

बैंक ऑफ़ बड़ौदा
Bank of Baroda

India Economics
Monthly Chartbook

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Important disclosures are provided at the end of this report.

Festive cheer to boost domestic demand

Geopolitical tensions continue to brew between US and Iran with reports of escalating attacks. This has stoked supply fears and pushed crude oil prices. Global central banks this month opted for a temporary pause in the monetary policy tightening cycle. US Fed, BoJ, RBNZ and ECB kept policy rates steady. However, rate hikes are expected going forward as there has been no resolution in the Middle East conflict leading to risks of elevated commodity prices. This might start with BoE which could raise rates for the first time this year on the back of higher inflation and uptick in wage growth. On domestic front, RBI raised policy rates for the first time by 25bps in nearly 4-years with a change in stance to calibrated tightening from neutral. The MPC is expected to act in a pre-emptive manner as was reflected in the minutes. We expect a cumulative 50-75bps hike in this tightening cycle.

Consumption story strengthens: Consumption in Sep'26 paints a strong picture overall as reflected by high frequency indicators such as non-oil-non-gold imports, electronic imports and auto sales data amidst festive cheer. Growing momentum in power demand along with higher steel consumption and growth in personal loans segment further support the uptick in economic activity. However, there are some concerns as noted in deteriorating consumer confidence (RBI) for both urban and rural sector. On the agriculture front, Southwest monsoon this year has been below normal (13% below LPA) due to prevailing El Nino conditions. As a result, acreage of kharif crops was lower along with lower reservoir level which could have an impact on Rabi sowing.

Central government finances: Centre's fiscal deficit ratio (12MMA trailing basis) eased to 4.4% as of Sep'26 from 5.1% as of Sep'25. In H1FY27 (Apr-Sep), net revenue growth has risen by 3.6%, following 4.5% rise between Apr-Sep'25. Moderation was led by indirect tax collections, which fell by (-) 4.9% versus 2.6% rise noted in H1FY26. Direct tax collections on the other hand performed better (13.1% versus 3.1%). On the spending front, overall expenditure is maintaining momentum (10.7% versus 9.1%). This was on account of revenue spending, which surged by 10% versus 1.5%. Capex growth has moderated 12.7% versus 40%, due to base effect.

Yields remain higher: India's 10Y yield on an average has risen considerably in Oct'26, in line with US 10Y yield. The upward pressure on domestic yield was more visible in the last two fortnights, as geopolitical tensions in the Middle East escalated and post the release of RBI minutes. Continued rise in oil prices is also a concern for inflation and rates. The glut in system liquidity has been absorbed by RBI's measures. We expect RBI to hike rates in next policy.

RBI measures aid a recovery in Rupee: INR appreciated by 0.9% in Oct'26, even as external headwinds increased. Oil prices remained elevated averaging US$ 108/bbl in Oct'26. DXY inched by 0.9%. At the same time, FPI outflows continued with outflows of US$ 2.5bn in Oct'26. As INR slipped towards a record-low, RBI announced measures to ease the pressure on the domestic currency. These included measures aimed at curbing speculative activity in INR and a special window for OMCs for their daily dollar requirement. Overall, we expect the INR to trade in the range of 94.5-95.5/$ in the near-term.

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

High frequency indicators

Fig 1 – Steady growth in power demand

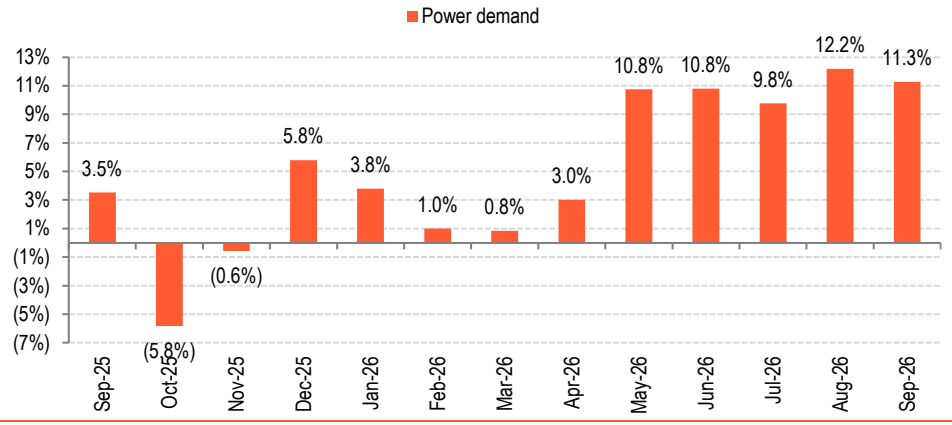


Fig 2 – Volume of UPI transactions stabilizes

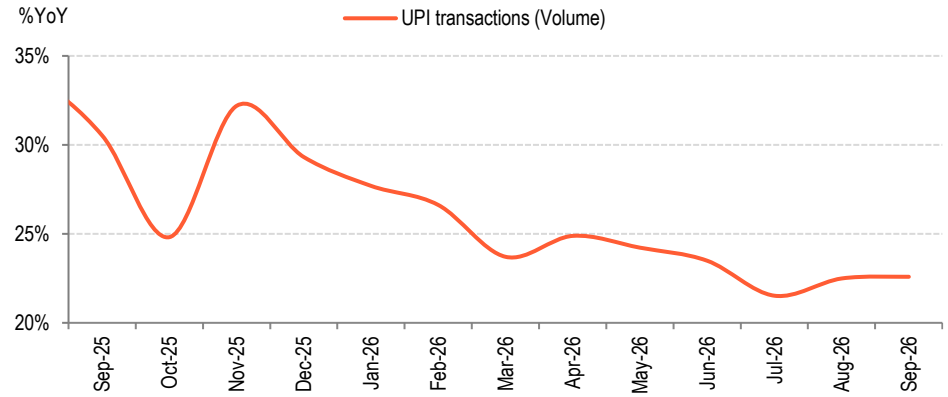


Fig 3 – Steel consumption growth improves

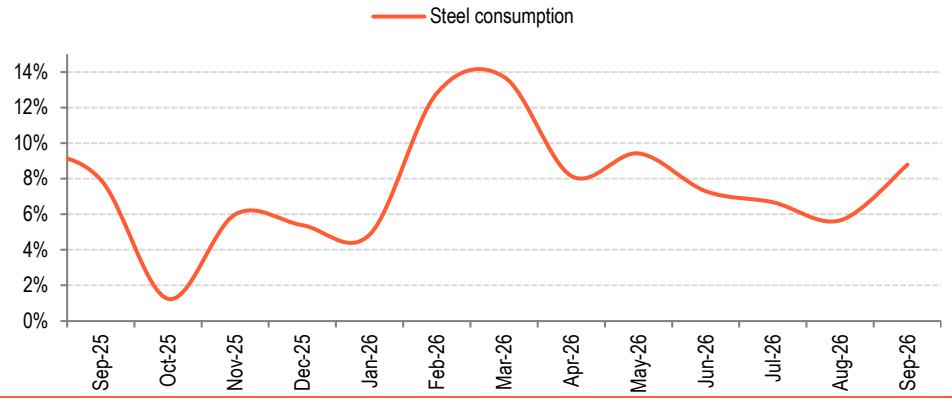
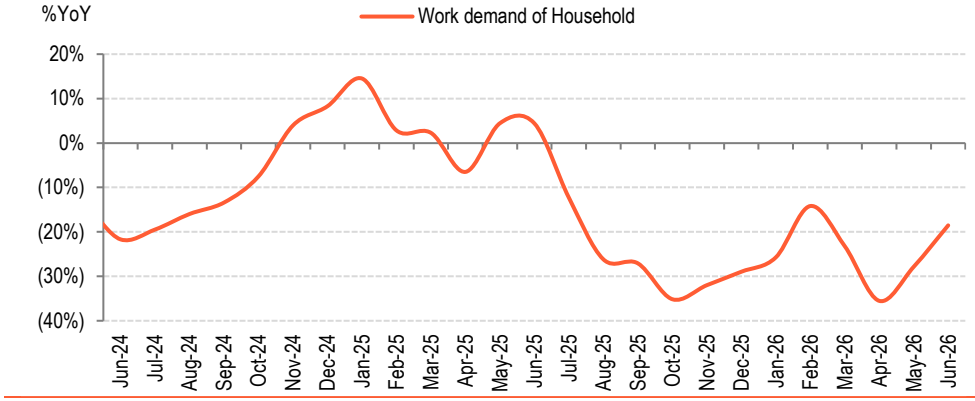


