

# India Economics

## Monthly Chartbook

December 2024

Economic Research Department

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## Growth inflation powerplay continues

India's GDP growth for Q2FY25 moderated to 5.4% in Q2FY25 much lower than anticipated. However, a rebound is expected in H2FY25 on the back of acceleration in government spending. Consumption spending is also expected to inch up with support from rural spending and ongoing wedding season. RBI in its latest policy meet with a majority of 4-2 voted to keep the repo rate unchanged and also maintained their neutral stance allowing flexibility in terms of future action. Both growth and inflation forecasts have been revised to 6.6% and 4.8% respectively for FY25. RBI did resort to a CRR cut of 50bps which will add over Rs. 1.16 lakh crore of liquidity. We see the beginning of the easing cycle (25bps: BoB estimate) from Feb'25 onwards.

**The consumption story:** India's PFCE growth inched up to 6% in Q2FY25 against a growth of 2.6% in Q2FY24. On the other hand, in line with expectations, the GFCE growth moderated to 4.4% from 14.4% in Q2FY24. There are mixed signs of how consumption story is faring so far as reflected by high frequency indicators including uptick in electronic imports. RBI's consumer confidence in Nov'24 turned optimistic for future. However, some moderation was noted in digital payments, PV sales and credit growth. On rural front, agriculture growth remained a bright spot, clocking a growth of 4% in Q2FY25 (1.7% in Q2FY24). Rabi sowing so far has been higher compared with last year supported by good soil conditions and better reservoir levels.

**Central government finances:** Centre's fiscal deficit rose to 5.1% as of Oct'24 (12MMA basis) from 4.6% in Sep'24, as revenue growth moderated. Till Oct'24 (FYTD basis), total expenditure rose by 3.3%, following (-) 0.4% decline registered in H1FY25. This was due to bounce back in revenue spending, as it

rose by 8.7% from 4.2% in H1. Capex continued to decline but at slightly slower pace (-14.7% versus -15.4%). On the income side, Centre's net revenue growth slowed to 8.7% from 16.1% in H1, dragged by moderation in direct tax collections (11.1% versus 13.6%) and non-tax receipts (50.2% versus 50.9%). Indirect tax collections held ground. We expect spending to pick up further in the coming months, to meet budgeted targets.

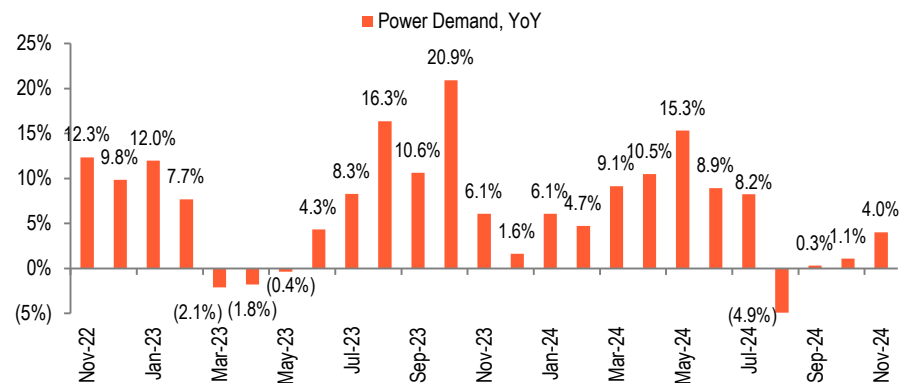
**Yields witnessed volatility:** India's 10Y yield witnessed quite a bit of momentum. In Nov'24, it moderated in line with global yields. Same narrative persisted till RBI policy where markets priced in slimmer chances of rate cut on account of sharp slowdown in Q2 GDP data. However, post RBI policy, much sell off was witnessed as status quo prevailed. This might be following a hawkish policy following upward revision in inflation projections. The CRR cut of 50bps was in line with market expectations. However, RBI's flagging of pressure on liquidity in H2 has wrecked some nerves which got reflected in a sharp 7bps increase in 10Y yield post policy. Going forward, the only comfort to yield can come from a downside surprise in CPI data and favourable liquidity.

**INR at lifetime-low:** INR depreciated by 0.5% Nov'24 due to a stronger dollar. The pace of FPI outflows eased and oil prices were lower. A stronger US\$ has been the key driver of this trend. Even in Dec'24, INR has traded with a depreciating bias. The growing uncertainty about US fiscal and monetary policy is likely to keep the DXY stronger. This is likely to weigh on global currencies including INR. We expect INR to trade at current levels with a depreciating bias. RBI's recent measures to boost foreign inflows and a rangebound CAD should lend support over the medium term.

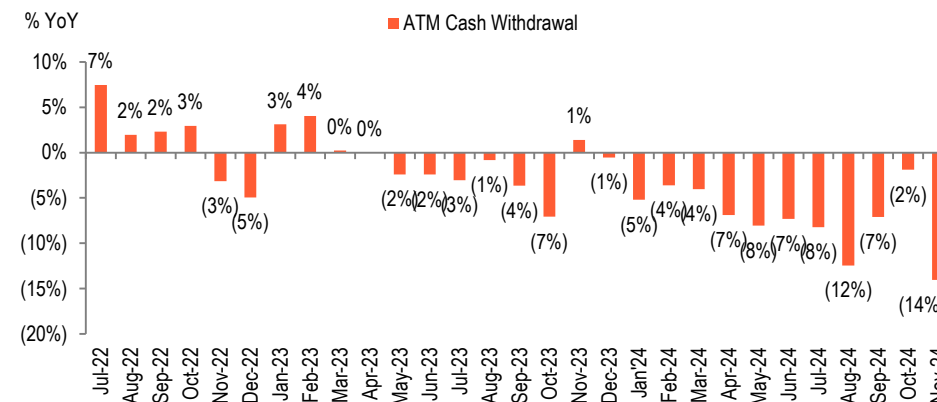
**Note:** The source for all exhibits is 'CEIC and Bank of Baroda' unless otherwise specified

## High frequency indicators

**Fig 1 – Power demand edges upwards**

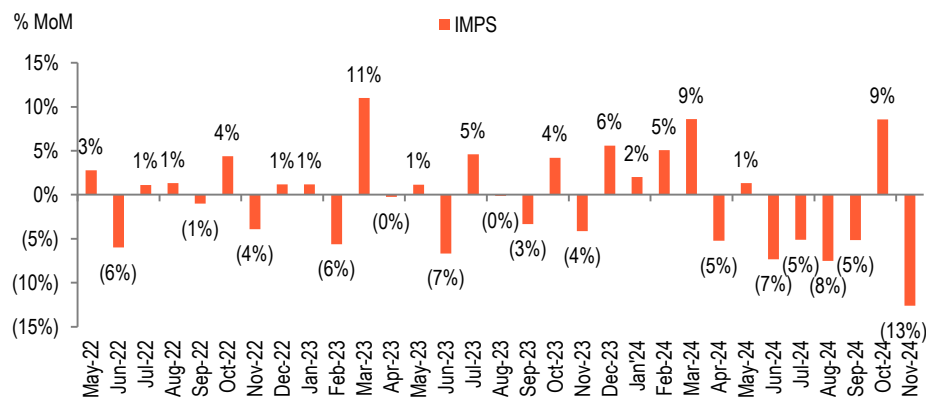


**Fig 2 – Cash withdrawals decline sharply**



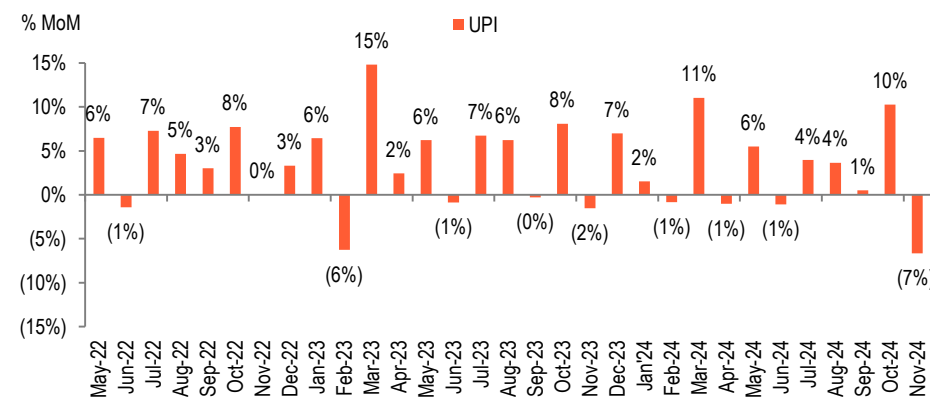
Source: NPCI. Note: NFS Cashwithdrawal amount does not include Card to Card Transfer

**Fig 3 – Volume of IMPS transactions drops**



Source: RBI

**Fig 4 – Similar trend in UPI payments**



Source: RBI

Fig 5 – Growth in fertilizer sales moderate

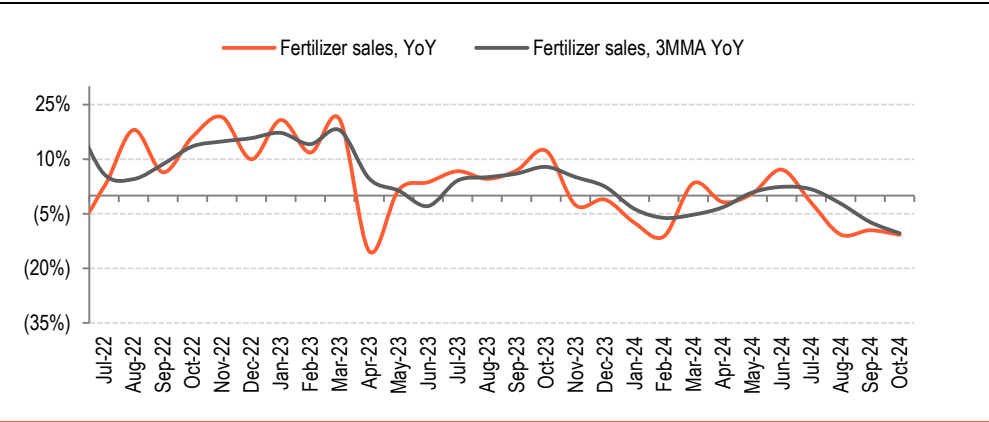
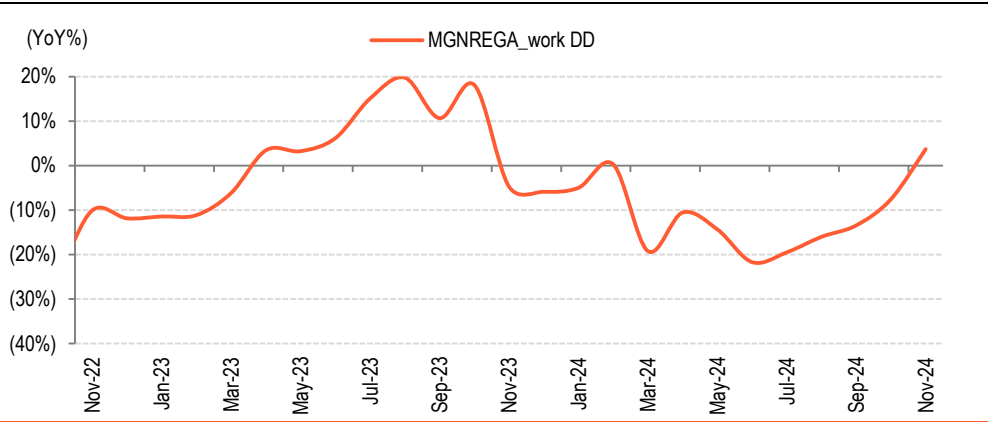
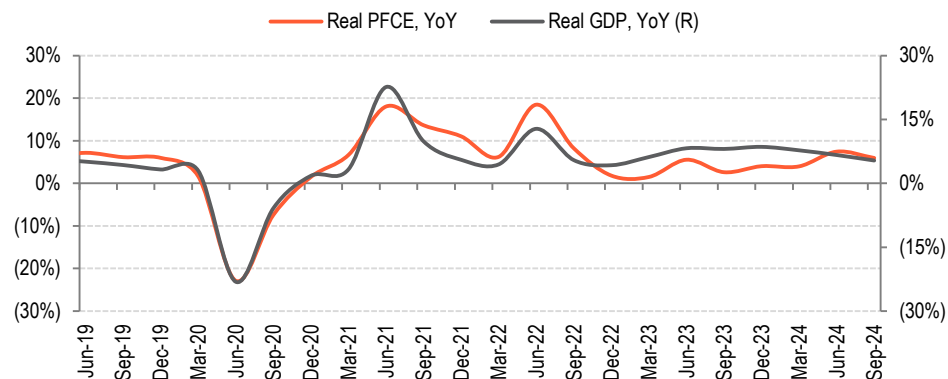


Fig 6 – Demand for work (MGNREGA-household) inch up further

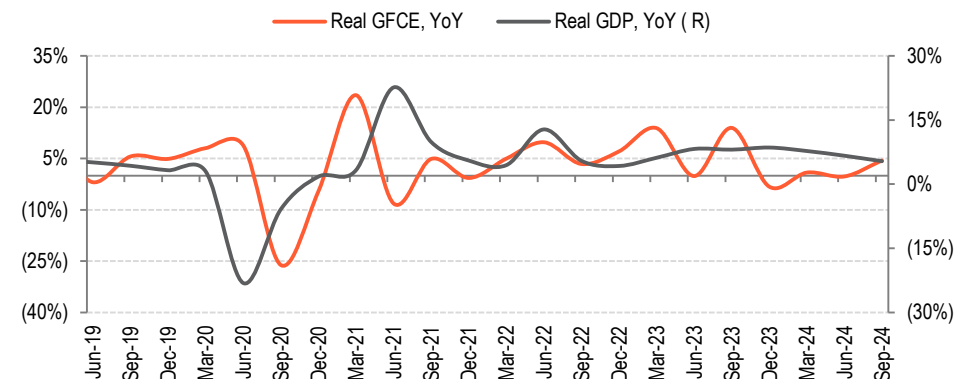


## Final consumption expenditure

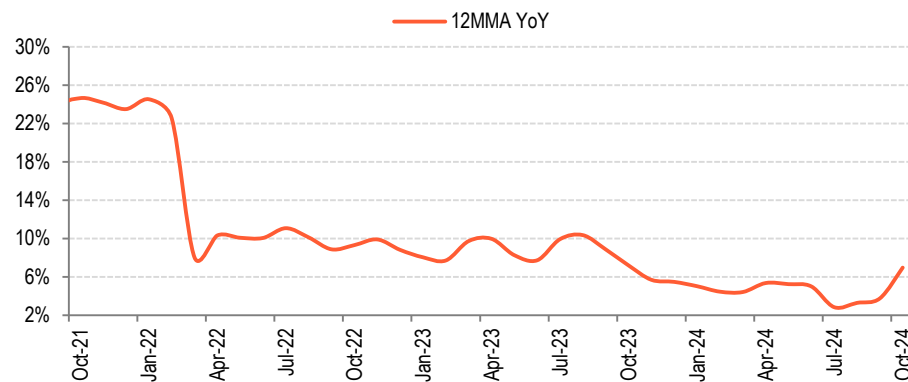
**Fig 7 – Private consumption fared better in Q2 versus last year**



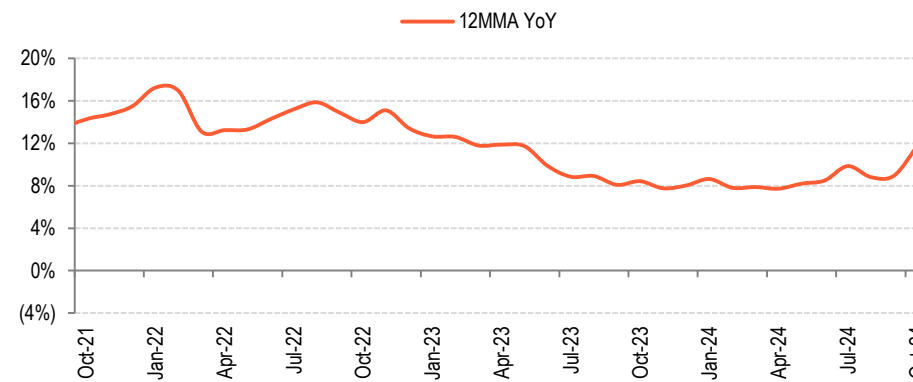
**Fig 8 – Government consumption growth was slower compared with last year**



**Fig 9 – Improved General govt. revenue spending, led by central government**



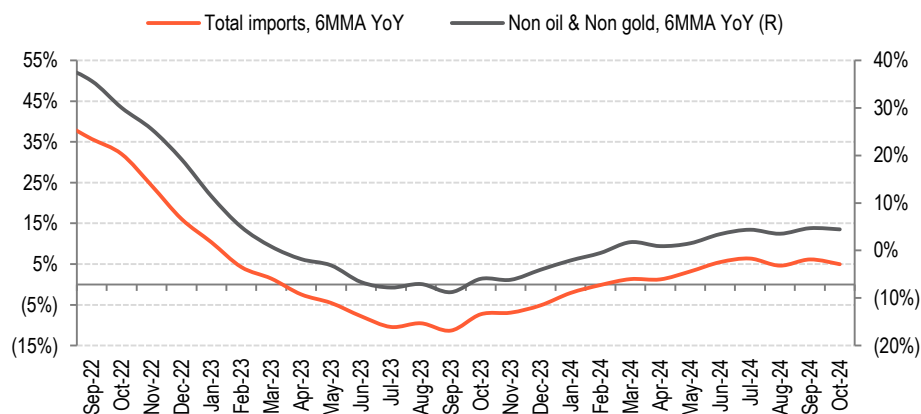
**Fig 10 – ...similar trend for State\* govt. revenue spending**



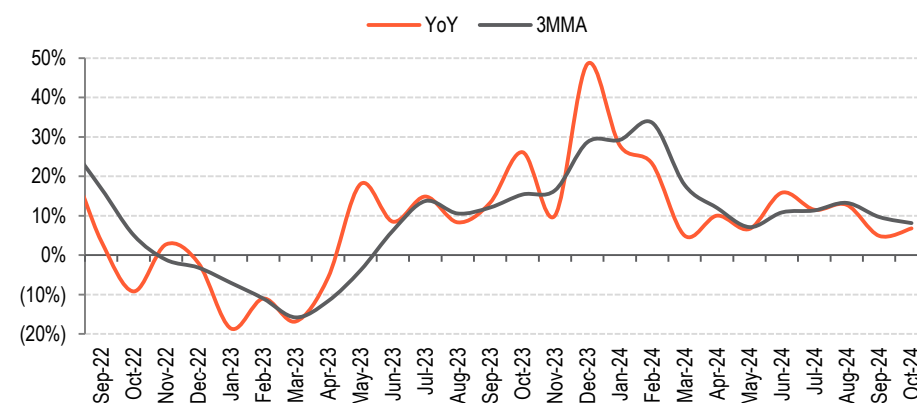
Note: \*All states excluding North Eastern states (ex Assam), Goa, J&K, Jharkhand and Odisha

## Non-oil imports, electronic imports

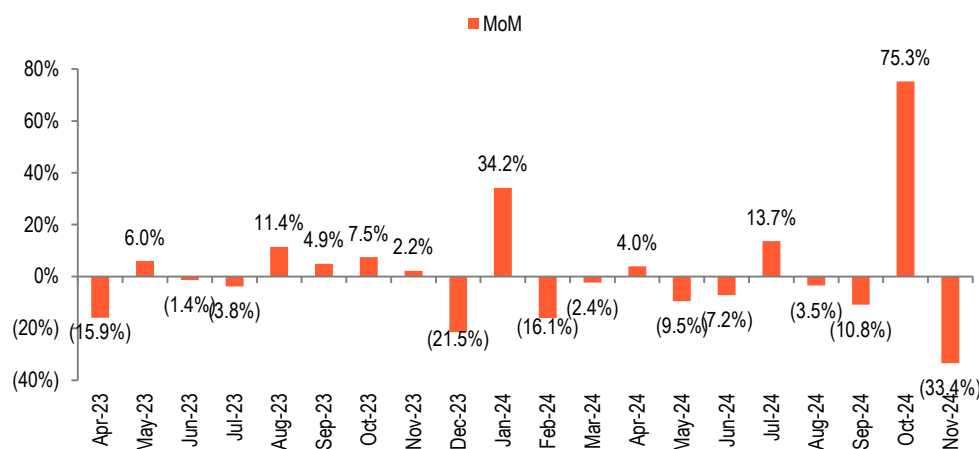
**Fig 11 – Non-oil-non-gold imports eases**



**Fig 12 – Electronic imports inch up**

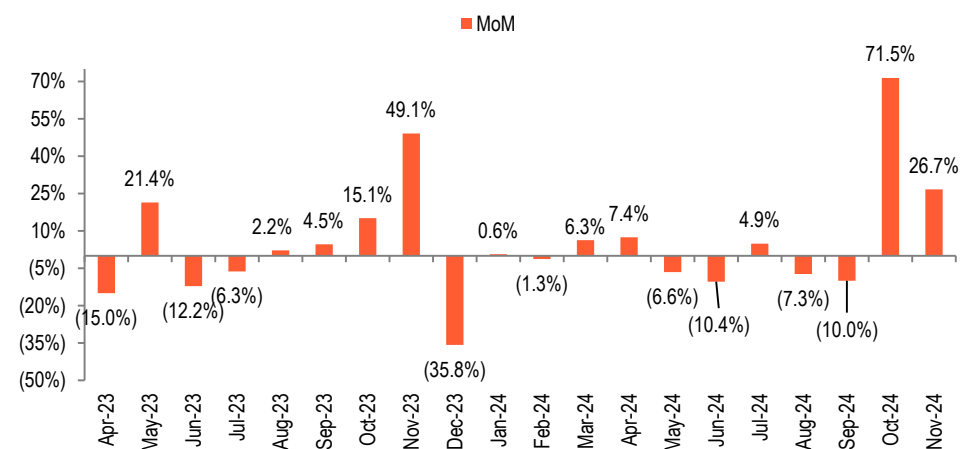


**Fig 13 – Retail passenger vehicle witness drops in Nov'24**



Source: FADA

**Fig 14 – Two-wheeler sales remained bouyant**



Credit deployment of personal loans

Fig 15 – Steady growth in personal loans

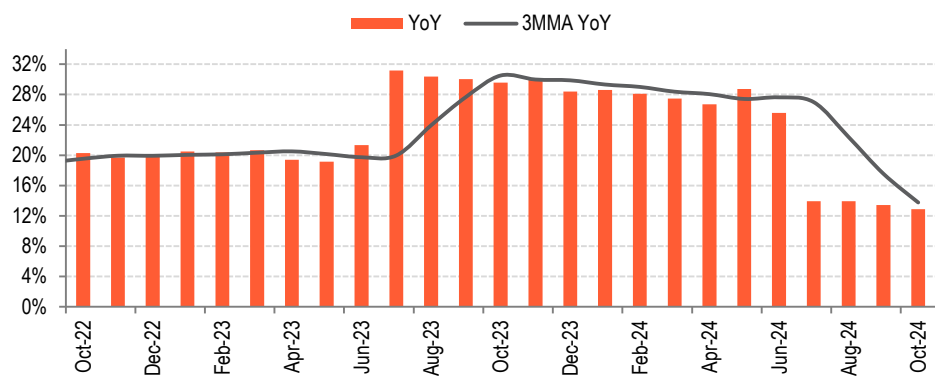


Fig 16 – Slower growth for credit card outstanding

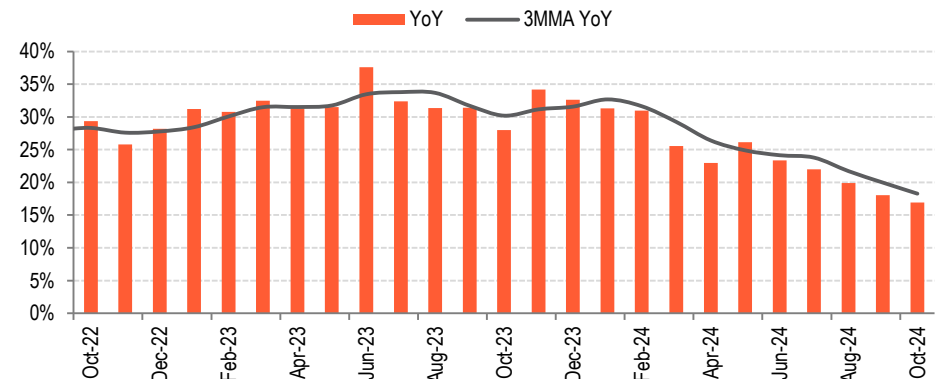


Fig 17 – Moderation in vehicle loan continues

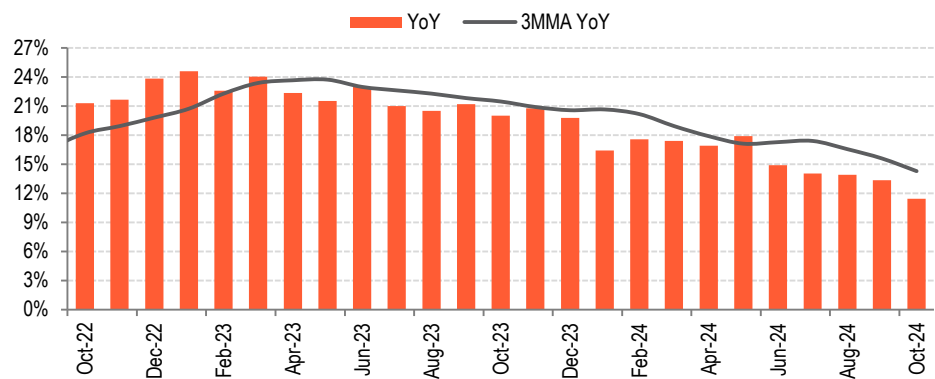
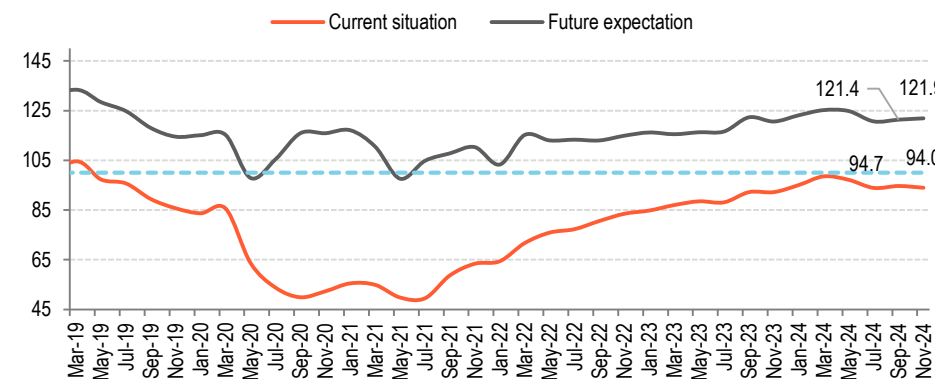
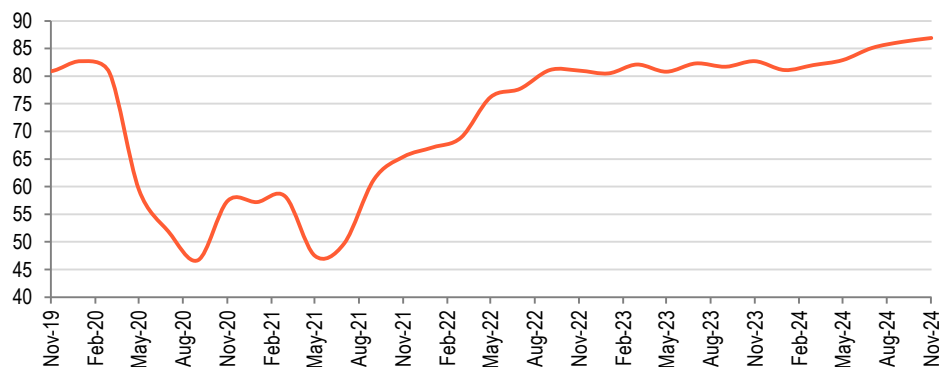
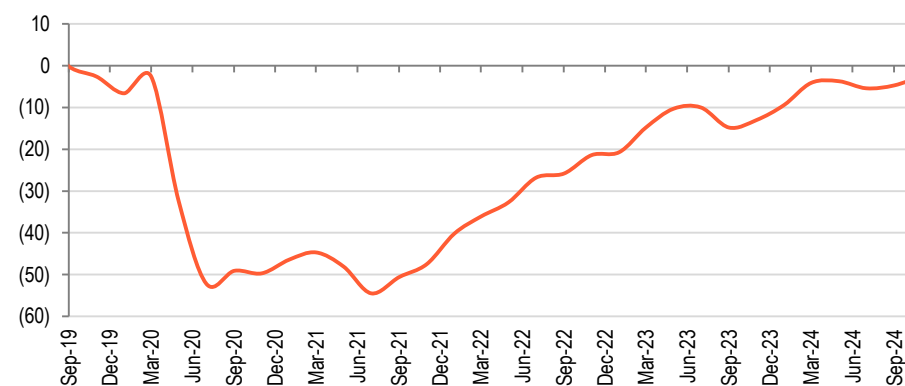
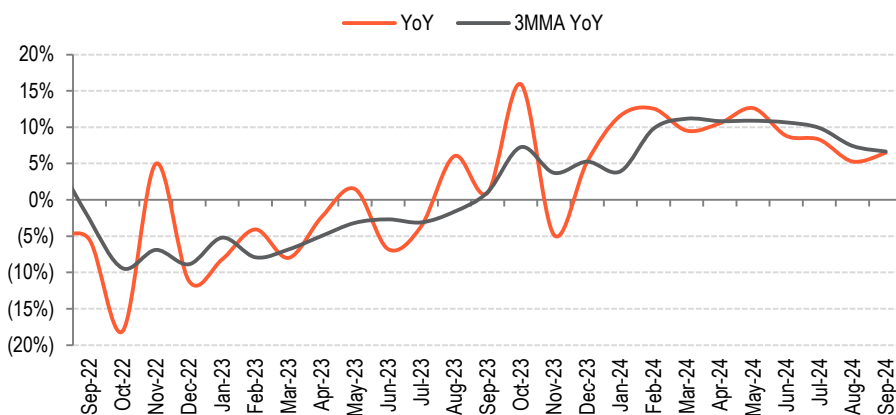
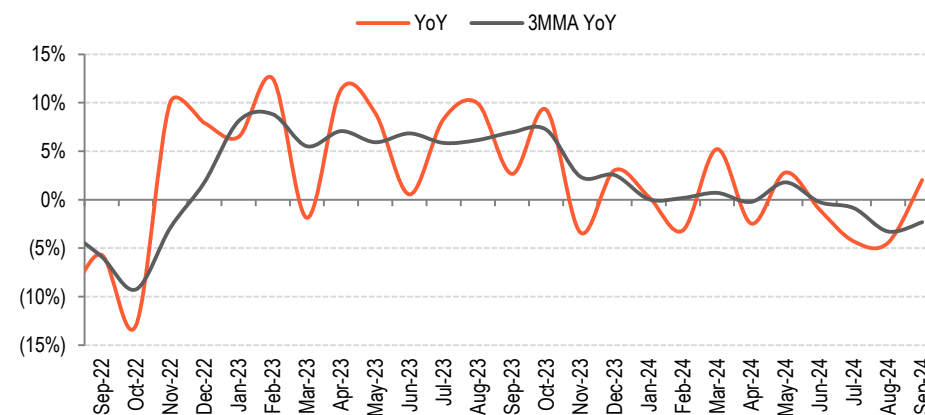


