

India Economics

Monthly Chartbook

November 2020

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Important disclosures are provided at the end of this report.



India's recovery gains traction

India's economic recovery gained steam as seen in improvement in GST collections, electricity demand, vehicle sales, freight movement and PMIs. However, government revenues continue to be constrained due to lower tax and non-tax collections thus impacting general government spending, in particular capex spending. State government borrowings are rising to bridge the gap between revenue and expenditure. RBI's SDL OMOs have led to reduction in spread of SDLs over G-sec. Surplus liquidity along with RBI's forward guidance has led to reduction in 10Y yield and sharp contraction in credit risk well below historical levels.

Gradual recovery continues: Indian economy's gradual recovery continued with improvement in electricity demand (+5.3%), GST collections (+10.2%), 4-wheeler output (+28.9%), rail freight along with uptick in non-oil-non-gold imports. Manufacturing and services PMI too are showing acceleration in underlying activity in Oct'20. Consumers also seem to be more confident a year ahead, as seen in RBI's consumer confidence. Terms of trade for farm produce, domestic as well as international, continues to improve. Farm wages are accelerating. The risk to recovery remains any inching up of Covid-19 cases.

Fiscal deficit sticky on the higher end: General government fiscal deficit (12M sum basis) fell to 10.5% in Sep'20 from 10.7% in Aug'20 with deceleration in general government spending. Most of the easing was seen in Sep'20 as spending eased to 5.4% in Sep'20 from 10.7% in Aug'20 (12MMA basis). Centre's spending is now lower by 0.6% and spending by states is up by only 1%. While capital spending by centre has

fallen by 11.6%, that of states has dropped by 23.1%. Revenues continue to be under pressure with centre seeing 38.6% decline in net revenue and states reporting a 21.1% fall in tax revenues. To meet the gap, gross market borrowings of centre and states (dated securities) have risen by ~49% on FYTD basis (till Oct'20). Centre's short term borrowings are also significantly up.

Inflationary pressures persist: CPI inflation edged up further to an 8-month high at 7.34% in Sep'20 led by higher vegetable prices. RBI expects inflation to soften to 5.4% in Q3FY21 and to 4.5% in Q4, above its target, with risks tilted to the upside. Inflation in Oct'20 is estimated at 6.9% (BoB estimate). High negative real rates imply limited room for RBI to cut policy rate. India's 10Y yield fell by 13bps in Oct'20 following RBI's forward guidance of accommodative stance well into next year and additional liquidity support for centre and state borrowings.

Appreciating bias for INR: INR depreciated by 0.5% in Oct'20 even as FII inflows picked up to US\$ 3bn. Oil prices were also on an average lower in Oct'20. The decline in INR was on the back of a stronger US\$ amidst uncertainty over US elections, fiscal stimulus and rising Covid-19 cases globally. Notwithstanding the volatility seen in Nov'20, we expect an appreciating bias for INR in the near-term supported by rangebound trade deficit, lower oil prices and strong FII/FDI inflows.

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

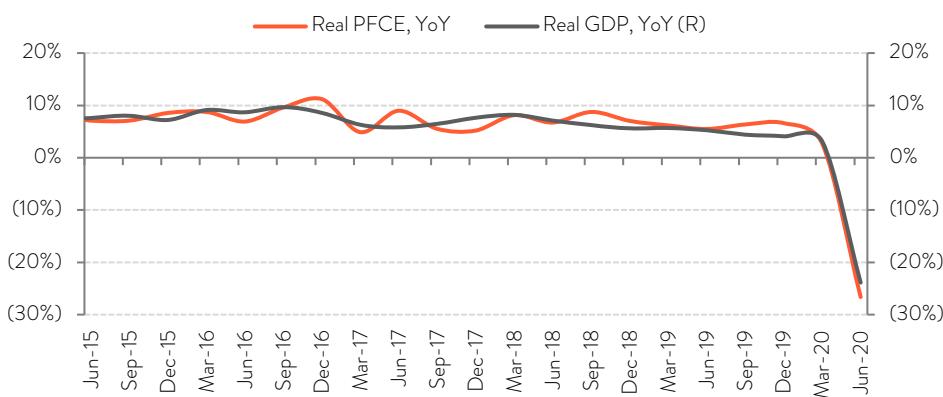


FIG 3 – GENERAL GOV REVENUE SPENDING DROPS SHARPLY IN SEP'20

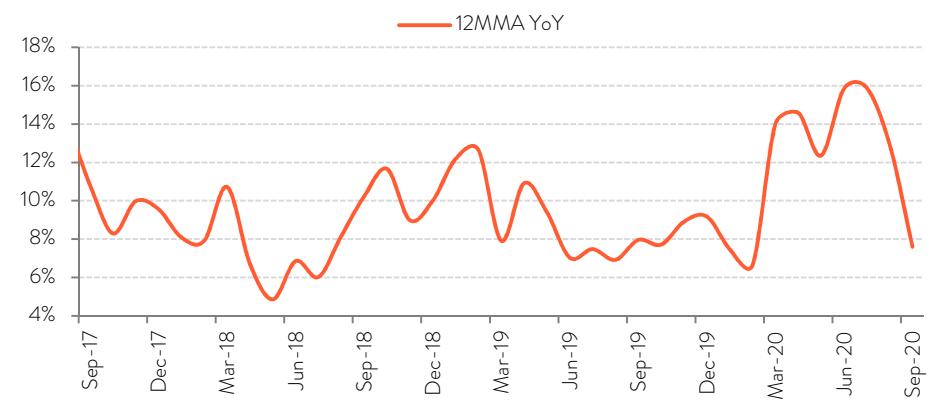


FIG 2 – GOVERNMENT CONSUMPTION IMPROVES

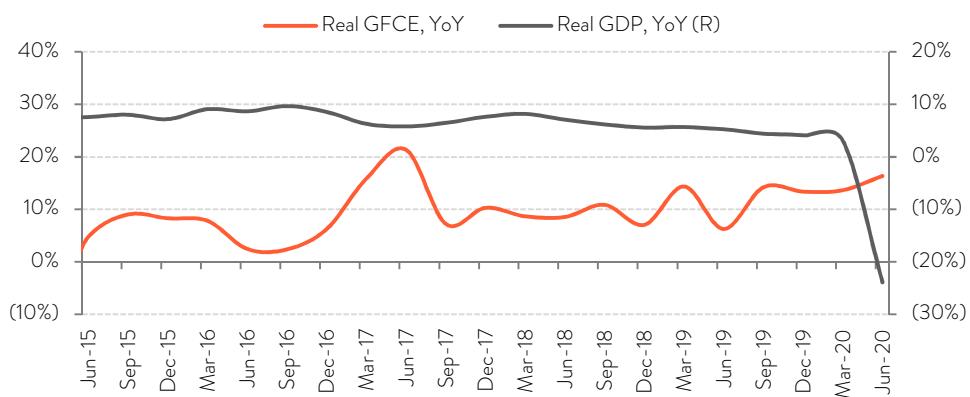
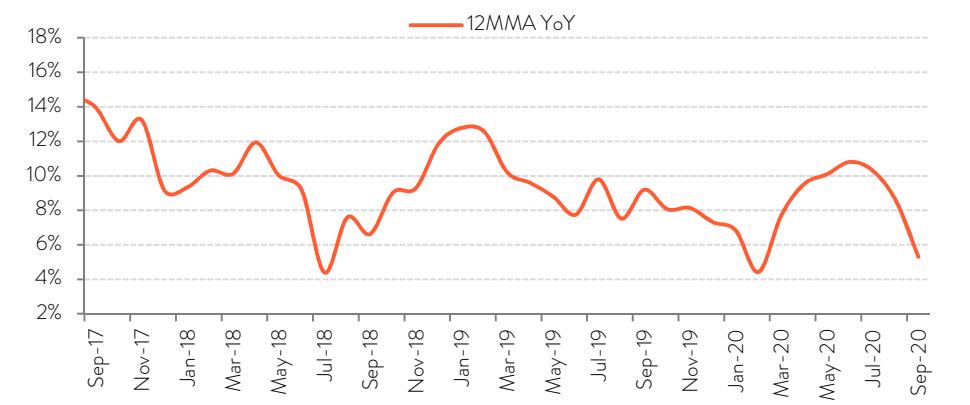


FIG 4 – STATE* GOV REVENUE SPENDING TOO DROPS IN SEP'20



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

Non-oil imports, electronic imports

FIG 5 – NON-OIL-NON-GOLD IMPORTS CONTINUE TO IMPROVE

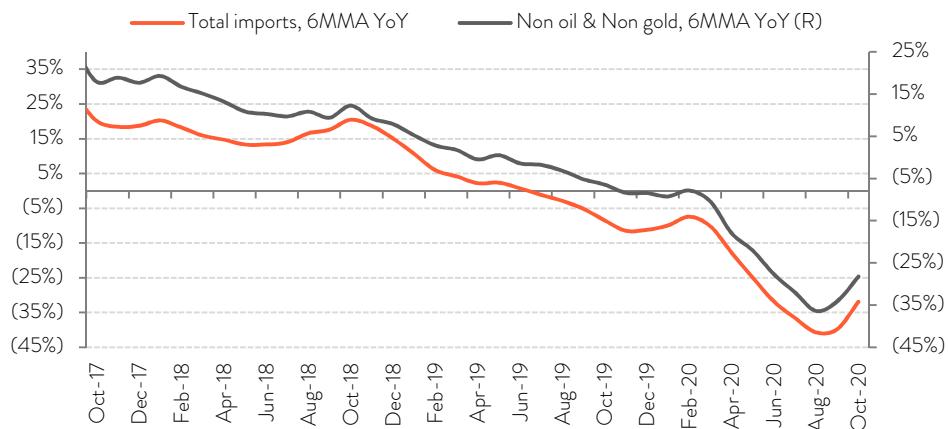


FIG 7 – PASSENGER CAR SALES ACCELERATE FURTHER

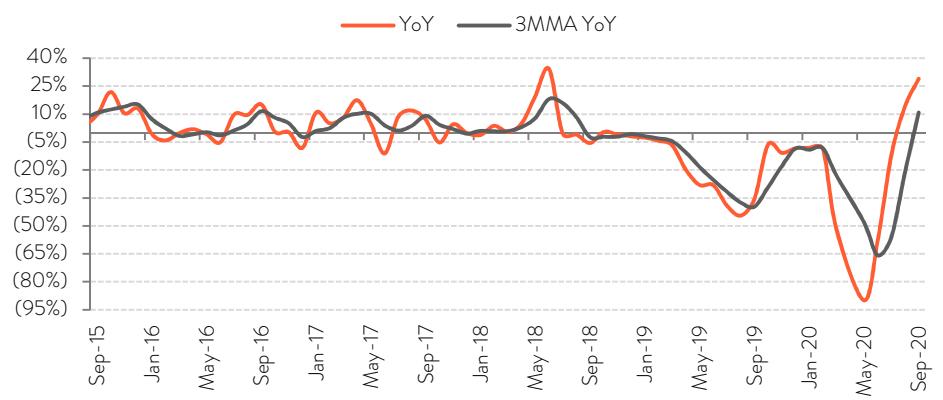


FIG 6 – ELECTRONIC IMPORTS TOO RISE IN OCT'20

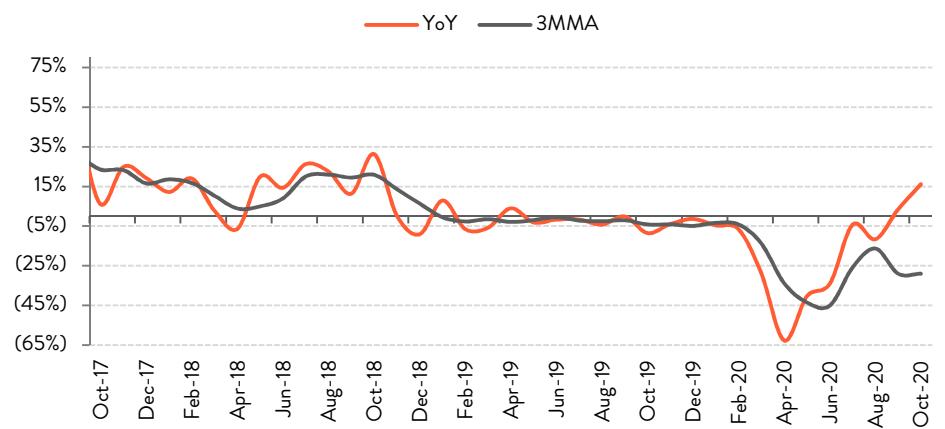
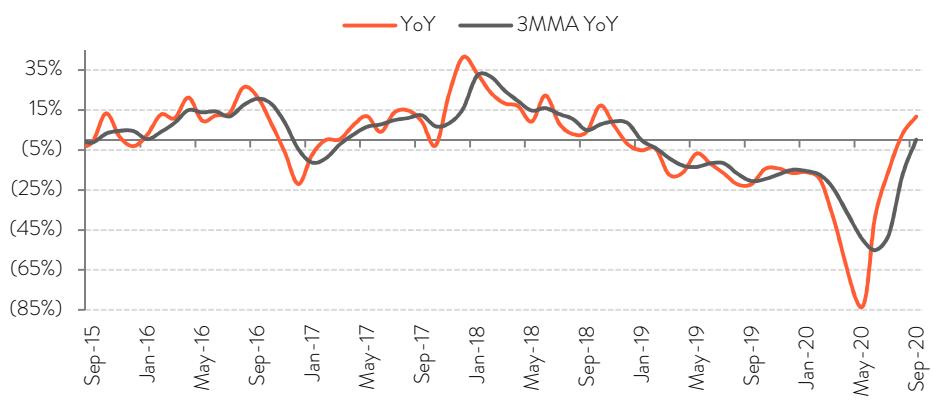


FIG 8 – TWO-WHEELER SALES TOO ROSE IN SEP'20



Credit deployment of personal loans

FIG 9 – GROWTH IN CREDIT CARD OUTSTANDING SLOWS

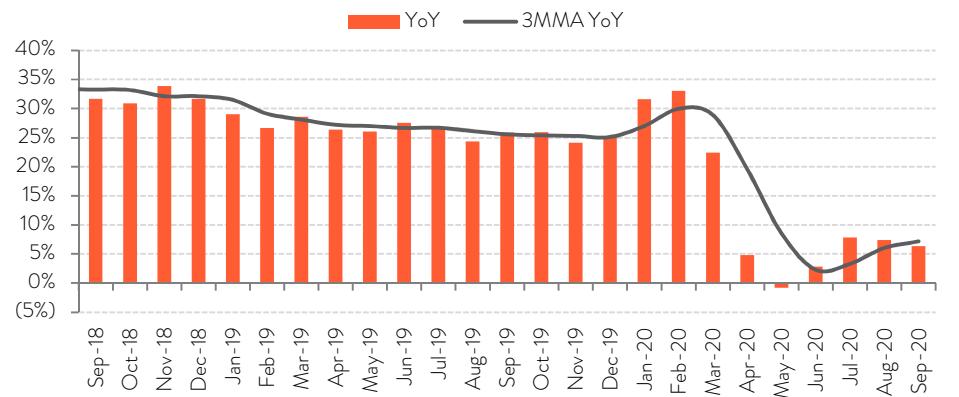


FIG 11 – GROWTH IN VEHICLE LOAN INCHES UP

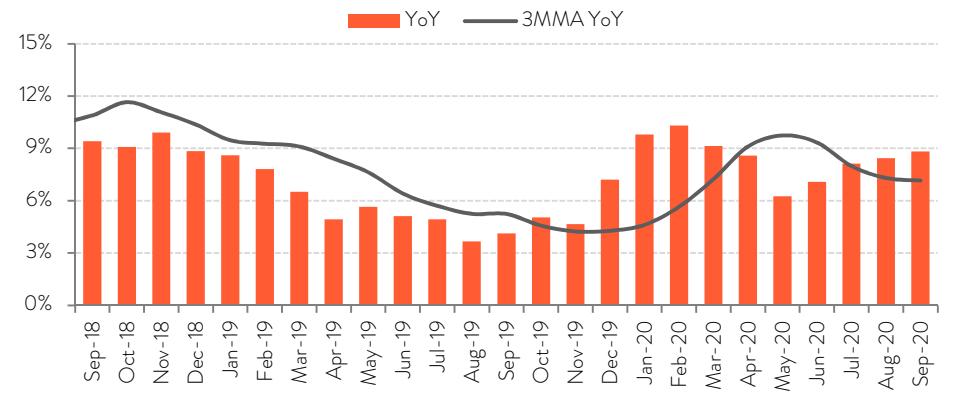


FIG 10 – GROWTH IN PERSONAL LOAN MODERATES

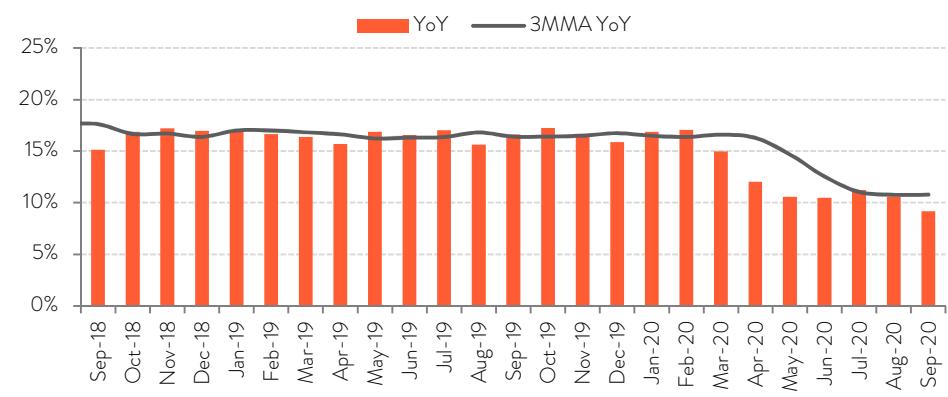
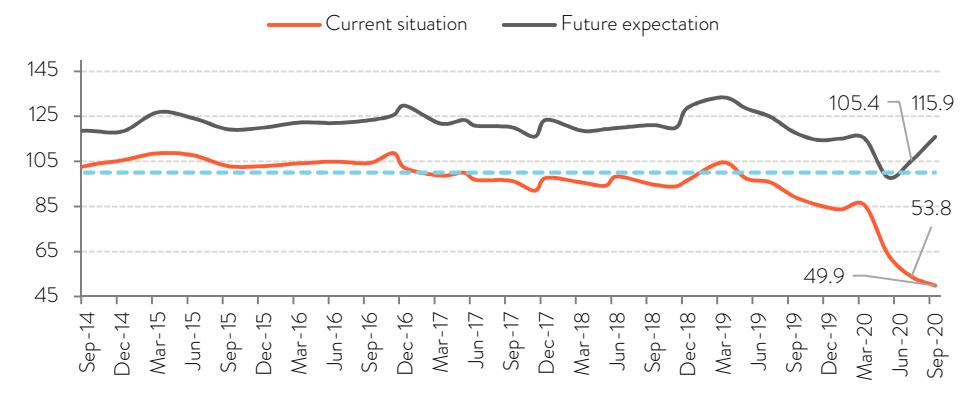
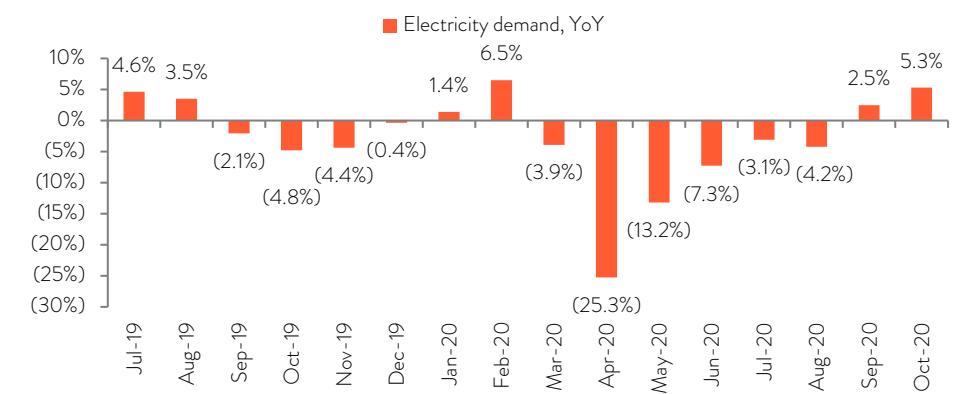


FIG 12 – CONSUMER CONFIDENCE DROPS TO A RECORD LOW



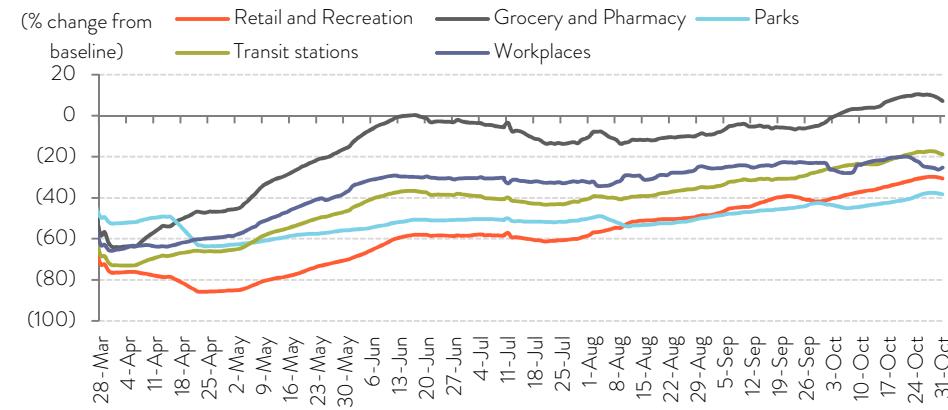
Electricity Demand, Digital Payments, COVID cases, Google mobility Index

FIG 13 – ELECTRICITY DEMAND IMPROVES FURTHER IN OCT'20



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

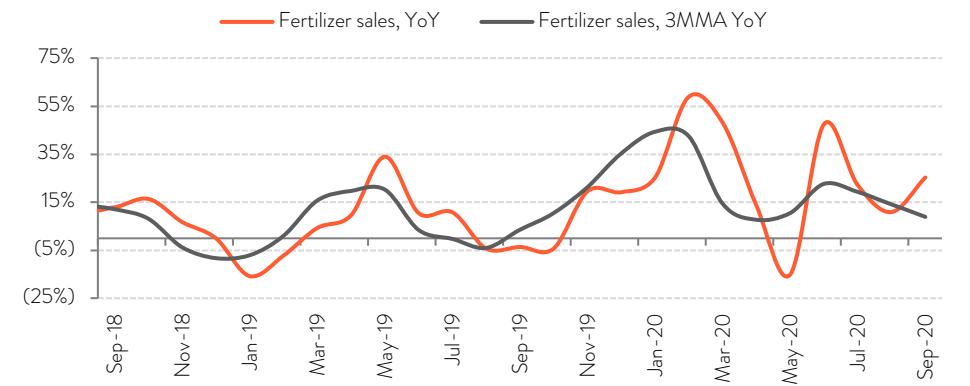
FIG 15 – GOOGLE MOBILITY INDEX INCHES UP FOR WORKPLACES; DIPS FOR GROCERY



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 17 – FERTILIZER SALES DROPS IN SEP'20



Consumer durables & non-durables production

FIG 19 – CONSUMER DURABLES OUTPUT CONTINUES TO IMPROVE

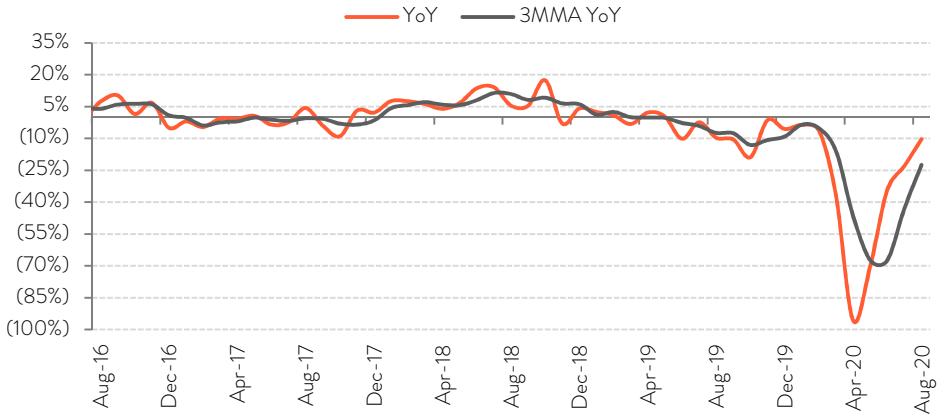
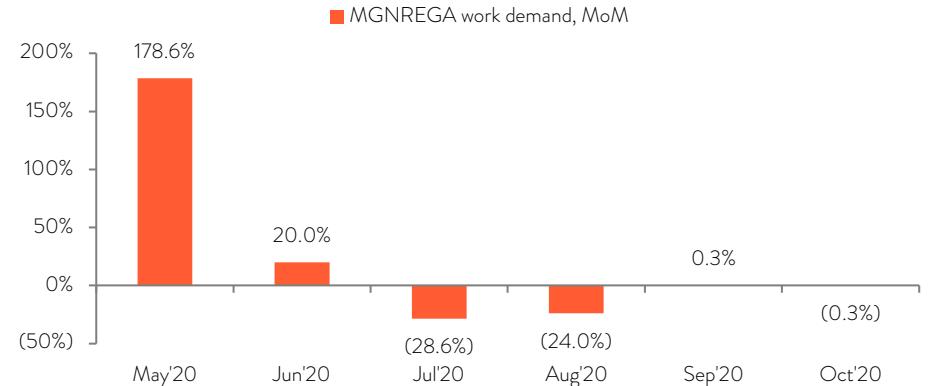
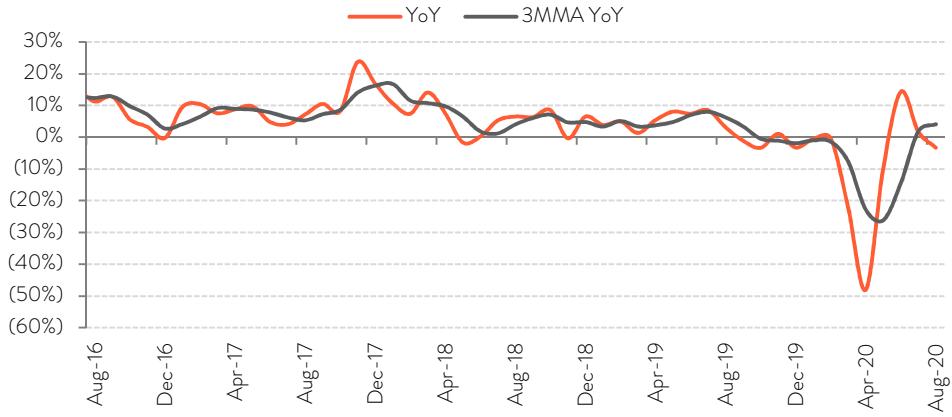


FIG 18 – MGNREGA WORK DEMAND SLOWS IN OCT'20



Source: MGNREGA

FIG 20 – FMCG OUTPUT DECLINES IN AUG'20



Agriculture

FIG 21 – AGRICULTURE GROWTH MODERATED IN Q1FY21 (3.4% VS 5.9% IN Q4FY20)

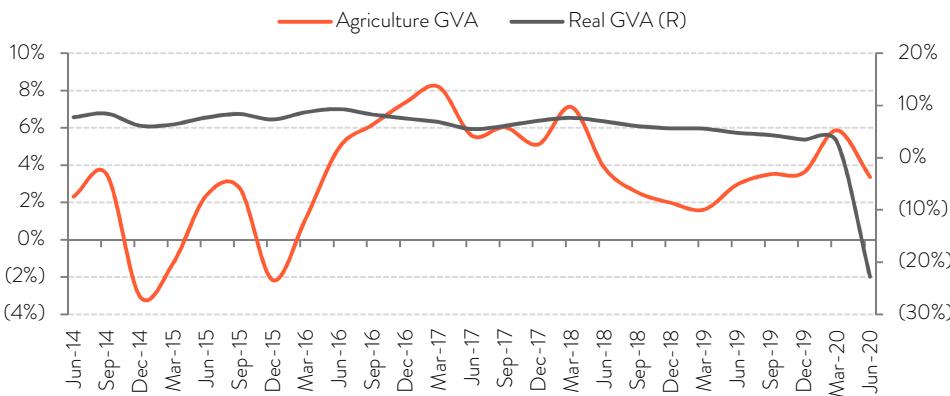


FIG 23 – GROWTH IN AGRICULTURE CREDIT REBOUNDS IN SEP'20

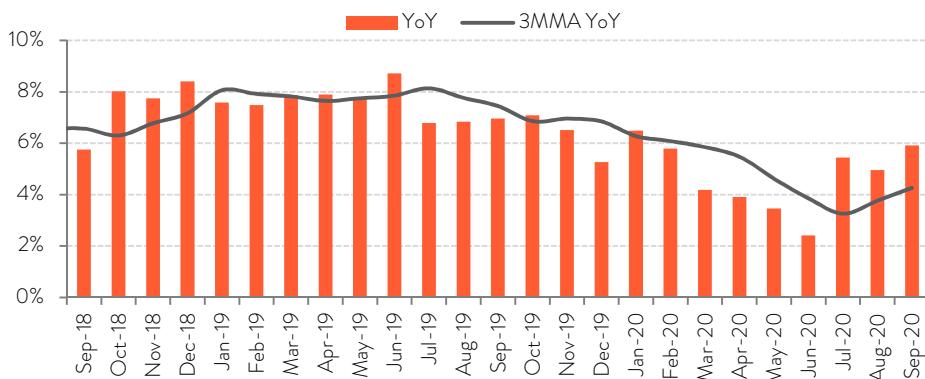


FIG 22 – GROWTH IN TRACTOR SALES MODERATES

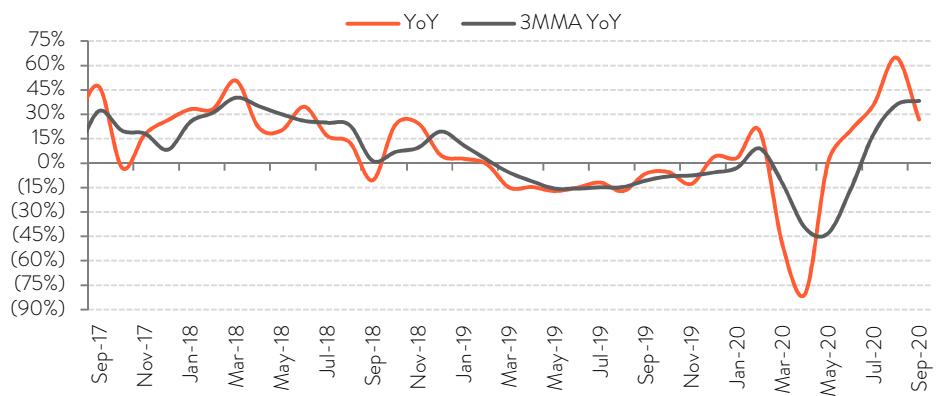
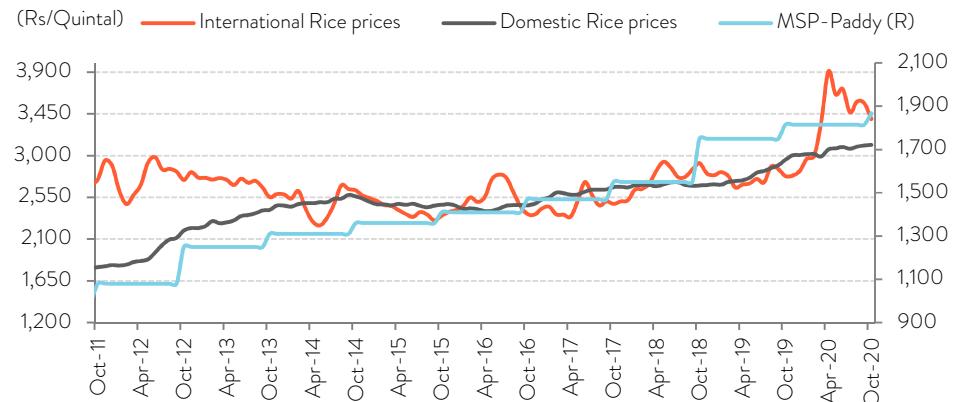


