

India Economics

Monthly Chartbook

May 2024

Economic Research Department

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Important disclosures are provided at the end of this report.



Monsoon holds the key

Uncertainty around timing and quantum of Fed's rate cut increased in Apr'24 as tightness in labour market dampened hopes of Fed rate cut before Sep'24. Markets are expecting 25-50bps cut this year. The impact of this was visible in Indian bond market as well, with yields inching up by 13bps. Chances of RBI cutting rates in Aug'24 have also diminished as growth remains strong and severe heat conditions in the country is likely to have an impact on food prices. Although, IMD has predicted above normal monsoon for this year. RBI will closely monitor timing and distribution of rainfall before cutting rates. Heat-wave conditions have impacted the travel sector with air passenger, diesel consumption and toll collections moderating. However, green shoots are visible in higher auto sales, vehicle registrations and electricity demand.

Domestic demand strengthening: Domestic demand continues to exhibit improvement as reflected through high frequency indicators including fertilizer sales, auto sales, vehicle registration and rising power demand. On rural front, IMD its first long range forecast has stated the South-West Monsoon (Jun-Sep) this year is expected to be above normal (106% of the LPA). Skymet (private forecaster) has noted a normal monsoon this year. So far, the sowing area of summer crop is 7.2% higher from last year. The water level in reservoirs dropped to 28% (35% last year) of total storage capacity.

Service sector steady: Services PMI for Apr'24 indicates that activity remained broadly steady with index at 60.8 versus 61.2 in Mar'24. Survey results show that companies posted strongest growth rates in nearly 14 years in Apr'24, supported by new export orders. Domestically, slight moderation is visible in port cargo volume growth, air passenger traffic, diesel consumption and toll collections. With the onset of extreme heat conditions, travel has been

impacted. On the other hand, bank credit and deposit growth remains robust. Even credit to trade and commercial real estate sector is holding ground. Auto sector also continues to perform well with vehicle registrations noting ~26% jump in Apr'24. E-way bill generation is also seeing a turn around. Overall the sector is continuing to hold ground and as heat-wave conditions pass, rebound in activity can also be expected in the coming months.

Yields noticed some pressure: India's 10Y yield inched up by 13bps in Apr'24. This was in line with higher US 10Y yield which rose by 48bps during the same period. Delayed start of a rate cut cycle by Fed have driven yields higher in major economies. However, the rhetoric again slightly changed in May'24, where US 10Y yield fell by 19bps. This was on account of a softening non-farm payroll numbers which reassured that Fed is likely to begin its rate cut journey in Sep'24. Thus even India's 10Y yield witnessed some downward correction. Notably, buyback of some short end securities were announced by the government for effective cash management. This might comfort short end yields. Long end yields is expected to see some downward bias in line with global yields and renewed buying support from FPIs.

INR to remain range-bound: While INR closed broadly unchanged in Apr'24, it briefly touched a record-low during the month. FPI outflows and dollar strength have kept the domestic currency under pressure. Even in May'24, it continued to trade in a tight range of 83.43-83.52/\$ amidst a lack of FPI inflows and dollar demand from oil companies. We expect INR to remain range-bound in the near-term supported by RBI's two-way intervention. Over the longer term we continue to believe that the USD/INR is likely to appreciate.

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

High frequency indicators

Fig 1 – Double digit growth in power demand

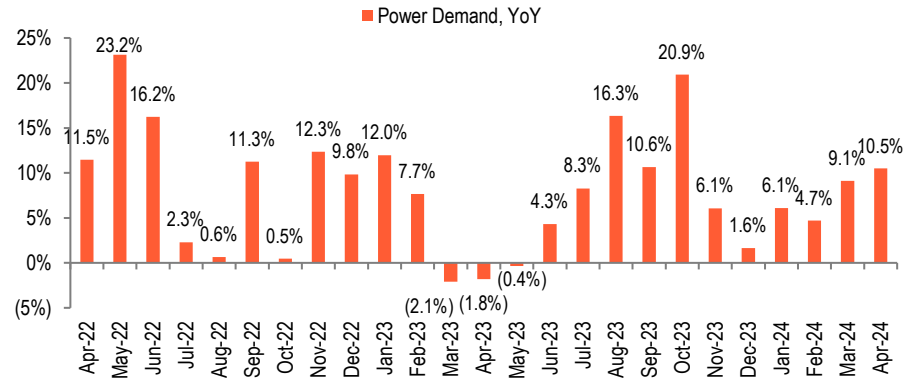
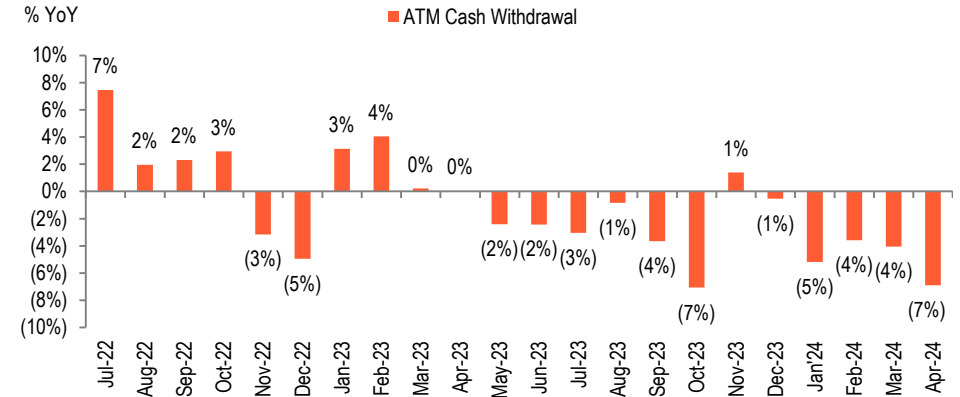
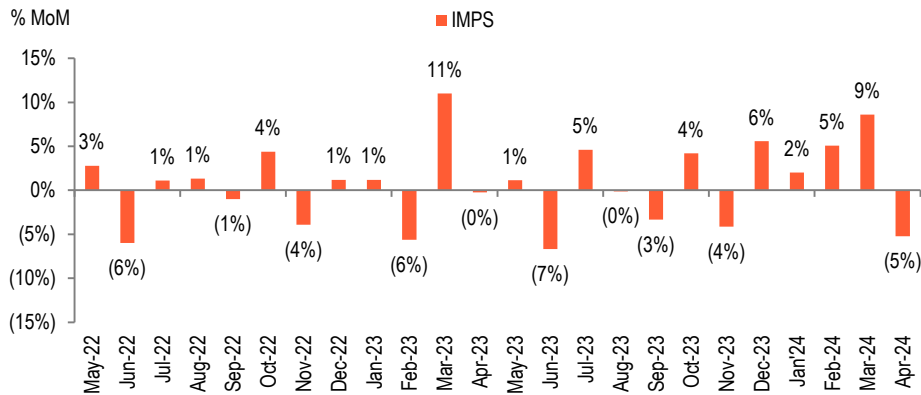


Fig 2 – Growth for cash withdrawal declines further in Apr'24



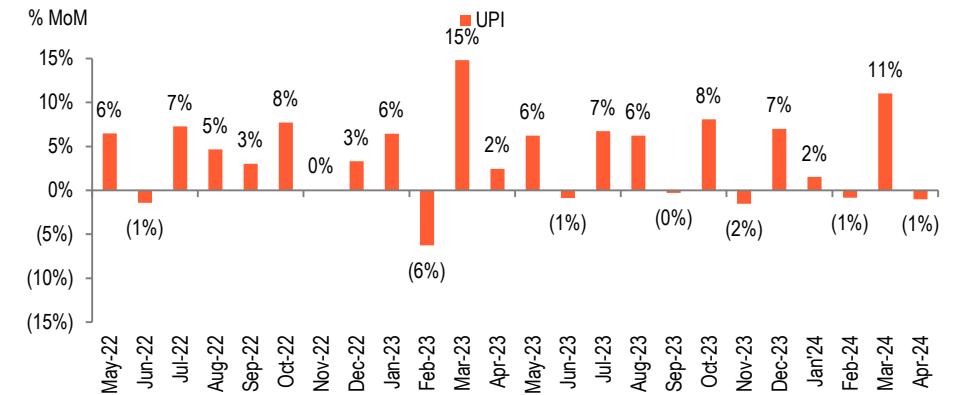
Source: NPCI. Note: NFS Cashwithdrawal amount does not include Card to Card Transfer

Fig 3 – Volume of IMPS transactions declines



Source: RBI

Fig 4 – Growth falters in UPI payments



Source: RBI

Fig 5 – Growth in fertilizer sales inch up

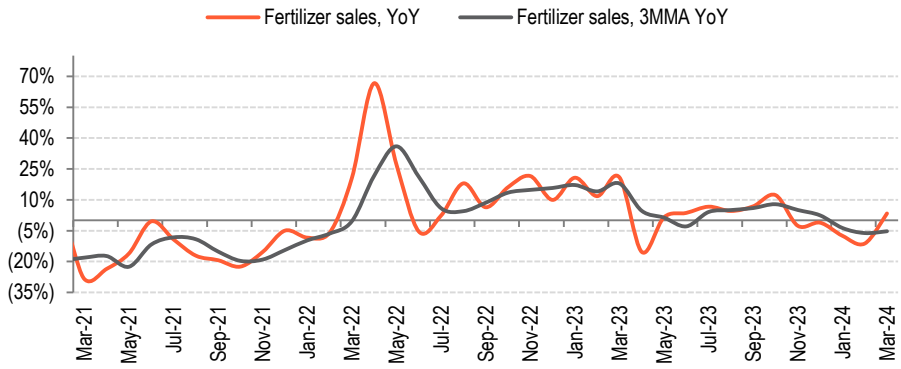
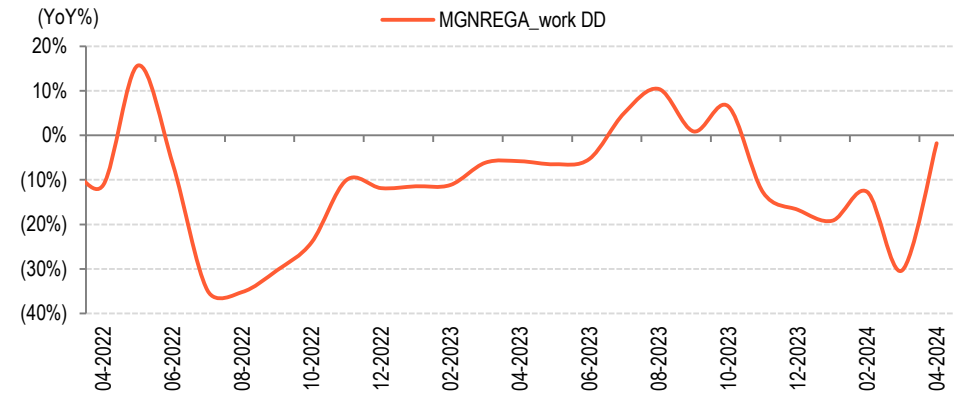


Fig 6 – Demand for work (MGNREGA-household) rises



Final consumption expenditure

Fig 7 – Private consumption improves in Q3

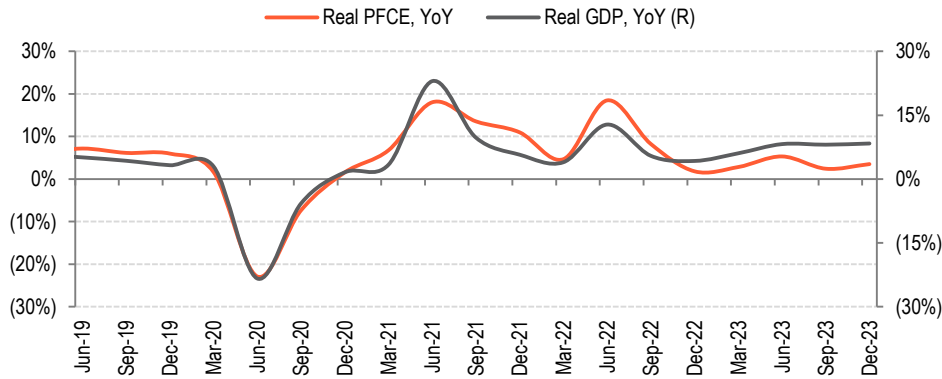


Fig 8 – Government consumption growth declines

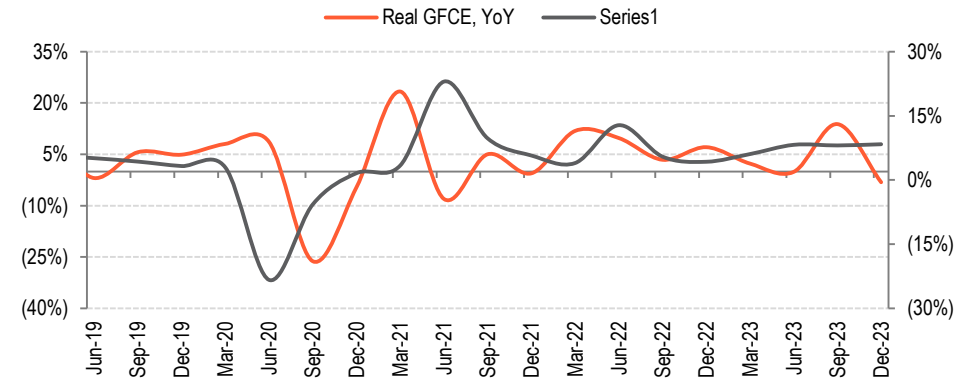


Fig 9 – General govt. revenue spending slips

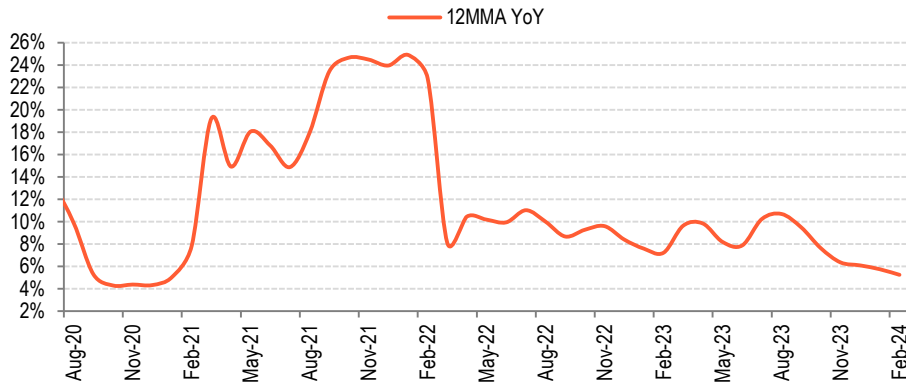
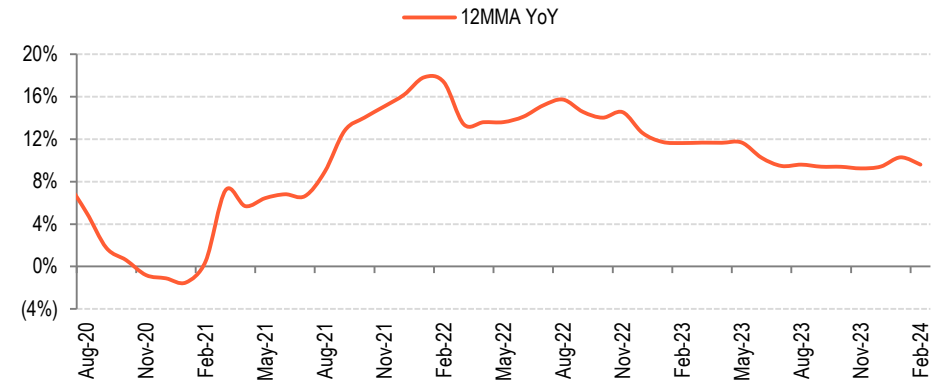


Fig 10 – State* govt. revenue spending too slips



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

Non-oil imports, electronic imports

Fig 11 – Growth in non-oil-non-gold imports eases marginally

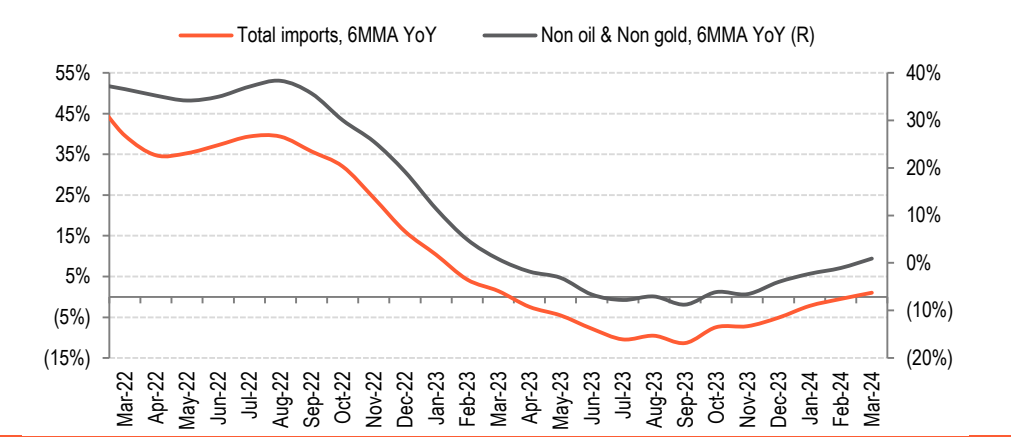


Fig 12 – Growth in electronic imports slips further

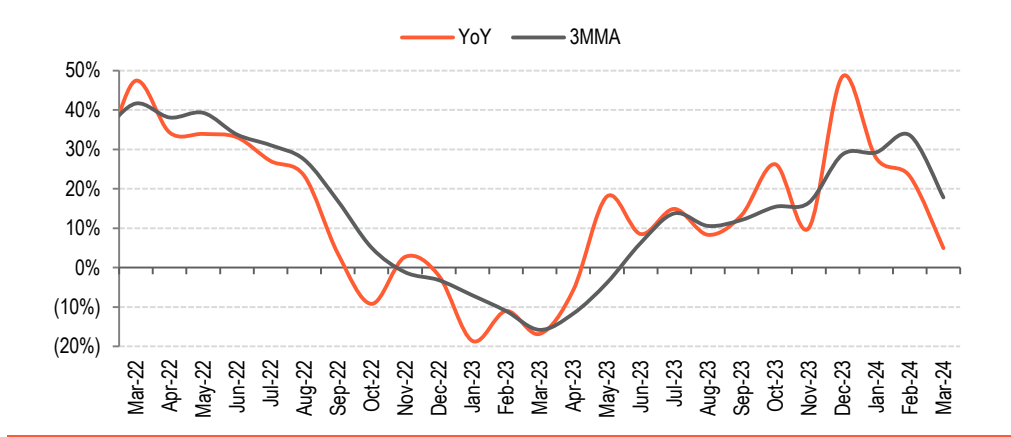
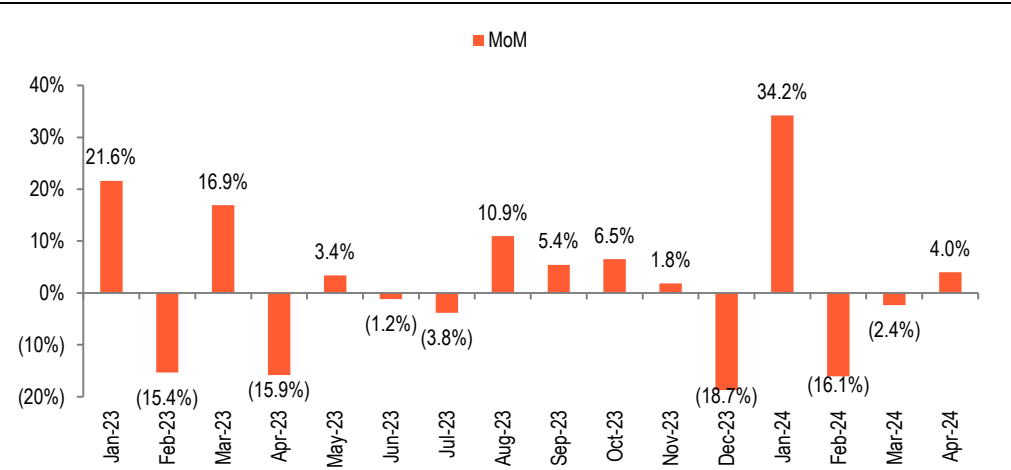
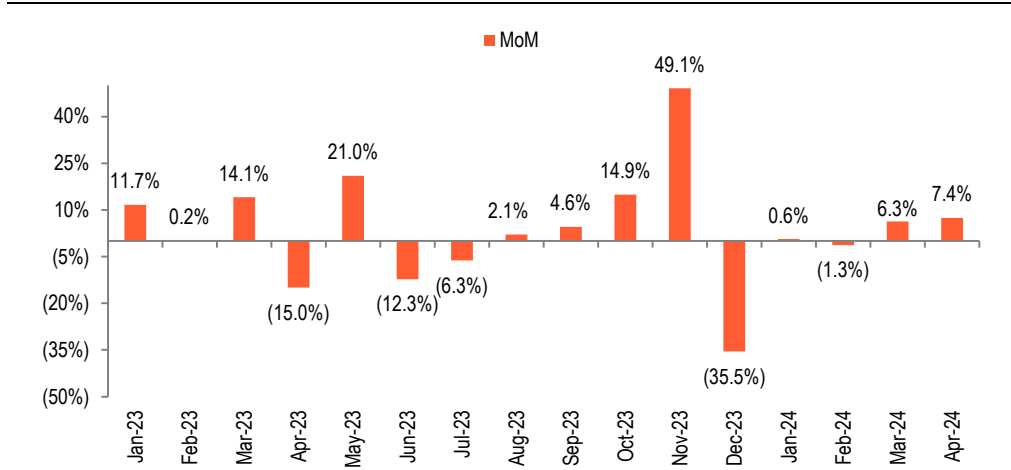


Fig 13 – Improvement in retail passenger vehicle sales



Source: FADA

Fig 14 – Two-wheeler sales improves further



Credit deployment of personal loans

Fig 15 – Growth in credit card loan slows down

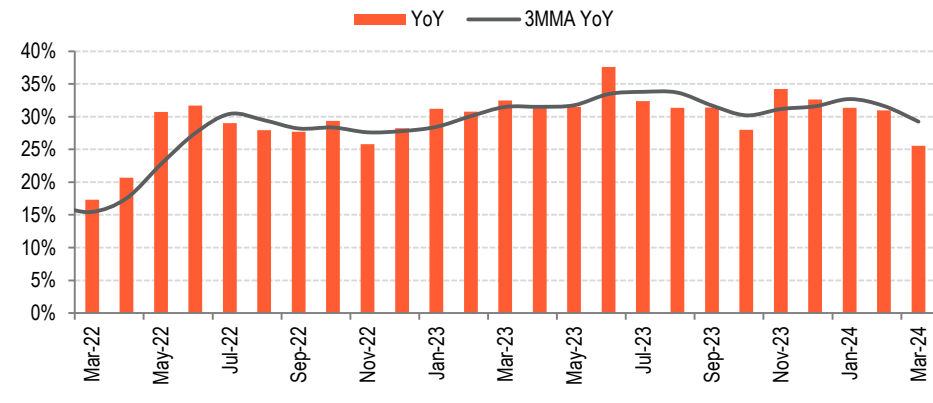


Fig 16 – Marginally lower growth in personal loan

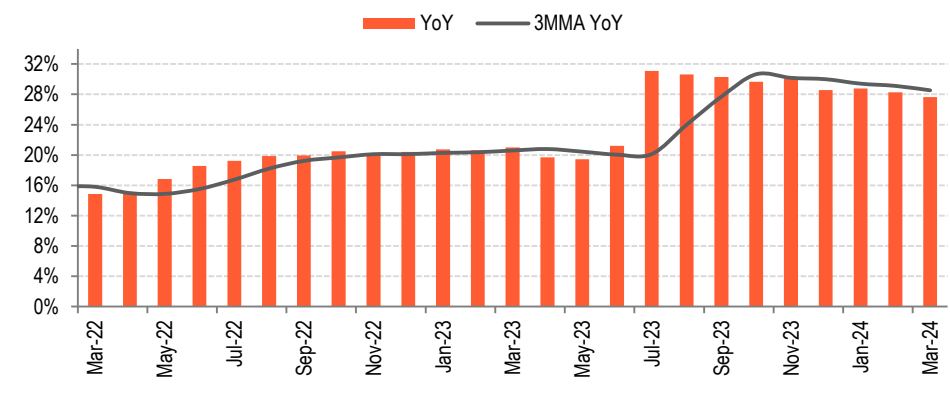


Fig 17 – Growth in vehicle loans steady in Mar'24

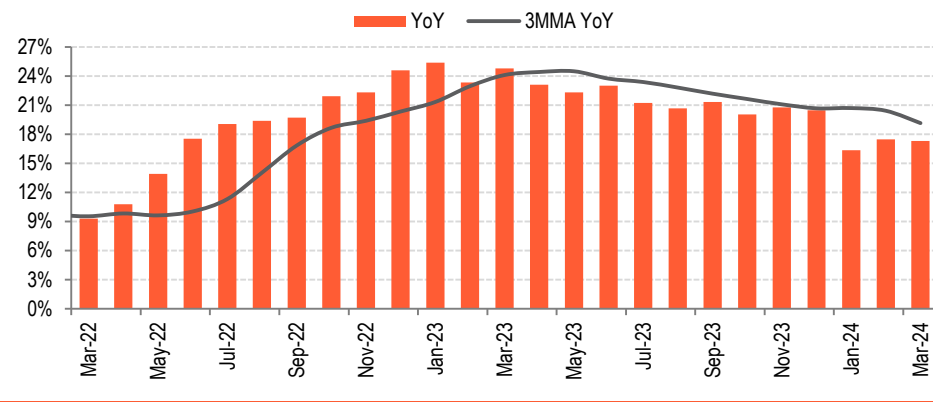


Fig 18 – Consumer's expectation turn optimistic

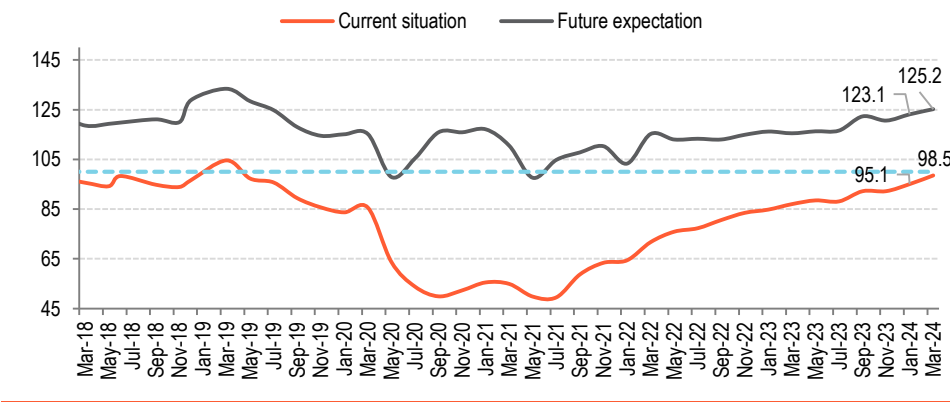


Fig 19 – RBI's essential spending signals improvement

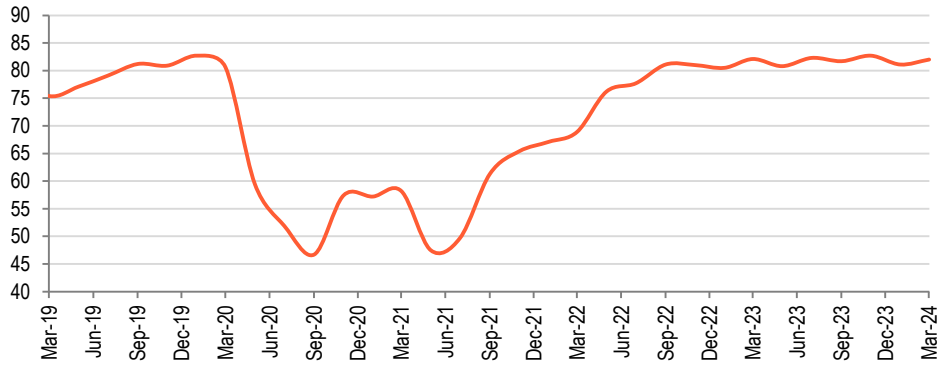
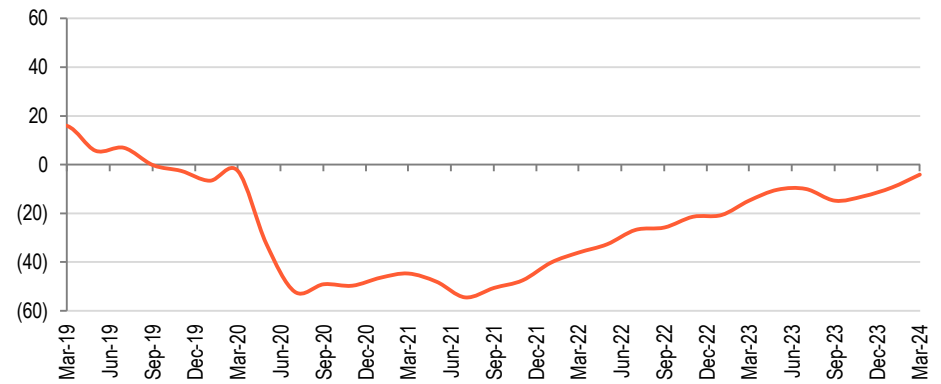