Fig 4 – Demand for work (MGNREGA-household) inch up in Jun'26



Non-oil imports, electronic imports

Fig 5 – Strong growth in non-oil-non-gold imports

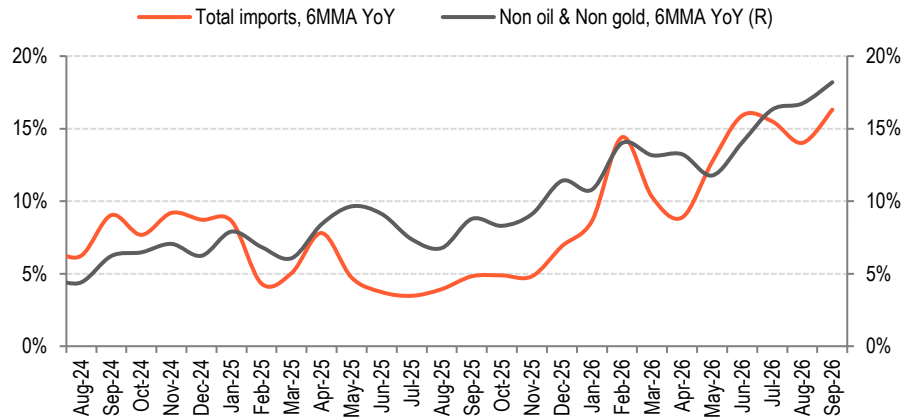


Fig 6 – Electronic imports rebounds

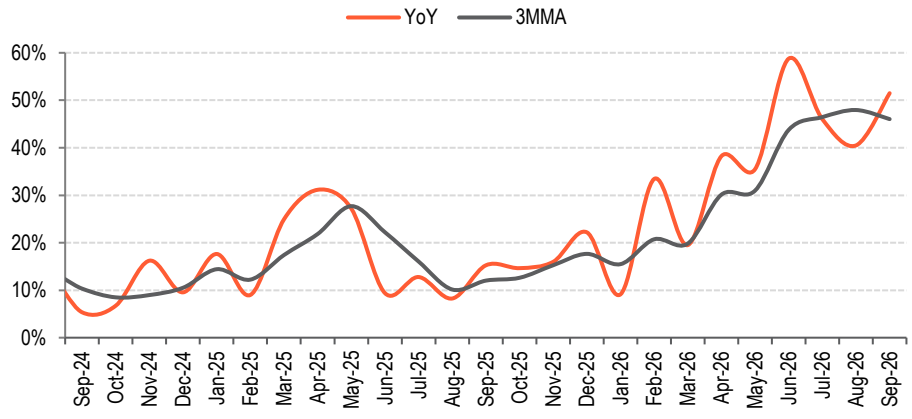


Fig 7 – Retail passenger vehicle sales rebounds

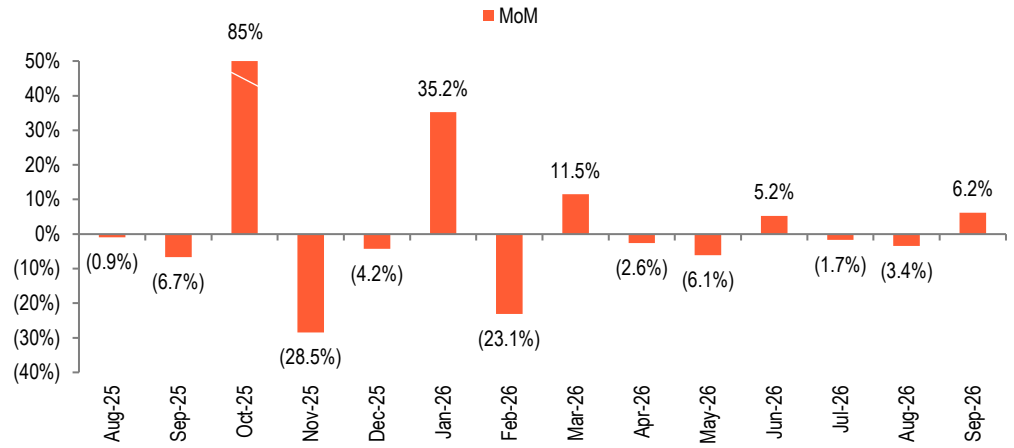
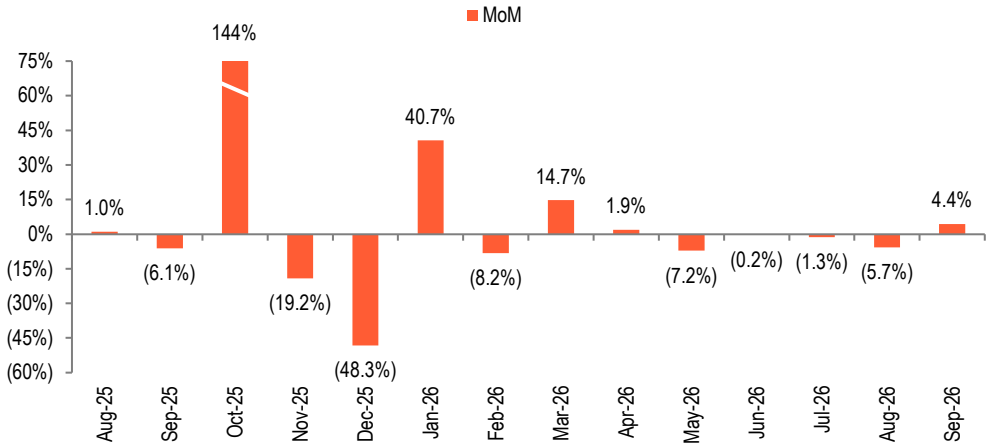


