

India Economics

Monthly Chartbook

July 2025

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Tariff hazes market and macro outlook

On global front, tariff jitters are blindsiding growth-inflation dynamics. With fresh commodity specific and country-specific tariff rates being anticipated, inflationary concerns have again reignited. Recent Fed minutes also highlighted it as a hindrance to monetary policy easing. Based on the underlying murky global backdrop, domestic markets are likely to exhibit some degree of volatility. Key risks remain to FPI flows. Domestic macro indicators are suggesting that growth is holding ground. Both services and manufacturing PMIs have improved, other consumption and service sectors indicators are also showing momentum in Q1 versus Q4. Capital goods production, capex spending and new project announcements in Q1 fared well. However, some strains can be seen in performance of 2-wheeler sales, and moderation in consumer durables and FMCG output. However, domestic inflation remains in favour which hints at softer monetary policy.

Growth remains on track: High frequency data available for Q1FY26 so far shows that consumption demand appears to be improving compared with last quarter. This is reflective in rise in steel consumption growth, increase in electronic imports, and higher central government revenue spending. Services indicators are also showing a pickup in activity, as can be seen in case of services PMI, vehicle registrations, diesel consumption, revenue collection of states and e-way bill generations. Monsoon activity is also healthy at 15% above LPA so far (as of 9 Jul 2025).

Central government finances: Centre's fiscal deficit ratio (12MMA trailing basis) eased to 4.5% as of May'25 from 4.6% as of Apr'25. In FYTD26 (Apr-

May), centre's net revenue increased by 11.3%, slightly slower than 14.5% growth registered last year during the same period. Moderation was led by direct tax collections, which came off a high base (12.9% versus 34.1%). Indirect tax collections also eased (4.3% versus 6.3%). On the spending front, overall expenditure softened to 4.8% from 5.9% last year. This was on account of capital expenditure, which eased to 10.9% from a high base of 28.3% last year. In contrast, revenue expenditure rose by 3.1% from 1.2% earlier. For now we believe, government remains on track to meet its budgeted targets.

Yields to remain rangebound: India's 10Y yield after a moderate correction in Jun'25 is showing bit of stability in Jul'25. This month broadly India's 10Y yield is likely to trade sideways cautiously without showing much momentum. Key watchable would be the evolution of global tariff policies and the likely impact on global yields. RBI's liquidity management operations through VRRR will be closely looked. We expect higher frequency of such announcements in the coming days as liquidity is expected to remain well above the 1% NDTL surplus level as impact of CRR cut and dividend transfer by RBI comes into full play.

INR to remain range-bound: INR depreciated marginally by 0.2% in Jun'25 after depreciating by 1.3% in May'25. Easing geo-political tensions and a weaker dollar, led to range-bound trading in the domestic currency in the later part of the month. In Jul'25, INR is trading with an appreciating bias despite lingering concerns over US tariff policies. We expect this trend to continue. Investors remain hopeful of the successful completion of India-US trade deal before the 1 Aug deadline, which will lend further support to the INR.

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

High frequency indicators

Fig 1 – Power demand continued to decline even in Jun’25

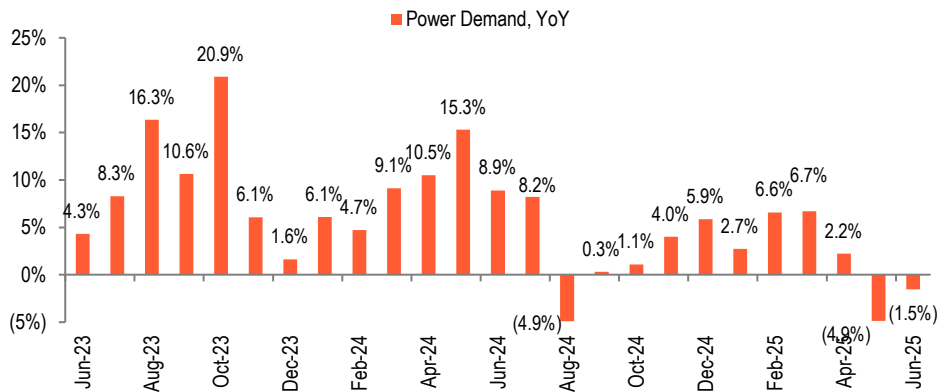


Fig 2 – Volume of UPI transactions inch up

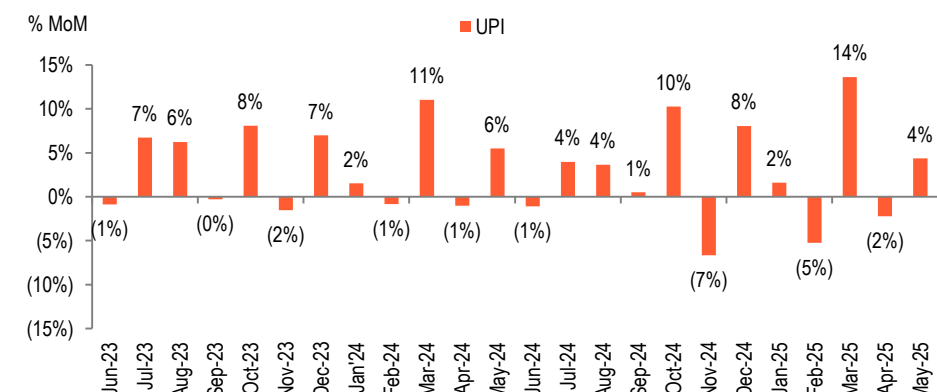


Fig 3 – Steel consumption growth picks up pace

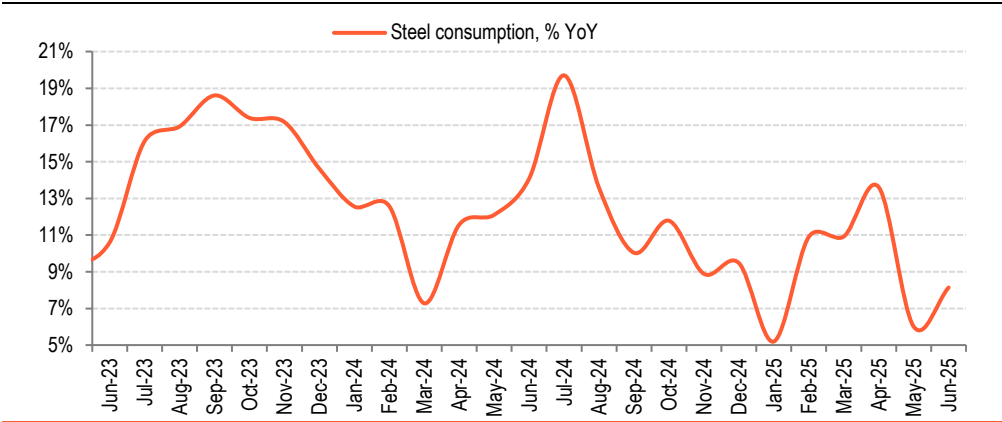
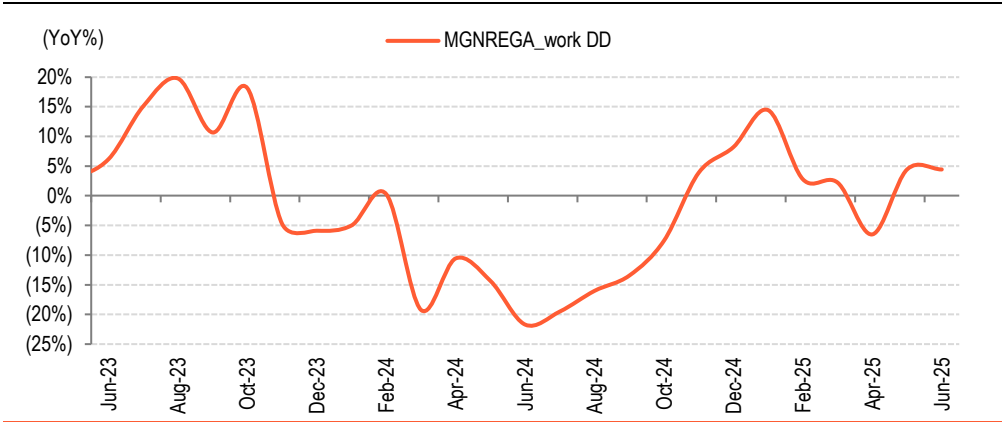


Fig 4 – Demand for work (MGNREGA-household) remains muted



Final consumption expenditure

Fig 5 – Private consumption eases in Q4

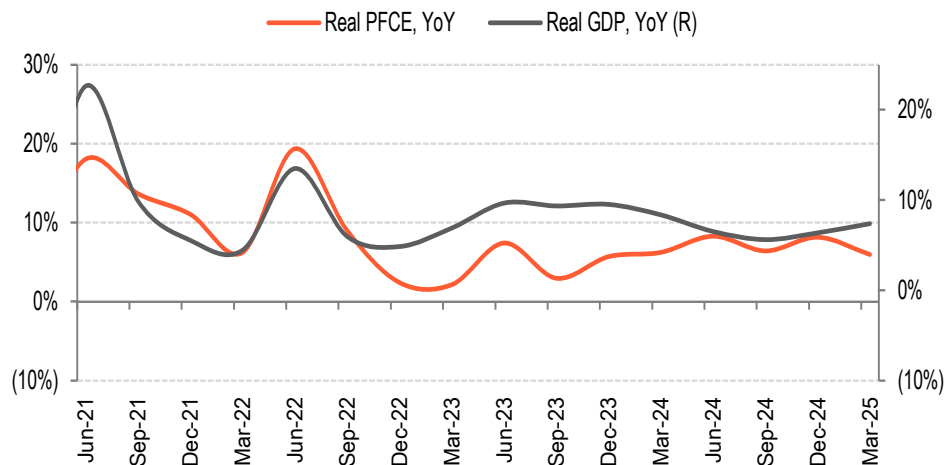


Fig 6 – Growth in Government consumption declines in Q4

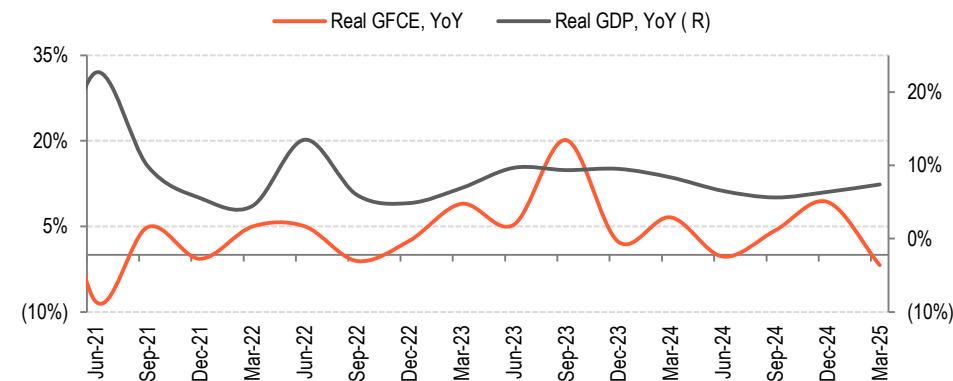


Fig 7 – General govt. revenue spending picks up

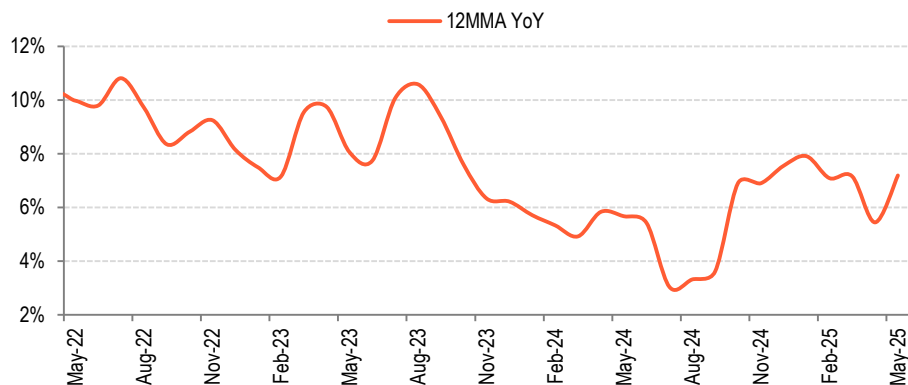
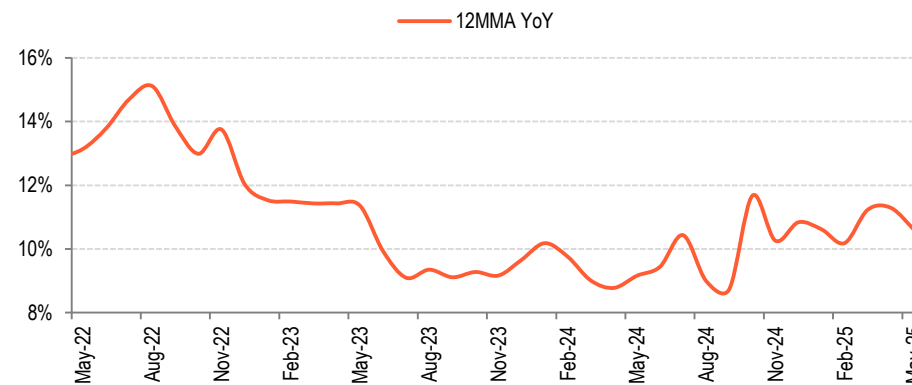


Fig 8 – State* govt. revenue spending sees some slowdown on 12MMA basis



Note: *All states excluding N.E states (ex Assam), Bihar, Goa, and J&K

Non-oil imports, electronic imports

Fig 9 – Growth in non-oil-non-gold imports picks up on a 6MMA basis

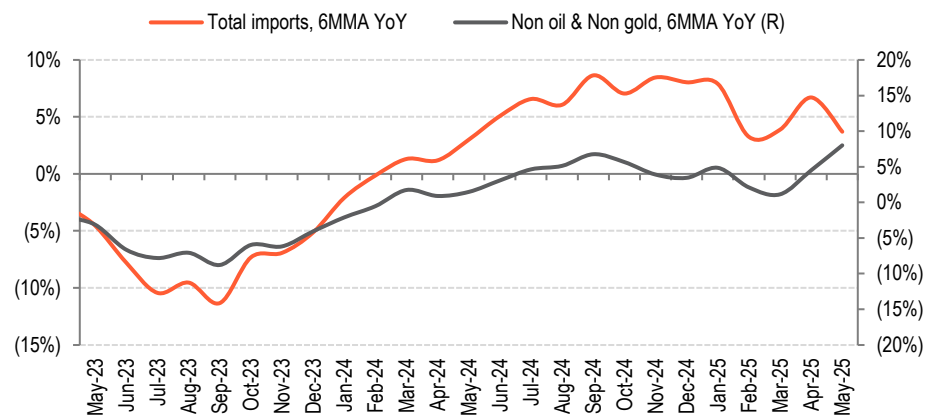


Fig 10 – Electronic imports moderate on a YoY basis in May'25

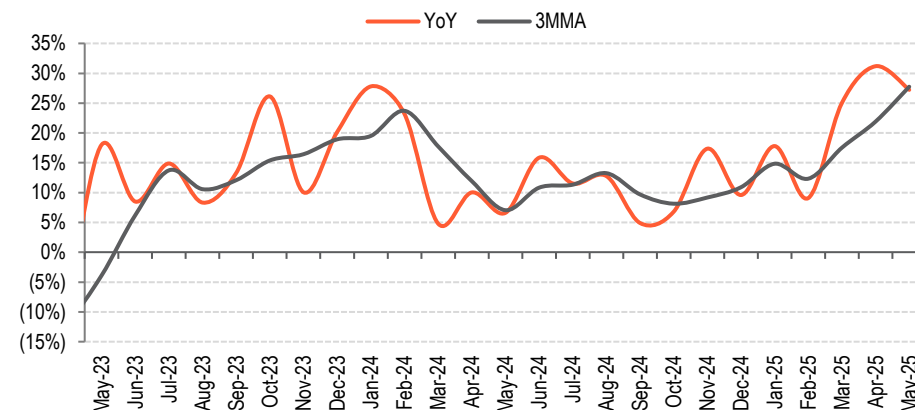
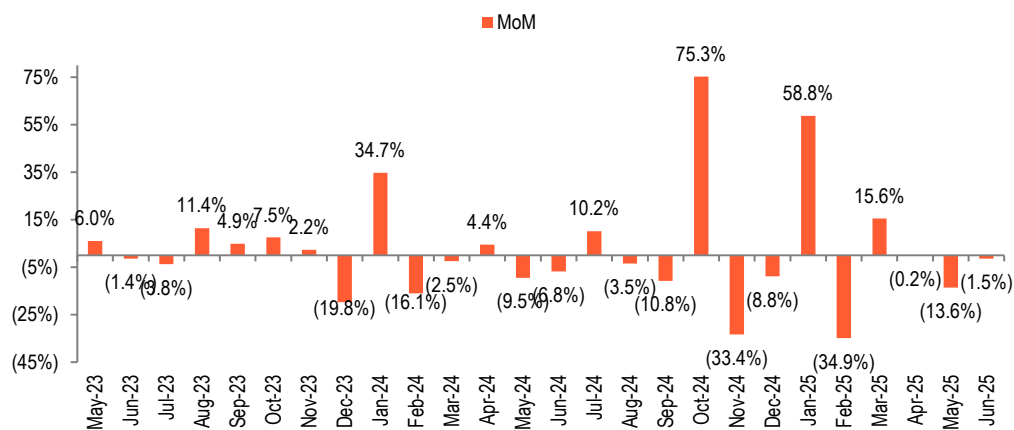
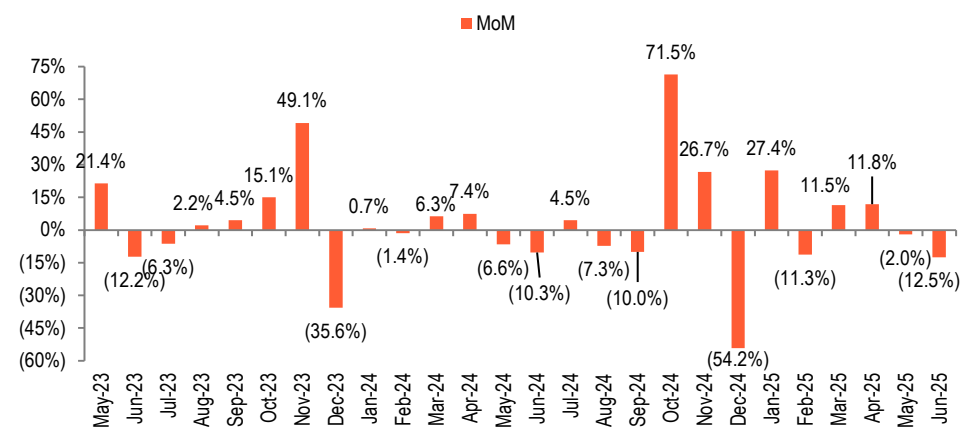


Fig 11 – Decline in retail passenger vehicle sales moderates



Source: FADA

Fig 12 – Two-wheeler sales decline at a much faster pace in Jun'25



Credit deployment of personal loans

Fig 13 – Growth in personal loans continues to moderate

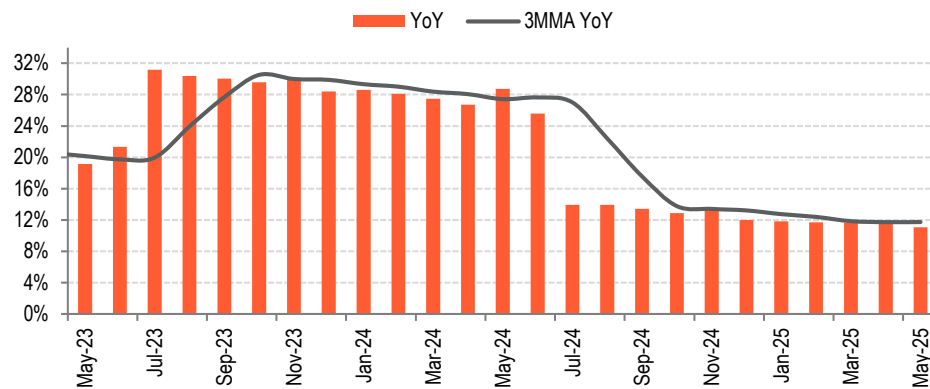


Fig 14 – Similar trend in credit card outstanding

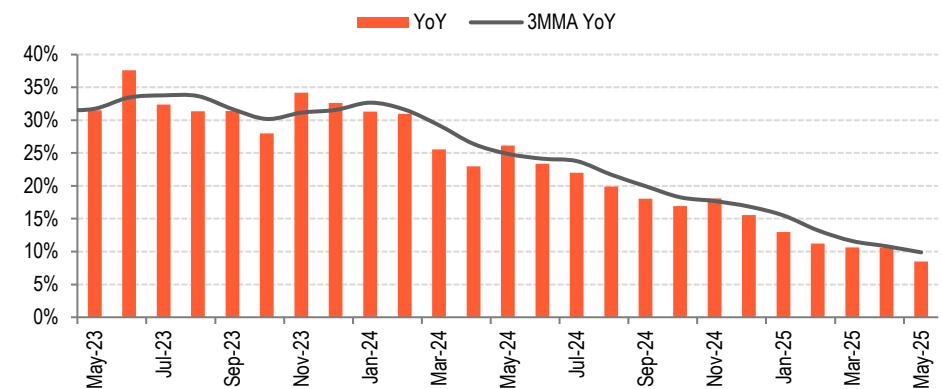


Fig 15 – Growth in vehicle loans steady

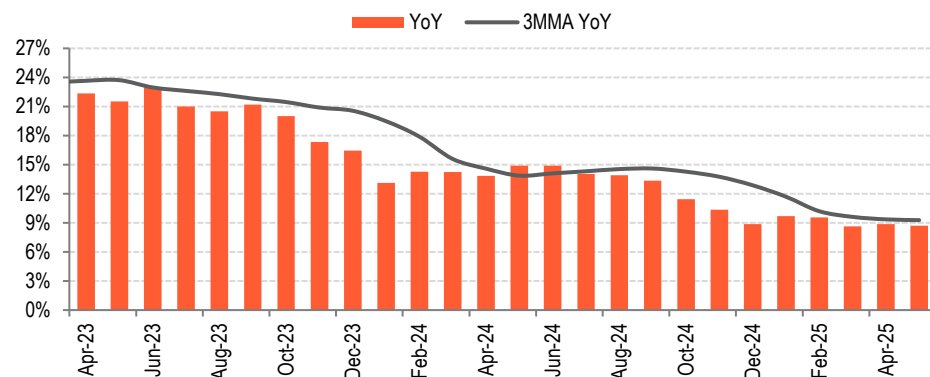


Fig 16 – Consumers' expectations picking up

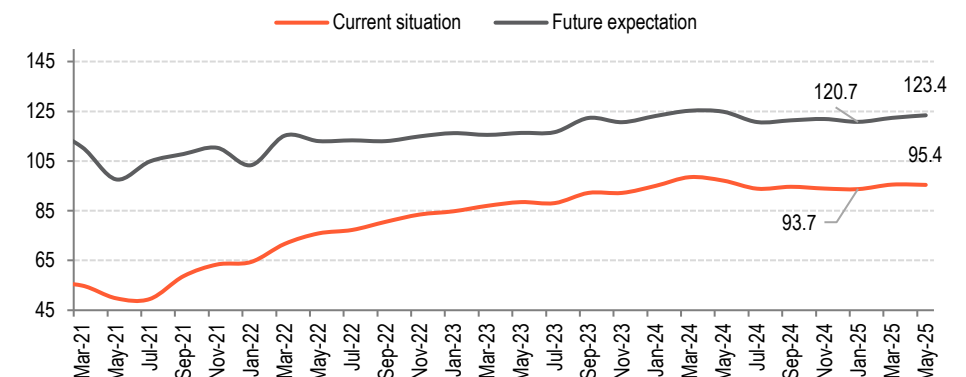
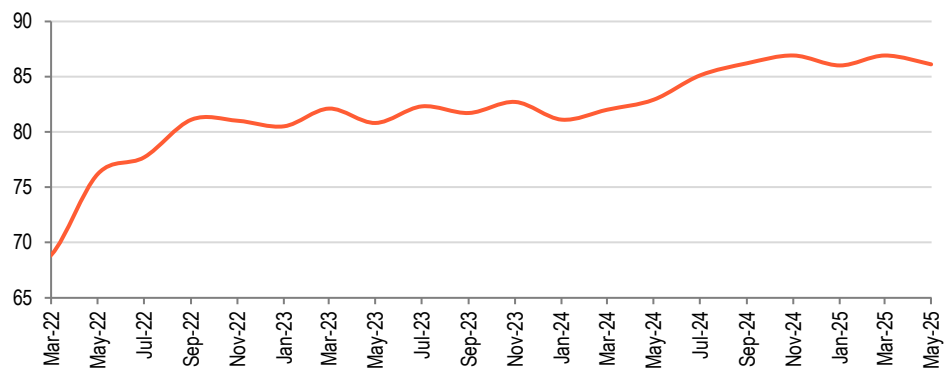
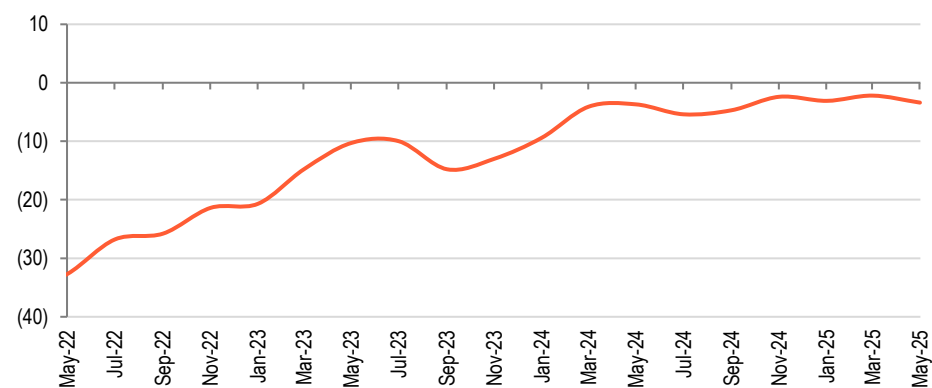
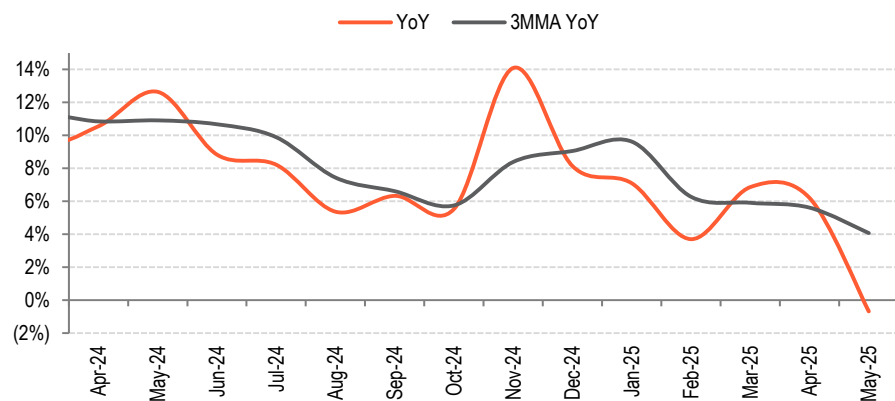
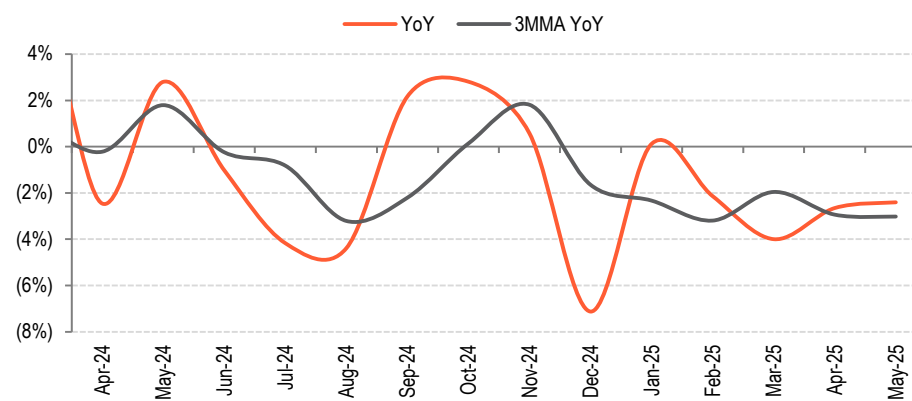


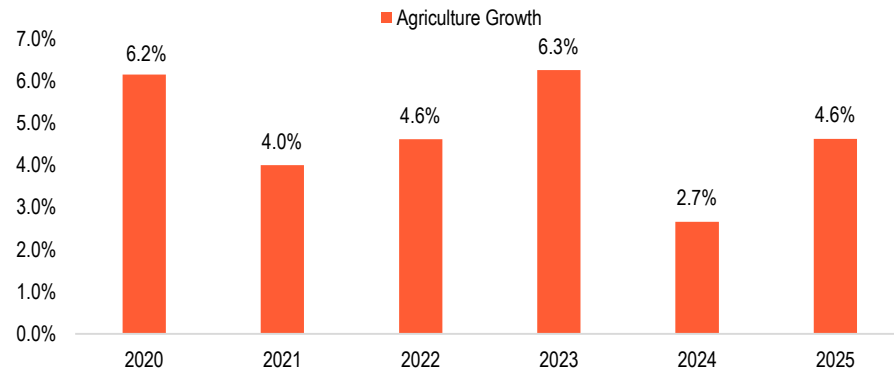
Fig 17 – RBI survey indicates marginal decline in essential spending**Fig 18 – Spending on non-essential items remains lower**

