

India Economics

Monthly Chartbook

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Rising oil prices a worry

A government driven capex cycle is holding ground with general government capex spending up by 123.6% in Jan'21 (50.4% in Dec'20). This trend is likely to play out in FY22 as well since private capex will pick-up with a lag. Private consumption is steady as seen in non-oil imports and logistics activity. While Centre's revenues are showing an uptrend, domestic 10Y yield has risen by 33bps in Feb'21 (MoM). As against this, US 10Y has increased by 34bps. Oil prices by 12.6%. Global food prices by 2.5%. INR did depreciate in Feb'21 after 3 months of steady appreciation. Higher oil prices are likely to put more downward pressure on INR. It will also be inflationary. As of now we expect inflation at 4.6% in FY22.

States and Centre up the ante: Both Centre and States have shown a penchant for capital spending in Jan'21. Centre's capex on 3-MMA basis is up by 148% (Rs 0.8tn shy of FY21RE) and that of states is up by 12.2% compared with 5.3% increase seen in Dec'20. Centre's revenue spending is up by 39.5% in Jan'21. In Feb-Mar'21, Centre will have to spend Rs 8.6tn to meet its FY21RE. Tax revenues have been buoyant led by 38.7% rise in indirect tax collections. In case of states, tax revenues are muted (despite pick-up in stamp duty collections). Grants from centre and market borrowings have risen (+39% in Apr'20-Feb'21).

Sustainable recovery: Private and government consumption rebounded in Q3 at (-) 2.3% from (-) 11.3% in Q2FY21 and (-) 1.1% from (-) 24% in Q2FY21 respectively. While auto sales have decelerated in Jan'21, electronic imports and e-way bills have gained traction. Non-oil-non-gold imports continue to expand. On the agri front, record output is expected in foodgrain production (2nd AE) for the crop year 2020-21.

Further, rural wages are again inching up. Terms of trade are favourable for paddy but not so much for wheat.

Yields climbing higher: Post Centre's announcement of revised borrowing program, rising oil prices and global yields, Indian yields have risen to the highest level since Apr'20 (33bps increase in Feb'21 to 6.23%). Despite RBI's announcement of special OMOs and OMOs (Rs 200bn) in Feb'21 and elevated surplus liquidity of Rs 5.8tn, yields are inching up. Even softening headline CPI at 4.1% did not manage to cool yields. Much of this rise in domestic yield is also attributable to global yields especially US 10Y yield, which rose by 34bps and 16bps respectively in Feb'21 and Mar'21, on the back of reflation trade amidst reopening of the economy. Notably, global commodity prices have surged in Feb'21 by 6.1% MoM.

Rising yields and oil prices to limit gains in INR: After appreciating for 3 straight months, INR depreciated by 0.7% in Feb'21. This was led by higher oil prices and rising US10Y yields even as FII inflows continued at US\$ 2bn in Feb'21 (US\$ 1.5bn in Jan'21). Rising US yields have given a leg-up to DXY index (+0.3% in Feb'21). US and UK are far ahead of other large countries in vaccination. DXY may see some more upmove before vaccinations catch-up in other countries. We believe INR may be under pressure in near-term due to rising global yields and higher oil prices. Buoyant foreign inflows, software exports and remittances should ease pressure on INR.

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

Consumption

Final consumption expenditure

FIG 1 – PRIVATE CONSUMPTION IMPROVES IN Q3

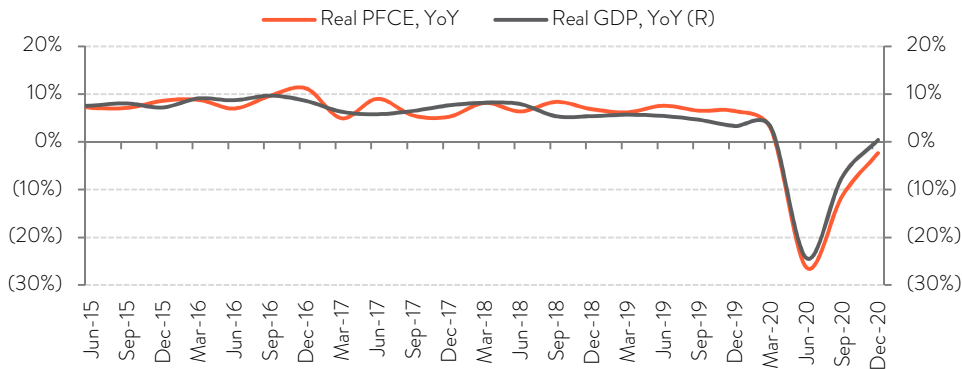


FIG 2 – GOVERNMENT CONSUMPTION TOO ROSE IN Q3FY21

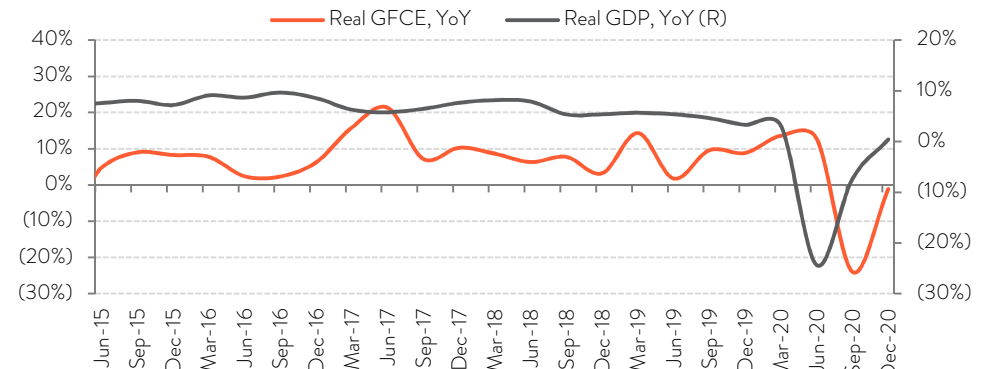


FIG 3 – GENERAL GOV REVENUE SPENDING INCHING UP

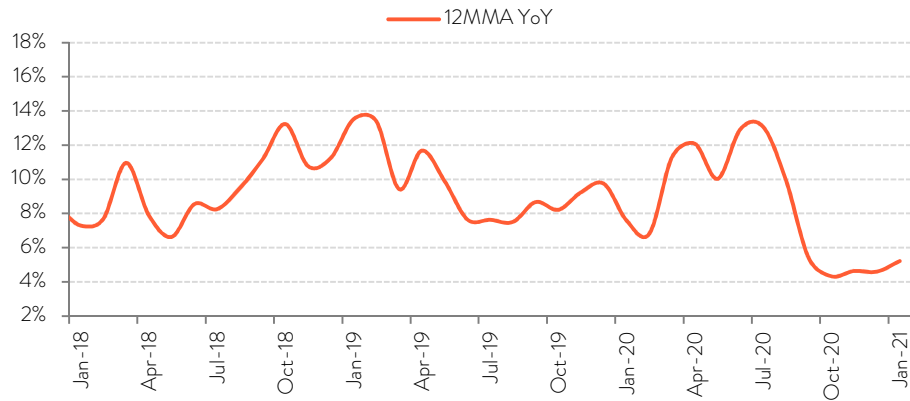
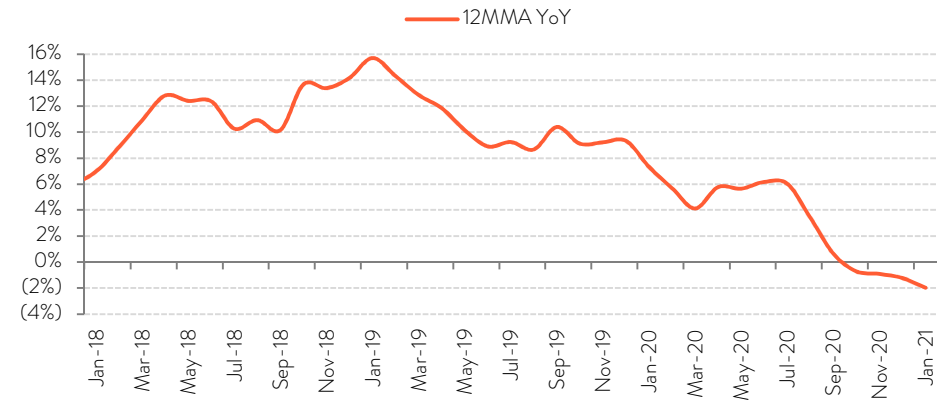


FIG 4 – STATE* GOV REVENUE SPENDING DIPS



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

Non-oil imports, electronic imports

FIG 5 – NON-OIL-NON-GOLD IMPORTS STABLE

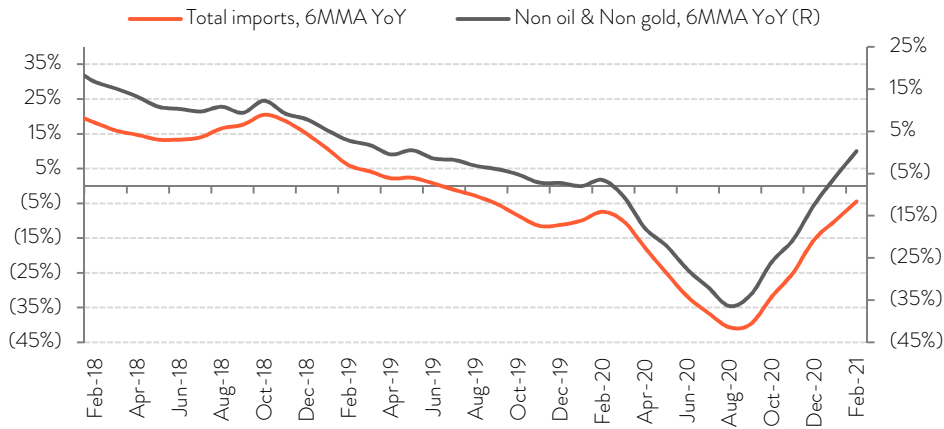


FIG 6 – ELECTRONIC IMPORTS ACCELERATE

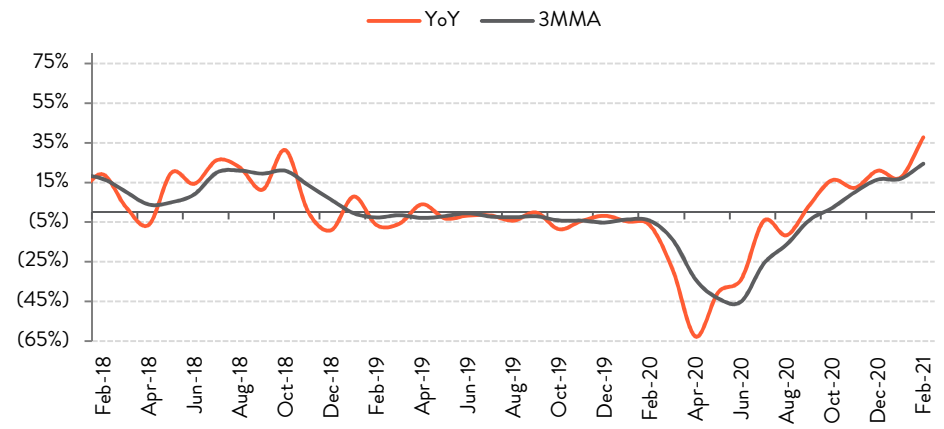


FIG 7 – PASSENGER CAR SALES SLIPS IN JAN'21

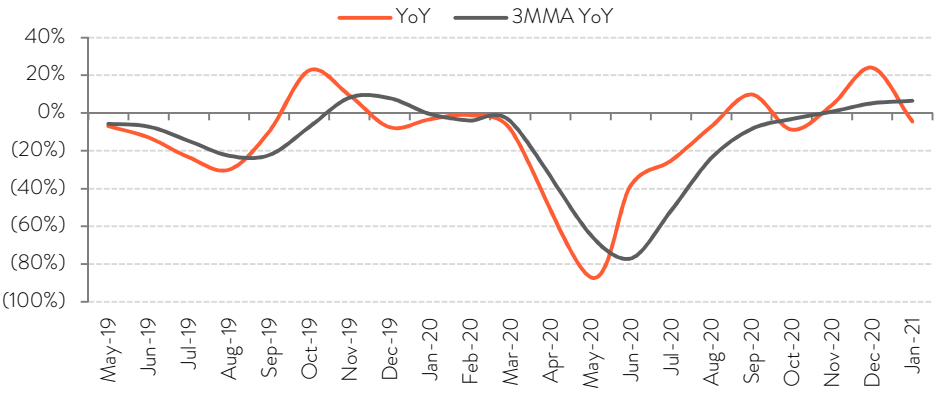
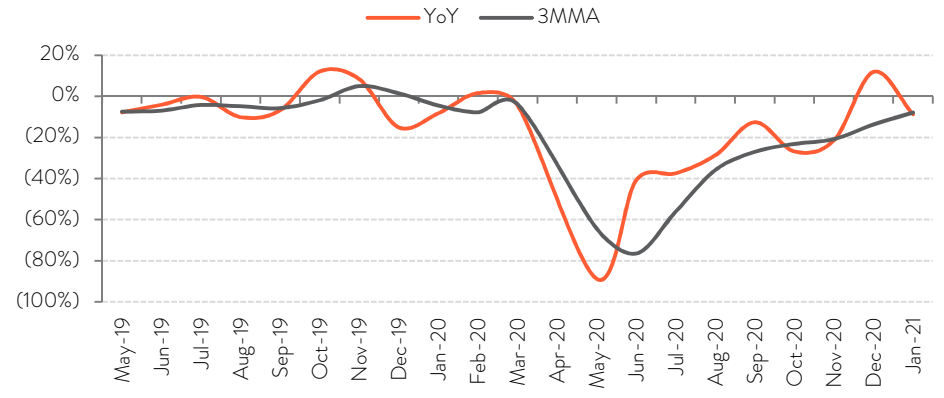


FIG 8 – TWO-WHEELER SALES TOO FALL



Credit deployment of personal loans

FIG 9 – GROWTH IN CREDIT CARD OUTSTANDING INCHES UP

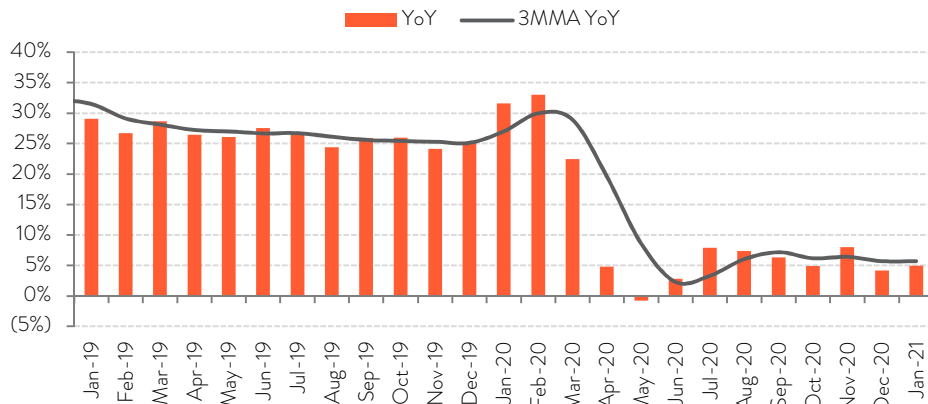


FIG 10 – GROWTH IN PERSONAL LOAN MODERATES

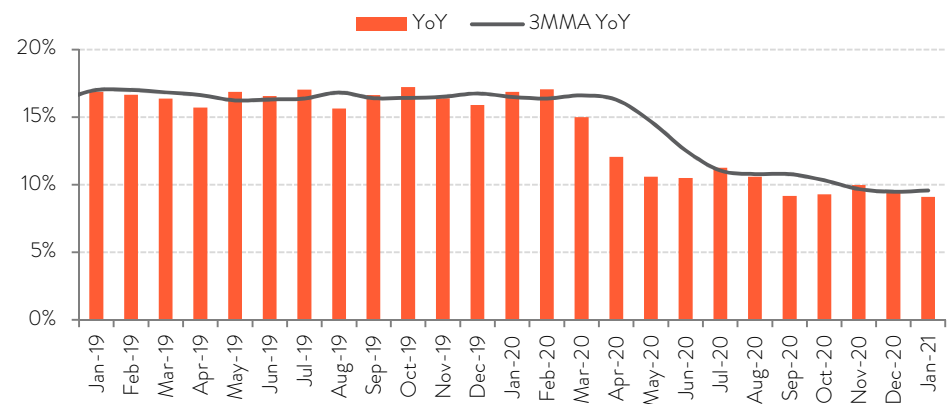


FIG 11 – GROWTH IN VEHICLE LOAN SLOWS

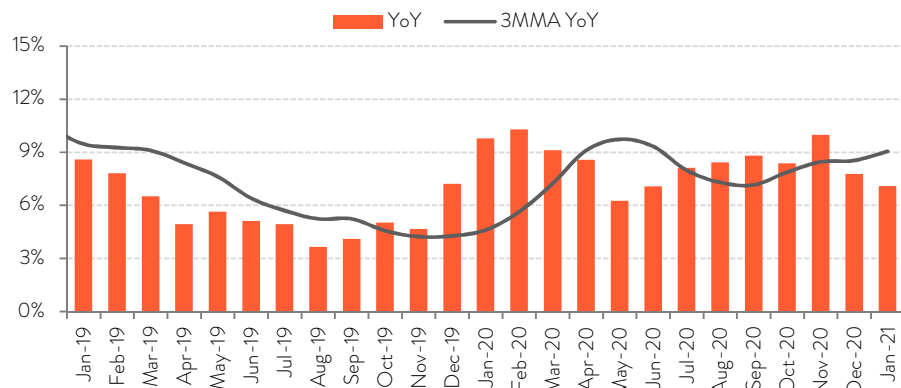


FIG 12 – CONSUMER CONFIDENCE IMPROVING

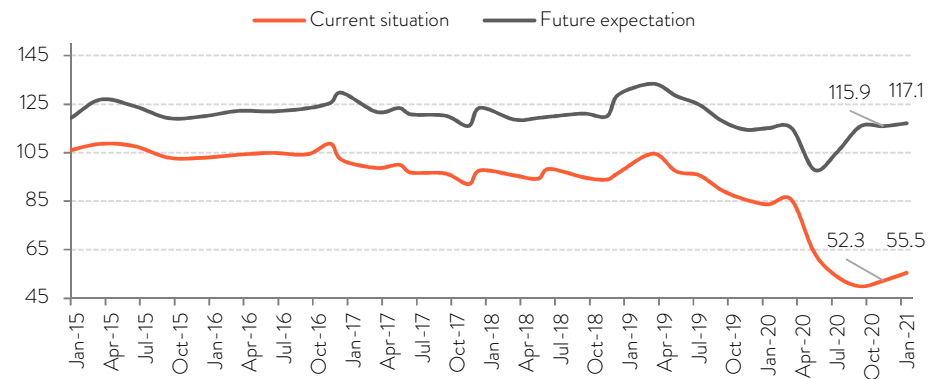


FIG 13 – RBI’S ESSENTIAL SPENDING DIPS IN JAN’21

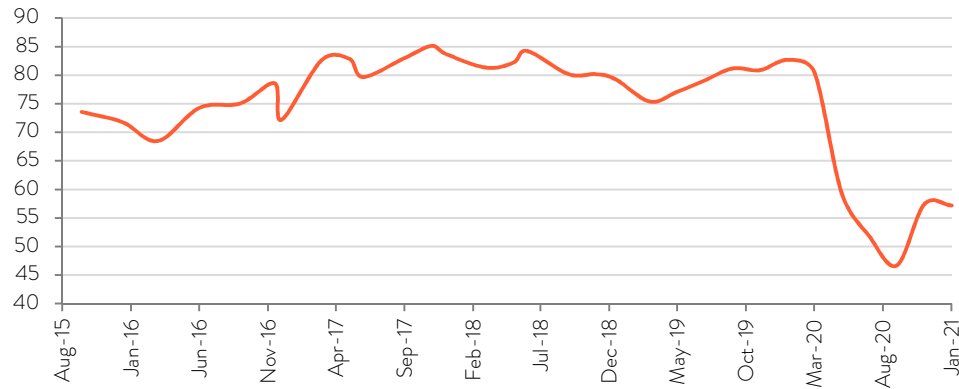
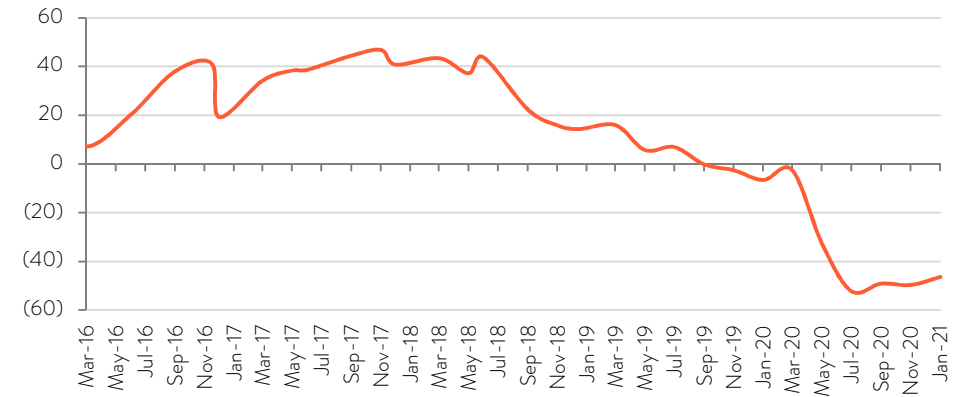
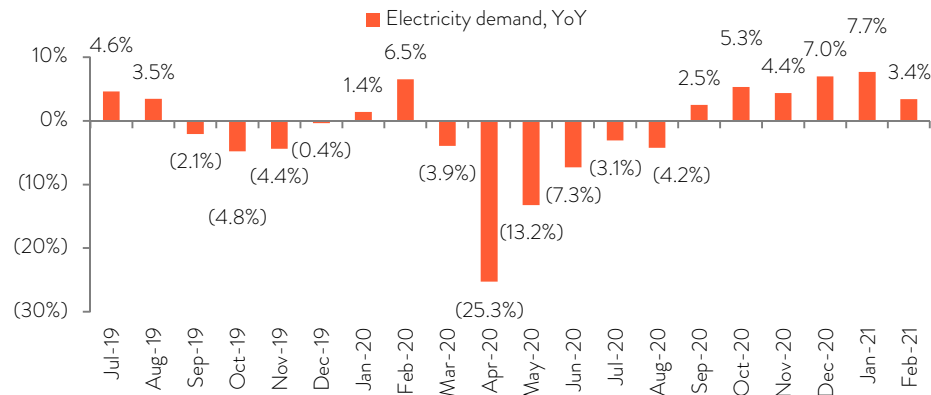


FIG 14 – ...NON-ESSENTIAL SPENDING PLATEAUING



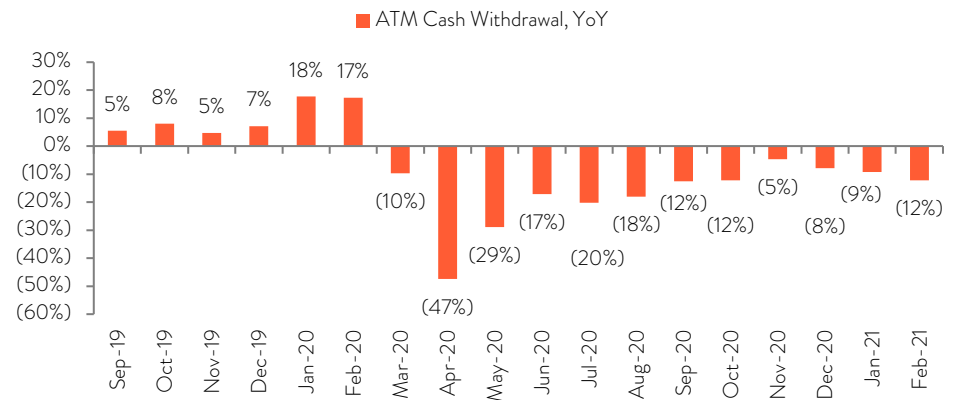
Electricity Demand, Digital Payments, COVID cases, Google mobility Index

FIG 15 – ELECTRICITY DEMAND SLIPS IN FEB’21



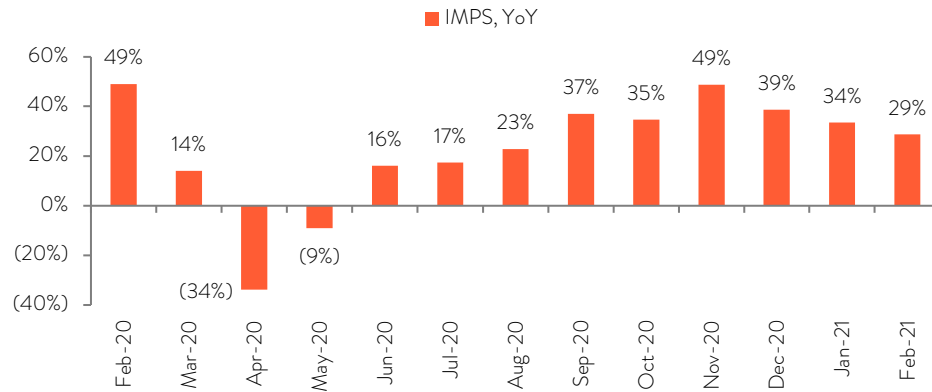
Source: Posoco. Note: Maximum Demand met during peak evening hours (MW)

FIG 16 – CASH WITHDRAWAL CONTINUES TO DIP



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

FIG 17 – IMPS PAYMENTS DECELERATE



Source: NPCI

FIG 18 – UPI PAYMENTS TOO MODERATE

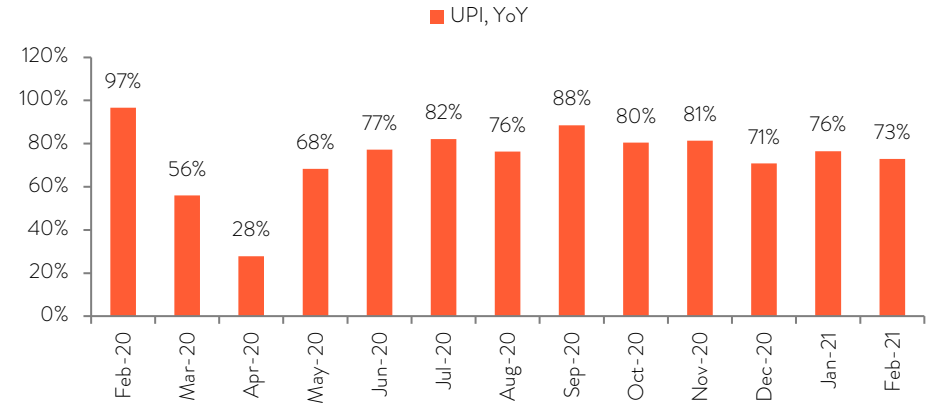
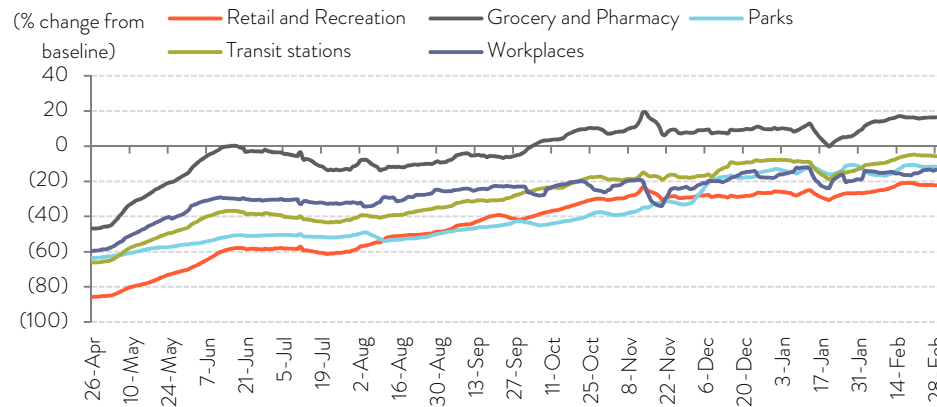


FIG 19 – GOOGLE MOBILITY INDEX REMAINS STEADY



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

FIG 20 – DAILY CHANGE IN COVID-19 CASES STATEWISE

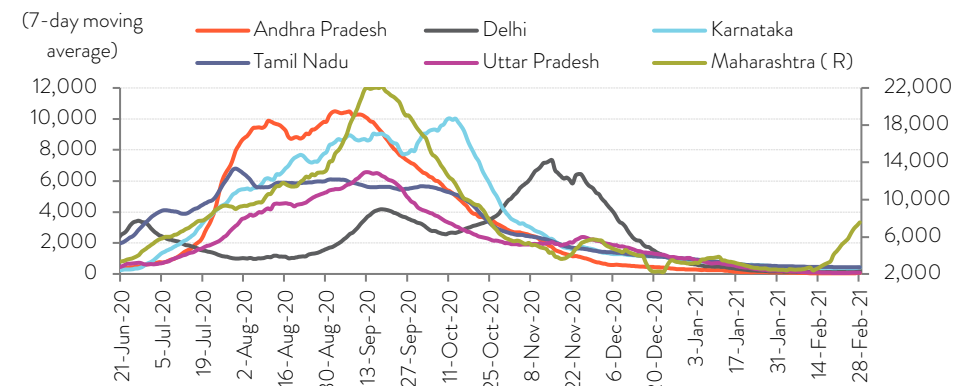


FIG 21 – FERTILIZER SALES CONTINUE TO FALL

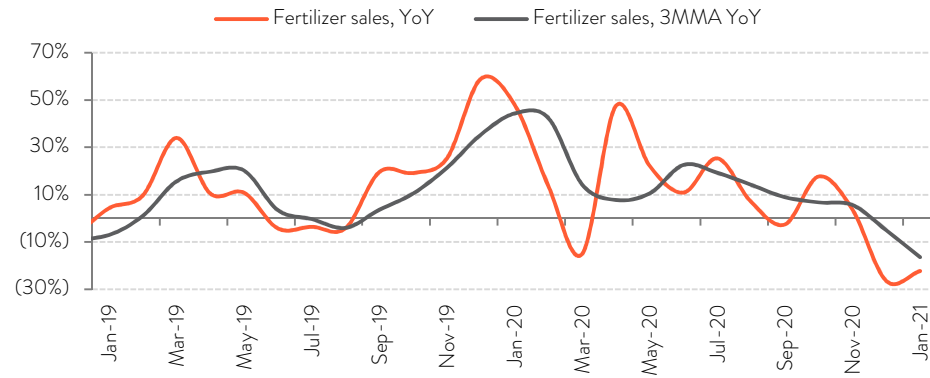
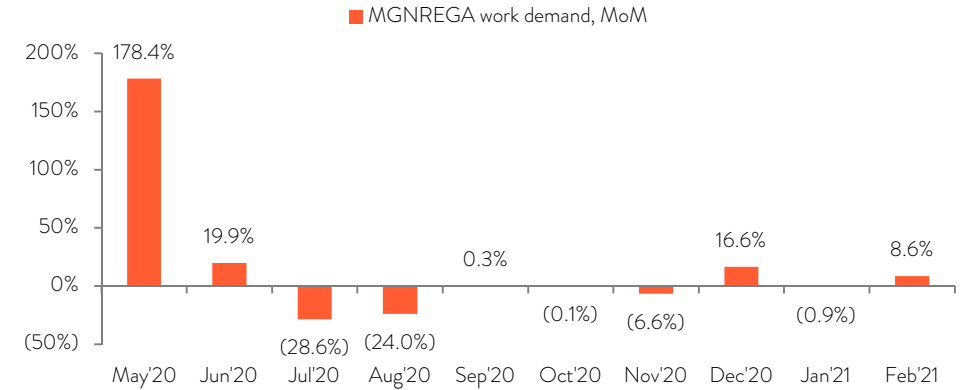


FIG 22 – MGNREGA WORK DEMAND IMPROVES IN FEB'21



Source: MGNREGA

Consumer durables & non-durables production

FIG 23 – CONSUMER DURABLES OUTPUT IMPROVING GRADUALLY

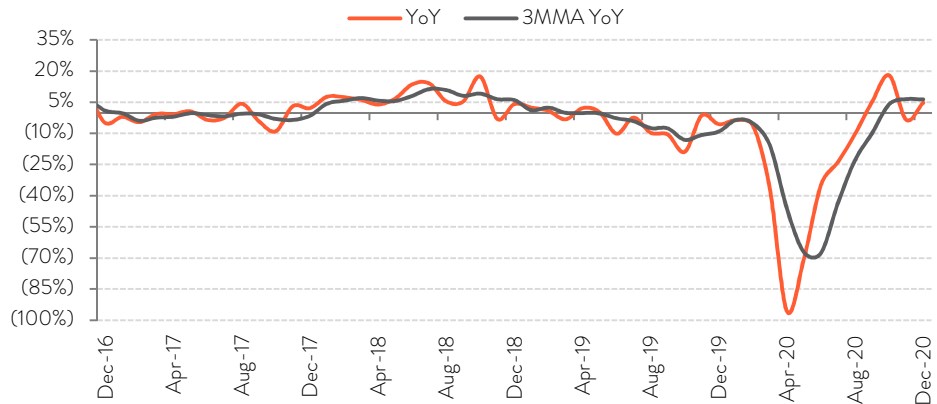
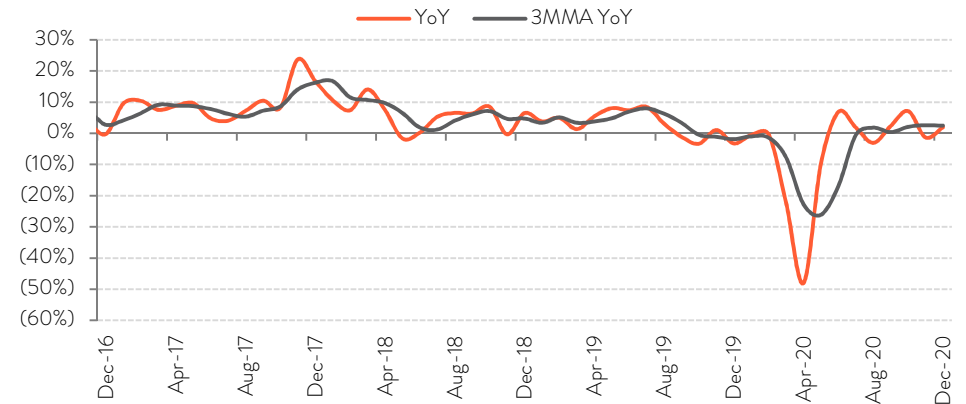


