

India Economics

Monthly Chartbook

September 2020

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Important disclosures are provided at the end of this report.



India's recovery gathers steam

India's manufacturing PMI moved into expansion zone, in-line with other large economies. However, services PMI is still contracting. Apart from FMCG production, railway freight is also now in positive territory. Rural economy is continuing to gain traction as seen in higher tractor sales and kharif sowing. However, with muted tax collections and rising general government fiscal deficit (10.3% of GDP), government capex has seen a deceleration. While yields had cooled down after RBI's announcement of special OMOs and increase in HTM limit, they have inched up again as Q1 contraction and increase in Covid cases imply recovery may be slow which raises the prospect of higher general government borrowings.

Consumption to improve gradually: Consumption spending fell by 26.7% and 24.5% in real and nominal terms respectively in Q1FY21 (56% of GDP). RBI's current situation consumer confidence is at lowest level. While a gradual recovery is visible in consumer non-durables (increase of 14% in Jun'20), electronic imports, passenger car sales, tractor sales, google mobility index and E-way bills, a sustained growth path is still some time away. The bright spot remains, uptick in rural India led by higher acreage and improving terms of trade. Even manufacturing PMI has now turned positive while services PMI is still contracting due to localised lockdowns. Capex recovery is weak.

Fiscal deficit rising: General government fiscal deficit (12M basis) has risen to 10.3% of GDP in the wake of subdued revenues. On FYTD basis centre's net tax revenues are down by 40.6% versus 14% increase seen

last year led by 33.2% decline in direct tax collections. Centre's capex has slowed from 40.1% in Q1 to 3.9% in Jul'20. Capex by state's is down by 22.7%. With states' tax revenues down by 18.6% in Apr-Jul, market borrowings of states have gathered pace and are up by ~25% in Aug'20.

RBI lends support to 10Y: Underlying inflationary pressures are visible in Aug'20 with rising vegetable (5% MoM increase), crude (4.2%) and gold prices (6.7%). MPC minutes too were hawkish. 10Y yield shot up by 28bps in Aug'20. However, RBI's special OMOs, hike in HTM limit and changing FX intervention strategy led to 22bps decline in yields in early Sep. However, yield curve has steepened again. An enlarged borrowing calendar and higher than target inflation makes us believe that yields are unlikely to decline from here unless RBI announces a large OMO purchase calendar or inflation falls more than our forecast.

Global macros favourable for INR: INR appreciated by 1.6% in Aug'20 as FII inflows rose to a 17-month high at US\$ 5.5bn. Weakness in US\$ (DXY fell by 1.3% in Aug'20) also supported INR. EM currencies too gained by 0.9%. In Sep'20 so far, INR has risen by 0.3%. We expect INR to trade with an appreciating bias in the near term on the back of robust foreign inflows as well as a weakness in US\$. Apart from this, lower oil prices are also positive for INR.

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

Consumption

Final consumption expenditure

FIG 1 – CONSUMPTION SLUMPS IN Q1FY21

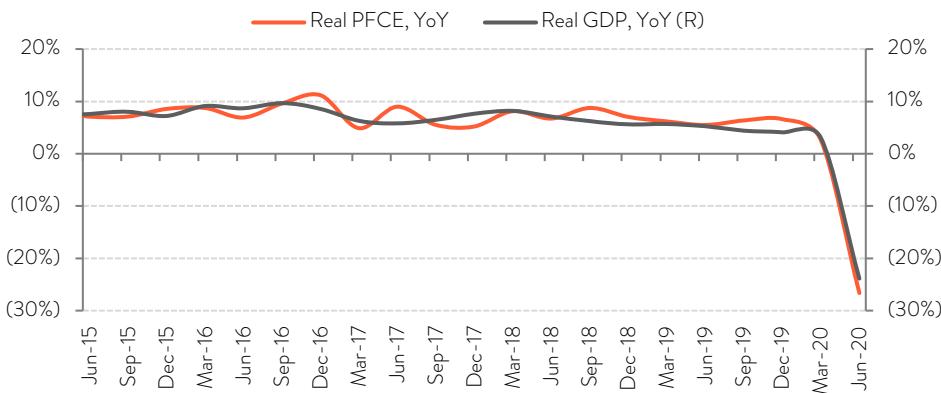


FIG 3 – GENERAL GOV REVENUE SPENDING DROPPED IN JUL'20

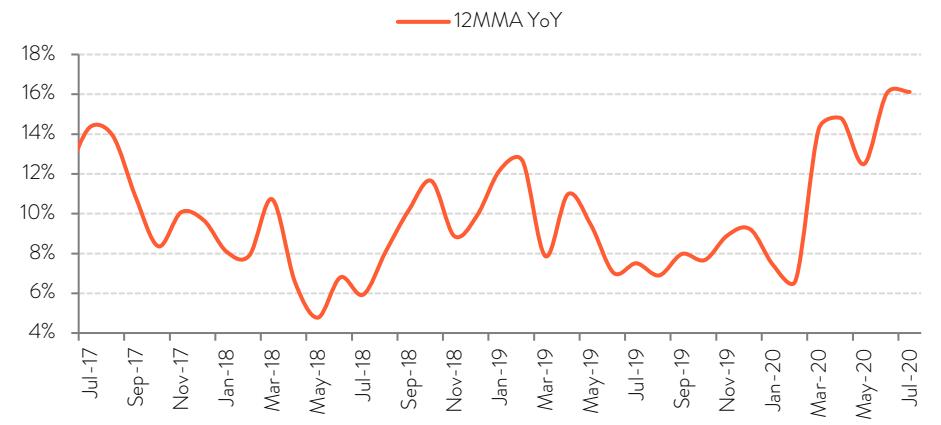


FIG 2 – GOVERNMENT CONSUMPTION IMPROVES

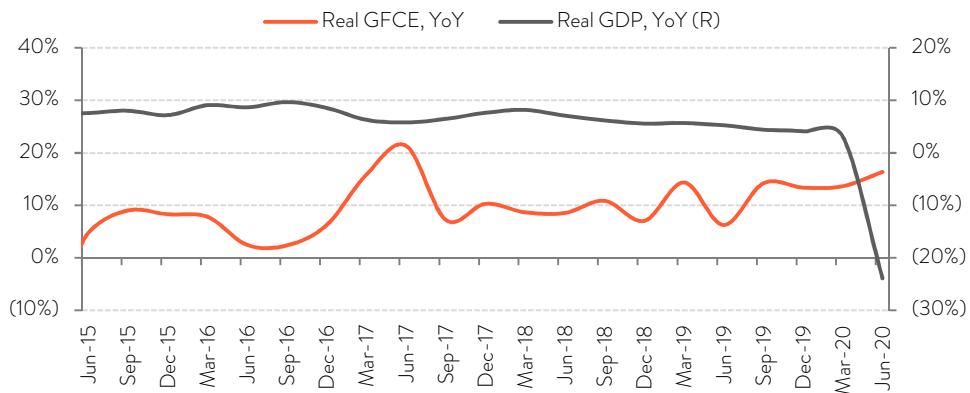
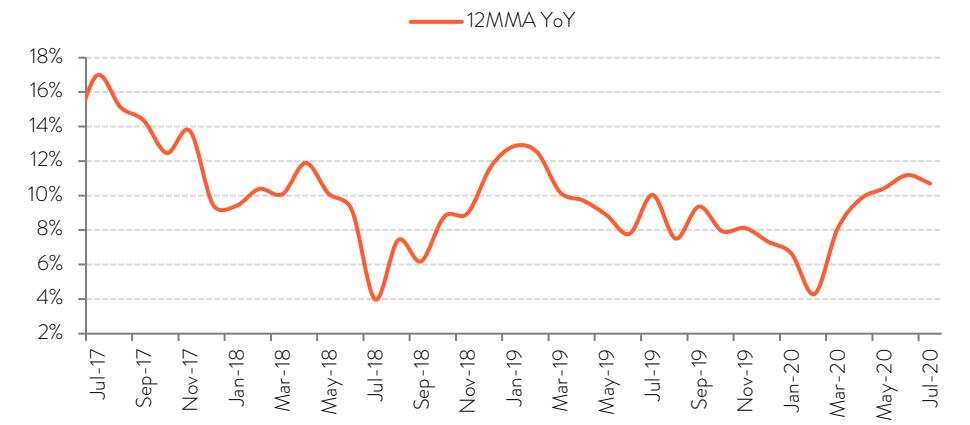


FIG 4 – STATE* GOV REVENUE SPENDING TOO FELL



Note: * All states excluding N.E states, Bihar, Goa, Gujarat, H.P., J&K, Maharashtra, Punjab, Rajasthan, T.N., U.P., Uttarakhand, and W.Bengal

Non-oil imports, electronic imports

FIG 5 – NON-OIL-NON-GOLD IMPORTS DECLINES

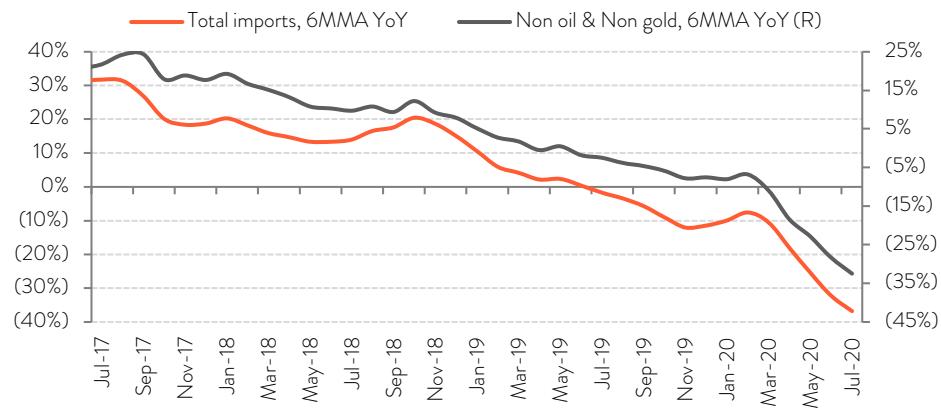


FIG 6 – ELECTRONIC IMPORTS CONTINUES TO REBOUND

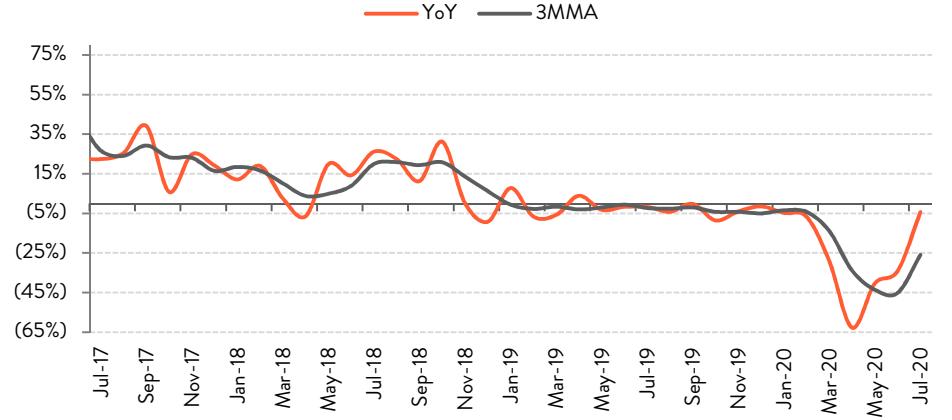


FIG 7 – PASSENGER CAR SALES SHOWING CONTINUES TO REBOUND

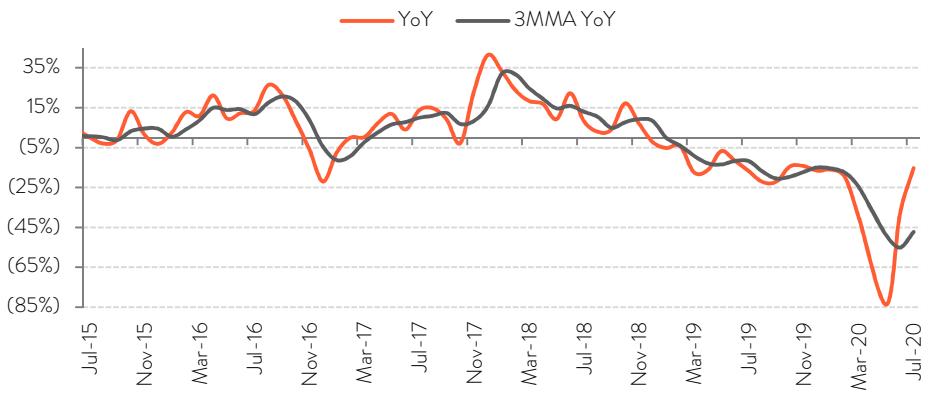
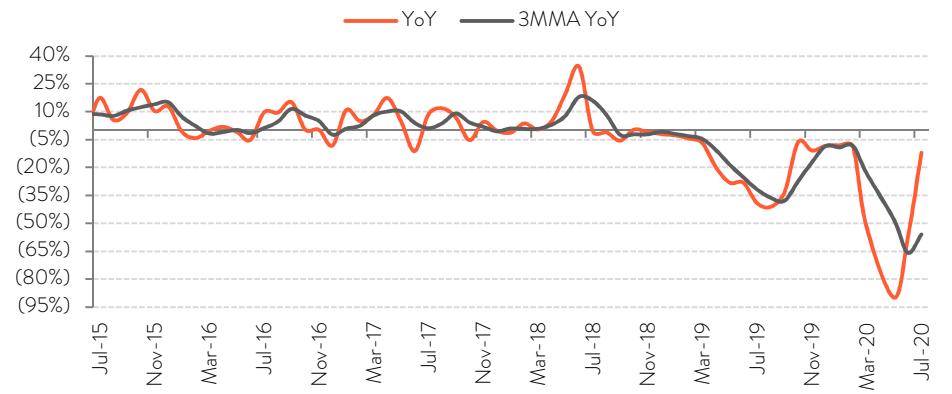


FIG 8 – SIMILAR CASE FOR TWO-WHEELER SALES



Credit deployment of personal loans

FIG 9 – GROWTH IN CREDIT CARD OUTSTANDING INCHES UP

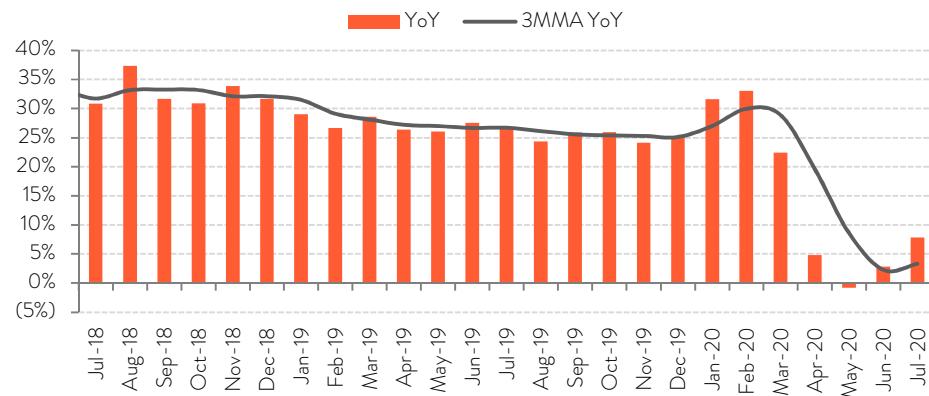


FIG 10 – GROWTH IN PERSONAL LOAN TOO IMPROVES IN JUL'20

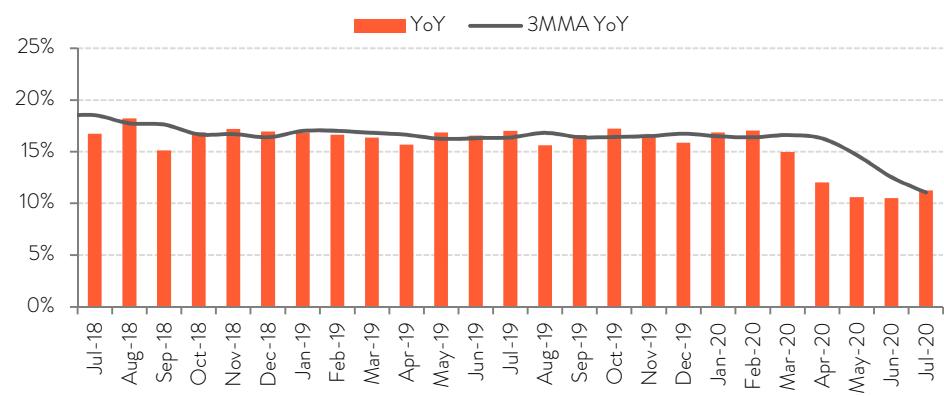


FIG 11 – GROWTH IN VEHICLE LOAN IMPROVES

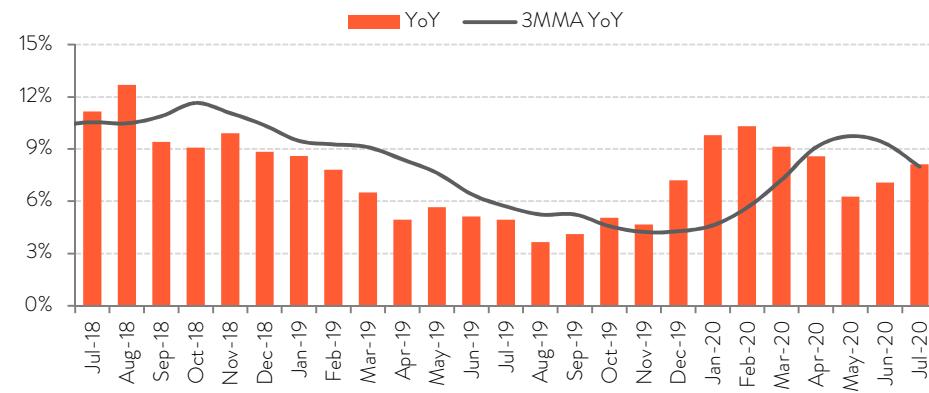
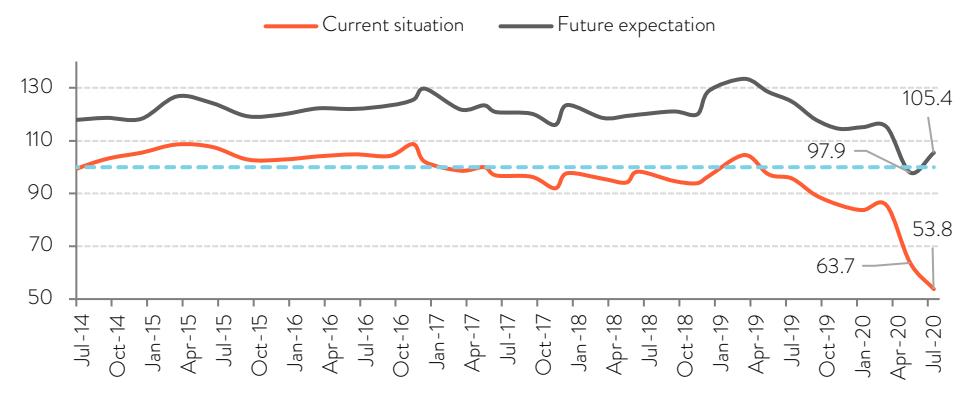
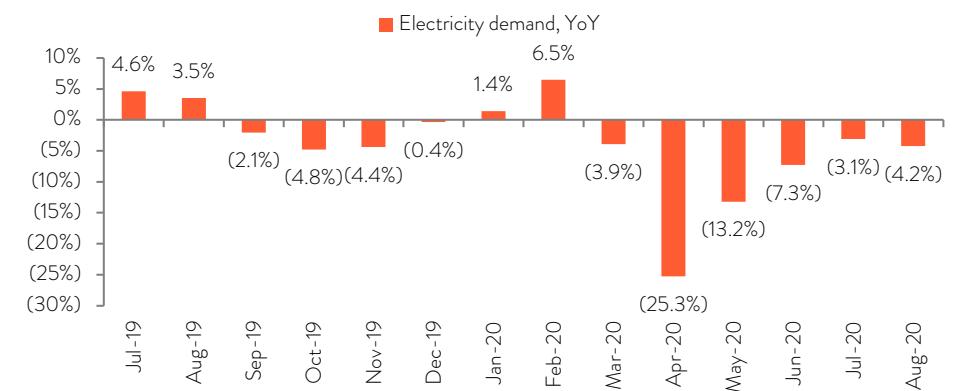


FIG 12 – CONSUMER CONFIDENCE DROPS TO A RECORD LOW



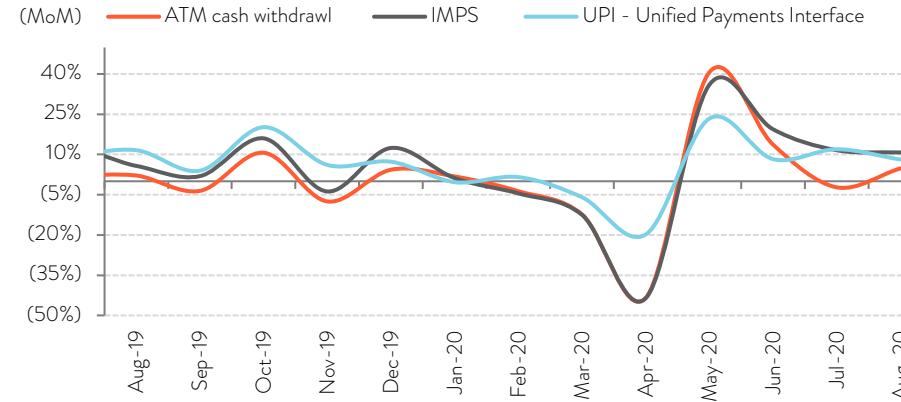
Electricity Demand, Digital Payments, COVID cases, Google mobility Index

FIG 13 – ELECTRICITY DEMAND CONTINUES TO CONTRACT



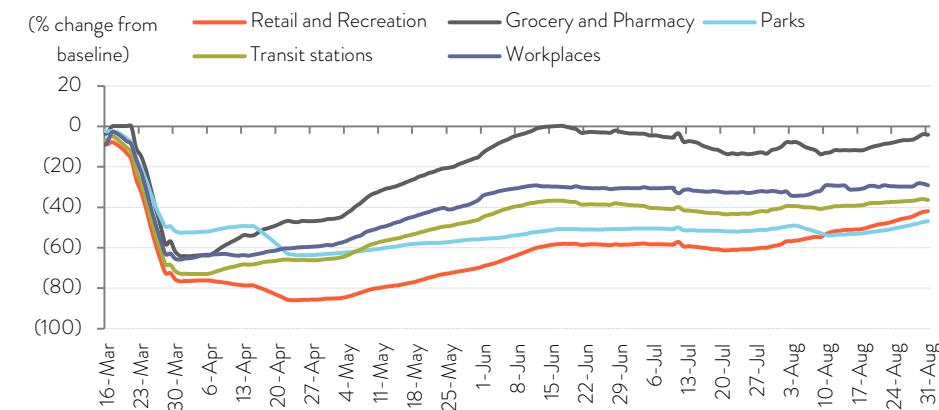
Source: Posco. Note: Maximum Demand met during peak evening hours (MW)

FIG 14 – DIGITAL PAYMENTS MODERATED IN AUG'20



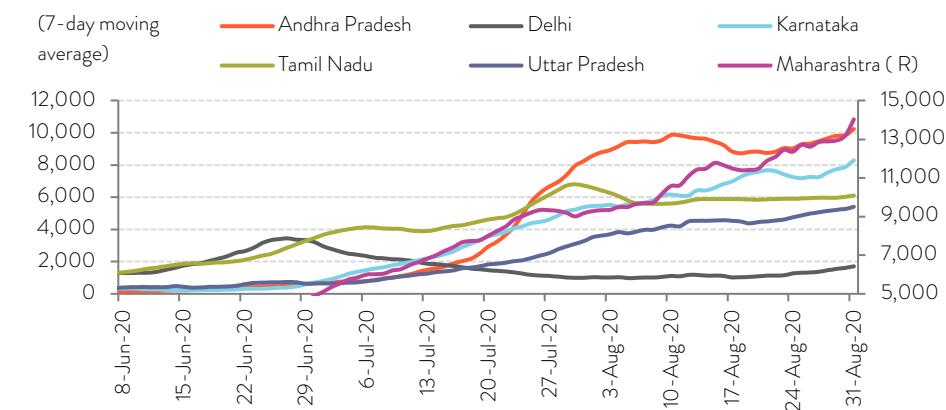
Source: NPCI. Note: NFS Cashwithdrawal amount does not include Card to Card Transfer

FIG 15 – GOOGLE MOBILITY INDEX IS INCHING UP



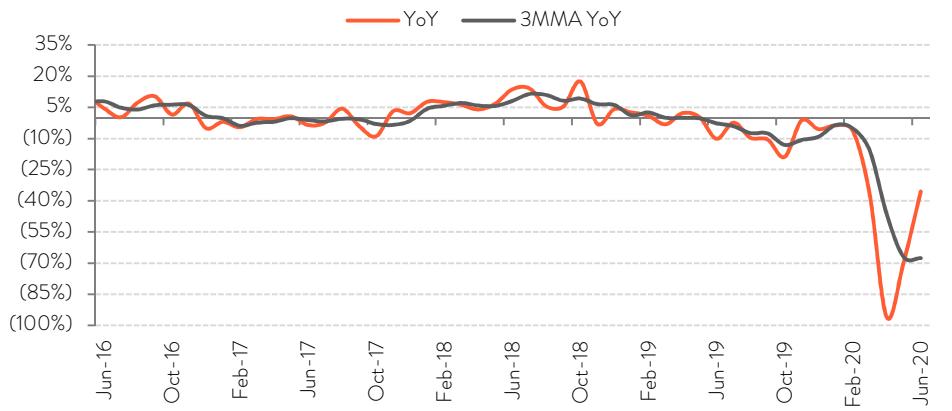
Source: Google Mobility Reports. Note: Highlights percentage change in visits to the place from baseline reading (median value, for the corresponding day of the week, during the five week period 3 Jan – 6 Feb 2020) Note: Data taken as 7 days rolling average

FIG 16 – DAILY CHANGE IN COVID-19 CASES STATEWISE



Consumer durables & non-durables production

FIG 17 – CONSUMER DURABLES OUTPUT IMPROVES SHARPLY



Agriculture

FIG 19 – AGRICULTURE GROWTH MODERATED IN Q1FY21 (3.4% VS 5.9% IN Q4FY20)

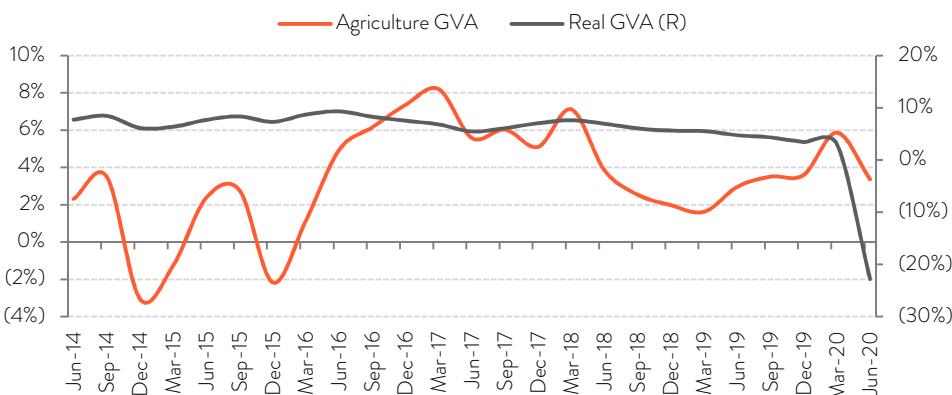


FIG 18 – FMCG OUTPUT SEES LARGER IMPROVEMENT

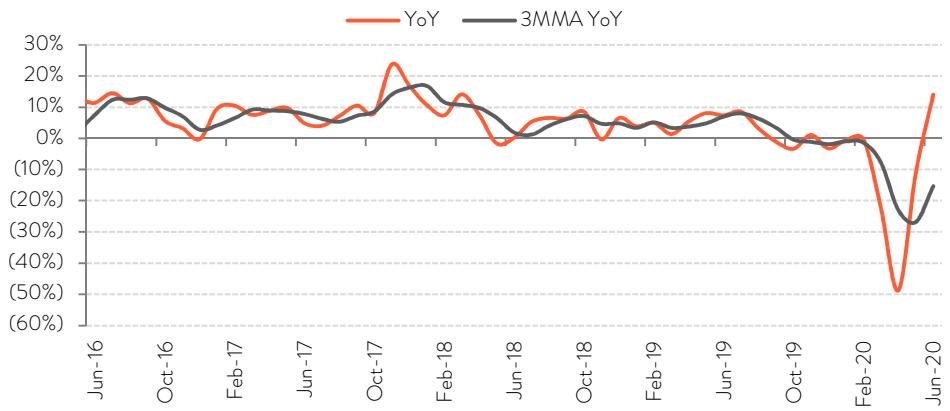


FIG 20 – GROWTH IN TRACTOR SALES BACK TO PRE-COVID LEVELS

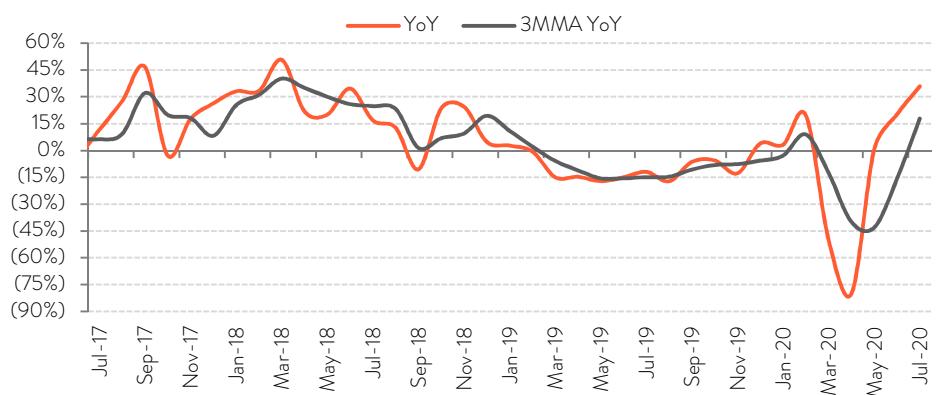
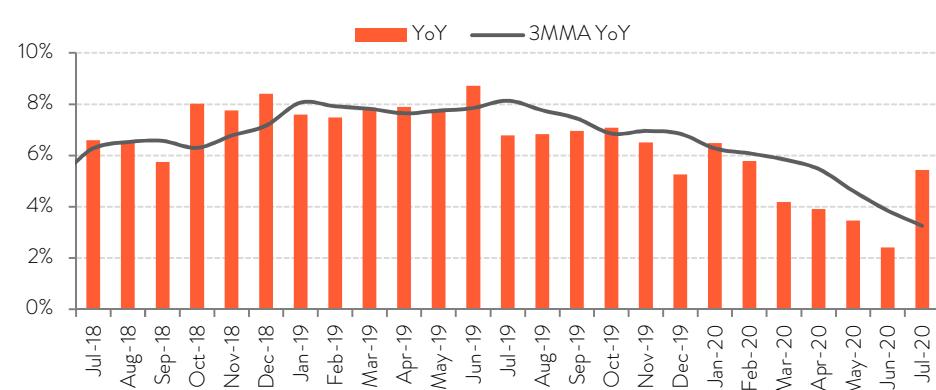
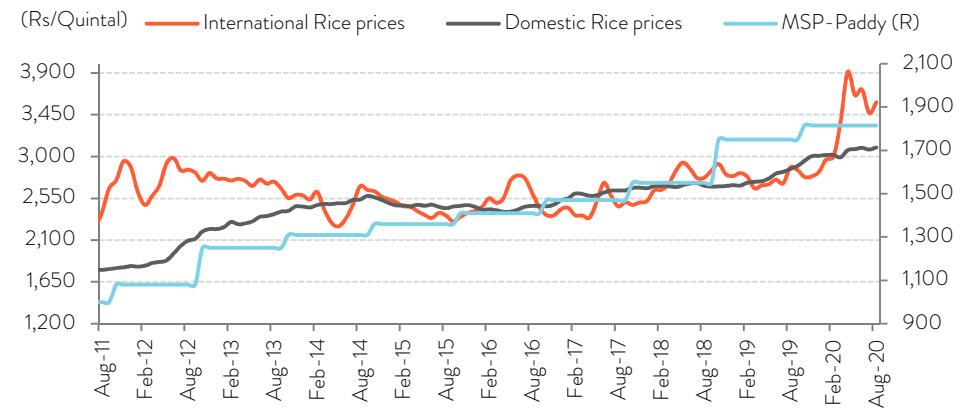


