

India Economics

Monthly Chartbook

August 2020

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Important disclosures are provided at the end of this report.



India to recover with a lag

While global economy is showing signs of expansion with manufacturing and services PMIs above 50, India's PMIs have decelerated owing to local lockdowns in Jul'20. Rural economy is the bright spot with higher tractor sales and kharif sowing. Agri exports are also increasing. On the other hand, state government capex is down by 44% which implies weak investment outlook. Even with a weak growth outlook, RBI could not cut policy rates as inflation is above its tolerance band of 6%. Seems the easing cycle is behind and government spending will have to continue to revive domestic economy. Thus we expect yields to remain in 5.5-6% range in near-term.

Cautious recovery: While electronic imports, passenger car sales, E-way bills and electricity demand are showing signs of improvement, manufacturing and services PMI, diesel consumption and state government revenues are still decelerating. Consumer demand is likely to remain weak as seen in RBI's consumer confidence index which plummeted to a record low of 53.8 in Jul'20 (63.7 in May'20). However, rural demand is likely to be better given the normal monsoon and accelerated sowing.

Central spending robust: In Q1FY21 centre's overall spending rose by 13.1% compared with 2% increase seen last year. The surge was driven by 40% jump in capex (-27.6% last year) and 10.5% increase in revenue spending (6.1% last year). Higher spending was seen by Ministries of Roads, Finance and Agriculture. This was achieved despite continued

decline in centre's net receipts (-47.3%). States' spending in Apr-May'20 has also been higher (6.5%) compared with last year (-0.4%), but was supported only by revenue spending (9.5% versus 4.1%). State capex remains badly hit (-44% versus 0.4%). With market borrowings of states lower in Jul'20, we expect spending to cool off.

Higher inflation binds RBI: With inflation remaining above RBI's tolerance band of 6%, RBI maintained policy rates. The current available data suggests CPI is likely to be elevated in Jul'20 as well. This is on account of higher vegetable prices (especially potato and tomato) and higher retail prices of petrol and diesel owing to rise in local taxes. Thus, 10Y yield has also risen by 5bps since policy. Given the inflation outlook, we believe the rate cut cycle is behind us unless growth deteriorates from current estimated trajectory.

INR consolidates gains: INR rose by 0.9% in Jul'20 building on gain of 0.1% in Jun'20. This was on the back of FII inflows of US\$ 1bn in the equity segment as well as a weaker dollar (DXY index fell by 4.2% in Jul'20 on MoM basis) even though oil prices inched up in the month. EM currencies too rose by 1.4%. INR is likely to see an appreciating bias led by several factors such as: 1) weaker dollar, 2) rangebound oil prices, 3) resumption in foreign inflows, and 4) lower trade deficit.

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

Consumption

Final consumption expenditure

FIG 1 – CONSUMPTION FALLS IN Q4FY20

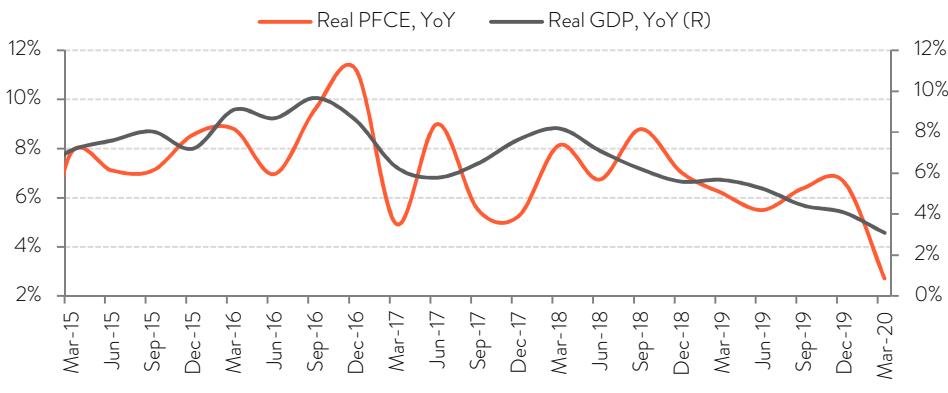


FIG 3 – GENERAL GOV REVENUE SPENDING MODERATED IN MAY'20

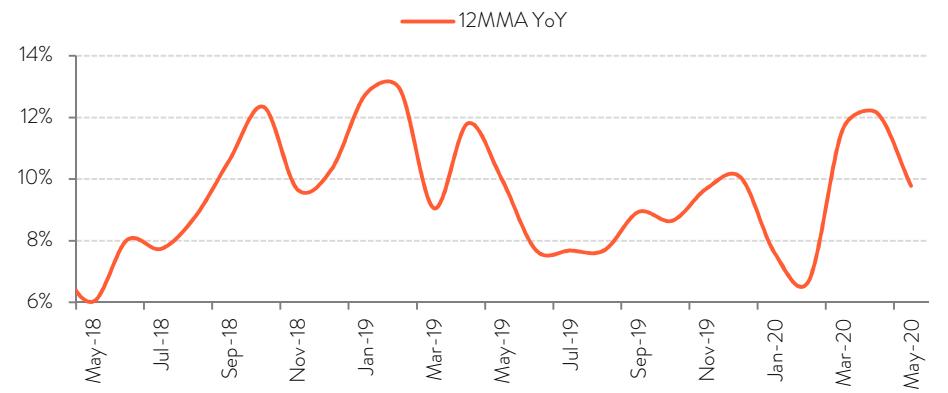


FIG 2 – GOVERNMENT CONSUMPTION REMAINS STEADY IN Q4FY20

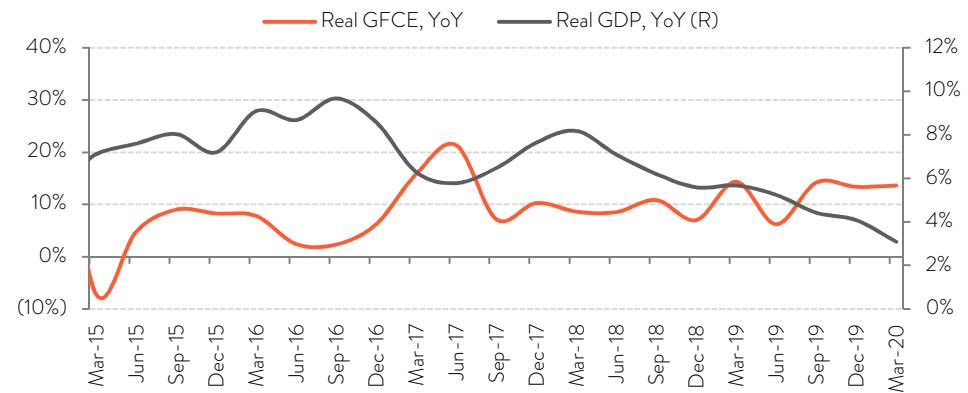
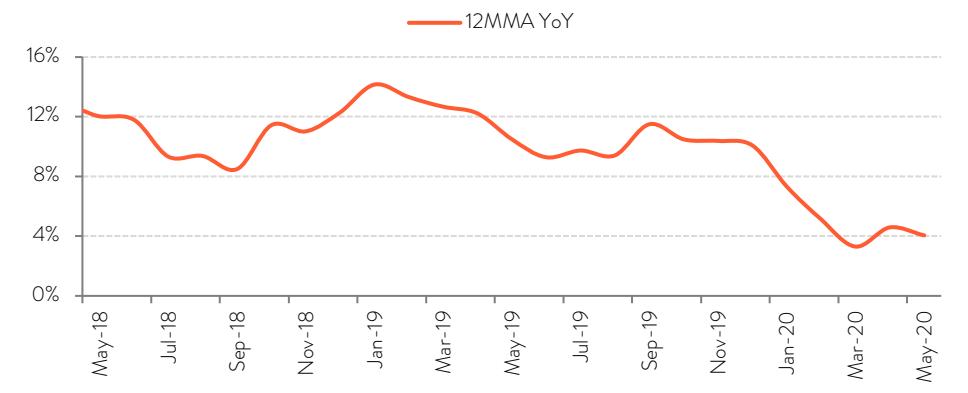


FIG 4 – STATE* GOV REVENUE SPENDING TOO DROPS



Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand and W.Bengal

Non-oil imports, electronic imports

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

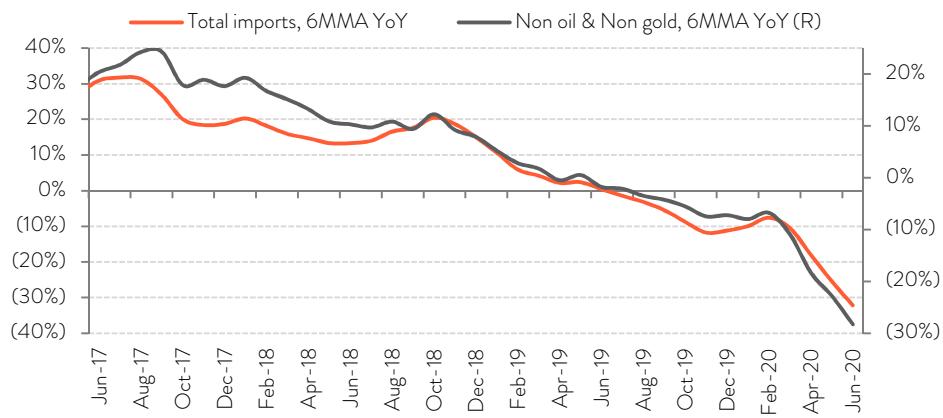


FIG 6 – ELECTRONIC IMPORTS REBOUNDS

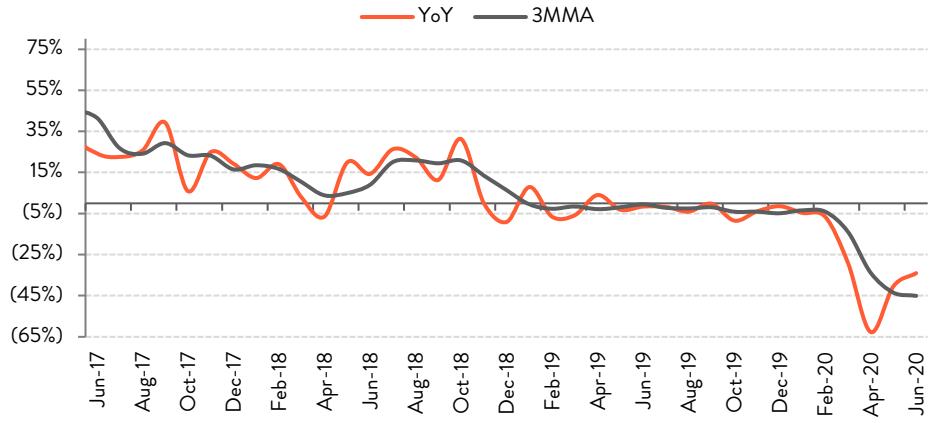


FIG 7 – PASSENGER CAR SALES SHOWING EARLY SIGNS OF RECOVERY

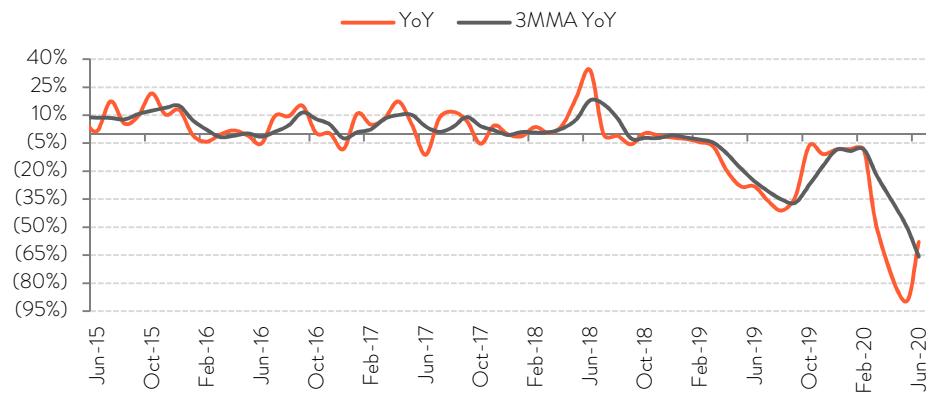
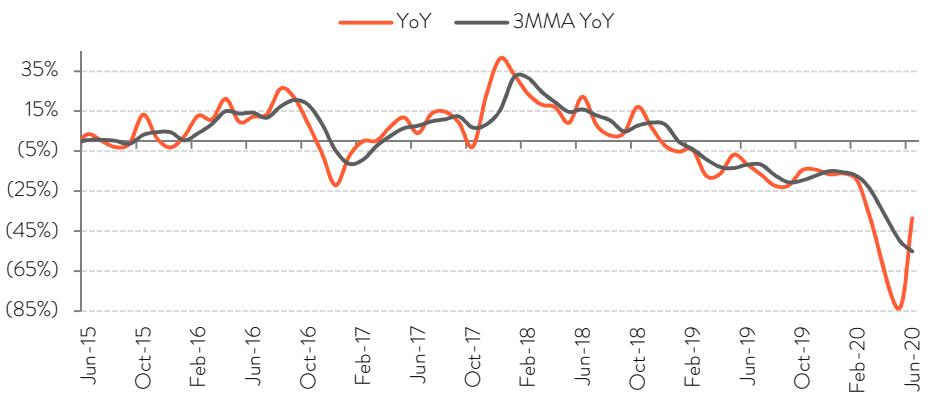


FIG 8 – SIMILAR CASE FOR TWO-WHEELER SALES



Credit deployment of personal loans

FIG 9 – GROWTH IN CREDIT CARD OUTSTANDING INCHES UP

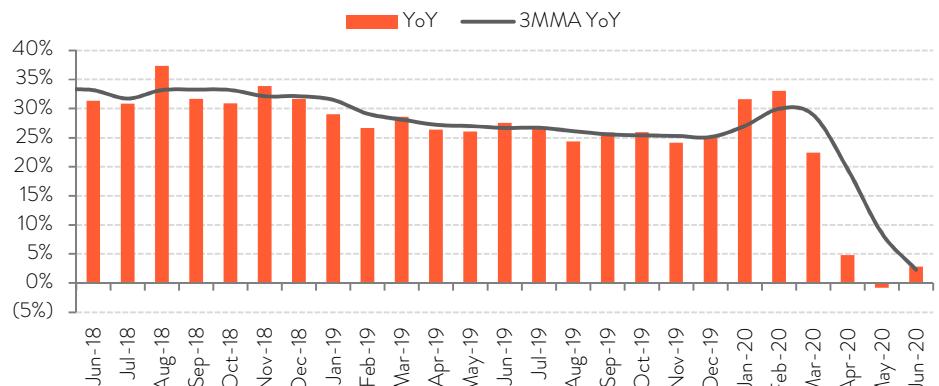


FIG 11 – GROWTH IN VEHICLE LOAN IMPROVES

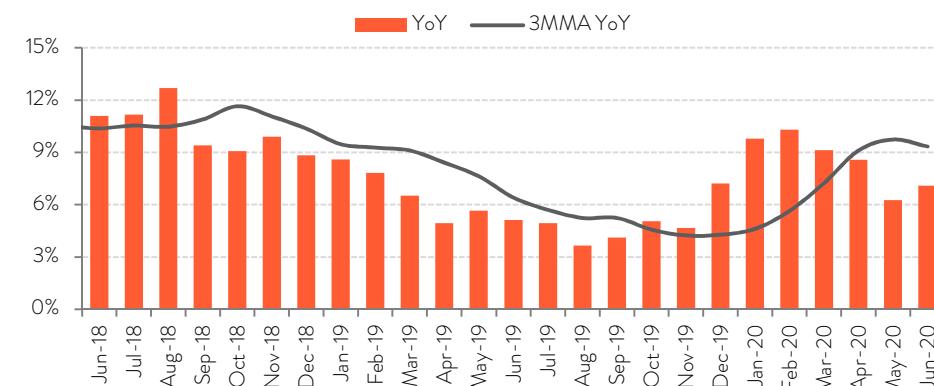


FIG 10 – GROWTH IN PERSONAL LOAN REMAINS MODERATES

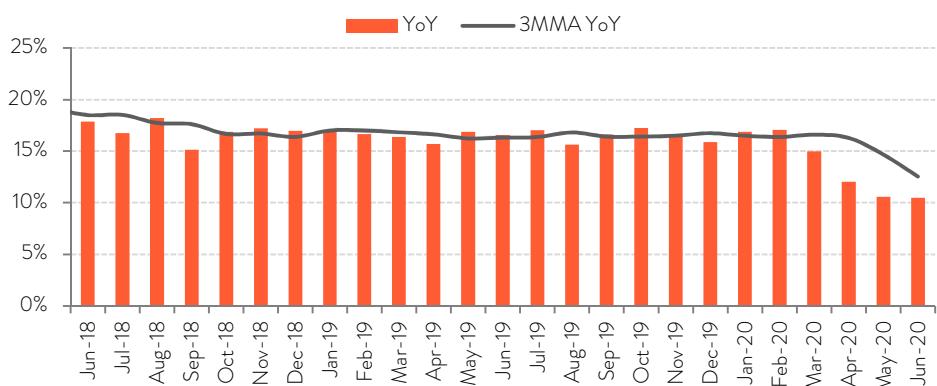
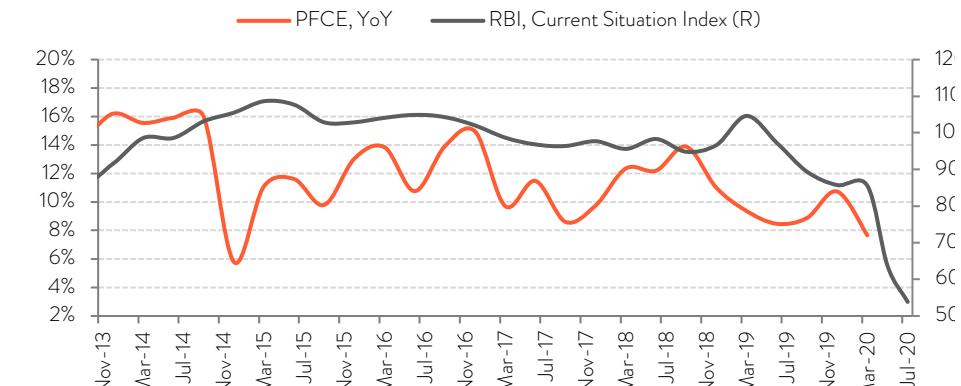
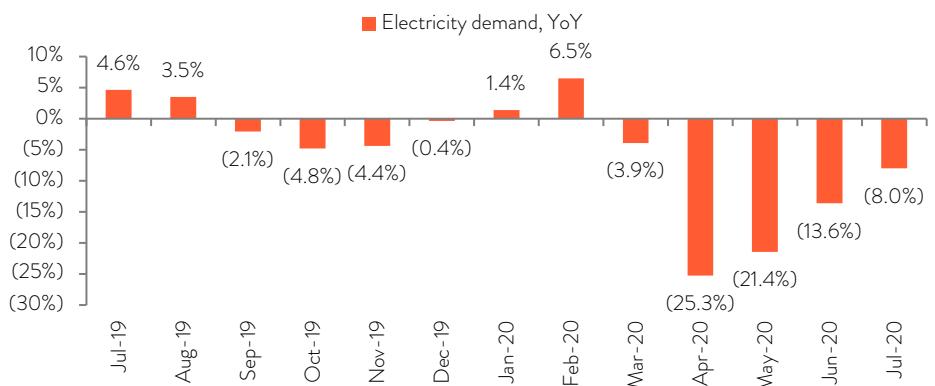


FIG 12 – CONSUMER CONFIDENCE DROPS TO A RECORD LOW



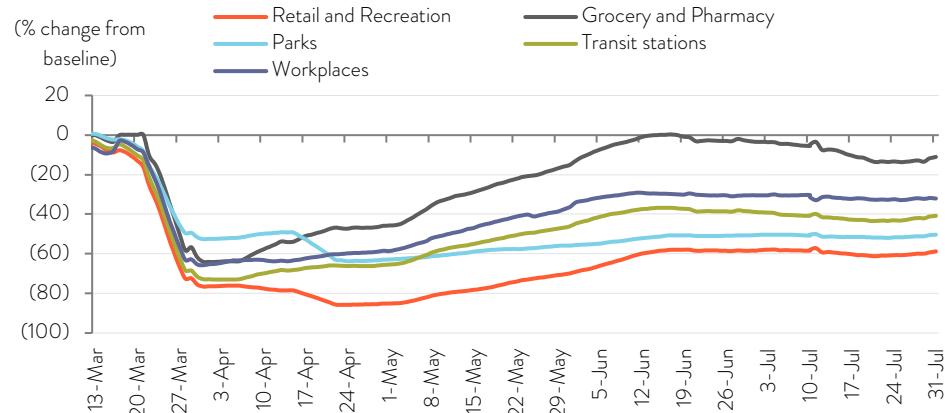
Electricity Demand, Digital Payments, COVID cases, Google mobility Index

FIG 13 – ELECTRICITY DEMAND CONTRACTING AT A SLOWER PACE



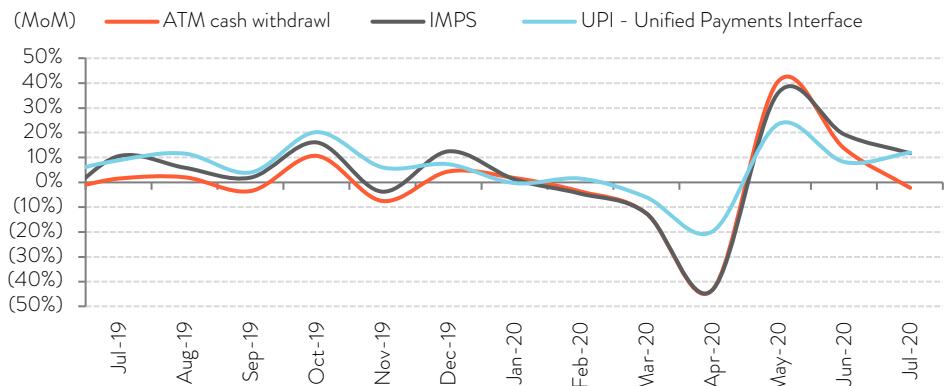
Source: Posco. Note: Demand met during peak evening hours (MW)

FIG 15 – GOOGLE MOBILITY INDEX IS PLATEAUING



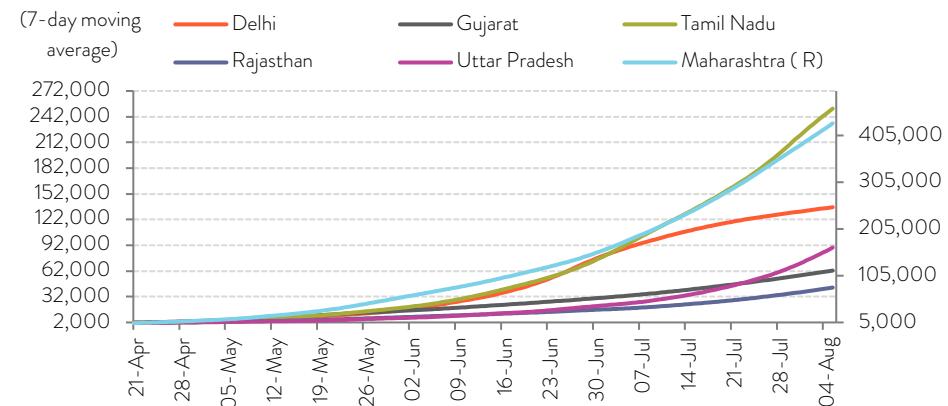
Source: Google Mobility Reports. Note: Highlights percentage change in visits to the place from baseline reading (median value, for the corresponding day of the week, during the five week period 3 Jan – 6 Feb 2020) Note: Data taken as 7 days rolling average

FIG 14 – UPI PAYMENTS INCHING UP



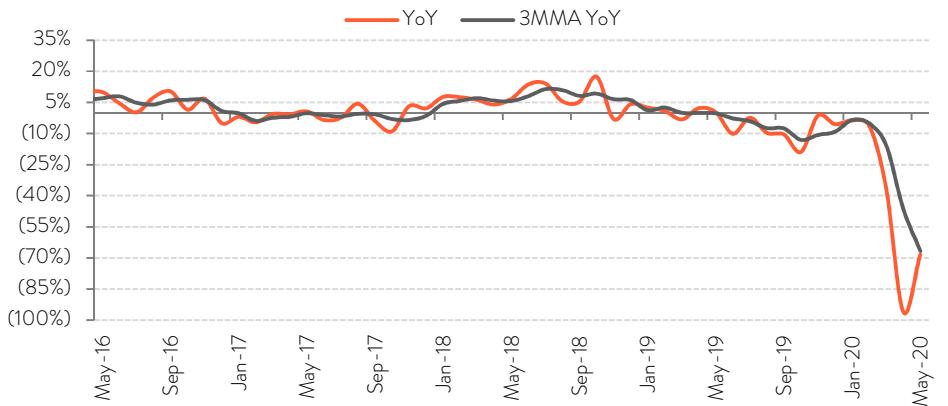
Source: NPCI. Note: NFS Cashwithdrawal amount does not include Card to Card Transfer

FIG 16 – STATES WITH HIGHEST NUMBER OF COVID-19 CASES



Consumer durables & non-durables production

FIG 17 – CONSUMER DURABLES OUTPUT IMPROVES MARGINALLY



Agriculture

FIG 19 – AGRICULTURE GROWTH ROSE BY 5.9% IN Q4FY20

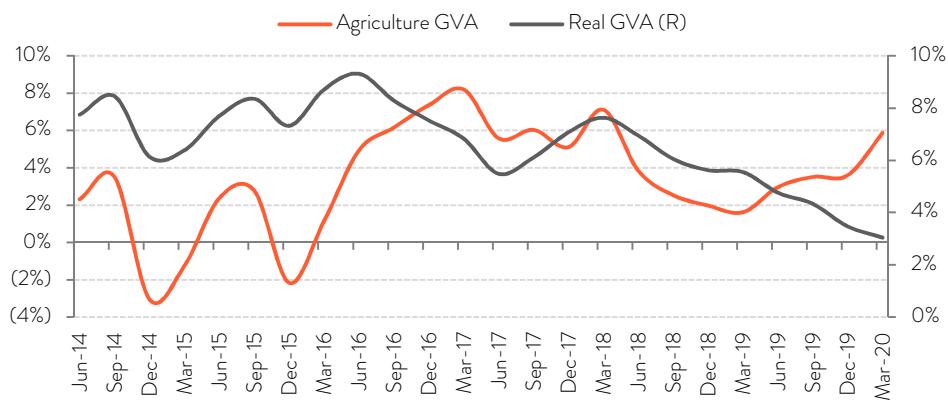


FIG 18 – FMCG OUTPUT SEES LARGER IMPROVEMENT

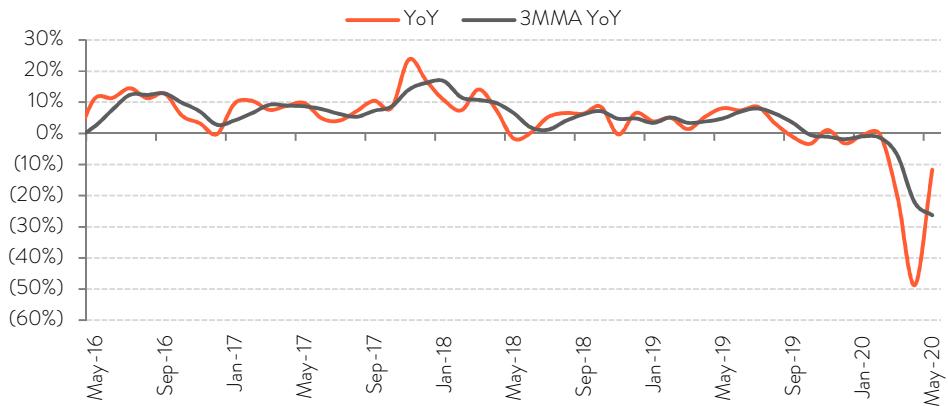
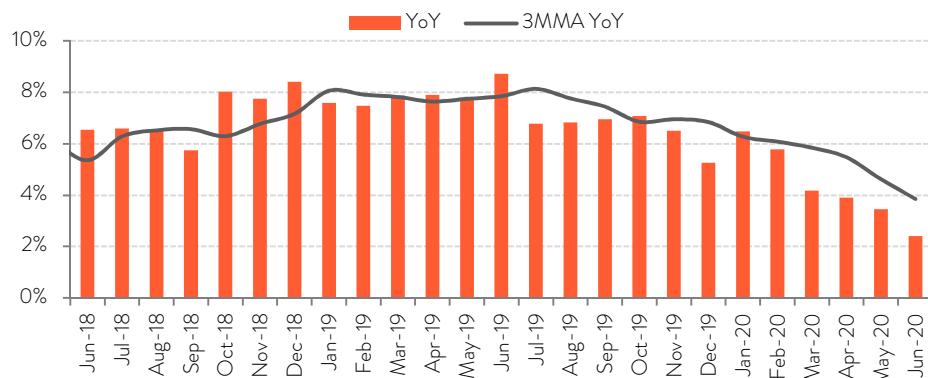
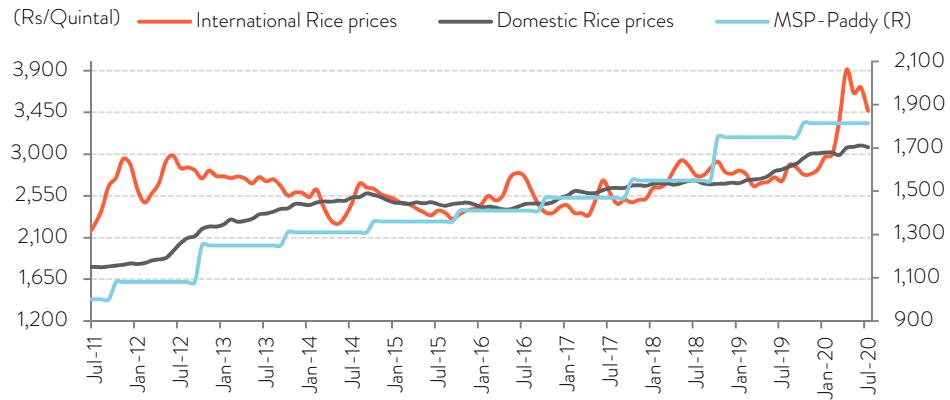


FIG 20 – KHARIF SOWING IS HIGHER COMPARED WITH LAST YEAR

Crop type (ha mn)	Normal area as on date	Area sown in 2020-21	Area sown in 2019-20	Normal area for whole Kharif season	Growth (YoY%)
Foodgrain	57.9	60.2	54.4	71.1	10.7
Cereals	46.2	48.2	42.9	58.2	12.4
Rice	30.3	32.2	27.4	39.7	17.4
Pulses	11.7	12.0	11.5	12.9	4.2
Oilseeds	16.2	18.1	15.7	17.8	15.5
Cotton	12.2	12.4	11.9	12.1	4.1
Sugarcane	4.9	5.2	5.1	4.8	1.2
Jute and Mesta	0.7	0.7	0.7	0.8	1.5
Total	91.9	96.56	87.75	106.6	10.0

Note: Data as on 7.8.20

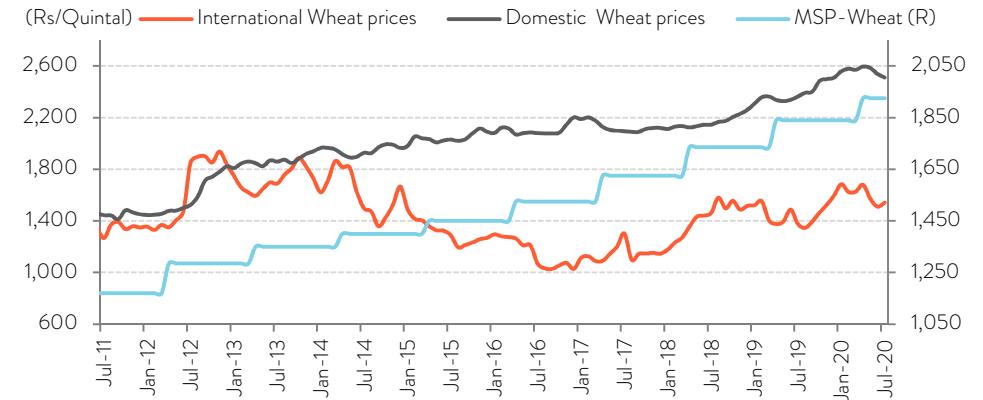
FIG 21 – GROWTH IN AGRICULTURE CREDIT EASES**FIG 23 – BOTH DOMESTIC AND INTERNATIONAL PRICE OF RICE HAS MODERATED**

