

India Economics

Monthly Chartbook

July 2020

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Consumption reviving, capex to recover in FY22

India's economy improved further in Jun'20 as visible in higher filing of GST e-way bills, digital payments, tractor sales and manufacturing PMIs. Consumption (FMCG) will revive as rural demand gains traction. However, services sector will take time to recover. So would capex given general government capex will be lower this year. However, general government spending will be maintained with 57% increase in Q1 borrowing to Rs 4.5tn. Elevated bond yields and a steep yield curve is a result of this. RBI has started buying long-end bonds and we estimate purchase of Rs 3.5tn in the year. 10Y yield to remain in 5.5-6% range.

Early signs of a recovery: With GST E-way bills in Jun'20 at 86% of Jun'19 levels, 10% YoY increase in UPI payments, pick-up in tractor sales and manufacturing PMI recovering to 47.2, economic activity is showing semblance of stabilisation. Electricity demand is also now 14% below Jun'19 level. A normal monsoon bodes well for rural demand with kharif sowing already 88% higher than last year. While rural consumption and FMCG sales may recovery sooner, housing and capex related demand will come back with a lag as visible in decline in RBI's housing price index and 13% decline in states capex.

Central finances weak: General government fiscal deficit increased to 8.0% of GDP in FY20. During the first 2 months of FY21 centre's revenue collections were weak with sharp decline in direct tax collections (-15%) and indirect tax collections (-52%). However, GST collections

have improved from Rs 495bn in Apr'20 to Rs 909bn in May'20 and are likely to improve further in the coming month (as visible in GST E-Way bills). Centre's revenue spending fell by 1.9% versus 13.7% increase last year. States too entered FY21 on a much weaker footing with 7.5% decline in tax revenues and 13% fall in capex. Both Centre and States have borrowed Rs ~4.5tn in Q1FY21 as against Rs 2.9tn last year.

10Y yield likely to be in 5.5-6% range: 5.79GS2030 yield has risen by 12bps in Jun'20 on fiscal deficit concerns. RBI and Banks are likely to emerge as large buyers of government securities. RBI announced Rs 100bn swap of long-end paper with short-end paper to flatten the yield curve. We see overall OMOs of Rs 3.5tn this year. System liquidity surplus is at Rs 4.3tn (Rs 3.8tn on an average in Jun'20). With inflation softening from current levels to average 3.4% in FY21, we see 10Y yield in 5.5-6% range.

INR appreciates sharply in Jul'20: Driven by strong FII inflows of US\$ 2.5bn in equity segment, INR rose by 0.1% in Jun'20. However, this was lower than the 1.2% rise in EM currencies. In Jul'20 so far, INR has risen sharply by ~1% led by an improvement in risk-sentiment. A narrowing trade deficit, robust FX reserves and resumption in foreign inflows is positive for INR. Rising international oil prices however remain a key risk.

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

Consumption

Final consumption expenditure

FIG 1 – CONSUMPTION FALLS IN Q4FY20

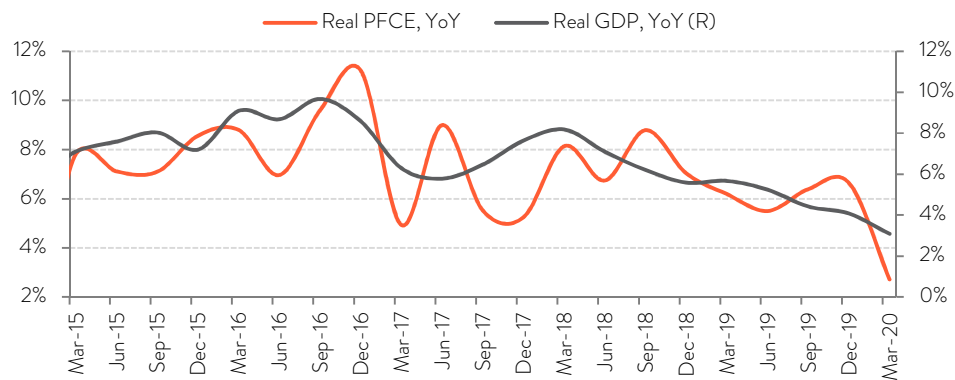


FIG 2 – GOVERNMENT CONSUMPTION REMAINS STEADY IN Q4FY20

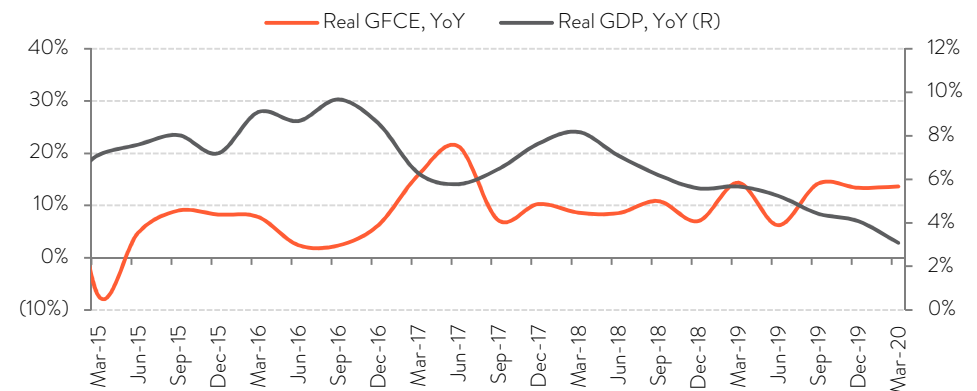


FIG 3 – GENERAL GOV REVENUE SPENDING RISING AT A STEADY PACE

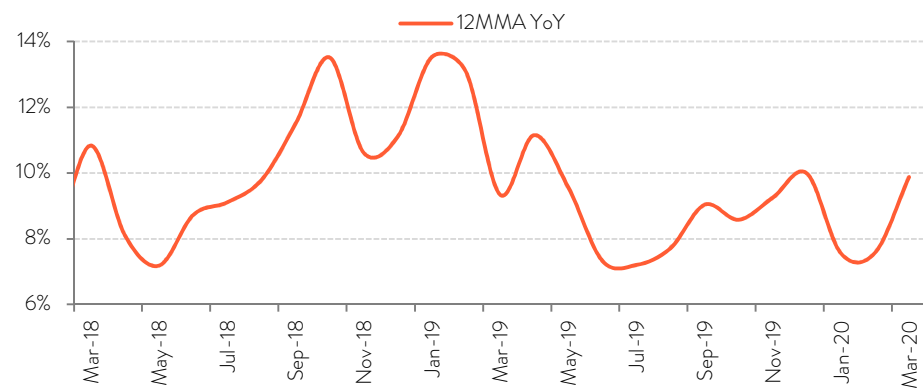
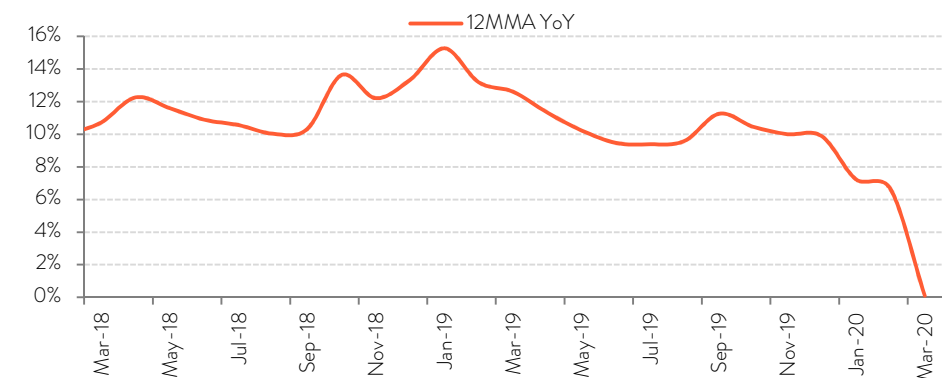


FIG 4 – STATE* GOV REVENUE SPENDING DECLINES IN MAR'20



Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Jharkhand, Maharashtra, TN, UP, Uttarakhand and W.Bengal

Non-oil imports, electronic imports

FIG 5 – NON-OIL-NON-GOLD IMPORTS DECLINES IN MAY'20

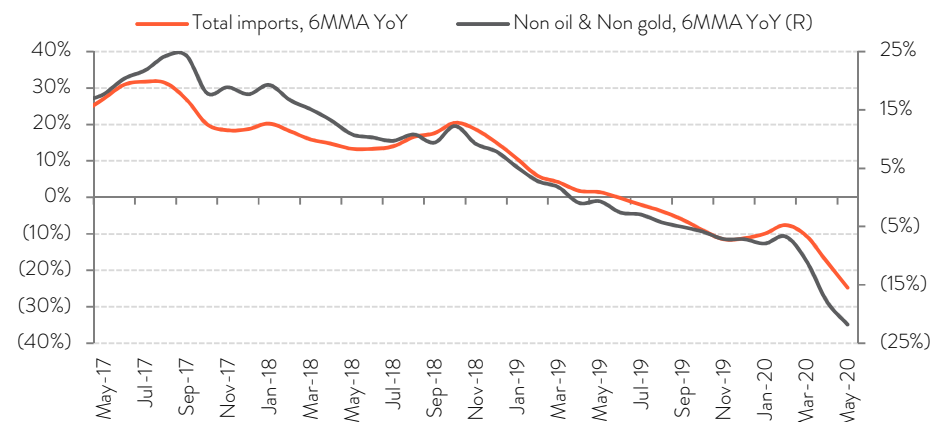


FIG 6 – ELECTRONIC IMPORTS REBOUNDS

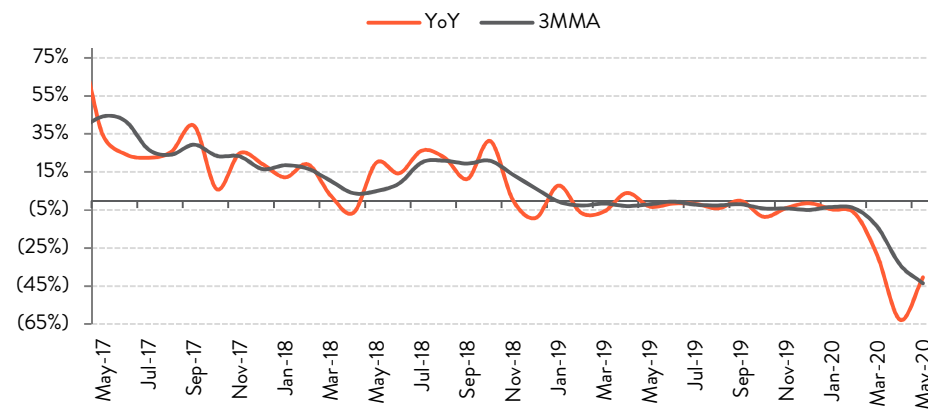


FIG 7 – PASSENGER CAR SALES CONTINUES TO DROP

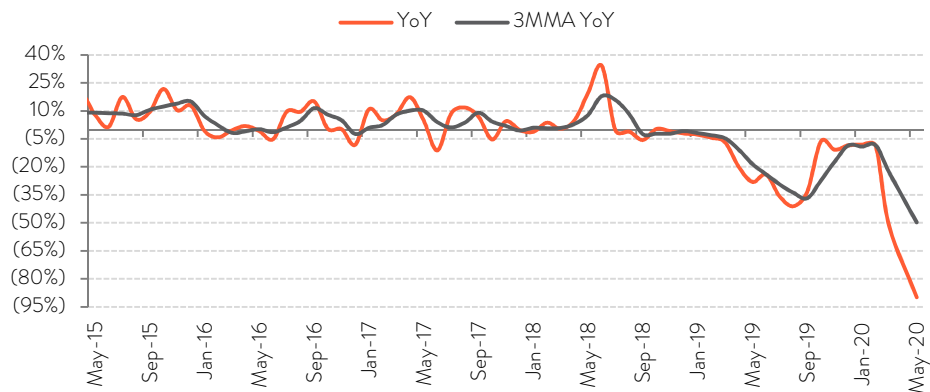
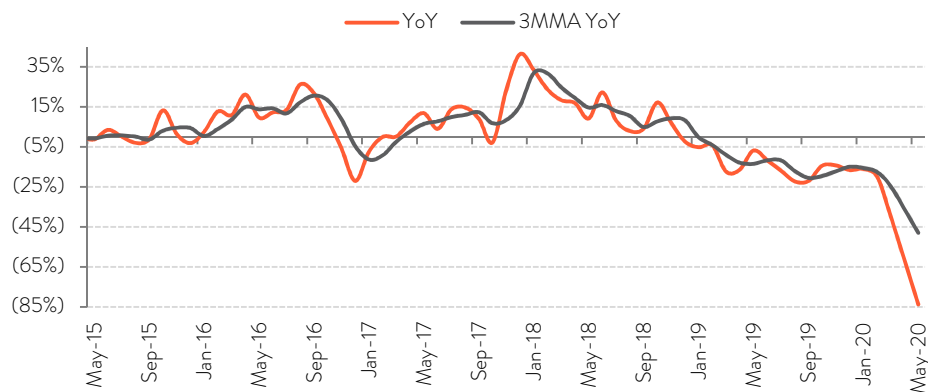


FIG 8 – SIMILAR CASE FOR TWO-WHEELER SALES



Credit deployment of personal loans

FIG 9 – GROWTH IN CREDIT CARD OUTSTANDING DECLINES

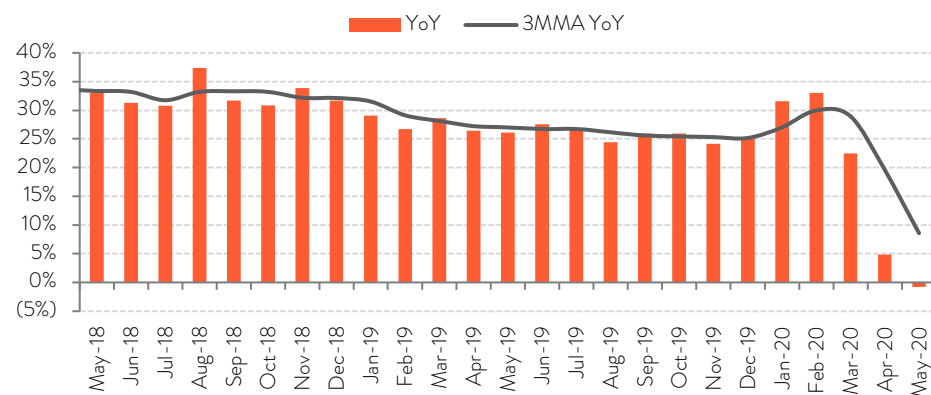


FIG 10 – GROWTH IN PERSONAL LOAN DIPS

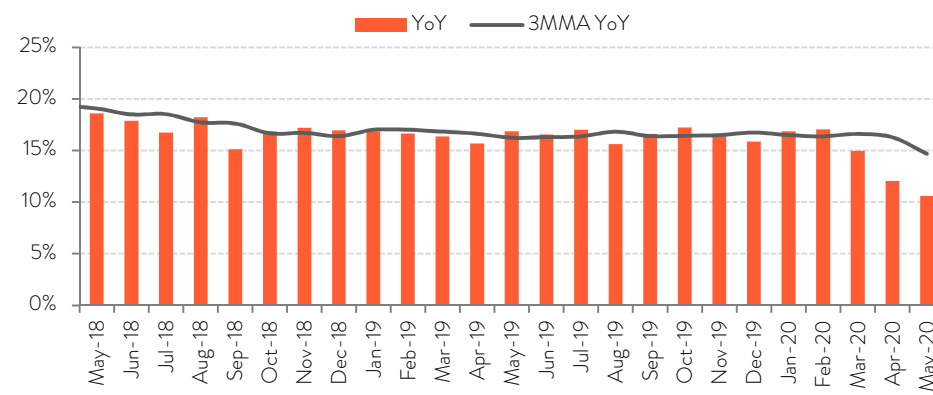


FIG 11 – GROWTH IN VEHICLE LOAN SLOWS

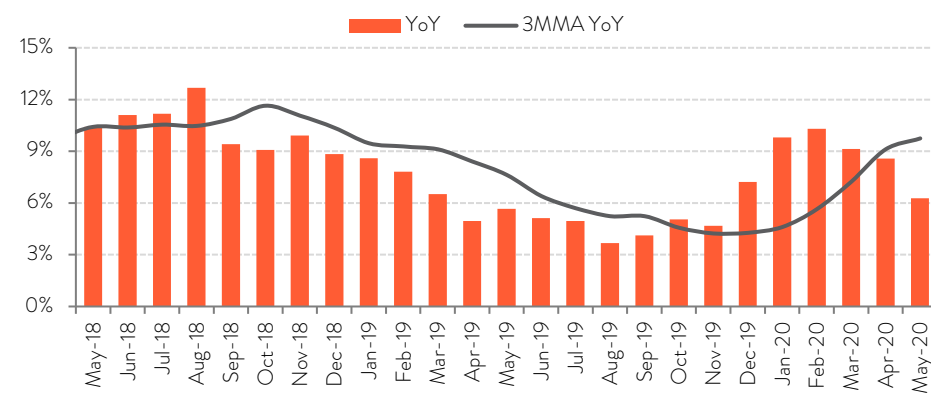
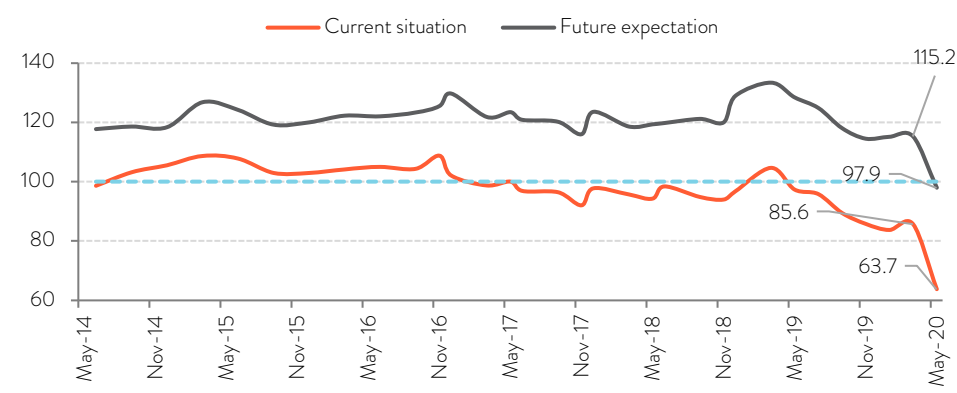
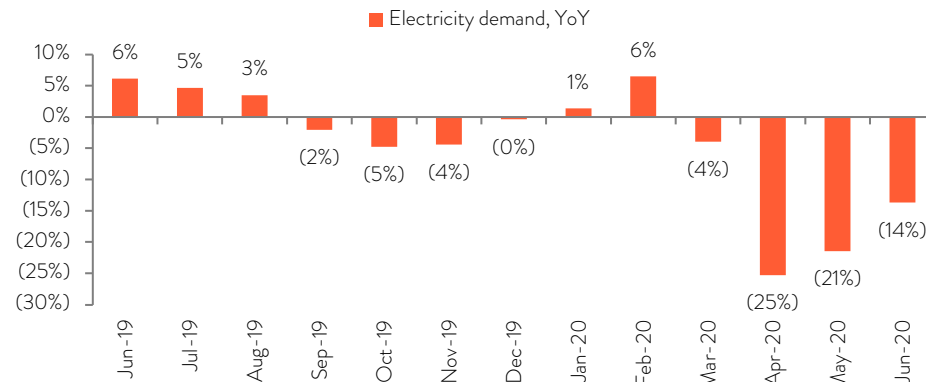


FIG 12 – CONSUMER CONFIDENCE DROPS SIGNIFICANTLY



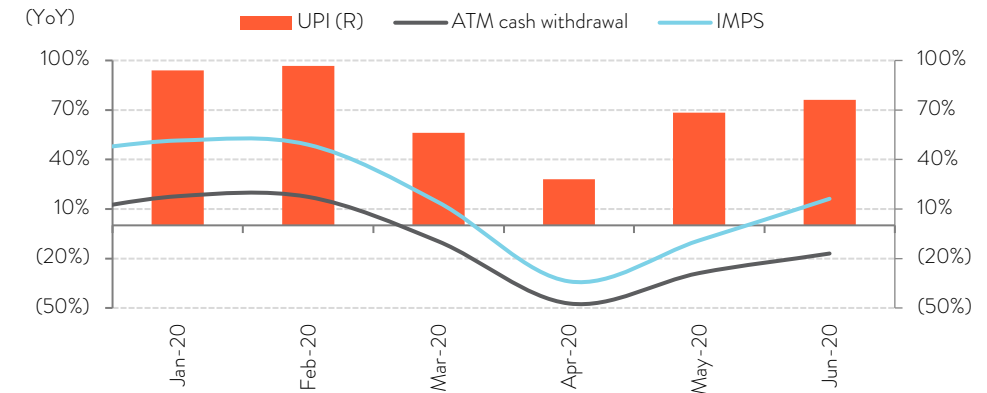
Electricity Demand, Digital Payments, COVID cases, Google mobility Index

FIG 13 – ELECTRICITY DEMAND DECELERATING AT A SLOWER PACE



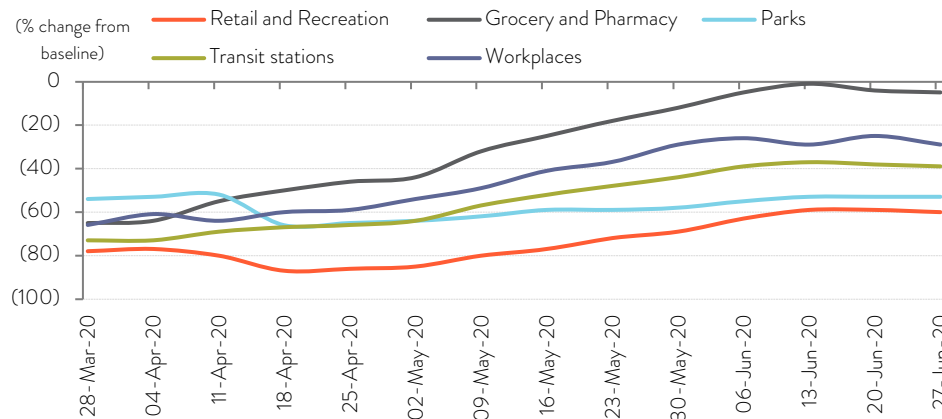
Source: Posco

FIG 14 – IMPROVEMENT IN DIGITAL PAYMENTS



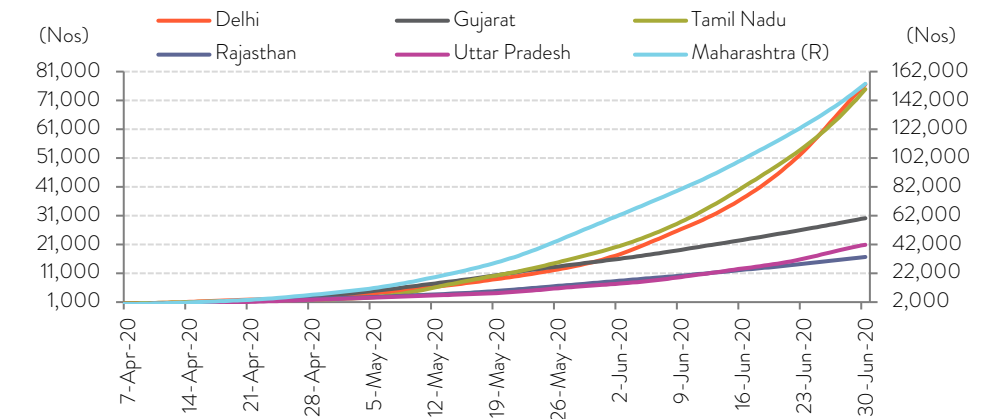
Source: NPCI and Data fro Jun'20 is from RBI Note: NFS Cashwithdrawal amount does not include Card to Card Transfer

FIG 15 – GOOGLE MOBILITY INDEX SHOWING SIGNS OF IMPROVEMENT



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

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



Note: Data taken as 7 days rolling average

Consumer durables & non-durables production

FIG 17 – CONSUMER DURABLES OUTPUT DECLINES SHARPLY

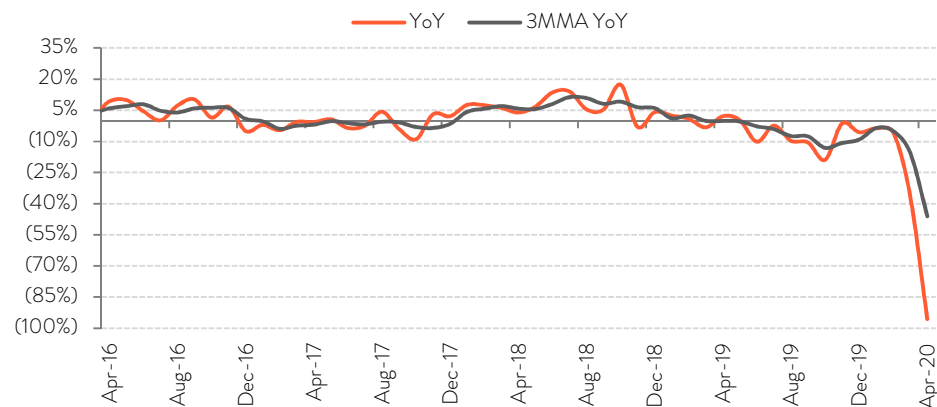
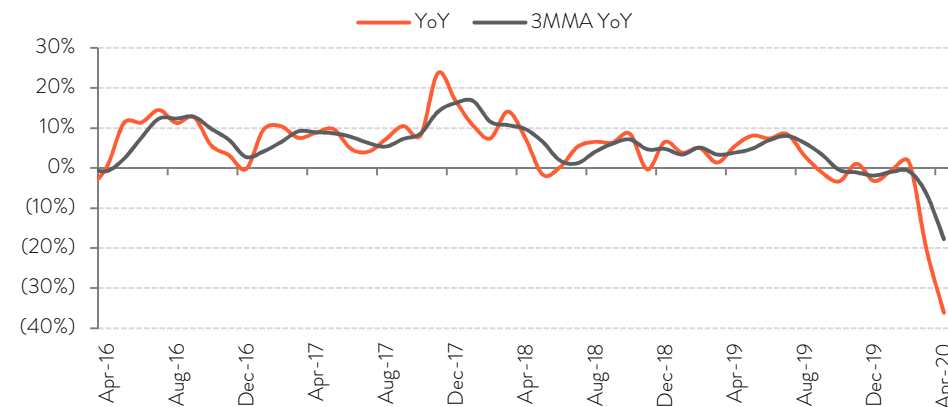


FIG 18 – ...SIMILAR CASE FOR FMCG OUTPUT



Agriculture

FIG 19 – AGRICULTURE GROWTH ROSE BY 5.9% IN Q4FY20

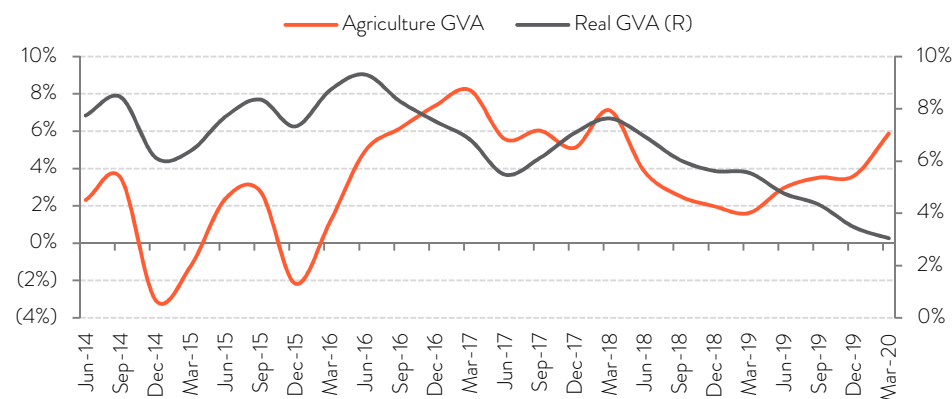


FIG 20 – FOODGRAIN STOCKS HIGHER AT 97MN TN IN MAY'20 COMPARED WITH 82 MN TN IN MAY'19

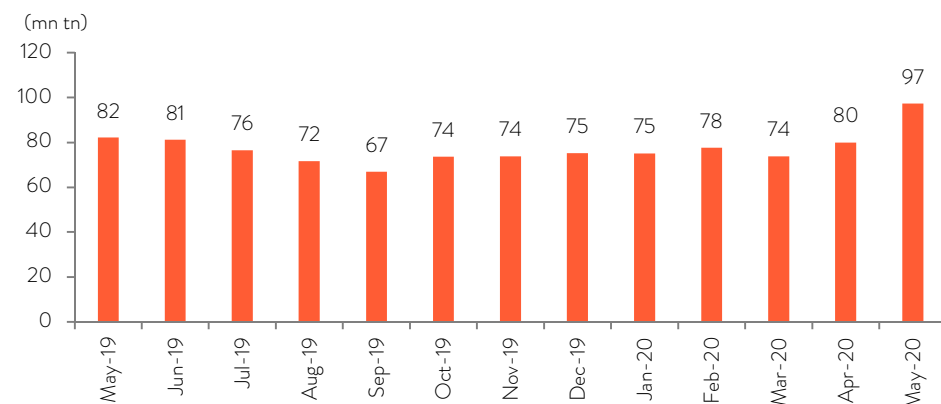
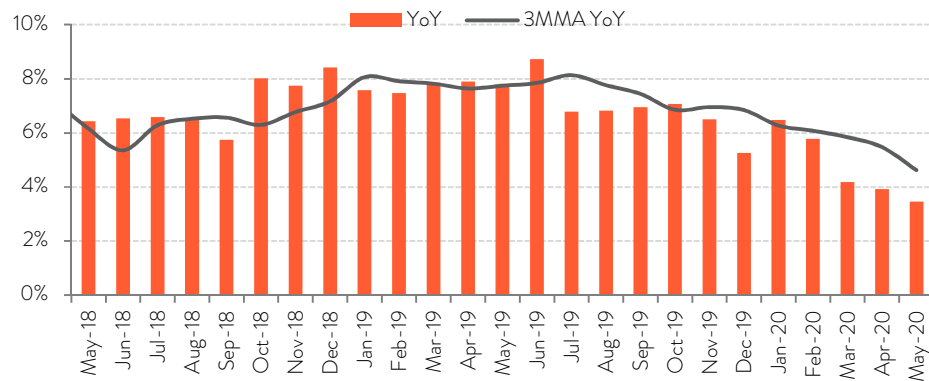
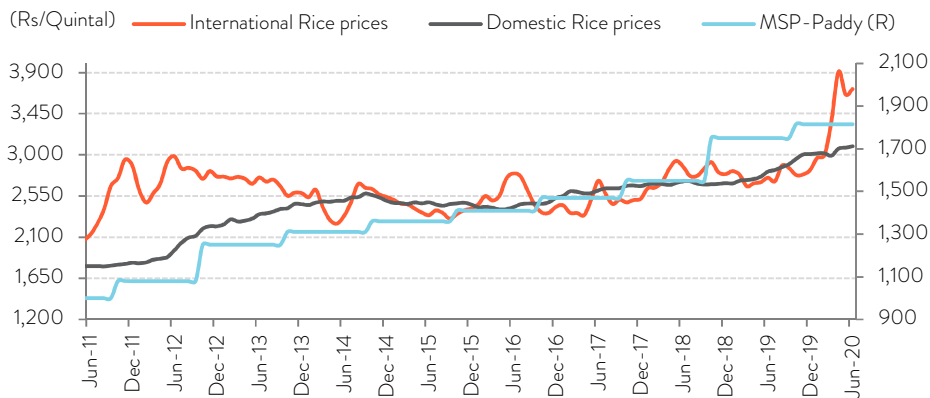


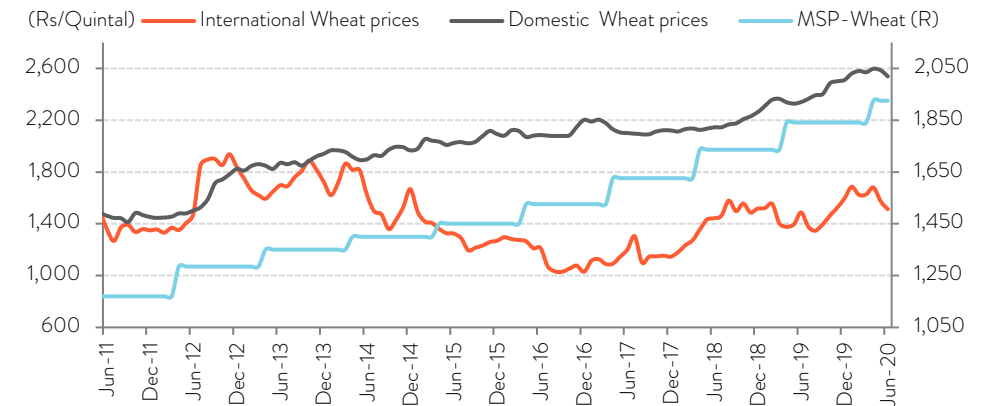
FIG 21 – GROWTH IN AGRICULTURE CREDIT MODERATES**FIG 22 – PROCUREMENT INCREASING LED BY RICE**

Year	Wheat	Rice
2011-12	28.34	35.04
2012-13	38.15	34.04
2013-14	25.09	31.85
2014-15	28.02	32.04
2015-16	28.09	34.22
2016-17	22.96	38.11
2017-18	30.83	38.19
2018-19	35.80	44.39
2019-20	34.13	47.39*
2020-21	35.91*	

Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 31 May 2020

FIG 23 – BOTH DOMESTIC AND INTERNATIONAL PRICE OF RICE IS INCHING UP

Source: World Bank

FIG 24 – BOTH DOMESTIC AND INTERNATIONAL PRICES CONTINUE TO MODERATE

Source: World Bank

FIG 25 – GLOBAL FOOD PRICES INCHES UPWARDS

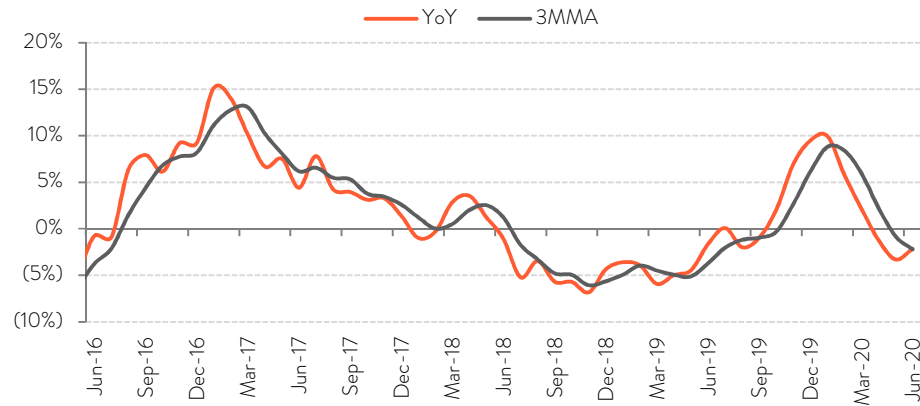
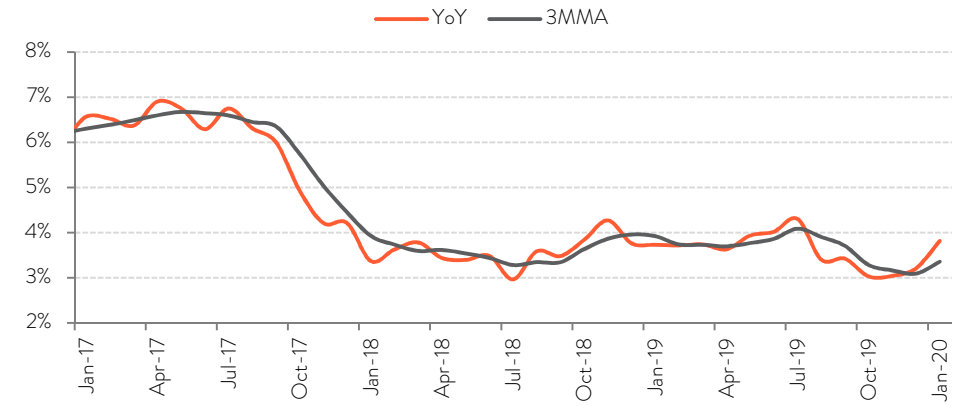


FIG 26 – RURAL WAGES (MEN) REMAIN STEADY



Inflation

FIG 27 – RETAIL INFLATION PRINT WAS NOT AVAILABLE IN MAY'20 AS WELL DUE TO LACK OF DATA FOR CORE CATEGORIES

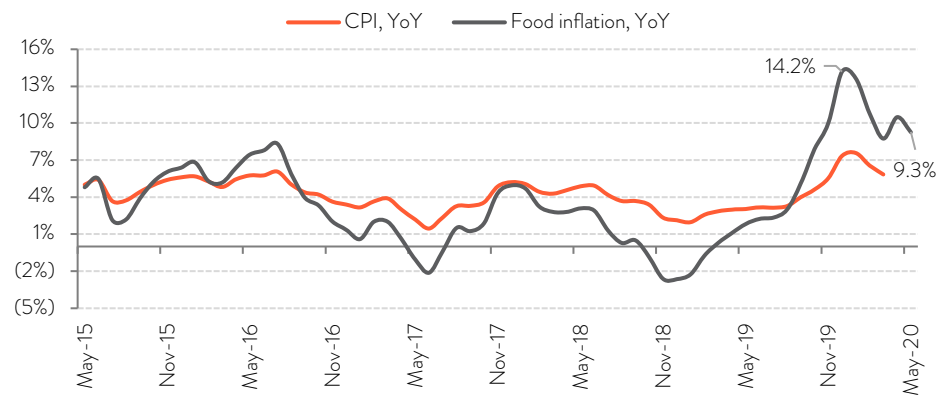
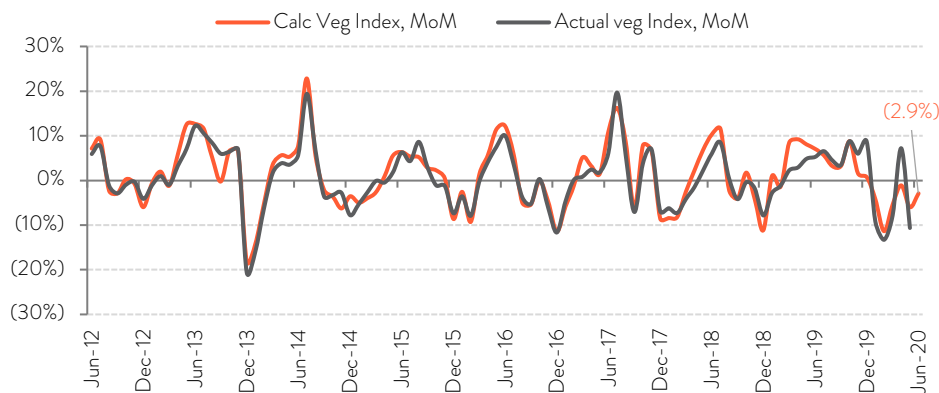


FIG 29 – VEGETABLE INFLATION IS ALSO FALLING IN JUN'20



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

FIG 28 – FOOD INFLATION SOFTENED TO 9.3% (10.5% IN APR'20) LED BY BROAD BASE DECLINE AMIDST REOPENING OF THE ECONOMY

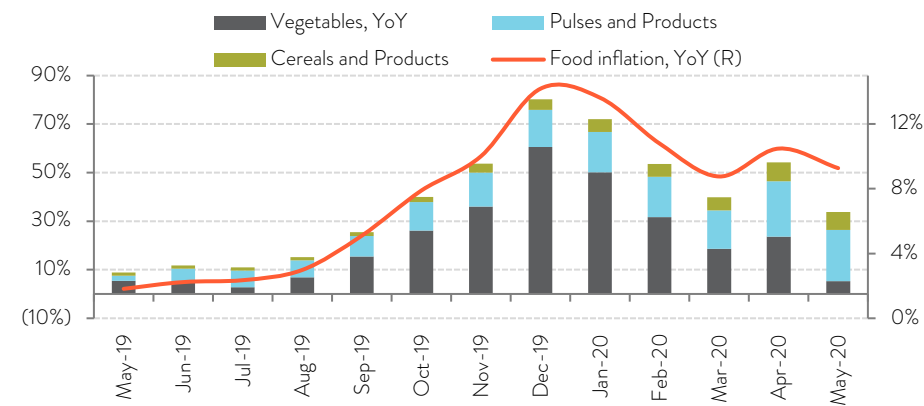


FIG 30 – MODERATION IN FOOD PRICES WAS ALSO SEEN IN WHOLESALE INFLATION

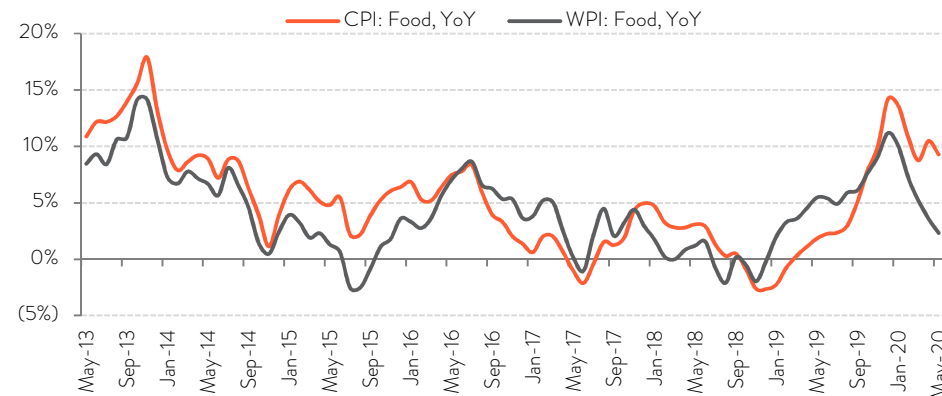


FIG 31 – CORE PRINT WAS NOT AVAILABLE, ONLY HEALTH AND HOUSING INFLATION DATA WAS THERE WHICH SHOWED DIVERGENT TREND

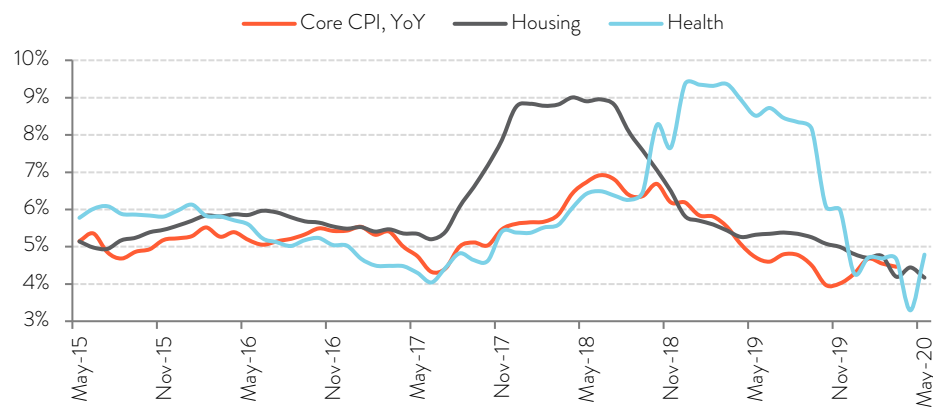
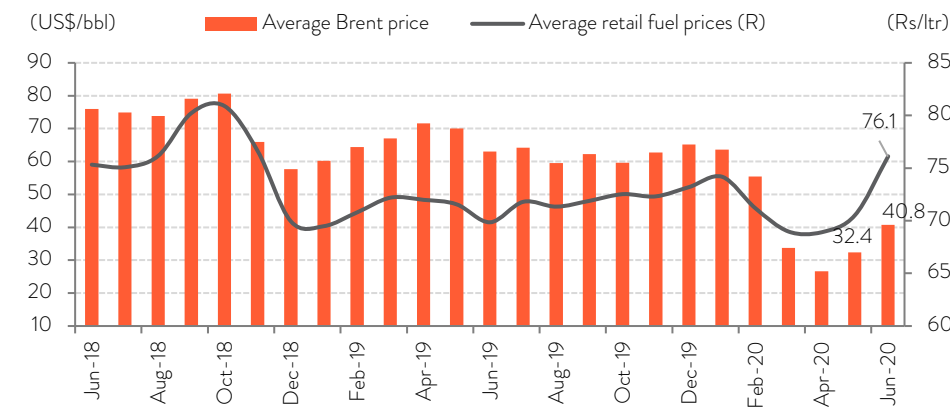


FIG 32 – IN JUN'20, RETAIL FUEL PRICES ROSE TO RS 76.1/LT (RS 70.5/LT- MAY'20) IN LINE WITH CRUDE (US\$ 40.8/BBL FROM US\$ 32/BBL- MAY'20)



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

FIG 33 – RBI'S ESTIMATE SUGGEST SHARP MODERATION IN H2, OUR ESTIMATES ALSO SUGGESTS THE SAME

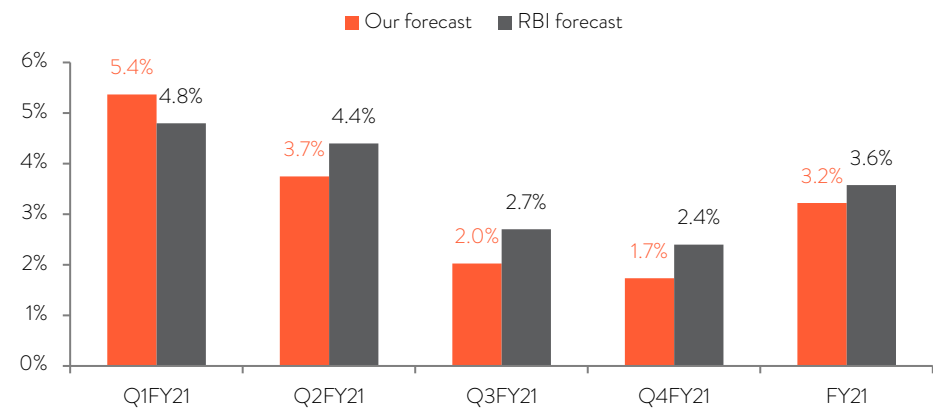
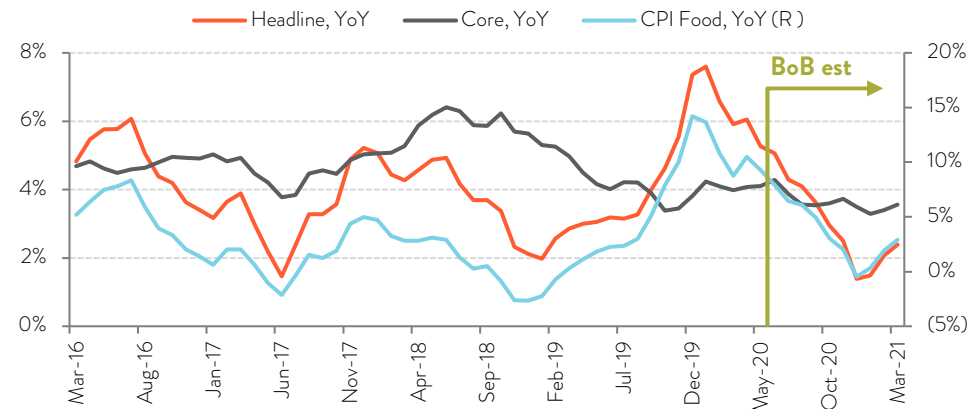
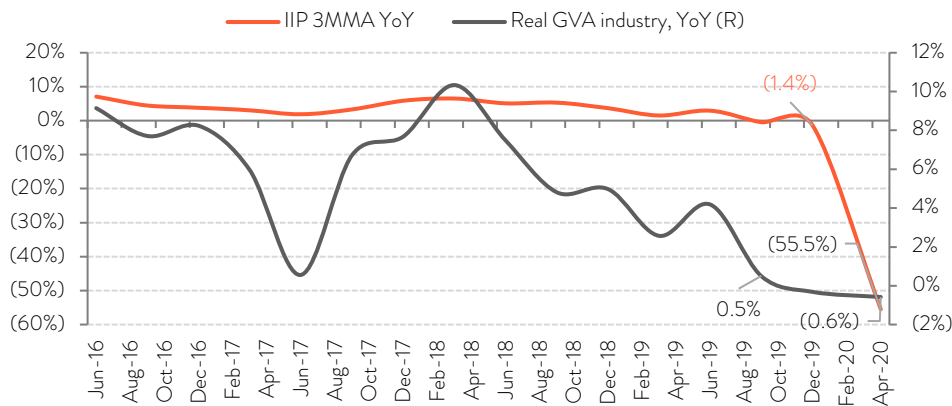


FIG 34 – ...FOOD INFLATION WILL SHOW SHARP MODERATION IN THE COMING MONTHS



Industry

FIG 35 – INDUSTRIAL OUTPUT SLUMPS


Note: IIP for Apr'20 is on YoY basis

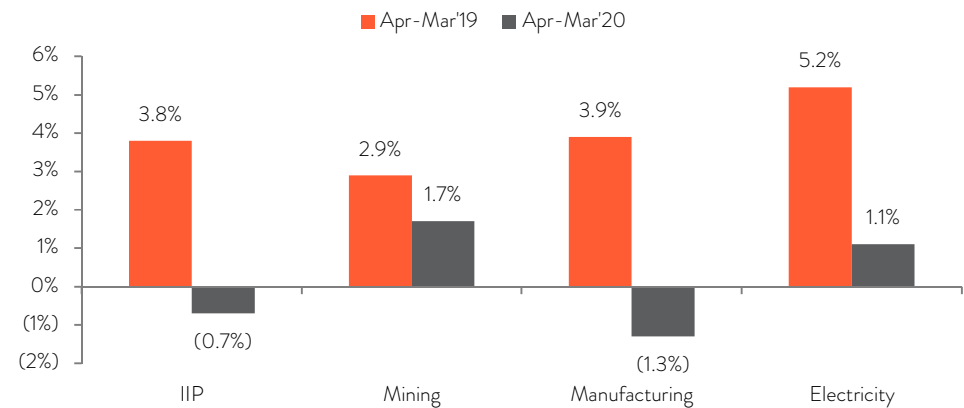
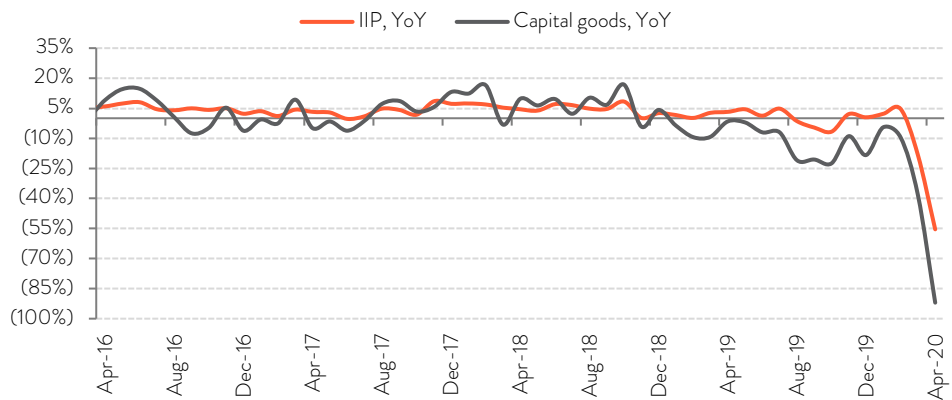
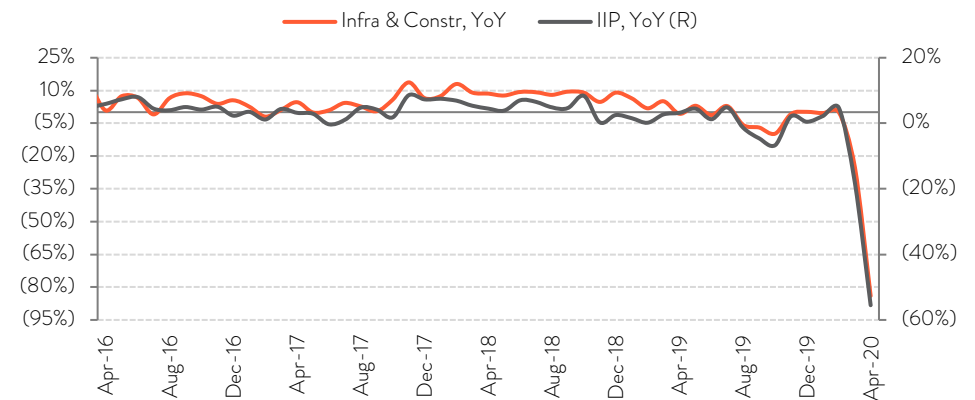
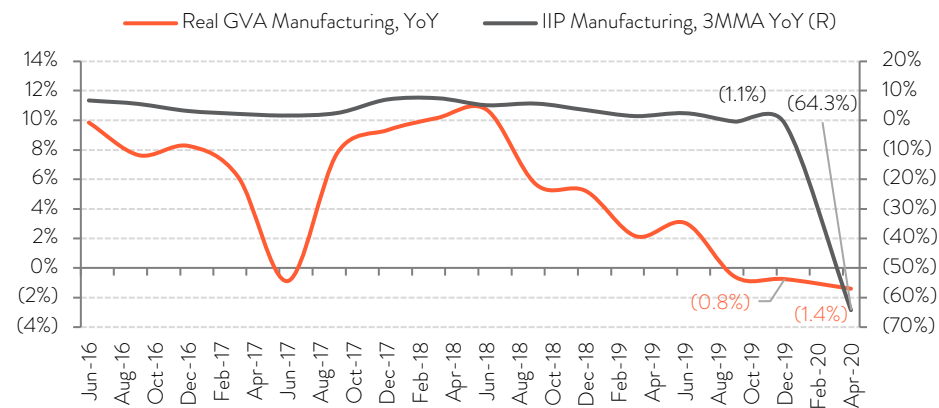
FIG 36 – IIP CONTRACTED BY 0.7% IN FY20

FIG 37 – CAPITAL GOODS PULLED DOWN IIP

FIG 38 – INFRA GOODS TOO DOING THE SAME


FIG 39 – INDUSTRIAL PRODUCTION CONTRACTS SHARPLY IN APR'20

Sectoral (%)	Weight	Apr-20	Mar-20	Apr-19	Apr-Mar'20	Apr-Mar'19
IIP	100.0	(55.5)	(18.3)	3.2	(0.7)	3.8
Mining	14.4	(27.4)	(1.4)	5.1	1.7	2.9
Manufacturing	77.6	(64.3)	(22.4)	2.5	(1.3)	3.9
Electricity	8.0	(55.5)	(8.2)	6.0	1.1	5.2
Use-Based						
Primary Goods	34.1	(26.6)	(4.1)	5.1	0.8	3.5
Capital Goods	8.2	(92.0)	(38.3)	(1.4)	(13.7)	2.7
Intermediate Goods	17.2	(66.0)	(18.5)	3.0	8.8	0.9
Infrastructure and Construction Goods	12.3	(83.9)	(25.2)	(0.7)	(4.0)	7.3
Consumer Durables Goods	12.8	(95.7)	(36.5)	2.2	(8.4)	5.5
Consumer Non-Durables Goods	15.3	(36.1)	(20.2)	5.4	0.5	4.0

Manufacturing

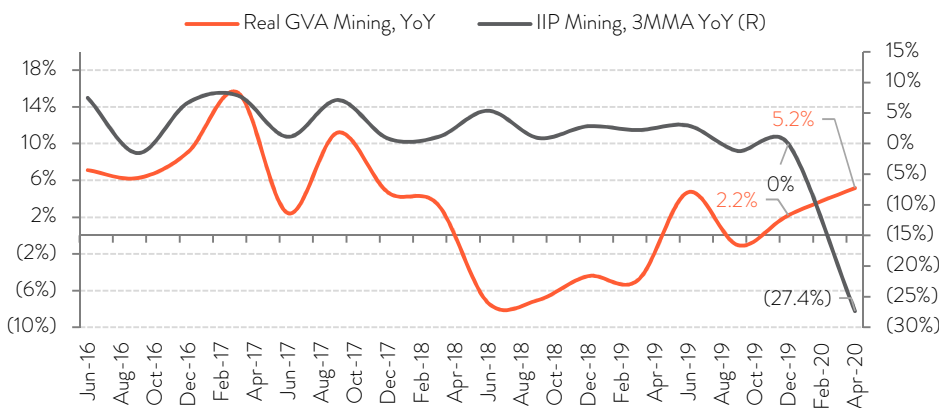
FIG 40 – MANUFACTURING OUTPUT CONTINUES TO DECLINE



Note: IIP for Apr'20 is on YoY basis

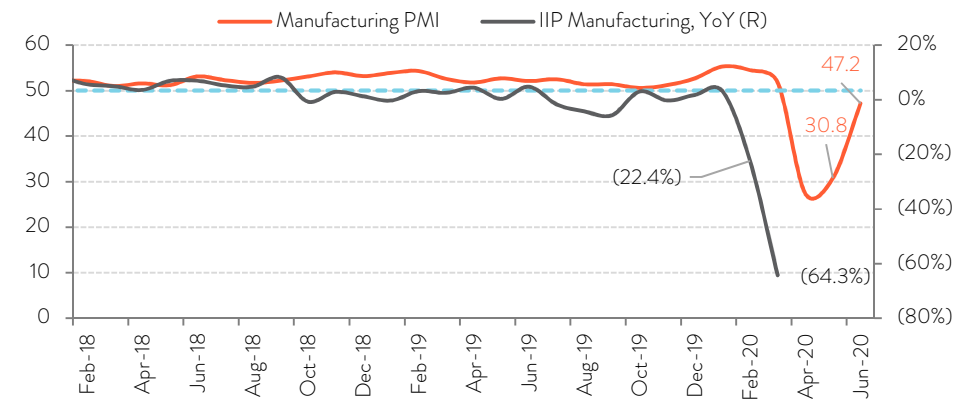
Mining & Electricity

FIG 42 – MINING ACTIVITY DIPS



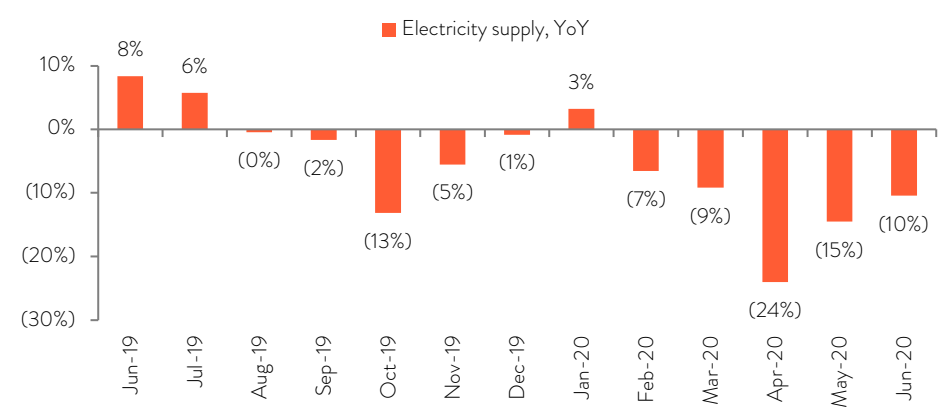
Note: IIP for Apr'20 is on YoY basis

FIG 41 – MANUFACTURING PMI IMPROVES FURTHER



Source: Markit

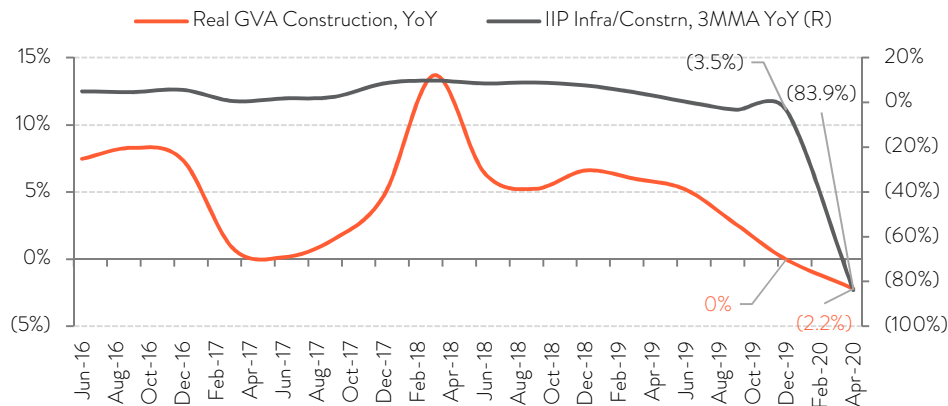
FIG 43 – ELECTRICITY OUTPUT DECLINING AT A SLOWER PACE



Source: Posco

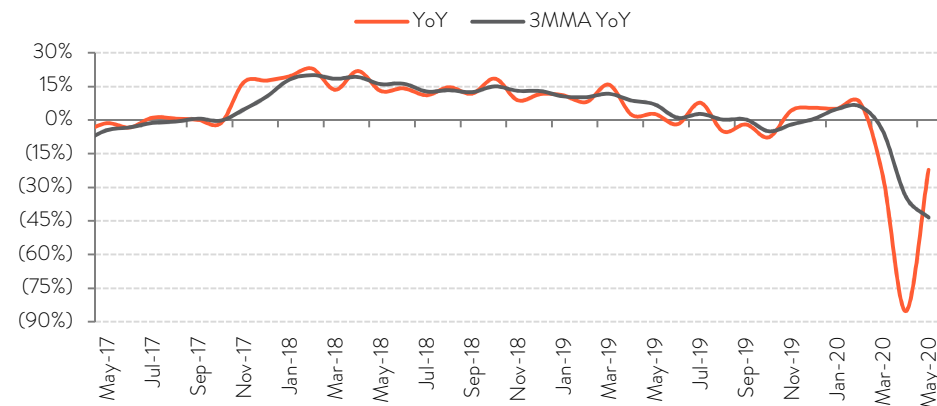
Infrastructure and Construction

FIG 44 – GROWTH IN CONSTRUCTION DROPS



Note: IIP for Apr'20 is on YoY basis

FIG 45 – CEMENT PRODUCTION REBOUNDS



Infrastructure Index

FIG 46 – INFRA INDEX DECLINES AT A SLOWER PACE

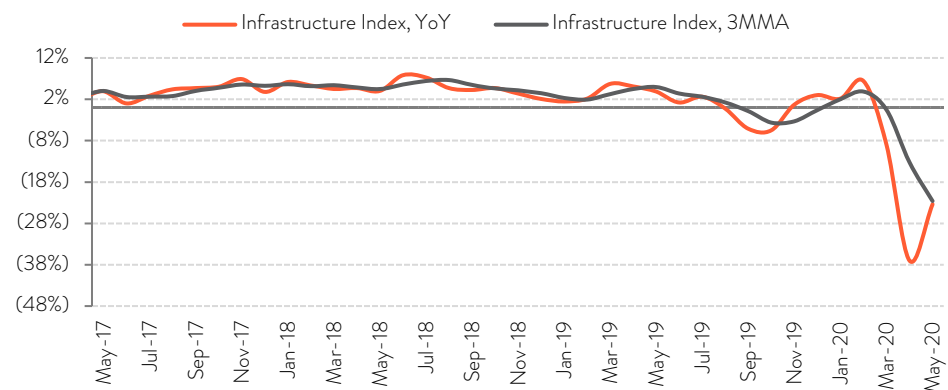
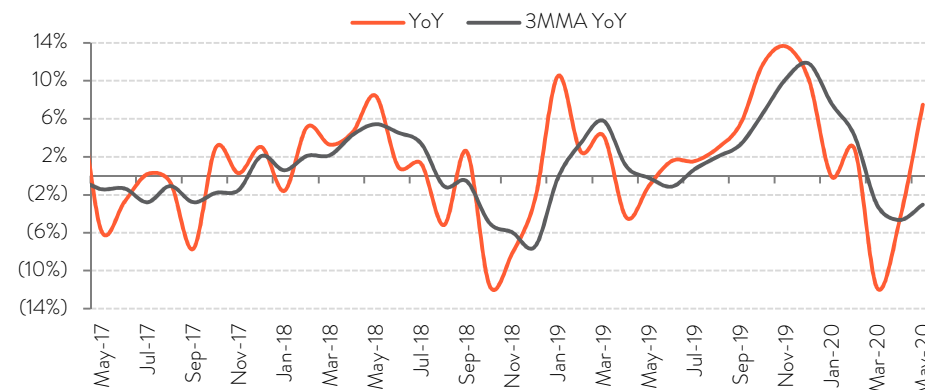


FIG 47 – EXPANSION IN FERTILIZER PRODUCTION



Auto production & Business expectation index

FIG 48 – AUTO PRODUCTION DECLINES FURTHER

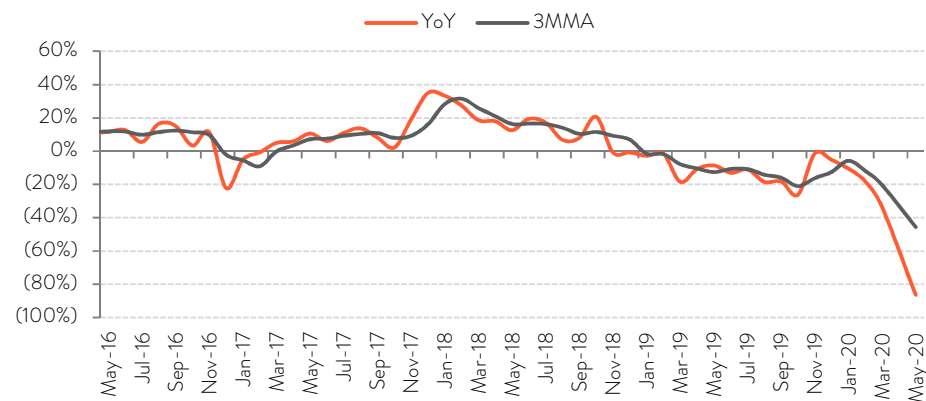


FIG 49 – BUSINESS SENTIMENT EXPECTED TO IMPROVE IN Q1FY21

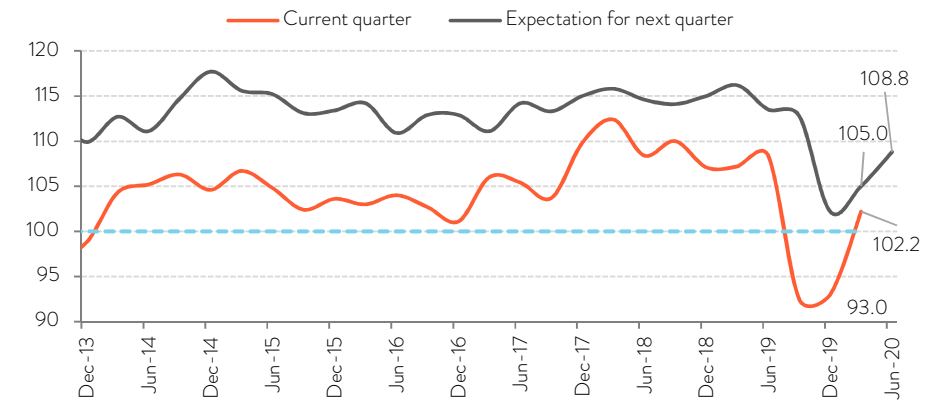


FIG 50 – INFRASTRUCTURE INDEX CONTRACTS BY 23% IN MAY'20

(%)	Weight	May-20	Apr-20	May-19	Apr-May'21	Apr-May'20
Infrastructure Index	100	(23.4)	(37.0)	3.8	(30.0)	4.5
Coal	10.3	(14.0)	(15.5)	1.7	(14.7)	2.4
Crude Oil	9.0	(7.1)	(6.4)	(6.9)	(6.7)	(6.8)
Natural Gas	6.9	(16.8)	(19.9)	(0.1)	(18.3)	(0.4)
Petroleum Refinery Products	28.0	(21.3)	(24.2)	(1.5)	(22.7)	1.3
Fertilizers	2.6	7.5	(4.5)	(1.0)	2.0	(2.6)
Steel	17.9	(48.4)	(78.7)	13.3	(63.3)	13.3
Cement	5.4	(22.2)	(85.3)	2.8	(54.1)	2.5
Electricity	19.9	(15.6)	(23)	7.4	(19.1)	6.7

