

India Economics

Monthly Chartbook

June 2021

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India on path to recovery

Our economic activity tracker shows that economy in May'21 was 19% below Feb'20 baseline compared with a 13% dip in Apr'21. While a number of high frequency indicators—E-way bills, toll collections, vehicle registration, GST collections—are showing MoM deceleration, the overall impact on the economy is far more benign than the first wave when our tracker went to as low as 43% below the baseline. A normal monsoon, gradual opening up of various sectors and vaccinations imply that consumer demand and confidence will revert gradually. Centre's borrowing may exceed current estimates with extension of free foodgrain scheme till Nov'21 and GST compensation to states.

State specific restrictions easing: India's Covid-19 daily addition in cases have seen a decline in Jun'21 (1-9 Jun 2021) to 0.1mn compared with 0.3mn increase in May'21. This has led to states announcing re-opening in a gradual manner. Google mobility index (workplace) have improved from a low of (-) 60% in May'21 to (-) 25% in Jun'21.

Slow and steady recovery: Closure of retail stores has had an impact on production volume and sales of passenger cars (-25% MoM), two-wheelers (-28% MoM), E-Way bills (-35% MoM), toll collections (-29% MoM) and GST collections (-27% MoM). RBI's consumer confidence also dropped to a record low (48.5 in May'21). However, economic impact of second wave is far more muted with non-oil-non-gold imports falling by 3% over a two-year horizon compared with 44% decline during Apr-May'20. IMD expects above normal monsoon which is positive for Kharif sowing.

Centre's borrowing to increase: Centre's tax collections during FY21 exceeded revised estimated by Rs 1.2tn led by indirect taxes. Fiscal deficit was at 9.3% versus revised estimate of 9.5%. In Apr'21 as well, revenue collections have been better than last year at Rs 1.3tn versus Rs 241bn last year. Centre has budgeted gross borrowing of Rs 12.1tn in FY22. States are likely to borrow ~Rs 8.5tn. Centre has indicated it will borrow to meet GST compensation gap (Rs 1.58tn). The extension of PMGKAY (foodgrains) scheme till Nov'21 and free vaccination for 18-44 age group will cost additional ~Rs 1tn.

Policy normalisation in Q4: During FYTD22, India's 10Y yield fell by 14bps. This was supported by RBI's liquidity measures ranging from OMOs (Rs 365bn) and GSAP-1.0 of Rs 1tn. RBI has announced another upfront Rs 1.2tn purchase of securities under GSAP-2.0. This has kept 10Y yield stable at ~6%. Going forward, supply constraints and pent up demand will keep inflation at ~5%. We expect policy normalisation from Q4FY22 when RBI is likely to reduce the wedge between repo and reverse repo rate.

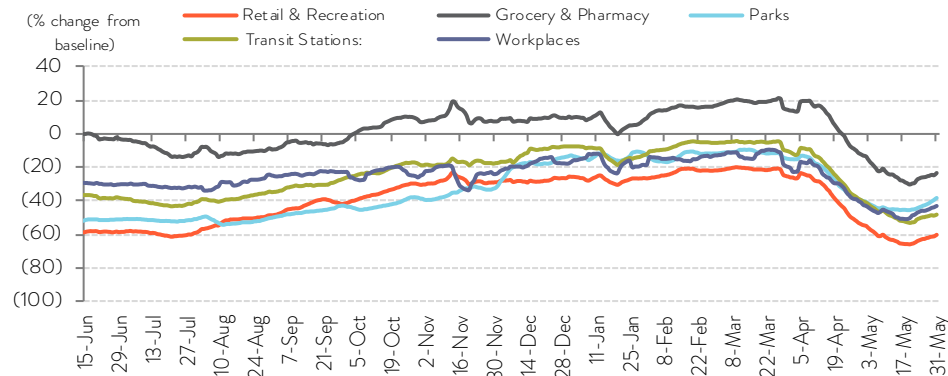
INR rebounds: After depreciating by 1.3% in Apr'21, INR regained strength in May'21 and rose by 2%. A decline in Covid-19 cases and a weaker US\$ (DXY fell by 1.6% in May'21) supported INR. Even in Jun'21, INR has traded with an appreciating bias supported by FII inflows and weakness in US\$. However, with oil prices at a 2-year high, INR may come under some pressure.

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

High Frequency Indicators

Mobility index and Covid cases

FIG 1 – GOOGLE MOBILITY INDEX INCHING UP



Note: Highlights % 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 2 – STATEWISE CASES PLATEUING

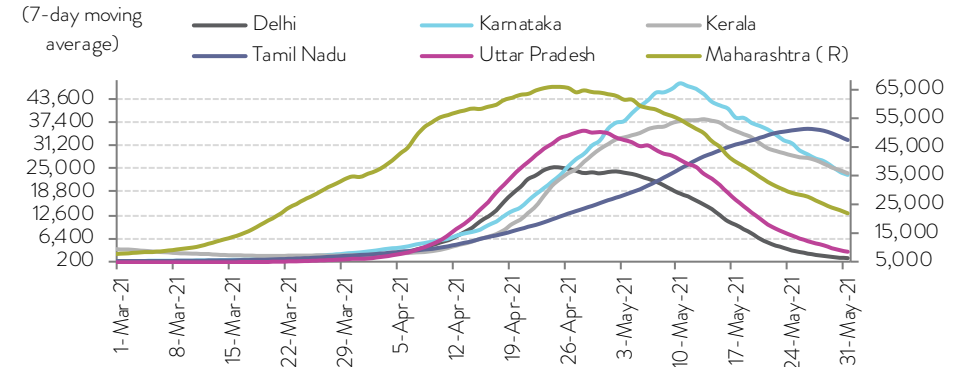
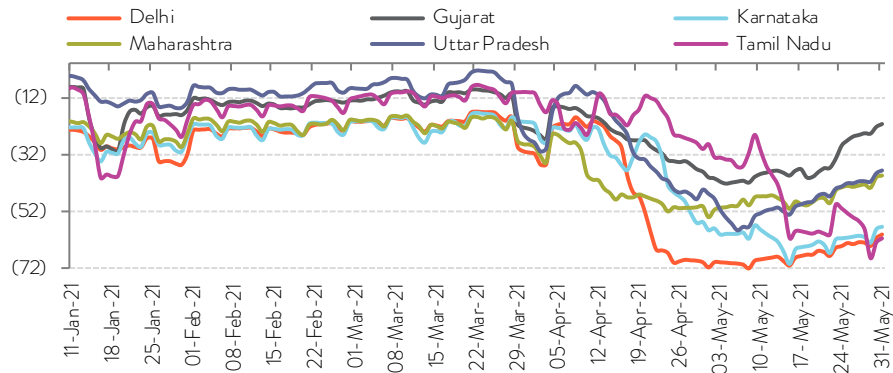
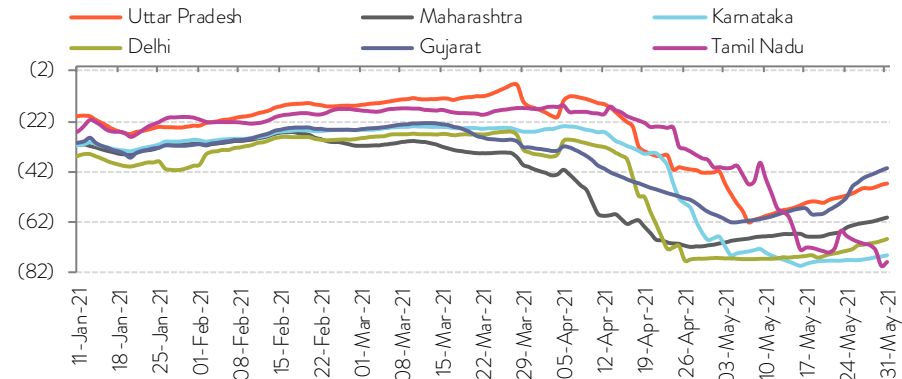


FIG 3 – WORKPLACE MOBILITY IMPROVING GRADUALLY



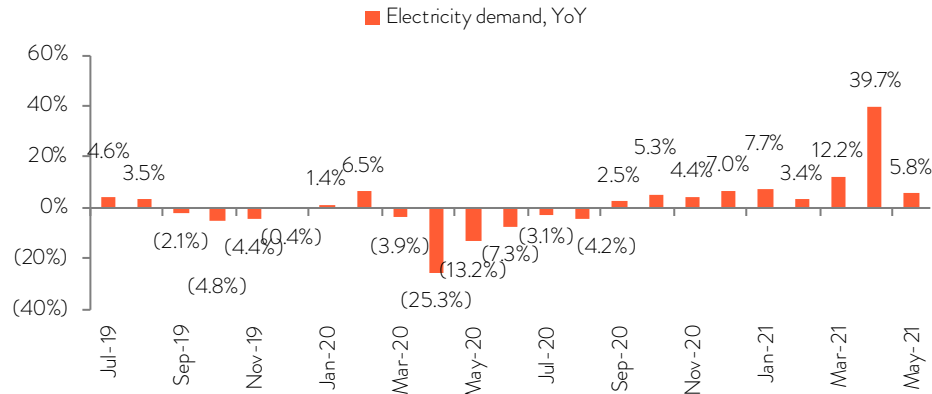
Note: Data taken as 7 days rolling average

FIG 4 – SIMILAR CASE FOR RETAIL AND RECREATION



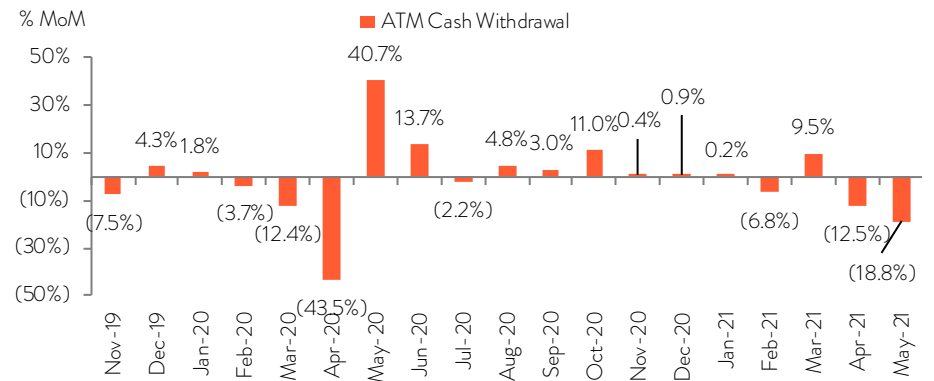
Note: Data taken as 7 days rolling average

FIG 5 – ELECTRICITY DEMAND MODERATES



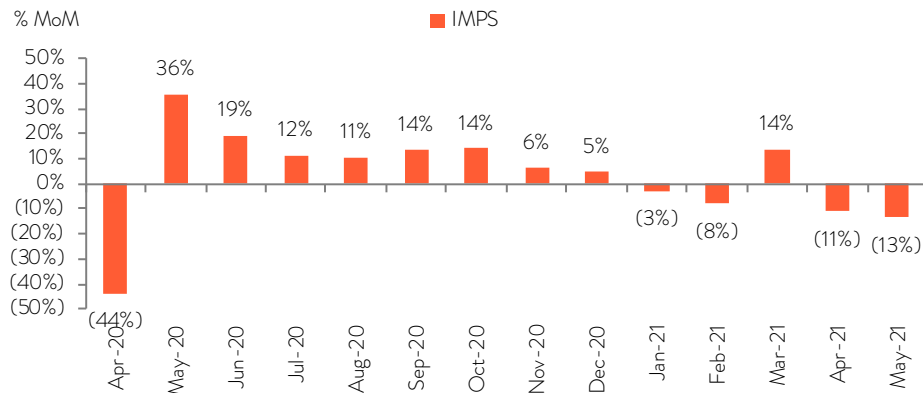
Source: Posoco. Note: Maximum Demand met during peak evening hours (MW)

FIG 6 – CASH WITHDRAWAL DIPS ON A MONTHLY BASIS



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

FIG 7 – IMPS PAYMENTS DROP



Source: NPCI

FIG 8 – UPI PAYMENTS ALSO DECLINE

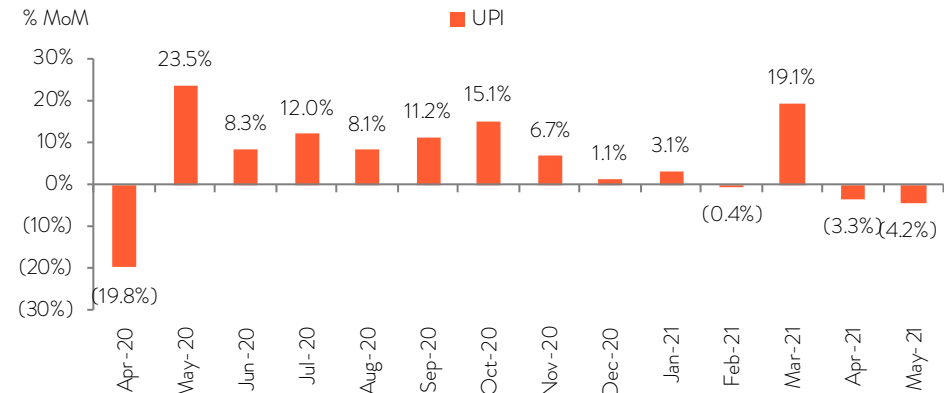


FIG 9 – FERTILIZER SALES SLIP IN APR'21

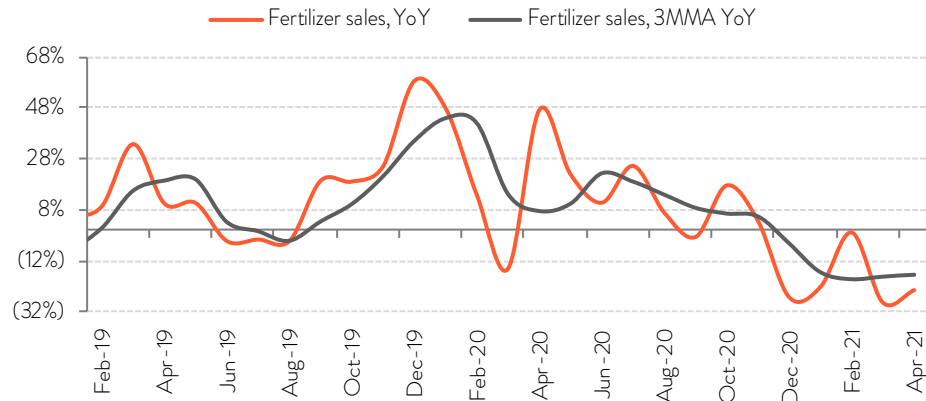
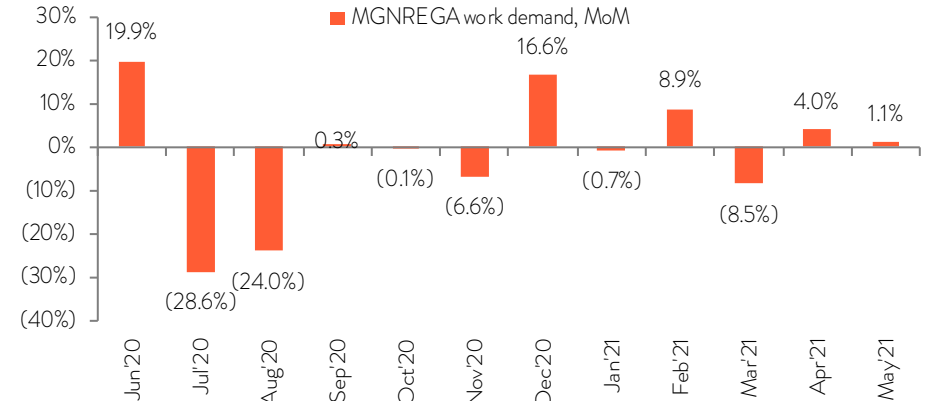


FIG 10 – MGNREGA WORK DEMAND FALLS IN MAY'21



Source: MGNREGA

Final consumption expenditure

FIG 11 – PRIVATE CONSUMPTION IMPROVES IN Q4

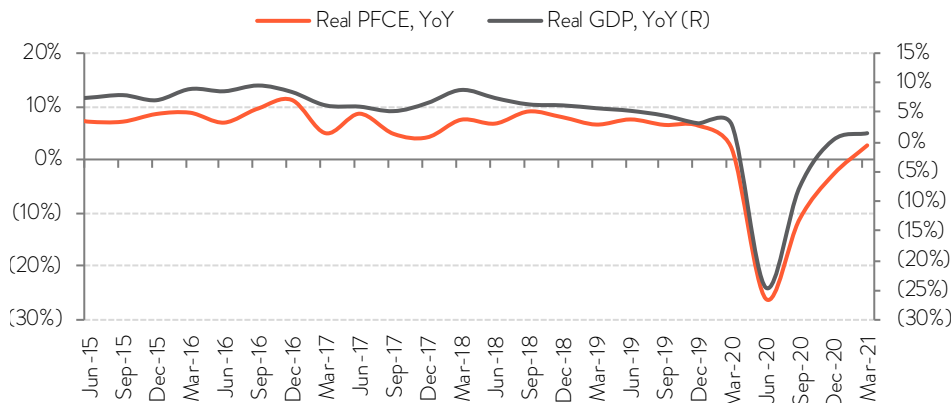


FIG 12 – GOVERNMENT CONSUMPTION ACCELERATES IN Q4FY21

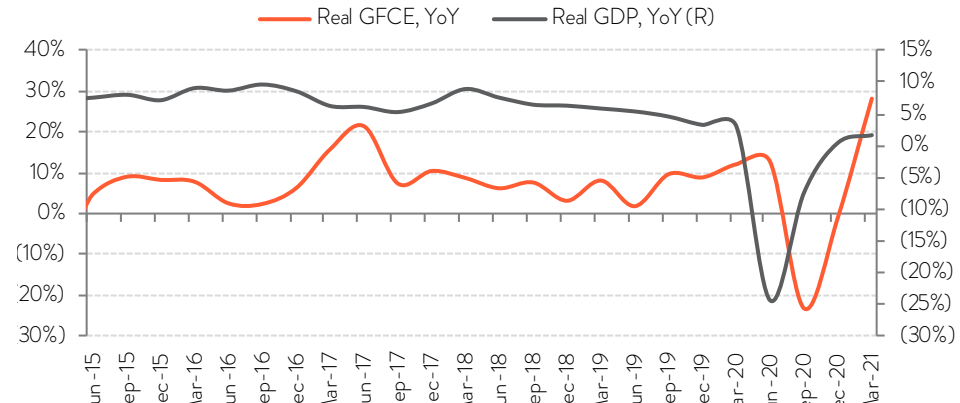


FIG 13 – GENERAL GOV REVENUE SPENDING JUMPS IN MAR'21

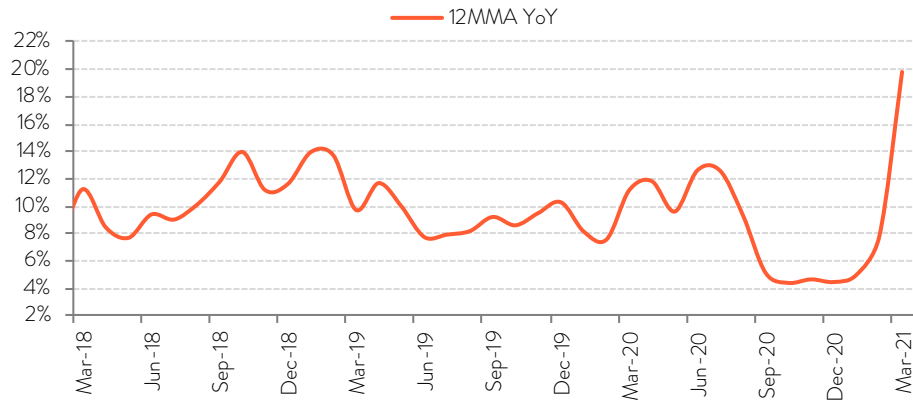
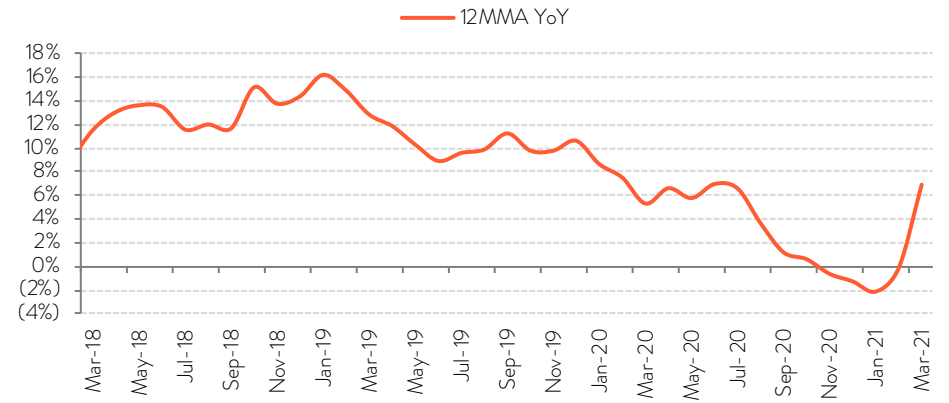


FIG 14 – STATE* GOV REVENUE SPENDING TOO INCHED UP



Note: *All states excluding N.E states, Bihar, Gujarat, J&K and W.Bengal

Non-oil imports, electronic imports

FIG 15 – NON-OIL-NON-GOLD IMPORTS IMPROVE FURTHER

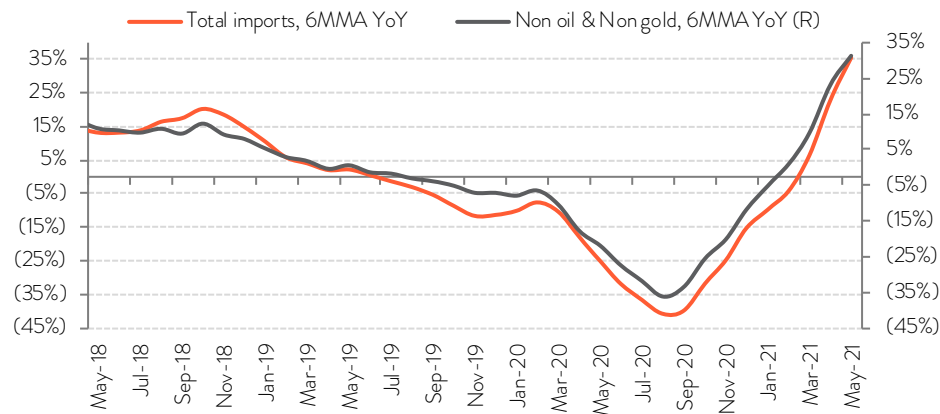


FIG 16 – ELECTRONIC IMPORT MODERATES

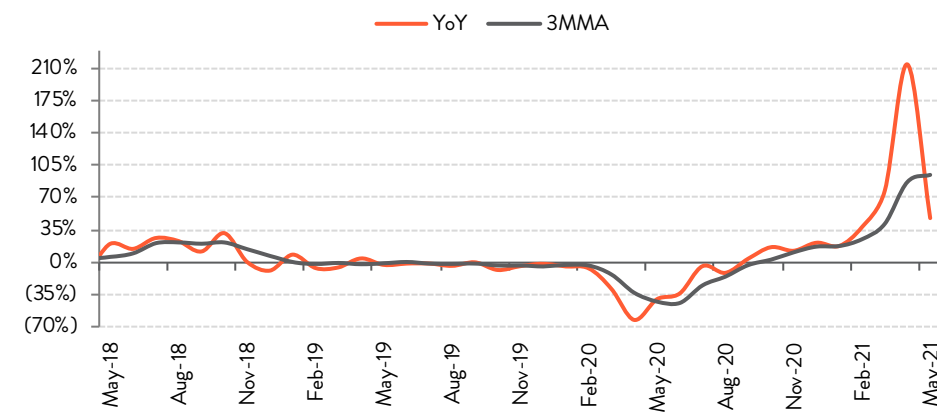
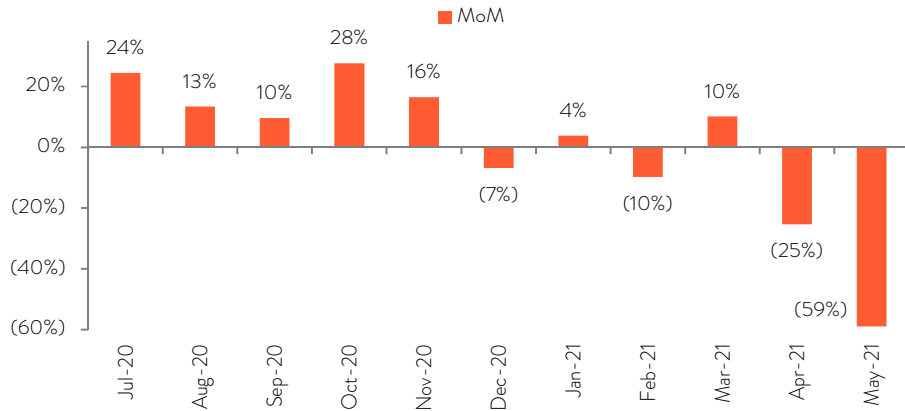
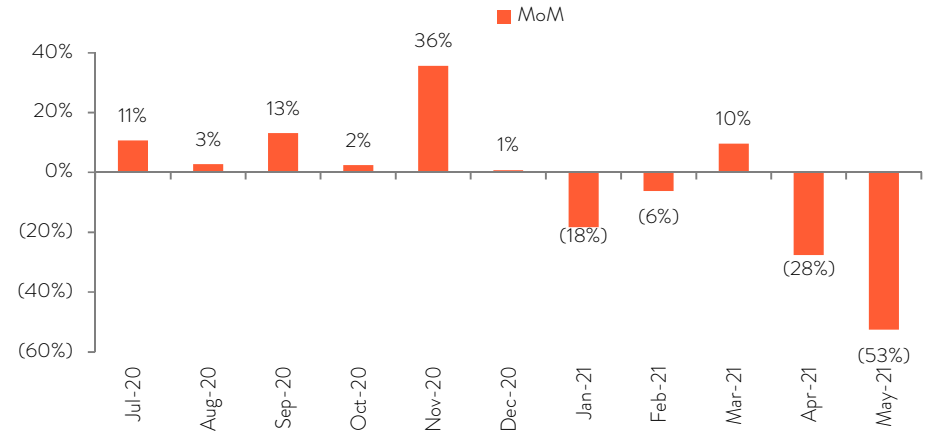


FIG 17 – PASSENGER CAR SALES DROPPED FURTHER IN MAY'21



Source: FADA

FIG 18 – TWO-WHEELER SALES TOO SLID IN MAY'21



Credit deployment of personal loans

FIG 19 – GROWTH IN CREDIT CARD OUTSTANDING JUMPS IN APR'21

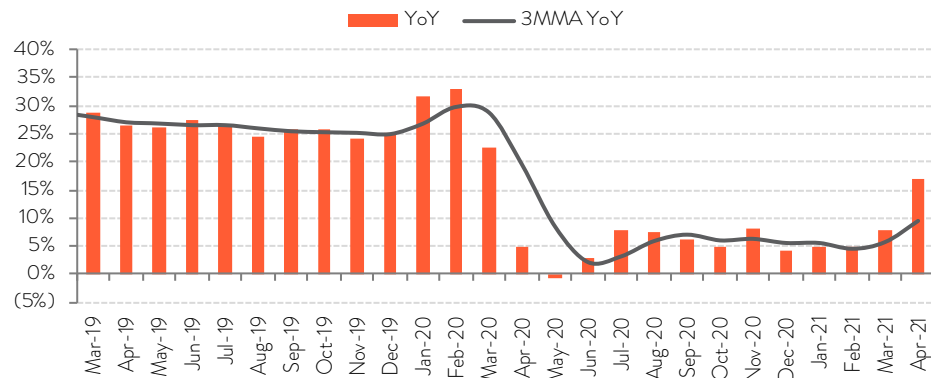


FIG 20 – GROWTH IN PERSONAL LOAN INCHES UP

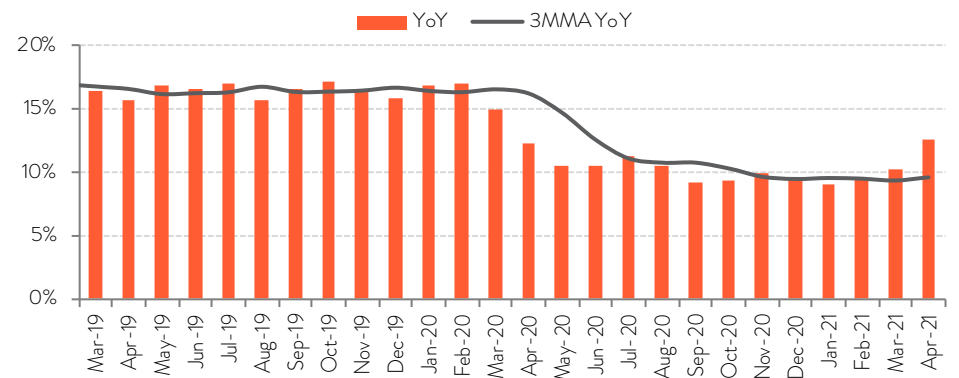


FIG 21 – GROWTH IN VEHICLE LOANS DIPS

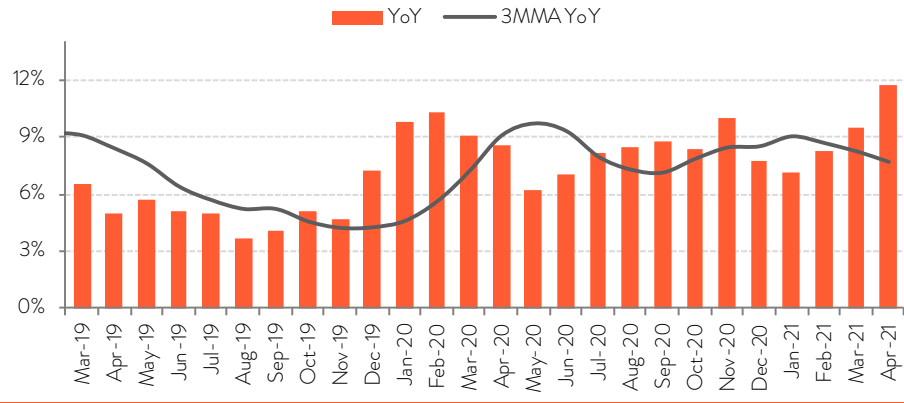


FIG 22 – CONSUMER CONFIDENCE WEAKENED

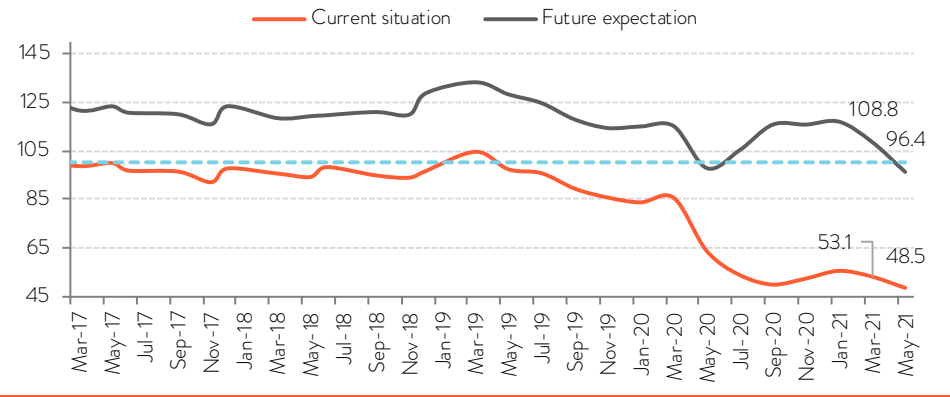


FIG 23 – RBI’S ESSENTIAL SPENDING DIPS

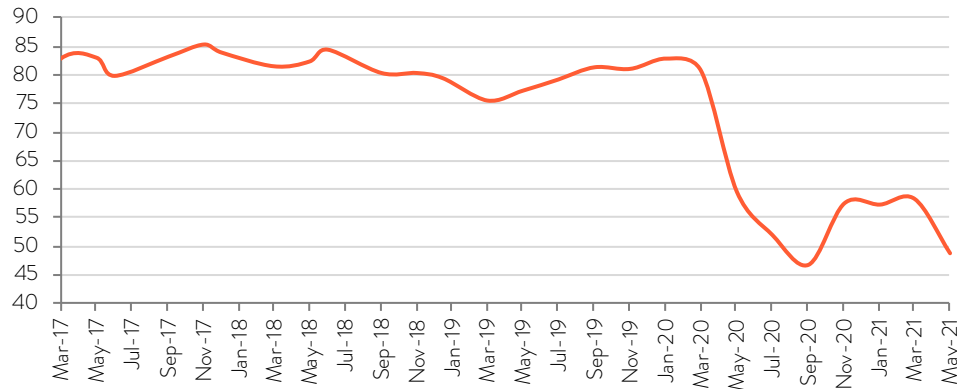
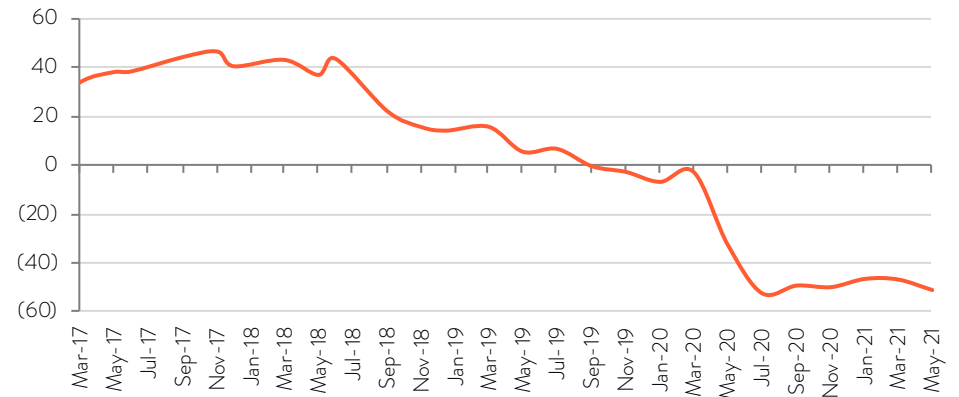


FIG 24 – ...NON-ESSENTIAL SPENDING TOO MODERATES



Consumer durables & non-durables production

FIG 25 – CONSUMER DURABLES OUTPUT IMPROVES IN MAR’21

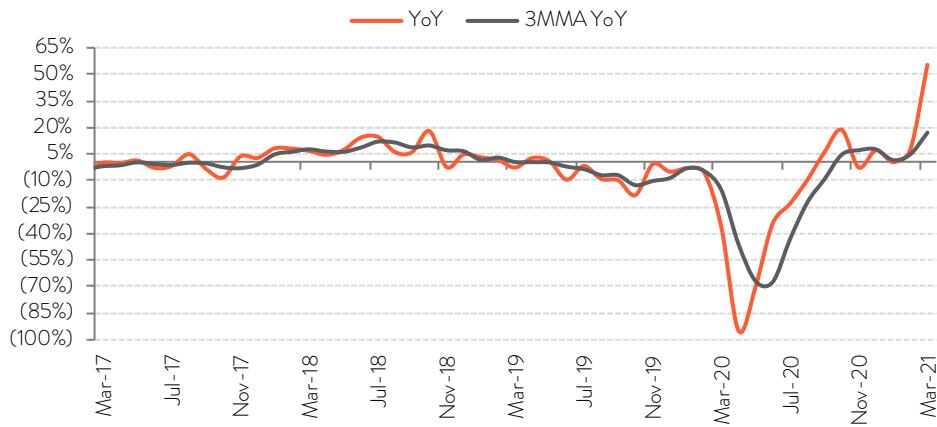
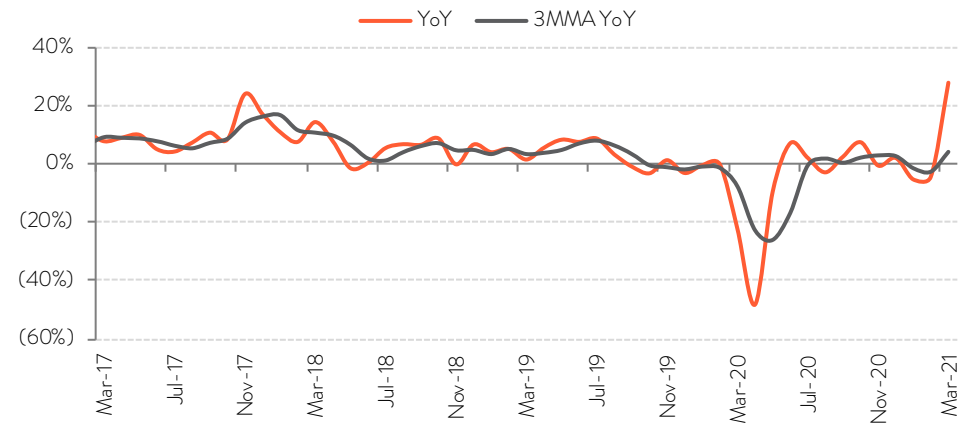


