

India Economics

Monthly Chartbook

July 2021

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Activity improving, inflation a cause of worry

India's economic recovery has gained pace with activity now 9% below Feb'20 levels from 19% below baseline in May'21. Government revenues have surprised positively. This gives room to Centre to spend. States are lagging. Even industrial activity over a 2-year horizon is holding up led by exports, FMCG, intermediate goods and construction. Capital and durable goods are lagging. Higher international demand has not only pushed exports higher but also inflation. As a result, domestic yields are inching up. While lower US yields will help, upward momentum will sustain given upward revision to inflation forecast for FY22. RBI will look at raising reverse repo rate, curtailing surplus liquidity in Q4FY22 before raising repo rate.

Covid cases drop; vaccination ramps up: India's Covid-19 daily addition in cases has seen a steady decline in Jul'21 (1-6 Jul 2021) to 40,000 compared with 70,000 increase in Jun'21. This has prompted states to re-open in a phased manner. Mobility indicators are showing reopening of the economy. Our economic activity index is now 9% below baseline (Feb'20=100) compared with 19% below baseline in May'21. Pace of vaccination has improved with more than 20% of the population receiving one dose.

Gradual recovery: While health impact of second wave has been visible, economic impact has been far muted. Notably, non-oil-non-gold imports over a 2-year period are higher by 11% in Jun'21. Exports have inched up by 29.7% over a 2-year period. Even consumer, intermediate goods and construction/infra sectors have either grown or have been resilient. Consumer durables and capital goods have seen a contraction. The worry is a lull in monsoon rainfall which has adversely impacted Kharif sowing which is down by 21.6%. An expected pick-up in rainfall and record purchase by government is positive.

Centre's revenue holding ground: Centre's gross tax collections on FYTD basis (Apr-May) were significantly higher at Rs 3.1tn (+148%) in FY22, versus Rs 1.3tn in FY21 and Rs 2.2tn in FY20. Over a 2-year horizon, both direct and indirect tax collections have improved from Rs 0.6tn to Rs 1.2tn and from Rs 1.5tn to Rs 1.9tn, respectively. However, spending has come down (Rs 4.8tn versus Rs 5.1tn), led by revenue spending (Rs 4.2tn versus Rs 4.7tn). Notably, capex spending has not been reduced and has risen steadily to Rs 630bn from Rs 477bn. In case of states, tax receipts and capex have taken a hit over a 2-year horizon, but overall spending is up led by revenue expenditure.

Yields inching up: India's 10Y yield has risen by 10bps since 1 Jun 2021. This is attributable to negative inflation surprise and upward revision in inflation forecast for the year, RBI's announcement of new benchmark issuance, change in price discovery mechanism to uniform from multiple bid and devolvement on PDs. While government revenues have been higher, concern over additional ~Rs 1.6tn borrowing to meet GST shortfall of States remains. The good news is sudden dip in US yields. Even so, upward bias in Indian yields will persist.

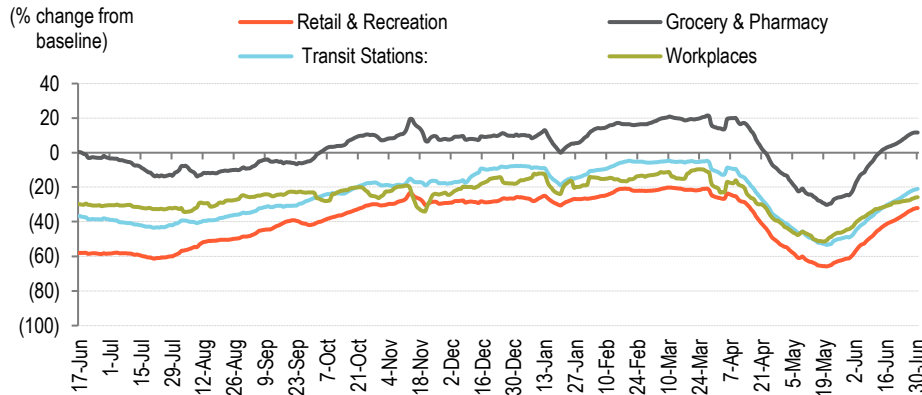
INR depreciates: INR depreciated by 2.3% in Jun'21 amidst higher oil prices and a stronger dollar. FII inflows remained muted at US\$ 0.9bn. Even CAD widened to 1% of GDP in Q4FY21. We believe trade deficit will widen in FY22 on the back of higher oil prices and an improvement in domestic economic activity. Exports have remained resilient over a 2-year horizon and are likely to benefit from an improved global outlook. As such, CAD is likely to remain contained at 1.2% of GDP in FY22. This should support INR at 73-75/\$ in the near term. Higher oil prices are a key risk to our view.

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

High Frequency Indicators

Mobility index and Covid cases

Fig 1 – Uptick in Google mobility index



Note: Highlights % 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 2 – Statewise cases plateauing

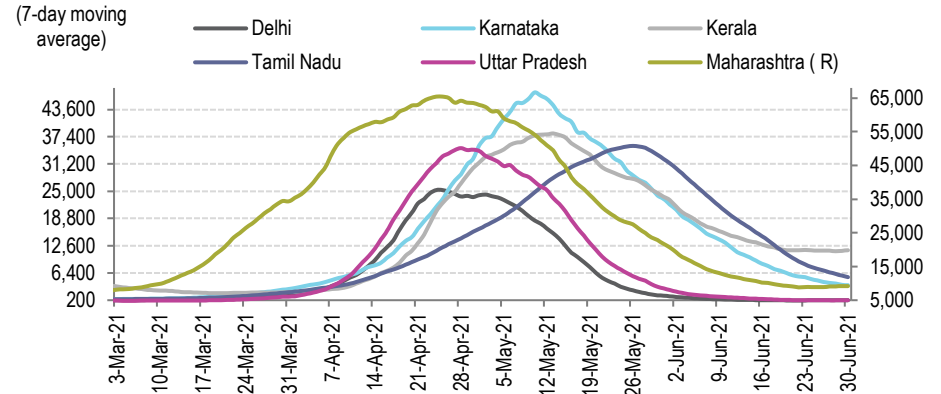
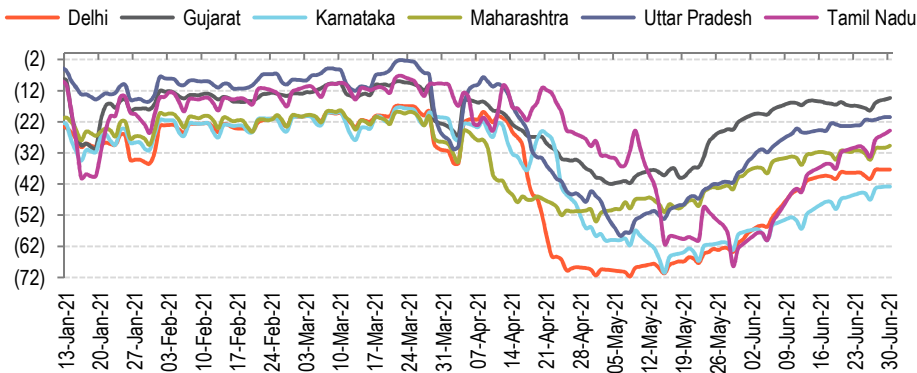
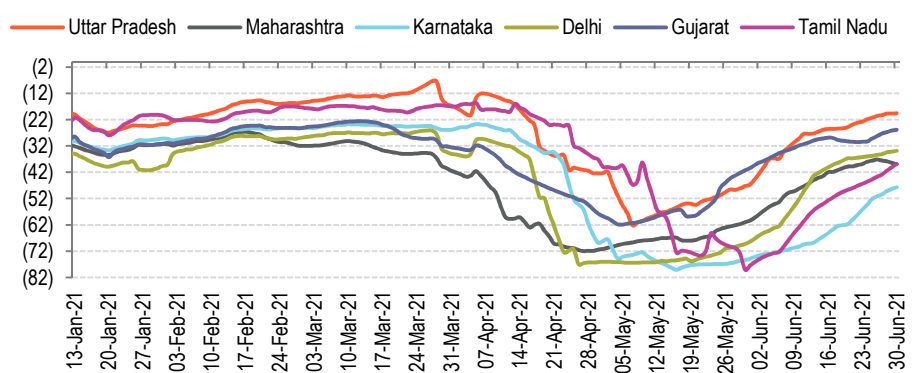


Fig 3 – Workplace mobility improving gradually



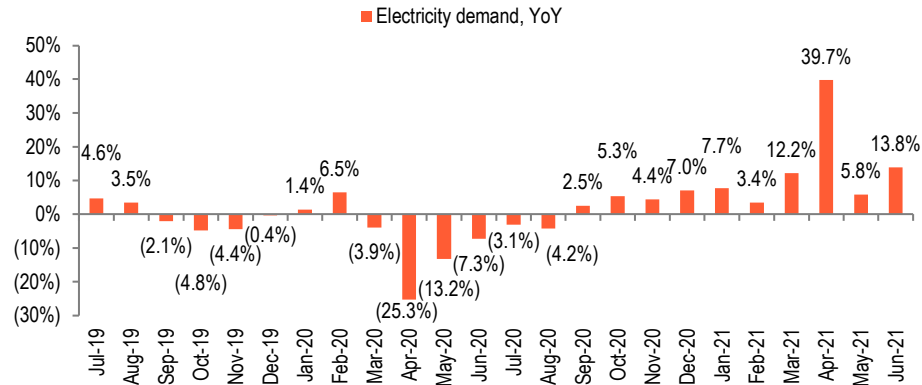
Note: Data taken as 7 days rolling average

Fig 4 – Similar case for retail and recreation



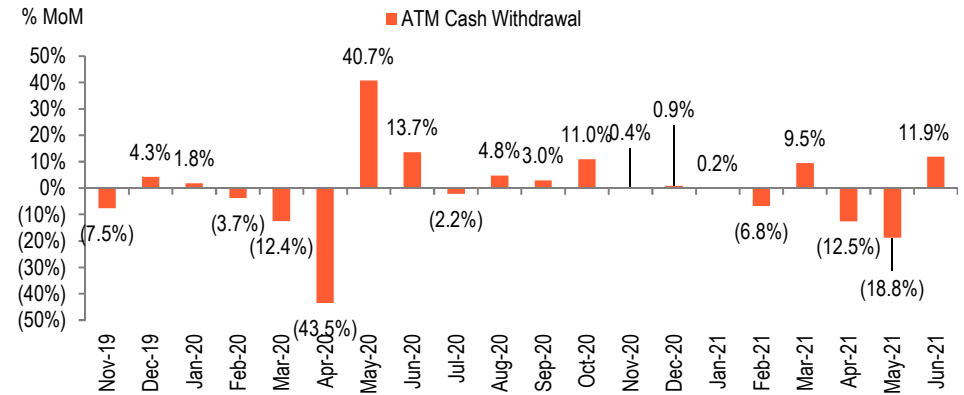
Note: Data taken as 7 days rolling average

Fig 5 – Electricity demand improves



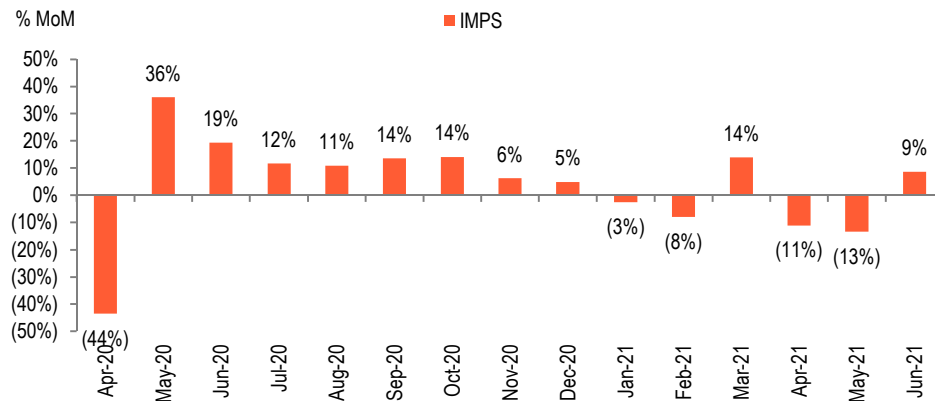
Source: Posoco. Note: Maximum Demand met during peak evening hours (MW)

Fig 6 – Cash withdrawal rises on a monthly basis



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

Fig 7 – IMPS payments back in green



Source: NPCI

Fig 8 – UPI payments registering double digit growth

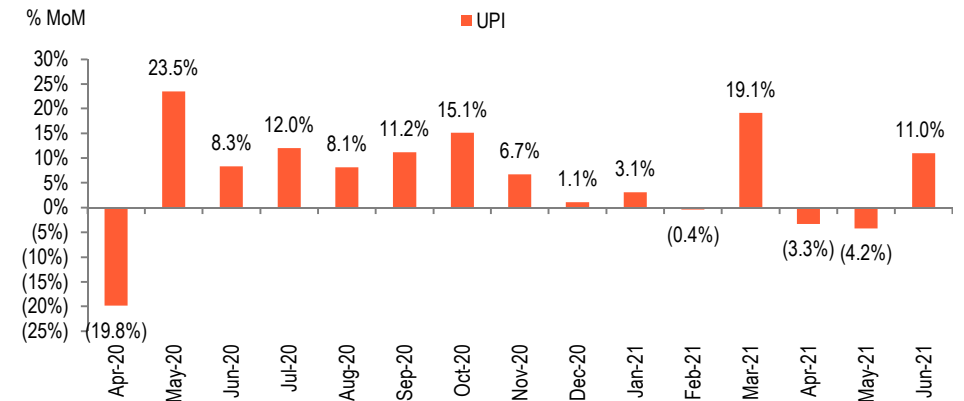


Fig 9 – Fertilizer sales inching up in May'21

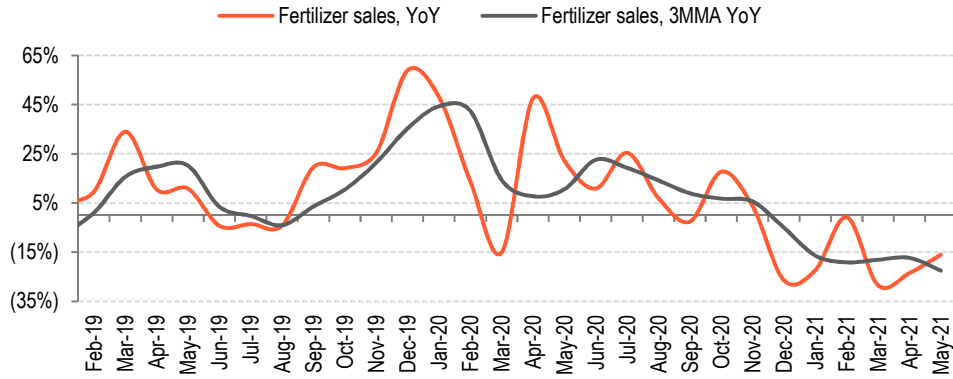
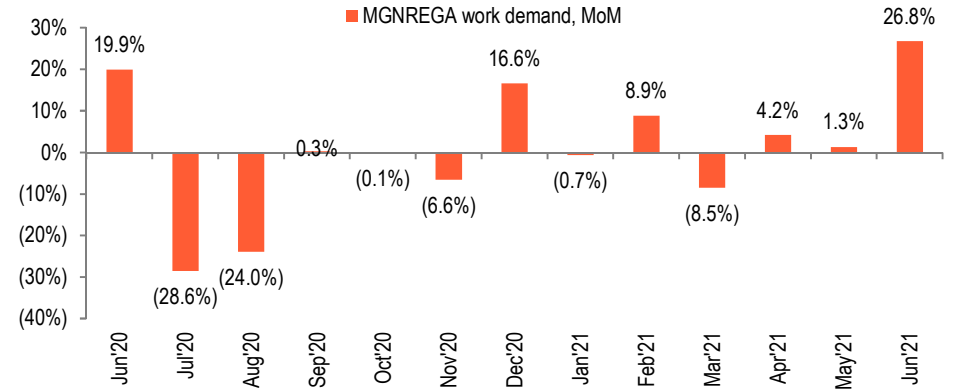


Fig 10 – MGNREGA work demand improves



Source: MGNREGA

Final consumption expenditure

Fig 11 – Private consumption improves in Q4

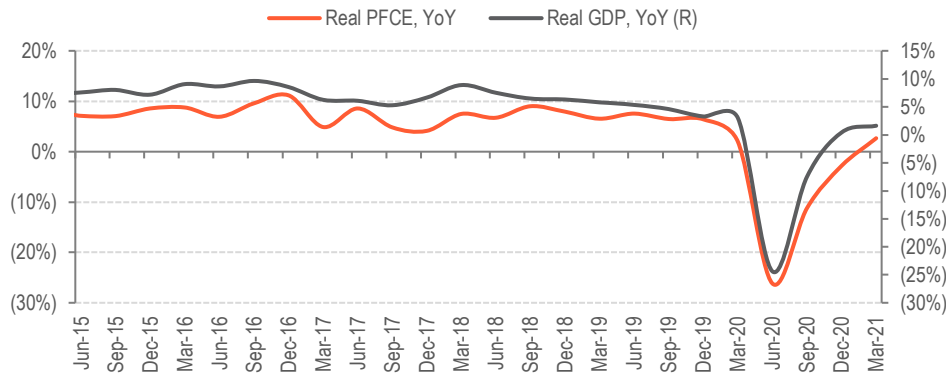


Fig 12 – Government consumption accelerates in Q4FY21

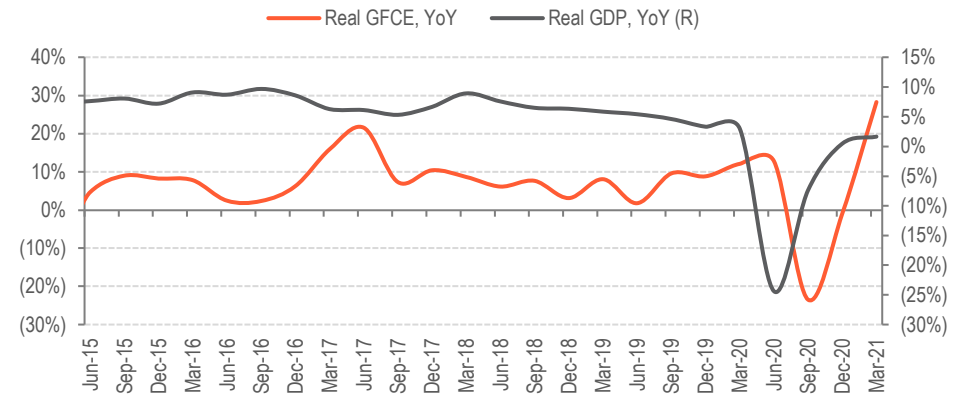


Fig 13 – General govt. revenue spending improves

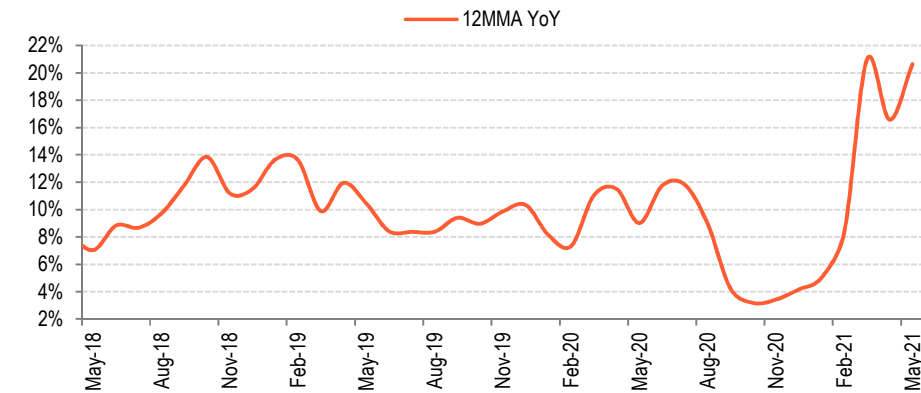
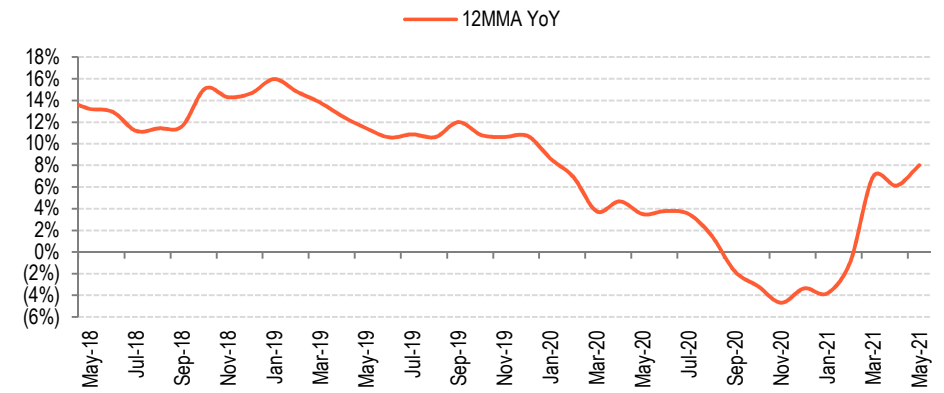


Fig 14 – State* govt. revenue spending too inched up



Note: *All states excluding N.E states, A.P., Bihar, Goa, Himachal Pradesh, J&K, Maharashtra and W.Bengal

Non-oil imports, electronic imports

Fig 15 – Uptick in non-oil-non-gold imports

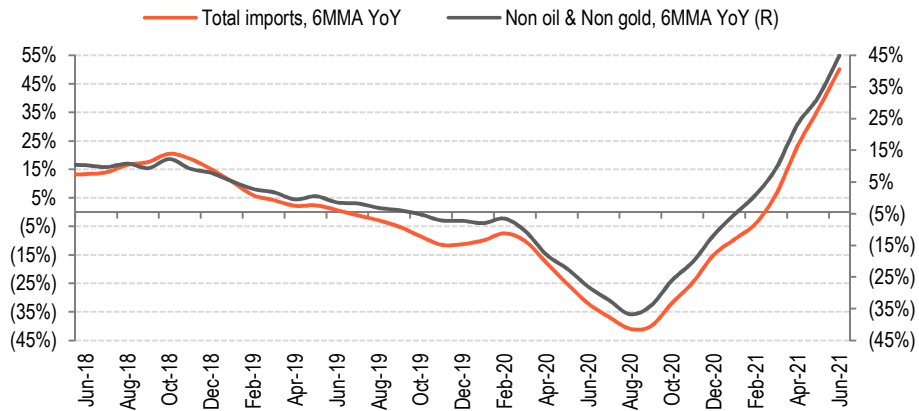


Fig 16 – Electronic imports moderate

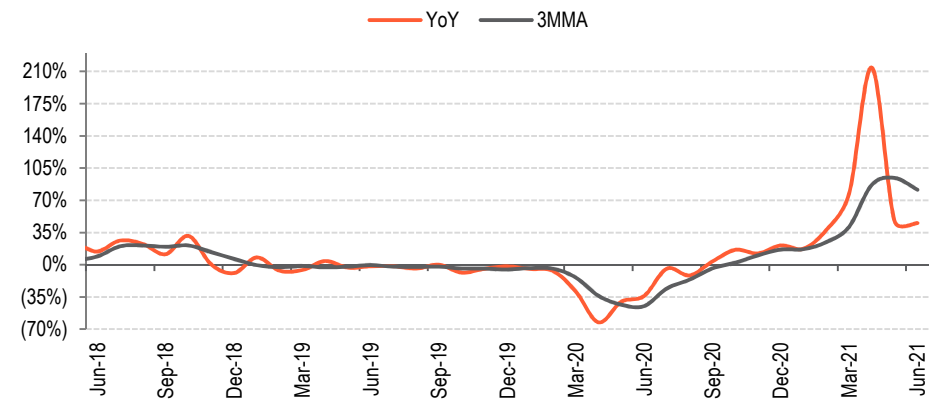
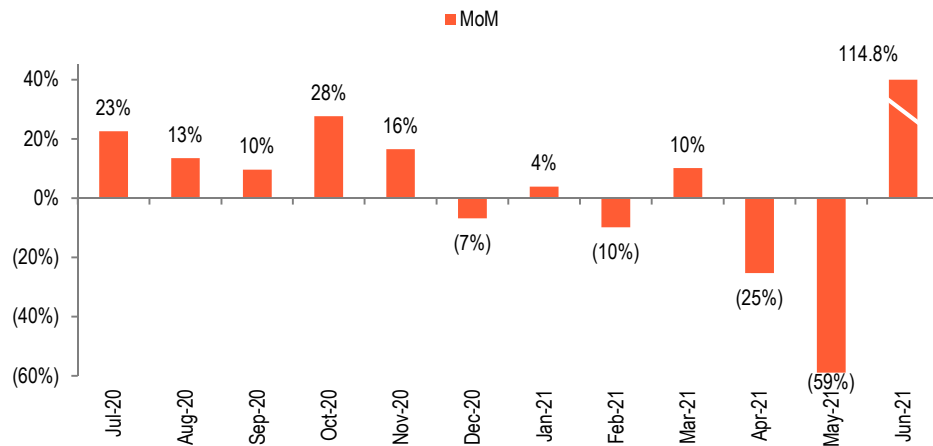
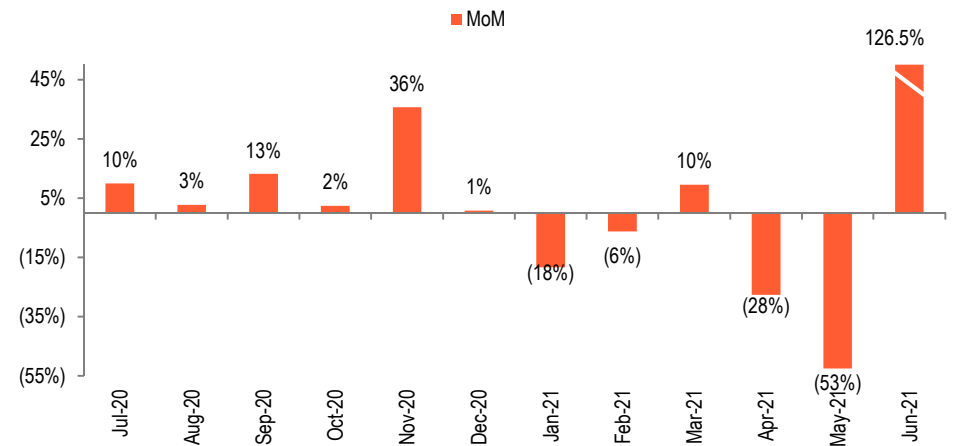


Fig 17 – Passenger car sales improve sequentially



Source: FADA

Fig 18 – Two-wheeler sales too improve



Credit deployment of personal loans

Fig 19 – Growth in credit card outstanding slows in May'21

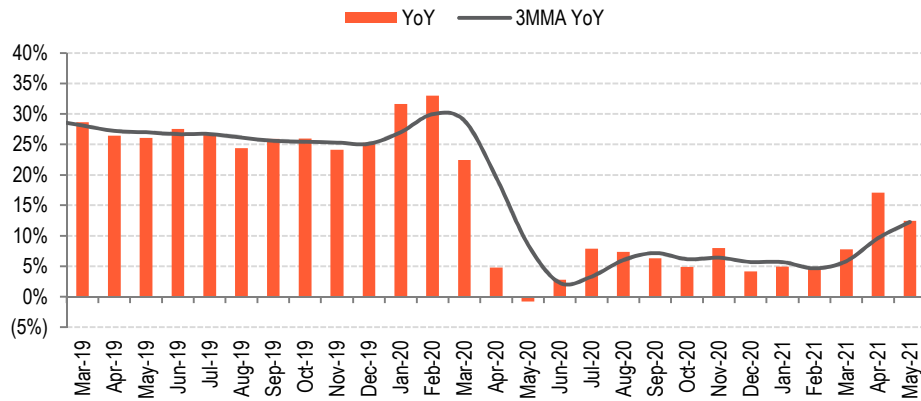


Fig 20 – Growth in personal loans too moderates

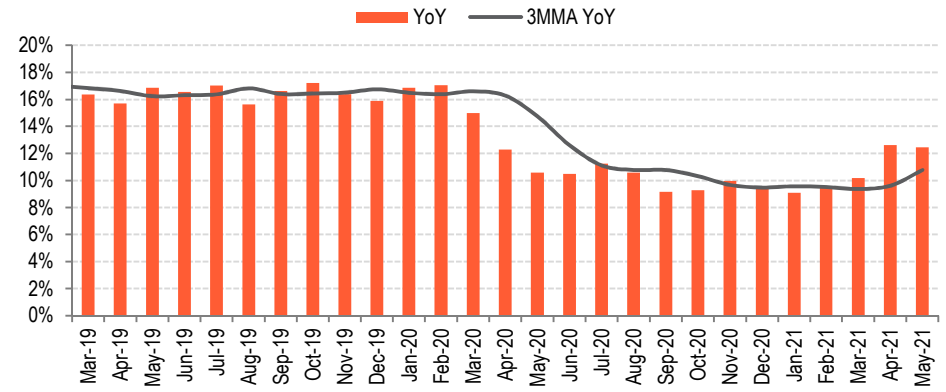


Fig 21 – Growth in vehicle loans inches up

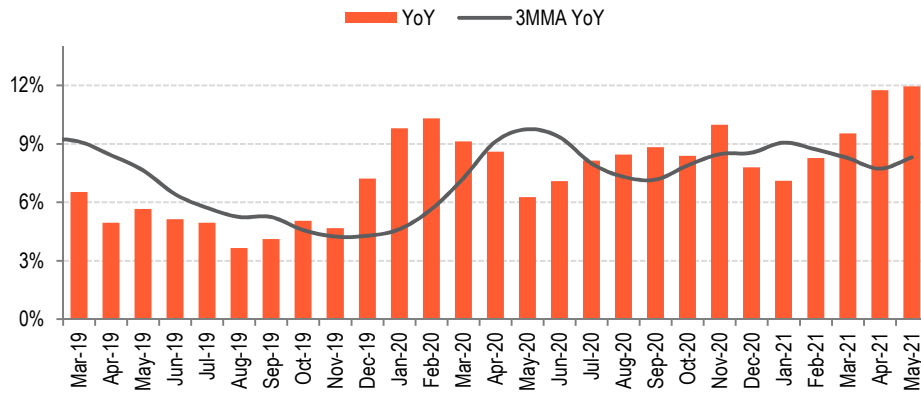


Fig 22 – Consumer confidence weakened

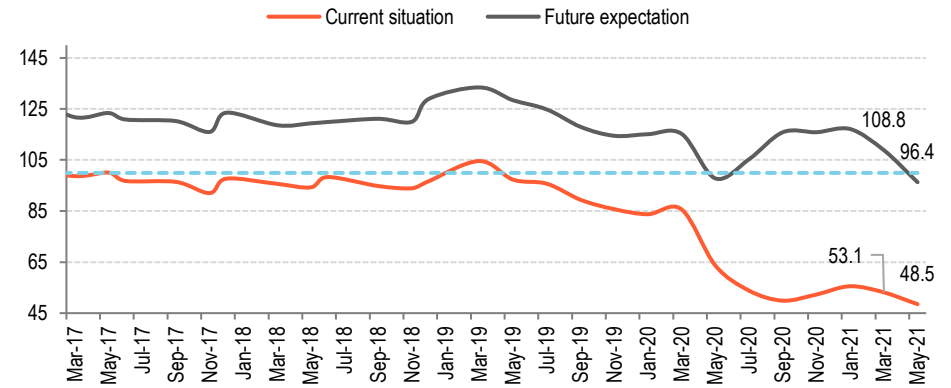


Fig 23 – RBI’s essential spending dips (pls change font)

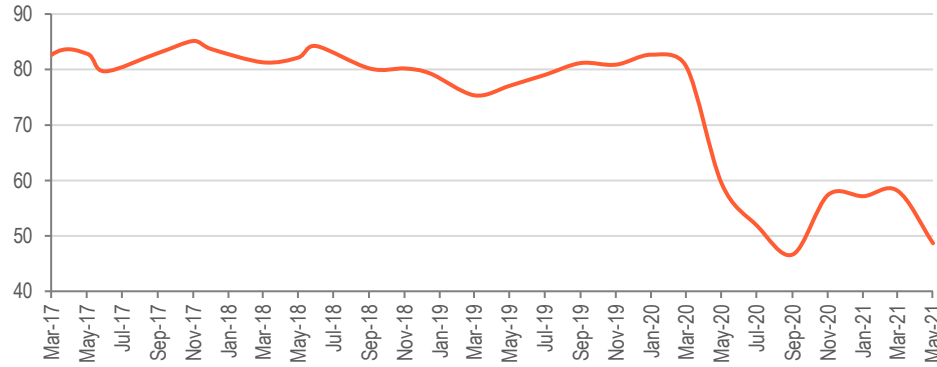
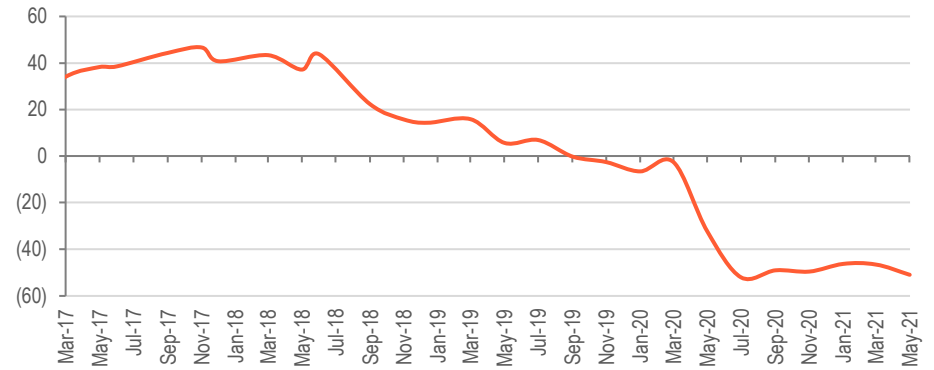


Fig 24 – ...non-essential spending too moderates (pls change font)



Consumer durables & non-durables production

Fig 25 – Higher Consumer durables output led by low base

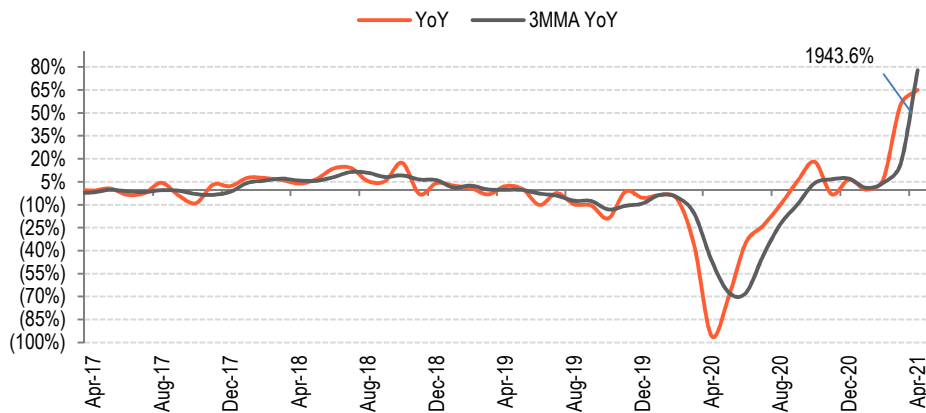
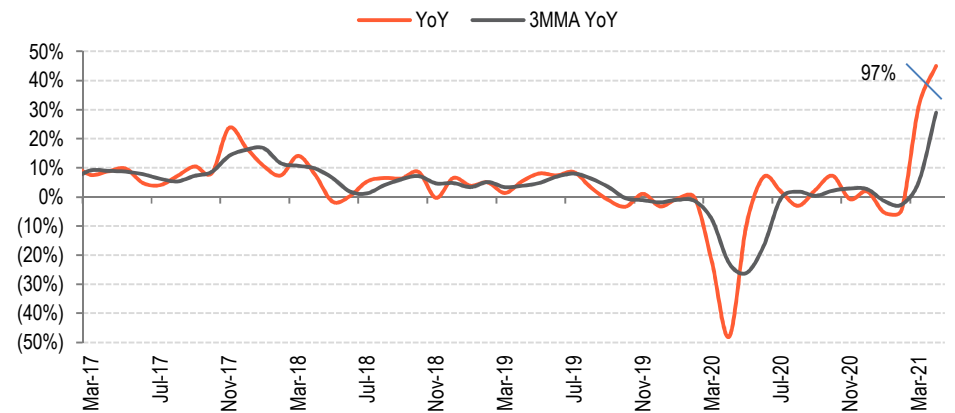


