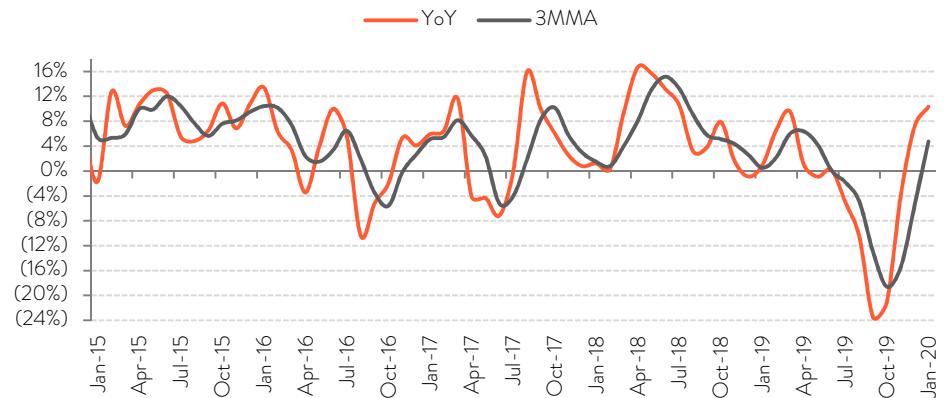


FIG 43 – COAL PRODUCTION CLOCKS DOUBLE DIGIT GROWTH IN JAN'20



Note: CIL, Actual Production Volume

Auto production & Business expectation index

FIG 44 – AUTO PRODUCTION SLIPS BY (-) 11% IN JAN'20

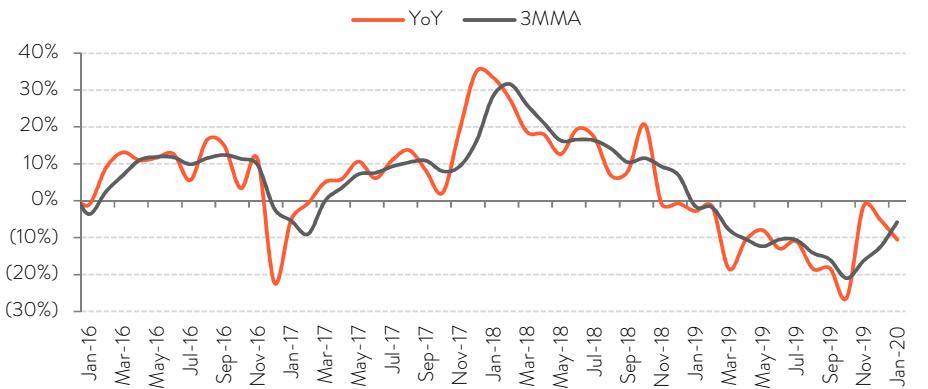


FIG 45 – BUSINESS SENTIMENT REMAIN OPTIMISTIC FOR Q4FY20

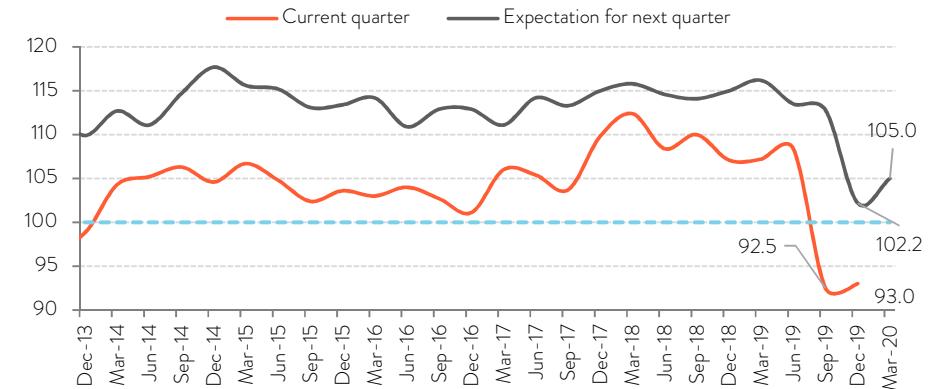


FIG 46 – INFRASTRUCTURE INDEX RISES BY 2.2% IN JAN'20

(%)	Weight	Jan-20	Dec-19	Jan-19	Apr-Jan'20	Apr-Jan'19
Infrastructure Index	100	2.2	2.1	1.5	0.6	4.4
Coal	10.3	8.0	6.1	2.0	(2.4)	7.1
Crude Oil	9.0	(5.3)	(7.4)	(4.3)	(6.0)	(3.8)
Natural Gas	6.9	(9.1)	(9.2)	6.2	(4.3)	0.5
Petroleum Refinery Products	28.0	1.9	3.0	(2.6)	(0.4)	3.4
Fertilizers	2.6	(0.1)	10.2	10.5	4.2	(0.3)
Steel	17.9	2.2	4.3	5.5	5.3	4.4
Cement	5.4	5.0	5.5	11.0	1.1	13.6
Electricity	19.9	2.8	(0.1)	0.8	0.9	5.8

Investment

FIG 47 – REAL GFCF GROWTH AT LOWEST SINCE 2011-12 AT (-) 5.2% IN Q3 FY20 VS (-) 4.1% IN Q2FY20 WHICH PULLED GROWTH TO 4.7% VS 5.1% IN Q2

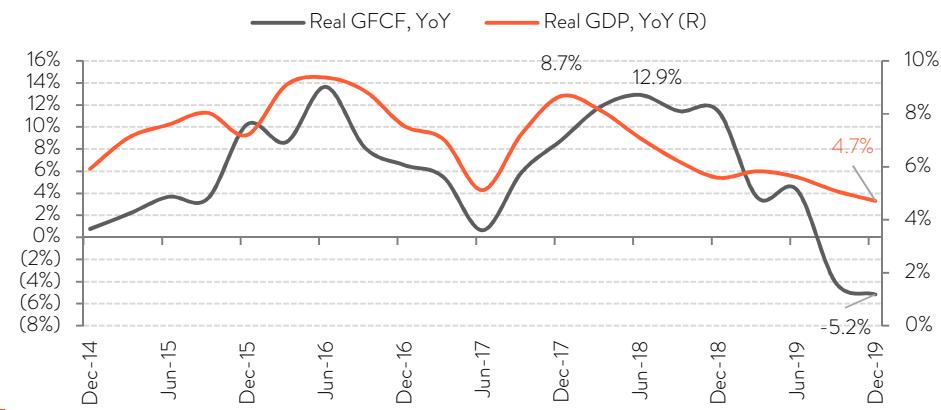


FIG 48 – ...IN NOMINAL TERMS AS WELL, GFCF GROWTH FELL DOWN TO (-) 3.3% IN Q3FY20 VS (-) 1.8% IN Q2FY20

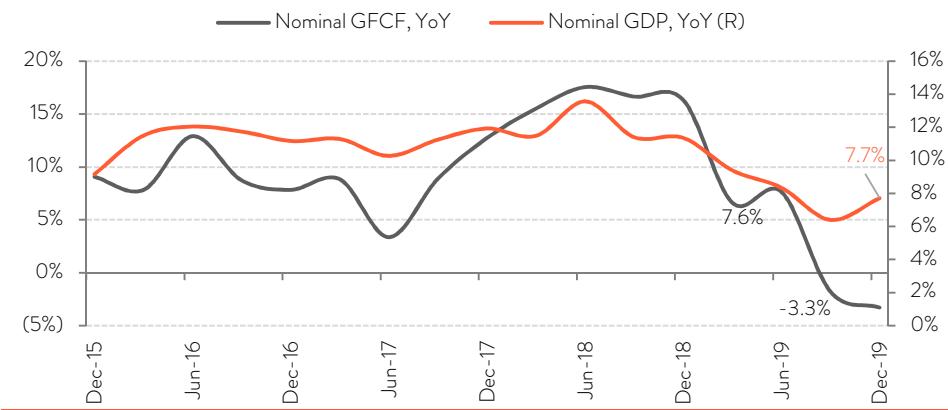


FIG 49 – CAPACITY UTILISATION FELL AT ITS LOWEST IN THE ENTIRE SERIES AT 69.1%

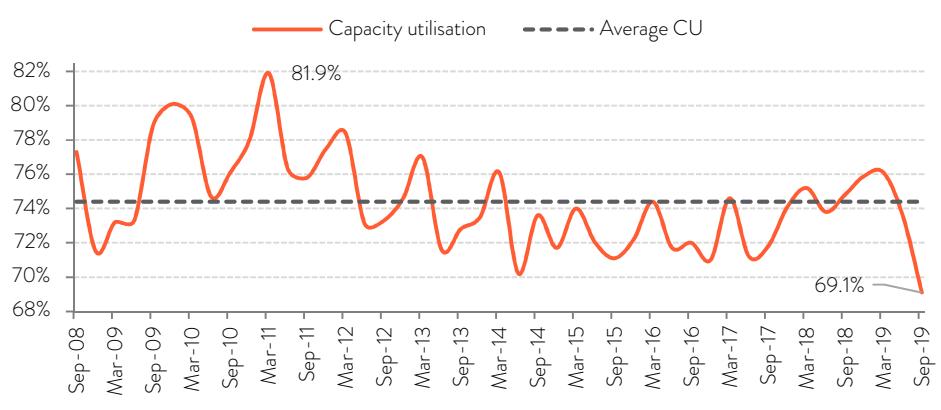


FIG 50 – CAPITAL GOODS PRODUCTION FELL BY (-) 18.2% IN DEC'19 VS (-) 8.2% IN NOV'19; 14TH CONSECUTIVE MONTH IN THE NEGATIVE TERRITORY

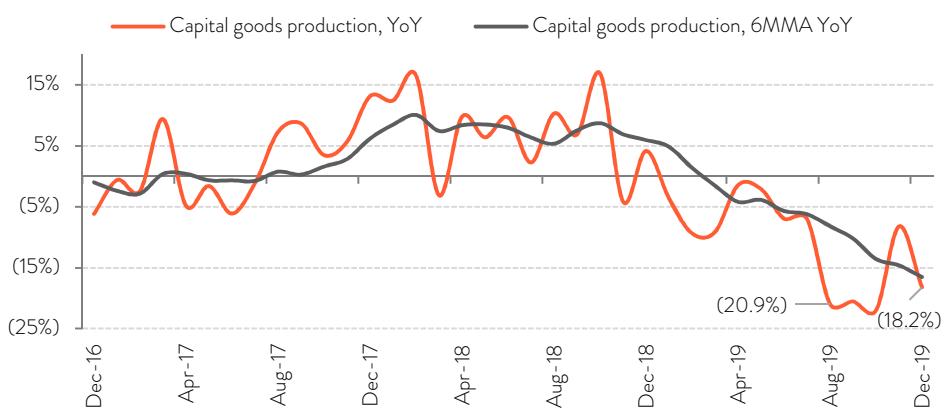


FIG 51 – HOWEVER, CAPITAL GOODS IMPORTS ROSE BY 6.6% IN JAN'20 VS (-) 16.5% IN DEC'19 ON YOY BASIS

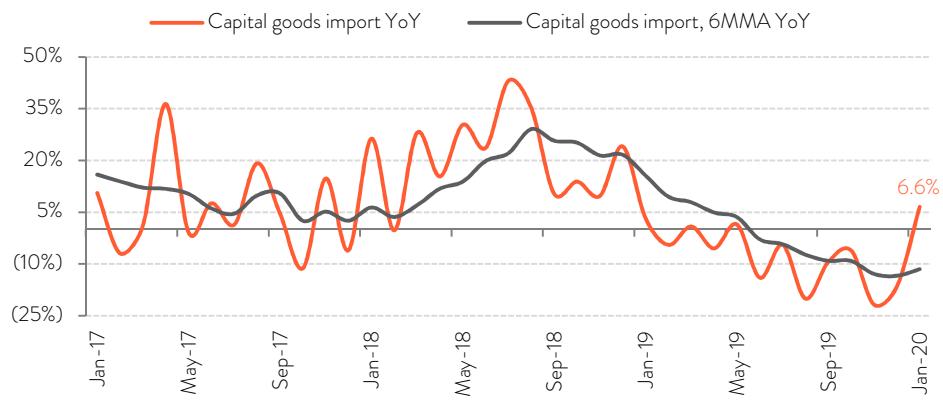


FIG 53 – INDUSTRY CREDIT GROWTH PICKED UP BY 2.5% IN JAN'20 VS 1.6% IN DEC'19

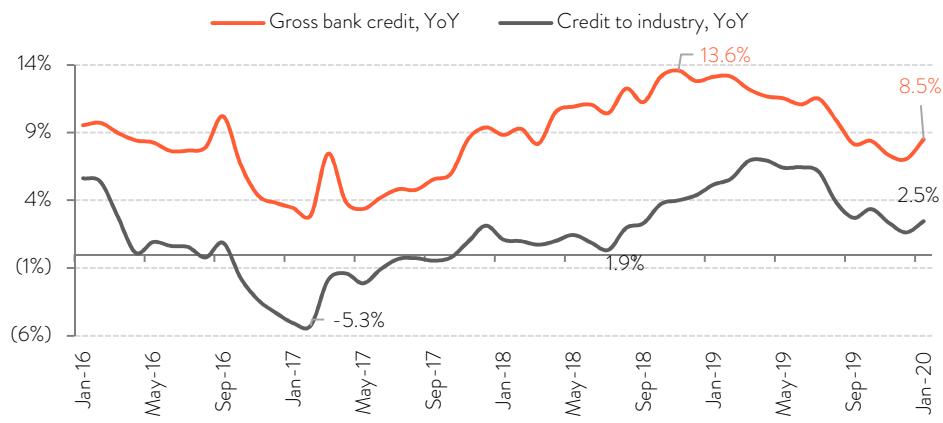


FIG 52 – CENTRE'S CAPEX SPENDING PICKED UP TO 49.5% IN JAN'20 (12MMA) VS 45.8% IN DEC'19

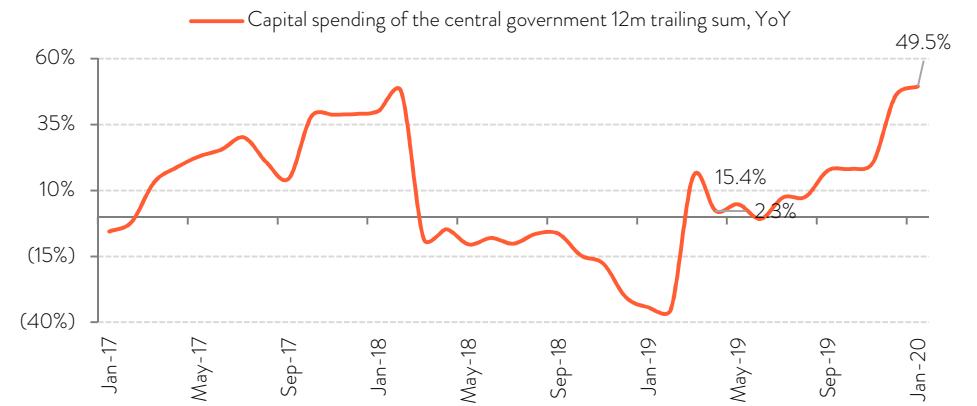


FIG 54 – LED BY CREDIT GROWTH TO LARGE INDUSTRY AT 2.8% IN JAN'20 VS 1.8% IN DEC'19

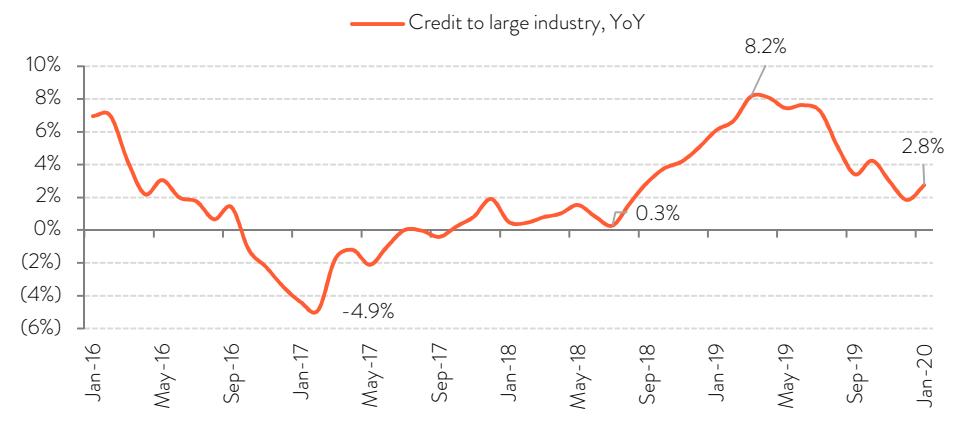


FIG 55 – CREDIT TO MEDIUM INDUSTRY ALSO PICKED UP TO 2.8% IN JAN'20 VS 2.5% IN DEC'19; FOR MSE SECTOR IT WAS MUTED AT 0.5%

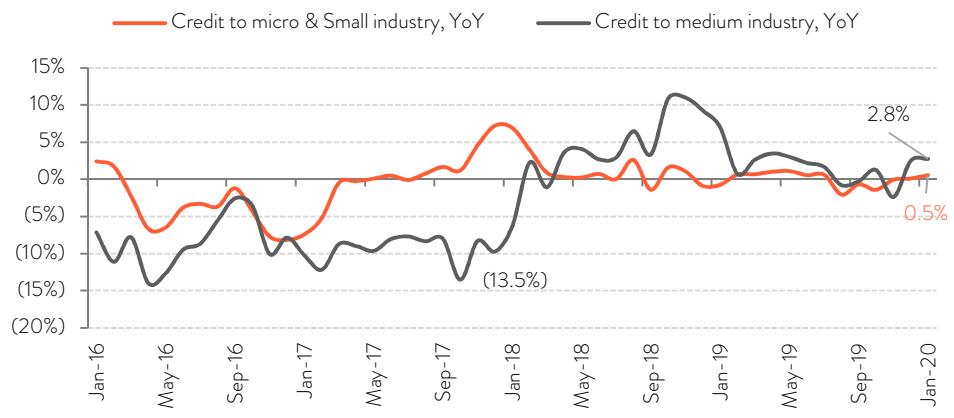


FIG 56 – CREDIT TO HOUSING CONTINUE TO GROW AT A DOUBLE DIGIT PACE IN JAN'20 AS WELL

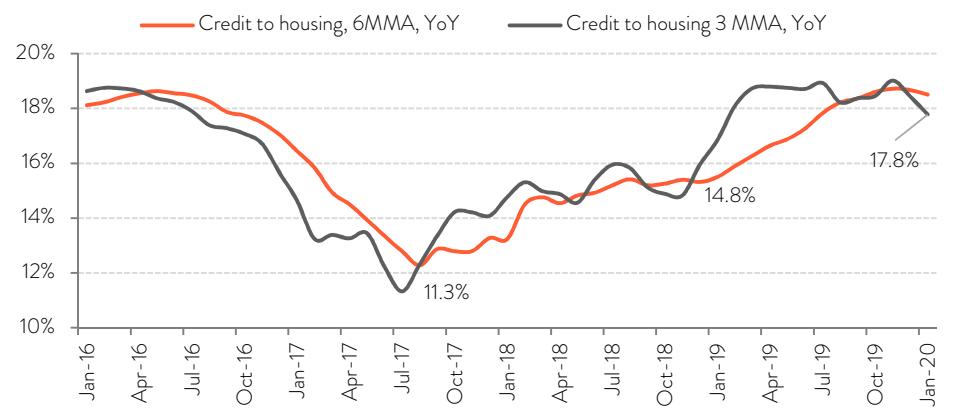


FIG 57 – HOUSING DEMAND WAS ROBUST WITH UNSOLD INVENTORIES FALLING AND SALES REMAINING STABLE

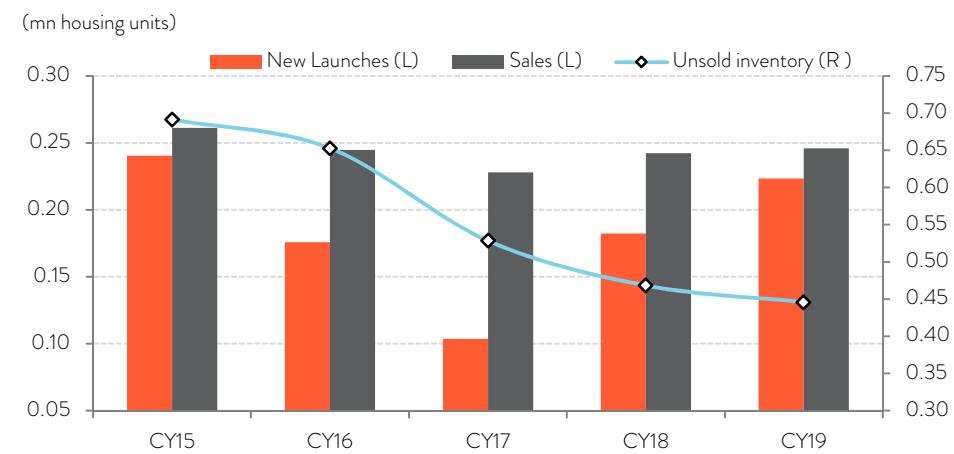
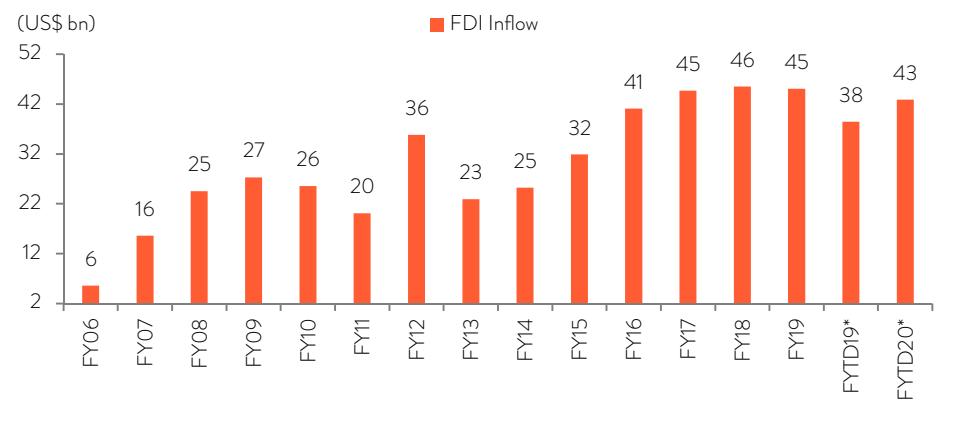