Investment

FIG 51 – REAL GFCF CONTRACTED TO ITS LOWEST IN THE 2011-12 SERIES TO 6.5% IN Q4FY20 VS 5.1% DECLINE IN Q3FY20

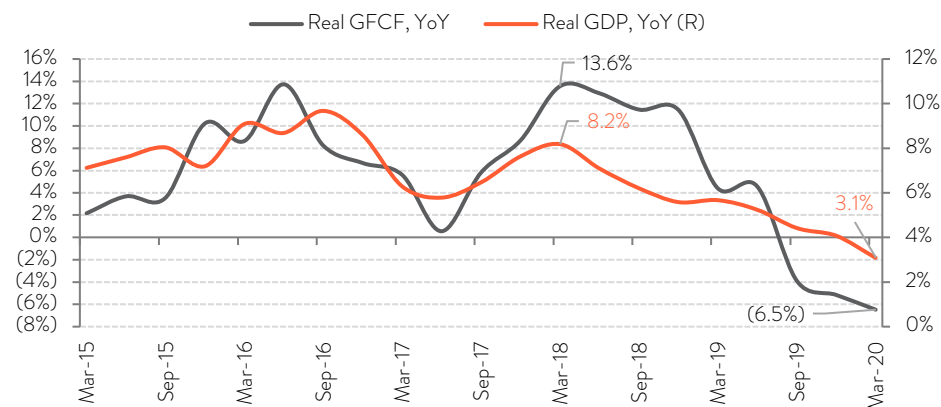


FIG 52 – ...IN FY20 AS WELL, REAL GFCF SHOWED SHARP CONTRACTION OF 2.8% , GDP GROWTH ALSO DECELERATED TO 4.2%

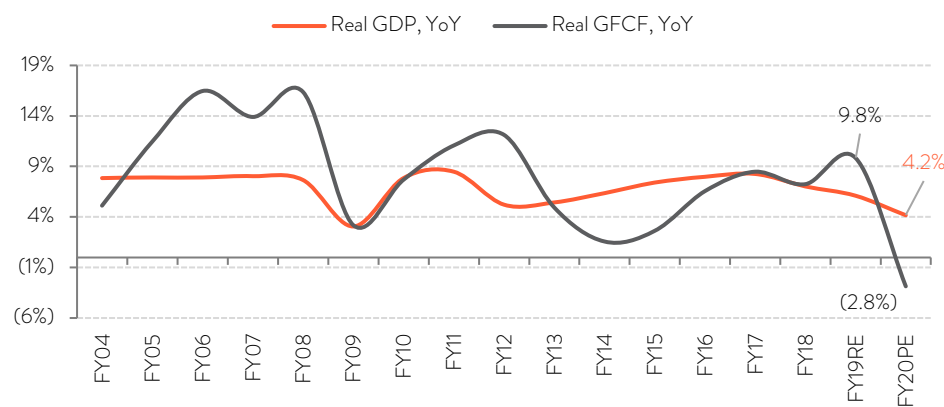


FIG 53 – PLF OF THERMAL PLANTS HAS SHOWN SHARP DECELERATION IN MAY'20 SHOWING SHARP FALL IN CAPACITY UTILISATION

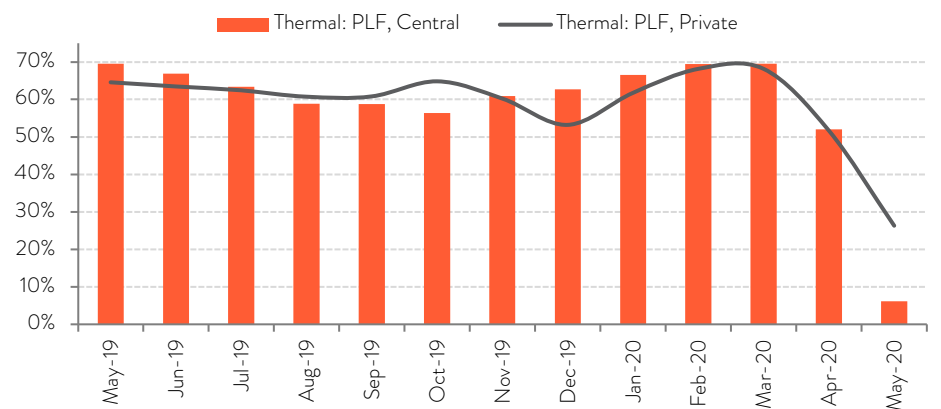


FIG 54 – CAPITAL GOODS PRODUCTION PLUNGED TO ITS LOWEST OF 92% IN APR'20 (38% DECLINE IN MAR'20) ON ACCOUNT OF LOCKDOWN

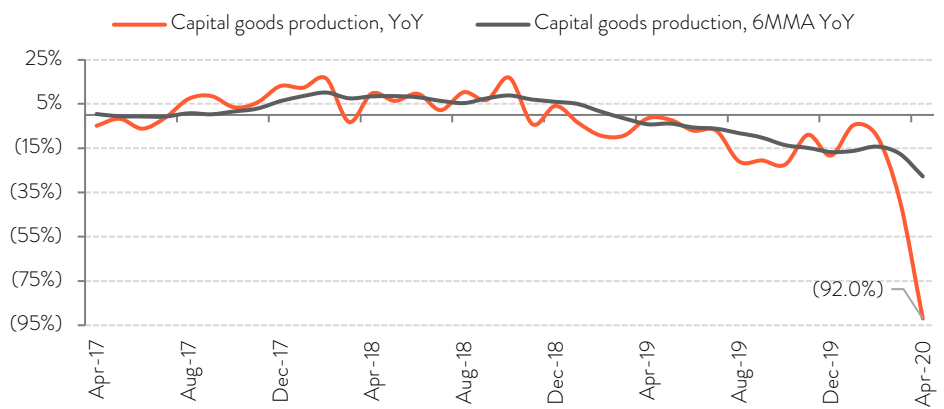


FIG 55 – CAPITAL GOODS IMPORTS WAS IN THE NEGATIVE TERRITORY; YET IMPROVED IN MAY'20 (33.6% DECLINE AGAINST 54.2% IN APR'20)

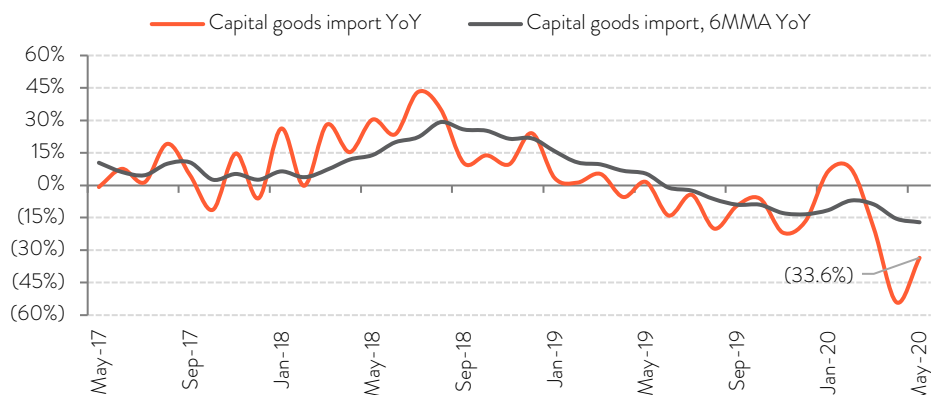


FIG 56 – CENTRE'S CAPEX SPENDING PICKED UP TO 18.3% IN MAY'20 COMPARED WITH 14.9% IN APR'20

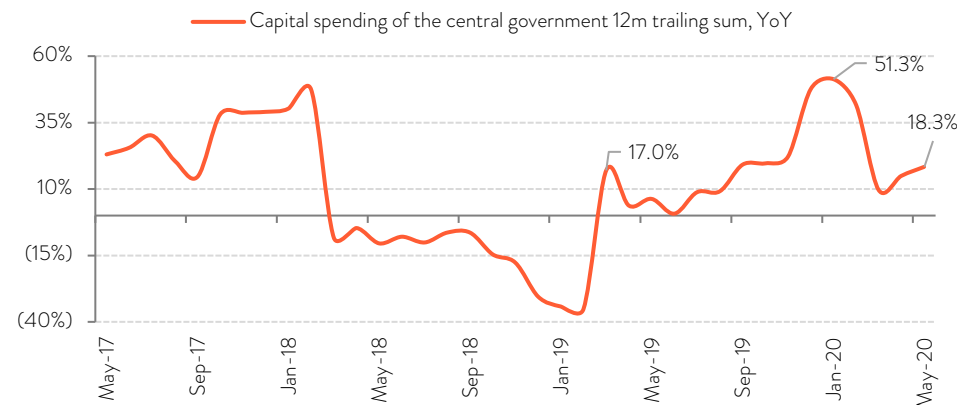


FIG 57 – INDUSTRY CREDIT GROWTH WAS STABLE AT 1.7% IN MAY'20

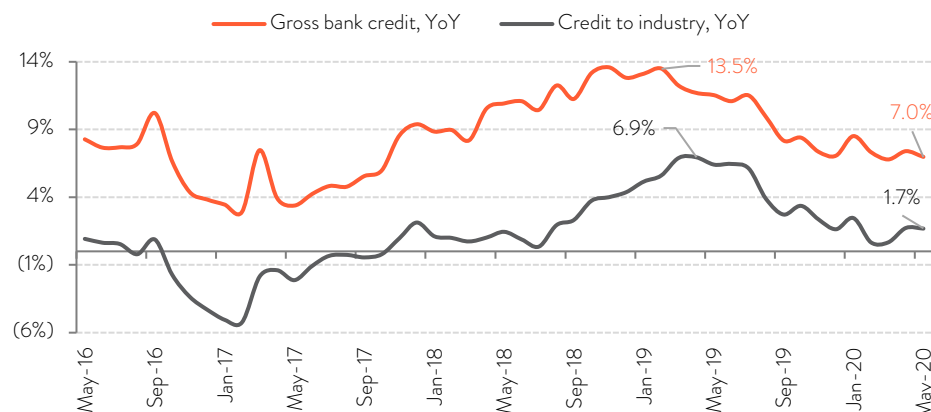


FIG 58 – CREDIT TO LARGE INDUSTRY PICKED UP TO 2.8% IN MAY'20 FROM 2.7% IN APR'20

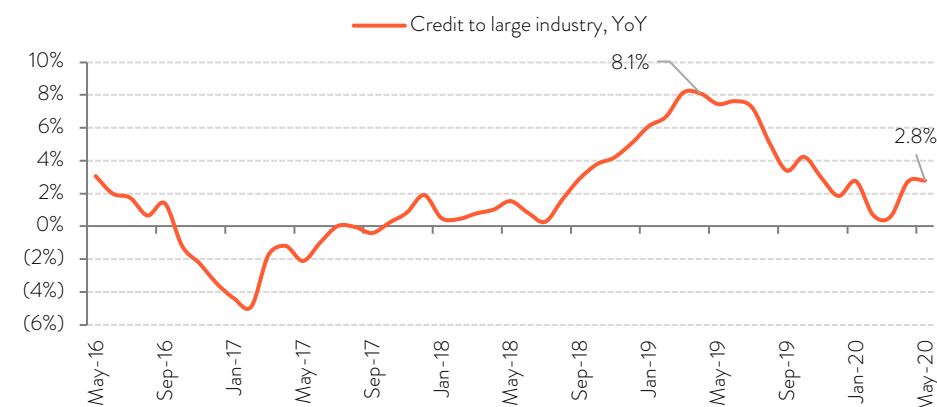


FIG 59 – CREDIT TO MSE FELL TO 3.4% (2.2% DECLINE IN APR'20); MEDIUM INDUSTRY CONTRACTION WAS LOWER AT 5.3% (6.4% FALL IN APR'20)

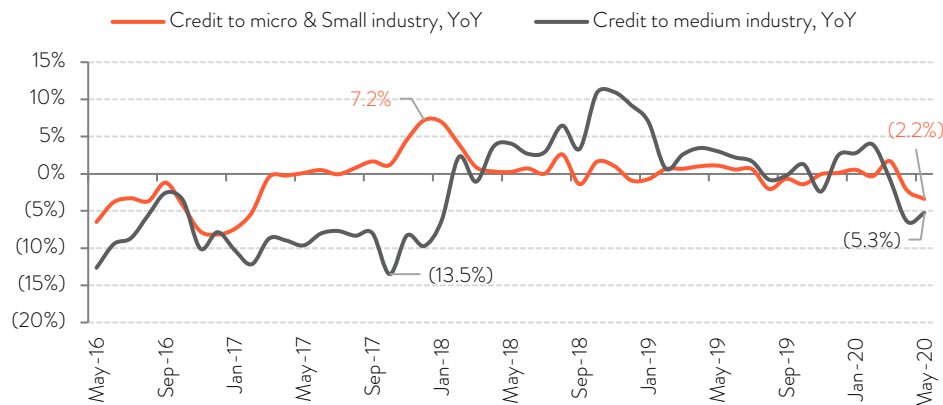


FIG 60 – HOUSING CREDIT DEMAND MODERATED TO 12.9% IN MAY'20 COMPARED WITH 13.9% IN APR'20

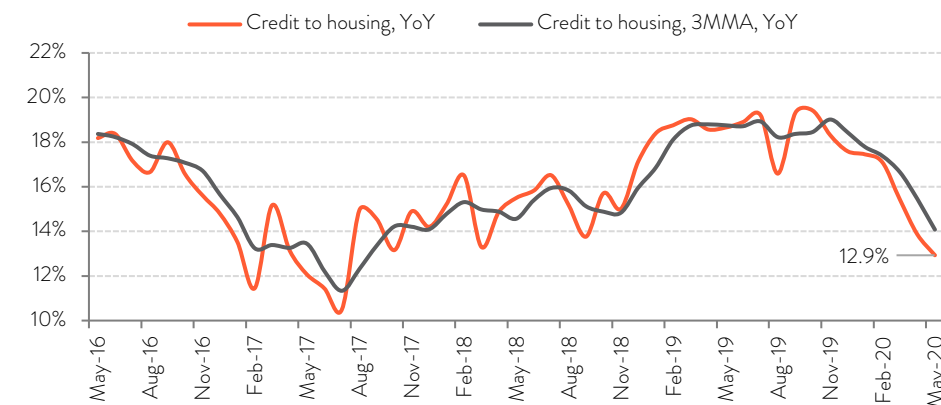
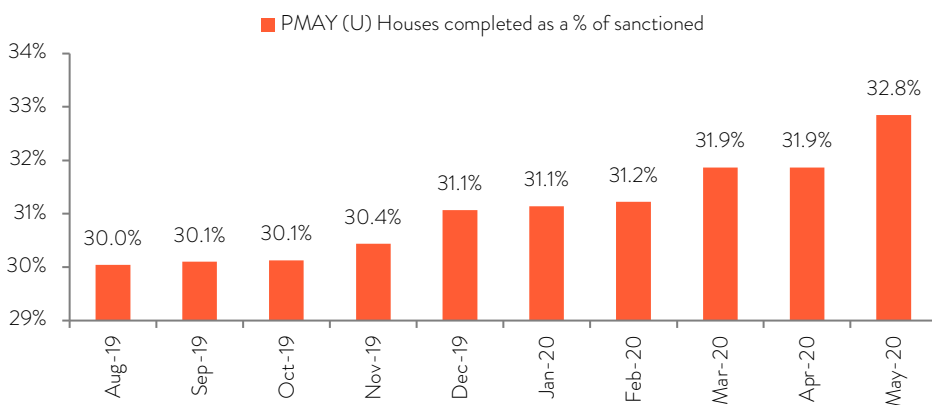
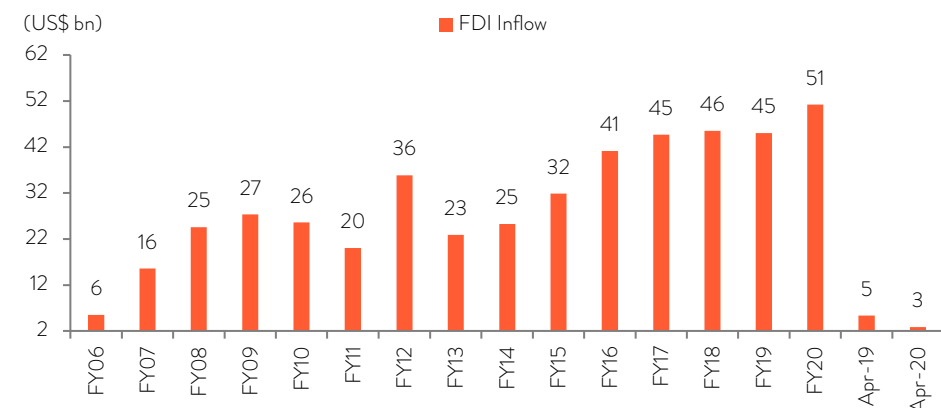


FIG 61 – AFFORDABLE HOUSING DEMAND PICKED UP IN MAY'20



Source: MOHUA

FIG 62 – FDI INFLOWS WAS AT US\$ 3BN IN APR'20 AGAINST US\$ 5BN IN APR'19



Source: RBI

Capex data

FIG 63 – NEW PROJECT ANNOUNCEMENT IN JUN'20 FELL SHARPLY TO RS 561BN AGAINST RS 3.4TN IN MAR'20 AND RS 1.2TN IN JUN'19

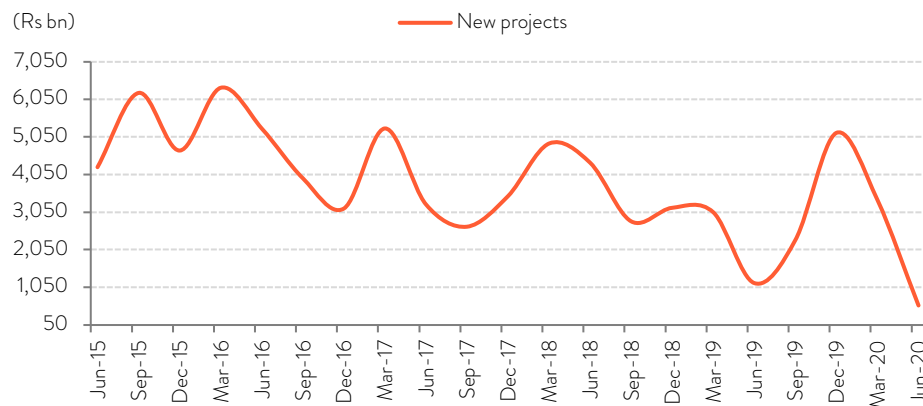


FIG 65 – WITHIN MANUFACTURING, SHARP FALL IN ANNOUNCEMENTS WAS OBSERVED FOR TRANSPORTATION EQUIPMENT

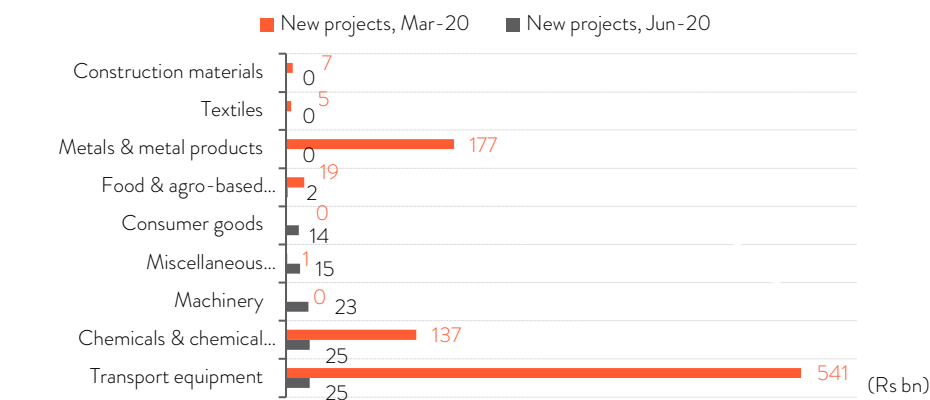


FIG 64 – ...LED BY BROAD BASED FALL IN ANNOUNCEMENTS ACROSS ALL SECTORS ESPECIALLY ELECTRICITY AND SERVICES

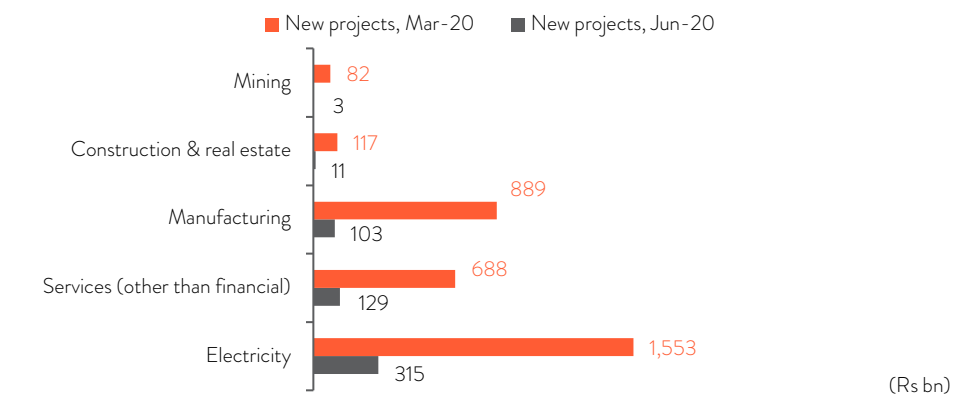


FIG 66 – ...WITHIN SERVICES, ONLY IT & TRANSPORTATION SECTOR SAW SOME ANNOUNCEMENTS

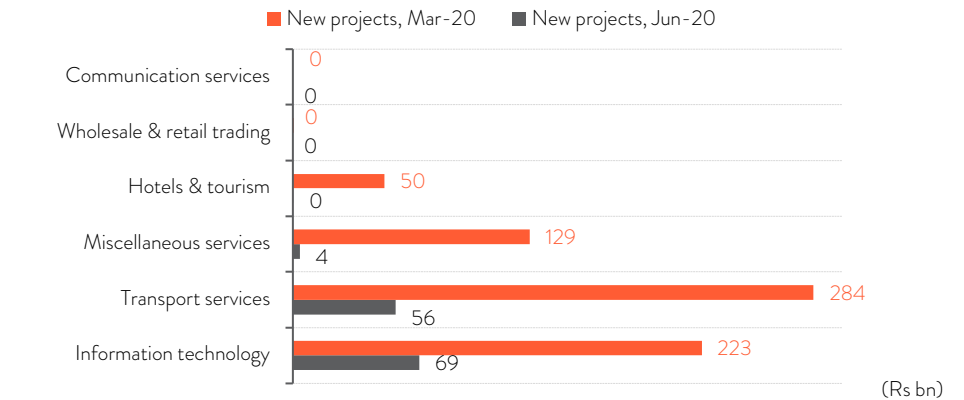
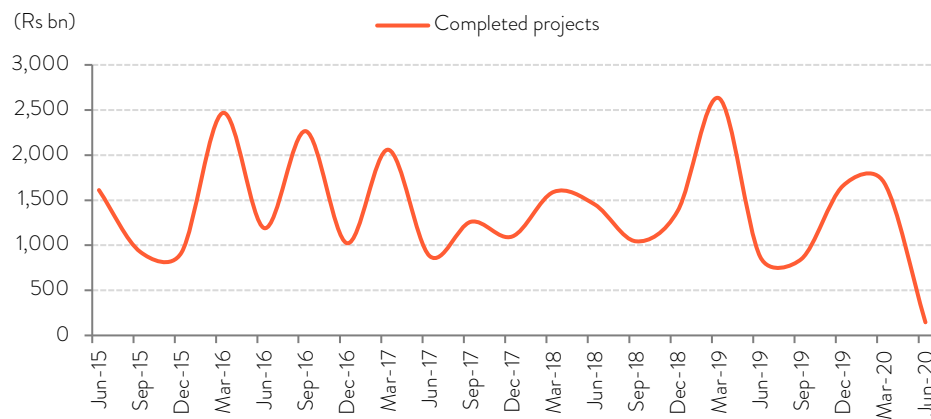
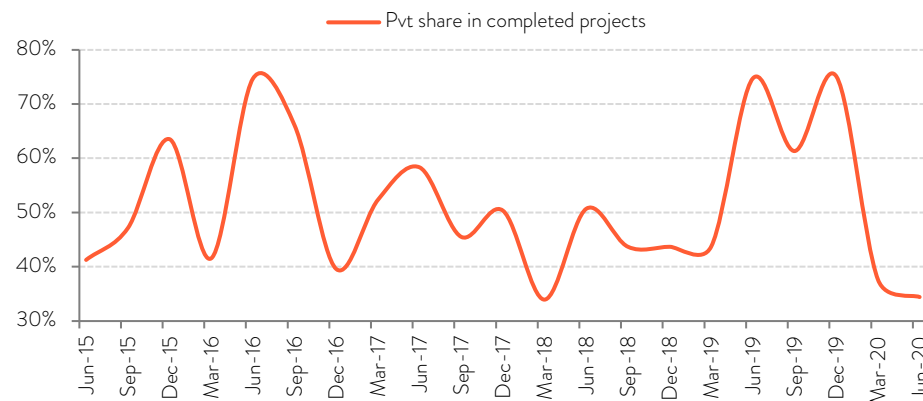


FIG 67 – COMPLETED PROJECTS ALSO FELL SHARPLY TO RS 144BN IN JUN'20 COMPARED WITH RS 1.7TN IN MAR'20



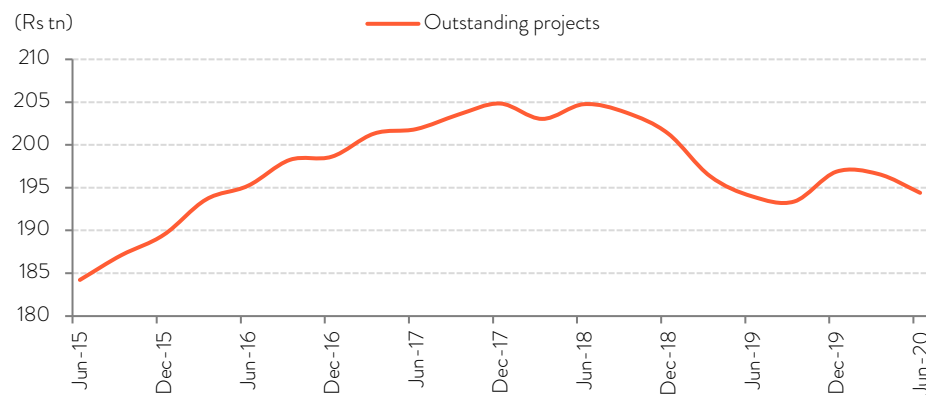
Source: CMIE

FIG 68 – ...PRIVATE SHARE IN COMPLETED PROJECTS ALSO EDGED DOWN



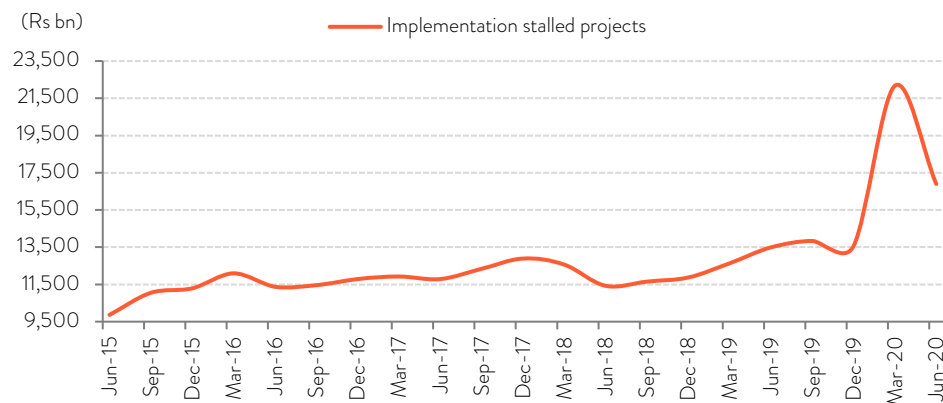
Source: CMIE

FIG 69 – OUTSTANDING PROJECTS FELL TO AT RS 194TN IN JUN'20 COMPARED WITH RS 197TN IN MAR'20



Source: CMIE

FIG 70 – HOWEVER IMPLEMENTATION STALLED PROJECTS FELL TO RS 17TN IN MAR-20 FROM RS 22TN IN MAR-20



Source: CMIE

Services sector

FIG 71 – GVA: SERVICES ACTIVITY SLOWED SHARPLY IN Q4FY20

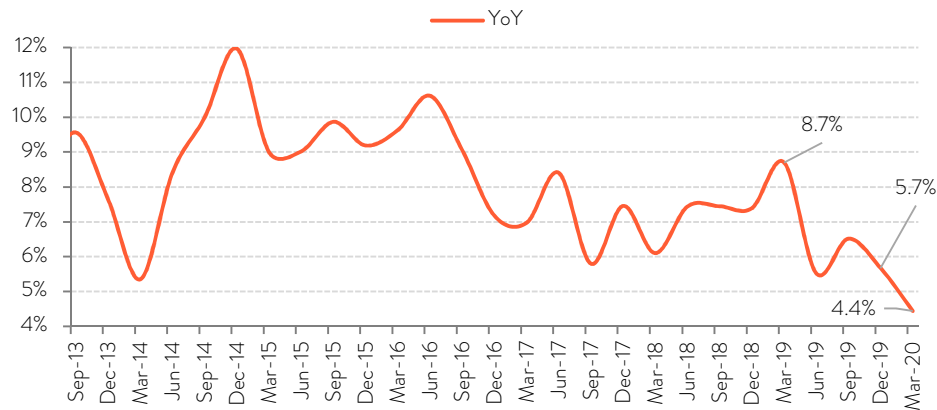
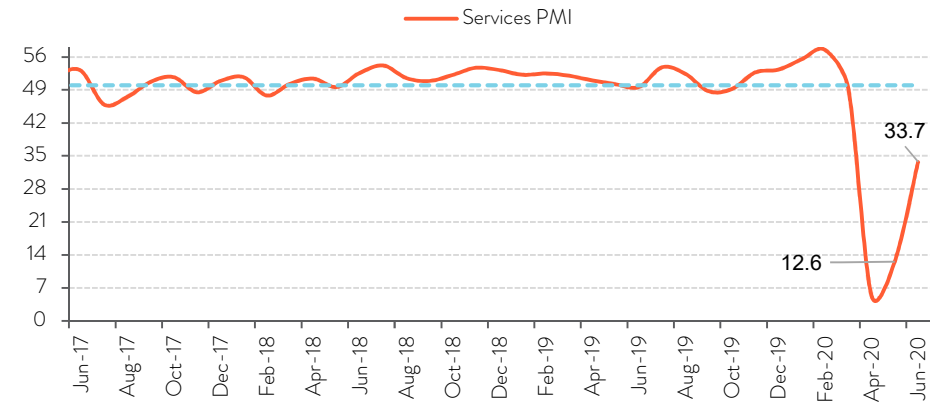


FIG 72 – SERVICES PMI IMPROVES FURTHER IN JUN'20



Source: Markit

FIG 73 – GVA: TRADE & RELATED SERVICES GROWTH REMAINS MUTED

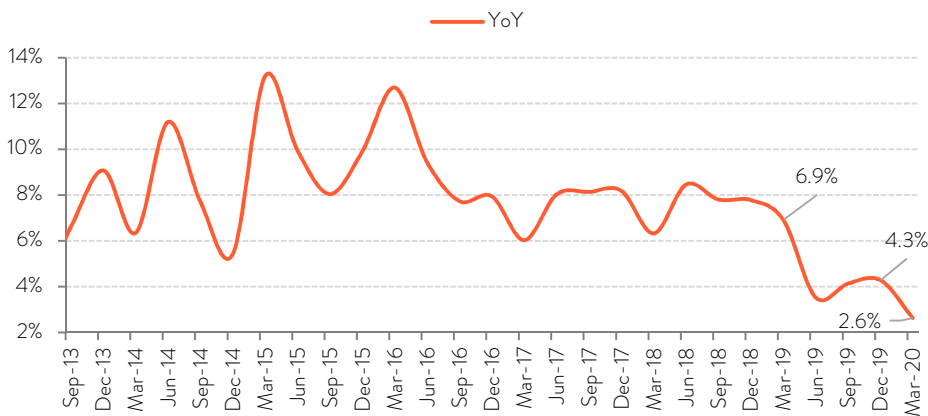
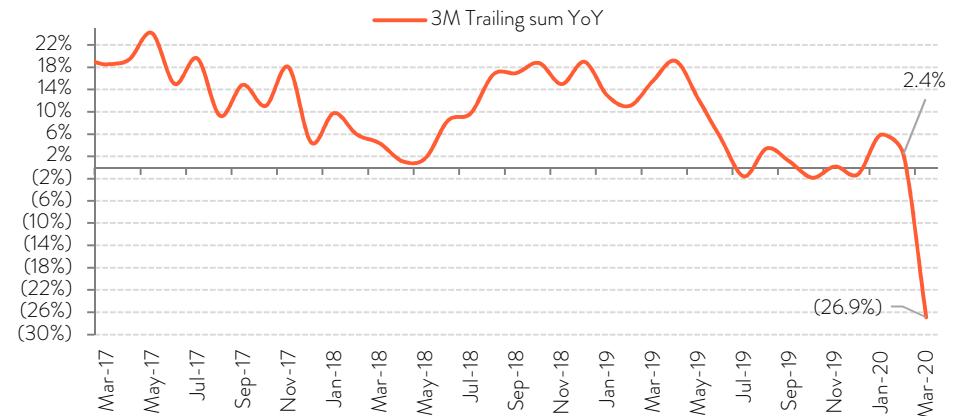


FIG 74 – STATES* TAX REVENUE GROWTH DECLINED SHARPLY IN Q4FY20



Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Jharkhand, Maharashtra, TN, UP, Uttarakhand and W.Bengal