Fig 26 – ...similar movement for FMCG output



Agriculture

Fig 27 – Agri growth dips in Q4FY21

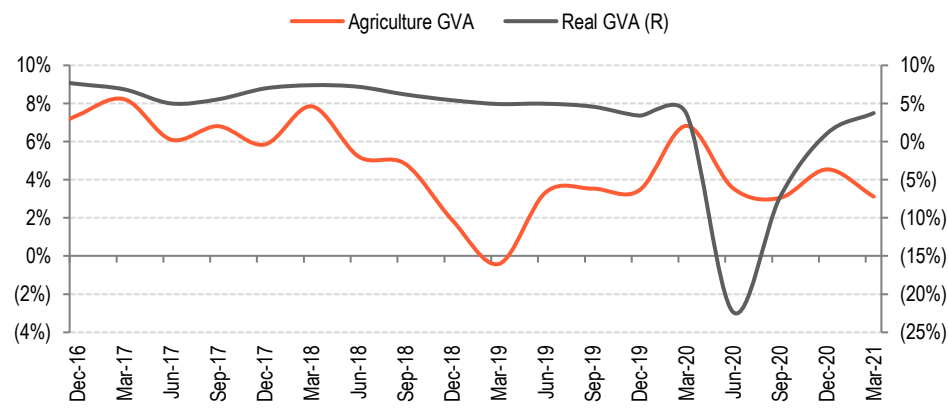


Fig 28 – Tractor sales contract less sharply in May'21

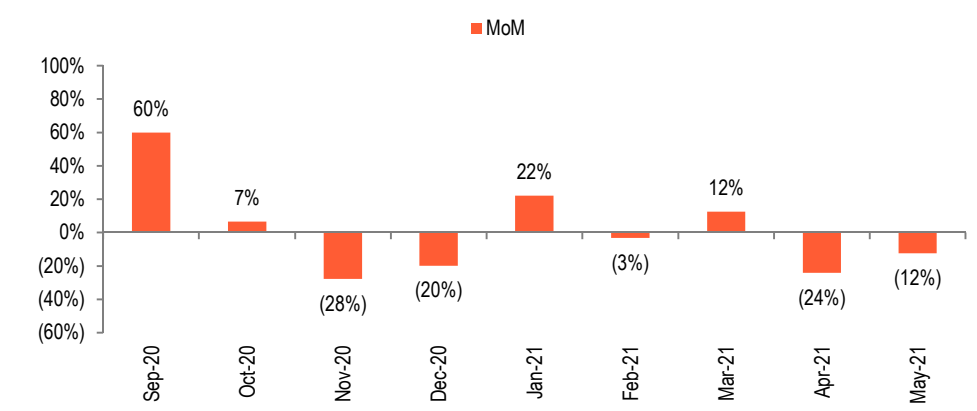


Fig 29 – Agriculture credit moderates in May'21

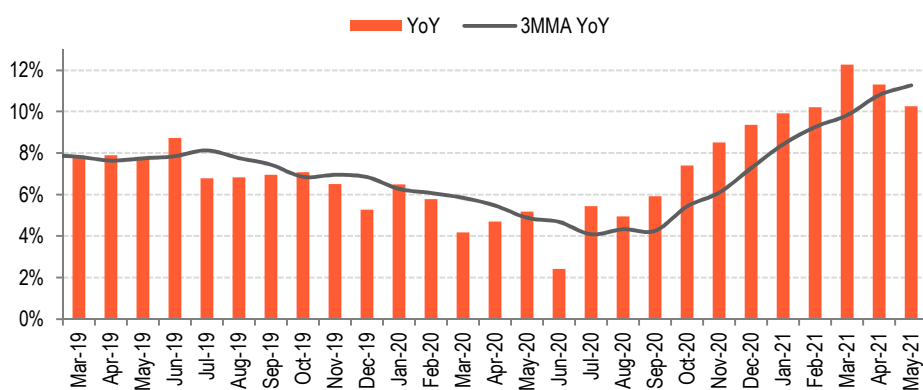
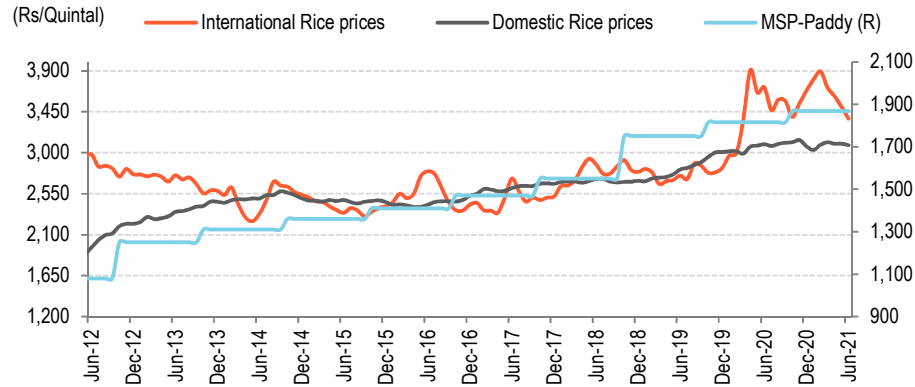


Fig 30 – Procurement of rice and wheat

Year	Wheat	Rice
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	52.92*
2021-22	40.68	

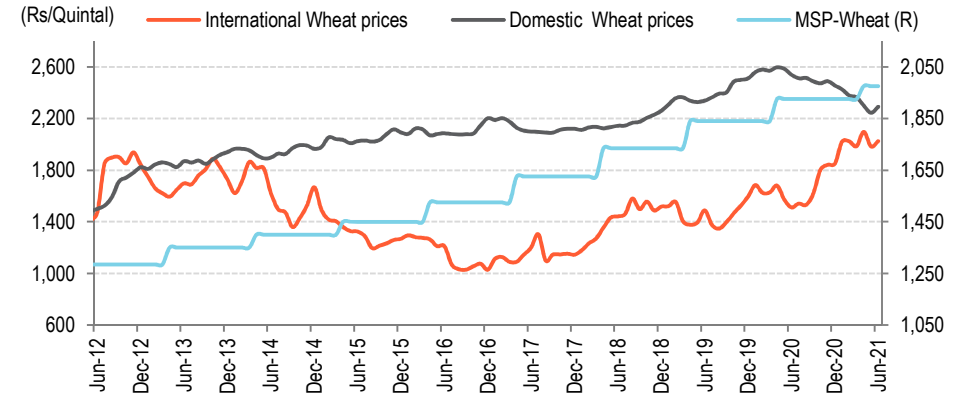
Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 30 May 2021

Fig 31 – Both domestic and international price of rice has fallen



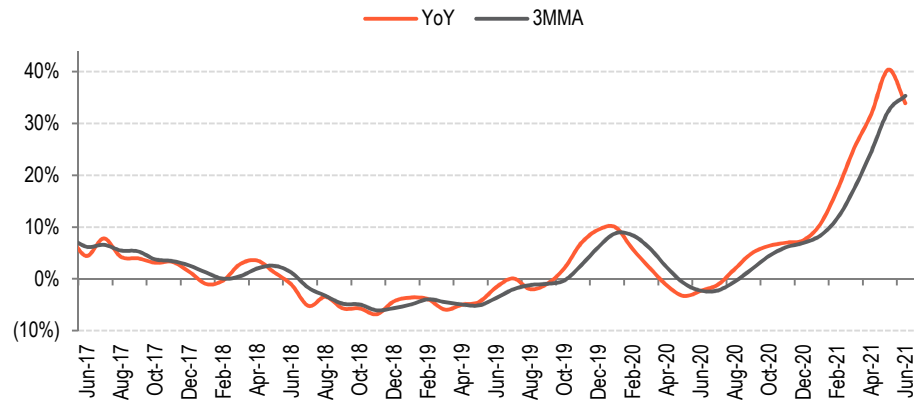
Source: World Bank

Fig 32 – Both domestic and international price of wheat has risen



Source: World Bank

Fig 33 – Global food prices moderate in Jun'21



Source: FAO

Fig 34 – Wage growth (men) moderates

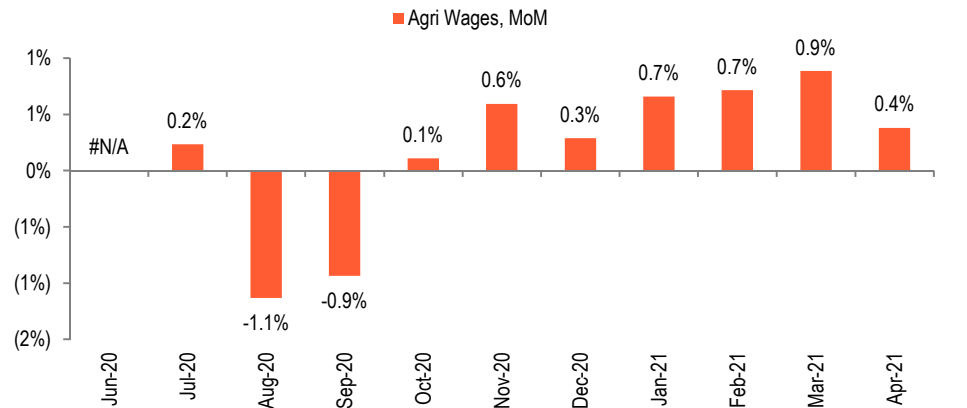


Fig 35 – Kharif sowing is lower compared with last year

Crop Type (mn ha)	Area sown in 2021-22	Area sown in 2020-21	Normal Area for whole Kharif season	Growth (YoY%)
Foodgrains	8.5	9.4	71.5	(9.3)
Cereals	7.0	7.6	57.9	(7.5)
Rice	3.6	3.5	39.6	4.4
Pulses	1.5	1.8	13.5	(16.7)
Oilseeds	2.4	3.7	18.0	(35.5)
Cotton	3.7	7.2	12.4	(48.2)
Sugarcane	5.0	5.0	4.8	0.6
Jute and Mesta	0.7	0.7	0.7	0.4
Total	20.27	25.86	107.3	(21.6)

*Note: Till 25 Jun 2021

Inflation

Fig 36 – Retail inflation surprised negatively and rose to its 6-month high of 6.3% in May'21 from 4.2% in Apr'21

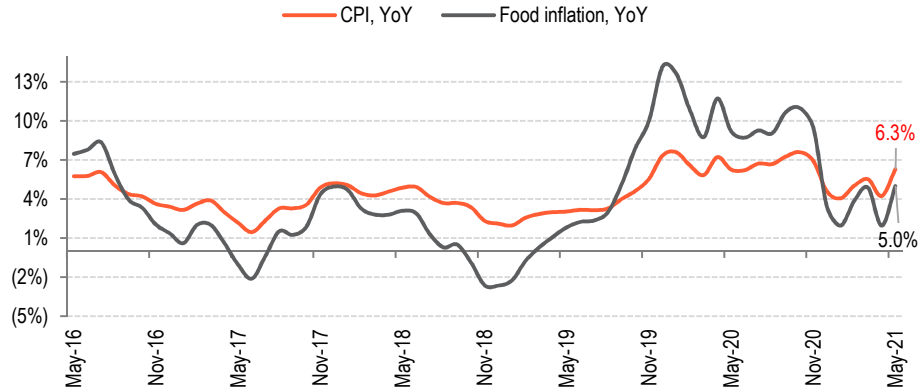
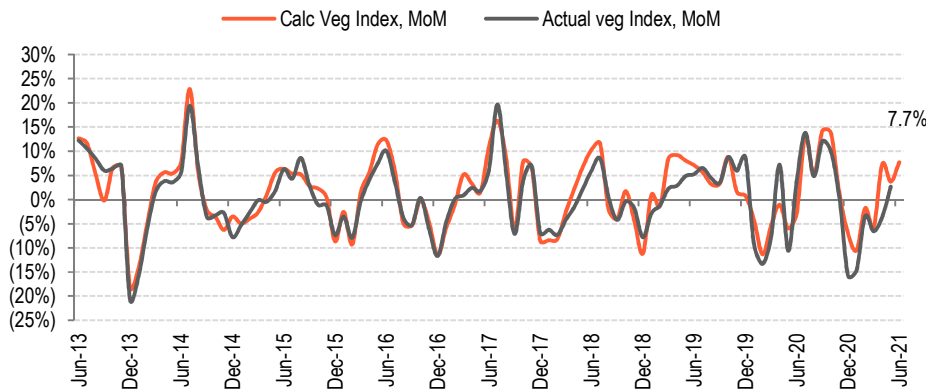


Fig 38 – Vegetable prices also rose at a faster pace of 7.7% (MoM increase) in Jun'21



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

Fig 37 – ...Food inflation rose by 310bps to 5% from 2% in Apr'21, led by fruits, oils and fats and pulses

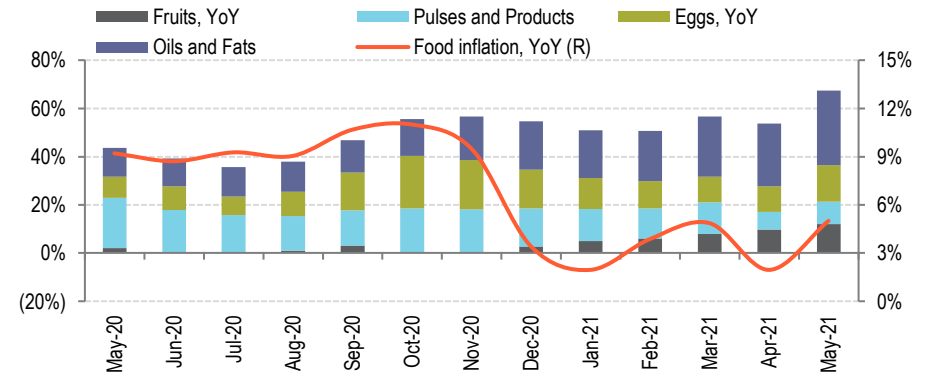


Fig 39 – CPI excl. food and fuel shot up to 6.6% from 5.4% in Apr'21

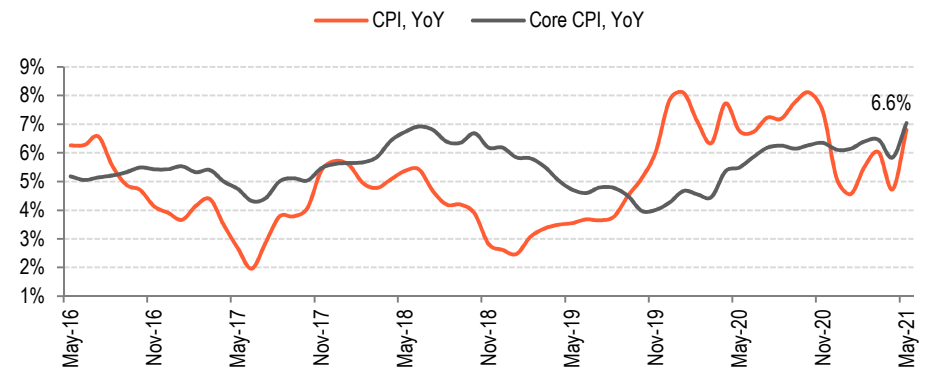


Fig 40 – ...Led by broad based increase

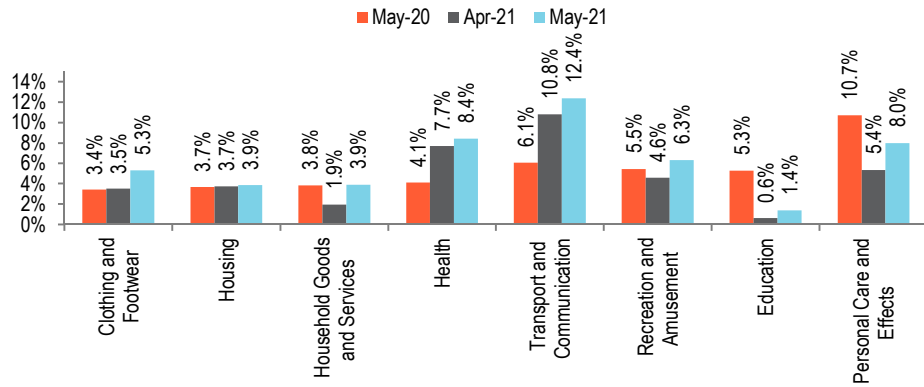


Fig 41 – Even, core excl. major volatile items inched up to 4.7% from 3.8% in Apr'21

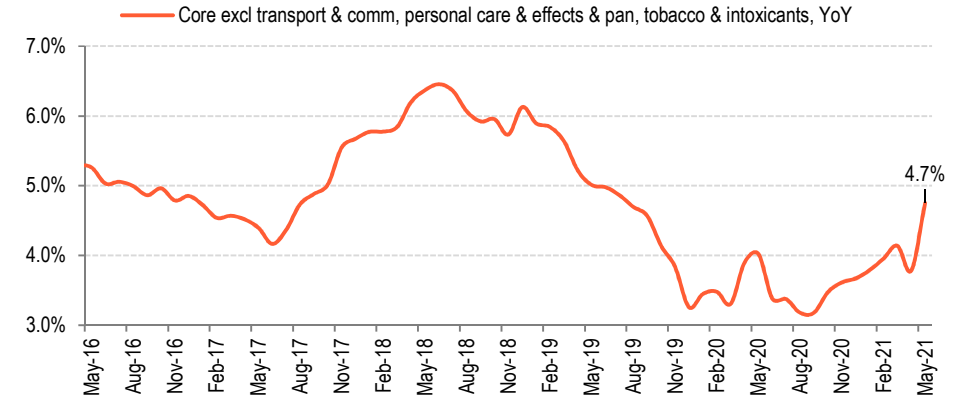
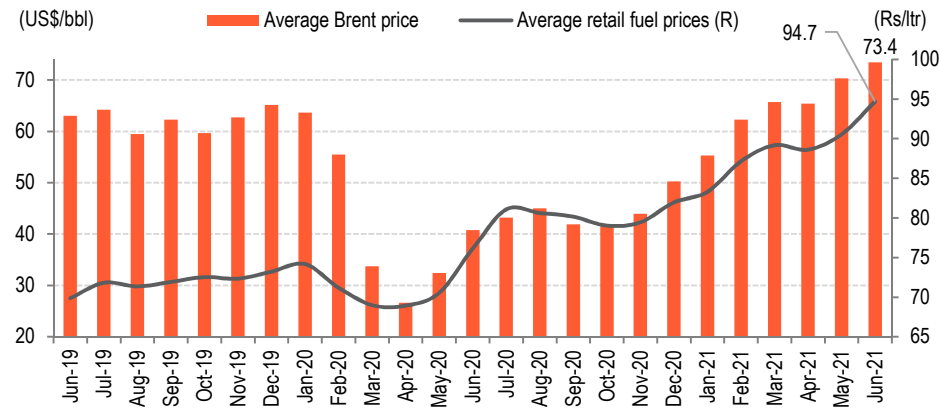
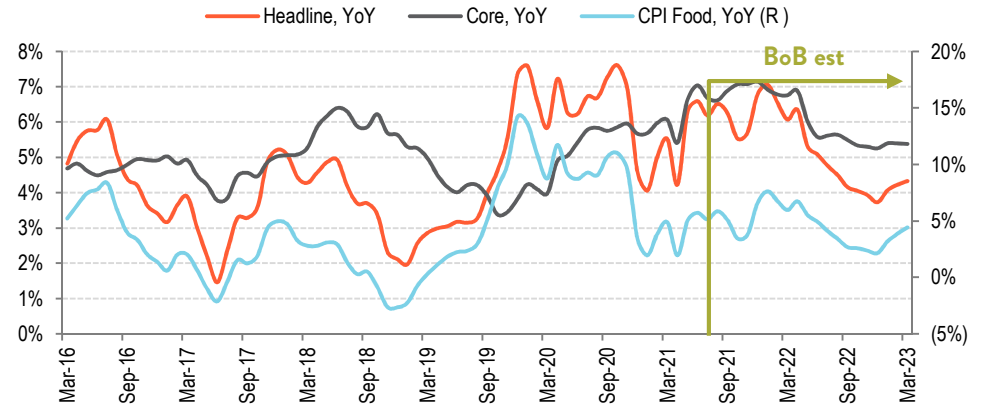


Fig 42 – Retail fuel prices are also skyrocketing at Rs 94.7 in Jun'21 from Rs 90.5/ltr in May'21, crude price also rose to US\$ 73/bbl from US\$ 70/bbl



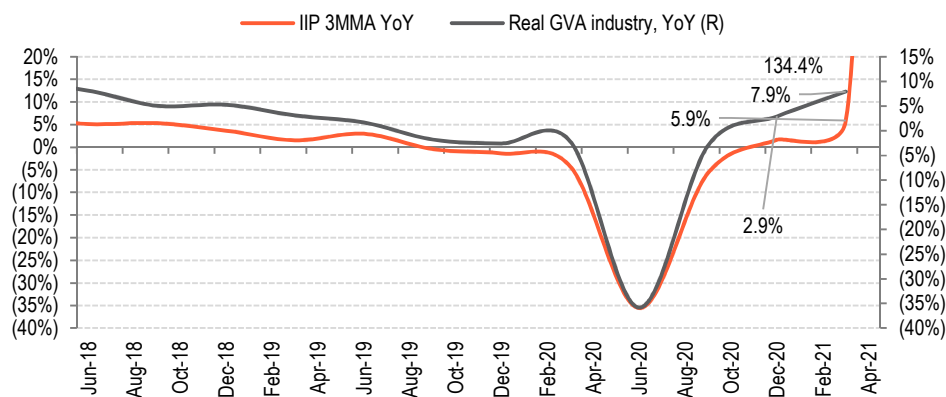
Note: *Average retail price of Delhi, Kolkata, Mumbai and Chennai

Fig 43 – Inflation trajectory to remain above RBI's 4% target in the near-medium term



Industry

Fig 44 – Industrial growth back to pre-covid levels

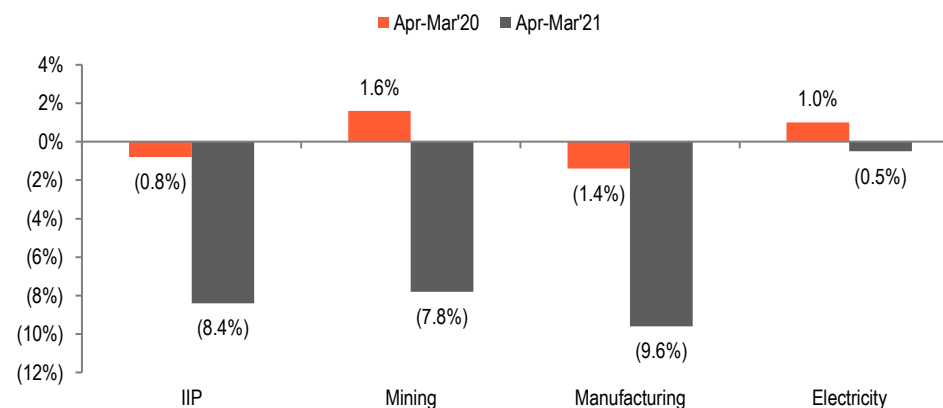


Note: Apr'21 data is on YoY basis

Fig 46 – IIP growth shows improvement over 2Y horizon

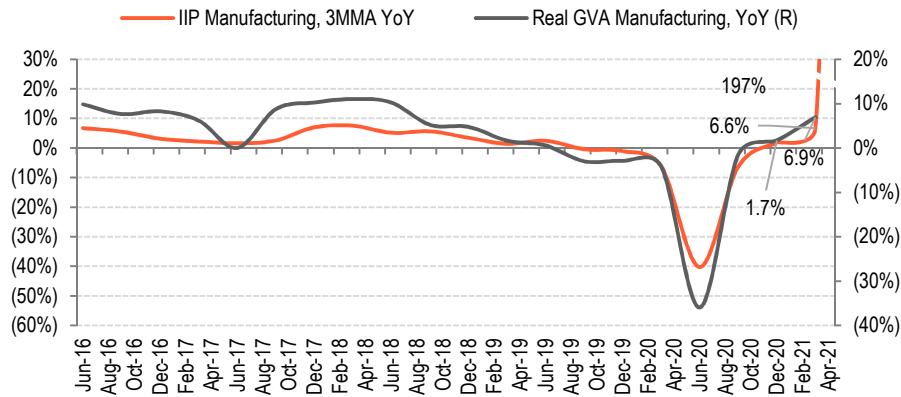
Sectoral (%)	Weight	Apr-21 (change over Apr-19)	Apr-20	Apr-19	Apr-Mar'21	Apr-Mar'20
IIP	100.0	0.1	(57.3)	3.2	(8.2)	(0.6)
Mining	14.4	0.2	(26.9)	5.1	(8.1)	1.5
Manufacturing	77.6	(0.9)	(66.6)	2.5	(9.2)	(1.2)
Electricity	8.0	6.8	(22.9)	6.0	0.1	1.1
Use-Based						
Primary Goods	34.1	0.7	(26.6)	5.1	(7.0)	0.8
Capital Goods	8.2	(14.3)	(92.7)	(1.4)	(16.7)	(13.4)
Intermediate Goods	17.2	11.5	(63.9)	3.0	(9.7)	9.7
Infrastructure and Construction Goods	12.3	(0.1)	(85.0)	(0.7)	(8.1)	(3.4)
Consumer Durables Goods	12.8	(11.6)	(95.7)	2.2	(12.2)	(8.6)
Consumer Non-Durables Goods	15.3	1.6	(48.1)	5.4	(1.7)	0.2

Fig 45 – Broad based slowdown in FY21



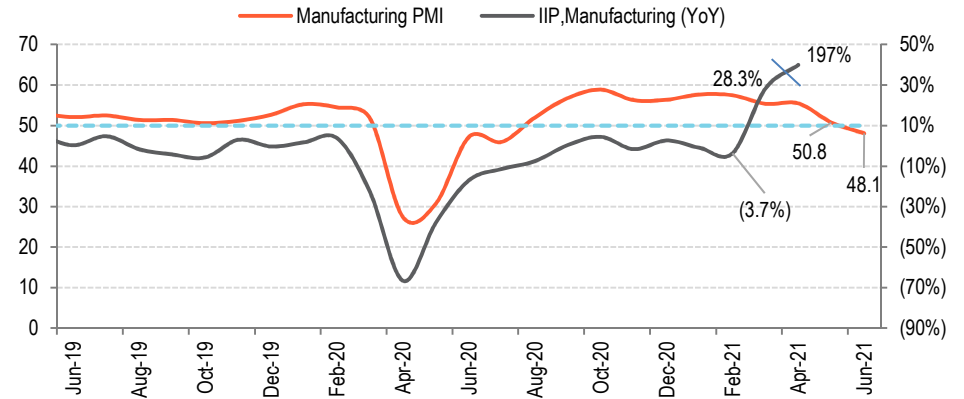
Manufacturing

Fig 47 – Manufacturing activity improves due to base effect



Note: Apr'21 data is on YoY basis

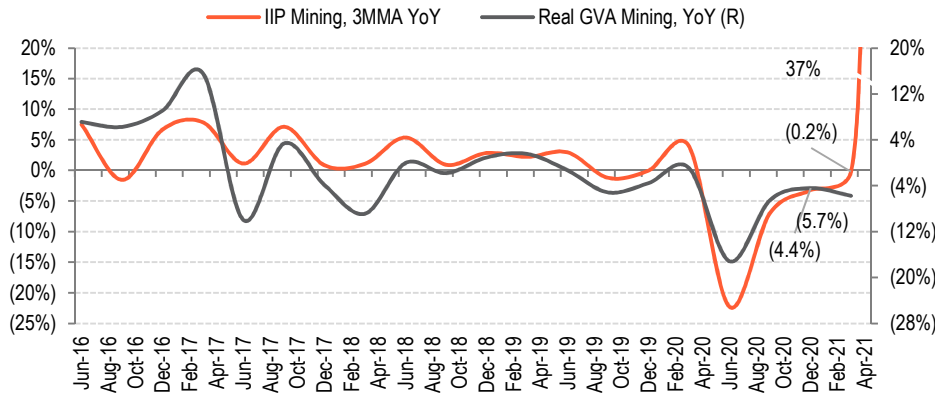
Fig 48 – Manufacturing PMI drops further in Jun'21



Source: Markit

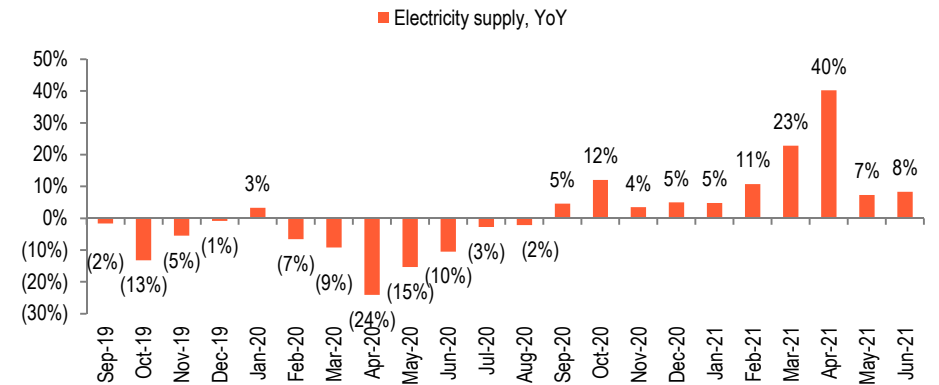
Mining & Electricity

Fig 49 – Mining activity higher led by lower base



Note: Apr'21 data is on YoY basis

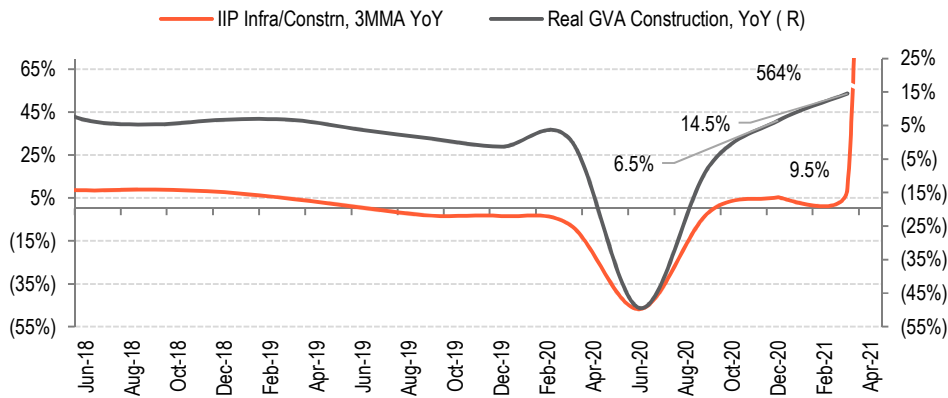
Fig 50 – Growth in electricity output improves marginally



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

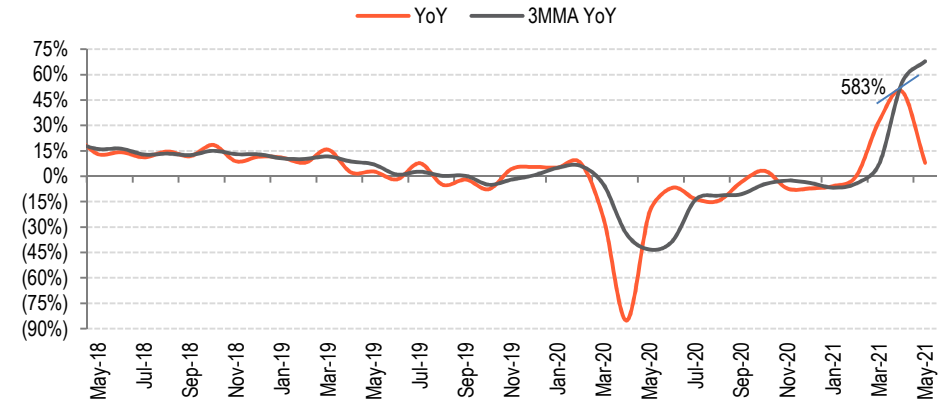
Infrastructure and Construction

Fig 51 – Growth in construction improves in Apr’21 on the back of low base...