Fig 18 – Consumer's remained optimistic for the future



**Fig 19 – Higher spending on essential items as per RBI's survey****Fig 20 – Spending on non-essential items inching up**

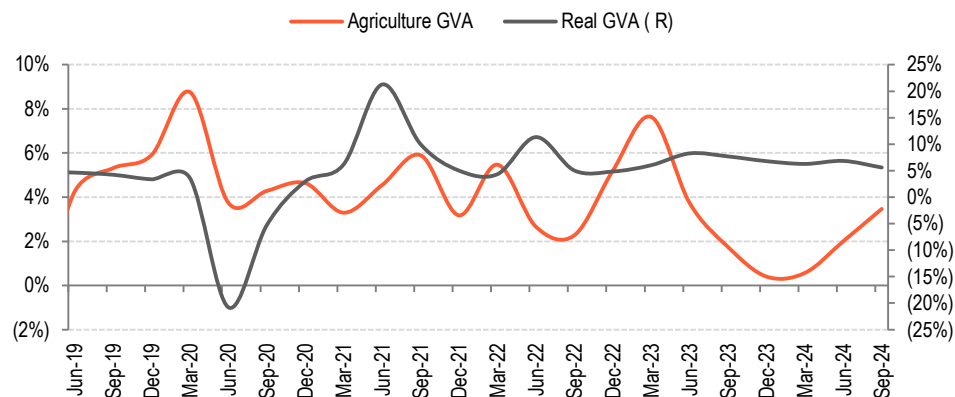
## Consumer durables & non-durables production

**Fig 21 – Consumer durables output inch up****Fig 22 – FMCG output rebounds sharply**

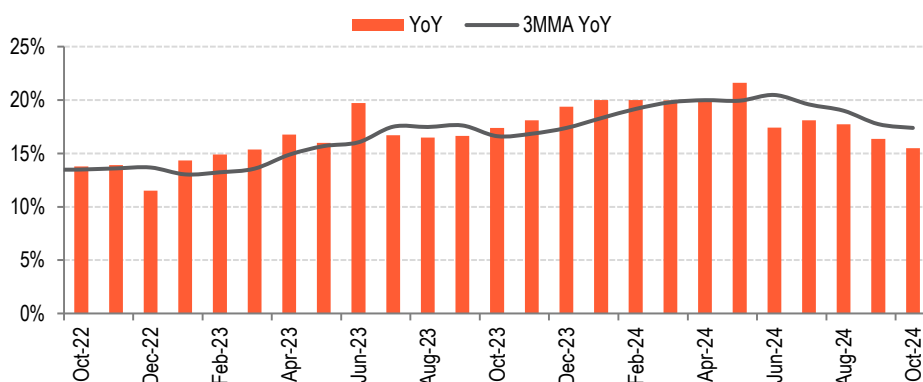


## Agriculture

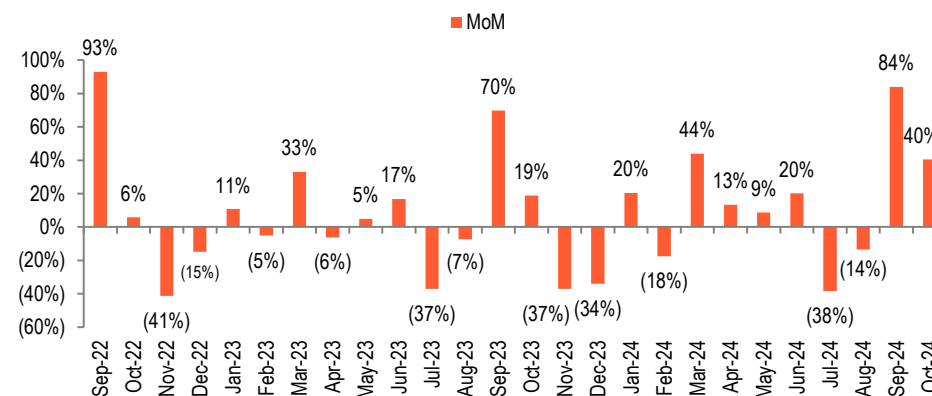
**Fig 23 – Agriculture GVA rose at a robust pace**



**Fig 25 – Growth in agriculture credit slows**



**Fig 24 – Steady growth in tractor sales**

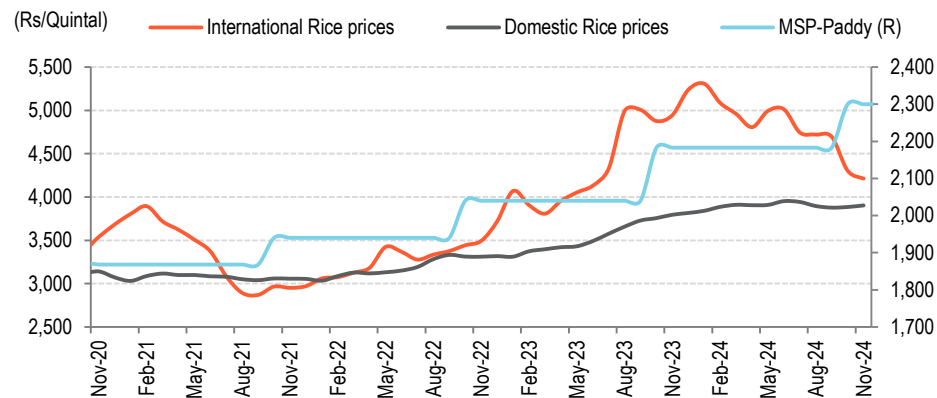


Note: Tractor sales including exports

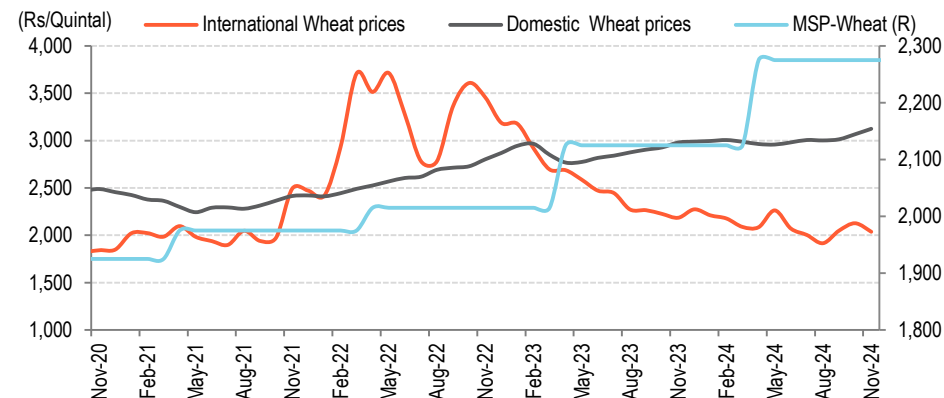
**Fig 26 – Procurement of rice and wheat**

Year	Wheat	Rice
2016-17	22.96	38.11
2017-18	30.83	38.19
2018-19	35.80	44.39
2019-20	34.13	51.83
2020-21	38.99	60.17
2021-22	43.34	57.59
2022-23	18.79	54.32
2023-24	26.20	52.53
2024-25	26.61*	8.42

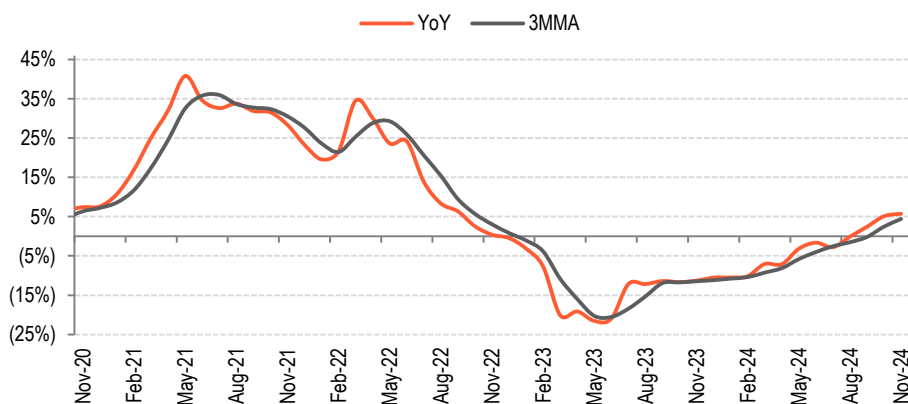
Source: Ministry of Consumer Affairs, Food and Public Distribution | \*As on: 31 Oct 2024

**Fig 27 – International rice prices moderate; domestic prices inch up**

Source: World Bank

**Fig 28 – Similar trend for wheat prices**

Source: World Bank

**Fig 29 – Global food prices rose led by higher vegetable oils**

Source: FAO

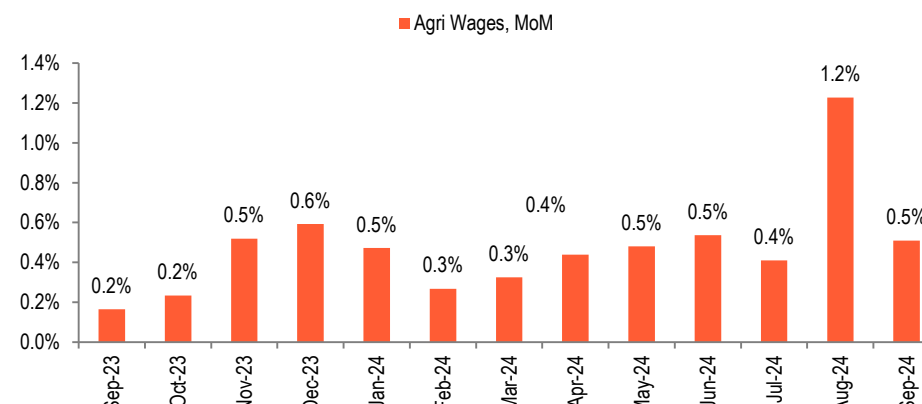
**Fig 30 – Wage growth (men) slows in Sep'24**

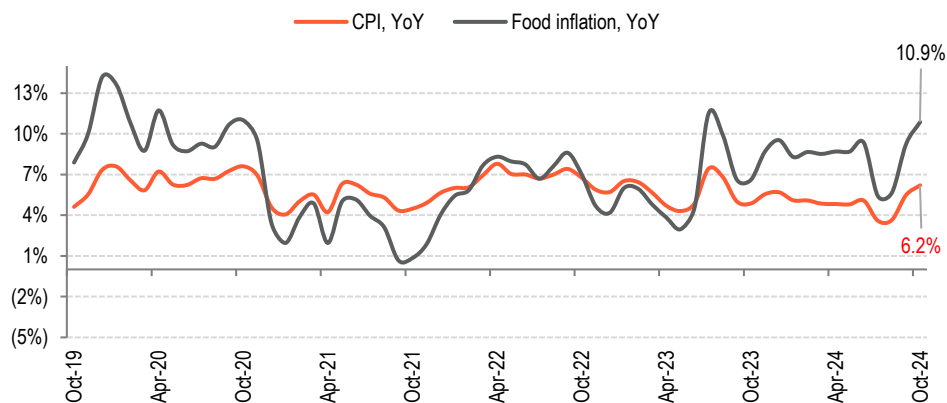
Fig 31 – Rabi sowing is higher compared with last year

Crop Type (Lakh ha)	Area sown in 2024-25	Area sown in 2023-24	Growth (YoY%)
Wheat	200.3	187.9	6.6
Rice	9.8	9.2	6.4
Coarse Cereals	29.2	24.7	18.5
Jowar	17.4	14.1	24.0
Maize	0.1	0.1	5.2
Pulses	108.9	105.1	3.6
Oilseeds	78.5	74.4	(5.1)
Total	428.8	411.2	4.1

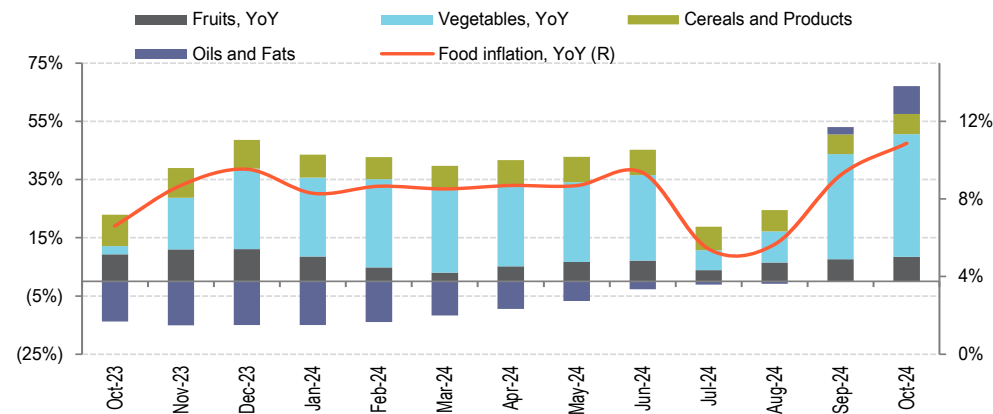
\*Note: Till 2 Dec 2024

## Inflation

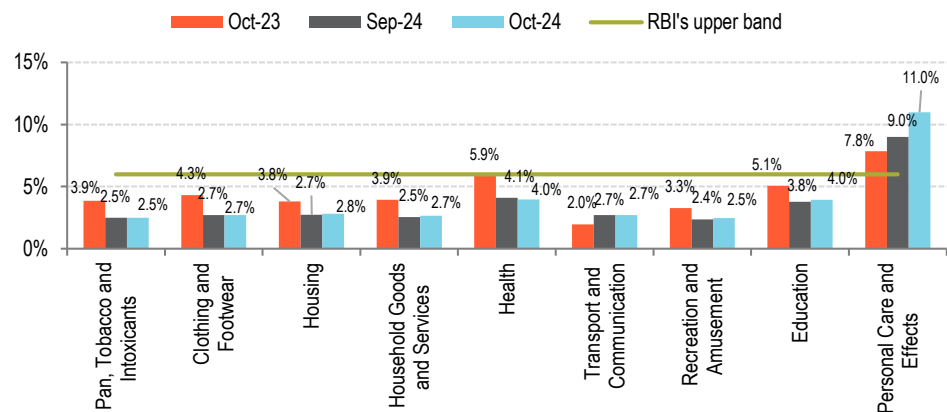
**Fig 32 – Headline CPI firmed up to its highest since Aug-23 to 6.2% in Oct'24 from 5.5% in Sep'24**



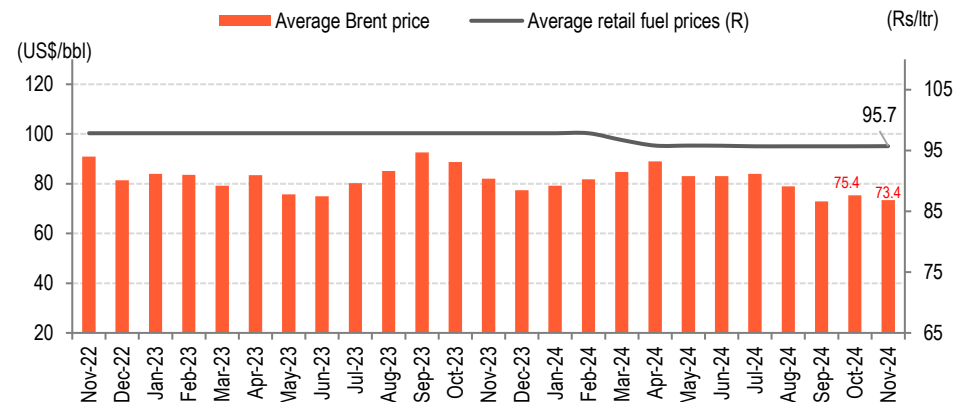
**Fig 33 – Food inflation firmed up to 10.9% from 9.2%, led by vegetables, oils and fat, etc. among others**



**Fig 34 – Some pick up in core and its components are visible**



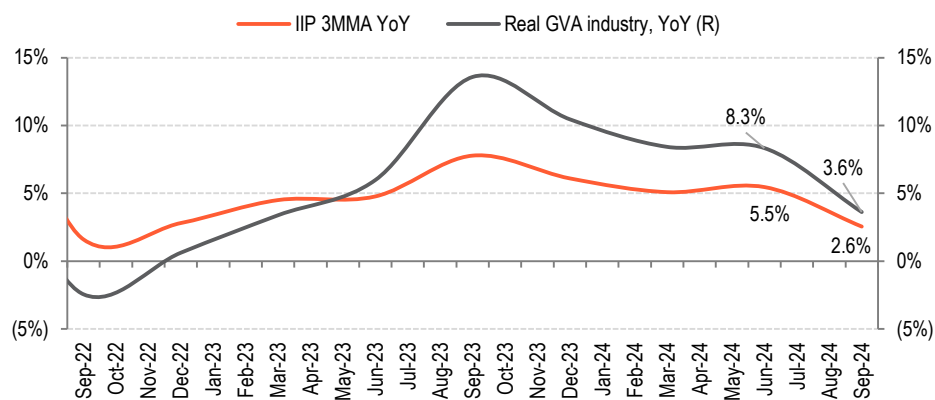
**Fig 35 – Domestic retail price was stable at Rs 95.7/ltr in Nov'24, average crude price moderated to US\$ 73.4/bbl in Nov'24 from US\$ 75.4/bbl in Oct'24**



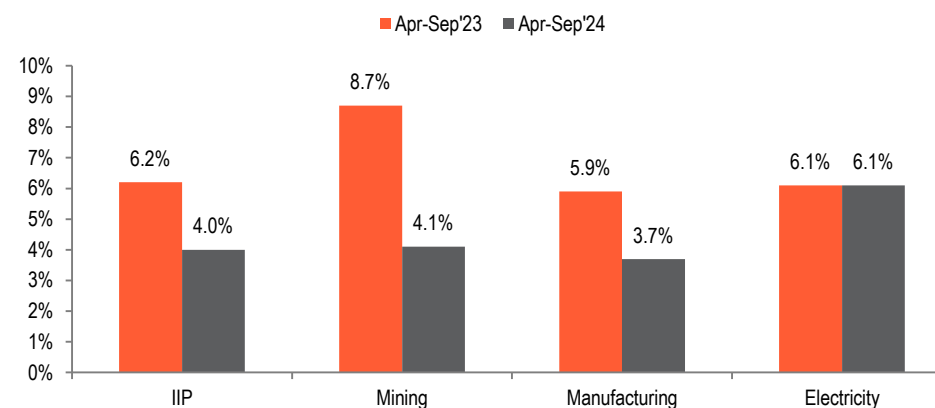
Note: Average retail price of petrol and diesel for Delhi, Kolkata, Mumbai and Chennai have been taken

## Industry

**Fig 36 – IIP growth lower in Q2**



**Fig 37 – Sectorwise growth lower in FYTD25; except for electricity**

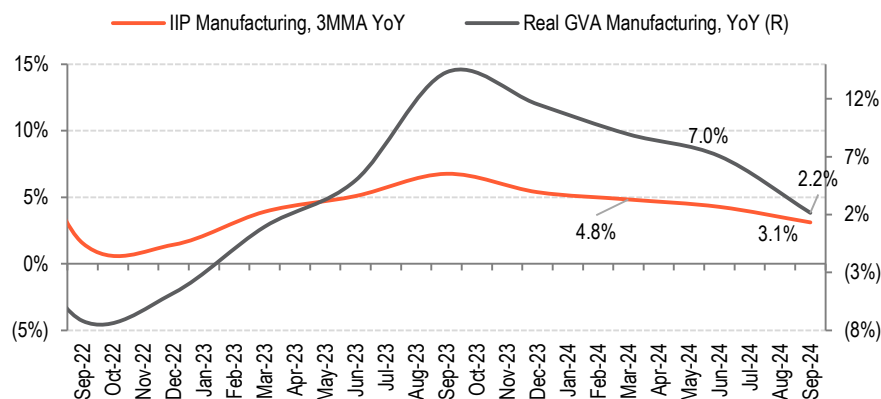


**Fig 38 – IIP growth rebounds in Sep'24**

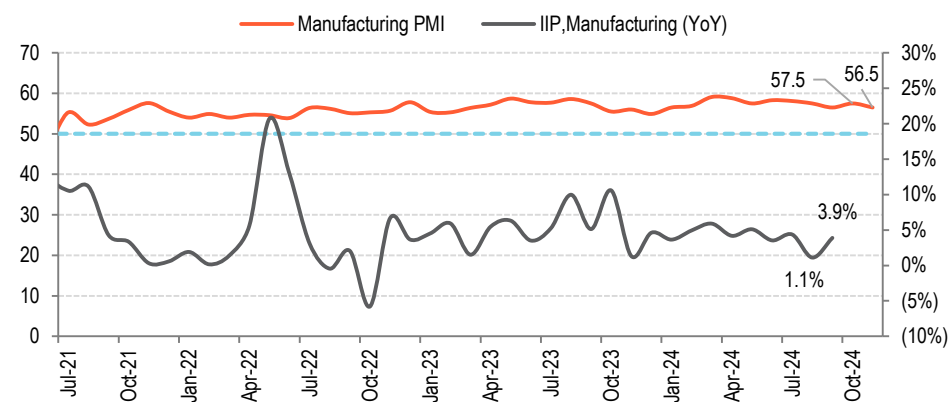
Sectoral (%)	Weight	Aug-24	Sep-24	Sep-23	Apr-Sep'23	Apr-Sep'24
IIP	100.0	(0.1)	3.1	6.4	6.2	4.0
Mining	14.4	(4.3)	0.2	11.5	8.7	4.1
Manufacturing	77.6	1.1	3.9	5.1	5.9	3.7
Electricity	8.0	(3.7)	0.5	9.9	6.1	6.1
<b>Use-Based</b>						
Primary Goods	34.1	(2.6)	1.8	8.0	6.3	4.4
Capital Goods	8.2	0.5	2.8	8.4	7.0	3.9
Intermediate Goods	17.2	3.0	4.2	6.1	4.5	4.0
Infrastructure and Construction Goods	12.3	2.2	3.3	10.1	13.0	5.7
Consumer Durables Goods	12.8	5.3	6.5	1.0	(0.8)	8.6
Consumer Non-Durables Goods	15.3	(4.5)	2.0	2.7	6.9	(1.3)

## Manufacturing

**Fig 39 – Manufacturing growth slows in Q2**



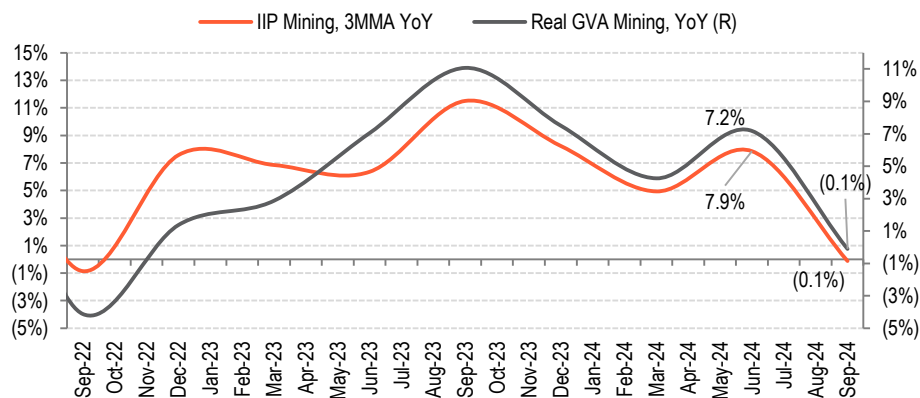
**Fig 40 – Manufacturing PMI eases marginally**