Consumer durables & non-durables production

Fig 19 – Consumer durables output contracts for the first time since Nov'23**Fig 20 – FMCG production continues to contract for the 4th straight month**

Agriculture

Fig 21 – Strong agriculture growth in FY25



Note: Year to be read as FY

Fig 23 – Growth in agriculture credit weakens further

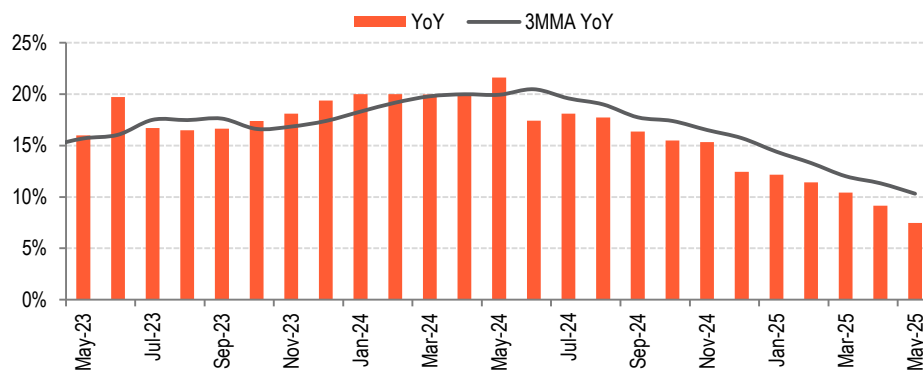
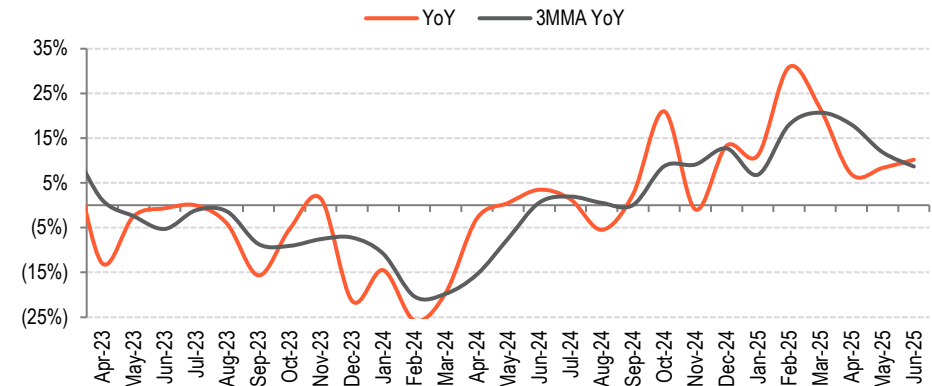


Fig 22 – Growth in Tractor sales picked pace

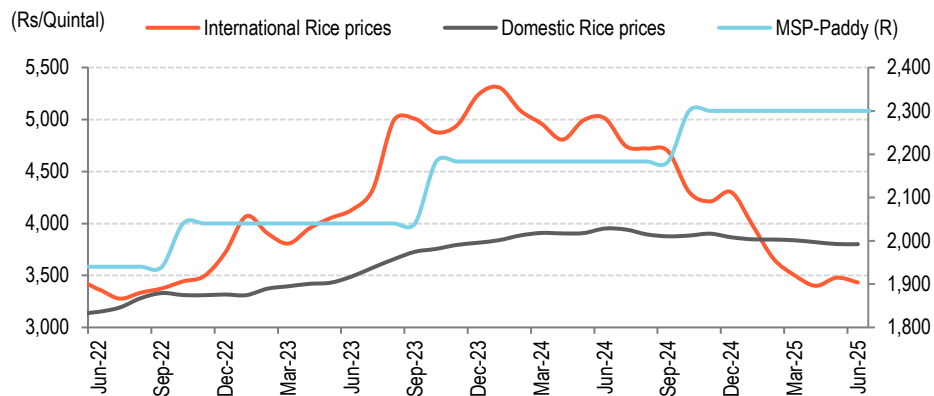


Note: Tractor sales including exports

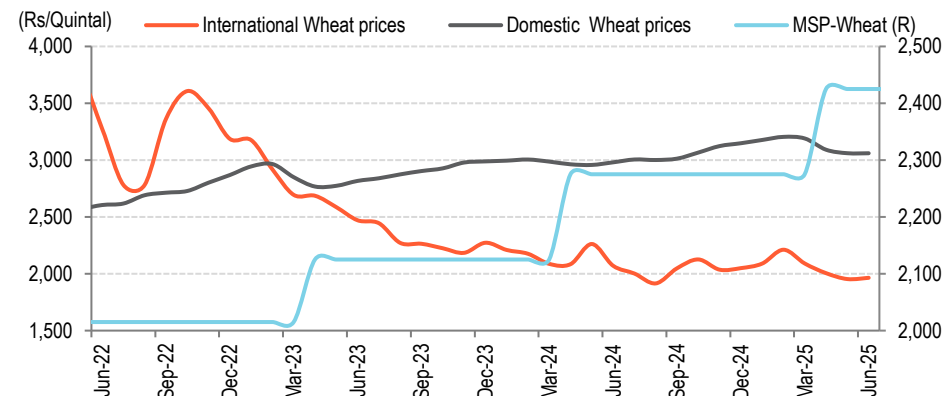
Fig 24 – Procurement of rice and wheat

Year	Wheat	Rice
2017-18	30.83	38.19
2018-19	35.80	44.39
2019-20	34.13	51.83
2020-21	38.99	60.17
2021-22	43.34	57.59
2022-23	18.79	54.32
2023-24	26.20	52.53
2024-25	26.61	51.11
2025-26	29.92	-

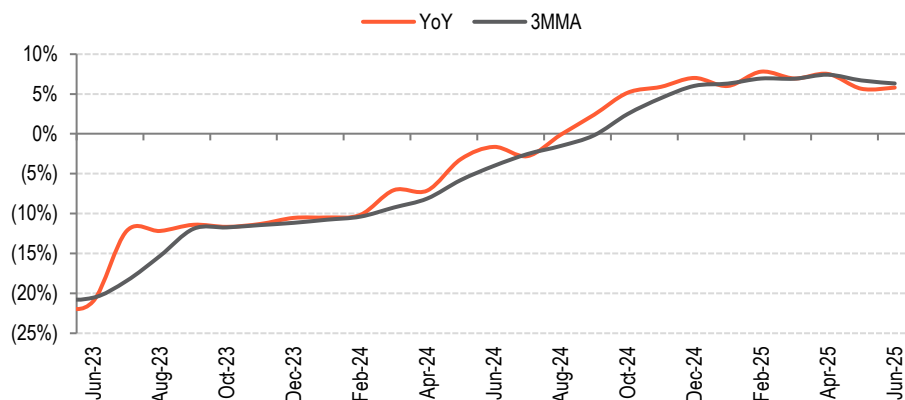
Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 30 Jun 2025

Fig 25 – Domestic rice prices was flat while international prices fell

Source: World Bank

Fig 26 – International wheat prices inched up while domestic prices was stable

Source: World Bank

Fig 27 – Global food prices inched up led by dairy products, meat and vegetable oils

Source: FAO

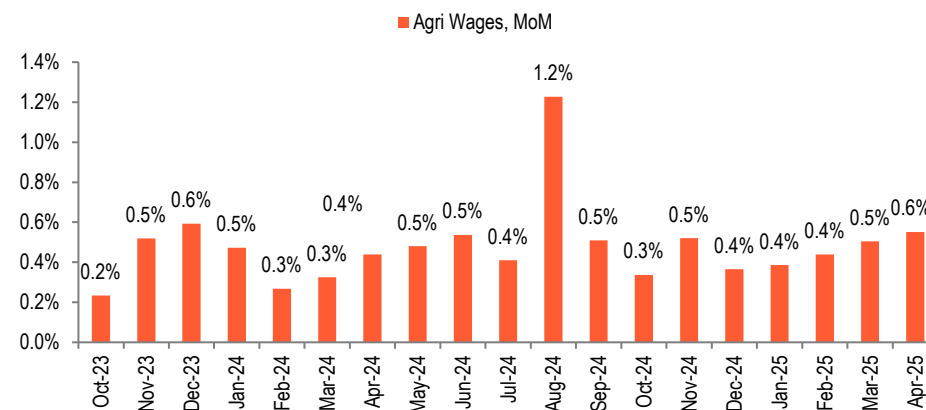
Fig 28 – Wage growth (men) showed marginal uptick

Fig 29 – MSP of Kharif crops

Crops	2024-25	2025-26	Growth
Paddy	2,300	2,369	3.0
Maize	2,225	2,400	7.9
Jowar	3,371	3,699	9.7
Bajra	2,625	2,775	5.7
Ragi	4,290	4,886	13.9
Arhar	7,550	8,000	6.0
Moong	8,682	8,768	1.0
Urad	7,400	7,800	5.4
Groundnut	6,783	7,263	7.1
Soybean	4,892	5,328	8.9
Sunflower	7,280	7,721	6.1
Seasum	9,267	9,846	6.2
Nigerseed	8,717	9,537	9.4
Cotton	7,521	8,110	7.8

Inflation

Fig 30 – Headline CPI eased to its lowest since Feb'19 to 2.8% in May'25 compared to 3.2% in Apr'25

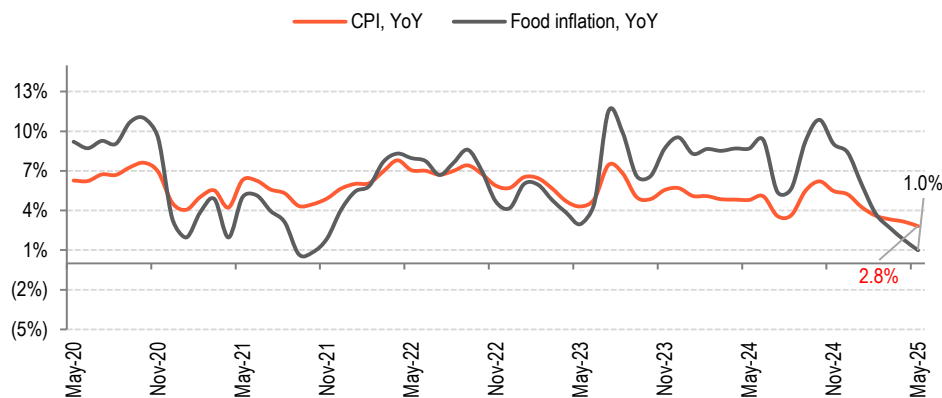


Fig 31 – Food inflation eased to 1% compared to 1.8%, led by vegetables, fruits, pulses and cereals

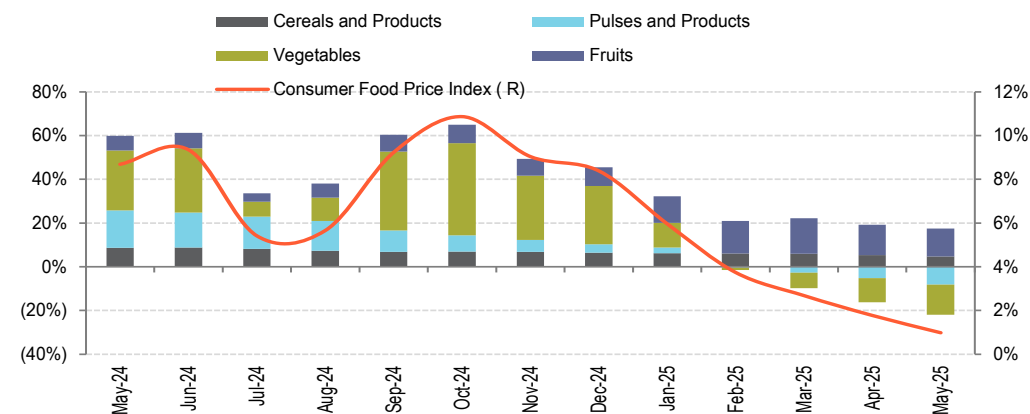


Fig 32 – Except personal care and effects (influenced by gold price fluctuations), core inflation continues to remain rangebound

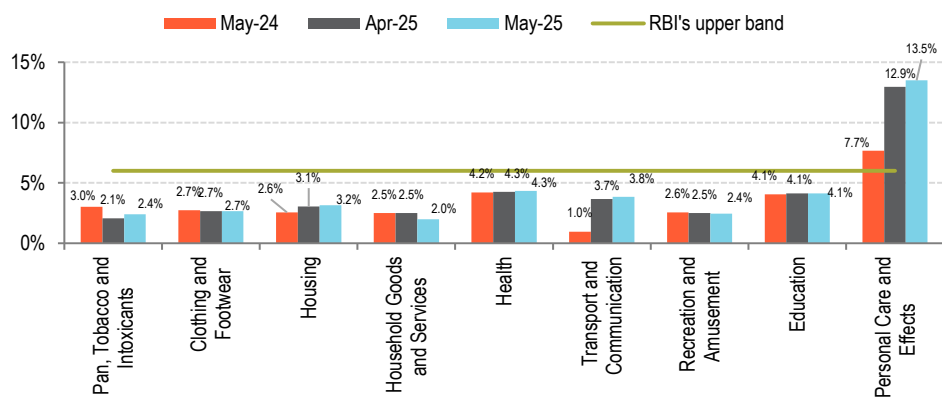
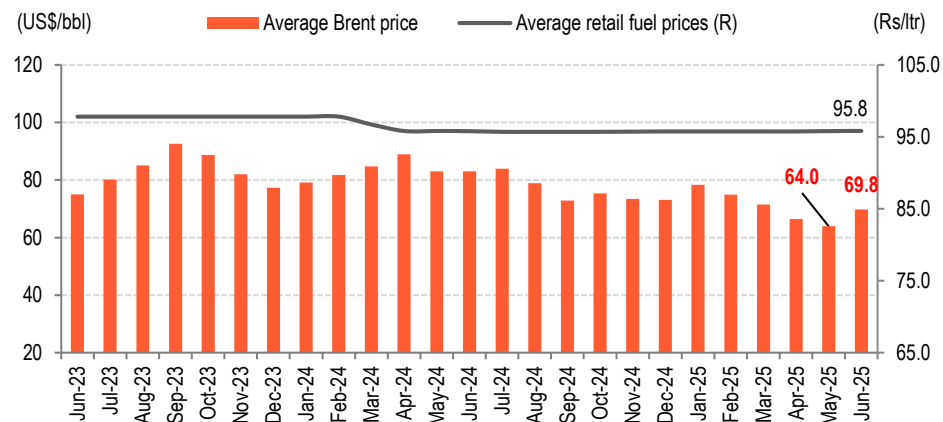


Fig 33 – Domestic retail price was stable at Rs 95.8/lt in Jun'25, average crude price inched up to US\$ 69.8/bbl in Jun'25 compared to US\$ 64/bbl in May'25



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

Industry

Fig 34 – IIP growth expected to be lower in Q1FY26

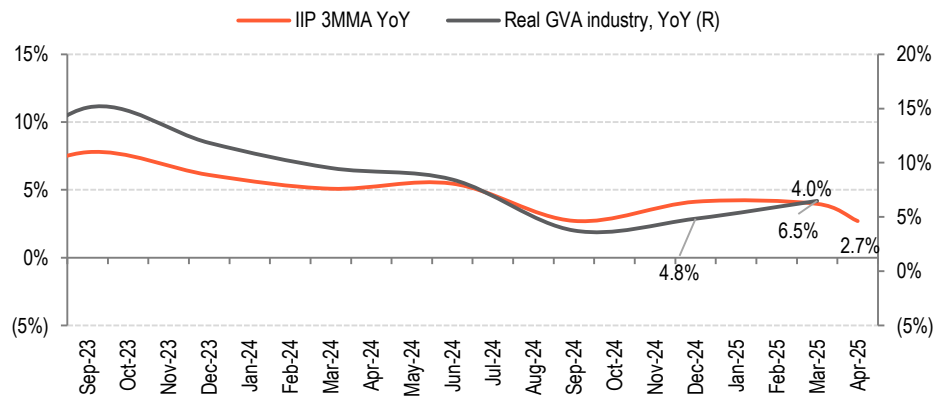


Fig 35 – Sectorwise growth lower in FY25

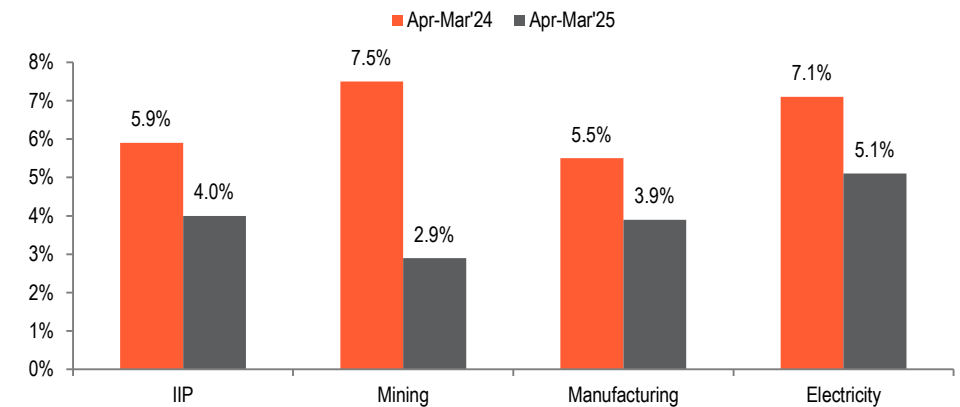


Fig 36 – Slower IIP growth noted in Apr'25

Sectoral (%)	Weight	Apr-24	Mar-25	Apr-25
IIP	100.0	5.2	3.9	2.7
Mining	14.4	6.8	1.2	(0.2)
Manufacturing	77.6	4.2	4.0	3.4
Electricity	8.0	10.2	7.5	1.1
Use-Based				
Primary Goods	34.1	7.0	3.9	(0.4)
Capital Goods	8.2	2.8	3.6	20.3
Intermediate Goods	17.2	3.8	3.8	4.1
Infrastructure and Construction Goods	12.3	8.5	9.9	4.0
Consumer Durables Goods	12.8	10.5	6.9	6.4
Consumer Non-Durables Goods	15.3	(2.5)	(4.0)	(1.7)

Manufacturing

Fig 37 – Sluggish manufacturing growth expected in Q1

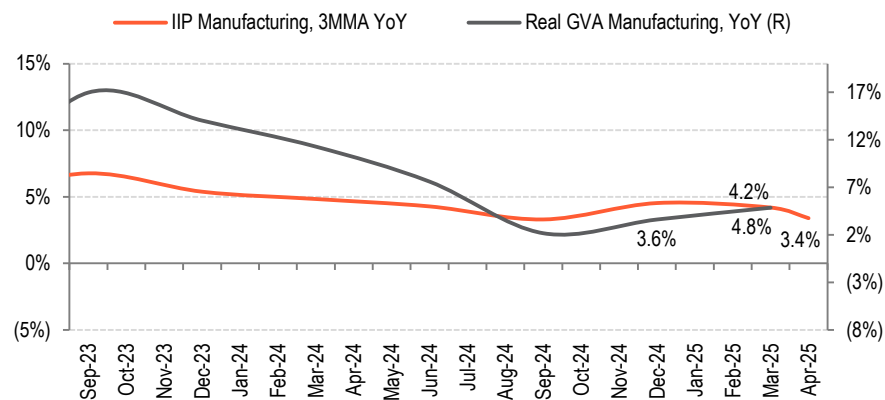
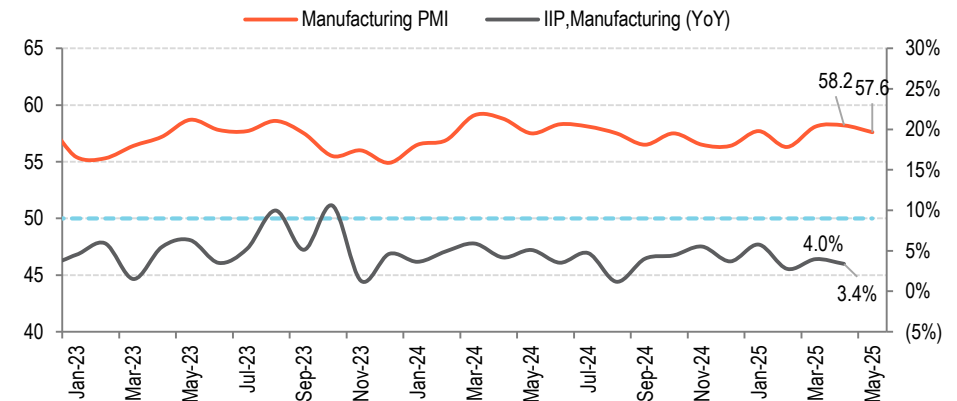


Fig 38 – Manufacturing PMI eases in May'25



Source: Markit

Mining & Electricity

Fig 39 – Slower mining activity likely in Q1

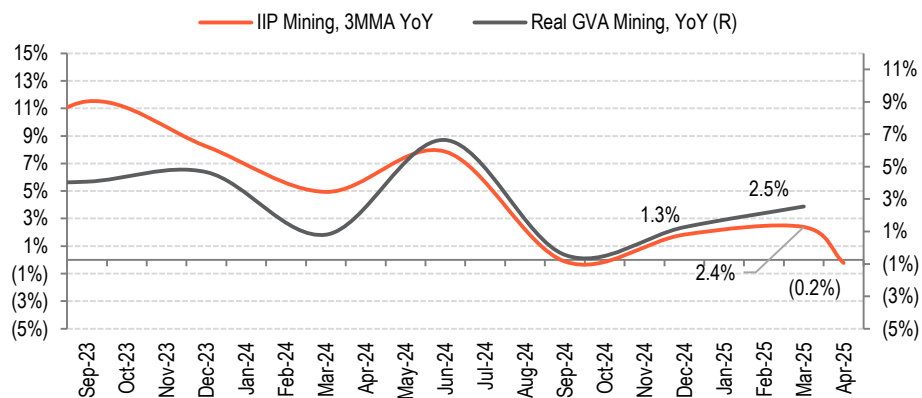
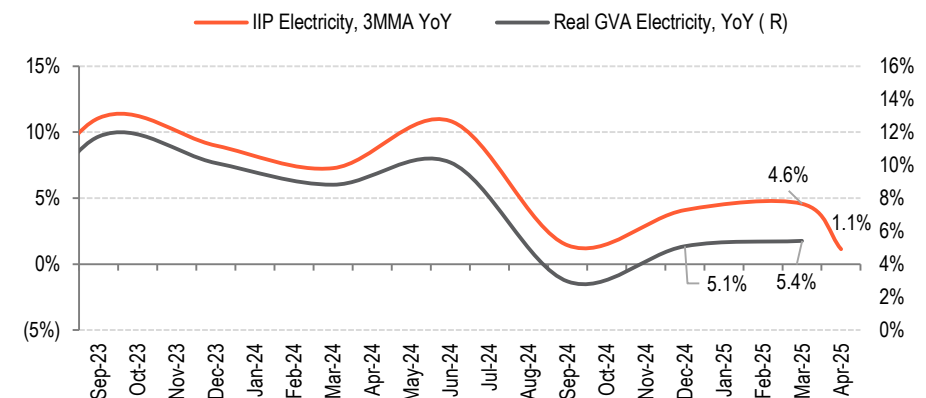
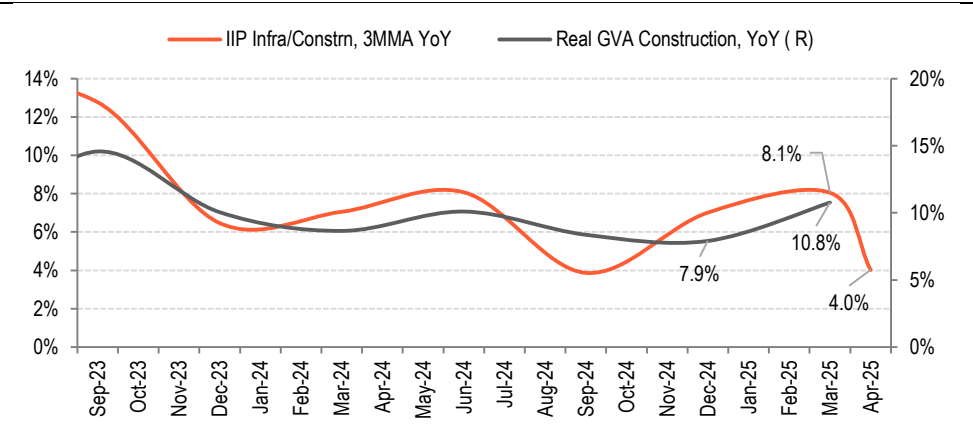


Fig 40 – Electricity growth to weaken in Q1



Infrastructure and construction

Fig 41 – Construction growth to be lower in Q1



Note: Apr'25 is YoY basis

Infrastructure index

Fig 43 – Core sector output softens in Apr'25

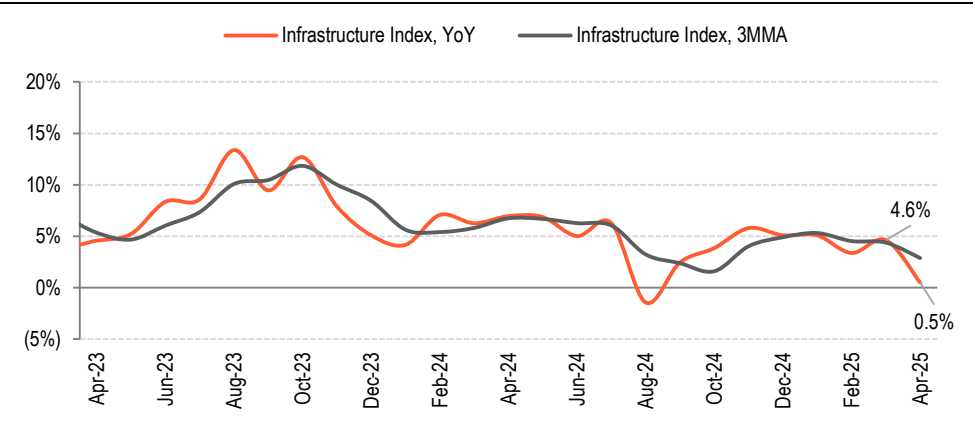


Fig 42 – Moderation noted in steel output

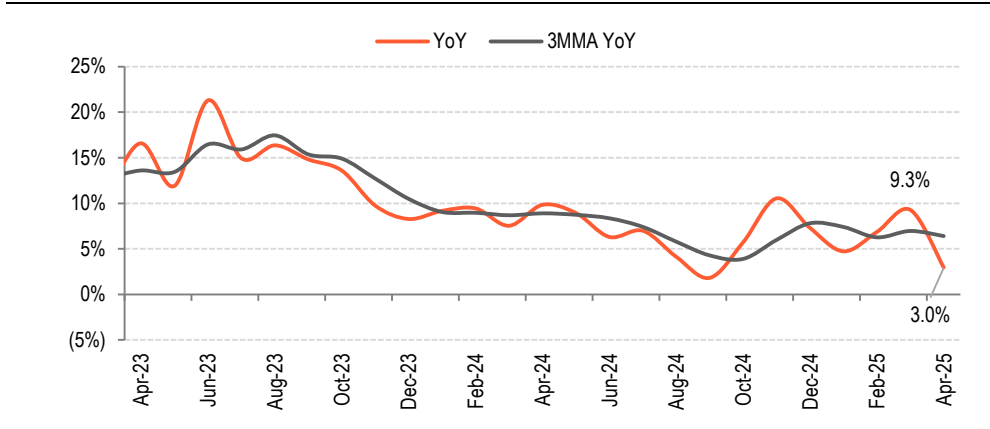
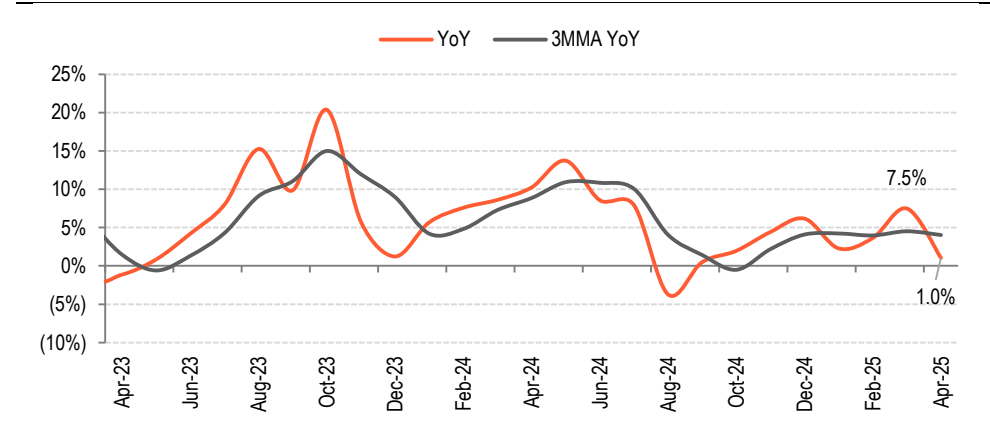