Fig 20 – Similar movement in non-essential spending



Consumer durables & non-durables production

Fig 21 – Growth in consumer durables output improves

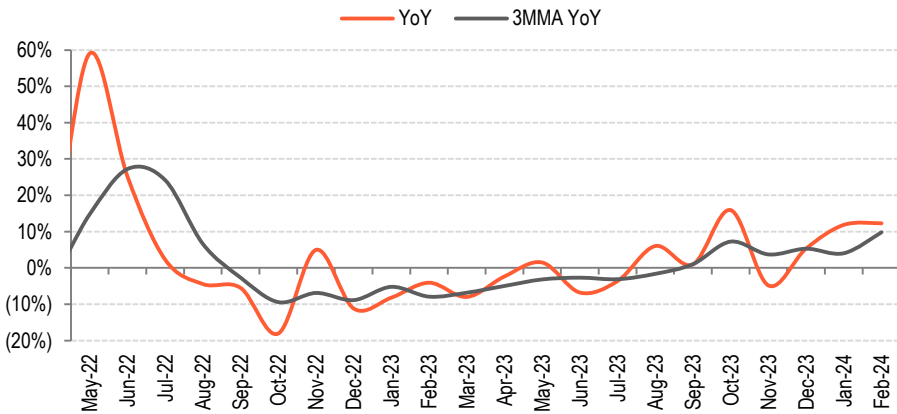
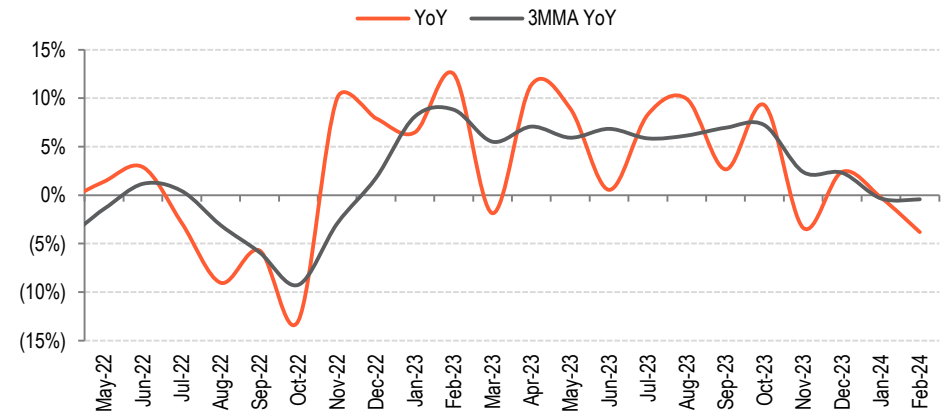


Fig 22 – FMCG output drops sharply in Feb'24



Agriculture

Fig 23 – IMD expects an above normal South West Monsoon

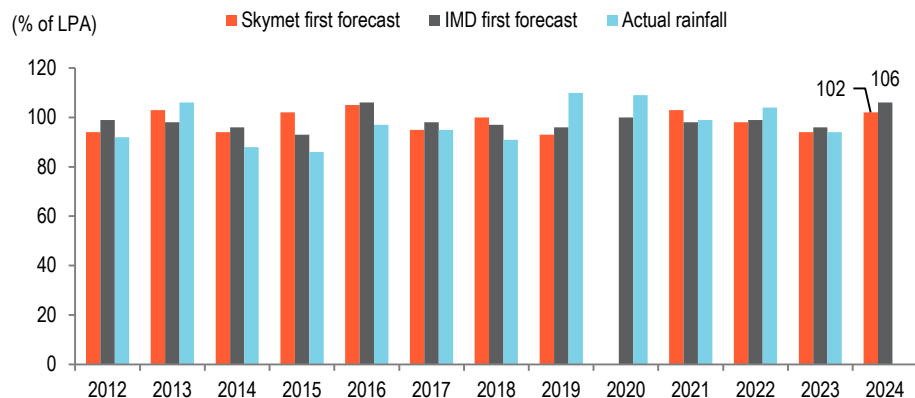
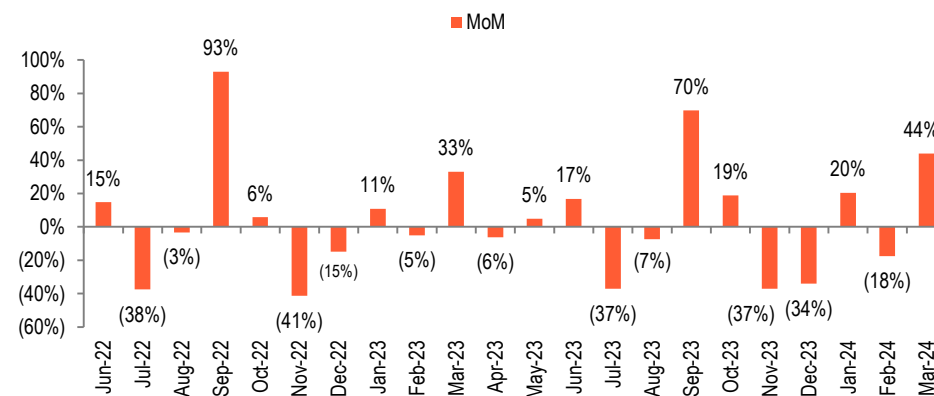


Fig 24 – Strong recovery in tractor sales



Note: Tractor sales including exports

Fig 25 – Growth in agriculture credit remain steady

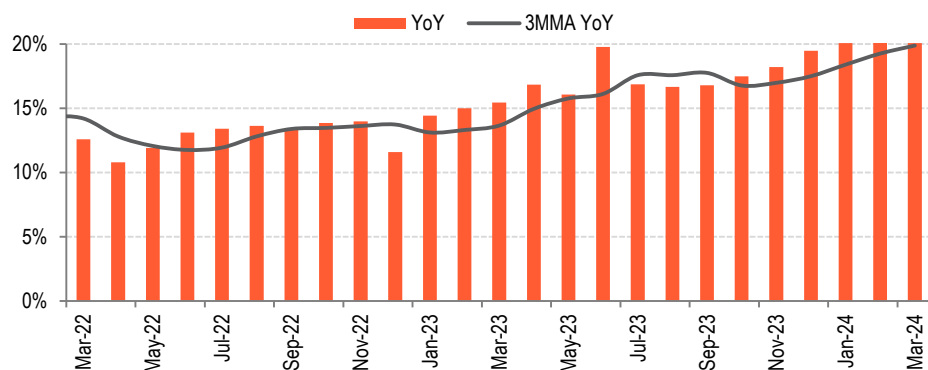
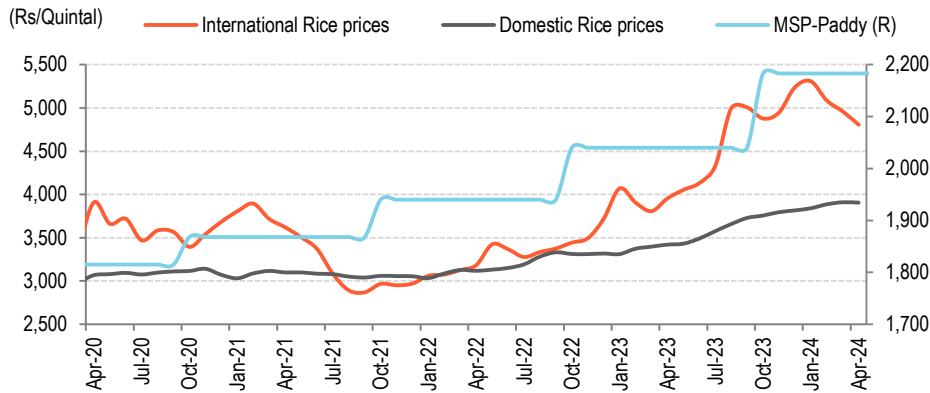


Fig 26 – Procurement of rice and wheat

Year	Wheat	Rice
2016-17	22.96	38.11
2017-18	30.83	38.19
2018-19	35.80	44.39
2019-20	34.13	51.83
2020-21	38.99	60.17
2021-22	43.34	57.59
2022-23	18.8	56.9
2023-24	26.2*	45.4
2024-25	0.26*	

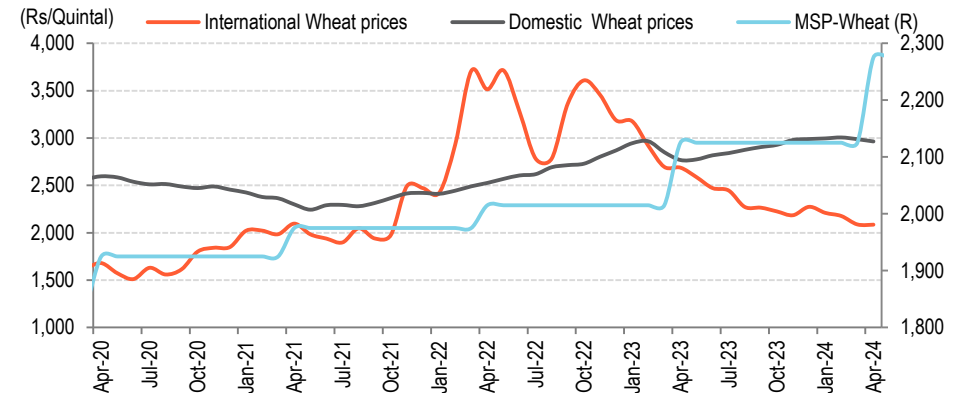
Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 31 Mar 2024

Fig 27 – Both domestic and international rice price has fallen in Apr'24



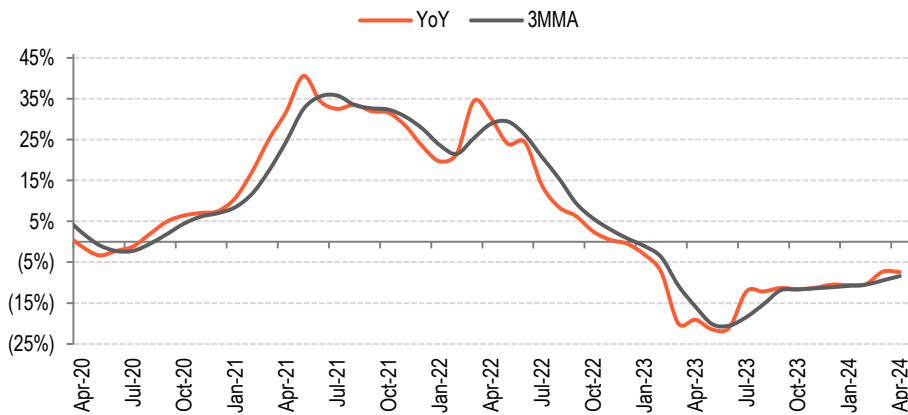
Source: World Bank

Fig 28 – Similar story for domestic and international wheat price



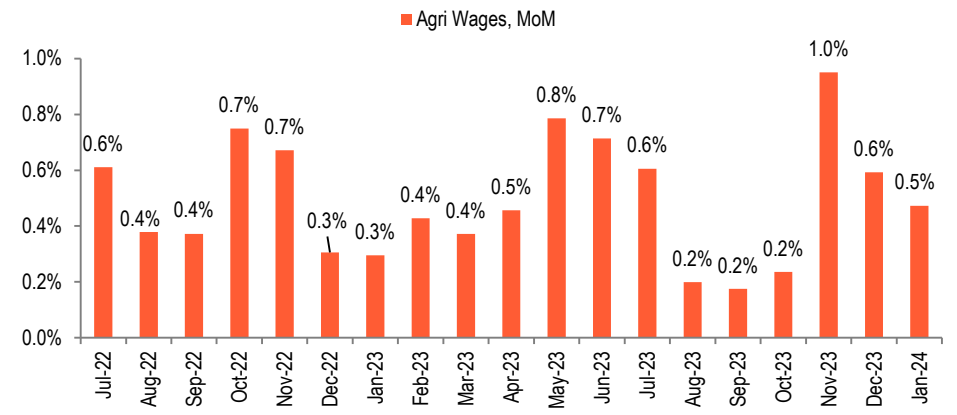
Source: World Bank

Fig 29 – Global food prices inch up, led by higher meat prices



Source: FAO

Fig 30 – Wage growth (men) moderates



Inflation

Fig 31 – Headline CPI slightly softened, food inflation still sticky

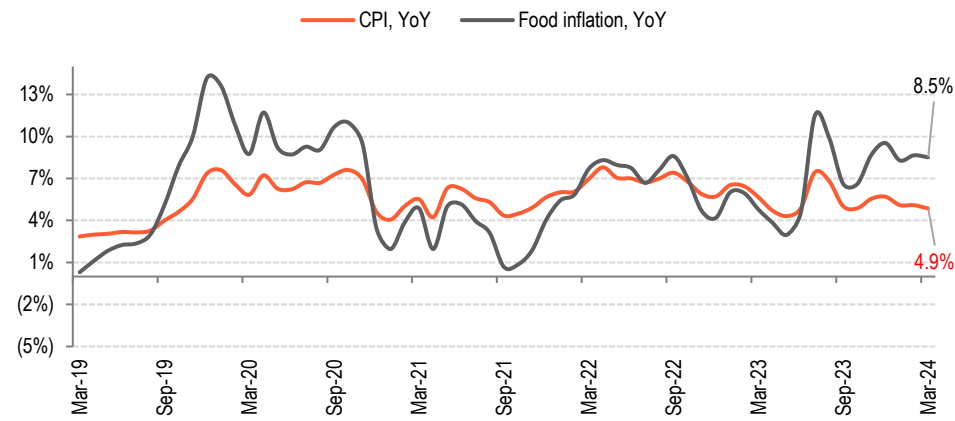


Fig 33 – Core inflation and its sub-components continued to provide comfort

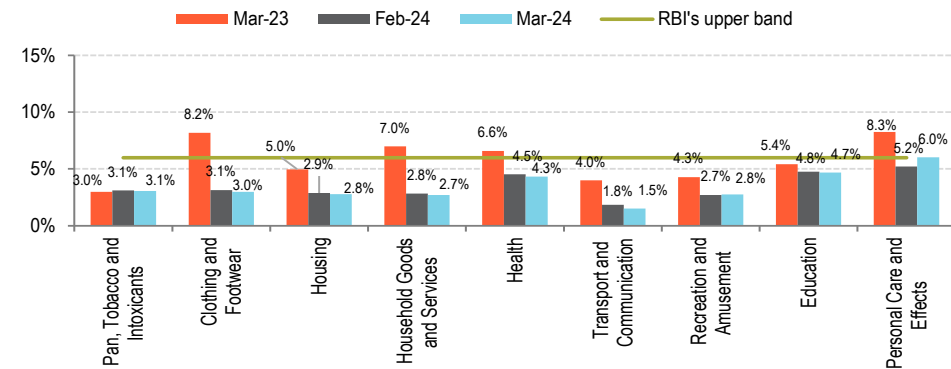


Fig 32 – Cereals, meat and fish inflation was higher, pulses, vegetables softened a bit

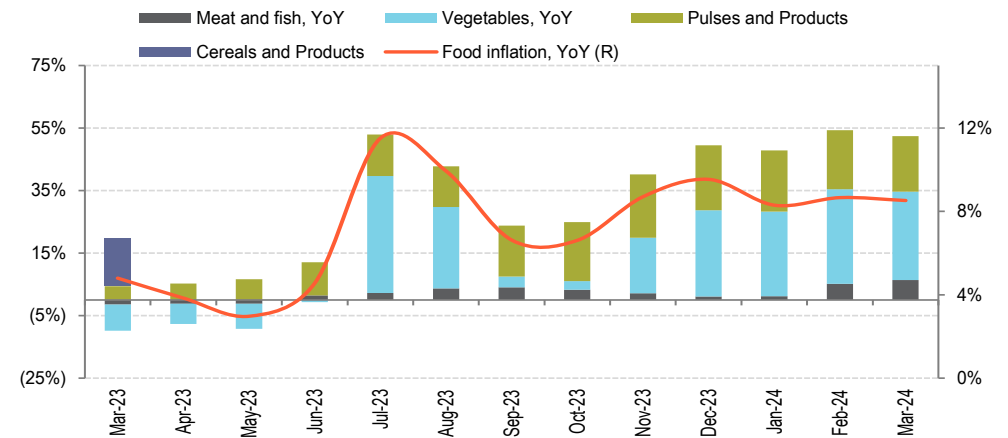
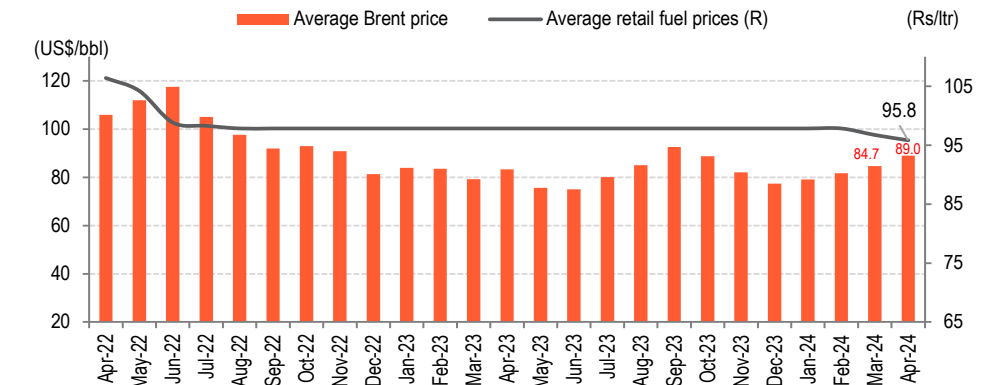


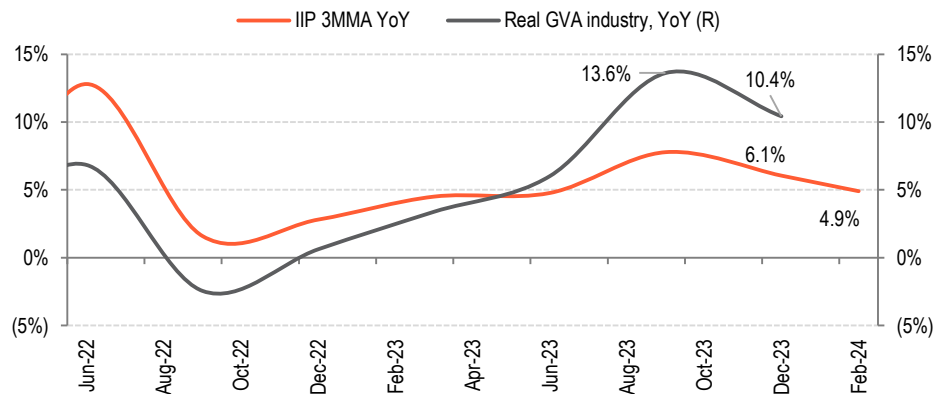
Fig 34 – Domestic retail price inched down to Rs 95.8/lt in Apr'24 from Rs 96.7/lt in Mar'24, crude price inched up to US\$ 89/bbl from 84.7/bbl in Mar'24



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

Industry

Fig 35 – Industrial growth to be lower in Q4



Note: IIP is average for Jan-Feb'24 on YoY basis

Fig 36 – Sectorwise growth higher in FYTD'24

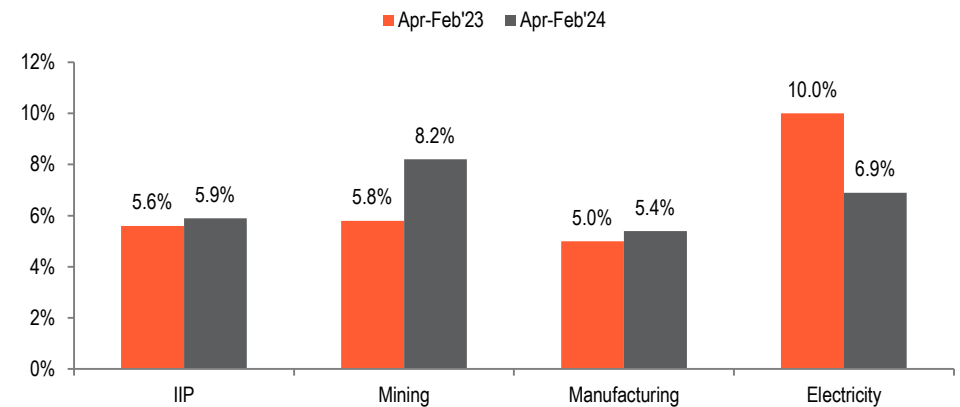
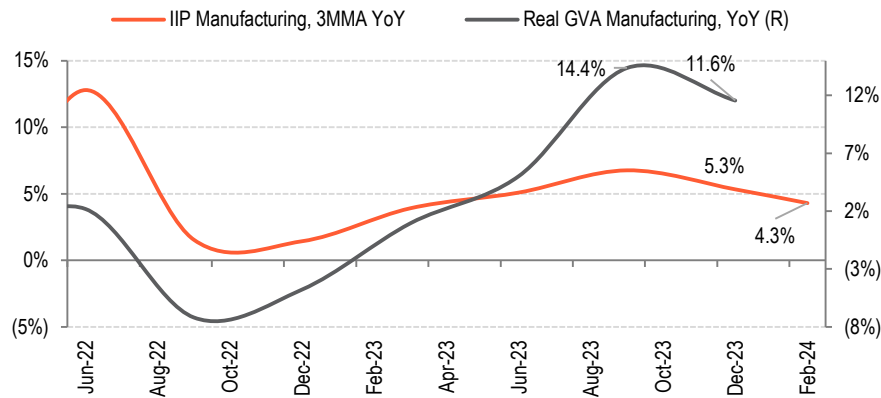


Fig 37 – IIP growth accelerates

Sectoral (%)	Weight	Jan-24	Feb-24	Feb-23	Apr-Feb'23	Apr-Feb'24
IIP	100.0	4.1	5.7	6.0	5.6	5.9
Mining	14.4	5.9	8.0	4.8	5.8	8.2
Manufacturing	77.6	3.6	5.0	5.9	5.0	5.4
Electricity	8.0	5.6	7.5	8.2	10.0	6.9
Use-Based						
Primary Goods	34.1	2.9	5.9	7.0	7.9	6.5
Capital Goods	8.2	3.4	1.2	11.0	13.4	6.2
Intermediate Goods	17.2	5.3	9.5	1.0	4.1	5.3
Infrastructure and Construction Goods	12.3	5.5	8.5	9.0	8.5	10.0
Consumer Durables Goods	12.8	11.9	12.3	(4.1)	1.5	3.1
Consumer Non-Durables Goods	15.3	(0.2)	(3.8)	12.5	0.9	3.8

Manufacturing

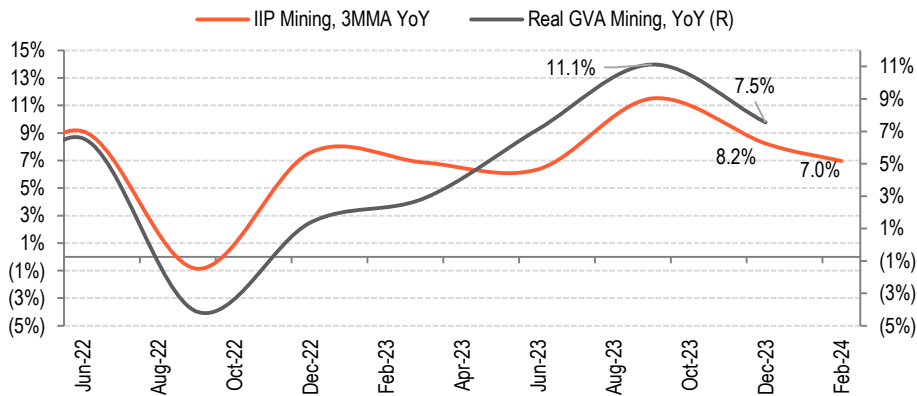
Fig 38 – Manufacturing growth to be lower



Note: IIP is average for Jan-Feb'24 on YoY basis

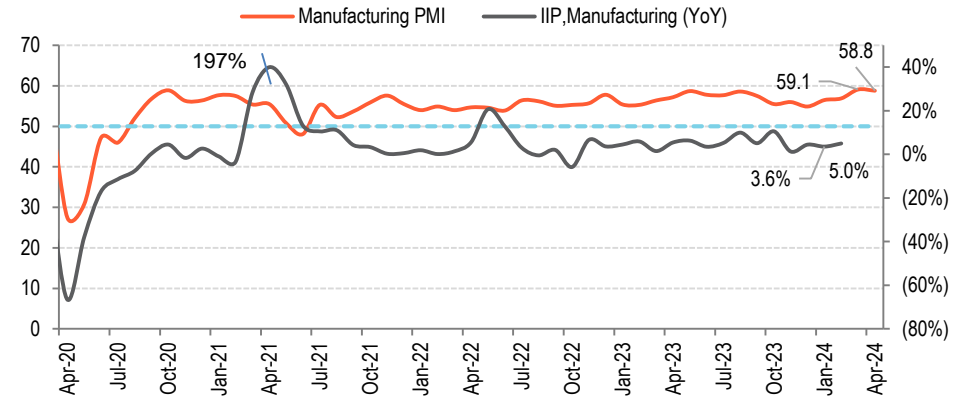
Mining & Electricity

Fig 40 – Slower growth in mining activity



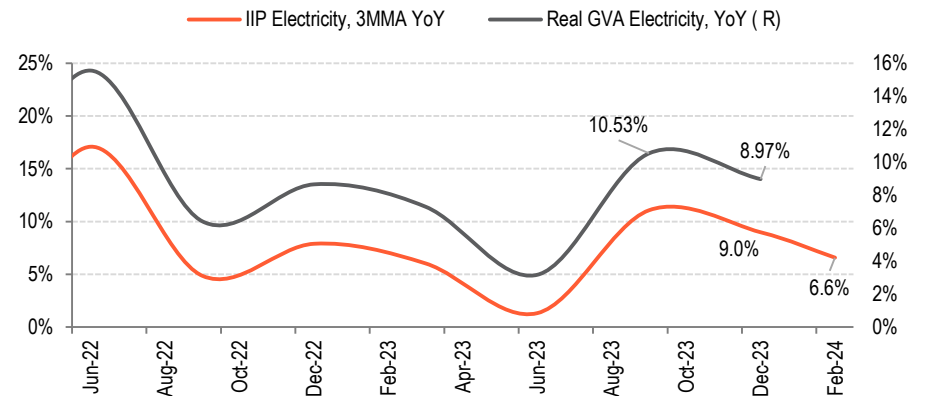
Note: IIP is average for Jan-Feb'24 on YoY basis