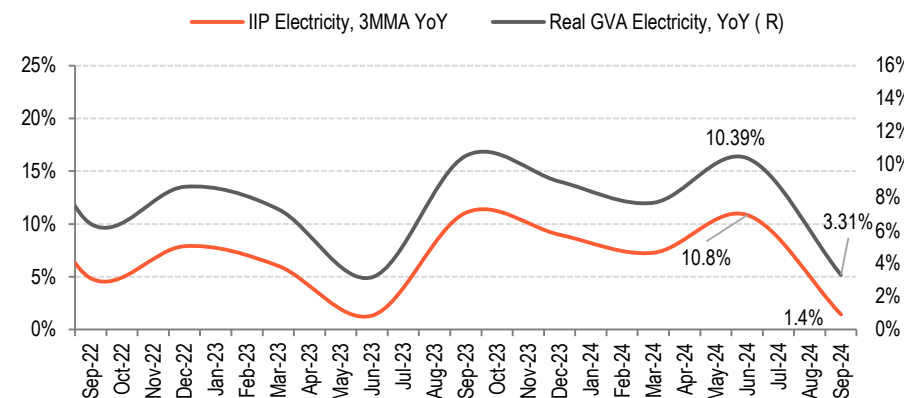
Source: Markit

## Mining & Electricity

**Fig 41 – Mining activity eases**

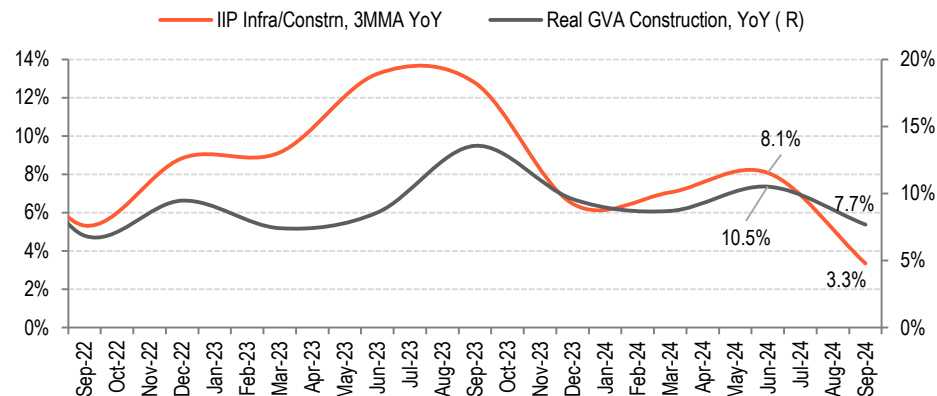


**Fig 42 – Moderation in electricity growth**

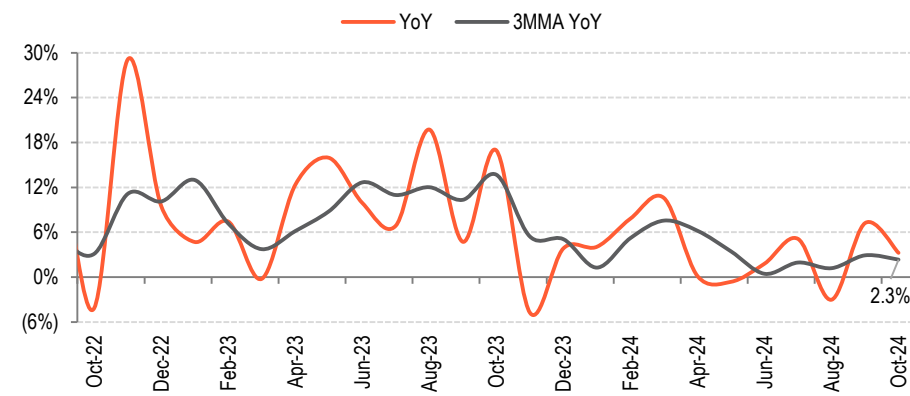


## Infrastructure and construction

**Fig 43 – Slower construction growth noted in Q2**

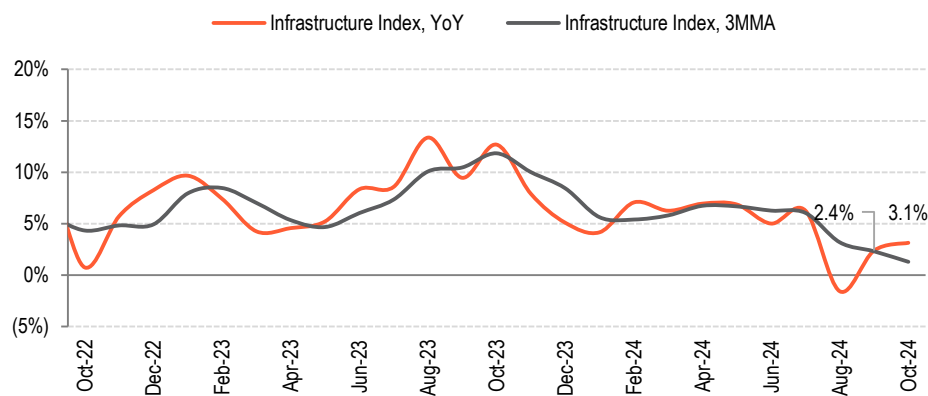


**Fig 44 – Moderation in cement output**

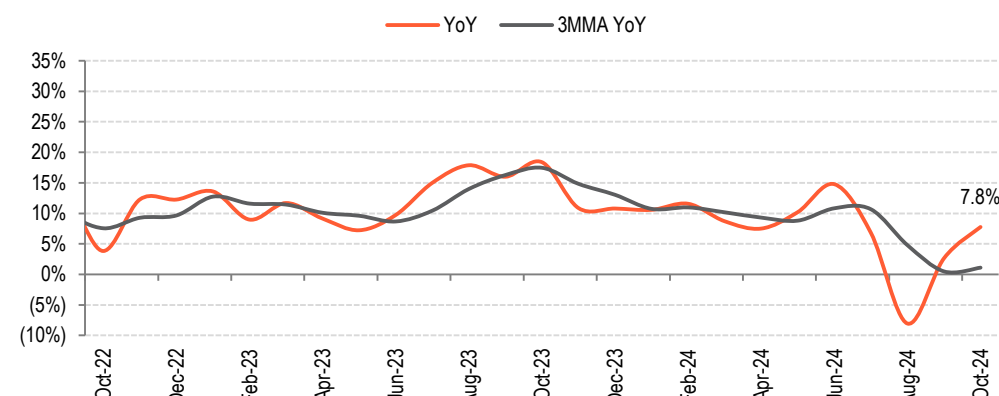


## Infrastructure index

**Fig 45 – Core sector output inch up**

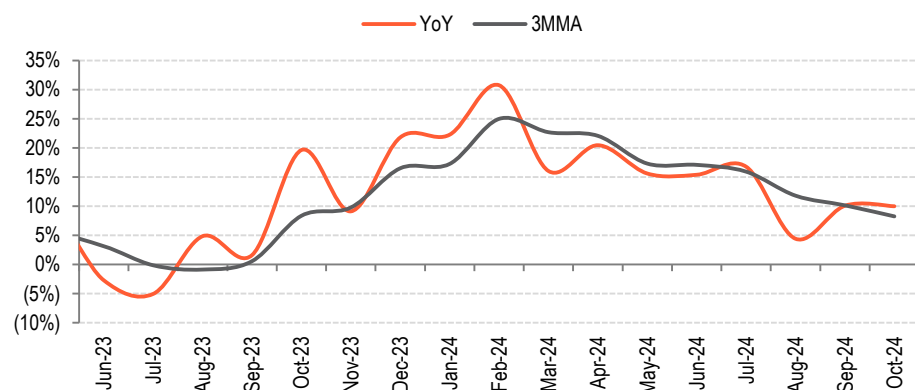


**Fig 46 – Coal output improves in Oct'24**

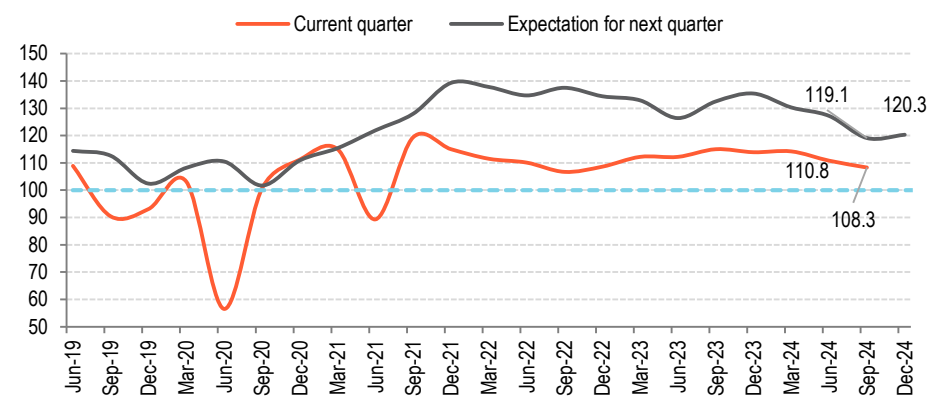


## Auto production & business expectation index

**Fig 47 – Steady growth in Auto production**



**Fig 48 – Business sentiments for Q3 turned optimistic**



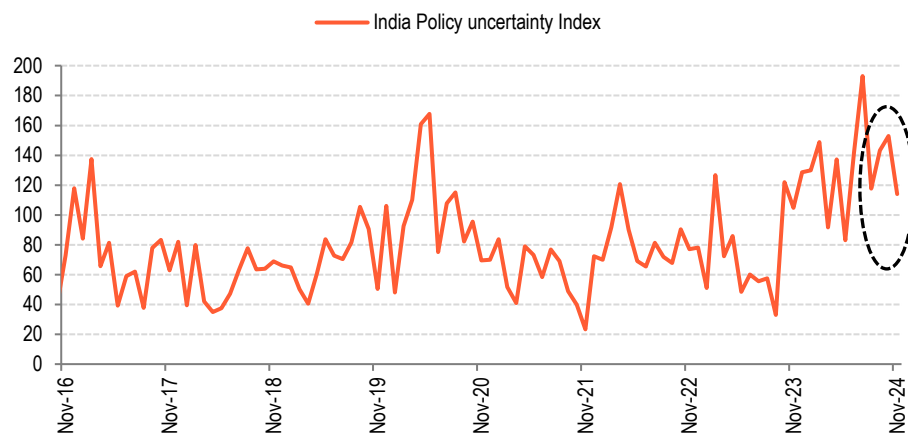
**Fig 49 – Infrastructure index improves**

(%)	Weight	Sep-24	Oct-24	Oct-23	Apr-Oct'23	Apr-Oct'24
Infrastructure Index	100	2.4	3.1	12.7	8.8	4.1
Coal	10.3	2.6	7.8	18.4	13.1	6.2
Crude Oil	9.0	(3.9)	(4.8)	1.3	(0.1)	(2.5)
Natural Gas	6.9	(1.3)	(1.2)	10.0	5.1	1.5
Petroleum Refinery Products	28.0	5.8	5.2	4.3	4.0	2.7
Fertilizers	2.6	1.9	0.4	5.3	6.7	1.5
Steel	17.9	1.6	4.2	13.6	15.6	5.9
Cement	5.4	7.2	3.3	16.9	12.3	1.8
Electricity	19.9	0.5	0.6	20.4	7.9	5.3



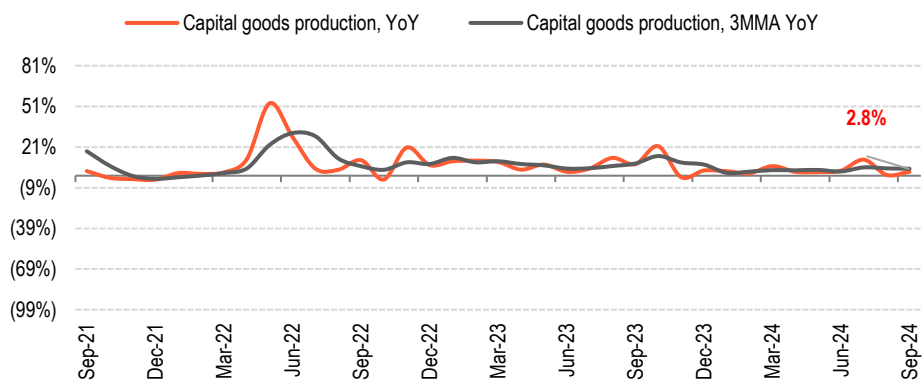
## Investment

**Fig 50 – Policy uncertainty index in India edged down in Nov'24**

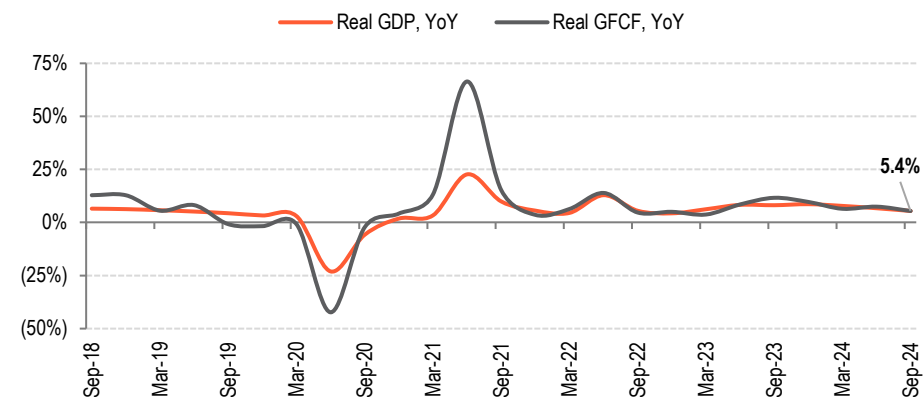


Source: <https://www.policyuncertainty.com>

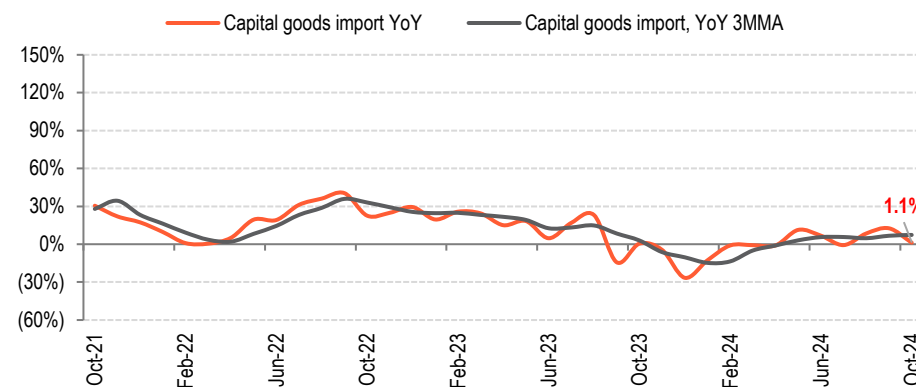
**Fig 52 – Capital goods production inched up to 2.8% in Sep'24 from 0.5% in Aug'24**



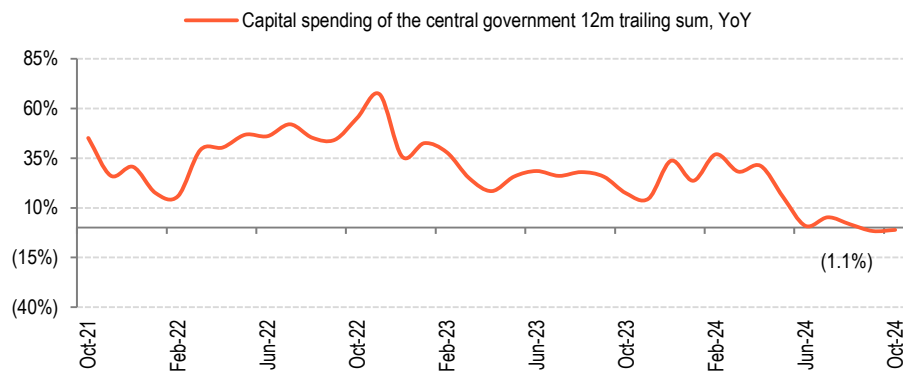
**Fig 51 – Real GFCF moderated to 5.4% in Q2FY25 from 6.7% in Q1FY25**



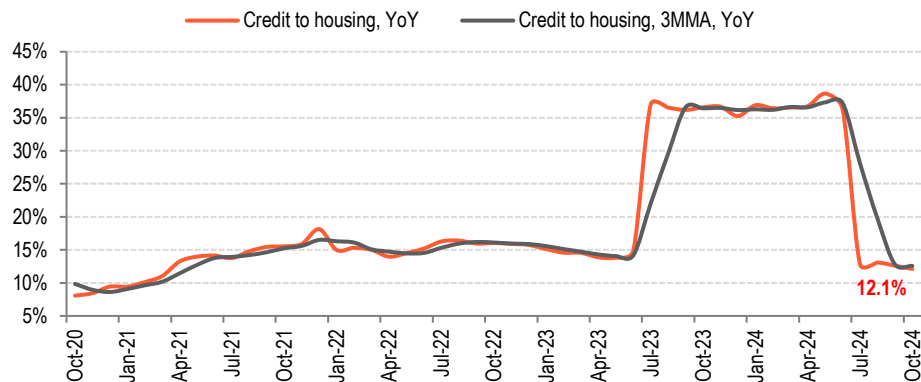
**Fig 53 – Capital goods imports have moderated considerably to 1.1% in Oct'24 from 12.5% in Sep'24 on account of an unfavourable base**



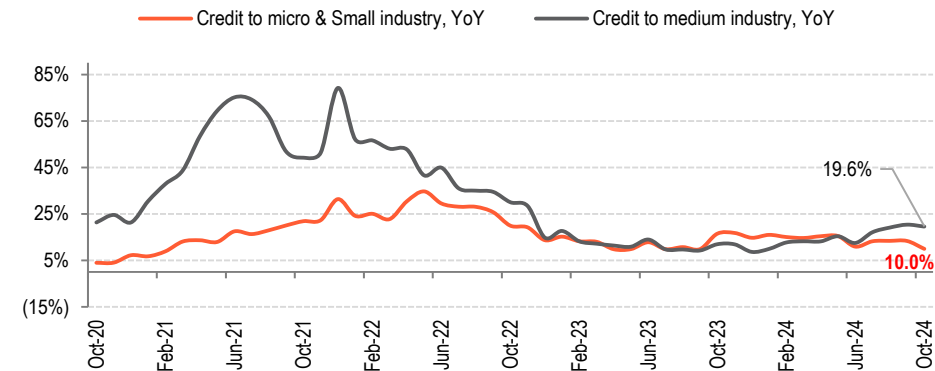
**Fig 54 – Centre's capex spending continues to moderate and fell by -1.1% in Oct'24 compared to -1.6% decline seen in Sep'24**



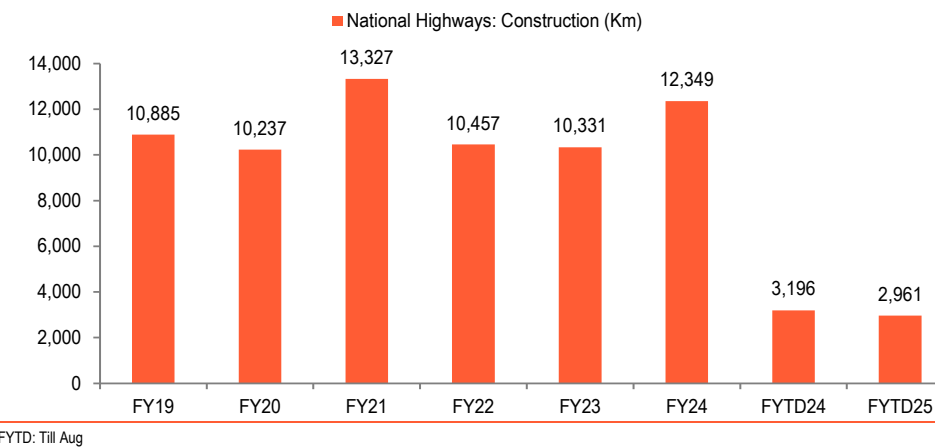
**Fig 56 – Credit to housing was at 12.1% in Oct'24 compared to 12.6% in Sep'24**



**Fig 55 – Credit to micro and small industry inched down to 10% in Oct'24 from 13.4% in Sep'24, for medium industry, it was at 19.5% from 20.5%**

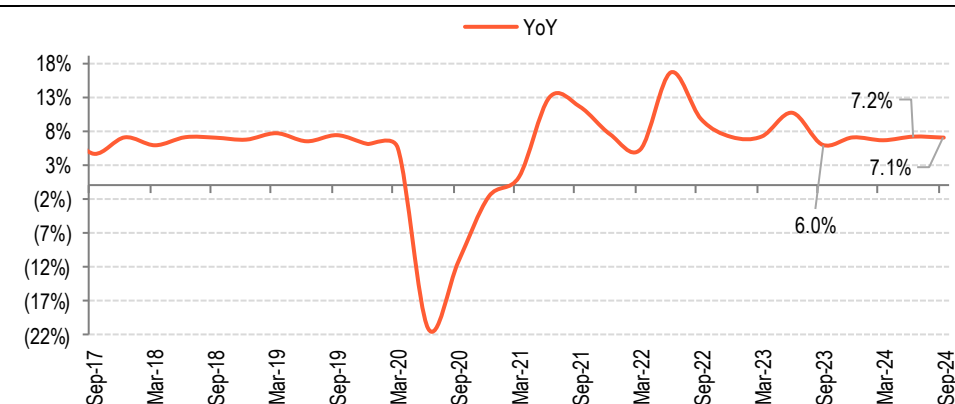


**Fig 57 – Highway construction**

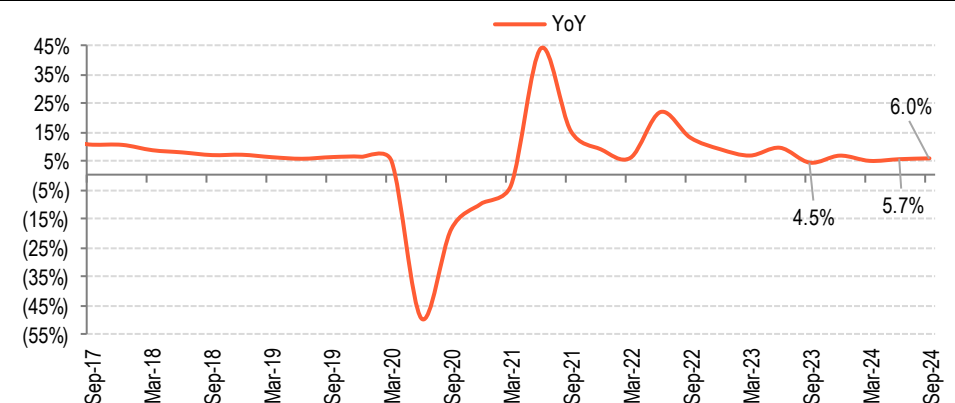


## Services sector

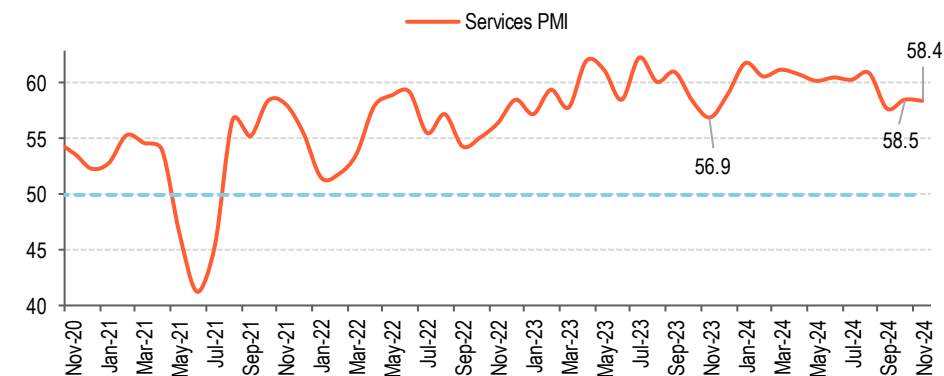
**Fig 58 – GVA: Services sector growth was broadly steady in Q2FY25 versus Q1**



**Fig 60 – GVA: Trade & related services activity maintained pace in Q1 versus Q4**

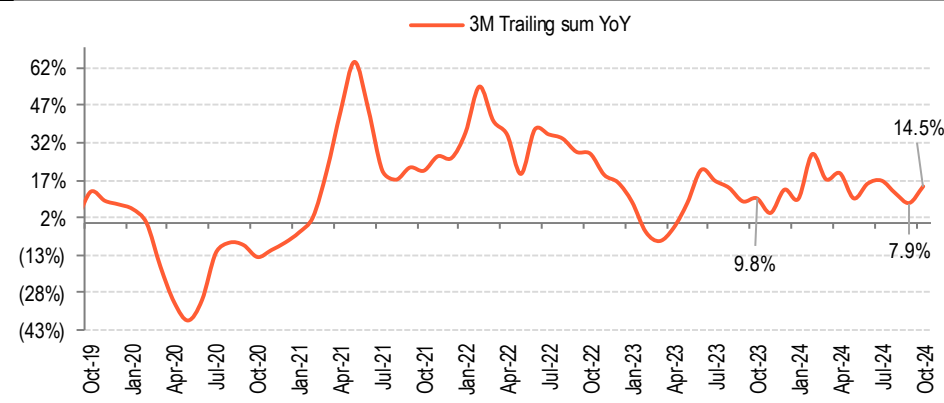


**Fig 59 – Services PMI shows activity maintained momentum in Nov'24; Oct-Nov'24 average higher than last year**



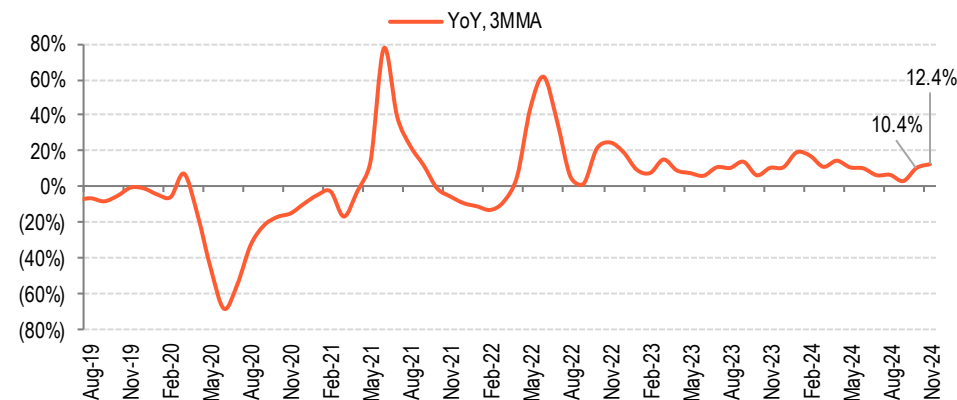
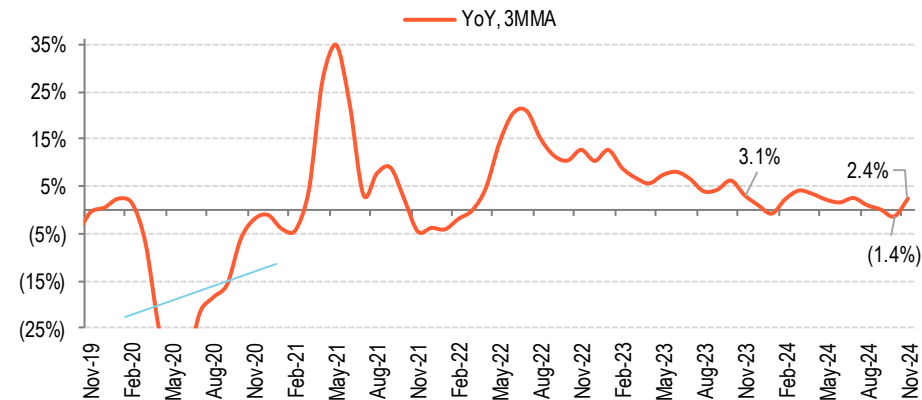
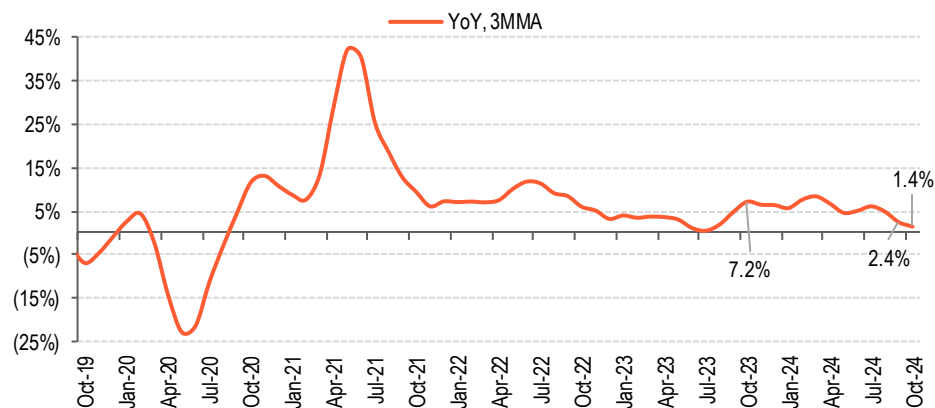
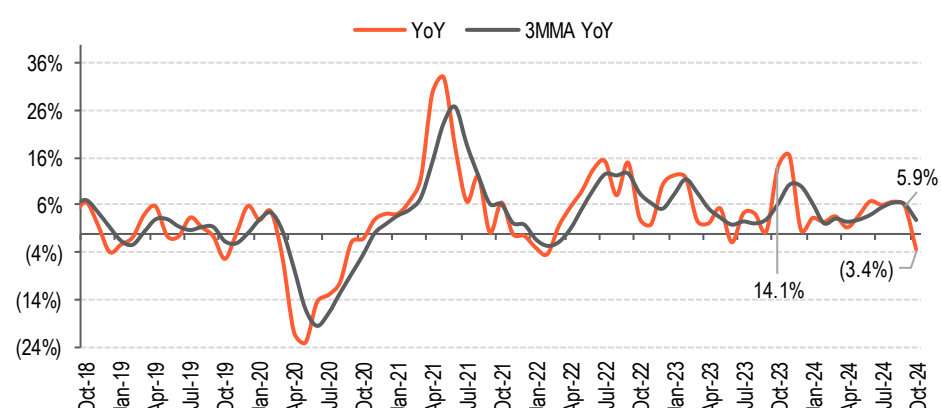
Source: Markit