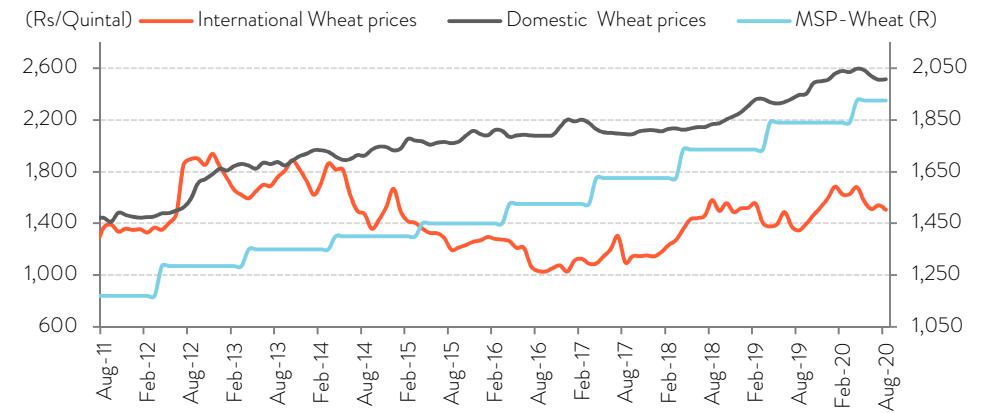
FIG 21 – GROWTH IN AGRICULTURE CREDIT IMPROVES**FIG 23 – BOTH DOMESTIC AND INTERNATIONAL PRICE OF RICE HAS RISEN**

Source: World Bank

FIG 22 – PROCUREMENT INCREASING LED BY RICE

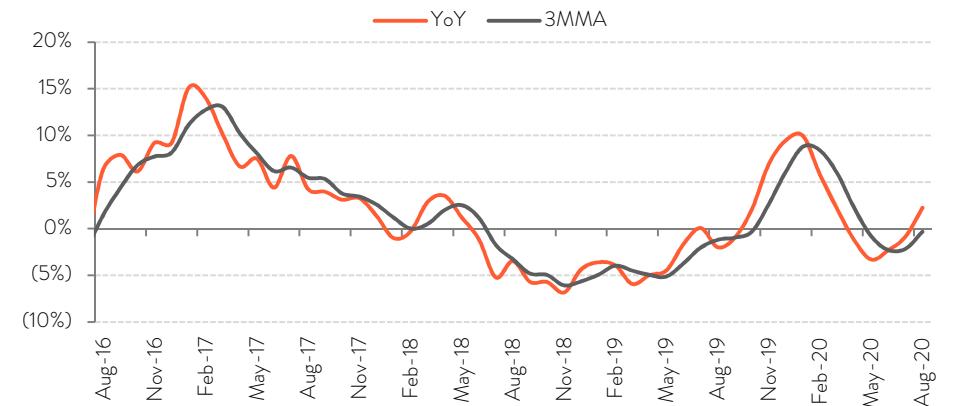
Year	Wheat	Rice
2011-12	28.34	35.04
2012-13	38.15	34.04
2013-14	25.09	31.85
2014-15	28.02	32.04
2015-16	28.09	34.22
2016-17	22.96	38.11
2017-18	30.83	38.19
2018-19	35.80	44.39
2019-20	34.13	50.52*
2020-21	38.98*	-

Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 31 Jul 2020

FIG 24 – WHILE INTERNATIONAL PRICE OF WHEAT HAS MODERATED, DOMESTIC PRICE HAS BEEN INCHING UP

Source: World Bank

FIG 25 – GLOBAL FOOD PRICES RISES TO 6-MONTH HIGH



Source: FAO

FIG 27 – GROWTH IN FOODGRAIN PRODUCTION

Crop type (YoY %)	2016	2017	2018	2019 (4 th AE)
Rice	5.1	2.8	3.3	1.7
Wheat	6.7	1.4	3.7	3.9
Pulses	41.5	9.9	(13.1)	4.8
Cereals	7.1	3.0	1.4	3.9
Foodgrain Production	9.4	3.6	0.1	3.7
Sugarcane	(12.2)	24.1	6.7	(12.3)
Oilseeds	23.9	0.6	0.2	6.0
Cotton	8.6	0.7	(14.5)	26.6

FIG 26 – WAGE GROWTH (MEN) MODERATES IN MAR'20

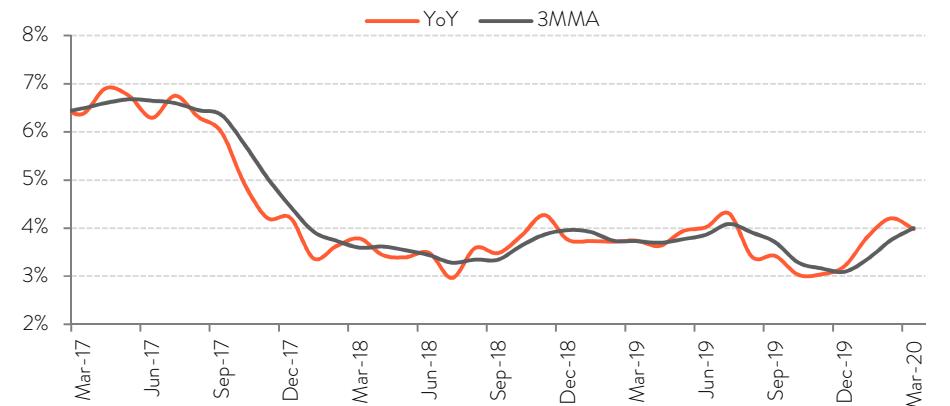


FIG 28 – KHARIF SOWING IS HIGHER COMPARED TO LAST YEAR

Crop type	Normal area as on date (ha mn)	Area sown in 2020-21	Area sown in 2019-20	Normal area for whole Kharif season	Growth (YoY%)
Foodgrain	68.0	71.2	67.3	71.1	5.9
Cereals	55.0	57.6	54.2	58.2	6.2
Rice	37.2	39.6	36.6	39.7	8.3
Pulses	13.0	13.7	13.1	12.9	4.7
Oilseeds	17.7	19.5	17.4	17.8	11.9
Cotton	12.2	12.9	12.5	12.2	3.2
Sugarcane	5.0	5.2	5.2	4.8	1.3
Jute and Mesta	0.7	0.7	0.7	0.8	1.6
Total	103.7	109.54	103.03	106.8	6.3

Note: As on 4.9.20

Inflation

FIG 29 – RETAIL INFLATION ROSE FOR THE 4TH CONSECUTIVE MONTH ABOVE RBI'S UPPER BOUND OF 6% AT 6.9% IN JUL'20 (6.2% IN JUN'20)

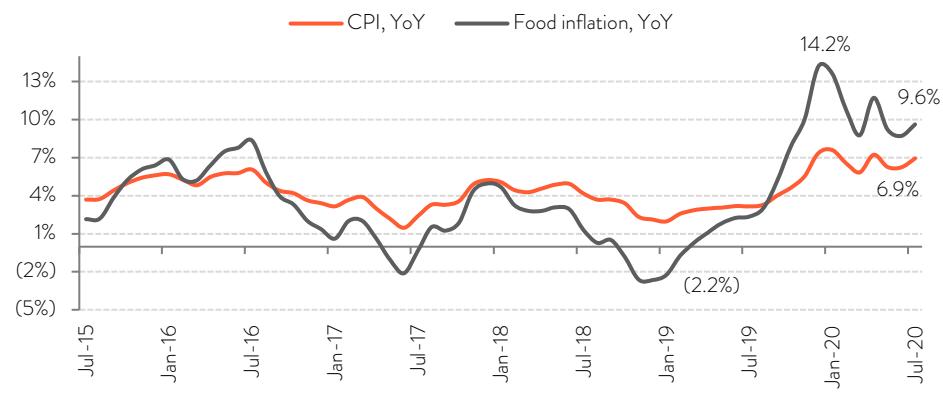
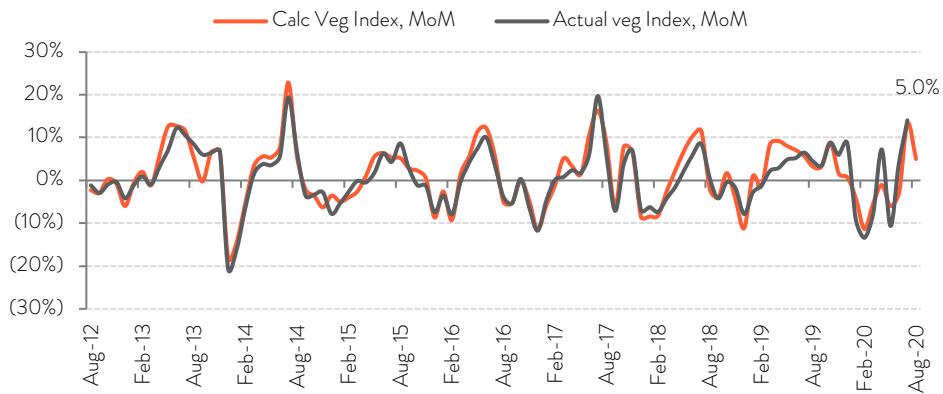


FIG 31 – VEGETABLE PRICES HAS MODERATED SLIGHTLY IN AUG'20 (5% MOM INCREASE)



Note: *Vegetable index computed using average retail price of major items, Apr-20 index is constructed using available prices of potato, tomato and onion

FIG 30 – FOOD INFLATION ROSE SHARPLY BY 9.6% IN JUL'20 FROM 8.7% IN JUN'20 LED BY VEGETABLE PRICES (11.3% FROM 4% IN JUN'20)

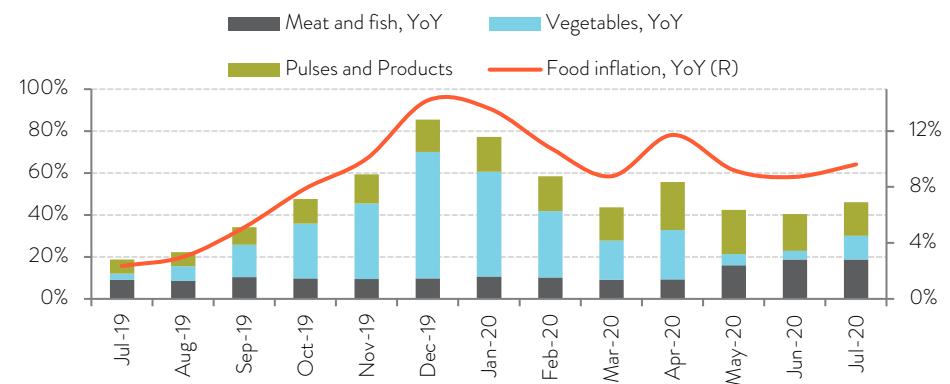


FIG 32 – CPI EXCL. FOOD AND FUEL ROSE BY 50BPS TO 5.9% FROM 5.4% IN JUN'20

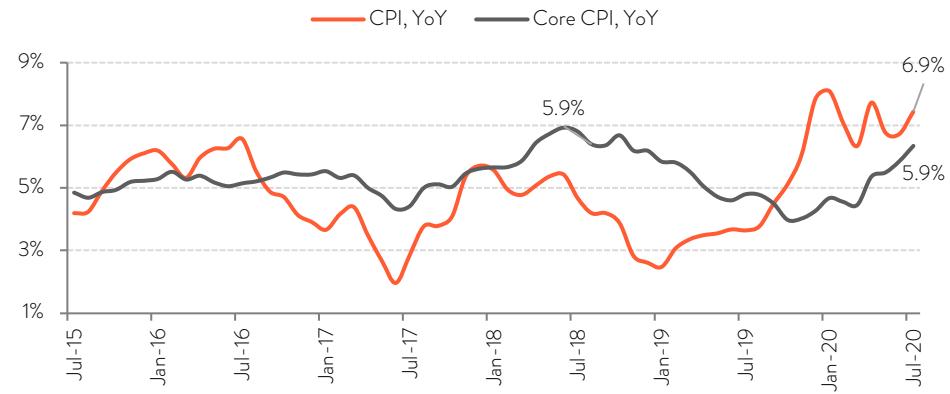


FIG 33 – ...LED BY PERSONAL CARE ITEMS, TRANSPORT & COMMUNICATION AND HOUSEHOLD GOODS AND SERVICES

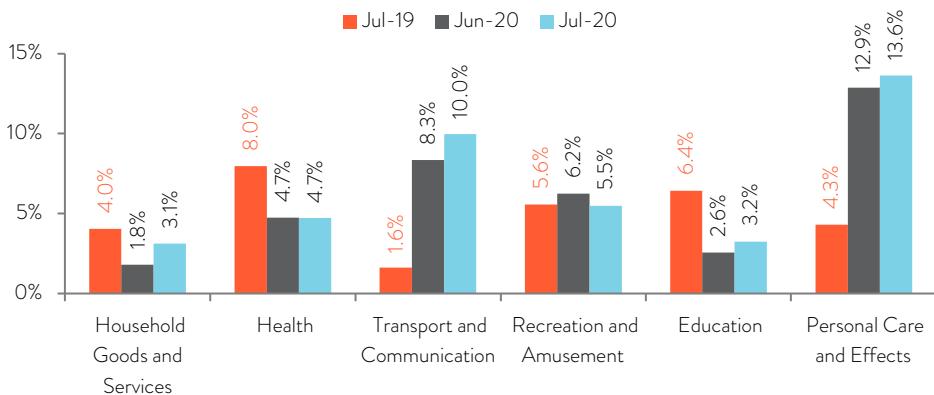


FIG 35 – RBI'S INFLATION INDEX SUGGESTS INFLATION LIKELY TO PICK UP IN THE NEXT THREE MONTHS

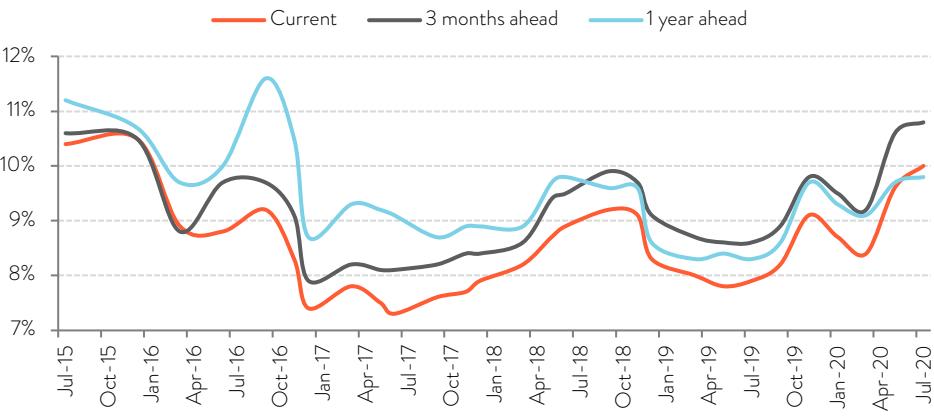
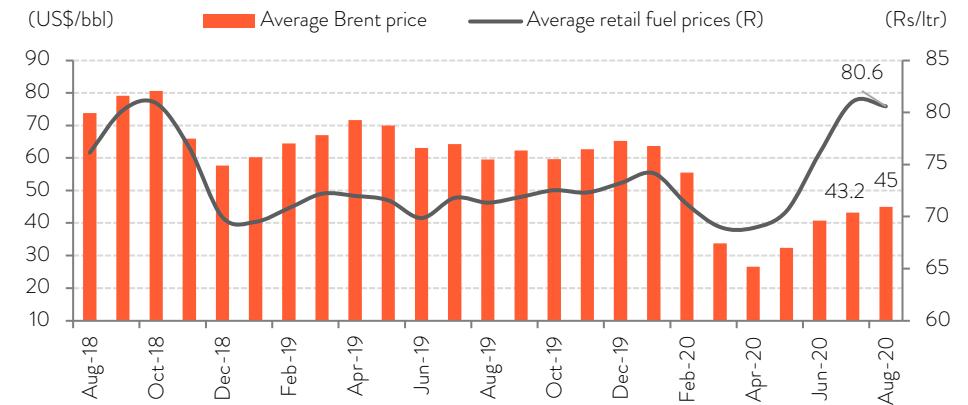
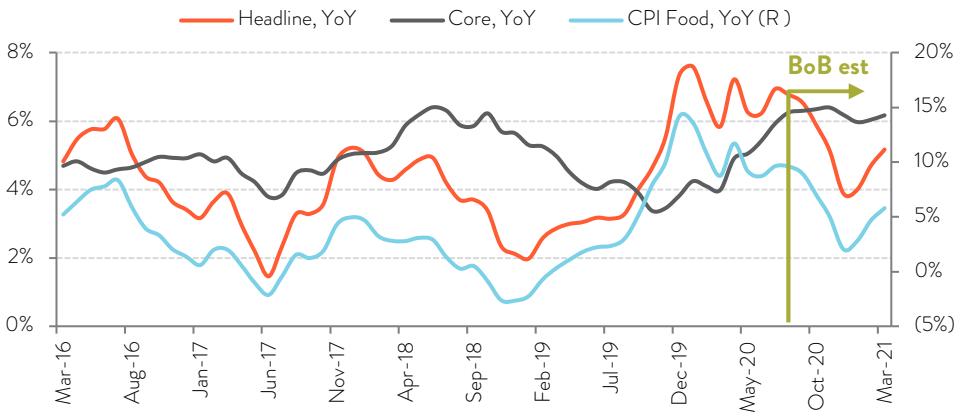


FIG 34 – IN AUG'20, RETAIL FUEL PRICES MODERATED TO RS 80.6/LT (RS 81/LT-JUL'20); CRUDE HOWEVER ROSE TO US\$ 45/BBL FROM US\$ 43/BBL



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

FIG 36 – ...WE ALSO EXPECT HEADLINE CPI TO BE ELEVATED THROUGHOUT H1FY21



Industry

FIG 37 – INDUSTRIAL OUTPUT SLUMPS IN Q1FY21

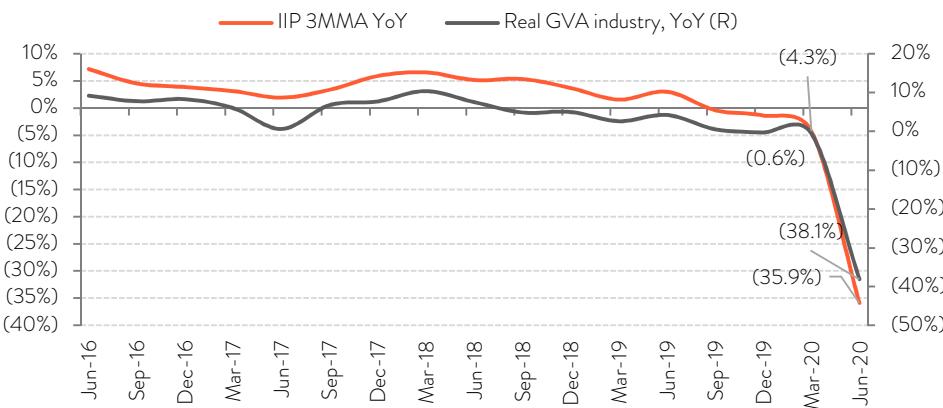


FIG 38 – BROAD BASED SLOWDOWN ON FYTD BASIS

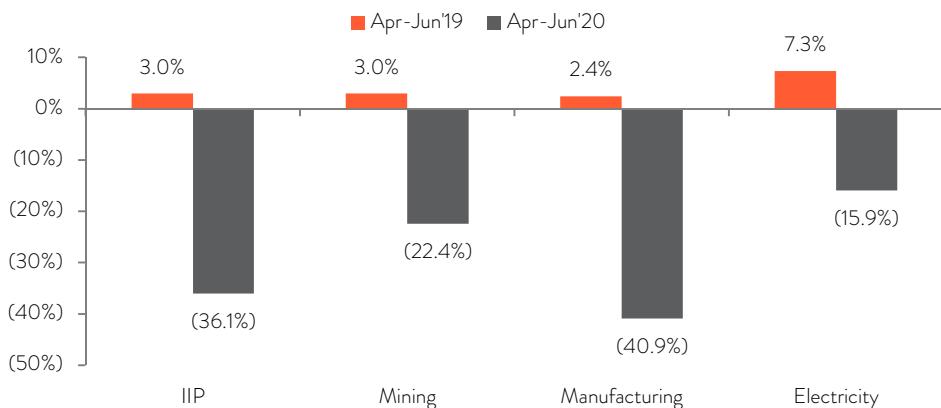


FIG 39 – CAP GOODS REBOUNDS, BUT LAGS IIP

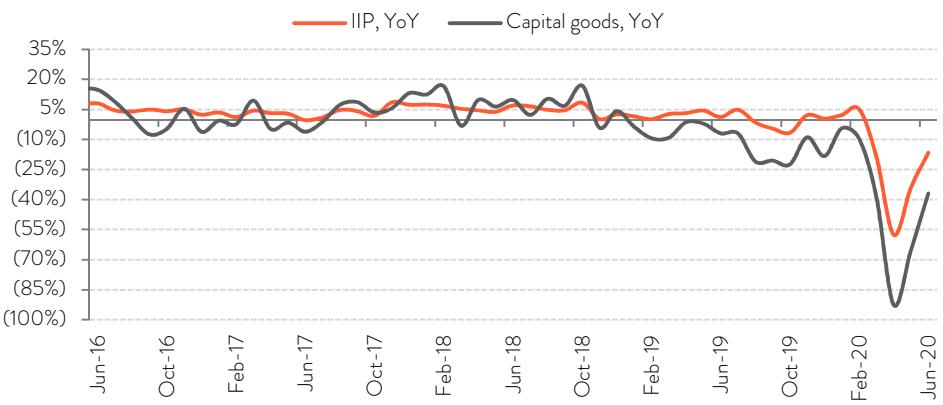


FIG 40 – INFRA & CONSTRUCTION, IN-LINE WITH IIP

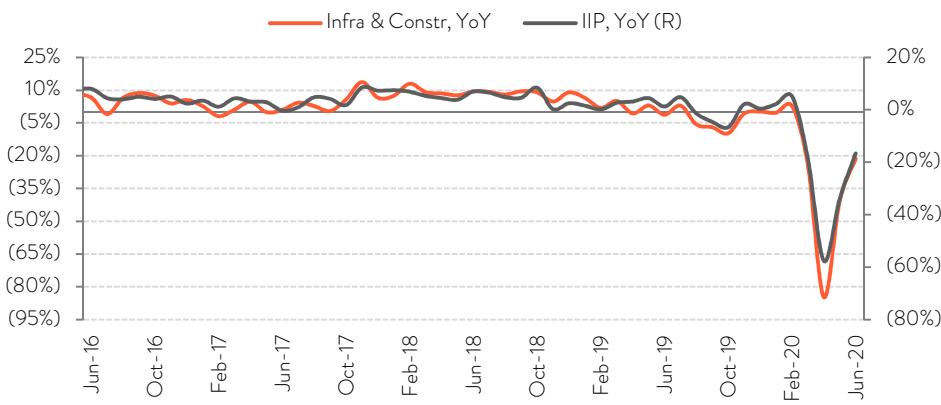


FIG 41 – INDUSTRIAL PRODUCTION REBOUNDS

Sectoral (%)	Weight	Jun-20	May-20	May-19	Apr-Jun'20	Apr-Jun'19
IIP	100.0	(16.6)	(33.9)	1.3	(36.1)	3.0
Mining	14.4	(19.8)	(20.5)	1.5	(22.4)	3.0
Manufacturing	77.6	(17.1)	(38.4)	0.3	(40.9)	2.4
Electricity	8.0	(10.0)	(14.9)	8.6	(15.9)	7.3
Use-Based						
Primary Goods	34.1	(14.6)	(19.7)	0.6	(20.3)	2.6
Capital Goods	8.2	(36.9)	(65.2)	(6.9)	(64.9)	(3.5)
Intermediate Goods	17.2	(25.1)	(40.6)	12.1	(43.7)	9.2
Infrastructure and Construction Goods	12.3	(21.3)	(40.7)	(1.3)	(48.9)	0.4
Consumer Durables Goods	12.8	(35.5)	(69.4)	(10.2)	(67.0)	(2.6)
Consumer Non-Durables Goods	15.3	14.0	(11.1)	7.4	(15.3)	7.0

Manufacturing

FIG 42 – MANUFACTURING OUTPUT DROPS IN Q1FY21

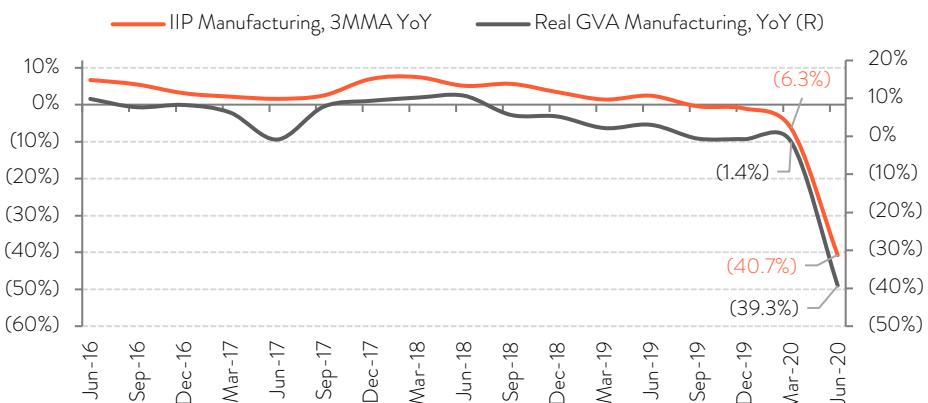
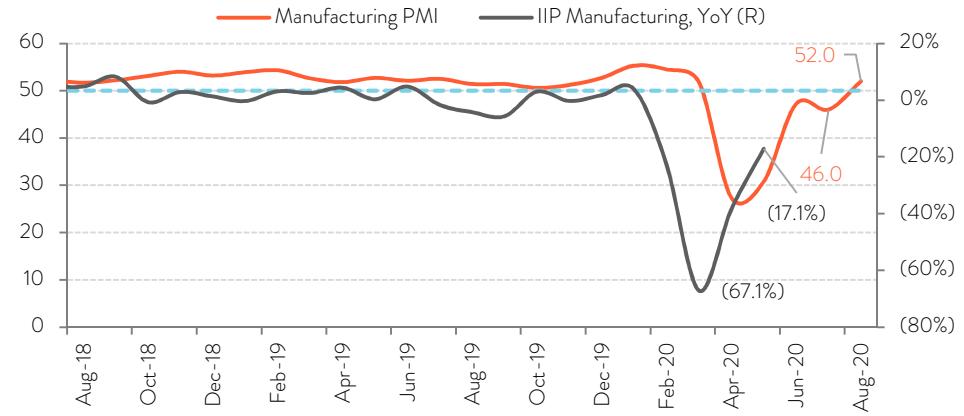


FIG 43 – MANUFACTURING PMI BACK IN THE EXPANSIONARY ZONE



Source: Markit

Mining & Electricity

FIG 44 – MINING ACTIVITY DIPS IN Q1FY21

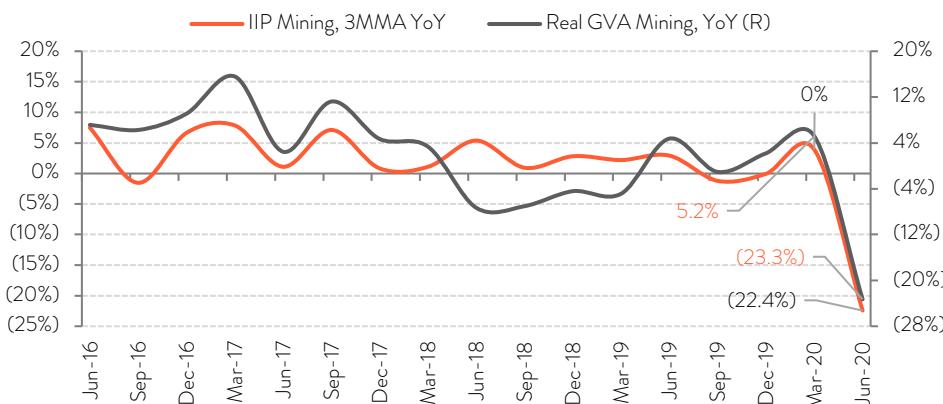
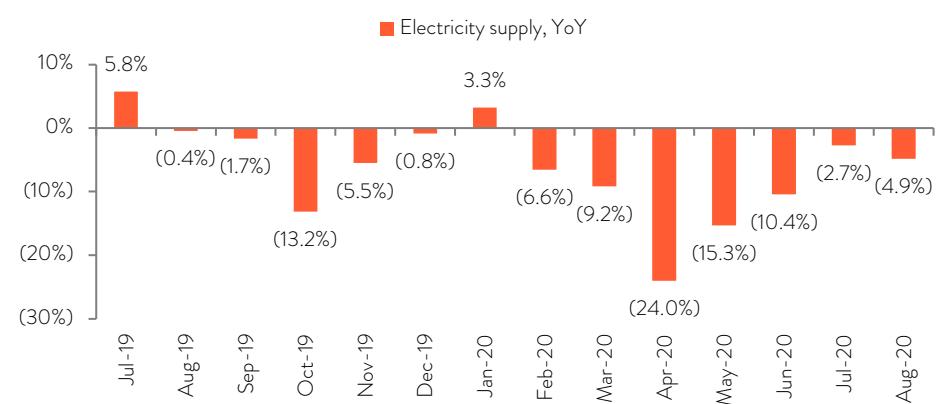


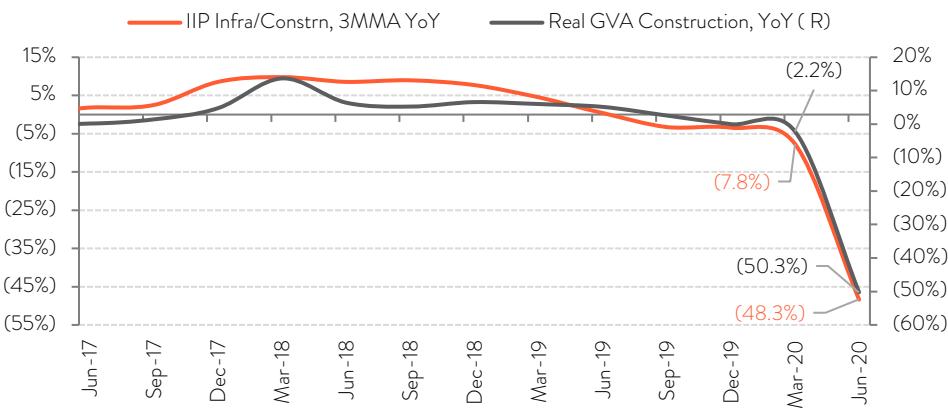
FIG 45 – ELECTRICITY OUTPUT CONTINUES TO DIP



Source: Posco. Note: Average Energy Met (MU)

Infrastructure and Construction

FIG 46 – GROWTH IN CONSTRUCTION CONTRACTS FURTHER



Infrastructure Index

FIG 48 – INFRA INDEX CONTRACTED AT A SLOWER PACE

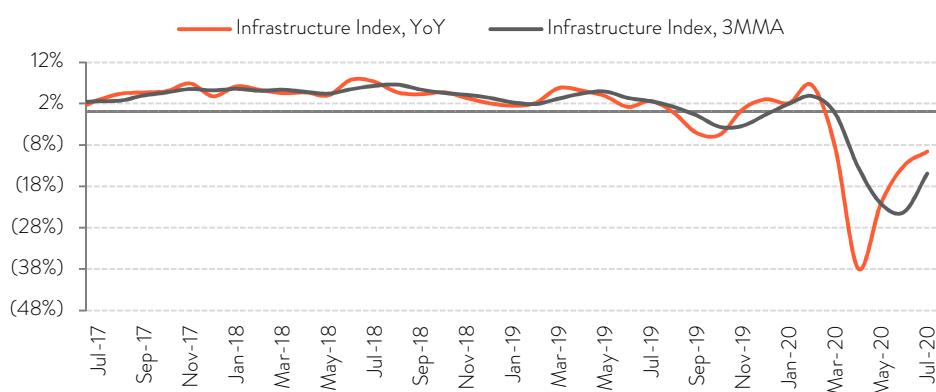


FIG 47 – HOWEVER, STEEL PRODUCTION IMPROVES

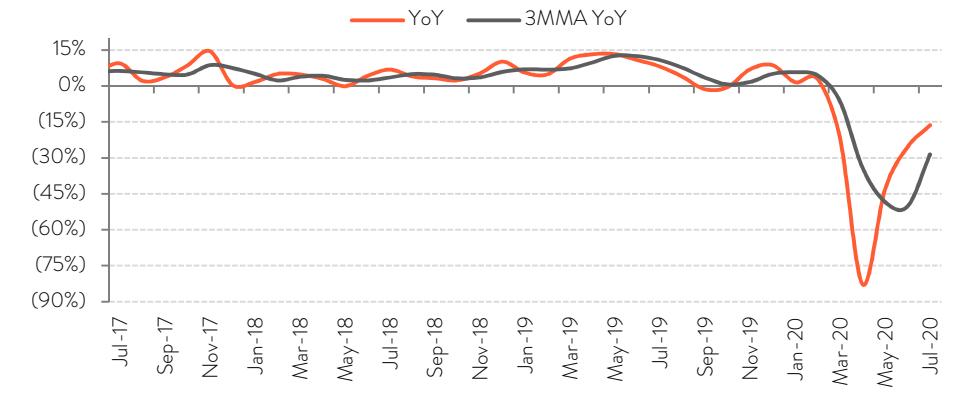
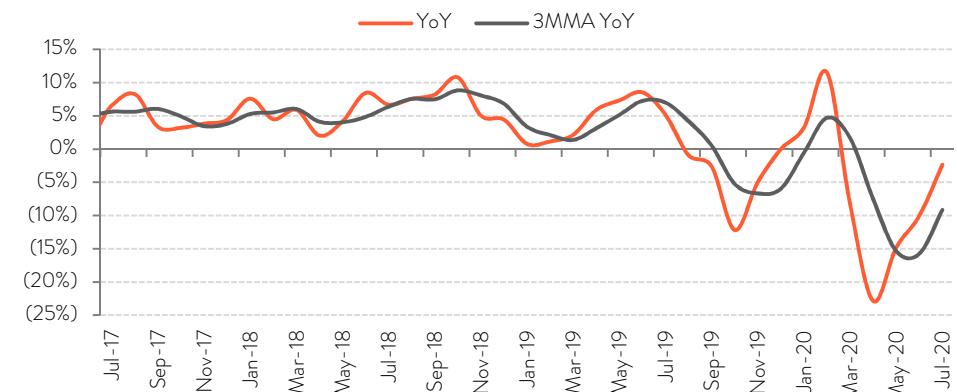