Note: Apr'21 data is on YoY basis

Fig 52 – ...higher cement output on similar account



Infrastructure Index

Fig 53 – Infra index eases

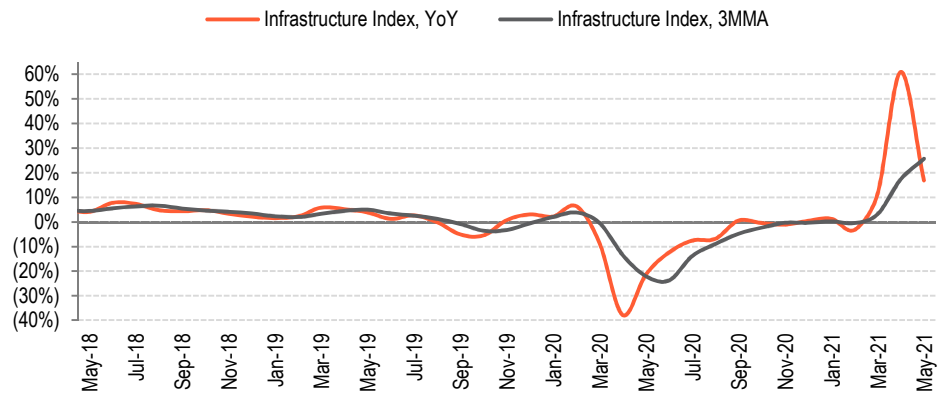
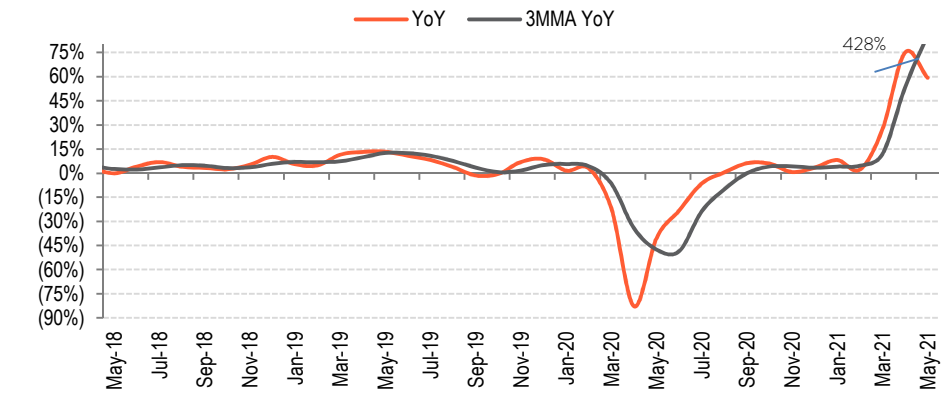


Fig 54 – Steel output moderates



Auto production & Business expectation index

Fig 55 – Auto production declines further in May’21

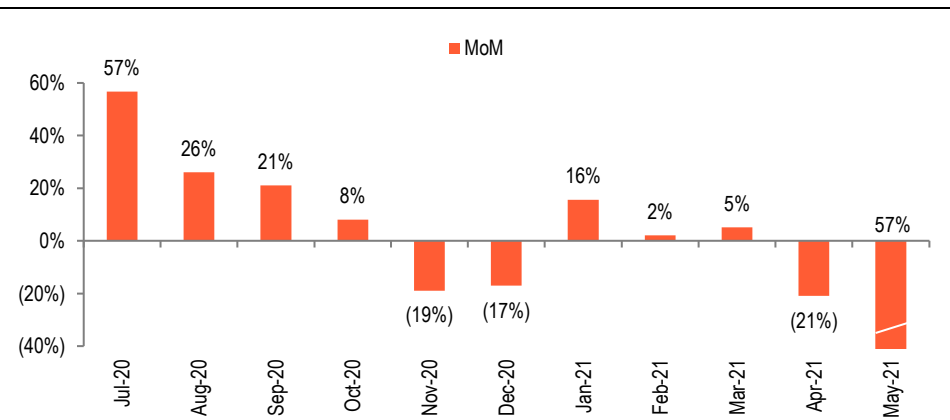


Fig 56 – Business sentiment turns optimistic

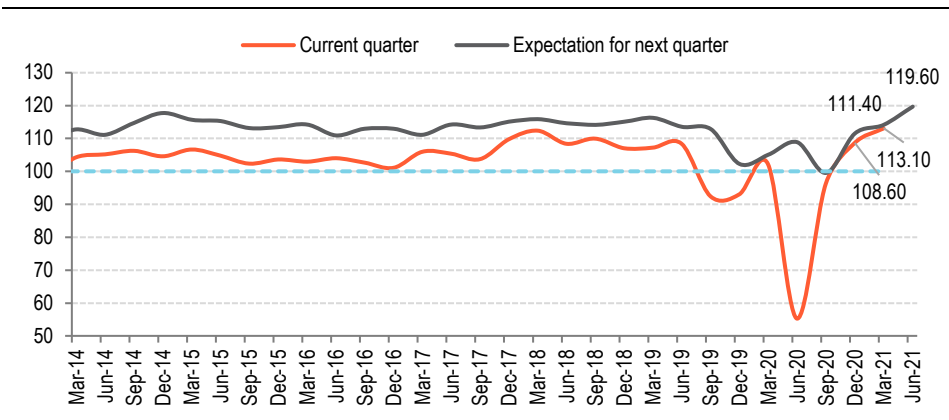
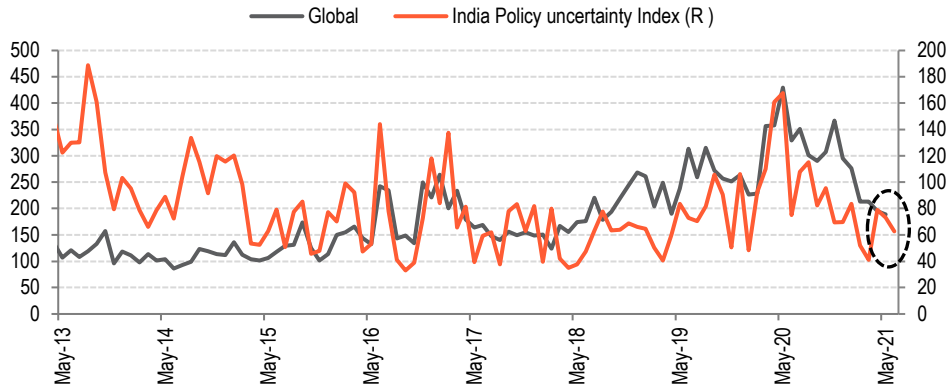


Fig 57 – Infrastructure index moderates

(%)	Weight	May-21	Apr-21	May-20	Apr-May'22	Apr-May'21
Infrastructure Index	100	16.8	60.9	(21.4)	35.8	(29.4)
Coal	10.3	6.9	9.5	(14)	8.2	(14.7)
Crude Oil	9.0	(6.3)	(2.1)	(7.1)	(4.2)	(6.7)
Natural Gas	6.9	20.1	25.0	(16.8)	22.5	(18.3)
Petroleum Refinery Products	28.0	15.3	30.9	(21.3)	22.8	(22.7)
Fertilizers	2.6	(9.6)	3.9	7.5	(3.9)	2.0
Steel	17.9	59.3	472.7	(40.4)	149.5	(61.3)
Cement	5.4	7.9	582.7	(21.4)	100.4	(53.7)
Electricity	19.9	7.3	38.5	(14.8)	21.5	(18.7)

Investment

Fig 58 – Policy uncertainty in india which heightened in Apr'21 showed significant moderation in Jun'21 with plateauing of Covid-19 cases



Source: policyuncertainty.com

Fig 60 – PLF of govt. thermal plants improved while for private plants, it showed moderation

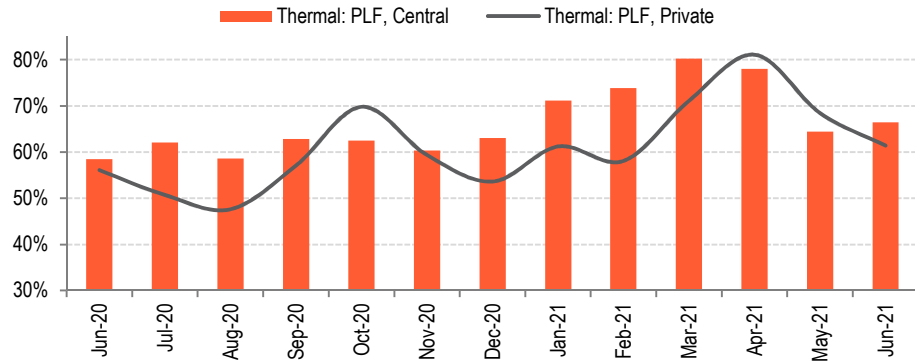


Fig 59 – Real GDP rose by 1.6% in Q4FY21 from 0.5% in Q3FY21, while real GFCF shot up to 10.9% from 2.6%

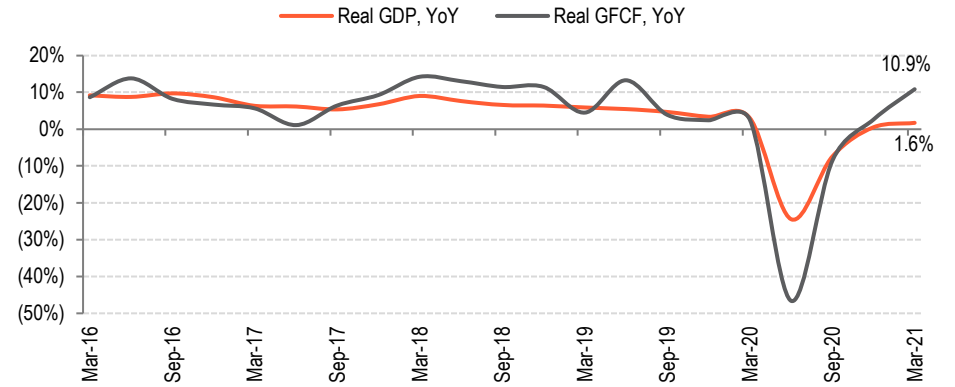


Fig 61 – Capital goods production rose by 1077% from 48% in Mar'21 due to favourable base, however, over a 2-year horizon it fell by 14.4%

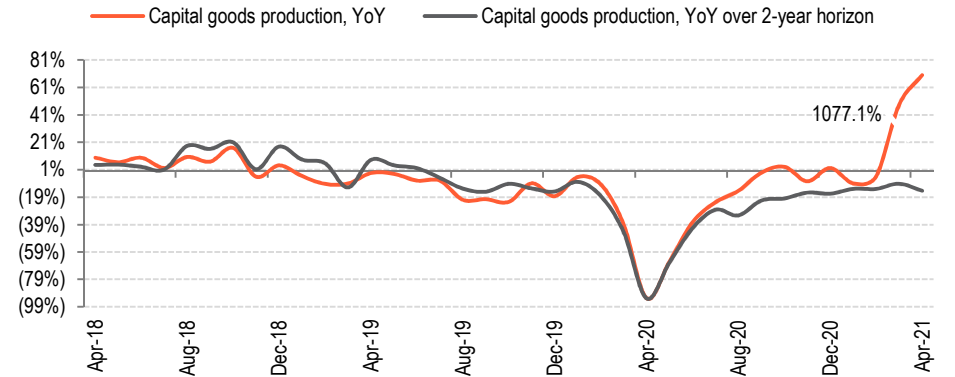


Fig 62 – Capital goods imports rose at a moderate pace of 37% from 127% in Apr'21

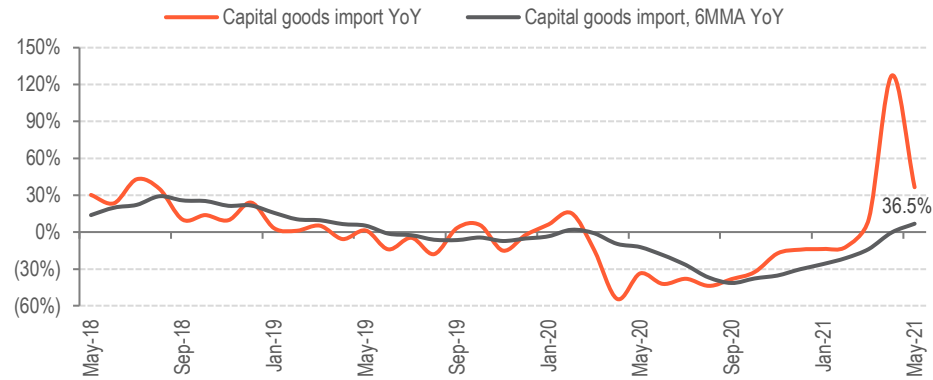


Fig 63 – Centre’s capex spending moderated slightly to 26.1% from 33.1% in Apr'21

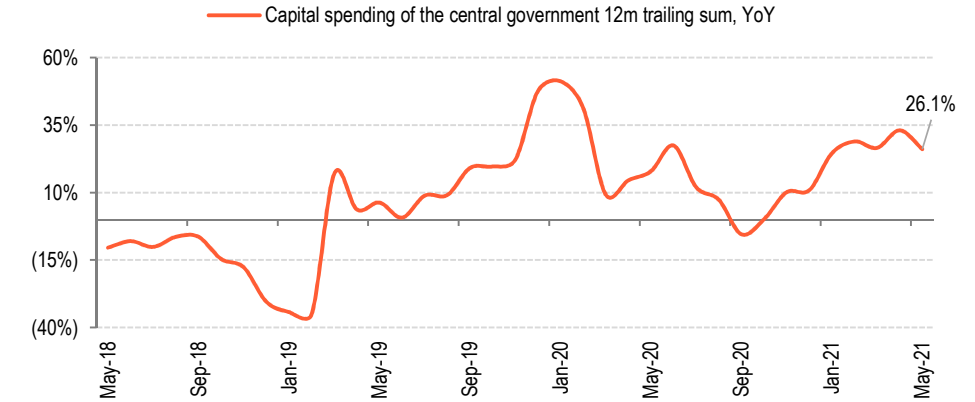


Fig 64 – Industry credit was rose marginally to 0.8% from 0.4% in Apr'21

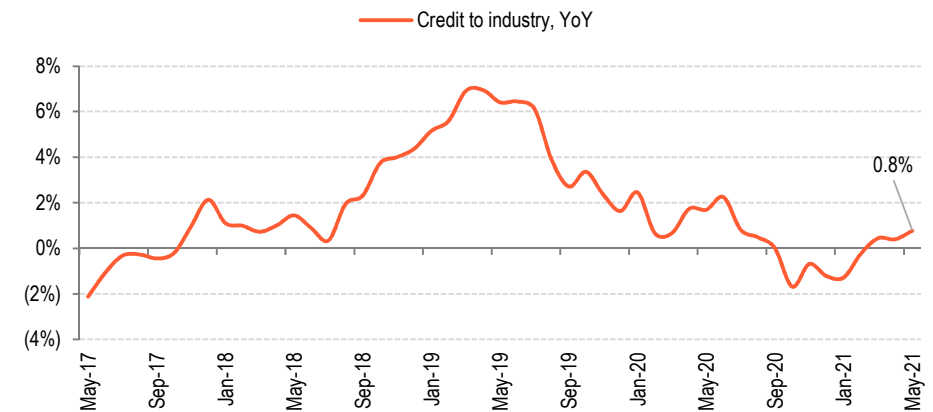


Fig 65 – Credit to micro & small industry rose to 5% from 3.8% in Apr'21, for medium industry it rose to 45.8% from 43.8%, supported by ECLGS scheme

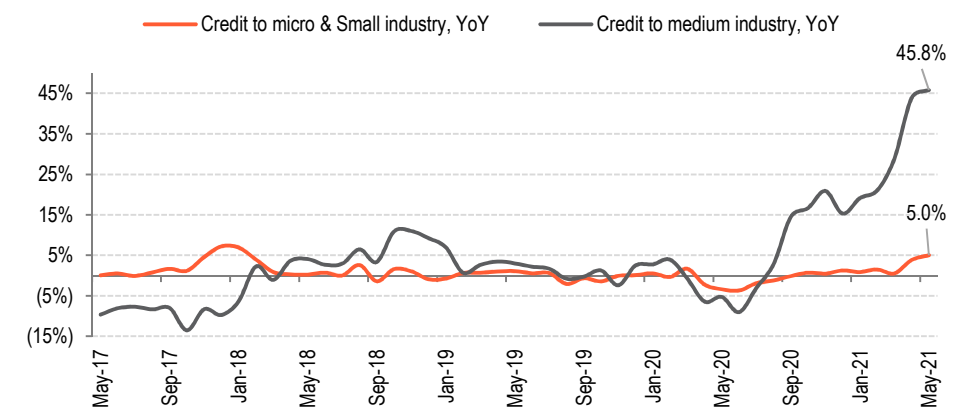


Fig 66 – Credit to large industry fell by 1.7% from 1.9% decline in Apr'21

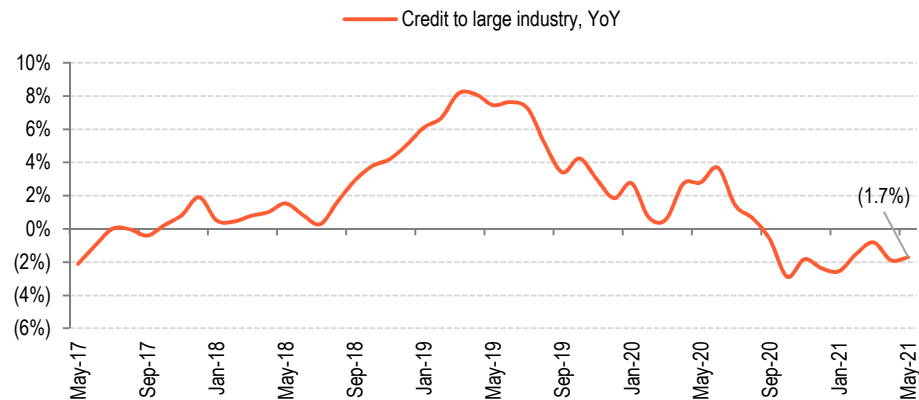


Fig 67 – Housing credit picked up to 10.1% from 9.5% in Apr'21

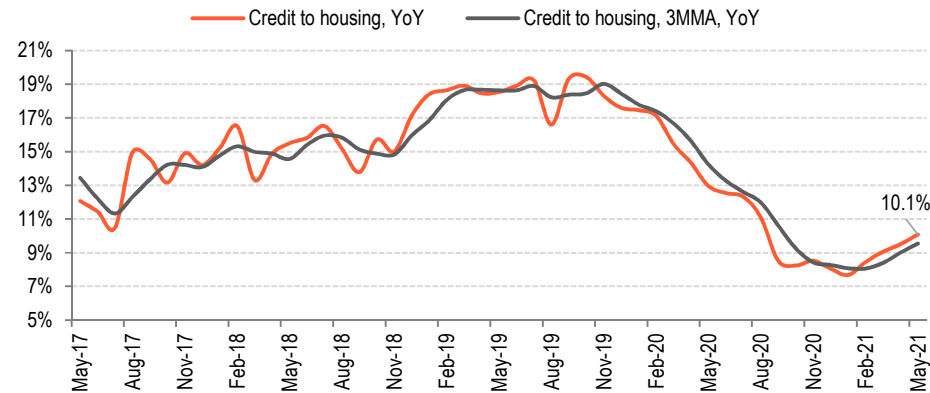
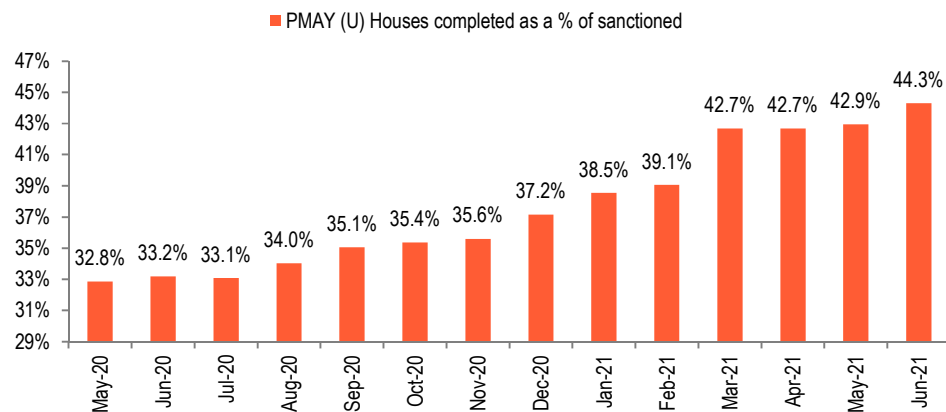
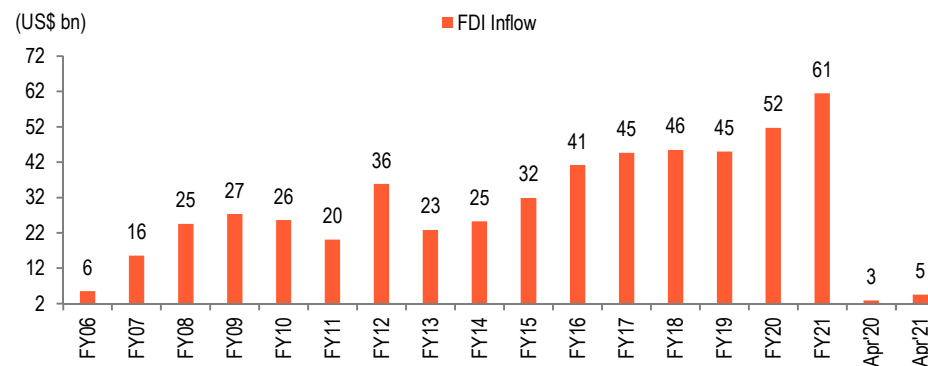


Fig 68 – Affordable housing demand also improved significantly



Source: MOHUA

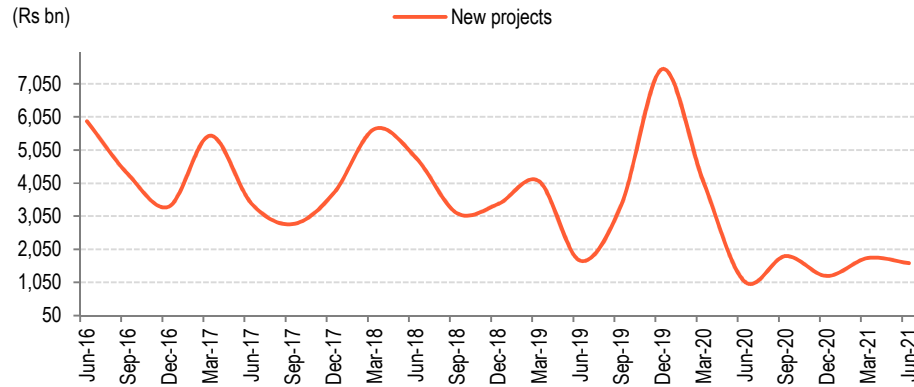
Fig 69 – FDI inflows in Apr'21 were at US\$ 5bn versus US\$ 3bn in the same period of previous year



Source: DIPP

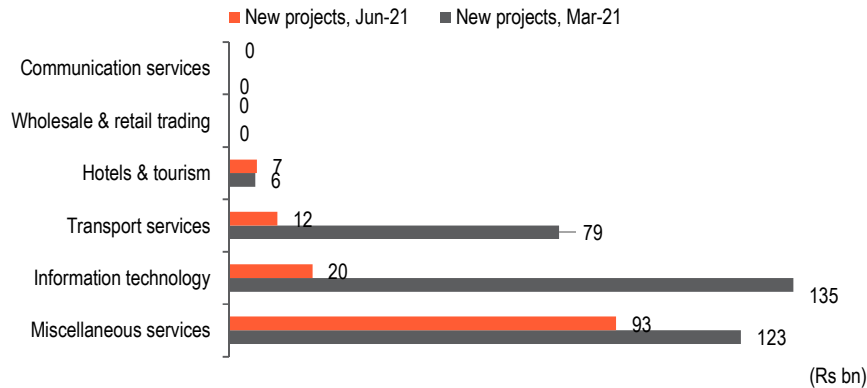
Capex data

Fig 70 – New project announcements moderated to Rs 1.6tn in Mar’21 from Rs 1.8tn in Mar’21



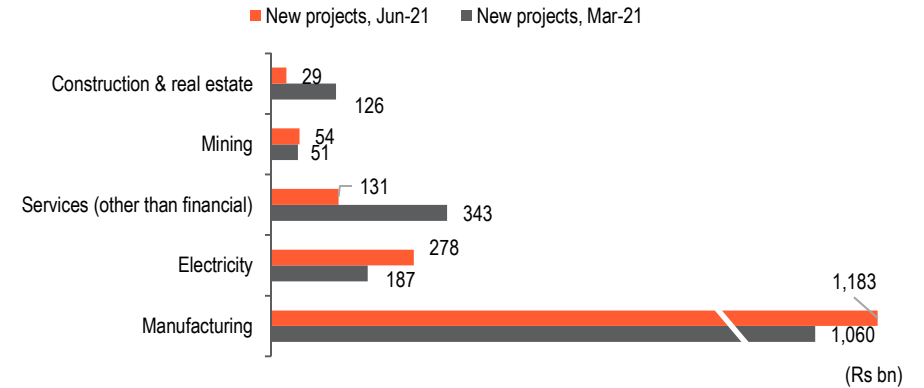
Source: CMIE

Fig 72 – Within services, there was broad based decline in announcements



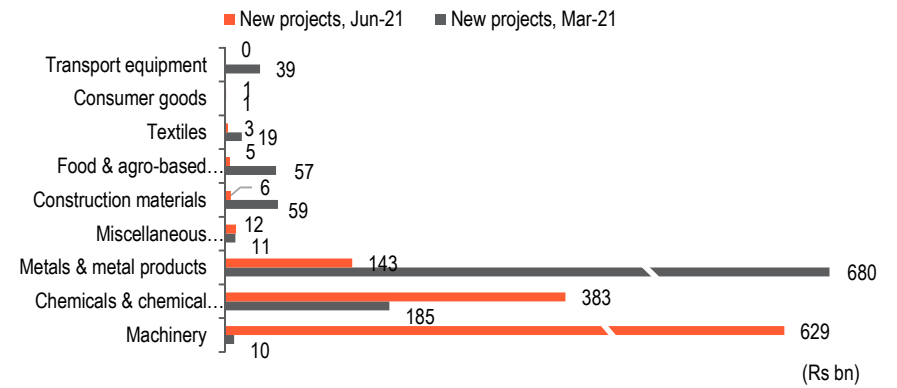
Source: CMIE

Fig 71 – ...Led by construction and services



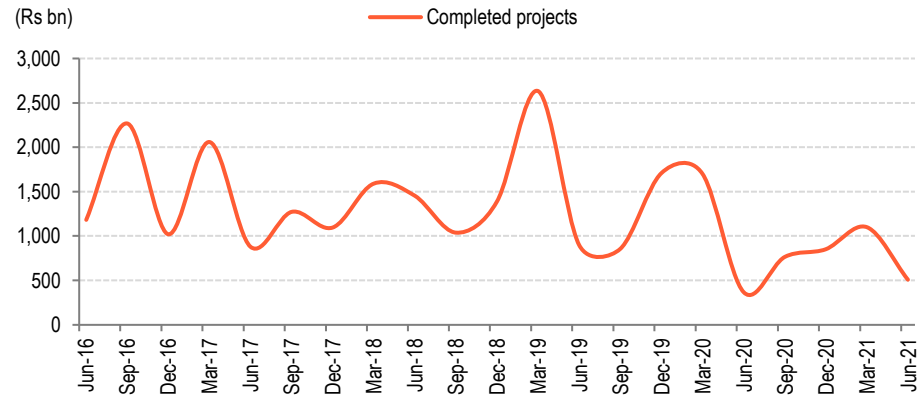
Source: CMIE

Fig 73 – ...However manufacturing remained a bright spot led by machinery and chemical products



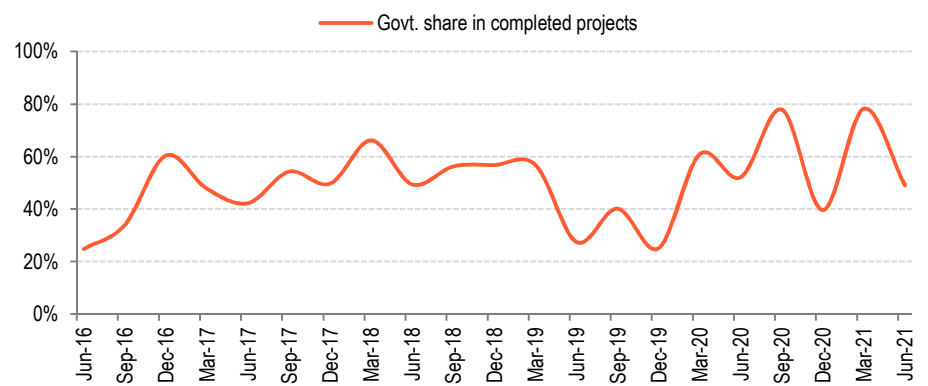
Source: CMIE

Fig 74 – Completed projects fell to Rs 508bn in Jun'21 compared with Rs 1.1tn in Mar'21



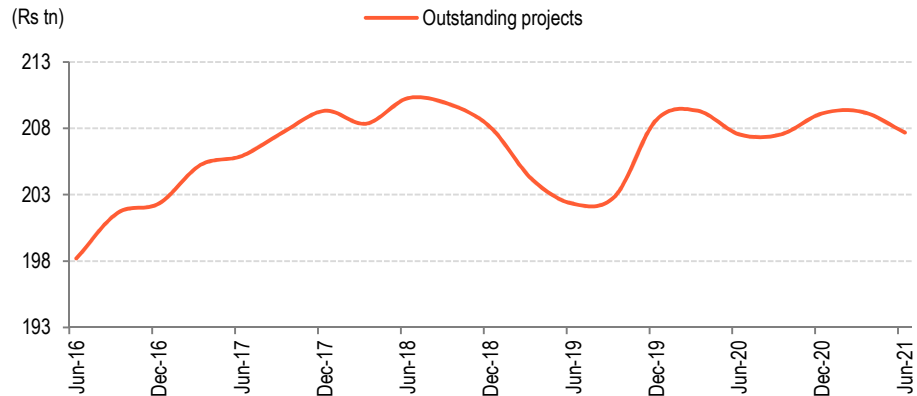
Source: CMIE

Fig 75 – ... Led by decline in share of govt. projects



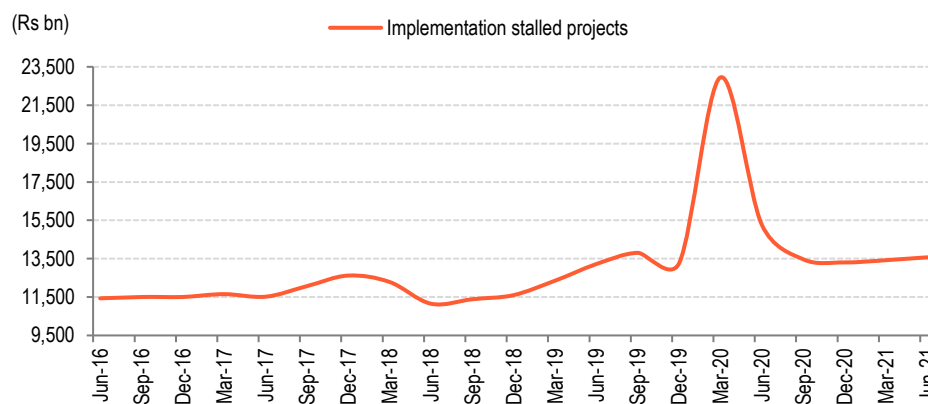
Source: CMIE

Fig 76 – Outstanding projects moderated to Rs 208tn from 209tn in Mar'21



Source: CMIE

Fig 77 – Implementation stalled projects was at Rs 14tn



Source: CMIE

Services sector

Fig 78 – GVA: Services activity recovered further in Q4FY21

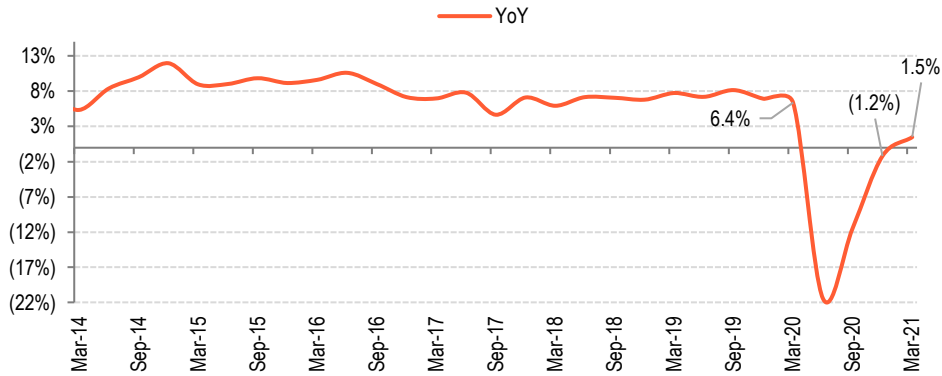
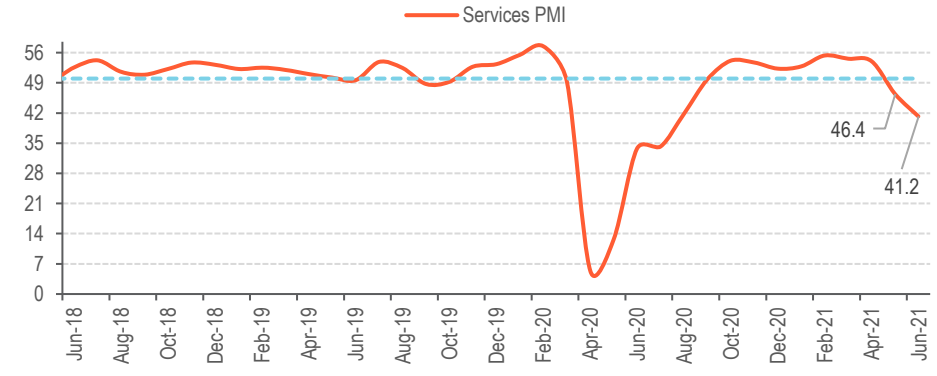


Fig 79 – Services PMI shows activity contracted further in Jun'21



Source: Markit

Fig 80 – GVA: Trade & related services remains in contraction...