FIG 24 – PROCUREMENT INCREASING, LED BY RICE

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	51.37*
2020-21	38.98*	-

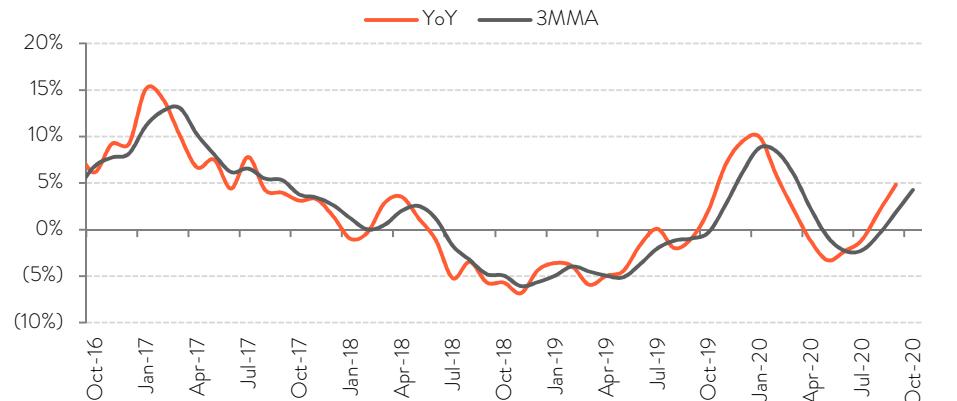
Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 30 Sep 2020

FIG 25 – DOMESTIC PRICE OF RICE HAS RISEN, INTERNATIONAL PRICES HAVE FALLEN



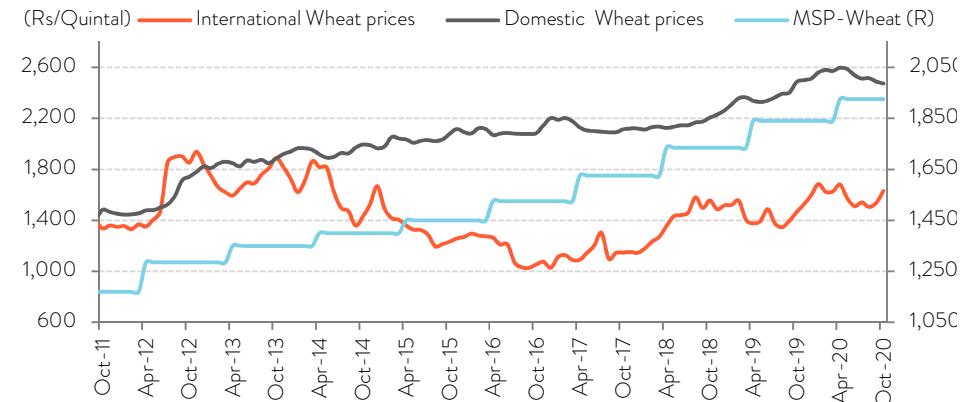
Source: World Bank

FIG 27 – GLOBAL FOOD PRICES RISE FURTHER



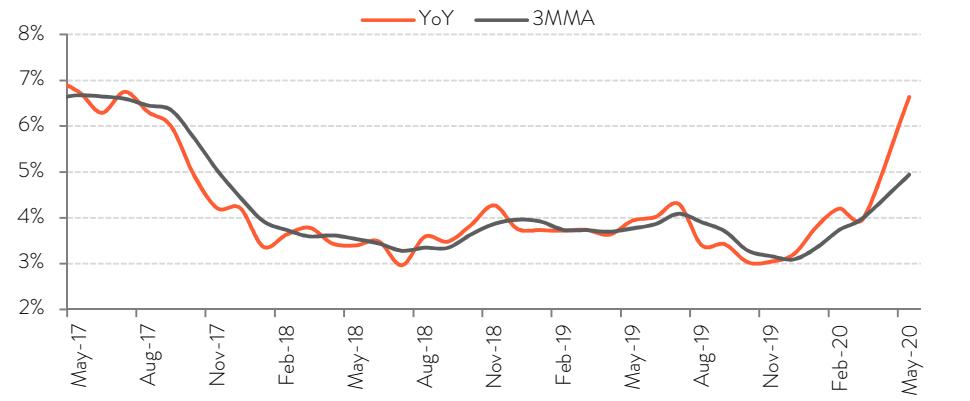
Source: FAO

FIG 26 – WHILE INTERNATIONAL PRICE OF WHEAT CONTINUES TO RISE, DOMESTIC PRICE HAS BEEN MODERATING



Source: World Bank

FIG 28 – WAGE GROWTH (MEN) IMPROVES



Inflation

FIG 29 – RETAIL INFLATION ROSE TO AN 8-MONTH HIGH AT 7.3% IN SEP'20 FROM 6.7% IN AUG'20

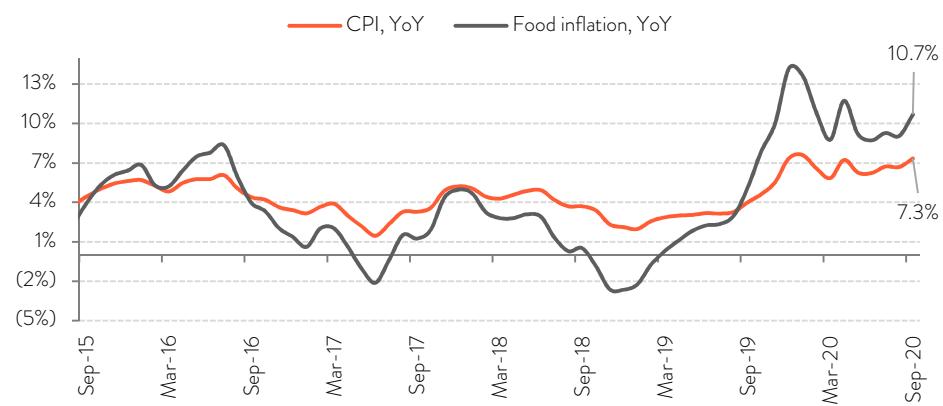
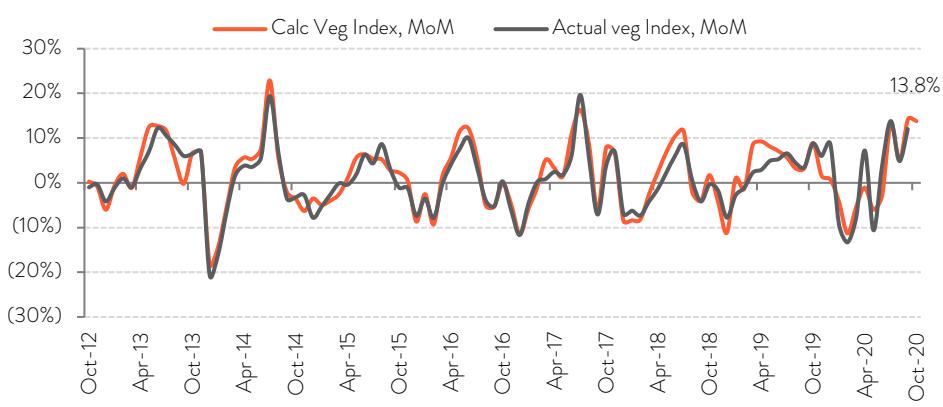


FIG 31 – VEGETABLE PRICES INCREASED BY 13.8% ON MOM BASIS IN OCT'20 AS WELL



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

FIG 30 – FOOD INFLATION ROSE SHARPLY TO 10.7% FROM 9.1% IN AUG'20 LED BY VEGETABLES AND MEAT AND FISH

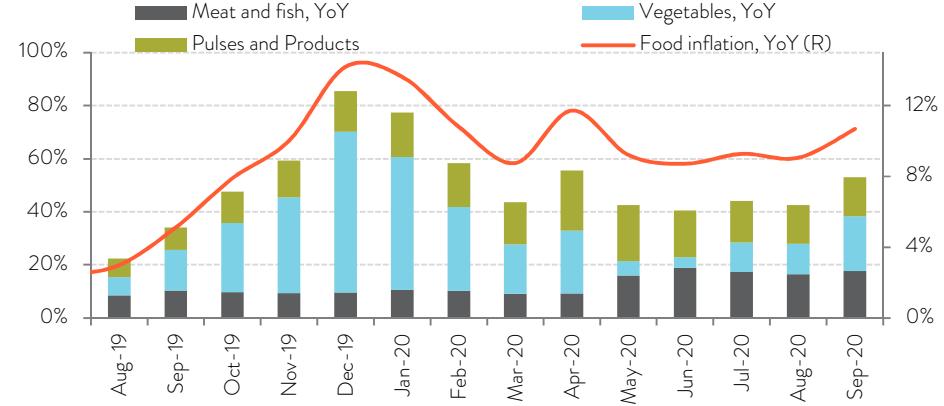


FIG 32 – CPI EXCL. FOOD AND FUEL EASED BY 10BPS TO 5.7% IN SEP'20 FROM 5.8% IN AUG'20

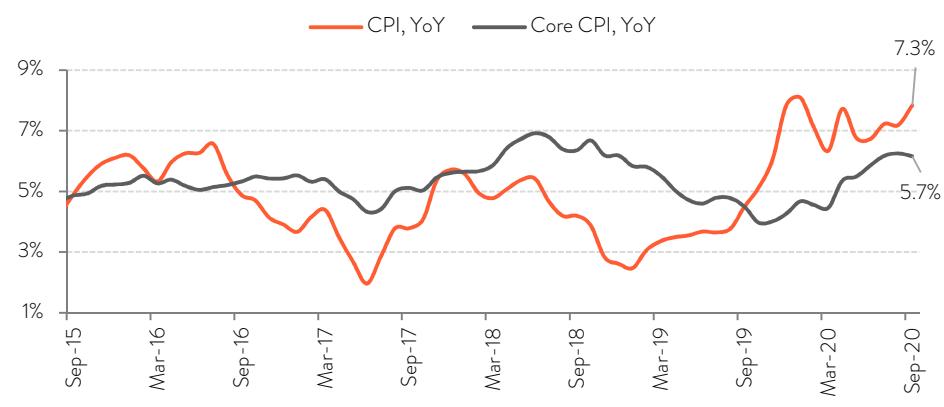


FIG 33 – ...LED BY PERSONAL CARE AND EFFECTS

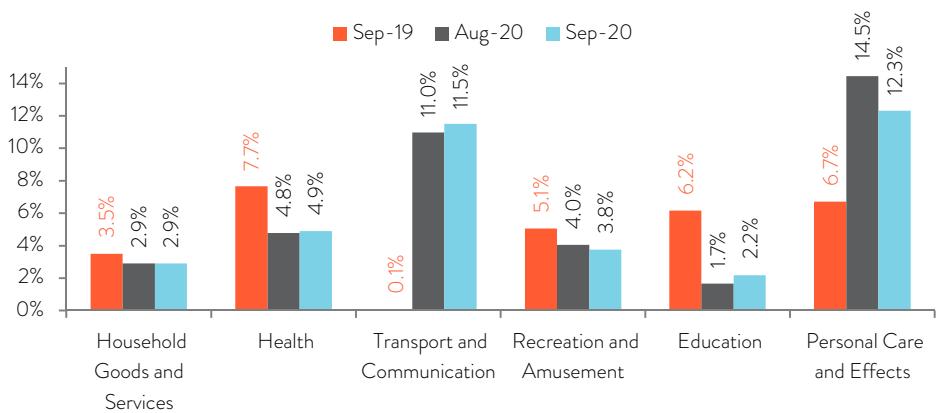


FIG 35 – HOUSEHOLDS EXPECT INFLATION TO COOL-OFF IN 1-YEAR AHEAD PERIOD FROM CURRENT LEVELS

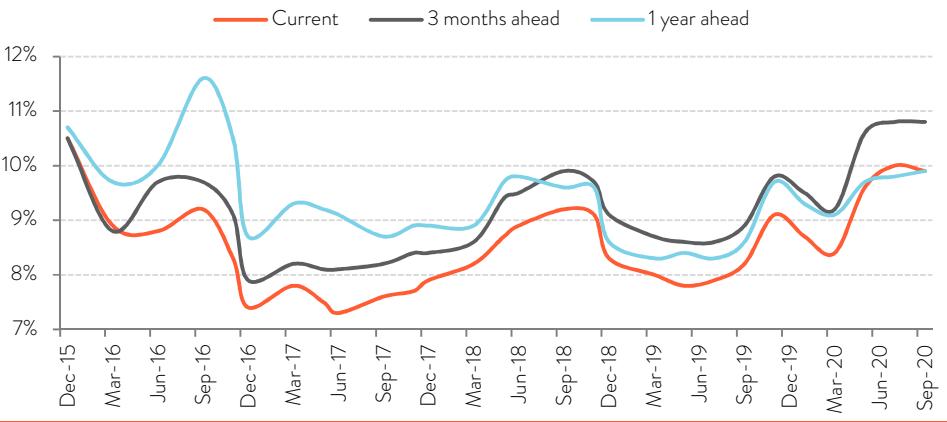
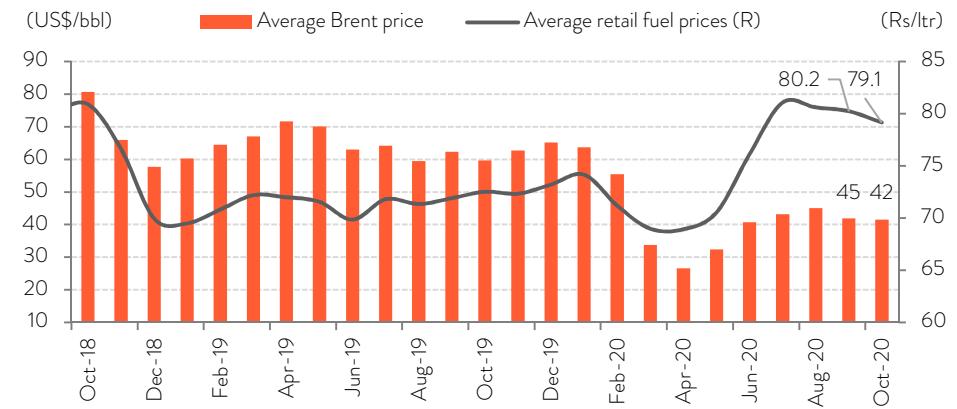
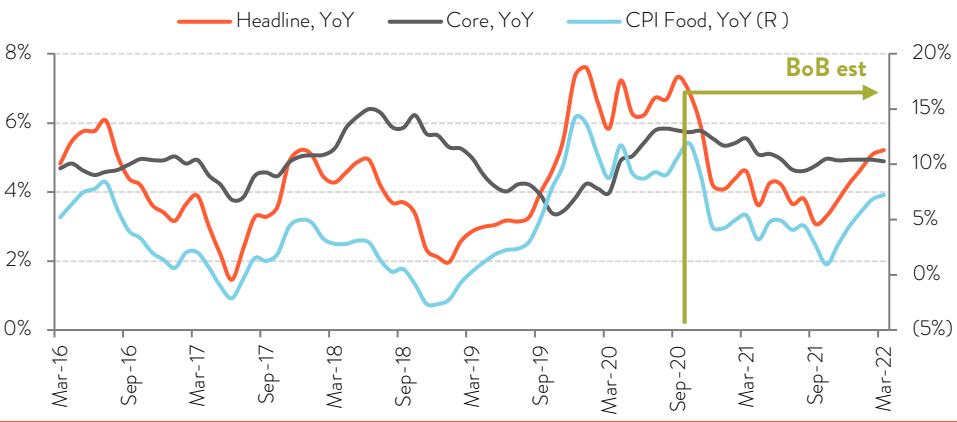


FIG 34 – IN OCT'20, RETAIL FUEL PRICES MODERATED TO RS 79.1/LT (RS 80.2/LT IN SEP'20); AND CRUDE FELL TO US\$ 42/BBL FROM US\$ 45/BBL



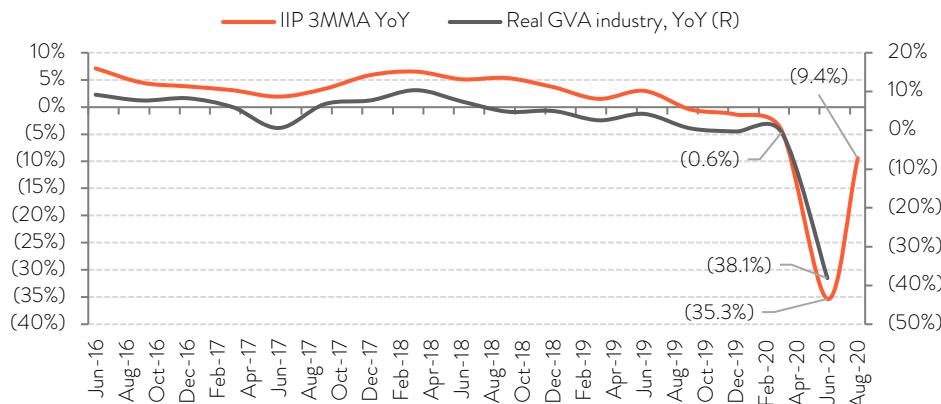
Note: *Average retail price of Delhi, Kolkata, Mumbai and Chennai

FIG 36 – WE EXPECT HEADLINE CPI TO BEGIN COOLING OFF IN H2FY21



Industry

FIG 37 – INDUSTRIAL OUTPUT SHOWCASING EARLY SIGNS OF RECOVERY



Note: IIP for Jul-Aug'20 is average on YoY basis

FIG 39 – CAP GOODS REBOUNDS

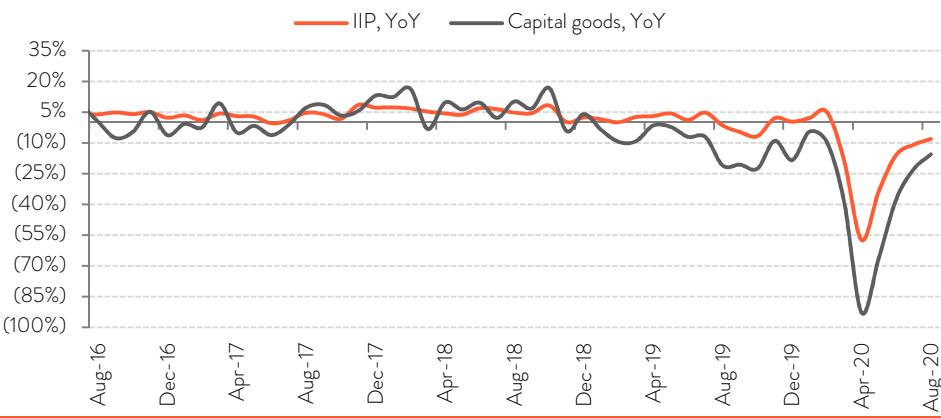


FIG 38 – BROAD BASED SLOWDOWN ON FYTD BASIS

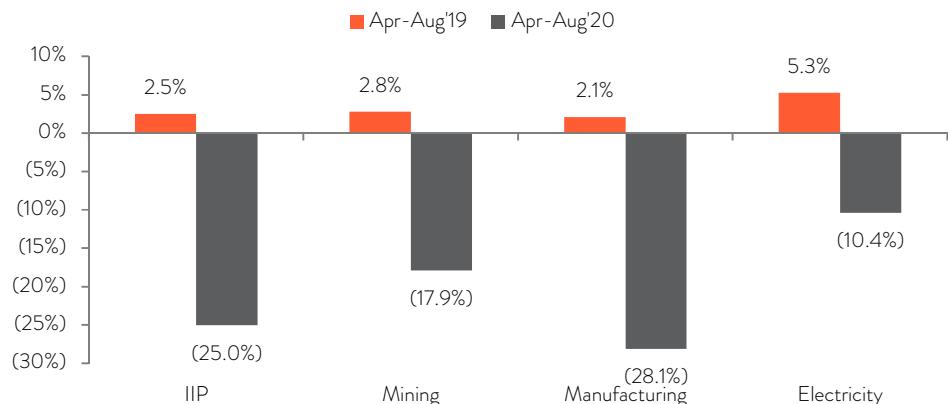


FIG 40 – CONSUMER DURABLES GOODS TOO DOING THE SAME

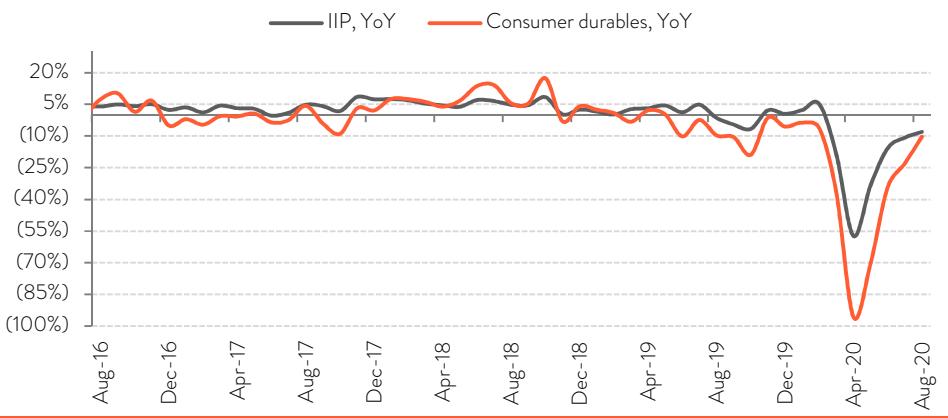
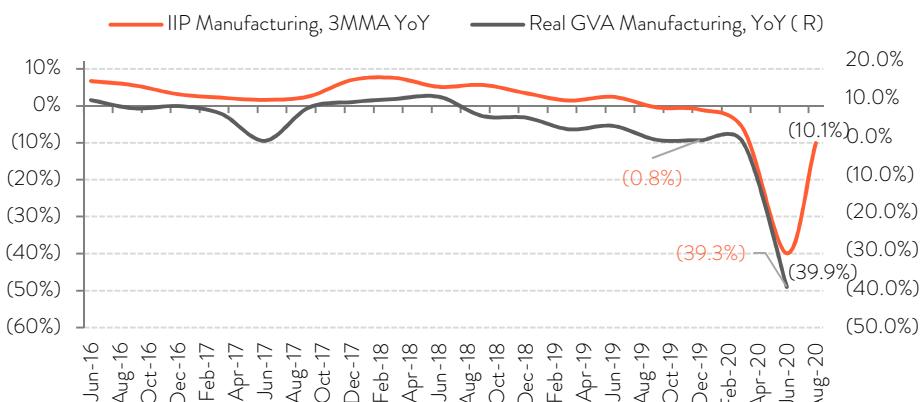


FIG 41 – INDUSTRIAL PRODUCTION CONTINUES TO IMPROVE GRADUALLY

Sectoral (%)	Weight	Aug-20	Jul-20	Aug-19	Apr-Aug'20	Apr-Aug'19
IIP	100.0	(8.0)	(10.8)	(1.4)	(25.0)	2.5
Mining	14.4	(9.8)	(12.8)	0.0	(17.9)	2.8
Manufacturing	77.6	(8.6)	(11.6)	(1.7)	(28.1)	2.1
Electricity	8.0	(1.8)	(2.5)	(0.9)	(10.4)	5.3
Use-Based						
Primary Goods	34.1	(11.1)	(10.8)	1.0	(16.5)	2.5
Capital Goods	8.2	(15.4)	(22.8)	(20.9)	(46.9)	(7.7)
Intermediate Goods	17.2	(6.8)	(11.7)	7.3	(29.0)	10.1
Infrastructure and Construction Goods	12.3	(2.3)	(8.6)	(5.7)	(30.7)	(0.3)
Consumer Durables Goods	12.8	(10.3)	(23.0)	(9.7)	(46.7)	(4.0)
Consumer Non-Durables Goods	15.3	(3.3)	1.8	3.1	(9.0)	6.5

Manufacturing

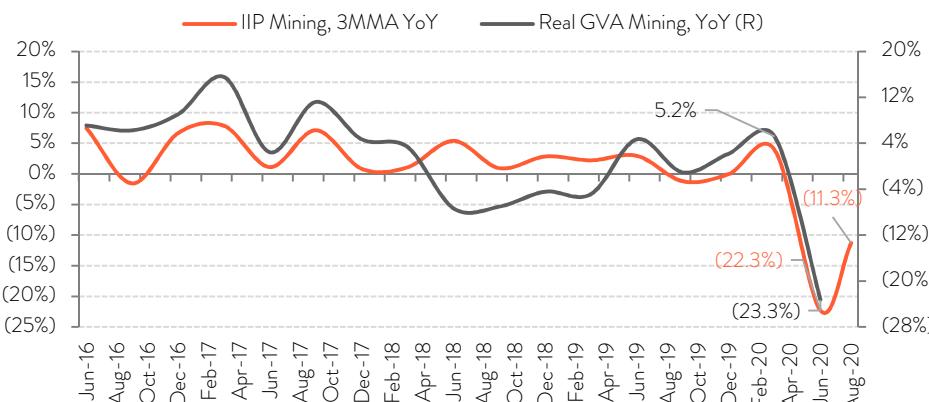
FIG 42 – GRADUAL RECOVERY SEEN IN MANUFACTURING OUTPUT



Note: IIP for Jul-Aug'20 is average on YoY basis

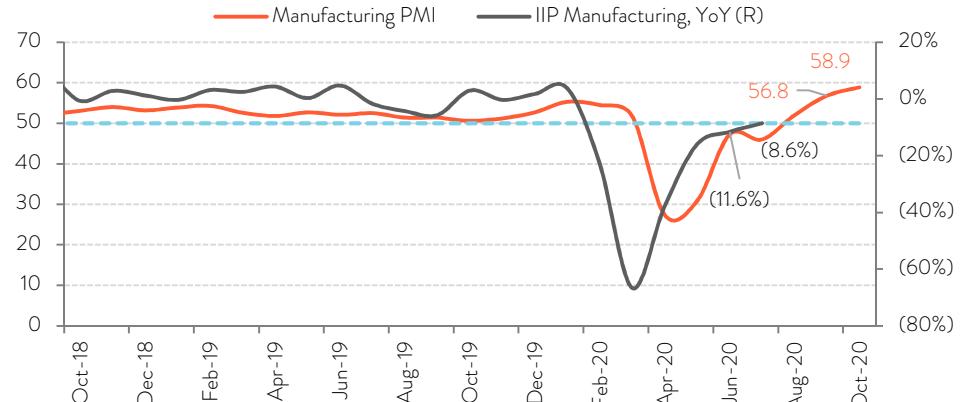
Mining & Electricity

FIG 44 – MINING ACTIVITY SHOWING SOME SIGNS OF IMPROVEMENT



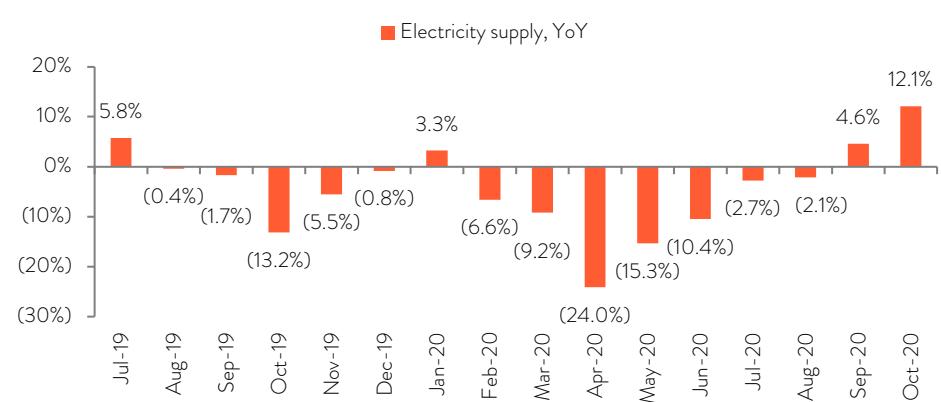
Note: IIP for Jul-Aug'20 is average on YoY basis

FIG 43 – MANUFACTURING PMI CLIMBS TO A 13-YEAR HIGH



Source: Markit

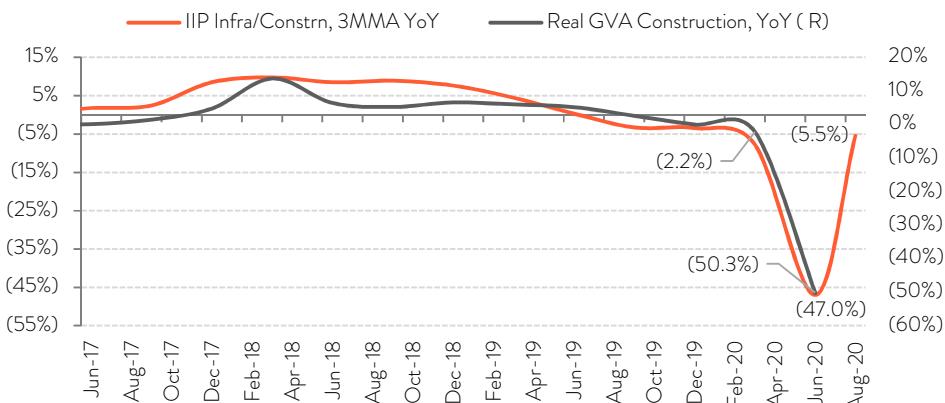
FIG 45 – ELECTRICITY OUTPUT ACCELERATES



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

Infrastructure and Construction

FIG 46 – GROWTH IN CONSTRUCTION IMPROVES



Note: IIP for Jul-Aug'20 is average on YoY basis

Infrastructure Index

FIG 48 – INFRA INDEX IMPROVES IN SEP'20

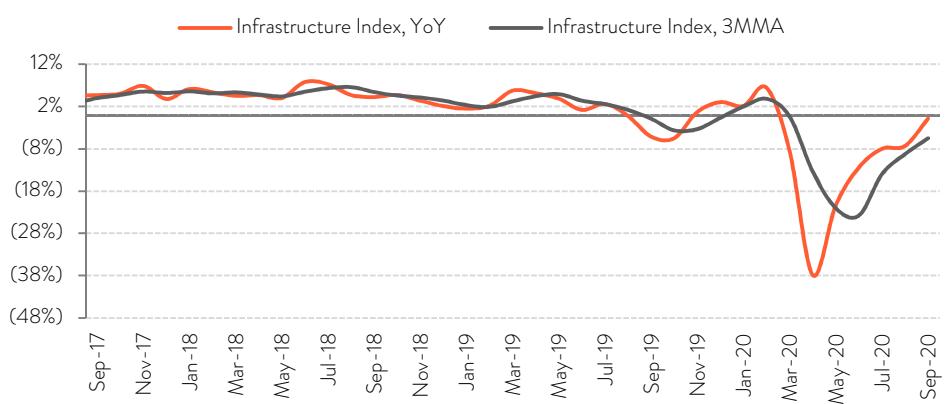


FIG 47 – STEEL PRODUCTION BACK IN POSITIVE TERRITORY

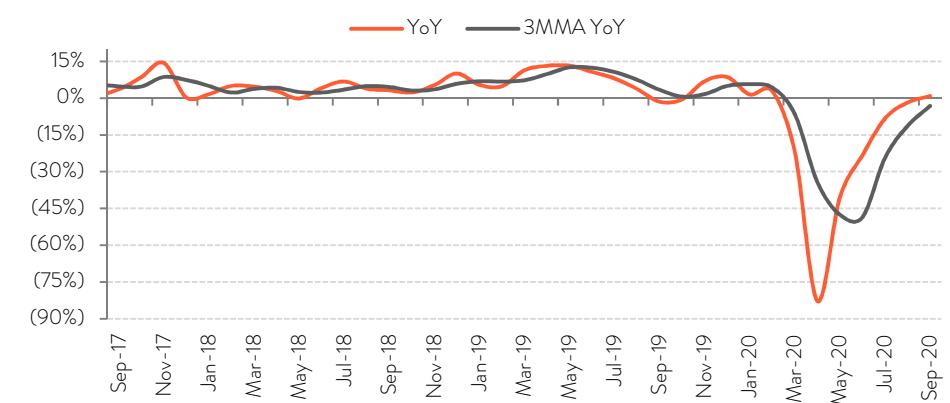
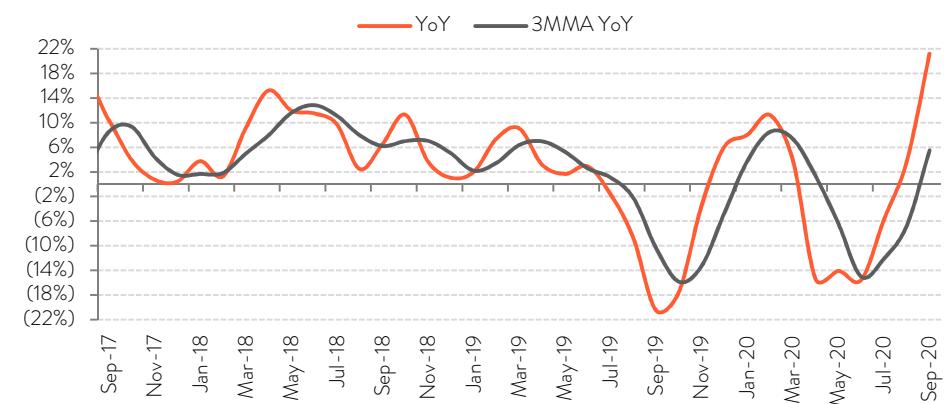