Fig 39 – Lower manufacturing PMI in Apr'24



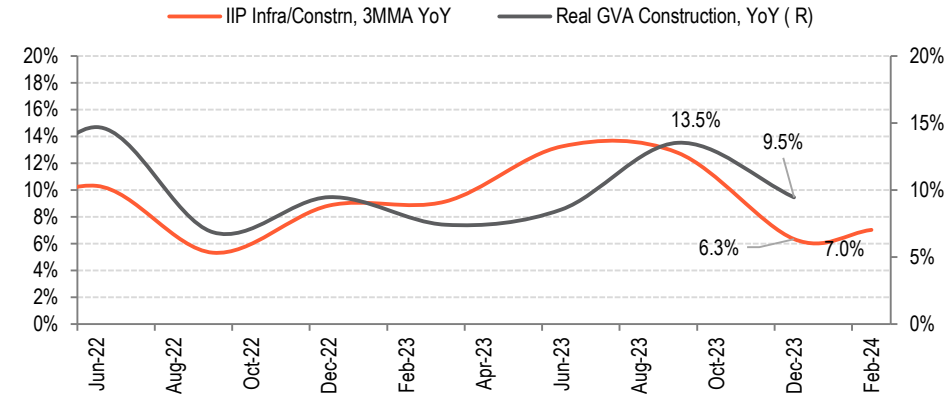
Source: Markit

Fig 41 – Electricity growth in Q4 to be lower



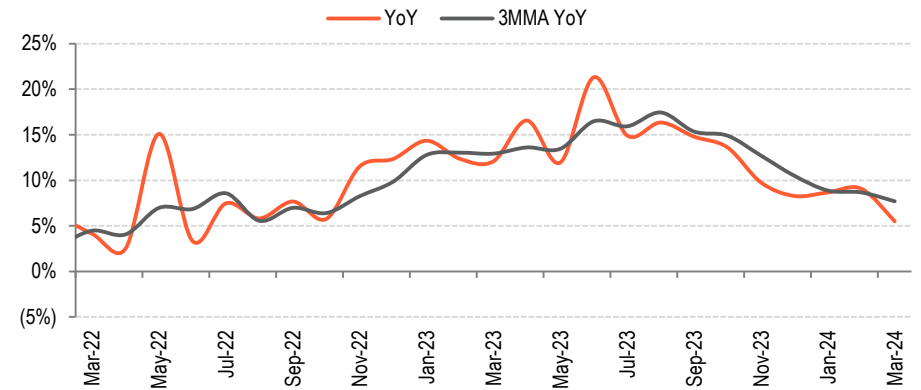
Infrastructure and construction

Fig 42 – Growth in construction sector to be lower in Q4



Note: IIP is average for Jan-Feb'24 on YoY basis

Fig 43 – Steel output moderates in Mar'24



Infrastructure index

Fig 44 – Growth eases in infrastructure index

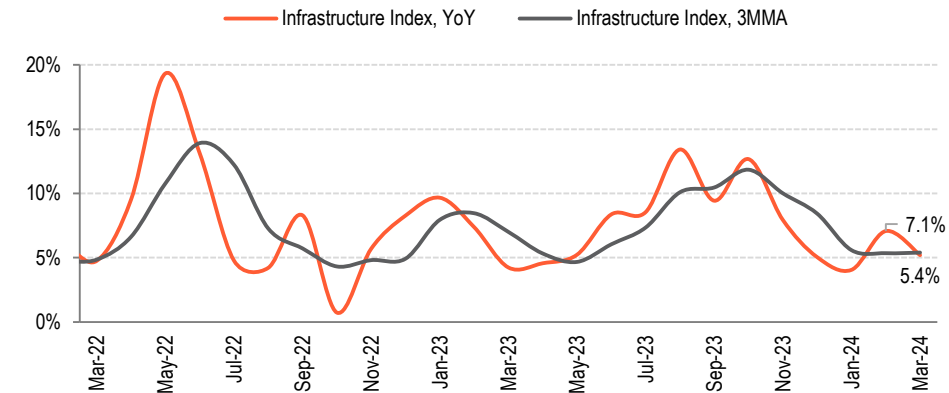
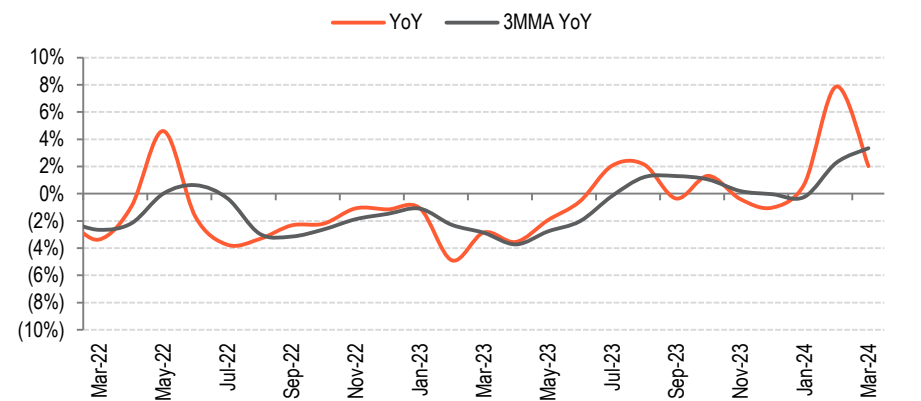


Fig 45 – Crude oil output moderates



Auto production & business expectation index

Fig 46 – Slower growth in auto production

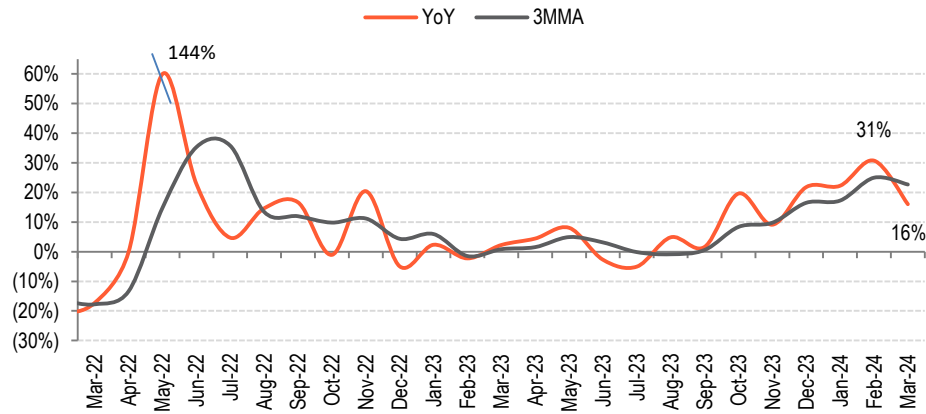


Fig 47 – Business sentiment remain optimistic for Q1

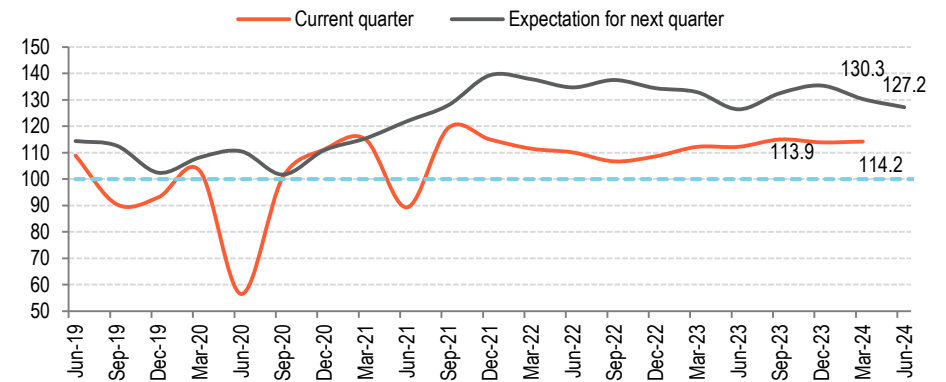
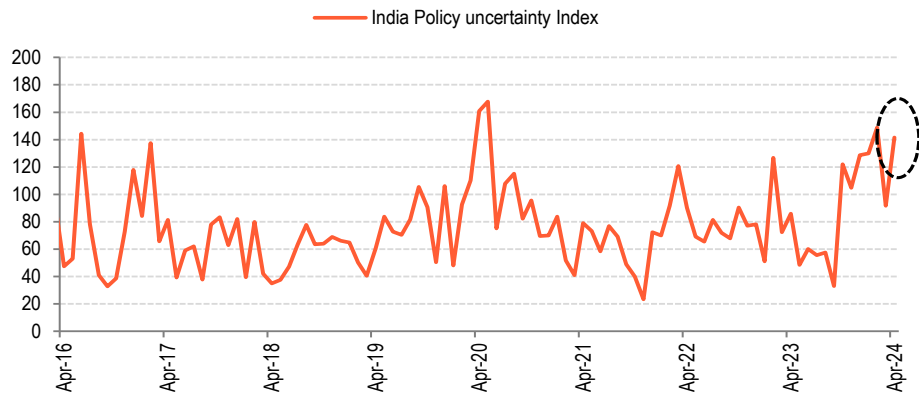


Fig 48 – Infrastructure index moderates

(%)	Weight	Jan-23	Feb-24	Jan-24	FY23	FY24
Infrastructure Index	100	7.1	5.2	4.2	7.9	7.6
Coal	10.3	11.6	8.7	11.7	15.8	12.1
Crude Oil	9.0	7.9	2.0	(2.8)	(1.7)	0.7
Natural Gas	6.9	11.3	6.3	2.7	1.7	6.1
Petroleum Refinery Products	28.0	2.6	(0.3)	1.5	5.1	3.6
Fertilizers	2.6	(9.5)	(1.3)	9.7	11.6	4.1
Steel	17.9	9.1	5.5	12.1	9.2	12.6
Cement	5.4	9.1	10.6	(0.2)	9.6	9.2
Electricity	19.9	7.5	8.0	(1.6)	9.2	7.1

Investment

Fig 49 – Policy uncertainty index in India rose ahead of General elections



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

Fig 51 – Capital goods production moderated by 1.2% in Feb'24 from 3.4% in Jan'24

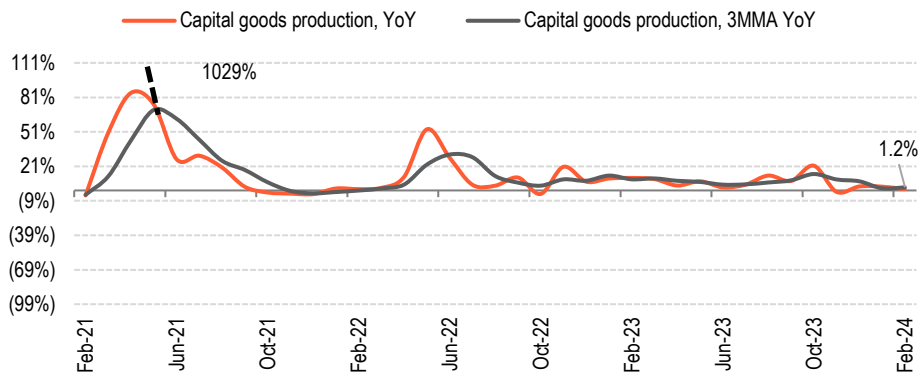


Fig 50 – Capacity utilisation of manufacturing sector improved to 74.7% in Dec'23 from 74% in Sep'23

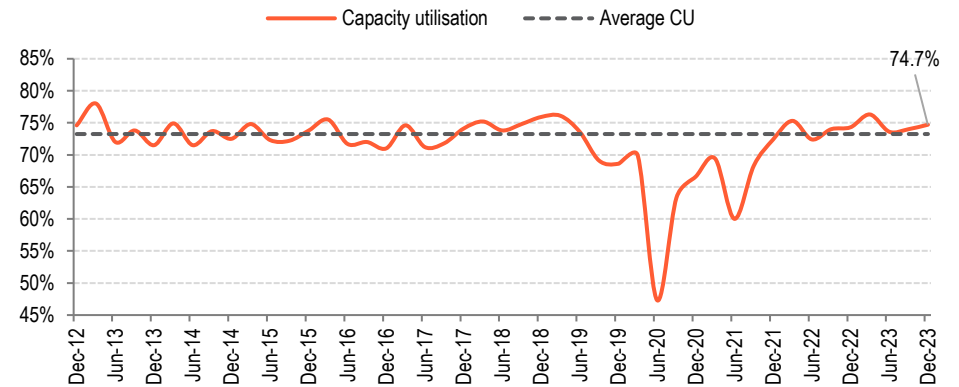


Fig 52 – Capital goods imports declined at a slower pace by 0.9% in Mar'24 from 1.1% decline seen in in Feb'24

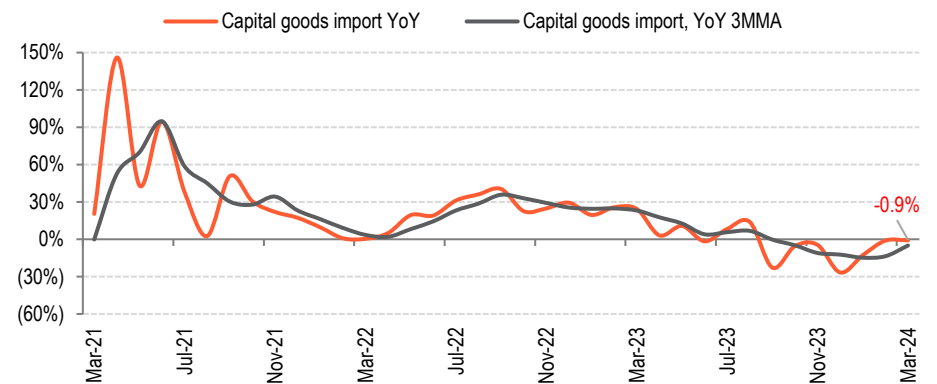


Fig 53 – Centre’s capex spending growth rose to 36.5% in Feb’24 from 23.2% in Jan’24

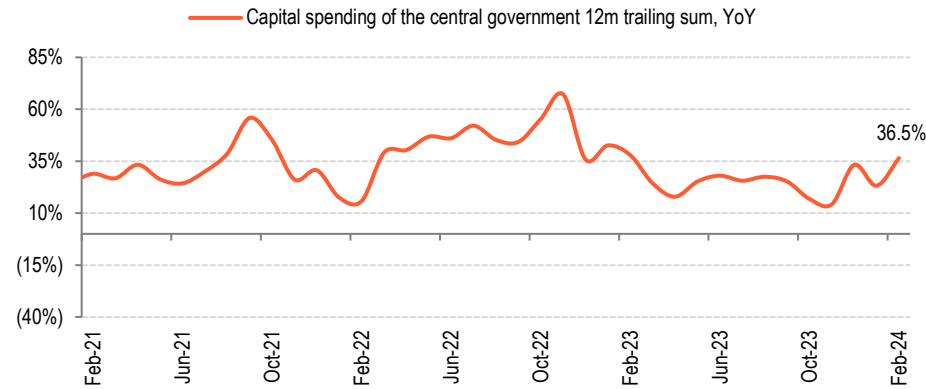


Fig 54 – Credit to micro and small industry rose by 14.9% in Mar’24 from 15.4% in Feb’24, for medium industry, it inched up to 13.2% from 12.8%

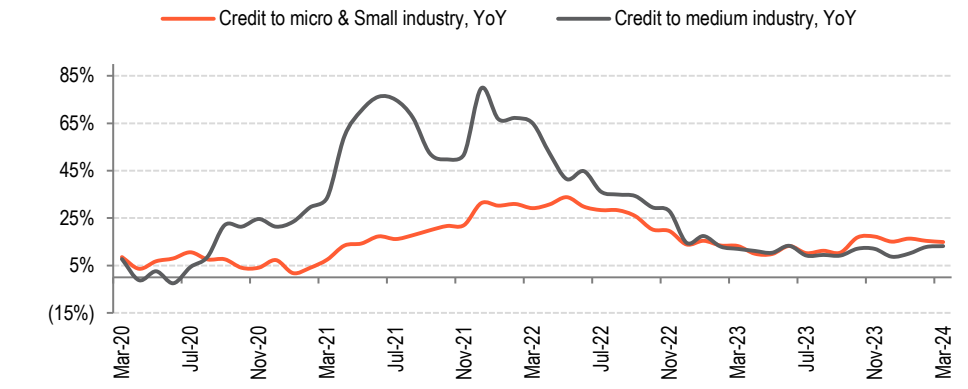


Fig 55 – Credit to housing sector rose at a stable pace of 36.9% in Mar’24 from 36.7% in Feb’24

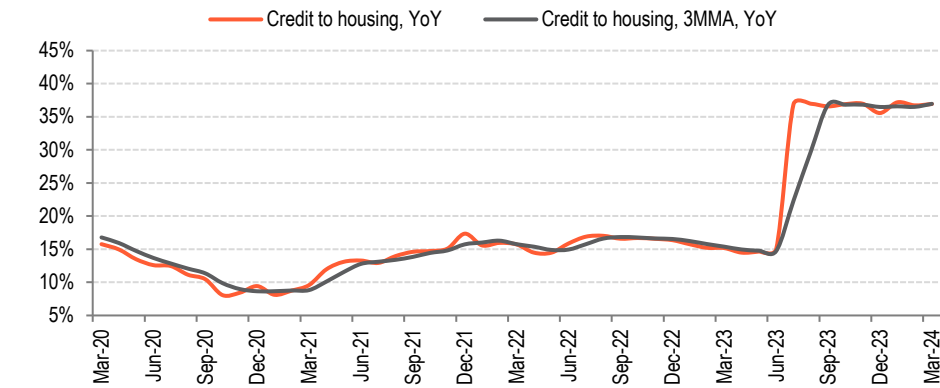
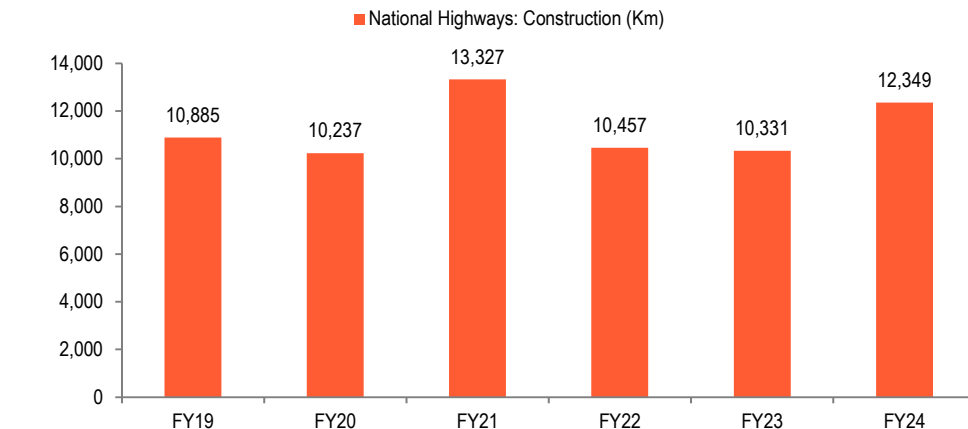


Fig 56 – Highway construction gained pace



Services sector

Fig 57 – GVA: Services sector growth picked up pace in Q3FY24

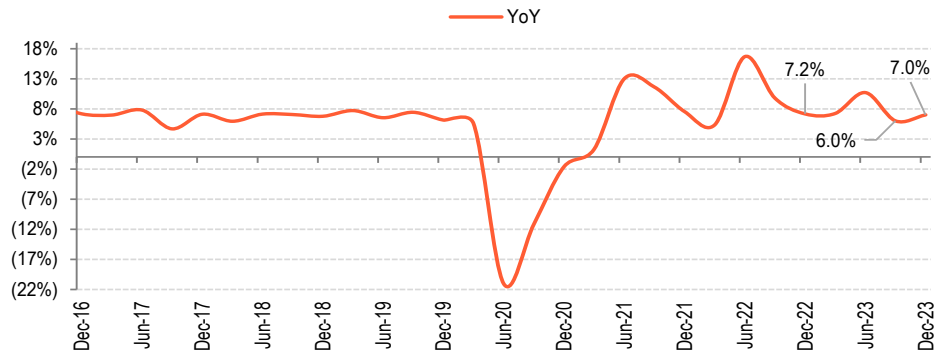
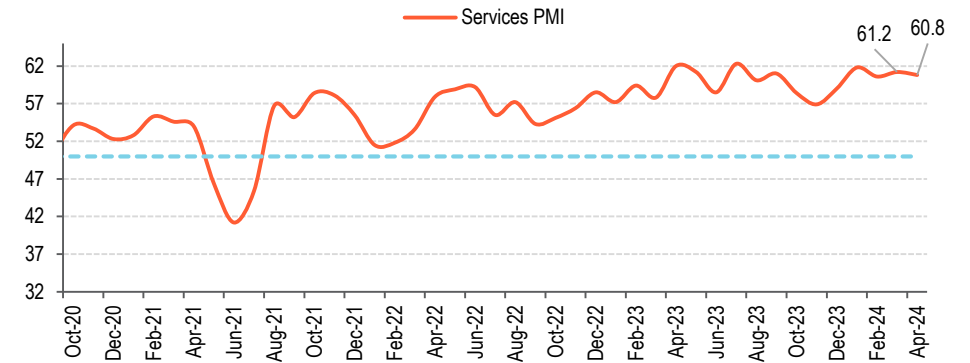


Fig 58 – Services PMI remained broadly stable in Apr'24



Source: Markit

Fig 59 – GVA: Trade & related services activity supported growth in Q3

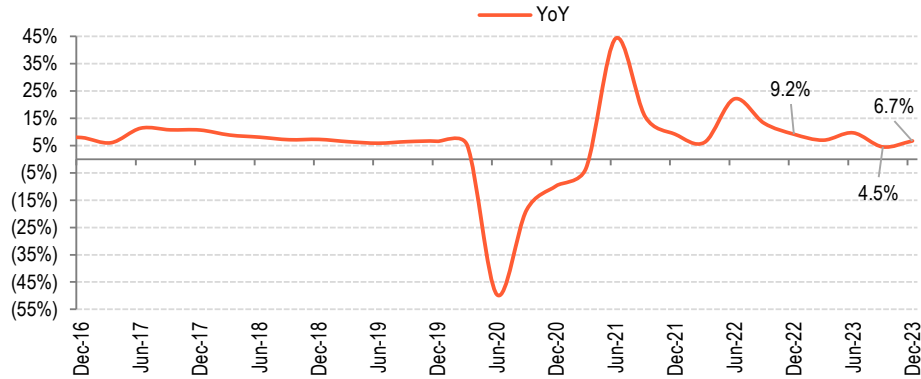
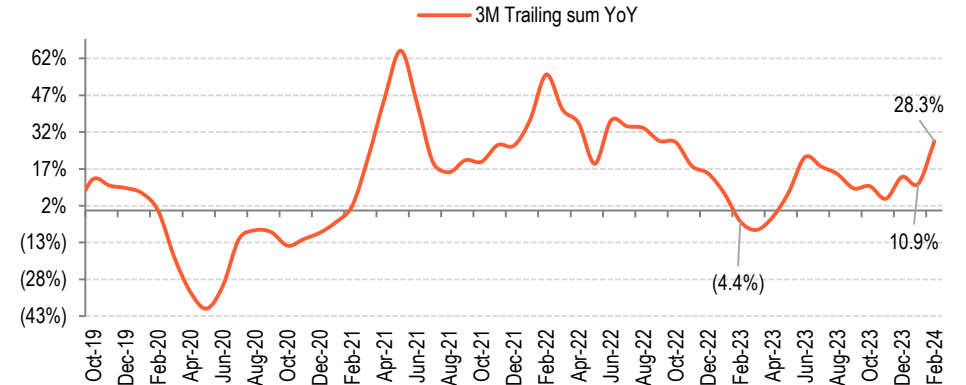


Fig 60 – States' tax revenue growth seen picking up pace in Feb'24



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

Trade

Fig 61 – Vehicle registration growth revived in Apr'24, but remains slightly lower than last year

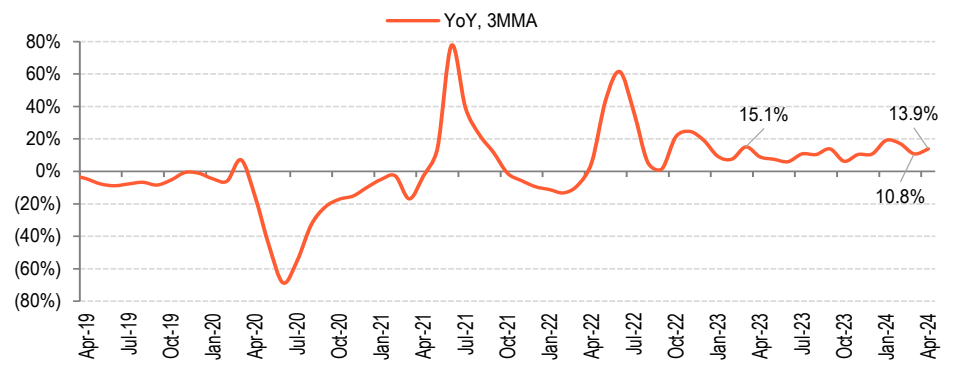


Fig 62 – Diesel consumption growth slowed in Apr'24, compared to both Mar'24 and last year (Apr'23)

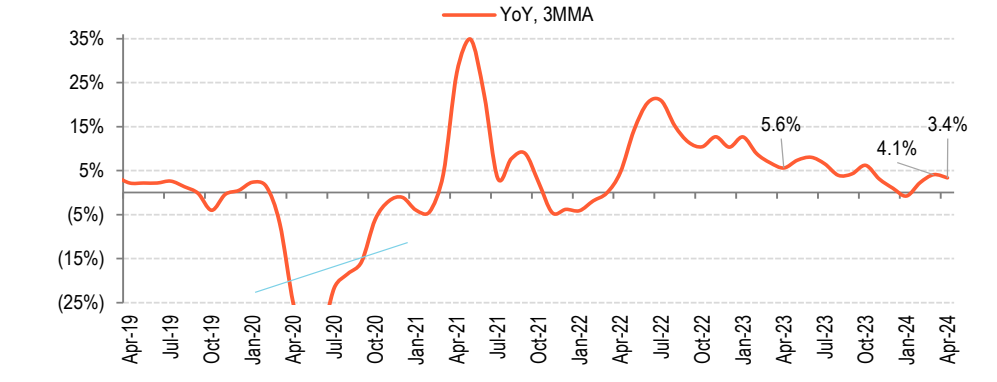


Fig 63 – Railway freight traffic growth in Jan-Feb'24 (8.3%), higher than Q3 (6.4%)

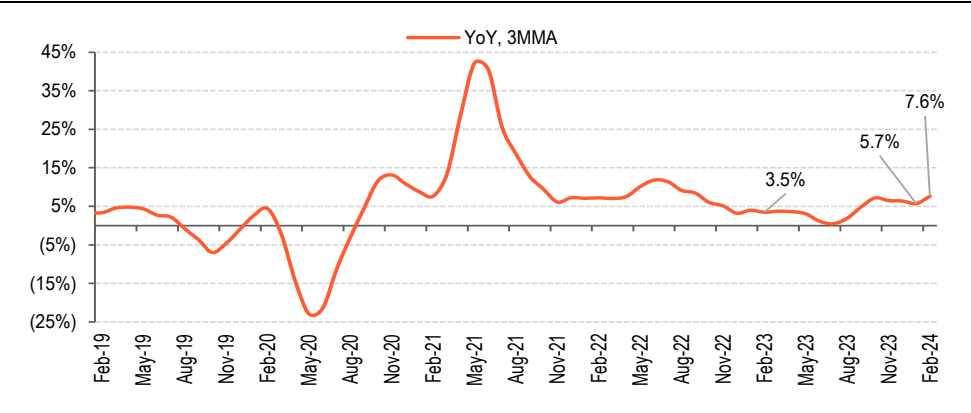


Fig 64 – Port cargo traffic growth slowed in Q4FY24; moderated further in Apr'24

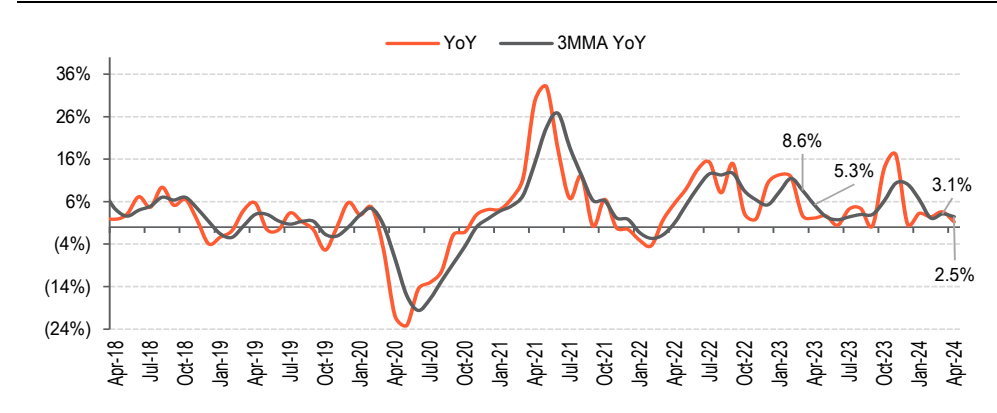


Fig 65 – Toll collections growth seen plateauing

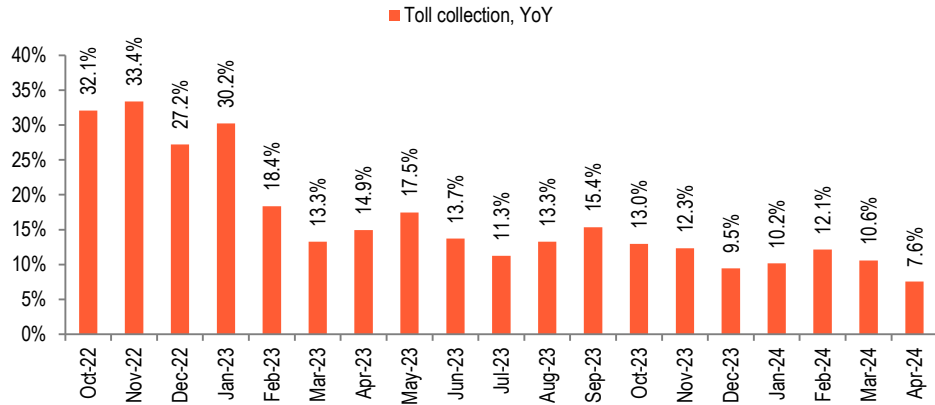
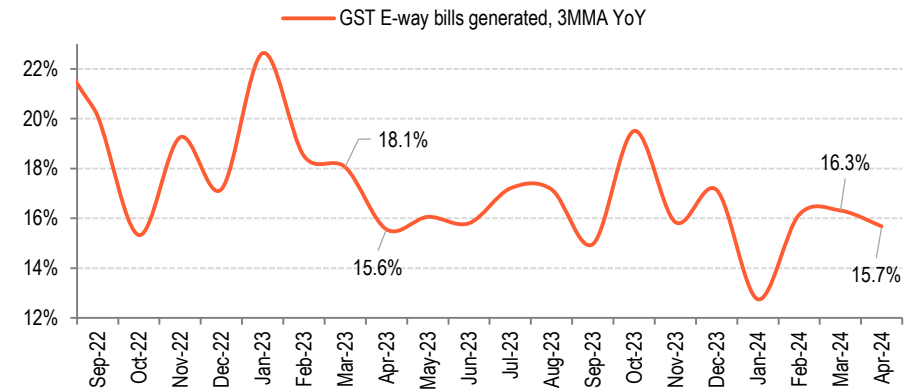