FIG 24 – FMCG OUTPUT TOO IMPROVES



Agriculture

FIG 25 – AGRI GROWTH IMPROVES FURTHER IN Q3FY21

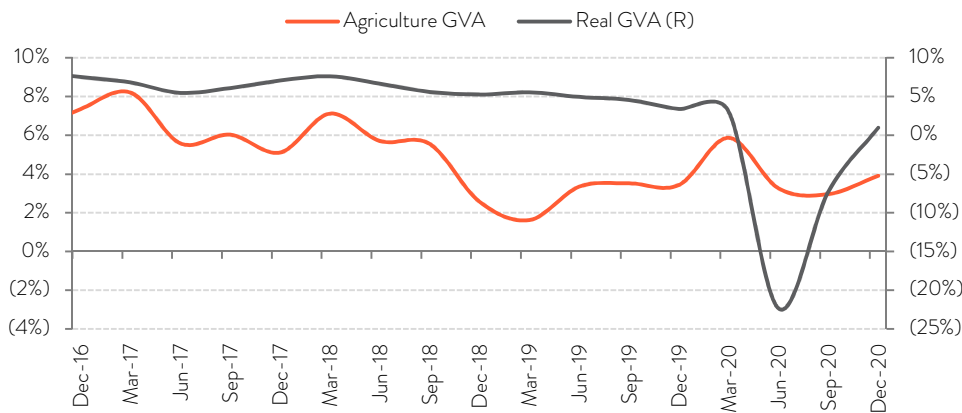


FIG 26 – TRACTOR SALES INCREASE

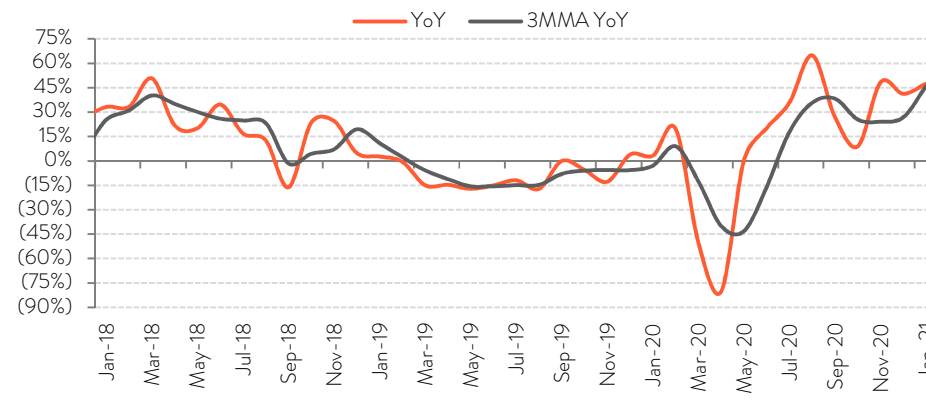


FIG 27 – AGRICULTURE CREDIT ACCELERATES

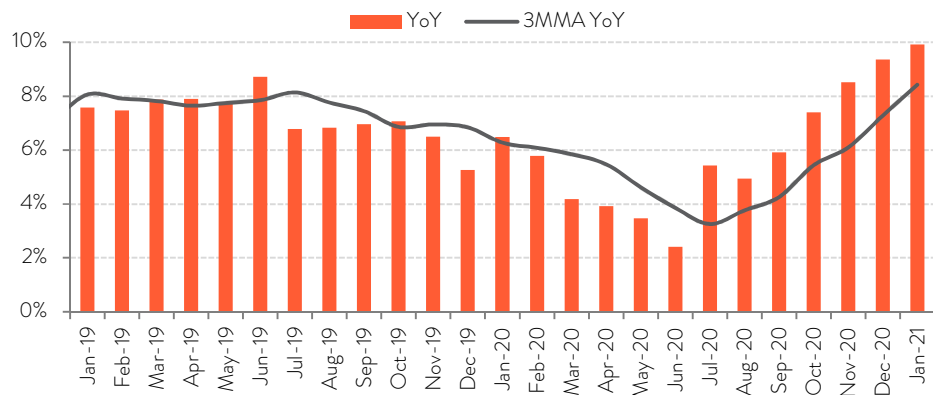
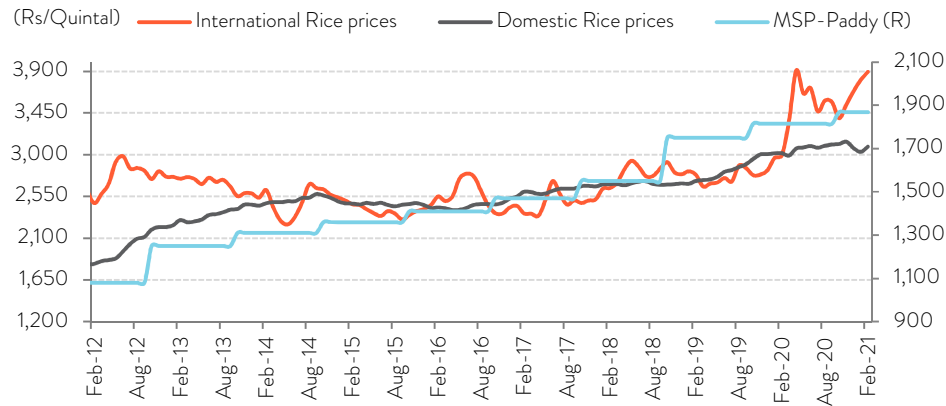


FIG 28 – HIGHER PROCUREMENT OF WHEAT

Year	Wheat	Rice
2011-12	28.34	35.04
2012-13	38.15	34.04
2013-14	25.09	31.85
2014-15	28.02	32.04
2015-16	28.09	34.22
2016-17	22.96	38.11
2017-18	30.83	38.19
2018-19	35.80	44.39
2019-20	34.13	51.99*
2020-21	38.99*	32.15*

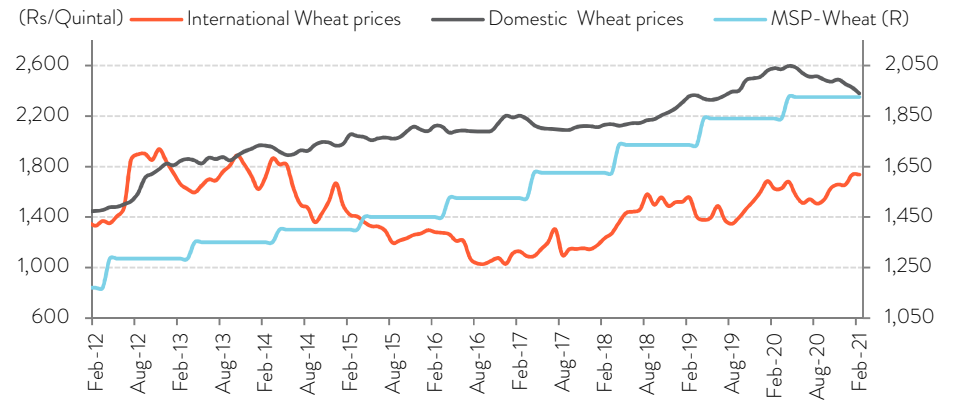
Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 31 Dec 2020

FIG 29 – BOTH DOMESTIC AND INTERNATIONAL PRICES OF RICE HAS RISEN



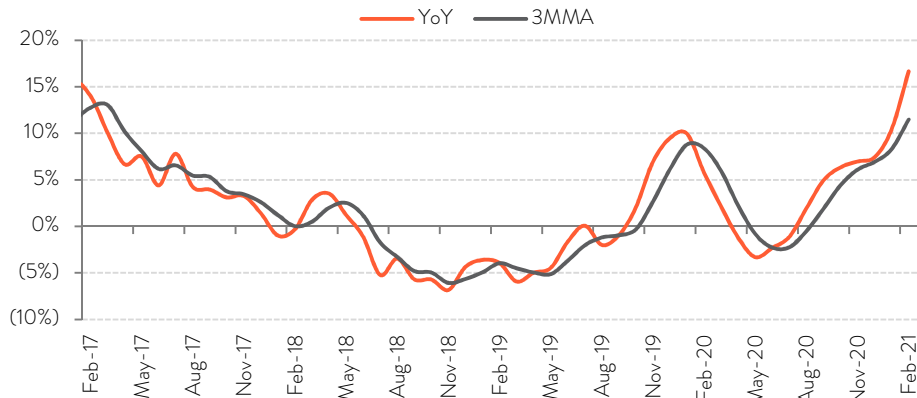
Source: World Bank

FIG 30 – WHILE DOMESTIC AND INTERNATIONAL PRICES OF WHEAT HAS MODERATED



Source: World Bank

FIG 31 – GLOBAL FOOD PRICES CONTINUE TO SPIKE



Source: FAO

FIG 32 – WAGE GROWTH (MEN) SHOWS AN UPTICK

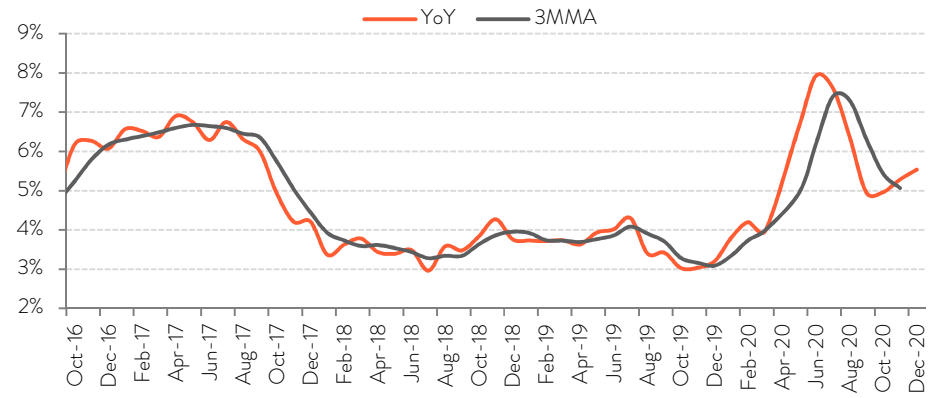


FIG 33 – GROWTH IN FOOD GRAIN PRODUCTION OVER THE YEARS

	2017	2018	2019	2020*
Rice	2.8	3.3	2.1	1.2
Wheat	1.4	3.7	4.1	1.3
Pulses	9.9	(13.1)	4.3	6.0
Cereals	1.9	1.7	1.9	2.6
Foodgrain Production	3.6	0.1	4.3	2.0
Sugarcane	24.1	6.7	(8.6)	7.3
Oilseeds	0.6	0.2	5.4	12.3
Cotton	0.7	(14.5)	28.6	1.3

*Note: As per 2nd Advance Estimates

Inflation

FIG 34 – RETAIL INFLATION FELL TO ITS LOWEST SINCE SEP'19 AT 4.1% IN JAN'21 FROM 4.6% IN DEC'20...

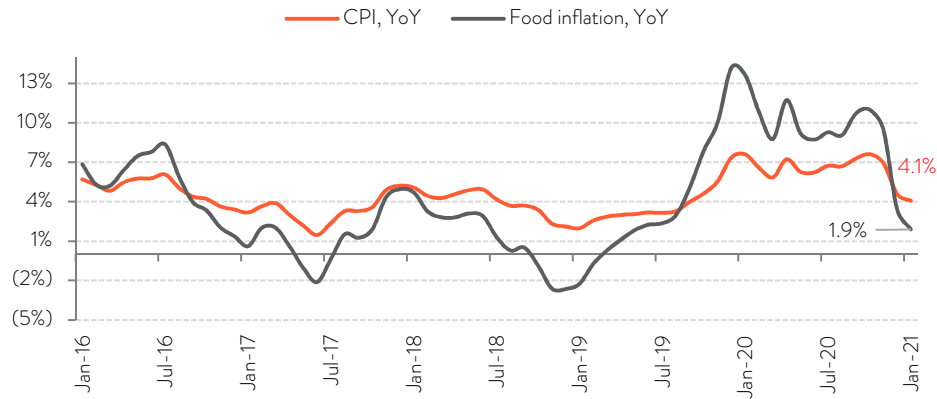


FIG 35 – ...FOOD INFLATION FELL BY 150BPS TO 1.9% FROM 3.4% IN DEC'20 LED BY VEGETABLES, CEREALS AND PULSES

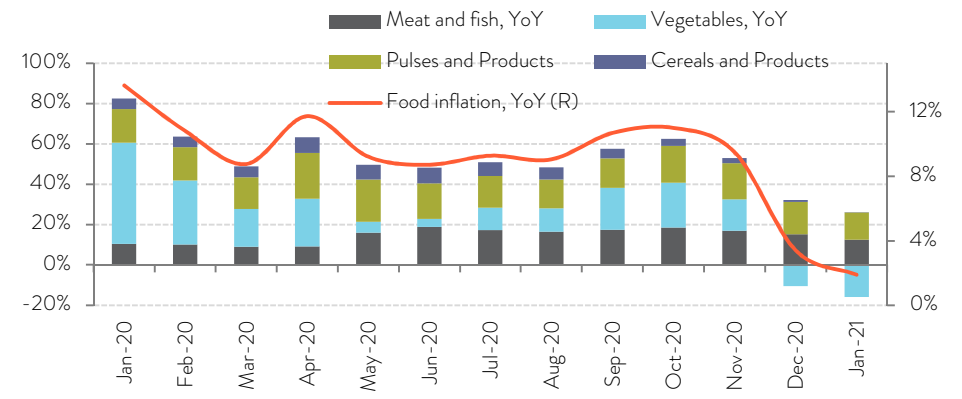
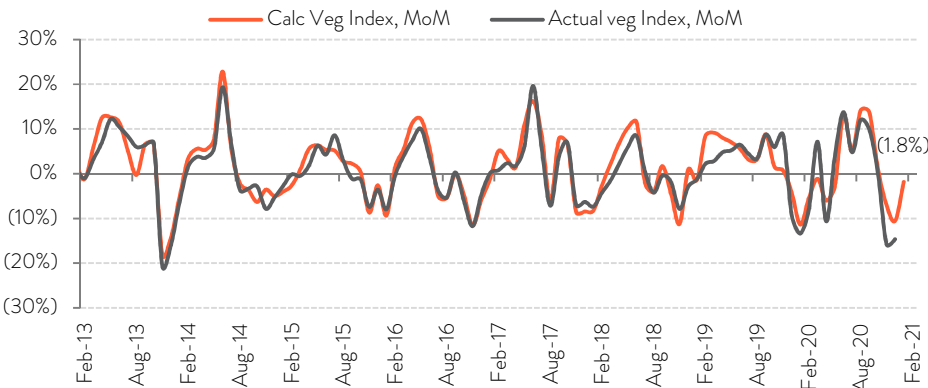


FIG 36 – VEGETABLE PRICES GAINING PACE IN FEB'21



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

FIG 37 – CPI EXCL. FOOD AND FUEL REMAINED STICKY AT 5.7%

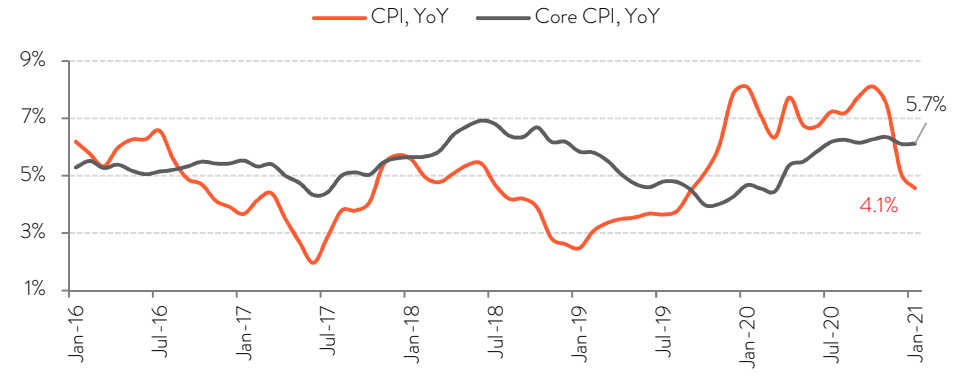


FIG 38 – ...LED BY PERSONAL CARE AND EFFECTS, TRANSPORT AND COMMUNICATION AND HEALTH INFLATION

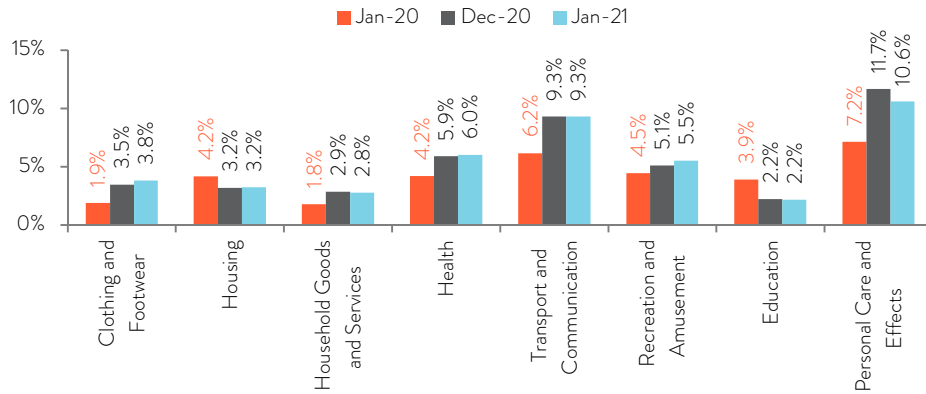


FIG 39 – EVEN, CORE EXCL. MAJOR VOLATILE ITEMS HAS INCHED UP SLIGHTLY TO 3.8% IN JAN'21 FROM 3.7% IN DEC'20

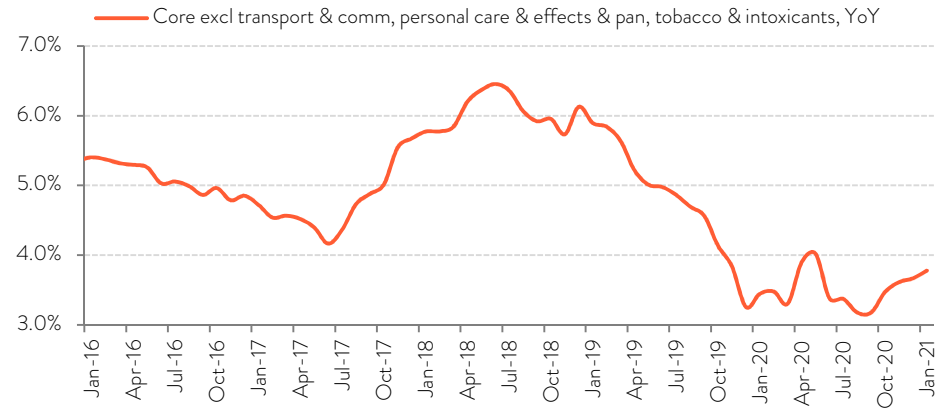
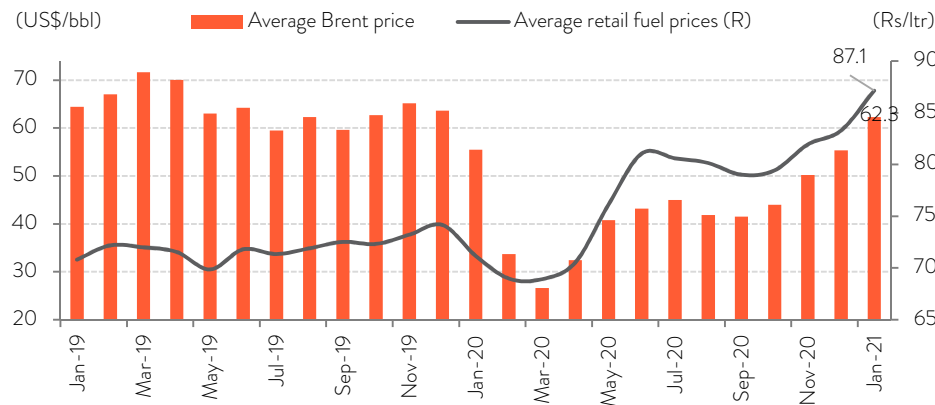
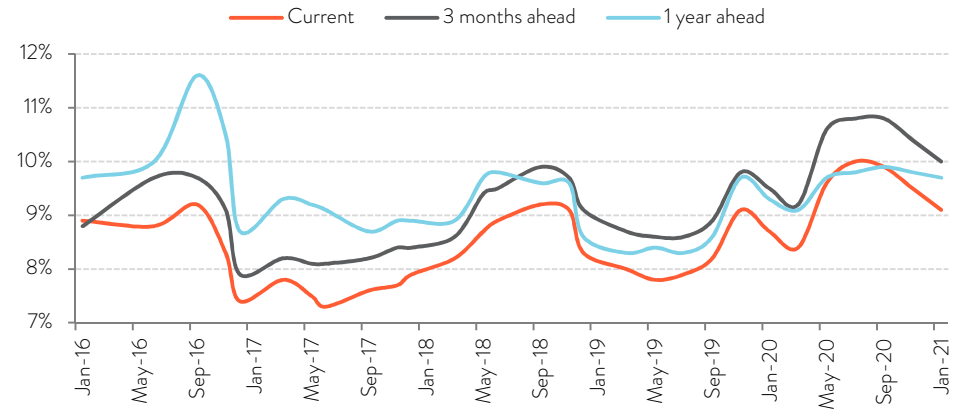


FIG 40 – RETAIL FUEL PRICES ROSE TO A LIFETIME HIGH OF RS 87/LT IN FEB'21 FROM 83/LT IN JAN'21 IN LINE WITH INTERNATIONAL CRUDE PRICE



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

FIG 41 – HOWEVER INFLATION IS WELL ANCHORED AS VISIBLE IN RBI'S INFLATION EXPECTATION SURVEY



Industry

FIG 42 – INDUSTRIAL OUTPUT HAS IMPROVED IN Q3FY21

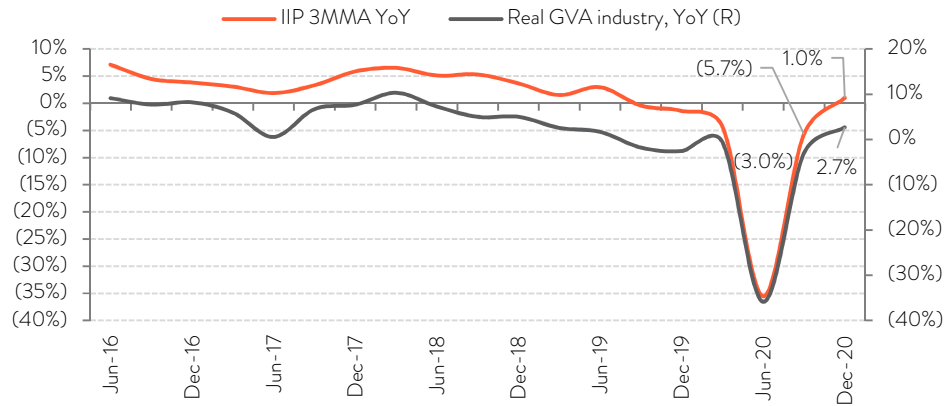


FIG 43 – HOWEVER, BROAD BASED SLOWDOWN ON FYTD BASIS CAN BE SEEN

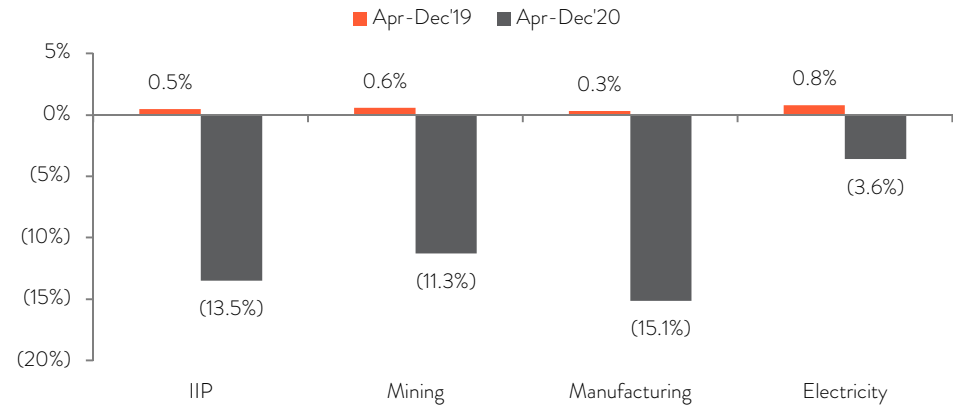


FIG 44 – CAPITAL GOODS IMPROVE IN DEC'20

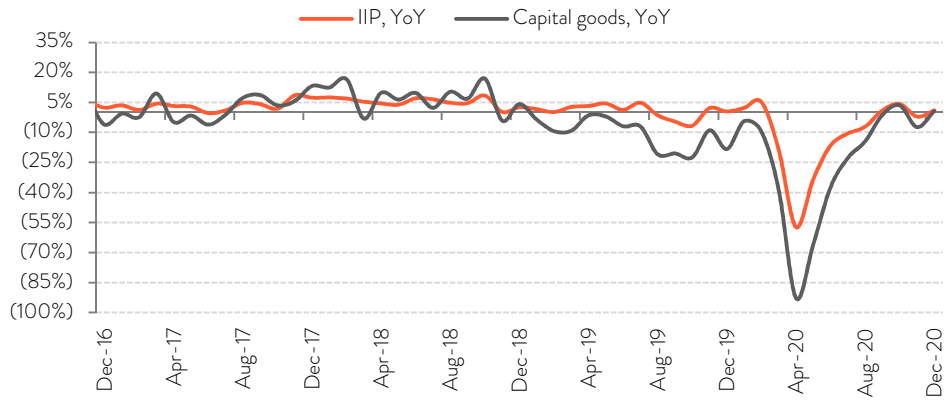


FIG 45 – CONSUMER DURABLE GOODS TOO INCH UP

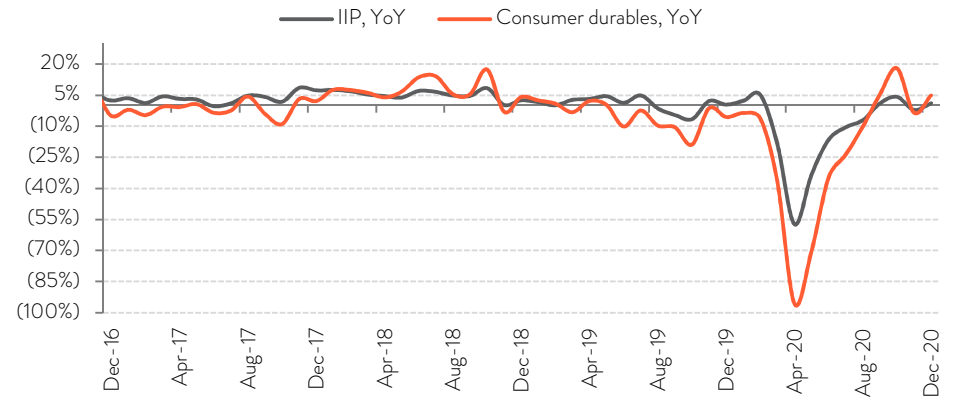


FIG 46 – IIP GROWTH IMPROVES IN DEC'20

Sectoral (%)	Weight	Dec-20	Nov-20	Dec-19	Apr-Dec'20	Apr-Dec'19
IIP	100.0	1.0	(2.1)	0.4	(13.4)	0.4
Mining	14.4	(4.8)	(6.7)	5.7	(11.1)	0.5
Manufacturing	77.6	1.6	(2.0)	(0.3)	(15.1)	0.3
Electricity	8.0	5.1	3.5	(0.1)	(3.0)	0.7
Use-Based						
Primary Goods	34.1	(0.3)	(2.3)	2.4	(9.9)	0.4
Capital Goods	8.2	0.6	(7.4)	(18.3)	(26.4)	(12.1)
Intermediate Goods	17.2	0.4	(2.6)	13.1	(15.6)	10.7
Infrastructure and Construction Goods	12.3	0.9	1.7	0.2	(14.9)	(2.1)
Consumer Durables Goods	12.8	4.9	(3.4)	(5.6)	(23.3)	(6.2)
Consumer Non-Durables Goods	15.3	2.0	(1.3)	(3.2)	(4.7)	2.9

Manufacturing

FIG 47 – MANUFACTURING ACTIVITY RECOVERS IN Q3FY21

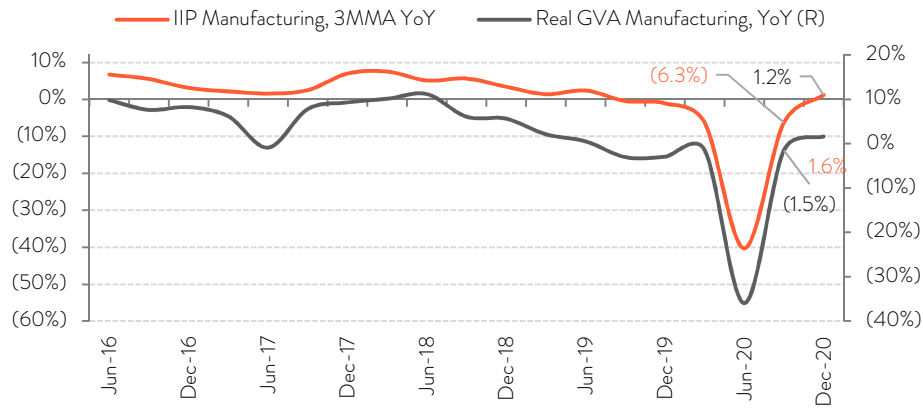
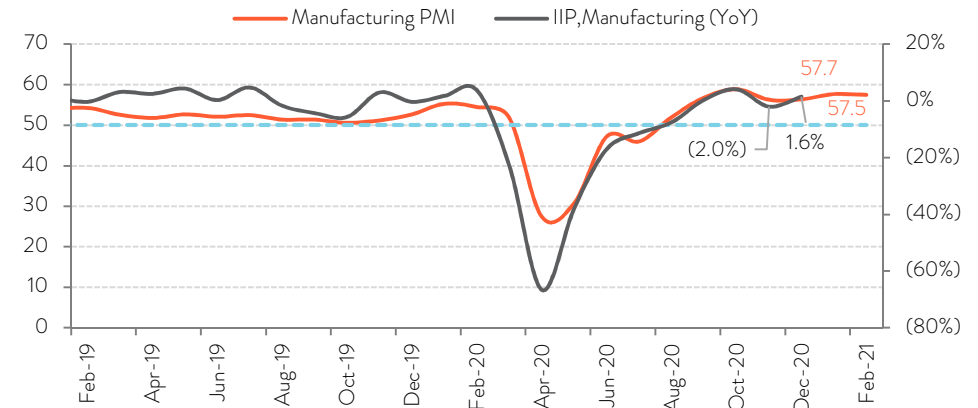


FIG 48 – MANUFACTURING PMI MODERATES MARGINALLY



Source: Markit

Mining & Electricity

FIG 49 – MINING ACTIVITY IMPROVES IN Q3FY21

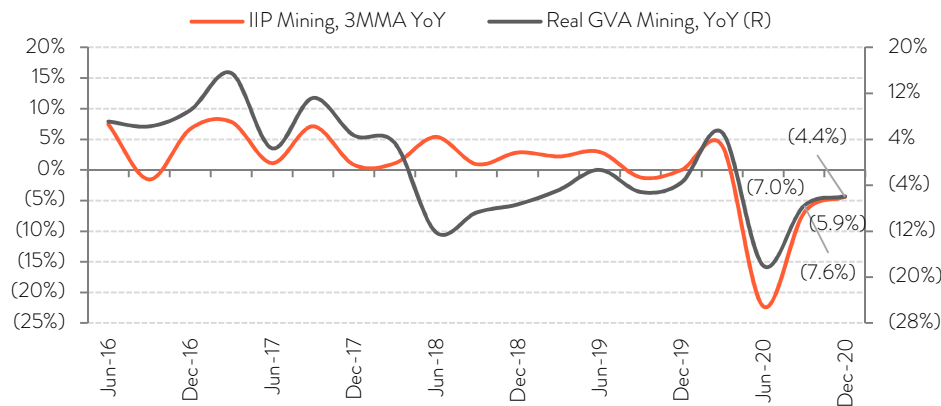
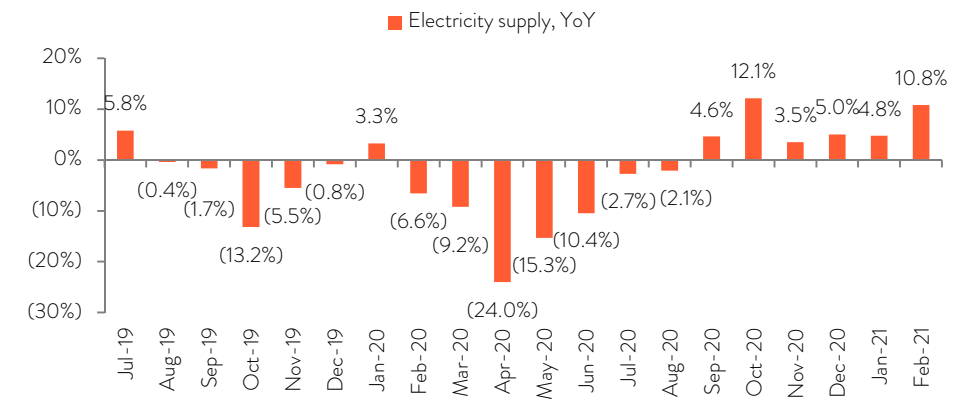


FIG 50 – ELECTRICITY OUTPUT GROWING IN DOUBLE DIGITS



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

Infrastructure and Construction

FIG 51 – GROWTH IN CONSTRUCTION REBOUNDS IN DEC'20

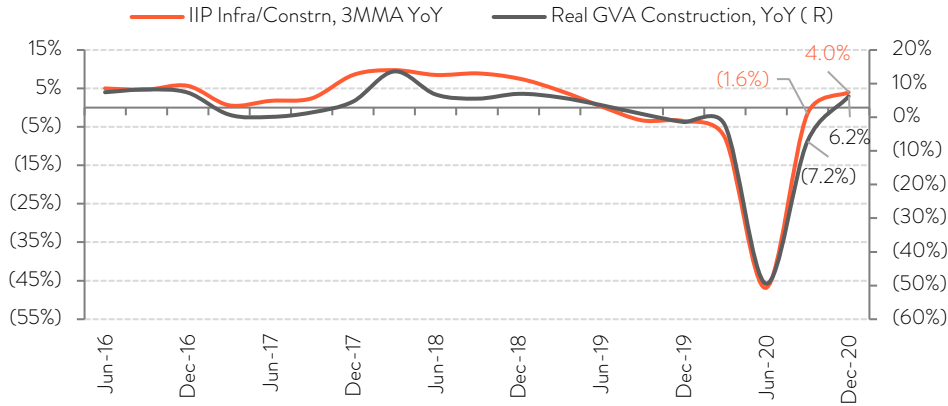
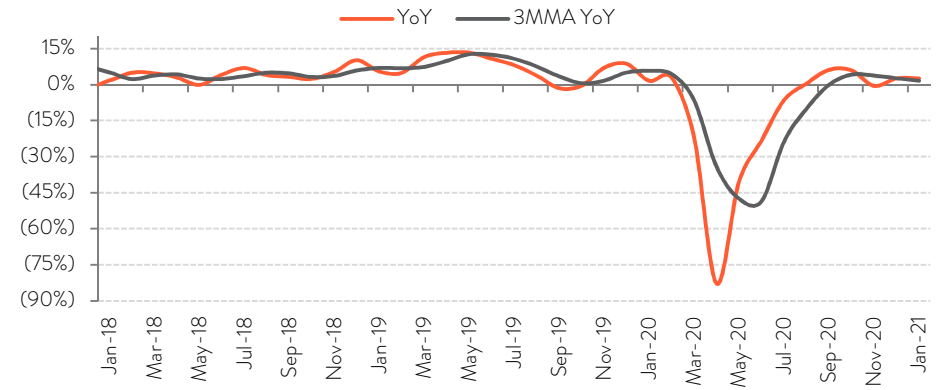


FIG 52 – STEEL PRODUCTION REMAINS STABLE



Infrastructure Index

FIG 53 – INFRA INDEX MODERATES

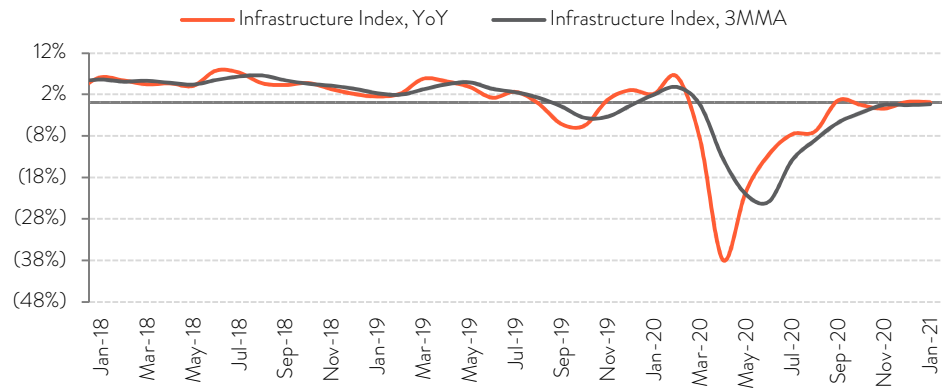
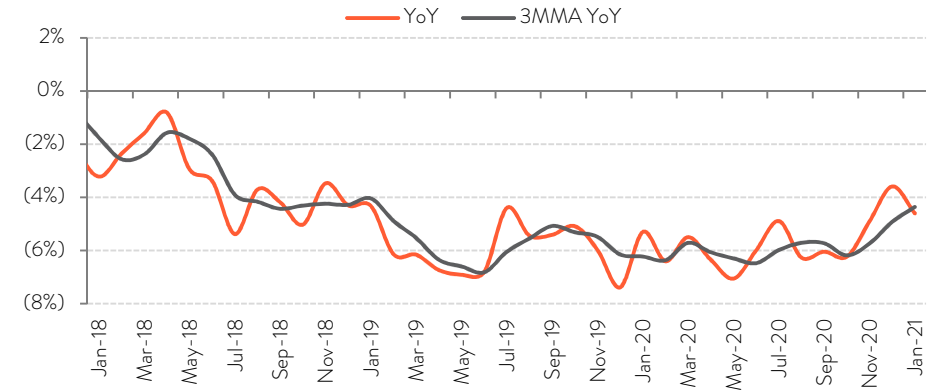