FIG 58 – FDI INFLOWS IN FYTD20 PICKED UPTO US\$ 43BN VS US\$ 38BN IN THE SAME PERIOD OF PREVIOUS YEAR



Services sector

FIG 59 – GVA: SERVICES ACTIVITY REMAINED BROADLY STEADY IN Q3FY20



FIG 61 – GVA: TRADE & RELATED SERVICES GROWTH REMAINS MUTED

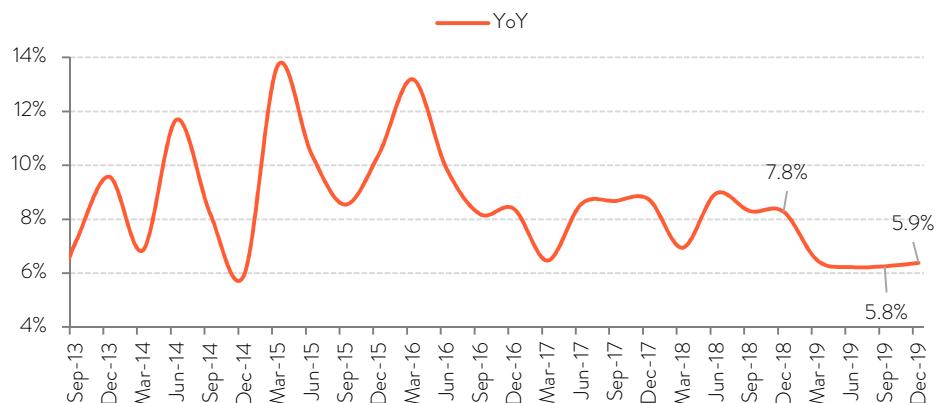
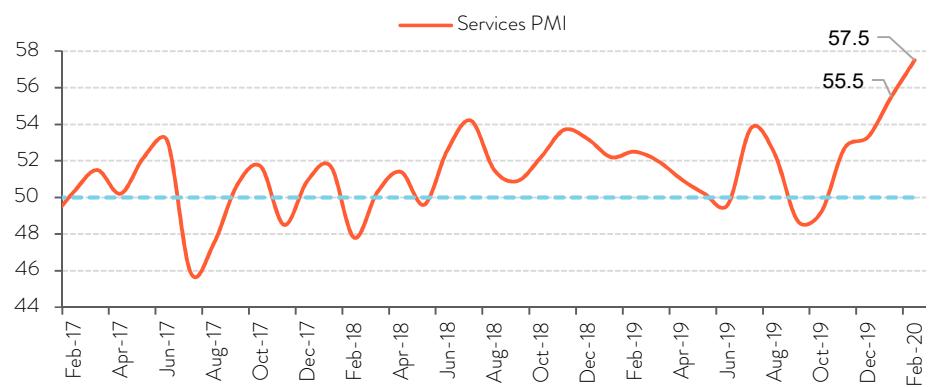
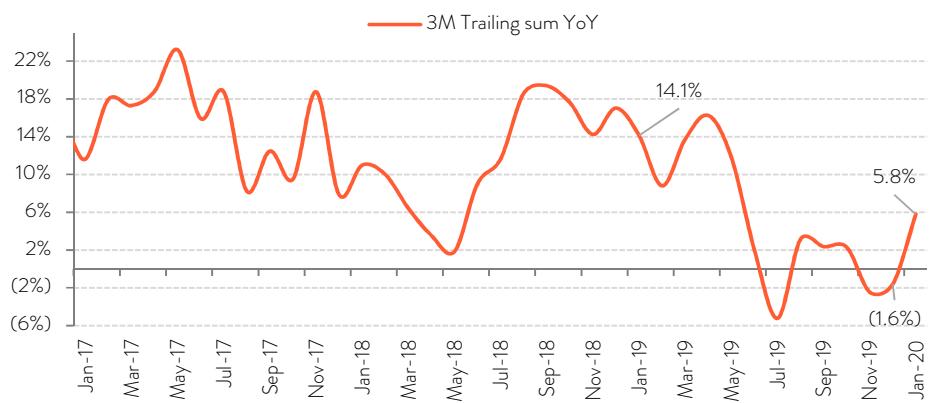


FIG 60 – SERVICES PMI IN FEB'20 AT ITS HIGHEST SINCE JAN'13



Source: Markit

FIG 62 – STATES* TAX REVENUE GROWTH SEEN RECOVERING IN JAN'20



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

Trade

FIG 63 – COMMERCIAL VEHICLE SALES REMAIN MUTED IN JAN'20

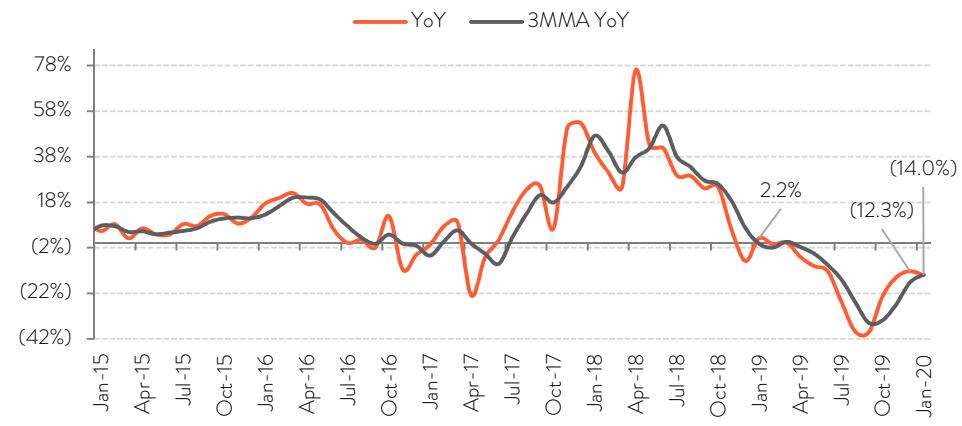


FIG 65 – PORT CARGO VOLUMES SLIP BACK IN JAN'20

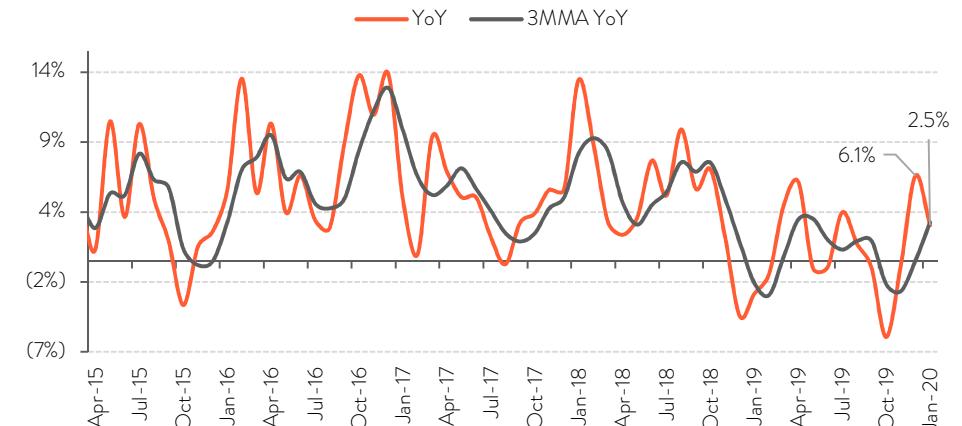
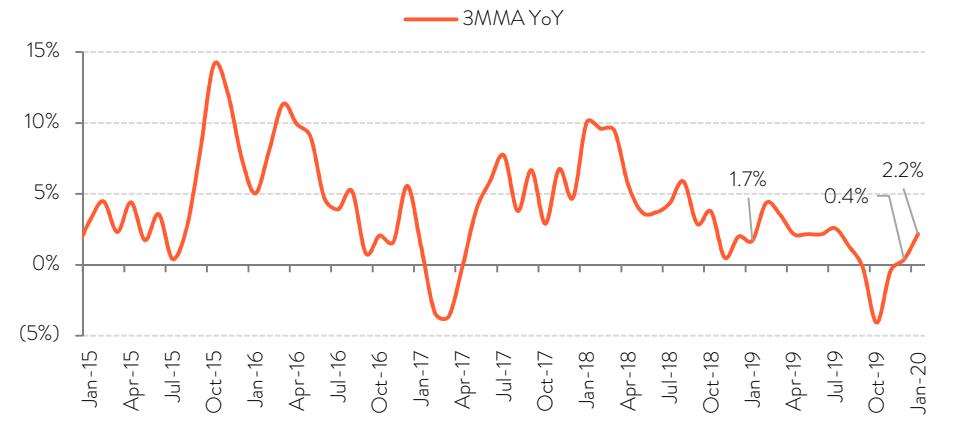


FIG 64 – DIESEL CONSUMPTION INCHES UP FURTHER IN JAN'20



Source: PPAC

FIG 66 – RAILWAY FREIGHT TRAFFIC GROWTH IMPROVES IN JAN'20



FIG 67 – AIR CARGO VOLUMES ALSO CONTRACTING, BUT LESS SHARPLY...

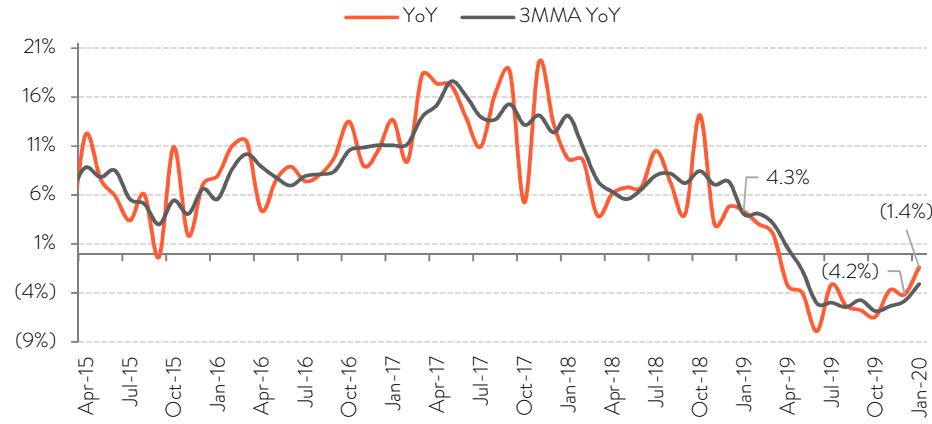
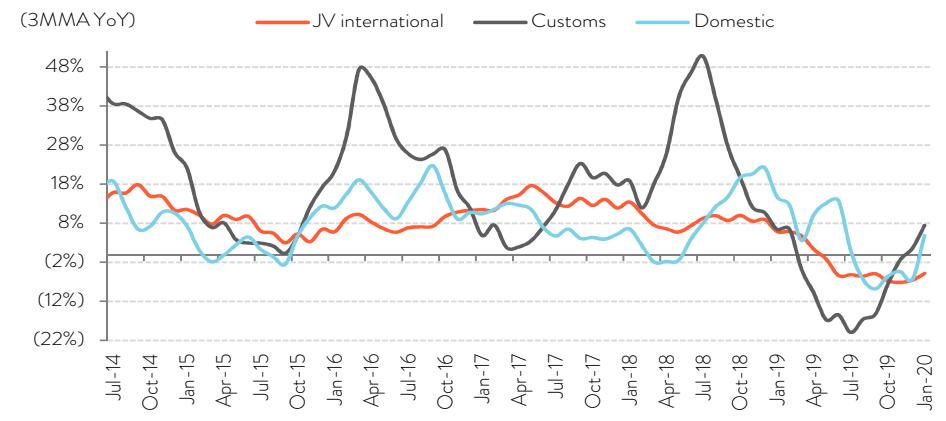


FIG 68 – ...CUSTOMS & DOMESTIC AIRPORTS TAKING THE LEAD



Hotels and Communications

FIG 69 – FOREIGN TOURIST ARRIVAL GROWTH EASES IN JAN'20, OWING TO COVID-19



FIG 70 – ...THUS IMPACTING AIRLINE PASSENGER TRAFFIC GROWTH

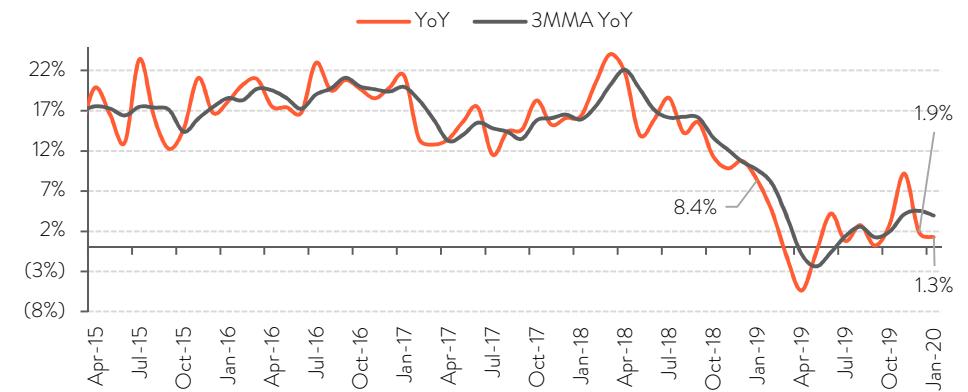
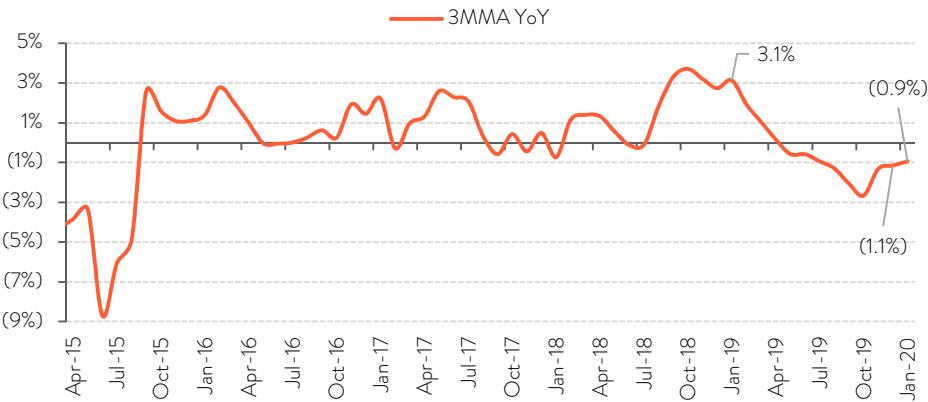


FIG 71 – RAILWAY PASSENGER TRAFFIC GROWTH CONTRACTED LESS SHARPLY IN JAN'20



Finance and Real estate

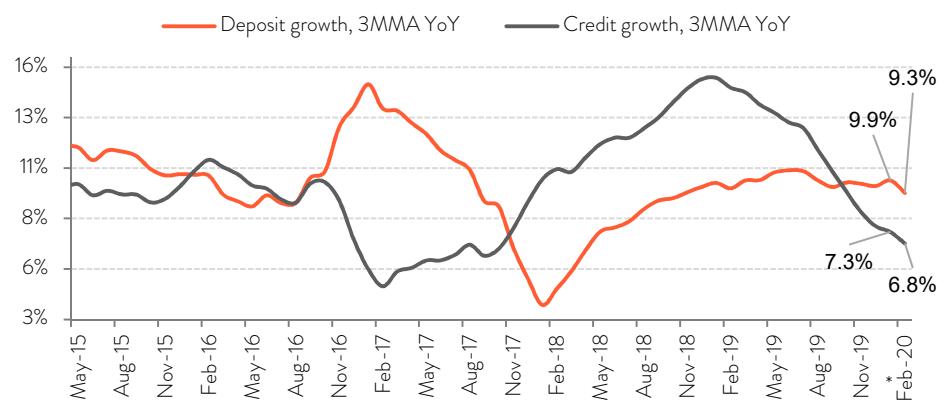
FIG 73 – GROWTH IN GVA: FINANCE, REAL ESTATE & PROF. SERVICES ACTIVITY IMPROVED MARGINALLY IN Q3FY20



FIG 72 – WIRELESS SUBSCRIBER BASE SEES DOWNTICK IN DEC'19 TOO



FIG 74 – CREDIT AND DEPOSIT GROWTH CONTINUES TO DECELERATE IN FEB'20 AS WELL



Note: *Feb'20 implies fortnight as of 14 Feb 2020

FIG 75 – CREDIT TO MANUFACTURING SECTOR REMAINED MUTED IN JAN'20; SERVICES SAW MARGINAL UPTICK...

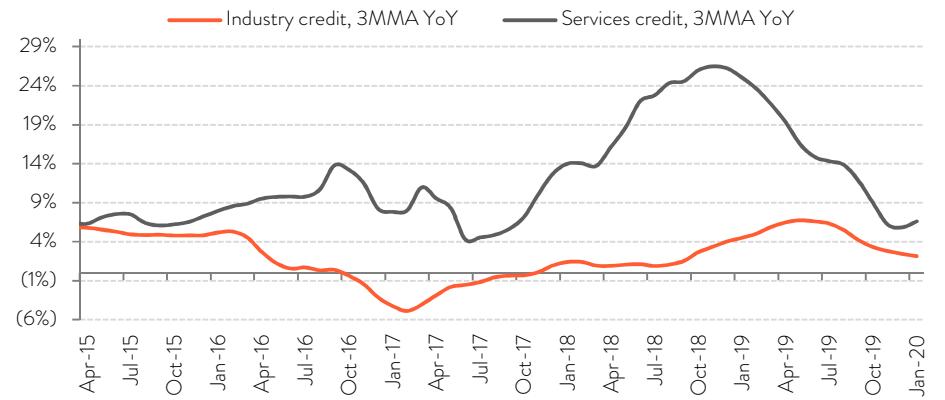
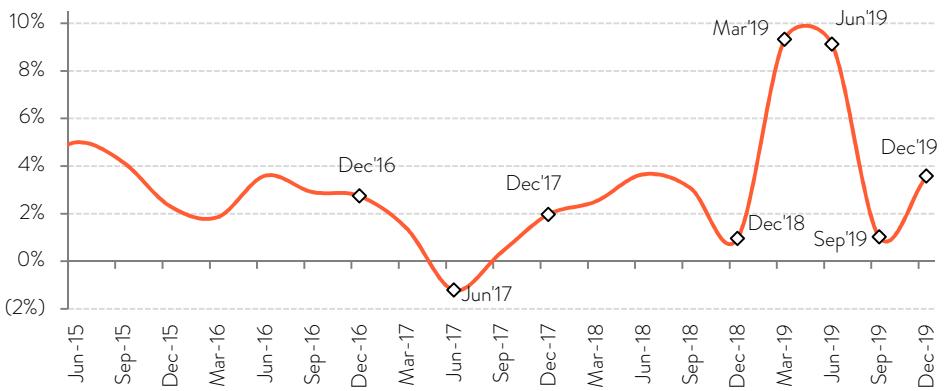


FIG 77 – AVERAGE PROPERTY PRICE INDEX* SEEN RECOVERING IN Q3FY20



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

FIG 76 – CREDIT TO NBFC INCHED UP IN JAN'20

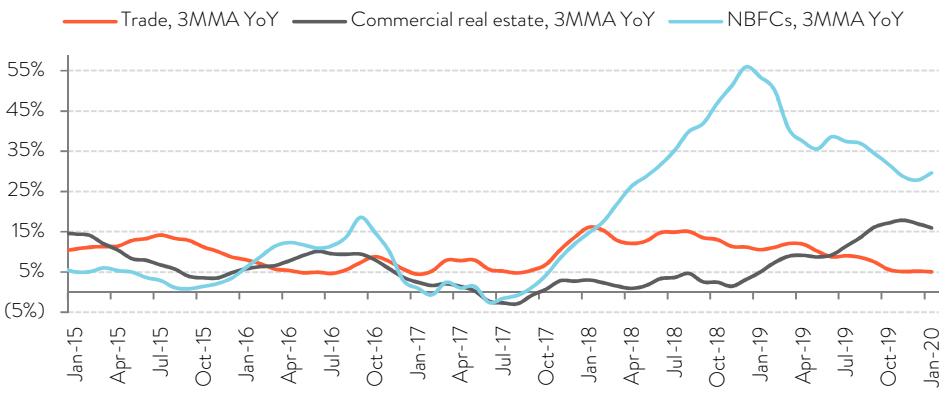
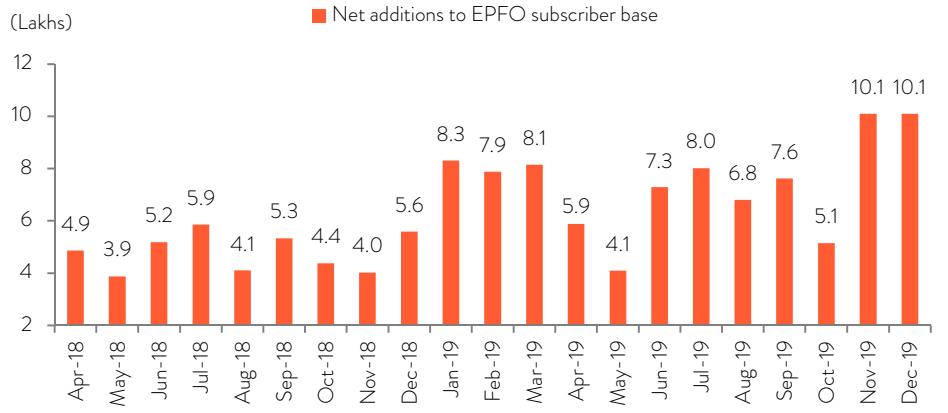


FIG 78 – NET ADDITIONS TO EPFO SUBSCRIBER BASE MAINTAINS MOMENTUM IN DEC'19



Source: EPFO

Public administration

FIG 79 – PUBLIC ADMINISTRATION & RELATED SERVICES SLOWED IN Q3FY20

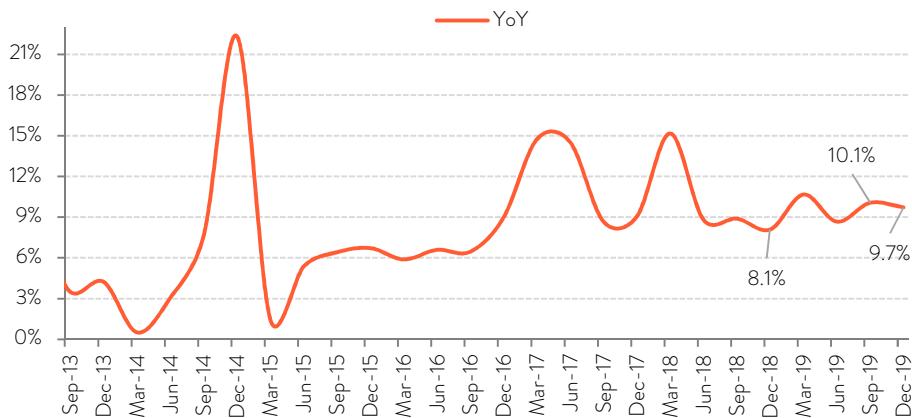


FIG 81 – ...LED BY CENTRAL GOVT. SPENDING

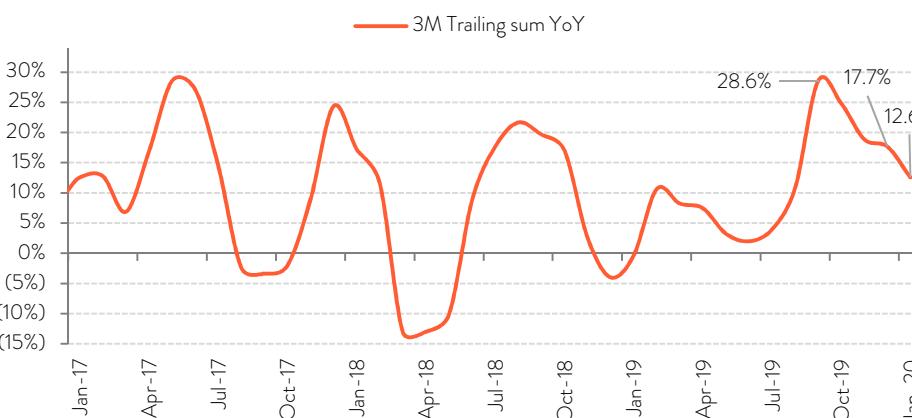


FIG 80 – GENERAL GOVT. SPENDING COOLS OFF FURTHER IN JAN'20...