Fig 66 – Growth in e-way bills generation in Apr'24 slowed from Mar'24, but at similar levels as last year



Hotels and communications

Fig 67 – Airline passenger traffic moderated in Apr'24, but still remains higher than last year

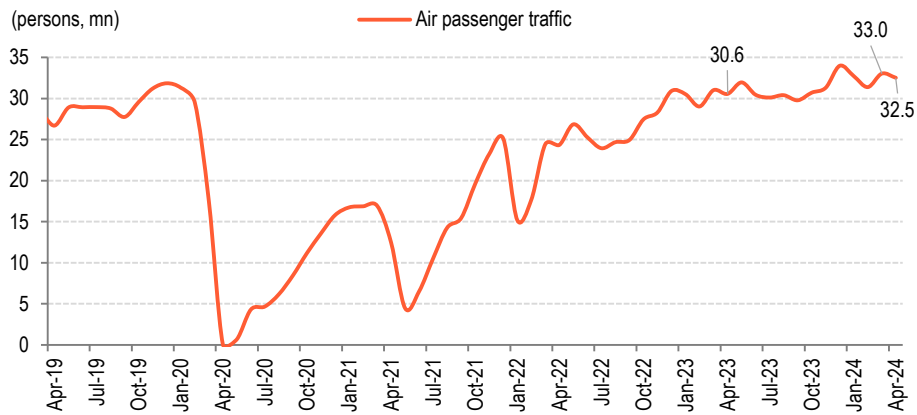


Fig 68 – Domestic passenger traffic led the slowdown in Apr'24

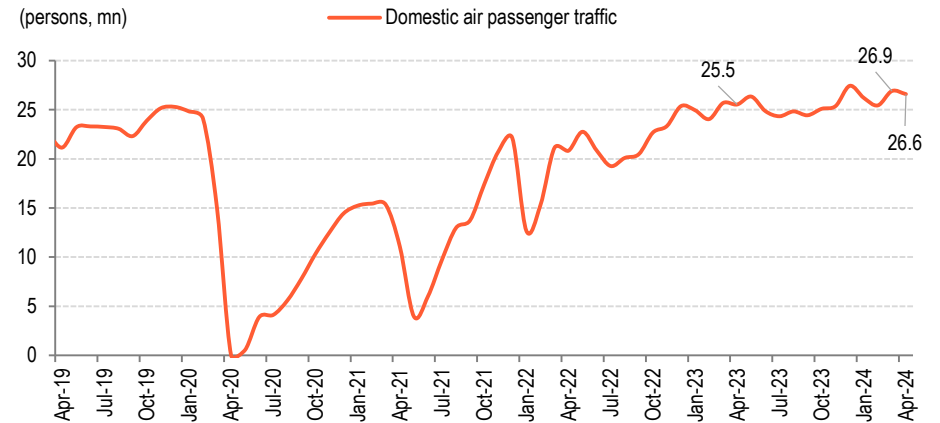


Fig 69 – Railway passenger traffic picked up pace in Oct'23

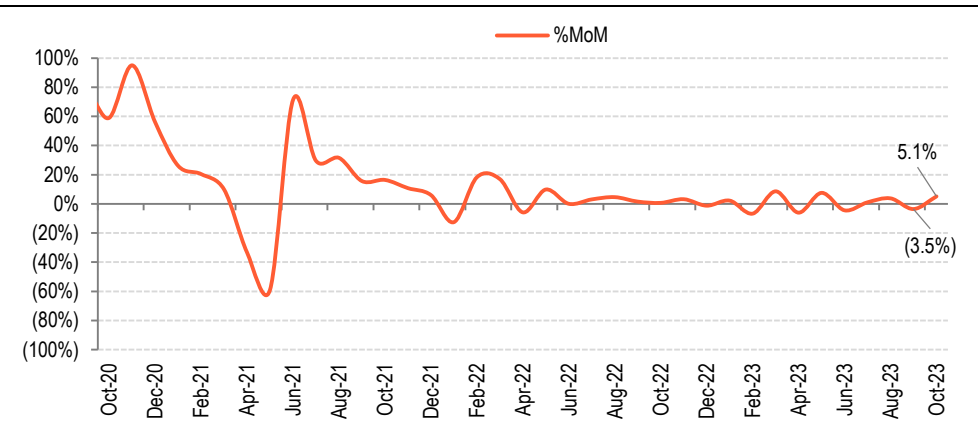
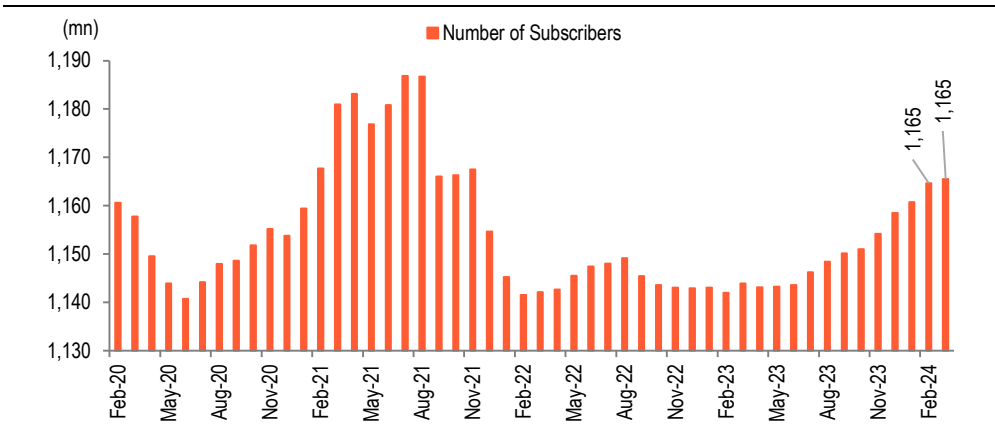


Fig 70 – Number of telecom subscribers rose by 7mn in Q4FY24, following 8.3mn subscribers added in Q3 and 1mn subscribers added in Q4FY23



Finance and real estate

Fig 71 – Growth in GVA: Finance, real estate & prof. pushed growth higher in Q3

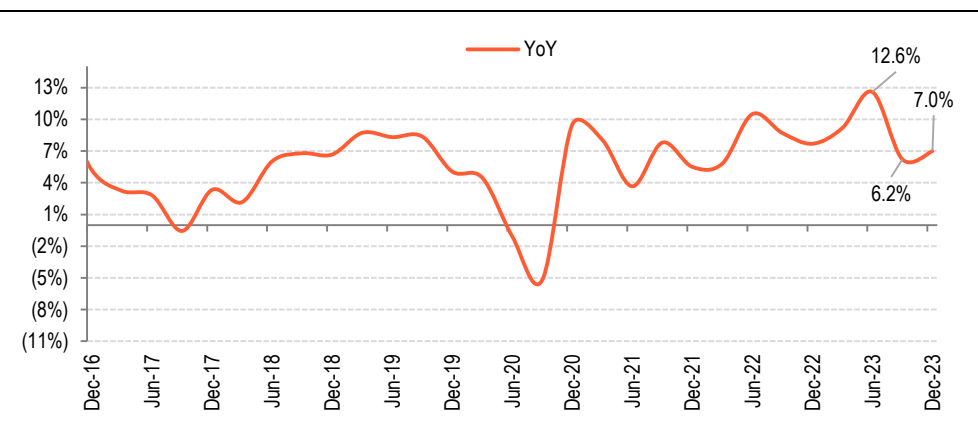
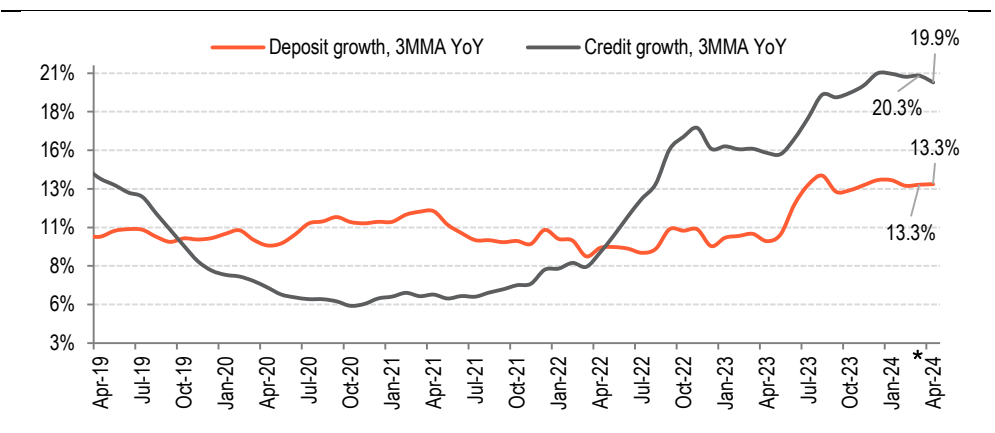


Fig 72 – Both credit and deposit growth broadly steady in Apr'24



*Data as of 19 Apr 2024

Fig 73 – Credit to both services and industry remained steady in Mar'24; both registered higher growth in Q4FY24 versus last year

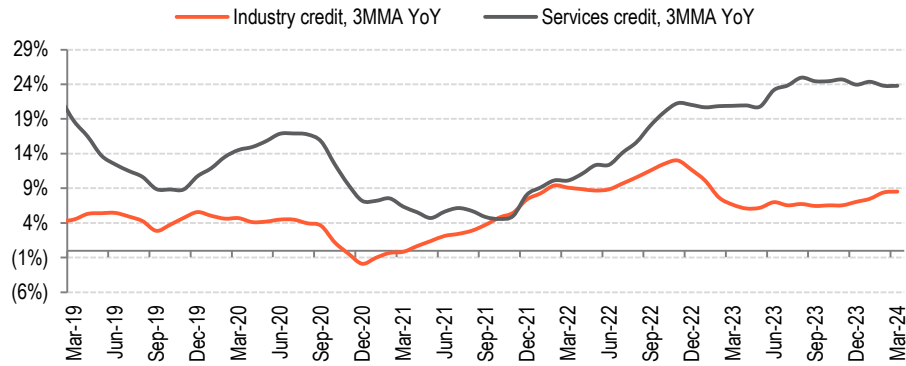


Fig 74 – Within services, commercial real estate and trade sectors noted higher growth in Q4 versus last year; NBFCs recorded lower growth

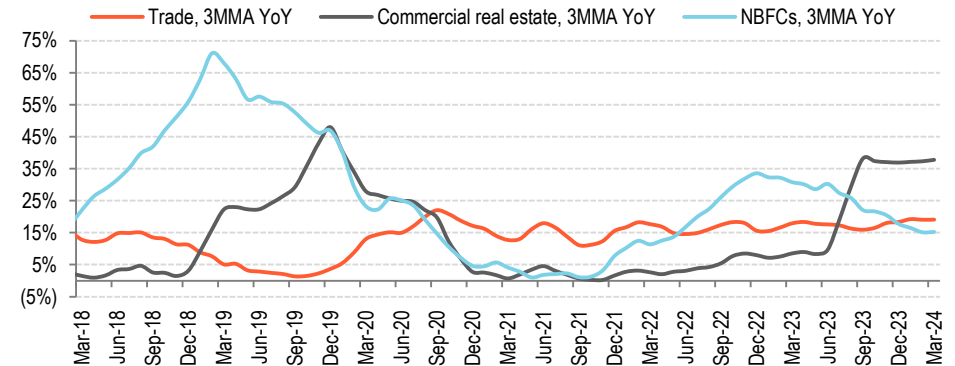
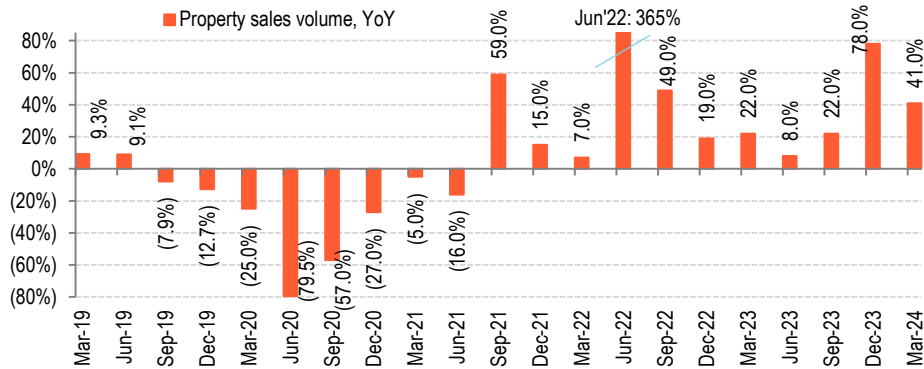
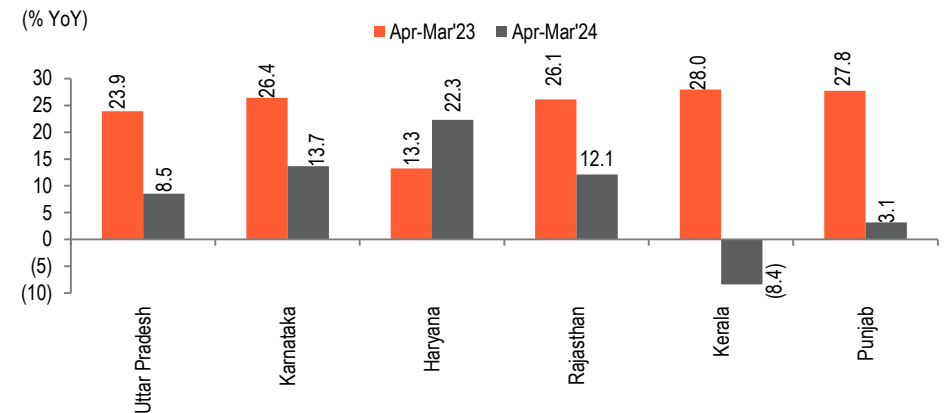


Fig 75 – Property sales volume growth in Q4FY24 much higher than last year



Source: Proptiger

Fig 76 – Apart from Haryana, stamp duty collection growth other states was weaker in FY24 versus FY23



Labour market

Fig 77 – Naukri job index eased in Apr'24

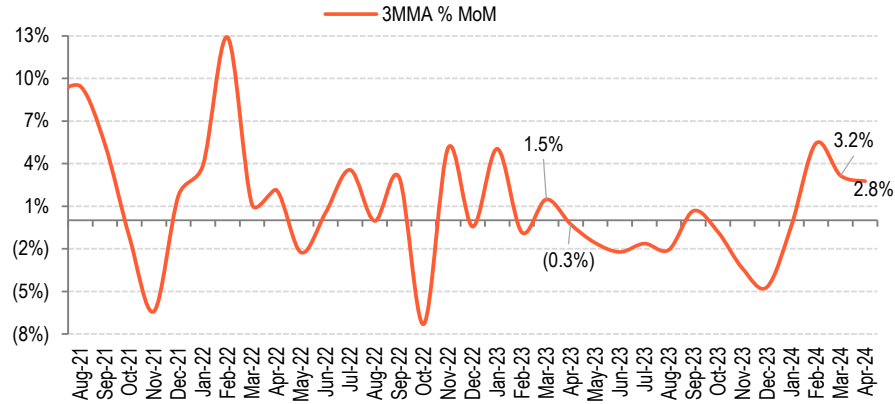


Fig 78 – Overall unemployment rate inched back up in Apr'24



Public administration

Fig 79 – Public admin & defence services eased only slightly in Q3

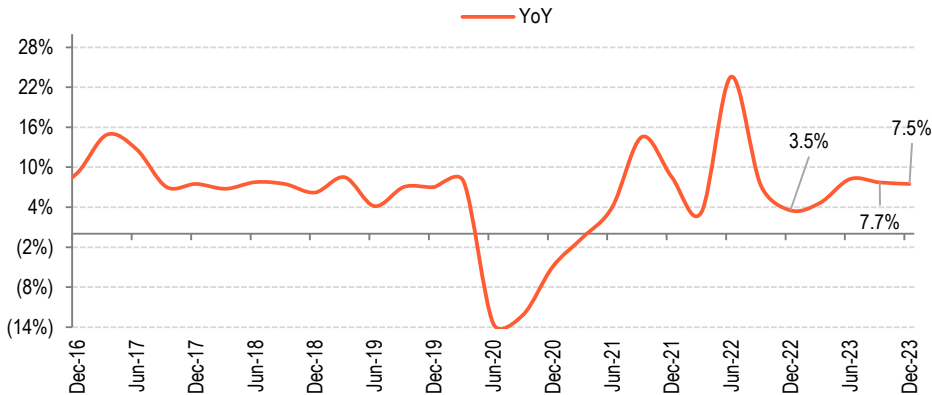


Fig 80 – General govt. spending gained further momentum in Feb'24

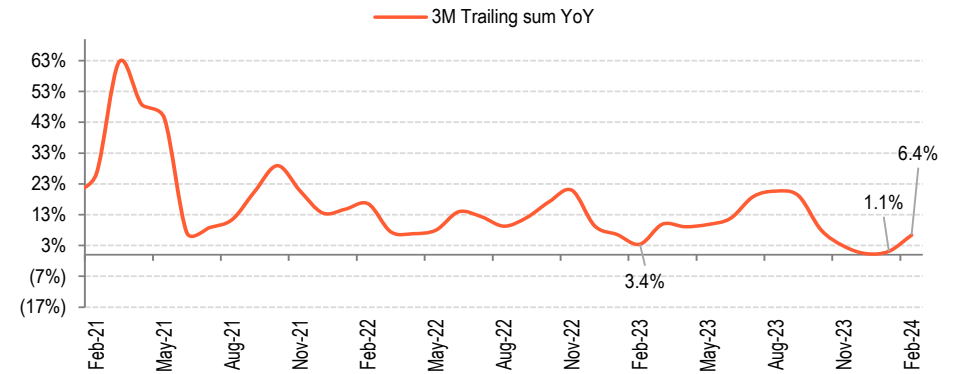


Fig 81 – Central government spending rebounded

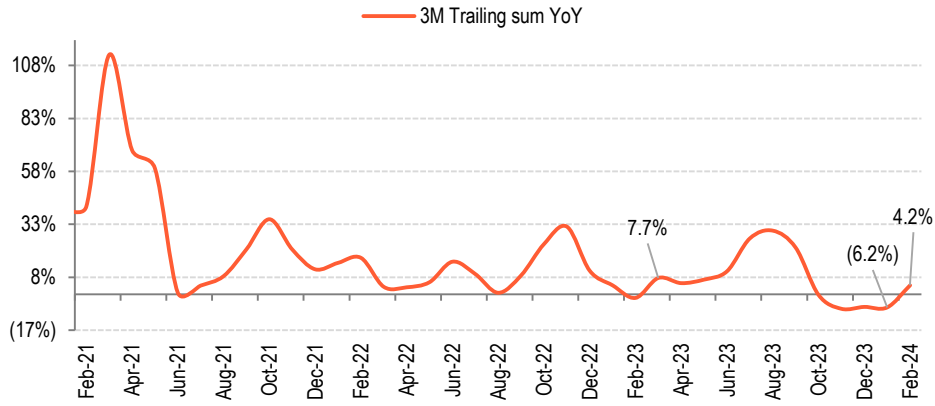
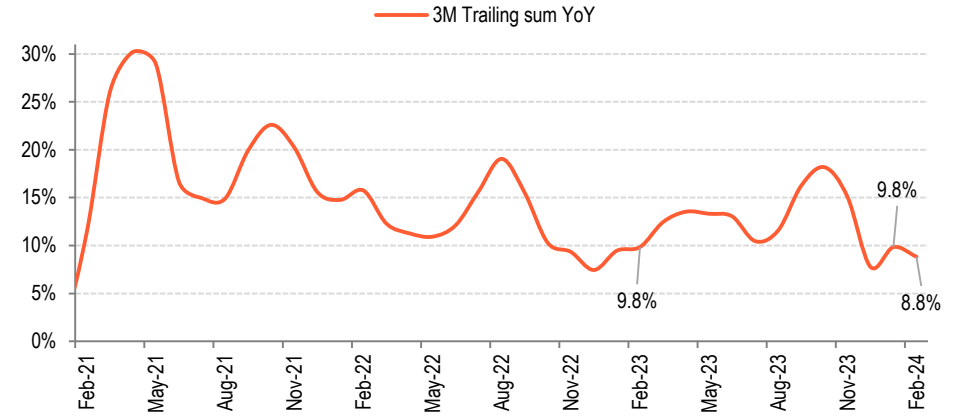


Fig 82 – State* Govt. spending slowed in Feb'24

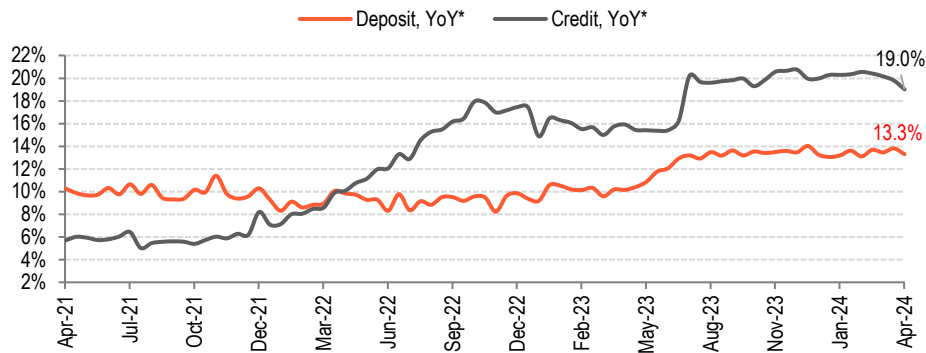


Note: *All states excluding North Eastern states, Goa, Gujarat and J&K

Financial sector

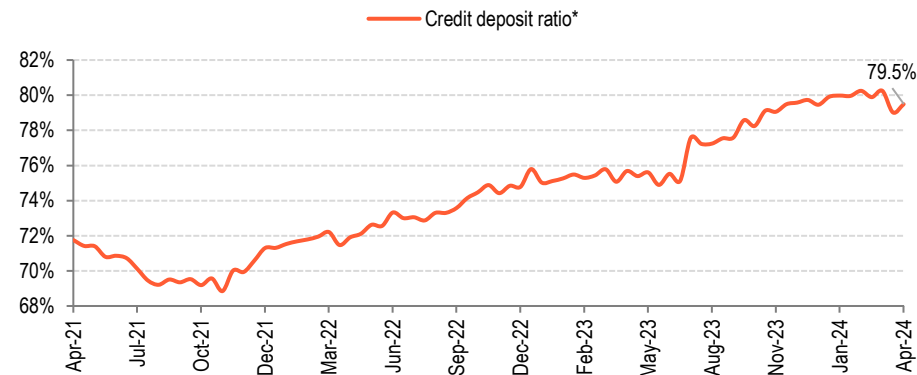
Money and banking

Fig 83 – Credit growth moderated slightly to 19% in Apr'24* from 20.2% in Mar'24 (incl. merger), deposit growth also moderated marginally to 13.3% from 13.5%



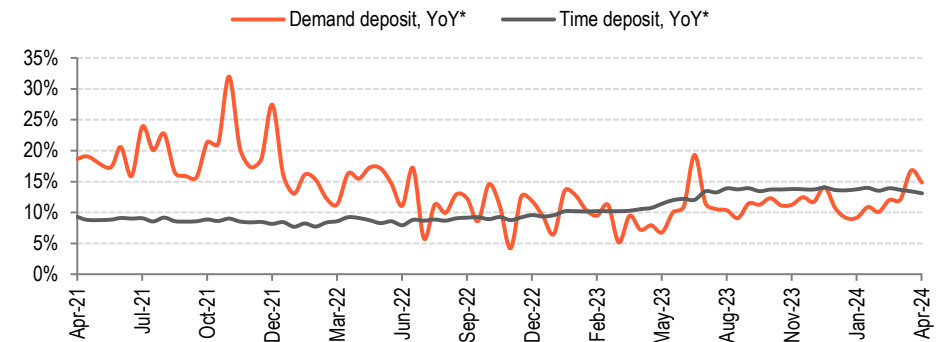
Fortnight as of 19 Apr'2024

Fig 85 – CD ratio was at 79.5



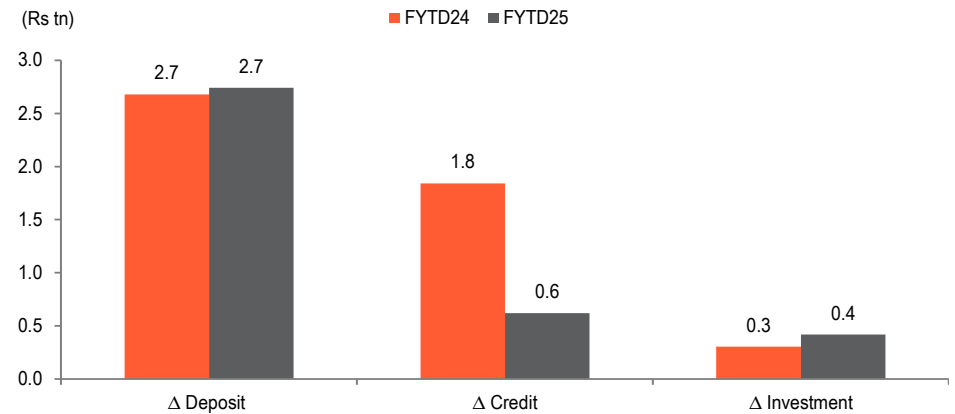
Fortnight as of 19 Apr'2024

Fig 84 – ...Some moderation was observed in both demand and time deposits



Fortnight as of 19 Apr'2024

Fig 86 – Credit, deposit and investment accretion



Fortnight as of 19 Apr'2024, Accretion from Mar

Fig 87 – Credit to govt moderated to 11.6% in Feb'24 from 13.2% in Jan'24, credit to commercial sector inched up to 15.3% from 14.8%

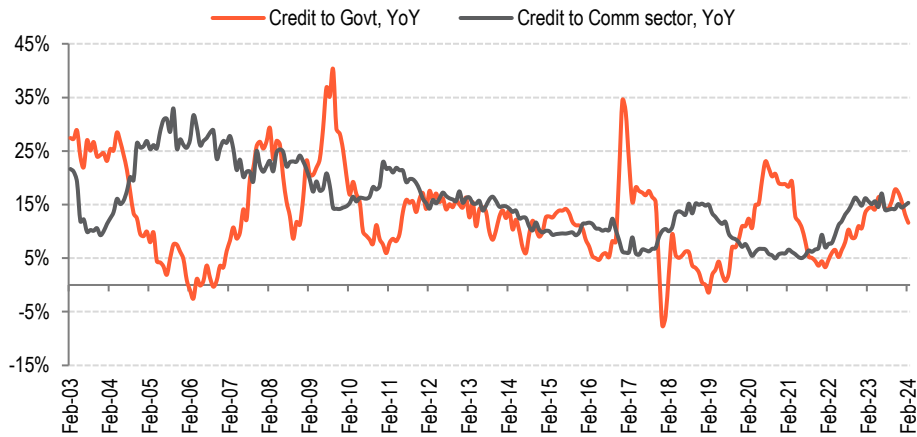


Fig 88 – WALR and repo closely aligned

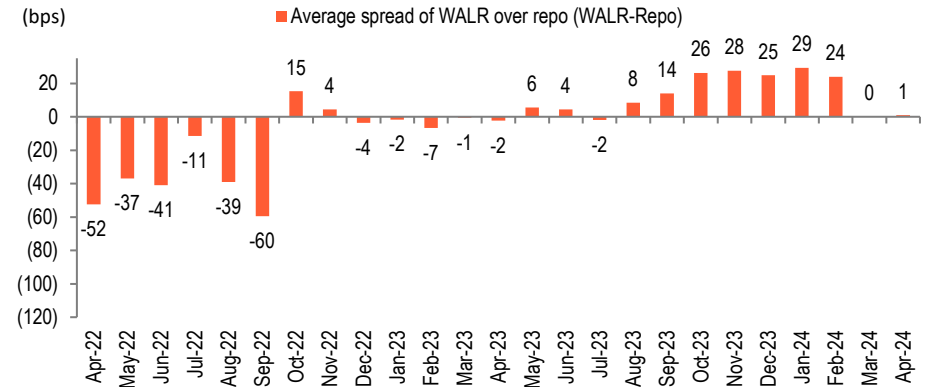


Fig 89 – WALR on fresh loans rose slightly to 8.68% in Mar'24 from 8.66% in Feb'24, WADTDR rose to 6.96% from 6.94%