FIG 54 – COAL OIL PRODUCTION DIPS



Auto production & Business expectation index

FIG 55 – AUTO PRODUCTION DECELERATES

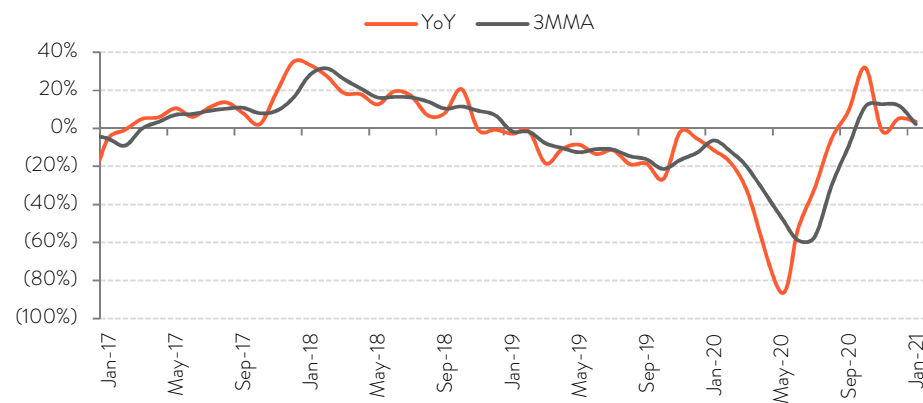


FIG 56 – BUSINESS SENTIMENT TURNS OPTIMISTIC

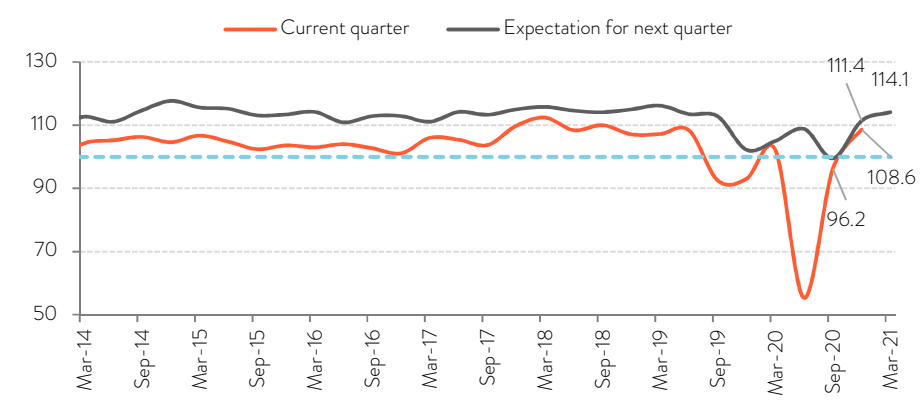
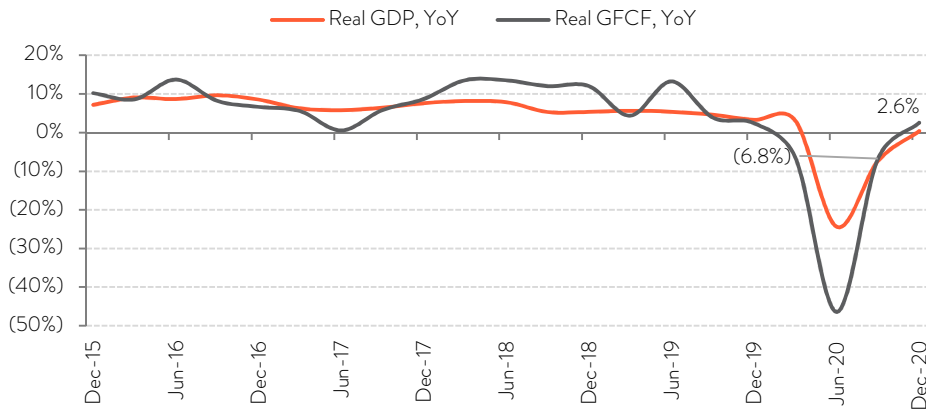


FIG 57 – INFRASTRUCTURE INDEX EASES TO 0.1% IN JAN'21

(%)	Weight	Jan-21	Dec-20	Jan-20	Apr-Jan'21	Apr-Jan'20
Infrastructure Index	100	0.1	0.2	2.2	(8.8)	0.8
Coal	10.3	(1.8)	2.2	8.0	(1.9)	(2.5)
Crude Oil	9.0	(4.6)	(3.6)	(5.3)	(5.6)	(6.0)
Natural Gas	6.9	(2.0)	(7.2)	(9.0)	(10.7)	(4.3)
Petroleum Refinery Products	28.0	(2.6)	(2.8)	1.9	(12.4)	(0.4)
Fertilizers	2.6	2.7	(2.9)	(0.1)	3.0	4.2
Steel	17.9	2.6	2.6	1.6	(14.0)	6.4
Cement	5.4	(5.9)	(7.2)	5.1	(16.6)	1.1
Electricity	19.9	5.1	5.1	3.2	(2.7)	0.9

Investment

FIG 58 – GFCF IN THE POSITIVE TERRITORY (2.6% GROWTH IN Q3 VERSUS 6.8% DECLINE IN Q2), SO IS GDP (0.4% GROWTH VERSUS 7.3% DECLINE)



Note: RE: Revised Estimate, AE: Advance Estimate

FIG 60 – PLF OF THERMAL PLANTS ALSO PICKED UP IN JAN'21 INDICATING HIGHER CAPACITY UTILISATION

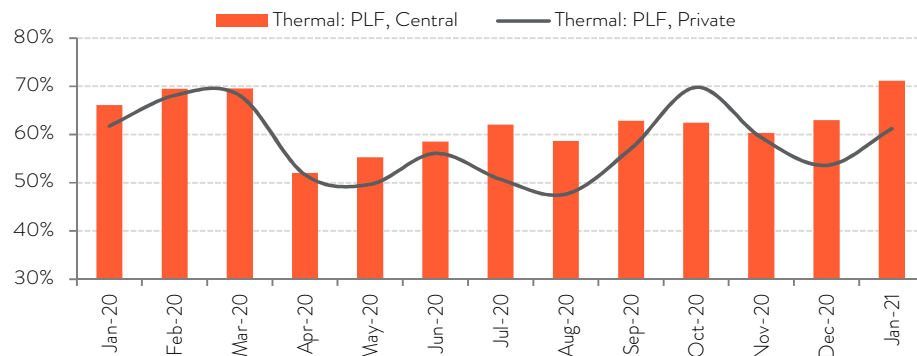
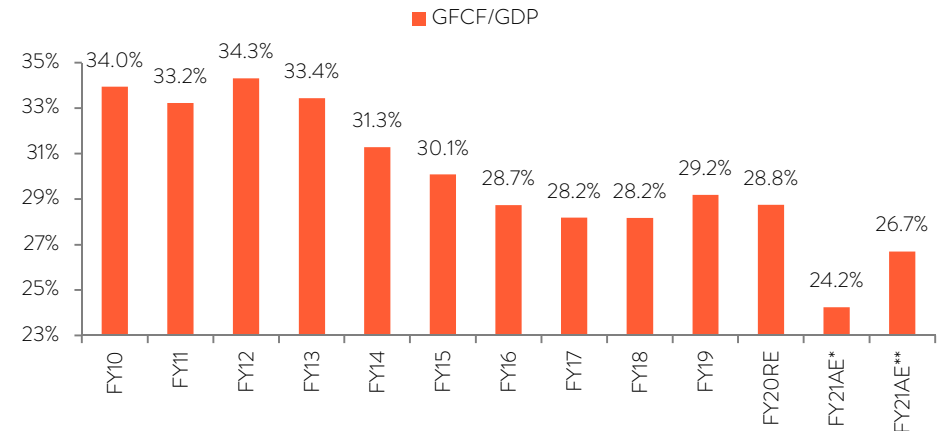


FIG 59 – GFCF RATIO AS PERCENTAGE OF GDP IMPROVED TO 26.7% IN 2ND AE FROM 24.2% IN 1ST AE



Note: RE: Revised Estimate, *AE: 1st Advance Estimate, **2nd Advance Estimate

FIG 61 – CAPITAL GOODS PRODUCTION ROSE BY 0.6% FROM A DECLINE OF 7.4% IN NOV'20 LED BY FAVOURABLE BASE

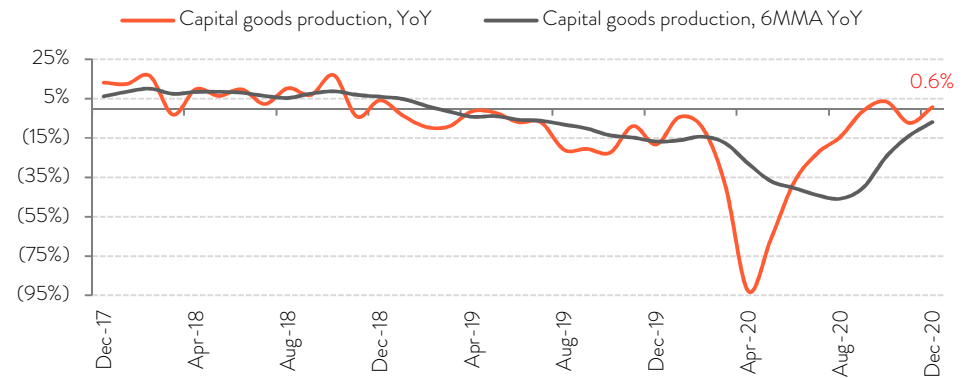


FIG 62 – CONTRACTION IN IMPORTS OF CAPITAL GOODS EASED TO 13.6% IN JAN'21 FROM 14.1% IN DEC'20

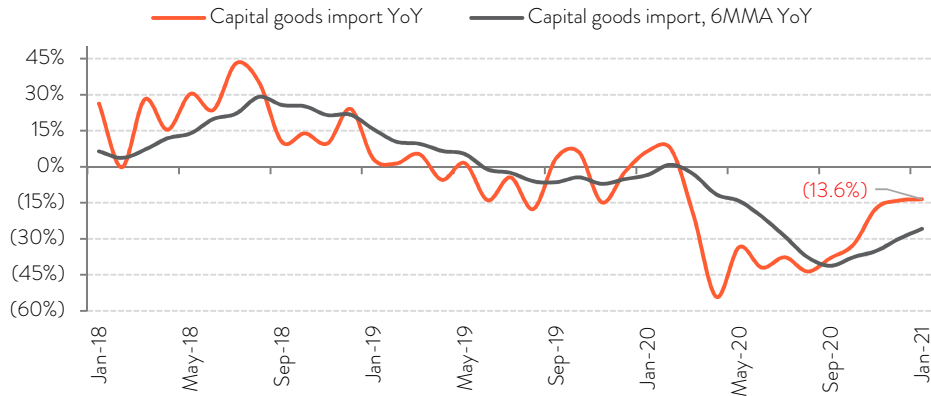


FIG 63 – CENTRE'S CAPEX SPENDING SHOT UP BY 24.9% IN JAN'21 AS AGAINST 11.2% IN DEC'20

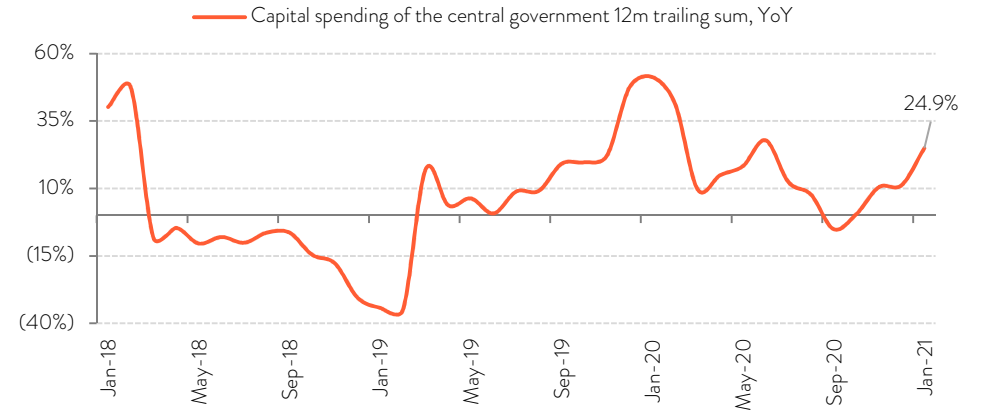


FIG 64 – GROSS BANK CREDIT MODERATED TO 5.8% IN JAN'21 FROM 5.9% IN DEC'20, INDUSTRY CREDIT ALSO DECLINED BY 1.3% FROM 1.2% DROP

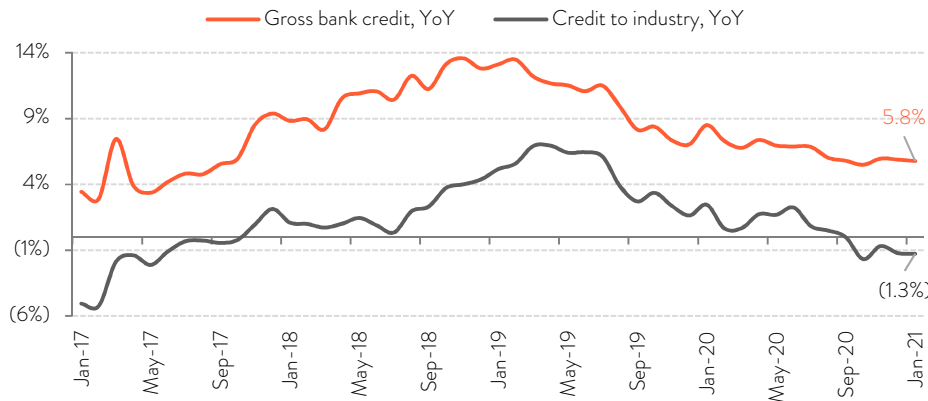


FIG 65 – FOR LARGE INDUSTRY AS WELL, CREDIT OFFTAKE DECLINED BY 2.6% IN JAN'21 FROM 2.4% IN DEC'20

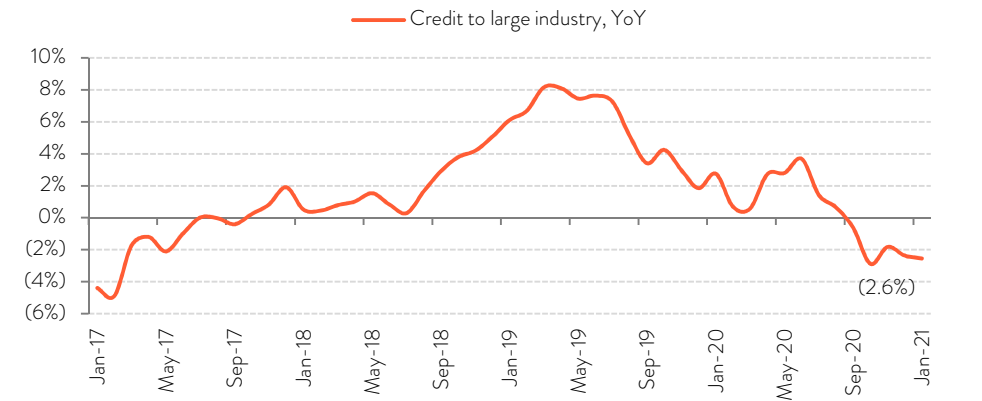


FIG 66 – HOWEVER, CREDIT TO MEDIUM INDUSTRY INCHED UP TO 19.1% FROM 15.3%, FOR MICRO AND SMALL IT MODERATED TO 0.9% FROM 1.2%

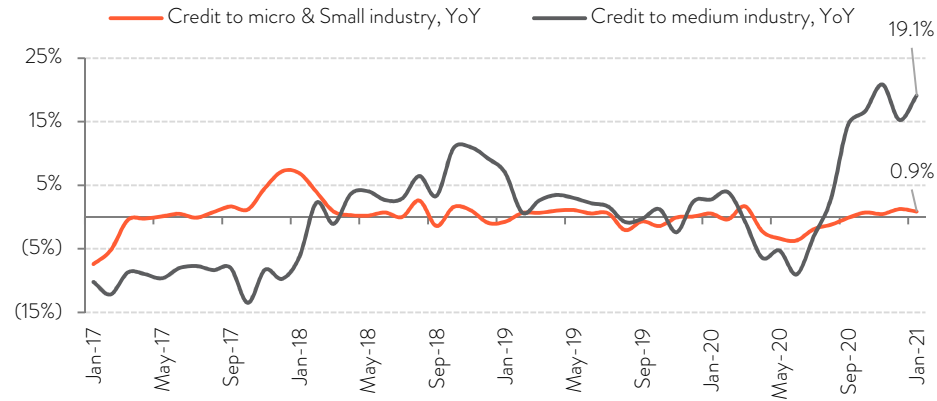
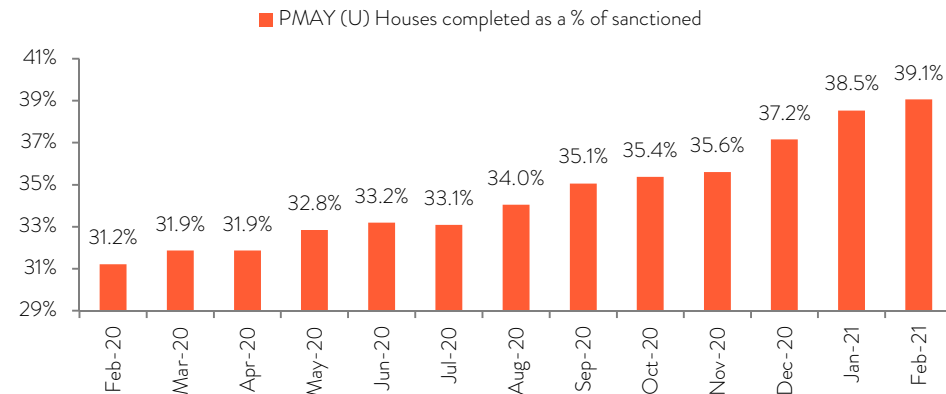


FIG 68 – AFFORDABLE HOUSING IS ALSO PICKING PACE



Source: MOHUA

FIG 67 – HOUSING CREDIT MODERATED TO 7.7% IN JAN'21 FROM 8.1% IN DEC'20

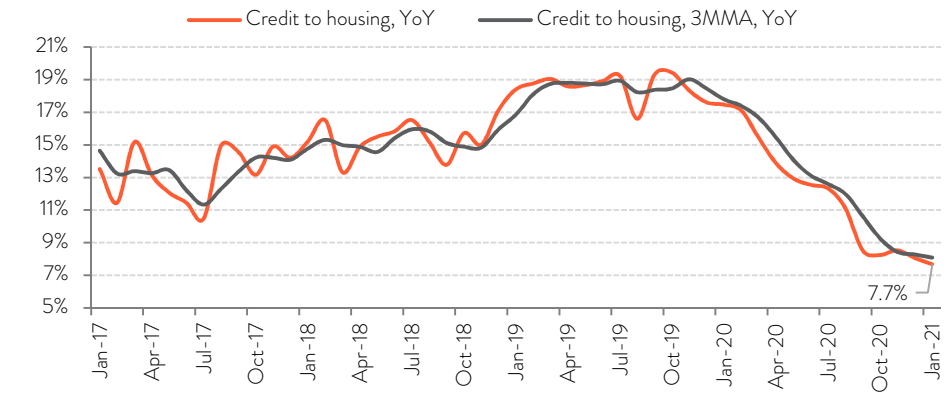
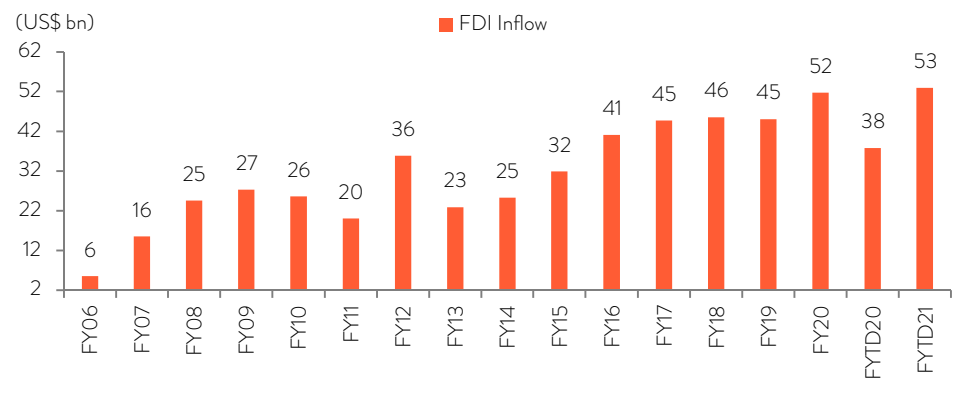


FIG 69 – FDI INFLOWS ARE FAR HIGHER AT US\$ 53BN IN FYTD21* AGAINST US\$ 38BN IN THE SAME PERIOD OF PREVIOUS YEAR



Source: RBI, FYTD: Apr-Dec

Services sector

FIG 70 – GVA: SERVICES ACTIVITY RECOVERED SIGNIFICANTLY IN Q3FY21

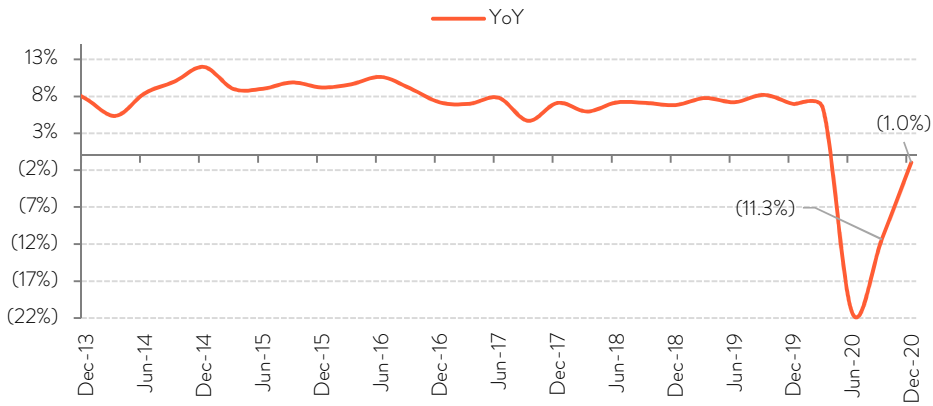
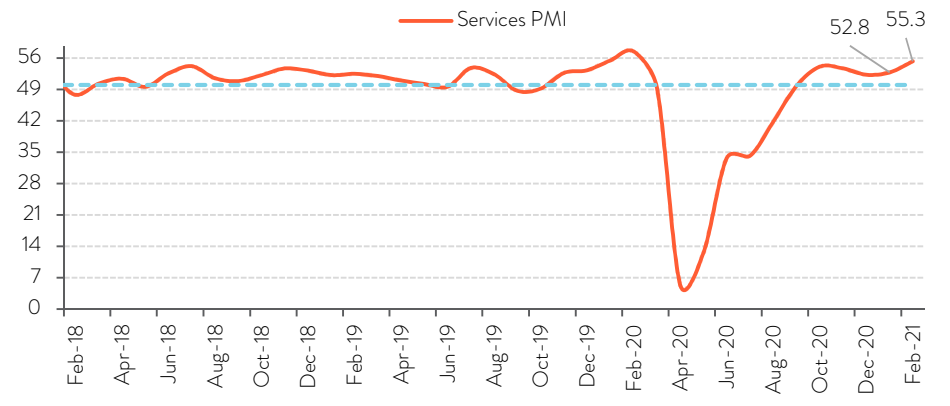


FIG 71 – SERVICES PMI SHOWS MOMENTUM CONTINUES INTO Q4



Source: Markit

FIG 72 – GVA: TRADE & RELATED SERVICES JUMPED SHAPRLY...

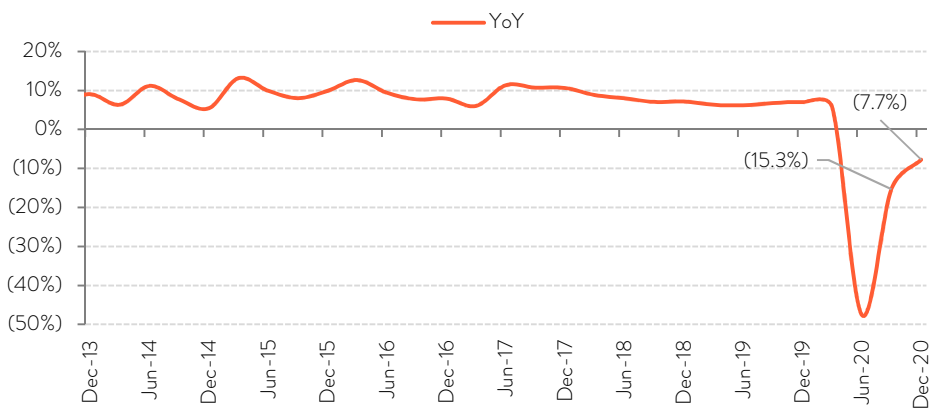
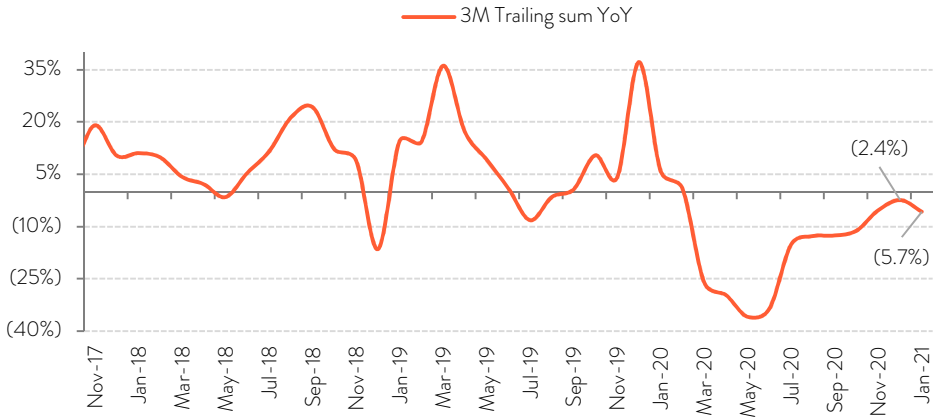


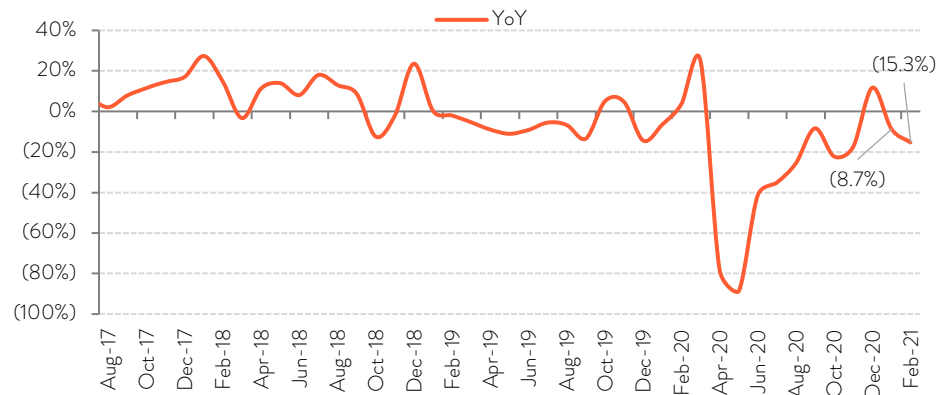
FIG 73 – STATES* TAX REVENUE GROWTH EASED IN JAN'21



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

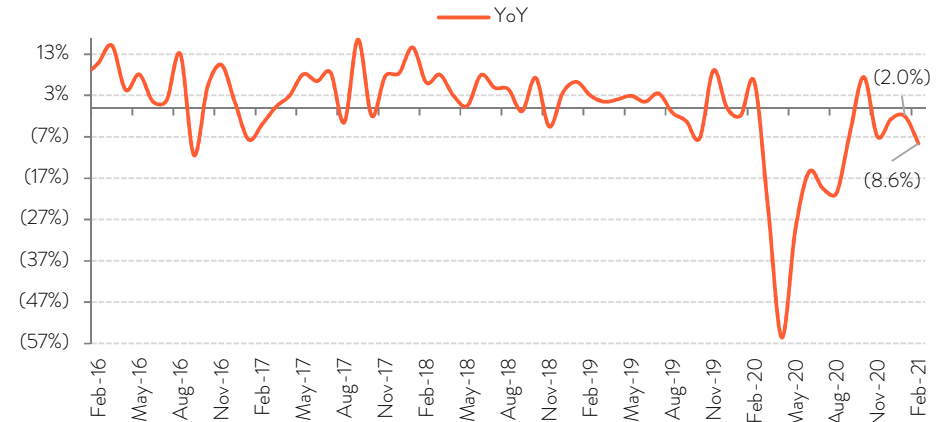
Trade

FIG 74 – VEHICLE REGISTRATION GROWTH SLIPPED IN FEB'21



Source: MoRTH

FIG 75 – DIESEL CONSUMPTION ALSO SLUMPED FURTHER IN FEB'21, AS PRICES SOARED



Source: PPAC

FIG 76 – PORT CARGO VOLUME GROWTH SLIPS IN FEB'21

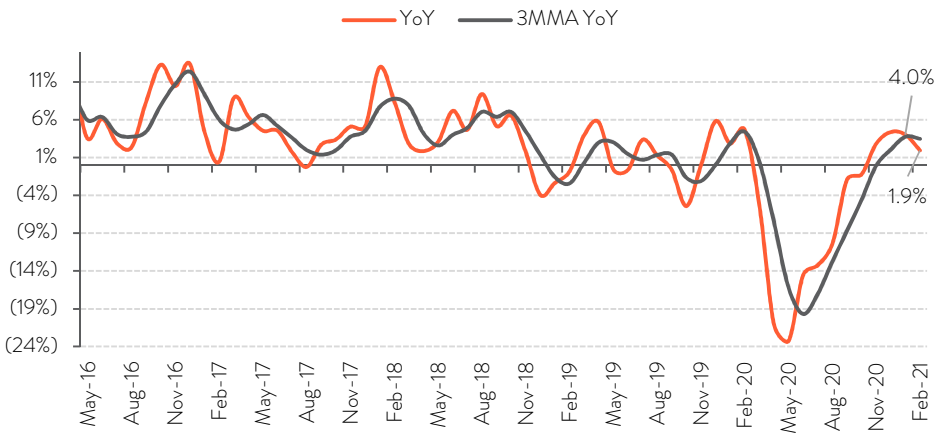


FIG 77 – RAILWAY FREIGHT TRAFFIC GROWTH PICKS UP IN FEB'21

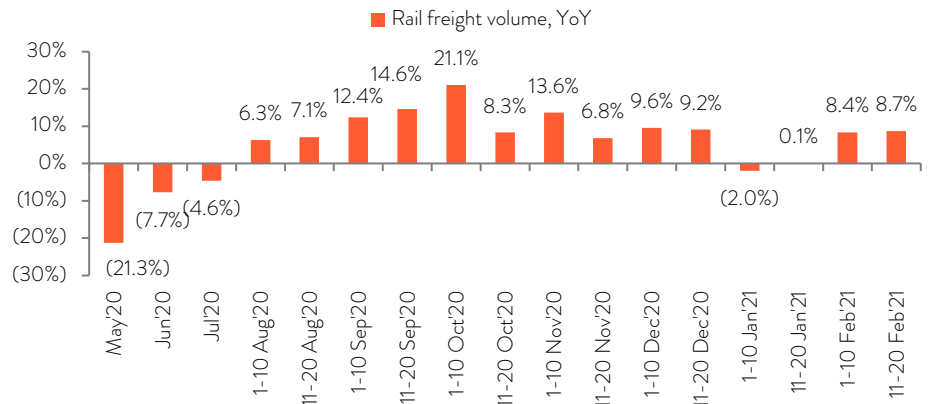


FIG 78 – TOLL COLLECTION GROWTH SEES MARGINAL EASING IN FEB'21

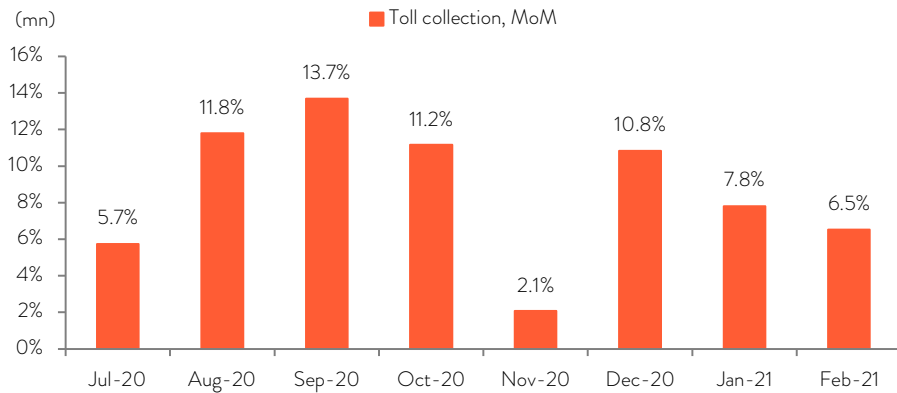
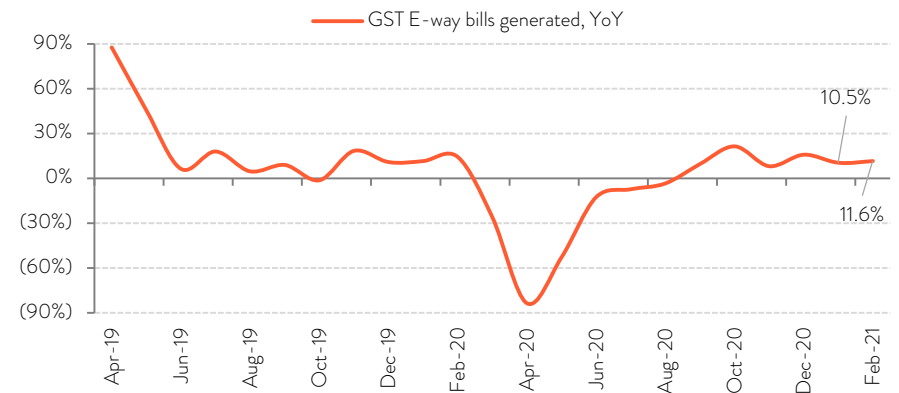


FIG 79 – E-WAY BILLS GENERATED RECORDED STEADY GROWTH IN FEB'21



Hotels and Communications

FIG 80 – AIRLINE PASSENGER TRAFFIC GROWTH IMPROVING ONLY GRADUALLY

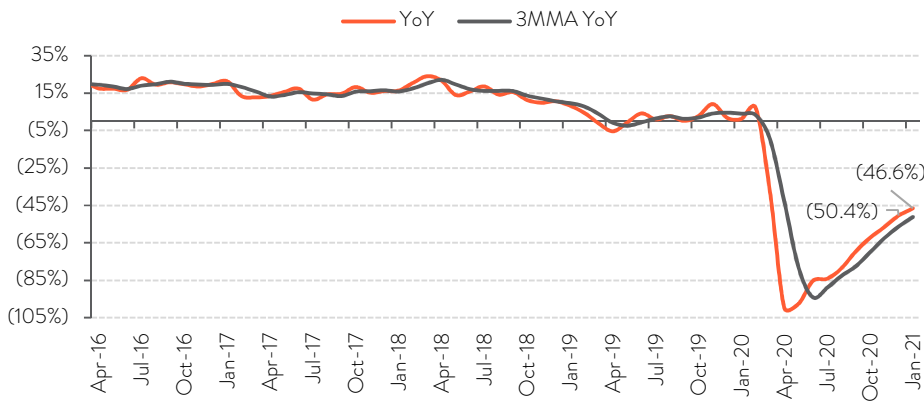


FIG 81 – ...SUPPORTED BY DOMESTIC PASSENGER GROWTH

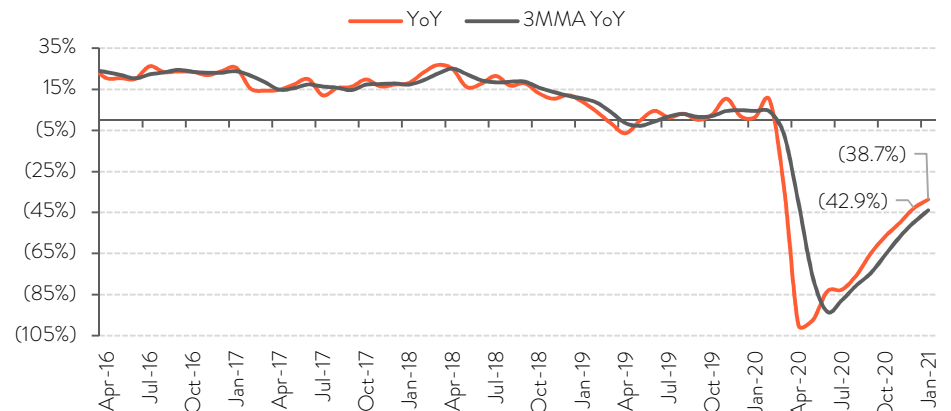


FIG 82 – RAILWAY PASSENGER TRAFFIC REMAINS WEAK

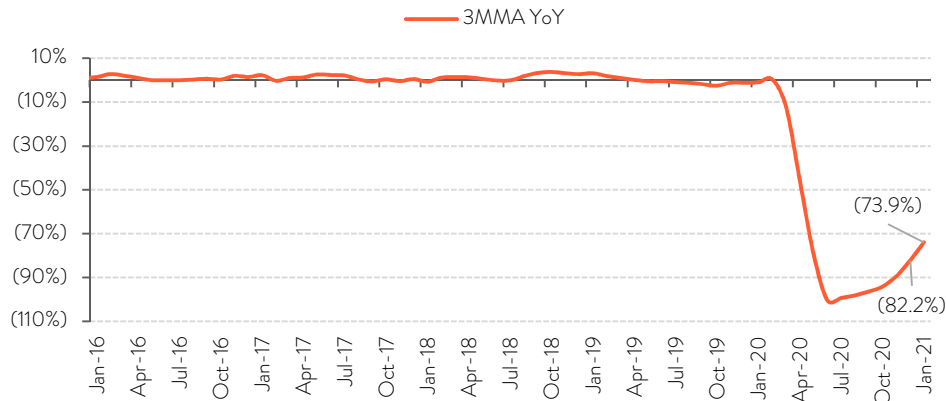
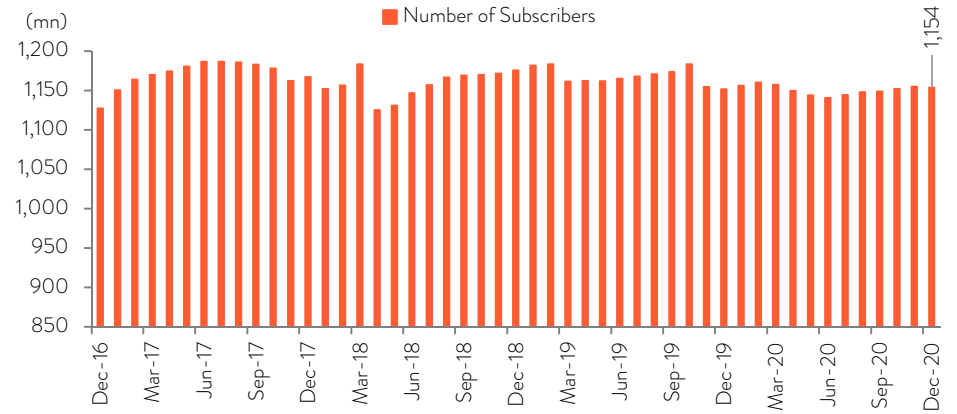


