India Economics
Monthly Chartbook

July 2026

Economic Research Department
Dipanwita Mazumdar | Sonal Badhan
Aditi Gupta | Jahnavi
chief.economist@bankofbaroda.com

Geopolitics hazes market and macro outlook

Jul'26 has been a month of renewed fears on global policy and economic front. War related fears were back in the forefront with reports of an immediate maritime embargo against Saudi Arabia. US responded by continued military attacks and reports indicated that war situation may escalate further in the coming days. Oil prices which declined by (-) 20.8% in Jun'26, erased most of its losses and again rose by 38% in Jul'26. The repercussion will be felt across major asset classes. DXY is likely to firm up. Yields are likely to stay elevated. The anticipation of tightness in liquidity and tariff jitters may impact equity indices. On macro front, growth indicators provided mixed signals. Inflation is expected to face upside pressure from moderation in sowing and deficient rainfall. Domestic market variables will also derive more cues from global geopolitical environment.

Growth remains on track, albeit at slow pace: High frequency data available for Q1FY26 so far shows that consumption demand appears to be improving. This is reflective of rise in non-oil non-gold imports, increase in electronic imports, double digit growth in power demand along with improvement in auto sales. However, other indicators such as UPI transactions, steel consumptions have registered a dip. RBI's urban consumer confidence has also moderated signalling some concerns around overall economic situation. On rural front, rainfall activity continues to remain in the deficient zone. Reservoir storage is lower than last year and so is kharif acreage.

Central government finances: Centre's fiscal deficit ratio (12MMA trailing basis) eased to 4.6% as of May'26 from 4.8% as of May'25. In Q1FY27 (Apr-May), net revenue growth has fallen by (-) 1.2%, following 24% rise between Apr-May'25. Moderation was led by indirect tax collections, which fell by (-) 7% versus 19.2% rise noted between Apr-May'25. Direct tax collections on the other hand performed better (10.5% versus 5%). On the spending front, overall expenditure is maintaining momentum (18.1% versus 19.7%). This was on account of revenue spending, which surged by 20.1% versus 9.4%. Capex growth has moderated 13.4% versus 54.1%, due to base effect.

Yields largely supported by regulatory measures: India's 10Y yield has inched up in Jul'26, in line with global yields. However, the increase is more restrained when compared to major global peers. This is on account of buoyant flows in the FPI debt segment. Net inflows have been US$ 2.9bn in Jul'26 till date (till 23rd). Both government and RBI's measures to attract foreign capital flows are largely capping yields. Liquidity on the other hand remained modest. We expect with the higher inflows in bank deposits largely supported by FCNR (B) deposits, banking liquidity to remain conducive for a robust credit growth.

INR trajectory uncertain: INR has come under renewed pressure in Jul'26 amidst a re-escalation in tensions between US and Iran. Crude oil prices, which had receded to about US$ 71/bbl at the beginning of the month have once again climbed up to above US$ 100/bbl mark. This can have a negative impact on India's BoP position, which is impacting investors' sentiments. On the positive side, exports have increased at a brisk pace, FPI inflows have improved and other capital inflows (FCNR deposits and ECB) too have shown traction. We expect INR to trade in the range of 95.75-96.75/$ in the near-term.

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

High frequency indicators

Fig 2 – Power demand continues to register double digit growth

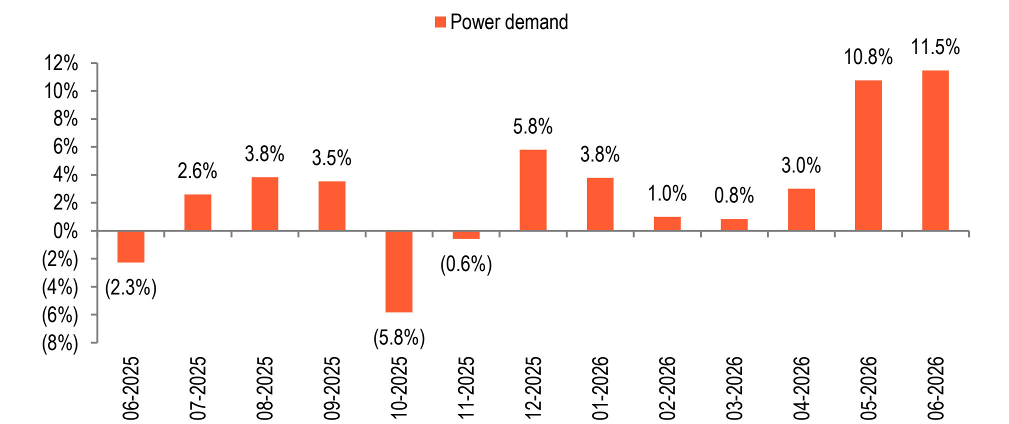


Fig 3 – Volume of UPI transactions dips

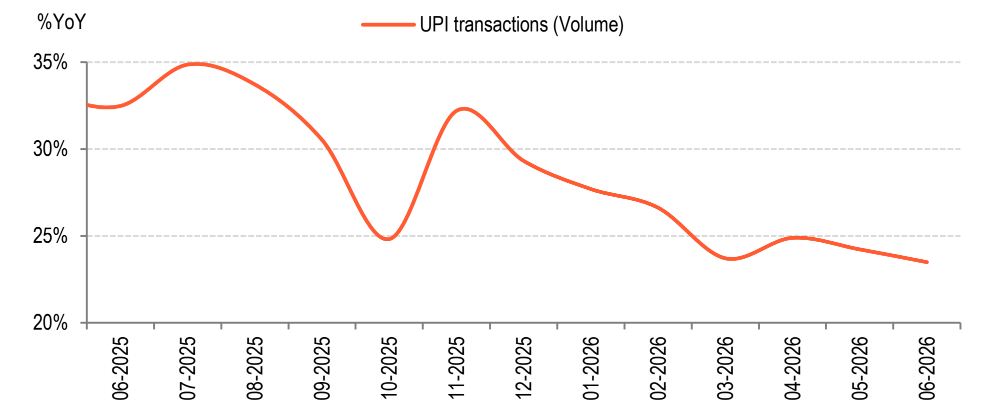


Fig 4 – Steel consumption growth slows down

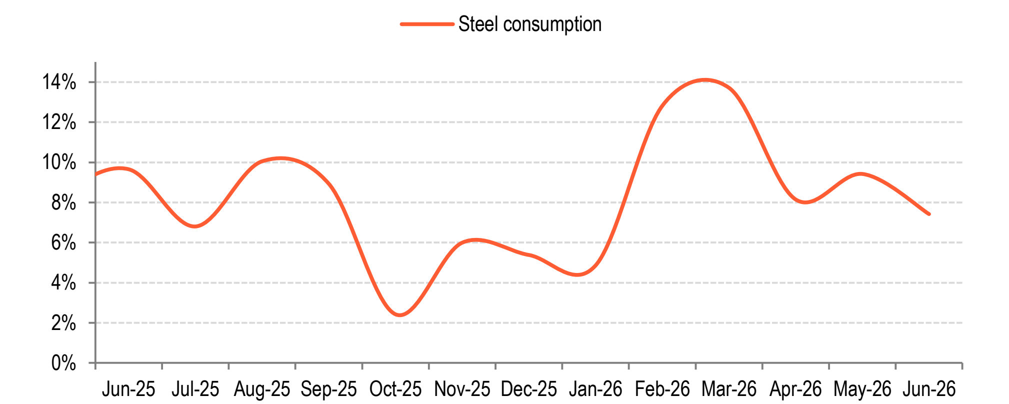
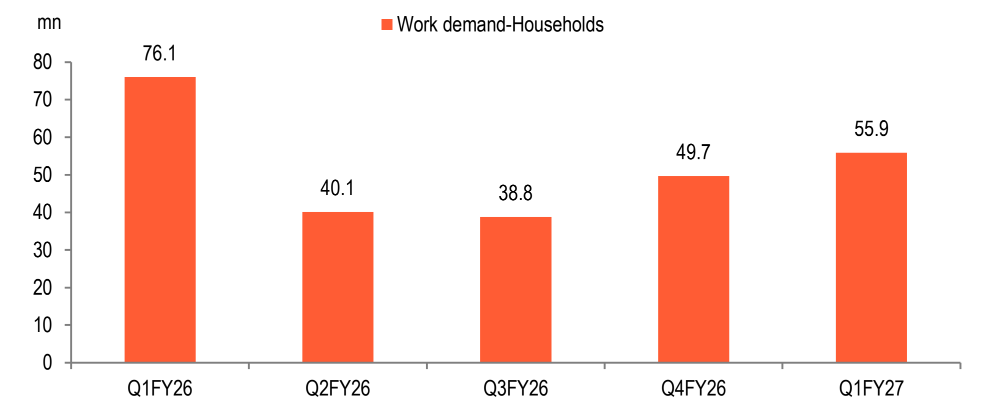


Fig 5 – Demand for work (MGNREGA-household) inch up since last quarter



GDP - Final consumption expenditure

Fig 6 – Growth trajectory in the last 3-years

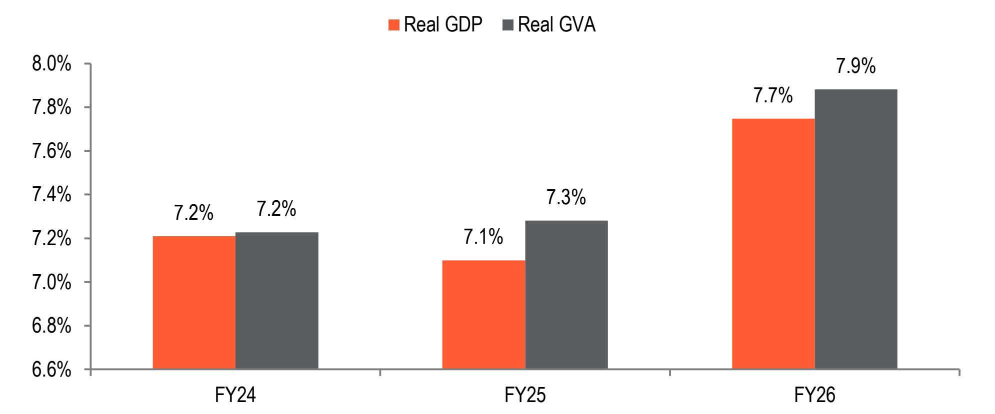


Fig 7 – Nominal GDP growth at a stable pace

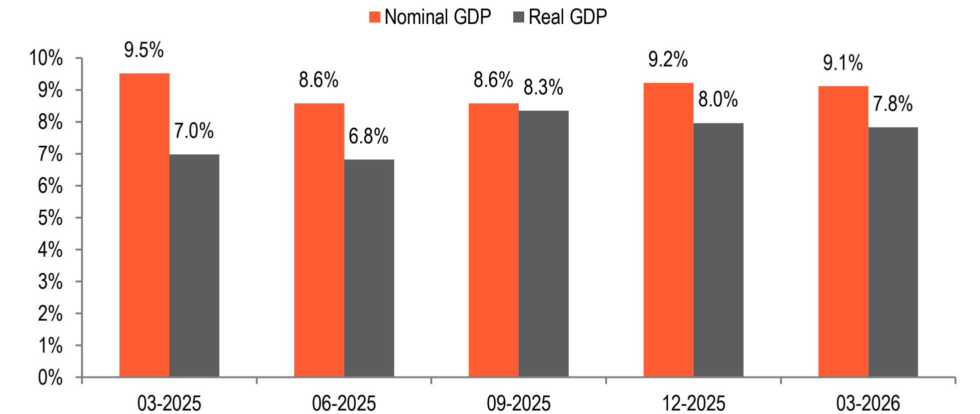


Fig 8 – Private consumption demand remains steady in Q4

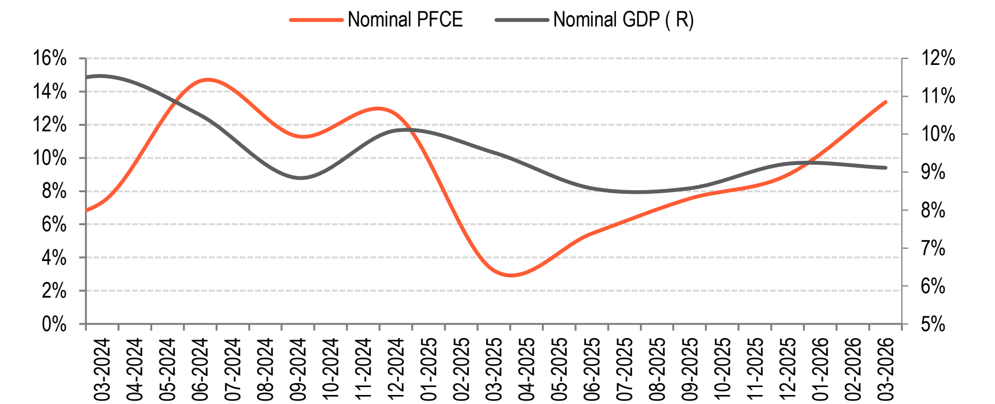
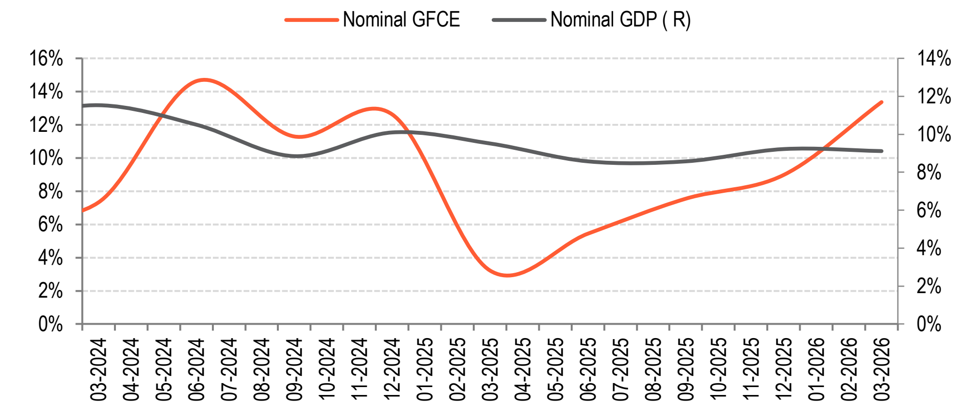


Fig 9 – Growth in Government consumption inch up in Q4



Non-oil imports, electronic imports

Fig 10 – Growth in non-oil-non-gold imports picks up on a 6MMA basis

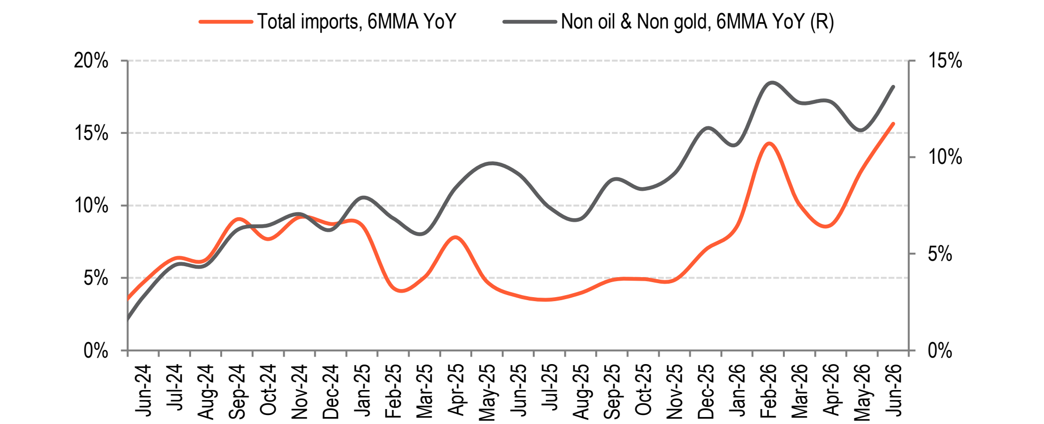


Fig 11 – Electronic imports surge in Jun'26

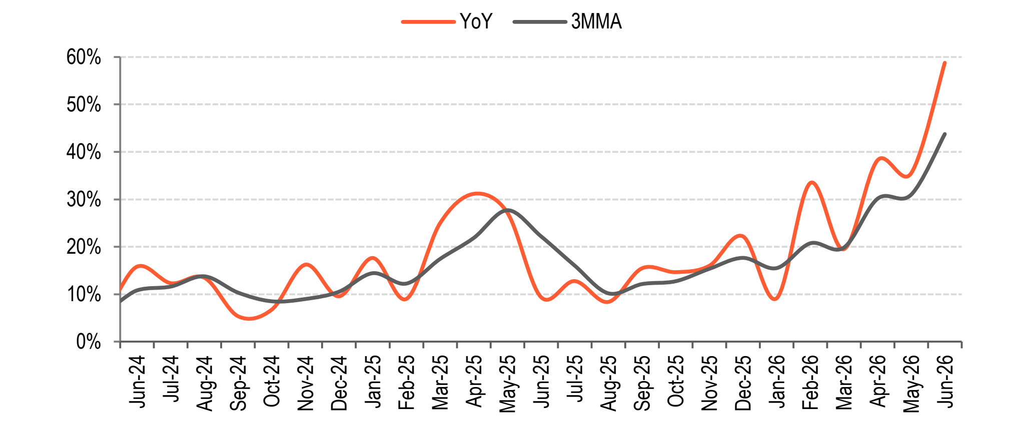


Fig 12 – Retail passenger vehicle sales inch up

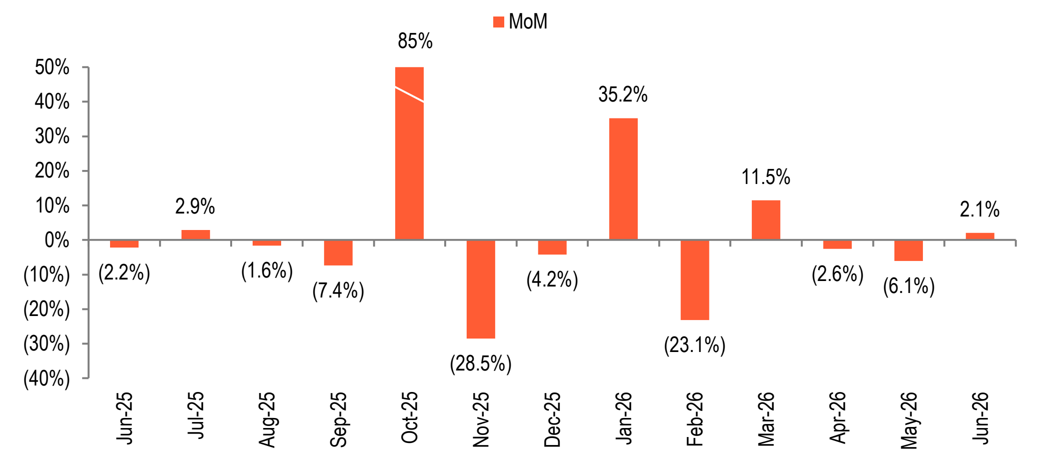
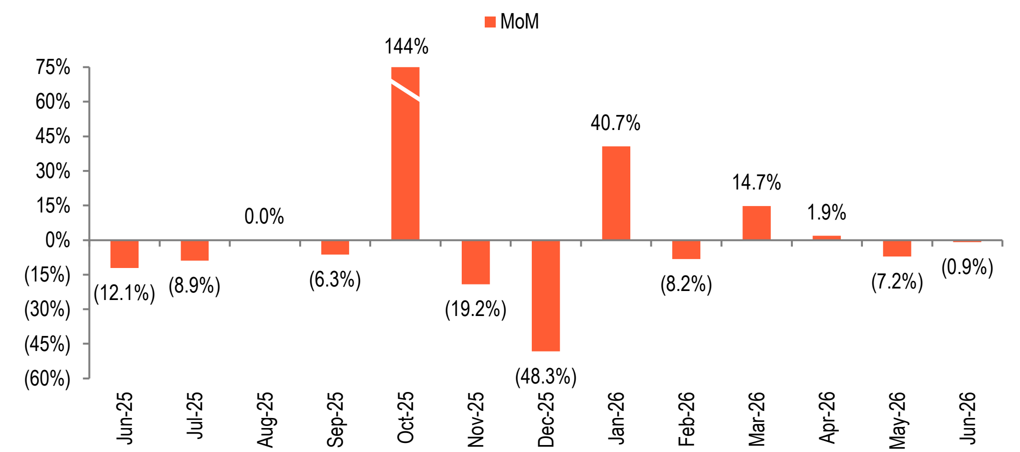


Fig 13 – Two-wheeler sales decline at a much slower pace



Source: FADA

Credit deployment of personal loans

Fig 14 – Growth in personal loans remains steady

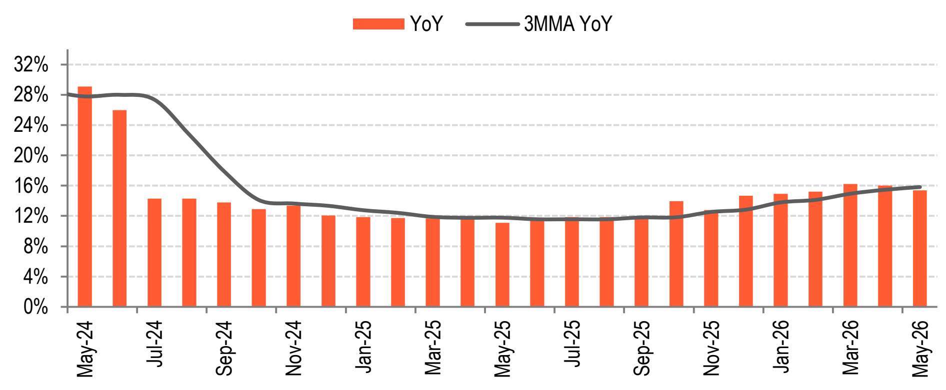


Fig 15 – Growth in credit card outstanding falters

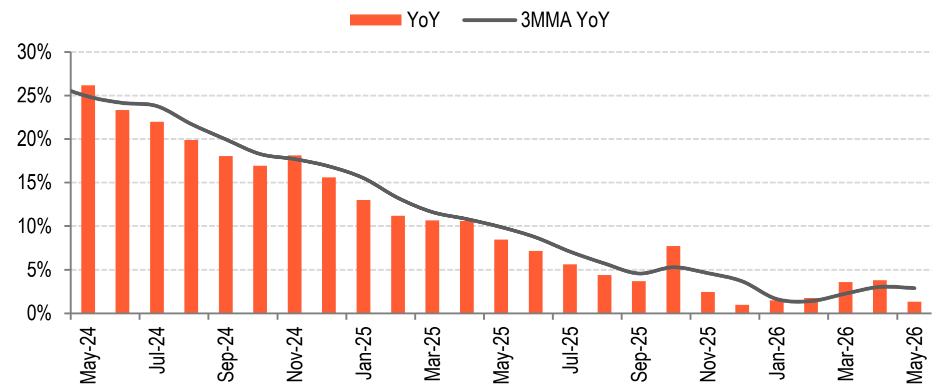


Fig 16 – Stable growth in vehicle loans

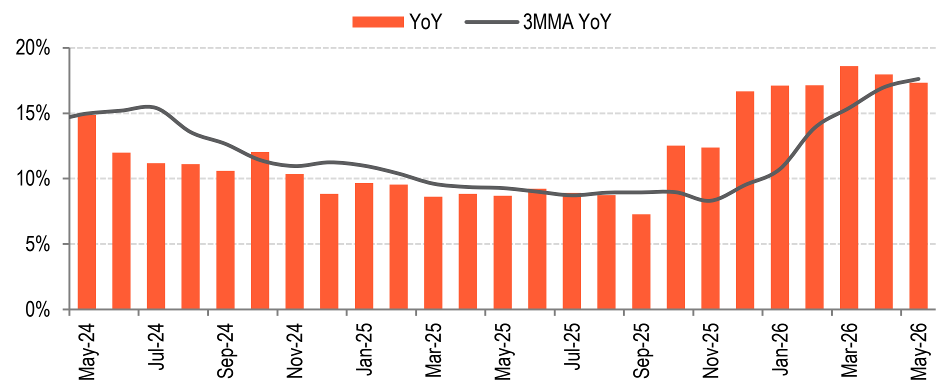


Fig 17 – Steady growth in other personal loans

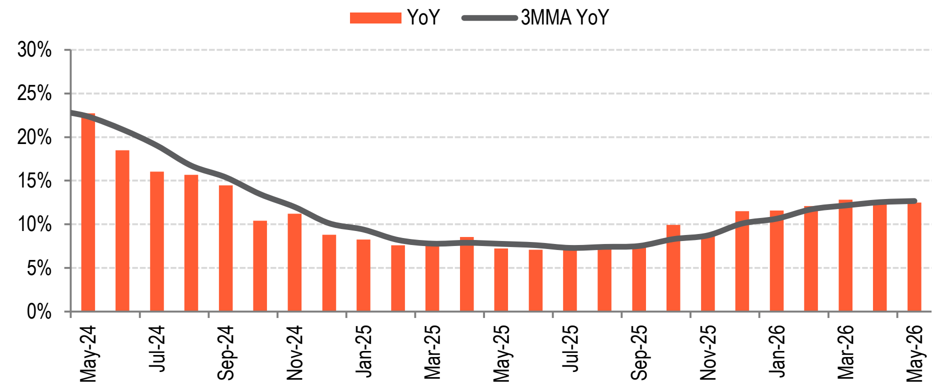


Fig 18 – Consumer confidence weakens in May'26 (Urban)

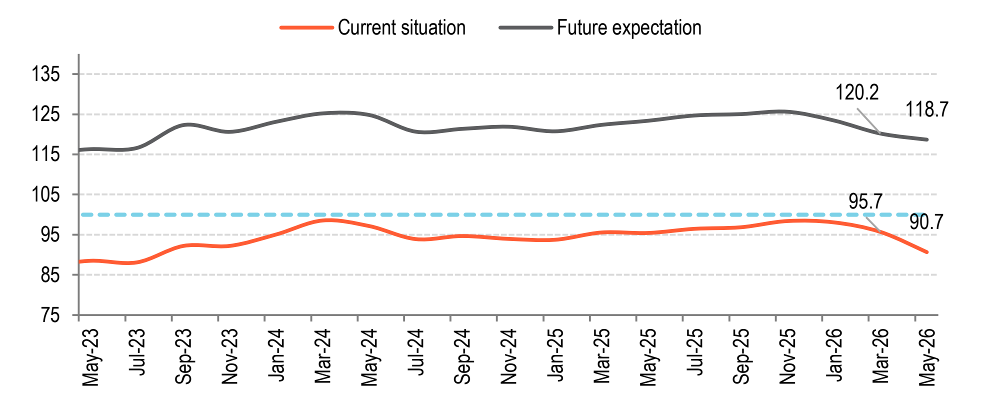
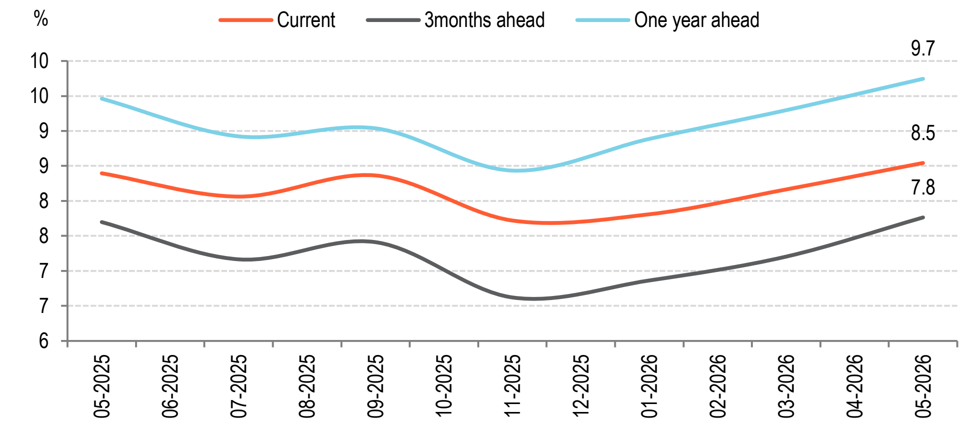