Trade

FIG 75 – COMMERCIAL VEHICLE SALES REMAIN MUTED IN JAN'20

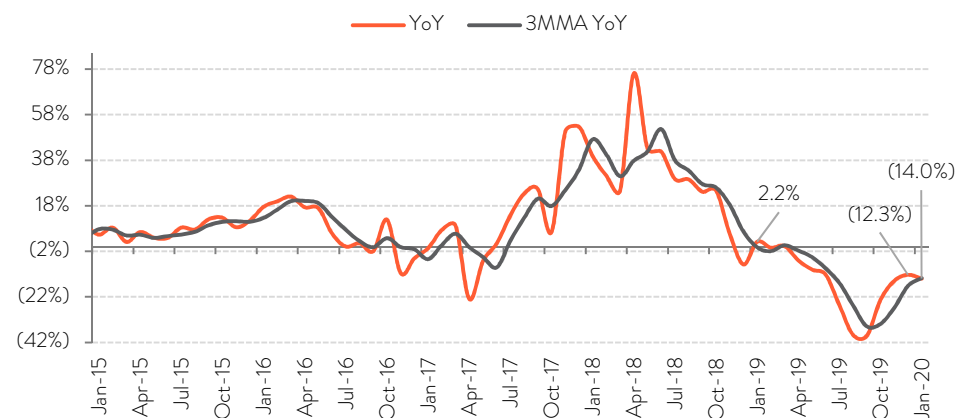
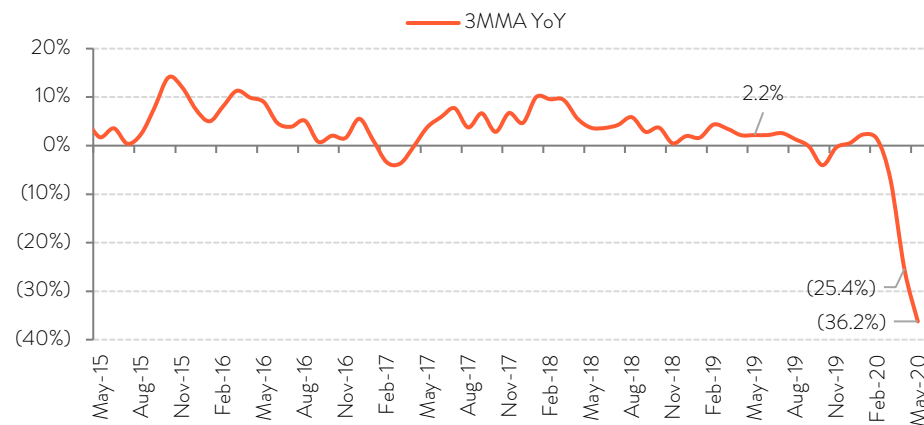


FIG 76 – DIESEL CONSUMPTION REMAINED MUTED IN MAY'20



Source: PPAC

FIG 77 – PORT CARGO VOLUMES CONTRACT STEEPLY IN MAY'20 AS WELL

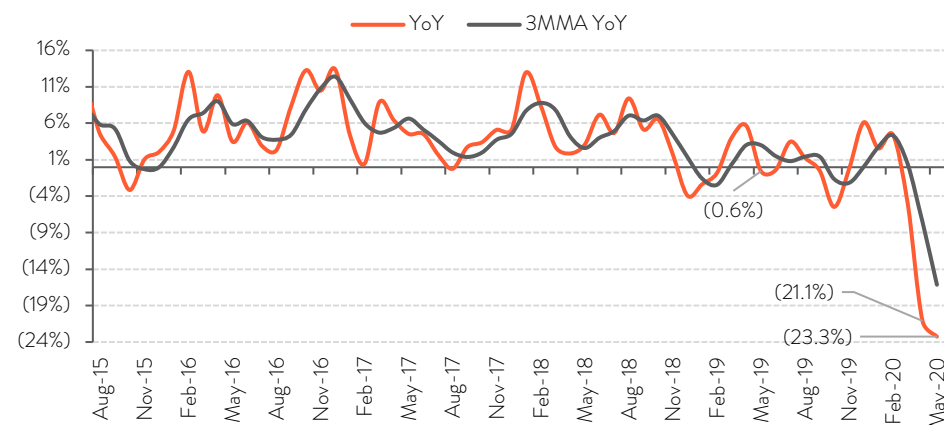


FIG 78 – RAILWAY FREIGHT TRAFFIC GROWTH YET TO RECOVER

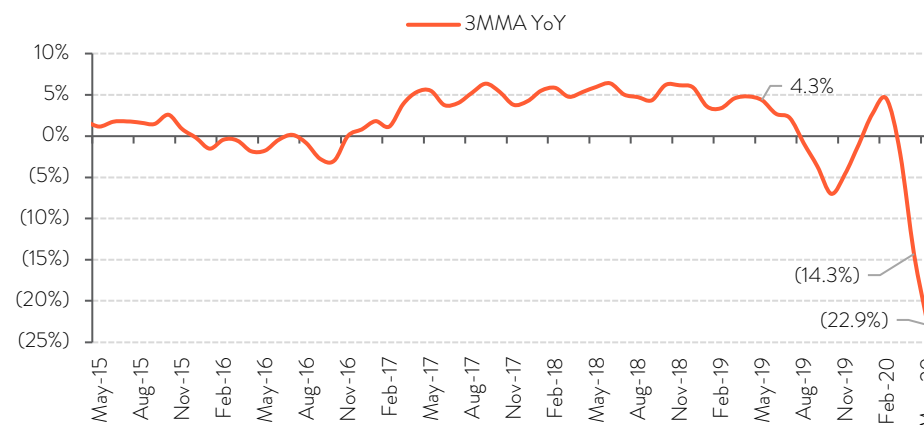
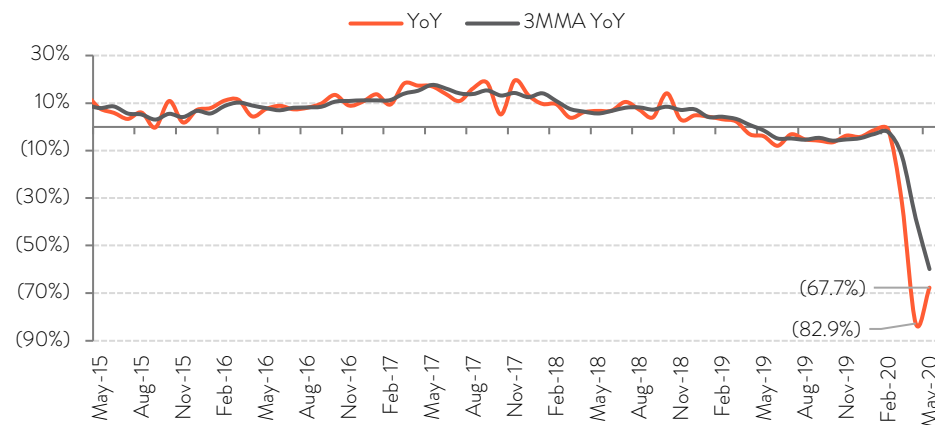
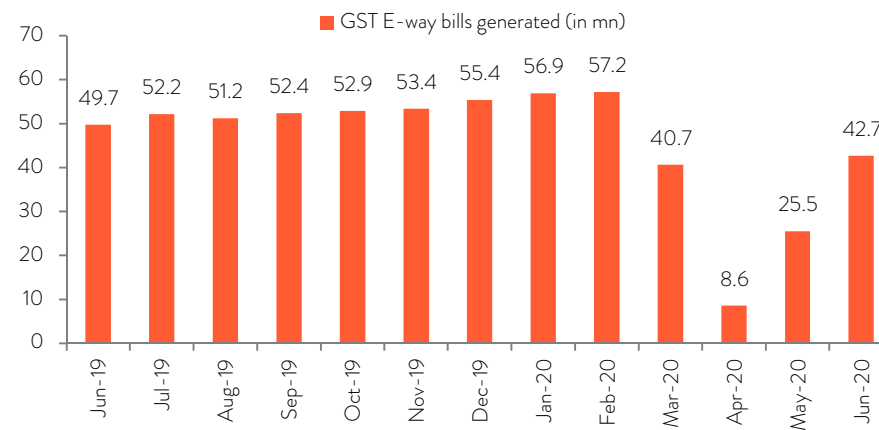


FIG 79 – AIR CARGO VOLUMES CONTRACTING LESS SHARPLY...**FIG 80 – E-WAY BILLS SLOWLY RISING, INDICATING RESUMPTION OF ECONOMIC ACTIVITY IN JUN'20**

Hotels and Communications

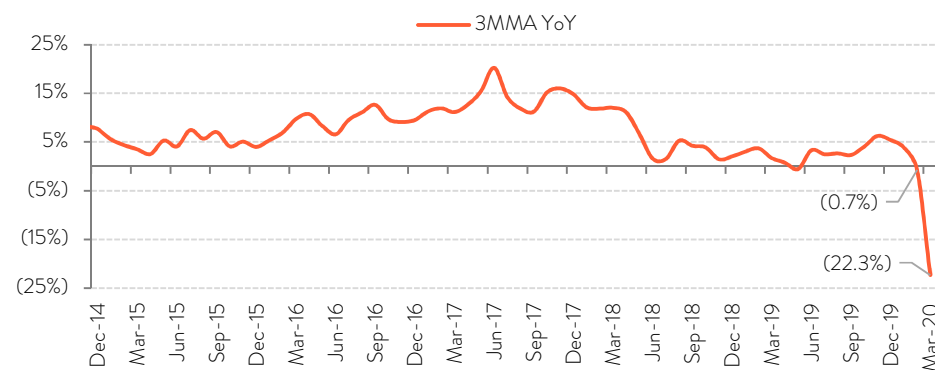
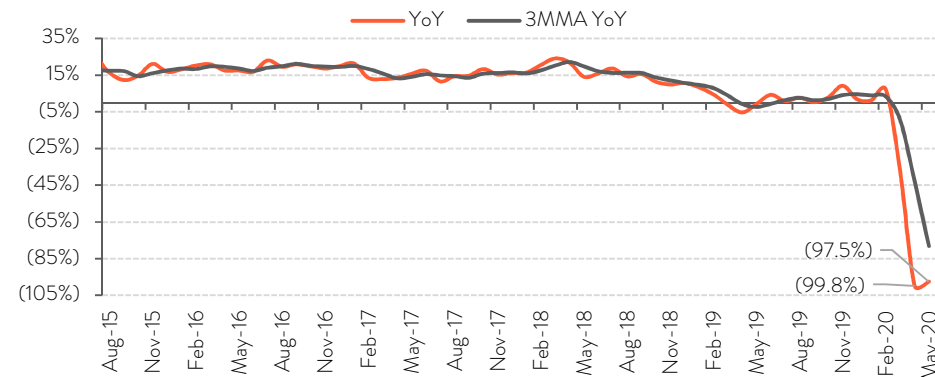
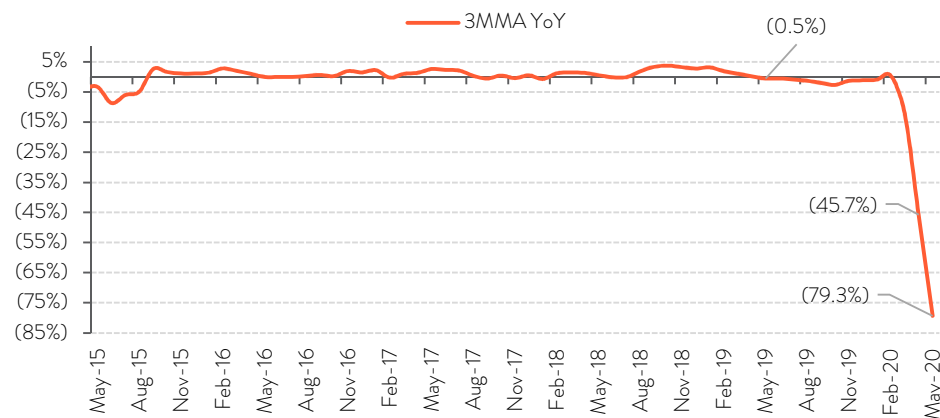
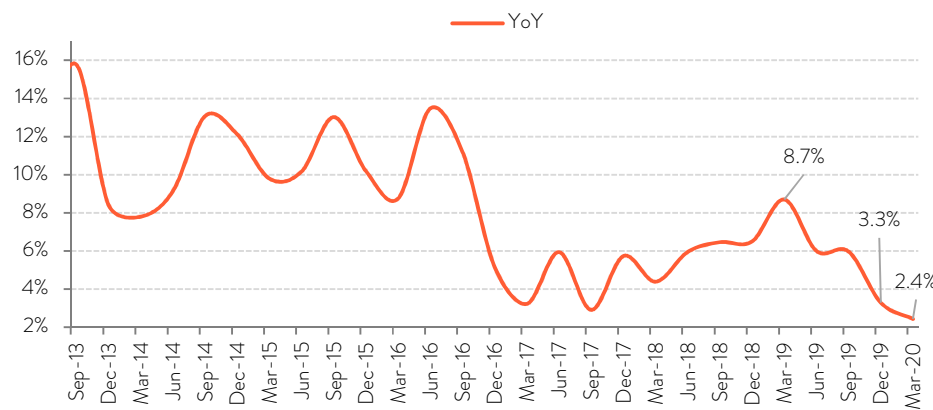
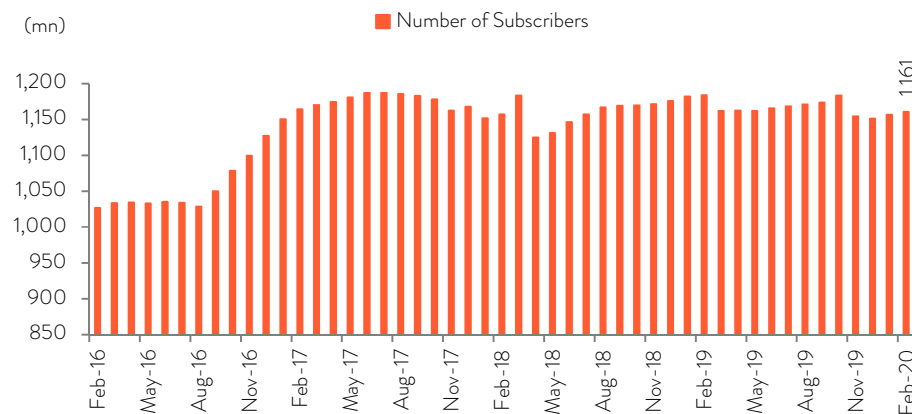
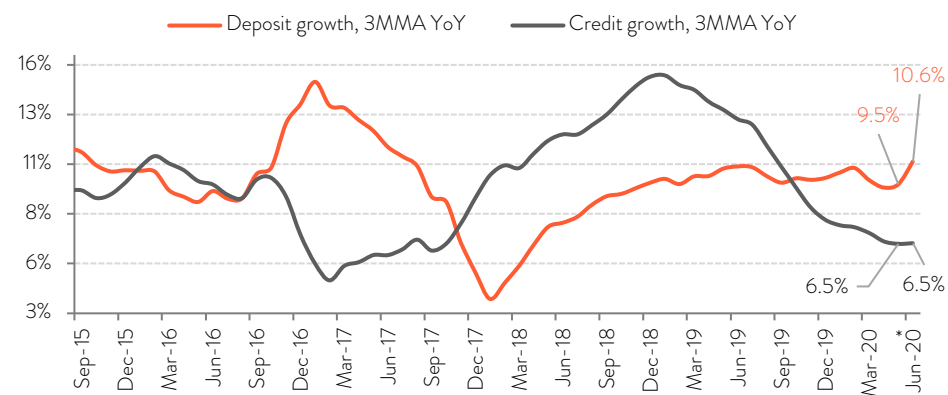
FIG 81 – FOREIGN TOURIST ARRIVAL GROWTH SLIPPED OWING TO EXTENDED LOCKDOWN**FIG 82 – AIRLINE PASSENGER TRAFFIC GROWTH CONTINUES TO REMAIN BADLY HIT**

FIG 83 – RAILWAY PASSENGER TRAFFIC GROWTH FALLS FURTHER IN MAY'20

Finance and Real estate

FIG 85 – GROWTH IN GVA: FINANCE, REAL ESTATE & PROF. SERVICES ACTIVITY SLOWED FURTHER IN Q4FY20**FIG 84 – TELECOM SECTOR ADDED 4.1MN WIRELESS SUBSCRIBERS IN FEB'20****FIG 86 – CREDIT GROWTH REMAINS LACKLUSTRE; DEPOSIT GROWTH SEEN IMPROVING FURTHER IN JUN'20**

Note: *Jun'20 implies fortnight as of 5 Jun 2020

FIG 87 – CREDIT TO MANUFACTURING SECTOR REMAINED MUTED IN MAY'20; CREDIT TO SERVICES SECTOR SEEN PICKING UP...

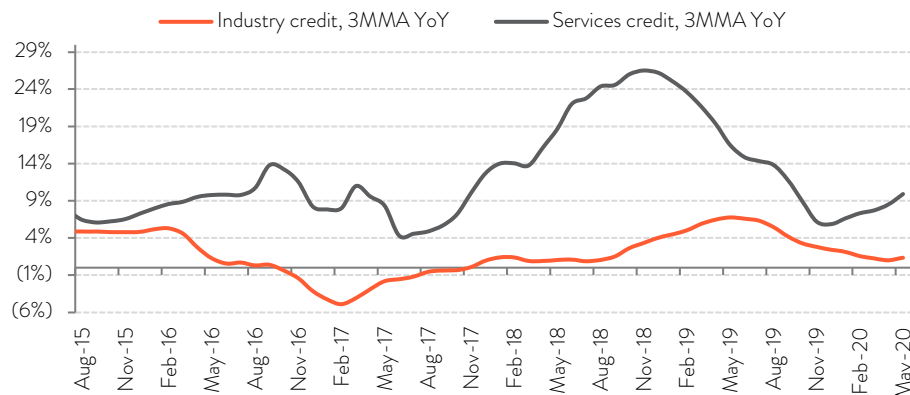


FIG 88 – CREDIT TO NBFC RECORDS MARGINAL UPTICK IN MAY'20

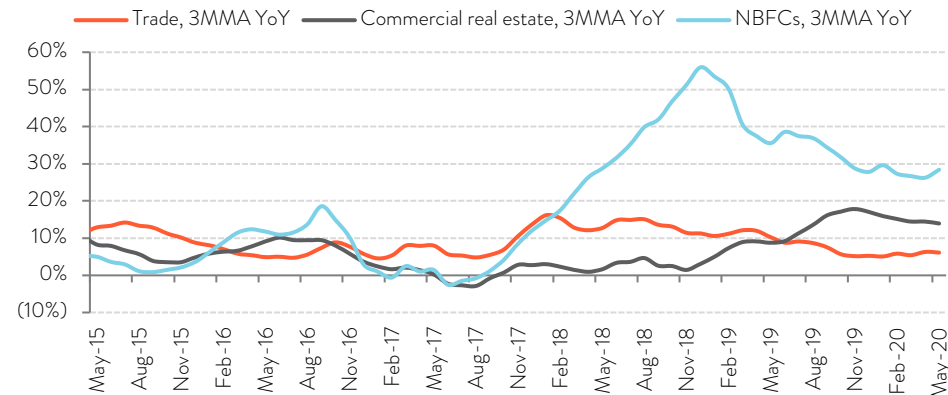
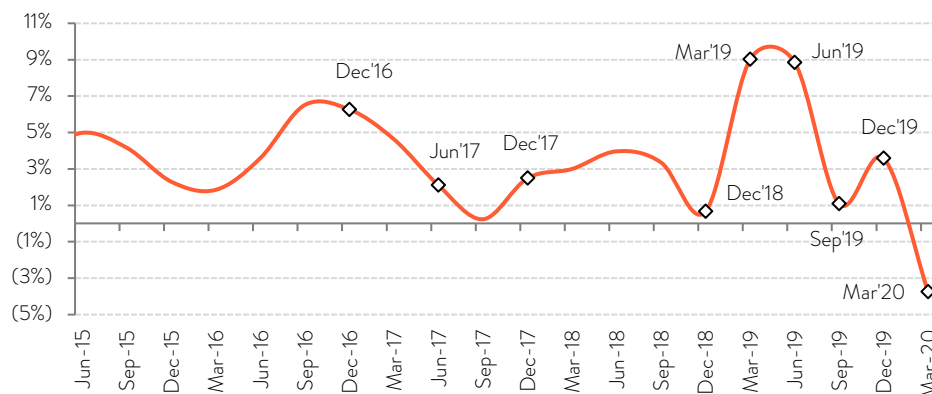
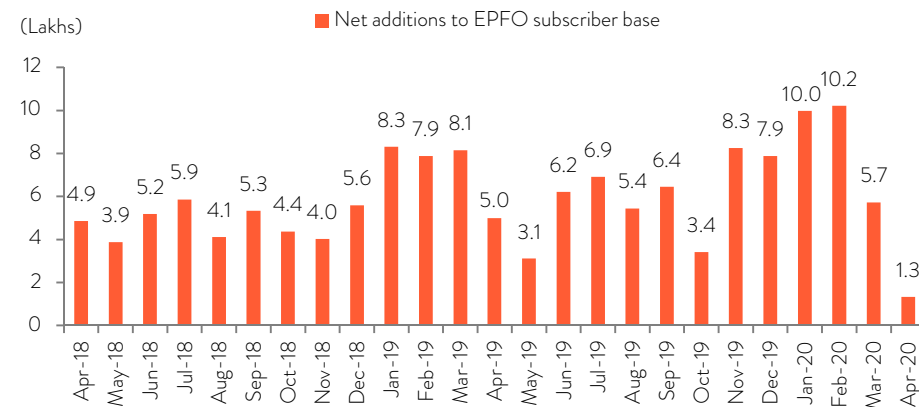


FIG 89 – AVERAGE PROPERTY PRICE INDEX* SLUMPS AGAIN IN Q4FY20



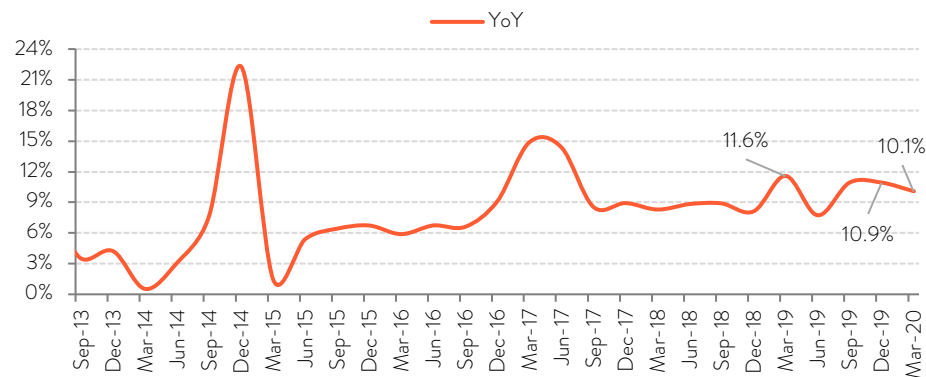
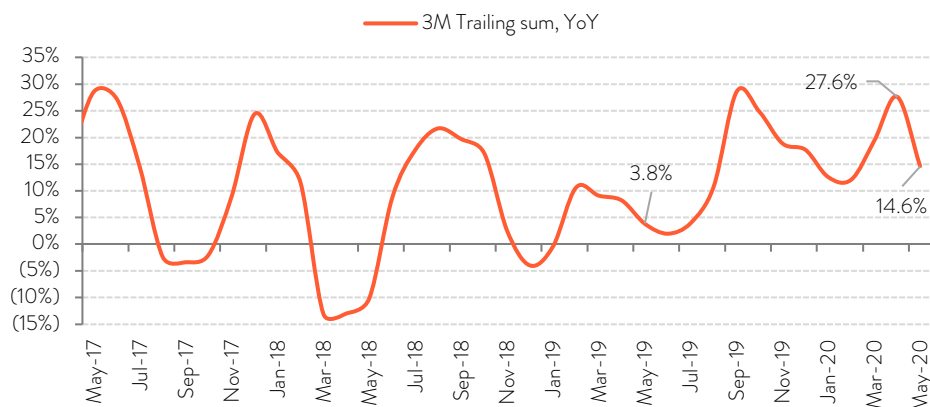
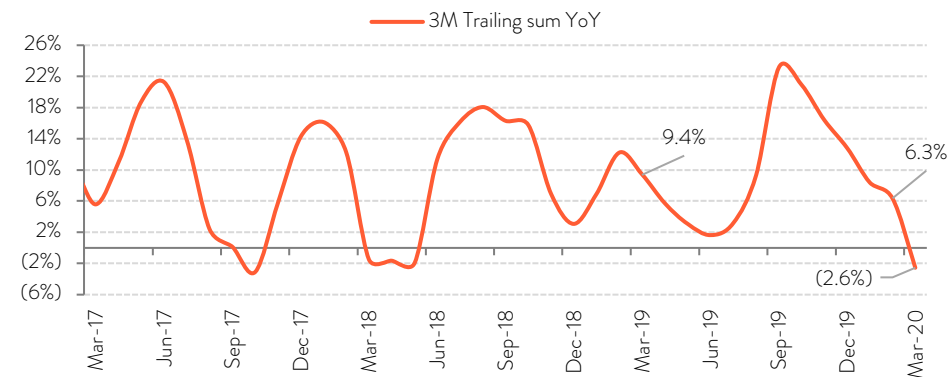
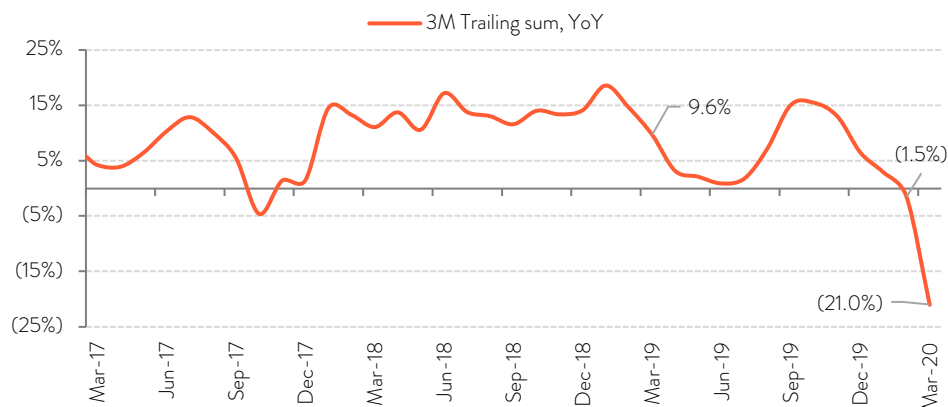
Source: *Index for Delhi-NCR, Mumbai & Bangalore; using Colliers International data for commercial property rental price (Rs/sqft)

FIG 90 – CONTINUED DECLINE SEEN IN NET ADDITIONS TO EPFO SUBSCRIBER BASE IN APR'20



Source: EPFO

Public administration

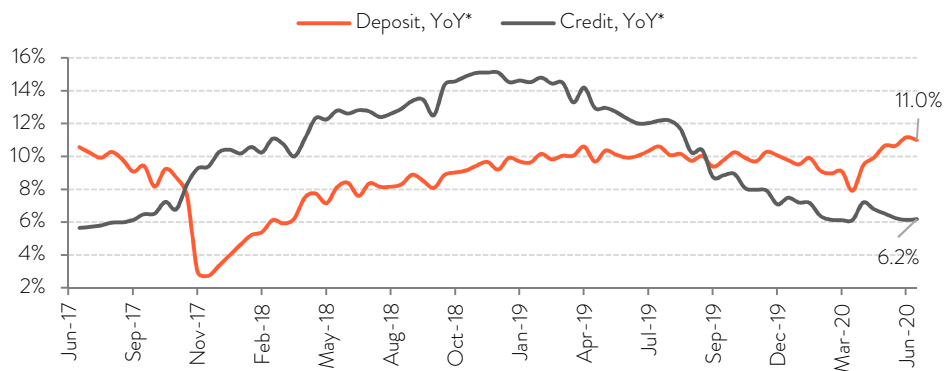
FIG 91 – PUBLIC ADMINISTRATION & RELATED SERVICES SLOWED IN Q4FY20 AS WELL**FIG 93 – CENTRAL GOVT. SPENDING BEGINNING TO LOSE MOMENTUM IN MAY'20****FIG 92 – GENERAL GOVT. SPENDING EASED IN LAST QUARTER OF FY20****FIG 94 – STATE* GOVT. SPENDING ALSO SEEN SLIPPING IN MAR'20**

Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Jharkhand, Maharashtra, TN, UP, Uttarakhand and W.Bengal

Financial sector

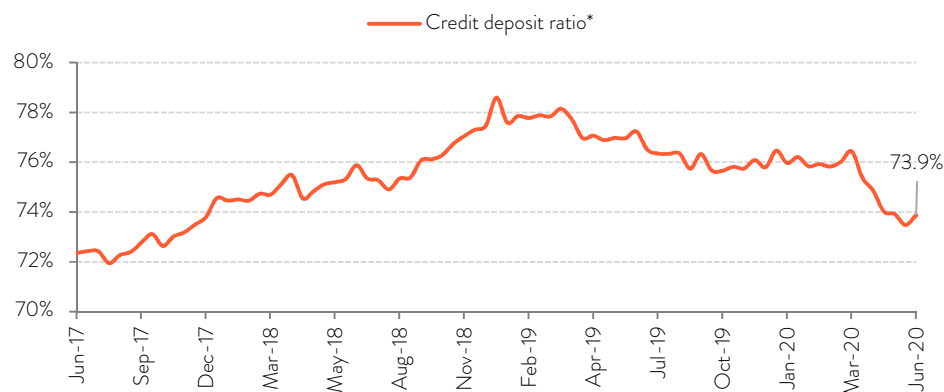
Money and banking

FIG 95 – IN JUN'20, CREDIT GROWTH WAS STABLE AT 6.2%, DEPOSIT GROWTH WAS HIGHER AT 11% (10.6% IN MAY'20)



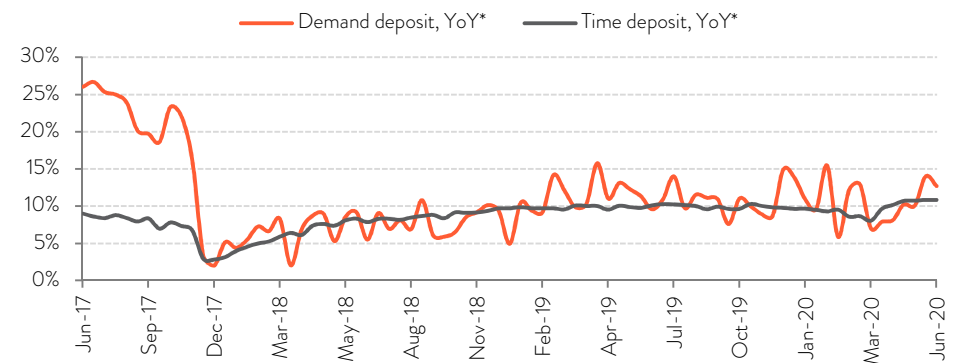
Note: *Jun'20 implies fortnight as of 19 Jun 2020

FIG 97 – CD RATIO WAS AT 73.9%



Note: *Jun'20 implies fortnight as of 19 Jun 2020

FIG 96 – BOTH DEMAND AND TIME DEPOSITS GREW AT A FASTER PACE OF 12.7% (10% IN MAY'20) AND 10.8% (10.7% IN MAY'20), RESPECTIVELY



Note: *Jun'20 implies fortnight as of 19 Jun 2020

FIG 98 – CIC ACCRETION WAS FAR HIGHER AT RS 2.2TN IN FYTD21 COMPARED WITH RS 663BN IN FYTD20

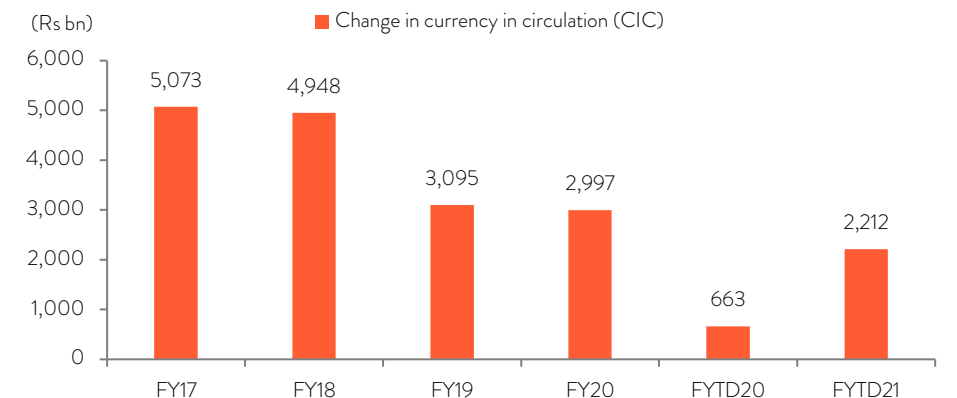
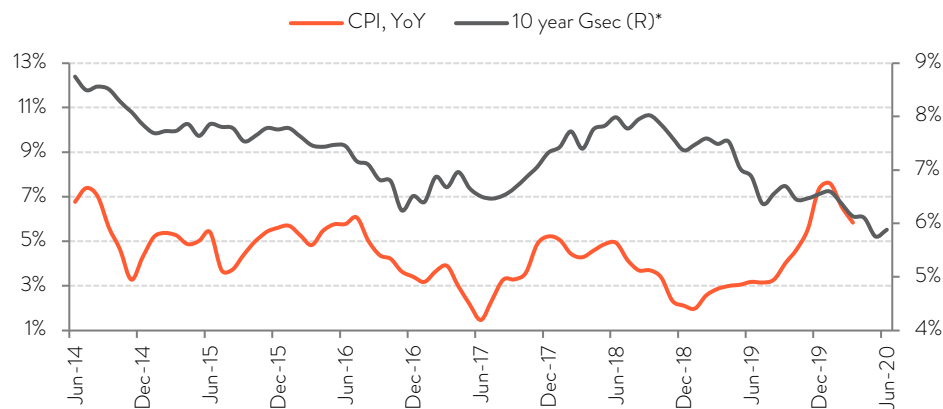
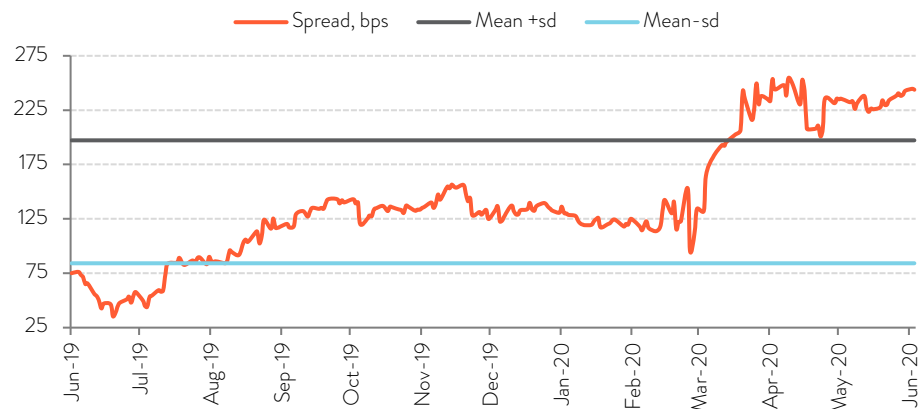