Source: World Bank

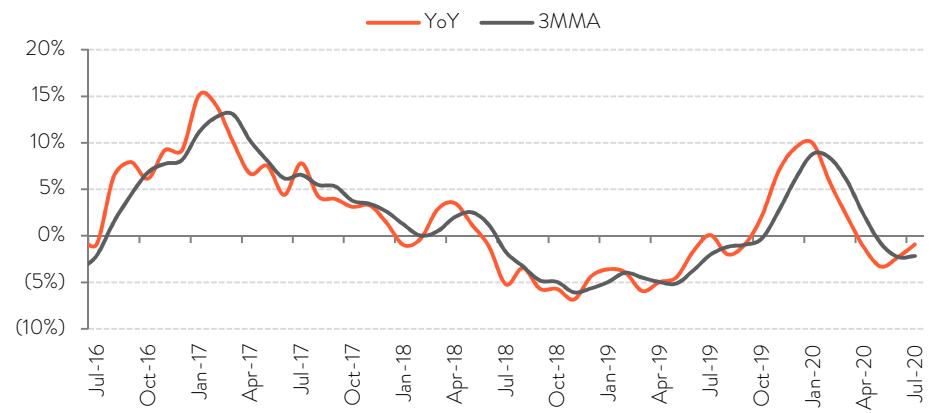
FIG 22 – PROCUREMENT INCREASING LED BY RICE

Year	Wheat	Rice
2011-12	28.34	35.04
2012-13	38.15	34.04
2013-14	25.09	31.85
2014-15	28.02	32.04
2015-16	28.09	34.22
2016-17	22.96	38.11
2017-18	30.83	38.19
2018-19	35.80	44.39
2019-20	34.13	50.10*
2020-21	38.88*	

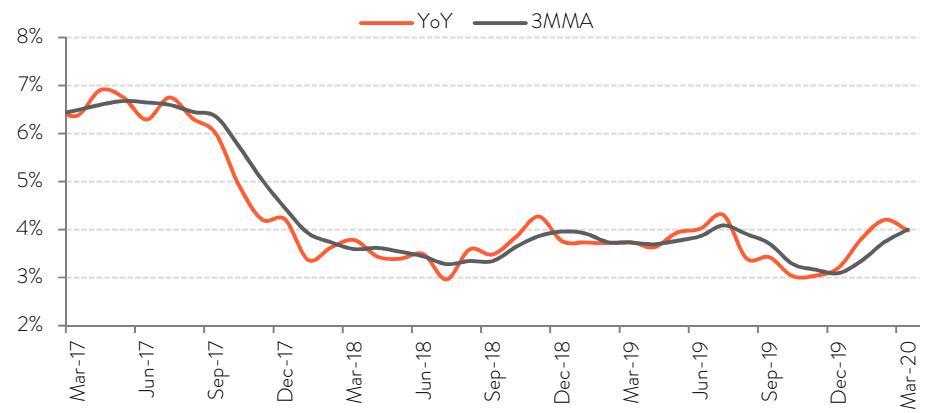
Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 30 Jun 2020

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

Source: World Bank

FIG 25 – GLOBAL FOOD PRICES INCHES UPWARDS

Source: FAO

FIG 26 – RURAL WAGES (MEN) MODERATED MARGINALLY

Inflation

FIG 27 – RETAIL INFLATION PRINT WAS PUBLISHED FOR APR, MAY AND JUN'20 AT 7.2%, 6.3% AND 6.1% RESPECTIVELY; Q1 AT 6.5%

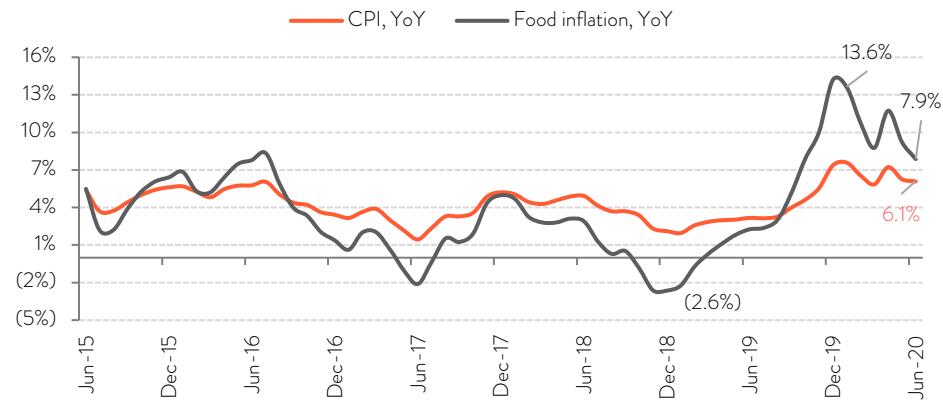
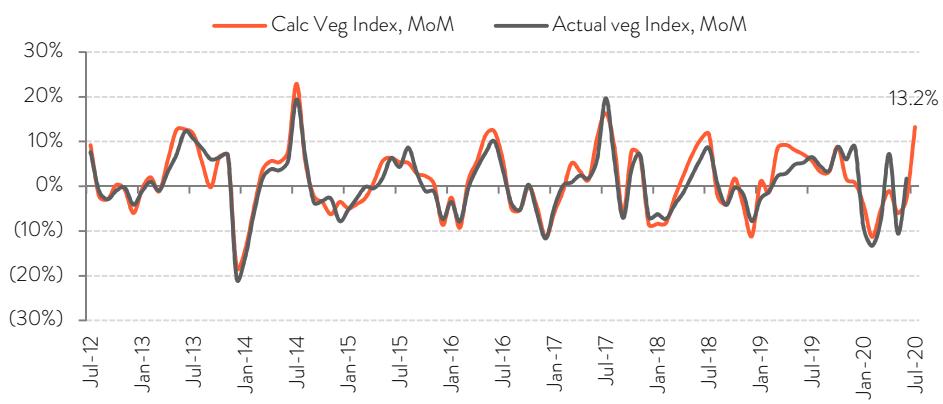


FIG 29 – HOWEVER, VEGETABLE INFLATION IS SEEN INCHING UP IN JUL'20 Owing TO LOCKDOWN IN FEW CITIES



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

FIG 28 – FOOD INFLATION SOFTENED TO 7.9% IN JUN'20 FROM 9.2% IN MAY'20 LED BY VEGETABLE PRICES (1.9% FROM 5.5% IN MAY'20)

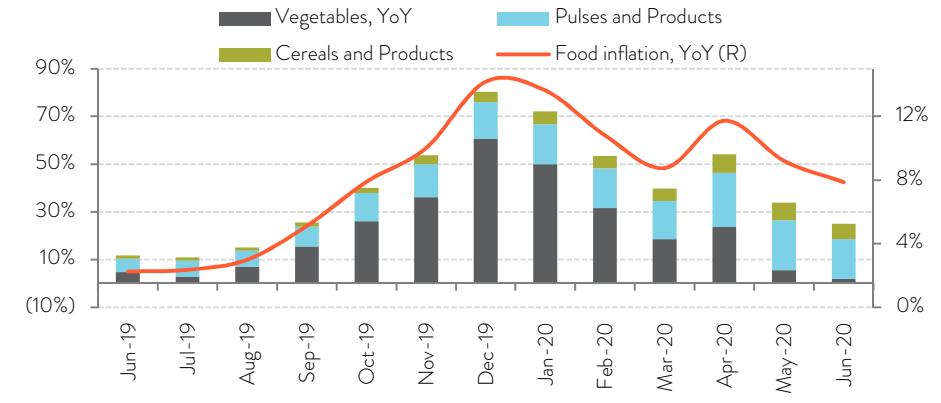


FIG 30 – CPI EXCL. FOOD AND FUEL ROSE TO 4.9%, 5% AND 5.3% IN APR, MAY AND JUN'20 RESPECTIVELY, FROM 4% IN MAR'20

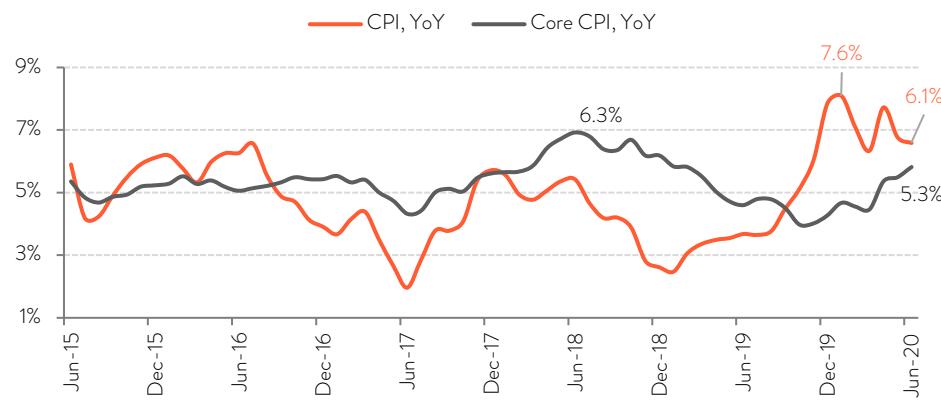


FIG 31 – ELEVATED CORE PRINT WAS DRIVEN BY TRANSPORT AND COMMUNICATION, EDUCATION AND PERSONAL CARE ITEMS

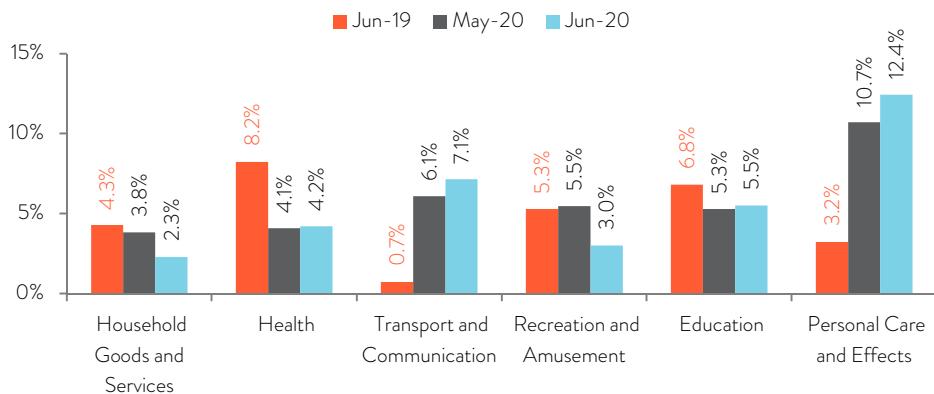


FIG 33 – RBI'S INFLATION INDEX SUGGESTS INFLATION LIKELY TO PICK UP IN THE NEXT THREE MONTHS

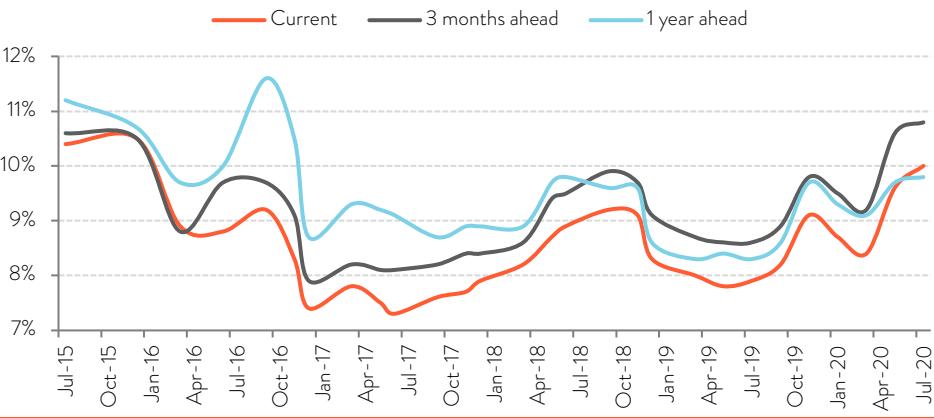
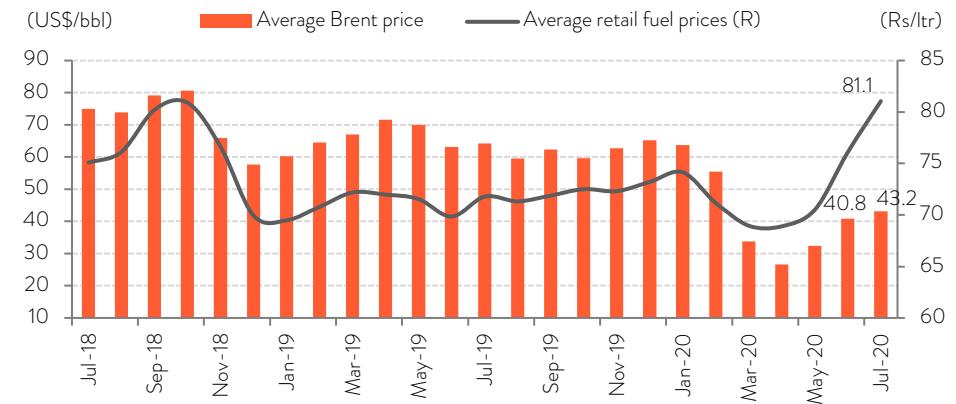
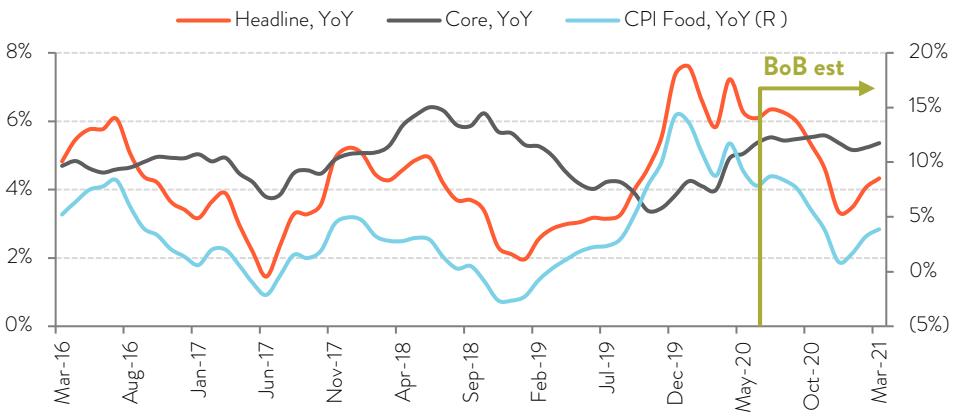


FIG 32 – IN JUL'20, RETAIL FUEL PRICES ROSE SHARPLY TO RS 81/LT (RS 76/LT-JUN'20) IN LINE WITH CRUDE (US\$ 43/BBL FROM US\$ 41/BBL- JUN'20)



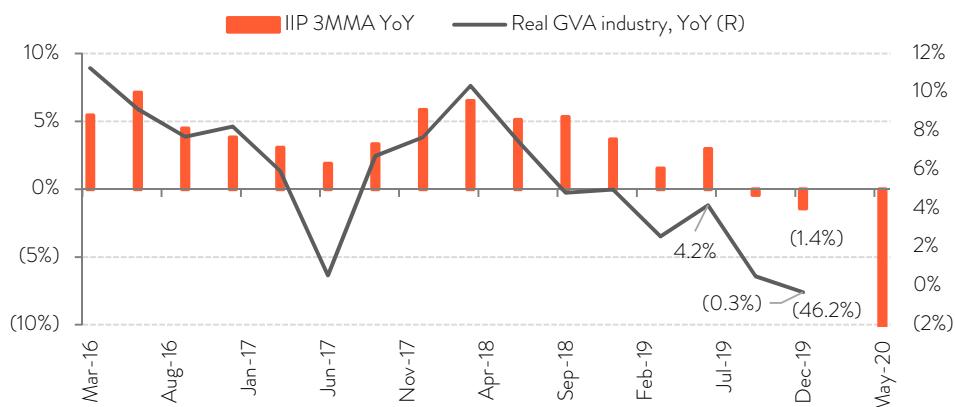
Note: *Average retail price of Delhi, Kolkata, Mumbai and Chennai

FIG 34 – ...WE ALSO EXPECT HEADLINE CPI TO BE ELEVATED THROUGHOUT H1FY21



Industry

FIG 35 – INDUSTRIAL OUTPUT SLUMPS



Note: IIP for Apr-May'20 is average on YoY basis

FIG 37 – INFRA GOODS SHOWED RECOVERED MARGINALLY

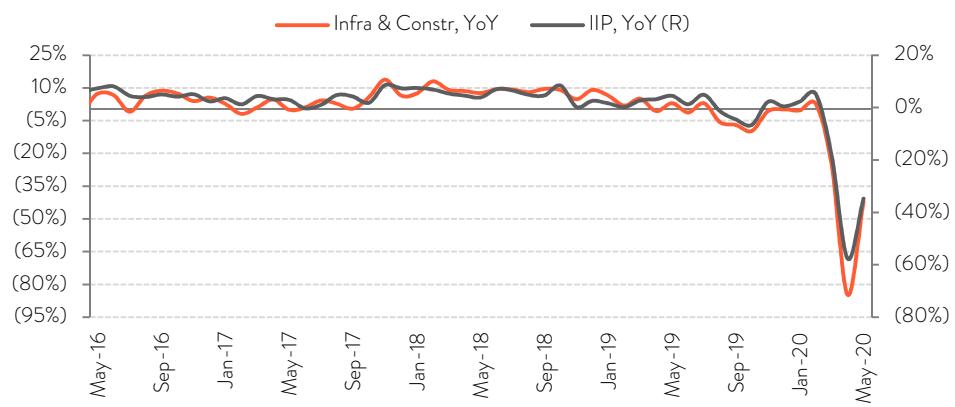


FIG 36 – BROAD BASED SLOWDOWN ON FYTD BASIS

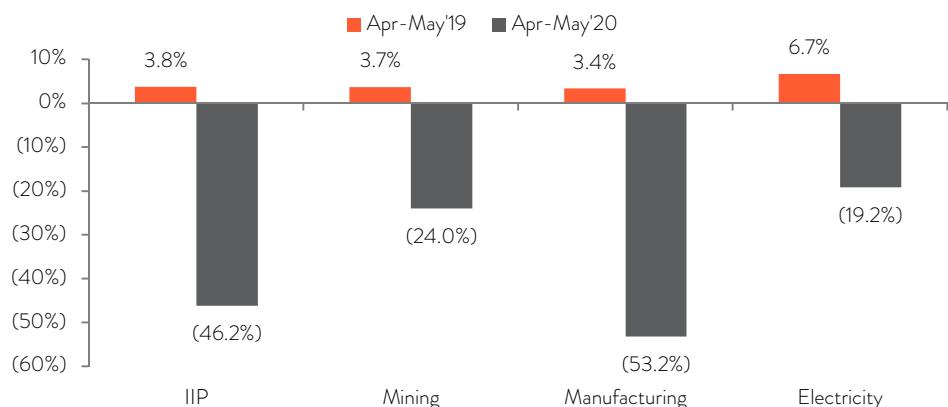


FIG 38 – CAP GOODS TOO DOING THE SAME

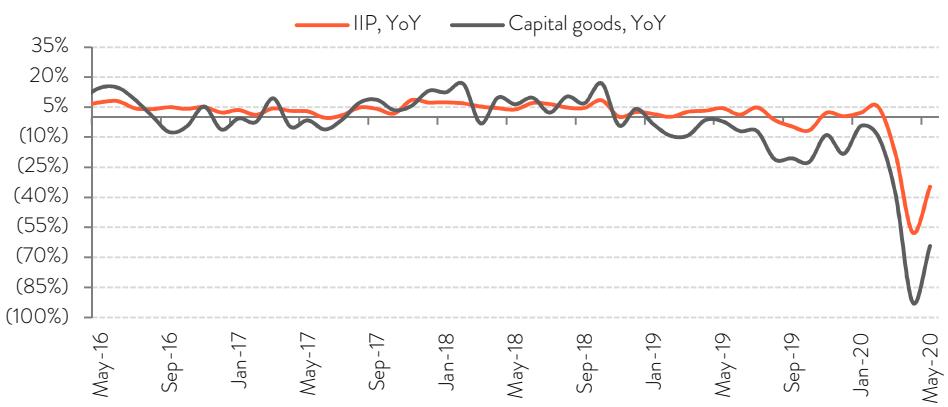
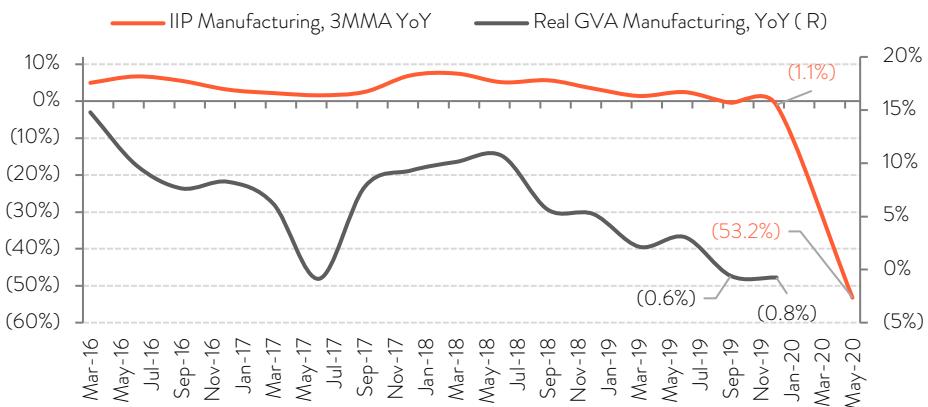


FIG 39 – INDUSTRIAL PRODUCTION REBOUNDS

Sectoral (%)	Weight	May-20	Apr-20	May-19	Apr-May'20	Apr-May'19
IIP	100.0	(34.7)	(57.6)	4.5	(46.2)	3.8
Mining	14.4	(21.0)	(27.4)	2.3	(24.0)	3.7
Manufacturing	77.6	(39.3)	(67.1)	4.4	(53.2)	3.4
Electricity	8.0	(15.4)	(23.0)	7.4	(19.2)	6.7
Use-Based						
Primary Goods	34.1	(20.0)	(26.6)	2.2	(23.3)	3.5
Capital Goods	8.2	(64.3)	(92.0)	(2.1)	(78.5)	2.7
Intermediate Goods	17.2	(44.1)	(66.0)	12.5	(54.7)	0.9
Infrastructure and Construction Goods	12.3	(42.0)	(83.9)	3.0	(63.4)	7.3
Consumer Durables Goods	12.8	(68.5)	(95.7)	0.2	(82.2)	5.5
Consumer Non-Durables Goods	15.3	(11.7)	(36.1)	8.1	(30.2)	4.0

Manufacturing

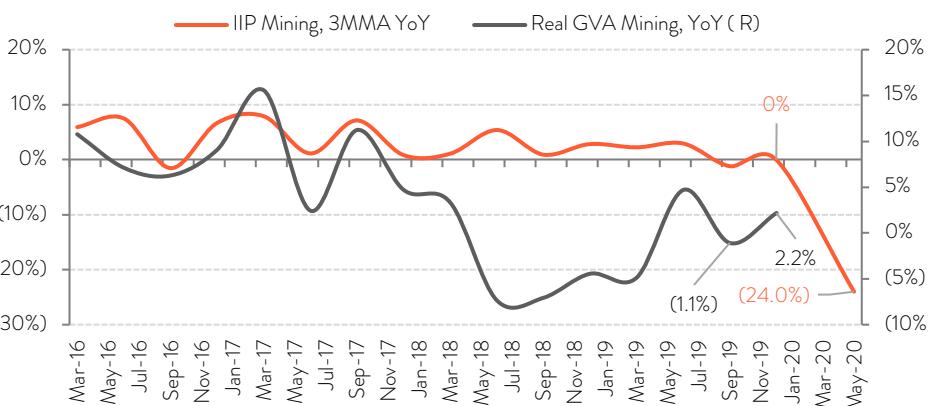
FIG 40 – MANUFACTURING OUTPUT CONTINUES TO DROP



Note: IIP for Apr-May'20 is average on YoY basis

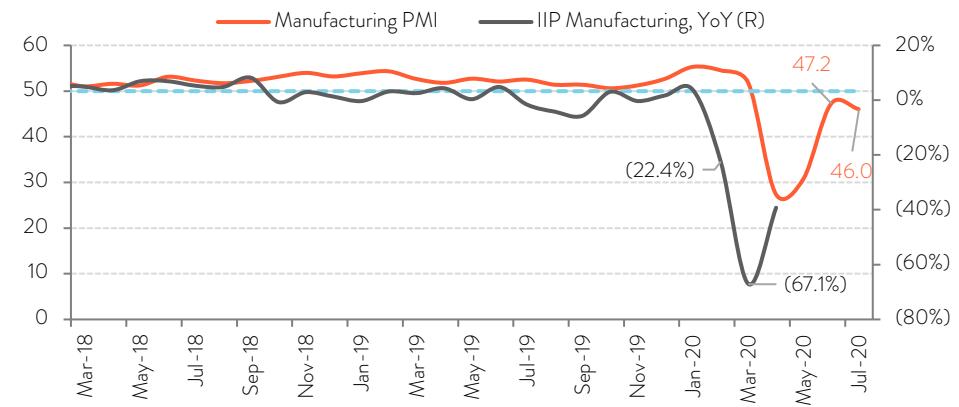
Mining & Electricity

FIG 42 – MINING ACTIVITY DIPS



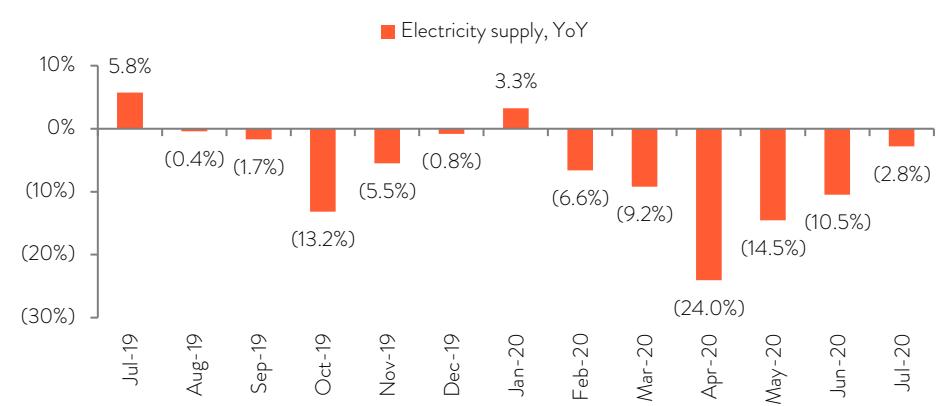
Note: IIP for Apr-May'20 is average on YoY basis

FIG 41 – MANUFACTURING PMI SLIDES MARGINALLY



Source: Markit

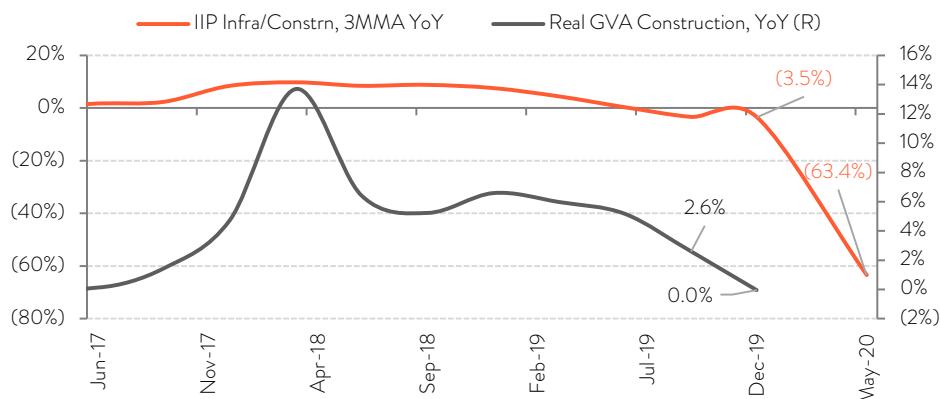
FIG 43 – ELECTRICITY OUTPUT DECLINING AT A SLOWER PACE



Source: Posco. Note: Energy Met (MU)

Infrastructure and Construction

FIG 44 – GROWTH IN CONSTRUCTION DROPS FURTHER



Note: IIP for Apr-May'20 is average on YoY basis

Infrastructure Index

FIG 46 – INFRA INDEX CONTRACTED AT A SLOWER PACE

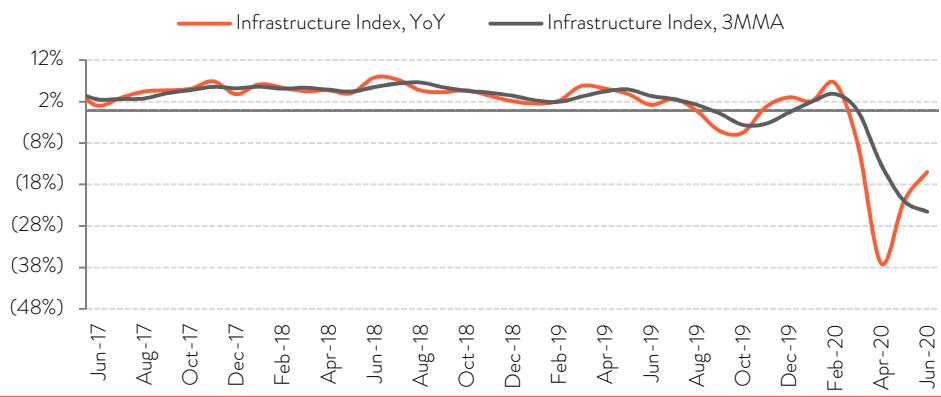


FIG 45 – CEMENT PRODUCTION IMPROVES

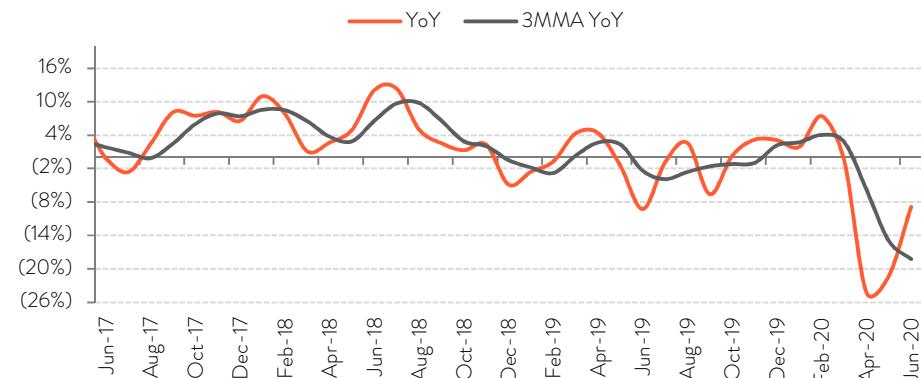
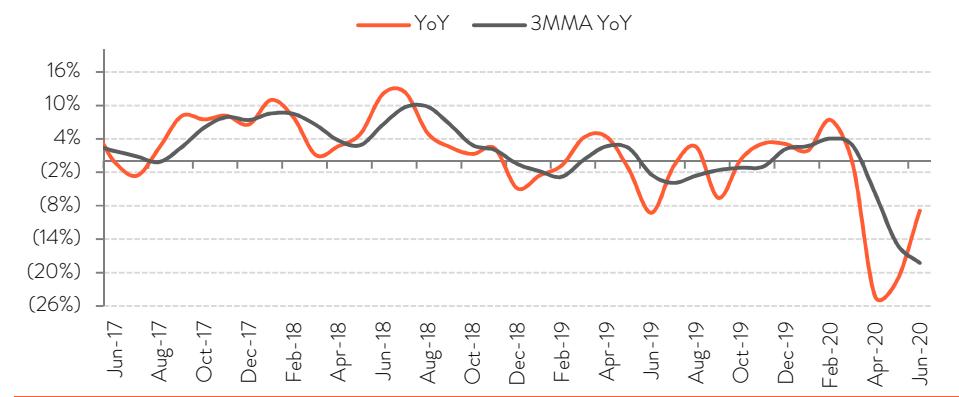