Fig 19 – Inflation expectations have edged up



Consumer durables & non-durables production

Fig 20 – Consumer durables output edges upwards

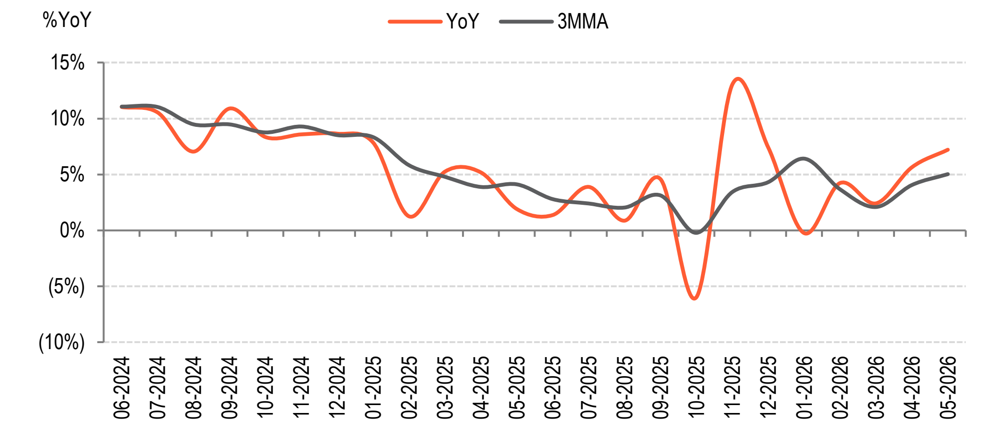
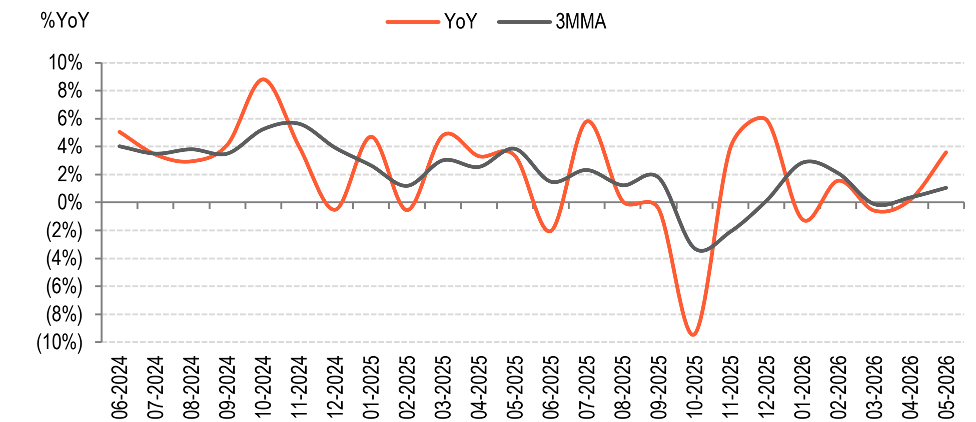


Fig 21 – FMCG production too register an uptick



Agriculture

Fig 22 – Strong agriculture growth noted in Q4FY26

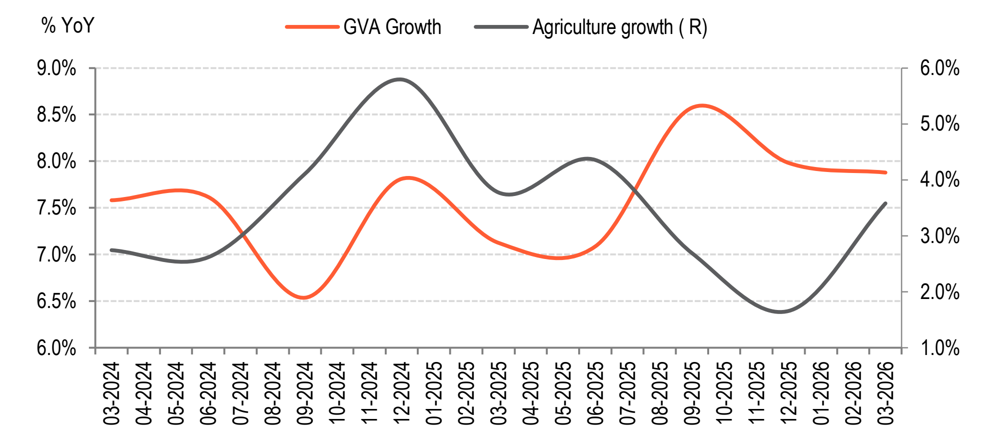
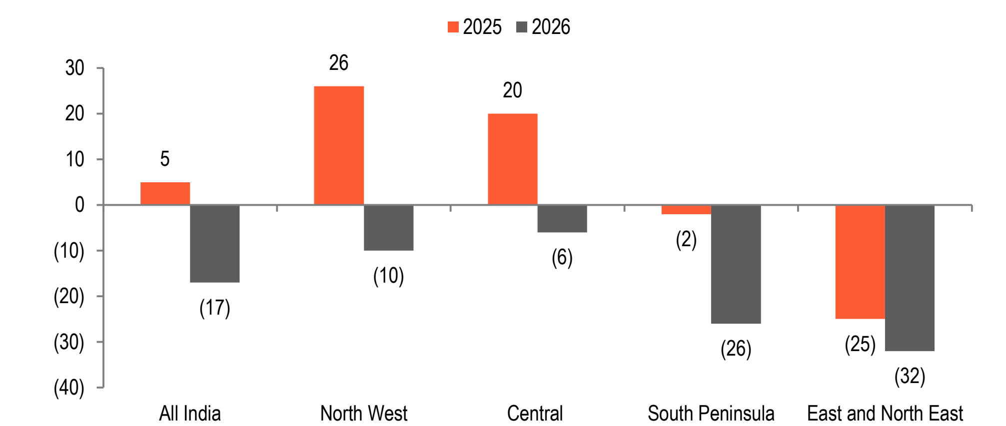
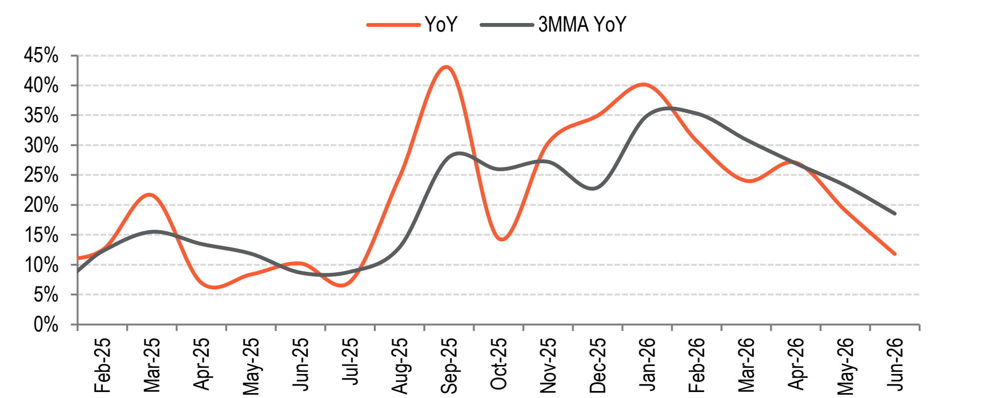


Fig 23 – Rainfall movement-region wise (% departure of LPA)



Note: As of 23.07.2026

Fig 24 – Growth in Tractor sales weakens



Note: Tractor sales including exports

Fig 25 – Growth in agriculture credit strengthens

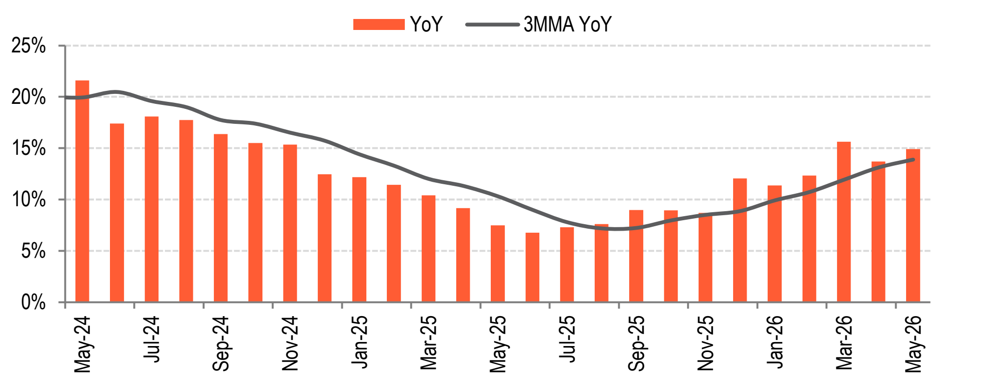
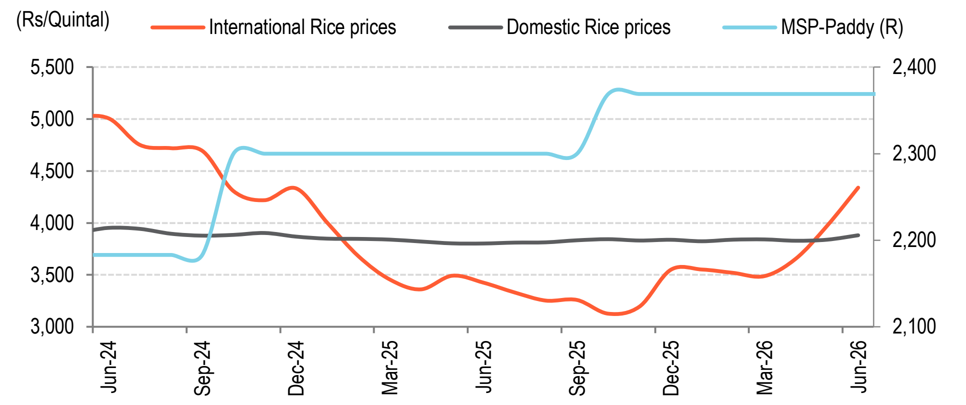
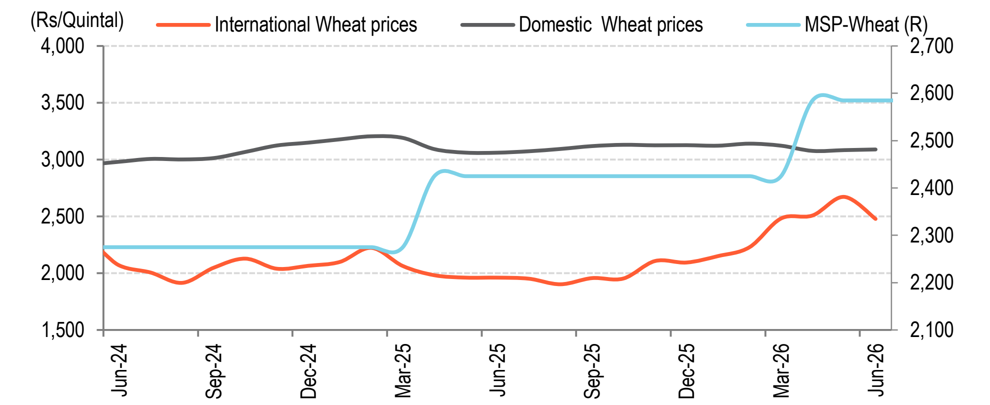


Fig 26 – Domestic rice prices were flat while international prices rise



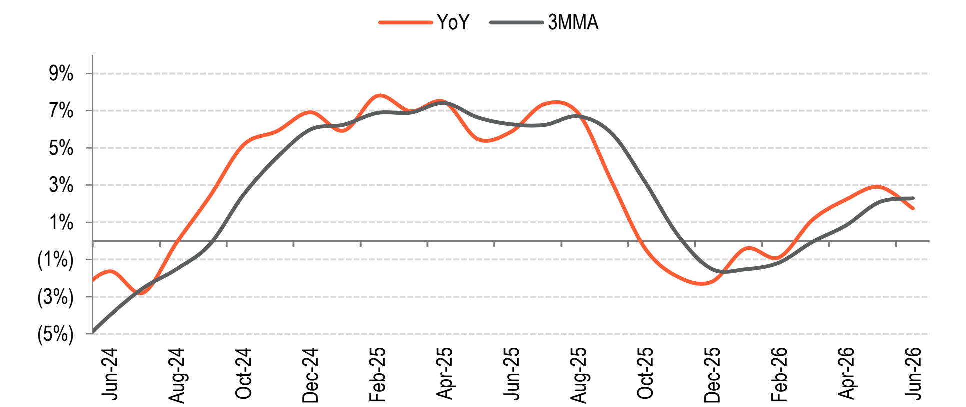
Source: World Bank

Fig 27 – International wheat prices fall while domestic prices were stable



Source: World Bank

Fig 28 – Global food prices fall led by dairy products, sugar and cereals



Source: FAO

Fig 29 – 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	18.8	54.32
2023-24	26.2	52.54
2024-25	26.61	55.53
2025-26	30.04	48.43
2026-24	35.76	55.73*

Source: CMIE | *As on: 31 June 2026

Fig 30 – Kharif sowing is lower than last year

Crop type	2024-25 (area sown:000 hac)	2025-26 (area sown:000 hac)	Growth
Foodgrains	38,344	35,467	-7.5
Cereals	30,192	28,545	-5.5
Rice	16,783	16,641	-0.8
Pulses	13,409	11,904	-15.0
Oilseeds	15,572	14,709	-5.5
Cotton	9,840	9,253	-6.0
Sugarcane	5,672	5,758	1.5
Jute & Mesta	619	632	2.1

Inflation

Fig 31 – Headline CPI rose to its highest since Dec'24 to 4.4% led by 53bps jump in food inflation…

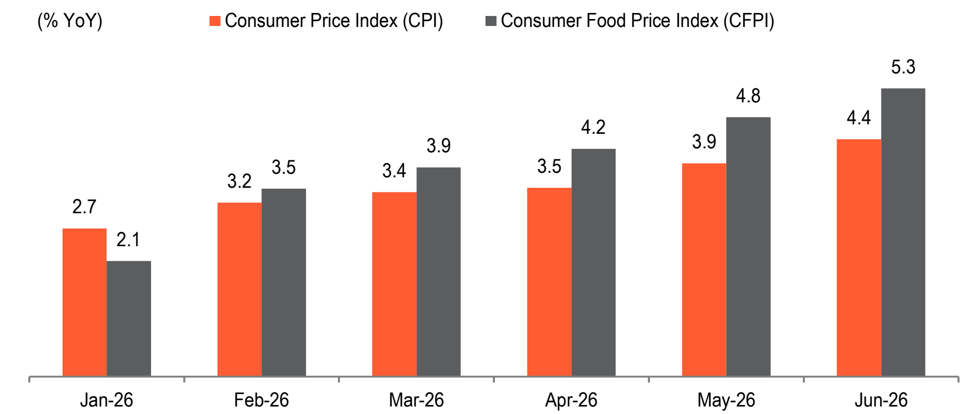


Fig 32 – …Within food inflation, protein-based items and edible oils pose upside risks

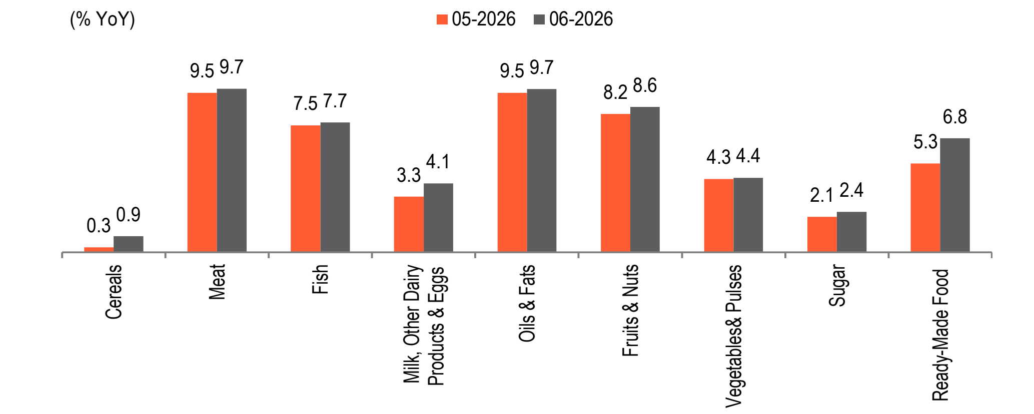


Fig 33 – Core excl. precious metals is still considerably lower

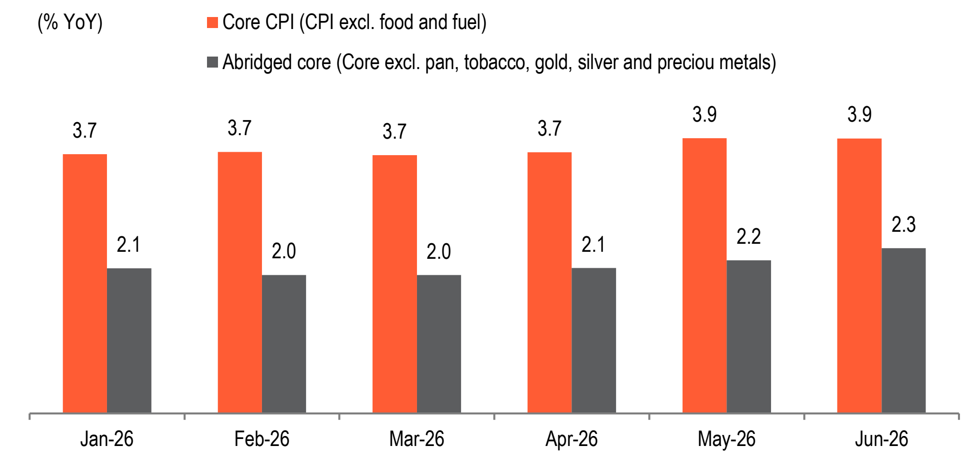
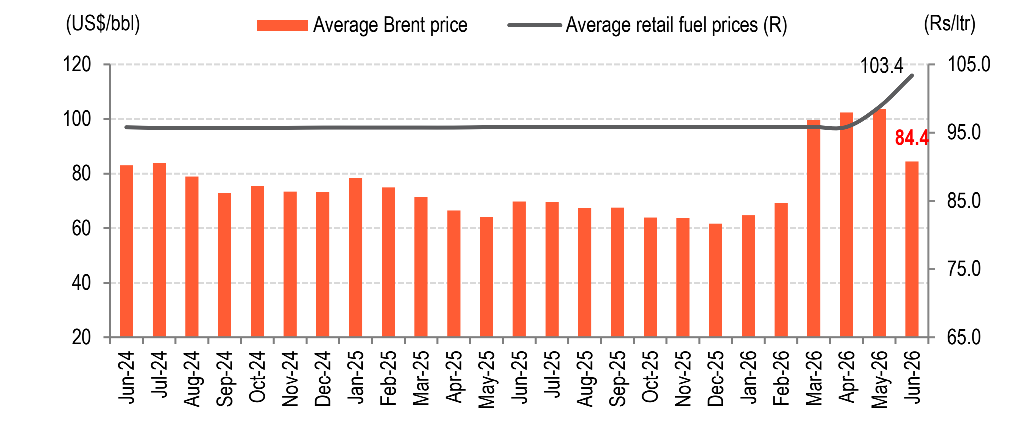


Fig 34 – Domestic retail price was higher at Rs 103.4/lt in Jun'26 compared to Rs 98.8/lt, average crude price softened to US$ 84.4/bbl in Jun'26 and currently at US$ 100.7/bbl



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

Industry

Fig 35 – Manufacturing PMI eases in Jun'26

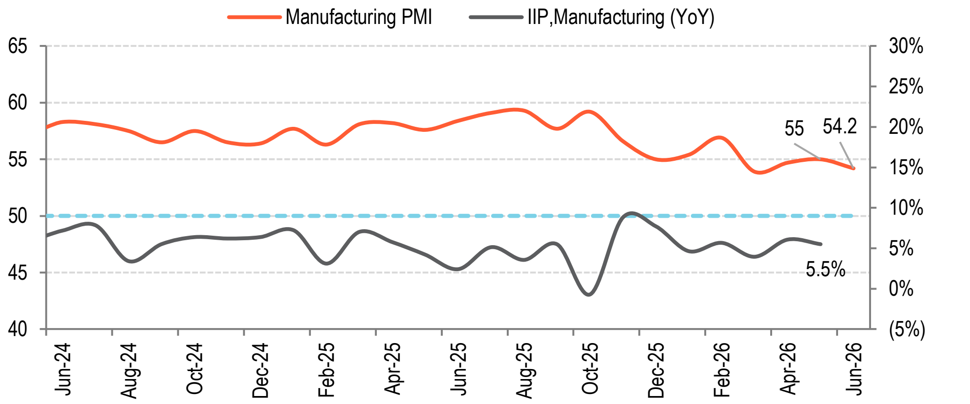


Fig 36 – Sector wise growth remains mixed in May'26 against May'25

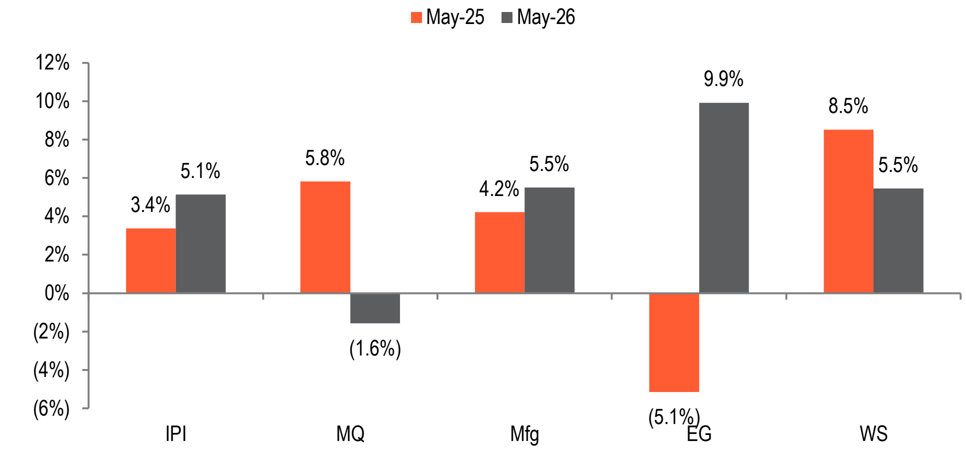


Fig 37 – Higher IIP growth noted in May'26

Sectoral (%)	Weight	May-25	May-26	Apr-May'25	Apr-May'26
Industrial Production Index (IPI)	100.0	3.4	5.1	4.1	5.1
Mining & Quarrying (MQ)	11.1	5.8	(1.6)	3.2	(2.7)
Manufacturing (Mfg)	76.1	4.2	5.5	5.0	5.8
Electricity & Gas supply (EG)	10.9	(5.1)	9.9	(1.8)	7.3
Water supply, sewage & waste Management (WS)	2.0	8.5	5.5	8.4	6.0
Use-Based					
Primary Goods	31.1	0.7	2.6	0.9	1.7
Capital Goods	8.1	9.5	12.9	11.8	12.5
Intermediate Goods	22.4	4.8	5.8	5.8	8.1
Infrastructure /Construction Goods	10.9	5.7	5.9	5.8	6.0
Consumer Durables Goods	11.3	1.9	7.2	3.5	6.4
Consumer Non-Durables Goods	16.1	3.3	3.6	3.3	1.9

Infrastructure and construction

Fig 38 – Steel production (volume) registers higher growth in Jun'26

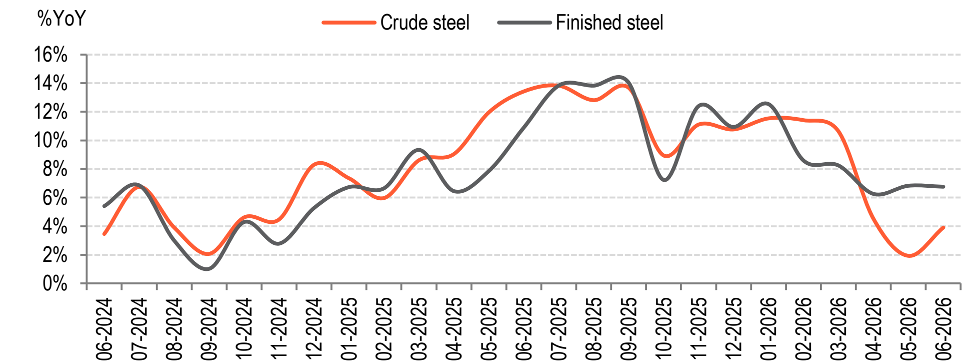
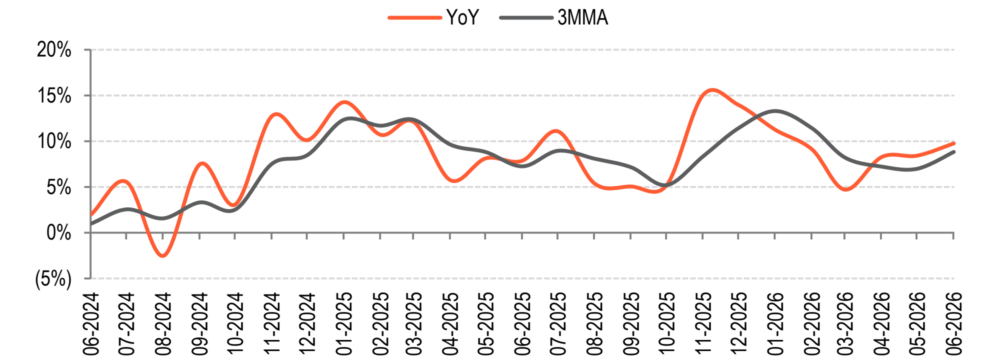