FIG 99 – 10Y GSEC YIELD WAS AT 5.9% IN JUN'20, INFLATION WAS AT 5.8% IN MAR'20



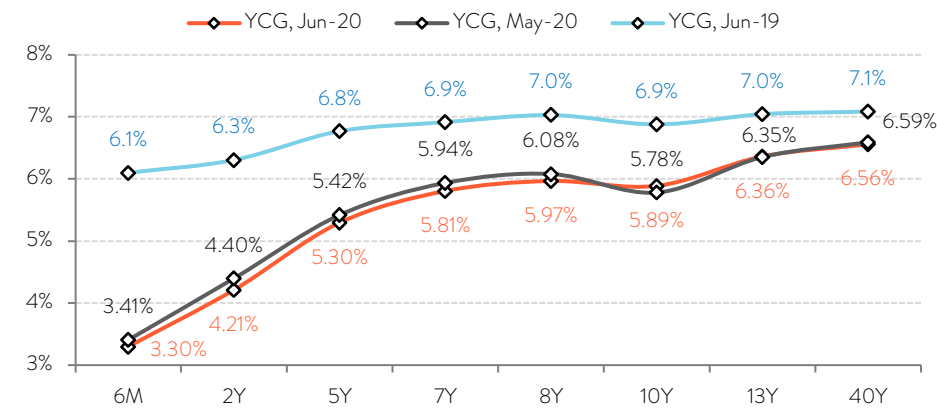
Note: *As on last trading day of the month, 5.79GS2030 benchmark security is taken

FIG 101 – SPREAD BETWEEN 10Y GSEC AND 1Y TBILL ROSE TO 233BPS IN JUN'20 AS AGAINST 229BPS IN MAY'20



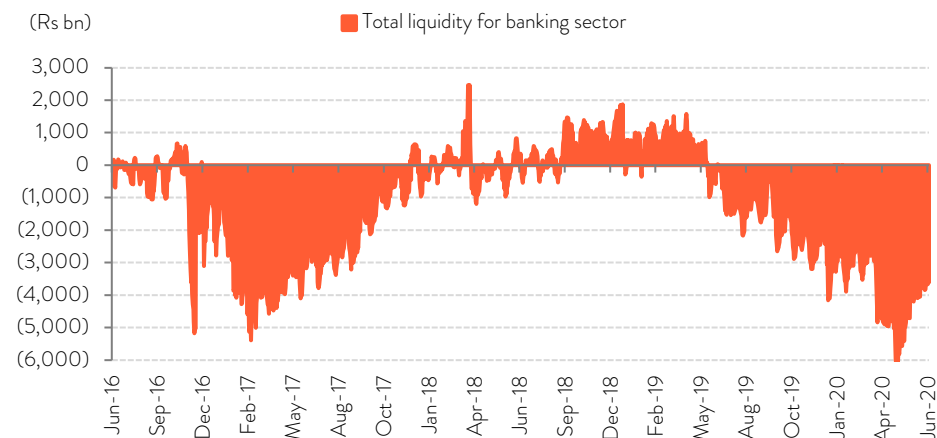
Source: Bloomberg

FIG 100 – YIELD CURVE GRAPH (YCG) SHOWS STEEPENING BIAS



Source: Bloomberg

FIG 102 – AVERAGE SYSTEM LIQUIDITY SURPLUS ROSE TO RS 3.8TN IN JUN'20 (RS 5.1TN IN MAY'20) AND CURRENTLY HIGHER AT ~RS 4.3TN



Source: RBI

Interest rates on small savings schemes

FIG 103 – INTEREST RATES ON SMALL SAVINGS SCHEME FALLING IN Q1FY21

Instrument (%)	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	GSec Yield (2 Jul 2020)
Savings deposit	4.0	4.0	4.0	4.0	4.0	4.0	4.0	
1 year time deposit	6.9	7.0	7.0	6.9	6.9	6.9	5.5	3.69
2 year time deposit	7.0	7.0	7.0	6.9	6.9	6.9	5.5	4.19
3 year time deposit	7.2	7.0	7.0	6.9	6.9	6.9	5.5	4.38
5 year time deposit	7.8	7.8	7.8	7.7	7.7	7.7	6.7	5.24
5 year recurring deposit	7.3	7.3	7.3	7.2	7.2	7.2	5.8	5.24
5 year senior citizen savings scheme	8.7	8.7	8.7	8.6	8.6	8.6	7.4	5.24
5 year monthly income scheme	7.7	7.7	7.7	7.6	7.6	7.6	6.6	5.24
5 year national savings certificate	8	8	8	7.9	7.9	7.9	6.8	5.24
Public provident fund scheme	8	8	8	7.9	7.9	7.9	7.1	5.84
Kisan vikas patra	7.7	7.7	7.7	7.6	7.6	7.6	6.9	
Sukanya samriddhi account scheme	8.5	8.5	8.5	8.4	8.4	8.4	7.6	

Source: Department of Economic Affairs, Ministry of Finance, Government of India, *10Y benchmark yield 6.45GS2029

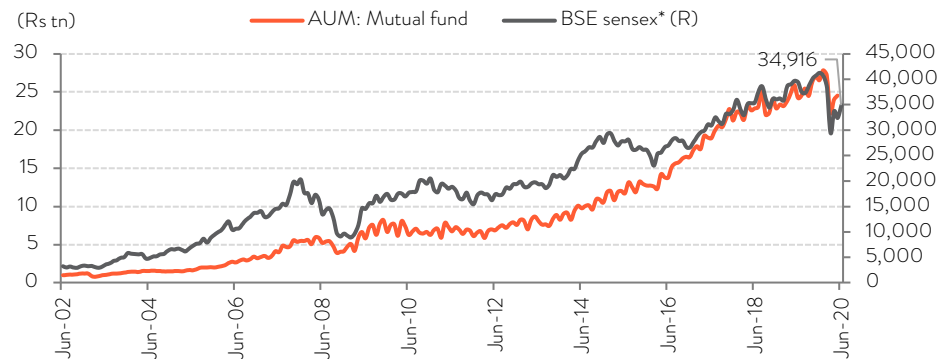
FIG 104 – INTEREST RATES CHARGED BY LEADING BANKS

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

Source: RBI

Mutual fund (MF) indicators

FIG 105 – SENSEX ROSE BY 7.7% TO 34,916 IN JUN'20 AMIDST REOPENING OF THE ECONOMY, AUM OF MFS ROSE TO RS 25TN VERSUS RS 24TN IN APR'20



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

Insurance sector indicators

FIG 107 – LIFE INSURANCE POLICIES SOLD IN MAY'20 WAS IN THE NEGATIVE TERRITORY; YET IMPROVED (38% DECLINE AGAINST 68% IN APR'20)

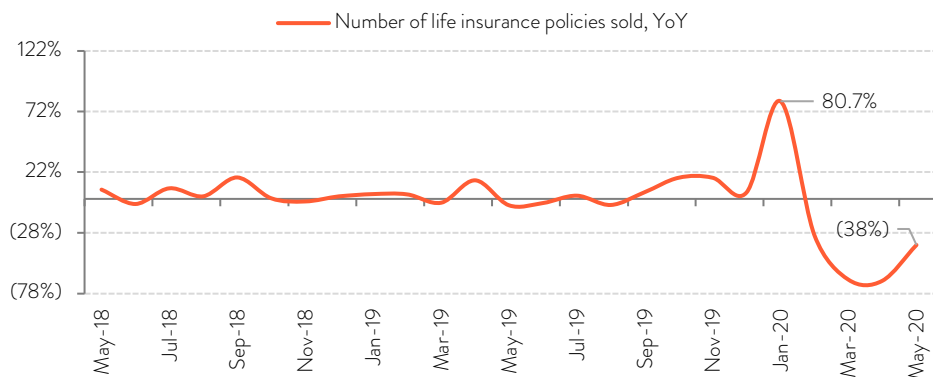


FIG 106 – MF EQUITY INFLOW WAS LOWER AT RS 47BN IN MAY'20 (RS 57BN IN APR'20), DEBT INFLOW ROSE TO RS 545BN (RS 343BN IN APR'20)

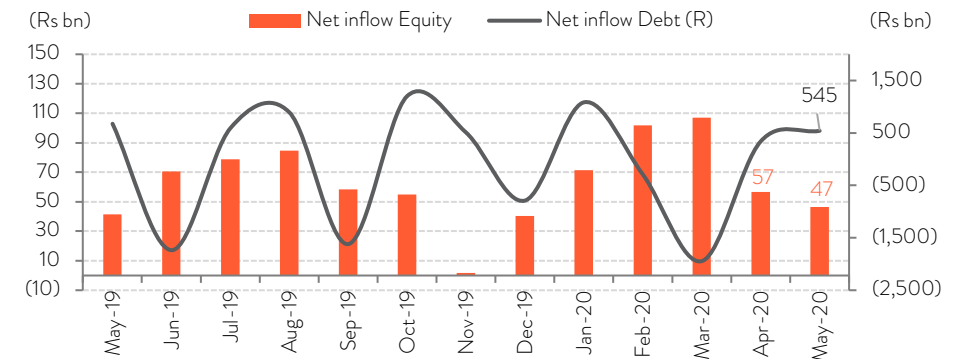
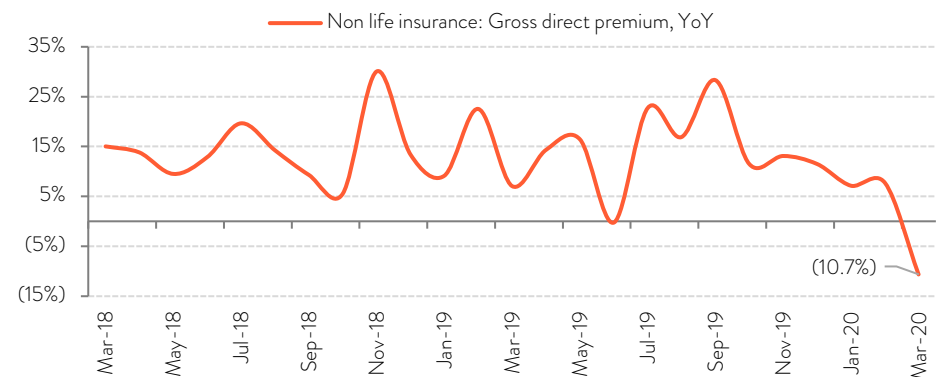


FIG 108 – GROSS DIRECT PREMIUM FOR NON LIFE INSURANCE ALSO FELL BY 10.7% IN MAR'20 COMPARED WITH 8% GROWTH IN FEB'20



Public finance

Central government finances

FIG 109 – FISCAL DEFICIT REMAINS ELEVATED IN MAY'20

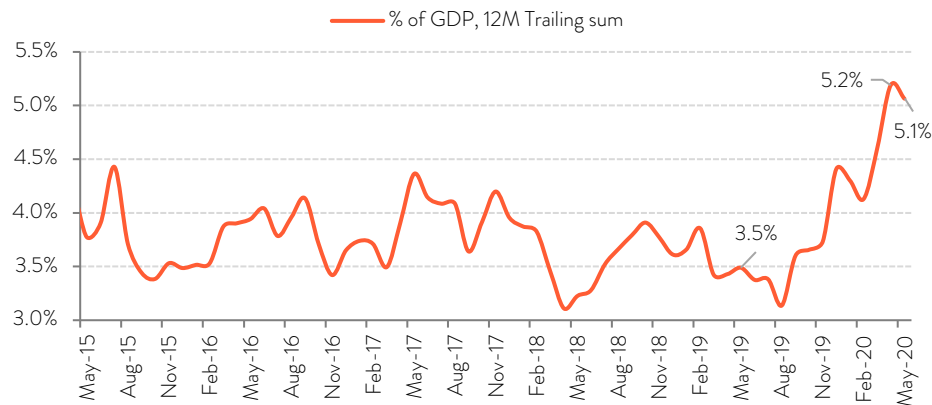


FIG 110 – REVENUE DEFICIT IMPROVES marginally, ALBEIT STILL HIGH

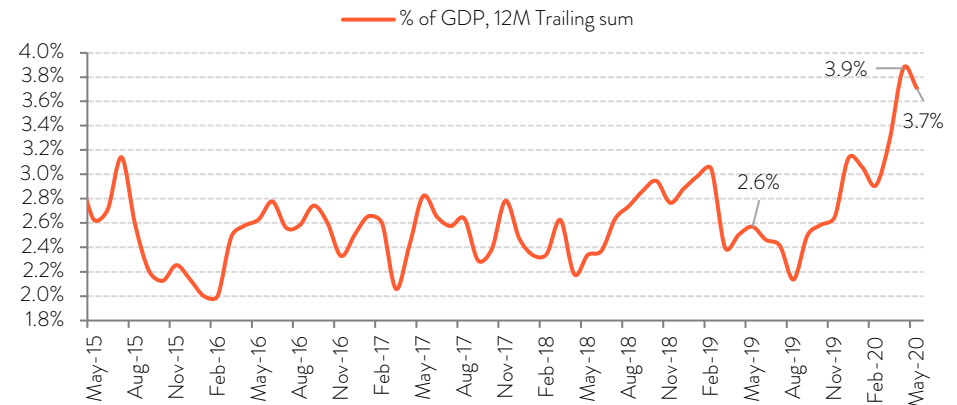


FIG 111 – PRIMARY DEFICIT AT 2.1%

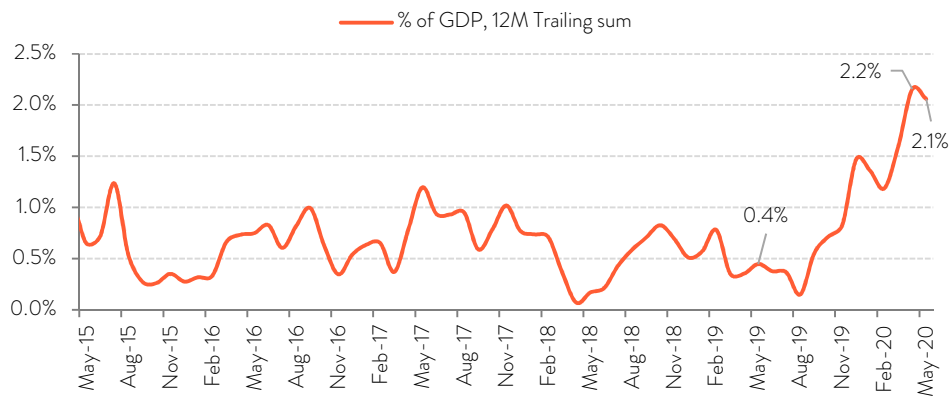


FIG 112 – GOVERNMENT SPENDING SEEN COOLING OFF IN MAY'20

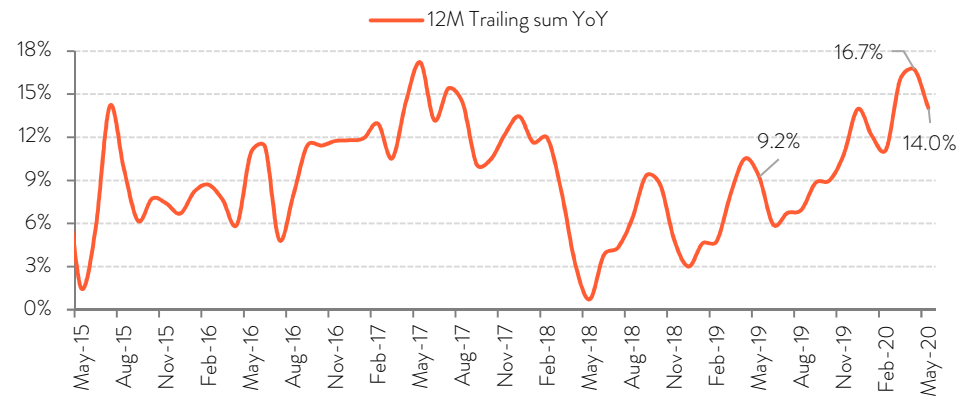


FIG 113 – ...LED BY REVENUE SPENDING

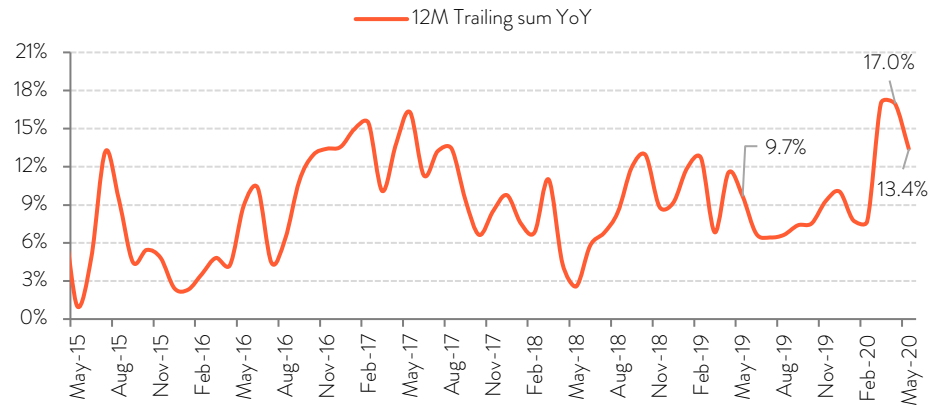


FIG 114 – CAPEX STILL UP ON 12MMA BASIS

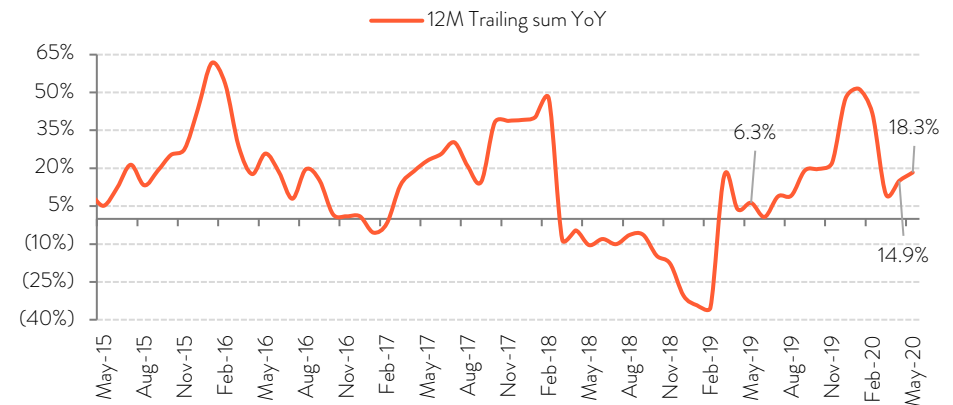


FIG 115 – LOWER SPENDING BY MINISTRIES OF CONSUMER AFFAIRS, HRD AND PETROLEUM CONTRIBUTE TO LOWER EXPENDITURE GROWTH (FYTD BASIS)

Ministry	Apr'18-May'18 (Rs bn)	Apr'19-May'19 (Rs bn)	% change	Apr'20-May'20 (Rs bn)	% change
Ministry of Finance	1,083	1,266	17.0	1,447	14.3
Ministry of Defence	913	1,099	20.5	719	(34.6)
Ministry of Consumer Affairs, Food and Public Distribution	739	776	5.1	466	(40.0)
Ministry of Rural Development	363	258	(28.9)	596	131.1
Ministry of Home Affairs	215	237	10.6	211	(10.9)
Ministry of Human Resource Development	110	174	57.6	102	(41.3)
Ministry of Road Transport and Highways	186	3	(98.2)	126	3757.4
Ministry of Chemicals and Fertilisers	106	236	121.6	233	(1.3)
Ministry of Petroleum and Natural Gas	65	152	135.7	114	(25.3)
Ministry of Agriculture	165	183	10.8	317	73.8
Ministry of Health and Family Welfare	68	121	77.4	169	39.0

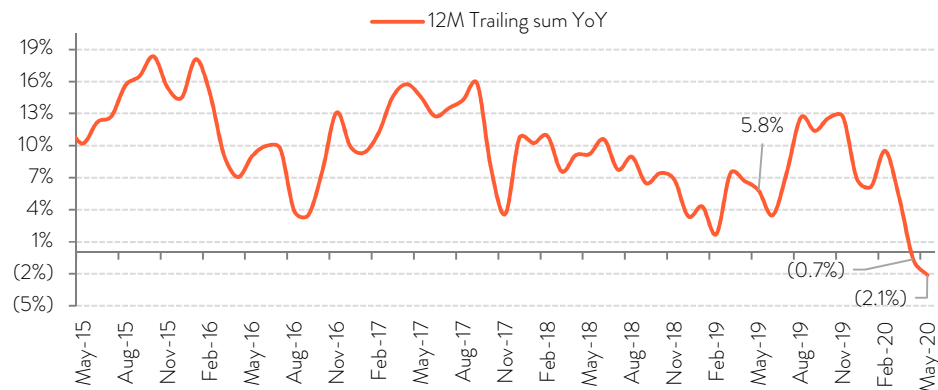
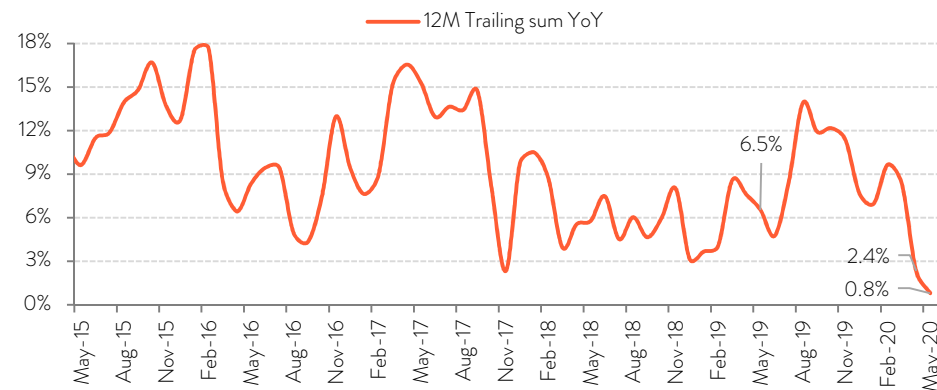
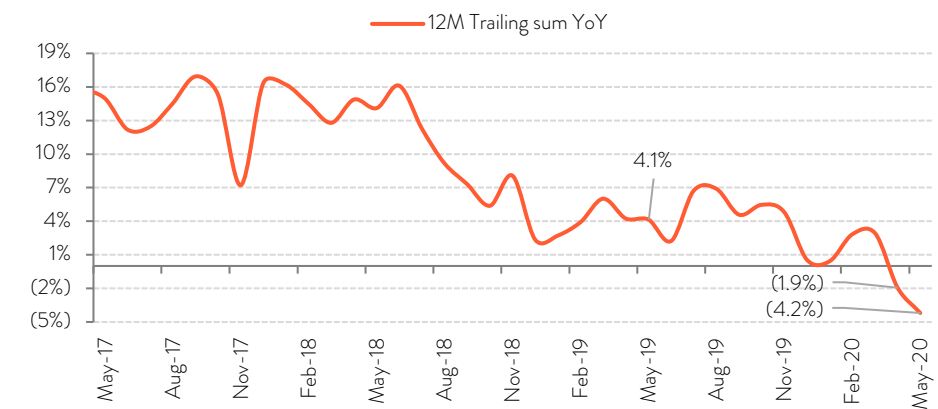
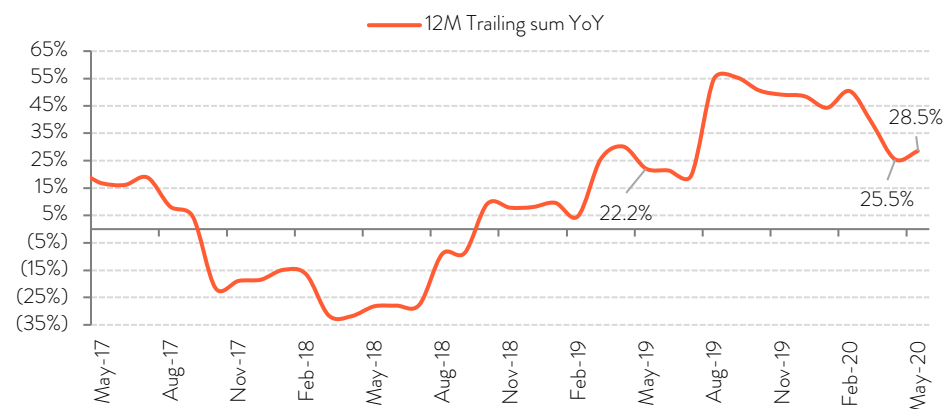
FIG 116 – RECEIPT GROWTH DECLINED FURTHER IN MAY'20**FIG 117 – ...AS REVENUE RECEIPT GROWTH EASES****FIG 118 – TAX REVENUE GROWTH A KEY DRAG****FIG 119 – NON-TAX RECEIPT GROWTH STEADY**

FIG 120 – CENTRE'S TAX COLLECTIONS KEY WORRY, CAPEX GROWTH REMAINS ROBUST (FYTD BASIS)

	Apr'18-May'18 (Rs bn)	Apr'19-May'19 (Rs bn)	% change	Apr'20-May'20 (Rs bn)	% change
Gross Tax revenue	2,141	2,146	0.2	1,261	(41.2)
Direct taxes	550	617	12.1	527	(14.6)
Corp Tax	23	11	(51.6)	170	1408.1
Income Tax	527	606	15.0	357	(41.0)
Indirect taxes	1,591	1,529	(3.9)	734	(52.0)
Non-tax revenue	240	284	18.2	108	(61.9)
Centre's revenue (net)	1,265	1,438	13.7	447	(68.9)
Total expenditure	4,730	5,130	8.5	5,118	(0.2)
Capital exp	638	477	(25.2)	552	15.7
Revenue exp	4,092	4,653	13.7	4,566	(1.9)
Fiscal deficit	3,455	3,662	6.0	4,663	27.4

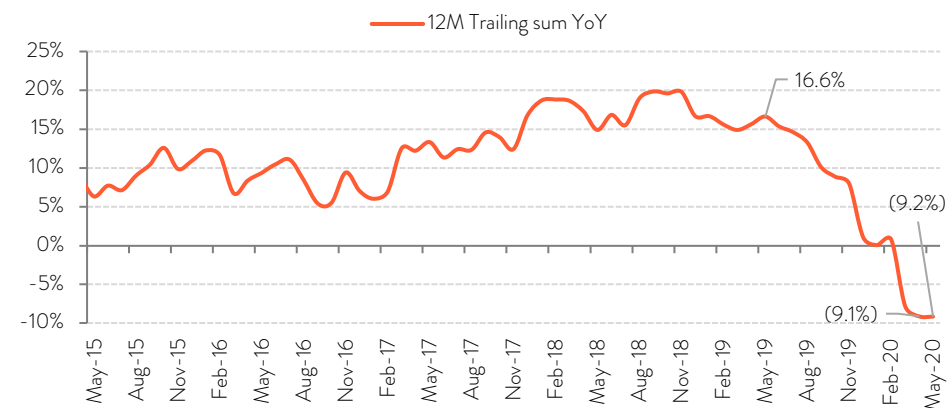
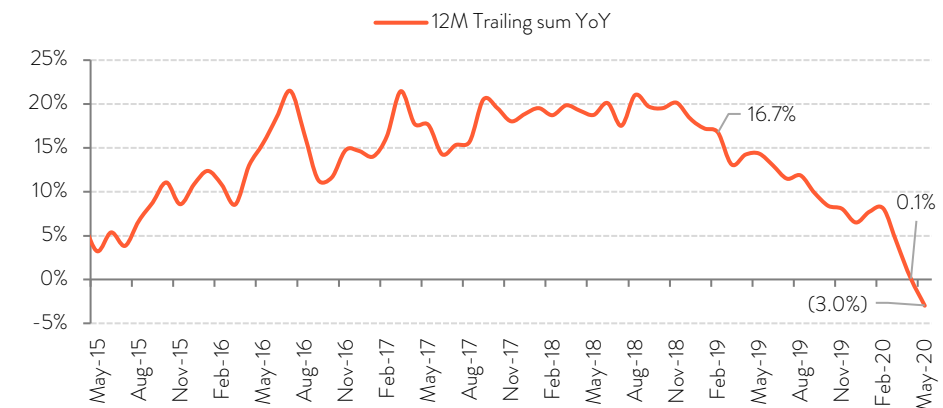
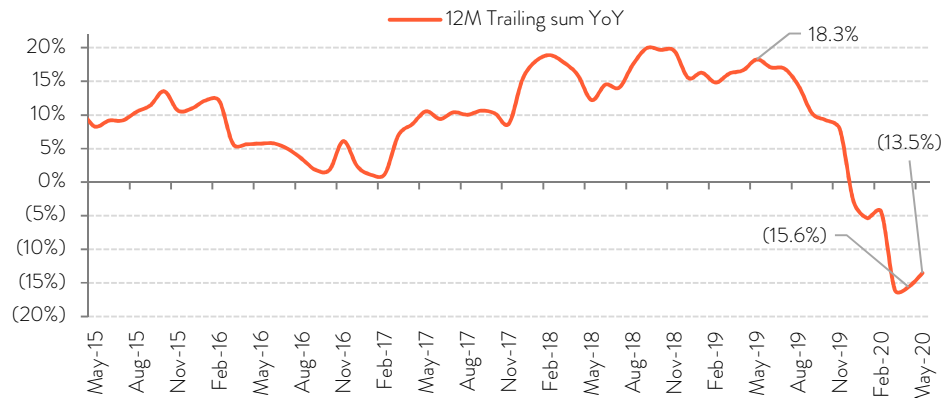
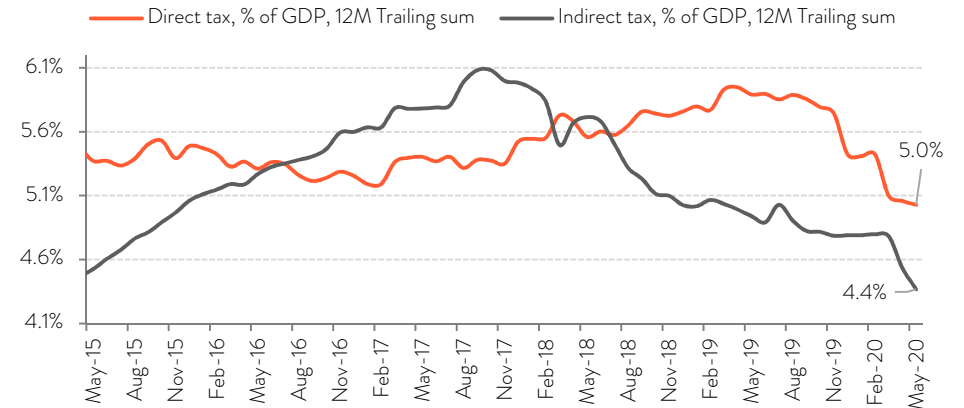
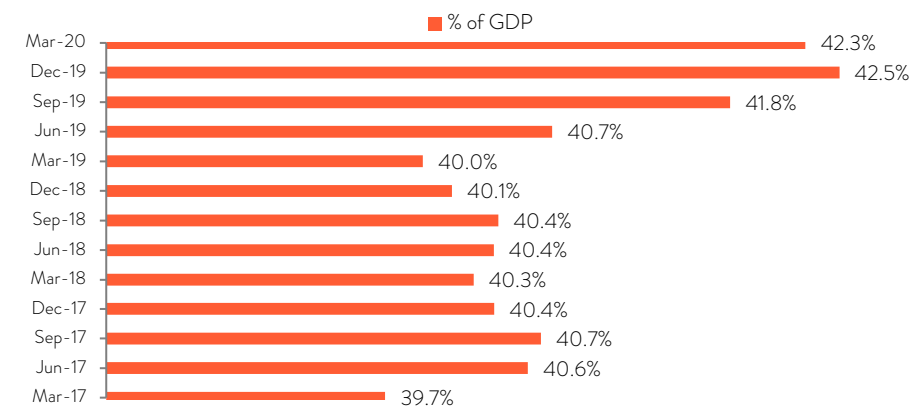
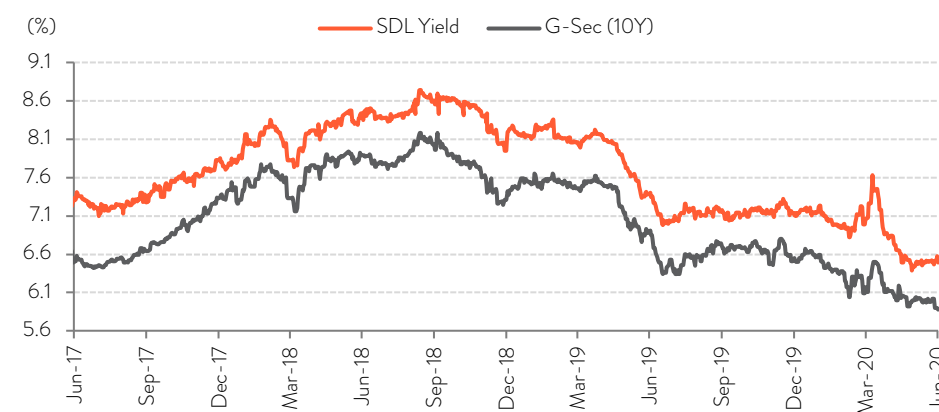
FIG 121 – GROSS DIRECT TAX COLLECTIONS REMAIN WEAK**FIG 122 – ...LED BY LOWER INCOME TAX COLLECTIONS**