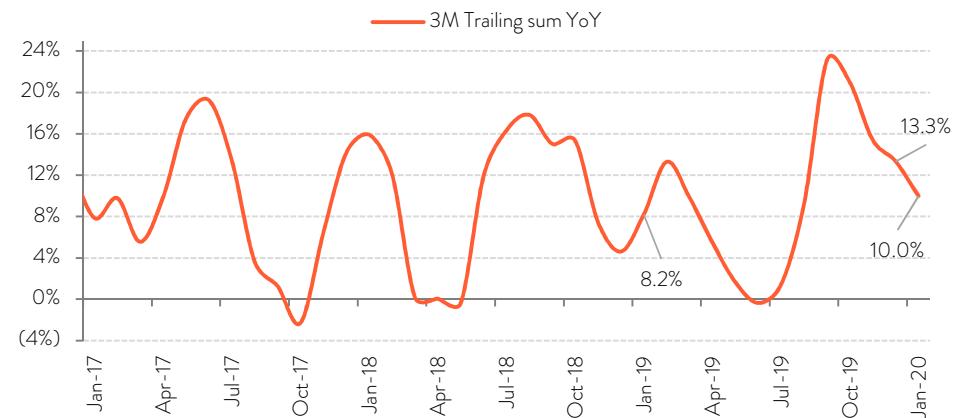


FIG 82 – ...AND STATE* GOVT. SPENDING

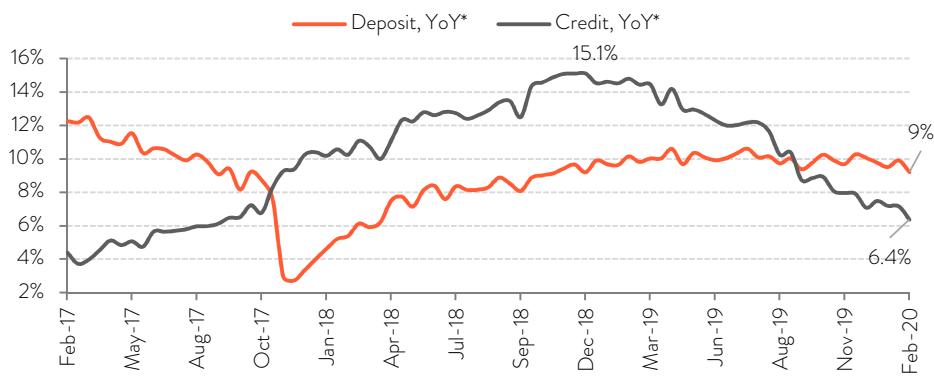


Note: *All states excluding N.E states, Bihar, Goa, J&K, Karnataka and Uttarakhand

Financial sector

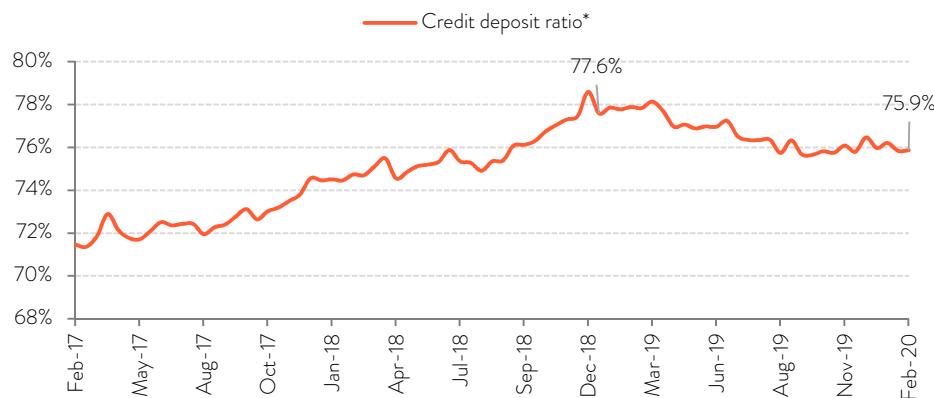
Money and banking

FIG 83 – IN FEB'20 AS WELL, CREDIT GROWTH WAS MUTED AT 6.4% (7.2% IN JAN'20), DEPOSIT GROWTH INCHED DOWN TO 9.2% (9.9% IN JAN'20)



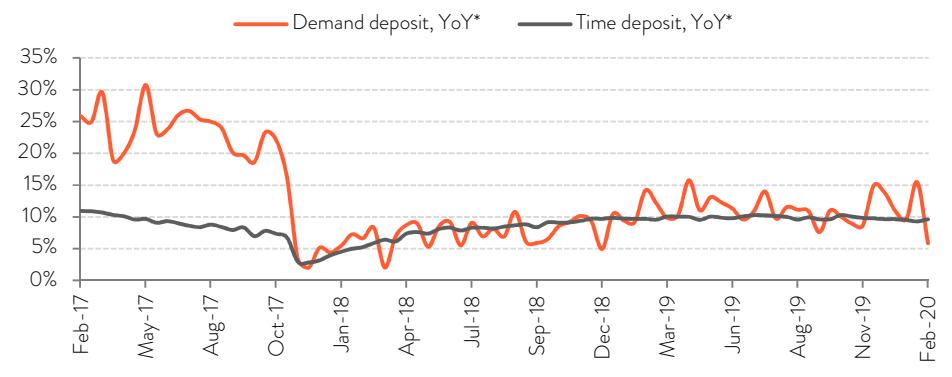
Note: *Feb'20 implies fortnight as of 14 Feb 2020

FIG 85 – CD RATIO WAS AT 75.9% IN FEB'20



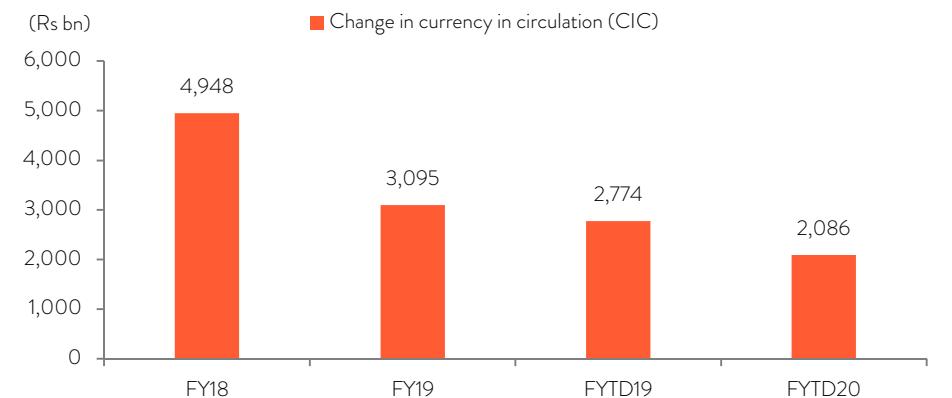
Note: *Feb'20 implies fortnight as of 14 Feb 2020

FIG 84 – DEMAND DEPOSITS EDGED DOWN TO 5.9% (15.4% IN JAN'20), TIME DEPOSITS INCHED UP TO 9.6% (9.3% IN JAN'20)



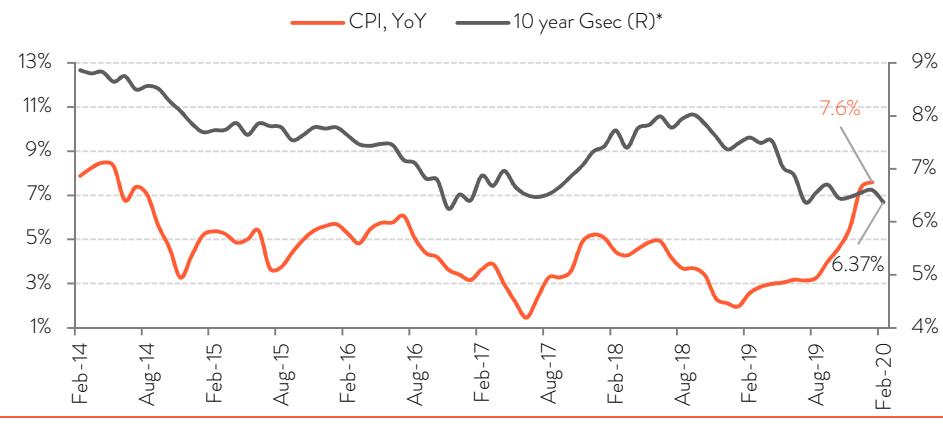
Note: *Feb'20 implies fortnight as of 14 Feb 2020

FIG 86 – CIC ACCRETION WAS LOWER AT RS 2.1TN IN FYTD20 VS RS 2.8TN IN THE SAME PERIOD LAST YEAR



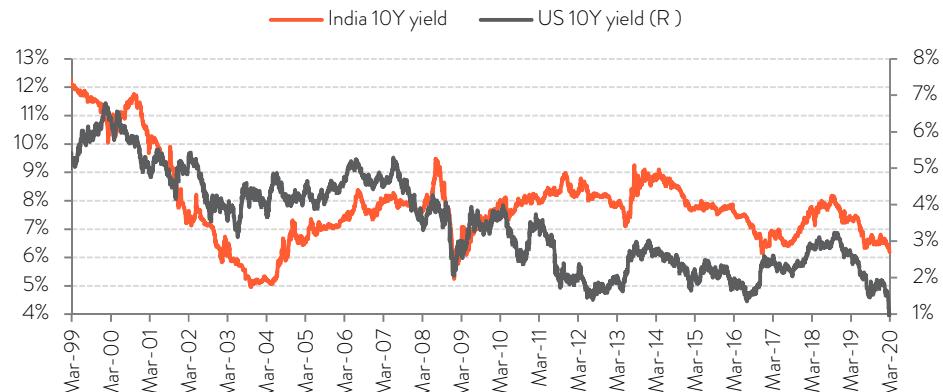
FYTD: Apr-Feb'20

FIG 87 – HIGHER INFLATION & FALLING 10Y YIELD CLOSED THE REAL INTEREST RATE GAP



Note: *As on last trading day of the month

FIG 89 – SHARP FALL IN US10Y YIELD (36BPS IN FEB'20 & 28BPS IN MAR'20) ALSO DROVE INDIA'S 10Y YIELD LOWER (6.13%-CURRENTLY)



Source: RBI

FIG 88 – YIELD CURVE GRAPH (YCG) SHOWS LONG END YIELDS FALLING SHARPLY Owing TO RISK OFF

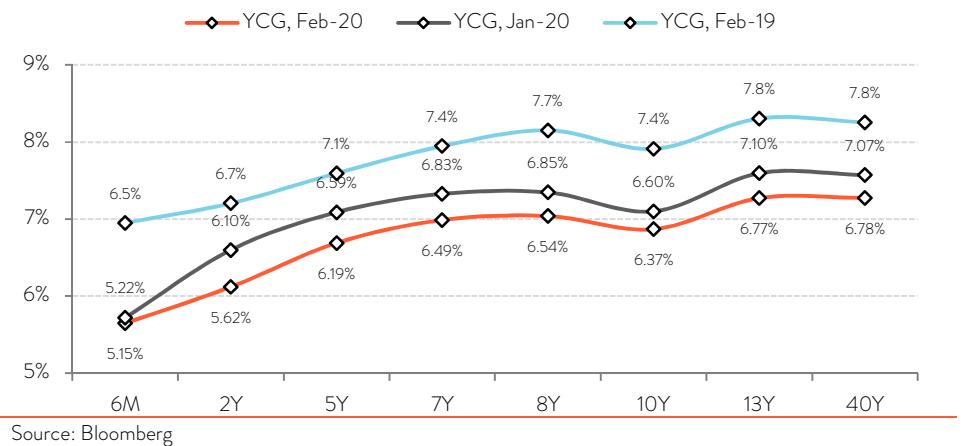
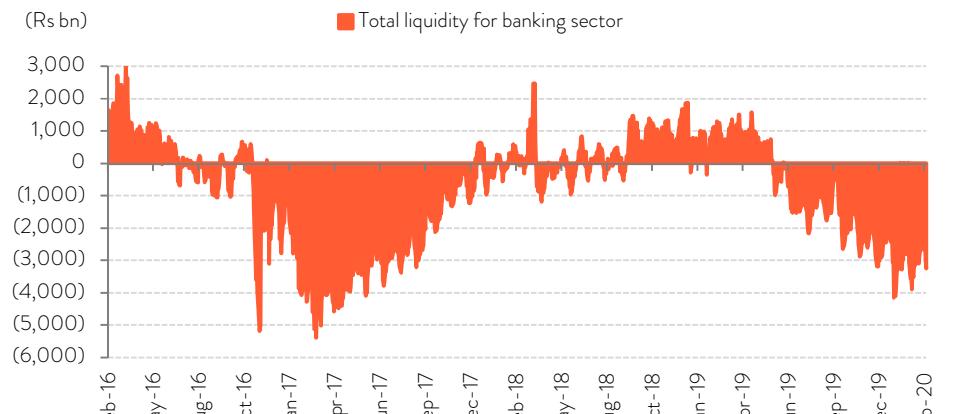


FIG 90 – AVERAGE SYSTEM LIQUIDITY SURPLUS ROSE TO RS 3TN IN FEB'20 VS RS 3.2TN IN JAN'20 AND CURRENTLY AT ~RS 3TN AS WELL



Source: RBI

Interest rates on small savings schemes

FIG 91 – INTEREST RATES ON SMALL SAVINGS SCHEME

Instrument (%)	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	GSec Yield (2 Mar 2020)
Savings deposit	4.0	4.0	4.0	4.0	4.0	4.0	4.0
1 year time deposit	6.9	7.0	7.0	6.9	6.9	6.9	5.29
2 year time deposit	7.0	7.0	7.0	6.9	6.9	6.9	5.57
3 year time deposit	7.2	7.0	7.0	6.9	6.9	6.9	5.64
5 year time deposit	7.8	7.8	7.8	7.7	7.7	7.7	6.16
5 year recurring deposit	7.3	7.3	7.3	7.2	7.2	7.2	6.16
5 year senior citizen savings scheme	8.7	8.7	8.7	8.6	8.6	8.6	6.16
5 year monthly income scheme	7.7	7.7	7.7	7.6	7.6	7.6	6.16
5 year national savings certificate	8	8	8	7.9	7.9	7.9	6.16
Public provident fund scheme	8	8	8	7.9	7.9	7.9	6.35
Kisan vikas patra	7.7	7.7	7.7	7.6	7.6	7.6	-
Sukanya samridhi account scheme	8.5	8.5	8.5	8.4	8.4	8.4	-

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

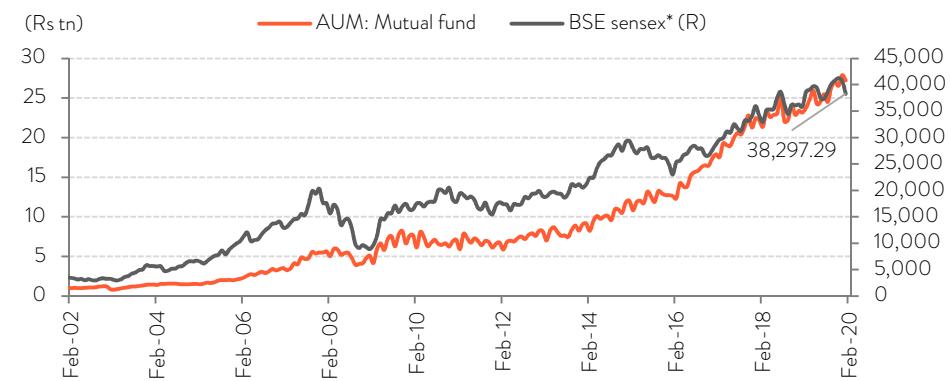
FIG 92 – INTEREST RATES CHARGED BY LEADING BANKS

1Y MCLR (%)	Mar'19	Apr'19	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19	Dec'19	Jan'20	Feb'20
Public Sector Banks												
Bank of Baroda	8.65	8.65	8.70	8.70	8.60	8.45	8.40	8.35	8.30	8.25	8.20	8.15
Bank of India	8.65	8.65	8.70	8.65	8.60	8.35	8.35	8.30	8.30	8.20	8.20	8.20
Canara Bank	8.65	8.65	8.70	8.70	8.60	8.50	8.40	8.40	8.35	8.35	8.35	8.20
Indian Bank	8.65	8.65	8.65	8.65	8.60	8.60	8.45	8.35	8.35	8.35	8.30	8.25
Punjab National Bank	8.45	8.45	8.45	8.45	8.40	8.30	8.30	8.25	8.15	8.15	8.05	8.05
State Bank of India	8.55	8.50	8.45	8.45	8.40	8.25	8.15	8.05	8.00	7.90	7.90	7.85
Union Bank of India	8.60	8.60	8.60	8.60	8.55	8.50	8.35	8.30	8.25	8.20	8.10	8.10
Private Sector Banks												
Axis Bank Ltd.	8.90	8.90	8.80	8.70	8.65	8.55	8.45	8.35	8.25	8.15	8.15	8.15
HDFC Bank Ltd.	8.75	8.70	8.70	8.70	8.70	8.60	8.45	8.35	8.30	8.15	8.15	8.15
ICICI Bank Ltd.	8.80	8.75	8.75	8.75	8.65	8.65	8.55	8.45	8.35	8.25	8.20	8.20
Indusind Bank	9.90	9.85	9.85	9.75	9.70	9.65	9.55	9.45	9.45	9.40	9.30	9.30
Kotak Mahindra Bank	9.00	8.90	8.90	8.90	8.85	8.75	8.75	8.60	8.50	8.40	8.40	8.35

Source: RBI, Bank's website

Mutual fund (MF) indicators

FIG 93 – SENSEX FELL BY (-) 6% TO 38,297 IN FEB'20 DUE TO FEAR OF COVID-19, AUM OF MFS WAS AT RS 27TN



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

Insurance sector indicators

FIG 95 – LIFE INSURANCE POLICIES SOLD IN JAN'20 REGISTERED A SHARP INCREASE OF 80.7% IN JAN'20 VS 5.3% IN DEC'19

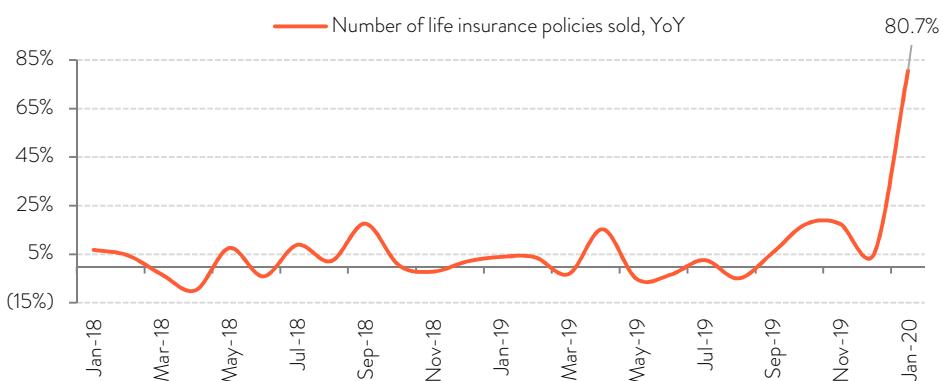


FIG 94 – MF EQUITY INFLOW ROSE TO RS 102BN IN FEB'20 (71BN IN JAN'20); DEBT OUTFLOW WAS AT RS 292BN (INFLOW OF RS 1.1TN IN JAN'20)

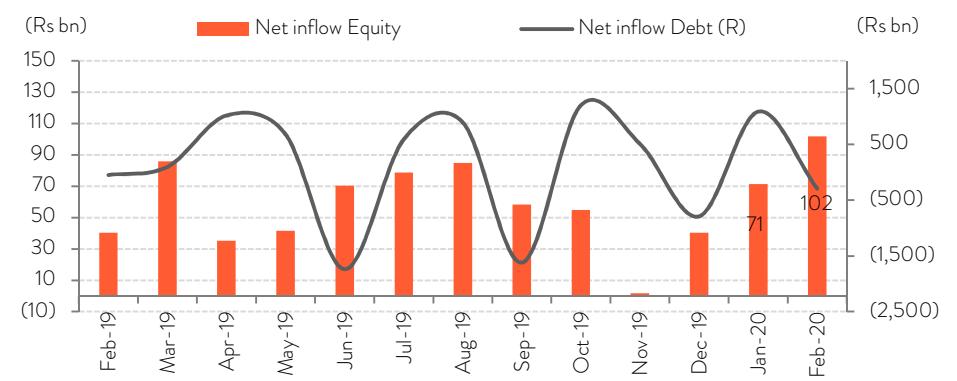
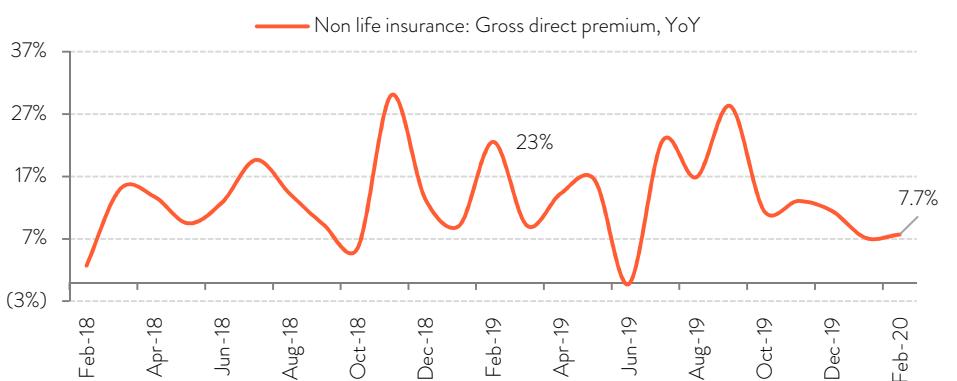