Fig 8 – Two-wheeler sales also inch up for the same period



Credit deployment of personal loans

Fig 9 – Growth in personal loans remains steady

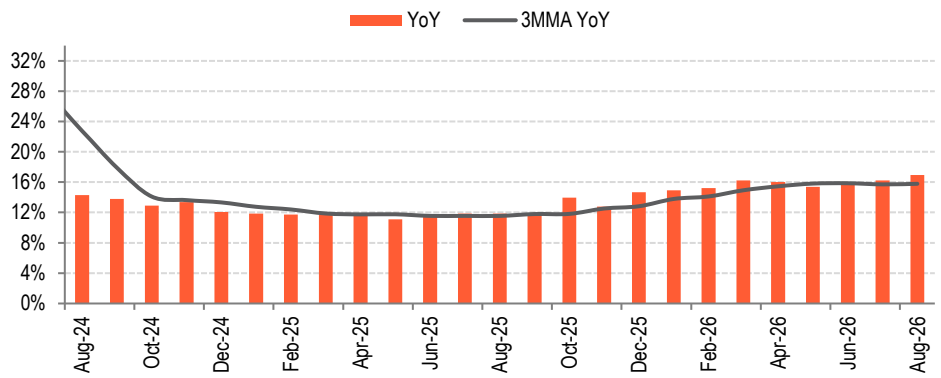


Fig 10 – Growth in credit card outstanding edge up

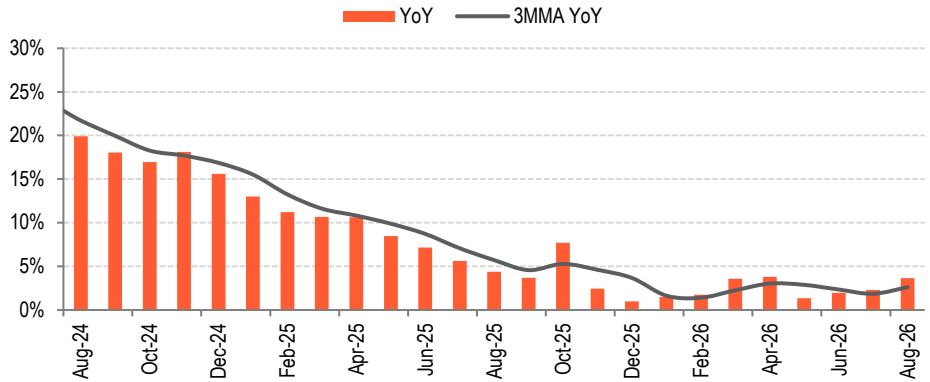


Fig 11 – Higher growth in vehicle loans

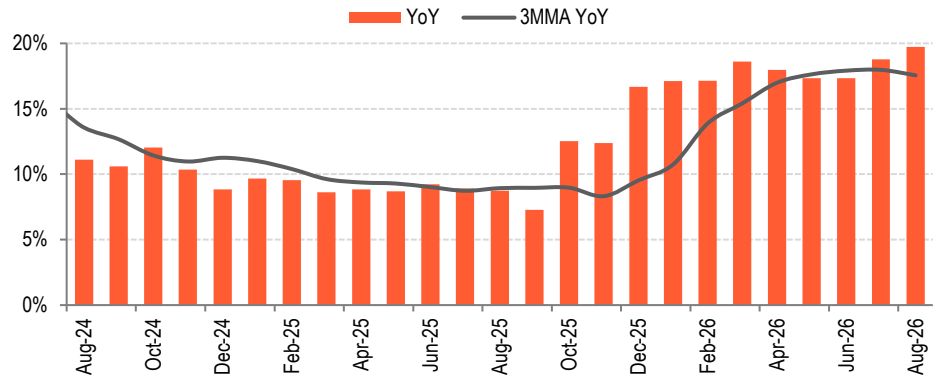


Fig 12 – Steady growth in other personal loans

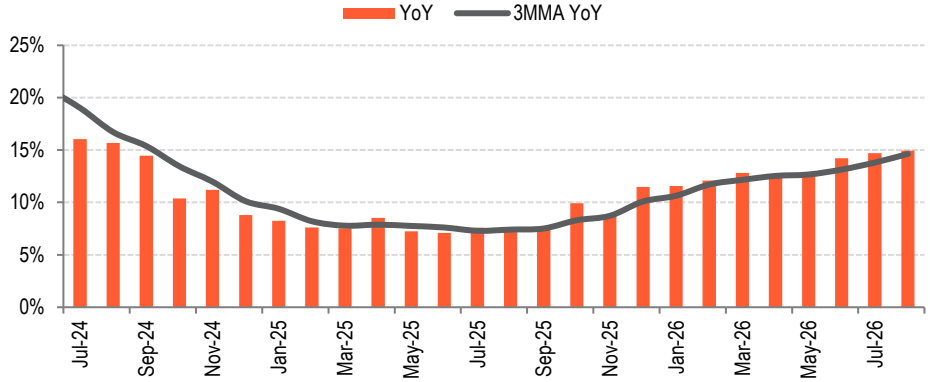


Fig 13 – Consumer confidence continues to weaken in Sep'26 (Urban)

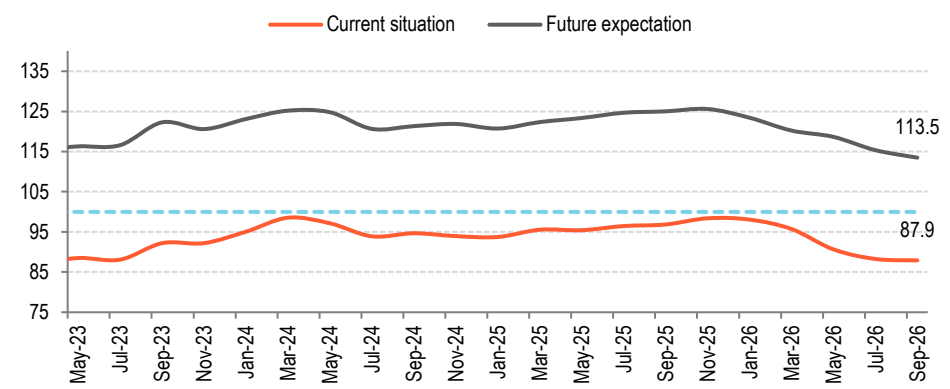
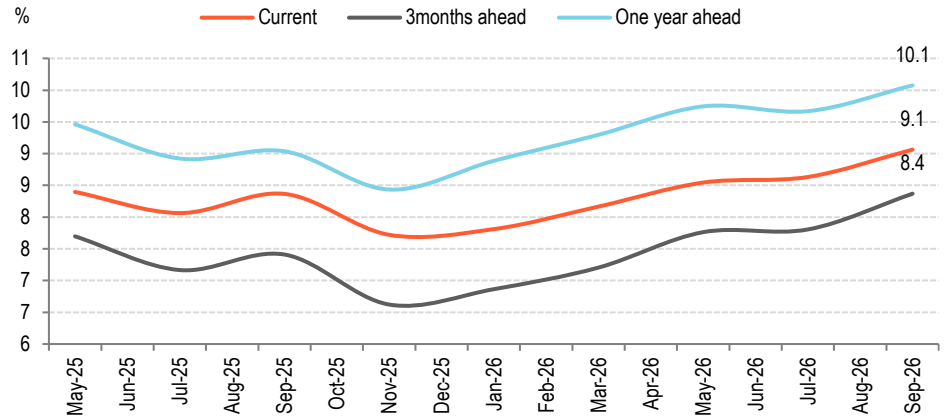


Fig 14 – Inflation expectations edge upwards



Consumer durables & non-durables production

Fig 15 – Growth falters in consumer durables output

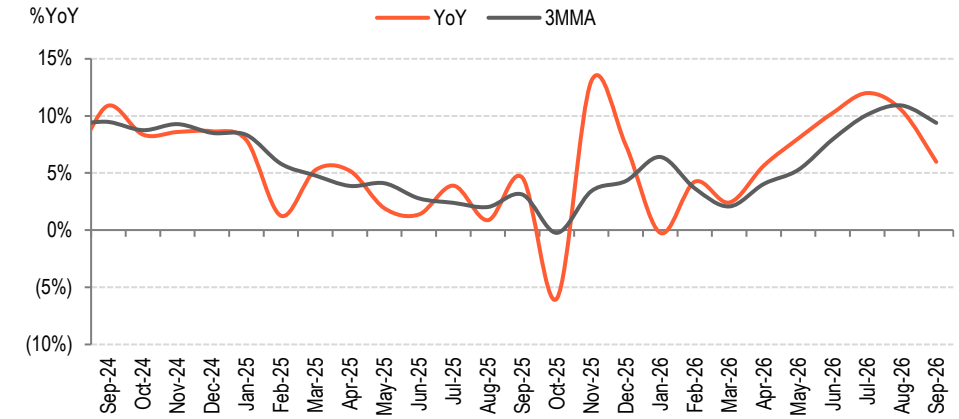
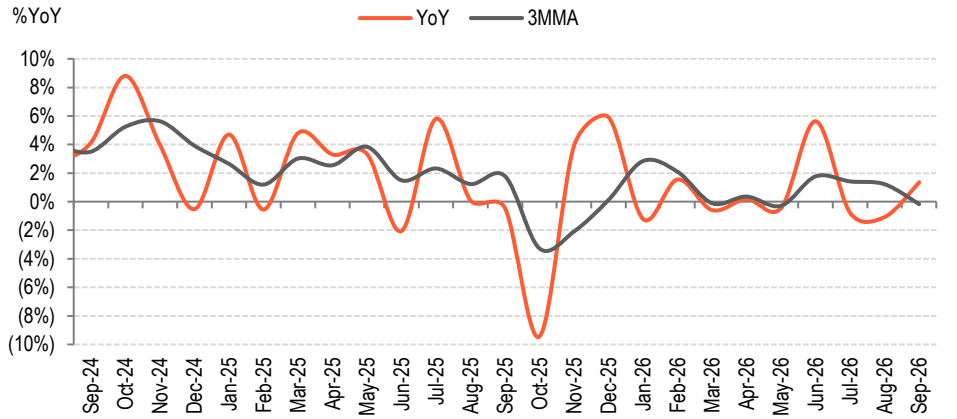


