India Economics
Monthly Chartbook

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World awaits a US-China trade deal

Global trade backdrop has turned more favourable this month as US finalised a trade deal with the UK. Signs are also emerging of possible de-escalation in US-China trade spat. This bodes well for the global economic outlook. Even so, central banks worldwide are grappling with the growth inflation dyanmics amidst a significant tariff driven uncertainty. While the Fed and BoJ kept rates on hold, the ECB, BoE and PBoC lowered rates, suggesting that the path of global monetary policy is becoming increasingly divergent. In India, high-frequency indicators paint a mixed picture. RBI cut policy rates further in Apr'25 and changed its stance to accommodative. Domestic liquidity conditions have eased significantly supported by RBI operations and will ensure a smooth transmission of rate cuts, thus supporting growth. However, heightened geo-political tensions have led to a considerable degree of volatility in the domestic markets and will need to be monitored closely.

Consumption demand: High frequency indicators have been sending mixed signals on India's consumption demand, with non-oil-non-gold imports, electronic imports, steel consumption registering an improvement. Additonally, uptick in manufacturing PMI along with pick up in consumer confidence (RBI survey) have been key positives. However, slower growth in power demand, PV sales and digital transactions has been noted. On rural front, 2-wheeler sales have been higher, supported by stronger rabi harvest and forecast of above normal monsson by IMD bodes well for this sector.

Services Sector: Supported by strong exports orders and pickup in business activity, services PMI in Apr'25 edged up further to 58.7 from 58.5. Continuing its upward momentum, GST collections also surged to an all time high to Rs 2.4 lakh cr (12.6% increase on a YoY basis) indicating strong economic activity. Other indicators such as diesel consumption, toll collections and e-way bill generations have also recorded an uptick in Apr'25. However, moderation has been noted in credit growth (10.3% from 11% in Mar'25) and even for foreign tourist arrivals.

Southward journey of yield persists: India's 10Y yield continued to witness sharp deceleration and fell by 18bps cumulatively in Apr and May. The last session witnessed some aberration on account of escalated tensions between India and Pakistan. Going forward, we expect the similar trend of softening to continue. Factors which support the same are 1) global policy uncertainty 2) favourable domestic liquidity 3) risk off sentiment leading to demand for sovereign asset class amidst geopolitical conflict and 4) favourable inflation print in Apr'25. OIS curve (especially 1 year) has also shown considerable downward correction. Thus, we expect overall interest rate environment to moderate. Liquidity will remain in surplus. The maturity of Rs 554bn security in May'25 along with pickup in government spending will further lend support.

Geo-politics to drive INR: INR built on its gain and rose by 1.1% in Apr'25, after a strong 2.4% gain in Mar'25. Correction in DXY along with lower oil prices supported the domestic currency. Recent escalation in tensions between India and Pakistan have contributed to a sharp decline in the rupee. Apart from this, hopes of US signing more trade deals with other trading partners has also led to a reversal in the trajectory of the dollar this month. FPI inflows into India have also not picked up materially. With this backdrop, the pressure on INR is likely, however RBI's forex reserves should help in limiting the volatility.

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

High frequency indicators

Fig 1 – Slower growth in power demand

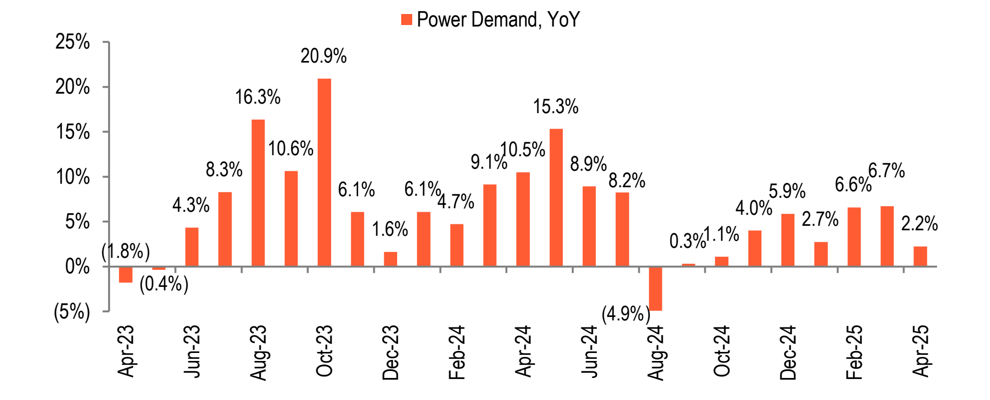


Fig 2 – Volume of UPI transactions moderates

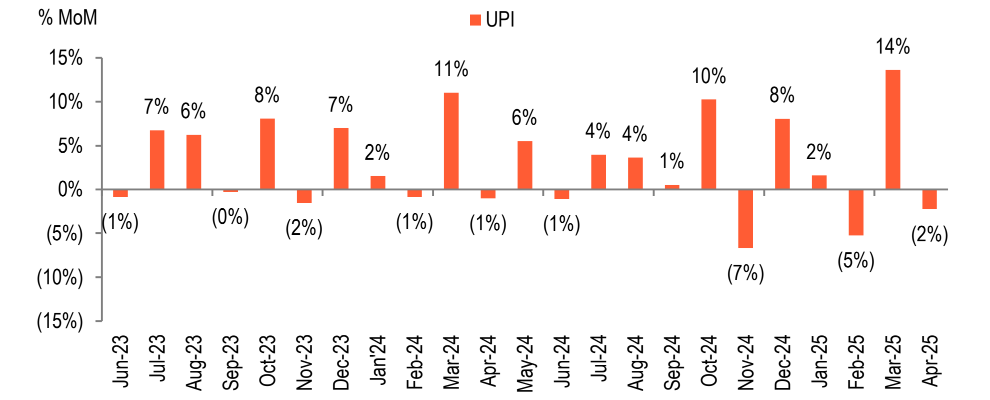


Fig 3 – Higher growth for steel consumption

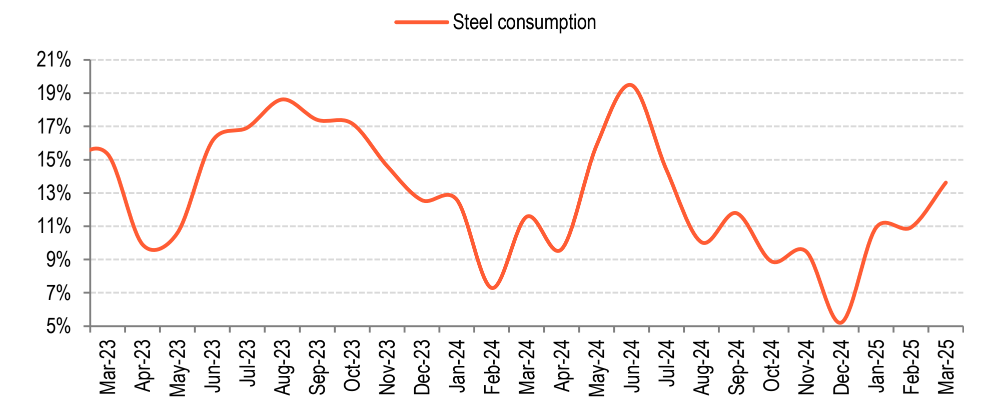
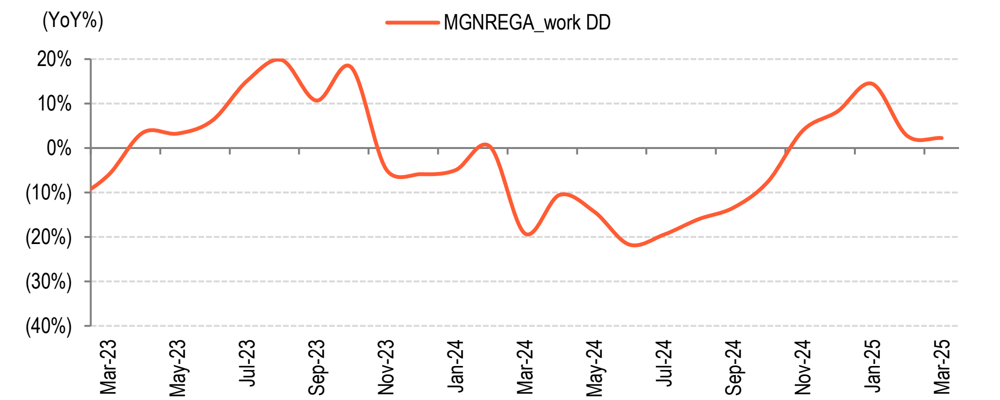


Fig 4 – Demand for work (MGNREGA-household) eases further



Non-oil imports, electronic imports

Fig 5 – Non-oil-non-gold imports climb up in Mar'25

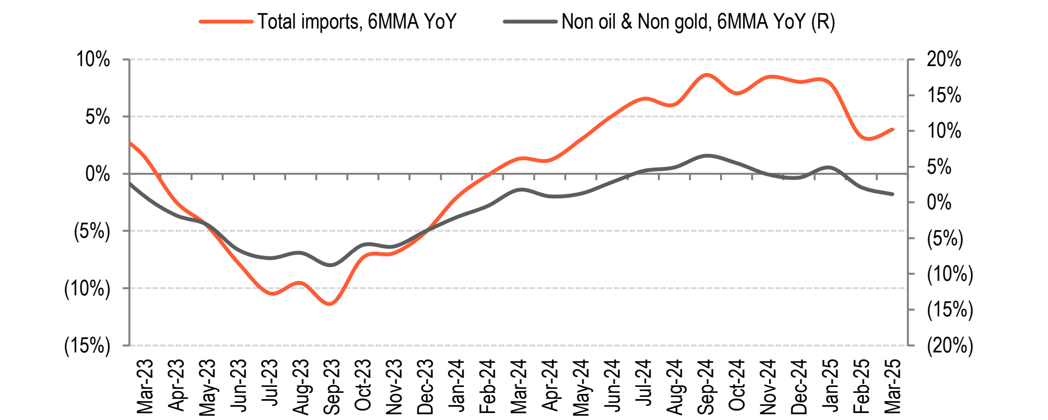


Fig 6 – Electronic imports also improve

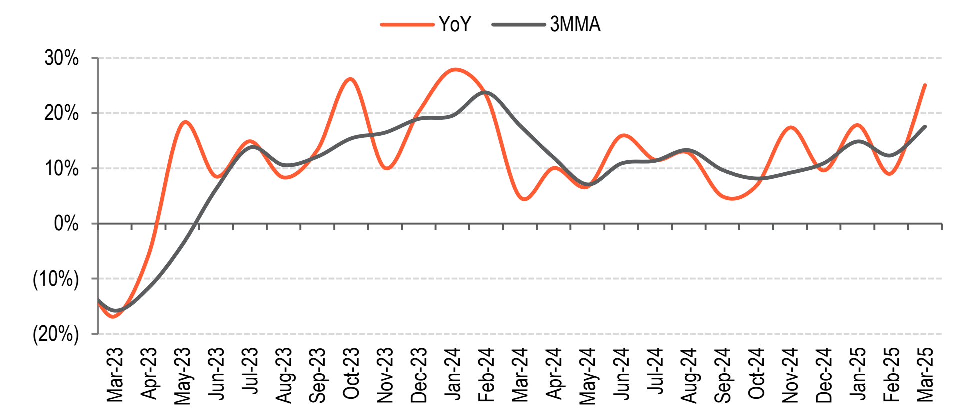
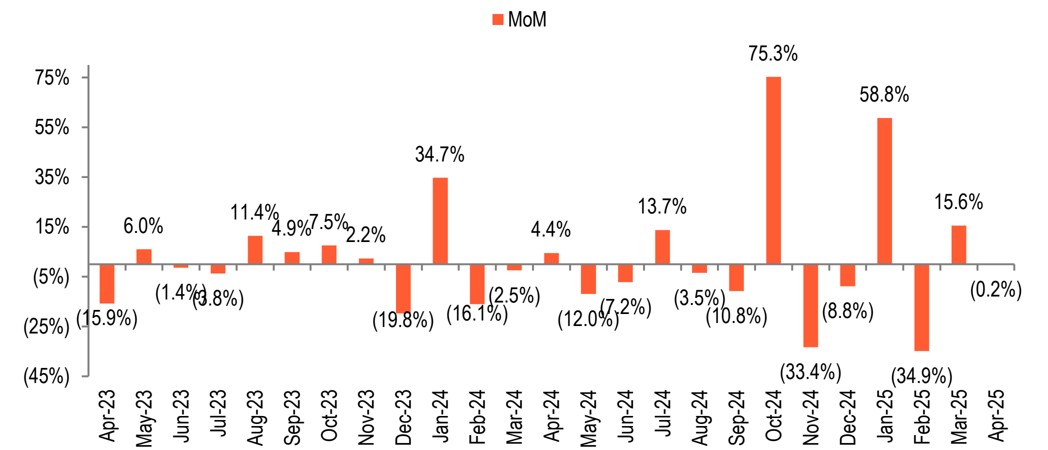
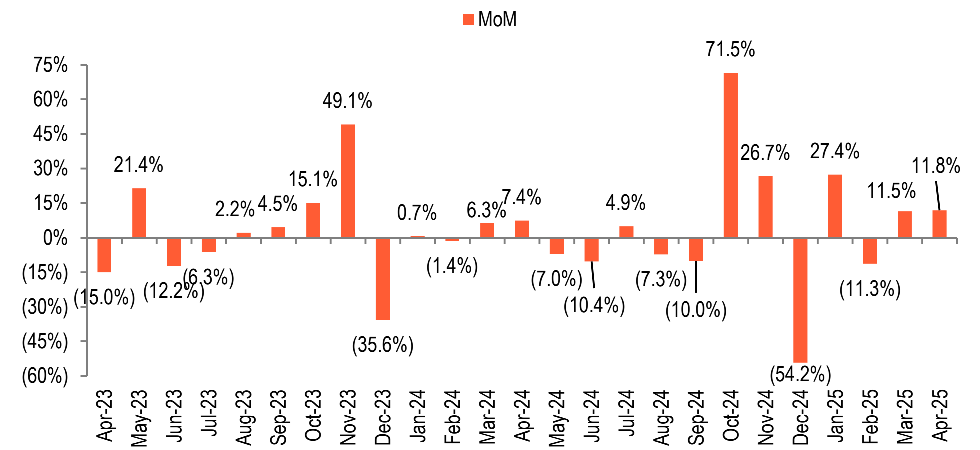


Fig 7 – Retail passenger vehicle sales decline in Apr'25



Source: FADA

Fig 8 – Two-wheeler sales inch up



Credit deployment of personal loans

Fig 9 – Steady growth in personal loans

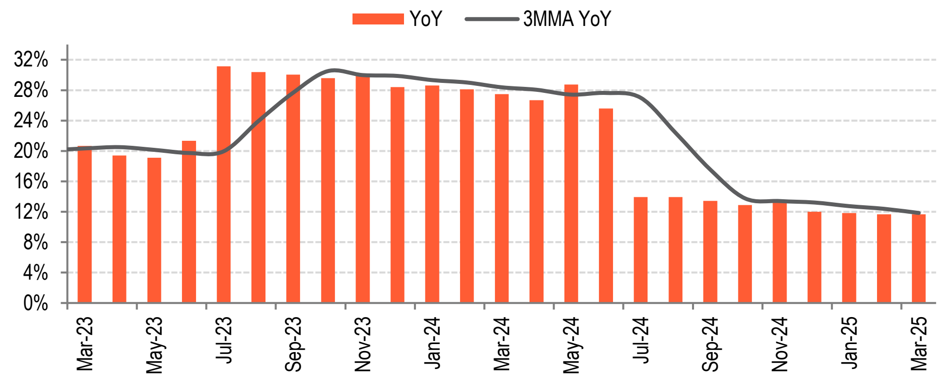


Fig 10 – Growth for credit card outstanding slows marginally

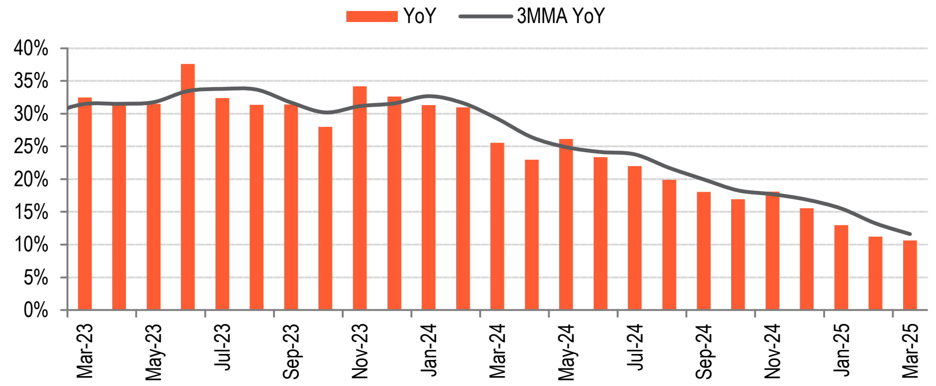


Fig 11 – Growth in vehicle loans remains moderates

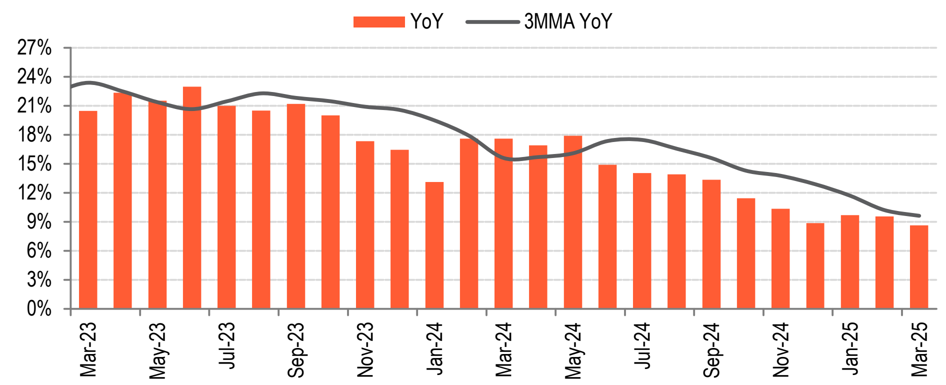


Fig 12 – Consumer's turned optimistic

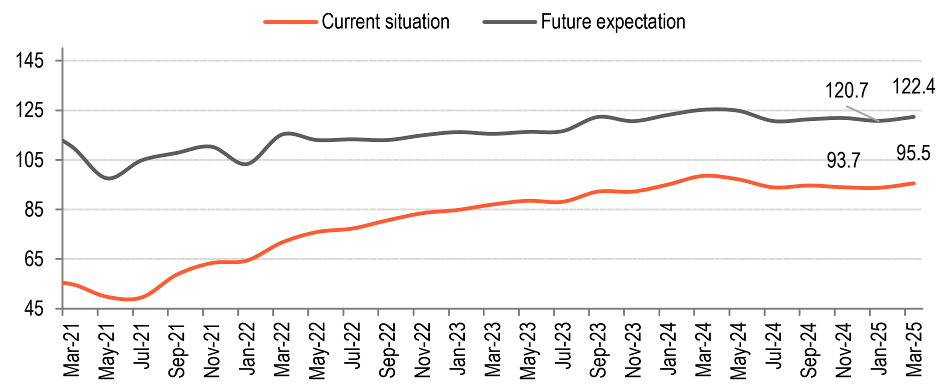


Fig 13 – Higher spending on essential items as per RBI's survey

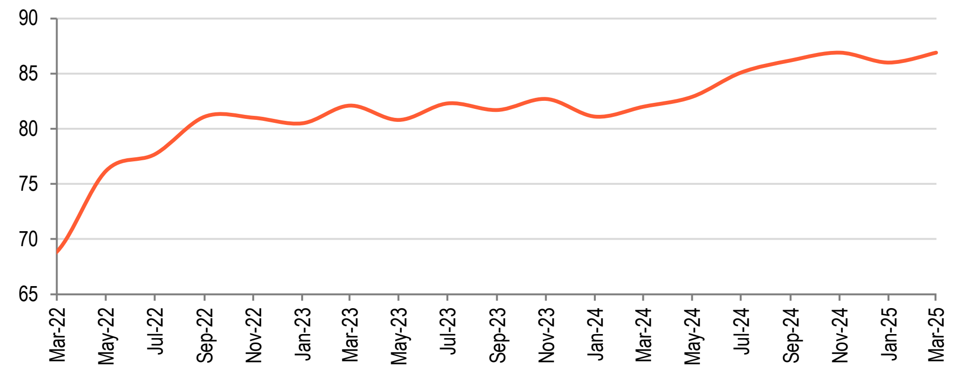
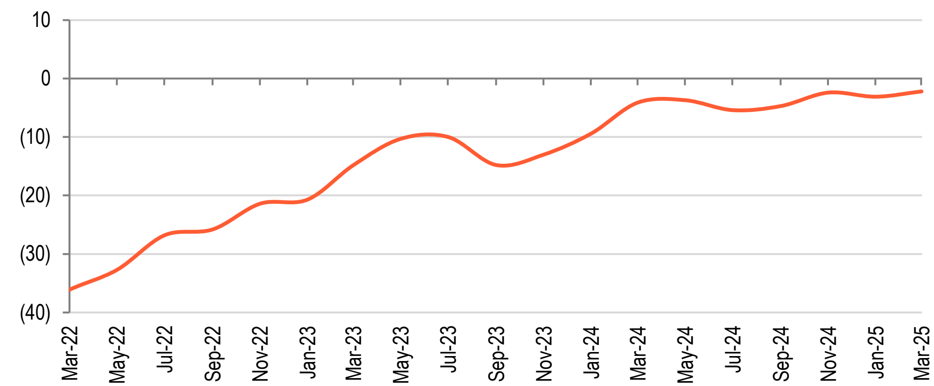


Fig 14 – Spending on non-essential items remains lower



Consumer durables & non-durables production

Fig 15 – Consumer durables output improves

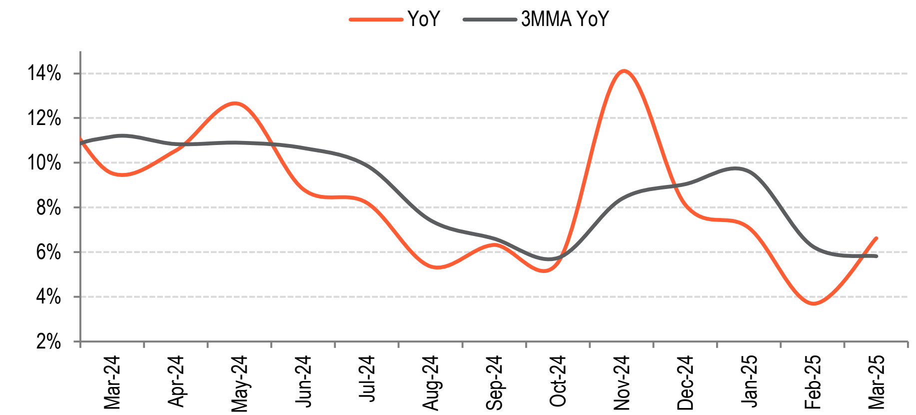
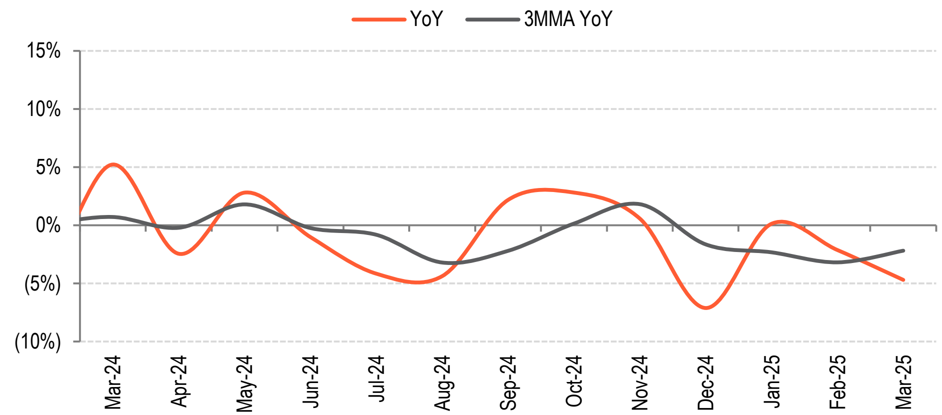