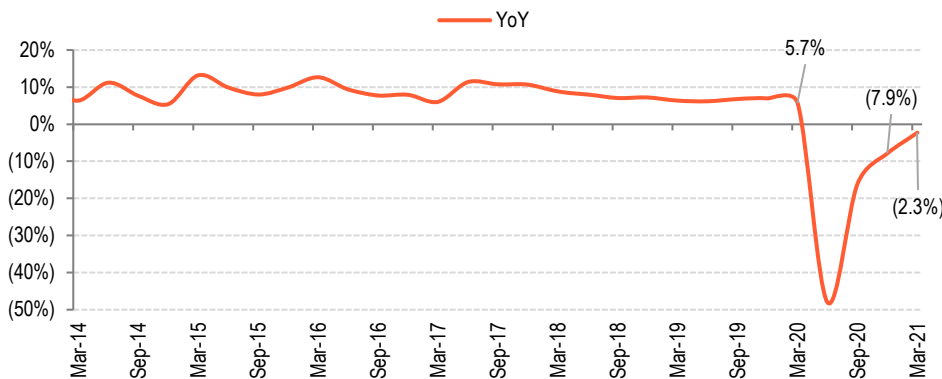
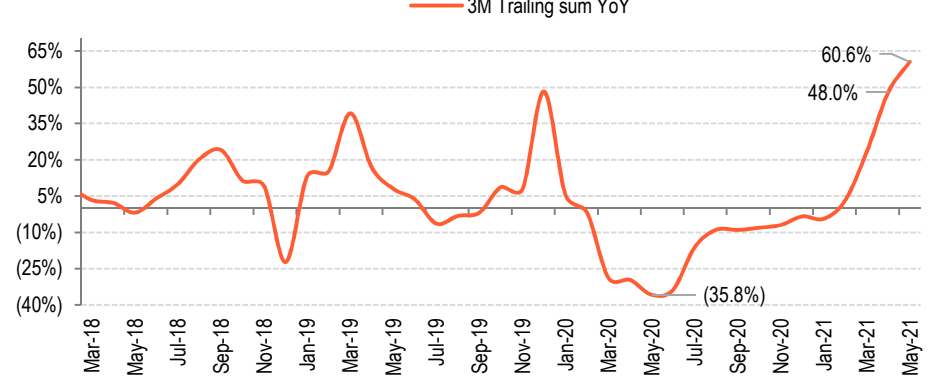


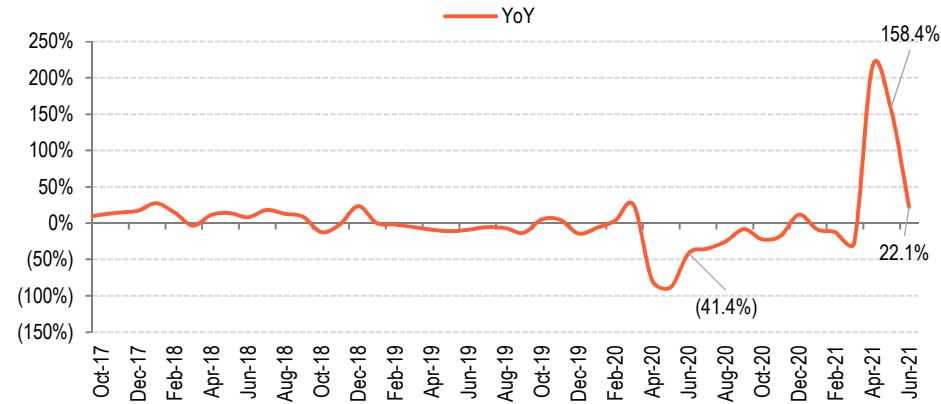
Fig 81 – States** tax revenue growth shot up sharply in May'21, due to low base



Note: **All states excluding N.E states, A.P., Bihar, Goa, Himachal Pradesh, J&K, Maharashtra and W.Bengal

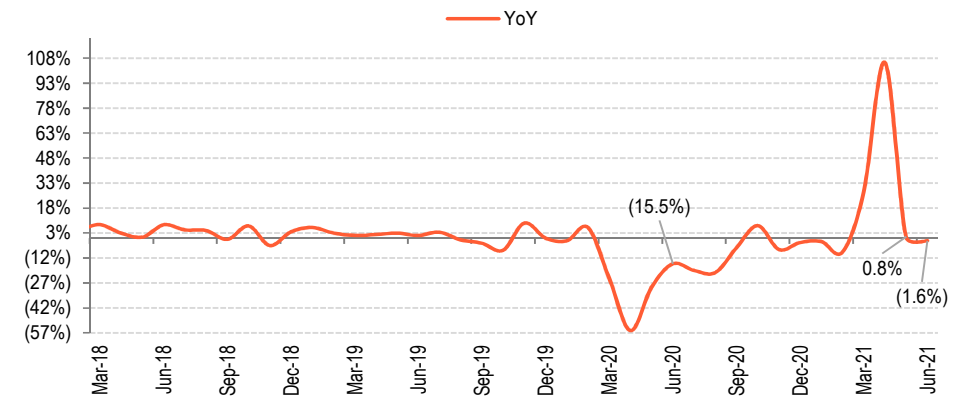
Trade

Fig 82 – Vehicle registration growth eased in Jun'21, as base effect normalizing



Source: MoRTH

Fig 83 – Diesel consumption remained muted, but much better than last year



Source: PPAC

Fig 84 – Port cargo volumes eased in Q1FY22 over a 2-year horizon

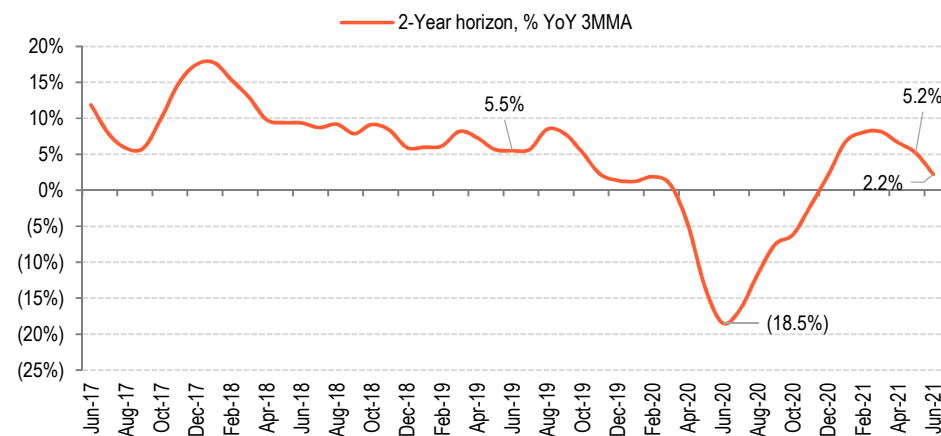


Fig 85 – Railway freight traffic growth slipped in Jun'21, but is better than Jun'20

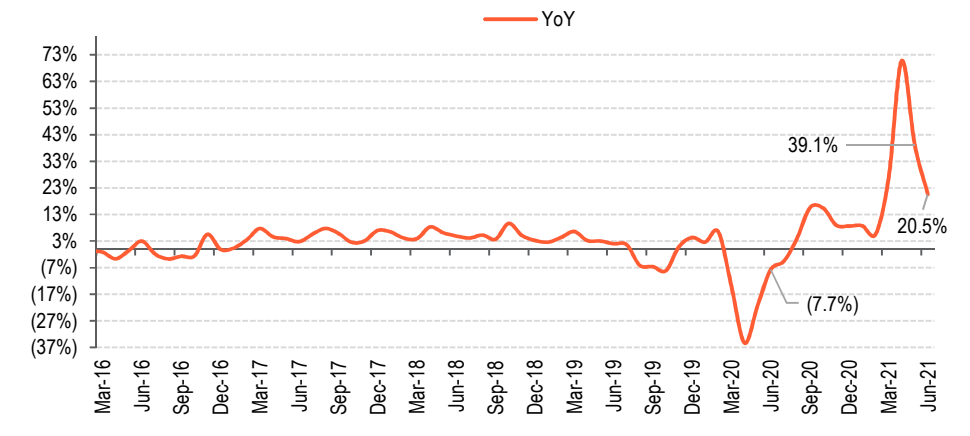


Fig 86 – Toll collection growth also gained pace in Jun’21

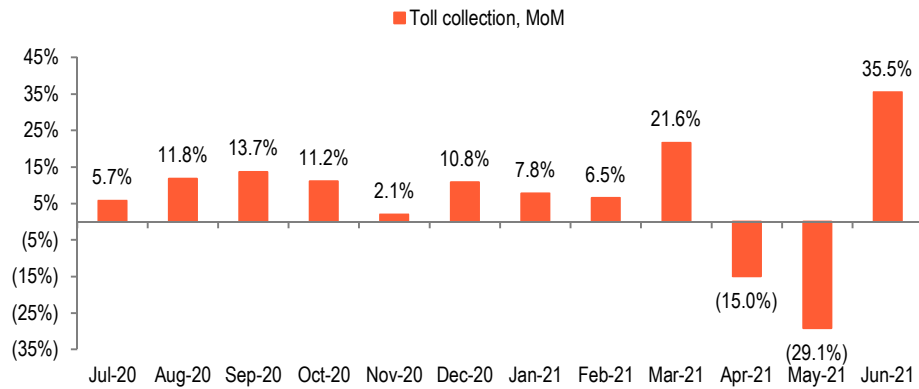
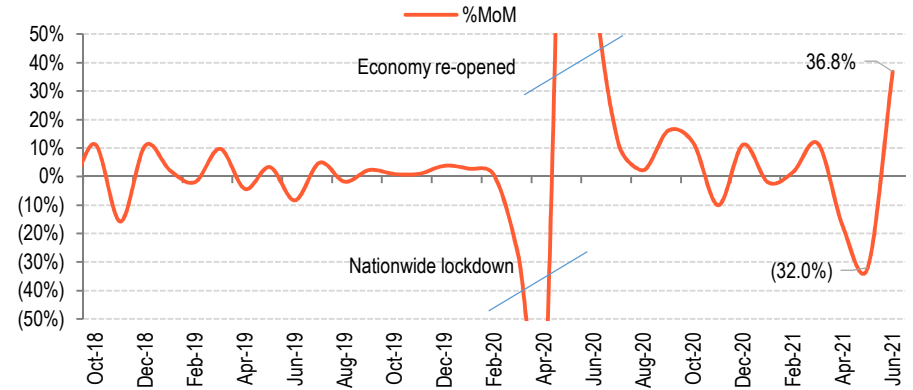


Fig 87 – E-way bills generated bounce back in Jun’21



Hotels and Communications

Fig 88 – Airline passenger traffic growth was hit again in May’21

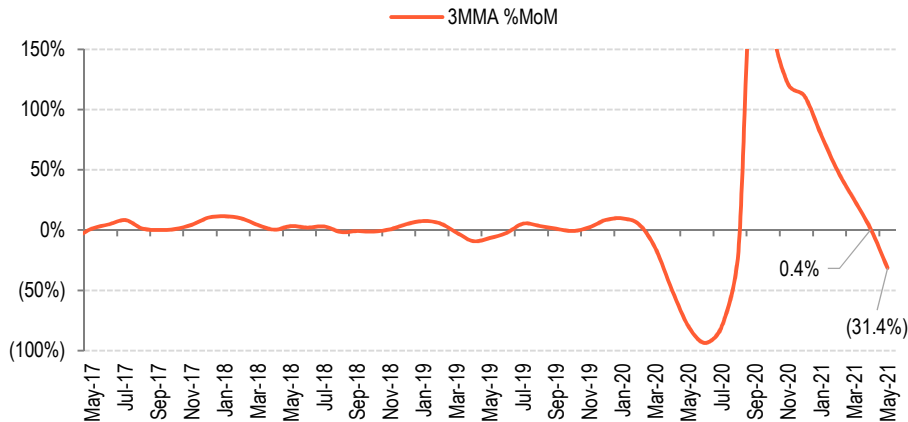


Fig 89 – Domestic passenger growth dropped sharply in May’21

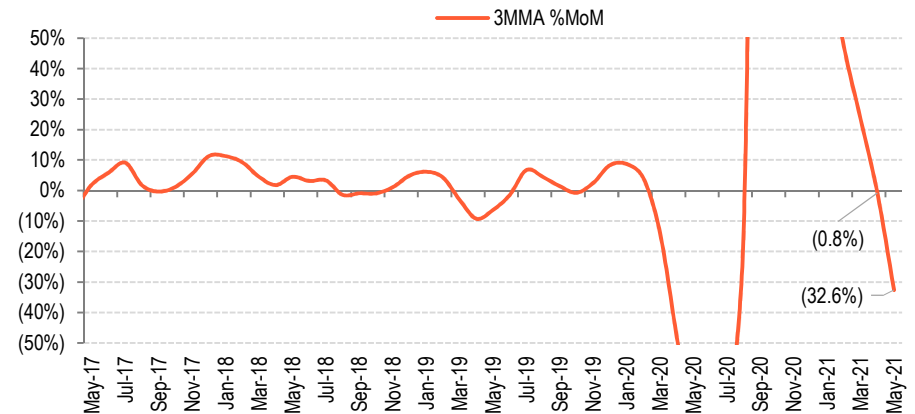


Fig 90 – Railway passenger traffic picked up in Jun'21 as states re-opened

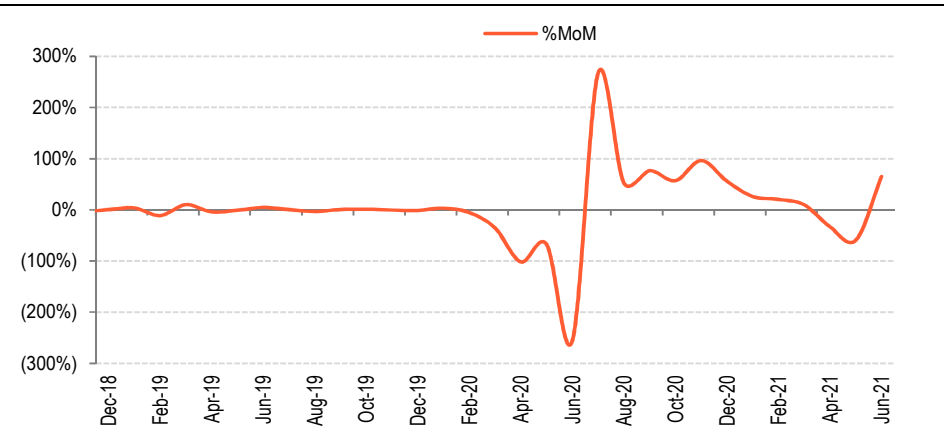
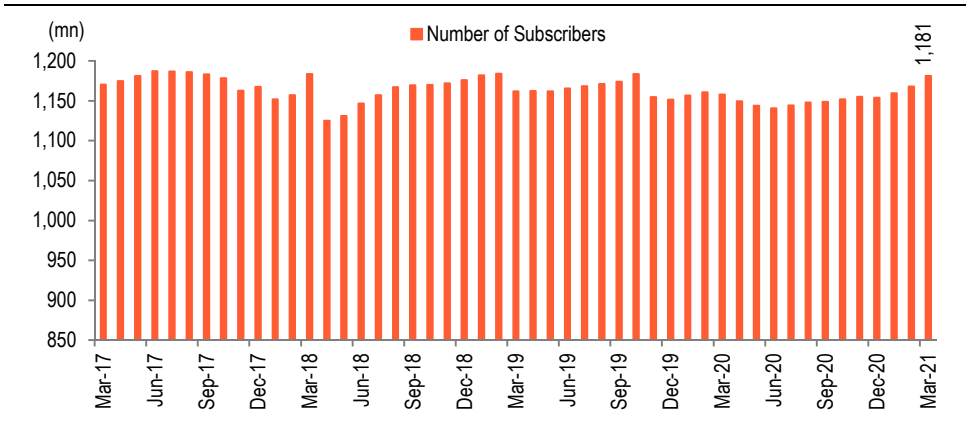


Fig 91 – Telecom sector added 13.2mn wireless subscribers in Mar'21 versus 8.3mn added in Feb'21



Finance and Real estate

Fig 92 – Growth in GVA: Finance, real estate & prof. services eased in Q4FY21, though still remained higher than last year

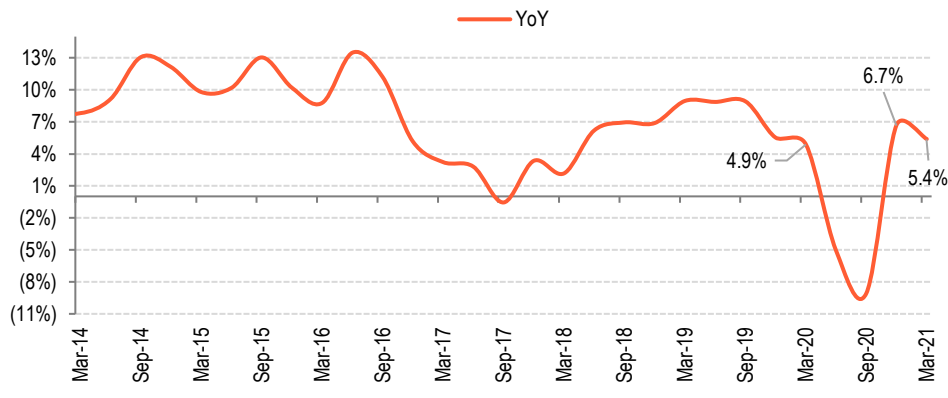
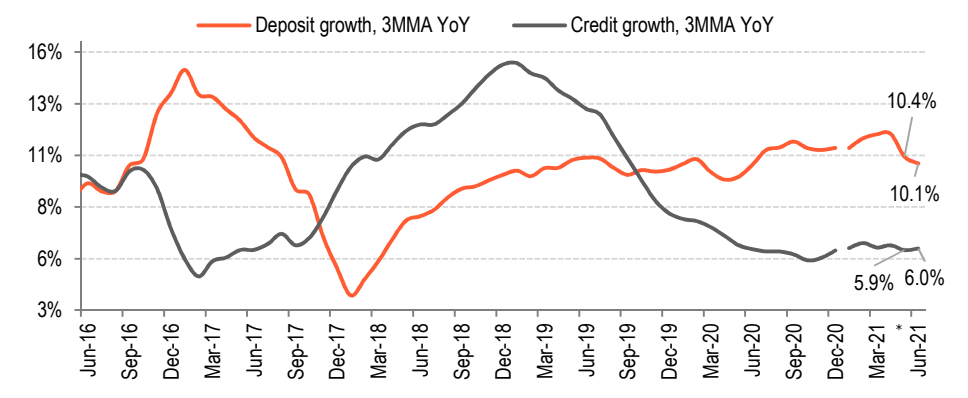


Fig 93 – Deposit growth slowing while credit growth shows marginal improvement



Note: *Jun'21 implies fortnight as of 18 Jun 2021

Fig 94 – Credit to services sector remains weak, credit to industry also muted

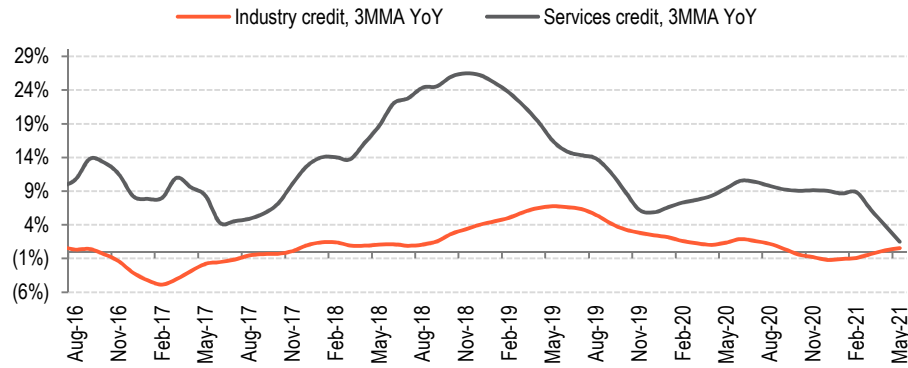


Fig 95 – Credit to NBFCs continued to decline in May'21

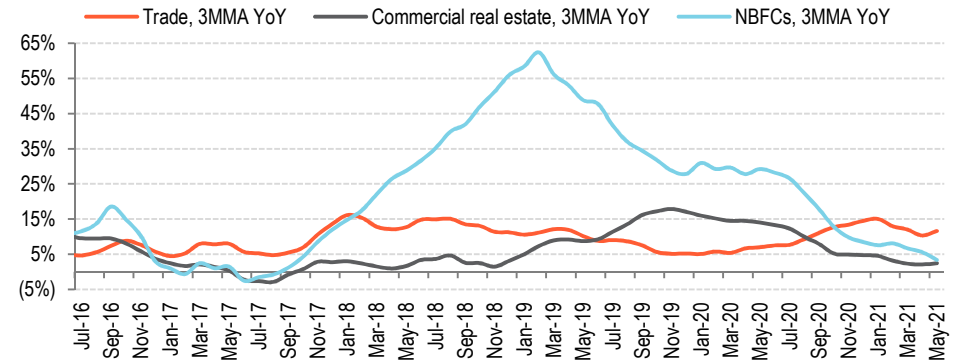
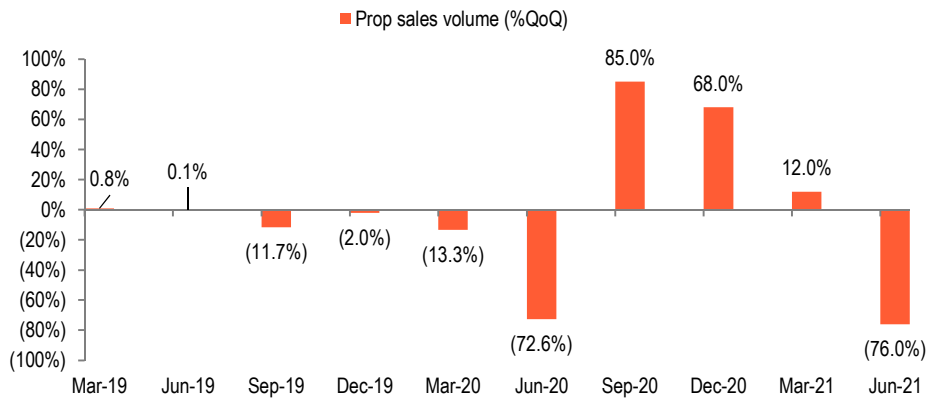
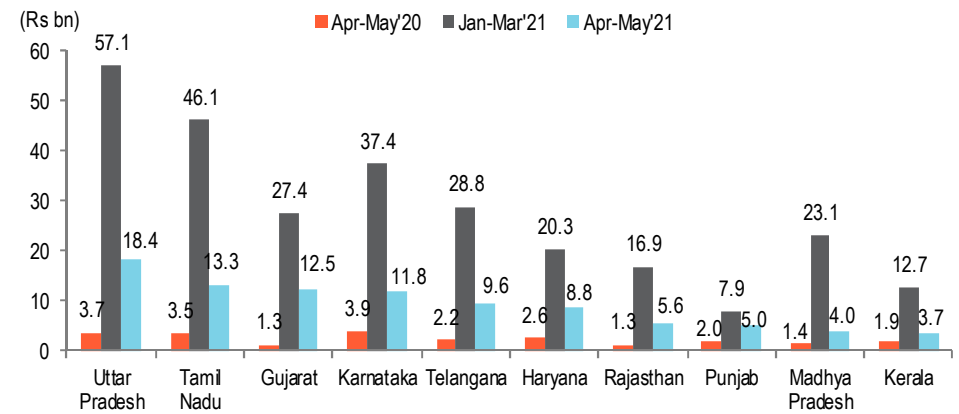


Fig 96 – Property sale volumes dipped again in Q1FY22, similar to last year



Source: Proptiger

Fig 97 – ...also impacting stamp duty collection of states



Labour market

Fig 98 – Naukri job index shows hiring activity picked up in further in Jun'21

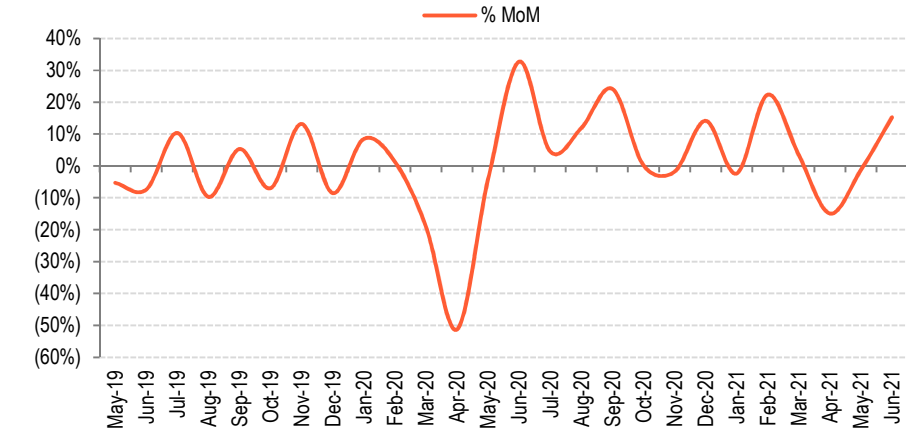
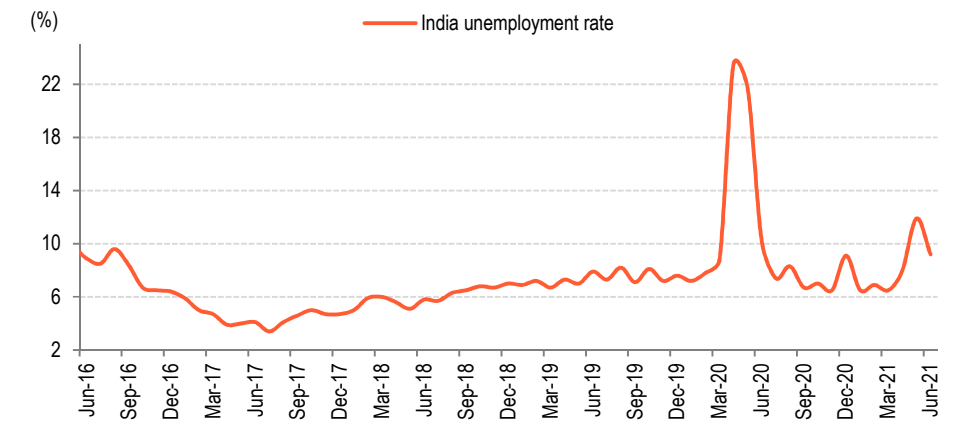


Fig 99 – Unemployment rate eased in Jun'21



Public administration

Fig 100 – Public administration & defence services contributed positively in Q4FY21

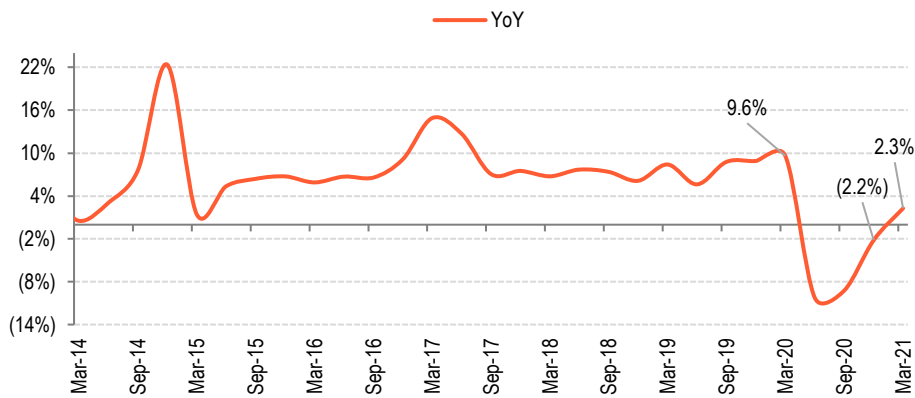


Fig 101 – General govt. spending seen cooling off in May'21

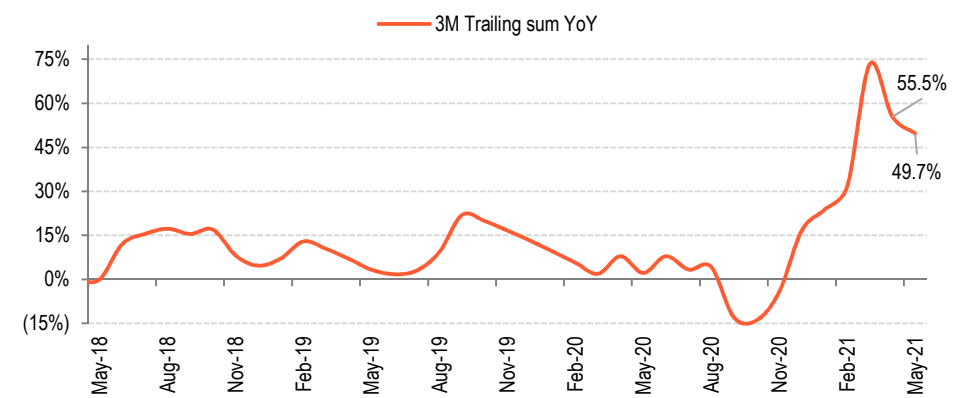


Fig 102 – ...owing to dip in Central government spending

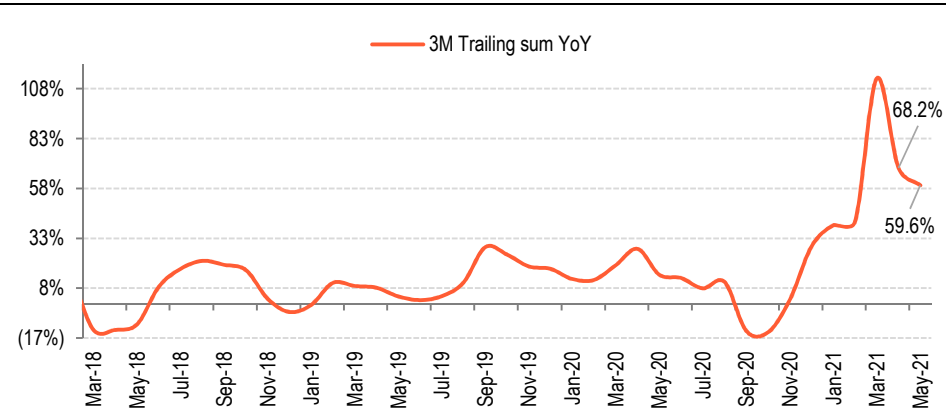
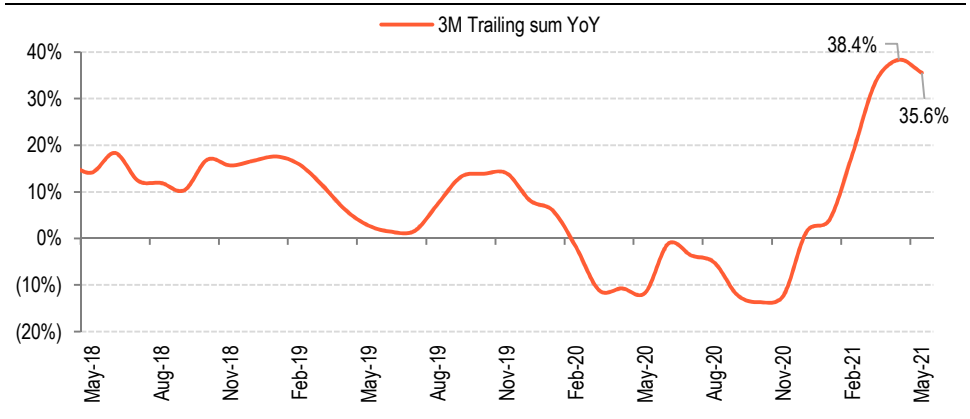


Fig 103 – State* Govt. spending also eased

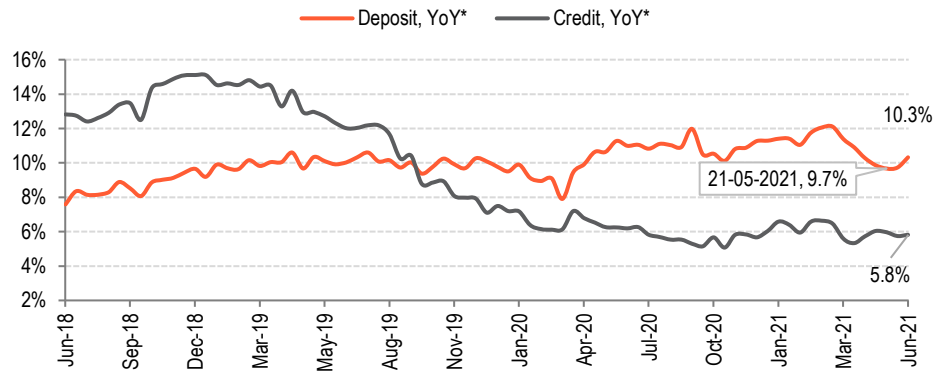


Note: *All states excluding N.E states, A.P., Bihar, Goa, Himachal Pradesh, J&K, Maharashtra and W.Bengal

Financial sector

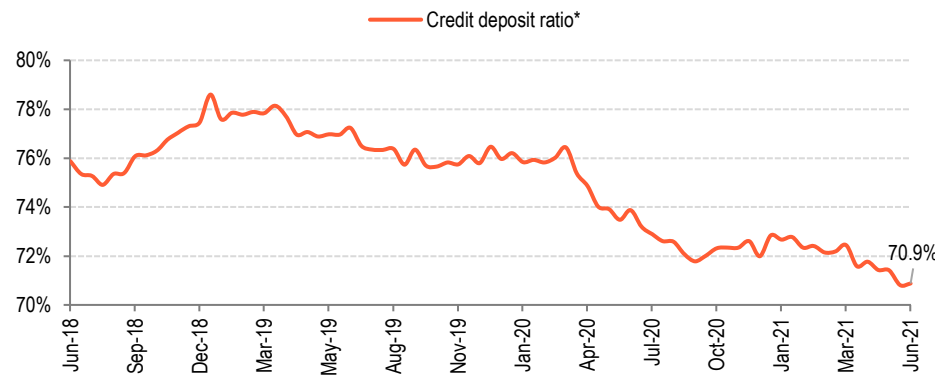
Money and banking

Fig 104 – Credit demand moderated to 5.8% in Jun’21 from 6% in May’21, deposit growth rose to 10.3% from 9.7%



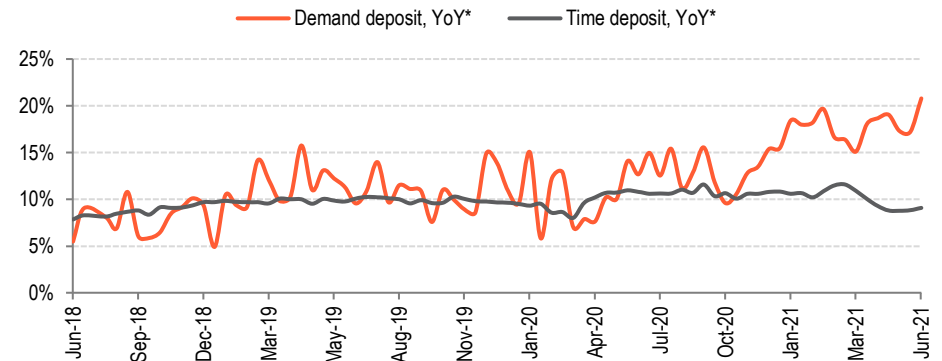
Note: *Jun-21 implies fortnight as of 18 Jun 2021

Fig 106 – CD ratio was at 70.9%



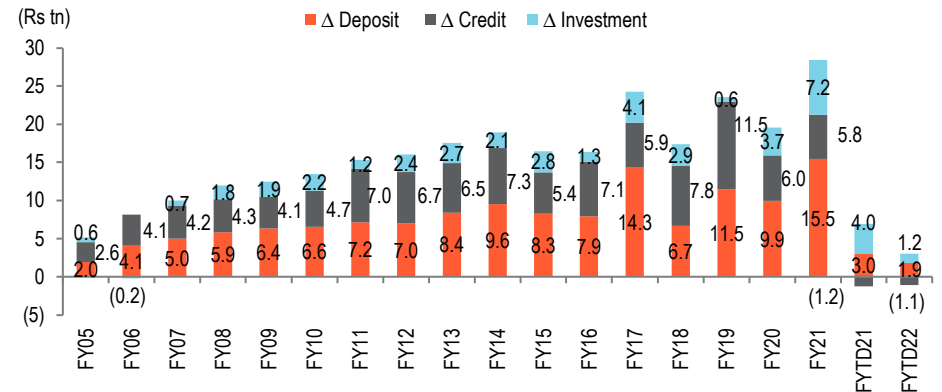
Note: *Jun-21 implies fortnight as of 18 Jun 2021

Fig 105 – Both demand and time deposits inched up to 20.8% and 9.1% respectively in Jun’21 from 17.3% and 8.8% in May’21



Note: *Jun-21 implies fortnight as of 18 Jun 2021

Fig 107 – Pace of accretion of credit, investment and deposit



FYTD: Till 18 Jun 2021

Fig 108 – Credit to govt. inched down to 11.9% from 12.8% Apr'21, credit to commercial sector also fell to 5.2% from 5.7%

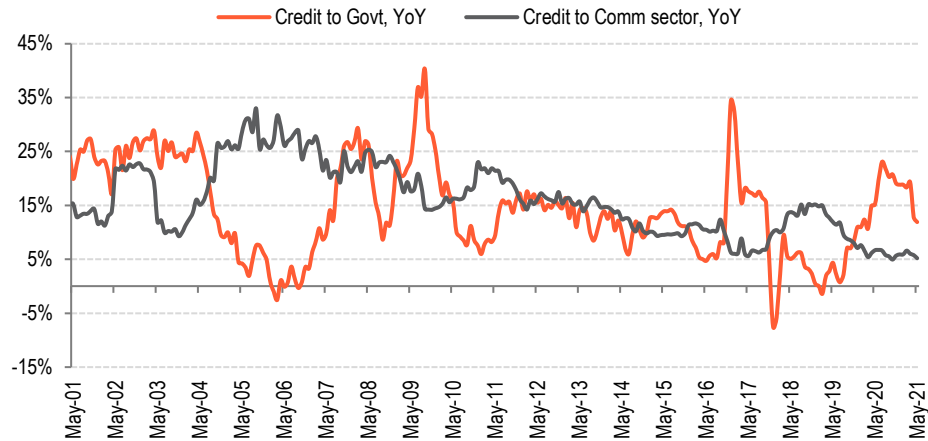


Fig 110 – WATDR inched down to 5.43% from 5.47% in Apr'21 while WALR rose to 7.83% from 7.77%