FIG 26 – ...SIMILAR IMPROVEMENT FOR FMCG OUTPUT



Agriculture

FIG 27 – AGRI GROWTH DIPS IN Q4FY21

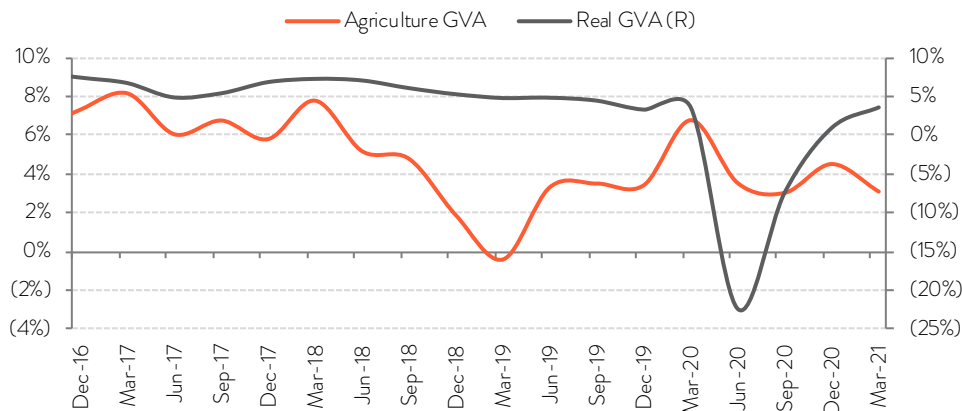


FIG 28 – TRACTOR SALES CONTRACT LESS SHARPLY IN MAY'21

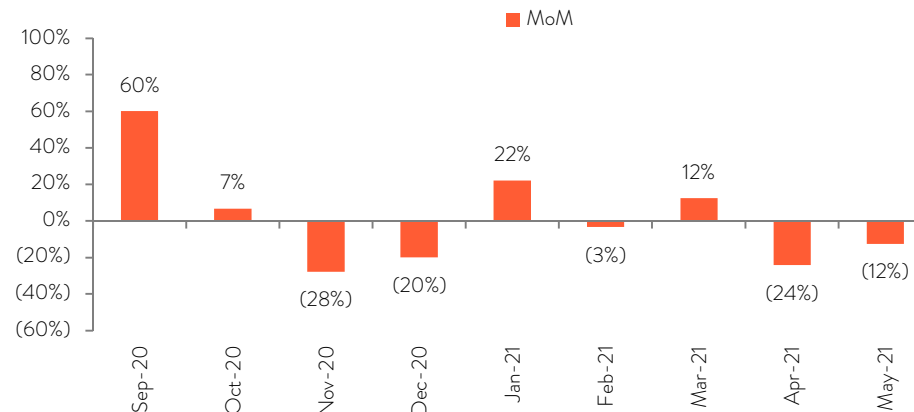


FIG 29 – AGRICULTURE CREDIT MODERATES

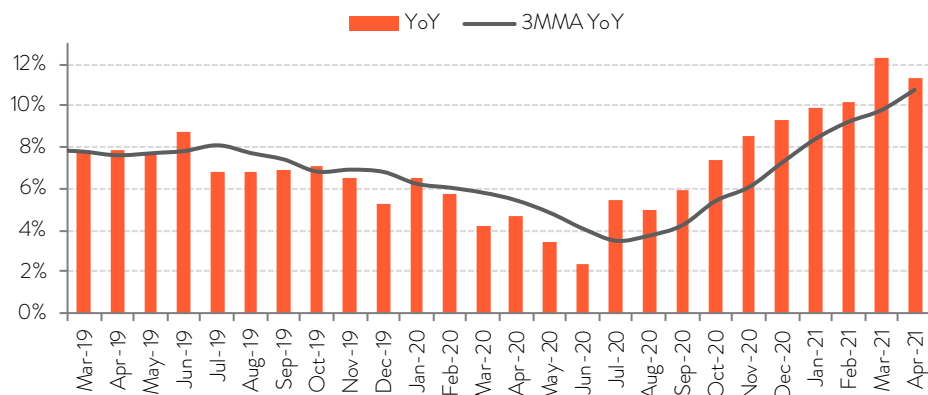
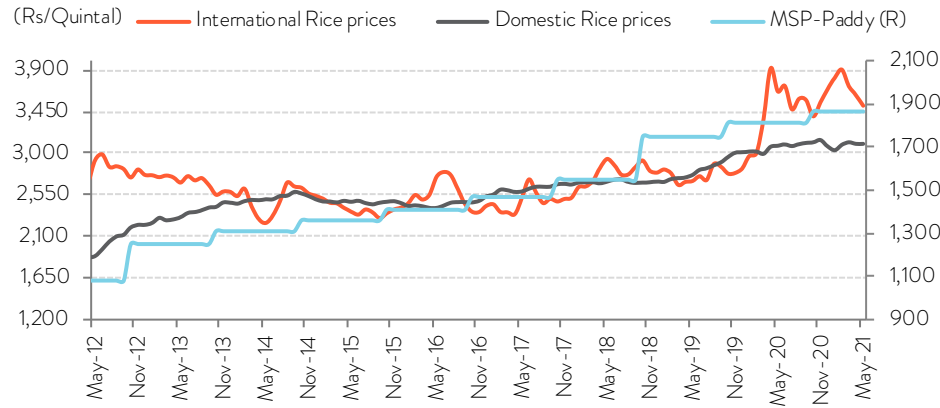


FIG 30 – PROCUREMENT OF RICE AND WHEAT

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	51.99
2020-21	38.99	46.55*

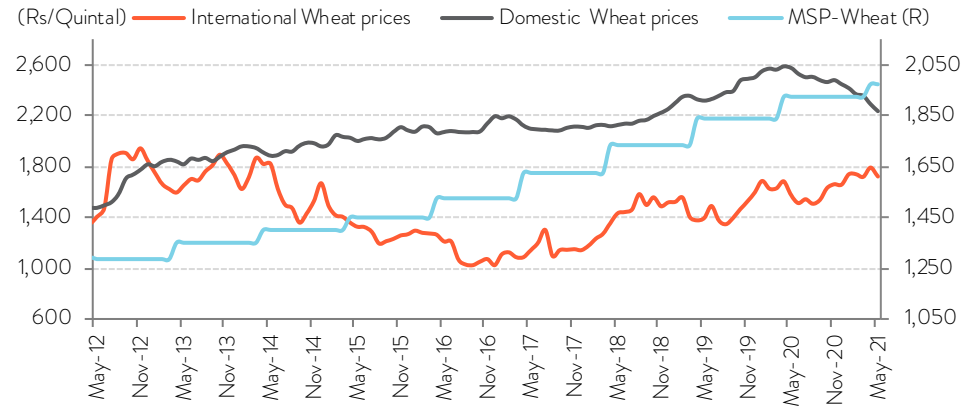
Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 31 Mar 2021

FIG 31 – INTERNATIONAL PRICE OF RICE HAS FALLEN; DOMESTIC PRICES REMAIN STEADY



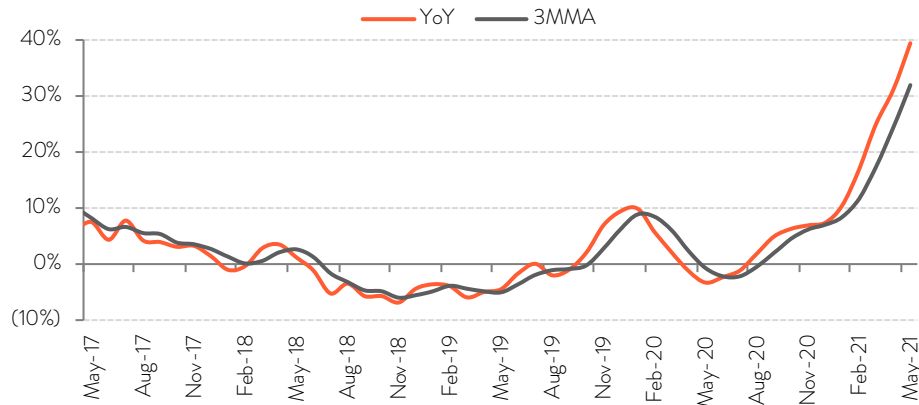
Source: World Bank

FIG 32 – BOTH DOMESTIC AND INTERNATIONAL PRICE OF WHEAT HAS FALLEN



Source: World Bank

FIG 33 – GLOBAL FOOD PRICES JUMP TO A DECADAL HIGH



Source: FAO

FIG 34 – WAGE GROWTH (MEN) INCHES UP

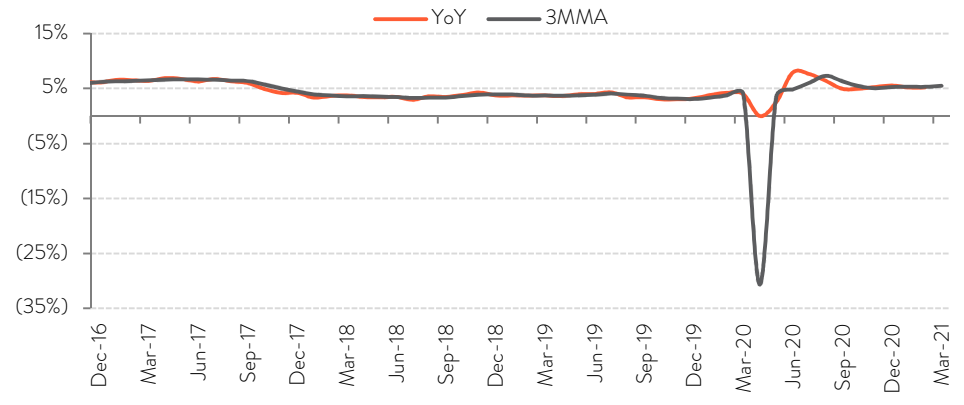


FIG 35 – GROWTH IN FOOD GRAIN PRODUCTION OVER THE YEARS

	2017	2018	2019	2020*
Rice	2.8	3.3	2.1	2.2
Wheat	1.4	3.7	4.1	0.8
Pulses	9.9	(13.1)	4.3	11.1
Cereals	1.9	1.7	1.9	2.9
Foodgrain Production	3.6	0.1	4.3	2.7
Sugarcane	24.1	6.7	(8.6)	6.0
Oilseeds	0.6	0.2	5.4	10.1
Cotton	0.7	(14.5)	28.6	1.2

*Note: As per 3rd Advance Estimates

Inflation

FIG 36 – RETAIL INFLATION FELL TO ITS 3-MONTH LOW OF 4.3% IN APR'21 FROM 5.5% IN MAR'21, LED BY FAVOURABLE BASE

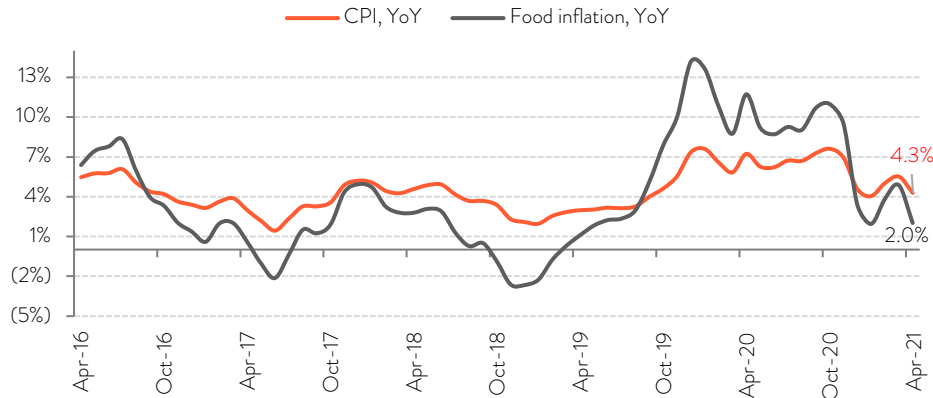


FIG 37 – ...FOOD INFLATION FELL BY 290BPS TO 2% FROM 4.9% IN MAR'21 LED BY VEGETABLES, CEREALS, PULSES

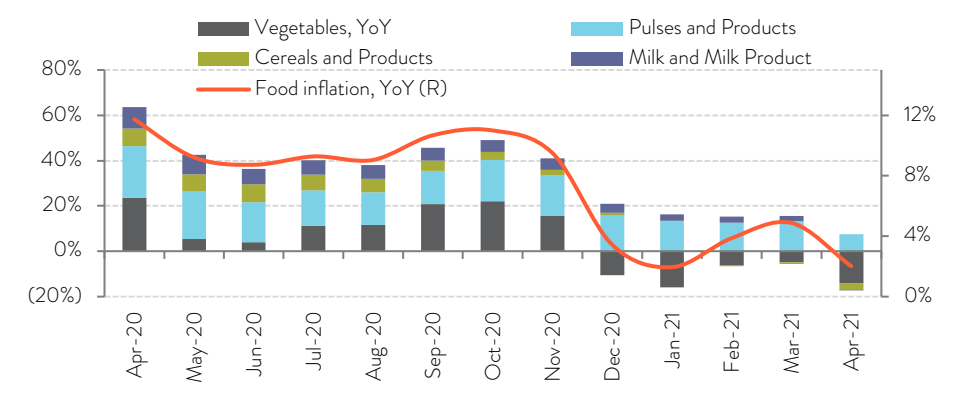
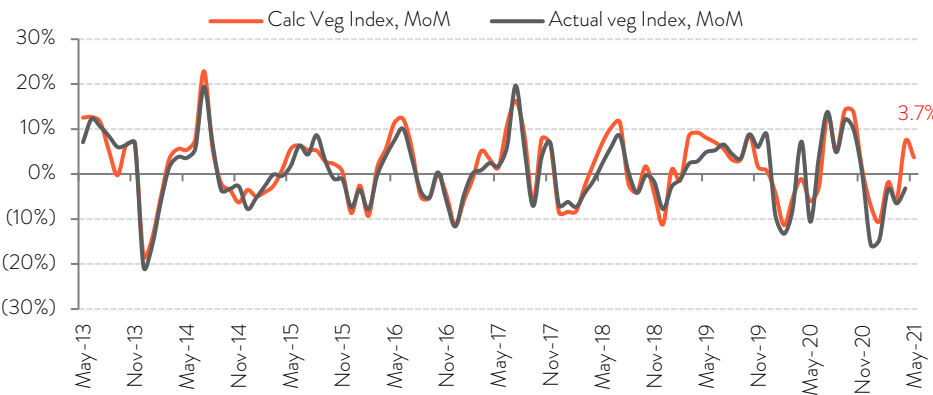


FIG 38 – VEGETABLE PRICES ROSE AT A SLOWER PACE OF 3.7% (MOM INCREASE) IN MAY'21



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

FIG 39 – CPI EXCL. FOOD AND FUEL INCHED DOWN TO 5.5% IN APR'21 FROM 6.1% IN MAR'21

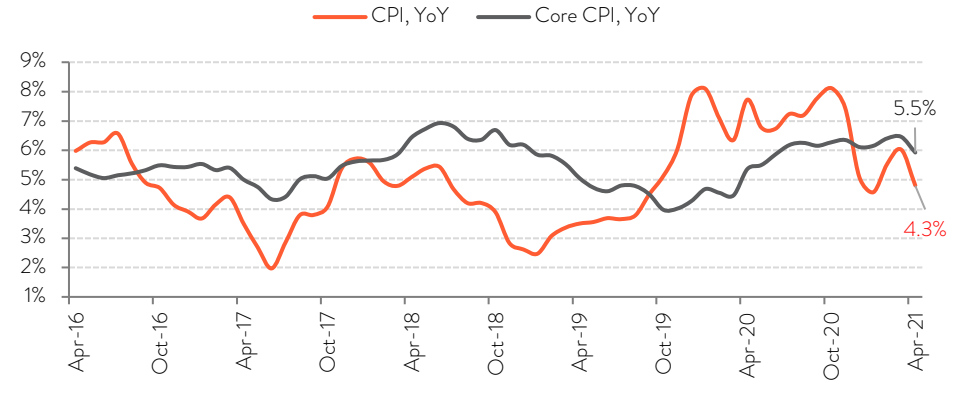


FIG 40 – ...EXCEPT HEALTH AND HOUSING, MODERATION WAS BROAD BASED

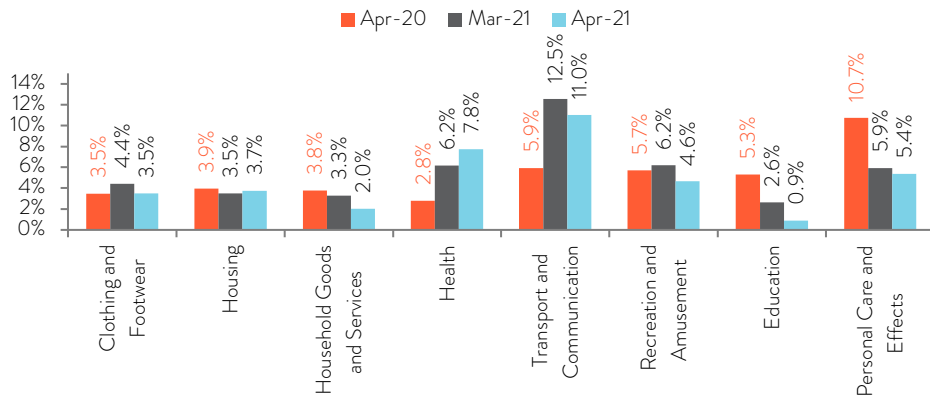


FIG 41 – EVEN, CORE EXCL. MAJOR VOLATILE ITEMS HAS EDGED DOWN TO 3.8% IN APR'21 FROM 4.1% IN MAR'21

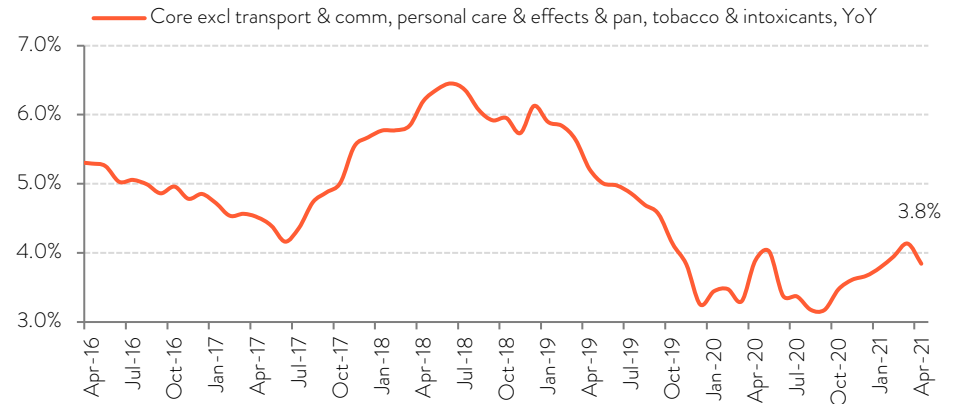
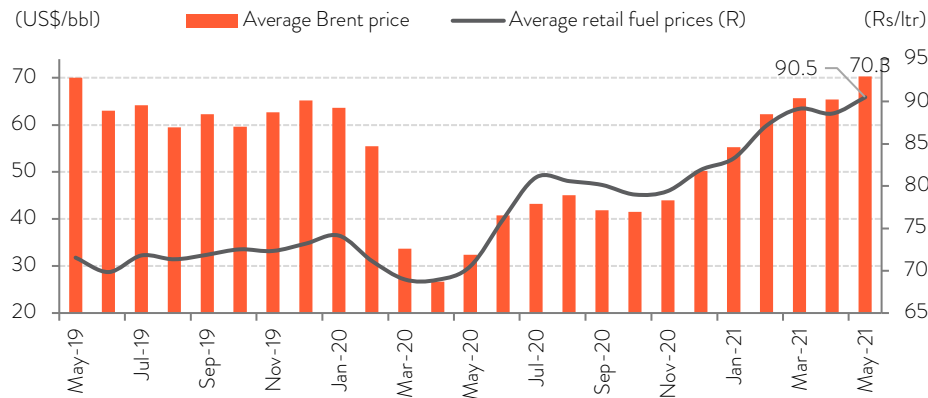
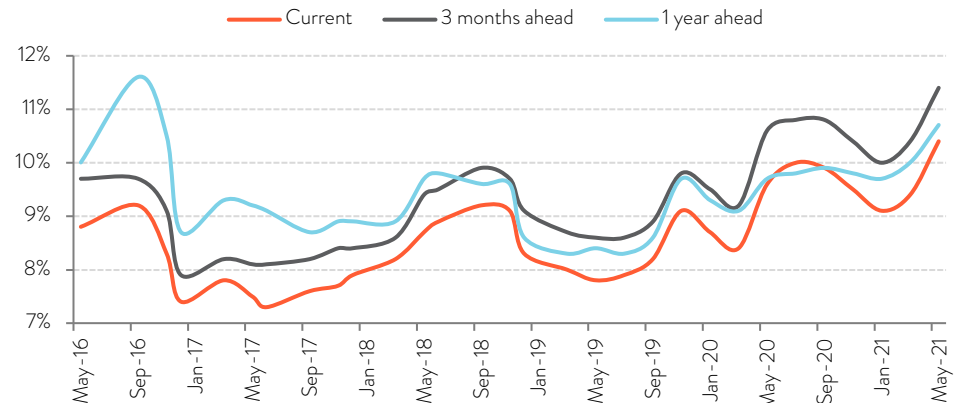


FIG 42 – HOWEVER, RETAIL FUEL PRICES WAS HIGHER AT RS 90.5/LT IN MAY'21 (88.6/LT IN APR'21), CRUDE PRICE ALSO ROSE TO US\$ 70/BBL



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

FIG 43 – RBI'S INFLATION EXPECTATION SURVEY ALSO SHOWS INFLATION TO SHOOT UP



Industry

FIG 44 – INDUSTRIAL GROWTH IMPROVED IN Q4FY21

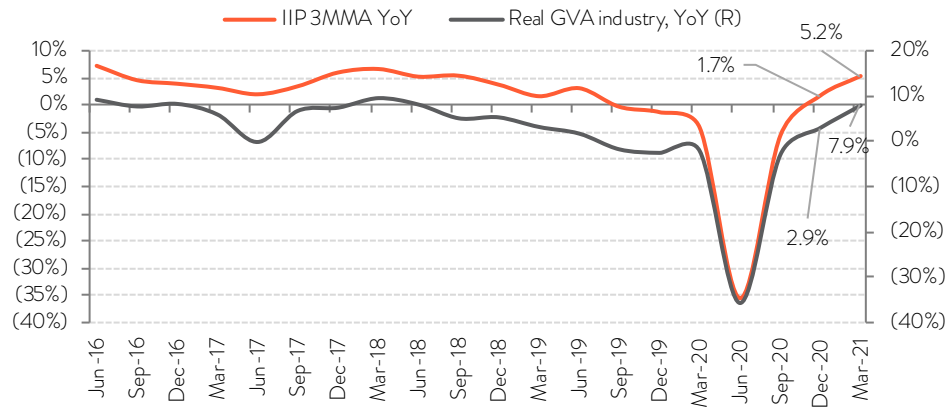


FIG 45 – BROAD BASED SLOWDOWN IN FY21

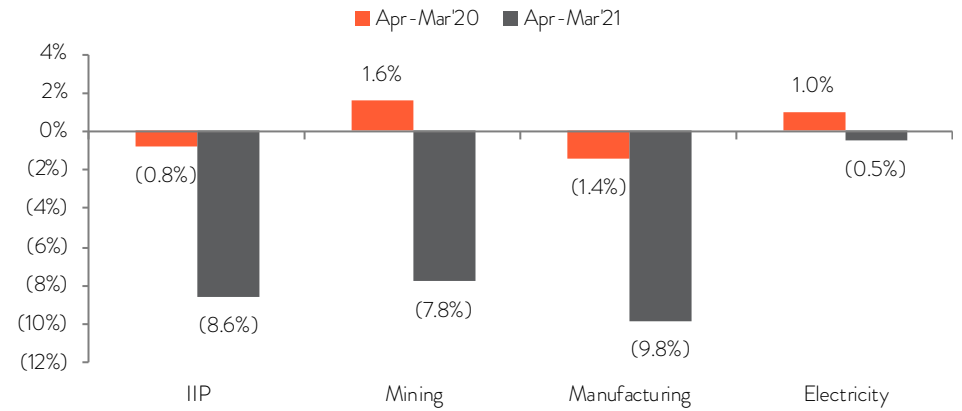


FIG 46 – CAP GOODS OUTPUT IMPROVES IN MAR'21 ON A LOW BASE

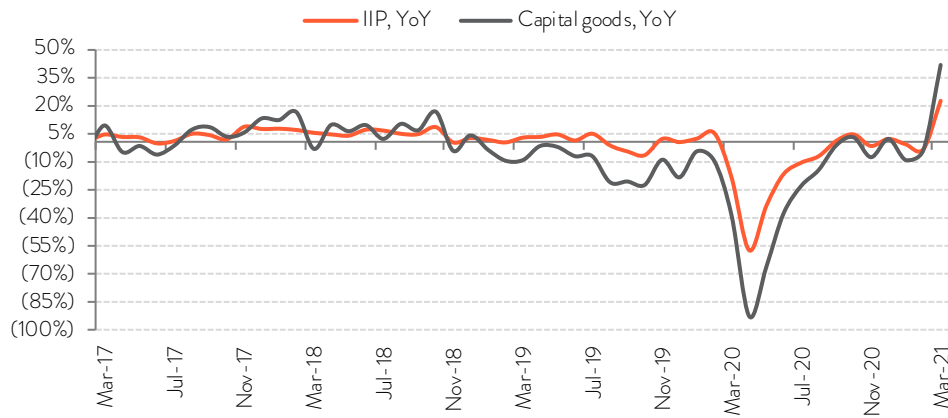


FIG 47 – INTERMEDIATE GOODS HAS TOO HAS SHOWN IMPROVEMENT

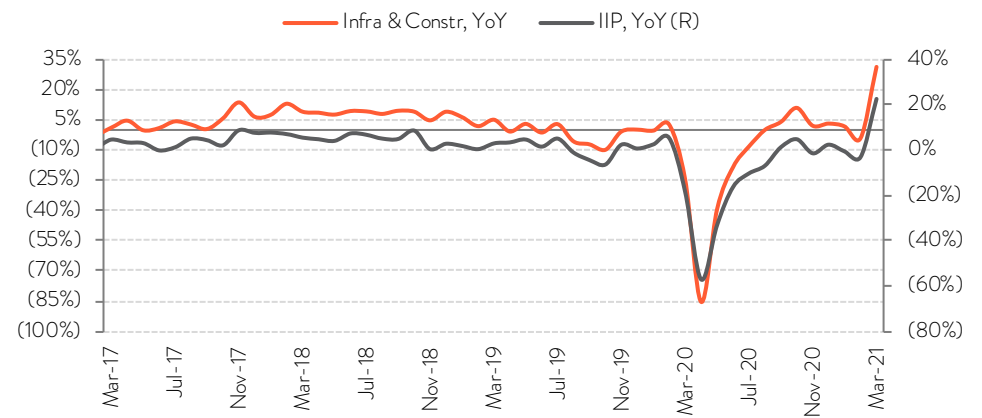


FIG 48 – IIP GROWTH IMPROVES IN MAR’21 ON ACCOUNT OF LOW BASE

Sectoral (%)	Weight	Mar-21	Feb-21	Mar-20	Apr-Mar’21	Apr-Mar’20
IIP	100.0	22.4	(3.4)	(18.7)	(8.6)	(0.6)
Mining	14.4	6.1	(4.4)	(1.3)	(7.8)	1.6
Manufacturing	77.6	25.8	(3.7)	(22.8)	(9.8)	(1.4)
Electricity	8.0	22.5	0.1	(8.2)	(0.8)	(0.5)
Use-Based						
Primary Goods	34.1	7.7	(4.7)	(4.0)	(7.0)	0.7
Capital Goods	8.2	41.9	(3.8)	(38.8)	(19.2)	(13.9)
Intermediate Goods	17.2	21.2	(5.6)	(18.6)	(9.7)	9.1
Infrastructure and Construction Goods	12.3	31.2	(4.0)	(24.3)	(9.1)	(3.6)
Consumer Durables Goods	12.8	54.9	6.6	(36.8)	(15.2)	(8.7)
Consumer Non-Durables Goods	15.3	27.5	(4.5)	(22.3)	(2.3)	(0.1)

Manufacturing

FIG 49 – MANUFACTURING ACTIVITY IMPROVES IN MAR'21

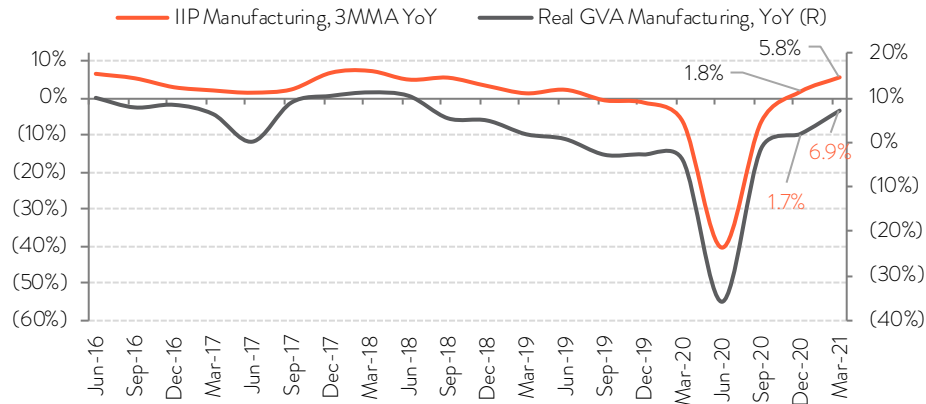
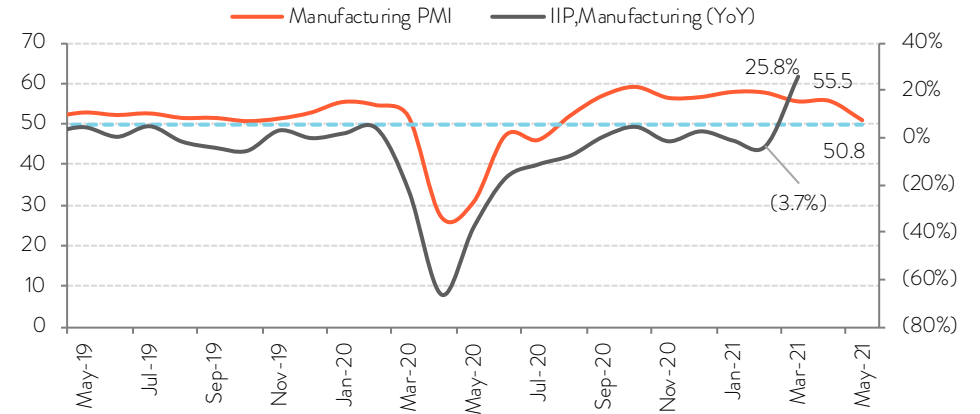


FIG 50 – MANUFACTURING PMI DIPPED IN MAY'21



Source: Markit

Mining & Electricity

FIG 51 – MINING ACTIVITY DIPS IN MAR'21

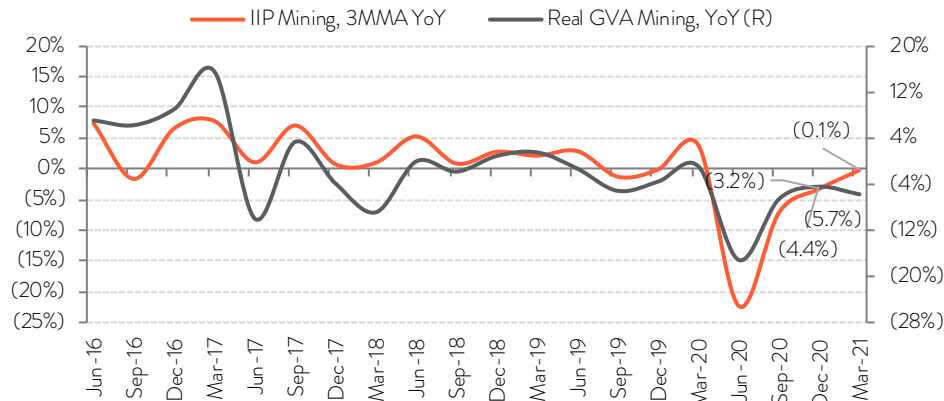
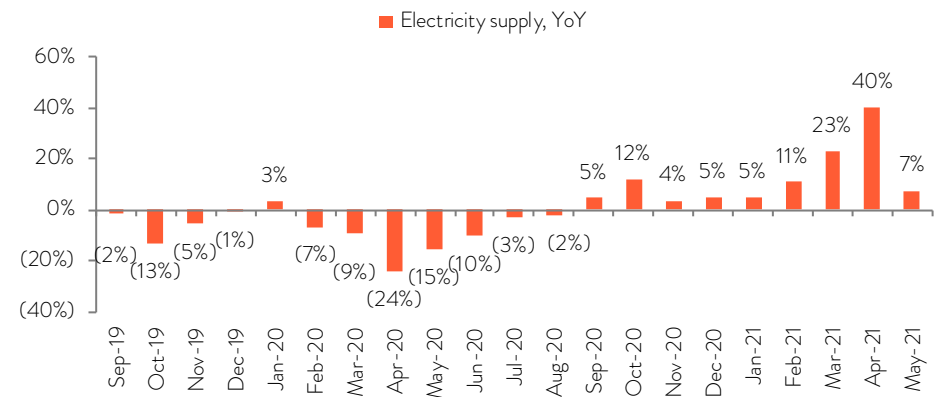


FIG 52 – GROWTH IN ELECTRICITY OUTPUT MODERATES



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

Infrastructure and Construction

FIG 53 – GROWTH IN CONSTRUCTION IMPROVES IN Q4FY21

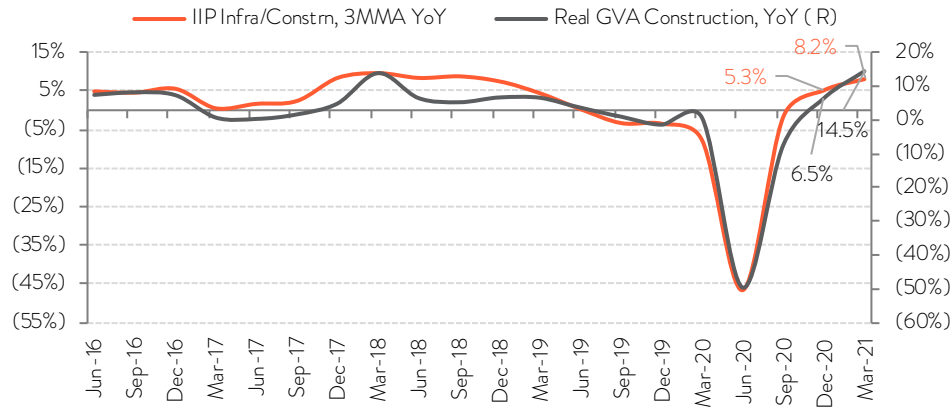
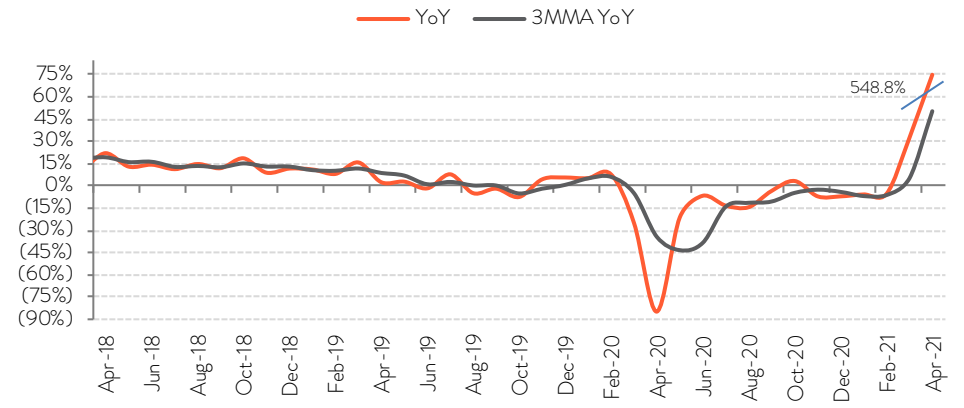