**Fig 61 – States' tax revenue growth rebounded at the start of Q3 (Oct'24)**

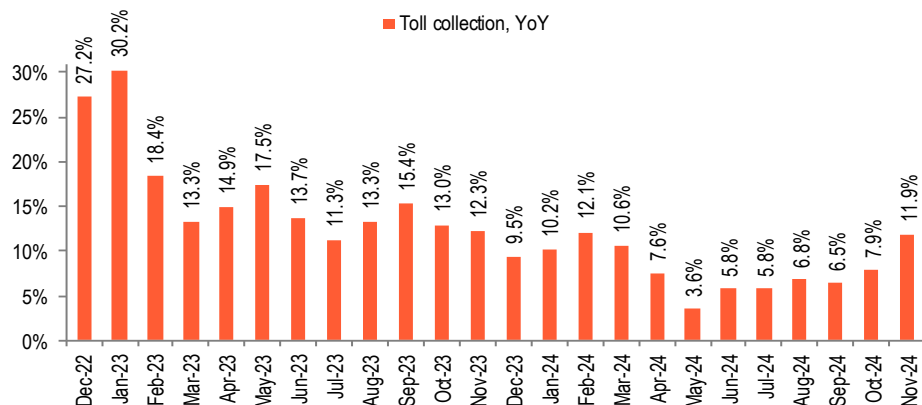


Note: \*All states excluding North Eastern states (ex Assam), Goa, J&K, Jharkhand and Odisha

## Trade

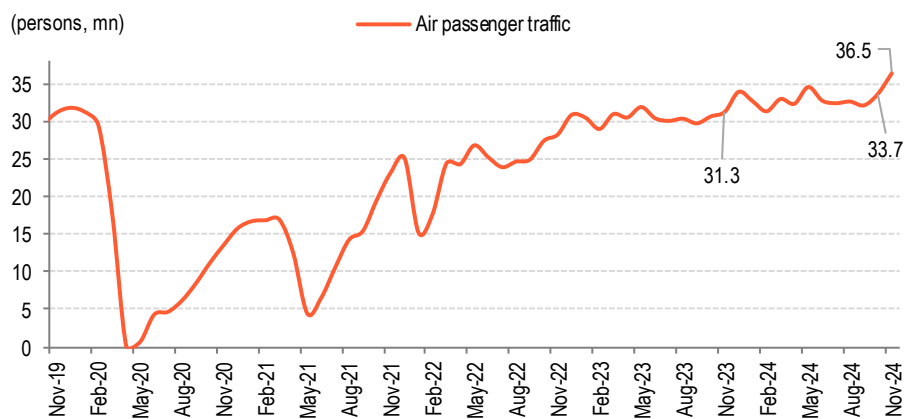
**Fig 62 – Vehicle registration growth jumped by 20.4% (YoY) in Oct-Nov'24 period****Fig 63 – Diesel consumption bounced back in Nov'24****Fig 64 – Railway freight traffic growth dwindled further in Oct'24****Fig 65 – Port cargo traffic growth in Oct'24 dropped on the back of high base**

**Fig 66 – Toll collection growth jumped in Nov'24; volume growth in Q3 so far (Oct-Nov) has been higher by ~10%**

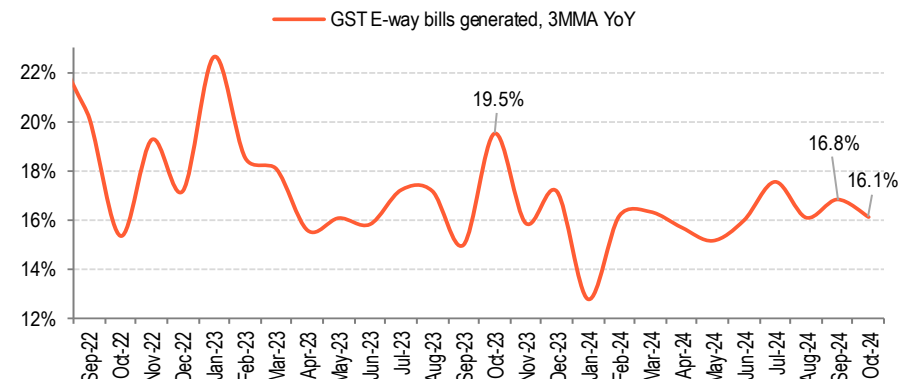


## Hotels and communications

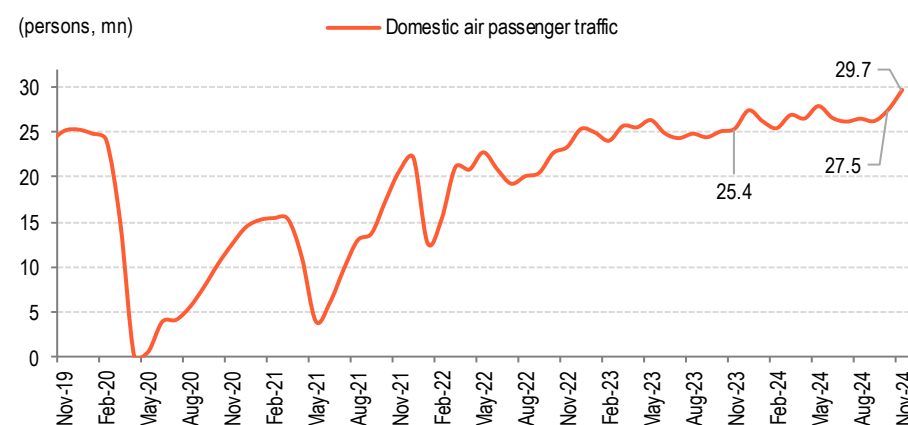
**Fig 68 – Airline passenger traffic scaled higher in Nov'24**

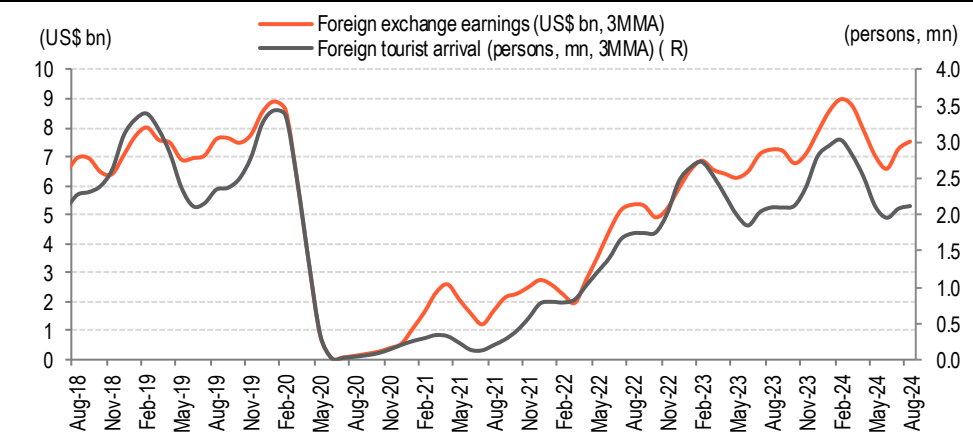
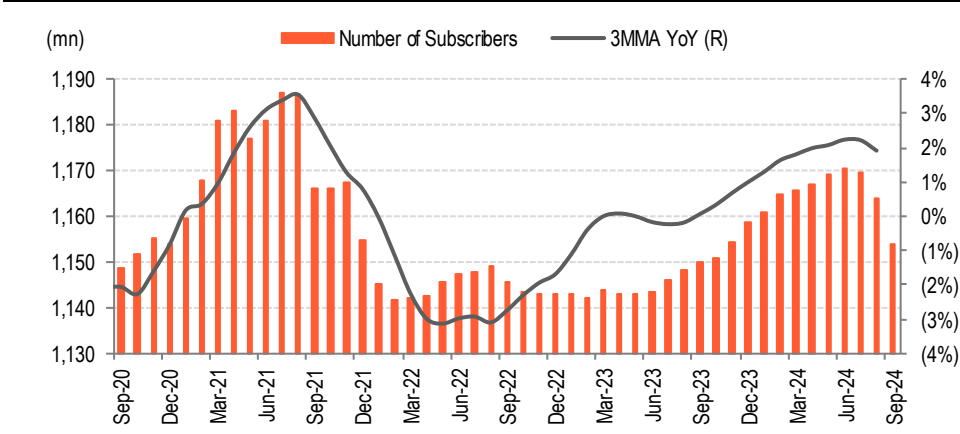


**Fig 67 – Growth in E-way bills broadly holding ground, despite a high base**

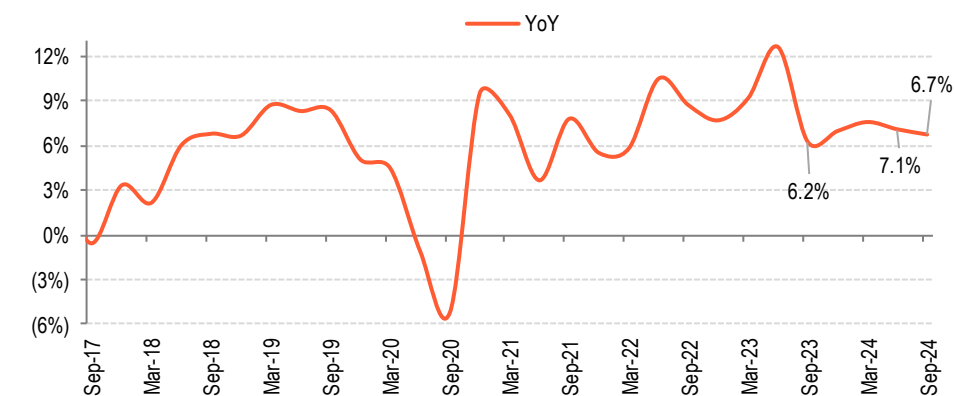
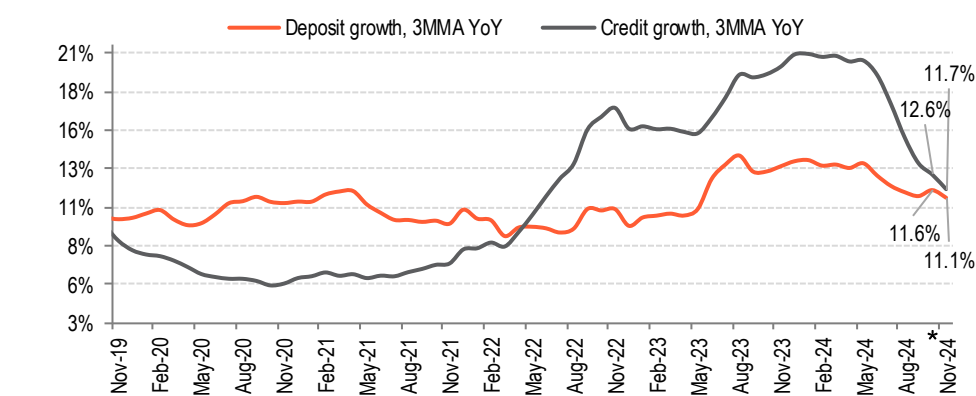


**Fig 69 – Domestic passenger traffic drives the trend in headline numbers**

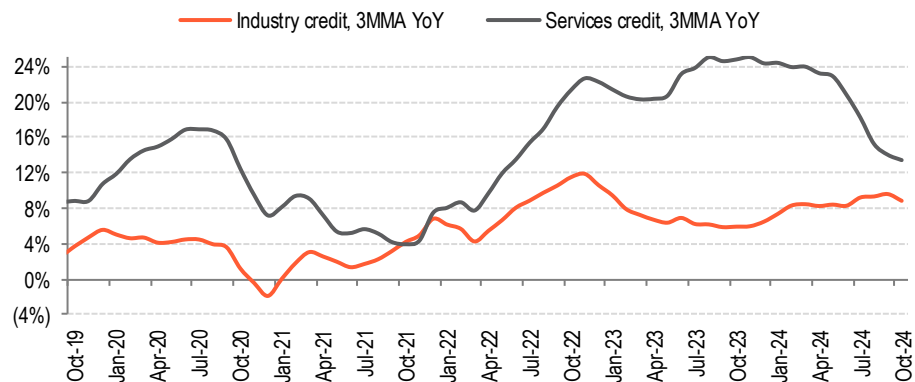
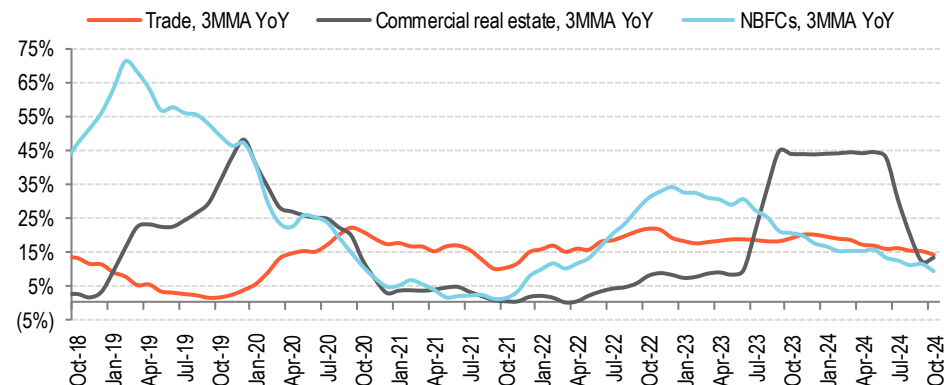
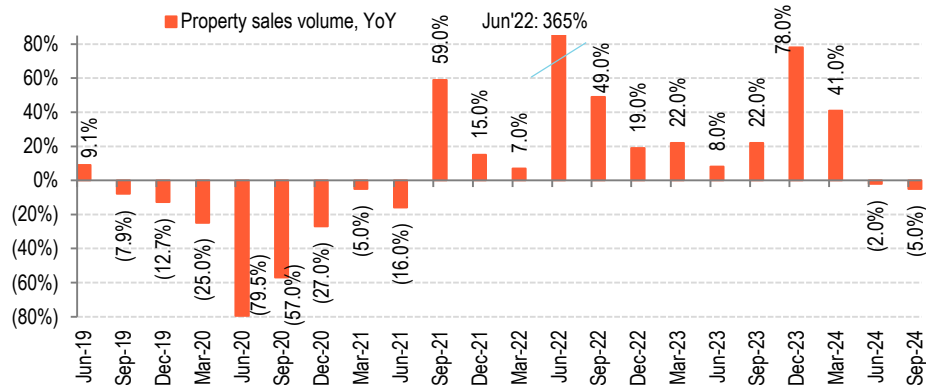


**Fig 70 – Foreign tourist arrivals inched further up in Aug'24****Fig 71 – Number of telecom subscribers fell by 16.8mn in Q2FY25 versus 5mn increase in subscribers in Q1**

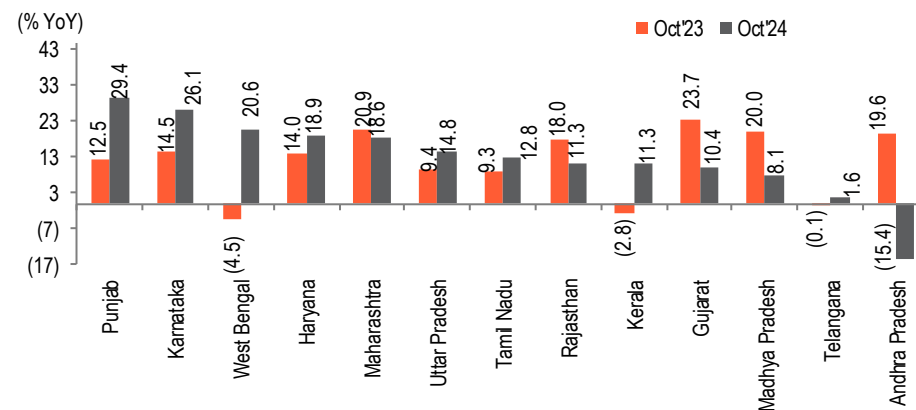
## Finance and real estate

**Fig 72 – Growth in GVA: Finance, real estate & prof. acted as a drag in Q2****Fig 73 – Credit growth slowed further in Nov'24\*. deposit growth has also weakened**

\*Data as of 15 Nov 2024

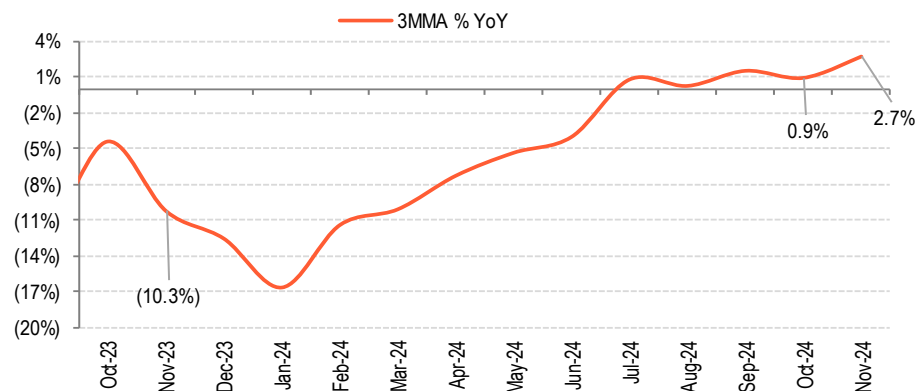
**Fig 74 – Credit to both industry and services slowed in Oct'24****Fig 75 – Within services, credit to commercial real estate beginning to revive, but credit to trade and NBFCs remains weak****Fig 76 – Property sales volume fell further Q2FY25**

Source: Proptiger

**Fig 77 – Barring Maharashtra, Rajasthan, MP and AP, stamp duty collections of other states recorded improvement in FYTD so far (till Oct) versus last year**

## Labour market

**Fig 78 – Naukri job index shows further improvement in Nov'24**

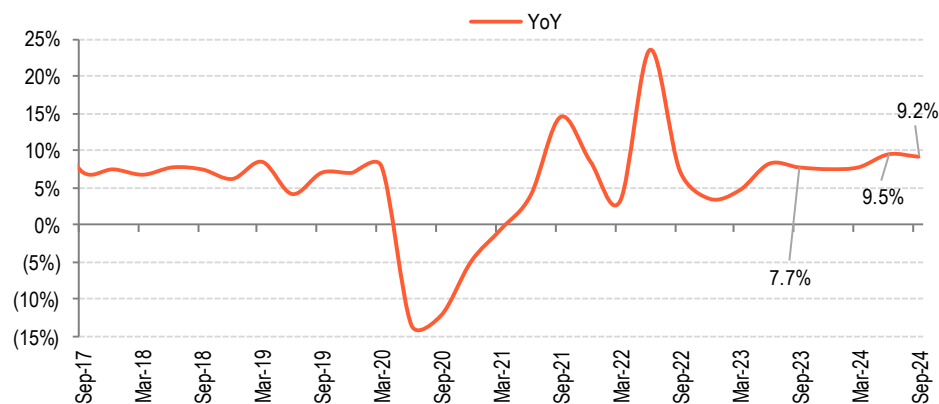


**Fig 79 – Overall unemployment rate fell in Nov'24; is also lower than last year**



## Public administration

**Fig 80 – Public admin & defence services moderated in Q2, dragging headline growth**



**Fig 81 – General govt. spending jumped further up in Oct'24**

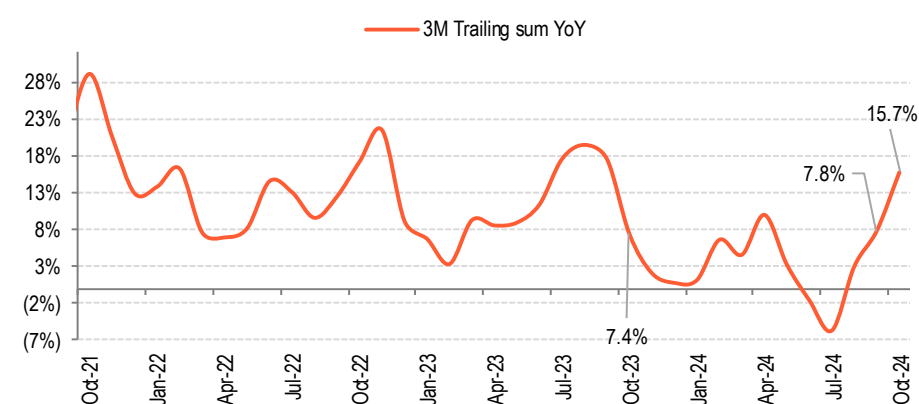




Fig 82 – ...mirroring the trend in central government spending

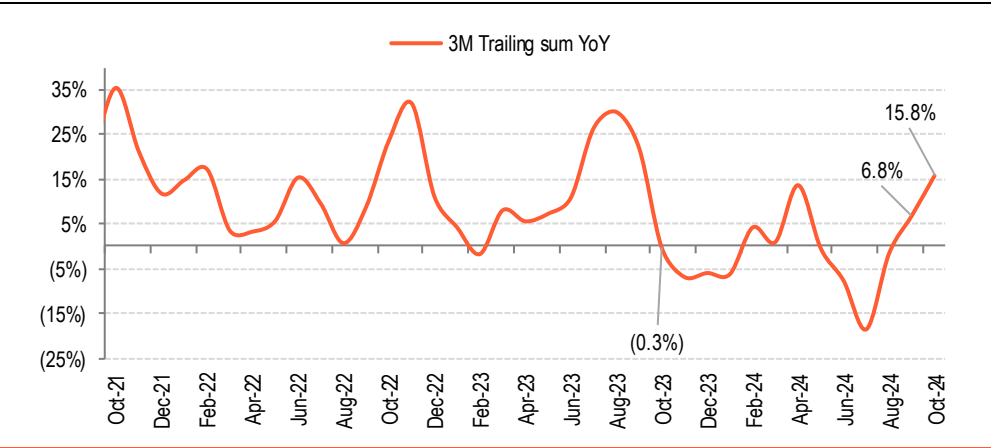
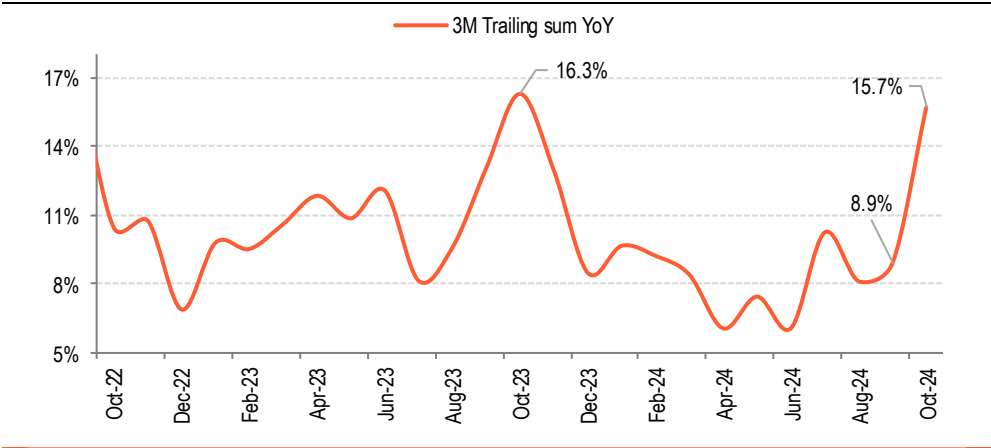


Fig 83 – State\* Govt. spending also picked up pace in Oct'24

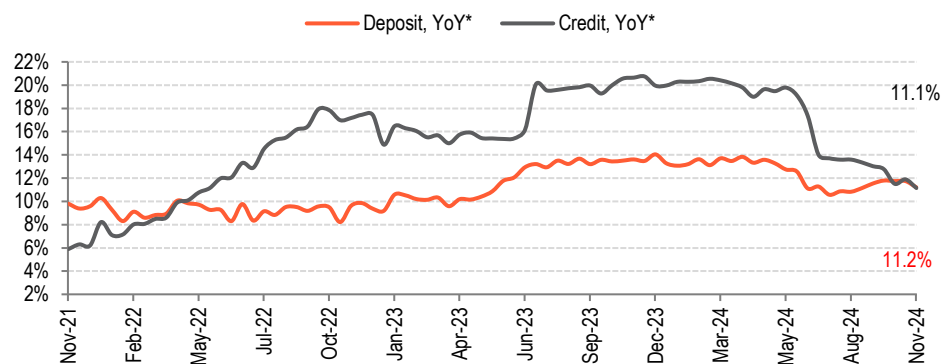


Note: \*All states excluding North Eastern states (ex Assam), Goa, J&K, Jharkhand and Odisha

## Financial sector

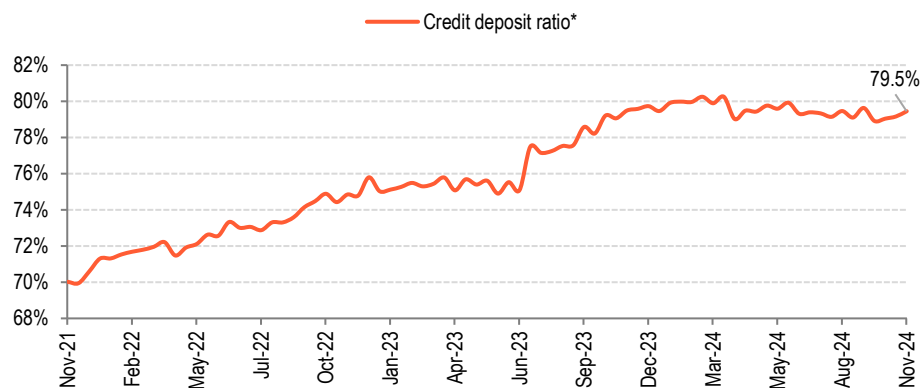
### Money and banking

**Fig 84 – Credit growth moderated to 11.1% in Nov'24 from 11.5% in Oct'24 (incl. merger), deposit growth moderated to 11.2% from 11.7%**



