बैंक ऑफ़ बड़ौदा
Bank of Baroda

India Economics
Monthly Chartbook

September 2026

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Important disclosures are provided at the end of this report.

Domestic growth looks resilient

US -Iran tensions continued to simmer which kept oil prices firmly above the US$ 100/bbl mark. As inflationary risks intensified, global central banks resorted to policy tightening, with the Fed, ECB and BoJ all raising policy rates by 25bps. In India, headline CPI and WPI inflation continued to inch up. Further, the continued deficit in South-West monsoon and lower kharif sowing poses risk to the inflation trajectory. On the positive side, GDP growth surpassed estimates in Q1 FY27, supported by investment and consumption. Major high frequency indicators also signal a healthy pace of expansion. Against this backdrop, RBI policy is closely awaited.

Consumption picture remains strong: Consumption spending in Q1FY27 has grown at a strong pace clocking robust growth in comparison to same period last year. For the ongoing quarter, high frequency indicators such as power demand and digital transaction have registered higher growth. However, consumers have turned pessimistic as noted in RBI's consumer confidence for both urban and rural sector which has deteriorated. On the agriculture front, rainfall activity has been below normal, resulting in lower kharif sowing. This needs careful monitoring as South-West monsoon would soon end.

Service sector growth: Services activity is showing mixed trends in Q2 FY27. Indicators such as, port cargo traffic, GST collections, vehicle registrations, diesel consumption, state-wise stamp duty collections, state tax receipts, bank deposit and credit growth are maintaining momentum in Q2FY27 so far. On the other hand, indicators such as general government spending, e-way bills generated, toll collections, air passenger traffic are facing pressure. Revival of tensions in West Asia, spike in oil prices and supply chain disruptions appear to be having some impact on growth.

Yields have a hardening bias: India's 10Y yield has shown considerable stickiness in Sep'26, in line with US 10Y yield. The upward pressure on domestic yield was more visible post Fed rate hike. Elevated global energy prices is also another factor. The recent auction of 6.94GS2036 also saw cut off yield hardening by 23 bps in the current auction compared to the previous auction. The glut in system liquidity is slowly getting absorbed with RBI's measures. We expect coming policy will broadly hold the narrative for yield.

External headwinds weigh on INR: INR depreciated by 0.6% in Sep'26 (upto 24 Sep 2026) due to a stronger dollar and higher oil prices. DXY rose by 1.9% in the month supported by Fed rate hike and expectations of more rate hikes. At the same time, oil prices hovered over the US$ 100/bbl mark for a major part of the month, which also weighed on INR. FPI outflows too resumed with investors pulling out US$ 2.6bn from the domestic markets in Sep'26. The outflows were broad-based in both equity as well as debt segments. In the short-term, INR is likely to remain under pressure. We expect a range of 95.5-96.5/$. In the long-run, robust foreign inflows, traction in goods and services exports and resilient remittances suggest a favourable BoP outlook, which should benefit INR at the margin.

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

High frequency indicators

Fig 2 – Double digit growth in power demand

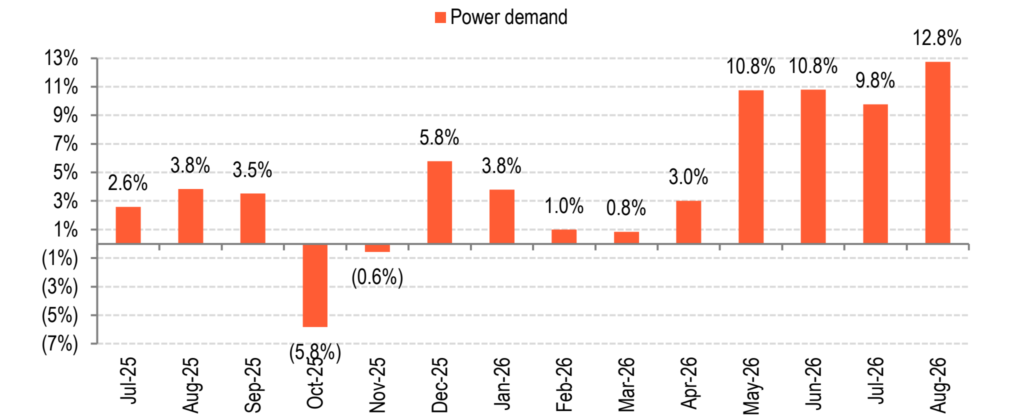


Fig 3 – Volume of UPI transactions rebounds

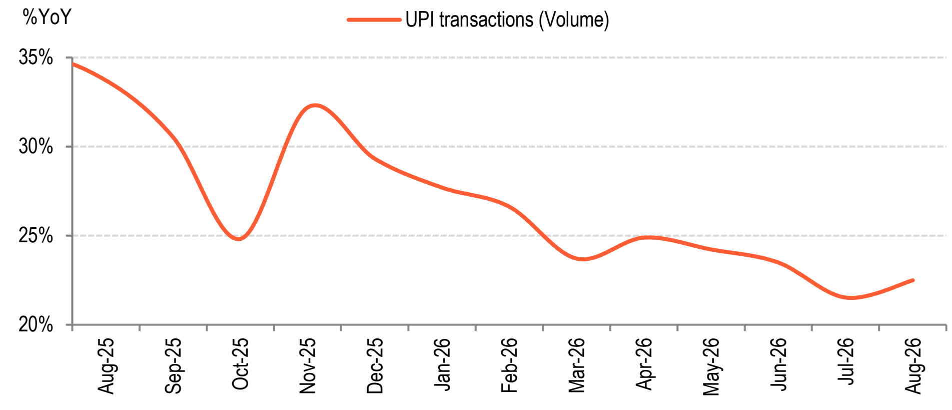


Fig 4 – Steel consumption growth slows down

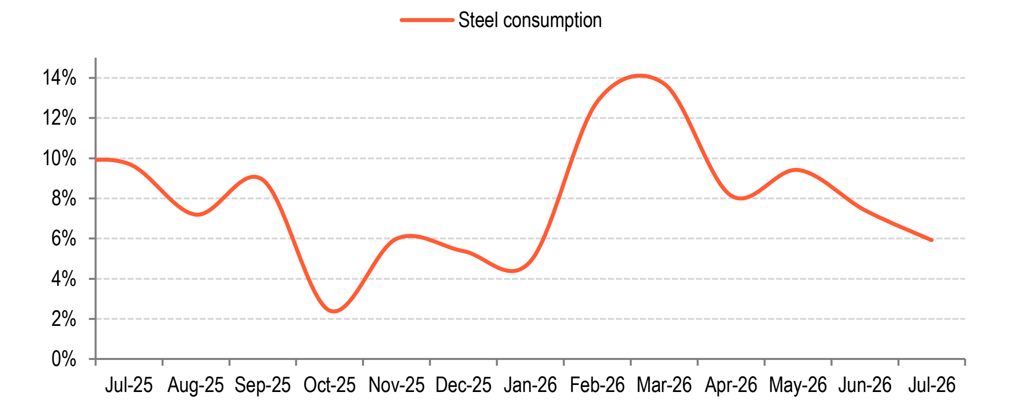
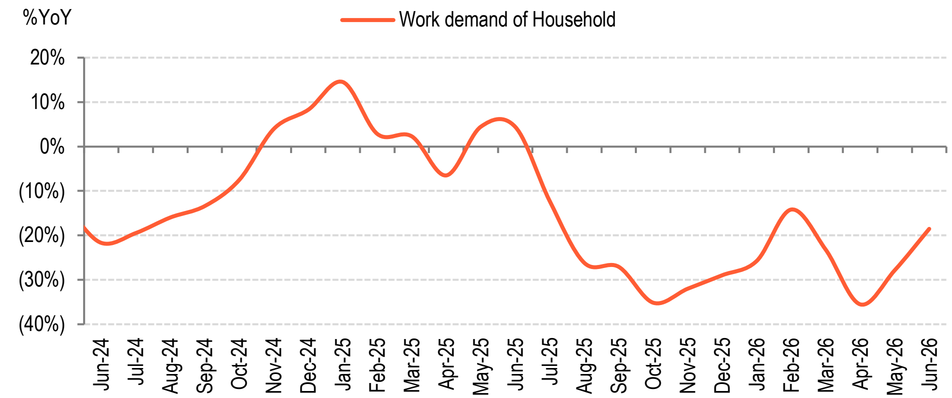


Fig 5 – Demand for work (MGNREGA-household) inch up in Jun'26



GDP - Final consumption expenditure

Fig 6 – Sectoral growth in the last 1-year

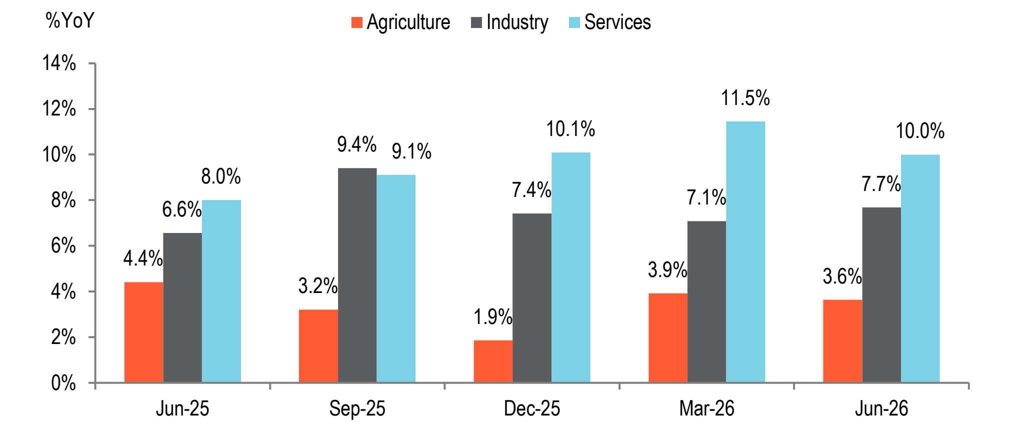


Fig 7 – Nominal GDP grows in double digit

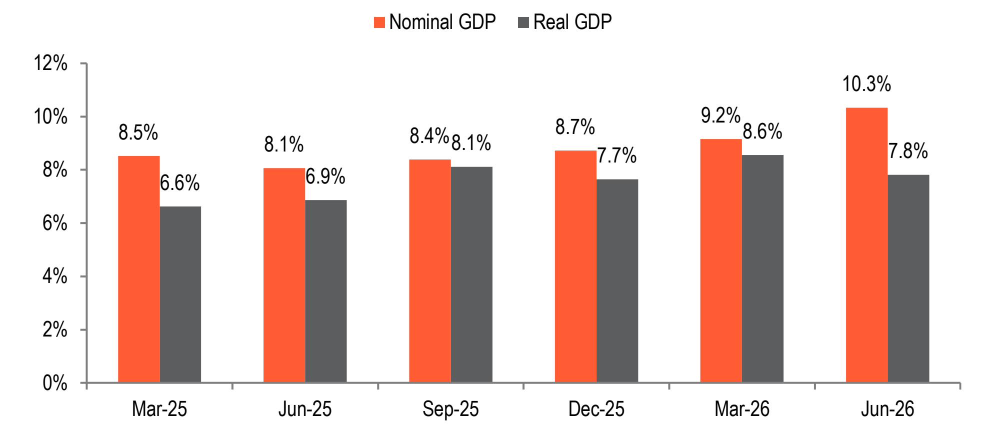


Fig 8 – Private consumption demand improves in Q1

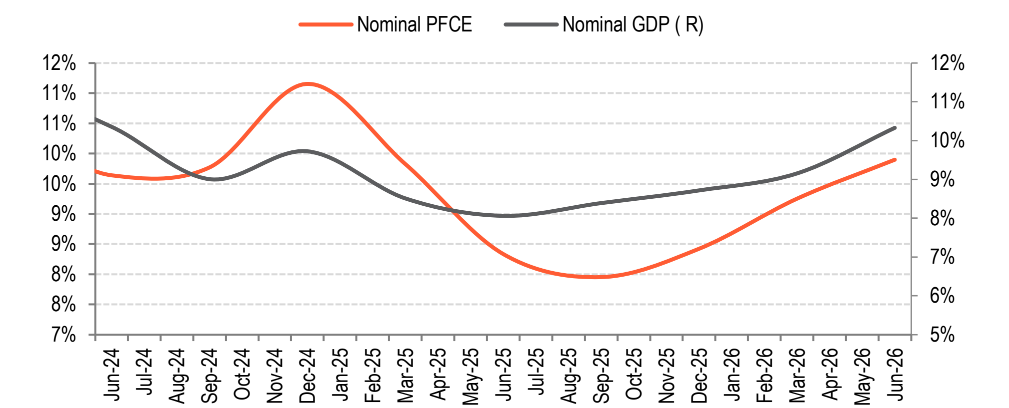
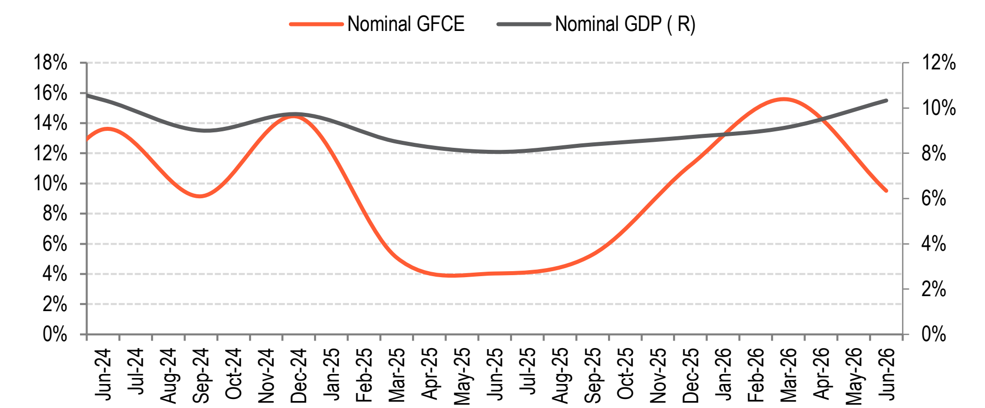


Fig 9 – Growth in government spending dips



Non-oil imports, electronic imports

Fig 10 – Slower growth in non-oil-non-gold imports

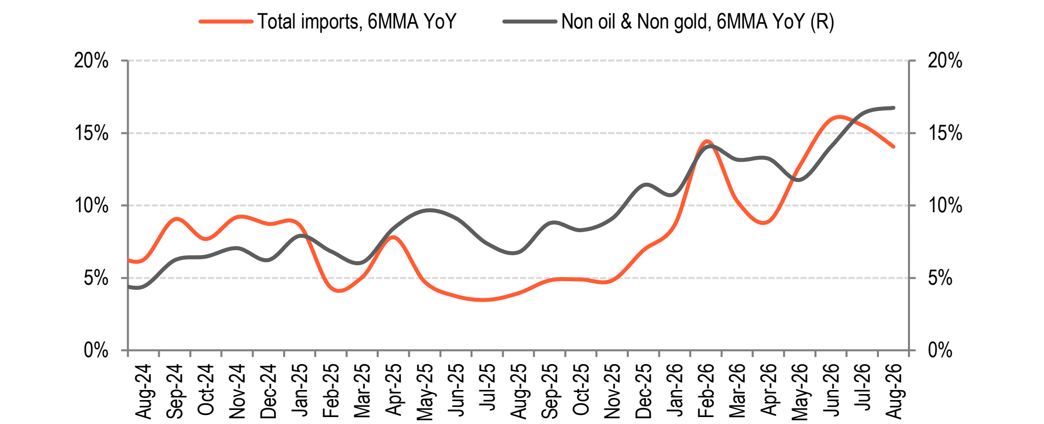


Fig 11 – Electronic imports moderate in Aug'26

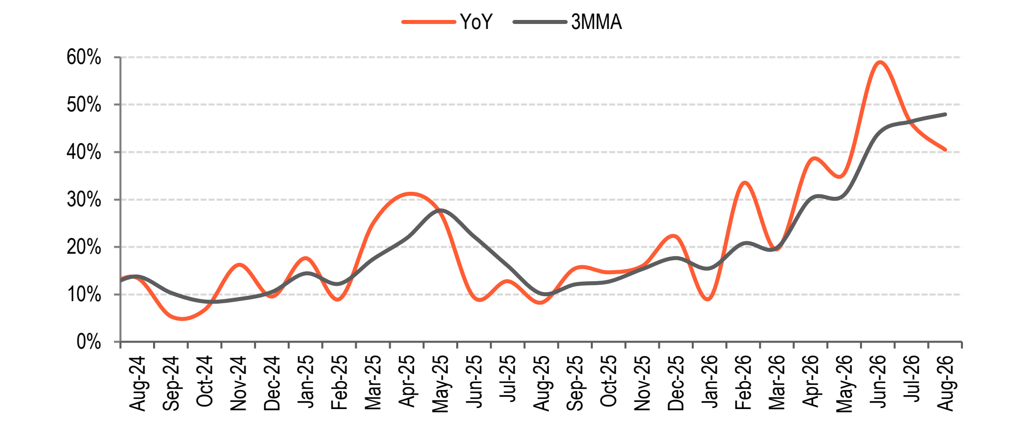


Fig 12 – Retail passenger vehicle sales continue to decline

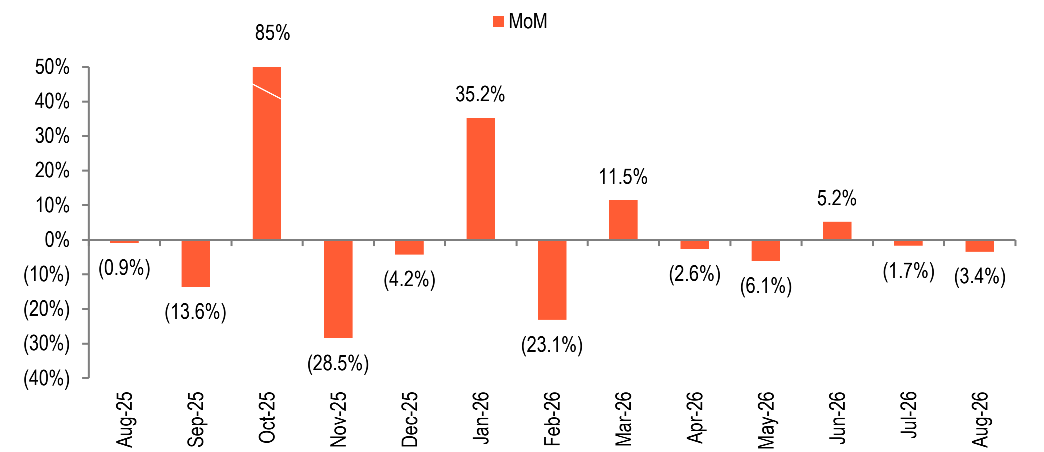
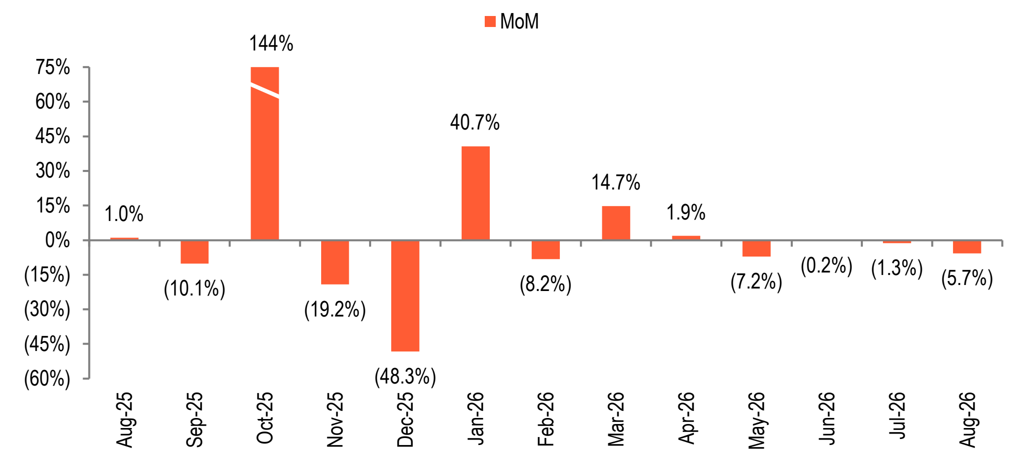


Fig 13 – Two-wheeler sales also contract for the same period



Source: FADA

Credit deployment of personal loans

Fig 14 – Growth in personal loans remains steady

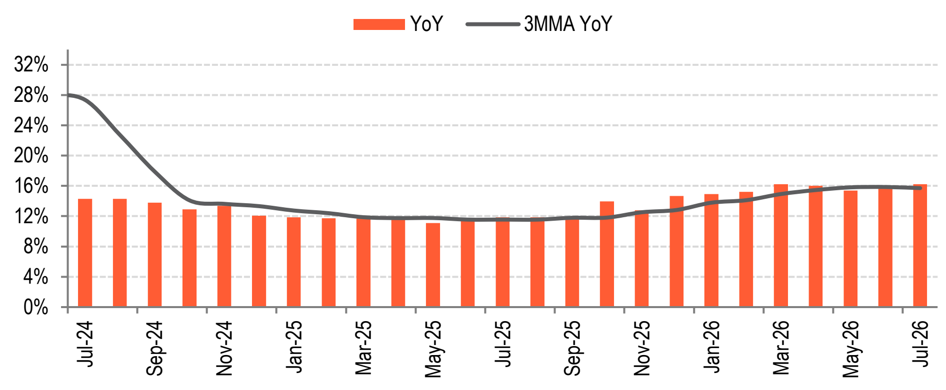


Fig 15 – Growth in credit card outstanding slows down

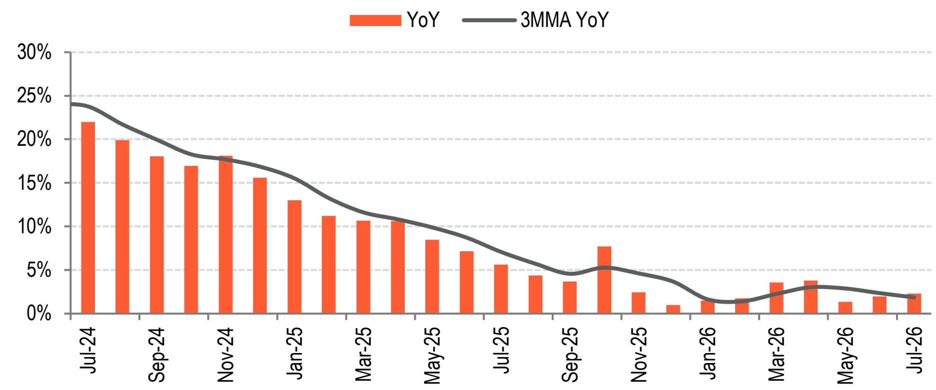


Fig 16 – Higher growth in vehicle loans

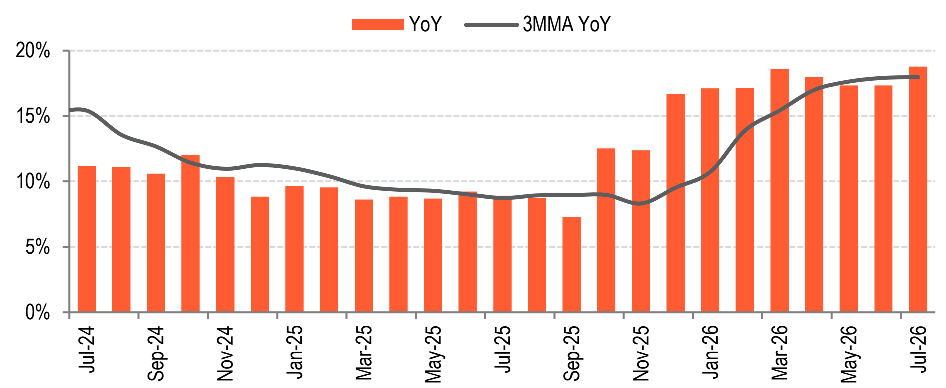


Fig 17 – Steady growth in other personal loans

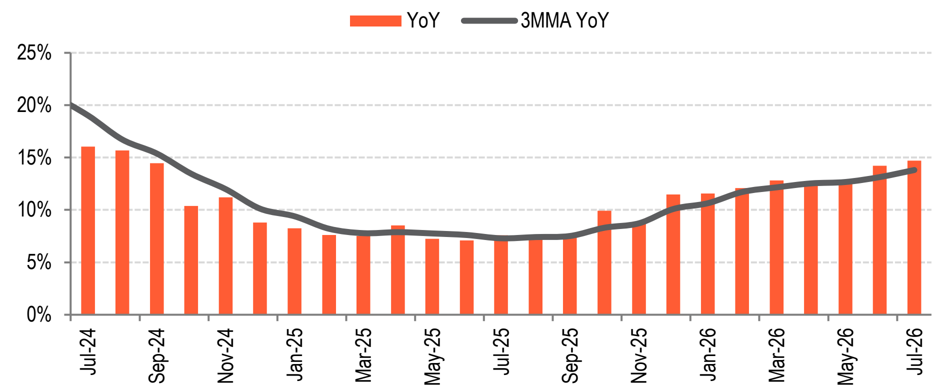


Fig 18 – Consumer confidence weakens in Jul'26 (Urban)