FIG 54 – ... HIGHER CEMENT OUTPUT ON ACCOUNT OF LOW BASE



Infrastructure Index

FIG 55 – INFRA INDEX JUMPS IN APR'21

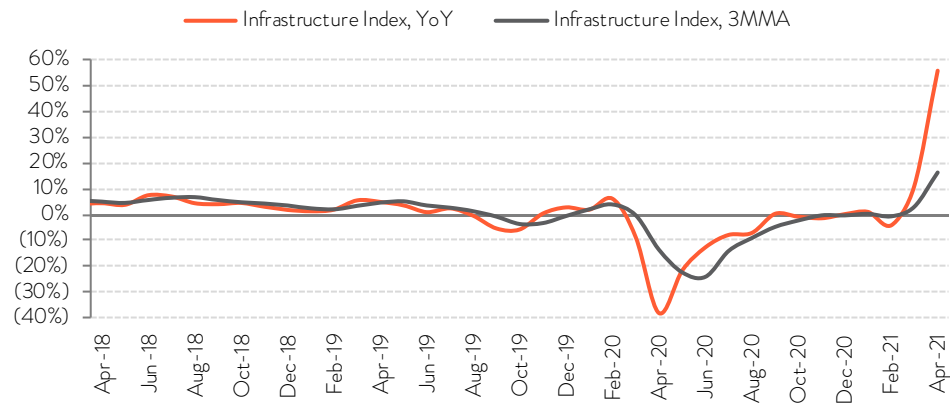
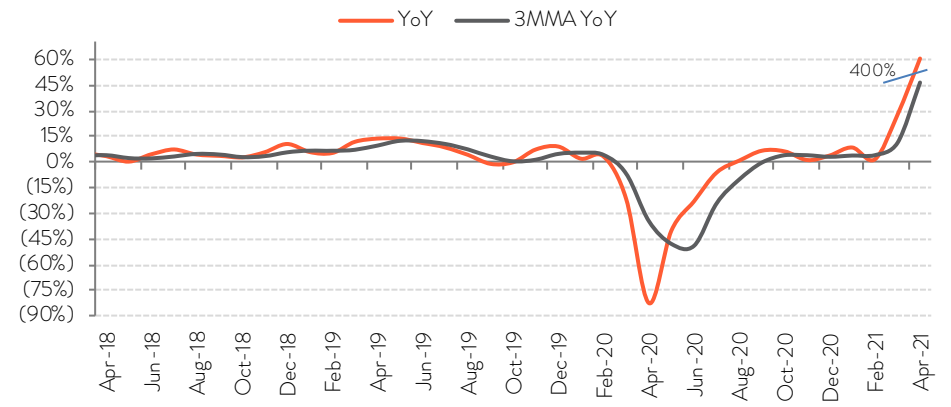


FIG 56 – STEEL OUTPUT IMPROVES



Auto production & Business expectation index

FIG 57 – AUTO PRODUCTION DECLINES IN APR'21

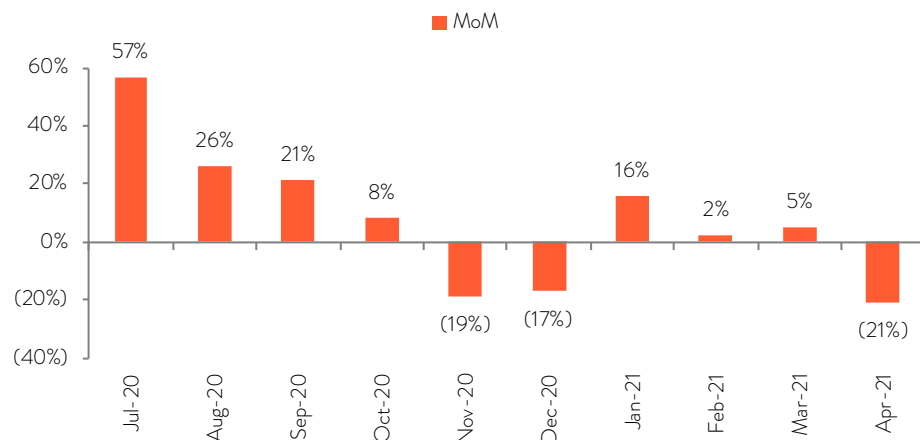


FIG 58 – BUSINESS SENTIMENT TURNS OPTIMISTIC

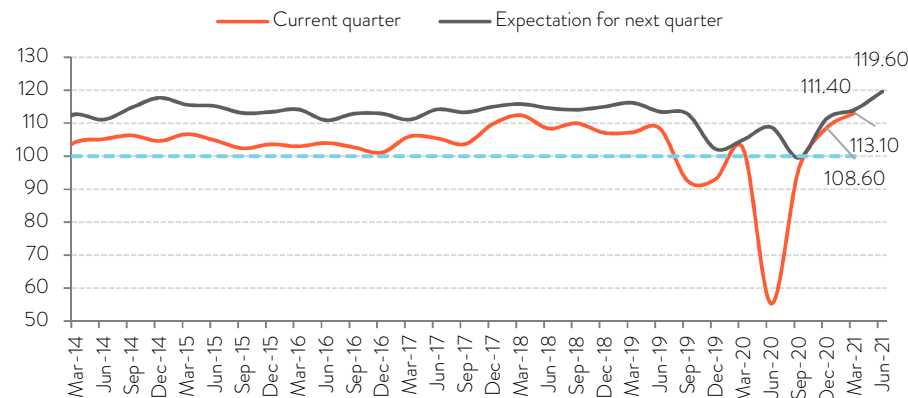
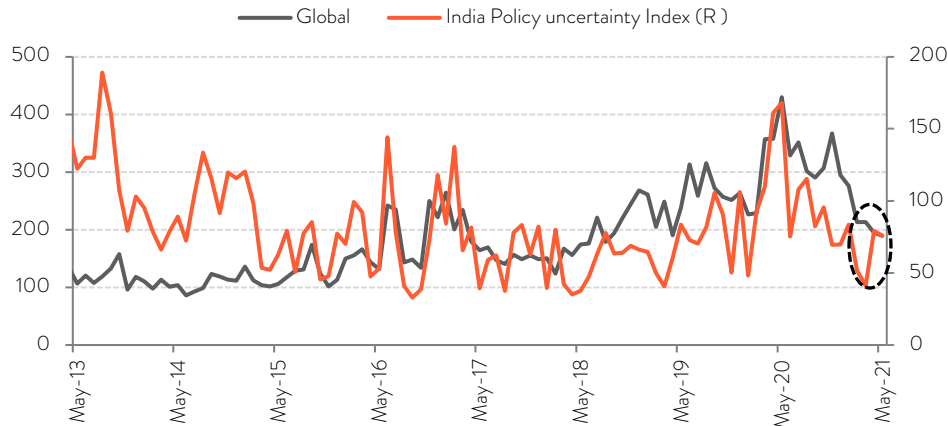


FIG 59 – INFRASTRUCTURE INDEX IMPROVES ON THE BACK OF LOW BASE

	(%)	Weight	Apr-21	Mar-21	Apr-20	Apr-Mar'21	Apr-Mar'20
Infrastructure Index		100	56.1	11.4	(8.6)	(6.5)	0.4
Coal		10.3	9.5	0.3	4.0	(1.9)	(0.4)
Crude Oil		9.0	(2.1)	(3.1)	(5.5)	(5.2)	(5.9)
Natural Gas		6.9	25.0	12.3	(15.1)	(8.2)	(5.6)
Petroleum Refinery Products		28.0	30.9	(0.7)	(0.5)	(11.2)	0.2
Fertilizers		2.6	1.7	(7.1)	(11.9)	1.5	2.7
Steel		17.9	400	27.3	(21.9)	(9.0)	3.4
Cement		5.4	548.8	32.7	(25.1)	(11.9)	(0.9)
Electricity		19.9	38.7	22.5	(8.2)	(0.5)	0.9

Investment

FIG 60 – POLICY UNCERTAINTY IN INDIA WHICH HEIGHTENED IN APR'21 SHOWED MODERATION IN MAY'21 WITH PLATEUING OF COVID-19 CASES



Source: policyuncertainty.com

FIG 62 – PLF OF GOVT. THERMAL PLANTS MODERATED WHILE FOR PRIVATE PLANTS, IT INCHED UP IN APR'21

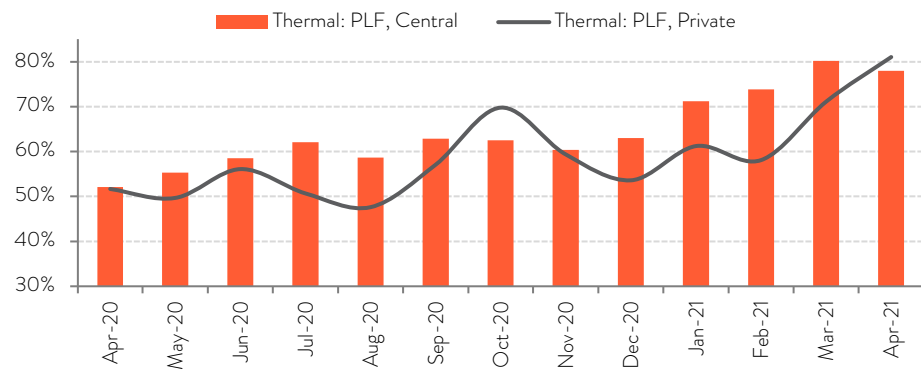


FIG 61 – REAL GDP ROSE BY 1.6% IN Q4FY21 FROM 0.5% IN Q3FY21, WHILE REAL GFCF SHOT UP TO 10.9% FROM 2.6%

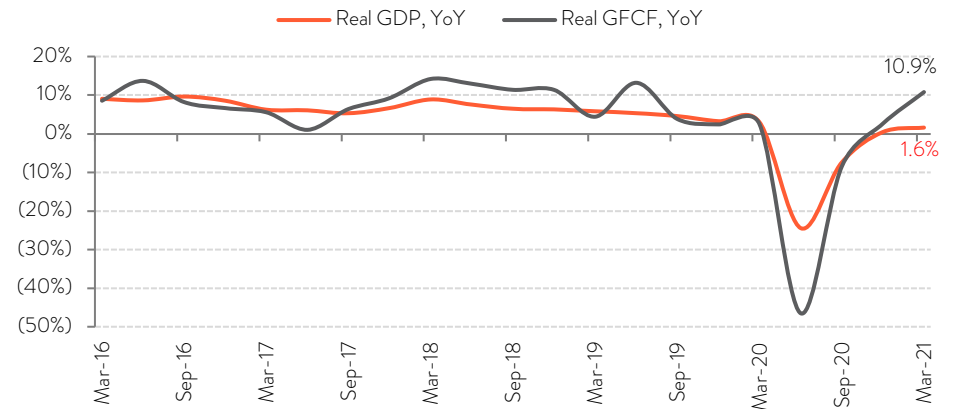


FIG 63 – CAPITAL GOODS PRODUCTION ROSE BY 41.9% IN MAR'21 FROM 3.8% DECLINE IN FEB'21, LED BY FAVOURABLE BASE

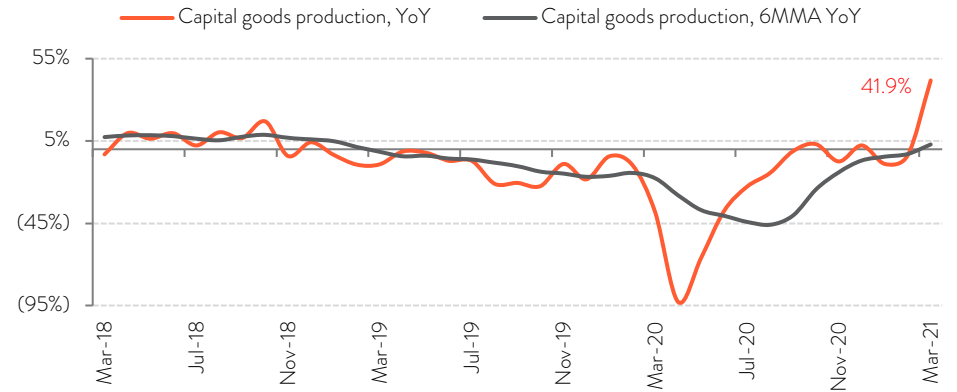


FIG 64 – CAPITAL GOODS IMPORTS SURGED BY 127% IN APR'21 FROM 10% IN MAR'21 DUE TO BASE EFFECT

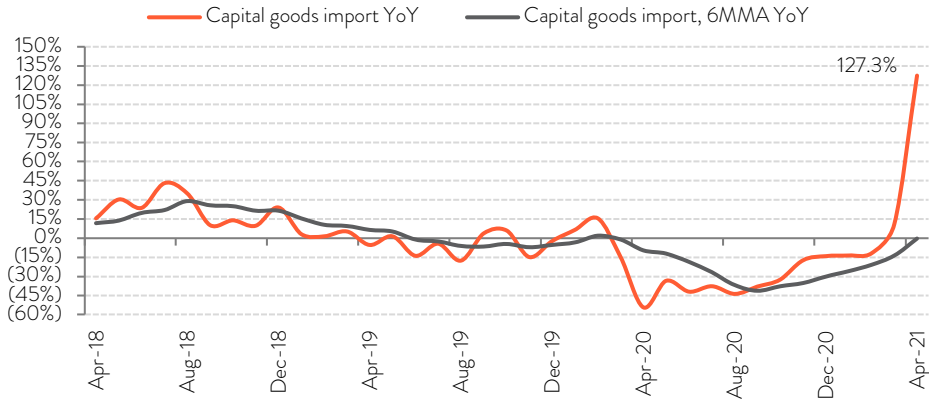


FIG 65 – CENTRE'S CAPEX SPENDING SHOT UP BY 33.1% IN APR'21 FROM 26.6% IN MAR'21

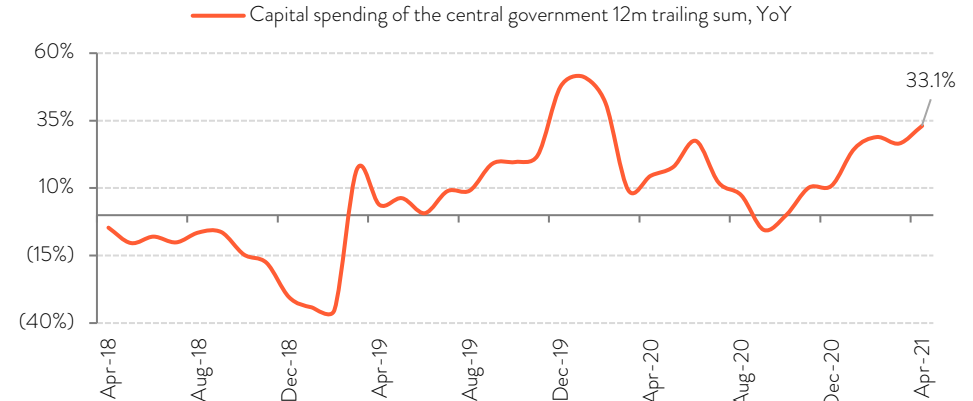


FIG 66 – INDUSTRY CREDIT WAS STABLE AT 0.4% IN APR'21

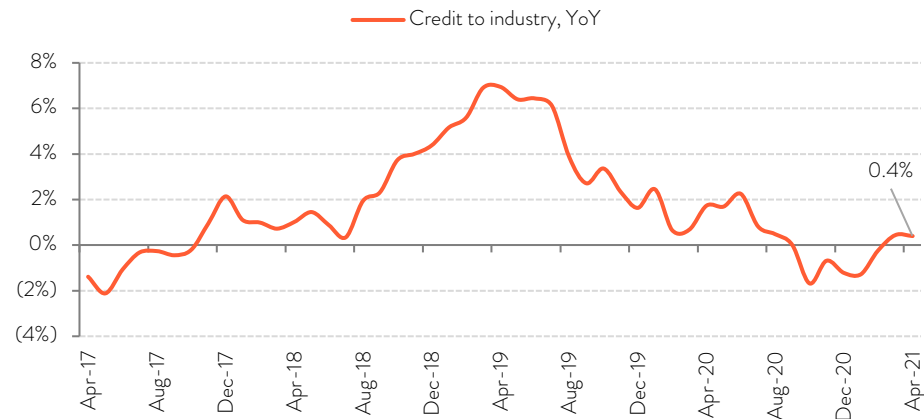


FIG 67 – CREDIT TO MICRO & SMALL INDUSTRY ROSE TO 3.8% (0.5% IN APR'21), FOR MEDIUM INDUSTRY IT ROSE SHARPLY TO 43.8% FROM 28.8%

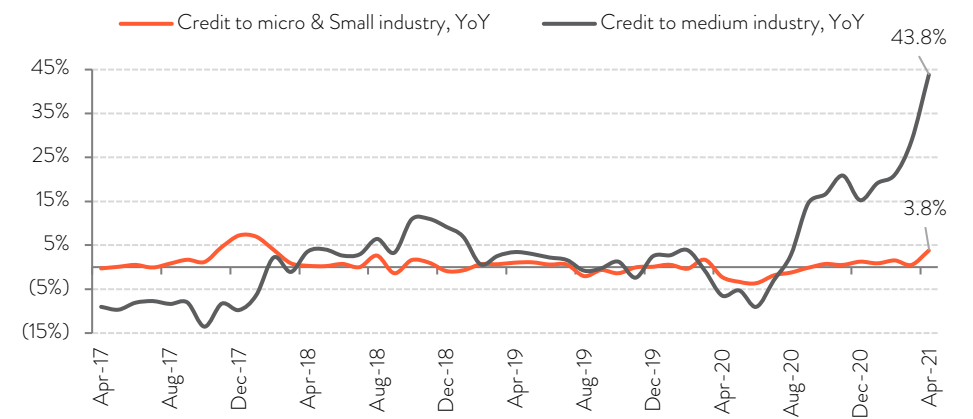


FIG 68 – CREDIT TO LARGE INDUSTRY FELL TO 1.9% IN APR'21 FROM 0.8% DECLINE IN MAR'21

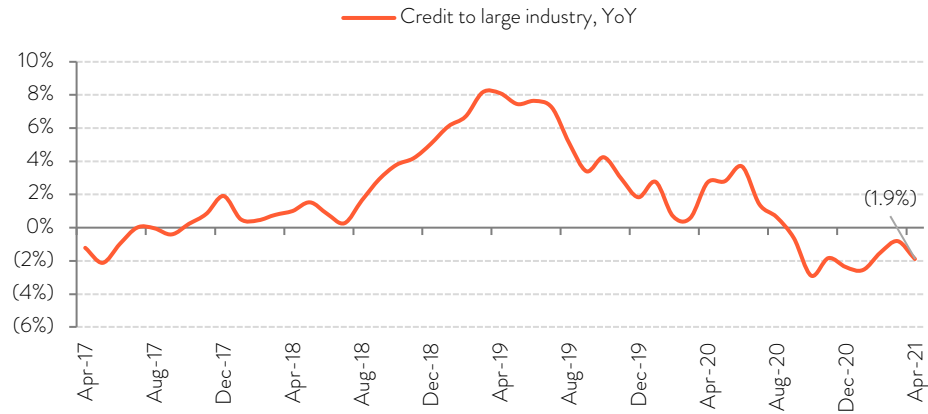
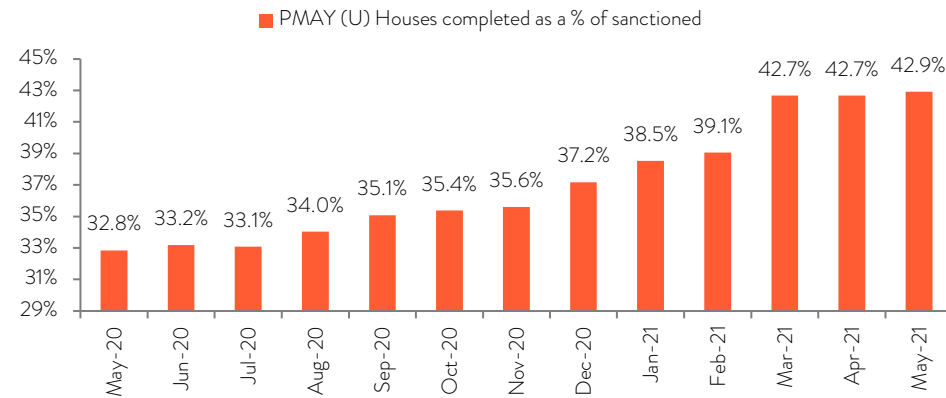


FIG 70 – AFFORDABLE HOUSING DEMAND WAS STABLE



Source: MOHUA

FIG 69 – HOUSING CREDIT PICKED UP TO 9.5% IN APR'21 FROM 9.1% IN MAR'21

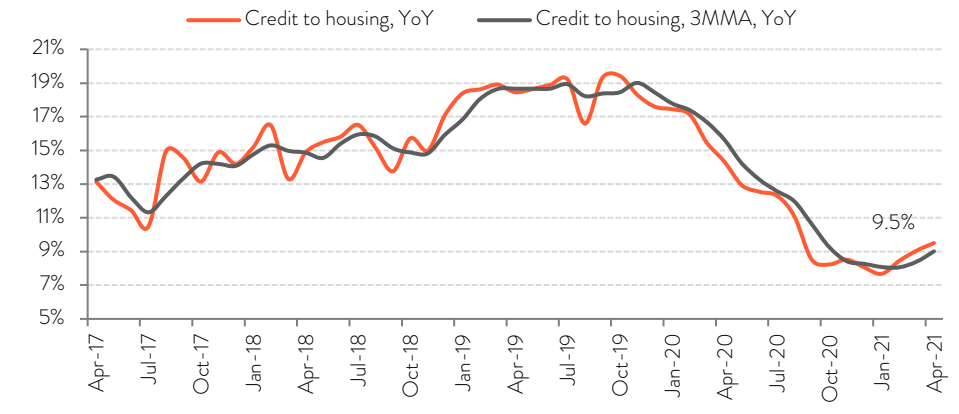
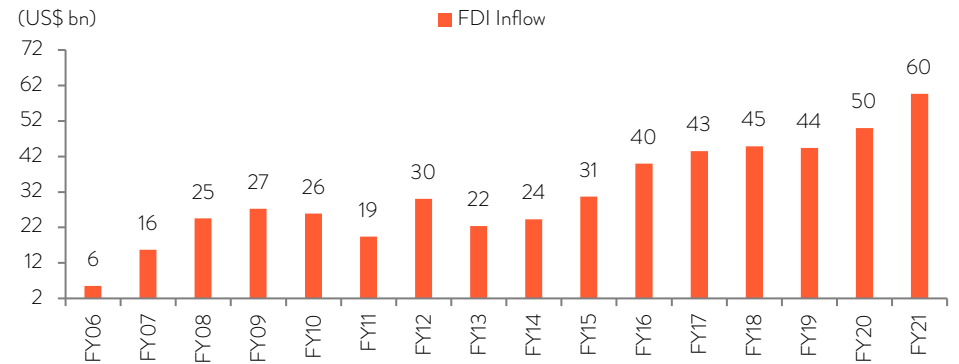


FIG 71 – FDI INFLOWS ARE FAR HIGHER AT US\$ 60BN IN FY21 AGAINST US\$ 50BN IN FY20



Source: DIPP

Services sector

FIG 72 – GVA: SERVICES ACTIVITY RECOVERED FURTHER IN Q4FY21

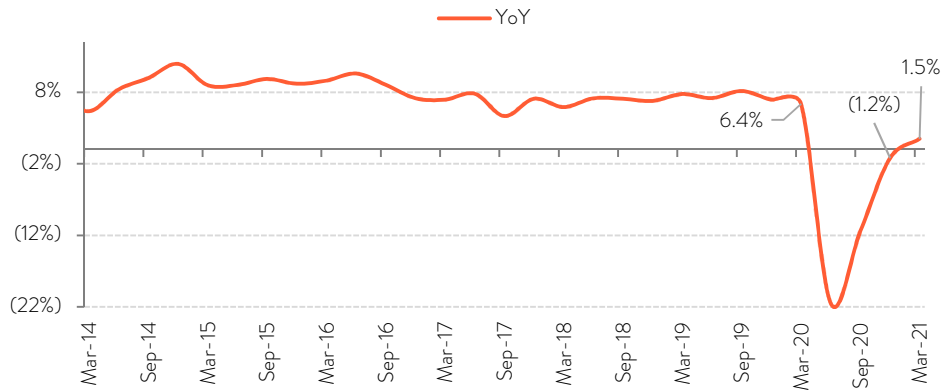
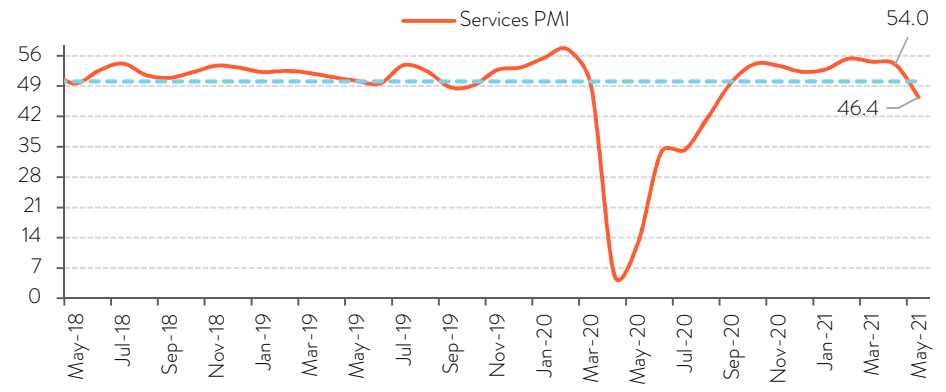


FIG 73 – SERVICES PMI SHOWS ACTIVITY CONTRACTED IN MAY'21



Source: Markit

FIG 74 – GVA: TRADE & RELATED SERVICES REMAINS IN CONTRACTION...

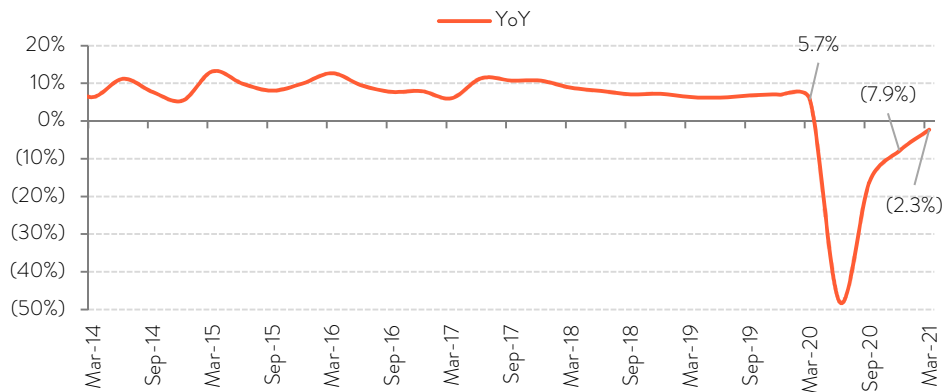
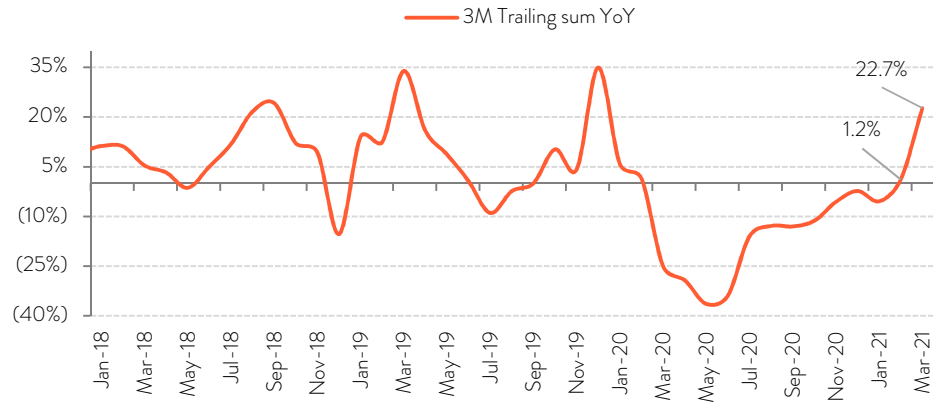


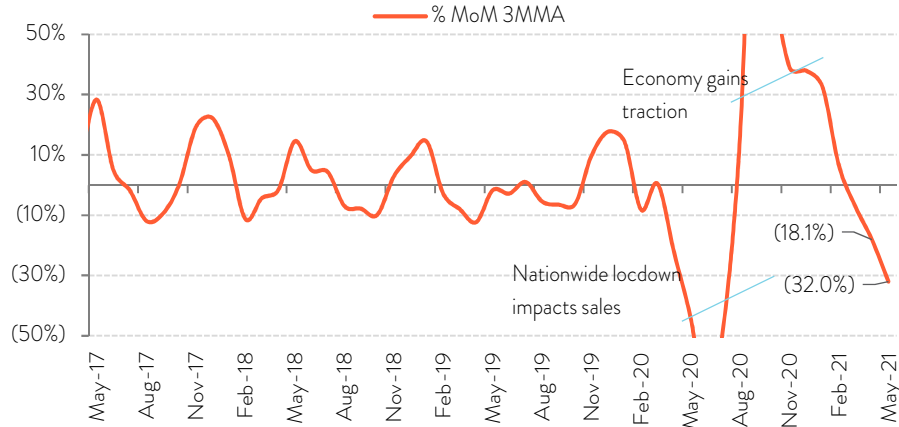
FIG 75 – STATES* TAX REVENUE GROWTH PICKED UP SHARPLY IN Q4



Note: *All states excluding N.E states, Bihar, Goa, Himachal Pradesh, J&K, and W.Bengal

Trade

FIG 76 – VEHICLE REGISTRATION GROWTH SLIPPED FURTHER IN MAY'21



Source: MoRTH

FIG 78 – PORT CARGO VOLUME GROWTH PICKS UP PACE IN MAY'21 ON A MOM BASIS

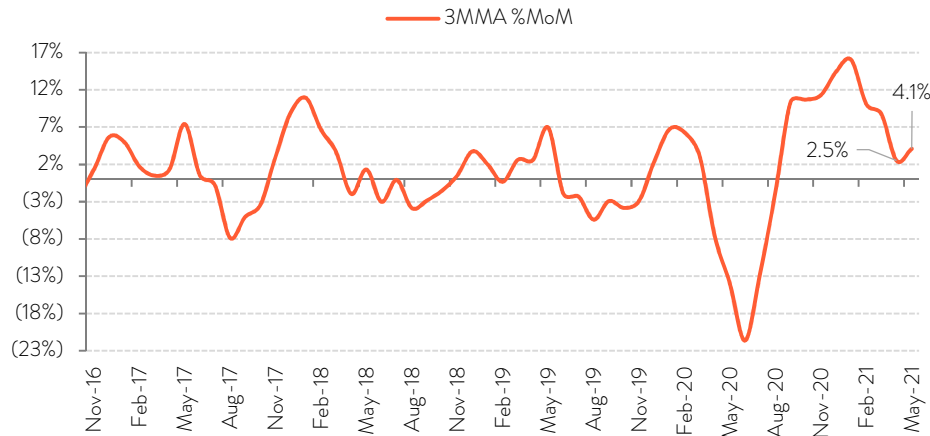
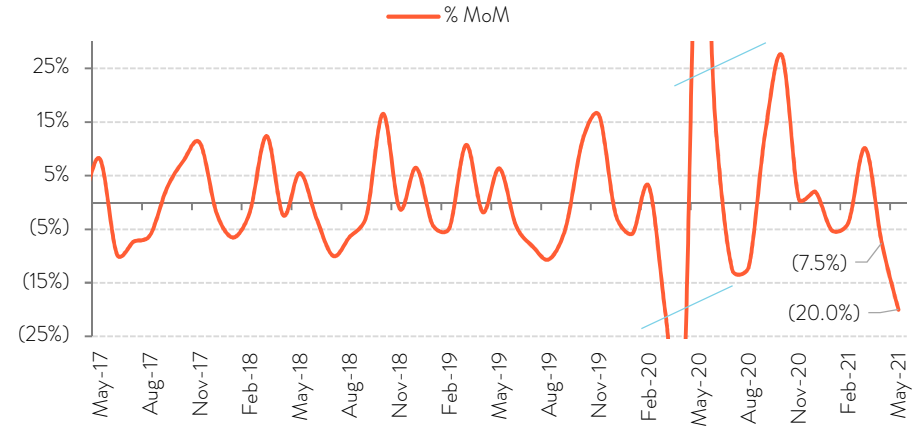


FIG 77 – DIESEL CONSUMPTION DOWN DUE TO LOCALISED RESTRICTIONS



Source: PPAC

FIG 79 – RAILWAY FREIGHT TRAFFIC GROWTH BOUNCED BACK IN MAY'21

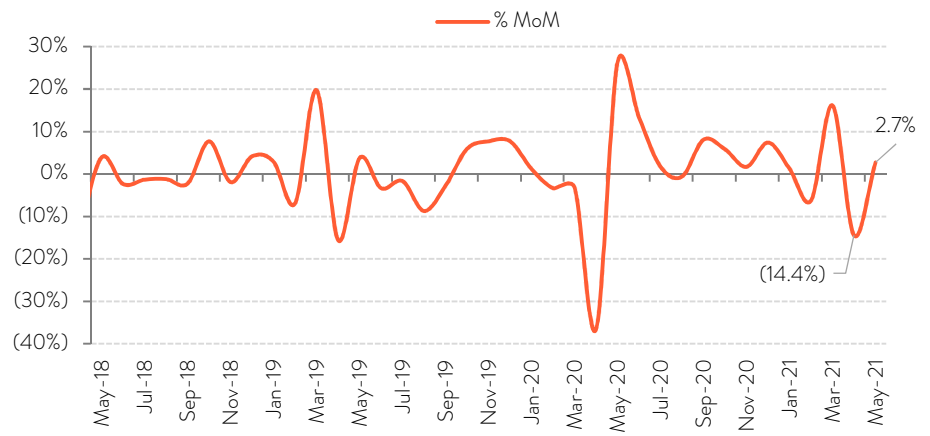


FIG 80 – TOLL COLLECTION GROWTH DROPPED FURTHER IN MAY'21

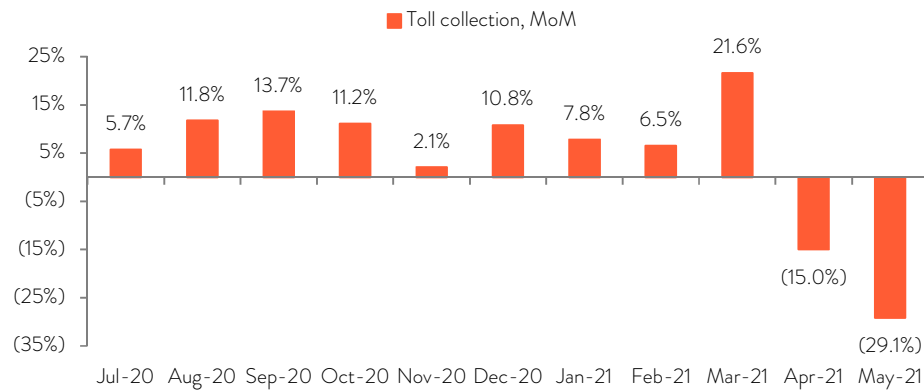
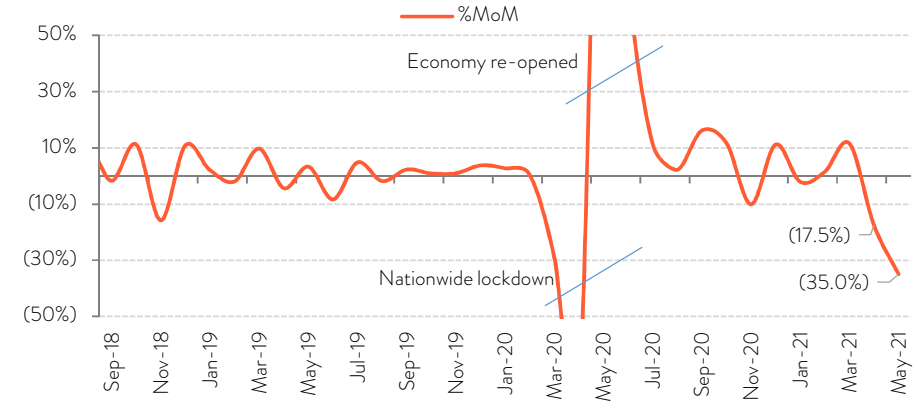