FIG 96 – GROSS DIRECT PREMIUM FOR NON LIFE INSURANCE ROSE BY 7.7% IN FEB'20 VS 7.2% IN JAN'20



Public finance

Central government finances

FIG 97 – FISCAL DEFICIT BEGINNING TO MODERATE

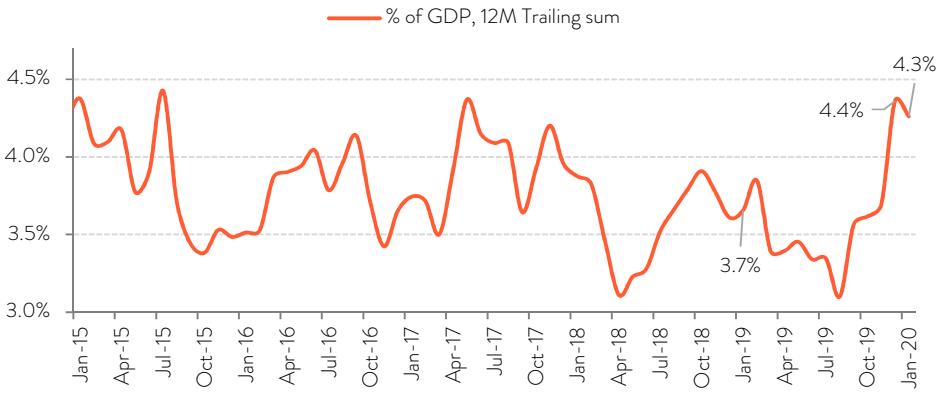


FIG 98 – REVENUE DEFICIT IMPROVES MARGINALLY

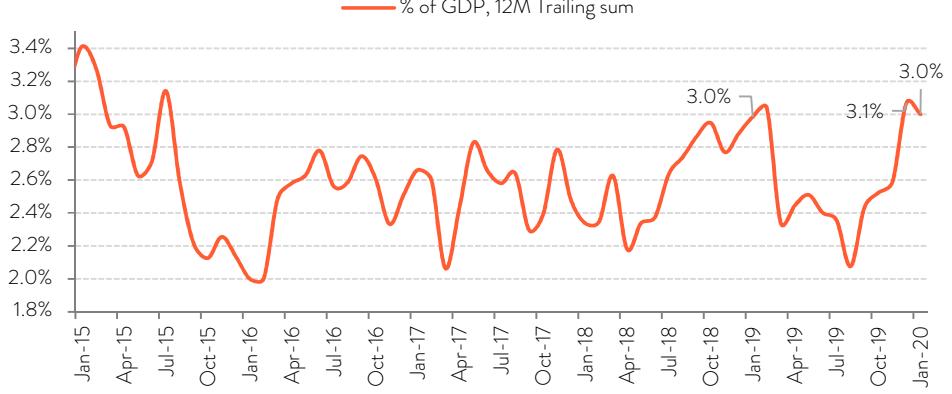


FIG 99 – PRIMARY DEFICIT AT 1.3%

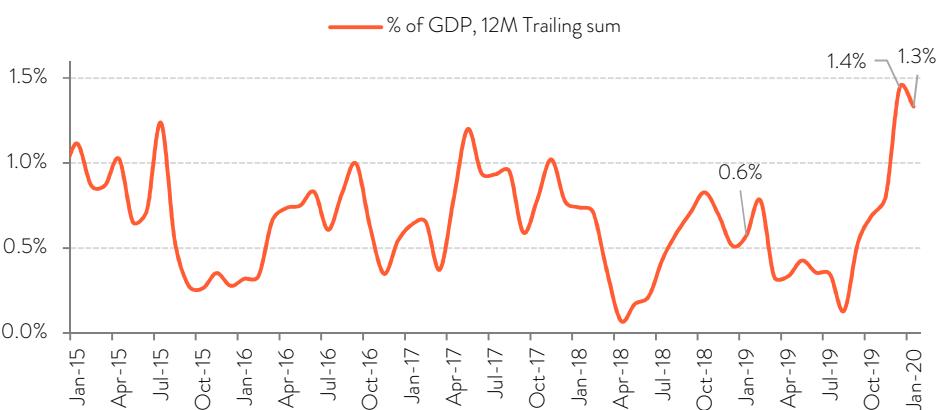


FIG 100 – GOVERNMENT SPENDING SEEN COOLING OFF IN JAN'20

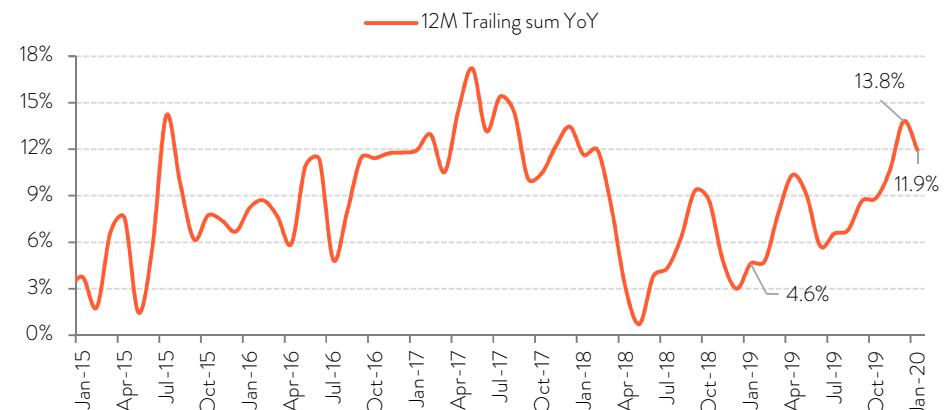
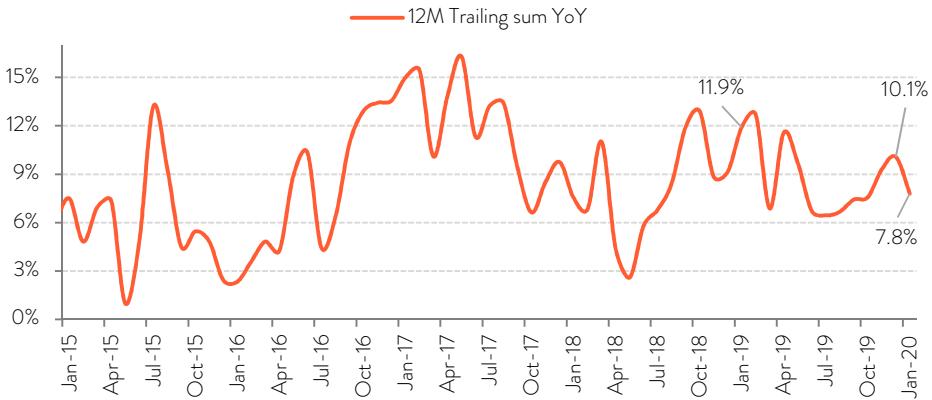
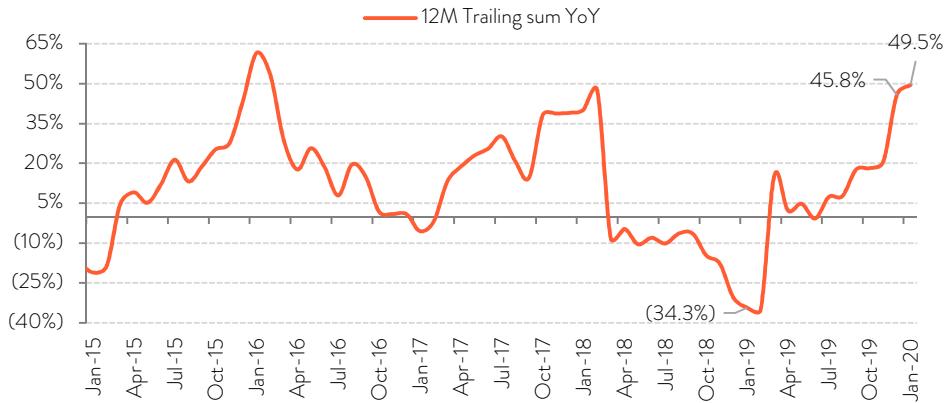


FIG 101 – ...LED BY REVENUE SPENDING**FIG 102 – CAPEX STILL HIGH ON 12MMA BASIS****FIG 103 – HIGHER SPENDING BY MINISTRIES OF AGRICULTURE, HRD AND PETROLEUM CONTRIBUTE TO ROBUST EXPENDITURE GROWTH (FYTD BASIS)**

Ministry	Apr'17-Jan'18 (Rs bn)	Apr'18-Jan'19 (Rs bn)	% change	Apr'19-Jan'20 (Rs bn)	% change
Ministry of Finance	6,056	6,829	12.8	7,767	13.7
Ministry of Defence	3,360	3,663	9.0	3,971	8.4
Ministry of Consumer Affairs, Food and Public Distribution	1,703	1,728	1.4	1,557	(9.9)
Ministry of Rural Development	955	949	(0.6)	1,025	7.9
Ministry of Home Affairs	855	977	14.3	1,127	15.3
Ministry of Human Resource Development	624	511	(18.1)	710	38.9
Ministry of Road Transport and Highways	576	562	(2.4)	719	27.8
Ministry of Chemicals and Fertilisers	577	670	16.1	805	20.1
Ministry of Petroleum and Natural Gas	332	294	(11.2)	408	38.4
Ministry of Agriculture	368	435	18.1	873	100.8
Ministry of Health and Family Welfare	411	447	8.7	535	19.6

FIG 104 – RECEIPT GROWTH DIPS FURTHER IN JAN'20

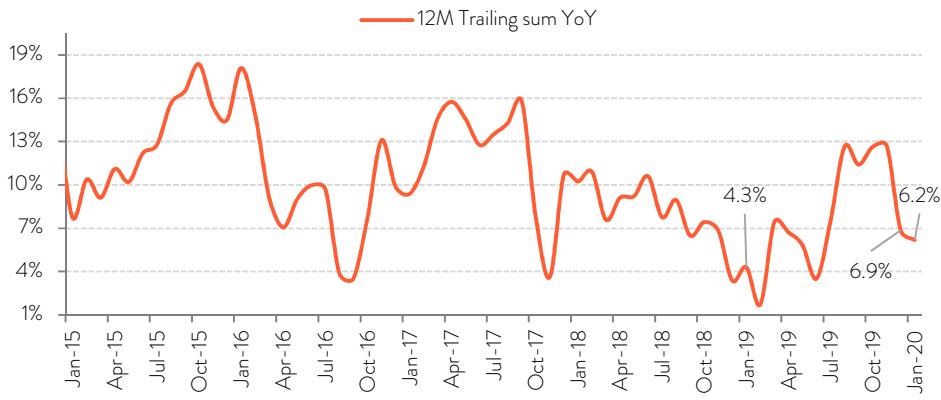


FIG 106 – TAX REVENUE GROWTH A KEY DRAG

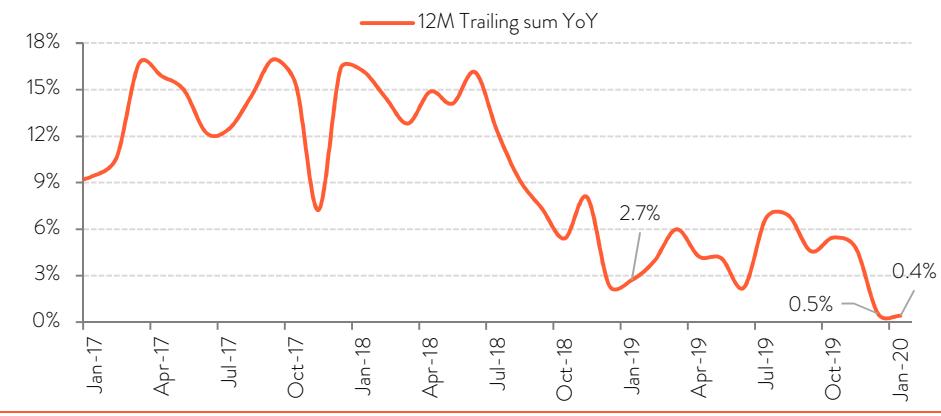


FIG 105 – ...AS REVENUE RECEIPT GROWTH EASES

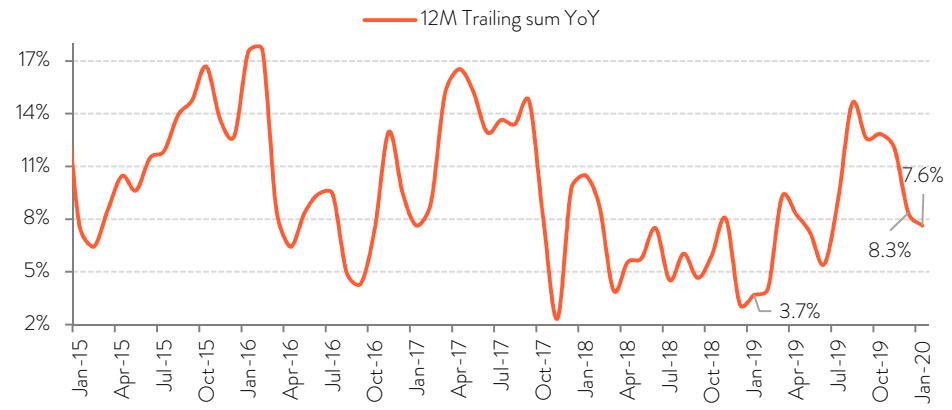


FIG 107 – NON-TAX RECEIPT GROWTH ALSO SLIPPING

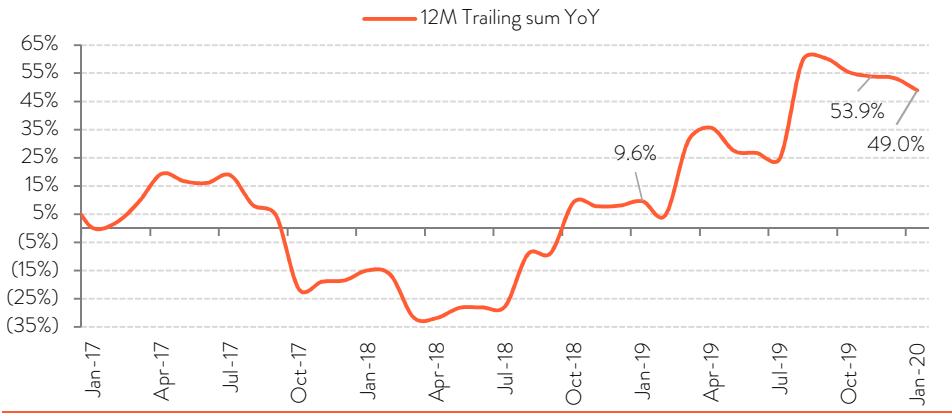


FIG 108 – CENTRE'S GROSS TAX COLLECTIONS KEY WORRY, CAPEX GROWTH REMAINS ROBUST (FYTD BASIS)

	Apr'17-Jan'18 (Rs bn)	Apr'18-Jan'19 (Rs bn)	% change	Apr'19-Jan'20 (Rs bn)	% change	FY20RE	% change
Gross Tax revenue	14,558	15,624	7.3	15,309	(2.0)	21,634	4.0
Direct taxes	6,779	7,843	15.7	7,457	(4.9)	11,700	2.9
Corp Tax	3,896	4,547	16.7	3,932	(13.5)	6,105	(8.0)
Income Tax	2,883	3,297	14.3	3,524	6.9	5,595	18.3
Indirect taxes	7,780	7,780	0.0	7,852	0.9	9,865	5.3
Non-tax revenue	1,244	1,621	30.4	2,521	55.5	3,455	46.6
Centre's revenue (net)	10,957	11,814	7.8	12,501	5.8	18,501	19.1
Total expenditure	18,399	20,016	8.8	22,683	13.3	26,986	16.6
Capital exp	2,642	2,297	(13.0)	2,677	16.5	3,489	13.4
Revenue exp	15,758	17,719	12.4	20,006	12.9	23,496	17.0
Fiscal deficit	6,766	7,708	13.9	9,855	27.8	7,668	18.1

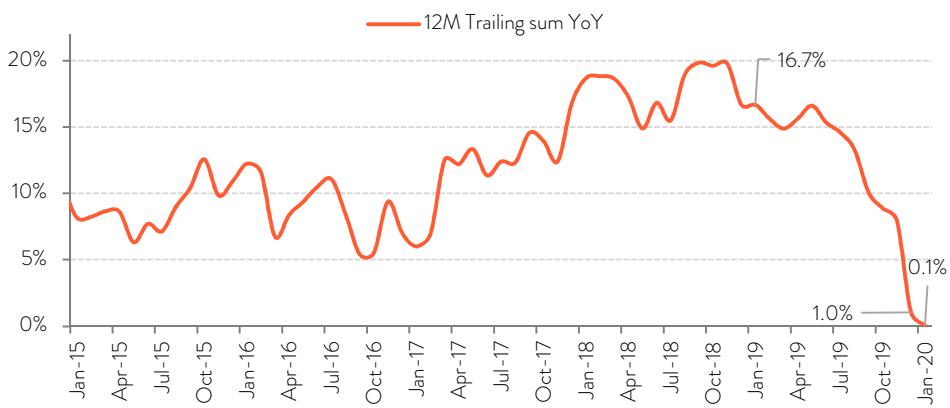
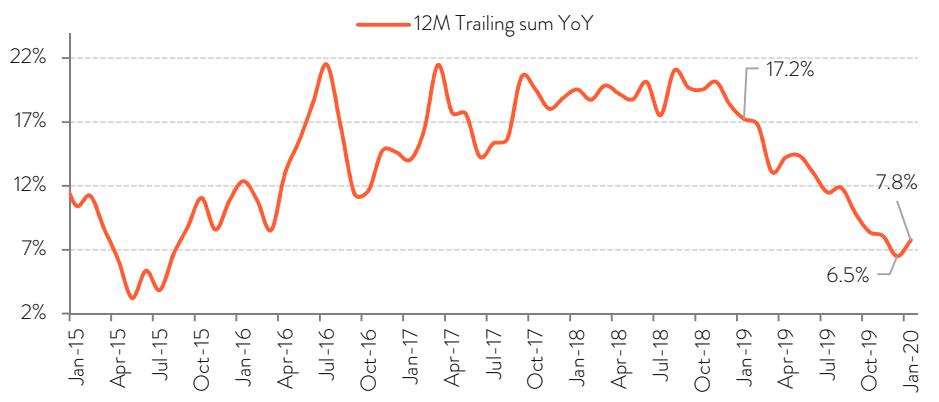
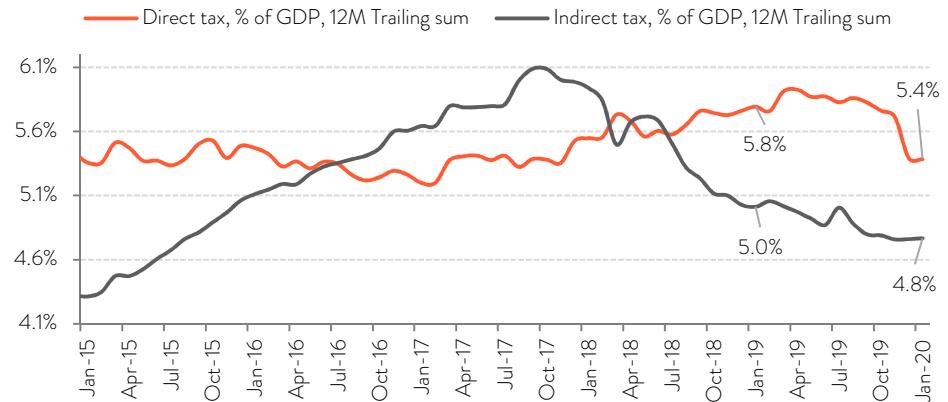
FIG 109 – GROSS DIRECT TAX COLLECTIONS WEAKEN SHARPLY IN JAN'20**FIG 110 – ...LED BY LOWER CORPORATE TAX COLLECTIONS**

FIG 111 – INCOME TAX REVENUE GROWTH BEGINNING TO INCH UP**FIG 112 – SHARE IN GDP OF BOTH DIRECT & INDIRECT TAX MUTED COMPARED TO LAST YEAR****FIG 113 – TOTAL GST COLLECTIONS REMAIN ABOVE RS 1TN FOR THE FOURTH STRAIGHT MONTH IN JAN'20**

(Rs bn)	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Monthly run rate (FY20)	FYTD20	FY20 (RE)
CGST	351	359	462	468	346	354	241	685	381	371	437	405	438	413	4,126	5,140
UT GST	1.3	1.1	5.8	1.7	1.5	1.9	2.0	1.2	4.8	1.9	2.0	1.7	1.6	2	20	-
IGST	95	45	23	(6)	72	40	253	(461)	(37)	196	2	(18)	21	6	63	280
SGST*	441	579	566	450	503	544	405	625	533	379	520	641	509	511	5,109	6,128
Cess	84	82	82	89	77	80	82	68	71	87	71	79	84	79	789	983
Total GST	972	1,066	1,139	1,003	999	1,021	982	919	954	1,035	1,032	1,108	1,054	1,011	10,107	12,531
GST 3B Filing by deadline (mn)	7.3	7.6	7.2	7.2	7.4	7.6	7.6	7.6	7.4	7.8	8.1	8.3	8.4	-	-	-

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

FIG 114 – CENTRAL GOVT. PUBLIC DEBT SHOOTS TO 3-YEAR HIGH IN Q2FY20

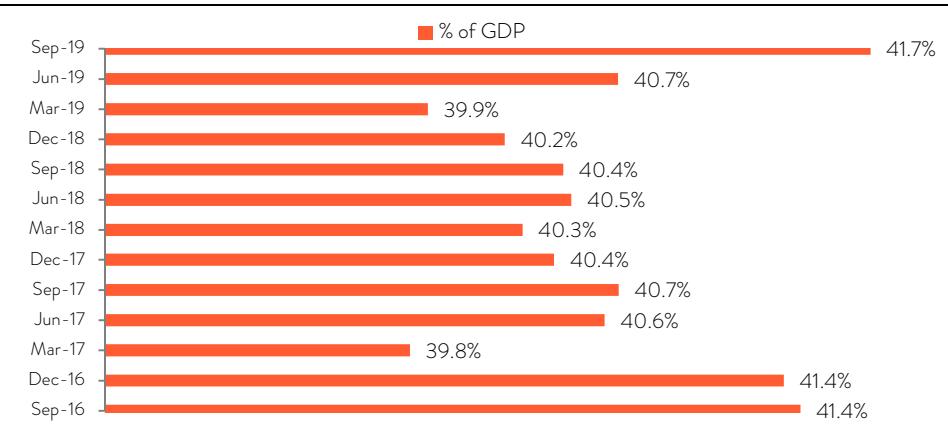


FIG 116 – SUBSIDIES RATIONALISED IN FY21

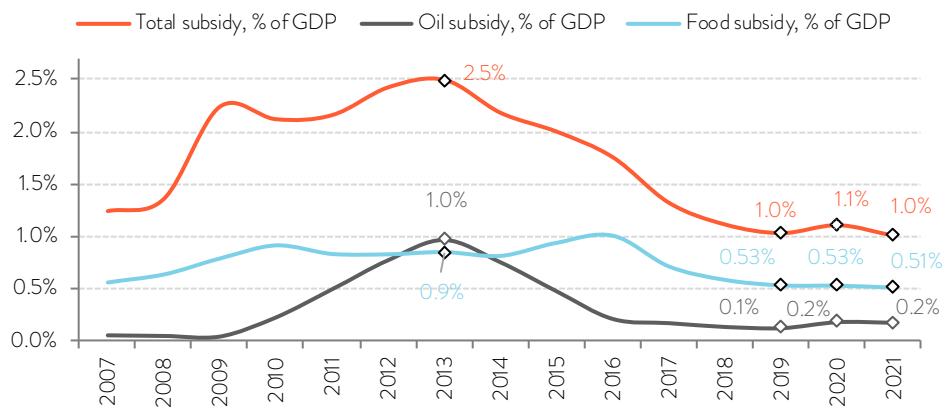
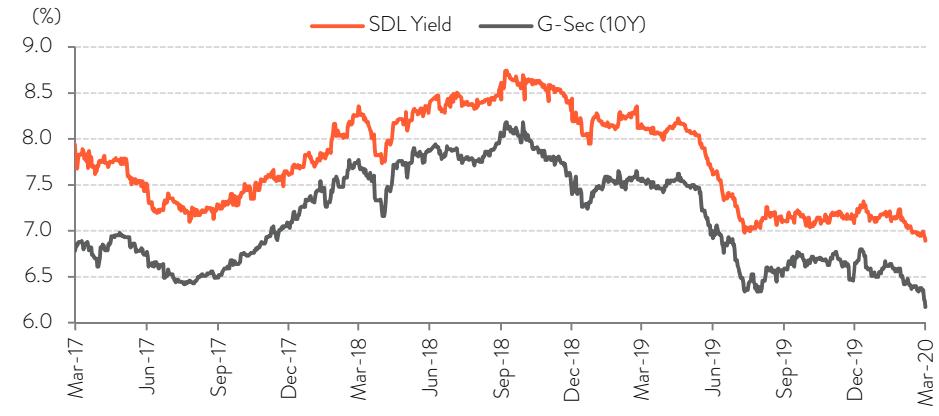
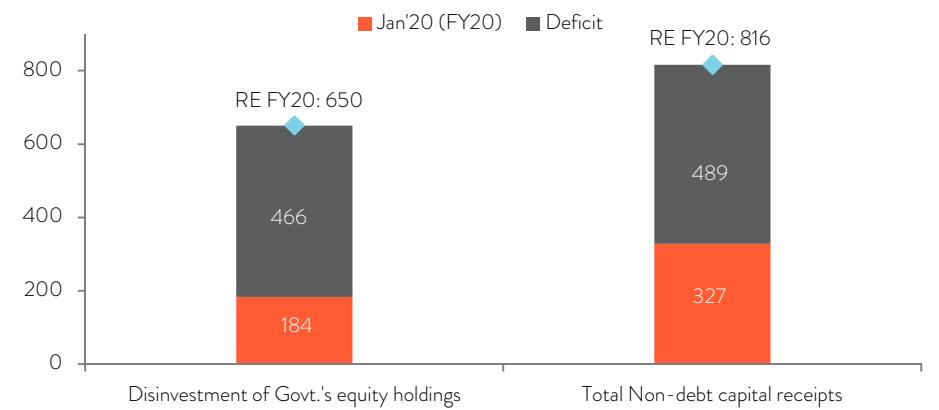


FIG 115 – GAP BETWEEN AVG. YIELD ON SDL & 10Y G-SEC ROSE IN FEB'20, SIMILAR TREND VISIBLE IN MAR'20 AS WELL



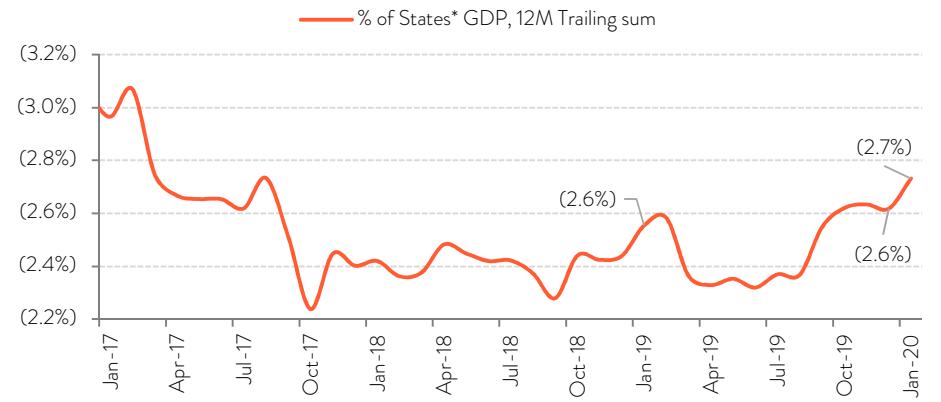
Source: CCIL

FIG 117 – CENTRAL GOVT.'S FY20 DISINVESTMENT STATUS



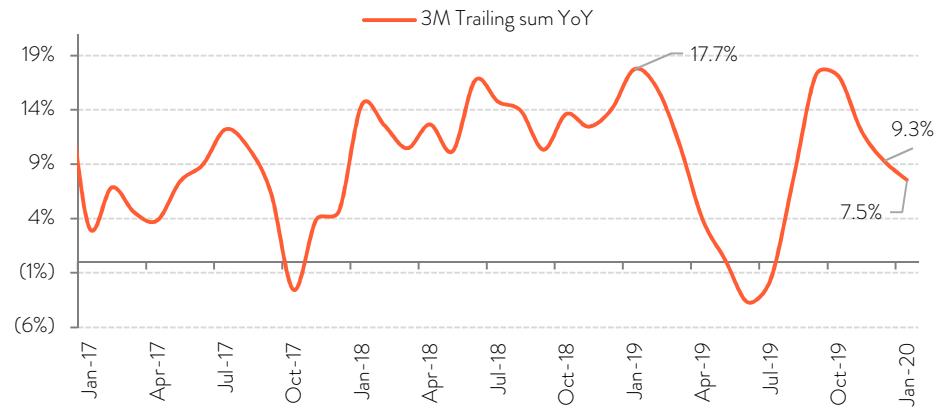
State government finances

FIG 118 – STATES* FISCAL DEFICIT INCHES UP IN JAN'20



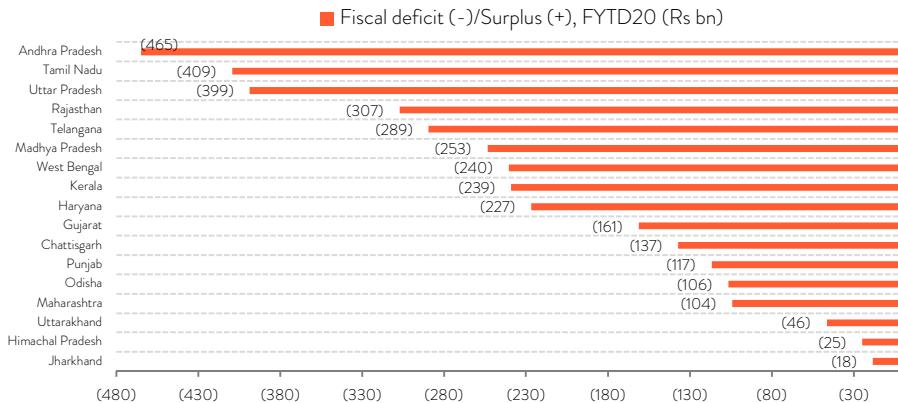
Note: *All states excluding N.E states, Bihar, Goa, J&K, Karnataka and Uttarakhand

FIG 120 – TOTAL EXPENDITURE OF STATES* COOLS OFF IN JAN'20...