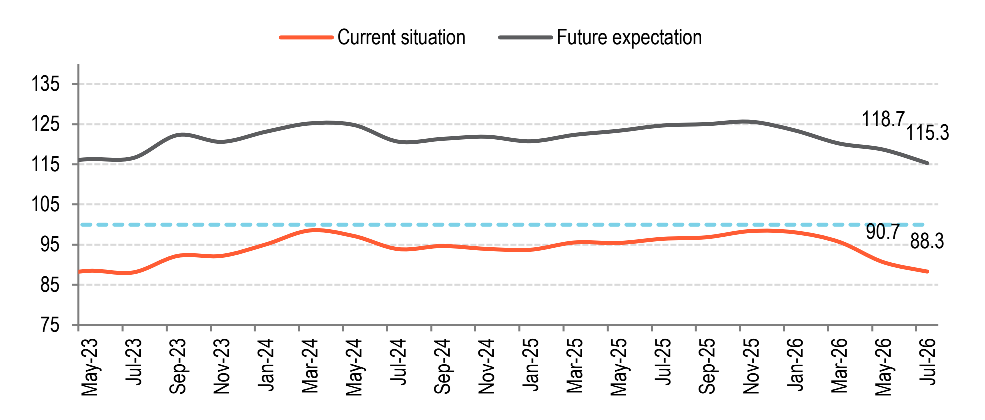
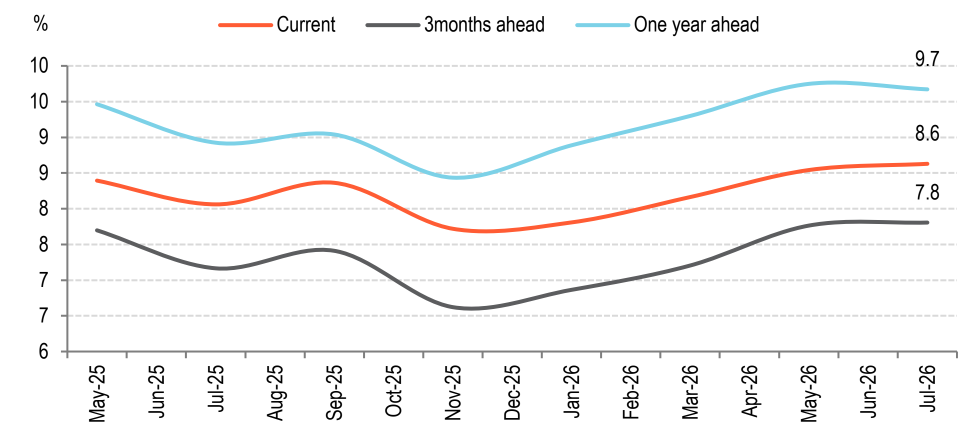


Fig 19 – Inflation expectations remain steady



Consumer durables & non-durables production

Fig 20 – Higher growth in consumer durables output

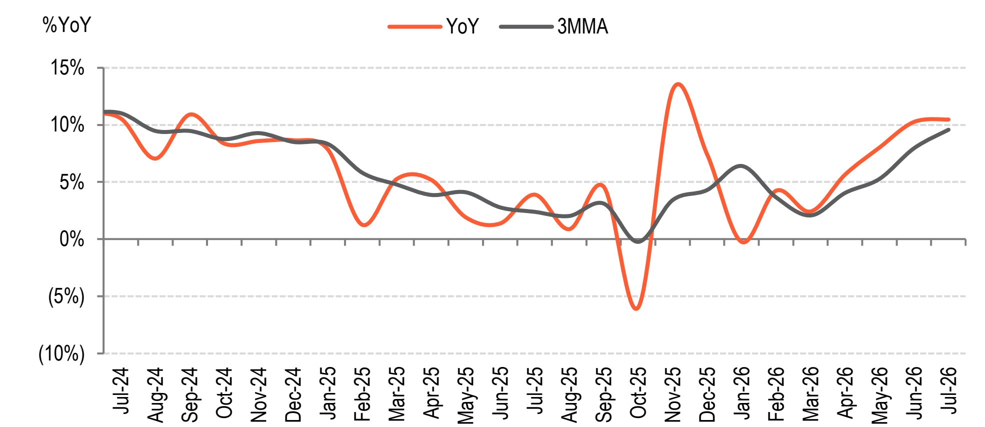
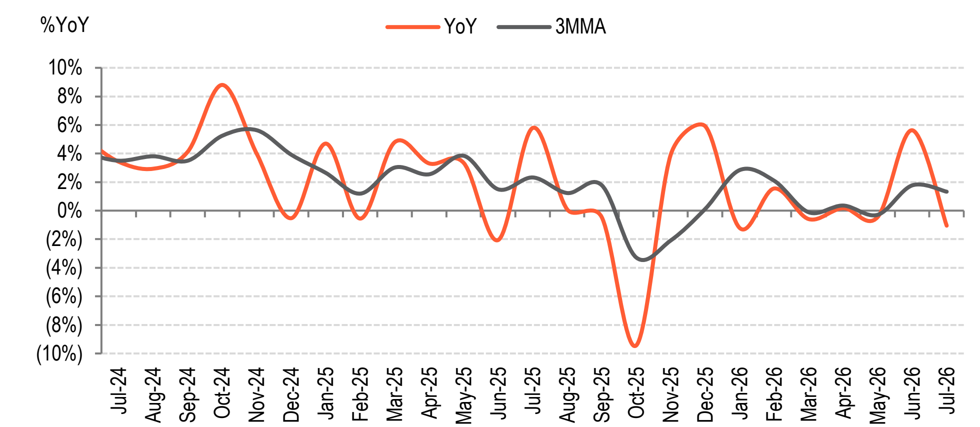


Fig 21 – FMCG output slips in contraction



Agriculture

Fig 22 – Agriculture growth falters in Q1FY27

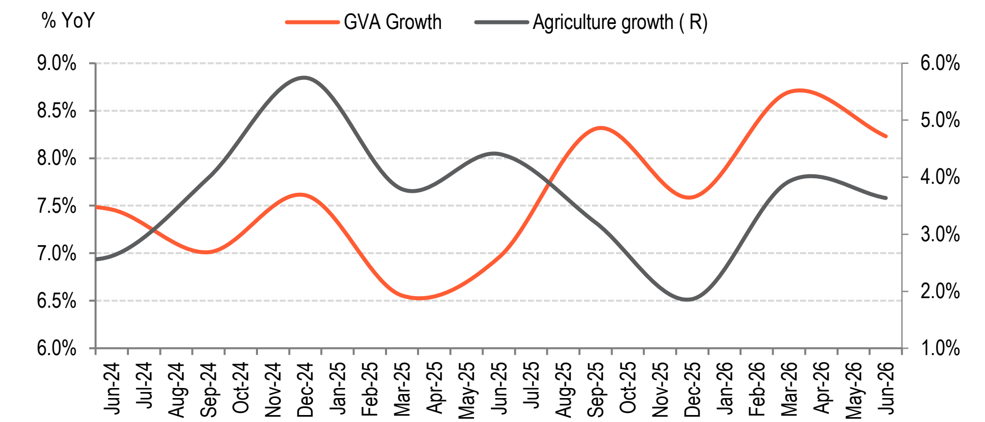
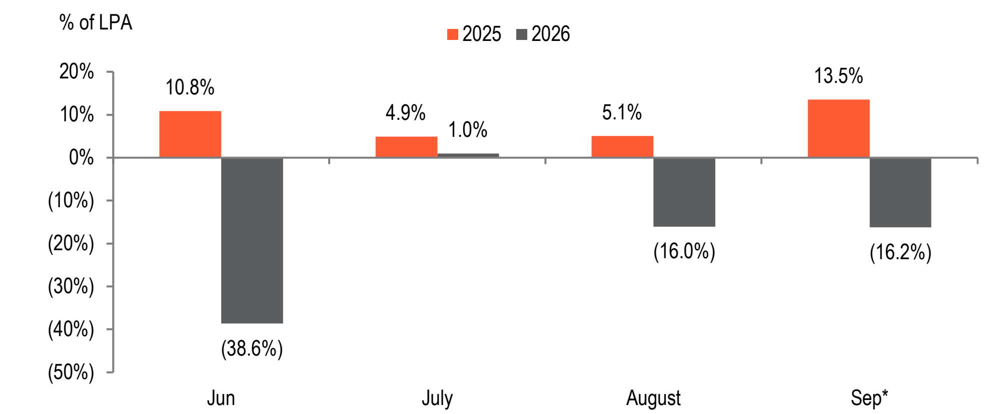
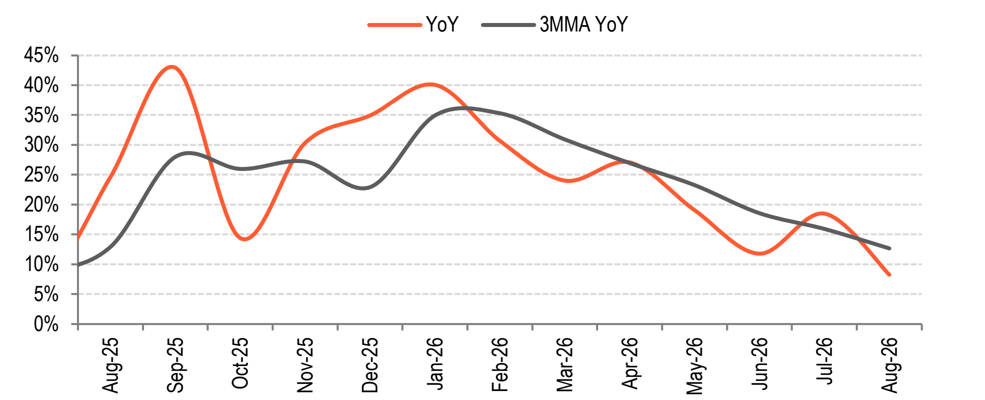


Fig 23 – Tracking rainfall for the last 3-months (% departure of LPA)



Note: * Sep data till 24.9.2026

Fig 24 – Slower growth in tractor sales



Note: Tractor sales including exports

Fig 25 – Growth in agriculture credit strengthens

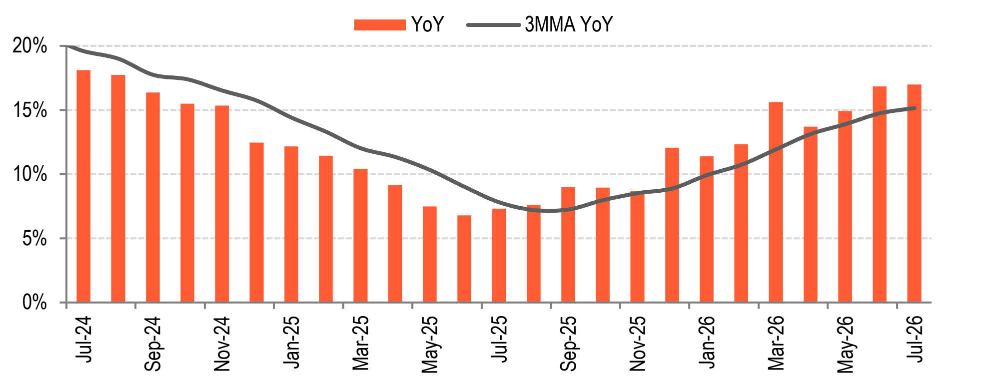
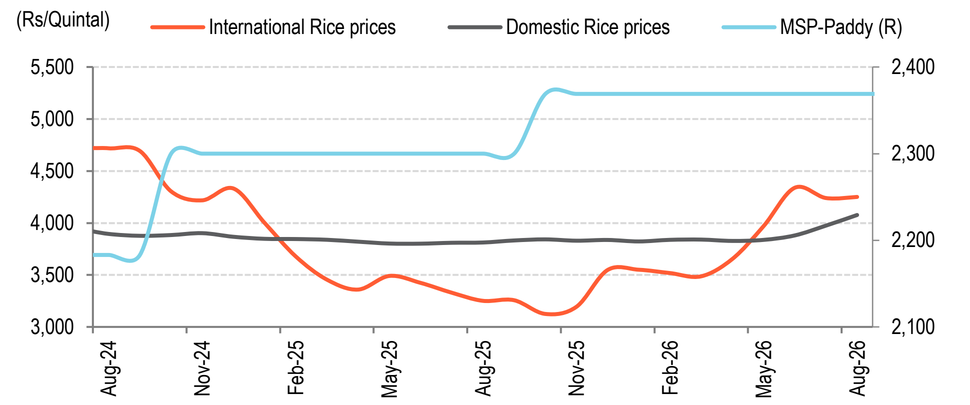
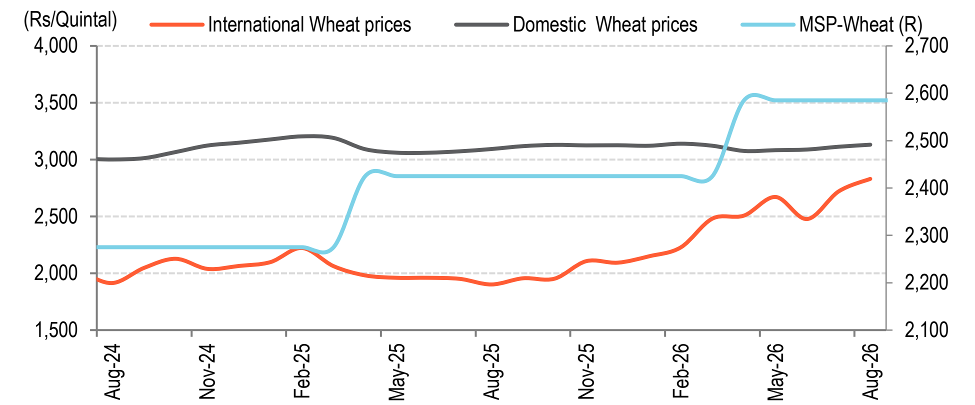


Fig 26 – Both domestic and international rice prices were higher



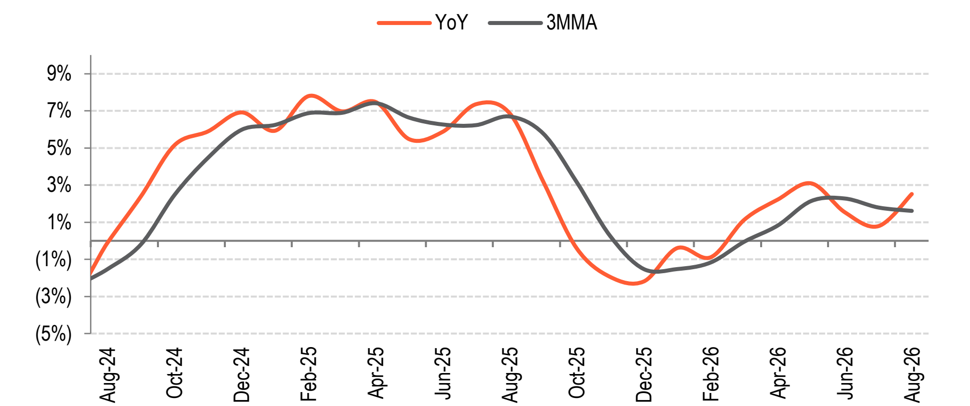
Source: World Bank

Fig 27 – Both domestic and international wheat prices were also higher



Source: World Bank

Fig 28 – Global food prices inch up in Aug'26



Source: FAO

Fig 29 – Procurement of rice and wheat

Year	Wheat	Rice
2017-18	30.83	38.19
2018-19	35.80	44.39
2019-20	34.13	51.83
2020-21	38.99	60.17
2021-22	43.34	57.59
2022-23	18.8	54.32
2023-24	26.2	52.54
2024-25	26.61	55.53
2025-26	29.98	57.36
2026-27*	35.76	

Source: CMIE | *As on: 30 Aug 2026

Fig 30 – Kharif sowing is lower than last year

Crop type	2025 (area:'000 hac)	2026 (area:'000 hac)	Growth
Foodgrains	74,850	73,473	(1.8)
Cereals	63,055	61,507	(2.5)
Rice	44,592	42,928	(3.7)
Pulses	11,795	11,966	1.5
Oilseeds	19,475	19,476	0
Cotton	11,060	10,961	(0.9)
Sugarcane	5,887	5,847	(0.7)
Jute & Mesta	624	635	1.8

Note: Data for 18 Sep 2026

Inflation

Fig 31 – Headline CPI rose to its highest since Dec'24 to 4.8% led by 44bps jump in food inflation…

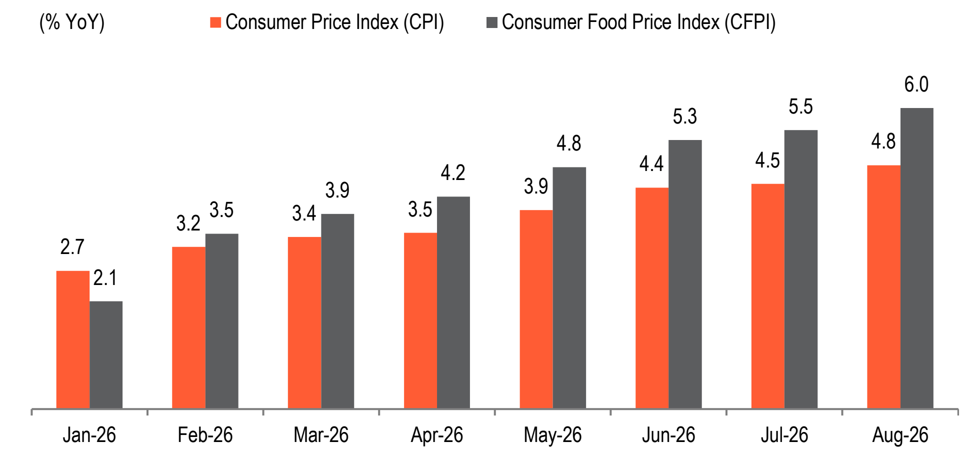


Fig 32 – …Within food inflation, meat and fish, fruits and nut and edible oils pose upside risks

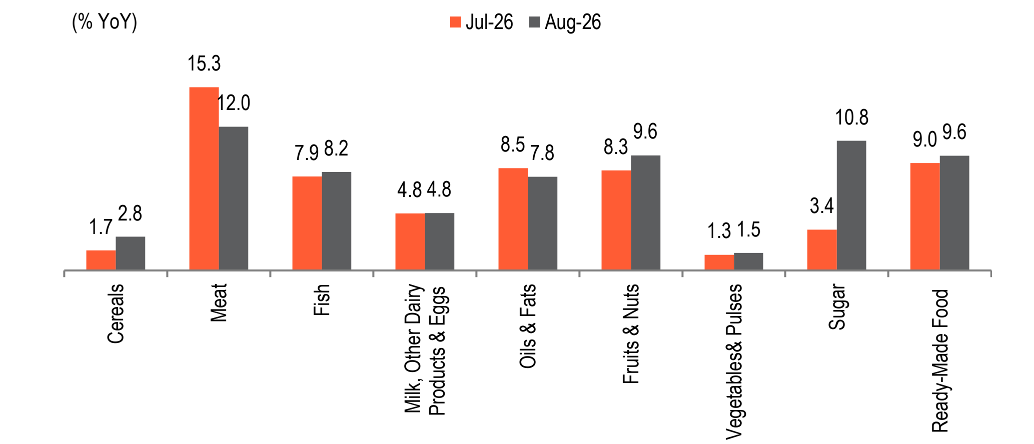


Fig 33 – Core excl. precious metals is also inching up

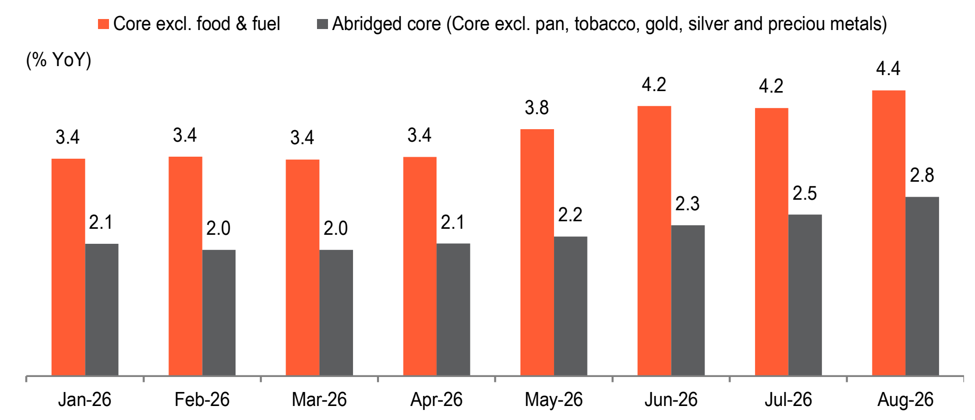
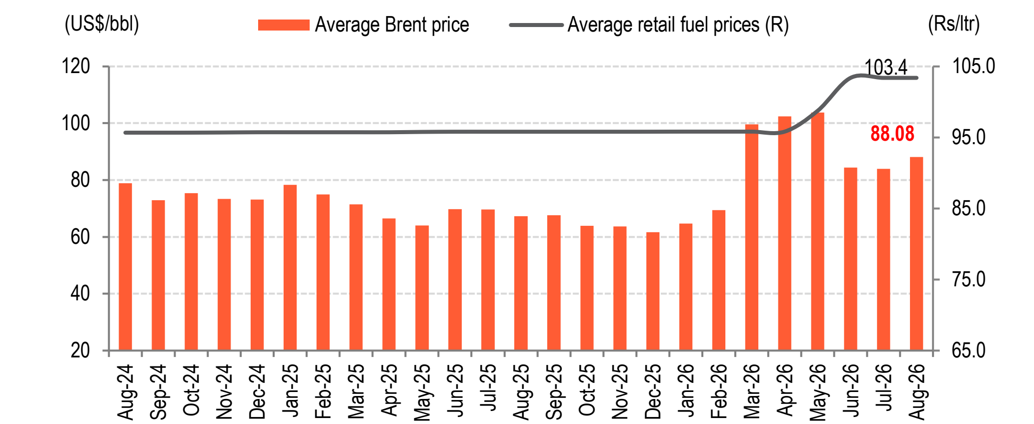