FIG 49 – DOUBLE DIGIT IMPROVEMENT IN COAL OUTPUT



Auto production & Business expectation index

FIG 50 – AUTO PRODUCTION CONTINUES TO IMPROVE

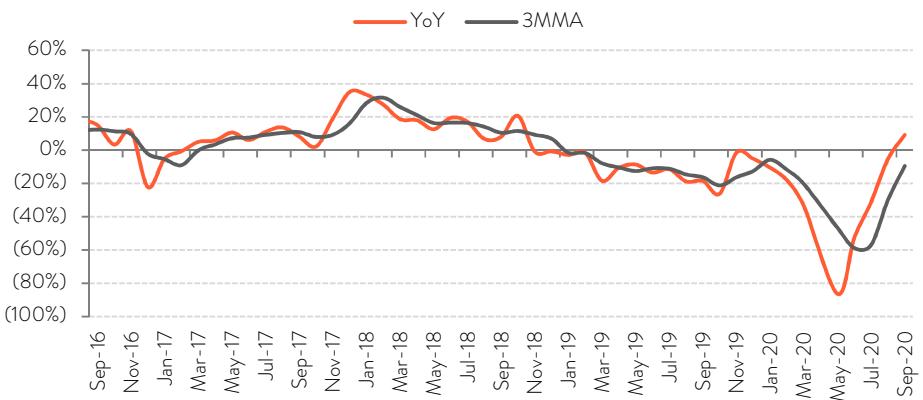


FIG 51 – BUSINESS SENTIMENT TURNS OPTIMISTIC

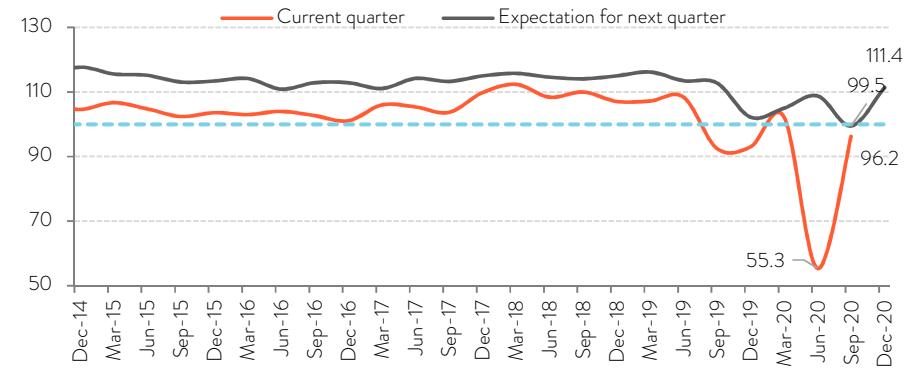


FIG 52 – INFRASTRUCTURE INDEX CONTRACTS AT A SLOWER PACE

(%)	Weight	Sep-20	Aug-20	Sep-19	Apr-Sep'20	Apr-Sep'19
Infrastructure Index	100	(0.8)	(7.3)	(5.1)	(14.9)	1.3
Coal	10.3	21.2	3.7	(20.5)	(6.1)	(3.5)
Crude Oil	9.0	(6.1)	(6.2)	(5.3)	(6.1)	(6.0)
Natural Gas	6.9	(10.6)	(9.5)	(4.9)	(13.2)	(2.0)
Petroleum Refinery Products	28.0	(9.5)	(19.2)	(6.6)	(16.3)	(2.0)
Fertilizers	2.6	(0.4)	7.3	5.5	3.7	1.1
Steel	17.9	0.9	(1.7)	(1.4)	(26.7)	7.9
Cement	5.4	(3.5)	(14.6)	(1.9)	(25.1)	0.7
Electricity	19.9	3.7	(1.8)	(2.6)	(8.2)	3.9

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

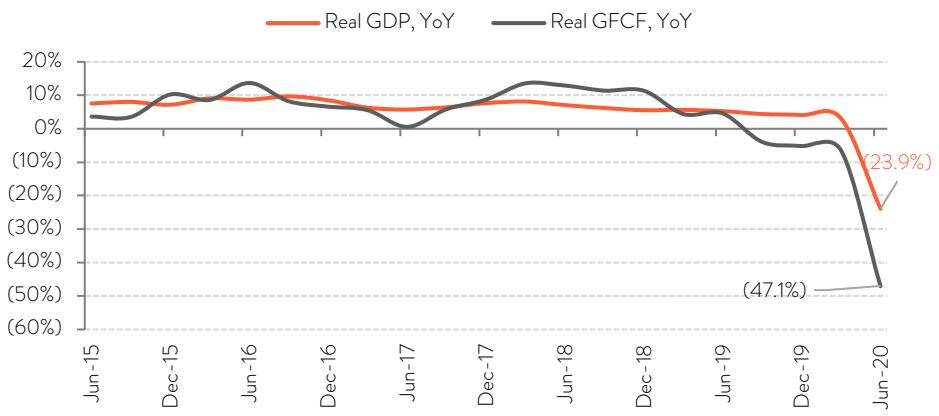


FIG 54 – IN NOMINAL TERMS AS WELL, GFCF CONTRACTED BY 47.9% VS 4.1% CONTRACTION IN Q4FY20

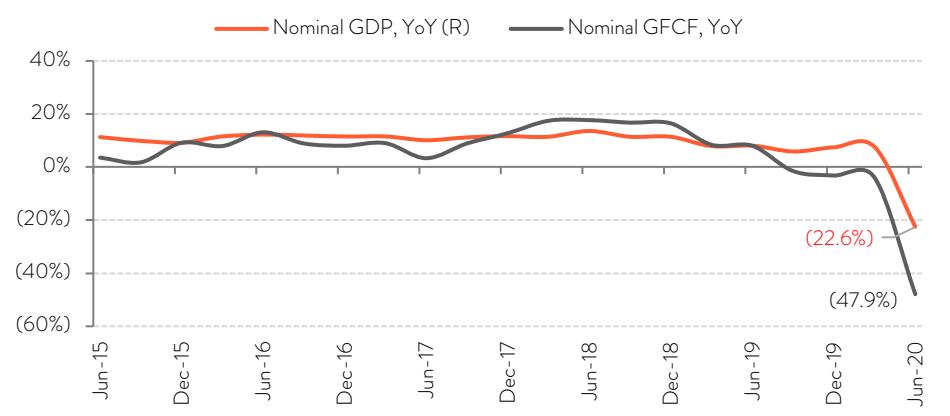


FIG 55 – PLF OF GOVT. THERMAL PLANTS PICKS UP IN SEP'20 INDICATING IMPROVEMENT IN CAPACITY UTILISATION

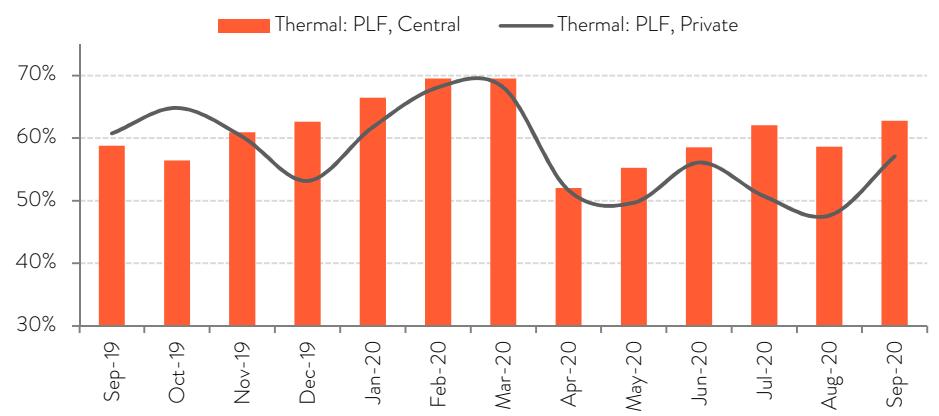


FIG 56 – PACE OF DECLINE IN CAPITAL GOODS PRODUCTION MODERATED FURTHER IN AUG'20

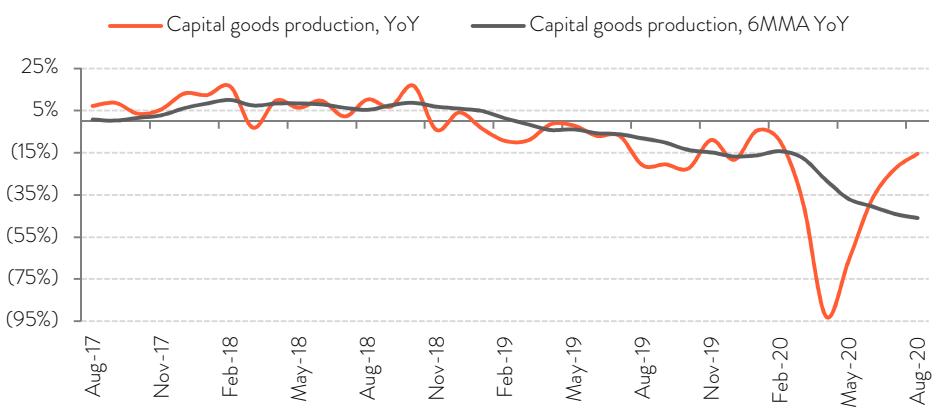


FIG 57 – CAPITAL GOODS IMPORTS CONTRACTED AT A SLOWER PACE OF 38.1% IN SEP'20 VERSUS 43.7% DIP IN AUG'20

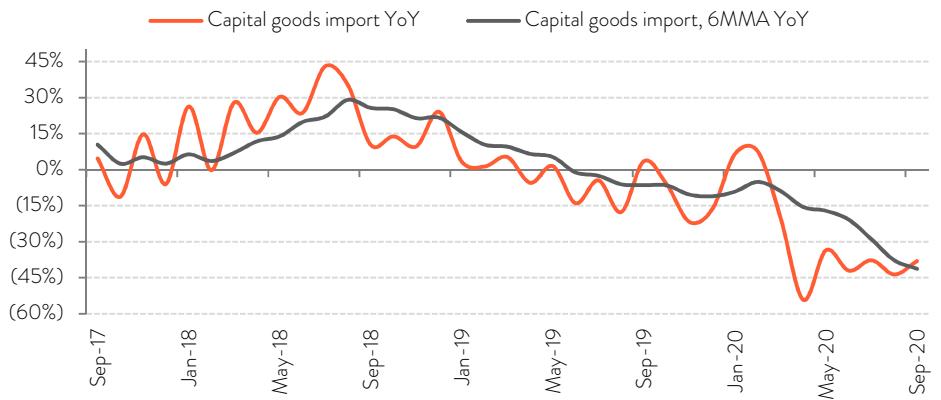


FIG 59 – GROSS BANK CREDIT CONTINUES TO DECELERATE, INDUSTRY CREDIT GROWTH FALLS TO 0% IN SEP'20

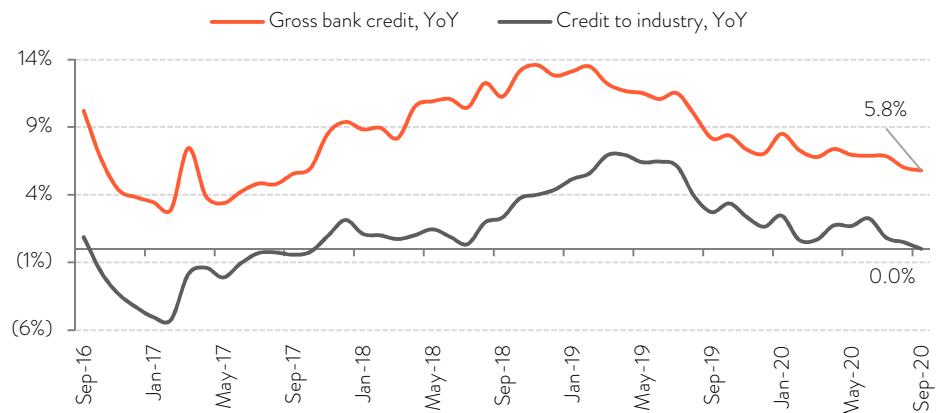


FIG 58 – CENTRE'S CAPEX SPENDING FELL BY 5.1% IN SEP'20 FROM AN INCREASE OF 7.7% IN AUG'20 ON A 12MONTH TRAILING BASIS

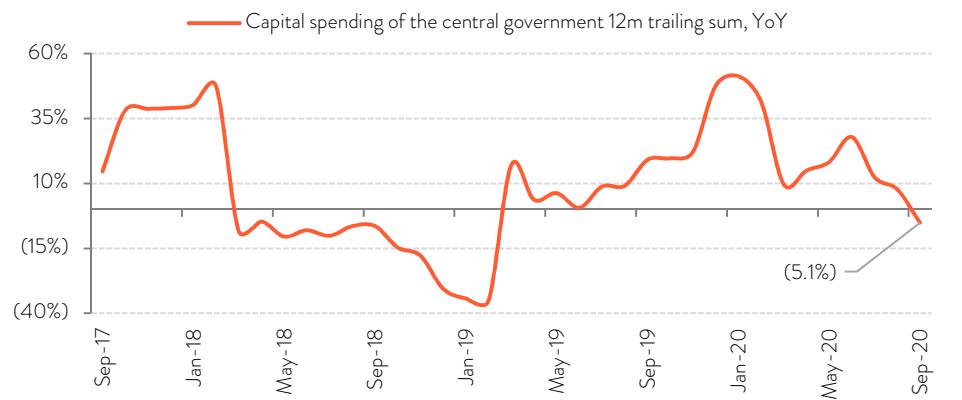


FIG 60 – CREDIT TO LARGE INDUSTRY FALLS BY 0.6% IN SEP'20

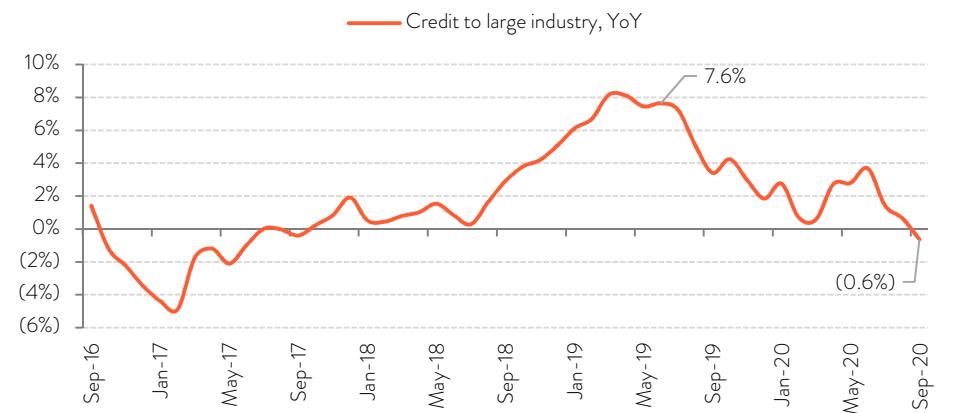


FIG 61 – HOWEVER, CREDIT TO MEDIUM AND MICRO & SMALL INDUSTRY SHOWS ACCELERATION

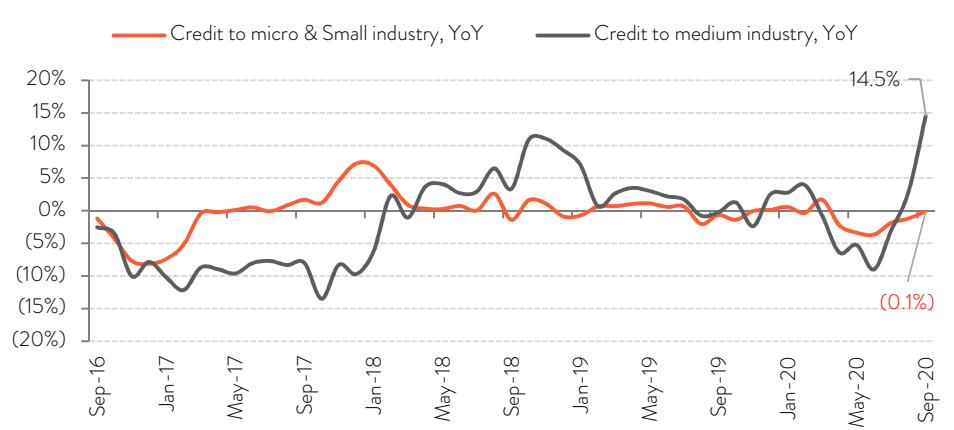


FIG 63 – HOWEVER, AFFORDABLE HOUSING IS PICKING PACE

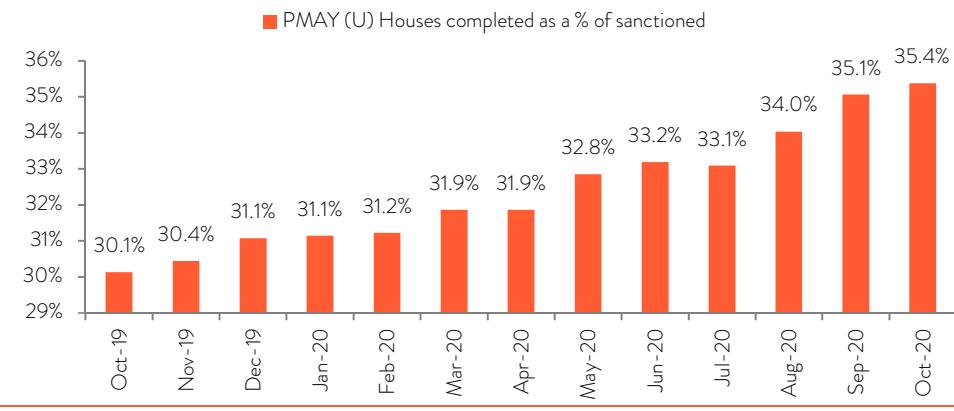


FIG 62 – HOUSING CREDIT EDGED DOWN FURTHER IN SEP'20

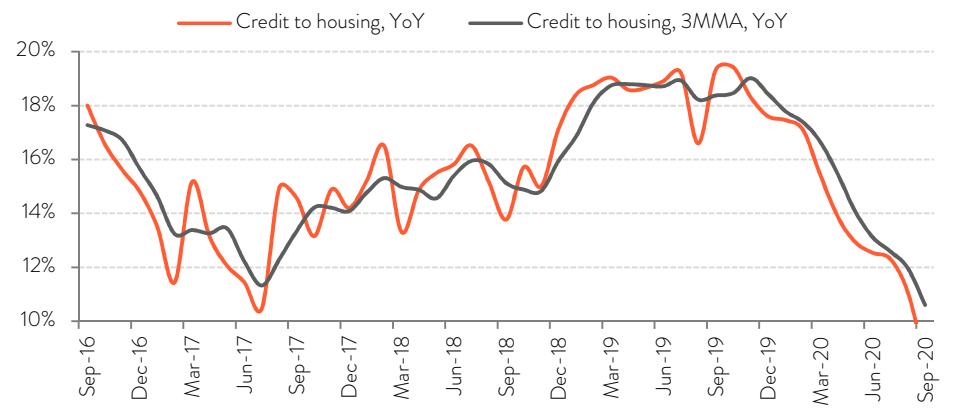
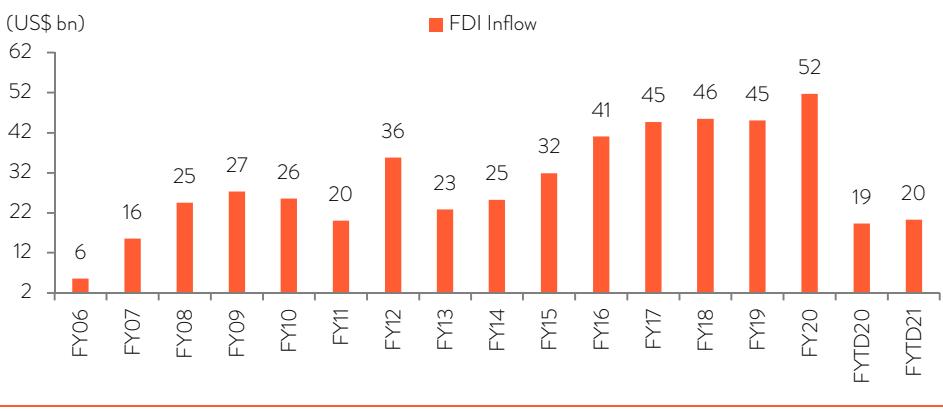


FIG 64 – FDI INFLOWS ARE HIGHER AT US\$ 20BN IN FYTD21* AGAINST US\$ 19BN IN THE SAME PERIOD OF PREVIOUS YEAR



Services sector

FIG 65 – GVA: SERVICES ACTIVITY CONTRACTED SHARPLY IN Q1FY21

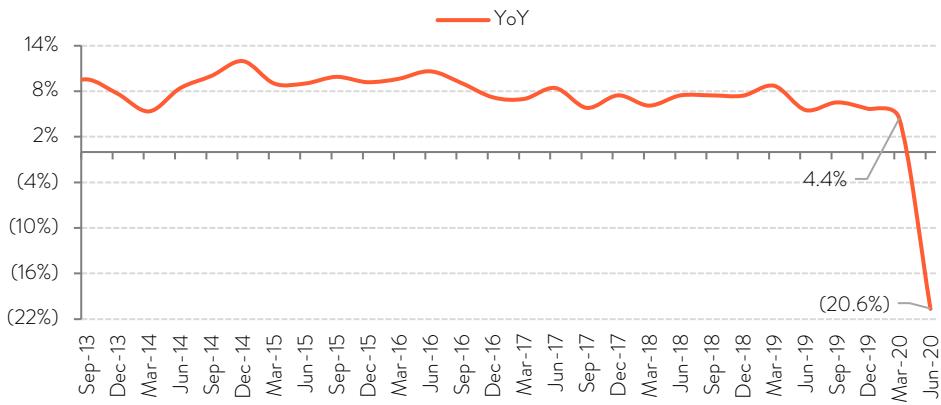


FIG 67 – GVA: TRADE & RELATED SERVICES GROWTH WAS THE MOST HIT...

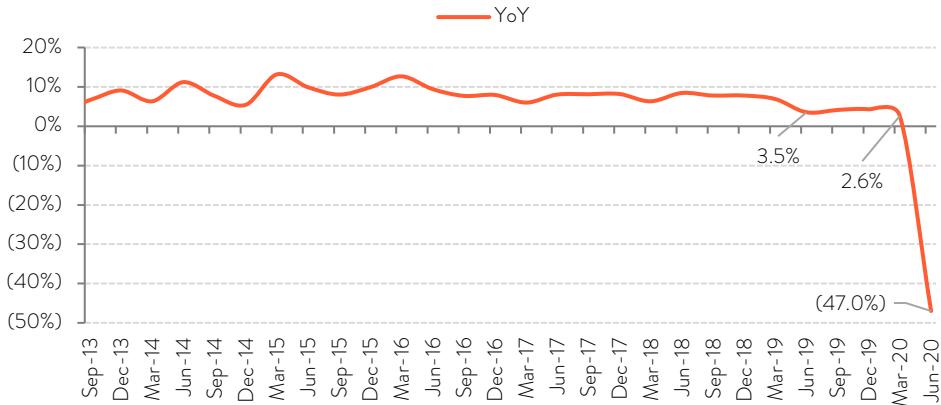
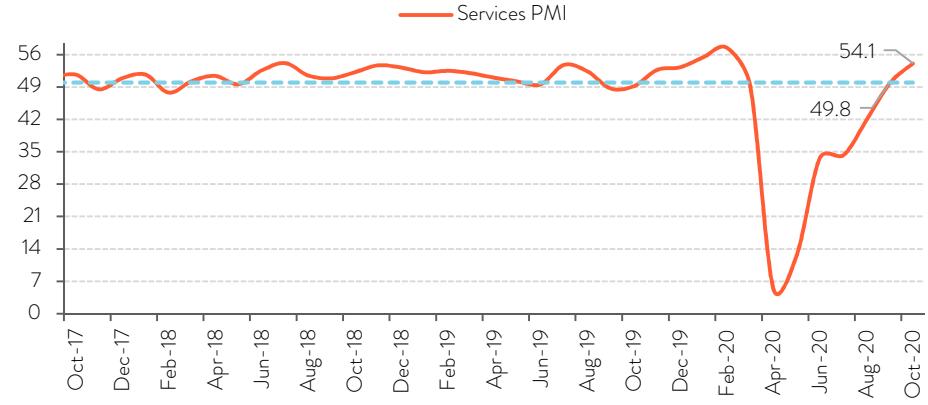
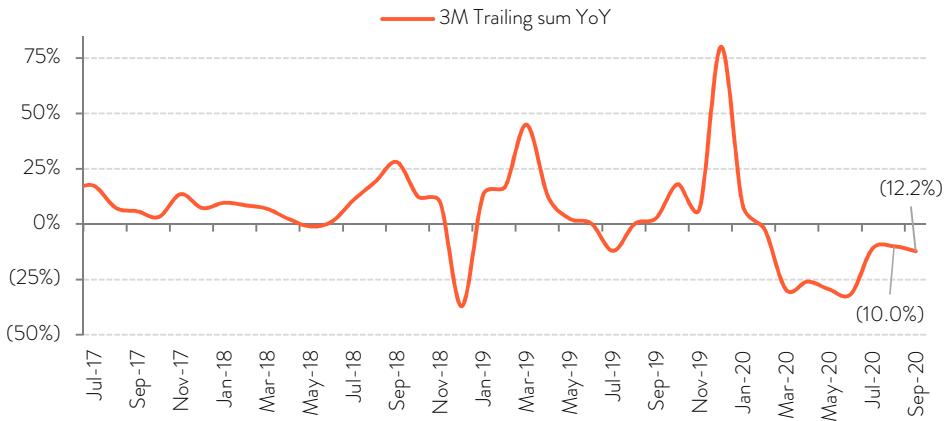


FIG 66 – SERVICES PMI SHOWS ACTIVITY REBOUNDED SHARPLY IN OCT'20



Source: Markit

FIG 68 – STATES* TAX REVENUE GROWTH REMAINED MUTED IN SEP'20

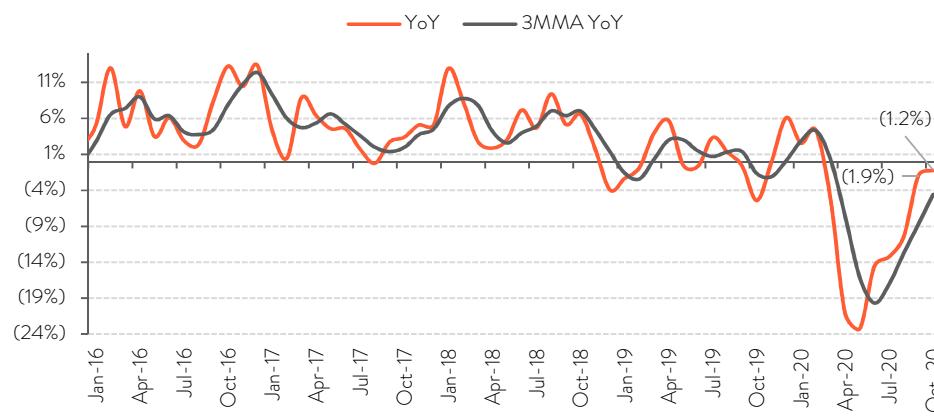
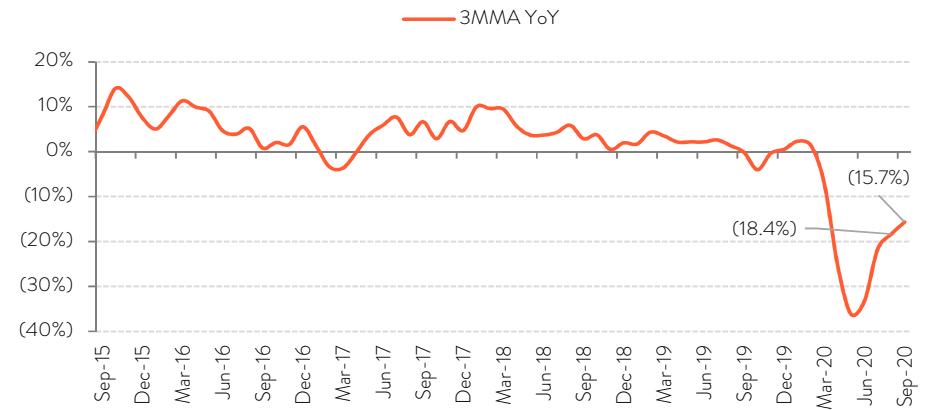


Note: *All states excluding N.E states, Bihar, Goa, Gujarat, J&K, Maharashtra, Odisha, Punjab, U.P. and W.Bengal

Trade

FIG 69 – VEHICLE REGISTRATIONS DIP AGAIN IN OCT'20

Source: MoRTH

FIG 71 – PORT CARGO VOLUMES IMPROVED ONLY MARGINALLY IN OCT'20**FIG 70 – DIESEL CONSUMPTION IMPROVING, ALBEIT AT A SLOWER PACE**

Source: PPAC

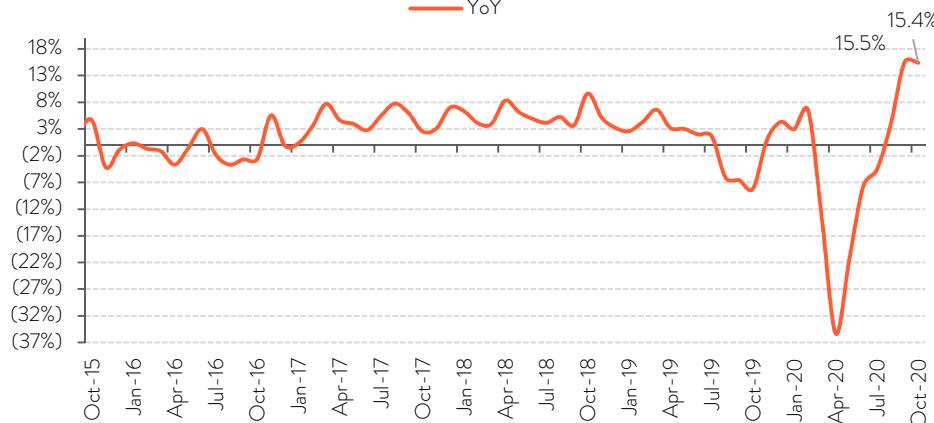
FIG 72 – RAILWAY FREIGHT TRAFFIC SEES MARGINAL DIP

FIG 73 – TOLL COLLECTIONS MAINTAINING MOMENTUM

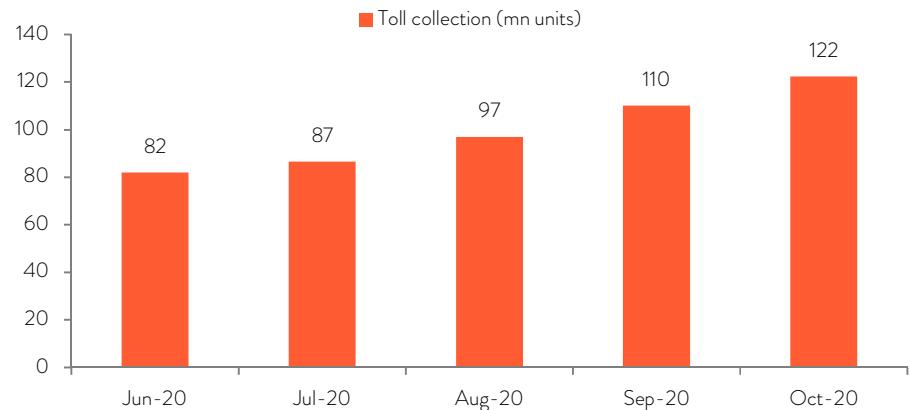
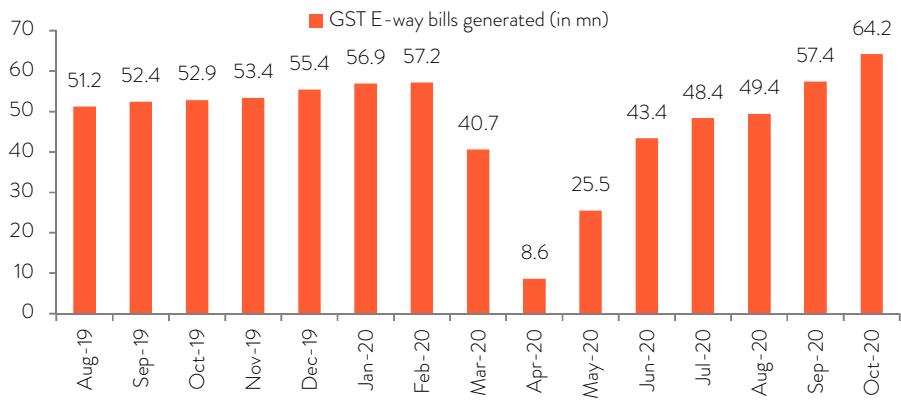


FIG 74 – E-WAY BILLS GENERATION GATHERS PACE IN OCT'20



Hotels and Communications

FIG 75 – AIRLINE PASSENGER TRAFFIC GROWTH GRADUALLY IMPROVING...