FIG 49 – ELECTRICITY OUTPUT REBOUNDS



Auto production & Business expectation index

FIG 50 – AUTO PRODUCTION CONTINUES TO IMPROVE

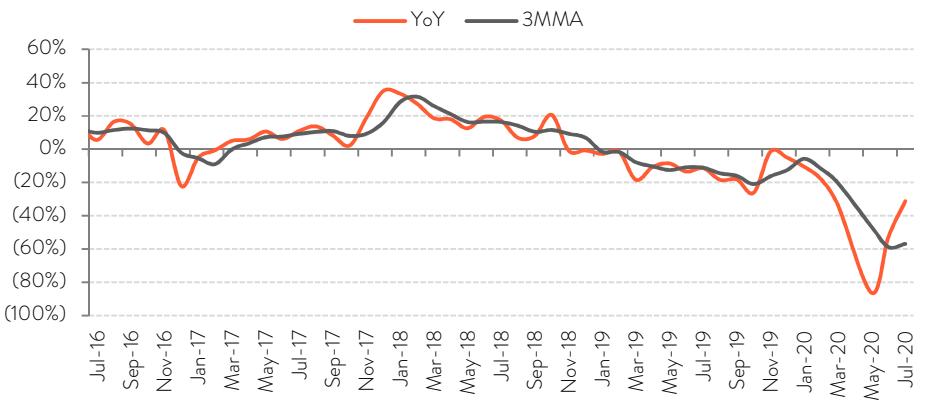


FIG 51 – BUSINESS SENTIMENT TURNS PESSIMISTIC

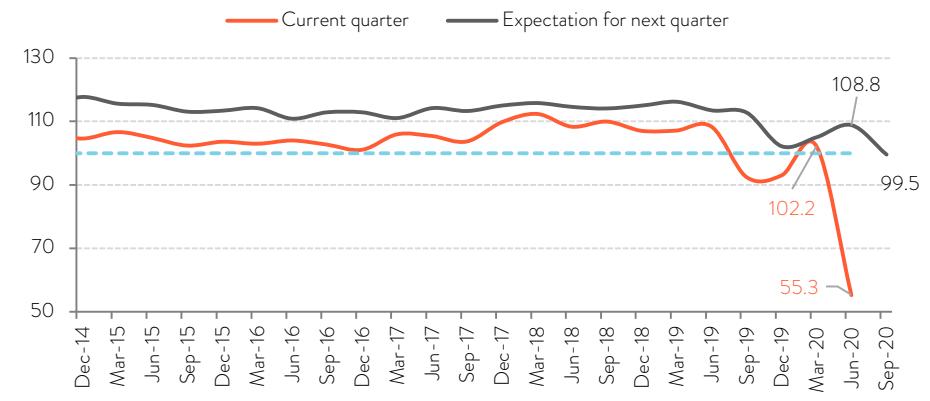


FIG 52 – INFRASTRUCTURE INDEX CONTRACTS BY 9.6% IN JUL'20

(%)	Weight	Jul-20	Jun-20	Jun-19	Apr-Jul20	Apr-Jun'19
Infrastructure Index	100	(9.6)	(12.9)	2.6	(20.5)	3.2
Coal	10.3	(5.7)	(15.5)	(1.6)	(12.9)	1.6
Crude Oil	9.0	(4.9)	(6.0)	(4.4)	(6.1)	(6.2)
Natural Gas	6.9	(10.2)	(12.0)	(0.5)	(14.7)	(0.8)
Petroleum Refinery Products	28.0	(13.9)	(8.9)	(0.9)	(17.1)	(2.0)
Fertilizers	2.6	6.9	4.2	1.5	3.9	(0.4)
Steel	17.9	(16.4)	(25.4)	8.1	(42.0)	11.4
Cement	5.4	(13.5)	(6.8)	7.7	(32.2)	2.6
Electricity	19.9	(2.3)	(10.0)	5.2	(12.4)	6.8

Investment

FIG 53 – REAL GFCF CONTRACTED TO ITS LOWEST IN THE 2011-12 SERIES BY 47.1% IN Q1FY21 VS 6.5% DECLINE IN Q4FY20

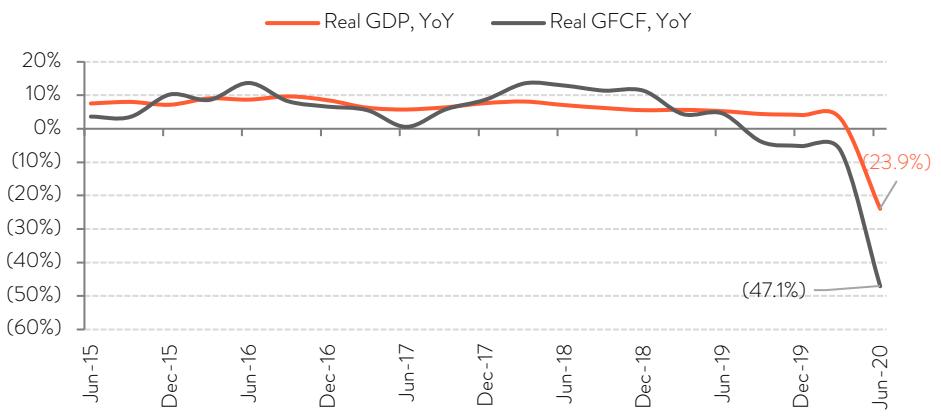


FIG 54 – IN NOMINAL TERMS AS WELL, GFCF CONTRACTED BY 47.9% VS 4.1% CONTRACTION IN Q4FY20

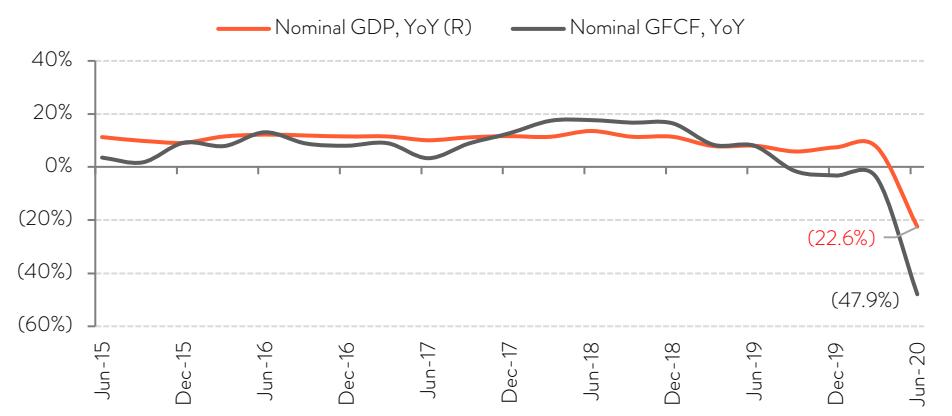


FIG 55 – PLF OF GOVT. THERMAL PLANTS SEEN IMPROVING IN JUL'20 INDICATING CAPACITY UTILIZATION GAINING PACE

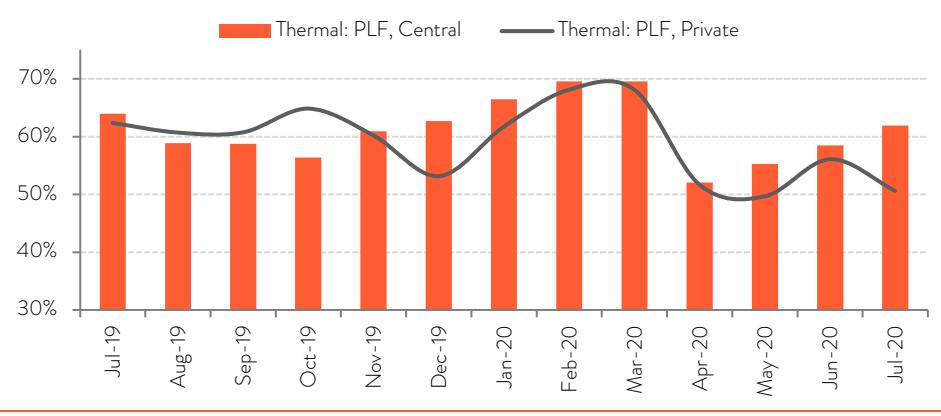


FIG 56 – PACE OF DECLINE IN CAPITAL GOODS PRODUCTION MODERATED (36.9% FALL IN JUN'20 FROM 65.2% IN MAY'20)

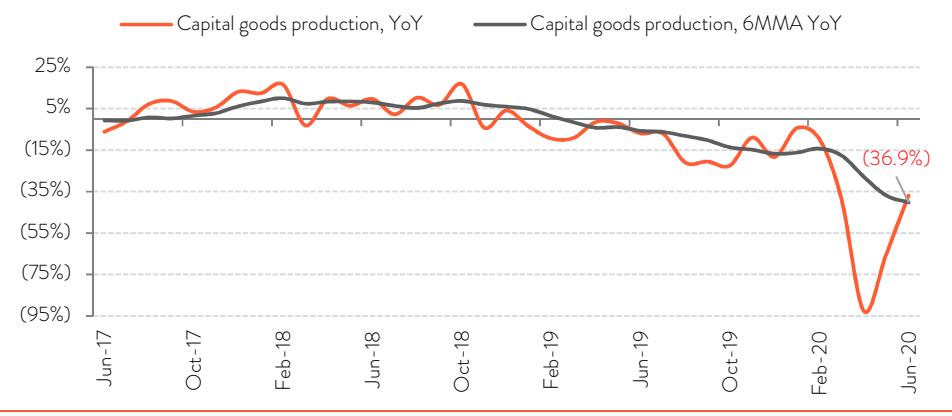


FIG 57 – CAPITAL GOODS IMPORTS FELL BY 37.7% IN JUL’20 AGAINST 42.1% IN JUN’20

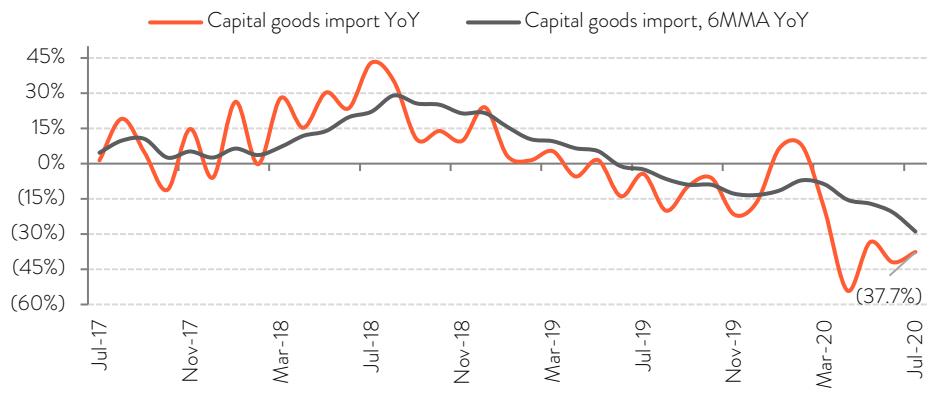


FIG 59 – INDUSTRY CREDIT GROWTH INCHED DOWN TO 0.8% IN JUL’20 FROM 2.2% IN JUN’20

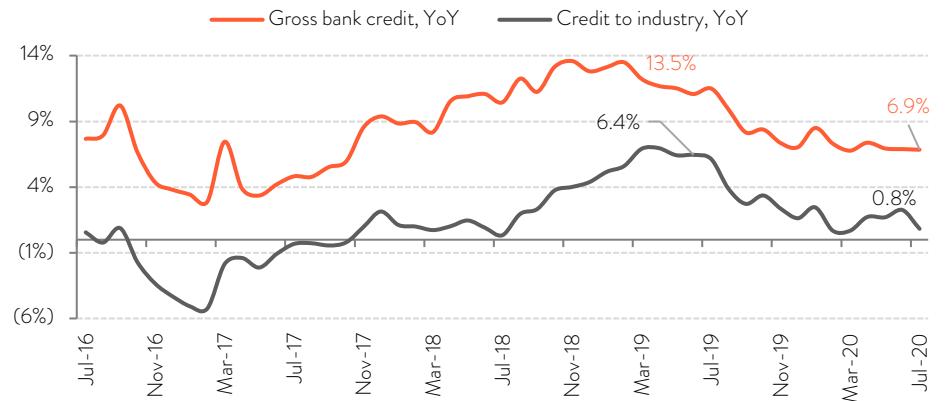


FIG 58 – CENTRE’S CAPEX SPENDING MODERATED BY 12.4% IN JUL’20 ON A 12MONTH TRAILING BASIS AGAINST 27.9% IN JUN’20

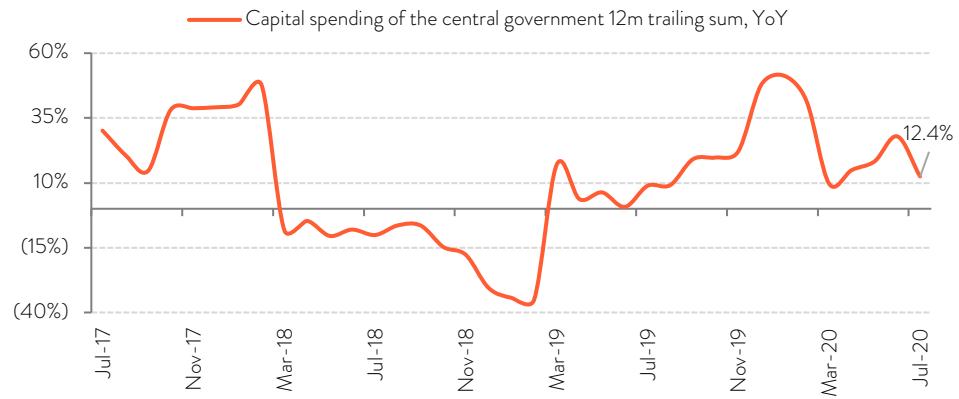


FIG 60 – LED BY MODERATION IN CREDIT TO LARGE INDUSTRY (1.4% IN JUL’20 FROM 3.7% IN JUN’20)

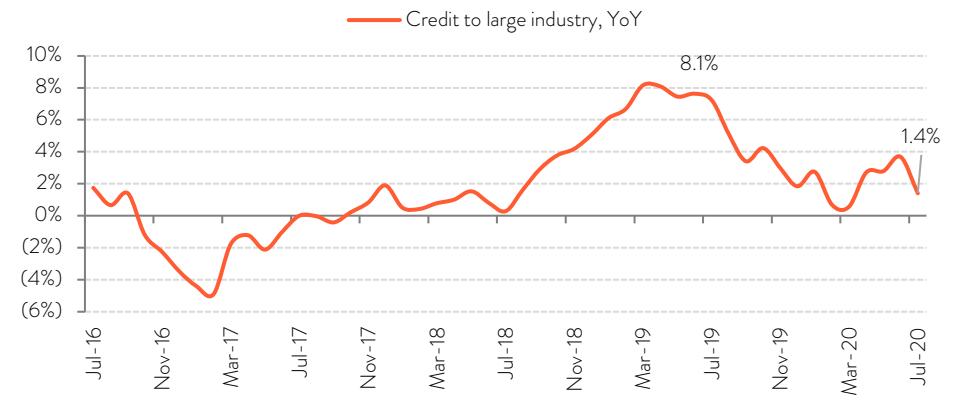


FIG 61 – HOWEVER, PACE OF DECLINE IN CREDIT TO MSE (1.9% FALL FROM 3.7% IN JUN'20) AND MEDIUM INDUSTRY (3.1% FALL FROM 9%) MODERATED

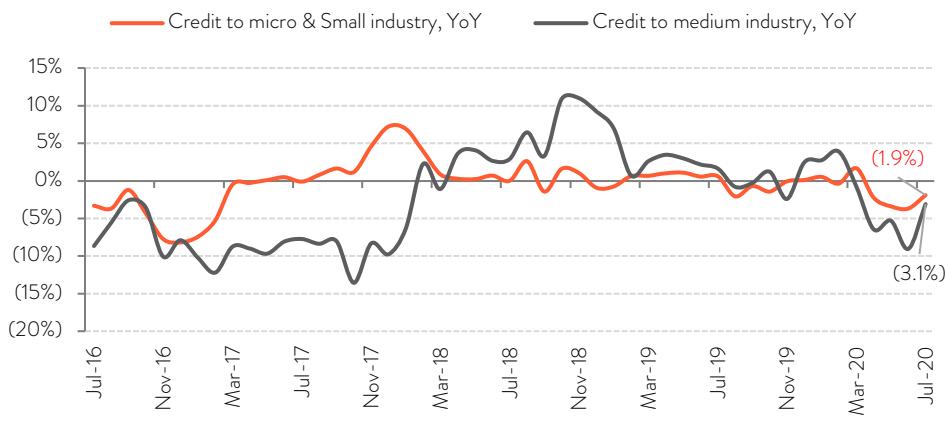
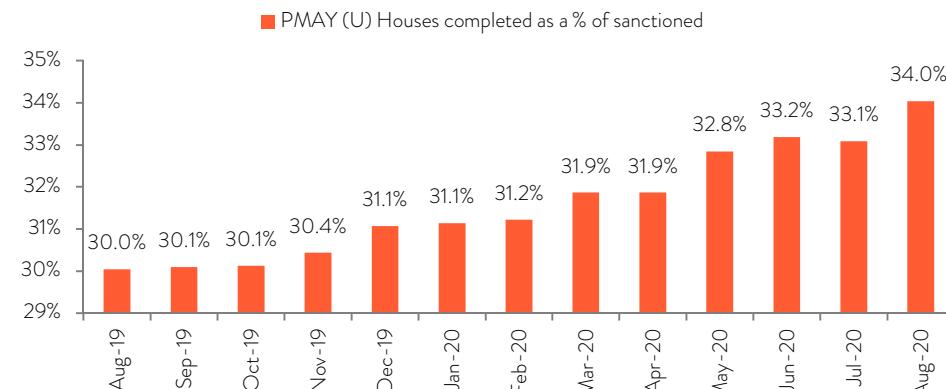


FIG 63 – HOWEVER, AFFORDABLE HOUSING IS PICKING PACE



Source: MOHUA

FIG 62 – HOUSING CREDIT CONTINUED TO EDGE DOWN TO 12.3% IN JUL'20 FROM 12.5% IN JUN'20

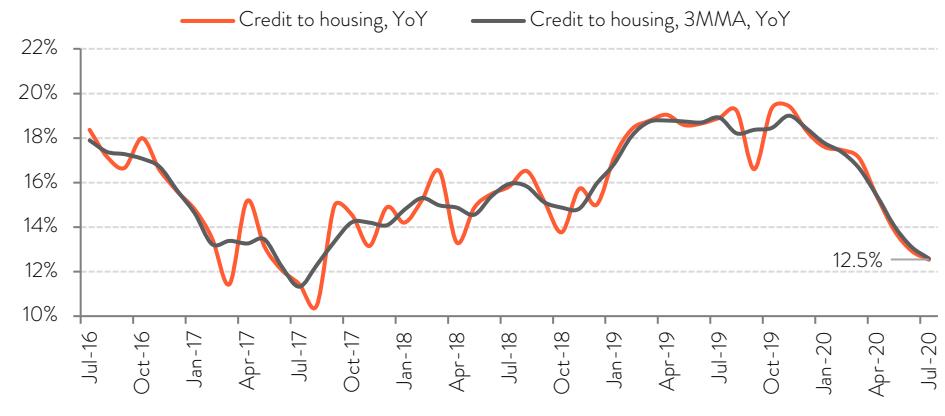
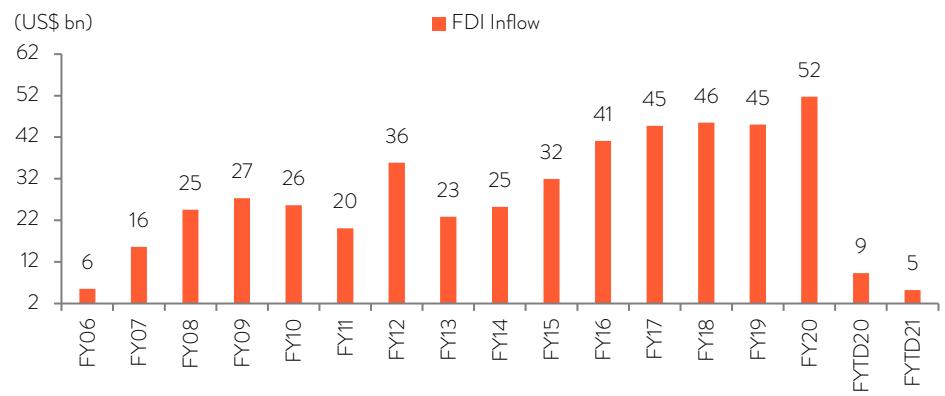


FIG 64 – FDI INFLOWS WAS LOWER AT US\$ 5BN IN FYTD21* AGAINST US\$ 9BN IN THE SAME PERIOD OF PREVIOUS YEAR



Source: RBI, FYTD: Apr-May

Services sector

FIG 65 – GVA: SERVICES ACTIVITY CONTRACTED SHARPLY IN Q1FY21

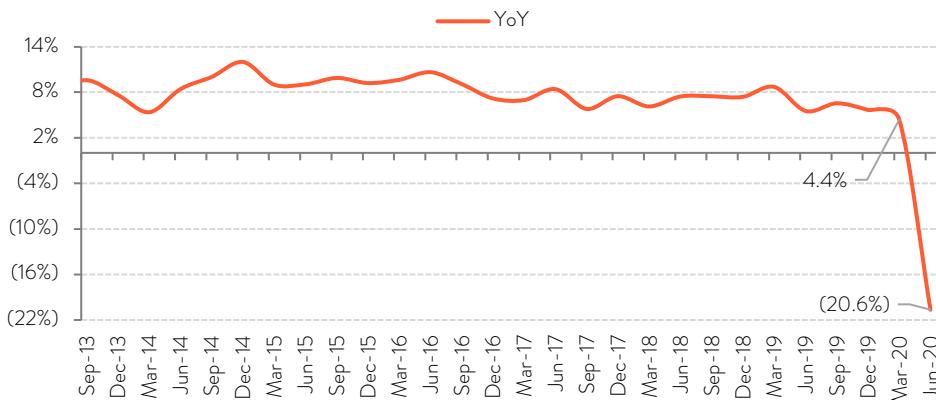


FIG 67 – GVA: TRADE & RELATED SERVICES GROWTH WAS THE MOST HIT...

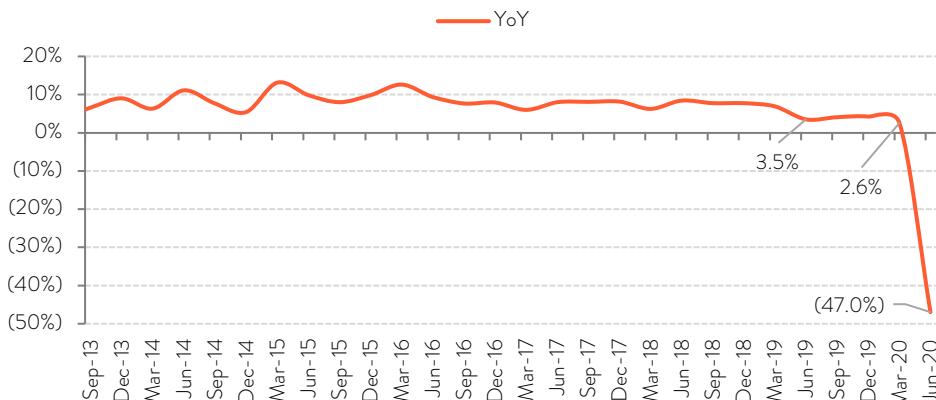
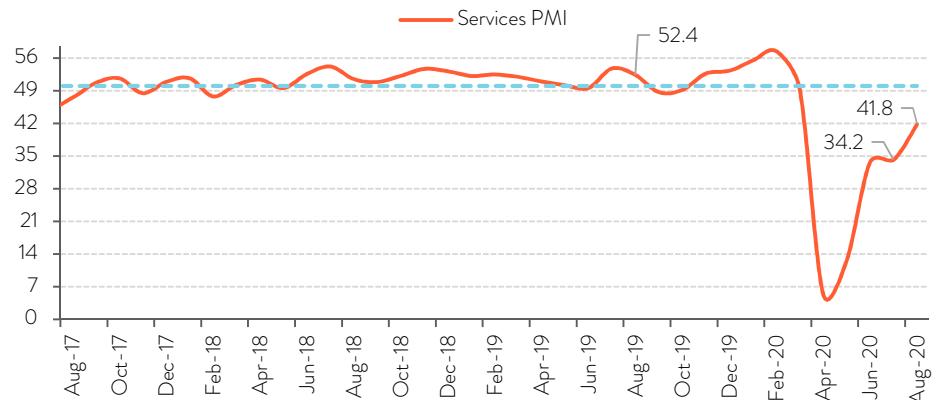
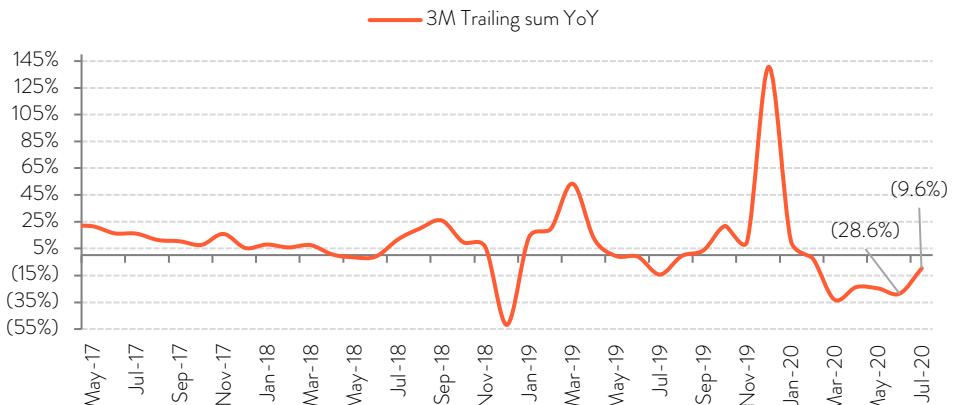


FIG 66 – SERVICES PMI SHOWS ACTIVITY REGAINING PACE IN AUG'20



Source: Markit

FIG 68 – STATES* TAX REVENUE GROWTH SEEN IMPROVING IN JUL'20



Note: *All states excluding N.E states, Bihar, Goa, Gujarat, H.P., J&K, Maharashtra, Punjab, Rajasthan, T.N., U.P., Uttarakhand, and W.Bengal

Trade

FIG 69 – VEHICLE REGISTRATIONS IMPROVED MARGINALLY IN AUG'20



Source: MoRTH

FIG 71 – PORT CARGO VOLUMES IMPROVED MARGINALLY IN AUG'20

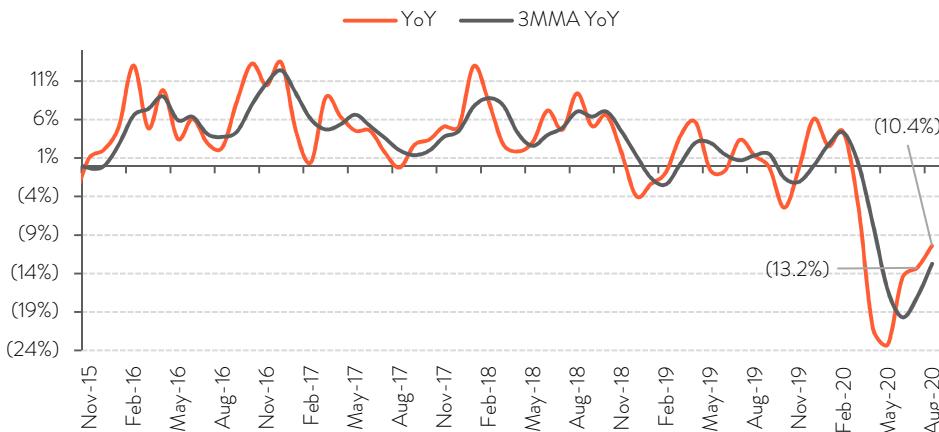
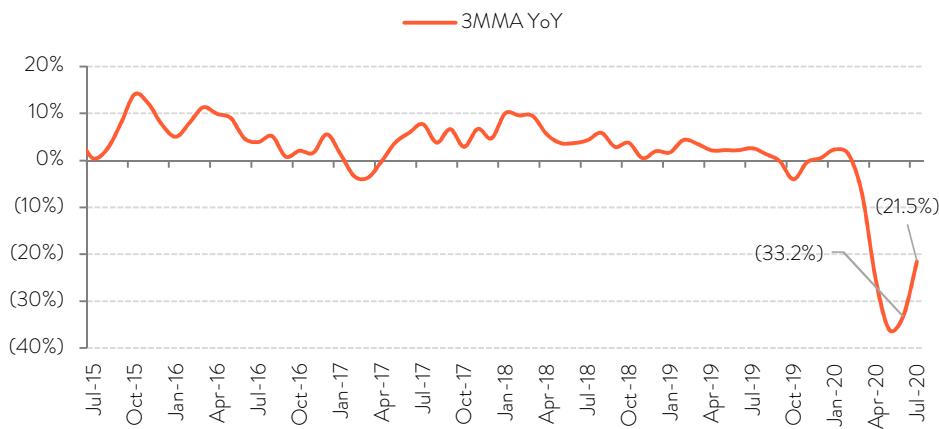


FIG 70 – DIESEL CONSUMPTION TOO IMPROVING



Source: PPAC

FIG 72 – RAILWAY FREIGHT TRAFFIC GRADUALLY PICKING UP PACE

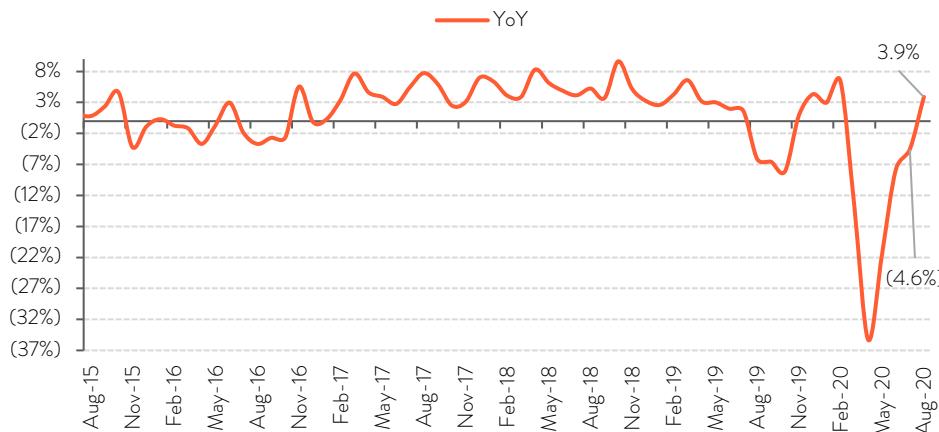
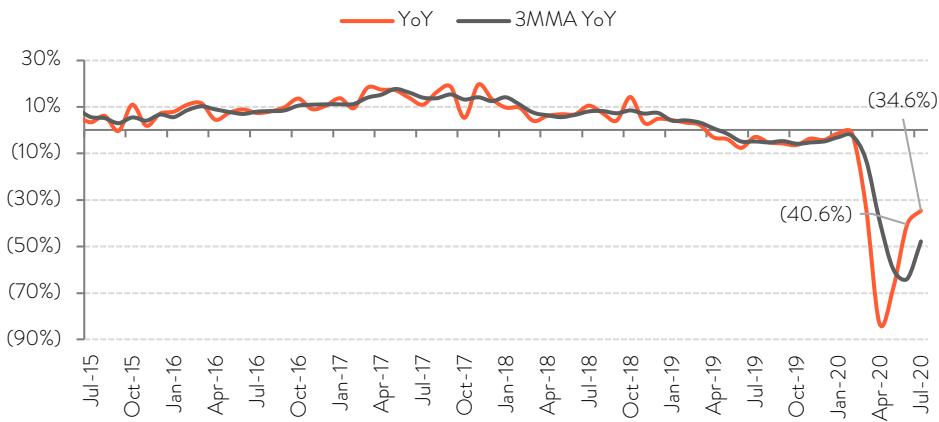


FIG 73 – AIR CARGO VOLUMES SEE IMPROVEMENT IN JUL'20



Hotels and Communications

FIG 75 – AIRLINE PASSENGER TRAFFIC GROWTH STAGNATED...