Fig 16 – FMCG output declines further



Agriculture

Fig 17 – Above normal monsoon expectation in 2025 by IMD

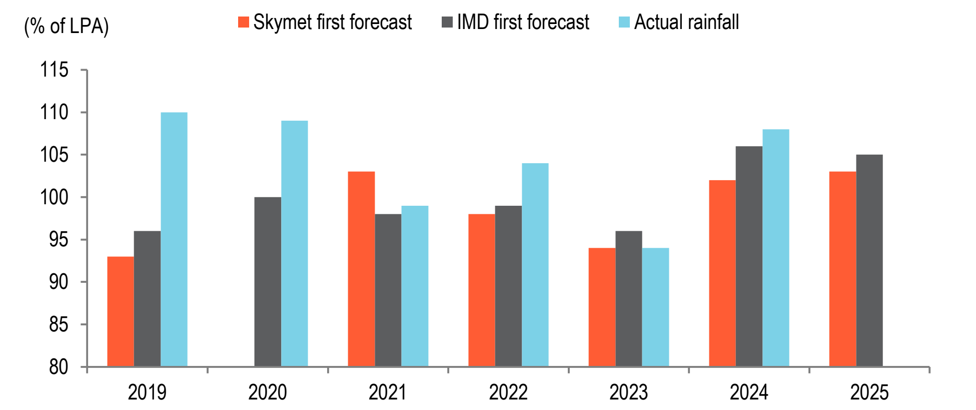
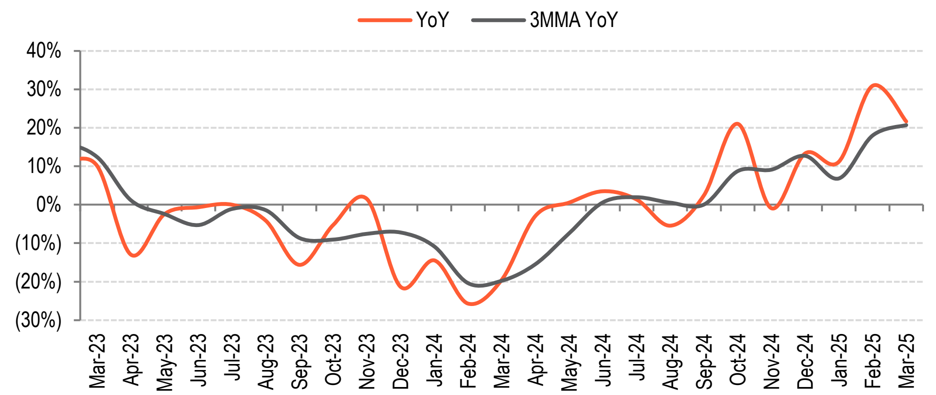


Fig 18 – Growth in Tractor sales slows in Mar'25



Note: Tractor sales including exports

Fig 19 – Growth in agriculture credit eases further

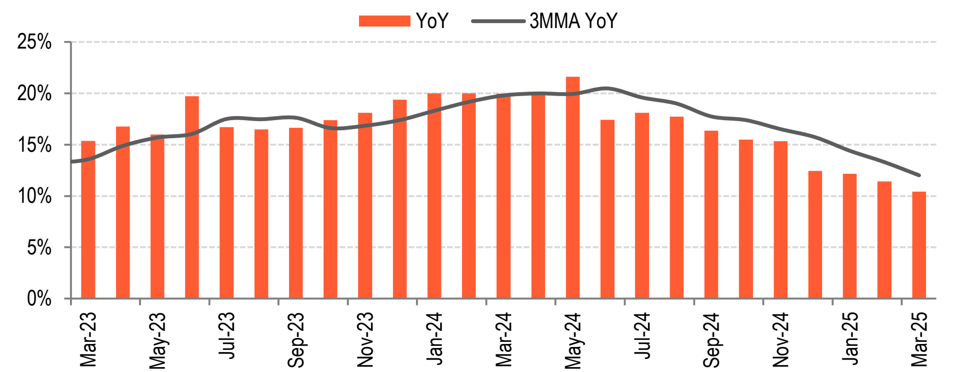
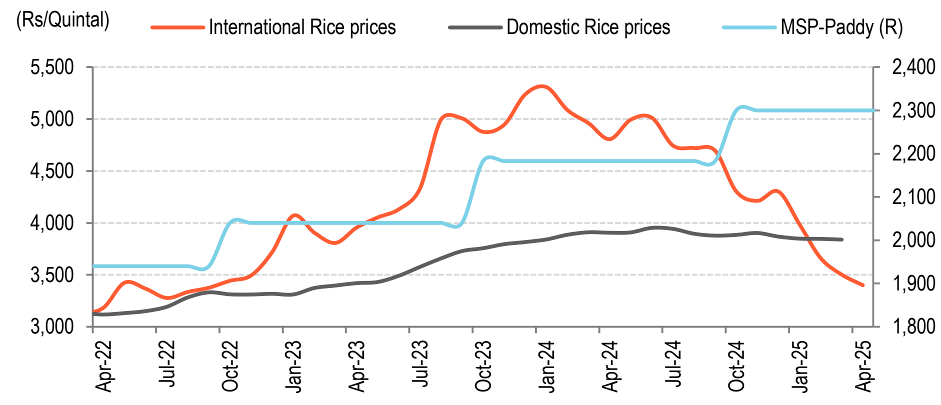


Fig 20 – Procurement of rice and wheat

Year	Wheat	Rice
2017-18	30.83	38.19
2018-19	35.80	44.39
2019-20	34.13	51.83
2020-21	38.99	60.17
2021-22	43.34	57.59
2022-23	18.79	54.32
2023-24	26.20	52.53
2024-25	26.61*	51.11
2024-25		0.39*

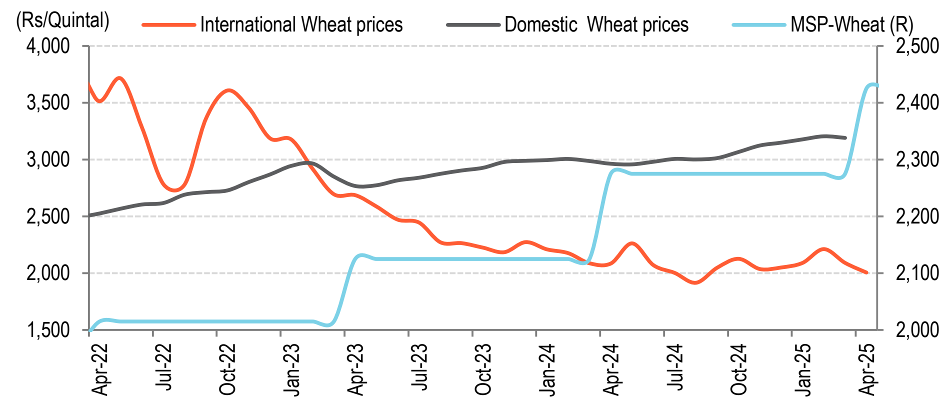
Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 31 Mar 2025

Fig 21 – International rice prices fall



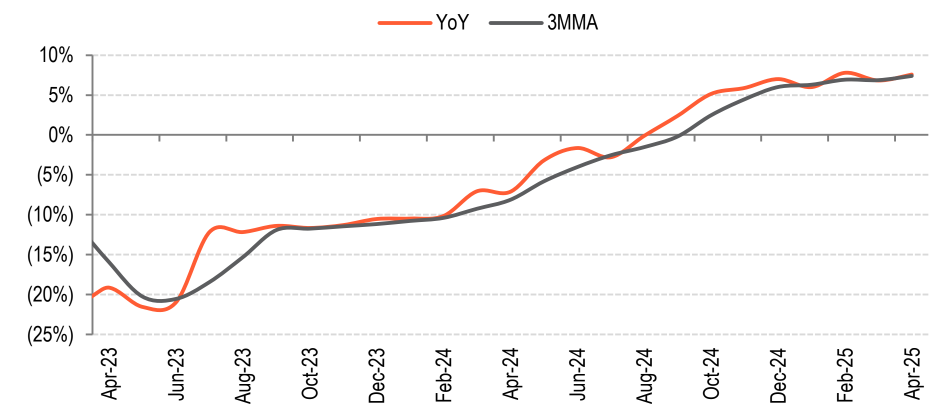
Source: World Bank

Fig 22 – Similar trend for wheat prices



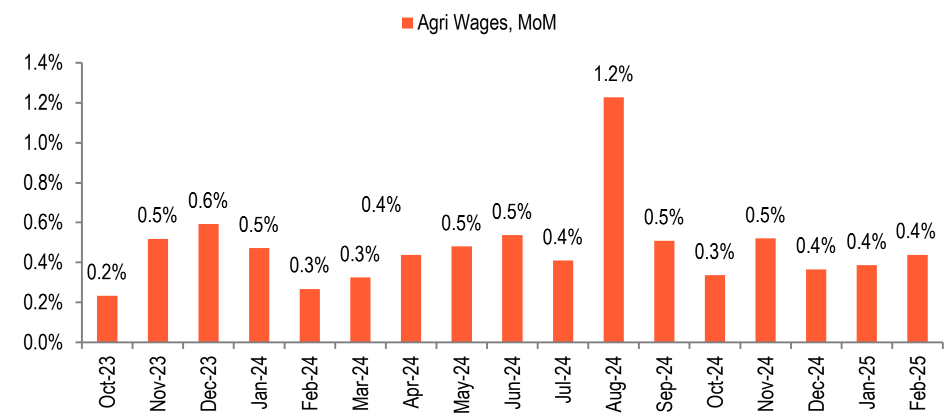
Source: World Bank

Fig 23 – Global food prices inched up



Source: FAO

Fig 24 – Wage growth (men) remain steady



Inflation

Fig 25 – Headline CPI eased to its lowest since Aug'19 to 3.3% in Mar'25, with FY25 averaging at 4.6%

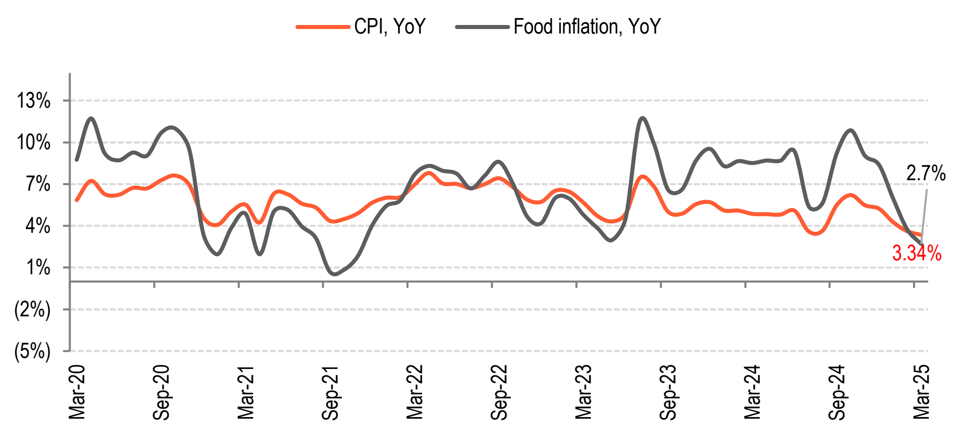


Fig 26 – Food inflation eased to 2.7% from 3.7%, led by vegetables, pulses, meat and fish and eggs

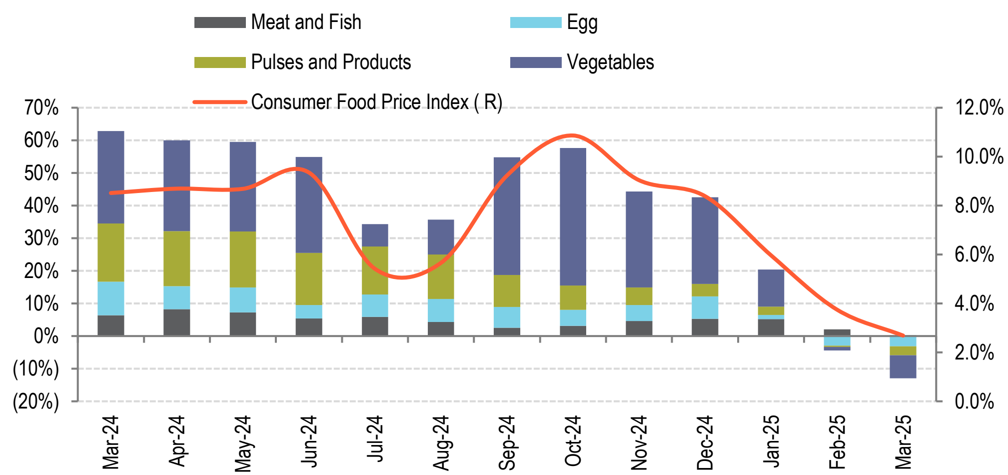


Fig 27 – Except personal care and effects (influenced by gold price fluctuations), core inflation continues to remain rangebound

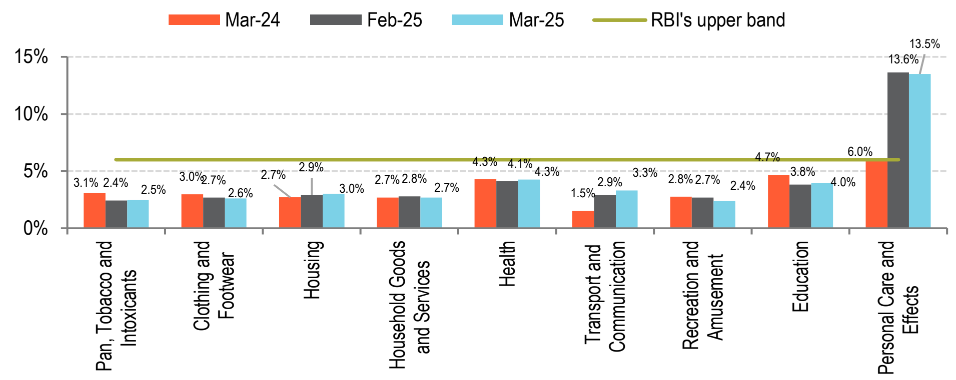
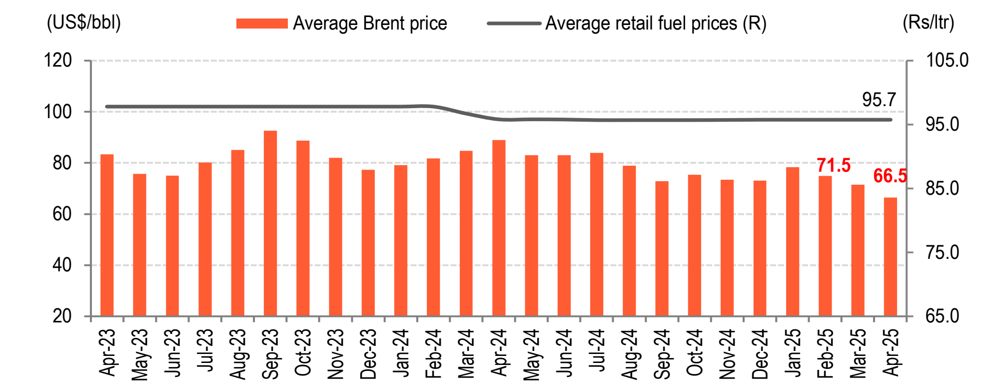


Fig 28 – Domestic retail price was stable at Rs 95.7/lt in Apr'25, average crude price edged down to US$ 66.5/bbl in Apr'25 from US$ 71.5/bbl in Mar'25



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

Industry

Fig 29 – Lower IIP growth noted in Q4

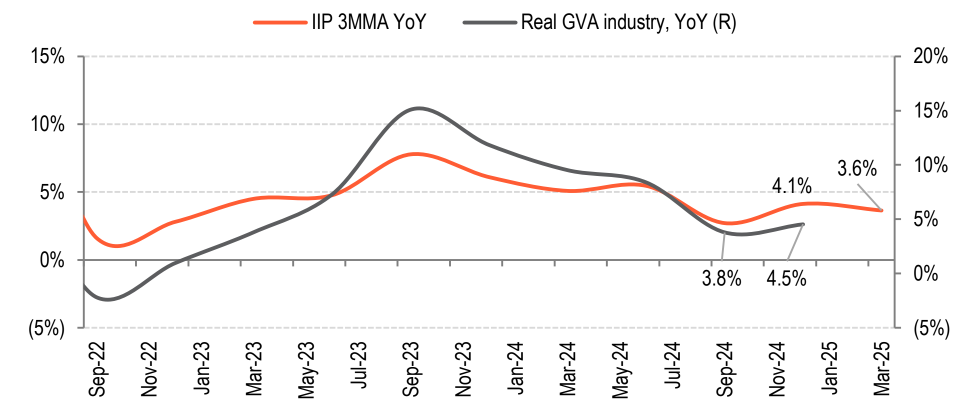


Fig 30 – Sectorwise growth lower in FY25

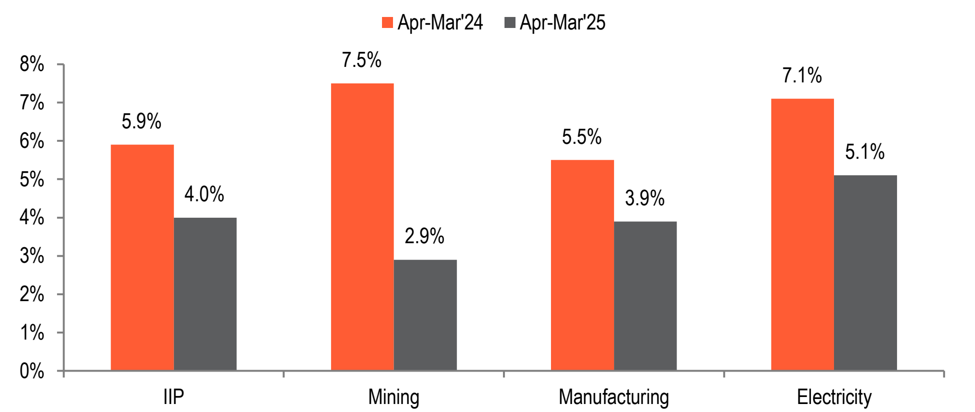


Fig 31 – Weaker IIP growth noted in Mar'25

Sectoral (%)	Weight	Mar-24	Feb-25	Mar-25	Apr-Mar'24	Apr-Mar'25
IIP	100.0	5.5	2.7	3.0	5.9	4.0
Mining	14.4	1.3	1.6	0.4	7.5	2.9
Manufacturing	77.6	5.9	2.8	3.0	5.5	3.9
Electricity	8.0	8.6	3.6	6.3	7.1	5.1
Use-Based						
Primary Goods	34.1	3.0	2.8	3.1	6.1	3.9
Capital Goods	8.2	7.0	8.2	2.4	6.3	5.6
Intermediate Goods	17.2	6.1	1.0	2.3	5.3	4.1
Infrastructure and Construction Goods	12.3	7.4	6.8	8.8	9.7	6.6
Consumer Durables Goods	12.8	9.5	3.7	6.6	3.6	7.9
Consumer Non-Durables Goods	15.3	5.2	(2.1)	(4.7)	4.1	(1.6)

Manufacturing

Fig 32 – Tepid Manufacturing growth in Q4

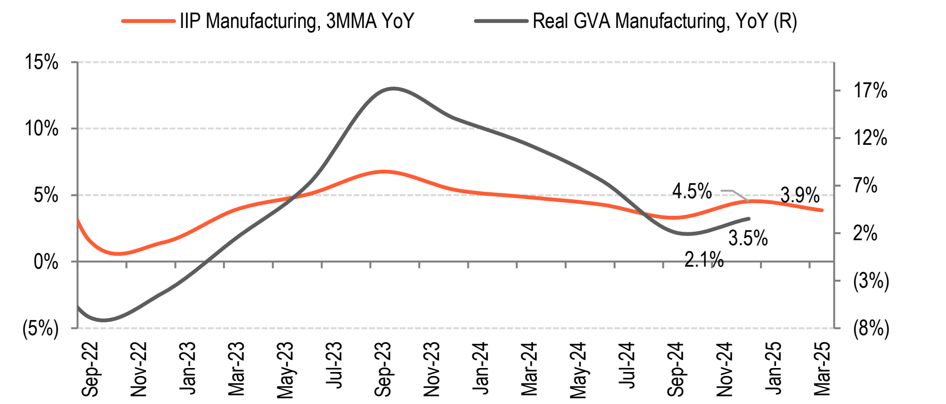
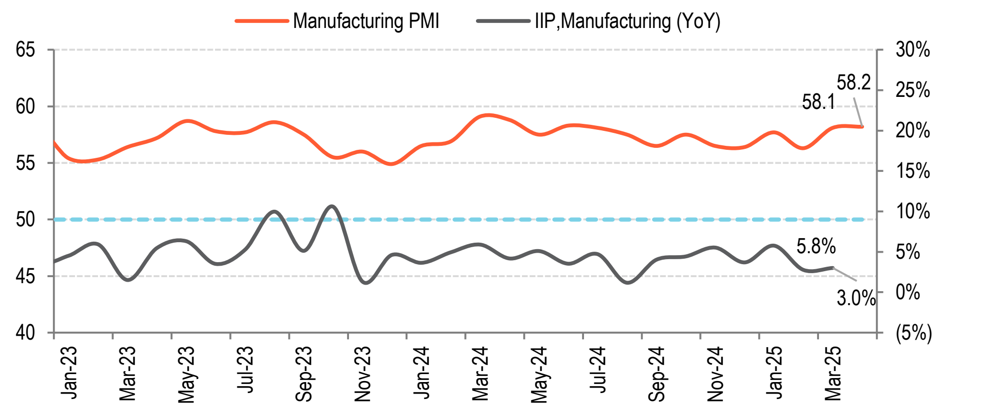


Fig 33 – Manufacturing PMI inch up further



Source: Markit

Mining & Electricity

Fig 34 – Higher mining activity noted in Q4

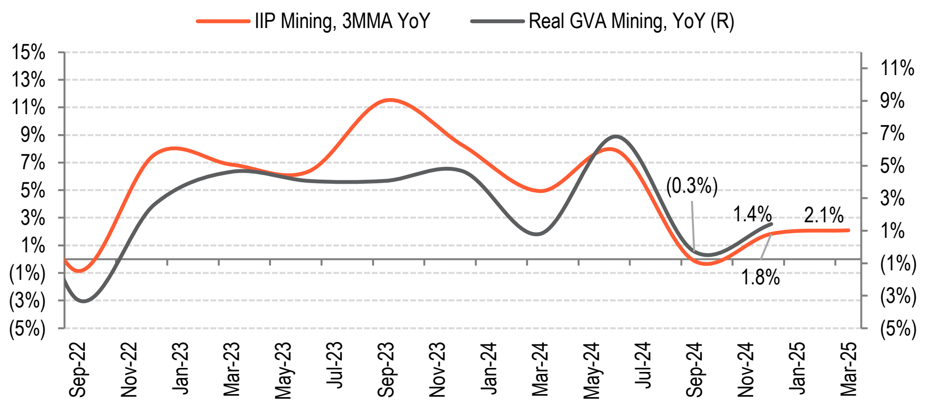
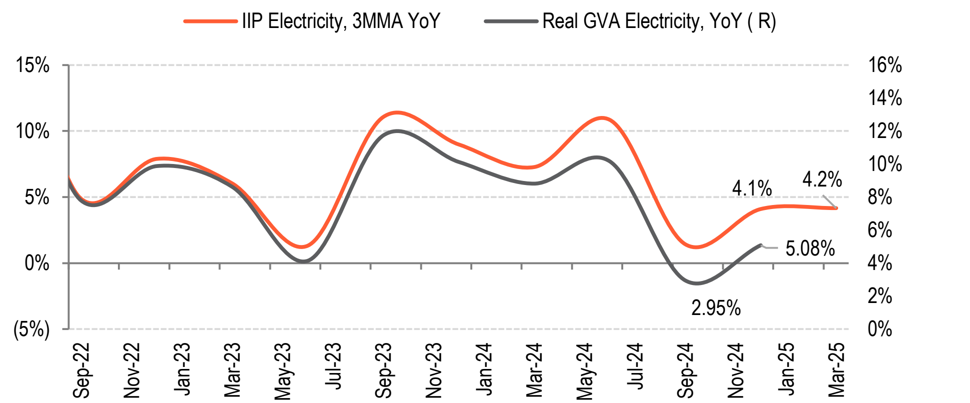