Fig 34 – Domestic retail price was stable at Rs 103.4/lt in Aug'26, average crude price slightly edged up to US$ 88/bbl in Aug'26 and currently higher at US$ 101.6/bbl



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

Industry

Fig 35 – Manufacturing PMI expands in Sep'26

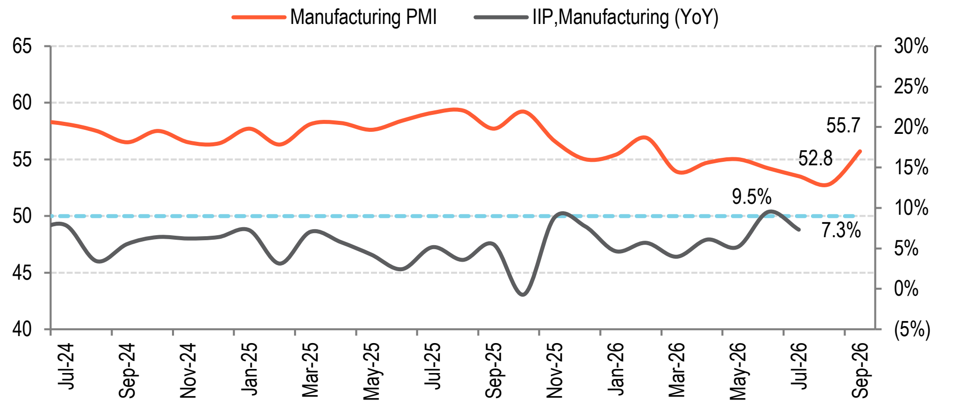


Fig 36 – Barring Mining, other sectors registered higher growth in Jul'26

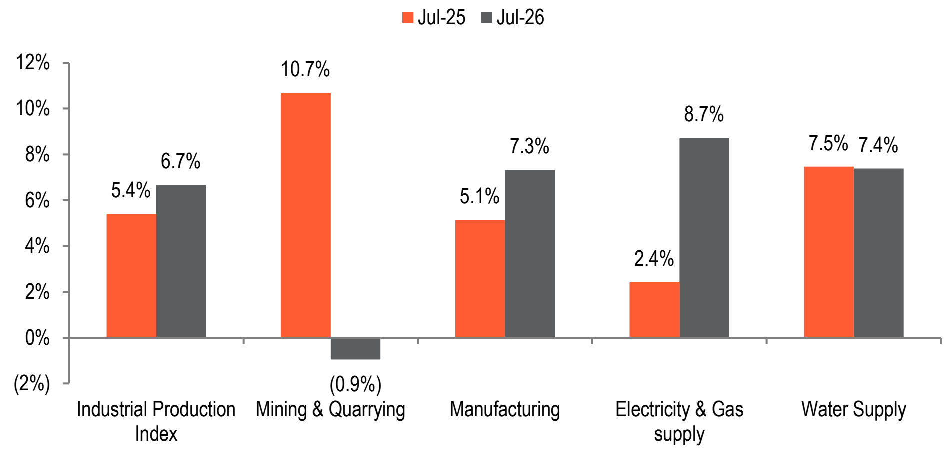


Fig 37 – IIP growth advances in Jul'26

Sectoral (%)	Weight	July-25	July-26	Apr-Jul'25	Apr-Jul'26
Industrial Production Index (IPI)	100.0	5.4	6.7	4.0	6.3
Mining & Quarrying (MQ)	11.1	10.7	(0.9)	5.0	(1.1)
Manufacturing (Mfg)	76.1	5.1	7.3	4.3	7.0
Electricity & Gas supply (EG)	10.9	2.4	8.7	(0.8)	8.7
Water supply, sewage & waste Management (WS)	2.0	7.5	7.4	8.1	6.3
Use-Based					
Primary Goods	31.1	4.8	4.1	2.2	3.3
Capital Goods	8.1	5.9	16.1	8.1	15.4
Intermediate Goods	22.4	3.5	10.0	4.6	9.4
Infrastructure /Construction Goods	10.9	11.2	6.9	7.4	7.1
Consumer Durables Goods	11.3	3.9	10.5	3.1	8.7
Consumer Non-Durables Goods	16.1	5.8	(1.0)	2.6	1.1

Infrastructure and construction

Fig 38 – Infrastructure good register lower growth in Jul'26

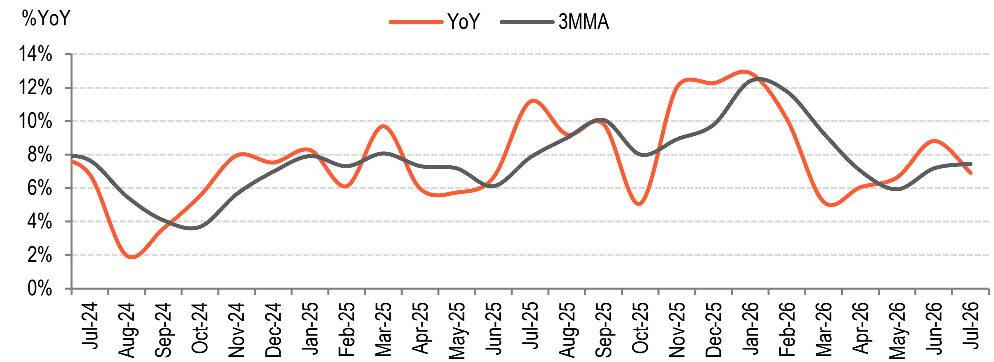
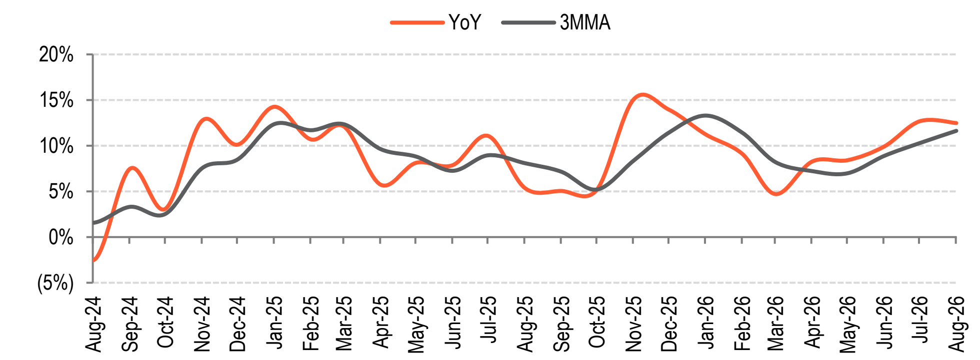


Fig 39 – Slower growth in cement output



Infrastructure index

Fig 40 – Core sector output eases marginally

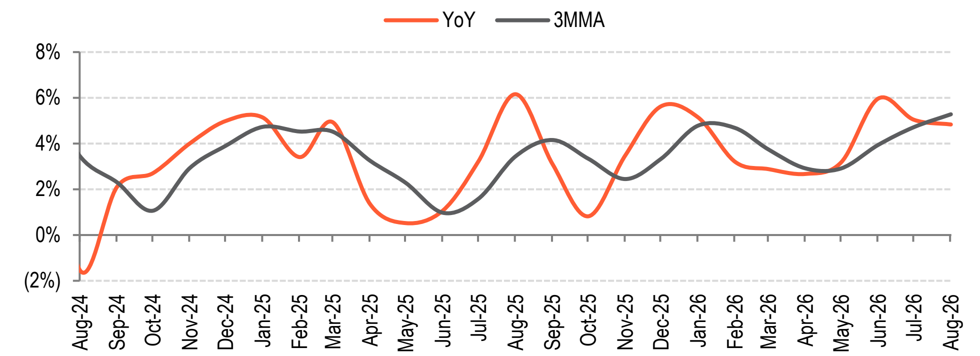
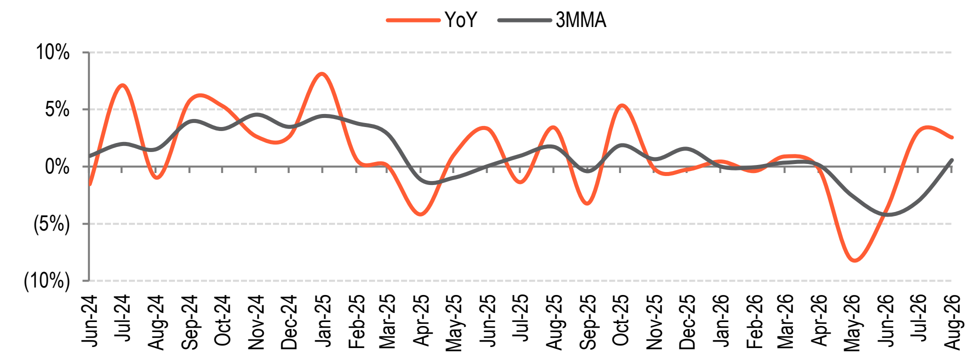


Fig 41 – Moderation in refineries output



Auto production & Electricity generation

Fig 42 – Weakness noted in auto production

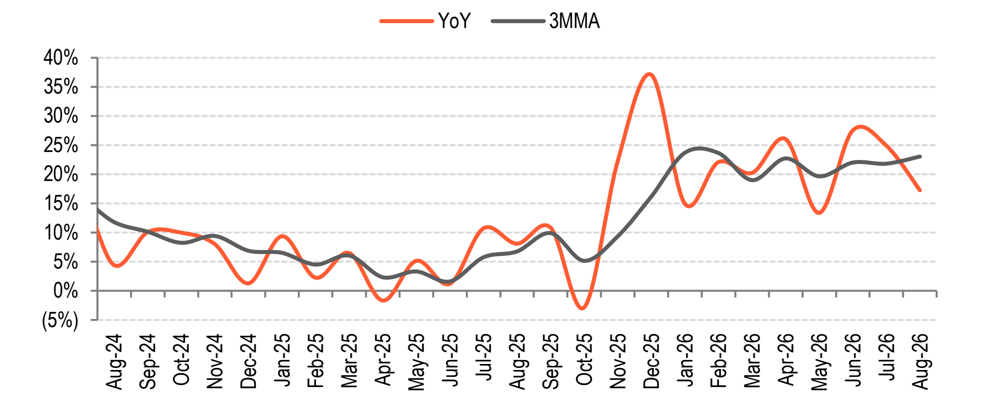


Fig 43 – Electricity generation register stable growth

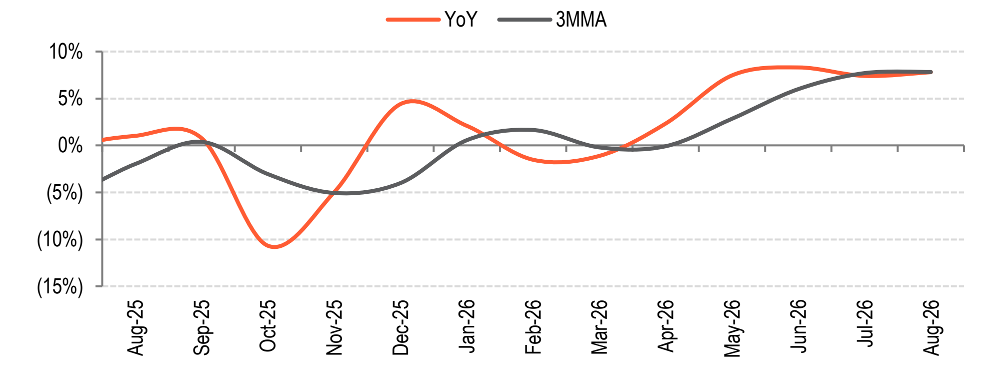
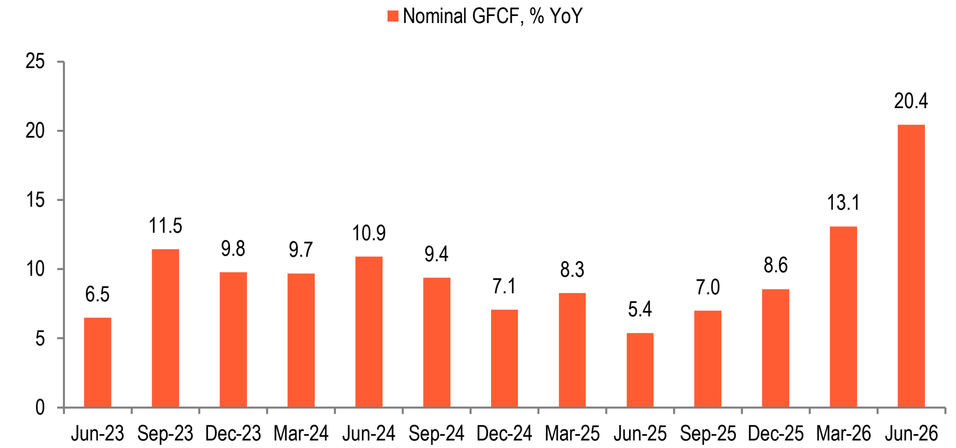


Fig 44 – Infrastructure index moderate in Aug'26

(%)	Weight	Aug-25	Aug-26	Apr-Aug'25	Apr-Aug'26
Infrastructure Index	100	6.2	4.8	2.4	4.3
Coal	5.6	10.8	(3.8)	(0.7)	(3.2)
Natural Gas	3.8	(2.2)	(4.9)	(2.7)	(4.4)
Crude Oil	7.4	(0.7)	(3.6)	(1.4)	(4.1)
Refinery Products	22.6	3.4	2.6	0.4	(1.4)
Fertilizers	2.7	4.5	(12.4)	(0.9)	(6.7)
Steel	17.6	15.3	3.4	11.8	4.1
Cement	4.4	5.4	12.5	7.6	10.3
Electricity	30.9	4.2	11.6	0.7	9.6
Iron Ore	4.9	7.9	5.5	(3.4)	21.8

Investment

Fig 45 – Nominal GFCF rose at the sharpest pace by 20.4% in Q1FY27 in the new series, real GFCF grew by 12%



Source: https://www.policyuncertainty.com

Fig 46 – Capital goods production was at 16.1% in Jul'26 compared to 17.9% in Jun'26

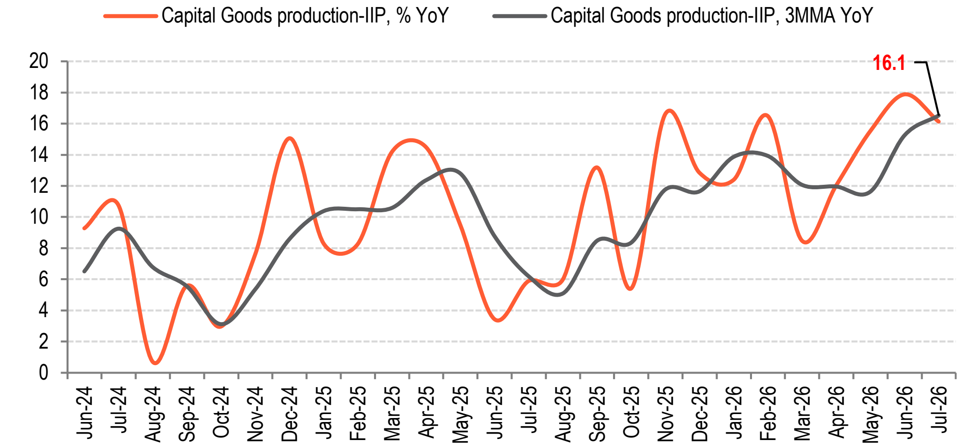


Fig 47 – Capital goods import inched up to 13.5% in Aug'26 from 10.2% in Jul'26

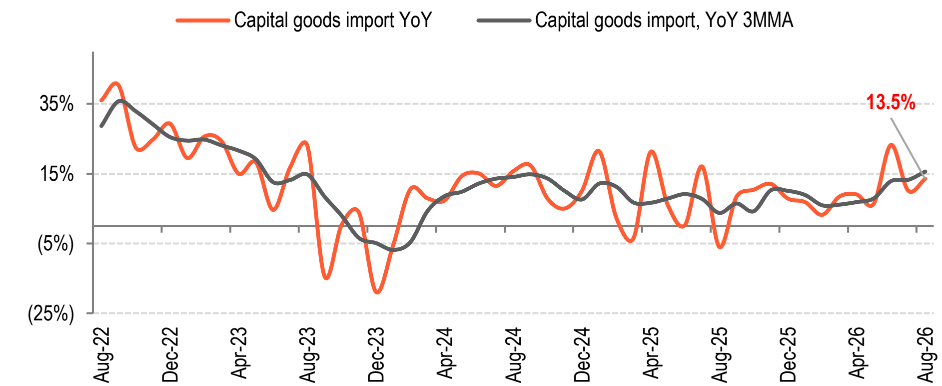


Fig 48 – Centre's capex spending inched up by 3.1% in Jul'26 compared to -1% decline in Jun'26, on 12month trailing sum basis

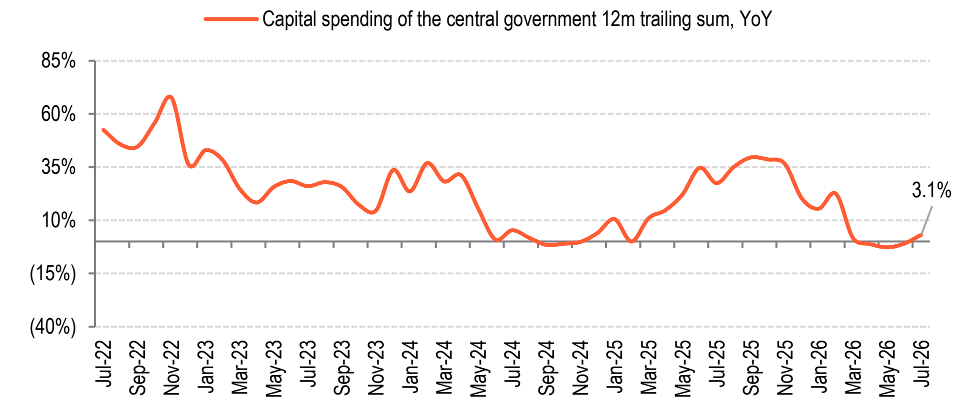


Fig 49 – Credit to medium industry inched up to 30.5% in Jul'26 compared to 30.3% in Jun'26, for micro and small industry it was at 22.6%

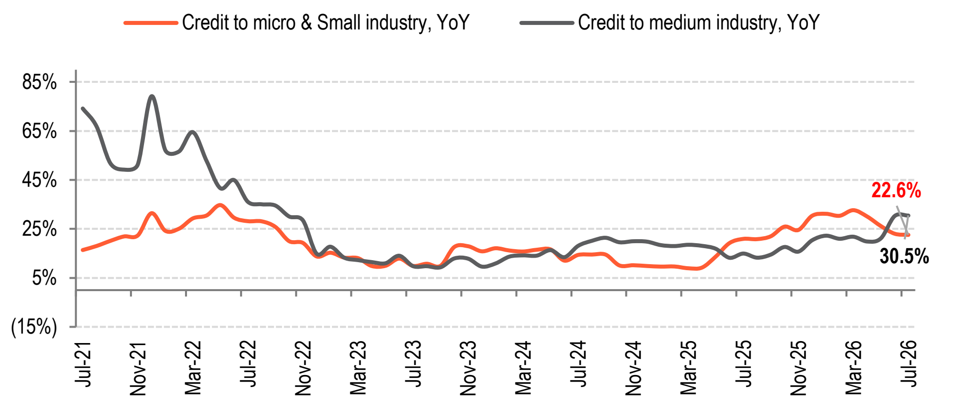
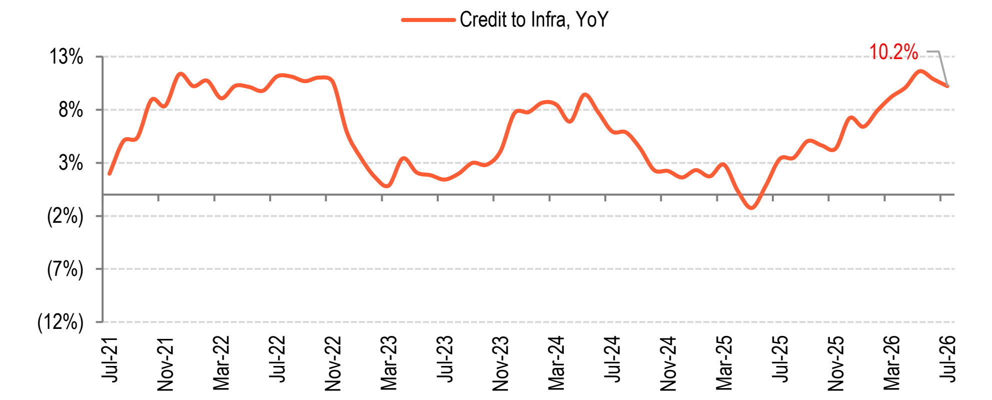


Fig 50 – Credit to infra was at 10.2% in Jul'26 compared to 10.9% in Jun'26



Services sector

Fig 51 – GVA: Services sector growth moderated slightly in Q1FY27, reflecting the impact of US-Iran war

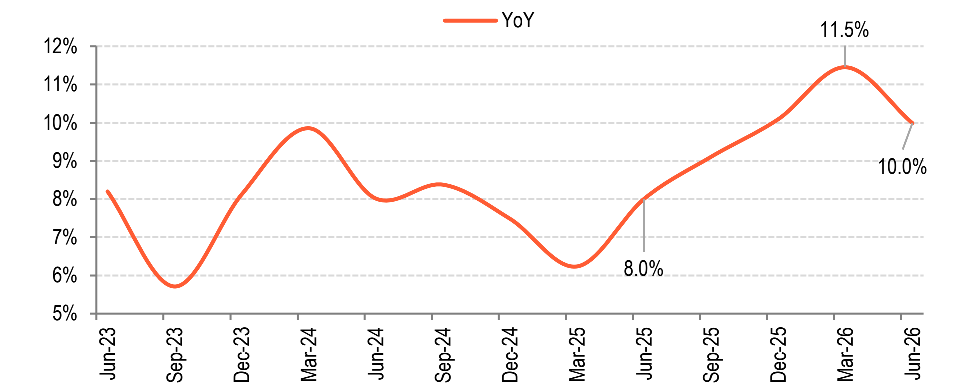
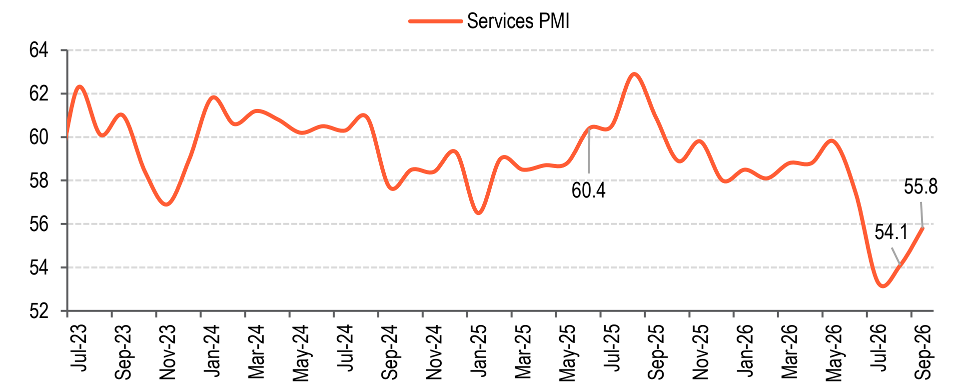