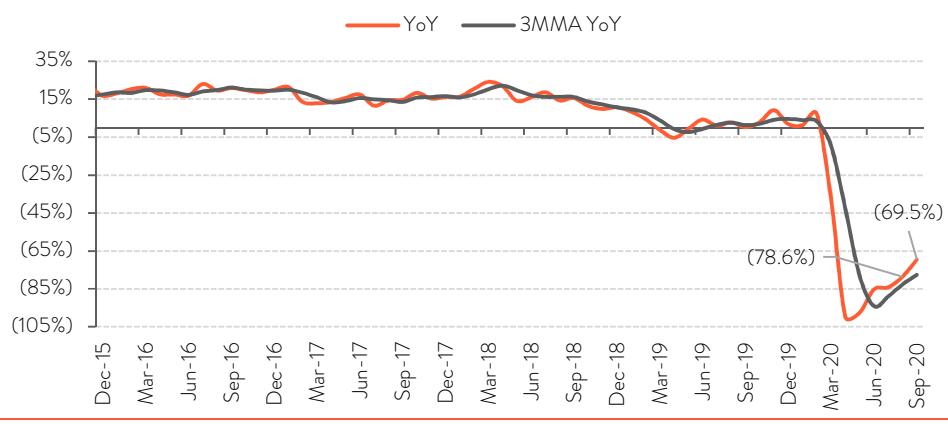


FIG 76 – ...SUPPORTED BY DOMESTIC PASSENGER GROWTH

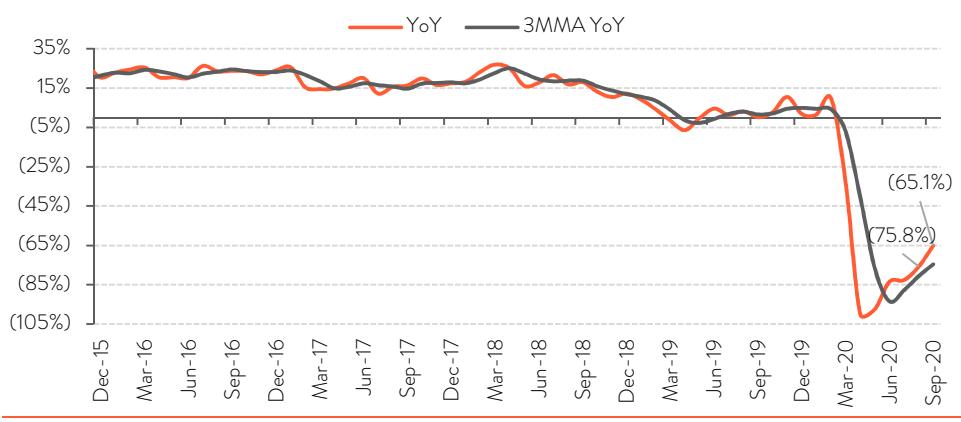
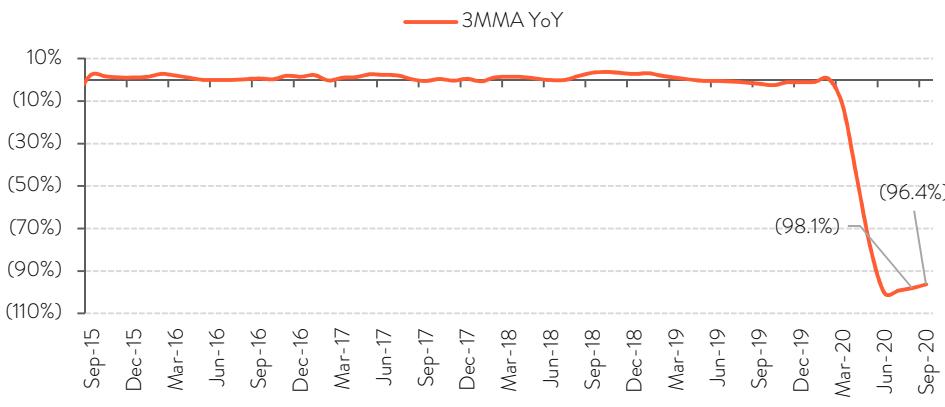


FIG 77 – RAILWAY PASSENGER TRAFFIC GROWTH IMPROVING GRADUALLY



Finance and Real estate

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

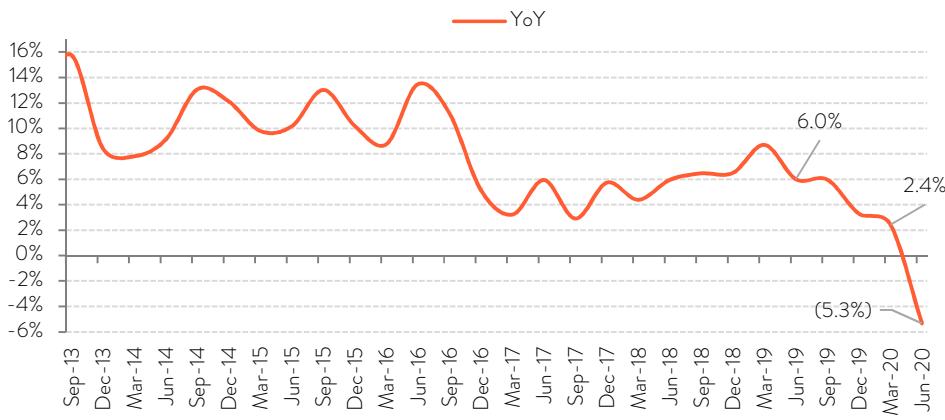


FIG 78 – TELECOM SECTOR ADDED 3.5MN WIRELESS SUBSCRIBERS IN JUL'20

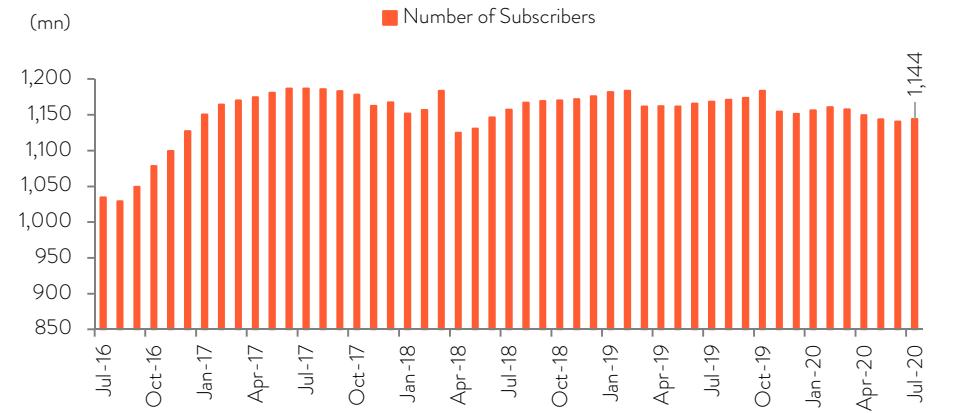
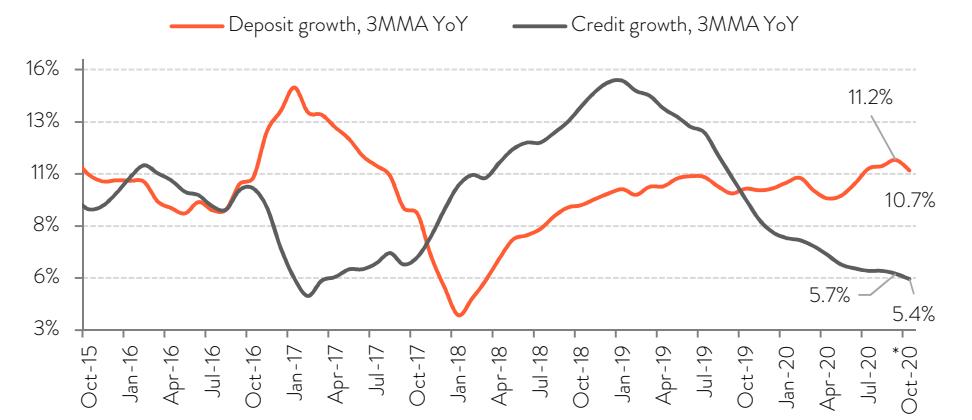


FIG 80 – CREDIT GROWTH REMAINS SUBDUED; DEPOSIT GROWTH ALSO INCHING DOWN IN OCT'20



Note: *Oct'20 implies fortnight as of 9 Oct 2020

FIG 81 – CREDIT TO BOTH MANUFACTURING AND SERVICES SECTOR CONTINUES TO DECLINE

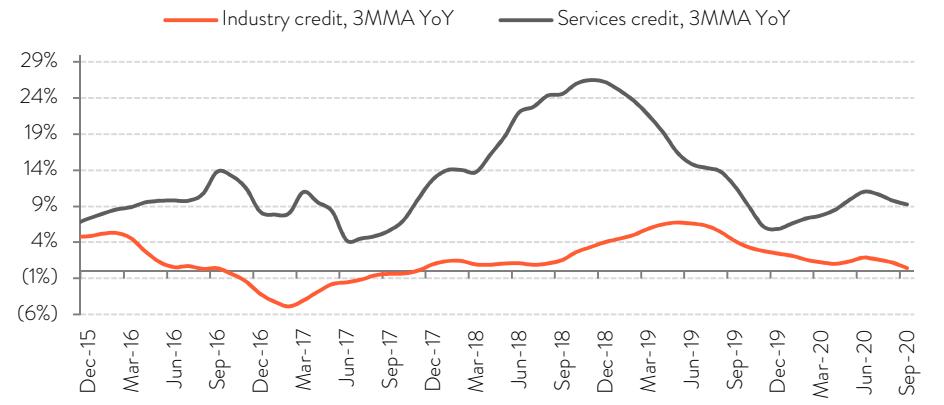
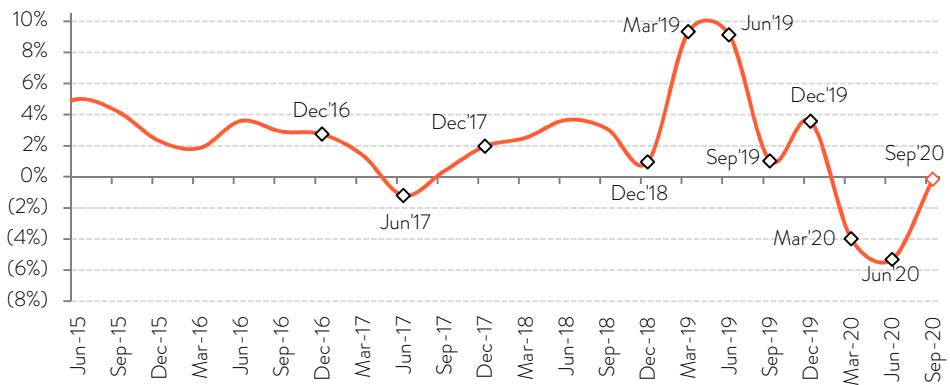


FIG 83 – AVERAGE PROPERTY RENTAL PRICE INDEX* SEEN RECOVERING IN Q2FY21



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

FIG 82 – CREDIT TO TRADE SERVICES RECOVERING, REAL ESTATE AND NBFC SEE FURTHER DECLINE IN SEP'20

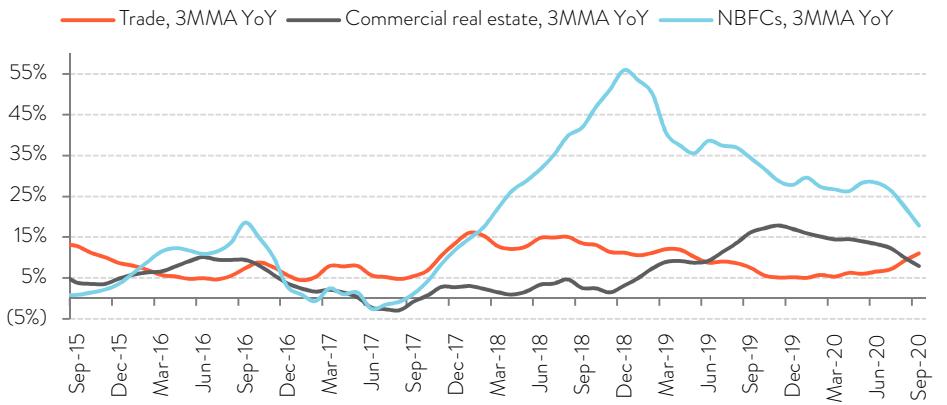
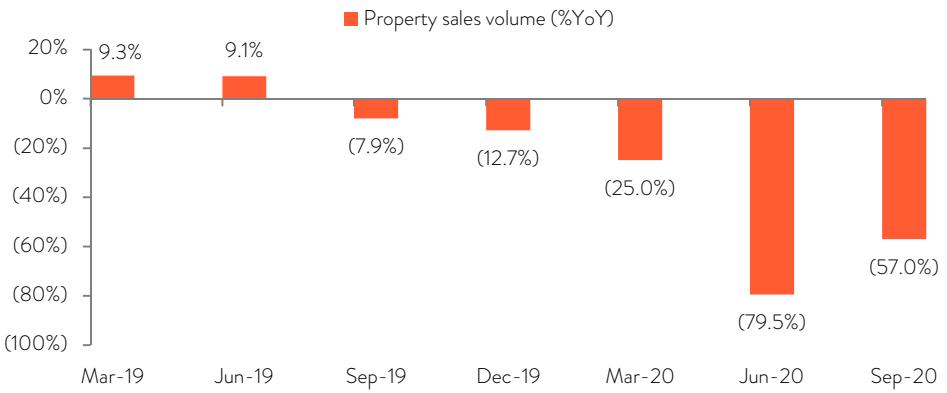


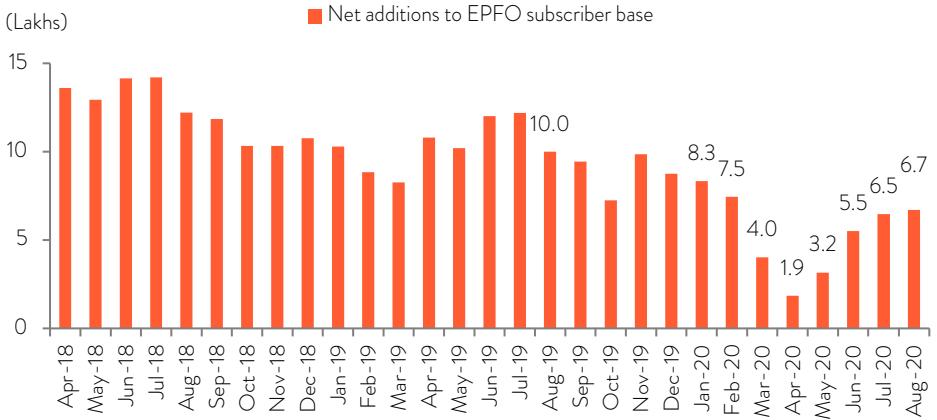
FIG 84 – PROPERTY SALES VOLUMES ALSO GRADULLY IMPROVING



Source: Proptiger

Labour market

FIG 85 – NET ADDITIONS TO EPFO SUBSCRIBER BASE STEADILY IMPROVING



Public administration

FIG 87 – PUBLIC ADMINISTRATION & DEFENCE SERVICES ALSO ACTED AS A DRAG IN Q1FY21...



FIG 86 – UNEMPLOYMENT RATE BEGINNING TO INCH UP IN OCT'20

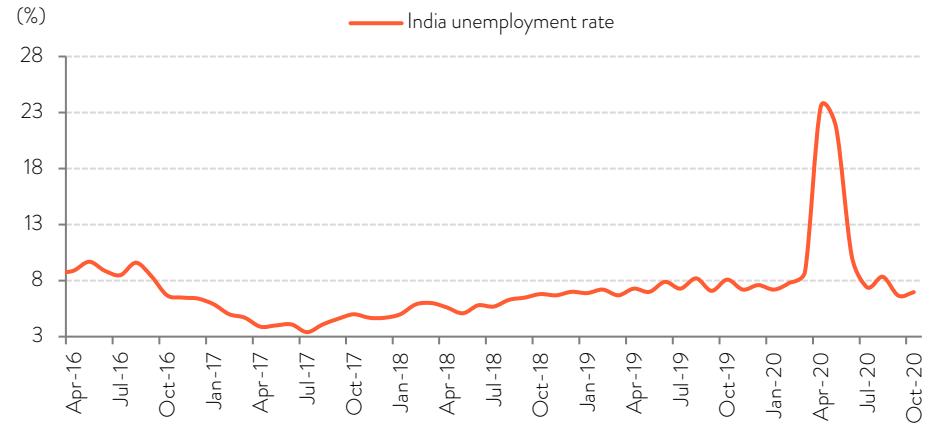


FIG 88 – GENERAL GOVT. SPENDING DROPPED SHARPLY IN Q2FY21...

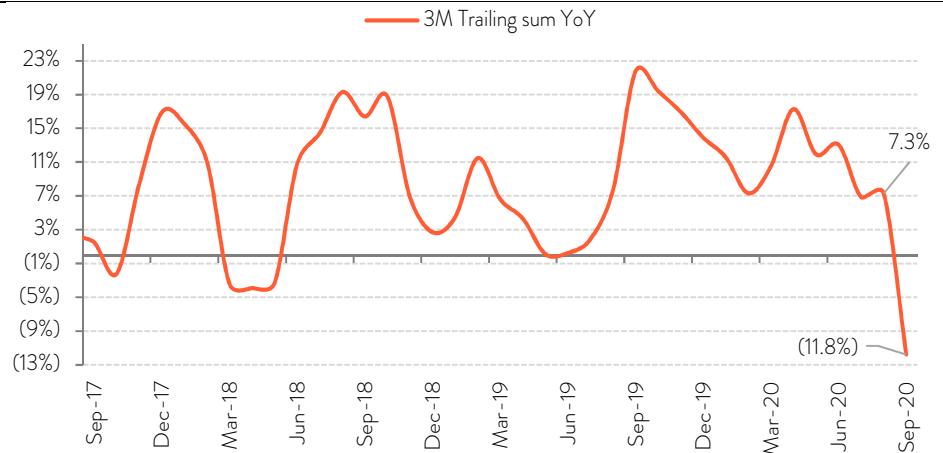


FIG 89 – ...LED BY CENTRAL GOVERNMENT

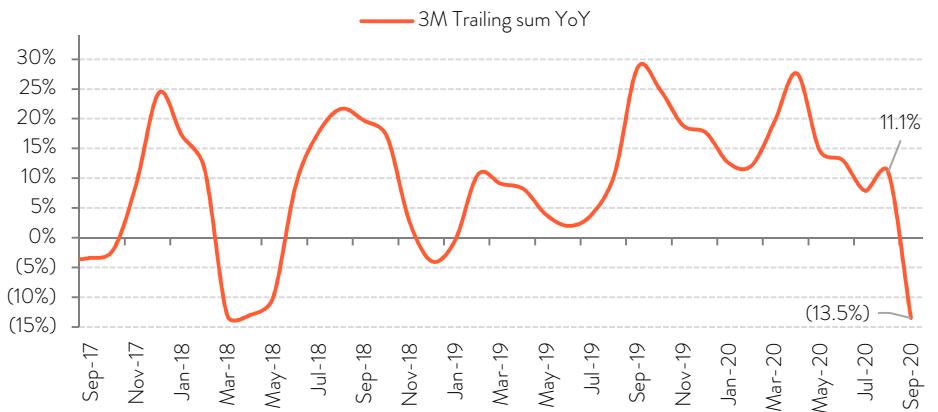
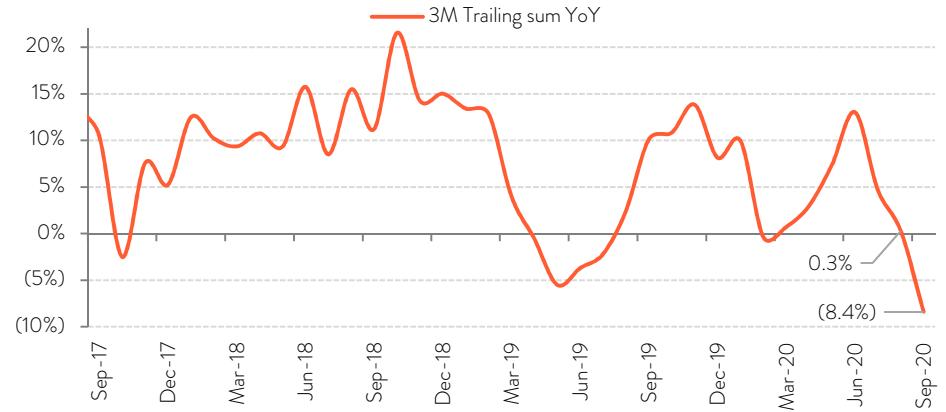


FIG 90 – STATE* GOVT. SPENDING ALSO DOWN CONSIDERABLY

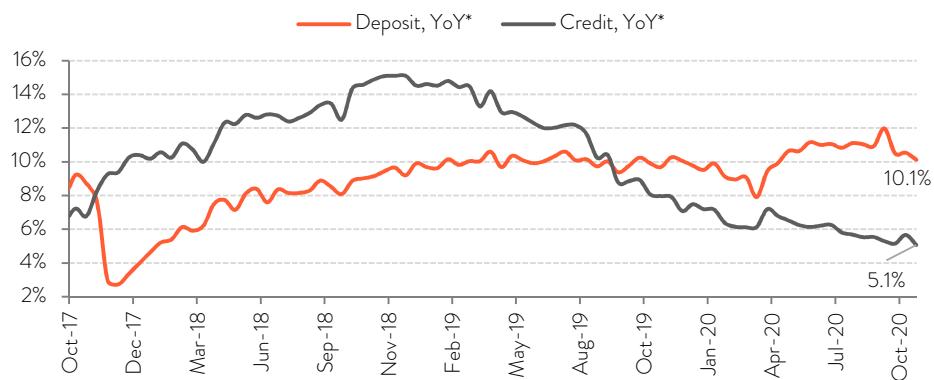


Note: *All states excluding N.E states, Bihar, Goa, Gujarat, J&K, Maharashtra, Odisha, Punjab, U.P. and W.Bengal

Financial sector

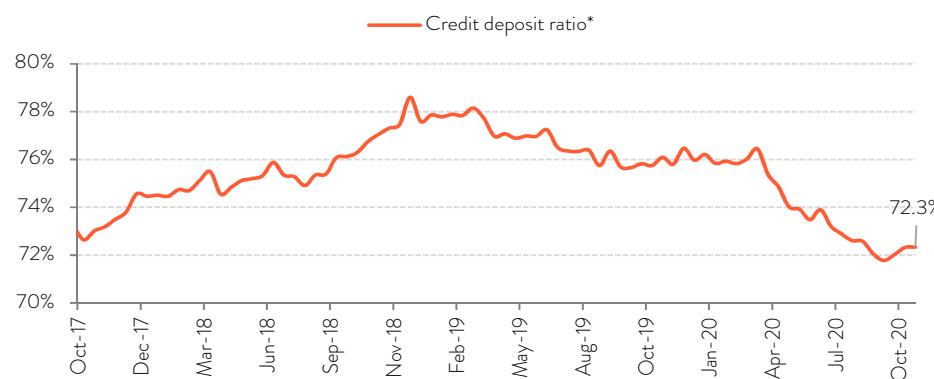
Money and banking

FIG 91 – CREDIT GROWTH INCHED DOWN TO 5.1% IN OCT'20 AND DEPOSIT GROWTH EDGED DOWN TO 10.1% FROM 10.5%



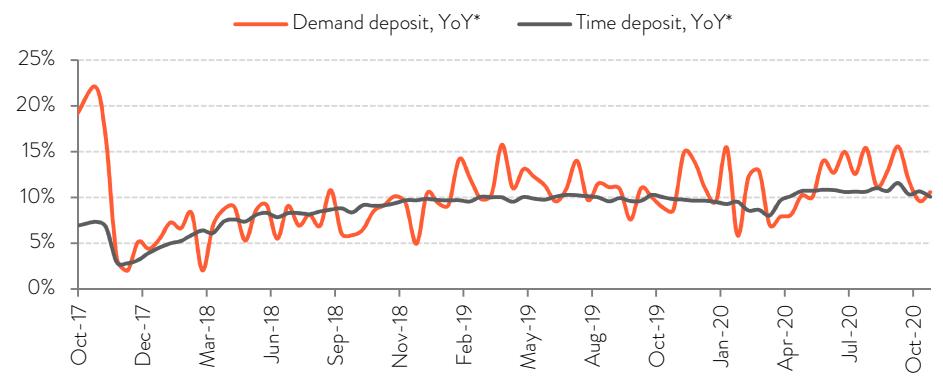
Note: *Oct-20 implies fortnight as of 23 Oct 2020

FIG 93 – CD RATIO IMPROVES TO 72.3%



Note: *Oct-20 implies fortnight as of 23 Oct 2020

FIG 92 – DEMAND DEPOSITS GROWTH DECELERATED TO 10.6% FROM 11.9% IN SEP'20; TIME DEPOSITS EDGE DOWN TO 10.1% FROM 10.3%



Note: *Oct-20 implies fortnight as of 23 Oct 2020

FIG 94 – CIC ACCRETION IS FAR HIGHER AT RS 2.8TN IN FYTD21 COMPARED WITH RS 1.2TN IN FYTD20

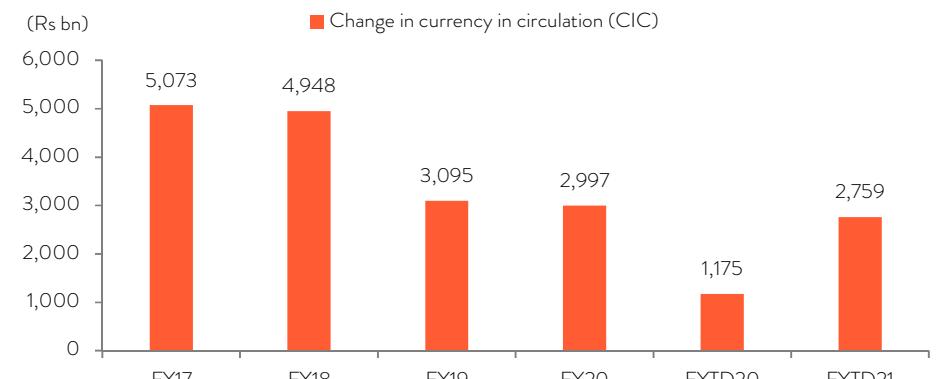
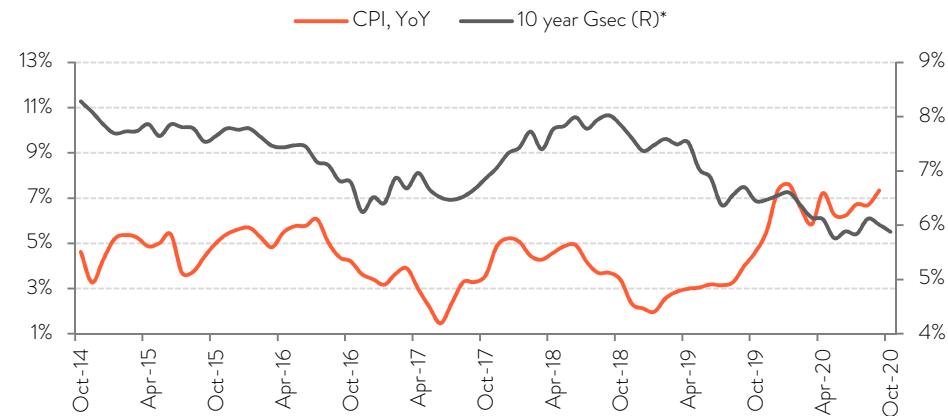
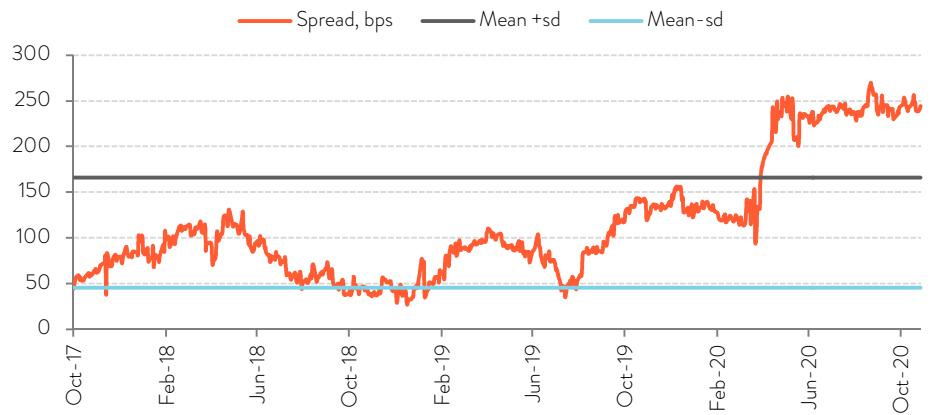


FIG 95 – 10Y GSEC YIELD EASED TO 5.88% IN OCT'20; IT IS TRADING STABLE SUPPORTED BY RBI'S MEASURES



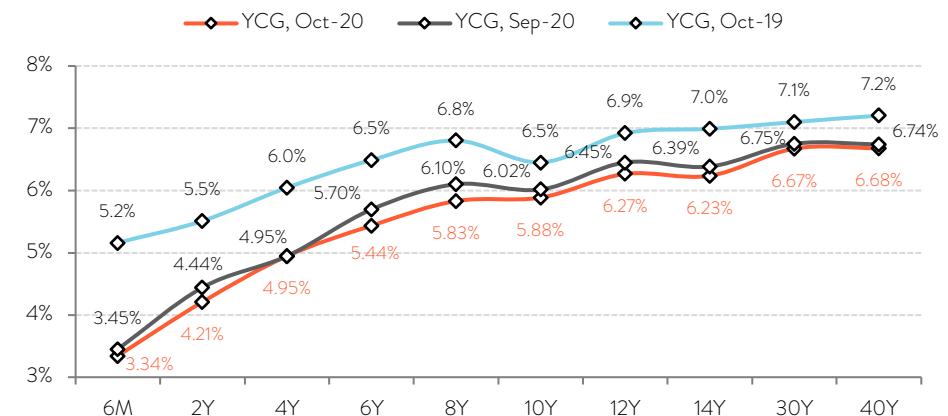
Note: *As on last trading day of the month, 5.77GS2030 benchmark security is taken

FIG 97 – SPREAD BETWEEN 10Y GSEC AND 1Y TBILL ROSE TO 245BPS IN OCT'20 FROM 240BPS IN SEP'20; HIGHER ITS MEAN REVERSION LEVELS



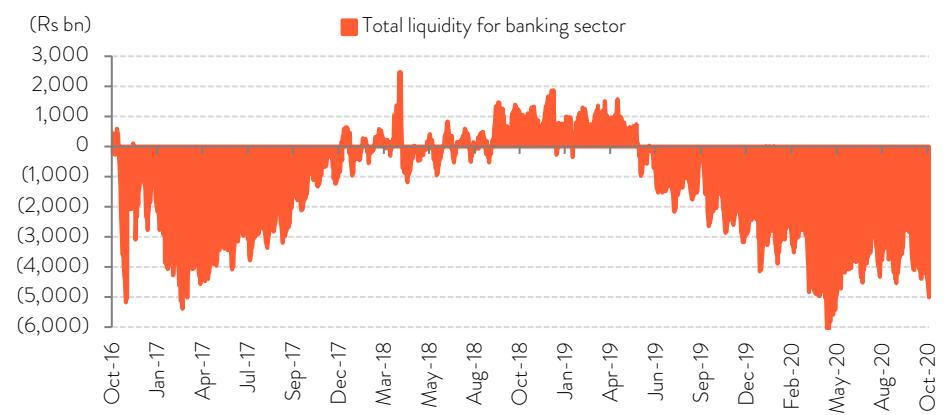
Source: Bloomberg

FIG 96 – YIELD CURVE GRAPH (YCG) SHOWS STEEPENING BIAS



Source: Bloomberg

FIG 98 – AVERAGE SYSTEM LIQUIDITY SURPLUS ROSE TO RS 4.1TN IN OCT'20 FROM RS 3.3TN IN SEP'20 AND IS CURRENTLY HIGHER AT ~RS 5TN