Fig 39 – Higher growth noted in cement output



Infrastructure index

Fig 40 – Core sector output improves

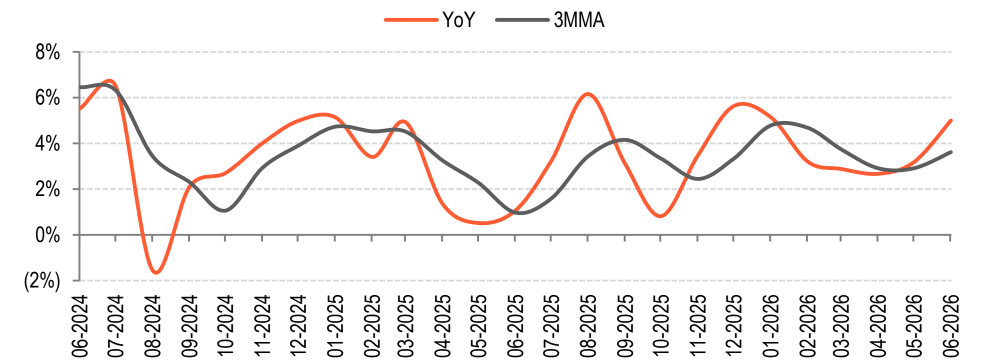
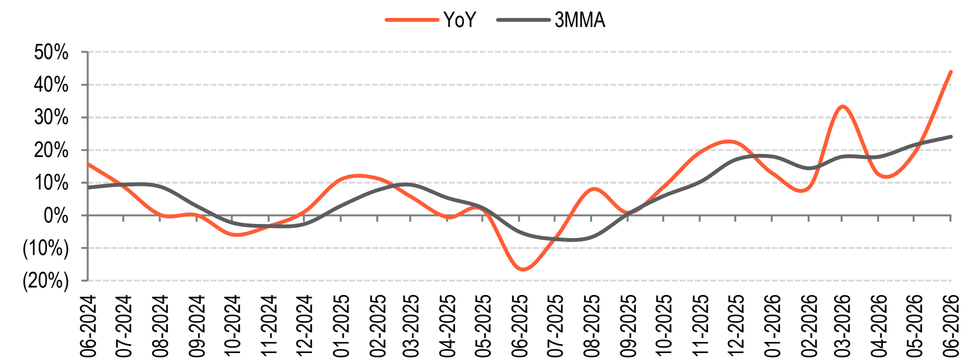


Fig 41 – Iron ore output surges



Auto production & Electricity generation

Fig 42 – Surge in auto production noted in Jun'26

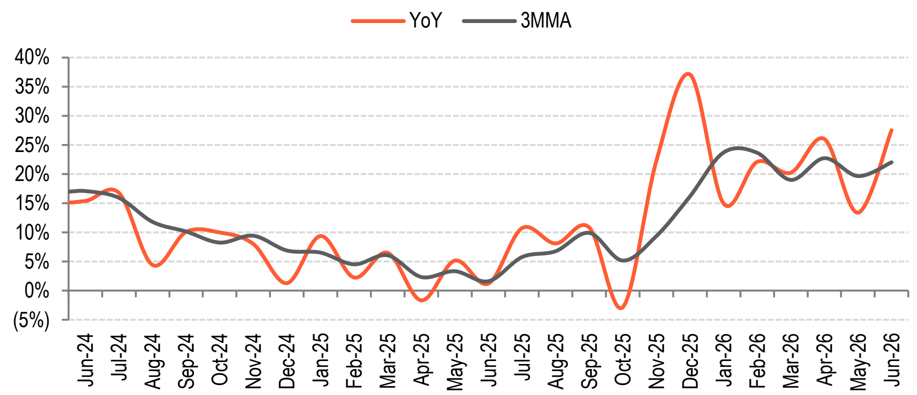


Fig 43 – Electricity generation higher in Jun'26

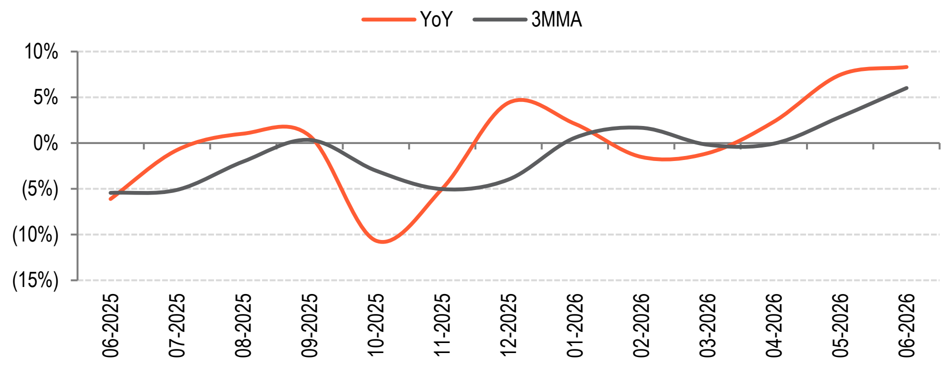
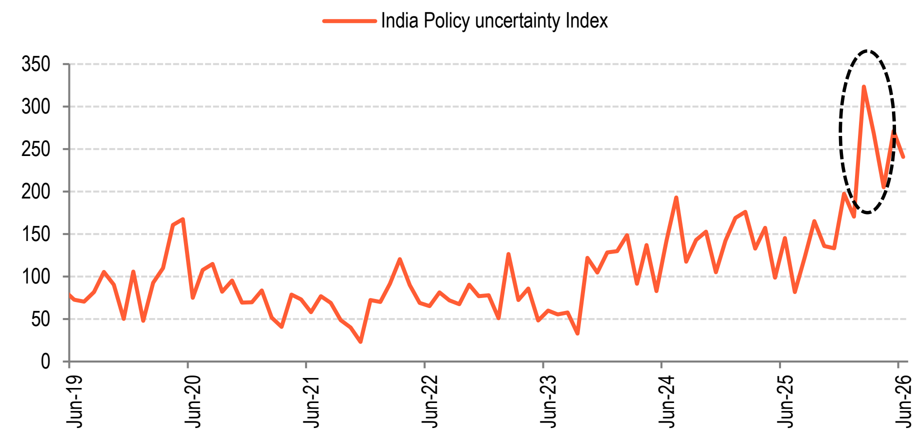


Fig 44 – Infrastructure index rose to 5-month high

(%)	Weight	Jun-25	Jun-26	Apr-Jun'25	Apr-Jun'26
Infrastructure Index	100	1.1	5.0	1.0	3.6
Coal	5.6	(6.8)	1.4	(0.2)	(5.8)
Natural Gas	3.8	(3.0)	(7.4)	(2.7)	(5.5)
Crude Oil	7.4	(0.5)	(4.2)	(1.8)	(3.9)
Refinery Products	22.6	3.3	(4.7)	0	(4.5)
Fertilizers	2.7	(1.2)	(3.3)	(3.8)	(4.1)
Steel	17.6	10.2	4.6	9.4	4.8
Cement	4.4	7.9	9.8	7.3	8.8
Electricity	30.9	(1.2)	9.8	(1.5)	8.9
Iron Ore	4.9	(16.4)	43.9	(5.1)	24.1

Investment

Fig 45 – Policy uncertainty index in India remained elevated taking global cues on account of tensions due to the West Asia crisis



Source: https://www.policyuncertainty.com

Fig 46 – Capital goods production increased by 12.9% in May'26 compared to 12% in Apr'26

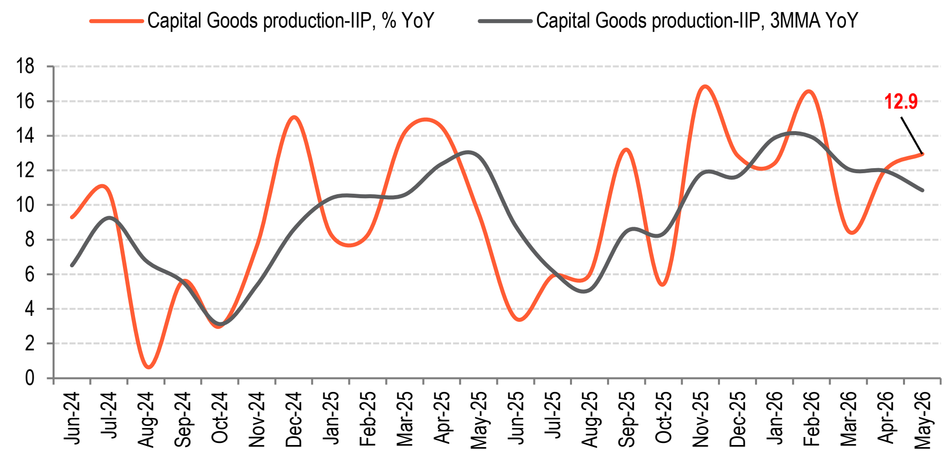


Fig 47 – Capital goods import rose by 23.2% in Jun'26 compared to 6.4% in May'26 supported by a favourable base

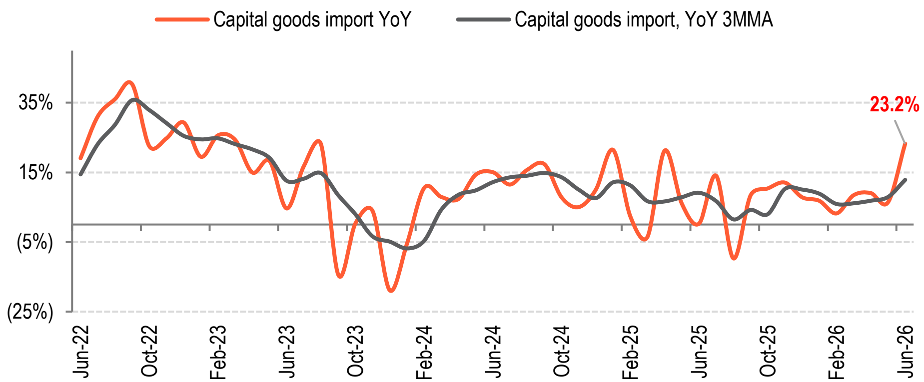


Fig 48 – Centre's capex spending declined by -2.7% in May'26 compared to -1.2% in Apr'26, on 12month trailing sum basis

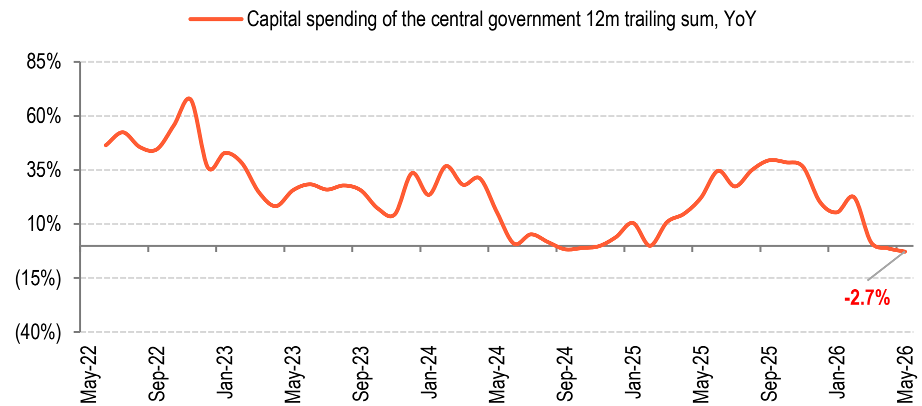


Fig 49 – Credit to micro and small industry moderated slightly to 26.2% in May'26 compared to 30.1% in Apr'26, for medium industry it was at 21.2%

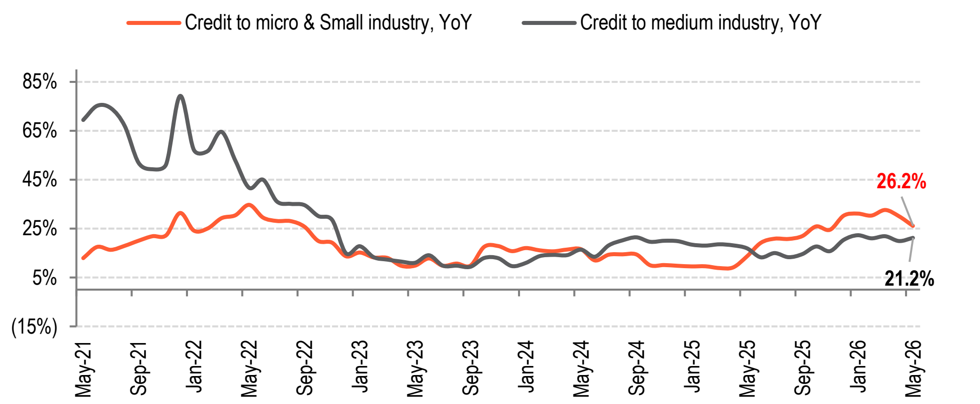
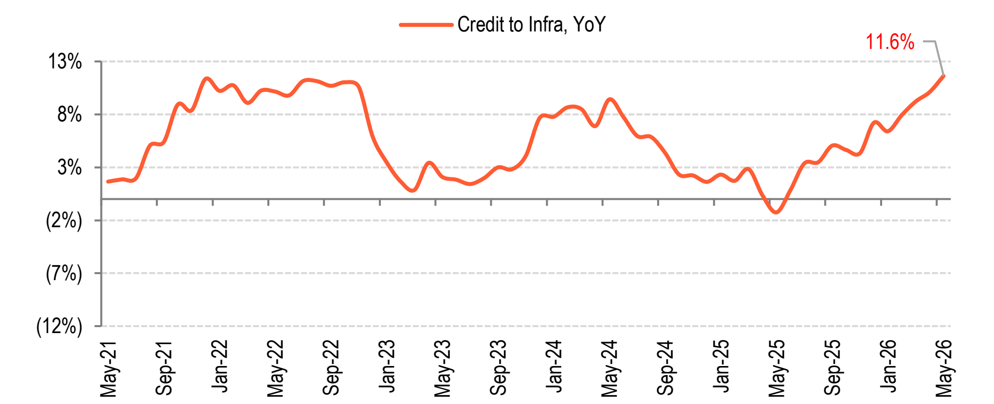
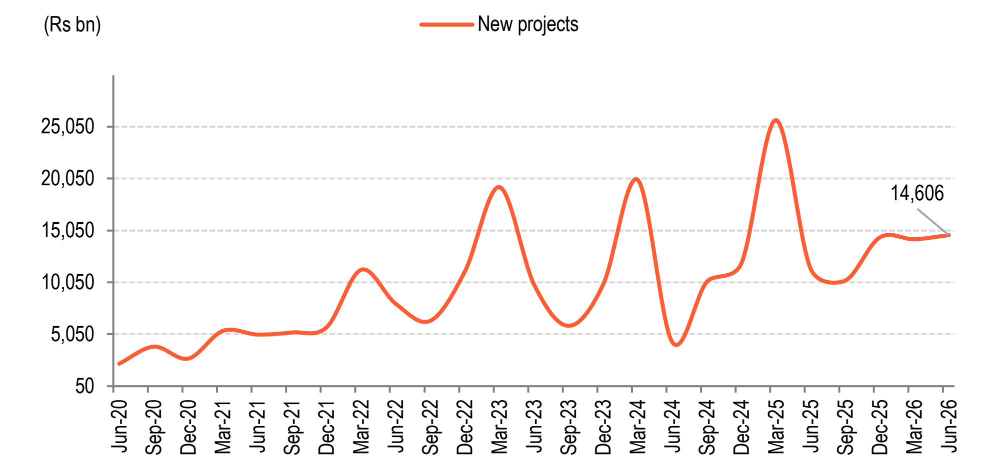


Fig 50 – Credit to infra picked up by 11.6% in May'26 compared to 10.1% in Apr'26



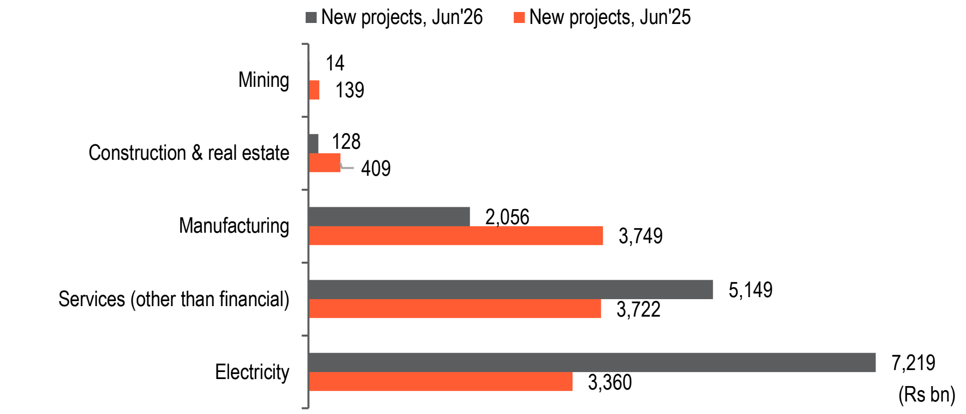
Capex data

Fig 51 – New project announcements rose to Rs 14.6tn in Jun'26 compared to Rs 11.4tn in the same period of previous year



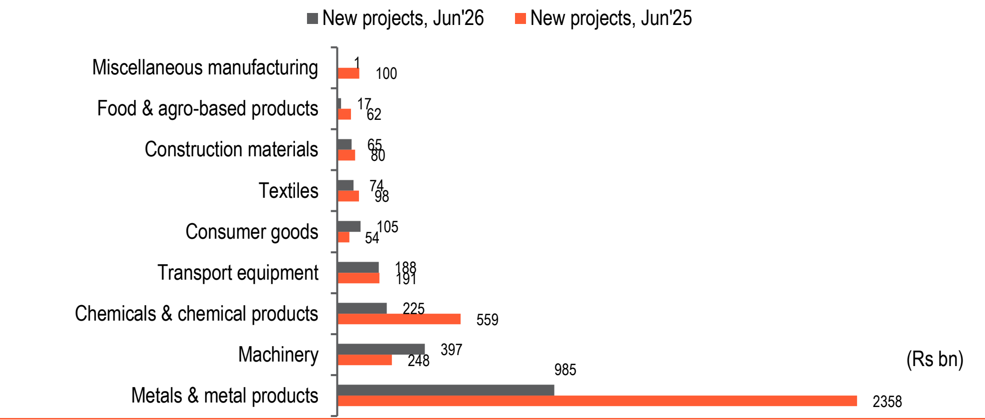
Source: CMIE

Fig 52 – Driven by electricity and services sector



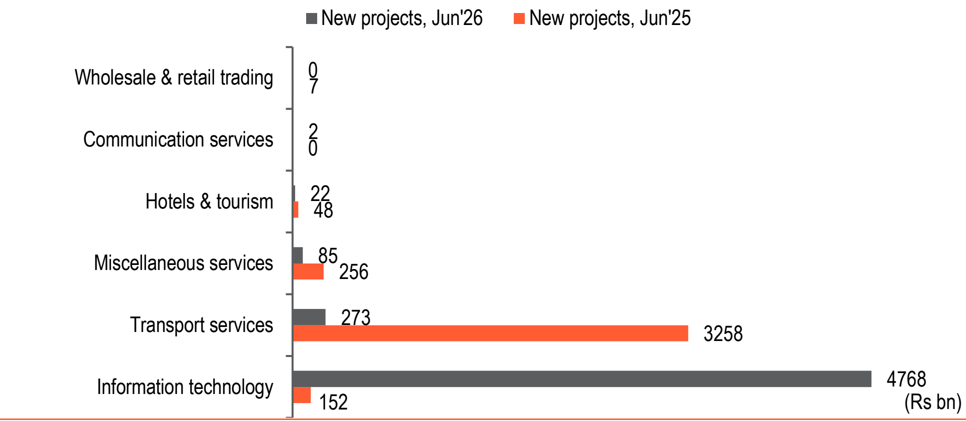
Source: CMIE

Fig 53 – …within manufacturing, metal products project announcements declined sharply, however machinery edged up



Source: CMIE

Fig 54 – Within services, IT registered maximum increase



Source: CMIE

Services sector

Fig 55 – GVA: Services sector growth remained steady in Q4FY26, but was much higher than last year

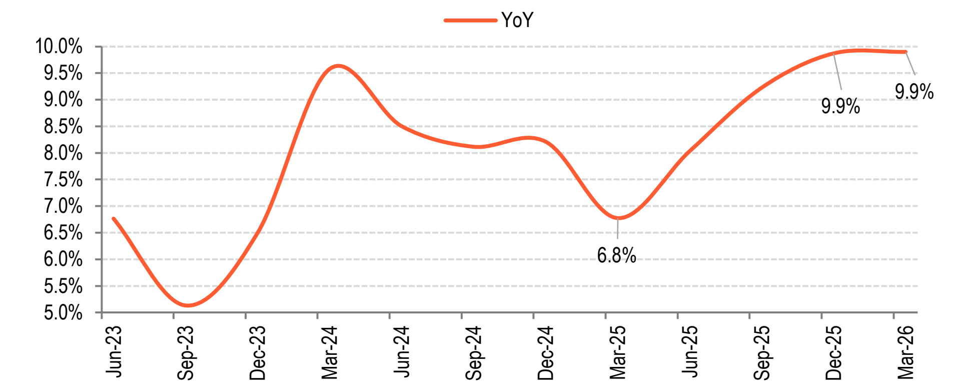
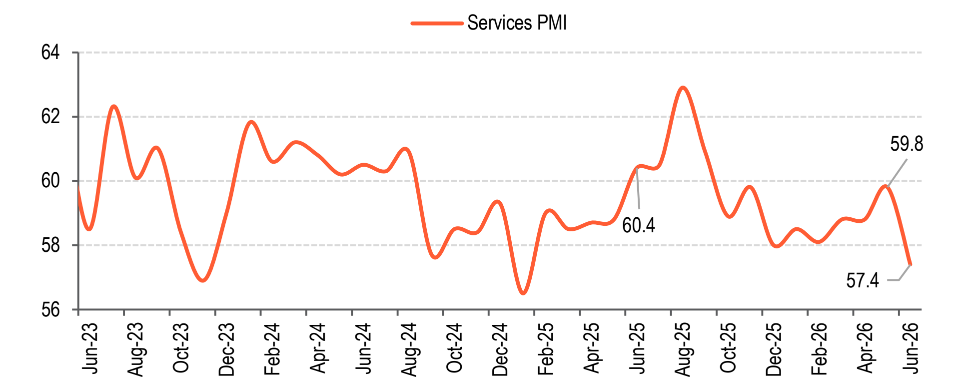


Fig 56 – Services PMI shows activity slowed in Q1FY27 due to Iran war related disruptions



Source: Markit

Fig 57 – GVA: Trade & related services registered revival in Q4FY26, helped by government spending

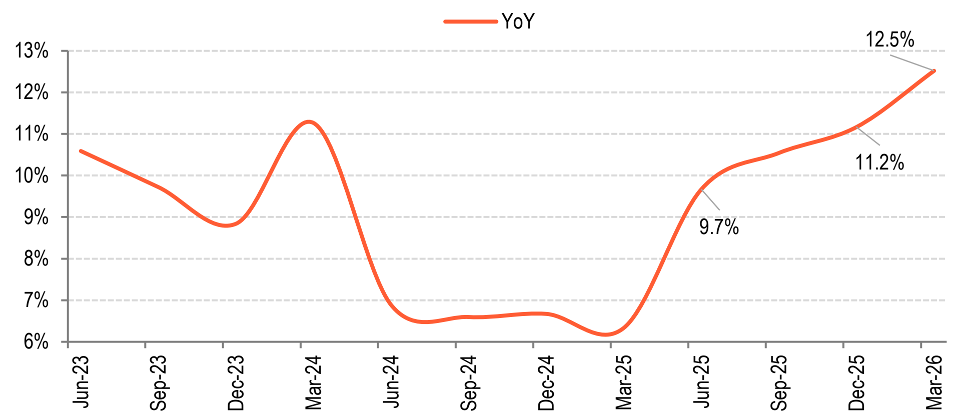
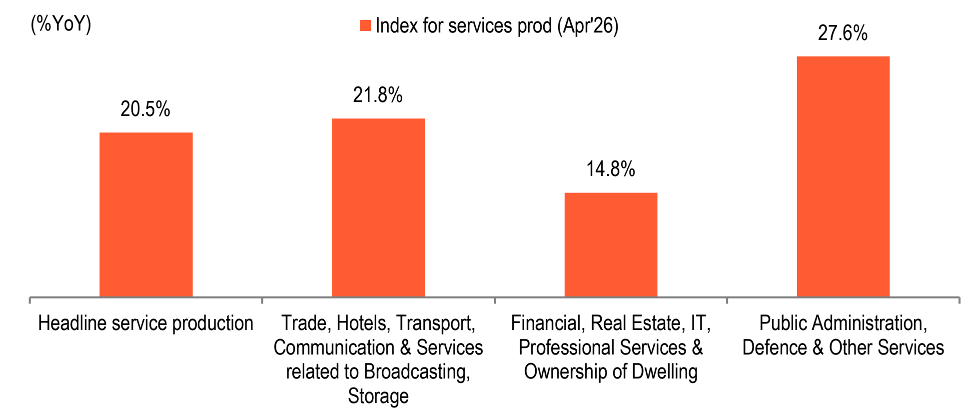
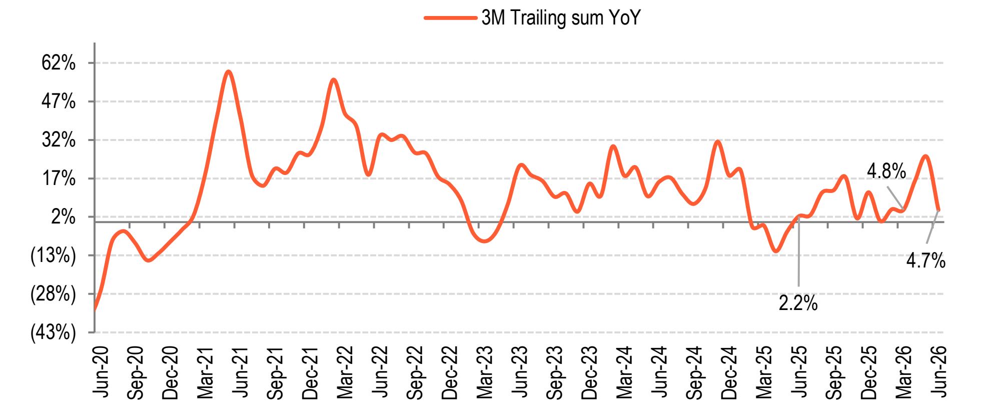


Fig 58 – ISP reveals that public spending and trade hotels component led revival in growth in Apr'26



Trade

Fig 59 – States' tax revenue growth in Q1FY27 was higher than last year, and broadly similar to Q4FY26



Note: *All states excluding North Eastern states, HP, J&K, Maharashtra, West Bengal

Fig 60 – Vehicle registration growth much higher in Q1FY27 compared with last year (Q1FY26)