Fig 52 – Services PMI shows activity slowed in Q2FY27 (avg: 54.4) versus last year during the same period (avg: 61.4) and even last Q1FY27 (58.7)



Source: Markit

Fig 53 – GVA: Trade & related services led the drag

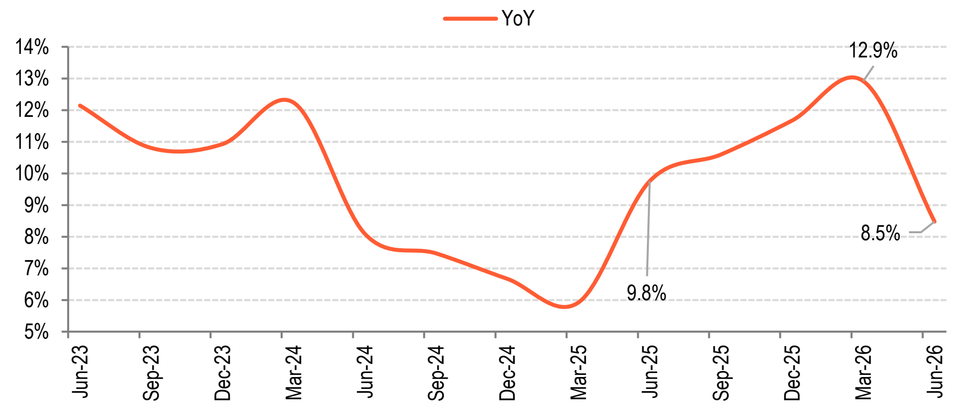
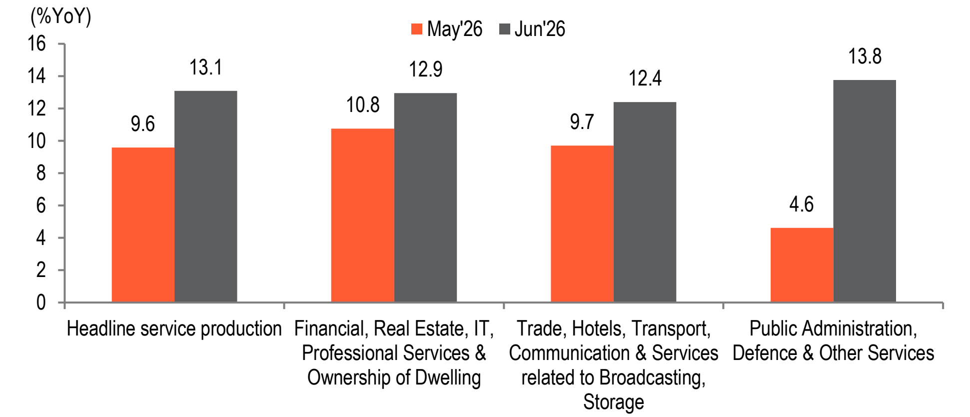
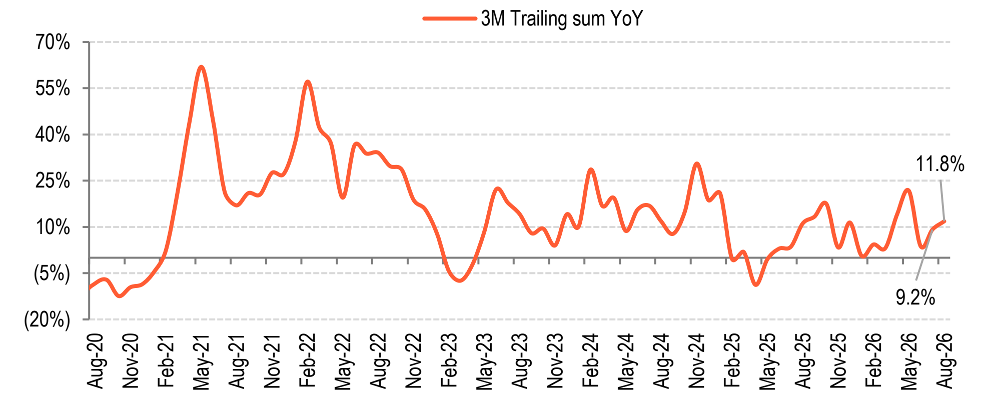


Fig 54 – Index for services production shows activity had picked up pace in Jun'26



Trade

Fig 55 – States' tax revenue growth seen picking up in Aug'26



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

Fig 56 – Vehicle registration growth continues to maintain upward momentum

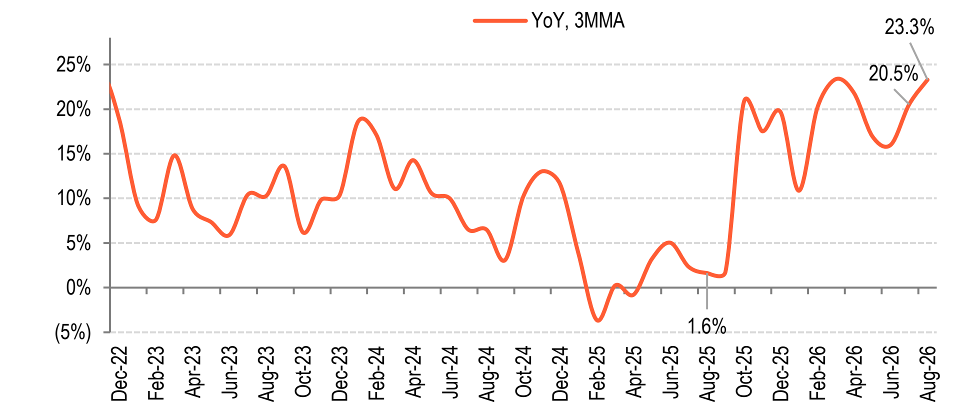


Fig 57 – Diesel consumption growth seen recovering at the start of Q2FY27

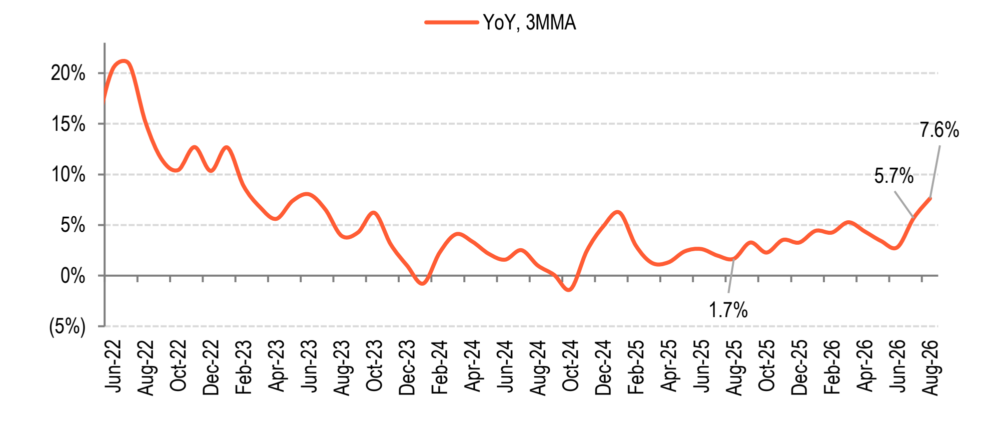


Fig 58 – Port cargo traffic remains stable in Q2FY27 so far (Jul-Aug)

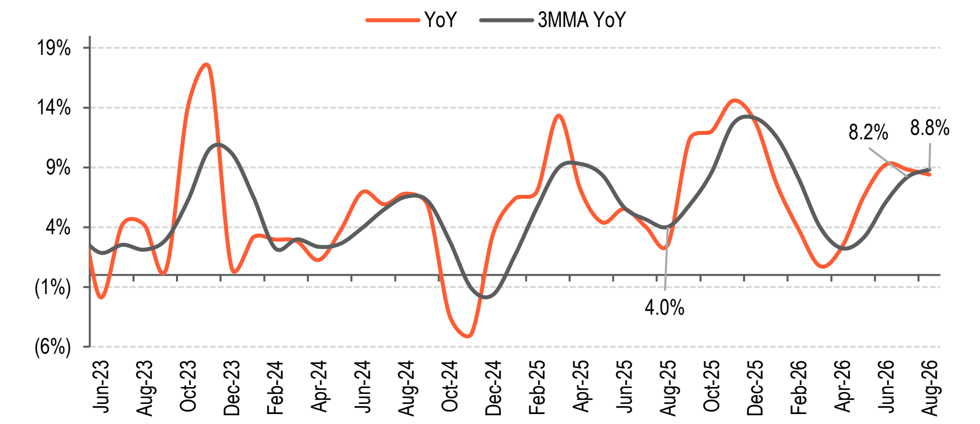


Fig 59 – Toll collection growth maintaining steady deceleration

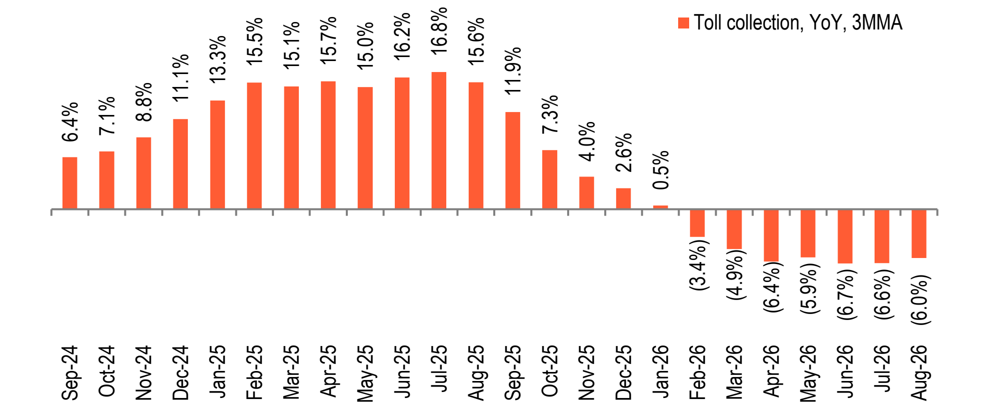
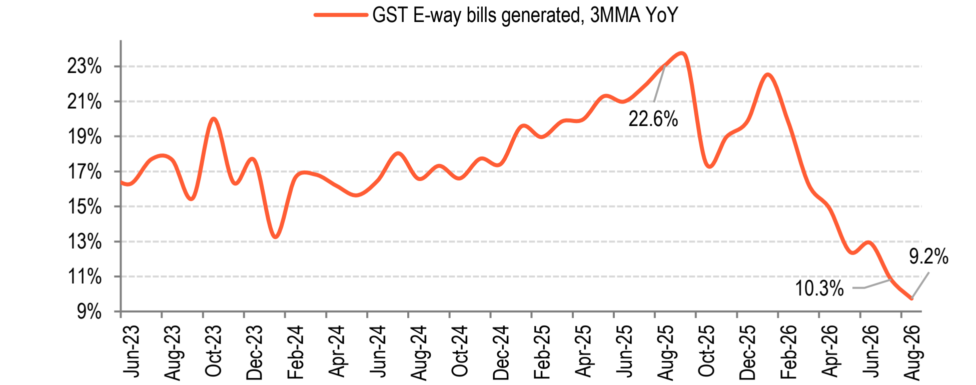


Fig 60 – E-way bill generation growth also moderating



Hotels and communications

Fig 61 – Airline passenger traffic fell in Aug'26, Iran war intensified once again in that period

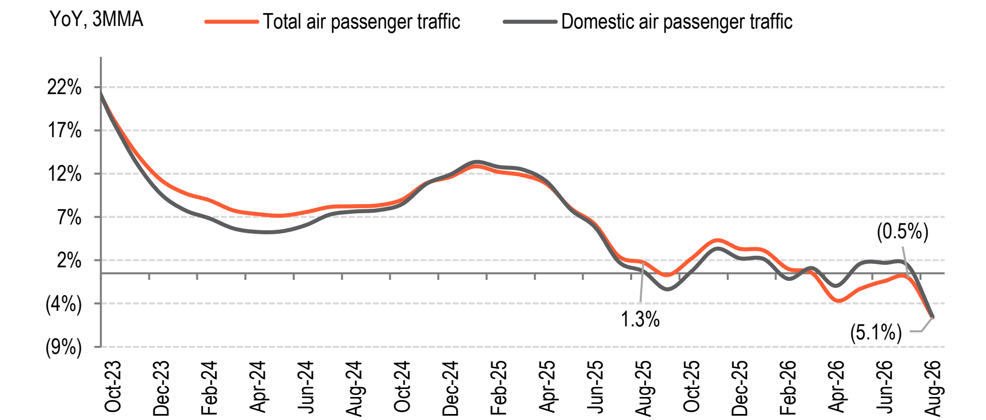
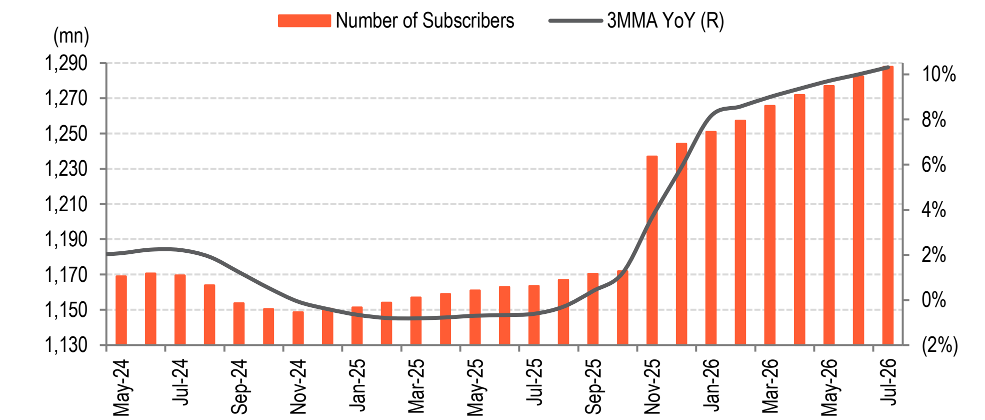


Fig 62 – Number of telecom subscribers rose by 5.5mn in Jul'26, compared with 0.5mn added last year during the same period



Finance and real estate

Fig 63 – Growth in GVA: Finance, real estate & prof. was relatively stable in Q1FY27 and remained much higher than Q1FY26

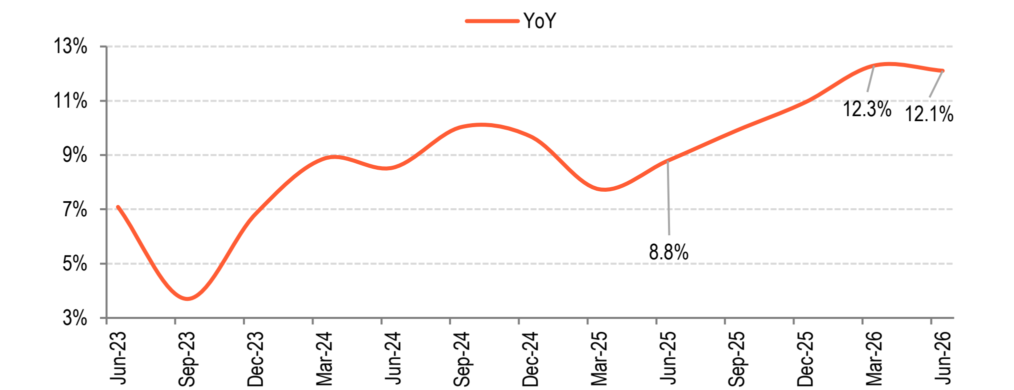


Fig 64 – Credit growth inching up, outpacing deposit growth in Q2FY27 so far; both credit and deposit growth much higher than last year

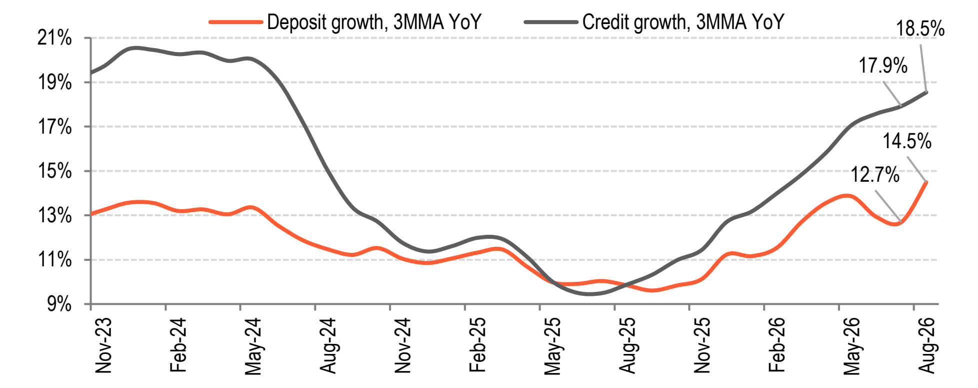


Fig 65 – Credit to both industry and services maintaining upward momentum in Aug'26

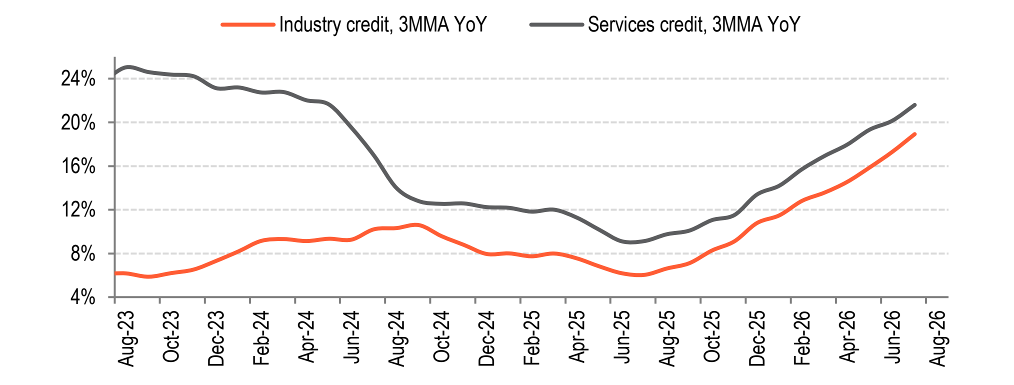


Fig 66 – Within services, credit to NBFCs continue to lead the growth

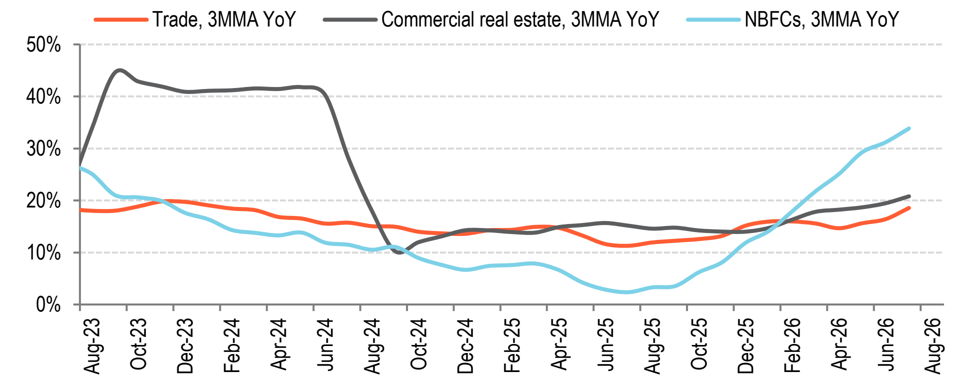
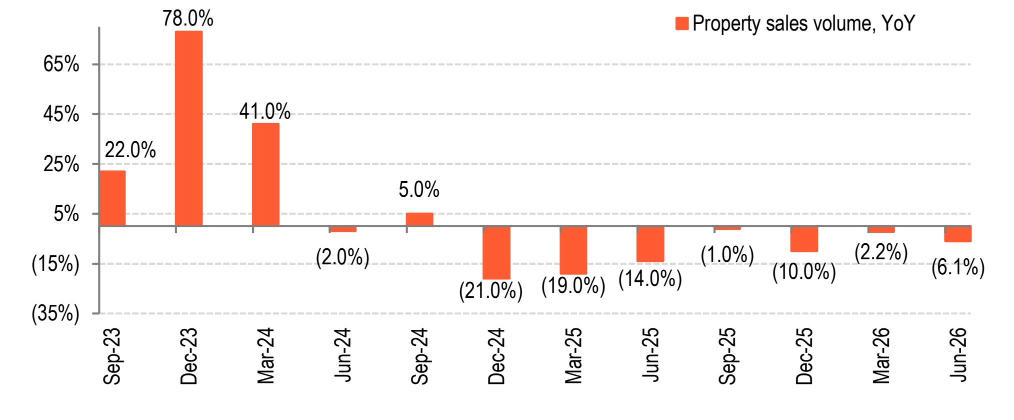
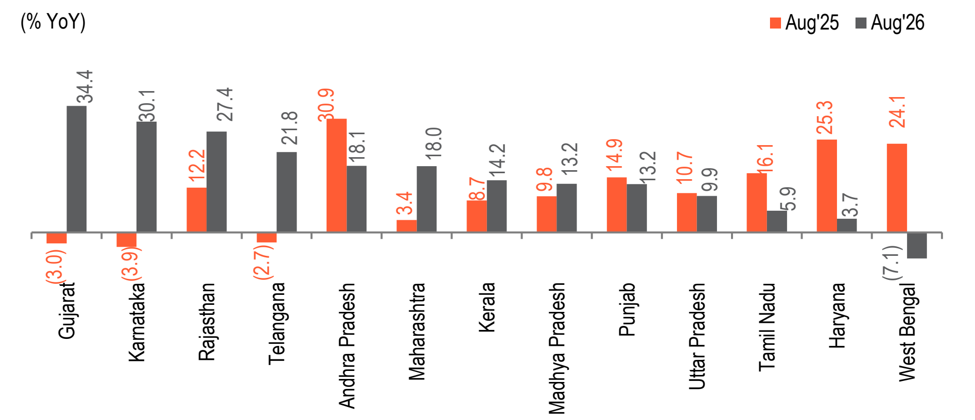


Fig 67 – Property sales volume remained subdued in Q1FY27



Source: Proptiger

Fig 68 – Stamp duties of Gujarat, Karnataka, Rajasthan, Telangana, and Maharashtra, record strong collections till Aug'26 (FYTD basis) versus last year