Source: RBI

FIG 99 – NBFC 3Y AAA SPREAD HAS FALLEN TO ITS MULTI YEAR LOW OF 31BPS AS ON 30 OCT 2020

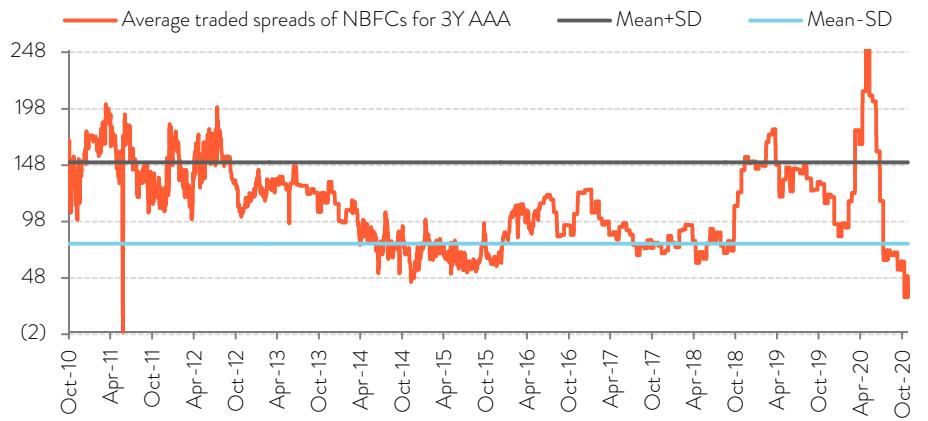


FIG 101 – CORPORATE 3Y AAA HAS FALLEN SHARPLY TO 8BPS AS ON 30 OCT 2020

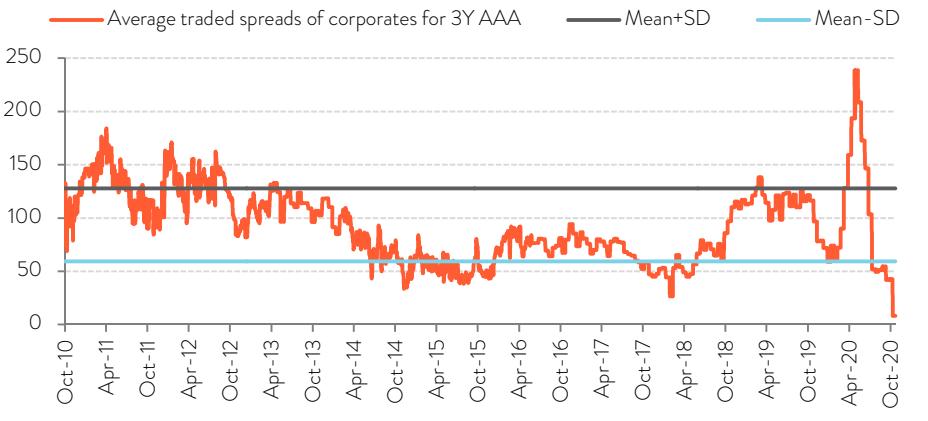


FIG 100 – FOR 10Y AAA RATED PAPER IT HAS FALLEN TO 79BPS

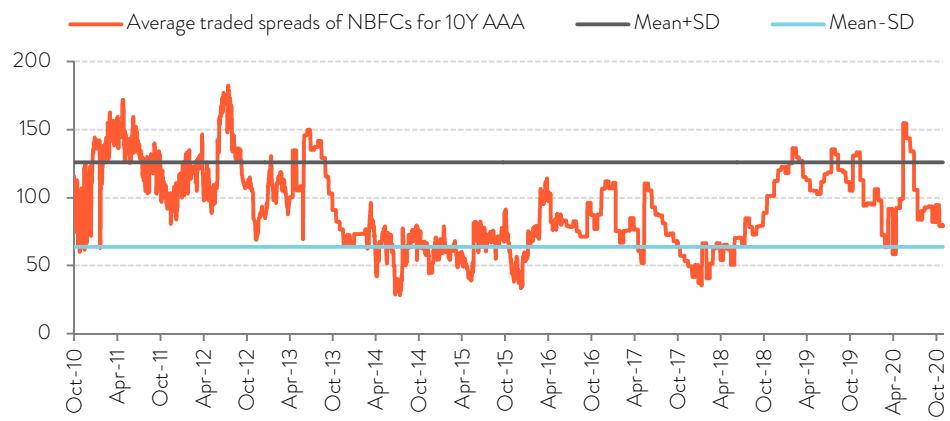
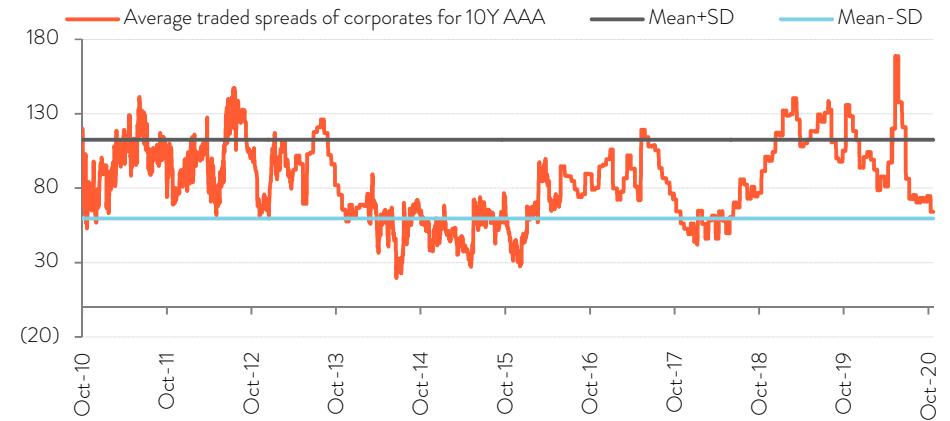


FIG 102 – FOR 10YAAA RATED PAPER IT HAS FALLEN TO 64BPS AS ON 30 OCT 2020



Interest rates on small savings schemes

FIG 103 – INTEREST RATES ON SMALL SAVINGS SCHEME TO REMAIN UNCHANGED IN Q3FY21

Instrument (%)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	GSec Yield (2 Nov 2020)
Savings deposit	4.0	4.0	4.0	4.0	4.0	4.0	4.0	-
1 year time deposit	7.0	6.9	6.9	6.9	5.5	5.5	5.5	-
2 year time deposit	7.0	6.9	6.9	6.9	5.5	5.5	5.5	4.12
3 year time deposit	7.0	6.9	6.9	6.9	5.5	5.5	5.5	4.40
5 year time deposit	7.8	7.7	7.7	7.7	6.7	6.7	6.7	5.18
5 year recurring deposit	7.3	7.2	7.2	7.2	5.8	5.8	5.8	5.18
5 year senior citizen savings scheme	8.7	8.6	8.6	8.6	7.4	7.4	7.4	5.18
5 year monthly income scheme	7.7	7.6	7.6	7.6	6.6	6.6	6.6	5.18
5 year national savings certificate	8	7.9	7.9	7.9	6.8	6.8	6.8	5.18
Public provident fund scheme	8	7.9	7.9	7.9	7.1	7.1	7.1	5.90
Kisan vikas patra	7.7	7.6	7.6	7.6	6.9	6.9	6.9	-
Sukanya samridhi account scheme	8.5	8.4	8.4	8.4	7.6	7.6	7.6	-

Source: Department of Economic Affairs, Ministry of Finance, Government of India, *10Y benchmark yield 5.77GS2030

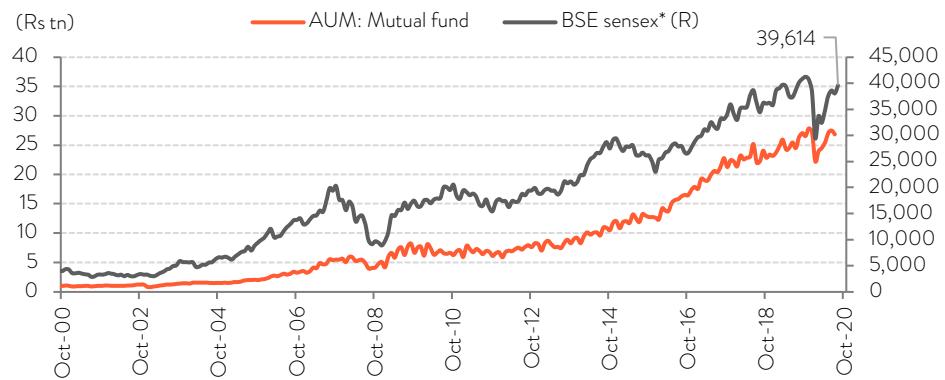
FIG 104 – INTEREST RATES CHARGED BY LEADING BANKS

1Y MCLR (%)	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	Sep'20	Oct'20
Public Sector Banks															
Bank of Baroda	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	7.55	7.50
Bank of India	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	7.40	7.35
Canara Bank	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	7.40	7.40
Indian Bank	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	7.30	7.30
Punjab National Bank	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	7.35	7.35
State Bank of India	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	7.00	7.00
Union Bank of India	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	7.20	7.20
Private Sector Banks															
Axis Bank Ltd.	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	7.50	7.45
HDFC Bank Ltd.	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	7.30	7.30
ICICI Bank Ltd.	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	7.40	7.35
Indusind Bank	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	8.85	8.75
Kotak Mahindra Bank	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	7.50	7.45

Source: RBI

Mutual fund (MF) indicators

FIG 105 – SENSEX ROSE BY 4.1% TO 39,614 IN OCT'20, AUM OF MFS FELL TO RS 26.9TN IN SEP'20 FROM 27.5TN IN AUG'20



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

Insurance sector indicators

FIG 107 – CONTRACTION IN LIFE INSURANCE POLICIES SOLD EASES IN SEP'20

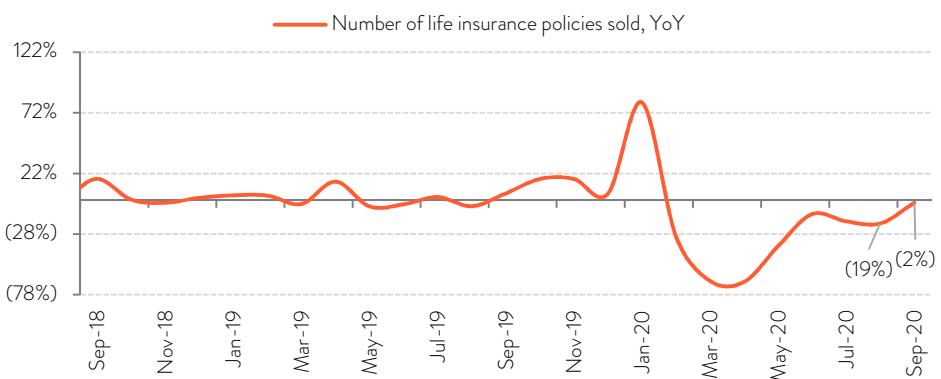


FIG 106 – MF EQUITY OUTFLOW MODERATED TO RS 13BN IN SEP'20 FROM RS 44BN

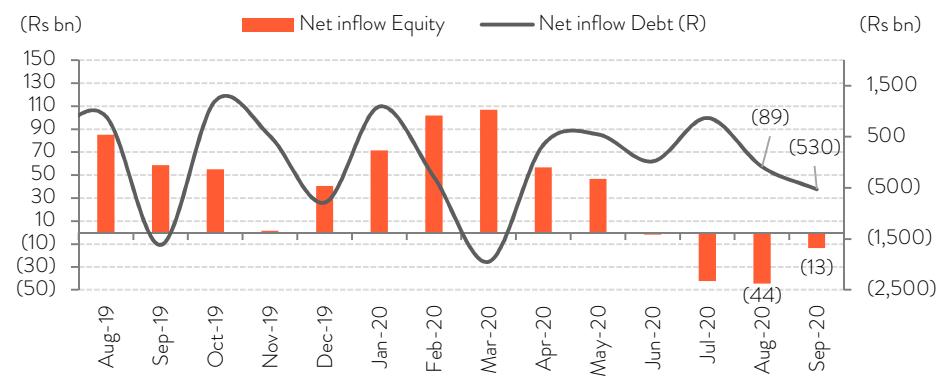
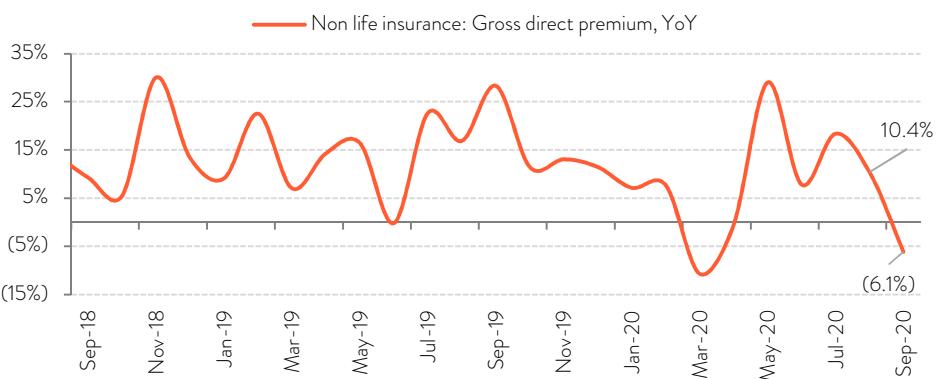


FIG 108 – GROSS DIRECT PREMIUM FOR NON LIFE INSURANCE FELL BY 6.1% IN SEP'20 COMPARED WITH AN INCREASE OF 10.4% IN AUG'20



Public finance

Central government finances

FIG 109 – FISCAL DEFICIT BEGINNING TO EASE

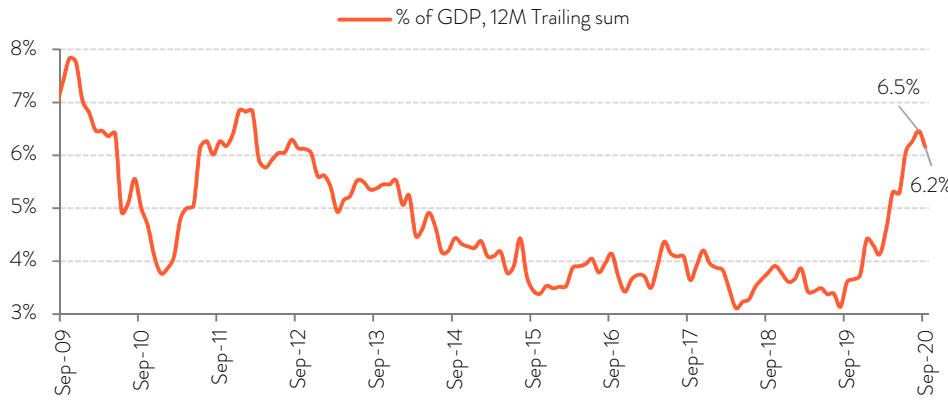


FIG 111 – PRIMARY DEFICIT DOWN TO 2.8% IN SEP'20

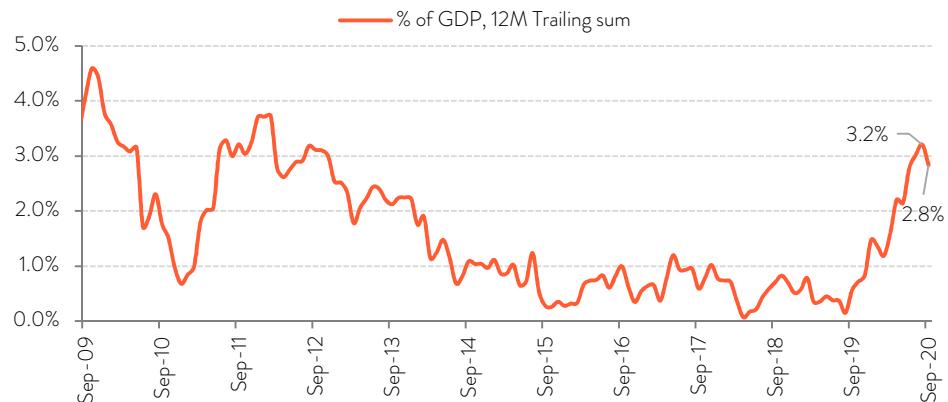


FIG 110 – REVENUE DEFICIT ALSO IMPROVING



FIG 112 – GOVERNMENT SPENDING SLIPPED SHARPLY IN SEP'20 (12MMA)

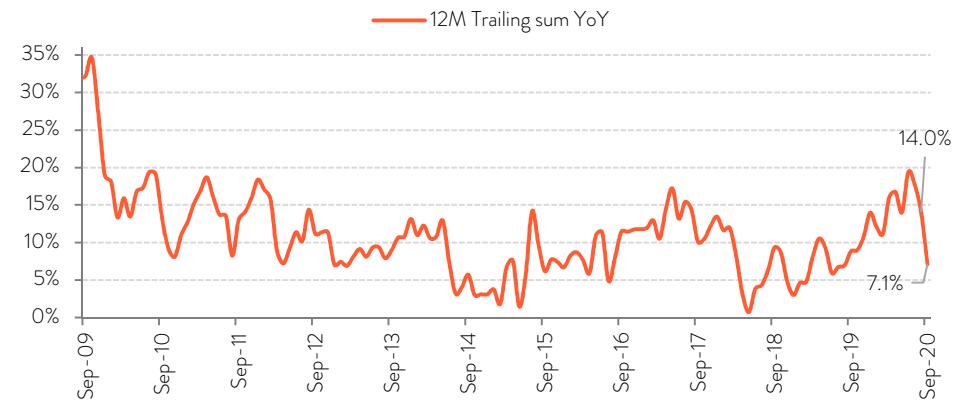
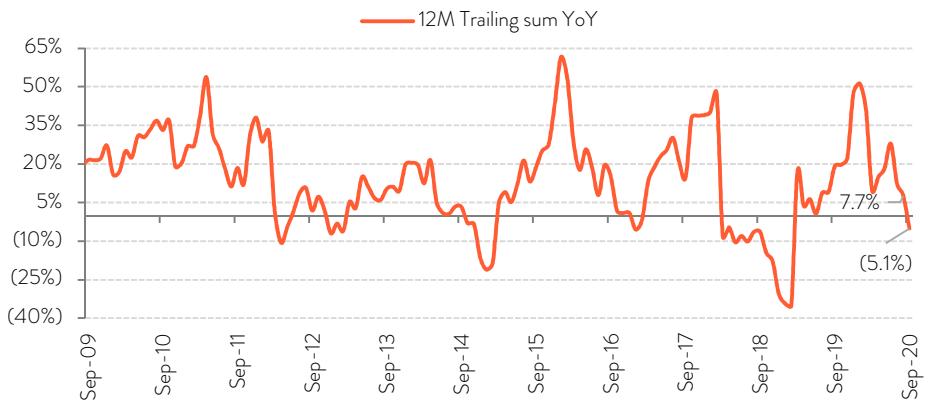
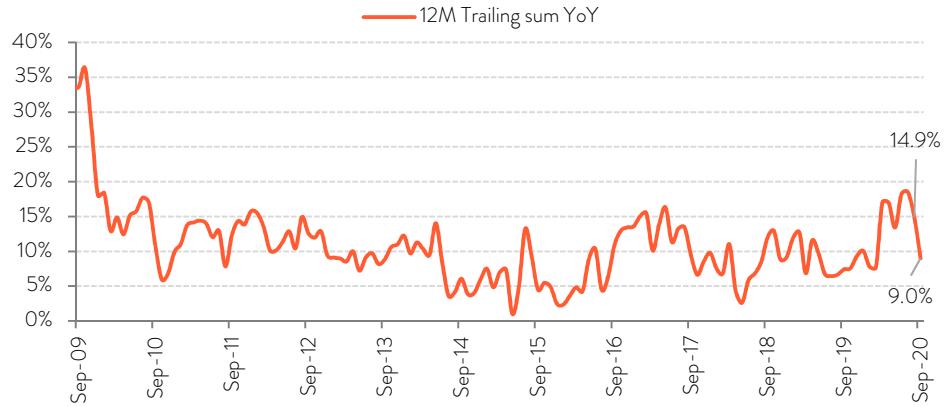


FIG 113 – ...LED BY BOTH CAPEX SPENDING**FIG 114 – AND REVENUE SPENDING****FIG 115 – LOWER SPENDING BY MINISTRIES OF PETROLEUM, HRD AND CONSUMER AFFAIRS CONTRIBUTE TO EASING EXPENDITURE GROWTH (FYTD BASIS)**

Ministry	Apr'18-Sep'18 (Rs bn)	Apr'19-Sep'19 (Rs bn)	% change	Apr'20-Sep'20 (Rs bn)	% change
Ministry of Finance	3,773	4,639	23.0	5,153	11.1
Ministry of Defence	2,304	2,623	13.8	2,327	(11.3)
Ministry of Consumer Affairs, Food and Public Distribution	1,314	1,256	(4.4)	989	(21.3)
Ministry of Rural Development	738	715	(3.0)	1,251	74.9
Ministry of Home Affairs	637	668	4.9	707	5.9
Ministry of Human Resource Development	431	507	17.5	309	(38.9)
Ministry of Road Transport and Highways	532	518	(2.7)	459	(11.3)
Ministry of Chemicals and Fertilisers	372	562	50.8	556	(0.9)
Ministry of Petroleum and Natural Gas	262	354	35.0	210	(40.6)
Ministry of Agriculture	365	547	49.7	711	30.1
Ministry of Health and Family Welfare	303	341	12.4	388	14.0

FIG 116 – RECEIPT GROWTH DROPPED FURTHER IN SEP'20

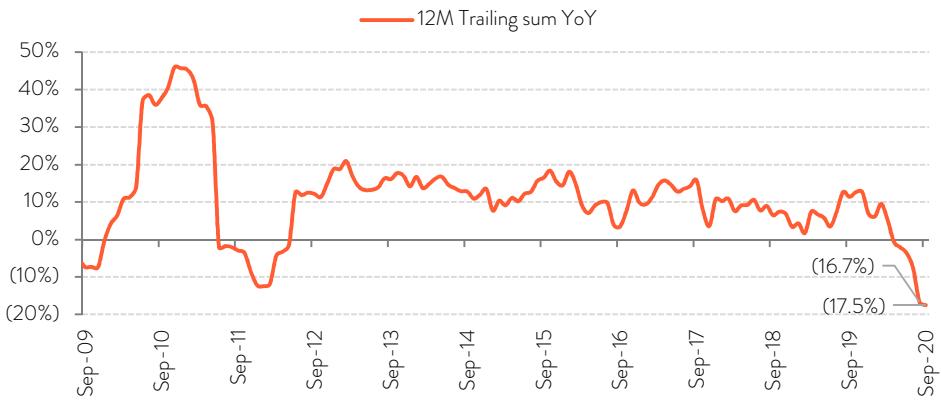


FIG 118 – NON-TAX RECEIPT GROWTH CONTINUES TO LEAD THE DECLINE

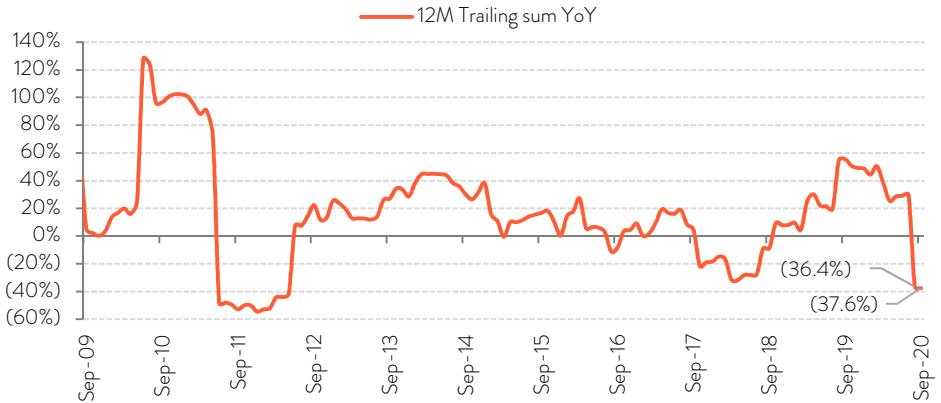


FIG 117 – ...AS REVENUE RECEIPTS REMAIN UNDER STRESS



FIG 119 – TAX REVENUES DIP AGAIN IN SEP'20



FIG 120 – CENTRE'S DIRECT TAX COLLECTIONS REMAIN WEAK, OVERALL SPENDING BEGINNING TO CONTRACT (FYTD BASIS)

	Apr'18-Sep'18 (Rs bn)	Apr'19-Sep'19 (Rs bn)	% change	Apr'20-Sep'20 (Rs bn)	% change
Gross Tax revenue	9,058	9,195	1.5	7,209	(21.6)
Direct taxes	4,393	4,623	5.2	3,170	(31.4)
Corp Tax	2,437	2,493	2.3	1,505	(39.7)
Income Tax	1,956	2,130	8.9	1,665	(21.8)
Indirect taxes	4,665	4,571	(2.0)	4,039	(11.6)
Non-tax revenue	1,090	2,090	91.8	923	(55.9)
Centre's revenue (net)	6,918	6,136	(11.3)	3,768	(38.6)
Total expenditure	13,042	14,886	14.1	14,794	(0.6)
Capital exp	1,626	1,875	15.3	1,658	(11.6)
Revenue exp	11,416	13,011	14.0	13,136	1.0
Fiscal deficit	5,947	6,516	9.6	9,140	40.3

FIG 121 – DIRECT TAX COLLECTIONS DRAGGING TAX RECEIPTS LOWER**FIG 122 – GROSS INDIRECT TAX COLLECTIONS PICING UP**

FIG 123 – CORPORATE TAX COLLECTIONS SLIPPED SHARPLY IN SEP'20

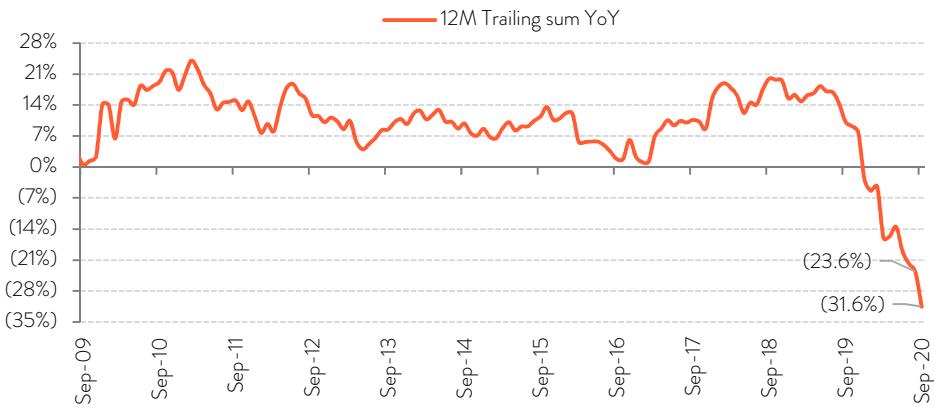


FIG 124 – INCOME TAX COLLECTIONS ALSO MUTED

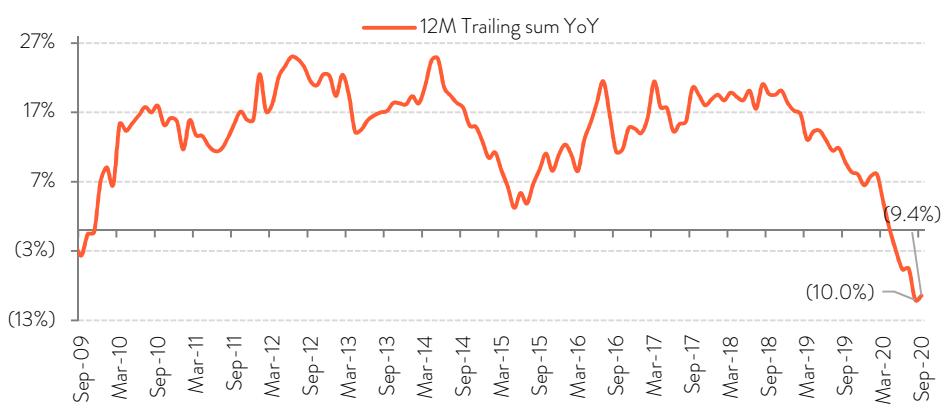


FIG 125 – TOTAL GST COLLECTIONS BOUNCE BACK

(Rs bn)	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Monthly run rate (FY21)	FYTD21	FY21 (BE)
CGST	381	371	437	405	438	413	402	59	190	302	379	324	372	271	1,625	5,800
UT GST	4.8	1.9	2.0	1.7	1.6	1.6	4.5	0.3	1.1	1.5	2.2	1.9	2.4	2	10	-
IGST	(37)	196	2	(18)	21	6	24	97	96	97	(60)	52	(3)	47	279	-
SGST*	533	379	520	641	509	470	(189)	454	562	400	475	509	612	502	3,012	-
Cess	71	87	71	79	84	86	81	10	60	75	68	69	68	58	350	1,105
Total GST	954	1,035	1,032	1,108	1,054	976	322	622	909	874	864	955	1,052	879	5,276	6,905
GST 3B Filing by deadline (mn)	7.4	7.8	8.1	8.3	8.4	7.7	-	-	-	-	-	-	-	-	-	-

Source: PIB | *Computed from PIB and CGA data

FIG 126 – CENTRAL GOVT. PUBLIC DEBT SIGNIFICANTLY HIGHER IN Q1FY21

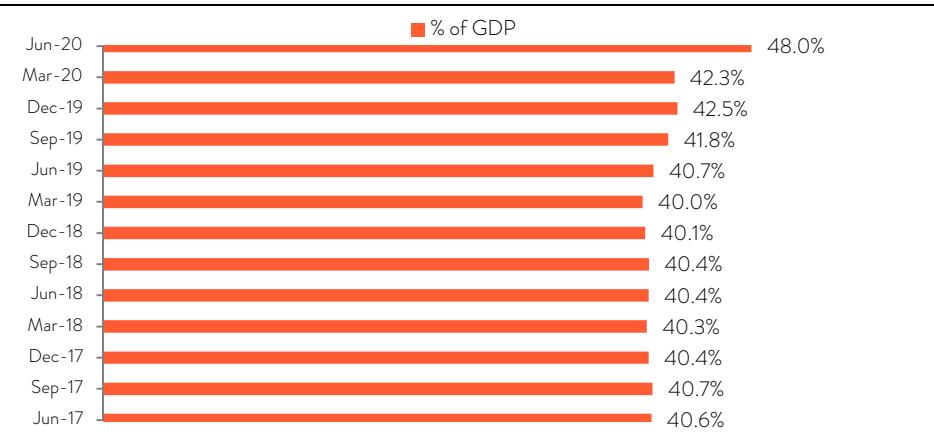


FIG 128 – SUBSIDY BURDEN TO INCREASE IN FY21E

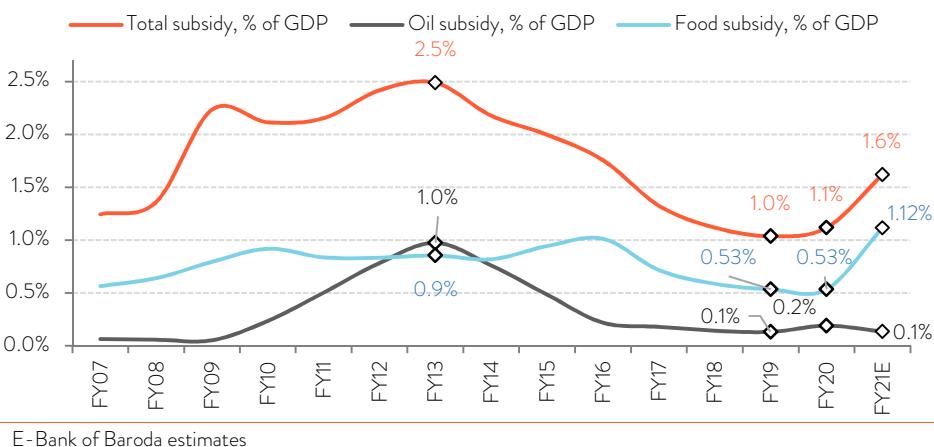
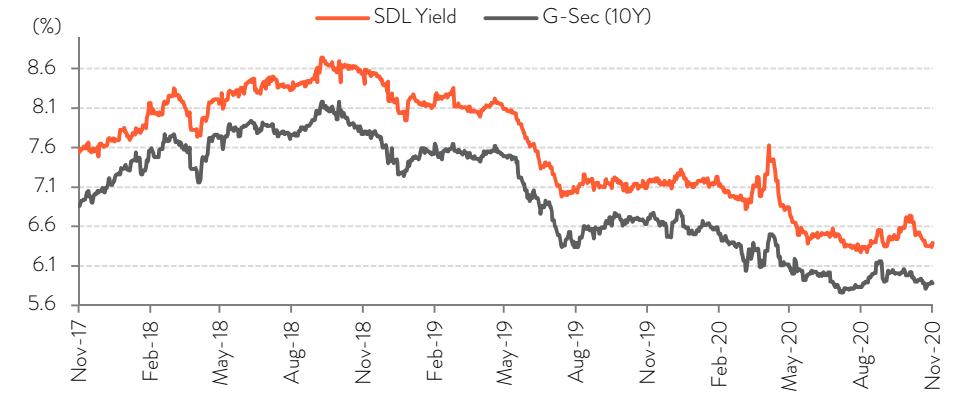
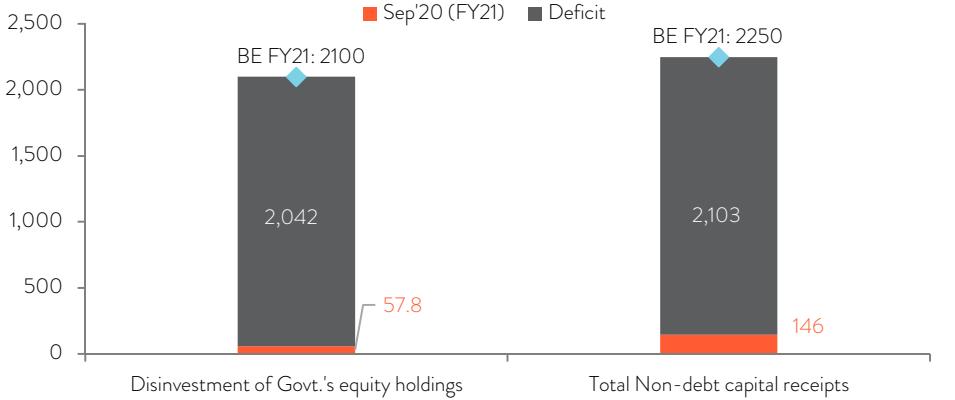