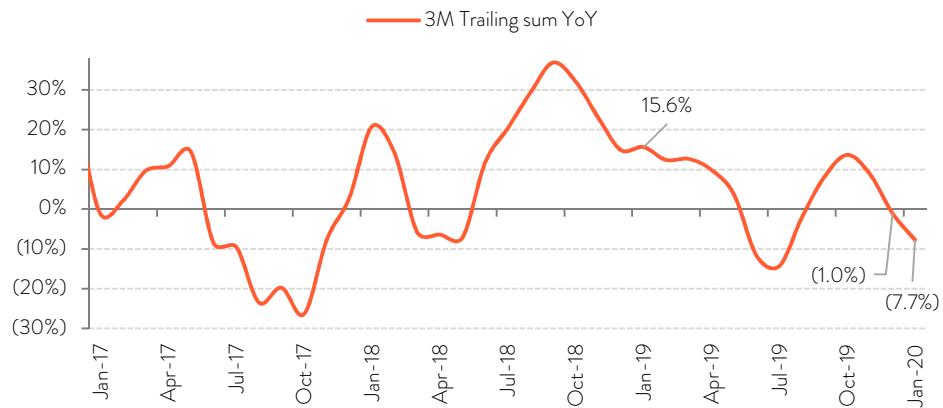
Note: *All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

FIG 119 – A.P, TAMIL NADU AND U.P., HIGHEST DEFICIT STATE IN FYTD20



Note: FYTD20- Apr'19-Jan'20

FIG 121 – ...LED BY SHARP REDUCTION IN CAPEX OF STATES*

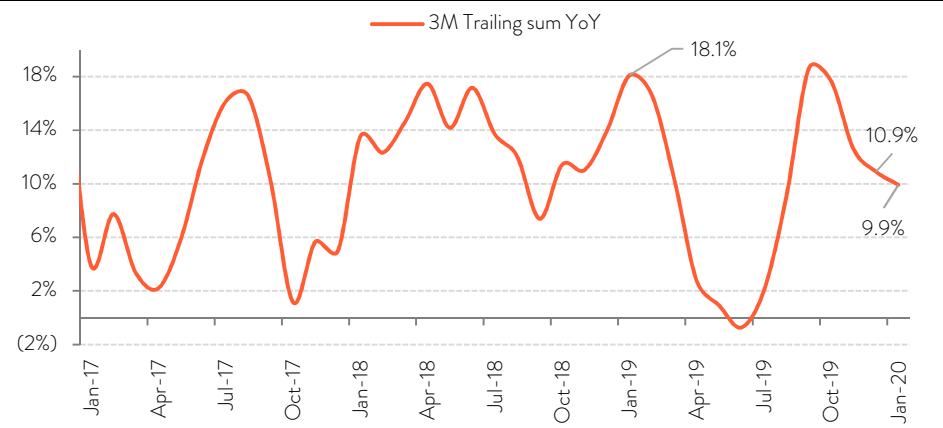


Note: *All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

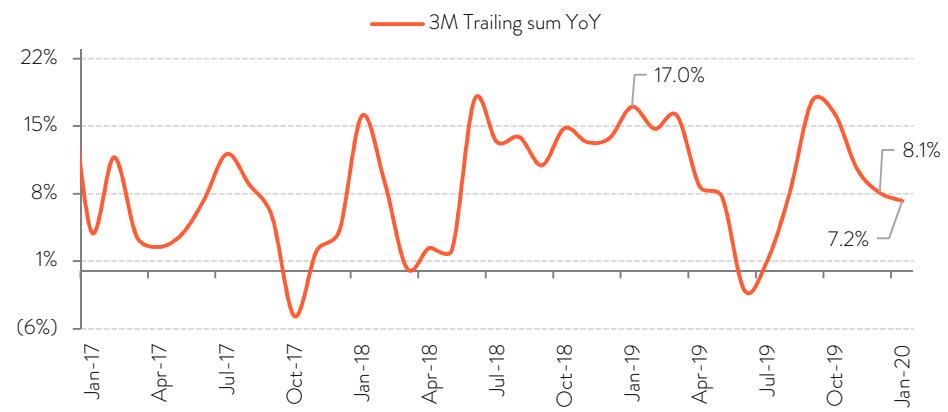
FIG 122 – STATE* GOVT. REVENUE RECEIPTS LOOK STRAINED IN FYTD20, CAPEX CONTINUES TO CONTRACT

	Apr'17-Jan'18 (Rs bn)	Apr'18-Jan'19 (Rs bn)	% change	Apr'19-Jan'20 (Rs bn)	% change
Total Receipts	16,009	18,577	16.0	20,026	7.8
Revenue Receipts	13,443	15,608	16.1	16,323	4.6
Receipts: Tax Revenue	10,515	11,989	14.0	12,223	2.0
Receipts: Non-Tax Revenue	977	1,188	21.6	1,135	(4.4)
Receipts: Grant in aid & contribution	1,951	2,431	24.6	2,965	21.9
Capital Receipts	2,567	2,969	15.7	3,702	24.7
Total Expenditure	15,784	18,284	15.8	19,664	7.5
Revenue Expenditure	13,898	15,984	15.0	17,508	9.5
Capital Expenditure	1,886	2,283	21.1	2,228	(2.4)
Revenue Surplus or Deficit	(456)	(376)	-	(1,185)	-
Fiscal Surplus or Deficit	(2,425)	(2,702)	-	(3,545)	-

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

FIG 123 – REVENUE SPENDING OF STATES* ALSO MODERATING

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

FIG 124 – TOTAL RECEIPT GROWTH OF STATES* SLIP FURTHER IN JAN'20...

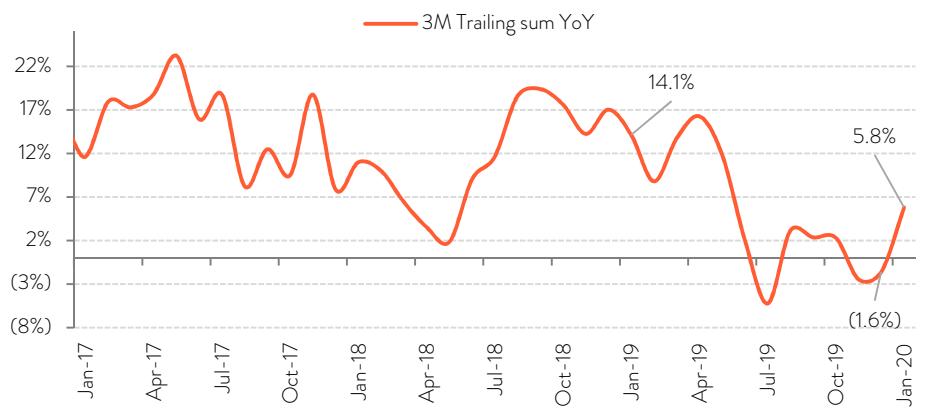
Note: *All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

FIG 125 – ...AS REVENUE RECEIPTS OF STATES* EASE



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

FIG 127 – TAX REVENUE OF STATES* SEEN RECOVERING IN JAN'20



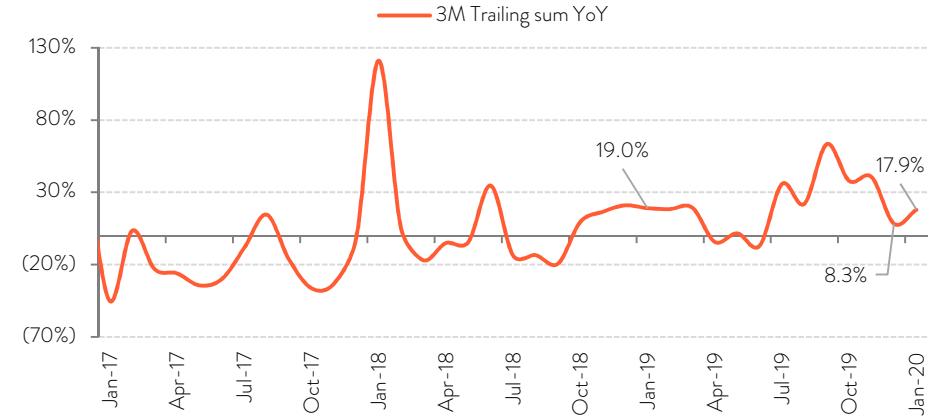
Note: *All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

FIG 126 – LED BY STEEP FALL IN GRANTS AND AID FROM CENTRE

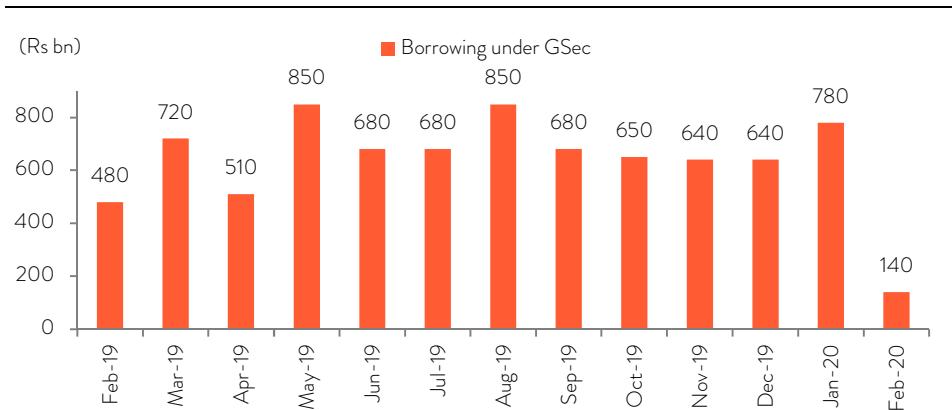


Note: *All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

FIG 128 – CAPITAL RECEIPTS OF STATES* ALSO INCH UP, LED BY HIGHER BORROWING

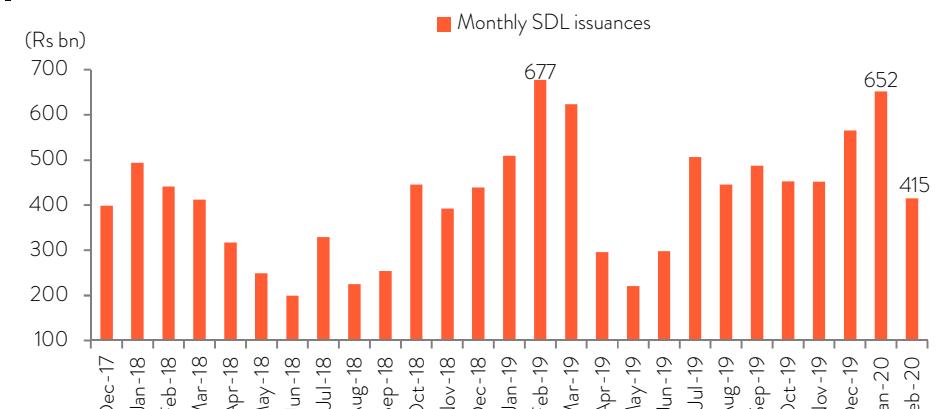


Note: *All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

FIG 129 – CENTRE'S GROSS BORROWING IN FEB'20 WAS AT RS 140BN

Source: RBI

State government borrowing

FIG 131 – STATE GOVERNMENT BORROWINGS DIPS IN FEB'20

Source: RBI

FIG 130 – CENTRE'S GROSS BORROWING FOR FY20 WAS UNCHANGED AT RS 7.1TN AND PEGGED SLIGHTLY HIGHER AT RS 7.8TN IN FY21

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	2,210
Q2	1,570	1,630	1,910	1,890	1,440	2210	2,210
Q3	1,430	1,640	1,610	1,640	1,270	1930	2080
Q4	1,090	840	800	670	1680	920*	600
Total	5,920	5,850	5,820	5,880	5,710	-	7100

Source: RBI; *till Feb 2020

FIG 132 – MARKET BORROWINGS OF STATES REACH RS 5.1TN 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	1,470	1,707
Q4	809	959	1,322	1,348	1,809	1,336*	2,086
Total	2,408	2,946	3,876	4,182	4,661	5,060	6,287

Source: RBI | *As of 3 Mar 2020

External sector

Exports

FIG 133 – GLOBAL EXPORTS CONTINUE TO DECLINE

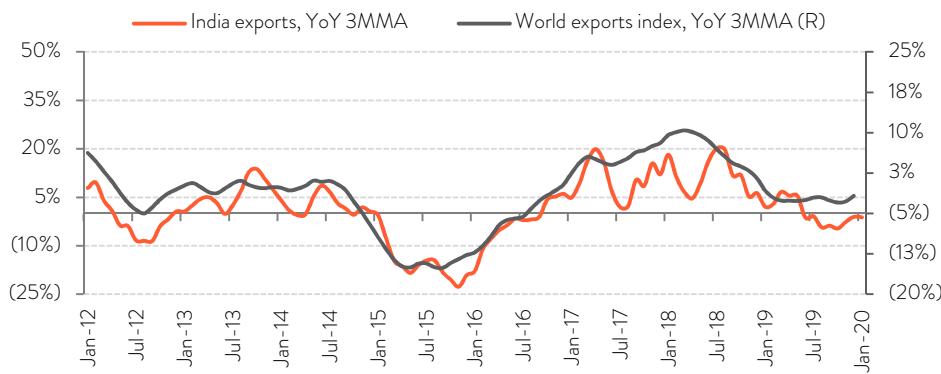
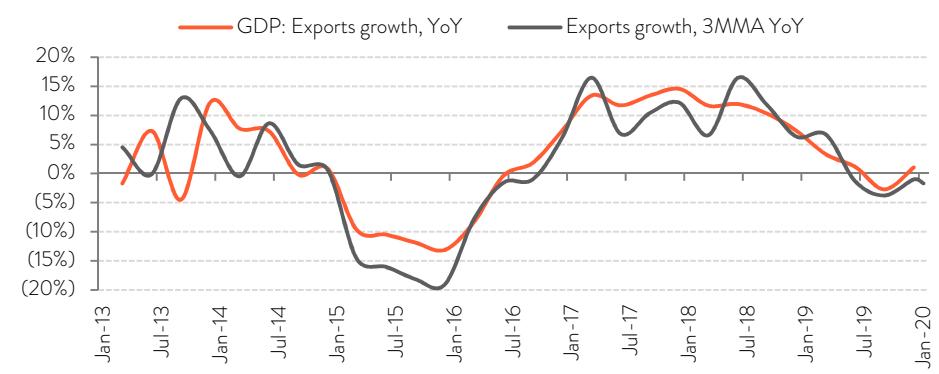


FIG 134 – .. SIMILAR TREND VISIBLE IN INDIA'S EXPORTS



Exports by major sectors

FIG 135 – EXPORTS OF GEMS AND JEWELLERY DECLINE THE MOST BY (-) 11.6% IN JAN'20

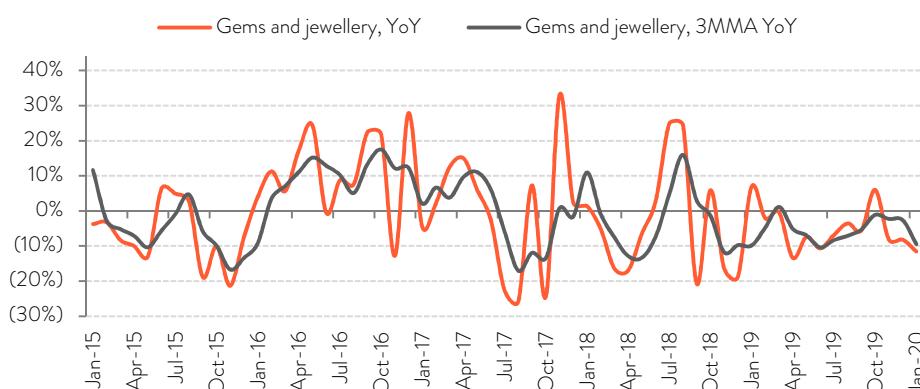


FIG 136 – AGRI EXPORTS ALSO FALL SHARPLY IN JAN'20

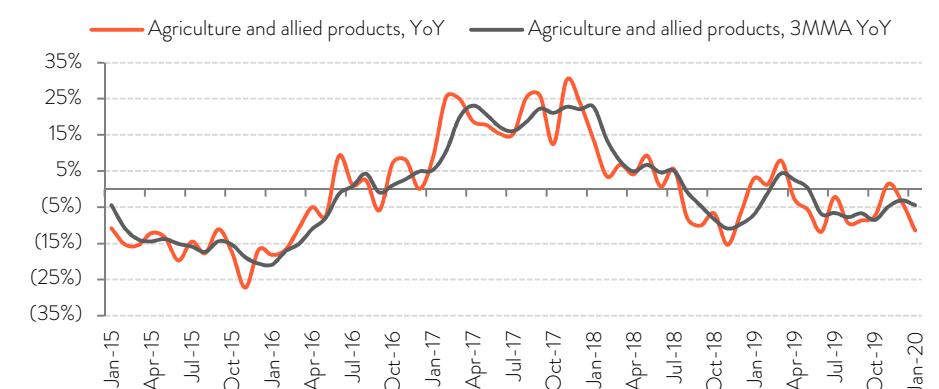
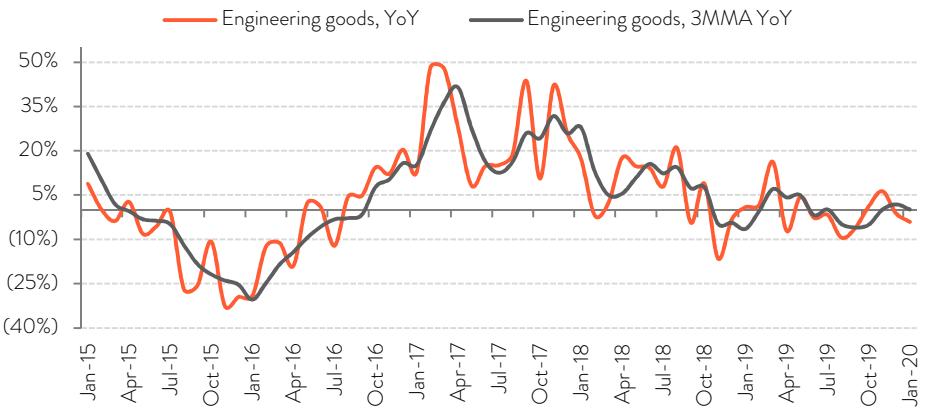