Fig 44 – Electricity output decelerates



Auto production & business expectation index

Fig 45 – Auto production slips in contraction in Apr'25

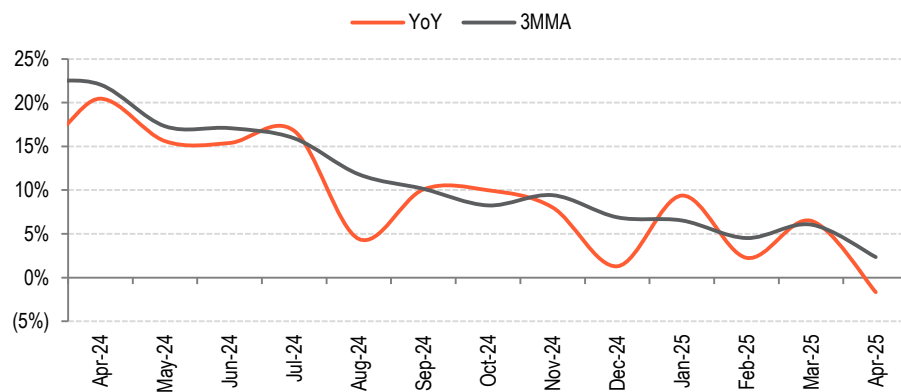


Fig 46 – Business sentiments dipped for Q1FY25

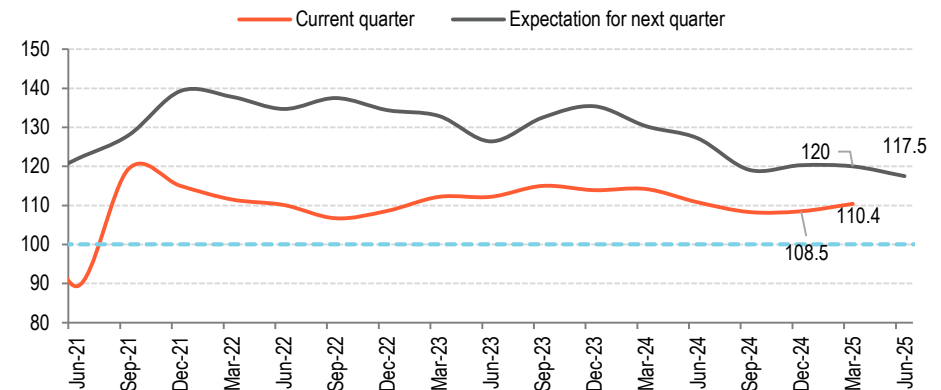
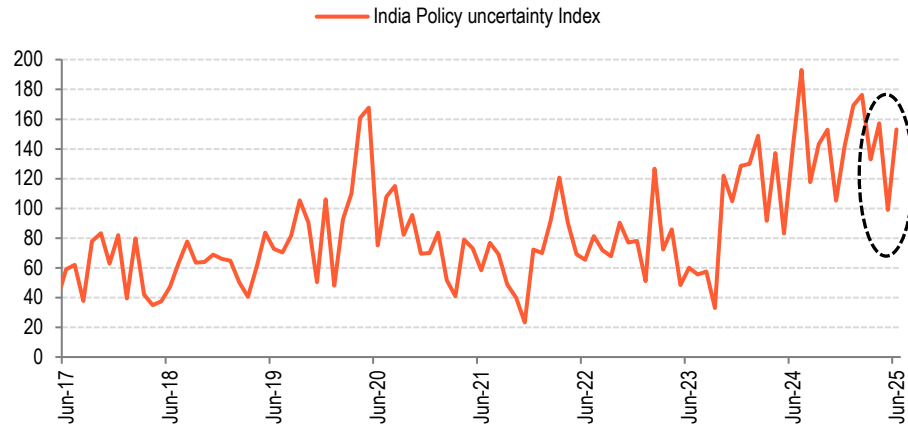


Fig 47 – Infrastructure index slows to 8-month low

(%)	Weight	Mar-25	Apr-24	Apr-25
Infrastructure Index	100	4.6	6.9	0.5
Coal	10.3	1.6	7.5	3.5
Crude Oil	9.0	(1.9)	1.7	(2.8)
Natural Gas	6.9	(12.7)	8.6	0.4
Petroleum Refinery Products	28.0	0.2	3.9	(4.5)
Fertilizers	2.6	8.8	(0.8)	(4.2)
Steel	17.9	9.3	9.8	3.0
Cement	5.4	12.2	0.2	6.7
Electricity	19.9	7.5	10.2	1.0

Investment

Fig 48 – Policy uncertainty index in India inched up in Jun'25 amidst global policy turmoil at play



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

Fig 50 – Capital goods production was buoyant at 14.1% in May'25

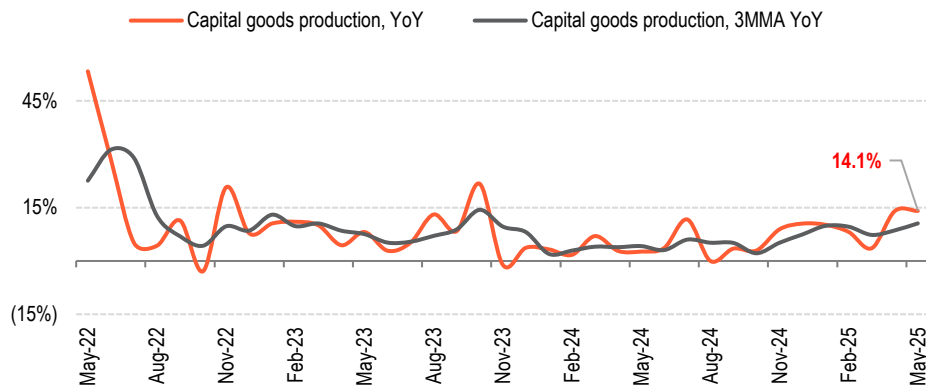


Fig 49 – Capacity utilisation is above long run average

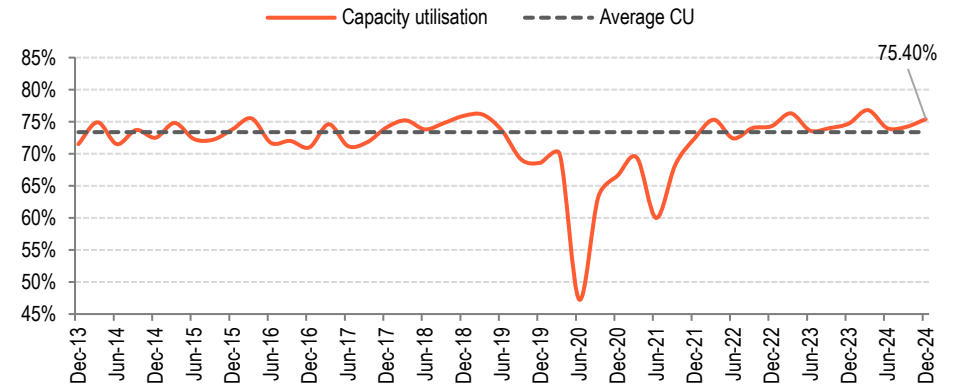


Fig 51 – Capital goods imports moderated to 2.9% in May'25 compared to 14.2% in Apr'25, led by an unfavourable base

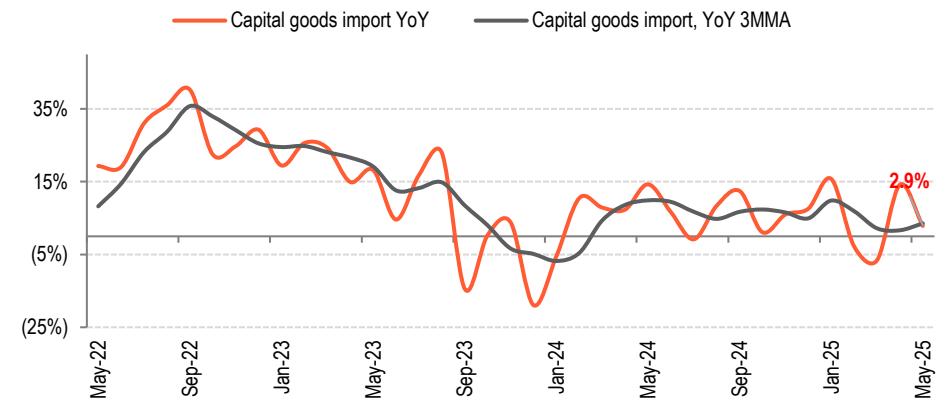


Fig 52 – Centre's capex spending picked up to 22.2% in May'25 compared to 14.8% in Apr'25, on 12month trailing sum basis

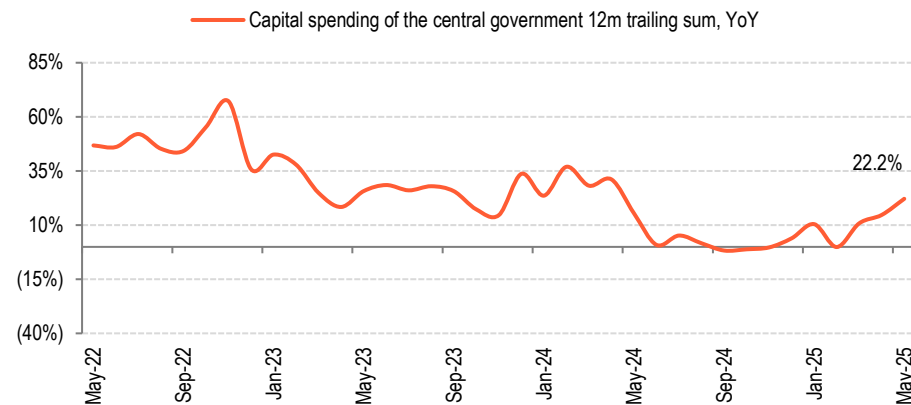


Fig 53 – Credit to micro and small industry inched up to 13.7% in May'25 compared to 9.1% in Apr'25, for medium industry it was slightly lower at 16.8% from 18.1%

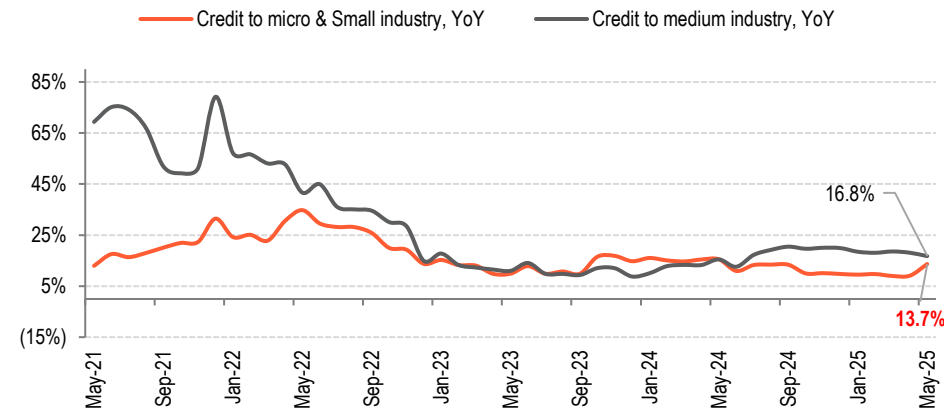


Fig 54 – Credit to housing moderated to 9% in May'25 compared to 9.8% in Apr'25

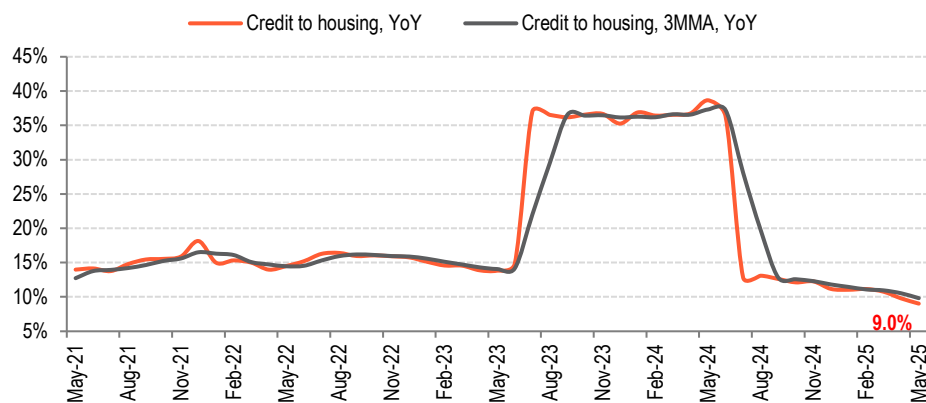
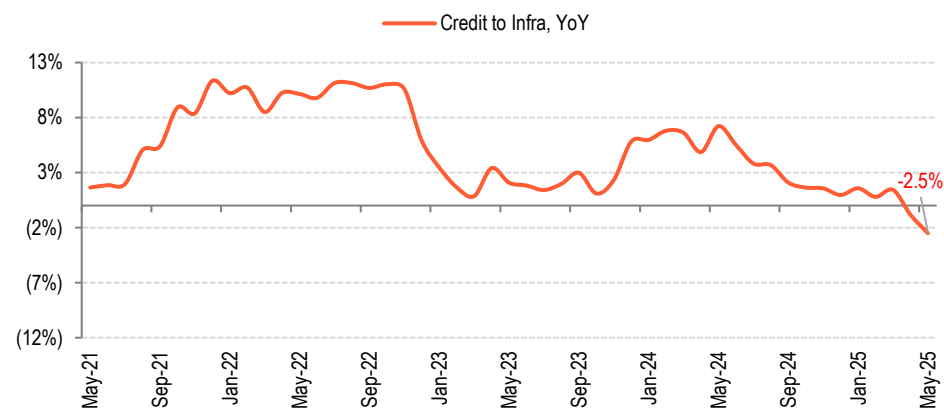
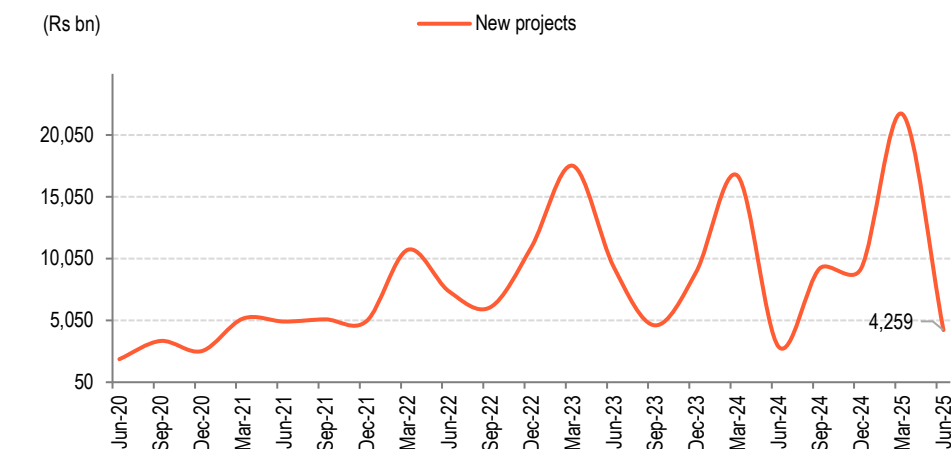


Fig 55 – Credit to infra declined by -2.5% in May'25 compared to -0.8% in Apr'25, led by an elevated base



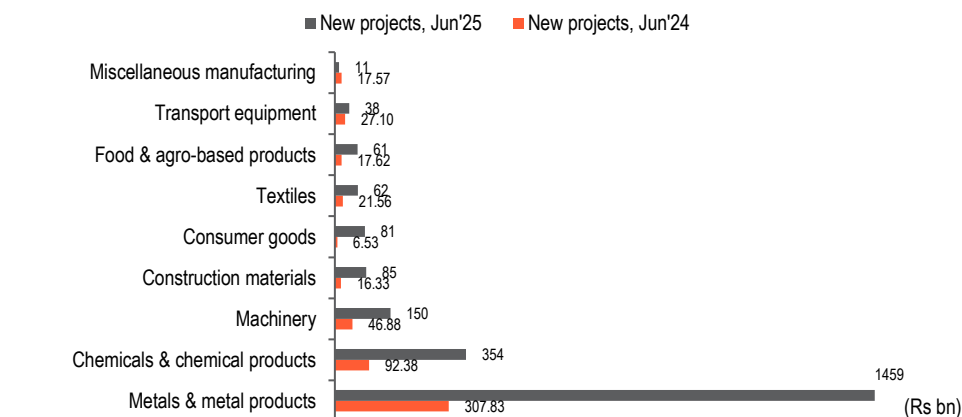
Capex data

Fig 56 – New project announcements was at Rs 4.3 lakh crore in Q1FY26 compared to Rs 2.9 lakh crore seen in Q1FY25



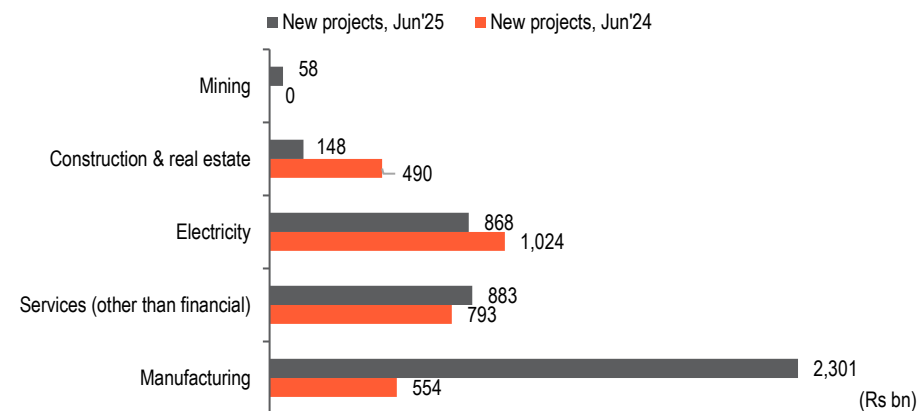
Source: CMIE

Fig 58 – ...led by metals, chemicals, etc



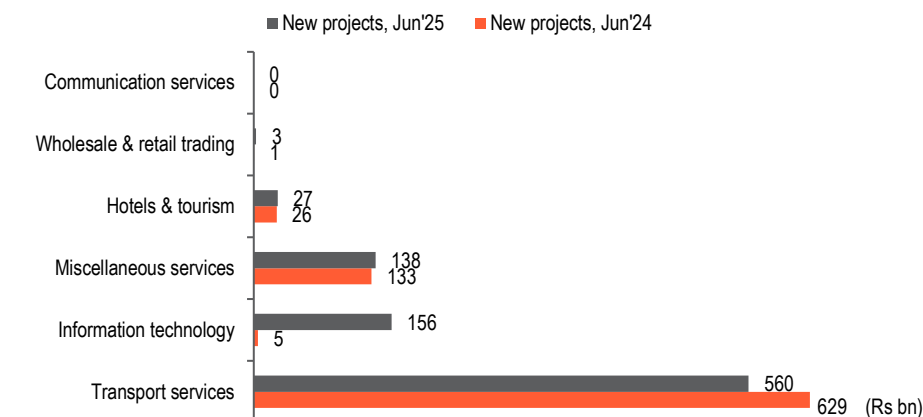
Source: CMIE

Fig 57 – Manufacturing sector performed comparatively better in terms of other sectors



Source: CMIE

Fig 59 – Within services, information technology related announcements fared well



Source: CMIE

Services sector

Fig 60 – GVA: Services sector growth remained steady in Q4FY25, but was lower than last year

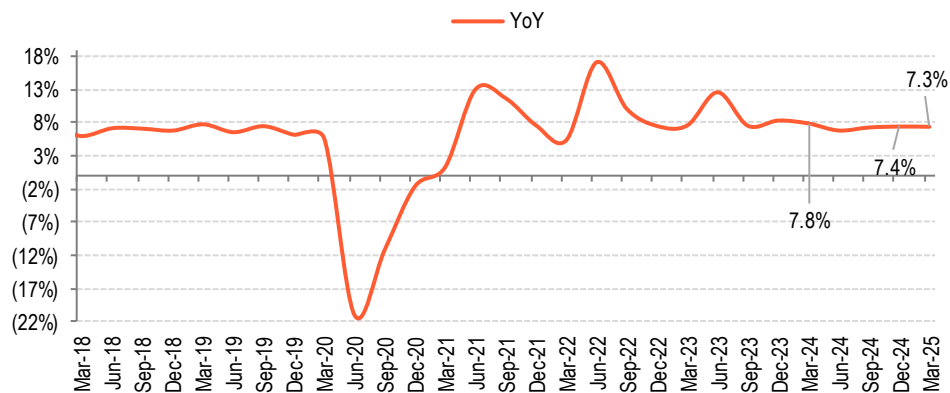
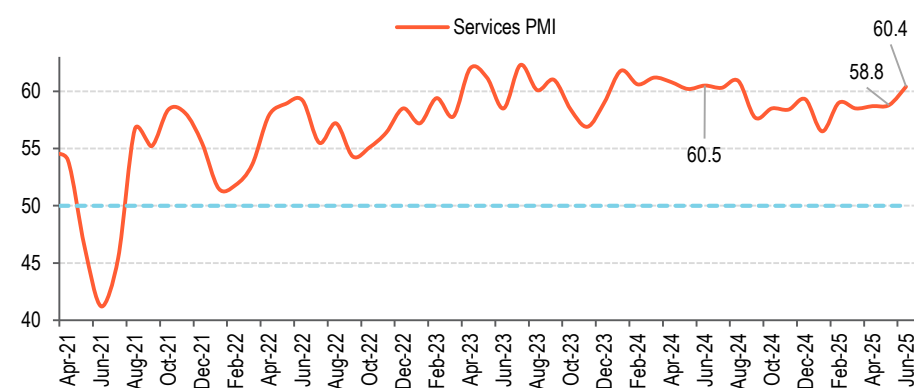


Fig 61 – Services PMI shows activity picked up pace in Jun'25; Q1FY26 avg (59.3) higher than Q4FY25 (58.0)



Source: Markit

Fig 62 – GVA: Trade & related services activity slowed in Q4 versus Q3

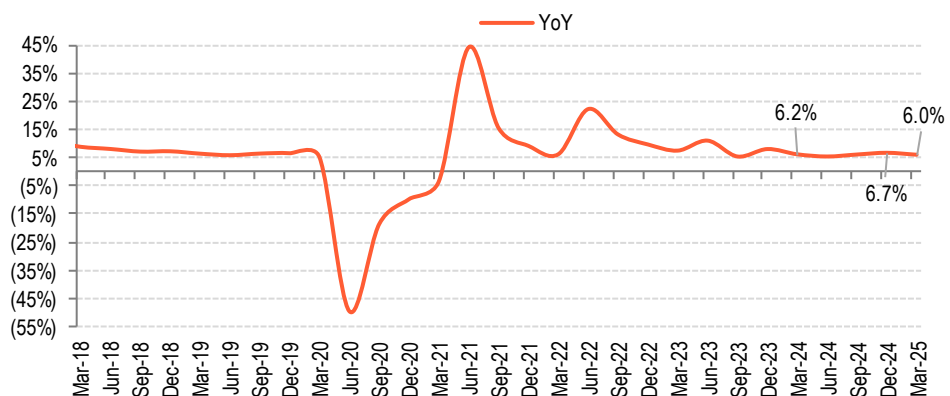
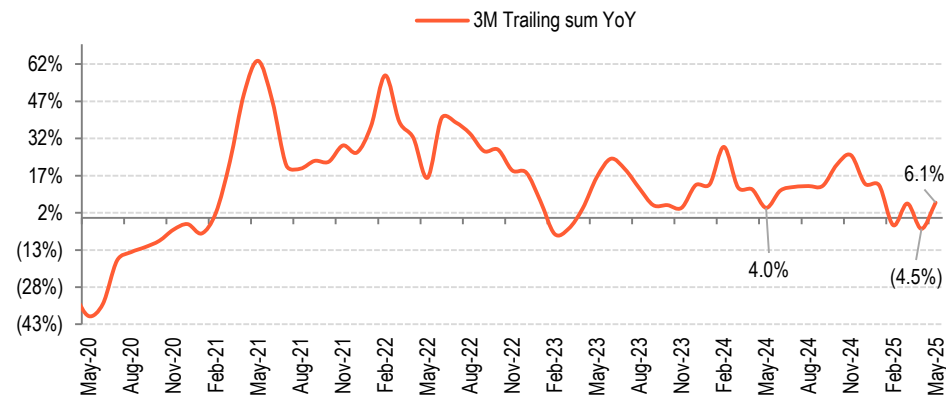


Fig 63 – States' tax revenue growth seen recovering in May'25



Note: *All states excluding North Eastern states (ex Assam), Bihar, Goa, and J&K

Trade

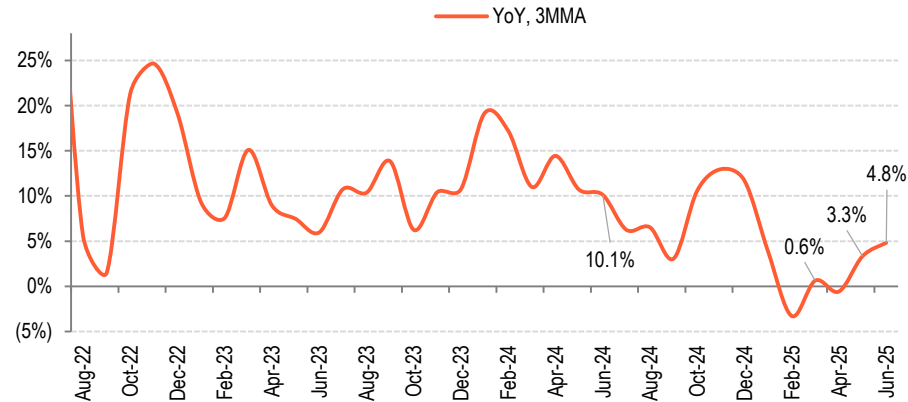
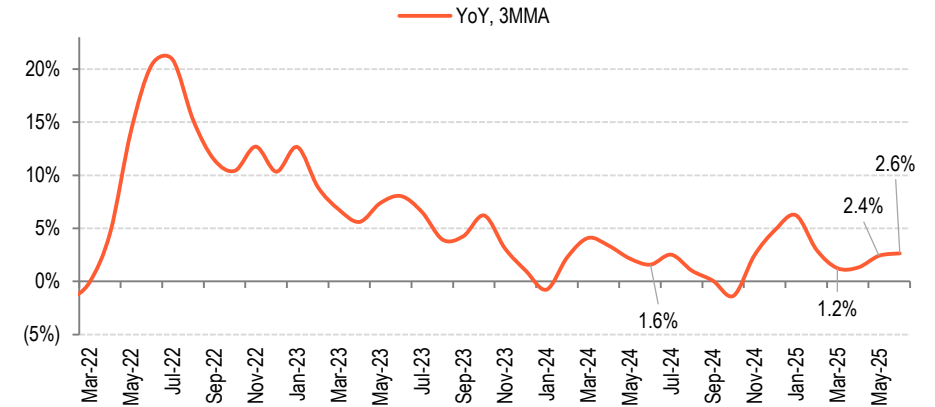
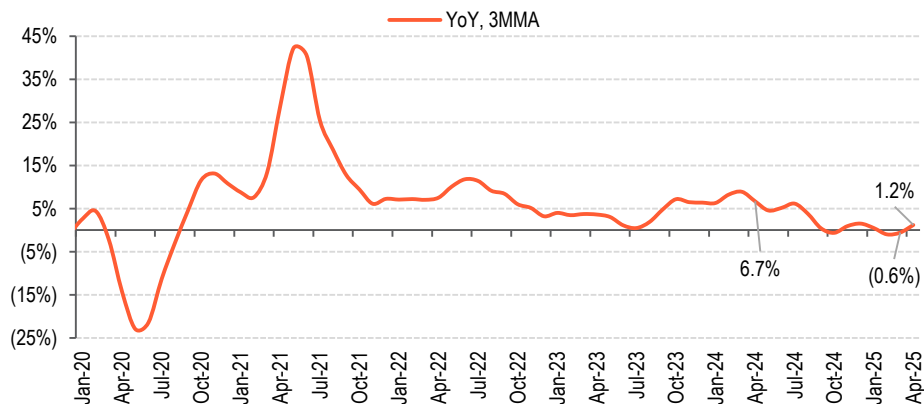
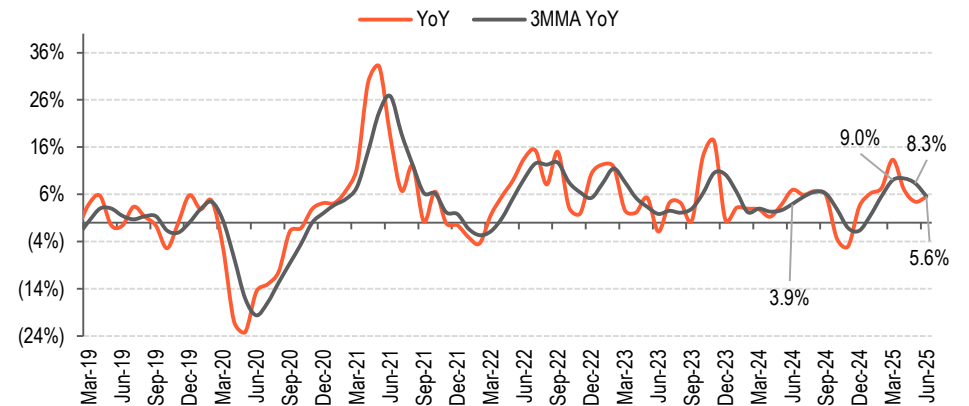
Fig 64 – Vehicle registration growth improved in Q1FY26 versus Q4**Fig 65 – Diesel consumption growth in Q1FY26 better than Q4 and even Q1FY25****Fig 66 – Railway freight traffic growth recovered in Apr'25****Fig 67 – Port cargo traffic growth slowed in Q1 compared with Q4; however it is better than last year**

Fig 68 – Toll collection growth in Q1FY26 rose from Q4, significant revival also recorded compared with Q1FY25

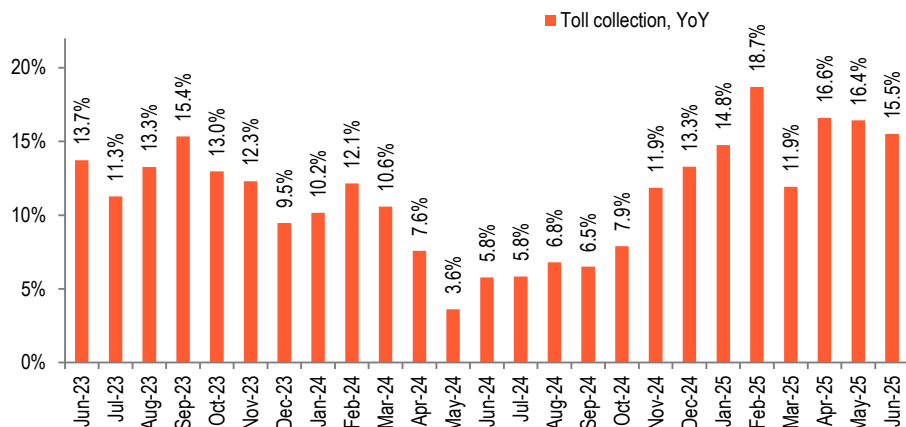
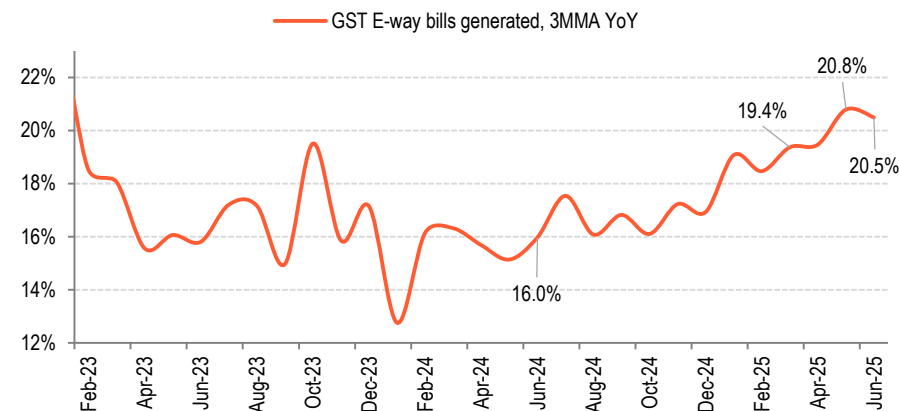


Fig 69 – E-way bill generation growth also maintained robust growth in Q1, despite high base effect



Hotels and communications

Fig 70 – Airline passenger traffic eased in Q1 versus Q4, but remains higher than last year...