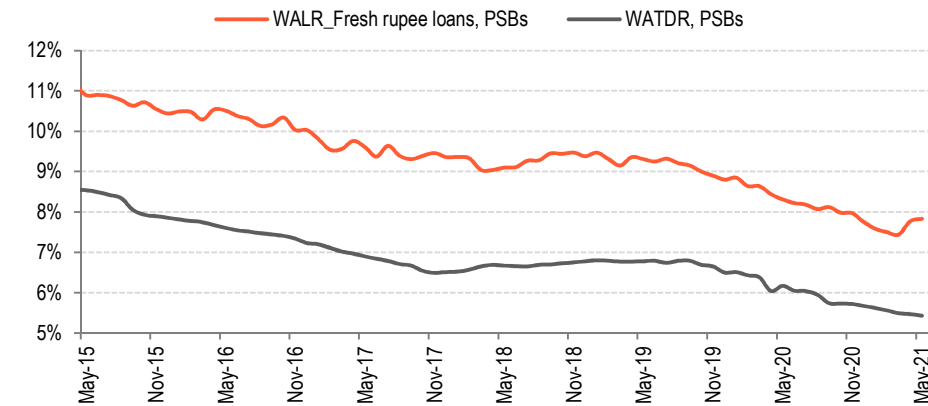


Fig 109 – Spread between call rate and repo

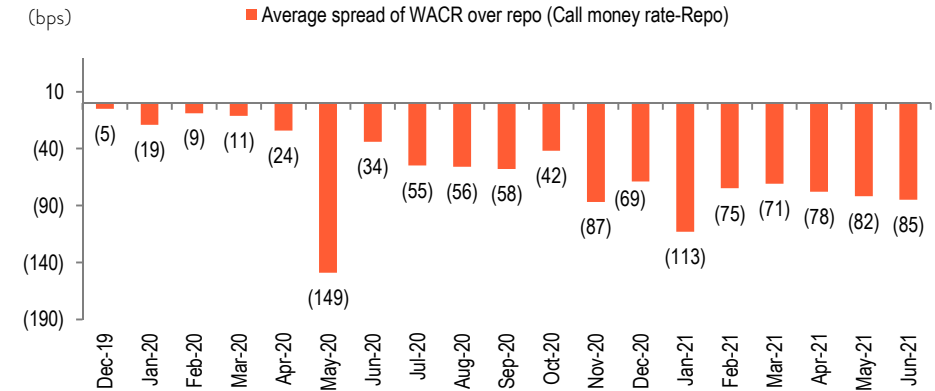
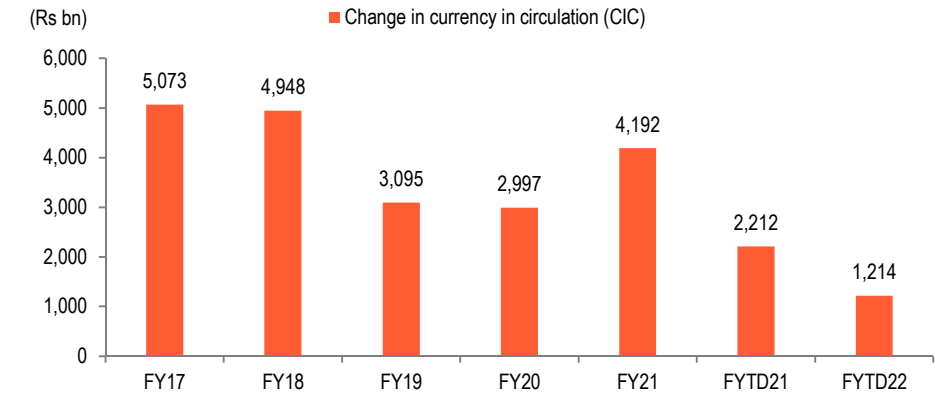
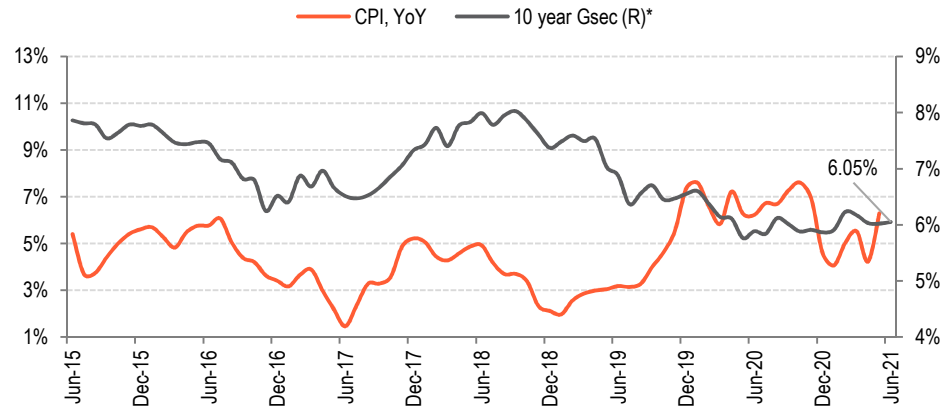


Fig 111 – CIC accretion is happening at a much slower pace of Rs 1.2tn in FYTD22 against Rs 2.2tn in the same period of previous year



FYTD: Apr-Jun

Fig 112 – 10Y GSec yield rose to 6.05% in Jun'21 from 6.02% in May'21 and currently far higher at 6.12%, inflation rose to 6.3% from 4.2% in Apr'21



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

Fig 114 – Corporate debt issuance moderated to Rs 212bn from Rs 320bn in Apr'21

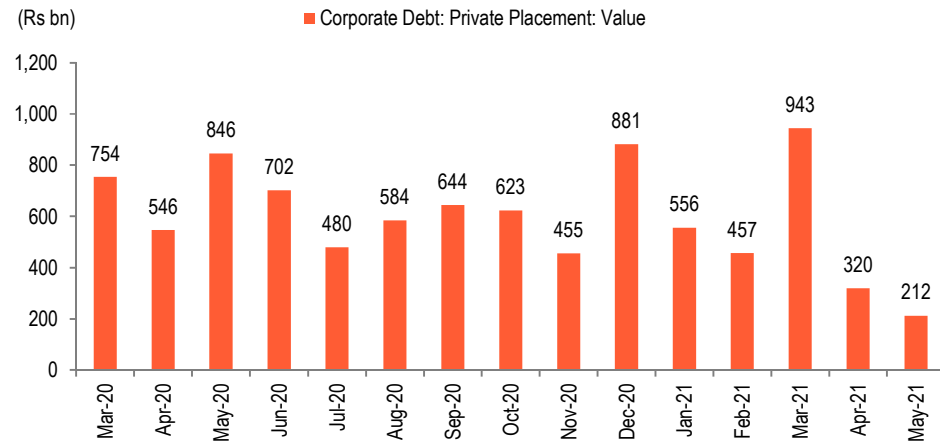
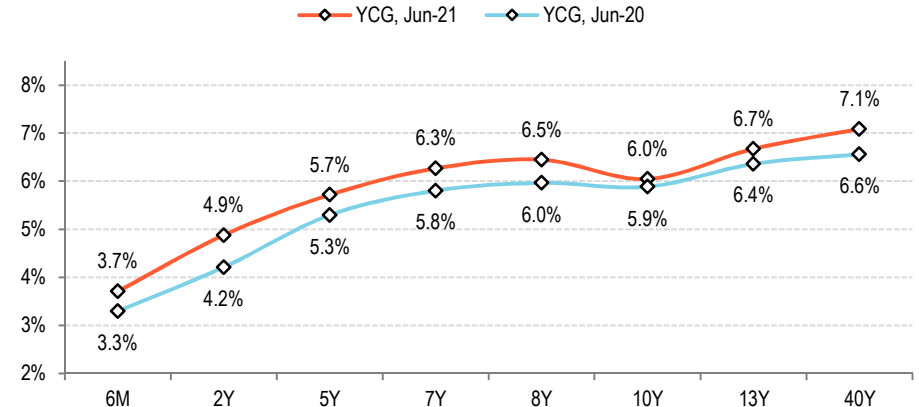
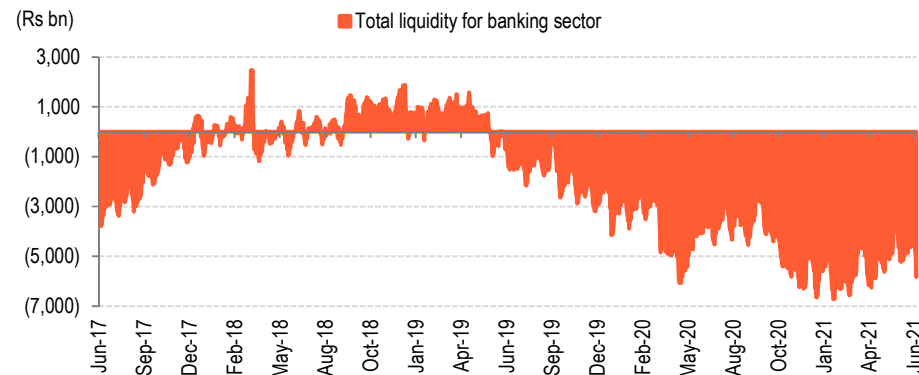


Fig 113 – Yield curve graph (YCG) shows steepening bias



Source: Bloomberg

Fig 115 – Average system liquidity surplus was higher at Rs 4.8tn compared to Rs 4.6tn in May'21 and currently at Rs 5.5tn



Source: RBI

Fig 116 – 3Y AAA NBFC spread rose to 42 bps as on 30 Jun 2021 from 39bps as on 31 May 2021

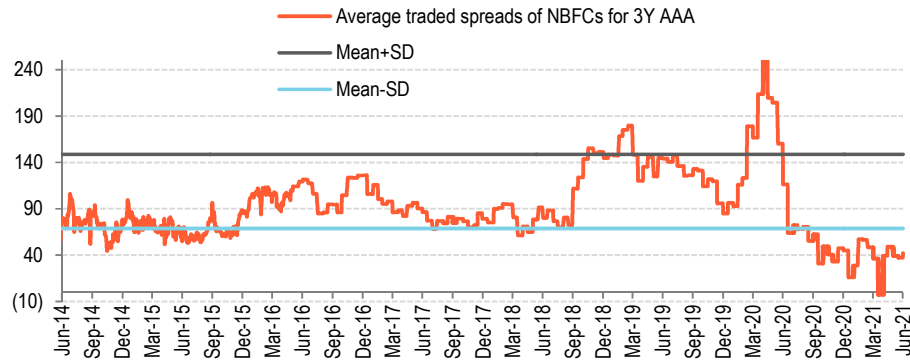


Fig 117 – 10Y AAA NBFC spread was broadly stable at 49bps as on 30 Jun 2021

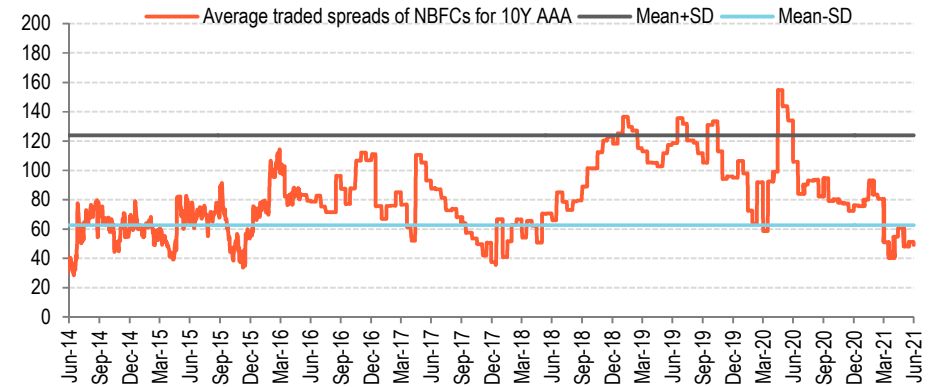


Fig 118 – 3Y AAA corp spread fell to 21bps as on 30 Jun 2021 from 28bps as on 31 May 2021

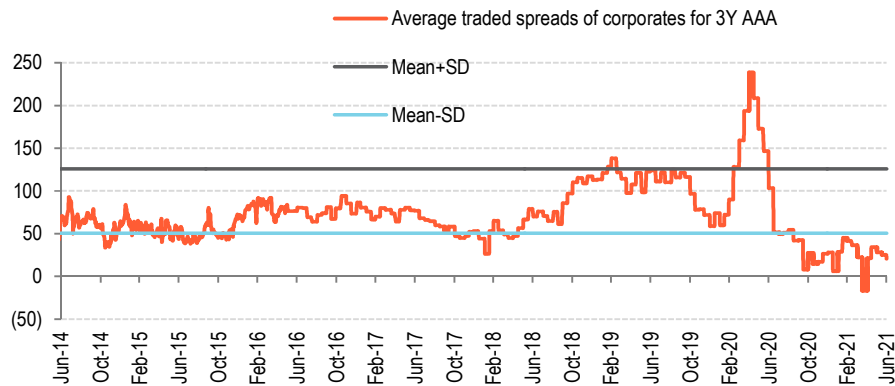


Fig 119 – 10Y AAA corp spread moderated slightly to 43bps as on 30 Jun 2021 from 45bps as on 31 May 2021

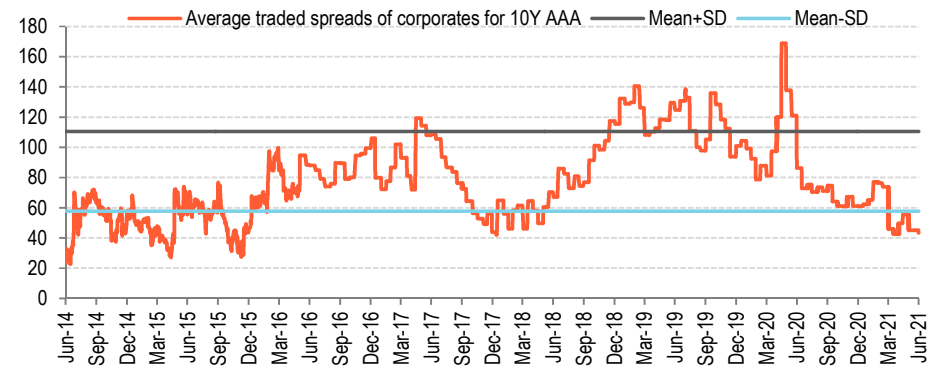


Fig 120 – INR 3Y swap rose to 4.81 as on 30 Jun 2021 from 4.54 as on 31 May 2021

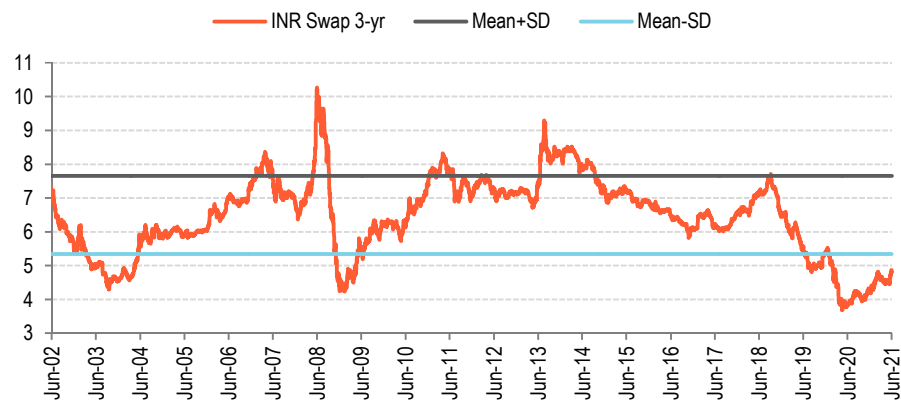
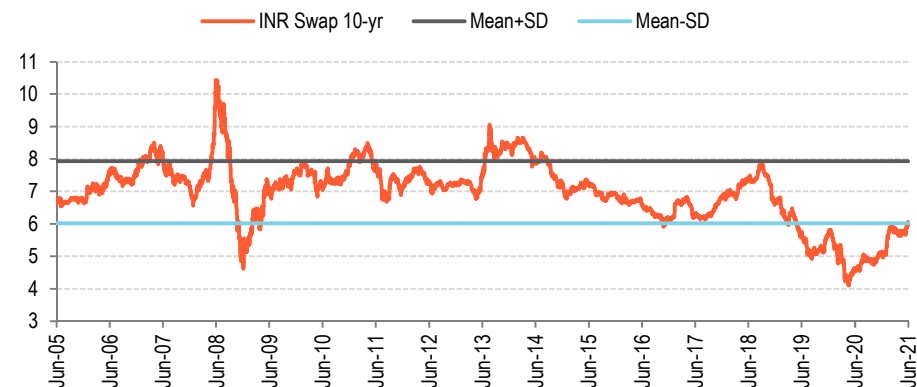


Fig 121 – For 10Y, it rose to 5.97 as on 30 Jun 2021 from 5.75 as on 31 May 2021



Interest rates on small savings schemes

Fig 122 – Interest rates on small savings scheme to remain unchanged in Q2FY22

Instrument (%)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	GSec Yield (1 Jul 2021)
Savings deposit	4.0	4.0	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	5.5	5.5	3.96
2 year time deposit	7.0	6.9	6.9	6.9	5.5	5.5	5.5	5.5	5.5	5.5	4.88
3 year time deposit	7.0	6.9	6.9	6.9	5.5	5.5	5.5	5.5	5.5	5.5	5.25
5 year time deposit	7.8	7.7	7.7	7.7	6.7	6.7	6.7	6.7	6.7	6.7	5.70
5 year recurring deposit	7.3	7.2	7.2	7.2	5.8	5.8	5.8	5.8	5.8	5.8	5.70
5 year senior citizen savings scheme	8.7	8.6	8.6	8.6	7.4	7.4	7.4	7.4	7.4	7.4	5.70
5 year monthly income scheme	7.7	7.6	7.6	7.6	6.6	6.6	6.6	6.6	6.6	6.6	5.70
5 year national savings certificate	8	7.9	7.9	7.9	6.8	6.8	6.8	6.8	6.8	6.8	5.70
Public provident fund scheme	8	7.9	7.9	7.9	7.1	7.1	7.1	7.1	7.1	7.1	6.04
Kisan vikas patra	7.7	7.6	7.6	7.6	6.9	6.9	6.9	6.9	6.9	6.9	-
Sukanya samridhhi account scheme	8.5	8.4	8.4	8.4	7.6	7.6	7.6	7.6	7.6	7.6	-

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

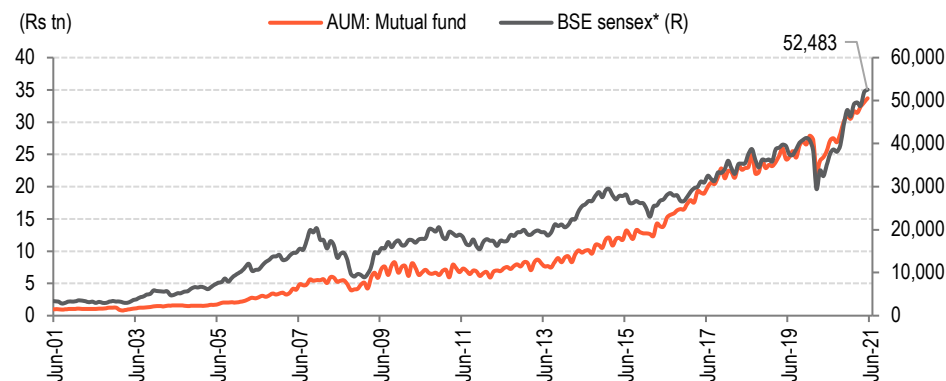
Fig 123 – Interest rates charged by leading banks

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

Source: RBI

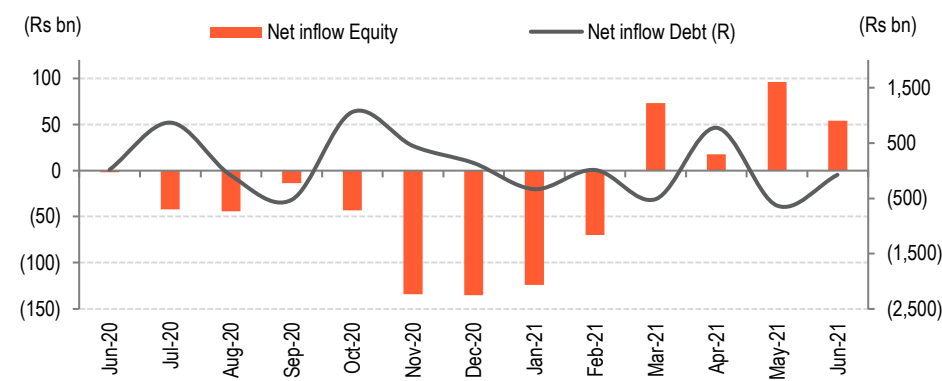
Mutual fund (MF) indicators

Fig 124 – Sensex rose by 1% to 52,483 in Jun'21, AUM of MFs rose to Rs 34 tn from Rs 33tn in May'21



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

Fig 125 – MF equity inflow moderated to Rs 54bn from Rs 96bn in May'21, debt outflow also slowed down to Rs 76bn from Rs 635bn



Insurance sector indicators

Fig 126 – Sale of life insurance policies fell by 4% from 15% decline in May'21

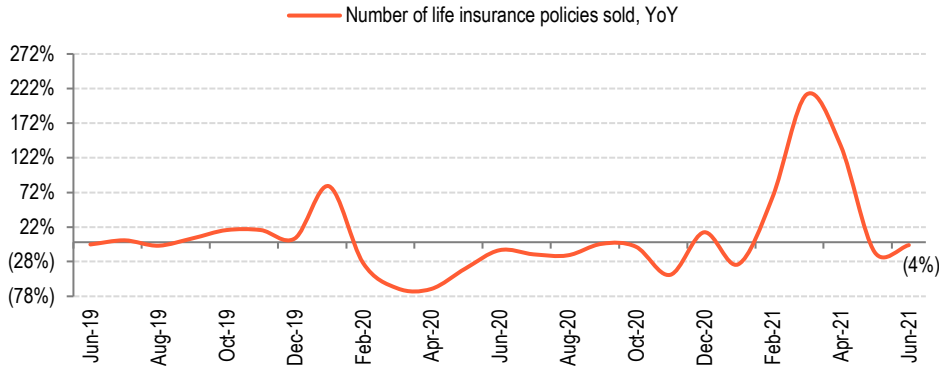
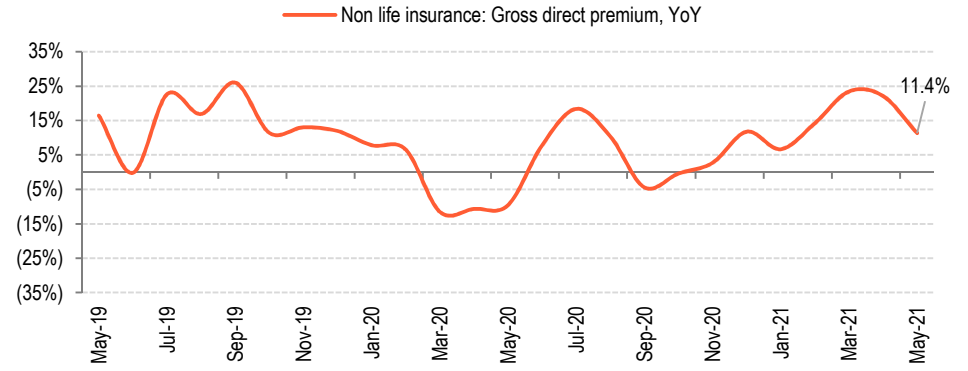


Fig 127 – Gross direct premium for non life insurance moderated to 11.4% in May'21 from 22.1% in Apr'21



Public finance

Central government finances

Fig 128 – Fiscal deficit eases further in May'21

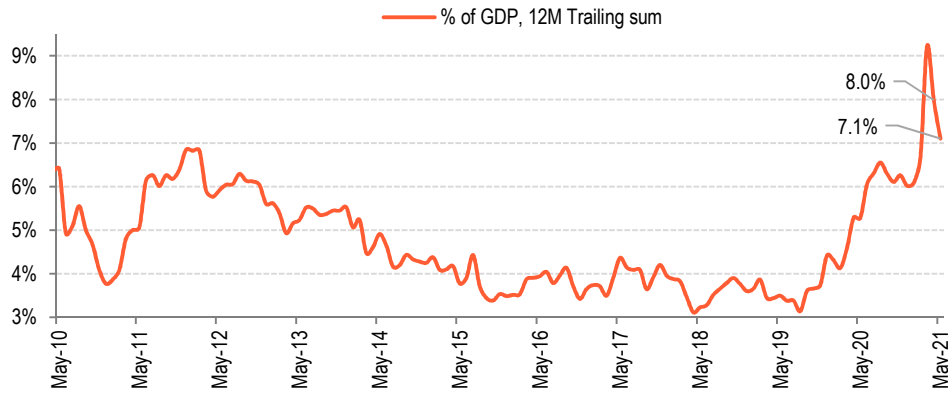


Fig 129 – Revenue deficit also down

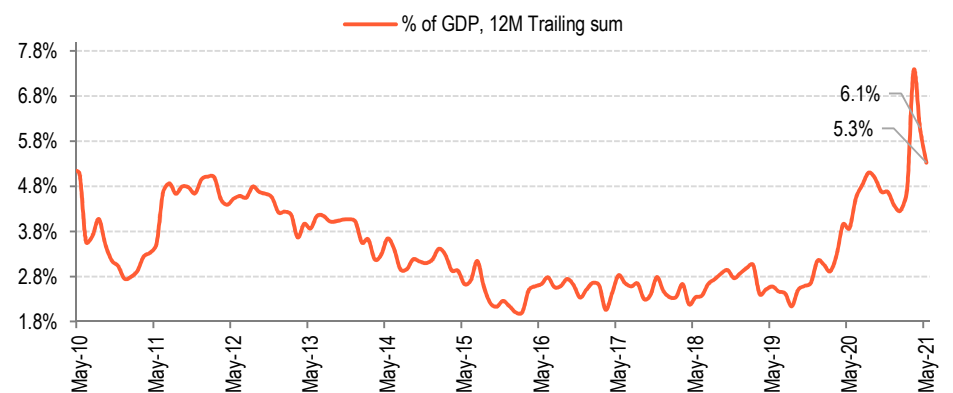


Fig 130 – Primary deficit at 3.8% in May'21

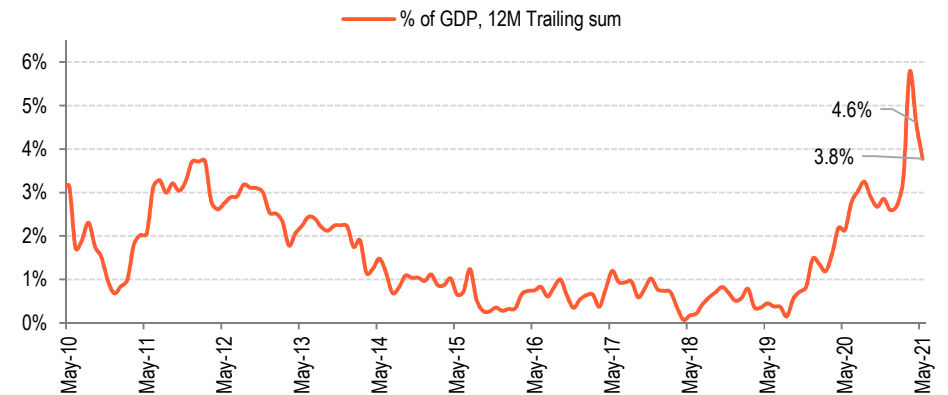


Fig 131 – Government spending picked up in May'21 (12MMA)

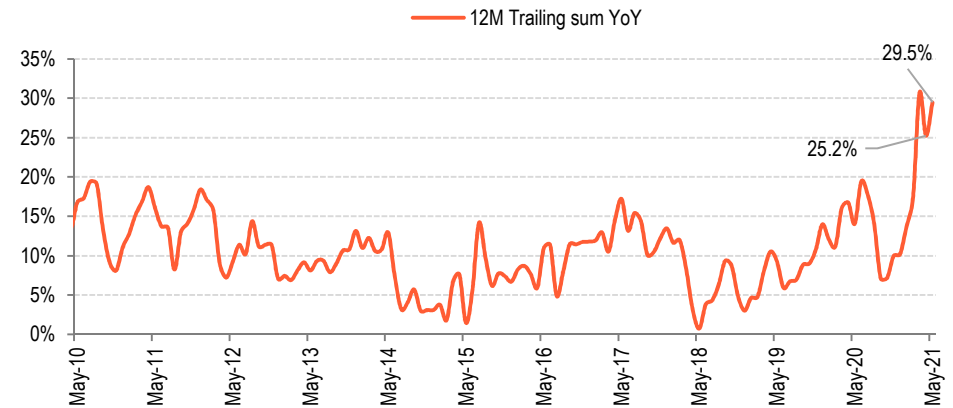


Fig 132 – ...led by revenue spending

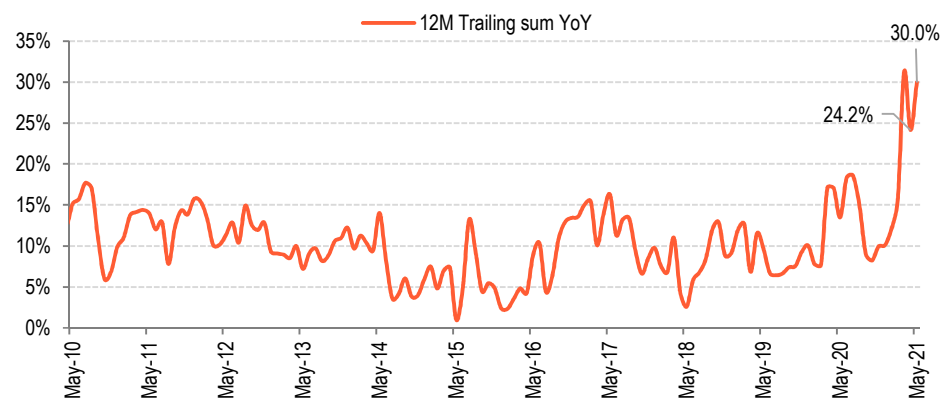


Fig 133 – Capex sees marginal dip in May'21

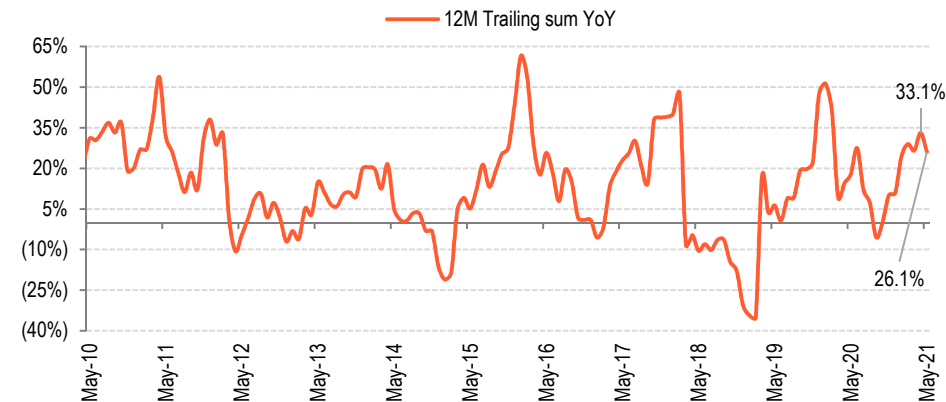


Fig 134 – Ministries of road transport, HRD, and consumer affair push overall spending higher in May'21

Ministry	Apr-May'19 (Rs bn)	Apr-May'20 (Rs bn)	% change	Apr-May'21 (Rs bn)	% change
Ministry of Finance	1,266	1,447	14.3	1,532	5.9
Ministry of Defence	1,099	719	(34.6)	669	(6.9)
Ministry of Consumer Affairs, Food and Public Distribution	776	466	(40.0)	597	28.0
Ministry of Rural Development	258	596	131.1	221	(62.9)
Ministry of Home Affairs	237	211	(10.9)	283	33.8
Ministry of Human Resource Development	174	102	(41.3)	155	51.7
Ministry of Road Transport and Highways	3	126	3757.4	250	98.2
Ministry of Chemicals and Fertilisers	236	233	(1.3)	69	(70.2)
Ministry of Petroleum and Natural Gas	152	114	(25.3)	4	(96.2)
Ministry of Agriculture	183	317	73.8	305	(4.1)
Ministry of Health and Family Welfare	121	169	39.0	83	(51.1)

Fig 135 – Receipt growth jumped sharply in May'21

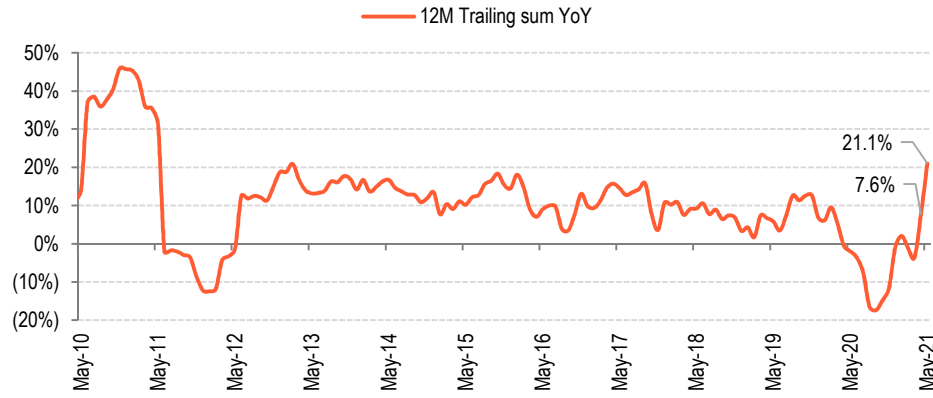


Fig 136 – ...as revenue receipts inched up further

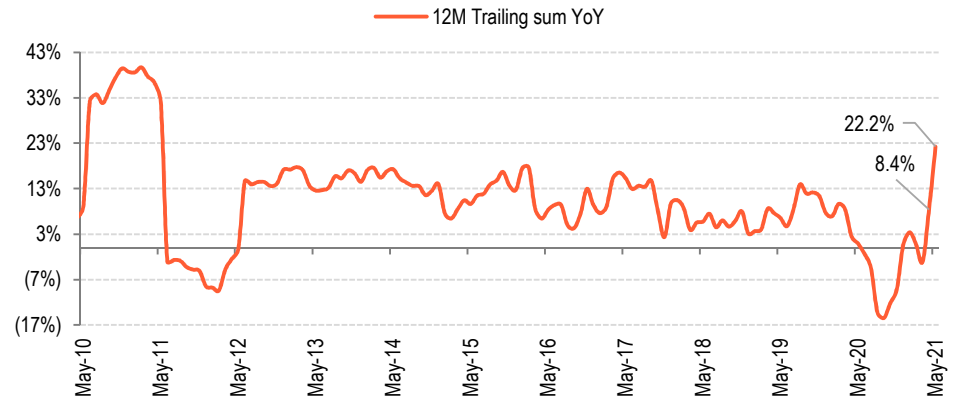


Fig 137 – Tax receipts continue to lead the trend

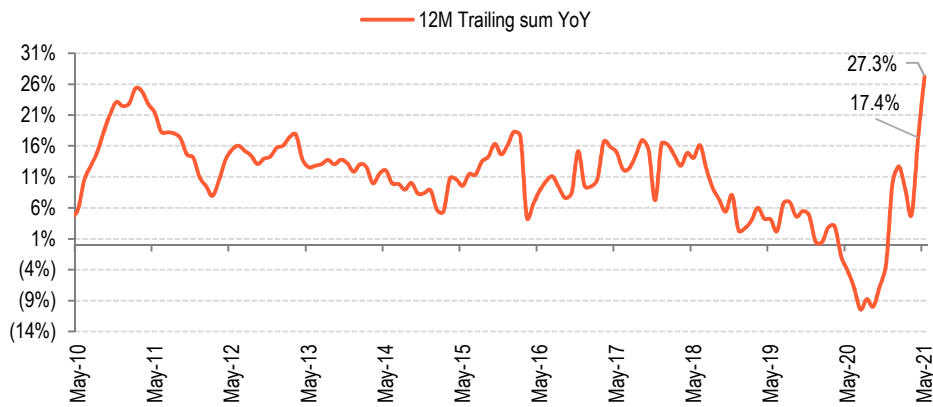


Fig 138 – Non-tax revenues remain subdued

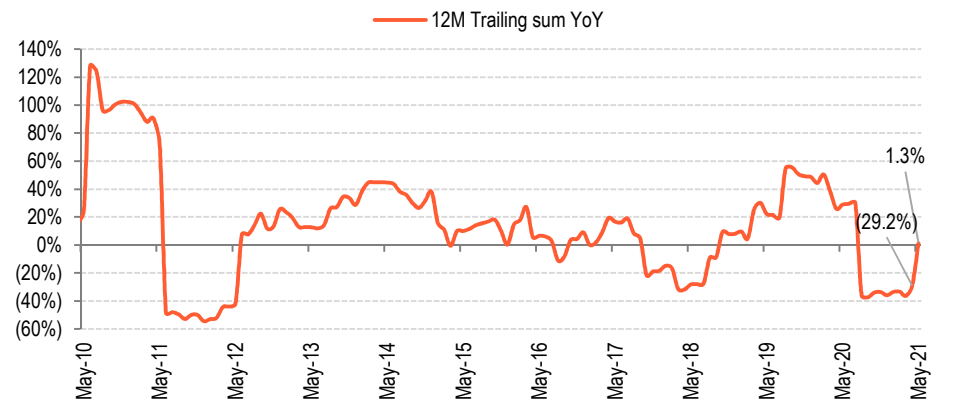


Fig 139 – Centre’s revenue situation in Apr’21 much better than last year; capex also improving

	Apr-May’19 (Rs bn)	Apr-May’20 (Rs bn)	% change	Apr-May’21 (Rs bn)	% change	FY22BE/FY21PA % change
Gross Tax revenue	2,146	1,261	(41.2)	3,127	147.9	9.5
Direct taxes	617	527	(14.6)	1,188	125.5	19.6
Corp Tax	11	170	1408.1	435	155.9	19.6
Income Tax	606	357	(41.0)	754	111.0	19.6
Indirect taxes	1,529	734	(52.0)	1,938	164.1	2.6
Non-tax revenue	284	108	(61.9)	1,164	976.2	16.8
Centre's revenue (net)	1,438	447	(68.9)	3,500	683.5	9.6
Total expenditure	5,130	5,118	(0.2)	4,780	(6.6)	(0.8)
Capital exp	477	552	15.7	630	14.0	30.5
Revenue exp	4,653	4,566	(1.9)	4,150	(9.1)	(5.1)
Fiscal deficit	3,662	4,663	27.4	1,232	(73.6)	-

Fig 140 – Gross indirect tax collections push tax receipts further higher

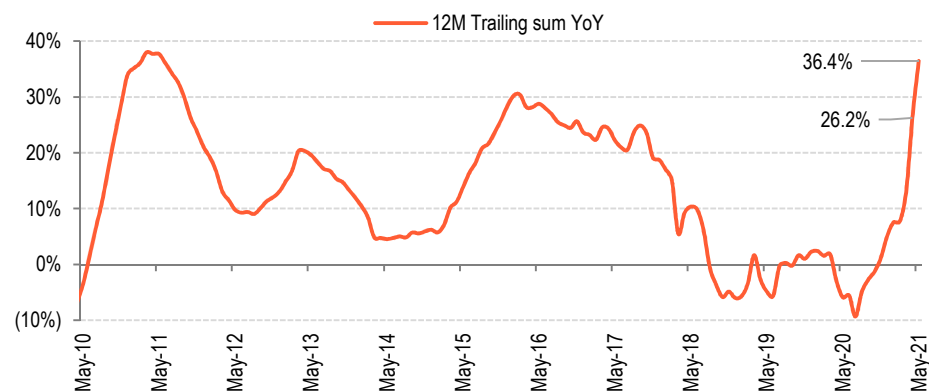


Fig 141 – Gross direct tax collections growth contract less sharply...