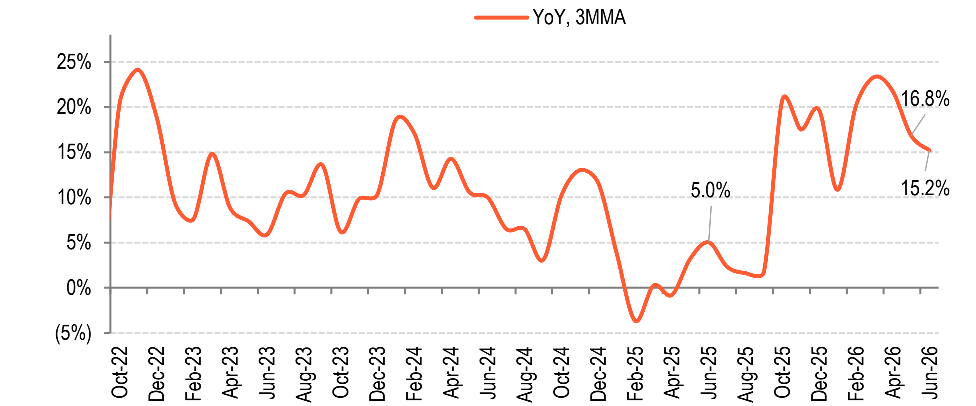


Fig 61 – Diesel consumption growth eased in Q1FY27 versus Q4FY26, but is higher than last year

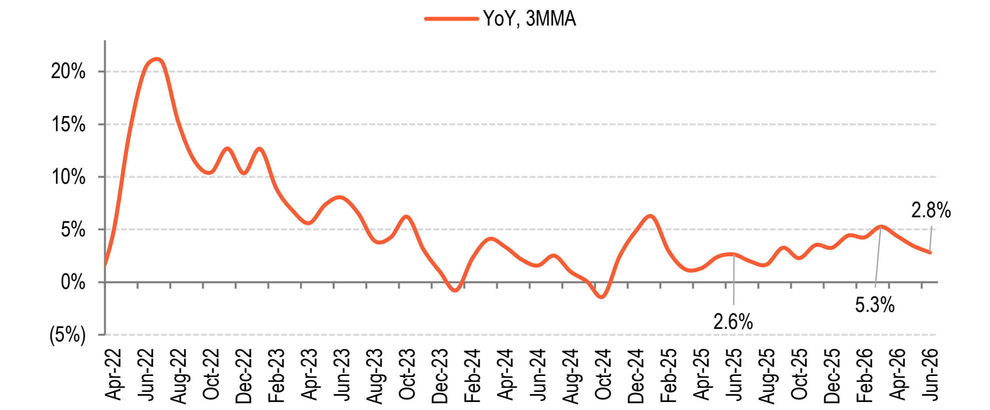


Fig 62 – Port cargo traffic in Q1 this year higher than last year

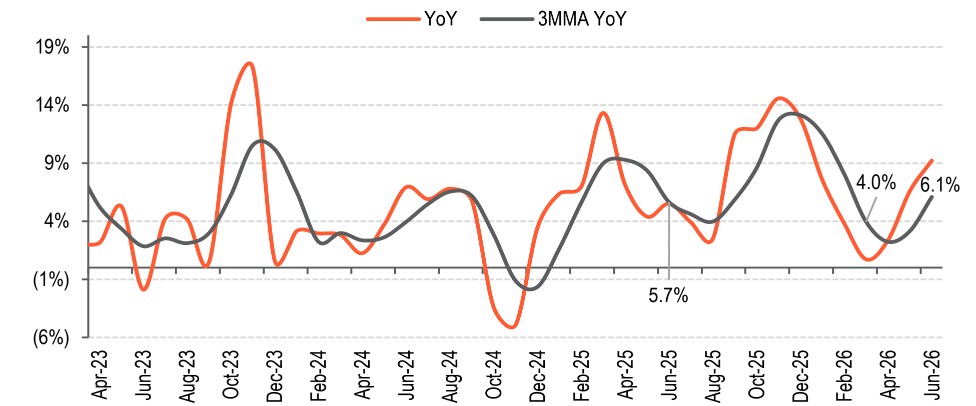


Fig 63 – Toll collection growth continues to decelerate, partly reflecting base effect

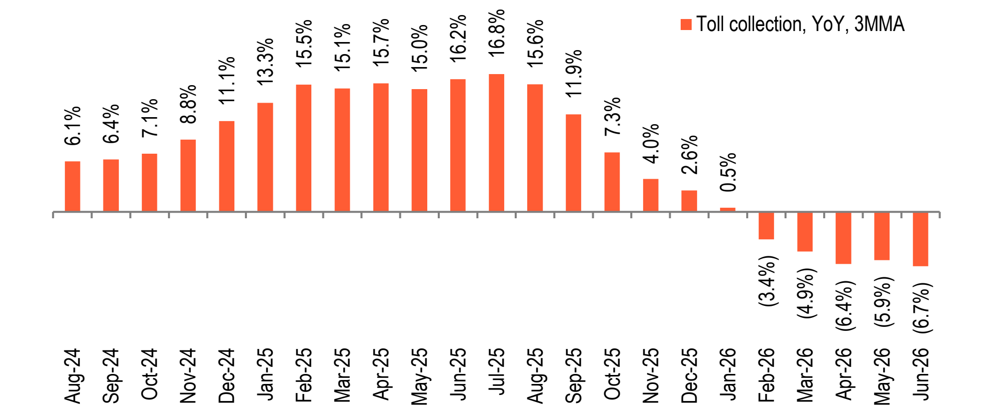
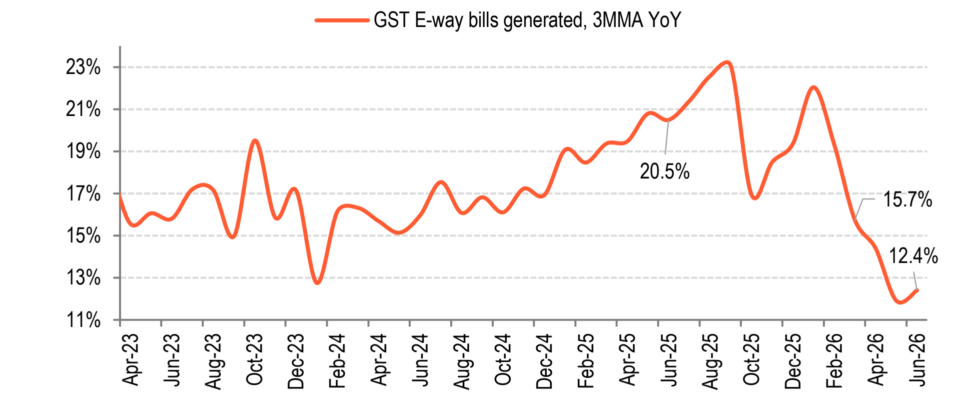


Fig 64 – E-way bill generation growth also moderated in Q1FY27 versus last year



Hotels and communications

Fig 65 – Airline passenger traffic declined in Q1FY27, even as domestic passenger was broadly stable; international passenger traffic led the decline

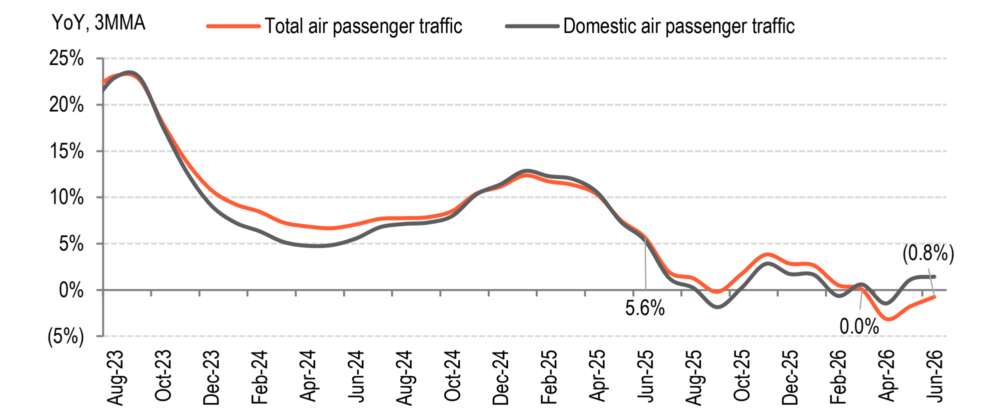
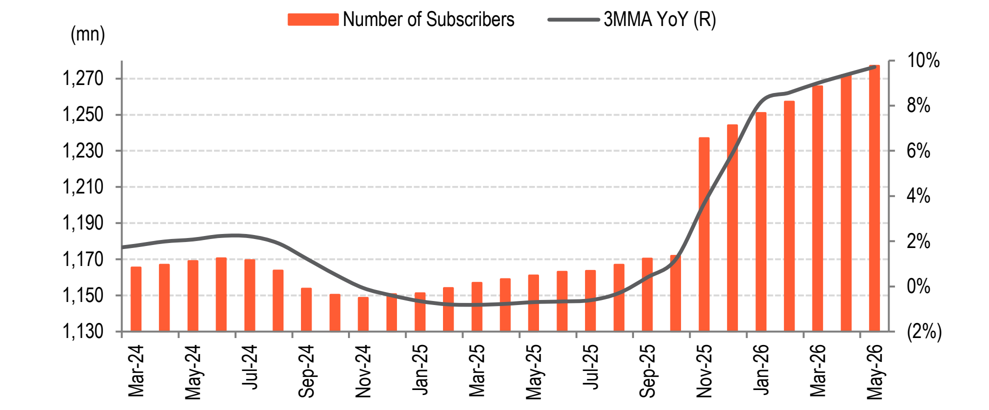


Fig 66 – Number of telecom subscribers rose by 11.3mn in Q1FY27 (Apr-May), compared with 4mn added last year during the same period



Finance and real estate

Fig 67 – Growth in GVA: Finance, real estate & prof. eased a tad in Q4FY27 versus Q3; but was higher than last year

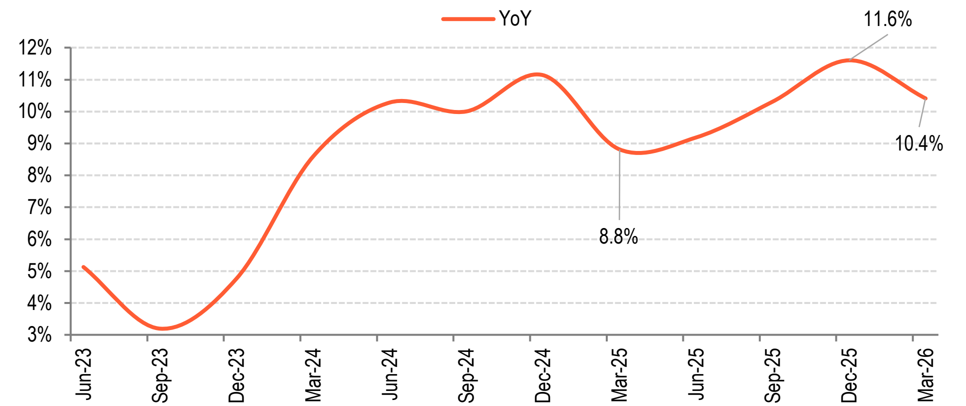


Fig 68 – Credit growth inching up, outpacing deposit growth in Q1FY27; both credit and deposit growth higher than last year

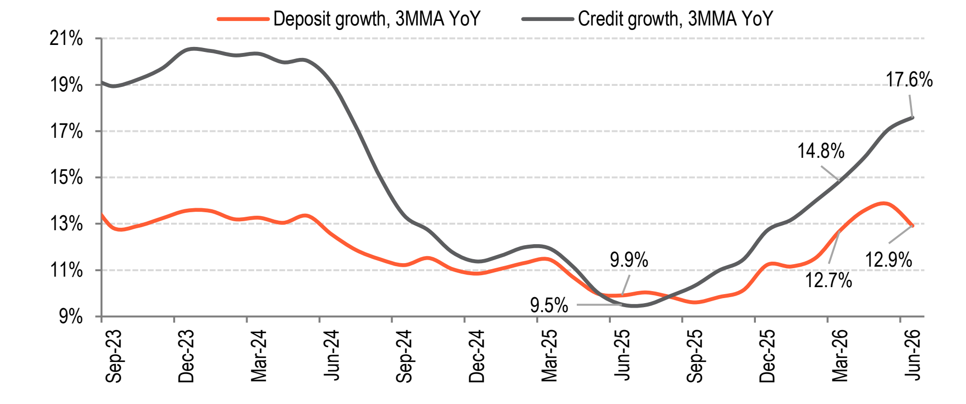


Fig 69 – Credit to both industry and services maintaining upward momentum in Q1FY27 (Apr-May)

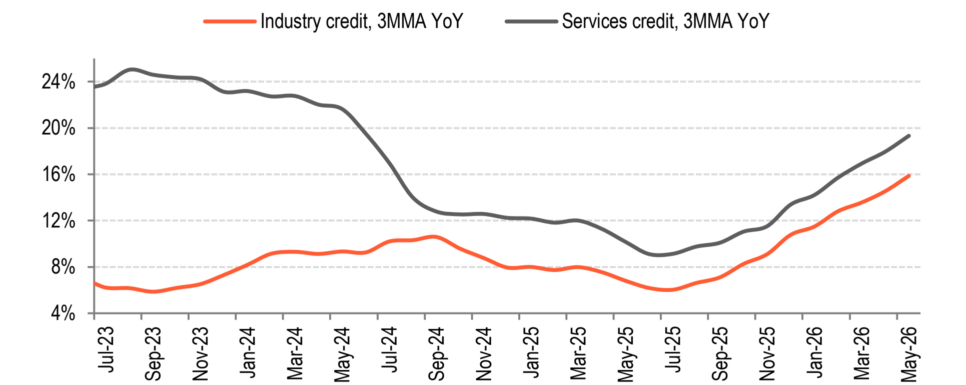


Fig 70 – Within services, credit to NBFCs leading the growth

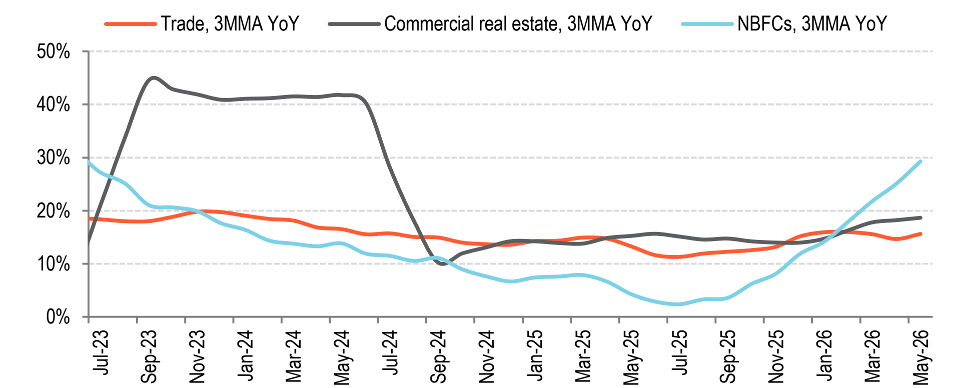
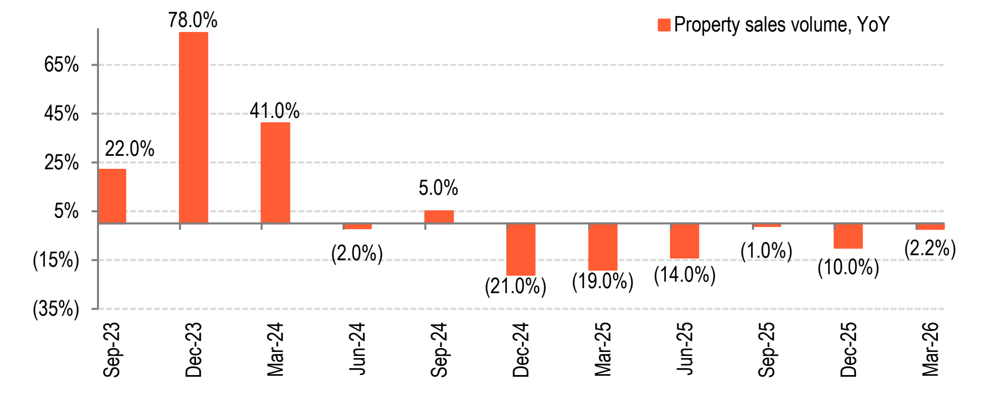
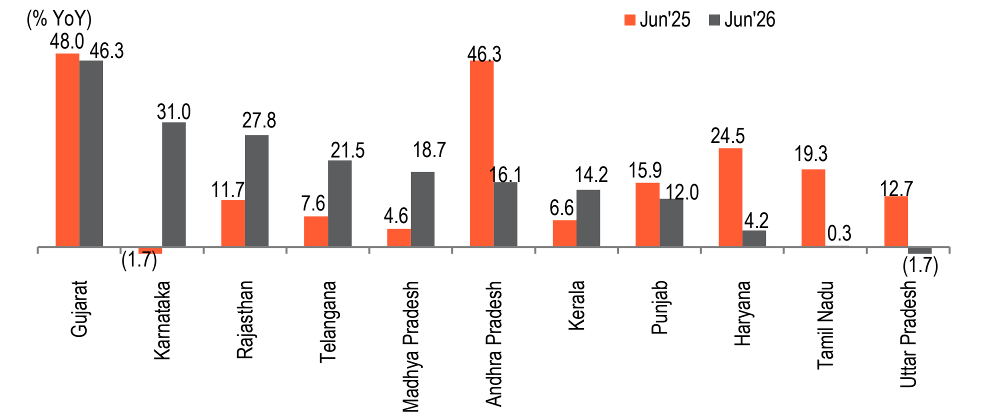


Fig 71 – Property sales volume declined in Q4FY26



Source: Proptiger

Fig 72 – Stamp duties of Gujarat, Karnataka, Rajasthan and Telangana, record strong collections till Q1FY27 (FYTD basis) versus last year



Public administration

Fig 73 – GVA: Public admin & defence services supported headline growth in Q4

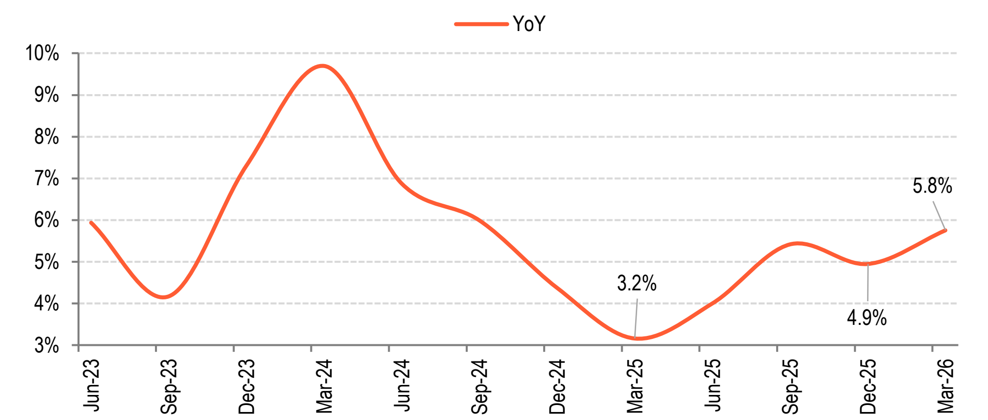


Fig 74 – General govt. spending in Q1FY27 is noting some slowdown

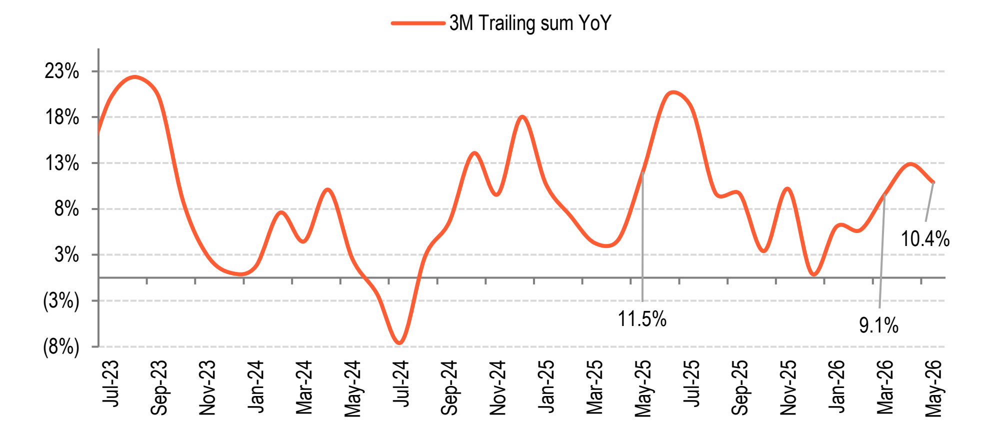


Fig 75 – …even as central government spending is maintaining momentum

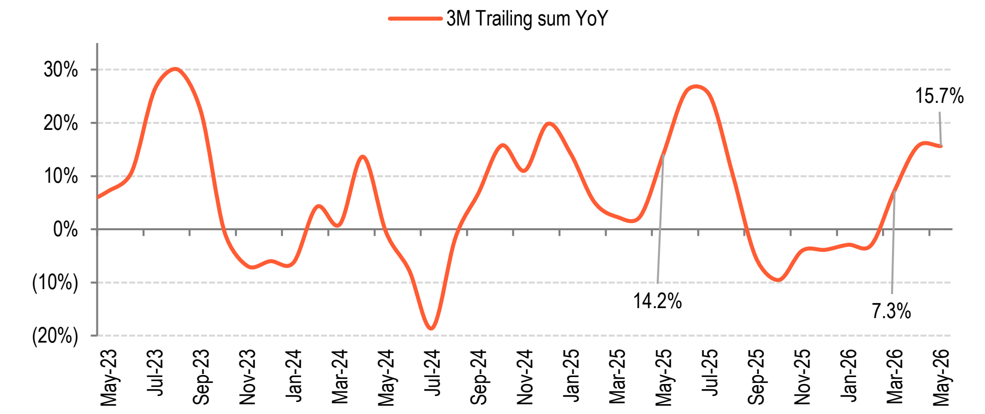
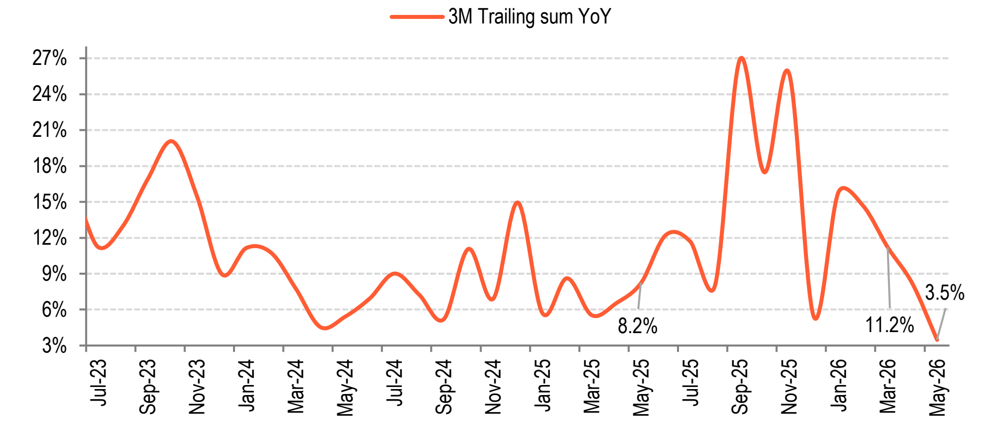


Fig 76 – State* Govt. spending acting as a drag



Note: *All states excluding North Eastern states, HP, J&K, Maharashtra, West Bengal

Financial sector

Money and banking

Fig 77 – Credit growth is happening at a rapid pace compared to deposit growth

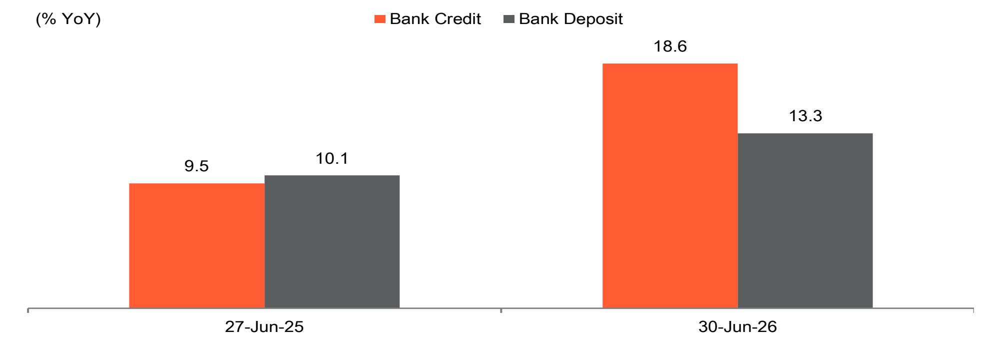
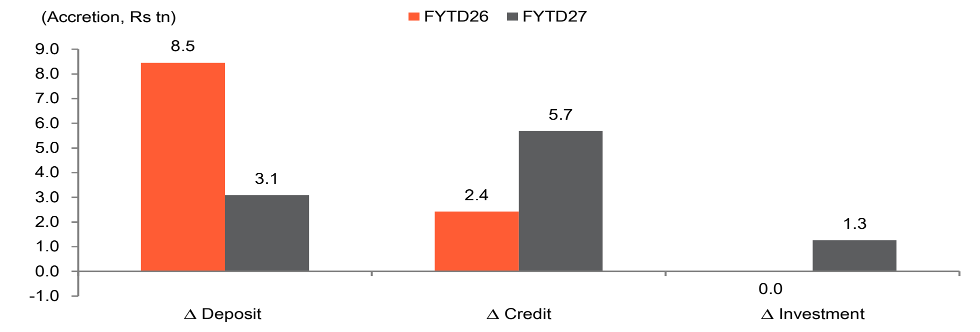


Fig 78 – In FYTD27 as well, credit accretion is happening at a faster pace



FYTD27: Till 30 Jun'26

Fig 79 – Credit to govt moderated to 4.9% in May'26 from 8.5% in May'25, credit to commercial sector picked up to 16.9% from 9.3%