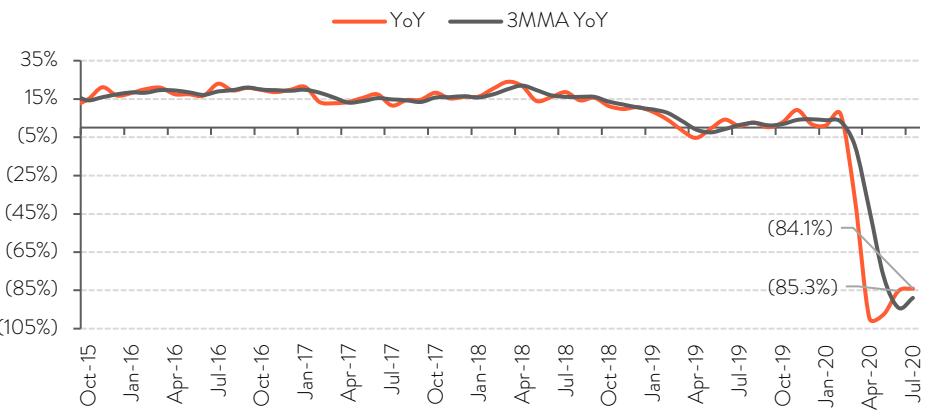


FIG 74 – E-WAY BILLS EASED A TAD IN AUG'20

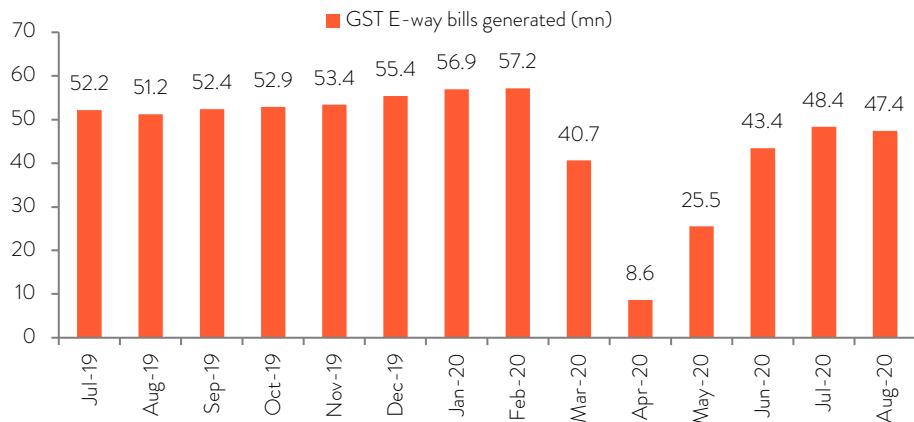


FIG 76 – AS DOMESTIC PASSENGER GROWTH IS YET TO SEE A REVIVAL

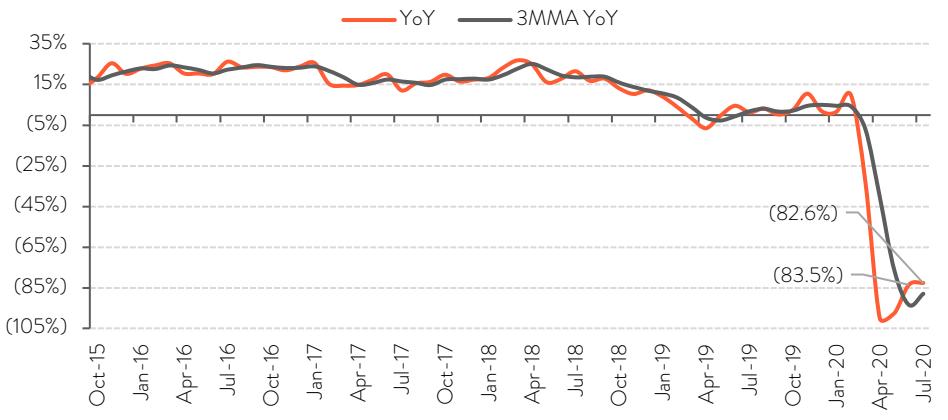
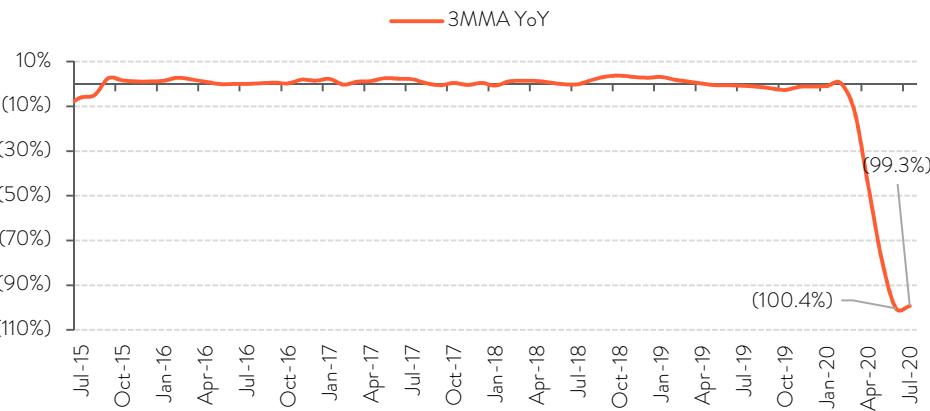


FIG 77 – RAILWAY PASSENGER TRAFFIC GROWTH REMAINS IN FREE FALL EVEN IN JUL'20



Finance and Real estate

FIG 79 – GROWTH IN GVA: FINANCE, REAL ESTATE & PROF. SERVICES TOO CONTRACTED IN Q1FY21

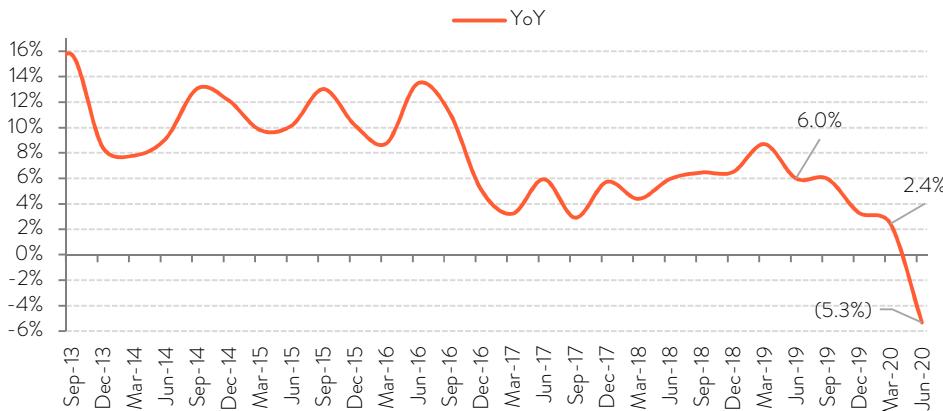
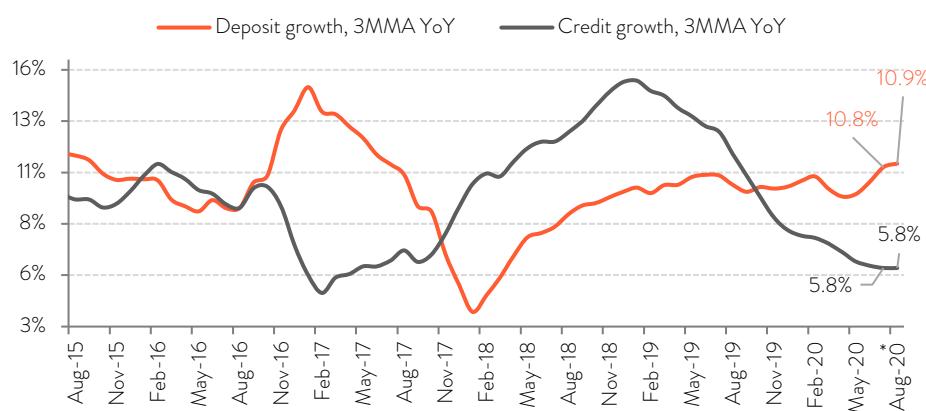


FIG 78 – TELECOM SECTOR LOST 5.6MN WIRELESS SUBSCRIBERS IN MAY'20



FIG 80 – CREDIT GROWTH REMAINS SUBDUED; DEPOSIT GROWTH STEADY IN AUG'20



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

FIG 81 – CREDIT TO MANUFACTURING SECTOR STILL WEAK, SERVICES ALSO SAW A DIP IN JUL’20

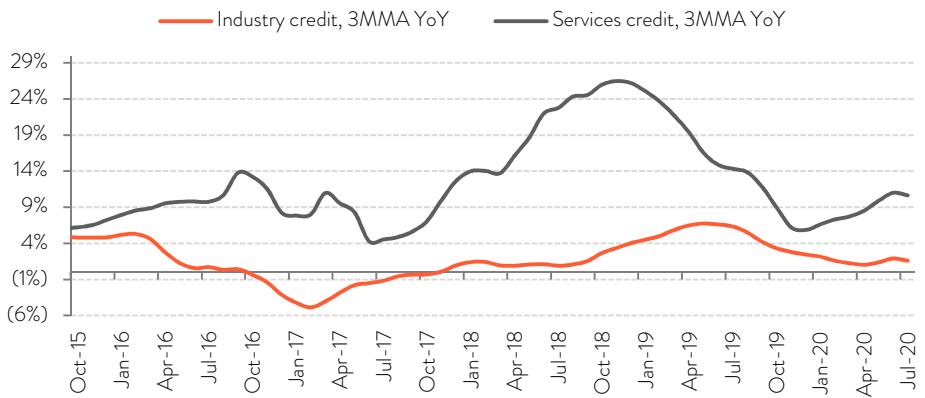
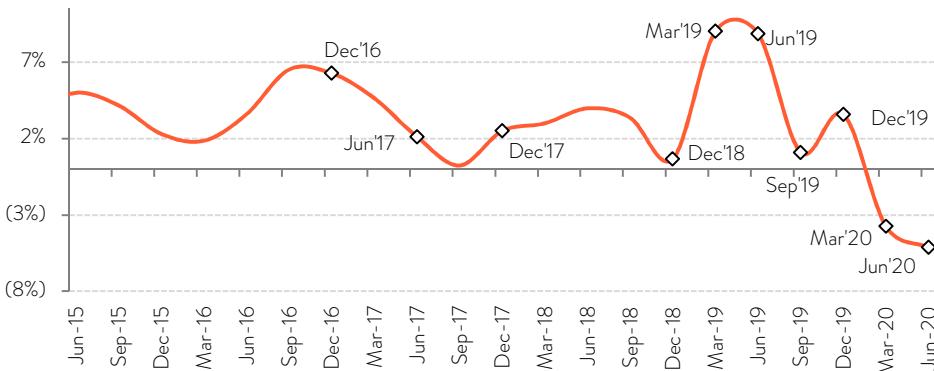


FIG 83 – AVERAGE PROPERTY PRICE INDEX* CONTINUES TO EASE IN Q1FY21



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

FIG 82 – CREDIT TRADE SERVICES STEADY, REAL ESTATE AND NBFC SEE A DECLINE IN JUL’20

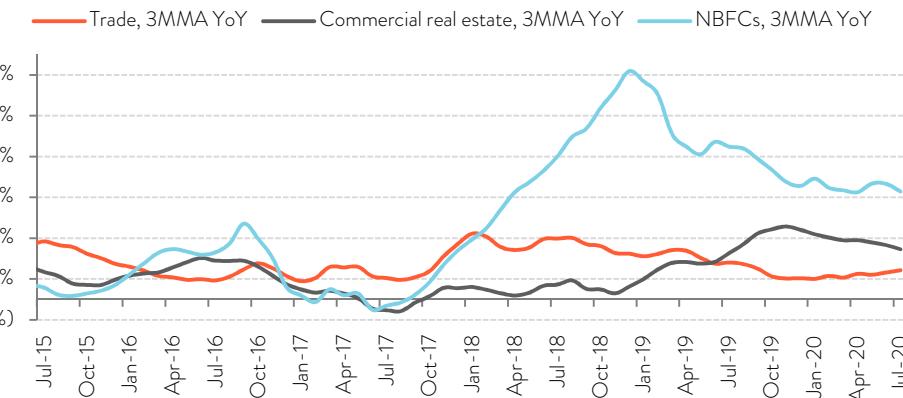
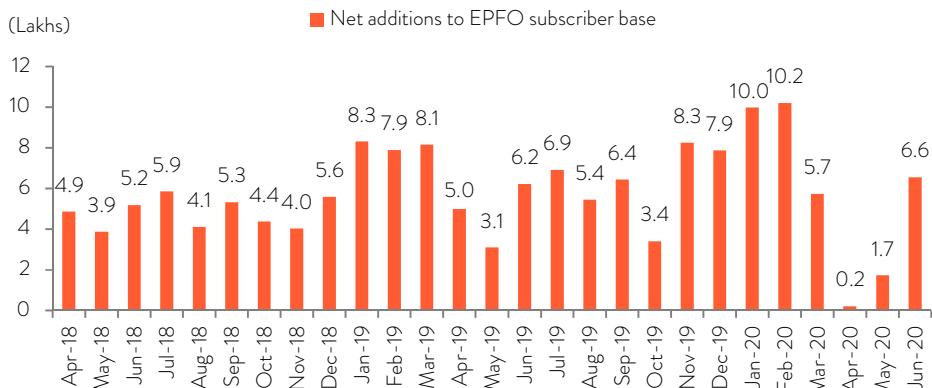


FIG 84 – NET ADDITIONS TO EPFO SUBSCRIBER BASE SEES SHARP UPTICK IN JUN’20



Source: EPFO

Public administration

FIG 85 – PUBLIC ADMINISTRATION & DEFENCE SERVICES ALSO ACTED AS A DRAG IN Q1FY21...



FIG 87 – ...LED BY CENTRAL GOVERNMENT

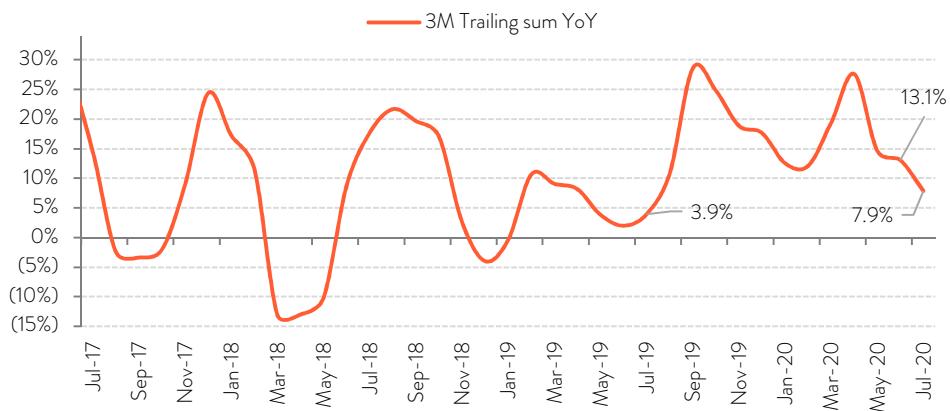


FIG 86 – GENERAL GOVT. SPENDING EASED SIGNIFICANTLY IN JUL'20...

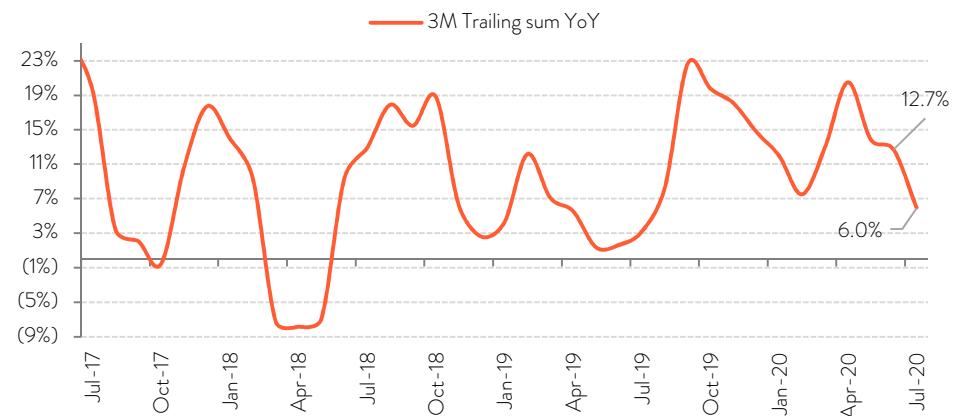


FIG 88 – AND STATE* GOVT. SPENDING

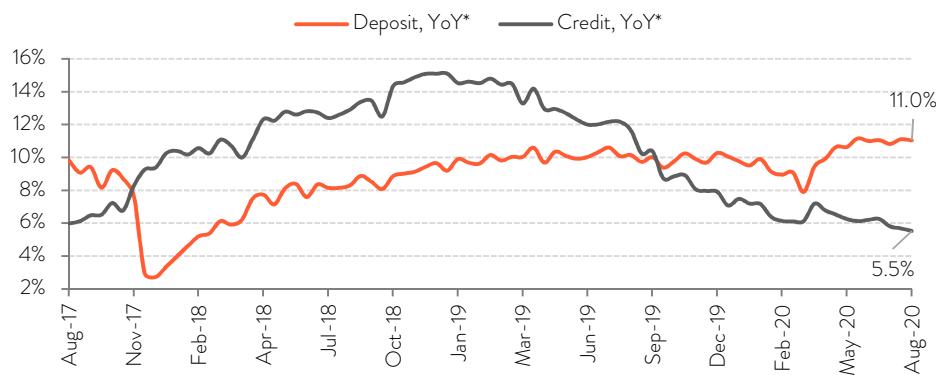


Note: *All states excluding N.E states, Bihar, Goa, Gujarat, H.P., J&K, Maharashtra, Punjab, Rajasthan, T.N., U.P., Uttarakhand, and W.Bengal

Financial sector

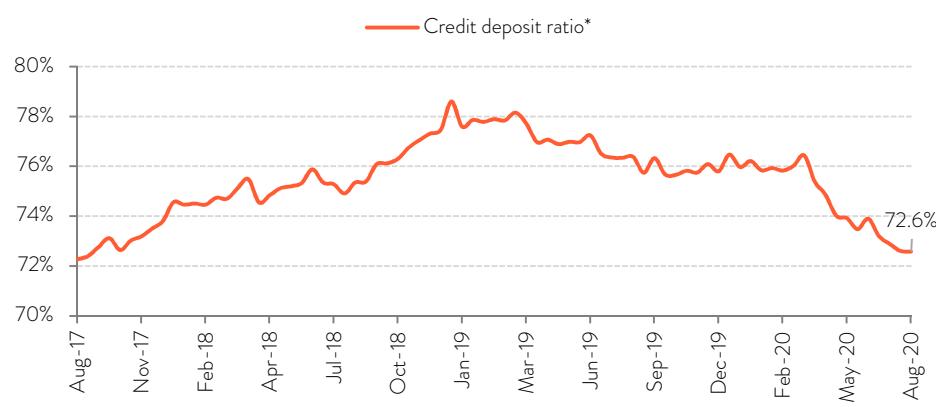
Money and banking

FIG 89 – CREDIT GROWTH MODERATED TO 5.5% IN AUG’20 FROM 5.7% IN JUL’20 AND DEPOSIT GROWTH WAS AT 11% FROM 11.1% IN JUL’20



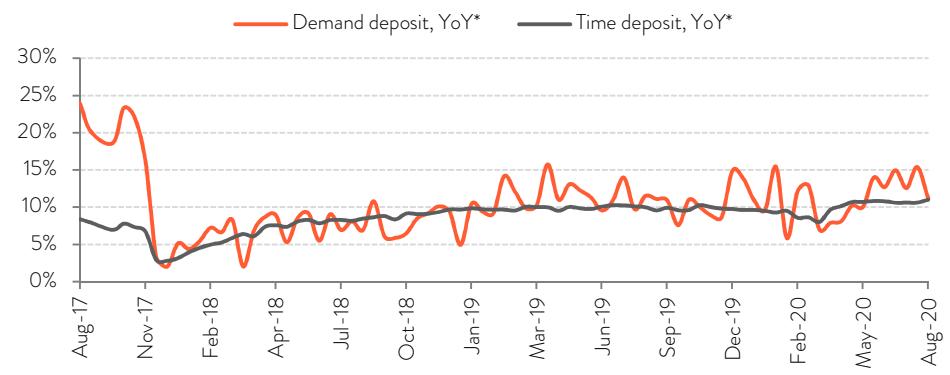
Note: *Aug'20 implies fortnight as of 14 Aug 2020

FIG 91 – CD RATIO REMAINED STABLE AT 72.6%



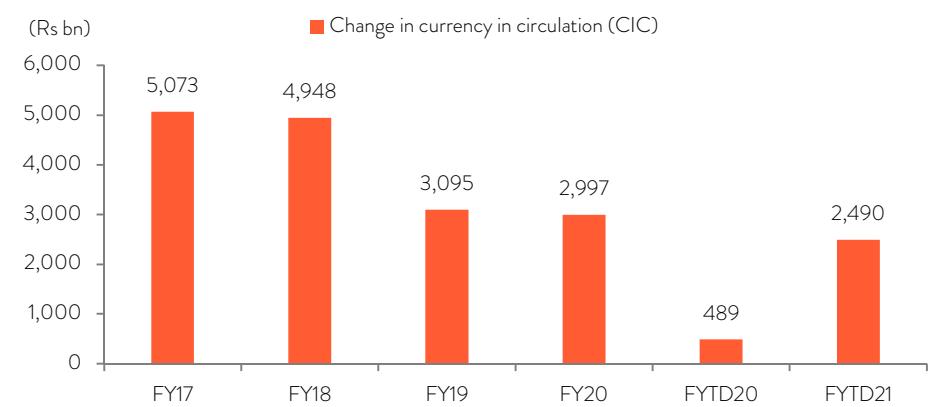
Note: *Aug'20 implies fortnight as of 14 Aug 2020

FIG 90 – DEMAND DEPOSITS EDGED DOWN TO 11.2% FROM 15.4% IN JUL’20; TIME DEPOSITS INCHED UP TO 11% FROM 10.6% IN JUL’20



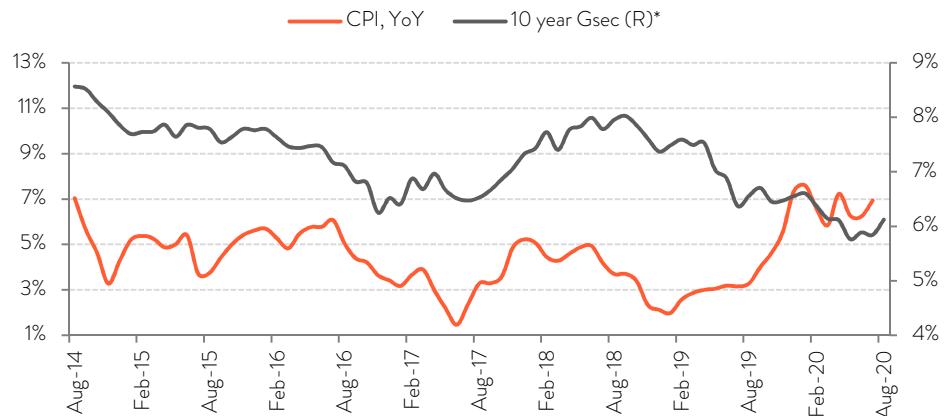
Note: *Aug'20 implies fortnight as of 14 Aug 2020

FIG 92 – CIC ACCRETION WAS FAR HIGHER AT RS 2.5TN IN FYTD21 COMPARED WITH RS 489BN IN FYTD20



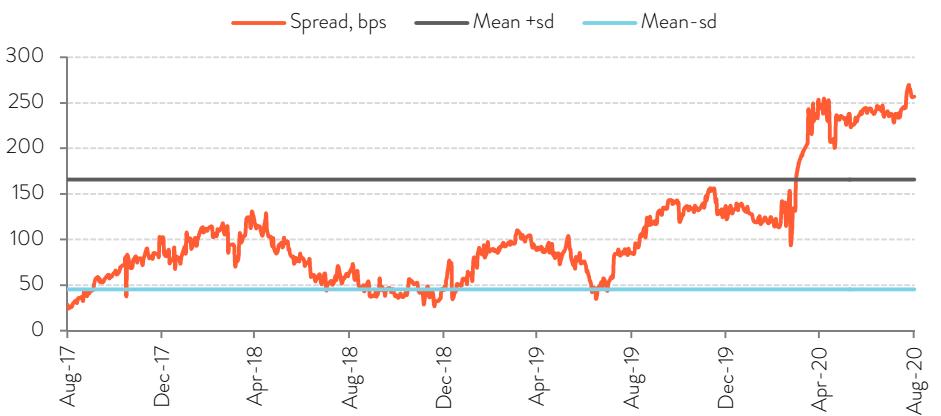
MONTHLY CHARTBOOK

FIG 93 – 10Y GSEC YIELD INCHED UP TO 6.1% IN AUG'20 DUE TO INFLATION CONCERN; IT IS TRADING AT 5.99% SUPPORTED BY RBI'S MEASURES



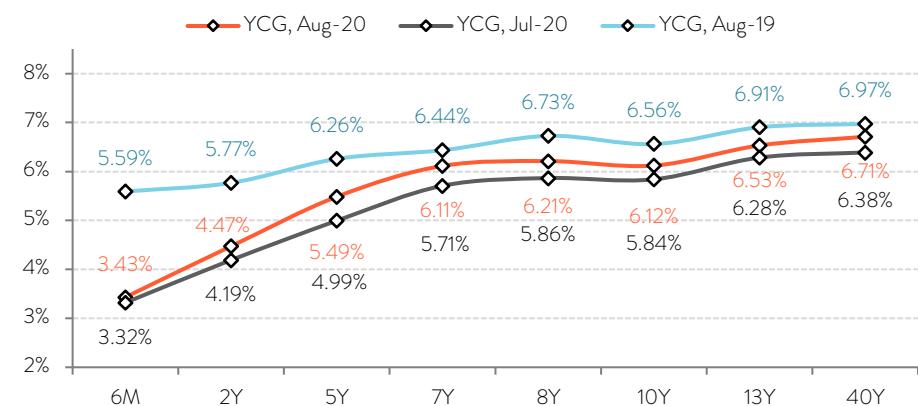
Note: *As on last trading day of the month, 5.79GS2030 benchmark security is taken

FIG 95 – SPREAD BETWEEN 10Y GSEC AND 1Y TBILL ROSE TO 246BPS IN AUG'20 FROM 241BPS IN JUL'20; FAR HIGHER ITS MENA REVERSION LEVELS



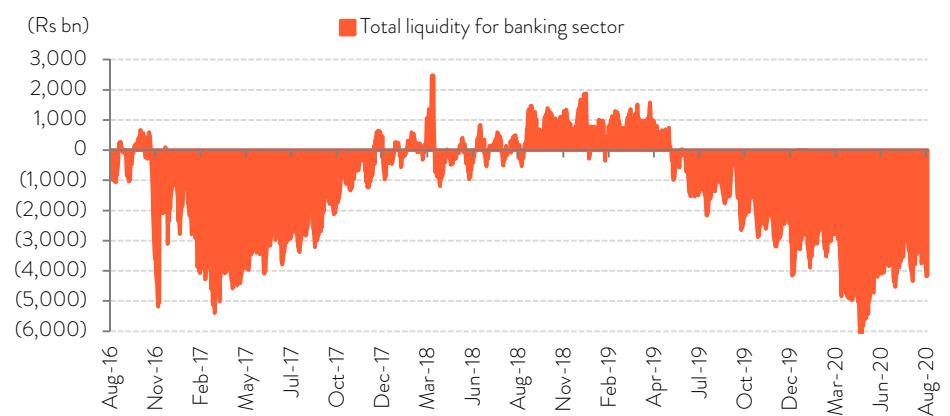
Source: Bloomberg

FIG 94 – YIELD CURVE GRAPH (YCG) SHOWS STEEPENING BIAS



Source: Bloomberg

FIG 96 – AVERAGE SYSTEM LIQUIDITY SURPLUS ROSE TO RS 3.7TN IN AUG'20 FROM RS 3.6TN IN JUL'20 AND CURRENTLY HIGHER AT ~RS 4TN



Source: RBI

FIG 97 – NBFC 3Y AAA SPREAD HAS FALLEN TO ITS MULTI YEAR LOWS OF 68BPS AS ON 31 AUG 2020

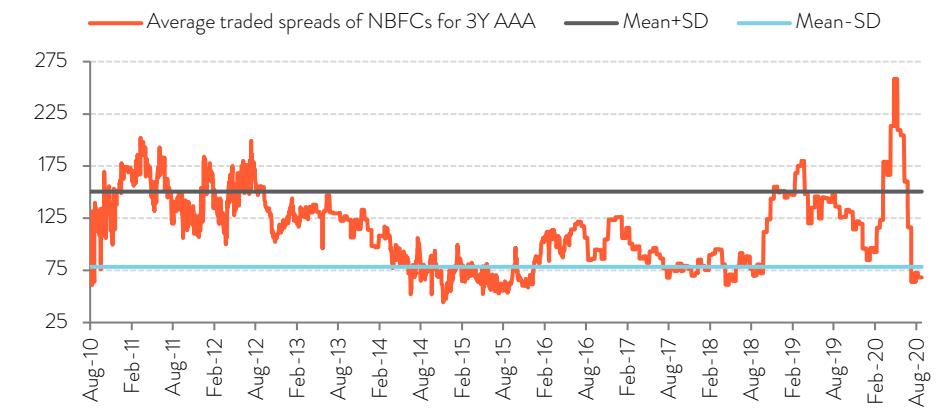


FIG 99 – CORPORATE 3Y AAA HAS INCHED UP SLIGHTLY TO 51BPS ON 31 AUG 2020

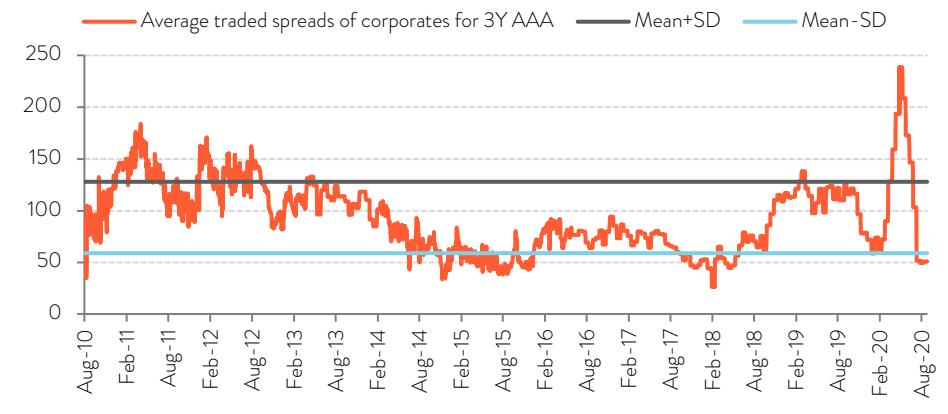


FIG 98 – FOR 10Y AAA RATED PAPER IT ROSE SLIGHTLY TO 90BPS

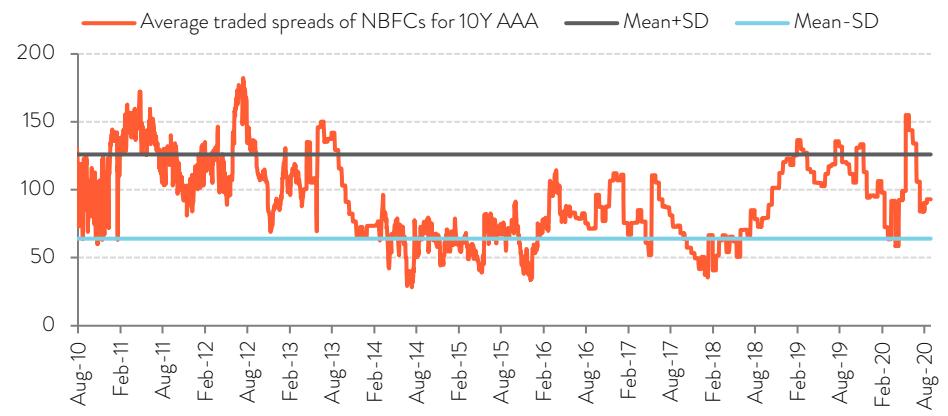
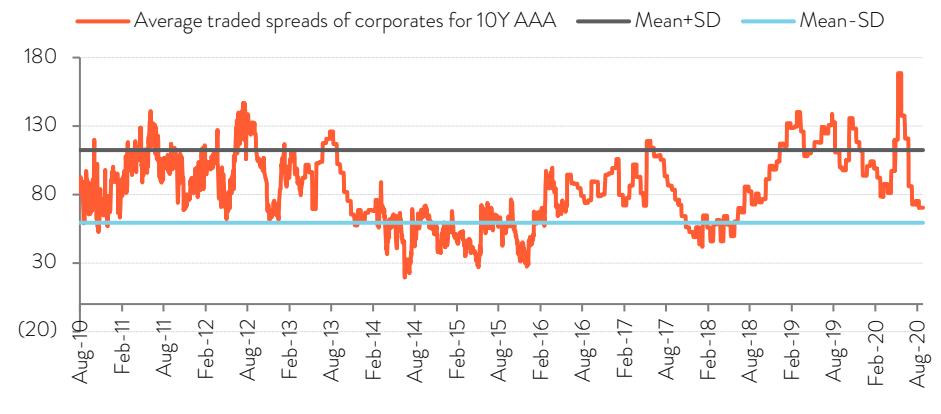