FIG 81 – E-WAY BILLS GENERATED ALSO REPORTED DECLINE IN MAY'21



Hotels and Communications

FIG 82 – AIRLINE PASSENGER TRAFFIC GROWTH TAKES A HIT AGAIN IN APR-MAY'21

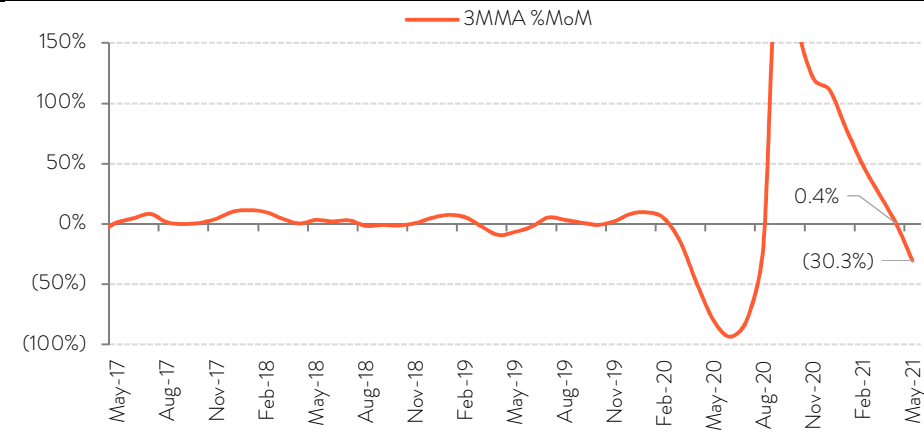


FIG 83 – DOMESTIC PASSENGER GROWTH BEGAN DECLINING IN APR'21

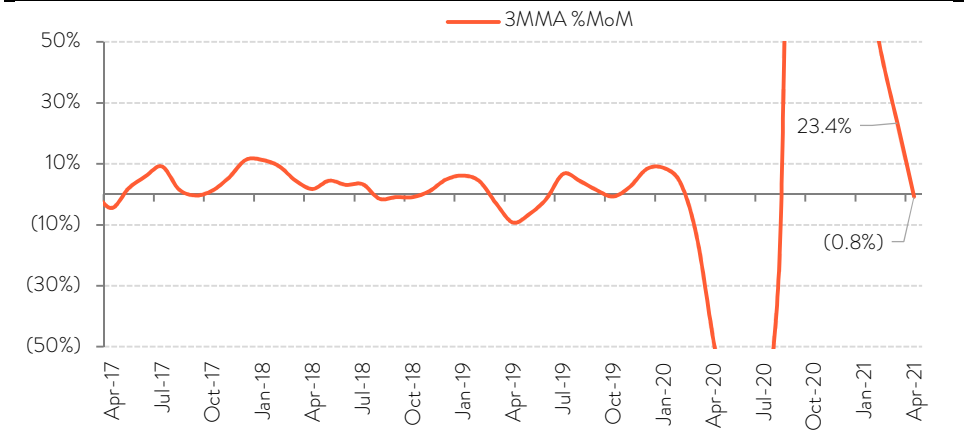


FIG 84 – RAILWAY PASSENGER TRAFFIC IMPROVED AS MIGRANT LABOURERS LEFT CITIES IN THE WAKE OF NEW RESTRICTIONS

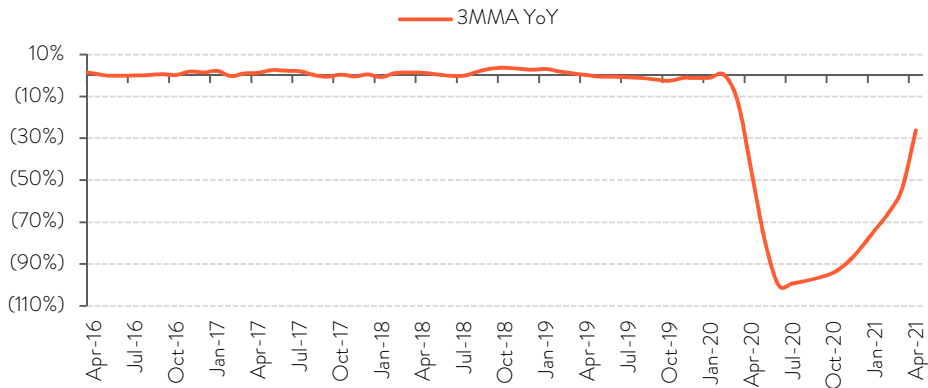
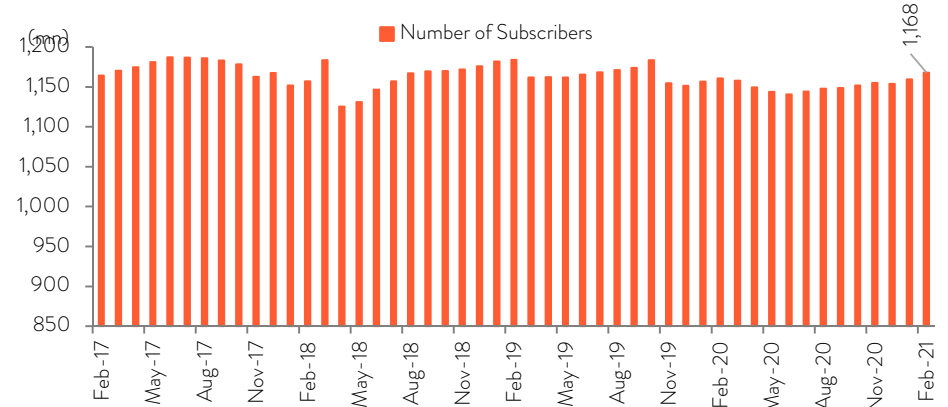


FIG 85 – TELECOM SECTOR ADDED 8.3MN WIRELESS SUBSCRIBERS IN FEB'21 VERSUS 5.6MN ADDED IN JAN'21



Finance and Real estate

FIG 86 – GROWTH IN GVA: FINANCE, REAL ESTATE & PROF. SERVICES EASED IN Q4FY21, THOUGH STILL REMAINED HIGHER THAN LAST YEAR

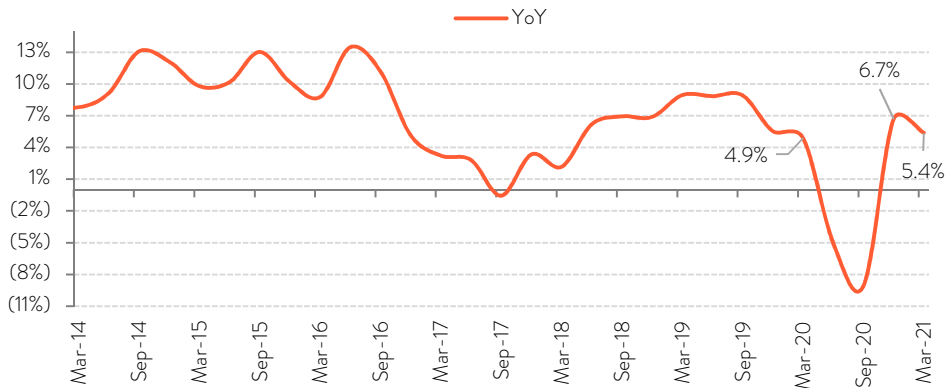
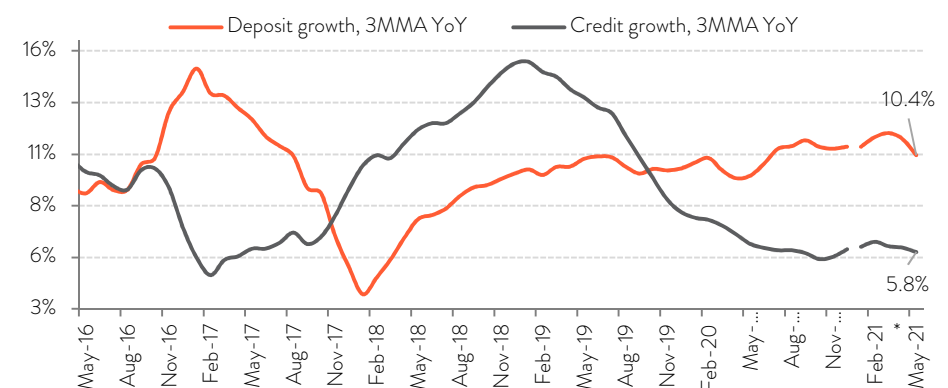


FIG 87 – BOTH CREDIT AND DEPOSIT GROWTH SLOWING



Note: *May'21 implies fortnight as of 21 May 2021

FIG 88 – CREDIT TO SERVICES SECTOR REMAINS WEAK, CREDIT TO INDUSTRY PICING UP

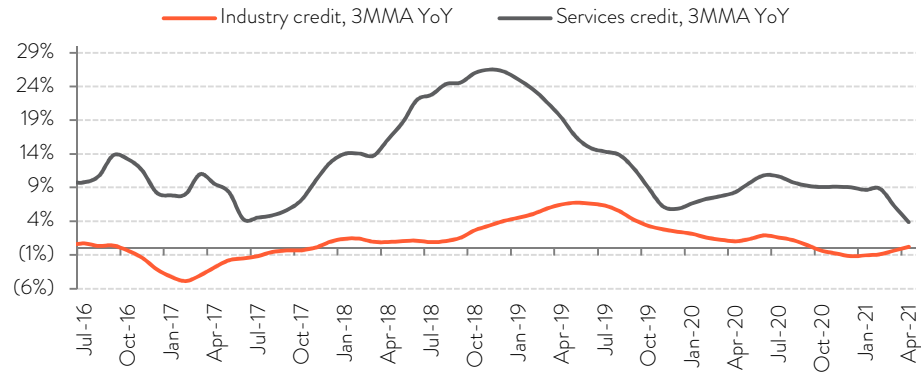


FIG 89 – CREDIT TO TRADE SERVICES AND NBFCs SLOWED IN APR'21

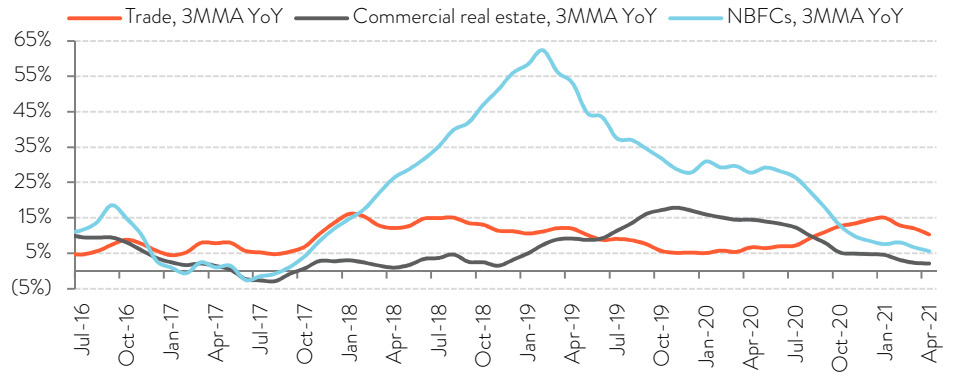
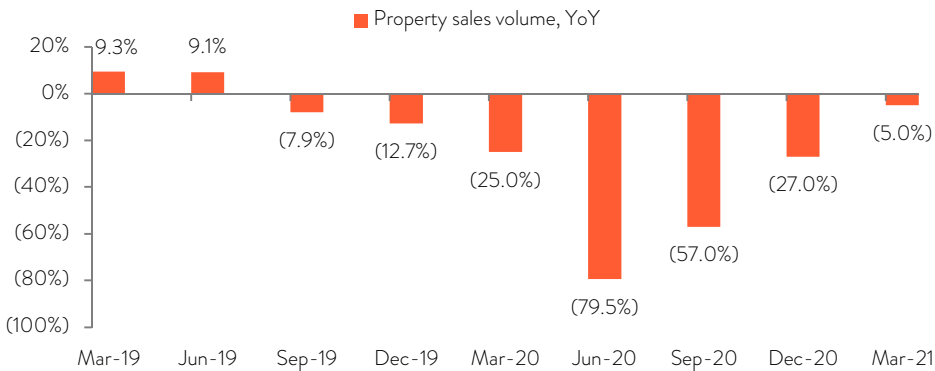
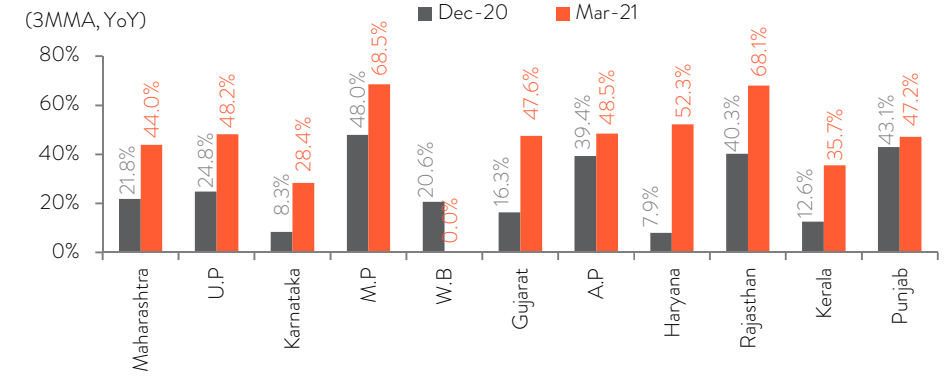


FIG 90 – PROPERTY SALE VOLUMES IMPROVED IN Q4FY21...



Source: Proptiger

FIG 91 – ...ALSO BENEFITING STAMP DUTY COLLECTION OF STATES



Labour market

FIG 92 – NAUKRI JOB INDEX SHOWS HIRING ACTIVITY PICKED UP IN MAY'21

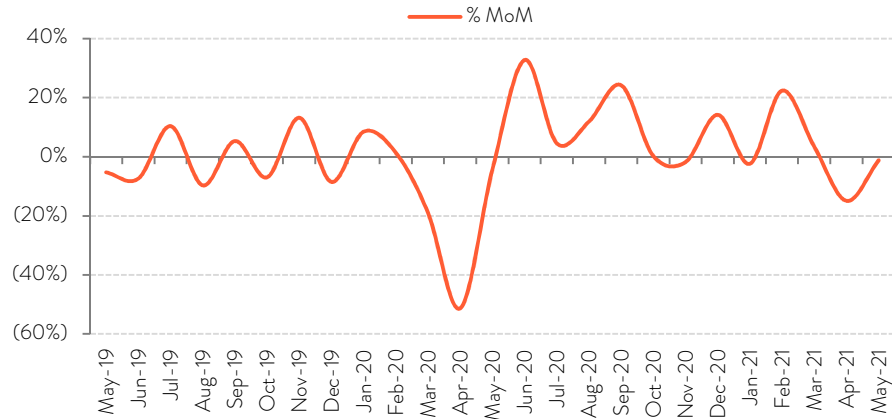


FIG 93 – ...STILL UNEMPLOYMENT RATE REMAINED ELEVATED IN MAY'21



Public administration

FIG 94 – PUBLIC ADMINISTRATION & DEFENCE SERVICES CONTRIBUTED POSITIVELY IN Q4FY21

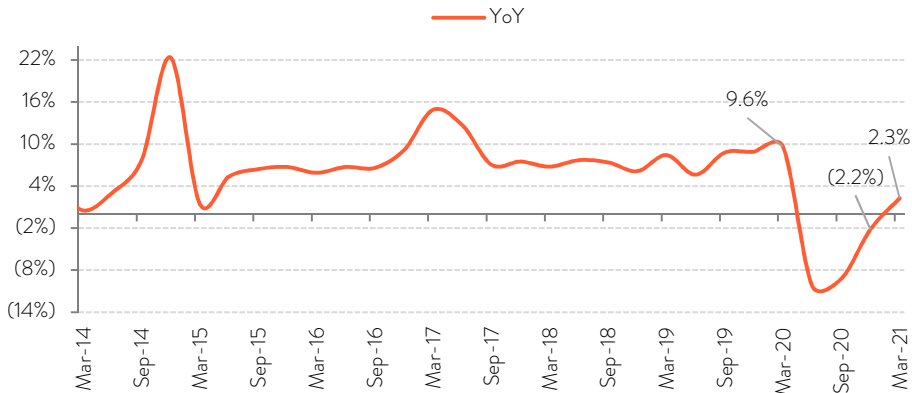


FIG 95 – GENERAL GOVT. SPENDING ROSE SHARPLY IN Q4FY21

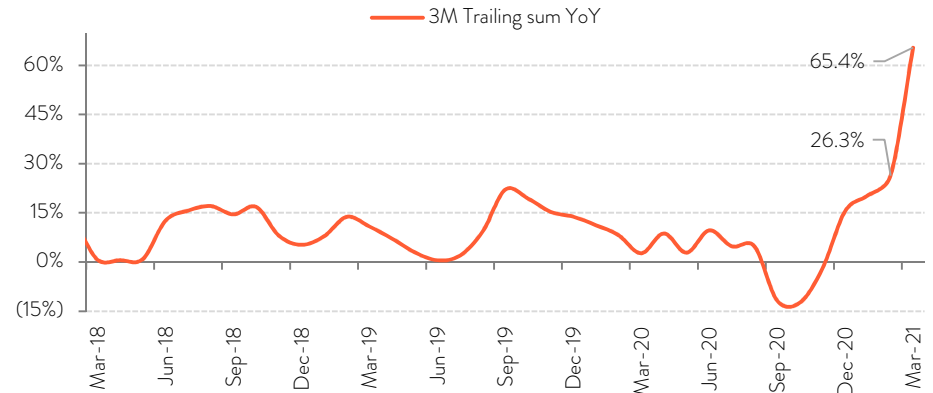


FIG 96 – ...OWING TO SPIKE IN CENTRAL GOVERNMENT SPENDING

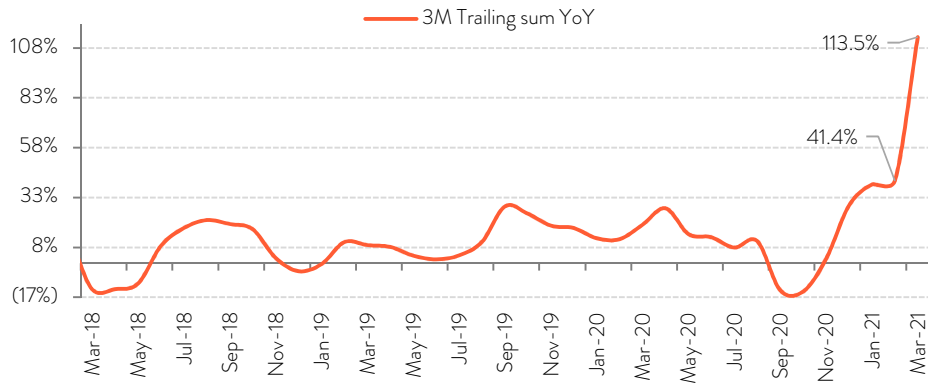
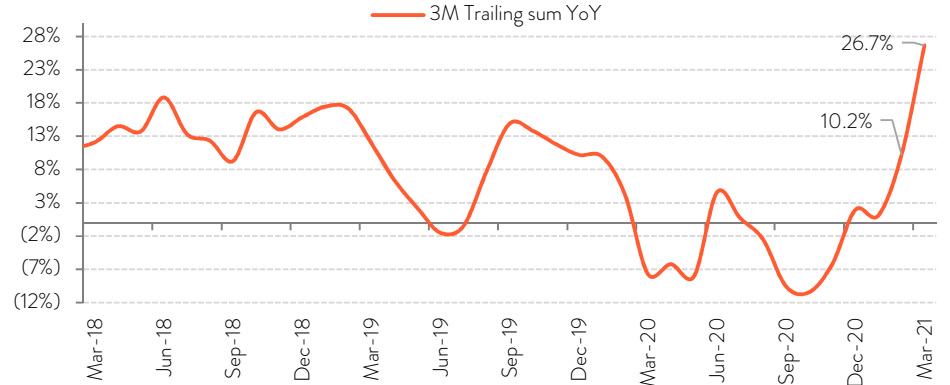


FIG 97 – STATE* GOVT. SPENDING ALSO PICKED UP ALBEIT LESS SHARPLY

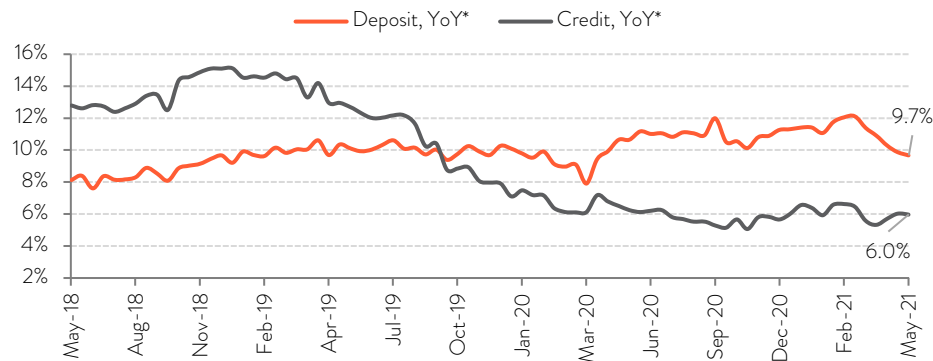


Note: * All states excluding N.E states, Bihar, Goa, Himachal Pradesh, J&K, and W.Bengal

Financial sector

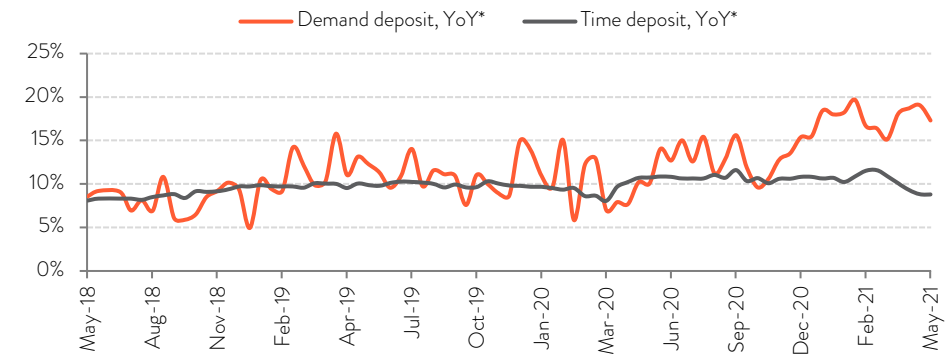
Money and banking

FIG 98 – CREDIT DEMAND INCHED UP TO 6% IN MAY'21 FROM 5.7% IN APR'21, DEPOSIT GROWTH MODERATED TO 9.7% FROM 10.3%



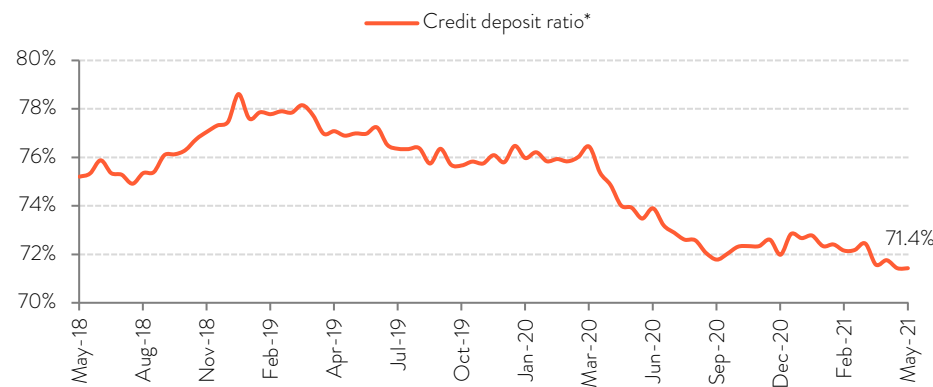
Note: *May-21 implies fortnight as of 21 May 2021

FIG 99 – BOTH DEMAND AND TIME DEPOSITS INCHED DOWN TO 17.3% AND 8.8% RESPECTIVELY IN MAY'21 FROM 18.7% AND 9.3% IN APR'21



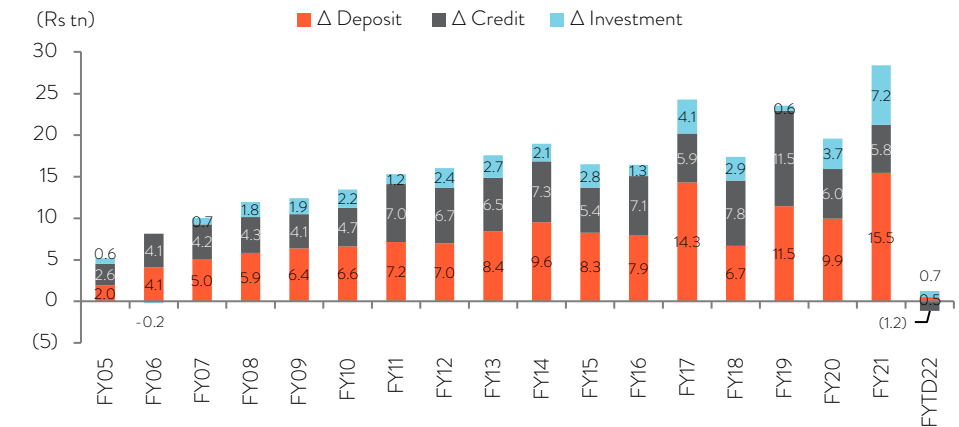
Note: *May-21 implies fortnight as of 21 May 2021

FIG 100 – CD RATIO WAS AT 71.4% IN MAY'21 FROM 71.8% IN APR'21



Note: *May-21 implies fortnight as of 21 May 2021

FIG 101 – PACE OF ACCRETION OF CREDIT, INVESTMENT AND DEPOSIT



FYTD: Till 21 May 2021

FIG 102 – CREDIT TO GOV. INCHED DOWN TO 12.8% FROM 19.3% IN MAR'21, CREDIT TO COMMERCIAL SECTOR ALSO FELL TO 5.7% FROM 6%

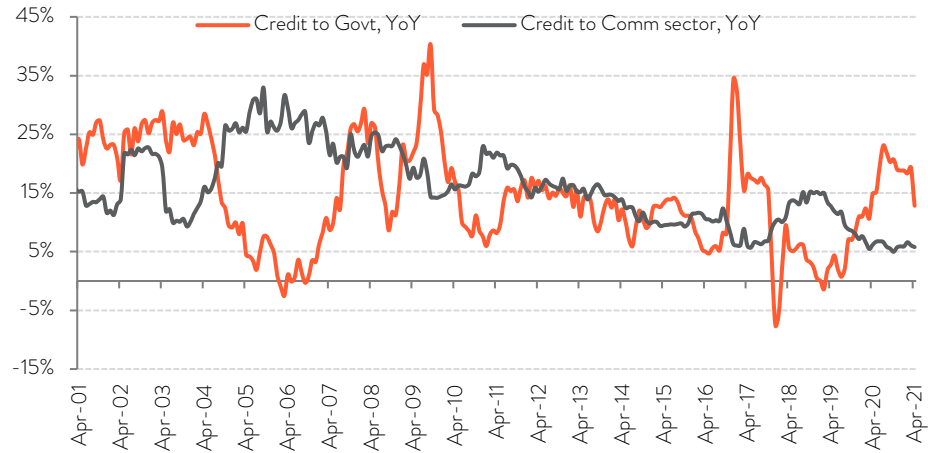


FIG 104 – WATDR INCHED DOWN TO 5.47% IN APR'21 FROM 5.49% IN MAR'21 WHILE WALR ROSE TO 7.77% FROM 7.44%

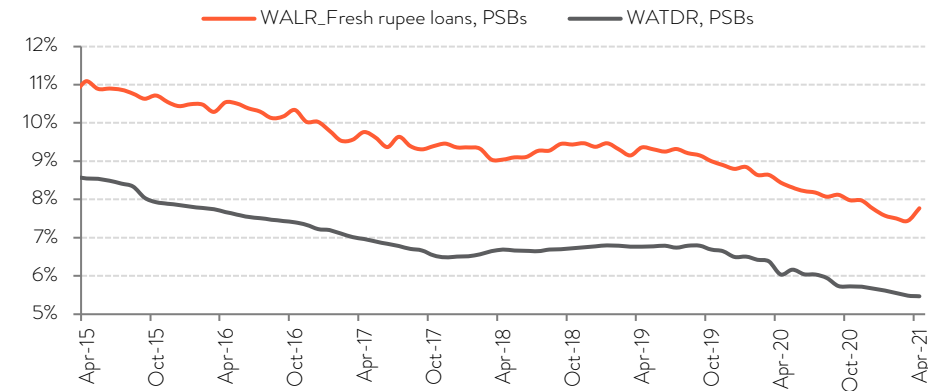


FIG 103 – SPREAD BETWEEN CALL RATE AND REPO

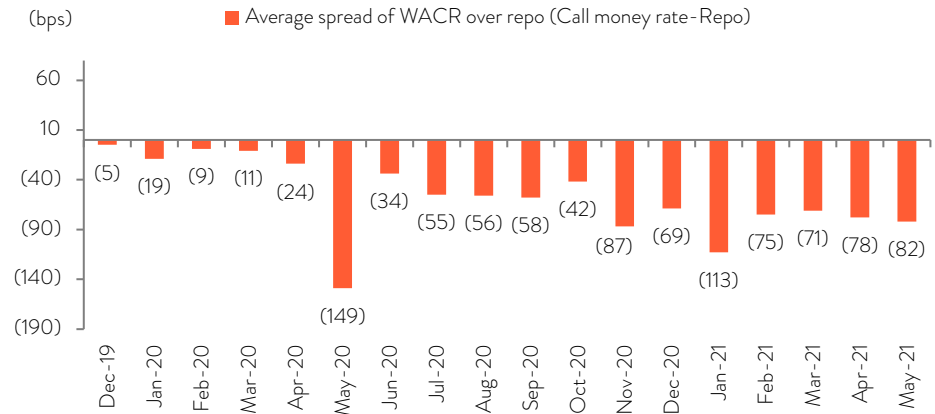
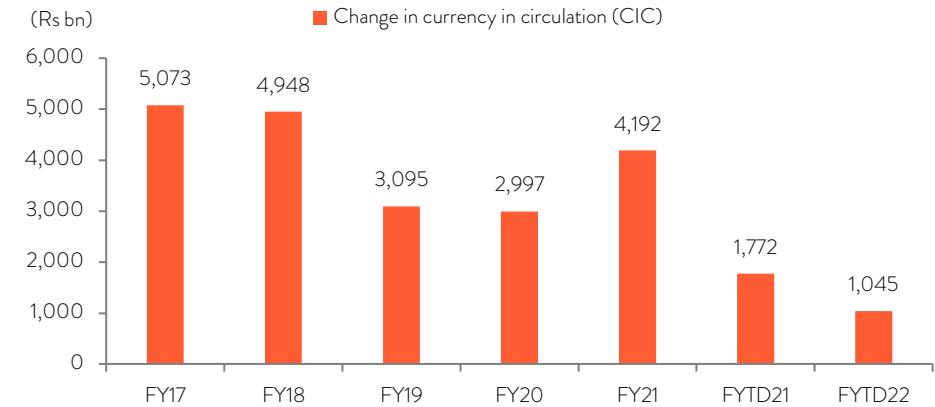
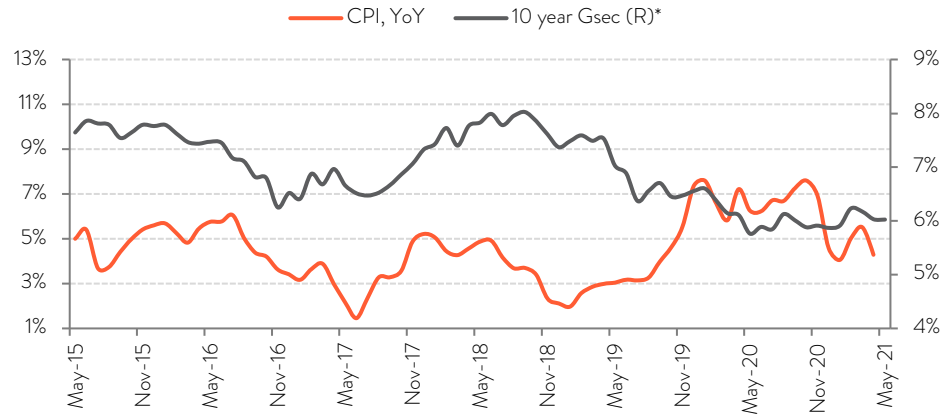


FIG 105 – CIC ACCRETION STOOD AT RS 1TN IN FYTD22 AGAINST RS 1.8TN IN THE SAME PERIOD OF PREVIOUS YEAR



FYTD: Apr-May

FIG 106 – 10Y GSEC YIELD WAS BROADLY STABLE AT 6.02% IN MAY'21, INFLATION EDGED DOWN TO 4.3% IN APR'21 FROM 5.5% IN MAR'21



Note: *As on last trading day of the month, 5.85GS2030 benchmark security is taken

FIG 108 – CORPORATE DEBT ISSUANCE ROSE TO RS 943BN IN MAR'21 FROM RS 457BN IN FEB'21

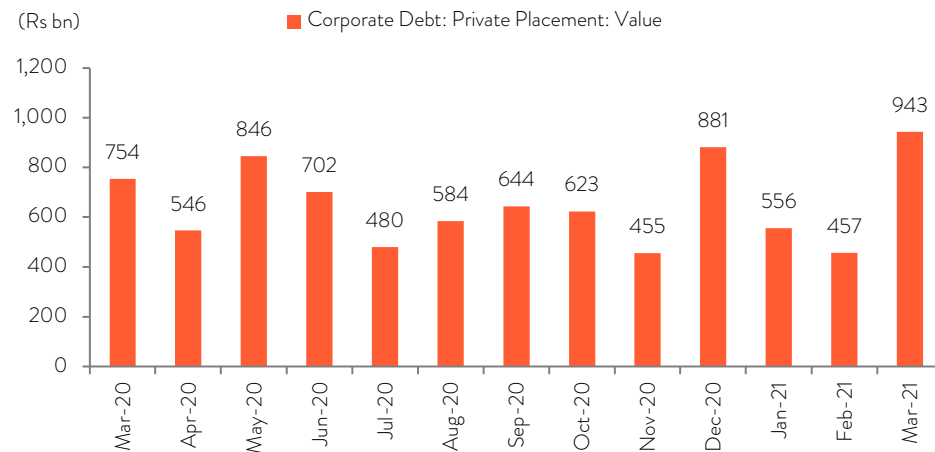
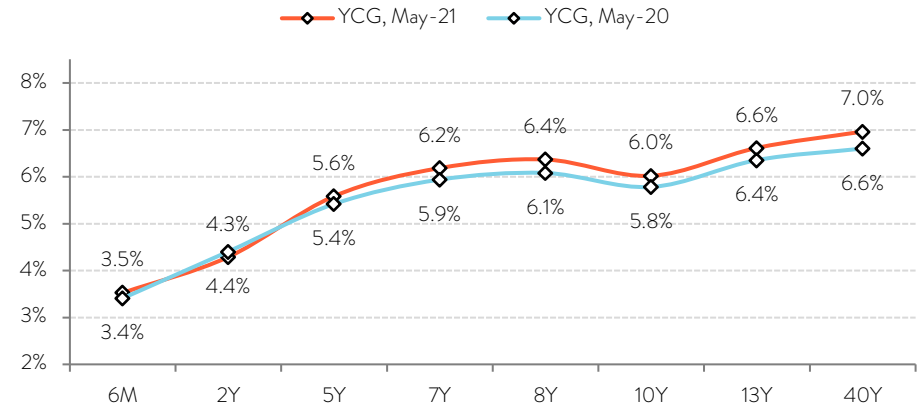
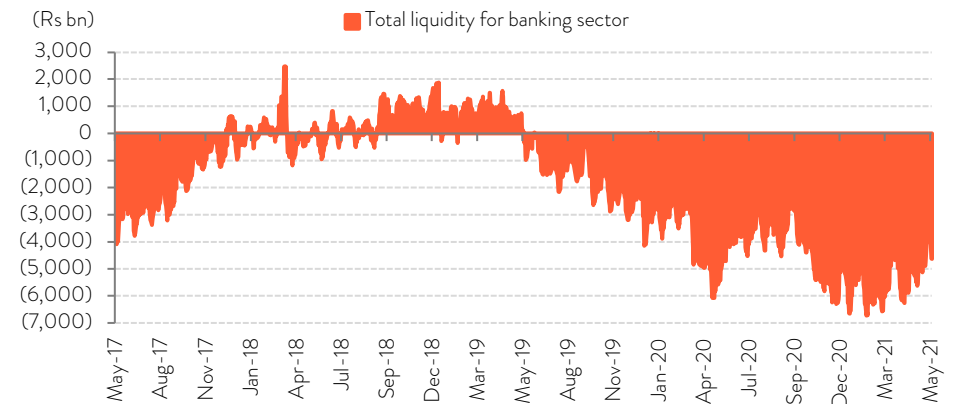


FIG 107 – YIELD CURVE GRAPH (YCG) SHOWS STEEPENING BIAS



Source: Bloomberg

FIG 109 – AVERAGE SYSTEM LIQUIDITY SURPLUS WAS LOWER AT RS 4.6TN IN MAY'21 AGAINST RS 5.5TN IN APR'21 AND CURRENTLY AT RS 5TN