FIG 83 – TELECOM SECTOR ADDED 5.2MN WIRELESS SUBSCRIBERS IN Q3FY21 VERSUS 7.9MN ADDED IN Q2



Finance and Real estate

FIG 84 – GROWTH IN GVA: FINANCE, REAL ESTATE & PROF. SERVICES JUMPED SHARPLY IN Q3FY21

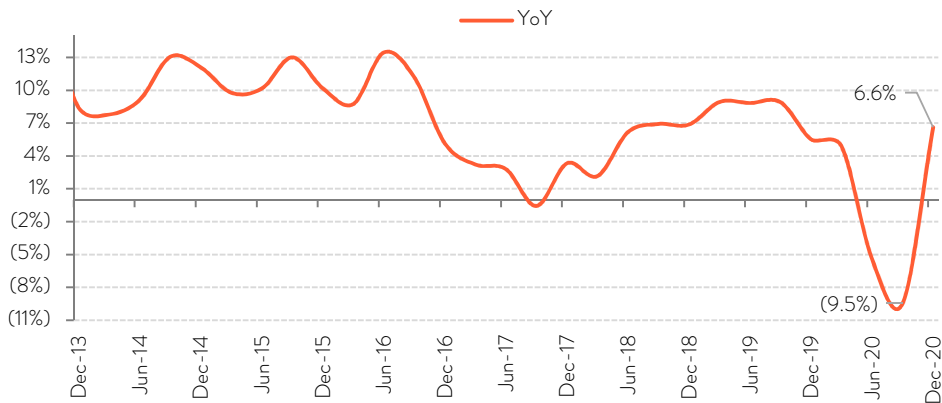
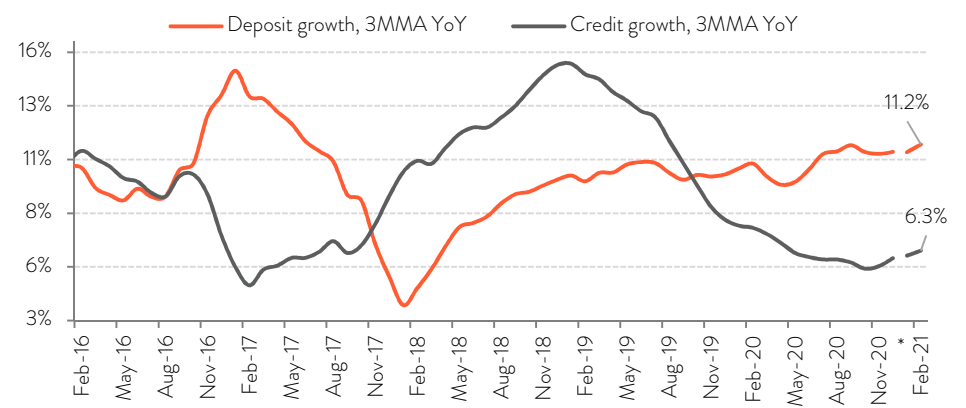


FIG 85 – CREDIT GROWTH RISING; DEPOSIT GROWTH ALSO IMPROVING



Note: *Feb'21 implies fortnight as of 12 Feb 2021

FIG 86 – CREDIT TO MANUFACTURING SECTOR REMAINS WEAK, CREDIT TO SERVICES SECTOR BROADLY STEADY

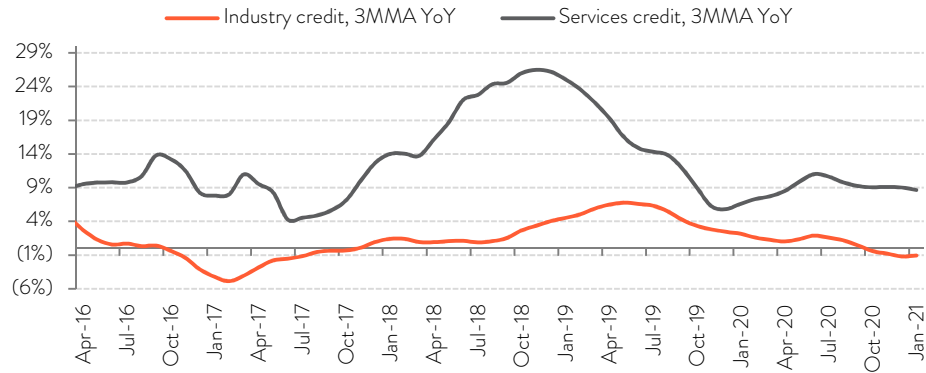


FIG 87 – CREDIT TO TRADE SERVICES AND NBFCs PICKED UP IN JAN'21

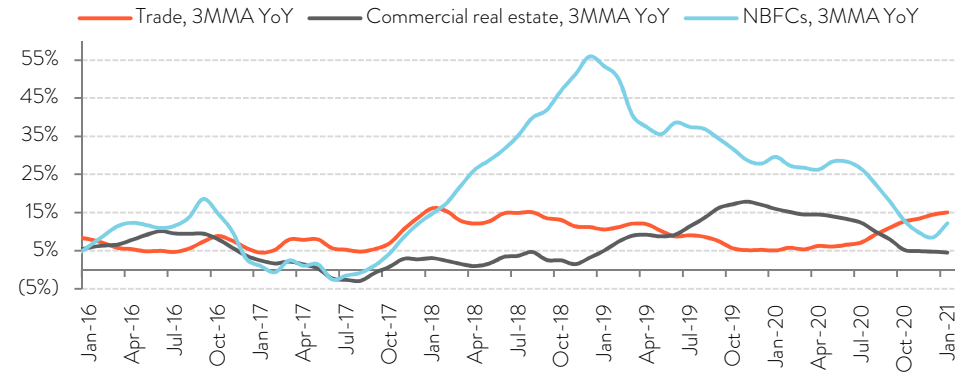
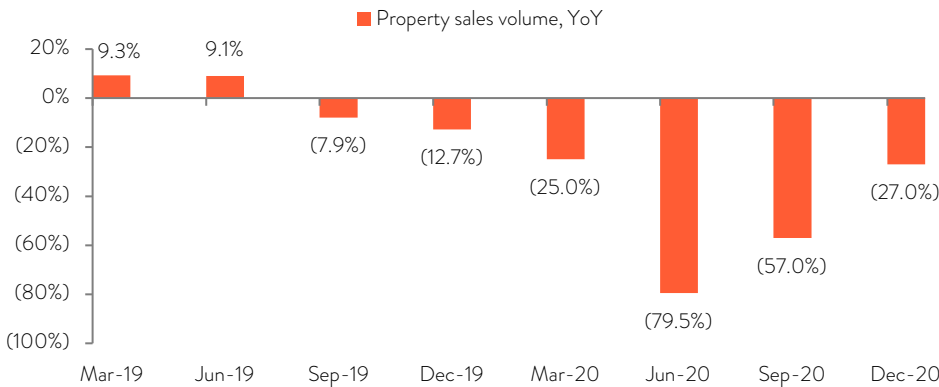
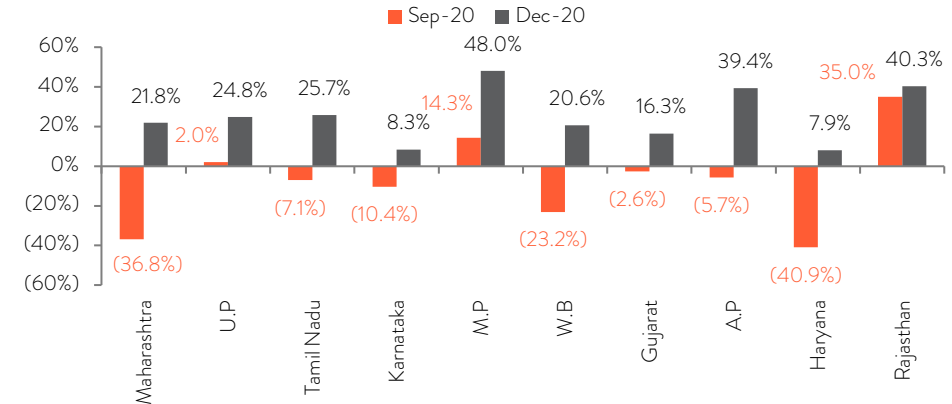


FIG 88 – PROPERTY SALES VOLUMES CONTINUE TO IMPROVE...



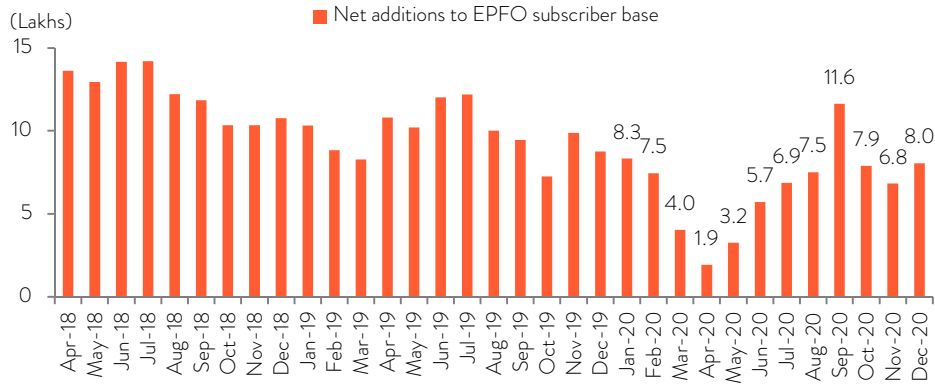
Source: Proptiger

FIG 89 – ...STAMP DUTY COLLECTION OF STATES SEES SHARP REVIVAL



Labour market

FIG 90 – NET ADDITIONS TO EPFO SUBSCRIBER BASE ROSE IN DEC'20



Public administration

FIG 92 – PUBLIC ADMINISTRATION & DEFENCE SERVICES SHOWED IMPROVEMENT IN Q3FY21, TO FURTHER PICK UP IN Q4

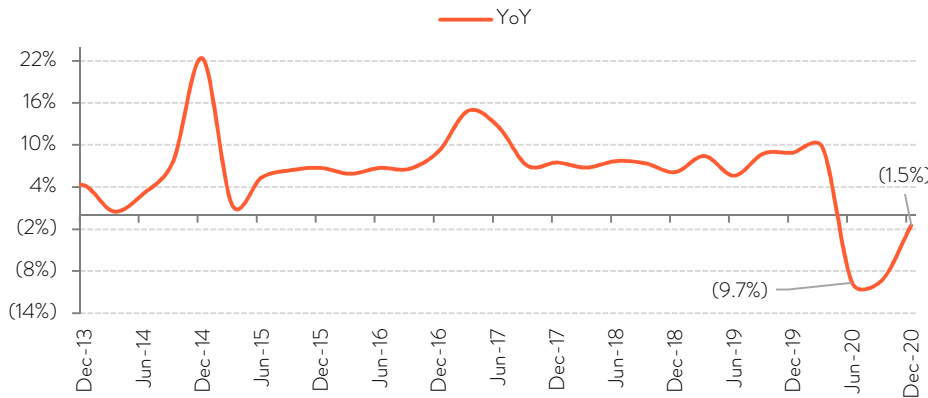


FIG 91 – UNEMPLOYMENT RATE INCHED UP IN FEB'21



FIG 93 – GENERAL GOVT. SPENDING ROSE FURTHER IN JAN'21

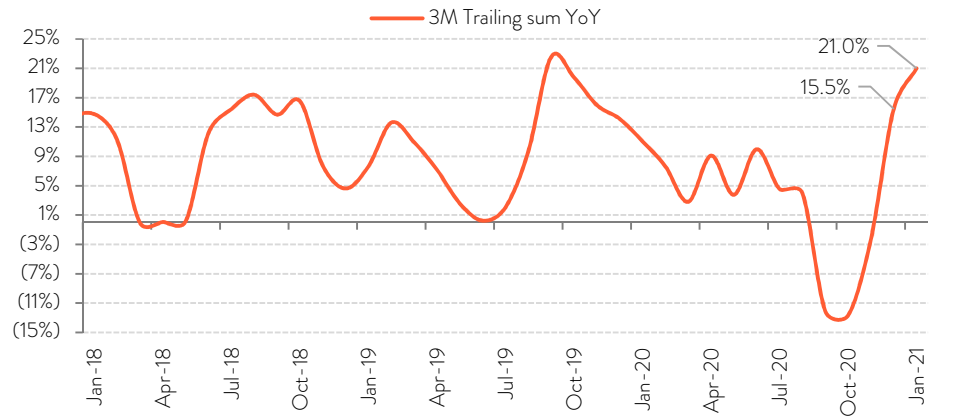


FIG 94 – ...LED BY CENTRAL GOVERNMENT

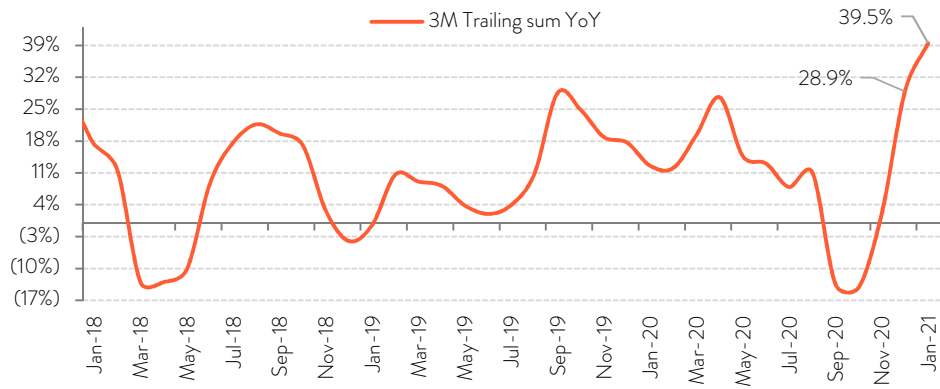
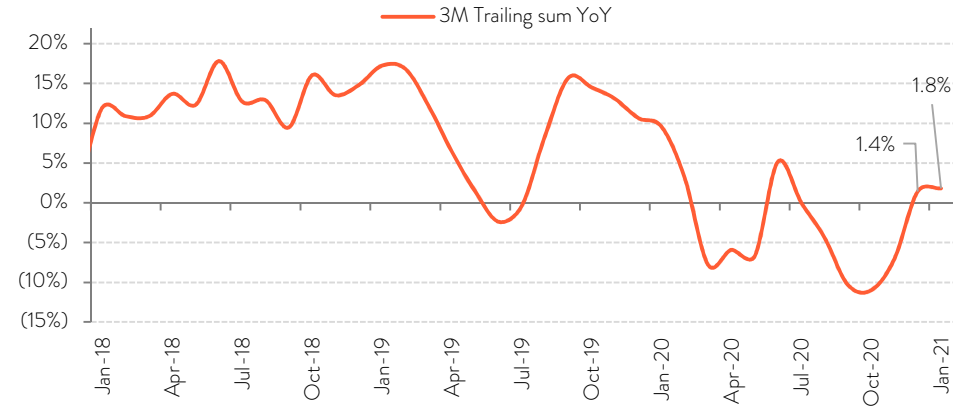


FIG 95 – STATE* GOVT. SPENDING STILL SUBDUED

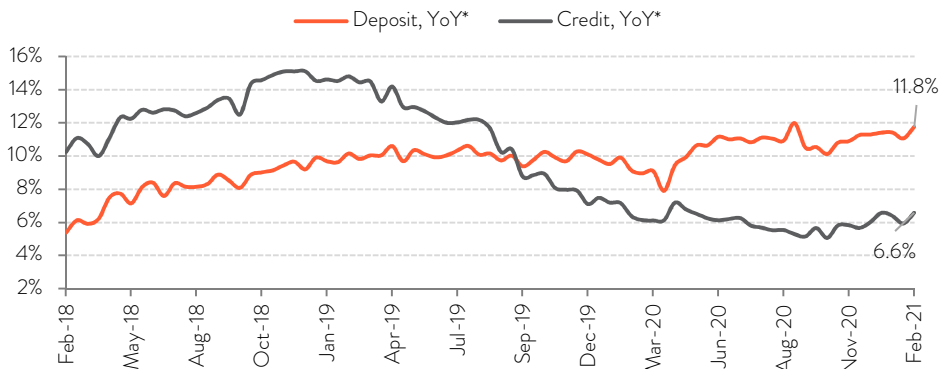


Note: *All states excluding N.E states, Bihar, Gujarat, J&K and W.Bengal

Financial sector

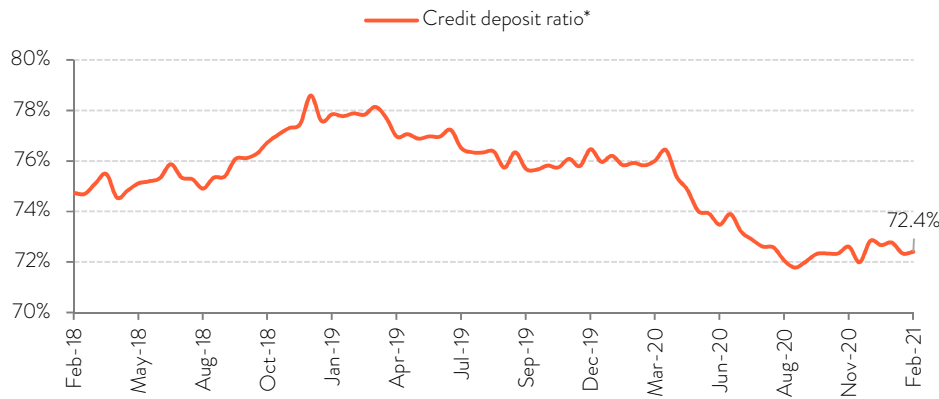
Money and banking

FIG 96 – CREDIT DEMAND PICKED UP TO 6.6% IN FEB'21 FROM 5.9% IN JAN'21 AND DEPOSIT GROWTH INCREASED TO 11.8% FROM 11.1%



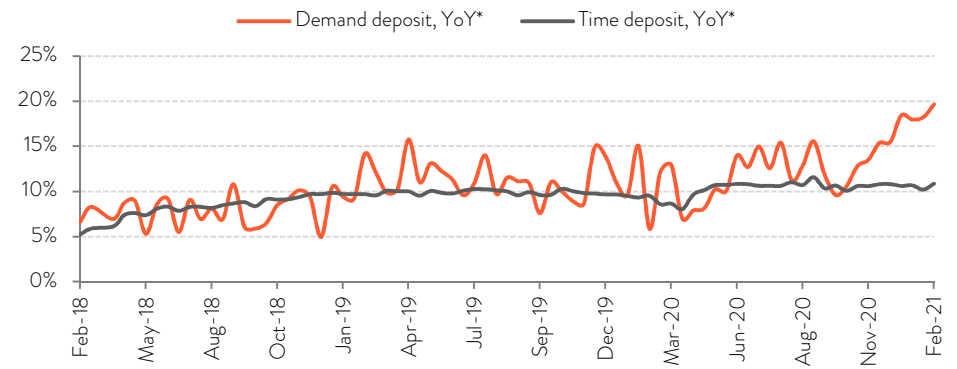
Note: *Feb-21 implies fortnight as of 12 Feb 2021

FIG 98 – CD RATIO ROSE TO 72.4% IN FEB'21 FROM 72.3% IN JAN'21



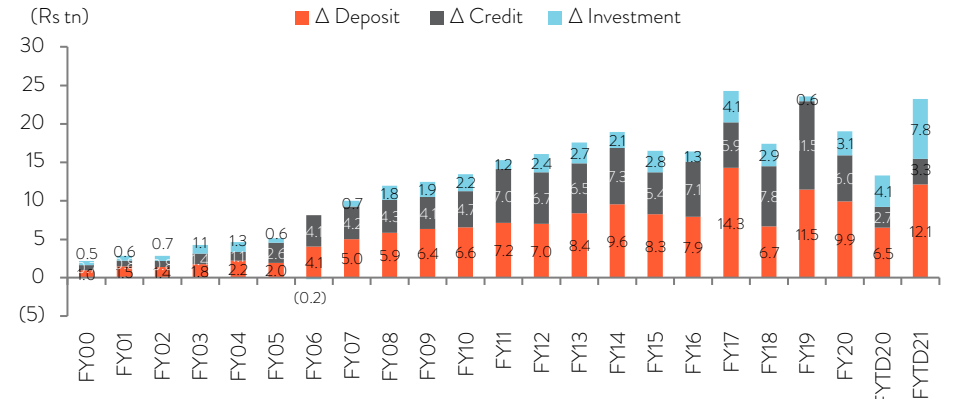
Note: *Feb-21 implies fortnight as of 12 Feb 2021

FIG 97 – DEMAND DEPOSITS ROSE TO 19.7% IN FEB'21 FROM 18.2% IN JAN'21 AND TIME DEPOSITS ROSE TO 10.8% FROM 10.2%



Note: *Feb-21 implies fortnight as of 12 Feb 2021

FIG 99 – PACE OF ACCRETION OF INVESTMENT IS GAINING PACE



FYTD: Apr-Feb

FIG 100 – CREDIT TO GOV. MODERATED TO 18.8% IN DEC'20 FROM 19.1% IN NOV'20, CREDIT TO COMM SECTOR ROSE TO 5.9% FROM 5.7%

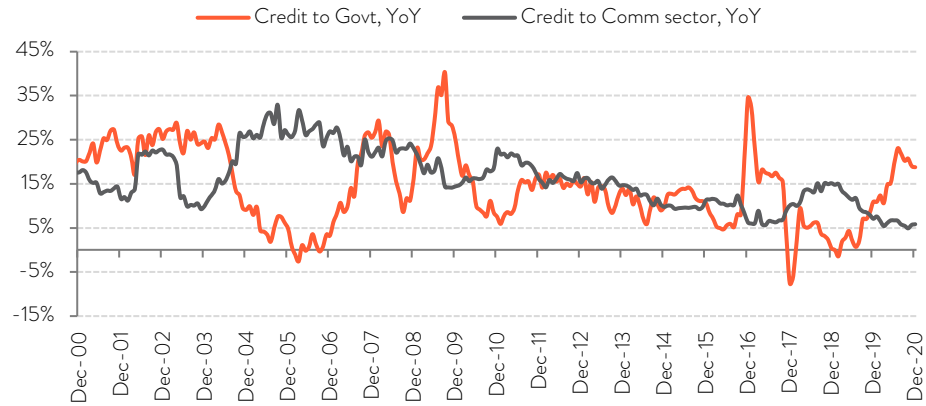


FIG 101 – SPREAD BETWEEN CALL RATE AND REPO

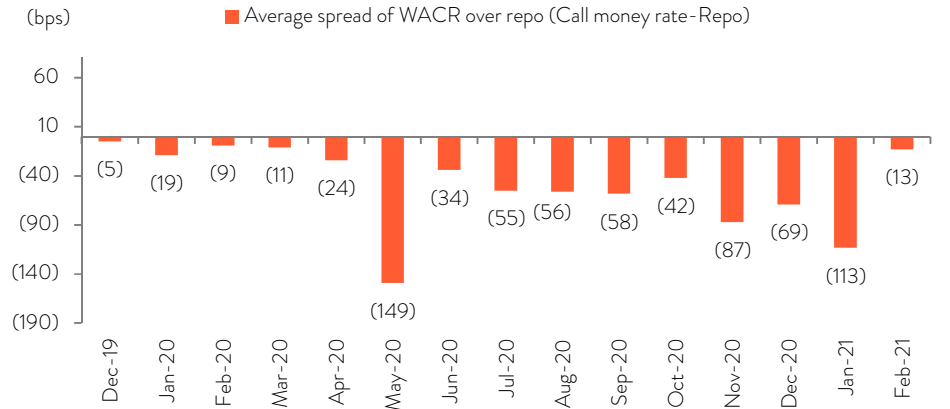


FIG 102 – BOTH WATDR AND WALR INCHED DOWN TO 5.62% AND 7.58% IN JAN'21 FROM 5.67% AND 7.75% RESPECTIVELY IN DEC'20

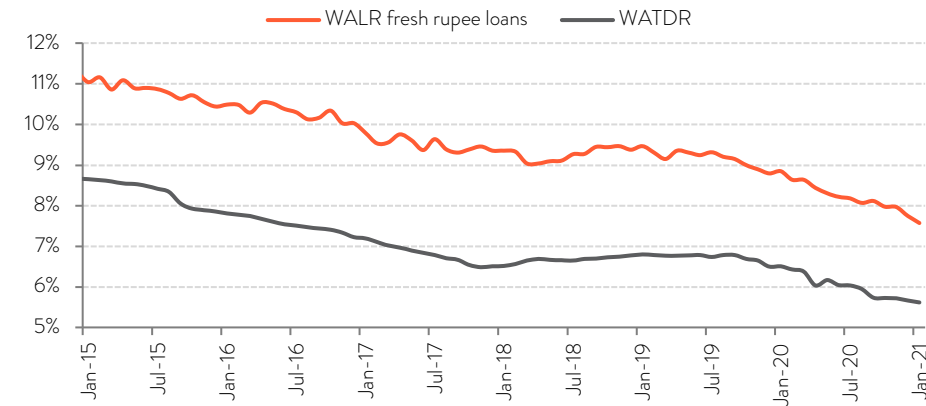
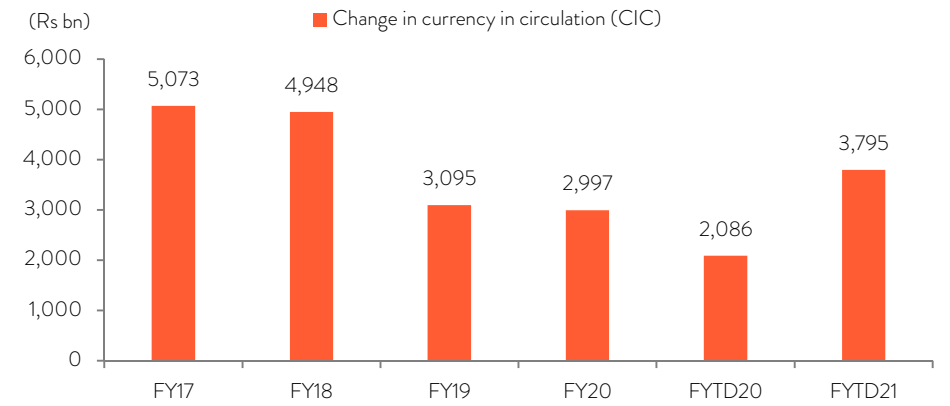
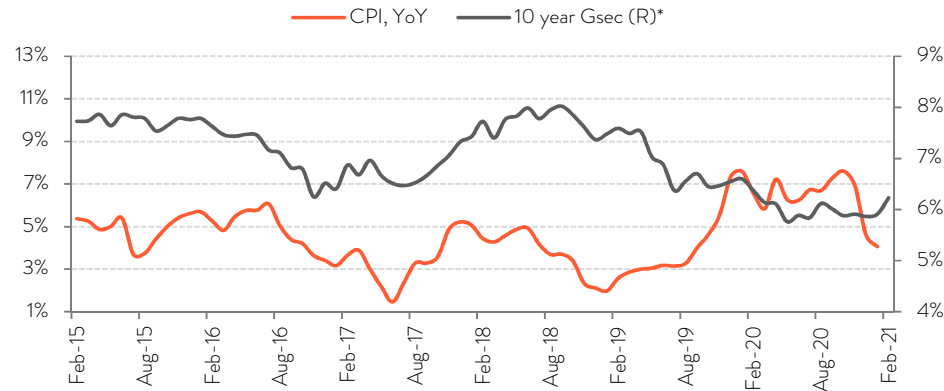


FIG 103 – CIC ACCRETION IS FAR HIGHER AT RS 3.8TN IN FYTD21 COMPARED WITH RS 2.1TN IN FYTD20



FYTD: Apr-Feb

FIG 104 – 10Y GSEC YIELD INCHED UP TO 6.23% IN FEB'21 FROM 5.91% IN JAN'21, INFLATION DIPPED TO 4.1% IN JAN'21 FROM 4.6% IN DEC'20



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

FIG 106 – CORPORATE DEBT ISSUANCE ALSO ROSE TO RS 881BN IN DEC'20 FROM RS 455BN IN NOV'20

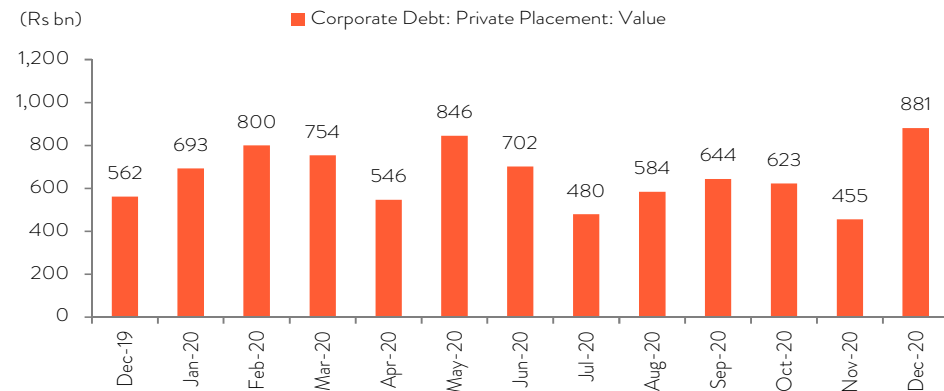
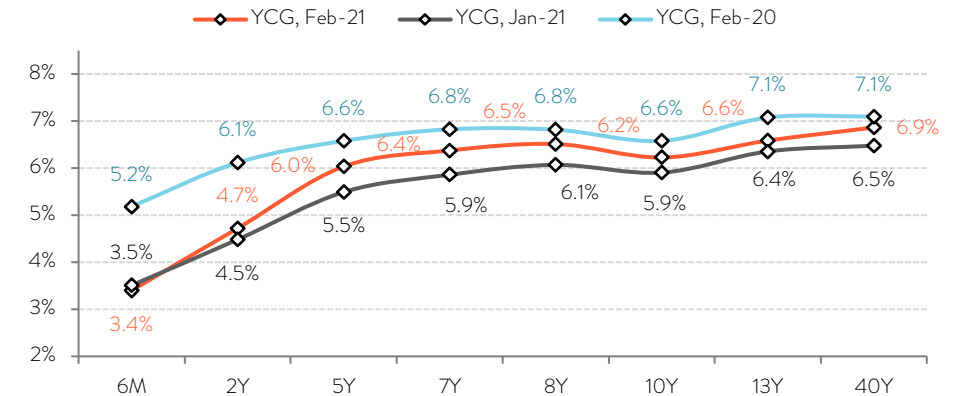
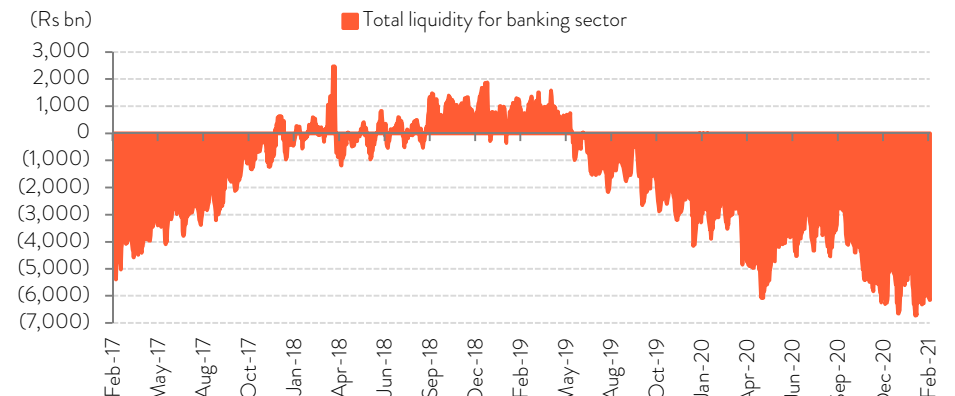


FIG 105 – YIELD CURVE GRAPH (YCG) SHOWS STEEPENING BIAS



Source: Bloomberg

FIG 107 – AVERAGE SYSTEM LIQUIDITY SURPLUS ROSE TO RS 6.1TN IN FEB'21 FROM RS 5.7TN IN JAN'21 AND IS CURRENTLY AT ~RS 5.8TN