FIG 47 – REFINERY OUTPUT REBOUNDS



Auto production & Business expectation index

FIG 48 – AUTO PRODUCTION REBOUNDS IN JUN'20

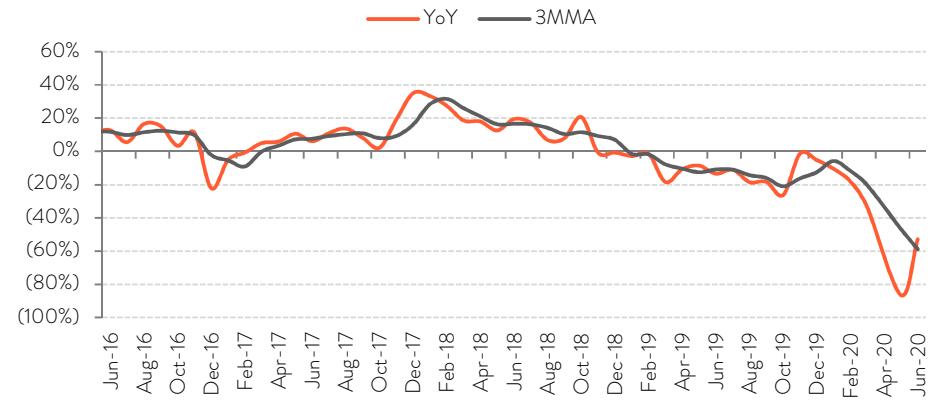


FIG 49 – BUSINESS SENTIMENT TURNS PESSIMISTIC

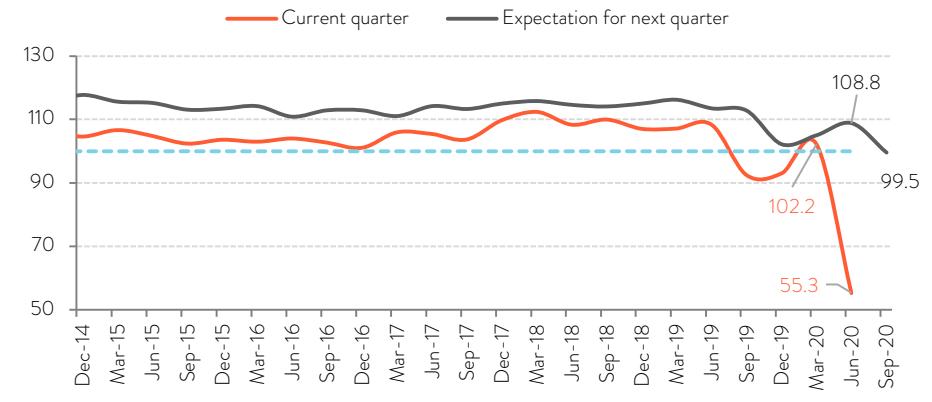


FIG 50 – INFRASTRUCTURE INDEX CONTRACTS BY 15% IN JUN'20

(%)	Weight	Jun-20	May-20	Jun-19	Apr-Jun'20	Apr-Jun'19
Infrastructure Index	100	(15.0)	(22.0)	1.2	(24.6)	3.4
Coal	10.3	(15.5)	(14.0)	2.9	(15.0)	2.6
Crude Oil	9.0	(6.0)	(7.1)	(6.8)	(6.5)	(6.8)
Natural Gas	6.9	(12.0)	(16.8)	(2.1)	(16.2)	(1.0)
Petroleum Refinery Products	28.0	(8.9)	(21.3)	(9.3)	(18.2)	(2.4)
Fertilizers	2.6	4.2	7.5	1.5	2.8	(1.1)
Steel	17.9	(33.8)	(43.1)	10.8	(51.7)	12.4
Cement	5.4	(6.9)	(21.4)	(1.9)	(38.3)	1.0
Electricity	19.9	(11.0)	(14.8)	8.6	(16.1)	7.3

Investment

FIG 51 – REAL GFCF CONTRACTED BY 6.5% IN 2011-12 SERIES IN Q4FY20 VS 5.1% DECLINE IN Q3FY20

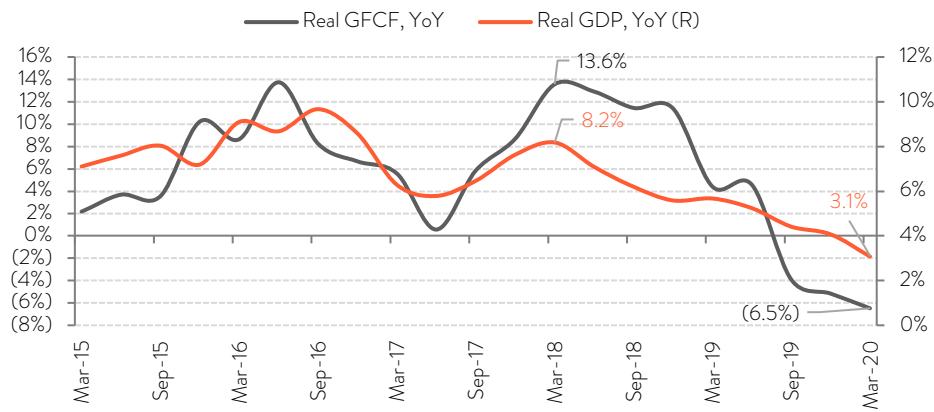


FIG 52 – ...IN FY20 AS WELL, REAL GFCF SHOWED SHARP CONTRACTION OF 2.8%, GDP GROWTH ALSO DECELERATED TO 4.2%

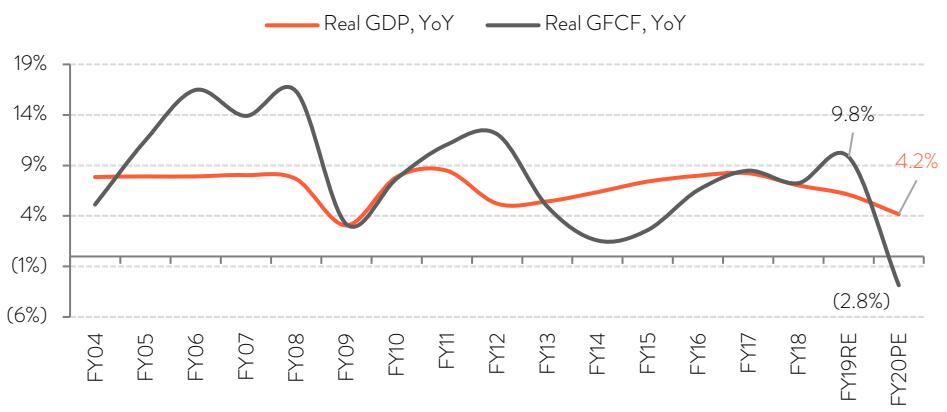


FIG 53 – CAPACITY UTILISATION IMPROVED SLIGHTLY IN MAR'20 BUT LIKELY TO WORSEN IN THE COMING MONTHS DUE TO COVID-19

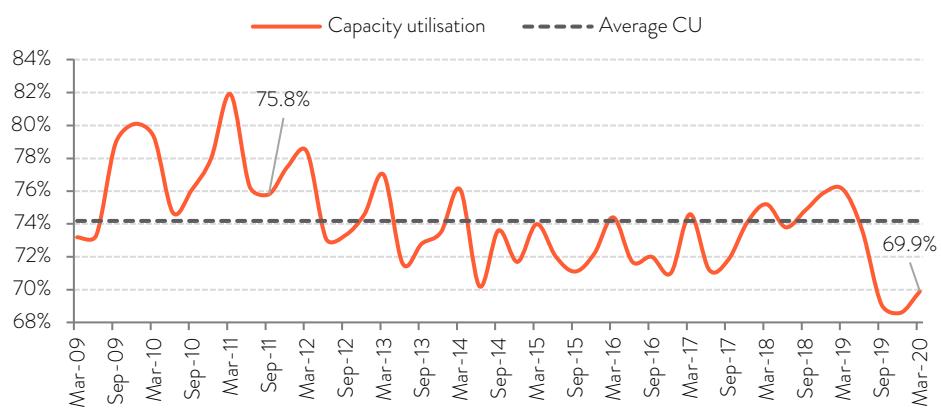


FIG 54 – CAPITAL GOODS PRODUCTION FELL BY 64.3% IN MAY'20 FROM 92.6% CONTRACTION IN APR'20

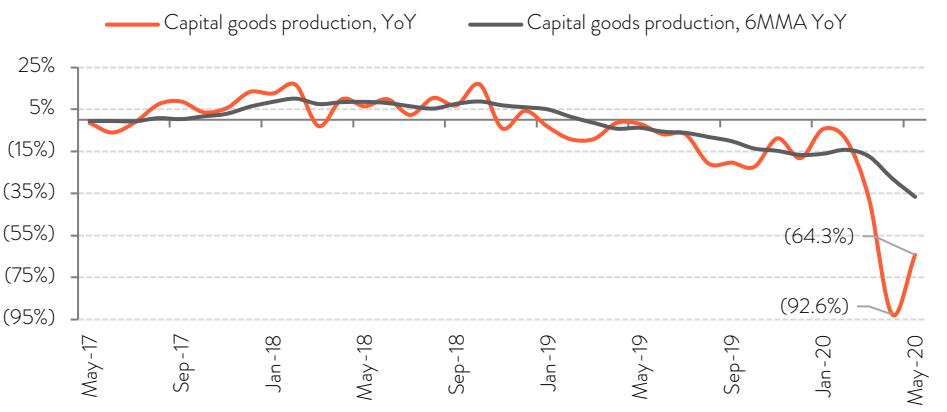


FIG 55 – CAPITAL GOODS IMPORTS REMAINED IN THE NEGATIVE TERRITORY; DECLINING SHARPLY BY 42.1% AGAINST 33.6% IN MAY'20

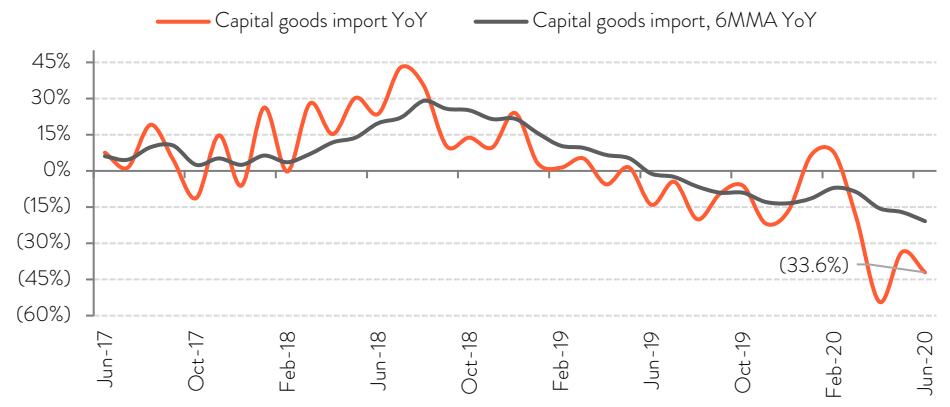


FIG 57 – INDUSTRY CREDIT GROWTH INCHED UP TO 2.2% IN JUN'20 FROM 1.7% IN MAY'20

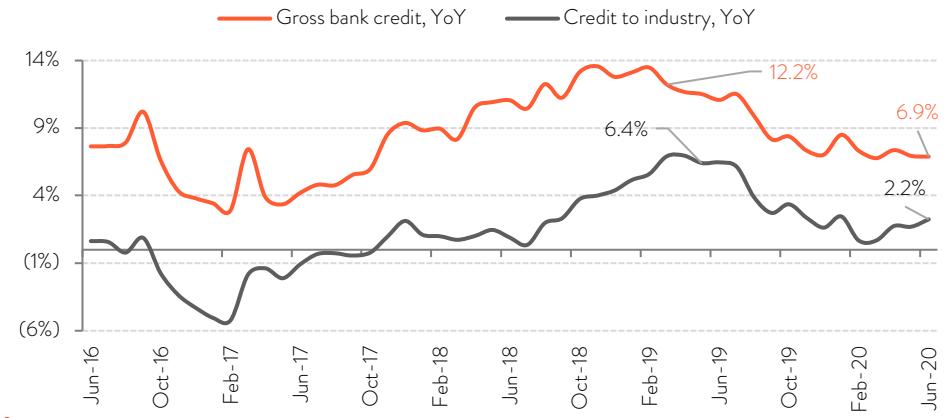


FIG 56 – CENTRE'S CAPEX SPENDING PICKED UP SHARPLY TO 27.9% IN JUN'20 COMPARED WITH 18.3% IN MAY'20

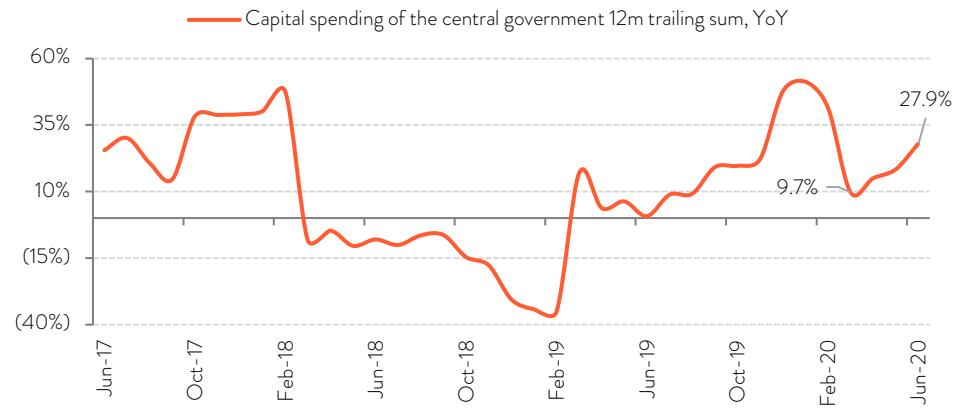


FIG 58 – LED BY HIGHER CREDIT OFFTAKE TO LARGE INDUSTRY (3.7% IN JUN'20 FROM 2.8% IN MAY'20)

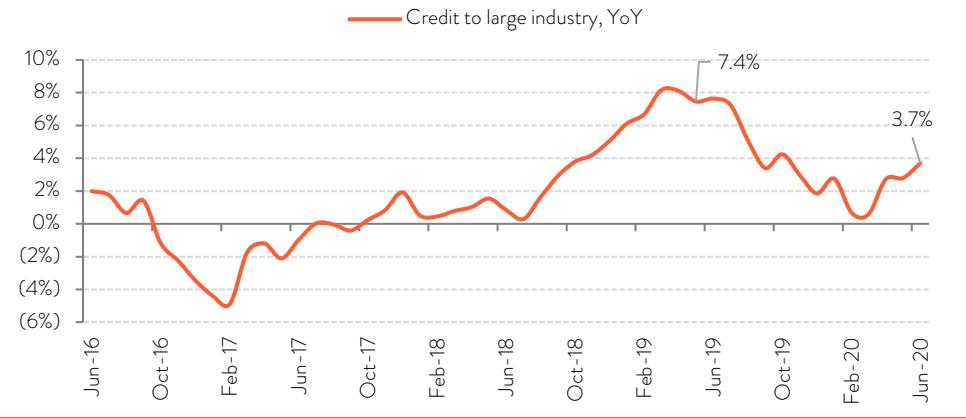


FIG 59 – HOWEVER, CREDIT TO MSE DECLINED TO 3.7% FROM 3.4% DECLINE IN MAY'20; FOR MEDIUM INDUSTRY IT FELL TO 9% FROM 5.3% IN MAY'20

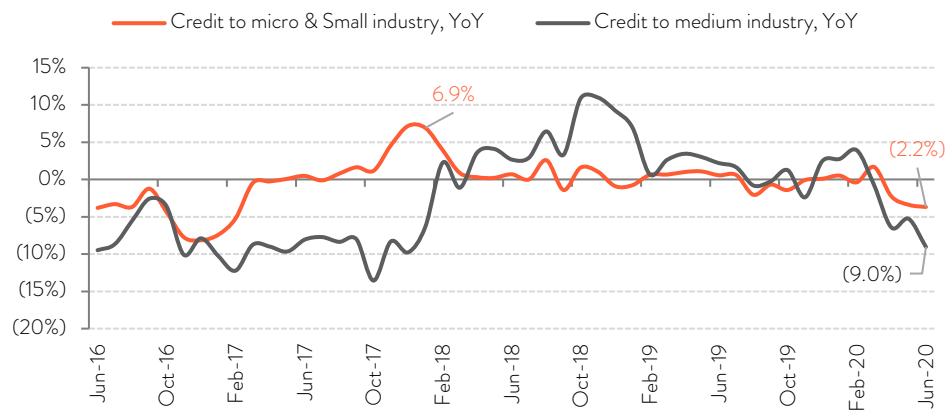


FIG 60 – HOUSING CREDIT CONTINUED TO EDGE DOWN TO 12.5% IN JUN'20 FROM 12.9% IN MAY'20

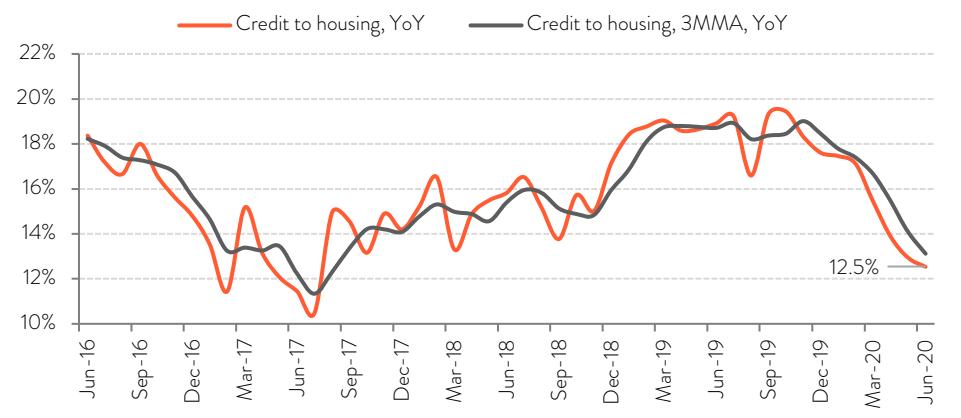


FIG 61 – NEW LAUNCHES AND SALES FELL SHARPLY FOLLOWING THE PANDEMIC

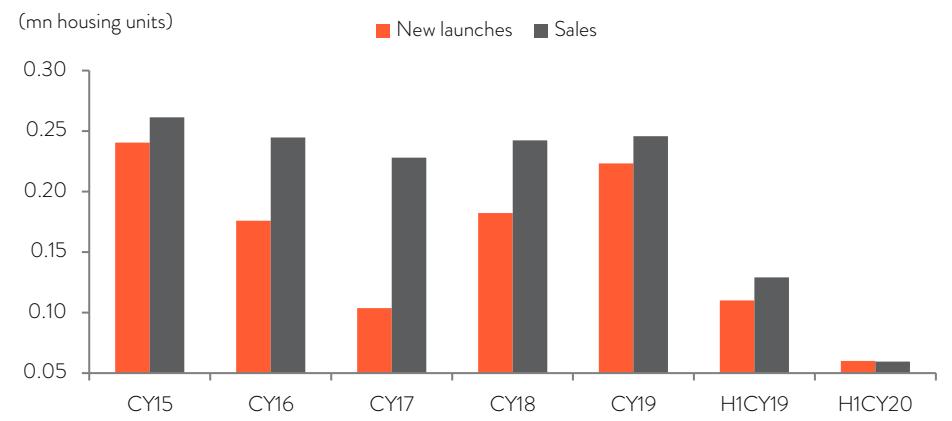
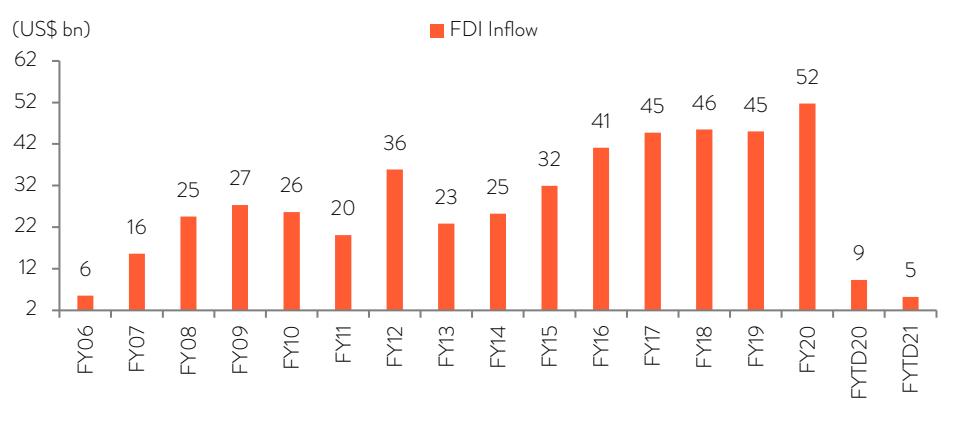


FIG 62 – FDI INFLOWS WAS LOWER AT US\$ 5BN IN FYTD21* AGAINST US\$ 9BN IN THE SAME PERIOD OF PREVIOUS YEAR

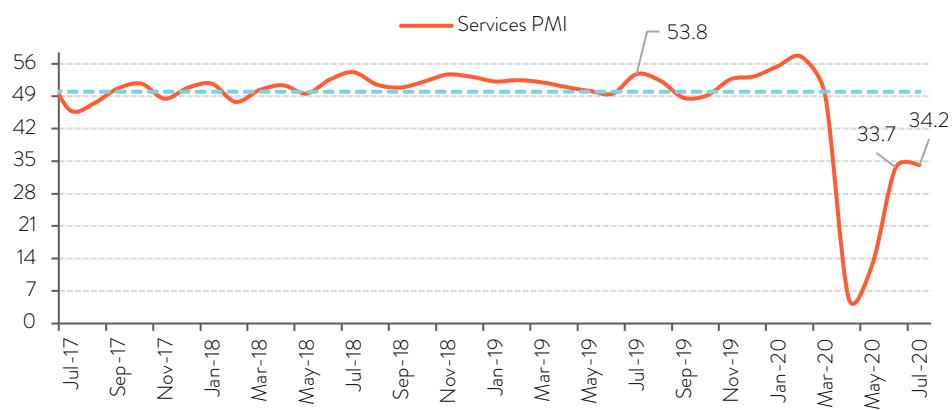


Services sector

FIG 63 – GVA: SERVICES ACTIVITY SLOWED SHARPLY IN Q4FY20



FIG 64 – SERVICES PMI SHOWS ACTIVITY HAS PLATEAUED IN JUL'20

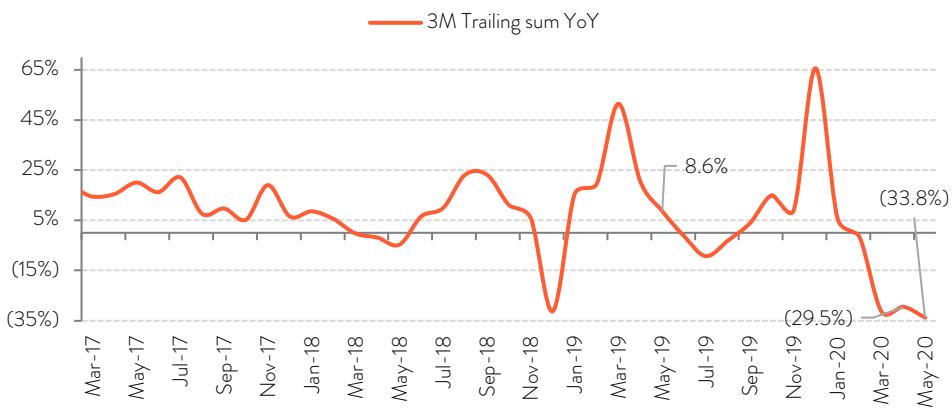


Source: Markit

FIG 65 – GVA: TRADE & RELATED SERVICES GROWTH REMAINS MUTED



FIG 66 – STATES* TAX REVENUE GROWTH SHARPLY DOWN IN MAY'20

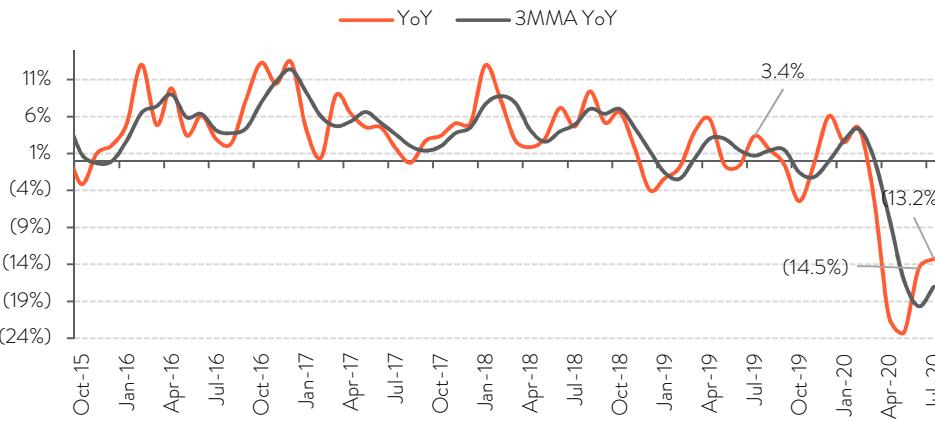


Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand and W.Bengal

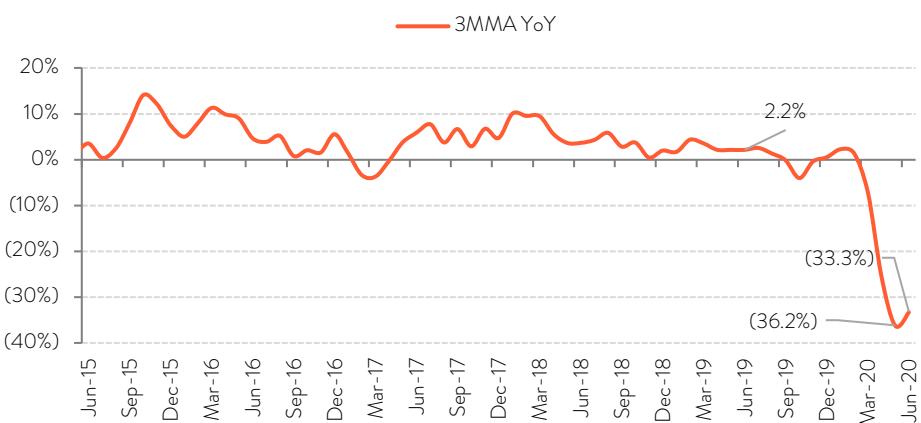
Trade

FIG 67 – VEHICLE REGISTRATIONS REMAIN WEAK IN JUL'20

Source: MoRTH

FIG 69 – PORT CARGO VOLUMES REMAINED UNDER STRESS IN JUL'20 ALSO

ECONOMICS RESEARCH

FIG 68 – DIESEL CONSUMPTION STILL WEAK

Source: PPAC

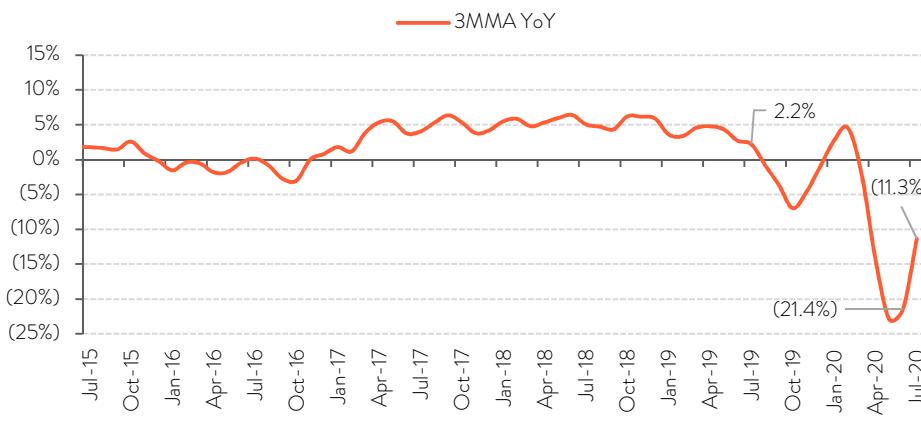
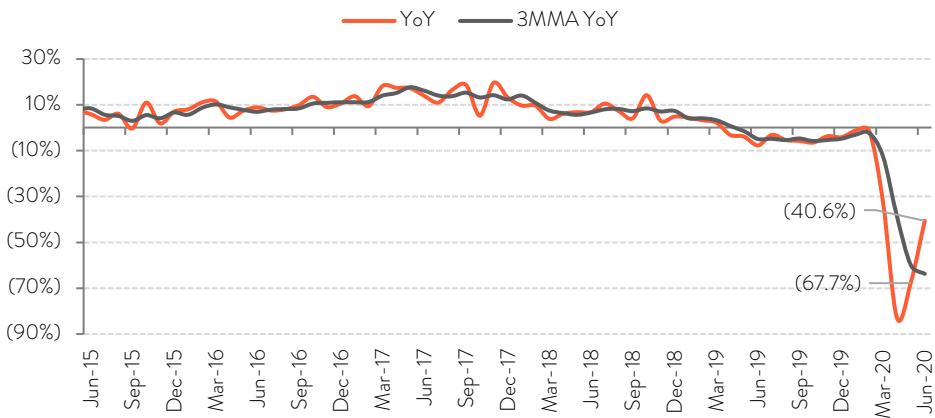
FIG 70 – RAILWAY FREIGHT TRAFFIC GRADUALLY IMPROVING

FIG 71 – AIR CARGO VOLUMES CONTRACTING LESS SHARPLY...