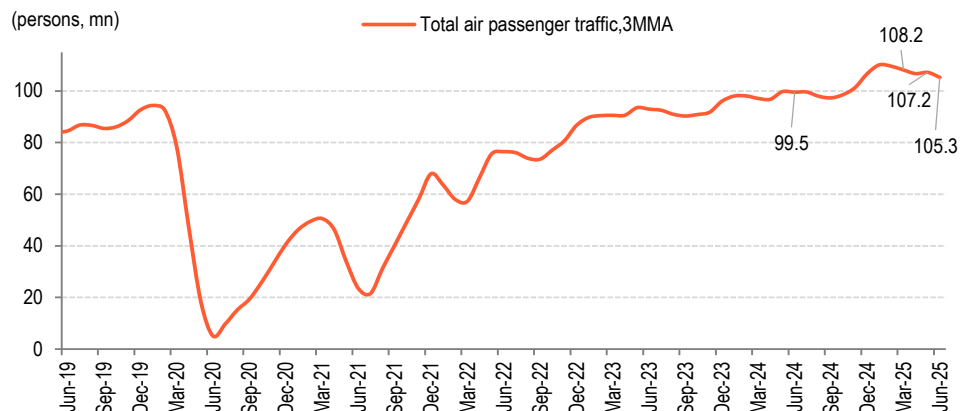


Fig 71 – ...Domestic passenger traffic driving the trend

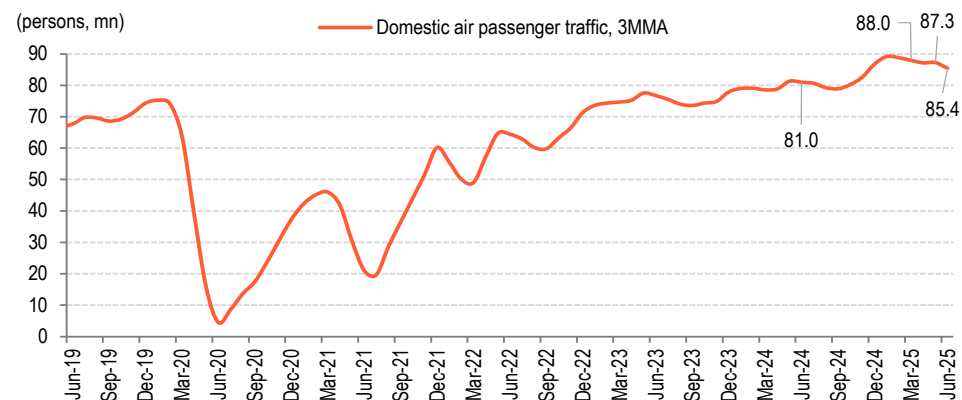
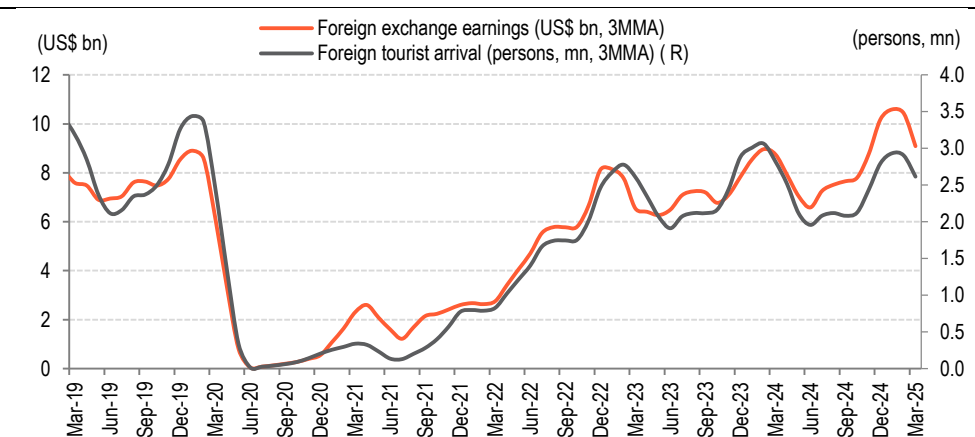
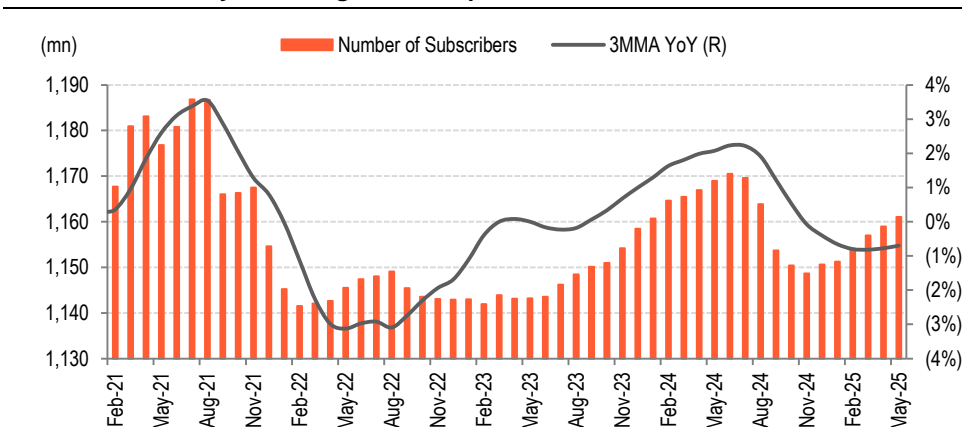
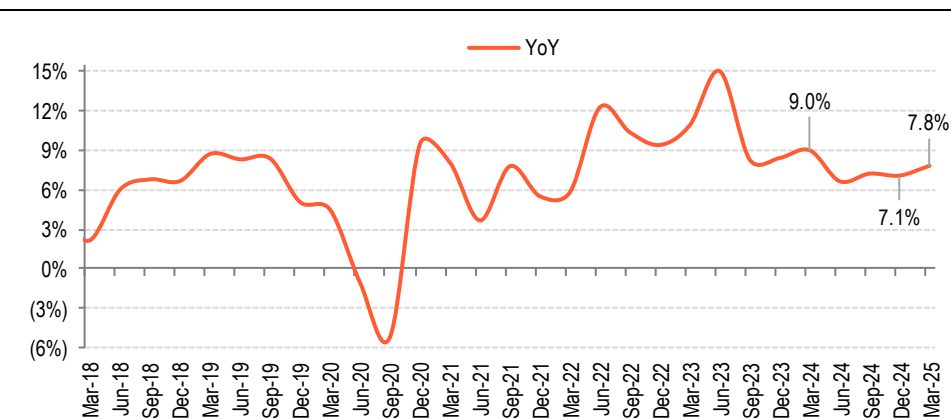
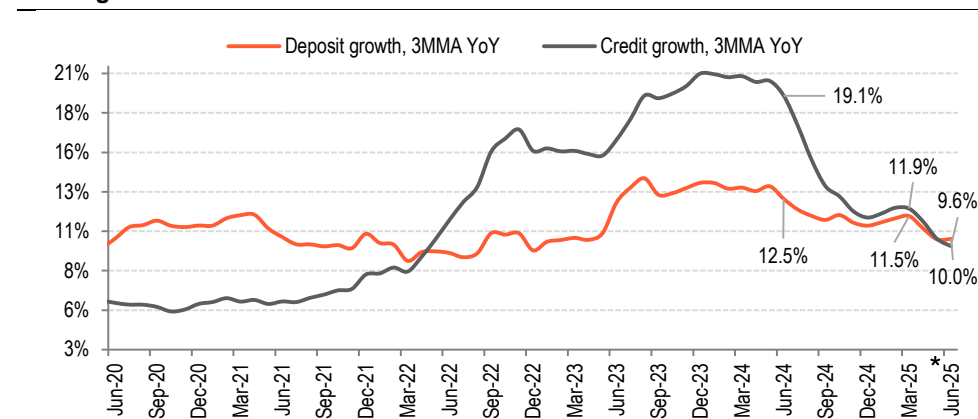
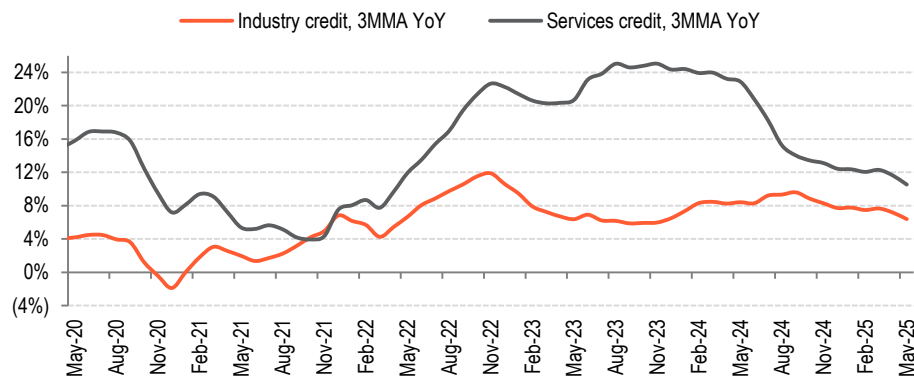
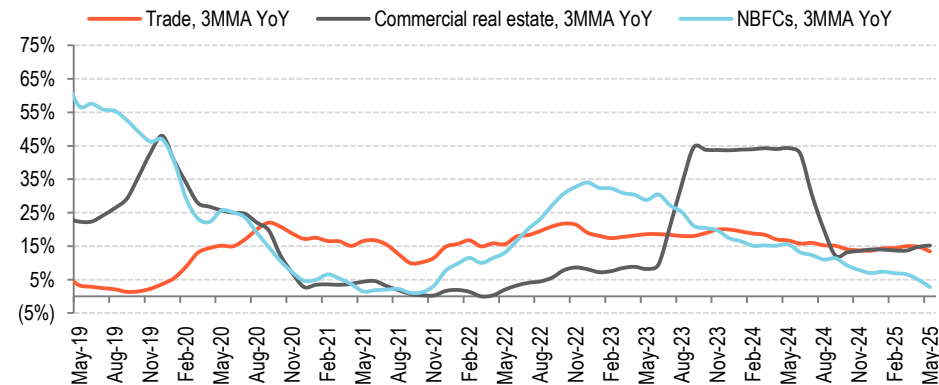
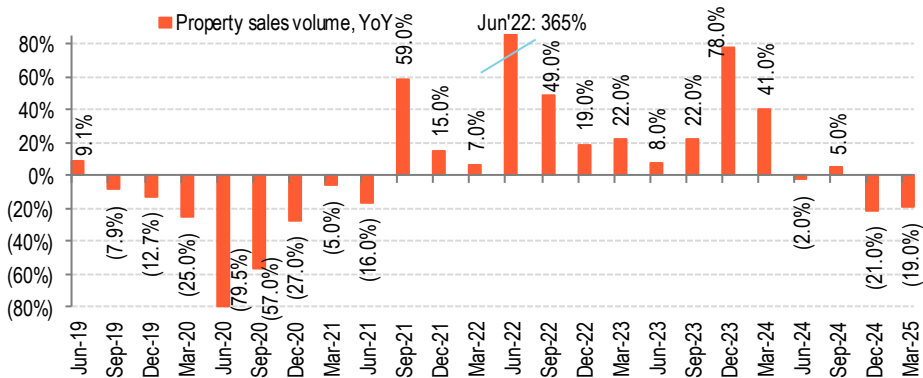


Fig 72 – Foreign tourist arrivals eased in Q4FY25**Fig 73 – Number of telecom subscribers rose by 4mn in Apr-May'25, compared with 3.5mn added last year during the same period**

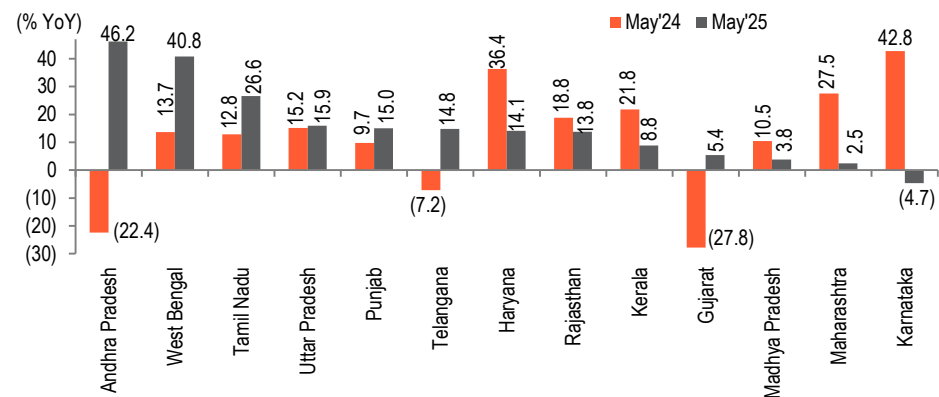
Finance and real estate

Fig 74 – Growth in GVA: Finance, real estate & prof. supported growth in Q4**Fig 75 – Both credit and deposit growth slowed in Q1FY26; credit growth impacted by high base**

*Data as of 16 May 2025

Fig 76 – Credit to both industry and services slowed further in May'25**Fig 77 – Within services, credit to commercial real estate was stable in May'25; while that to NBFCs continues to ease****Fig 78 – Property sales volume continue to weaken, reflecting base effect**

Source: Proptiger

Fig 79 – Stamp duties of AP, W. Bengal, TN, and UP, record strong collections till May'25 (FYTD basis) versus last year

Labour market

Fig 80 – Naukri job index rebounded in Q1FY26 versus Q4 and even last year (Q1)

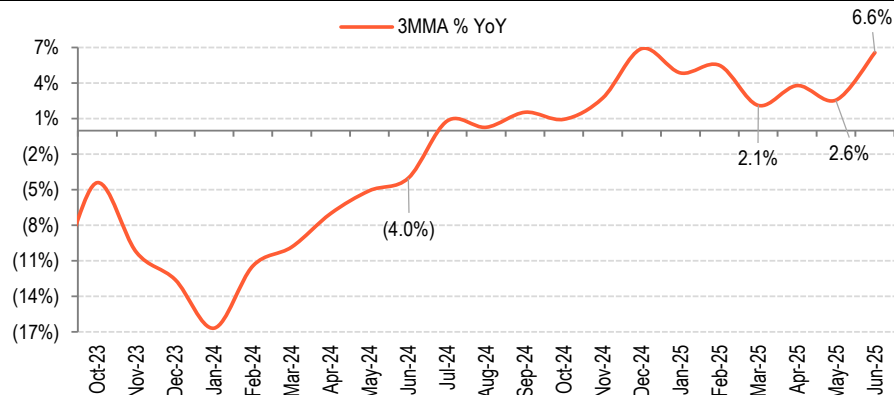
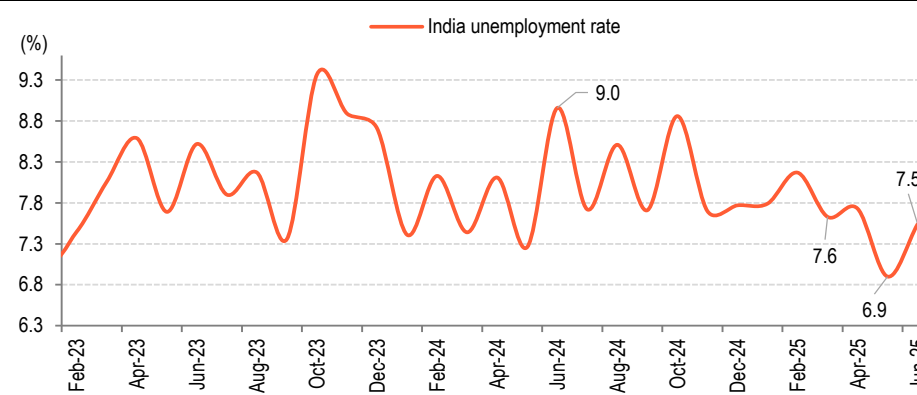


Fig 81 – Overall unemployment rate much lower in Jun'25 than last year



Public administration

Fig 82 – GVA: Public admin & defence services growth was stable in Q3 versus Q2

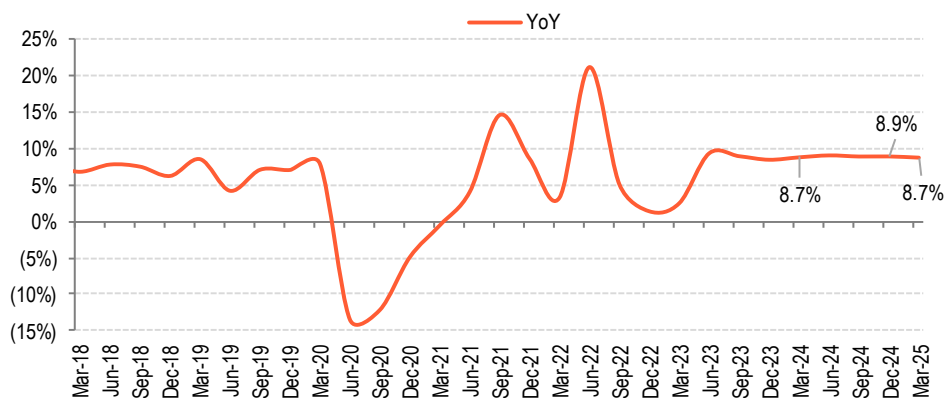


Fig 83 – General govt. spending picked up pace in May'25

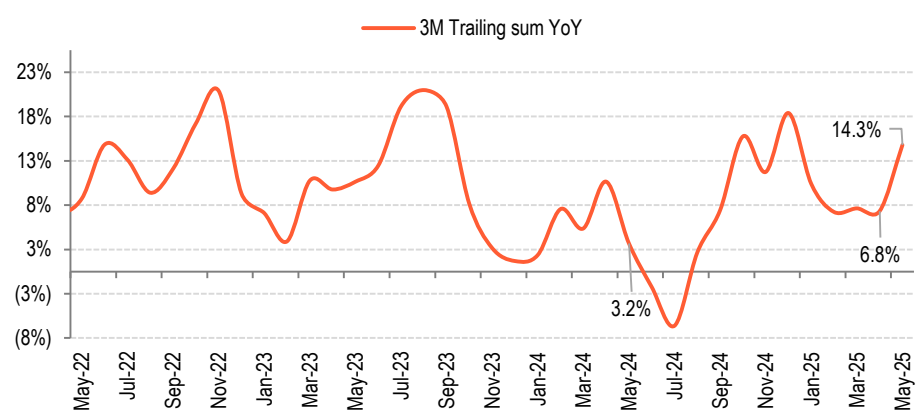


Fig 84 – ...mirroring the trend in central government spending

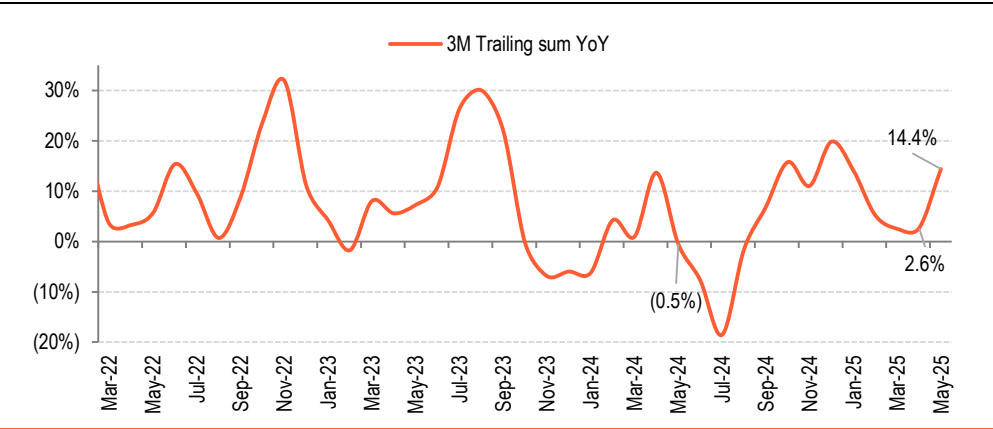
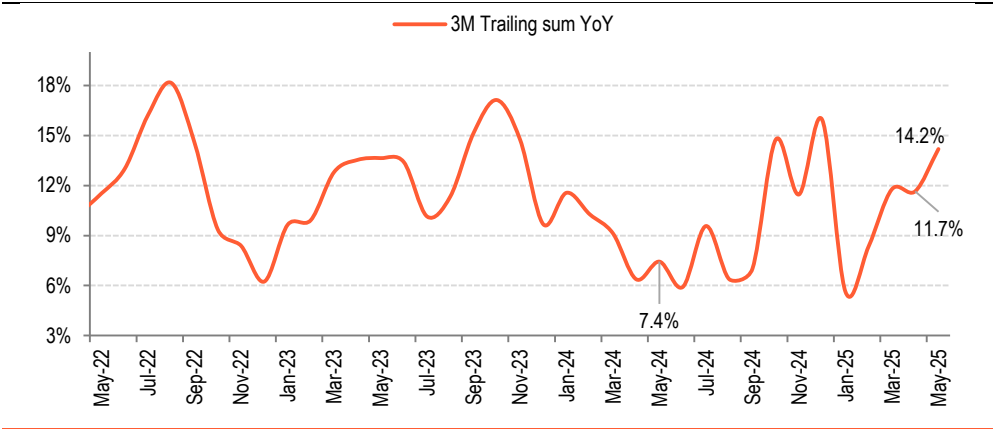


Fig 85 – State* Govt. spending is also maintaining momentum

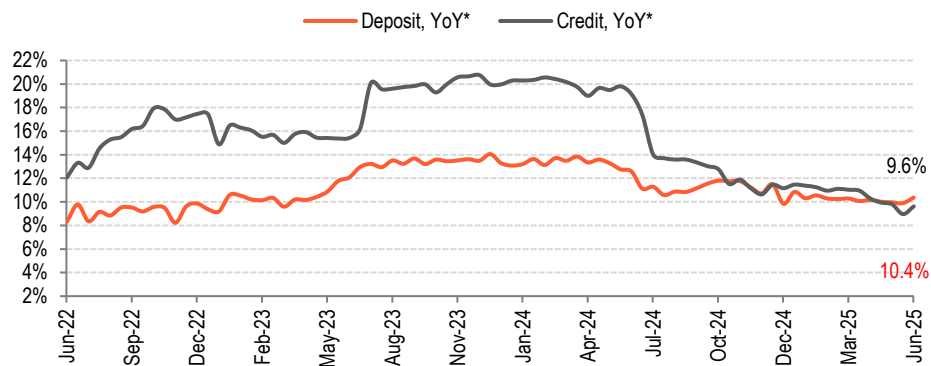


Note: *All states excluding North Eastern states (ex Assam), Bihar, Goa, and J&K

Financial sector

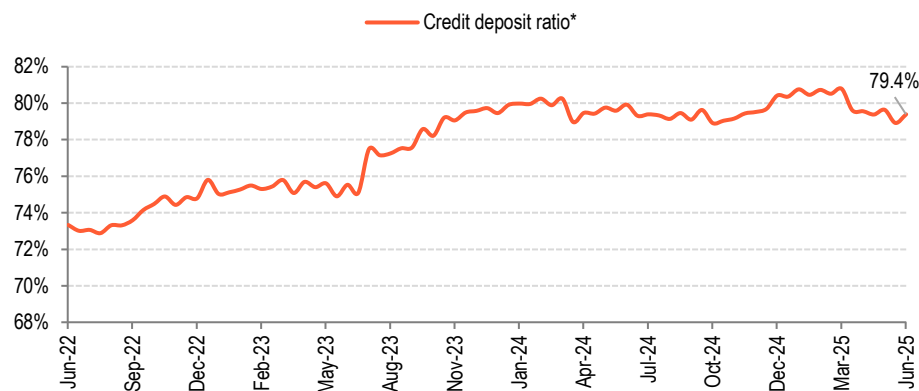
Money and banking

Fig 86 – Credit growth inched up to 9.6% as on 13 Jun 2025 compared to 9% as on 30 May 2025, deposits growth also rose to 10.4% from 9.9 %



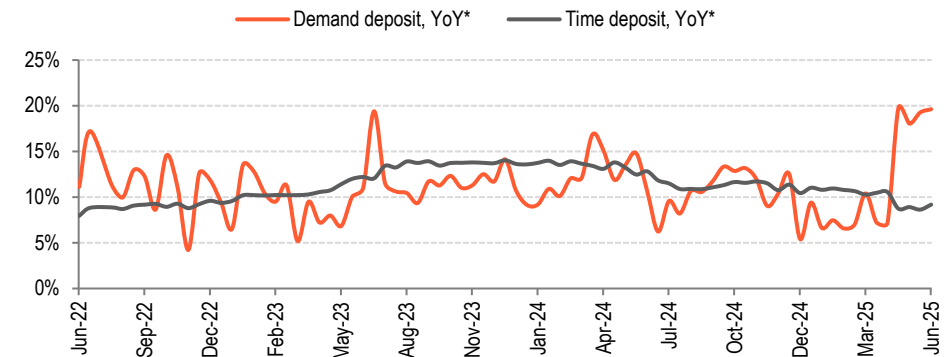
Note: Fortnight as of 13 Jun 2025

Fig 88 – CD ratio was at 79.4%



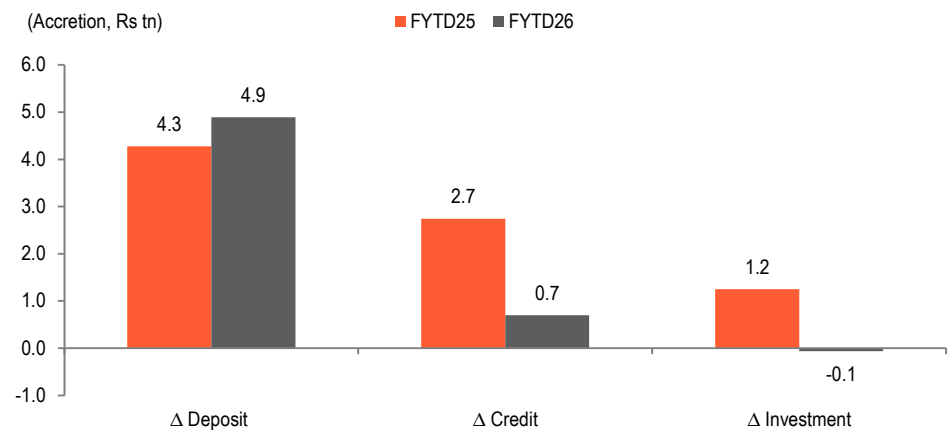
Note: Fortnight as of 13 Jun 2025

Fig 87 – ...Demand deposits inched up, time deposits also maintained its momentum