Source: RBI

FIG 110 – 3Y AAA NBFC SPREAD ROSE TO 39BPS AS ON 31 MAY 2021 FROM ITS LOWEST OF (-) 3BPS AS ON 29 APR 2021

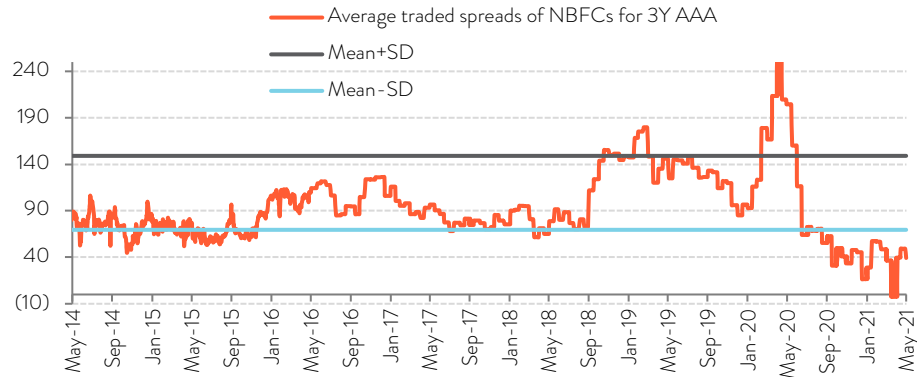


FIG 111 – 10Y AAA NBFC SPREAD FELL TO 48BPS AS ON 31 MAY 2021 FROM 55BPS AS ON 30 APR 2021

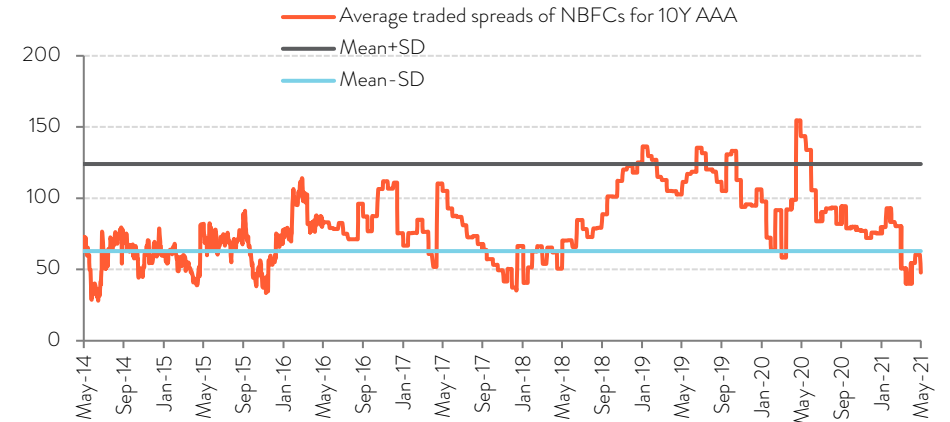


FIG 112 – 3Y AAA CORP SPREAD ROSE TO 28BPS AS ON 31 MAY 2021 FROM ITS LOWEST OF (-) 17BPS AS ON 29 APR 2021

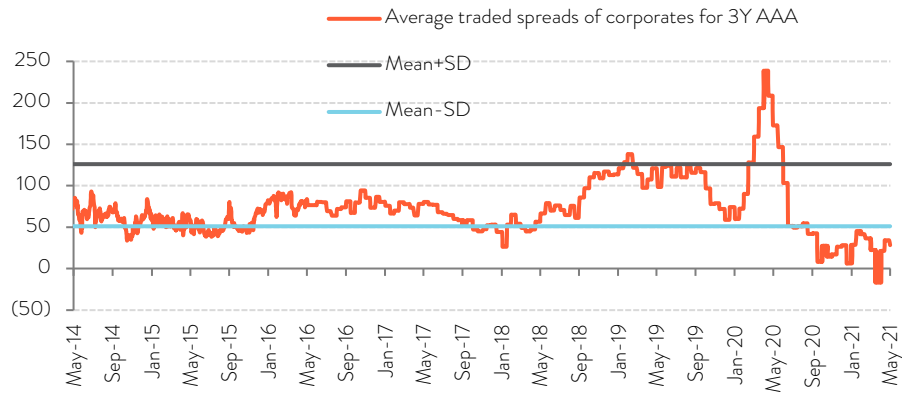


FIG 113 – 10Y AAA CORP SPREAD MODERATED SLIGHTLY TO 45BPS AS ON 31 MAY 2021 FROM 50BPS AS ON 30 APR 2021

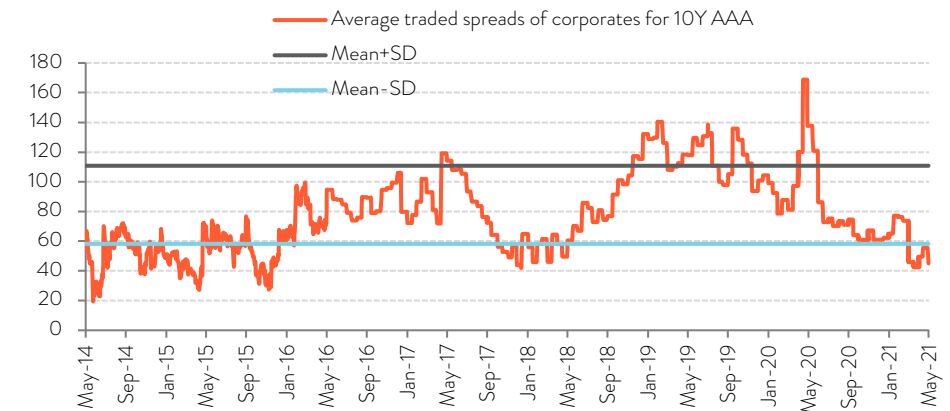


FIG 114 – INR 3Y SWAP FELL TO 4.54 AS ON 31 MAY 2021 AGAINST 4.58 AS ON 30 APR 2021

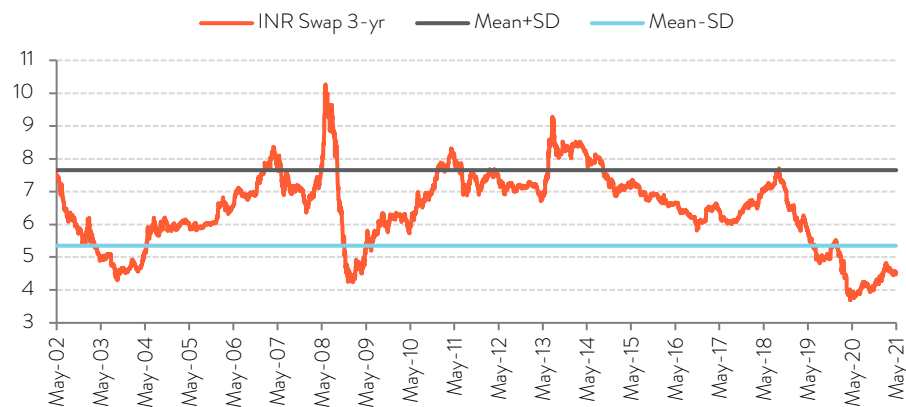
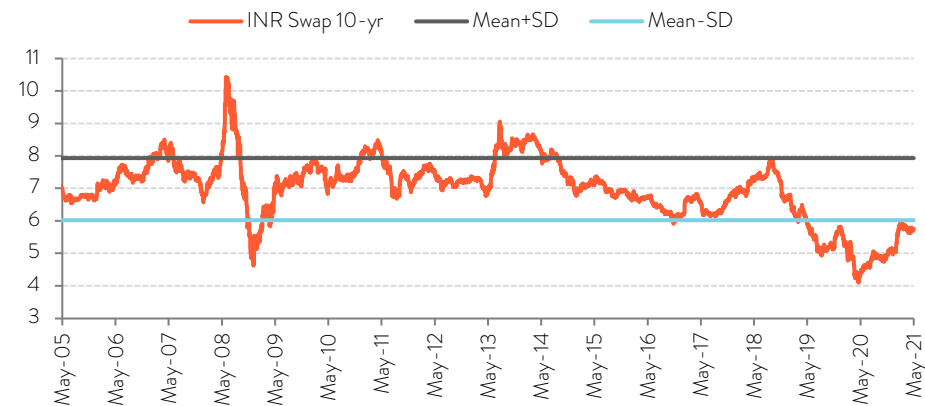


FIG 115 – FOR 10Y, IT FELL TO 5.75 AS ON 31 MAY 2021 FROM 5.78 AS ON 30 APR 2021



Interest rates on small savings schemes

FIG 116 – INTEREST RATES ON SMALL SAVINGS SCHEME TO REMAIN UNCHANGED IN Q1FY22

Instrument (%)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	GSec Yield (1 Jun 2021)
Savings deposit	4.0	4.0	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	5.5	5.5	3.79
2 year time deposit	7.0	6.9	6.9	6.9	5.5	5.5	5.5	5.5	5.5	4.29
3 year time deposit	7.0	6.9	6.9	6.9	5.5	5.5	5.5	5.5	5.5	4.71
5 year time deposit	7.8	7.7	7.7	7.7	6.7	6.7	6.7	6.7	6.7	5.60
5 year recurring deposit	7.3	7.2	7.2	7.2	5.8	5.8	5.8	5.8	5.8	5.60
5 year senior citizen savings scheme	8.7	8.6	8.6	8.6	7.4	7.4	7.4	7.4	7.4	5.60
5 year monthly income scheme	7.7	7.6	7.6	7.6	6.6	6.6	6.6	6.6	6.6	5.60
5 year national savings certificate	8	7.9	7.9	7.9	6.8	6.8	6.8	6.8	6.8	5.60
Public provident fund scheme	8	7.9	7.9	7.9	7.1	7.1	7.1	7.1	7.1	-6.02
Kisan vikas patra	7.7	7.6	7.6	7.6	6.9	6.9	6.9	6.9	6.9	-
Sukanya samridhi account scheme	8.5	8.4	8.4	8.4	7.6	7.6	7.6	7.6	7.6	-

Source: Department of Economic Affairs, Ministry of Finance, Government of India, *10Y benchmark yield 5.85GS2030

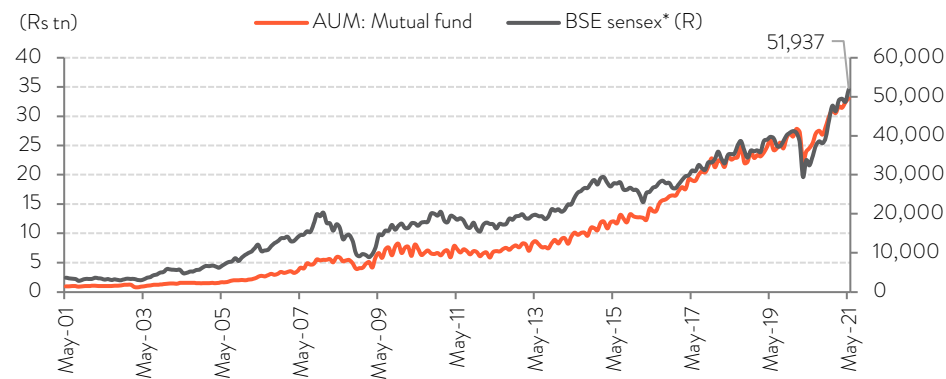
FIG 117 – INTEREST RATES CHARGED BY LEADING BANKS

1Y MCLR (%)	Mar'20	Apr'20	May'20	Jun'20	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
Public Sector Banks															
Bank of Baroda	8.15	8.00	7.80	7.65	7.60	7.60	7.55	7.50	7.45	7.40	7.40	7.40	7.40	7.40	7.40
Bank of India	8.20	8.20	7.95	7.70	7.60	7.45	7.40	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35
Canara Bank	8.20	7.85	7.85	7.65	7.55	7.45	7.40	7.40	7.35	7.35	7.35	7.35	7.35	7.35	7.35
Indian Bank	8.25	8.10	7.80	7.50	7.40	7.35	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30
Punjab National Bank	8.05	7.75	7.75	7.60	7.60	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35
State Bank of India	7.75	7.40	7.25	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Union Bank of India	8.00	7.75	7.70	7.60	7.40	7.25	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20
Private Sector Banks															
Axis Bank Ltd.	8.10	7.95	7.80	7.75	7.65	7.55	7.50	7.45	7.45	7.45	7.40	7.40	7.40	7.40	7.35
HDFC Bank Ltd.	8.15	7.95	7.95	7.65	7.45	7.35	7.30	7.30	7.25	7.25	7.25	7.20	7.20	7.20	7.20
ICICI Bank Ltd.	8.15	8.00	7.75	7.70	7.55	7.45	7.40	7.35	7.35	7.35	7.30	7.30	7.30	7.30	7.30
Indusind Bank	9.25	9.25	9.25	9.15	9.05	8.95	8.85	8.75	8.70	8.65	8.65	8.60	8.60	8.60	8.60
Kotak Mahindra Bank	8.35	8.10	7.90	7.75	7.60	7.50	7.50	7.45	7.35	7.35	7.35	7.30	7.25	7.25	7.25

Source: RBI

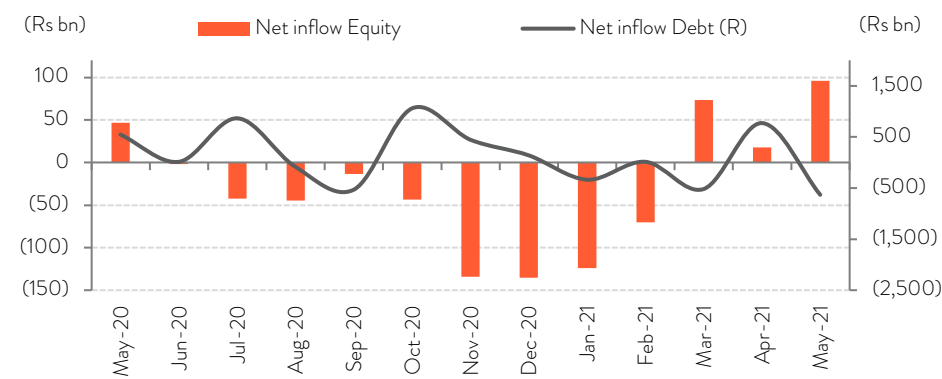
Mutual fund (MF) indicators

FIG 118 – SENSEX ROSE BY 6.5% TO 51,937 IN MAY'21 SUPPORTED BY PLATEAUEING OF COVID-19 CASES, AUM OF MFS ROSE TO RS 33TN



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

FIG 119 – MF EQUITY INFLOW ROSE TO RS 96BN FROM RS 18BN IN APR'21, DEBT OUTFLOW ROSE TO RS 635BN FROM RS 773BN INFLOW IN APR'21



Insurance sector indicators

FIG 120 – SALE OF LIFE INSURANCE POLICIES FELL BY 15% FROM 140% INCREASE IN APR'21

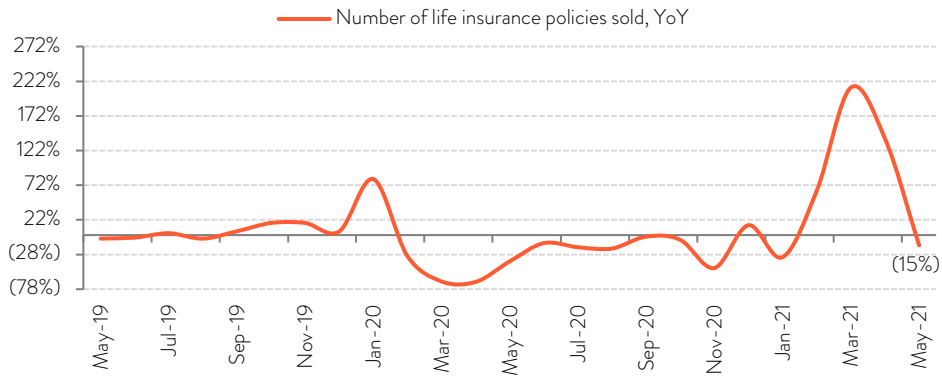
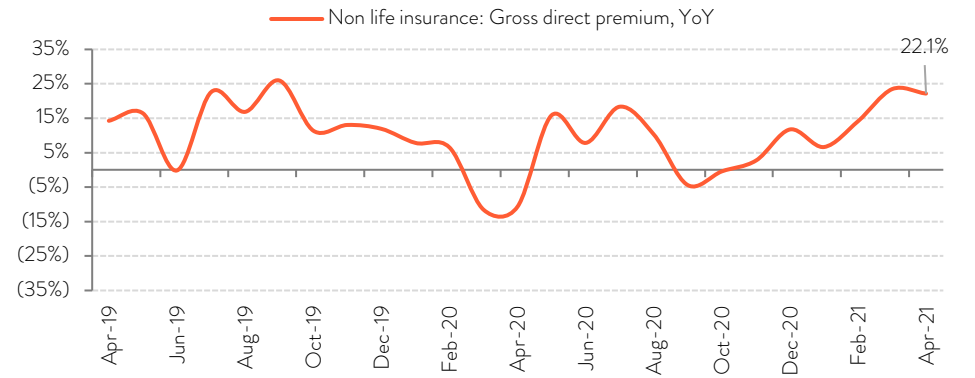


FIG 121 – GROSS DIRECT PREMIUM FOR NON LIFE INSURANCE MODERATED TO 22.1% IN APR'21 FROM 23.4% IN MAR'21



Public finance

Central government finances

FIG 122 – FISCAL DEFICIT ROSE TO 9.3% IN FY21; EASED IN APR'21

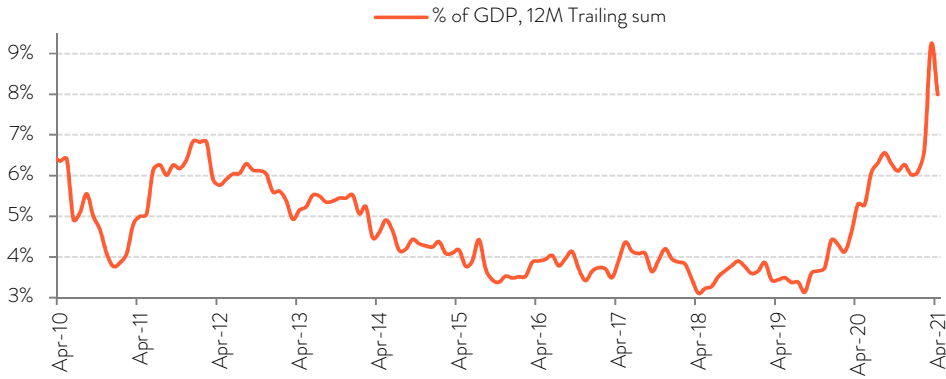


FIG 123 – REVENUE DEFICIT ALSO BEGINS EASING

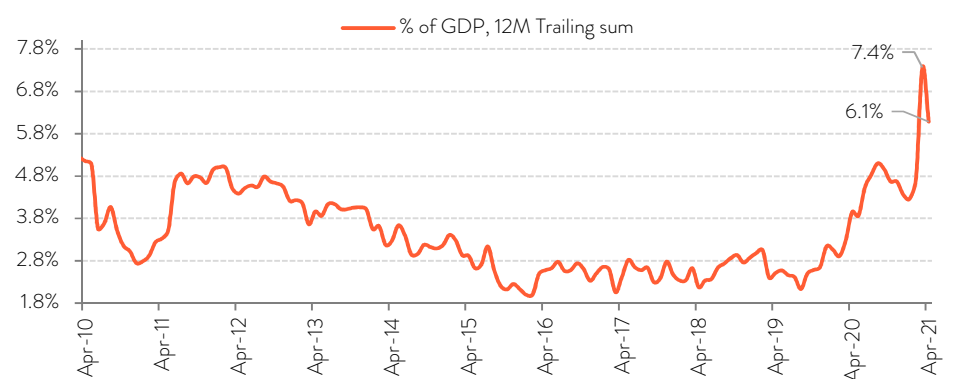


FIG 124 – PRIMARY DEFICIT AT 4.6% IN APR'21

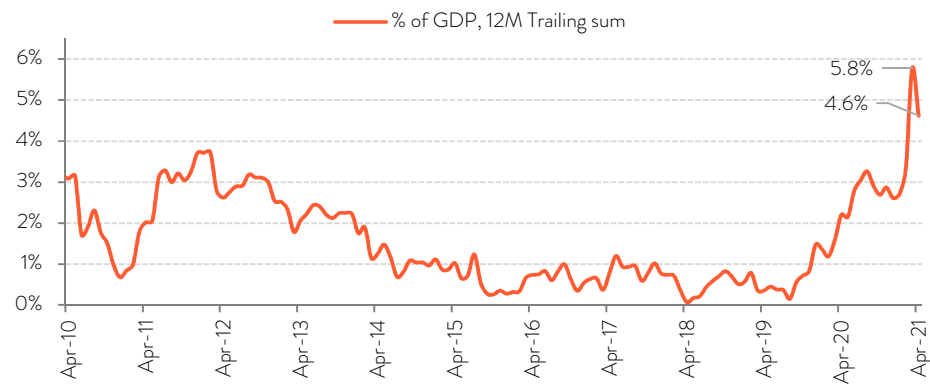


FIG 125 – GOVERNMENT SPENDING ROSE TO 10 YEAR HIGH IN FY21, SLIGHT COOLING DOWN SEEN IN APR'21 (12MMA)

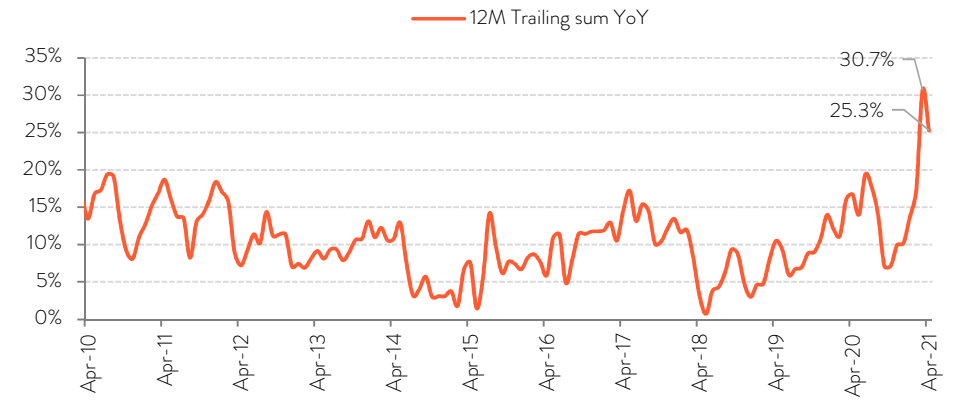


FIG 126 – ...LED BY REVENUE SPENDING

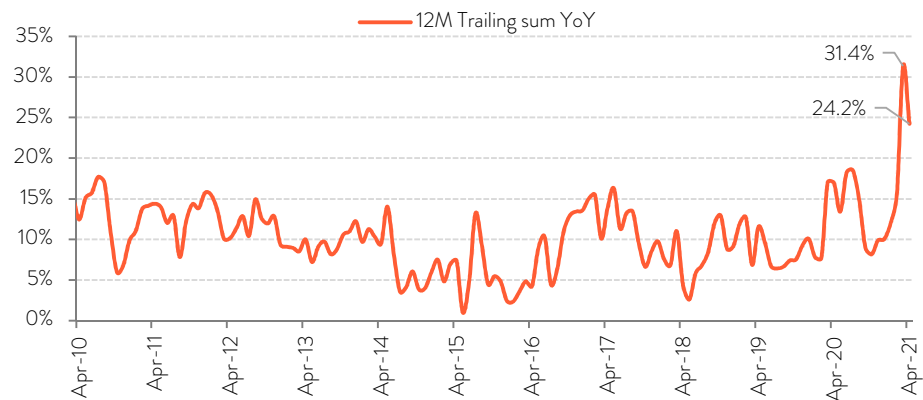


FIG 127 – CAPEX GAINING FURTHER PACE IN APR'21

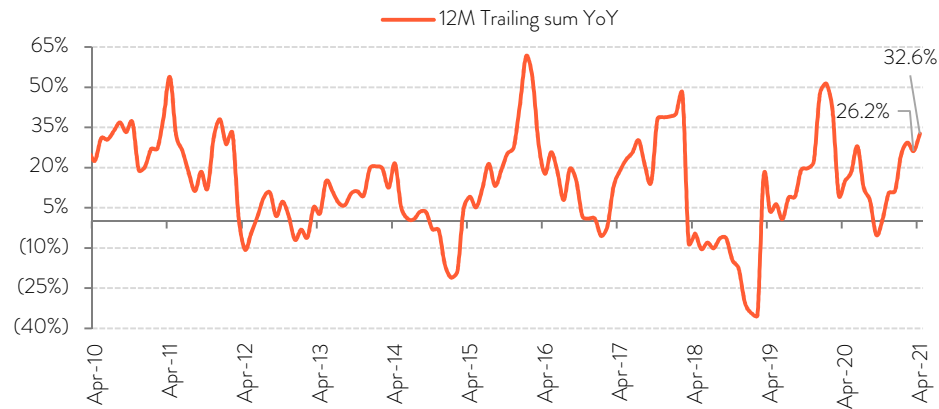


FIG 128 – BARRING MINSTRIES OF ROAD TRANSPORT, CONSUMER AFFAIR AND HOME AFFAIRS, SPENDING BY OTHERS CONTRACTED IN APR'21

Ministry	Apr'19 (Rs bn)	Apr'20 (Rs bn)	% change	Apr'21 (Rs bn)	% change
Ministry of Finance	416	727	74.8	651	(10.4)
Ministry of Defence	617	471	(23.8)	292	(38.1)
Ministry of Consumer Affairs, Food and Public Distribution	469	197	(58.0)	394	100.2
Ministry of Rural Development	168	381	127.0	44	(88.5)
Ministry of Home Affairs	138	140	2.0	176	25.7
Ministry of Human Resource Development	53	50	(6.5)	24	(51.2)
Ministry of Road Transport and Highways	1	72	5647.0	249	246.2
Ministry of Chemicals and Fertilisers	170	206	21.6	15	(92.6)
Ministry of Petroleum and Natural Gas	52	77	48.6	0	(99.9)
Ministry of Agriculture	66	257	290.2	52	(79.9)
Ministry of Health and Family Welfare	43	129	198.8	59	(54.3)

FIG 129 – RECEIPT GROWTH TURNED POSITIVE IN APR'21

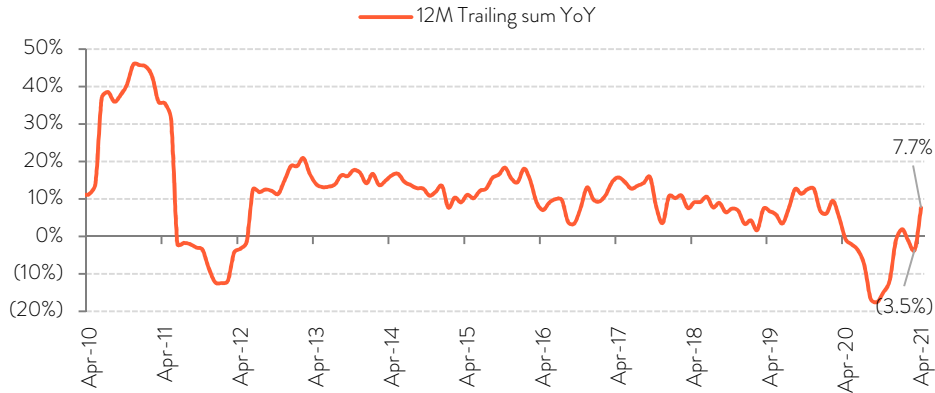


FIG 130 – ...AS REVENUE RECEIPTS CONTINUE TO INCH UP

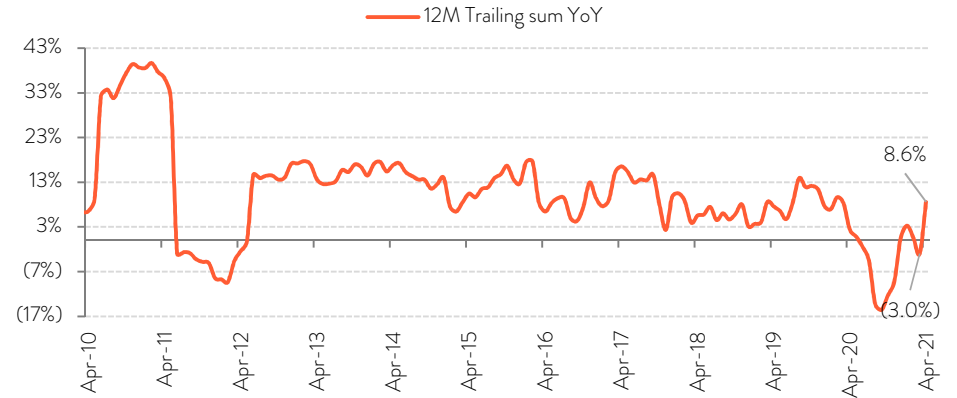


FIG 131 – TAX RECEIPTS LEAD THE TREND

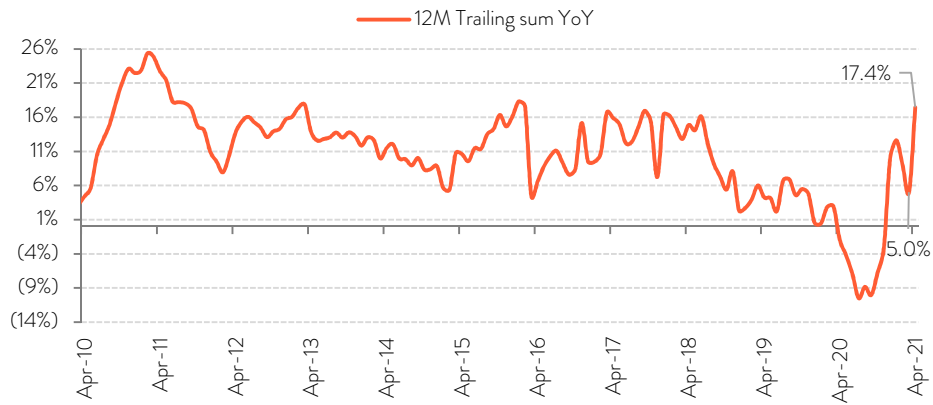


FIG 132 – NON-TAX REVENUES REMAIN SUBDUED

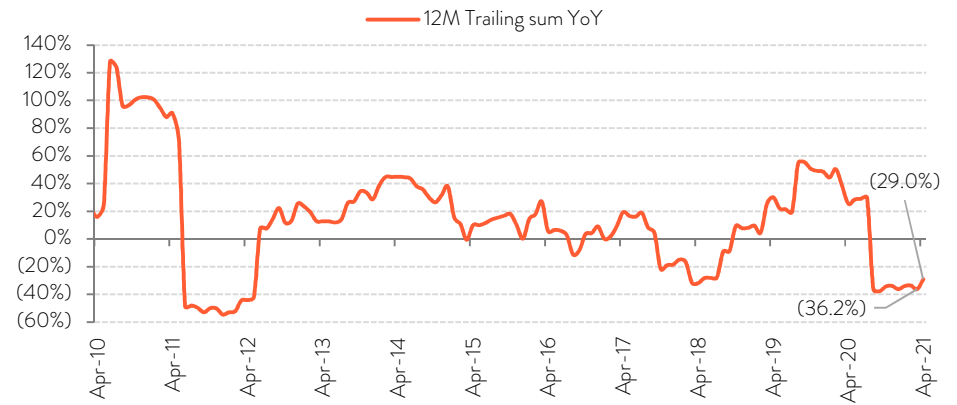


FIG 133 – CENTRE’S REVENUE SITUATION IN APR’21 MUCH BETTER THAN LAST YEAR; CAPEX ALSO IMPROVING

	Apr’19 (Rs bn)	Apr’20 (Rs bn)	% change	Apr’21 (Rs bn)	% change	FY22BE/FY21PA % change
Gross Tax revenue	1,212	676	(44.3)	1,701	151.8	9.5
Direct taxes	521	465	(10.8)	800	72.2	19.6
Corp Tax	124	195	57.7	324	65.9	19.6
Income Tax	397	270	(32.1)	477	76.7	19.6
Indirect taxes	691	211	(69.5)	901	327.6	2.6
Non-tax revenue	233	58	(75.2)	168	191.2	16.8
Centre’s revenue (net)	716	214	(70.1)	1,308	510.9	9.6
Total expenditure	2,547	3,071	20.6	2,267	(26.2)	(0.8)
Capital exp	306	283	(7.5)	471	66.5	30.5
Revenue exp	2,241	2,788	24.4	1,796	(35.6)	(5.1)
Fiscal deficit	1,570	2,795	-	787	-	-

FIG 134 – GROSS INDIRECT TAX COLLECTIONS PUSH TAX RECEIPTS FURTHER HIGHER

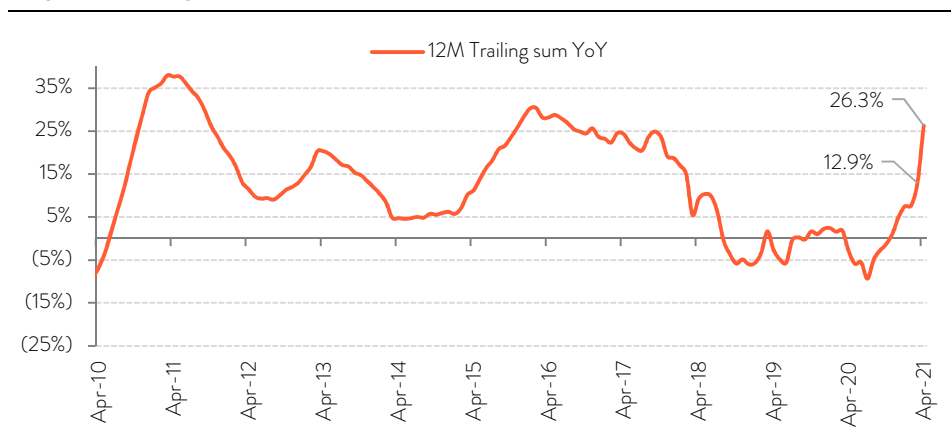


FIG 135 – GROSS DIRECT TAX COLLECTIONS REMAIN MUTED

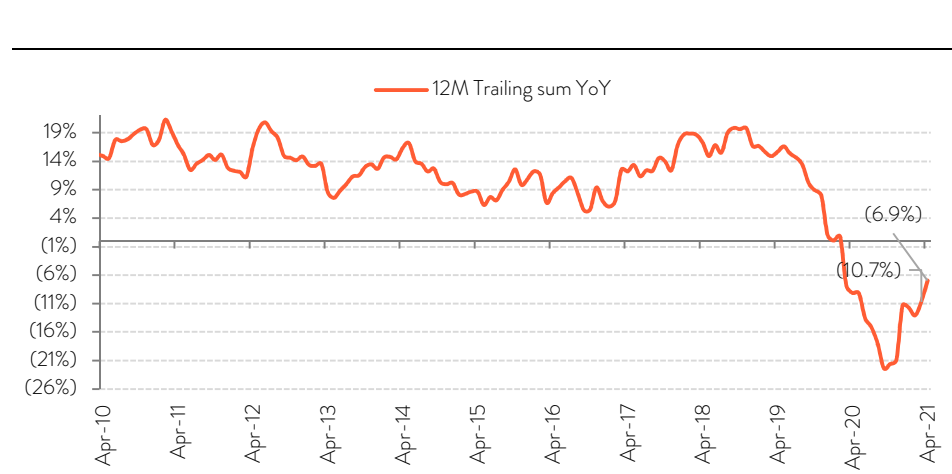


FIG 136 – CONTRACTION IN CORPORATE TAX COLLECTIONS BROADLY UNCHANGED IN APR'21

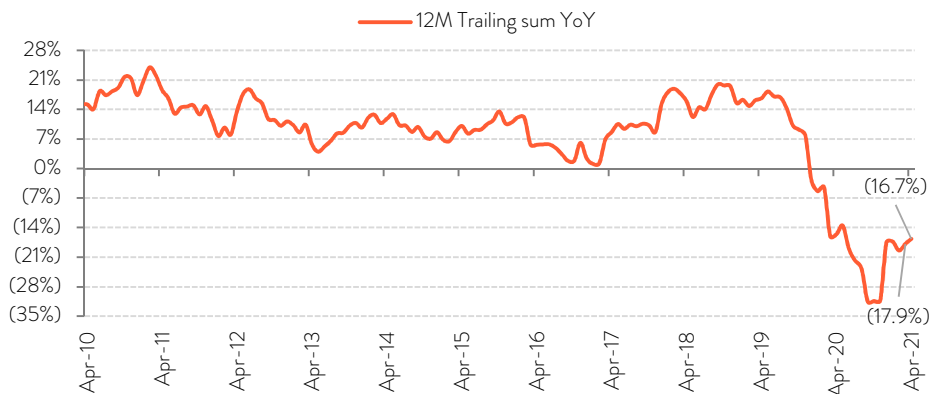


FIG 137 – INCOME TAX COLLECTIONS SHOWING IMPROVEMENT

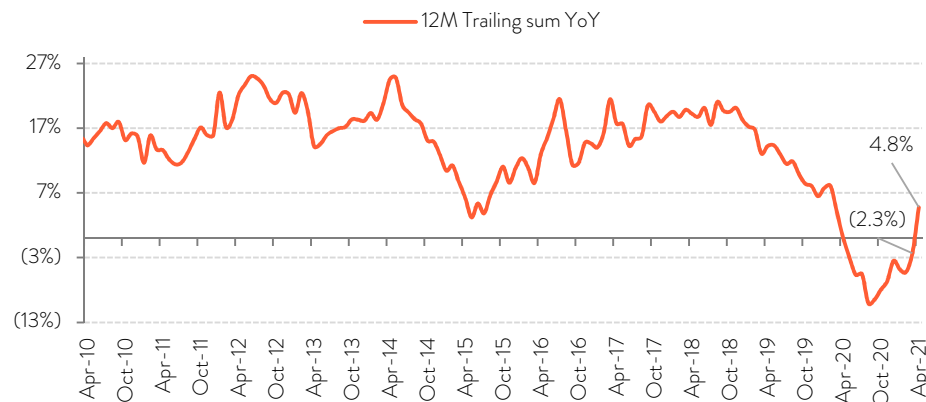


FIG 138 – CGST COLLECTIONS IN FY21 SURPASSED GOVERNMENT TARGET; TOTAL COLLECTIONS EASED IN APR'21 AS RESTRICTIONS WERE RE-IMPOSED