Fig 35 – Steady growth in Electricity in Q4



Infrastructure and construction

Fig 36 – Higher construction growth noted in Q4

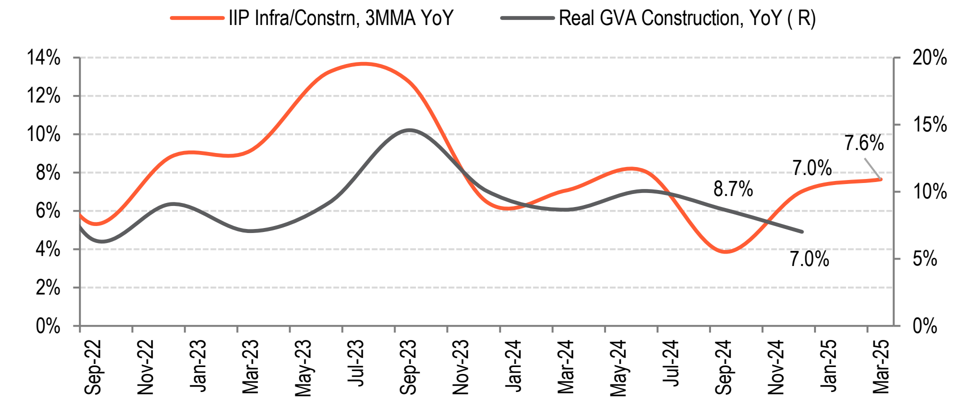
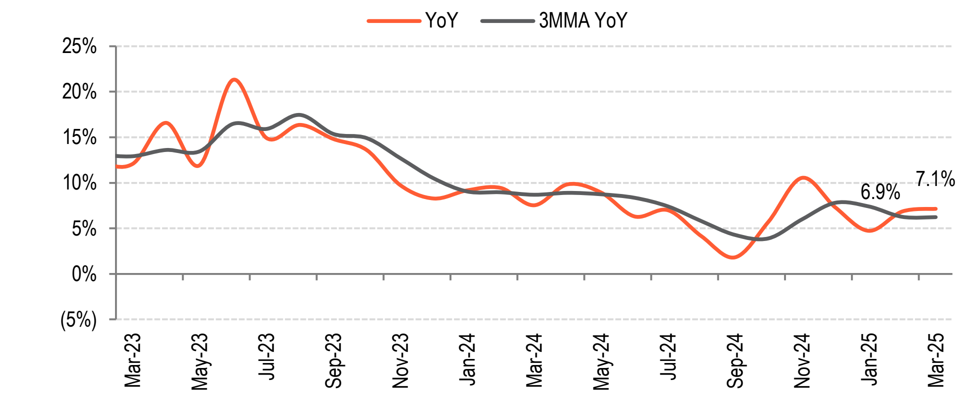


Fig 37 – Higher growth in steel output



Infrastructure index

Fig 38 – Core sector output expands further

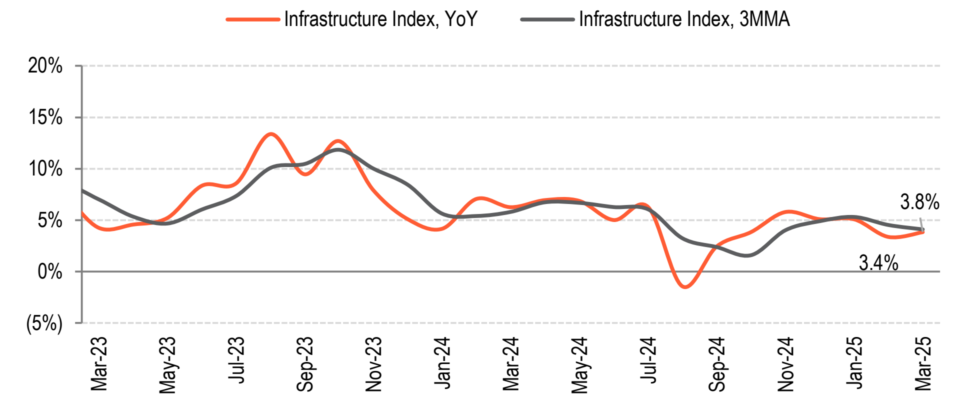
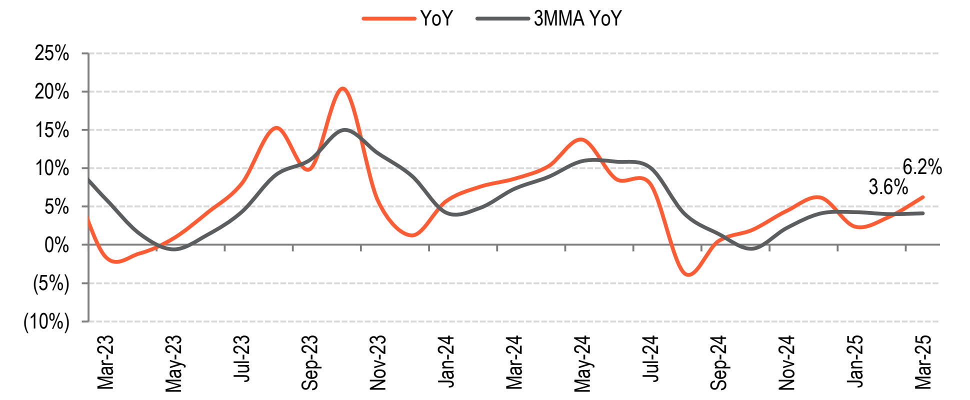


Fig 39 – Electricity output improves



Auto production & business expectation index

Fig 40 – Auto production rebounds in Mar'25

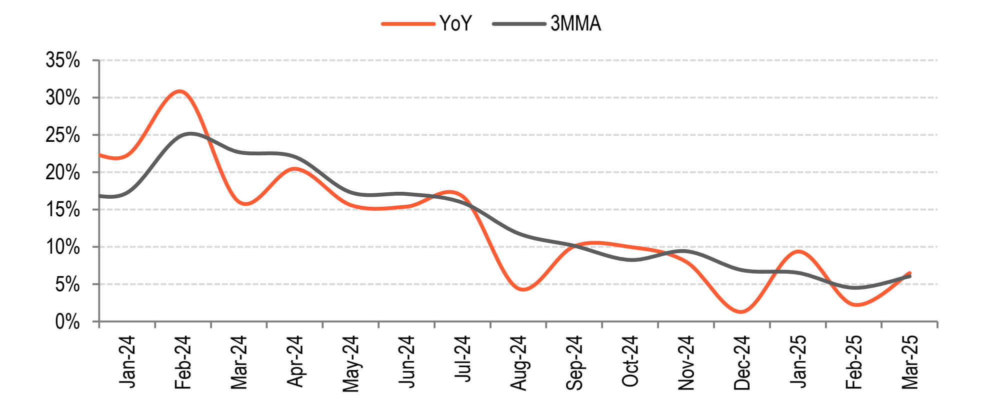


Fig 41 – Business sentiments dipped for Q1FY25

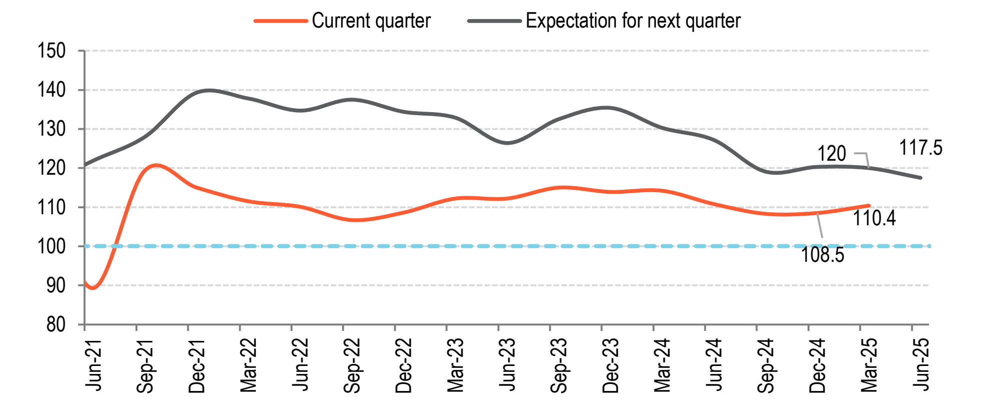
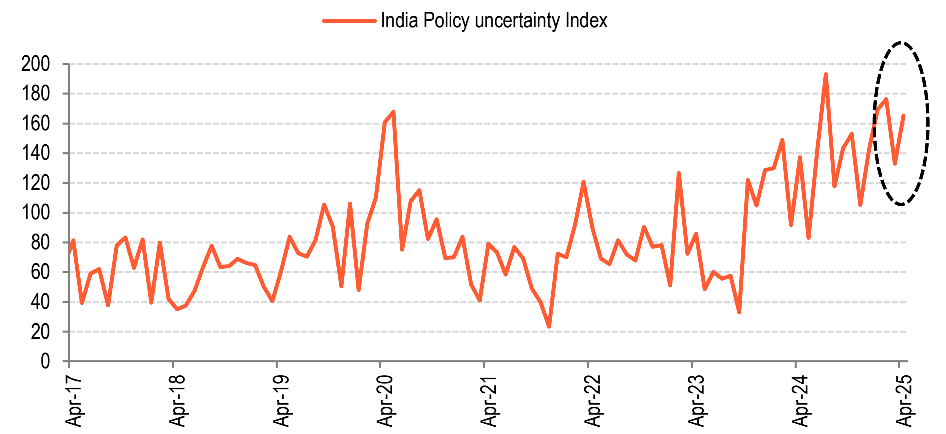


Fig 42 – Infrastructure index improves in Mar'25

(%)	Weight	Feb-25	Mar-24	Mar-25	Apr-Mar'24	Apr-Mar'25
Infrastructure Index	100	3.4	6.3	3.8	7.7	4.4
Coal	10.3	1.7	8.7	1.6	12.2	5.2
Crude Oil	9.0	(5.2)	2.1	(1.9)	0.7	(2.2)
Natural Gas	6.9	(6.0)	6.3	(12.7)	6.1	(1.0)
Petroleum Refinery Products	28.0	0.8	1.6	0.2	3.8	2.9
Fertilizers	2.6	10.2	(1.3)	8.8	4.1	3.0
Steel	17.9	6.9	7.5	7.1	12.8	6.7
Cement	5.4	10.8	10.6	11.6	9.0	6.3
Electricity	19.9	3.6	8.6	6.2	7.2	5.2

Investment

Fig 43 – Policy uncertainty index in India inched up in Apr'25 amidst heightened risk of geopolitical tension



Source: https://www.policyuncertainty.com

Fig 44 – Capacity utilisation is above long run average

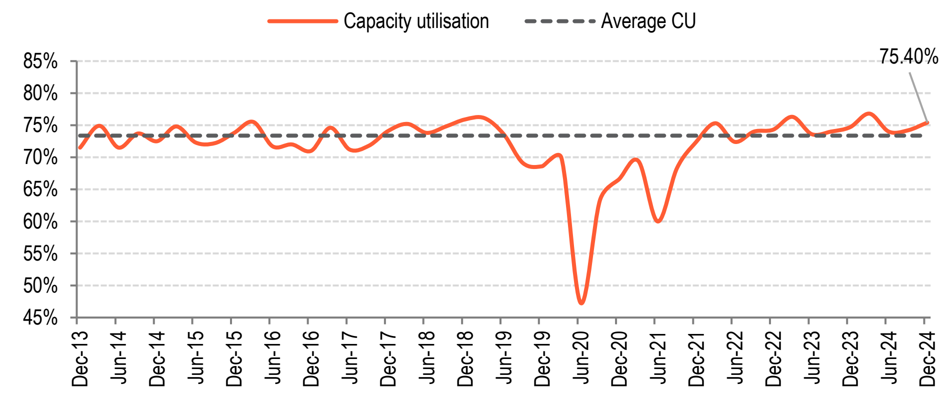


Fig 45 – Capital goods production moderated to 2.4% in Mar'25 compared to 8.2% in Feb'25, led by an unfavourable base

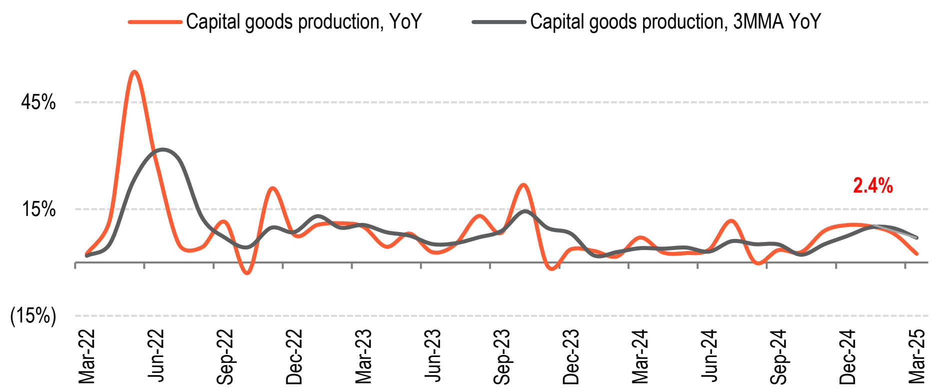


Fig 46 – Capital goods imports fell at a sharper pace by (-) 6.6% in Mar'25 compared to (-) 2.8% in Feb'25, albeit a favourable base

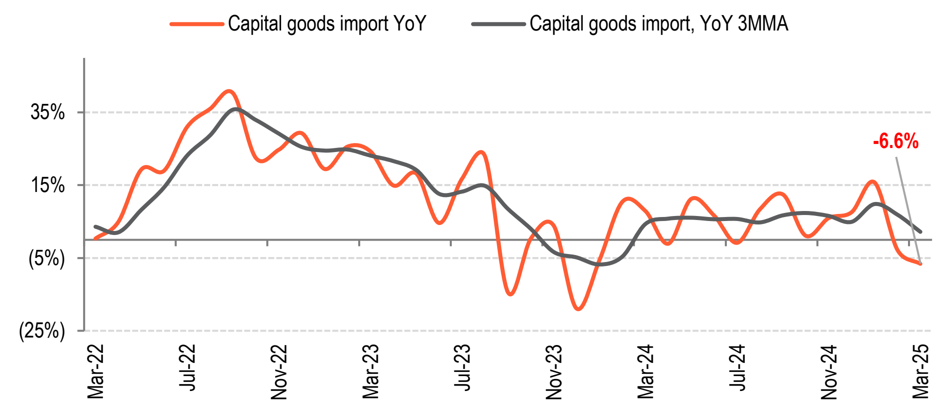


Fig 47 – Centre's capex spending was broadly flat on 12month trailing sum basis, in Feb'25

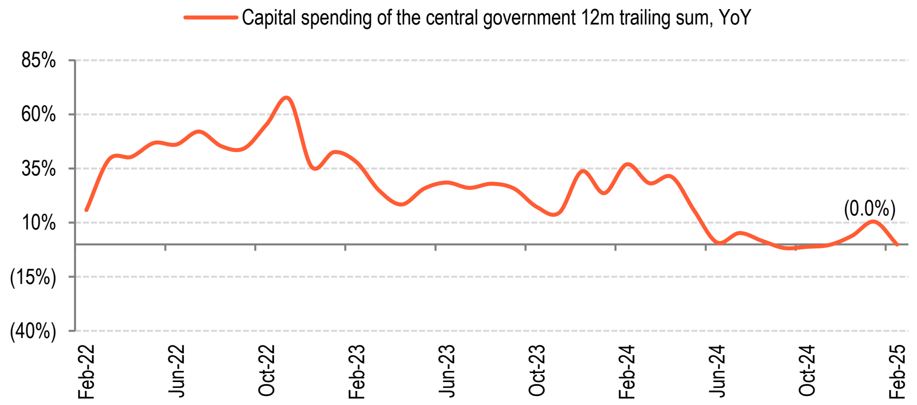


Fig 48 – Credit to micro and small industry moderated to 9% in Mar'25 from 9.7% in Feb'25, for medium industry it was higher at 18.6% from 18.1%

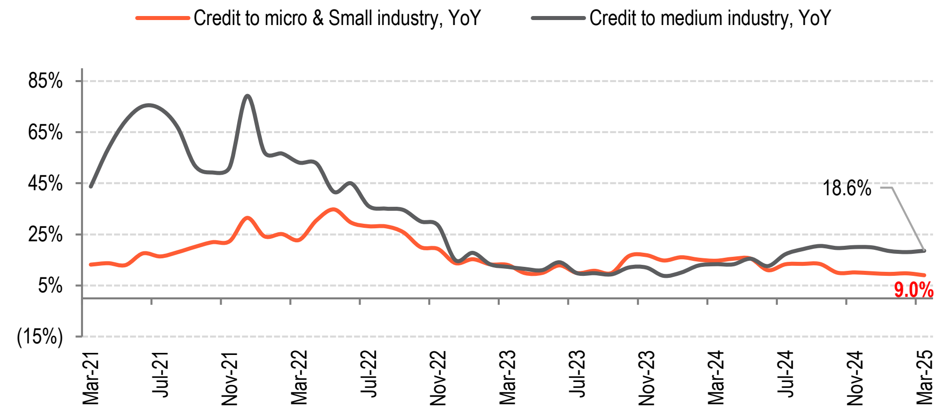


Fig 49 – Credit to housing moderated slightly to 10.7% in Mar'25 from 11.1% seen in Feb'25

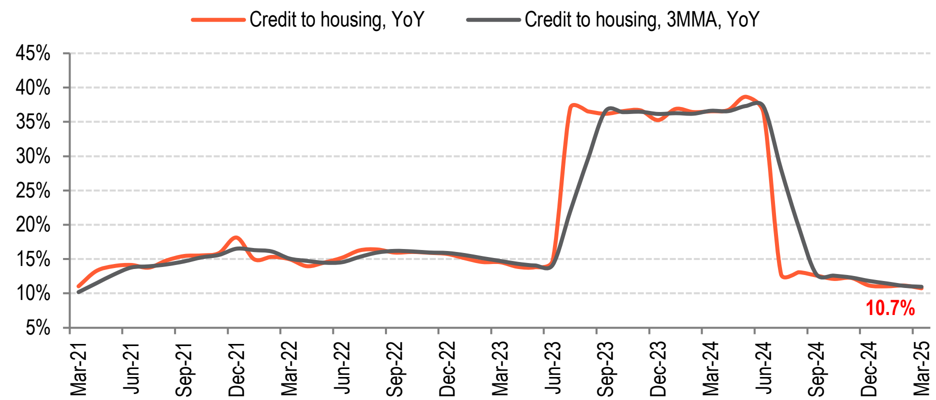
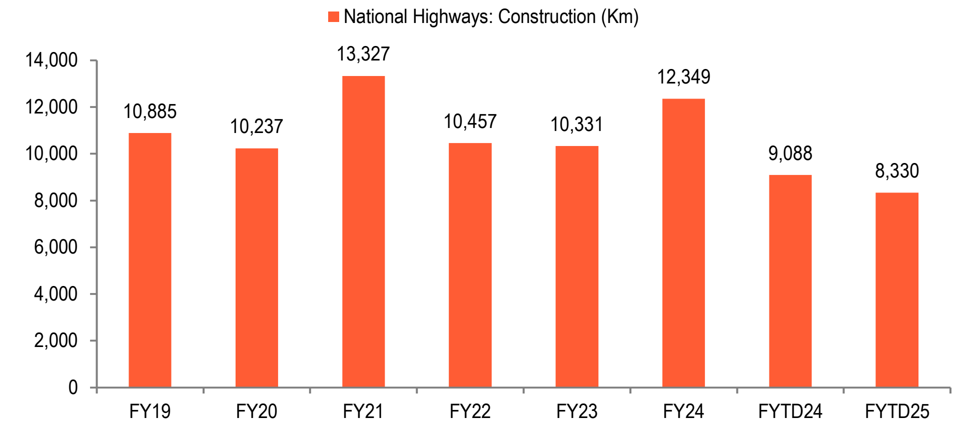


Fig 50 – Highway construction



FYTD: Apr-Feb

Services sector

Fig 51 – GVA: Services sector growth improved marginally in Q3FY25 versus Q2

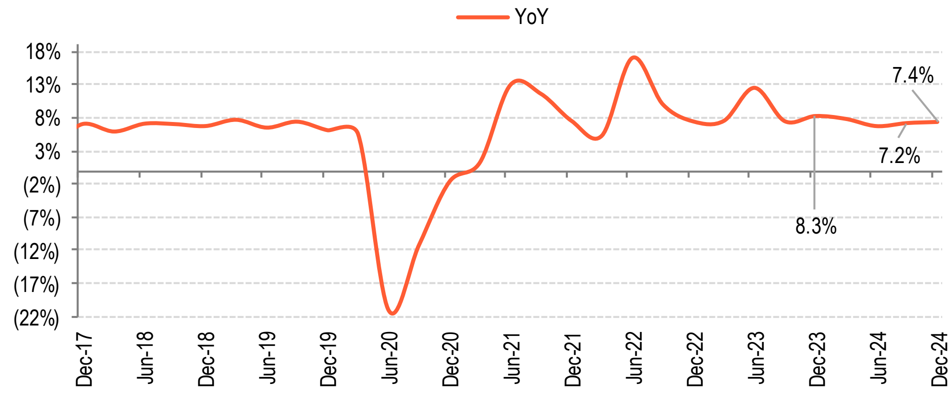
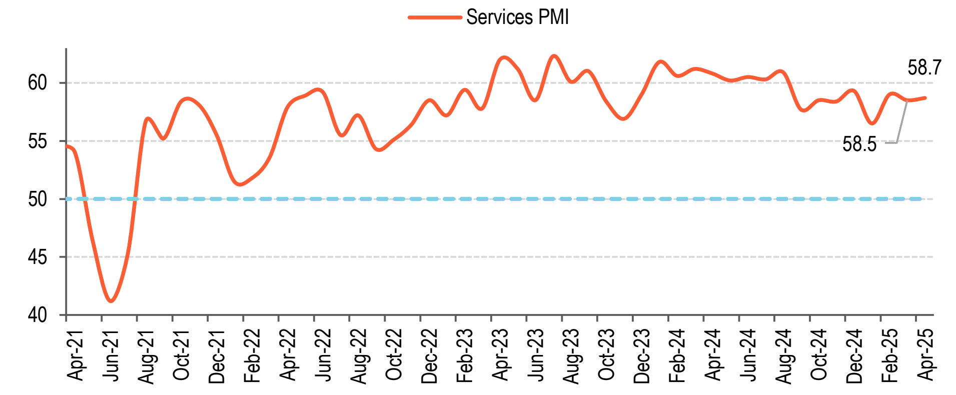


Fig 52 – Services PMI improves further in Apr'25



Source: Markit

Fig 53 – GVA: Trade & related services activity jumped in Q3 versus Q2

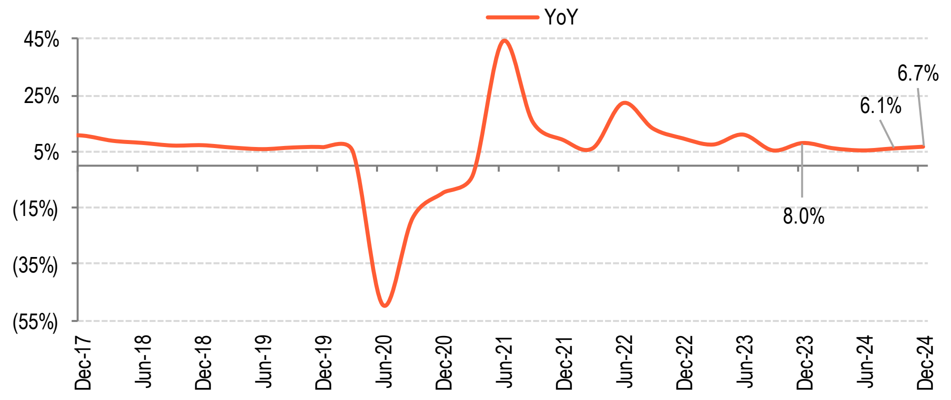
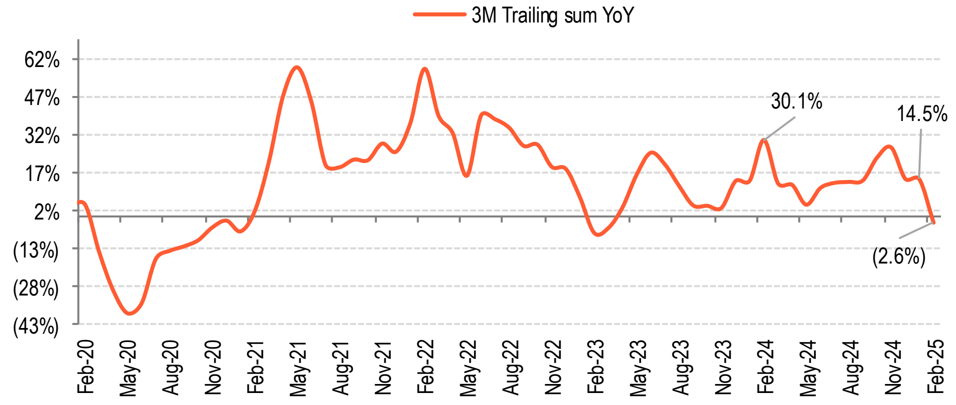


Fig 54 – States' tax revenue growth declined in Q4 (Jan-Feb)