Note: Fortnight as of 13 Jun 2025

Fig 89 – Credit, deposit and investment accretion



Note: Fortnight as of 13 Jun 2025, Accretion from March

Fig 90 – Credit to govt moderated to 9.7% from 10.6% in Mar'25, credit to commercial sector also softened to 11.6% from 12%

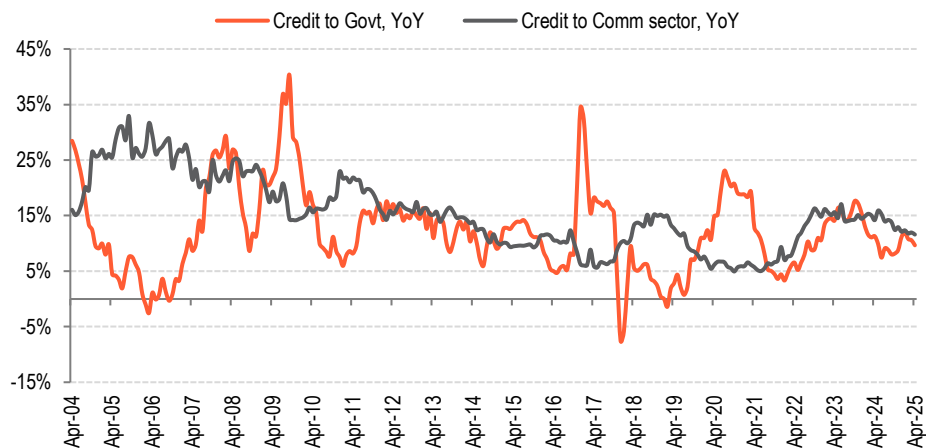


Fig 92 – WALR on fresh loans edged down to 8.38% in May'25 compared to 8.46% in Apr'25, WADTDR edged down a tad to 7.12% from 7.15%

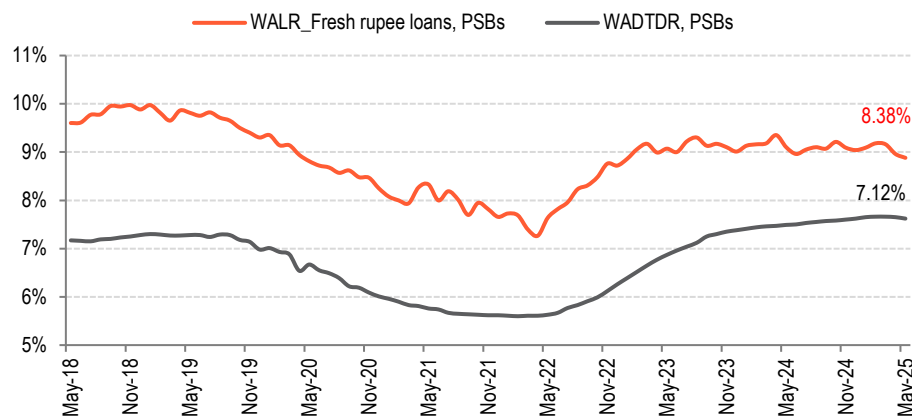


Fig 91 – Spread between WALR and repo and currently it is at -22bps

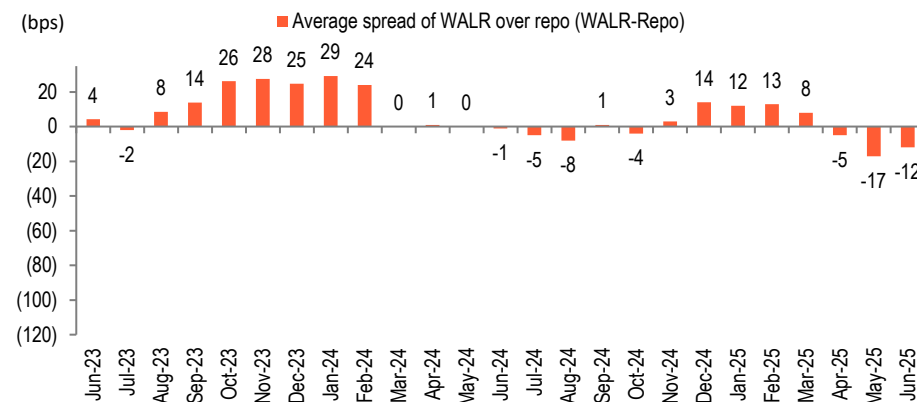
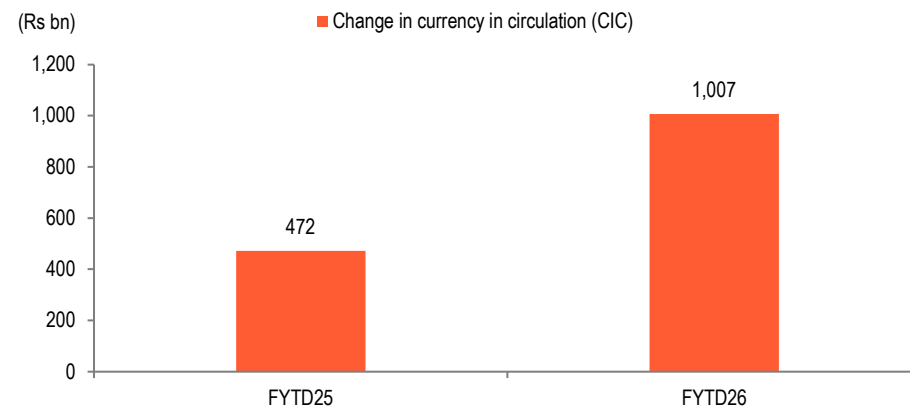
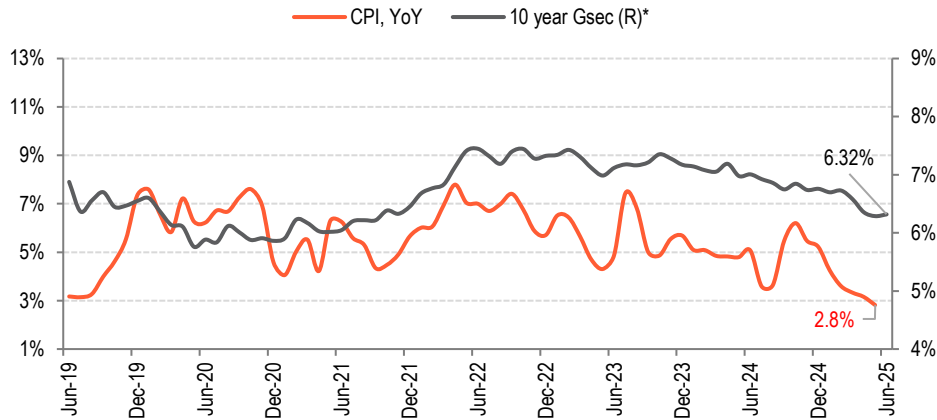


Fig 93 – CIC accretion picked pace



Note: Accretion from Mar

Fig 94 – 10Y GSec yield edged up to 6.32% in Jun'25 from 6.29% in May'25 and is trading at 6.31%, inflation moderated to 2.8% from 3.2%



Note: *As on last trading day of the month

Fig 96 – Corporate debt issuances rose to Rs 946bn in May'25 compared to Rs 914bn in Apr'25

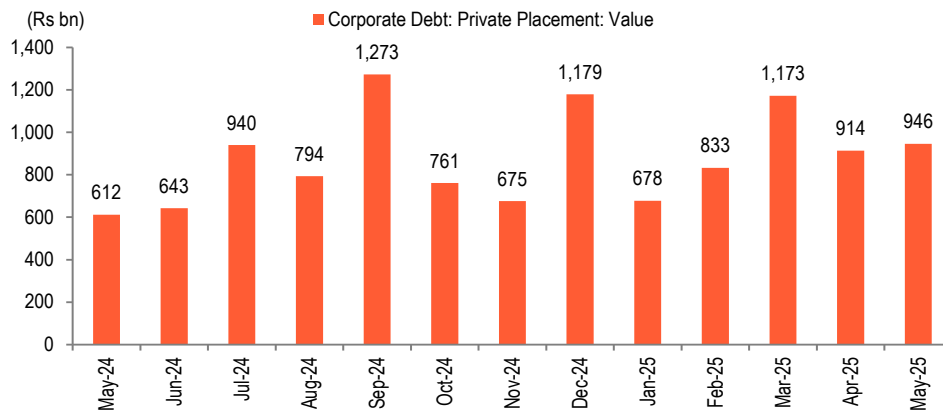
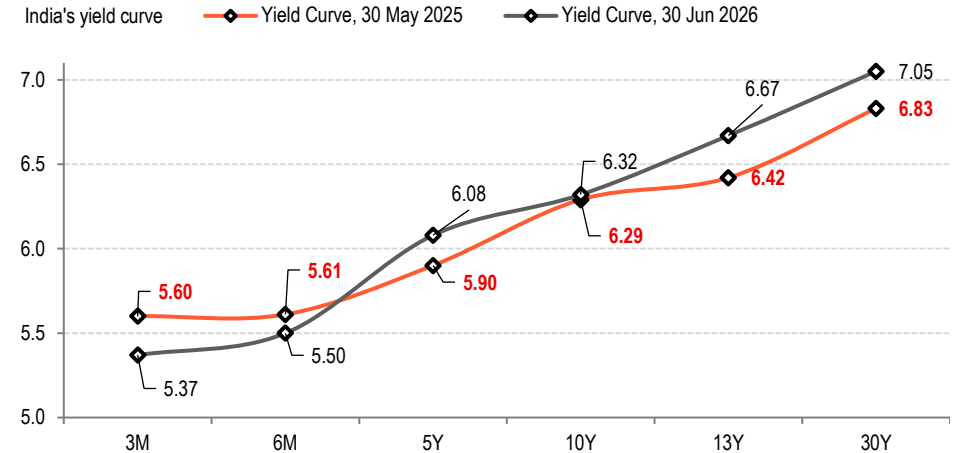
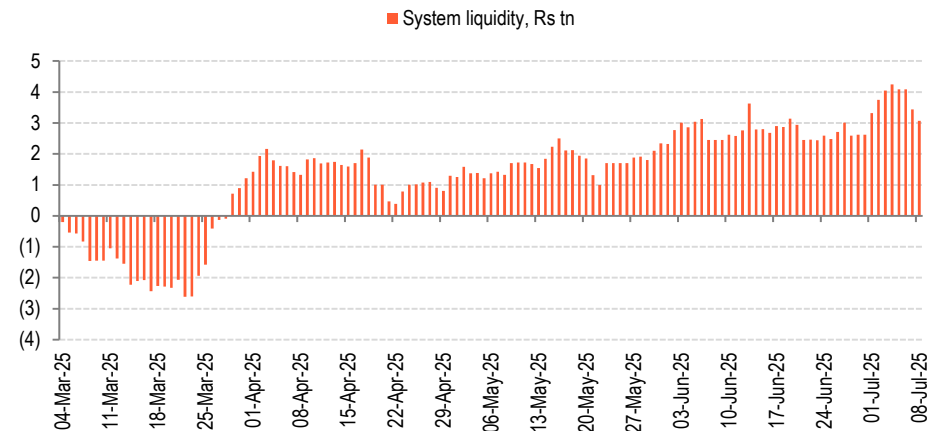


Fig 95 – India's yield curve is showing a steepening bias and currently the gap between 3month and 30Y is at 165bps slightly lower than 168bps in Jun'25



Source: Bloomberg

Fig 97 – Avg. system liquidity surplus was at Rs 2.7tn in Jun'25 compared to Rs 1.7tn in May'25 and currently at an average surplus of Rs 3.7tn in Jun'25 (1-9th)



Source: RBI

Fig 98 – 3Y AAA NBFC spread is at 97bps currently, lower than 107bps seen as on 30 Jun 2025

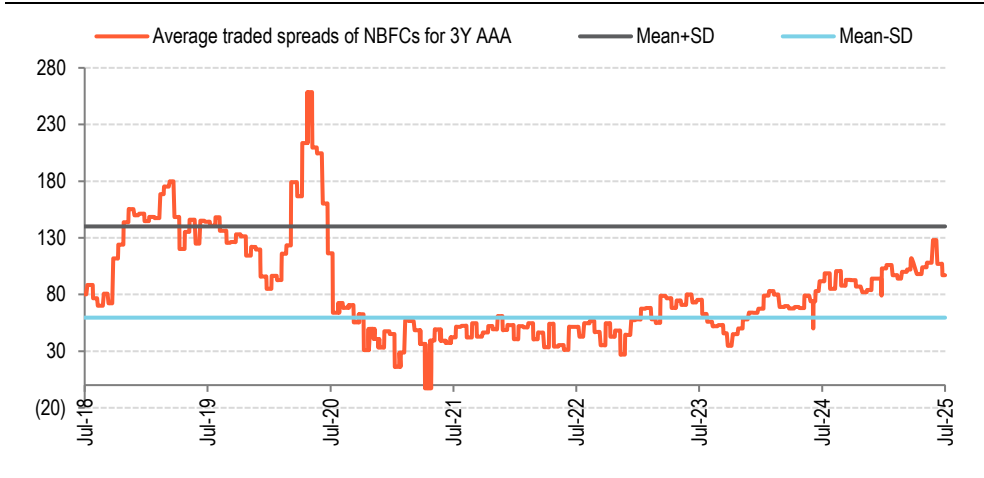


Fig 99 – For 10Y AAA NBFC, it is currently higher at 106bps compared to 99bps as on 30 Jun 2025

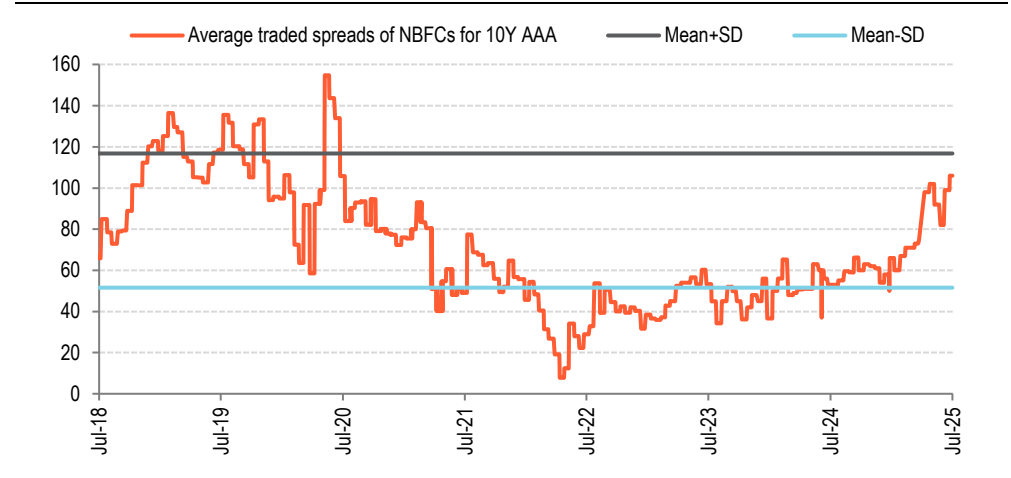


Fig 100 – 3Y AAA corp spread is lower at 62bps currently compared to 71bps as on 30 Jun 2025

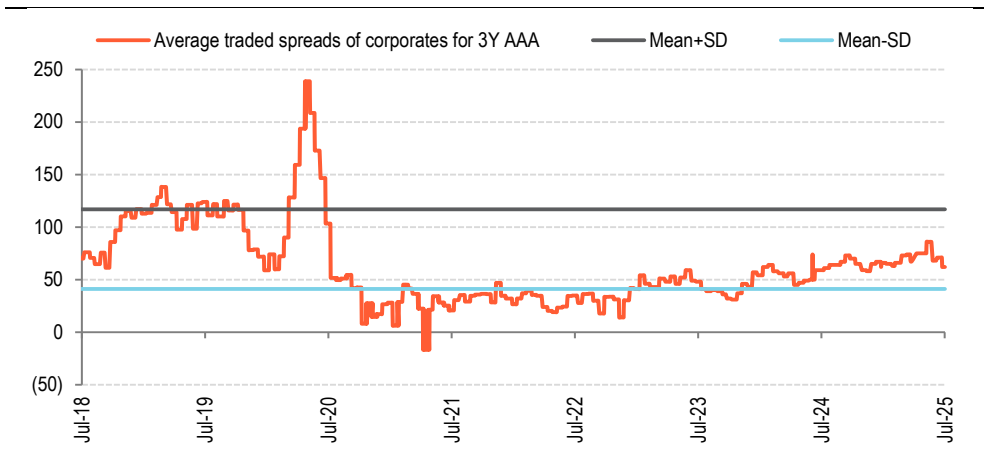


Fig 101 – For 10Y AAA corp spread, it is at 61bps currently, broadly at the same level seen last month

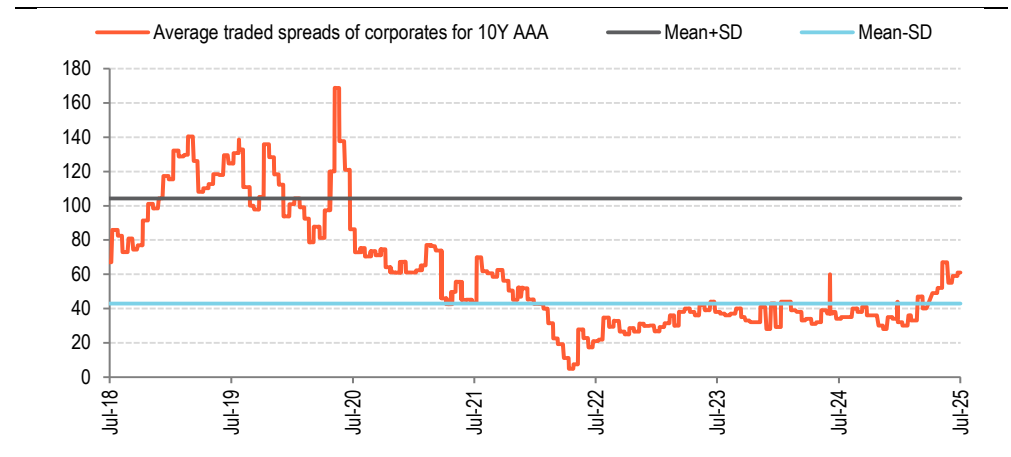
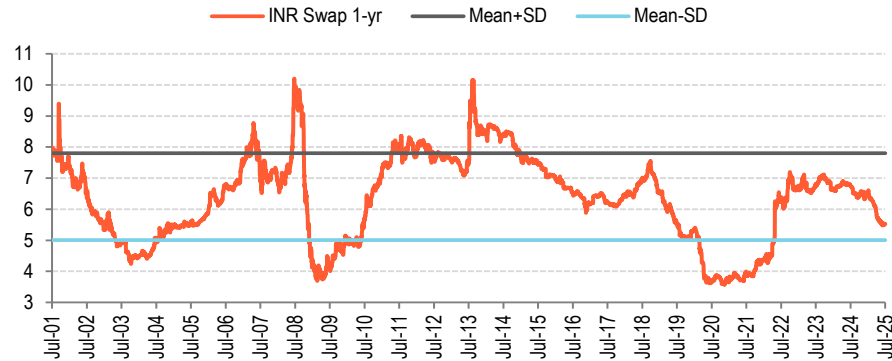
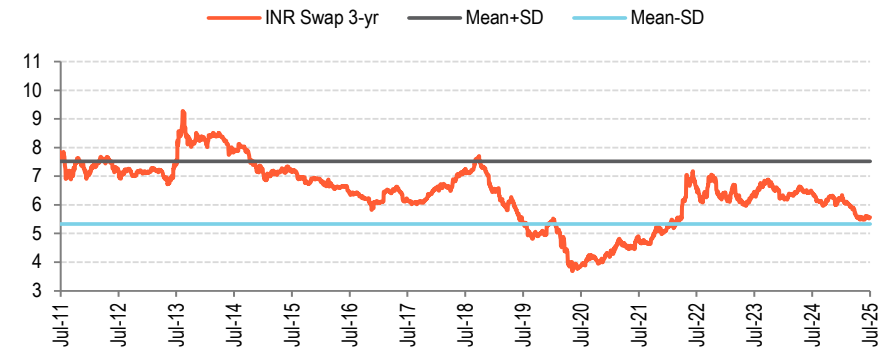


Fig 102 – INR 1Y swap moderated to 5.53 currently**Fig 103 – For 3Y, it is currently at 5.57**

Interest rates on small savings schemes

Fig 104 – Interest rate on small savings scheme to remain unchanged in Q2FY26

Instrument (%)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
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	4.0	4.0
1 year time deposit	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	6.9	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	5.7	6.8	6.9	7.0	7.0	7.0	7.0	7.0	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	5.8	6.9	7.0	7.0	7.0	7.1	7.1	7.1	7.1	7.1	7.1	7.1
5 year time deposit	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	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	6.2	6.5	6.7	6.7	6.7	6.7	6.7	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	7.6	8.0	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2
5 Y monthly income scheme	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	7.4	7.4	7.4	7.4	7.4
5Y national savings certificate	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	7.7	7.7	7.7	7.7	7.7
PPF	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	7.1	7.1
Kisan vikas patra	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	7.5	7.5	7.5	7.5	7.5
Sukanya samridhi account scheme	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	8.2	8.2	8.2	8.2	8.2

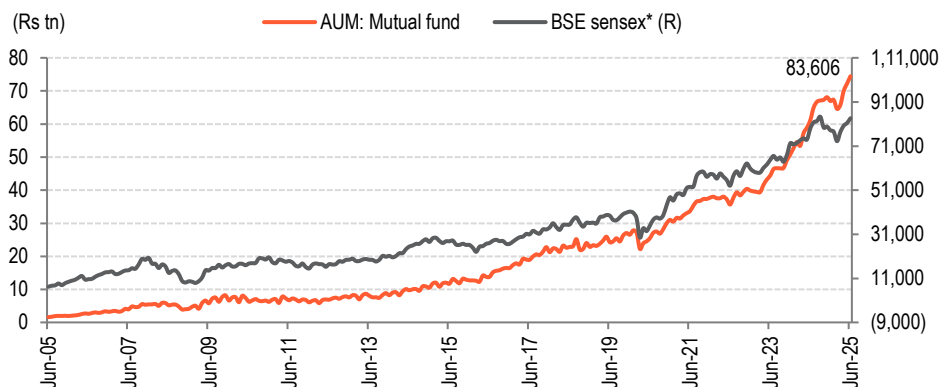
Source: Department of Economic Affairs, Ministry of Finance, Government of India

Fig 105 – MCLR rate of banks was reduced

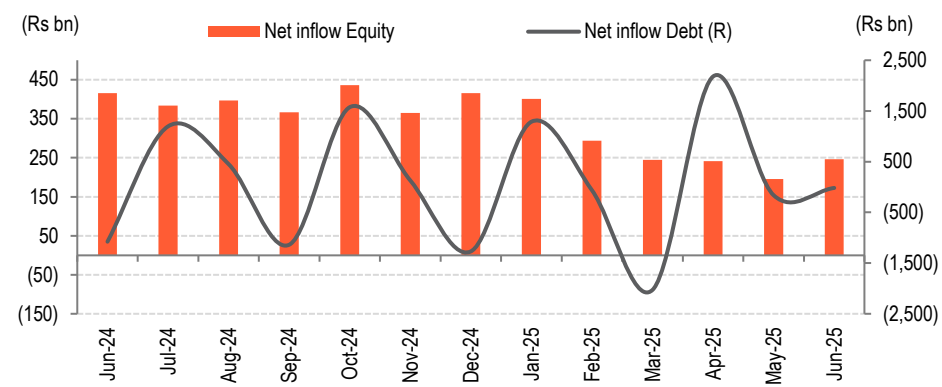
1Y MCLR (%)	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sep'24	Oct'24	Nov'24	Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25
Public Sector Banks																
Bank of Baroda	8.80	8.85	8.85	8.85	8.90	8.95	8.95	8.95	9.00	9.00	9.00	9.00	9.00	9.00	8.95	8.90
Bank of India	8.85	8.85	8.85	8.90	8.90	8.95	8.95	8.95	9.00	9.00	9.05	9.05	9.05	9.05	9.05	9.05
Canara Bank	8.90	8.90	8.90	8.90	8.95	9.00	9.00	9.05	9.05	9.10	9.10	9.10	9.10	9.10	9.00	8.80
Indian Bank	8.85	8.85	8.85	8.90	8.95	8.95	9.00	9.00	9.00	9.05	9.05	9.10	9.10	9.10	9.10	9.10
Punjab National Bank	8.80	8.80	8.80	8.85	8.85	8.90	8.90	8.95	8.95	9.00	9.00	9.05	9.05	9.05	8.95	8.95
State Bank of India	8.65	8.65	8.65	8.75	8.85	8.95	8.95	8.95	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Union Bank of India	8.90	8.90	8.90	8.90	8.90	8.95	8.95	8.95	9.00	9.00	9.00	9.00	9.00	9.00	8.95	8.90
Private Sector Banks																
Axis Bank Ltd.	9.30	9.30	9.30	9.30	9.30	9.35	9.35	9.35	9.35	9.35	9.40	9.40	9.40	9.25	9.15	8.90
HDFC Bank Ltd.	9.30	9.30	9.30	9.30	9.40	9.45	9.45	9.45	9.45	9.45	9.40	9.40	9.40	9.30	9.15	9.05
ICICI Bank Ltd.	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	8.85	8.75	8.50
Indusind Bank	10.40	10.40	10.45	10.45	10.45	10.55	10.55	10.55	10.55	10.55	10.55	10.55	10.45	10.40	10.35	10.30
Kotak Mahindra Bank	9.45	9.45	9.45	9.50	9.50	9.55	9.55	9.55	9.55	9.55	9.55	9.55	9.55	9.35	9.20	8.90

Source: RBI, Note: Bank whose MCLR changed in Jun'25 has been marked red

Mutual fund (MF) indicators

Fig 106 – Sensex inched up by 2.6% in Jun'25, AUM of MFs inched up to Rs 74tn in Jun'25 from Rs 72tn in May'25

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

Fig 107 – MF equity inflows rose to Rs 246bn in Jun'25 from Rs 196bn in May'25; debt outflow moderated to Rs 19bn from Rs 164bn

Insurance sector indicators

Fig 108 – Sale of life insurance policies continued to be on the negative trajectory and declined at a lower pace by (-) 10.4% in May’25 compared to (-) 13.2% in Apr’25

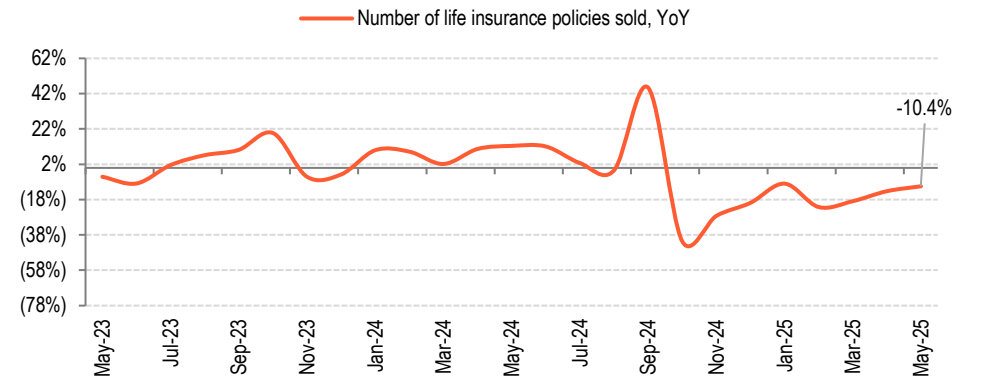
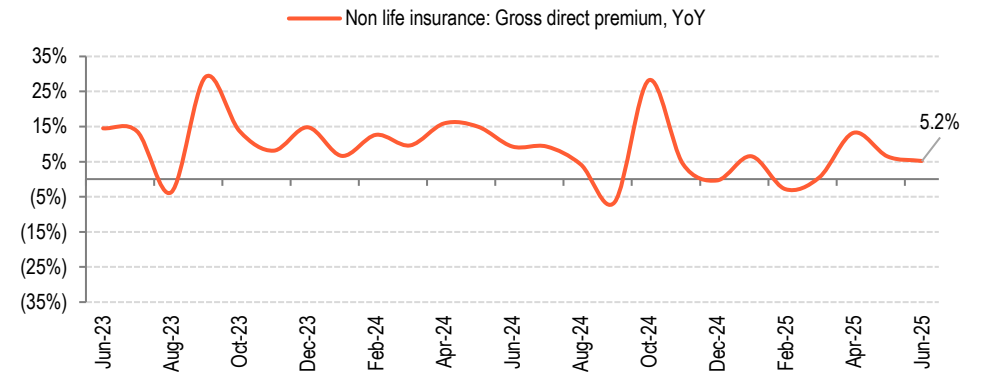


Fig 109 – Gross direct premium for non-life insurance moderated to 5.2% in Jun’25 compared to 6.5% in May’25



Public finance

Central government finances

Fig 110 – Fiscal deficit inched further down in May'25 (12MMA basis)

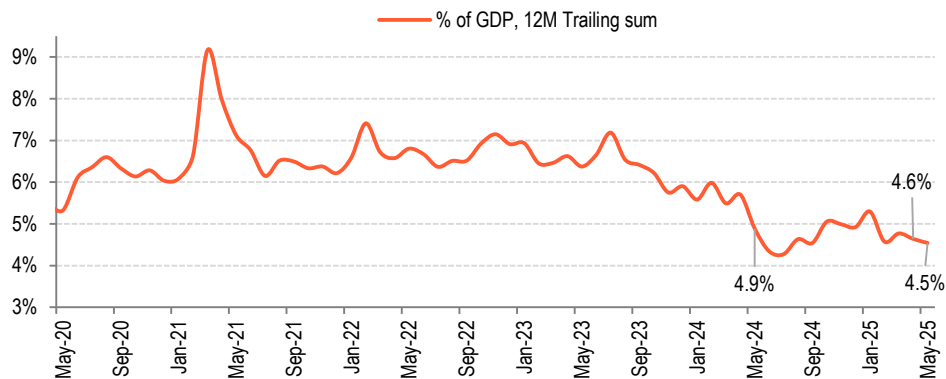


Fig 112 – Primary deficit was lower at 1.2% as of May'25

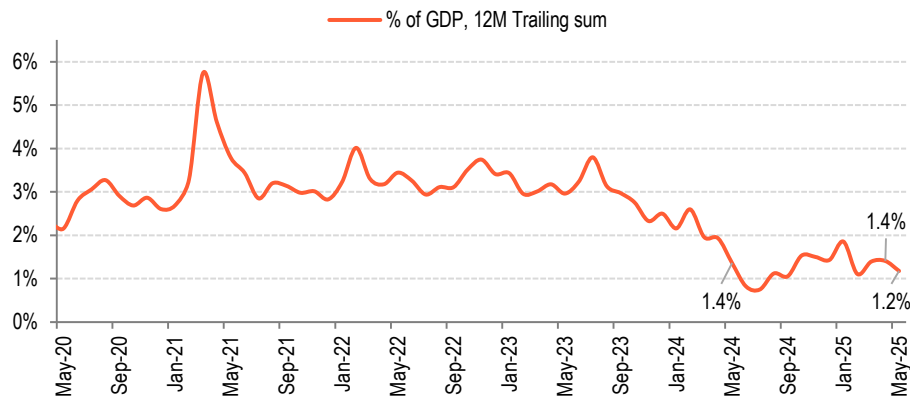


Fig 111 – Revenue deficit also eased in May'25

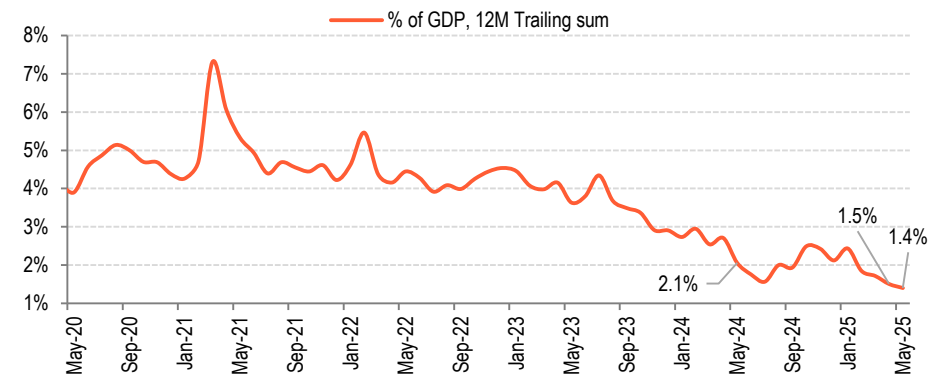


Fig 113 – Government spending growth picked up pace in May'25 (12MMA basis)...