FIG 127 – GAP BETWEEN AVG. YIELD ON SDL & 10Y G-SEC ROSE BY 14BPS IN OCT'20; BUT HAS DECLINED SHARPLY IN NOV'20 SO FAR (13BPS)



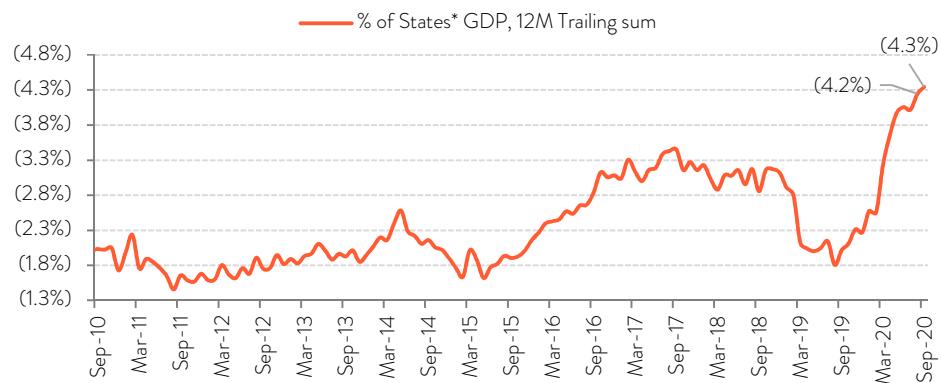
Source: CCIL

FIG 129 – CENTRAL GOVT.'S FY21 DISINVESTMENT STATUS



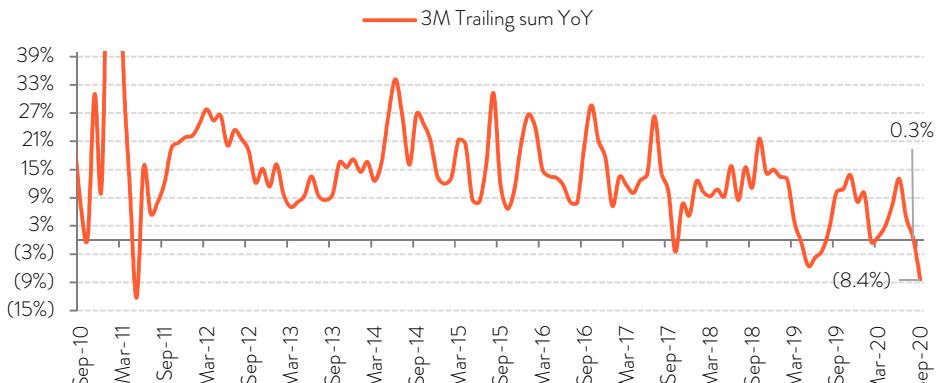
State government finances

FIG 130 – STATES* FISCAL DEFICIT INCHES FURTHER UP IN SEP'20



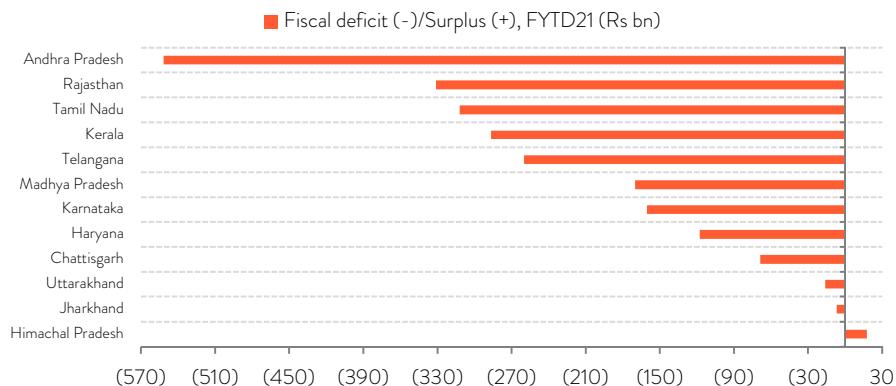
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, J&K, Maharashtra, Odisha, Punjab, U.P. and W.Bengal

FIG 132 – TOTAL EXPENDITURE OF STATES* CONTRACTS SHARPLY IN SEP'20



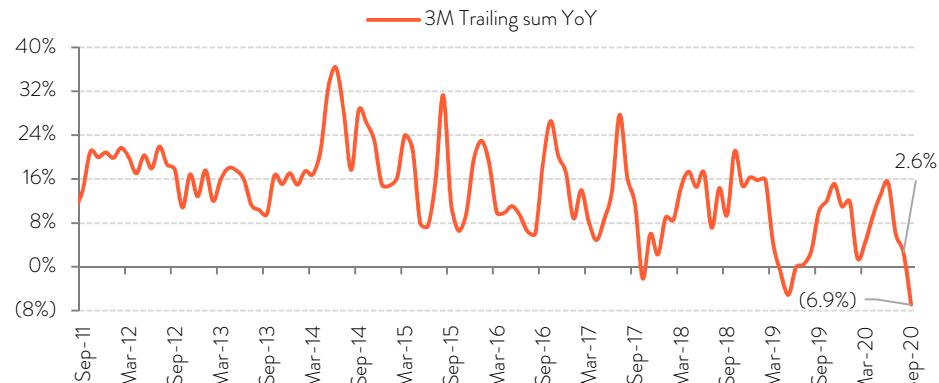
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, J&K, Maharashtra, Odisha, Punjab, U.P. and W.Bengal

FIG 131 – A.P AND KERALA LEAD THE FISCAL DEFICIT CHART IN FYTD21



Note: FYTD is Apr'20-Sep'20

FIG 133 – ...LED BY DROP IN REVENUE SPENDING OF STATES*

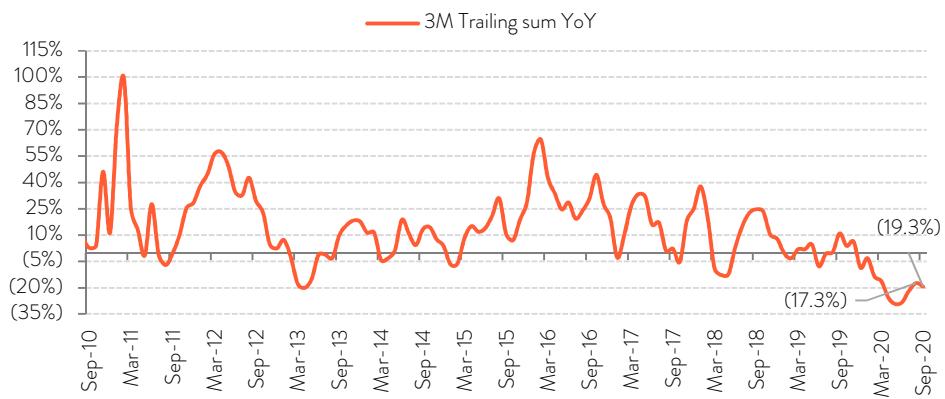


Note: *All states excluding N.E states, Bihar, Goa, Gujarat, J&K, Maharashtra, Odisha, Punjab, U.P. and W.Bengal

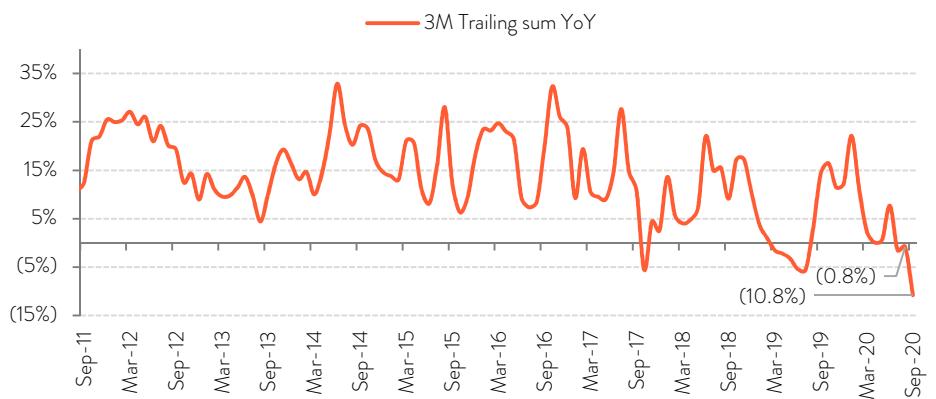
FIG 134 – STATE* GOVT. TAX REVENUES AND CAPEX CONTINUE REMAINED MUCH WEAK IN H1FY21 (FYTD BASIS)

	Apr'18-Sep'18 (Rs bn)	Apr'19-Sep'19 (Rs bn)	% change	Apr'20-Sep'20 (Rs bn)	% change
Total Receipts	6,741	7,061	4.7	6,875	(2.6)
Revenue Receipts	5,398	5,584	3.4	4,750	(14.9)
Receipts: Tax Revenue	4,036	4,101	1.6	3,237	(21.1)
Receipts: Non-Tax Revenue	422	408	(3.3)	275	(32.6)
Receipts: Grant in aid & contribution	940	1,074	14.2	1,382	28.7
Capital Receipts	1,343	1,478	10.0	2,125	43.8
Total Expenditure	6,612	6,850	3.6	6,919	1.0
Revenue Expenditure	5,801	6,112	5.4	6,296	3.0
Capital Expenditure	794	810	2.0	623	(23.1)
Revenue Surplus or Deficit	(402)	(528)	-	(1417)	-
Fiscal Surplus or Deficit	(1311)	(1278)	-	(2264)	-

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

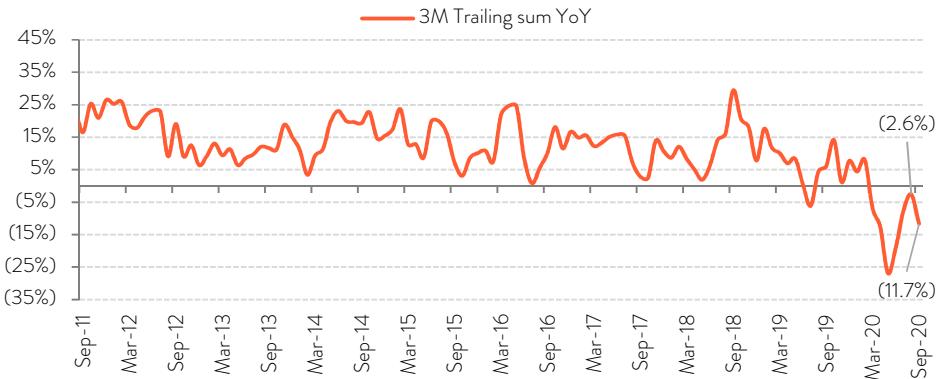
FIG 135 – CAPEX GROWTH OF STATES* REMAINS MUTED

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

FIG 136 – TOTAL RECEIPT OF STATES* DROPPED FURTHER IN SEP'20

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

FIG 137 – ...AS REVENUE RECEIPTS OF STATES* EASED



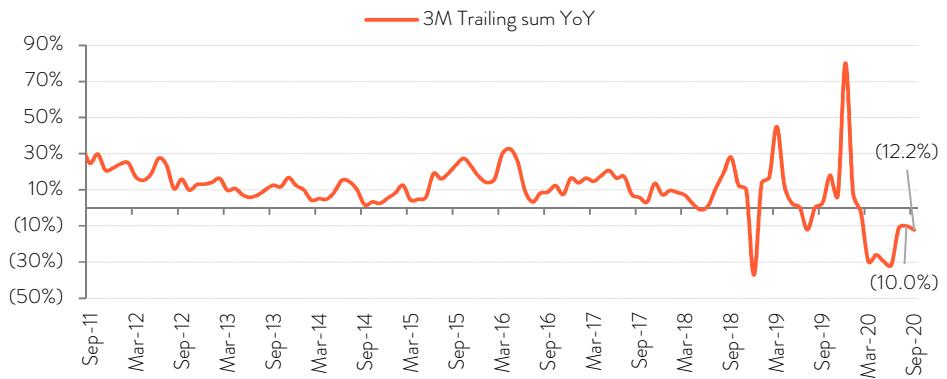
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, J&K, Maharashtra, Odisha, Punjab, U.P. and W.Bengal

FIG 139 – GRANTS IN AID FROM CENTRE TO STATES* ALSO DOWN



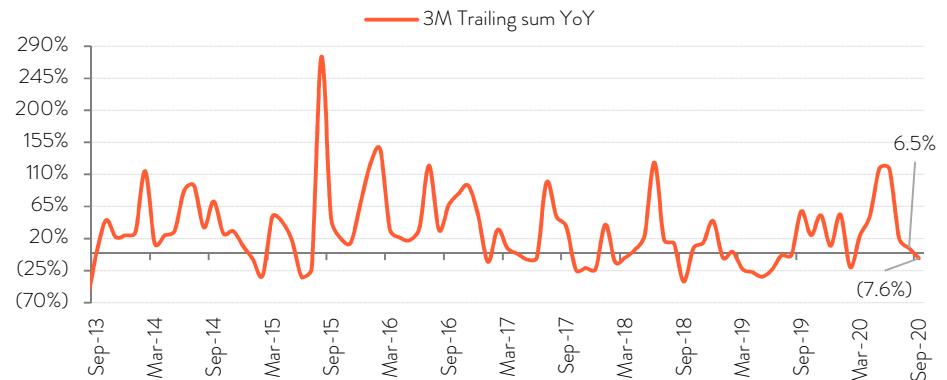
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, J&K, Maharashtra, Odisha, Punjab, U.P. and W.Bengal

FIG 138 – AS TAX REVENUE OF STATES* CONTINUE TO REMAIN SUBDUED IN SEP'20



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

FIG 140 – CAPITAL RECEIPTS OF STATES* REMAINED WEAK



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

Central government borrowing

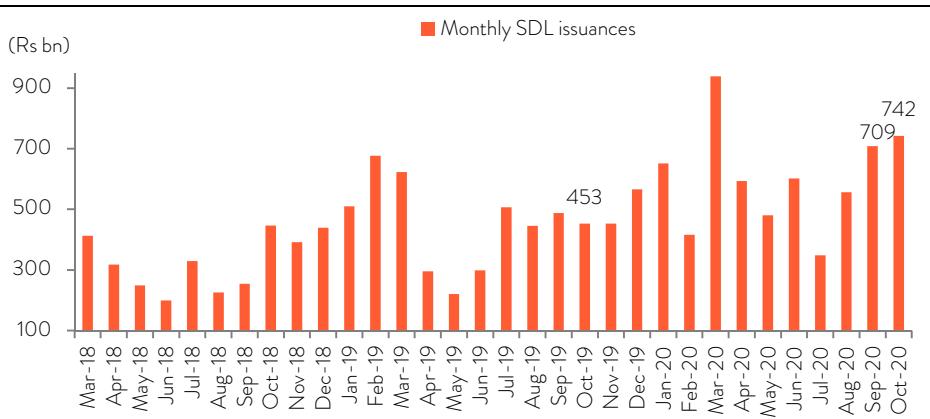
FIG 141 – CENTRE'S T-BILL ISSUANCES SOARING HIGH

Total accepted amount (G-Sec), (Rs bn)	FY15	FY16	FY17	FY18	FY19	FY20	FY21 (actual)	FY21 (planned)
Q1		2,613	2,797	2,888	3,089	3,364	5,328	5,000
Q2		2,667	2,584	3,186	3,299	3,024	5,417	4,550
Q3		2,645	2,747	2,632	3,070	2,889	1,536^	2,080
Q4		2,104	1,684	2,486	1,812	2,511	-	-
Total	10,029	9,811	11,192	11,271	11,788	12,050	-	-

Source: RBI; ^as of 4 Nov 2020

State government borrowing

FIG 143 – STATE GOVERNMENT BORROWINGS SIGNIFICANTLY UP IN OCT'20



Source: RBI

FIG 142 – CENTRE'S GROSS BORROWING FOR Q3 AT ~RS 1.4TN

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
Q2		1,570	1,630	1,910	1,890	1,440	2,210	4,220
Q3		1,430	1,640	1,610	1,640	1,270	1,930	1,360^
Q4		1,090	840	800	670	1,680	920	-
Total	5,920	5,850	5,820	5,880	5,710	7,100	9,589	13,100

Source: RBI; ^ as of 6 Nov 2020

FIG 144 – MARKET BORROWINGS OF STATES EXPECTED TO INCH UP IN Q3

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	1,614	1,783
Q3		858	1,214	1,054	1,277	1,470	963*	2,022
Q4		959	1,322	1,348	1,809	2,006	-	-
Total	2,946	3,876	4,182	4,661	5,731	4,028	-	-

Source: RBI ; *As of 3 Nov 2020

External sector

Exports

FIG 145 – GLOBAL EXPORTS IMPROVE FURTHER IN AUG'20

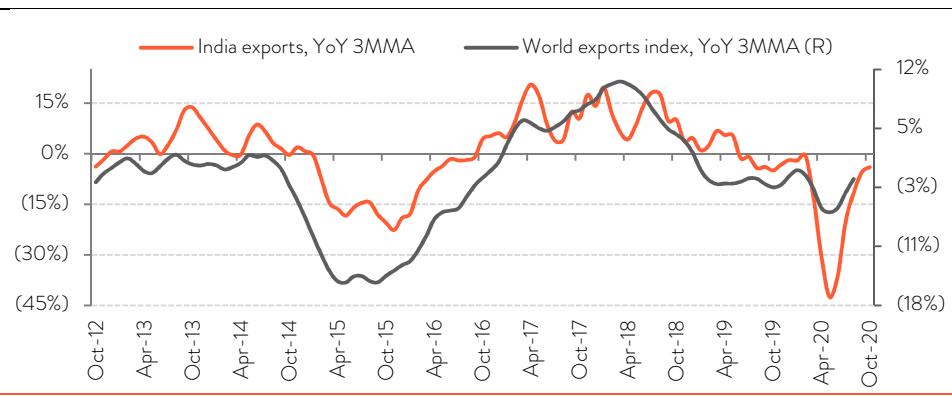
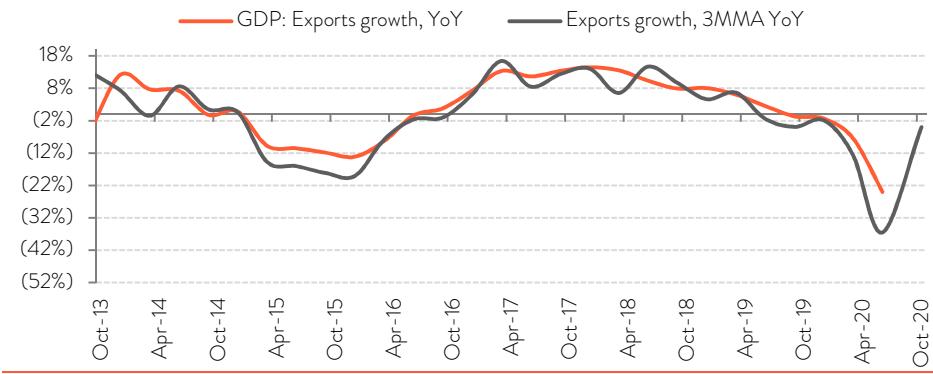


FIG 146 – INDIA'S EXPORT GROWTH CONTRACTED IN OCT'20 BY 5.4% AFTER INCREASING BY 6% IN SEP'20



Note: Figure for Sep'20 is average for the period Jul-Oct'20

Exports by major sectors

FIG 147 – OIL EXPORTS FELL SHARPLY BY 53.3% IN OCT'20

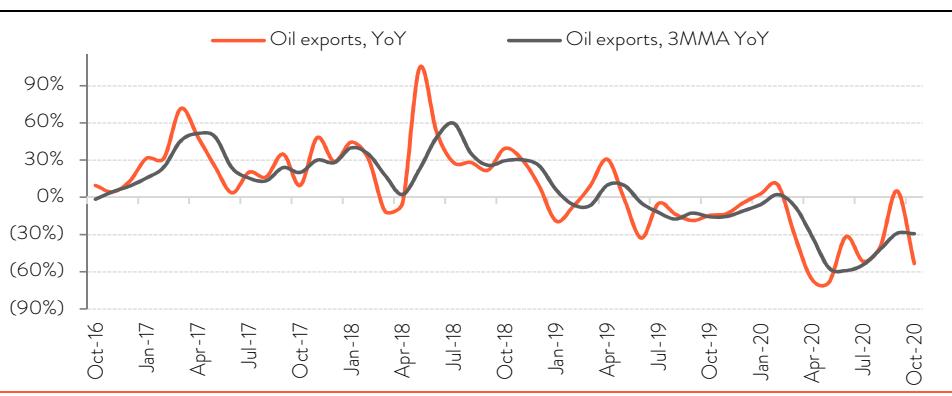


FIG 148 – EXPORTS OF DRUGS AND PHARMA PRODUCTS DECELERATED MARGINALLY IN OCT'20

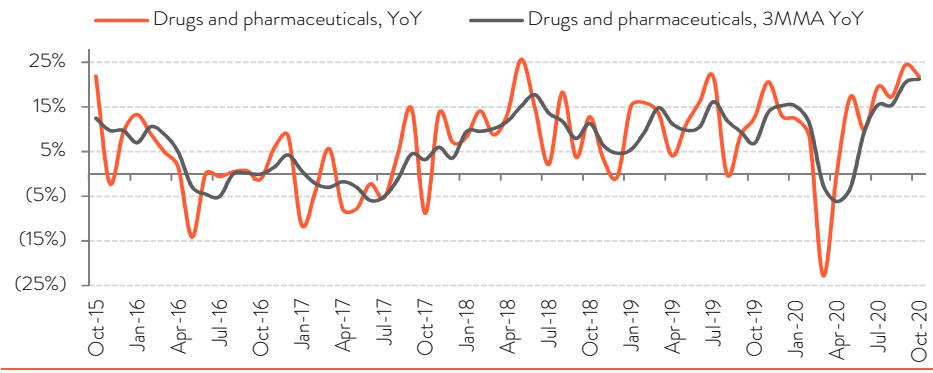
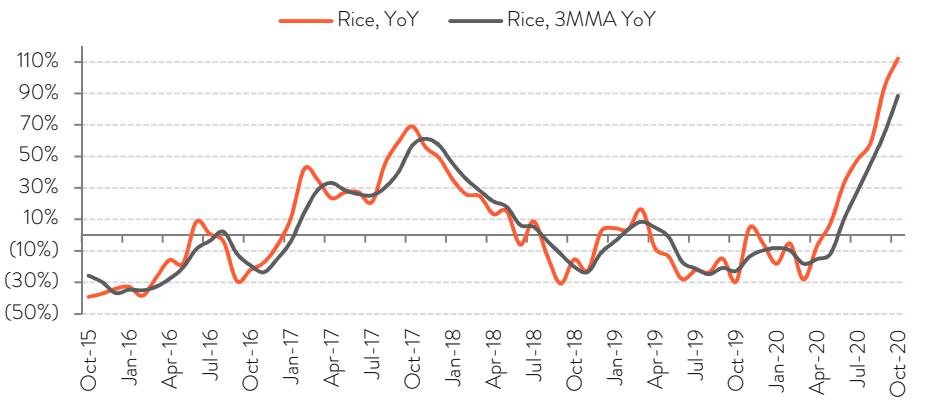
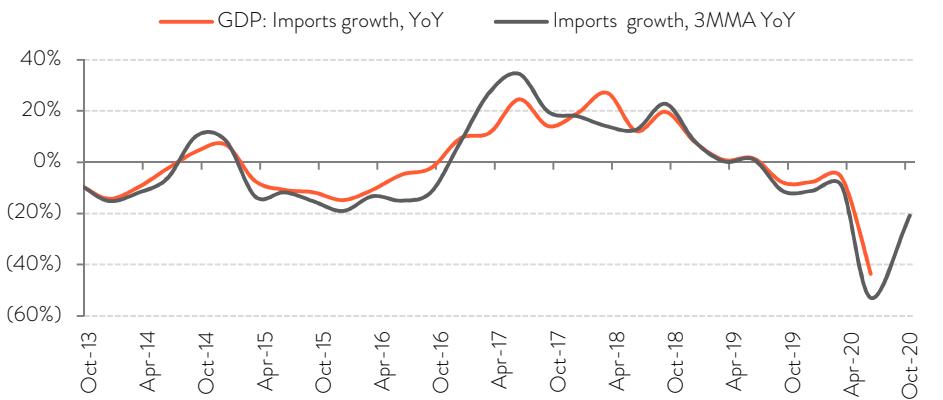


FIG 149 – RICE EXPORTS SURGE BY 112% IN OCT'20

Imports

FIG 151 – IMPORT GROWTH SHOWS STEADY IMPROVEMENT

Note: Figure for Sep'20 is average for the period Jul-Oct'20

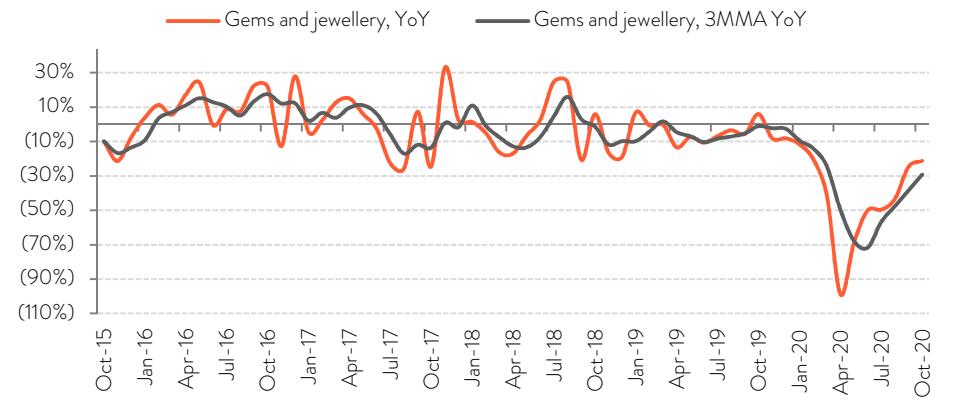
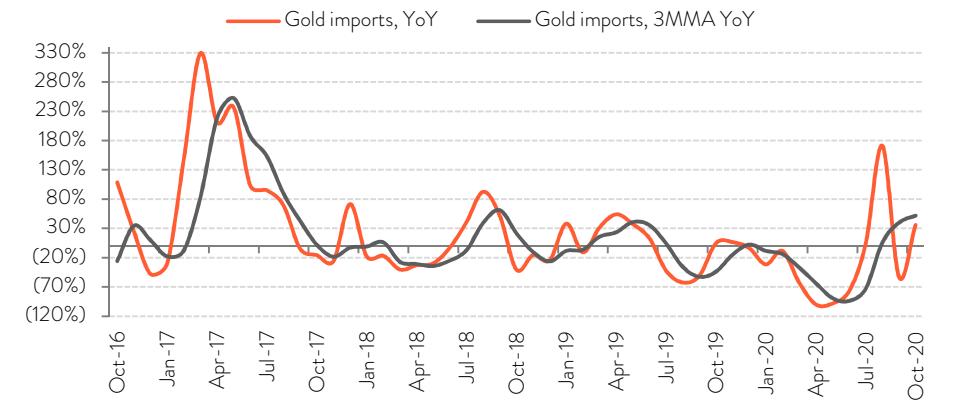
FIG 150 – CONTRACTION IN GEMS AND JEWELLERY EXPORTS EASES IN OCT'20**FIG 152 – GOLD IMPORTS RISE IN OCT'20 DUE TO FESTIVE DEMAND**

FIG 153 – IMPORT OF ELECTRONIC GOODS RISES FURTHER

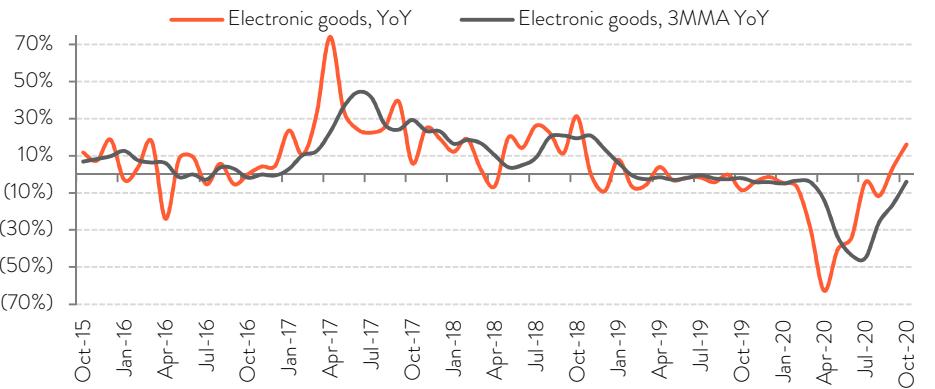


FIG 155 – OIL IMPORTS HOWEVER CONTINUE TO DECLINE EVEN IN OCT'20

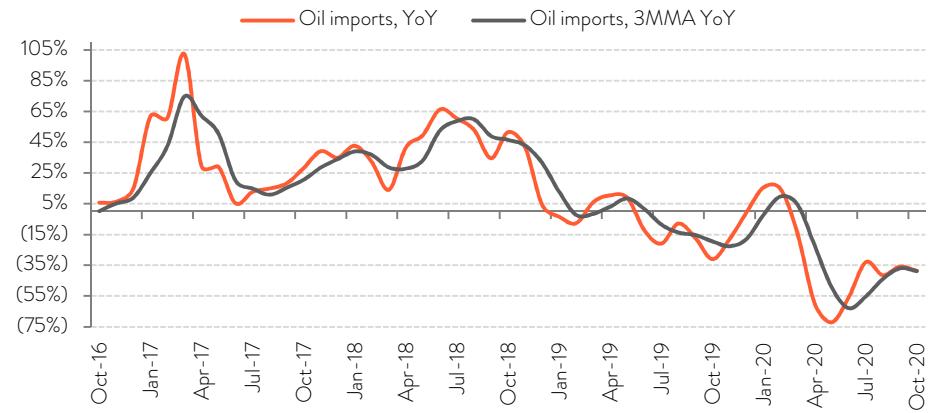


FIG 154 – IMPORTS OF PEARLS AND PRECIOUS METALS ALSO PICKS UP

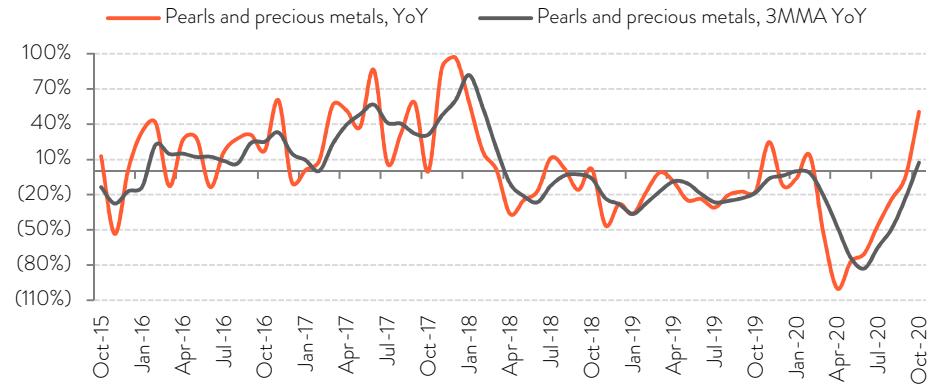
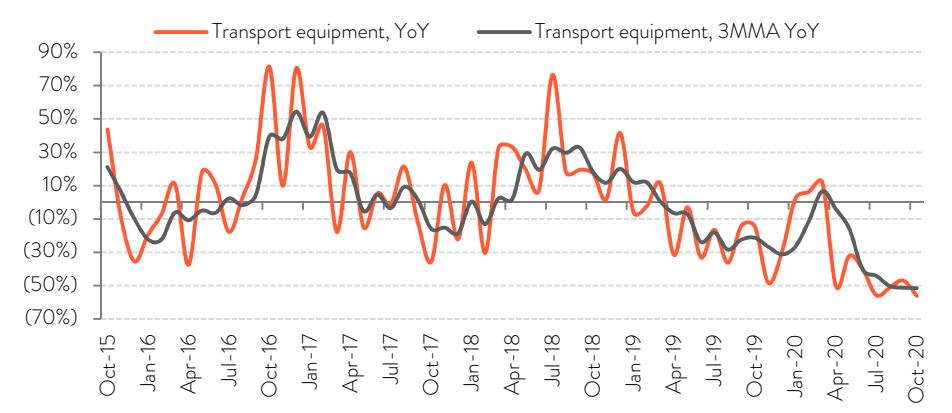


FIG 156 – TRANSPORT EQUIPMENT IMPORTS ALSO LOWER



Exports and imports by major regions

FIG 157 – EXPORTS TO CHINA HAVE CONTINUED TO REMAIN BUOYANT IN FYTD21

Region (% YoY)	Share (in %) FY20	Jun'20	Jul'20	Aug'20	FYTD20	FYTD21
Americas	22.5	(13.7)	(3.6)	(5.9)	1.2	(25.0)
Asia and Pacific (Ex. China)	25.5	3.4	(3.2)	(13.1)	(8.9)	(20.7)
China	5.4	77.8	23.5	15.3	9.6	27.4
Europe	19.5	(24.5)	(10.3)	(12.8)	(2.9)	(32.1)
Middle East and Africa	25.9	(27.4)	(27.9)	(21.8)	0.5	(39.3)
Other	1.1	(93.5)	(77.6)	(77.0)	10.9	(77.1)

Note: FYTD is Apr-Aug

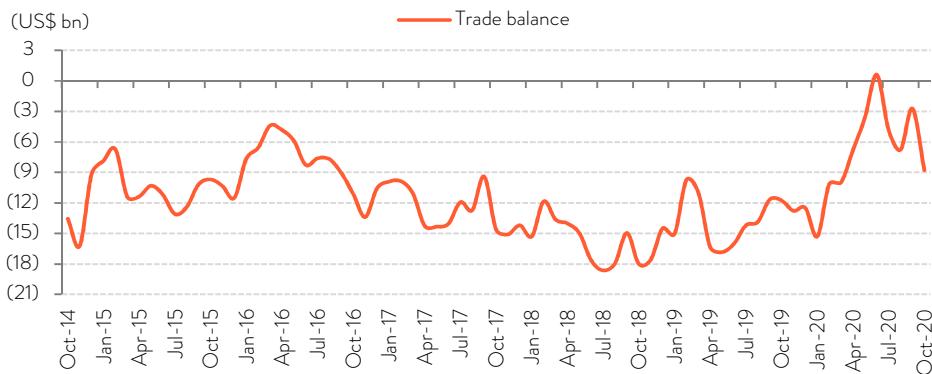
FIG 158 – IMPORTS FROM ALL REGIONS HOWEVER CONTINUE TO DECLINE

Region (% YoY)	Share in FY20	Jun'20	Jul'20	Aug'20	FYTD20	FYTD21
Americas	12.8	(48.0)	(31.3)	(14.7)	(2.6)	(42.0)
Asia and Pacific (Ex. China)	25.0	(48.4)	(30.1)	(26.3)	(2.6)	(40.6)
China	13.8	(43.7)	(9.8)	(21.8)	(0.3)	(27.6)
Europe	15.0	(49.0)	(39.1)	(21.9)	(4.0)	(49.8)
Middle East and Africa	30.8	(51.2)	(37.8)	(33.7)	(8.7)	(51.7)
Other	2.6	(23.7)	17.4	(33.3)	27.9	(29.8)

Note: FYTD is Apr-Aug

Trade deficit

FIG 159 – TRADE DEFICIT EXPANDS TO A 7-MONTH HIGH AT US\$ 8.8BN IN OCT'20...