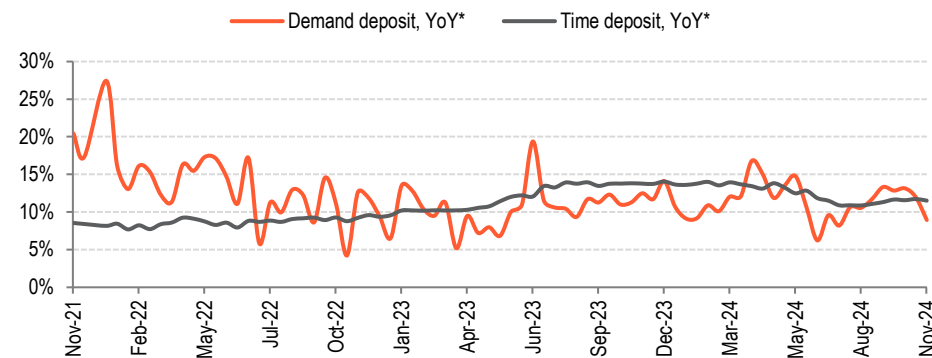
Note: Fortnight as of 15 Nov '2024

**Fig 86 – CD ratio was at 79.5**



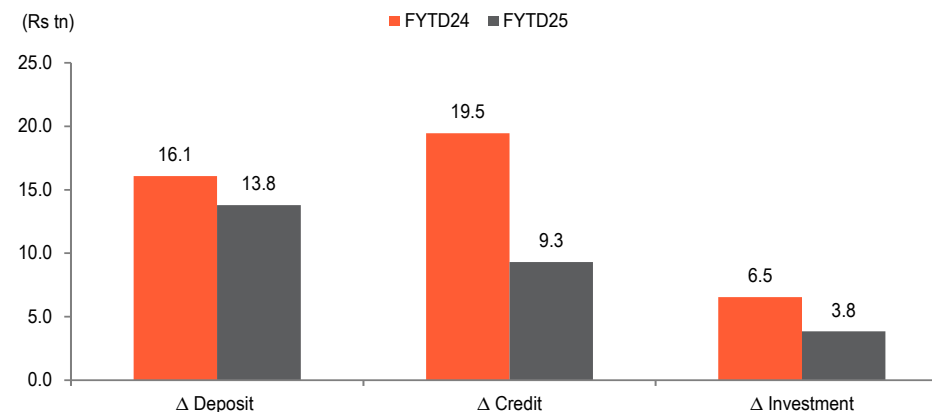
Note: Fortnight as of 15 Nov '2024

**Fig 85 – ... demand deposits inched down while time deposits remained stable**



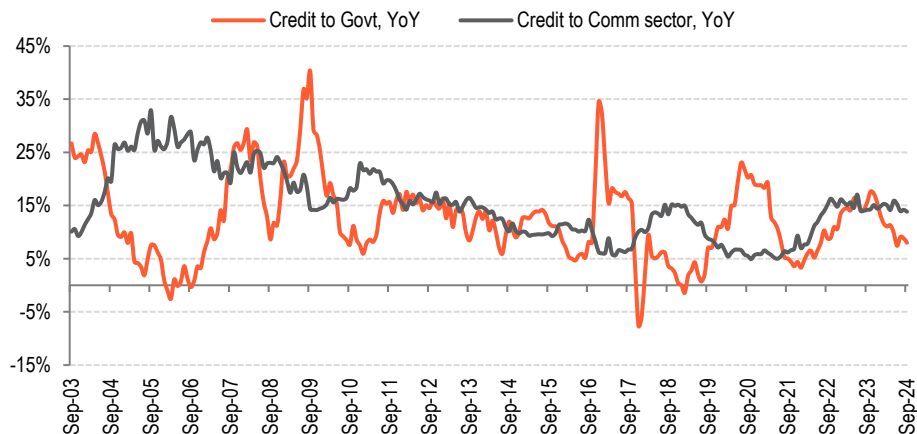
Note: Fortnight as of 15 Nov '2024

**Fig 87 – Credit, deposit and investment accretion**

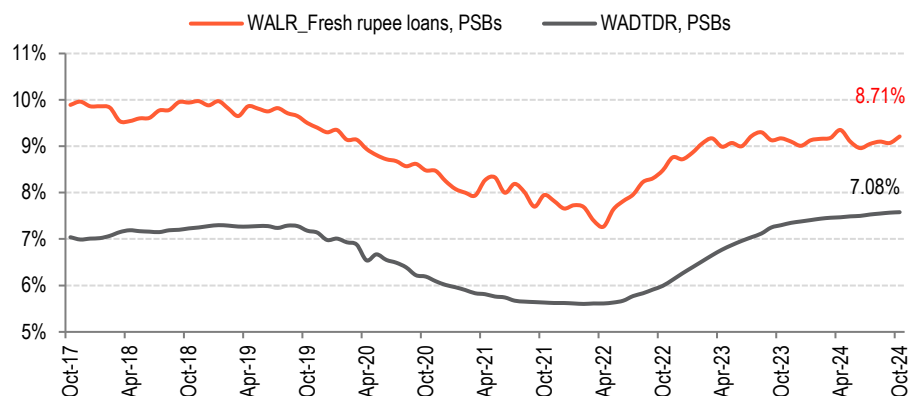


Note: Note: Fortnight as of 15 Nov 2024, Accretion from March

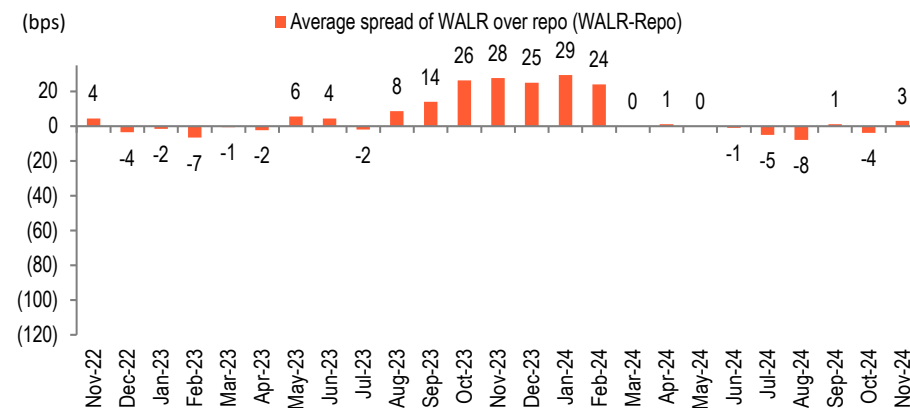
**Fig 88 – Credit to govt moderated to 8% in Sep'24 from 8.8% in Aug'24, credit to commercial sector also edged down to 13.8% from 14.2%**



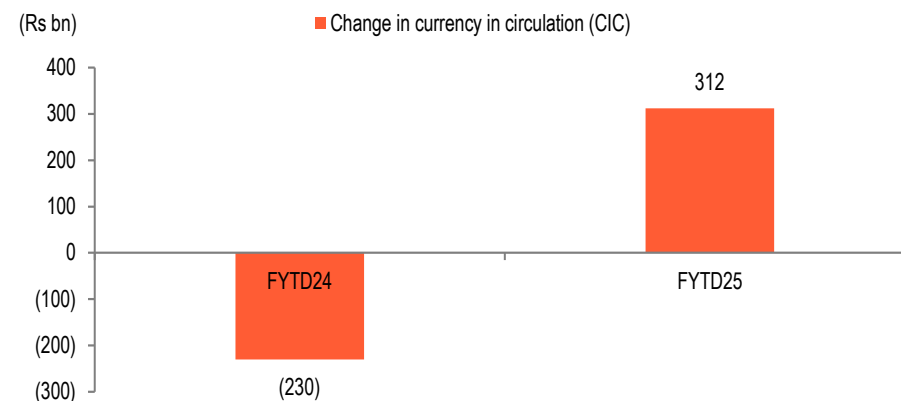
**Fig 90 – WALR on fresh loans picked up to 8.71% in Oct'24 from 8.57% in Sep'24, WADTDR rose a tad to 7.08% from 7.07%**



**Fig 89 – WALR and repo remains closely aligned**

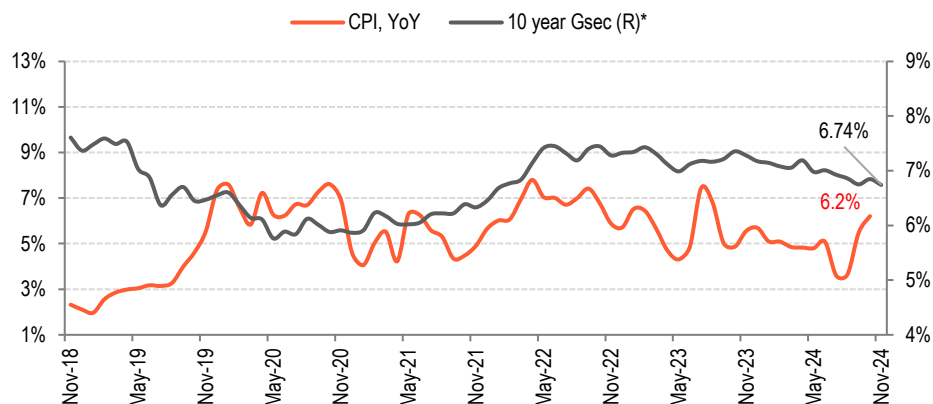


**Fig 91 – CIC accretion picking pace**



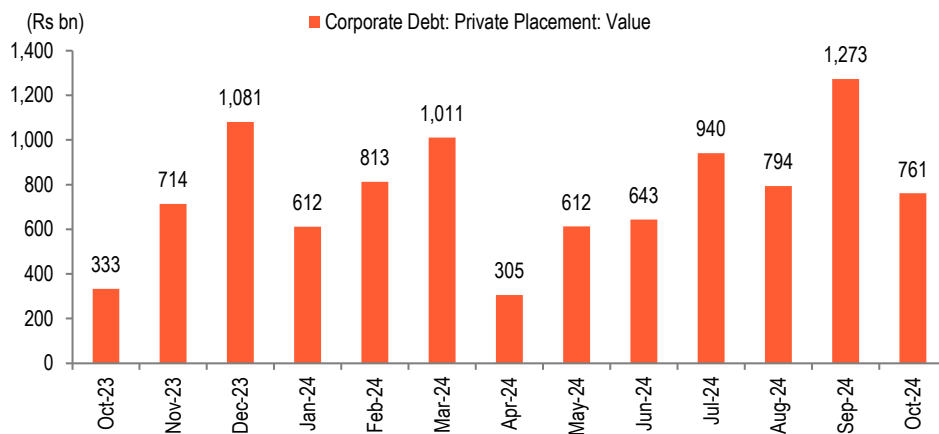
Note: Accretion from Mar

**Fig 92 – 10Y GSec yield moderated to 6.74% in Nov'24 from 6.85% in Oct'24, inflation was higher at 6.2% from 5.5% in Sep'24**

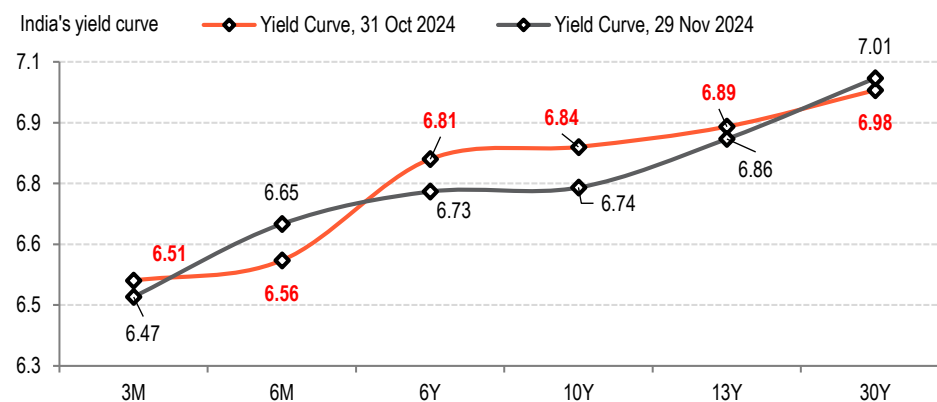


Note: \*As on last trading day of the month

**Fig 94 – Corporate debt issuances moderated to Rs 761bn in Oct'24 from Rs 1.3tn in Sep'24**

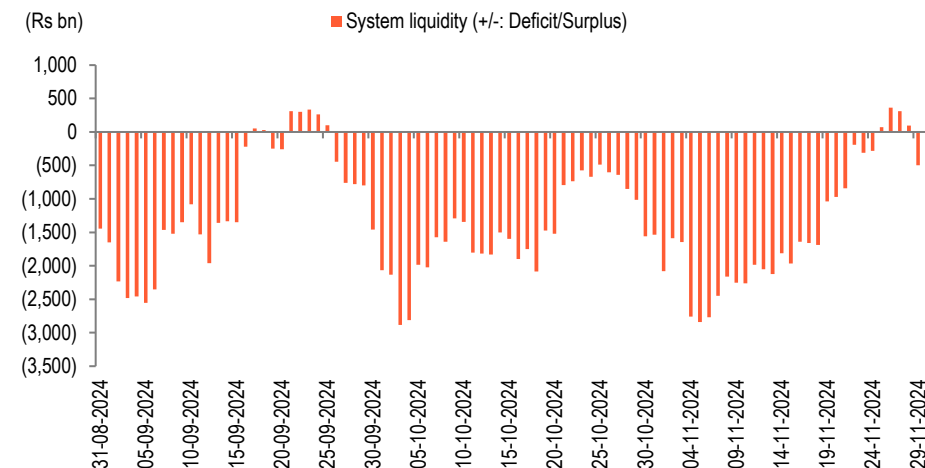


**Fig 93 – Some downward shift happened for 6-10Y part of the curve**



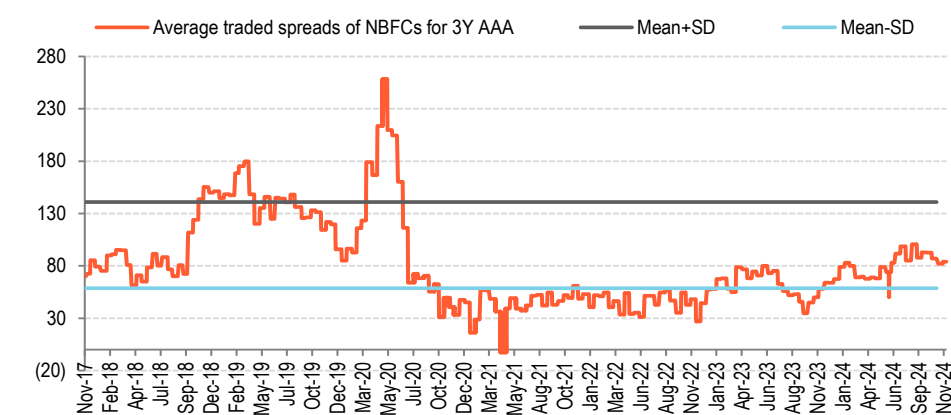
Source: Bloomberg

**Fig 95 – Avg. system liquidity surplus moderated to Rs 1.4 lakh crore from Rs 1.5tn surplus seen in Oct'24 and currently at an avg. of Rs 0.7tn surplus (till 5<sup>th</sup> Nov)**

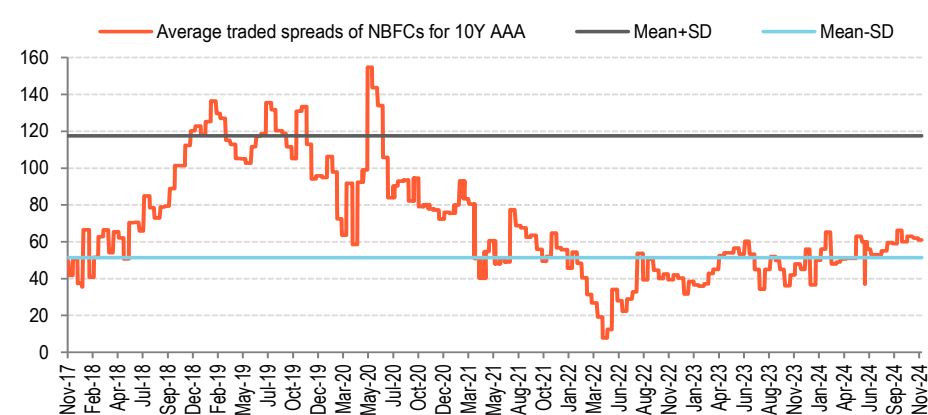


Source: RBI

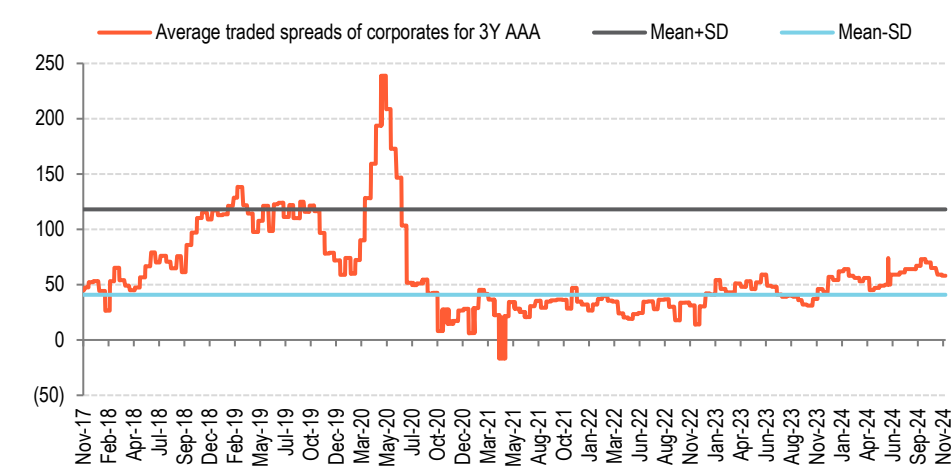
**Fig 96 – 3Y AAA NBFC spread moderated to 84bps as on 29 Nov 2024 from 87bps as on 31 Oct 2024**



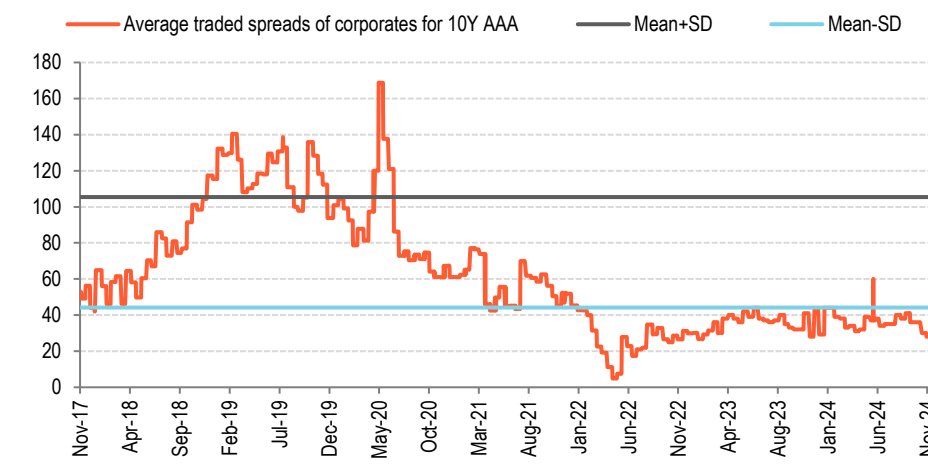
**Fig 97 – For 10Y AAA NBFC, it edged down slightly to 61bps from 63bps**

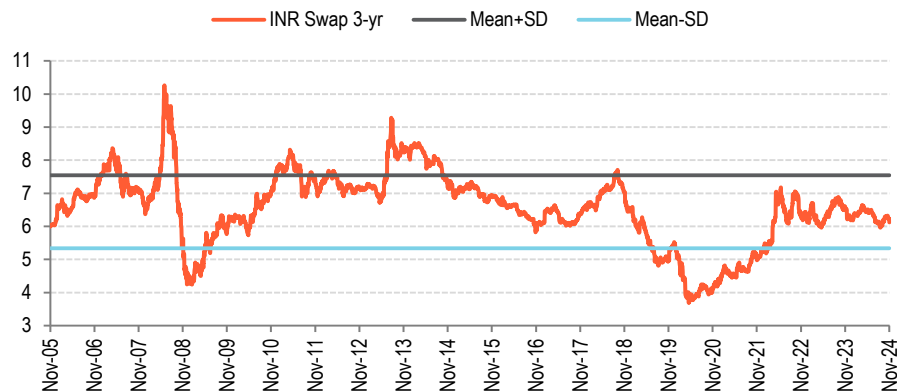
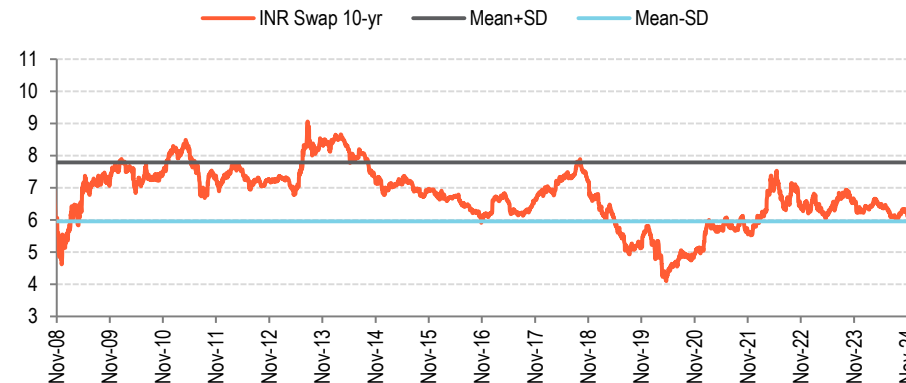


**Fig 98 – 3Y AAA corp spread softened to 58bps from 65bps**



**Fig 99 – For 10Y AAA corp spread, it was lower at 28bps compared to 36bps**



**Fig 100 – INR 3Y swap fell to 6.12 as on 29 Nov 2024 from 6.30 as on 31 Oct 2024****Fig 101 – For 10Y as well, it was lower at 6.12 compared to 6.31**

## Interest rates on small savings schemes

**Fig 102 – Interest rate on small savings scheme to remain unchanged in Q3FY25**

Instrument (%)	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Savings deposit	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
1 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.6	6.8	6.9	6.9	6.9	6.9	6.9	6.9
2 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.7	6.8	6.9	7.0	7.0	7.0	7.0	7.0	7.0
3 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.8	6.9	7.0	7.0	7.0	7.1	7.1	7.1	7.1
5 year time deposit	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	7.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5
5 year recurring deposit	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	6.2	6.5	6.7	6.7	6.7	6.7	6.7
5 year senior citizen savings scheme	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.6	8.0	8.2	8.2	8.2	8.2	8.2	8.2	8.2
5 year monthly income scheme	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.7	7.1	7.4	7.4	7.4	7.4	7.4	7.4	7.4
5 year national savings certificate	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	7.0	7.7	7.7	7.7	7.7	7.7	7.7	7.7
Public provident fund scheme	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Kisan vikas patra	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	7.0	7.2	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Sukanya samriddhi account scheme	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	8.0	8.0	8.0	8.2	8.2	8.2	8.2

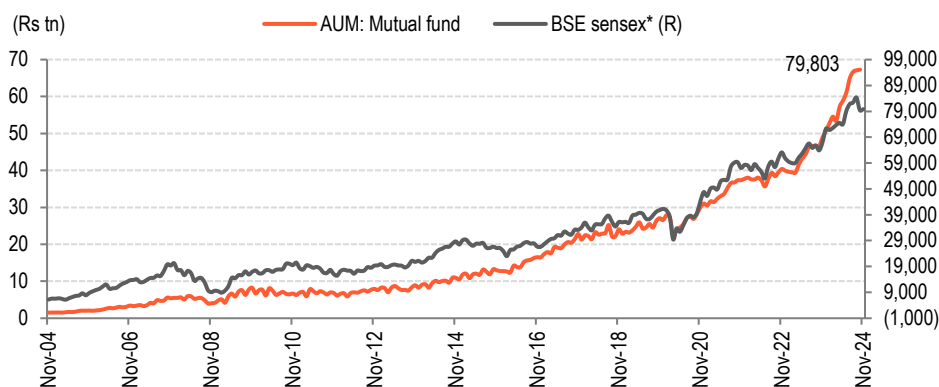
Source: Department of Economic Affairs, Ministry of Finance, Government of India

**Fig 103 – MCLR rate of few PSBs inched up**

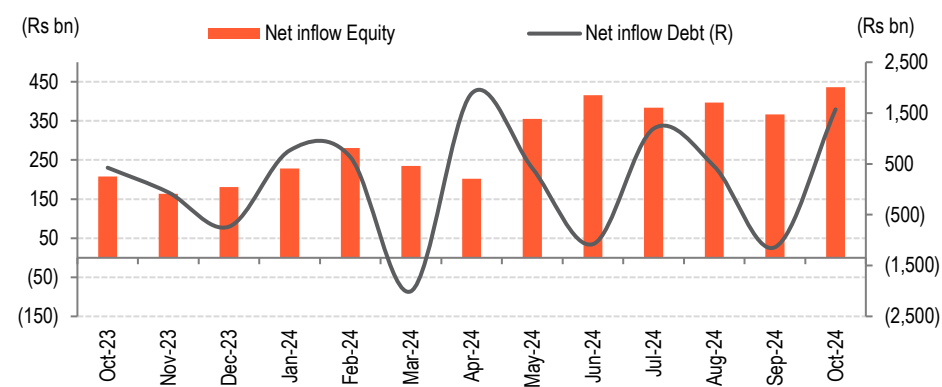
1Y MCLR (%)	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sep'24	Oct'24	Nov'24
<b>Public Sector Banks</b>																
Bank of Baroda	8.65	8.70	8.70	8.75	8.75	8.80	8.80	8.80	8.85	8.85	8.85	8.90	8.95	8.95	8.95	9.00
Bank of India	8.70	8.70	8.70	8.75	8.80	8.80	8.80	8.85	8.85	8.85	8.90	8.90	8.95	8.95	8.95	9.00
Canara Bank	8.70	8.70	8.70	8.75	8.75	8.80	8.85	8.90	8.90	8.90	8.90	8.95	9.00	9.00	9.05	9.05
Indian Bank	8.65	8.70	8.70	8.75	8.75	8.80	8.85	8.85	8.85	8.85	8.90	8.95	8.95	9.00	9.00	9.00
Punjab National Bank	8.60	8.65	8.65	8.65	8.65	8.70	8.80	8.80	8.80	8.80	8.85	8.85	8.90	8.90	8.95	8.95
State Bank of India	8.55	8.55	8.55	8.55	8.65	8.65	8.65	8.65	8.65	8.65	8.75	8.85	8.95	8.95	8.95	9.00
Union Bank of India	8.65	8.70	8.70	8.70	8.80	8.80	8.90	8.90	8.90	8.90	8.90	8.90	8.95	8.95	8.95	9.00
<b>Private Sector Banks</b>																
Axis Bank Ltd.	9.15	9.15	9.15	9.20	9.25	9.25	9.30	9.30	9.30	9.30	9.30	9.30	9.35	9.35	9.35	9.35
HDFC Bank Ltd.	9.10	9.15	9.20	9.20	9.20	9.25	9.30	9.30	9.30	9.30	9.30	9.40	9.45	9.45	9.45	9.45
ICICI Bank Ltd.	8.90	8.95	8.95	9.00	9.00	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10
Indusind Bank	10.25	10.30	10.30	10.35	10.35	10.35	10.40	10.40	10.40	10.45	10.45	10.45	10.55	10.55	10.55	10.55
Kotak Mahindra Bank	9.30	9.30	9.35	9.35	9.35	9.35	9.45	9.45	9.45	9.45	9.50	9.50	9.55	9.55	9.55	9.55

Source: RBI, Note: Banks whose MCLR went up in Nov'24 has been marked red

## Mutual fund (MF) indicators

**Fig 104 – Sensex inched up by 0.5% in Nov'24, AUM of MFs rose to Rs 67.3tn in Oct'24 from Rs 67.1tn in Sep'24**

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

**Fig 105 – MF equity inflows rose to Rs 436bn in Oct'24 from Rs 367bn in Sep'24; debt inflow rose to Rs 1.6tn from Rs 1.1tn outflow seen in Sep'24**

Insurance sector indicators

Fig 106 – Sale of life insurance policies fell by 41.6% in Oct'24 from 45.5% increase seen in Sep'24 due to an elevated base

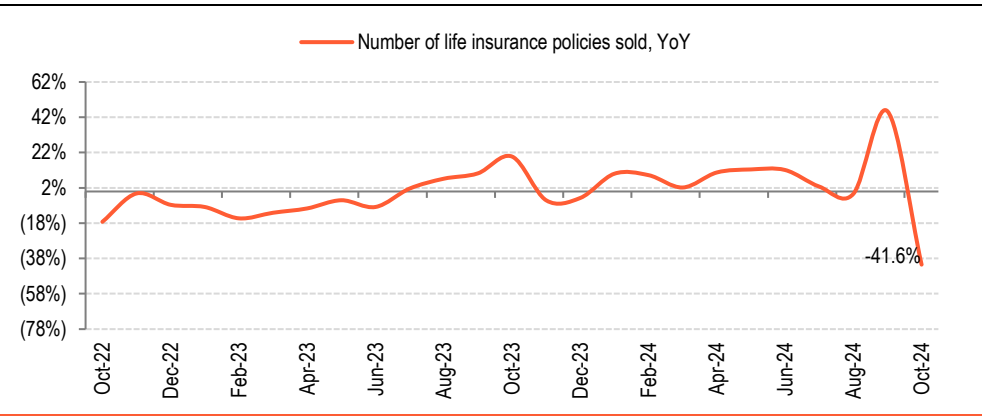
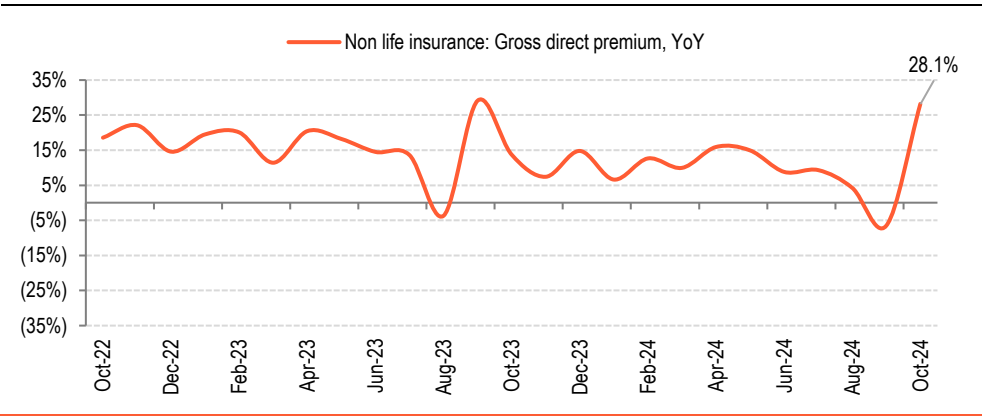


Fig 107 – Gross direct premium for non-life insurance rose by 28.1% in Oct'24 from -6.6% decline seen in Sep'24