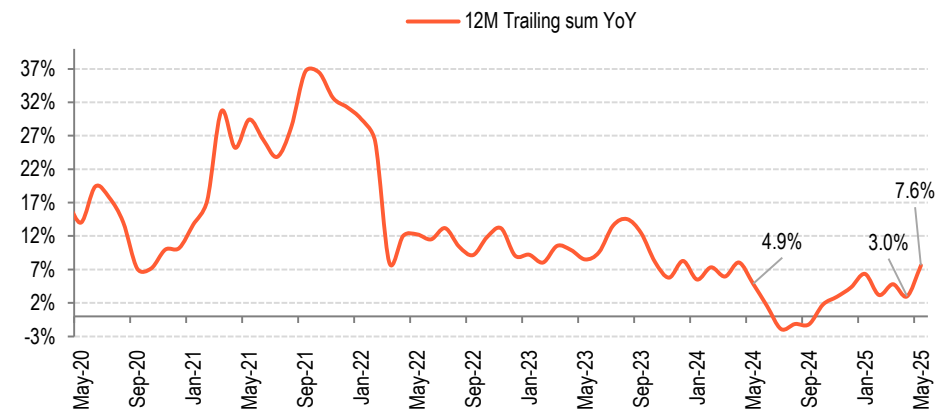
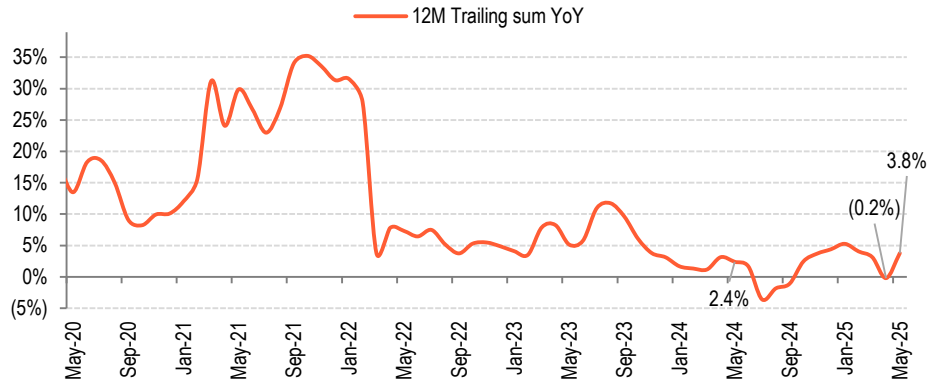
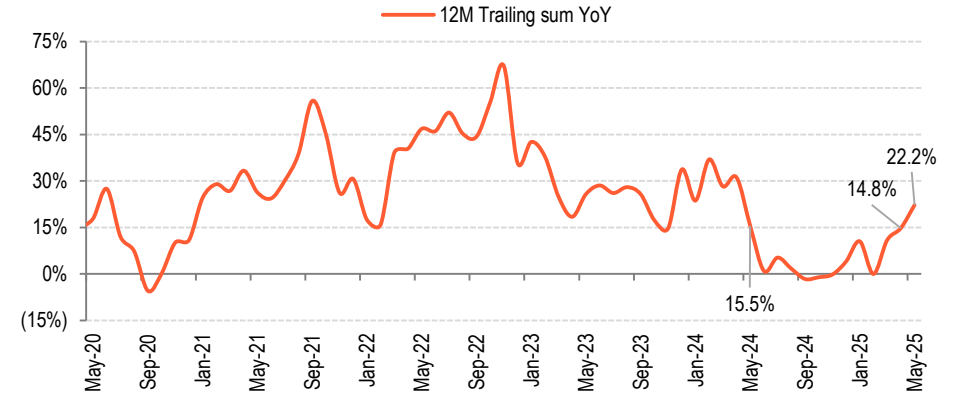


Fig 114 – ...Led by revenue spending**Fig 115 – Capital expenditure growth maintains momentum despite high base****Fig 116 – Pickup in spending led by ministries of defence, road transport, and home affairs**

Ministry	Apr-May'23	Apr-May'24	% change	Apr-May'25	% change
Ministry of Finance	1,713	1,688	(1.4)	1,865	10.5
Ministry of Defence	979	998	1.9	1,279	28.1
Ministry of Consumer Affairs, Food and Public Distribution	409	512	25.1	797	55.8
Ministry of Rural Development	191	302	57.9	205	(32.0)
Ministry of Home Affairs	385	427	11.0	506	18.3
Ministry of Education	98	121	23.6	118	(3.0)
Ministry of Road Transport and Highways	580	594	2.4	634	6.8
Ministry of Chemicals and Fertilisers	245	160	(34.7)	230	43.4
Ministry of Petroleum and Natural Gas	1	2	201.8	1	(68.1)
Ministry of Agriculture	47	68	45.0	89	30.0
Ministry of Health and Family Welfare	97	166	71.6	143	(14.1)

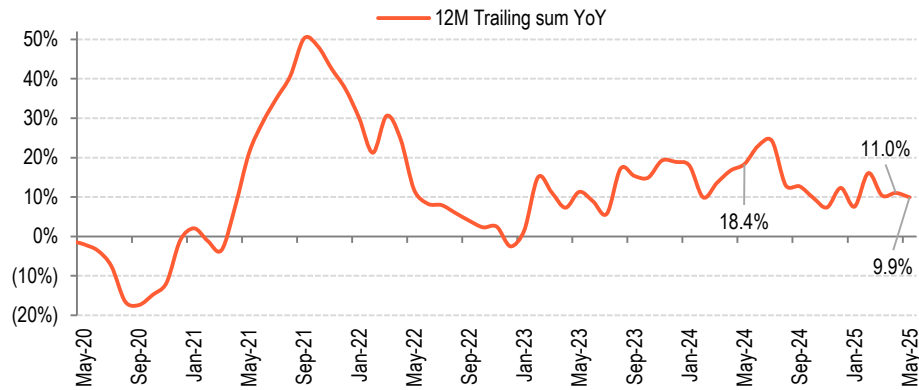
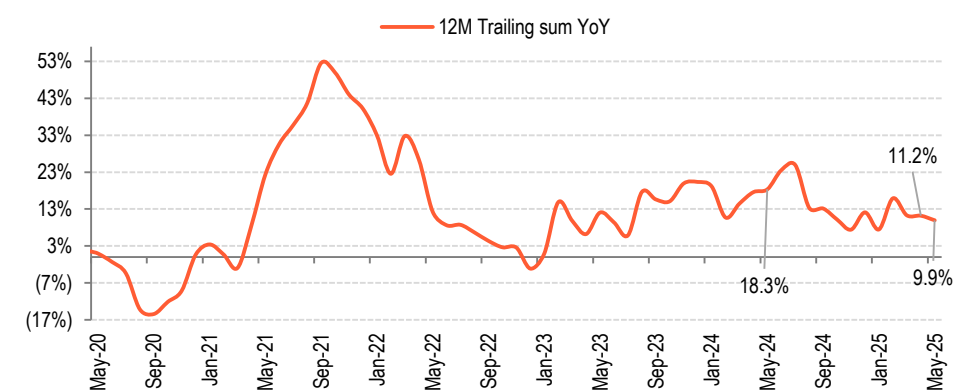
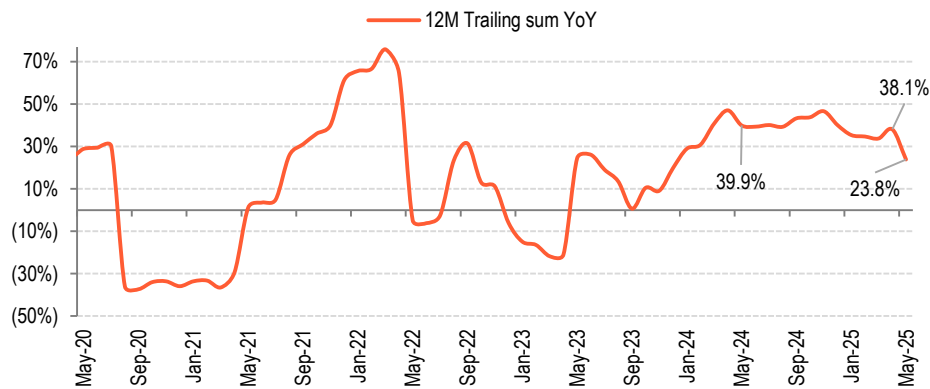
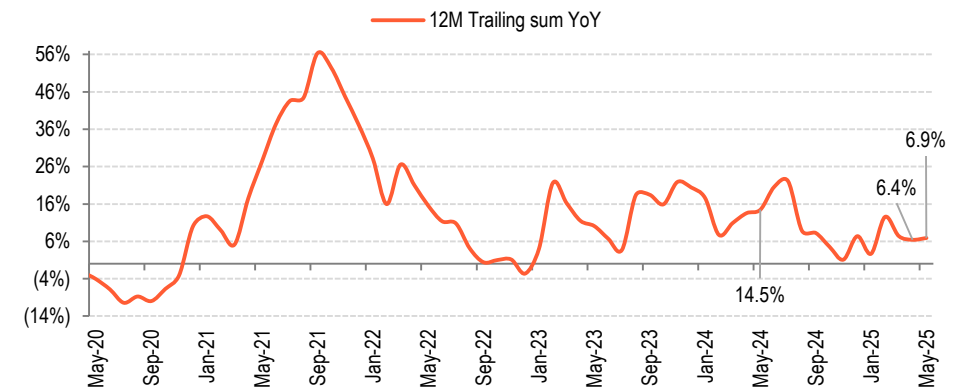
Fig 117 – Receipt growth moderated in May'25, partly due to high base...**Fig 118 – ...mimicking trend in revenue receipts****Fig 119 – Non-tax collections begin moderating, given high base effect****Fig 120 – Net tax revenue receipt growth registers a recovery in May'25**

Fig 121 – Centre’s net tax revenue seen easing in FYTD26 (Apr-May’25), while spending noted a sharp uptick, led by capital expenditure

	Apr-May’23	Apr-May’24	% change	Apr-May’25	% change
Gross Tax revenue	3,948	4,524	14.6	5,071	12.1
Direct taxes	1,838	2,256	22.7	2,368	5.0
Corp Tax	565	453	(19.8)	450	(0.8)
Income Tax	1,273	1,803	41.6	1,918	6.4
Indirect taxes	2,110	2,268	7.5	2,704	19.2
Non-tax revenue	1,347	2,517	86.9	3,569	41.8
Centre's revenue (net)	4,127	5,708	38.3	7,077	24.0
Total expenditure	6,260	6,235	(0.4)	7,461	19.7
Capital exp	1,678	1,436	(14.4)	2,214	54.1
Revenue exp	4,582	4,798	4.7	5,248	9.4
Fiscal deficit	2,103	506	-	132	-

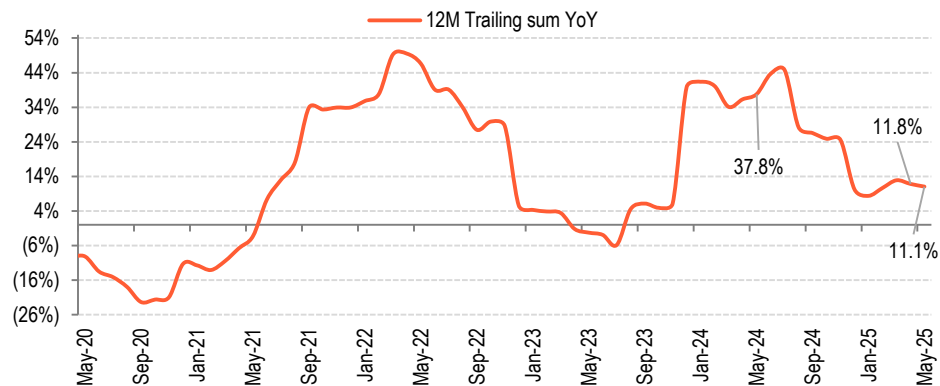
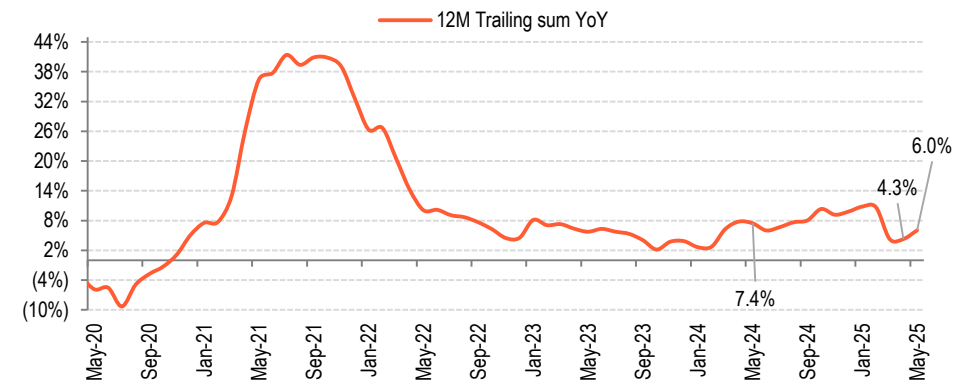
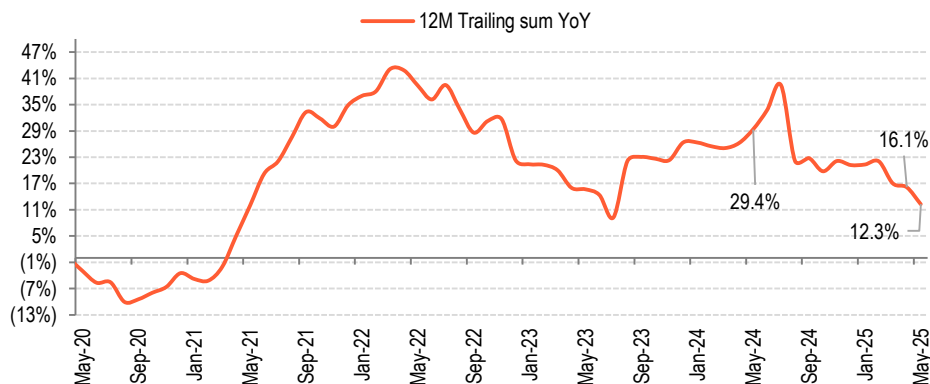
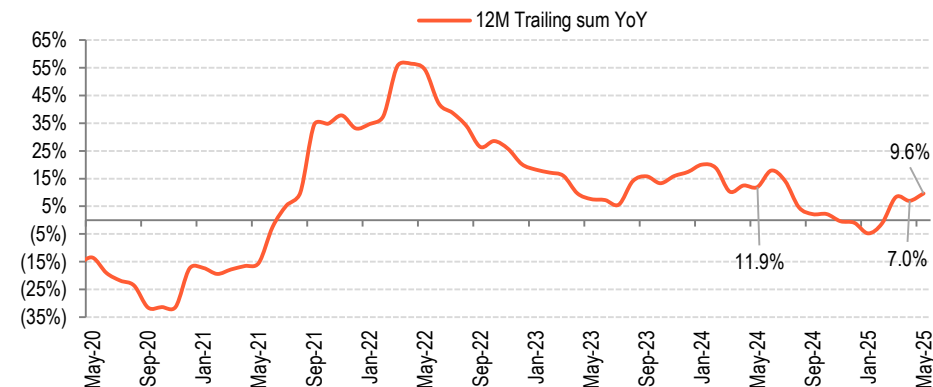
Fig 122 – Gross direct tax collections ease further in May’25**Fig 123 – Gross indirect tax collections support tax revenue growth in May’25**

Fig 124 – Amongst direct taxes, income tax collections dragged overall figure down**Fig 125 – Corporate tax collection growth however noted an improvement in May'25****Fig 126 – GST collections maintain Rs 2 lakh crore monthly run-rate in FYTD26 so far**

(Rs bn)	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Monthly run rate (FYTD26)	FYTD26	FY26 (BE)
CGST	677	695	723	706	700	804	823	694	793	776	788	782	767	775	1,550	10,109
UT GST	3.1	2.8	0.6	3.5	3.4	3.2	4.8	2.7	8.6	3.0	12.3	1.2	3.7	2	5	-
IGST	(82)	7	(5)	82	16	(96)	(174)	(37)	40	(100)	46	311	23	167	334	-
SGST*	1,012	904	974	839	894	1,041	1,038	990	980	1,024	993	1,146	1,093	1,119	2,239	-
Cess	118	129	128	119	119	122	131	120	134	134	122	127	123	125	250	1,671
Total GST	1,727	1,738	1,821	1,750	1,732	1,873	1,823	1,769	1,955	1,836	1,961	2,367	2,011	2,189	4,378	-

Source: PIB | *Computed from PIB and CGA data

Fig 127 – Total subsidy outgo is off to a slow start in Q1FYTD26, led by food subsidies; fertilizer subsidy released so far higher than last year

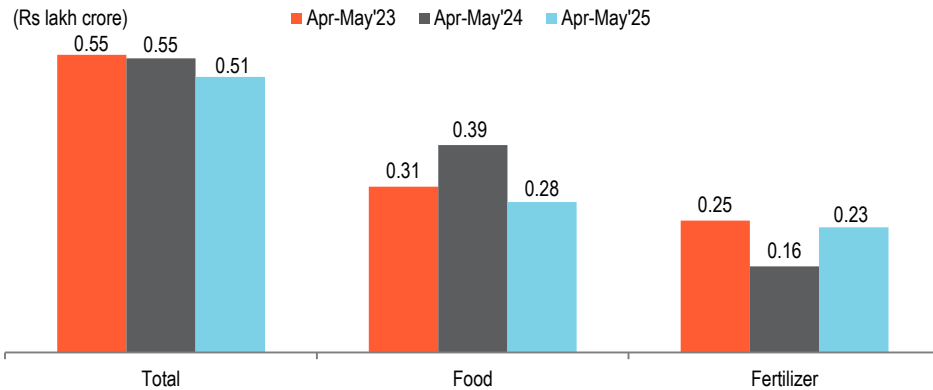
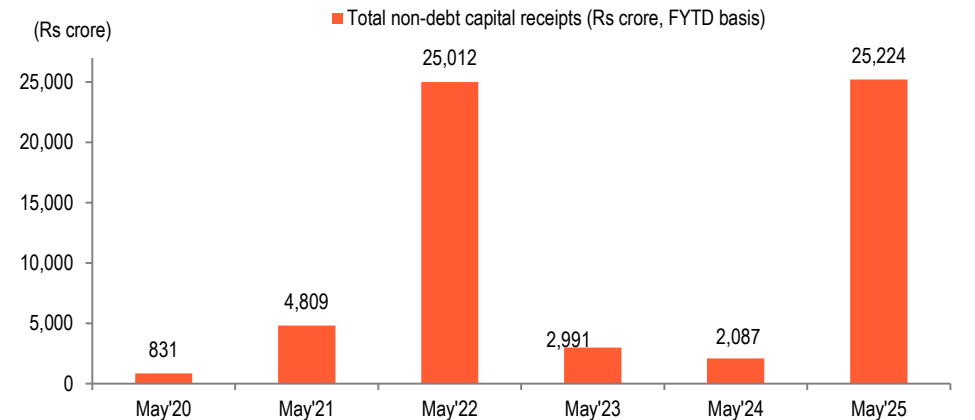


Fig 128 – Central govt's non-debt capital receipts for Apr-May'25, jump to highest in 3 years



Central government borrowing

Fig 129 – Centre's borrowing through T-bill in Q1 was at Rs 3.8tn

Total accepted amount (T-bills), (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY26 (planned)
Q1	3,089	3,364	5,328	5,375	5,247	4,963	3,469	3,834	2,470
Q2	3,299	3,024	5,417	3,215	3,704	3,899	3,242	522*	2,690
Q3	3,070	2,889	3,745	3,630	3,589	3,611	3,976		
Q4	1,812	2,511	2,714	4,766	4,566	4,258	4,337		
Total	11,271	11,788	17,204	16,986	17,105	16,731	15,024		

Source: RBI, Note: *Till 9 Jul 2025

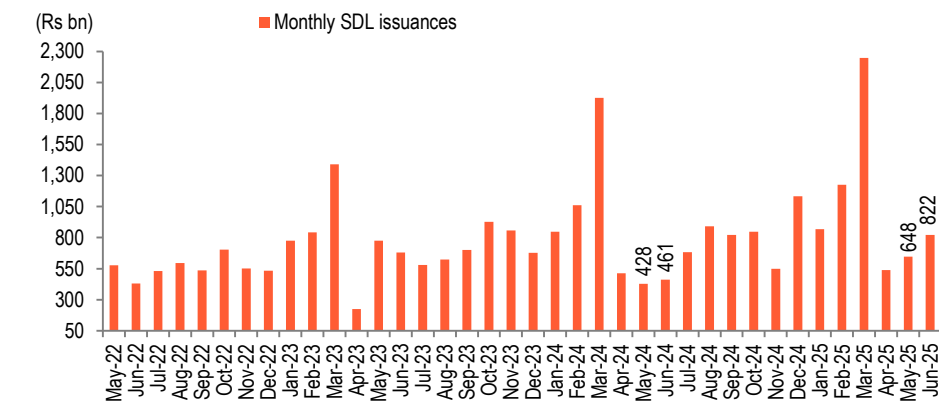
Fig 130 – Centre has raised Rs 3.7tn in Q1

Total accepted amount (G-Sec), (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY26 (planned)
Q1	1,320	2,040	3,140	3,064	3,570	4,080	3,410	3,650	4,060
Q2	1,440	2,210	4,220	3,649	4,390	4,800	3,647	320*	3,940
Q3	1,270	1,930	2,910	3,190	3,510	3,850	3,840		-
Q4	1,680	920	3,191	1,370	2,740	2,700	2,790		-
Total	5,710	7,100	13,461#	11,273	14,210	15,430	13,687		14,820

Source: RBI# Against budgeted Rs 12.8tn Note: *Till 4 Jul

State government borrowing

Fig 131 – State government borrowings picked up pace in Jun'25



Source: RBI

Fig 132 – States have borrowed ~42% of the planned amount in H1FY26 so far

Quarterly SDL issuances, (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25	FYTD26 (actual)	FY26 (planned)
Q1	815	1,673	1,446	1,102	1,677	1,401	2,008	2,733
Q2	1,439	1,614	1,644	1,661	1,903	2,536	314*	2,867
Q3	1,470	2,023	1,653	1,879	2,460	2,532		
Q4	2,006	1,898	2,184	3,009	3,838	4,344		
Total	5,731	7,206	6,927	7,652	9,879	10,814	2,322*	

Source: RBI; *as of 8 Jul 2025

External sector

Exports

Fig 133 – Global exports picked up in Apr'25

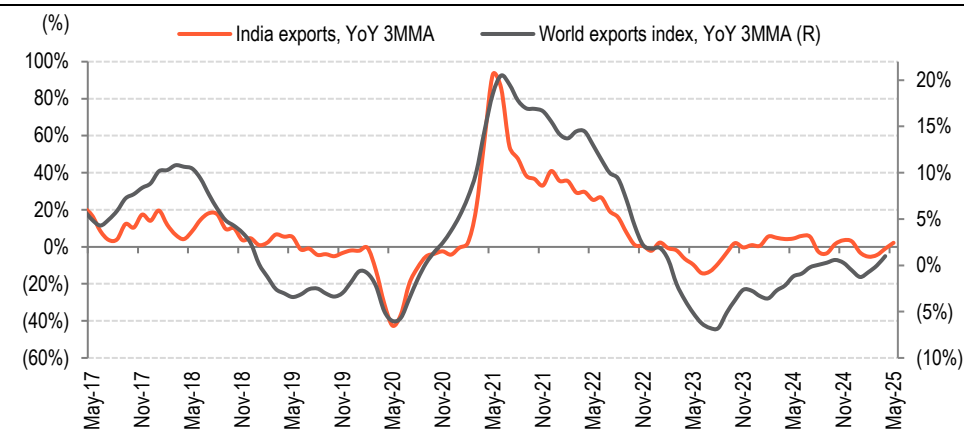
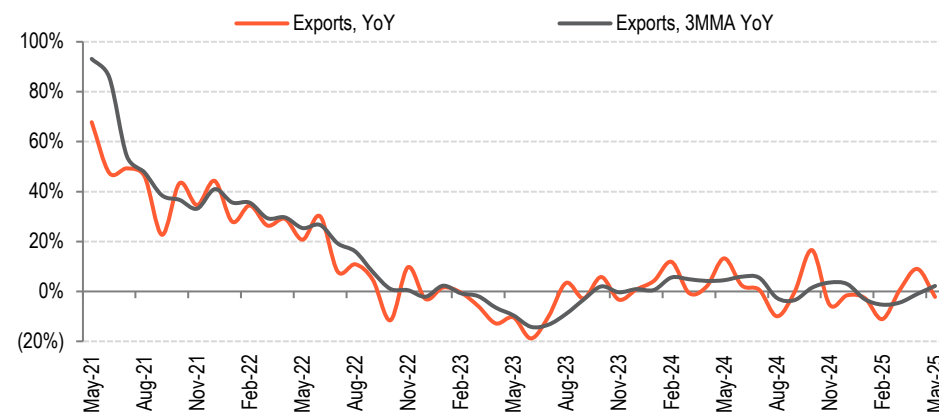