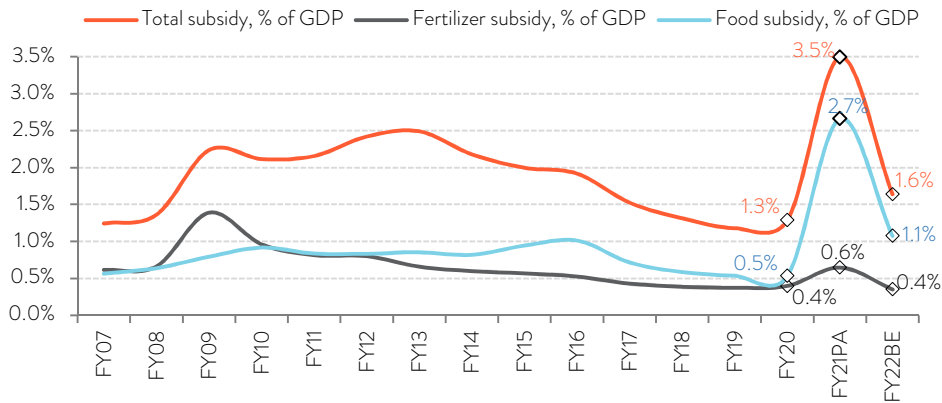
(Rs bn)	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	Monthly run rate (FY21)	FY21	FY21 (RE)
CGST	59	190	302	379	324	372	429	398	430	447	666	568	555	380	4,563	4,310
UT GST	0.3	1.1	1.5	2.2	1.9	2.4	1.4	1.3	1.4	3.2	4.1	3.2	1.6	2	24	-
IGST	97	96	97	(60)	52	(3)	2	76	124	68	(373)	(104)	48	6	73	-
SGST*	454	562	400	475	509	612	539	596	560	531	848	862	331	579	6,948	-
Cess	10	60	75	68	69	68	78	80	82	83	93	84	92	71	852	841
Total GST	622	909	874	864	955	1,052	1,050	1,152	1,198	1,131	1,239	1,414	1,027	1,038	12,460	-

Source: PIB | *Computed from PIB and CGA data

FIG 139 – CENTRAL GOVT. PUBLIC DEBT IN Q3FY21 ROSE TO MULTI-DECADE HIGH

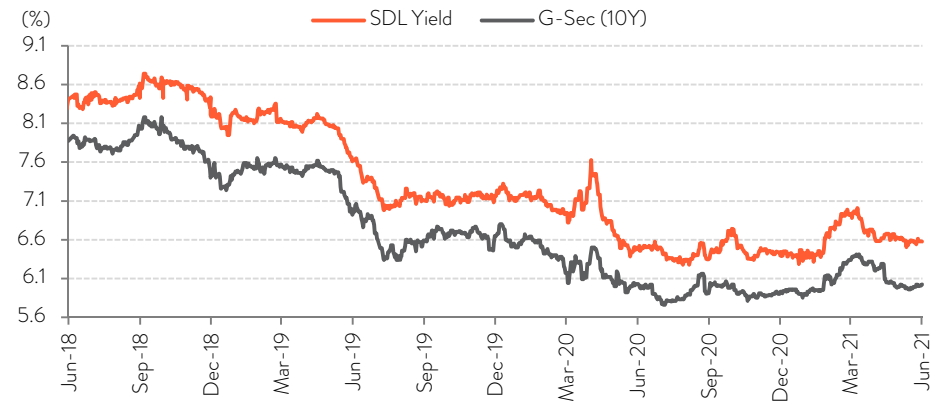


FIG 141 – SUBSIDY BURDEN INCREASED SIGNIFICANTLY IN FY21



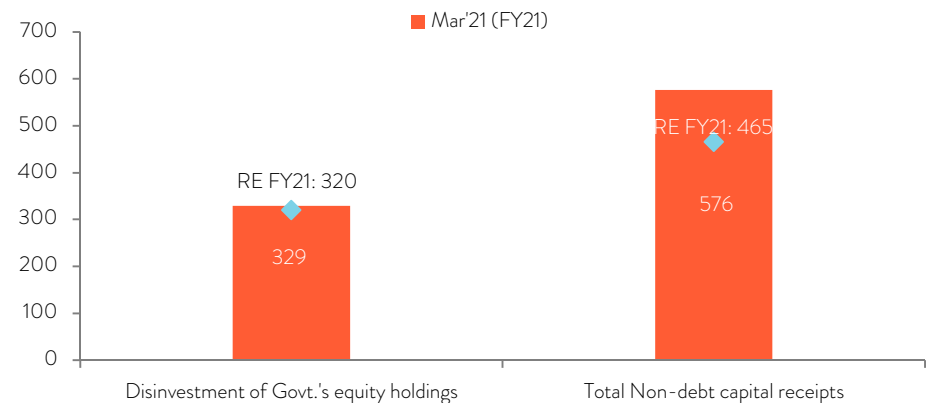
PA-Provisional Actual; BE-Budget Estimates

FIG 140 – GAP BETWEEN AVG. YIELD ON SDL AND 10Y G-SEC ROSE BY 14BPS IN MAY'21; BUT HAS BEGUN INCHING DOWN IN JUN'21



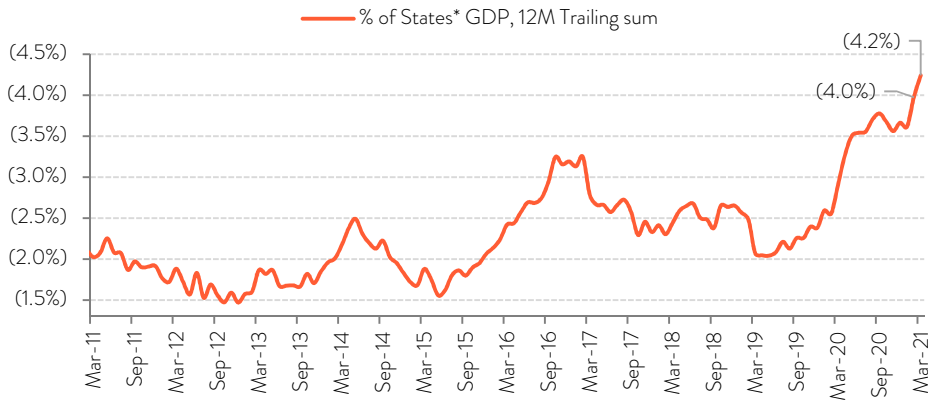
Source: CCIL

FIG 142 – CENTRAL GOVT.'S FY21 DISINVESTMENT SURPASSES REVISED BUDGETARY TRAGETS



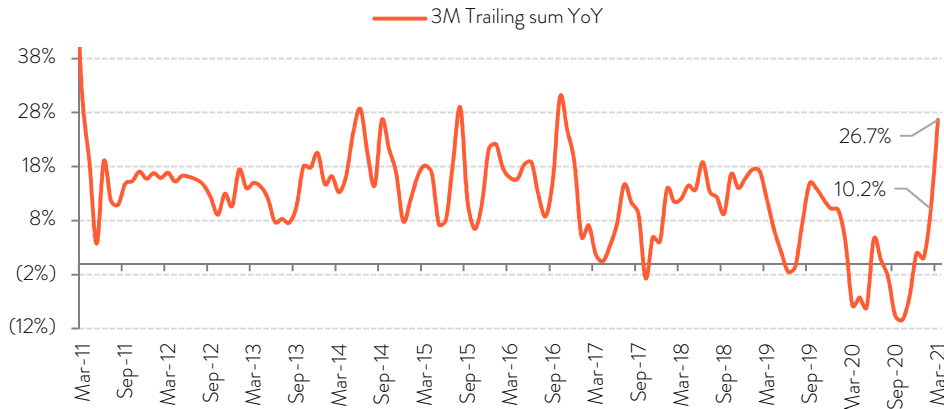
State government finances

FIG 143 – STATES* FISCAL DEFICIT AT 4.2% IN MAR'21



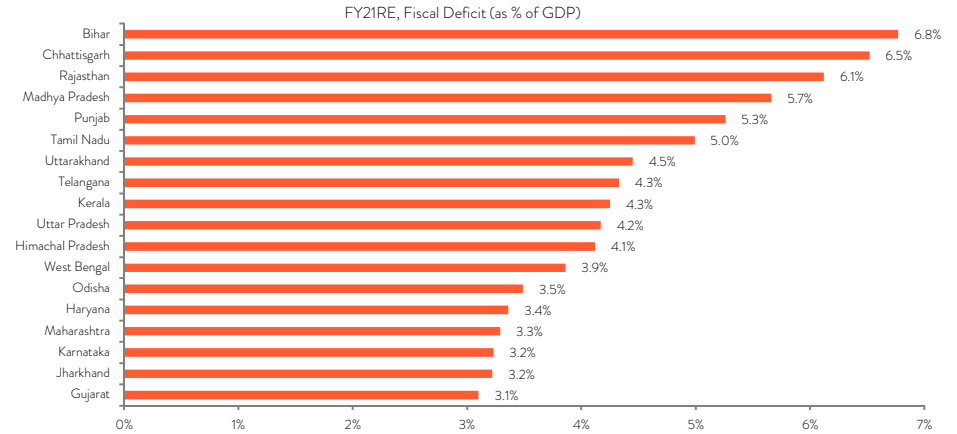
Note: *All states excluding N.E states, Bihar, Goa, Himachal Pradesh, J&K, and W.Bengal

FIG 145 – TOTAL EXPENDITURE OF STATES* JUMPED IN MAR'21



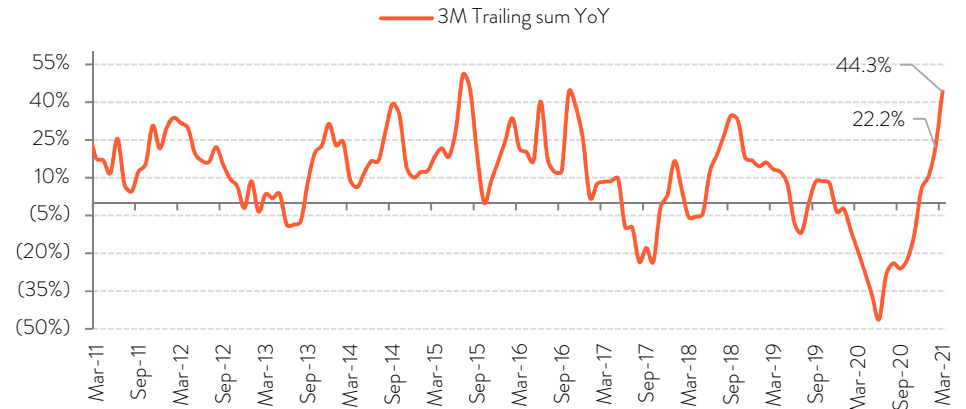
Note: *All states excluding N.E states, Bihar, Goa, Himachal Pradesh, J&K, and W.Bengal

FIG 144 – BIHAR AND CHHATTISGARH REPORT HIGH DEFICIT IN FY21 (RE)



Source: Budget documents

FIG 146 – ...AS CAPITAL SPENDING BY STATES* ROSE SIGNIFICANTLY



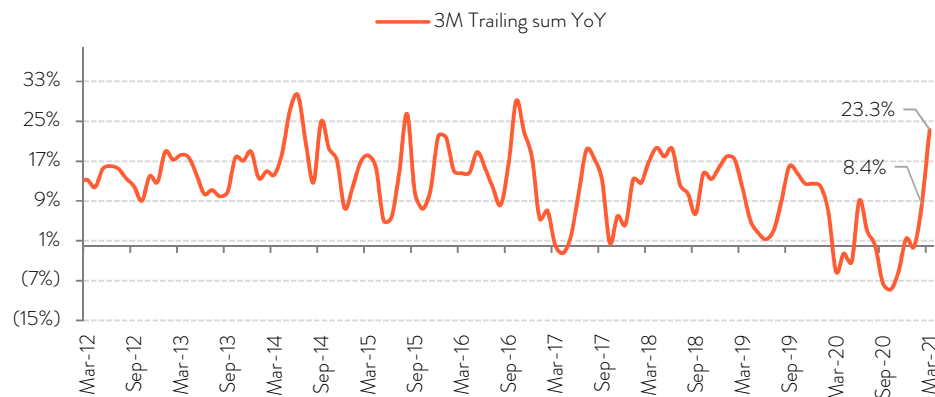
Note: *All states excluding N.E states, Bihar, Goa, Himachal Pradesh, J&K, and W.Bengal

FIG 147 – STATE* GOVT. RECEIPTS SUPPORTED BY GRANT IN AID FROM CENTRE; EXPENDITURE GROWTH WAS UP SLIGHTLY IN FY21 VERSUS FY20

	Apr'18-Mar'19 (Rs bn)	Apr'19-Mar'20 (Rs bn)	% change	Apr'20-Mar'21 (Rs bn)	% change
Total Receipts	23,578	24,616	4.4	26,113	6.1
Revenue Receipts	19,776	19,657	(0.6)	19,362	(1.5)
Receipts: Tax Revenue	15,078	14,724	(2.3)	13,946	(5.3)
Receipts: Non-Tax Revenue	1,696	1,457	(14.1)	1,338	(8.1)
Receipts: Grant in aid & contribution	2,814	3,477	23.5	7,424	113.5
Capital Receipts	4,077	4,958	21.6	6,751	36.2
Total Expenditure	23,471	24,162	2.9	25,818	6.9
Revenue Expenditure	20,028	21,096	5.3	22,562	6.9
Capital Expenditure	3,426	3,137	(8.4)	3,256	3.8
Revenue Surplus or Deficit	(371)	(1,609)	-	(3,446)	-
Fiscal Surplus or Deficit	(3,166)	(4,887)	-	(6,924)	-

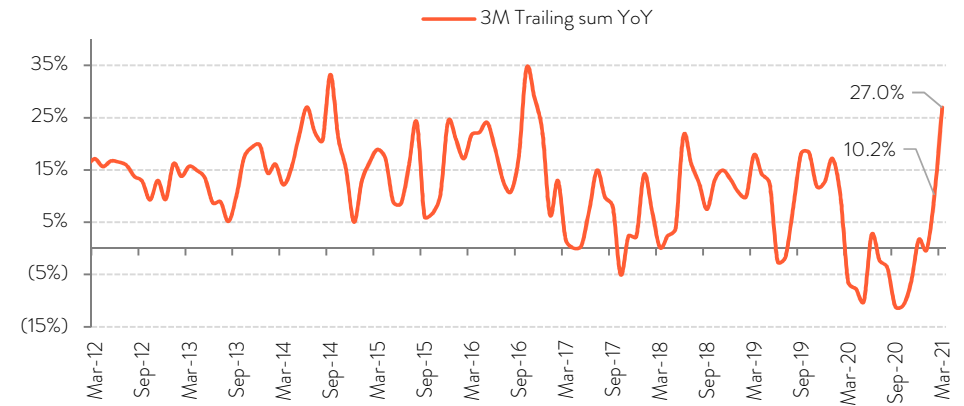
Note: *All states excluding N.E states, Bihar, Goa, Himachal Pradesh, J&K, and W.Bengal

FIG 148 – REVENUE SPENDING OF STATES* ALSO PICKED UP IN MAR'21



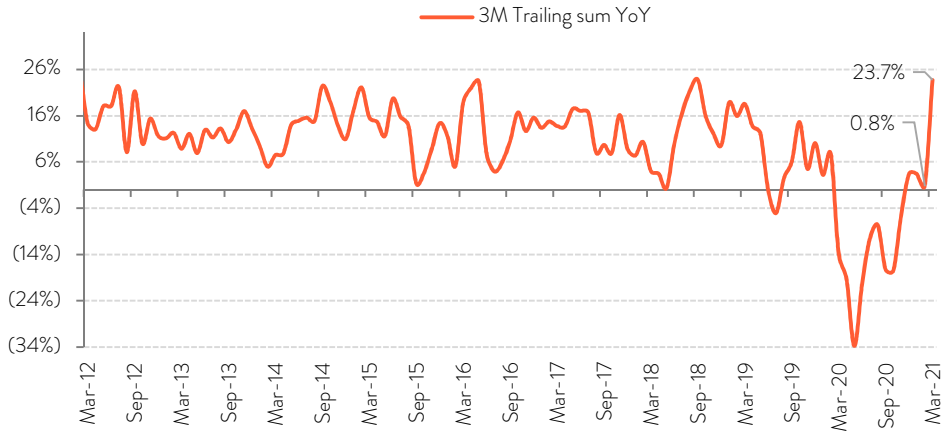
Note: *All states excluding N.E states, Bihar, Goa, Himachal Pradesh, J&K, and W.Bengal

FIG 149 – TOTAL RECEIPT OF STATES* GOT A BOOST IN Q4FY21



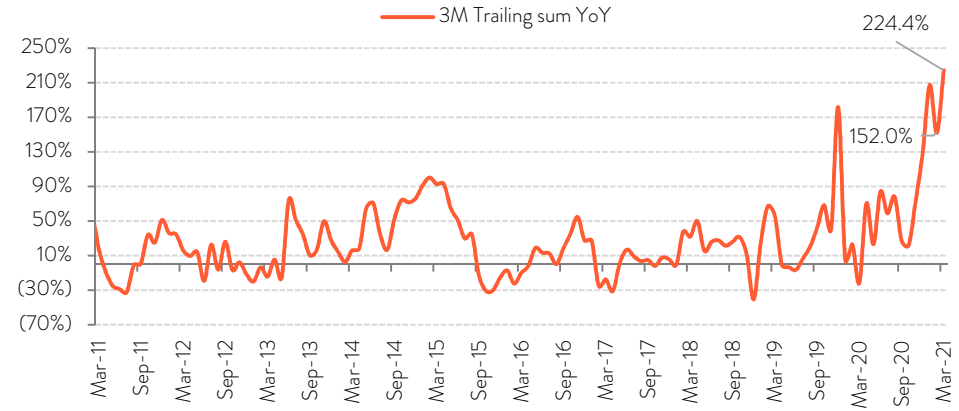
Note: *All states excluding N.E states, Bihar, Goa, Himachal Pradesh, J&K, and W.Bengal

FIG 150 – ...AS REVENUE RECEIPTS OF STATES* PICKED UP



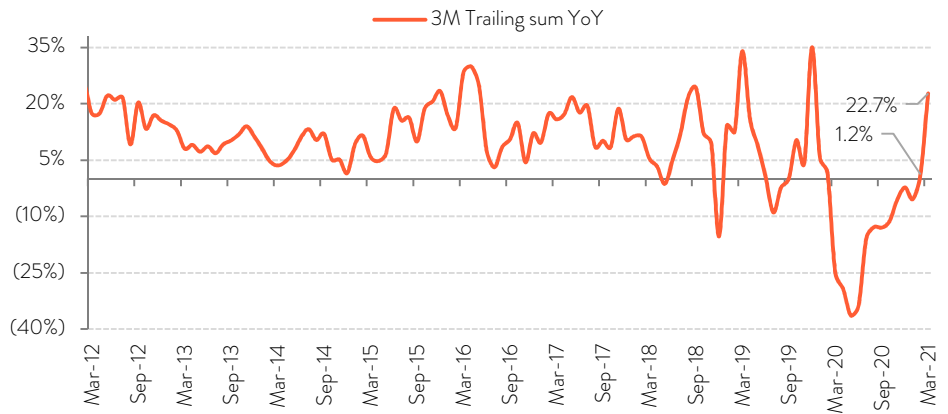
Note: *All states excluding N.E states, Bihar, Goa, Himachal Pradesh, J&K, and W.Bengal

FIG 151 – GRANT-IN AID FROM CENTRE TO STATES* ROSE THE MOST



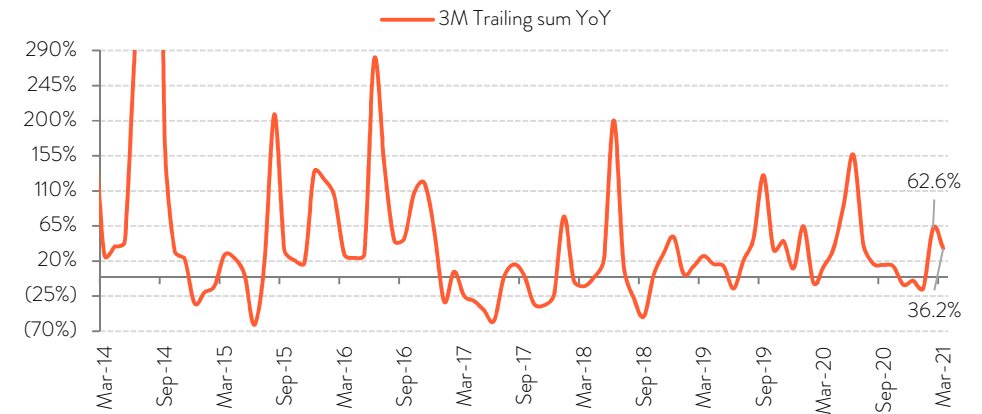
Note: *All states excluding N.E states, Bihar, Goa, Himachal Pradesh, J&K, and W.Bengal

FIG 152 – TAX REVENUE OF STATES* ALSO IMPROVED



Note: *All states excluding N.E states, Bihar, Goa, Himachal Pradesh, J&K, and W.Bengal

FIG 153 – AS A RESULT CAPITAL RECEIPTS OF STATES* FELL IN Q4



Note: *All states excluding N.E states, Bihar, Goa, Himachal Pradesh, J&K, and W.Bengal

Central government borrowing

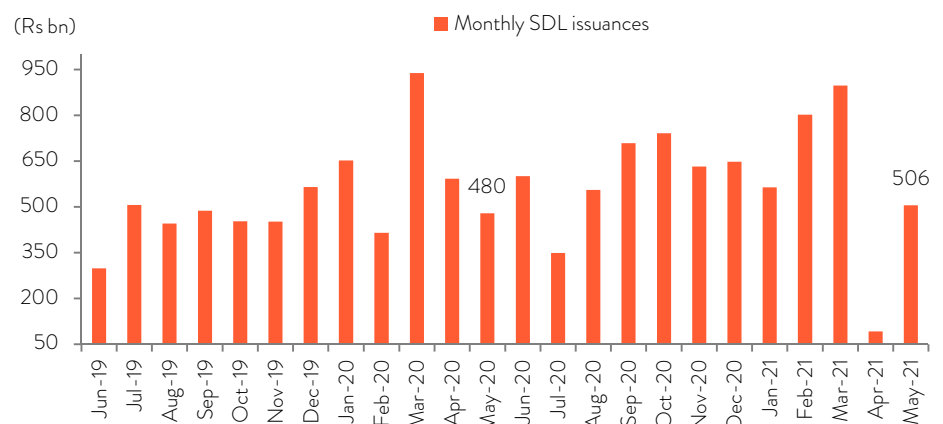
FIG 154 – CENTRE’S T-BILL ISSUANCES AT RS 3.7TN IN Q1*

Total accepted amount (G-Sec), (Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY22 (planned)
Q1	2,613	2,797	2,888	3,089	3,364	5,328	3,741*	4,680
Q2	2,667	2,584	3,186	3,299	3,024	5,417	-	-
Q3	2,645	2,747	2,632	3,070	2,889	3,745	-	-
Q4	2,104	1,684	2,486	1,812	2,511	2,714	-	-
Total	10,029	9,811	11,192	11,271	11,788	17,204		

Source: RBI, *till 2 Jun 2021

State government borrowing

FIG 156 – STATE GOVERNMENT BORROWINGS BEGIN RISING IN MAY'21



Source: RBI

FIG 155 – CENTRE’S GROSS BORROWING IN Q1* STANDS AT RS 1,797BN

Total accepted amount (G-Sec), (Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY22 (planned)
Q1	1,740	1,500	1,680	1,320	2,040	3,140	1,797*	3,800
Q2	1,630	1,910	1,890	1,440	2,210	4,220		3,440
Q3	1,640	1,610	1,640	1,270	1,930	2,910		2,408
Q4	840	800	670	1,680	920	3,191		2,408
Total	5,850	5,820	5,880	5,710	7,100	13,461^		12,055

Source: RBI^ Against budgeted Rs 12.8tn, *till 3 Jun 2021

FIG 157 – MARKET BORROWINGS OF STATES OFF TO A SLOW START IN Q1

Quarterly SDL issuances, (Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21	FYTD22 (actual)	FY22 (planned)
Q1	502	548	650	766	815	1,673	893*	1,783
Q2	627	792	1,130	809	1,439	1,614		
Q3	858	1,214	1,054	1,277	1,470	2,023		
Q4	959	1,322	1,348	1,809	2,006	2,448		
Total	2,946	3,876	4,182	4,661	5,731	7,757		

Source: RBI; * as of 8 Jun 2021

External sector

Exports

FIG 158 – GLOBAL EXPORTS SHOWING A STEADY INCREASE

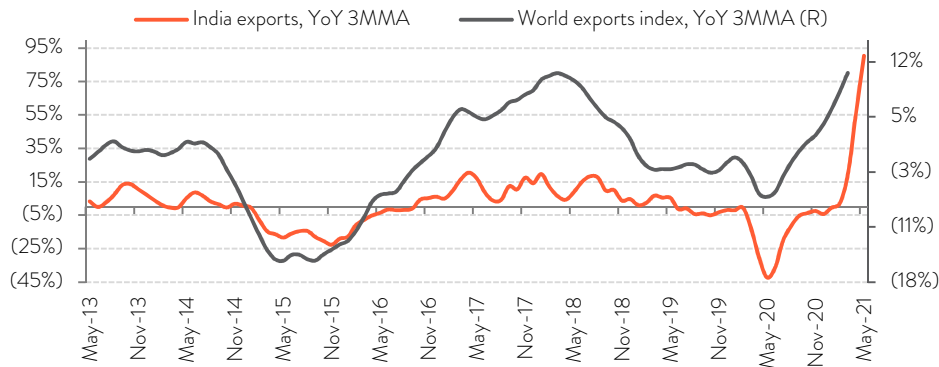
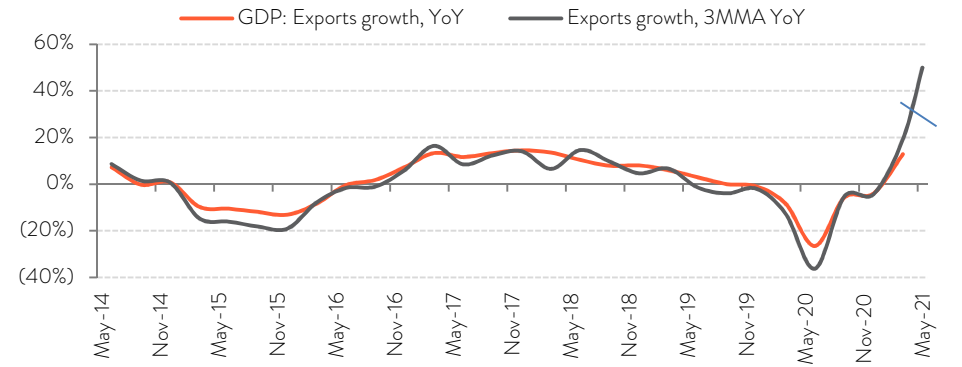


FIG 159 – INDIA'S EXPORTS CONTINUE TO PERFORM WELL EVEN IN MAY'21



Note: Figure for May'21 is average YoY growth for Apr-May'21

Exports by major sectors

FIG 160 – LED BY OIL EXPORTS

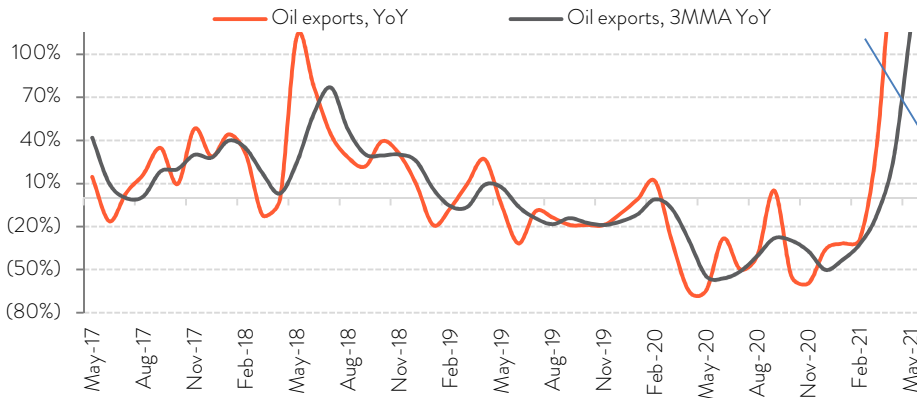


FIG 161 – NON-OIL EXPORTS DIP

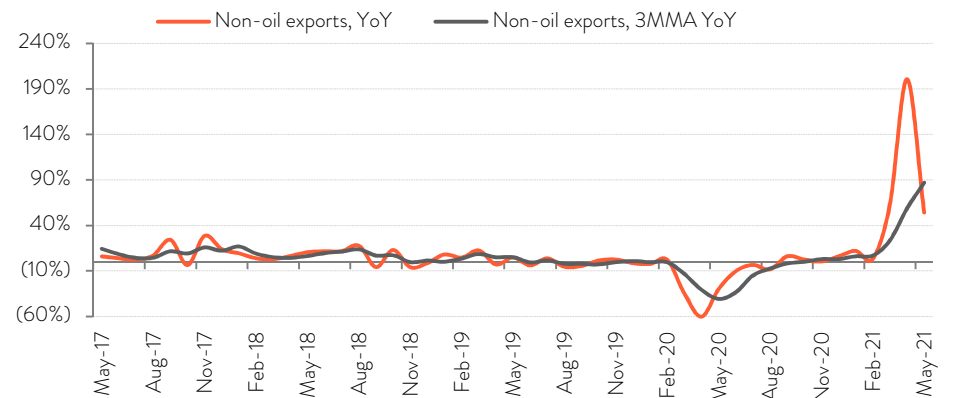


FIG 162 – .. EXPORTS OF ENGINEERING GOODS MODERATES

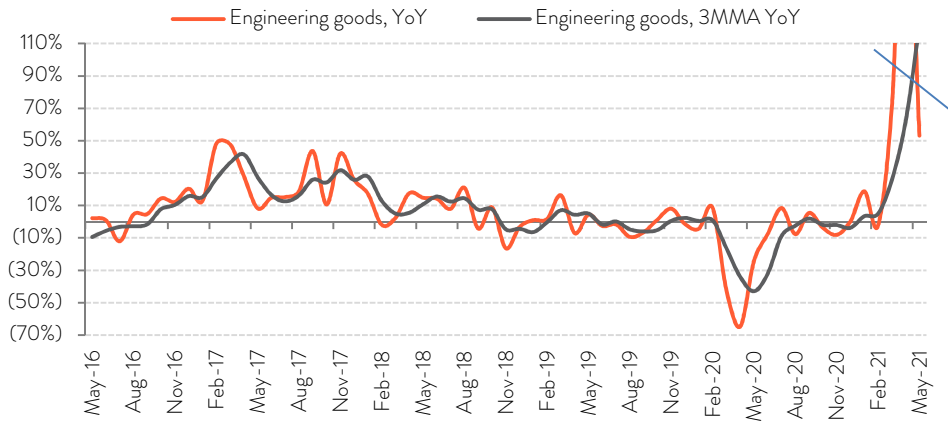
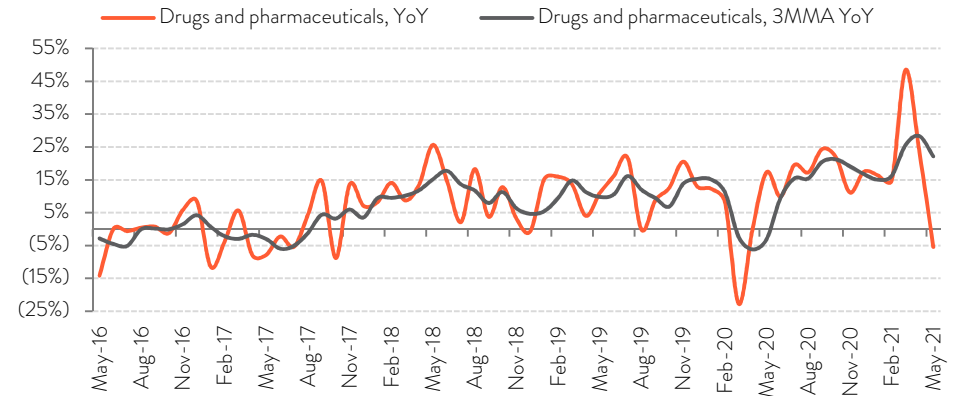
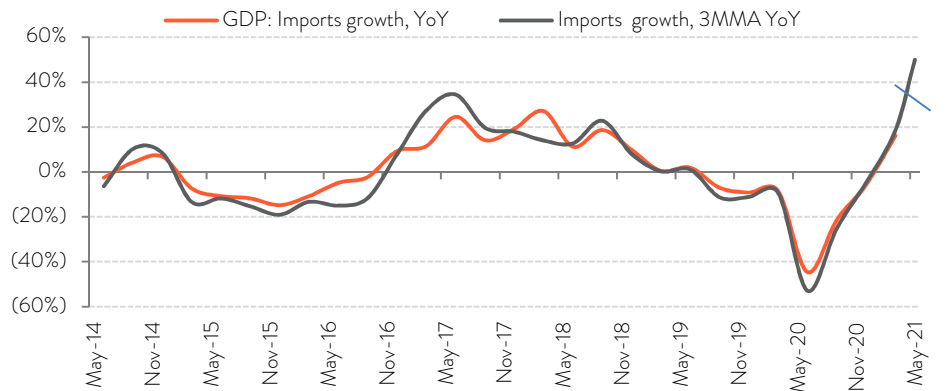