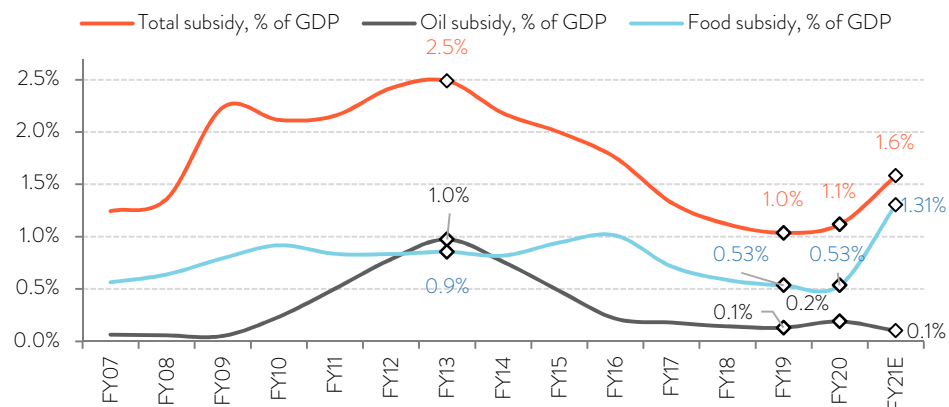
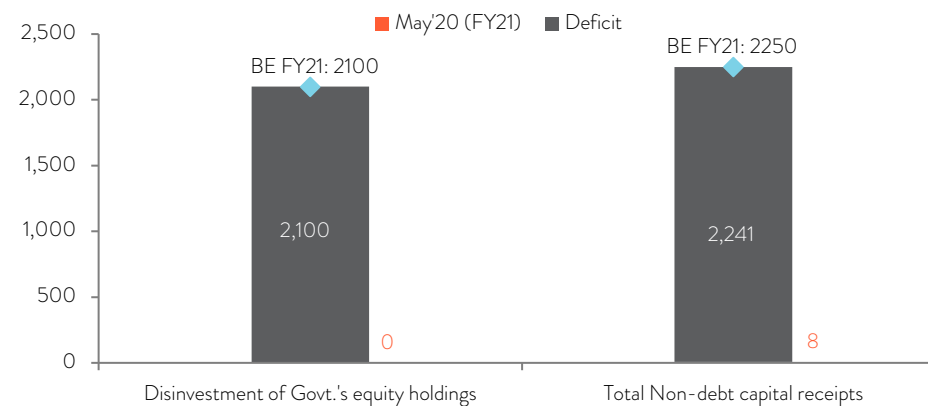
FIG 123 – CORPORATE TAX REVENUE GROWTH BEGINNING TO PICK UP**FIG 124 – SHARE IN GDP OF BOTH DIRECT & INDIRECT TAX AT MULTI-YEAR LOW****FIG 125 – TOTAL GST COLLECTIONS SEEN RECOVERING IN MAY'20**

(Rs bn)	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Monthly run rate (FY21)	FYTD21	FY21 (BE)
CGST	346	354	241	685	381	371	437	405	438	413	402	59	190	124	249	5,800
UT GST	1.5	1.9	2.0	1.2	4.8	1.9	2.0	1.7	1.6	1.6	4.5	0.3	1.1	1	1	-
IGST	72	40	253	(461)	(37)	196	2	(18)	21	6	24	97	96	97	194	-
SGST*	503	544	405	625	533	379	520	641	509	470	(188)	453	562	507	1,015	-
Cess	77	80	82	68	71	87	71	79	84	86	81	10	60	35	70	1,105
Total GST	999	1,021	982	919	954	1,035	1,032	1,108	1,054	976	323	620	909	765	1,529	6,905
GST 3B Filing by deadline (mn)	7.4	7.6	7.6	7.6	7.4	7.8	8.1	8.3	8.4	7.7	-	-	-	-	-	-

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

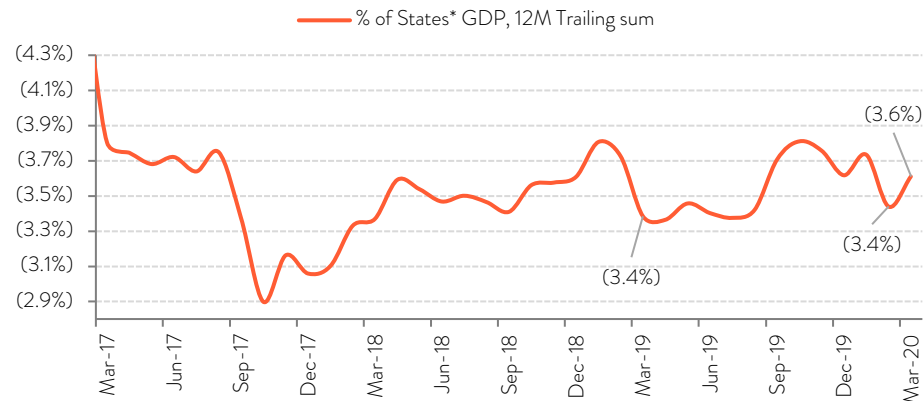
FIG 126 – CENTRAL GOVT. PUBLIC DEBT IN FY20 HIGHEST SINCE FY06**FIG 127 – GAP BETWEEN AVG. YIELD ON SDL & 10Y G-SEC NARROWED FURTHER IN JUN'20**

Source: CCIL

FIG 128 – SUBSIDY BILL TO INCREASE OWING TO HIGHER FOOD SUBSIDY**FIG 129 – CENTRAL GOVT.'S FY21 DISINVESTMENT STATUS**

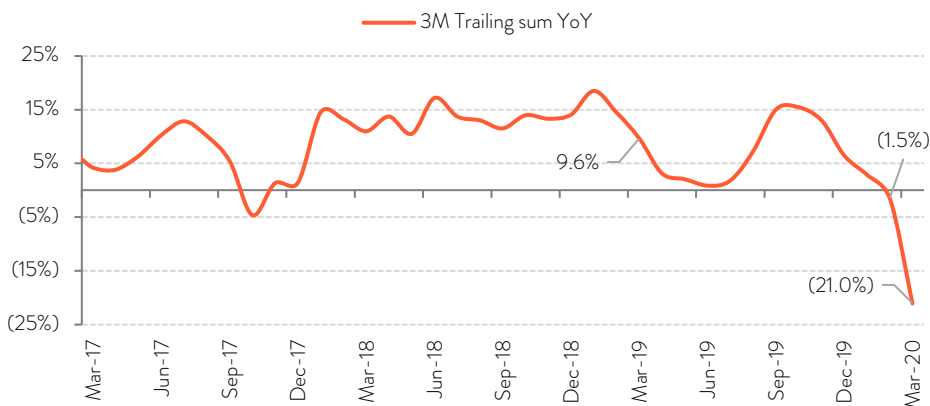
State government finances

FIG 130 – STATES* FISCAL DEFICIT AT 3.6% IN FY20



Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Jharkhand, Maharashtra, TN, UP, Uttarakhand and W.Bengal

FIG 132 – TOTAL EXPENDITURE OF STATES* DROPPED SHARPLY IN Q4FY20...



Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Jharkhand, Maharashtra, TN, UP, Uttarakhand and W.Bengal

FIG 131 – A.P AND RAJASTHAN HIGHEST DEFICIT STATE IN FY20 SO FAR

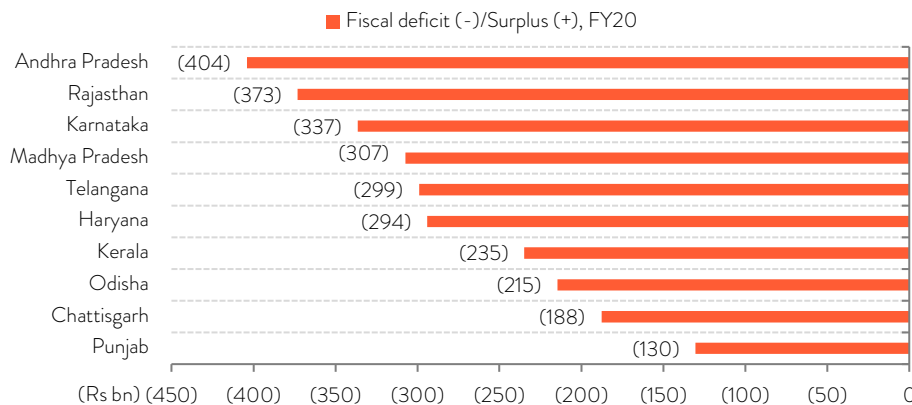
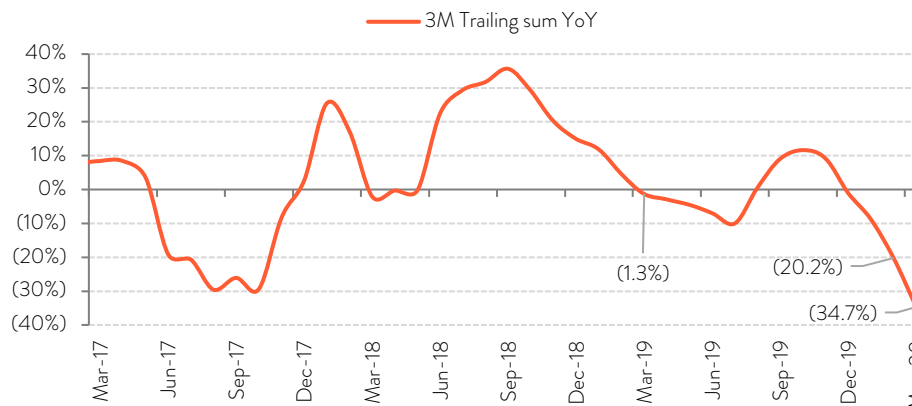


FIG 133 – ...LED BY SHARP REDUCTION IN CAPEX OF STATES*

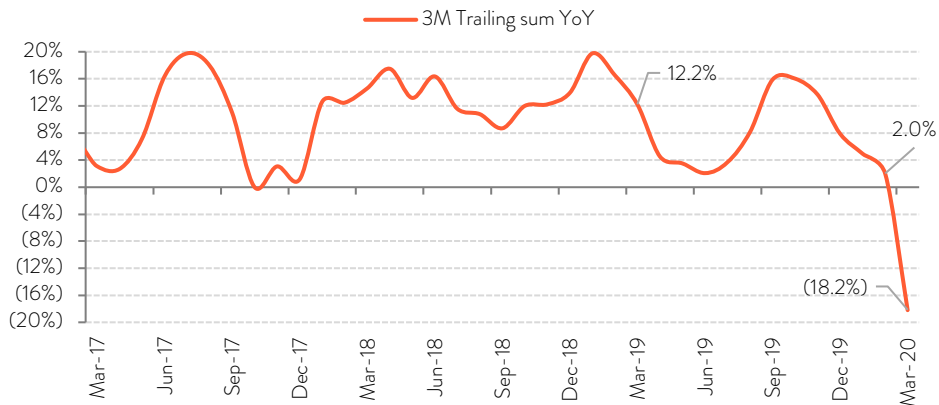


Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Jharkhand, Maharashtra, TN, UP, Uttarakhand and W.Bengal

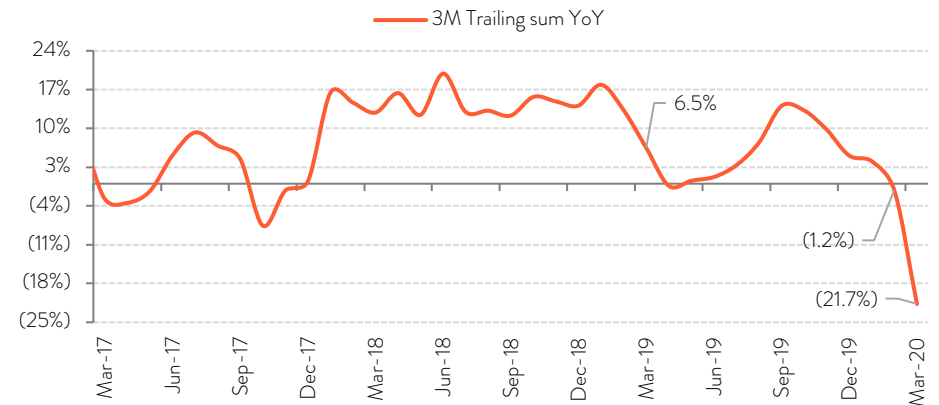
FIG 134 – STATE* GOVT. REVENUE RECEIPTS REMAINED STRAINED IN FY20, CAPEX GROWTH ON WEAKER FOOTING

	Apr'17-Mar'18 (Rs bn)	Apr'18-Mar'19 (Rs bn)	% change	Apr'19-Mar'20 (Rs bn)	% change
Total Receipts	15,649	17,549	12.1	17,098	(2.6)
Revenue Receipts	12,600	14,524	15.3	13,833	(4.8)
Receipts: Tax Revenue	9,453	10,876	15.1	10,059	(7.5)
Receipts: Non-Tax Revenue	1,152	1,429	24.1	1,275	(10.8)
Receipts: Grant in aid & contribution	1,995	2,219	11.2	2,613	17.7
Capital Receipts	3,048	3,025	(0.8)	3,265	8.0
Total Expenditure	15,295	17,221	12.6	16,898	(1.9)
Revenue Expenditure	13,002	14,641	12.6	14,654	0.1
Capital Expenditure	2,294	2,580	12.5	2,244	(13.0)
Revenue Surplus or Deficit	(401)	(117)	(70.9)	(821)	602.7
Fiscal Surplus or Deficit	(2653)	(2664)	0.4	(3041)	14.1

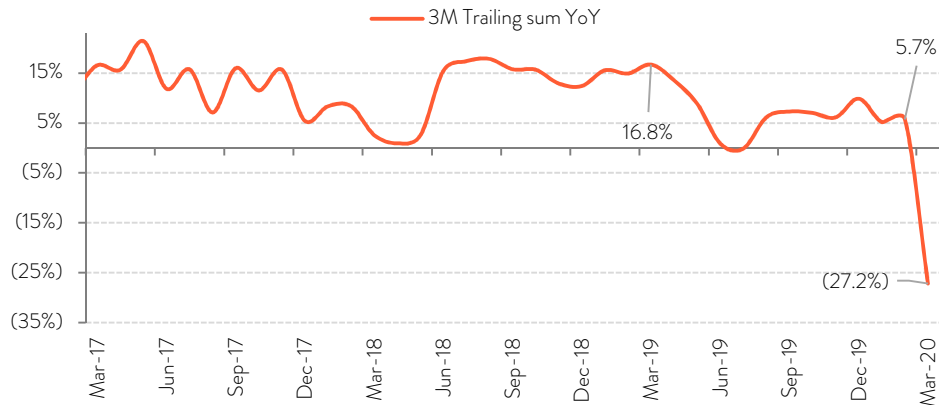
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Jharkhand, Maharashtra, TN, UP, Uttarakhand and W.Bengal

FIG 135 – REVENUE SPENDING OF STATES* ALSO FELL SHARPLY

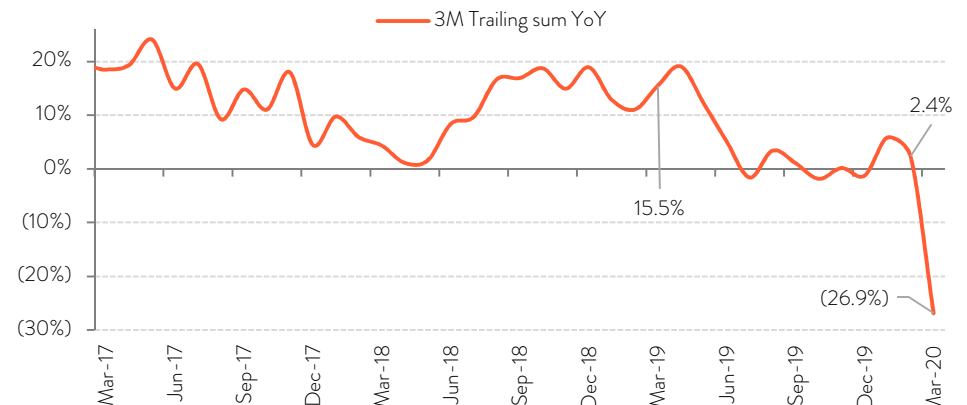
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Jharkhand, Maharashtra, TN, UP, Uttarakhand and W.Bengal

FIG 136 – TOTAL RECEIPT GROWTH OF STATES* SIGNIFICANTLY LOW IN Q4...

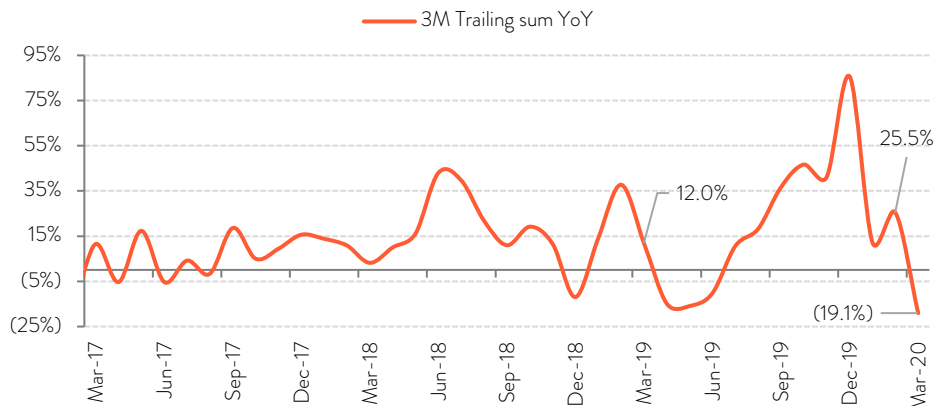
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Jharkhand, Maharashtra, TN, UP, Uttarakhand and W.Bengal

FIG 137 – ...AS REVENUE RECEIPTS OF STATES* DECLINED FURTHER

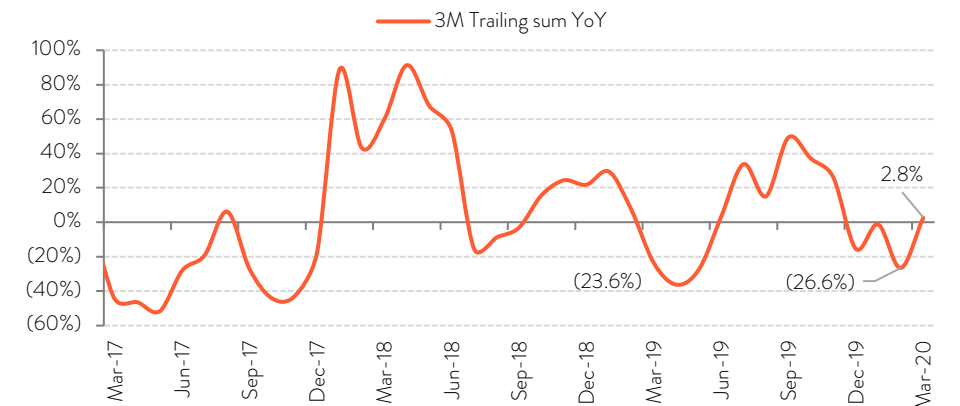
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Jharkhand, Maharashtra, TN, UP, Uttarakhand and W.Bengal

FIG 138 – LED BY STEEP FALL IN TAX REVENUES OF STATES*...

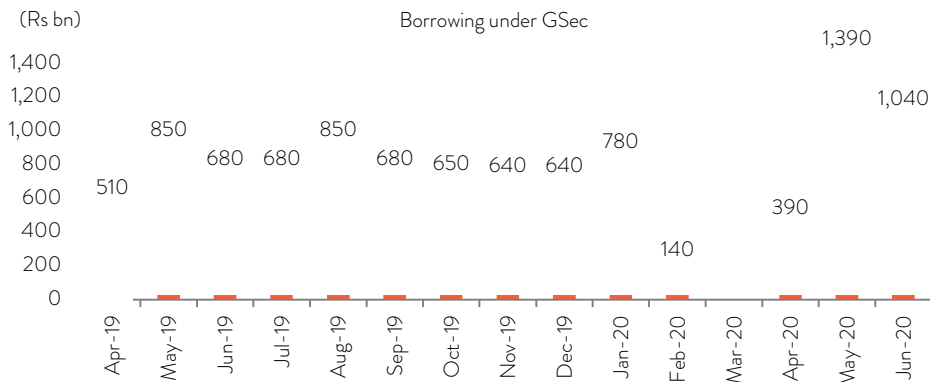
Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Jharkhand, Maharashtra, TN, UP, Uttarakhand and W.Bengal

FIG 139 – ...AND GRANTS AND AID FROM CENTRE TO STATES*

Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Jharkhand, Maharashtra, TN, UP, Uttarakhand and W.Bengal

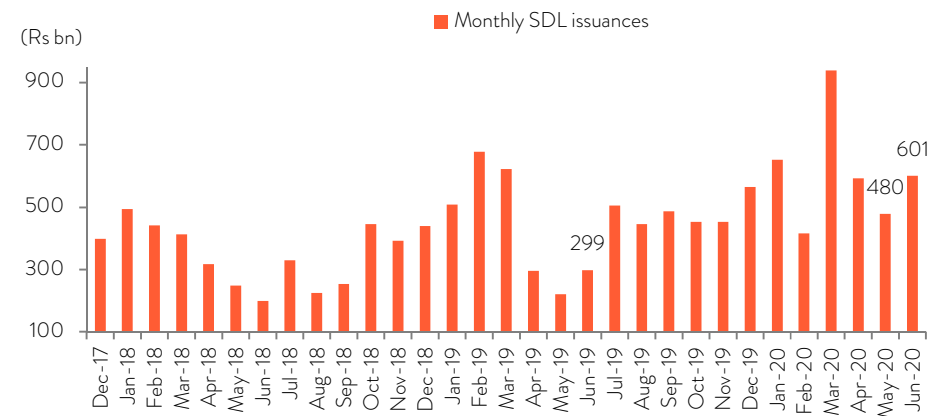
FIG 140 – CAPITAL RECEIPTS OF STATES* EDGED UP AS BORROWINGS ROSE

Note: *All states excluding N.E states, Bihar, Goa, Gujarat, HP, J&K, Jharkhand, Maharashtra, TN, UP, Uttarakhand and W.Bengal

FIG 141 – CENTRE'S GROSS BORROWING IN JUN'20 WAS RS 1TN AGAINST RS 1.4TN IN MAY'20


Source: RBI, till 19 Jun'20

State government borrowing

FIG 143 – STATE GOVERNMENT BORROWINGS SIGNIFICANTLY HIGHER IN JUN'20 COMPARED WITH LAST YEAR


Source: RBI

FIG 142 – CENTRE'S GROSS BORROWING IN Q1 HAS BEEN AT RS 2.8TN

Total accepted amount (G-Sec), (Rs bn)	FY15	FY16	FY17	FY18	FY19	FY20	FY21 (actual)	FY21 (planned)
Q1	1,830	1,740	1,500	1,680	1,320	2,040	2,820#	2,400*
Q2	1,570	1,630	1,910	1,890	1,440	2,210	-	3,600*
Q3	1,430	1,640	1,610	1,640	1,270	1,930	-	-
Q4	1,090	840	800	670	1,680	920	-	-
Total	5,920	5,850	5,820	5,880	5,710	7,100	-	12,000

Source: RBI; *Includes Rs 240bn FRBs, #till 19 Jun'20

FIG 144 – MARKET BORROWINGS OF STATES EXCEEDS PLANNED BORROWING IN Q1FY21

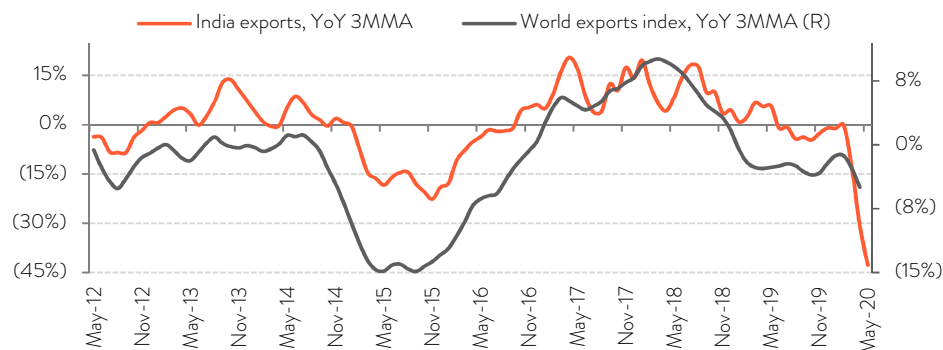
Quarterly SDL issuances, (Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21 (actual)	FY21 (planned)
Q1	502	548	650	766	815	1,673	1,272
Q2	627	792	1,130	809	1,439	-	1,783
Q3	858	1,214	1,054	1,277	1,470	-	-
Q4	959	1,322	1,348	1,809	2,006	-	-
Total	2,946	3,876	4,182	4,661	5,731	-	-

Source: RBI

External sector

Exports

FIG 145 – GLOBAL EXPORTS FALL SHARPLY IN APR'20



Exports by major sectors

FIG 147 – EXPORT OF DRUGS AND PHARMA PICKS UP SHARPLY IN MAY'20

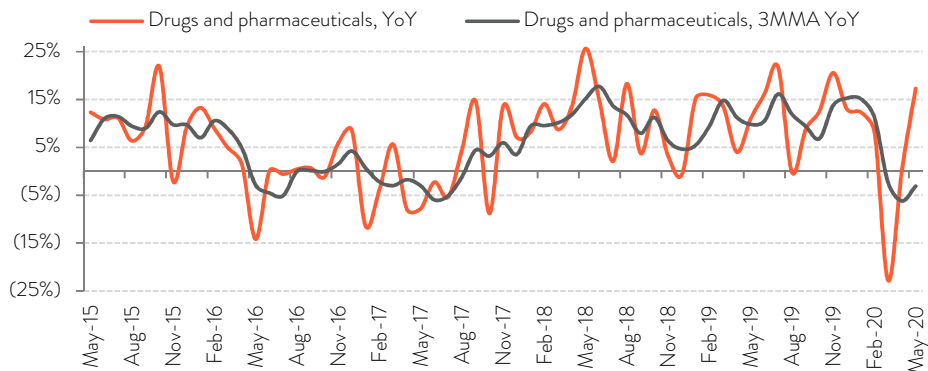
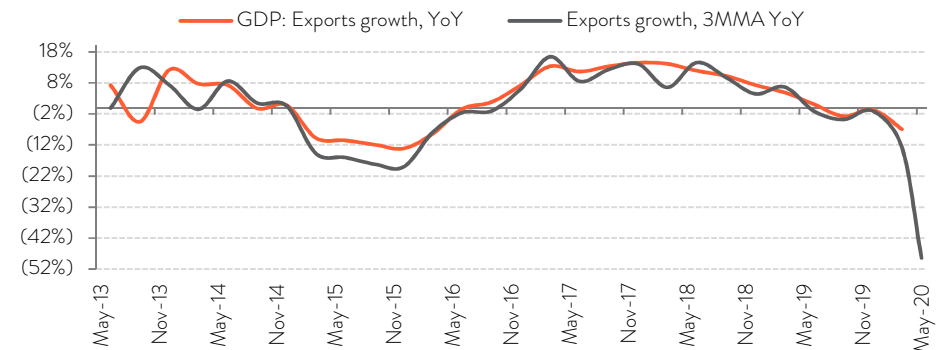


FIG 146 – INDIA'S EXPORT GROWTH CONTRACTS BY 36.5% IN MAY'20 AFTER SHRINKING BY 60.3% IN APR'20



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

FIG 148 – EXPORT OF ENGINEERING GOODS ALSO CONTRACTS AT A SLOWER PACE

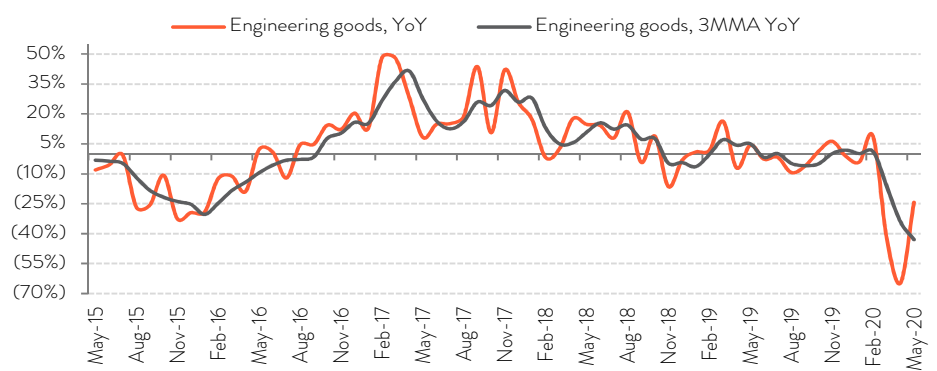


FIG 149 – IMPROVEMENT IN EXPORTS OF ORGANIC CHEMICALS...

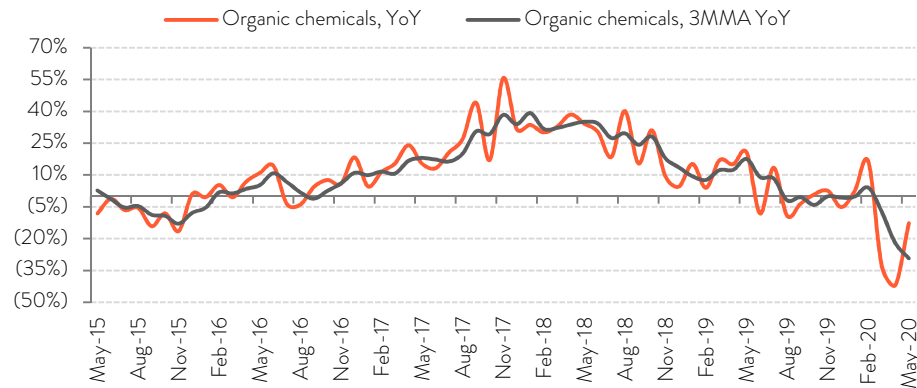
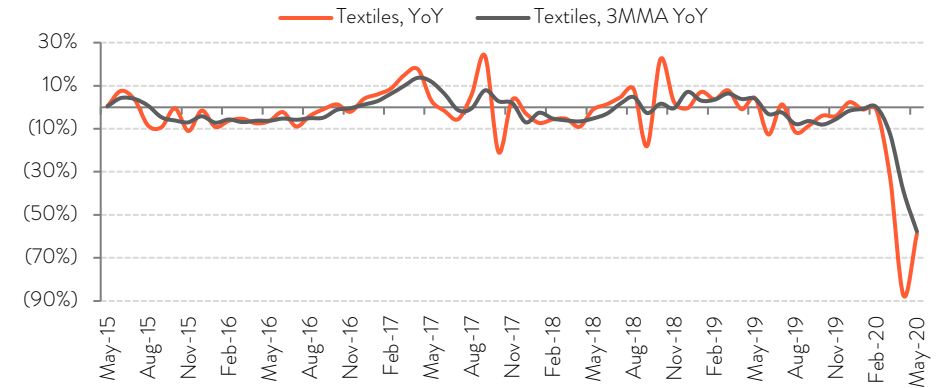


FIG 150 – ...AND TEXTILES



Imports

FIG 151 – IMPORT GROWTH ALSO RECOVERS

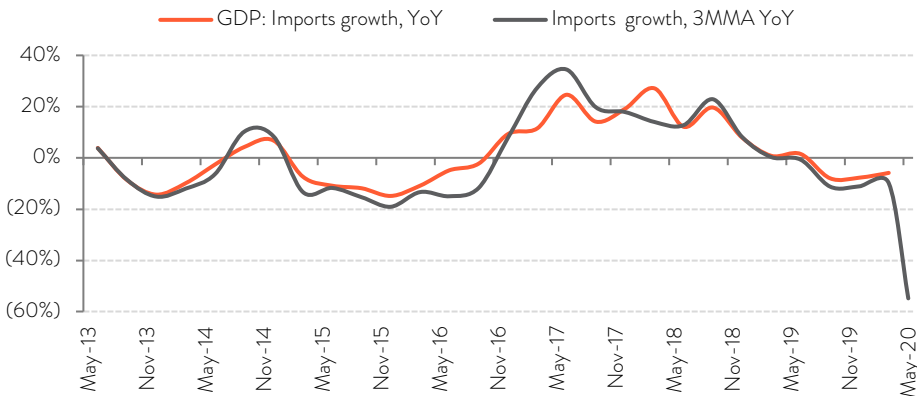
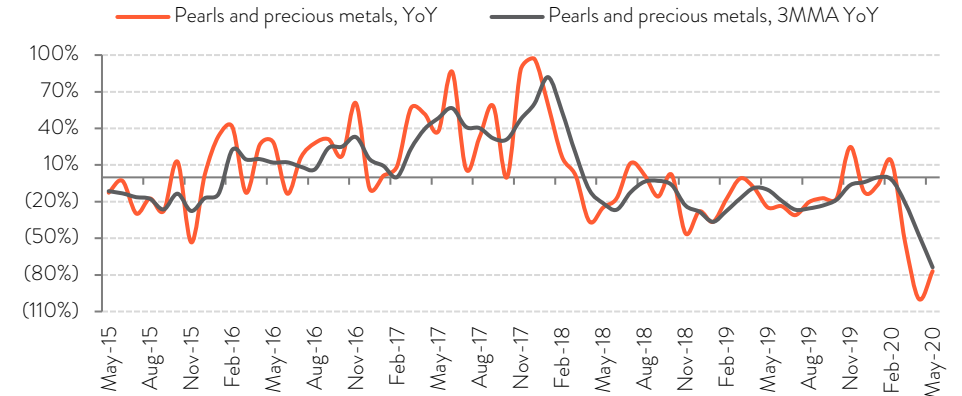
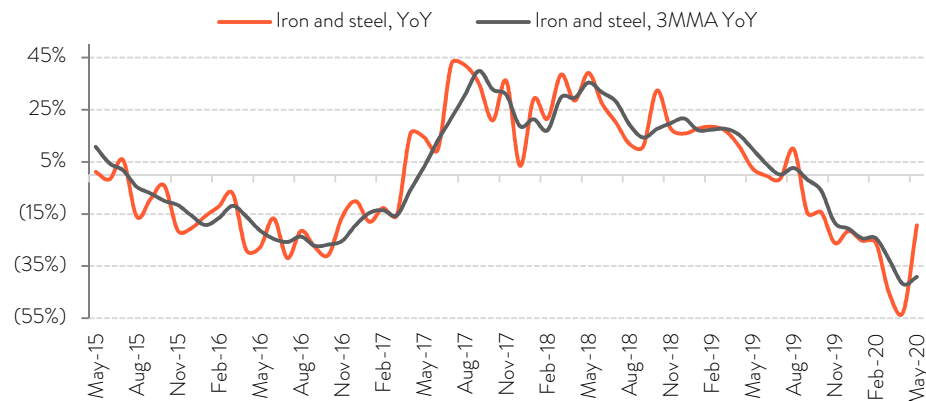
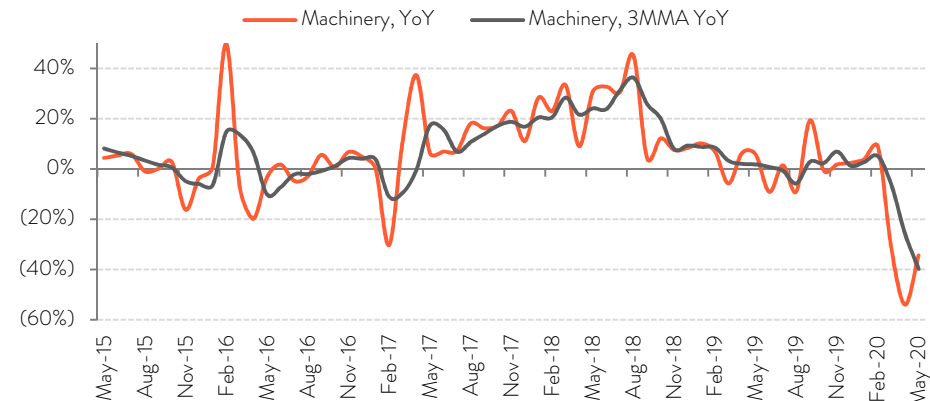
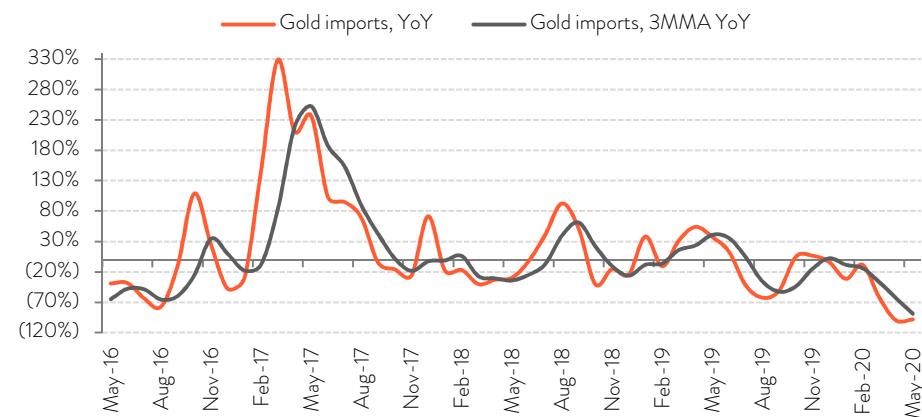
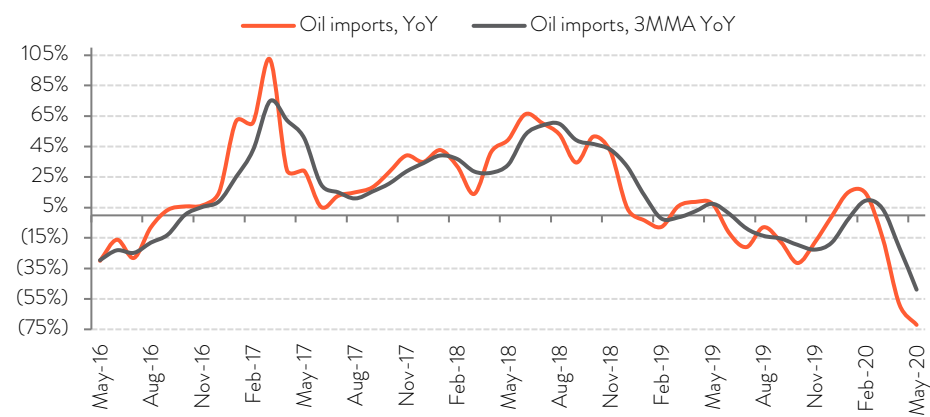