Fig 16 – FMCG output rebounds



Agriculture

Fig 17 – Southwest monsoon-region wise movement

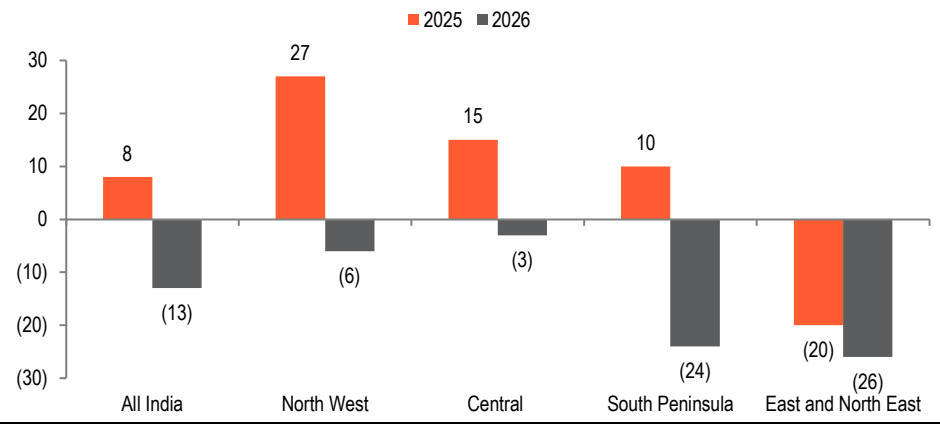
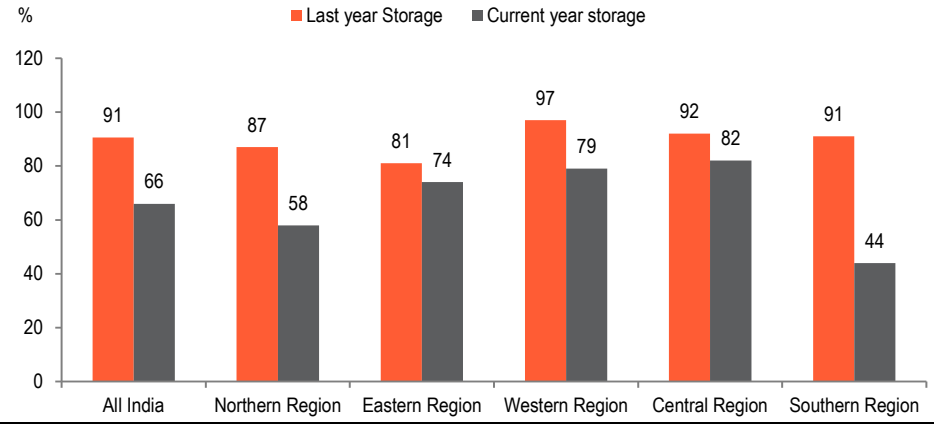


Fig 18 – Water reservoir level



Note: * Data till 29.10.2026

Fig 19 – Tractor sales registers contraction

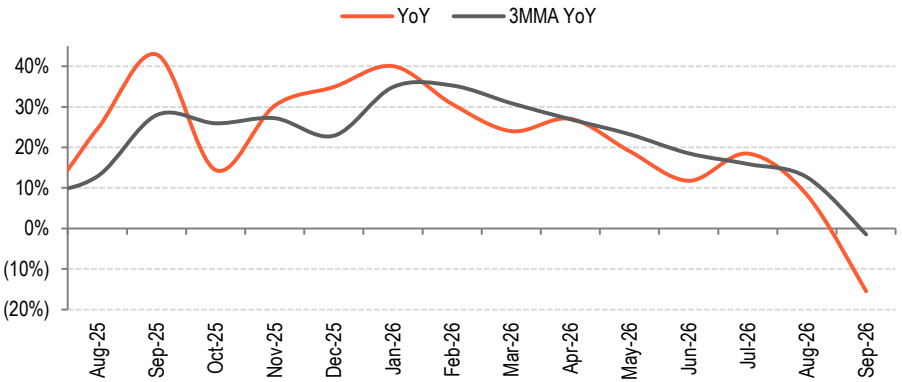
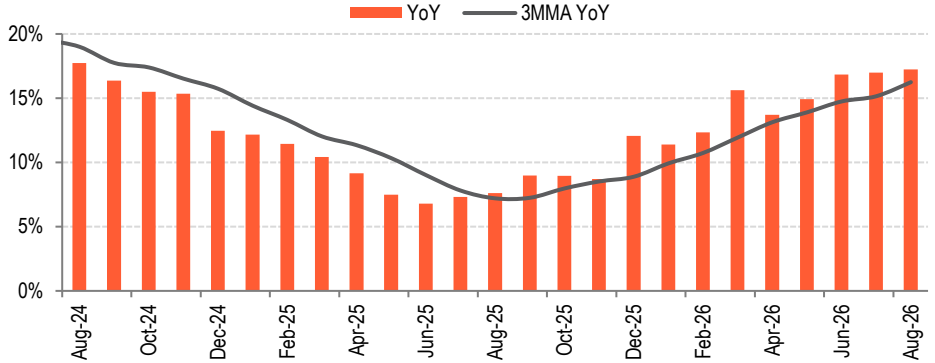
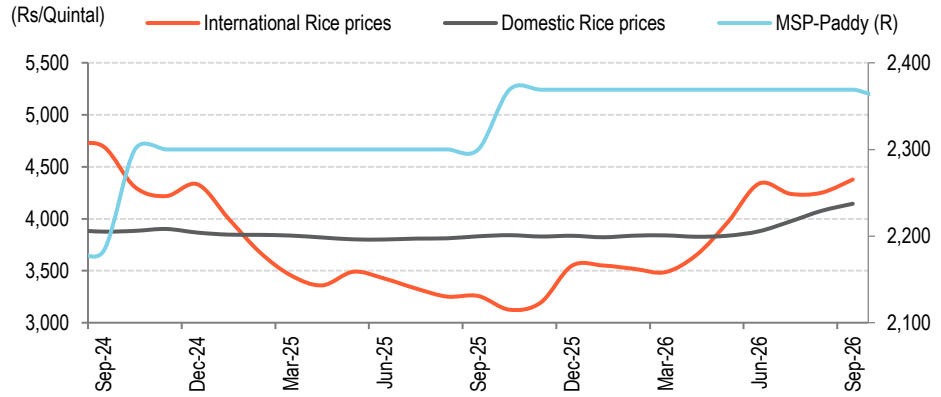