FIG 100 – FOR 10YAAA RATED PAPER IT FELL TO 70BPS ON 31 AUG 2020



Interest rates on small savings schemes

FIG 101 – INTEREST RATES ON SMALL SAVINGS SCHEME FALLING IN Q1FY21

Instrument (%)	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	GSec Yield (1 Sep 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	5.5	-
2 year time deposit	7.0	7.0	7.0	6.9	6.9	6.9	5.5	4.36
3 year time deposit	7.2	7.0	7.0	6.9	6.9	6.9	5.5	4.77
5 year time deposit	7.8	7.8	7.8	7.7	7.7	7.7	6.7	5.18
5 year recurring deposit	7.3	7.3	7.3	7.2	7.2	7.2	5.8	5.18
5 year senior citizen savings scheme	8.7	8.7	8.7	8.6	8.6	8.6	7.4	5.18
5 year monthly income scheme	7.7	7.7	7.7	7.6	7.6	7.6	6.6	5.18
5 year national savings certificate	8	8	8	7.9	7.9	7.9	6.8	5.18
Public provident fund scheme	8	8	8	7.9	7.9	7.9	7.1	5.90
Kisan vikas patra	7.7	7.7	7.7	7.6	7.6	7.6	6.9	-
Sukanya samridhi account scheme	8.5	8.5	8.5	8.4	8.4	8.4	7.6	-

Source: Department of Economic Affairs, Ministry of Finance, Government of India, *10Y benchmark yield 5.79GS2030

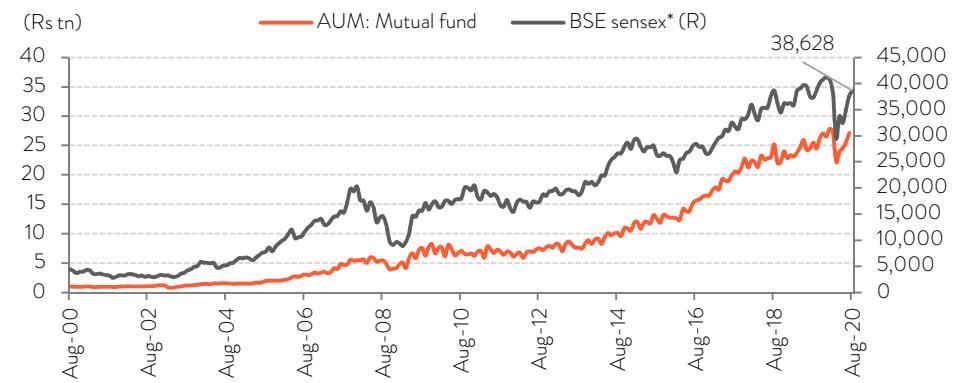
FIG 102 – INTEREST RATES CHARGED BY LEADING BANKS

1Y MCLR (%)	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19	Dec'19	Jan'20	Feb'20	Mar'20	Apr'20	May'20	Jun'20	Jul'20	Aug'20
Public Sector Banks															
Bank of Baroda	8.70	8.60	8.45	8.40	8.35	8.30	8.25	8.20	8.15	8.15	8.00	7.80	7.65	7.60	7.60
Bank of India	8.65	8.60	8.35	8.35	8.30	8.30	8.20	8.20	8.20	8.20	8.20	7.95	7.70	7.60	7.45
Canara Bank	8.70	8.60	8.50	8.40	8.40	8.35	8.35	8.35	8.20	8.20	7.85	7.85	7.65	7.55	7.45
Indian Bank	8.65	8.60	8.60	8.45	8.35	8.35	8.35	8.30	8.25	8.25	8.10	7.80	7.50	7.40	7.35
Punjab National Bank	8.45	8.40	8.30	8.30	8.25	8.15	8.15	8.05	8.05	8.05	7.75	7.75	7.60	7.60	7.35
State Bank of India	8.45	8.40	8.25	8.15	8.05	8.00	7.90	7.90	7.85	7.75	7.40	7.25	7.00	7.00	7.00
Union Bank of India	8.60	8.55	8.50	8.35	8.30	8.25	8.20	8.10	8.10	8.00	7.75	7.70	7.60	7.40	7.25
Private Sector Banks															
Axis Bank Ltd.	8.70	8.65	8.55	8.45	8.35	8.25	8.15	8.15	8.15	8.10	7.95	7.80	7.75	7.65	7.55
HDFC Bank Ltd.	8.70	8.70	8.60	8.45	8.35	8.30	8.15	8.15	8.15	8.15	7.95	7.95	7.65	7.45	7.35
ICICI Bank Ltd.	8.75	8.65	8.65	8.55	8.45	8.35	8.25	8.20	8.20	8.15	8.00	7.75	7.70	7.55	7.45
Indusind Bank	9.75	9.70	9.65	9.55	9.45	9.45	9.40	9.30	9.30	9.25	9.25	9.25	9.15	9.05	8.95
Kotak Mahindra Bank	8.90	8.85	8.75	8.75	8.60	8.50	8.40	8.40	8.35	8.35	8.10	7.90	7.75	7.60	7.50

Source: RBI

Mutual fund (MF) indicators

FIG 103 – SENSEX ROSE BY 2.7% TO 38,628 IN JUL'20, AUM OF MFS ROSE TO RS 27TN FROM 25TN IN JUN'20



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

Insurance sector indicators

FIG 105 – LIFE INSURANCE POLICIES SOLD IN JUL'20 FELL BY 18% AGAINST 11% IN JUN'20

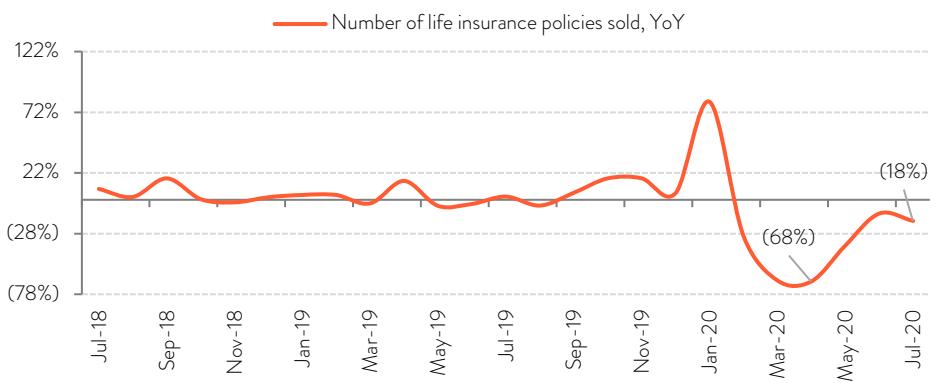


FIG 104 – MF EQUITY OUTFLOW ROSE TO RS 42BN IN JUL'20, DEBT INFLOW ROSE TO RS 866BN (RS 17BN IN JUN'20)

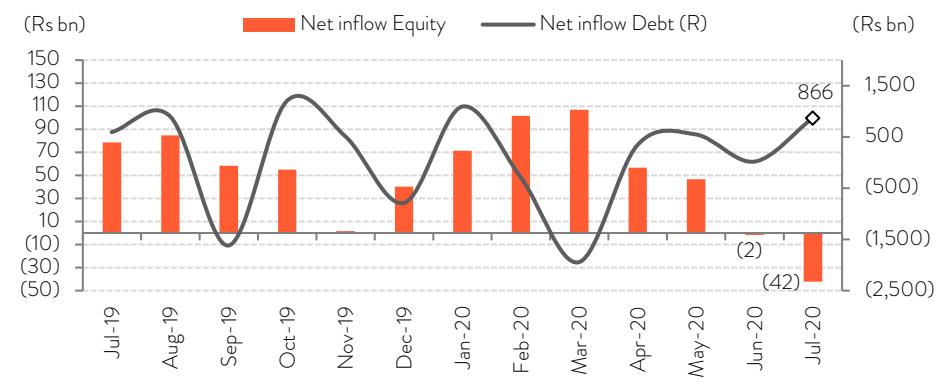
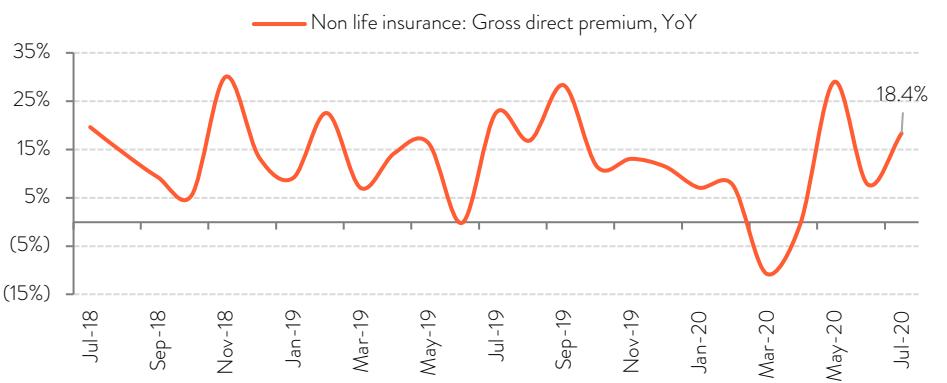


FIG 106 – HOWEVER, GROSS DIRECT PREMIUM FOR NON LIFE INSURANCE ROSE TO 18.4% IN JUL'20 FROM 7.8% IN JUN'20



Public finance

Central government finances

FIG 107 – FISCAL DEFICIT CLOSE TO LEVELS SEEN IN 2009 CRISIS



FIG 108 – REVENUE DEFICIT ALSO SHARPLY UP

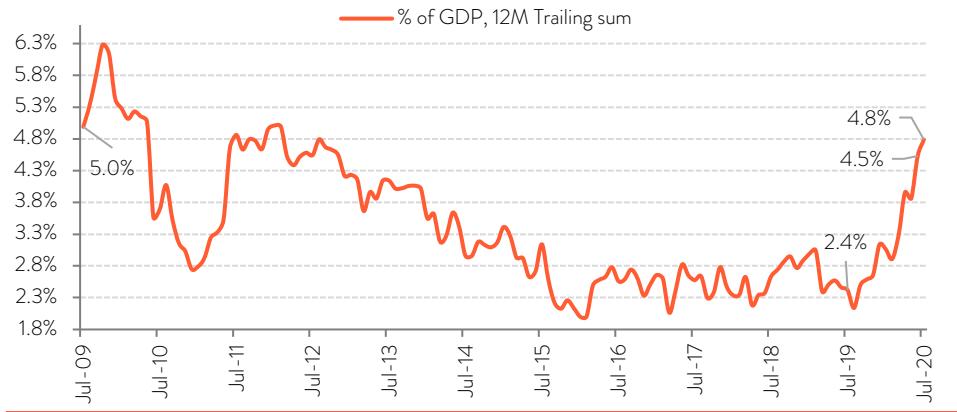


FIG 109 – PRIMARY DEFICIT JUMPED TO 3% IN JUL'20

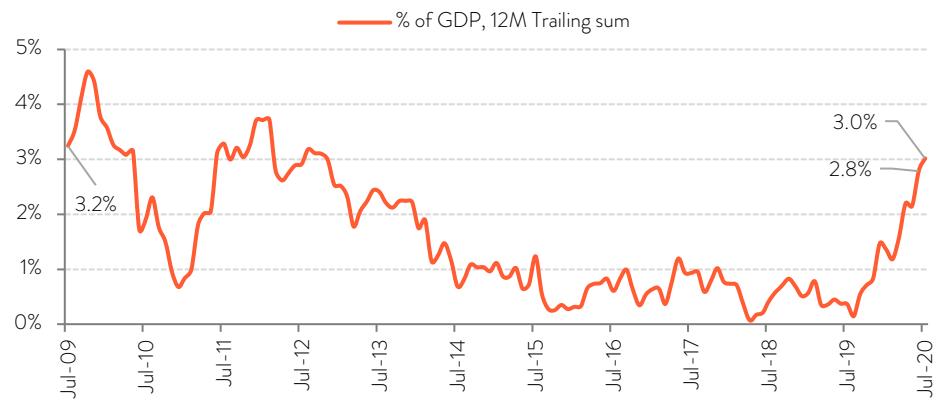


FIG 110 – GOVERNMENT SPENDING EASED A TAD IN JUL'20 (12MMA BASIS)

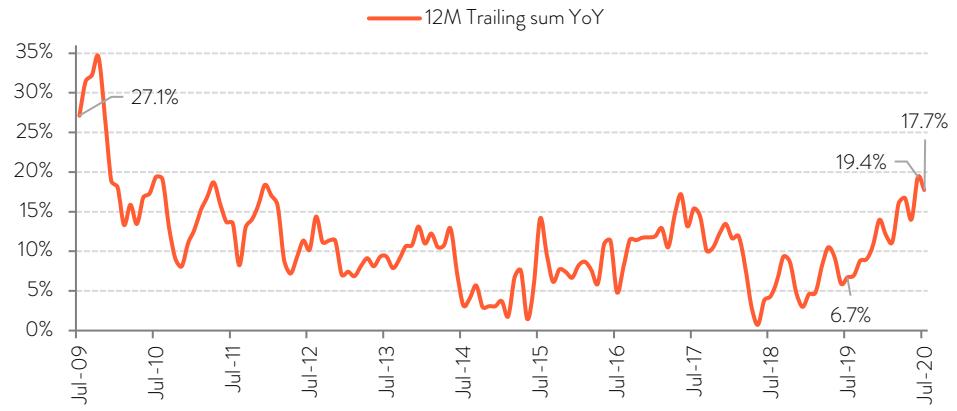
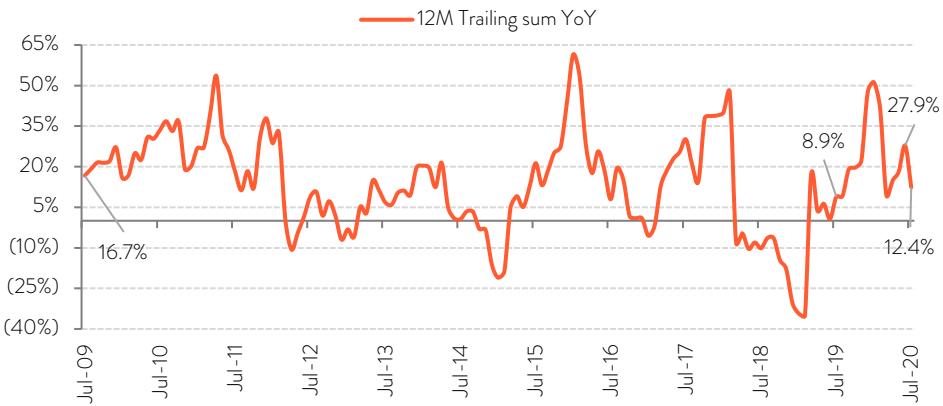
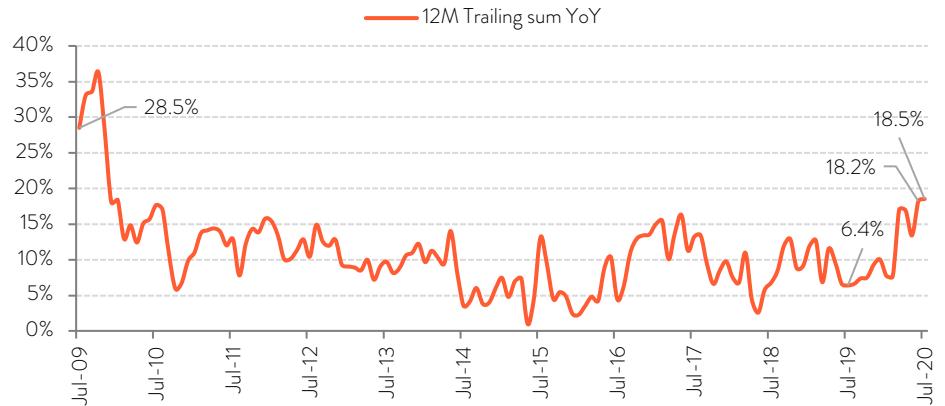


FIG 111 – ...LED BY CAPEX SPENDING**FIG 112 – REVENUE SPENDING STILL UP ON 12MMA BASIS****FIG 113 – SPENDING BY MINISTRIES OF RURAL DEVELOPMENT, AGRICULTURE AND HEALTH CONTRIBUTE TO HIGHER EXPENDITURE GROWTH (FYTD BASIS)**

Ministry	Apr'18-Jul'18 (Rs bn)	Apr'19-Jul'19 (Rs bn)	% change	Apr'20-Jul'20 (Rs bn)	% change
Ministry of Finance	2,601	3,009	15.7	3,786	25.8
Ministry of Defence	1,550	1,607	3.7	1,593	(0.8)
Ministry of Consumer Affairs, Food and Public Distribution	1,085	1,091	0.6	700	(35.9)
Ministry of Rural Development	561	417	(25.6)	1,023	145.5
Ministry of Home Affairs	429	438	1.9	504	15.2
Ministry of Human Resource Development	209	231	10.7	202	(12.5)
Ministry of Road Transport and Highways	355	321	(9.5)	266	(17.3)
Ministry of Chemicals and Fertilisers	220	329	49.9	313	(5.0)
Ministry of Petroleum and Natural Gas	148	309	108.5	196	(36.8)
Ministry of Agriculture	245	358	46.3	505	41.2
Ministry of Health and Family Welfare	195	202	3.3	271	34.2

FIG 114 – RECEIPT GROWTH SHARPLY DOWN IN JUL'20



FIG 115 – ...AS REVENUE RECEIPTS CONTRACT FURTHER

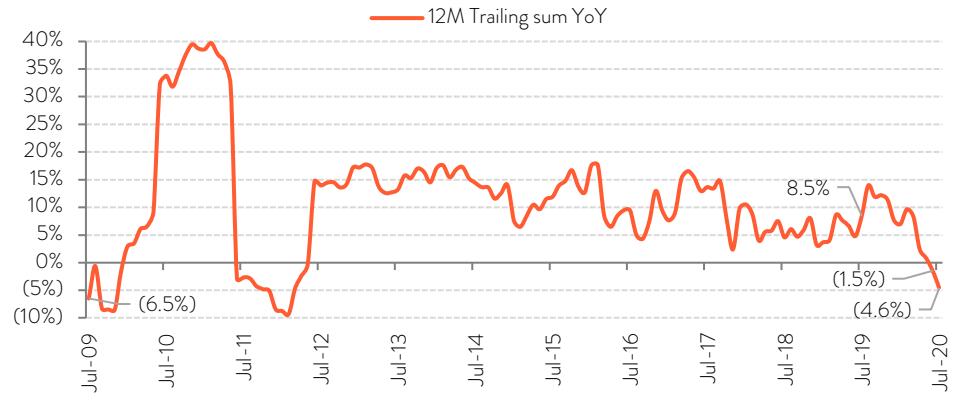


FIG 116 – DECLINE IN TAX REVENUES IN JUL'20 WORSE THAN 2009 CYCLE

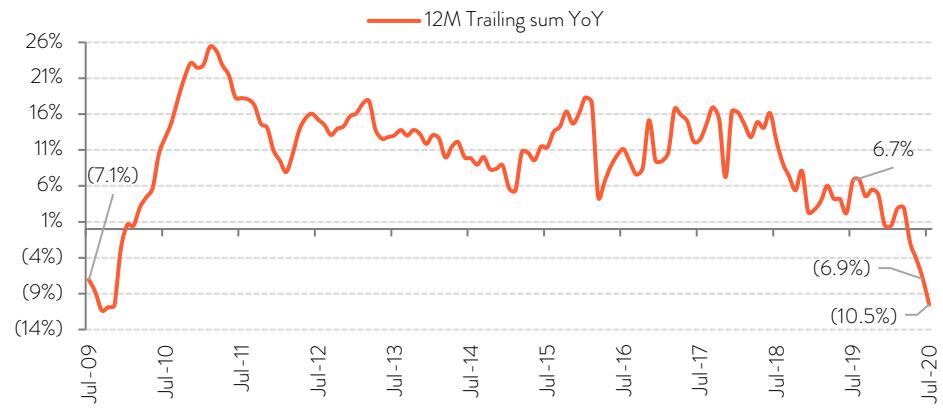


FIG 117 – NON-TAX RECEIPT GROWTH STILL UP ON 12MMA BASIS



FIG 118 – CENTRE'S TAX COLLECTIONS A MAJOR WORRY, OVERALL SPENDING BOUYANT (FYTD BASIS)

	Apr'18-Jul'18 (Rs bn)	Apr'19-Jul'19 (Rs bn)	% change	Apr'20-Jul'20 (Rs bn)	% change
Gross Tax revenue	5,055	5,391	6.6	3,800	(29.5)
Direct taxes	2,053	2,171	5.8	1,450	(33.2)
Corp Tax	838	884	5.5	537	(39.2)
Income Tax	1,215	1,288	6.0	912	(29.1)
Indirect taxes	3,002	3,219	7.2	2,350	(27.0)
Non-tax revenue	431	439	1.8	246	(43.9)
Centre's revenue (net)	3,357	3,826	14.0	2,274	(40.6)
Total expenditure	8,897	9,473	6.5	10,542	11.3
Capital exp	1,113	1,076	(3.4)	1,118	3.9
Revenue exp	7,784	8,397	7.9	9,424	12.2
Fiscal deficit	5,403	5,476	1.4	8,213	50.0

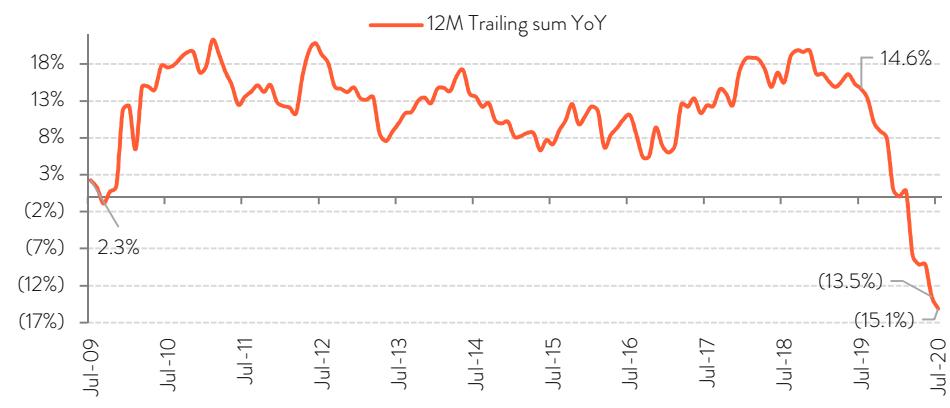
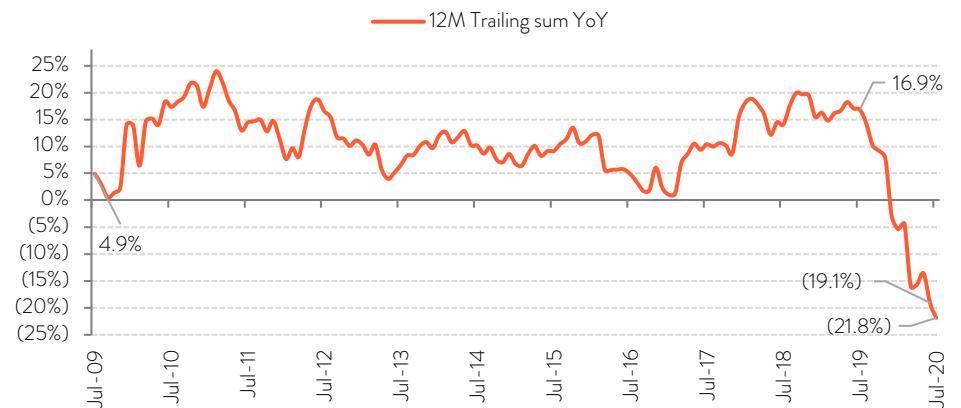
FIG 119 – GROSS DIRECT TAX COLLECTIONS FAR LOWER IN JUL'20 VS JUL'09**FIG 120 – ...LED BY WEAK CORPORATE TAX COLLECTIONS**

FIG 121 – INCOME TAX REVENUE GROWTH IN JUL’20 AT MORE THAN A DECADE LOW

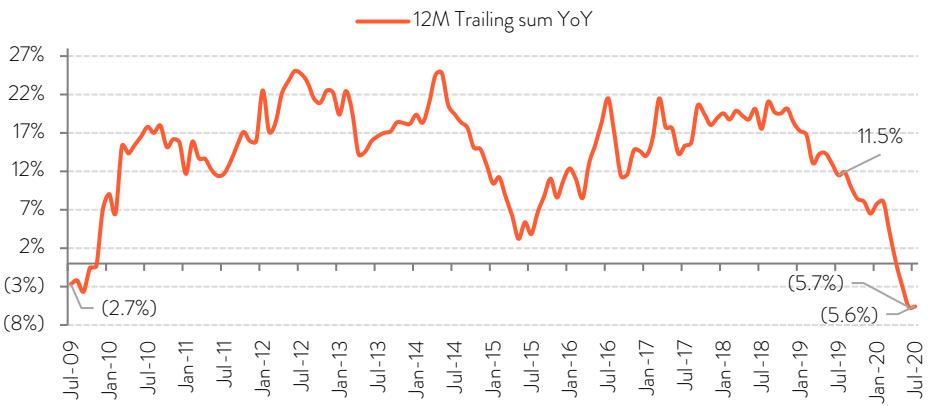


FIG 122 – SHARE IN GDP OF BOTH DIRECT & INDIRECT TAX DOWN SIGNIFICANTLY

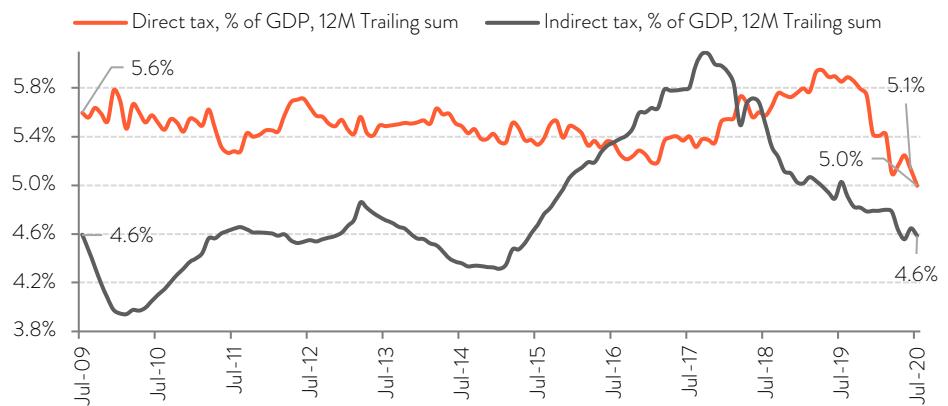
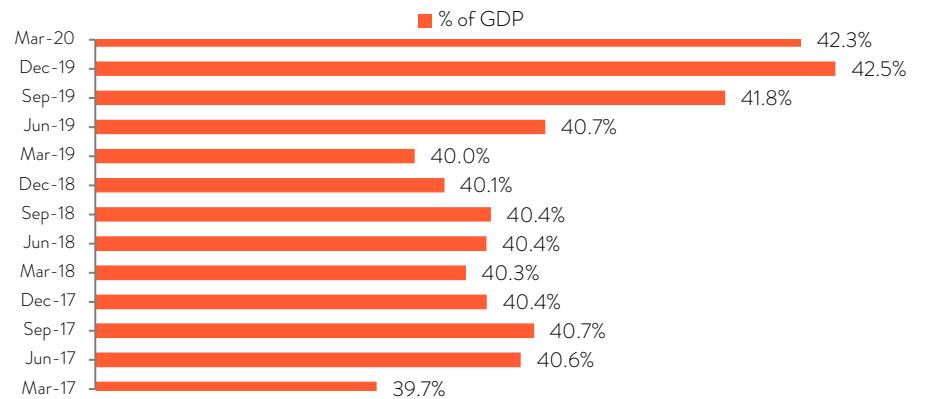
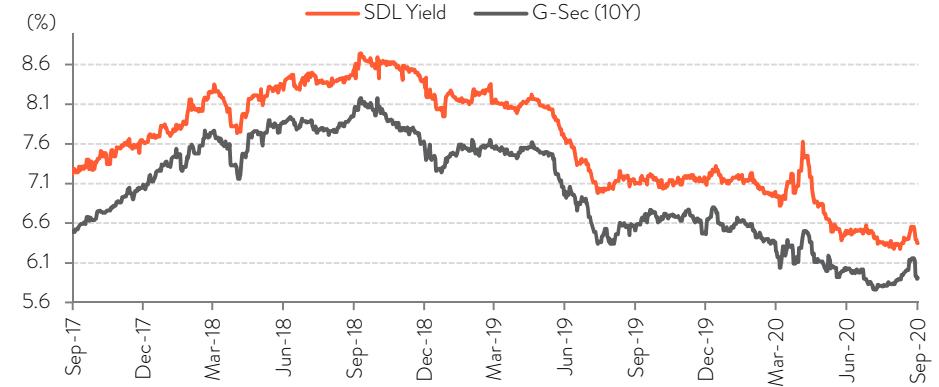


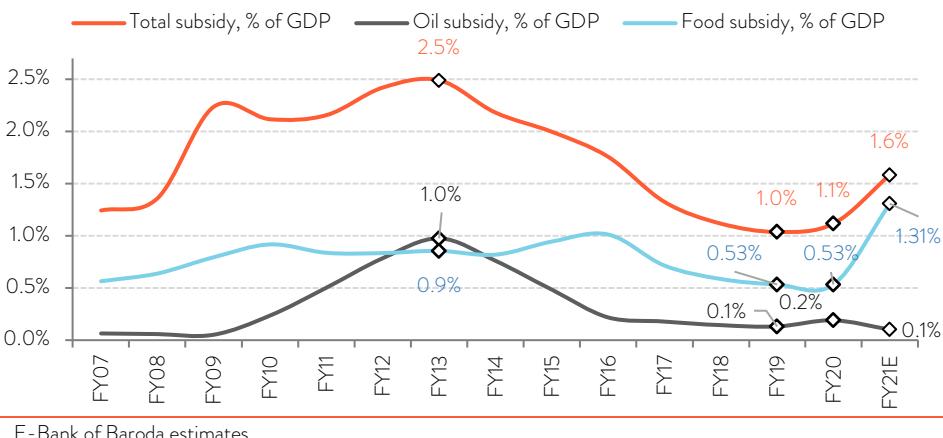
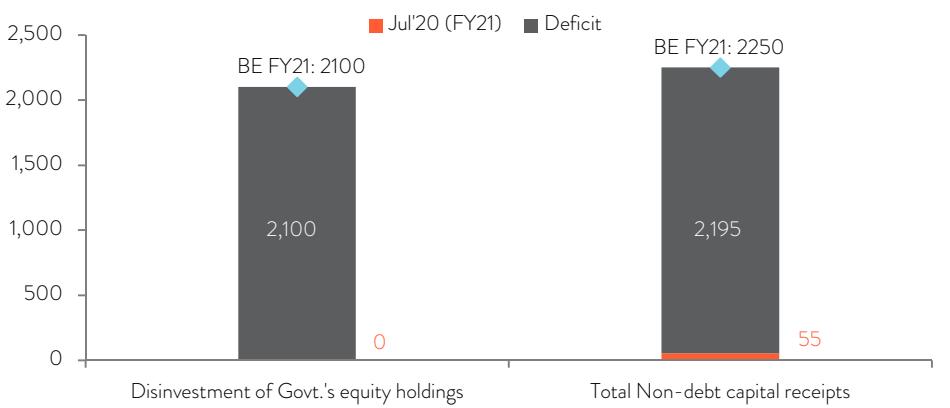
FIG 123 – TOTAL GST COLLECTIONS CONTINUE TO REMAIN MUTED

(Rs bn)	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Monthly run rate (FY21)	FYTD21	FY21 (BE)
CGST	241	685	381	371	437	405	438	413	402	59	190	302	379	232	929	5,800
UT GST	2.0	1.2	4.8	1.9	2.0	1.7	1.6	1.6	4.5	0.3	1.1	1.5	2.2	1	5	2.0
IGST	253	(461)	(37)	196	2	(18)	21	6	24	97	96	97	(60)	58	230	253
SGST*	405	625	533	379	520	641	509	470	(189)	454	562	400	475	473	1,891	405
Cess	82	68	71	87	71	79	84	86	81	10	60	75	68	53	213	82
Total GST	982	919	954	1,035	1,032	1,108	1,054	976	322	622	909	874	864	817	3,269	982
GST 3B Filing by deadline (mn)	7.6	7.6	7.4	7.8	8.1	8.3	8.4	7.7	-	-	-	-	-	-	-	7.6

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

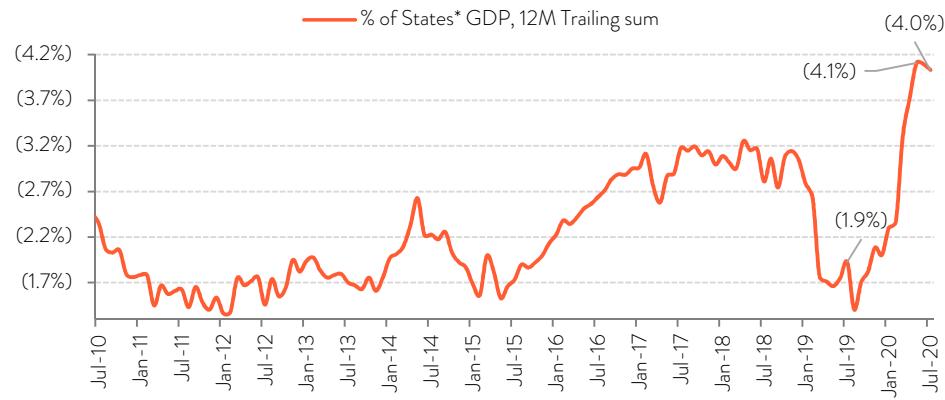
FIG 124 – CENTRAL GOVT. PUBLIC DEBT IN FY20 HIGHEST SINCE FY06**FIG 125 – GAP BETWEEN AVG. YIELD ON SDL & 10Y G-SEC NARROWED SHARPLY IN AUG'20, BUT HAS BEGUN INCHING UP IN SEP'20**