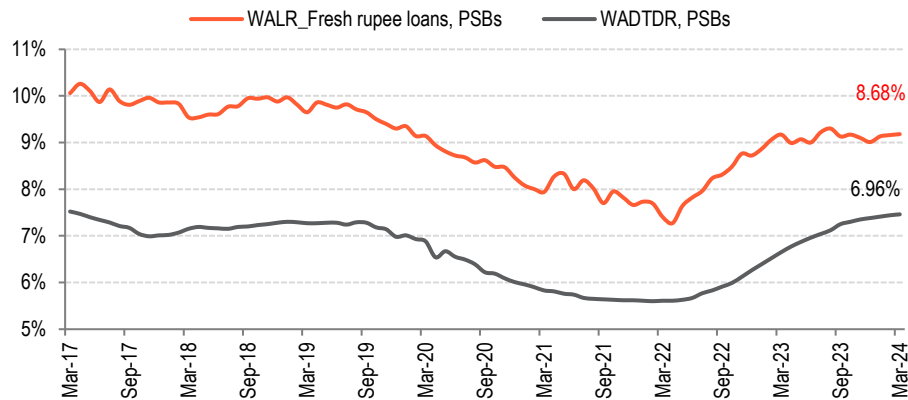
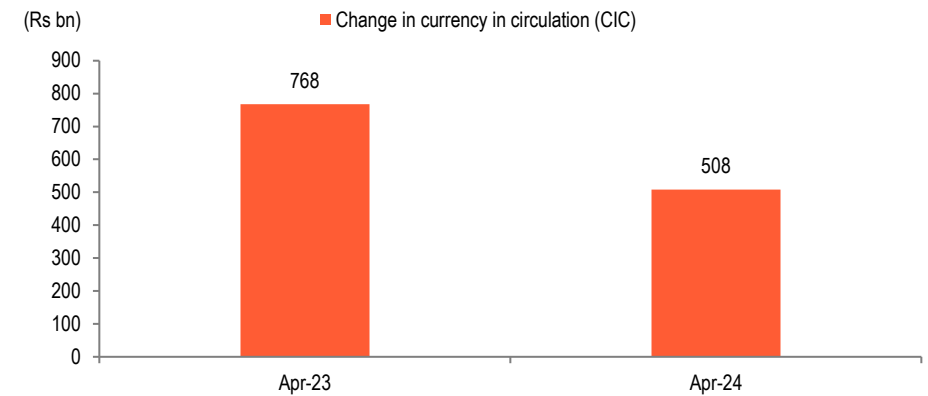
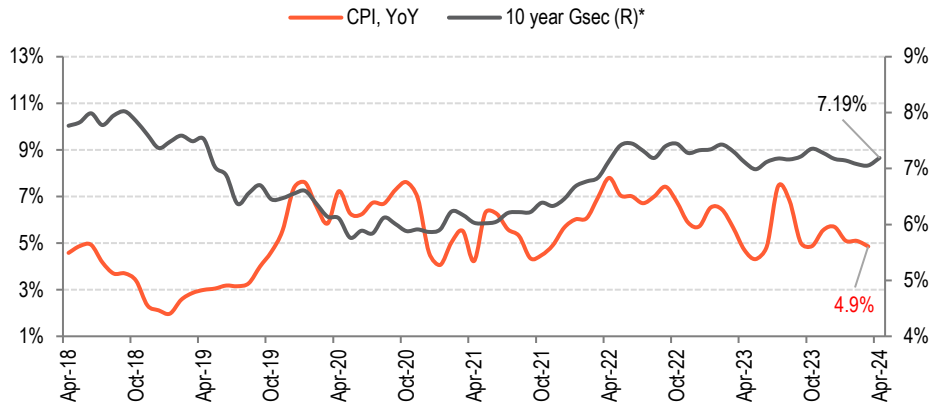


Fig 90 – CIC accretion is still lower than last year



Accretion from Mar

Fig 91 – 10Y GSec yield inched up to 7.19% in Apr'24 from 7.06% in Mar'24 and currently trading at 7.13%, inflation moderated to 4.9% in Mar'24 from 5.1% in Feb'24



Note: *As on last trading day of the month

Fig 93 – Corporate debt issuances rose to Rs 1.0tn in Mar'24 from Rs 813bn in Feb'24

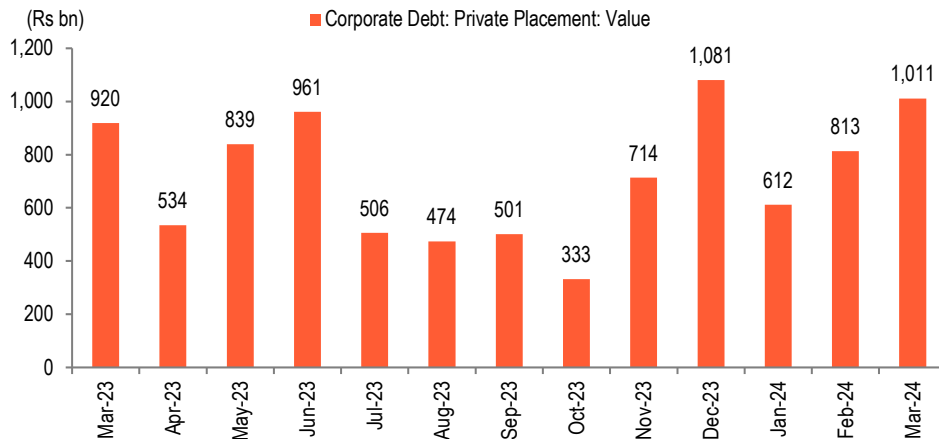
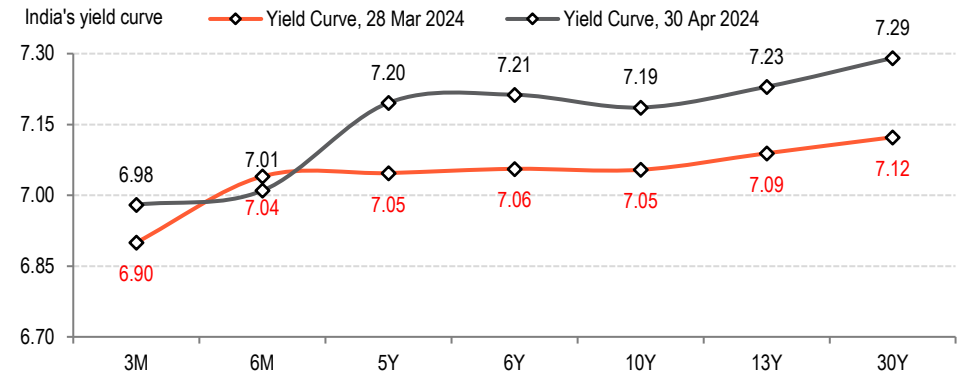
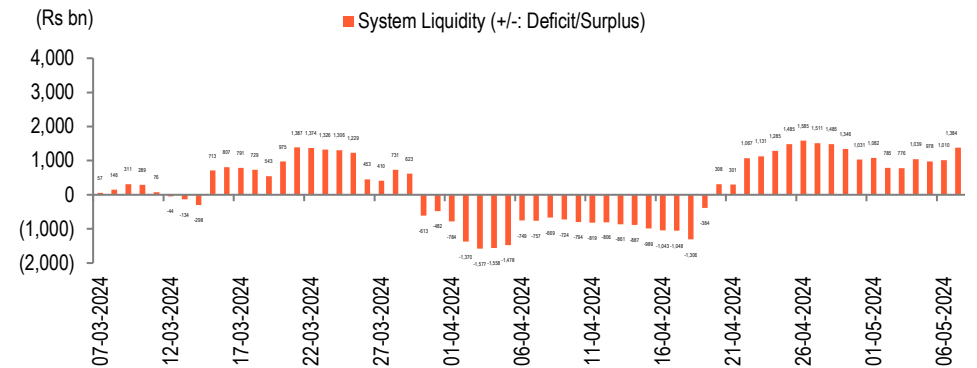


Fig 92 – Momentum seen towards long part of the curve



Source: Bloomberg

Fig 94 – Avg. system liquidity surplus was at Rs 202bn compared to a deficit of Rs 386bn seen in Mar'24 and is currently at a surplus of Rs 1.5 lakh crore



Source: RBI

Fig 95 – 3Y AAA NBFC spread moderated a tad to 69bps as on 30 Apr 2024 from 70bps as on 29 Mar 2024

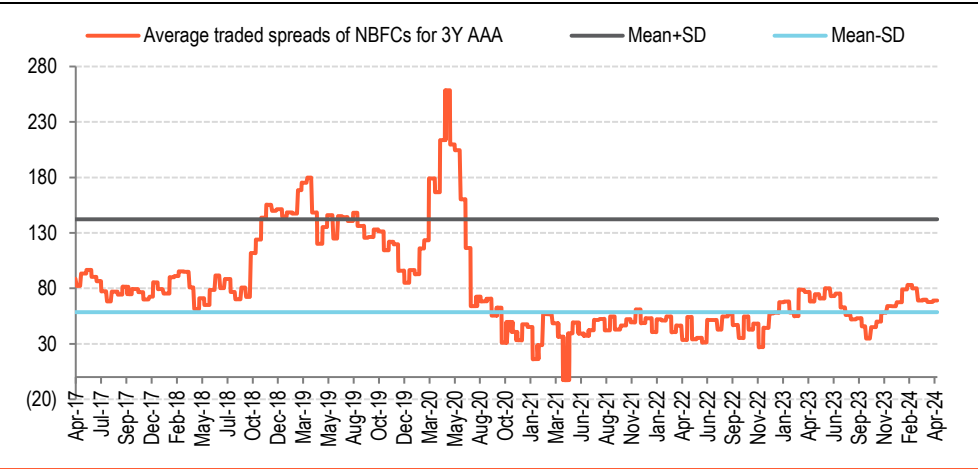


Fig 96 – For 10Y AAA NBFC, it rose slightly to 51bps from 49bps

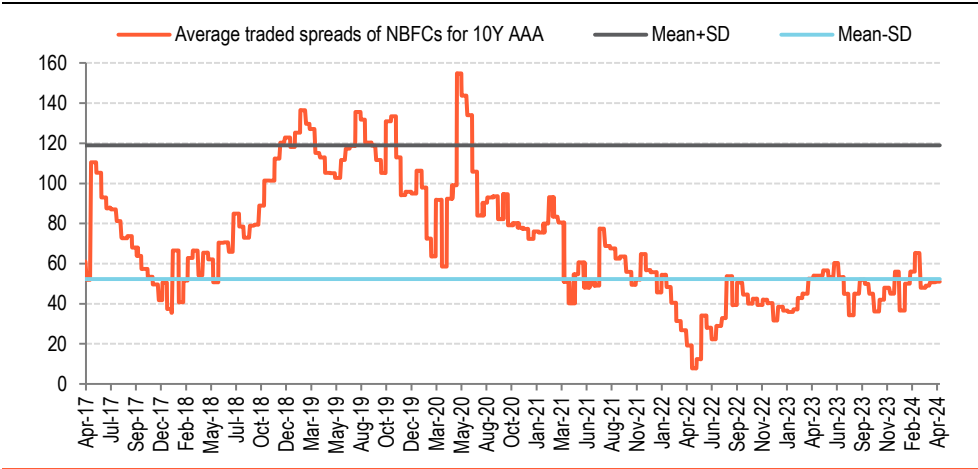


Fig 97 – 3Y AAA corp spread moderated to 45bps from 53bps

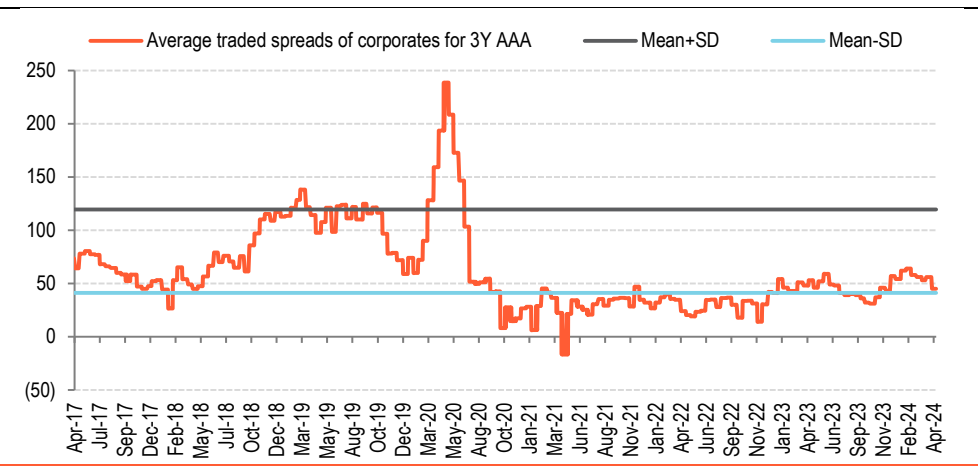


Fig 98 – For 10Y AAA corp spread, it moderated to 31bps from 33bps

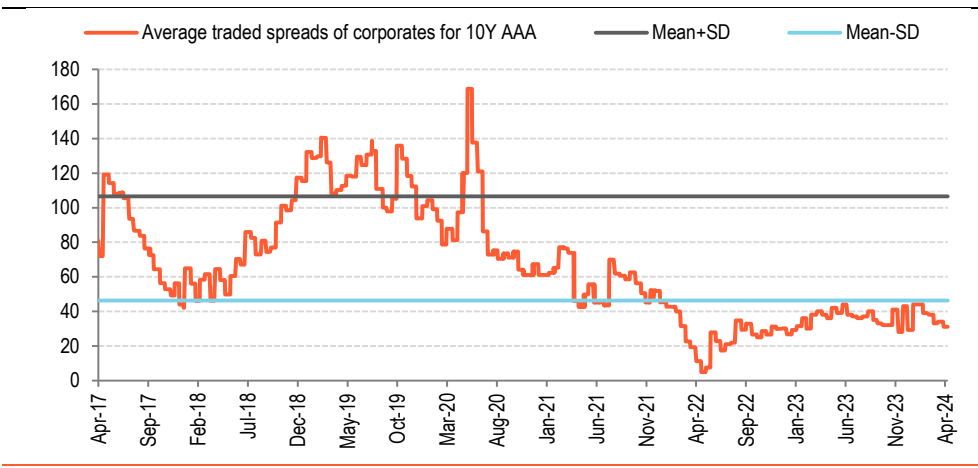


Fig 99 – INR 3Y swap inched up to 6.62 from 6.39

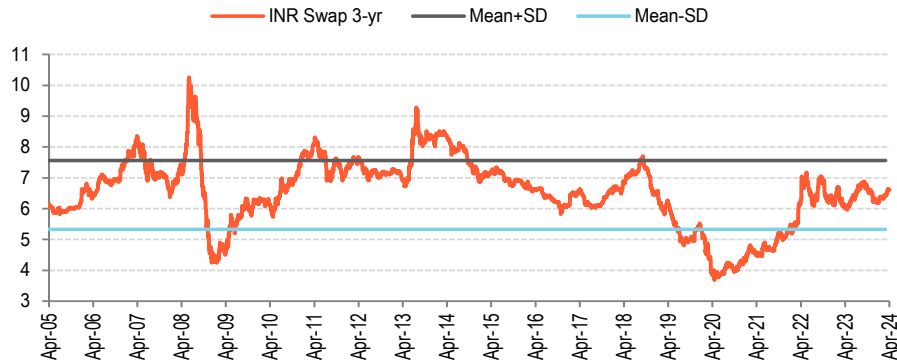
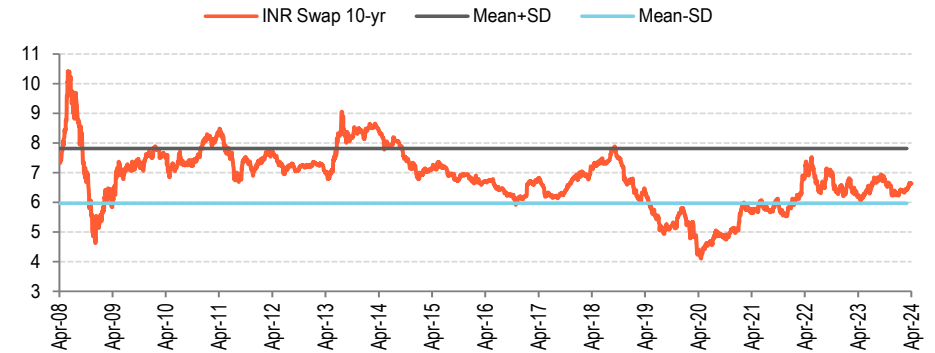


Fig 100 – For 10Y, it was higher at 6.64 from 6.41



Interest rates on small savings schemes

Fig 101 – Interest rate small savings scheme to remain unchanged in Q1FY25

Instrument (%)	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Savings deposit	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
1 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.6	6.8	6.9	6.9	6.9	6.9
2 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.7	6.8	6.9	7.0	7.0	7.0	7.0
3 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.8	6.9	7.0	7.0	7.0	7.1	7.1
5 year time deposit	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	7.0	7.5	7.5	7.5	7.5	7.5
5 year recurring deposit	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	6.2	6.5	6.7	6.7	6.7
5 year senior citizen savings scheme	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.6	8.0	8.2	8.2	8.2	8.2	8.2
5 year monthly income scheme	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.7	7.1	7.4	7.4	7.4	7.4	7.4
5 year national savings certificate	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	7.0	7.7	7.7	7.7	7.7	7.7
Public provident fund scheme	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Kisan vikas patra	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	7.0	7.2	7.5	7.5	7.5	7.5	7.5
Sukanya samridhhi account scheme	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	8.0	8.0	8.0	8.2	8.2

Source: Department of Economic Affairs, Ministry of Finance, Government of India, Red highlighted ones are the change in rates

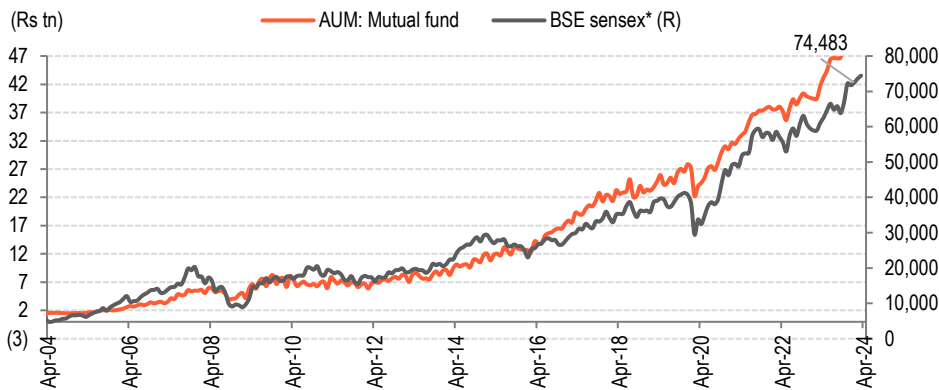
Fig 102 – MCLR rate of major banks

1Y MCLR (%)	Jan'23	Feb'23	Mar'23	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24	Apr'24
Public Sector Banks																
Bank of Baroda	8.50	8.55	8.55	8.60	8.60	8.65	8.65	8.65	8.70	8.70	8.75	8.75	8.80	8.80	8.80	8.85
Bank of India	8.30	8.40	8.50	8.60	8.60	8.65	8.65	8.70	8.70	8.70	8.75	8.80	8.80	8.80	8.85	8.85
Canara Bank	8.35	8.50	8.60	8.65	8.65	8.65	8.65	8.70	8.70	8.70	8.75	8.75	8.80	8.85	8.90	8.90
Indian Bank	8.30	8.45	8.55	8.60	8.60	8.65	8.65	8.65	8.70	8.70	8.75	8.75	8.80	8.85	8.85	8.85
Punjab National Bank	8.30	8.40	8.50	8.50	8.50	8.60	8.60	8.60	8.65	8.65	8.65	8.65	8.70	8.80	8.80	8.80
State Bank of India	8.40	8.50	8.50	8.50	8.50	8.50	8.55	8.55	8.55	8.55	8.55	8.65	8.65	8.65	8.65	8.65
Union Bank of India	8.40	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.70	8.70	8.70	8.80	8.80	8.90	8.90	8.90
Private Sector Banks																
Axis Bank Ltd.	8.80	8.90	8.95	8.95	9.10	9.10	9.10	9.15	9.15	9.15	9.20	9.25	9.25	9.30	9.30	9.30
HDFC Bank Ltd.	8.85	8.90	8.95	8.95	9.05	9.05	9.05	9.10	9.15	9.20	9.20	9.20	9.25	9.30	9.30	9.30
ICICI Bank Ltd.	8.65	8.65	8.75	8.75	8.75	8.85	8.85	8.90	8.95	8.95	9.00	9.00	9.10	9.10	9.10	9.10
Indusind Bank	9.95	10.05	10.15	10.20	10.20	10.20	10.25	10.25	10.30	10.30	10.35	10.35	10.35	10.40	10.40	10.40
Kotak Mahindra Bank	8.95	9.00	9.05	9.10	9.20	9.20	9.25	9.30	9.30	9.35	9.35	9.35	9.35	9.45	9.45	9.45

Source: RBI, Note: Bank whose MCLR went up in Apr'24 has been marked red

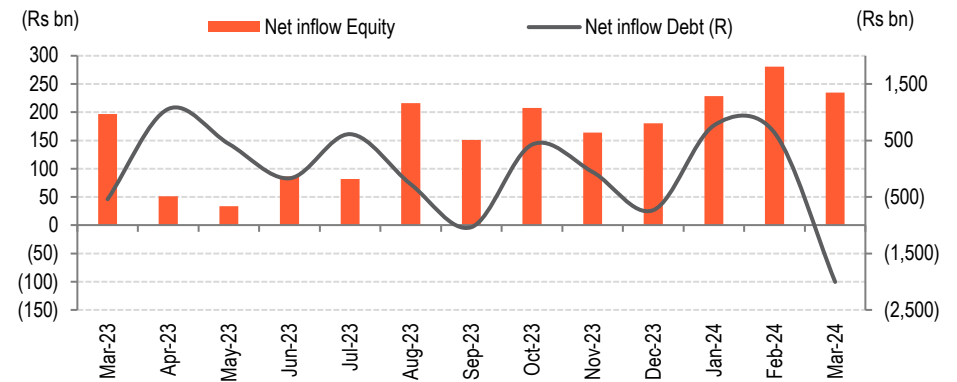
Mutual fund (MF) indicators

Fig 103 – Sensex inched up by 1.1% in Apr'24, AUM of MFs was at Rs 53.4tn in Mar'24



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

Fig 104 – MF equity inflows moderated to Rs 235bn compared to Rs 280bn in Feb'24; debt outflow rose sharply to Rs 2tn from Rs 636bn inflow in Feb'24



Insurance sector indicators

Fig 105 – Sale of life insurance policies moderated to 3.2% in Mar’24 from 9.2% in Feb’24, despite a favourable base

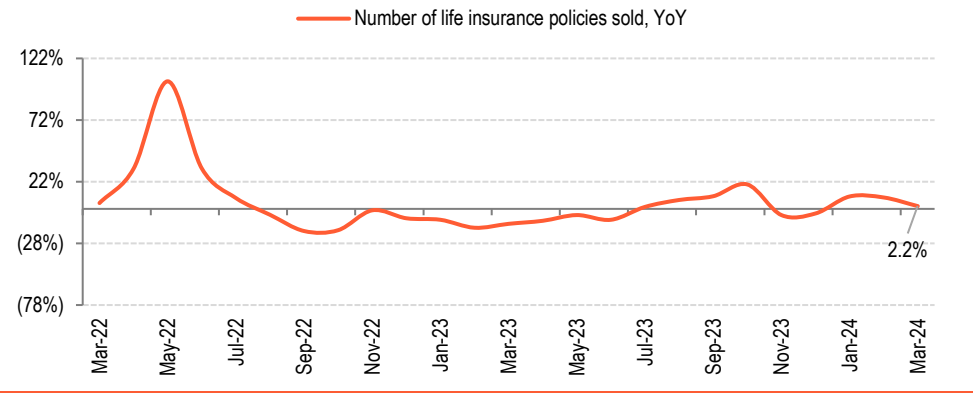
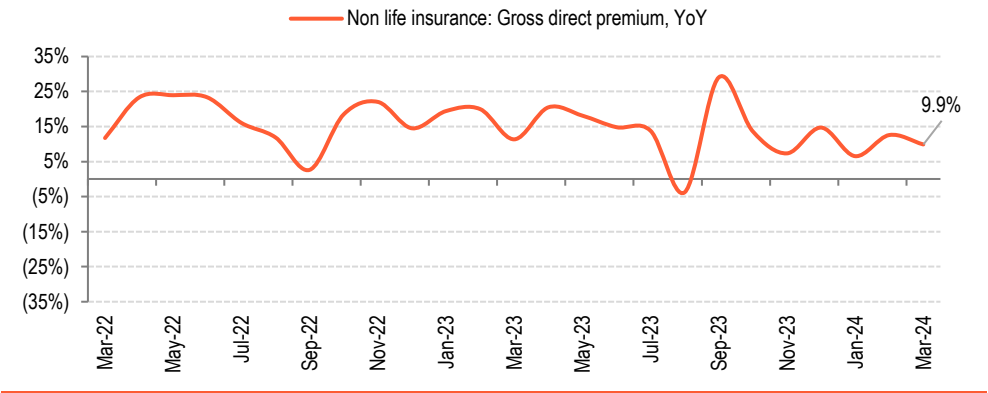


Fig 106 – Gross direct premium for non-life insurance moderated to 9.9% in Mar’24 from 12.6% in Feb’24



Public finance

Central government finances

Fig 107 – Fiscal deficit inched back up in Feb'24 (12MMA basis)

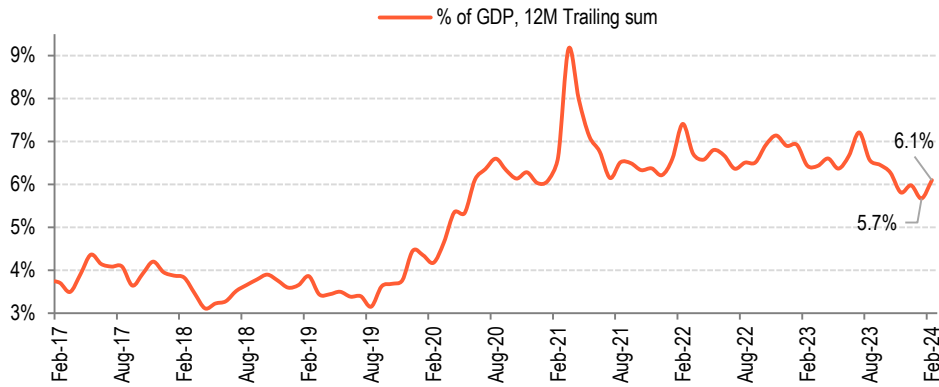


Fig 108 – Revenue deficit also went up

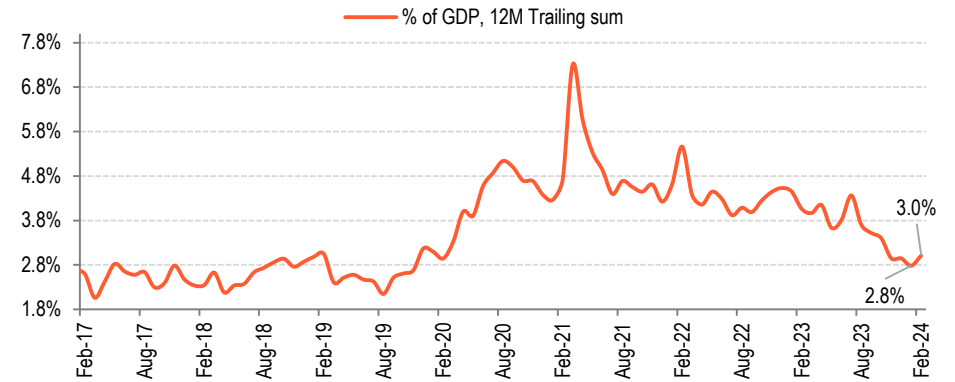


Fig 109 – Primary deficit at 2.6% as of Feb'24

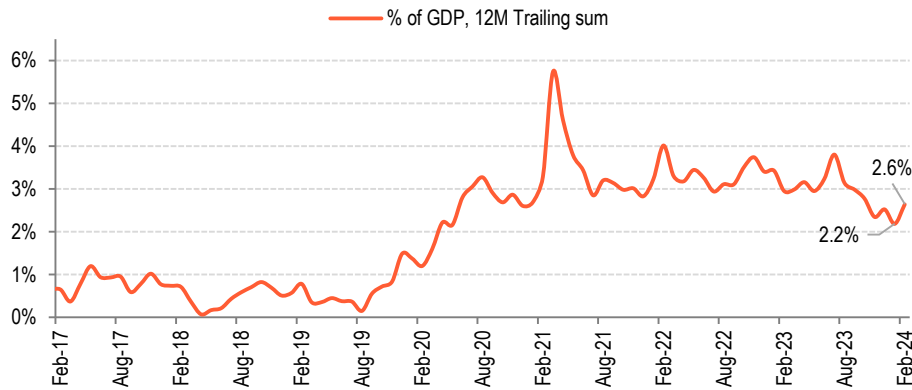


Fig 110 – Government spending picked up pace in Feb'24 (12MMA basis)...