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

Trade

Fig 55 – Vehicle registration growth declines in Apr'25

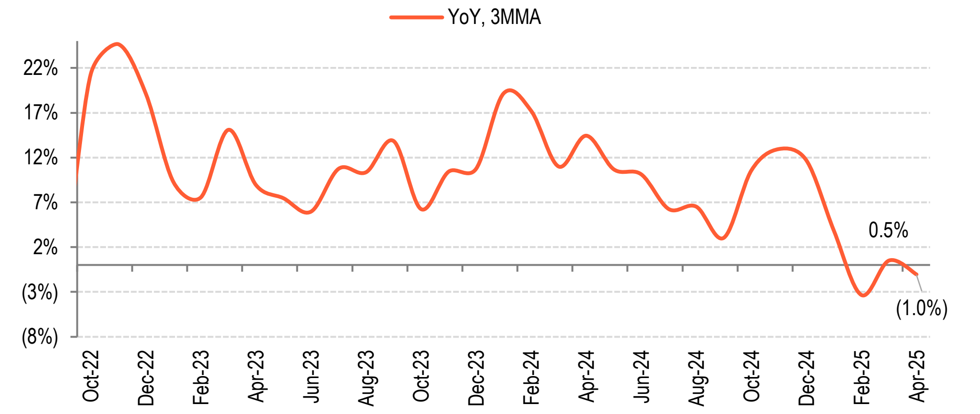


Fig 56 – Diesel consumption inched up in Apr'25

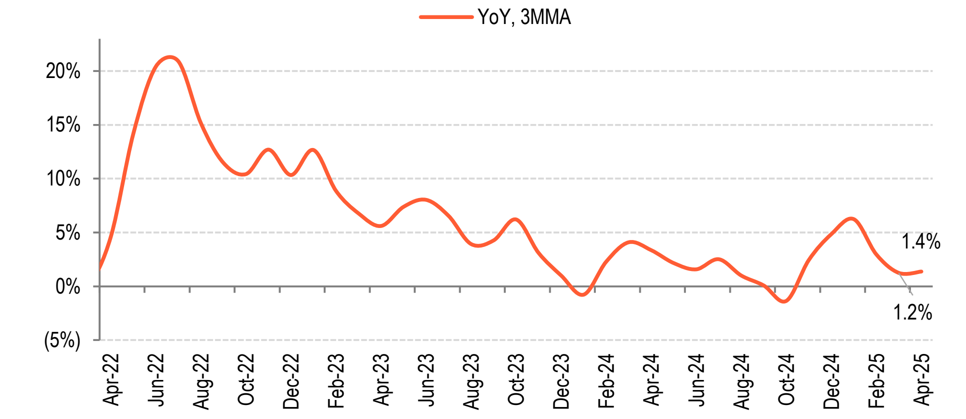


Fig 57 – Railway freight traffic growth fell at a slower pace in Nov'24

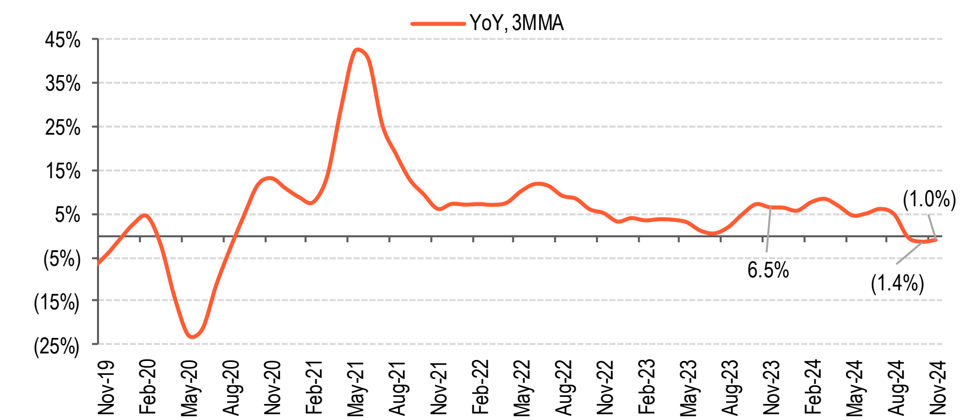


Fig 58 – Slower growth in port cargo traffic growth in Apr'25

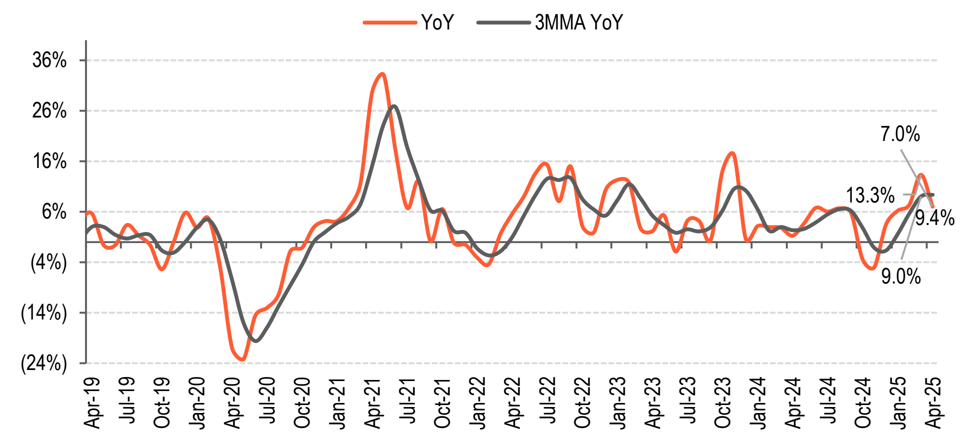


Fig 59 – Toll collection growth accelerates in Apr'25

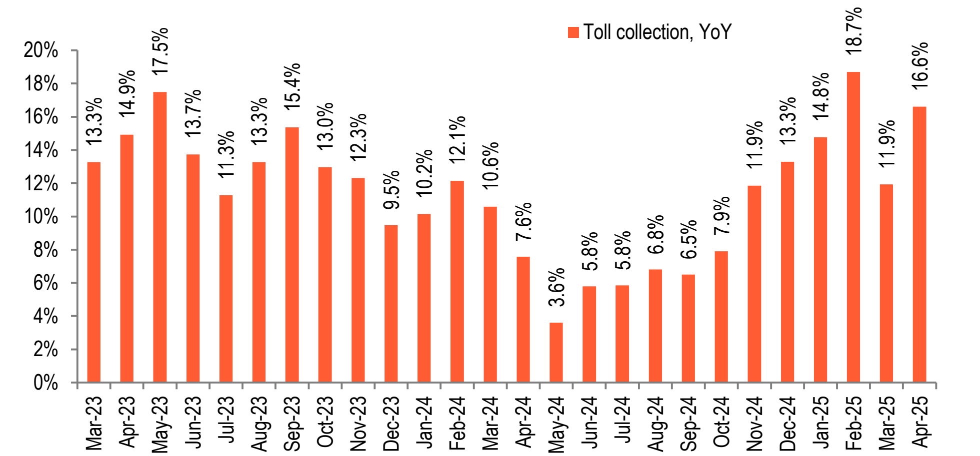
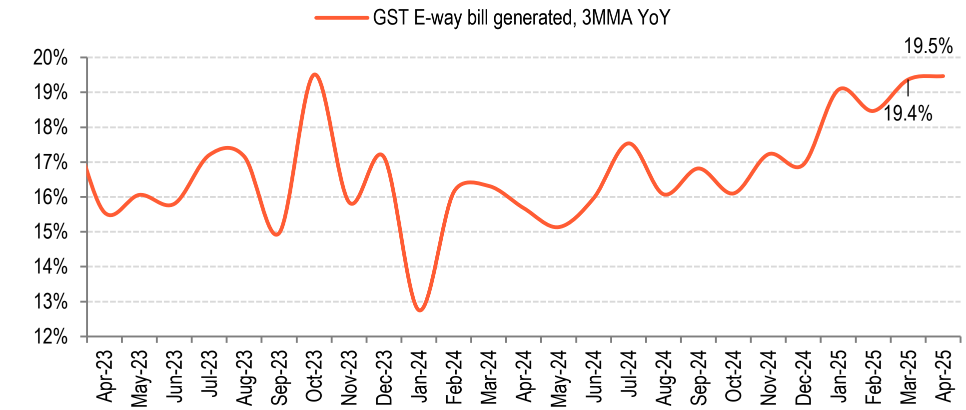


Fig 60 – E-way bill generation inch up further in Apr'25



Hotels and communications

Fig 61 – Airline passenger traffic eased in Q4 versus Q3, but remains higher than last year…

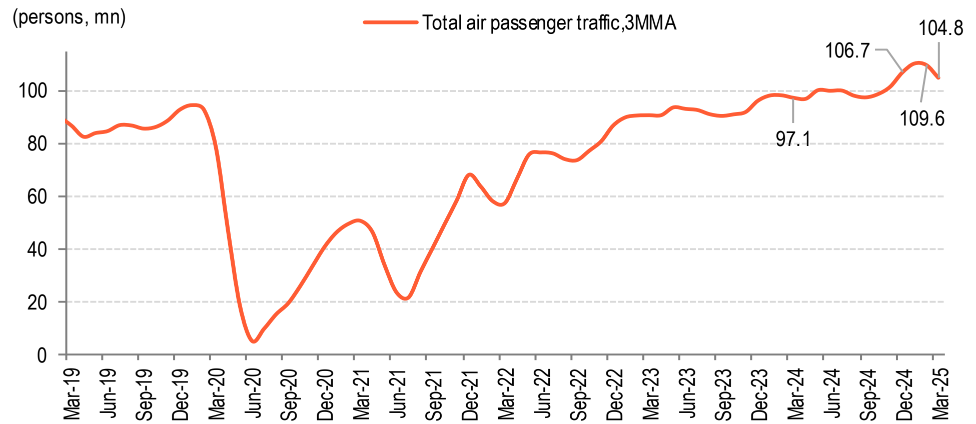


Fig 62 – …Domestic passenger traffic driving the trend

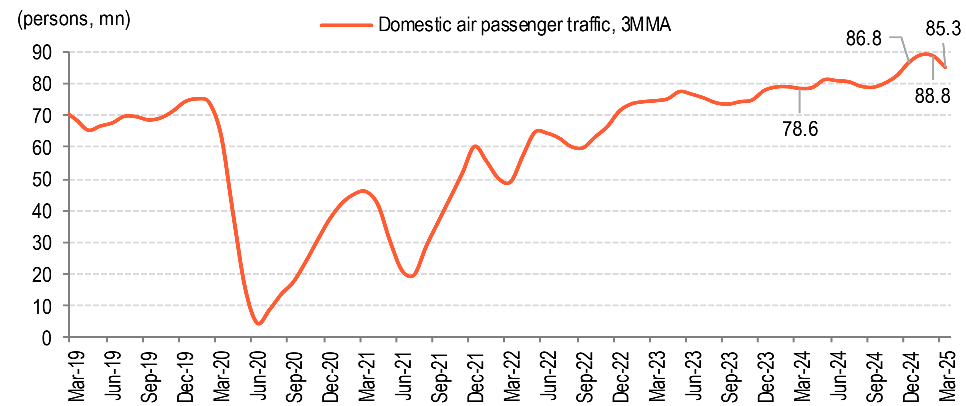


Fig 63 – Foreign tourist arrivals have been lower in Feb'25

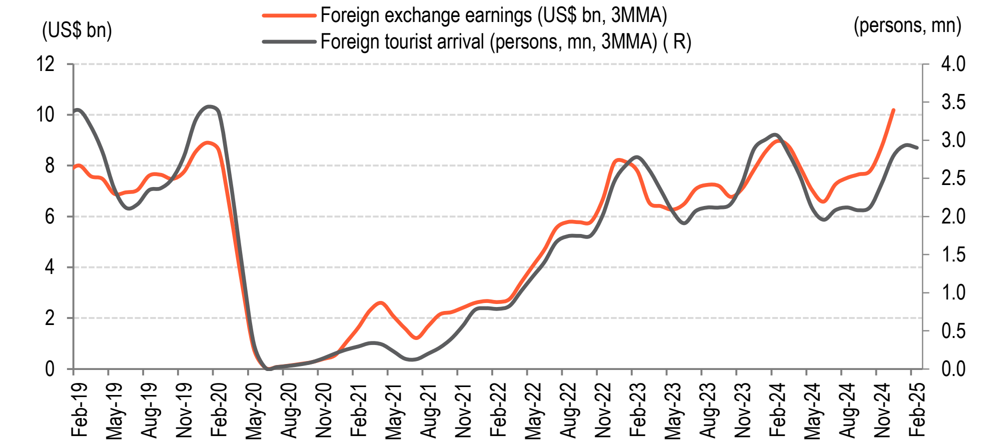
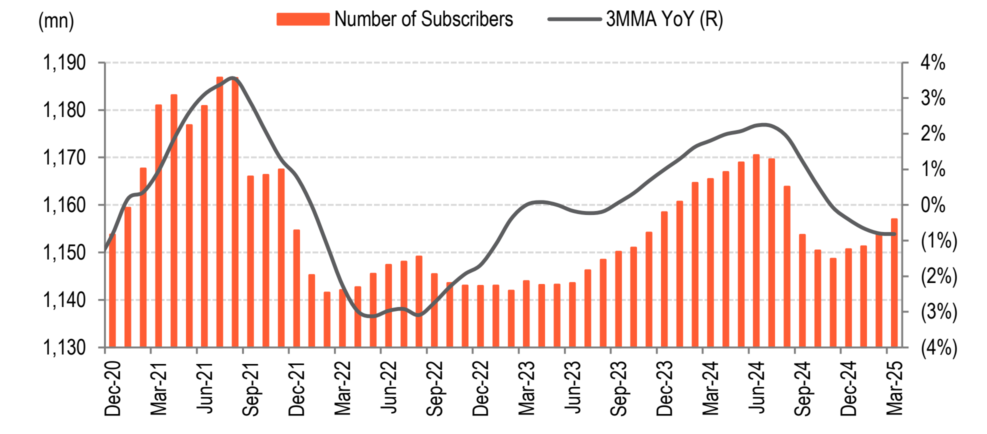


Fig 64 – Number of telecom subscribers rose in Mar'25



Finance and real estate

Fig 65 – Growth in GVA: Finance, real estate & prof. was stable in Q3 versus Q2

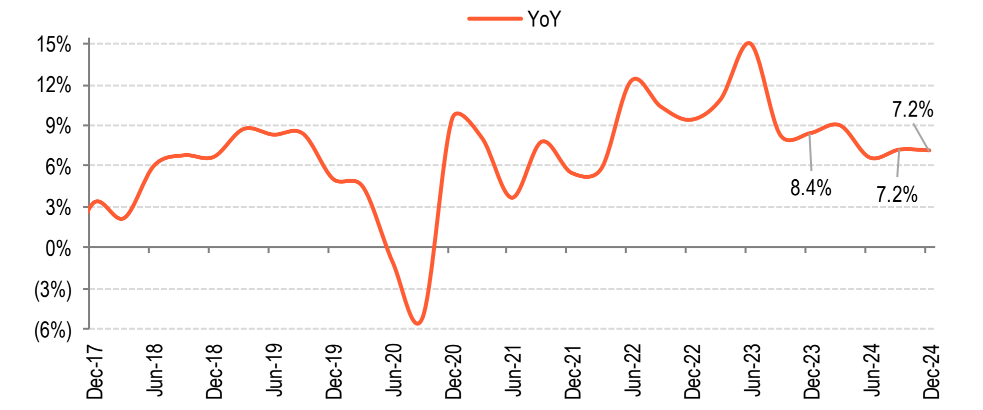
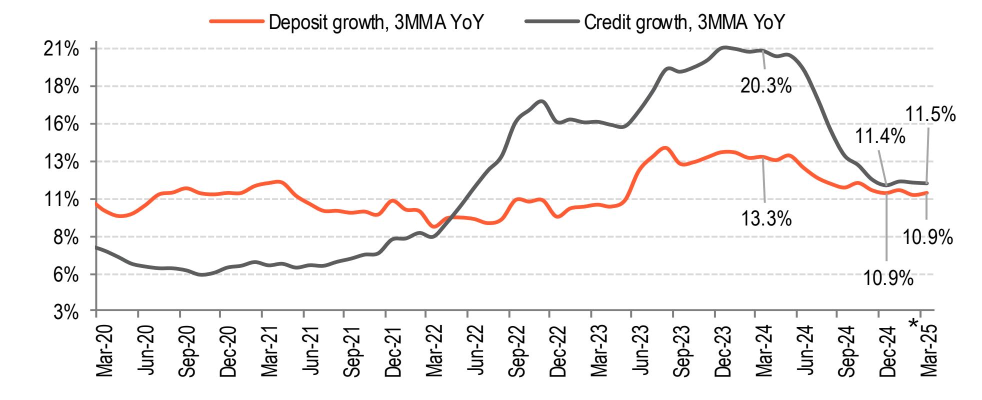


Fig 66 – Both credit and deposit growth have been lower in Apr'25



*Data as of 18 Apr 2025

Fig 67 – Credit to both industry and services inch up in Mar'25

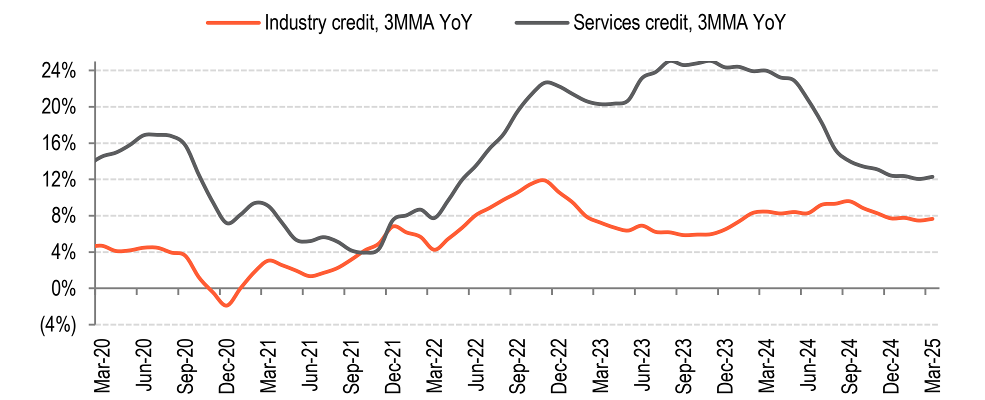


Fig 68 – Within services, credit to trade improved in Mar'25, remained steady for commercial real estate and moderated for NBFCs

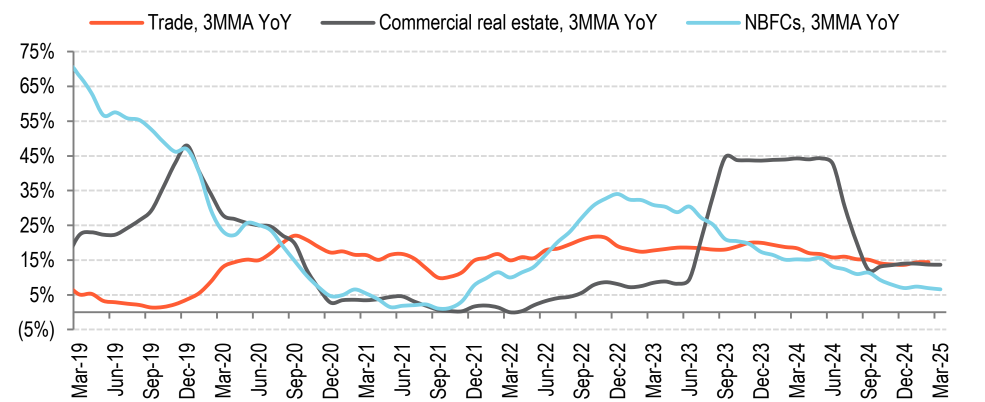
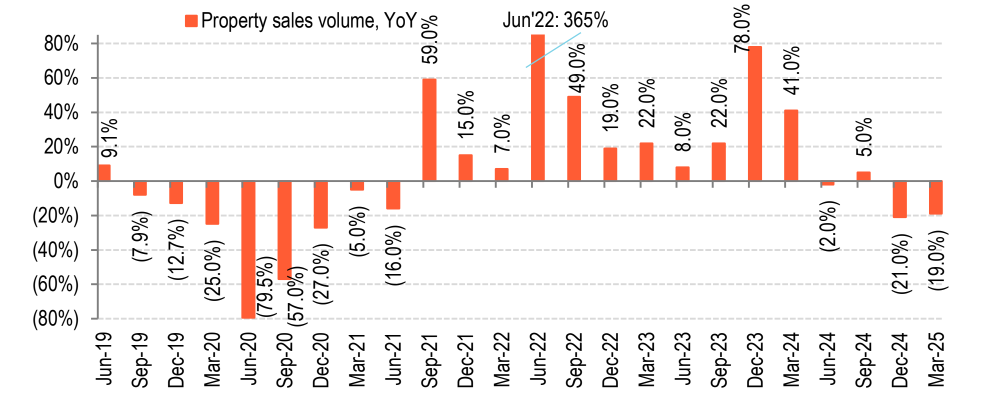
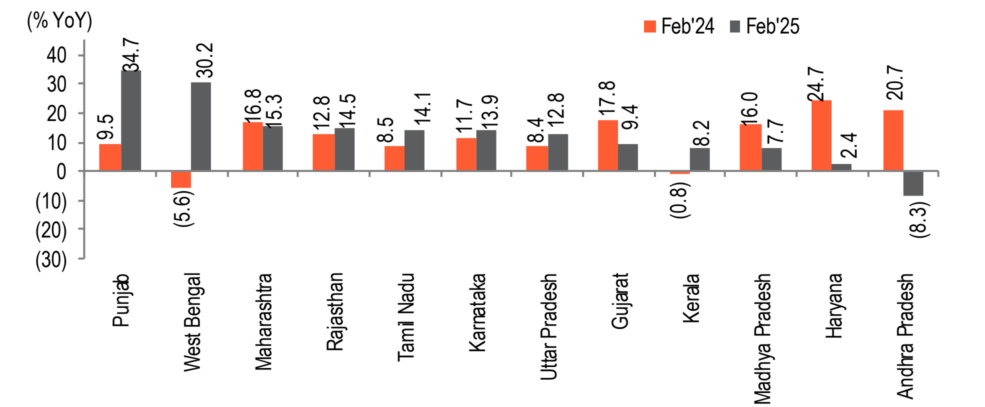


Fig 69 – Property sales volume declined at a slower pace in Q4FY25



Source: Proptiger

Fig 70 – Stamp duties of Haryana, MP, Gujarat, and AP record weaker collections in FYTD so far (till Feb'25) versus last year



Labour market

Fig 71 – Naukri job index further registered an improvement

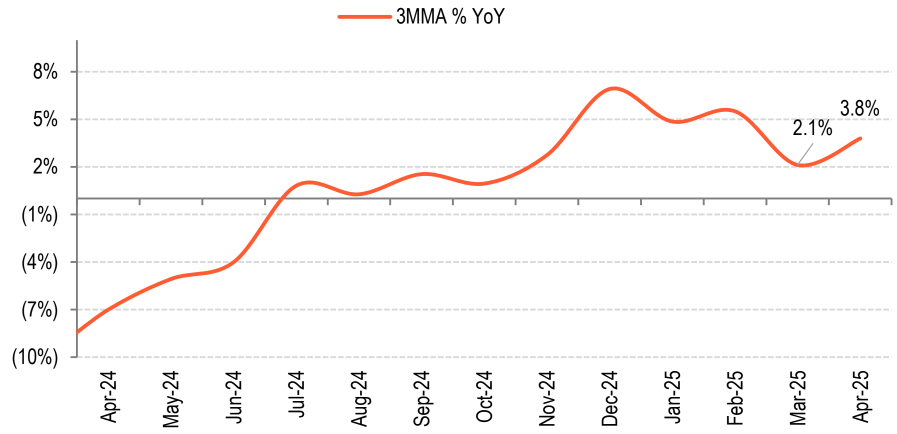
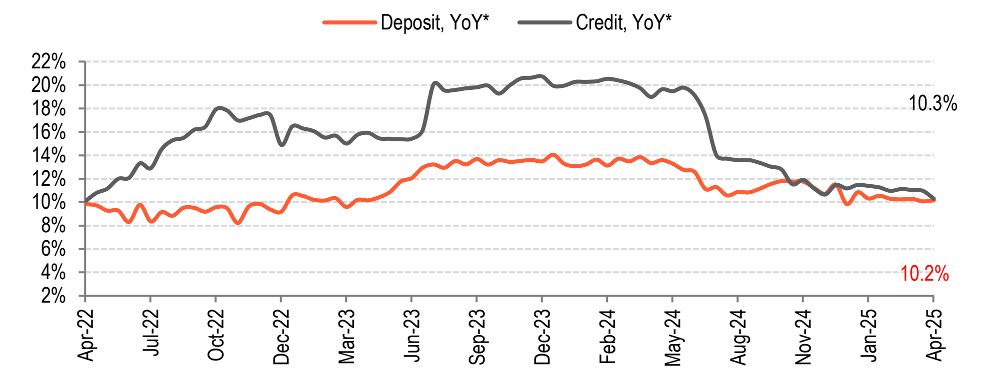