Hotels and Communications

FIG 73 – FOREIGN TOURIST ARRIVAL GROWTH SLIPPED OWING TO EXTENDED LOCDATAW

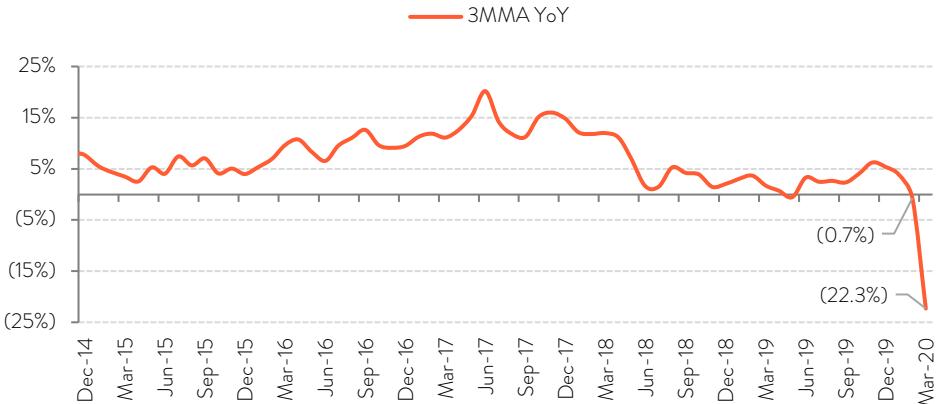


FIG 72 – E-WAY BILLS CONTINUE TO MAINTAIN MOMENTUM IN JUL'20

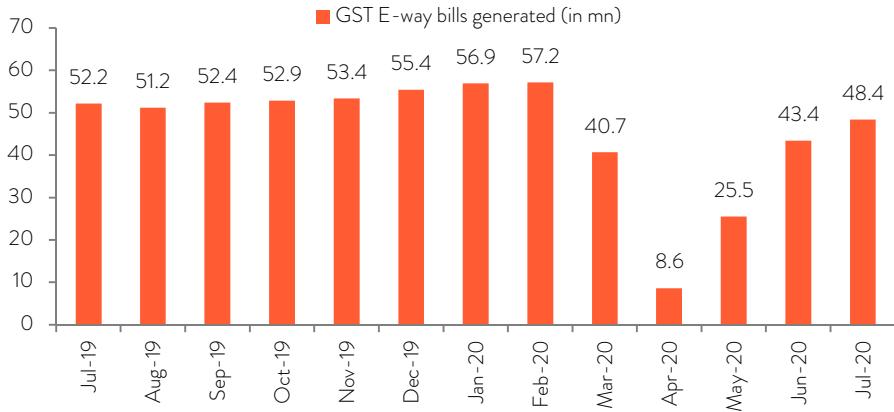


FIG 74 – AIRLINE PASSENGER TRAFFIC GROWTH CONTINUES TO REMAIN BADLY HIT EVEN AS DOMESTIC FLIGHTS RESUME OPERATIONS

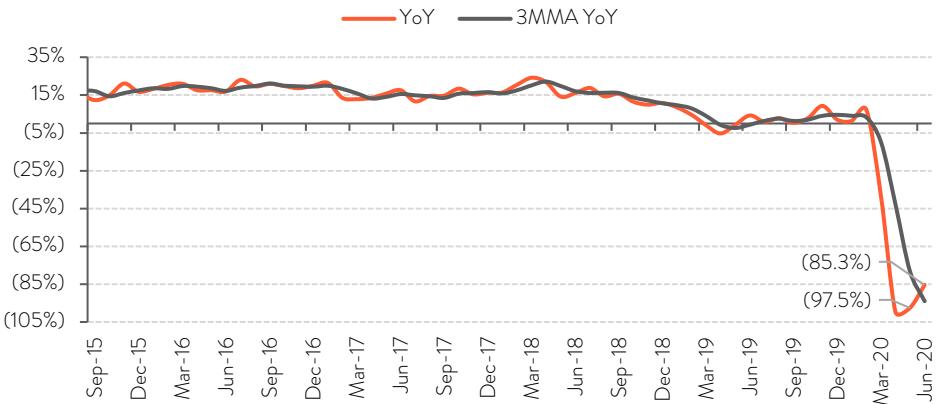
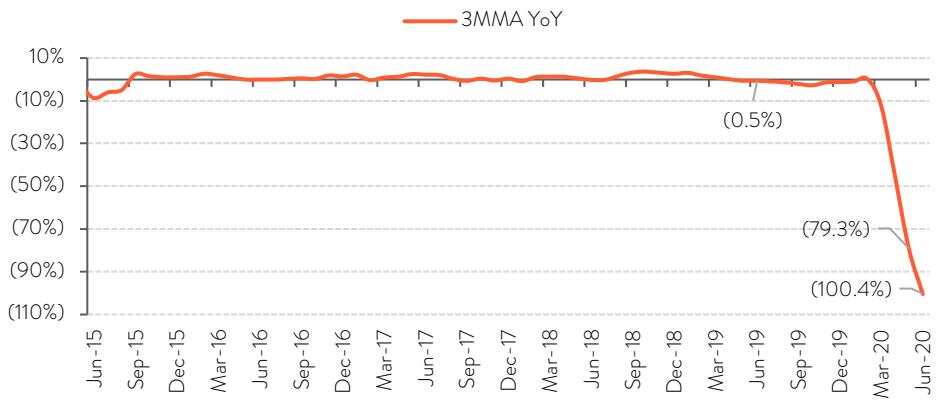


FIG 75 – RAILWAY PASSENGER TRAFFIC GROWTH REMAINS IN FREE FALL EVEN IN JUN'20



Finance and Real estate

FIG 77 – GROWTH IN GVA: FINANCE, REAL ESTATE & PROF. SERVICES ACTIVITY SLOWED FURTHER IN Q4FY20

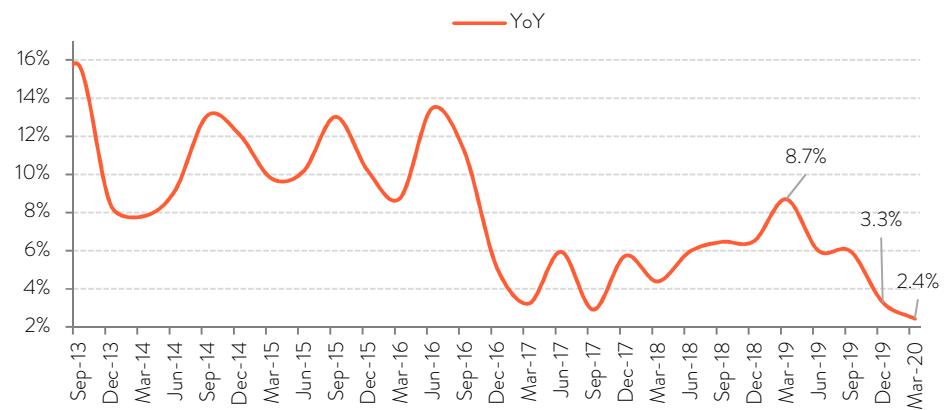
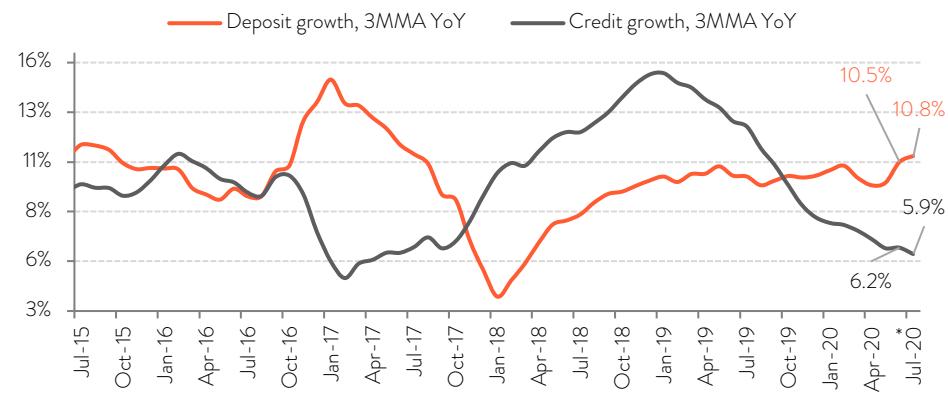


FIG 76 – TELECOM SECTOR LOST 8.2MN WIRELESS SUBSCRIBERS IN APR'20



FIG 78 – CREDIT GROWTH REMAINS LACKLUSTRE; DEPOSIT GROWTH STEADY IN JUL'20



Note: *Jul'20 implies fortnight as of 17 Jul 2020

FIG 79 – CREDIT TO MANUFACTURING SECTOR STILL WEAK, SERVICES SEES UPTICK IN JUN'20

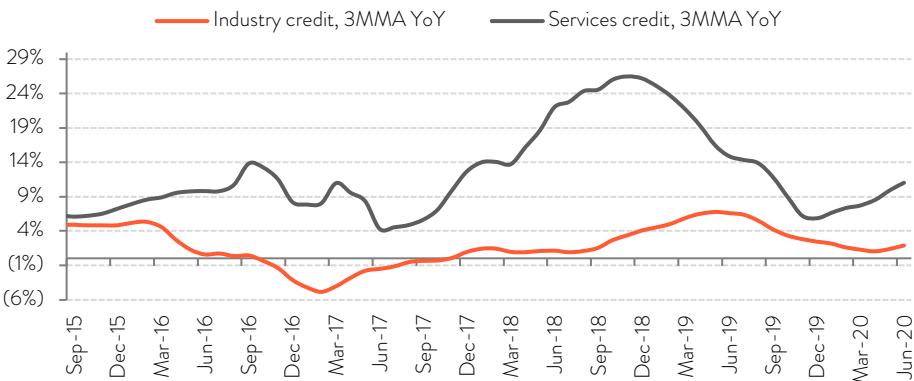
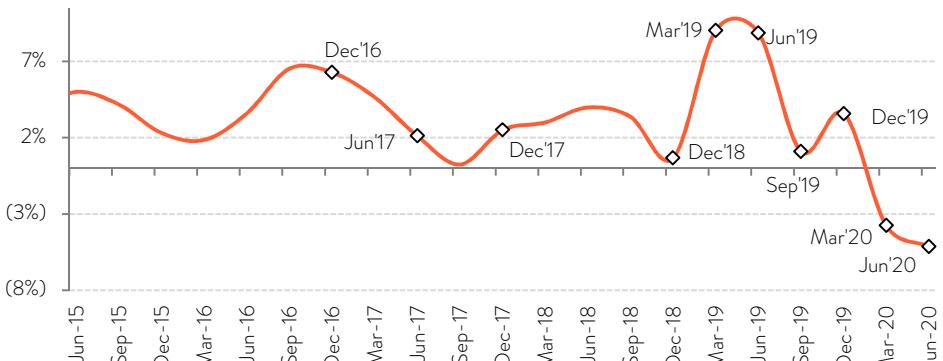


FIG 81 – AVERAGE PROPERTY PRICE INDEX* CONTINUES TO EASE IN Q1FY21



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

FIG 80 – CREDIT TO NBFC AND TRADE SERVICES STEADY IN JUN'20

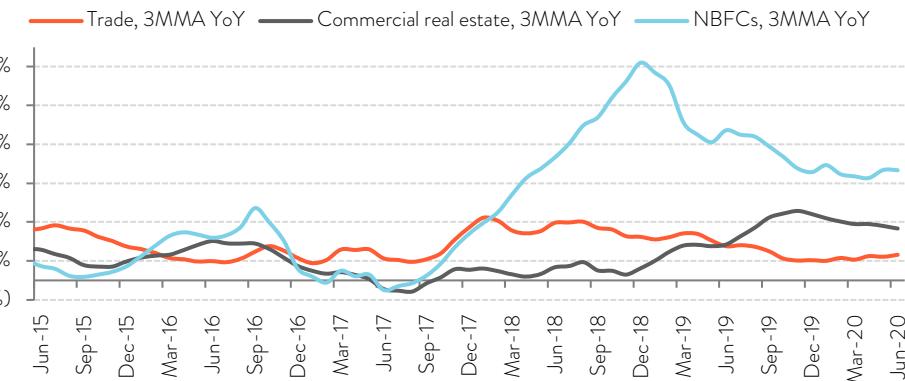
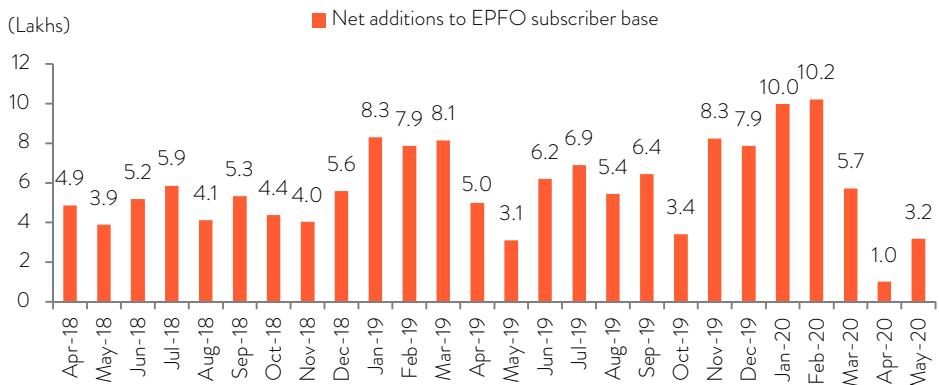


FIG 82 – NET ADDITIONS TO EPFO SUBSCRIBER BASE SEES MARGINAL UPTICK IN MAY'20



Source: EPFO

Public administration

FIG 83 – PUBLIC ADMINISTRATION & RELATED SERVICES SLOWED IN Q4FY20

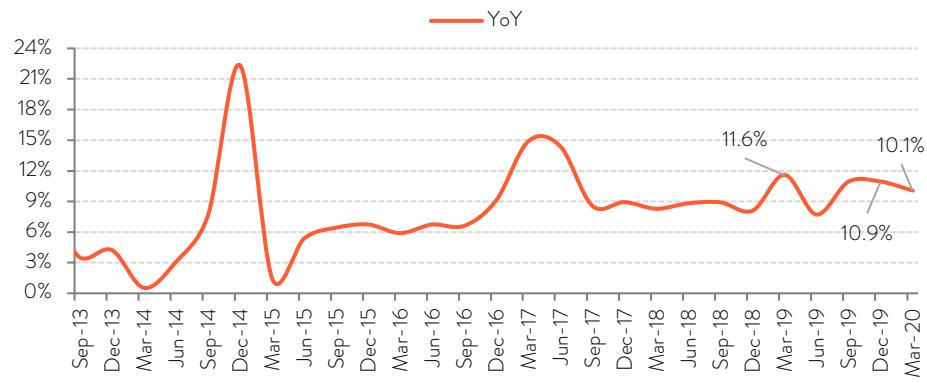


FIG 84 – GENERAL GOVT. SPENDING EASED IN MAY'20

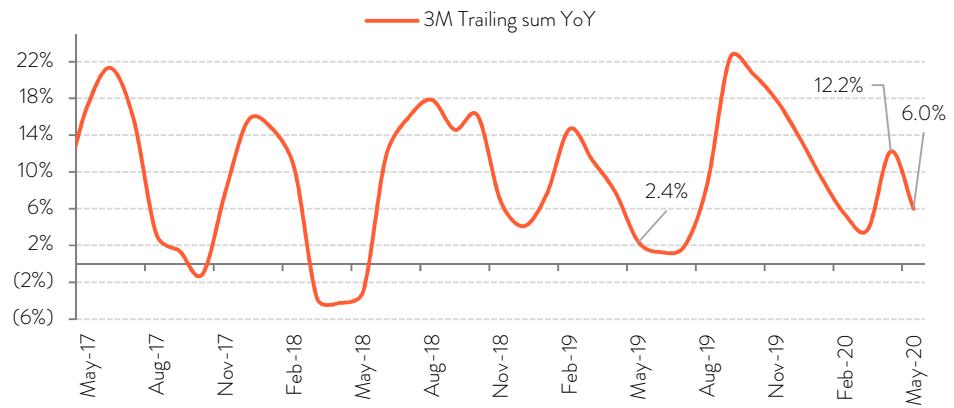


FIG 85 – CENTRAL GOVT. SPENDING BROADLY STEADY JUN'20

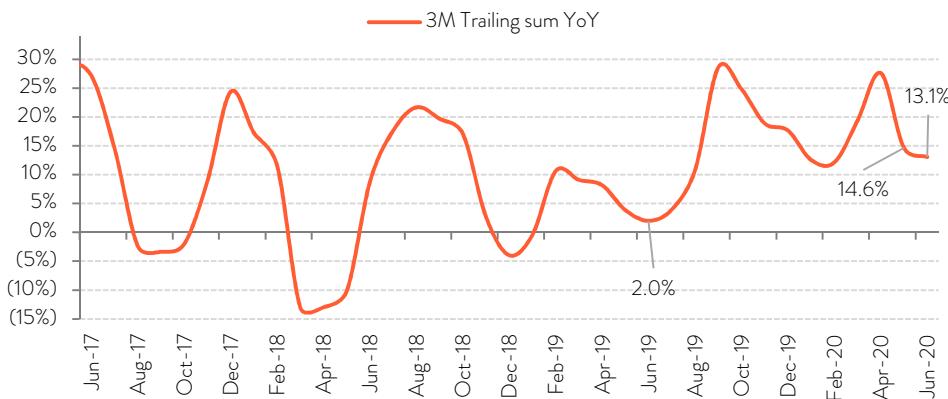
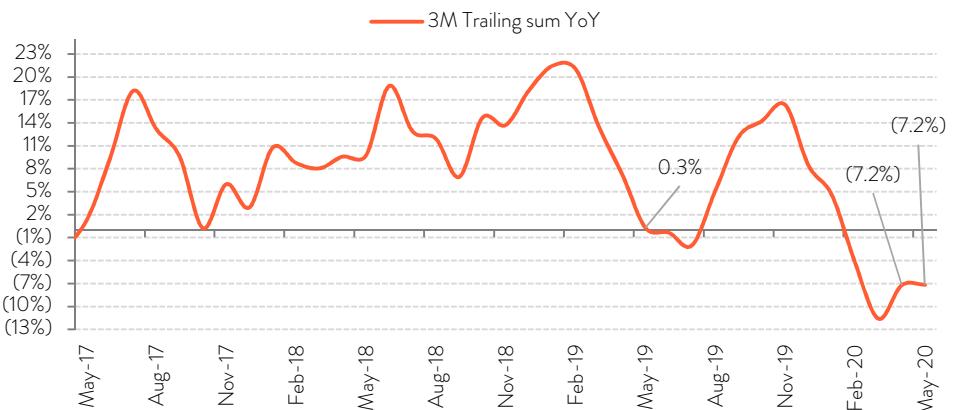


FIG 86 – STATE* GOVT. SPENDING CONTINUED CONTRACTING IN MAY'20

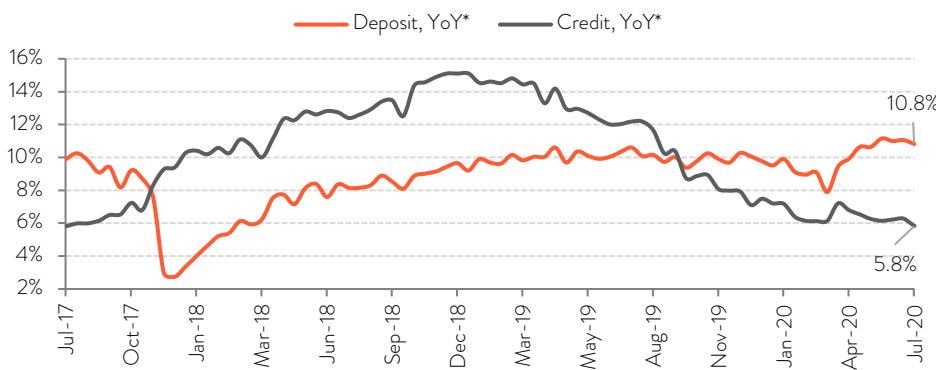


Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand and W.Bengal

Financial sector

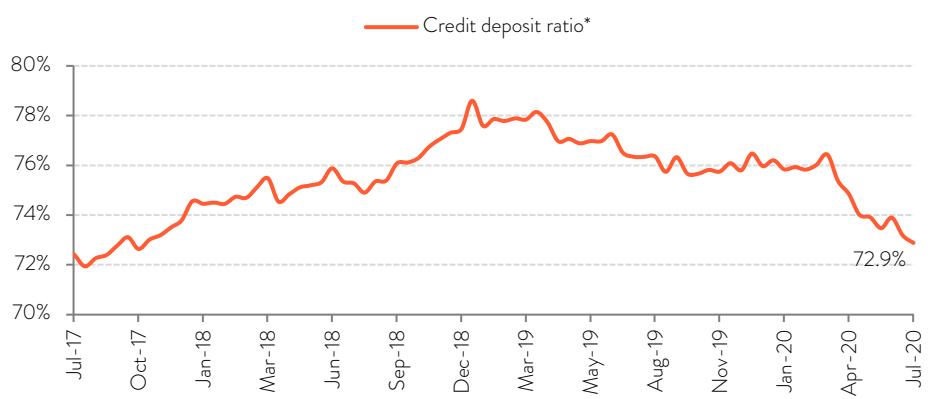
Money and banking

FIG 87 – CREDIT AND DEPOSIT GROWTH BOTH MODERATED TO 5.8% AND 10.8% IN JUL'20 FROM 6.2% AND 11% IN JUN'20 RESPECTIVELY



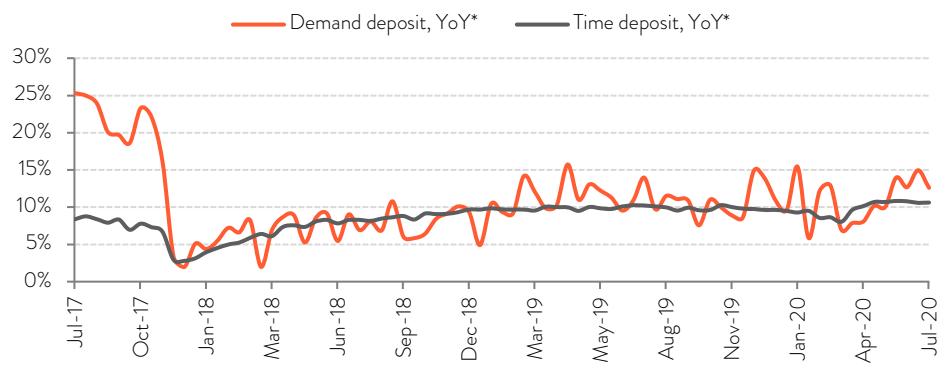
Note: *Jul'20 implies fortnight as of 17 Jul 2020

FIG 89 – CD RATIO INCHED DOWN TO 72.9% IN JUL'20 FROM 73.9% IN JUN'20



Note: *Jul'20 implies fortnight as of 17 Jul 2020

FIG 88 – BOTH DEMAND AND TIME DEPOSITS MODERATED TO 12.6% AND 10.6% IN JUL'20 RESPECTIVELY FROM 12.7% AND 10.8% IN JUN'20



Note: *Jul'20 implies fortnight as of 17 Jul 2020

FIG 90 – CIC ACCRETION WAS FAR HIGHER AT RS 2.3TN IN FYTD21 COMPARED WITH RS 499BN IN FYTD20

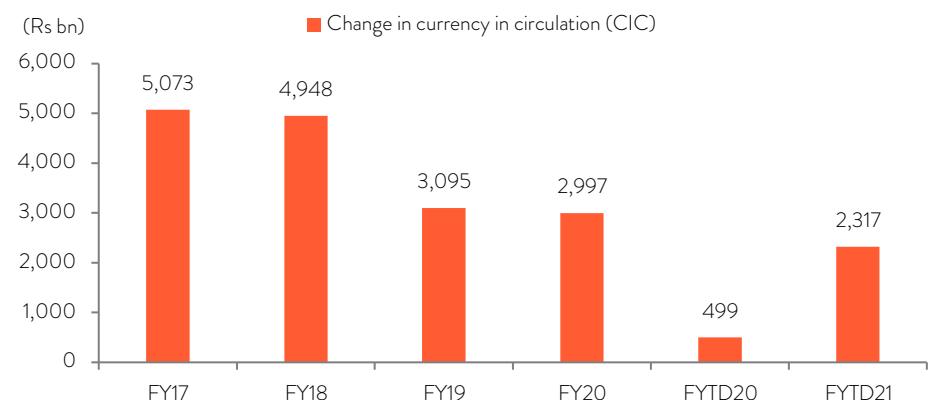
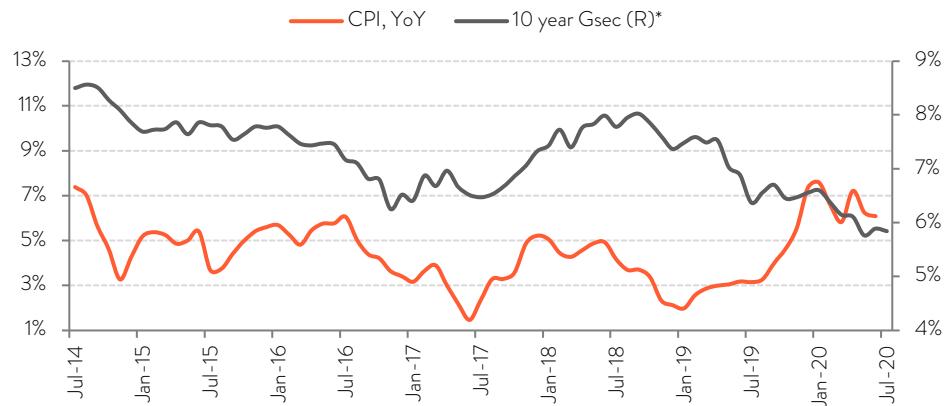
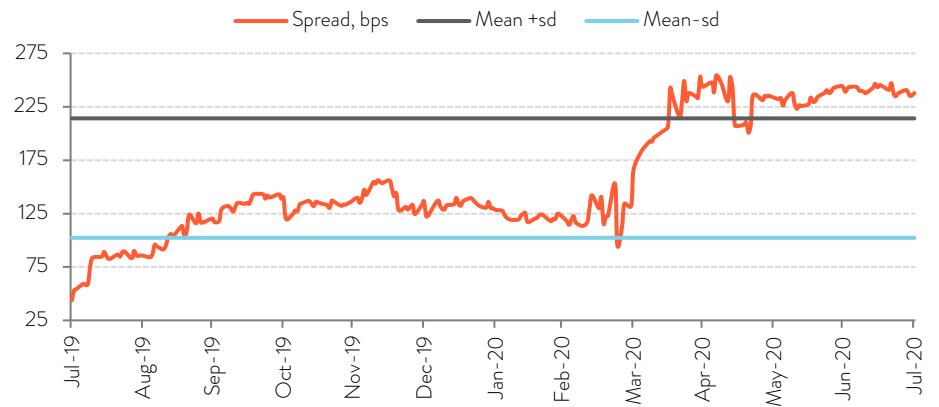


FIG 91 – 10Y GSEC YIELD WAS LOWER AT 5.8% IN JUL'20, INFLATION REMAINED ELEVATED THROUGHOUT Q1FY21



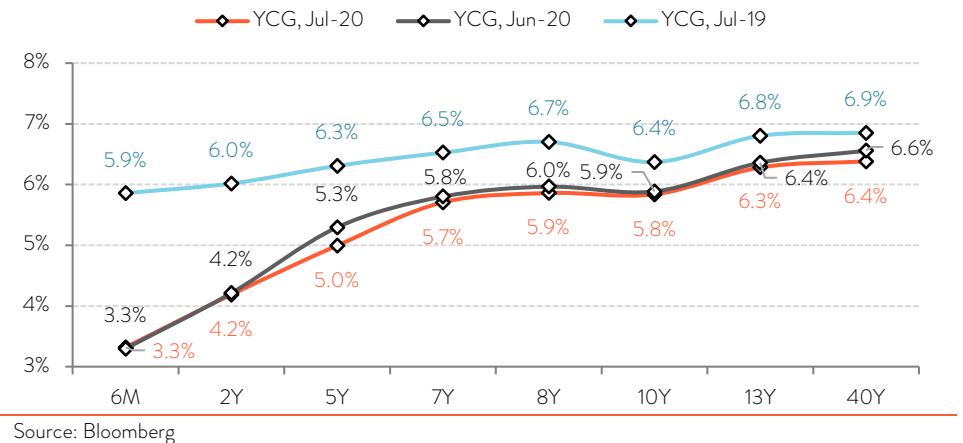
Note: *As on last trading day of the month, 5.79GS2030 benchmark security is taken

FIG 93 – SPREAD BETWEEN 10Y GSEC AND 1Y TBILL ROSE TO 241BPS IN JUL'20 FROM 233BPS IN JUN'20



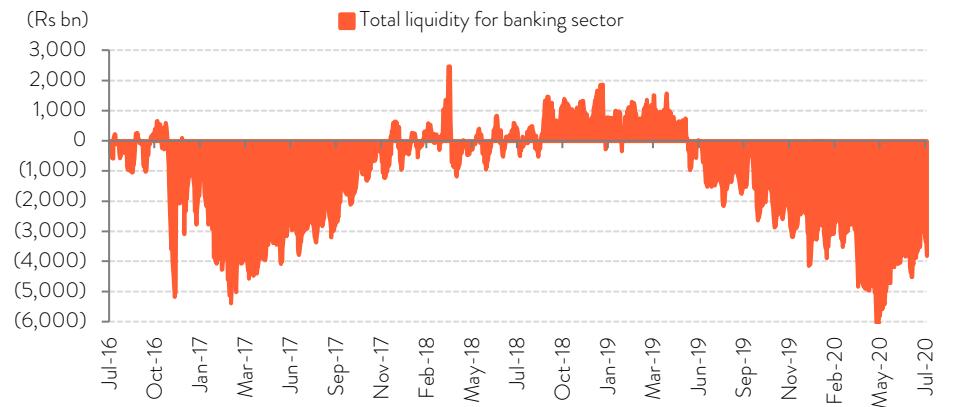
Source: Bloomberg

FIG 92 – YIELD CURVE GRAPH (YCG) SHOWS STEEPENING BIAS



Source: Bloomberg

FIG 94 – AVERAGE SYSTEM LIQUIDITY SURPLUS MODERATED TO RS 3.6TN IN JUL'20 FROM RS 3.8TN IN JUN'20 AND CURRENTLY AT ~RS 3.7TN



Source: RBI

FIG 95 – NBFC 3Y AAA SPREAD HAS FALLEN TO ITS MULTI YEAR LOWS OF 73BPS AS ON 31 JUL 2020

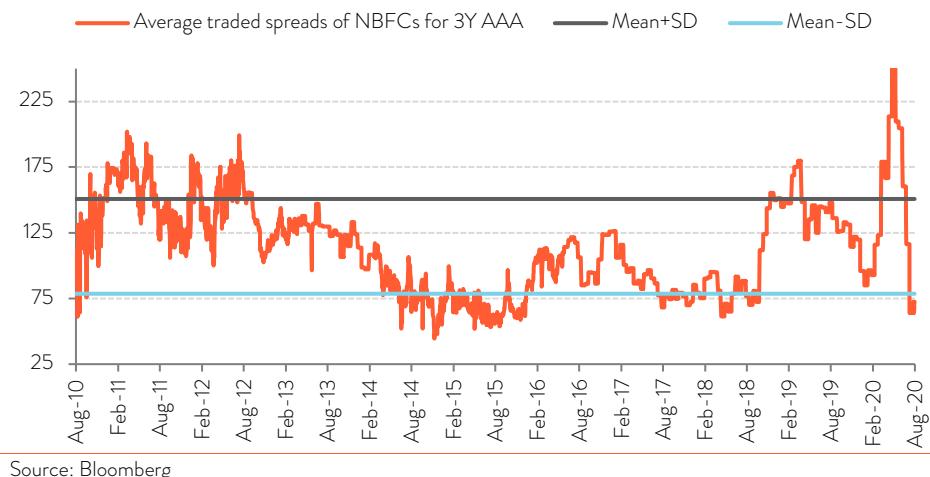


FIG 97 – CORPORATE 3Y AAA HAS ALSO FALLEN SHARPLY TO 50BPS ON 31 JUL 2020

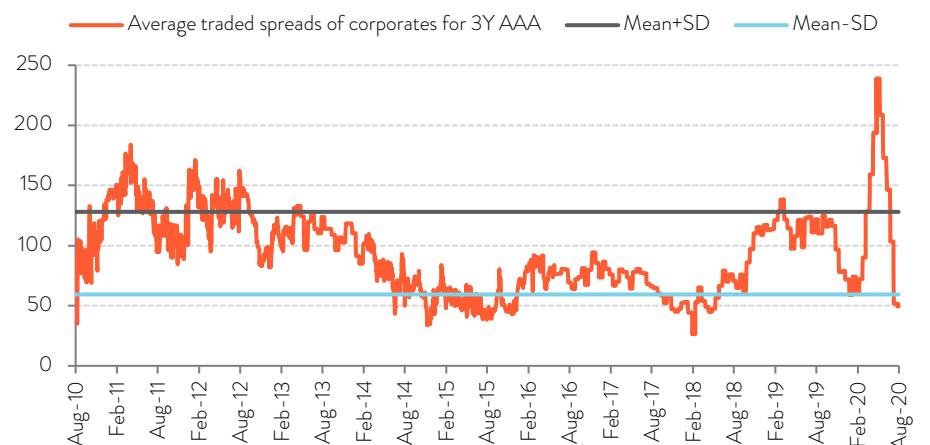


FIG 96 – FOR 10Y AAA RATED PAPER AS WELL IT FELL TO 90BPS

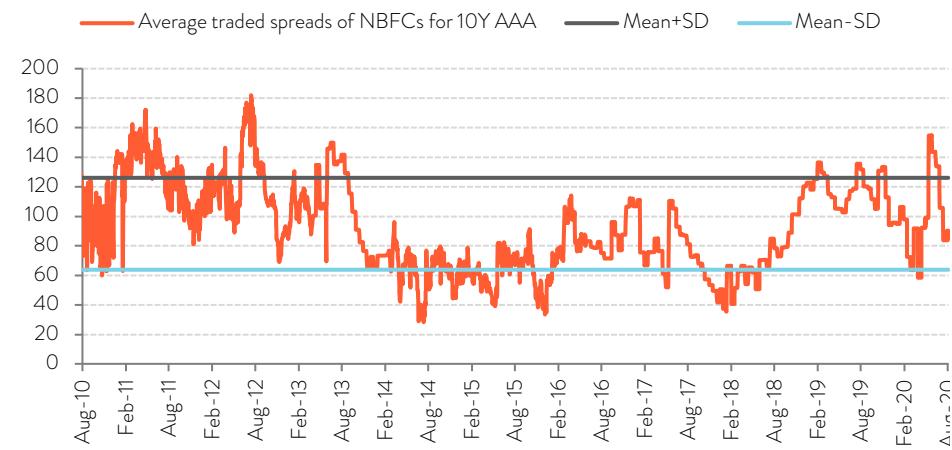
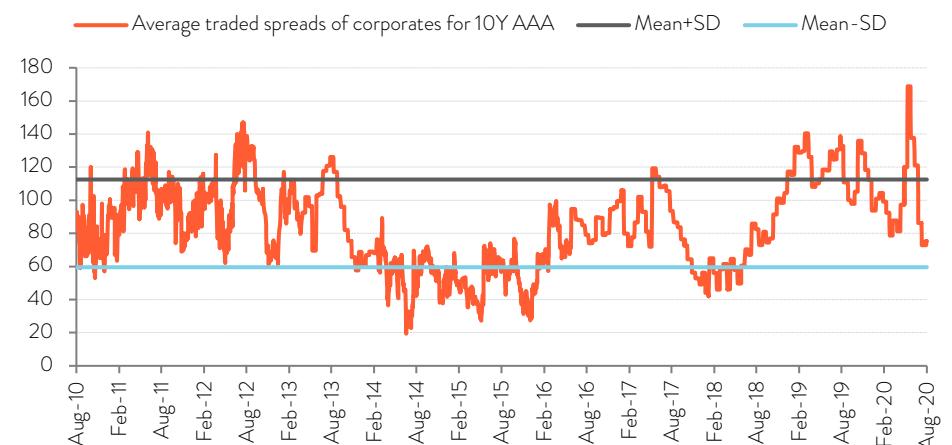