Fig 20 – Growth in agriculture credit strengthens further



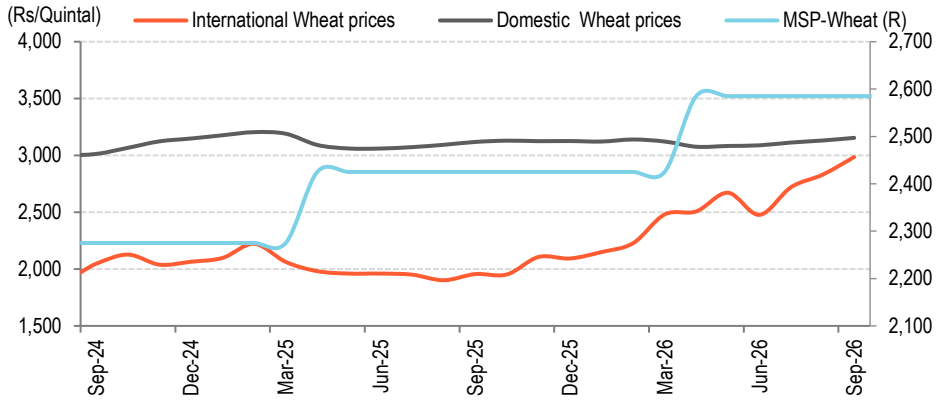
Note: Tractor sales including exports

Fig 21 – Both domestic and international rice prices were higher



Source: World Bank

Fig 22 – Similar case for wheat prices



Source: World Bank

Fig 23 – Global food price rises

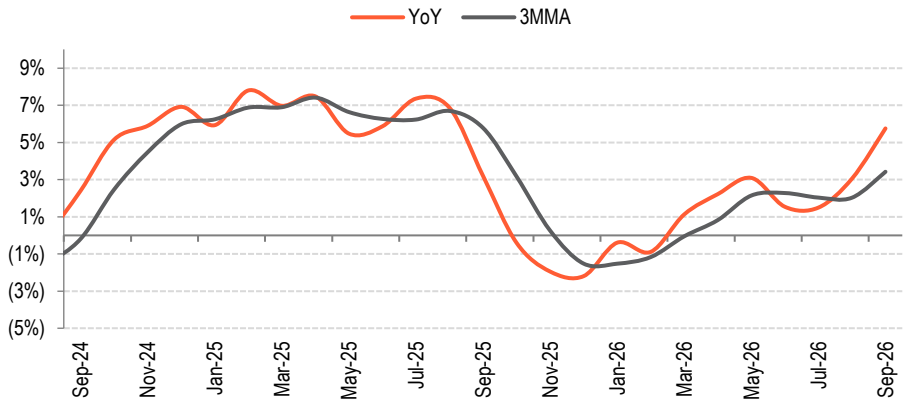


Fig 24 – Procurement of rice and wheat

Year	Wheat	Rice
2017-18	30.83	38.19
2018-19	35.80	44.39
2019-20	34.13	51.83
2020-21	38.99	60.17
2021-22	43.34	57.59
2022-23	18.8	54.32
2023-24	26.2	52.54
2024-25	26.61	55.53
2025-26	29.98	57.36

2026-27*	35.76

Source: FAO

Source: CMIE | *As on: 30 Aug 2026

Fig 25 – Kharif sowing is lower than last year

Crop type	2025 (area:'000 hac)	2026 (area:'000 hac)	Growth
Foodgrains	112,712	111,531	(1.6)
Cereals	63,557	62,077	(2.3)
Rice	44,918	43,362	(3.5)
Pulses	11,981	12,239	2.2
Oilseeds	19,555	19,666	0.6
Cotton	11,108	11,053	(0.5)
Sugarcane	5,887	5,861	(0.4)
Jute & Mesta	624	635	1.8

Note: Data for 2 Oct 2026

Inflation

Fig 26 – Headline CPI rose to its highest since Oct'24 to 5.5% led by 178bps jump in food inflation…

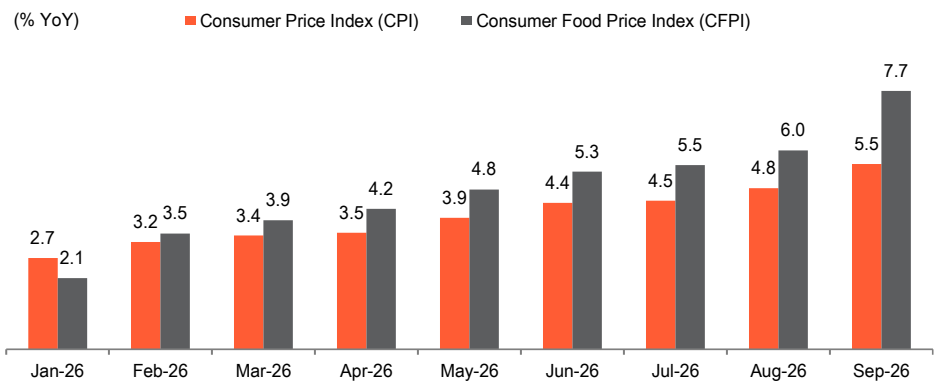


Fig 27 – …Within food inflation, inflationary pressure was broad based with especially concentrated on sugar, vegetables and pulses

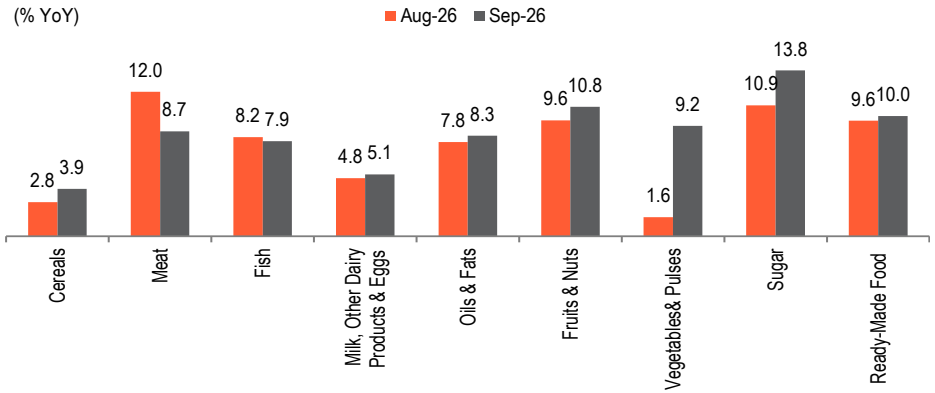
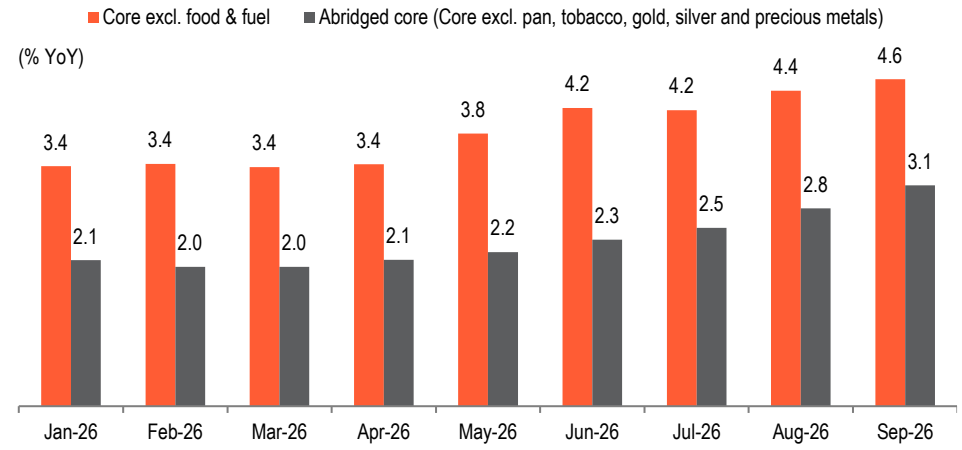
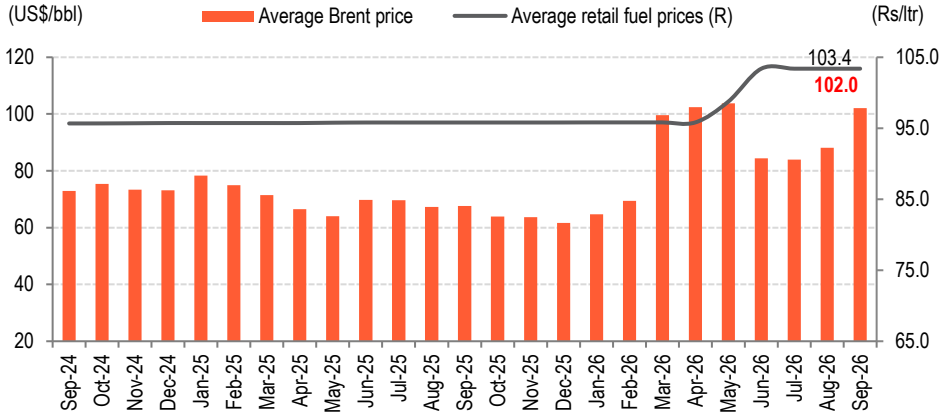


Fig 28 – Core excl. precious metals also firmed up

Fig 29 – Domestic retail price was stable at Rs 103.4/lt in Sep'26, average crude price edged up to US$ 102/bbl in Sep'26 and currently higher at US$ 108/bbl