Source: CCIL

FIG 126 – SUBSIDY BURDEN TO INCREASE IN FY21E**FIG 127 – CENTRAL GOVT.'S FY21 DISINVESTMENT STATUS**

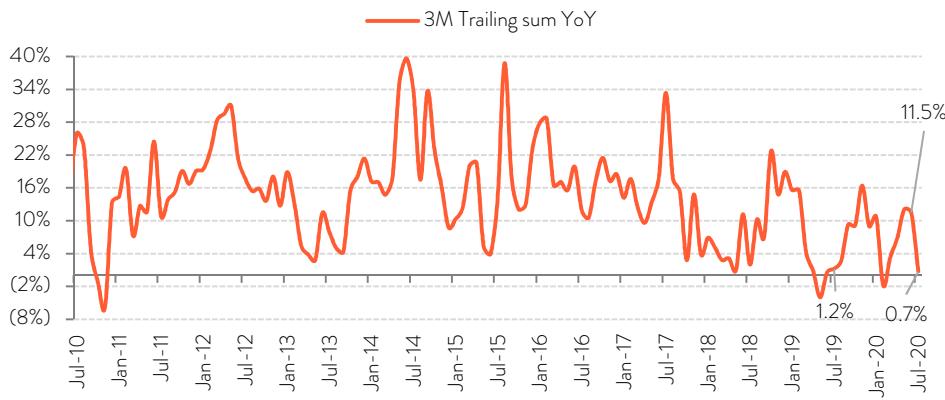
State government finances

FIG 128 – STATES* FISCAL DEFICIT REMAINS ELEVATED IN JUL'20



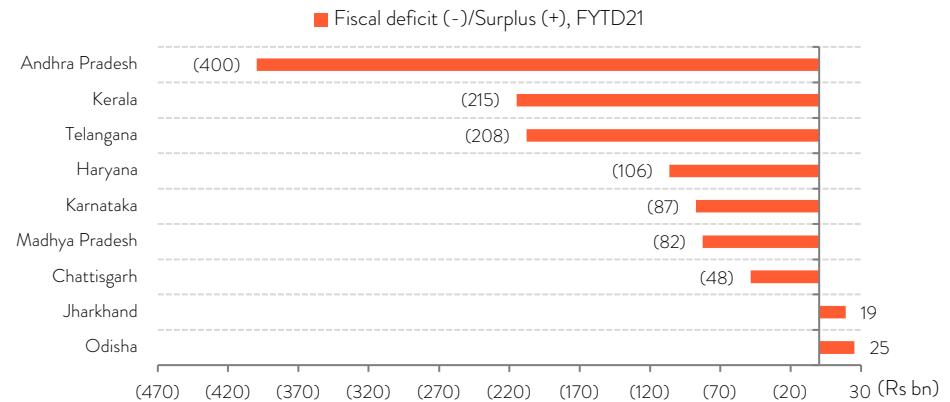
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, H.P., J&K, Maharashtra, Punjab, Rajasthan, T.N., U.P., Uttarakhand, and W.Bengal

FIG 130 – TOTAL EXPENDITURE OF STATES* SEEN EASING IN JUL'20



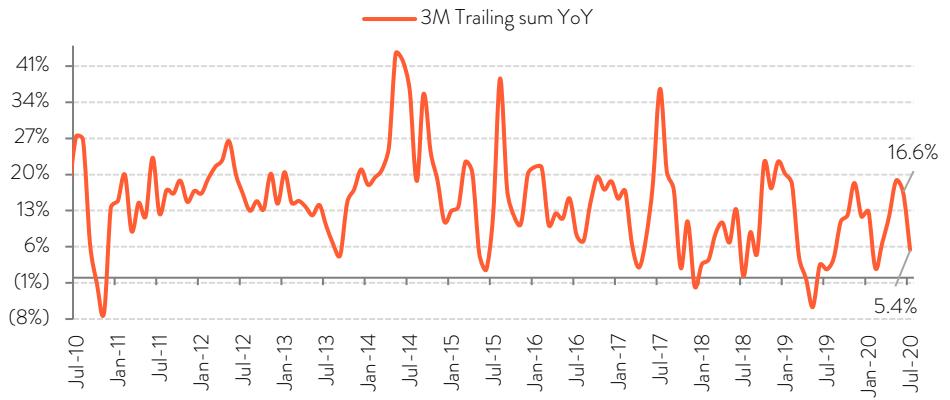
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, H.P., J&K, Maharashtra, Punjab, Rajasthan, T.N., U.P., Uttarakhand, and W.Bengal

FIG 129 – A.P AND KERALA LEAD THE FISCAL DEFICIT CHART IN FYTD21



Note: FYTD is Apr'20-Jul'20

FIG 131 – ...LED BY DIP IN REVENUE SPENDING OF STATES*

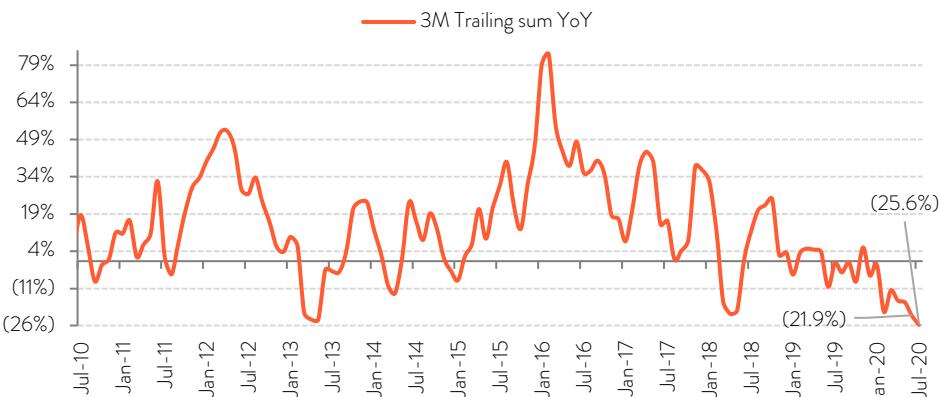


Note: *All states excluding N.E states, Bihar, Goa, Gujarat, H.P., J&K, Maharashtra, Punjab, Rajasthan, T.N., U.P., Uttarakhand, and W.Bengal

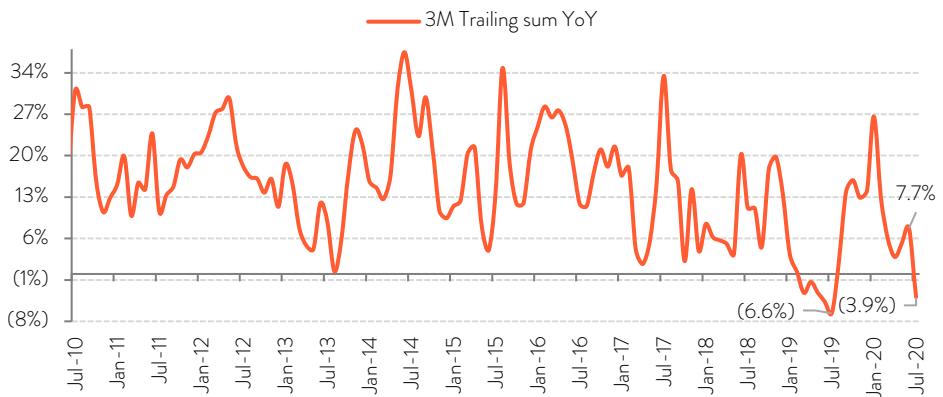
FIG 132 – STATE* GOVT. TAX REVENUES AND CAPEX REMAINED UNDER PRESSURE IN Q1FY21

	Apr'18-Jul'18 (Rs bn)	Apr'19-Jul'19 (Rs bn)	% change	Apr'20-Jul'20 (Rs bn)	% change
Total Receipts	3,367	3,251	(3.4)	3,393	4.4
Revenue Receipts	2,665	2,569	(3.6)	2,362	(8.0)
Receipts: Tax Revenue	2,026	1,852	(8.6)	1,508	(18.6)
Receipts: Non-Tax Revenue	216	209	(3.0)	165	(21.1)
Receipts: Grant in aid & contribution	423	452	6.8	689	52.3
Capital Receipts	702	683	(2.7)	1,031	51.1
Total Expenditure	3,111	3,197	2.8	3,437	7.5
Revenue Expenditure	2,644	2,741	3.7	3,085	12.5
Capital Expenditure	466	456	(2.2)	352	(22.7)
Revenue Surplus or Deficit	21	(173)	-	(723)	-
Fiscal Surplus or Deficit	(484)	(621)	-	(1102)	-

Note: *All states excluding N.E states, Bihar, Goa, Gujarat, H.P., J&K, Maharashtra, Punjab, Rajasthan, T.N., U.P., Uttarakhand, and W.Bengal

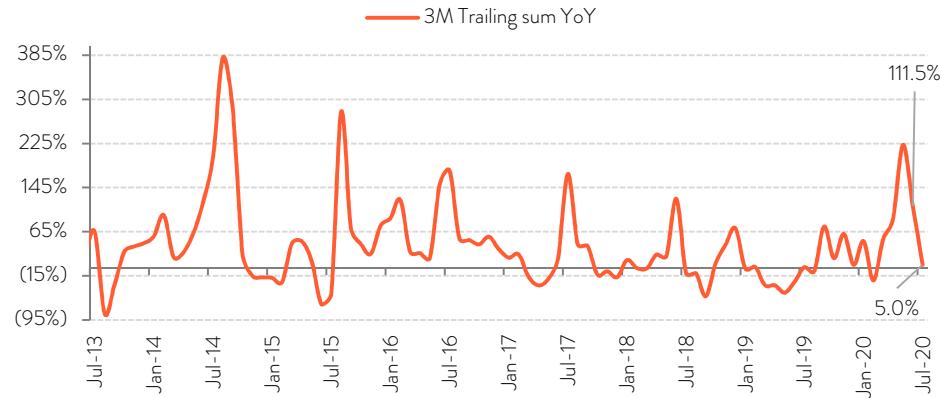
FIG 133 – CONTRACTION IN CAPEX OF STATES* DEEPENS

Note: *All states excluding N.E states, Bihar, Goa, Gujarat, H.P., J&K, Maharashtra, Punjab, Rajasthan, T.N., U.P., Uttarakhand, and W.Bengal

FIG 134 – TOTAL RECEIPT GROWTH OF STATES* EASED AGAIN IN JUL'20

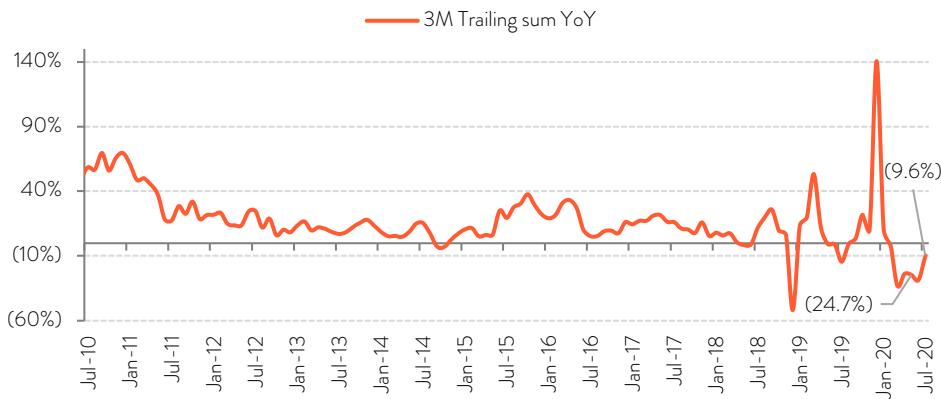
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, H.P., J&K, Maharashtra, Punjab, Rajasthan, T.N., U.P., Uttarakhand, and W.Bengal

FIG 135 – ...AS CAPITAL RECEIPTS OF STATES* DIPPED



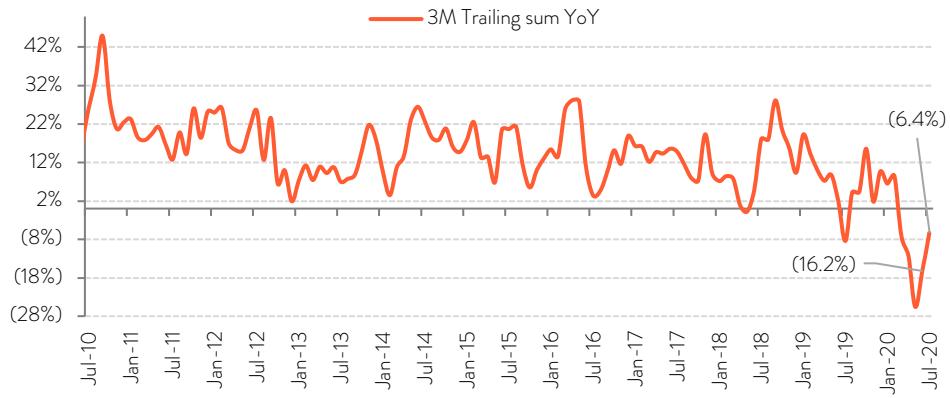
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, H.P., J&K, Maharashtra, Punjab, Rajasthan, T.N., U.P., Uttarakhand, and W.Bengal

FIG 137 – TAX REVNUOE OF STATES* INCHING UP AS STATES RE-OPEN



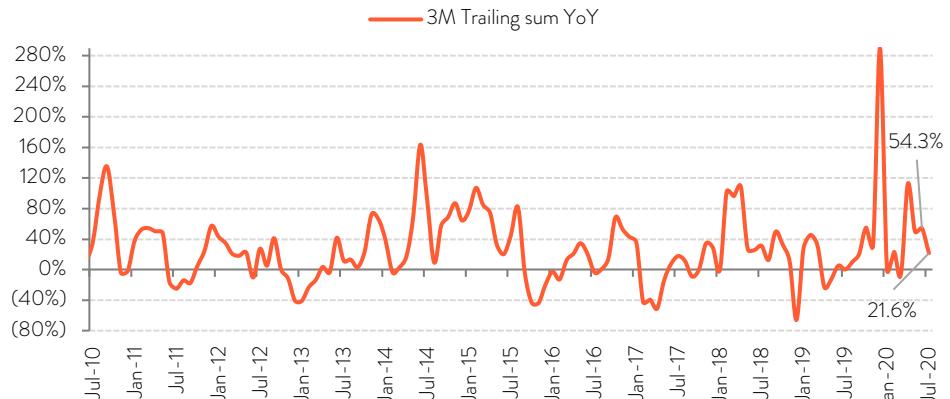
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, H.P., J&K, Maharashtra, Punjab, Rajasthan, T.N., U.P., Uttarakhand, and W.Bengal

FIG 136 – REVENUE RECEIPTS OF STATES* RECOVERING



Note: *All states excluding N.E states, Bihar, Goa, Gujarat, H.P., J&K, Maharashtra, Punjab, Rajasthan, T.N., U.P., Uttarakhand, and W.Bengal

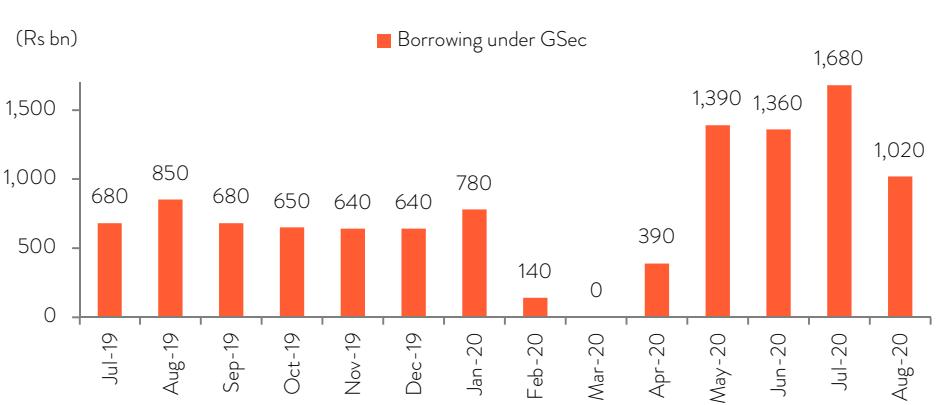
FIG 138 – GRANTS IN AID FROM CENTRE TO STATES* EASES SIGNIFICANTLY



Note: *All states excluding N.E states, Bihar, Goa, Gujarat, H.P., J&K, Maharashtra, Punjab, Rajasthan, T.N., U.P., Uttarakhand, and W.Bengal

Central government borrowing

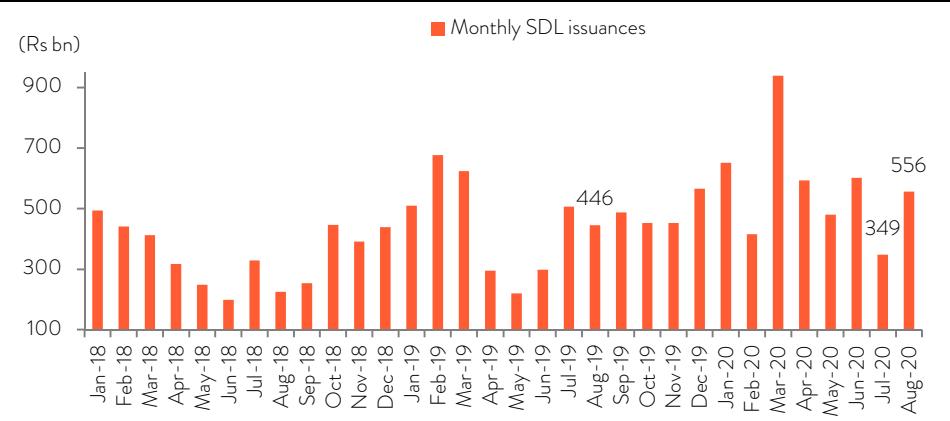
FIG 139 – CENTRE'S GROSS BORROWING IN AUG'20 WAS AT RS 1TN AGAINST RS 1.7TN IN JUL'20



Source: RBI, till 21 Aug'20

State government borrowing

FIG 141 – STATE GOVERNMENT BORROWINGS INCH UP AGAIN IN AUG'20



Source: RBI

FIG 140 – CENTRE'S GROSS BORROWING IN Q1 HAS BEEN AT RS 3.1TN AND FOR Q2 AT RS 2.7TN (TILL AUG'20)

Total accepted amount (G-Sec), (Rs bn)	FY15	FY16	FY17	FY18	FY19	FY20	FY21 (actual)	FY21 (planned)
Q1	1,830	1,740	1,500	1,680	1,320	2,040	3,140	2,400*
Q2	1,570	1,630	1,910	1,890	1,440	2,210	2,700#	3,600*
Q3	1,430	1,640	1,610	1,640	1,270	1,930	-	-
Q4	1,090	840	800	670	1,680	920	-	-
Total	5,920	5,850	5,820	5,880	5,710	7,100	12,000	

Source: RBI; *Includes Rs 240bn FRBs, #till 21 Aug'20

FIG 142 – MARKET BORROWINGS OF STATES GAIN PACE IN Q2

Quarterly SDL issuances, (Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21 (actual)	FY21 (planned)
Q1	502	548	650	766	815	1,673	1,272
Q2	627	792	1,130	809	1,439	905*	1,783
Q3	858	1,214	1,054	1,277	1,470	-	-
Q4	959	1,322	1,348	1,809	2,006	-	-
Total	2,946	3,876	4,182	4,661	5,731	2,577	-

Source: RBI; * as of 25 Aug 2020

External sector

Exports

FIG 143 – GLOBAL AND INDIAN EXPORTS RECOVERING

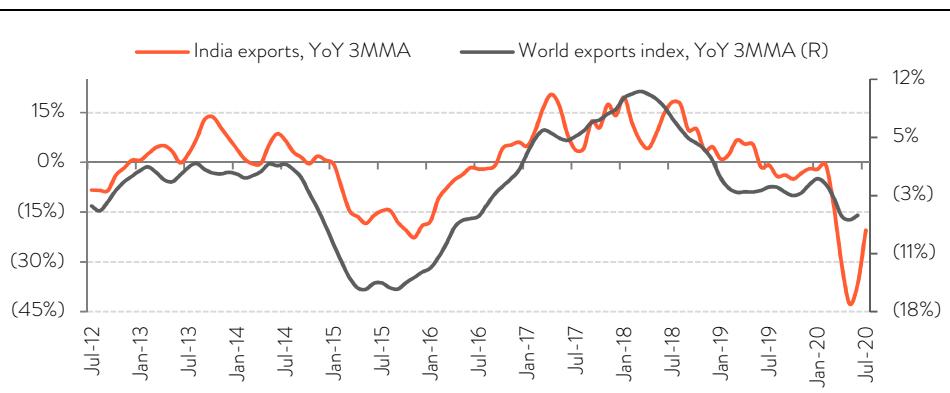
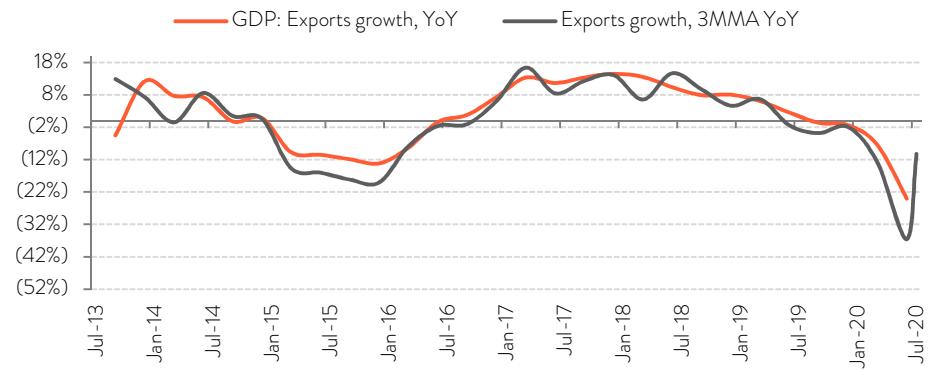


FIG 144 – INDIA'S EXPORT GROWTH CONTRACTED BY 10.2% COMPARED WITH A DECLINE OF 12.4% IN JUN'20



Note: Figure for Jul'20 is % YoY change

Exports by major sectors

FIG 145 – EXPORT OF ENGINEERING GOODS PICKS UP SHARPLY IN JUL'20

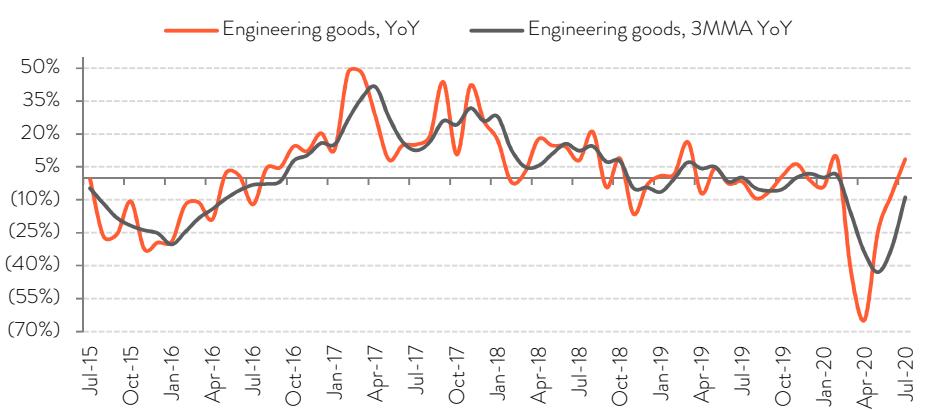


FIG 146 – DRUGS AND PHARMA EXPORTS ALSO REMAIN BUOYANT

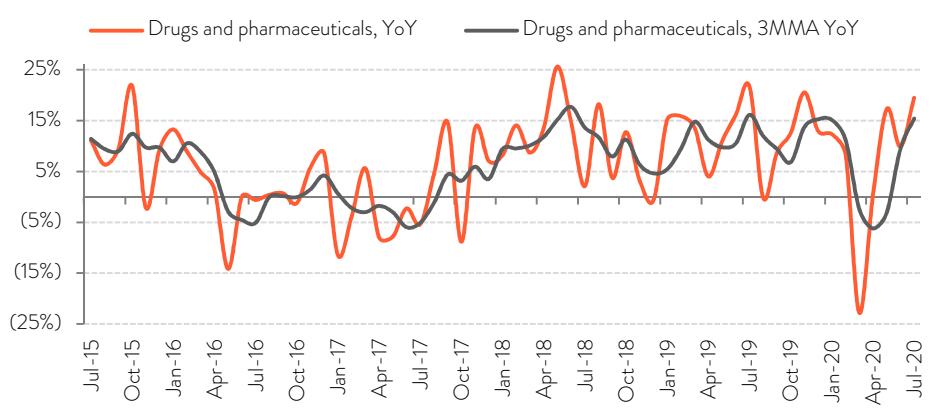
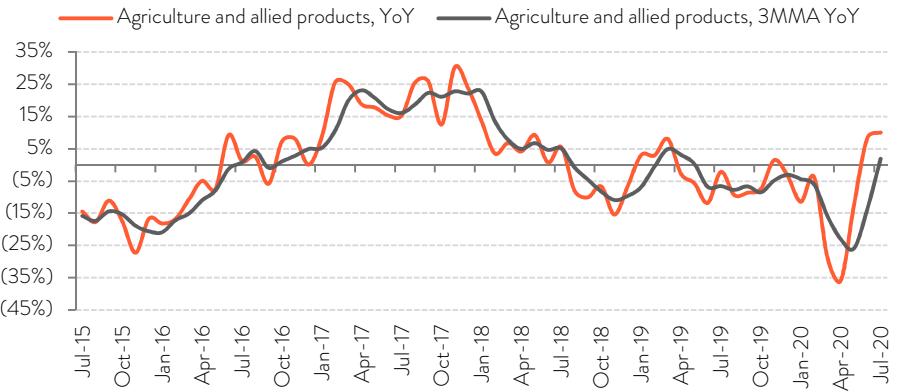
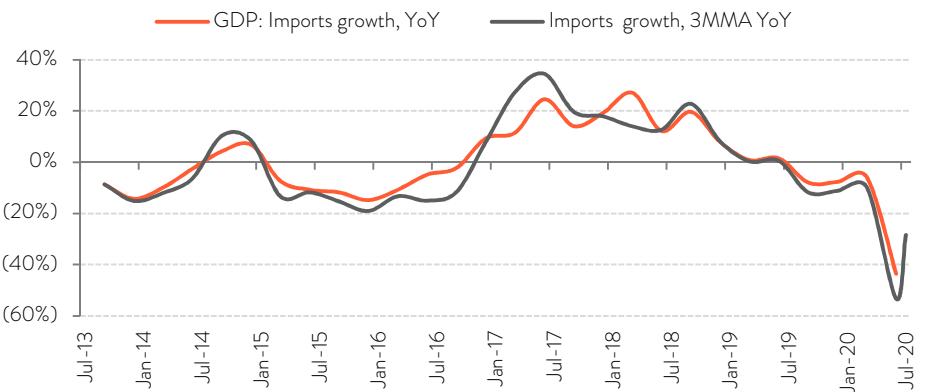


FIG 147 – IMPROVEMENT IN AGRI EXPORTS



Imports

FIG 149 – IMPORT GROWTH ALSO RECOVERS IN JUL'20



Note: Figure for Jul'20 is % YoY change

FIG 148 – HOWEVER GEMS AND JEWELLERY EXPORTS CONTINUE TO CONTRACT



FIG 150 – LED BY HIGHER GOLD IMPORTS

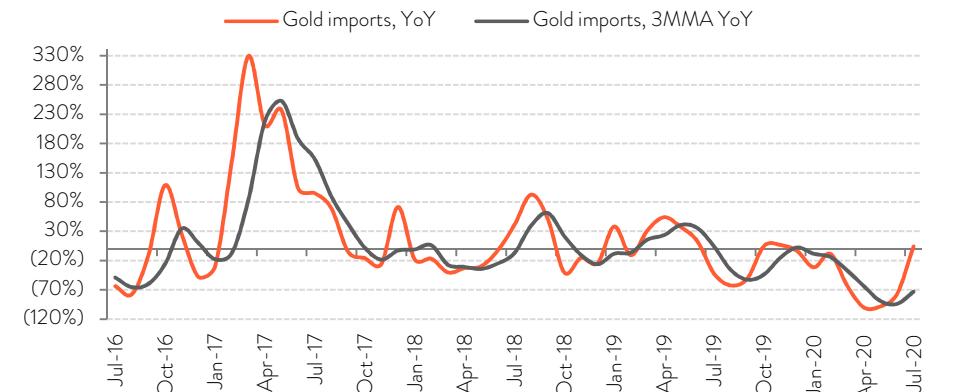


FIG 151 – OIL IMPORTS TOO CONTRACTED BY 32% IN JUL’20 VERSUS 55.3% IN JUN’20

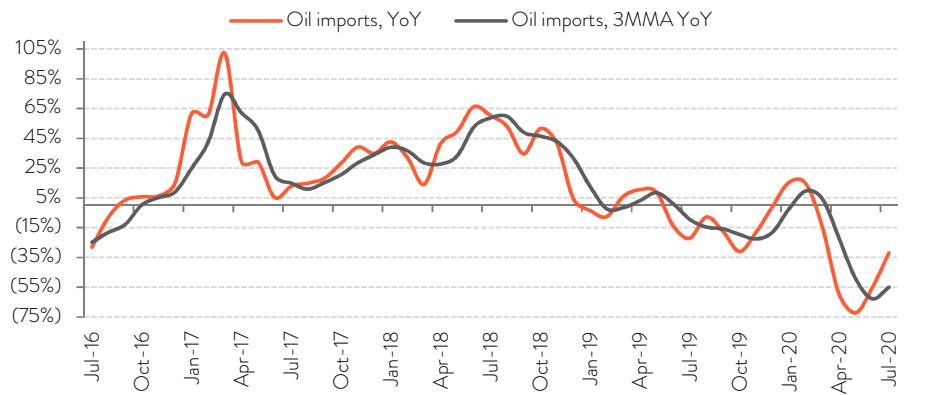


FIG 153 – IMPORT OF VEGETABLE OILS INCREASES

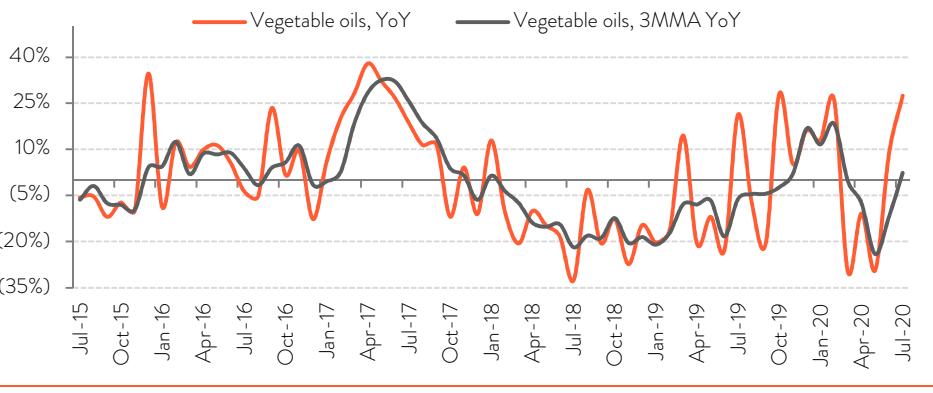


FIG 152 – IMPROVEMENT ALSO SEEN IN IMPORTS OF PEARLS AND PRECIOUS STONES

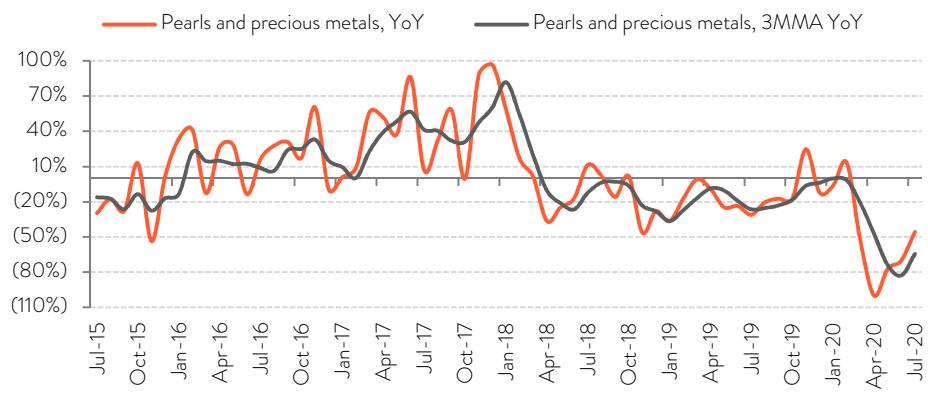
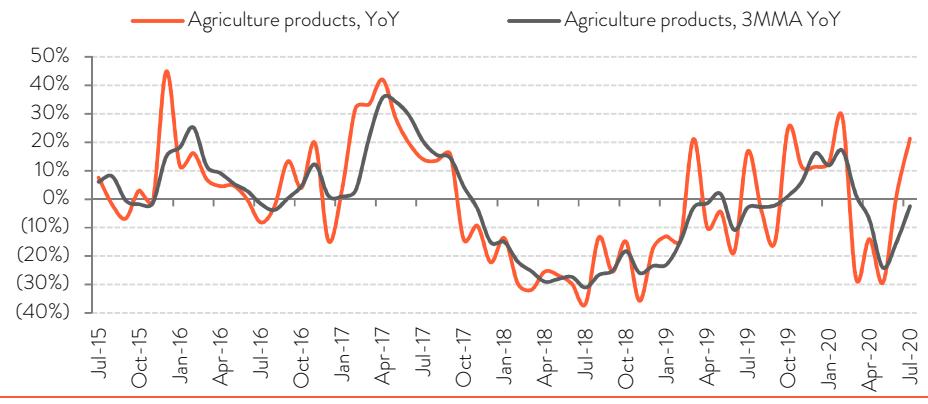