FIG 98 – FOR 10YAAA RATED PAPER AS WELL IT FELL TO 75BPS ON 31 JUL 2020



Interest rates on small savings schemes

FIG 99 – INTEREST RATES ON SMALL SAVINGS SCHEME FALLING IN Q1FY21

Instrument (%)	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	GSec Yield (8 Aug 2020)
Savings deposit	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
1 year time deposit	6.9	7.0	7.0	6.9	6.9	6.9	5.5	3.64
2 year time deposit	7.0	7.0	7.0	6.9	6.9	6.9	5.5	4.19
3 year time deposit	7.2	7.0	7.0	6.9	6.9	6.9	5.5	4.75
5 year time deposit	7.8	7.8	7.8	7.7	7.7	7.7	6.7	5.00
5 year recurring deposit	7.3	7.3	7.3	7.2	7.2	7.2	5.8	5.00
5 year senior citizen savings scheme	8.7	8.7	8.7	8.6	8.6	8.6	7.4	5.00
5 year monthly income scheme	7.7	7.7	7.7	7.6	7.6	7.6	6.6	5.00
5 year national savings certificate	8	8	8	7.9	7.9	7.9	6.8	5.00
Public provident fund scheme	8	8	8	7.9	7.9	7.9	7.1	5.89
Kisan vikas patra	7.7	7.7	7.7	7.6	7.6	7.6	6.9	-
Sukanya samridhi account scheme	8.5	8.5	8.5	8.4	8.4	8.4	7.6	-

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

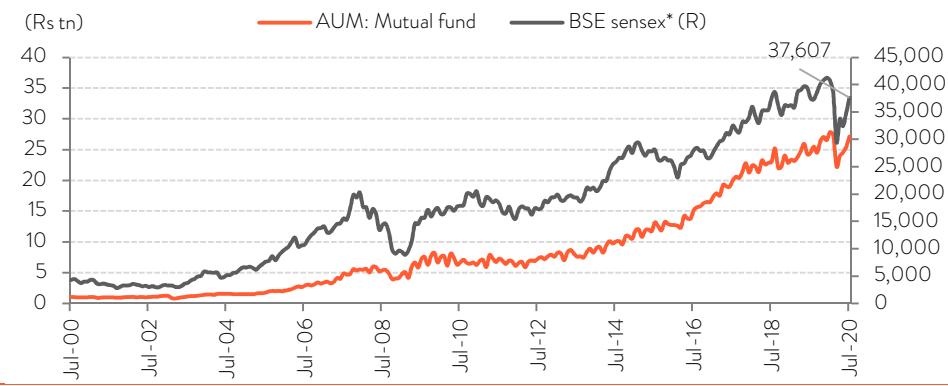
FIG 100 – INTEREST RATES CHARGED BY LEADING BANKS

1Y MCLR (%)	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19	Dec'19	Jan'20	Feb'20	Mar'20	Apr'20	May'20	Jun'20	Jul'20
Public Sector Banks															
Bank of Baroda	8.70	8.70	8.60	8.45	8.40	8.35	8.30	8.25	8.20	8.15	8.15	8.00	7.80	7.65	7.60
Bank of India	8.70	8.65	8.60	8.35	8.35	8.30	8.30	8.20	8.20	8.20	8.20	8.20	7.95	7.70	7.60
Canara Bank	8.70	8.70	8.60	8.50	8.40	8.40	8.35	8.35	8.35	8.20	8.20	7.85	7.85	7.65	7.55
Indian Bank	8.65	8.65	8.60	8.60	8.45	8.35	8.35	8.35	8.30	8.25	8.25	8.10	7.80	7.50	7.40
Punjab National Bank	8.45	8.45	8.40	8.30	8.30	8.25	8.15	8.15	8.05	8.05	8.05	7.75	7.75	7.60	7.60
State Bank of India	8.45	8.45	8.40	8.25	8.15	8.05	8.00	7.90	7.90	7.85	7.75	7.40	7.25	7.00	7.00
Union Bank of India	8.60	8.60	8.55	8.50	8.35	8.30	8.25	8.20	8.10	8.10	8.00	7.75	7.70	7.60	7.40
Private Sector Banks															
Axis Bank Ltd.	8.80	8.70	8.65	8.55	8.45	8.35	8.25	8.15	8.15	8.15	8.10	7.95	7.80	7.75	7.65
HDFC Bank Ltd.	8.70	8.70	8.70	8.60	8.45	8.35	8.30	8.15	8.15	8.15	8.15	7.95	7.95	7.65	7.45
ICICI Bank Ltd.	8.75	8.75	8.65	8.65	8.55	8.45	8.35	8.25	8.20	8.20	8.15	8.00	7.75	7.70	7.55
Indusind Bank	9.85	9.75	9.70	9.65	9.55	9.45	9.45	9.40	9.30	9.30	9.25	9.25	9.25	9.15	9.05
Kotak Mahindra Bank	8.90	8.90	8.85	8.75	8.75	8.60	8.50	8.40	8.40	8.35	8.35	8.10	7.90	7.75	7.60

Source: RBI

Mutual fund (MF) indicators

FIG 101 – SENSEX ROSE BY 7.7% TO 37,607 IN JUL'20 AMIDST REOPENING OF THE ECONOMY, AUM OF MFS ROSE TO RS 27TN FROM 25TN IN JUN'20



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

Insurance sector indicators

FIG 103 – LIFE INSURANCE POLICIES SOLD IN JUL'20 FELL BY 18% AGAINST 11% IN JUN'20

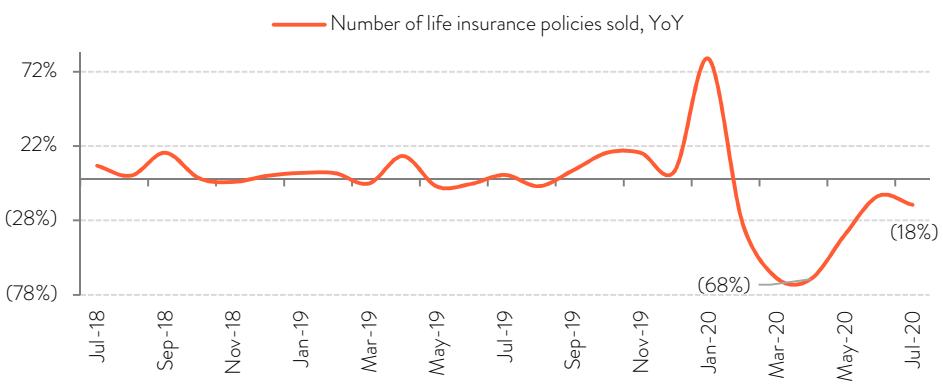


FIG 102 – MF EQUITY OUTFLOW ROSE TO RS 42BN IN JUL'20, DEBT INFLOW ROSE TO RS 866BN (RS 17BN IN JUN'20)

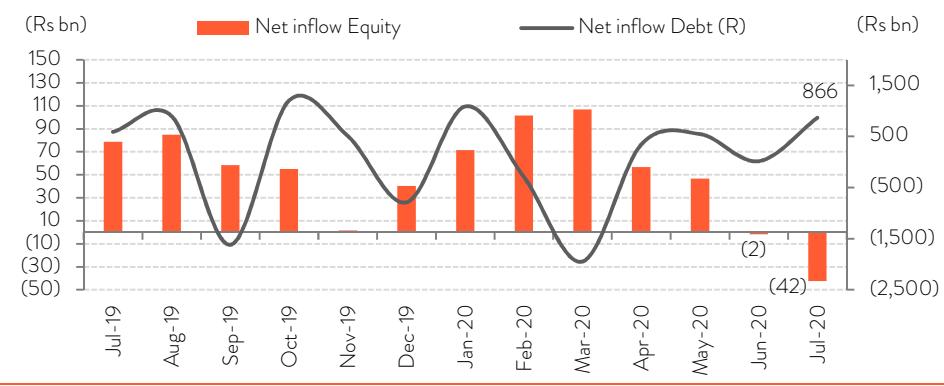
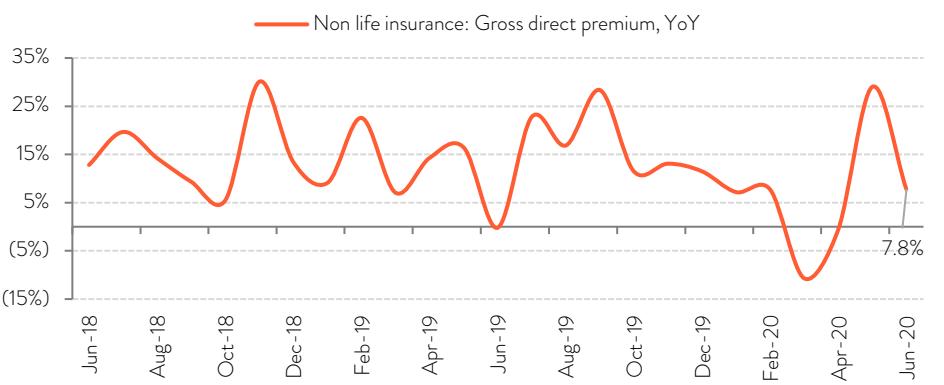


FIG 104 – GROSS DIRECT PREMIUM FOR NON LIFE INSURANCE ALSO EDGED DOWN TO 7.8% IN JUN'20



Public finance

Central government finances

FIG 105 – FISCAL DEFICIT SHOOTS UP IN JUN'20

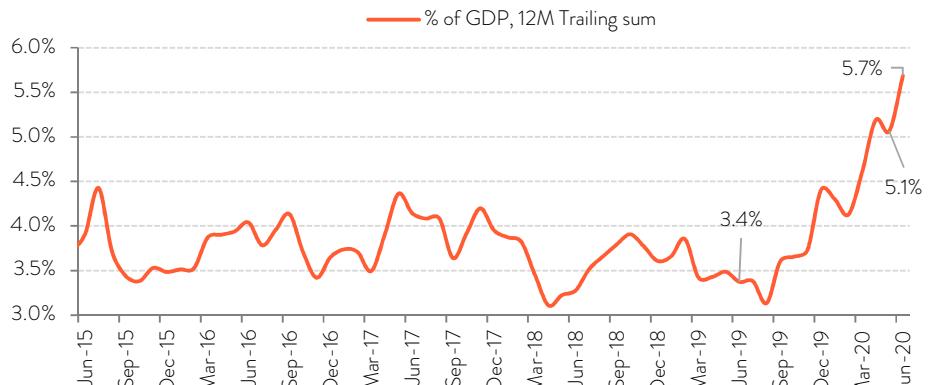


FIG 106 – REVENUE DEFICIT ALSO AT MULTI-YEAR HIGH

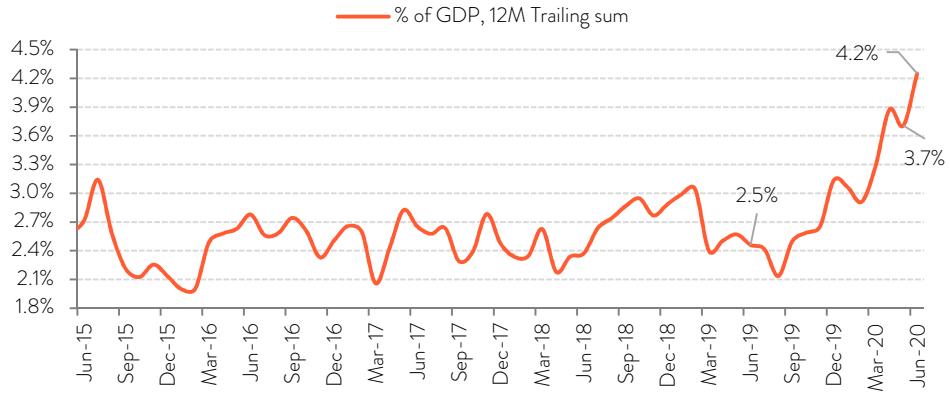


FIG 107 – PRIMARY DEFICIT JUMPED TO 2.6% IN JUN'20

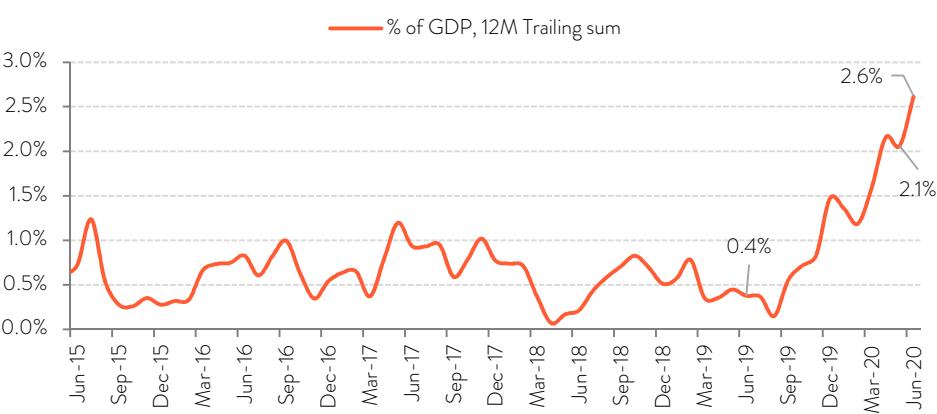


FIG 108 – GOVERNMENT SPENDING PICKED UP IN JUN'20...

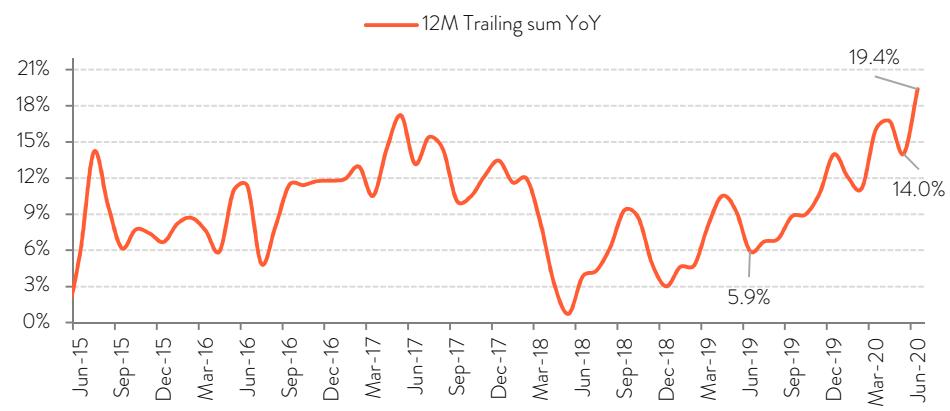


FIG 109 – ...LED BY REVENUE SPENDING

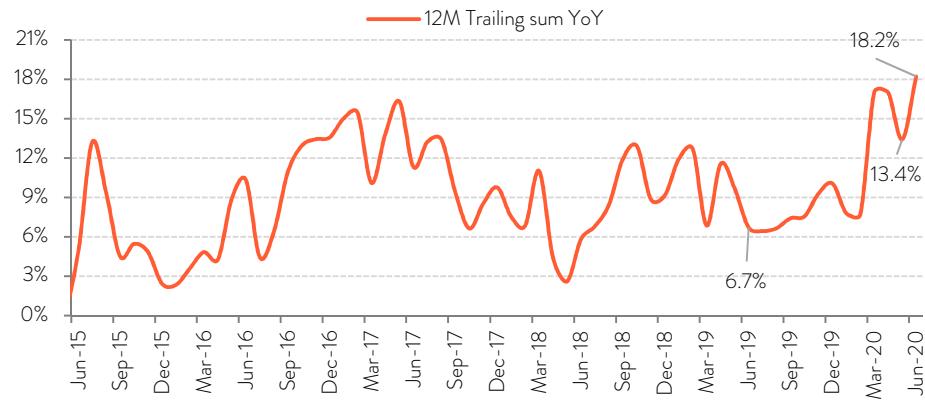


FIG 110 – CAPEX STILL UP ON 12MMA BASIS

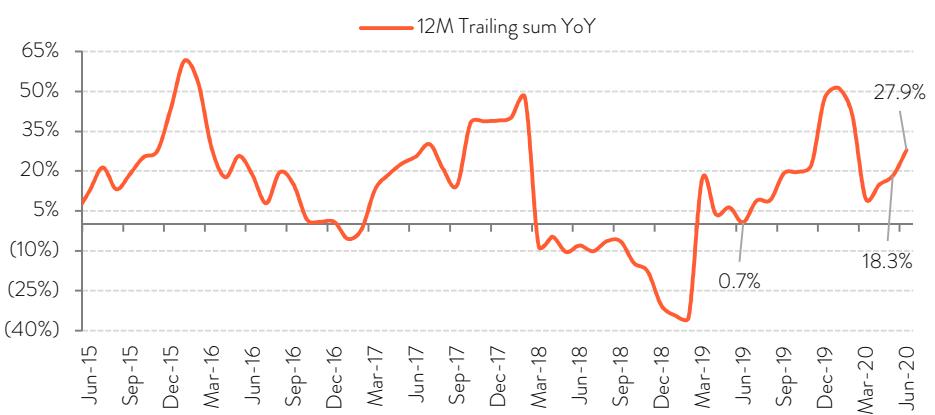


FIG 111 – SPENDING BY MINISTRIES OF ROAD, FINANCE AND AGRICULTURE CONTRIBUTE TO HIGHER EXPENDITURE GROWTH (FYTD BASIS)

Ministry	Apr'18-Jun'18 (Rs bn)	Apr'19-Jun'19 (Rs bn)	% change	Apr'20-Jun'20 (Rs bn)	% change
Ministry of Finance	2,051	2,154	5.0	2,925	35.8
Ministry of Defence	1,209	1,331	10.1	1,238	(7.0)
Ministry of Consumer Affairs, Food and Public Distribution	888	948	6.8	537	(43.3)
Ministry of Rural Development	443	343	(22.5)	876	155.2
Ministry of Home Affairs	313	326	4.1	356	9.2
Ministry of Human Resource Development	192	207	7.9	153	(26.3)
Ministry of Road Transport and Highways	250	6	(97.8)	192	3,325.9
Ministry of Chemicals and Fertilisers	169	293	72.9	256	(12.4)
Ministry of Petroleum and Natural Gas	142	307	116.4	155	(49.7)
Ministry of Agriculture	213	214	0.4	371	73.7
Ministry of Health and Family Welfare	146	167	14.6	215	28.7

FIG 112 – RECEIPT GROWTH DECLINED CONSIDERABLY IN JUN'20

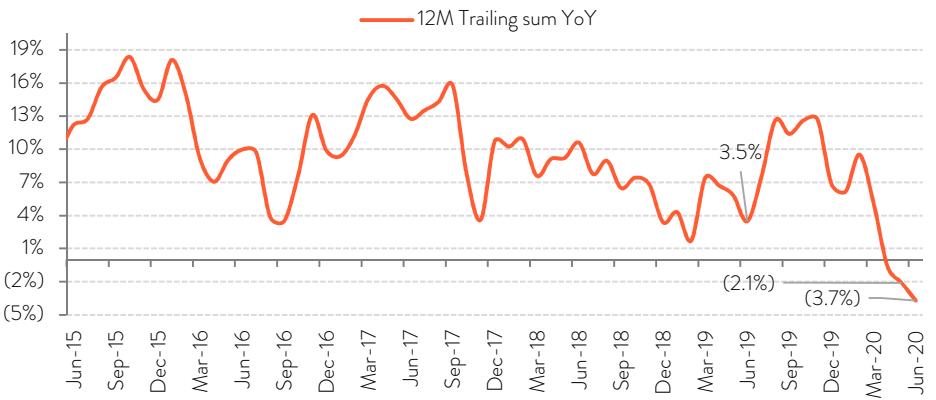


FIG 114 – TAX REVENUES A KEY DRAG

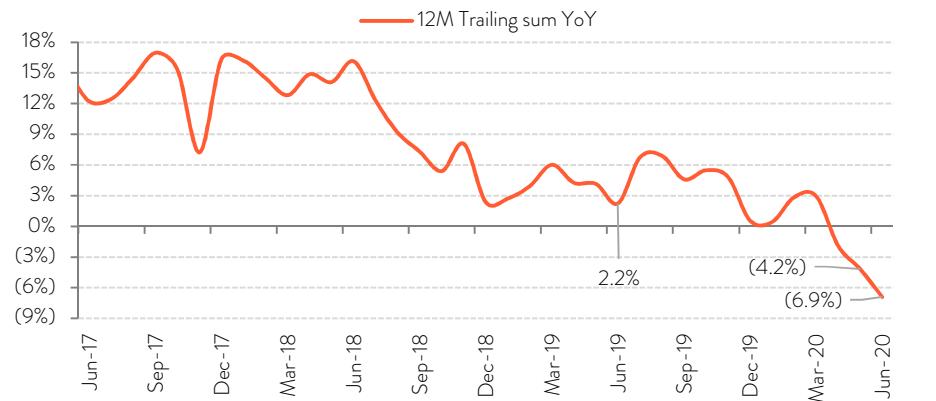


FIG 113 – ...AS REVENUE RECEIPTS CONTRACTED

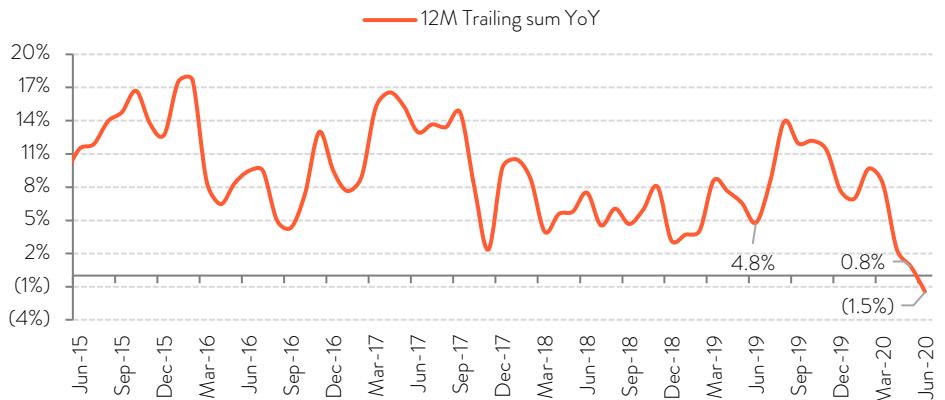


FIG 115 – NON-TAX RECEIPT GROWTH STABLE ON 12MMA BASIS

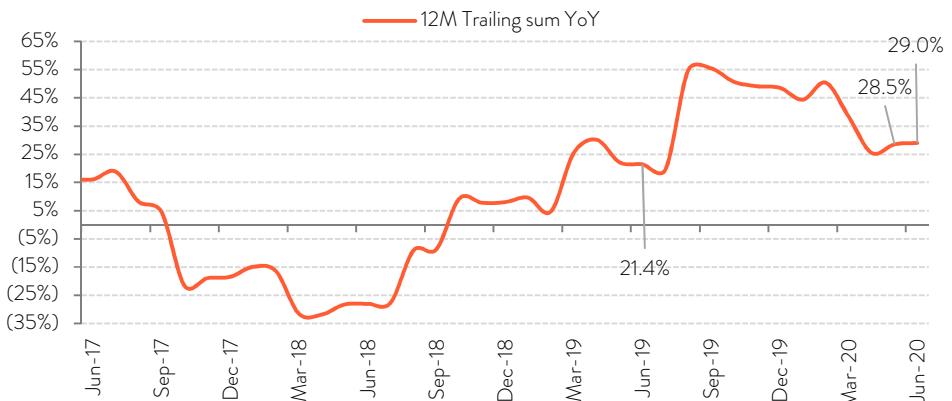


FIG 116 – CENTRE'S TAX COLLECTIONS REMAINS WORRISOME, SPENDING GROWTH REMAINS ROBUST (FYTD BASIS)

	Apr'18-Jun'18 (Rs bn)	Apr'19-Jun'19 (Rs bn)	% change	Apr'20-Jun'20 (Rs bn)	% change
Gross Tax revenue	3,950	4,004	1.4	2,697	(32.6)
Direct taxes	1,527	1,676	9.7	1,163	(30.6)
Corp Tax	664	706	6.3	542	(23.3)
Income Tax	863	969	12.3	621	(35.9)
Indirect taxes	2,423	2,329	(3.9)	1,534	(34.1)
Non-tax revenue	306	335	9.4	152	(54.6)
Centre's revenue (net)	2,678	2,849	6.4	1,500	(47.3)
Total expenditure	7,076	7,217	2.0	8,159	13.1
Capital exp	870	630	(27.6)	883	40.1
Revenue exp	6,207	6,587	6.1	7,277	10.5
Fiscal deficit	4,290	4,321	0.7	6,624	53.3

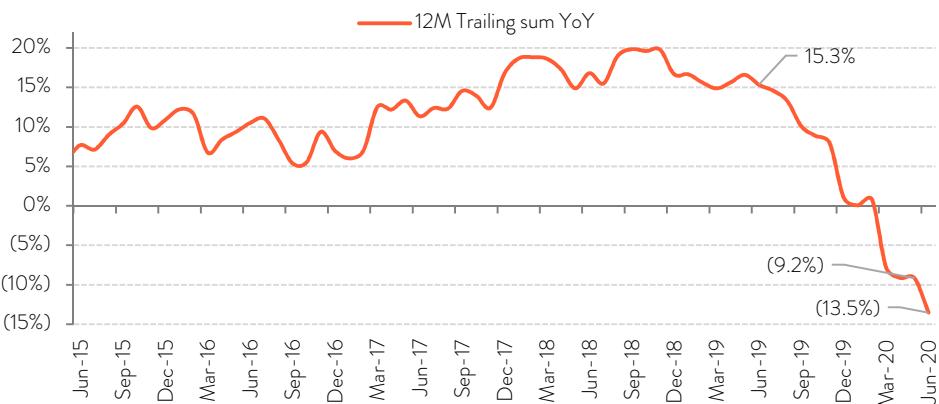
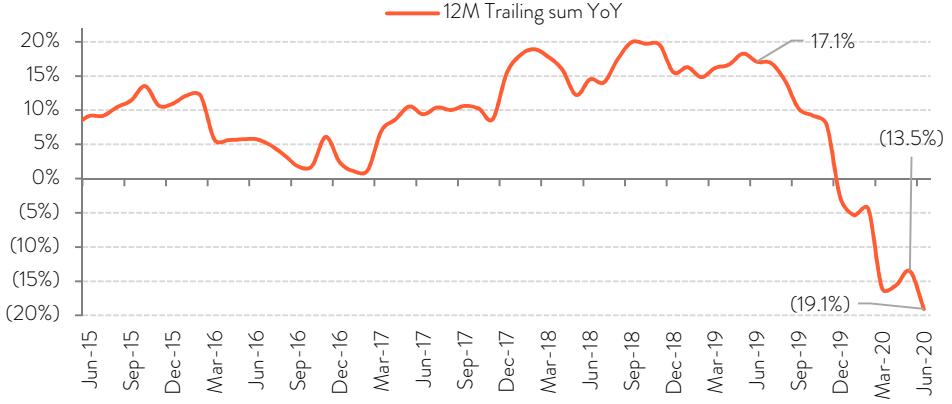
FIG 117 – GROSS DIRECT TAX COLLECTIONS FELL SHARPLY IN JUN'20**FIG 118 – ...LED BY WEAK CORPORATE TAX COLLECTIONS**

FIG 119 – INCOME TAX REVENUE GROWTH ALSO LOWER

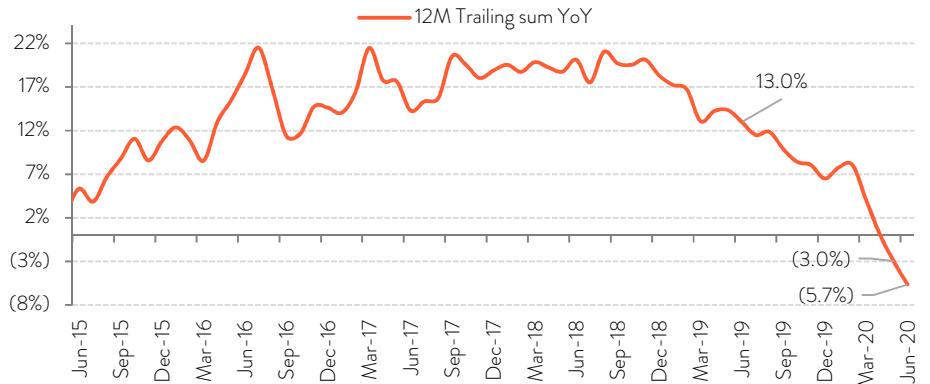


FIG 120 – SHARE IN GDP OF BOTH DIRECT & INDIRECT TAX DOWN SIGNIFICANTLY

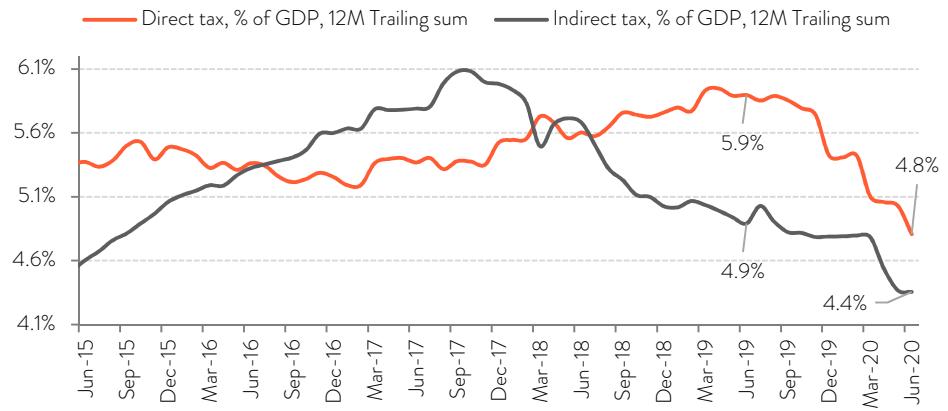


FIG 121 – TOTAL GST COLLECTIONS DIP AGAIN IN JUN'20

(Rs bn)	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Monthly run rate (FY21)	FYTD21	FY21 (BE)
CGST	354	241	685	381	371	437	405	438	413	402	59	190	302	183	550	5,800
UT GST	1.9	2.0	1.2	4.8	1.9	2.0	1.7	1.6	1.6	4.5	0.3	1.1	1.5	1	3	-
IGST	40	253	(461)	(37)	196	2	(18)	21	6	24	97	96	97	97	291	-
SGST*	544	405	625	533	379	520	641	509	470	(189)	454	562	400	472	1,416	-
Cess	80	82	68	71	87	71	79	84	86	81	10	60	75	48	145	1,105
Total GST	1,021	982	919	954	1,035	1,032	1,108	1,054	976	322	622	909	874	802	2,405	6,905
GST 3B Filing by deadline (mn)	7.6	7.6	7.6	7.4	7.8	8.1	8.3	8.4	7.7	-	-	-	-	-	-	-