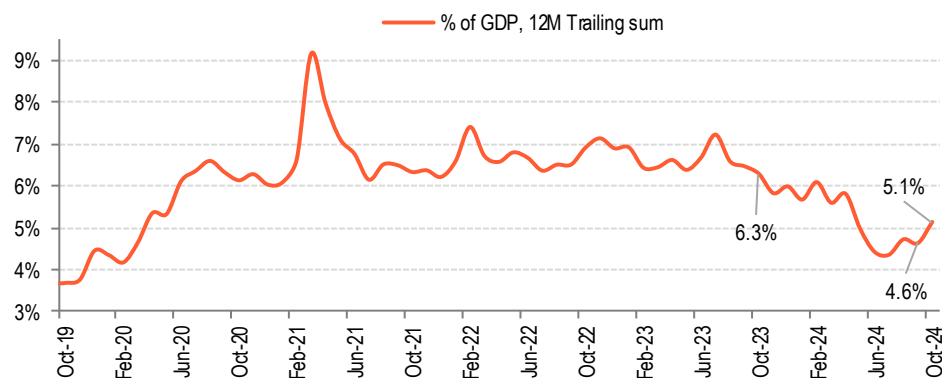




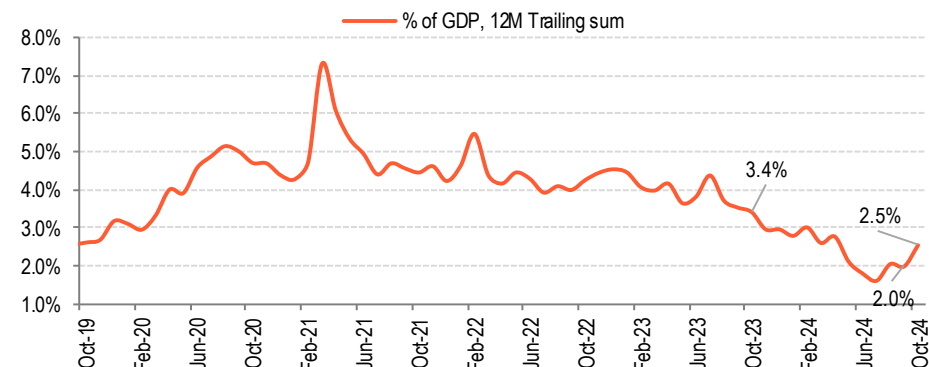
## Public finance

### Central government finances

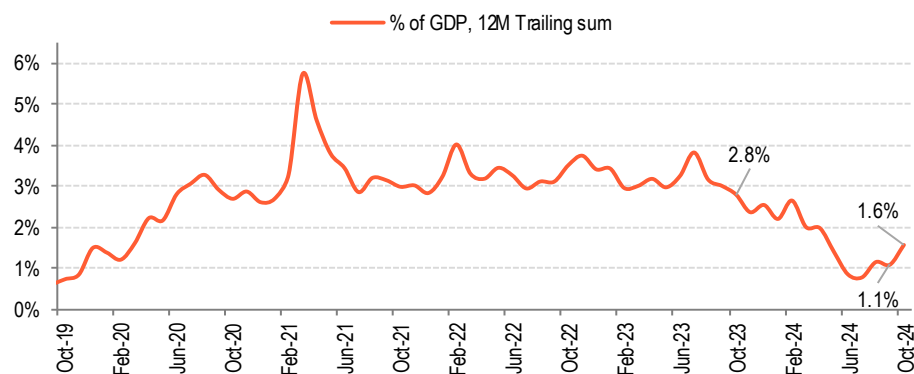
**Fig 108 – Fiscal deficit inched back up in Oct'24 (12MMA basis); but remains lower than last year**



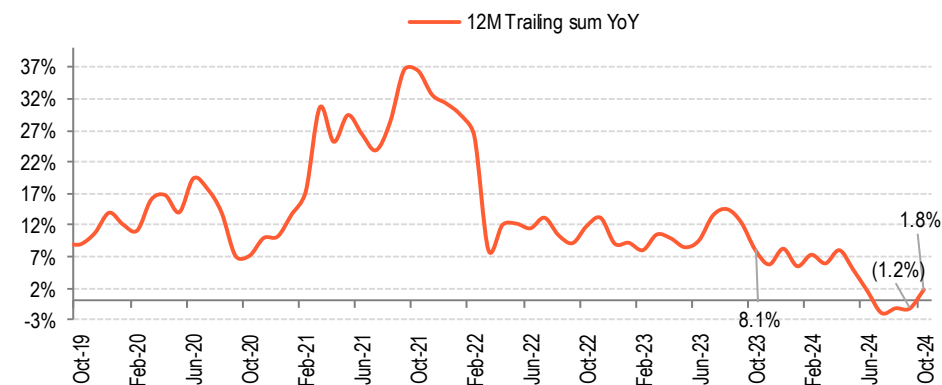
**Fig 109 – Revenue deficit also seen rising**

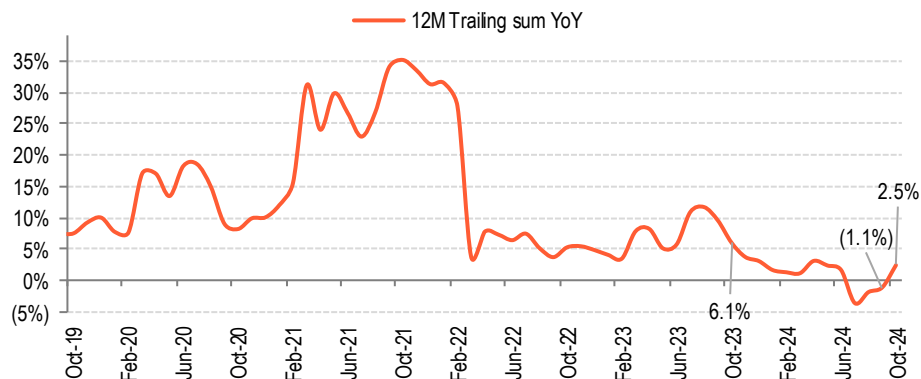
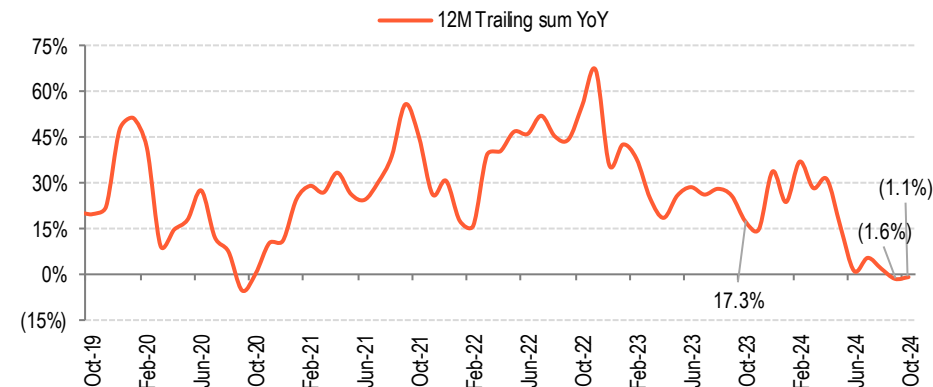


**Fig 110 – Primary deficit stable at 1.6% as of Oct'24**



**Fig 111 – Government spending begins to gain momentum at the start of Q3 (12MMA basis)...**



**Fig 112 – ...helped by both revenue spending and****Fig 113 – ...Capital expenditure****Fig 114 – Capex spending was hit due to lower outgo from ministry of road transport; revenue exp seen improving due ministry of consumer affair/rural development**

Ministry	Apr-Oct'22	Apr-Oct'23	% change	Apr-Oct'24	% change
Ministry of Finance	7,286	8,216	12.8	8,716	6.1
Ministry of Defence	3,012	3,482	15.6	3,490	0.2
Ministry of Consumer Affairs, Food and Public Distribution	1,353	1,157	(14.5)	1,529	32.2
Ministry of Rural Development	869	831	(4.4)	944	13.7
Ministry of Home Affairs	1,077	1,157	7.4	1,400	21.0
Ministry of Education	488	482	(1.2)	524	8.7
Ministry of Road Transport and Highways	1,548	1,804	16.6	1,480	(18.0)
Ministry of Chemicals and Fertilisers	1,034	1,199	15.9	1,025	(14.5)
Ministry of Petroleum and Natural Gas	20	19	(5.9)	61	216.6
Ministry of Agriculture	671	481	(28.3)	757	57.5
Ministry of Health and Family Welfare	394	432	9.5	549	27.2

Fig 115 – Receipt growth eased in Oct'24...

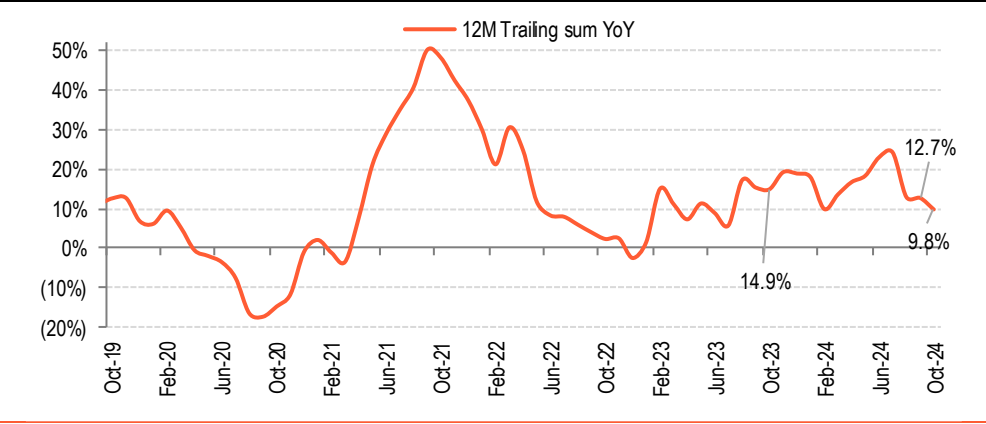


Fig 116 – ...Led by slowdown in revenue receipts

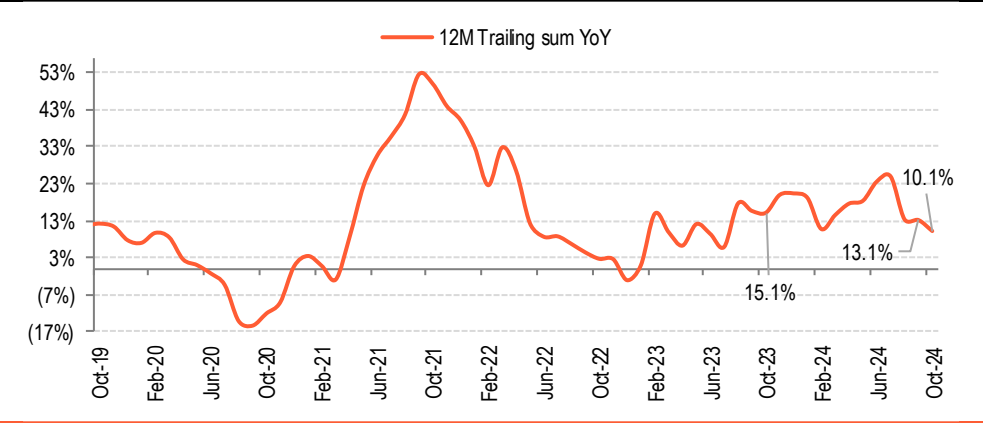


Fig 117 – Net tax revenue receipts led the moderation in revenue receipts

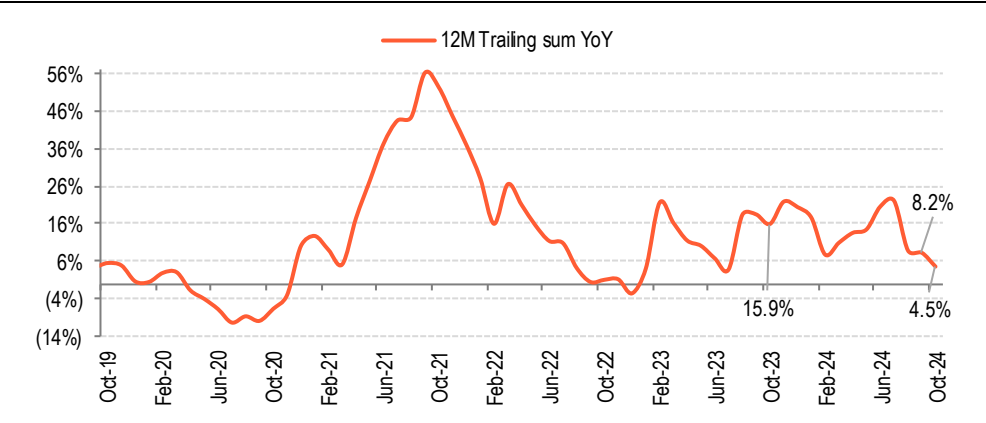
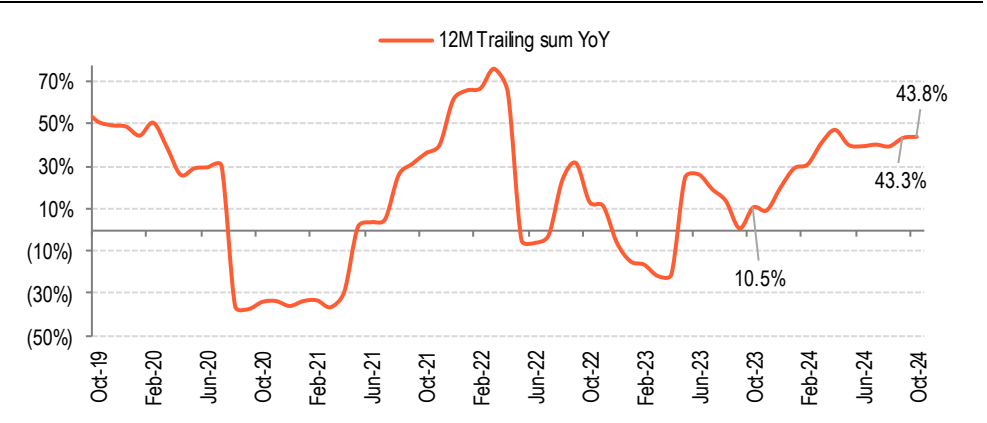
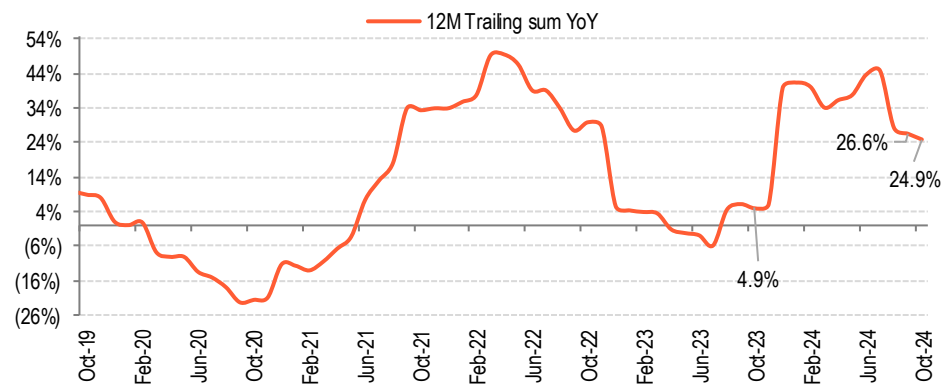
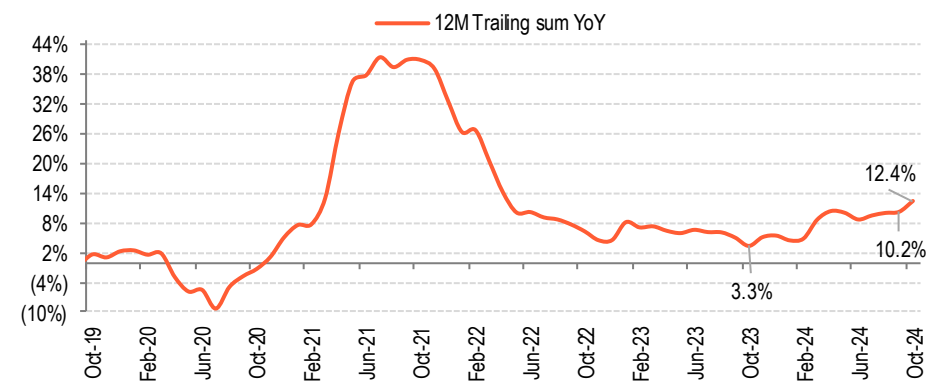


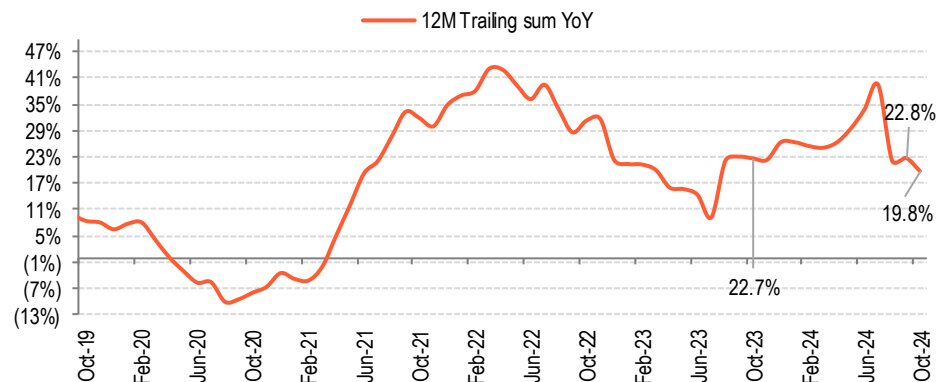
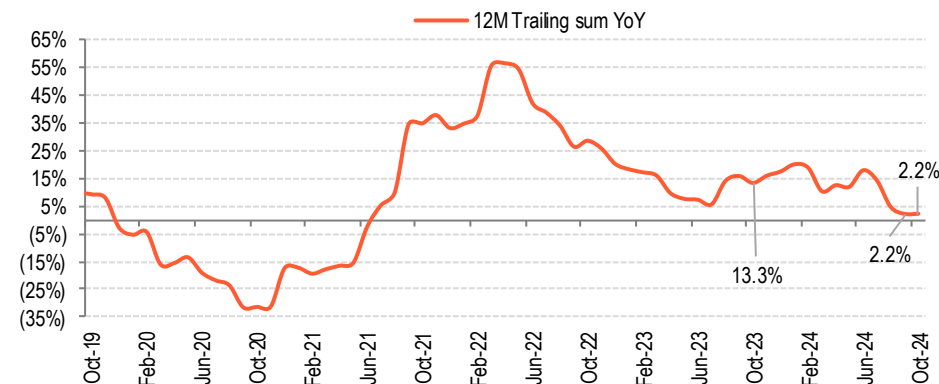
Fig 118 – Non-tax collections continue to maintain steady growth path



**Fig 119 – Centre’s net tax collections see a slowdown, due to higher base; capex still lower than last year**

	Apr-Oct'22	Apr-Oct'23	% change	Apr-Oct'24	% change
Gross Tax revenue	16,096	18,345	14.0	20,326	10.8
Direct taxes	8,082	10,032	24.1	11,143	11.1
Corp Tax	4,106	4,820	17.4	4,879	1.2
Income Tax	3,976	5,212	31.1	6,265	20.2
Indirect taxes	8,014	8,313	3.7	9,183	10.5
Non-tax revenue	1,788	2,658	48.7	3,993	50.2
Centre's revenue (net)	13,499	15,677	16.1	17,043	8.7
Total expenditure	21,437	23,944	11.7	24,739	3.3
Capital exp	4,090	5,469	33.7	4,665	(14.7)
Revenue exp	17,347	18,475	6.5	20,074	8.7
Fiscal deficit	7,581	8,037		7,508	

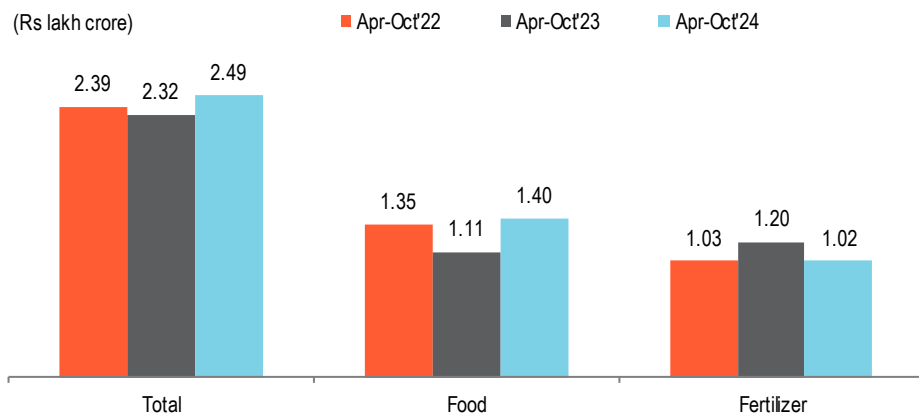
**Fig 120 – Gross direct tax collections seen easing****Fig 121 – Gross indirect tax collections continues to improve**

**Fig 122 – Amongst direct taxes, income tax collections softened****Fig 123 – Corporate tax collection growth broadly steady****Fig 124 – GST collections for Oct'24 see further improvement**

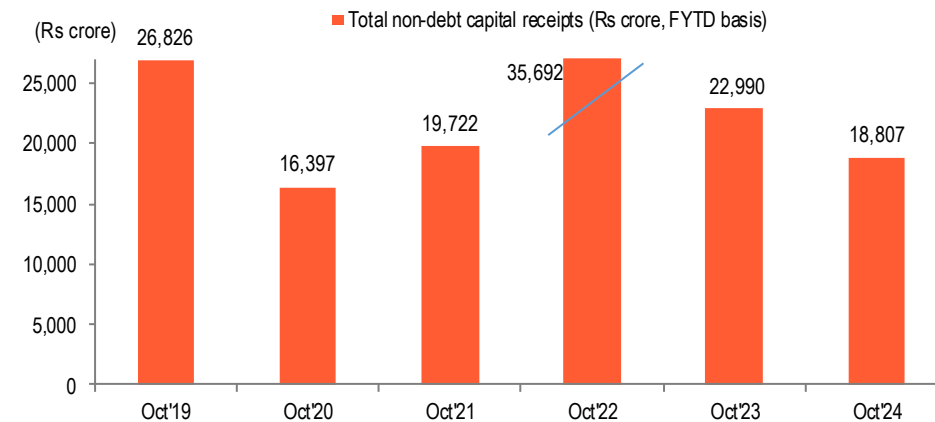
(Rs bn)	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Monthly run rate (FYTD25)	FYTD25	FY25 (BE)
CGST	705	661	680	737	711	731	912	677	695	723	706	700	804	745	5,216	9,177
UT GST	11.2	2.5	4.5	4.7	3.8	7.0	2.9	3.1	2.8	0.6	3.5	3.4	3.2	3	19	-
IGST	(159)	43	(113)	(65)	(127)	383	(26)	(82)	7	(5)	82	16	(96)	(15)	(104)	-
SGST*	1,044	855	959	949	970	537	1,084	1,012	904	974	839	894	1,041	964	6,749	-
Cess	119	118	118	116	125	127	130	118	129	128	119	119	122	124	865	1,500
<b>Total GST</b>	<b>1,720</b>	<b>1,679</b>	<b>1,649</b>	<b>1,741</b>	<b>1,683</b>	<b>1,785</b>	<b>2,103</b>	<b>1,727</b>	<b>1,738</b>	<b>1,821</b>	<b>1,750</b>	<b>1,732</b>	<b>1,873</b>	<b>1,821</b>	<b>12,744</b>	<b>-</b>

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

**Fig 125 – Total subsidy disbursed in FYTD25 so far, has been higher than last year, led by food subsidies**



**Fig 126 – Central govt's non-debt capital receipts as of FYTD25 continue to track lower than previous years (excluding Covid-19 period of Oct'20)**



## Central government borrowing

**Fig 127 – Centre's borrowing through T-bill in Q3 has been at Rs 3tn**

Total accepted amount (T-bills), (Rs bn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY25 (planned)
Q1	2,888	3,089	3,364	5,328	5,375	5,247	4,963	3,469	3,210
Q2	3,186	3,299	3,024	5,417	3,215	3,704	3,899	3,242	2,600
Q3	2,632	3,070	2,889	3,745	3,630	3,589	3,611	3009*	2,470
Q4	2,486	1,812	2,511	2,714	4,766	4,566	4,258		
<b>Total</b>	<b>11,192</b>	<b>11,271</b>	<b>11,788</b>	<b>17,204</b>	<b>16,986</b>	<b>17,105</b>	<b>16,731</b>		

Source: RBI, \*Till 4 Dec

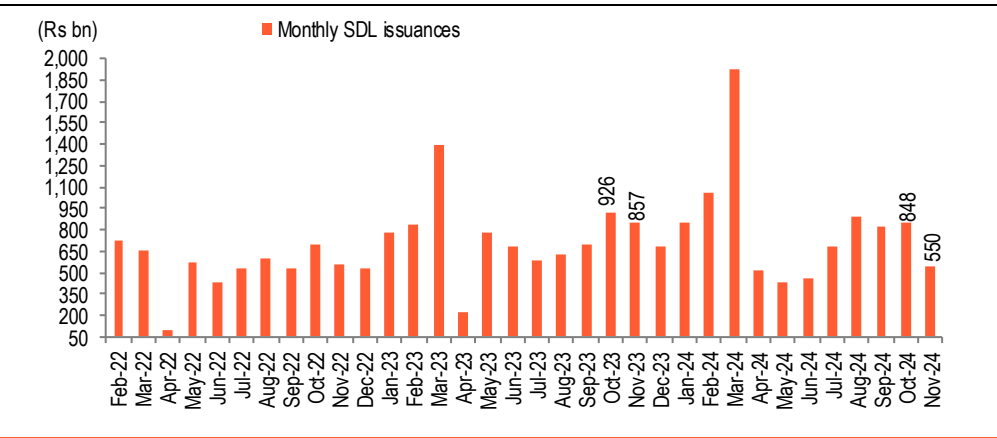
**Fig 128 – Centre has raised Rs 2.5tn in Q3**

Total accepted amount (G-Sec), (Rs bn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY25 (planned)
Q1	1,680	1,320	2,040	3,140	3,064	3,570	4,080	3,410	3,780
Q2	1,890	1,440	2,210	4,220	3,649	4,390	4,800	3,647	3,720
Q3	1,640	1,270	1,930	2,910	3,190	3,510	3,850	2,505*	4,140
Q4	670	1,680	920	3,191	1,370	2,740	2,700		2,470
<b>Total</b>	<b>5,880</b>	<b>5,710</b>	<b>7,100</b>	<b>13,461*</b>	<b>11,273</b>	<b>14,210</b>	<b>15,430</b>		<b>14,110</b>

Source: RBI\* Against budgeted Rs 12.8tn, \* Till 6<sup>th</sup> Dec 2024

State government borrowing

Fig 129 – State government borrowings in Nov’24 were also lower than last year



Source: RBI

Fig 130 – States have borrowed only 52% of the planned amount in Q3FY25 so far

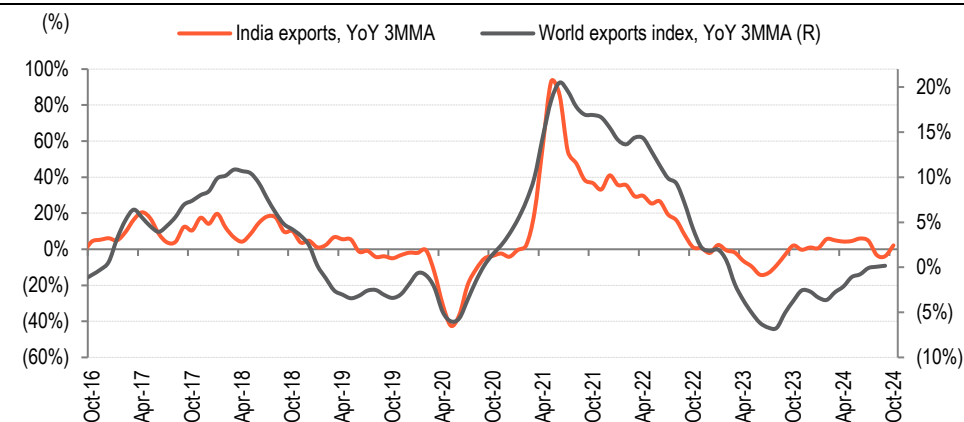
Quarterly SDL issuances, (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FYTD25 (actual)	FY25 (planned)
Q1	766	815	1,673	1,446	1,102	1,677	1,401	2,540
Q2	809	1,439	1,614	1,644	1,661	1,903	2,536	2,636
Q3	1,277	1,470	2,023	1,653	1,879	2,460	1,657*	3,201
Q4	1,809	2,006	1,898	2,184	3,009	3,838		
Total	4,661	5,731	7,206	6,927	7,652	9,879	5,594	8,377