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

Industry

Fig 30 – Manufacturing PMI slipped in Oct'26

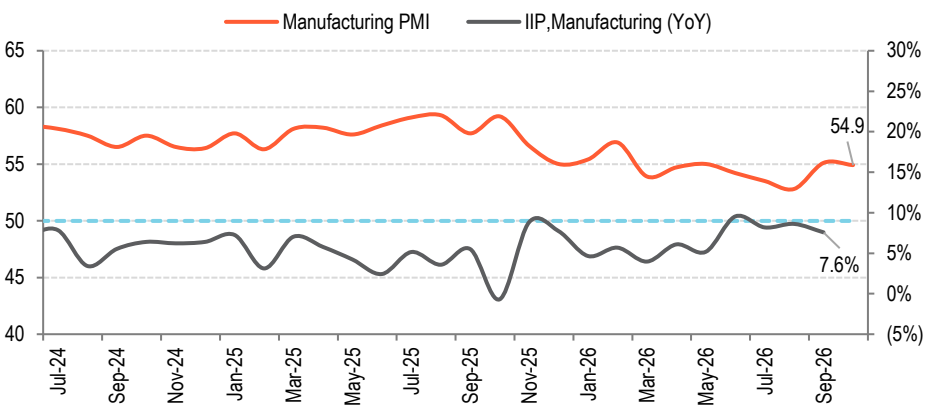


Fig 31 – Barring Mining and water supply, other sectors registered higher growth

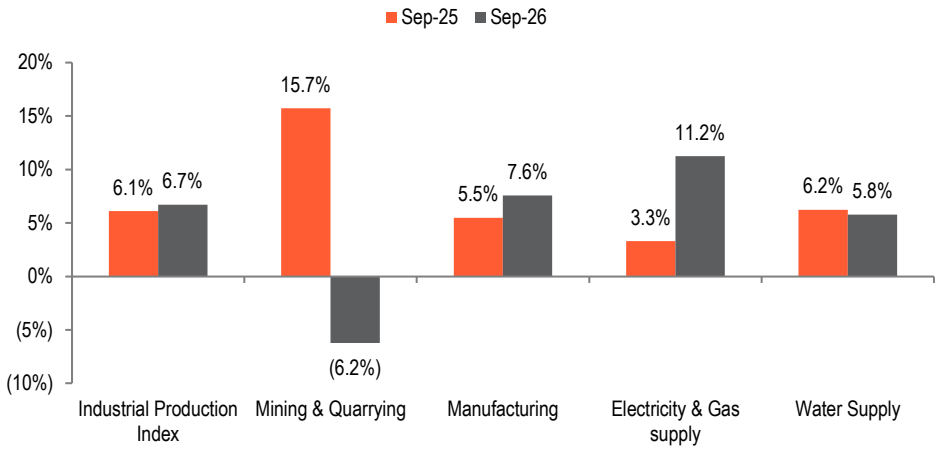


Fig 32 – IIP growth higher than last year

Sectoral (%)	Weight	Sep-25	Sep-26	Apr-Sep'25	Apr-Sep'26
Industrial Production Index (IPI)	100.0	6.1	6.7	4.4	6.8
Mining & Quarrying (MQ)	11.1	15.7	(6.2)	8	(2.4)
Manufacturing (Mfg)	76.1	5.5	7.6	4.4	7.5
Electricity & Gas supply (EG)	10.9	3.3	11.2	0.6	9.7
Water supply, sewage & waste Management (WS)	2.0	6.2	5.8	7.6	6.3
Use-Based					
Primary Goods	31.1	6.6	4	2.2	3.3
Capital Goods	8.1	13.2	10.4	8.1	15.4
Intermediate Goods	22.4	6.4	12.2	4.6	9.4
Infrastructure /Construction Goods	10.9	9.8	7.2	7.4	7.1
Consumer Durables Goods	11.3	4.6	6	3.1	8.7
Consumer Non-Durables Goods	16.1	(0.5)	1.4	2.6	1.1

Infrastructure and construction

Fig 33 – Infrastructure good register lower growth

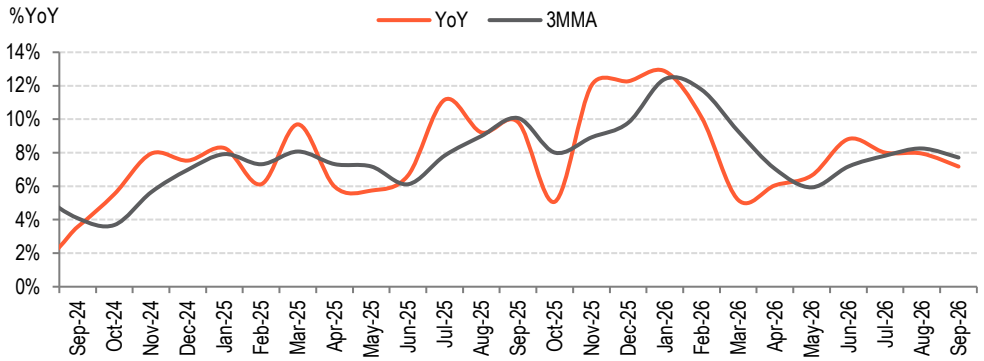
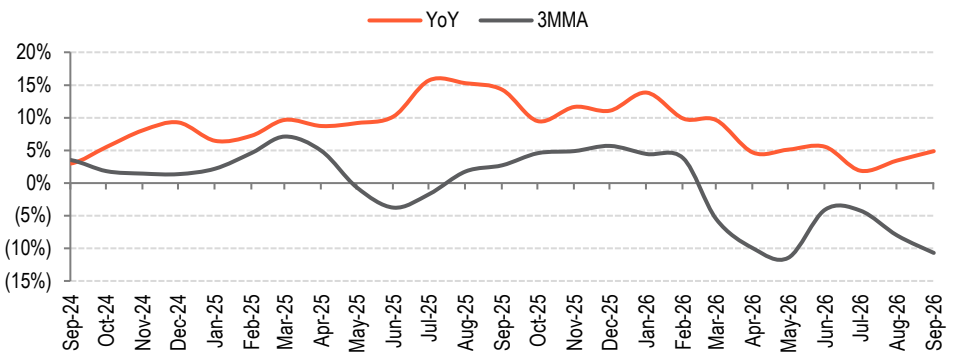


Fig 34 – Steel output though registers an improvement



Infrastructure index

Fig 35 – Core sector output improves

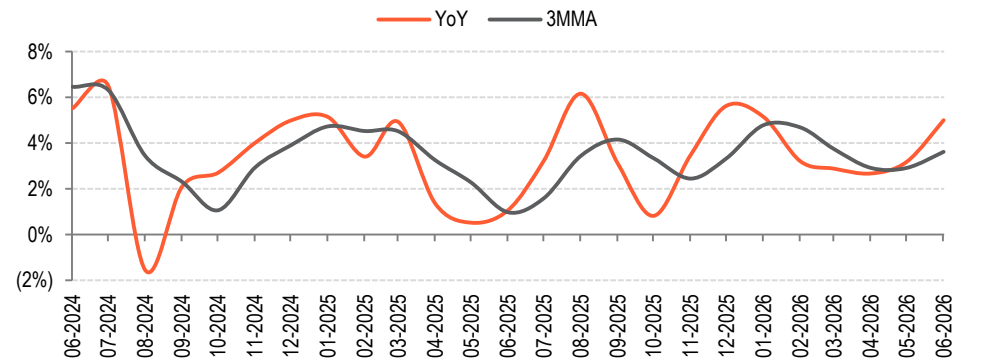
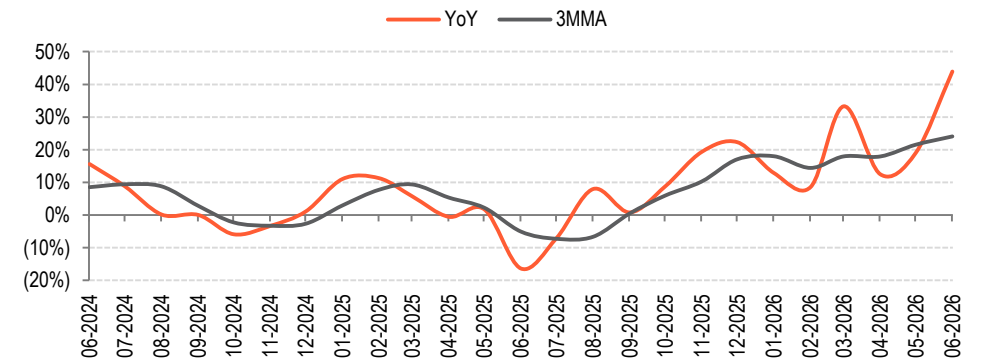