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

FIG 122 – CENTRAL GOVT. PUBLIC DEBT IN FY20 HIGHEST SINCE FY06

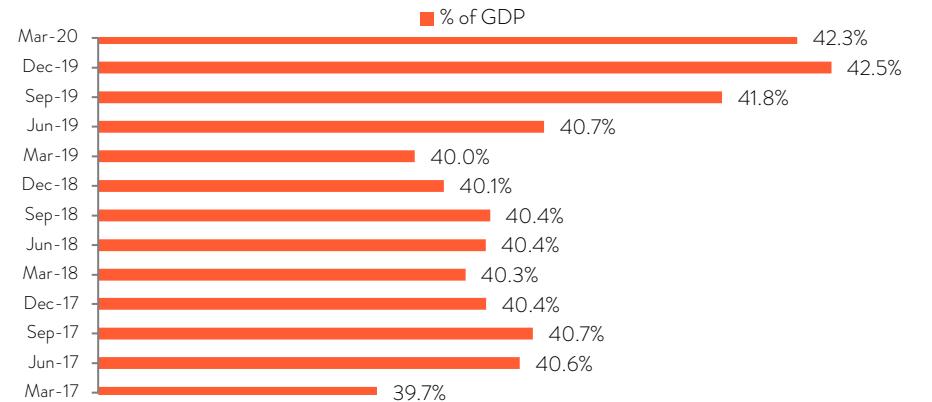


FIG 123 – GAP BETWEEN AVG. YIELD ON SDL & 10Y G-SEC WIDENED IN JUL'20, BUT HAS BEGUN NARROWING SHARPLY IN AUG'20

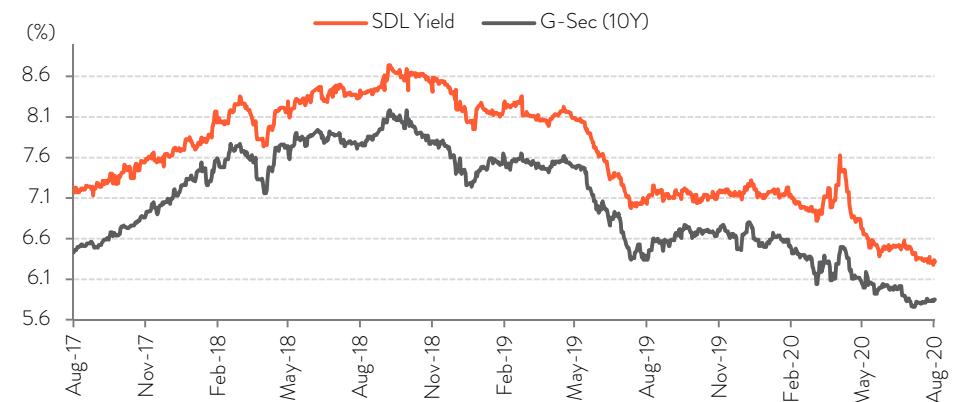


FIG 124 – SUBSIDY BURDEN TO INCREASE IN FY21E

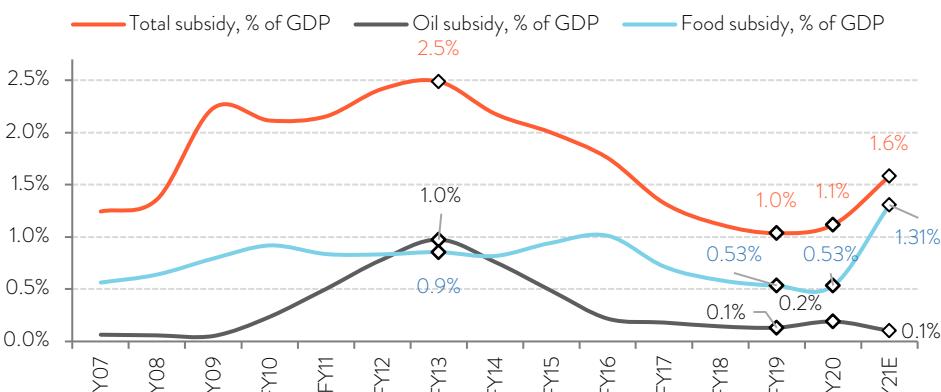
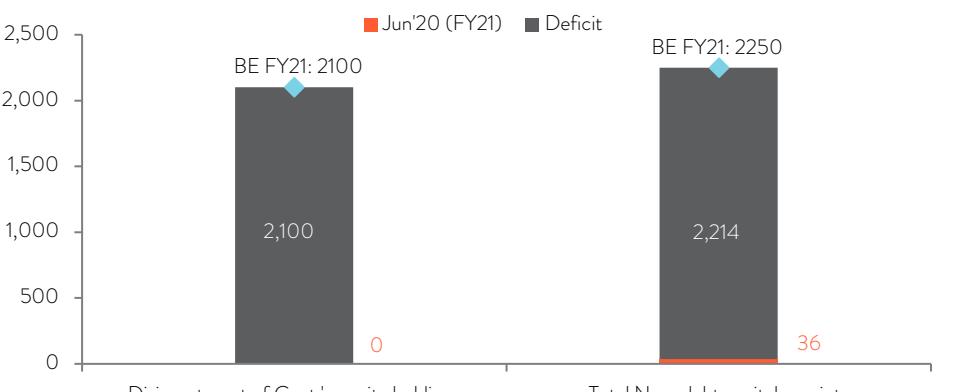
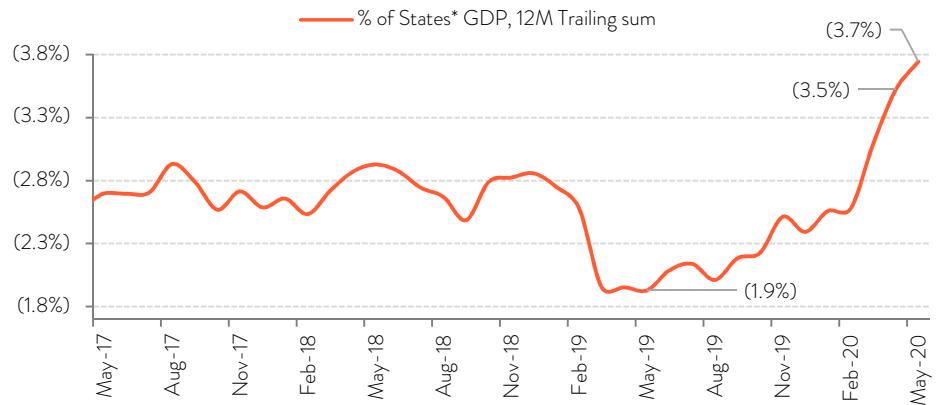


FIG 125 – CENTRAL GOVT.'S FY21 DISINVESTMENT STATUS



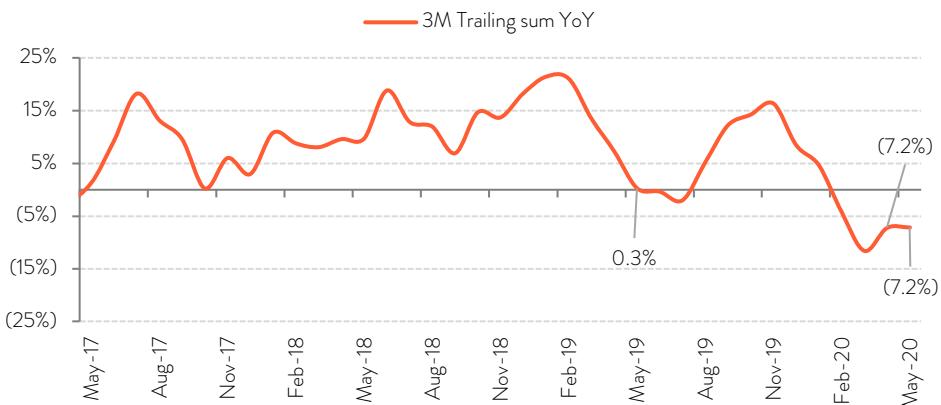
State government finances

FIG 126 – STATES* FISCAL DEFICIT AT 3.7% IN MAY'20



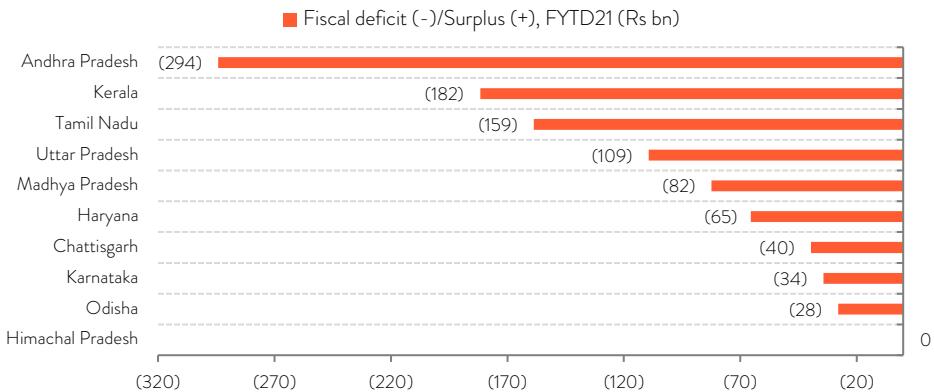
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand and W.Bengal

FIG 128 – TOTAL EXPENDITURE OF STATES* MUCH LOWER THAN LAST YEAR



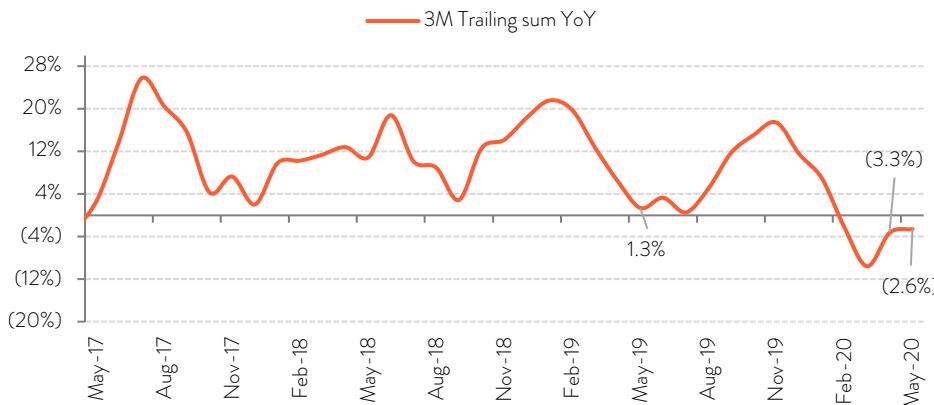
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand and W.Bengal

FIG 127 – A.P AND KERALA LEAD THE FISCAL DEFICIT CHART IN FYTD21



Note: FYTD is Apr'20-May'20

FIG 129 – ...LED BY LOWER REVENUE SPENDING OF STATES*

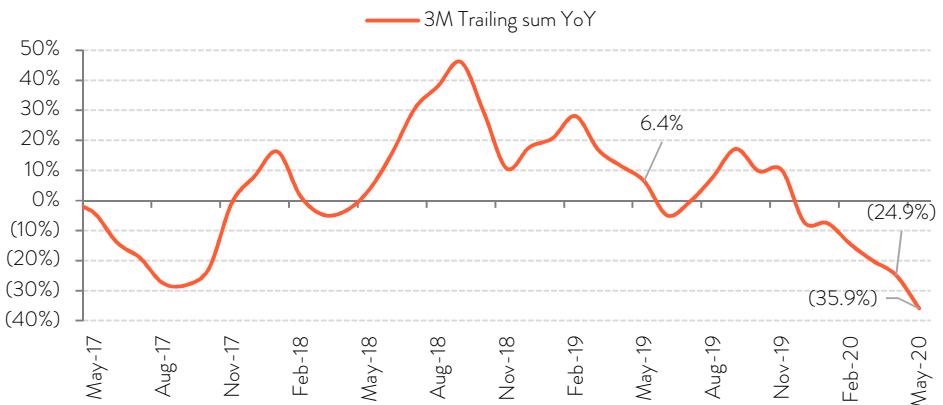


Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand and W.Bengal

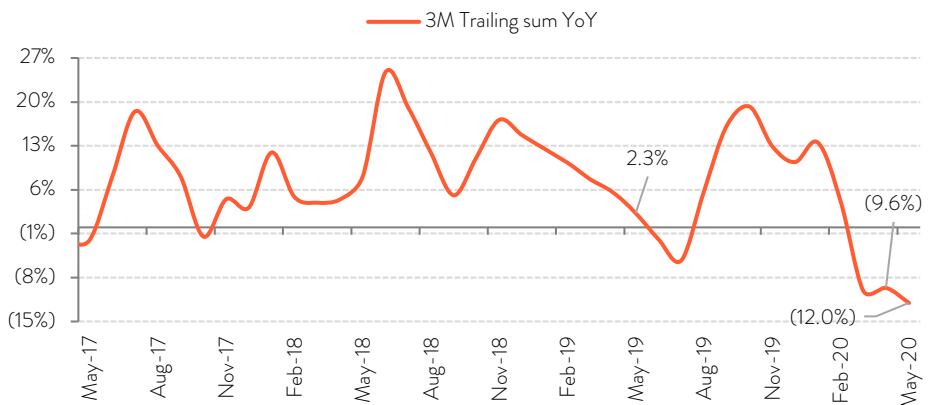
FIG 130 – STATE* GOVT. REVENUE RECEIPTS REMAINED STRAINED IN Q1FY21 (FYTD BASIS), CAPEX GROWTH ON WEAK FOOTING

	Apr'18-May'18 (Rs bn)	Apr'19-May'19 (Rs bn)	% change	Apr'20-May'20 (Rs bn)	% change
Total Receipts	2,027	2,116	4.4	2,120	0.2
Revenue Receipts	1,639	1,759	7.3	1,166	(33.7)
Receipts: Tax Revenue	1,335	1,372	2.8	789	(42.5)
Receipts: Non-Tax Revenue	133	117	(12.3)	69	(41.0)
Receipts: Grant in aid & contribution	171	241	40.5	309	28.4
Capital Receipts	388	357	(8.0)	954	167.3
Total Expenditure	2,016	2,008	(0.4)	2,138	6.5
Revenue Expenditure	1,750	1,821	4.1	1,994	9.5
Capital Expenditure	257	258	0.4	145	(44.0)
Revenue Surplus or Deficit	(111)	(62)	-	(827)	-
Fiscal Surplus or Deficit	(332)	(333)	-	(976)	-

Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand and W.Bengal

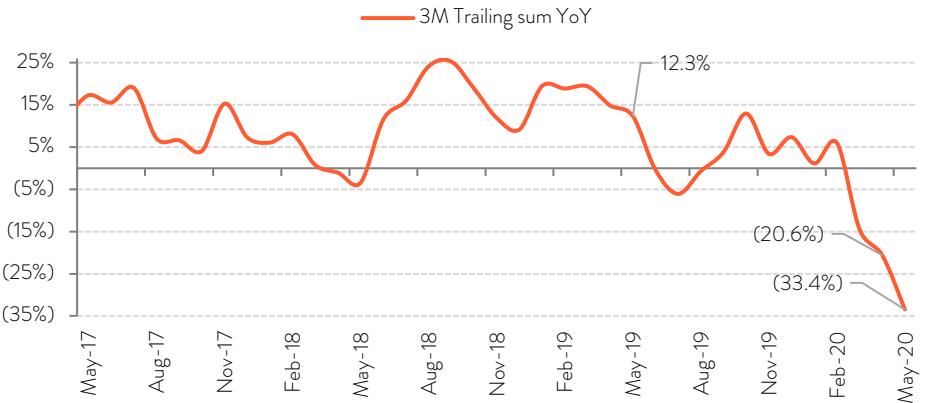
FIG 131 – CAPEX OF STATES* ALSO CONTINUES TO DEGROW

Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand and W.Bengal

FIG 132 – TOTAL RECEIPT GROWTH OF STATES* SIGNIFICANTLY LOW IN MAY'20...

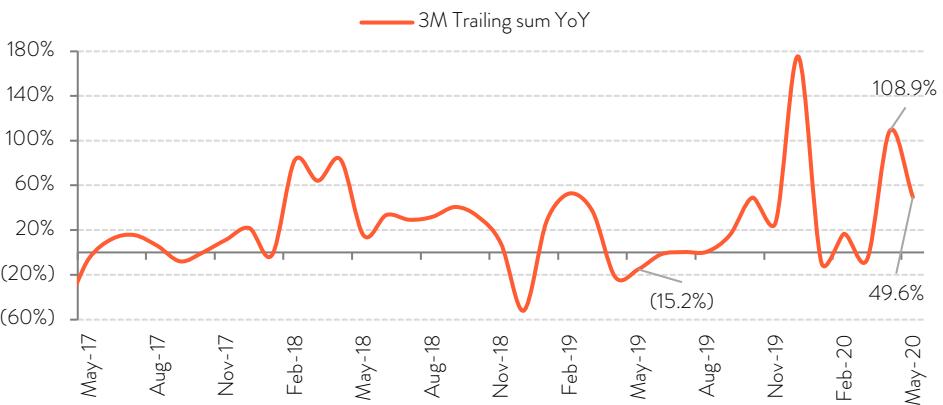
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand and W.Bengal

FIG 133 – ...AS REVENUE RECEIPTS OF STATES* DECLINE FURTHER



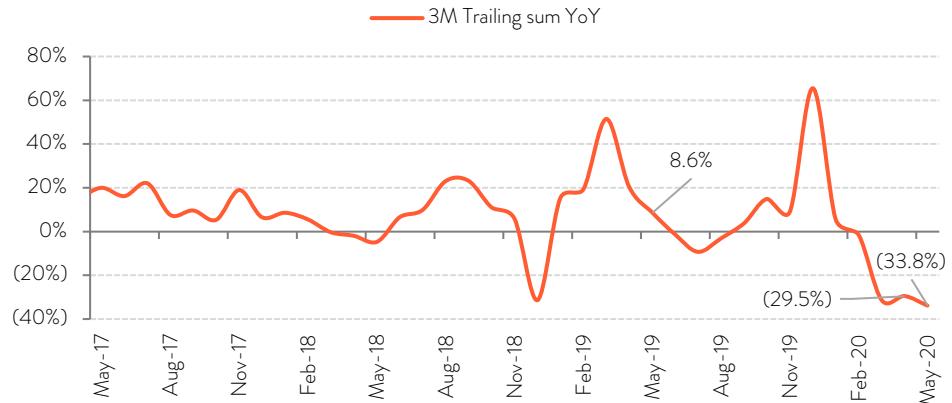
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand and W.Bengal

FIG 135 – ...AND EASING GRANTS AND AID FROM CENTRE TO STATES*



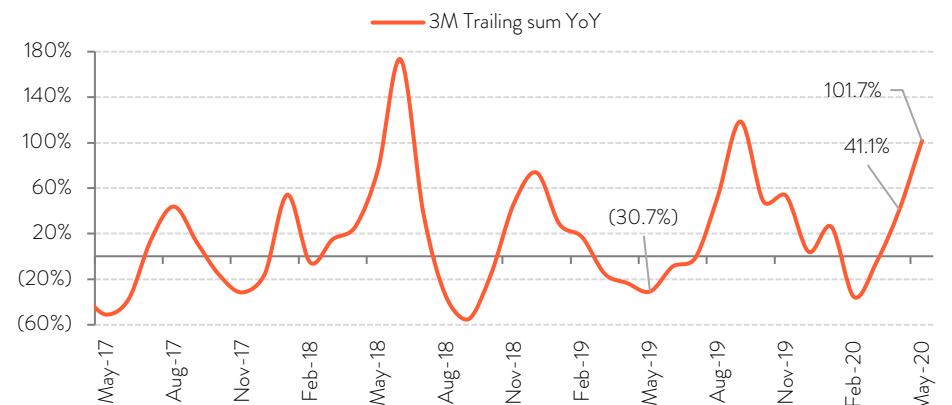
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand and W.Bengal

FIG 134 – LED BY STEEP FALL IN TAX REVENUES OF STATES...



Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand and W.Bengal

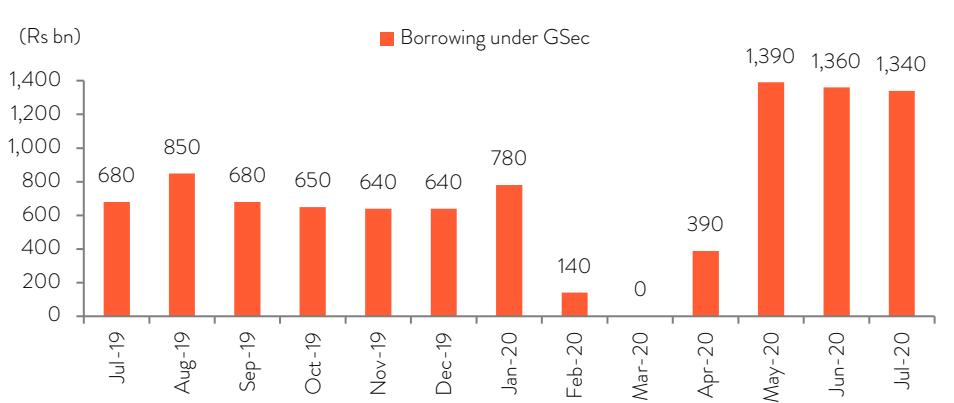
FIG 136 – CAPITAL RECEIPTS OF STATES* UP AS RELIANCE ON BORROWINGS REMAINS



Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Maharashtra, Punjab, Rajasthan, Telangana, Uttarakhand and W.Bengal

Central government borrowing

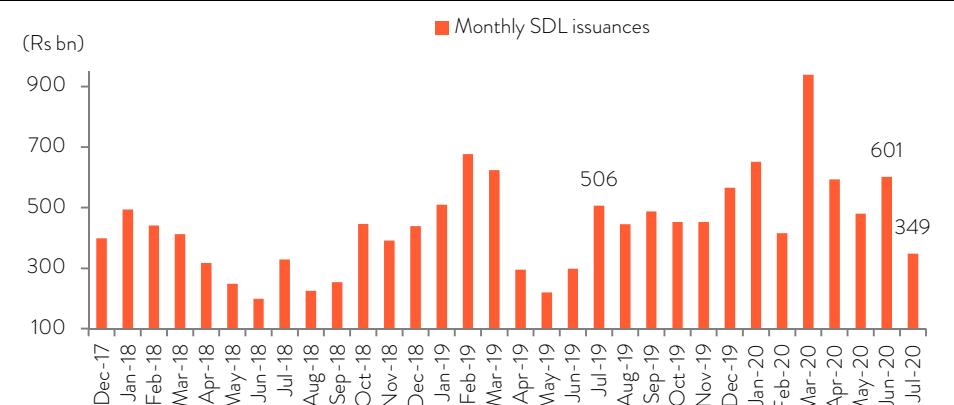
FIG 137 – CENTRE'S GROSS BORROWING IN JUL'20 WAS RS 1.3TN AGAINST RS 1.4TN IN JUN'20



Source: RBI, till 24 Jul'20

State government borrowing

FIG 139 – STATE GOVERNMENT BORROWINGS DIP IN JUL'20



Source: RBI

FIG 138 – CENTRE'S GROSS BORROWING IN Q1 HAS BEEN AT RS 3.1TN AND FOR Q2 AT RS 1.3TN (TILL JUL'20)

Total accepted amount (G-Sec), (Rs bn)	FY15	FY16	FY17	FY18	FY19	FY20	FY21 (actual)	FY21 (planned)
Q1	1,830	1,740	1,500	1,680	1,320	2,040	3140	2400*
Q2	1,570	1,630	1,910	1,890	1,440	2,210	1340#	3600*
Q3	1,430	1,640	1,610	1,640	1,270	1,930	-	-
Q4	1,090	840	800	670	1680	920	-	-
Total	5,920	5,850	5,820	5,880	5,710	7,100		12,000

Source: RBI; *Includes Rs 240bn FRBs, #till 24 Jul'20

FIG 140 – MARKET BORROWINGS OF STATES OFF TO A SLOW START IN Q2

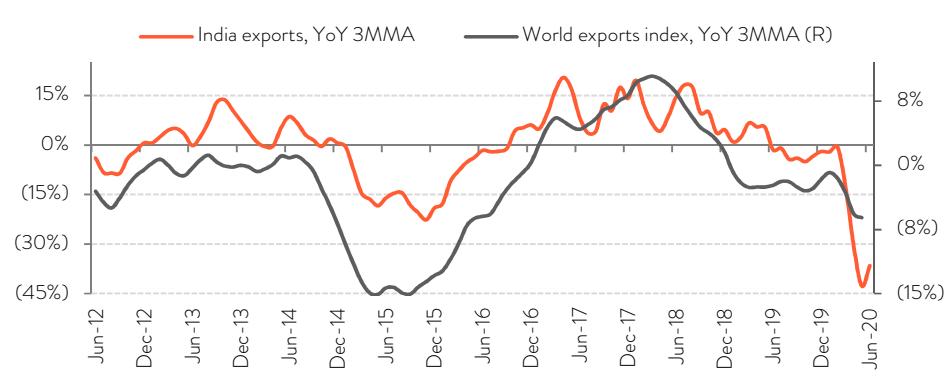
Quarterly SDL issuances, (Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21 (actual)	FY21 (planned)
Q1	502	548	650	766	815	1,673	1,272
Q2	627	792	1,130	809	1,439	483*	1,783
Q3	858	1,214	1,054	1,277	1,470	-	-
Q4	959	1,322	1,348	1,809	2,006	-	-
Total	2,946	3,876	4,182	4,661	5,731	-	-

Source: RBI; * as of 4 Aug 2020

External sector

Exports

FIG 141 – GLOBAL EXPORTS CONTINUE TO FALL, INDIA EXPORTS RECOVER IN JUN'20



Exports by major sectors

FIG 143 – EXPORT OF CHEMICALS PICKS UP IN JUN'20

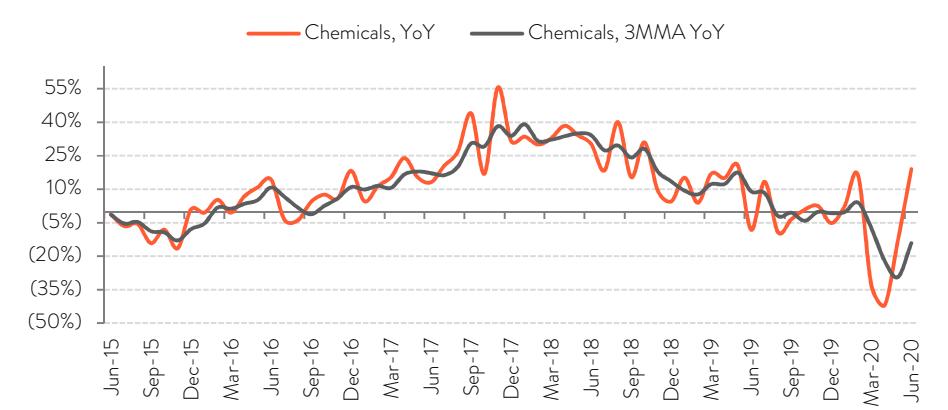
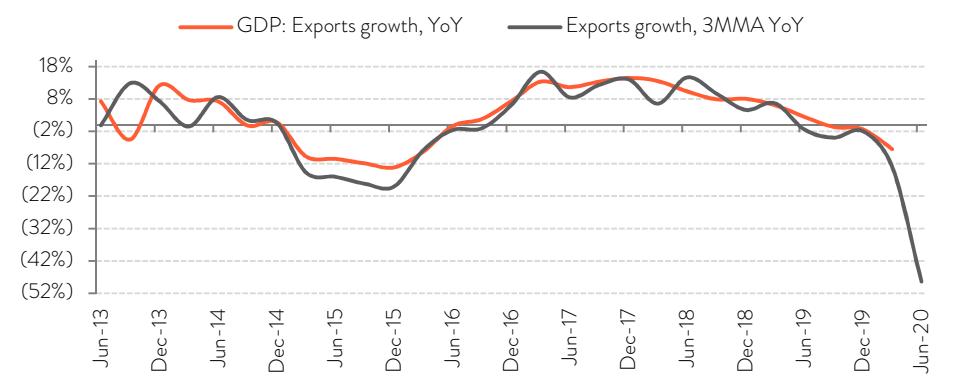


FIG 142 – INDIA'S EXPORT GROWTH CONTRACTED BY 36.3% IN Q1FY21 COMPARED WITH A DECLINE OF 11.2% IN Q4FY20



Note: Figure for Jun'20 is average for the period Apr-Jun'20

FIG 144 – SIMILAR TREND VISIBLE IN AGRI EXPORTS

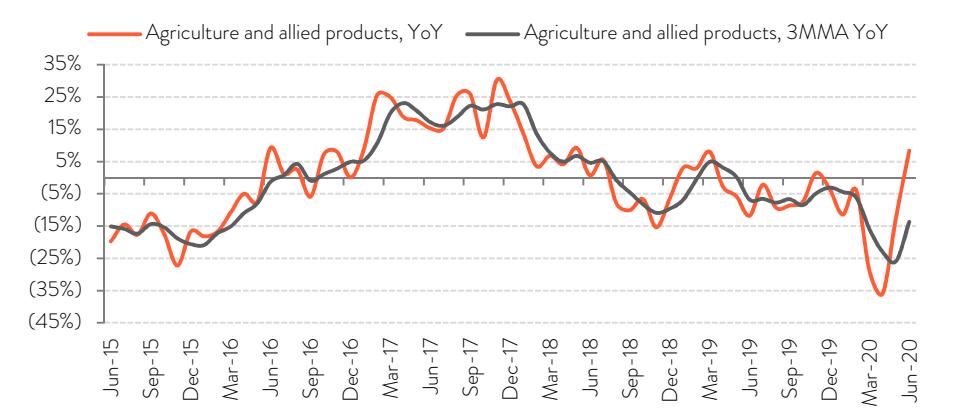
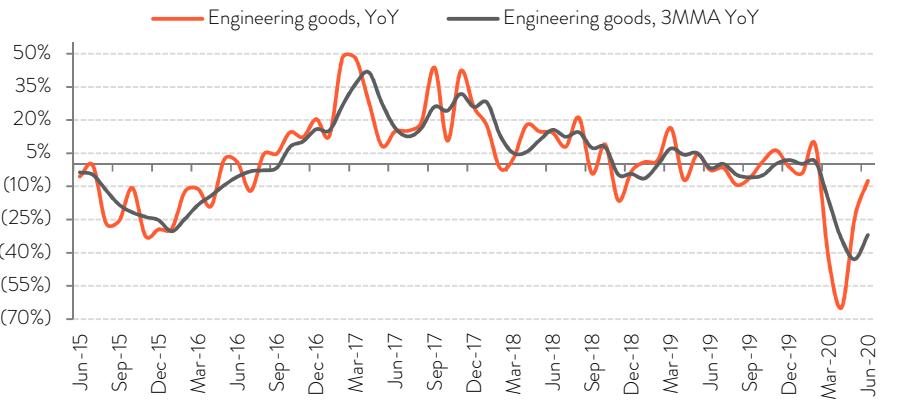
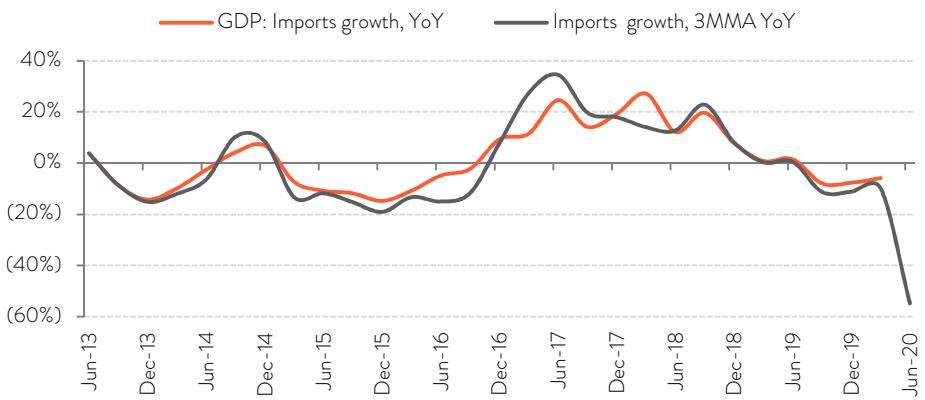