Fig 72 – Overall unemployment rate inched up a tad in Apr'25

Financial sector

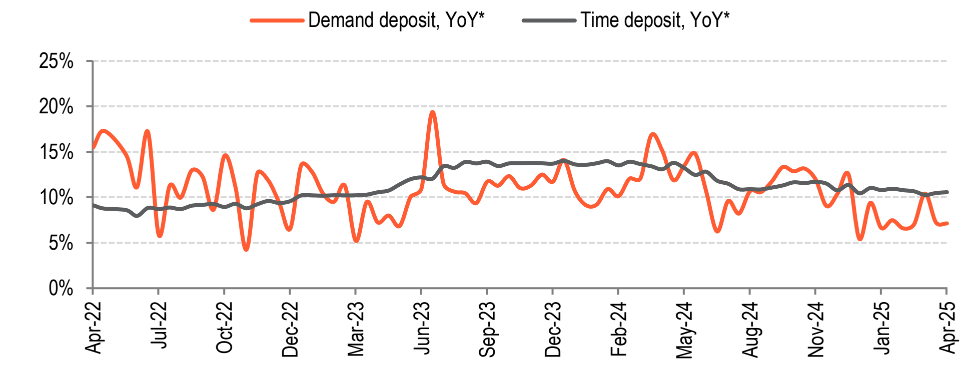
Money and banking

Fig 73 – Credit growth moderated to 10.3% as on 18 Apr 2025 compared to 11% as on 21 Mar 2025, deposits growth moderated to 10.2% from 10.3%



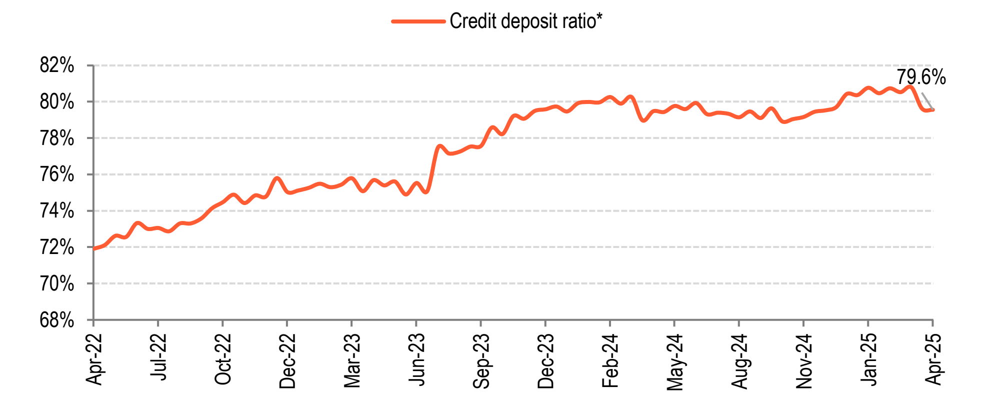
Note: Fortnight as of 21 Feb 2025

Fig 74 – …Demand deposits moderated, time deposits maintained its momentum



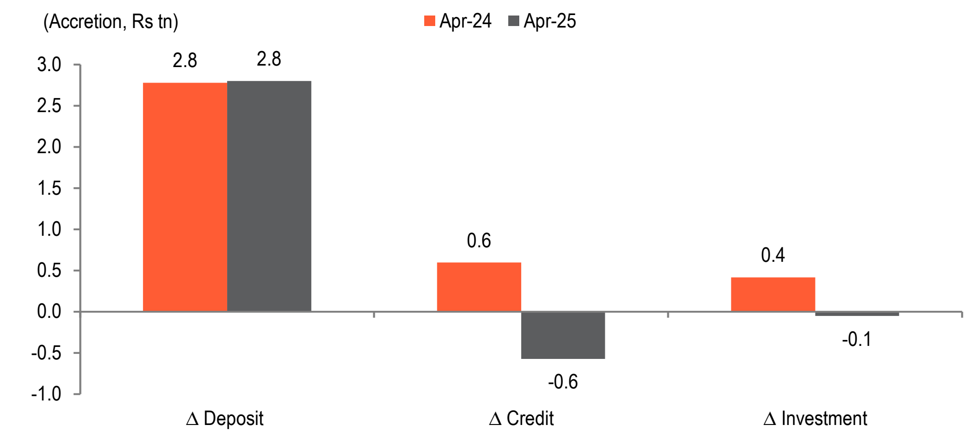
Note: Fortnight as of 21 Feb 2025

Fig 75 – CD ratio was at 79.6%



Note: Fortnight as of 21 Feb 2025

Fig 76 – Credit, deposit and investment accretion



Note: Fortnight as of 18 Apr 2025, Accretion from March

Fig 77 – Credit to govt moderated to 10.8% in Feb'25 from 12% in Jan'25, credit to commercial sector inched down to 11.8% from 12.3%

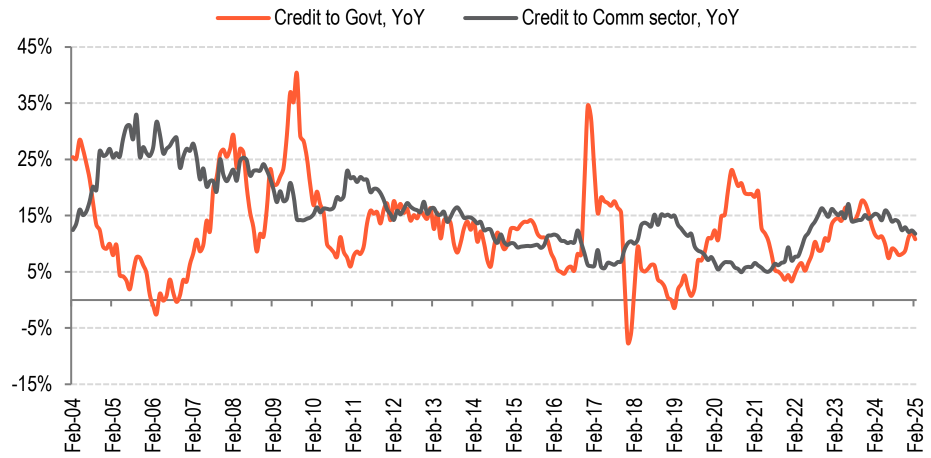


Fig 78 – Spread between WALR and repo

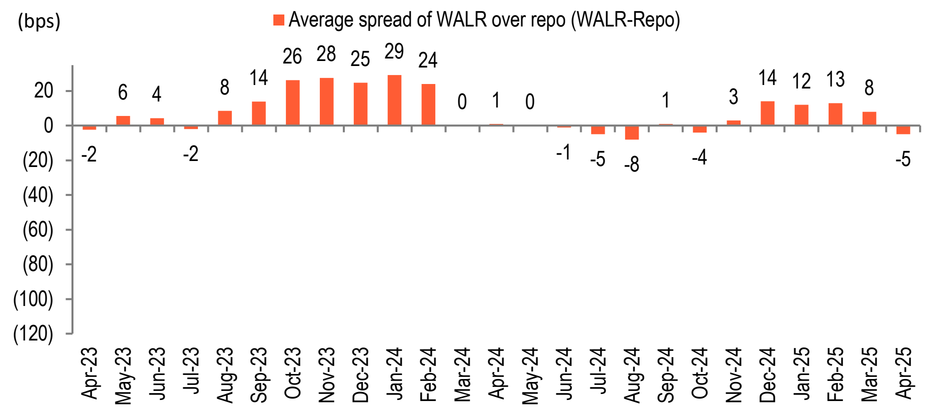


Fig 79 – WALR on fresh loans edged down to 8.66% in Mar'25 from 8.68% in Feb'25, WADTDR was stable at 7.16%

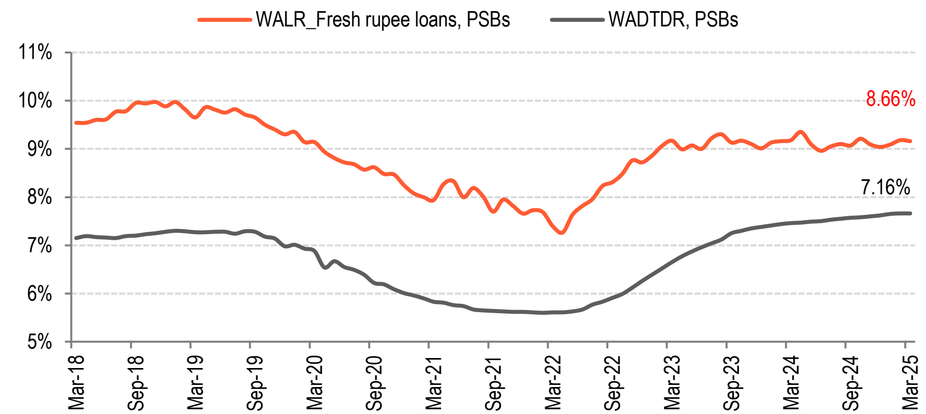
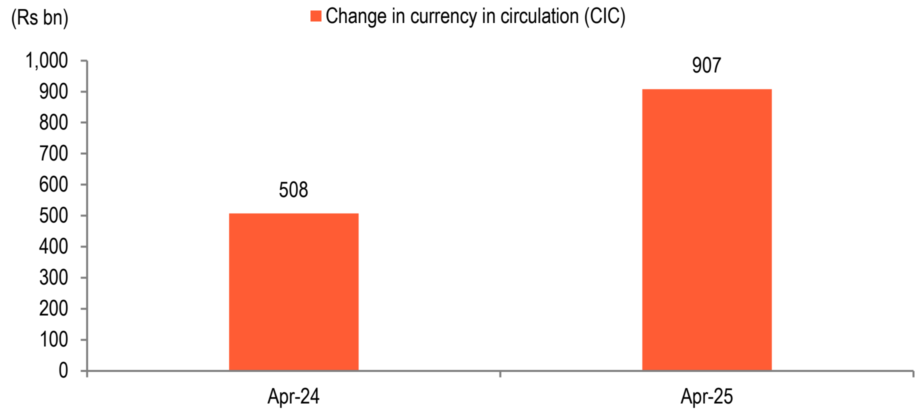
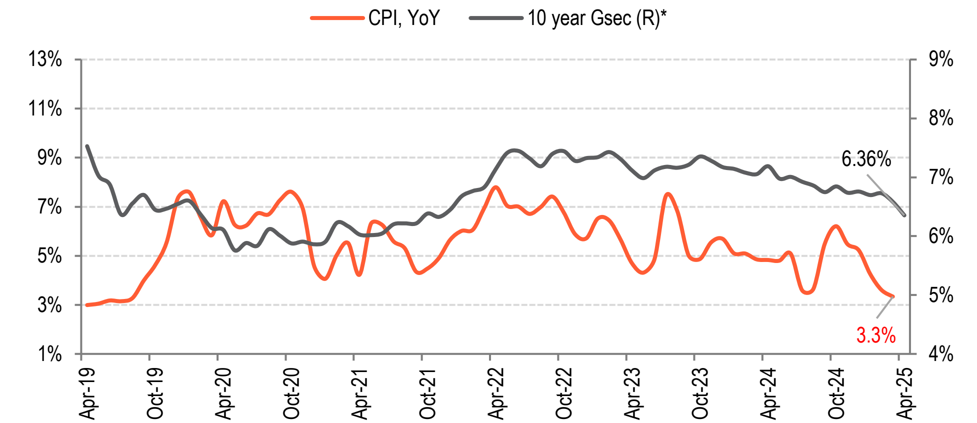


Fig 80 – CIC accretion picked pace



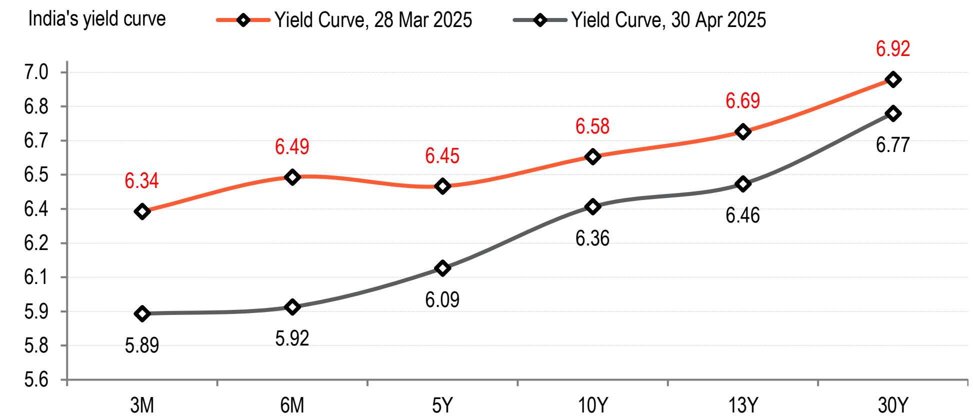
Note: Accretion from Mar

Fig 81 – 10Y GSec yield softened to 6.36% in Apr'25 from 6.58% in Mar'25 and is trading at 6.33%, inflation moderated to 3.3% in Mar'25 from 3.6% in Feb'25



Note: *As on last trading day of the month

Fig 82 – India's yield curve have shifted downwards completely and for May'25 as well, the same trend is persisting



Source: Bloomberg

Fig 83 – Corporate debt issuances rose to Rs 1.2tn in Mar'25 compared to Rs 833bn in Feb'25

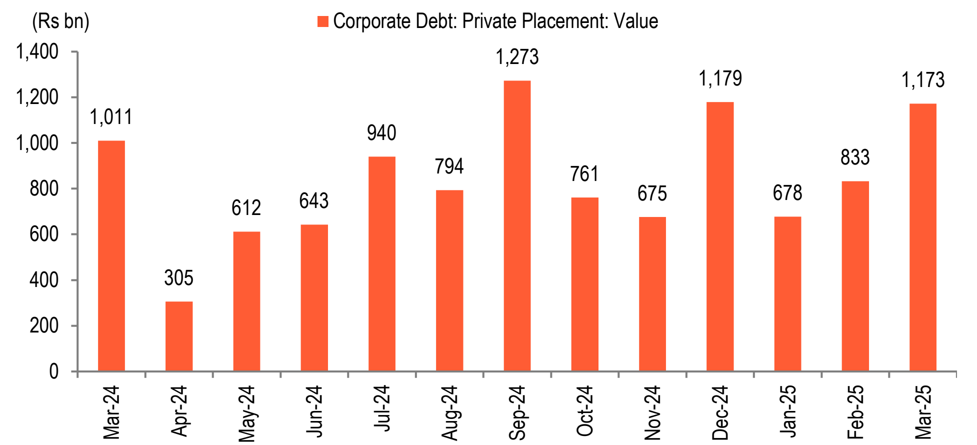
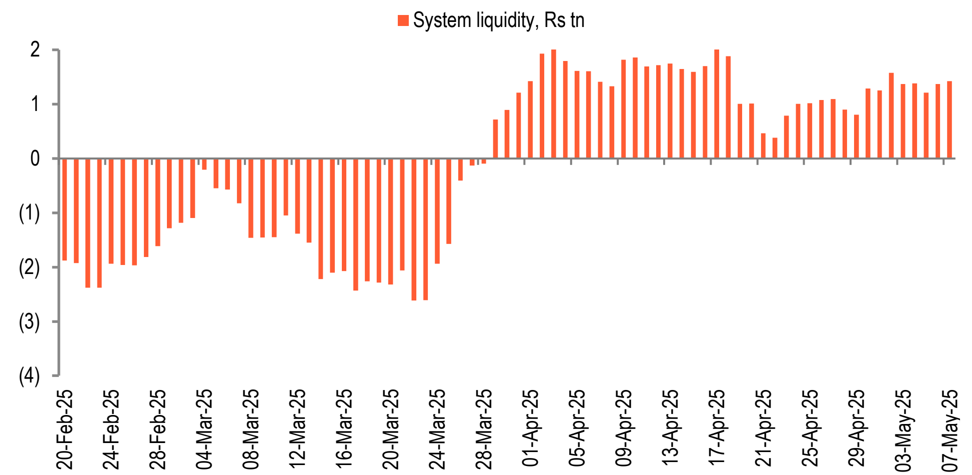


Fig 84 – Avg. system liquidity surplus was at Rs 1.4 tn in Apr'25 compared to deficit of Rs 1.2tn in Mar'25 and currently at a surplus of Rs 1.4tn in May'25 (1-7th)



Source: RBI

Fig 85 – 3Y AAA NBFC spread is at 104bps as on 6 May 2025 compared to 98bps as on 28 Apr 2025 and at 112bps as on 31 Mar 2025

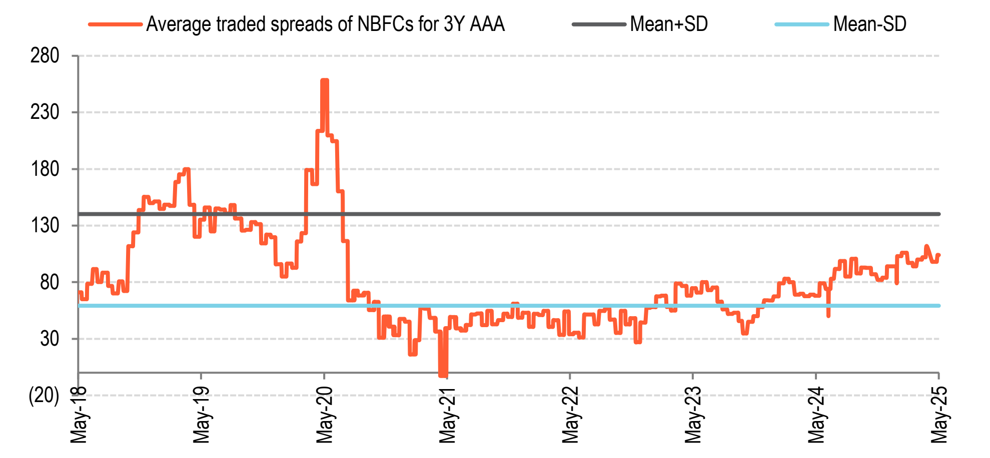


Fig 86 – For 10Y AAA NBFC, it is currently higher at 102bps compared to 98bps as on 30 Apr 2025 and at 75bps as on 31 Mar 2025

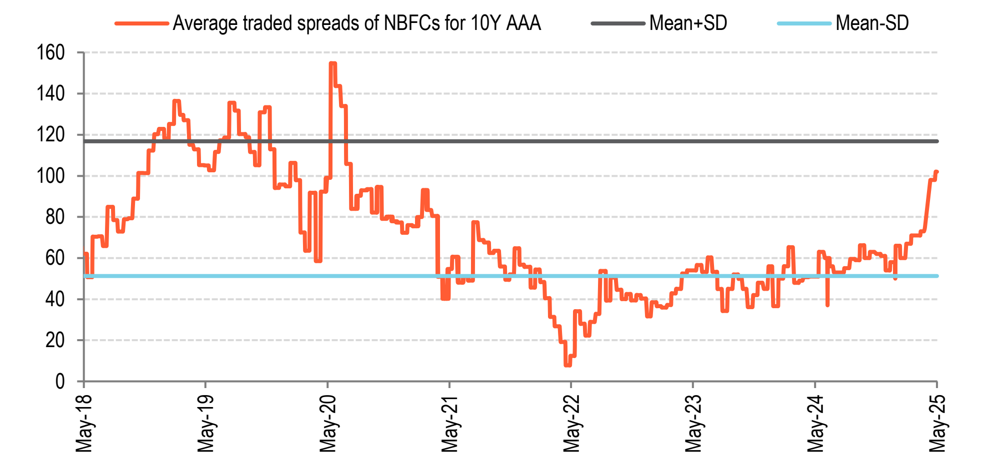


Fig 87 – 3Y AAA corp spread is broadly stable at 75bps currently, albeit higher than Mar'25 level of 67bps

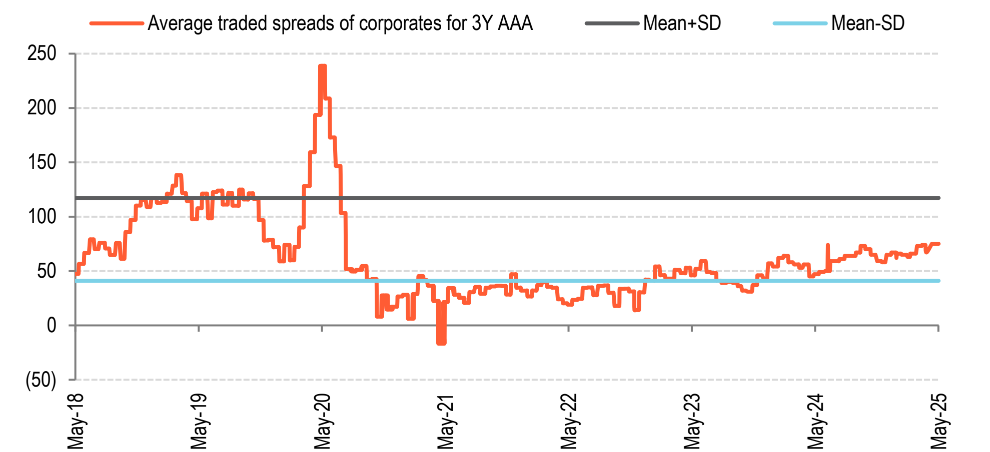


Fig 88 – For 10Y AAA corp spread, it stiffened to 52bps currently compared to 49bps as on 30 Apr 2025

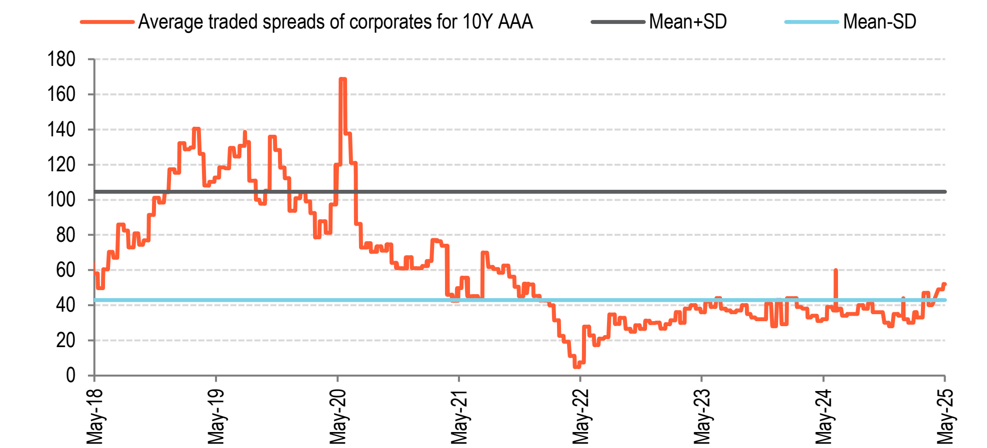


Fig 89 – INR 1Y swap moderated sharply to 5.66 as on 30 Apr 2025 from 6.04 as on 28 Mar 2025, and currently lower at 5.62, indicative of softer monetary policy

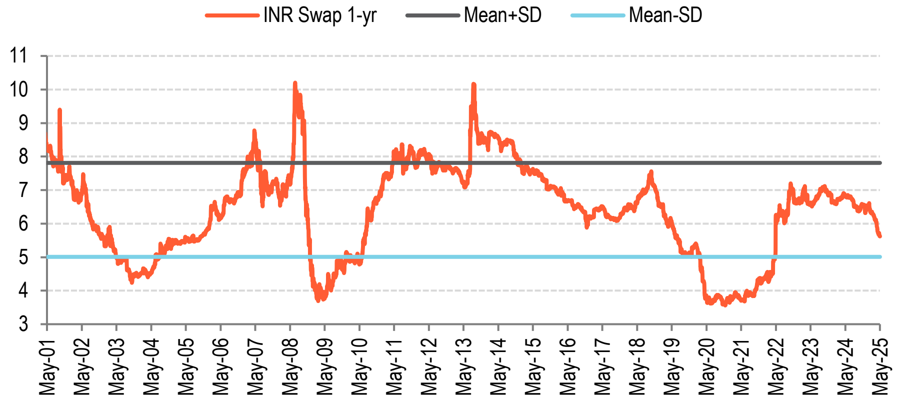
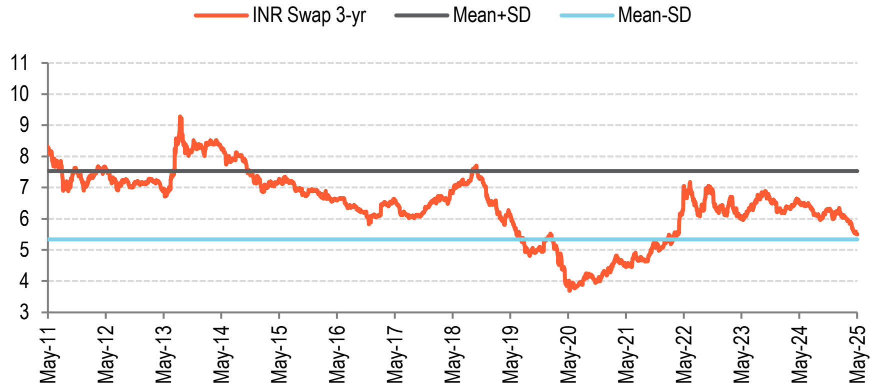