Public administration

Fig 69 – GVA: Public admin & defence services eased a tad in Q1FY27

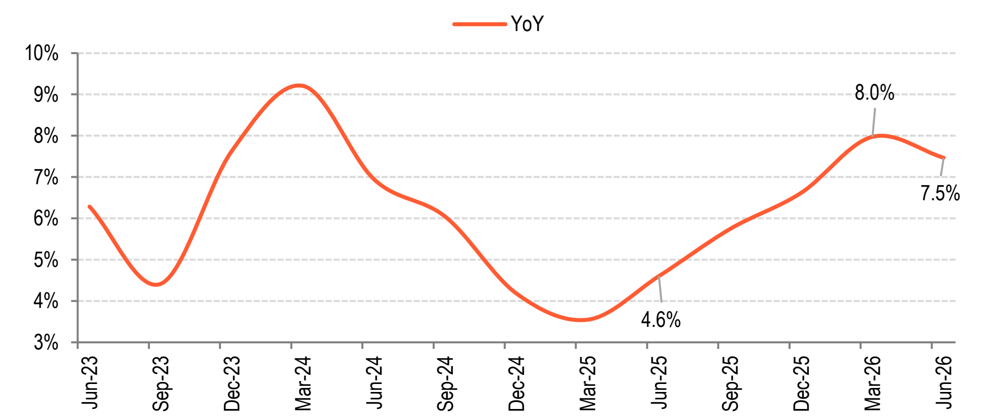


Fig 70 – General govt. spending slowed further in Jul'26

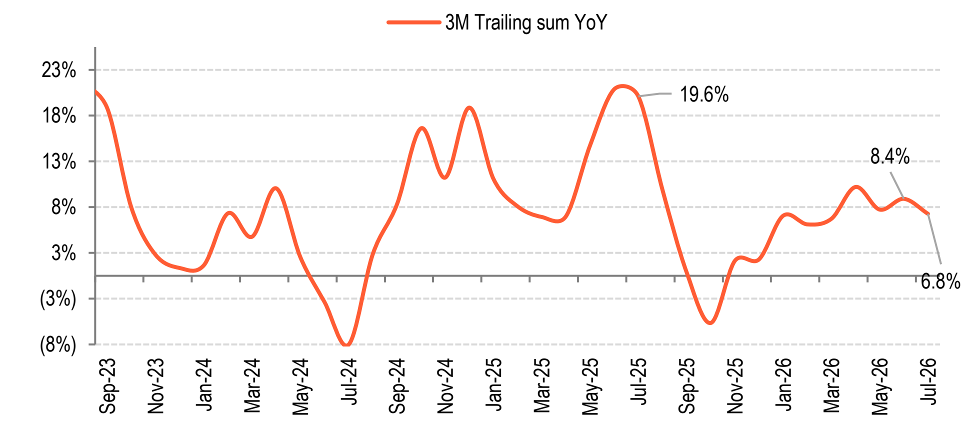


Fig 71 – …as central government spending eased

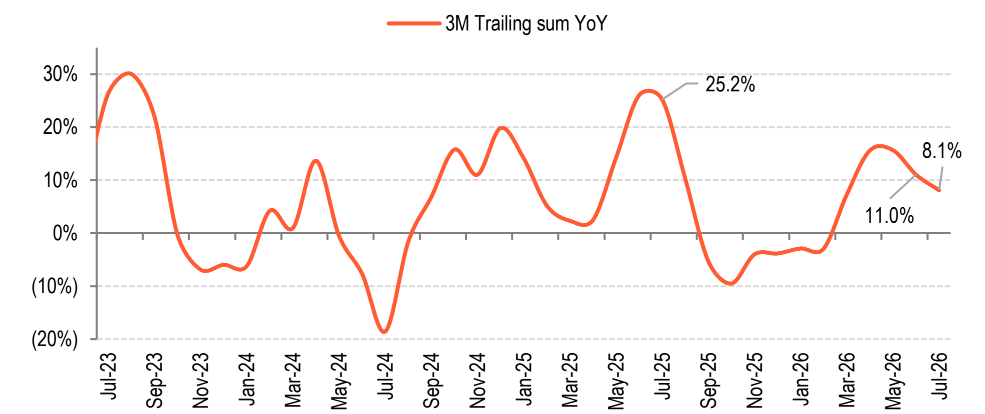
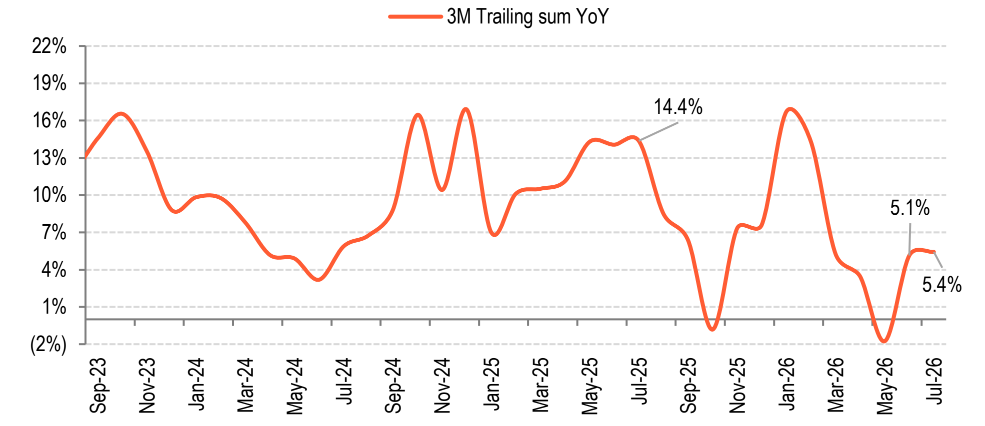


Fig 72 – State* Govt. spending beginning to pick up pace



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

Financial sector

Money and banking

Fig 73 – Credit growth still outpaces deposits growth…

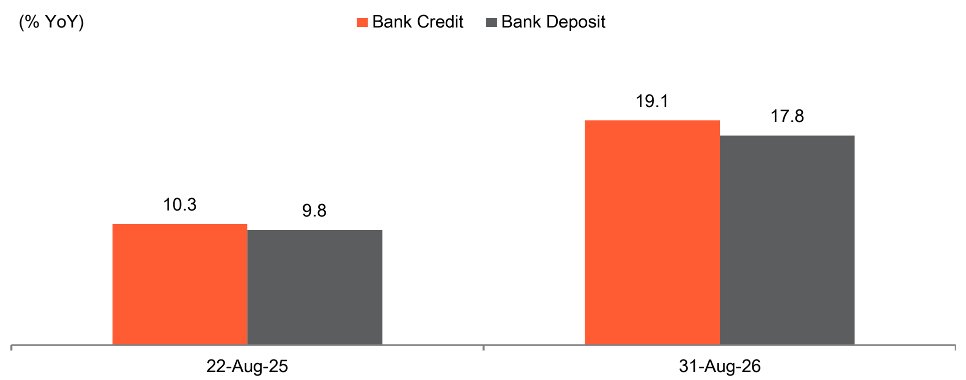
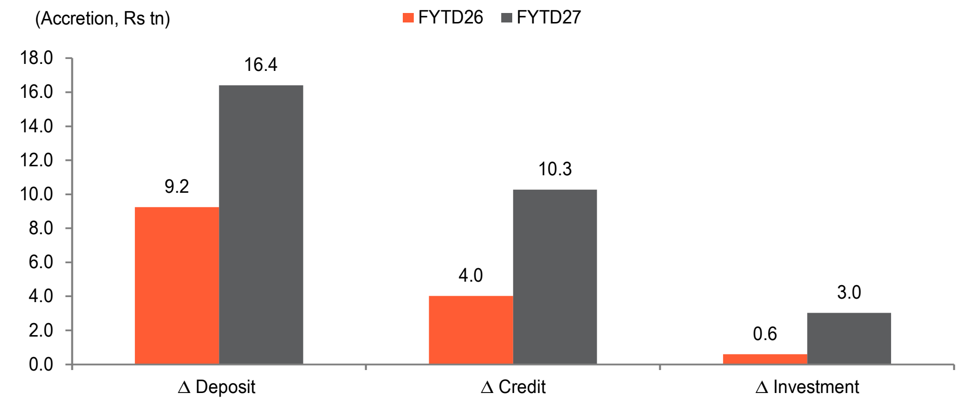


Fig 74 – In FYTD27, in absolute terms, deposit accretion is happening at a faster pace due to FCNR (B) inflows



FYTD27: Till 31 Jul '26

Fig 75 – Credit deposit ratio has edged down due to faster pace of deposits growth

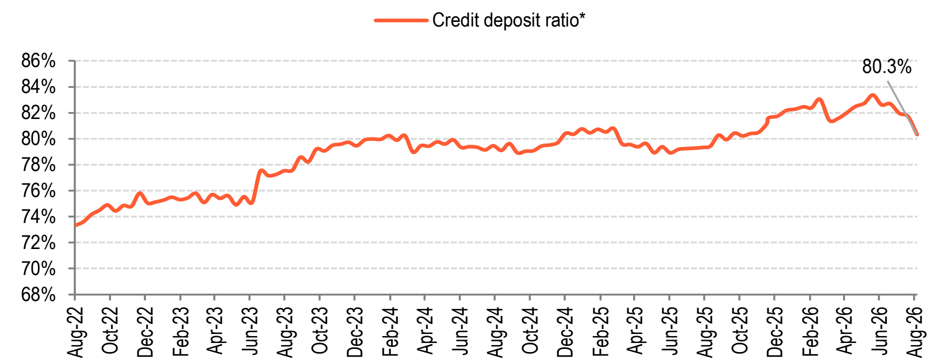


Fig 76 – WALR and repo is showing widening gap due to abundant liquidity

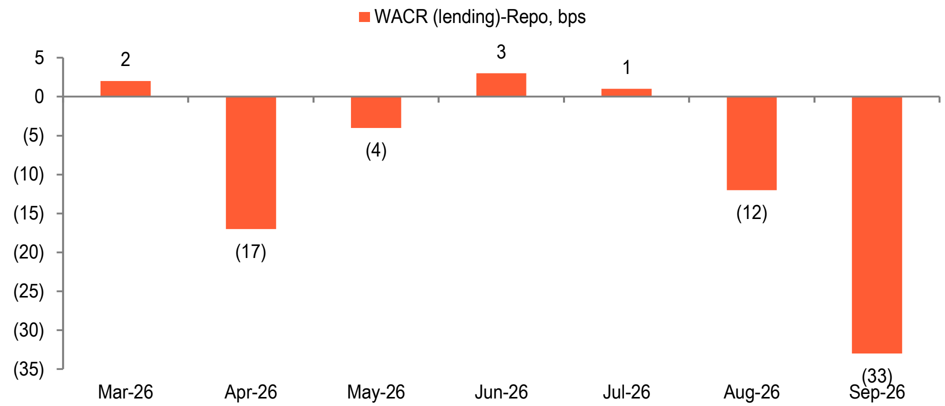


Fig 77 – WALR on fresh loans moderated to 7.98% in Jul'26 from 8.03% in Jun'26, WADTDR was stable at 6.40%

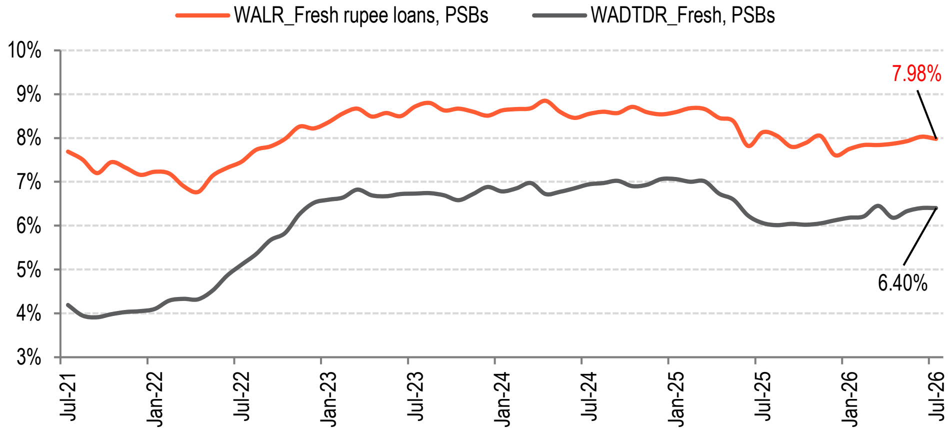


Fig 78 – WALR_Fresh of personal loan segment have risen the most followed by vehicle

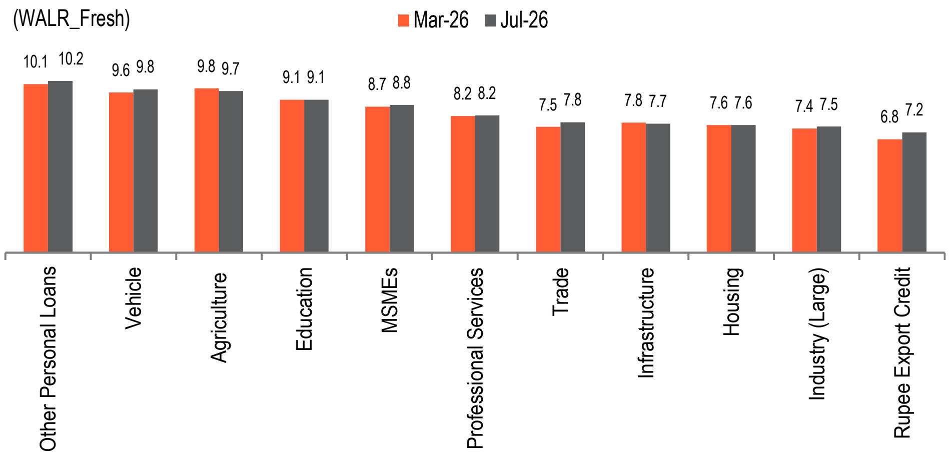
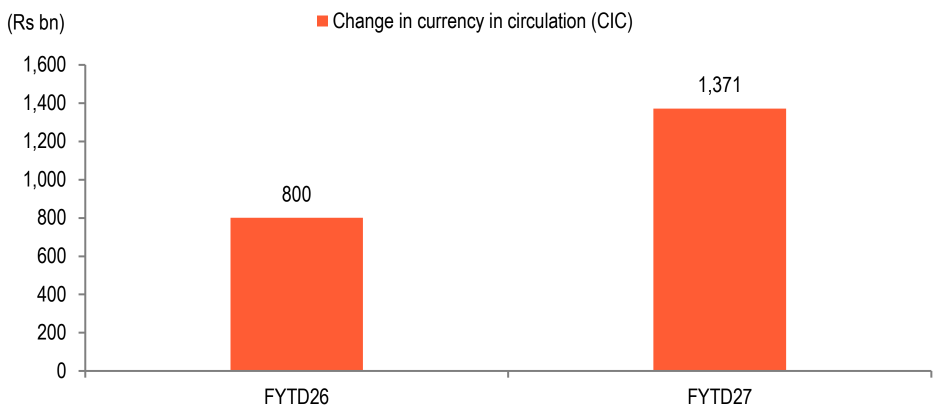
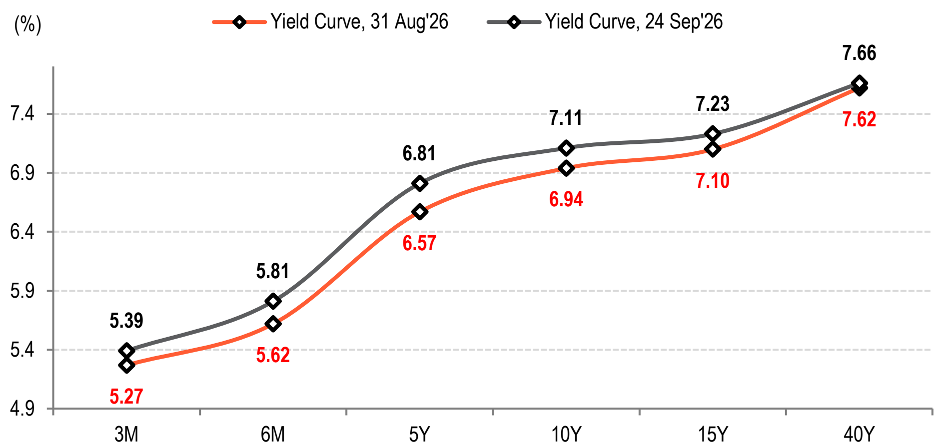


Fig 79 – CIC accretion happening at a faster pace



Note: FYTD27: Till 15 Sep 2026

Fig 80 – India's yield curve inched up broadly



Source: Bloomberg

Fig 81 – Corporate debt issuances moderated to Rs577bn in Aug'26 from Rs 781bn in Jul'26

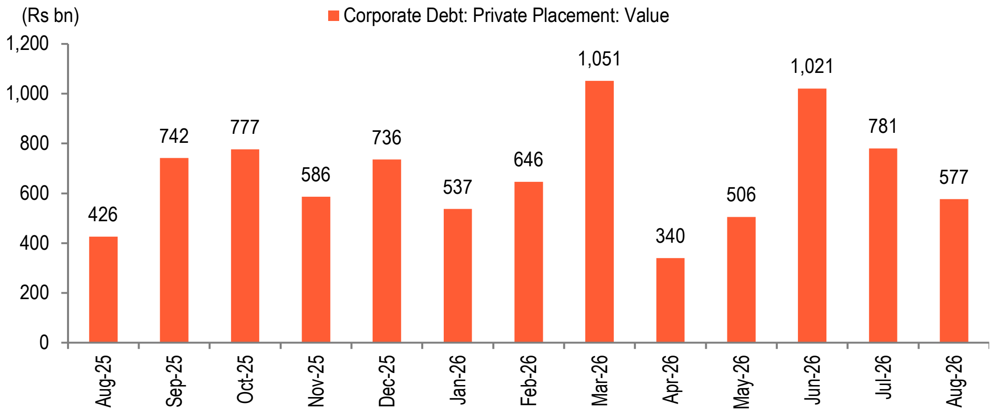
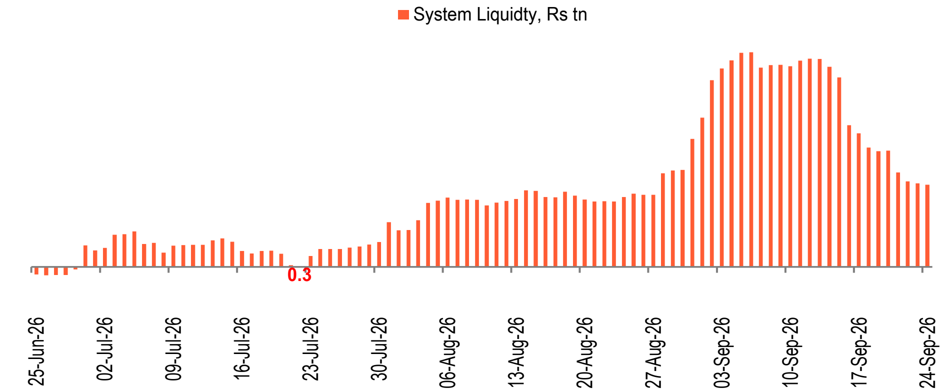
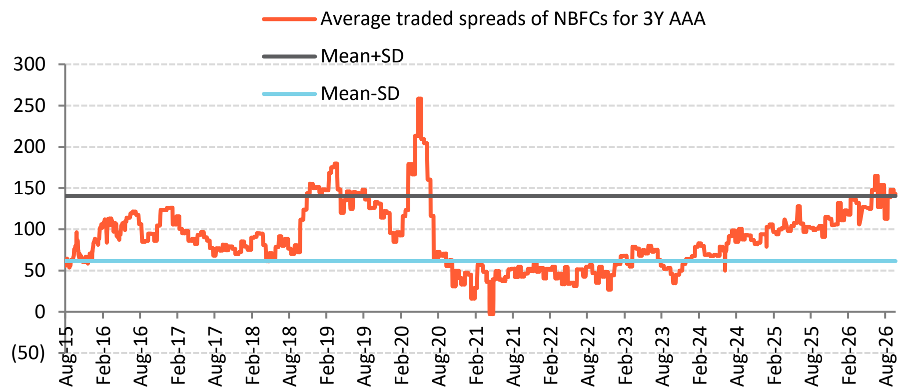


Fig 82 – Avg. system liquidity surplus was at Rs 8.6tn in Sep'26 (first 24 days) compared to Rs 3.7tn in Aug'26



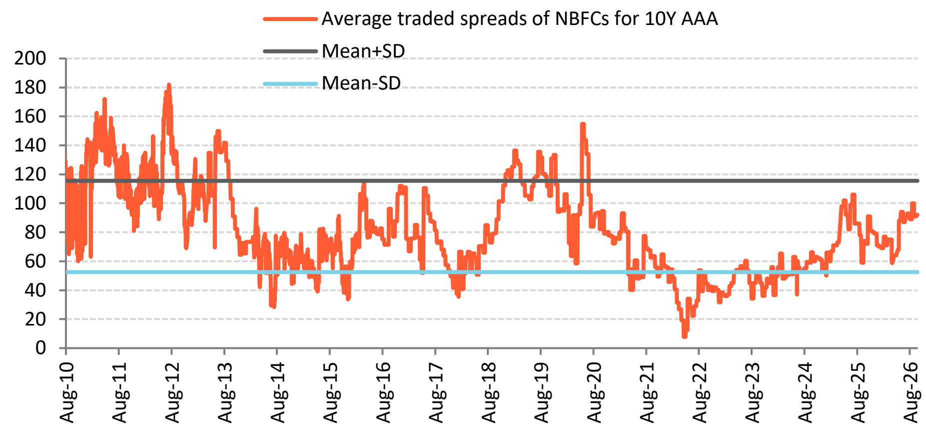
Source: RBI

Fig 83 – 3Y AAA NBFC spread is at 143bps higher compared to 139bps as on 31 Aug'26



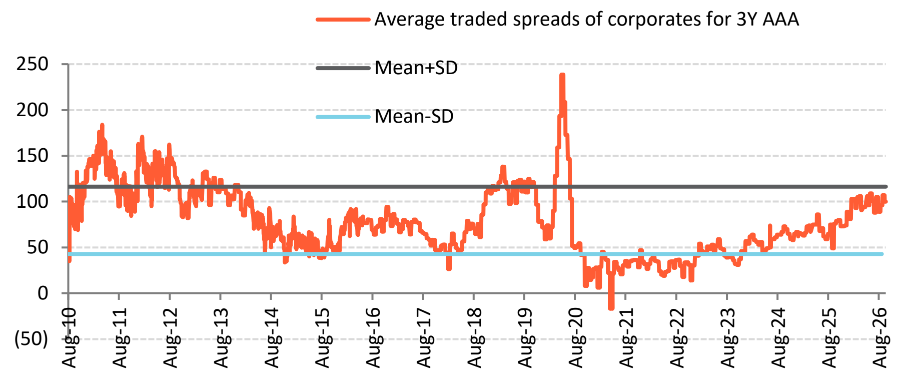
Source: Bloomberg

Fig 84 – For 10Y AAA NBFC, it is at 92bps



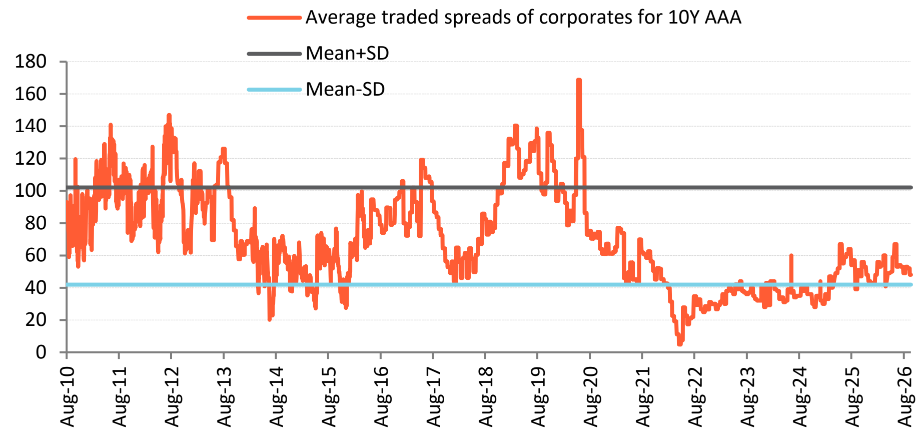
Source: Bloomberg

Fig 85 – 3Y AAA corp spread it is elevated at 100bps



Source: Bloomberg

Fig 86 – For 10Y AAA corp spread, it is lower at 48bps



Source: Bloomberg

Fig 87 – MCLR rate of Banks

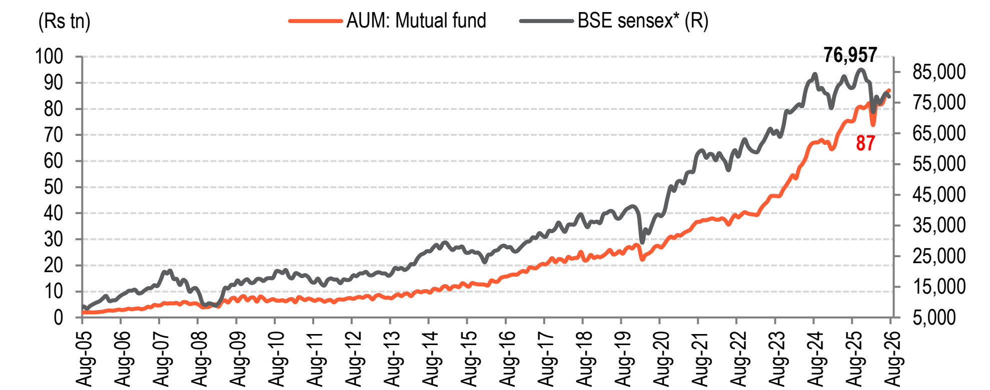
1Y MCLR (%)	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Public Sector Banks															
Bank of Baroda	8.9	8.9	8.8	8.8	8.75	8.75	8.75	8.75	8.7	8.7	8.7	8.7	8.75	8.75	8.75
Bank of India	9.05	9	8.9	8.85	8.85	8.85	8.85	8.75	8.75	8.75	8.75	8.75	8.75	8.75	**8.80**
Canara Bank	8.8	8.75	8.75	8.75	8.75	8.7	8.7	8.7	8.7	8.7	8.7	8.75	8.75	8.75	**8.80**
Indian Bank	9.05	9	9	8.85	8.85	8.85	8.8	8.75	8.75	8.75	8.75	8.75	8.75	8.85	8.85
Punjab National Bank	8.95	8.9	8.85	8.8	8.8	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.80	8.80
State Bank of India	9	8.8	8.75	8.75	8.75	8.75	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.70	8.70