FIG 145 – ENGINEERING GOODS EXPORT ALSO SEE AN IMPROVEMENT



Imports

FIG 147 – IMPORTS CONTRACT SHARPLY BY 53.2% IN Q1FY21 VERSUS 9% DECLINE IN Q4FY20



Note: Figure for Jun'20 is average for the period Apr-Jun'20

FIG 146 – SOME PICKUP IN TEXTILE EXPORTS

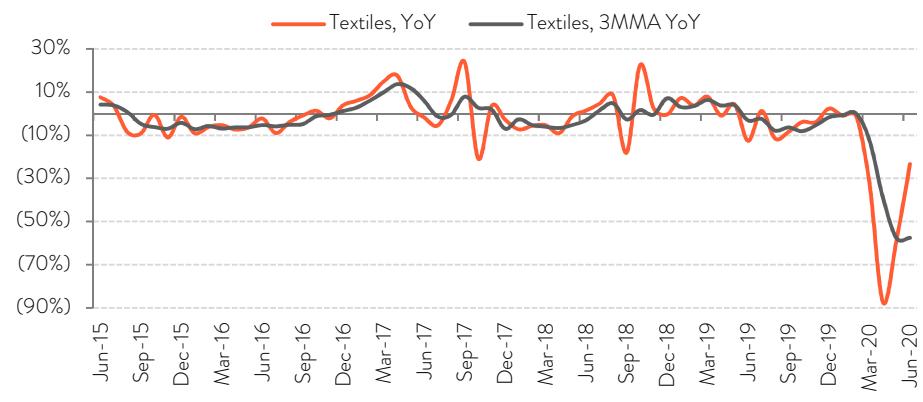


FIG 148 – GOLD IMPORTS DECLINE BY 77.4% IN JUN'20

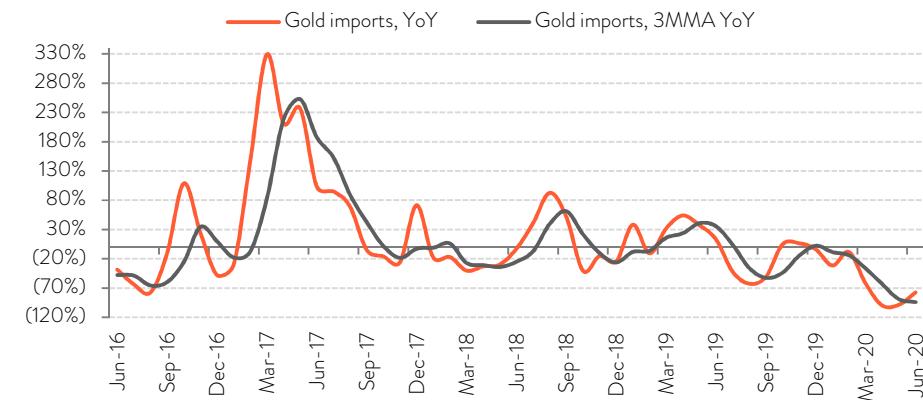


FIG 149 – OIL IMPORTS TOO CONTRACT BY 55.3% IN JUN'20 VERSUS 72.3% IN MAY'20

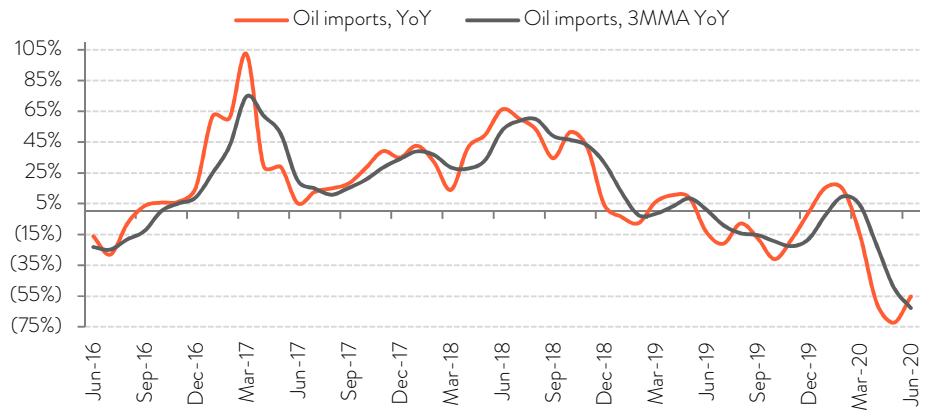


FIG 151 – IMPORT OF PEARLS AND PRECIOUS STONES ALSO REMAINS SUBDUES

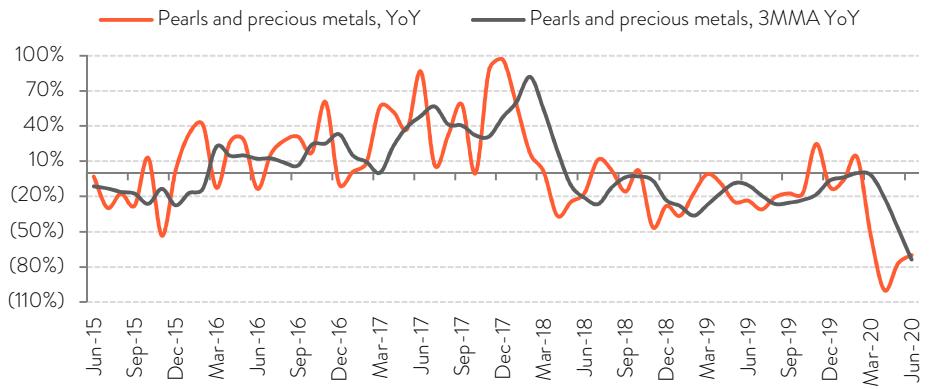


FIG 150 – IMPORTS OF TRANSPORT EQUIPMENT CONTRACTS FURTHER IN JUN'20

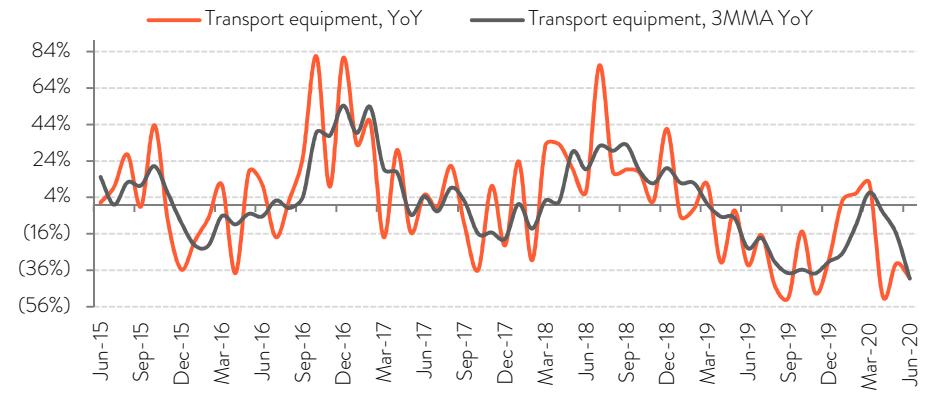
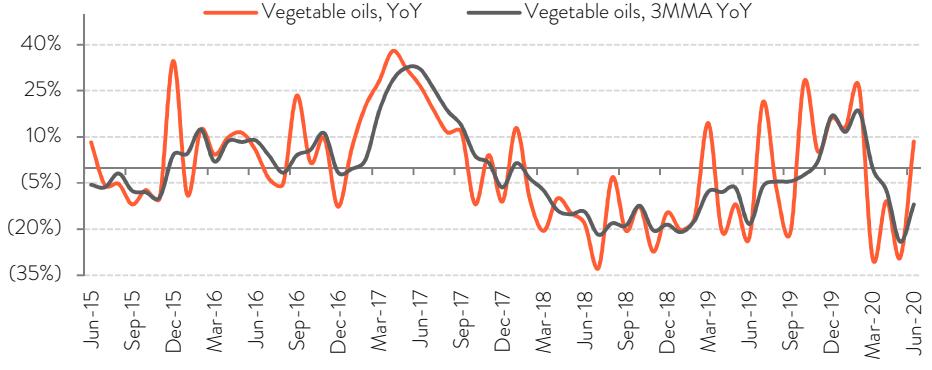


FIG 152 – IMPORT OF VEGETABLE OILS HOWEVER ROSE BY 8.5% IN JUN'20



Exports and imports by major regions

FIG 153 – EXPORTS TO CHINA PICKED UP SHARPLY IN JUN'20

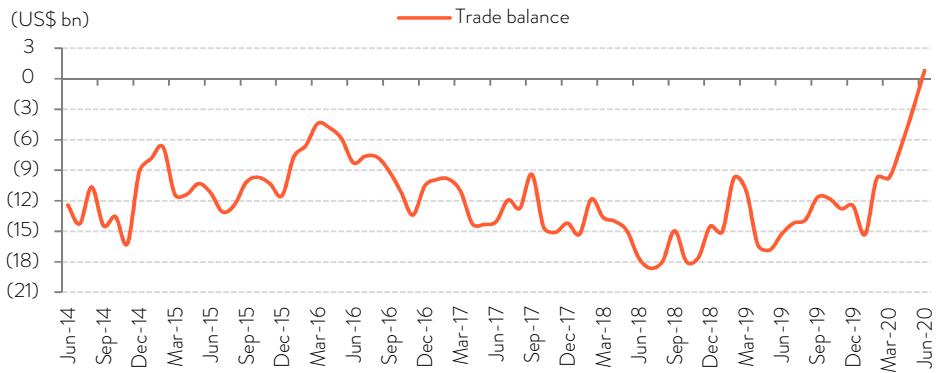
Region (% YoY)	Share in FY20	Mar'20	Apr'20	May'20	Jun'20
Americas	22.5	(26.7)	(62.1)	(41.2)	(13.6)
Asia and Pacific (Ex. China)	25.5	(39.3)	(57.5)	(28.5)	3.1
China	5.4	(36.7)	(19.7)	48.4	78.1
Europe	19.6	(36.2)	(67.2)	(43.0)	(24.6)
Middle East and Africa	25.9	(33.1)	(64.2)	(50.6)	(27.5)
Other	1.1	(48.1)	(95.0)	(37.0)	(93.4)

FIG 154 – IMPORTS FROM ALL REGIONS HOWEVER CONTINUE TO DECLINE

Region (% YoY)	Share in FY20	Mar'20	Apr'20	May'20	Jun'20
Americas	12.8	(28.3)	(56.9)	(51.4)	(48.0)
Asia and Pacific (Ex. China)	25.0	(31.0)	(56.4)	(41.8)	(48.4)
China	13.8	(43.4)	(43.0)	(22.8)	(43.7)
Europe	15.0	(44.9)	(74.8)	(61.3)	(51.5)
Middle East	30.8	(16.6)	(63.2)	(69.1)	(51.2)
Other	2.6	31.0	(47.5)	(55.0)	(27.7)

Trade deficit

FIG 155 – INDIA RECORDS ITS FIRST TRADE SURPLUS IN 18-YEARS



Trade in services

FIG 157 – SERVICES EXPORT CONTRACT FURTHER BY 10.2% IN MAY'20 VERSUS A DECLINE OF 9.9% IN APR'20

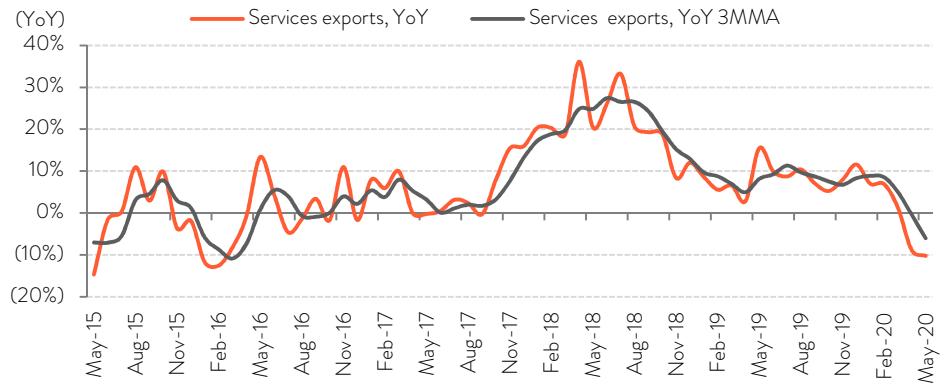
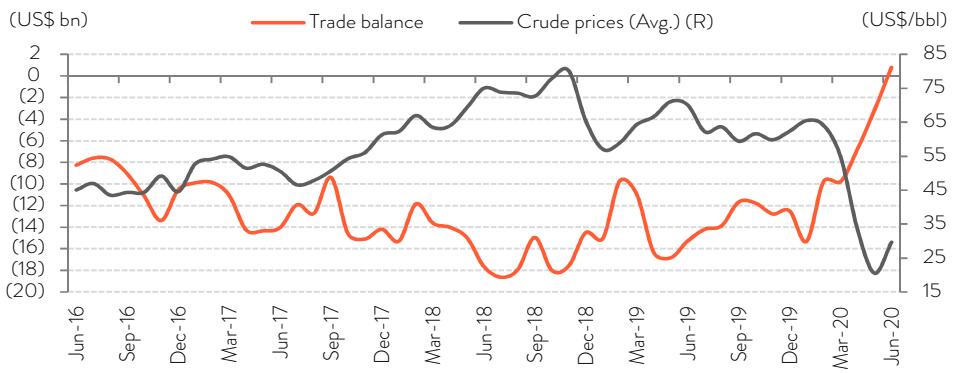


FIG 156 – EVEN AS OIL PRICES INCHED UP



BoP

FIG 158 – CURRENT ACCOUNT IN SURPLUS FOR THE FIRST TIME SINCE Q4FY07 AT 0.1% OF GDP

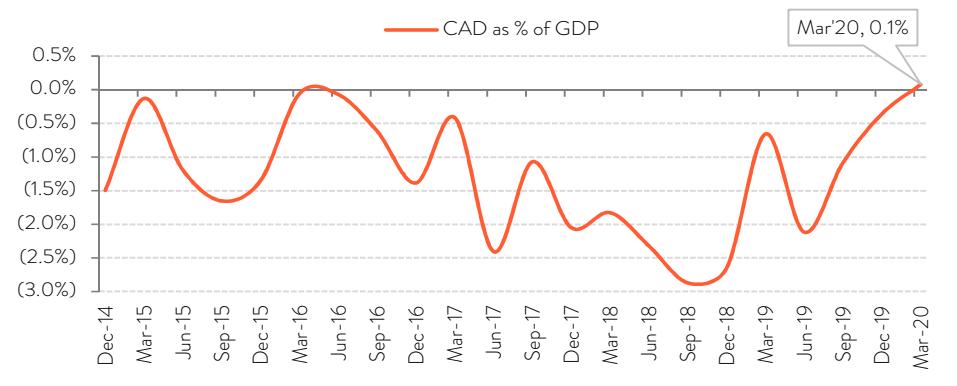


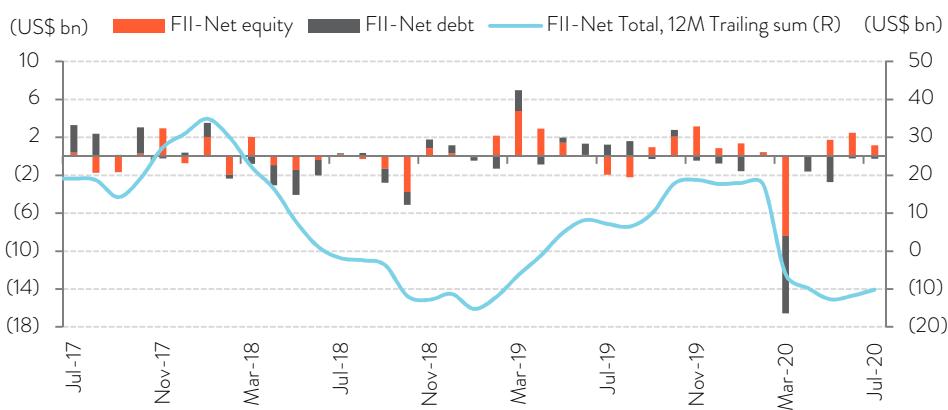
FIG 159 – LED BY LOWER TRADE DEFICIT

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

Foreign inflows

FII inflows

FIG 160 – FII INFLOWS AT US\$ 0.9BN IN JUL’20 VERSUS US\$ 2.2BN IN JUN’20 LED BY EQUITY SEGMENT



Source: Bloomberg

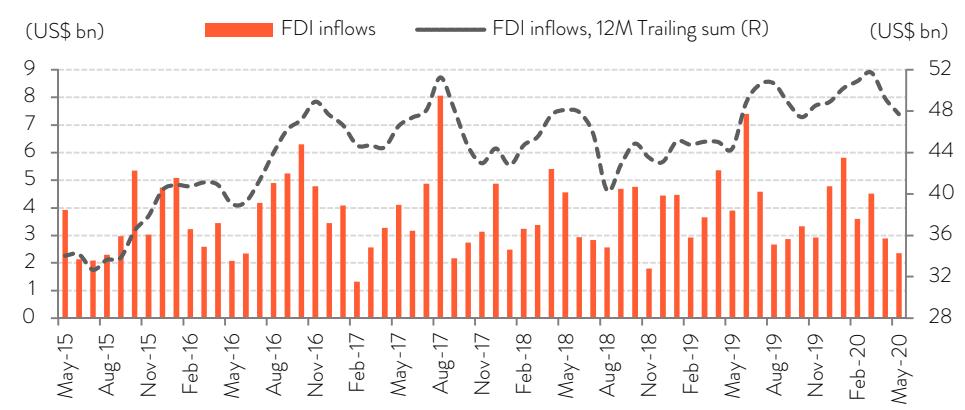
FIG 162 – FDI INFLOWS INTO SERVICES EASE IN FY20, TELECOM SECTOR SEES AN INCREASE

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

Source: DIPP

FDI inflows

FIG 161 – FDI INFLOWS AT US\$ 2.4BN IN MAY’20 VERSUS US\$ 2.9BN IN APR’20



Source: RBI, Bank of Baroda Research

FIG 163 – FDI INFLOWS FROM SINGAPORE DECELERATE IN FY20

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

Source: DIPP

Forex reserves and external debt

FIG 164 – INDIA'S FX RESERVES ROSE TO A RECORD HIGH AT US\$ 534.6BN IN JUL'20

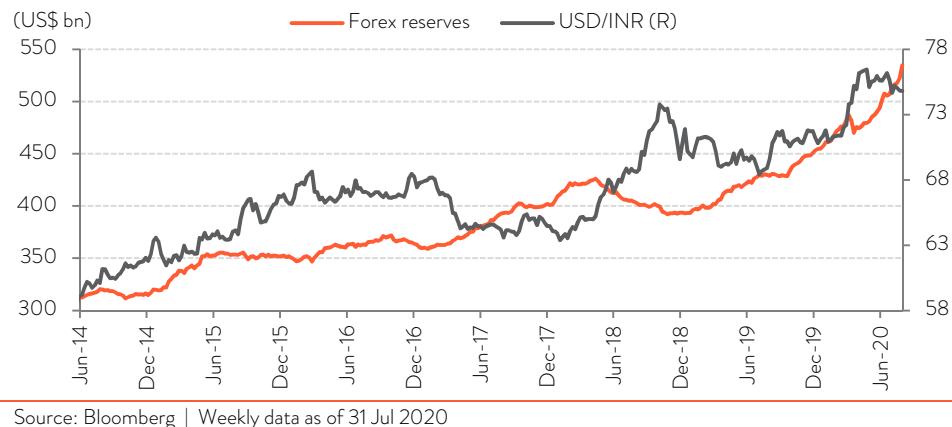


FIG 166 – RBI'S BOUGHT US\$ 4.4BN IN THE SPOT MARKET IN MAY'20

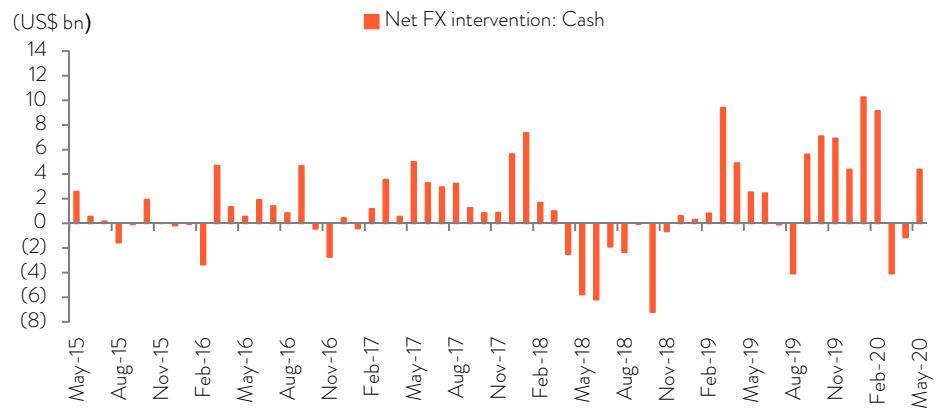


FIG 165 – IMPORT COVER ALSO RISES TO 15 MONTHS IN JUN'20

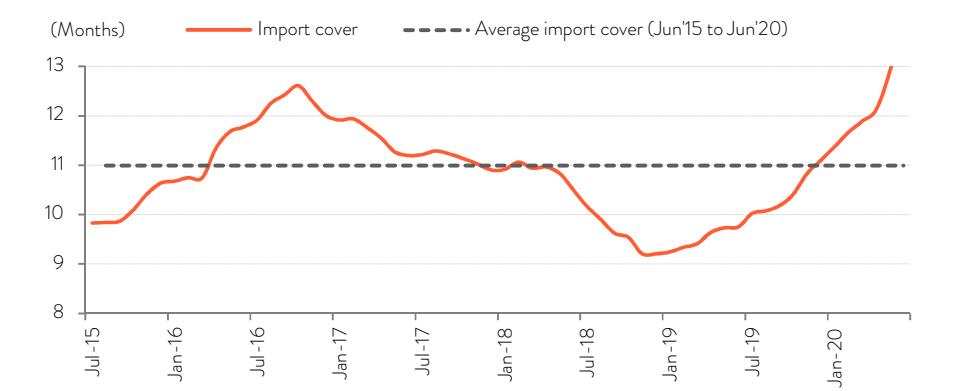
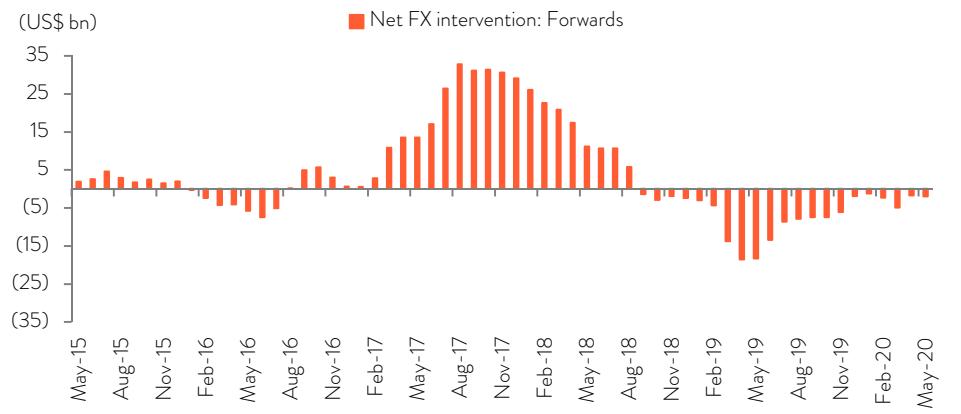


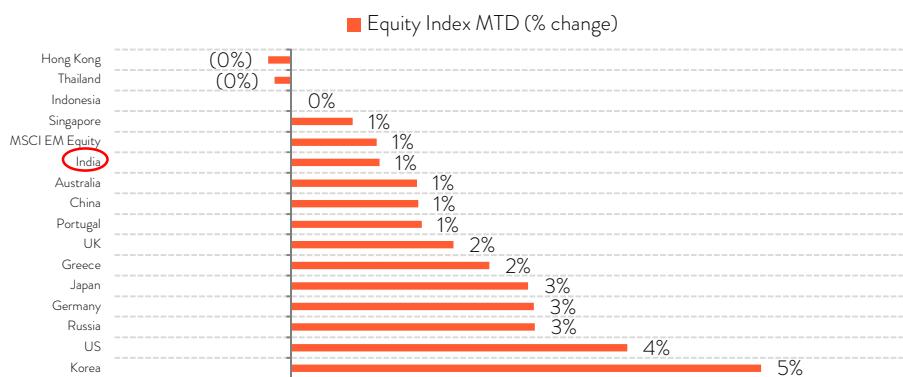
FIG 167 – IN FORWARDS MARKET, RBI'S OUTSTANDING POSITION AT (-) US\$ 2BN IN MAY'20



Markets

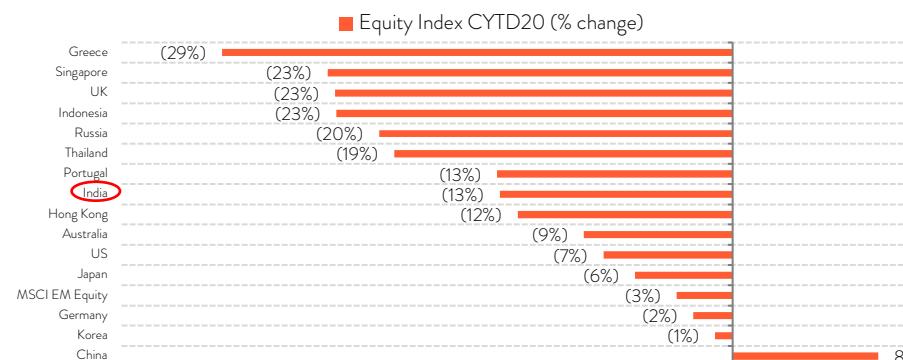
Equity

FIG 168 – IN AUG'20, SENSEX ROSE BY 1%, IN CONSTANT CURRENCY TERMS



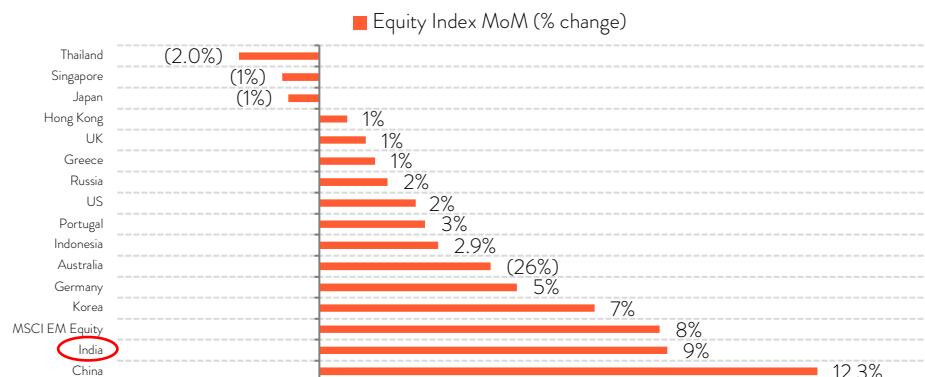
Source: Bloomberg | * As on 7 Aug 2020, Indices are in US\$ terms

FIG 170 – HOWEVER, SENSEX FELL SHARPLY BY 13% ON CYTD20 BASIS



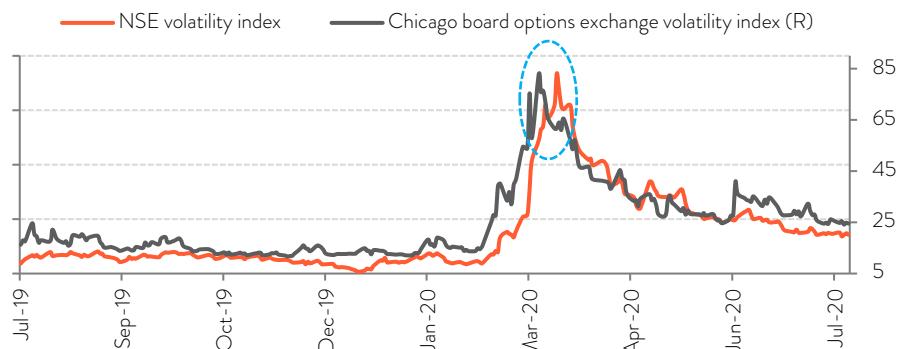
Source: Bloomberg | * As on 31 Jul 2020, Indices are in US\$ terms

FIG 169 – SENSEX ROSE BY 9% IN JUL'20 IN LINE WITH MSCI EM INDEX (8% INCREASE)



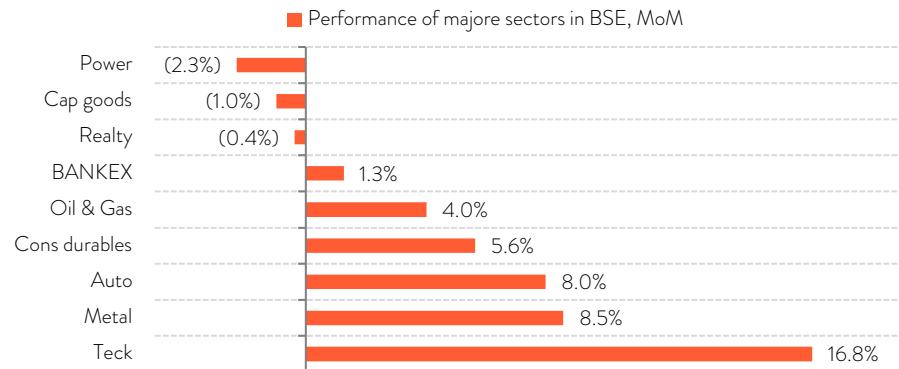
Source: Bloomberg | * As on 31 Jul 2020, Indices are in US\$ terms

FIG 171 – VIX INDEX FELL TO 24.19 IN JUL'20 FROM ITS HIGH OF 83.61 IN MAR'20 LED BY GRADUAL RELAXATION OF LOCKDOWN RESTRICTIONS