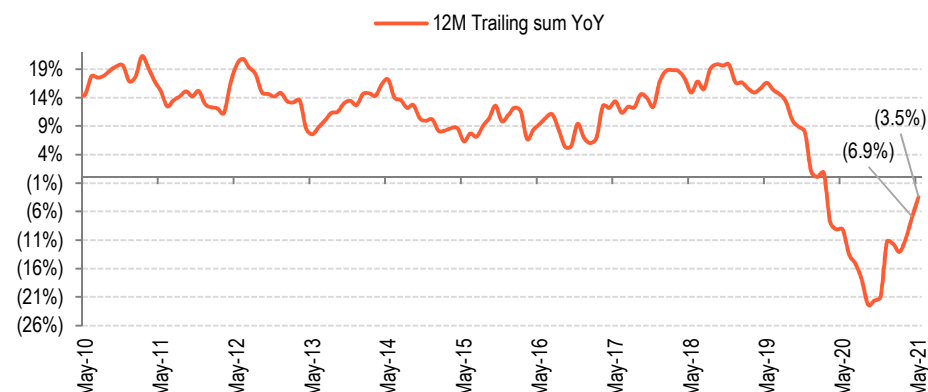


Fig 142 – ...as contraction in corporate tax collections eased in May'21

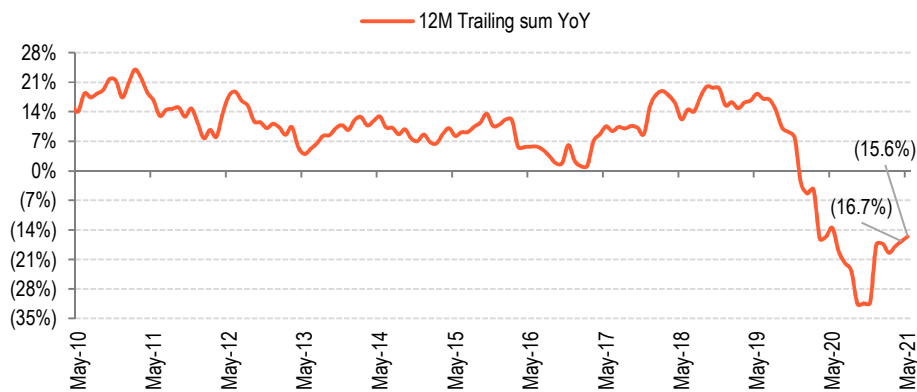


Fig 143 – Income tax collections showing improvement

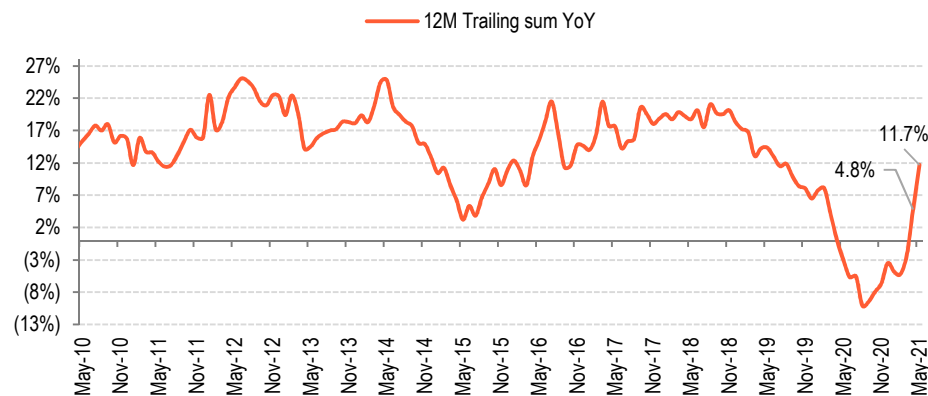


Fig 144 – GST collections fell below Rs 1tn mark in May'21

(Rs bn)	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Monthly run rate (FY22)	FYTD22	FY22 (BE)
CGST	190	302	379	324	372	429	398	430	447	666	568	555	283	419	838	5,300
UT GST	1.1	1.5	2.2	1.9	2.4	1.4	1.3	1.4	3.2	4.1	3.2	1.6	1.6	2	3	-
IGST	96	97	(60)	52	(3)	2	76	124	68	(373)	(104)	48	153	101	201	-
SGST*	562	400	475	509	612	539	596	560	531	848	862	331	402	366	733	-
Cess	60	75	68	69	68	78	80	82	83	93	84	92	89	90	181	1,000
Total GST	909	874	864	955	1,052	1,050	1,152	1,198	1,131	1,239	1,414	1,027	928	978	1,956	-

Source: PIB | *Computed from PIB and CGA data

Fig 145 – Central govt. public debt rose sharply in FY21

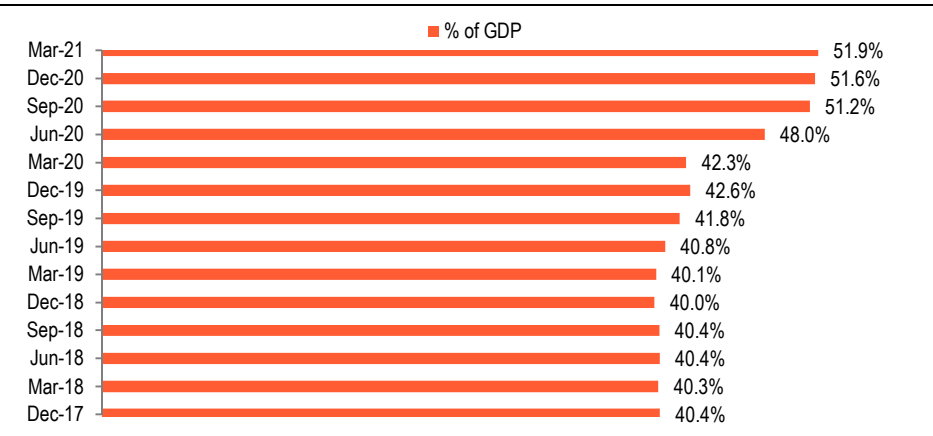
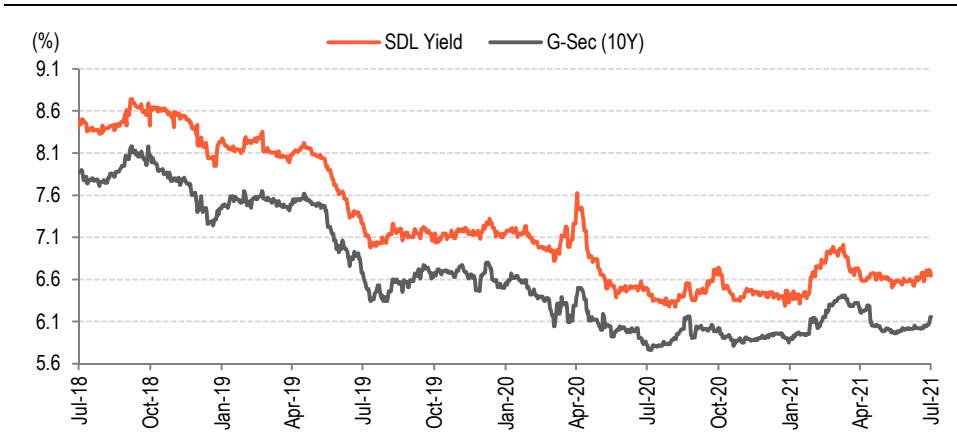
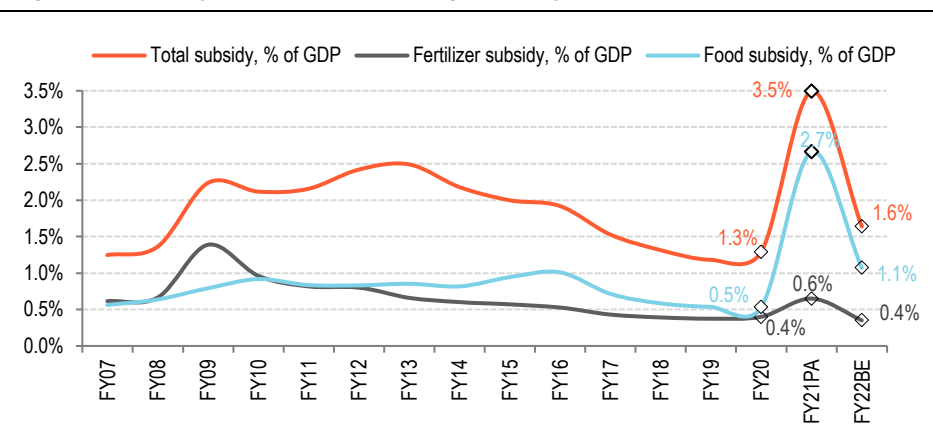


Fig 146 – Gap between avg. yield on SDL and 10Y G-sec fell by 2.1bps in Jun'21; but is marginally up in Jul'21 so far



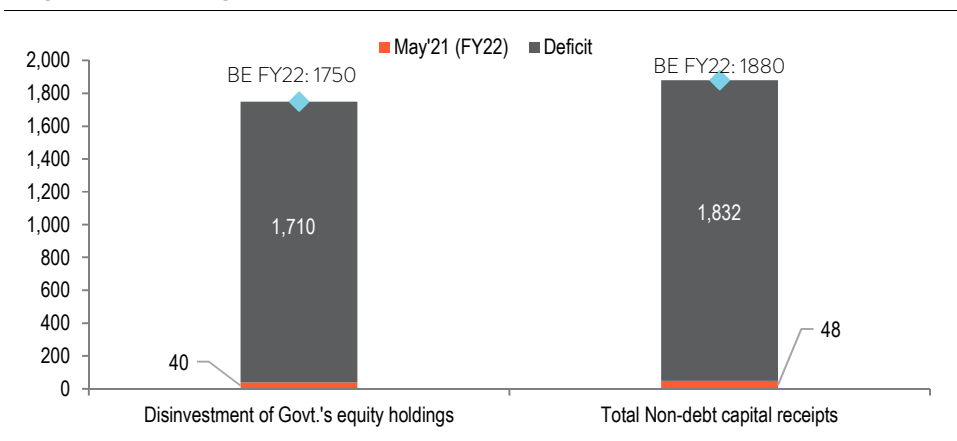
Source: CCIL

Fig 147 – Subsidy burden increased significantly in FY21



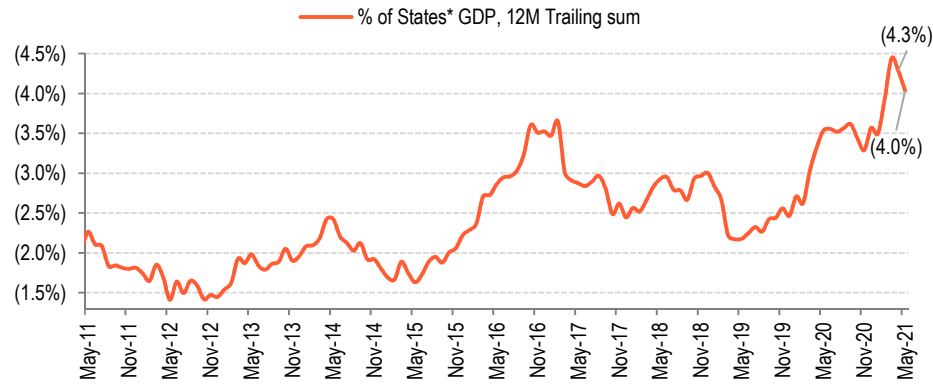
PA-Provisional Actual; BE-Budget Estimates

Fig 148 – Central govt. FY22 disinvestment status



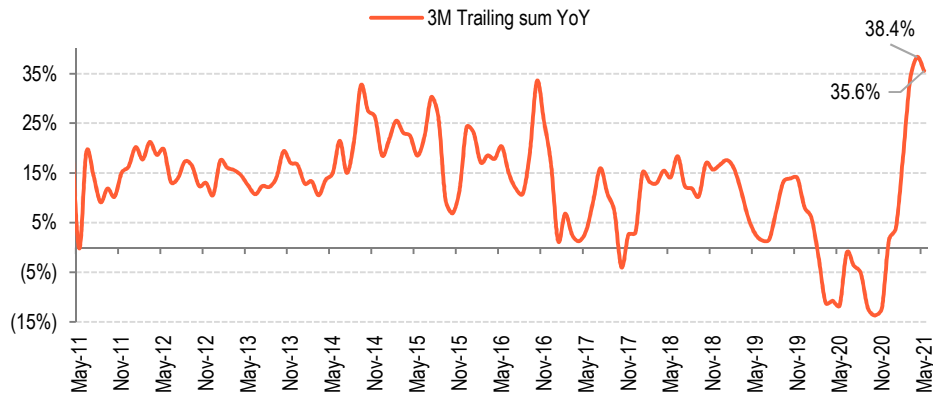
State government finances

Fig 149 – States* fiscal deficit seen easing in May'21



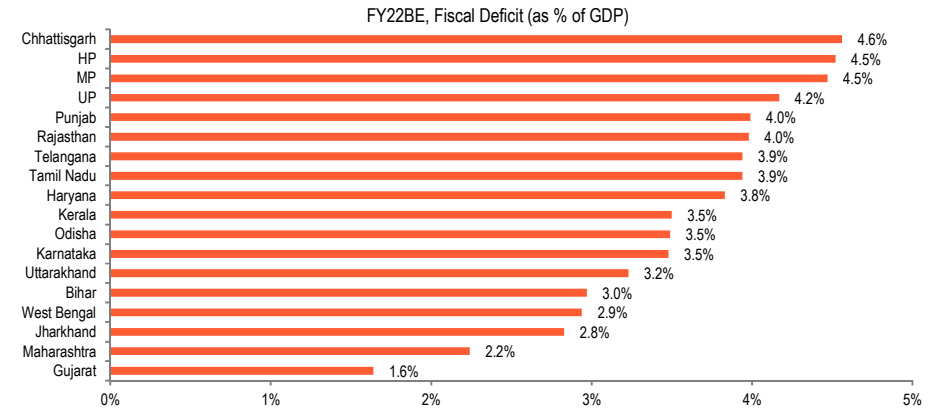
Note: *All states excluding N.E states, A.P., Bihar, Goa, Himachal Pradesh, J&K, Maharashtra and W.Bengal

Fig 151 – Total expenditure of states* eased a tad in May'21



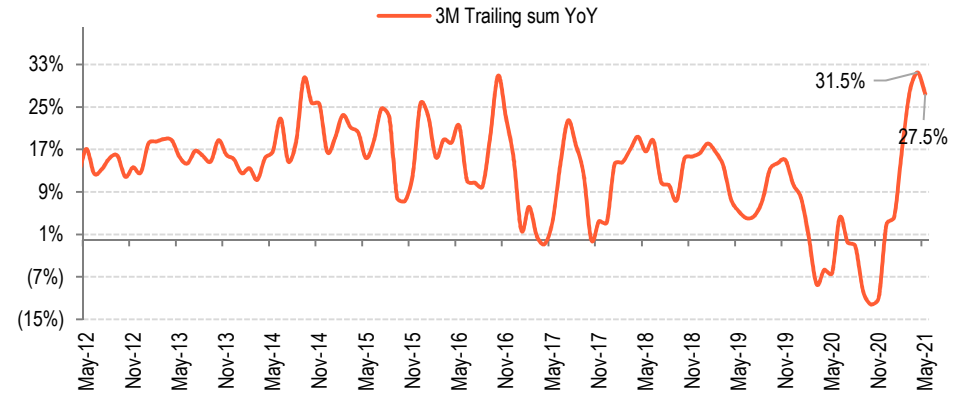
Note: *All states excluding N.E states, A.P., Bihar, Goa, Himachal Pradesh, J&K, Maharashtra and W.Bengal

Fig 150 – Chhattisgarh, M.P., U.P, to remain higher deficit states in FY22 (BE)



Source: Budget documents

Fig 152 – ...as revenue spending by states* fell



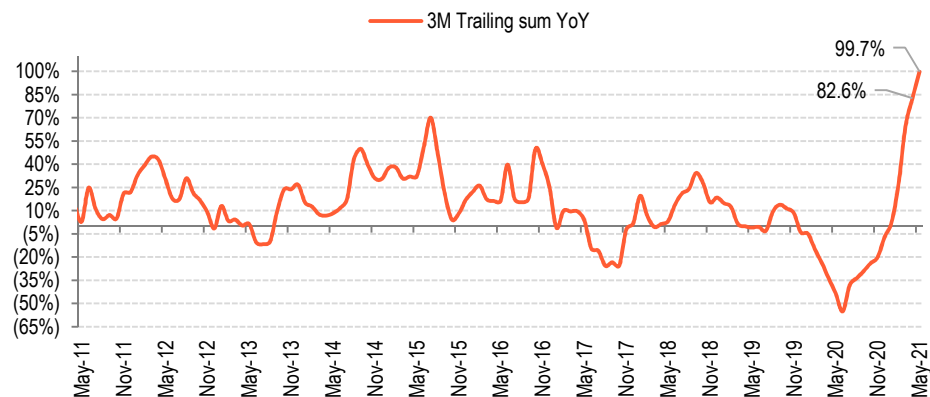
Note: *All states excluding N.E states, A.P., Bihar, Goa, Himachal Pradesh, J&K, Maharashtra and W.Bengal

Fig 153 – State* govt. revenue receipts in May’21 close to pre-pandemic (May’19) levels; spending is higher than May’19 led by revenue sending; capex still far below

	Apr-May’19 (Rs bn)	Apr-May’20 (Rs bn)	% change	Apr-May’21 (Rs bn)	% change
Total Receipts	2,720	2,538	(6.7)	2,927	15.3
Revenue Receipts	2,329	1,509	(35.2)	2,291	51.8
Receipts: Tax Revenue	1,815	1,001	(44.8)	1,729	72.7
Receipts: Non-Tax Revenue	171	98	(42.4)	198	101.6
Receipts: Grant in aid & contribution	313	427	36.7	375	(12.2)
Capital Receipts	391	1,029	163.2	636	(38.2)
Total Expenditure	2,594	2,508	(3.3)	2,868	14.4
Revenue Expenditure	2,335	2,381	2.0	2,610	9.6
Capital Expenditure	331	127	(61.5)	258	102.8
Revenue Surplus or Deficit	(9)	(910)	-	(335)	-
Fiscal Surplus or Deficit	(423)	(1,075)	-	(675)	-

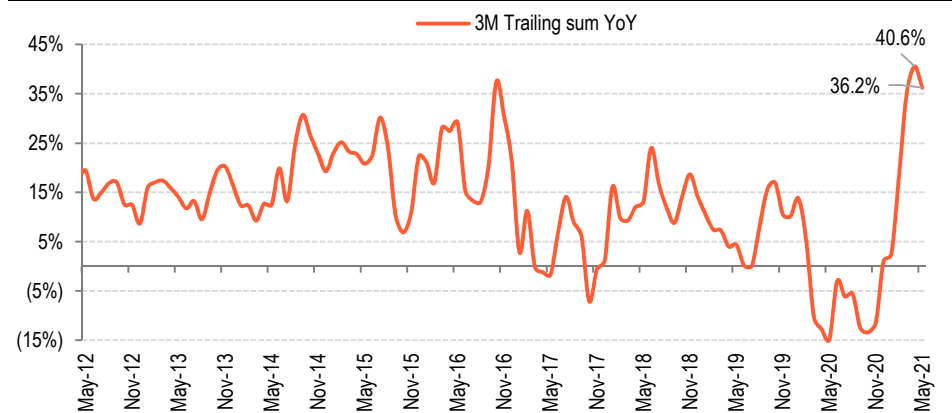
Note: *All states excluding N.E states, A.P., Bihar, Goa, Himachal Pradesh, J&K, Maharashtra and W.Bengal

Fig 154 – However, capex spending of states* picked up sharply owing to base effect



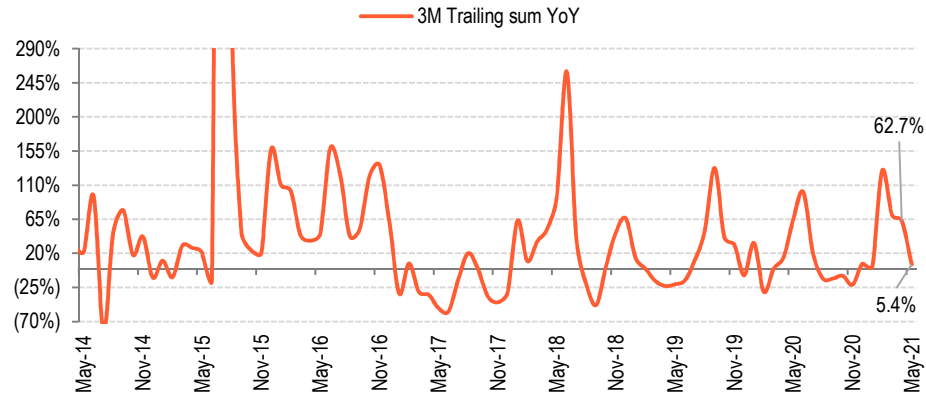
Note: *All states excluding N.E states, A.P., Bihar, Goa, Himachal Pradesh, J&K, Maharashtra and W.Bengal

Fig 155 – Total receipt of states* eased marginally in May’21



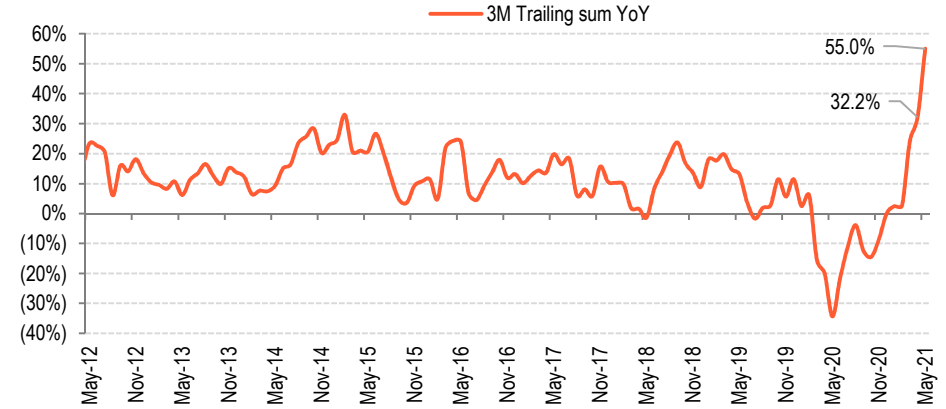
Note: *All states excluding N.E states, A.P., Bihar, Goa, Himachal Pradesh, J&K, Maharashtra and W.Bengal

Fig 156 – ...as capital receipts of states* dropped



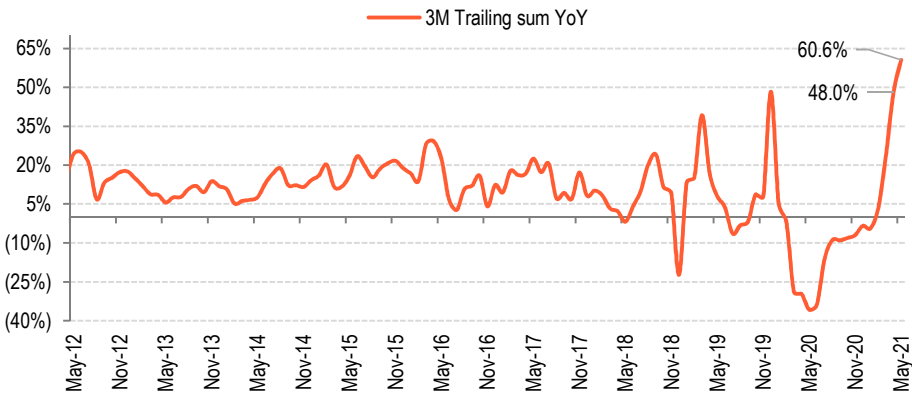
Note: *All states excluding N.E states, A.P., Bihar, Goa, Himachal Pradesh, J&K, Maharashtra and W.Bengal

Fig 157 – Revenue receipts of states* rose sharply mainly owing to base effect



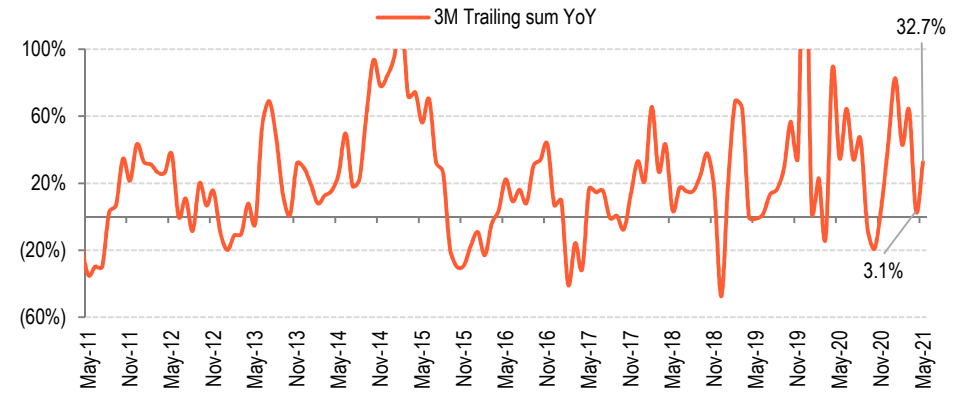
Note: *All states excluding N.E states, A.P., Bihar, Goa, Himachal Pradesh, J&K, Maharashtra and W.Bengal

Fig 158 – Tax revenue of states* inched up



Note: *All states excluding N.E states, A.P., Bihar, Goa, Himachal Pradesh, J&K, Maharashtra and W.Bengal

Fig 159 – Grant in aid from Centre to states* rose less sharply



Note: *All states excluding N.E states, A.P., Bihar, Goa, Himachal Pradesh, J&K, Maharashtra and W.Bengal

Central government borrowing

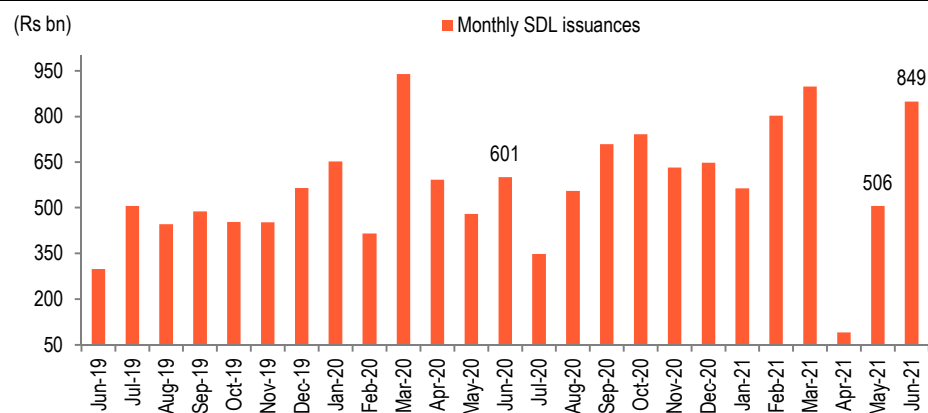
Fig 160 – Centre’s T-bill issuances at Rs 5.4tn in Q1

Total accepted amount (G-Sec), (Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY22 (planned)
Q1	2,613	2,797	2,888	3,089	3,364	5,328	5,375	4,680
Q2	2,667	2,584	3,186	3,299	3,024	5,417	237^	2,210
Q3	2,645	2,747	2,632	3,070	2,889	3,745	-	-
Q4	2,104	1,684	2,486	1,812	2,511	2,714	-	-
Total	10,029	9,811	11,192	11,271	11,788	17,204		

Source: RBI^Till 7 Jul 2021

State government borrowing

Fig 162 – State government borrowings rose significantly in Jun’21



Source: RBI

Fig 161 – Centre’s gross borrowing in Q1 stands at Rs 2,810bn against planned Rs 3,800bn

Total accepted amount (G-Sec), (Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY22 (planned)
Q1	1,740	1,500	1,680	1,320	2,040	3,140	2,810	3,800
Q2	1,630	1,910	1,890	1,440	2,210	4,220		3,440
Q3	1,640	1,610	1,640	1,270	1,930	2,910		2,408
Q4	840	800	670	1680	920	3,191		2,408
Total	5,850	5,820	5,880	5,710	7,100	13,461^		12,055

Source: RBI^ Against budgeted Rs 12.8tn

Fig 163 – States borrowed less than planned in Q1; plans to raise more in Q2

Quarterly SDL issuances, (Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21	FYTD22 (actual)	FY22 (planned)
Q1	502	548	650	766	815	1,673	1,446	1,783
Q2	627	792	1,130	809	1,439	1,614	154*	1,920
Q3	858	1,214	1,054	1,277	1,470	2,023		
Q4	959	1,322	1,348	1,809	2,006	2,448		
Total	2,946	3,876	4,182	4,661	5,731	7,757		

Source: RBI; * as of 6 Jul 2021

External sector

Exports

Fig 164 – Global exports showing a steady increase

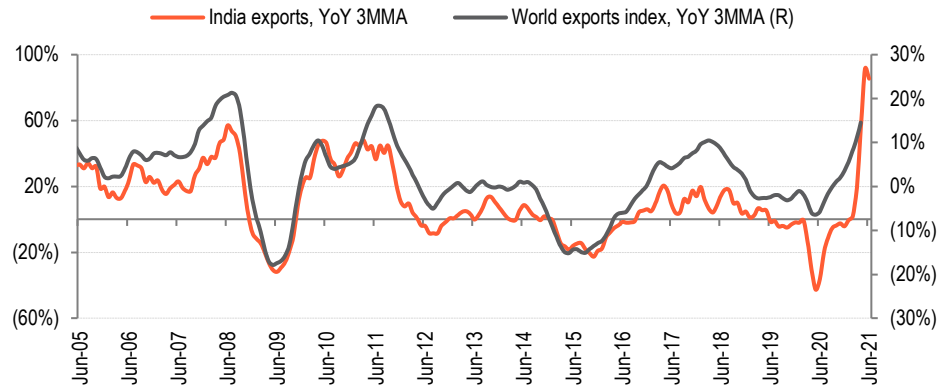
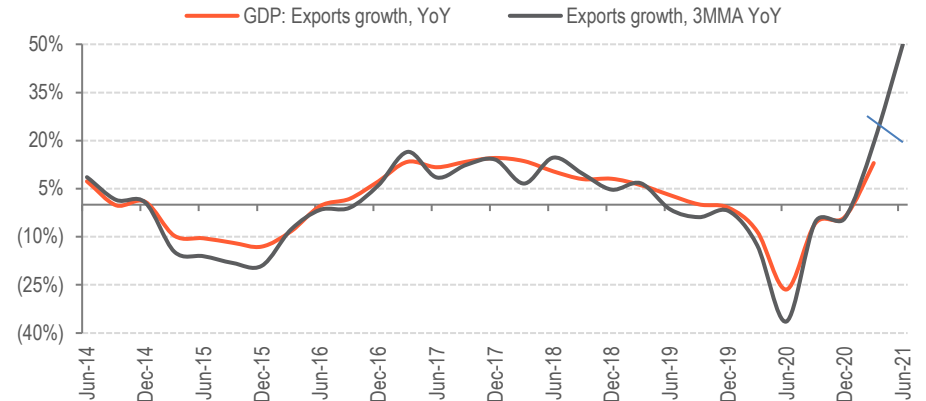


Fig 165 – India's exports continue to perform well even in Jun'21, exports have risen by 29.6% over a 2-year horizon



Note: Figure for May'21 is average YoY growth for Apr-Jun'21

Exports by major sectors

Fig 166 – Led by non-oil exports

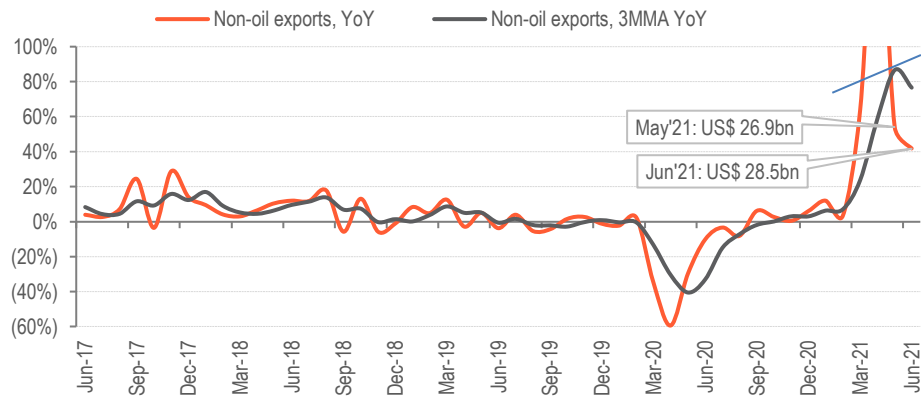


Fig 167 – Exports of engineering goods recovering

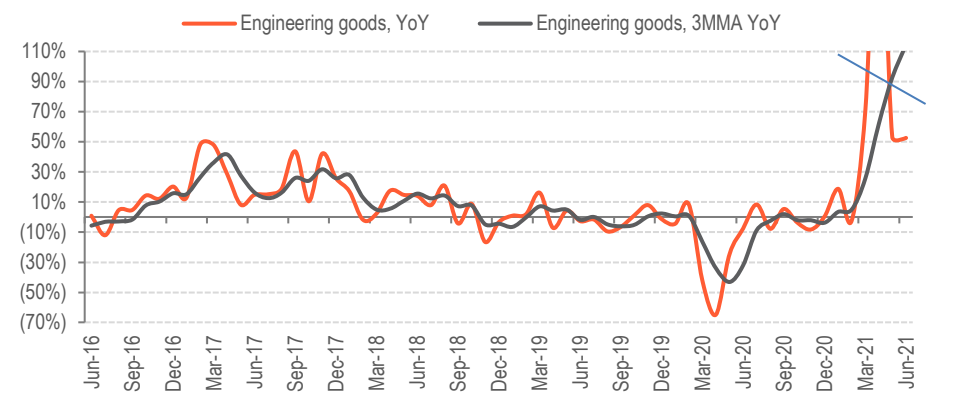


Fig 168 – Export of gems and jewellery moderates in Jun’21

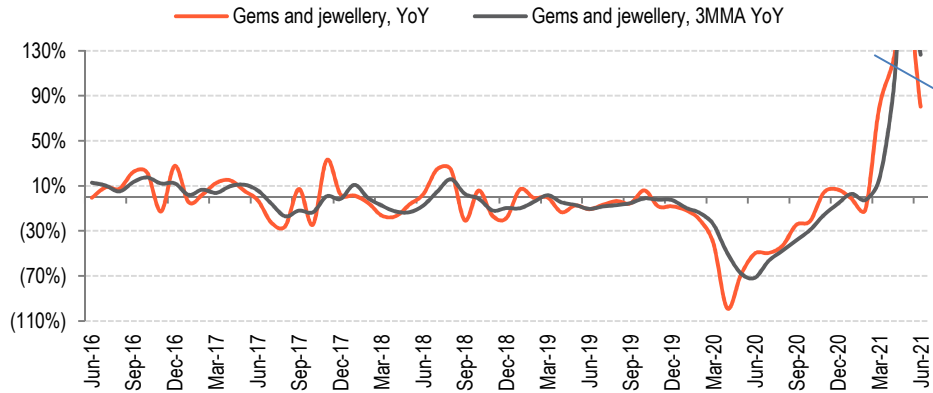
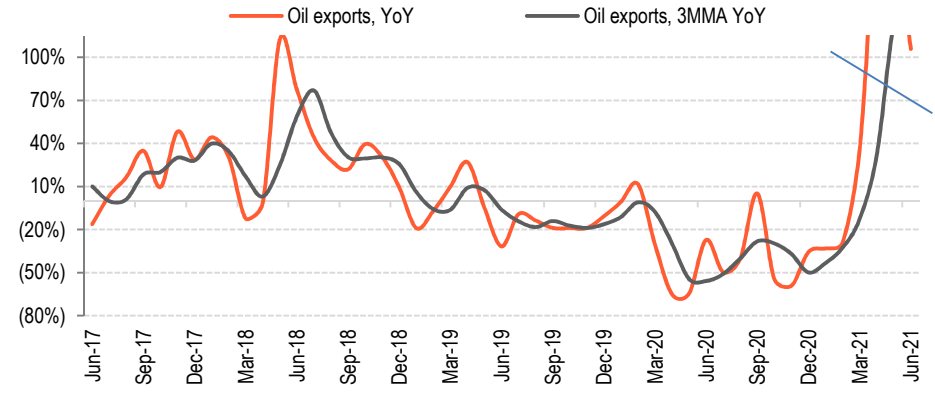
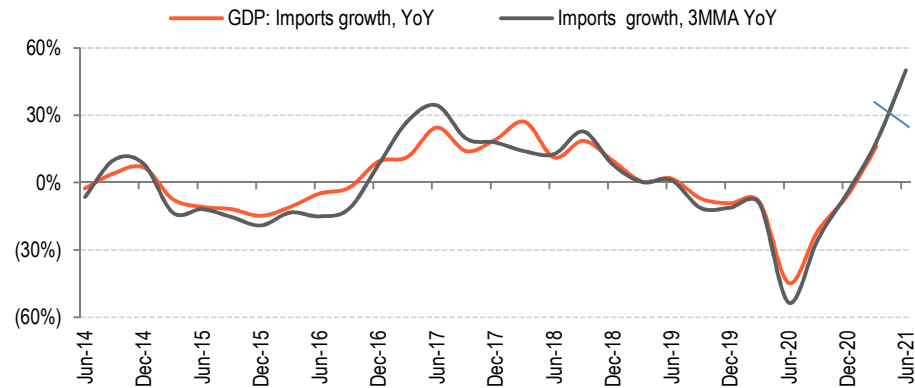


Fig 169 – Similar trend in oil exports



Imports

Fig 170 – Import growth picked up in Jun’21..