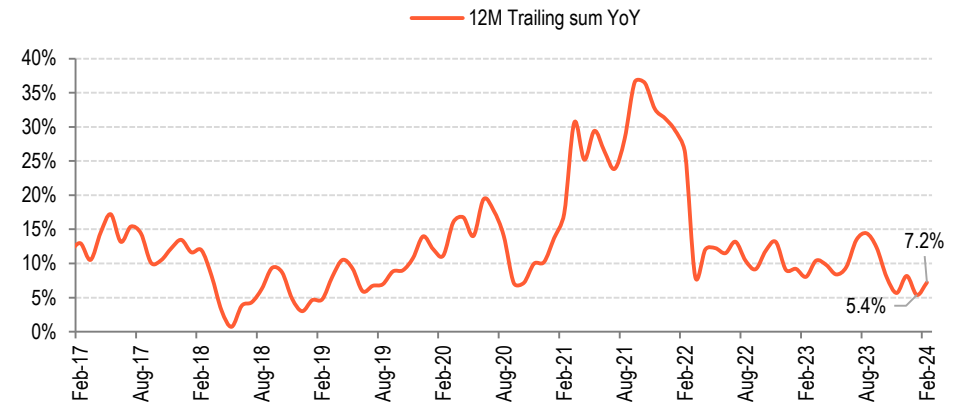


Fig 111 – ...led by increase in capex

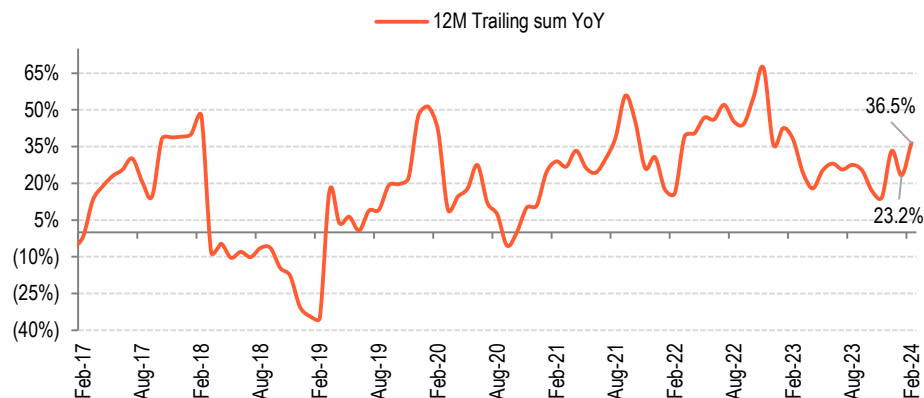


Fig 112 – Revenue spending moderated further

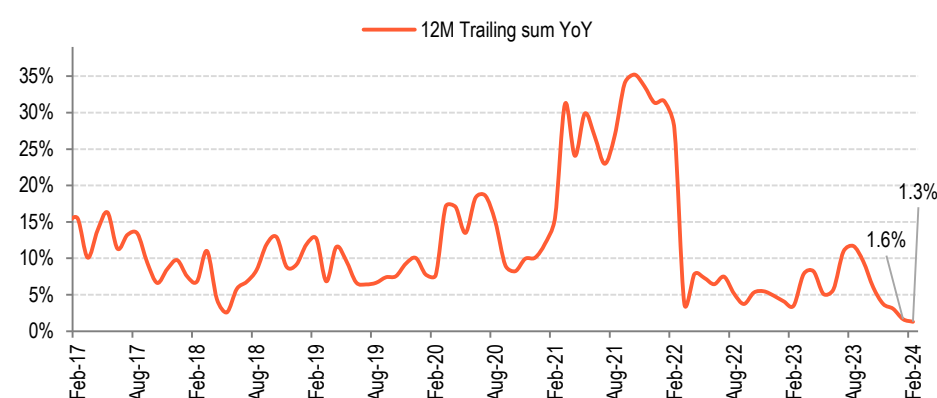


Fig 113 – Pickup in spending was led by ministries of road transport, agriculture, finance and defence

Ministry	Apr-Feb'22	Apr-Feb'23	% change	Apr-Feb'24	% change	FY24RE	% change
Ministry of Finance	11,567	12,010	3.8	13,263	10.4	16,272	8.9
Ministry of Defence	4,367	4,738	8.5	5,485	15.8	6,239	8.9
Ministry of Consumer Affairs, Food and Public Distribution	2,696	2,316	(14.1)	1,871	(19.2)	2,222	(21.7)
Ministry of Rural Development	1,300	1,406	8.1	1,249	(11.2)	1,730	(2.7)
Ministry of Home Affairs	1,510	1,724	14.2	1,823	5.8	2,000	7.1
Ministry of Human Resource Development	647	752	16.1	807	7.4	1,297	33.5
Ministry of Road Transport and Highways	1,085	2,064	90.2	2,500	21.1	2,764	27.3
Ministry of Chemicals and Fertilisers	1,295	2,349	81.3	1,761	(25.0)	1,922	(24.2)
Ministry of Petroleum and Natural Gas	45	254	461.8	105	(58.7)	148	(52.3)
Ministry of Agriculture	1,035	952	(8.0)	1,060	11.3	1,267	17.0
Ministry of Health and Family Welfare	686	630	(8.2)	685	8.8	805	6.3

Fig 114 – Receipt growth eased again in Feb’24

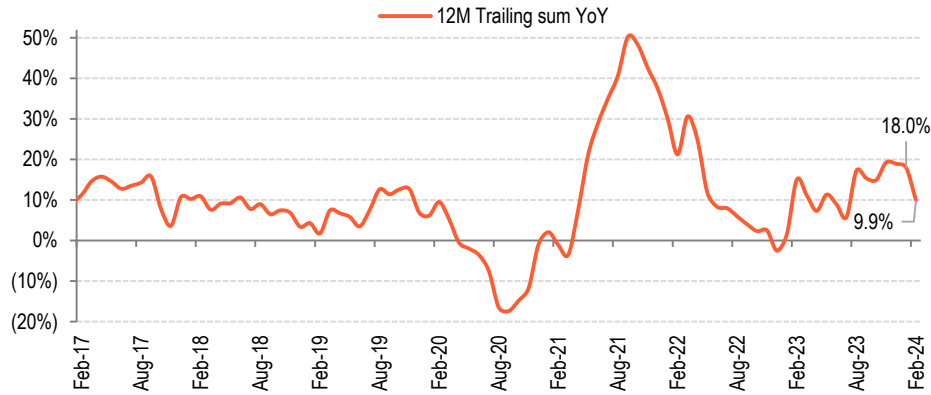


Fig 115 – Revenue receipts contributed to the drag

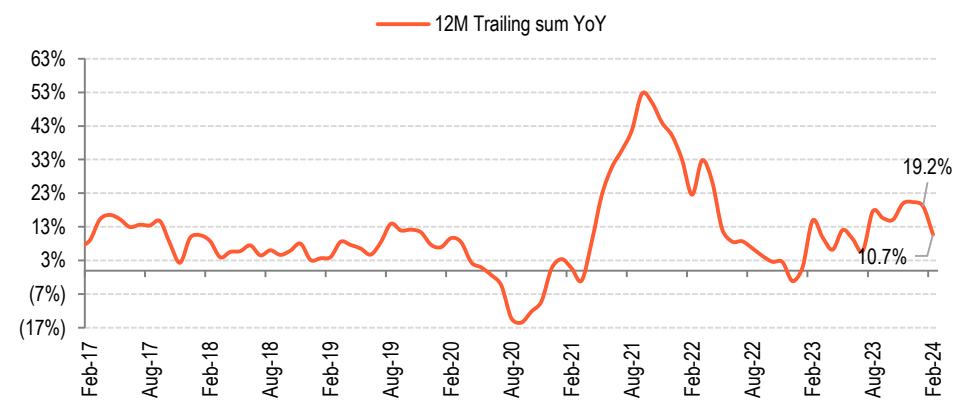


Fig 116 – ...As net tax revenue receipts fell

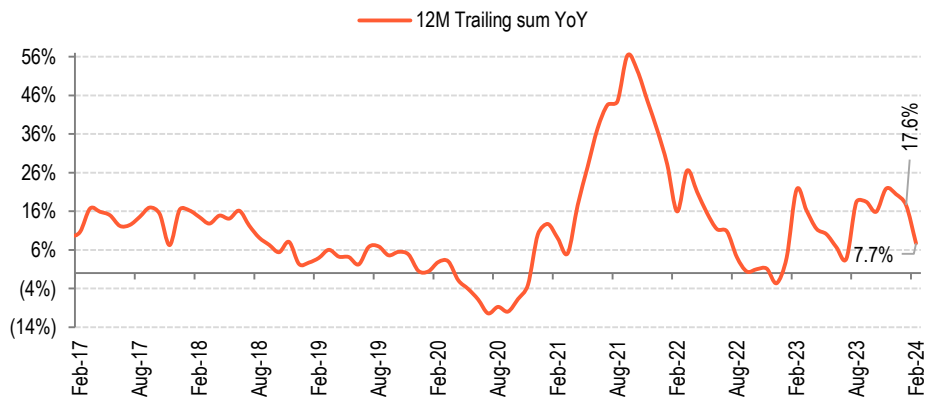


Fig 117 – However, non-tax collections continue to improve

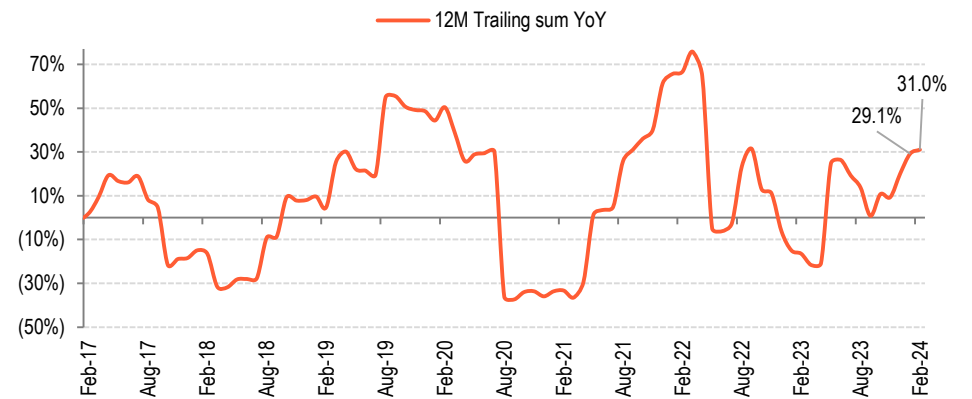


Fig 118 – Centre’s gross tax collections at 84% of FY24RE as of Feb’24; net revenue at 82%; capex at 85%

	Apr-Feb'22	Apr-Feb'23	% change	Apr-Feb'24	% change	FY24RE	% change
Gross Tax revenue	22,748	23,462	3.1	28,899	23.2	34,372	12.5
Direct taxes	11,077	10,863	(1.9)	15,651	44.1	19,450	17.2
Corp Tax	5,656	6,418	13.5	7,527	17.3	9,227	11.7
Income Tax	5,421	6,456	19.1	8,124	25.8	10,223	22.7
Indirect taxes	11,671	12,599	8.0	13,248	5.1	14,794	7.1
Non-tax revenue	3,101	2,486	(19.8)	3,603	44.9	3,758	31.7
Centre's revenue (net)	17,910	19,808	10.6	22,098	11.6	26,997	13.3
Total expenditure	31,439	34,936	11.1	37,473	7.3	44,905	7.1
Capital exp	4,852	5,902	21.7	8,056	36.5	9,502	28.4
Revenue exp	26,587	29,034	9.2	29,417	1.3	35,402	2.5
Fiscal deficit	13,166	14,539	-	15,014	-	17,348	-

Fig 119 – Gross direct tax collection growth seen easing

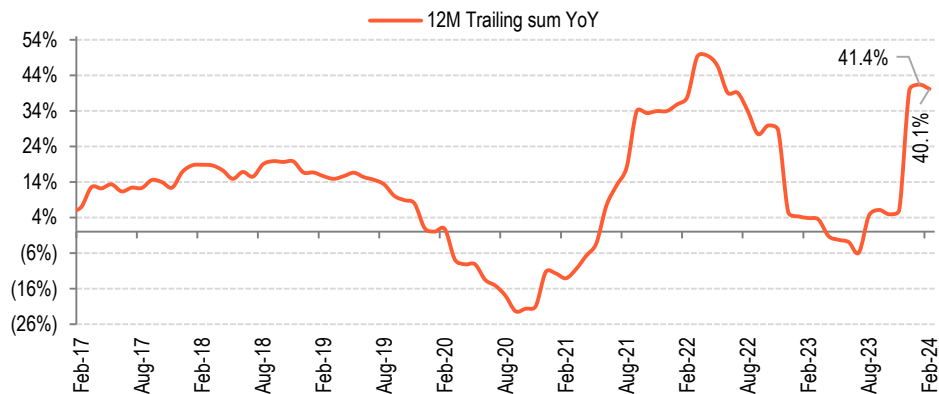


Fig 120 – Gross indirect tax collections have stabilized

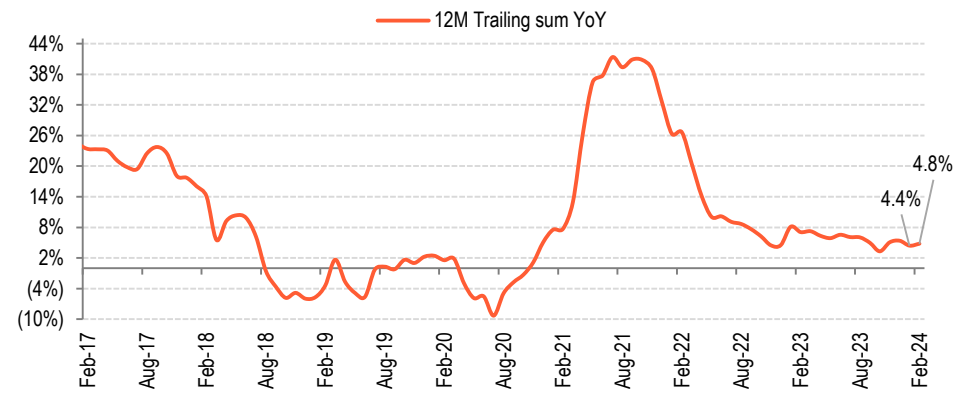


Fig 121 – Amongst direct taxes, both corporate tax collections and...

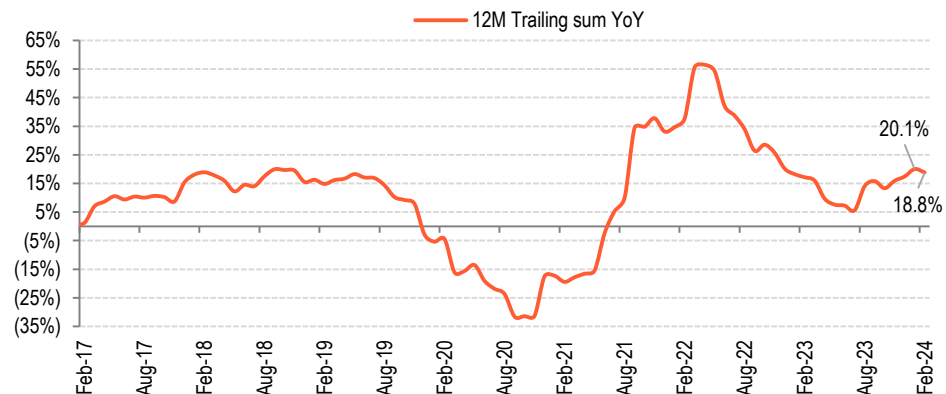


Fig 122 – ...Income tax collections register marginal easing

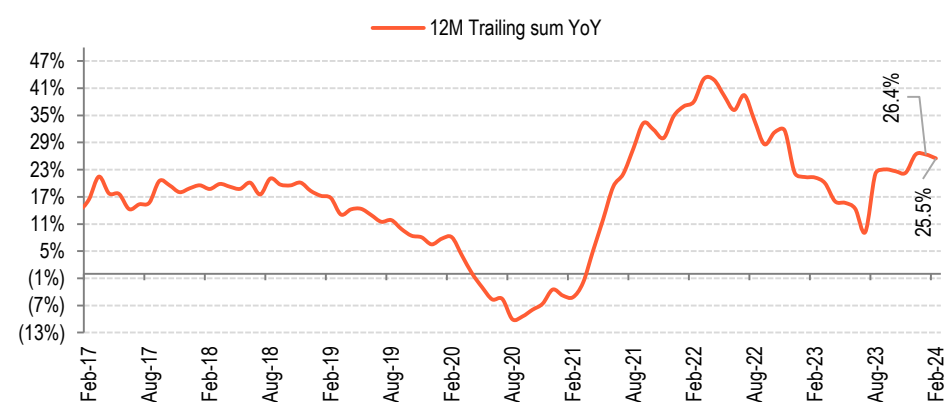
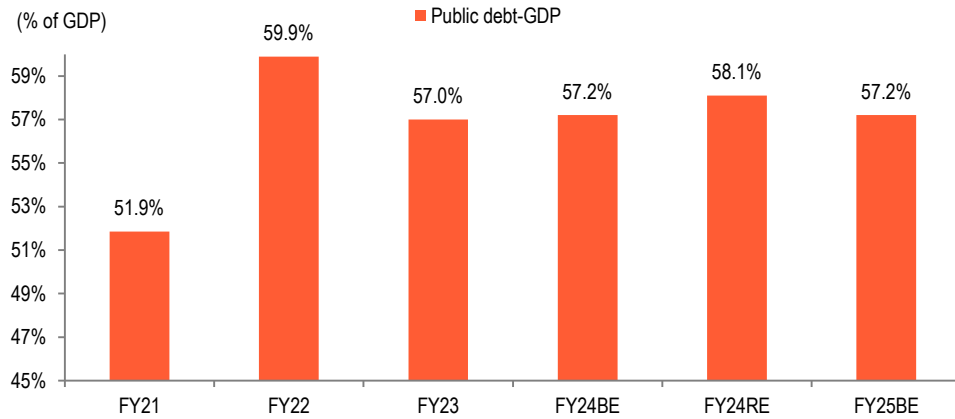


Fig 123 – GST collections for Feb'24 jumped to the highest level since Mar'23

(Rs bn)	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Monthly run rate (FYTD24)	FYTD24	FY24 (RE)
CGST	601	611	809	607	648	672	627	617	705	661	680	737	711	680	7,475	8,116
UT GST	3.9	9.2	3.1	2.6	3.4	2.5	3.1	2.0	11.2	2.5	4.5	4.7	3.8	4	43	-
IGST	(23)	86	(93)	10	16	(24)	63	17	(159)	43	(113)	(65)	(127)	(39)	(433)	-
SGST*	901	1,062	733	884	865	826	820	970	1,003	824	1,031	891	1,067	901	9,915	-
Cess	118	102	119	112	118	114	114	114	119	118	118	116	125	117	1,287	1,450
Total GST	1,601	1,870	1,571	1,615	1,651	1,591	1,627	1,720	1,679	1,649	1,721	1,683	1,780	1,663	18,288	-

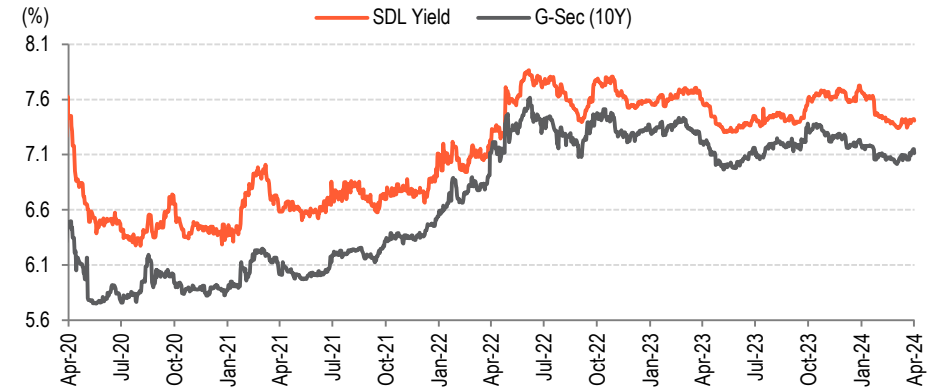
Source: PIB | *Computed from PIB and CGA data

Fig 124 – Central government debt is estimated to come down in FY25



Source: Union Budget documents

Fig 125 – Spread between 10Y G-sec and SDL yield narrowed further in Mar'24, and is showing further signs of narrowing in Apr'24 so far



Source: CCIL

Fig 126 – Subsidy bill lower so far in FYTD24 (till Feb'24) compared with FYTD23

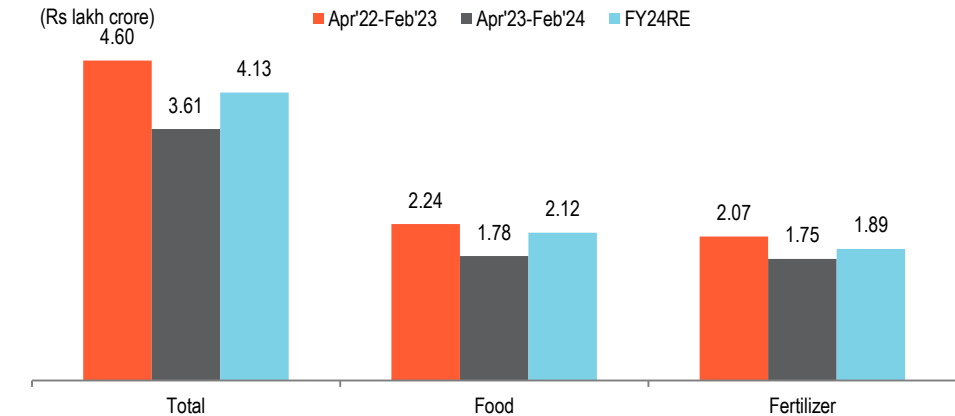
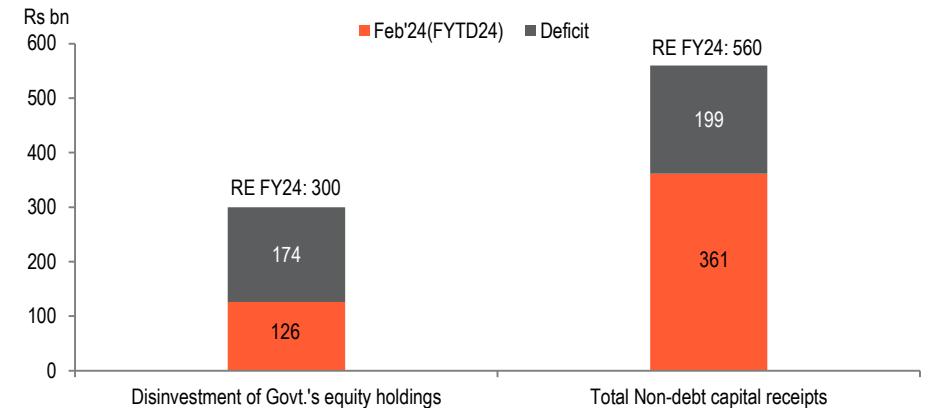


Fig 127 – Central govt. disinvestment status (FYTD24)



Central government borrowing

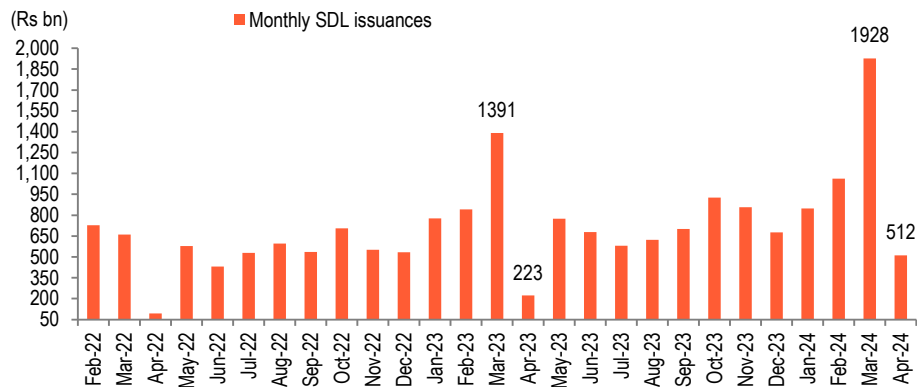
Fig 128 – Centre’s borrowing through T-bill in Q1* has been at Rs 1.8 lakh crore

Total accepted amount (T-bills), (Rs bn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY25 (planned)
Q1	2,888	3,089	3,364	5,328	5,375	5,247	4,963	2,114*	3,210
Q2	3,186	3,299	3,024	5,417	3,215	3,704	3,899		
Q3	2,632	3,070	2,889	3,745	3,630	3,589	3,611		
Q4	2,486	1,812	2,511	2,714	4,766	4,566	4,258		
Total	11,192	11,271	11,788	17,204	16,986	17,105	16,731		

Source: RBI, * Till 8th May

State government borrowing

Fig 130 – State government borrowings more than doubled in Apr’24 versus Apr’23



Source: RBI

Fig 129 – Centre has raised Rs 1.2 lakh crore in Q1*

Total accepted amount (G-Sec), (Rs bn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY25 (planned)
Q1	1,680	1,320	2,040	3,140	3,064	3,570	4,080	1,200^	3,780
Q2	1,890	1,440	2,210	4,220	3,649	4,390	4,800		3,720
Q3	1,640	1,270	1,930	2,910	3,190	3,510	3,850		
Q4	670	1,680	920	3,191	1,370	2,740	2,700		
Total	5,880	5,710	7,100	13,461*	11,273	14,210	15,430		

Source: RBI* Against budgeted Rs 12.8tn, Note: for April only one auction has been conducted and bids accepted worth of Rs 380bn^ Till 3rd May

Fig 131 – States have borrowed 24% of the Q1 planned amount so far

Quarterly SDL issuances, (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FYTD25 (actual)	FY25 (planned)
Q1	766	815	1,673	1,446	1,102	1,677	611*	2,540
Q2	809	1,439	1,614	1,644	1,661	1,903		
Q3	1,277	1,470	2,023	1,653	1,879	2,460		
Q4	1,809	2,006	1,898	2,184	3,009	3,838		
Total	4,661	5,731	7,206	6,927	7,652	9,879		

Source: RBI; *as of 7 May 2024

External sector

Exports

Fig 132 – Global exports weakened

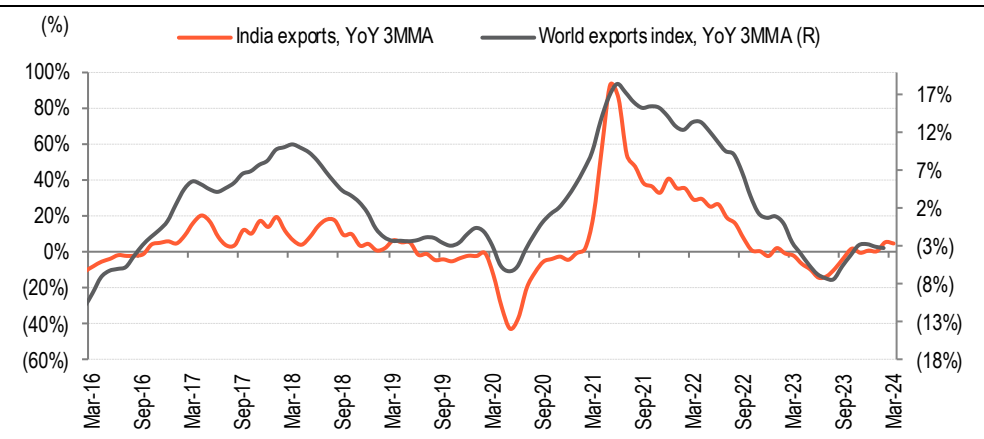
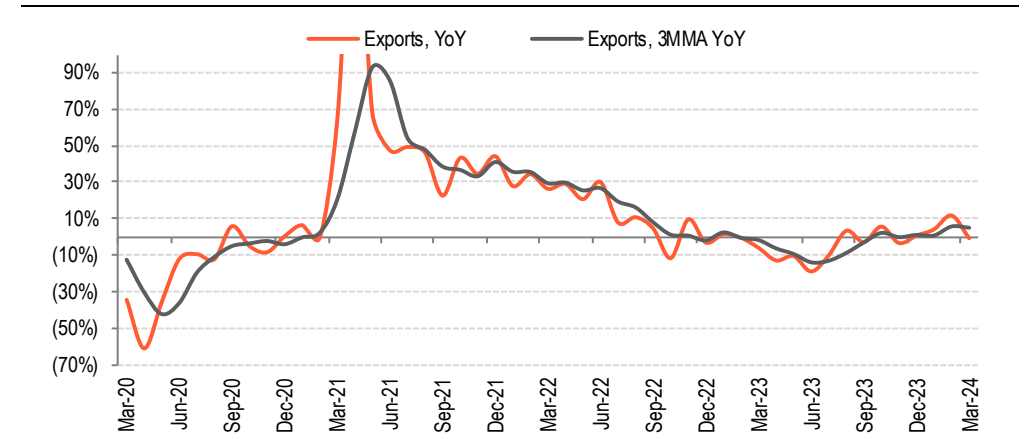