Source: RBI

FIG 108 – NBFC 3Y AAA SPREAD ROSE TO 56BPS AS ON FEB'21 FROM 29BPS ON JAN'21

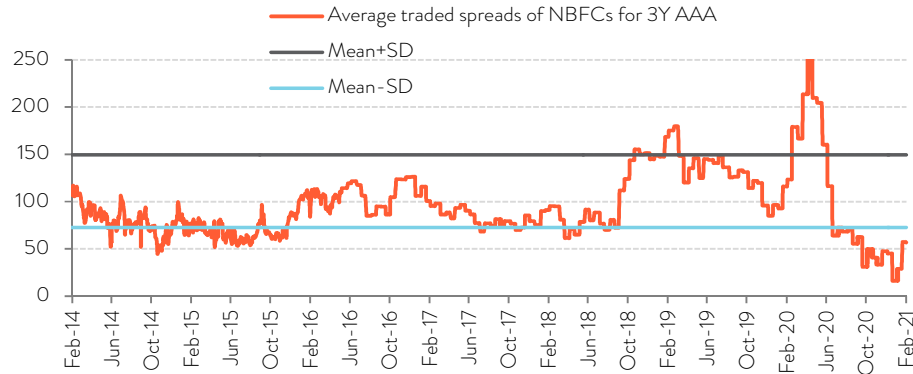


FIG 109 – FOR 10Y AAA RATED PAPER IT ROSE TO 83BPS FROM 80BPS IN JAN'21

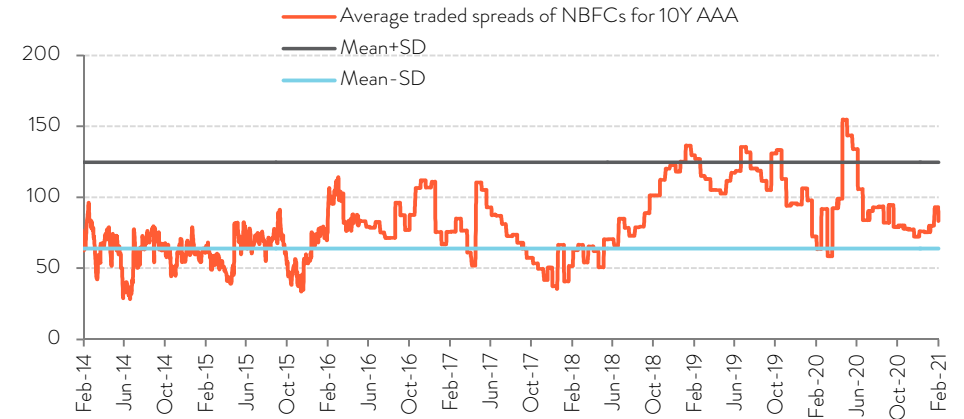


FIG 110 – CORPORATE 3Y AAA SPREAD WAS HIGHER AT 42BPS COMPARED TO 29BPS IN JAN'21

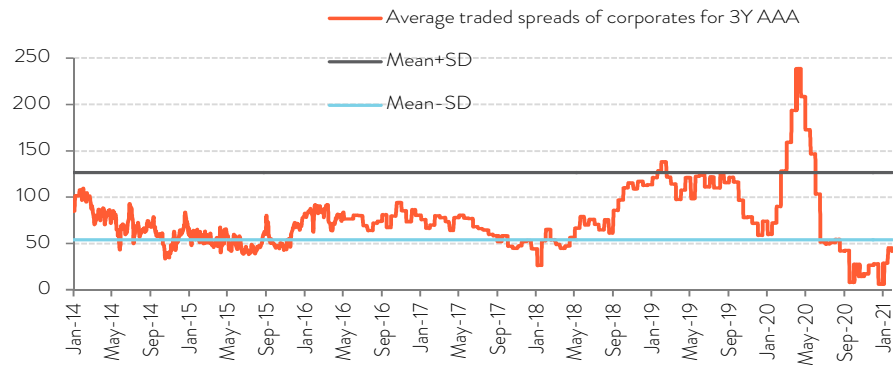


FIG 111 – FOR 10YAAA RATED PAPER IT ROSE TO 76BPS FROM 65BPS IN JAN'21

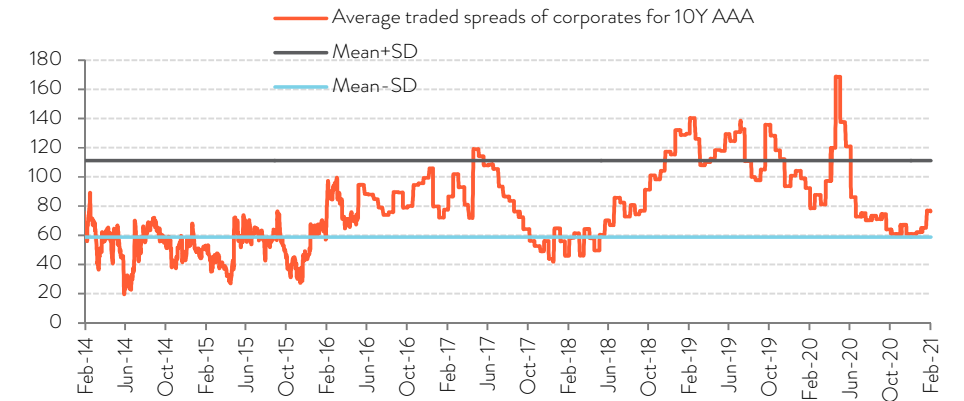


FIG 112 – INR 3Y SWAP ROSE TO 4.71 IN FEB’21 FROM 4.31 IN JAN’21

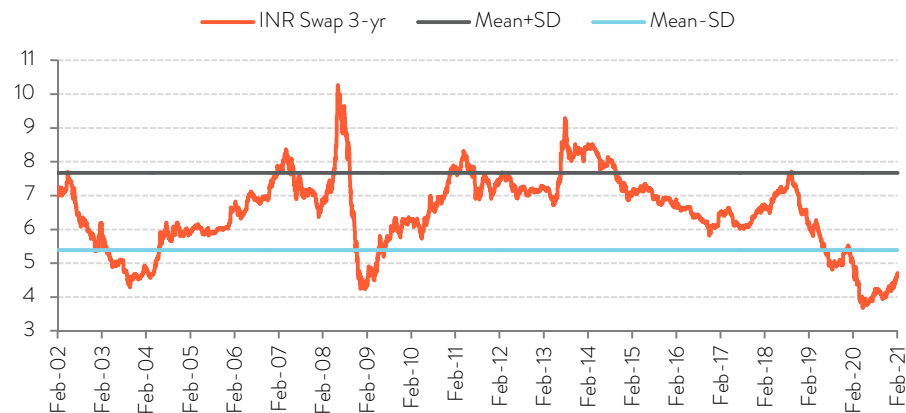
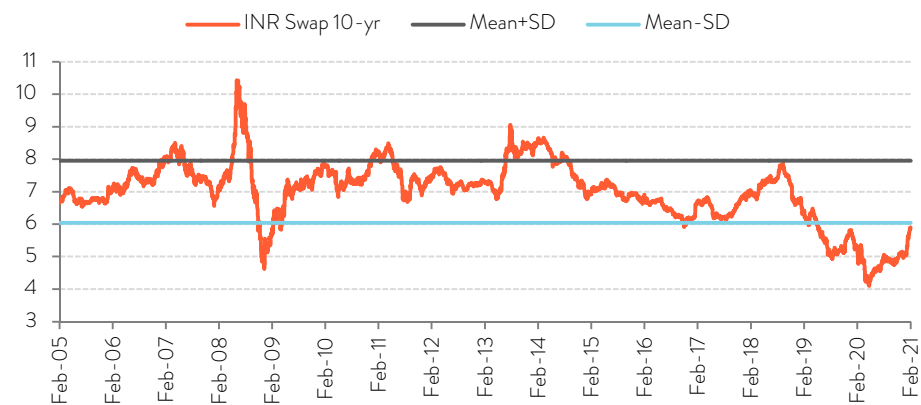


FIG 113 – FOR 10Y IT ROSE TO 5.9 IN FEB’21 FROM AT 5.1 IN JAN’21



Interest rates on small savings schemes

FIG 114 – INTEREST RATES ON SMALL SAVINGS SCHEME TO REMAIN UNCHANGED IN Q4FY21

Instrument (%)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	GSec Yield (1 Mar 2021)
Savings deposit	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	
1 year time deposit	7.0	6.9	6.9	6.9	5.5	5.5	5.5	5.5	4.11
2 year time deposit	7.0	6.9	6.9	6.9	5.5	5.5	5.5	5.5	4.70
3 year time deposit	7.0	6.9	6.9	6.9	5.5	5.5	5.5	5.5	5.33
5 year time deposit	7.8	7.7	7.7	7.7	6.7	6.7	6.7	6.7	6.00
5 year recurring deposit	7.3	7.2	7.2	7.2	5.8	5.8	5.8	5.8	6.00
5 year senior citizen savings scheme	8.7	8.6	8.6	8.6	7.4	7.4	7.4	7.4	6.00
5 year monthly income scheme	7.7	7.6	7.6	7.6	6.6	6.6	6.6	6.6	6.00
5 year national savings certificate	8	7.9	7.9	7.9	6.8	6.8	6.8	6.8	6.00
Public provident fund scheme	8	7.9	7.9	7.9	7.1	7.1	7.1	7.1	6.21
Kisan vikas patra	7.7	7.6	7.6	7.6	6.9	6.9	6.9	6.9	-
Sukanya samridhi account scheme	8.5	8.4	8.4	8.4	7.6	7.6	7.6	7.6	-

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

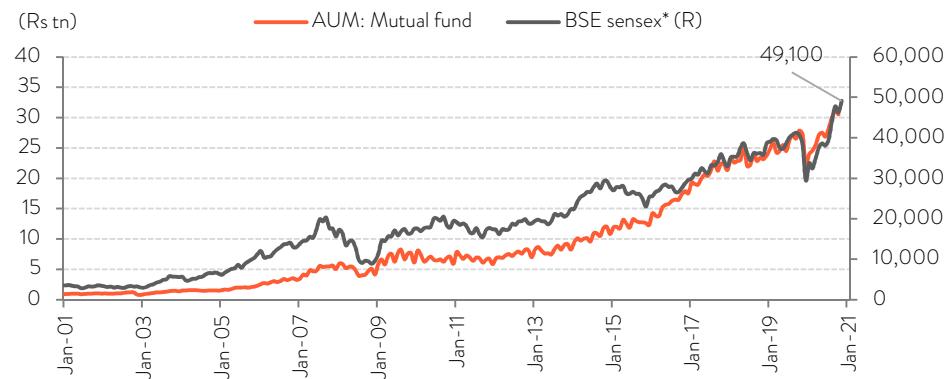
FIG 115 – INTEREST RATES CHARGED BY LEADING BANKS

1Y MCLR (%)	Dec'19	Jan'20	Feb'20	Mar'20	Apr'20	May'20	Jun'20	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec-20	Jan-21	Feb-21
Public Sector Banks															
Bank of Baroda	8.25	8.20	8.15	8.15	8.00	7.80	7.65	7.60	7.60	7.55	7.50	7.45	7.40	7.40	7.40
Bank of India	8.20	8.20	8.20	8.20	8.20	7.95	7.70	7.60	7.45	7.40	7.35	7.35	7.35	7.35	7.35
Canara Bank	8.35	8.35	8.20	8.20	7.85	7.85	7.65	7.55	7.45	7.40	7.40	7.35	7.35	7.35	7.35
Indian Bank	8.35	8.30	8.25	8.25	8.10	7.80	7.50	7.40	7.35	7.30	7.30	7.30	7.30	7.30	7.30
Punjab National Bank	8.15	8.05	8.05	8.05	7.75	7.75	7.60	7.60	7.35	7.35	7.35	7.35	7.35	7.35	7.35
State Bank of India	7.90	7.90	7.85	7.75	7.40	7.25	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Union Bank of India	8.20	8.10	8.10	8.00	7.75	7.70	7.60	7.40	7.25	7.20	7.20	7.20	7.20	7.20	7.20
Private Sector Banks															
Axis Bank Ltd.	8.15	8.15	8.15	8.10	7.95	7.80	7.75	7.65	7.55	7.50	7.45	7.45	7.45	7.40	7.40
HDFC Bank Ltd.	8.15	8.15	8.15	8.15	7.95	7.95	7.65	7.45	7.35	7.30	7.30	7.25	7.25	7.25	7.20
ICICI Bank Ltd.	8.25	8.20	8.20	8.15	8.00	7.75	7.70	7.55	7.45	7.40	7.35	7.35	7.35	7.30	7.30
Indusind Bank	9.40	9.30	9.30	9.25	9.25	9.25	9.15	9.05	8.95	8.85	8.75	8.70	8.65	8.65	8.60
Kotak Mahindra Bank	8.40	8.40	8.35	8.35	8.10	7.90	7.75	7.60	7.50	7.50	7.45	7.35	7.35	7.35	7.30

Source: RBI

Mutual fund (MF) indicators

FIG 116 – SENSEX ROSE BY 6.1% TO 49,100 IN FEB'21, AUM OF MFS WAS STABLE AT RS 31TN IN JAN'21



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

FIG 117 – MF EQUITY AND DEBT OUTFLOW WAS AT RS 124BN (RS 135BN IN DEC'20) AND RS 335BN (RS 138BN INFLOW IN DEC'20), RESPECTIVELY

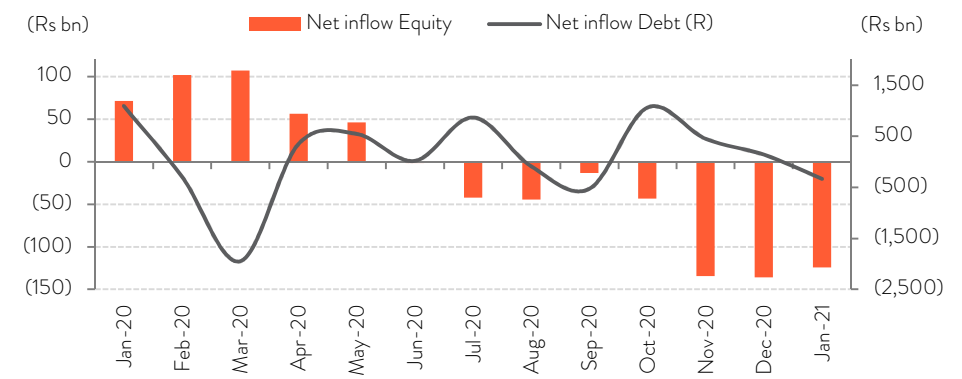
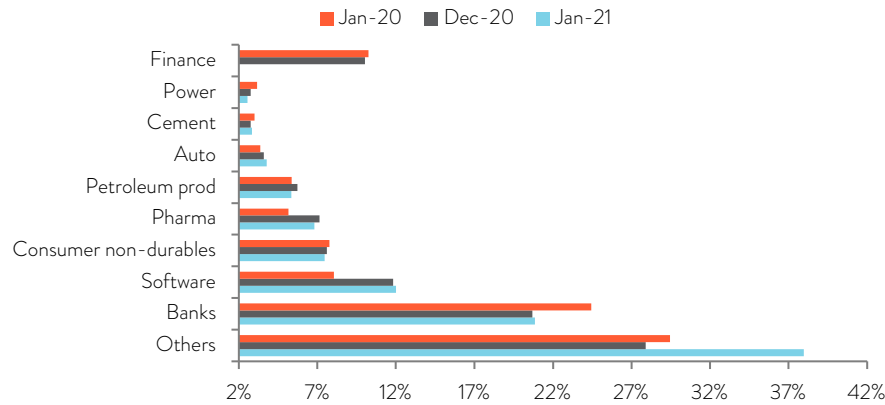


FIG 118 – PATTERN OF MF DEPLOYMENT OF EUIY FUNDS



Insurance sector indicators

FIG 120 – SALE OF LIFE INSURANCE POLICIES DECLINED BY 32% IN JAN'21 FROM 14% INCREASE IN DEC'20, LED BY UNFAVOURABLE BASE

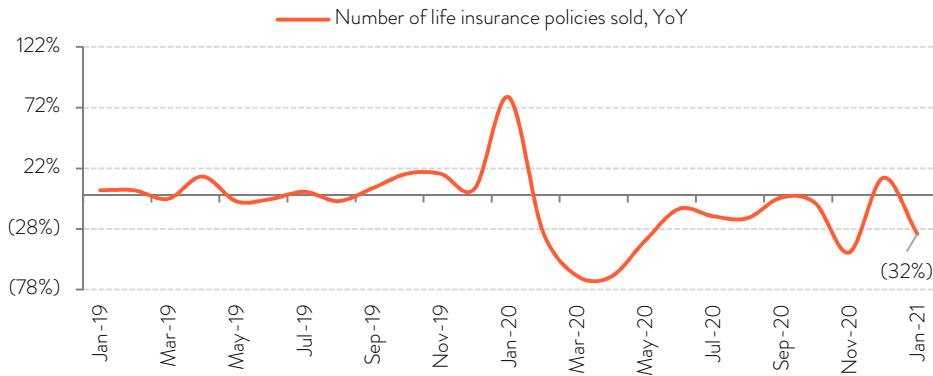


FIG 119 – MF DEPLOYMENT OF DEBT FUNDS

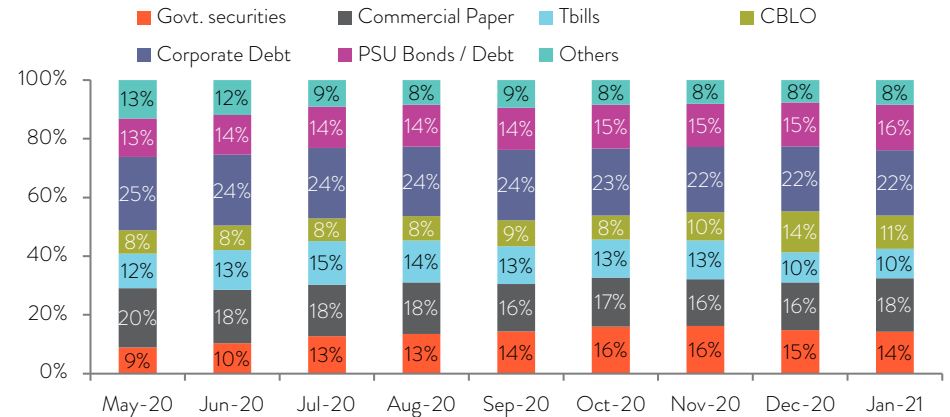
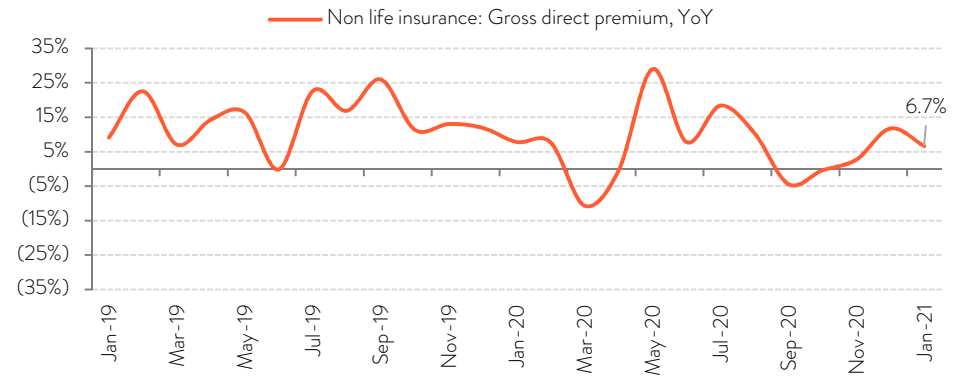


FIG 121 – GROSS DIRECT PREMIUM FOR NON LIFE INSURANCE MODERATED TO 6.7% IN JAN'21 FROM 11.8% IN DEC'20



Public finance

Central government finances

FIG 122 – FISCAL DEFICIT BEGINS INCHING UP

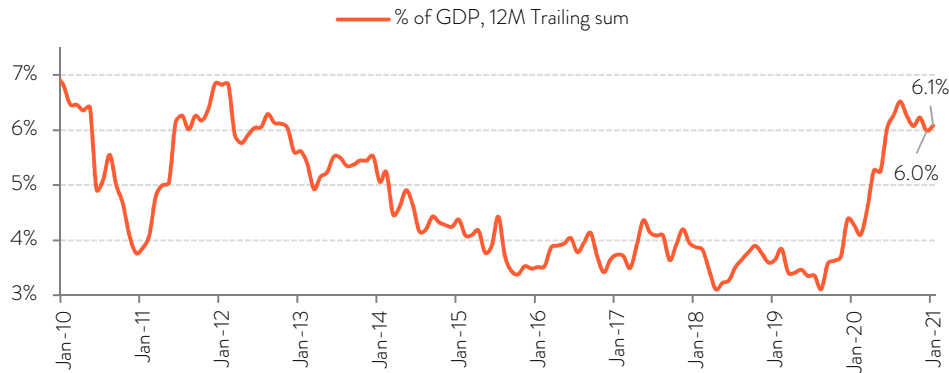


FIG 123 – REVENUE DEFICIT STEADY AT 4.3% IN JAN'21

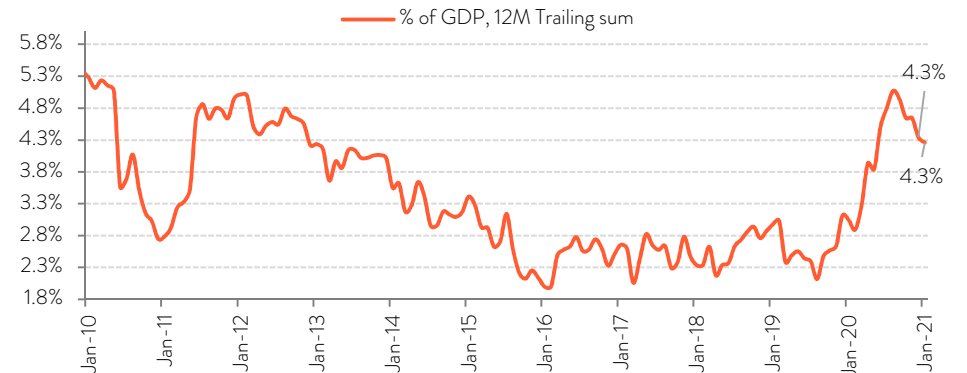


FIG 124 – PRIMARY DEFICIT UP AT 2.7% IN JAN'21

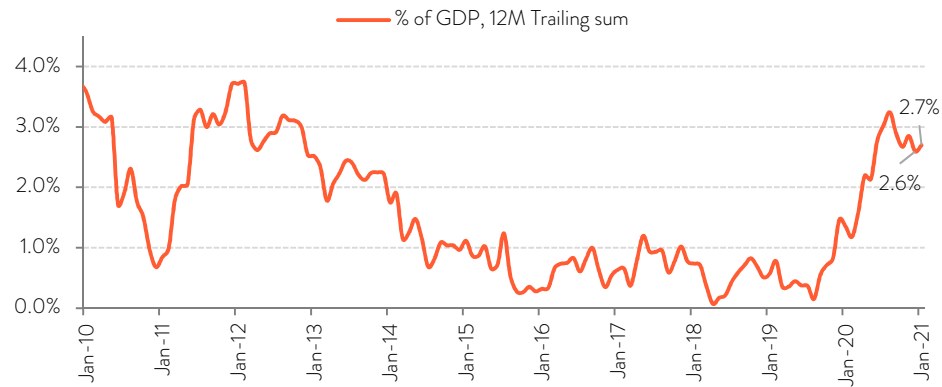


FIG 125 – GOVERNMENT SPENDING ROSE FURTHER IN JAN'21 (12MMA)

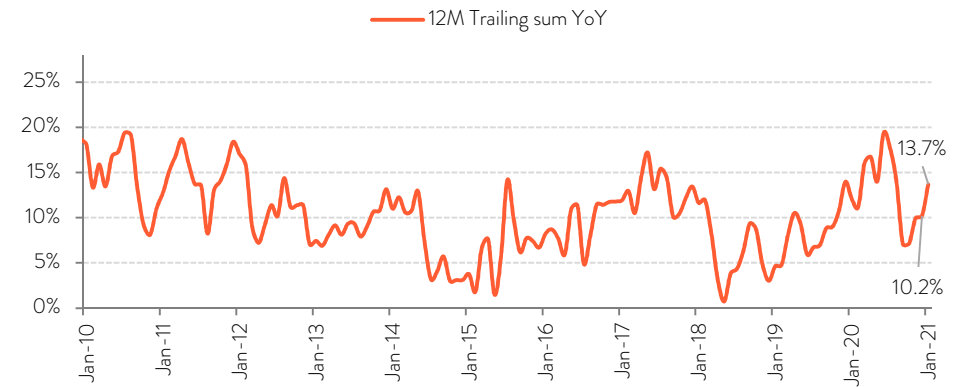


FIG 126 – ...LED BY HIGHER CAPEX

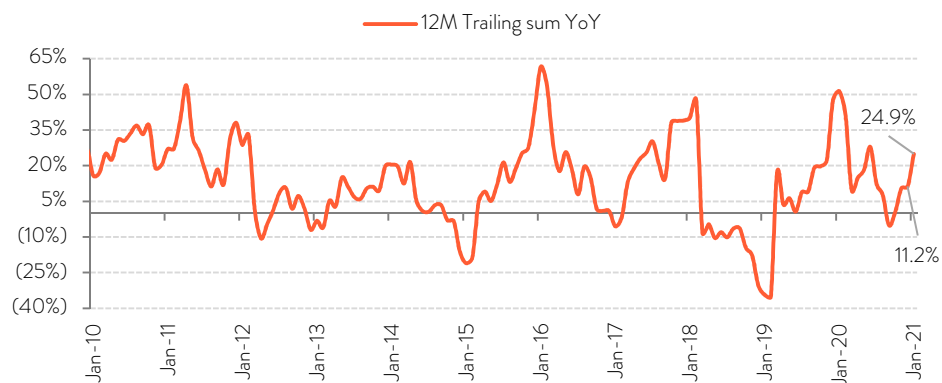


FIG 127 – REVENUE SPENDING ALSO PICKING UP

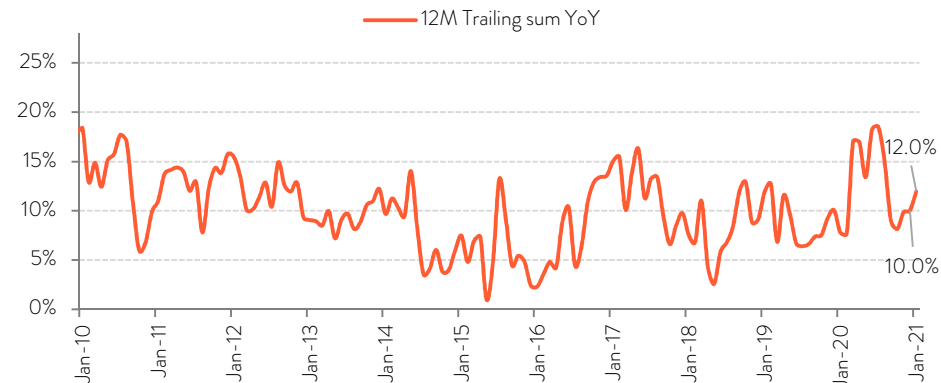


FIG 128 – SPENDING BY MINSTRIES OF RURAL DEVELOPMENT, FINANCE AND TRANSPORT CONTRIBUTE TO HIGHER EXPENDITURE GROWTH (FYTD BASIS)

Ministry	Apr'18-Jan'19 (Rs bn)	Apr'19-Jan'20 (Rs bn)	% change	Apr'20-Jan'21 (Rs bn)	% change	FY21RE % change
Ministry of Finance	6,829	7,767	13.7	9,640	24.1	16.1
Ministry of Defence	3,663	3,971	8.4	3,829	(3.6)	7.0
Ministry of Consumer Affairs, Food and Public Distribution	1,728	1,557	(9.9)	1,539	(1.1)	284.9
Ministry of Rural Development	949	1,025	7.9	1,685	64.5	60.7
Ministry of Home Affairs	977	1,127	15.3	1,201	6.6	10.7
Ministry of Human Resource Development	511	710	38.9	621	(12.5)	(4.9)
Ministry of Road Transport and Highways	562	719	27.8	857	19.2	30.1
Ministry of Chemicals and Fertilisers	670	805	20.1	992	23.2	65.2
Ministry of Petroleum and Natural Gas	294	408	38.4	321	(21.3)	0.2
Ministry of Agriculture	435	873	100.8	1,008	15.6	22.7
Ministry of Health and Family Welfare	447	535	19.6	621	16.2	29.1

FIG 129 – RECEIPT GROWTH TURNED POSITIVE IN JAN'21

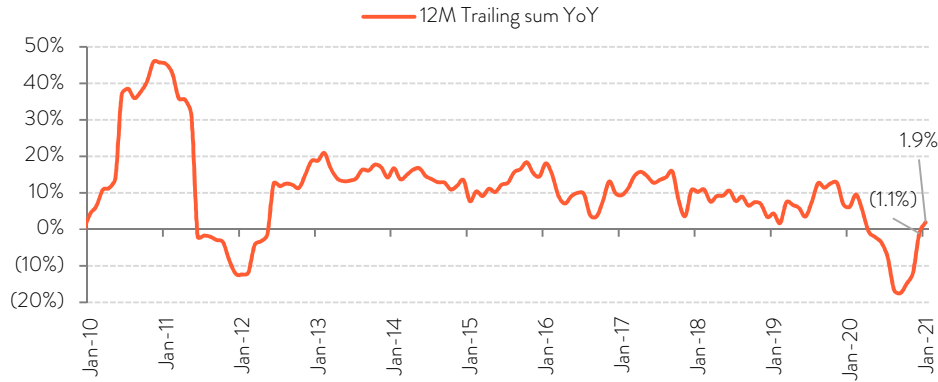


FIG 130 – ...AS REVENUE RECEIPTS CONTINUED TO INCH UP

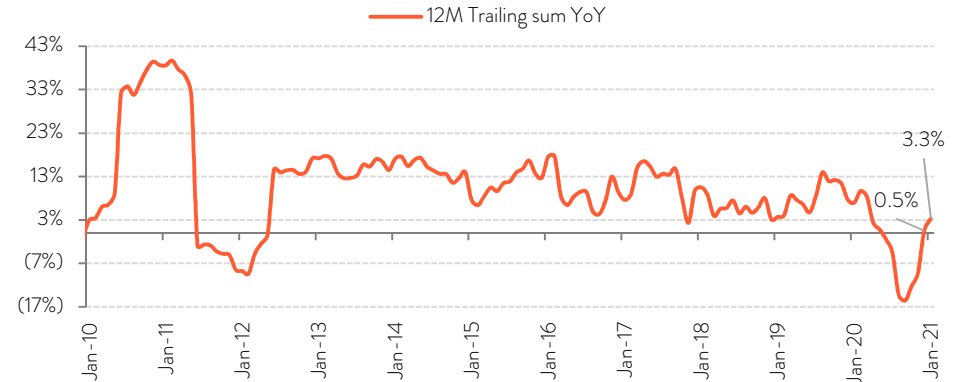


FIG 131 – TAX RECEIPTS LEAD THE TREND

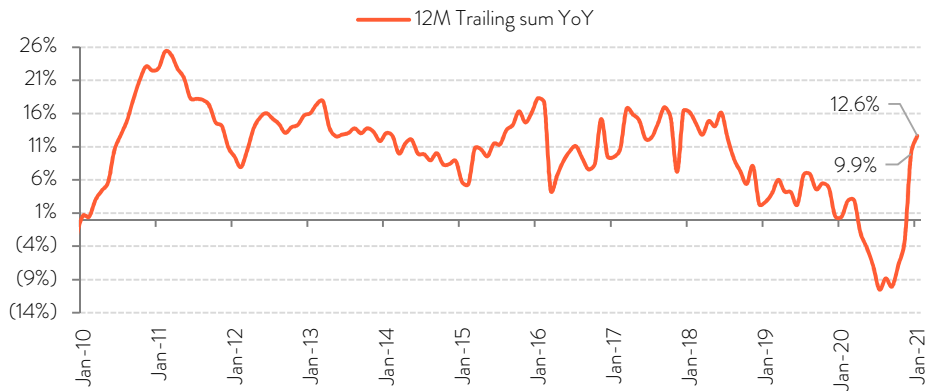


FIG 132 – NON-TAX REVENUES REMAIN MUTED

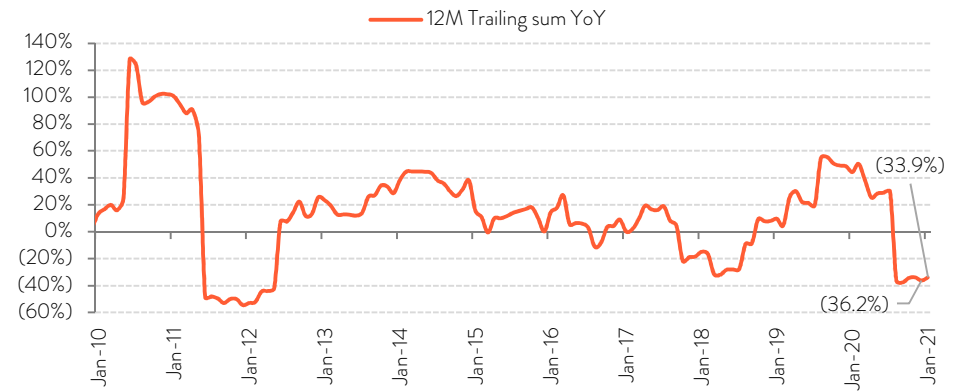


FIG 133 – CENTRE’S INDIRECT TAX REVENUES IMPROVE, SPENDING ALSO PICKING UP

	Apr'18-Jan'19 (Rs bn)	Apr'19-Jan'20 (Rs bn)	% change	Apr'20-Jan'21 (Rs bn)	% change	FY21 RE % change
Gross Tax revenue	15,624	15,309	(2.0)	15,151	(1.0)	(5.5)
Direct taxes	7,843	7,457	(4.9)	6,677	(10.5)	(13.8)
Corp Tax	4,547	3,932	(13.5)	3,345	(14.9)	(19.9)
Income Tax	3,297	3,524	6.9	3,332	(5.5)	(6.8)
Indirect taxes	7,780	7,853	0.9	8,474	7.9	3.6
Non-tax revenue	1,621	2,521	55.5	1,411	(44.0)	(35.6)
Centre's revenue (net)	11,814	12,501	5.8	12,430	(0.6)	(7.7)
Total expenditure	20,016	22,683	13.3	25,173	11.0	28.4
Capital exp	2,297	2,677	16.5	3,621	35.2	30.8
Revenue exp	17,719	20,006	12.9	21,552	7.7	28.1
Fiscal deficit	7,708	9,855	-	12,340	-	-

FIG 134 – GROSS INDIRECT TAX COLLECTIONS PUSHED TAX RECEIPTS HIGHER

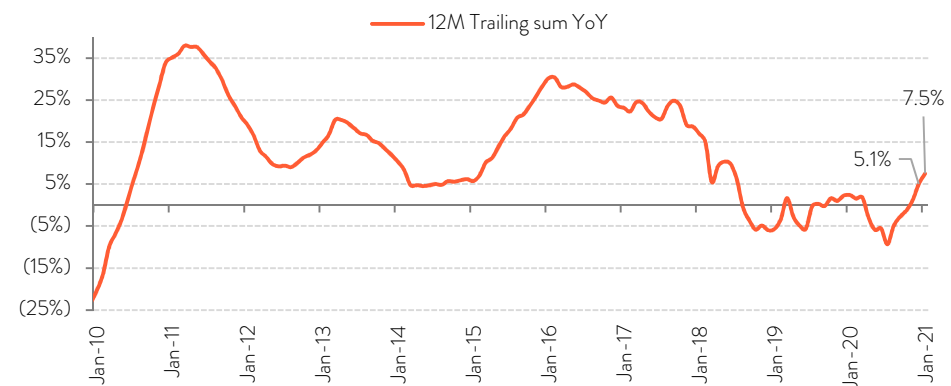


FIG 135 – GROSS DIRECT TAX COLLECTIONS REMAIN SUBDUED

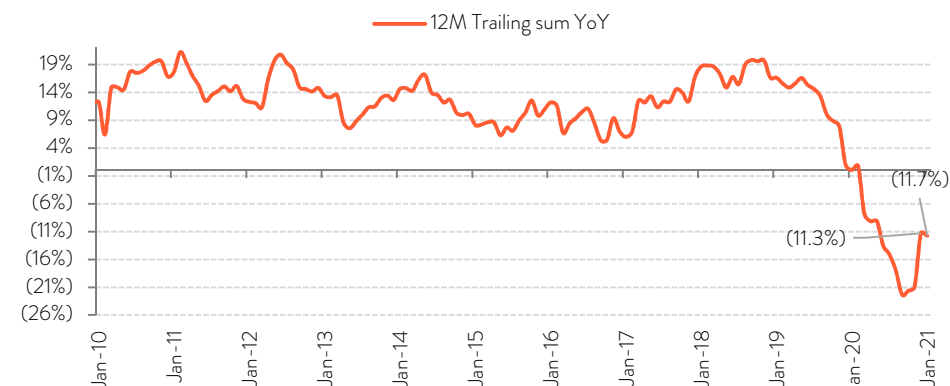


FIG 136 – CONTRACTION IN CORPORATE TAX COLLECTIONS BROADLY UNCHANGED IN JAN'21

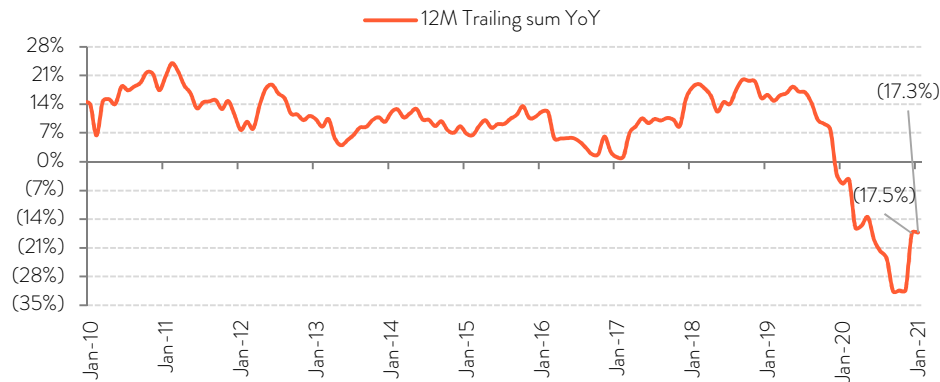


FIG 137 – INCOME TAX COLLECTIONS ALSO WEAKEND IN JAN'21

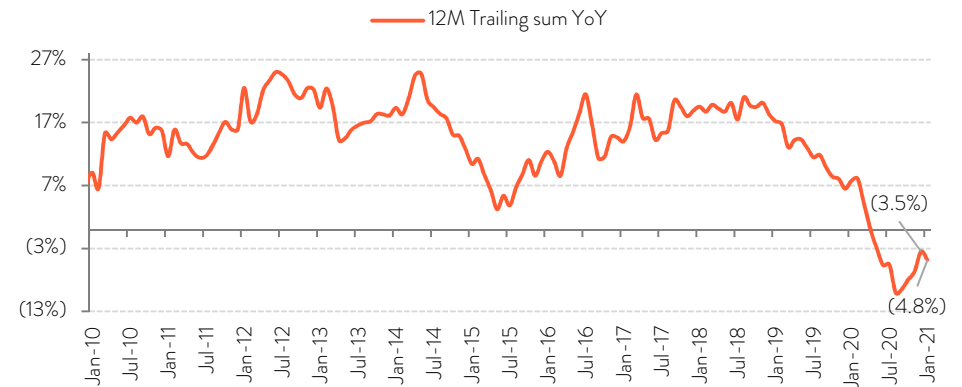


FIG 138 – TOTAL GST COLLECTIONS CROSS RS 1TN MARK FOR 5TH STRAIGHT MONTH IN JAN'21

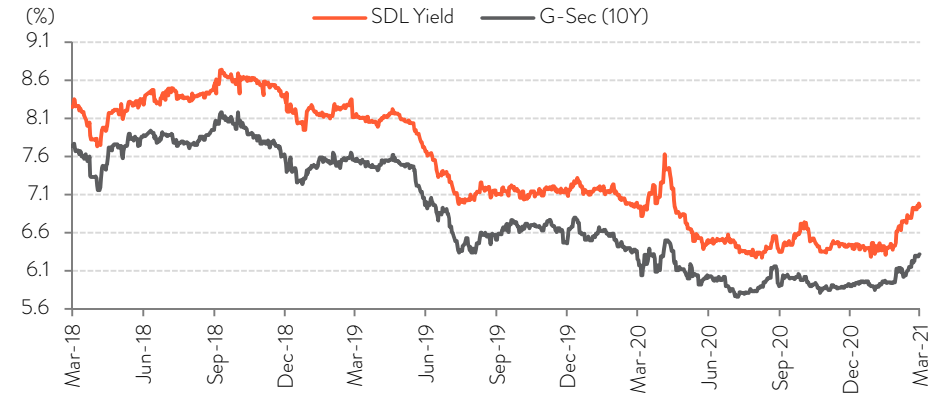
(Rs bn)	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Monthly run rate (FY21)	FYTD21	FY21 (RE)
CGST	438	413	402	59	190	302	379	324	372	429	398	430	447	333	3,329	4,310
UT GST	1.6	1.6	4.5	0.3	1.1	1.5	2.2	1.9	2.4	1.4	1.3	1.4	3.2	2	17	-
IGST	21	6	24	97	96	97	(60)	52	(3)	2	76	124	68	55	549	-
SGST*	509	470	(189)	454	562	400	475	509	612	539	596	560	531	524	5,238	-
Cess	84	86	81	10	60	75	68	69	68	78	80	82	83	67	674	841
Total GST	1,054	976	322	622	909	874	864	955	1,052	1,050	1,152	1,198	1,131	981	9,807	-