Note: Figure for May’21 is average YoY growth for Apr-May’21

Fig 171 – ...led by higher oil imports

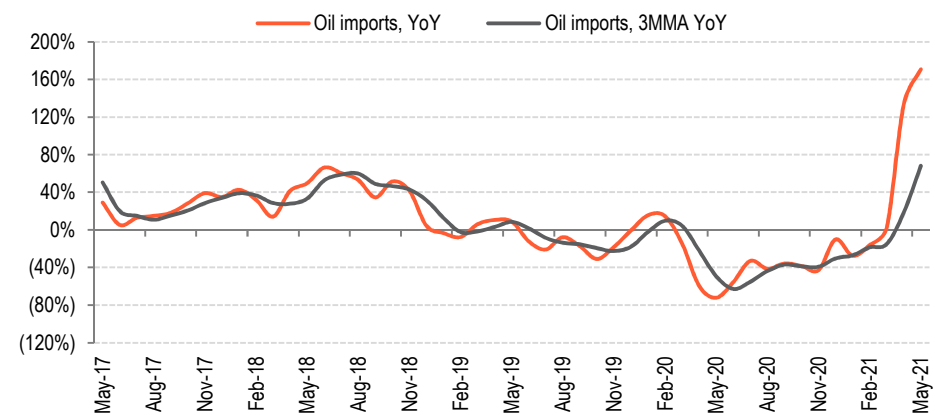


Fig 172 – Import of pearls and precious metals continues to remain elevated

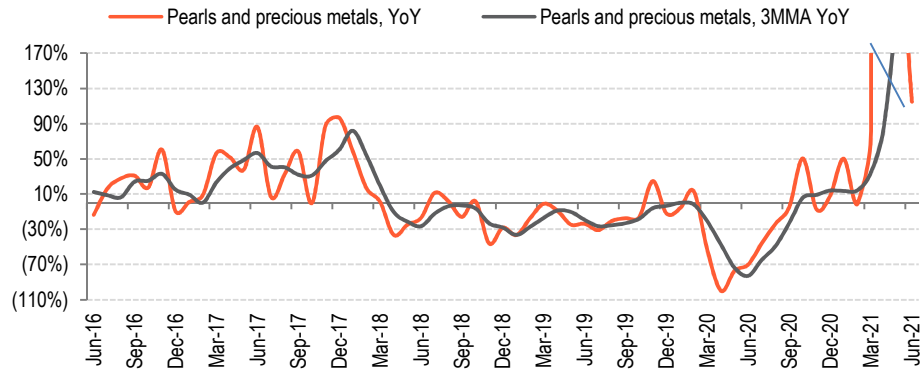


Fig 173 – Electronic imports rise by 45.3% in Jun'21

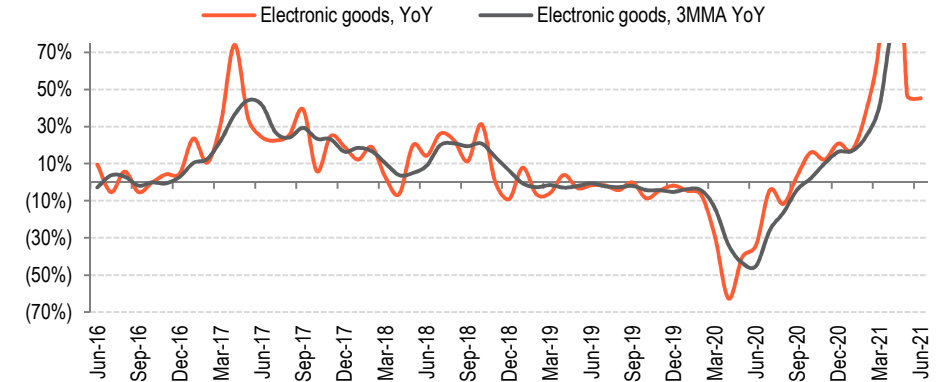


Fig 174 – Import of project goods fall by 12.5% in Jun'21 on a YoY basis

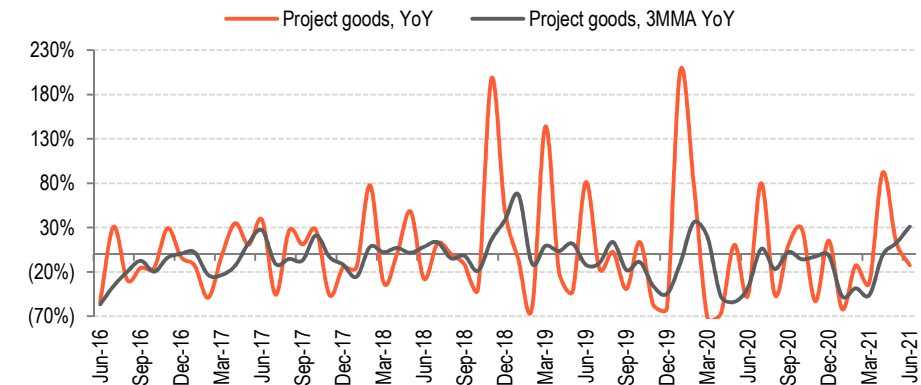
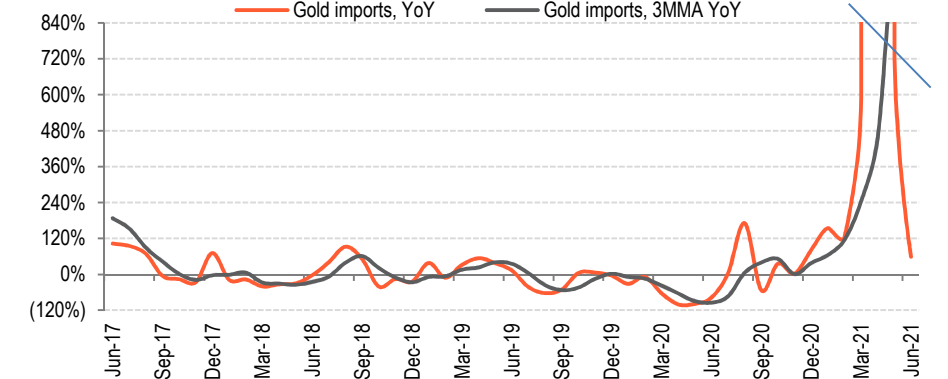


Fig 175 – Gold imports have remained subdued



Exports and imports by major regions

Fig 176 – Exports to China have remained buoyant in FY21

Region (% YoY)	Share in FY21	FY17	FY18	FY19	FY20	FY21
Americas	23.7	4.1	14.3	9.7	1.1	(2.7)
Asia and Pacific (Ex. China)	27.3	12.5	12.8	4.7	(14.3)	(0.9)
China	7.4	12.9	31.1	25.6	(0.8)	27.5
Europe	19.2	5.8	13.1	6.7	(5.9)	(8.9)
Middle East and Africa	22.0	(2.4)	0.7	10.4	(1.0)	(21.2)
Other	0.4	(0.6)	(26.4)	28.8	(8.0)	(65.0)

Note: * Apr-Feb

Fig 177 – Imports from all regions have however declined

Region (% YoY)	Share in FY21	FY17	FY18	FY19	FY20	FY21
Americas	12.8	1.5	20.0	16.4	(6.3)	(23.4)
Asia and Pacific (Ex. China)	25.0	4.8	20.4	21.0	(8.5)	(13.8)
China	13.8	(0.7)	24.6	(7.9)	(7.2)	(0.1)
Europe	15.0	(4.9)	13.7	13.5	(9.9)	(10.4)
Middle East and Africa	30.8	1.4	22.7	19.4	(8.6)	(27.8)
Other	2.6	4.5	32.0	(56.8)	27.0	(24.0)

Note: * Apr-Feb

Trade deficit

Fig 178 – Trade deficit expands to US\$ 9.4bn in Jun’21 from an 8-month low of US\$ 6.3bn in May’21...

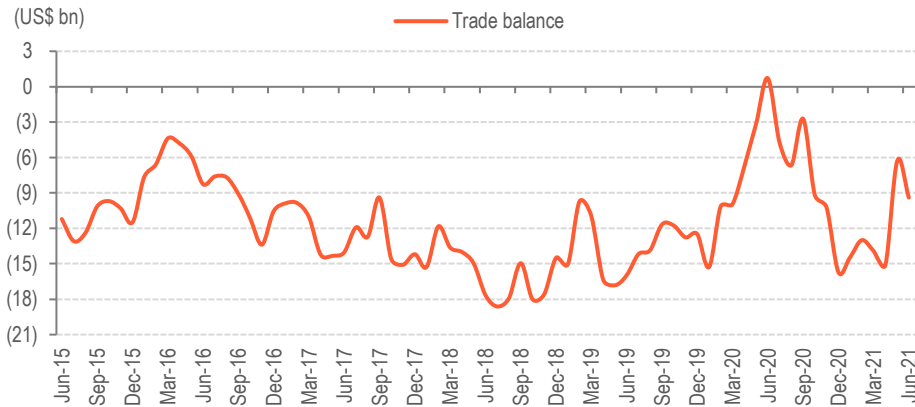
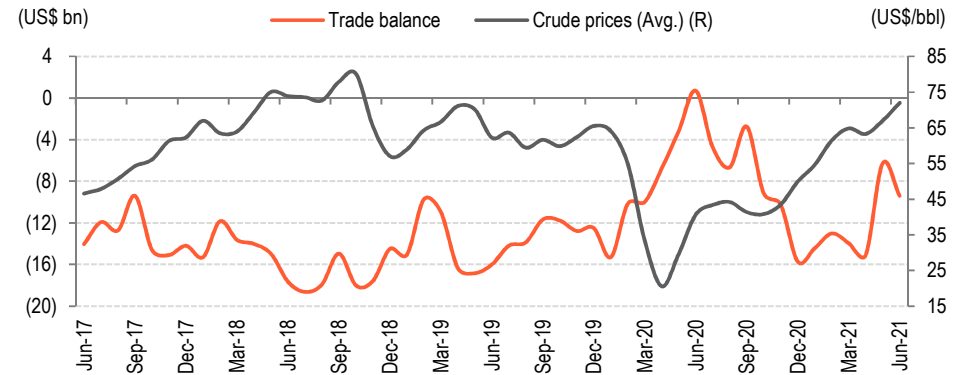
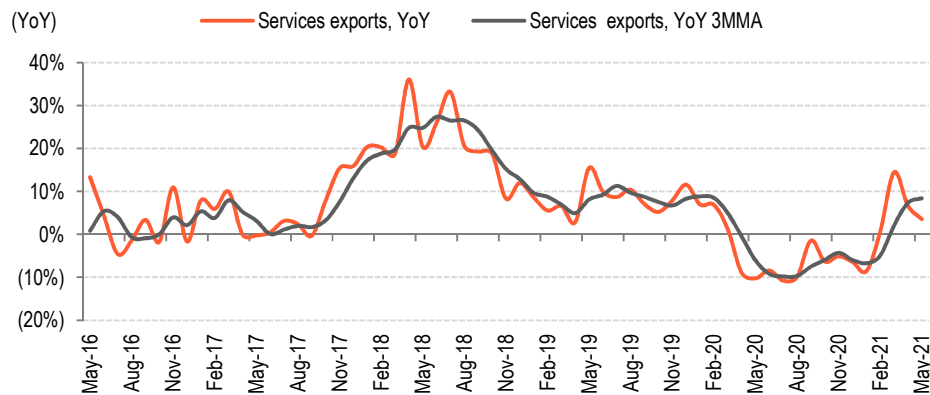


Fig 179 – ... as oil prices rose



Trade in services

Fig 180 – Services exports moderate to 3.5% in May’21 versus 6.7% in Apr’21



BoP

Fig 181 – Current account deficit expands to 1% of GDP in Q4FY21

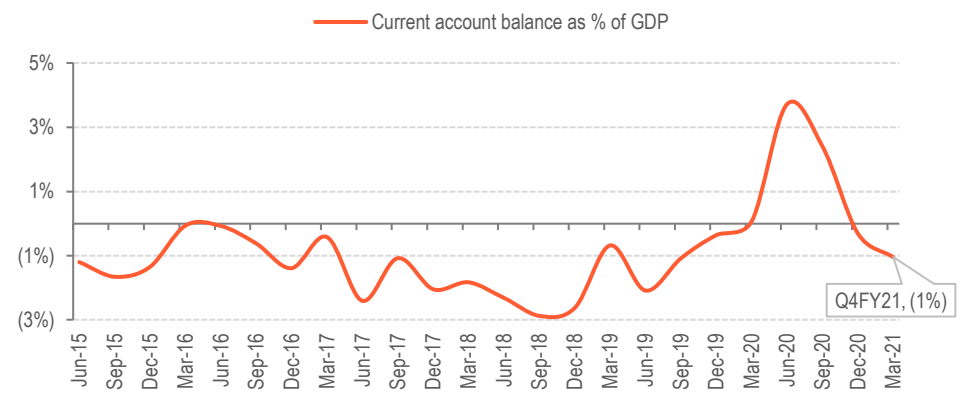


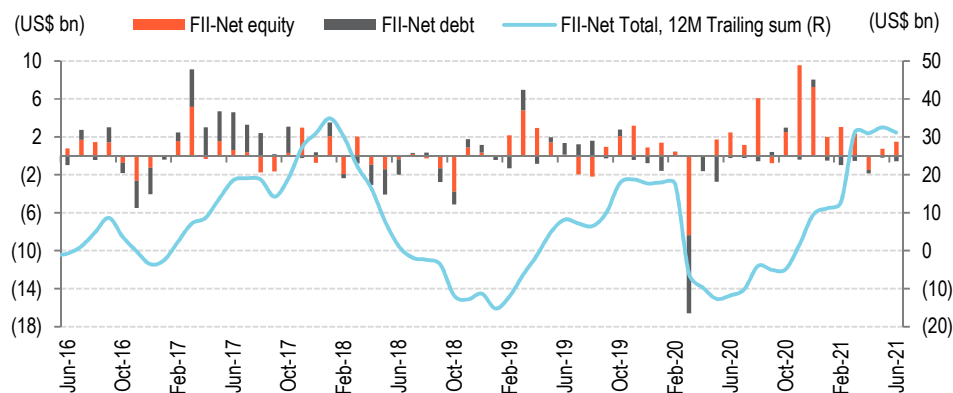
Fig 182 – Led by higher trade deficit

(US\$ bn)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
Current account	0.6	19.1	15.3	(2.2)	(8.2)
CAD/GDP (%)	0.1	3.7	2.4	(0.3)	(1.0)
Trade balance	(35.0)	(11.0)	(14.8)	(34.6)	(41.7)
- Merchandise exports	76.5	52.2	75.6	77.2	91.3
- Merchandise imports	111.6	63.2	90.4	111.8	133
- Net Services	22	20.8	21.1	23.2	23.5
--Software	21.1	20.8	22	23.5	23.5
Transfers	18.4	17	18.4	19.3	18.8
Other invisibles	(4.8)	(7.7)	(9.4)	(10.1)	(8.7)
Capital account	17.4	1.4	15.9	34.1	12.3
% of GDP	2.4	0.3	2.5	4.6	1.6
Foreign investments	(1.8)	0.1	31.4	38.6	10.0
- FDI	12.0	(0.5)	24.4	17.4	2.7
- FII	(13.7)	0.6	7.0	21.2	7.3
Banking capital	(4.6)	2.2	(11.3)	(7.6)	(4.4)
Short-term credit	(1.0)	(0.2)	(1.8)	0.2	(2.3)
ECBs	10.3	(1.2)	(4.0)	(1.1)	6.1
External assistance	0.6	4.1	1.9	1.2	4.0
Other capital account items	13.8	(3.7)	(0.3)	2.8	(1.0)
E&O	0.9	(0.6)	0.4	0.6	(0.7)
Overall balance	18.8	19.9	31.6	32.5	3.4

Foreign inflows

FII inflows

Fig 183 – FII inflows rise to US\$ 912mn in Jun'21 after inflows of US\$ 561mn in May'21



Source: Bloomberg

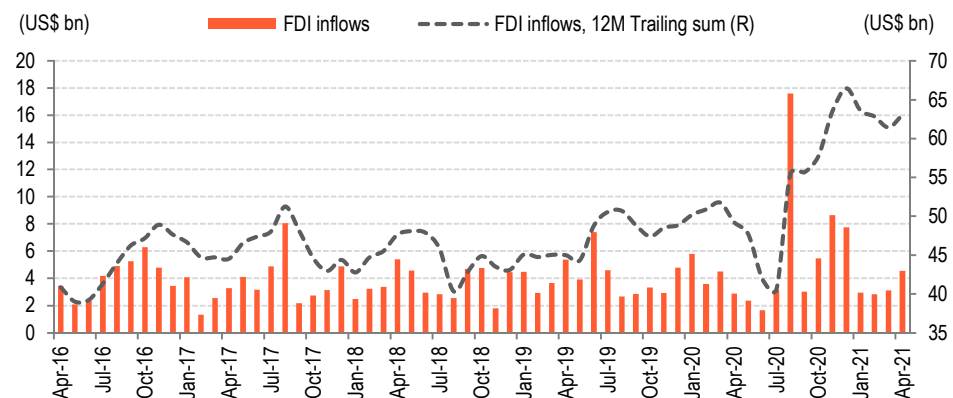
Fig 185 – FDI inflows in computer, software remained buoyant in FY21

Sector (US\$ bn)	% Share FY21	FY17	FY18	FY19	FY20	FY21
Computer software and hardware	25.8	3.7	6.2	6.4	7.7	26.1
Services Sector	5.0	8.7	6.7	9.2	7.9	5.1
Trading	2.6	2.3	4.3	4.5	4.6	2.6
Automobile industry	1.6	1.6	2.1	2.6	2.8	1.6
Telecommunications	0.4	5.6	6.2	2.7	4.4	0.4

Source: DIPP

FDI inflows

Fig 184 – FDI inflows rise to US\$ 4.8bn in Apr'21 versus US\$ 3.1bn in Mar'21



Source: RBI, Bank of Baroda Research

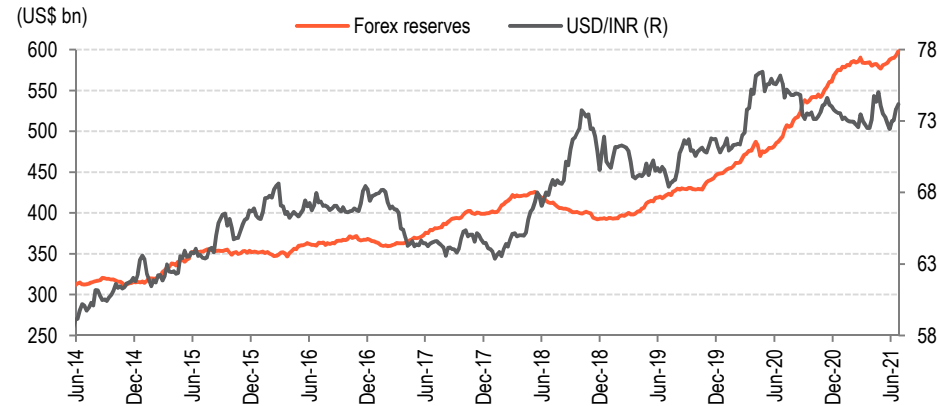
Fig 186 – FDI inflows from Singapore accelerate the most in FY21

Country (US\$ bn)	% Share in FY21	FY17	FY18	FY19	FY20	FY21
Singapore	29.2	8.7	12.2	16.2	14.7	17.4
Mauritius	9.5	15.7	15.9	8.1	8.2	5.6
Netherlands	4.7	3.4	2.8	3.9	6.5	2.8
UK	3.4	1.5	0.8	1.4	1.4	2.0
Japan	3.3	4.7	1.6	3.0	3.2	1.9

Source: DIPP

Forex reserves and external debt

Fig 187 – India’s FX reserves at historic high os US\$ 609bn in Jun’21



Source: Bloomberg | Weekly data as of 28 Jun 2021

Fig 188 – Import cover dips in May’21 but remains above long-term average

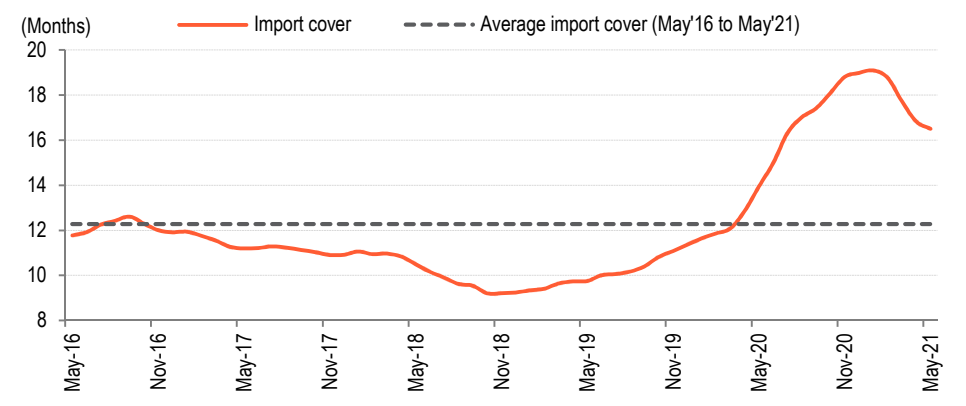


Fig 189 – RBI purchased US\$ 4.2bn in the spot market in Apr’21

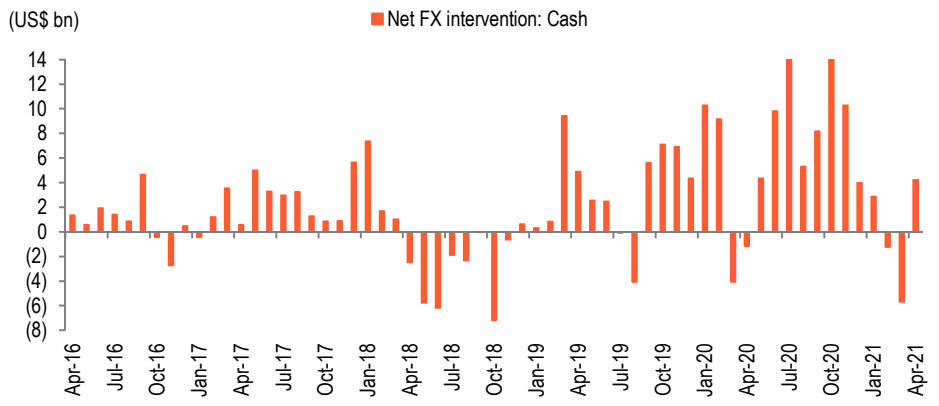
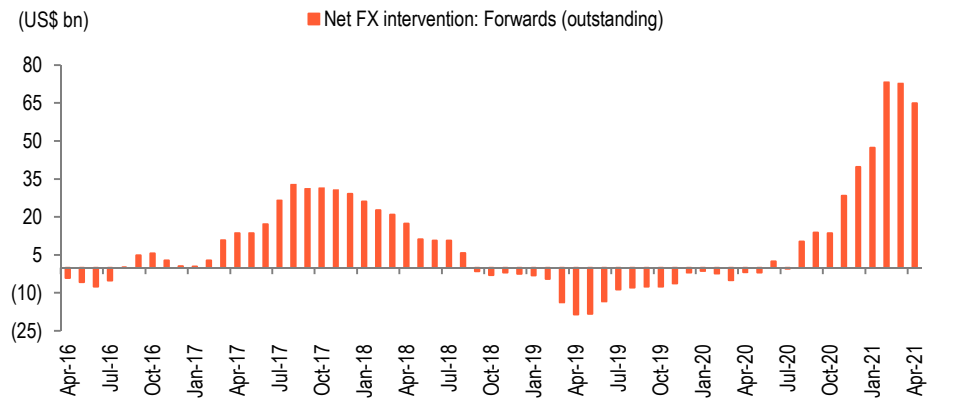


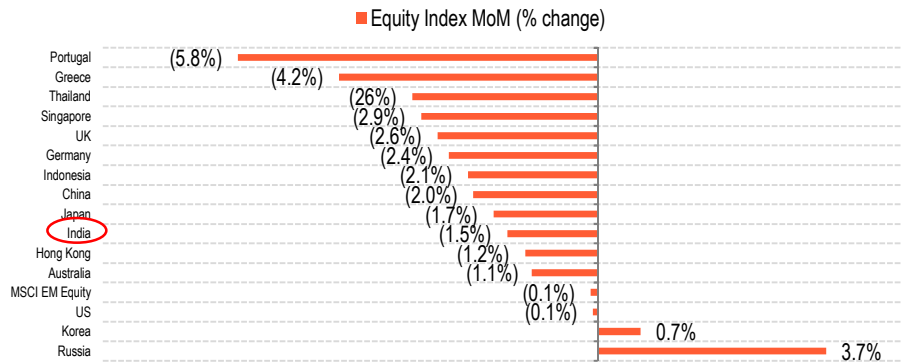
Fig 190 – In forwards market, RBI sold US\$ 7.8bn in Apr’21, outstanding position at US\$ 64.9bn



Markets

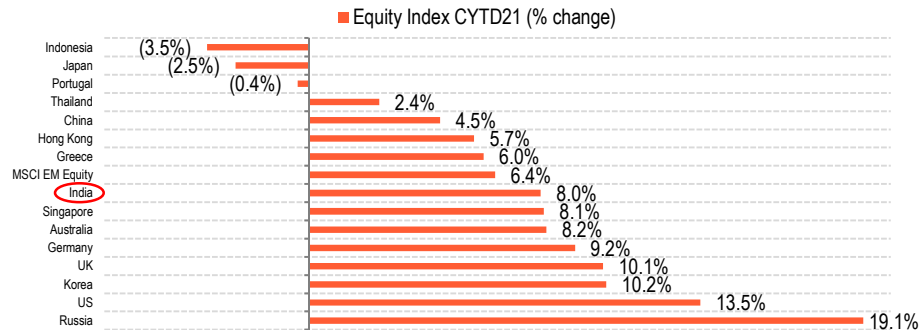
Equity

Fig 191 – In Jun'21, Sensex fell by 1.5%, while MSCI EM fell by 0.1%



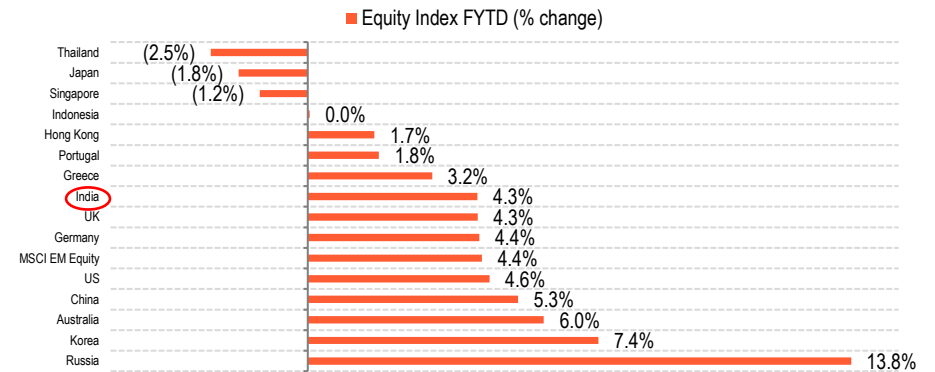
Source: Bloomberg | * As on 30 Jun 2021, Indices are in US\$ terms

Fig 193 – In CYTD21, Sensex rose by 8%



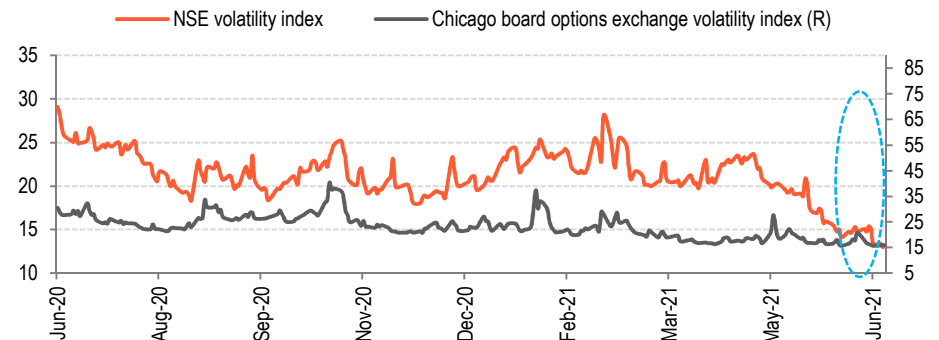
Source: Bloomberg | * As on 30 Jun 2021, Indices are in US\$ terms

Fig 192 – However, in FYTD22, Sensex rose by 4.3%



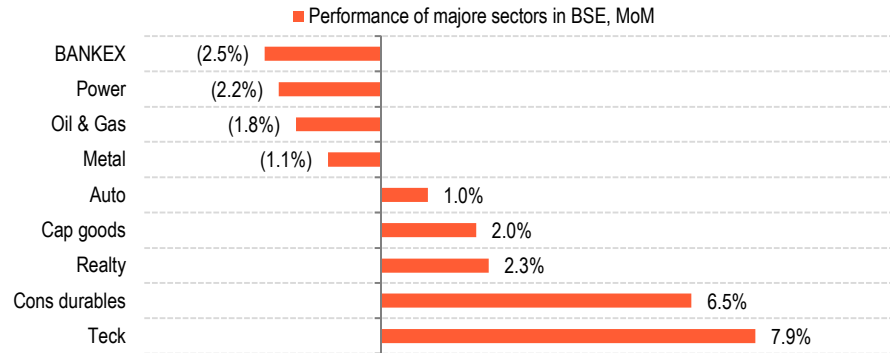
Source: Bloomberg | * As on 30 Jun 2021, Indices are in US\$ terms