Fig 90 – For 3Y as well, it is currently at 5.5



Interest rates on small savings schemes

Fig 91 – Interest rate on small savings scheme to remain unchanged in Q1FY26

Instrument (%)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Savings deposit	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
1 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.6	6.8	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9
2 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.7	6.8	6.9	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
3 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.8	6.9	7.0	7.0	7.0	7.1	7.1	7.1	7.1	7.1	7.1
5 year time deposit	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	7.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
5 year recurring deposit	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	6.2	6.5	6.7	6.7	6.7	6.7	6.7	6.7	6.7
5 year senior citizen savings scheme	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.6	8.0	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2
5 Y monthly income scheme	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.7	7.1	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4
5Y national savings certificate	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	7.0	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
PPF	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Kisan vikas patra	6.9	6.9	6.9	6.9	6.9	6.9	6.9	7.0	7.2	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Sukanya samriddhi account scheme	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	8.0	8.0	8.0	8.2	8.2	8.2	8.2	8.2	8.2

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

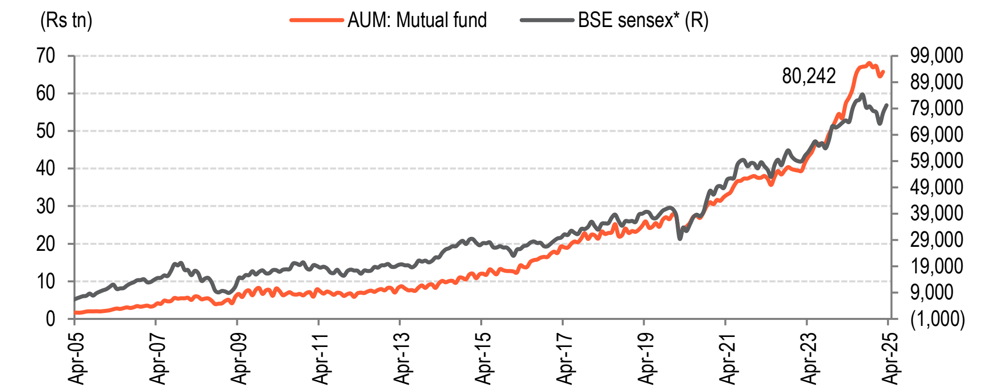
Fig 92 – MCLR rate of private banks were reduced

1Y MCLR (%)	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sep'24	Oct'24	Nov'24	Dec'24	Jan'25	Feb'25	Mar'25	Apr'25
Public Sector Banks																
Bank of Baroda	8.80	8.80	8.80	8.85	8.85	8.85	8.90	8.95	8.95	8.95	9.00	9.00	9.00	9.00	9.00	9.00
Bank of India	8.80	8.80	8.85	8.85	8.85	8.90	8.90	8.95	8.95	8.95	9.00	9.00	9.05	9.05	9.05	9.05
Canara Bank	8.80	8.85	8.90	8.90	8.90	8.90	8.95	9.00	9.00	9.05	9.05	9.10	9.10	9.10	9.10	9.10
Indian Bank	8.80	8.85	8.85	8.85	8.85	8.90	8.95	8.95	9.00	9.00	9.00	9.05	9.05	9.10	9.10	9.10
Punjab National Bank	8.70	8.80	8.80	8.80	8.80	8.85	8.85	8.90	8.90	8.95	8.95	9.00	9.00	9.05	9.05	9.05
State Bank of India	8.65	8.65	8.65	8.65	8.65	8.75	8.85	8.95	8.95	8.95	9.00	9.00	9.00	9.00	9.00	9.00
Union Bank of India	8.80	8.90	8.90	8.90	8.90	8.90	8.90	8.95	8.95	8.95	9.00	9.00	9.00	9.00	9.00	9.00
Private Sector Banks																
Axis Bank Ltd.	9.25	9.30	9.30	9.30	9.30	9.30	9.30	9.35	9.35	9.35	9.35	9.35	9.40	9.40	9.40	9.25
HDFC Bank Ltd.	9.25	9.30	9.30	9.30	9.30	9.30	9.40	9.45	9.45	9.45	9.45	9.45	9.40	9.40	9.40	9.30
ICICI Bank Ltd.	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	8.85
Indusind Bank	10.35	10.40	10.40	10.40	10.45	10.45	10.45	10.55	10.55	10.55	10.55	10.55	10.55	10.55	10.45	10.40
Kotak Mahindra Bank	9.35	9.45	9.45	9.45	9.45	9.50	9.50	9.55	9.55	9.55	9.55	9.55	9.55	9.55	9.55	9.35

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

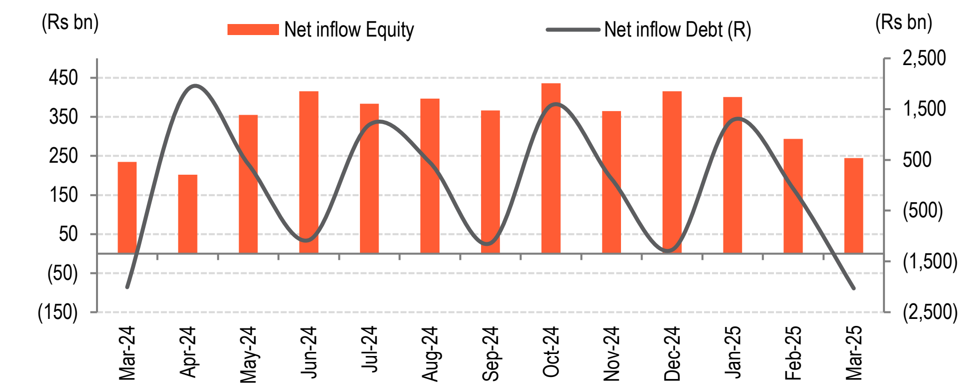
Mutual fund (MF) indicators

Fig 93 – Sensex inched up by 3.7% in Apr'25, AUM of MFs inched up to Rs 65.7tn in Mar'25from Rs 64.5tn in Feb'25



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

Fig 94 – MF equity inflows was lower at Rs 245bn in Mar'25 from Rs 293bn in Feb'25; debt outflow was higher at (-) Rs 2.0tn from (-) Rs 65bn



Insurance sector indicators

Fig 95 – Sale of life insurance policies continued to be on the negative trajectory and declined at a slightly lower pace by (-) 18.9% in Mar'25 from (-) 22.2% in Feb'25

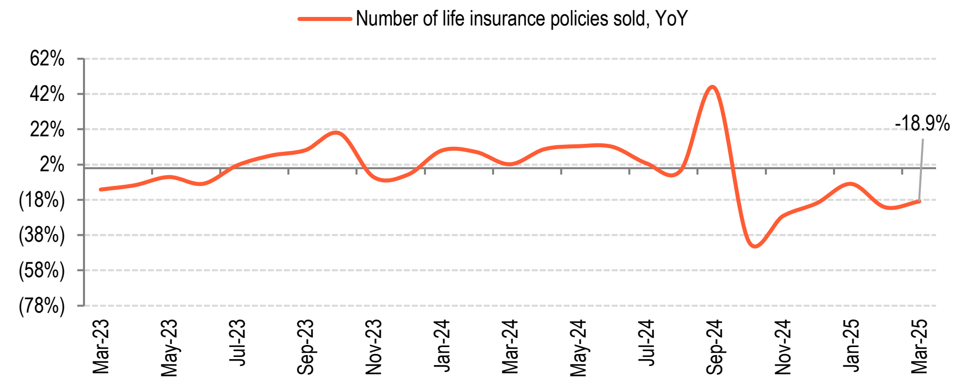
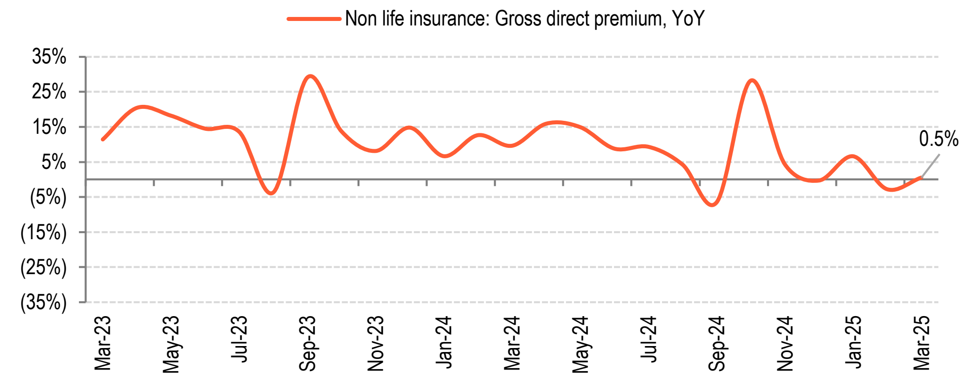


Fig 96 – Gross direct premium for non-life insurance inched up a tad by 0.5% in Mar'25 compared to -2.8% decline seen in Feb'25, led by favourable base



Central government borrowing

Fig 97 – Centre's borrowing through T-bill in Q1 till date was at Rs 1.9tn

Total accepted amount (T-bills), (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY26 (planned)
Q1	3,089	3,364	5,328	5,375	5,247	4,963	3,469	1,925*	2,470
Q2	3,299	3,024	5,417	3,215	3,704	3,899	3,242		
Q3	3,070	2,889	3,745	3,630	3,589	3,611	3,976		
Q4	1,812	2,511	2,714	4,766	4,566	4,258	4,337		
Total	**11,271**	**11,788**	**17,204**	**16,986**	**17,105**	**16,731**	**15,024**		

Source: RBI, Note: *Till 7 May 2025

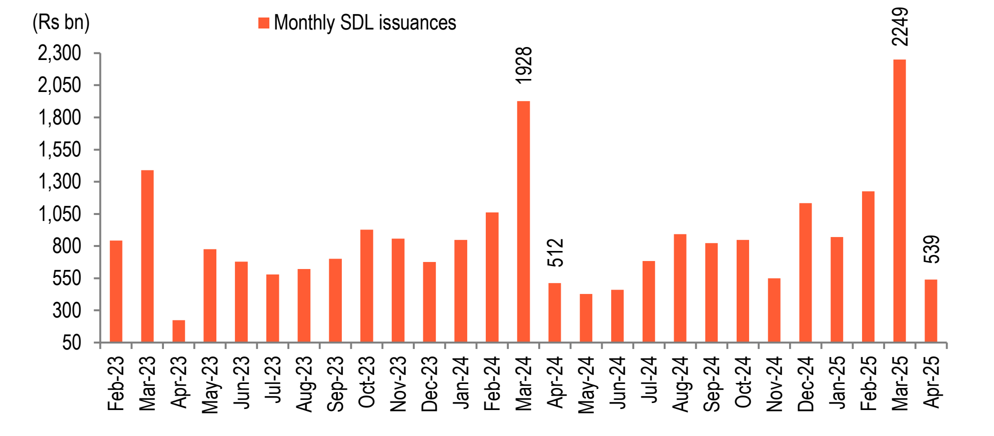
Fig 98 – Centre has raised Rs 1.3tn in Q1 till date

Total accepted amount (G-Sec), (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY26 (planned)
Q1	1,320	2,040	3,140	3,064	3,570	4,080	3,410	1,340*	4,060
Q2	1,440	2,210	4,220	3,649	4,390	4,800	3,647		3,940
Q3	1,270	1,930	2,910	3,190	3,510	3,850	3,840		-
Q4	1680	920	3,191	1370	2,740	2,700	2,790		-
Total	**5,710**	**7,100**	**13,461#**	**11,273**	**14,210**	**15,430**	**13,687**		**14,820**

Source: RBI# Against budgeted Rs 12.8tn Note: *Till 2 May

State government borrowing

Fig 99 – State government borrowings higher in Apr'25 than Apr'24



Source: RBI

Fig 100 – States have borrowed ~28% of Q1 the planned amount so far

Quarterly SDL issuances, (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25	FYTD26 (actual)	FY26 (planned)
Q1	815	1,673	1,446	1,102	1,677	1,401	767*	2,733
Q2	1,439	1,614	1,644	1,661	1,903	2,536		
Q3	1,470	2,023	1,653	1,879	2,460	2,532		
Q4	2,006	1,898	2,184	3,009	3,838	4,344		
Total	**5,731**	**7,206**	**6,927**	**7,652**	**9,879**	**10,814**		

Source: RBI; *as of 6 May 2025

External sector

Exports

Fig 101 – Global exports declined in Feb'25

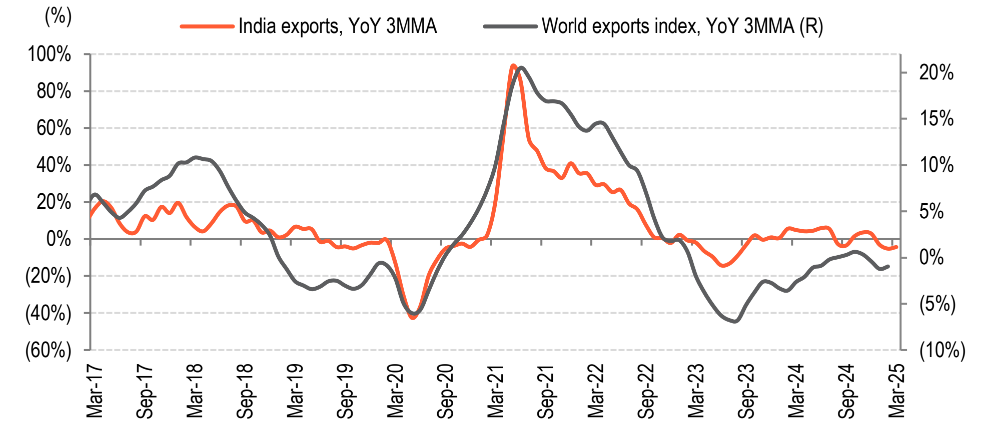
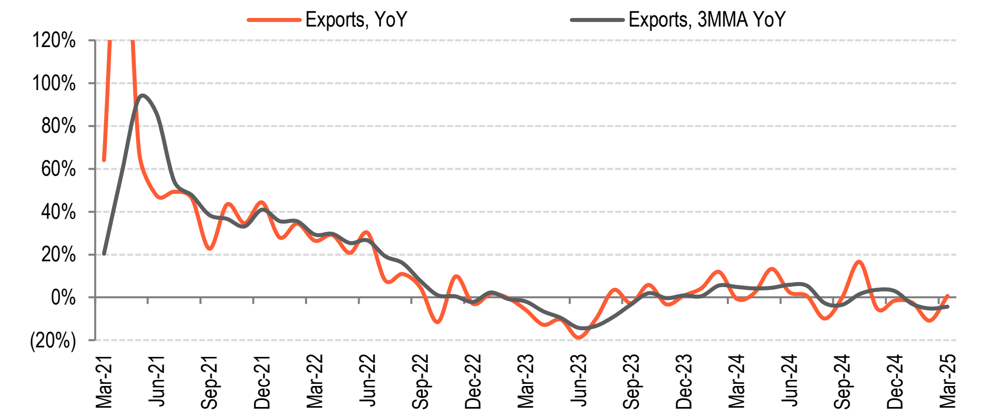


Fig 102 – India's exports rise marginally by 0.7% in Mar'25, exports up by 0.1% in FY25 versus a decline of 3.1% in FY24



Exports by major sectors

Fig 103 – Oil exports extended declines in Mar'25 as well

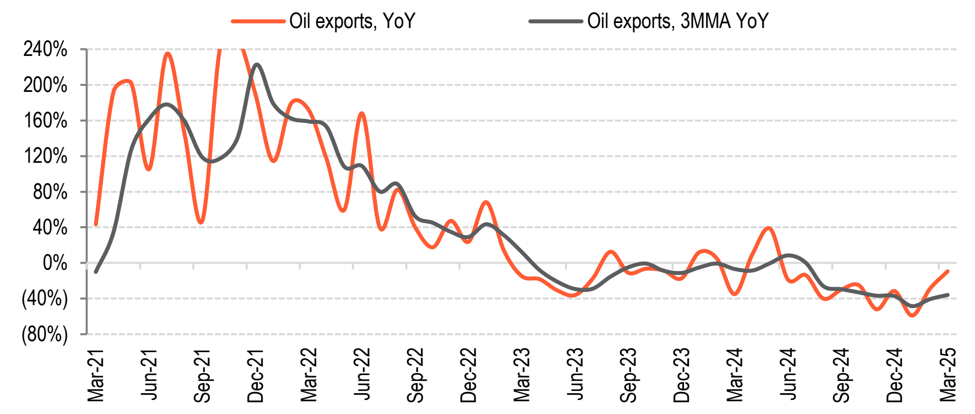


Fig 104 – … even as non-oil exports staged a recovery

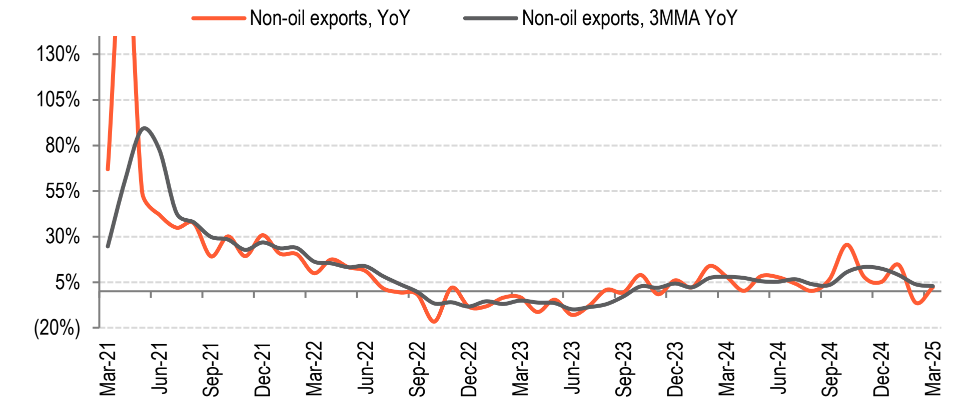


Fig 105 – Drugs and pharam exports surge ahead of US tariff deadline

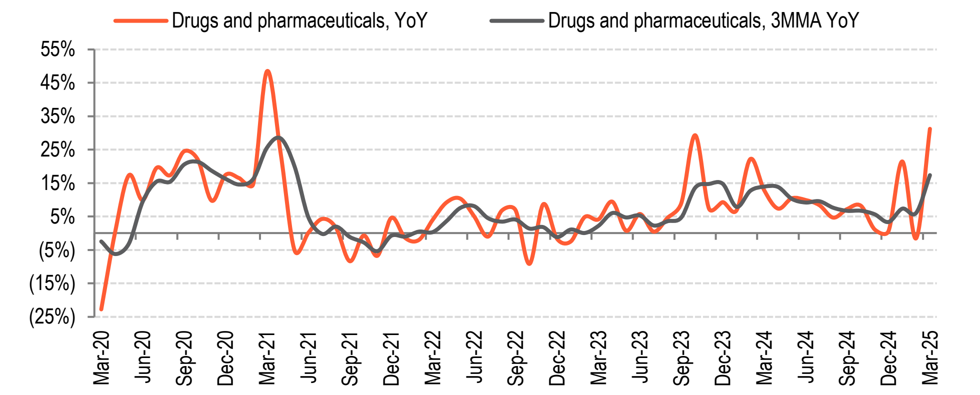


Fig 106 – Exports of gems and jewellery also rise in Mar'25

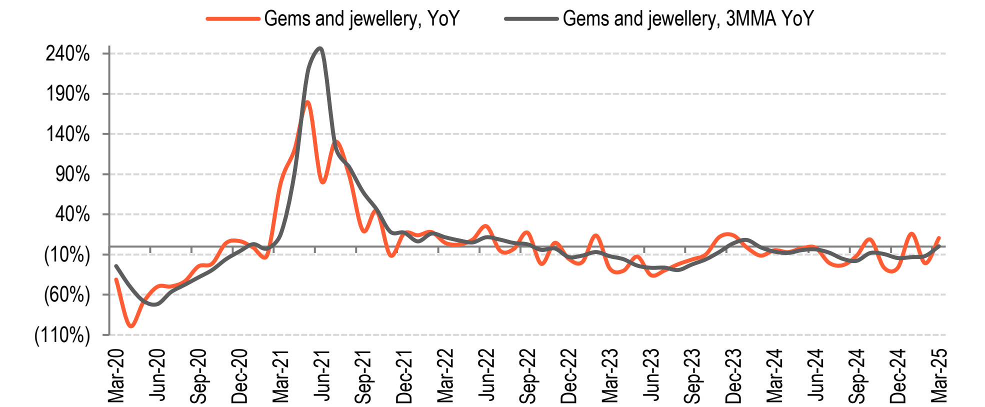


Fig 107 – Electornic exports increasing at a steady pace

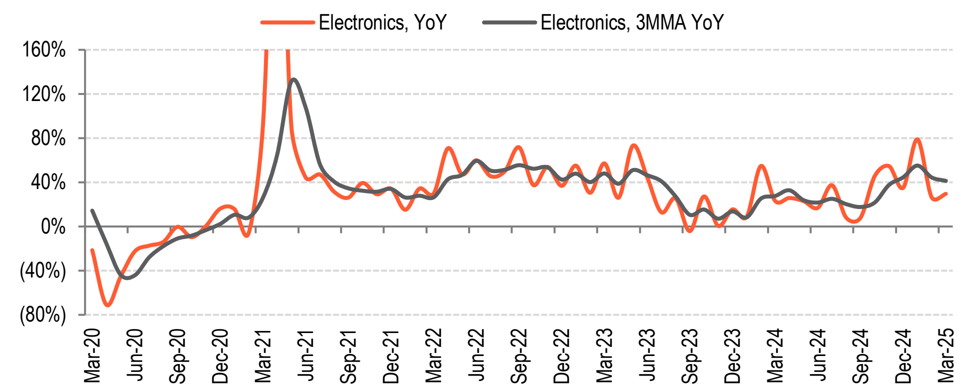
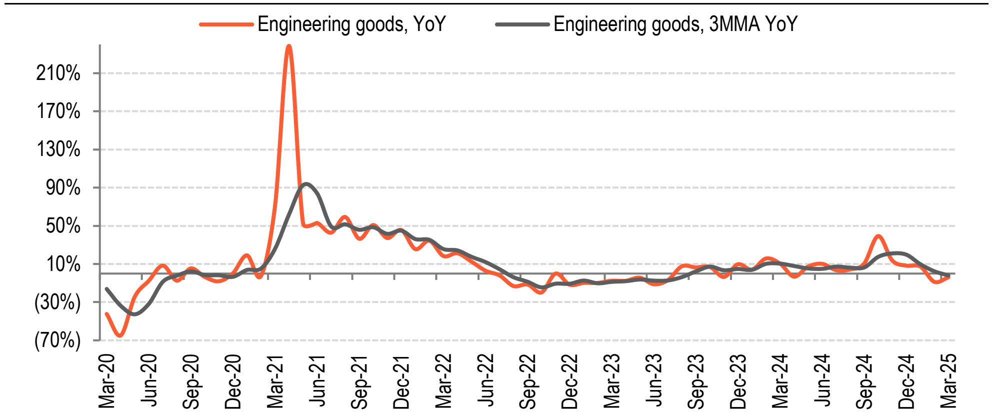


Fig 108 – … however engineering exports still remain subdued



Imports

Fig 109 – Imports surge by 11.4% in Mar'25 after falling 16.3% in Feb'25, up by 6.2% in FY25

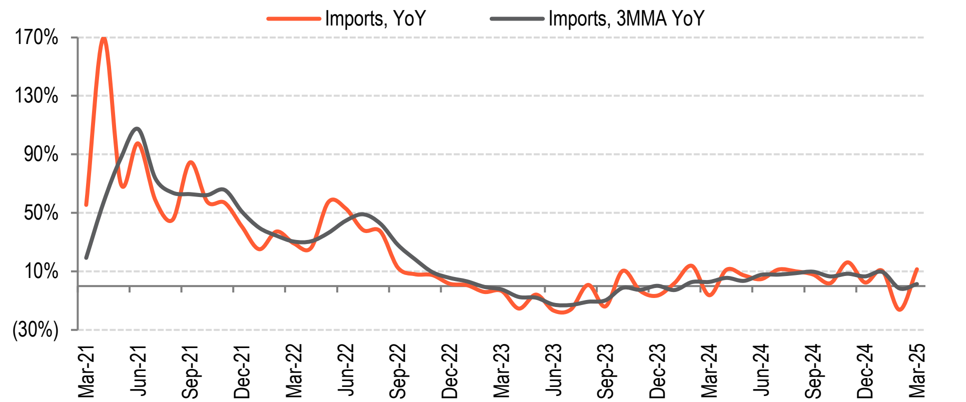


Fig 110 – Oil imports increased sharply in Mar'25 and rose by 16.3% following a decline of 29.6% in Feb'25