FIG 163 – SIMILAR TREND IN EXPORTS OF DRUGS AND PHARMA



Imports

FIG 164 – IMPORT GROWTH PICKED UP IN MAY'21



Note: Figure for May'21 is average YoY growth for Apr-May'21

FIG 165 – LED BY A SHARP PICKUP IN OIL IMPORTS

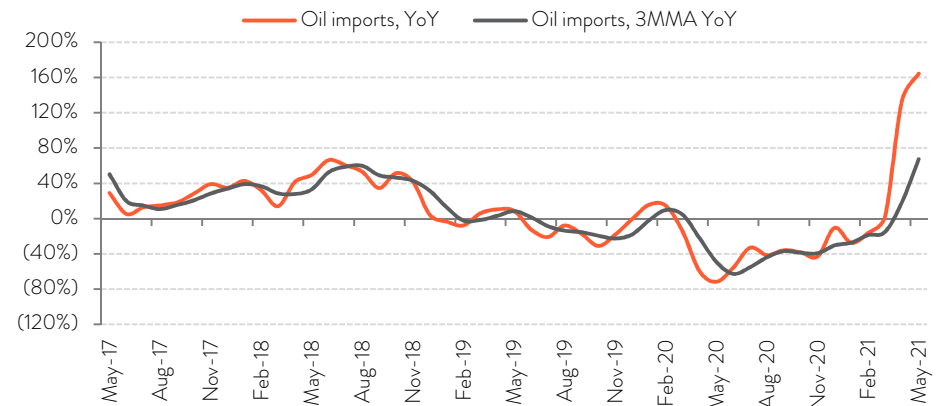


FIG 166 – IMPORT OF PEARLS AND PRECIOUS METALS CONTIUES TO REMAIN ELEVATED

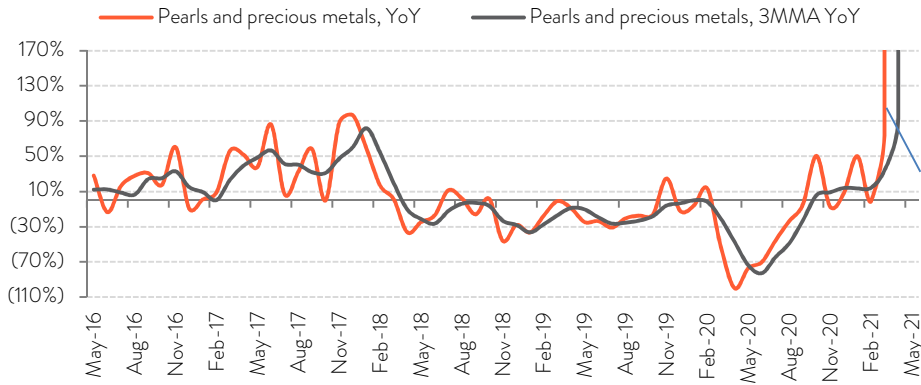


FIG 167 – IMPORT OF TRANSPORT EQUIPMENTS FALLS SHARPLY

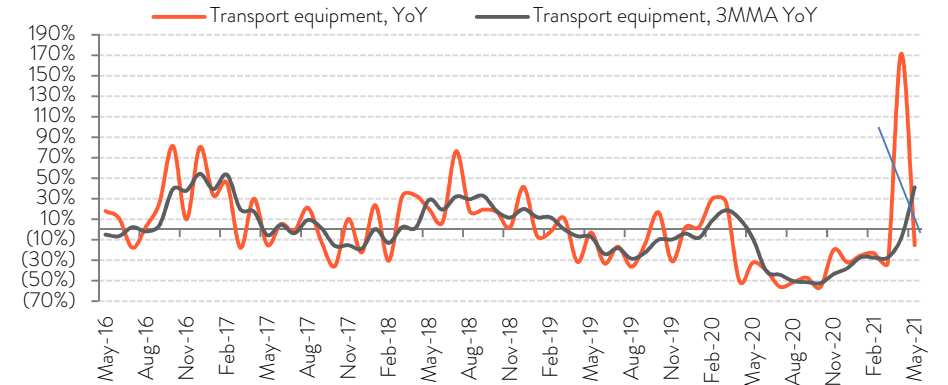


FIG 168 – DIP IN IMPORTS OF IRON AND STEEL

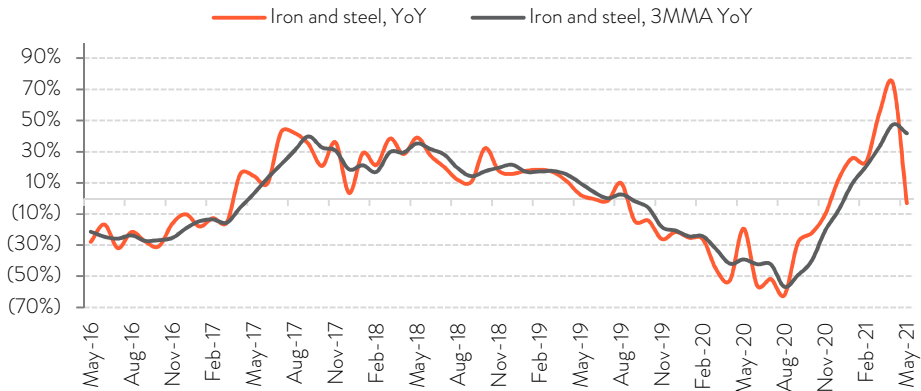
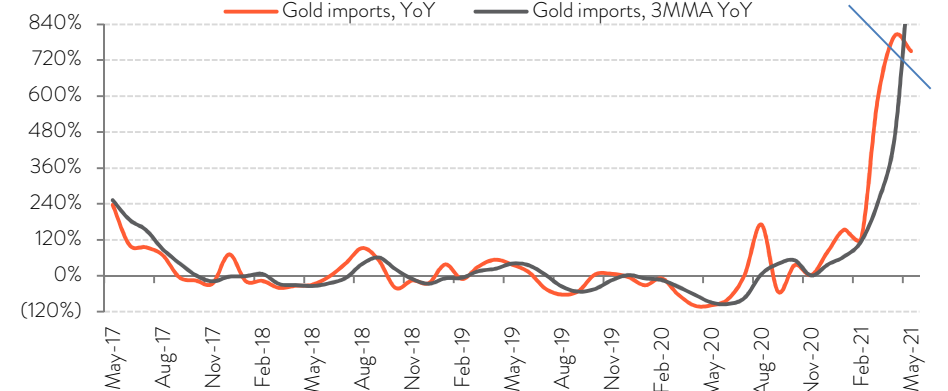


FIG 169 – GOLD IMPORTS DECLINE



Exports and imports by major regions

FIG 170 – EXPORTS TO CHINA HAVE REMAINED BUOYANT IN FY21

Region (% YoY)	Share in FY21	FY17	FY18	FY19	FY20	FY21
Americas	23.7	4.1	14.3	9.7	1.1	(2.7)
Asia and Pacific (Ex. China)	27.3	12.5	12.8	4.7	(14.3)	(0.9)
China	7.4	12.9	31.1	25.6	(0.8)	27.5
Europe	19.2	5.8	13.1	6.7	(5.9)	(8.9)
Middle East and Africa	22.0	(2.4)	0.7	10.4	(1.0)	(21.2)
Other	0.4	(0.6)	(26.4)	28.8	(8.0)	(65.0)

FIG 171 – IMPORTS FROM ALL REGIONS HAVE HOWEVER DECLINED

Region (% YoY)	Share in FY21	FY17	FY18	FY19	FY20	FY21
Americas	12.8	1.5	20.0	16.4	(6.3)	(23.4)
Asia and Pacific (Ex. China)	25.0	4.8	20.4	21.0	(8.5)	(13.8)
China	13.8	(0.7)	24.6	(7.9)	(7.2)	(0.1)
Europe	15.0	(4.9)	13.7	13.5	(9.9)	(10.4)
Middle East and Africa	30.8	1.4	22.7	19.4	(8.6)	(27.8)
Other	2.6	4.5	32.0	(56.8)	27.0	(24.0)

Trade deficit

FIG 172 – TRADE DEFICIT NARROWS TO AN 8-MONTH LOW OF US\$ 6.3BN IN MAY'21

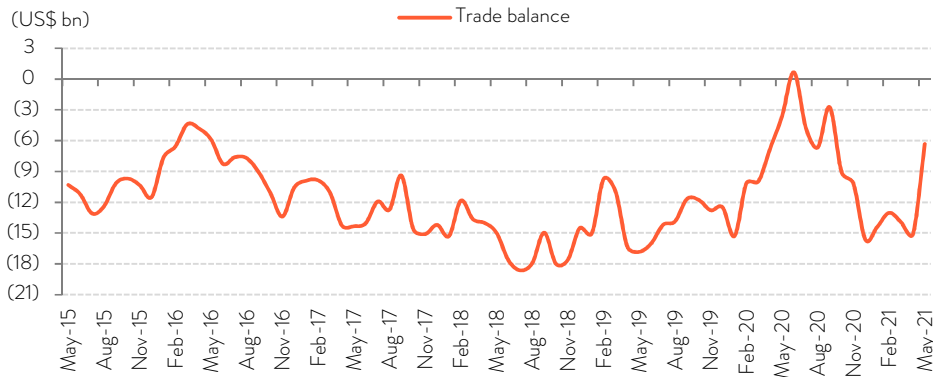
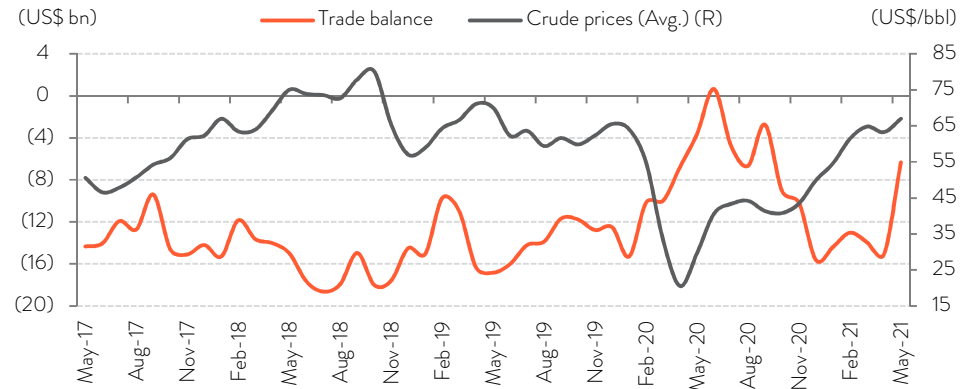
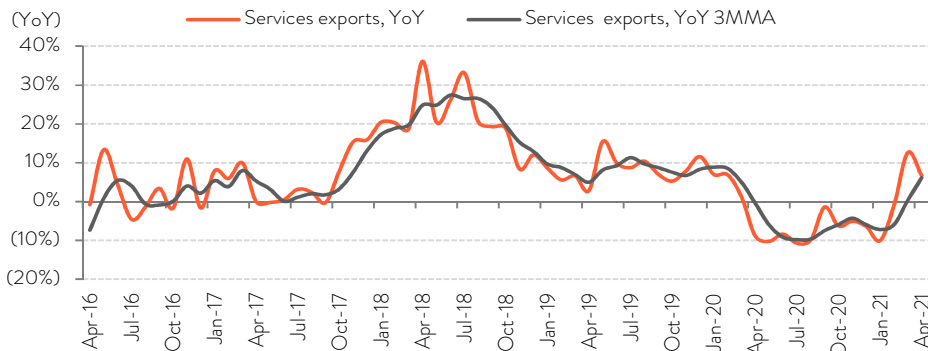


FIG 173 – EVEN AS OIL PRICES INCREASED



Trade in services

FIG 174 – GROWTH IN SERVICES EXPORTS MODERATES TO 6.7% IN APR'21 FROM 12.6% IN MAR'21



BoP

FIG 175 – CURRENT ACCOUNT MOVED INTO DEFICIT IN Q3FY21

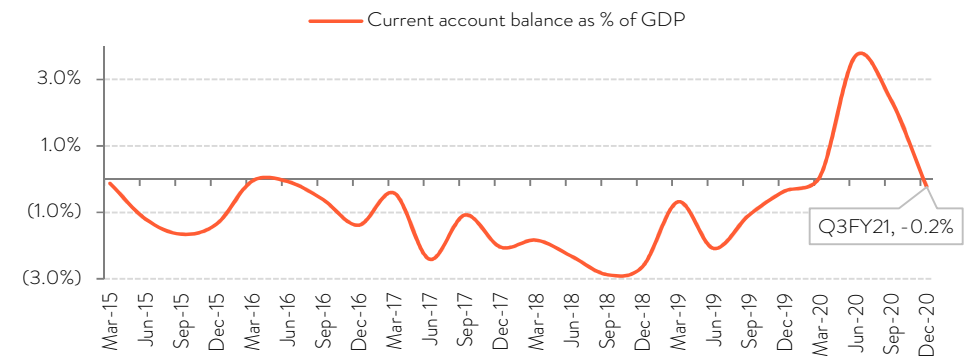


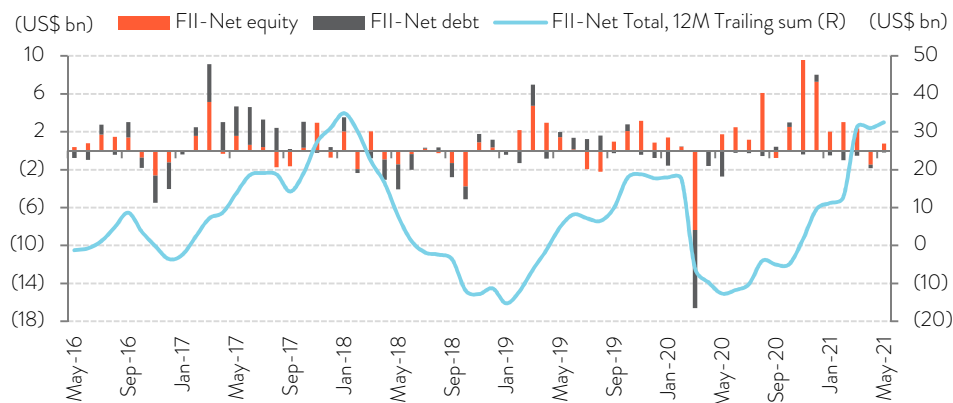
FIG 176 – LED BY HIGHER TRADE DEFICIT

(US\$ bn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
Current account	(2.6)	0.6	19.0	15.1	(1.7)
CAD/GDP (%)	(0.4)	0.1	3.7	2.4	(0.2)
Trade balance	(36.0)	(35.0)	(10.8)	(14.8)	(34.5)
- Merchandise exports	81.2	76.5	52.4	75.6	77.2
- Merchandise imports	117.3	111.6	63.2	90.4	111.8
- Net Services	21.9	22.0	20.5	21.2	23.6
- -Software	21.5	21.1	20.8	22.0	23.4
Transfers	18.9	18.4	17.0	18.4	19.3
Other invisibles	(7.4)	(4.8)	(7.6)	(9.4)	(10.1)
Capital account	23.6	17.4	1.3	16.1	33.5
% of GDP	3.3	2.4	0.3	2.5	4.5
Foreign investments	17.6	(1.8)	(0.2)	31.6	38.2
- FDI	9.7	12.0	(0.8)	24.6	17.0
- FII	7.8	(13.7)	0.6	7.0	21.2
Banking capital	(2.3)	(4.6)	2.2	(11.3)	(7.6)
Short-term credit	(1.4)	(1.0)	(0.2)	(1.8)	0.2
ECBs	3.2	10.3	(1.2)	(3.9)	(1.2)
External assistance	1.3	0.6	4.1	1.9	1.2
Other capital account items	5.2	13.8	(3.5)	(0.4)	2.8
E&O	0.6	0.9	(0.4)	0.4	0.7
Overall balance	21.6	18.8	19.9	31.6	32.5

Foreign inflows

FII inflows

FIG 177 – FII INFLOWS AT US\$ 561MN IN MAY'21 COMPARED WITH OUTFLOWS OF US\$ 1.9BN IN APR'21



Source: Bloomberg

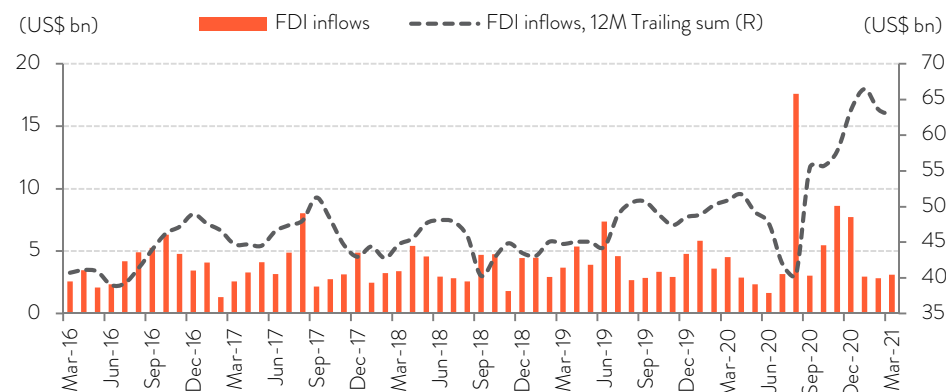
FIG 179 – FDI INFLOWS IN COMPUTER, SOFTWARE REMAINED BUOYANT IN FY21

Sector (US\$ bn)	% Share FY21	FY17	FY18	FY19	FY20	FY21
Computer software and hardware	25.8	3.7	6.2	6.4	7.7	26.1
Services Sector	5.0	8.7	6.7	9.2	7.9	5.1
Trading	2.6	2.3	4.3	4.5	4.6	2.6
Automobile industry	1.6	1.6	2.1	2.6	2.8	1.6
Telecommunications	0.4	5.6	6.2	2.7	4.4	0.4

Source: DIPP

FDI inflows

FIG 178 – FDI INFLOWS FALL TO US\$ 8.9BN IN Q4FY21 VERSUS US\$ 21.8BN IN Q3FY21



Source: RBI, Bank of Baroda Research

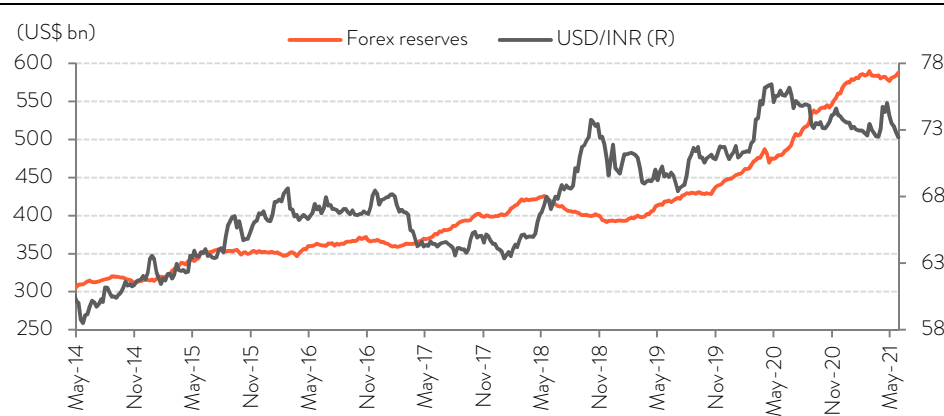
FIG 180 – FDI INFLOWS FROM SINGAPORE ACCELERATE THE MOST IN FY21

Country (US\$ bn)	% Share in FY21	FY17	FY18	FY19	FY20	FY21
Singapore	29.2	8.7	12.2	16.2	14.7	17.4
Mauritius	9.5	15.7	15.9	8.1	8.2	5.6
Netherlands	4.7	3.4	2.8	3.9	6.5	2.8
UK	3.4	1.5	0.8	1.4	1.4	2.0
Japan	3.3	4.7	1.6	3.0	3.2	1.9

Source: DIPP

Forex reserves and external debt

FIG 181 – INDIA’S FX RESERVES AT HISTORIC HIGH IN MAY’21



Source: Bloomberg | Weekly data as of 28 May 2021

FIG 183 – RBI PURCHASED US\$ 68.3BN IN THE SPOT MARKET IN FY21

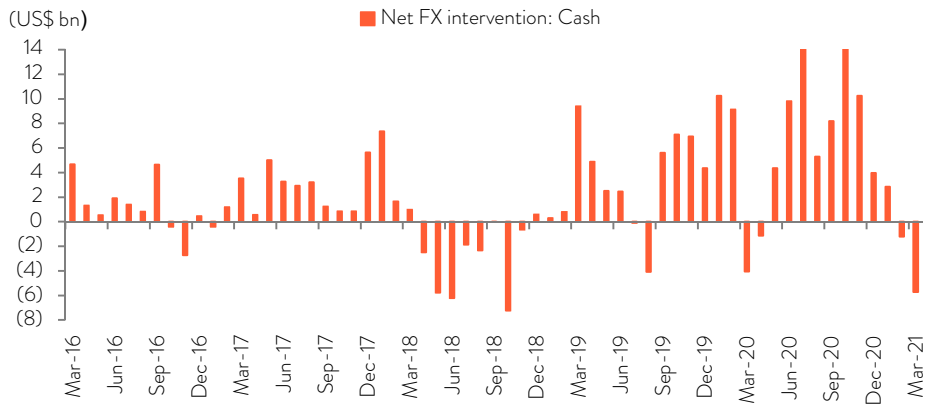


FIG 182 – IMPORT COVER DIPS IN APR’21 BUT REMAINS ABOVE LONG-TERM AVERAGE

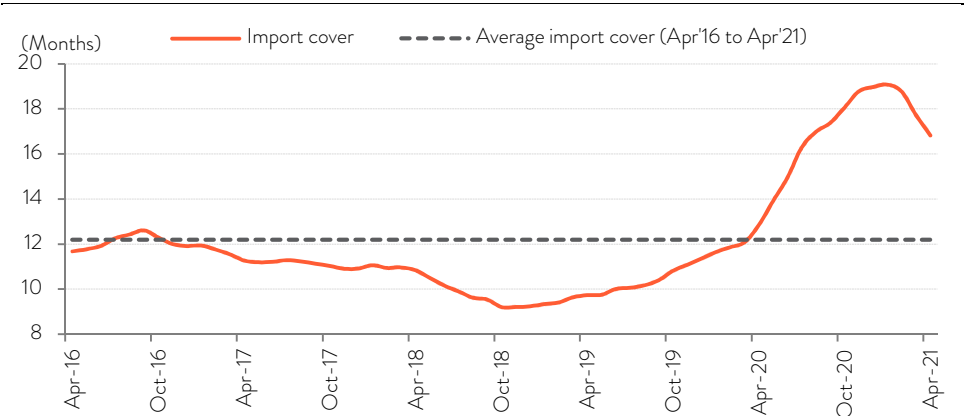
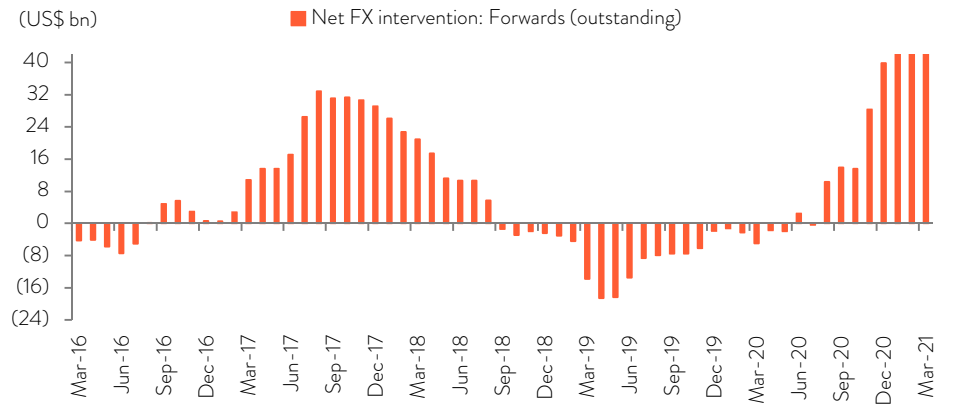


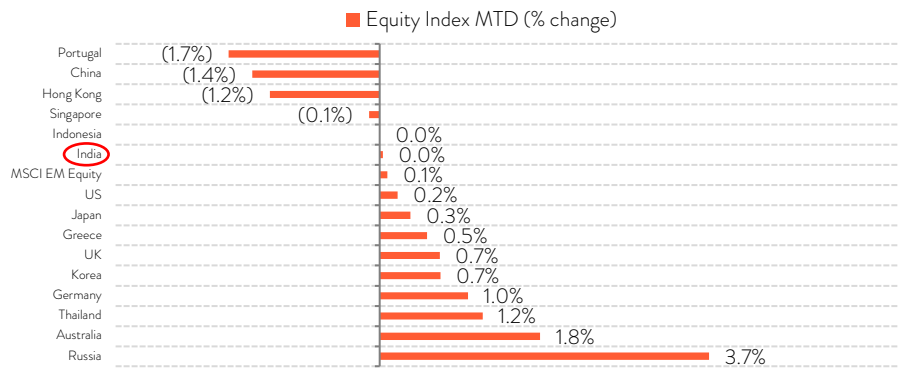
FIG 184 – IN FORWARDS MARKET, RBI BOUGHT US\$ 77.7BN IN FY21, OUTSTANDING POSITION AT US\$ 72.8BN



Markets

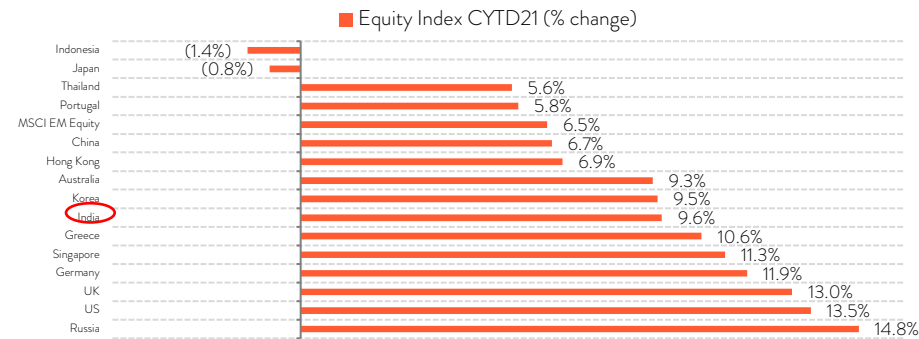
Equity

FIG 185 – IN JUN'21, SENSEX WAS FLAT



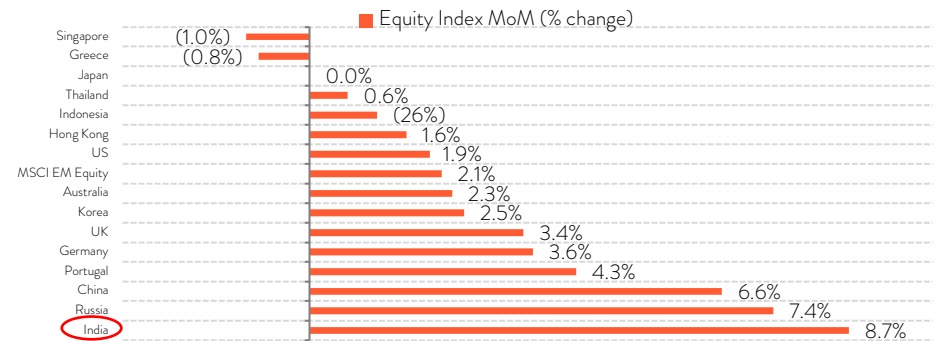
Source: Bloomberg | * As on 8 Jun 2021, Indices are in US\$ terms

FIG 187 – IN CYTD21, SENSEX ROSE BY 9.6%



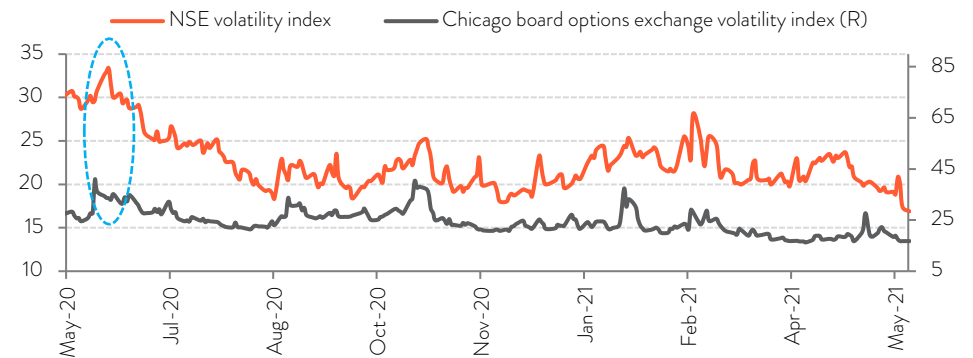
Source: Bloomberg | * As on 31 May 2021, Indices are in US\$ terms

FIG 186 – IN MAY'21 SENSEX ROSE THE MOST BY 8.7%, WHILE MSCI EM ROSE BY 2.1%



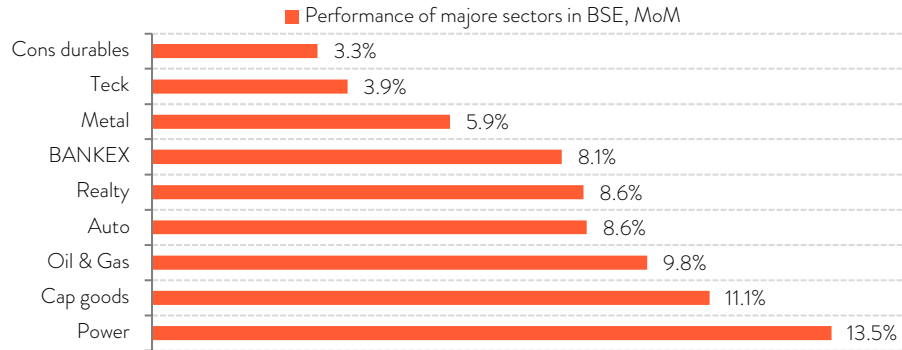
Source: Bloomberg | * As on 31 May 2021, Indices are in US\$ terms

FIG 188 – VIX INDEX FELL TO 16.9 IN MAY'21 FROM 23 IN APR'21



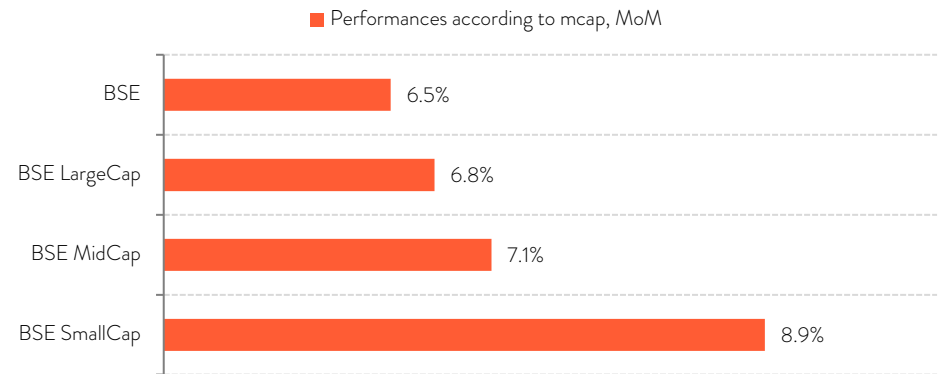
Source: Bloomberg

FIG 189 – POWER AND CAPITAL GOODS STOCKS ROSE THE MOST



Source: Bloomberg | As on 31 May 2021

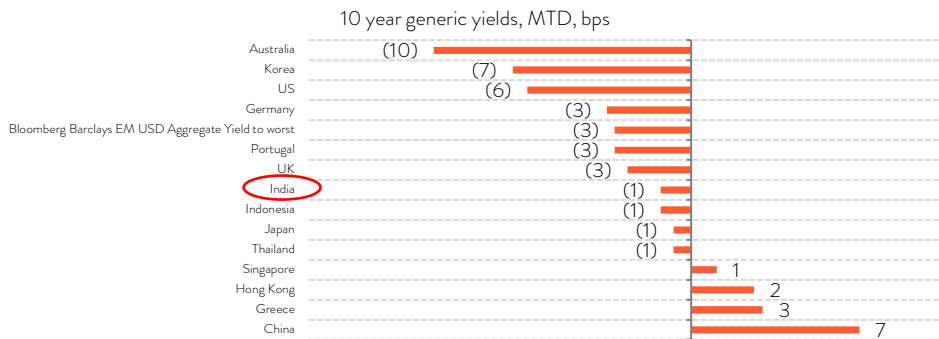
FIG 190 – SMALL CAPS ROSE THE MOST



Source: Bloomberg | As on 31 May 2021

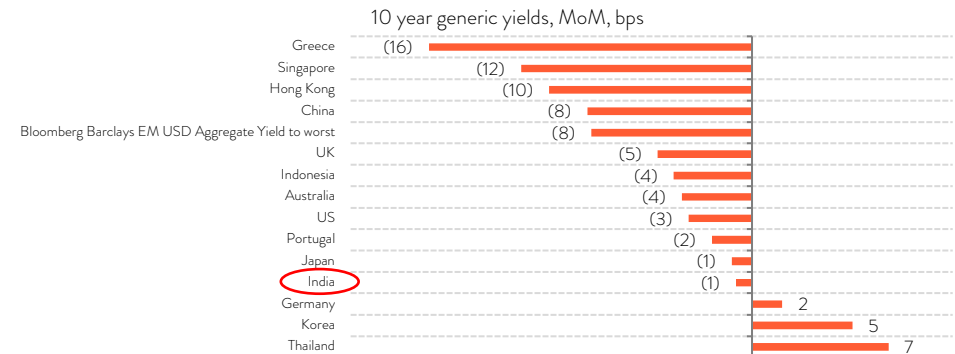
10 year bond yields

FIG 191 – IN JUN'21, INDIA'S 10Y YIELD FELL BY 1BPS



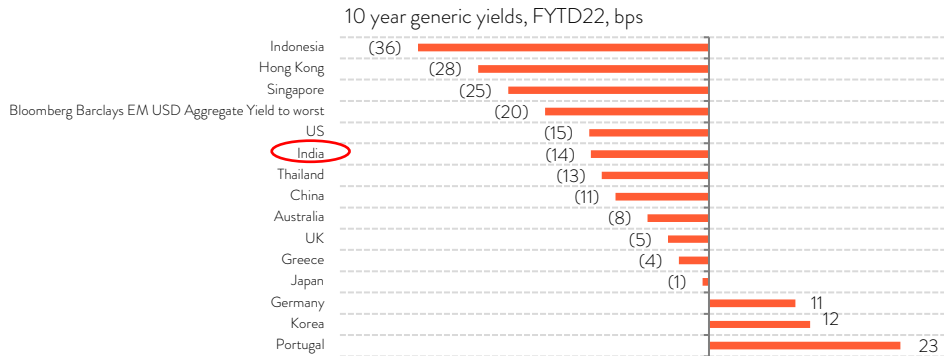
Source: Bloomberg | * As on 8 Jun 2021, Note: For India 5.85GS2030 yield is taken

FIG 192 – IN MAY'21 AS WELL, INDIA'S 10Y YIELD FELL BY 1BPS, EM YIELDS FELL BY 8BPS



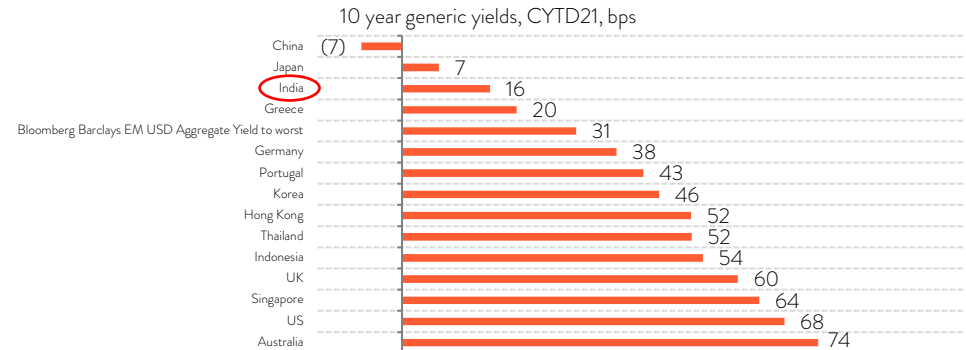
Source: Bloomberg | * As on 31 May 2021, Note: For India 5.85GS2030 yield is taken

FIG 193 – IN FYTD22, INDIA’S 10Y YIELD FELL BY 14BPS



Source: Bloomberg | * As on 31 May 2021, Note: For India 5.85GS2030 yield is taken

FIG 194 – IN CYTD21, INDIA’S 10Y YIELD ROSE BY 16BPS



Source: Bloomberg | * As on 31 May 2021, Note: For India 5.85GS2030 yield is taken

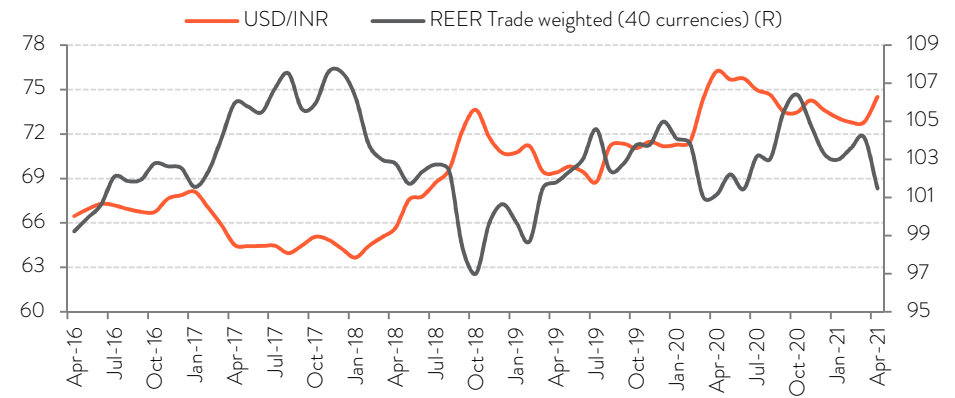
Currencies

FIG 195 – INR APPRECIATED BY 2% IN MAY'21



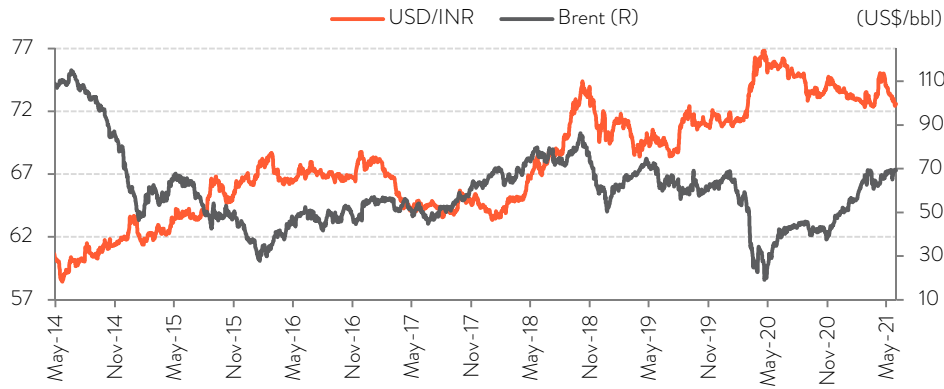
Source: Bloomberg | *As on 31 May 2021

FIG 196 – INR STILL OVERVALUED BY 1.5% (APR'21)