FIG 154 – IMPORT OF AGRICULTURAL PRODUCTS ALSO INCREASES SHARPLY



Exports and imports by major regions

FIG 155 – EXPORTS TO CHINA CONTINUE TO REMAIN BUOYANT

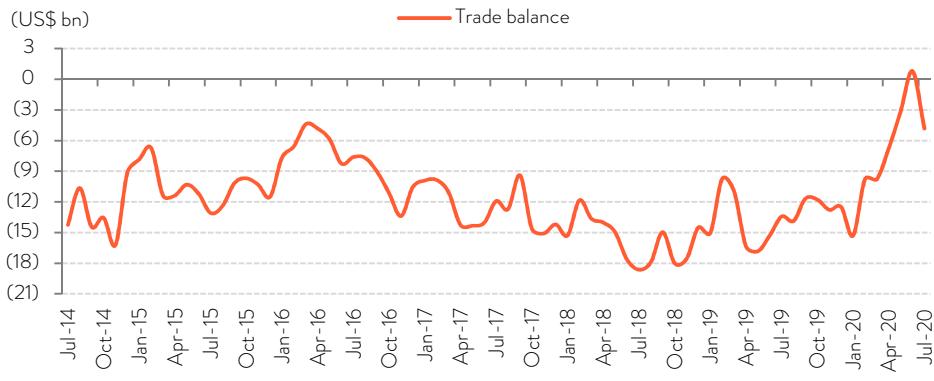
Region (% YoY)	Share (in %) FY20	May'20	Jun'20	Jul'20	FYTD20	FYTD21
Americas	22.5	(41.0)	(13.6)	(3.5)	3.2	(29.7)
Asia and Pacific (Ex. China)	25.5	(27.5)	3.1	(2.8)	(6.9)	(22.2)
China	5.4	48.5	78.1	23.7	8.0	30.7
Europe	19.5	(42.7)	(24.6)	(10.2)	(1.6)	(36.7)
Middle East and Africa	25.9	(50.3)	(27.5)	(27.6)	0.7	(43.1)
Other	1.1	(37.0)	(93.4)	(77.5)	6.5	(77.1)

FIG 156 – IMPORTS FROM ALL REGIONS HOWEVER CONTINUE TO DECLINE

Region (% YoY)	Share in FY20	May'20	Jun'20	Jul'20	FYTD20	FYTD21
Americas	13.8	(22.8)	(43.7)	(9.8)	(0.1)	(29.2)
Asia and Pacific (Ex. China)	15.0	(61.3)	(51.5)	(39.1)	1.5	(57.8)
China	25.0	(41.8)	(48.4)	(30.2)	(0.3)	(44.1)
Europe	30.8	(69.0)	(51.2)	(37.8)	(9.0)	(55.9)
Middle East	12.8	(51.4)	(48.0)	(31.3)	6.5	(47.6)
Other	2.6	(54.9)	(27.7)	17.5	21.3	(30.2)

Trade deficit

FIG 157 – TRADE BALANCE SLIPS INTO DEFICIT AGAIN



Trade in services

FIG 159 – SERVICES EXPORT CONTRACT BY 9.2% IN Q1FY21 VERSUS AN INCREASE OF 5% IN Q4FY20

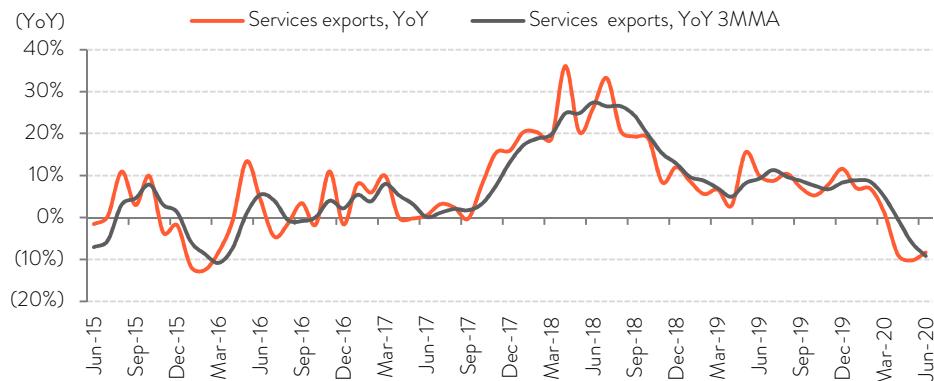
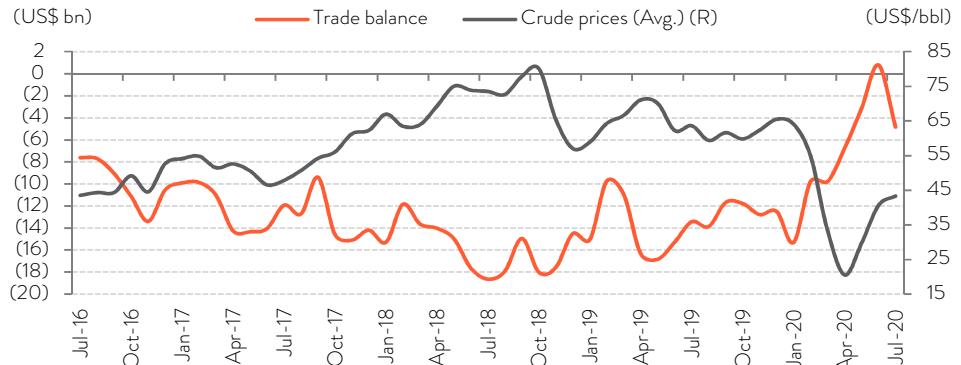


FIG 158 – AS OIL PRICES INCHED UP



BoP

FIG 160 – CURRENT ACCOUNT IN SURPLUS FOR THE FIRST TIME SINCE Q4FY07 AT 0.1% OF GDP

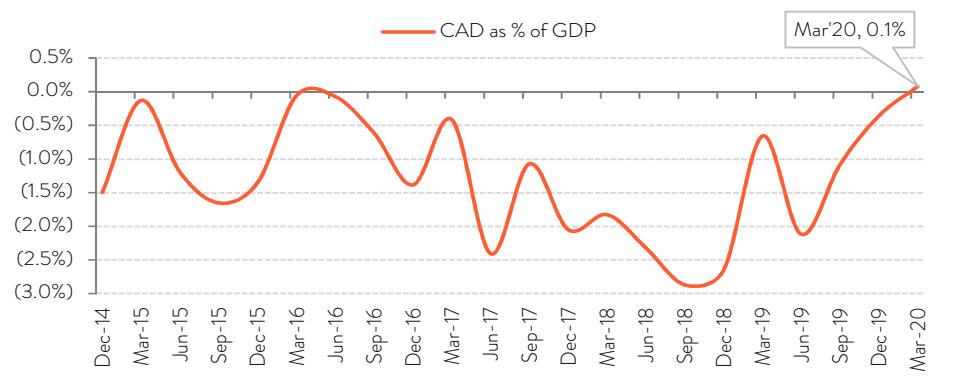


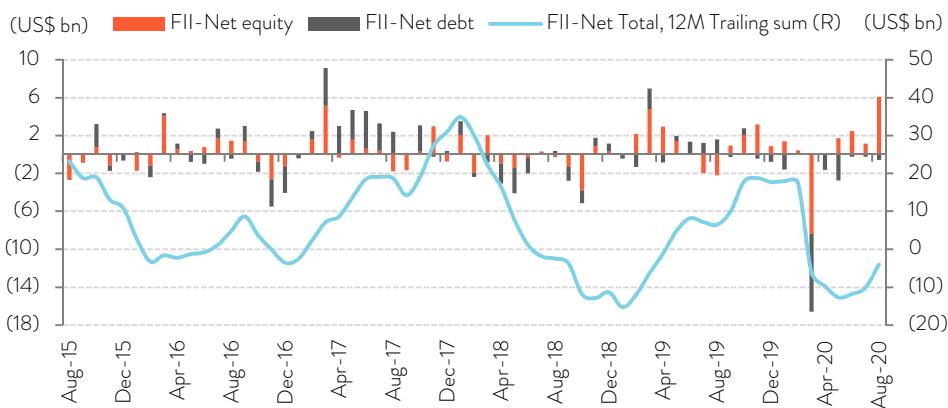
FIG 161 – LED BY LOWER TRADE DEFICIT

(US\$ bn)	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Current account	(4.6)	(15.0)	(7.6)	(2.6)	0.6
CAD/GDP (%)	(0.7)	(2.1)	(1.1)	(0.4)	0.1
Trade balance	(35.2)	(46.8)	(39.6)	(36.0)	(35.0)
- Merchandise exports	87.4	82.7	80	81.2	76.5
- Merchandise imports	122.6	129.5	119.6	117.3	111.6
--Oil imports	32.4	35.3	29.6	31.4	32.4
--Non-oil imports	90.2	94.2	90.0	85.9	79.2
- Net Services	21.3	20.1	20.4	21.4	22.4
--Software	19.9	21.0	21.1	21.5	21.1
Transfers	16.2	18.0	20.0	18.9	18.4
Other invisibles	(6.9)	(6.3)	(8.8)	(7.4)	(4.8)
Capital account	19.2	28.7	13.6	23.6	17.4
% of GDP	2.7	4.1	1.9	3.3	2.4
Foreign investments	15.9	18.8	9.8	17.6	(1.8)
- FDI	6.4	14.0	7.3	9.7	12
- FII	9.4	4.8	2.5	7.8	(13.7)
Banking capital	(8.1)	3.4	(1.8)	(2.3)	(4.6)
Short-term credit	1.5	2.0	(0.6)	(1.4)	(1.0)
ECBs	7.5	6.1	3.3	3.2	10.3
External assistance	1.3	1.5	0.4	1.3	0.6
Other capital account items	1.2	(3.1)	2.5	5.2	10.8
E&O	(0.4)	0.4	(0.9)	0.6	0.9
Overall balance	14.2	14.0	5.1	21.6	18.8

Foreign inflows

FII inflows

FIG 162 – FII INFLOWS RISE TO A 17-MONTH AT US\$ 5.5BN LED BY EQUITY INFLOWS



Source: Bloomberg

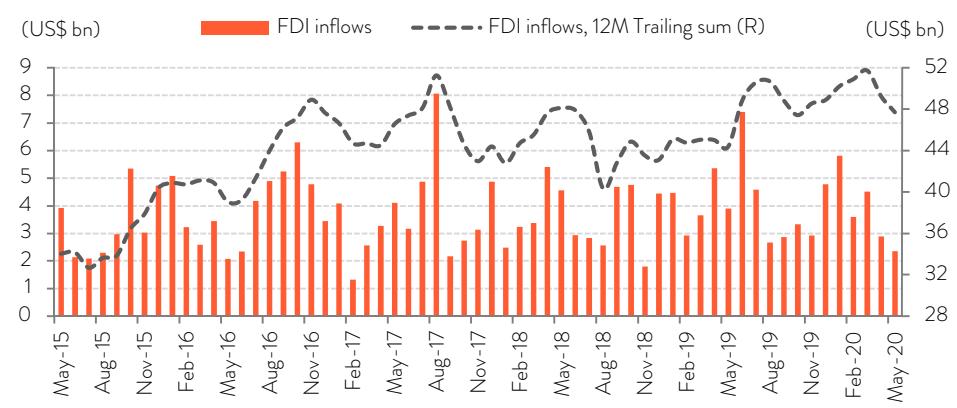
FIG 164 – FDI INFLOWS INTO SERVICES EASE IN FY20, TELECOM SECTOR SEES AN INCREASE

Sector (US\$ bn)	% Share FY20	FY16	FY17	FY18	FY19	FY20
Services Sector	15.7	6.9	8.7	6.7	9.2	7.9
Computer software and hardware	15.4	5.9	3.7	6.2	6.4	7.7
Trading	9.2	3.9	2.3	4.3	4.5	4.6
Telecommunications	8.9	1.3	5.6	6.2	2.7	4.4
Automobile industry	5.7	2.5	1.6	2.1	2.6	2.8

Source: DIPP

FDI inflows

FIG 163 – FDI INFLOWS AT US\$ 2.4BN IN MAY'20 VERSUS US\$ 2.9BN IN APR'20



Source: RBI, Bank of Baroda Research

FIG 165 – FDI INFLOWS FROM SINGAPORE DECELERATE IN FY20

Country (US\$ bn)	% Share in FY20	FY16	FY17	FY18	FY19	FY20
Singapore	29.4	13.7	8.7	12.2	16.2	14.7
Mauritius	16.5	8.4	15.7	15.9	8.1	8.2
Netherlands	13.0	2.6	3.4	2.8	3.9	6.5
Japan	6.5	2.6	4.7	1.6	3.0	3.2
UK	2.8	0.9	1.5	0.8	1.4	1.4

Source: DIPP

Forex reserves and external debt

FIG 166 – INDIA'S FX RESERVES RISE TO A RECORD HIGH AT US\$ 541.3BN IN AUG'20



Source: Bloomberg | Weekly data as of 28 Aug 2020

FIG 168 – RBI'S BOUGHT US\$ 13BN IN THE SPOT MARKET IN Q1FY21

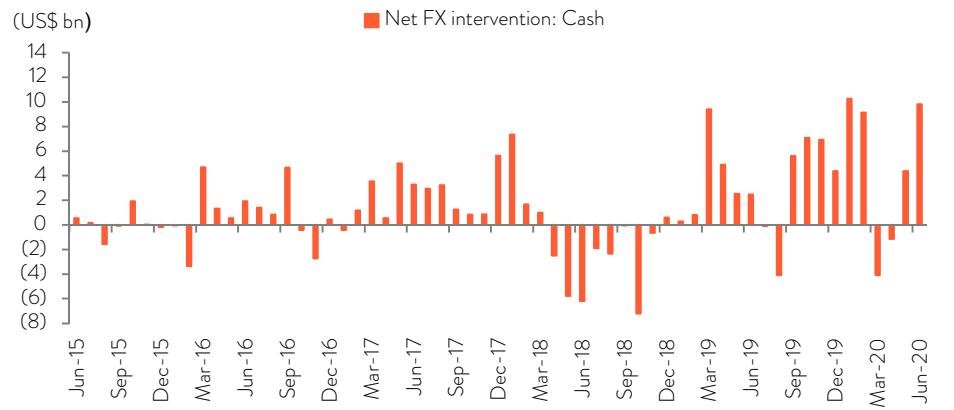


FIG 167 – IMPORT COVER RISES TO ITS HIGEST SINCE MAR'04 AT 16.3 MONTHS IN JUL'20

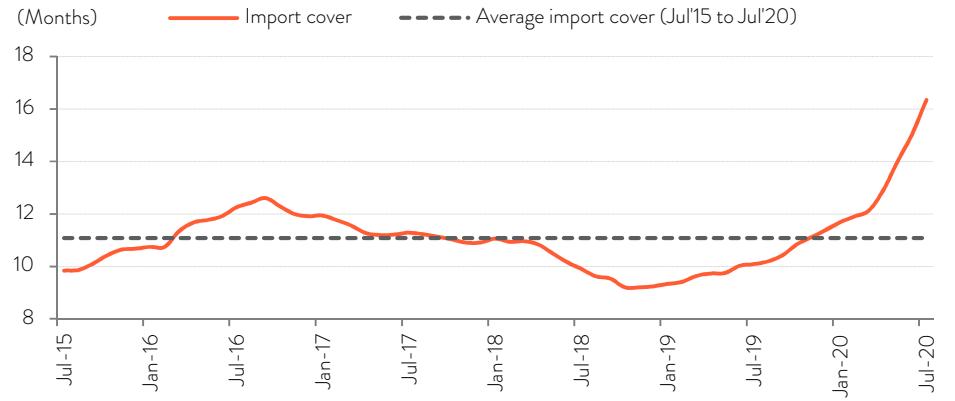
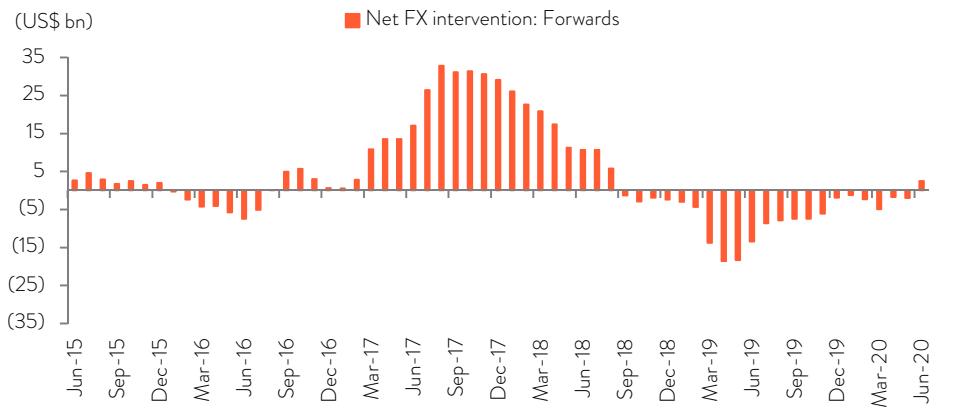


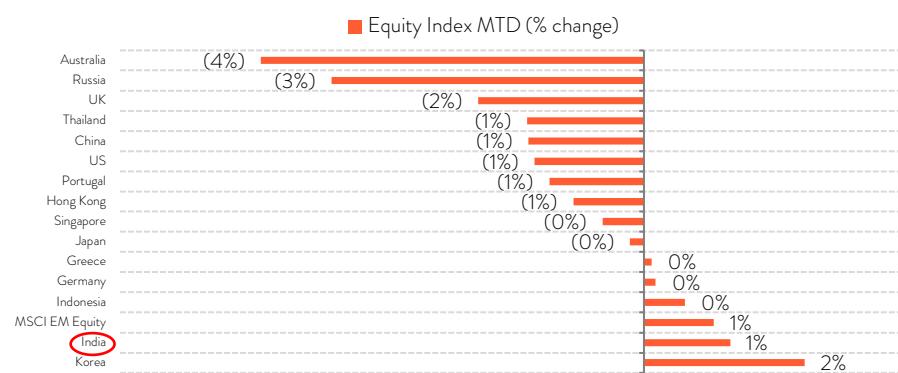
FIG 169 – IN FORWARDS MARKET, RBI PURCHASED US\$ 7.4BN IN Q1FY21, OUTSTANDING POSITION AT US\$ 2.5BN IN JUN'20



Markets

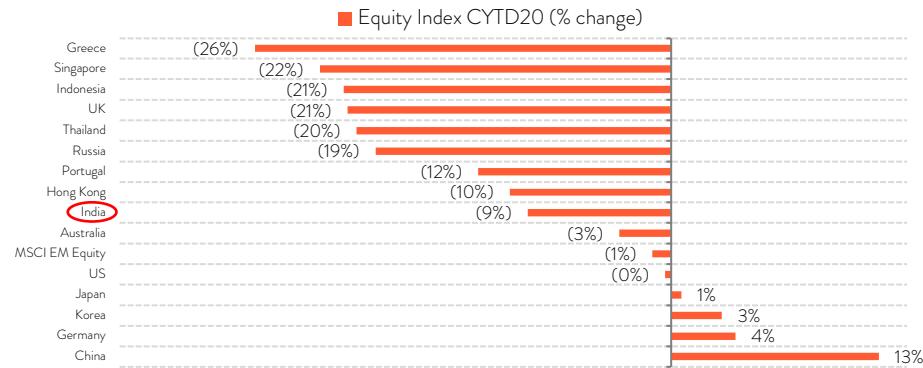
Equity

FIG 170 – IN SEP'20, SENSEX ROSE BY 1%, IN CONSTANT CURRENCY TERMS



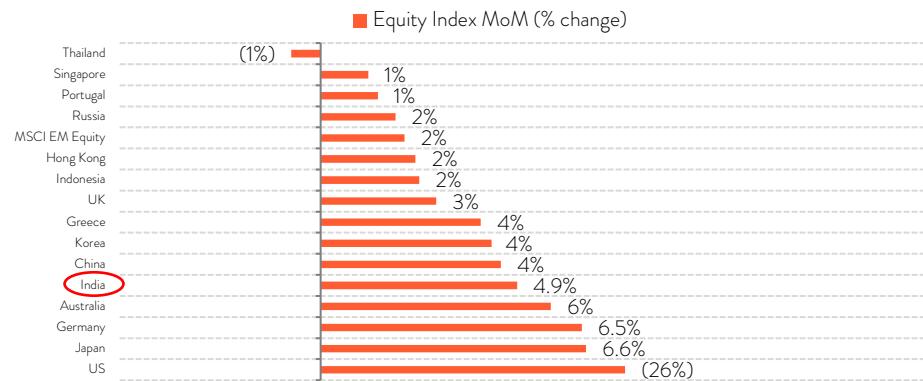
Source: Bloomberg | * As on 7 Sep 2020, Indices are in US\$ terms

FIG 172 – HOWEVER, SENSEX FELL SHARPLY BY 9.1% ON CYTD20 BASIS



Source: Bloomberg | * As on 31 Jul 2020, Indices are in US\$ terms

FIG 171 – SENSEX ROSE BY 4.9% IN AUG'20 IN LINE WITH MSCI EM INDEX (2.1% INCREASE)



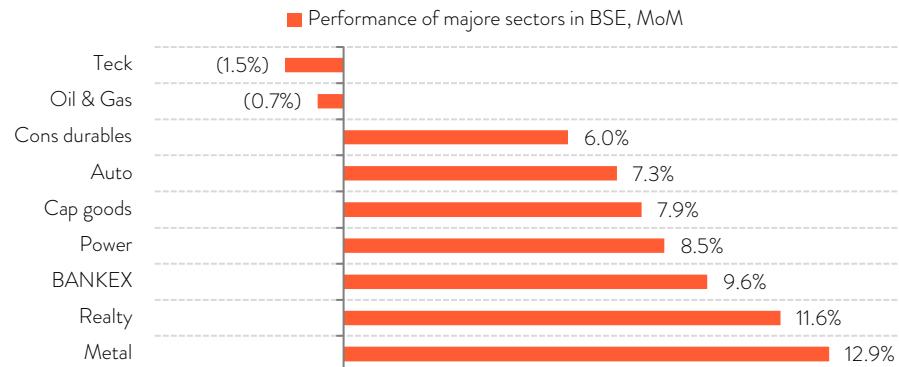
Source: Bloomberg | * As on 31 Aug 2020, Indices are in US\$ terms

FIG 173 – VIX INDEX WAS AT 22.84 IN AUG'20 AGAINST 24.19 IN JUL'20



Source: Bloomberg

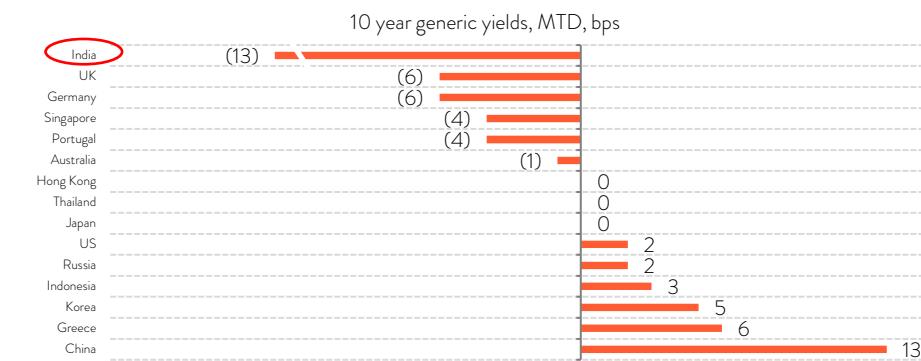
FIG 174 – METAL STOCKS INCREASED THE MOST FOLLOWED BY REALTY



Source: Bloomberg | As on 31 Aug 2020

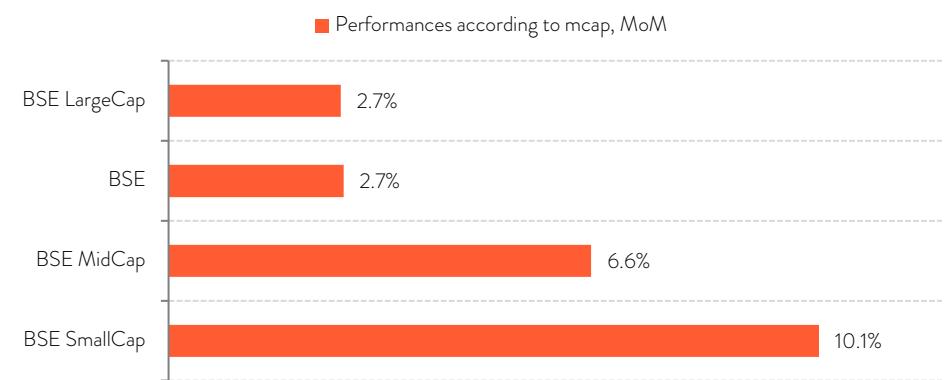
10 year bond yields

FIG 176 – IN SEP'20, INDIA'S 10Y YIELD FELL BY 13BPS SUPPORTED BY RBI'S OMO ANNOUNCEMENT AND HIKE IN THE HTM LIMIT



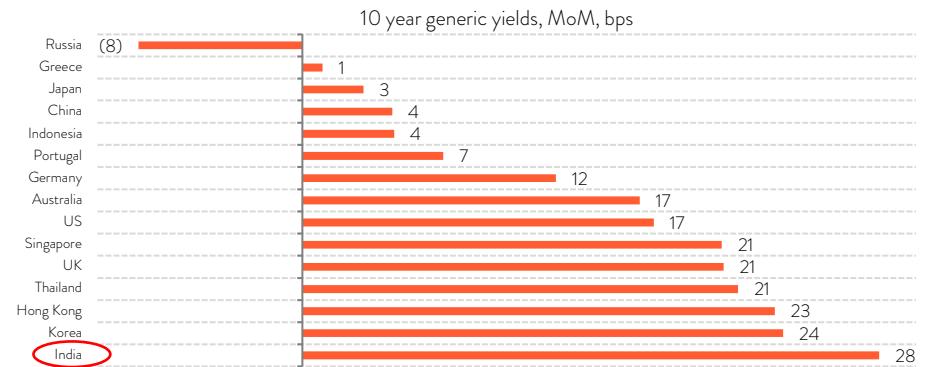
Source: Bloomberg | *As on 7 Sep 2020, Note: For India 5.77GS2030 yield is taken

FIG 175 – SMALL CAPS ROSE THE MOST FOLLOWED BY MIDCAP



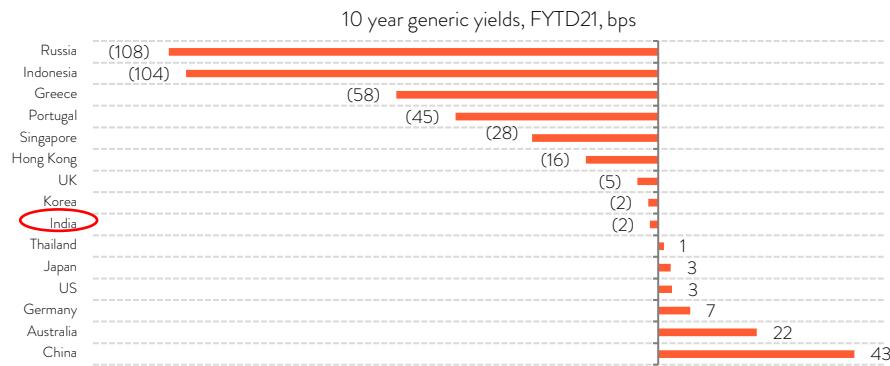
Source: Bloomberg | As on 31 Aug 2020

FIG 177 – INDIA'S 10Y YIELD ROSE BY 28BPS IN AUG'20 ON CONCERNS OF INFLATION WHICH DENTED HOPES OF RBI'S RATE CUT



Source: Bloomberg | * As on 31 Aug 2020, Note: For India 5.77GS2030 yield is taken

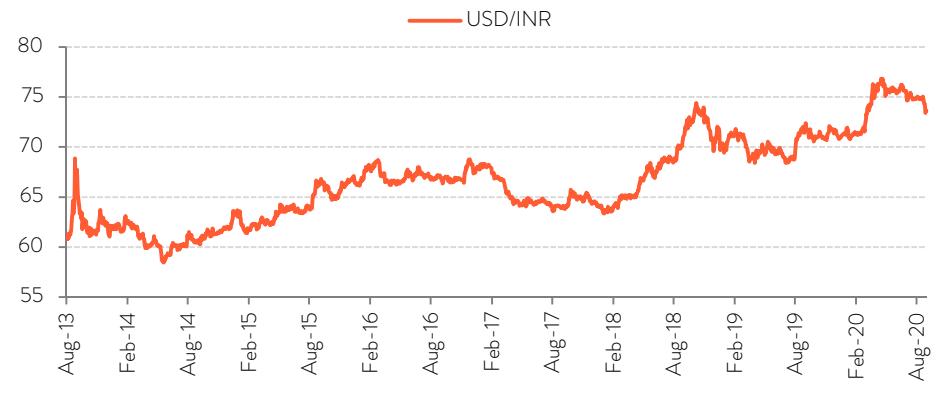
FIG 178 – IN FYTD21, INDIA'S 10Y YIELD HAS FALLEN BY 2BPS



Source: Bloomberg | * As on 31 Aug 2020, Note: For India 5.77GS2030 yield is taken

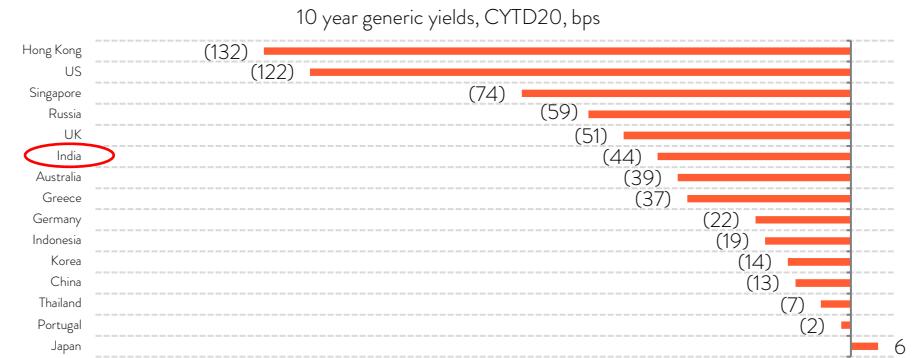
Currencies

FIG 180 – INR ROSE BY 1.6% IN AUG'20



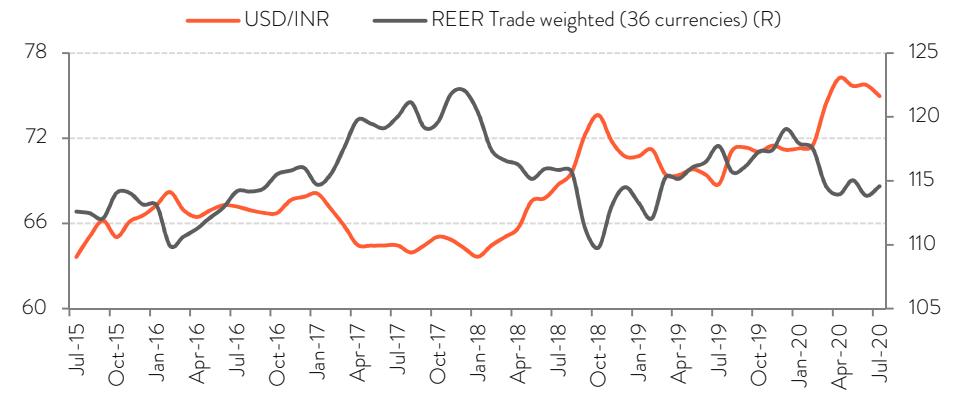
Source: Bloomberg | *As on 31 Aug 2020

FIG 179 – IN CYTD20, INDIA'S 10Y YIELD FELL SHARPLY BY 44BPS, US 10Y YIELD FELL BY 122BPS



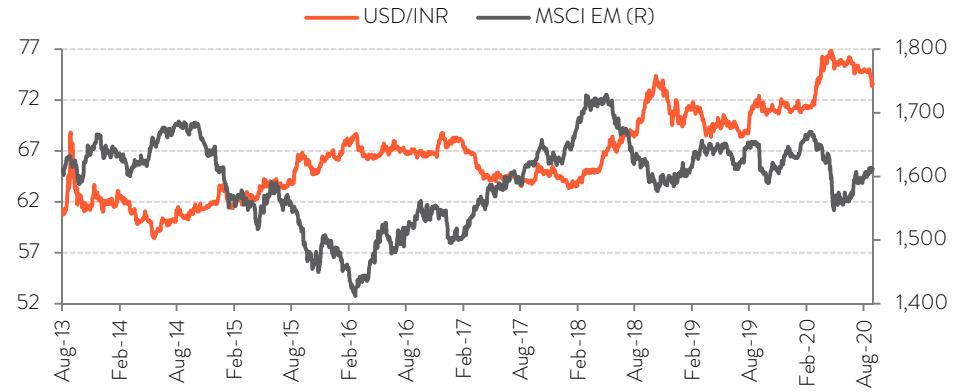
Source: Bloomberg | * As on 31 Aug 2020, Note: For India 5.77GS2030 yield is taken