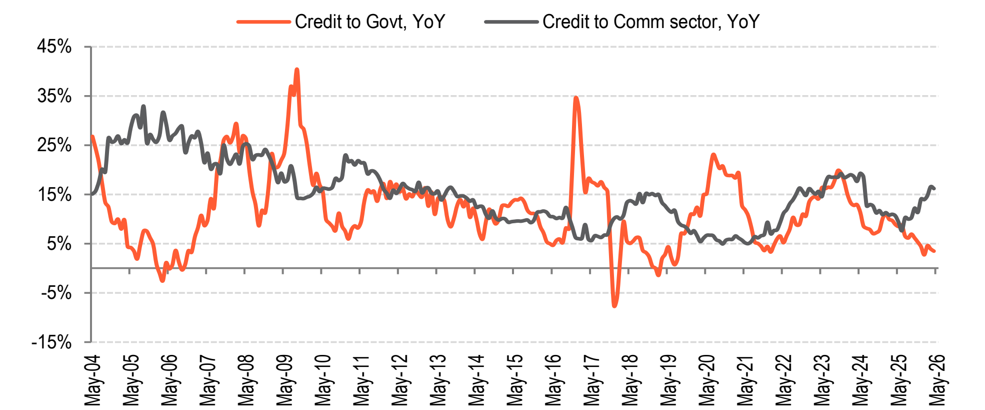


Fig 80 – WALR and repo is well aligned

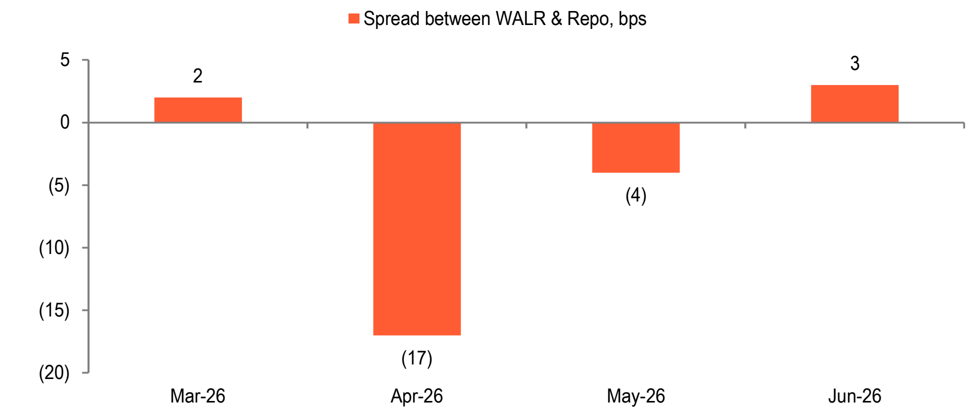


Fig 81 – WALR on fresh loans rose to 7.93% in May'26 compared to 7.87% in Apr'26, WADTDR rose to 6.33% from 6.18%

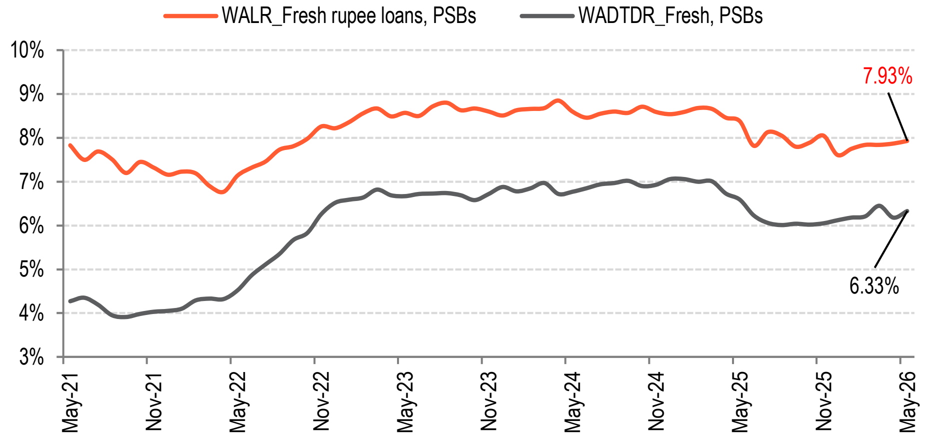


Fig 82 – WALR_Fresh loans of personal loans have risen the most

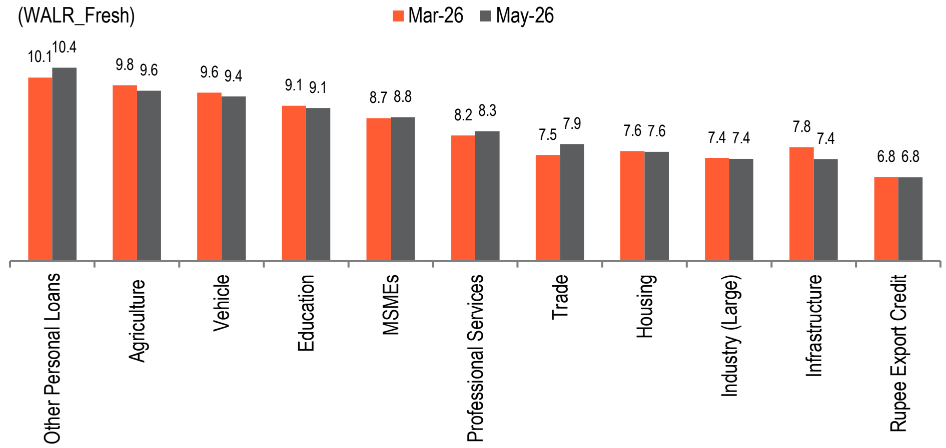
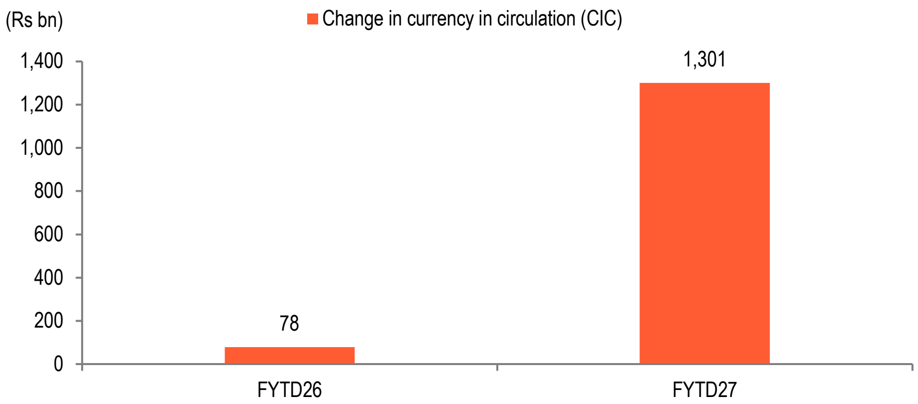
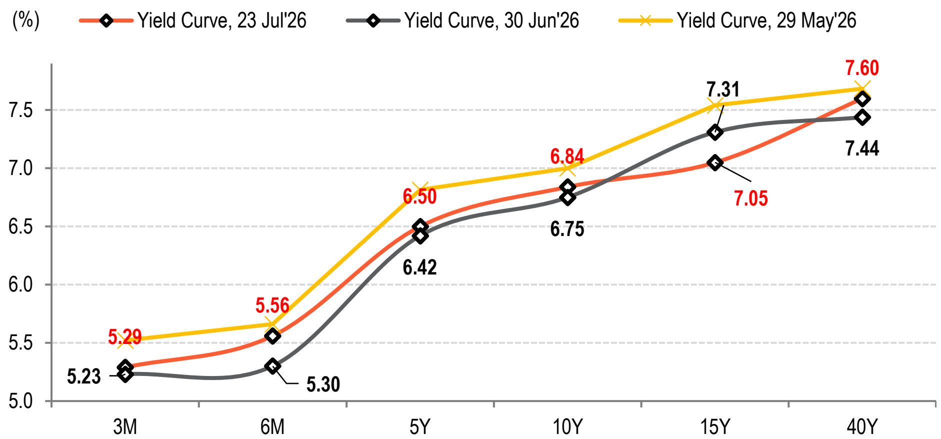


Fig 83 – CIC accretion happening at a faster pace



Note: FYTD27: Till 15 Jul 2026

Fig 84 – India's yield curve is showing moderate correction in steepness (due to rise in short end part) with spread between 40Y and 3m paper at 155bps as on 23 Jul



Source: Bloomberg

Fig 85 – Corporate debt issuances picked up to Rs 506bn in May'26 compared to Rs 340bn in Apr'26

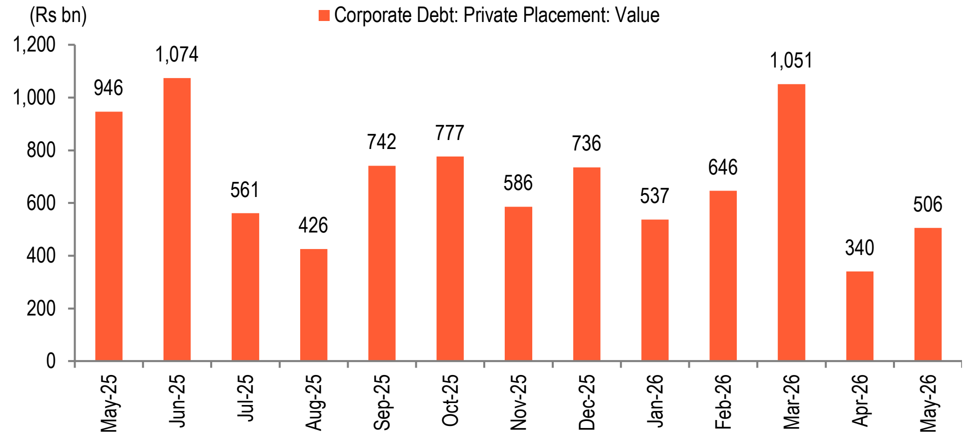
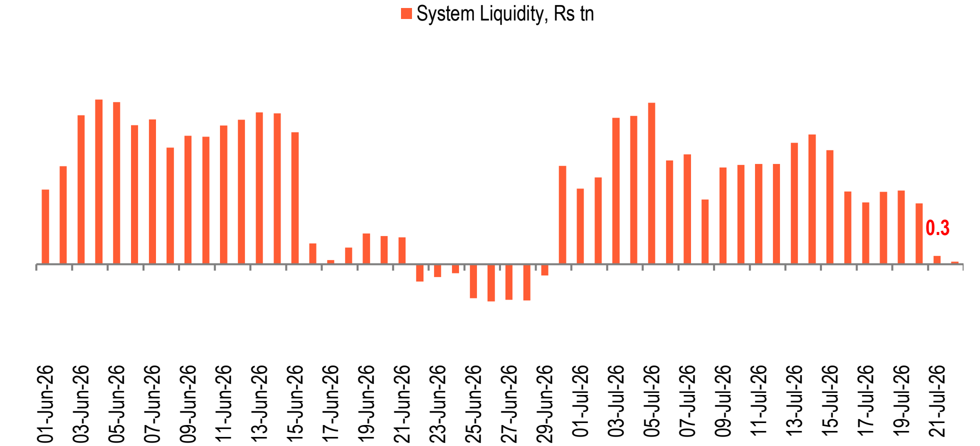


Fig 86 – Avg. system liquidity surplus was lower at Rs 0.8tn in Jun'26 and the Jul-26 average (23-days) is slightly higher at Rs 1tn



Source: RBI

Fig 87 – MCLR rate of banks rose marginally in Jun'26

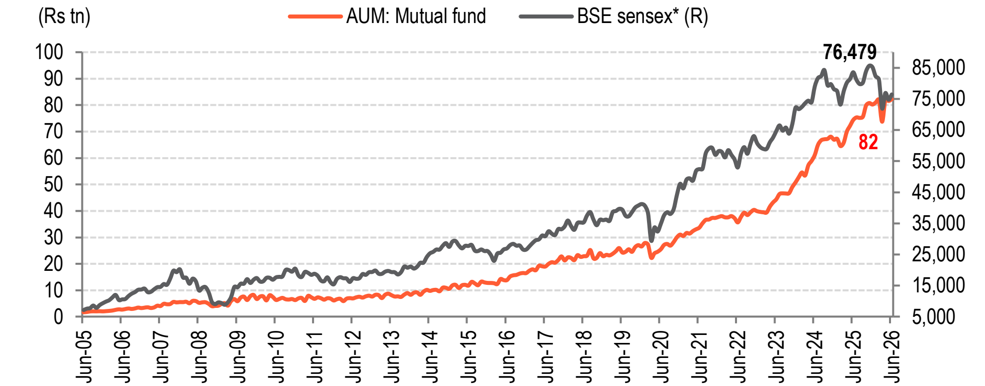
1Y MCLR (%)	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Public Sector Banks													
Bank of Baroda	8.9	8.9	8.8	8.8	8.75	8.75	8.75	8.75	8.7	8.7	8.7	8.7	8.75
Bank of India	9.05	9	8.9	8.85	8.85	8.85	8.85	8.75	8.75	8.75	8.75	8.75	8.75
Canara Bank	8.8	8.75	8.75	8.75	8.75	8.7	8.7	8.7	8.7	8.7	8.7	8.75	8.75
Indian Bank	9.05	9	9	8.85	8.85	8.85	8.8	8.75	8.75	8.75	8.75	8.75	8.75
Punjab National Bank	8.95	8.9	8.85	8.8	8.8	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75
State Bank of India	9	8.8	8.75	8.75	8.75	8.75	8.7	8.7	8.7	8.7	8.7	8.7	8.7
Union Bank of India	8.9	8.75	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.7	8.7	8.75

1Y MCLR (%)	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Private Sector Banks													
Axis Bank Ltd.	8.9	8.9	8.75	8.75	8.7	8.75	8.7	8.7	8.8	8.8	8.8	8.7	8.75
HDFC Bank Ltd.	9.05	8.75	8.7	8.65	8.55	8.5	8.45	8.4	8.4	8.35	8.35	8.35	8.4
ICICI Bank Ltd.	8.5	8.4	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.4	8.4	8.4
Indusind Bank	10.3	10.2	10.15	10.15	10.1	10.05	10.05	10	10	10.05	10	10	10.1
Kotak Mahindra Bank	8.9	8.75	8.6	8.55	8.45	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4

Source: RBI, Note: Bank whose MCLR changed in Jun'26 has been marked red

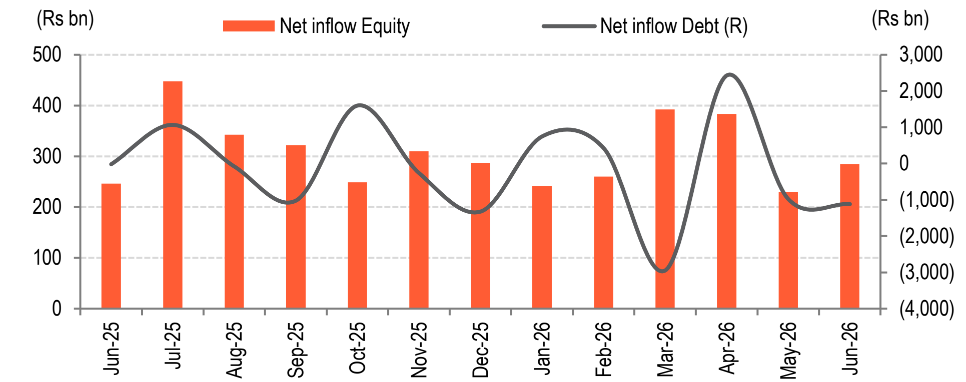
Mutual fund (MF) indicators

Fig 88 – Sensex fell by -2.9% in Jul'25, AUM of MFs inched up to Rs 75tn in Jul'25 from 74tn in Jun'25



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

Fig 89 – MF equity inflows rose to Rs 285bn in Jun'26 compared to Rs 230bn in May'26; debt outflow rose to Rs 1.1tn from Rs 981bn outflow



Insurance sector indicators

Fig 90 – Sale of life insurance policies rose by 7.3% in Jun'26 compared to (-) 0.1% decline in May'26, led by a favourable base

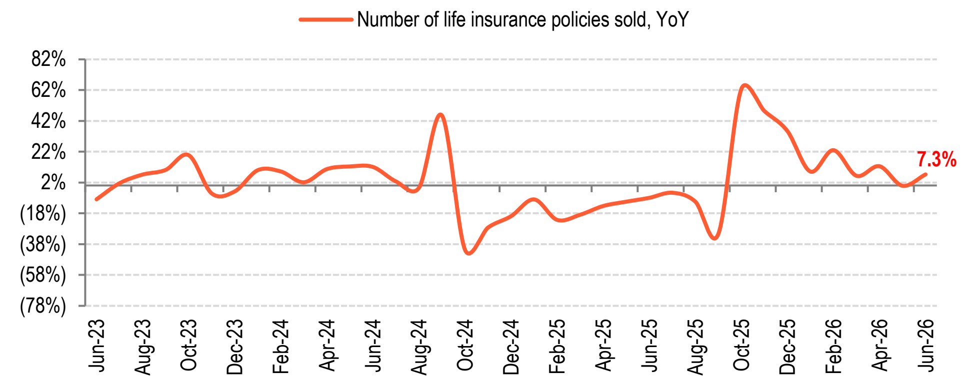
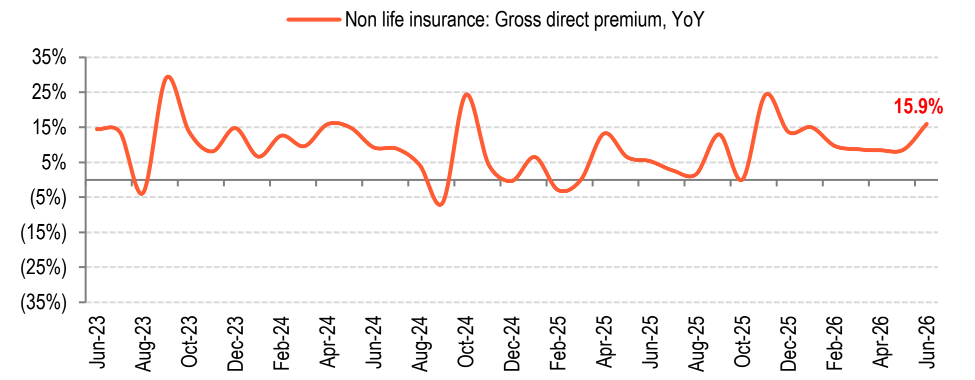


Fig 91 – Gross direct premium for non-life insurance inched up to 15.9% in Jun'26 compared to 8.6% in May'26



Public finance

Central government finances

Fig 92 – Fiscal deficit inched down in May'25 (12MMA basis)

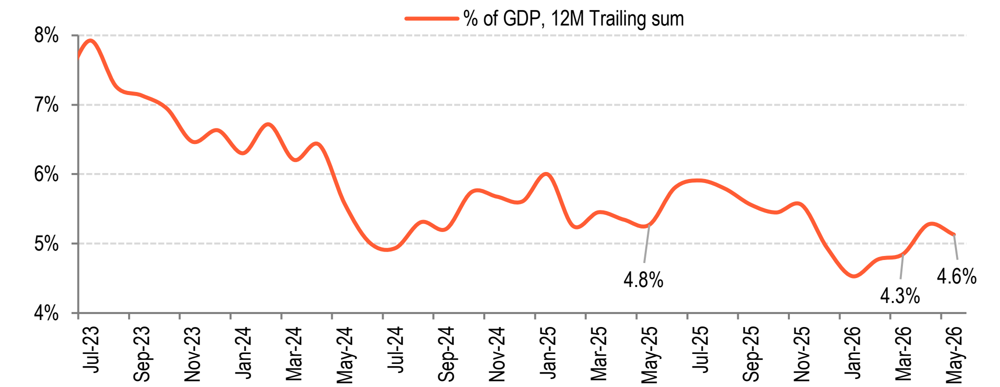


Fig 93 – Revenue deficit is higher than last year (May'25)

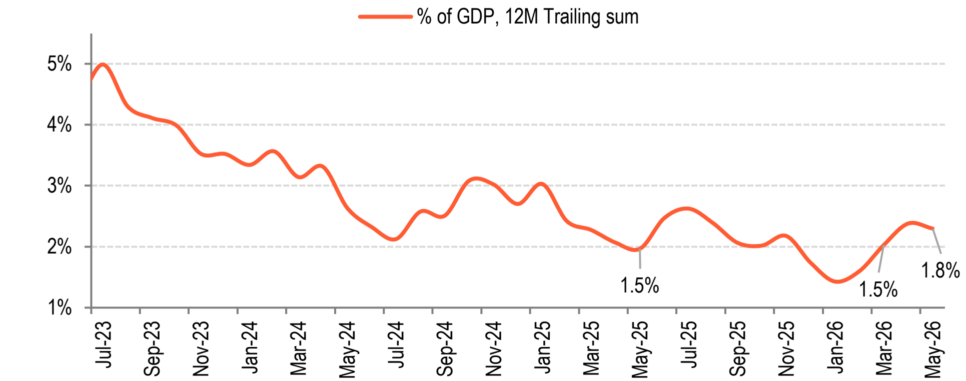


Fig 94 – Primary deficit is lower at 1.1% as of May'26

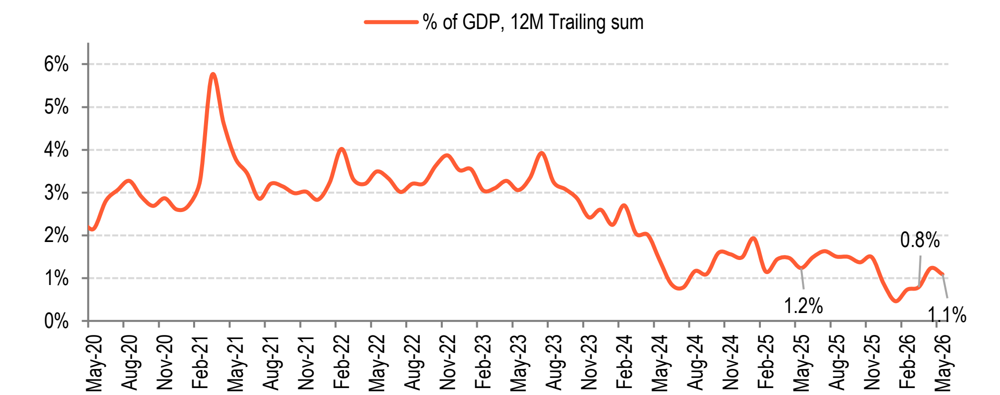


Fig 95 – Government spending growth moderated in May'26 (12MMA basis)…

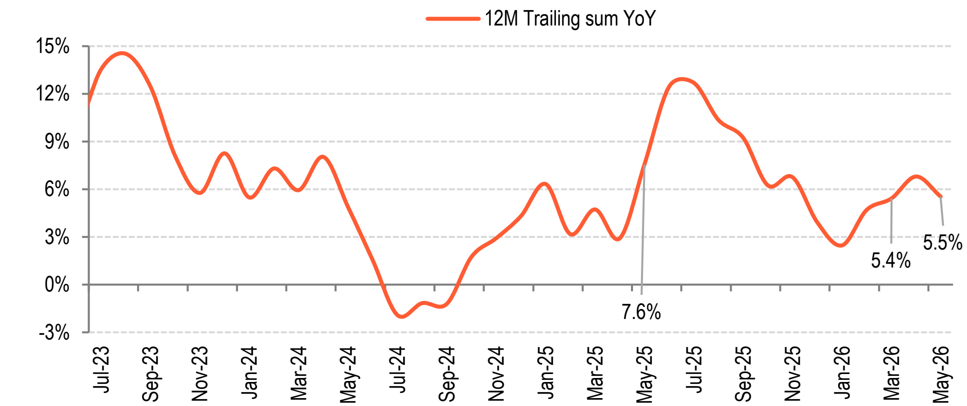


Fig 96 – …Led by decline in capital spending

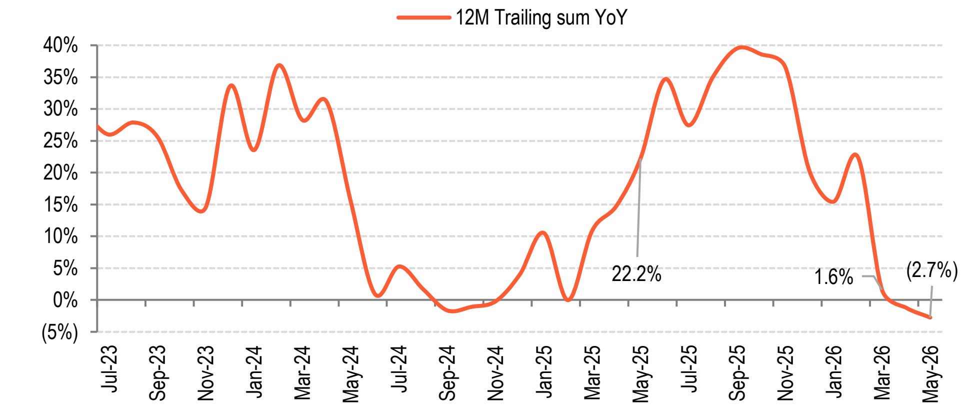


Fig 97 – Revenue expenditure growth remains positive, but showing signs of easing

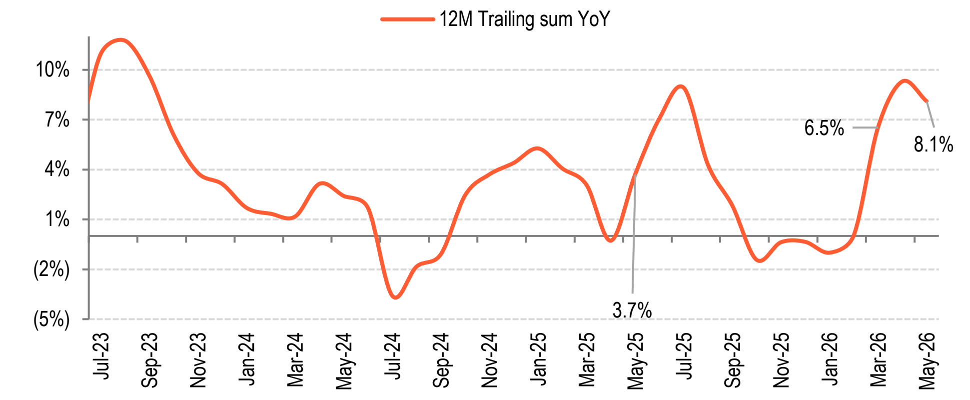


Fig 98 – Pickup in spending led by ministries of Finance, Defence, Road Transport, and Chemicals and Fertilizers

Ministry	Apr-May'24	Apr-May'25	% change	Apr-May'26	% change
Ministry of Finance	1,688	1,865	10.5	2,305	23.6
Ministry of Defence	998	1,279	28.1	1,638	28.1
Ministry of Consumer Affairs, Food and Public Distribution	512	797	55.8	913	14.5
Ministry of Rural Development	302	205	(32.0)	173	(15.5)
Ministry of Home Affairs	427	506	18.3	545	7.8
Ministry of Education	121	118	(3.0)	124	5.4
Ministry of Road Transport and Highways	594	634	6.8	641	1.1
Ministry of Chemicals and Fertilisers	160	230	43.4	350	52.2
Ministry of Petroleum and Natural Gas	2	1	(68.1)	53	-
Ministry of Agriculture	68	89	30.0	90	1.4
Ministry of Health and Family Welfare	166	143	(14.1)	138	(3.6)