Fig 36 – Iron ore output surges



Auto production & Electricity generation

Fig 37 – Weakness noted in auto production

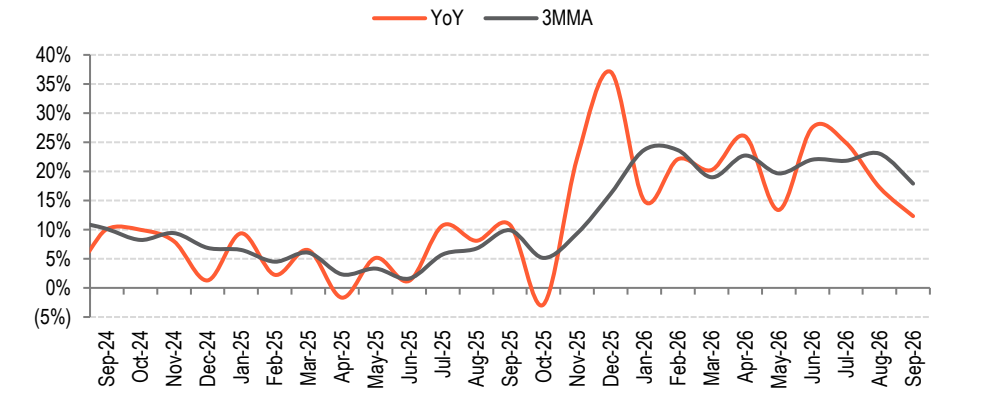


Fig 38 – Electricity generation register slower growth

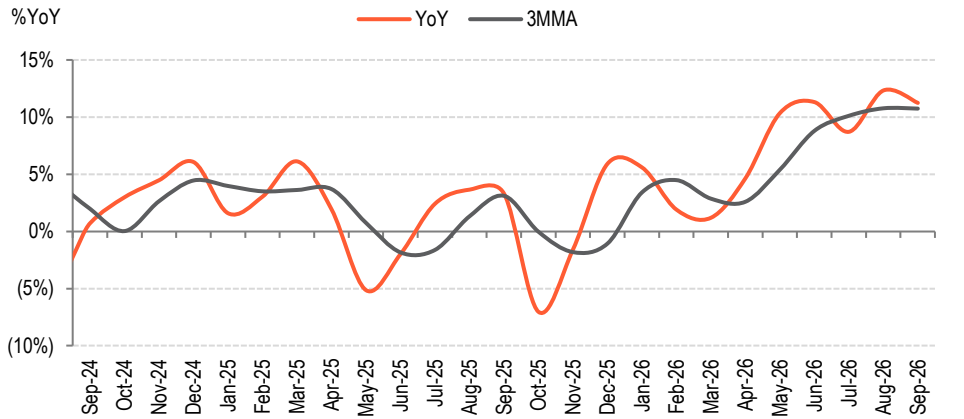
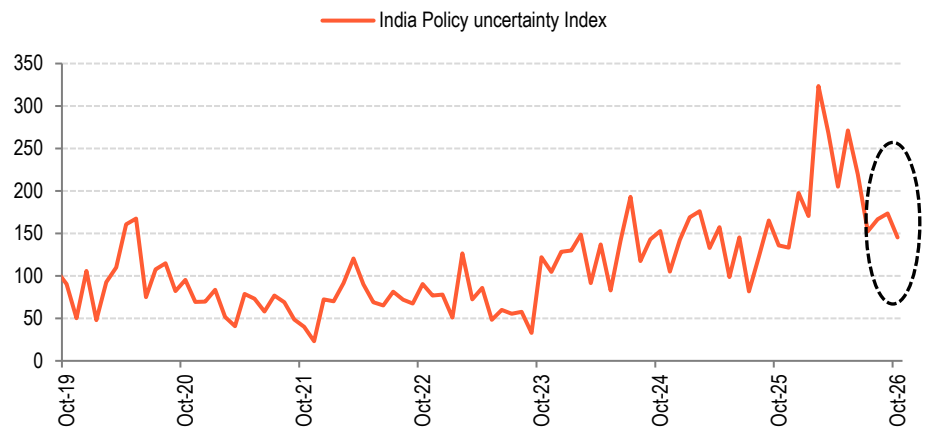


Fig 39 – Infrastructure index surges to all-time high

(%)	Weight	Sep-25	Sep-26	Apr-Sep'25	Apr-Sep'26
Infrastructure Index	100	3.1	7.9	(0.8)	(1.0)
Coal	5.6	(1.1)	10.7	(2.9)	(4.4)
Natural Gas	3.8	(3.7)	(4.6)	(1.3)	(3.7)
Crude Oil	7.4	(0.7)	(1.4)	(0.2)	1.0
Refinery Products	22.6	(3.2)	10.3	(0.4)	(7.6)
Fertilizers	2.7	1.7	(11.7)	12.2	4.3
Steel	17.6	14.3	4.9	7.1	10.1
Cement	4.4	5.1	9.8	1.0	10.2
Electricity	30.9	3.1	11.4	(2.8)	21.2
Iron Ore	4.9	0.8	18.4	2.5	5.1

Investment

Fig 40 – India policy uncertainty index inched down in Oct'26



Source: https://www.policyuncertainty.com

Fig 41 – Capital goods production edged down to 10.4% in Sep'26 but in H1 the growth was buoyant at 15.1%

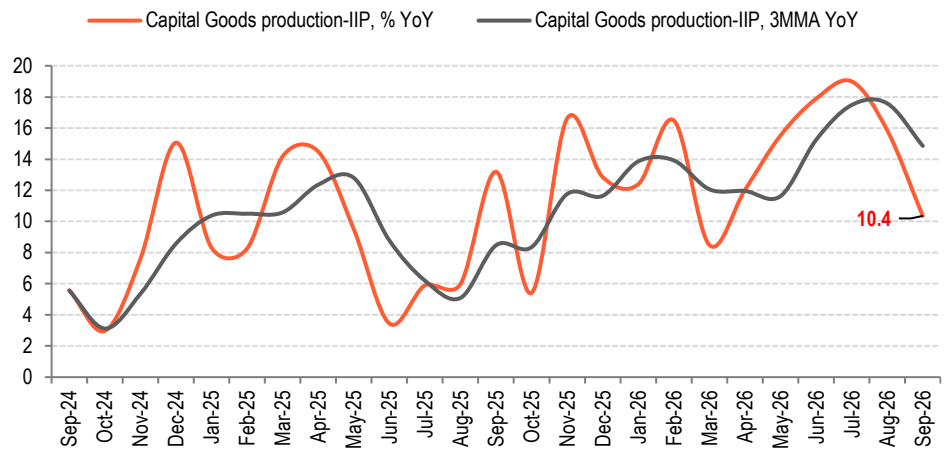


Fig 42 – Capital goods import picked up by 14% in Sep'26 compared to 13.5% in Aug'26, on YoY basis

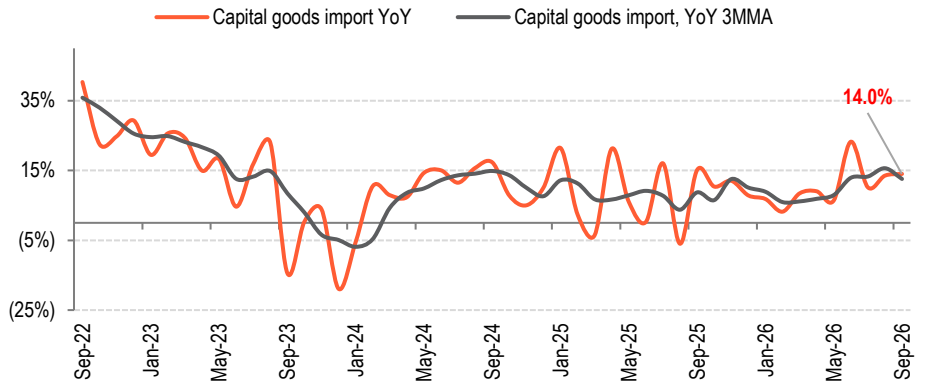


Fig 43 – Centre's capex spending fell by-6.1% in Sep'26 after declining by 3% in Aug'26, on 12month trailing sum basis