Source: PIB | *Computed from PIB and CGA data

FIG 139 – CENTRAL GOVT. PUBLIC DEBT IN Q2FY21 AT ~16 YEAR HIGH

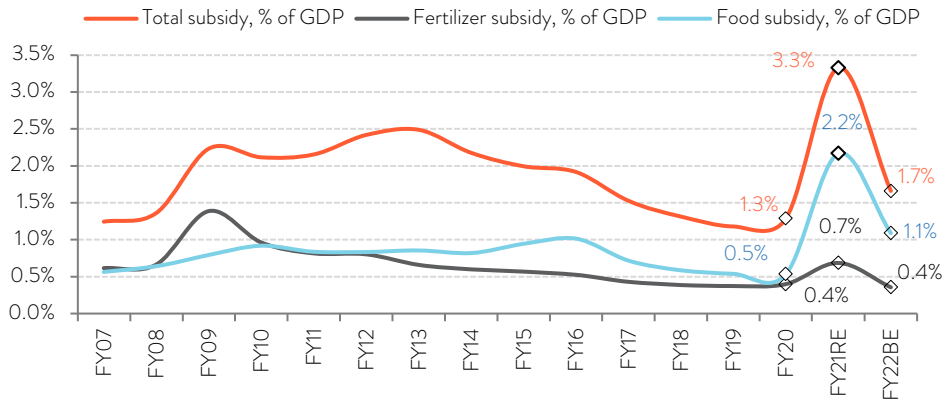


FIG 140 – GAP BETWEEN AVG. YIELD ON SDL & 10Y G-SEC ROSE BY 15BPS IN FEB'21; AND IS HIGHER BY ANOTHER 3BPS IN MAR'21 SO FAR



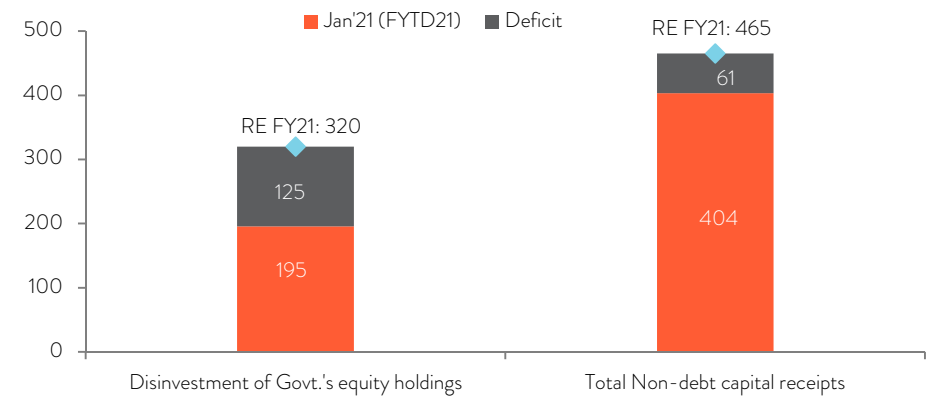
Source: CCIL

FIG 141 – SUBSIDY BURDEN INCREASED SIGNIFICANTLY IN FY21



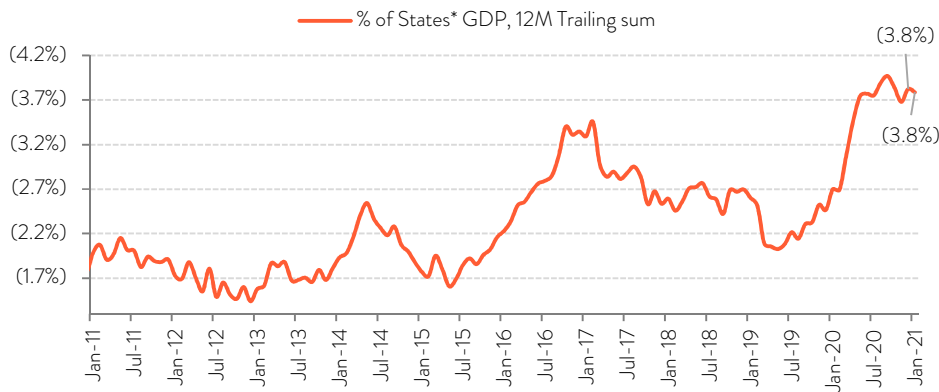
E - Bank of Baroda estimates

FIG 142 – CENTRAL GOVT.'S FY21 DISINVESTMENT STATUS



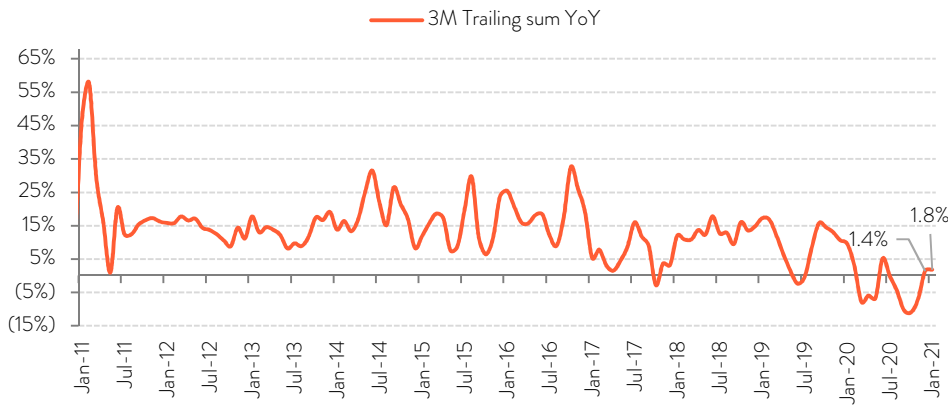
State government finances

FIG 143 – STATES* FISCAL DEFICIT AT 3.8% IN JAN'21



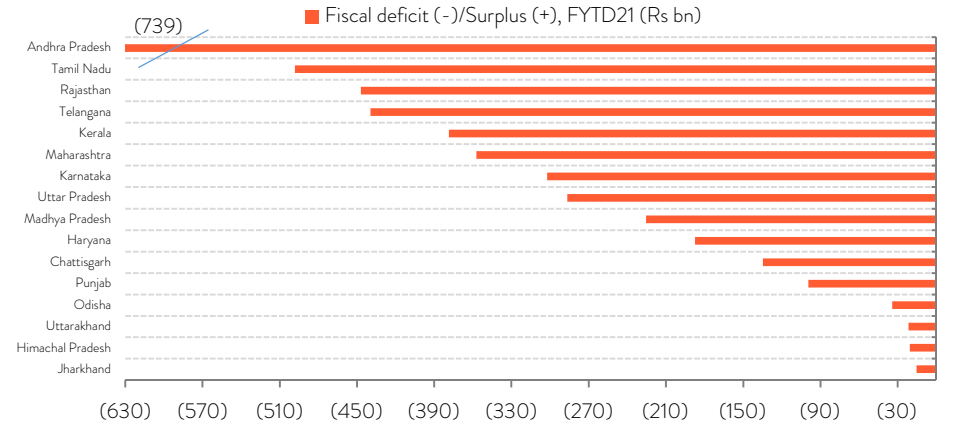
Note: *All states excluding N.E states, Bihar, Gujarat, J&K, and W.Bengal

FIG 145 – TOTAL EXPENDITURE OF STATES* IMPROVES MARGINALLY



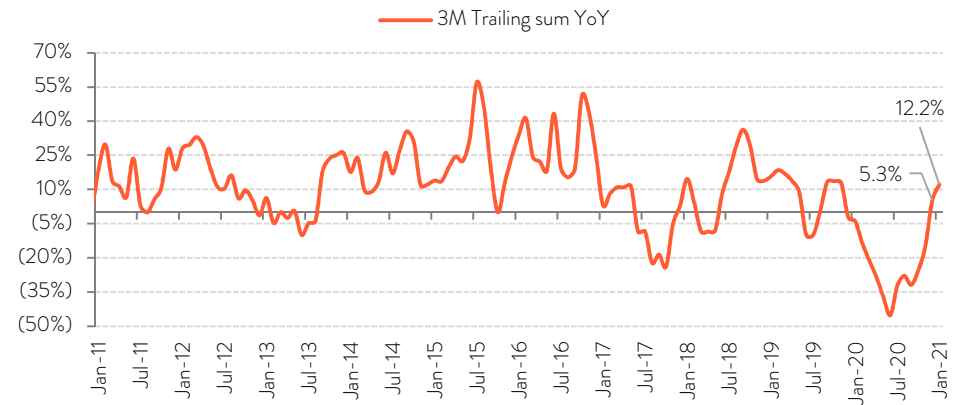
Note: *All states excluding N.E states, Bihar, Gujarat, J&K, and W.Bengal

FIG 144 – A.P AND T.N HIGHEST FISCAL DEFICIT STATES SO FAR



Note: FYTD is Apr'20-Jan'21

FIG 146 – ...AS CAPITAL SPENDING BY STATES* PICKS UP



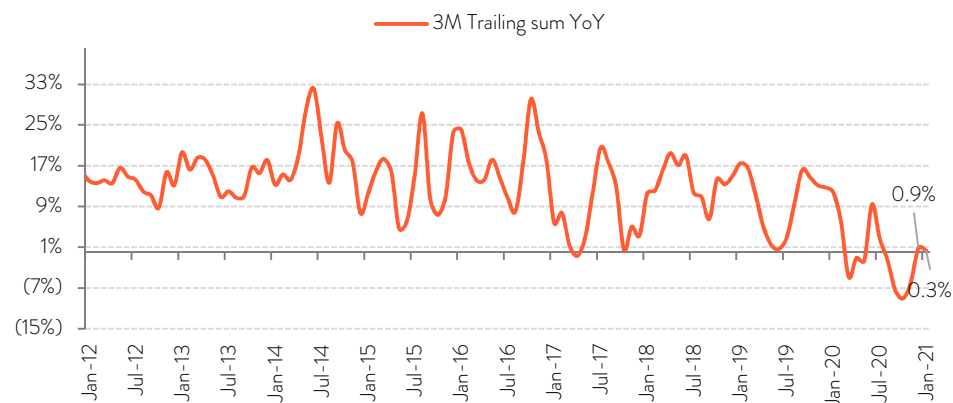
Note: *All states excluding N.E states, Bihar, Gujarat, J&K, and W.Bengal

FIG 147 – STATE* GOVT. TAX REVENUES REMAIN WEAK, CAPEX ALSO FAR LOWER THAN LAST YEAR (FYTD BASIS)

	Apr'18-Jan'19 (Rs bn)	Apr'19-Jan'20 (Rs bn)	% change	Apr'20-Jan'21 (Rs bn)	% change
Total Receipts	17,191	18,951	10.2	18,095	(4.5)
Revenue Receipts	14,829	15,474	4.3	14,096	(8.9)
Receipts: Tax Revenue	11,233	11,628	3.5	9,959	(14.3)
Receipts: Non-Tax Revenue	1,127	1,033	(8.3)	913	(11.6)
Receipts: Grant in aid & contribution	2,302	2,813	22.2	5,498	95.4
Capital Receipts	2,637	3,477	31.9	3,999	15.0
Total Expenditure	17,165	18,533	8.0	18,230	(1.6)
Revenue Expenditure	14,969	16,425	9.7	16,410	(0.1)
Capital Expenditure	2,179	2,180	0	1,820	(16.5)
Revenue Surplus or Deficit	(170)	(1,047)	-	(2,458)	-
Fiscal Surplus or Deficit	(2,374)	(3,497)	-	(4,394)	-

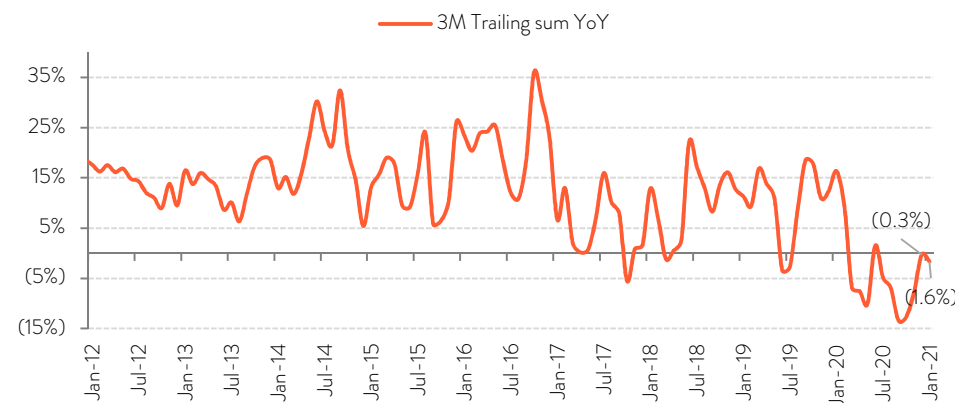
Note: *All states excluding N.E states, Bihar, Gujarat, J&K, and W.Bengal

FIG 148 – REVENUE SPENDING OF STATES* DIPPED IN JAN'21



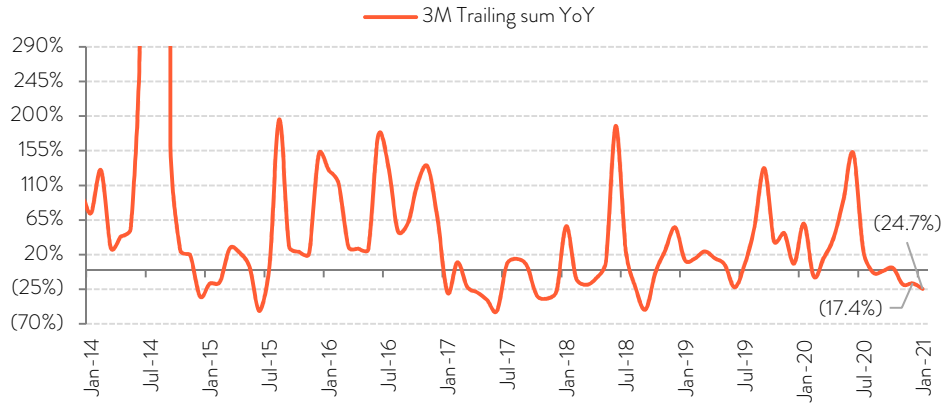
Note: *All states excluding N.E states, Bihar, Gujarat, J&K, and W.Bengal

FIG 149 – TOTAL RECEIPT OF STATES* TOO DROPPED IN JAN'21



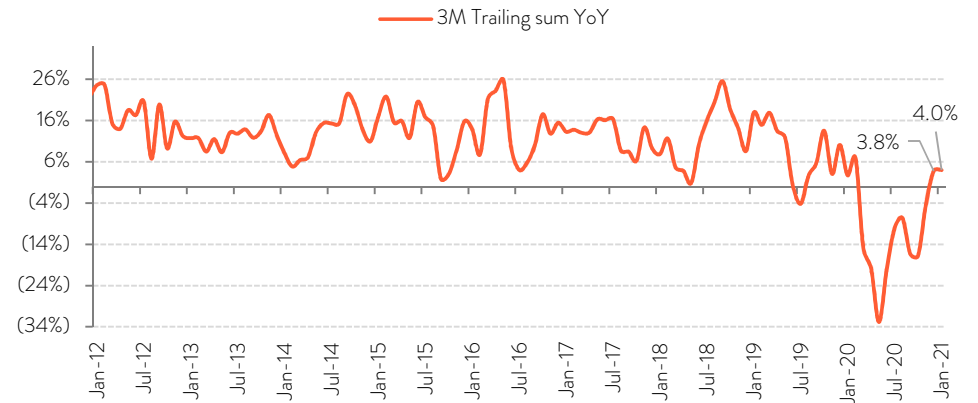
Note: *All states excluding N.E states, Bihar, Gujarat, J&K, and W.Bengal

FIG 150 – ...AS CAPITAL RECEIPTS OF STATES* EASED



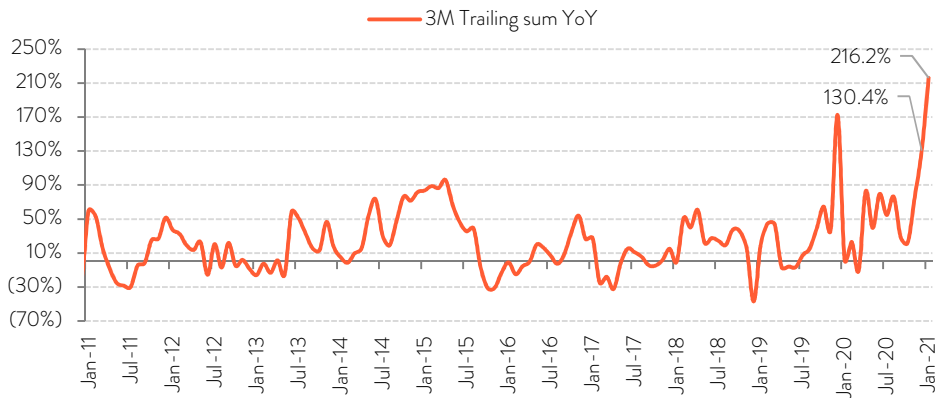
Note: *All states excluding N.E states, Bihar, Gujarat, J&K, and W.Bengal

FIG 151 – REVENUE RECEIPT OF STATES* STEADY...



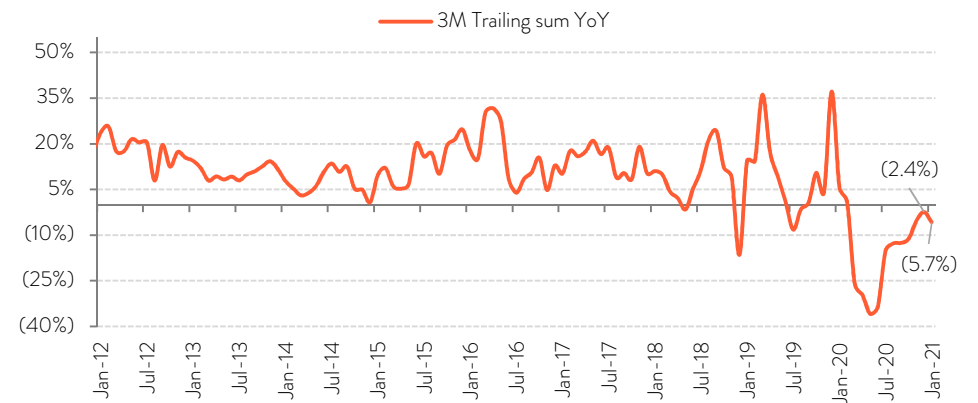
Note: *All states excluding N.E states, Bihar, Gujarat, J&K, and W.Bengal

FIG 152 – ...AS GRANT-IN AID FROM CENTRE TO STATES* JUMPED SHARPLY



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

FIG 153 – TAX REVENUE OF STATES* FELL IN JAN'21



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

Central government borrowing

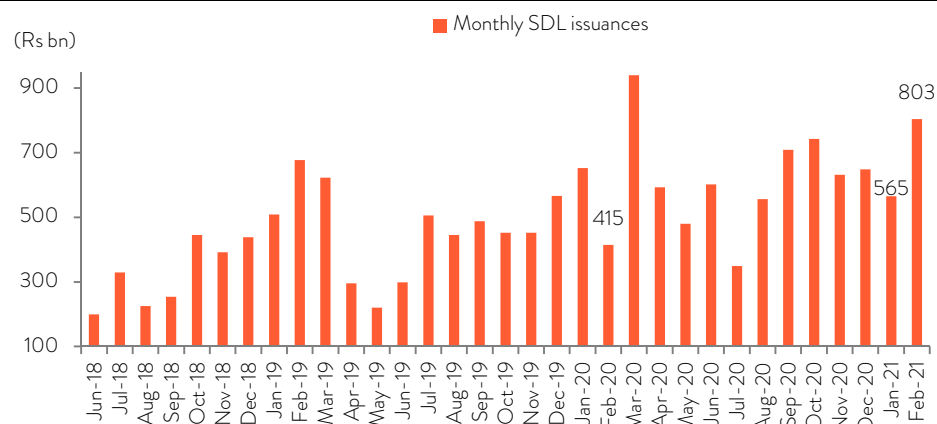
FIG 154 – CENTRE’S T-BILL ISSUANCES AT RS 1.7TN IN Q4

Total accepted amount (G-Sec), (Rs bn)	FY15	FY16	FY17	FY18	FY19	FY20	FY21 (actual)	FY21 (planned)
Q1		2,613	2,797	2,888	3,089	3,364	5,328	5,000
Q2		2,667	2,584	3,186	3,299	3,024	5,417	4,550
Q3		2,645	2,747	2,632	3,070	2,889	3,745	2,080
Q4		2,104	1,684	2,486	1,812	2,511	1,732^	2,470
Total		10,029	9,811	11,192	11,271	11,788	14,490	14,100

Source: RBI; ^as of Feb 2021

State government borrowing

FIG 156 – STATE GOVERNMENT BORROWINGS ROSE SHARPLY IN FEB’21



Source: RBI

FIG 155 – CENTRE’S GROSS BORROWING CALENDAR IN FYTD21 STANDS AT RS 12.5TN

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	3,140	3,380
Q2	1,570	1,630	1,910	1,890	1,440	2,210	4,220	3,600
Q3	1,430	1,640	1,610	1,640	1,270	1,930	2,910	3,110
Q4	1,090	840	800	670	1,680	920	2,207^	3,130
Total	5,920	5,850	5,820	5,880	5,710	7,100	12,477	13,220

Source: RBI; ^ as of Feb 2021, For the last auction as on 26 Feb 2021, Rs 48bn devolvement on PD is not accounted

FIG 157 – MARKET BORROWINGS OF STATES AT RECORD HIGH IN FYTD21

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	1,614	1,783
Q3	858	1,214	1,054	1,277	1,470	2,023	2,022
Q4	959	1,322	1,348	1,809	2,006	1,601^	3,165
Total	2,946	3,876	4,182	4,661	5,731	6,910	8,242

Source: RBI; ^ as of 2 Mar 2021

External sector

Exports

FIG 158 – INDIAN EXPORTS RECOVERING IN LINE WITH GLOBAL EXPORTS

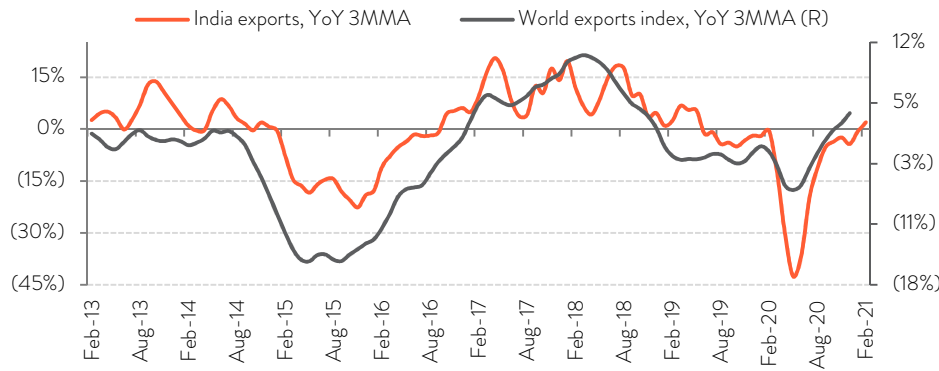
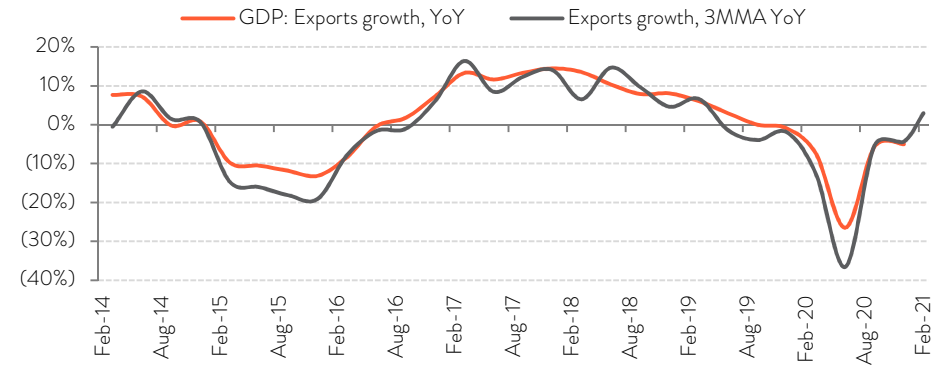


FIG 159 – INDIA'S EXPORTS FELL BY 0.3% IN FEB'21



Note: Figure for Feb'21 is average YoY growth for Jan-Feb'21

Exports by major sectors

FIG 160 – NON-OIL EXPORTS MODERATED TO 3.5% IN FEB'21 VERSUS 11.3% IN JAN'21

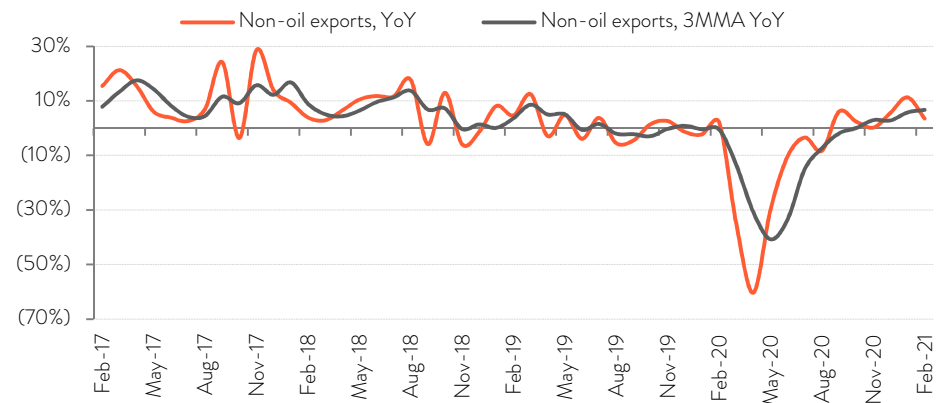


FIG 161 – EXPORTS OF GEMS AND JEWELLERY FELL BY 11.2% IN FEB'21

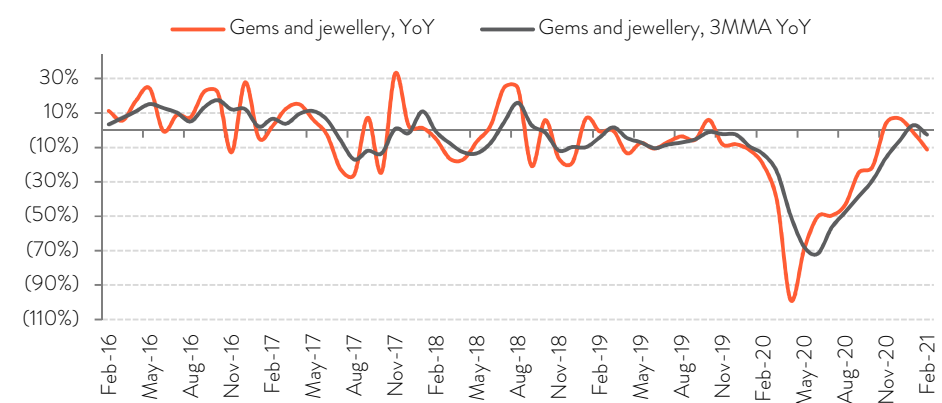


FIG 162 – EXPORTS OF ENGINEERING GOODS ALSO DECLINED

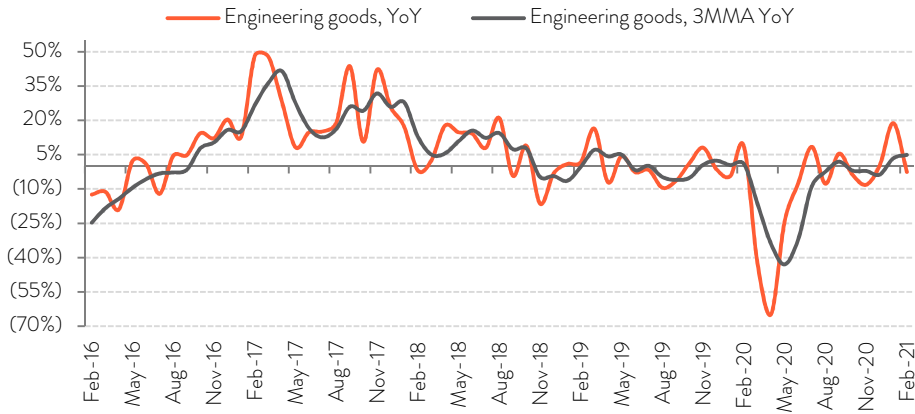
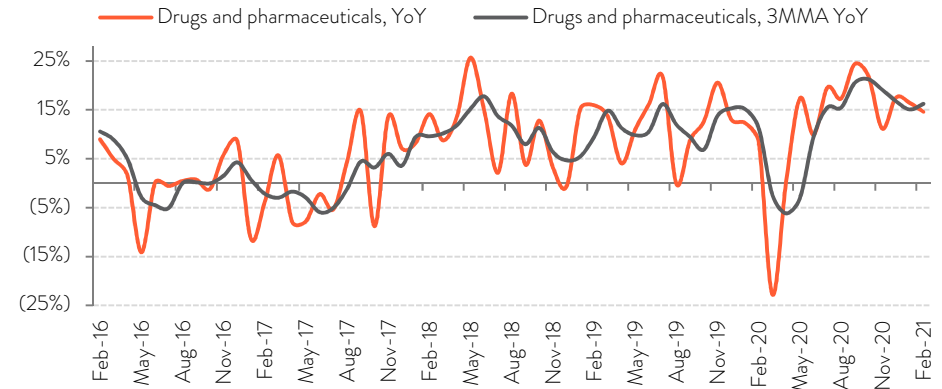
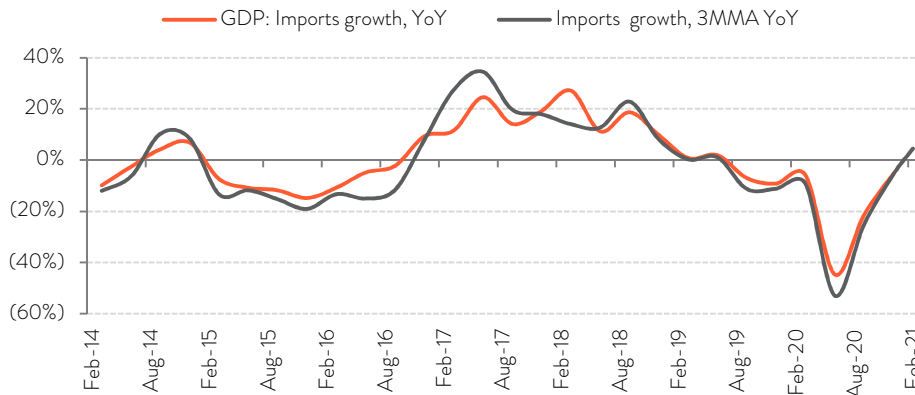