1Y MCLR (%)	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Union Bank of India	8.9	8.75	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.7	8.7	8.75	8.80	8.80
Private Sector Banks															
Axis Bank Ltd.	8.9	8.9	8.75	8.75	8.7	8.75	8.7	8.7	8.8	8.8	8.8	8.7	8.75	8.75	8.75
HDFC Bank Ltd.	9.05	8.75	8.7	8.65	8.55	8.5	8.45	8.4	8.4	8.35	8.35	8.35	8.4	8.45	**8.40**
ICICI Bank Ltd.	8.5	8.4	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.4	8.4	8.4	8.40	8.40
Indusind Bank	10.3	10.2	10.15	10.15	10.1	10.05	10.05	10	10	10.05	10	10	10.1	9.90	9.90
Kotak Mahindra Bank	8.9	8.75	8.6	8.55	8.45	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.45	**8.40**

Source: RBI, Note: Bank whose MCLR changed in Aug'26 has been marked

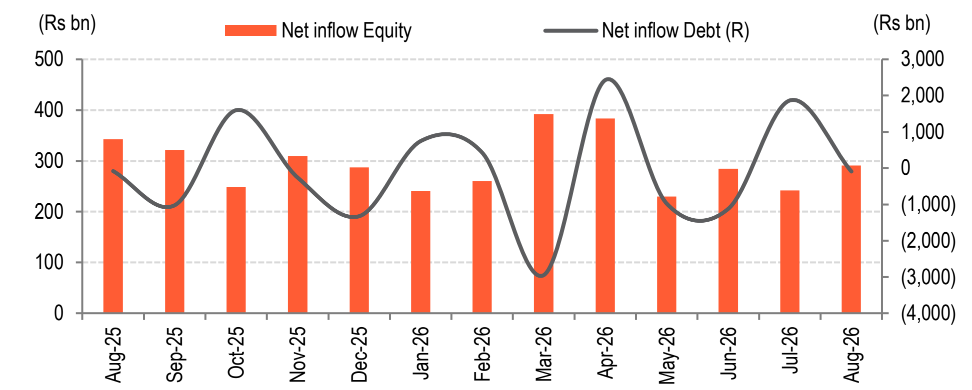
Mutual fund (MF) indicators

Fig 88 – Sensex fell by -1.5% in Aug'26, AUM of MFs inched up to Rs 87tn in Aug'26 from Rs 85.8tn in Jul'26



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

Fig 89 – MF equity inflows rose to Rs 291bn in Aug'26 from 242bn in Jul'26; debt outflow was at Rs 92bn from Rs 1.9tn inflow in Jul'26



Insurance sector indicators

Fig 90 – Sale of life insurance policies edged down by -3.3% in Aug'26 from 0.9% in Jul'26, albeit a favourable base

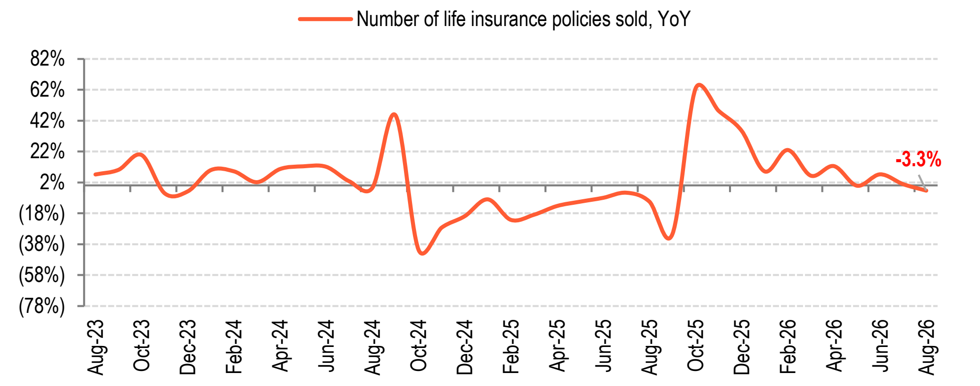
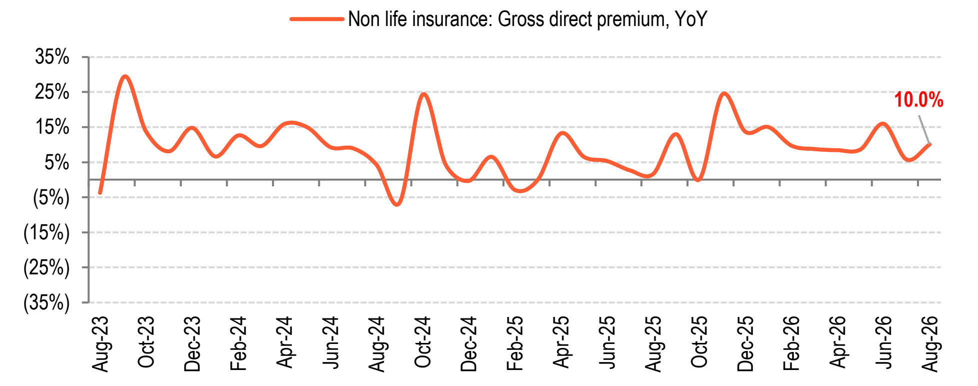


Fig 91 – Gross direct premium for non-life insurance inched up to 10% in Aug'26 from 5.7% in Jul'26



Public finance

Central government borrowing

Fig 92 – Centre's borrowing through T-bill in Q2 is at Rs 4.6tn

Total accepted amount (T-bills), (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY27 (planned)
Q1	3,089	3,364	5,328	5,375	5,247	4,963	3,469	3,835	3,851	2,880
Q2	3,299	3,024	5,417	3,215	3,704	3,899	3,242	3,877	4,588*	3,360
Q3	3,070	2,889	3,745	3,630	3,589	3,611	3,976	4,041		
Q4	1,812	2,511	2,714	4,766	4,566	4,258	4,337	3,939		
Total	**11,271**	**11,788**	**17,204**	**16,986**	**17,105**	**16,731**	**15,024**	**15,691**		

Source: RBI, Note: *Till 23 Sep 2026

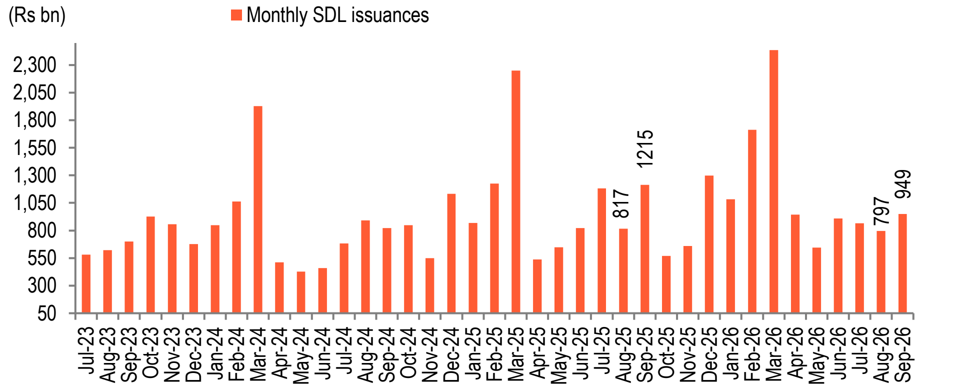
Fig 93 – Centre has raised Rs 4.1tn in Q2

Total accepted amount (G-Sec), (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY27 (planned)
Q1	1,320	2,040	3,140	3,064	3,570	4,080	3,410	4,010	4,080	4,420
Q2	1,440	2,210	4,220	3,649	4,390	4,800	3,647	3,940	4,054*	3,780
Q3	1,270	1,930	2,910	3,190	3,510	3,850	3,840	3,550		
Q4	1680	920	3,191	1370	2,740	2,700	2,790	3,110		
Total	**5,710**	**7,100**	**13,461#**	**11,273**	**14,210**	**15,430**	**13,687**	**14,610**		

Source: RBI# Against budgeted Rs 12.8tn Note: *Till 25 Sep

State government borrowing

Fig 94 – State government borrowings in Q2FY27 so far is ~19% lower than last year



Source: RBI

Fig 95 – States have borrowed 89.1% of the planned amount in FYTD27 so far (Apr-Sep*)

Quarterly SDL issuances, (Rs bn)	FY21	FY22	FY23	FY24	FY25	FY26	FYTD27 (actual)	FY27 (planned)
Q1	1,673	1,446	1,102	1,677	1,401	2,008	2,497	2,545
Q2	1,614	1,644	1,661	1,903	2,536	3,214	2,613*	3,188
Q3	2,023	1,653	1,879	2,460	2,532	2,526		
Q4	1,898	2,184	3,009	3,838	4,344	5,231		
Total	**7,206**	**6,927**	**7,652**	**9,879**	**10,814**	**12,979**		

Source: RBI; *as of 22 Sep 2026

External sector

Exports

Fig 96 – Growth in merchandise exports accelerated to 26.1% in Aug'26, a 51-month high

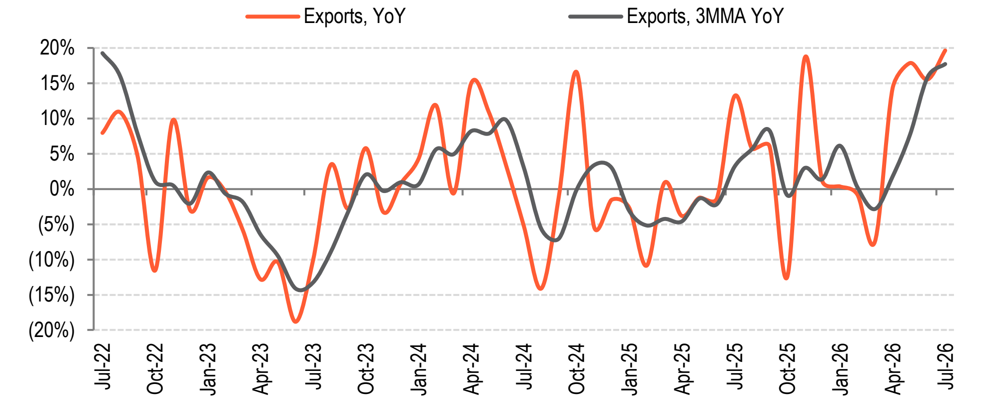
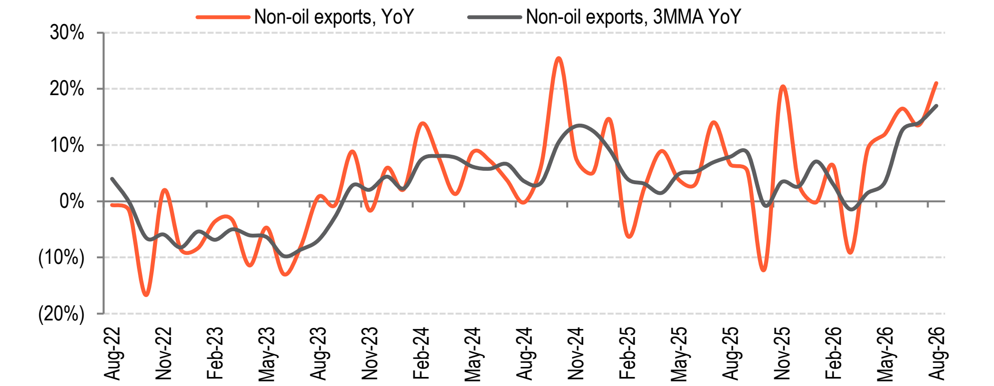


Fig 97 – .. led by improvement in non-oil exports



Exports by major sectors

Fig 98 – Momentum in electronic exports continued

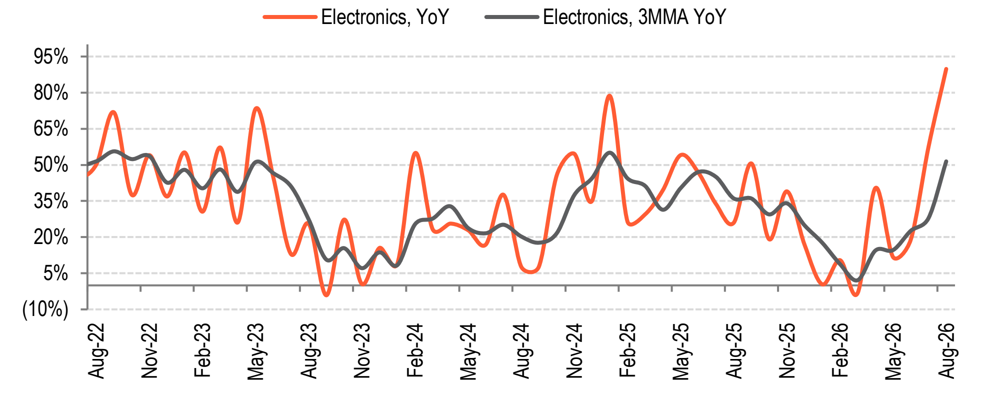


Fig 99 – Engineering exports too picked up pace

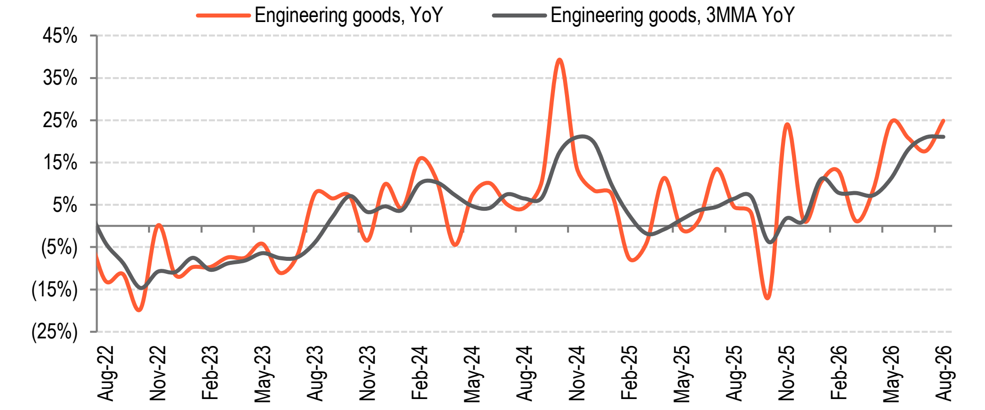


Fig 100 – Chemicals exports increased

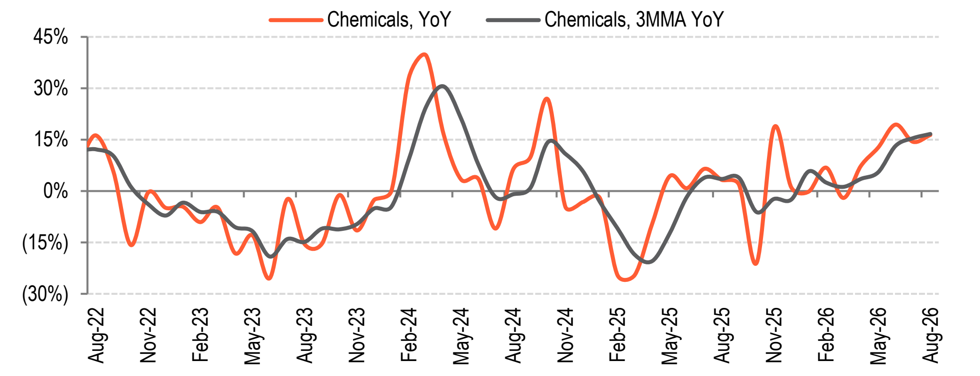


Fig 101 – Improvement seen in textiles exports

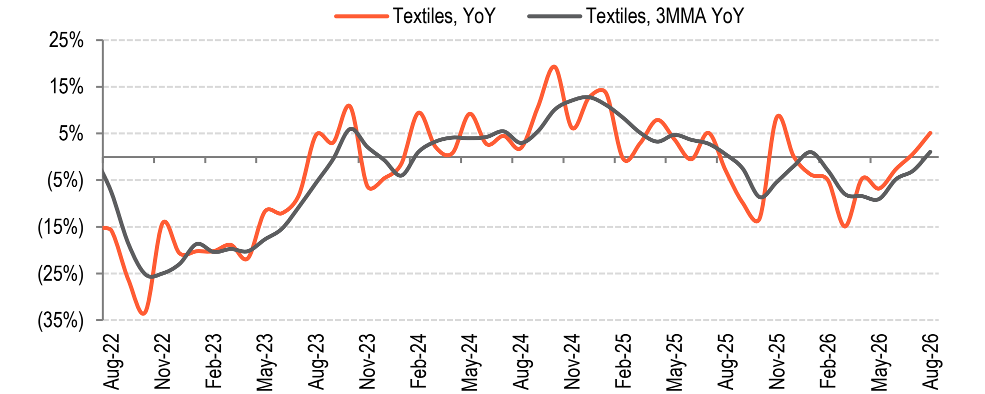


Fig 102 – Exports of gems and jewellery still muted

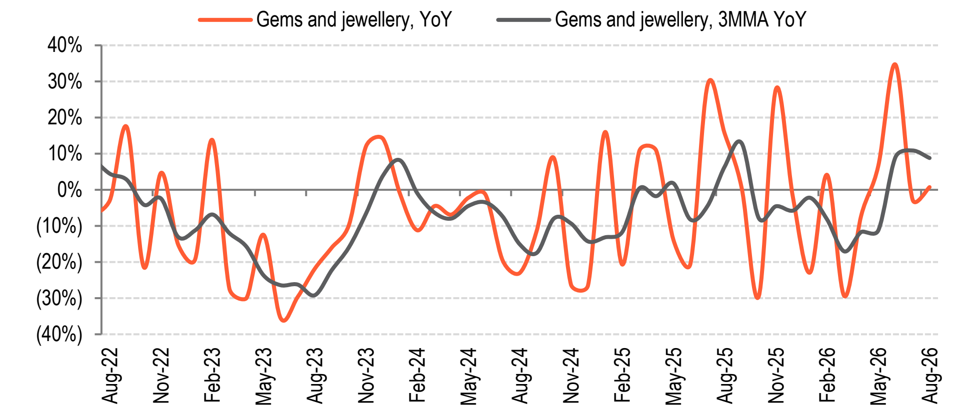
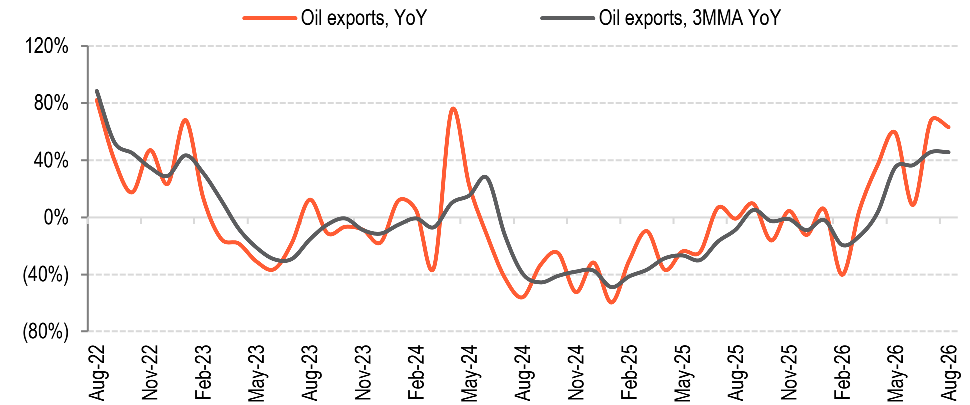