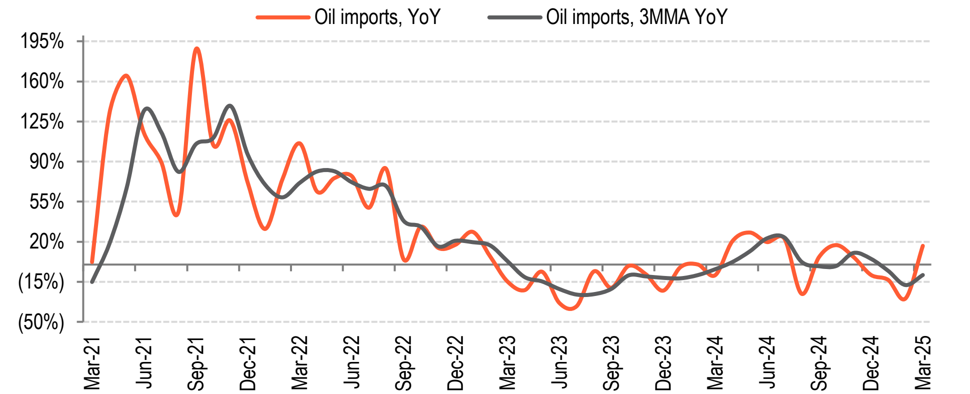


Fig 111 – Gold imports also increased at a robust pace of 192.1% in Mar'25 compared with a decline of 62.1% in Feb'25

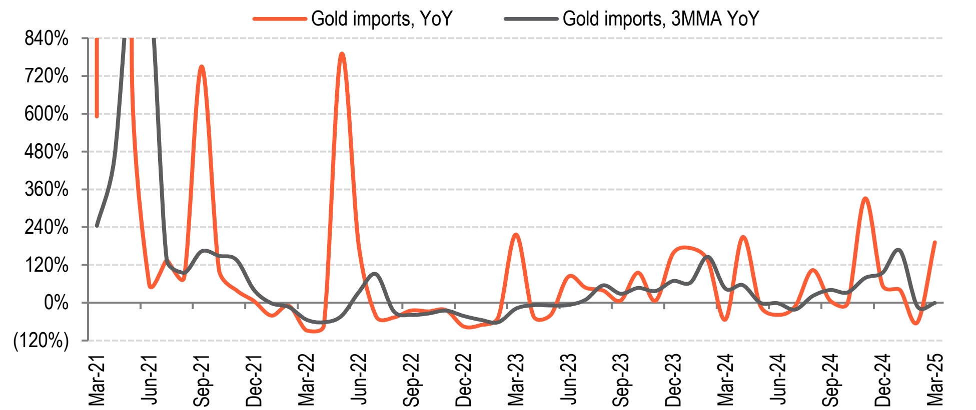


Fig 112 – Machinery imports rising at a steady pace

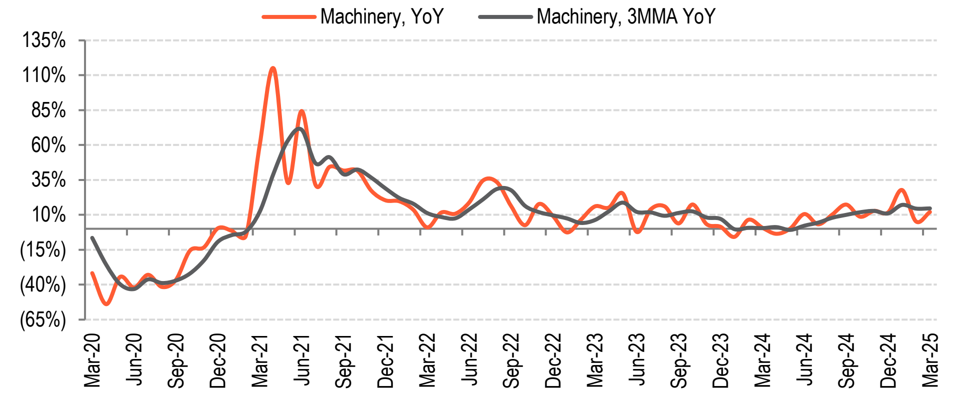


Fig 113 – Imports of organic and inorganic chemicals also ticked higher in Mar'25

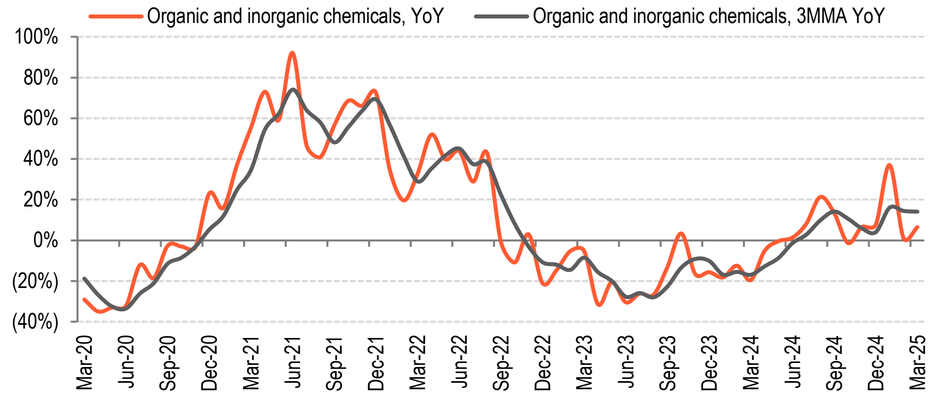
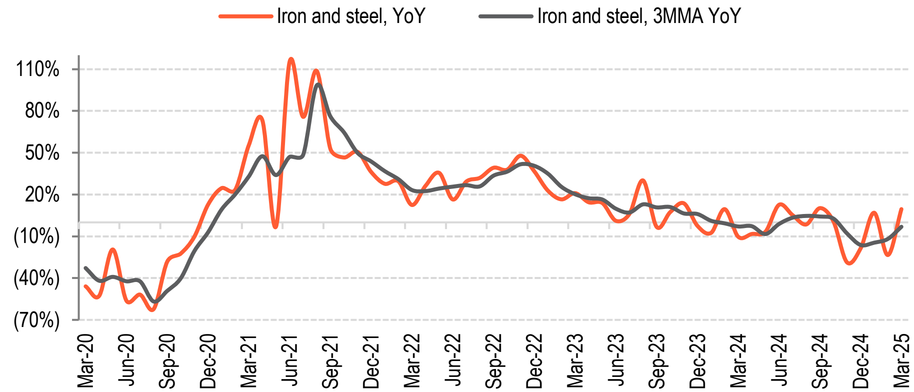


Fig 114 – Similar trend visible in imports of iron and steel



Exports and imports by major regions

Fig 115 – Exports to China continued to remain downbeat in FY25

Region (% YoY)	Share in FY24	FYTD24	FYTD25	Dec-24	Jan-25	Feb-25
Americas	23.5	(4.7)	8.2	8.7	32.3	7.9
Asia and Pacific (Ex. China)	22.5	(7.4)	(2.3)	2.0	(20.4)	(20.7)
China	3.9	11.1	(15.6)	(26.6)	(31.7)	(22.0)
Europe	22.9	1.6	0.2	(0.6)	(12.8)	(15.8)
Middle East and Africa	26.3	(5.5)	(4.2)	(9.6)	(3.8)	(15.6)
Other	1.0	1.1	(1.7)	(6.1)	84.8	101.1

Fig 116 – .. However, imports from China have been resilient

Region (% YoY)	Share in FY24	FYTD24	FYTD25	Dec-24	Jan-25	Feb-25
Americas	10.4	(12.6)	8.0	13.0	24.8	(14.6)
Asia and Pacific (Ex. China)	25.0	(4.4)	4.1	3.1	14.5	(3.8)
China	15.0	3.6	10.4	9.1	17.0	7.8
Europe	14.1	8.0	(2.2)	2.8	26.3	(39.5)
Middle East and Africa	26.3	(20.3)	7.7	(3.6)	1.0	(24.1)
Other	9.2	32.4	6.3	(6.2)	(13.7)	(18.2)

Trade deficit

Fig 117 – Trade deficit exoanded to US$ 21.5bn in Mar'25, up by 17.2% in FY25 on a YoY basis

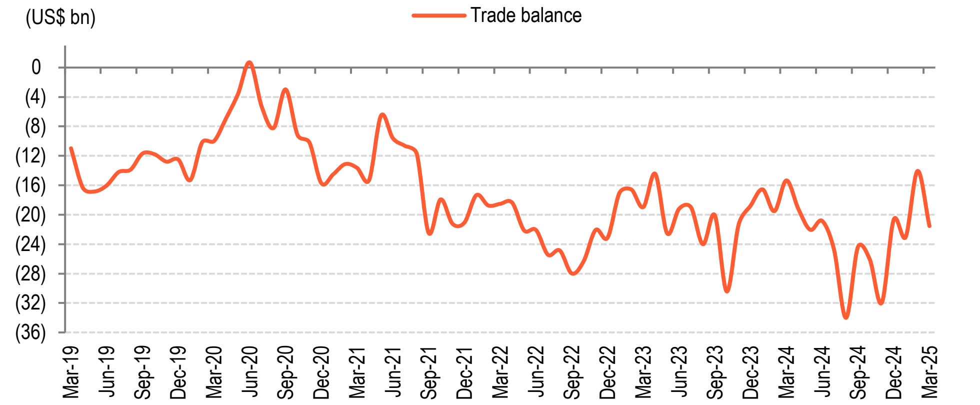
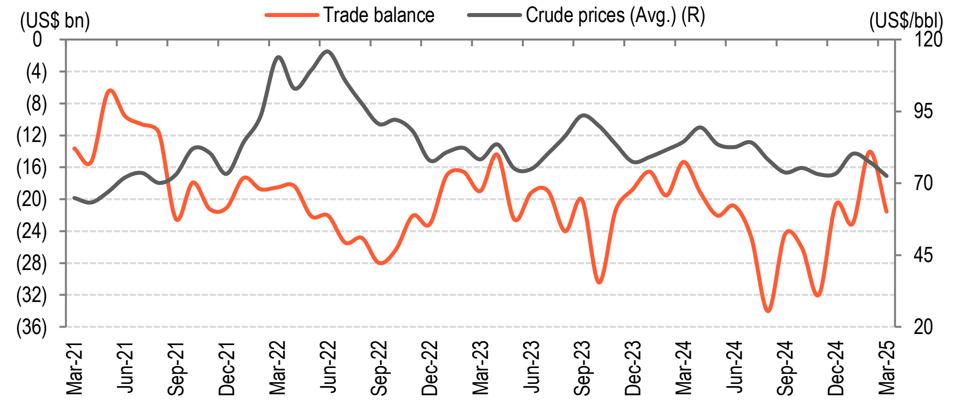
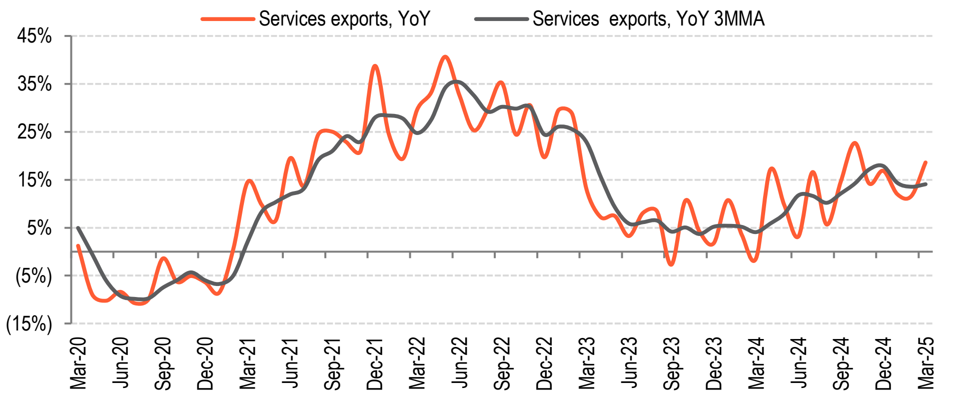


Fig 118 – ..despite weaker oil prices



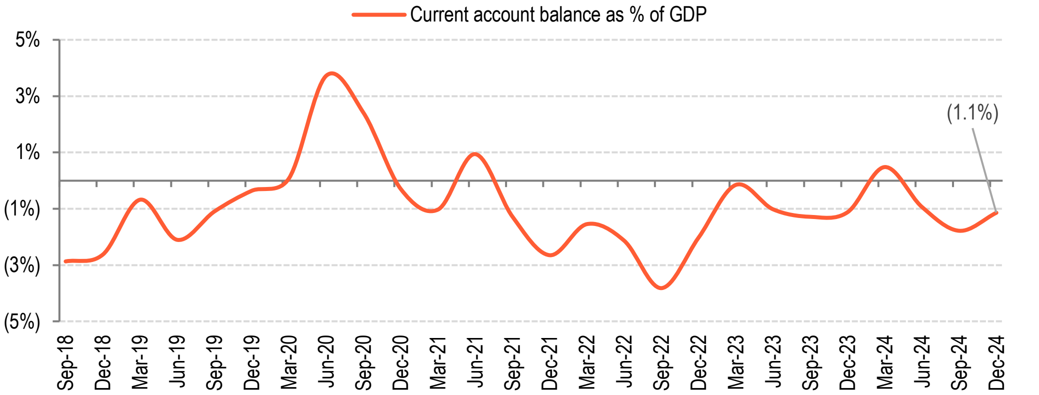
Trade in services

Fig 119 – Services exports increased by 14% in FY25 compared with an increase of 4.8% in FY24



BoP

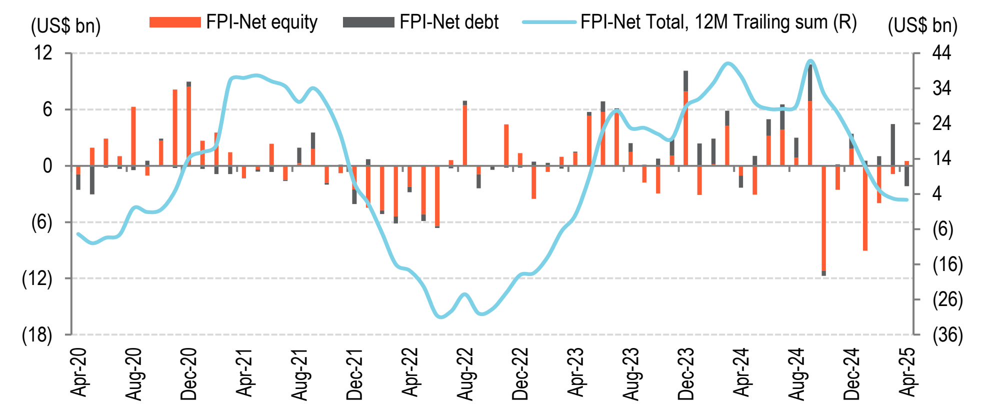
Fig 120 – India's current account deficit at 1.1% of GDP in Q3 FY25



Foreign inflows

FPI inflows

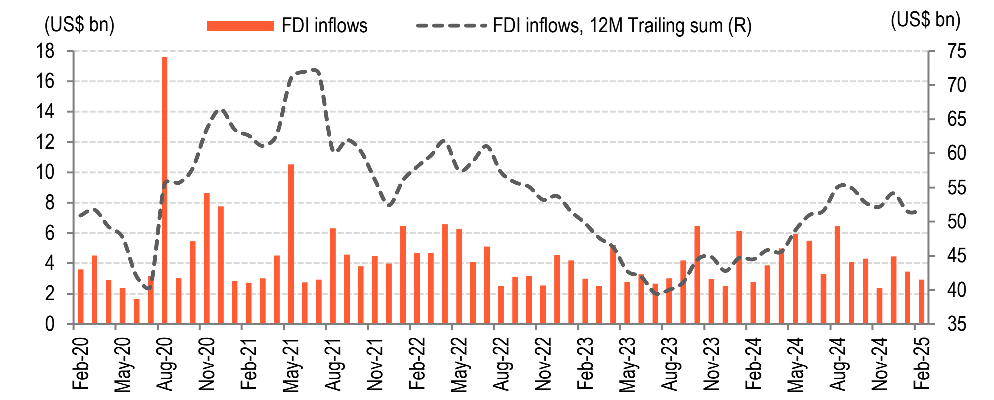
Fig 121 – FPIs start FY26 on a sombre note, withdraw US$ 2.3bn from the domestic markets



Source: NSDL

FDI inflows

Fig 122 – FDI inflows lower at US$ 2.9bn in Feb'25 versus US$ 3.5bn in Jan'25



Source: RBI, Bank of Baroda Research

Fig 123 – In FYTD25, FDI inflows into services sector and computer hardware and software sector have increased

Sector	% Share FY24	FYTD24	FYTD25	Q3FY24	Q2FY25	Q3FY25
Computer software and hardware	17.9	3.4	5.5	1.0	1.4	1.3
Services Sector	14.9	5.2	7.2	1.3	1.7	1.5
Construction (Infrastructure) activities	9.5	3.8	1.8	1.4	0.7	0.5
Trading	8.7	2.7	3.3	1.7	2.3	0.6
Non Conventional Energy	8.5	2.1	3.4	0.9	1.1	1.4
Automobile industry	3.4	0.9	1.3	0.2	0.6	0.3
Drugs and Pharmaceuticals	2.4	0.9	0.8	0.8	0.3	0.3

Source: DIPP

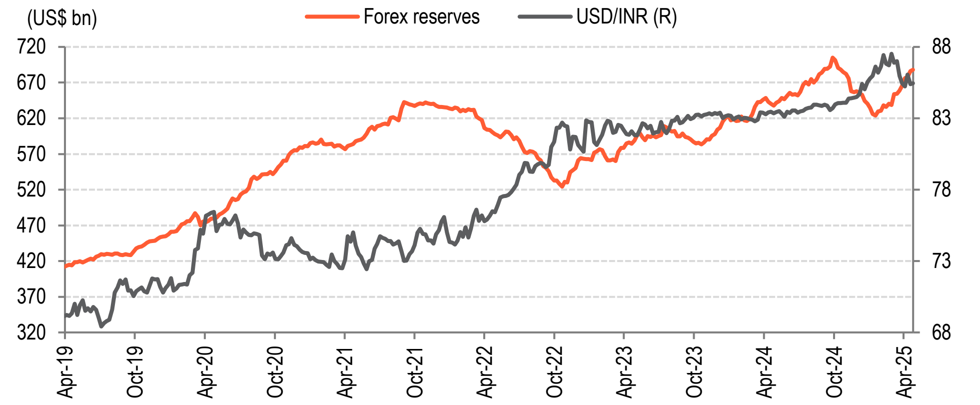
Fig 124 – Country wise, inflows from Singapore and Netherlands have increased the most in FYTD25

Country (US$ bn)	Share in FY24	FYTD24	FYTD25	Q3FY24	Q2FY25	Q3FY25
Singapore	26.5	7.4	12.0	2.2	3.6	4.4
Mauritius	17.9	7.0	7.0	4.1	2.1	1.6
US	11.3	2.8	3.7	0.8	1.1	1.2
Netherlands	11.1	2.3	4.1	0.4	1.1	0.5
Japan	7.2	2.7	1.4	0.6	0.6	0.2
UK	2.7	0.9	0.6	0.3	0.1	0.4

Source: DIPP

Forex reserves and external debt

Fig 125 – India's FX reserves at US$ 688bn; accretion of ~US$ 23bn in FY26 supported by RBI's forex swap auctions



Source: Bloomberg | Note: Weekly data as of 25 Apr 2025

Fig 126 – India's import cover improving steadily

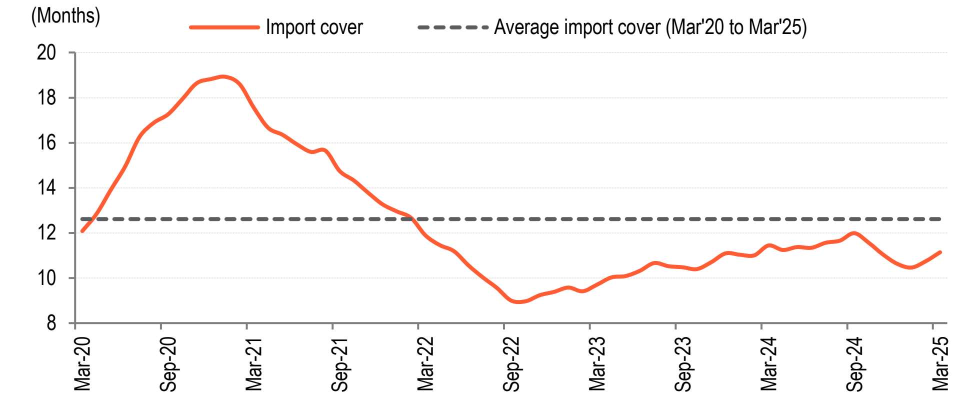


Fig 127 – RBI's sold net US$ 1.6bn in the spot market in Feb'25

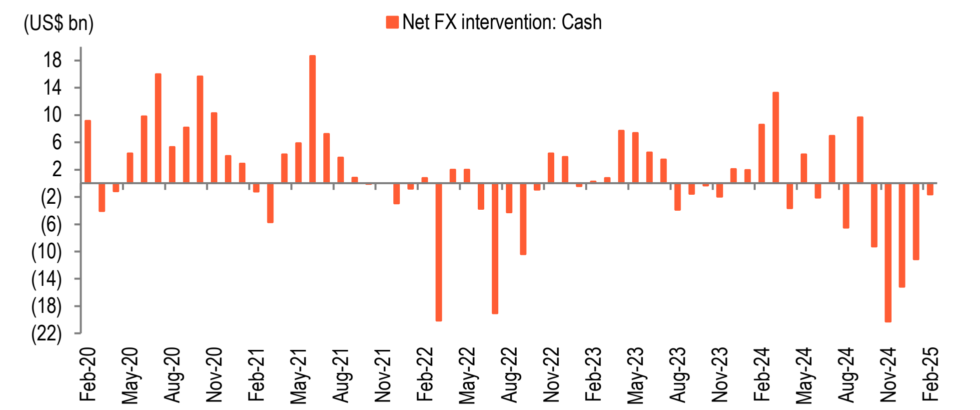
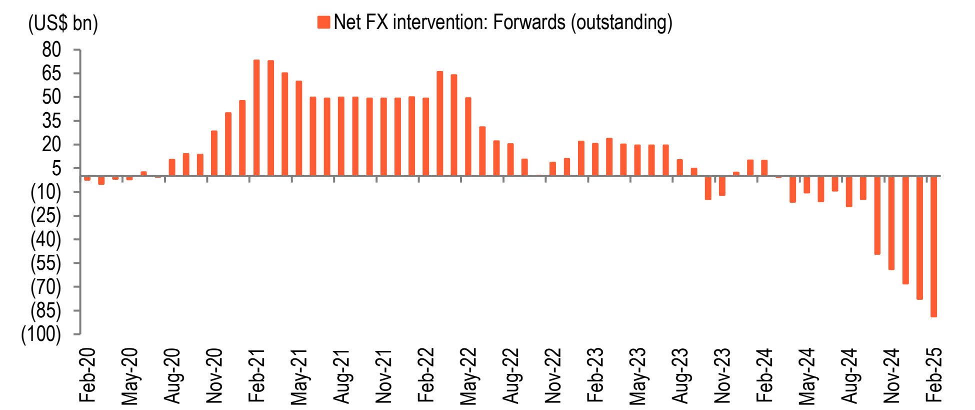


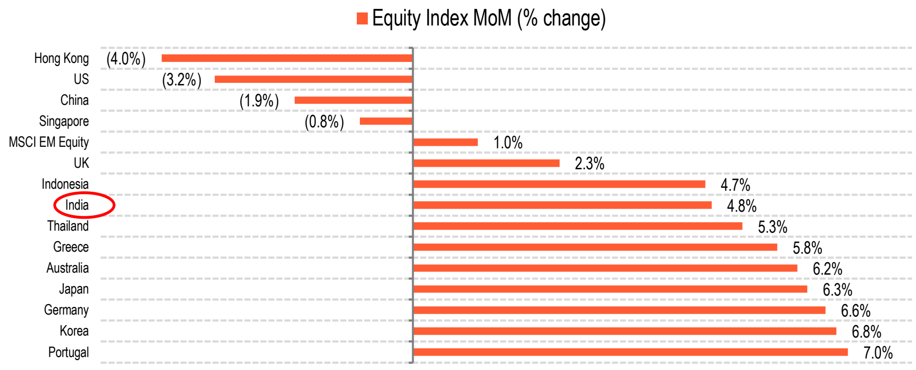
Fig 128 – RBI's outstanding forwards book at a record high of US$ 88.8bn as of Feb'25