Fig 134 – India's exports declined by 2.2% in Mar'25 after increasing by 9% in Apr'25



Exports by major sectors

Fig 135 – Oil exports declined by over 30% in May'25

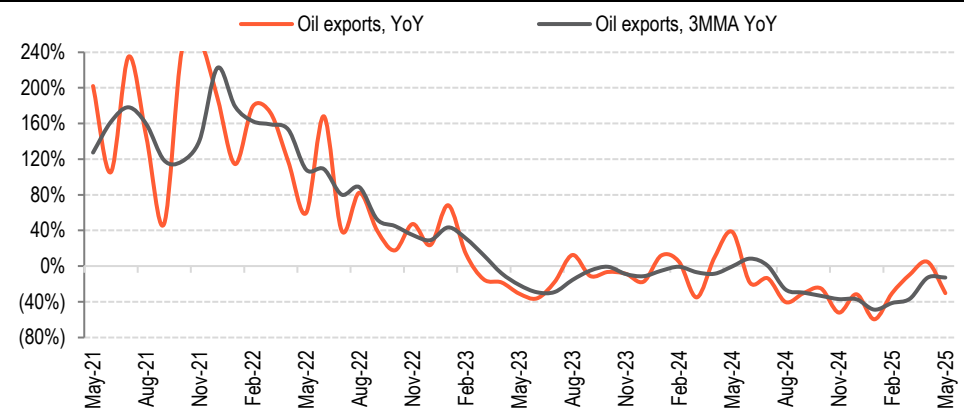


Fig 136 – Non-oil exports also lower

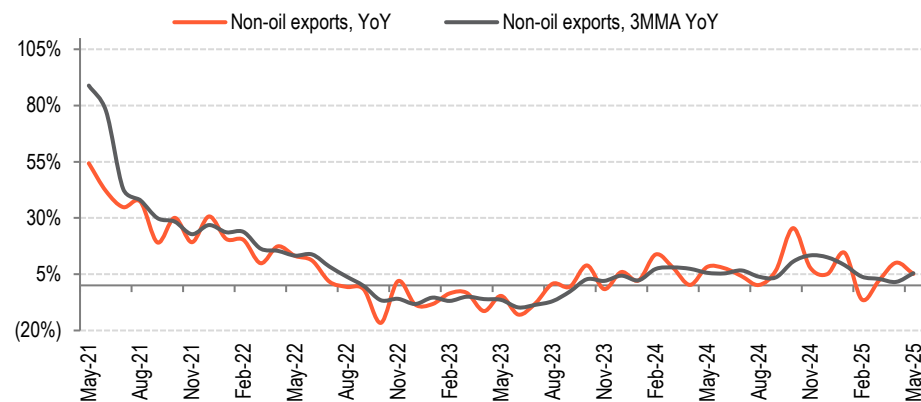
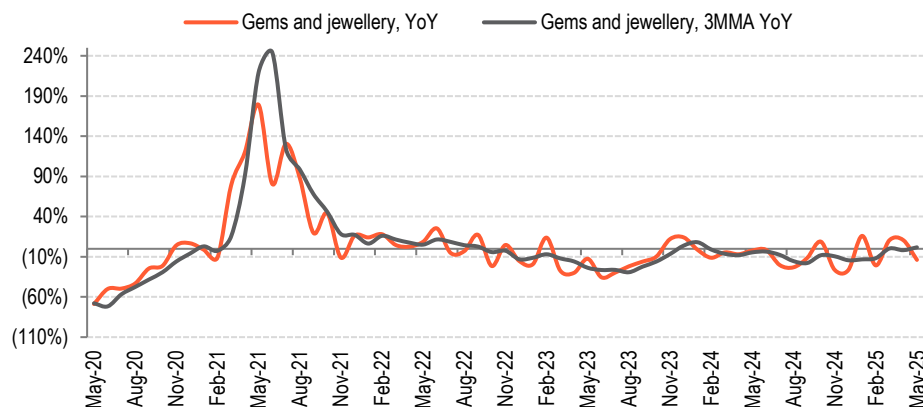
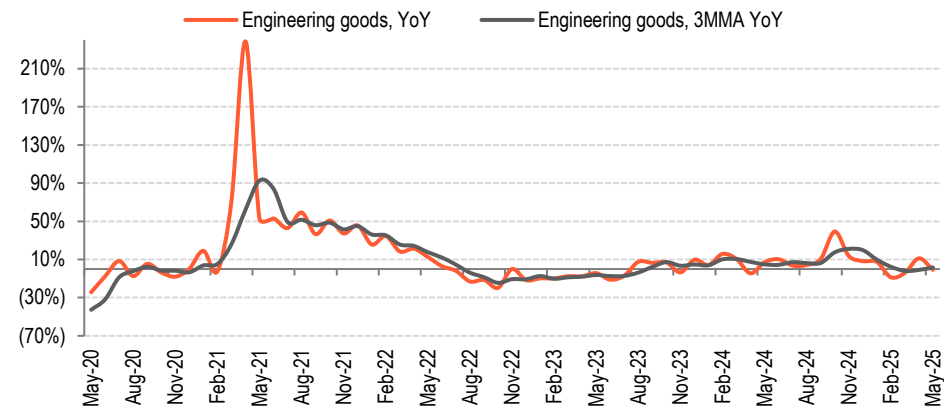
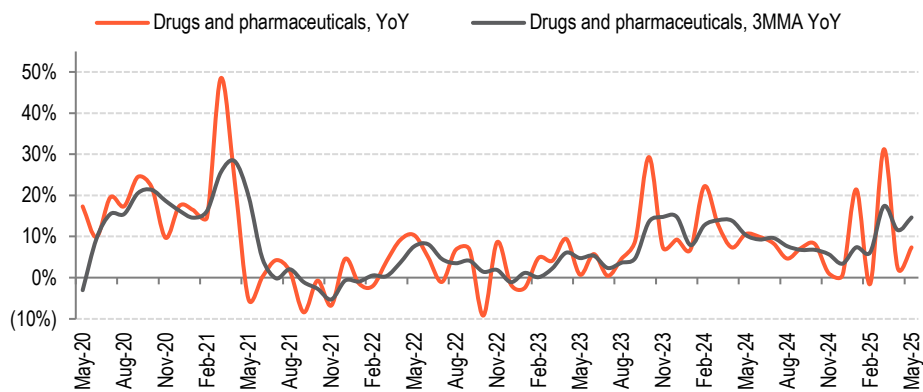
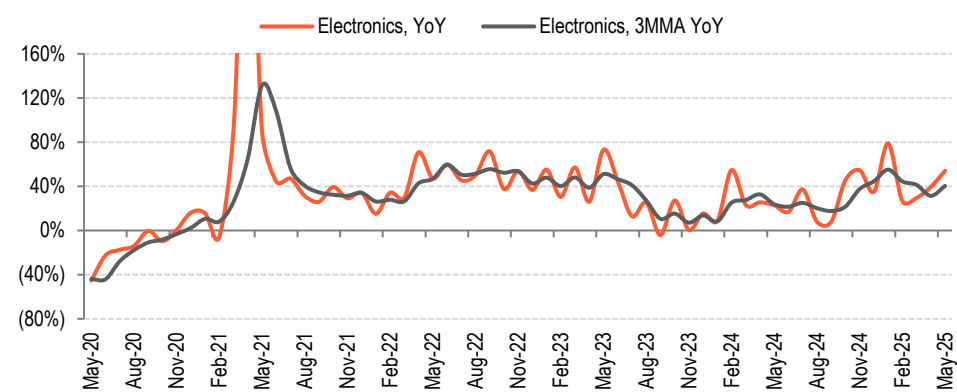


Fig 137 – Gems and jewellery exports contracted once again in May'25**Fig 138 – ... similar case for engineering goods exports****Fig 139 – Improvement in exports of drugs and pharmaceuticals****Fig 140 – Exports of electronics also increased at a solid pace**

Imports

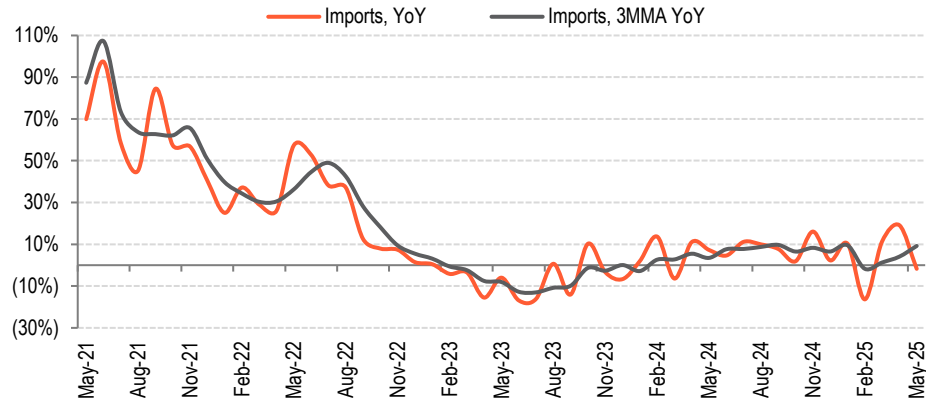
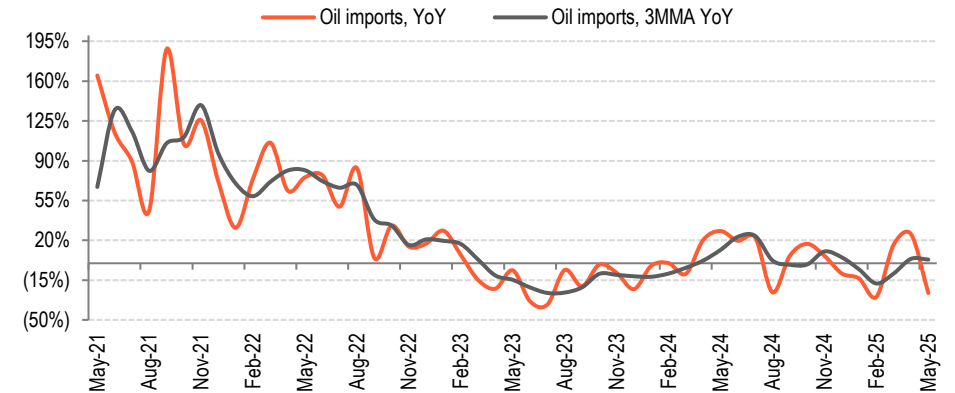
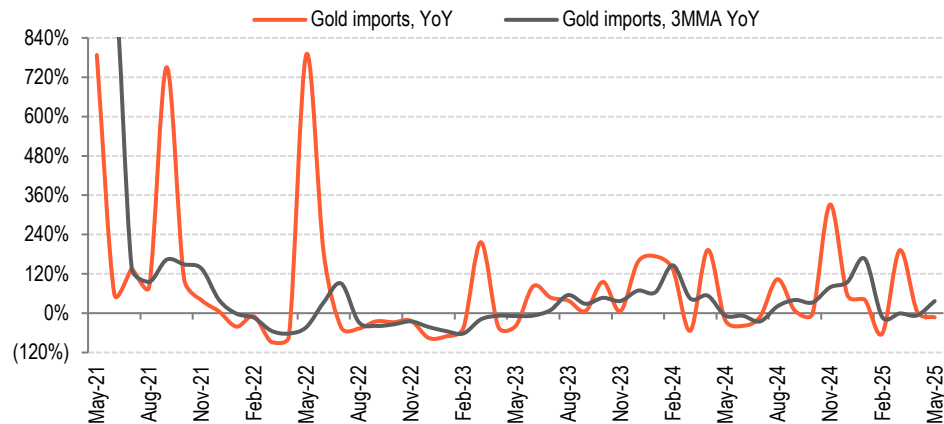
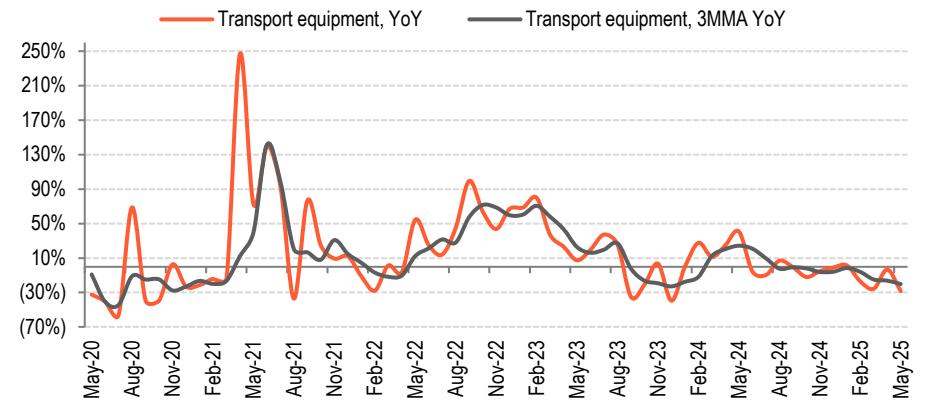
Fig 141 – Imports declined by 1.7% in May'25 following a 19.1% increase in Apr'25**Fig 142 – .. led by a sharp drop in oil imports****Fig 143 – Gold imports also lower by 12.6% in May'25 versus an increase of 4.9% in Apr'25****Fig 144 – Sharp contraction in imports of transport equipment**

Fig 145 – Imports of pearls and precious stones also contracted in May’25

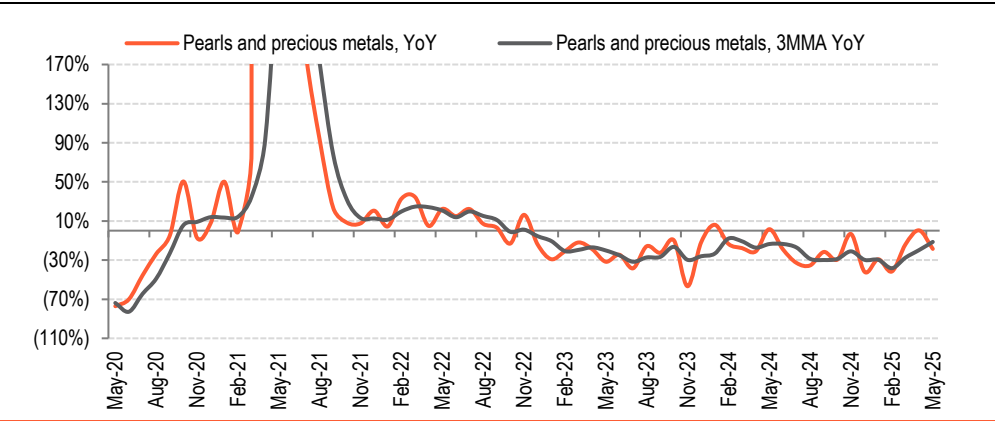
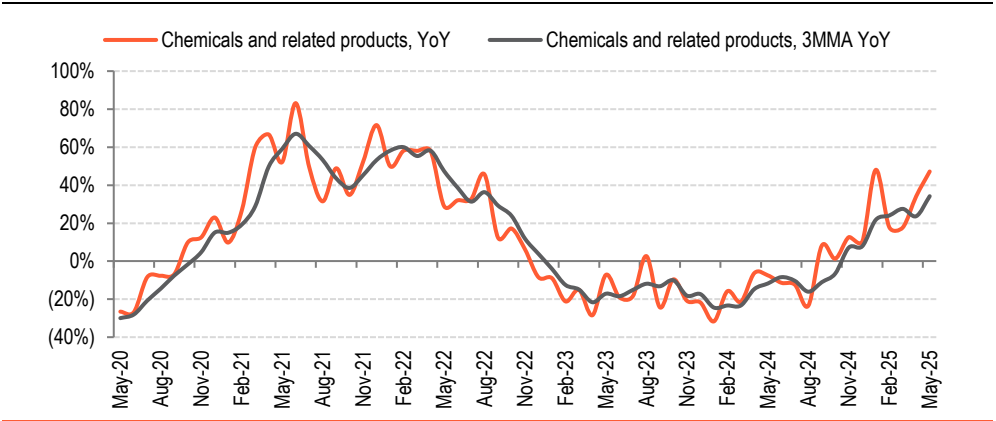


Fig 146 – Continued acceleration in imports of chemicals and related products



Exports and imports by major regions

Fig 147 – Exports to China have picked up in FYTD26

Region (% YoY)	Share in FY25	FYTD25	FYTD26	Mar-25	Apr-25	May-25
Americas	25.9	11.4	16.9	30.6	23.2	11.4
Asia and Pacific (Ex. China)	21.9	2.2	(0.9)	(8.5)	3.1	(4.6)
China	3.3	(4.2)	18.2	(2.9)	12.1	24.0
Europe	22.8	16.2	(12.0)	(7.4)	(11.0)	(13.0)
Middle East and Africa	25.1	1.7	4.5	(9.1)	22.1	(9.9)
Other	1.0	9.6	8.4	(21.8)	7.8	9.0

Fig 148 – Imports from China are also higher on a FYTD basis

Region (% YoY)	Share in FY25	FYTD25	FYTD26	Mar-25	Apr-25	May-25
Americas	10.7	4.1	12.5	5.9	34.3	(7.9)
Asia and Pacific (Ex. China)	24.4	5.6	7.1	3.5	11.2	3.4
China	15.7	3.3	24.2	25.0	27.1	21.6
Europe	13.1	(1.5)	(0.6)	6.1	(4.7)	3.9
Middle East and Africa	26.9	18.6	7.7	23.6	29.1	(9.5)
Other	9.1	20.9	(3.0)	(3.9)	18.6	(19.0)

Trade deficit

Fig 149 – Trade deficit narrowed to US\$ 21.9bn in May'25 compared with US\$ 26.4bn in Apr'25

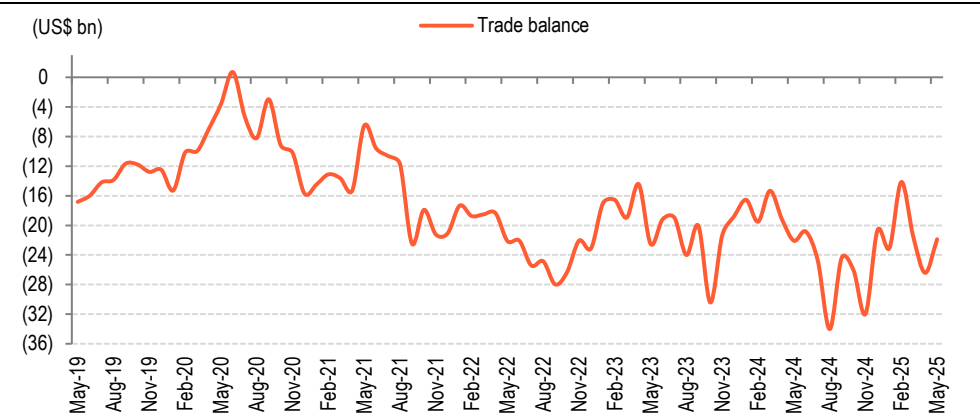
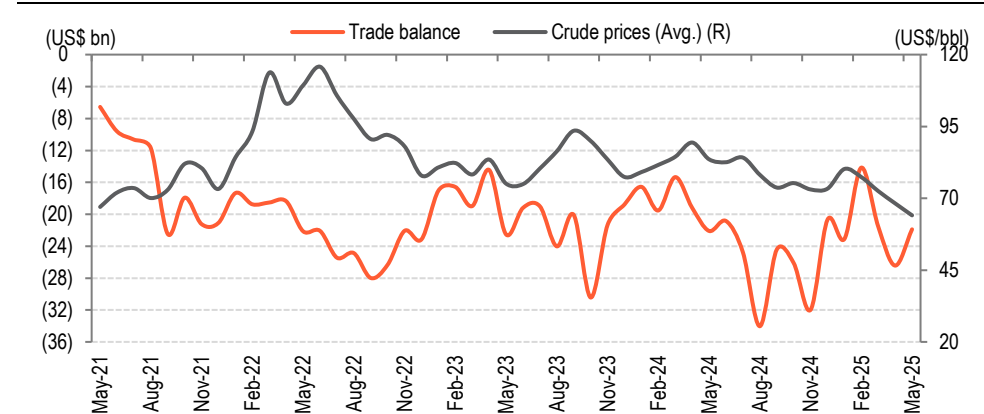
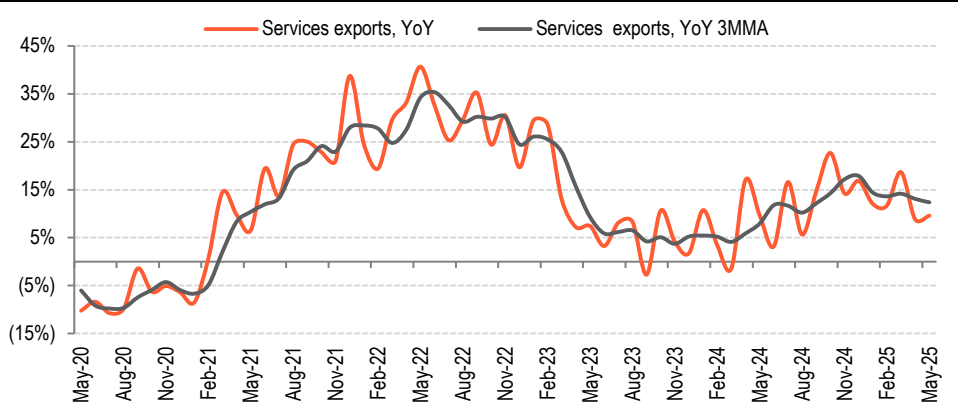


Fig 150 – ...supported by lower oil prices



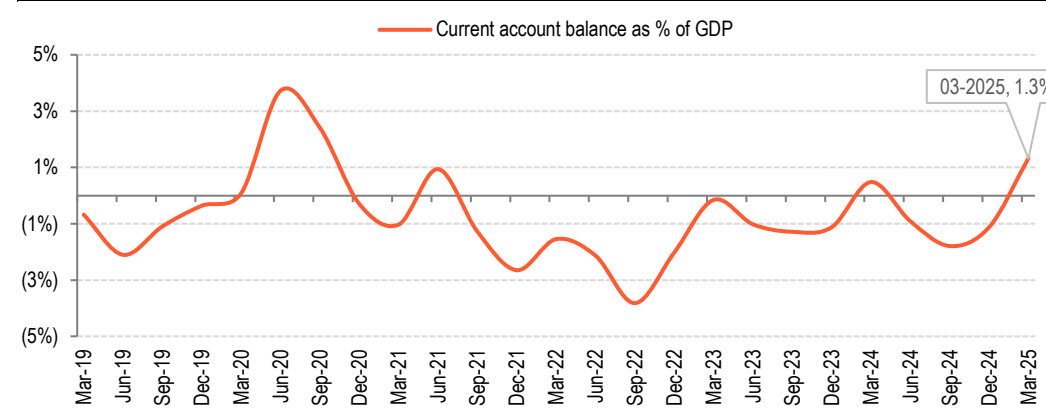
Trade in services

Fig 151 – Services exports increased by 9.6% in May'25 after increasing by 8.8% in Apr'25



BoP

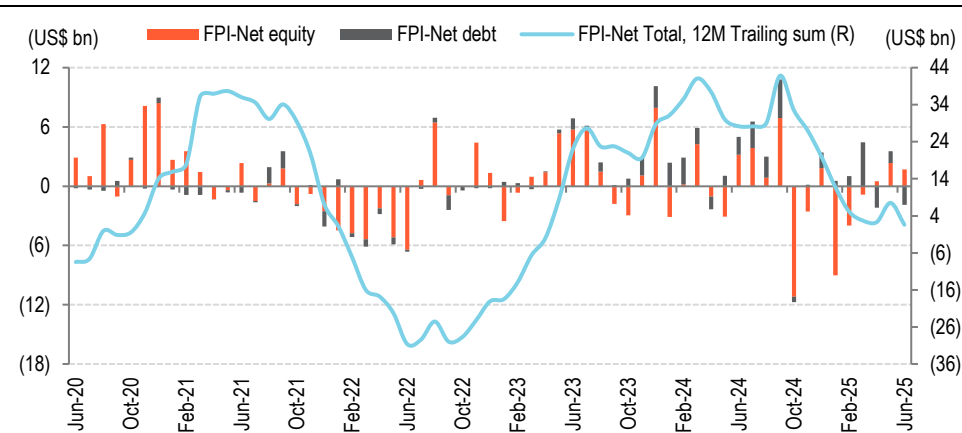
Fig 152 – India's current account recorded a surplus of 1.3% in Q4 FY25



Foreign inflows

FPI inflows

Fig 153 – FPI outflows recorded in Jun'25, led by the debt segment



Source: NSDL

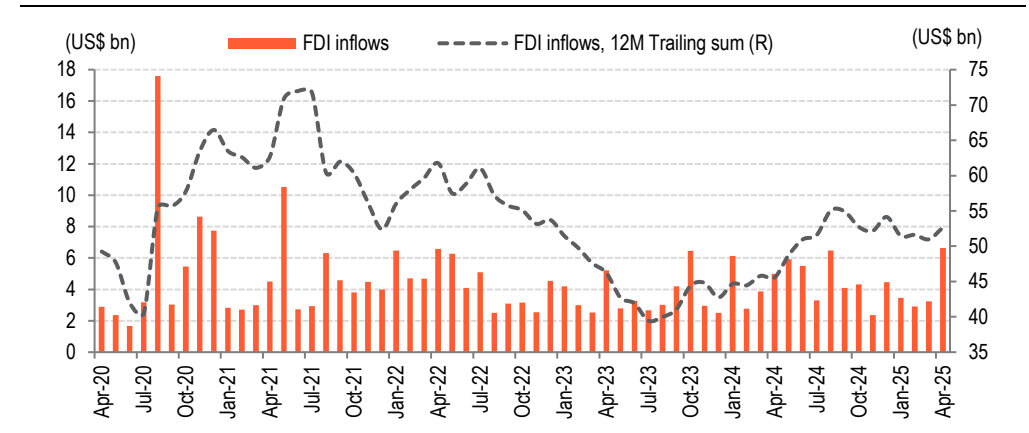
Fig 155 – In FY25, FDI inflows into services sector and trading sector have increased

Sector	% Share FY25	FY24	FY25	Q4FY24	Q3FY25	Q4FY25
Services Sector	18.7	6.6	9.3	1.5	1.5	2.1
Computer software and hardware	15.6	8.0	7.8	4.6	1.3	2.3
Trading	8.3	3.9	4.2	1.2	0.6	0.8
Non Conventional Energy	8.0	3.8	4.0	1.6	1.4	0.6
Construction (Infrastructure) activities	4.5	4.2	2.2	0.4	0.5	0.4
Automobile industry	3.2	1.5	1.6	0.6	0.3	0.3
Consultancy services	2.1	0.7	1.1	0.1	0.0	0.0

Source: DIPP

FDI inflows

Fig 154 – FDI inflows improve to US\$ 6.6bn in Apr'25 compared with US\$ 3.2bn in Mar'25



Source: RBI, Bank of Baroda Research

Fig 156 – Country wise, inflows from Singapore and US have increased the most in FY25

Country (US\$ bn)	Share in FY25	FY24	FY25	Q4FY24	Q3FY25	Q4FY25
Singapore	29.9	11.8	14.9	4.3	4.4	3.0
Mauritius	16.7	8.0	8.3	0.9	1.6	1.4
US	10.9	5.0	5.5	2.2	1.2	1.7
Netherlands	9.2	4.9	4.6	2.6	0.5	0.5
Japan	5.0	3.2	2.5	0.4	0.2	1.1
UK	1.6	1.2	0.8	0.3	0.4	0.2

Source: DIPP

Forex reserves and external debt

Fig 157 – India's FX reserves at US\$ 702.8bn; accretion of ~US\$ 37.4bn in FY26

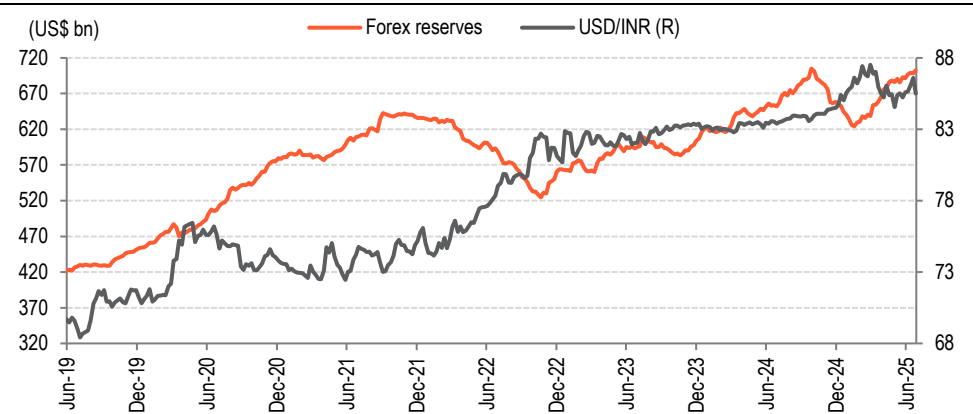


Fig 159 – RBI's sold net US\$ 1.7bn in the spot market in Apr'25

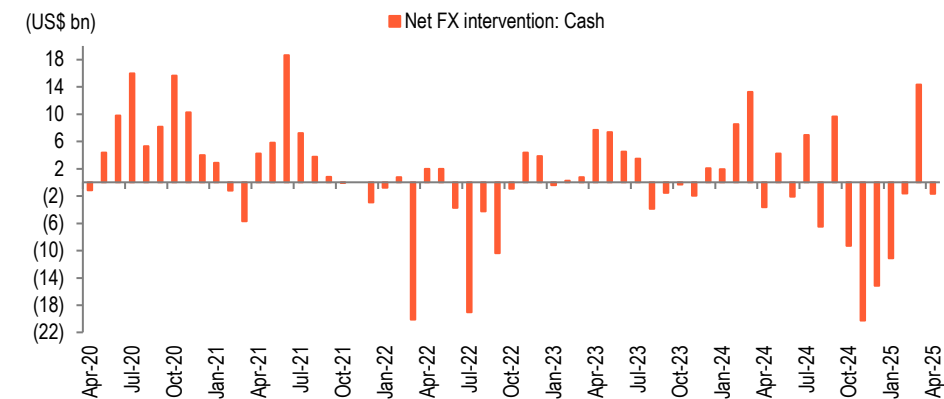


Fig 158 – India's import cover improving steadily, but remains below its long term average