Fig 194 – VIX index fell to 13 from 16.9 in May'21



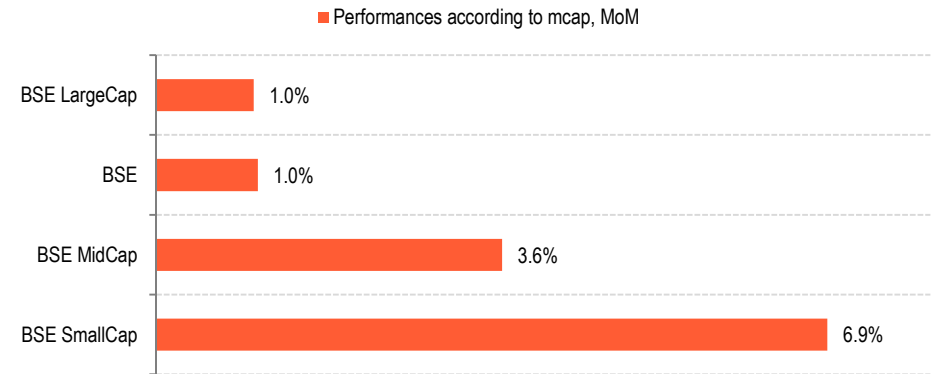
Source: Bloomberg

Fig 195 – Technology and consumer durable stocks rose the most



Source: Bloomberg | As on 30 Jun 2021

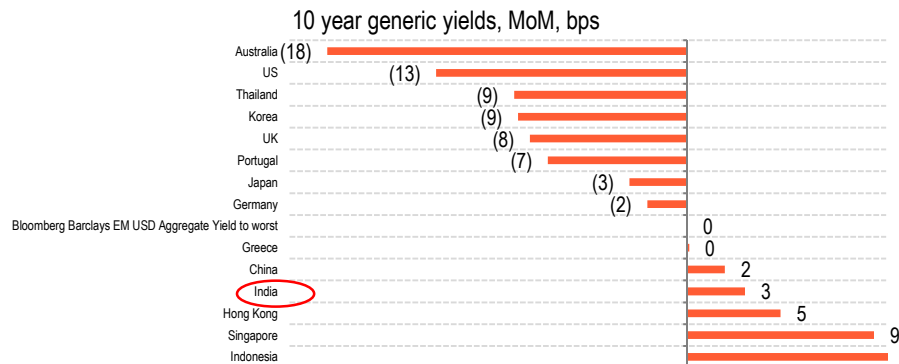
Fig 196 – Small caps rose the most



Source: Bloomberg | As on 30 Jun 2021

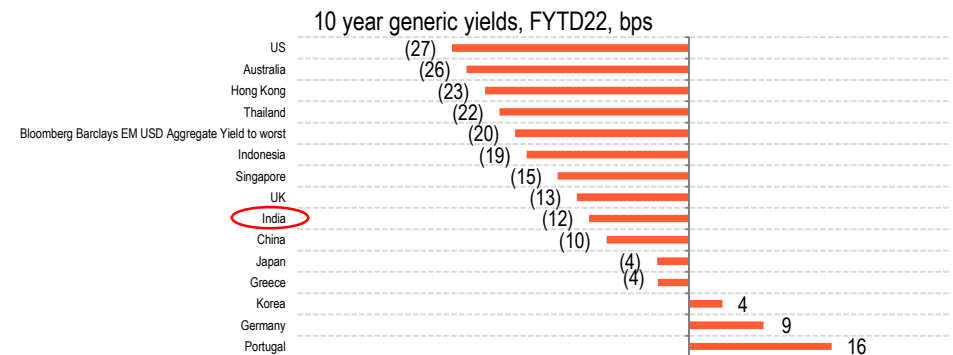
10-year bond yields

Fig 197 – In Jun'21 as well, India's 10Y yield has risen by 3bps



Source: Bloomberg | * As on 30 Jun 2021, Note: For India 5.85GS2030 yield is taken

Fig 198 – In FYTD22, India's 10Y yield fell by 12bps



Source: Bloomberg | * As on 30 Jun 2021, Note: For India 5.85GS2030 yield is taken

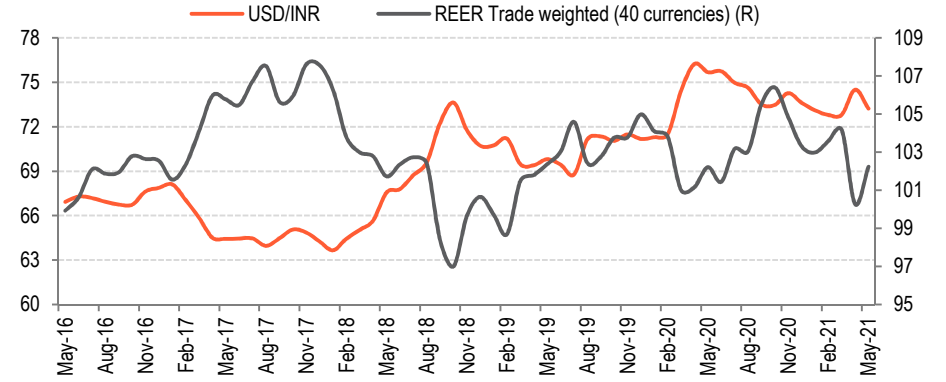
Currencies

Fig 199 – INR depreciated in Jun'21



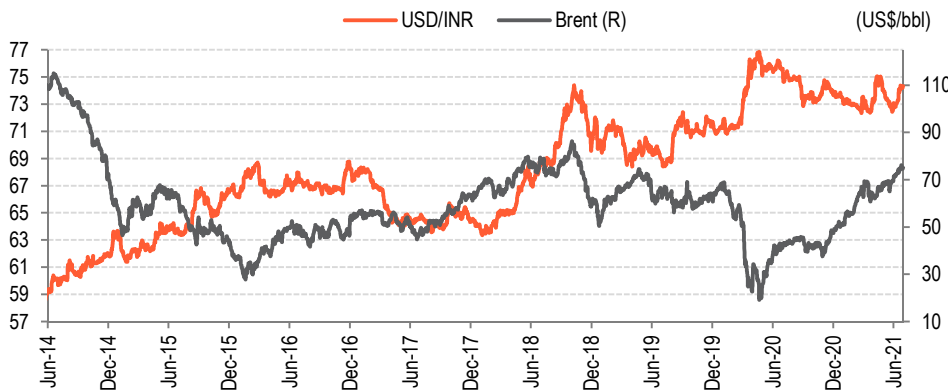
Source: Bloomberg | *As on 30 Jun 2021

Fig 200 – INR still overvalued by 2.3% (May'21)



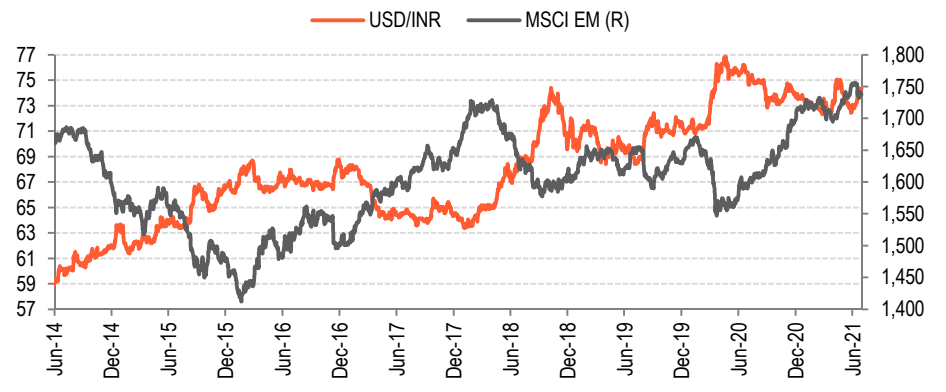
Source: Bloomberg

Fig 201 – Higher oil prices weighing on INR



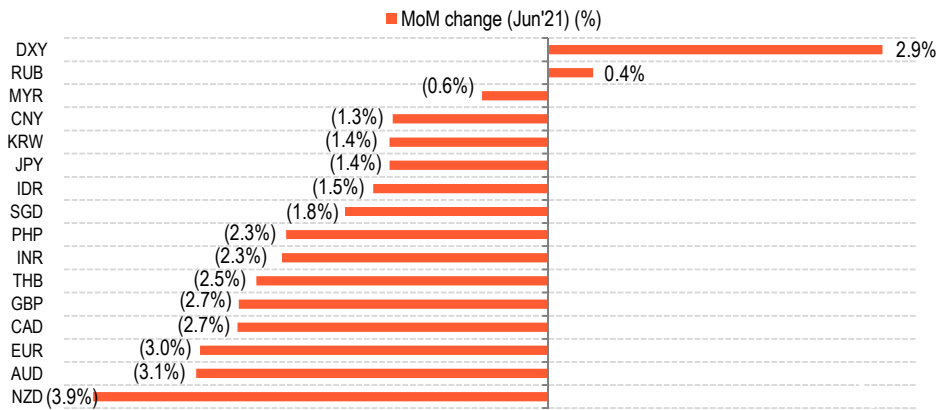
Source: Bloomberg | *As on 30 Jun 2021

Fig 202 – EM currencies also depreciated in Jun'21



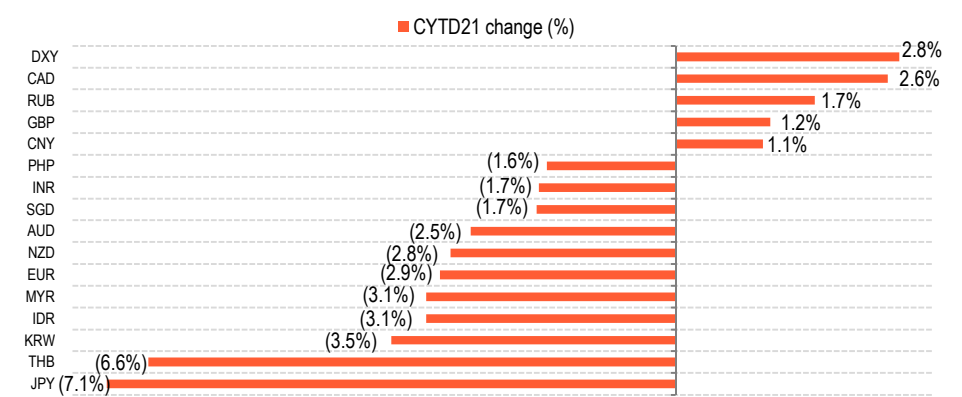
Source: Bloomberg | *As on 30 Jun 2021

Fig 203 – DXY index rose by 2.9% in Jun'21



Source: Bloomberg | *As on 30 Jun 2021

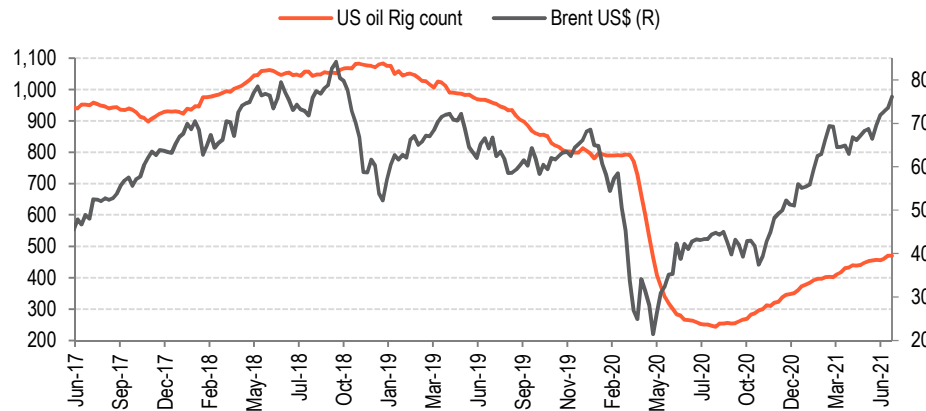
Fig 204 – In CYTD21 so far, INR has depreciated by 1.7%



Source: Bloomberg | *As on 30 Jun 2021

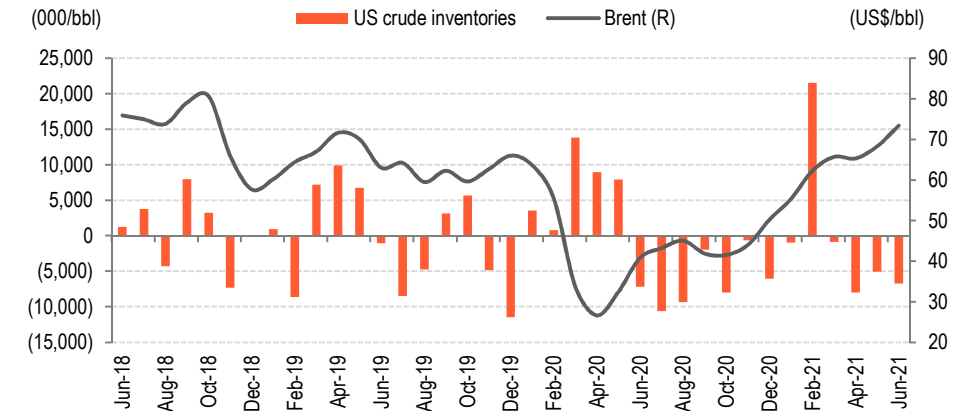
Commodities

Fig 205 – US rig count inched up, so also oil prices



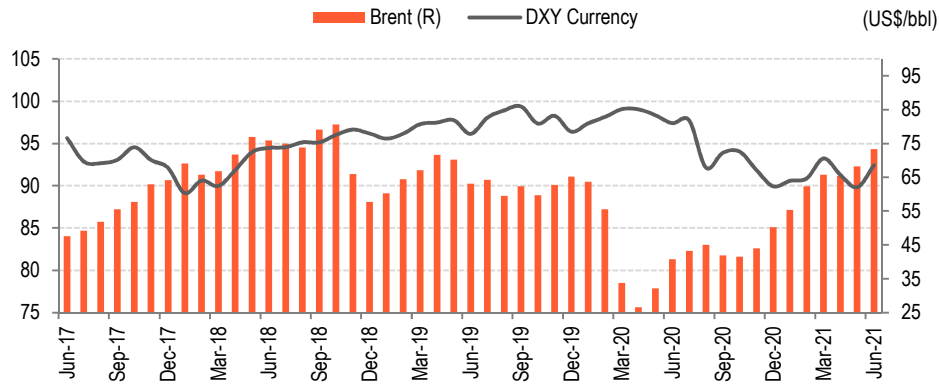
Source: Bloomberg

Fig 206 – US crude oil inventories drawdown seen, showing improved demand



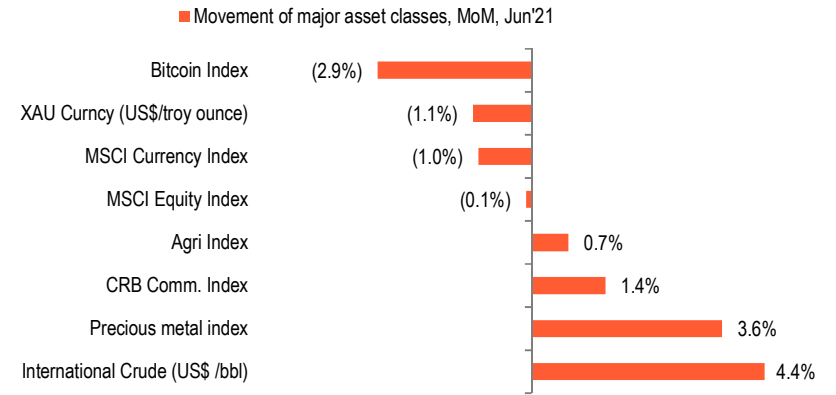
Source: Bloomberg

Fig 207 – Oil prices on an average inched up to US\$ 73/bbl from US\$ 70/bbl in May'21, DXY rose to 92.44 from 89.83



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

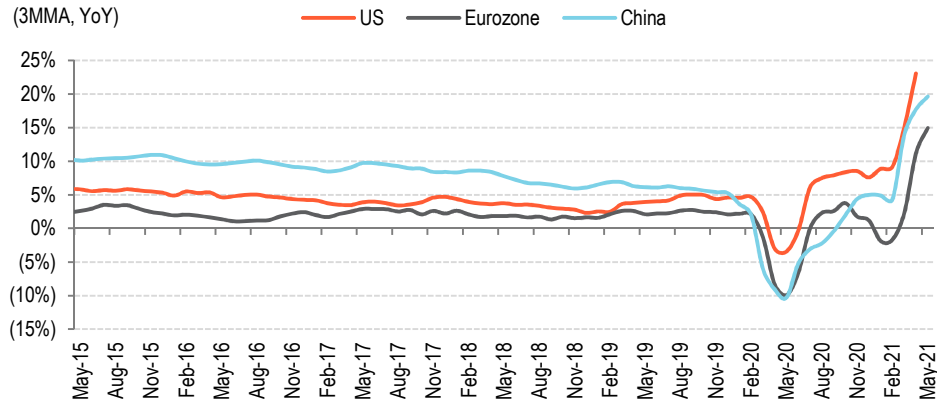
Fig 208 – Energy prices continued to soar the most



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

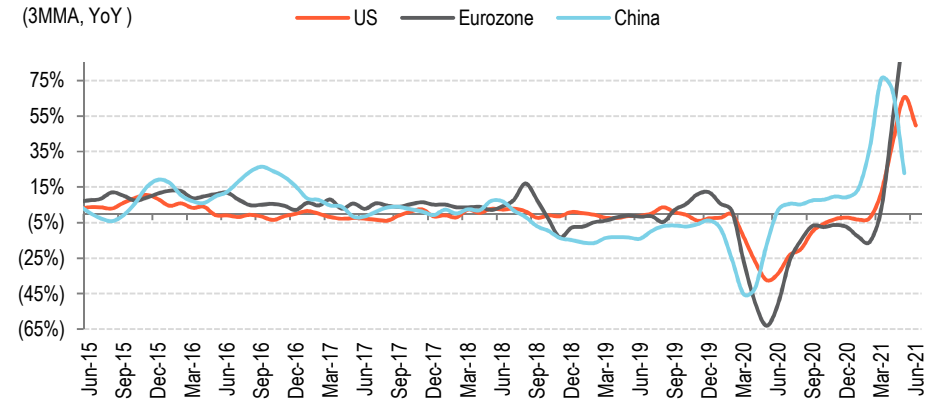
Global consumption

Fig 209 – Retail sales inch up



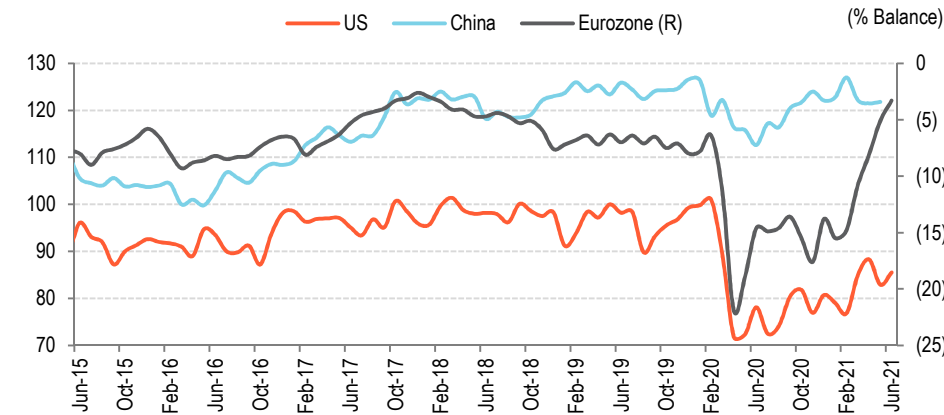
Note: Retail sales for US till Apr'21

Fig 210 – Auto sales moderates further in Jun'21



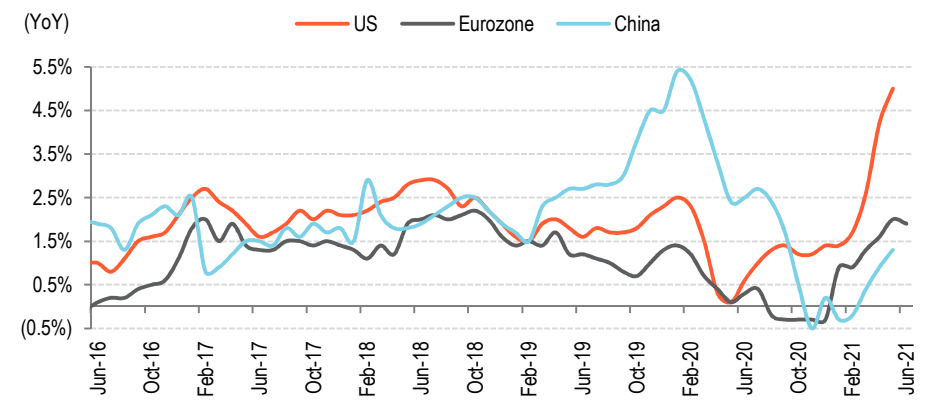
Note: Auto sales for Eurozone and China till Apr'21

Fig 211 – Consumer confidence improves



Note: Consumer confidence for eurozone is % diffusion index. Data for China is for May'21

Fig 212 – Spike in CPI



Note: Data for US and China till May'21

Policy

Fig 213 – Some central banks are raising rates

Country	Current inflation rate (%)	Current policy rate (%)	CY20 (change in bps)	CYTD21 (change in bps)	Direction of policy rate in CYTD21
Brazil	8.1	4.3	(250)	225	↑
Turkey	16.6	19.0	500	200	↑
Russia	6.0	5.5	(200)	125	↑
Germany	2.3	0	0	0	-
UK	2.1	0.1	(65)	0	-
US	5.0	0.3	(150)	0	-
India	6.3	4.0	(115)	0	-
Japan	(0.1)	-0.1	0	0	-
China	1.3	4.4	0	0	-
Korea	2.6	0.5	(75)	0	-
Australia	1.1	0.1	(65)	0	-
Thailand	2.4	0.5	(75)	0	-
Malaysia	4.4	1.8	(125)	0	-
Phillipines	4.5	2.0	(200)	0	-
Indonesia	1.7	3.5	(125)	(25)	↓
Mexico	5.9	4.0	(300)	(25)	↓

Source: Bloomberg

Global investment and manufacturing

Fig 214 – Global manufacturing PMI broadly steady; services PMI shows sharper improvement in May’21

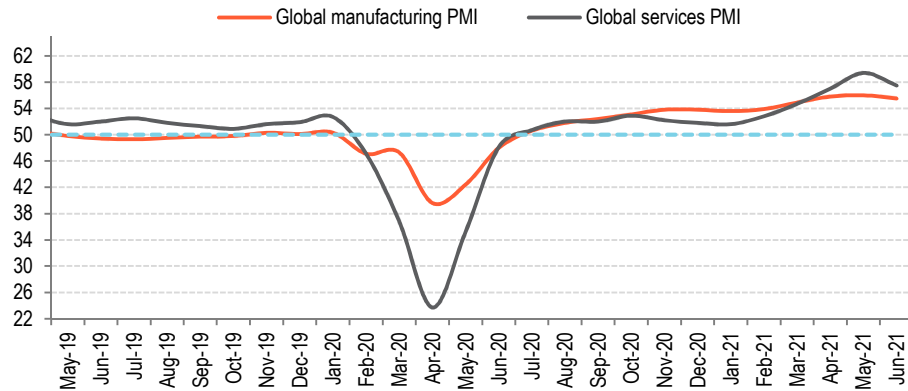


Fig 215 – Barring Germany, manufacturing activity (PMI) eased elsewhere in Jun’21

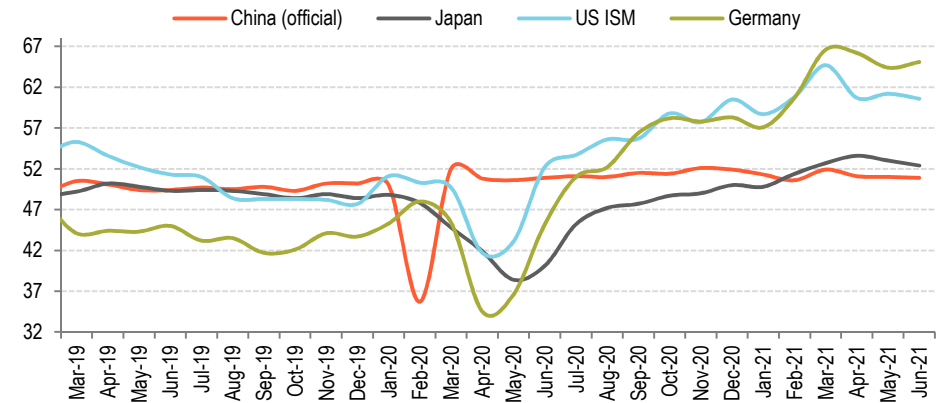


Fig 216 – Producer prices were steeply up in May’21

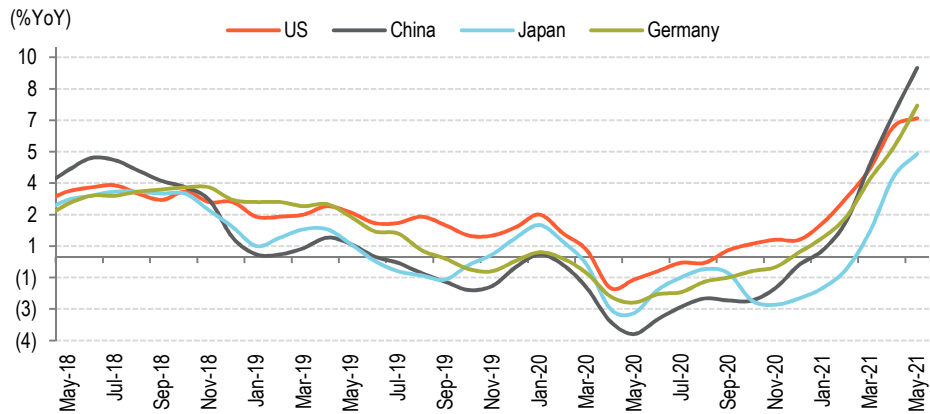
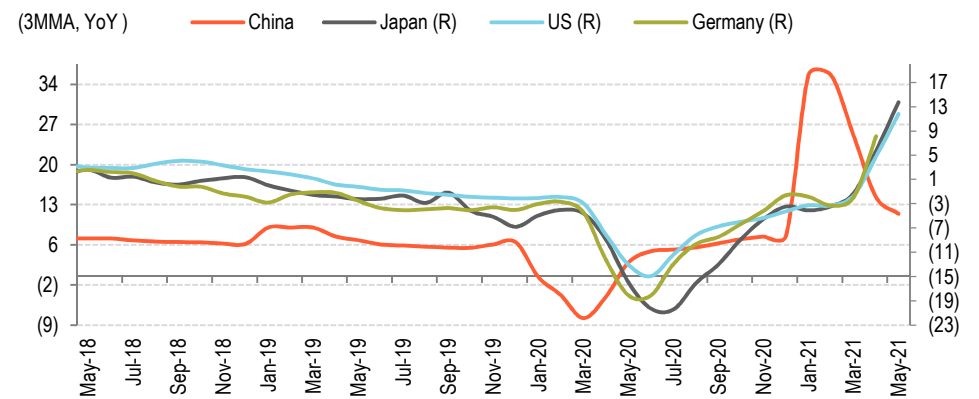
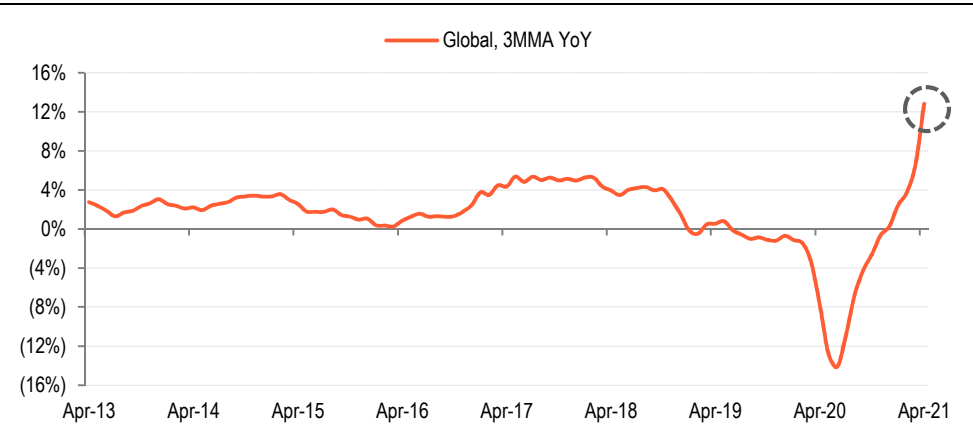


Fig 217 – Industrial production in US and Japan rose in May’21; China slowing



Global trade

Fig 218 – World trade volume improves further in Apr'21



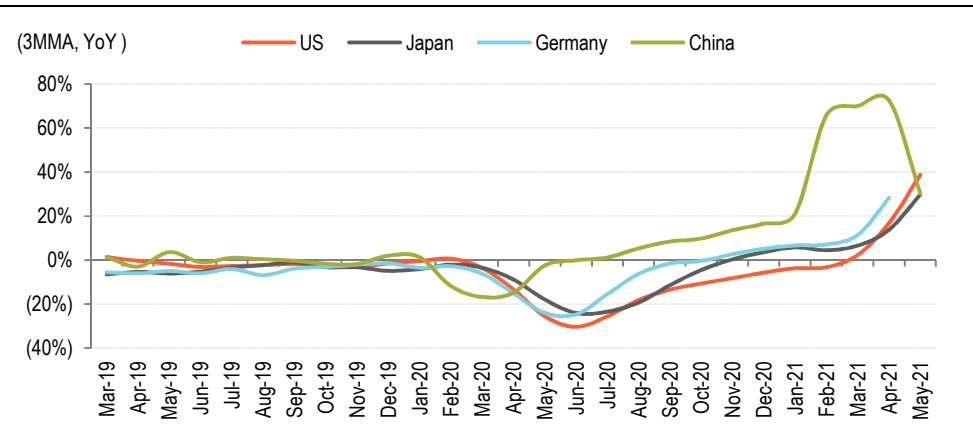
Source: CPB, World Trade Monitor

Fig 219 – Trade volumes improving across the board

Country/Region (% YoY)	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
Africa and Middle East	(6.6)	(5.4)	(3.8)	(4.8)	(4.0)	(2.9)
China	9.3	4.8	36.5	38.5	16.8	23.8
Eastern Europe / CIS	(3.4)	(3.0)	0.8	2.5	5.3	10.5
Emerging Asia (ex. China)	(2.9)	3.3	3.3	7.6	15.9	35.8
Euro Area	(1.4)	(1.1)	(2.9)	(3.1)	11.8	38.6
Japan	1.2	(0.8)	4.1	8.3	1.0	11.6
Latin America	(0.7)	2.3	(0.3)	0.6	12.2	20.6
US	0.8	0.9	2.5	(0.7)	8.3	27.6

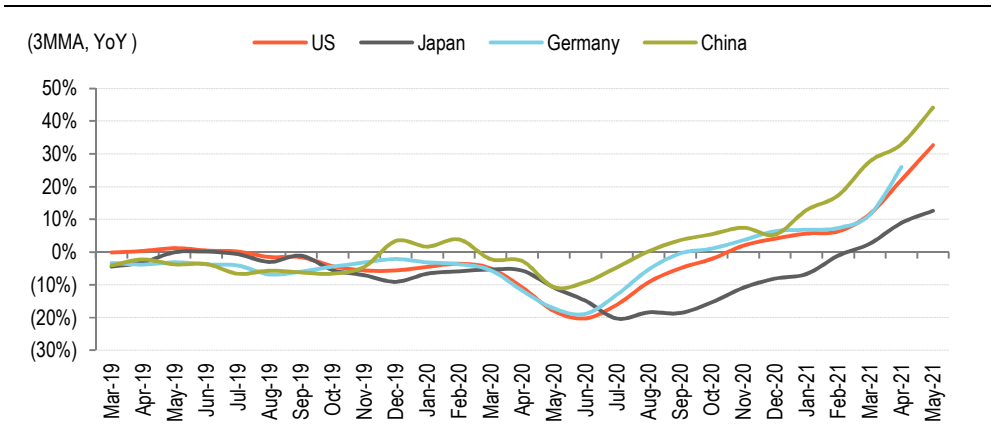
Source: CPB, World Trade Monitor

Fig 220 – China's exports tapering off...



Source: Bloomberg

Fig 221 – ...however imports continue to rise



Source: Bloomberg

Fig 222 – Performance of high frequency indicators

Indicators	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Agriculture													
Domestic Tractor Sales	20.2	35.9	64.8	26.7	9.0	48.3	41.2	47.5	30.4	170.4	480.8	(2.4)	-
Two Wheeler Sales	(40.9)	(37.5)	(28.7)	(12.6)	(26.8)	(21.4)	11.9	(8.8)	(16)	(35)	-	158	17
MNREGA work (HH, MoM)	20	(29)	(24)	0.3	(0.3)	(6.6)	16.6	(0.7)	8.9	(8.5)	4.2	1.3	26.8
Manufacturing													
IIP: General index	(16.6)	(10.5)	(7.1)	1.0	4.5	(1.6)	2.2	(0.9)	(3.4)	24.1	134.4	-	-
IIP: Manufacturing	(17.0)	(11.4)	(7.6)	0.4	4.5	(1.6)	2.7	(1.3)	(3.7)	28.3	197.1	-	-
IIP: Capital goods	(37.4)	(22.8)	(14.4)	(1.2)	3.2	(7.5)	2.2	(9.0)	(3.8)	48.4	1077.1	-	-
IIP: Infra & Construction goods	(18.3)	(8.2)	0	4.0	10.9	2.1	3.1	1.8	(4.0)	34.9	564.0	-	-
IIP: Consumer goods	(34.8)	(23.7)	(10.2)	5.3	18.1	(3.2)	6.5	(0.2)	6.6	55.0	1943.6	-	-
Steel	(23.2)	(6.5)	0.5	6.2	5.9	0.7	3.5	8.2	1.3	27.3	472.7	59.3	-
Cement	(6.8)	(13.5)	(14.5)	(3.4)	3.2	(7.3)	(7.2)	(5.8)	(5.6)	32.7	582.7	7.9	-
Electricity demand	(7.3)	(3.1)	(4.2)	2.5	5.3	4.4	7.0	7.7	3.4	12.2	39.7	5.8	13.8
PMI: Manufacturing	47.2	46	52	56.8	58.9	56.3	56.4	57.7	57.5	55.4	55.5	50.8	48.1
Services													
Services PMI index	33.7	34.2	41.8	49.8	54.1	53.7	52.3	52.8	55.3	54.6	54.0	46.4	41.2
Automobile sales	(42.0)	(36.3)	(26.8)	(10.2)	(24.0)	(19.3)	11.0	(9.7)	(13.4)	(28.6)	-	164.4	22.6
Passenger vehicle sales	(38.3)	(25.2)	(7.1)	9.8	(8.8)	4.2	24.0	(4.5)	10.6	28.4	-	178.8	43.5
Vehicle Registration	(41.4)	(35.2)	(25.4)	(8.4)	(22.3)	(17.5)	11.7	(8.6)	(12.6)	(27.7)	215.4	158.0	22.1
Rail freight traffic	(7.7)	(4.6)	3.9	15.5	15.4	9.0	8.7	8.7	5.5	26.6	70.7	39.1	20.5
Port Cargo volume	(14.5)	(13.2)	(10.4)	(1.9)	(1.2)	2.8	4.4	4.0	1.9	16.4	29.5	33.0	19.5
Credit growth	5.6	6.4	5.5	5.1	5.6	5.9	6.3	5.9	6.6	5.6	6.2	5.9	5.8
Deposit growth	9.6	12.1	10.9	10.5	11.1	10.7	10.8	11.1	12.1	11.4	11.2	8.8	10.3
CIC	22.0	23	23.2	22.7	20.3	22.8	22.4	21.4	20.3	17.2	15.0	13.2	12.0
Toll collection (in mn)	81.9	86.6	96.8	110.1	122.4	124.9	138.4	149.2	159	193.3	164.3	116.5	157.9
Diesel consumption	(15.5)	(19.4)	(20.7)	(5.9)	7.5	(6.9)	(2.7)	(2.1)	(8.4)	27.6	105.4	0.8	(1.6)
GST E-way bill (in mn)	43.4	48.4	49.4	57.4	64.2	57.7	64.2	62.9	63.8	71.2	58.8	40.0	57.7
External Trade													
Merchandise exports	(12.2)	(9.5)	(12.2)	6.0	(4.7)	(8.6)	0.1	6.2	0.7	60.3	195.7	69.4	47.3
Merchandise imports	(48.0)	(29.6)	(26.0)	(19.6)	(11.5)	(13.3)	7.6	2.0	7.0	53.7	167.1	73.6	96.3
Services exports	(8.4)	(10.8)	(9.9)	(1.4)	(6.3)	(5.1)	(6.4)	(10.1)	(1.0)	12.6	6.7	3.5	-
Services imports	(15.3)	(21.7)	(20.1)	(8.7)	(12.3)	(11.8)	(8.4)	(15.9)	(4.1)	12.8	6.4	3.0	-

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

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