Source: RBI; \*as of 3 Dec 2024

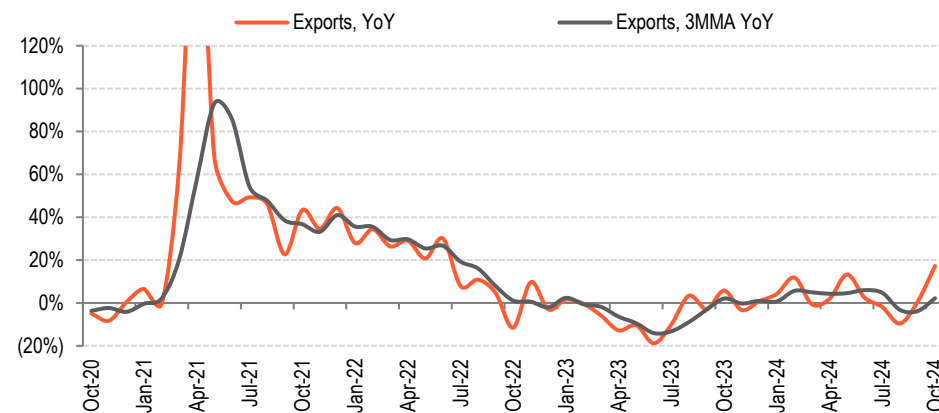
## External sector

### Exports

**Fig 131 – Global exports showing a gradual improvement**

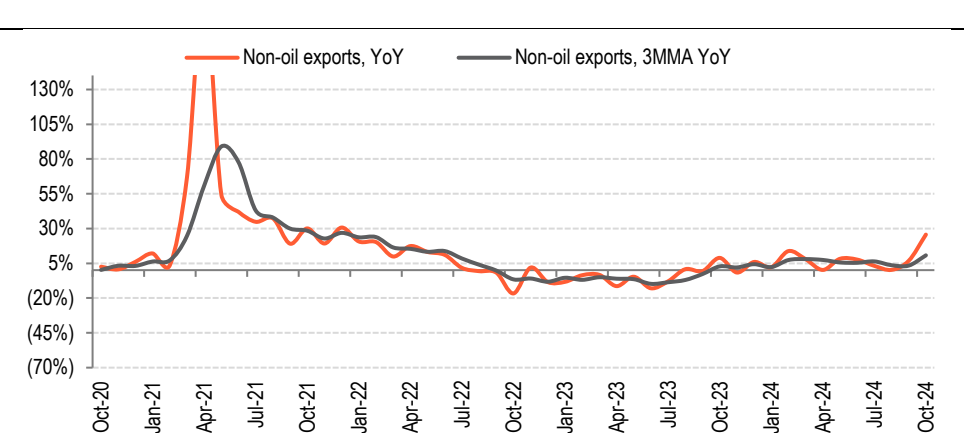


**Fig 132 – India's exports rebounded sharply in Oct'24 and rose by 17.3%**

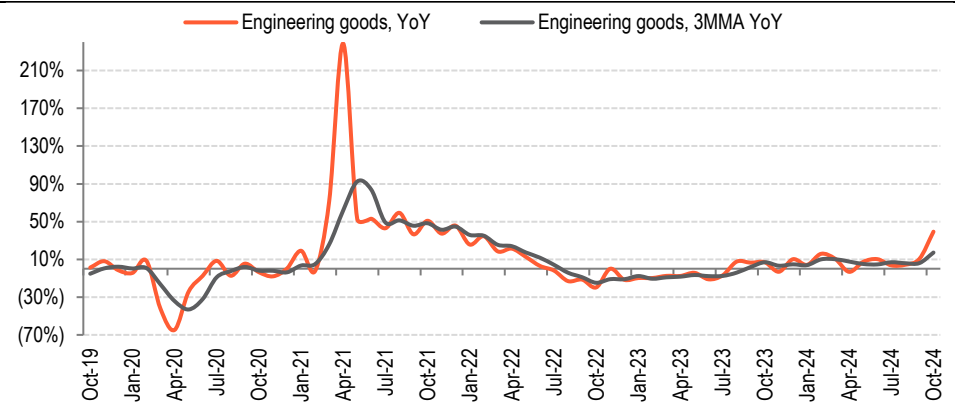


### Exports by major sectors

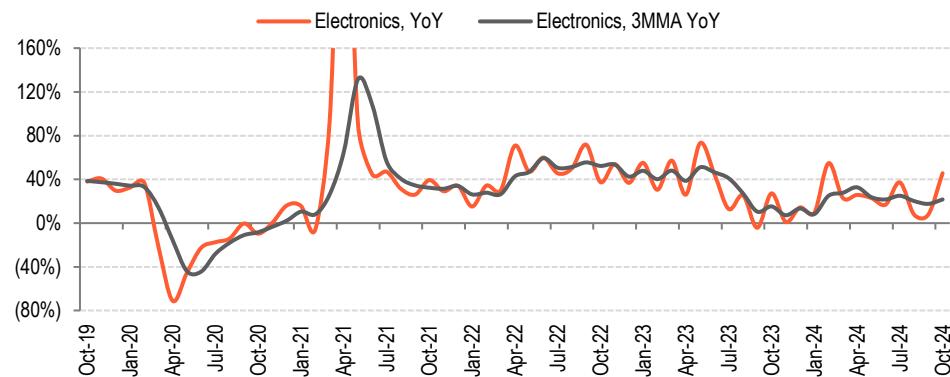
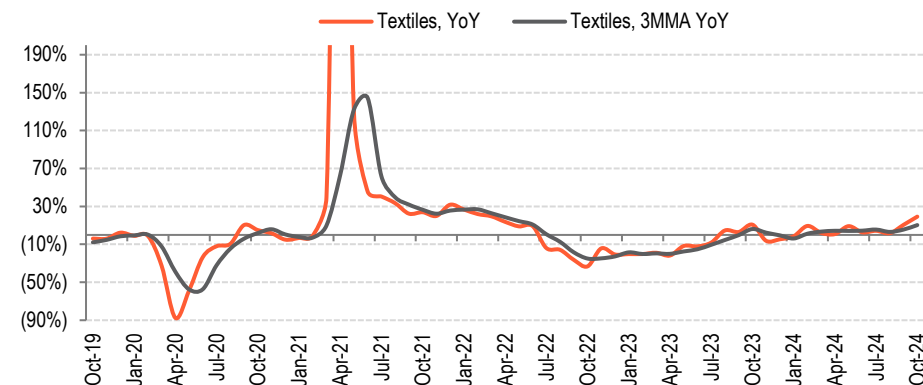
**Fig 133 – Non-oil exports rose to a 34-month high of 25.6% in Oct'24**



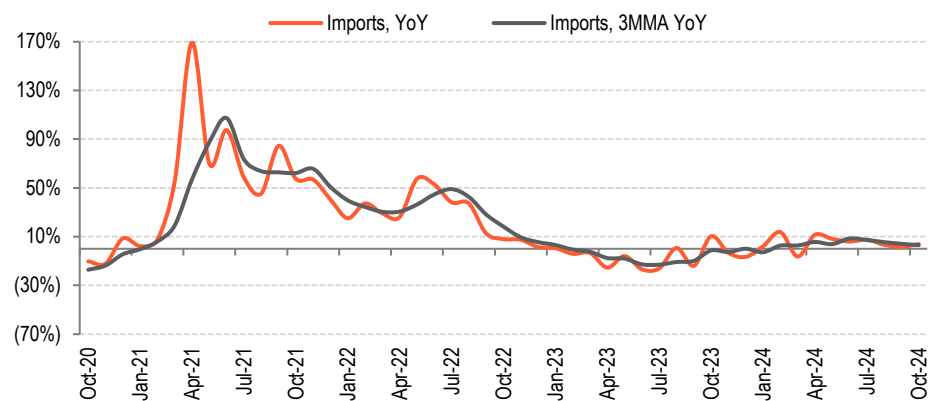
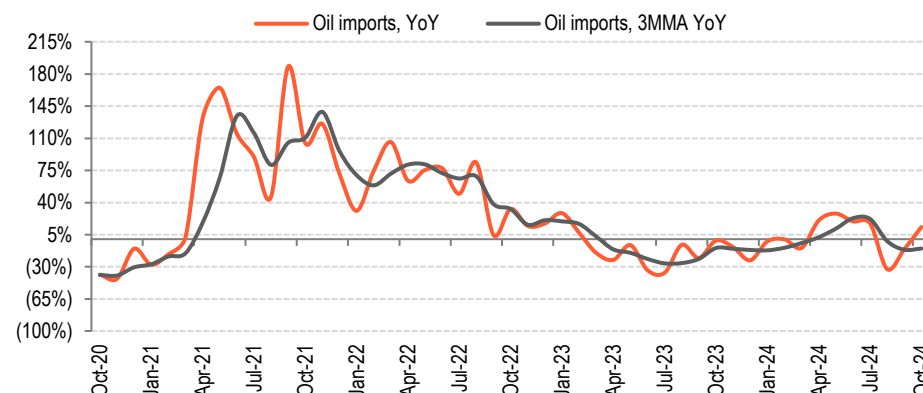
**Fig 134 – Within non-oil exports, engineering goods saw an improvement in exports and rose by 39.4% in Oct'24 compared with 10.6% in Sep'24**

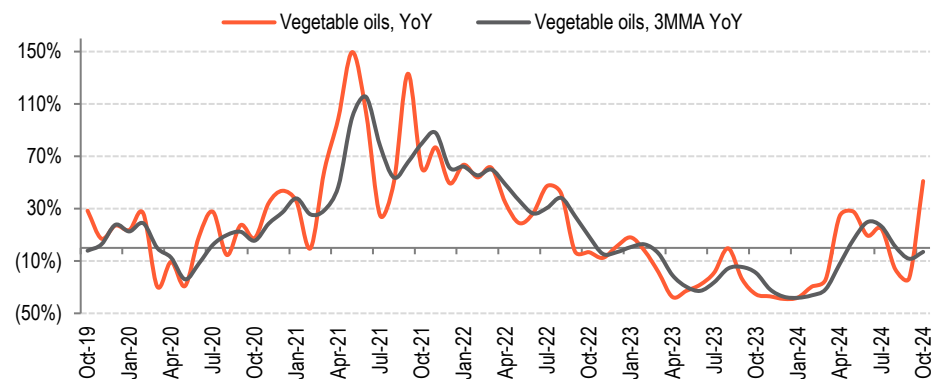
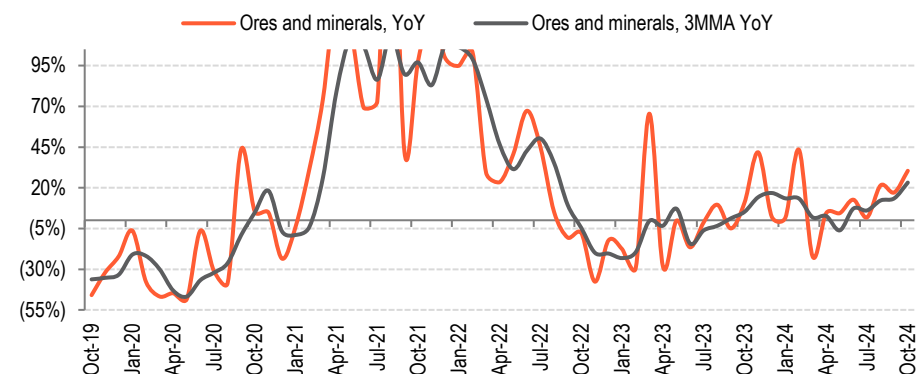
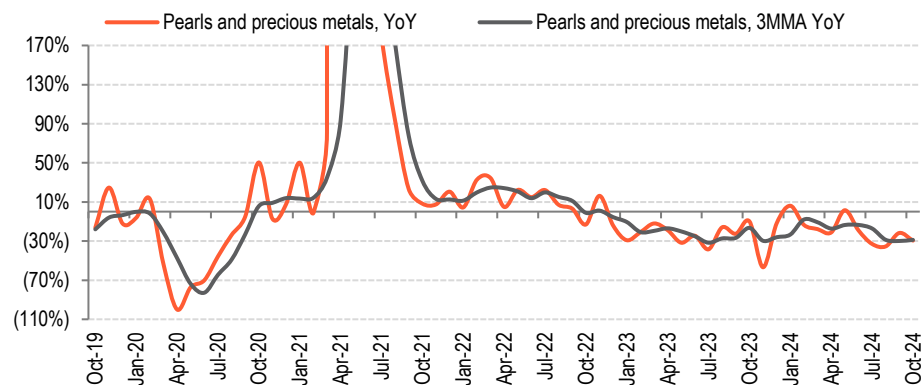
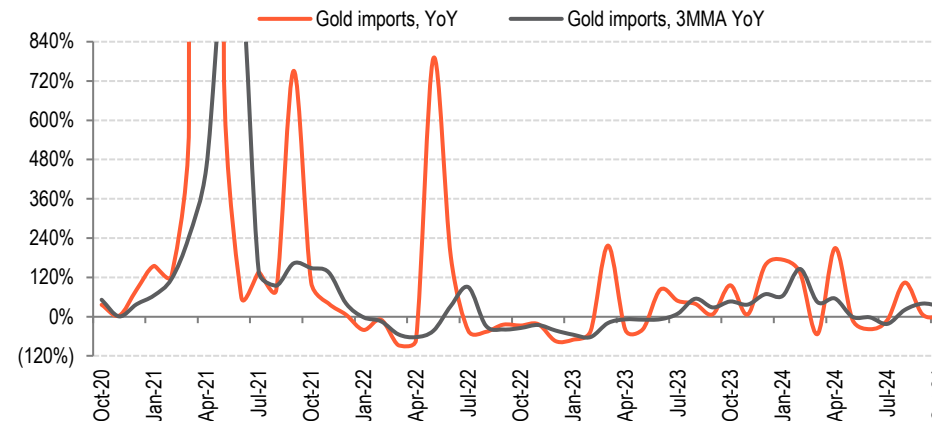




**Fig 135 – Electronic exports also higher****Fig 136 – Textile exports recovering gradually**

## Imports

**Fig 137 – Import growth marginally higher at 3.9% in Oct'24 versus 1.5% in Sep'24****Fig 138 – Oil imports increased by 13.4% in Oct'24 after declining by 10.8% in Sep'24**

**Fig 139 – Imports of vegetable oils picked up due to higher global prices****Fig 140 – Imports of ores and minerals also higher****Fig 141 – Imports of pearls and precious stones continued to contract****Fig 142 – Gold imports also declined by 1.4% despite festive demand**

## Exports and imports by major regions

**Fig 143 – Exports to China have declined sharply in FYTD25**

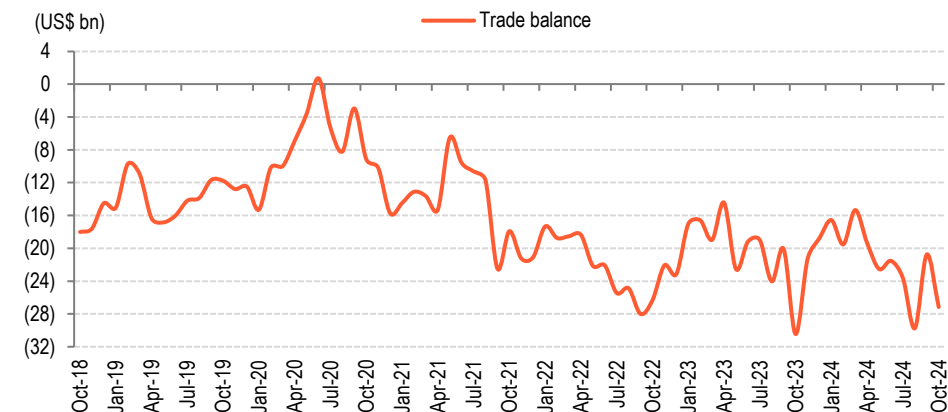
Region (% YoY)	Share in FY24	FYTD24	FYTD25	Aug-24	Sep-24	Oct-24
Americas	23.5	(8.6)	6.5	(2.5)	7.7	11.5
Asia and Pacific (Ex. China)	22.5	(14.4)	2.0	(13.1)	(5.4)	34.6
China	3.9	0.6	(9.5)	(22.8)	(14.1)	(10.2)
Europe	22.9	1.8	5.8	(10.2)	6.1	17.9
Middle East and Africa	26.3	(9.1)	(0.2)	(12.9)	(3.2)	13.0
Other	1.0	12.2	(17.3)	(10.3)	(37.5)	(38.0)

**Fig 144 – Continued weakness in imports from Europe**

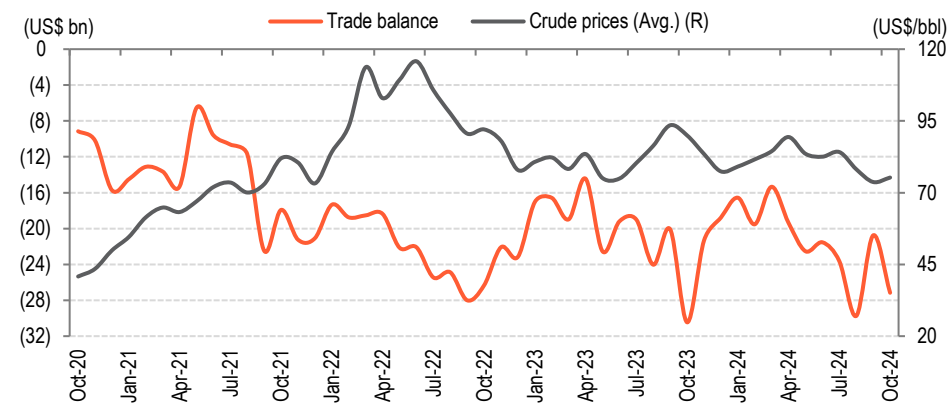
Region (% YoY)	Share in FY24	FYTD24	FYTD25	Aug-24	Sep-24	Oct-24
Americas	10.4	(13.8)	3.7	1.8	1.8	10.0
Asia and Pacific (Ex. China)	25.0	(7.6)	2.0	(6.5)	1.2	3.2
China	15.0	(0.4)	9.8	15.4	14.4	0.7
Europe	14.1	8.6	(11.0)	20.3	(14.4)	(38.6)
Middle East and Africa	26.3	(28.3)	15.9	14.3	1.6	22.6
Other	9.2	54.3	10.4	(36.7)	3.0	31.5

## Trade deficit

**Fig 145 – Trade deficit widened to US\$ 27.1bn in Oct'24 from US\$ 20.7bn in Sep'24**

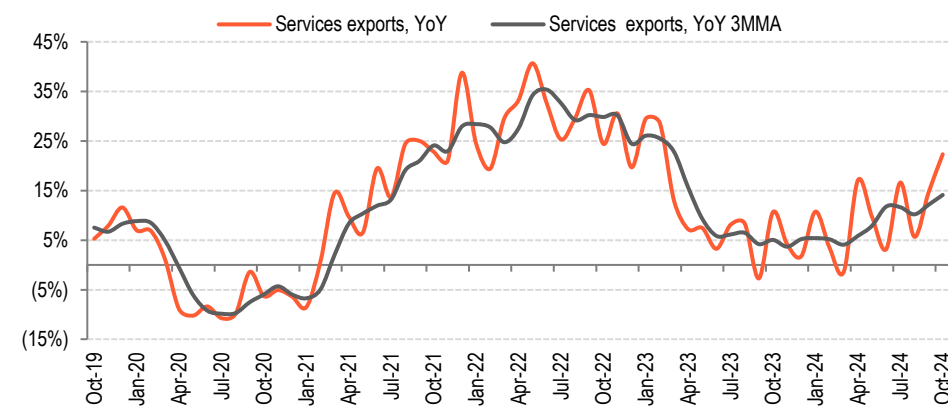


**Fig 146 – Even as oil prices declined**



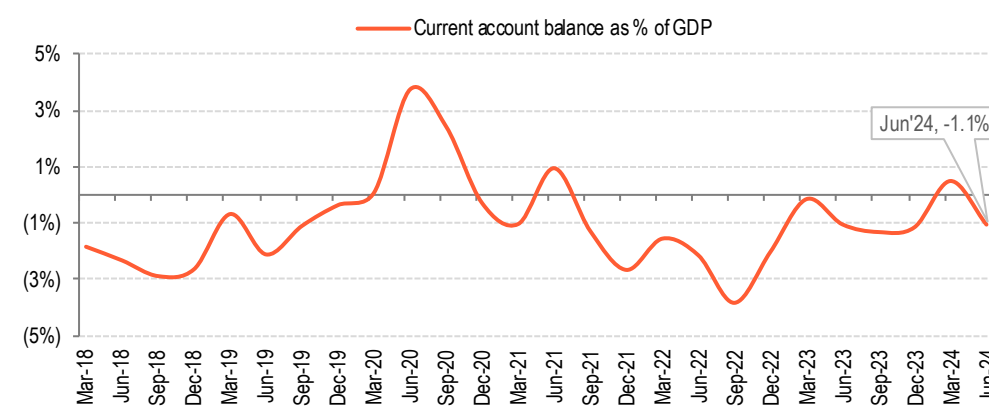
## Trade in services

**Fig 147 – Services exports rise by 22.3% in Oct'24 after increasing by 14.6% in Sep'24**



## BoP

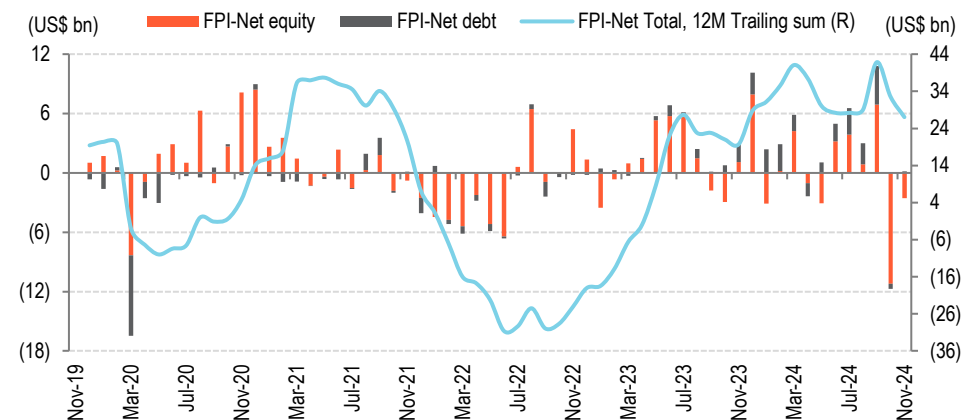
**Fig 148 – India's current account slips back into a deficit in Q1FY25, CAD at 1.1% of GDP**



## Foreign inflows

### FPI inflows

**Fig 149 – FPI outflows ease; FYTD25 inflows stand at US\$ 7.5bn**



Source: Bloomberg

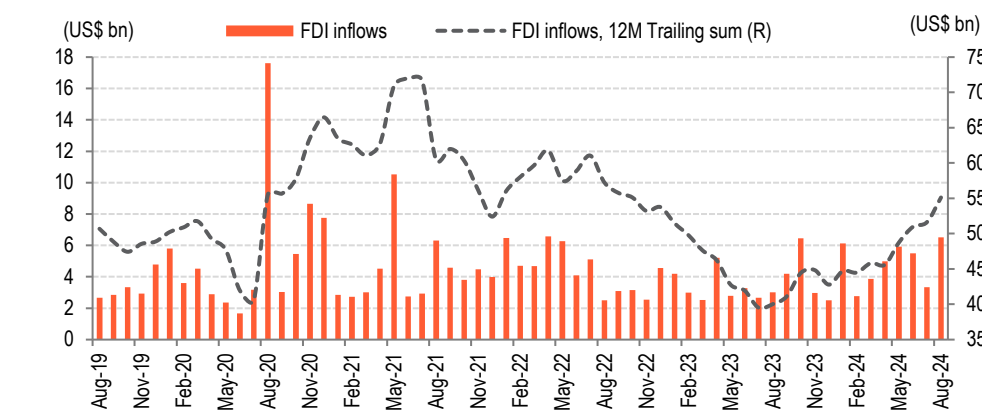
**Fig 151 – FDI inflows into trading sector rise sharply in Q2FY25**

Sector	% Share FY24	FYTD24	FYTD25	Q2FY24	Q1FY25	Q2FY25
Computer software and hardware	17.9	2.4	4.2	1.4	2.7	1.4
Services Sector	14.9	3.9	5.7	1.3	4.0	1.7
Construction (Infrastructure) activities	9.5	2.4	1.3	1.6	0.7	0.7
Trading	8.7	0.9	2.7	0.4	0.5	2.3
Non Conventional Energy	8.5	1.2	2.1	0.5	1.0	1.1
Automobile industry	3.4	0.7	0.9	0.3	0.4	0.6
Drugs and Pharmaceuticals	2.4	0.1	0.5	0.0	0.2	0.3

Source: DIPP

### FDI inflows

**Fig 150 – FDI inflows ease to US\$ 4.1bn in Sep'24 after inflows of US\$ 6.5bn in Aug'24**



Source: RBI, Bank of Baroda Research

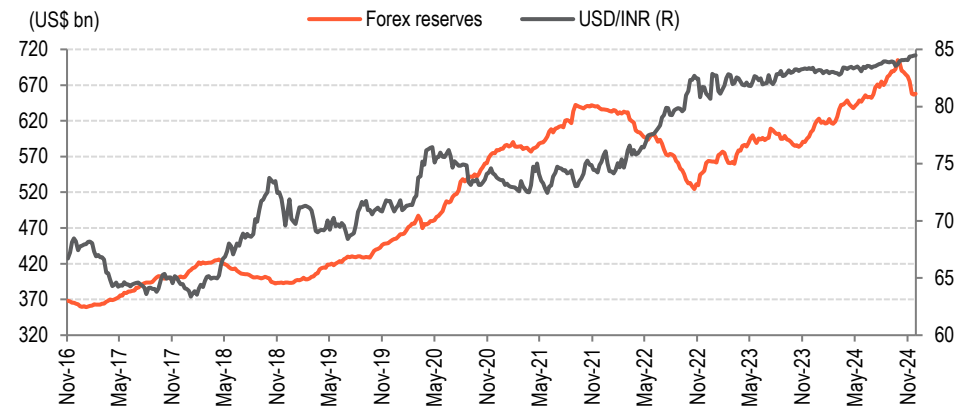
**Fig 152 – Country wise, inflows from key sources lower in Q2 FY25**

Country (US\$ bn)	Share in FY24	FYTD24	FYTD25	Q2FY24	Q1FY25	Q2FY25
Singapore	26.5	5.2	7.5	2.2	3.9	3.6
Mauritius	17.9	3.0	5.3	2.0	3.2	2.1
US	11.3	2.1	2.6	1.0	1.5	1.1
Netherlands	11.1	1.9	3.6	0.4	2.5	1.1
Japan	7.2	2.1	1.2	0.9	0.6	0.6
UK	2.7	0.6	0.2	0.2	0.1	0.1

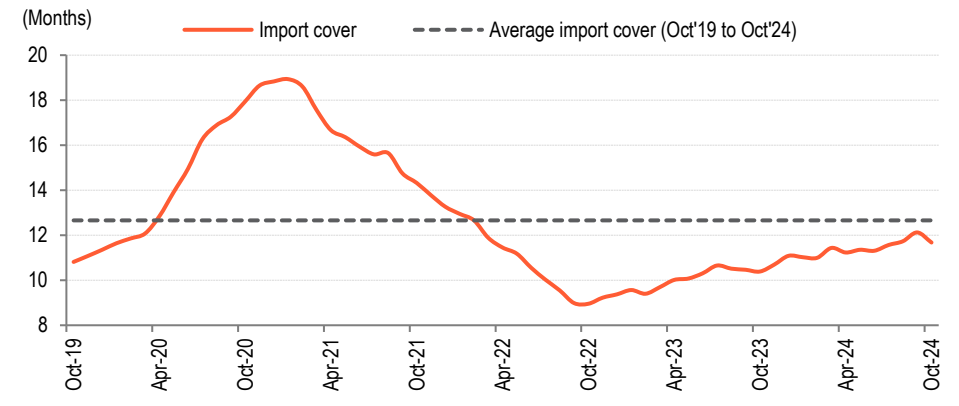
Source: DIPP

## Forex reserves and external debt

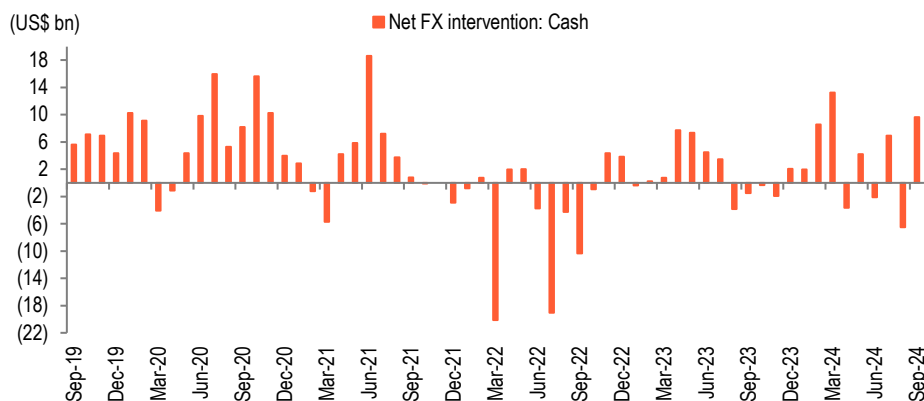
**Fig 153 – India's FX reserves slip to US\$ 658bn, accretion of US\$ 12.5bn in FYTD25**