Trade in services

FIG 161 – SERVICES EXPORT CONTRACT AT A SLOWER PACE OF 9.9% IN AUG'20 VERSUS 10.8% DROP IN JUL'20

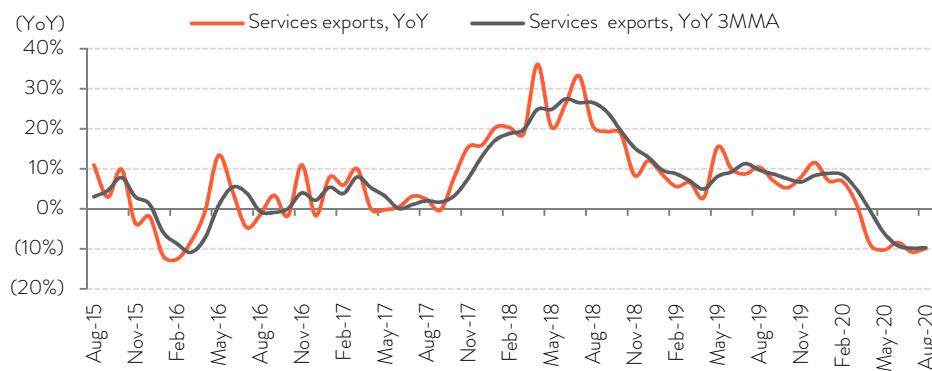
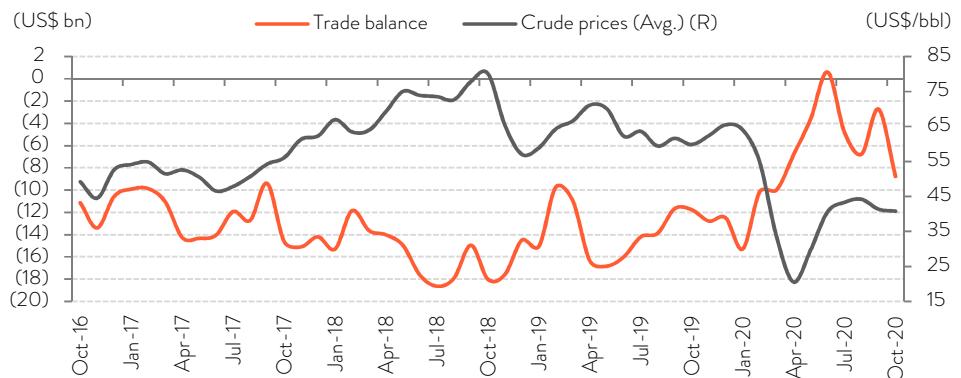


FIG 160 – ... DESPITE LOWER OIL PRICES



BoP

FIG 162 – CURRENT ACCOUNT SURPLUS RISES TO A RECORD HIGH AT 3.9% OF GDP IN Q1FY21

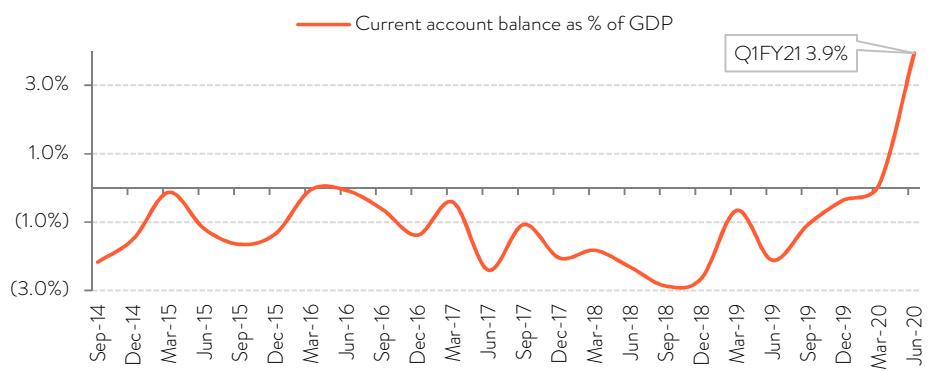


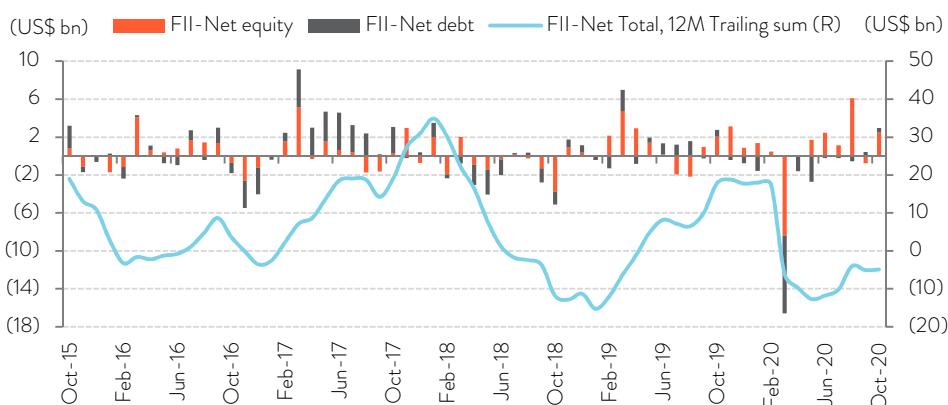
FIG 163 – LED BY LOWER TRADE DEFICIT

(US\$ bn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21
Current account	(15.0)	(7.6)	(2.6)	0.6	19.8
CAD/GDP (%)	(2.1)	(1.1)	(0.4)	0.1	3.9
Trade balance	(46.8)	(39.6)	(36.0)	(35.0)	(10.0)
- Merchandise exports	82.7	80.0	81.2	76.5	52.3
- Merchandise imports	129.5	119.6	117.3	111.6	62.3
--Oil imports	35.3	29.6	31.4	32.4	33.4
--Non-oil imports	94.2	90.0	85.9	79.2	28.9
- Net Services	20.1	20.9	21.9	22.0	20.5
--Software	21.0	21.1	21.5	21.1	20.8
Transfers	18.0	20.0	18.9	18.4	17.0
Other invisibles	(6.3)	(8.8)	(7.4)	(4.8)	(7.7)
Capital account	28.7	13.6	23.6	17.4	0.6
% of GDP	4.1	1.9	3.3	2.4	0.1
Foreign investments	18.8	9.8	17.6	(1.8)	0.2
- FDI	14.0	7.3	9.7	12.0	(0.4)
- FII	4.8	2.5	7.8	(13.7)	0.6
Banking capital	3.4	(1.8)	(2.3)	(4.6)	2.2
Short-term credit	2.0	(0.6)	(1.4)	(1.0)	(0.2)
ECBs	6.1	3.3	3.2	10.3	(1.6)
External assistance	1.5	0.4	1.3	0.6	4.1
Other capital account items	(3.1)	2.5	5.2	13.8	(4.2)
E&O	0.4	(0.9)	0.6	0.9	(0.5)
Overall balance	14.0	5.1	21.6	18.8	19.9

Foreign inflows

FII inflows

FIG 164 – FII INFLOWS OF US\$ 3BN IN OCT'20 REVERSING OUTFLOWS OF US\$ 357MN IN SEP'20



Source: Bloomberg

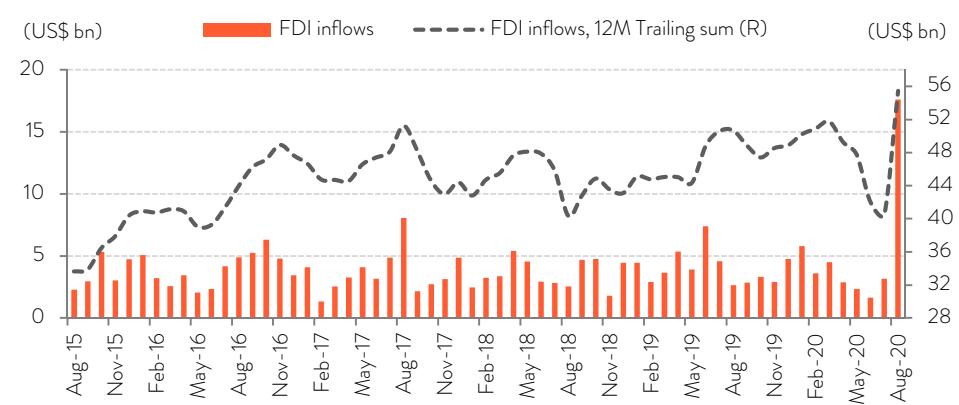
FIG 166 – FDI INFLOWS INTO ALL SECTORS SEE A DIP IN Q1FY21

Sector	% Share FY20	Jun'19	Sep'19	Dec'19	Mar'20	Jun'20
Services Sector	15.7	2.8	1.7	2.1	1.3	1.1
Computer software and hardware	15.4	2.2	1.8	2.3	1.3	1.1
Trading	9.2	1.1	1.0	1.4	1.1	0.4
Telecommunications	8.9	4.2	0.1	0.0	0.2	0
Automobile industry	5.7	1.0	1.2	0.4	0.3	0.3

Source: DIPP

FDI inflows

FIG 165 – FDI INFLOWS RISE BY US\$ 17.8BN IN AUG'20, HIGHEST MONTHLY INCREASE ON RECORD



Source: RBI, Bank of Baroda Research

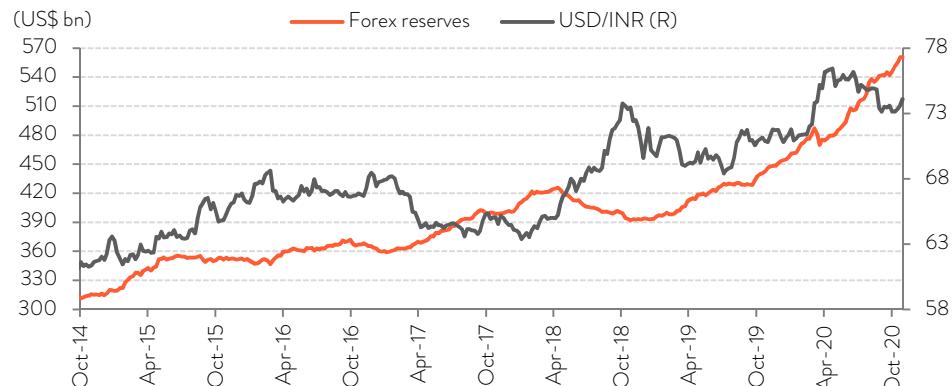
FIG 167 – FDI INFLOWS FROM SINGAPORE DECELERATE THE MOST IN Q1FY21

Country (US\$ bn)	% Share in FY20	Jun'19	Sep'19	Dec'19	Mar'20	Jun'20
Singapore	29.4	5.3	2.7	3.6	3.0	1.8
Mauritius	16.5	4.7	1.7	1.1	0.8	0.9
Netherlands	13.0	1.4	1.0	1.2	3.0	1.1
Japan	6.5	0.5	1.3	1.0	0.4	0.4
UK	2.8	0.3	0.6	0.3	0.3	0.2

Source: DIPP

Forex reserves and external debt

FIG 168 – INDIA'S FX RESERVES RISE TO A HISTORIC HIGH AT US\$ 560.7BN IN OCT'20, US\$ 85.2BN ACCRETION IN FYTD21



Source: Bloomberg | Weekly data as of 30 Oct 2020

FIG 170 – RBI BOUGHT US\$ 5.3BN IN AUG'20 IN THE SPOT MARKET VERSUS US\$ 16BN IN JUL'20

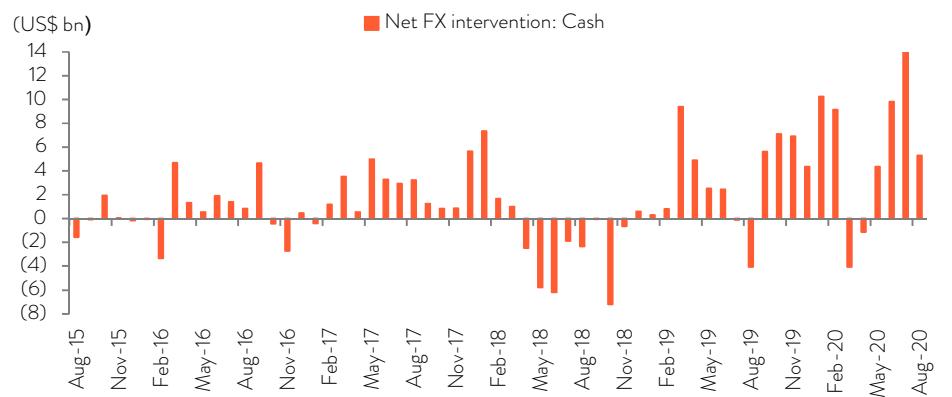


FIG 169 – IMPORT COVER ALSO RISES TO 17.4 MONTHS IN SEP'20

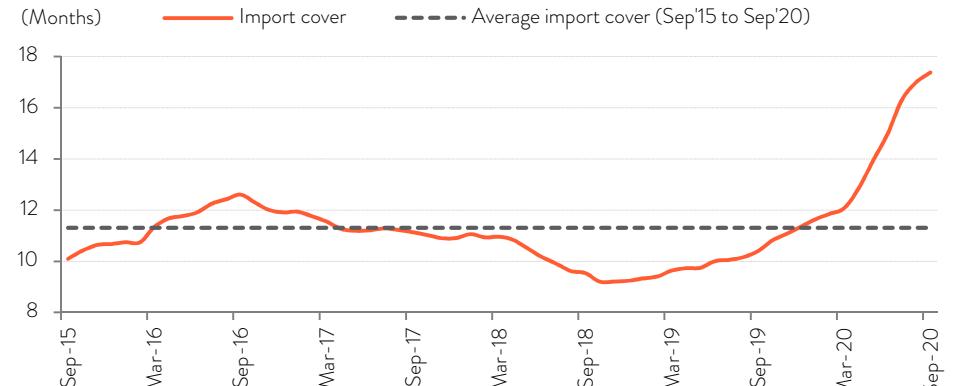
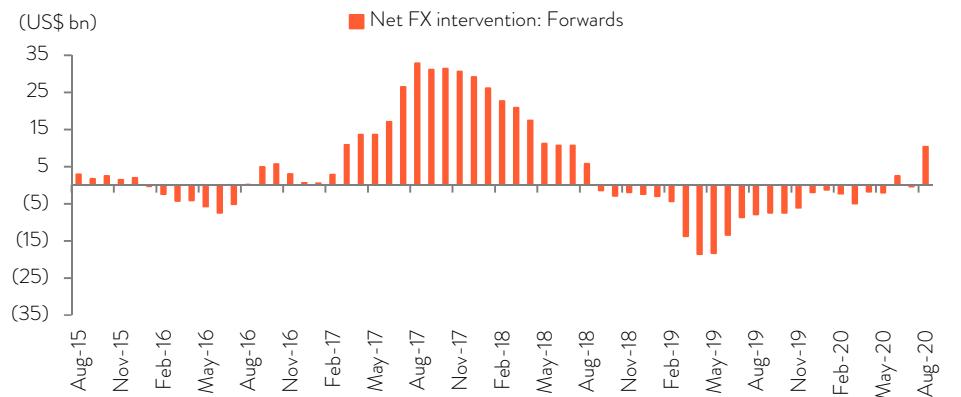


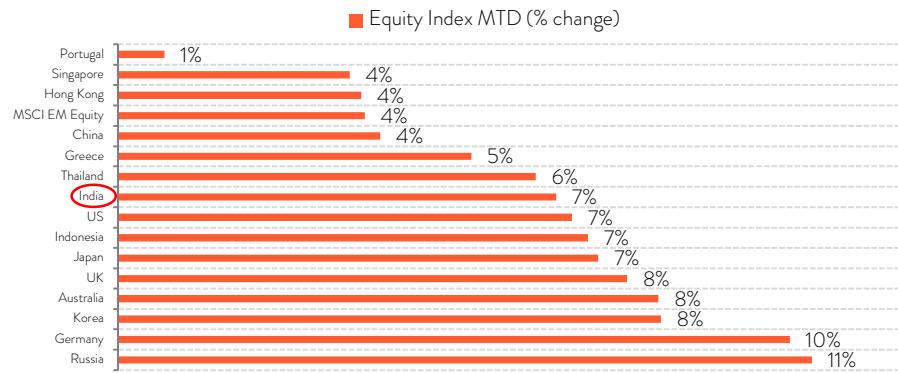
FIG 171 – IN FORWARDS MARKET, RBI BOUGHT US\$ 10.7BN VERSUS SALES OF US\$ 2.8BN IN JUL'20, OUTSTANDING POSITION AT US\$ 10.4BN IN AUG'20



Markets

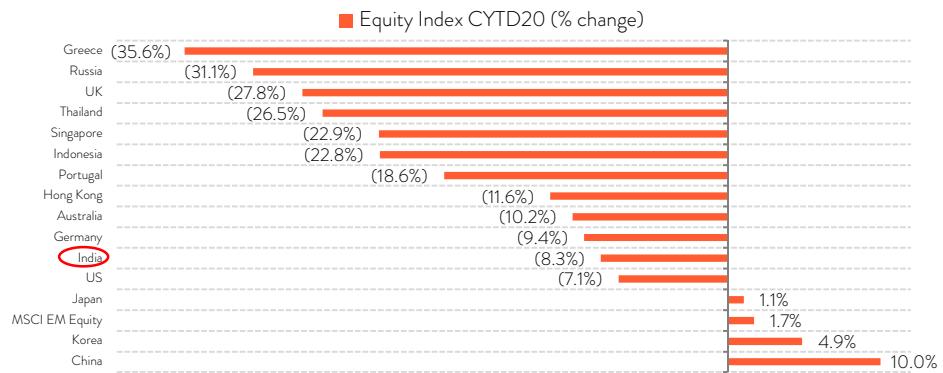
Equity

FIG 172 – IN NOV'20, SENSEX HAS RISEN BY 6.6% (CONSTANT CURRENCY TERMS) IN LINE WITH OTHER GLOBAL INDICES



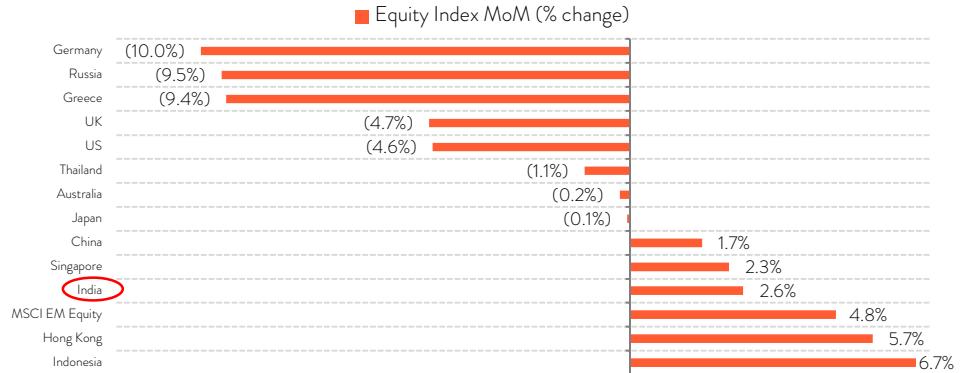
Source: Bloomberg | * As on 6 Nov 2020, Indices are in US\$ terms

FIG 174 – HOWEVER, SENSEX FELL SHARPLY BY 8.3% ON CYTD20 BASIS



Source: Bloomberg | * As on 30 Oct 2020, Indices are in US\$ terms

FIG 173 – SENSEX ROSE BY 2.6% IN OCT'20, MSCI EM INDEX ROSE BY 4.8% IN THE SAME PERIOD



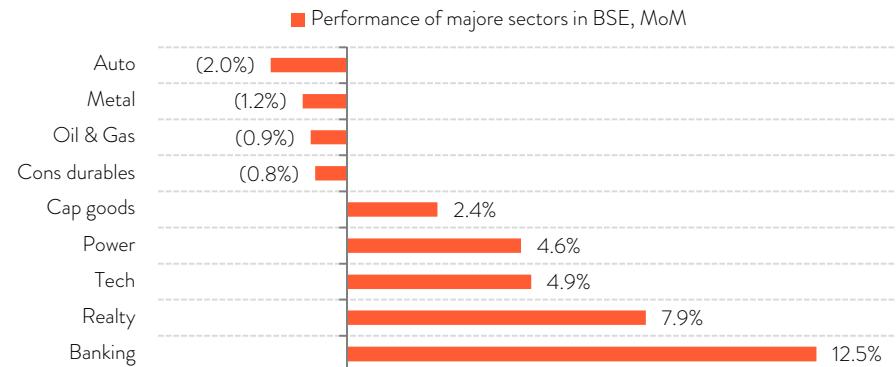
Source: Bloomberg | * As on 30 Oct 2020, Indices are in US\$ terms

FIG 175 – VIX INDEX ROSE TO 24.8 IN OCT'20 VERSUS 19.5 IN SEP'20



Source: Bloomberg

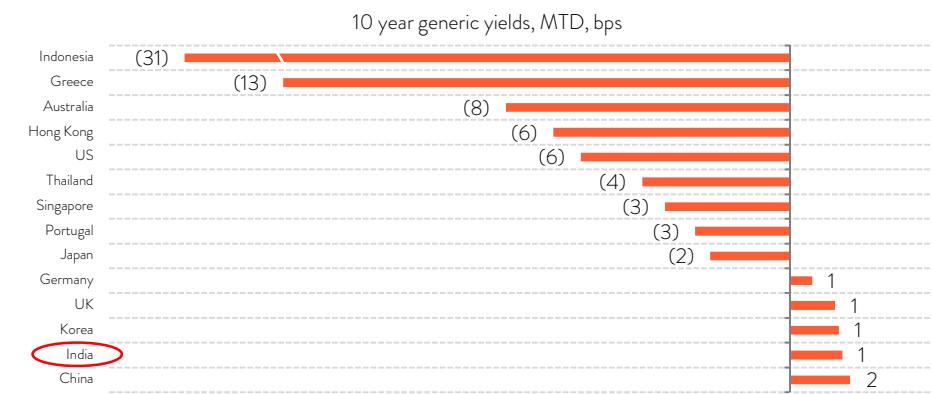
FIG 176 – BANKING STOCKS ROSE SHARPLY BY 12.5% IN OCT'20



Source: Bloomberg | As on 30 Oct 2020

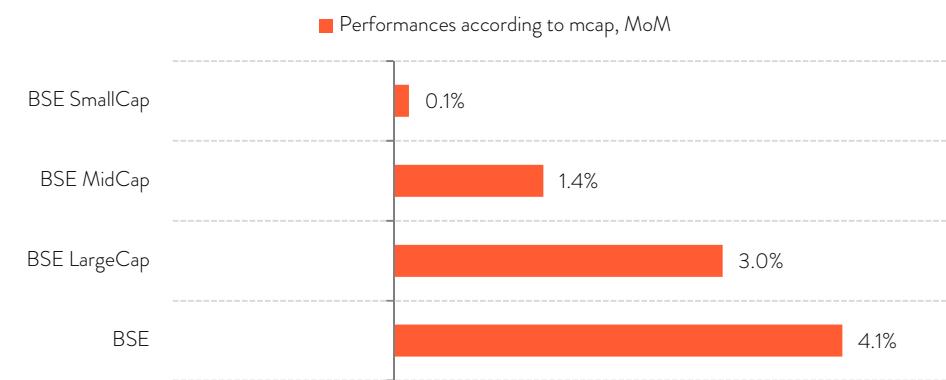
10 year bond yields

FIG 178 – IN NOV'20, INDIA'S 10Y YIELD HAS INCREASE A TAD BY 1BPS



Source: Bloomberg | *As on 6 Nov 2020, Note: For India 5.77GS2030 yield is taken

FIG 177 – LARGE CAPS ROSE THE MOST IN OCT'20



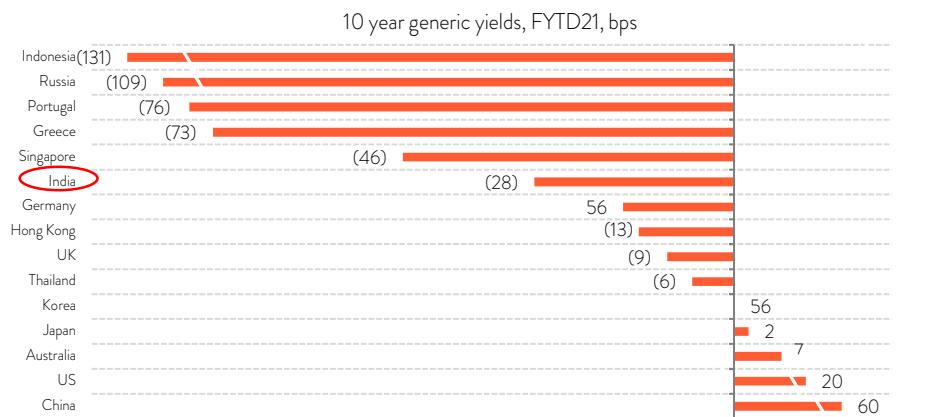
Source: Bloomberg | As on 30 Oct 2020

FIG 179 – INDIA'S 10Y YIELD FELL BY 15BPS IN OCT'20 SUPPORTED BY RBI'S LIQUIDITY INFUSION MEASURES



Source: Bloomberg | * As on 30 Oct 2020, Note: For India 5.77GS2030 yield is taken

FIG 180 – IN FYTD21, INDIA'S 10Y YIELD HAS FALLEN BY 28BPS



Source: Bloomberg | * As on 30 Oct 2020, Note: For India 5.77GS2030 yield is taken

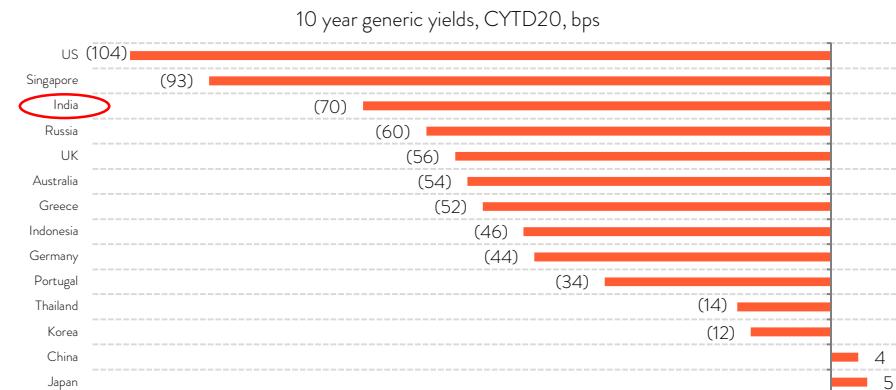
Currencies

FIG 182 – INR DEPRECIATED MARGINALLY IN OCT'20



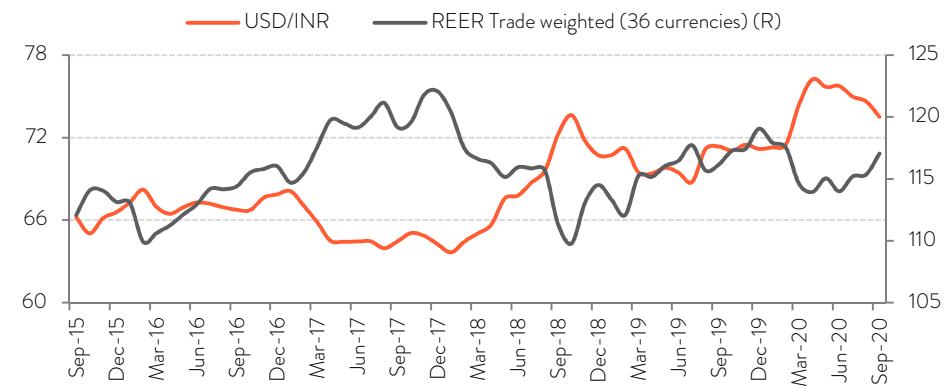
Source: Bloomberg | *As on 30 Oct 2020

FIG 181 – IN CYTD20, INDIA'S 10Y YIELD FELL SHARPLY BY 70BPS, US 10Y YIELD FELL BY 104BPS



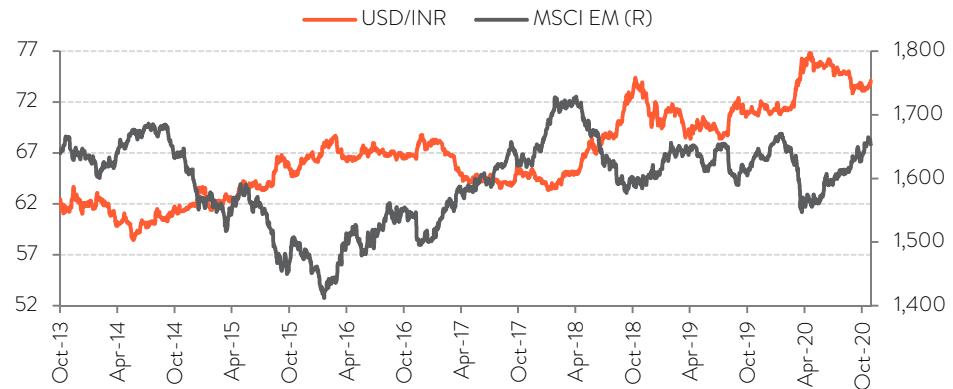
Source: Bloomberg | * As on 30 Oct 2020, Note: For India 5.77GS2030 yield is taken