FIG 181 – INR STILL OVERVALUED BY 14.6% (JUL'20)



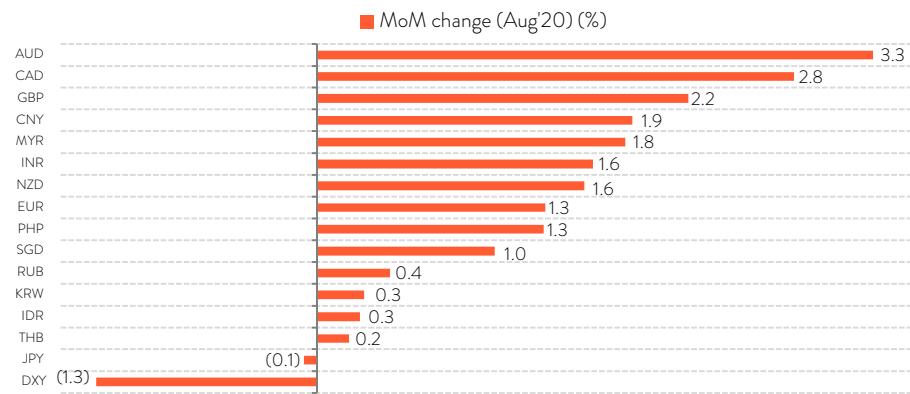
Source: Bloomberg

FIG 182 – INR APPRECIATED IN LINE WITH OTHER EM CURRENCIES



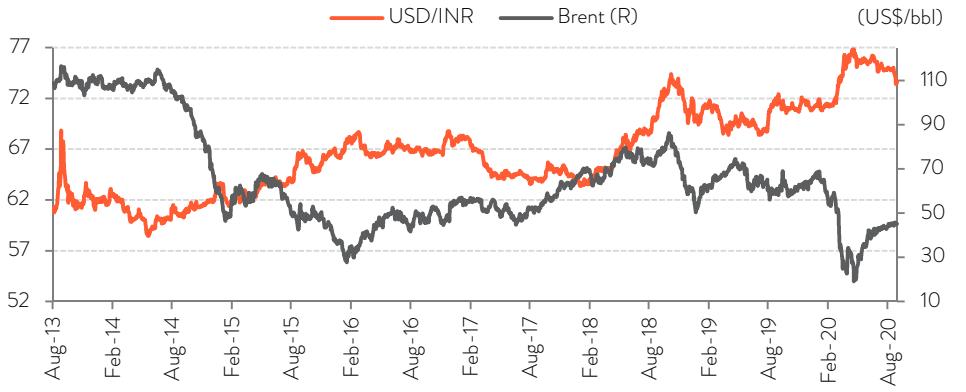
Source: Bloomberg | *As on 31 Aug 2020

FIG 184 – GLOBAL CURRENCIES CLOSED MOSTLY HIGHER AS DOLLAR WEAKENED



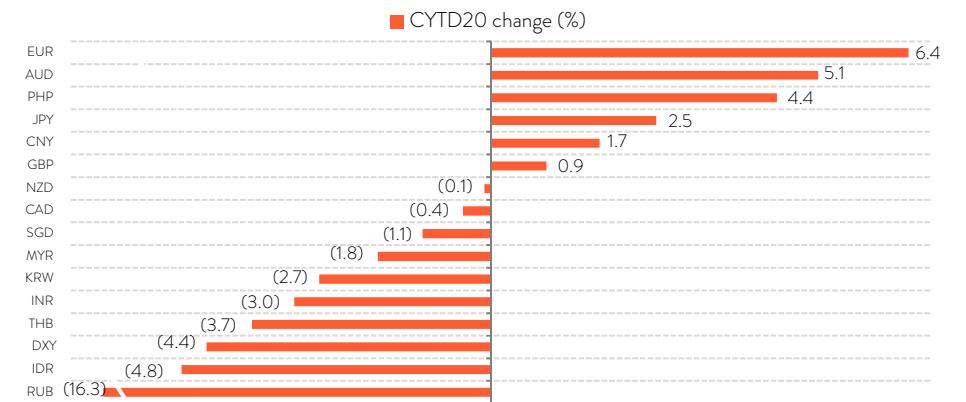
Source: Bloomberg | *As on 31 Aug 2020

FIG 183 – EVEN AS OIL PRICES INCHED UP IN AUG’20



Source: Bloomberg | *As on 31 Aug 2020

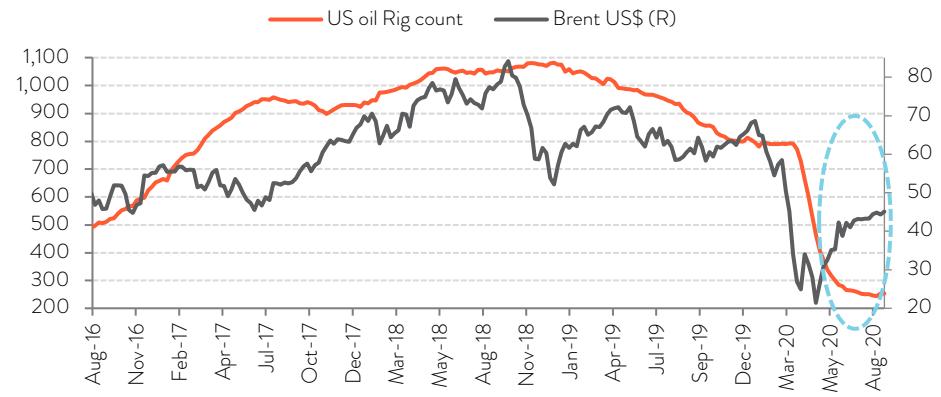
FIG 185 – IN CYTD20, INR HAS DEPRECIATED BY 3%



Source: Bloomberg | *As on 31 Aug 2020

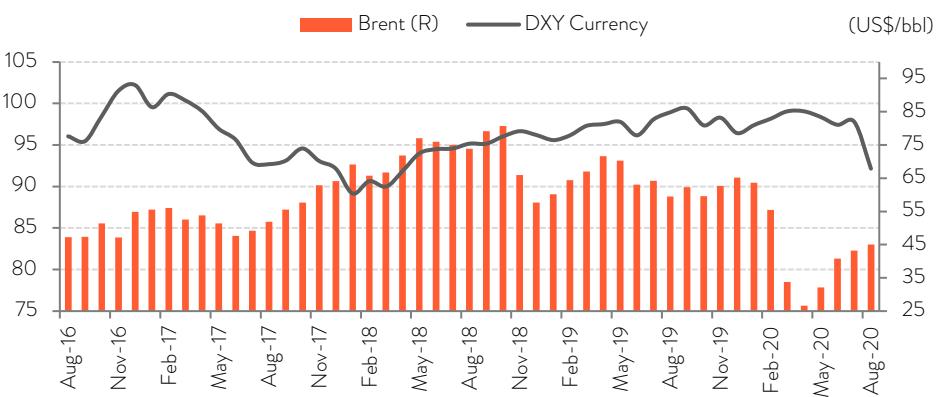
Commodities

FIG 186 – OIL PRICES ON AN AVERAGE ROSE TO US\$ 45/BBL IN AUG'20 (US\$ 43/BBL IN JUN-20); US RIG COUNT WAS LOWER AT 244 FROM 251 IN JUL'20



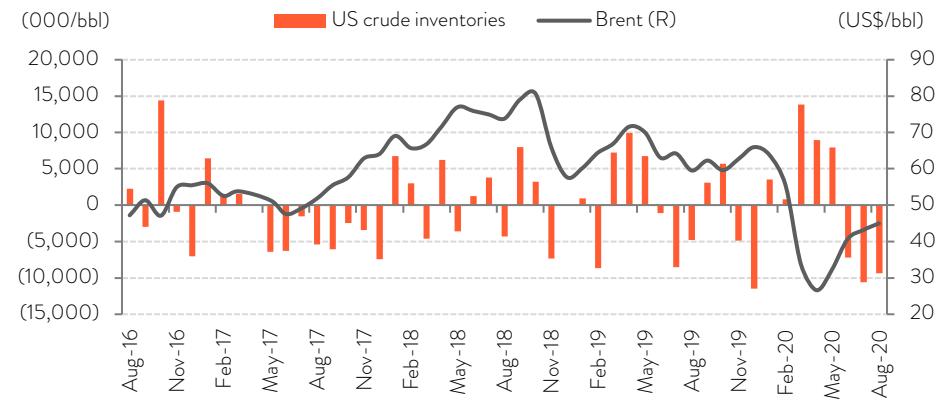
Source: Bloomberg

FIG 188 – DXY INCHED DOWN TO 92.14 IN AUG'20 FROM 97.75 IN JUL'20; OIL PRICES ON THE OTHER HAND EDGED UP



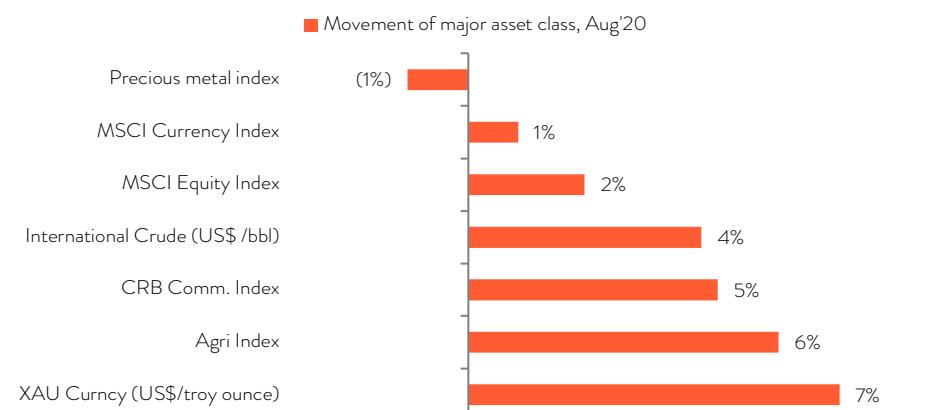
Source: Bloomberg | DXY Index as on last trading day of the month

FIG 187 – THERE WAS A SHARP DRAWDOWN IN US INVENTORY ON SLIGHT REVIVAL IN GLOBAL DEMAND



Source: Bloomberg

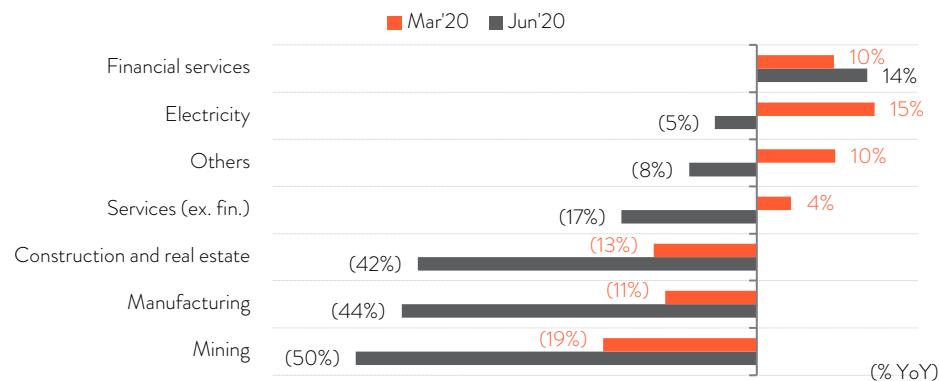
FIG 189 – GOLD ROSE THE MOST ON ACCOUNT OF SAFE HAVEN DEMAND



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

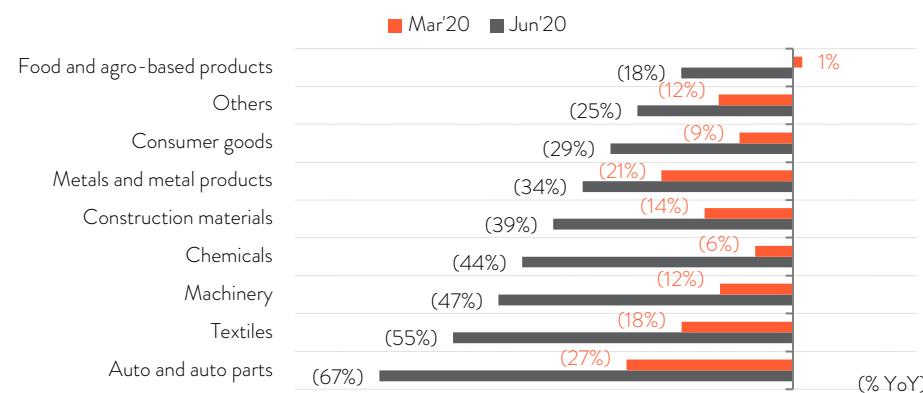
Corporate earnings

FIG 190 – NET SALES IN THE MANUFACTURING SECTOR FELL SHARPLY IN Q1FY21



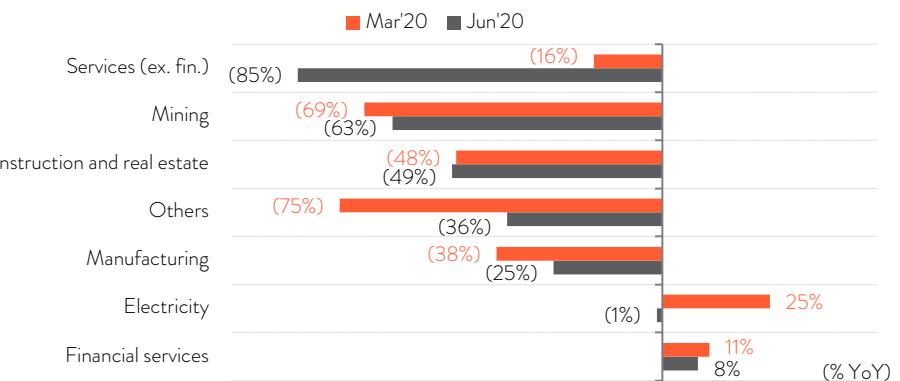
Source: CMIE Prowess database, Note: based on financial results of 443 BSE listed companies

FIG 192 – WITHIN MANUFACTURING, NET SALES IN AUTO AND TEXTILES DECLINED THE MOST



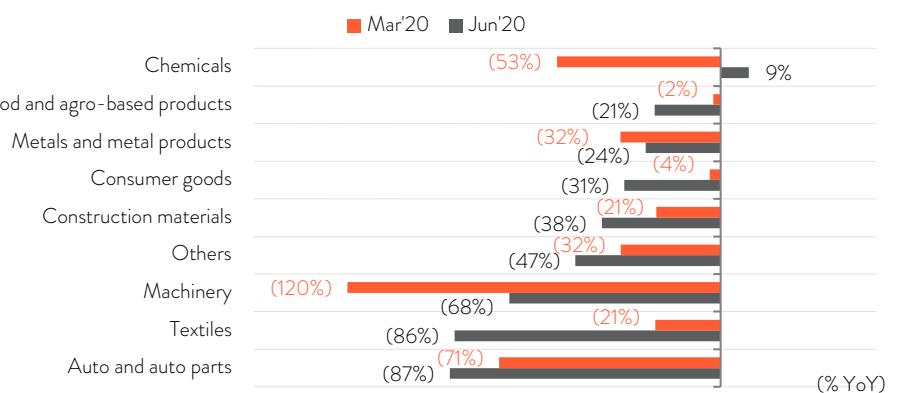
Source: CMIE Prowess database, Note: based on financial results of 231 BSE listed companies

FIG 191 – PBDIT IN SERVICES SECTOR FELL THE MOST IN JUN'20



Source: CMIE Prowess database, Note: based on financial results of 443 BSE listed companies

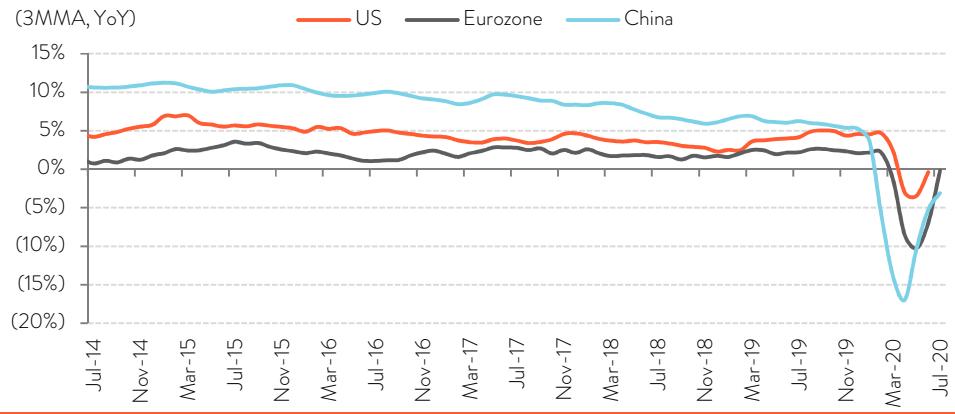
FIG 193 – SIMILAR TREND IN PBDIT OF MANUFACTURING SECTOR



Source: CMIE Prowess database, Note: based on financial results of 231 BSE listed companies

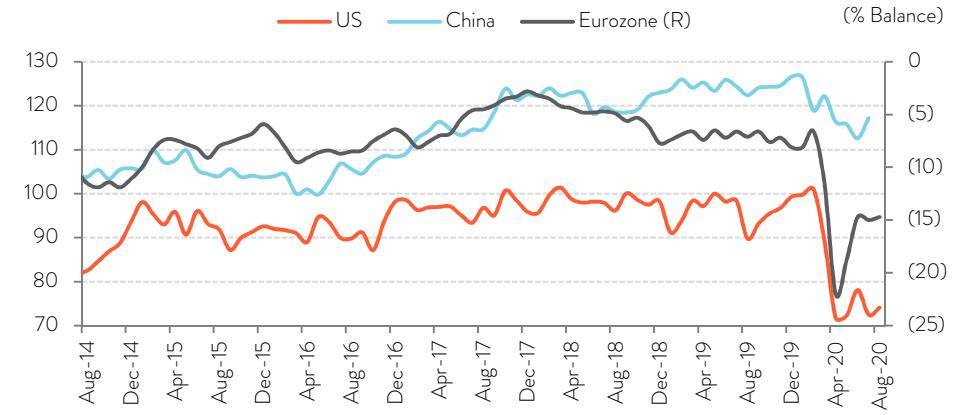
Global consumption

FIG 194 – RETAIL SALES REBOUNDING GLOBALLY



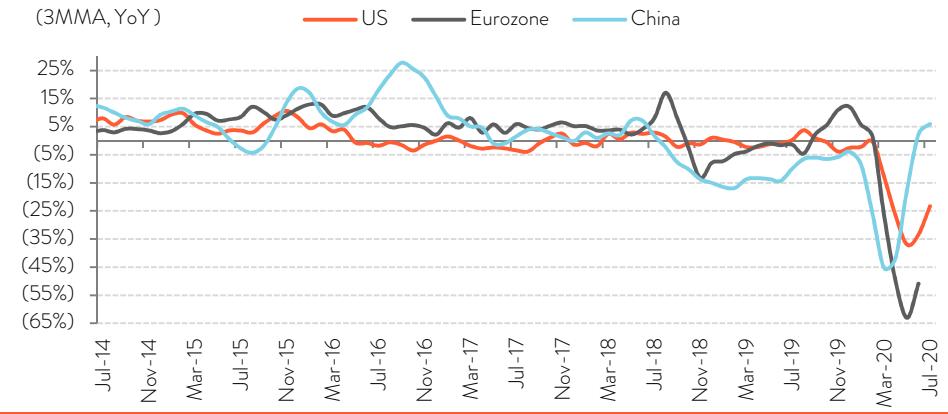
Note: Data for US till Jun'20

FIG 196 – CONSUMER CONFIDENCE INCHING UP



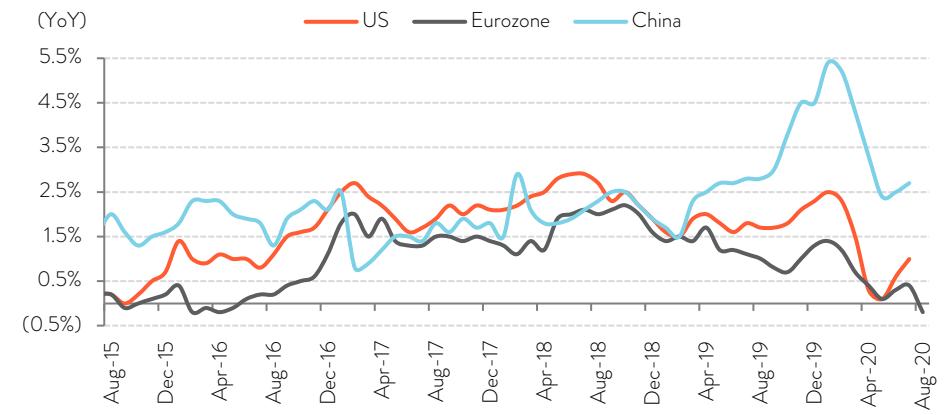
Note: Consumer confidence for eurozone is % diffusion index. Data for China is for Jul'20

FIG 195 – AUTO SALES CONTINUES TO RECOVER



Note: Data for Eurozone till Jun'20

FIG 197 – CPI EASES FOR EUROZONE; EDGES UPWARDS FOR US AND CHINA



Note: Data for China and Eurozone is for Jul'20

Policy

FIG 198 – GLOBAL CENTRAL BANKS ARE ON MONETARY EASING CYCLE; FED'S CHANGE IN POLICY MANDATE WILL ALSO SUPPORT ULTRA LOW RATES

Country	Current inflation rate (%)	Current policy rate (%)	CY19 (change in bps)	CYTD20 (change in bps)	Direction of policy rate in CYTD20
Germany	0	0	0	0	-
Japan	0.3	(0.10)	0	0	-
China	2.7	4.35	0	0	-
Australia	(0.3)	0.25	(75)	(50)	⬇️
UK	1.0	0.1	0	(65)	⬇️
Korea	0.7	0.5	(50)	(75)	⬇️
Thailand	(0.5)	0.5	(50)	(75)	⬇️
Indonesia	1.3	4.00	(100)	(100)	⬇️
India	6.9	4.00	-135	(115)	⬇️
Malaysia	(1.3)	1.75	(25)	(125)	⬇️
US	1.0	0.25	(75)	(150)	⬇️
Phillipines	2.7	2.25	(75)	(175)	⬇️
Russia	3.4	4.25	(150)	(200)	⬇️
Brazil	2.3	2.00	(200)	(250)	⬇️
Mexico	3.6	4.5	(100)	(275)	⬇️
Turkey	11.8	8.25	(1,200)	(375)	⬇️

Source: Bloomberg

Global investment and manufacturing

FIG 199 – GLOBAL MANUFACTURING AND SERVICES ACTIVITY MAINTAIN STEADY MOMENTUM IN AUG'20

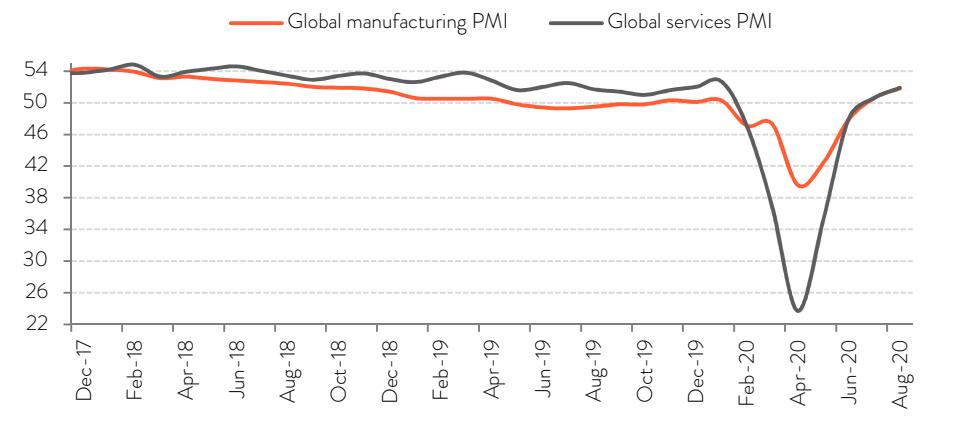


FIG 201 – PRODUCER PRICES INCHED UP ACROSS COUNTRIES IN JUL'20

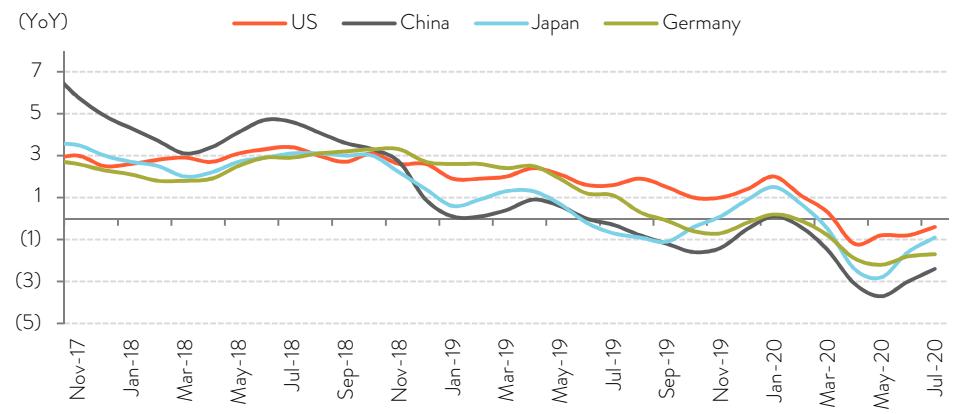


FIG 200 – US AND GERMANY LEADING THE RECOVERY SO FAR

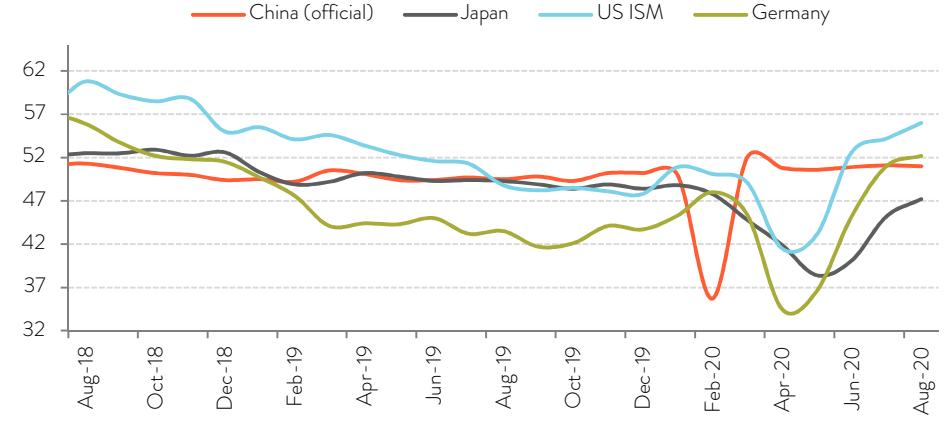
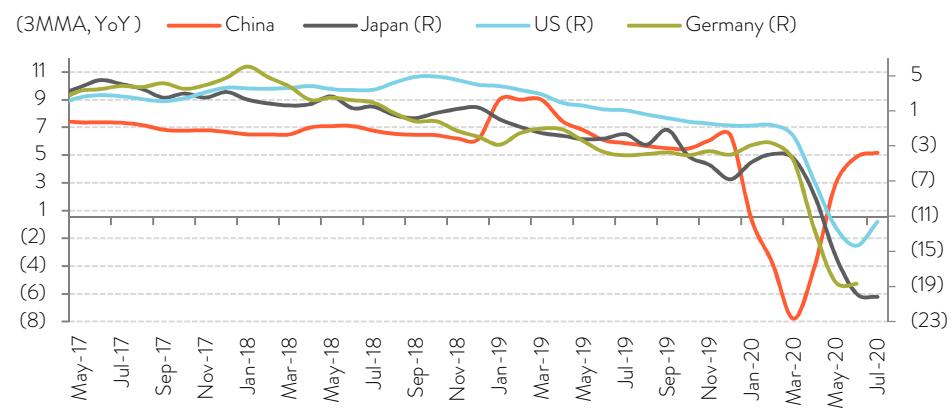


FIG 202 – GLOBAL INDUSTRIAL PRODUCTION RECOVERING SLOWLY IN JUL'20



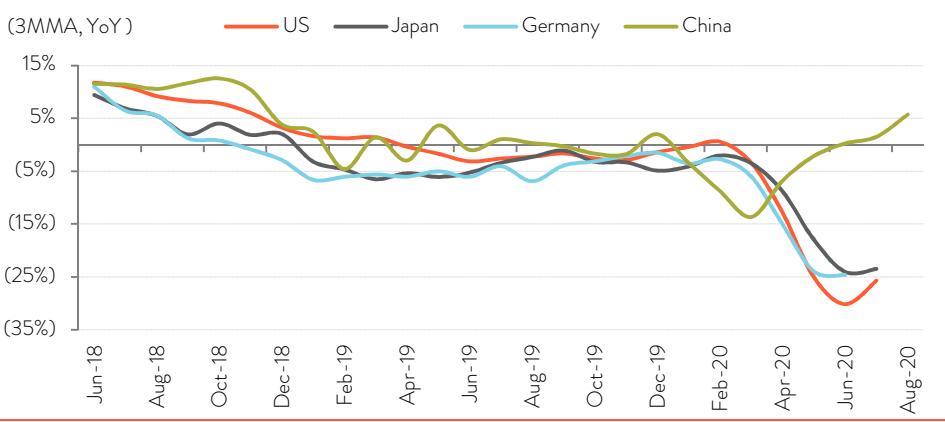
Global trade

FIG 203 – WORLD TRADE VOLUME DIPPED FURTHER IN JUN'20



Source: NPB, World Trade Monitor

FIG 205 – CHINA'S EXPORTS CONTINUE TO IMPROVE AS GLOBAL DEMAND PICKS UP



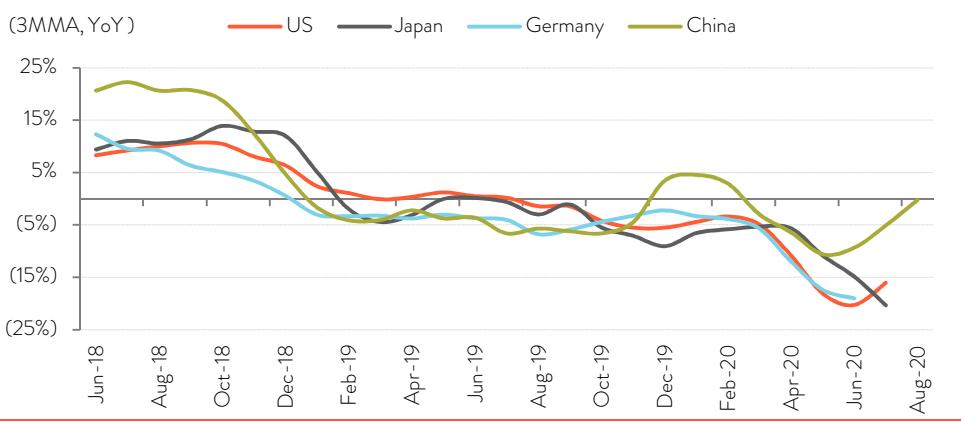
Source: Bloomberg

FIG 204 – TRADE VOLUME IN MAJOR COUNTRIES/REGIONS FALLS IN JUN'20

Country/Region (% YoY)	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Africa and Middle East	(2.3)	(1.7)	(1.0)	(1.0)	(3.7)	(7.1)
China	4.0	1.3	(3.6)	(2.6)	(2.2)	(1.8)
Eastern Europe / CIS	0.6	(0.7)	(1.3)	(3.3)	(5.7)	(8.5)
Emerging Asia (ex. China)	(1.3)	0.1	(0.4)	(3.1)	(8.7)	(10.7)
Euro Area	(1.9)	(2.0)	(4.9)	(13.3)	(20.1)	(20.5)
Japan	(2.1)	(3.5)	(3.9)	(5.4)	(8.0)	(12.0)
Latin America	(3.5)	(3.6)	(2.1)	(5.9)	(14.5)	(17.5)
US	(2.3)	(2.2)	(3.4)	(8.7)	(16.0)	(19.7)

Source: NPB, World Trade Monitor

FIG 206 – CHINESE IMPORTS TOO SHOW SIGNS OF A PICKUP



Source: Bloomberg

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