FIG 163 – HOWEVER, EXPORTS OF DRUGS AND PHARMACEUTICALS REMAINED BUOYANT EVEN IN FEB'21



Imports

FIG 164 – IMPORT GROWTH PICKING UP



Note: Figure for Feb'21 is average YoY growth for Jan-Feb'21

FIG 165 – LED BY GOLD IMPORTS

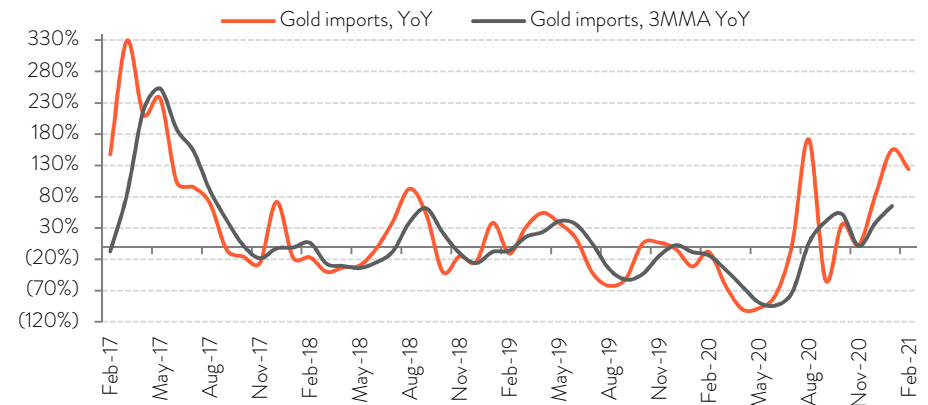


FIG 166 – OIL IMPORTS CONTRACTED AT A SLOWER PACE IN FEB'21

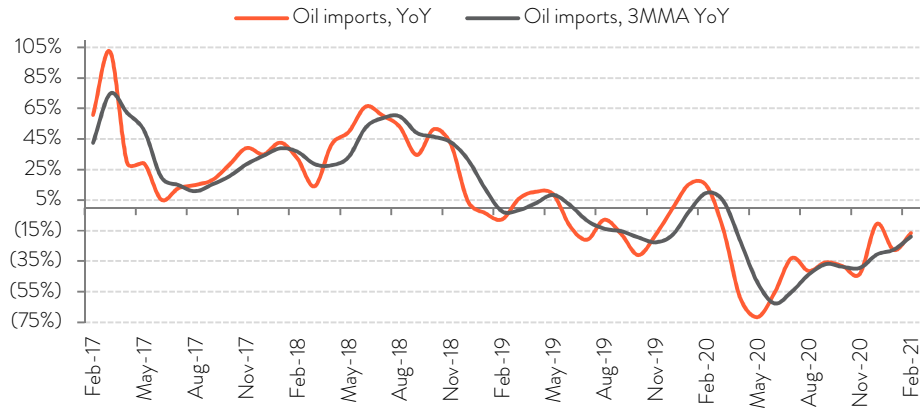


FIG 167 – IMPORTS OF ORGANIC AND INORGANIC CHEMICALS INCH UP

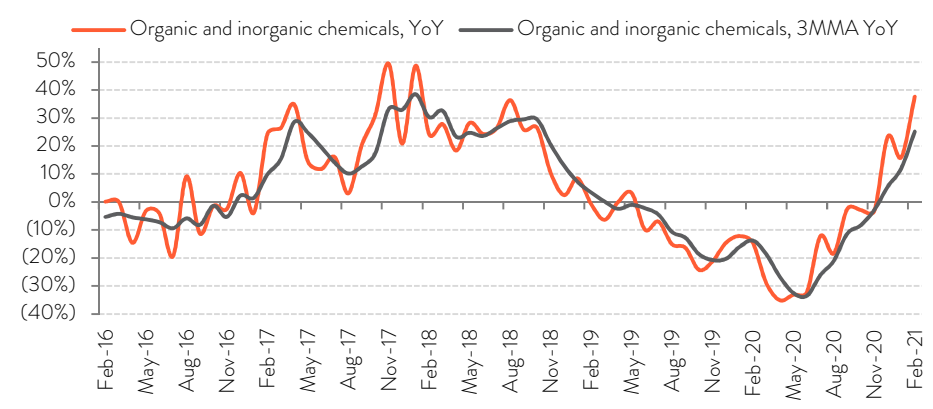


FIG 168 – COAL IMPORTS DECLINE IN FEB'21

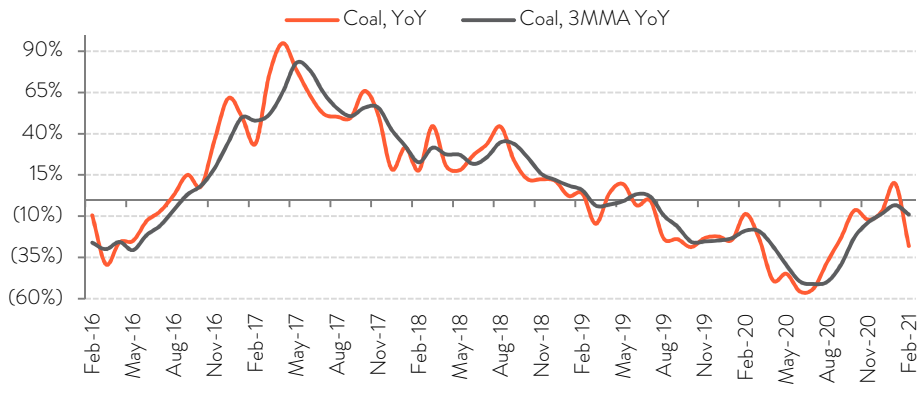
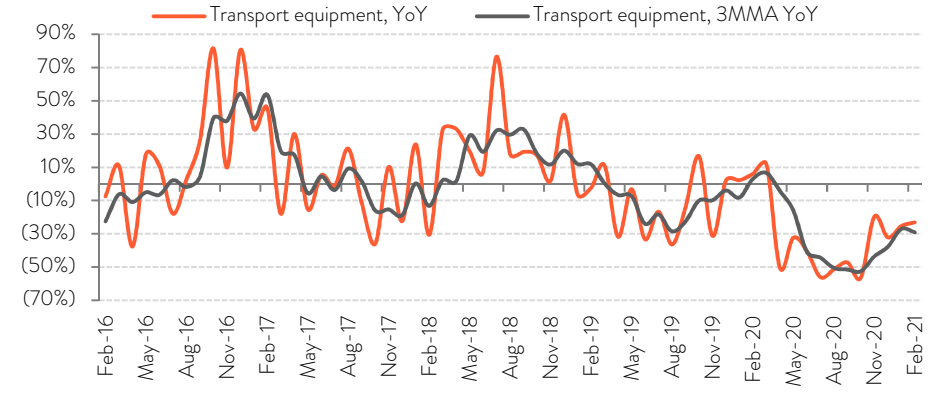


FIG 169 – IMPORT OF TRANSPORT EQUIPMENTS CONTINUES TO REMAIN WEAK



Exports and imports by major regions

FIG 170 – EXPORTS TO CHINA HAVE PICKED UP IN FYTD21

Region (% YoY)	Share (in %) FY20	Nov'20	Dec'20	Jan'21	FYTD20	FYTD21
Americas	22.5	3.0	3.6	9.5	3.3	(7.9)
Asia and Pacific (Ex. China)	25.5	(5.2)	9.8	22.8	(12.1)	(7.7)
China	5.4	(4.9)	10.7	3.4	4.7	16.6
Europe	19.5	(6.1)	(2.3)	3.9	(2.6)	(16.6)
Middle East and Africa	25.9	(20.2)	(11.4)	(4.5)	1.4	(25.5)
Other	1.1	(77.5)	(63.8)	(87.5)	(1.0)	(68.2)

Note: FYTD is Apr-Jan

FIG 171 – IMPORTS FROM ALL REGIONS HAVE DECLINED

Region (% YoY)	Share in FY20	Nov'20	Dec'20	Jan'21	FYTD20	FYTD21
Americas	12.8	(12.0)	(8.5)	(8.2)	(5.8)	(29.2)
Asia and Pacific (Ex. China)	25.0	(6.2)	3.2	17.1	(7.3)	(21.1)
China	13.8	3.1	30.6	11.0	(3.6)	(10.2)
Europe	15.0	(12.4)	10.6	53.2	(7.9)	(22.6)
Middle East and Africa	30.8	(24.3)	8.0	(17.0)	(8.8)	(34.1)
Other	2.6	(36.1)	(11.3)	(28.1)	25.4	(26.5)

Note: FYTD is Apr-Jan

Trade deficit

FIG 172 – TRADE DEFICIT NARROWS TO US\$ 12.9BN IN FEB'21 FROM US\$ 14.5BN IN JAN'21

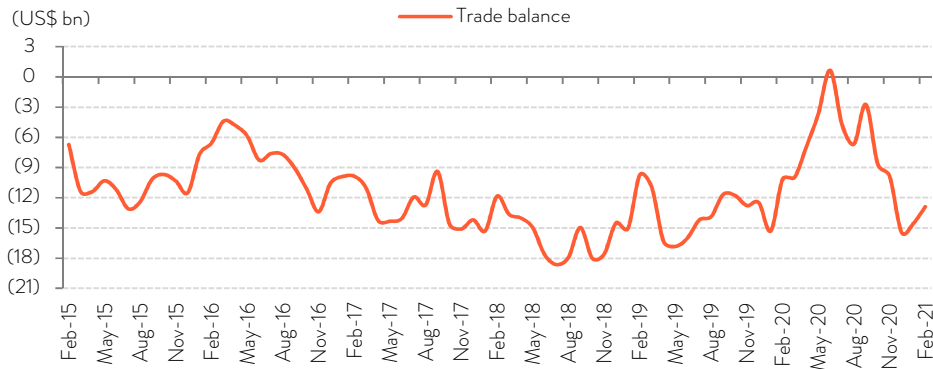
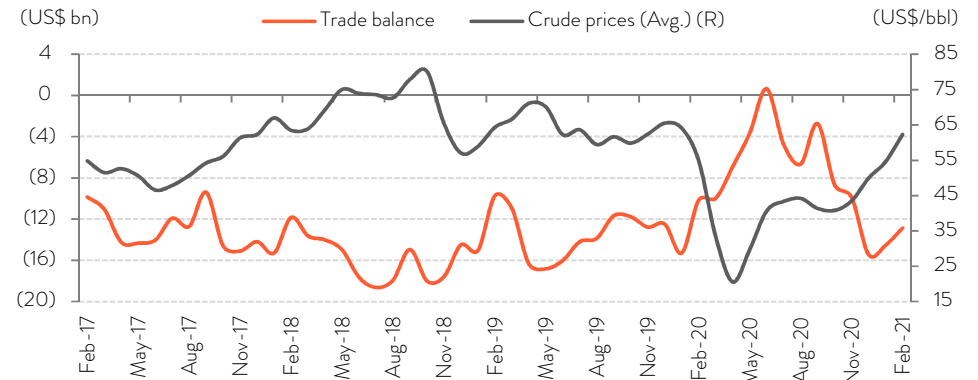
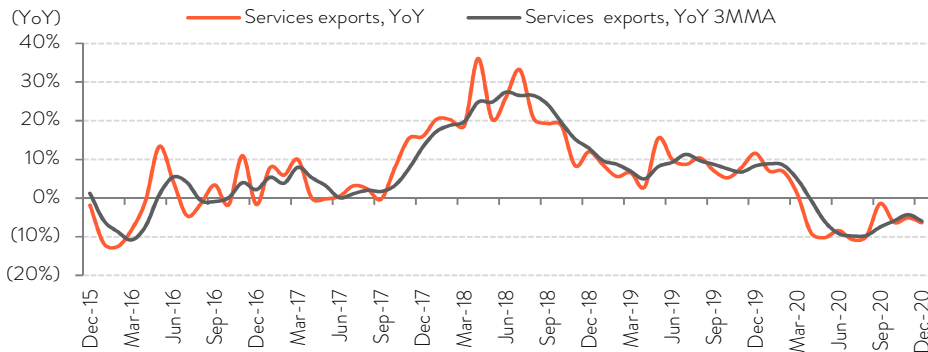


FIG 173 – EVEN AS OIL PRICES INCHED UP



Trade in services

FIG 174 – SERVICES EXPORTS CONTRACT BY 5.9% IN Q3FY21 VERSUS 7.4% IN DECLINE IN Q2FY21



BoP

FIG 175 – CURRENT ACCOUNT SURPLUS NARROWS TO 2.4% OF GDP IN Q2FY21 FROM A RECORD HIGH OF 3.9% OF GDP IN Q1FY21

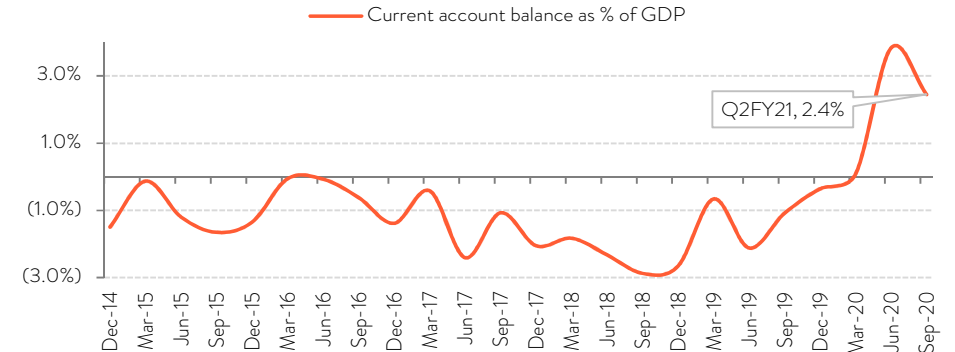


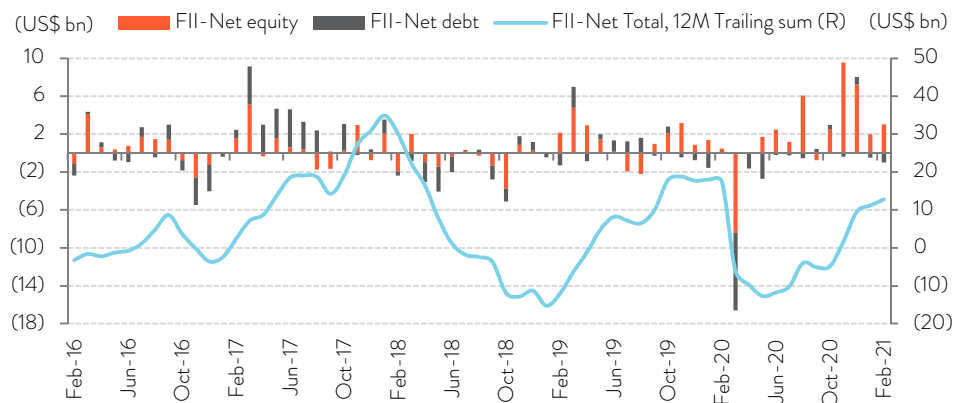
FIG 176 – LED BY HIGHER TRADE DEFICIT

(US\$ bn)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Current account	(7.6)	(2.6)	0.6	19.2	15.5
CAD/GDP (%)	(1.1)	(0.4)	0.1	3.8	2.4
Trade balance	(39.6)	(36.0)	(35.0)	(10.8)	(14.8)
- Merchandise exports	80	81.2	76.5	52.4	75.6
- Merchandise imports	119.6	117.3	111.6	63.1	90.4
- Net Services	20.9	21.9	22	20.5	21.2
- - Software	21.1	21.5	21.1	20.8	22.3
Transfers	20	18.9	18.4	17	18.4
Other invisibles	(8.8)	(7.4)	(4.8)	(7.5)	(9.3)
Capital account	13.6	23.6	17.4	1.1	15.4
% of GDP	1.9	3.3	2.4	0.2	2.4
Foreign investments	9.8	17.6	(1.8)	(0.2)	31.6
- FDI	7.3	9.7	12.0	(0.8)	24.6
- FII	2.5	7.8	(13.7)	0.6	7.0
Banking capital	(1.8)	(2.3)	(4.6)	2.2	(11.2)
Short-term credit	(0.6)	(1.4)	(1.0)	(0.2)	(1.8)
ECBs	3.3	3.2	10.3	(1.4)	(4.3)
External assistance	0.4	1.3	0.6	4.1	1.9
Other capital account items	2.5	5.2	13.8	(3.5)	(0.7)
E&O	(0.9)	0.6	0.9	(0.4)	0.6
Overall balance	5.1	21.6	18.8	19.9	31.6

Foreign inflows

FII inflows

FIG 177 – FII INFLOWS PICK UP TO US\$ 2BN IN FEB’21 VERSUS US\$ 1.5BN IN JAN’21



Source: Bloomberg

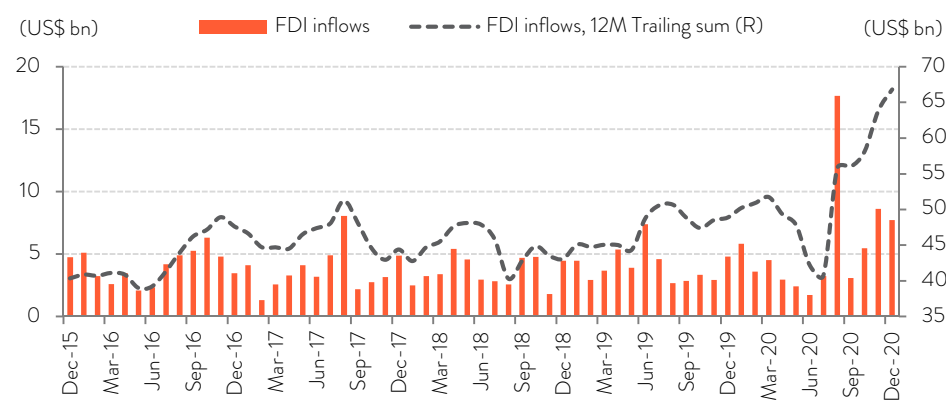
FIG 179 – FDI INFLOWS IN COMPUTER, SOFTWARE REMAINS BUOYANT IN Q3FY21

Sector	% Share FY20	Dec'19	Mar'20	Jun'20	Sep'20	Dec'20
Computer software and hardware	15.4	2.3	1.3	1.1	16.5	7.9
Services Sector	15.7	2.1	1.3	1.1	1.1	2.8
Trading	9.2	1.4	1.1	0.4	0.5	1.6
Automobile industry	5.7	0.4	0.3	0.3	0.1	1.1
Telecommunications	8.9	0.0	0.2	0.0	0.0	0.4

Source: DIPP

FDI inflows

FIG 178 – FDI INFLOWS REMAIN BUOYANT IN FYTD21



Source: RBI, Bank of Baroda Research

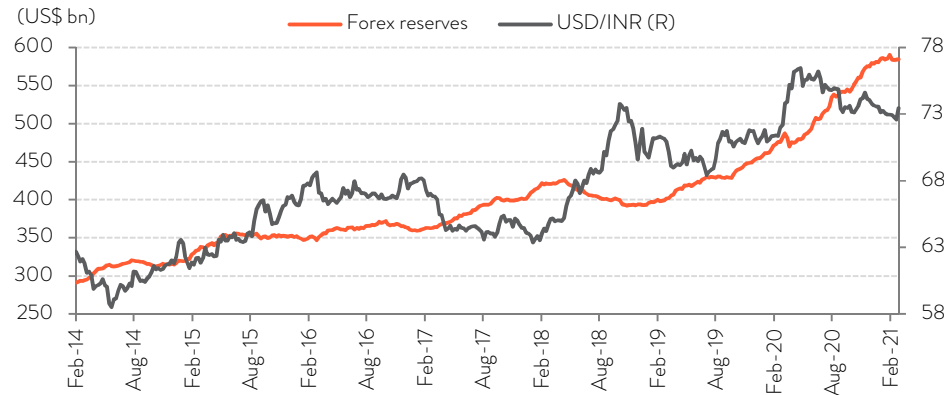
FIG 180 – FDI INFLOWS FROM SINGAPORE ACCELERATE THE MOST IN Q3FY21

Country (US\$ bn)	% Share in FY20	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Singapore	29.4	3.6	3.0	1.8	6.5	9.2
Mauritius	16.5	1.1	0.8	0.9	1.1	2.4
Netherlands	13.0	1.2	3.0	1.1	0.4	2.0
Japan	6.5	1.0	0.4	0.4	0.2	0.8
UK	2.8	0.3	0.3	0.2	1.2	0.7

Source: DIPP

Forex reserves and external debt

FIG 181 – INDIA’S FX RESERVES AT US\$ 584.6BN IN FEB’21, US\$ 109BN ACCRETION IN FYTD21



Source: Bloomberg | Weekly data as of 26 Feb 2021

FIG 182 – IMPORT COVER ALSO RISES TO 19.1 MONTHS IN JAN’21

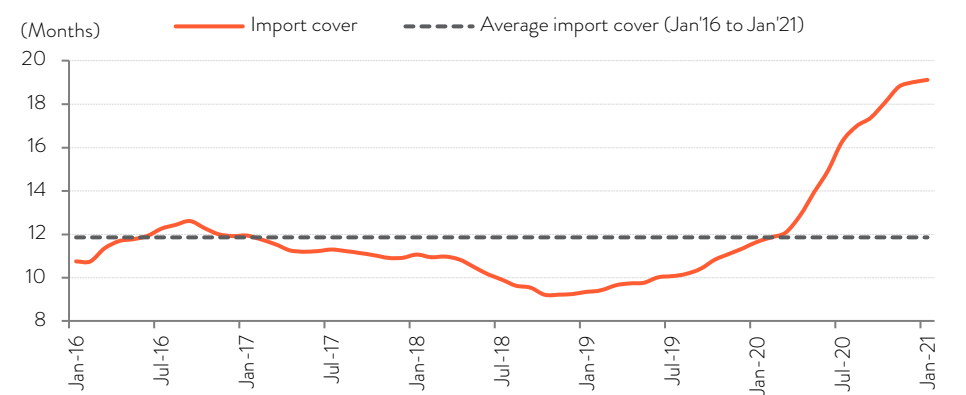


FIG 183 – IN THE SPOT MARKET, RBI BOUGHT US\$ 4BN IN DEC’20 VERSUS US\$ 10.3BN IN NOV’20

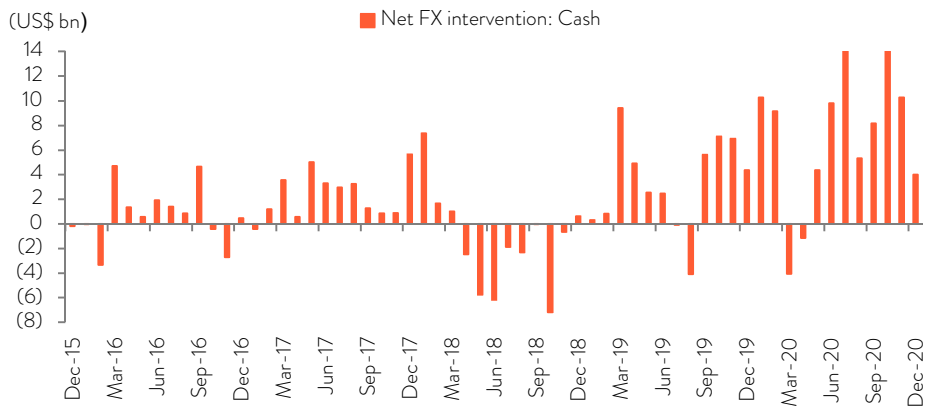
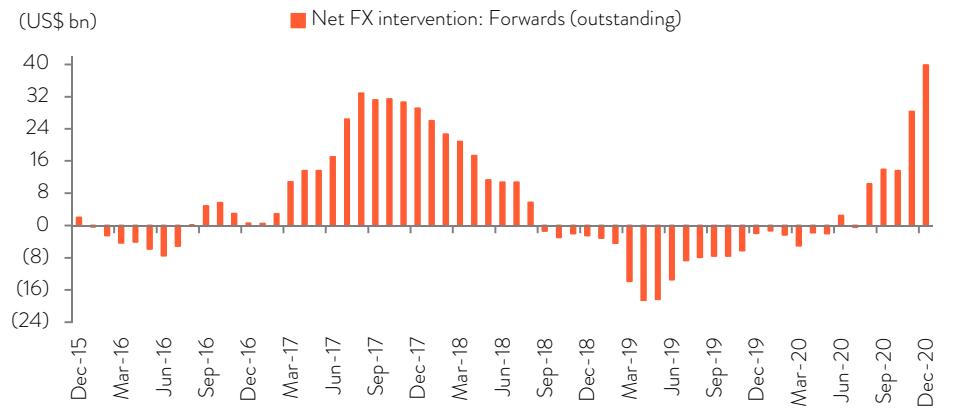


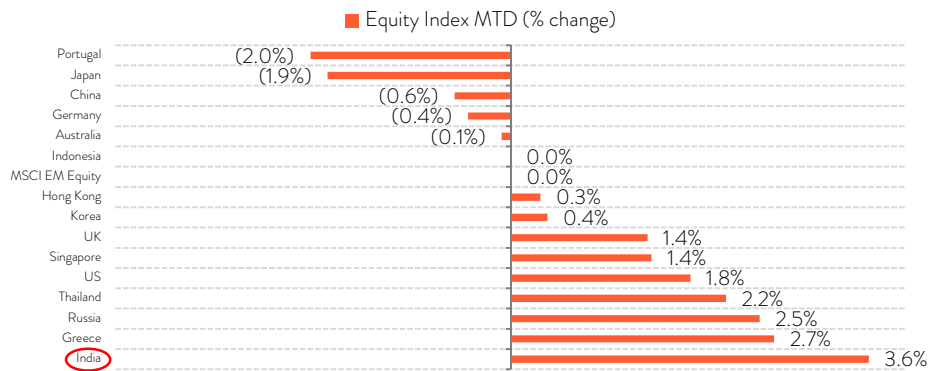
FIG 184 – IN FORWARDS MARKET, RBI BOUGHT US\$ 11.4BN IN DEC’20 VERSUS US\$ 14.8BN IN NOV’20, OUTSTANDING POSITION AT US\$ 39.8BN



Markets

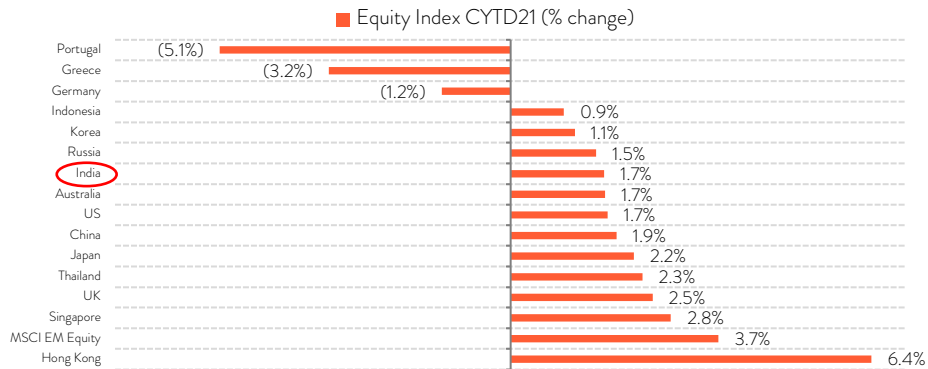
Equity

FIG 185 – IN MAR'21, SENSEX ROSE THE MOST BY 3.6% AMONGST MAJOR ECONOMIES



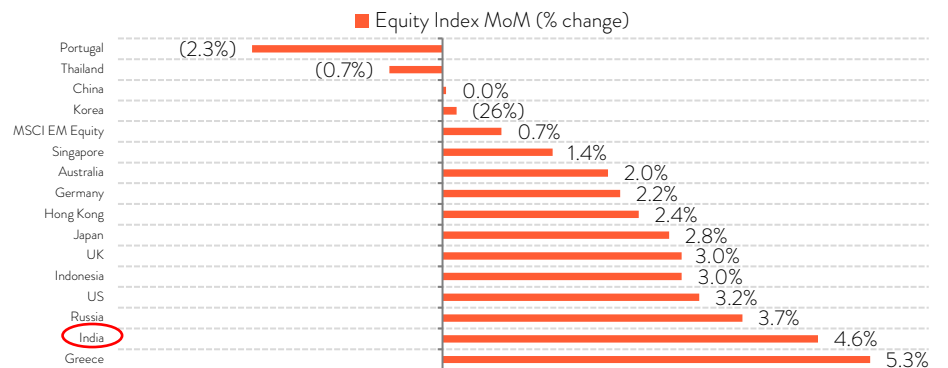
Source: Bloomberg | * As on 5 Mar 2021, Indices are in US\$ terms

FIG 187 – IN CYTD21, SENSEX ROSE BY 1.7%



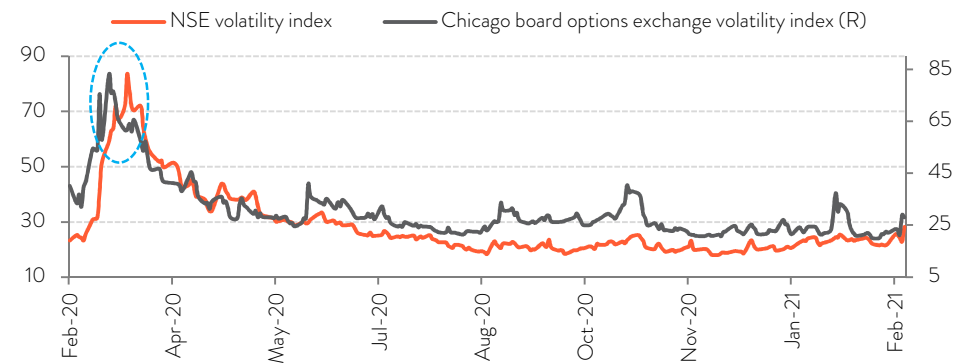
Source: Bloomberg | * As on 26 Feb 2021, Indices are in US\$ terms

FIG 186 – IN FEB'21 SENSEX ROSE BY 4.6% AGAINST MSCI EM'S INCREASE OF ONLY 0.7%



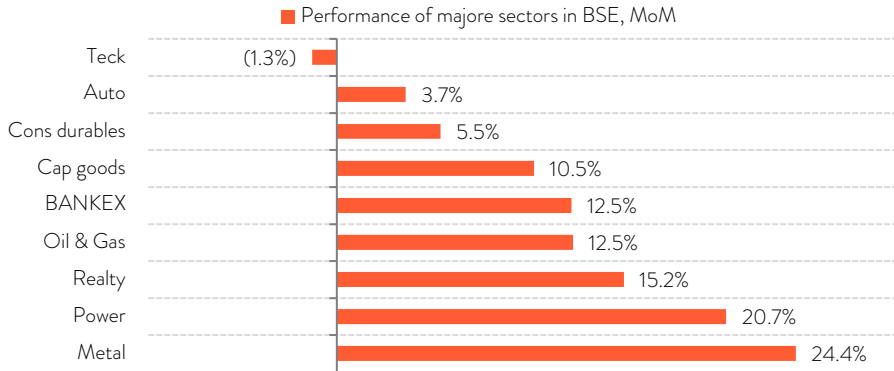
Source: Bloomberg | * As on 26 Feb 2021, Indices are in US\$ terms

FIG 188 – VIX INDEX ROSE TO 28.14 IN FEB'21 FROM 25.34 IN JAN'21



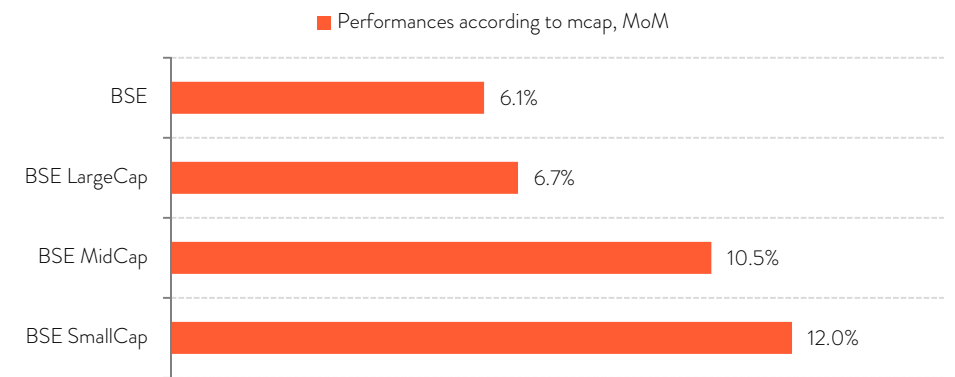
Source: Bloomberg

FIG 189 – METAL AND POWER STOCKS ROSE THE MOST



Source: Bloomberg | As on 26 Feb 2021

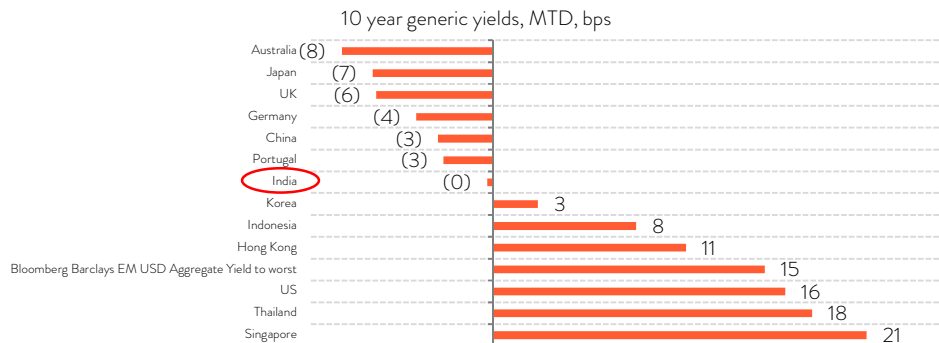
FIG 190 – SMALL CAPS ROSE THE MOST



Source: Bloomberg | As on 26 Feb 2021

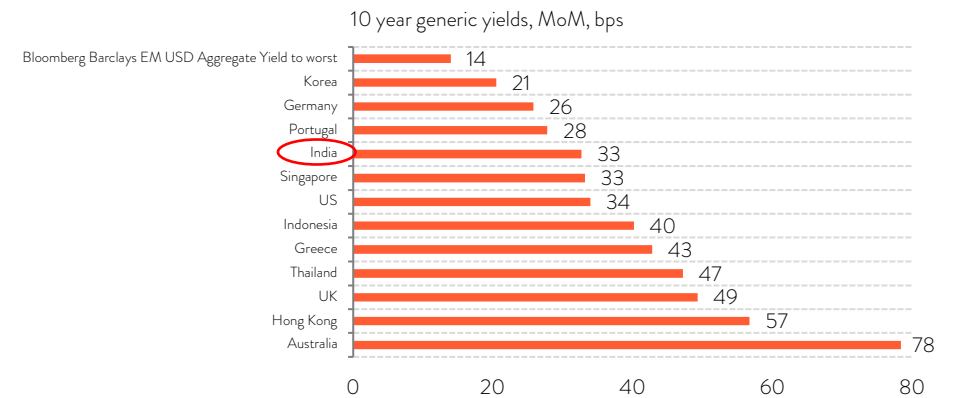
10 year bond yields

FIG 191 – IN MAR'21, INDIA'S 10Y YIELD REMAINED FLAT



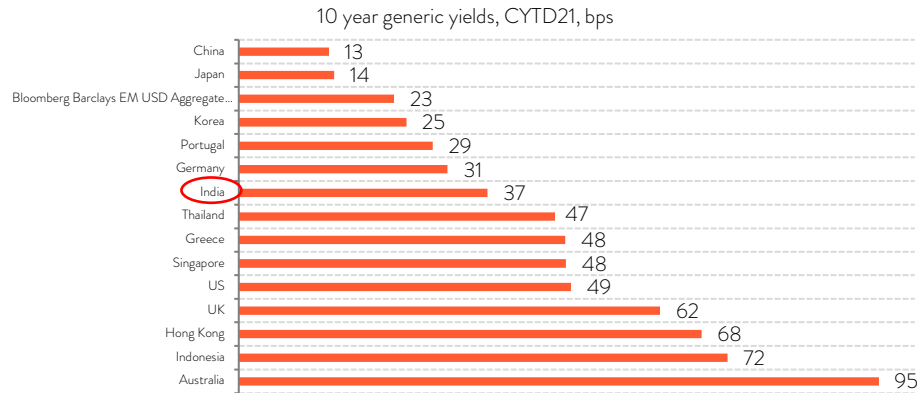
Source: Bloomberg | * As on 5 Mar 2021, Note: For India 5.85GS2030 yield is taken

FIG 192 – IN FEB'21, INDIA'S 10Y YIELD ROSE BY 33BPS, MUCH HIGHER THAN EM COMPOSITE YIELD INDEX WHICH ROSE BY ONLY 14BPS



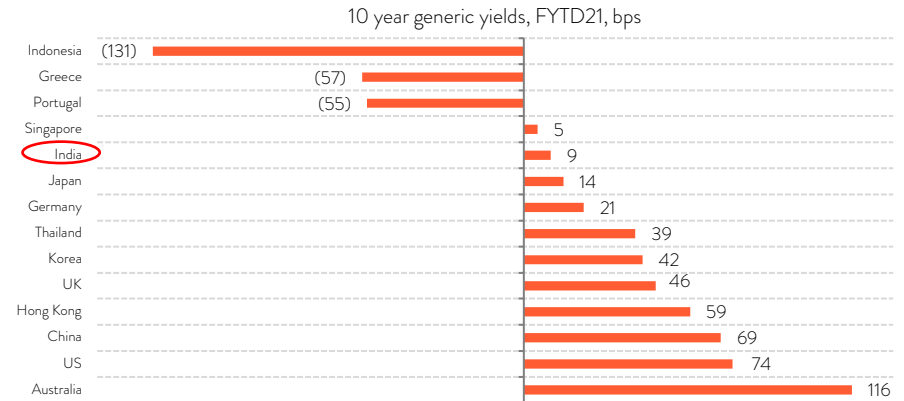
Source: Bloomberg | * As on 26 Feb 2021, Note: For India 5.85GS2030 yield is taken

FIG 193 – IN CYTD21 AS WELL, INDIA’S 10Y YIELD ROSE BY 37BPS



Source: Bloomberg | * As on 26 Feb 2021, Note: For India 5.85GS2030 yield is taken

FIG 194 – IN FYTD21, INDIA’S 10Y YIELD ROSE BY 9BPS



Source: Bloomberg | * As on 26 Feb 2021, Note: For India 5.85GS2030 yield is taken

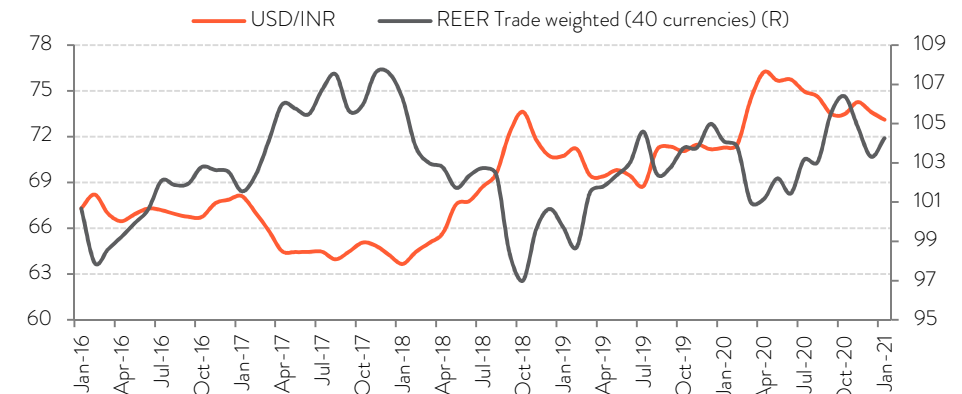
Currencies

FIG 195 – INR DEPRECIATED IN FEB'21



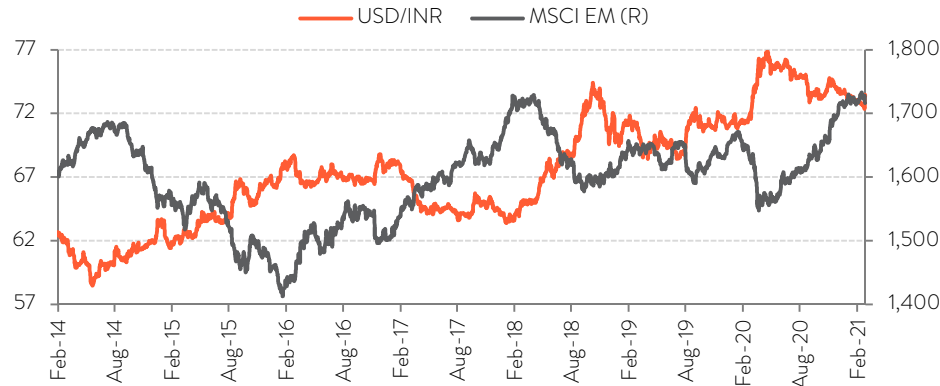
Source: Bloomberg | *As on 26 Feb 2021

FIG 196 – INR STILL OVERVALUED BY 4.3% (JAN'21)