FIG 183 – INR STILL OVERVALUED BY 17% (SEP'20)



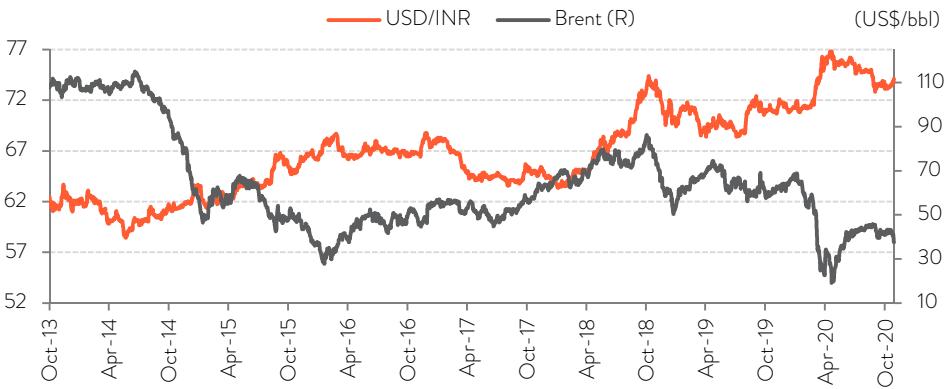
Source: Bloomberg

FIG 184 – EM CURRENCIES ROSE BY 1.3% IN OCT'20



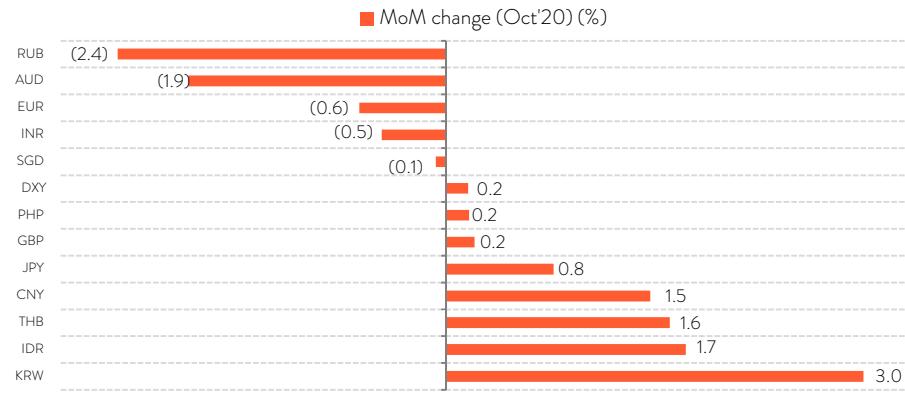
Source: Bloomberg | *As on 30 Oct 2020

FIG 185 – OIL PRICES WERE MARGINALLY LOWER IN OCT'20



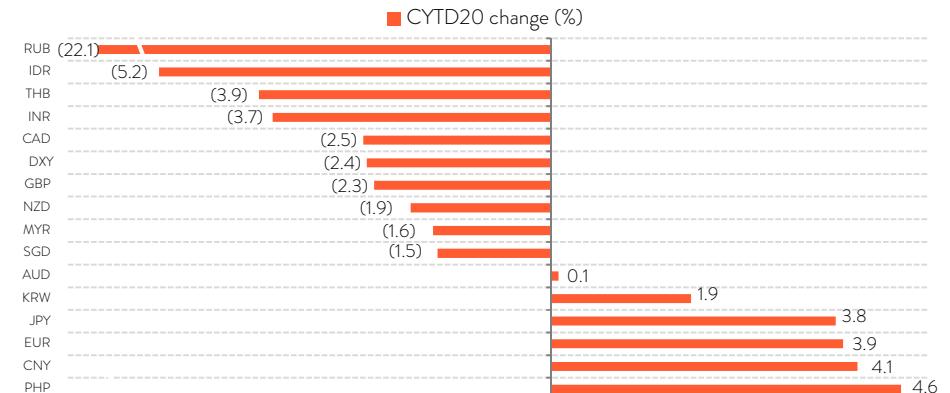
Source: Bloomberg | *As on 30 Oct 2020

FIG 186 – GLOBAL CURRENCIES CLOSED MIXED IN OCT'20



Source: Bloomberg | *As on 30 Oct 2020

FIG 187 – IN CYTD20, INR HAS DEPRECIATED BY 3.7%



Source: Bloomberg | *As on 30 Oct 2020

Commodities

FIG 188 – OIL PRICES STABLE IN OCT'20 EVEN AS US RIG COUNT INCHED UP

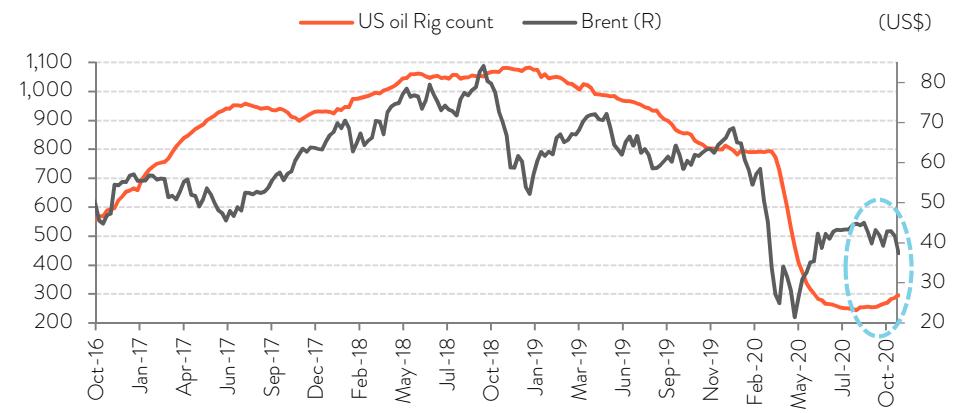


FIG 190 – DXY AND OIL PRICES WERE BROADLY STABLE IN OCT'20

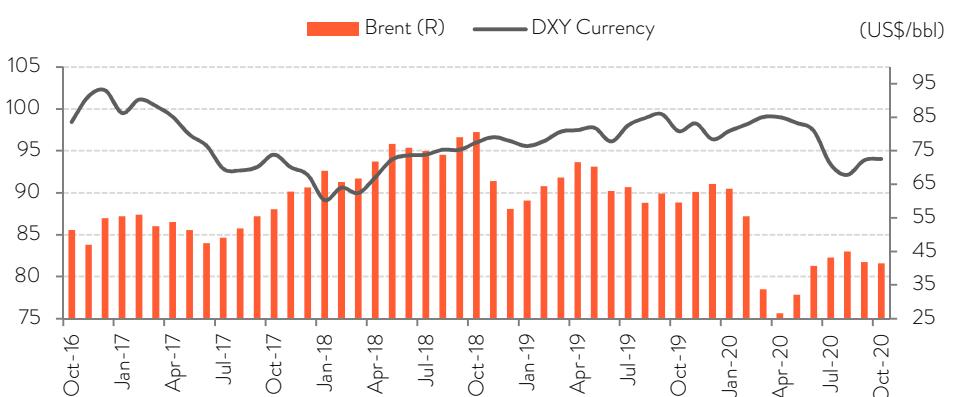


FIG 189 – US CRUDE OIL INVENTORIES ROSE IN OCT'20

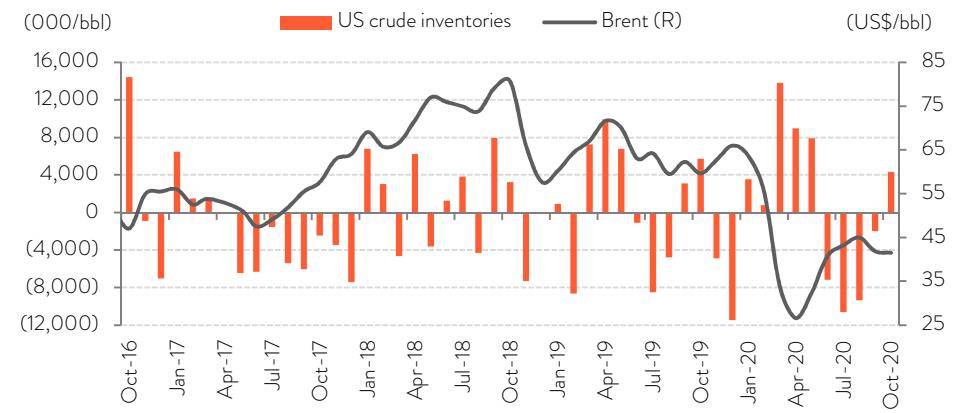
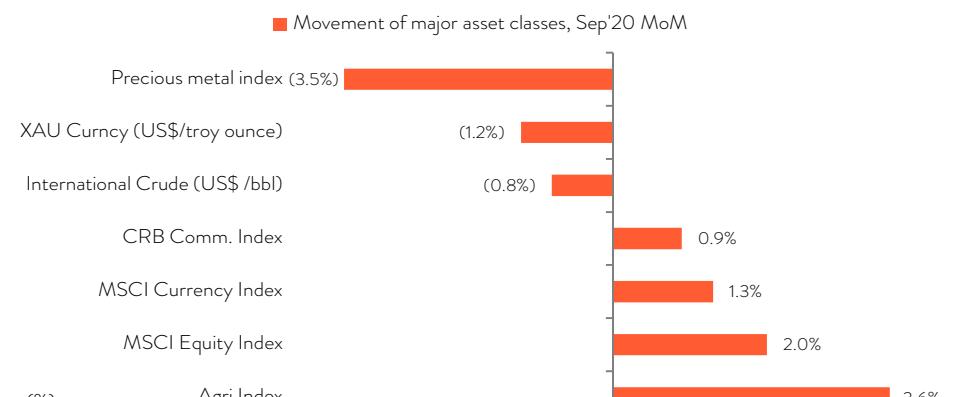
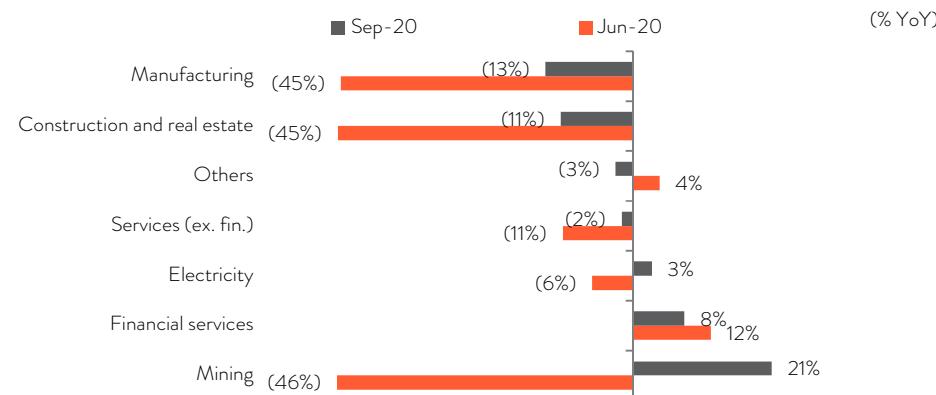


FIG 191 – GOLD PRICES FELL FURTHER BY 1.2% IN SEP'20 ON A MOM BASIS



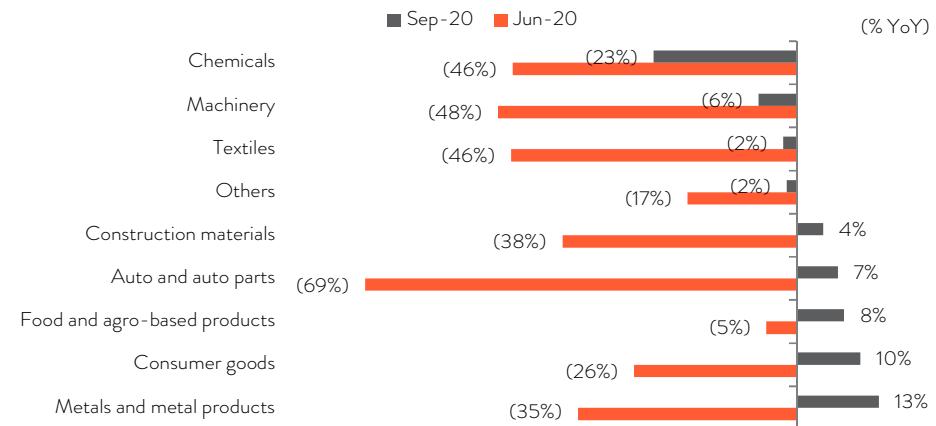
Corporate earnings

FIG 192 – NET SALES IN MANUFACTURING SECTOR IMPROVE IN Q2FY21



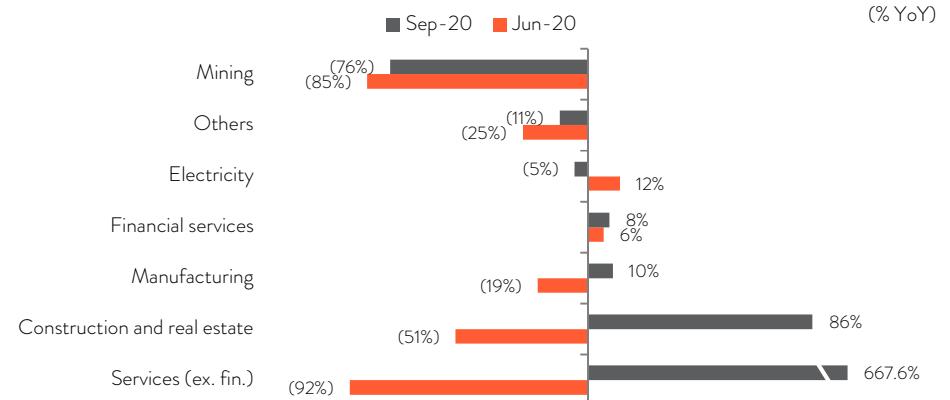
Source: CMIE Prowess database, Note: based on financial results of 280 BSE listed companies

FIG 194 – WITHIN MANUFACTURING, NET SALES IN METAL AND CONSUMER GOODS JUMP THE MOST IN SEP'20



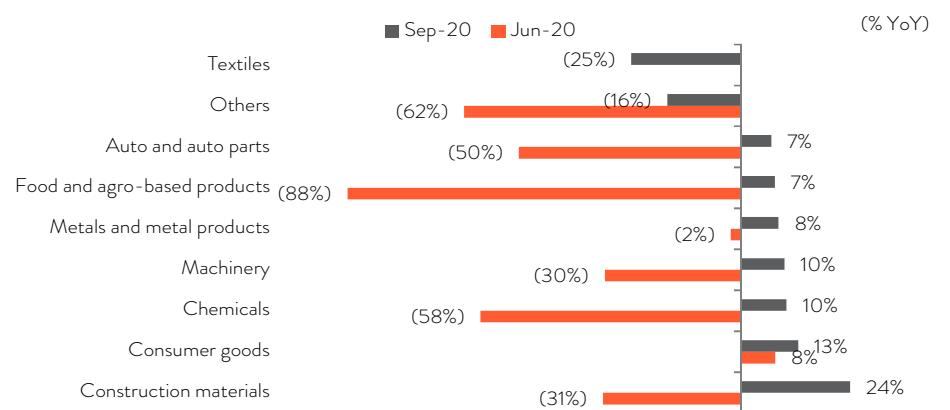
Source: CMIE Prowess database, Note: based on financial results of 143 BSE listed companies

FIG 193 – PBDIT IN SERVICES SECTOR RISES SHARPLY



Source: CMIE Prowess database, Note: based on financial results of 280 BSE listed companies

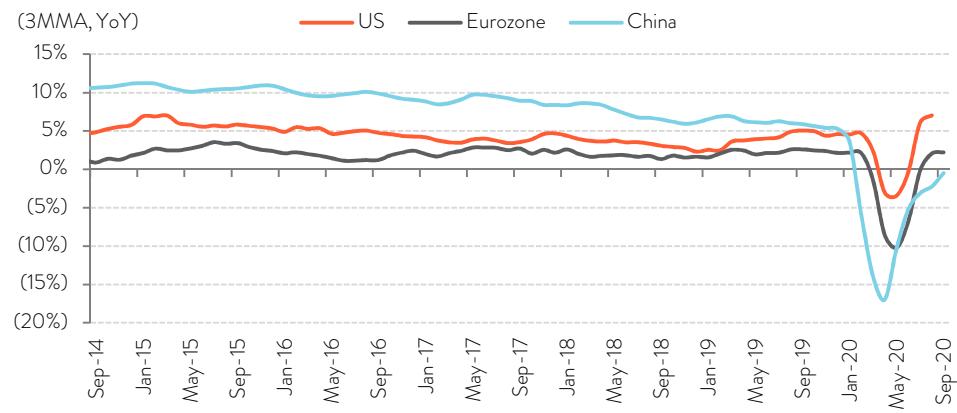
FIG 195 – EXCEPT TEXTILES, PBDIT OF MANUFACTURING SECTOR IMPROVES IN SEP'20



Source: CMIE Prowess database, Note: based on financial results of 143 BSE listed companies

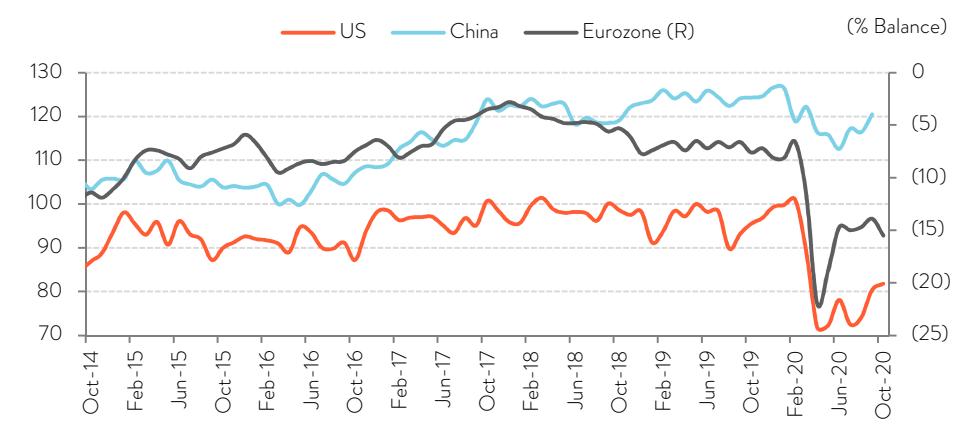
Global consumption

FIG 196 – RETAIL SALES IMPROVE IN CHINA AND MODERATES IN EUROZONE



Note: Data for US till Aug'20

FIG 198 – CONSUMER CONFIDENCE HIGHER FOR US; DIPS FOR EUROZONE



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

FIG 197 – ACROSS THE BOARD IMPROVEMENT IN AUTO SALES

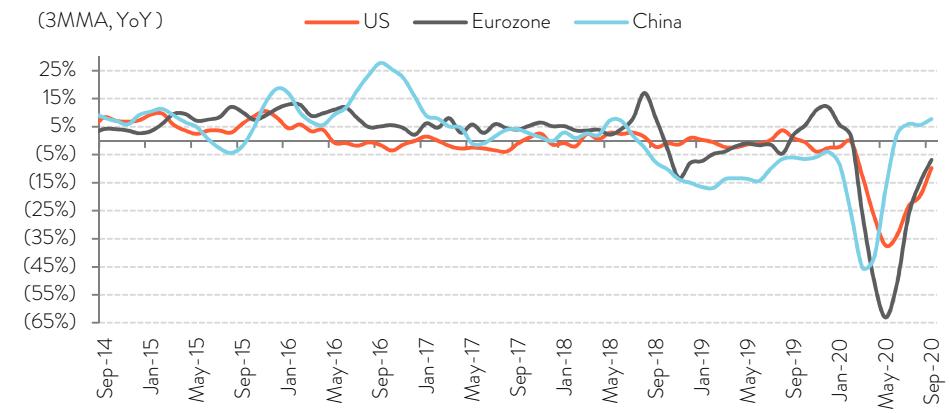
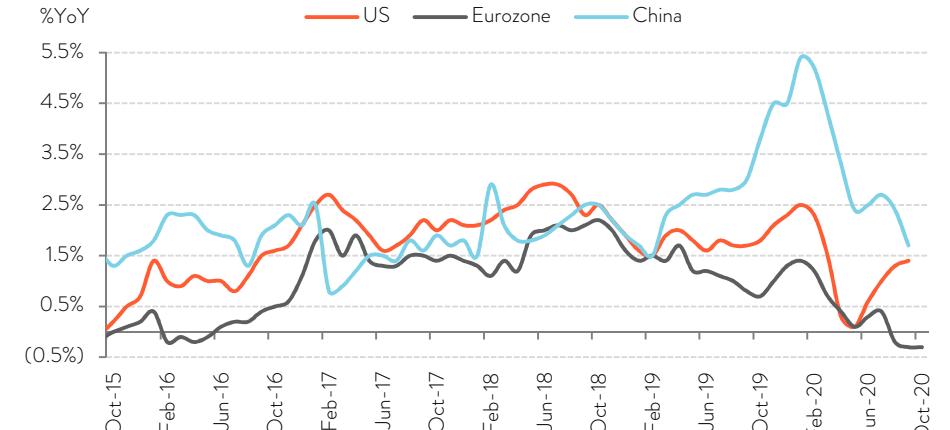


FIG 199 – CPI EASES FOR CHINA; INCHES UP FOR US



Note: Data for China and US is for Sep'20

Policy

FIG 200 – GLOBAL CENTRAL BANKS ARE ON MONETARY EASING CYCLE

Country	Current inflation rate (%)	Current policy rate (%)	CY19 (change in bps)	CYTD20 (change in bps)	Direction of policy rate in CYTD20
Germany	(0.2)	0.0	0	0	-
Japan	0.2	(0.1)	0	0	-
China	1.7	4.4	0	0	-
Australia	(0.3)	0.3	(75)	(65)	⬇️
UK	0.2	0.1	0	(65)	⬇️
Korea	1.0	0.5	(50)	(75)	⬇️
Thailand	(0.7)	0.5	(50)	(75)	⬇️
Indonesia	1.4	4.0	(100)	(100)	⬇️
India	7.3	4.0	(135)	(115)	⬇️
Malaysia	(1.4)	1.8	(25)	(125)	⬇️
US	1.4	0.3	(75)	(150)	⬇️
Turkey	11.8	10.3	(1,200)	(175)	⬇️
Phillipines	2.3	2.3	(75)	(175)	⬇️
Russia	3.7	4.3	(150)	(200)	⬇️
Brazil	3.1	2.0	(200)	(250)	⬇️
Mexico	4.0	4.3	(100)	(300)	⬇️

Source: Bloomberg

Global investment and manufacturing

FIG 201 – GLOBAL MANUFACTURING AND SERVICES ACTIVITY CONTINUE TO RISE AT A STEADY PACE

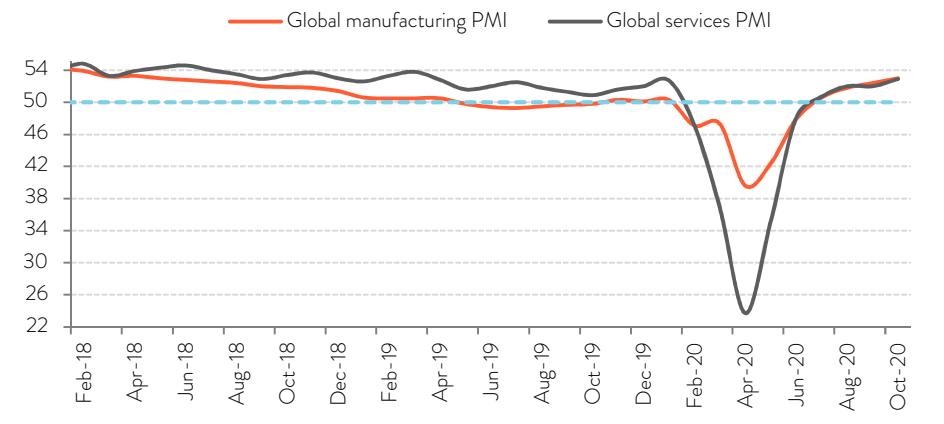


FIG 203 – PRODUCER PRICES CONTINUE TO INCH UP IN US AND GERMANY

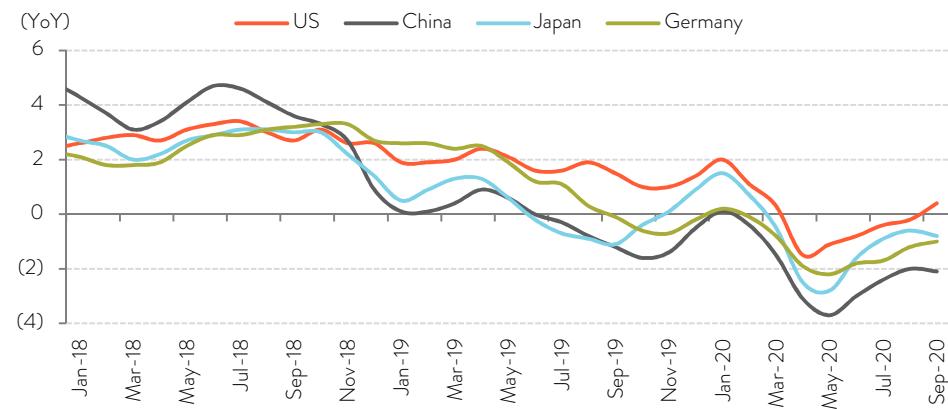


FIG 202 – MANUFACTURING ACTIVITY (PMI) INCHES UP IN MAJOR ECONOMIES

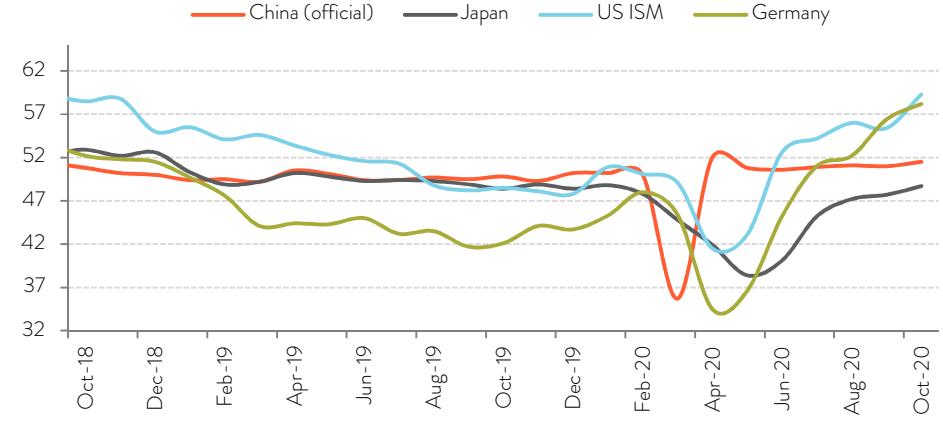
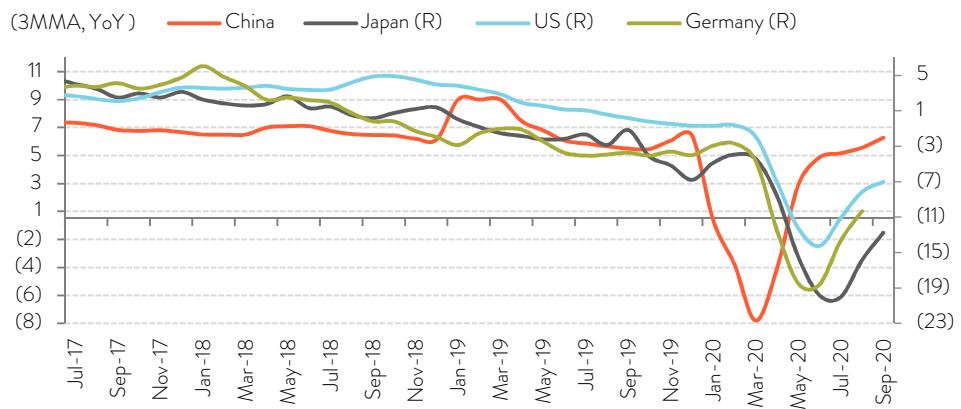


FIG 204 – GLOBAL INDUSTRIAL PRODUCTION EDGES UPWARDS



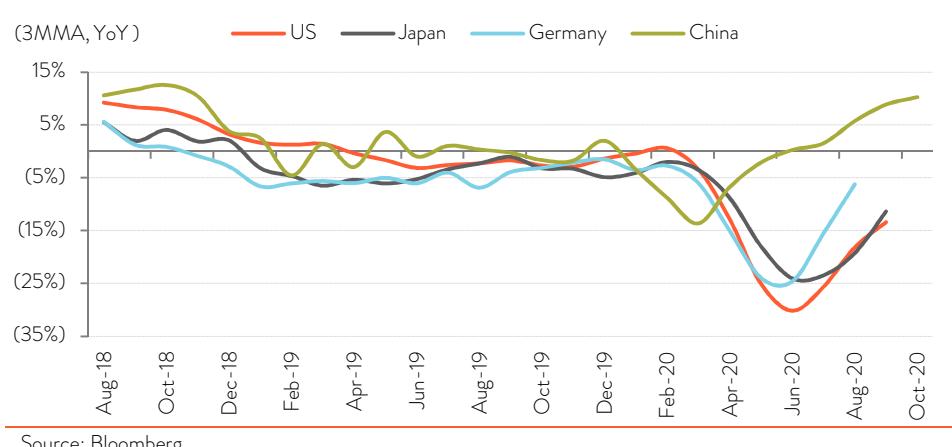
Global trade

FIG 205 – WORLD TRADE VOLUME SHOWED IMPROVEMENT IN AUG'20



Source: NPB, World Trade Monitor

FIG 207 – CHINA'S EXPORTS SURGE FURTHER IN OCT'20



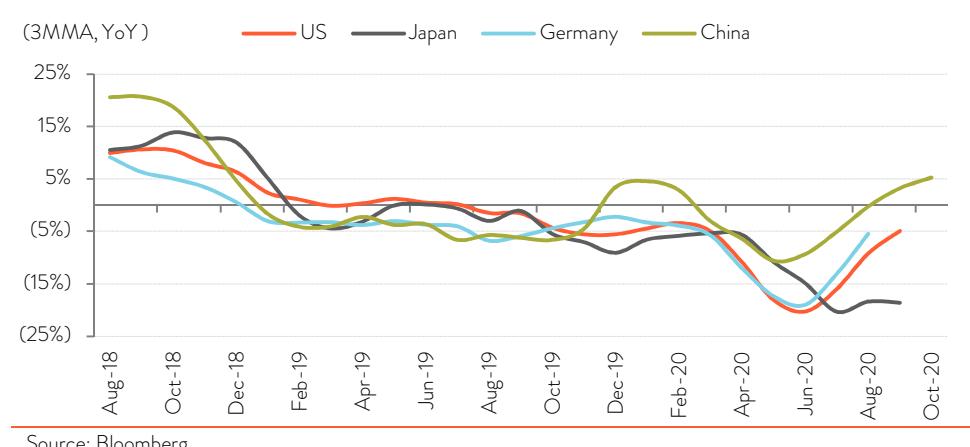
Source: Bloomberg

FIG 206 –TRADE VOLUME IN MAJOR REGIONS IMPROVES IN AUG'20

Country/Region (% YoY)	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20
Africa and Middle East	(1.3)	(3.3)	(8.2)	(9.7)	(7.0)	(1.5)
China	(2.0)	(2.5)	(3.3)	(2.2)	1.3	0.8
Eastern Europe / CIS	(2.4)	(6.5)	(12.4)	(13.0)	(10.7)	(3.3)
Emerging Asia (ex. China)	(5.0)	(6.8)	(12.2)	(13.7)	(11.9)	(3.2)
Euro Area	(0.6)	(2.6)	(7.2)	(11.7)	(12.0)	(12.1)
Japan	(3.6)	(6.2)	(11.1)	(14.7)	(15.2)	(9.2)
Latin America	(2.5)	(3.6)	(7.8)	(9.6)	(10.9)	(9.9)
US	(4.5)	(10.8)	(16.6)	(18.5)	(13.5)	(11.4)

Source: NPB, World Trade Monitor

FIG 208 – ...SIMILAR TREND IN IMPORTS



Source: Bloomberg

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