Fig 99 – Receipt growth softened in May'26…

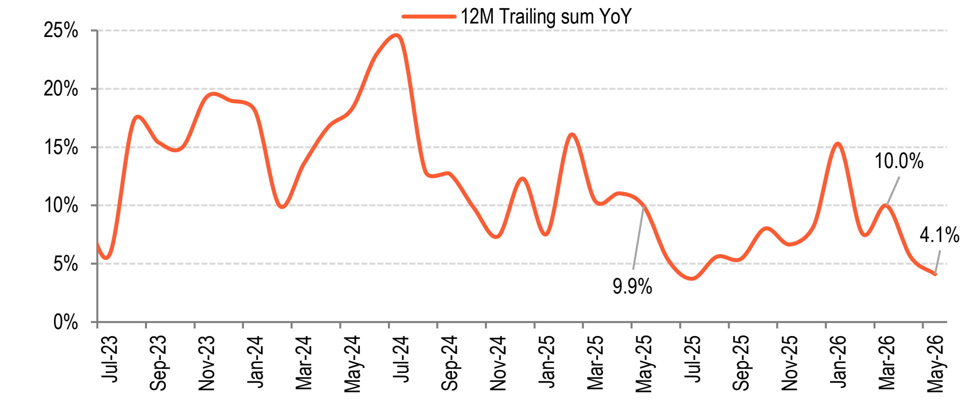


Fig 100 – …mimicking trend in revenue receipts

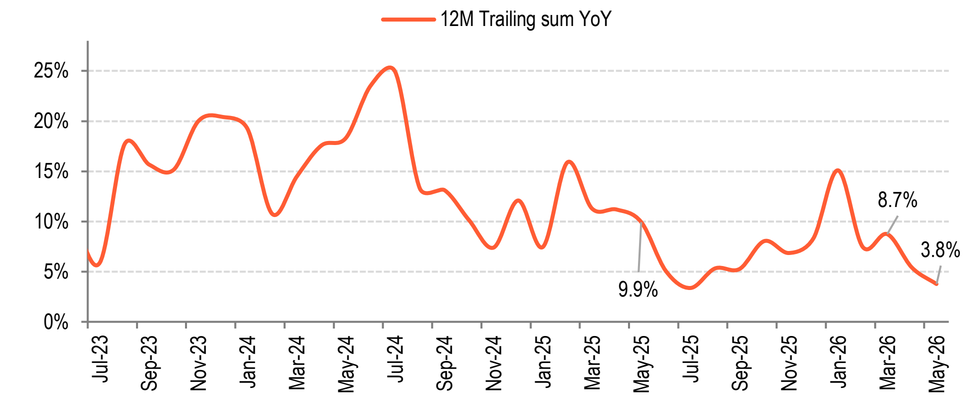


Fig 101 – Non-tax collections continue to ease

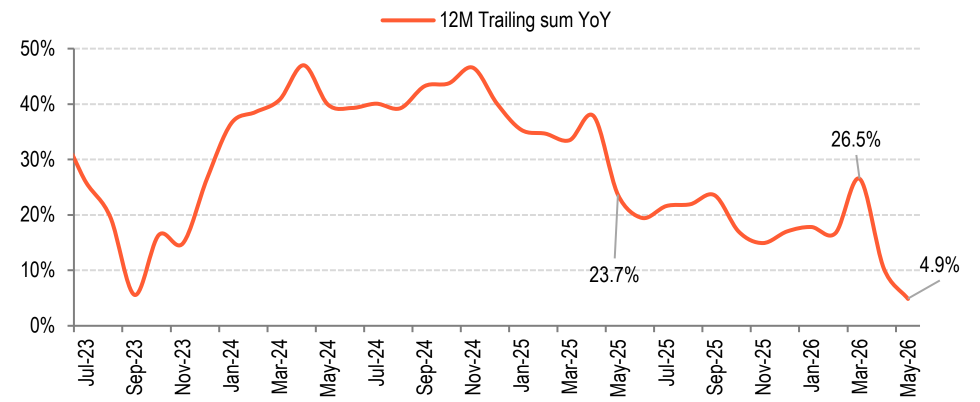


Fig 102 – Net tax revenue receipt growth also softened in May'26

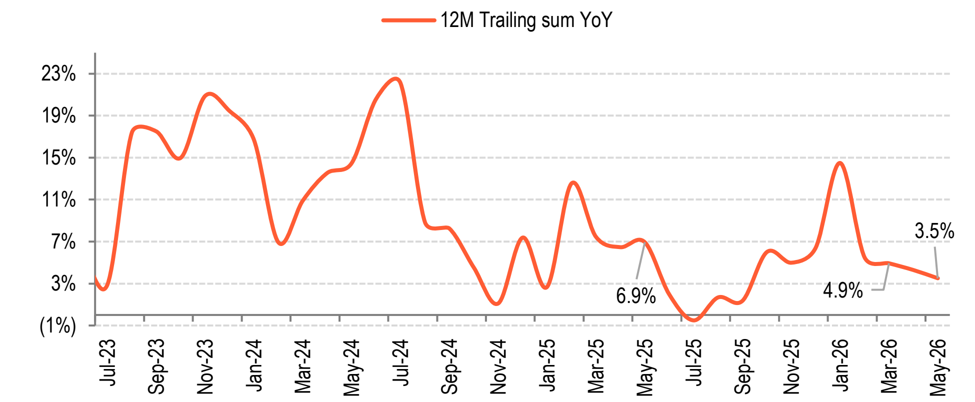


Fig 103 – Centre's net tax weakened in FYTD27 so far; expenditure growth maintaining momentum

	Apr-May'24	Apr-May'25	% change	Apr-May'26	% change
Gross Tax revenue	4,524	5,071	12.1	5,131	1.2
Direct taxes	2,256	2,368	5.0	2,616	10.5
Corp Tax	453	450	(0.8)	567	26.1
Income Tax	1,803	1,918	6.4	2,049	6.8
Indirect taxes	2,268	2,704	19.2	2,515	(7.0)
Non-tax revenue	2,517	3,569	41.8	3,509	(1.7)
Centre's revenue (net)	5,708	7,077	24.0	6,990	(1.2)
Total expenditure	6,235	7,461	19.7	8,810	18.1
Capital exp	1,436	2,214	54.1	2,510	13.4
Revenue exp	4,798	5,248	9.4	6,300	20.1
Fiscal deficit	506	132	-	1,624	-

Fig 104 – Gross direct tax collections broadly steady as of May'26

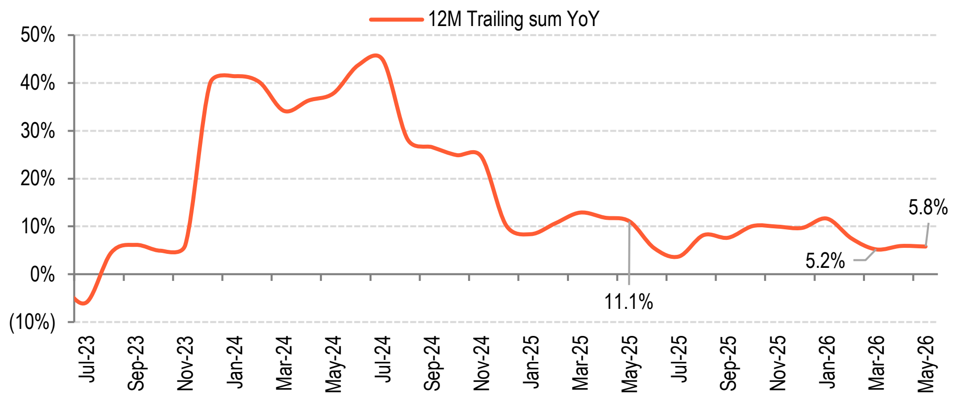


Fig 105 – Gross indirect tax collection growth under pressure

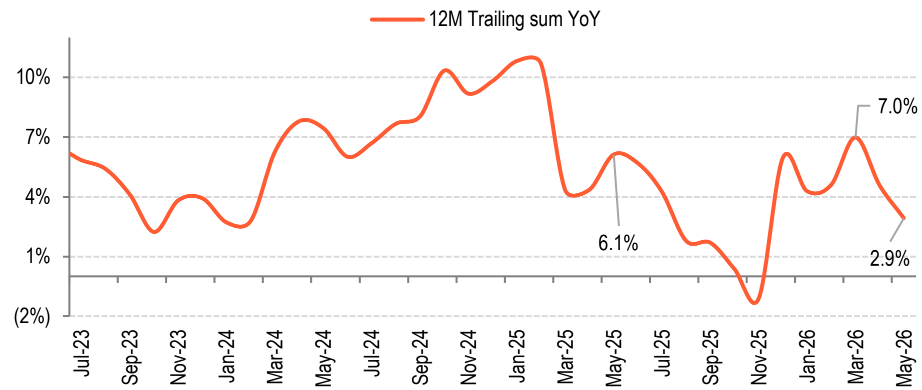


Fig 106 – Amongst direct taxes, corporate tax collections holding ground

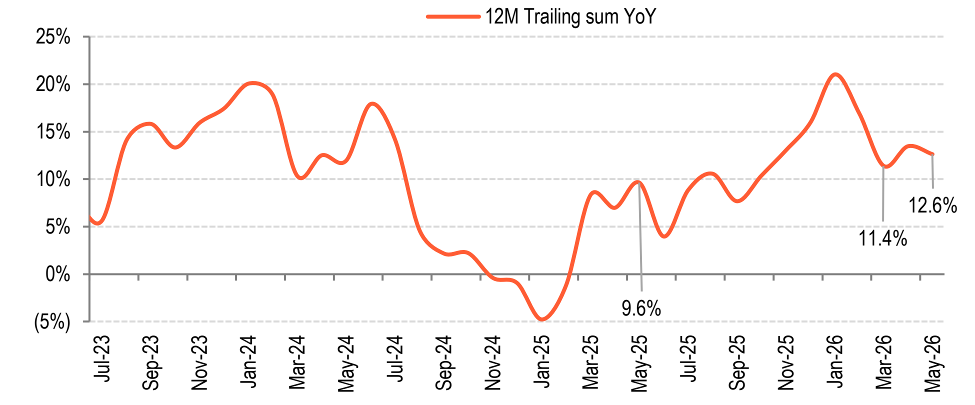


Fig 107 – Income tax collections yet to pick up momentum

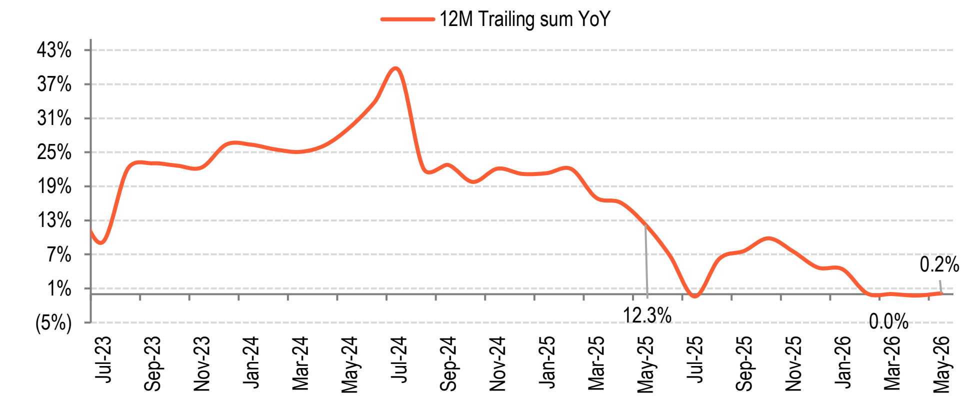


Fig 108 – GST collections record moderation in May'26; overall FYTD27 growth better than last year

(Rs bn)	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Monthly run rate (FYTD27)	FYTD27	FY27 (BE)
CGST	767	767	799	789	762	869	829	741	877	822	871	1,077	826	952	1,903	10,190
UT GST	3.7	2.9	3.4	3.7	5.3	5.2	17.0	4.6	11.3	5.8	7.4	4.4	2.0	3	6	-
IGST	23	(61)	(154)	(115)	(92)	(210)	(307)	762	(88)	(114)	20	(68)	35	(17)	(33)	-
SGST*	1,093	1,004	1,189	1,069	1,102	1,222	1,173	230	1,136	1,126	1,104	1,416	1,075	1,246	2,492	-
Cess	123	133	120	117	112	73	39	54	57	49	0	(2)	4	1	2	-
/	**2,011**	**1,846**	**1,957**	**1,863**	**1,890**	**1,959**	**1,750**	**1,791**	**1,993**	**1,888**	**2,002**	**2,428**	**1,942**	**2,185**	**4,370**	**-**

Source: PIB | *Computed from PIB and CGA data

Fig 109 – Total subsidy outgo in Q1FY27 so far, higher than last 2 years, led by both food and fertilizer subsidies

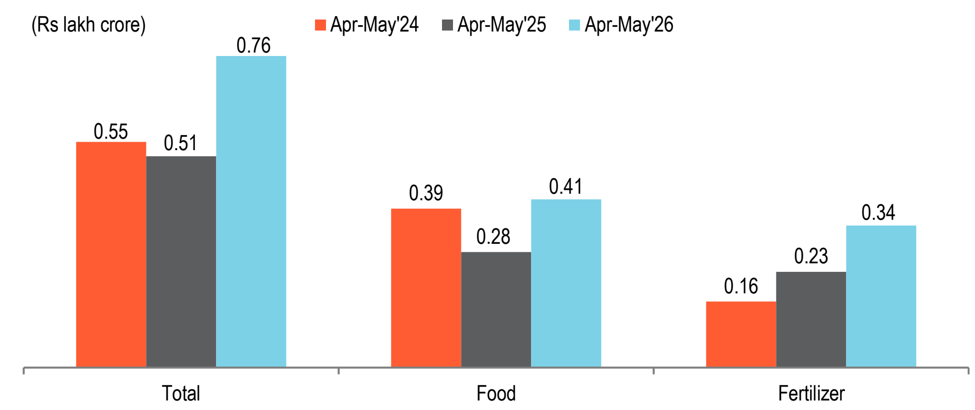
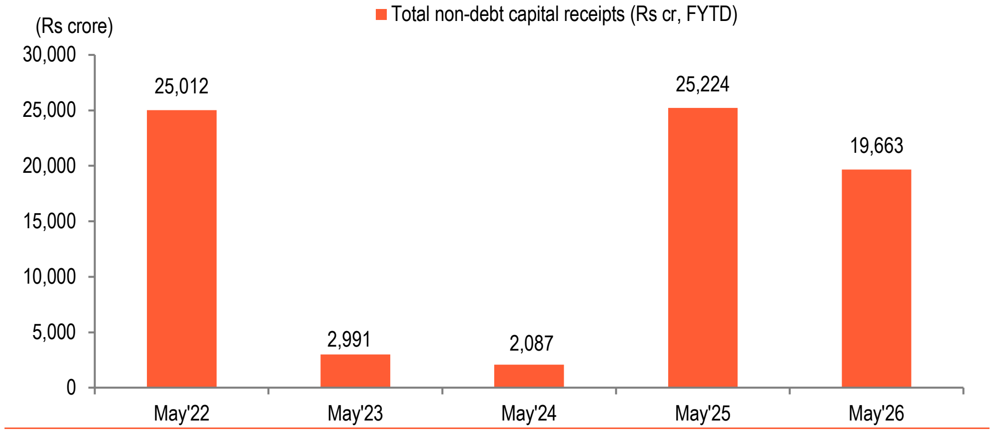


Fig 110 – Central govt's non-debt capital receipts as of May'26, slightly lower than last year



Central government borrowing

Fig 111 – Centre's borrowing through T-bill in Q1 has exceeded planned amount

Total accepted amount (T-bills), (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY27 (planned)
Q1	3,089	3,364	5,328	5,375	5,247	4,963	3,469	3,835	4,174	2,880
Q2	3,299	3,024	5,417	3,215	3,704	3,899	3,242	3,877	1,201*	3,360
Q3	3,070	2,889	3,745	3,630	3,589	3,611	3,976	4,041		
Q4	1,812	2,511	2,714	4,766	4,566	4,258	4,337	3,939		
Total	11,271	11,788	17,204	16,986	17,105	16,731	15,024	15,691		

Source: RBI, Note: *Till 22 Jul 2026

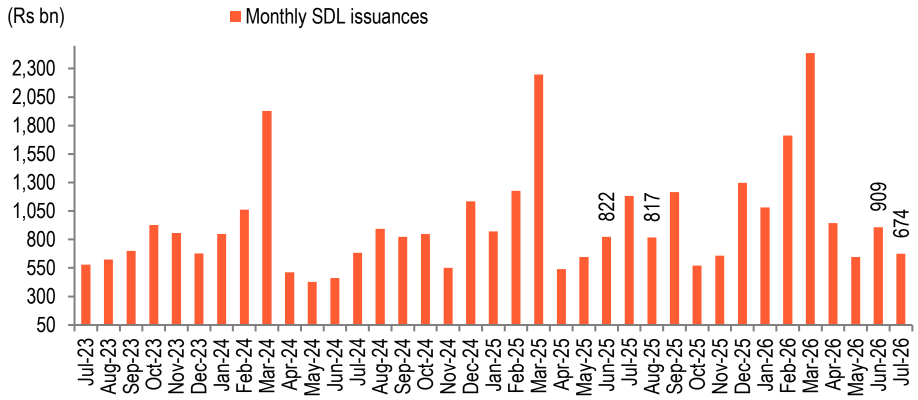
Fig 112 – Centre has raised Rs 4.1tn in Q1

Total accepted amount (G-Sec), (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26		FY27 (planned)
Q1	1,320	2,040	3,140	3,064	3,570	4,080	3,410	4,010	4,080	4,420
Q2	1,440	2,210	4,220	3,649	4,390	4,800	3,647	3,940	980*	3,780
Q3	1,270	1,930	2,910	3,190	3,510	3,850	3,840	3,550		
Q4	1680	920	3,191	1370	2,740	2,700	2,790	3,110		
Total	5,710	7,100	13,461#	11,273	14,210	15,430	13,687	14,610		

Source: RBI# Against budgeted Rs 12.8tn Note: *Till 17 Jul

State government borrowing

Fig 113 – State government borrowings were higher than last year in Jun'26; borrowings in Jul'26 also remain on the upside



Source: RBI| Note: Jul'26 data as of 21 Jul

Fig 114 – States have borrowed 55.3% of the planned amount H1 FYTD27 so far (Apr-Jul)

Quarterly SDL issuances, (Rs bn)	FY21	FY22	FY23	FY24	FY25	FY26	FYTD27 (actual)	FY27 (planned)
Q1	1,673	1,446	1,102	1,677	1,401	2,008	2,497	2,545
Q2	1,614	1,644	1,661	1,903	2,536	3,214	674*	3,188
Q3	2,023	1,653	1,879	2,460	2,532	2,526		
Q4	1,898	2,184	3,009	3,838	4,344	5,231		
Total	**7,206**	**6,927**	**7,652**	**9,879**	**10,814**	**12,979**		

Source: RBI; *as of 21 Jul 2026

External sector

Exports

Fig 115 – Merchandise exports inched up by 15.9% in Q1 FY27

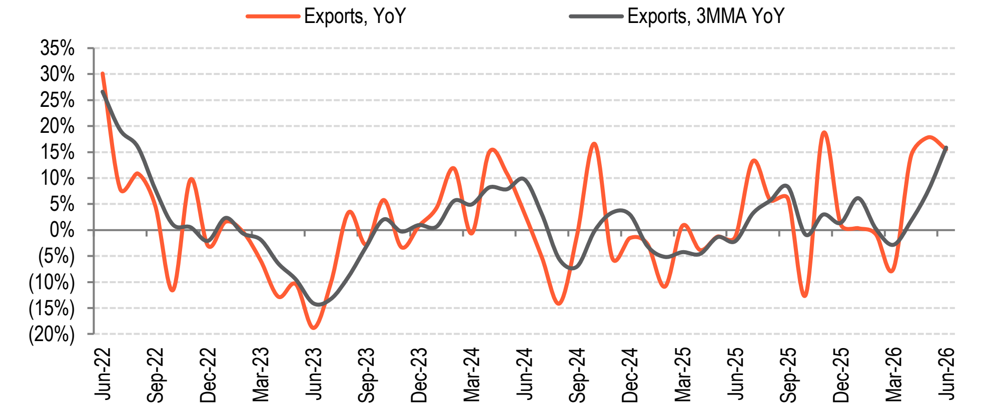
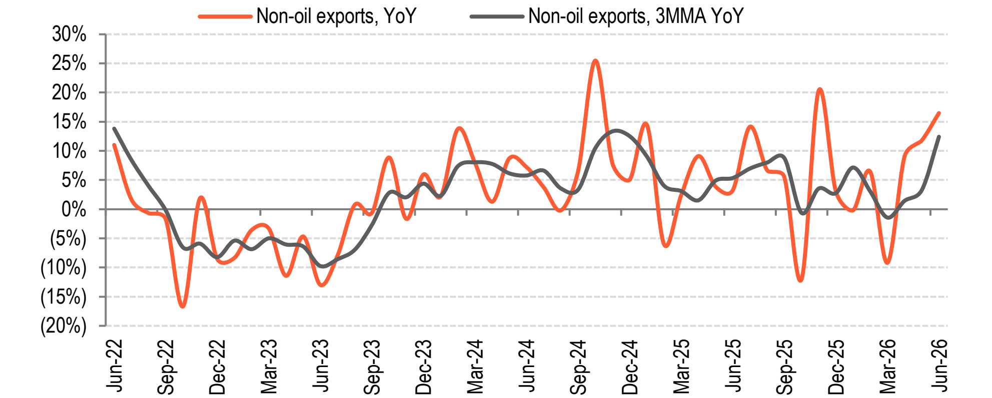


Fig 116 – Non-oil exports increasing at a brisk pace



Exports by major sectors

Fig 117 – Gems and jewellery exports from India have picked up pace this year

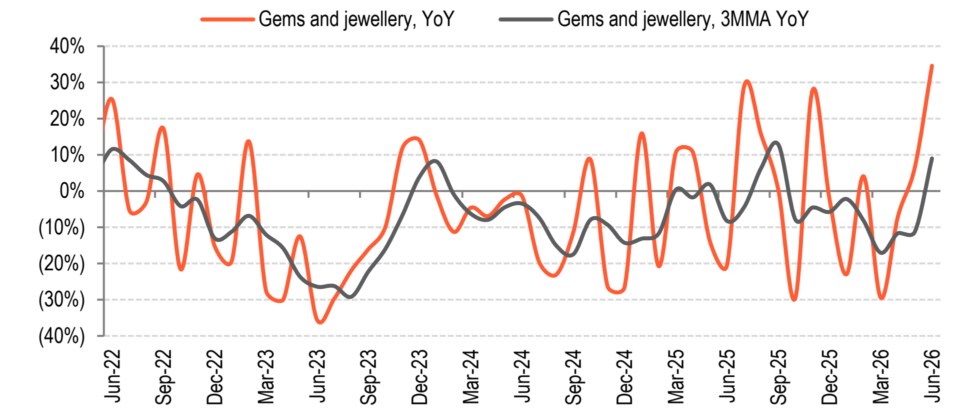


Fig 118 – Exports of chemicals also picking up pace

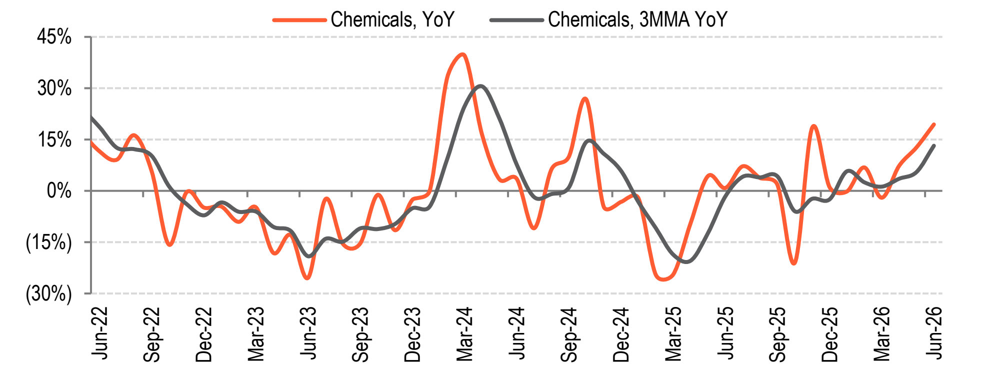


Fig 119 – Electronic exports continue to register double-digit growth

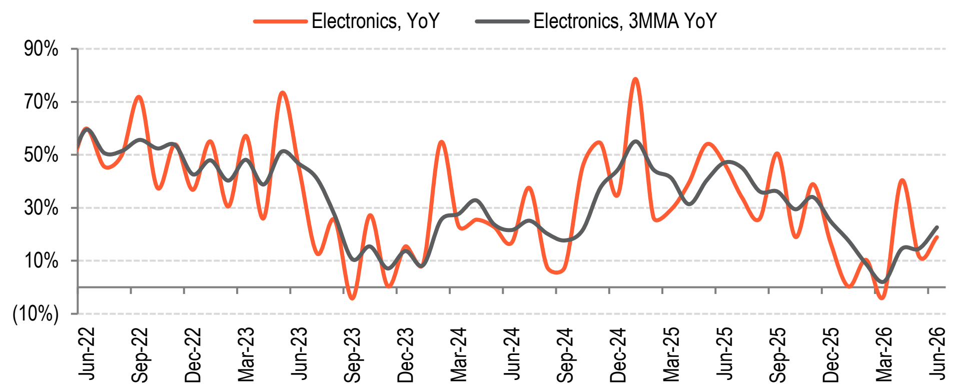


Fig 120 – Agri exports also improving

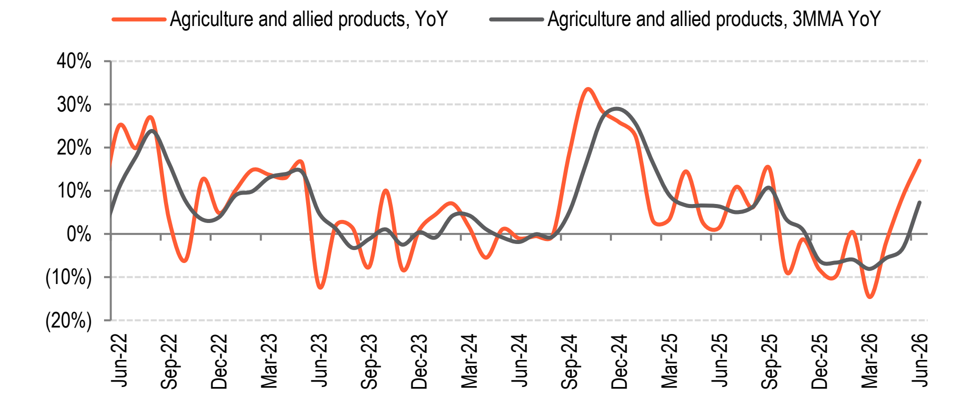


Fig 121 – Textiles exports contracting at a softer pace

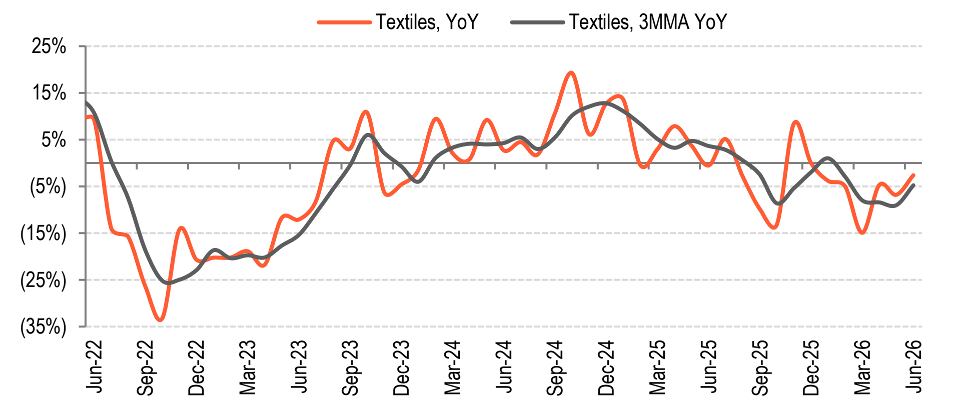
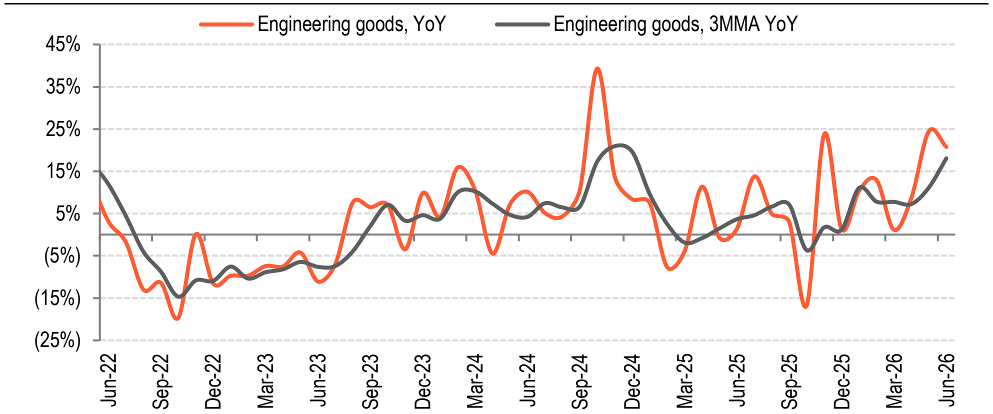