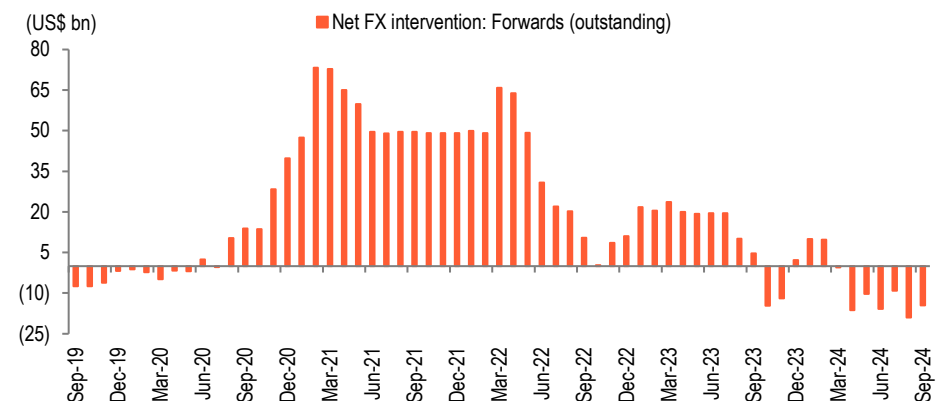
**Fig 154 – India's import cover is still adequate at close to 12 months**



**Fig 155 – RBI's bought US\$ 9.6bn in the spot market in Sep'24**



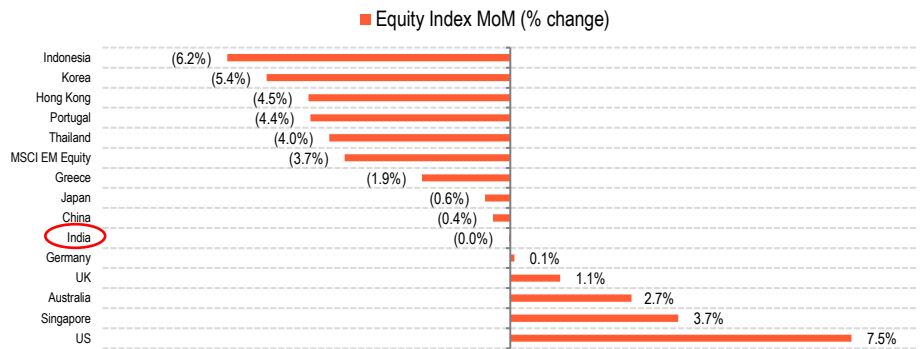
**Fig 156 – RBI's outstanding forwards position stands at (-) US\$ 14.6bn in Sep'24**



Markets

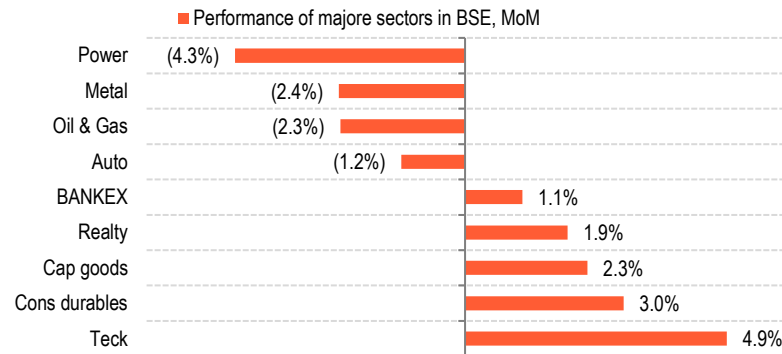
Equity

Fig 157 – In Nov’24, Sensex was flat



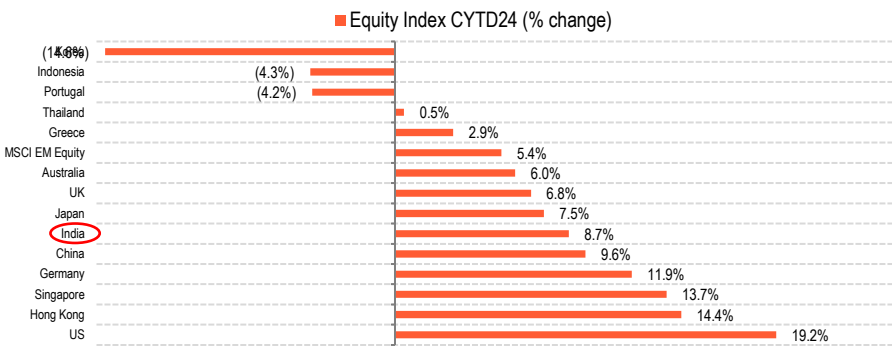
Source: Bloomberg | \* As on 29 Nov 2024, Indices are in US\$ terms

Fig 159 – Technology stocks rose the most while power and metal stocks moderated



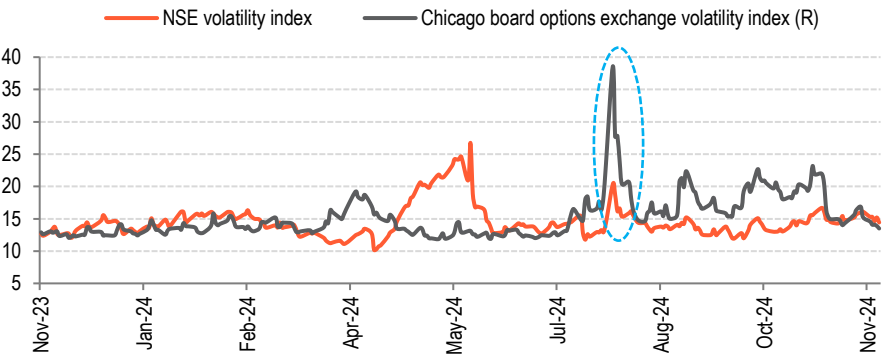
Source: Bloomberg | \* As on 29 Nov 2024

Fig 158 – However, in CYTD24, Sensex rose by 8.7%



Source: Bloomberg | \* As on 29 Nov 2024, Indices are in US\$ terms

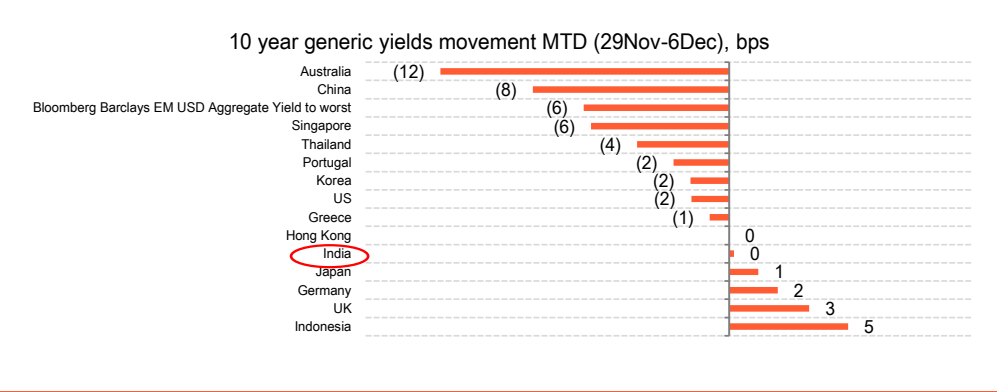
Fig 160 – VIX index moderated to 14.43 as on 29 Nov 2024 from 15.55 as on 31 Oct 2024



Source: Bloomberg

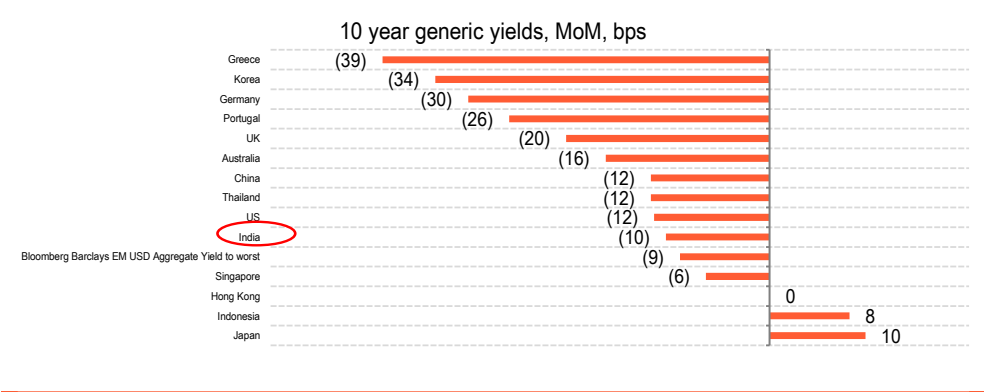
10-year bond yields

Fig 161 – In Dec’24\*, India’s 10Y yield has largely remained stable



Source: Bloomberg, \*As on 6 Dec 2024

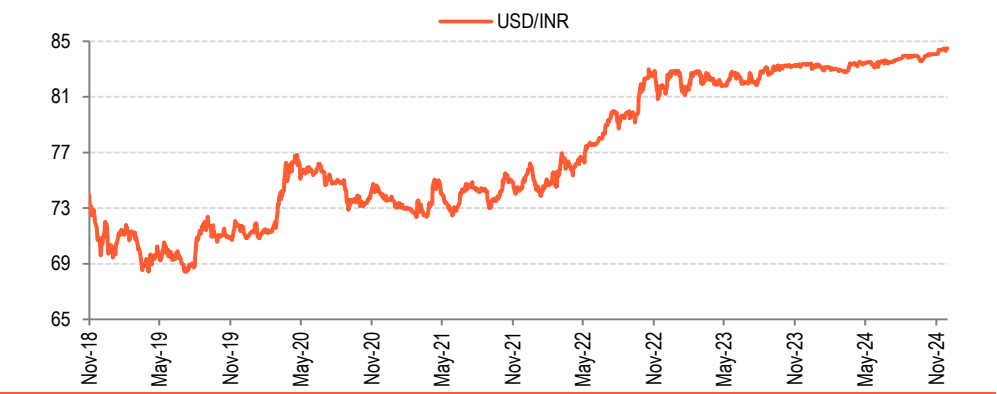
Fig 162 – However, in Nov’24, India’s 10Y yield has risen by 10bps



Source: Bloomberg, As on 29 Nov 2024

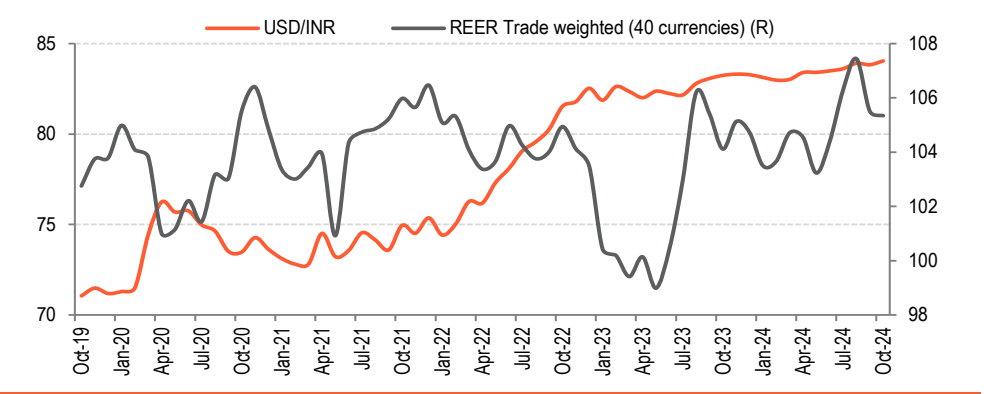
Currencies

Fig 163 – INR depreciated to a record low in Nov’24



Source: Bloomberg | \*As on 29 Nov 2024

Fig 164 – INR overvalued by 7.2% on REER basis (Oct’24)



Source: Bloomberg



Fig 165 – Oil prices were lower in Nov’24

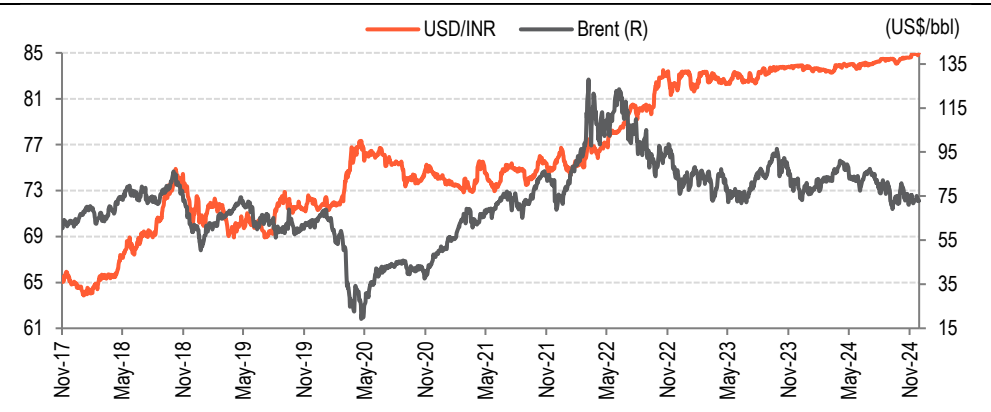


Fig 166 – .. despite this EM currencies depreciated

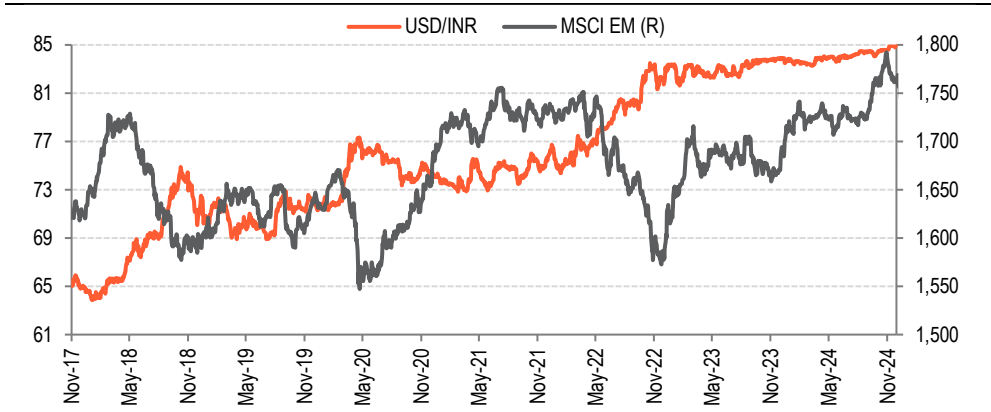


Fig 167 – INR was amongst the best performing currencies in Nov’24

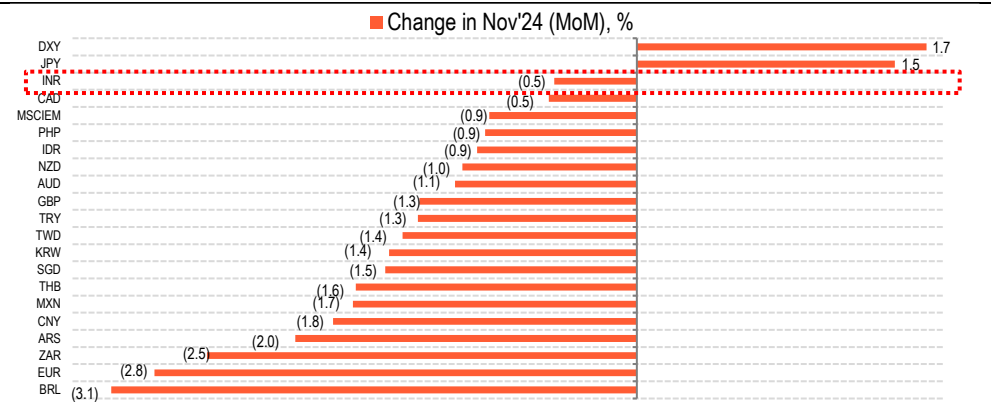
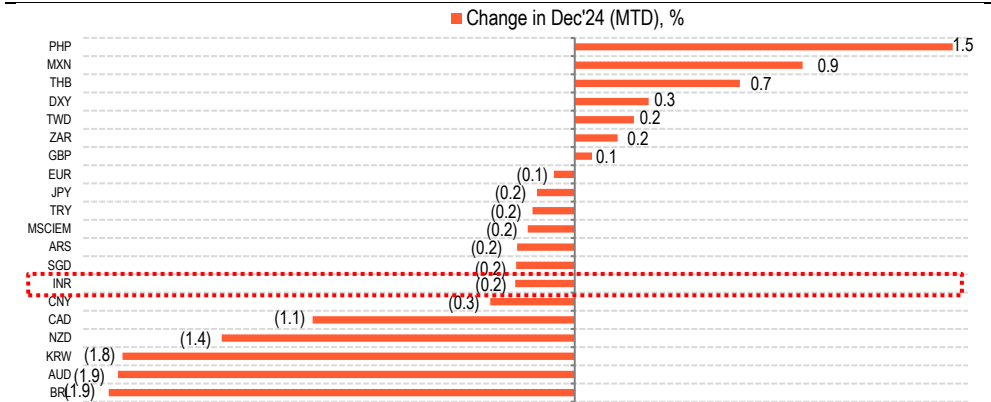


Fig 168 – In Dec’24, INR has depreciated further by 0.2%



Commodities

Fig 169 – US rig count moderated slightly

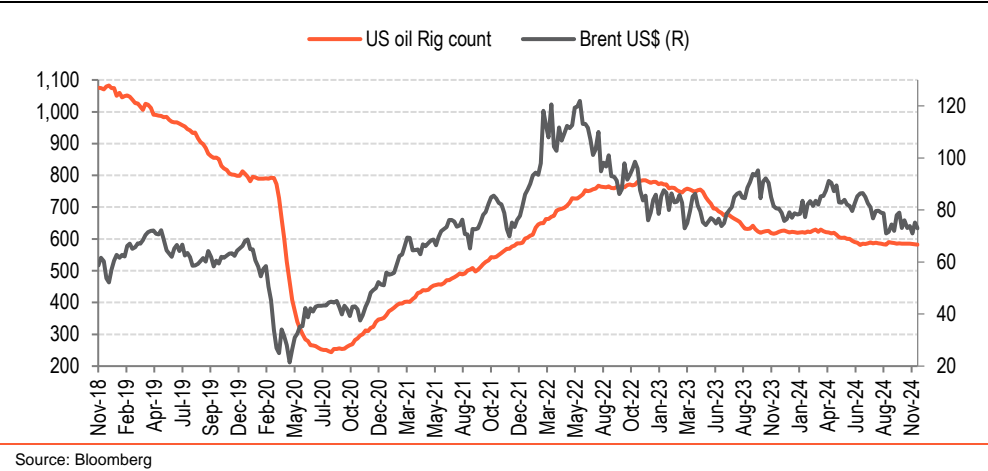


Fig 171 – Oil price averaged to US\$ 73.4/bbl from US\$ 75.4/bbl in Oct'24, DXY rose to 105.74 from 104

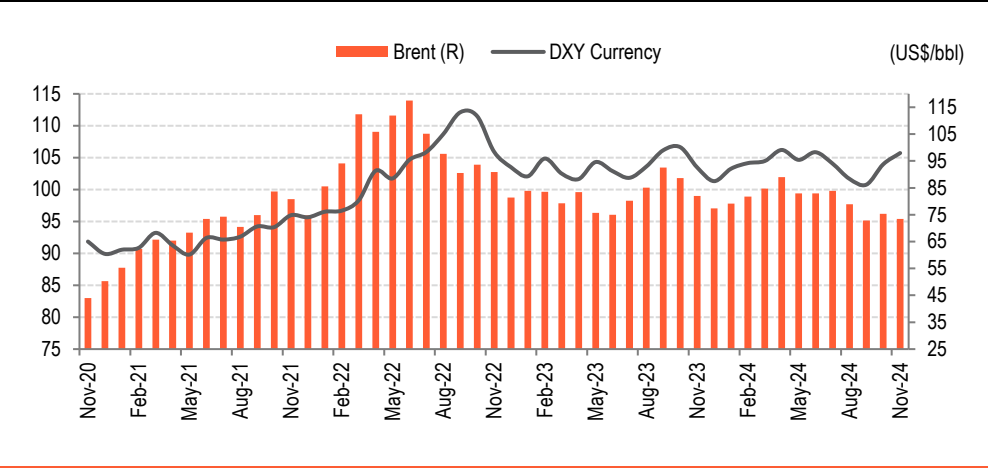


Fig 170 – Crude inventories have fallen

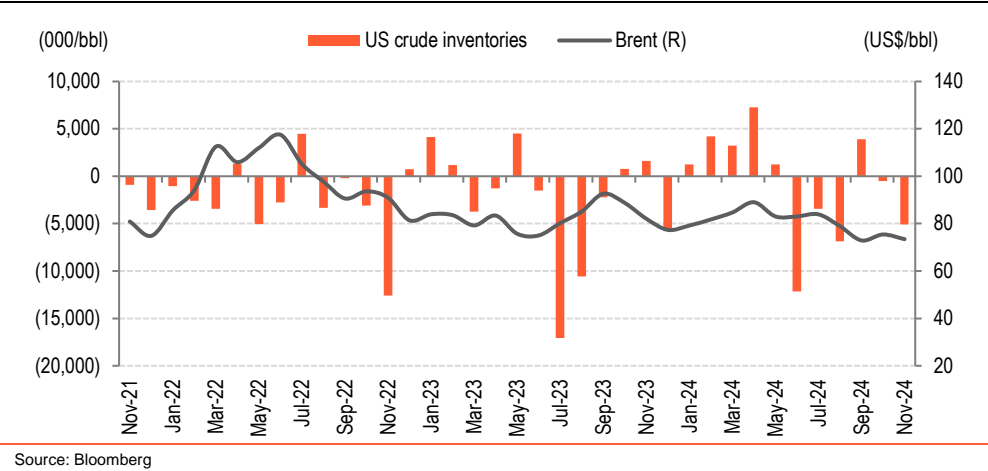
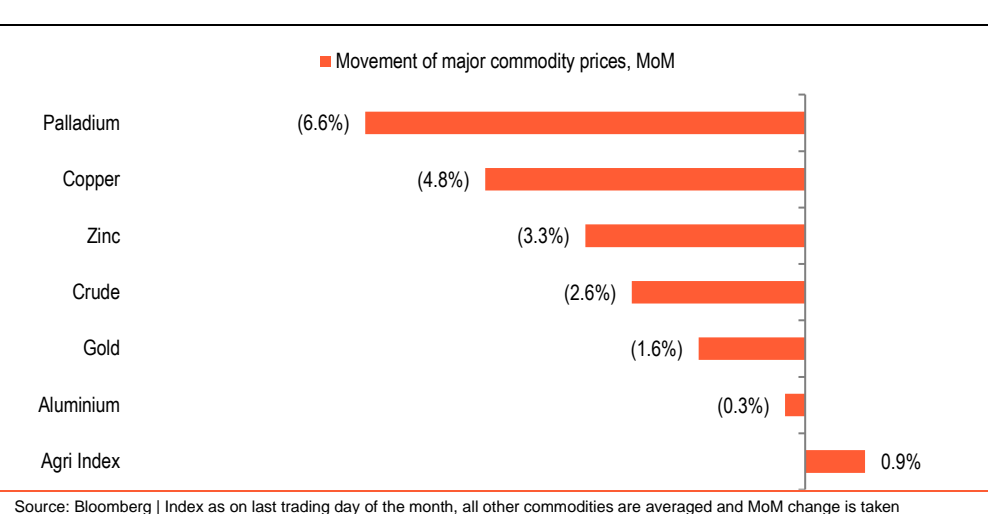


Fig 172 – Prices moderated broadly



**Fig 173 – Performance of high frequency indicators**

Indicators	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
<b>Agriculture</b>													
Tractor sales	1.5	(21.3)	(14.5)	(25.7)	(19.5)	(2.9)	0.5	3.5	1.4	(5.5)	2.4	21.0	-
Two wheeler sales	21.1	27.6	15.0	13.3	5.4	33.2	2.5	4.7	17.2	6.3	(8.5)	36.3	15.8
MNREGA work (HH)	(4.7)	(5.9)	(5.0)	0.3	(19.2)	(10.6)	(14.3)	(21.7)	(19.5)	(16.0)	(13.4)	(7.6)	3.7
<b>Manufacturing</b>													
IIP: General index	2.5	4.4	4.2	5.6	5.5	5.2	6.3	4.7	4.7	(0.1)	3.1	-	-
IIP: Manufacturing	1.3	4.6	3.6	4.9	5.9	4.2	5.1	3.2	4.4	1.1	3.9	-	-
IIP: Capital goods	(1.1)	3.7	3.2	1.7	7.0	2.8	2.6	3.8	11.8	0.5	2.8	-	-
IIP: Infra & construction goods	1.5	5.5	5.5	8.3	7.4	8.5	7.6	7.1	4.6	2.2	3.3	-	-
IIP: Consumer goods	(4.8)	5.2	11.6	12.6	9.5	10.5	12.6	8.7	8.3	5.3	6.5	-	-
Steel	9.7	8.3	9.2	9.4	7.5	9.8	8.9	6.3	6.4	3.9	1.6	4.2	-
Cement	(4.7)	3.8	4.1	7.8	10.6	0.2	(0.6)	1.8	5.5	(3.0)	7.2	3.3	-
Electricity	5.8	1.2	5.7	7.6	8.6	10.2	13.7	8.6	7.9	(3.7)	0.5	0.6	-
PMI: Manufacturing	56.0	54.9	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5
<b>Services</b>													
Services PMI index	56.9	59.0	61.8	60.6	61.2	60.8	60.2	60.5	60.3	60.9	57.7	58.5	58.4
Automobile sales	18.5	21.1	15.0	13.1	3.1	26.7	2.6	0.7	13.8	2.9	(9.3)	32.1	11.2
Passenger vehicle sales	17.2	2.7	13.3	12.4	(6.2)	15.9	(1.0)	(6.8)	10.2	(4.5)	(18.8)	32.4	(13.7)
Vehicle registration	19.6	22.0	16.1	14.0	3.8	27.5	3.3	1.4	14.7	3.7	(8.7)	33.0	11.1
Rail freight traffic	4.3	6.4	6.4	10.1	8.6	1.4	3.7	10.1	4.5	0.0	2.8	1.5	-
Port cargo volume	17.2	0.1	3.2	2.4	3.6	1.3	3.7	6.8	6.0	6.7	5.9	(3.4)	(5.0)
Credit growth	21.1	20.0	20.3	20.5	20.2	19.2	20.7	17.4	13.7	14.0	12.3	11.5	11.1
Deposit growth	14.2	13.3	13.2	13.1	13.5	12.6	14.0	11.1	10.6	12.7	10.4	11.7	11.2
CIC	4.3	4.0	3.9	3.7	4.1	3.2	4.6	6.0	6.4	5.7	5.9	7.0	5.9
Toll collection (in mn)	320.8	337.2	331.4	323.4	338.7	328.1	347.4	334.4	312.3	329.0	318.4	345.0	358.8
Diesel consumption	(3.1)	(2.4)	3.4	6.3	2.7	1.4	2.4	1.0	4.5	(2.5)	(1.9)	0.1	8.5
GST E-way bill (in mn)	87.6	95.3	96.0	97.3	103.5	96.7	103.2	100.1	104.9	105.5	109.1	117.3	-
<b>External Trade</b>													
Merchandise exports	(3.3)	0.8	4.3	11.9	(0.6)	2.0	13.3	2.4	(1.9)	(9.6)	0.5	17.3	-
Merchandise imports	(3.3)	(6.6)	2.0	13.7	(6.4)	11.5	8.1	5.9	7.4	3.3	1.5	3.9	-
Services exports	4.2	1.7	10.8	3.4	(1.4)	17.1	9.7	3.2	16.6	5.7	14.6	22.3	-
Services imports	(11.1)	(1.1)	0.1	1.7	(2.1)	20.0	6.2	(3.1)	15.7	8.8	13.2	27.9	-

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

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