FIG 152 – AS IMPORTS OF PEARLS AND PRECIOUS STONES PICKS UP



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

FIG 153 – SIMILAR TREND VISIBLE IN IMPORTS OF IRON AND STEEL**FIG 154 – PICK UP IN MACHINERY IMPORTS****FIG 155 – GOLD IMPORTS SUBDUED****FIG 156 – OIL IMPORTS REMAINED MUTED DUE TO LOWER OIL PRICES**

Exports and imports by major regions

FIG 157 – EXPORTS TO ALL REGIONS CONTRACTED SHARPLY IN APR'20

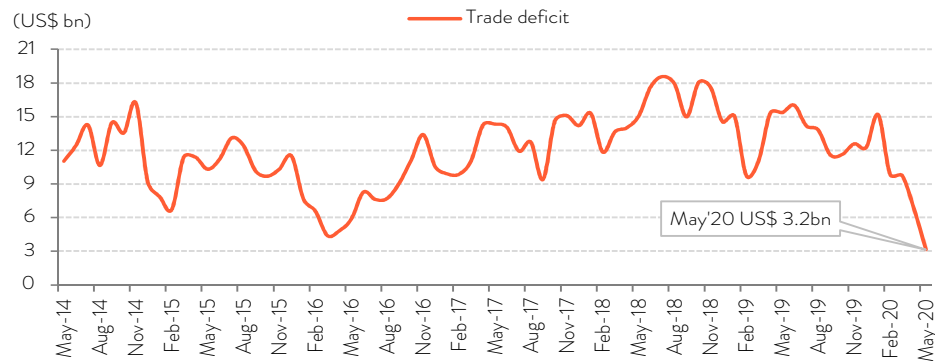
Region (% YoY)	Share in FY20	FY19	FY20	Apr'19	Apr'20
Americas	22.5	9.7	1.1	(1.1)	(62.1)
Asia and Pacific (Ex. China)	25.5	4.7	(14.5)	(0.5)	(57.5)
China	5.4	25.6	(0.9)	10.3	(19.7)
Europe	19.6	6.7	(5.9)	0.6	(67.2)
Middle East and Africa	25.9	10.4	(1.0)	(0.7)	(64.2)
Other	1.1	28.8	(11.8)	9.9	(95.0)

FIG 158 – SIMILAR TREND VISIBLE IN IMPORTS

Region (% YoY)	Share in FY20	FY19	FY20	Apr'19	Apr'20
Americas	12.8	19.4	(8.6)	26.4	(56.9)
Asia and Pacific (Ex. China)	25.0	(7.9)	(7.2)	(0.1)	(56.4)
China	13.8	16.4	(6.6)	8.9	(43.0)
Europe	15.0	21.0	(8.5)	15.0	(74.8)
Middle East	30.8	13.5	(10.6)	(4.3)	(63.2)
Other	2.6	(56.8)	27.0	40.2	(47.5)

Trade deficit

FIG 159 – TRADE DEFICIT NARROWS FURTHER TO US\$ 3.2BN IN MAY'20 FROM US\$ 6.8BN IN APR'20



Trade in services

FIG 161 – SERVICES EXPORT CONTRACT TO A 50-MONTH LOW IN APR'20

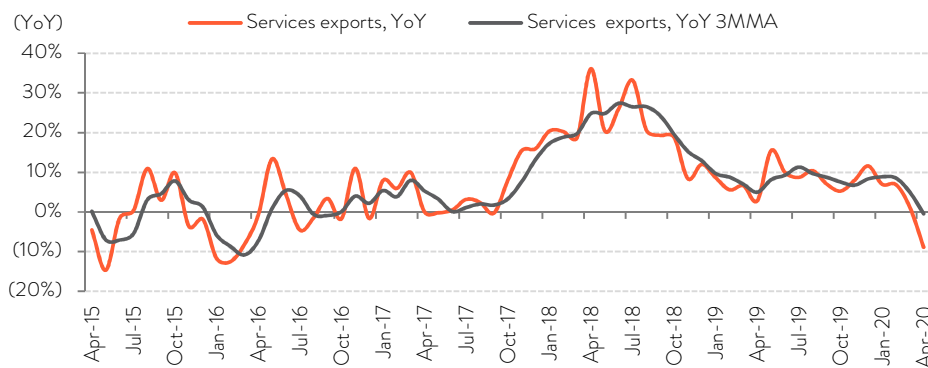
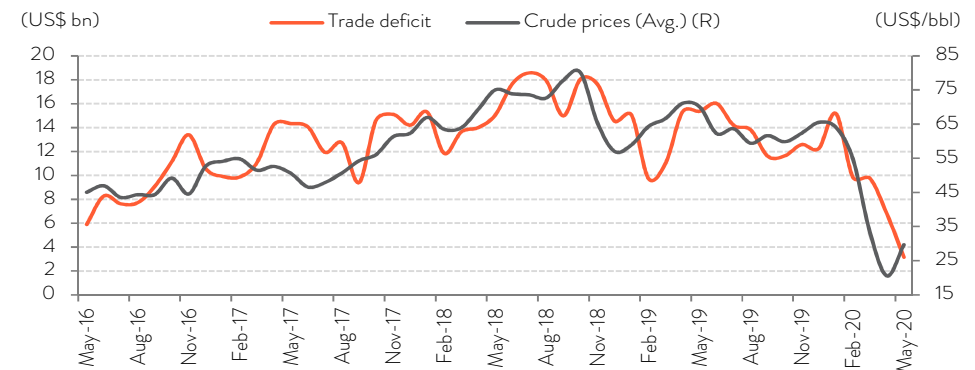


FIG 160 – EVEN AS OIL PRICES INCHED UP



BoP

FIG 162 – CURRENT ACCOUNT IN SURPLUS FOR THE FIRST TIME SINCE Q4FY07 AT 0.1% OF GDP

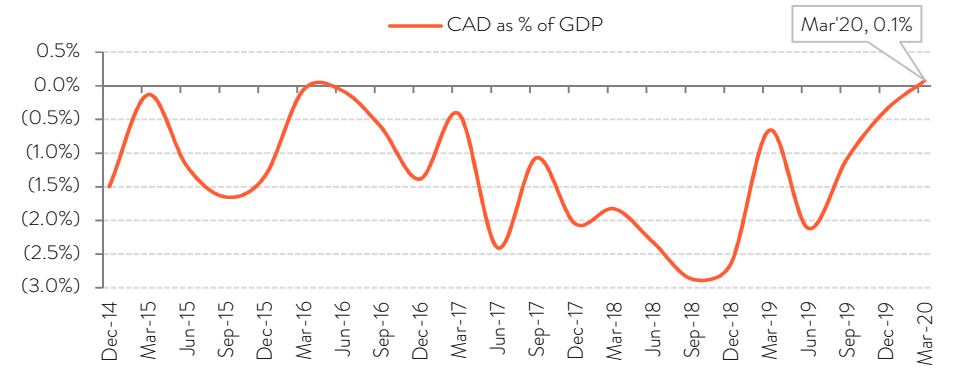


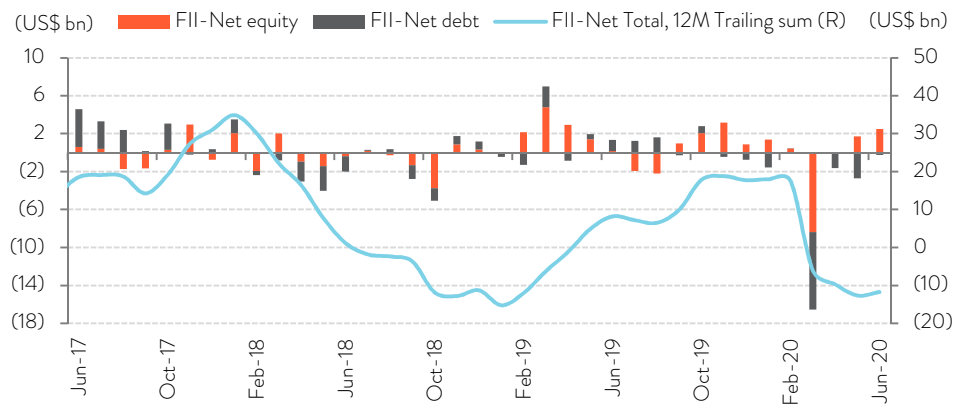
FIG 163 – LED BY LOWER TRADE DEFICIT

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

Foreign inflows

FII inflows

FIG 164 – FII INFLOWS OF US\$ 2.2BN IN JUN'20 LED BY EQUITY SEGMENT



Source: Bloomberg

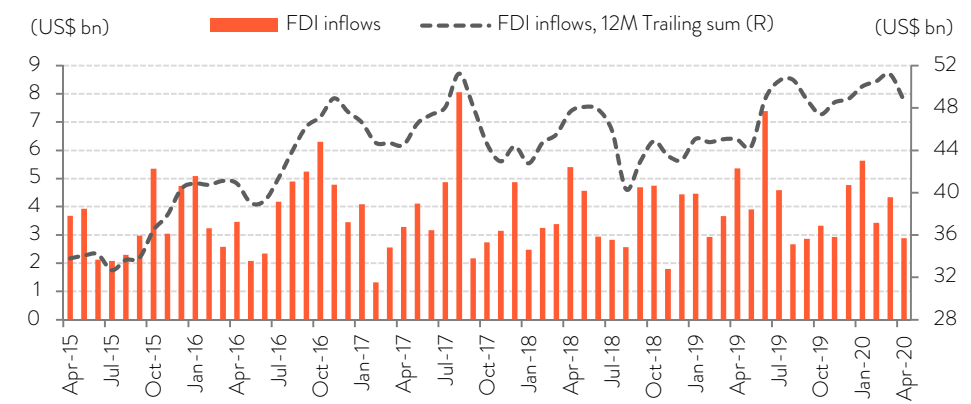
FIG 166 – FDI INFLOWS INTO SERVICES EASE IN FY20, TELECOM SECTOR SEES AN INCREASE

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

Source: DIPP

FDI inflows

FIG 165 – FDI INFLOWS AT US\$ 2.9BN IN APR'20 VERSUS US\$ 4.3BN IN MAR'20



Source: RBI, Bank of Baroda Research

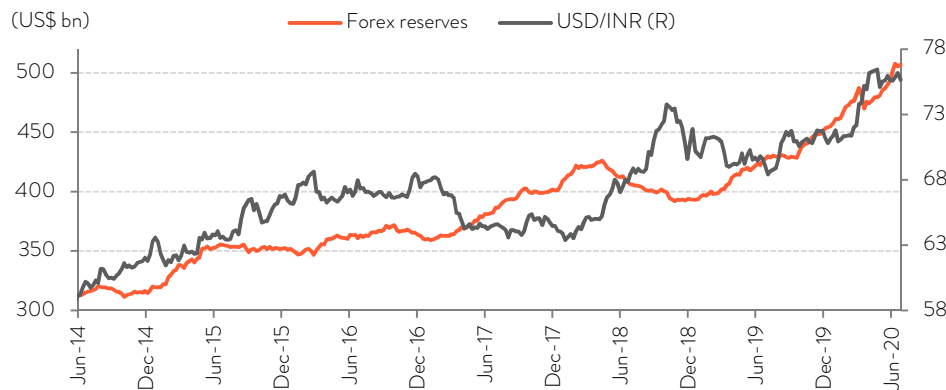
FIG 167 – FDI INFLOWS FROM SINGAPORE DECELERATE IN FY20

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

Source: DIPP

Forex reserves and external debt

FIG 168 – INDIA'S FX RESERVES ROSE TO A RECORD HIGH AT US\$ 507.6BN IN JUN'20 BEFORE DECLINING TO US\$ 506.8BN



Source: Bloomberg | Weekly data as of 26 Jun 2020

FIG 170 – RBI'S SOLD US\$ 1.1BN IN THE SPOT MARKET IN APR'20

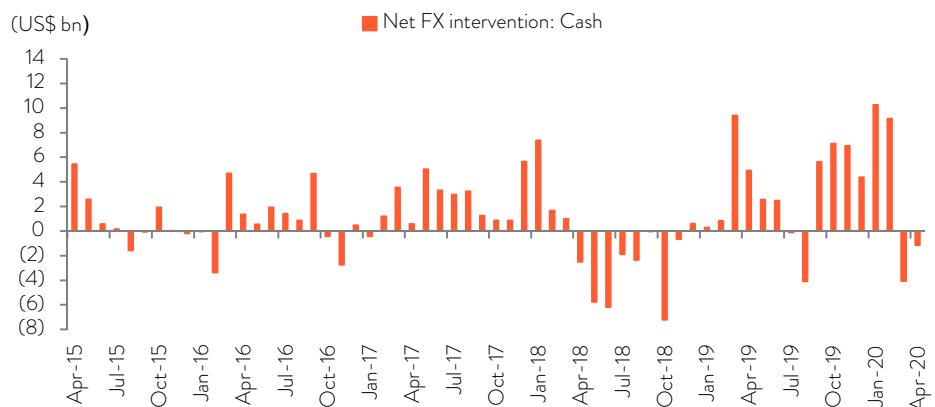


FIG 169 – IMPORT COVER ALSO RISES TO 14 MONTHS IN MAY'20

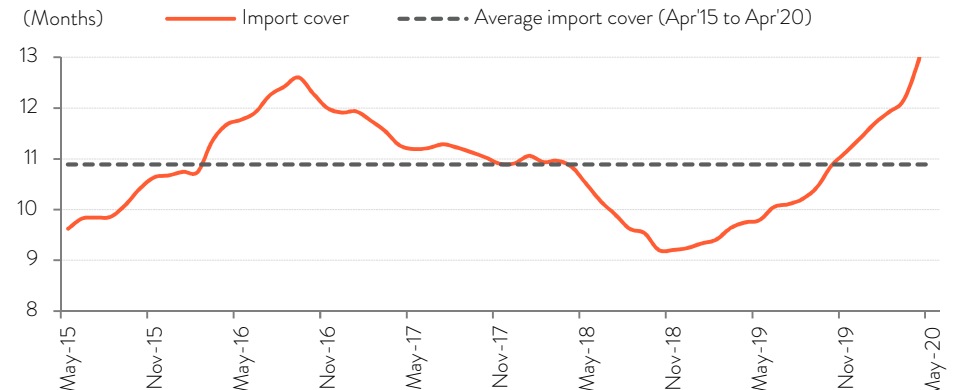
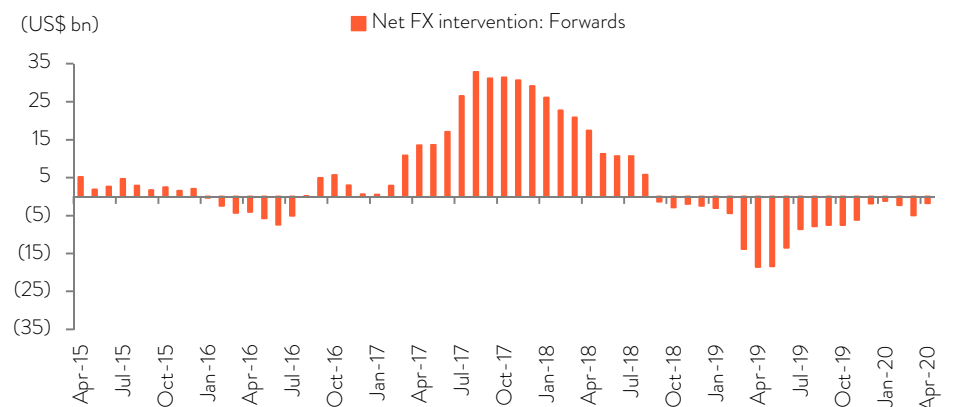


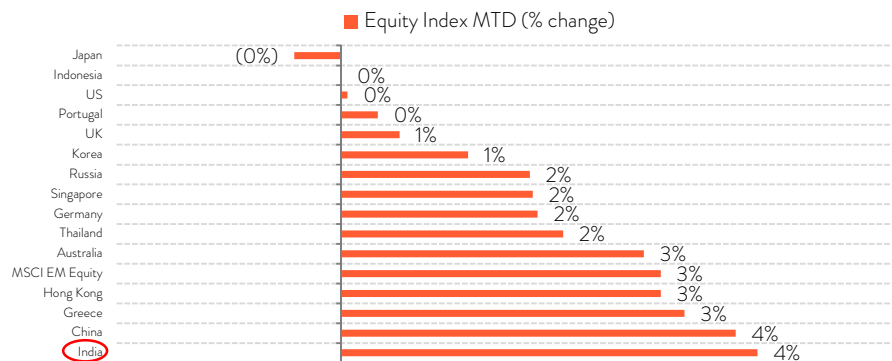
FIG 171 – IN FORWARDS MARKET, RBI'S OUTSTANDING POSITION AT (-) US\$ 1.7BN IN APR'20



Markets

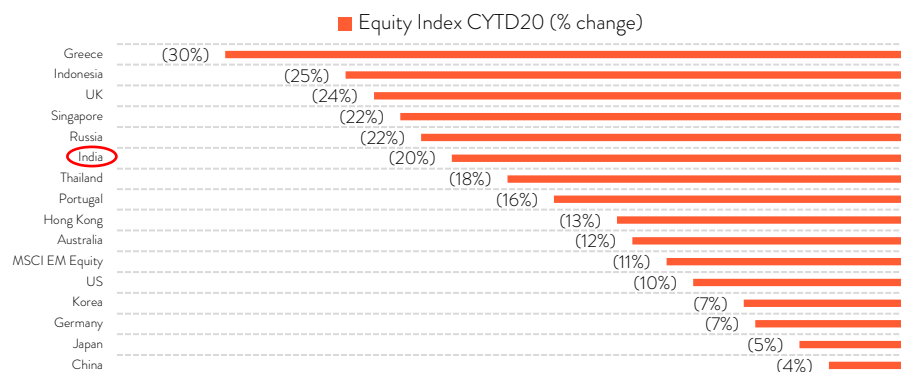
Equity

FIG 172 – IN JUL'20, SENSEX ROSE THE MOST BY 4%, IN CONSTANT CURRENCY TERMS DUE TO REOPENING OF THE ECONOMY



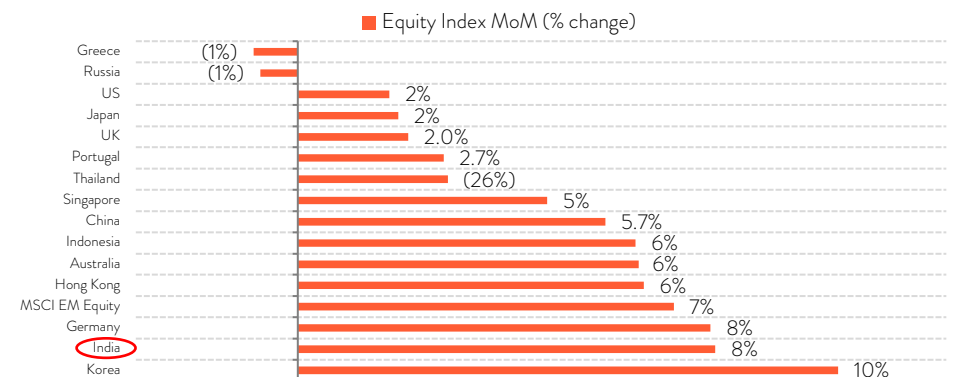
Source: Bloomberg | * As on 03 Jul 2020, Indices are in US\$ terms

FIG 174 – HOWEVER, SENSEX FELL SHARPLY BY 20% ON CYTD20 BASIS



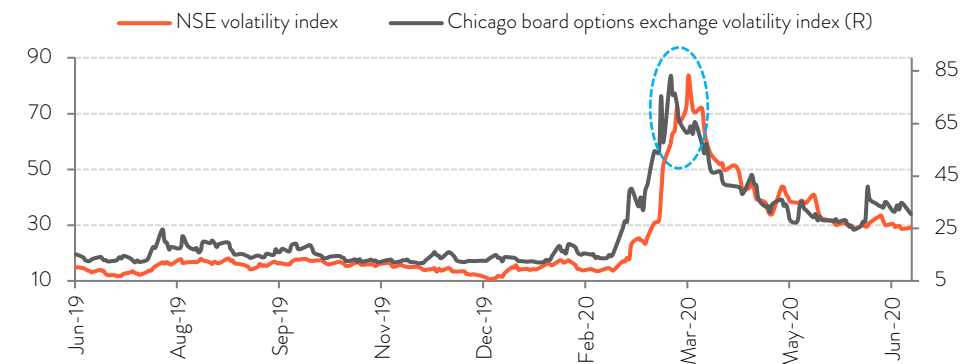
Source: Bloomberg | * As on 30 Jun 2020, Indices are in US\$ terms

FIG 173 – IN JUN'20 AS WELL, SENSEX ROSE BY 8%



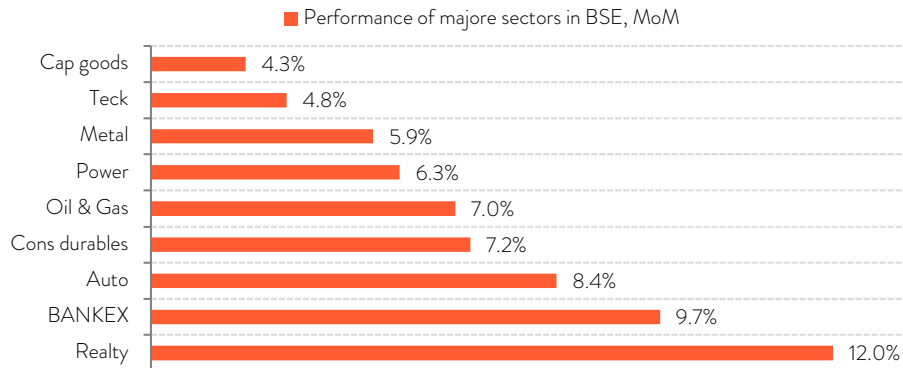
Source: Bloomberg | * As on 30 Jun 2020, Indices are in US\$ terms

FIG 175 – VIX INDEX FELL TO 29.12 IN JUN'20 FROM ITS HIGH OF 83.61 IN MAR'20 LED BY GRADUAL REOPENING OF THE ECONOMY GLOBALLY



Source: Bloomberg

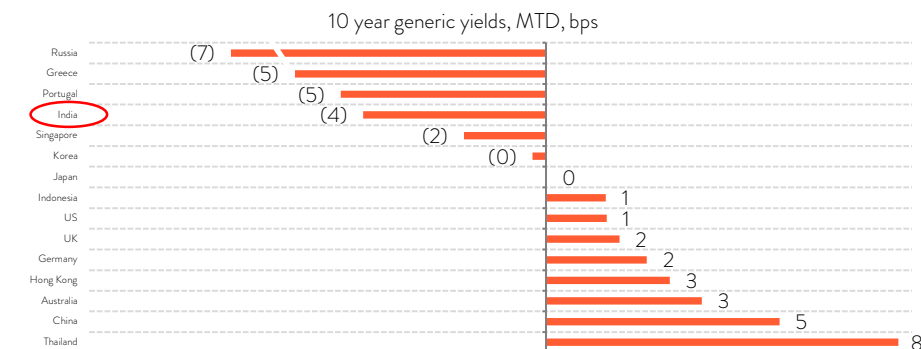
FIG 176 – REAL ESTATE STOCKS ROSE THE MOST FOLLOWED BY BANKEX



Source: Bloomberg | * As on 30 Jun 2020

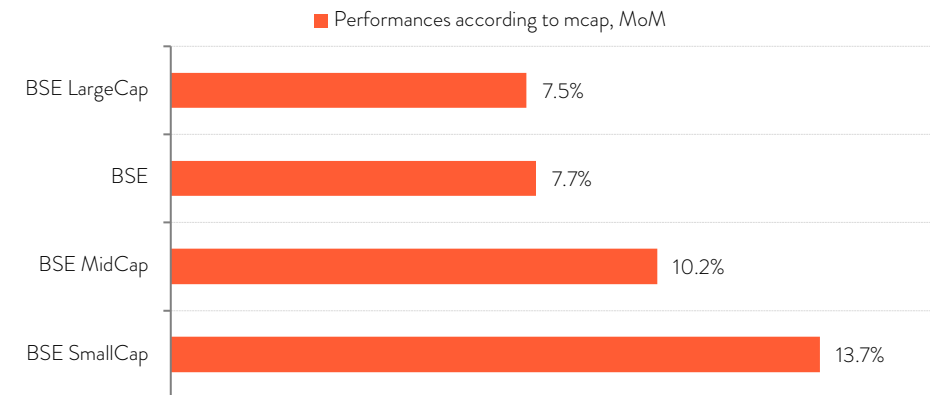
10 year bond yields

FIG 178 – IN JUL'20, INDIA'S 10Y YIELD FELL BY 4BPS



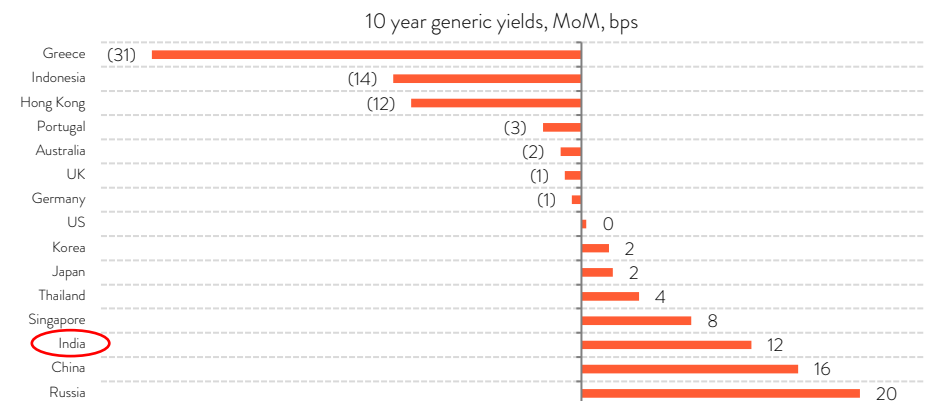
Source: Bloomberg | *As on 03 Jul 2020, Note: For India 5.79GS2030 benchmark yield is taken

FIG 177 – SMALL CAPS ROSE THE MOST

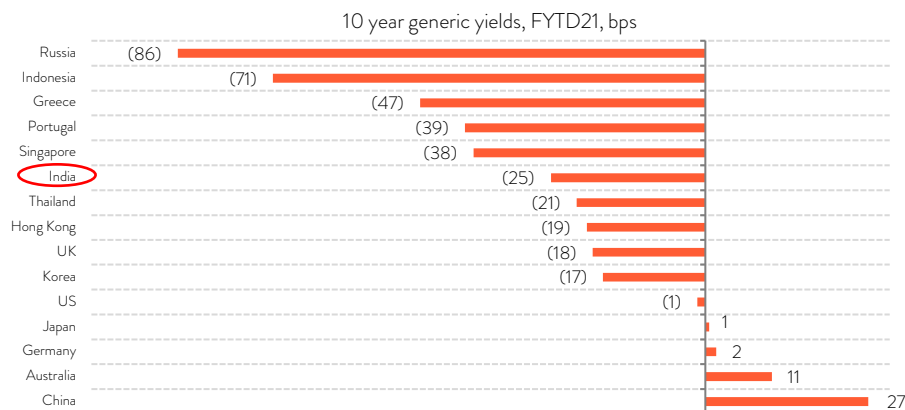


Source: Bloomberg | ** As on 30 Jun 2020

FIG 179 – INDIA'S 10Y YIELD ROSE BY 12BPS IN JUN'20 ON EXPECTATION OF MORE MEASURES FROM RBI

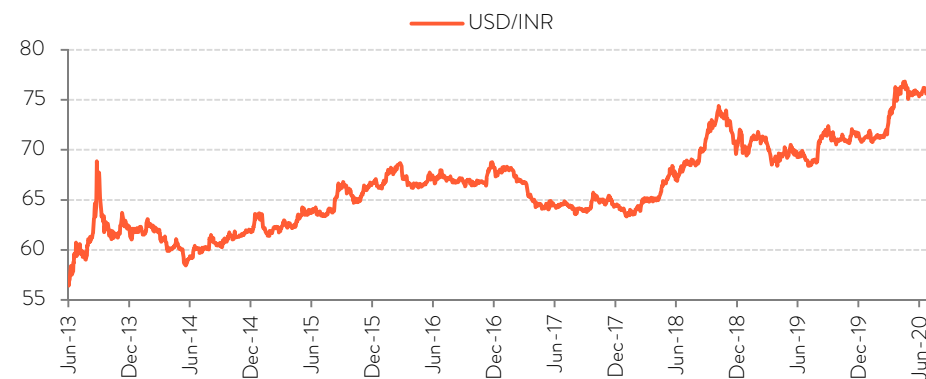


Source: Bloomberg | * As on 30 Jun 2020, Note: For India 5.79GS2030 benchmark yield is taken

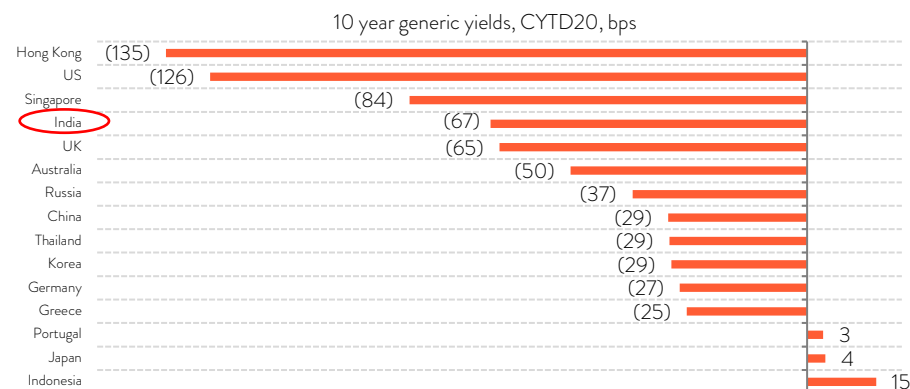
FIG 180 – HOWEVER, IN FYTD21, INDIA'S 10Y YIELD HAS FALLEN BY 25BPS

Source: Bloomberg | * As on 30 Jun 2020, Note: For India 5.79GS2030 benchmark yield is taken