Fig 122 – Engineering exports decelerated marginally in Jun'26



Imports

Fig 123 – Import growth accelerated to 19.9% in Q1 FY27 compared with 4.7% in Q1 FY26

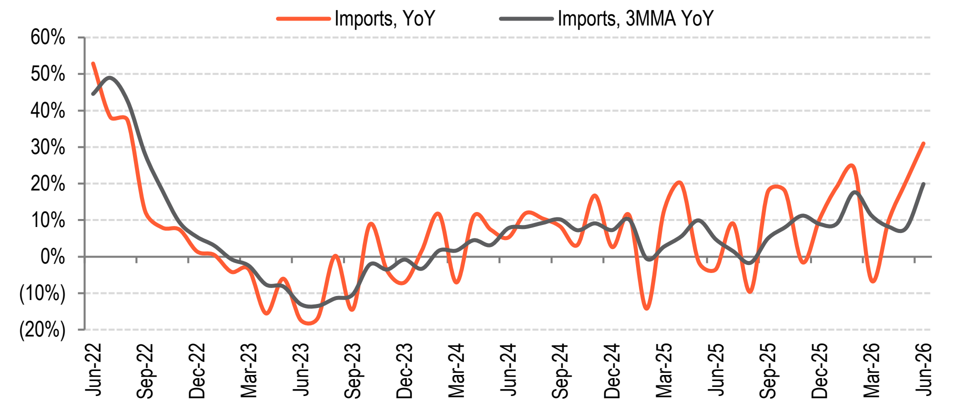


Fig 124 – Gold imports increased by over 47% in Q1 FY27

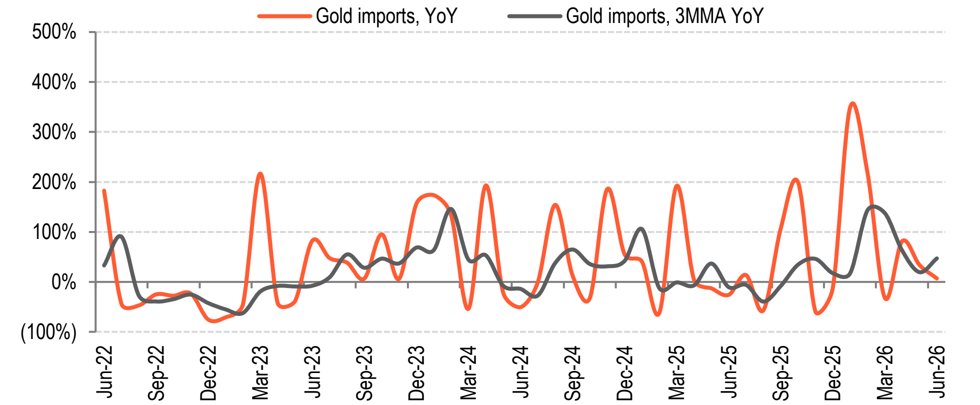


Fig 125 – Oil imports also inched up in Q1 due to elevated oil prices in Apr-May’26

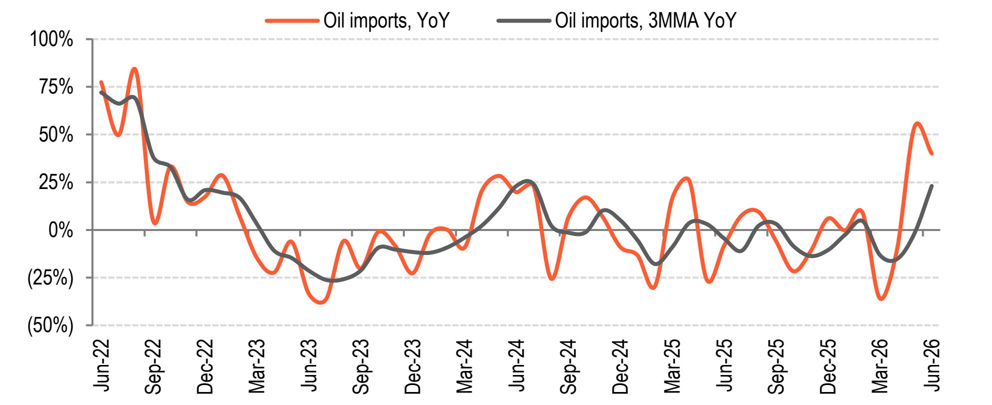


Fig 126 – Improvement in machinery imports

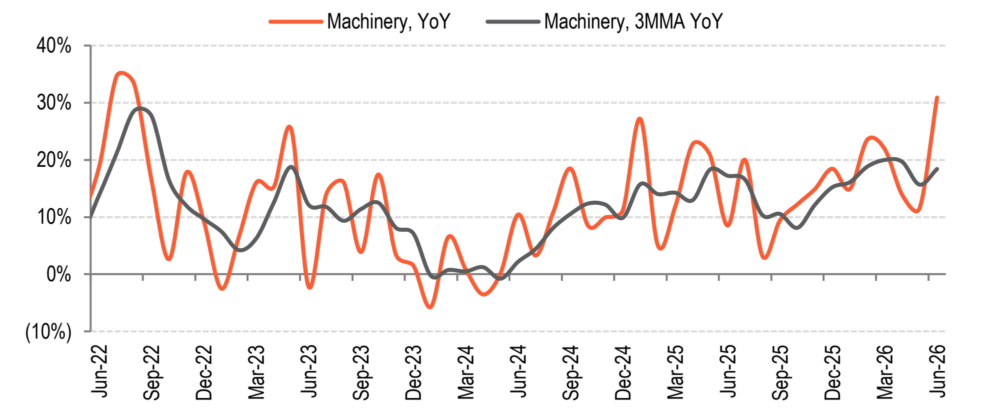


Fig 127 – Electronic goods imports also rising at a brisk pace

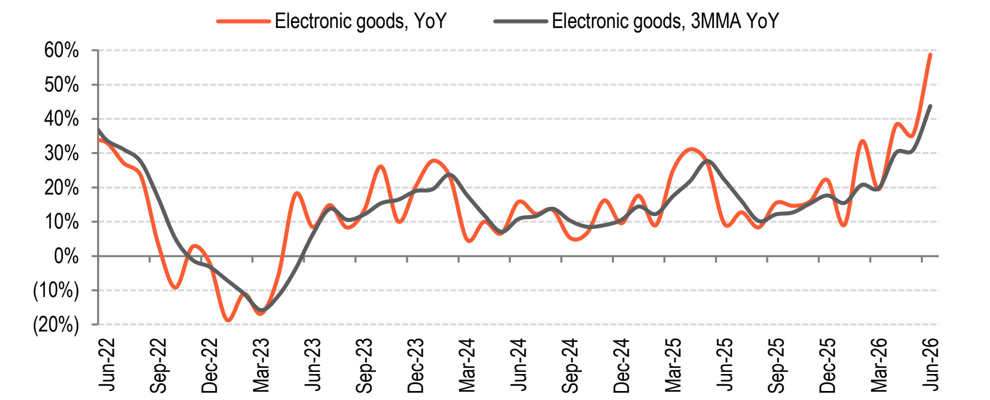


Fig 128 – Imports of chemicals also on an uptrend

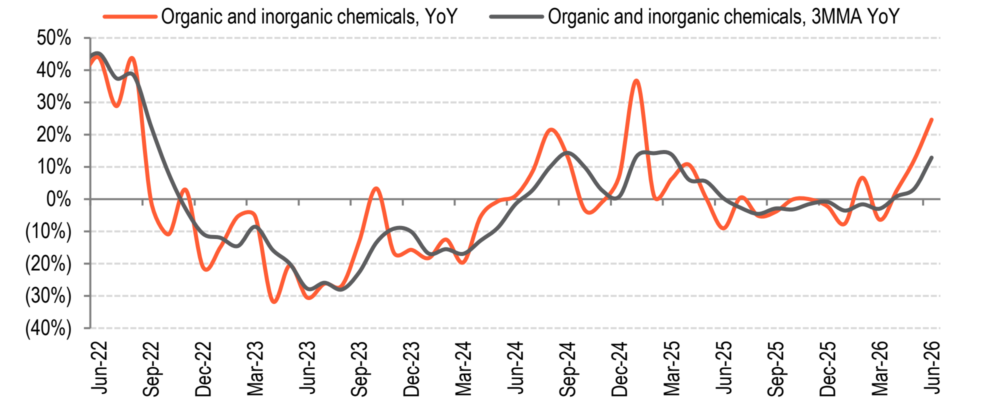


Fig 129 – Imports of ores and minerals lower

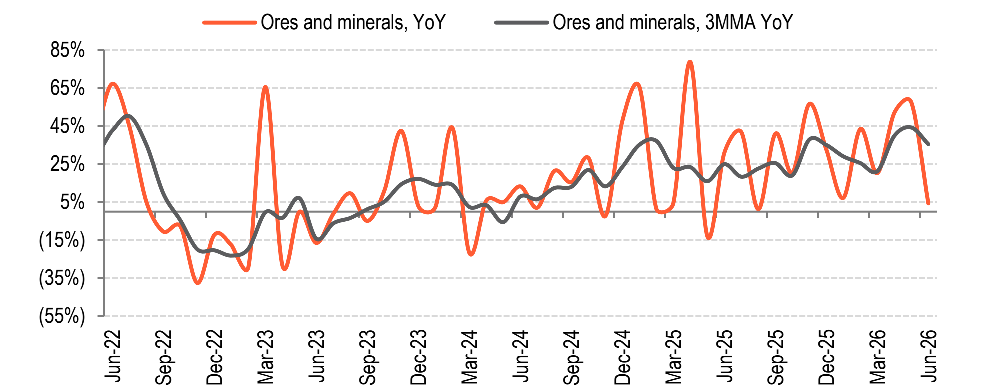
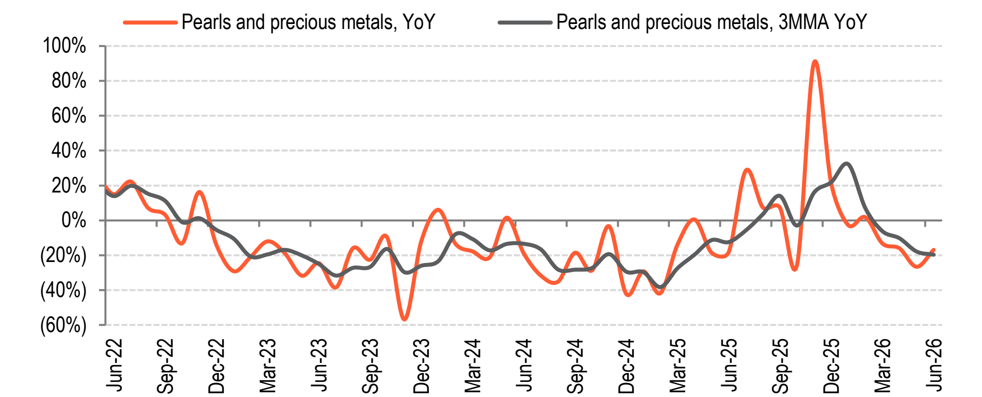


Fig 130 – Imports of pearls and precious stones continue to remain lack lustre



Exports and imports by major regions

Fig 131 – Significant traction seen in exports to Asia Pacific and China

Region (% YoY)	Share in FY26	Share in FYTD27	FYTD26	FYTD27	May'26	Jun'26
Americas	26.2	23.6	11.8	3.8	2.1	5.4
Asia and Pacific (Ex. China)	21.7	23.4	(4.9)	50.3	65.2	35.5
China	4.5	4.3	17.0	25.6	26.8	24.6
Europe	21.2	17.0	(16.4)	3.6	(2.9)	9.8
Middle East and Africa	25.3	19.9	(3.4)	9.4	(4.6)	24.8
Other	1.1	1.2	8.4	117.2	138.2	97.7

Note: FYTD-Apr-May

Fig 132 – Imports from Americas and Asia Pacific higher on a FYTD basis

Region (% YoY)	Share in FY26	Share in FYTD27	FYTD26	FYTD27	May-26	Jun-26
Americas	12.0	15.5	17.8	60.7	94.3	2.6
Asia and Pacific (Ex. China)	24.3	23.4	7.3	18.2	12.8	12.0
China	17.0	17.0	24.2	22.1	23.4	40.3
Europe	13.6	10.5	0.4	(1.8)	(6.2)	(56.8)
Middle East and Africa	25.8	21.8	7.7	(10.4)	(3.1)	(29.9)
Other	7.4	11.8	(3.1)	39.2	62.8	79.5

Note: FYTD-Apr-May

Trade deficit

Fig 133 – Trade deficit inched up in FYTD27

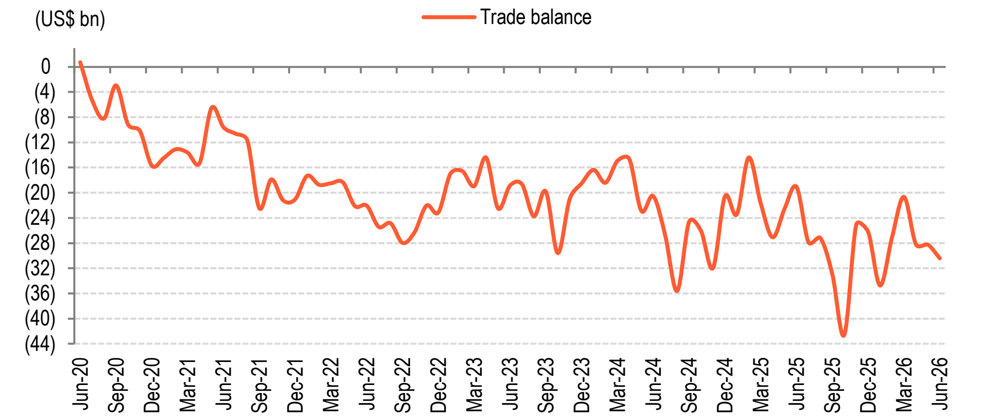
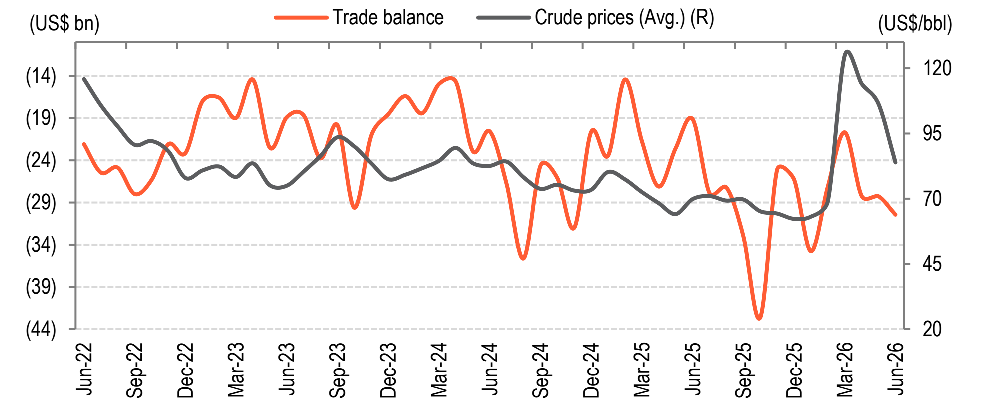
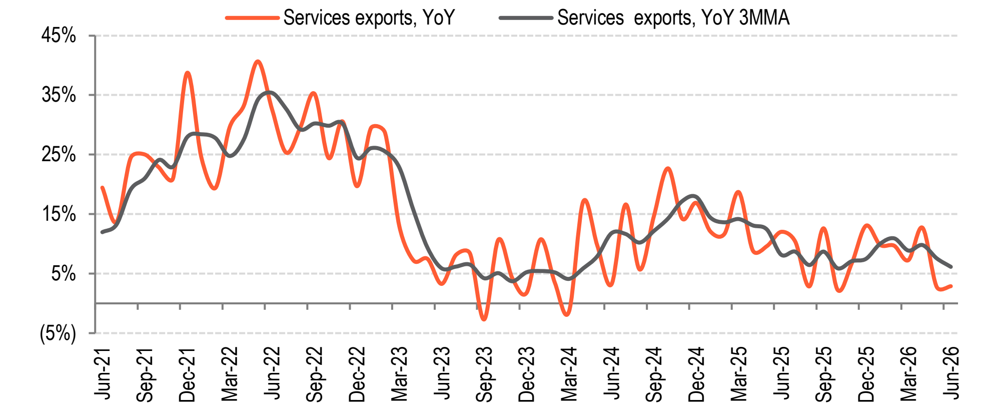


Fig 134 – Due to higher oil prices



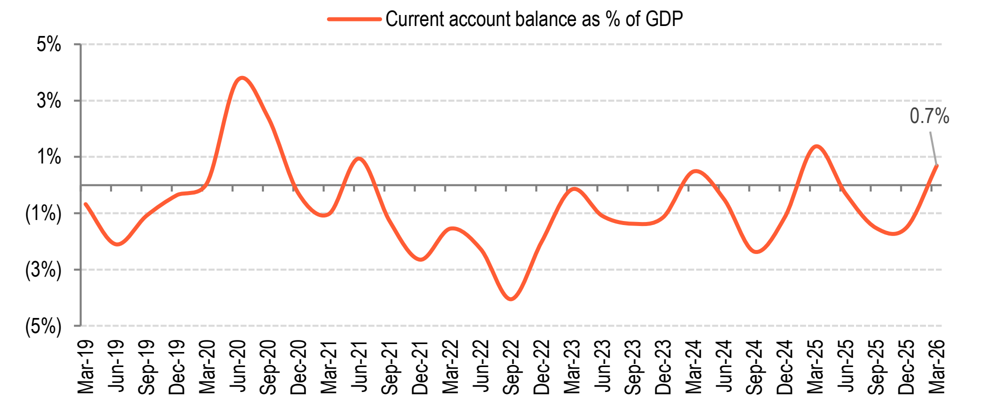
Trade in services

Fig 135 – Services exports slowed down



BoP

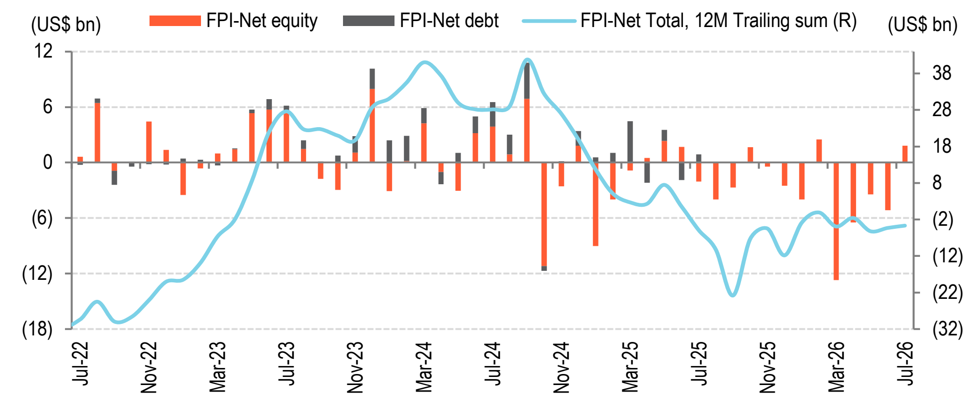
Fig 136 – India's CAD remained manageable in FY26



Foreign inflows

FPI inflows

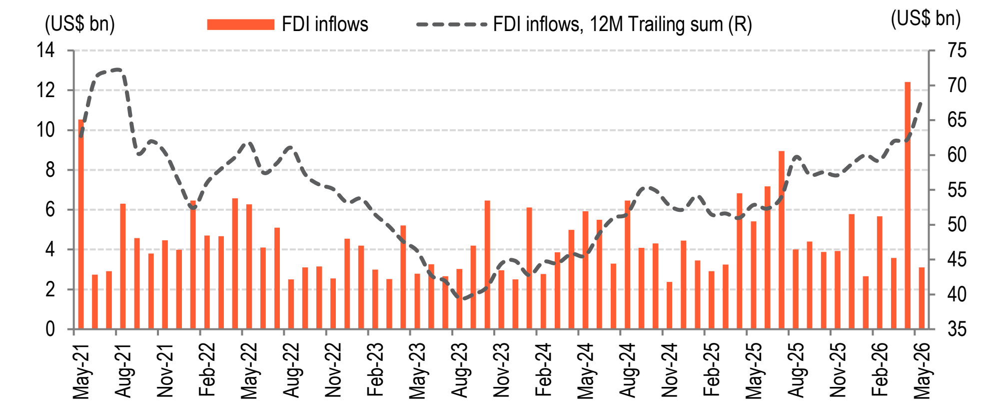
Fig 137 – FPI inflows recovering; aided by government and RBI support



Source: NSDL

FDI inflows

Fig 138 – Gross FDI inflows at US$ 15.5bn in Apr-May'26 compared with US$ 12.2bn in the same period



Source: RBI, Bank of Baroda Research

Fig 139 – In FY26, FDI inflows into computer software and hardware and food processing industry increased

Sector	Share in FY26, %	FY25	FY26	Q4FY25	Q3FY26	Q4FY26
Computer software and hardware	23.7	7.8	13.9	2.3	1.7	3.2
Services Sector	17.0	9.3	10.0	2.1	3.3	1.6
Trading	6.8	4.2	4.0	0.8	0.6	0.7
Non Conventional Energy	5.1	4.0	3.0	0.6	0.6	0.5
Food processing industry	5.1	0.5	3.0	0.1	0.4	0.3
Construction	4.4	2.2	2.6	0.4	0.5	0.5
Automobile industry	4.2	1.6	2.5	0.3	0.2	0.6

Source: DIPP

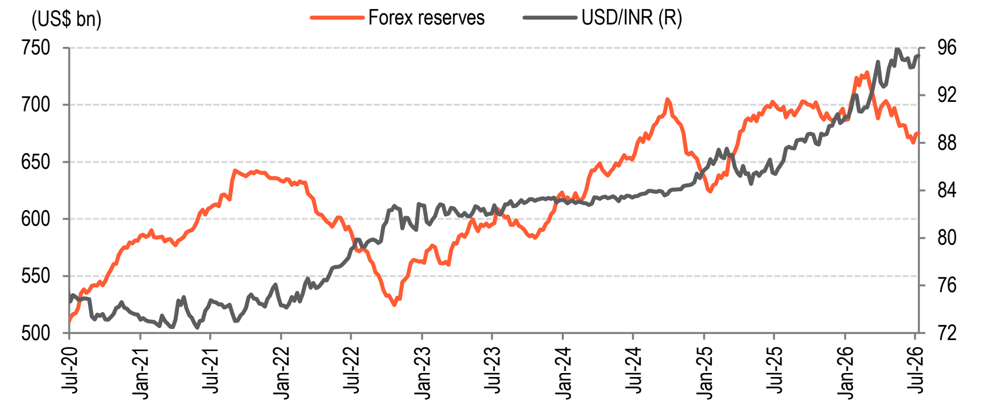
Fig 140 – Country wise, inflows from Singapore and US increased the most in FY26

Country (US$ bn)	Share in FY26, %	FY25	FY26	Q4FY25	Q3FY26	Q4FY26
Singapore	33.7	14.9	19.8	3.0	5.7	2.2
US	19.0	5.5	11.2	1.7	1.2	3.4
Mauritius	11.2	8.3	6.6	1.4	1.4	1.7
Japan	6.4	2.5	3.7	1.1	2.0	0.5
Netherlands	5.7	4.6	3.4	0.5	0.7	1.1
UAE	4.7	4.3	2.7	0.2	0.1	0.3