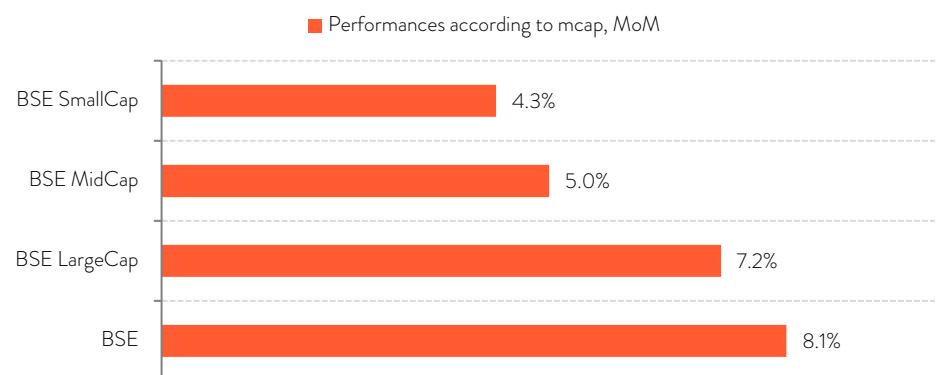
Source: Bloomberg

FIG 172 – TECHNOLOGY STOCKS ROSE THE MOST FOLLOWED BY METAL



Source: Bloomberg | As on 31 Jul 2020

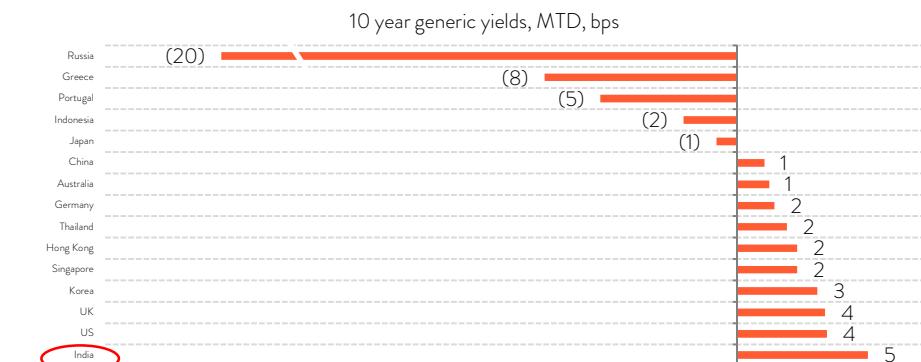
FIG 173 – LARGE CAPS ROSE THE MOST



Source: Bloomberg | As on 31 Jul 2020

10 year bond yields

FIG 174 – IN AUG'20, INDIA'S 10Y YIELD ROSE BY 5BPS AS RBI KEPT RATES UNCHANGED ON CONCERN OF INFLATIONARY PRESSURE



Source: Bloomberg | *As on 7 Aug 2020, Note: For India 5.79GS2030 is taken

FIG 175 – INDIA'S 10Y YIELD FELL BY 5BPS IN JUL'20 IN LINE WITH MAJOR GLOBAL YIELDS



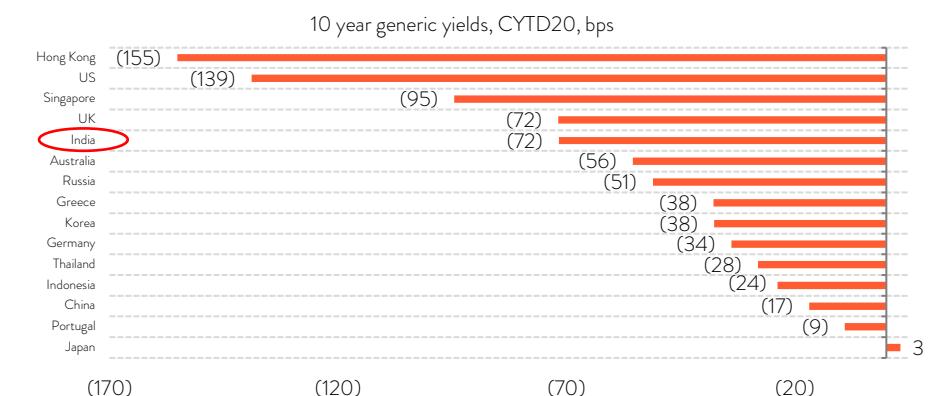
Source: Bloomberg | * As on 31 Jul 2020, Note: For India 5.79GS2030 benchmark yield is taken

FIG 176 – IN FYTD21, INDIA'S 10Y YIELD HAS FALLEN BY 30BPS



Source: Bloomberg | * As on 31 Jul 2020, Note: For India 5.79GS2030 benchmark yield is taken

FIG 177 – IN CYTD20 AS WELL, INDIA'S 10Y YIELD FELL SHARPLY BY 72BPS, US 10Y YIELD FELL BY 139BPS



Source: Bloomberg | * As on 31 Jul 2020, Note: For India 5.79GS2030 benchmark yield is taken

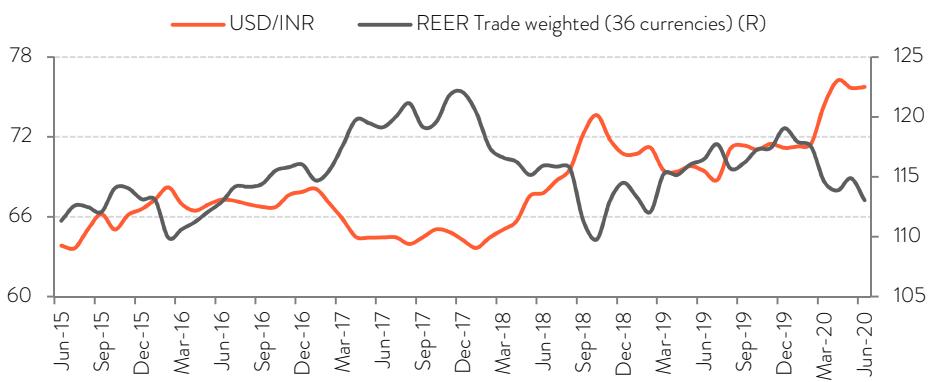
Currencies

FIG 178 – INR ROSE BY 0.9% IN JUL'20



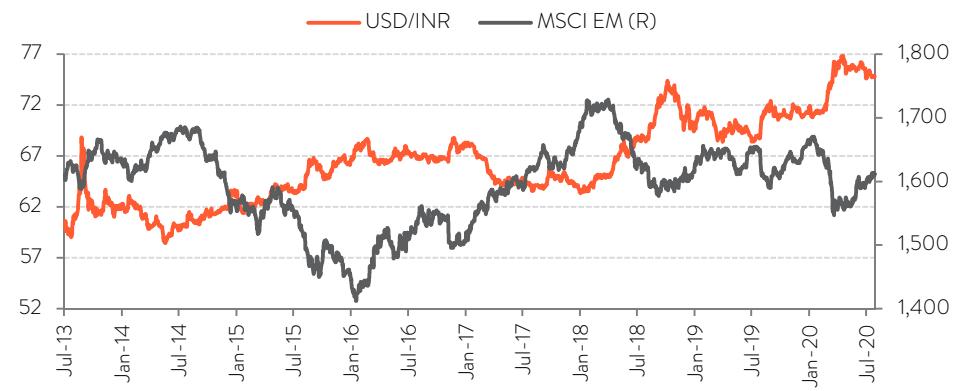
Source: Bloomberg | *As on 31 Jul 2020

FIG 179 – INR STILL OVERVALUED BY 13.0% (JUN'20)



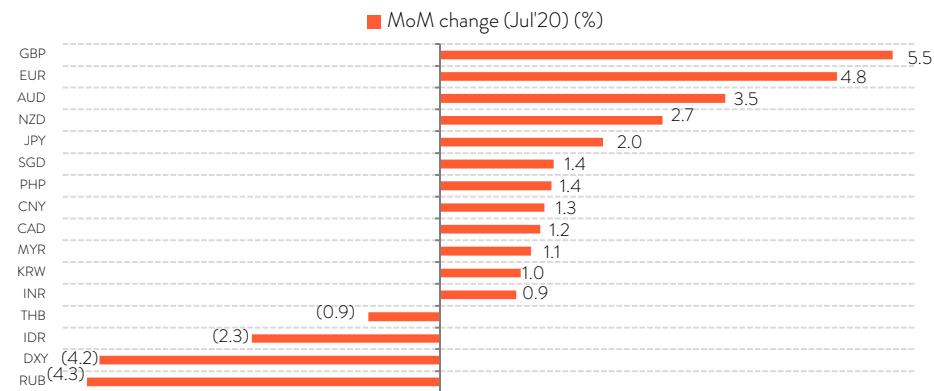
Source: Bloomberg

FIG 180 – INR APPRECIATED IN LINE WITH OTHER EM CURRENCIES



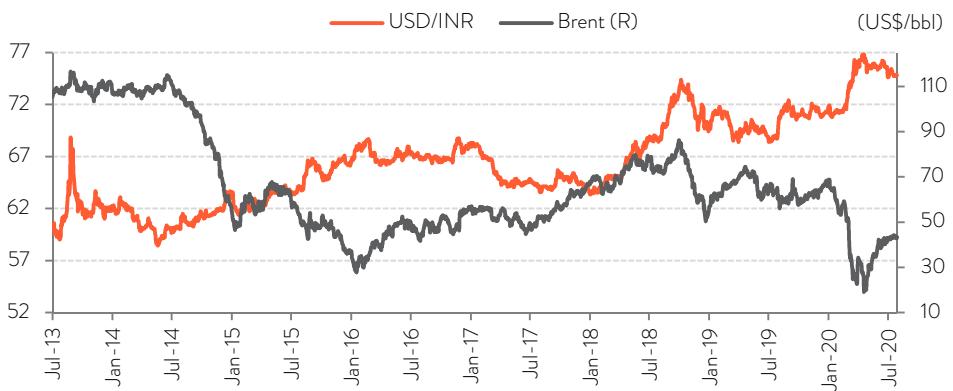
Source: Bloomberg | *As on 31 Jul 2020

FIG 182 – GLOBAL CURRENCIES CLOSED MOSTLY HIGHER AS DOLLAR WEAKENED



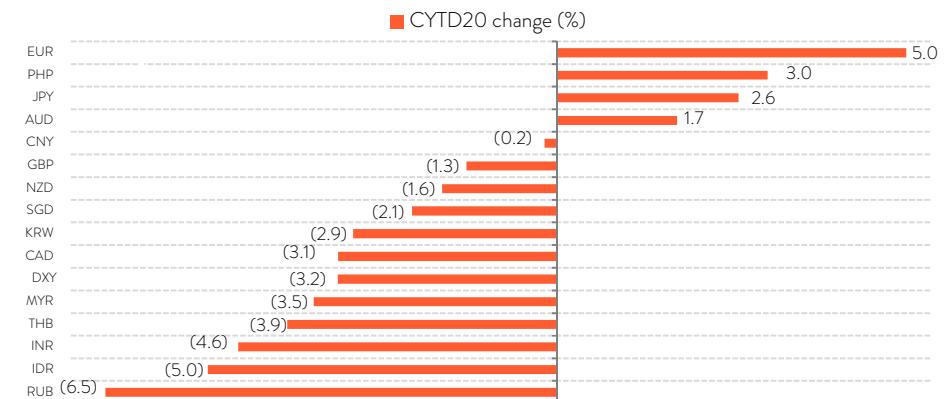
Source: Bloomberg | *As on 31 Jul 2020

FIG 181 – EVEN AS OIL PRICES INCHED UP IN JUL’20



Source: Bloomberg | *As on 31 Jul 2020

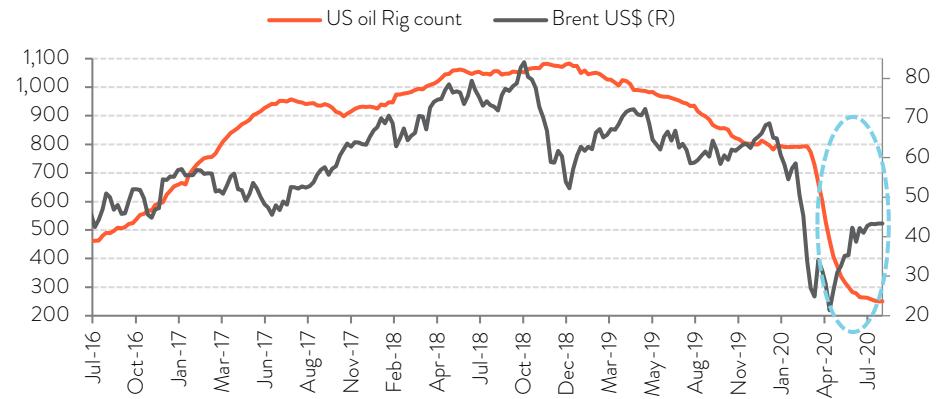
FIG 183 – IN CYTD20, INR HAS DEPRECIATED BY 4.6%



Source: Bloomberg | *As on 31 Jul 2020

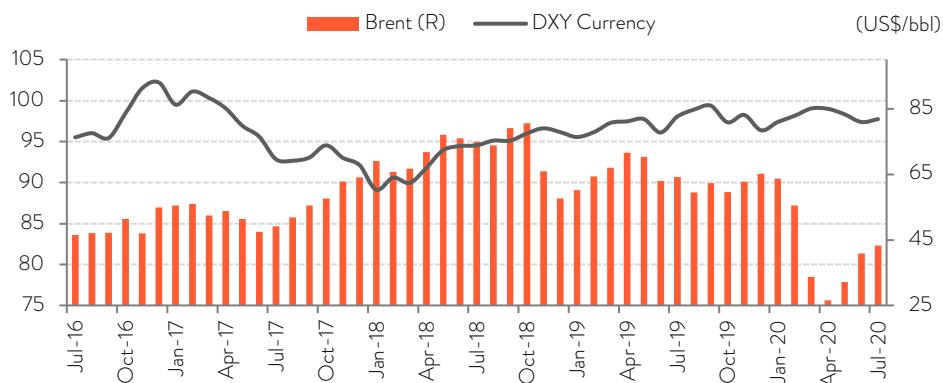
Commodities

FIG 184 – OIL PRICES ON AN AVERAGE ROSE TO US\$ 43.2/BBL IN JUL’20 (US\$ 40.8/BBL IN JUN’20); US RIG COUNT FELL TO 251 FROM 265 IN JUN’20



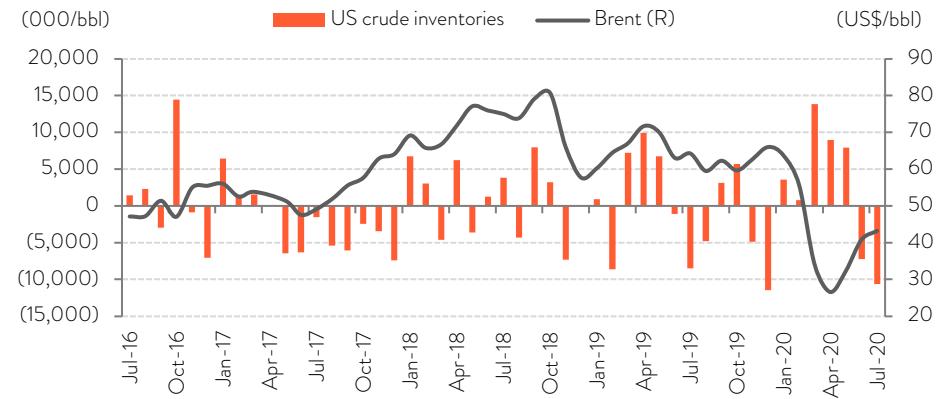
Source: Bloomberg

FIG 186 – DXY INCHED UP TO 97.8 IN JUL’20 FROM 97.4 IN JUN’20 IN LINE WITH OIL PRICES



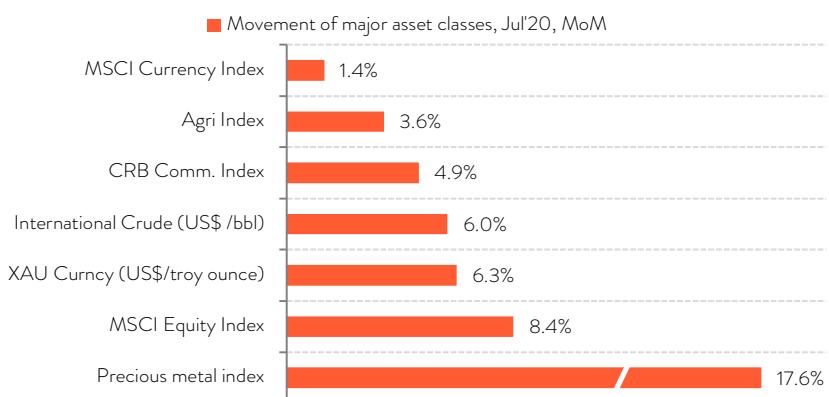
Source: Bloomberg | DXY Index as on last trading day of the month

FIG 185 – THERE WAS A SHARP DRAWDOWN IN US INVENTORY ON SLIGHT REVIVAL IN GLOBAL DEMAND



Source: Bloomberg

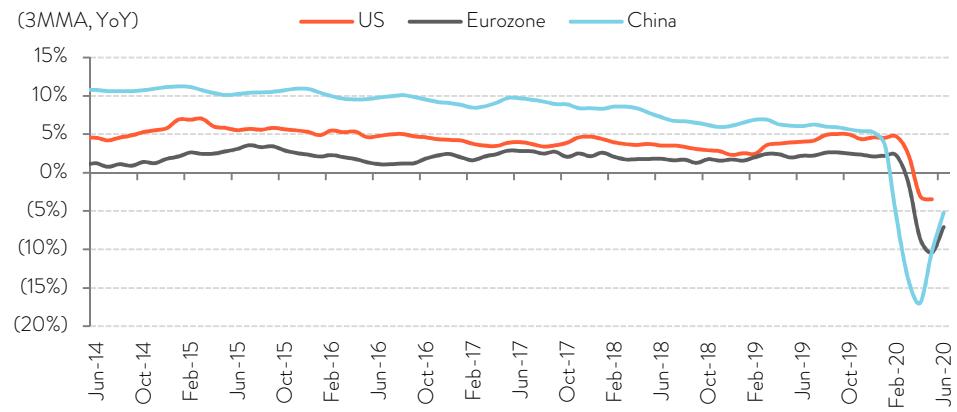
FIG 187 – PRECIOUS METAL INDEX ROSE THE MOST AMONG MAJOR ASSET CLASSES



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

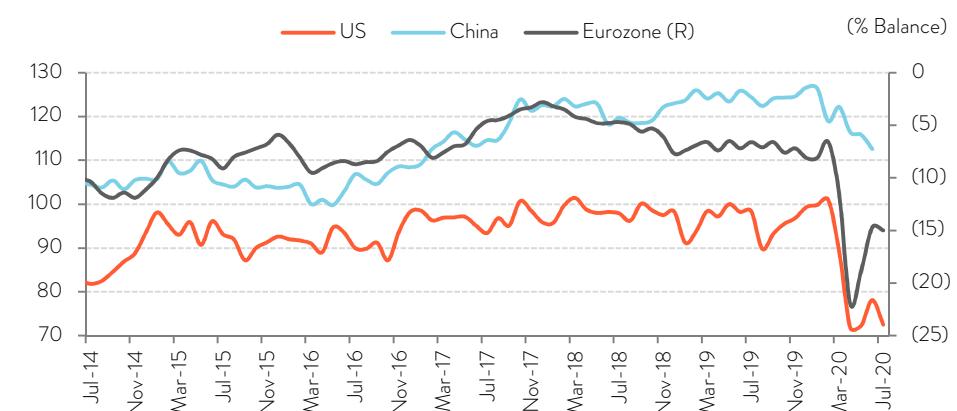
Global consumption

FIG 188 – RETAIL SALES REBOUNDING FOR CHINA AND EUROZONE



Note: Data for US till May'20

FIG 190 – CONSUMER CONFIDENCE MODERATES



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

FIG 189 – AUTO SALES RECOVER ACROSS THE WORLD

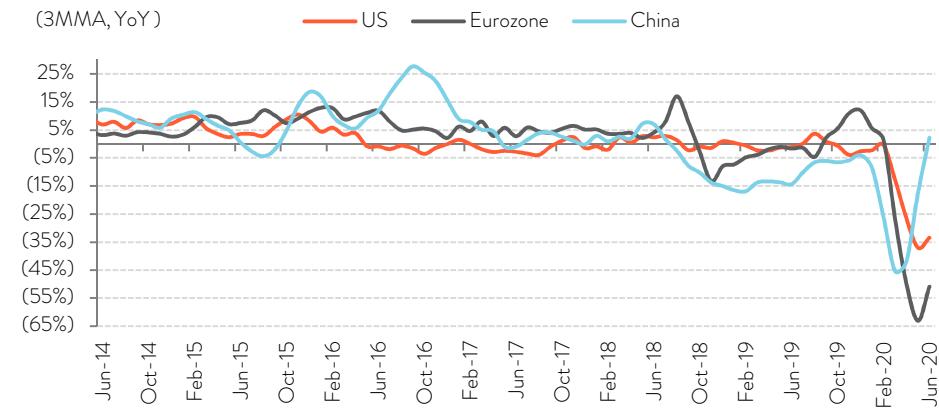
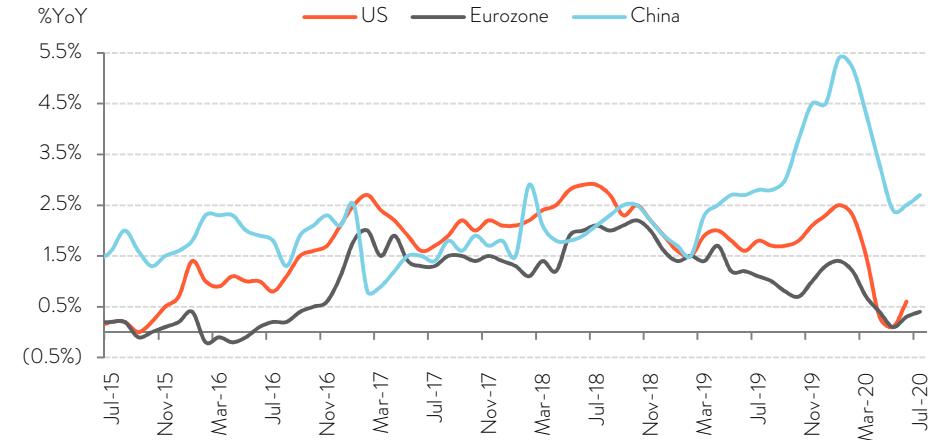


FIG 191 – CPI EDGES UPWARDS



Note: Data for US is for Jun'20

Policy

FIG 192 – GLOBAL CENTRAL BANKS ARE ON MONETARY EASING CYCLE

Country	Current inflation rate (%)	Current policy rate (%)	CY19 (change in bps)	CYTD20 (change in bps)	Direction of policy rate in CYTD20
Germany	(0.1)	0	0	0	-
Japan	0.1	(0.1)	0	0	-
China	2.5	4.35	0	0	-
Australia	(0.3)	0.25	(75)	(50)	⬇️
UK	0.6	0.10	0	(65)	⬇️
Korea	0.3	0.50	(50)	(75)	⬇️
Thailand	(1.6)	0.5	(50)	(75)	⬇️
Indonesia	1.5	4.00	(100)	(100)	⬇️
India	6.1	4.00	(135)	(115)	⬇️
Malaysia	(1.9)	1.75	(25)	(125)	⬇️
US	0.6	0.25	(75)	(150)	⬇️
Phillipines	2.7	2.25	(75)	(175)	⬇️
Russia	3.2	4.25	(150)	(200)	⬇️
Mexico	3.3	5.00	(100)	(225)	⬇️
Brazil	2.1	2.25	(200)	(225)	⬇️
Turkey	11.8	8.25	(1,200)	(375)	⬇️

Source: Bloomberg

Global investment and manufacturing

FIG 193 – GLOBAL MANUFACTURING AND SERVICES ACTIVITY REBOUNDS IN JUL'20

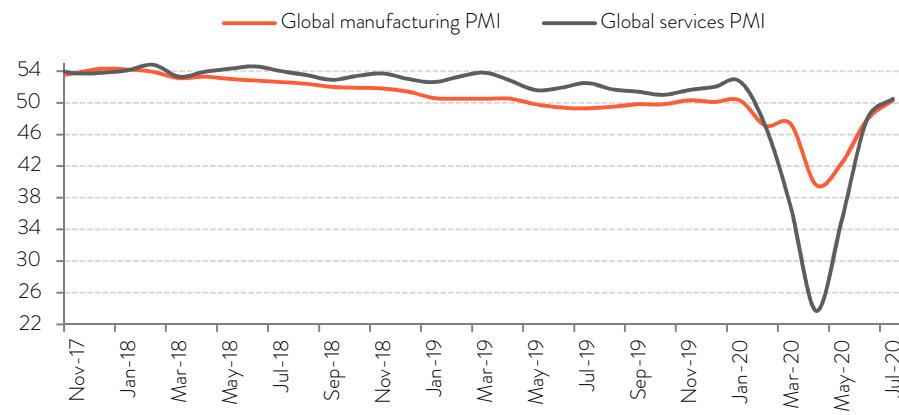


FIG 195 – BARRING US, PRODUCER PRICES INCH UP ACROSS COUNTIRES

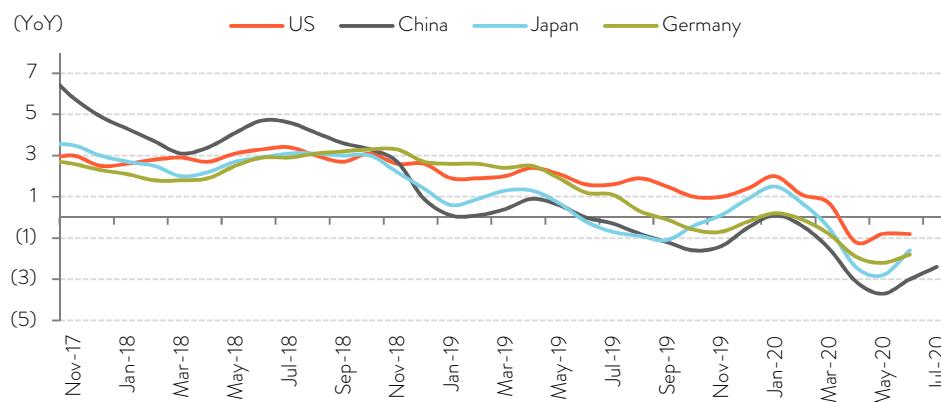


FIG 194 – RECOVERY SEEN ACROSS MAJOR GLOBAL MANUFACTURING HUBS

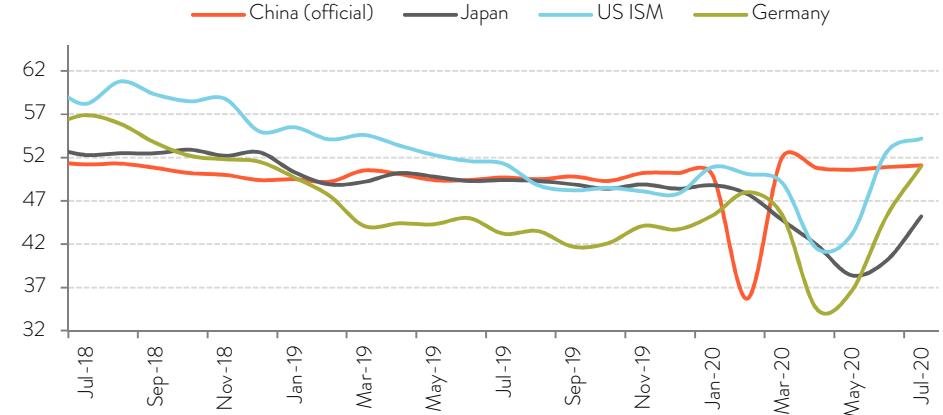
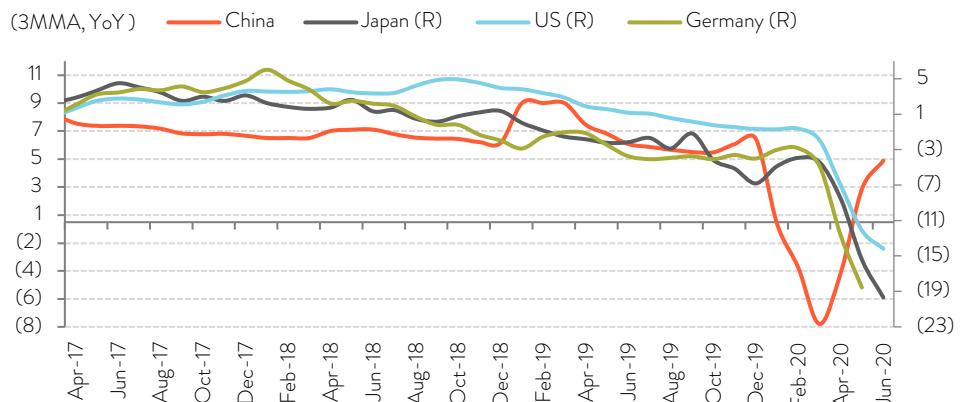


FIG 196 – EXCEPT CHINA, GLOBAL INDUSTRIAL PRODUCTION REMAINED WEAK IN JUN'20



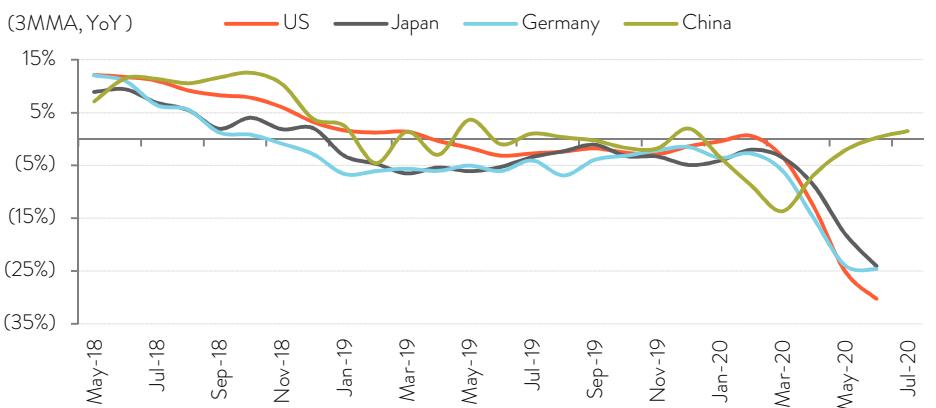
Global trade

FIG 197 – WORLD TRADE VOLUME DIPPED FURTHER IN MAY'20



Source: NPB, World Trade Monitor

FIG 199 – CHINA'S EXPORTS BOUNCE BACK IN JUL'20



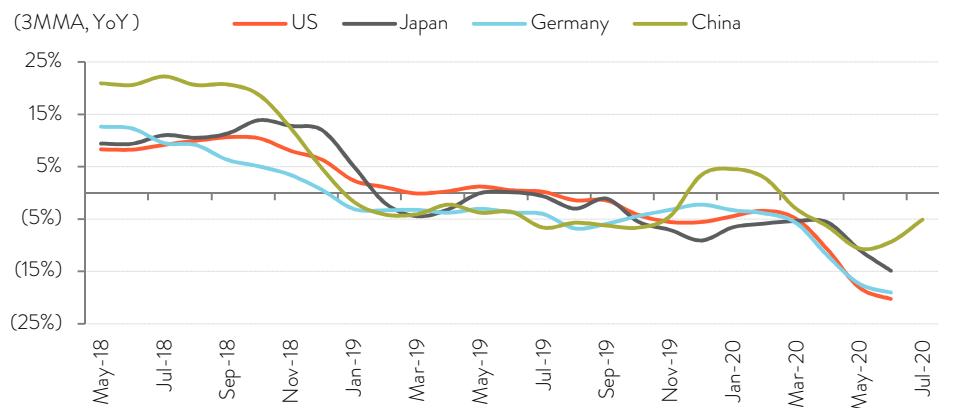
Source: Bloomberg

FIG 198 – TRADE VOLUME IN MAJOR COUNTRIES/REGIONS FALLS IN MAY'20

Country/Region (% YoY)	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Africa and Middle East	(3.1)	(2.3)	(1.7)	(0.9)	(0.8)	(3.5)
China	5.2	4.0	1.3	(3.6)	(2.6)	(2.2)
Eastern Europe / CIS	1.7	0.4	(0.9)	(1.5)	(3.6)	(5.6)
Emerging Asia (ex. China)	(2.7)	(1.5)	(0.0)	(0.4)	(3.1)	(8.9)
Euro Area	(1.1)	(1.9)	(2.1)	(5.0)	(13.3)	(20.1)
Japan	(2.3)	(2.1)	(3.5)	(3.9)	(5.4)	(8.0)
Latin America	(3.2)	(3.4)	(3.5)	(2.0)	(6.2)	(15.0)
US	(2.2)	(2.3)	(2.2)	(3.4)	(8.7)	(16.0)

Source: NPB, World Trade Monitor

FIG 200 – CHINESE IMPORTS TOO SHOW SIGNS OF A PICKUP



Source: Bloomberg

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