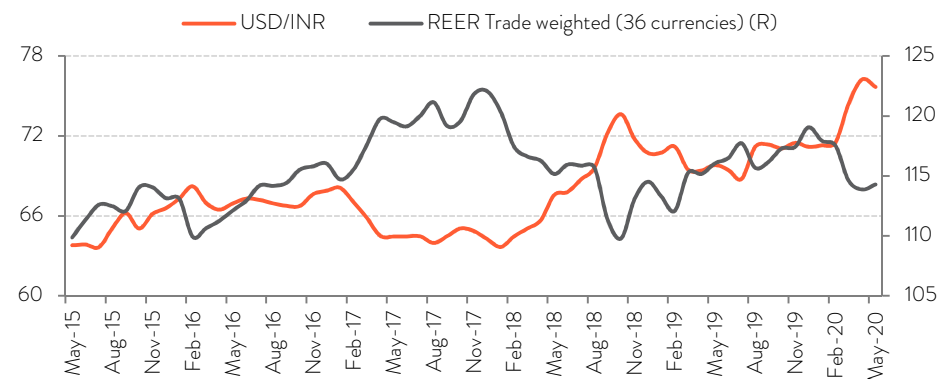
Currencies

FIG 182 – INR ROSE marginally by 0.1% in Jun'20

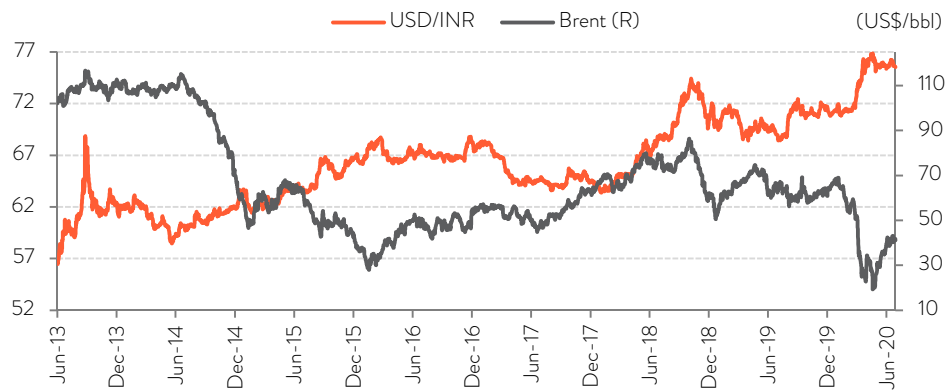
Source: Bloomberg | *As on 30 Jun 2020

FIG 181 – IN FYTD21 AS WELL, INDIA'S 10Y YIELD FELL SHARPLY BY 67BPS, IN LINE WITH OTHER GLOBAL YIELDS

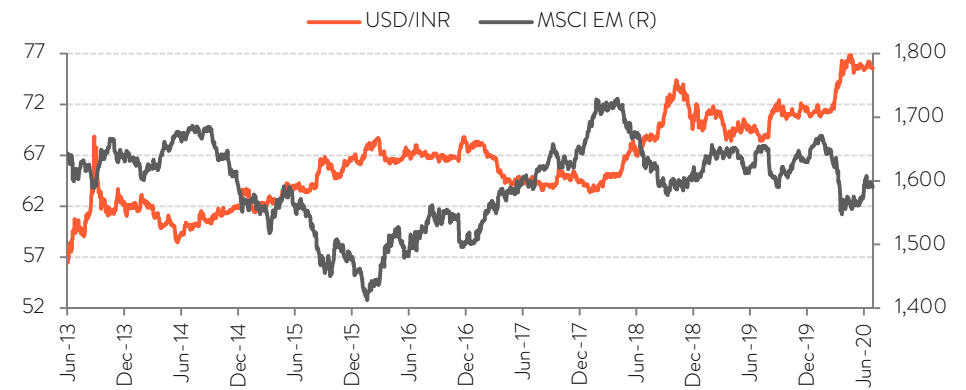
Source: Bloomberg | * As on 30 Jun 2020, Note: For India 5.79GS2030 benchmark yield is taken

FIG 183 – INR STILL OVERVALUED BY 14.3% (MAY'20)

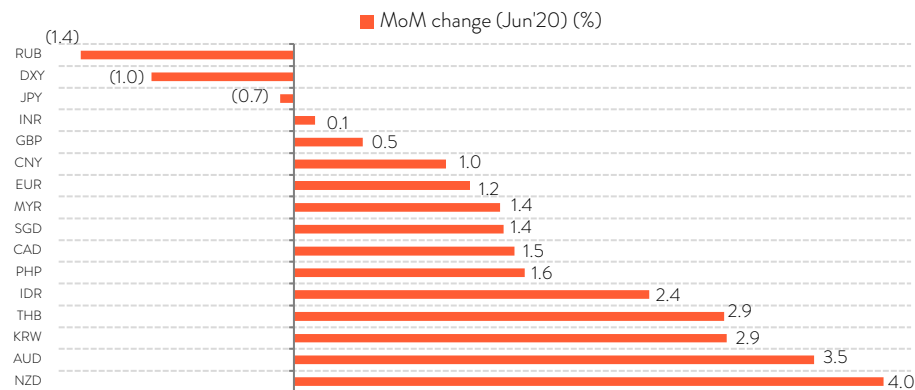
Source: Bloomberg

FIG 184 – OIL PRICES INCHED UP IN JUN'20

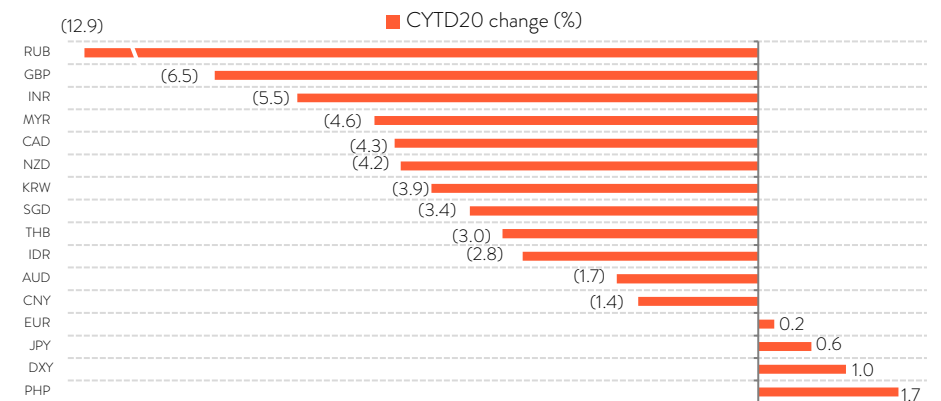
Source: Bloomberg | *As on 30 Jun 2020

FIG 185 – EM CURRENCIES ALSO APPRECIATED AS RISK SENTIMENT IMPROVED

Source: Bloomberg | *As on 30 Jun 2020

FIG 186 – GLOBAL CURRENCIES CLOSED MOSTLY HIGHER IN JUN'20

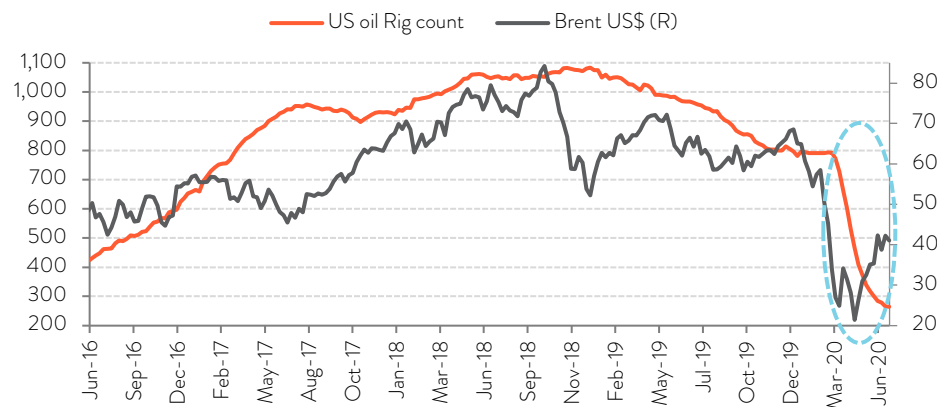
Source: Bloomberg | *As on 30 Jun 2020

FIG 187 – IN CYTD20, INR HAS DEPRECIATED BY 5.5%

Source: Bloomberg | *As on 30 Jun 2020

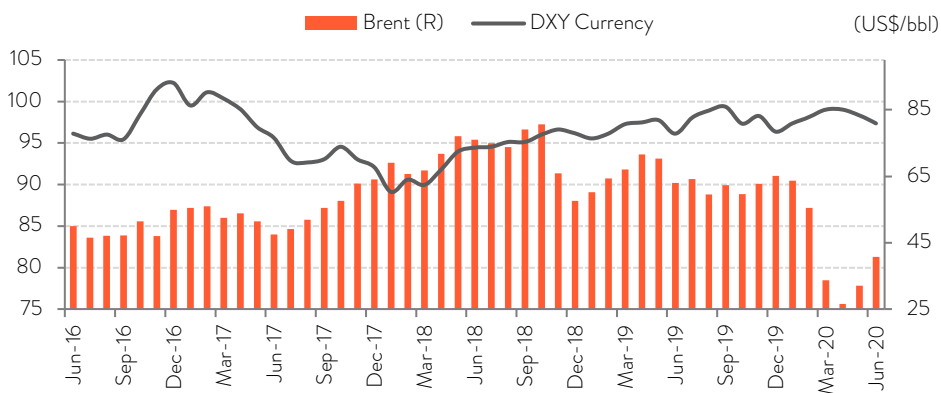
Commodities

FIG 188 – OIL PRICES ON AN AVERAGE ROSE TO US\$ 40.8/BBL IN JUN'20 (US\$ 32.4/BBL IN MAY'20), US RIG COUNT FELL TO 265 FROM 301 IN MAY'20



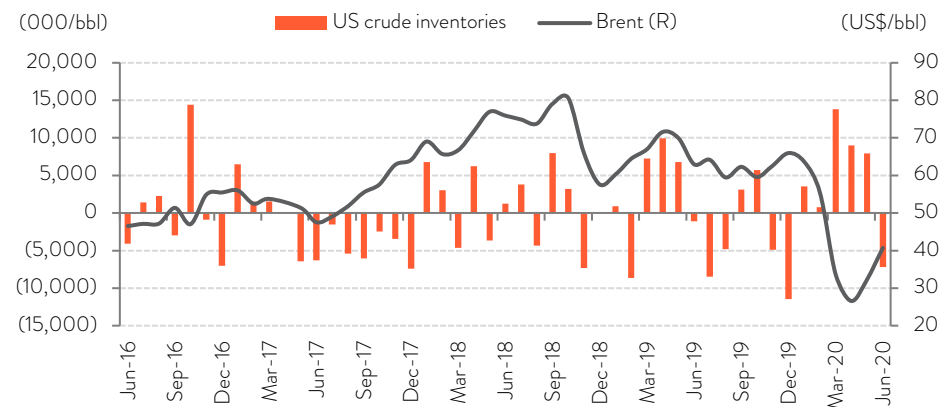
Source: Bloomberg

FIG 190 – DXY FELL TO 97.4 IN JUN'20 FROM 98.3 IN MAY'20, OIL PRICES INCHED UP



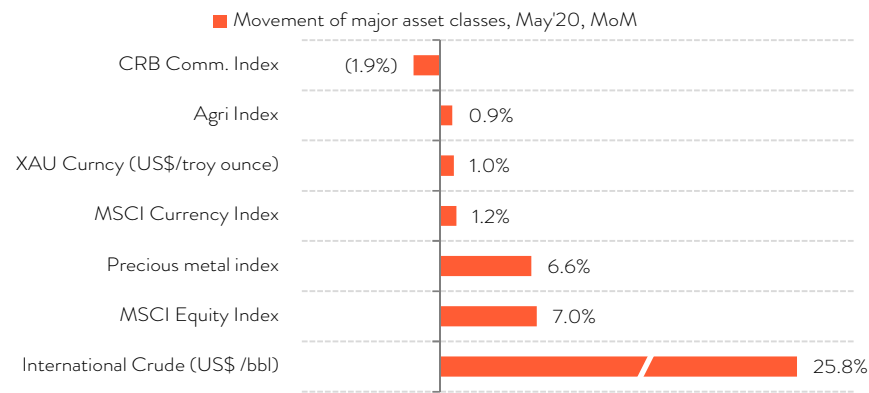
Source: Bloomberg | DXY Index as on last trading day of the month

FIG 189 – THERE WAS A SHARP DRAWDOWN IN US INVENTORY ON HOPES OF REVIVAL IN ECONOMIC ACTIVITY



Source: Bloomberg

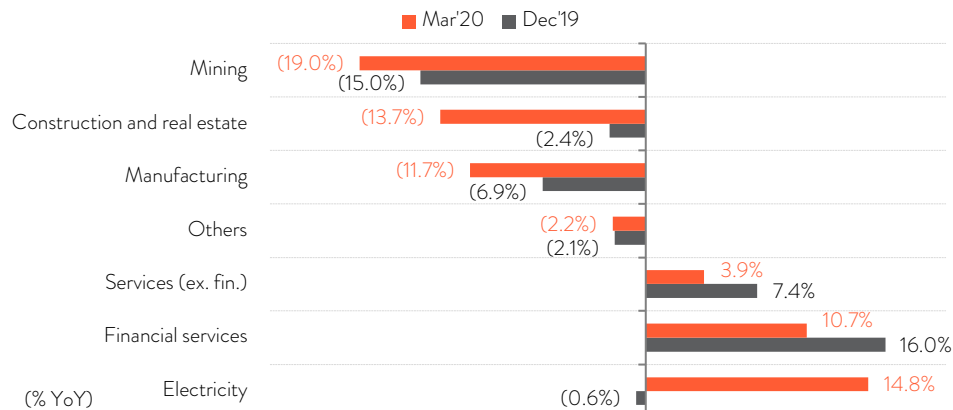
FIG 191 – OIL PRICES ROSE THE MOST AS LOCKDOWN RESTRICTIONS EASED GLOBALLY



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

Corporate earnings

FIG 192 – NET SALES IN THE MANUFACTURING SECTOR DECLINES, IMPROVES FOR SERVICES IN Q4FY20



Source: CMIE, Prowess | Based on financial results of 453 companies listed on BSE

FIG 194 – NET SALES FOR AUTO COMPANIES FALLS THE MOST IN Q4FY20

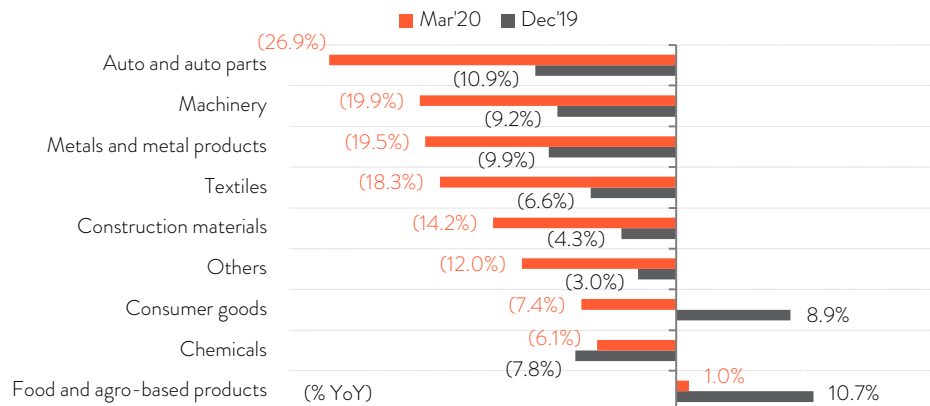
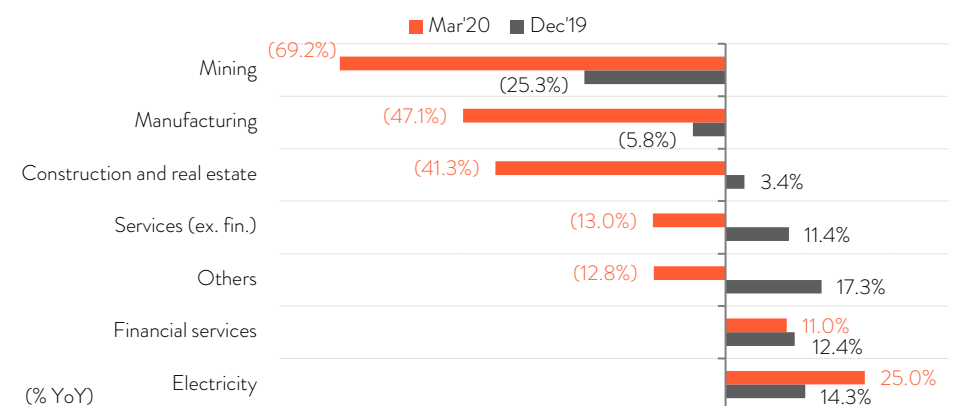
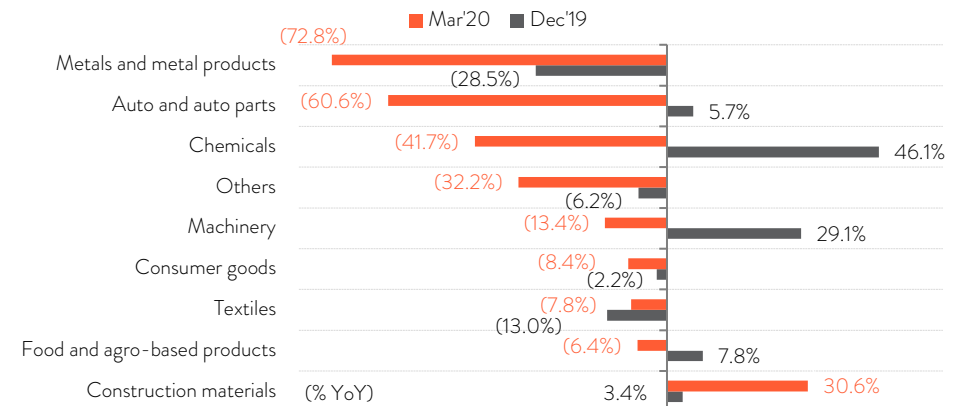


FIG 193 – EXCEPT FINANCIAL SERVICES AND ELECTRICITY, PBDIT IN ALL OTHER SECTORS FALLS



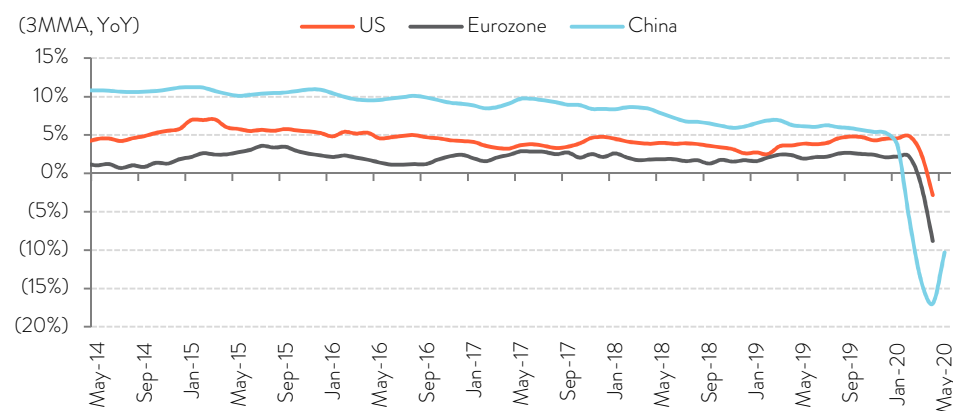
Source: CMIE, Prowess | Based on financial results of 453 companies listed on BSE

FIG 195 – BARRING CONSTRUCTION, PBDIT FOR ALL OTHER SECTORS DECLINES



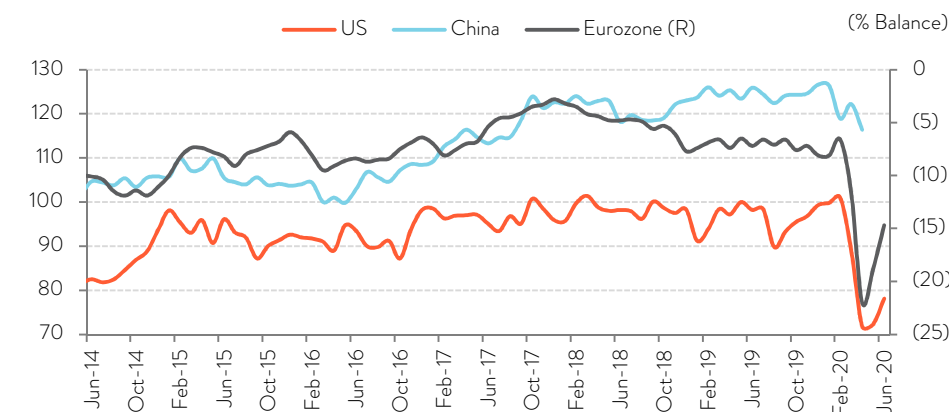
Global consumption

FIG 196 – RETAIL SALES REMAIN WEEK FOR US AND EUROZONE



Note: Data for US and Eurozone is till Apr'20

FIG 198 – CONSUMER CONFIDENCE INCHES UP IN US AND EUROZONE



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

FIG 197 – AUTO SALES RECOVER IN CHINA

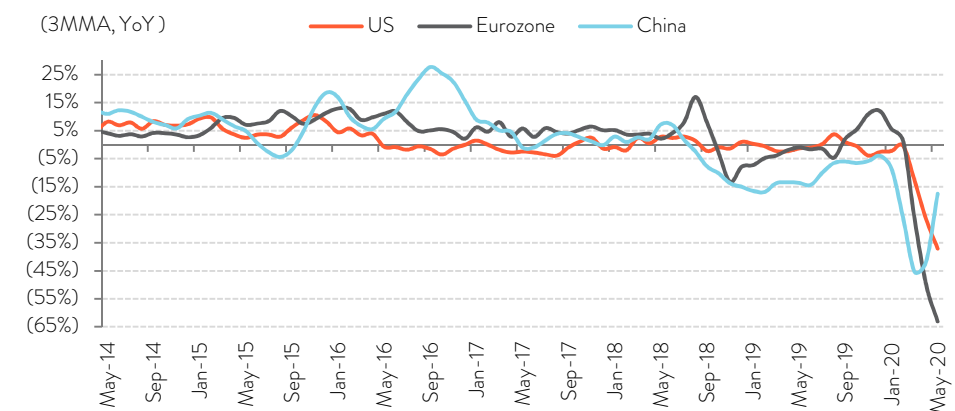
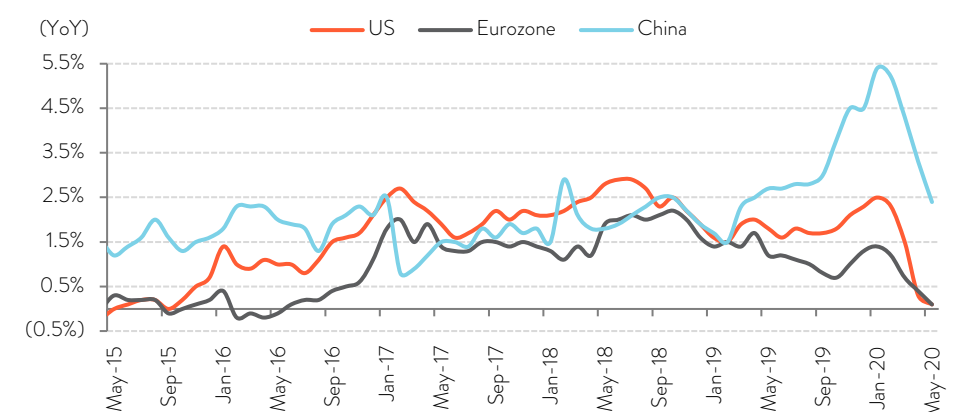


FIG 199 – CPI CONTINUES TO MODERATE



Policy

FIG 200 – GLOBAL CENTRAL BANKS ARE ON MONETARY EASING CYCLE

Country	Current inflation rate (%)	Current policy rate (%)	CY19 (change in bps)	CYTD20 (change in bps)	Direction of policy rate in CYTD20
Germany	0.9	0.0	0	0	-
Japan	0.1	(0.1)	0	0	-
China	2.4	4.4	0	0	-
Australia	2.2	0.3	(75)	(50)	↓
UK	0.5	0.1	0	(65)	↓
Korea	0.0	0.5	(50)	(75)	↓
Indonesia	4.3	4.3	(100)	(75)	↓
Thailand	(3.4)	0.5	(50)	(75)	↓
Malaysia	(2.9)	2.0	(25)	(100)	↓
India	5.8	4.0	(135)	(115)	↓
US	0.1	0.3	(75)	(150)	↓
Russia	3.0	4.5	(150)	(175)	↓
Mexico	3.3	5.5	(100)	(175)	↓
Phillipines	2.1	2.3	(75)	(175)	↓
Brazil	1.9	2.3	(200)	(225)	↓
Turkey	11.4	8.3	(1200)	(375)	↓

Source: Bloomberg

Global investment and manufacturing

FIG 201 – GLOBAL MANUFACTURING AND SERVICES ACTIVITY SEEN RECOVERING IN JUN'20

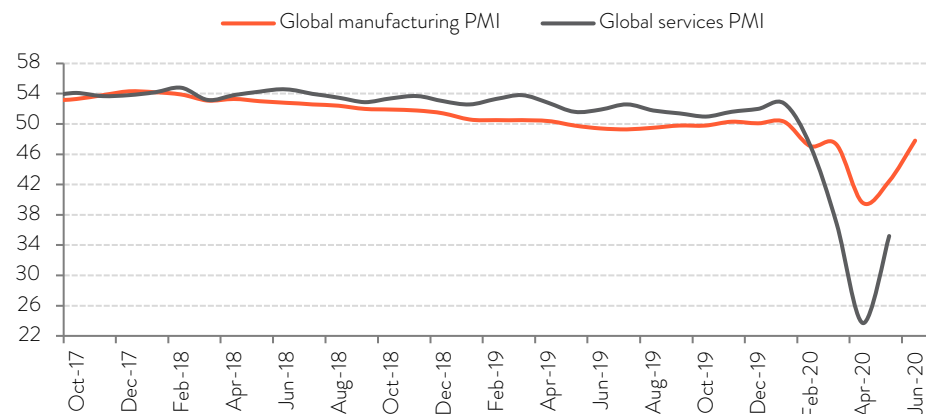


FIG 203 – BARRING US, PRODUCER PRICES SLIP FURTHER IN MAY'20

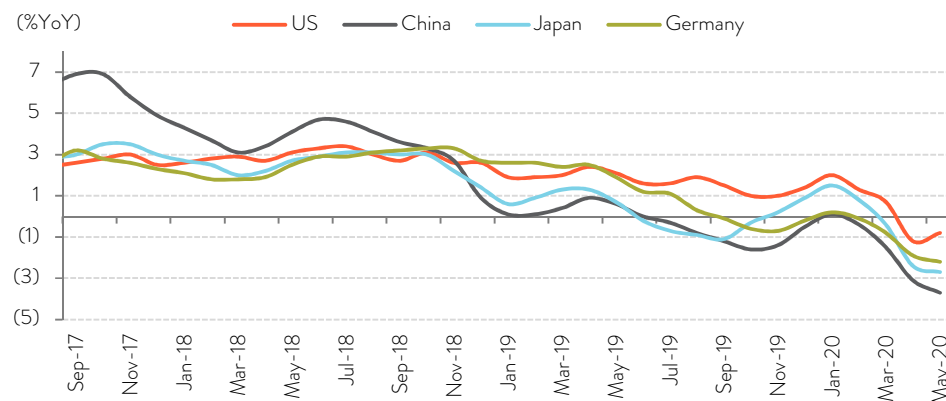


FIG 202 – RECOVERY SEEN ACROSS MAJOR GLOBAL MANUFACTURING HUBS

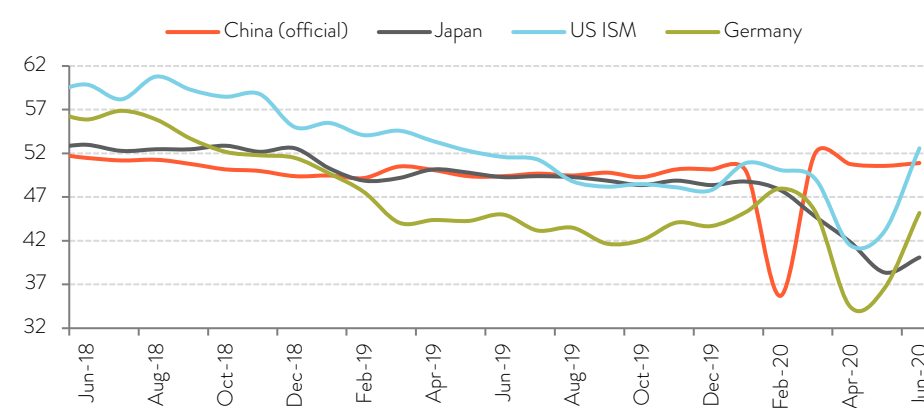
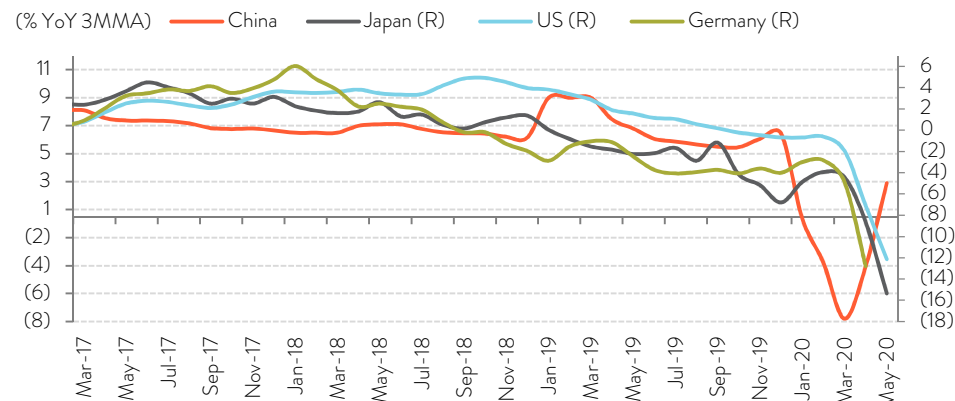
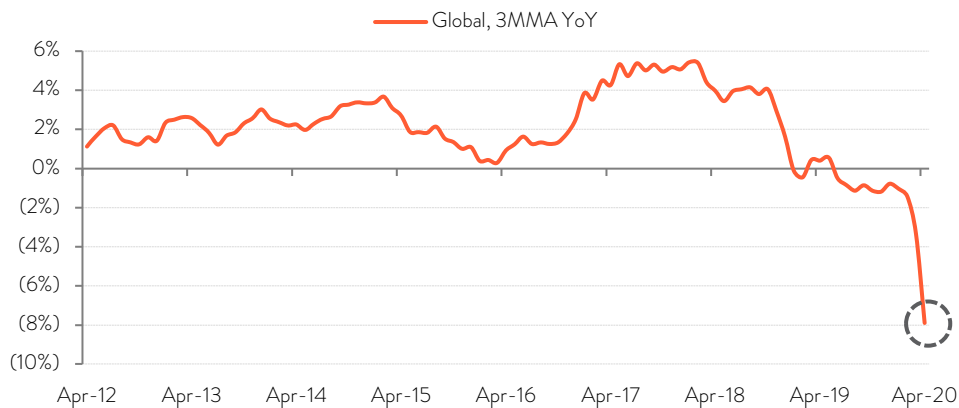


FIG 204 – EXCEPT CHINA, GLOBAL INDUSTRIAL PRODUCTION REMAINED WEAK IN MAY'20



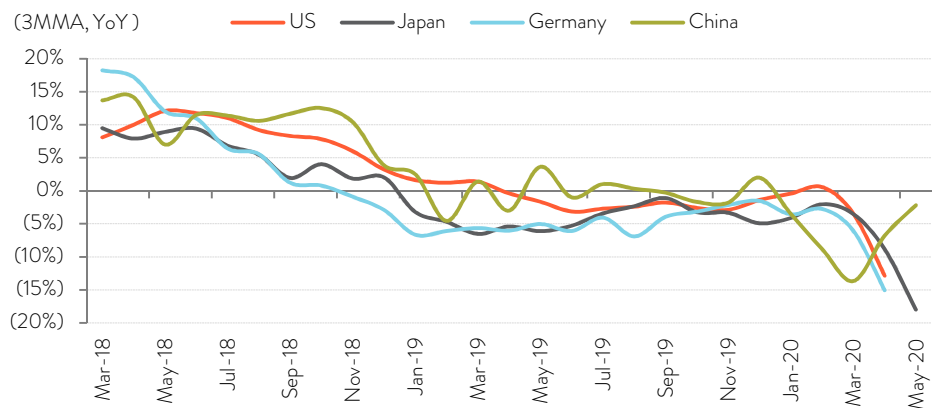
Global trade

FIG 205 – WORLD TRADE VOLUME DIPS SHARPLY IN APR'20



Source: NPB, World Trade Monitor

FIG 207 – EXPORTS FROM MAJOR COUNTRIES FALL IN APR'20/MAY'20, CHINA'S EXPORTS BOUNCE BACK



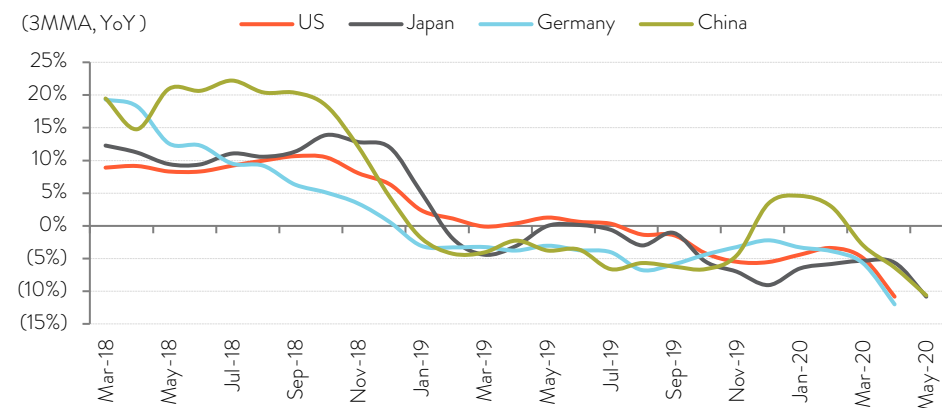
Source: Bloomberg

FIG 206 – TRADE VOLUME IN MAJOR COUNTRIES/REGIONS FALLS IN APR'20

Country/Region (% YoY)	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20
Africa and Middle East	(4.0)	(2.8)	(2.7)	(1.4)	(1.5)	(1.9)	(1.9)
China	(1.3)	3.5	14.1	(4.8)	(4.5)	(1.4)	(1.9)
Eastern Europe / CIS	2.3	2.9	3.1	0.4	0.7	1.2	(5.9)
Emerging Asia (ex. China)	(5.7)	(2.9)	0.6	(2.2)	(1.6)	(1.3)	(10.2)
Euro Area	0.1	(0.4)	(2.7)	(2.5)	(1.0)	(11.4)	(28.5)
Japan	(3.4)	(2.7)	(0.9)	(2.7)	(6.7)	(2.2)	(7.3)
Latin America	(2.5)	(3.4)	(3.7)	(3.1)	(3.8)	1.3	(21.8)
US	(2.8)	(2.2)	(1.8)	(2.9)	(1.8)	(5.4)	(19.1)

Source: NPB, World Trade Monitor

FIG 208 – IMPORTS REMAIN LACKLUSTRE



Source: Bloomberg

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