Source: DIPP

Forex reserves and external debt

Fig 141 – India's FX reserves at US$ 675.2bn as of 10 Jul 2026



Source: Bloomberg | Note: Weekly data as of 10 Jul 2026

Fig 142 – India's import cover remains comfortable

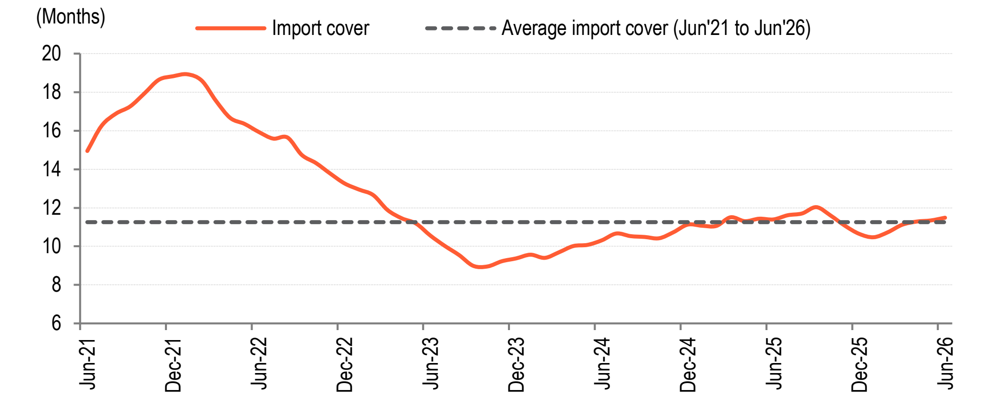


Fig 143 – RBI's bought net US$ 6.1bn in the spot market in May'26

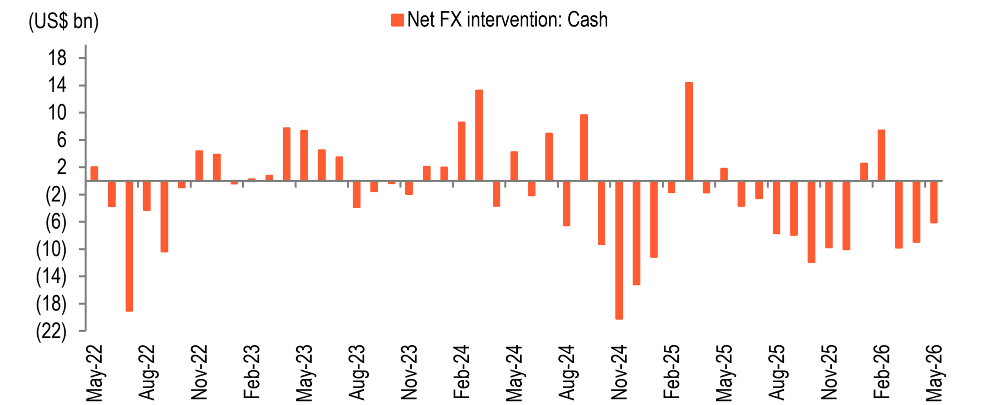
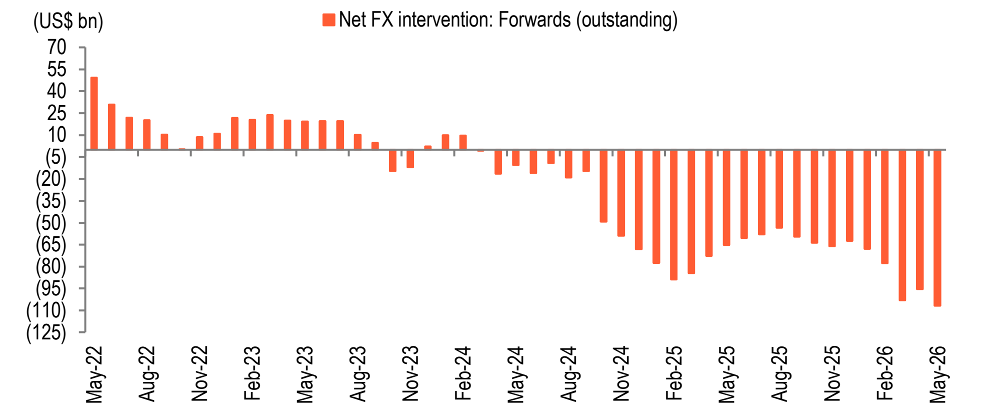


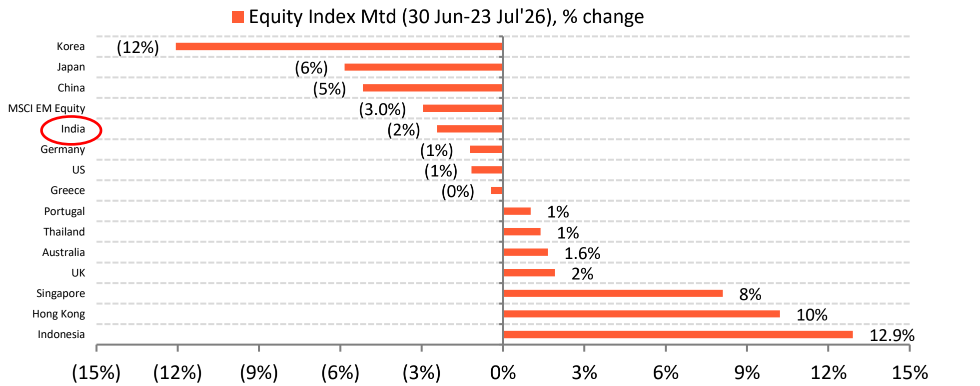
Fig 144 – RBI's outstanding forwards book stood at US$ 106.7bn as of May'26



Markets

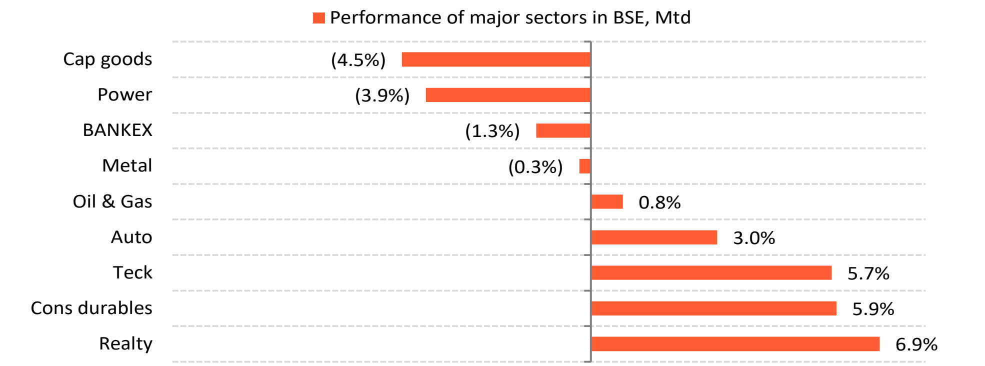
Equity & Bonds

Fig 145 – In Jul'26*, Sensex fell by -2% in line with its major peers…



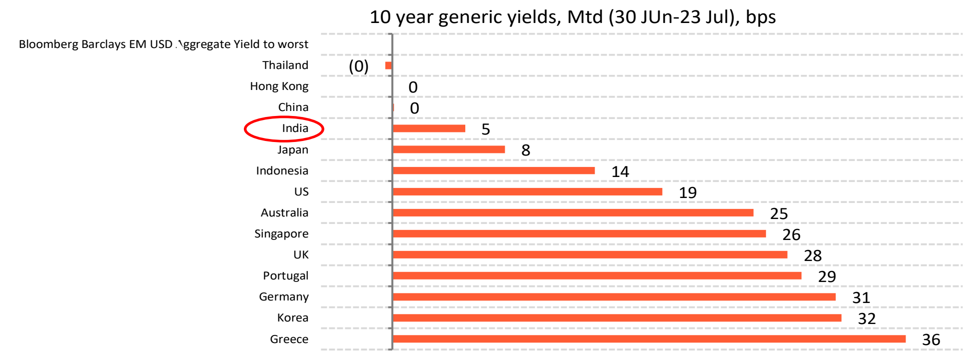
Source: Bloomberg | * As on 23 Jul 2026, Indices are in US$ terms

Fig 146 – …Capital goods and power stocks have fallen the most



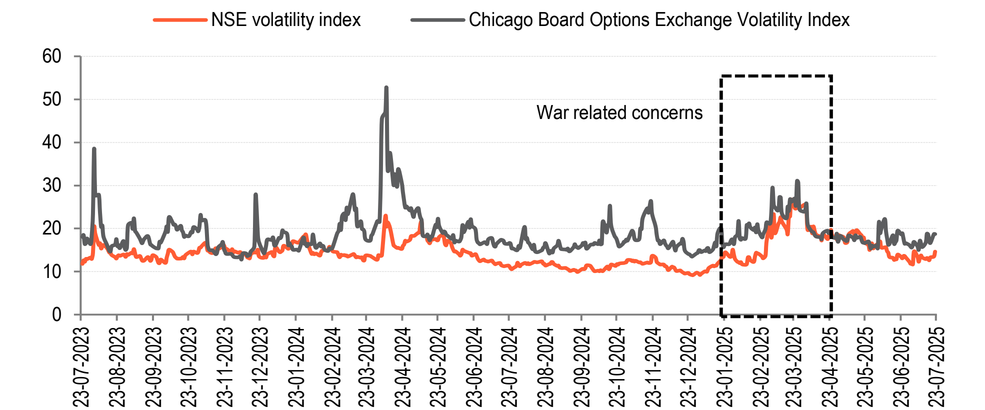
Source: Bloomberg | As onl 23 Jul 2026

Fig 147 – India's 10Y yield hardened in line with global yields, it rose by 5bps in Jul till date (23rd Jul)



Source: Bloomberg | As onl 23 Jul 2026

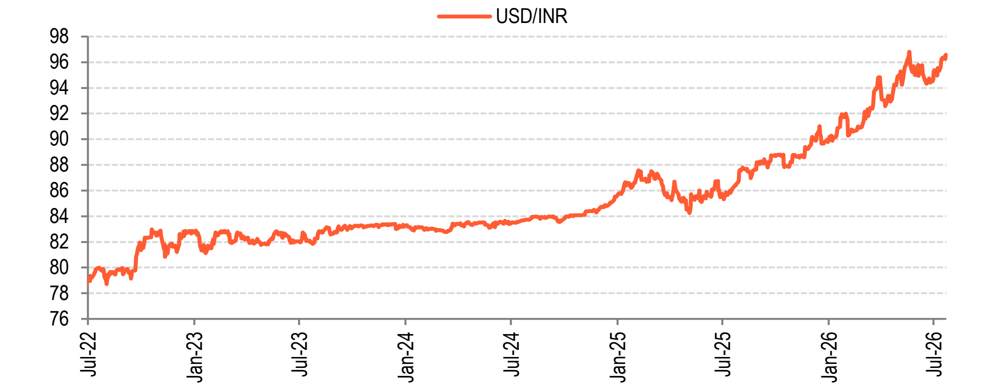
Fig 148 – VIX stiffened amidst war related tensions



Source: Bloomberg

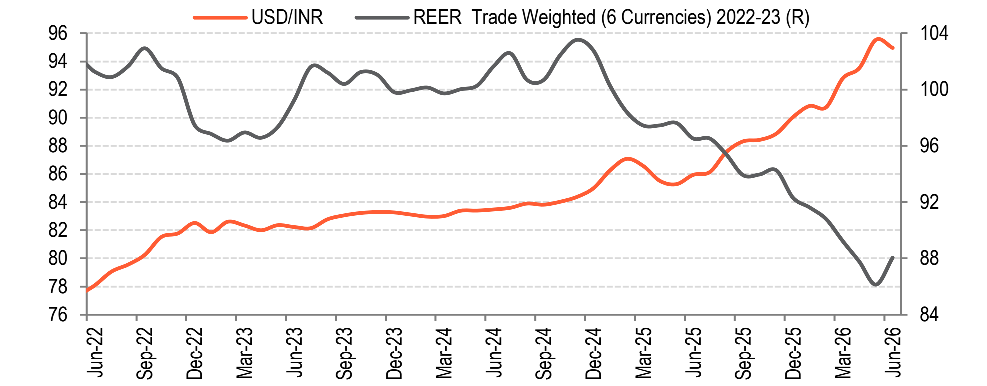
Currencies

Fig 149 – INR under pressure due to higher oil prices



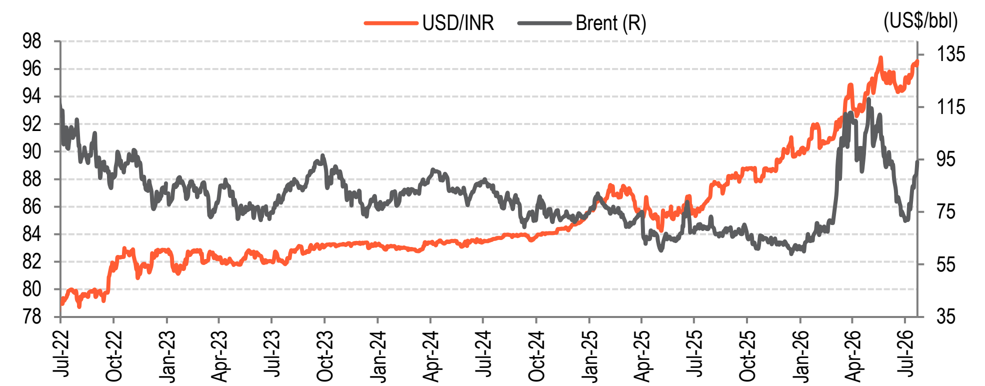
Source: Bloomberg | *As on 23 July 2026

Fig 150 – INR undervalued on REER basis



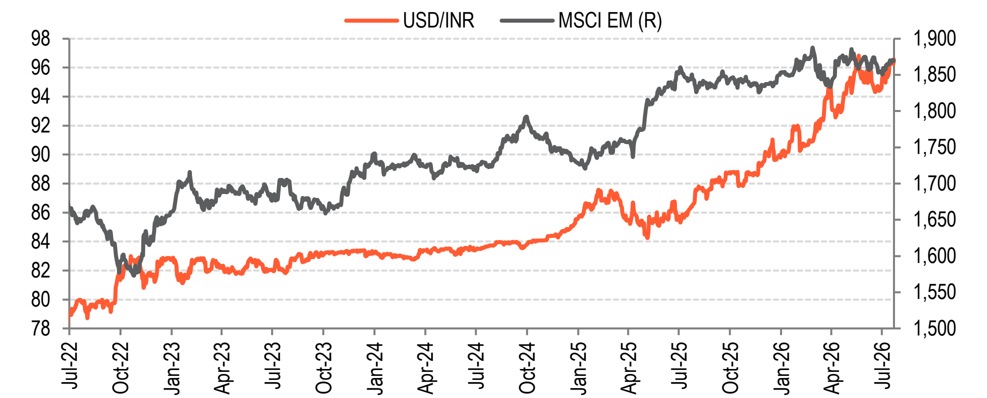
Source: Bloomberg

Fig 151 – Higher oil prices weighing on INR



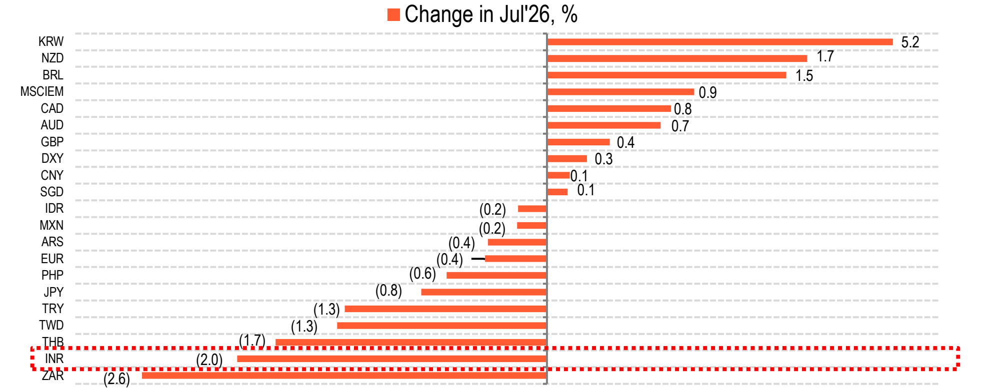
Source: Bloomberg | *As on 23 July 2026

Fig 152 – EM currencies also under pressure



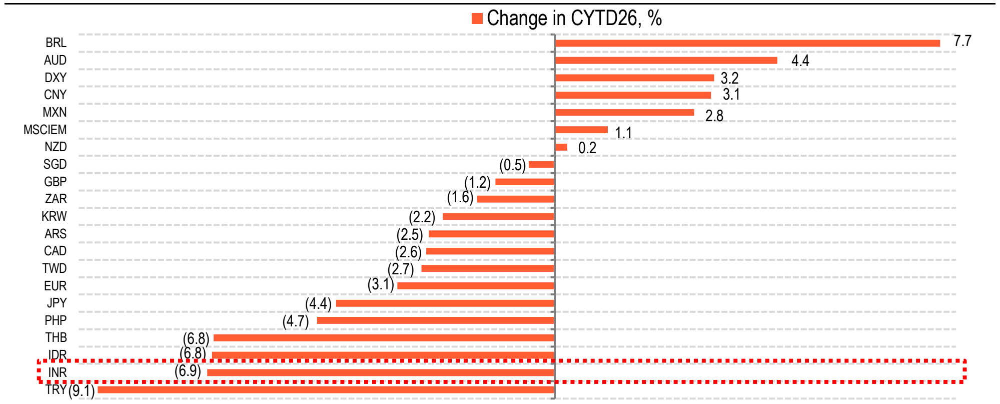
Source: Bloomberg | *As on 23 July 2026

Fig 153 – INR has depreciated by 2% in Jul'26 so far (upto 23 Jul 2026)



Source: Bloomberg | *As on 23 July 2026

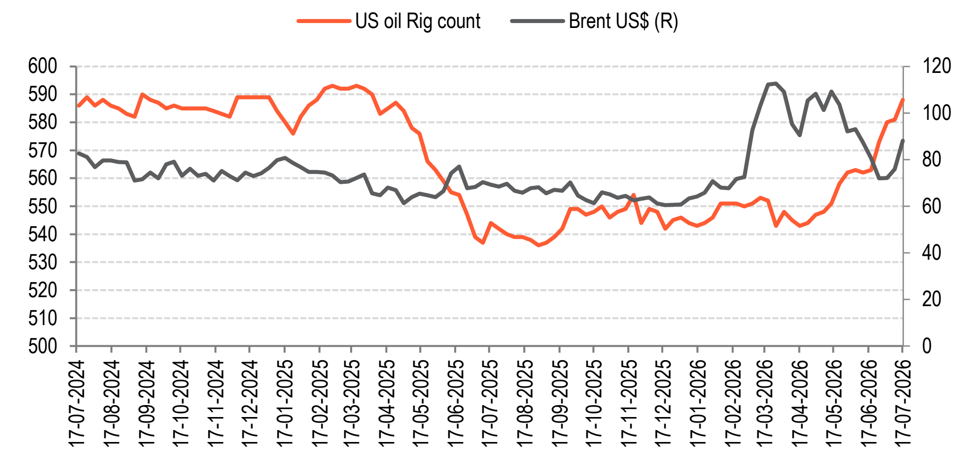
Fig 154 – In 2026, INR has depreciated by 6.9%



Source: Bloomberg | *As on 23 Jul 2026

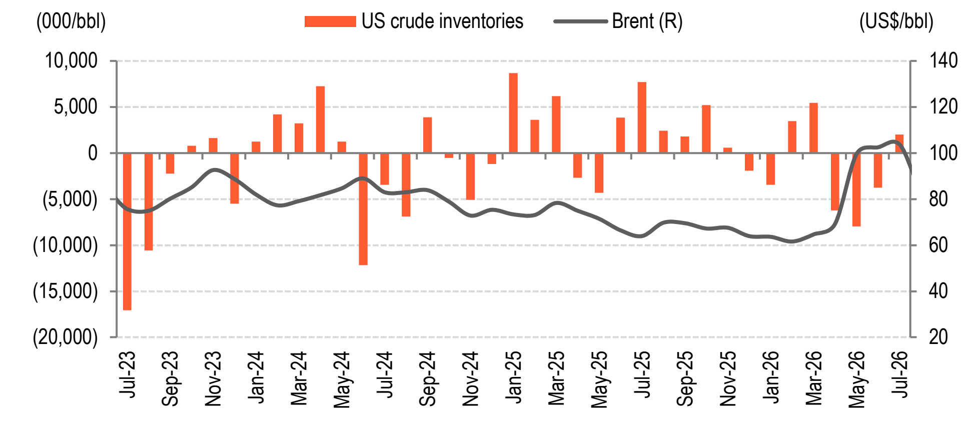
Commodities

Fig 155 – US rig count has inched up



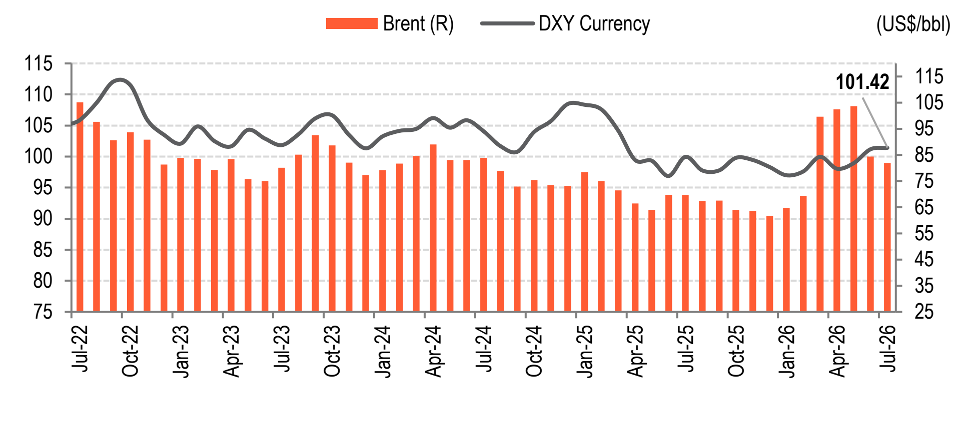
Source: Bloomberg

Fig 156 – Crude inventories only picked up a tad in Jul'26



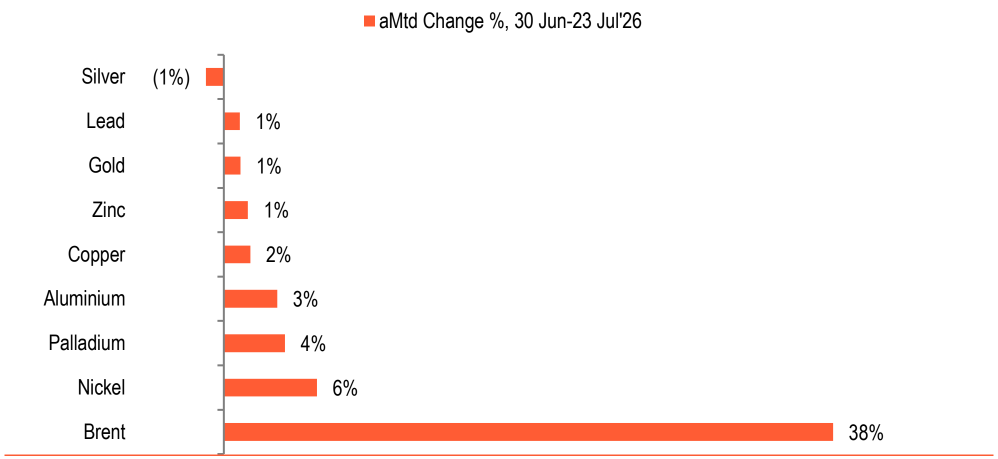
Source: Bloomberg

Fig 157 – DXY and oil prices have a hardening bias



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

Fig 158 – Crude oil prices have increased the most



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

Fig 159 – Performance of high frequency indicators

Indicators	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Agriculture													
Tractor sales	10.2	7.1	24.6	42.9	14.4	30.3	34.9	40.1	30.7	24.0	27.1	19.1	11.8
Two wheeler sales	9.2	(5.2)	2.2	6.5	52.5	(3.1)	9.5	20.8	25.0	28.7	17.2	7.5	21.2
MNREGA work (HH)	4.4	(12.3)	(26.2)	(27.1)	(35.1)	(32.0)	(28.9)	(25.7)	(14.2)	(23.2)	(35.5)	-27.8	(18.5)
Manufacturing													
IIP: General index	2.2	5.4	4.7	6.1	(0.9)	7.0	6.7	4.1	4.4	3.0	4.9	5.1	2.2
IIP: Manufacturing	4.1	10.7	15.8	15.7	2.8	3.3	0.8	(0.5)	(2.4)	(2.6)	(3.8)	(1.6)	4.1
IIP: Capital goods	2.4	5.1	3.6	5.5	(0.7)	8.8	7.7	4.6	5.7	4.0	6.1	5.5	2.4
IIP: Infra & construction goods	6.6	11.2	9.2	9.8	5.1	12.0	12.3	12.9	10.1	5.2	6.0	5.9	6.6
IIP: Consumer goods	1.4	3.9	0.9	4.6	-6.0	13.0	7.4	(0.2)	4.2	2.4	5.6	7.2	1.4
Steel	10.2	15.7	15.3	14.3	9.5	11.6	11.1	13.8	9.9	9.6	4.7	5.1	4.6
Cement	7.9	11.1	5.4	5.1	5.2	15.1	14.0	11.3	9.1	4.7	8.3	8.4	9.8
Electricity	(1.2)	3.7	4.2	3.1	(7.0)	(1.5)	6.2	5.1	2.3	0.8	5.5	11.2	9.8
Iron ore	(16.4)	(7.1)	7.9	0.8	8.7	19.3	22.3	12.8	8.5	33.3	12.5	19.0	43.9
PMI: Manufacturing	58.4	59.1	59.3	57.7	59.2	56.6	55	55.4	56.9	53.9	54.7	55	54.2
Services													
Services PMI index	60.4	60.5	62.9	60.9	58.9	59.8	58.0	58.5	58.1	58.8	58.8	59.8	57.4
Automobile sales	9.8	(4.30	0	5.2	42.0	2.1	14.6	17.6	25.6	25.3	17.4	9.5	21.8
Passenger vehicle sales	9.9	(0.8)	0.9	5.8	14.7	20.4	26.6	7.2	26.1	21.5	18.1	23.2	28.6
Vehicle registration	5.4	(4.0)	3.9	6.3	41.1	2.9	15.9	18.1	26.5	26.2	13.7	11.1	21.5
Port cargo volume	5.5	3.9	2.5	11.5	12.0	14.6	12.8	7.6	3.8	0.7	2.4	6.6	9.2
Credit growth	9.5	10.0	10.1	10.8	12.0	11.5	14.5	13.4	14.0	17.1	16.4	17.7	18.6
Deposit growth	10.1	10.2	9.3	9.4	10.8	10.2	12.7	10.6	11.3	16.2	13.3	12.2	13.3
CIC	7.2	7.5	8.8	9.1	7.2	9.0	10.2	11.4	13.2	14.7	16.5	16.8	15.6
Toll collection (in mn)	386.3	370.6	370.7	332.7	360.9	369.4	383.7	373.4	350.4	363.8	358.1	375.2	361.8
Diesel consumption	1.5	2.3	1.2	6.5	(0.3)	4.8	5.2	3.3	4.3	8.1	0.8	1.6	6.2
GST E-way bill	19.3	28.5	22.4	21.0	8.2	27.6	23.5	15.8	18.8	12.9	11.8	10.9	14.5
External Trade													
Merchandise exports	(1.3)	13.3	5.7	6.0	(12.5)	18.6	1.1	0.4	(0.8)	(7.4)	14.2	17.9	15.5
Merchandise imports	(3.4)	9.1	(9.5)	17.7	17.9	(1.5)	10.3	19.2	24.1	(6.5)	10.0	20.6	31.0
Services exports	12.0	10.4	2.8	12.6	2.2	6.7	13.0	9.8	9.7	7.2	12.7	2.8	2.9
Services imports	5.1	8.5	(5.3)	7.9	2.9	(2.1)	7.4	(0.5)	16.2	(1.6)	8.9	5.6	12.7

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

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For further details about this publication, please contact:

Economics Research Department
Bank of Baroda
chief.economist@bankofbaroda.com