Fig 103 – Oil exports moderated, but continued to register double-digit growth



Imports

Fig 104 – Import growth moderated from to 14.1% in Aug'26 from 17.5% in Jul'26

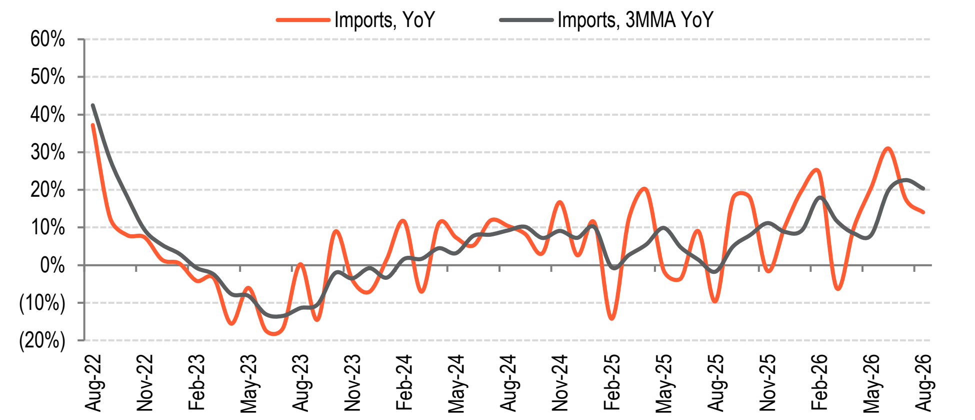


Fig 105 – .. As gold imports declined sharply

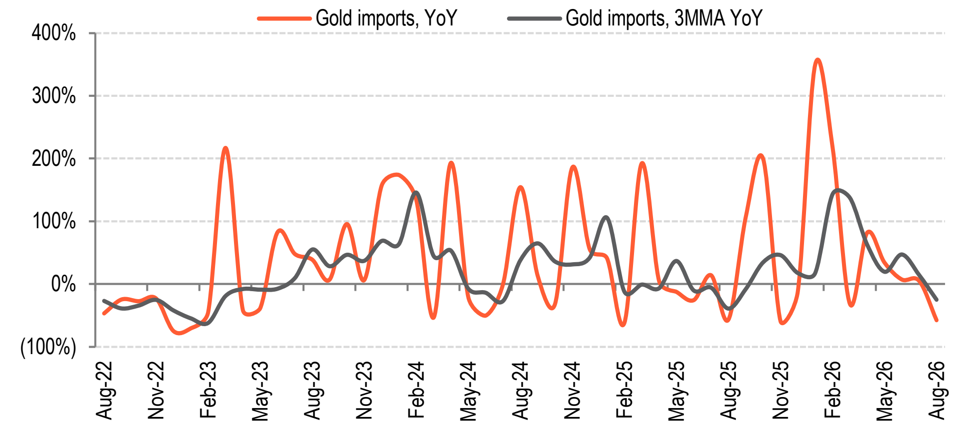


Fig 106 – Some pickup noted in oil imports

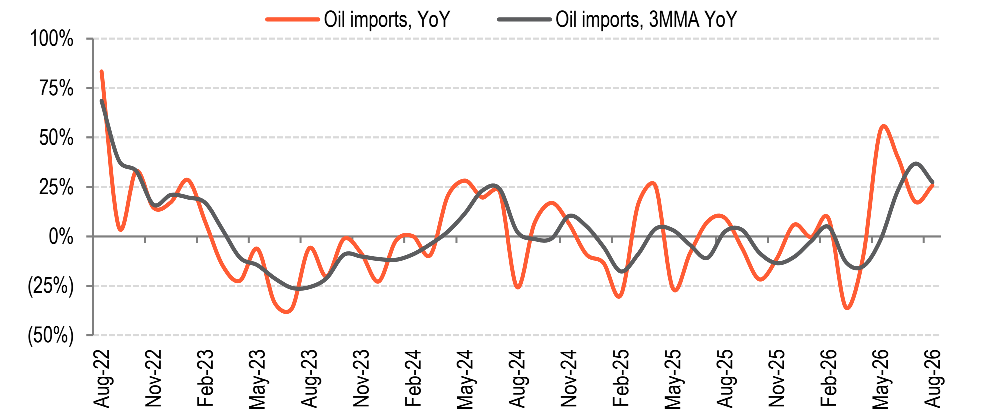


Fig 107 – Imports of chemicals and related products decelerated sharply

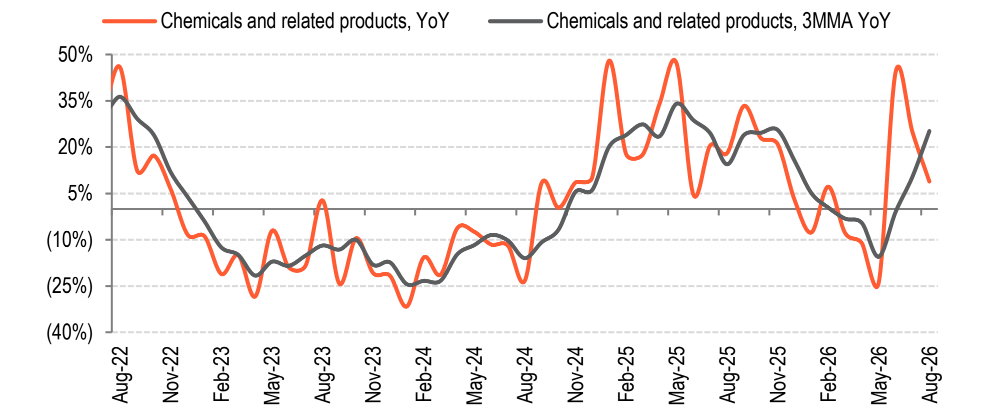


Fig 108 – .. similar trend in imports of iron and steel

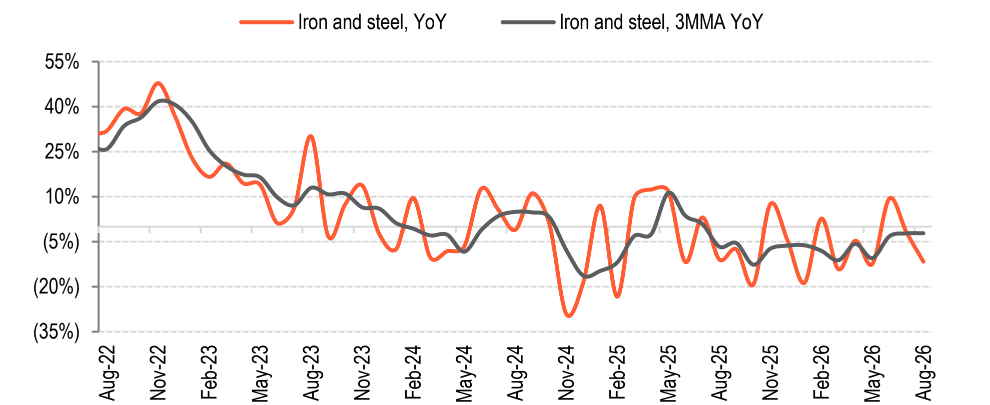


Fig 109 – Machinery imports also lower

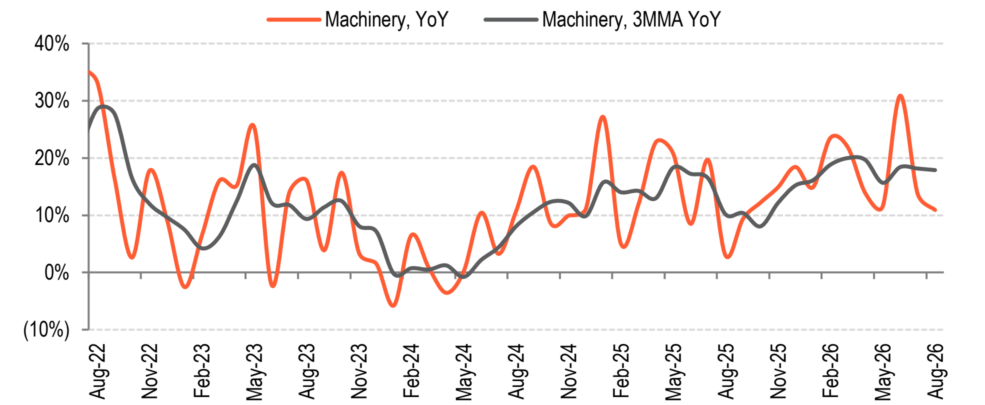


Fig 110 – … and machinery imports

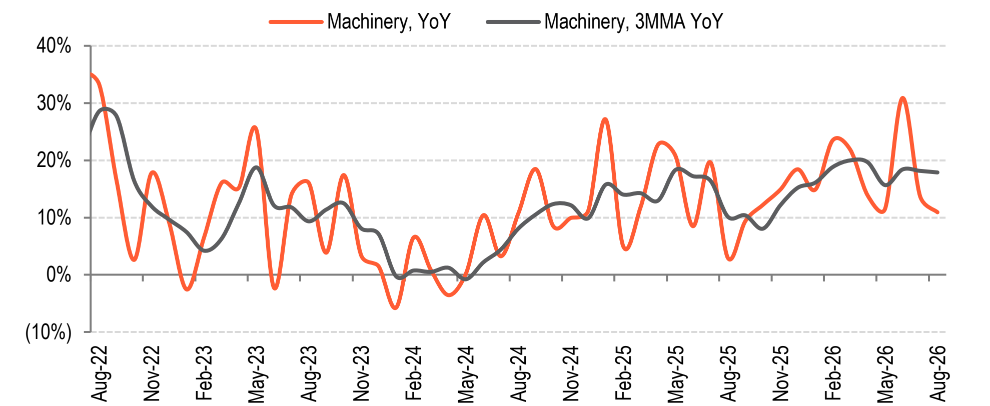
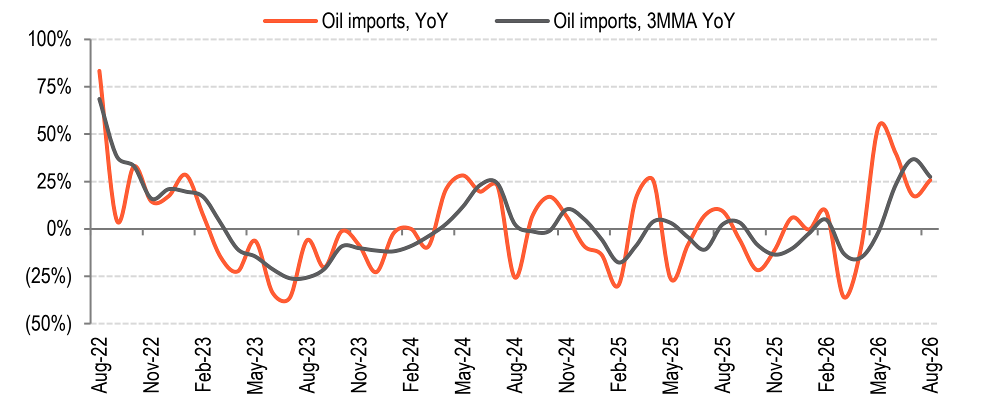


Fig 111 – However, oil imports inched up..



Exports and imports by major regions

Fig 112 – Significant traction seen in exports to Asia Pacific, China and Middle East in FYTD27

Region (% YoY)	Share in FY26	Share in FYTD27	FYTD26	FYTD27	Jun-26	Jul-26
Americas	26.2	22.6	17.7	5.6	0.6	14.6
Asia and Pacific (Ex. China)	21.7	20.6	(5.5)	36.8	29.4	29.1
China	4.5	3.9	19.0	35.8	30.8	64.9
Europe	21.2	16.7	(10.4)	5.4	9.3	7.5
Middle East and Africa	25.3	20.3	(0.3)	14.0	20.1	24.2
Other	1.1	1.2	19.7	62.2	13.2	8.4

Note: FYTD-Apr-Jun

Fig 113 – Imports from Americas, China and Asia Pacific higher on a FYTD basis

Region (% YoY)	Share in FY26	Share in FYTD27	FYTD26	FYTD27	Jun-26	Jul-26
Americas	12.0	14.7	13.2	52.7	53.6	37.1
Asia and Pacific (Ex. China)	24.3	23.8	7.6	16.5	17.5	12.6
China	17.0	18.0	13.0	29.7	40.2	34.4
Europe	13.6	11.1	1.6	9.7	35.8	13.0
Middle East and Africa	25.8	20.4	5.4	(8.4)	5.5	(15.2)
Other	7.4	12.1	-9.5	58.5	85.0	80.3

Note: FYTD-Apr-Jun

Trade deficit

Fig 114 – Trade deficit narrowed in Aug'26

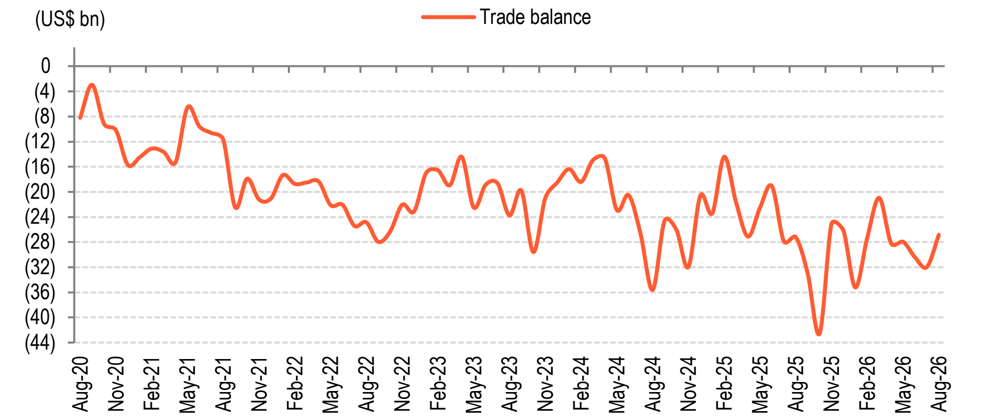
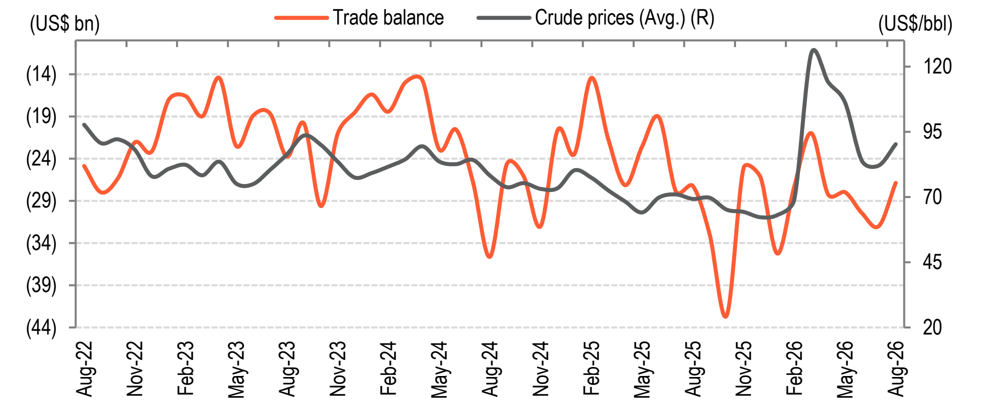
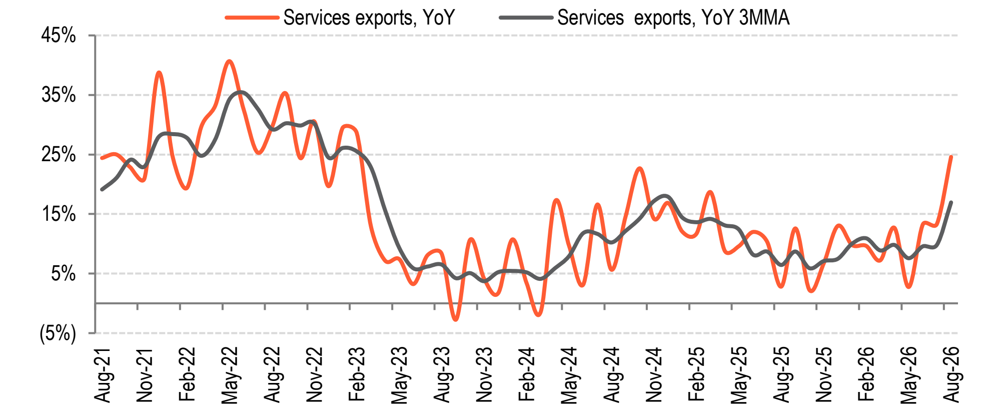


Fig 115 – … even as oil prices inched up



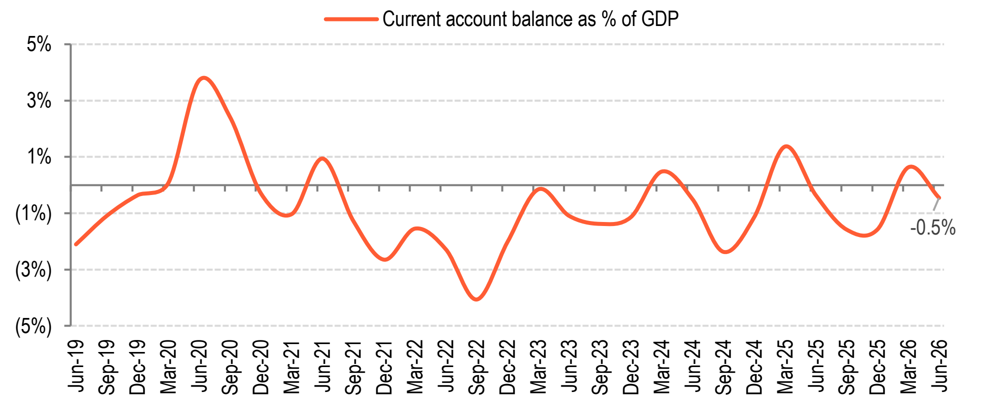
Trade in services

Fig 116 – Recovery in services exports



BoP

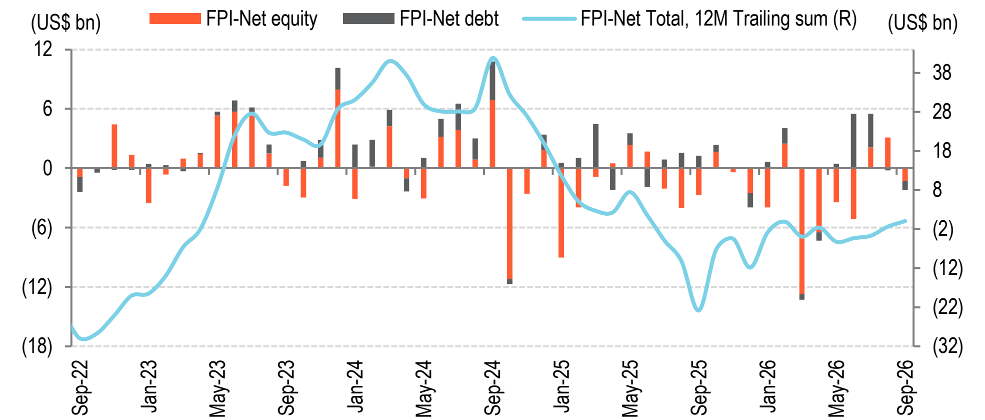
Fig 117 – India's CAD remained manageable in Q1FY27



Foreign inflows

FPI inflows

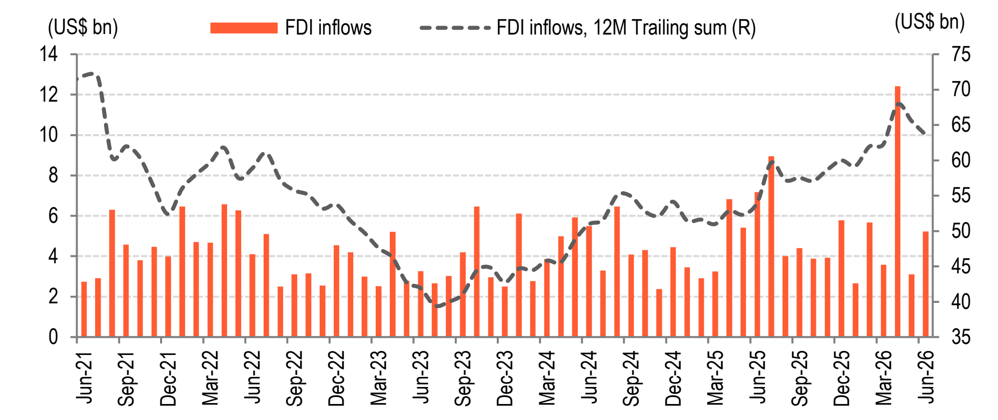
Fig 118 – FPI flows turned negative in Sep'26 after a gap of 3-months



Source: NSDL | Note: For Sep'26, data till 24 Sep 2026

FDI inflows

Fig 119 – Gross FDI inflows at US$ 20.8bn in Apr-Jun'26 compared with US$ 19.4bn in the same period last year



Source: RBI, Bank of Baroda Research

Fig 120 – In Q1 FY27, FDI inflows into services sector increased sharply

Sector	Share in FY26, %	FY25	FY26	Q1FY26	Q4FY26	Q1FY27
Computer software and hardware	23.7	7.8	13.9	5.5	3.2	2.8
Services Sector	17.0	9.3	10.0	3.3	1.6	7.0
Trading	6.8	4.2	4.0	0.5	0.7	1.9
Non Conventional Energy	5.1	4.0	3.0	1.1	0.5	1.2
Food processing industry	5.1	0.5	3.0	0.4	0.3	0.6
Construction (Infrastructure) activities	4.4	2.2	2.6	0.7	0.5	0.6
Automobile industry	4.2	1.6	2.5	1.3	0.6	0.6

Source: DIPP

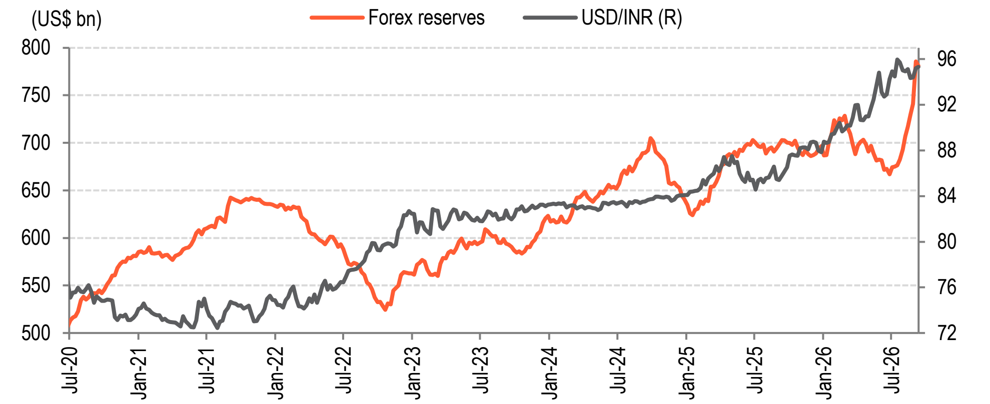
Fig 121 – Country wise, inflows from Singapore and Japan increased the most in Q1 FY27

Country (US$ bn)	Share in FY26, %	FY25	FY26	Q1FY26	Q4FY26	Q1FY27
Singapore	33.7	14.9	19.8	4.6	2.2	5.2
US	19.0	5.5	11.2	5.6	3.4	1.3
Mauritius	11.2	8.3	6.6	2.1	1.7	2.3
Japan	6.4	2.5	3.7	0.6	0.5	5.7
Netherlands	5.7	4.6	3.4	0.7	1.1	1.4
UAE	4.7	4.3	2.7	1.0	0.3	0.9

Source: DIPP

Forex reserves and external debt

Fig 122 – India's FX reserves at US$ 780.8bn; net accretion of US$ 92.7bn in FYTD27