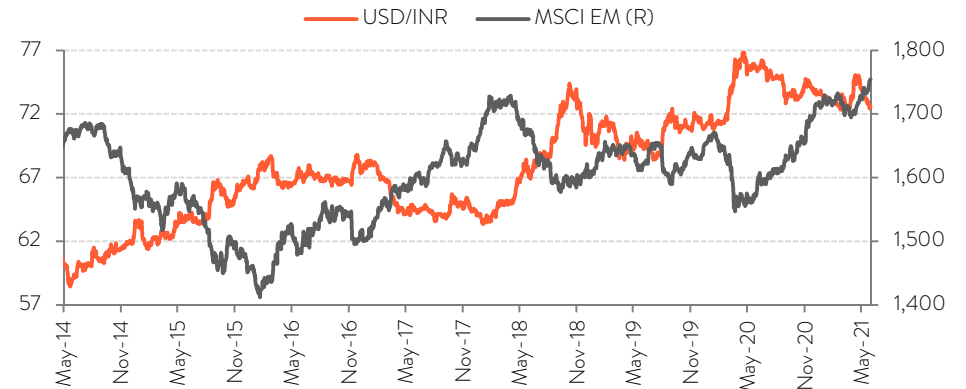
Source: Bloomberg

FIG 197 – EVEN AS OIL PRICES ROSE



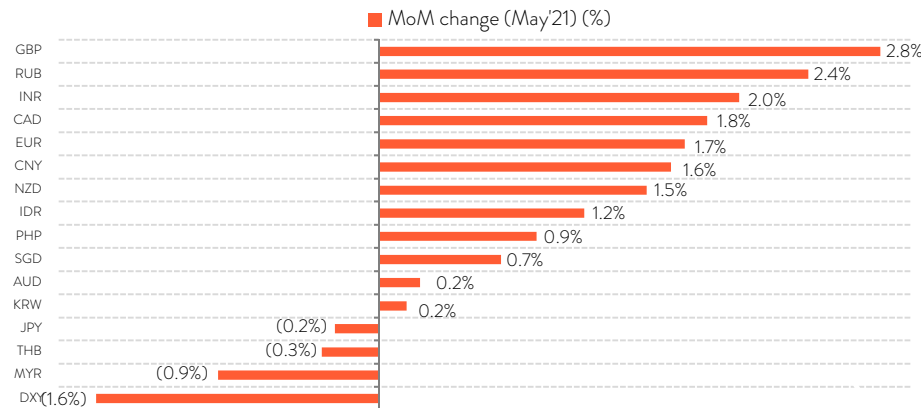
Source: Bloomberg | *As on 31 May 2021

FIG 198 – EM CURRENCIES ALSO APPRECIATED IN MAY'21



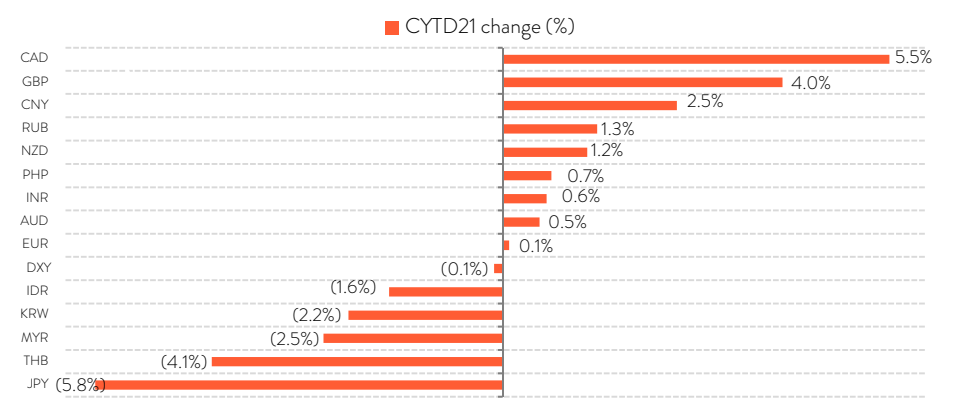
Source: Bloomberg | *As on 31 May 2021

FIG 199 – DXY INDEX FELL BY 1.6% IN MAY'21



Source: Bloomberg | *As on 31 May 2021

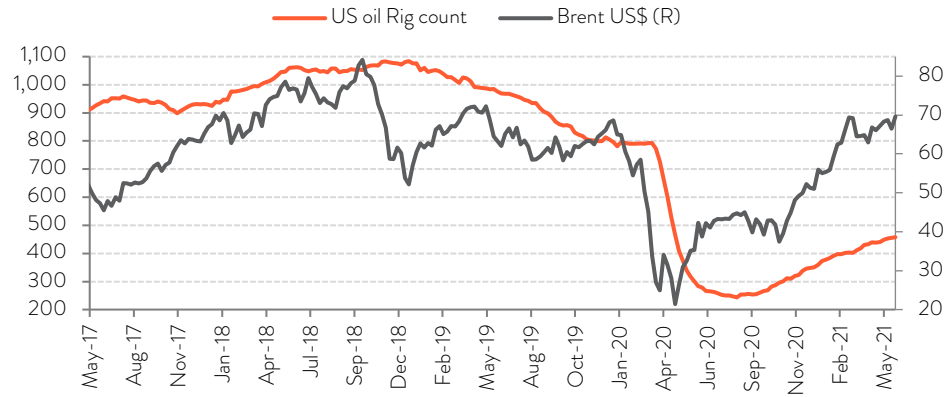
FIG 200 – IN CYTD21* SO FAR, INR HAS APPRECIATED BY 0.6%



Source: Bloomberg | *As on 31 May 2021

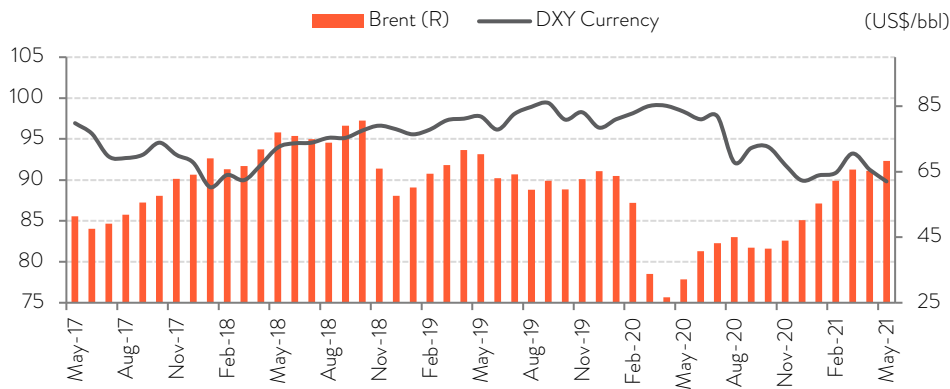
Commodities

FIG 201 – US RIG COUNT INCHED UP, SO ALSO OIL PRICES



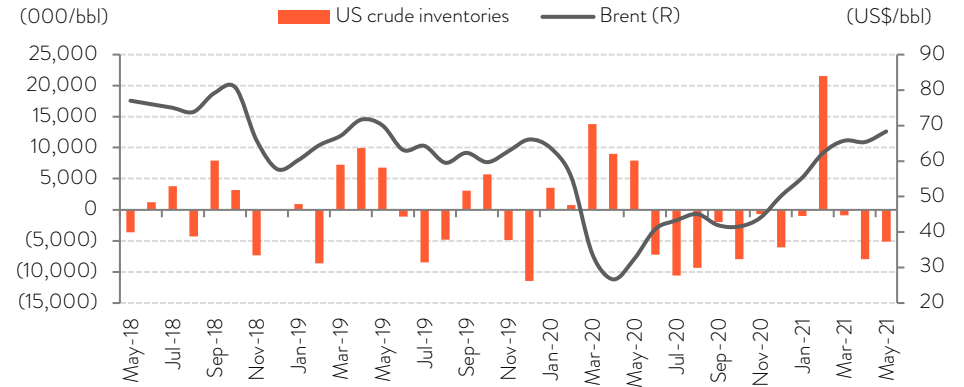
Source: Bloomberg

FIG 203 – OIL PRICES ON AN AVERAGE INCHED UP TO US\$ 68/BBL IN MAY'21 FROM US\$ 65/BBL IN APR'21, DXY FELL TO 89.83 FROM 91.28



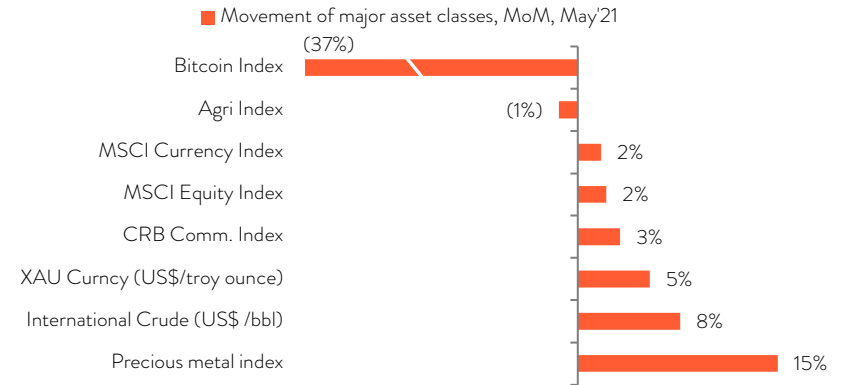
Source: Bloomberg | DXY Index as on last trading day of the month

FIG 202 – US CRUDE OIL INVENTORIES DRAWDOWN SEEN, SHOWING IMPROVED DEMAND



Source: Bloomberg

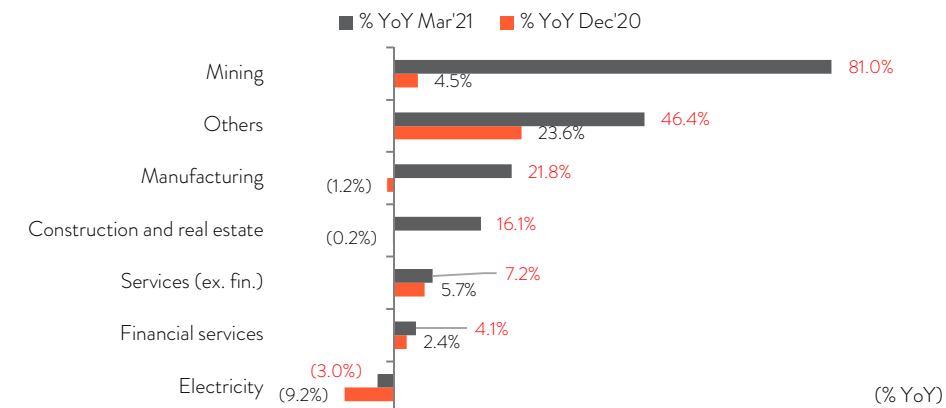
FIG 204 – PRECIOUS METALS ROSE THE MOST FOLLOWED BY CRUDE



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

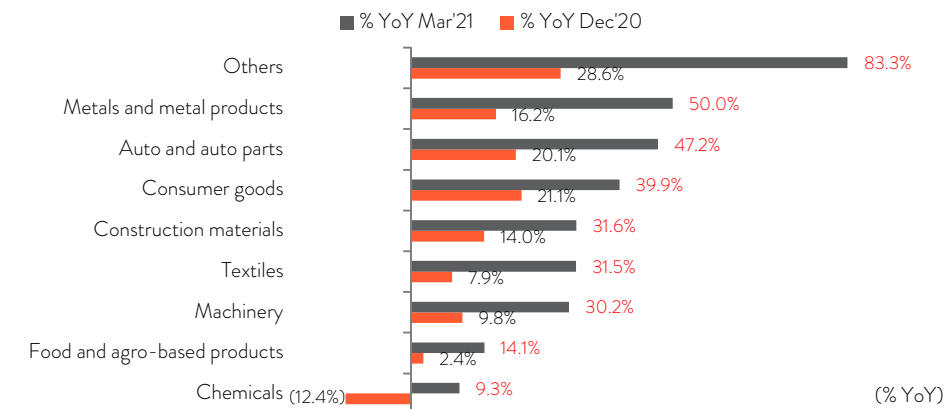
Corporate earnings

FIG 205 – APART FROM ELECTRICITY, IMPROVEMENT IN NET SALES IN ALL OTHER SECTORS



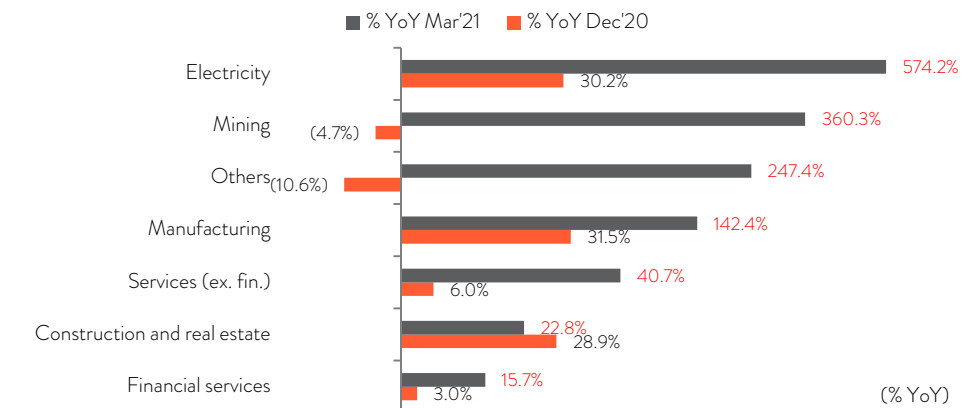
Source: CMIE, Prowess | Note: Based on financial results of 374 companies listed on BSE 500 | As of 7 Jun 2021

FIG 207 – NET SALES OF MANUFACTURING FIRMS IMPROVED



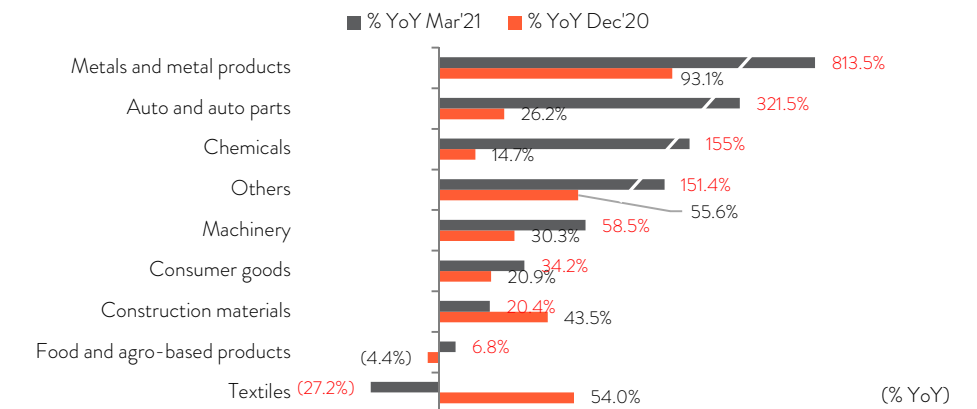
Source: CMIE, Prowess | Note: Based on financial results of 209 companies listed on BSE 500 | As of 7 Jun 2021

FIG 206 – ACROSS THE BOARD IMPROVEMENT IN PBDIT



Source: CMIE, Prowess | Note: Based on financial results of 374 companies listed on BSE 500 | As of 7 Jun 2021

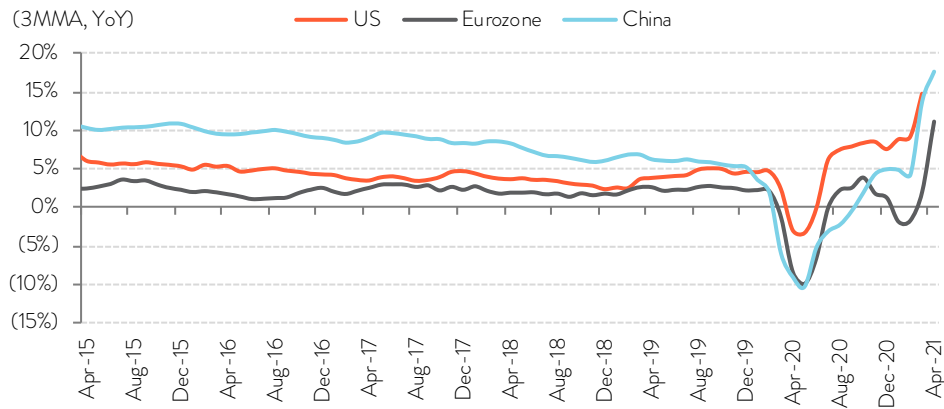
FIG 208 – PBDIT ALSO ROSE BROADLY



Source: CMIE, Prowess | Note: Based on financial results of 209 companies listed on BSE 500 | As of 7 Jun 2021

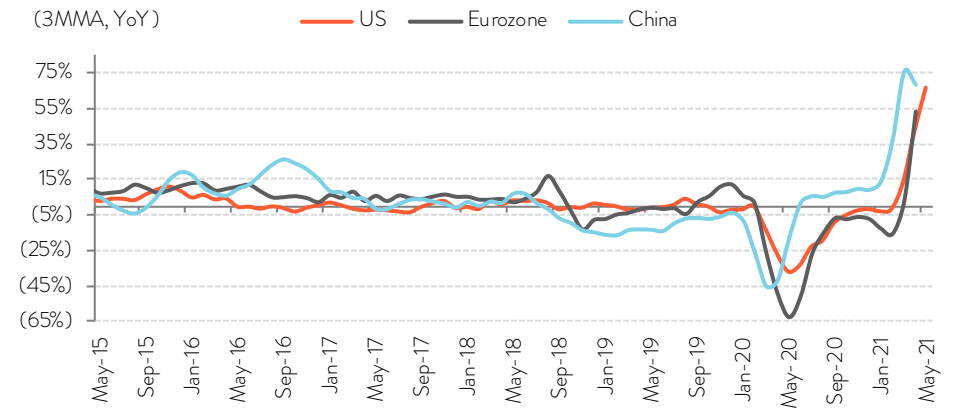
Global consumption

FIG 209 – RETAIL SALES IMPROVE



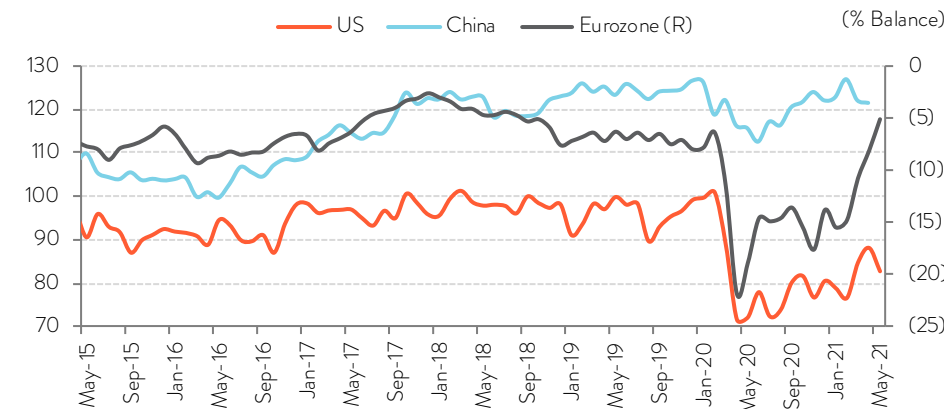
Note: Retail sales for US till Mar'21

FIG 210 – AUTO SALES MODERATES IN CHINA



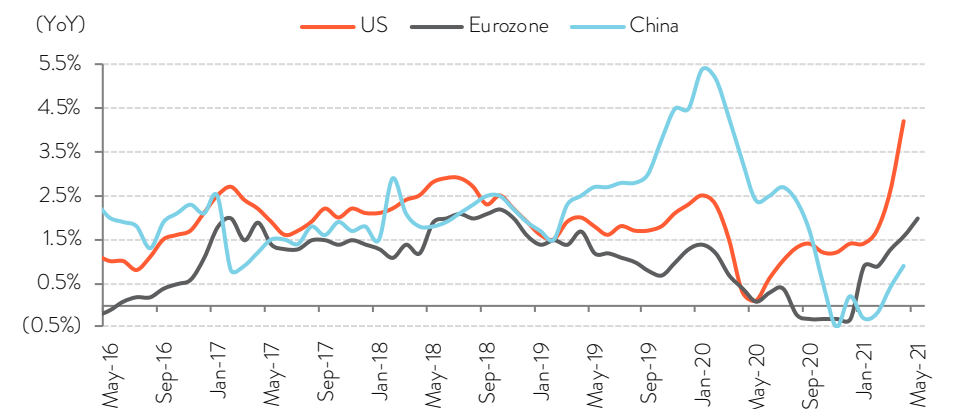
Note: Auto sales for Eurozone and China till Apr'21

FIG 211 – CONSUMER CONFIDENCE DIPS IN US AND CHINA



Note: Consumer confidence for eurozone is % diffusion index. Data for China is for Apr'21

FIG 212 – CPI EDGING UPWARDS



Note: Data for US and China till Apr'21

Policy

FIG 213 – SOME CENTRAL BANKS ARE RAISING RATES

Country	Current inflation rate (%)	Current policy rate (%)	CY20 (change in bps)	CYTD21 (change in bps)	Direction of policy rate in CYTD21
Turkey	16.6	19.0	500	200	↑
Brazil	6.8	3.5	(250)	150	↑
Russia	5.5	5.0	(200)	75	↑
Germany	2.5	0	0	0	-
UK	1.5	0.1	(65)	0	-
US	3.1	0.3	(150)	0	-
India	4.3	4.0	(115)	0	-
Japan	(0.4)	-0.1	0	0	-
China	0.9	4.4	0	0	-
Korea	2.6	0.5	(75)	0	-
Australia	1.1	0.1	(65)	0	-
Thailand	2.4	0.5	(75)	0	-
Malaysia	4.7	1.8	(125)	0	-
Philippines	4.5	2.0	(200)	0	-
Indonesia	1.7	3.5	(125)	(25)	↓
Mexico	6.1	4.0	(300)	(25)	↓

Source: Bloomberg

Global investment and manufacturing

FIG 214 – GLOBAL MANUFACTURING PMI BROADLY STEADY; SERVICES PMI SHOWS SHARPER IMPROVEMENT IN MAY'21

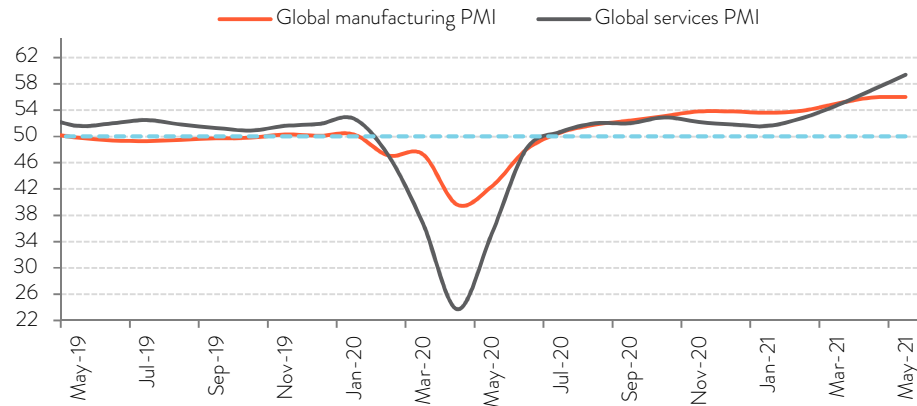


FIG 215 – MANUFACTURING ACTIVITY (PMI) IN US IMPROVED THE MOST IN MAY'21

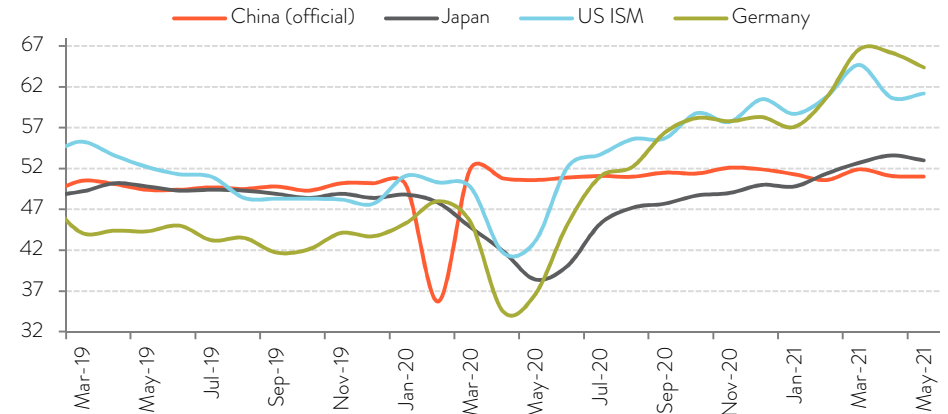


FIG 216 – PRODUCER PRICES CONTINUE TO RISE STEEPLY

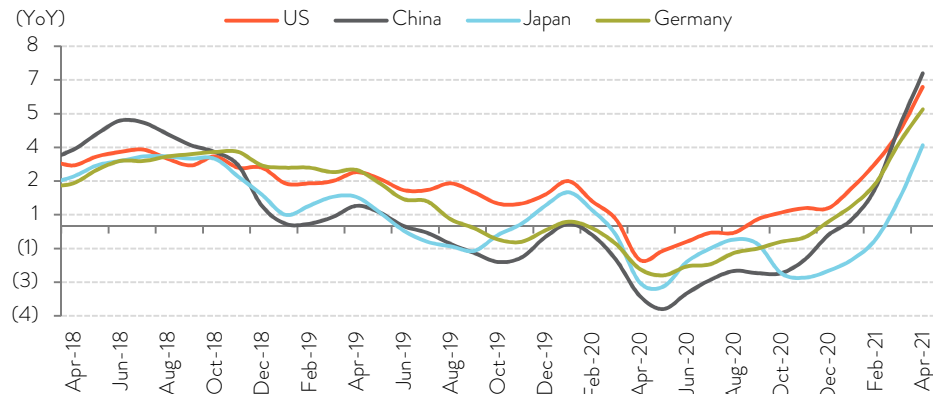
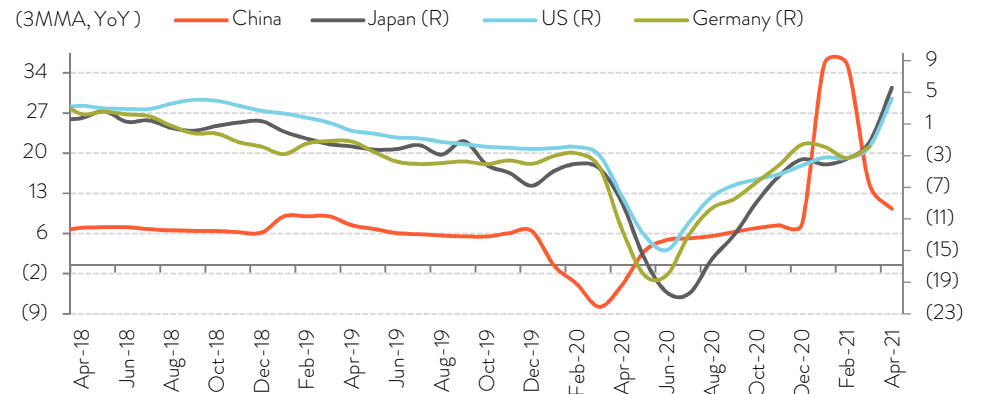
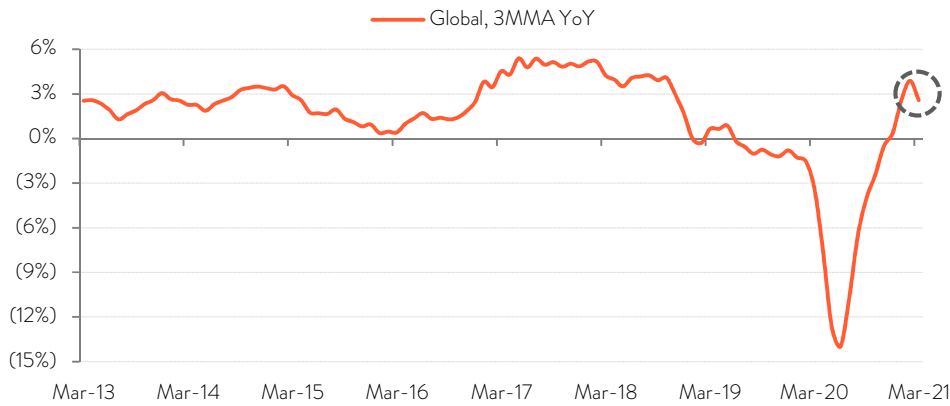


FIG 217 – INDUSTRIAL PRODUCTION IN US AND JAPAN ROSE IN APR'21



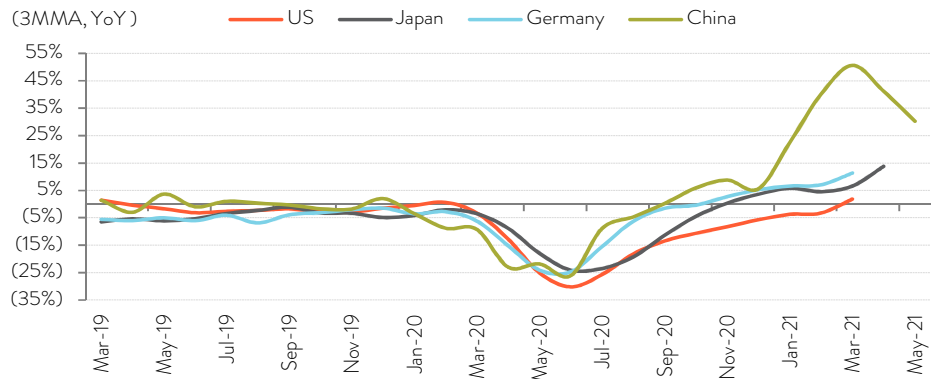
Global trade

FIG 218 – MODERATION IN WORLD TRADE VOLUME IN MAR'21



Source: NPB, World Trade Monitor

FIG 220 – CHINA'S EXPORTS TAPERING OFF



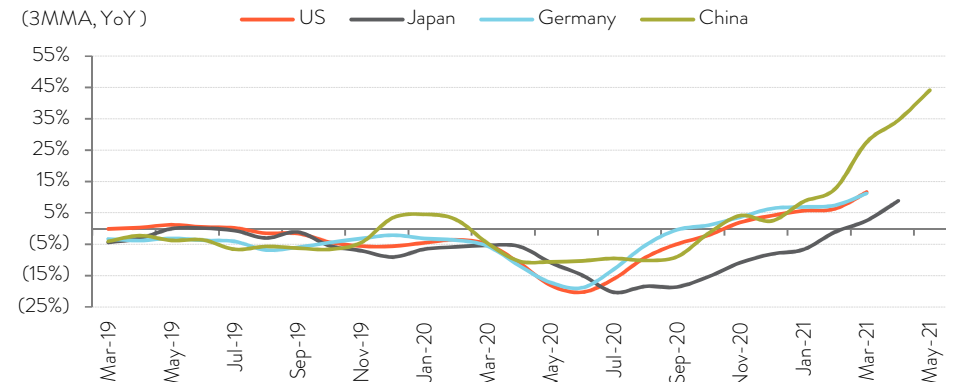
Source: Bloomberg

FIG 219 – ...TRADE VOLUMES IN CHINA, US AND JAPAN MODERATED

Country/Region (% YoY)	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
US	(4.0)	(1.5)	0.3	1.5	2.0	1.5
Japan	(7.4)	(3.4)	(0.9)	1.6	3.9	1.6
Euro Area	(4.6)	(3.2)	(2.3)	(2.0)	(2.7)	(2.0)
China	7.4	9.2	7.8	16.5	25.8	16.5
Emerging Asia (ex. China)	(5.4)	(3.0)	(1.2)	2.4	4.7	2.4
Eastern Europe / CIS	(6.8)	(5.8)	(4.3)	(1.8)	(0.3)	(1.8)
Latin America	(7.0)	(3.3)	(0.8)	1.0	1.1	1.0
Africa and Middle East	(4.9)	(5.0)	(5.2)	(4.7)	(3.9)	(4.7)

Source: CPB, World Trade Monitor

FIG 221 – ...HOWEVER IMPORTS CONTINUE TO RISE



Source: Bloomberg

FIG 222 – PERFORMANCE OF HIGH FREQUENCY INDICATORS

Indicators	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
Agriculture													
Domestic Tractor Sales	0.5	20.2	35.9	64.8	26.7	9.0	48.3	41.2	47.5	30.4	170.4	480.8	(2.4)
Two Wheeler Sales	(88.8)	(40.9)	(37.5)	(28.7)	(12.6)	(26.8)	(21.4)	11.9	(8.8)	(16)	(35)	-	158-
MNREGA work (HH, MoM)	179	20	(29)	(24)	0.3	(0.3)	(6.6)	16.6	(0.7)	8.9	(8.5)	4.0	1.1
Manufacturing													
IIP: General index	(33.4)	(16.6)	(10.5)	(7.1)	1.0	4.5	(1.6)	2.2	(0.9)	(3.4)	22.4	-	-
IIP: Manufacturing	(37.8)	(17.0)	(11.4)	(7.6)	0.4	4.5	(1.6)	2.7	(1.3)	(3.7)	25.8	-	-
IIP: Capital goods	(65.9)	(37.4)	(22.8)	(14.4)	(1.2)	3.2	(7.5)	2.2	(9.0)	(3.8)	41.9	-	-
IIP: Infra & Construction goods	(39.0)	(18.3)	(8.2)	0	4.0	10.9	2.1	3.1	1.8	(4.0)	31.2	-	-
IIP: Consumer goods	(70.3)	(34.8)	(23.7)	(10.2)	5.3	18.1	(3.2)	6.5	(0.2)	6.6	54.9	-	-
Steel	(40.4)	(23.2)	(6.5)	0.5	6.2	5.9	0.7	3.5	8.2	1.3	27.3	60.0	-
Cement	(21.4)	(6.8)	(13.5)	(14.5)	(3.4)	3.2	(7.3)	(7.2)	(5.8)	(5.6)	32.7	75.0	-
Electricity demand	(13.2)	(7.3)	(3.1)	(4.2)	2.5	5.3	4.4	7.0	7.7	3.4	12.2	39.7	5.8
PMI: Manufacturing	30.8	47.2	46	52	56.8	58.9	56.3	56.4	57.7	57.5	55.4	55.5	50.8
Services													
Services PMI index	12.6	33.7	34.2	41.8	49.8	54.1	53.7	52.3	52.8	55.3	54.6	54.0	46.4
Automobile sales	(88.9)	(42.0)	(36.3)	(26.8)	(10.2)	(24.0)	(19.3)	11.0	(9.7)	(13.4)	(28.6)	-	164.4
Passenger vehicle sales	(87.0)	(38.3)	(25.2)	(7.1)	9.8	(8.8)	4.2	24.0	(4.5)	10.6	28.4	-	178.8
Vehicle Registration	(88.6)	(41.4)	(35.2)	(25.4)	(8.4)	(22.3)	(17.5)	11.7	(8.6)	(12.6)	(27.7)	215.4	158.0
Rail freight traffic	(21.3)	(7.7)	(4.6)	3.9	15.5	15.4	9.0	8.7	8.7	5.5	26.6	70.7	38.9
Port Cargo volume	(23.3)	(14.5)	(13.2)	(10.4)	(1.9)	(1.2)	2.8	4.4	4.0	1.9	16.4	29.5	33.0
Credit growth	5.5	5.6	6.4	5.5	5.1	5.6	5.9	6.3	5.9	6.6	5.6	5.7	6.0
Deposit growth	10.5	9.6	12.1	10.9	10.5	11.1	10.7	10.8	11.1	12.1	11.4	10.3	9.7
CIC	19.1	22.0	23	23.2	22.7	20.3	22.8	22.4	21.4	20.3	17.2	15.0	13.2
Toll collection (in mn)	-	81.9	86.6	96.8	110.1	122.4	124.9	138.4	149.2	159	193.3	164.3	116.5
Diesel consumption	(29.5)	(15.5)	(19.4)	(20.7)	(5.9)	7.5	(6.9)	(2.7)	(2.1)	(8.4)	27.6	105.3	(2.7)
GST E-way bill (in mn)	25.5	43.4	48.4	49.4	57.4	64.2	57.7	64.2	62.9	63.8	71.2	58.8	38.2
External Trade													
Merchandise exports	(35.7)	(12.2)	(9.5)	(12.2)	6.0	(4.7)	(8.6)	0.1	6.2	0.7	60.3	195.7	67.4
Merchandise imports	(51.0)	(48.0)	(29.6)	(26.0)	(19.6)	(11.5)	(13.3)	7.6	2.0	7.0	53.7	167.1	68.5
Services exports	(10.2)	(8.4)	(10.8)	(9.9)	(1.4)	(6.3)	(5.1)	(6.4)	(10.1)	(1.0)	12.6	6.7	-
Services imports	(20.4)	(15.3)	(21.7)	(20.1)	(8.7)	(12.3)	(11.8)	(8.4)	(15.9)	(4.1)	12.8	6.4	-

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

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