Markets

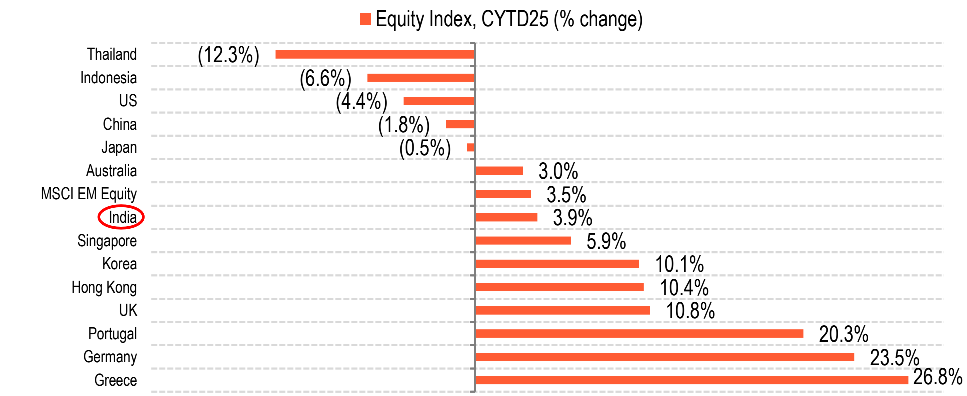
Equity

Fig 129 – In Apr'25, Sensex fell by -4.8% while MSCI EM picked up marginally



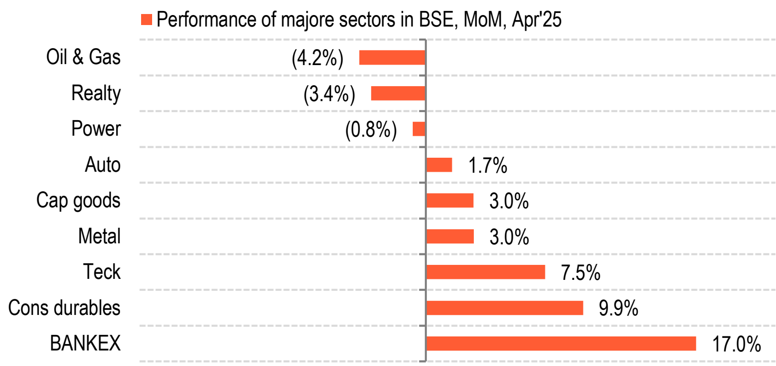
Source: Bloomberg | * As on 30 Apr 2025, Indices are in US$ terms

Fig 130 – In CYTD25*, Sensex outperformed MSCI EM



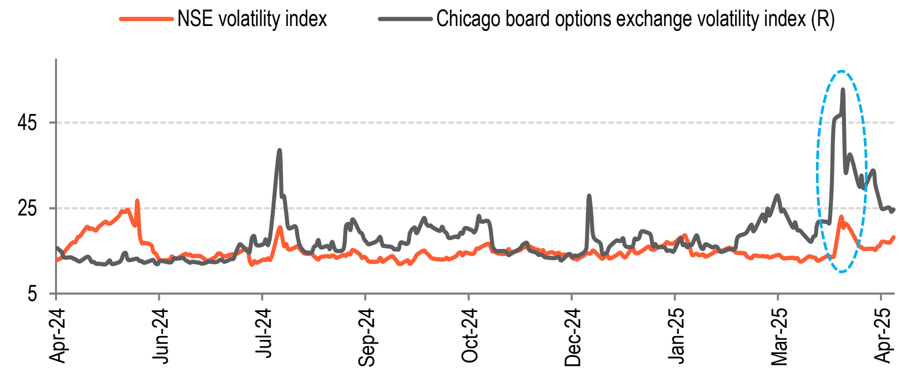
Source: Bloomberg | *Till 30 Apr 2025

Fig 131 – Banking stocks rose the most while oil and gas stocks fell considerably



Source: Bloomberg | As on 30 Apr 2025

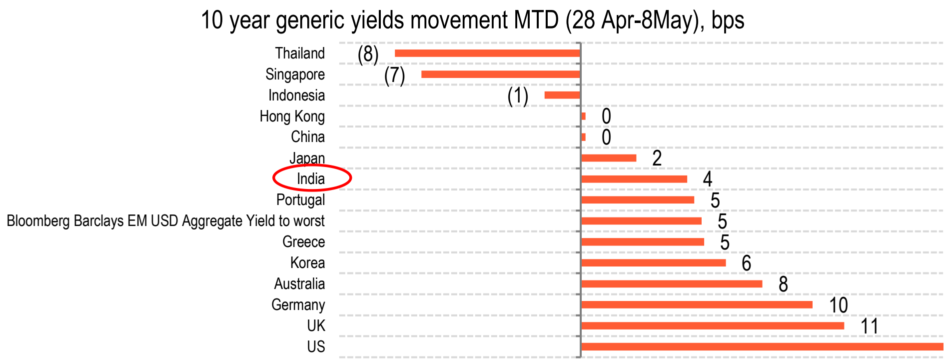
Fig 132 – VIX remained elevated amidst tariff turmoil and geopolitical tensions



Source: Bloomberg

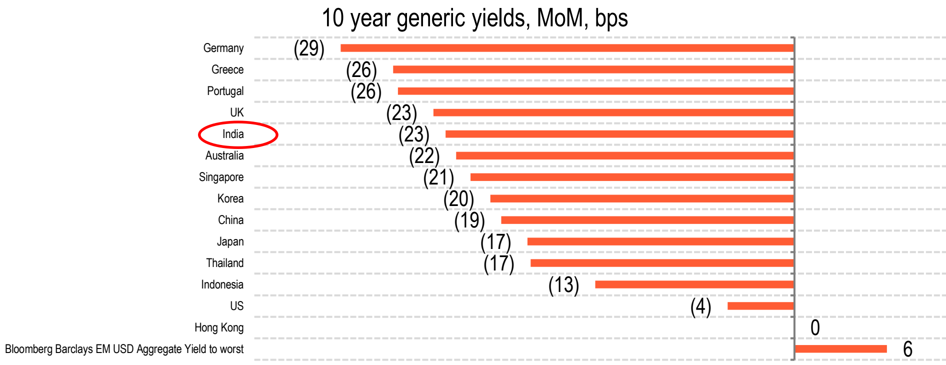
10-year bond yields

Fig 133 – In May'25*, India's 10Y yield has risen by 4bps



Source: Bloomberg, | Note:* As on 8 May 2025

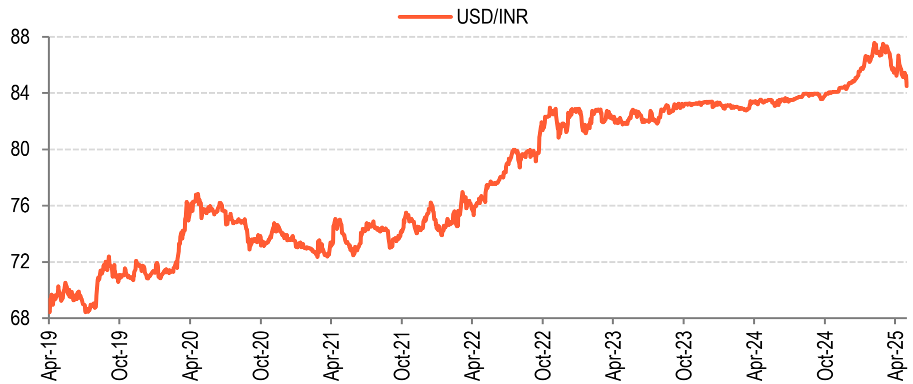
Fig 134 – In Apr'25, India's 10Y yield softened by 23bps



Source: Bloomberg, | Note: Point on point comparison of last working day of Apr over Mar

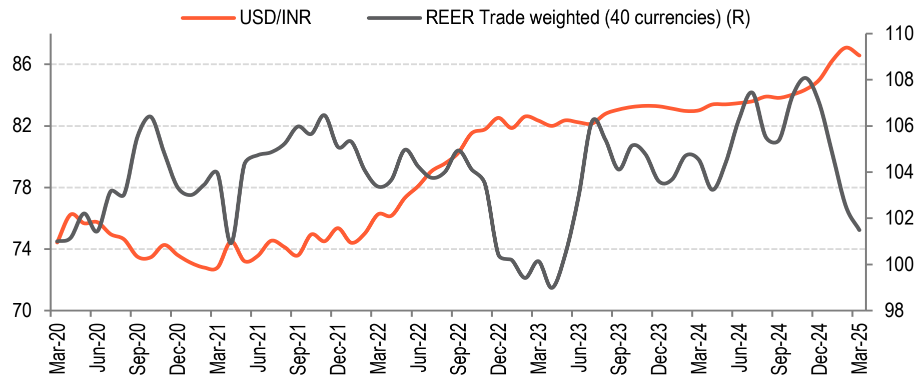
Currencies

Fig 135 – INR appreciated further in Apr'25



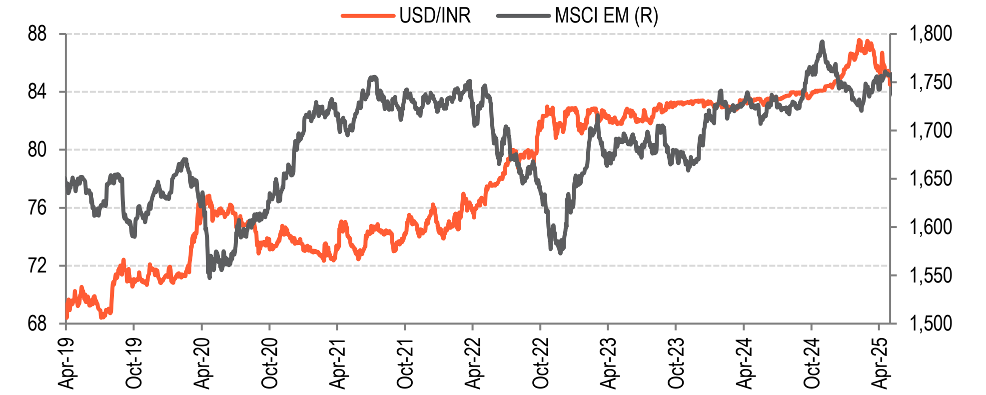
Source: Bloomberg | *As on 30 Apr 2025

Fig 136 – INR overvalued by 1.5% on REER basis (Mar'25)



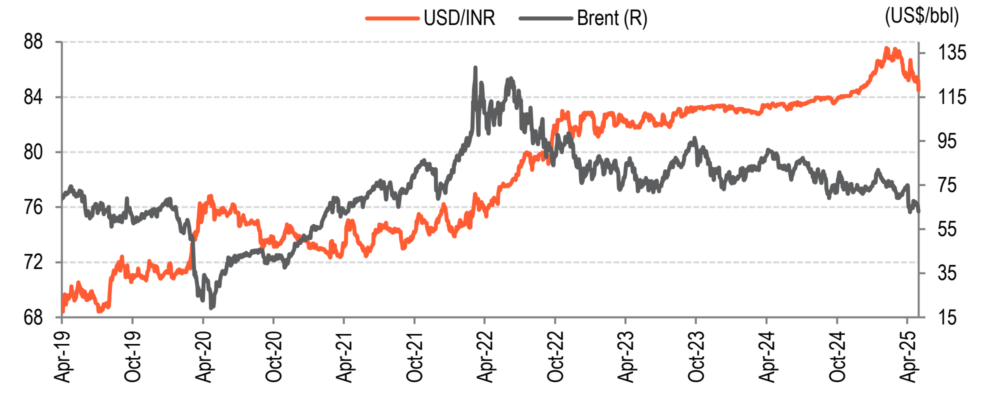
Source: Bloomberg

Fig 137 – EM currencies appreciated in Apr'25



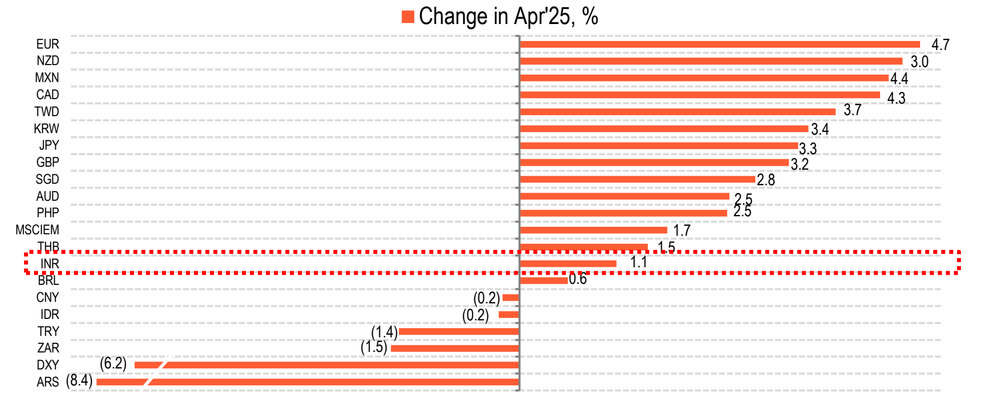
Source: Bloomberg | *As on 30 Apr 2025

Fig 138 – … as oil prices were on an average lower



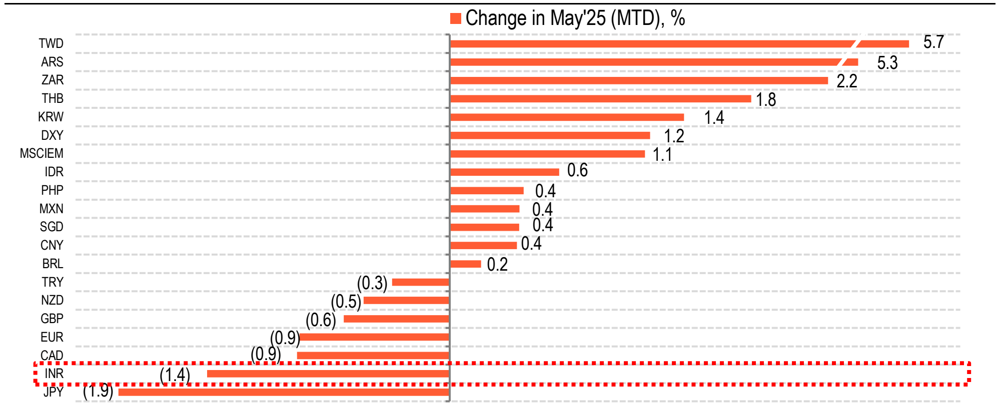
Source: Bloomberg | *As on 30 Apr 2025

Fig 139 – INR appreciated by 1.1% in Apr'25



Source: Bloomberg | *As on 30 Apr 2025

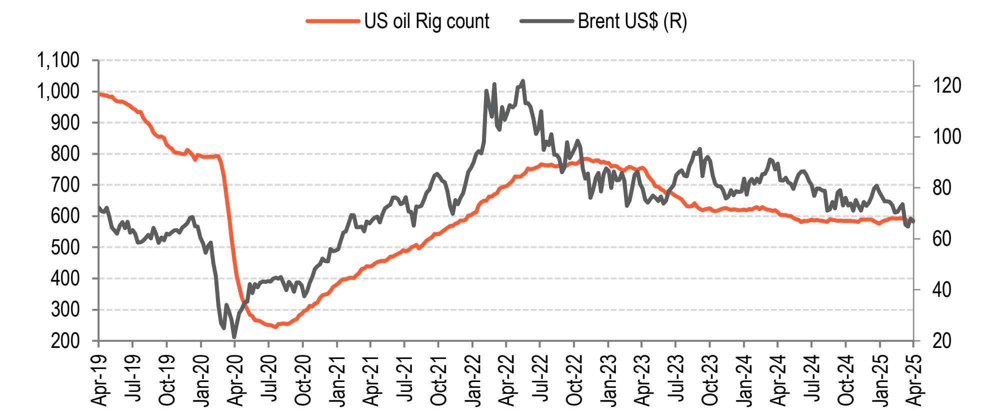
Fig 140 – In May'25, INR has depreciated amidst geo-political tensions



Source: Bloomberg | *As on 8 May 2025

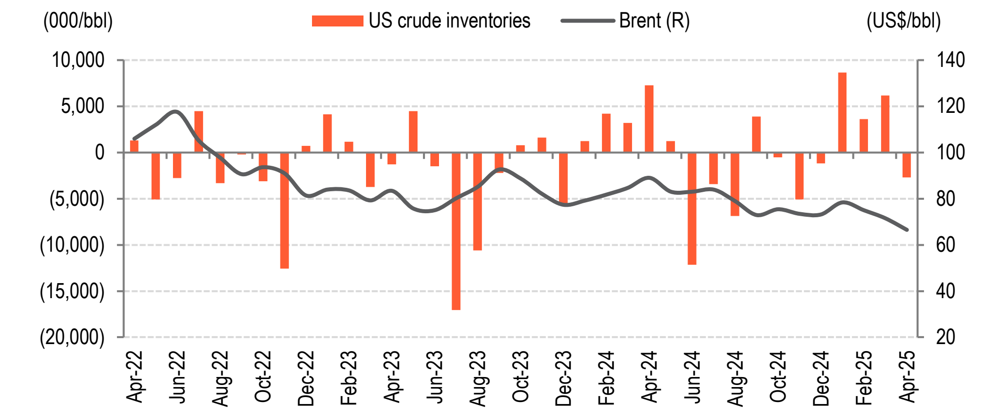
Commodities

Fig 141 – US rig count has moderated



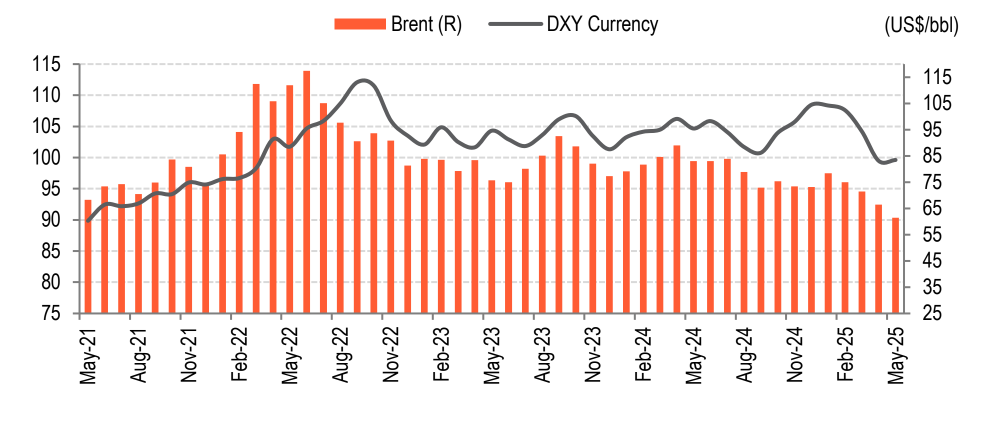
Source: Bloomberg

Fig 142 – Crude inventories have fallen



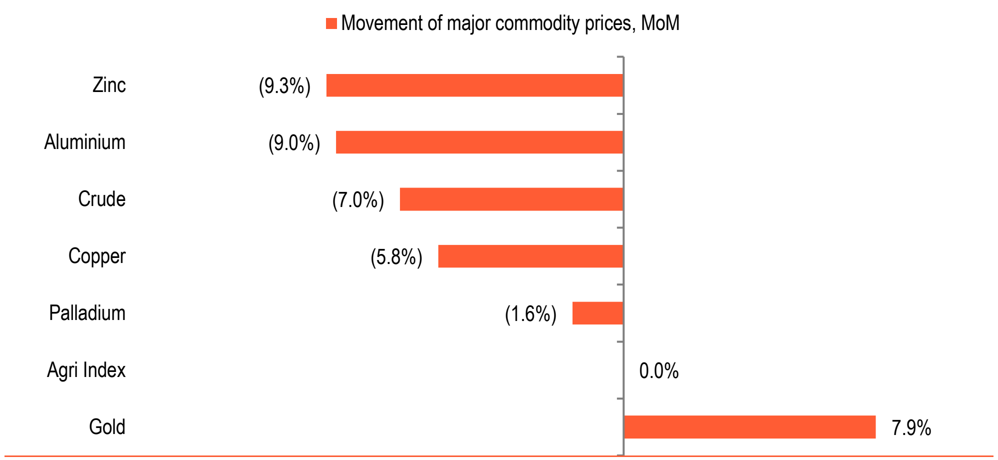
Source: Bloomberg

Fig 143 – Oil price averaged to US$ 66.5 in Apr'25 and currently at 61.41 (first 7days), DXY has also moderated



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

Fig 144 – Except Gold (safe haven demand), all other commodities witnessed broad based fall



Source: Bloomberg | Index as on last trading day of the month, * For MTD avg. of first 10days of Apr'25 compared to previous month's fig

Fig 145 – Performance of high frequency indicators

Indicators	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
Agriculture													
Tractor sales	(2.9)	0.5	3.5	1.4	(5.5)	2.4	21.0	(0.9)	13.3	11.1	30.9	21.6	-
Two wheeler sales	33.2	2.5	4.7	17.2	6.3	(8.5)	36.3	15.8	(17.6)	4.2	(6.3)	(1.8)	2.3
MNREGA work (HH)	(10.6)	(14.3)	(21.7)	(19.5)	(16.0)	(13.4)	(7.6)	3.9	8.2	14.4	2.8	2.2	-
Manufacturing													
IIP: General index	5.2	6.3	4.7	4.7	(0.1)	3.1	3.7	5.0	3.7	5.2	2.7	3.0	-
IIP: Manufacturing	4.2	5.1	3.2	4.4	1.1	3.9	4.4	5.5	3.7	5.8	2.8	3.0	-
IIP: Capital goods	2.8	2.6	3.8	11.8	0	3.6	2.9	8.9	10.5	10.2	8.2	2.4	-
IIP: Infra & construction goods	8.5	7.6	8.2	5.5	2.7	3.5	4.7	8.0	8.4	7.3	6.8	8.8	-
IIP: Consumer goods	10.5	12.6	8.8	8.2	5.4	6.3	5.5	14.1	8.1	7.1	3.7	6.6	-
Steel	9.8	8.9	6.3	6.4	3.9	1.6	5.2	4.4	7.3	4.7	6.9	7.1	-
Cement	0.2	(0.6)	1.8	5.5	(3.0)	7.2	3.1	13.1	10.3	14.6	10.8	11.6	-
Electricity	10.2	13.7	8.6	7.9	(3.7)	0.5	2.0	4.4	6.2	2.4	3.6	6.2	-
PMI: Manufacturing	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5	56.4	57.7	56.3	58.1	58.2
Services													
Services PMI index	60.8	60.2	60.5	60.3	60.9	57.7	58.5	58.4	59.3	56.5	59.0	58.5	58.7
Automobile sales	26.7	2.6	0.7	13.8	2.9	(9.3)	32.1	11.2	(12.5)	6.6	(7.2)	(0.7)	2.9
Passenger vehicle sales	15.9	(1.0)	(6.8)	10.2	(4.5)	(18.8)	32.4	(13.7)	(2.0)	15.5	(10.3)	6.3	1.6
Vehicle registration	27.5	3.3	1.4	14.7	3.8	(8.6)	33.4	11.9	(11.9)	7.6	(6.5)	0	2.9
Rail freight traffic	1.4	3.7	10.1	4.5	0.0	(5.8)	1.5	1.2	-	-	-	-	-
Port cargo volume	1.3	3.7	6.8	6.0	6.7	5.9	(3.4)	(5.0)	3.4	6.2	7.4	13.3	7.0
Credit growth	19.2	20.7	17.4	13.7	14.0	12.3	11.8	11.2	11.2	12.5	11.0	11.0	10.3
Deposit growth	12.6	14.0	11.1	10.6	12.7	10.4	11.5	11.2	9.8	12.1	10.3	10.3	10.2
CIC	3.2	4.6	6.0	6.4	5.7	5.9	7.0	5.9	5.9	5.3	5.6	5.8	
Toll collection (in mn)	328.1	347.4	334.4	312.3	329.0	318.4	345.0	358.8	382.0	380.3	383.9	379.1	382.6
Diesel consumption	1.4	2.4	1.0	4.5	(2.5)	(1.9)	0.1	8.5	5.9	4.2	(1.3)	0.9	4.4
GST E-way bill (in mn)	96.7	103.2	100.1	104.9	105.5	109.1	117.3	101.8	112.0	118.1	111.6	124.5	119.3
External Trade													
Merchandise exports	2.0	13.3	2.4	0.6	(9.9)	(0.2)	16.6	(5.3)	(1.5)	(2.5)	(10.9)	0.7	-
Merchandise imports	11.1	7.2	4.6	11.2	10.0	7.8	1.9	16.1	2.3	10.3	(16.3)	11.4	-
Services exports	17.1	9.7	3.2	16.6	5.7	14.6	22.7	14.2	16.9	12.0	11.6	18.6	-
Services imports	20.0	6.2	(3.1)	16.0	9.1	13.5	28.0	26.1	13.9	12.6	(4.8)	5.3	-

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

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