Source: Bloomberg| Note: Weekly data as of 11 Sep 2026

Fig 123 – India's import cover remains comfortable

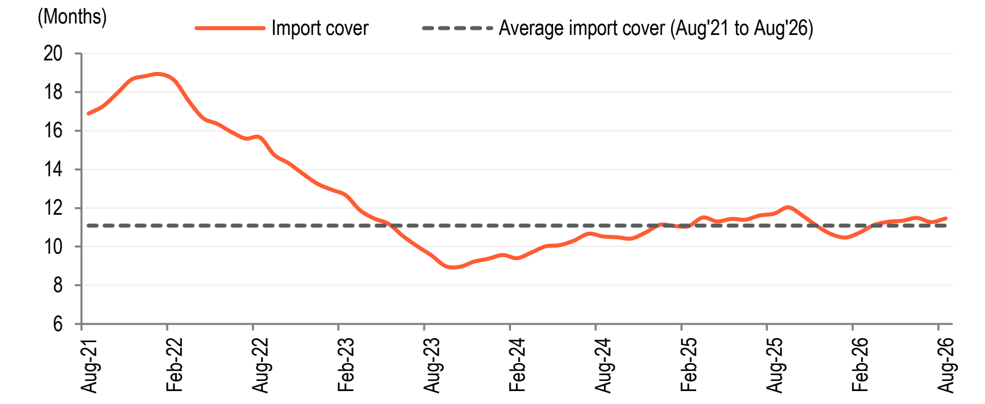


Fig 124 – RBI's purchased net US$ 561mn in the spot market in Jun'26

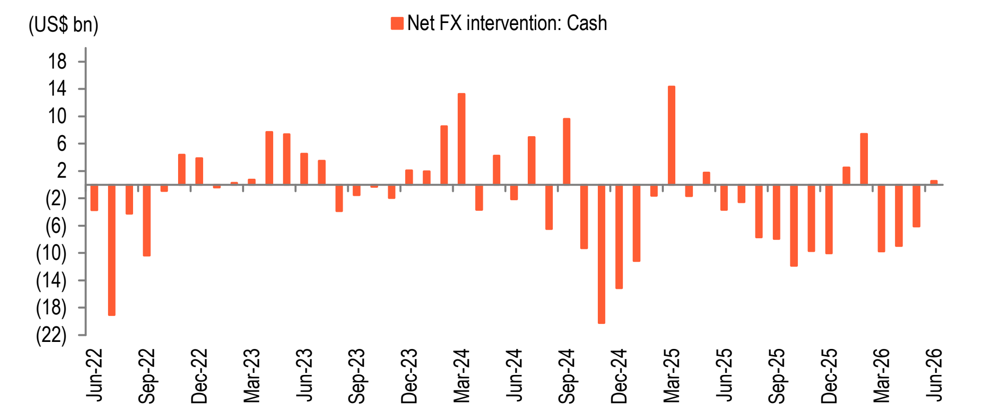
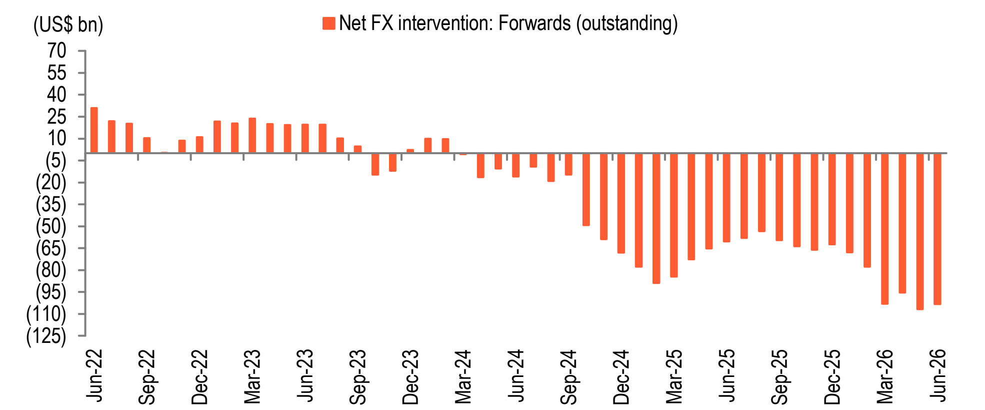


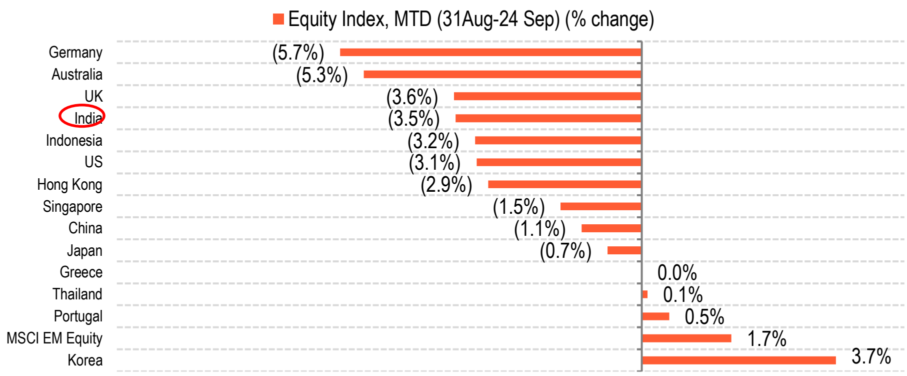
Fig 125 – RBI's outstanding forwards book shrank to US$ 103.3bn in Jun'26 from a record high in May'26



Markets

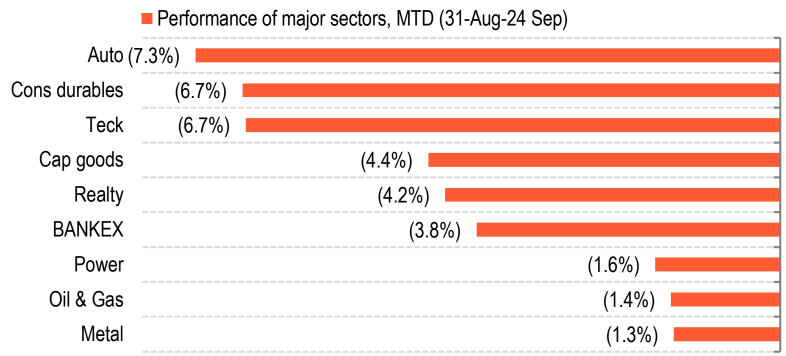
Equity & Bonds

Fig 126 – In Sep'26*, Sensex fell by -3.5%



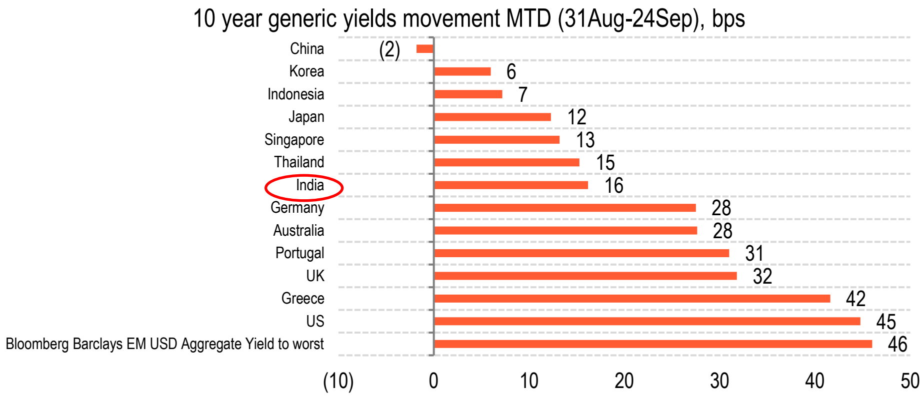
Source: Bloomberg | * As on 24 Sep 2026, Indices are in US$ terms

Fig 127 – …auto, consumer durables and technology stocks have fallen the most



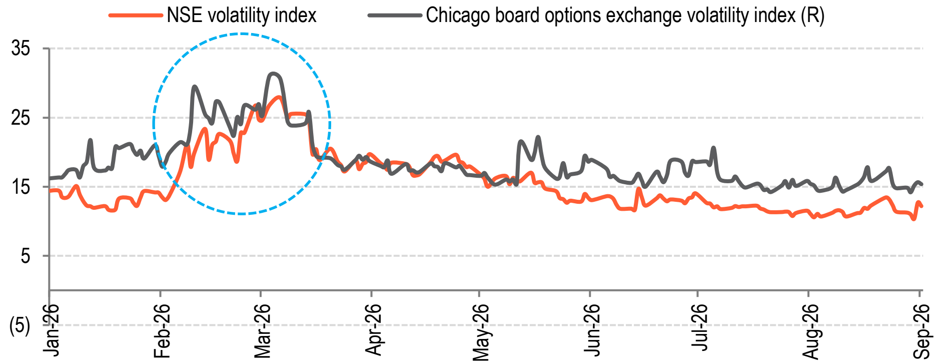
Source: Bloomberg | As on 24 Sep 2026

Fig 128 – India's 10Y yield rose sharply by 16bps*



Source: Bloomberg | As on 24 Sep 2026

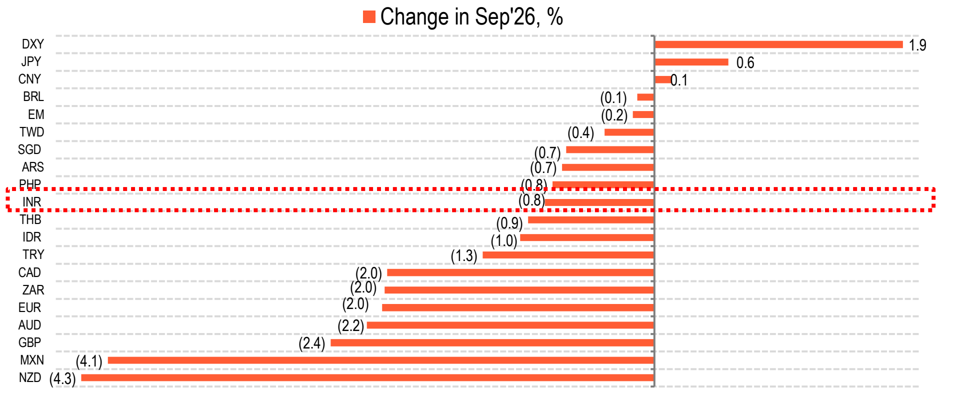
Fig 129 – VIX remained elevated amidst war related tensions



Source: Bloomberg

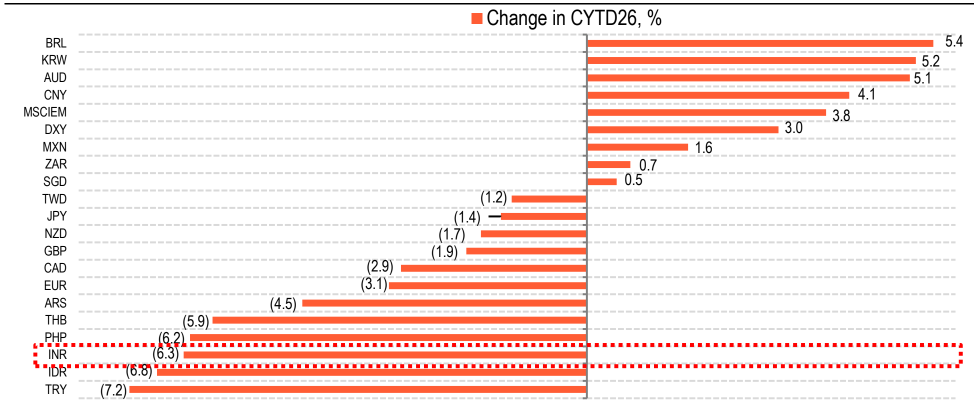
Currencies

Fig 130 – INR depreciated by 0.8% in Sep'26



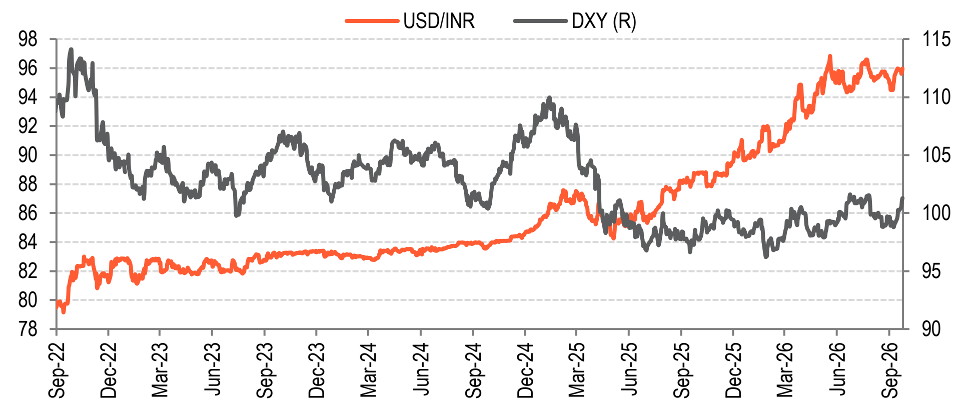
Source: Bloomberg | As on 24 Sep 2026

Fig 131 – In CYTD6, INR has depreciated by 6.3%



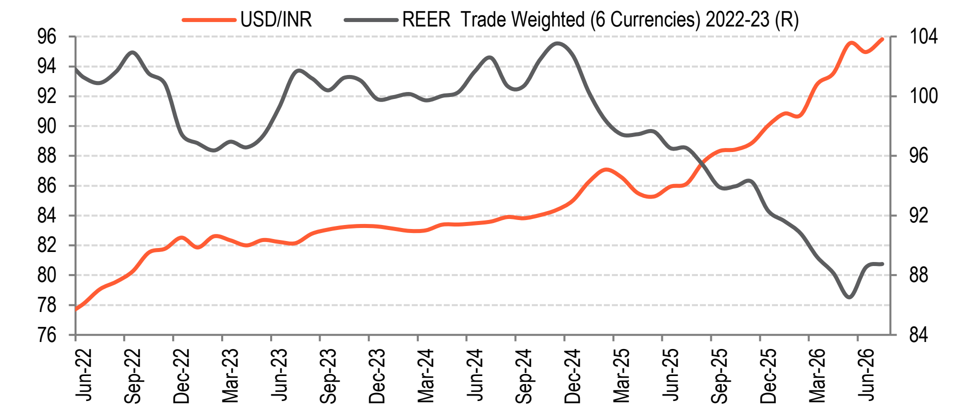
Source: Bloomberg | As on 24 Sep 2026

Fig 132 – INR depreciated as dollar gained strength



Source: Bloomberg | As on 24 Sep 2026

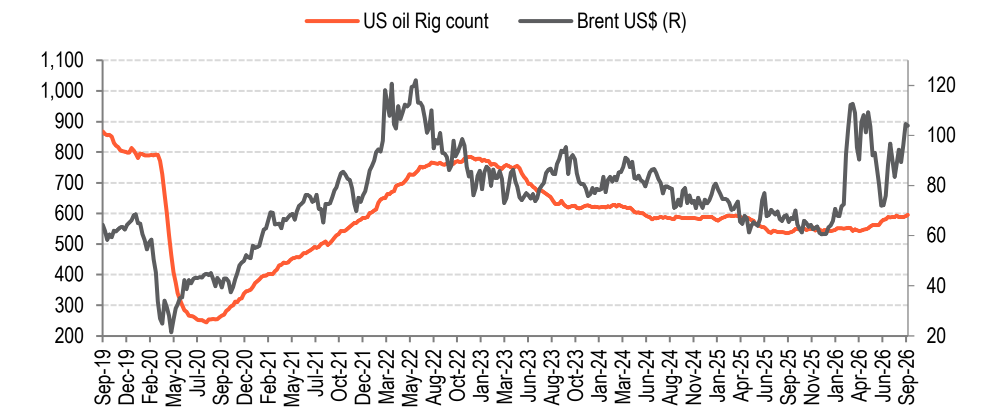
Fig 133 – INR remains undervalued in REER terms



Source: Bloomberg

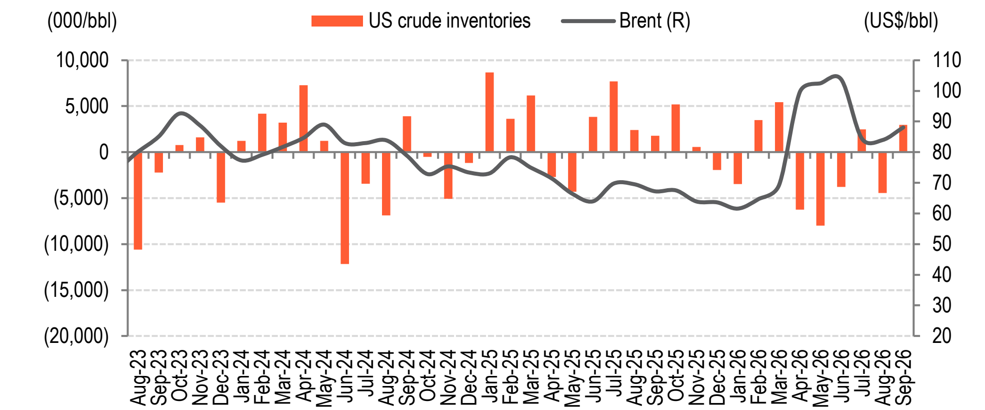
Commodities

Fig 134 – US rig count inched up



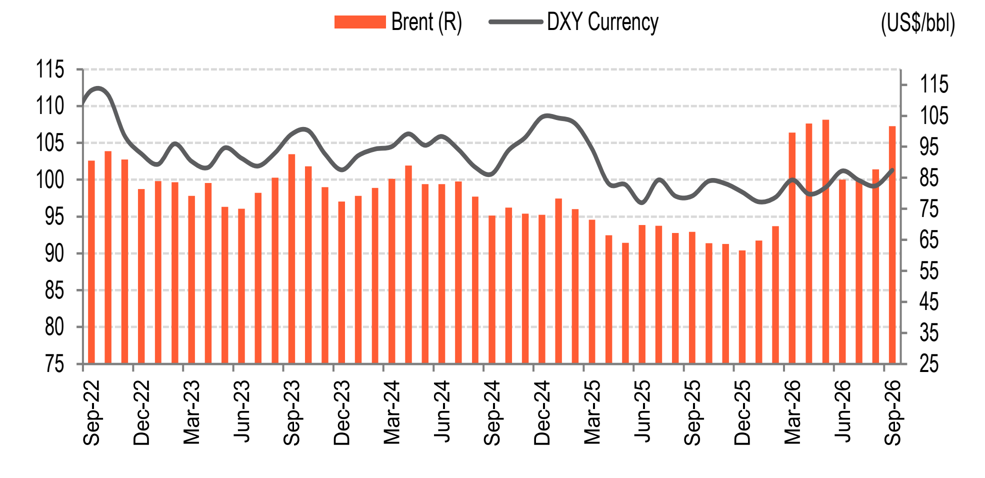
Source: Bloomberg

Fig 135 – Crude inventories edged up



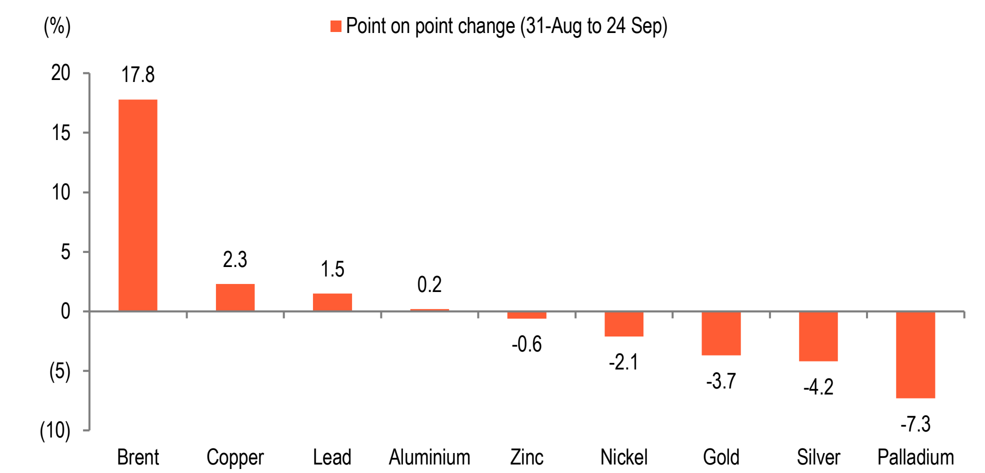
Source: Bloomberg

Fig 136 – DXY and crude both have a hardening bias



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

Fig 137 – Upside risk continues to persist for energy prices



Source: Bloomberg

Fig 138 – Performance of high frequency indicators

Indicators	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Agriculture													
Tractor sales	24.6	42.9	14.4	30.3	34.9	40.1	30.7	24.0	27.1	19.1	11.8	18.5	8.3
Two wheeler sales	6.6	6.5	52.5	(3.1)	9.5	20.8	25.0	28.7	17.2	7.5	22.1	28.3	19.7
MNREGA work (HH)	(26.2)	(27.1)	(35.1)	(32.0)	(28.9)	(25.7)	(14.2)	(23.2)	(35.5)	(27.8)	(18.5)	-	-
Manufacturing													
IIP: General index	4.7	6.1	(0.9)	7.0	6.7	4.1	4.4	3.0	4.9	5.0	8.8	6.7	-
IIP: Manufacturing	3.6	5.5	(0.7)	8.8	7.7	4.6	5.7	4.0	6.1	5.2	9.5	7.3	-
IIP: Capital goods	6.0	13.2	5.4	16.6	12.8	12.4	16.5	8.5	12.0	15.5	17.9	16.1	-
IIP: Infra & construction goods	9.2	9.8	5.1	12.0	12.3	12.9	10.1	5.2	6.0	6.6	8.8	6.9	-
IIP: Consumer goods	0.9	4.6	-6.0	13.0	7.4	(0.2)	4.2	2.4	5.6	8.0	10.3	10.5	-
Steel	15.3	14.3	9.5	11.6	11.1	13.8	9.9	9.6	4.7	5.1	5.6	1.9	3.4
Cement	5.4	5.1	5.2	15.1	14.0	11.3	9.1	4.7	8.3	8.4	9.9	12.7	12.5
Electricity	4.2	3.1	(7.0)	(1.5)	6.2	5.1	2.3	0.8	5.5	11.2	11.4	8.4	11.6
Iron ore	7.9	0.8	8.7	19.3	22.3	12.8	8.5	33.3	12.5	19.0	44.5	29.5	5.5
PMI: Manufacturing	59.3	57.7	59.2	56.6	55	55.4	56.9	53.9	54.7	55	54.2	53.5	52.8
Services													
Services PMI index	62.9	60.9	58.9	59.8	58.0	58.5	58.1	58.8	58.8	59.8	57.4	53.3	54.1
Automobile sales	5.0	5.2	42.0	2.1	14.6	17.6	25.6	25.3	17.4	9.5	23.6	25.9	17.5
Passenger vehicle sales	8.2	5.8	14.7	20.4	26.6	7.2	26.1	21.5	18.1	23.2	32.6	19.1	16.1
Vehicle registration	3.9	6.3	41.1	2.9	15.9	18.1	26.5	26.2	13.7	11.3	23.7	27.6	18.5
Port cargo volume	2.5	11.3	12.0	14.6	12.8	7.6	3.8	0.7	2.4	6.6	9.2	8.8	8.4
Credit growth	10.1	10.8	12.0	11.5	14.5	13.4	14.0	17.1	16.4	17.7	18.6	17.5	19.5
Deposit growth	9.3	9.4	10.8	10.2	12.7	10.6	11.3	16.2	13.3	12.2	13.3	12.6	17.6
CIC	8.8	9.1	7.2	9.0	10.2	11.4	13.2	14.7	16.5	16.8	15.6	14.3	13.3
Toll collection (in mn)	370.7	332.7	360.9	369.4	383.7	373.4	350.4	363.8	358.1	375.2	361.8	347.3	351.0
Diesel consumption	1.2	6.5	(0.3)	4.8	5.2	3.3	4.3	8.1	0.8	1.6	6.1	10.0	6.8
GST E-way bill	22.4	21.0	8.2	27.6	23.5	15.8	18.8	12.9	11.8	10.9	14.5	6.0	7.7
External Trade													
Merchandise exports	5.6	5.9	(12.5)	18.5	1.1	0.4	(0.9)	(7.4)	14.3	18.7	15.5	19.6	26.1
Merchandise imports	(9.6)	17.6	17.9	(1.5)	10.2	20.0	24.5	(6.0)	10.0	20.6	31.0	17.5	14.1
Services exports	2.8	12.6	2.2	6.7	13.0	9.8	9.7	7.2	12.7	2.8	13.3	13.4	24.6
Services imports	(5.3)	7.9	2.9	(2.1)	7.4	(0.5)	16.2	(1.6)	8.9	5.6	16.2	19.1	37.4

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