Fig 133 – India's exports declined by 0.7% in Mar'24 after increasing by 11.8% in Feb'24; down by 3.1% in FY24



Exports by major sectors

Fig 134 – Oil exports plunged sharply in Mar'24

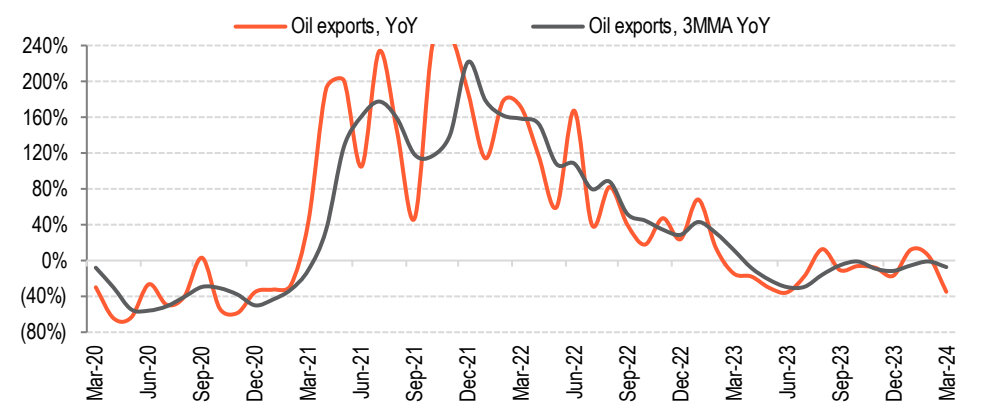


Fig 135 – Within non-oil, agricultural exports declined in Mar'24

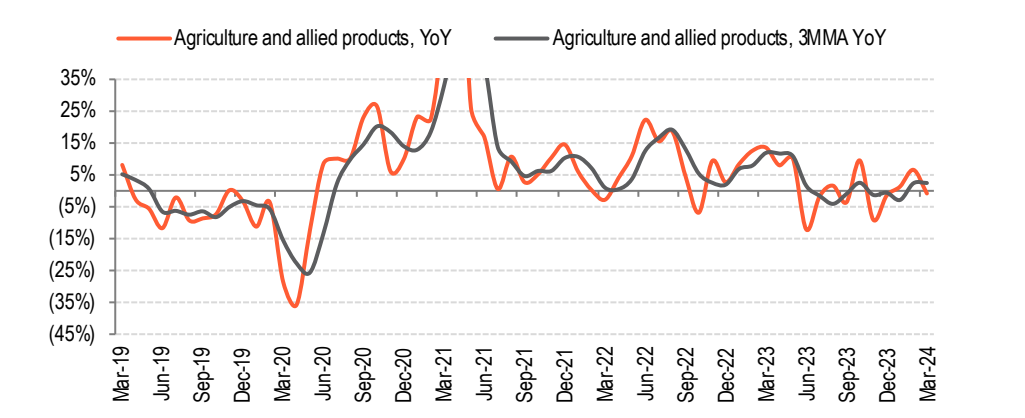


Fig 136 – Exports of gems and jewellery also remained lower even in Mar'24

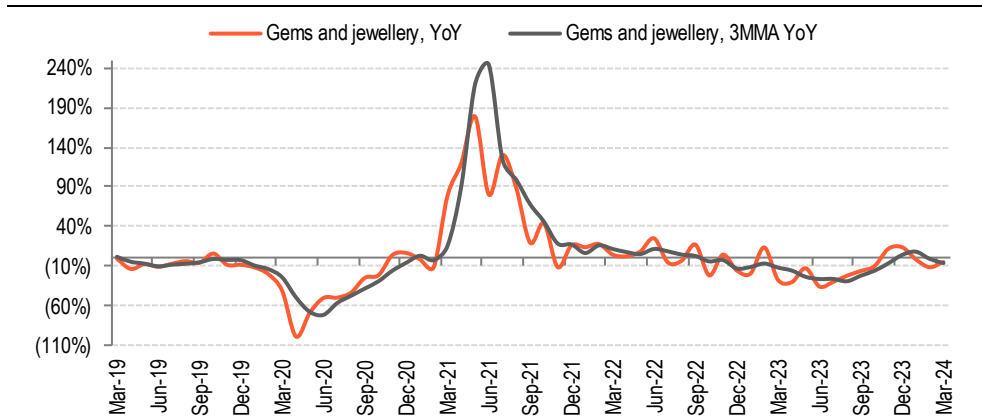
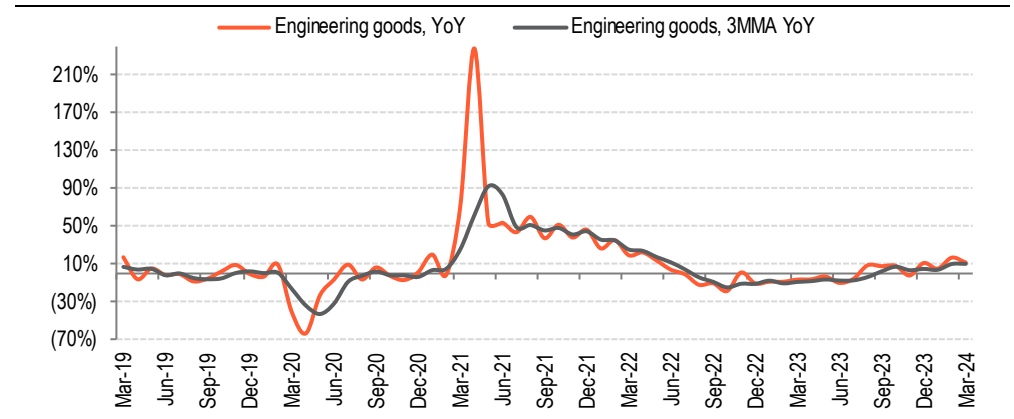


Fig 137 – Growth in engineering exports decelerates led by an unfavourable base



Imports

Fig 138 – In Mar'24, imports declined by 6% following a 12.2% increase in Feb'24; Imports down by 5.4% in FY24

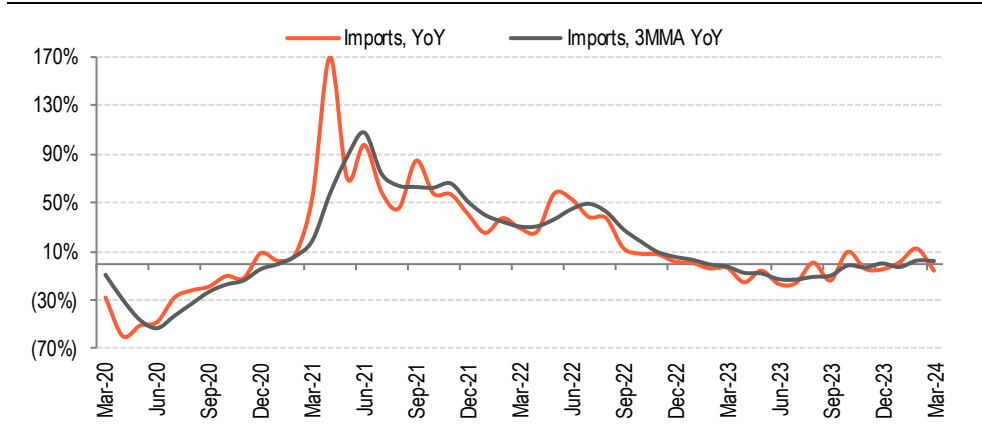


Fig 139 – Sharp decline in gold imports due to elevated gold prices

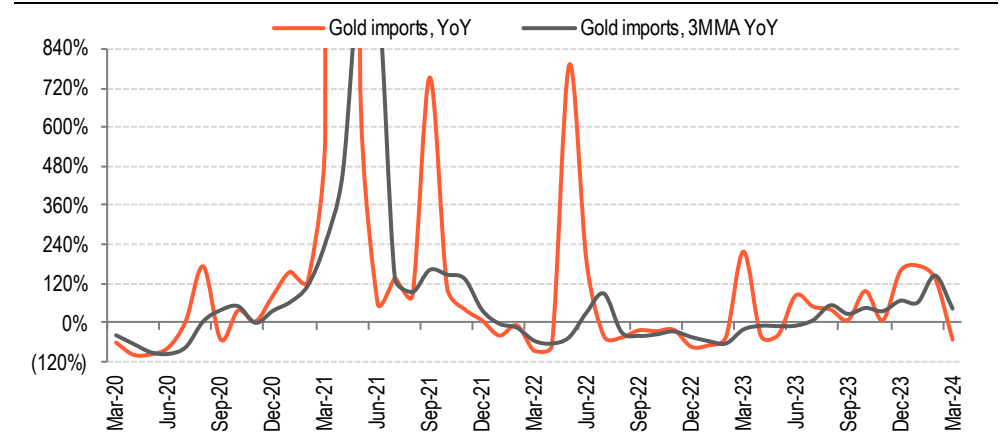


Fig 140 – Non-oil imports declined by 6.7% in Mar'24 compared with an increase of 17.8% in Feb'24

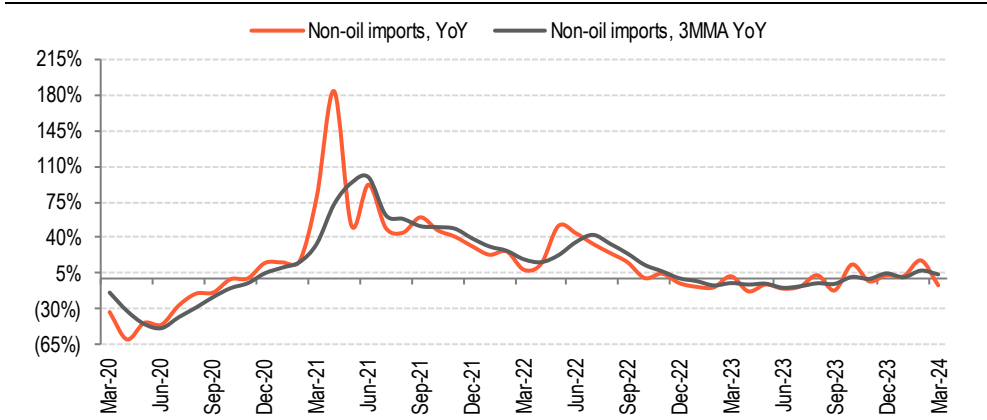


Fig 141 – Imports of transport equipment decline for the 8th-straight month

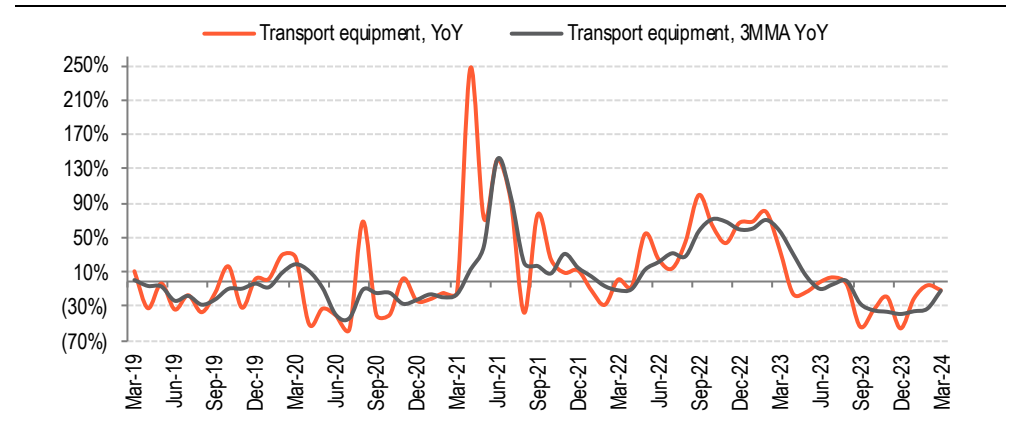


Fig 142 – Machinery imports exhibit some deceleration

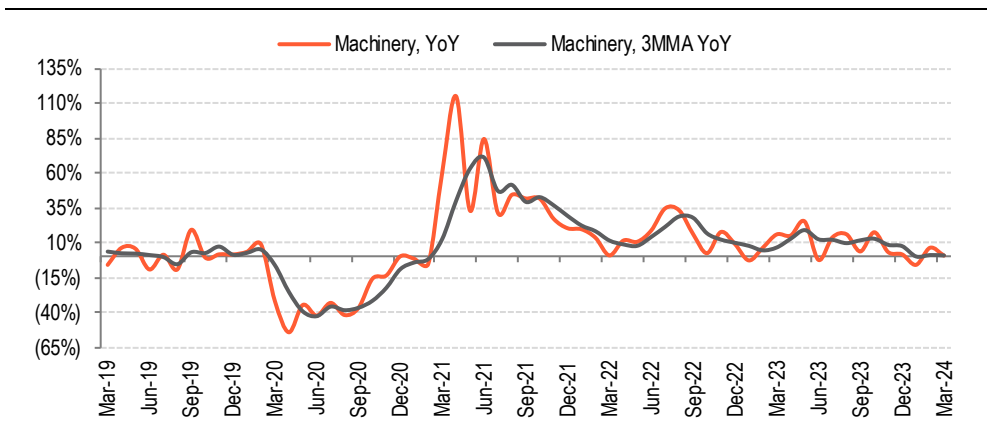
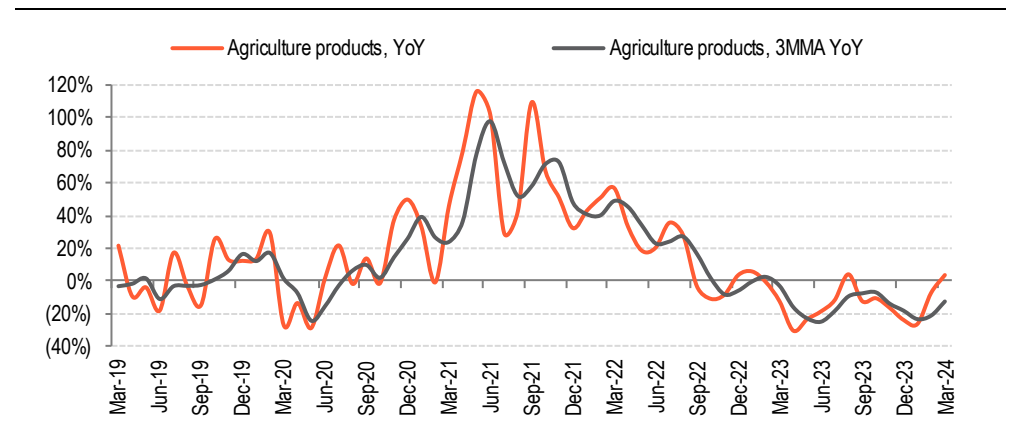


Fig 143 – Agriculture imports edge up led by higher imports of pulses



Exports and imports by major regions

Fig 144 – Except China and Europe, exports to all regions declined in FY24

Region (% YoY)	Share in FY24	FY23	FY24	Jan-24	Feb-24	Mar-24
Americas	23.5	6.3	(4.1)	2.5	17.8	1.3
Asia and Pacific (Ex. China)	22.5	(8.0)	(7.0)	23.2	7.6	(2.0)
China	3.9	(28.0)	8.8	33.4	13.4	(8.7)
Europe	22.9	14.2	0.5	(5.9)	19.9	(8.4)
Middle East and Africa	26.3	25.3	(4.5)	(3.2)	6.4	5.3
Other	1.0	78.1	3.3	(6.7)	(44.2)	45.5

Fig 145 – Imports from Europe and Middle East declined sharply in FY24

Region (% YoY)	Share in FY24	FY23	FY24	Jan-24	Feb-24	Mar-24
Americas	15.1	4.2	3.3	13.6	16.1	(0.5)
Asia and Pacific (Ex. China)	13.9	5.9	2.9	(24.4)	28.1	(24.8)
China	25.1	19.6	(4.6)	14.8	9.2	(6.7)
Europe	26.4	11.2	(18.9)	2.6	10.3	(2.1)
Middle East and Africa	10.3	11.6	(13.8)	(24.9)	14.1	(9.4)
Other	9.3	241.6	29.7	10.7	(3.9)	8.5

Trade deficit

Fig 146 – Trade deficit narrowed to US\$ 15.6bn in Mar'24 from US\$ 18.7bn in Feb'24; trade deficit in FY24 lower at US\$ 240bn versus US\$ 265bn in FY23

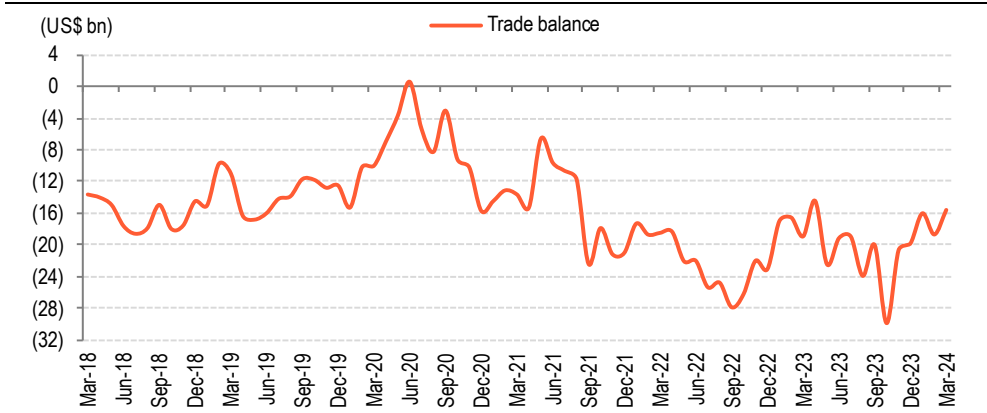
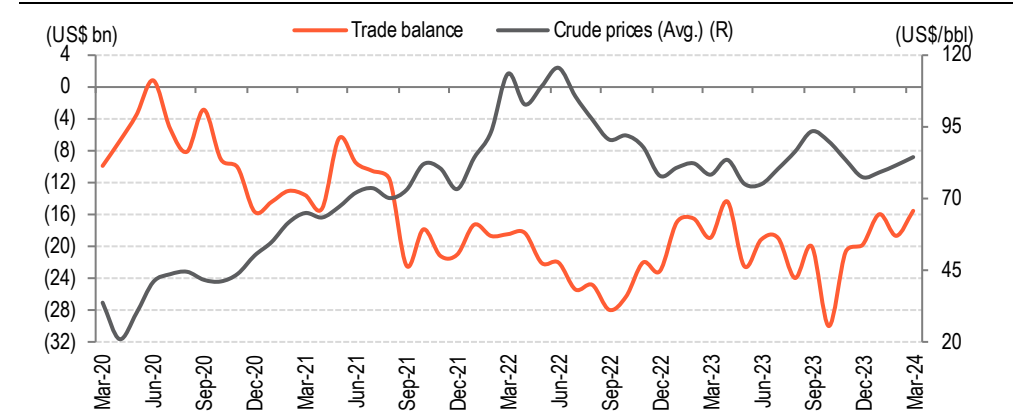
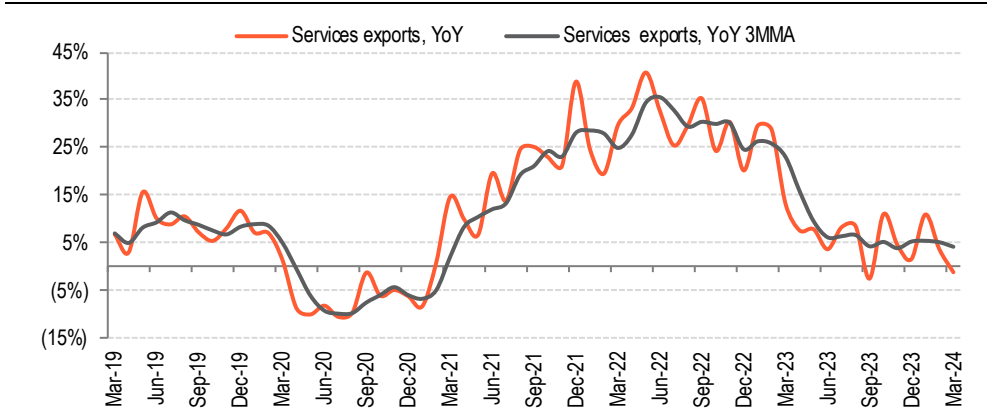


Fig 147 – ... even as oil prices increased in Mar'24



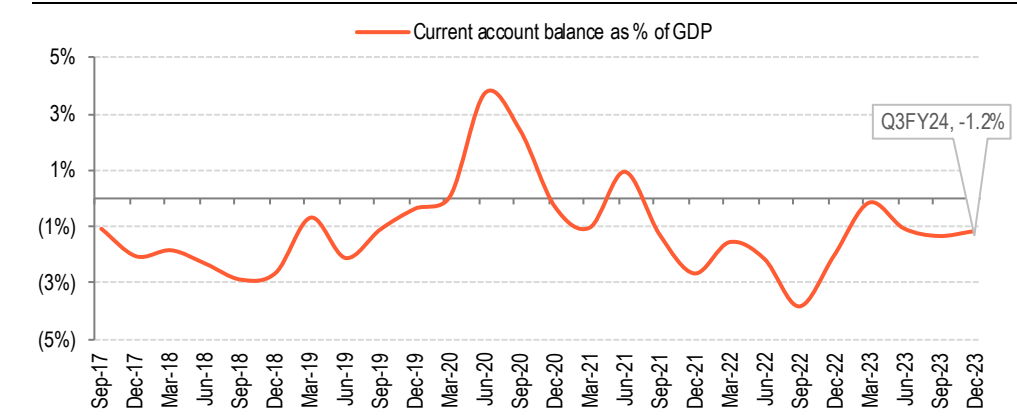
Trade in services

Fig 148 – Services exports declined by 1.4% in Mar'24 compared with an increase of 3.5% in Feb'23; for FY24 services exports rose by 4.9% versus 27.8% in FY23



BoP

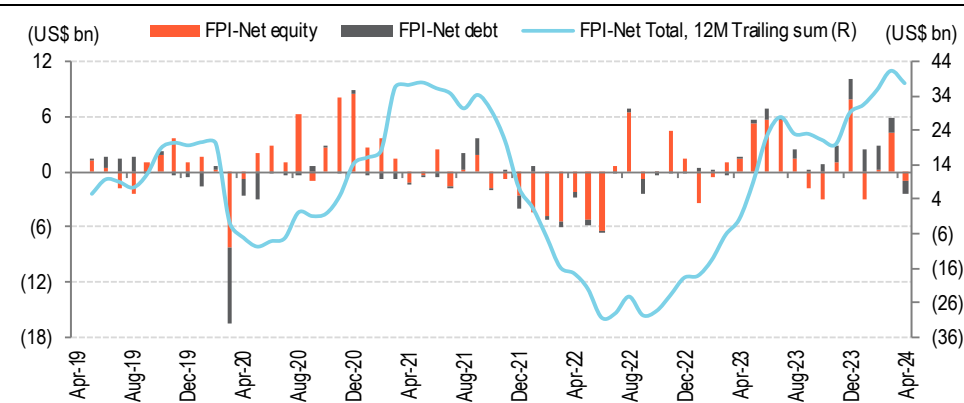
Fig 149 – India's current account deficit at 1.2% of GDP in Q3FY24 versus 1.3% in Q2



Foreign inflows

FPI inflows

Fig 150 – FPIs pull out US\$ 1.9bn from domestic market in Apr'24



Source: Bloomberg

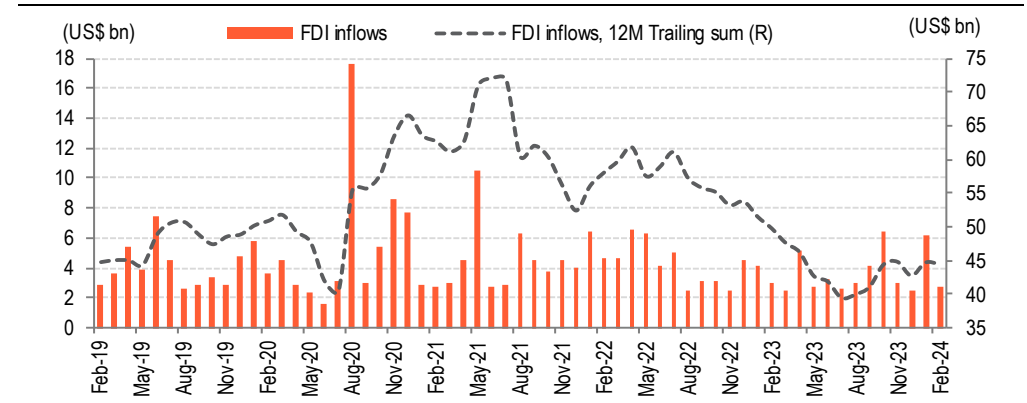
Fig 152 – FDI inflows lower in FYTD24, led by computer hardware and software and services

Sector	% Share FY23	FYTD23	FYTD24	Q3FY23	Q2FY24	Q3FY24
Computer software and hardware	20.4	8.1	3.4	1.8	1.4	1.0
Services	18.9	6.6	5.2	2.4	1.3	1.3
Trading	10.4	4.1	2.7	0.9	0.4	1.7
Non-conventional energy	5.4	1.7	2.1	0.3	0.5	0.9
Drugs and Pharmaceuticals	4.5	1.8	0.9	1.1	0.0	0.8
Automobile industry	4.1	1.3	0.9	0.3	0.3	0.2
Construction (Infrastructure) activities	3.7	1.2	3.8	0.2	1.6	1.4

Source: DIPP

FDI inflows

Fig 151 – FDI equity inflows decelerate to US\$ 2.8bn in Feb'24 versus US\$ 6.1bn in Jan'24



Source: RBI, Bank of Baroda Research

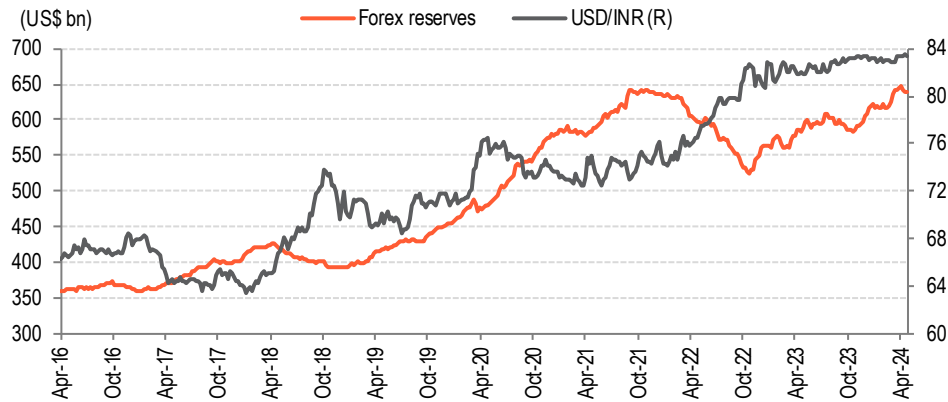
Fig 153 – Country wise, inflows from Singapore have fallen sharply in FYTD24 while inflows from US have been higher

Country (US\$ bn)	% Share FY23	FYTD23	FYTD24	Q3FY23	Q2FY24	Q3FY24
Singapore	37.4	13.1	7.4	3.1	2.2	2.2
US	13.3	4.7	7.0	1.4	2.0	4.1
Mauritius	13.1	5.0	2.8	2.4	1.0	0.8
Netherlands	5.4	2.2	2.3	0.4	0.4	0.4
UK	3.9	1.4	2.7	0.2	0.9	0.6
Japan	3.8	1.6	0.9	0.7	0.2	0.3

Source: DIPP

Forex reserves and external debt

Fig 154 – India’s FX reserves decline from a record-high; at US\$ 637.9bn as of Apr’24