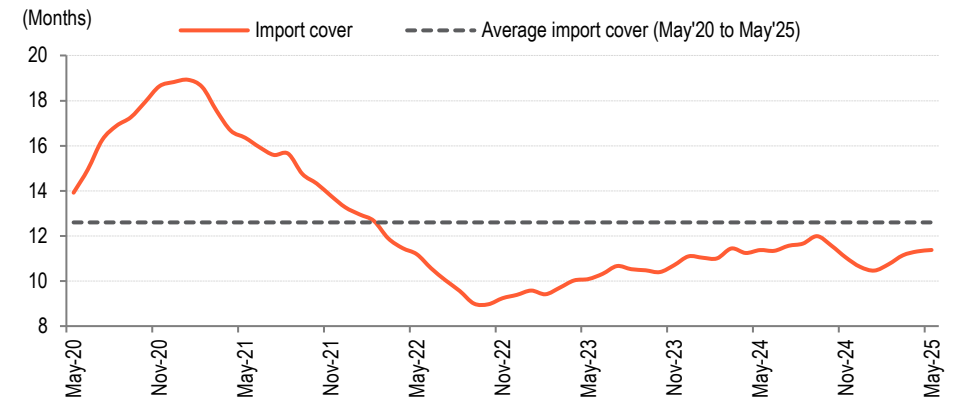
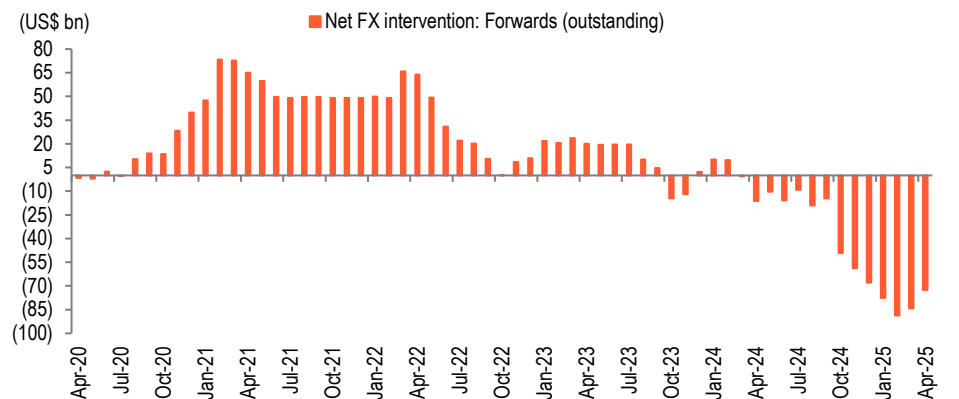


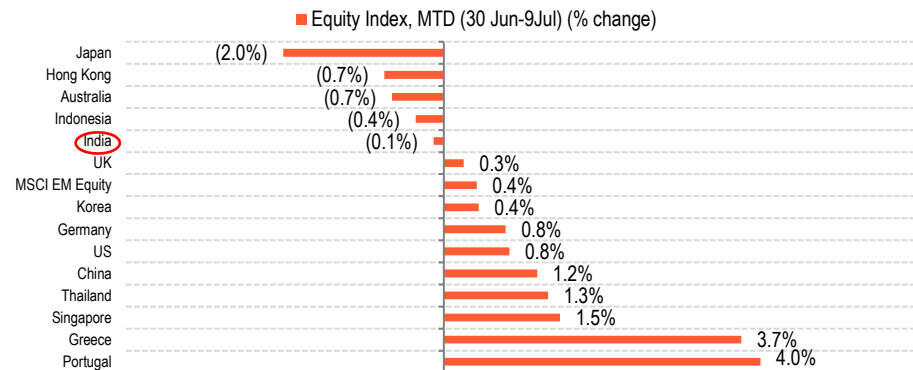
Fig 160 – RBI's outstanding forwards book stood at US\$ 72.6bn as of Apr'25



Markets

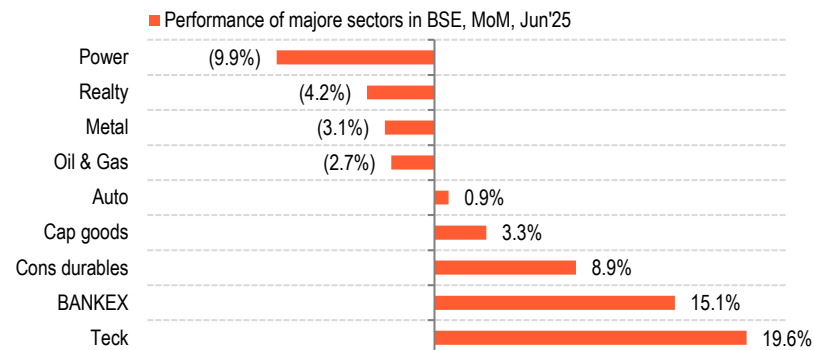
Equity

Fig 161 – In Jul'25*, Sensex declined by 0.1% while MSCI EM inched up by 0.4%



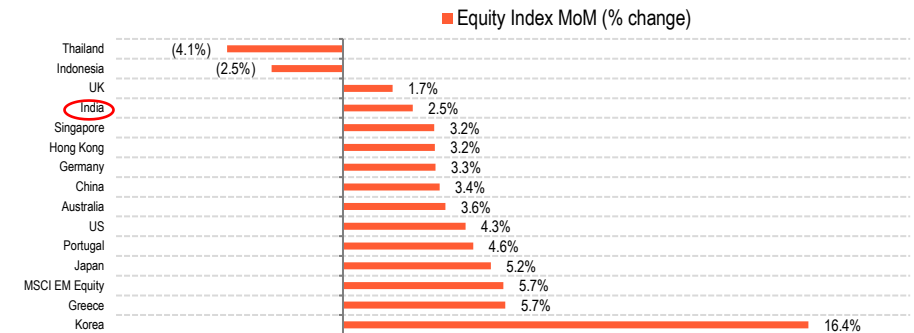
Source: Bloomberg | * As on 9 Jul 2025, Indices are in US\$ terms

Fig 163 – Technology stocks rose the most in Jun'25 while power stocks declined



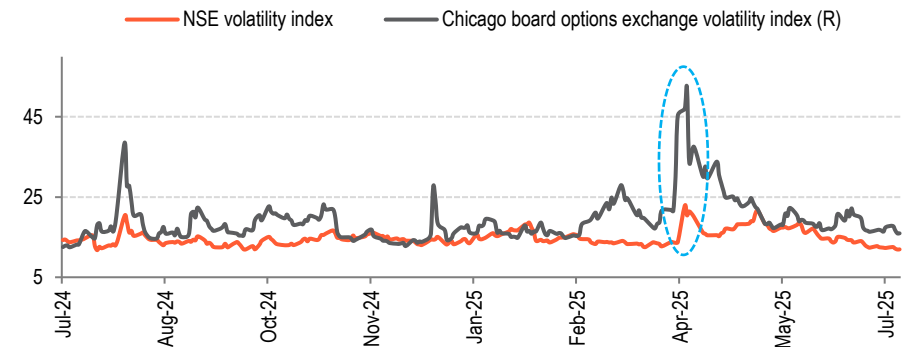
Source: Bloomberg | As on 30 Jun 2025

Fig 162 – In Jun'25 as well, Sensex underperformed MSCI EM



Source: Bloomberg | *Till 30 Jun 2025

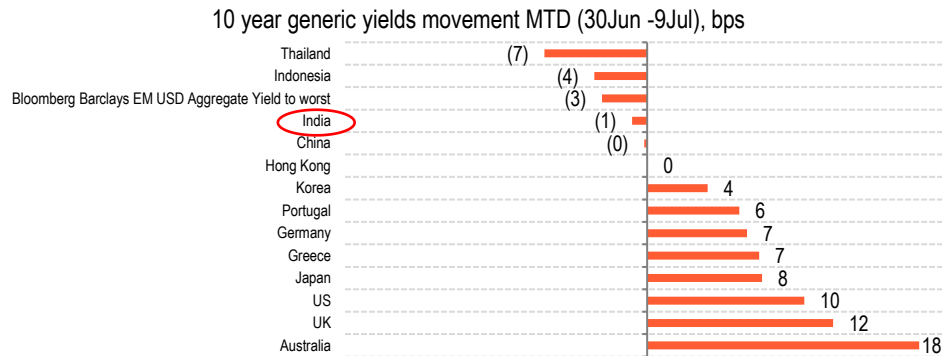
Fig 164 – VIX softened however upside risk remains amid tariff tensions



Source: Bloomberg

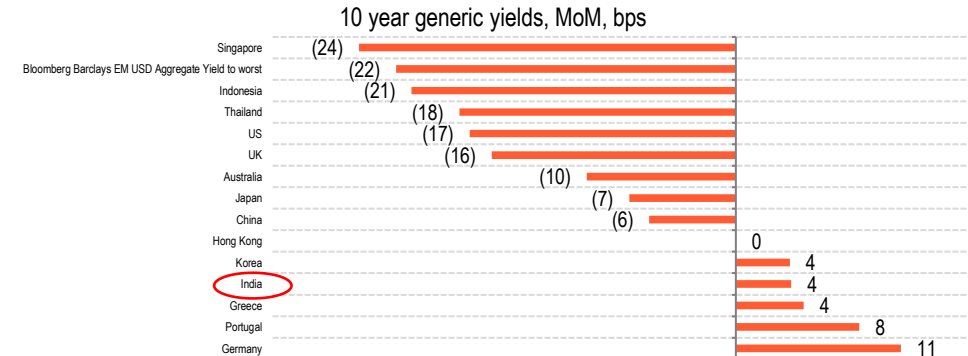
10-year bond yields

Fig 165 – In Jul'25*, India's 10Y yield has fallen a tad by 1bps



Source: Bloomberg, | Note:* As on 9 Jul 2025

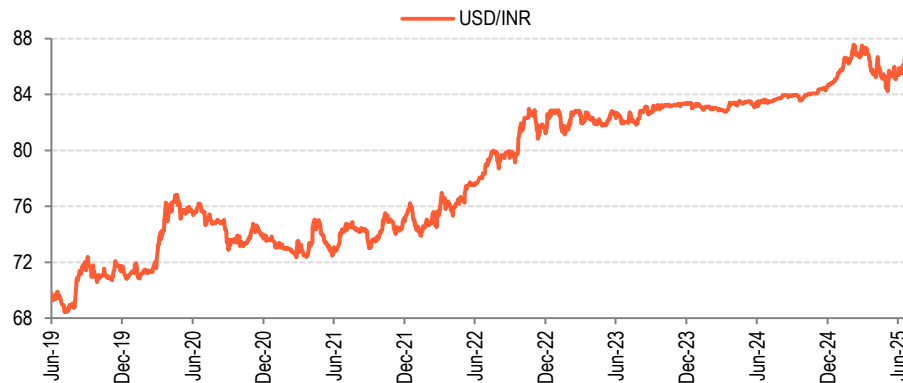
Fig 166 – In Jun'25, India's 10Y yield rose by 4bps



Source: Bloomberg, | Note: Point on point comparison of last working day of Jun over May

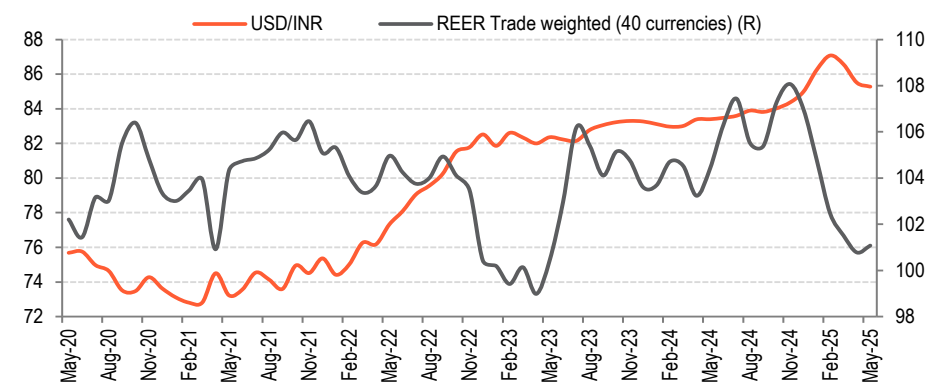
Currencies

Fig 167 – INR depreciated in Jun'25



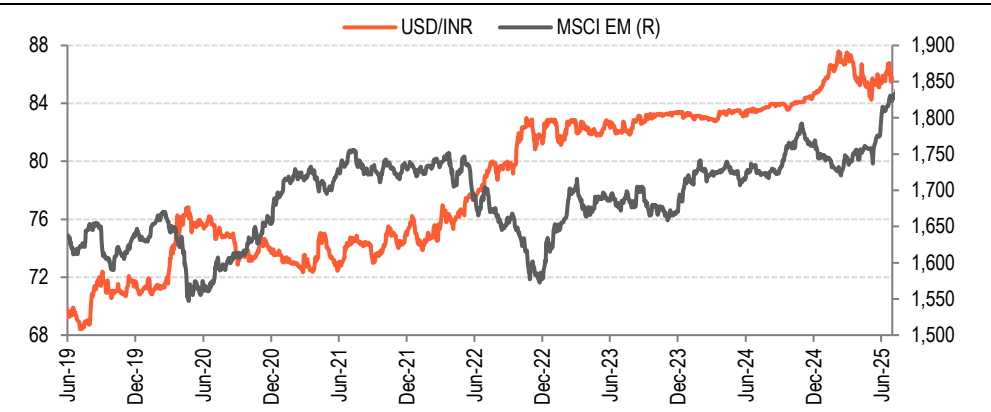
Source: Bloomberg | *As on 30 June 2025

Fig 168 – INR overvalued by 1.1% on REER basis (May'25)



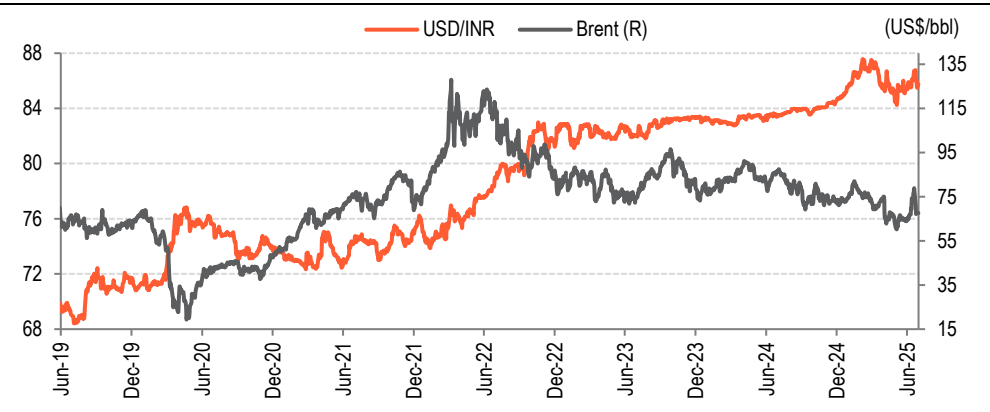
Source: Bloomberg

Fig 169 – EM currencies appreciated in Jun'25



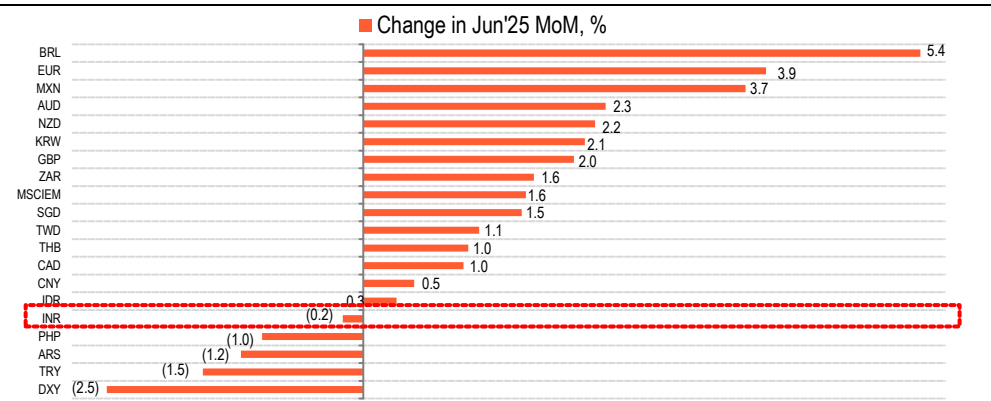
Source: Bloomberg | *As on 30 June 2025

Fig 170 – ... even oil prices were on an average higher



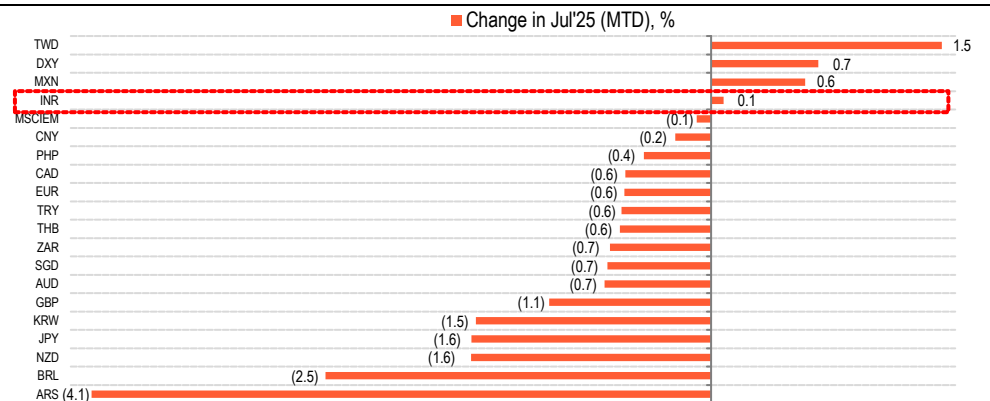
Source: Bloomberg | *As on 30 June 2025

Fig 171 – INR depreciated by 0.2% in Jun'25



Source: Bloomberg | *As on 30 June 2025

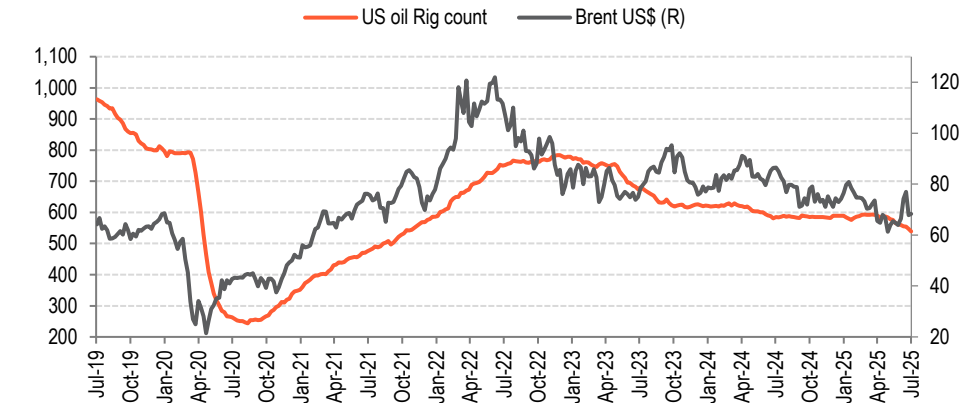
Fig 172 – In Jul'25, INR has appreciated



Source: Bloomberg | *As on 09 Jul 2025

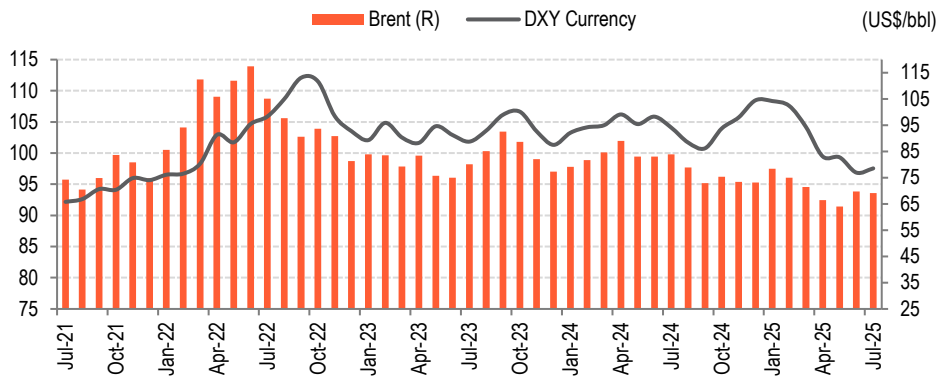
Commodities

Fig 173 – US rig count has moderated



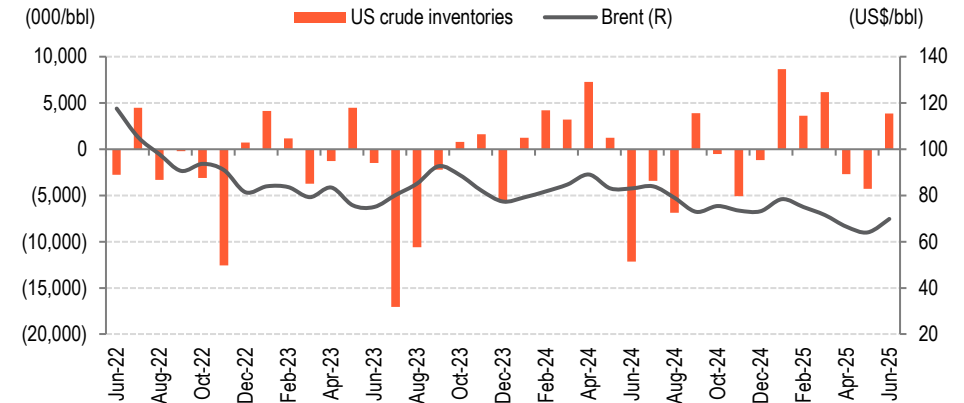
Source: Bloomberg

Fig 175 – Oil price firmed up to US\$ 69.8/bbl in Jun'25 compared to US\$ 64 in May'25 and currently at US\$ 69.2/bbl (first 9 days), DXY moderated



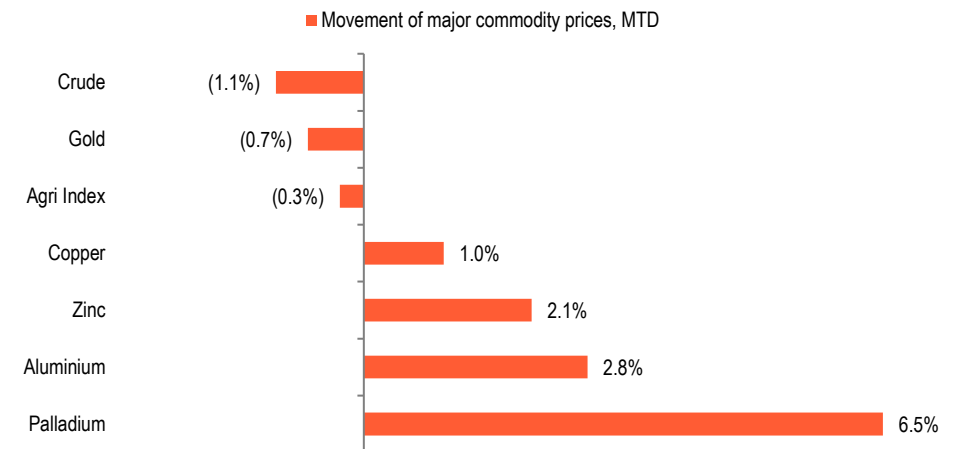
Source: Bloomberg | DXY Index as on last trading day of the month

Fig 174 – Crude inventories have risen



Source: Bloomberg

Fig 176 – Prices reflect a mixed picture in Jul'25 on tariff related uncertainties



Source: Bloomberg | Index as on last trading day of the month, For MTD, average of the first 9 days of Jul over Jun avg. is taken

Fig 177 – Performance of high frequency indicators

Indicators	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Agriculture													
Tractor sales	3.5	1.4	(5.5)	2.4	21.0	(0.9)	13.3	11.1	30.9	21.6	7.0	8.4	10.2
Two wheeler sales	4.7	17.2	6.3	(8.5)	36.3	15.8	(17.6)	4.2	(6.3)	(1.8)	2.3	7.3	4.7
MNREGA work (HH)	(21.7)	(19.5)	(16.0)	(13.4)	(7.6)	3.9	8.2	14.4	2.8	2.2	-	-	-
Manufacturing													
IIP: General index	4.7	4.7	(0.1)	3.1	3.7	5.0	3.7	5.2	2.7	3.9	2.6	1.2	-
IIP: Manufacturing	3.2	4.4	1.1	3.9	4.4	5.5	3.7	5.8	2.8	4.0	3.1	2.6	-
IIP: Capital goods	3.8	11.8	0	3.6	2.9	8.9	10.5	10.2	8.2	3.6	14.0	14.1	-
IIP: Infra & construction goods	8.2	5.5	2.7	3.5	4.7	8.0	8.4	7.3	6.8	9.9	4.7	6.3	-
IIP: Consumer goods	8.8	8.2	5.4	6.3	5.5	14.1	8.1	7.1	3.7	6.9	6.2	(0.7)	-
Steel	6.3	6.4	3.9	1.6	5.2	4.4	7.3	4.7	6.9	8.7	4.4	6.7	-
Cement	1.8	5.5	(3.0)	7.2	3.1	13.1	10.3	14.3	10.7	12.2	6.3	9.2	-
Electricity	8.6	7.9	(3.7)	0.5	2.0	4.4	6.2	2.3	3.6	7.5	1.7	(5.8)	-
PMI: Manufacturing	58.3	58.1	57.5	56.5	57.5	56.5	56.4	57.7	56.3	58.1	58.2	57.6	58.4
Services													
Services PMI index	60.5	60.3	60.9	57.7	58.5	58.4	59.3	56.5	59.0	58.5	58.7	58.8	60.4
Automobile sales	0.7	13.8	2.9	(9.3)	32.1	11.2	(12.5)	6.6	(7.2)	(0.7)	3.0	5.1	4.8
Passenger vehicle sales	(6.8)	10.2	(4.5)	(18.8)	32.4	(13.7)	(2.0)	15.5	(10.3)	6.3	1.6	(3.1)	2.5
Vehicle registration	1.4	14.7	3.8	(8.6)	33.4	12.0	(11.9)	7.7	(6.4)	0.3	3.9	5.8	4.7
Rail freight traffic	10.1	4.6	(3.3)	0.0	1.4	1.4	1.7	(1.6)	(3.0)	3.0	3.6	-	-
Port cargo volume	6.9	5.9	6.7	5.9	(3.4)	(5.0)	3.4	6.2	7.4	13.3	7.0	4.4	5.5
Credit growth	17.4	13.7	14.0	12.3	11.8	11.2	11.2	12.5	12.3	11.0	10.1	9.0	9.6
Deposit growth	11.1	10.6	12.7	10.4	11.5	11.2	9.8	12.1	12.0	10.3	9.8	9.9	10.4
CIC	6.0	6.4	5.7	5.9	7.0	5.9	5.9	5.3	5.6	5.8	6.5	7.4	7.2
Toll collection (in mn)	334.4	312.3	329.0	318.4	345.0	358.8	382.0	380.3	383.9	379.1	382.6	404.4	386.3
Diesel consumption	1.0	4.5	(2.5)	(1.9)	0.1	8.5	5.9	4.2	(1.3)	0.9	4.2	2.2	1.6
GST E-way bill (in mn)	100.1	104.9	105.5	109.1	117.3	101.8	112.0	118.1	111.6	124.5	119.3	122.7	119.5
External Trade													
Merchandise exports	2.4	0.6	(9.9)	(0.3)	16.6	(5.3)	(1.5)	(2.6)	(11.1)	0.7	9.0	(2.2)	-
Merchandise imports	4.6	11.2	10.0	7.8	1.9	16.1	2.3	10.3	(16.3)	11.4	19.1	(1.7)	-
Services exports	3.2	16.6	5.7	14.6	22.7	14.2	16.9	12.1	11.7	18.7	8.8	9.6	-
Services imports	(3.1)	16.0	9.1	13.5	28.0	26.1	13.9	12.6	(4.7)	5.3	1.0	(1.0)	-

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

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