FIG 137 – EXPORTS OF ENGINEERING GOODS TOO CONTRACT



Imports

FIG 139 – IMPORT GROWTH PICKS UP

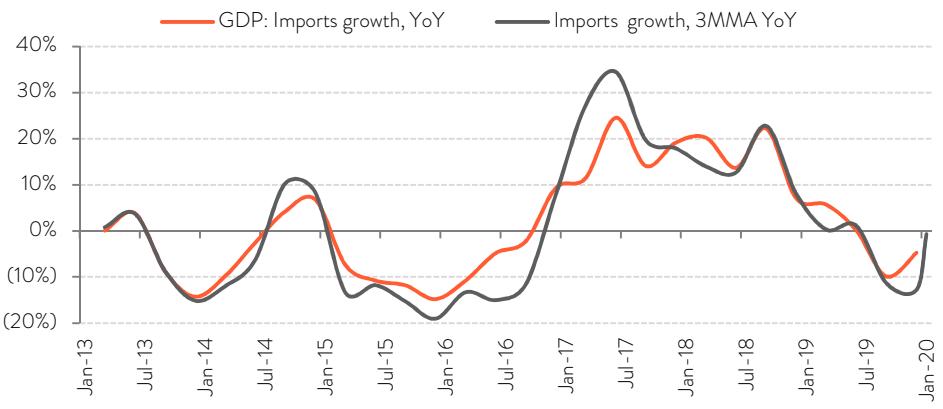


FIG 138 – DRUGS AND PHARMA EXPORTS REMAIN RESILIENT

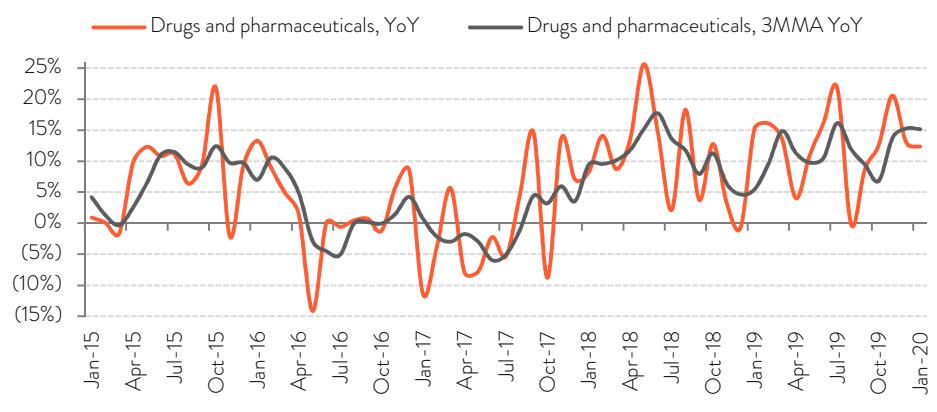


FIG 140 – ...LED BY OIL

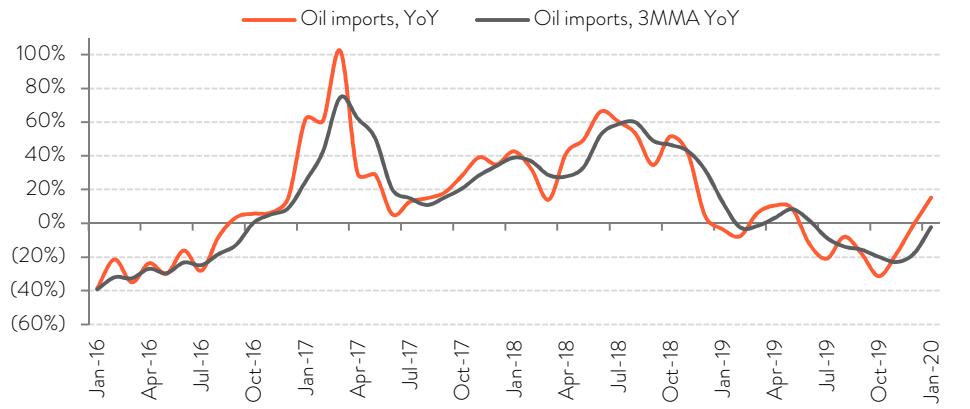


FIG 141 – IMPORTS OF TRANSPORT EQUIPMENTS PICK UP AFTER FALLING FOR 12-Straight MONTHS

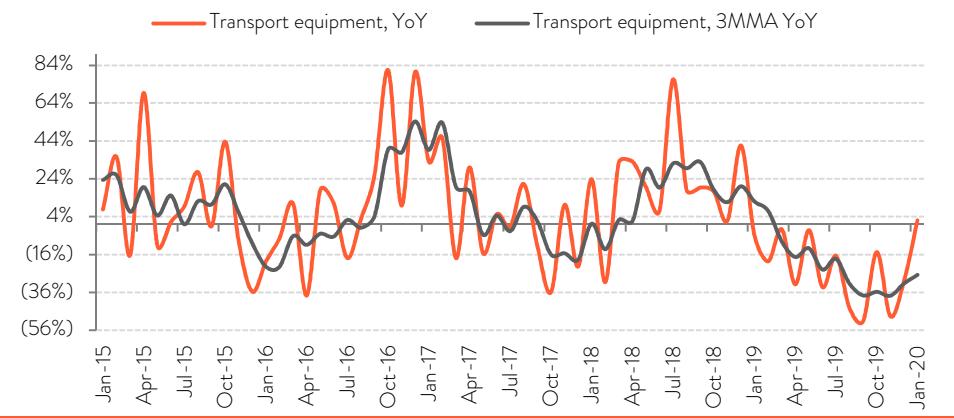


FIG 143 – IMPORTS OF AGRICULUTRAL PRODUCTS ALSO RISING

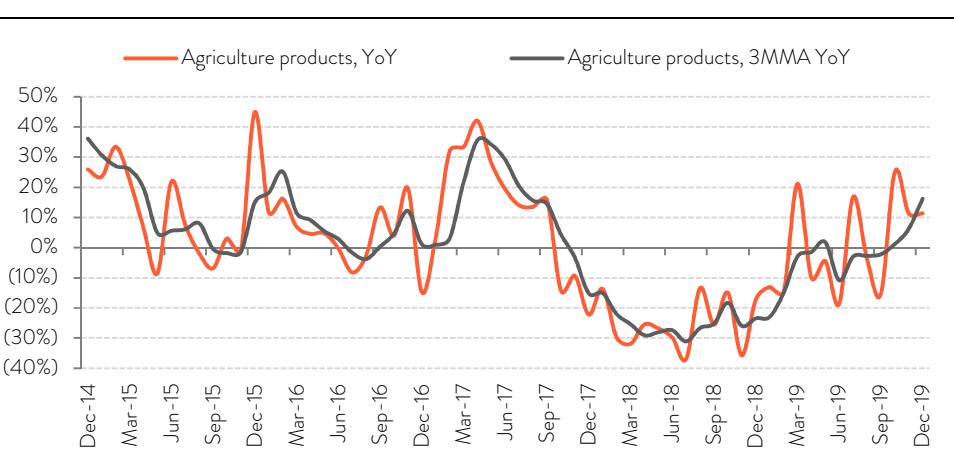


FIG 142 – MACHINERY IMPORTS ALSO EDGE HIGHER

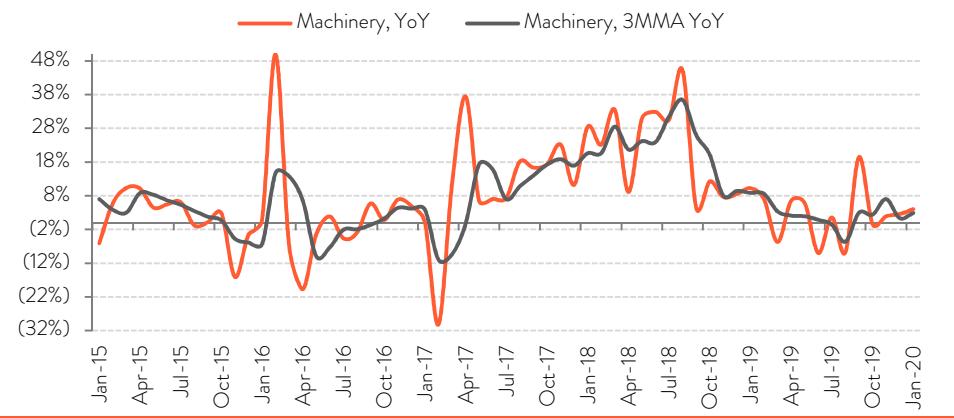
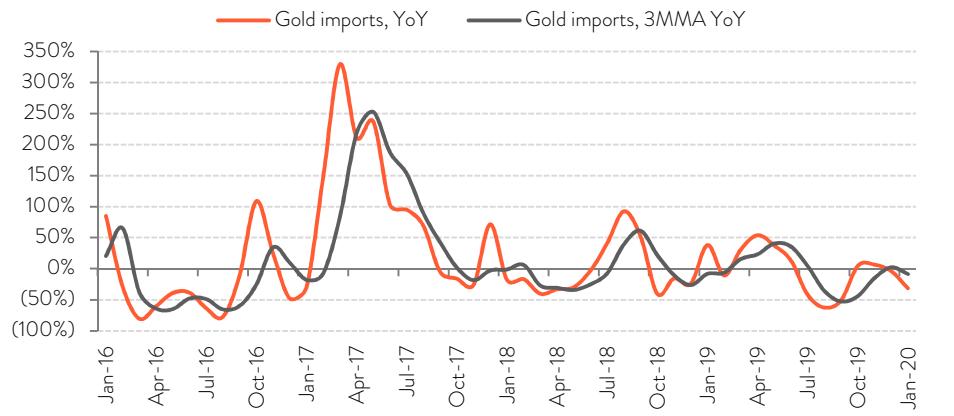


FIG 144 – HOWEVER GOLD IMPORTS FALL AS GOLD PRICES REMAIN ELEVATED



Exports and imports by major regions

FIG 145 – EXPORTS TO ASIA AND PACIFIC (EX. CHINA) HAVE DECLINED THE MOST IN FYTD20 FOLLOWED BY EUROPE

Region (% YoY)	Share (in %) FY19	Nov'19	Dec'19	Jan'20	FYTD19	FYTD20
Americas	21.1	14.7	10.3	3.4	10.0	3.4
Asia and Pacific (Ex. China)	28.1	(14.4)	(12.2)	(8.8)	5.0	(12.2)
China	5.1	(7.1)	(6.2)	23.6	30.9	4.8
Europe	19.7	(8.2)	(2.5)	0.4	7.6	(2.6)
Middle East and Africa	24.8	5.8	(0.4)	(4.0)	9.2	1.5
Other	1.1	(10.2)	(41.6)	(50.1)	30.3	(5.3)

FIG 146 – IMPORTS FROM ALL REGIONS HAVE CONTRACTED IN FYTD20 LED BY EUROPE

Region (% YoY)	Share (in %) FY19	Nov'19	Dec'19	Jan'20	FYTD19	FYTD20
Americas	12.7	(15.6)	(4.5)	(0.2)	17.1	(6.0)
Asia and Pacific (Ex. China)	25.3	(14.0)	(6.7)	(9.2)	22.2	(7.4)
China	13.7	(11.1)	(9.3)	(3.3)	(5.1)	(3.6)
Europe	15.3	(16.0)	(26.4)	(10.9)	13.8	(10.9)
Middle East	31.1	(12.0)	(2.2)	5.5	24.3	(8.8)
Other	1.9	28.5	(7.9)	111.9	(54.5)	25.4

Trade deficit

FIG 147 – TRADE DEFICIT INCHED UP TO A 7-MONTH HIGH IN JAN'20



Trade in services

FIG 149 – SERVICES EXPORTS INCH HIGHER

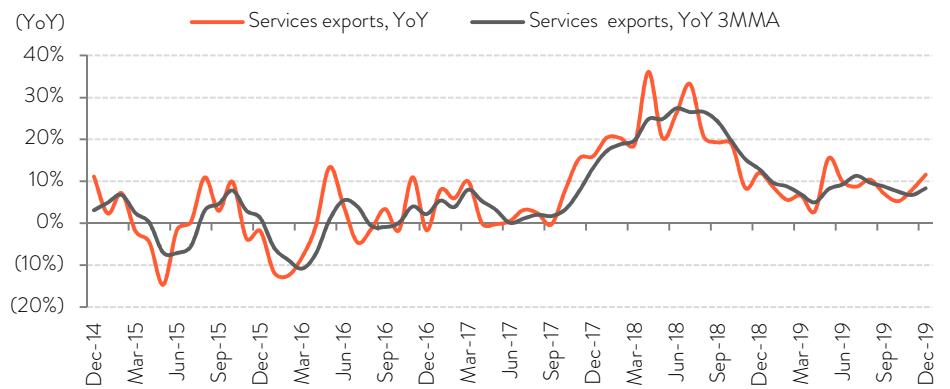
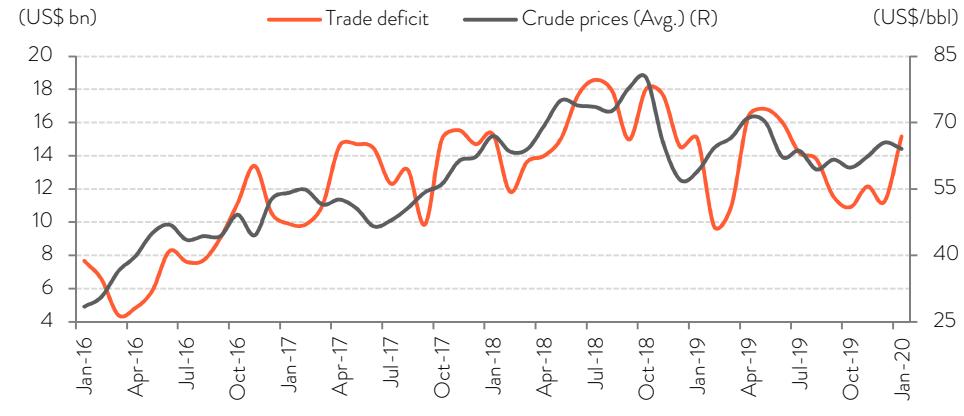


FIG 148 – EVEN AS OIL PRICES MODERATED



BoP

FIG 150 – CAD NARROWS TO 0.9% OF GDP IN Q2FY20 VS 2% IN Q1FY20

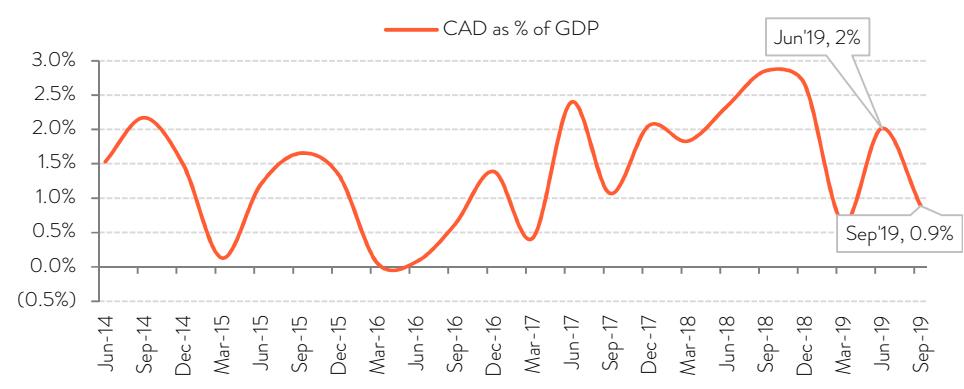


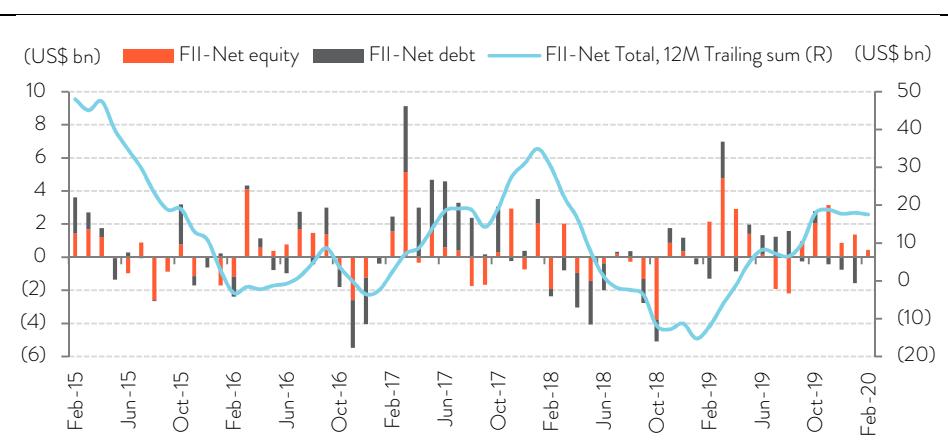
FIG 151 – LED BY LOWER TRADE DEFICIT

(US\$ bn)	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20
Current account	(19.1)	(17.8)	(4.6)	(14.2)	(6.3)
CAD/GDP (%)	(2.9)	(2.7)	(0.7)	(2.0)	(0.9)
Trade balance	(50.0)	(49.3)	(35.2)	(46.2)	(38.1)
- Merchandise exports	83.4	83.1	87.4	82.7	80
- Merchandise imports	133.4	132.4	122.6	128.9	118.1
--Oil imports	35.3	34.7	32.4	35.3	29.6
--Non-oil imports	98.1	97.7	90.2	93.6	88.5
- Net Services	20.3	21.7	21.3	20.1	20.4
--Software	19.3	19.9	19.9	21.0	21.1
Transfers	19.3	17.4	16.2	18.0	20.0
Other invisibles	(8.6)	(7.6)	(6.9)	(6.1)	(8.6)
Capital account	14.6	13.8	19.2	27.9	12.1
% of GDP	2.2	2.1	2.7	4.0	1.7
Foreign investments	5.8	5.2	15.9	18.7	9.9
- FDI	7.4	7.3	6.4	13.8	7.4
- FII	(1.6)	(2.1)	9.4	4.8	2.5
Banking capital	0.5	4.9	-8.1	3.4	(1.8)
Short-term credit	4.8	(0.7)	1.5	2.0	(0.6)
ECBs	2.0	2.0	7.2	6.1	3.4
External assistance	0	1.7	1.3	1.5	0.4
Other capital account items	1.5	0.7	1.2	(3.7)	0.8
E&O	0.6	(0.3)	(0.4)	0.3	(0.7)
Overall balance	(3.9)	(4.3)	14.2	14.0	5.1

Foreign inflows

FII inflows

FIG 152 – FII INFLOWS SHRINK TO US\$ 461MN IN FEB'20



Source: Bloomberg

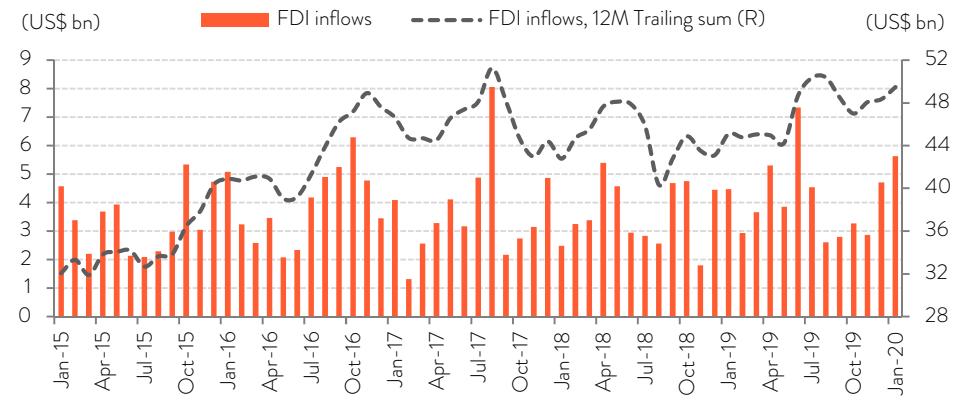
FIG 154 – FDI INFLOWS INTO TELECOM AND COMPUTER SERVICES RISE IN FYTD20

Sector (US\$ bn)	% Share FY19	Jun'19	Sep'19	Dec'19	FYTD19	FYTD20
Services Sector	20.6	2.8	1.7	2.1	6.6	6.5
Computer software and hardware	14.5	2.2	1.8	2.3	5.0	6.3
Trading	10.1	1.1	1.0	1.4	3.0	3.5
Telecommunications	6.0	4.2	0.1	0.0	2.3	4.3
Automobile industry	5.9	1.0	1.2	0.4	2.1	2.5

Source: DIPP

FDI inflows

FIG 153 – FDI INFLOWS RISE TO A 7-MONTH HIGH IN JAN'20 AT US\$ 5.6BN VS US\$ 4.7BN IN DEC'19



Source: RBI, Bank of Baroda Research

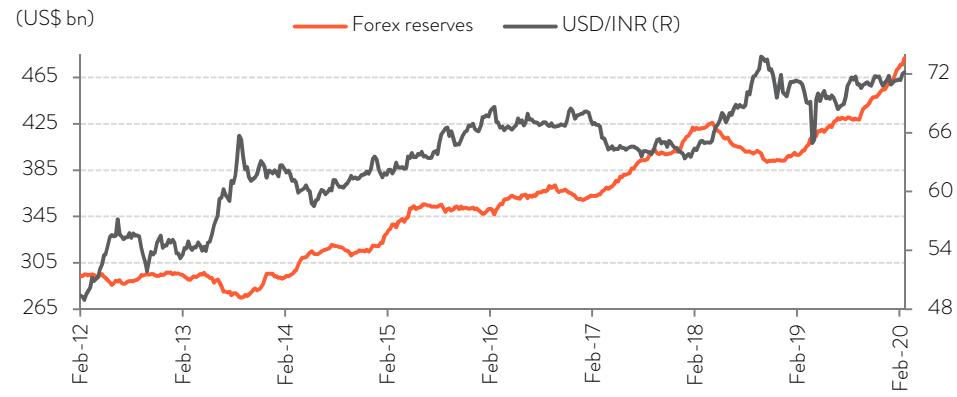
FIG 155 – FDI INFLOWS FROM MAURITIUS RISE IN FYTD20, INFLOWS FROM SINGAPORE DIP

Country (US\$ bn)	% Share in FY19	Jun'19	Sep'19	Dec'19	FYTD19	FYTD20
Singapore	36.6	5.3	2.7	3.6	13.0	11.7
Mauritius	18.2	4.7	1.7	1.1	6.0	7.5
Netherlands	8.7	1.4	1.0	1.2	3.0	3.5
Japan	6.7	0.5	1.3	1.0	2.2	2.8
UK	3.0	0.3	0.6	0.3	1.1	1.1

Source: DIPP

Forex reserves and external debt

FIG 156 – INDIA’S FX RESERVES RISE TO A LIFETIME HIGH AT US\$ 481.5BN IN FEB’20, RISE BY US\$ 69.6BN IN FYTD20



Source: Bloomberg | Weekly data as of 28 Feb 2020

FIG 158 – RBI PURCHASED US\$ 10.3BN (NET) IN JAN’20 IN THE SPOT MARKET

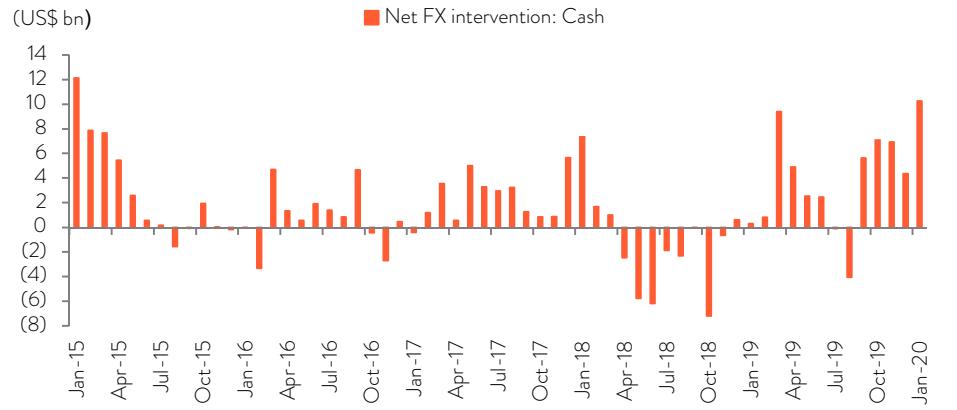


FIG 157 – IMPORT COVER RISES TO 11.7 MONTHS IN JAN’20; ABOVE 5-YEAR LONG TERM AVERAGE

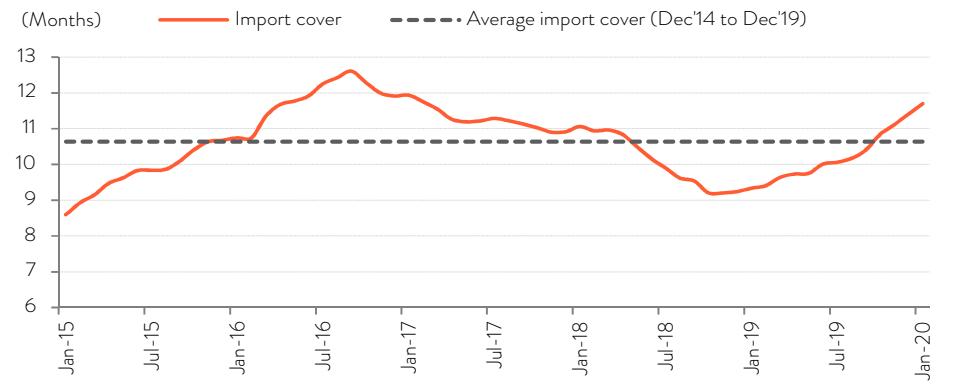
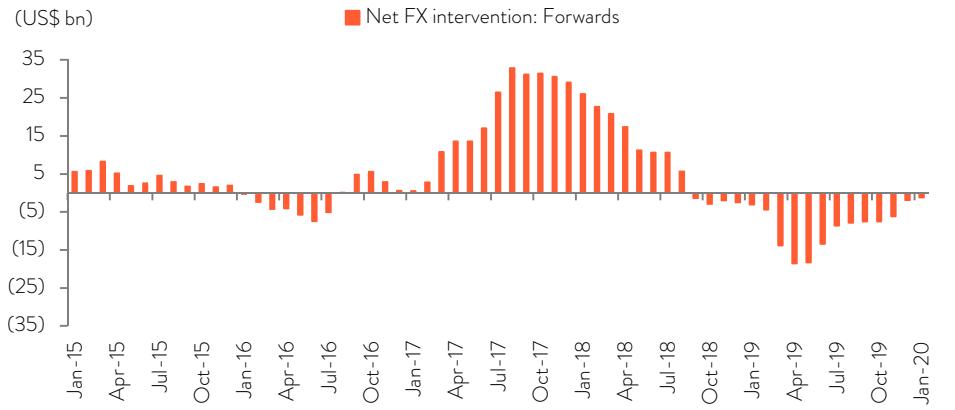


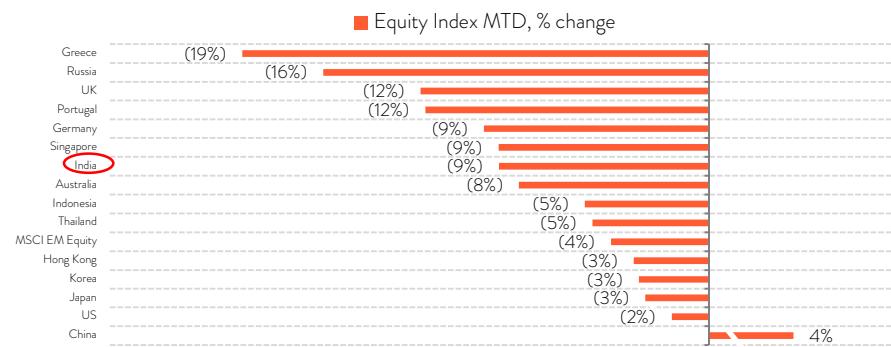
FIG 159 – IN FORWARDS MARKET, RBI BOUGHT US\$ 0.7BN IN JAN’20, OUTSTANDING POSITION AT (-) US\$ 1.2BN