Source: Bloomberg | Note: Weekly data as of 26 Apr 2024

Fig 155 – India’s import cover improves in Mar’24

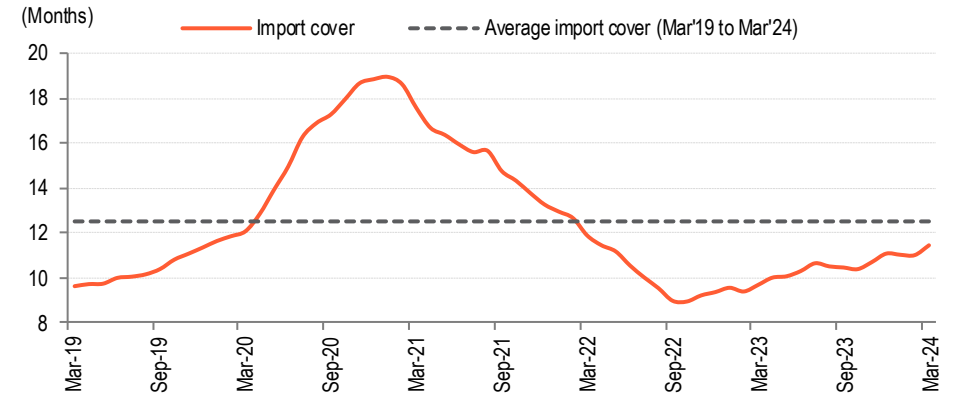


Fig 156 – RBI’s bought net US\$ 8.6bn in the spot market in Feb’24

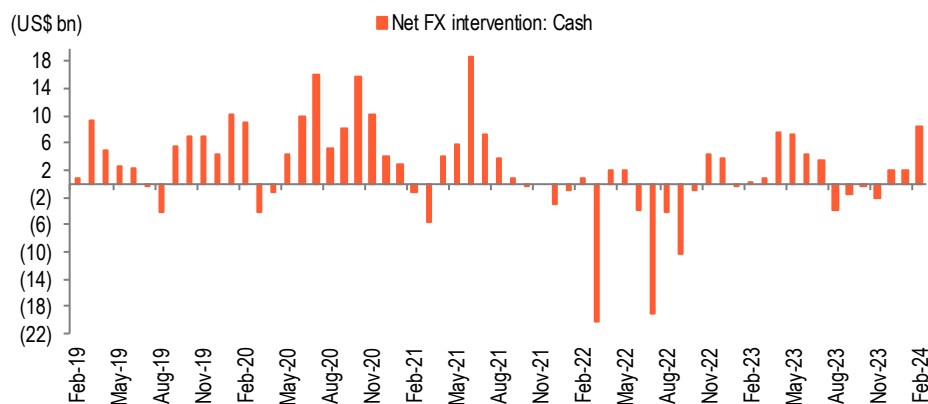
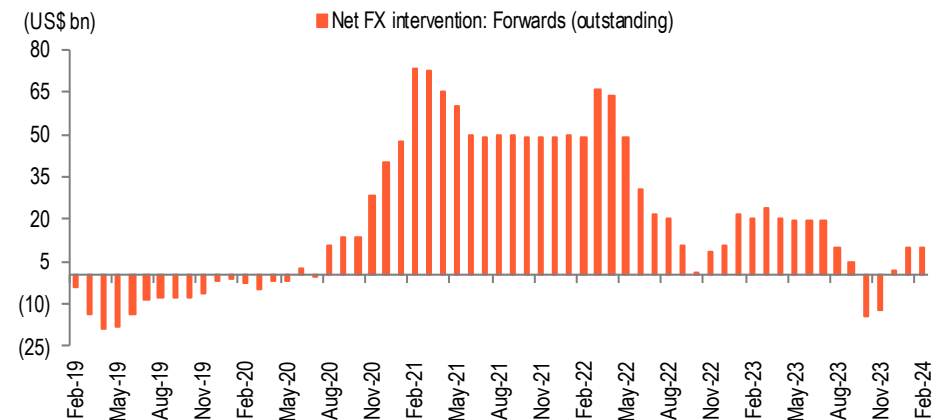


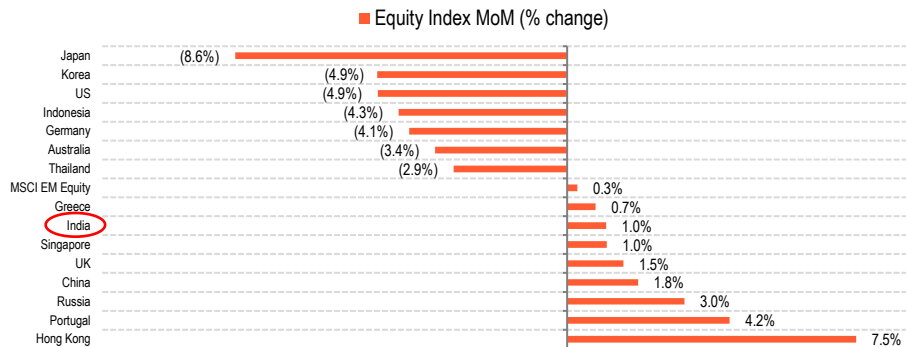
Fig 157 – RBI’s outstanding forwards book at US\$ 9.7bn as of Feb’24



Markets

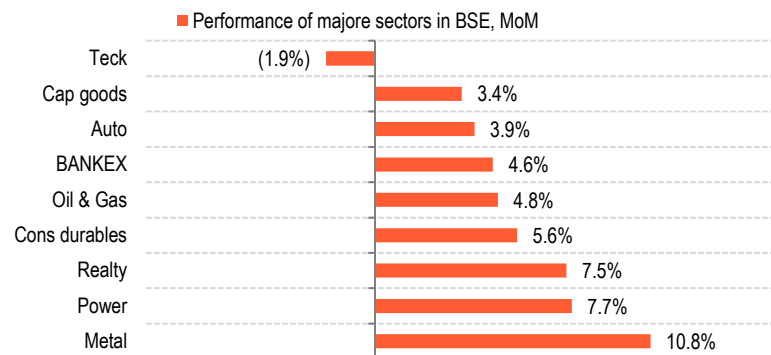
Equity

Fig 158 – In Apr'24, Sensex has risen by 1%



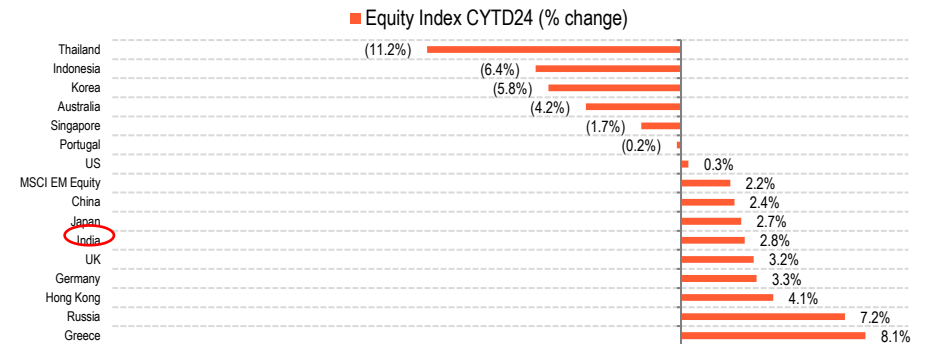
Source: Bloomberg | * As on 30 Apr 2024, Indices are in US\$ terms

Fig 160 – Metal and power stocks rose the most in Apr'24



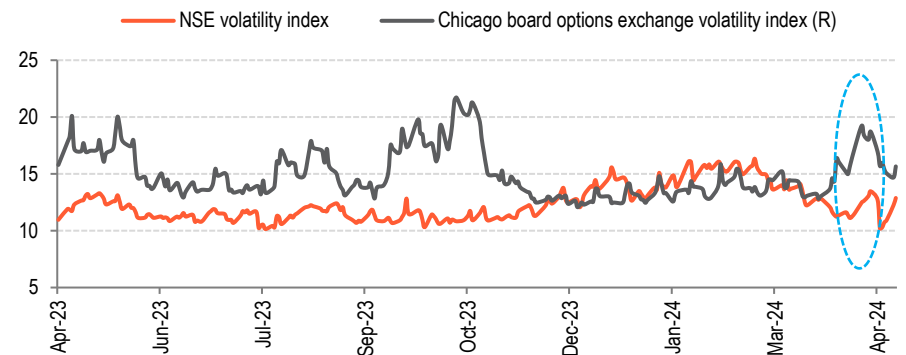
Source: Bloomberg | * As on 30 Apr 2024

Fig 159 – In CYTD24, Sensex rose by 2.8%



Source: Bloomberg | * As on 30 Apr 2024, Indices are in US\$ terms

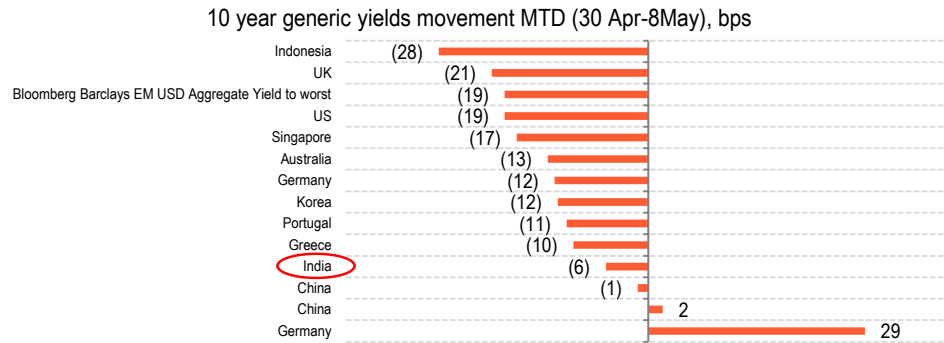
Fig 161 – VIX index inched up to 15.65 in Apr'24 from 13.01 in Mar'24



Source: Bloomberg

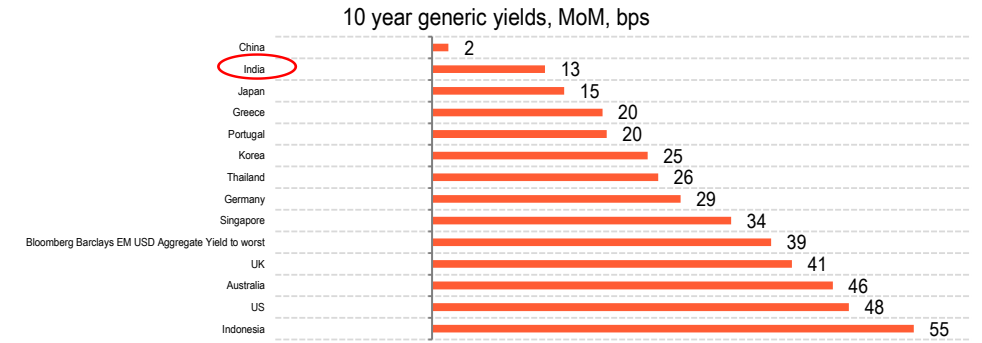
10-year bond yields

Fig 162 – In May'24*, India's 10Y yield has fallen by 6bps



Source: Bloomberg, *As on 8 May 2024

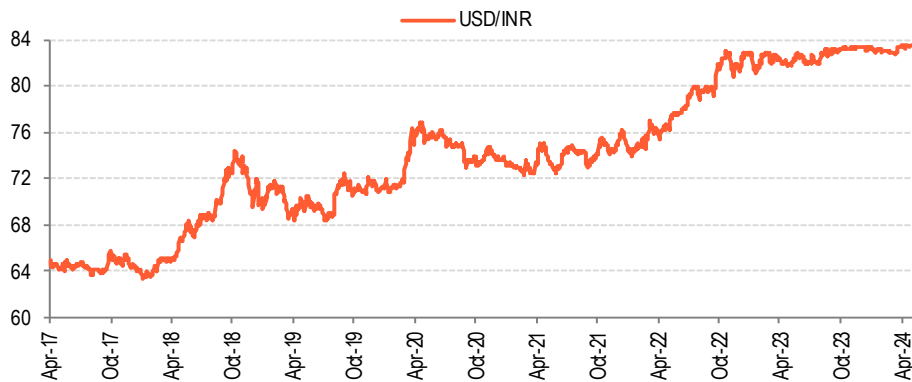
Fig 163 – However, in Apr'24, India's 10Y yield has risen by 13bps



Source: Bloomberg, As on 30 Apr 2024

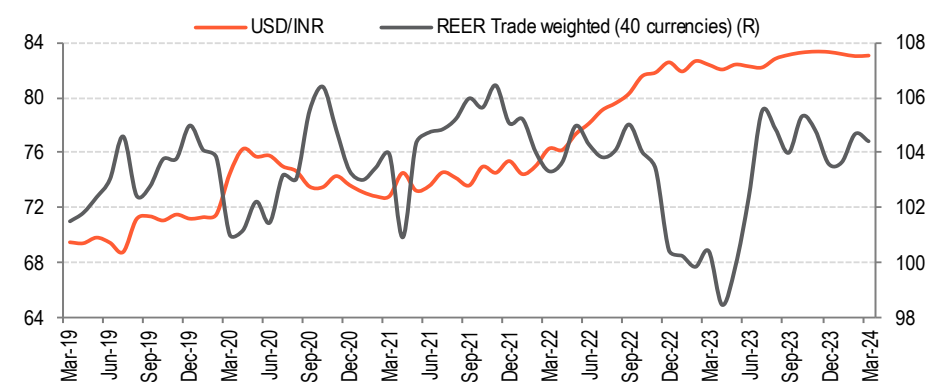
Currencies

Fig 164 – INR was broadly unchanged in Apr'24



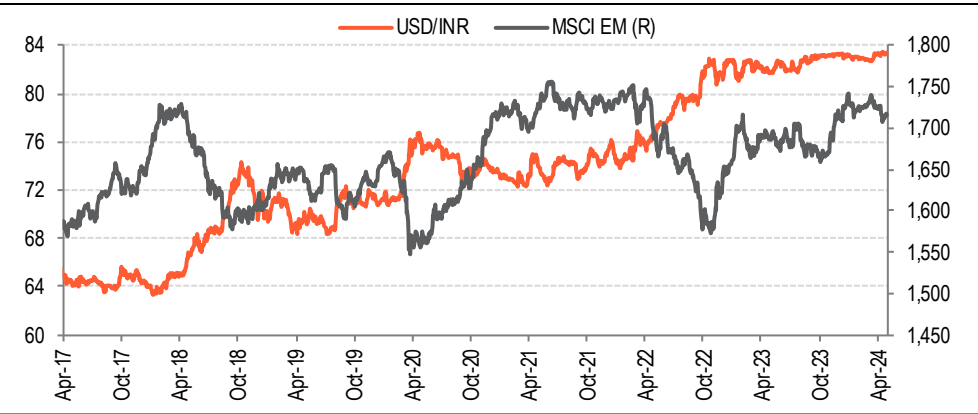
Source: Bloomberg | *As on 30 Apr 2024

Fig 165 – INR overvalued by 4.4% on REER basis (Mar'24)



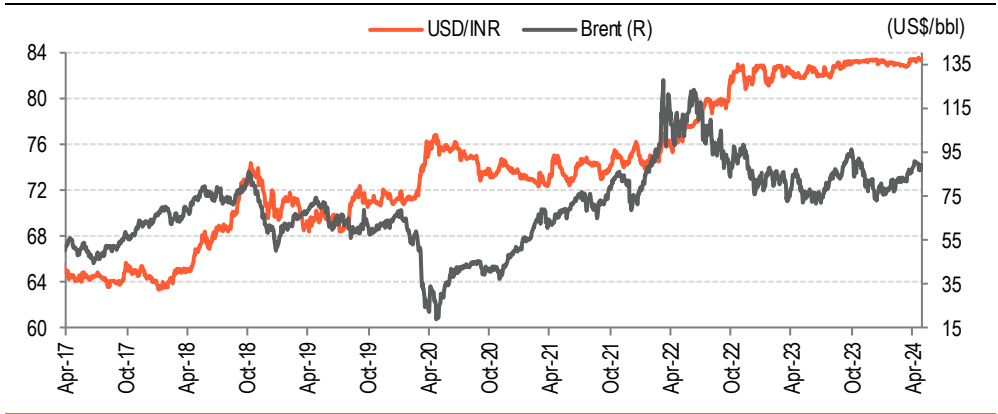
Source: Bloomberg

Fig 166 – EM currencies depreciated against the dollar



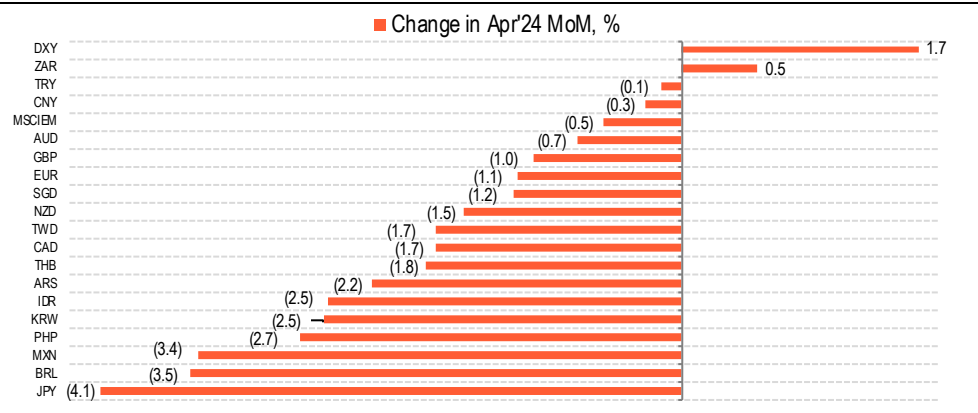
Source: Bloomberg | *As on 30 Apr 2024

Fig 167 – ... as oil prices inched up on an average



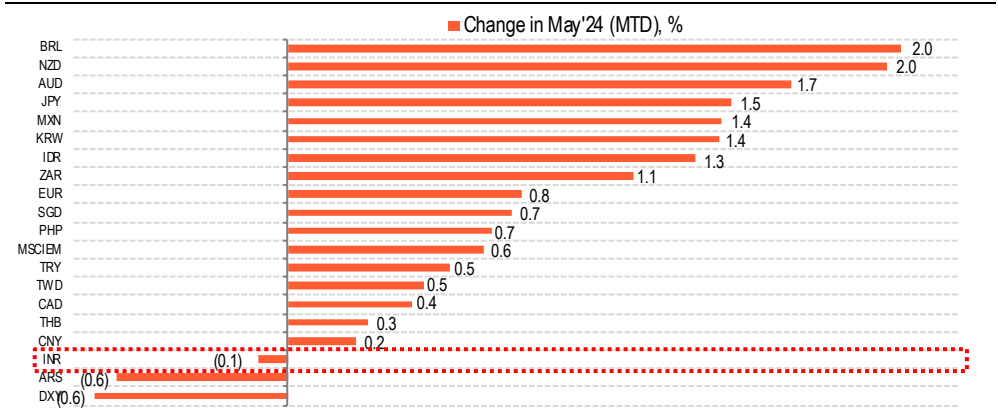
Source: Bloomberg | *As on 30 Apr 2024

Fig 168 – DXY strengthened by 1.7% in Apr'24 amidst a repricing of Fed rate cuts



Source: Bloomberg | *As on 30 Apr 2024

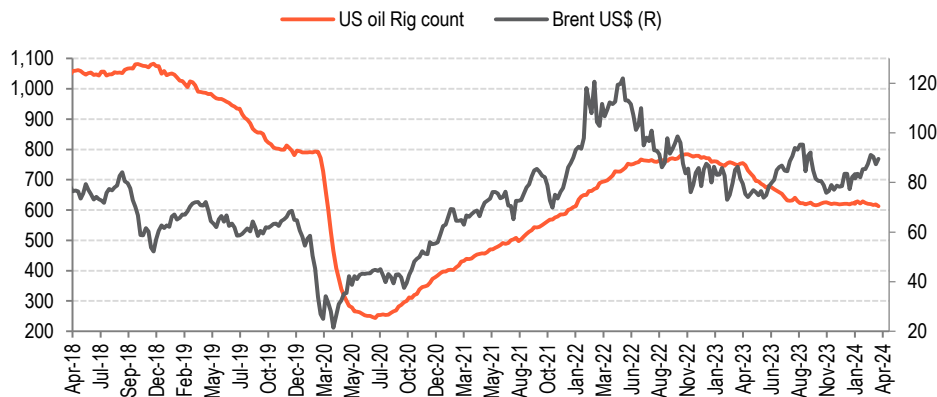
Fig 169 – In May'24, INR has depreciated to a record low



Source: Bloomberg | *As on 9 May 2024

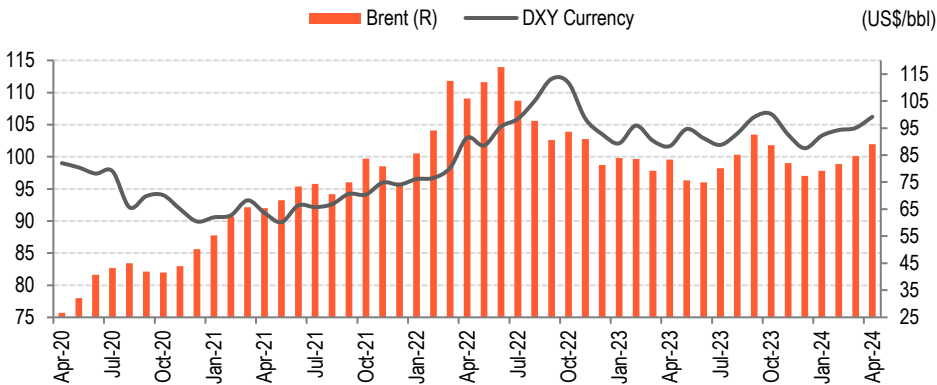
Commodities

Fig 170 – US rig count moderated and Brent prices inched up



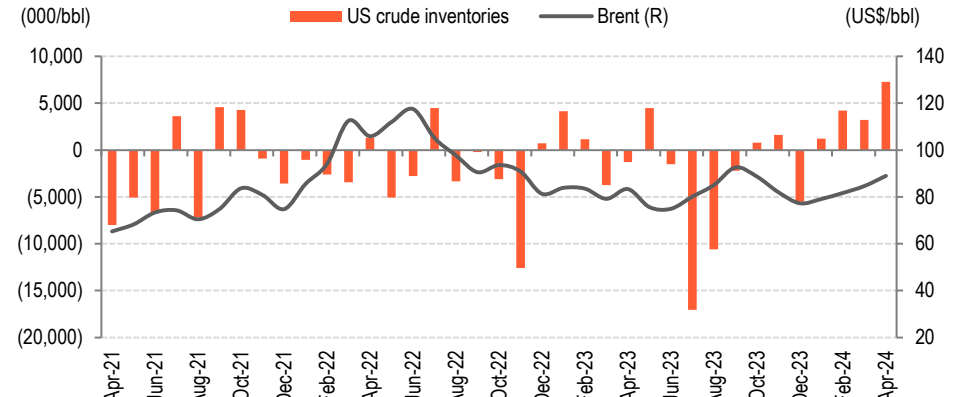
Source: Bloomberg

Fig 172 – Oil prices (average) inched up to US\$ 89/bbl from US\$ 84.7/bbl in Mar'24, DXY also rose to 106.22 from 104.49



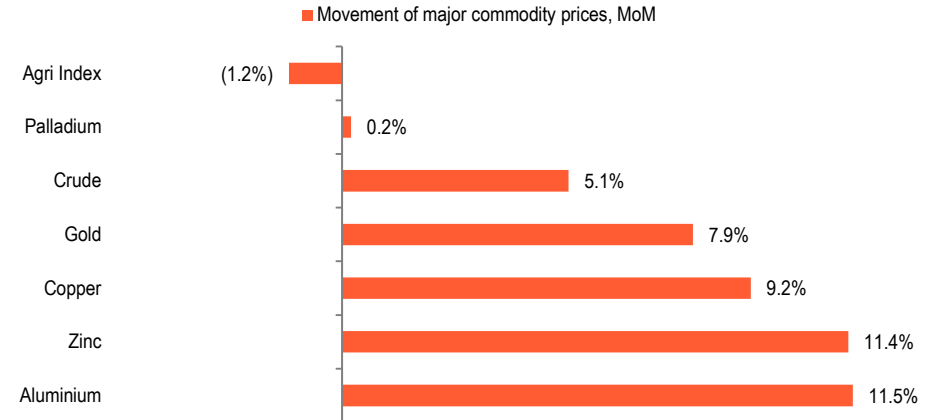
Source: Bloomberg | DXY Index as on last trading day of the month

Fig 171 – Inventory accumulation picked up



Source: Bloomberg

Fig 173 – Commodity prices have broadly risen



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

Fig 174 – Performance of high frequency indicators

Indicators	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
Agriculture													
Tractor sales	(13.0)	(2.4)	(0.7)	0	(4.1)	(15.6)	(5.3)	1.5	(21.3)	(14.5)	(25.7)	(19.5)	-
Two wheeler sales	(7.3)	9.3	6.8	8.2	6.3	21.7	(12.6)	21.1	27.6	15.0	13.3	5.4	-
MNREGA work (HH, MoM)	(3.0)	31.2	4.7	(28.8)	(17.7)	(4.3)	(1.9)	(2.3)	9.0	(5.2)	10.4	(14.8)	36.9
Manufacturing													
IIP: General index	4.6	5.7	3.8	6.0	10.3	6.2	11.6	2.4	4.2	4.1	5.7	-	-
IIP: Manufacturing	5.5	6.3	3.1	5.0	9.3	4.9	10.2	1.2	4.5	3.6	5.0	-	-
IIP: Capital goods	4.4	8.1	2.0	4.5	13.1	8.4	21.3	(1.1)	3.6	3.4	1.2	-	-
IIP: Infra & construction goods	13.4	13.0	13.3	12.6	15.7	10.1	12.6	1.7	5.1	5.5	8.5	-	-
IIP: Consumer goods	(2.3)	1.5	(6.7)	(2.6)	5.8	1.1	15.9	(5.5)	5.3	11.9	12.3	-	-
Steel	16.6	12.0	21.3	14.9	16.3	14.8	13.6	9.8	7.6	8.7	9.1	5.5	-
Cement	12.4	15.9	9.9	6.9	19.7	4.7	17.0	(4.8)	3.8	5.7	9.1	10.6	-
Electricity	(1.1)	0.8	4.2	8.0	15.3	9.9	20.3	5.7	1.2	5.7	7.5	8.0	-
PMI: Manufacturing	57.2	58.7	57.8	57.7	58.6	57.5	55.5	56.0	54.9	56.5	56.9	59.1	58.8
Services													
Services PMI index	62.0	61.2	58.5	62.3	60.1	61.0	58.4	56.9	59.0	61.8	60.6	61.2	60.8
Automobile sales	(4.0)	10.1	9.6	10.0	8.6	20.4	(7.7)	18.5	21.1	15.0	13.1	3.1	26.7
Passenger vehicle sales	(1.3)	4.3	4.8	4.0	6.5	19.0	(1.4)	17.2	2.7	13.3	12.4	(6.2)	15.9
Vehicle registration	(3.3)	10.9	10.5	10.9	9.8	21.3	(6.6)	19.6	22.0	16.1	13.7	3.5	26.4
Rail freight traffic	3.5	1.9	(1.9)	1.5	6.4	6.7	8.5	4.3	6.4	6.4	10.1	-	-
Port cargo volume	2.1	2.6	0.4	4.3	4.4	0.3	13.8	17.0	0.7	3.2	2.4	3.6	1.3
Credit growth	15.5	15.3	18.0	19.5	19.7	17.6	20.4	21.1	20.0	20.3	20.5	20.2	19.0
Deposit growth	9.1	11.4	15.5	12.9	13.2	12.3	13.2	14.2	13.3	13.2	13.1	13.5	13.3
CIC	7.6	6.9	4.9	4.4	4.0	4.1	2.9	4.3	4.0	3.9	3.7	4.1	3.2
Toll collection (in mn)	305.0	335.2	316.1	295.0	308.0	298.9	319.7	320.8	337.2	331.4	323.4	338.7	328.1
Diesel consumption	8.6	12.8	3.0	3.8	5.2	3.8	9.3	(3.1)	(2.4)	3.4	6.3	2.7	1.4
GST E-way bill (in mn)	84.4	88.2	86.1	88.0	93.4	92.0	100.3	87.6	95.3	96.0	97.3	103.5	96.7
External Trade													
Merchandise exports	(12.8)	(10.4)	(18.8)	(10.0)	3.5	(2.8)	5.8	(3.2)	0.8	4.3	11.8	(0.7)	-
Merchandise imports	(15.5)	(6.0)	(16.8)	(16.1)	0.7	(14.0)	9.6	(4.3)	(4.8)	1.0	12.2	(6.0)	-
Services exports	7.4	7.7	3.5	8.1	8.4	(2.7)	10.9	4.4	1.4	10.8	3.5	(1.4)	-
Services imports	(3.1)	2.0	(3.4)	(2.2)	(0.8)	(10.3)	(0.4)	(11.1)	(1.2)	0.1	1.8	(2.1)	-

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

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