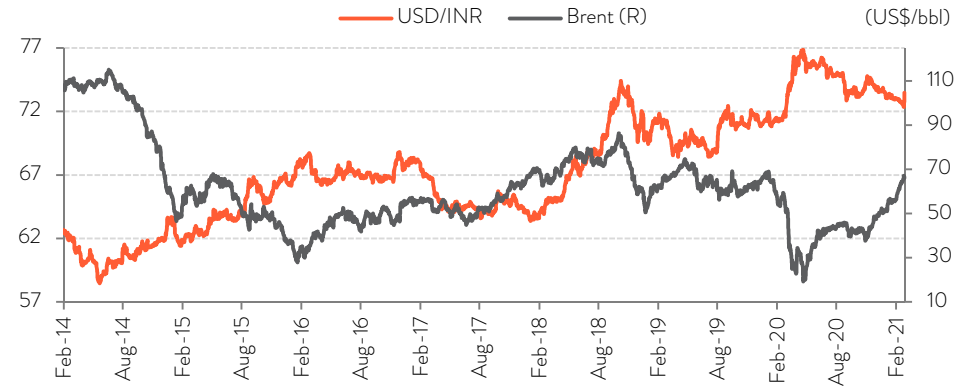
Source: Bloomberg

FIG 197 – INR DEPRECIATED IN LINE WITH OTHER EMERGING MARKET CURRENCIES



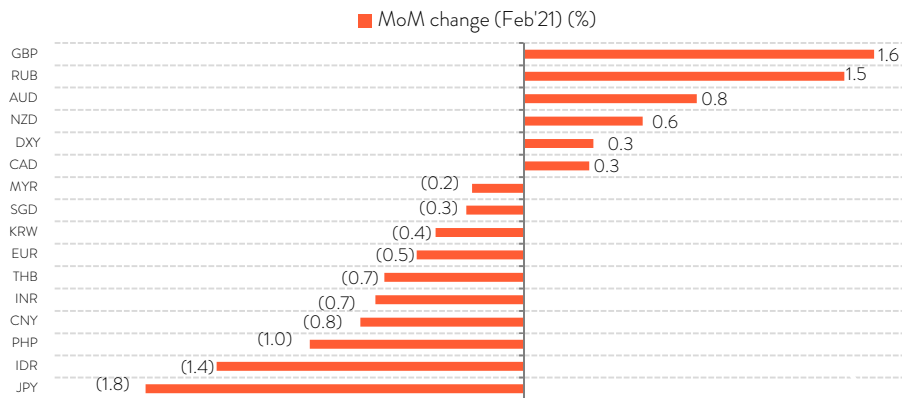
Source: Bloomberg | *As on 26 Feb 2021

FIG 198 – .. AS OIL PRICES ROSE



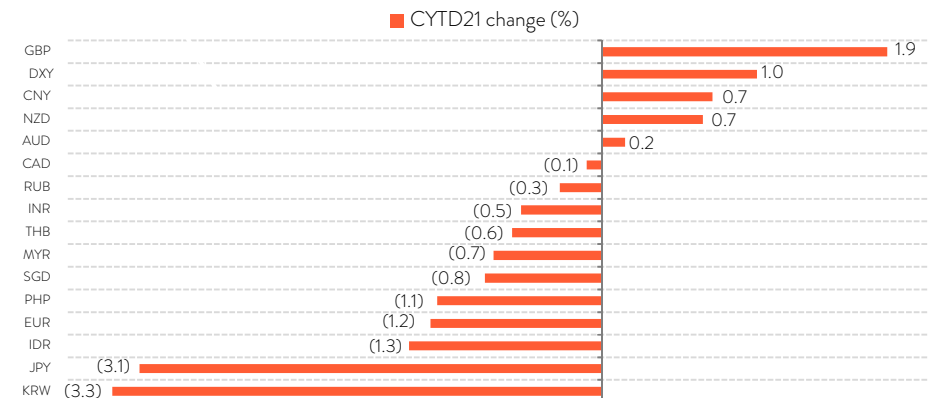
Source: Bloomberg | *As on 26 Feb 2021

FIG 199 – GLOBAL CURRENCIES CLOSED MIXED IN FEB'21



Source: Bloomberg | *As on 26 Feb 2021

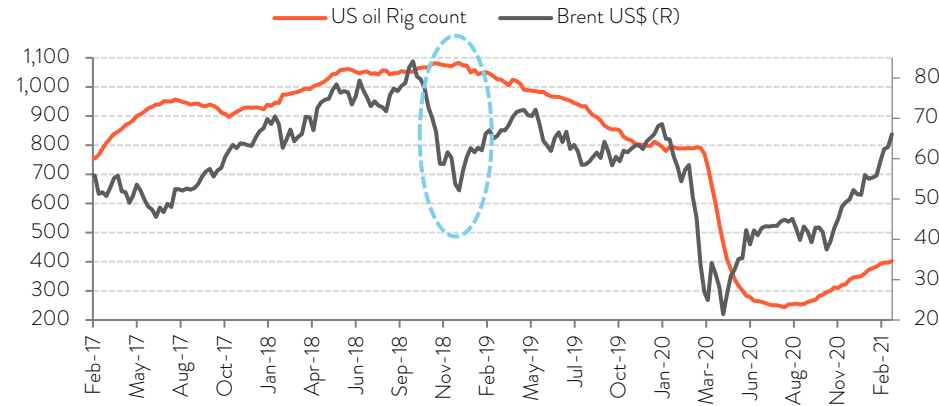
FIG 200 – DXY HAS RISEN BY 1% IN CYTD21



Source: Bloomberg | *As on 26 Feb 2021

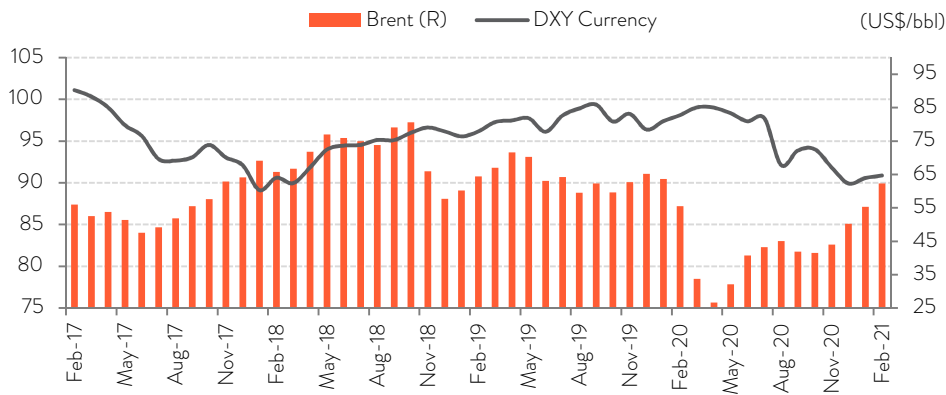
Commodities

FIG 201 – OIL PRICES ROSE IN FEB’21, US RIG COUNT INCHED UP



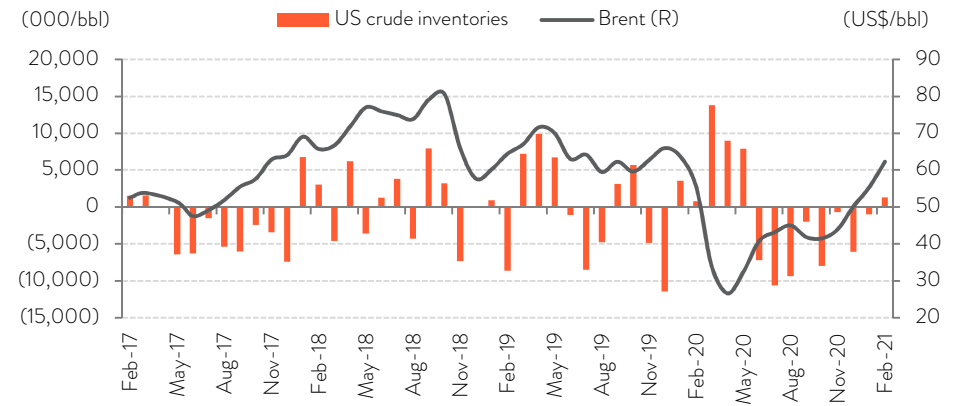
Source: Bloomberg

FIG 203 – OIL PRICES ON AN AVERAGE ROSE TO US\$ 62/BBL IN FEB’21 FROM US\$ 55/BBL IN JAN’21, DXY ALSO ROSE TO 90.88 FROM 90.58



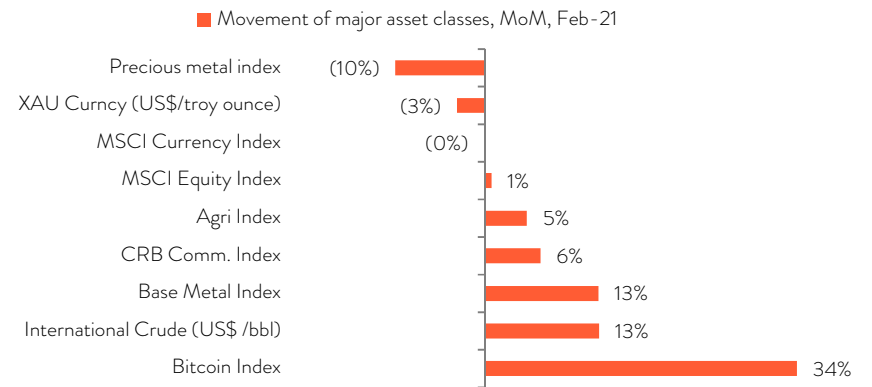
Source: Bloomberg | DXY Index as on last trading day of the month

FIG 202 – US CRUDE OIL INVENTORIES INCREASED IN FEB’21, SO IS OIL PRICE



Source: Bloomberg

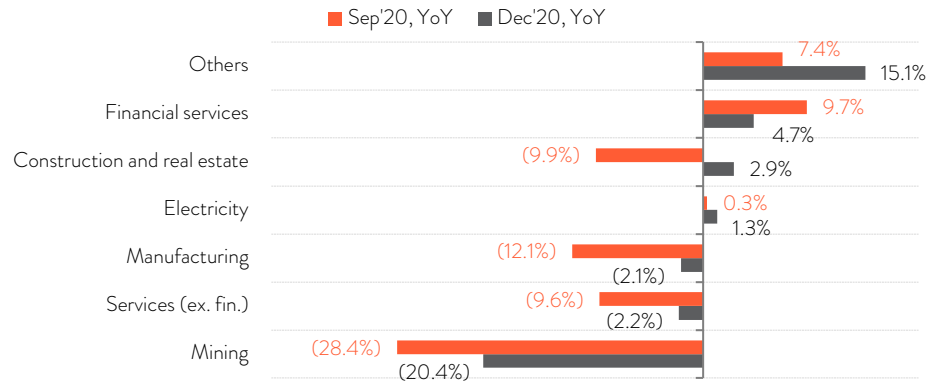
FIG 204 – BITCOIN INDEX ROSE THE MOST FOLLOWED BY CRUDE PRICES IN FEB’21, AMONGST MAJOR ASSET CLASS



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

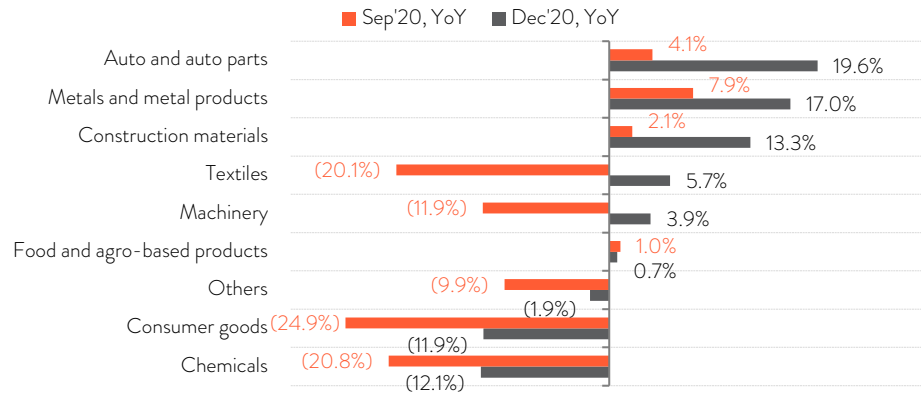
Corporate earnings

FIG 205 – NET SALES IN MAJOR SECTORS IMPROVES IN DEC'20



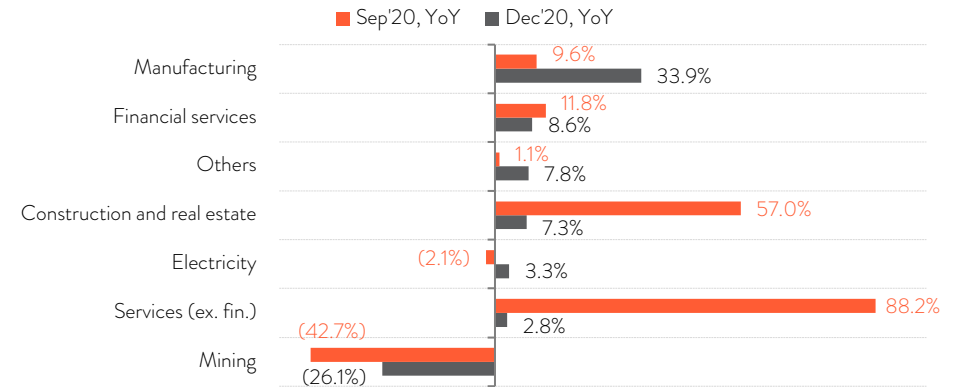
Source: CMIE Prowess database, Note: based on financial results of 500 BSE listed companies

FIG 207 – CONSUMER GOODS AND TEXTILES CONTINUE TO SEE SALES UNDER PRESSURE



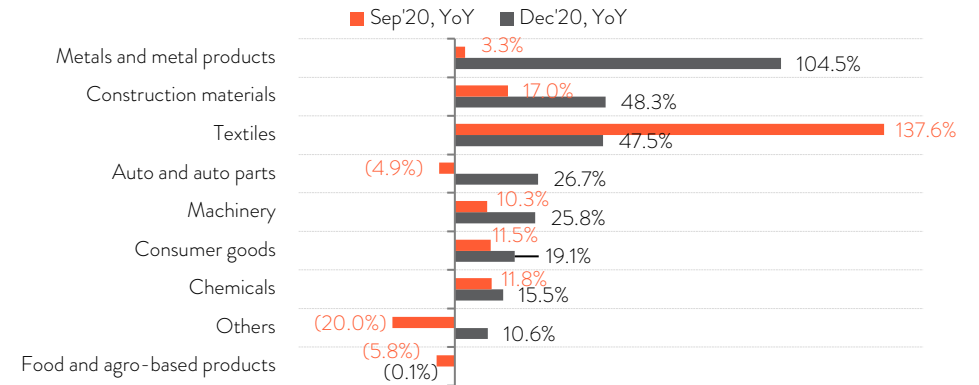
Source: CMIE Prowess database, Note: based on financial results of 255 BSE listed companies

FIG 206 – PBDIT IN MANUFACTURING IMPROVES THE MOST IN DEC'20



Source: CMIE Prowess database, Note: based on financial results of 500 BSE listed companies

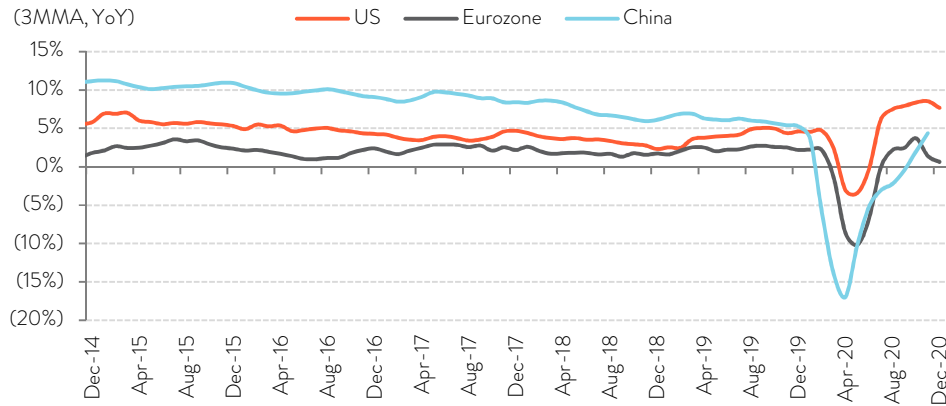
FIG 208 – PBDIT OF METALS SECTOR ROSE THE MOST IN Q3FY21



Source: Source: CMIE Prowess database, Note: based on financial results of 255 BSE listed companies

Global consumption

FIG 209 – RETAIL SALES IMPROVE IN CHINA AND US;DIPS IN EUROZONE



Note: Retail sales for China till Nov'20

FIG 210 – AUTO SALES SLIPS DOWN FOR US AND EUROZONE

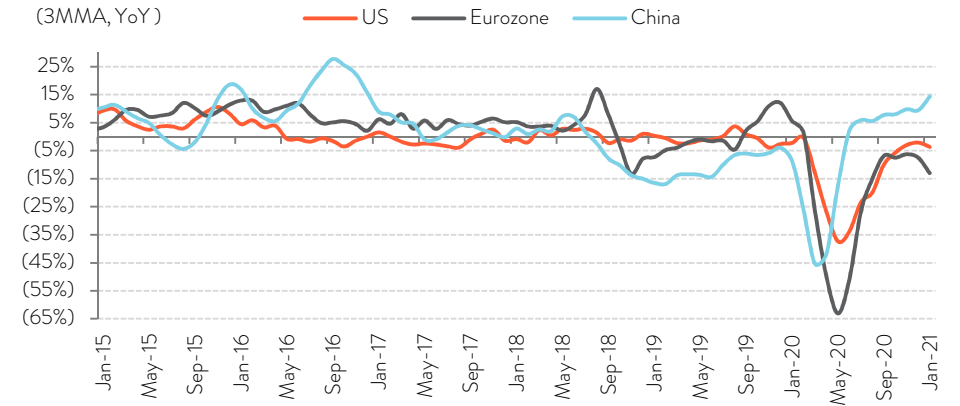
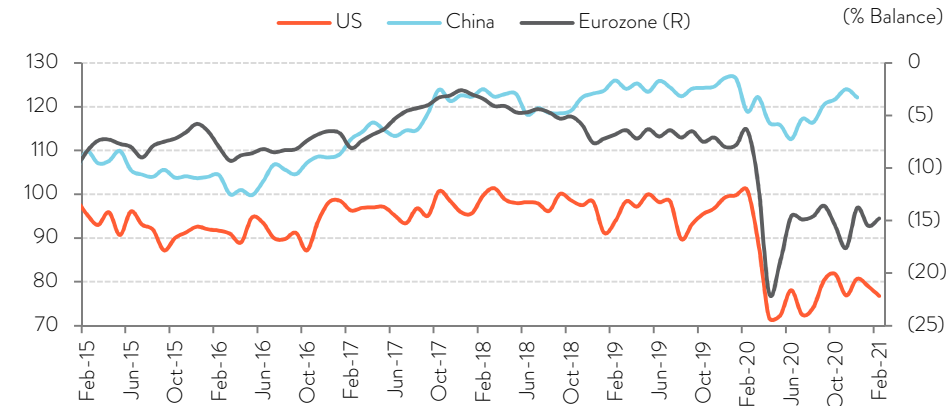
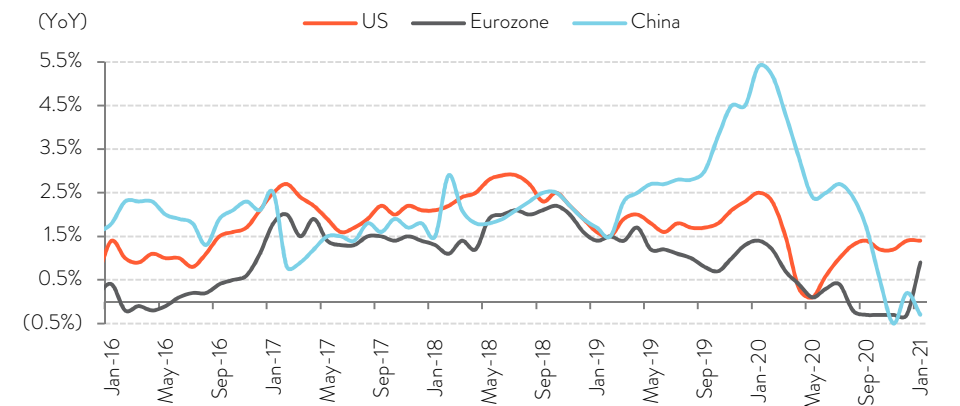


FIG 211 – CONSUMER CONFIDENCE DIPS FOR US; INCHES UP FOR EUROZONE



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

FIG 212 – CPI EDGES UPWRADS FOR EUROZONE



Policy

FIG 213 – GLOBAL CENTRAL BANKS ARE ON MONETARY EASING CYCLE

Country	Current inflation rate (%)	Current policy rate (%)	CY20 (change in bps)	CYTD21 (change in bps)	Direction of policy rate in CYTD21
Germany	1.3	0	0	0	-
Russia	5.2	4.3	(200)	0	-
UK	0.7	0.1	(65)	0	-
US	1.4	0.3	(150)	0	-
India	4.1	4.0	(115)	0	-
Japan	(0.6)	(0.1)	0	0	-
China	(0.3)	4.4	0	0	-
Korea	0.6	0.5	(75)	0	-
Australia	0.9	0.1	(65)	0	-
Thailand	(0.3)	0.5	(75)	0	-
Malaysia	(0.2)	1.8	(125)	0	-
Turkey	15.0	17.0	500	0	-
Brazil	4.6	2.0	(250)	0	-
Phillipines	4.2	2.0	(200)	0	-
Indonesia	1.4	3.5	(125)	(25)	↓
Mexico	3.5	4.0	(300)	(25)	↓

Source: Bloomberg

Global investment and manufacturing

FIG 214 – GLOBAL MANUFACTURING AND SERVICES STEADY IN FEB'21

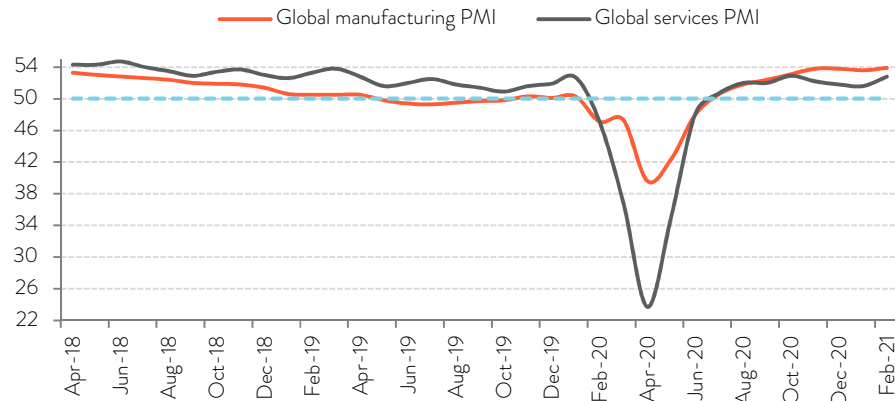


FIG 215 – MANUFACTURING ACTIVITY (PMI) IN US AND GERMANY IMPROVED IN FEB'21

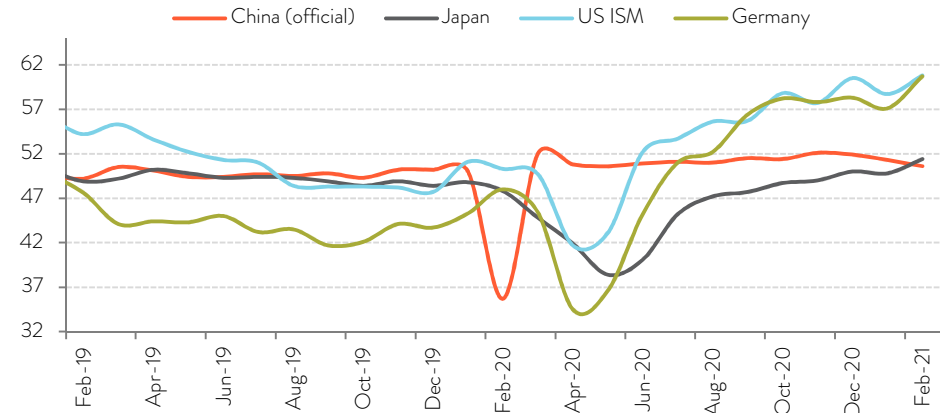


FIG 216 – PRODUCER PRICES INCHED UP THE MOST IN US AND GERMANY

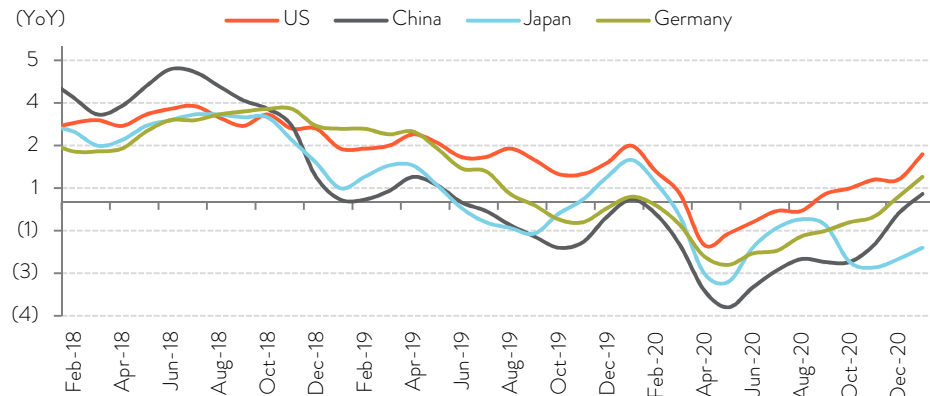
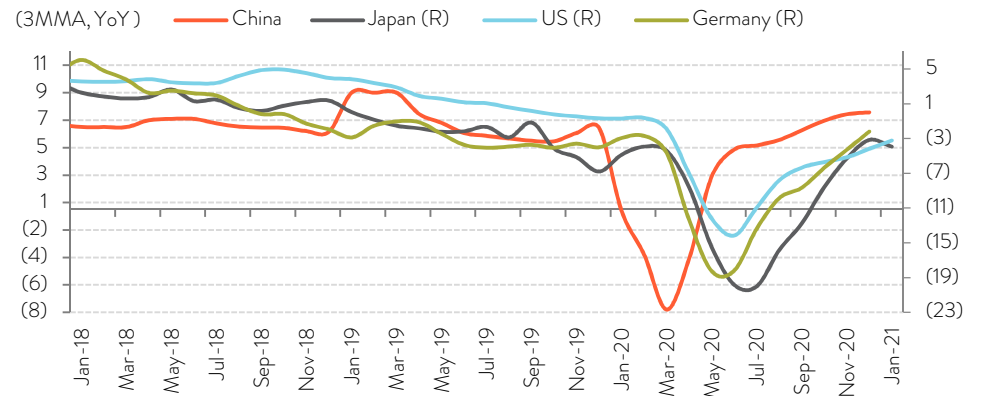


FIG 217 – INDUSTRIAL PRODUCTION IN US AND GERMANY ROSE IN JAN'21



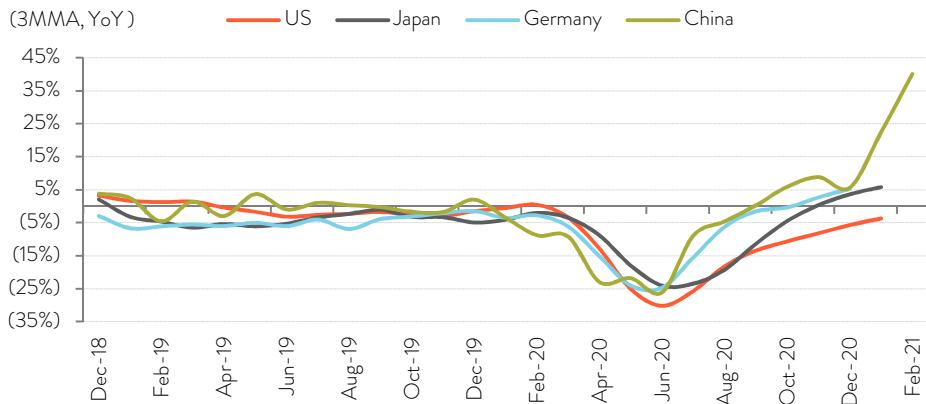
Global trade

FIG 218 – WORLD TRADE VOLUME SHOWING STEADY IMPROVEMENT



Source: NPB, World Trade Monitor

FIG 220 – CHINA'S EXPORTS RISE SHARPLY IN JAN-FEB'21



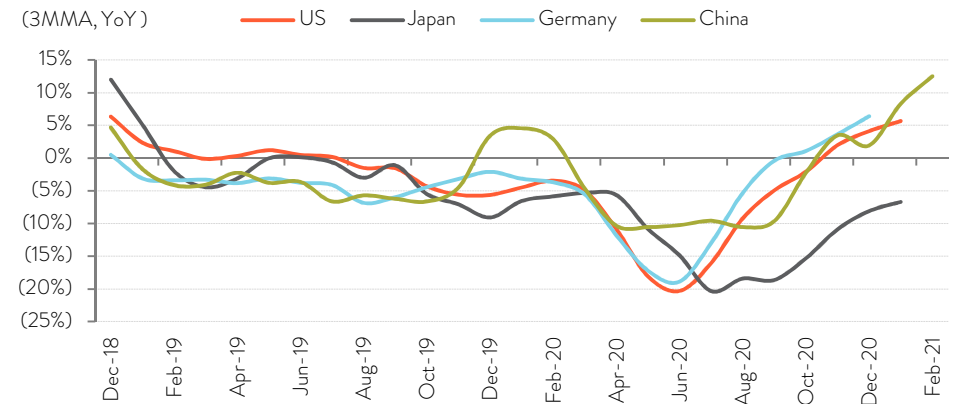
Source: Bloomberg

FIG 219 – PICKUP IN TRADE VOLUMES IN ASIA (EX. CHINA)

Country/Region (% YoY)	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Africa and Middle East	(7.7)	(5.9)	(3.8)	(4.8)	(5.3)	(3.1)
China	(4.1)	(4.5)	0.2	(1.2)	1.0	1.3
Eastern Europe / CIS	(8.1)	(9.9)	(14.6)	(14.3)	(11.6)	(12.1)
Emerging Asia (ex. China)	(10.5)	(9.7)	(1.4)	(5.2)	(2.4)	3.7
Euro Area	(9.1)	(5.6)	(4.1)	(4.0)	(1.6)	(0.5)
Japan	(14.1)	(11.3)	(8.4)	(3.2)	1.3	(0.7)
Latin America	(10.8)	(11.4)	(3.1)	(5.2)	0	1.9
US	(8.3)	(6.5)	(4.3)	(1.2)	1.0	1.2

Source: CPB, World Trade Monitor

FIG 221 – ...SIMILAR TREND IN IMPORTS



Source: Bloomberg

FIG 222 – PERFORMANCE OF HIGH FREQUENCY INDICATORS

Indicators	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Agriculture											
Domestic Tractor Sales	(80.1)	0.5	20.2	35.9	64.8	26.7	9.0	48.3	41.2	47.5	-
Two Wheeler Sales	-	(88.8)	(40.9)	(37.5)	(28.7)	(12.6)	(26.8)	(21.4)	11.9	(8.8)	-
MNREGA work (HH, MoM)	-	179	20	(29)	(24)	0.3	(0.3)	(6.6)	16.5	(0.9)	(8.6)
Manufacturing											
IIP: General Index	(57.3)	(33.4)	(16.6)	(10.5)	(7.1)	1.0	4.2	(2.1)	1.0	-	-
IIP: Manufacturing	(66.6)	(37.8)	(17.0)	(11.4)	(7.6)	0.4	4.1	(2.0)	1.6	-	-
IIP: Capital goods	(92.7)	(65.9)	(37.4)	(22.8)	(14.4)	(1.2)	3.5	(7.4)	0.6	-	-
IIP: Infra & Construction goods	(85.0)	(39.0)	(18.3)	(8.2)	0	4.0	9.9	1.7	0.9	-	-
IIP: Consumer goods	(95.7)	(70.3)	(34.8)	(23.7)	(10.2)	5.3	18.0	(3.4)	4.9	-	-
Steel	(82.8)	(40.4)	(23.2)	(6.5)	0.5	6.2	4.0	(0.4)	(2.7)	-	-
Cement	(85.2)	(21.4)	(6.8)	(13.5)	(14.5)	(3.4)	3.2	(7.3)	(9.7)	-	-
Electricity demand	(25.3)	(13.2)	(7.3)	(3.1)	(4.2)	2.5	5.3	4.4	7.0	7.7	3.4*
PMI: Manufacturing	27.4	30.8	47.2	46	52	56.8	58.9	56.3	56.4	57.7	57.5
Services											
Services PMI index	5.4	12.6	33.7	34.2	41.8	49.8	54.1	53.7	52.3	52.8	55.3
Automobile sales	-	(88.9)	(42.0)	(36.3)	(26.8)	(10.2)	(24.0)	(19.3)	11.0	(9.7)	-
Passenger vehicle sales	-	(87.0)	(38.3)	(25.2)	(7.1)	9.8	(8.8)	4.2	24.0	(4.5)	-
Vehicle Registration	(78.3)	(88.6)	(41.4)	(35.2)	(25.4)	(8.4)	(22.3)	(17.5)	11.6	(9.0)	-
Domestic air passenger traffic	(99.9)	(97.4)	(83.5)	(82.6)	(75.8)	(65.1)	(56.8)	(50.2)	(42.9)	(38.7)	-
Rail freight traffic	(35.3)	(21.3)	(7.7)	(4.6)	3.9	15.5	15.4	9.0	8.7	8.7	8.7**
Port Cargo volume	(21.1)	(23.3)	(14.5)	(13.2)	(10.4)	(1.9)	(1.2)	2.8	4.4	4.0	1.9
Credit growth	6.8	5.5	5.6	6.4	5.5	5.1	5.6	5.9	6.3	5.9	6.6
Deposit growth	9.9	10.5	9.6	12.1	10.9	10.5	11.1	10.7	10.8	11.1	11.8
CIC	15.7	19.1	22.0	23	23.2	22.7	20.3	22.8	22.4	21.4	20.3^
Toll collection (in mn)	-	-	81.9	86.6	96.8	110.1	122.4	124.9	138.4	149.2	132.5*
Diesel consumption	(55.6)	(29.5)	(15.5)	(19.4)	(20.7)	(5.9)	7.5	(6.9)	(2.7)	(2.0)	(8.6)
GST E-way bill (in mn)	8.6	25.5	43.4	48.4	49.4	57.4	64.2	57.7	64.2	62.9	63.8
External Trade											
Merchandise exports	(61.0)	(35.7)	(12.2)	(9.5)	(12.2)	6.0	(4.7)	(8.6)	0.1	6.2	(0.3)
Merchandise imports	(59.7)	(51.0)	(48.0)	(29.6)	(26.0)	(19.6)	(11.5)	(13.3)	7.6	2.0	(7.0)
Services exports	(8.9)	(10.2)	(8.4)	(10.8)	(9.9)	(1.4)	(6.3)	(5.1)	(6.4)	-	-
Services imports	(18.4)	(20.4)	(15.3)	(21.7)	(20.1)	(8.7)	(12.3)	(11.8)	(8.4)	-	-

Source: CEIC, MoRTH, Posoco, Markit, RBI, Bank of Baroda Research * - as on 24 Feb 2021, ** as of 10th Feb 2021, ^ - as of 19 Feb 2021

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