Markets

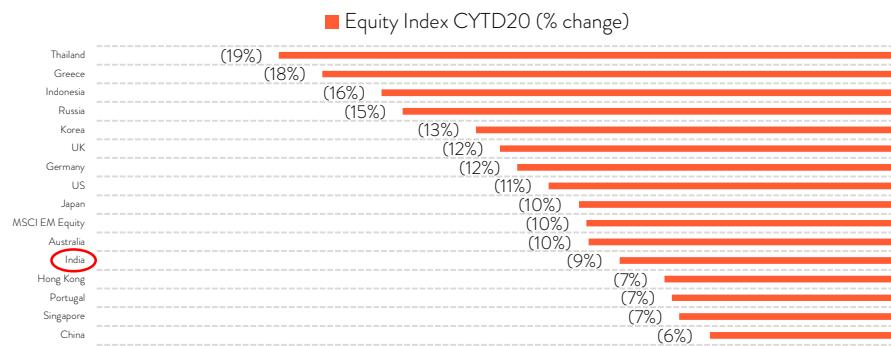
Equity

FIG 160 – IN MAR'20, SENSEX FELL BY (-) 9%, IN CONSTANT CURRENCY TERMS DUE TO FEAR OF COVID-19



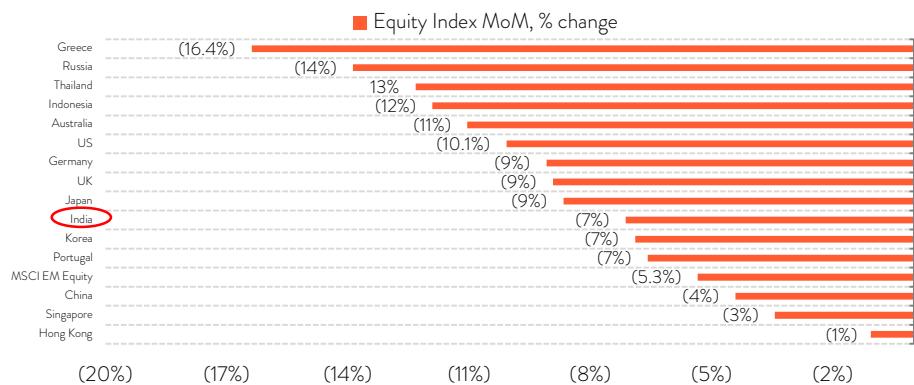
Source: Bloomberg | * As on 11 Mar 2020, Indices are in US\$ terms

FIG 162 – IN CYTD20*, SENSEX FELL SHARPLY BY (-) 9%



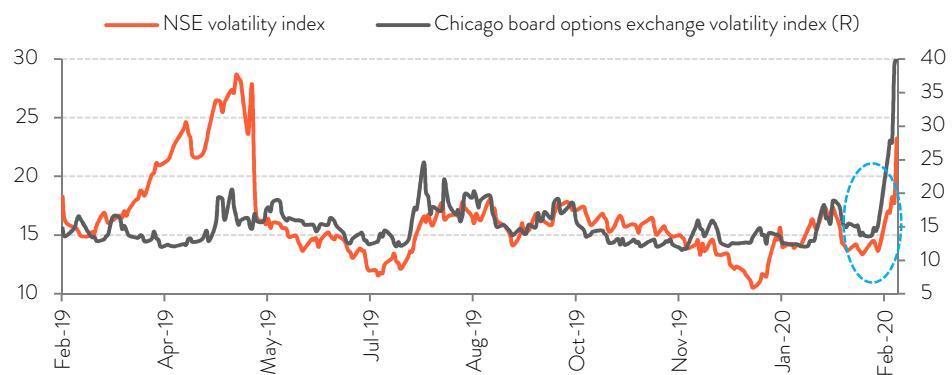
Source: Bloomberg | * As on 28 Feb 2020, Indices are in US\$ terms

FIG 161 – SENSEX DROPPED BY (-) 7% AS AGAINST MSCI EM'S DECLINE OF 5.3% IN FEB'20



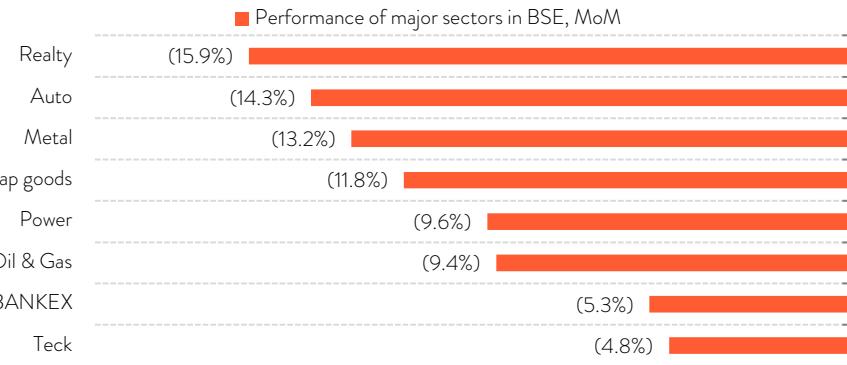
Source: Bloomberg | * As on 28 Feb 2020, Indices are in US\$ terms

FIG 163 – VIX INDEX ROSE SHARPLY TO 23.2 IN FEB'20 AGAINST 17.4 IN JAN'20 AS GLOBAL MARKETS WAS RATTLED BY COVID-19



Source: Bloomberg

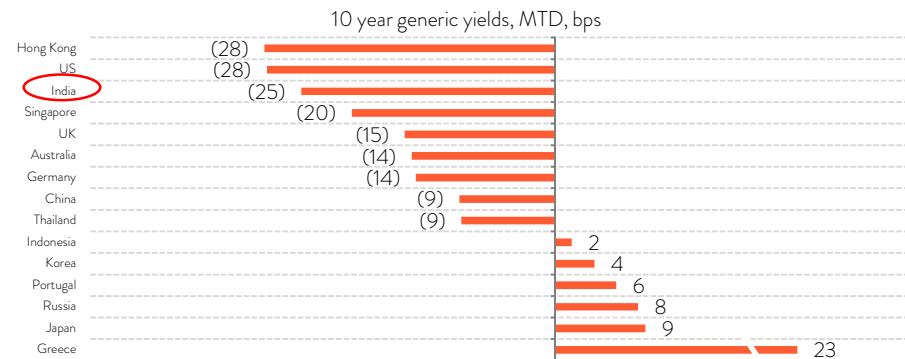
FIG 164 – REAL ESTATE AND AUTO STOCKS FELL THE MOST



Source: Bloomberg | * As on 28 Feb 2020

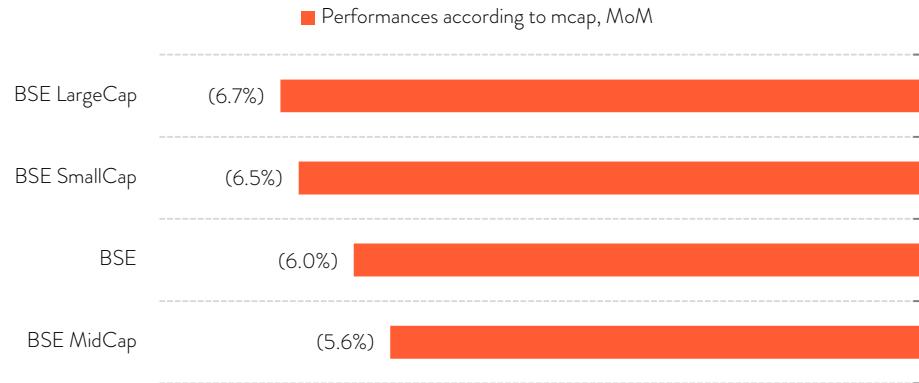
10 year bond yields

FIG 166 – IN MAR'20, INDIA'S 10Y YIELD FELL BY 25 BPS CORRESPONDING 28BPS DROP IN US 10Y YIELD



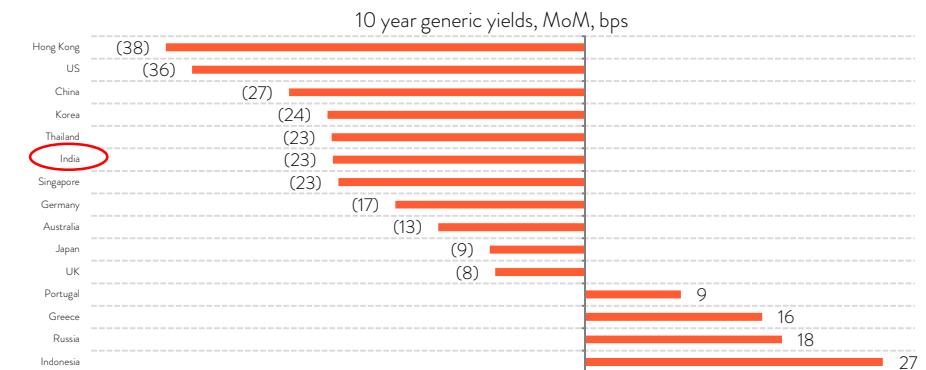
Source: Bloomberg | *As on 11 Mar 2020

FIG 165 – LARGE & SMALL CAP FELL SHAPPLY



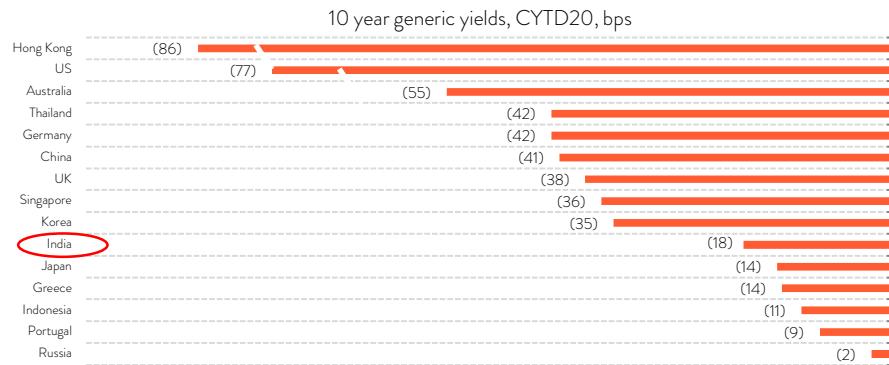
Source: Bloomberg | * As on 28 Feb 2020

FIG 167 – INDIA'S 10Y YIELD FELL BY 23BPS IN FEB'20 FOLLOWING SHARP DROP IN US 10Y YIELD (-36BPS)



Source: Bloomberg | *As on 28 Feb 2020

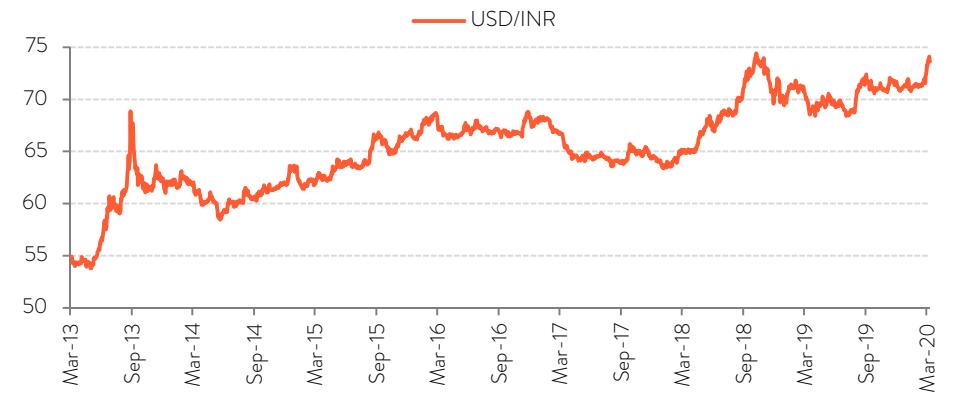
FIG 168 – IN CYTD20 AS WELL, INDIA'S 10Y YIELD HAS FALLEN BY 18BPS



Source: Bloomberg | *As on 28 Feb 2020

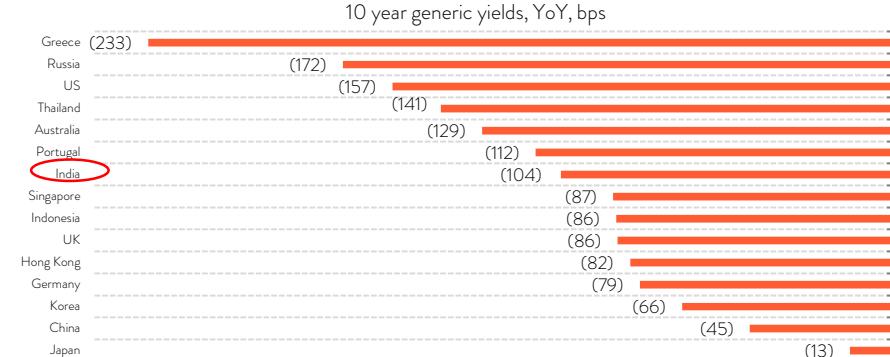
Currencies

FIG 170 – INR HAS DEPRECIATED SHARPLY RECENTLY



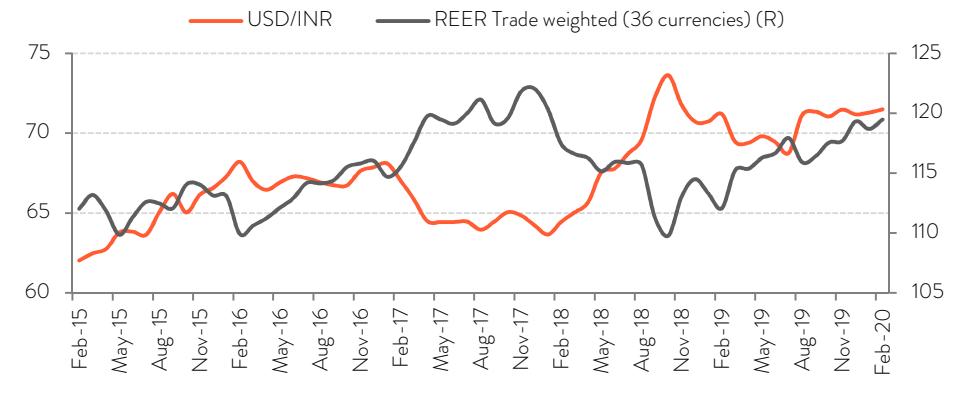
Source: Bloomberg | *As on 11 Mar 2020

FIG 169 – INDIA'S 10Y YIELD FELL BY 104BPS IN FEB'20 ON YOY BASIS; US 10Y YIELD HAS FALLEN BY 157BPS FOLLOWING COVID-19 FEARS



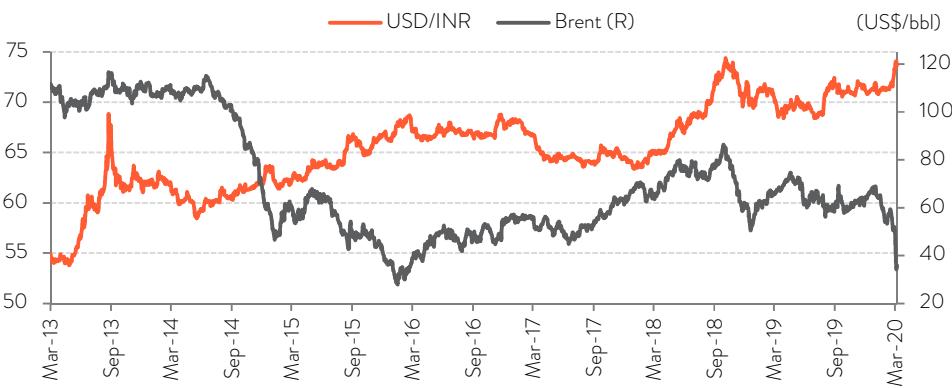
Source: Bloomberg | *As on 28 Feb 2020

FIG 171 – INR STILL OVERVALUED BY 19.5% (FEB'20)



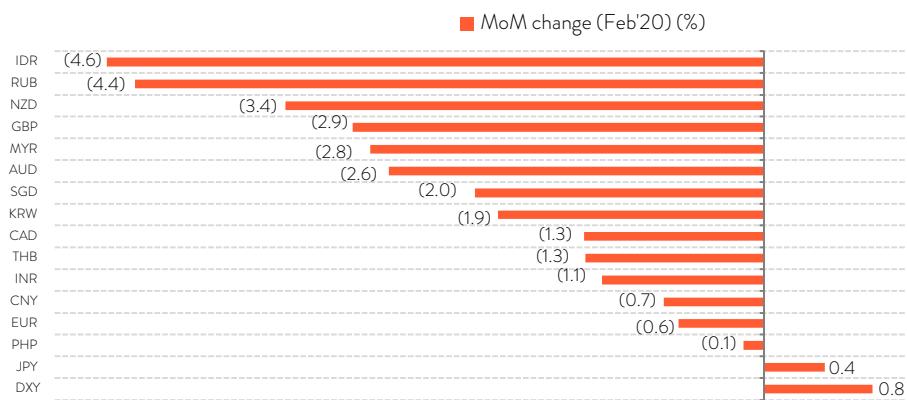
Source: Bloomberg

FIG 172 – EVEN AS OIL PRICES FELL SHARPLY



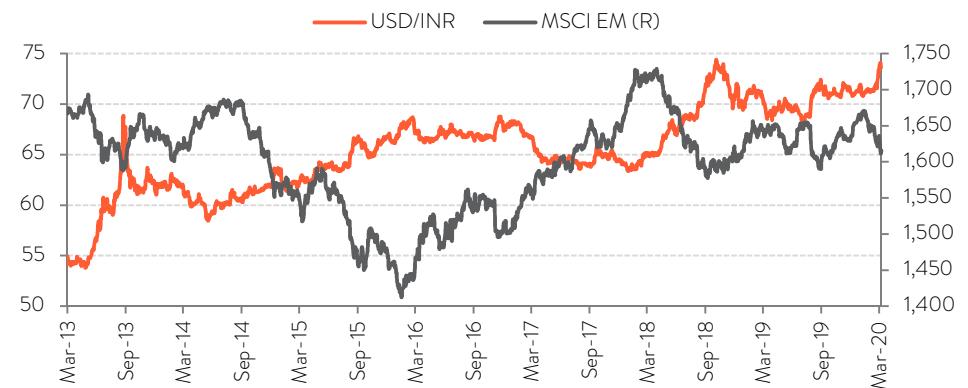
Source: Bloomberg | *As on 11 Mar 2020

FIG 174 – INR DEPRECIATED IN LINE WITH OTHER GLOBAL CURRENCIES IN FEB'20



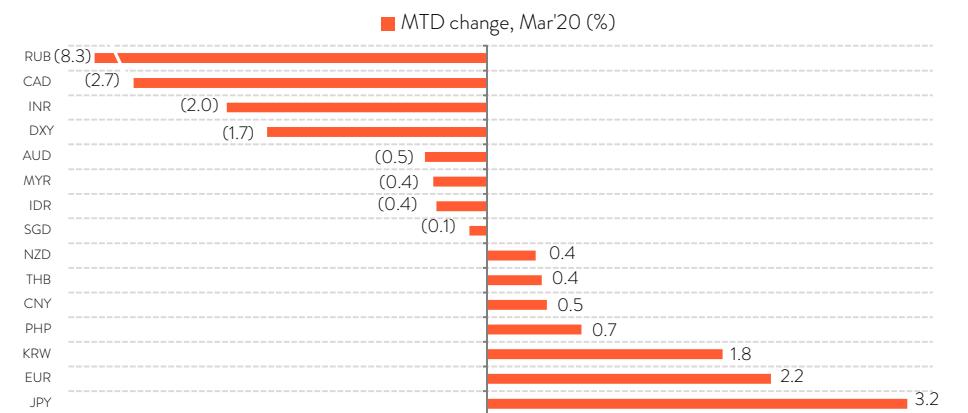
Source: Bloomberg | *As on 28 Feb 2020

FIG 173 – EM CURRENCIES HAVE ALSO DEPRECIATED



Source: Bloomberg | *As on 11 Mar 2020

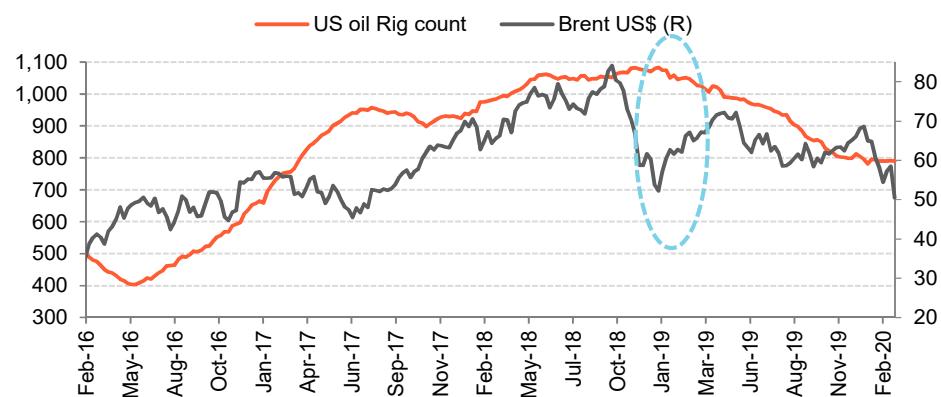
FIG 175 – ..IT HAS DEPRECIATED FURTHER BY (-) 2.6% IN MAR'20



Source: Bloomberg | *As on 11 Mar 2020

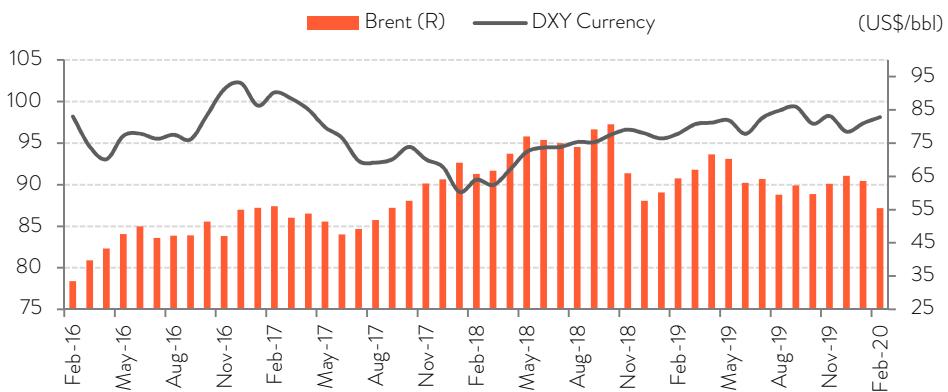
Commodities

FIG 176 – US RIG COUNT WAS STABLE AT 790; OIL PRICES FELL SHARPLY BY 12.9% IN FEB'20 & BY (-)29% IN MAR'20 (US\$ 36/bbl) AS OPEC+ DEAL FAILED



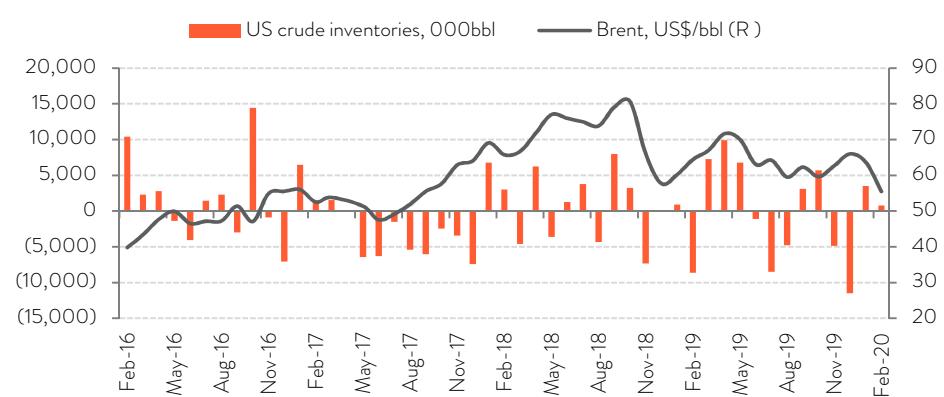
Source: Bloomberg

FIG 178 – DXY ROSE TO 98.13 IN FEB'20 VS 97.39 IN JAN'20, OIL PRICES DECLINED



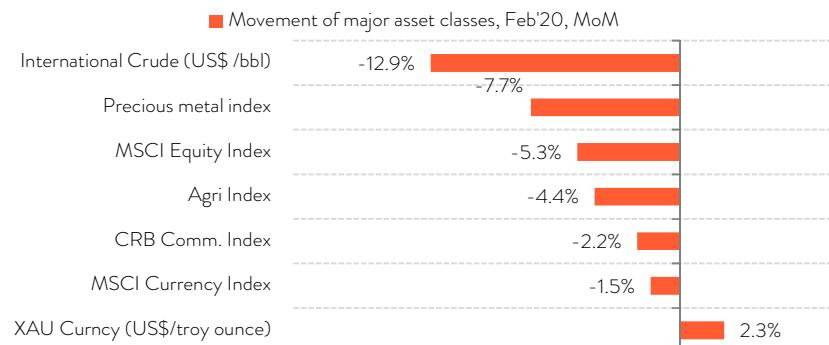
Source: Bloomberg | DXY Index as on last trading day of the month

FIG 177 – US CRUDE INVENTORIES DROPPED IN FEB'20, YET OIL PRICES CONTINUED TO FALL DUE TO MUTED DEMAND OUTLOOK



Source: Bloomberg

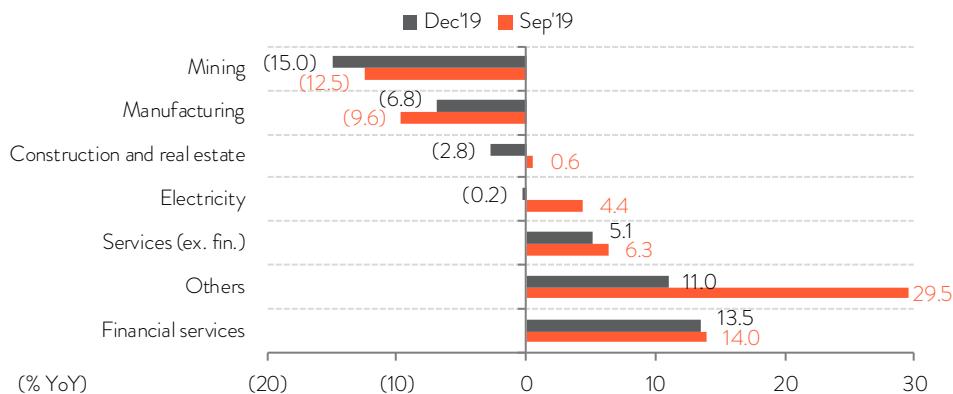
FIG 179 – AMONGST MAJOR ASSET CLASS, ONLY GOLD PRICES ROSE DUE TO INCREASED DEMAND FOR SAFE HAVEN



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

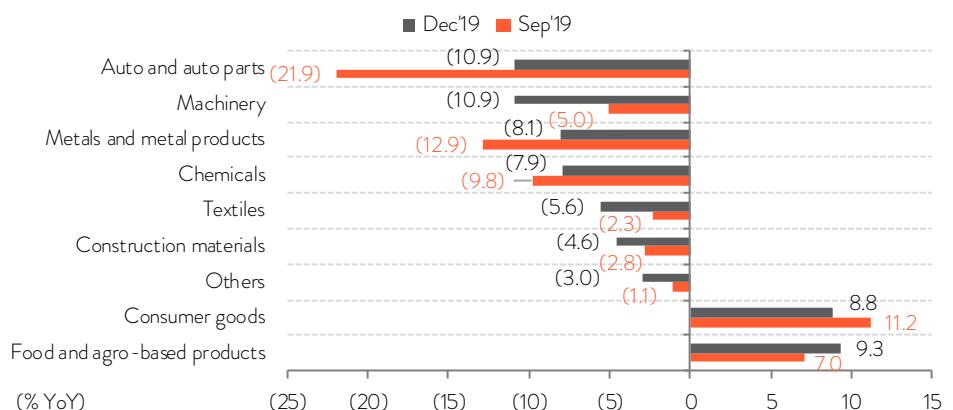
Corporate earnings

FIG 180 – NET SALES IN MINING AND MANUFACTURING CONTINUES TO DECLINE



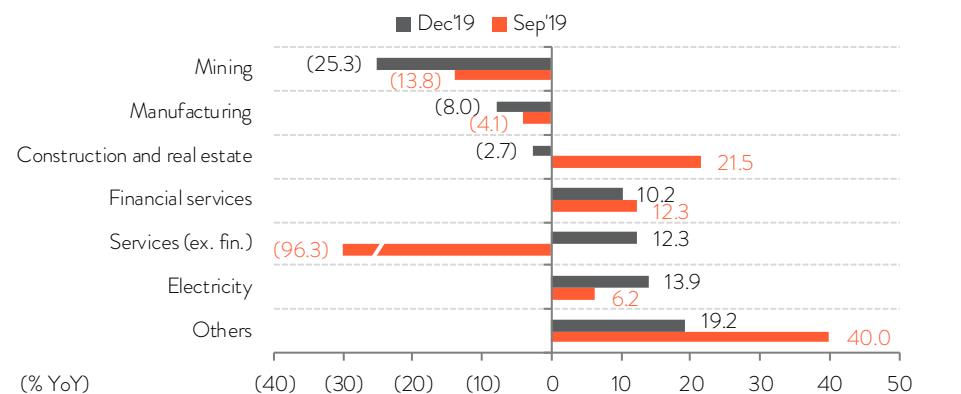
Source: CMIE, Prowess | Based on financial results of 490 companies

FIG 182 – EXCEPT FOOD AND AGRI PRODUCTS AND CONSUMER GOODS, NET SALES OF MANUFACTURING FIRMS DECLINE IN DEC'19



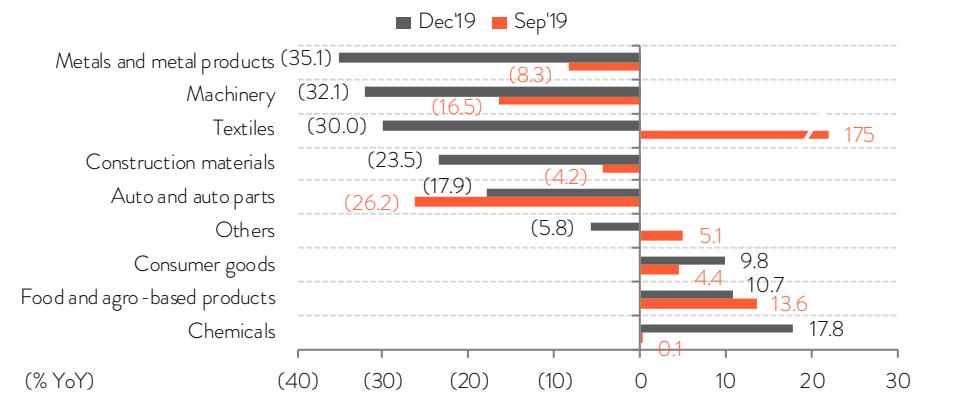
Source: CMIE, Prowess | Based on financial results of 244 manufacturing companies

FIG 181 – IMPROVEMENT IN PBDIT IN SERVICES AND ELECTRICITY SECTOR



Source: CMIE, Prowess | Based on financial results of 490 companies

FIG 183 – GROWTH IN PBDIT PICKS UP FOR CHEMICALS AND CONSUMER GOODS SECTOR



Source: CMIE, Prowess | Based on financial results of 244 manufacturing companies

Global consumption

FIG 184 – RETAIL SALES INCH UP FOR US

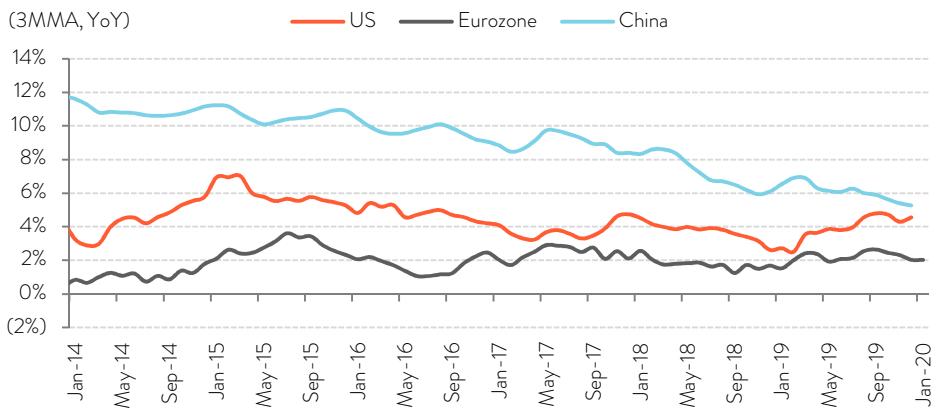


FIG 185 – AUTO SALES DROPS

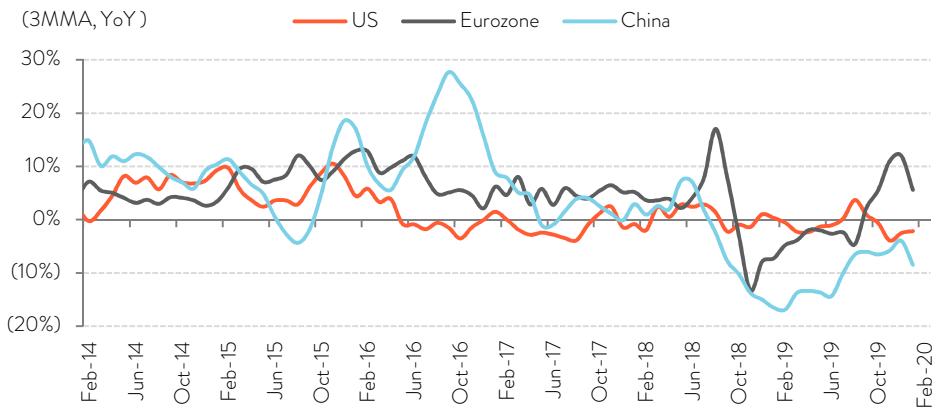


FIG 186 – CONSUMER CONFIDENCE IMPROVES

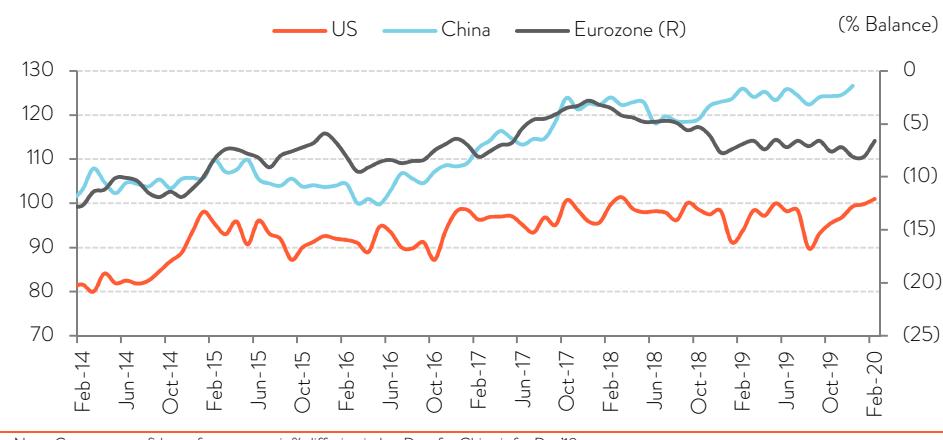
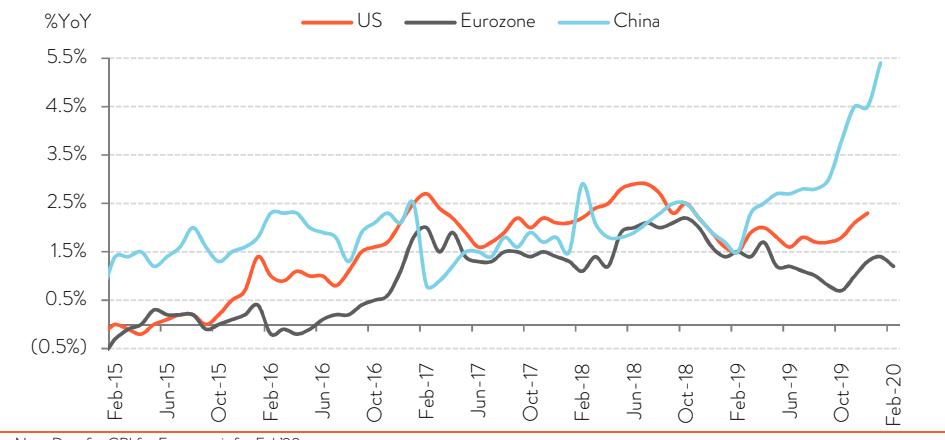


FIG 187 – CPI EDGES UPWARDS FOR US AND CHINA



Policy

FIG 188 – GLOBAL CENTRAL BANKS ARE ON AN ACCOMODATIVE CYCLE TO SUPPORT GROWTH

Country	Current inflation rate (%)	Current policy rate (%)	CY19 (change in bps)	CYTD20 (change in bps)	Direction of policy rate in CYTD20
Germany	1.7	0	0	0	-
India	7.59	5.15	(135)	0	-
Japan	0.7	(0.1)	0	0	-
China	5.4	4.35	0	0	-
Korea	1.1	1.25	(50)	0	-
Russia	2.4	6.00	(150)	(25)	↓
Australia	1.8	0.5	(75)	(25)	↓
Indonesia	2.98	4.75	(100)	(25)	↓
Thailand	0.74	1.00	(50)	(25)	↓
Mexico	3.24	7.00	(100)	(25)	↓
Phillipines	2.6	3.75	(75)	(25)	↓
UK	1.8	0.25	0	(50)	↓
US	2.5	1.25	(75)	(50*)	↓
Malaysia	2.98	2.50	(25)	(50)	↓
Brazil	4.19	1.25	0	(50)	↓
Turkey	12.37	10.75	(1200)	(125)	↓

Source: Bloomberg | First intermeeting surprise rate cut after financial crisis of CY08

Global investment and manufacturing

FIG 189 – GLOBAL MANUFACTURING AND SERVICES ACTIVITY FALLS SHARPLY IN FEB'20 AMID COVID-19

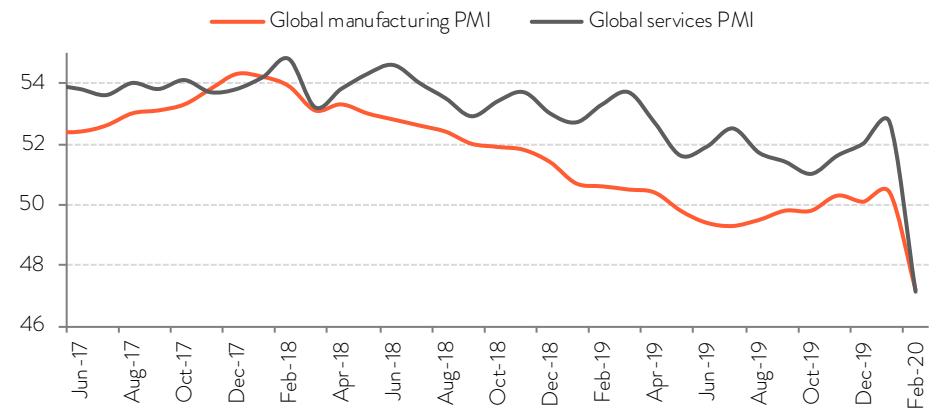


FIG 191 – PRODUCER PRICES CONTINUE TO RISE IN JAN'20

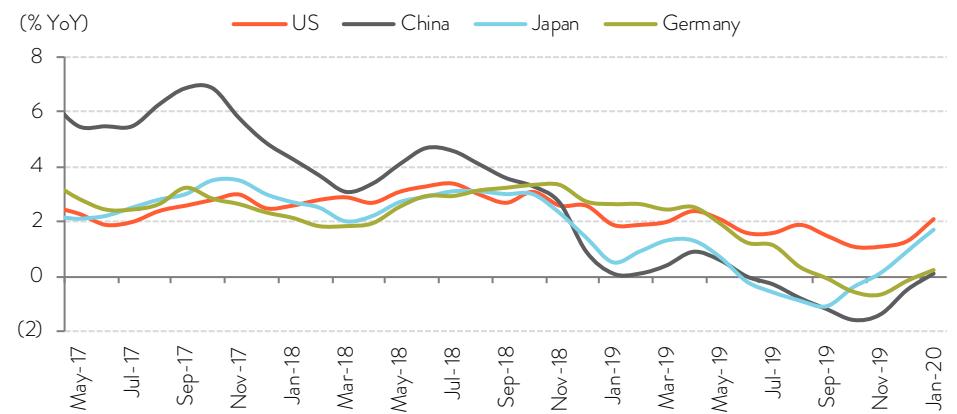


FIG 190 – MAJOR GLOBAL MANUFACTURING HUBS IMPACTED BY COVID-19 IN FEB'20

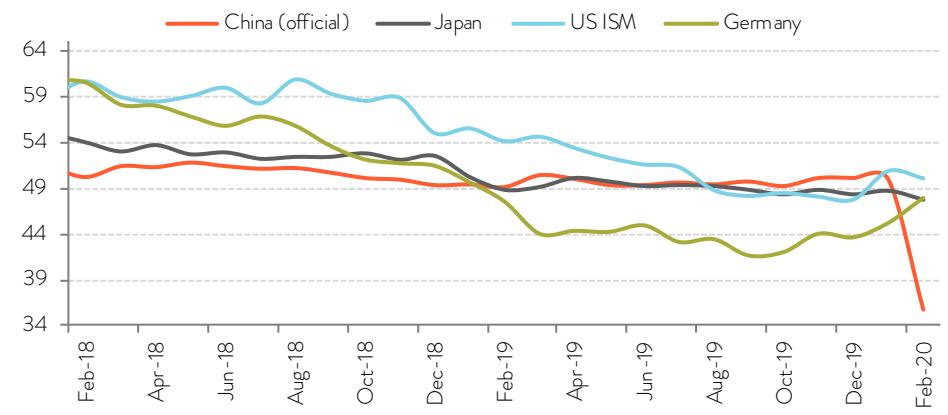
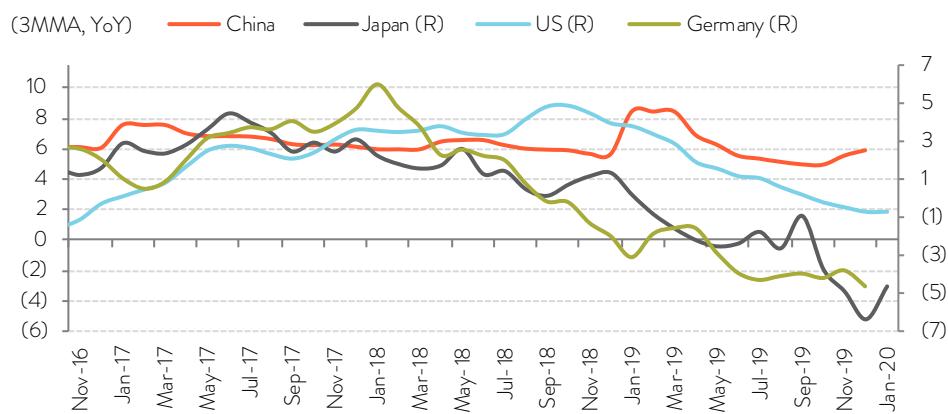


FIG 192 – GLOBAL INDUSTRIAL PRODUCTION ON WEAK FOOTING IN JAN'20



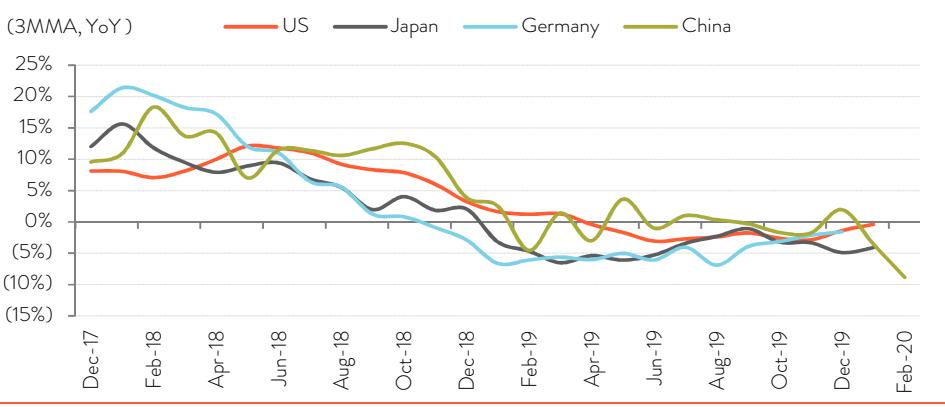
Global trade

FIG 193 – WORLD TRADE VOLUME DECLINED AT A SLOWER PACE IN DEC'19



Source: NPB, World Trade Monitor

FIG 195 – CHINA'S EXPORTS FALL SHARPLY IN JAN-FEB'20



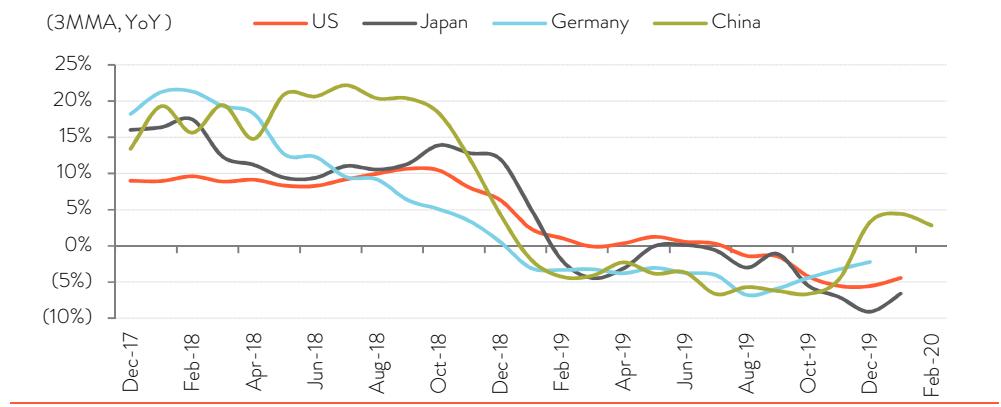
Source: Bloomberg

FIG 194 – TRADE VOLUME PICKS UP IN CHINA AND EMERGING ASIA IN DEC'19; LIKELY TO REMAIN MUTED IN THE NEAR-TERM

Country/Region (% YoY)	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Africa and Middle East	(2.5)	(3.1)	(1.8)	(5.8)	(3.9)	(2.9)	(2.6)
China	(1.8)	(4.5)	(0.5)	(4.3)	(1.4)	3.6	14.2
Eastern Europe / CIS	(0.5)	0.7	1.3	3.2	1.6	3.0	2.5
Emerging Asia (ex. China)	(2.5)	(2.7)	(3.8)	(2.7)	(5.5)	(2.4)	1.4
Euro Area	(0.9)	(0.8)	(1.0)	0.5	0	(0.4)	(2.9)
Japan	1.6	2.3	(0.2)	3.2	(3.6)	(2.9)	(0.7)
Latin America	(4.0)	2.5	(1.8)	(0.8)	(2.7)	(4.2)	(5.0)
US	0	0.2	1.0	(1.9)	(2.8)	(2.5)	(1.8)

Source: NPB, World Trade Monitor

FIG 196 – IMPORTS OF MAJOR ECONOMIES PICKS UP IN JAN'20, EXCEPT CHINA



Source: Bloomberg

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For further details about this publication, please contact:

Economics Research Department

Bank of Baroda

chief.economist@bankofbaroda.com