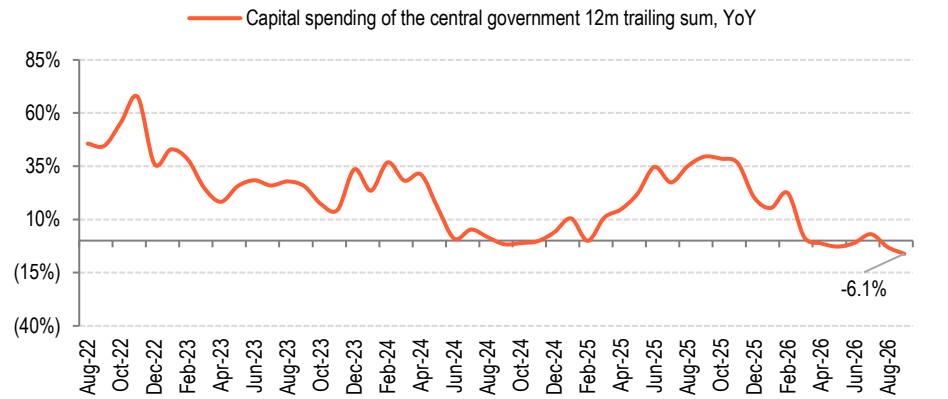


Fig 44 – Credit to micro and small industry inched up to 24% in Sep'26 versus 23% in Aug'26, for medium industry credit growth was higher at 33.2%

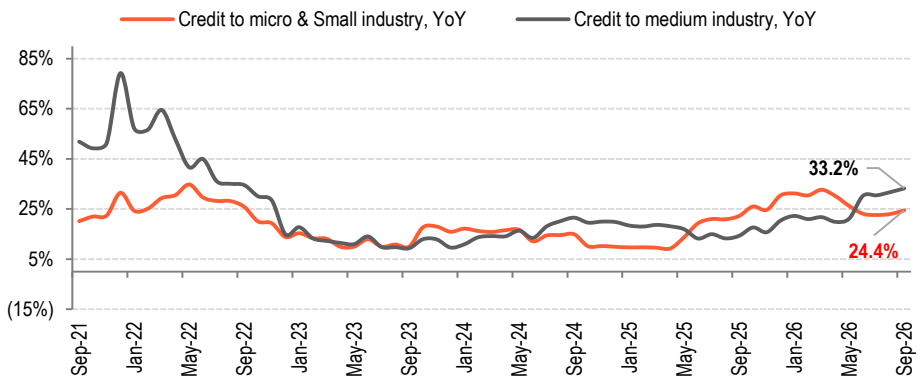
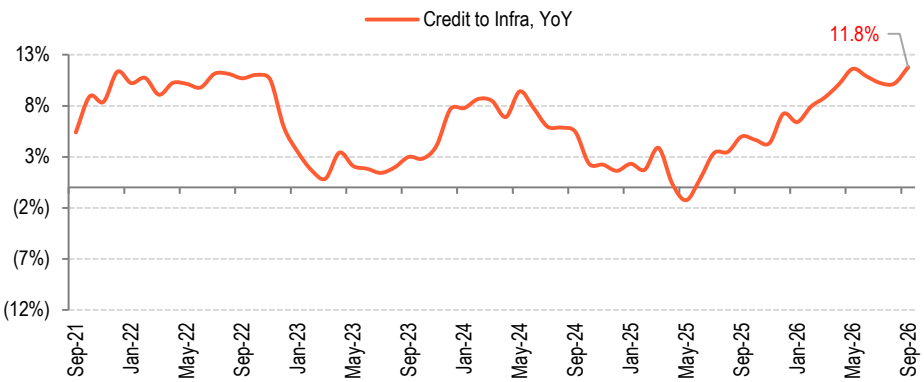
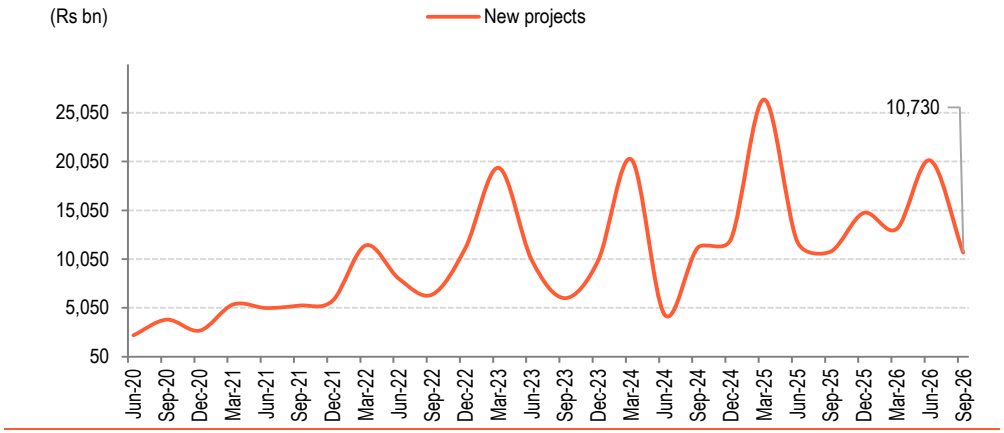


Fig 45 – Credit to infra inched up to 11.8% in Sep'26



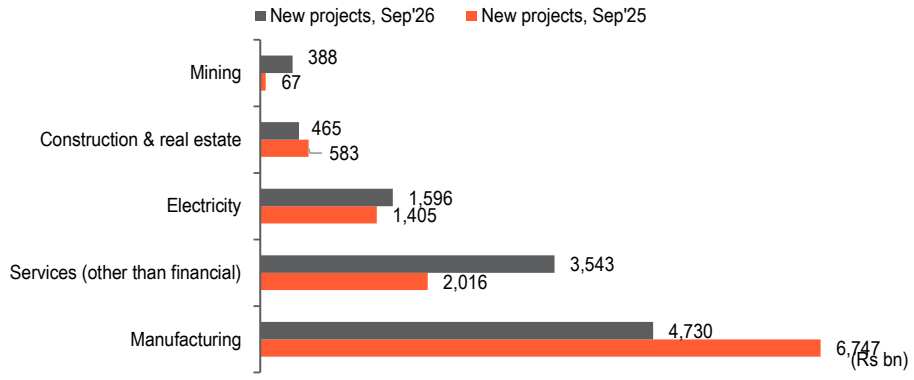
Capex data

Fig 46 – New project announcements fell to Rs 10.7tn in Q2FY27, however, H1 momentum is higher at Rs 30.9tn compared to same period of previous year



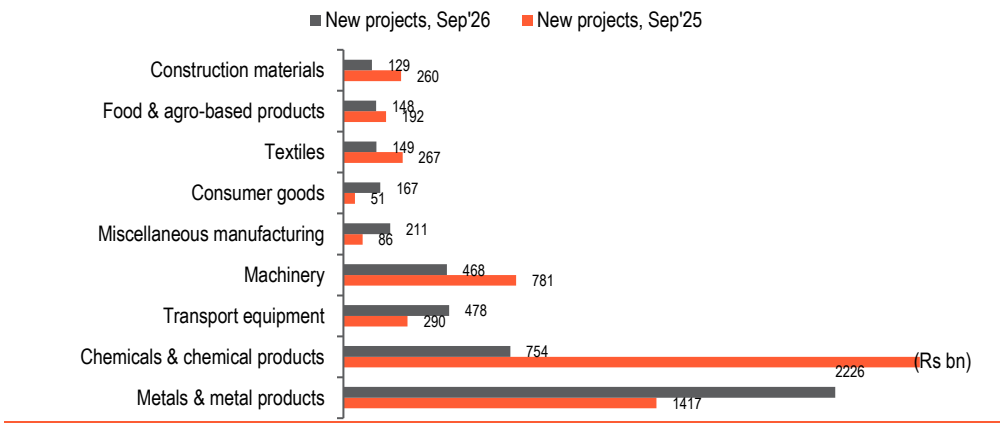
Source: CMIE

Fig 47 – …in Q2, only manufacturing sector has seen drop in new announcement



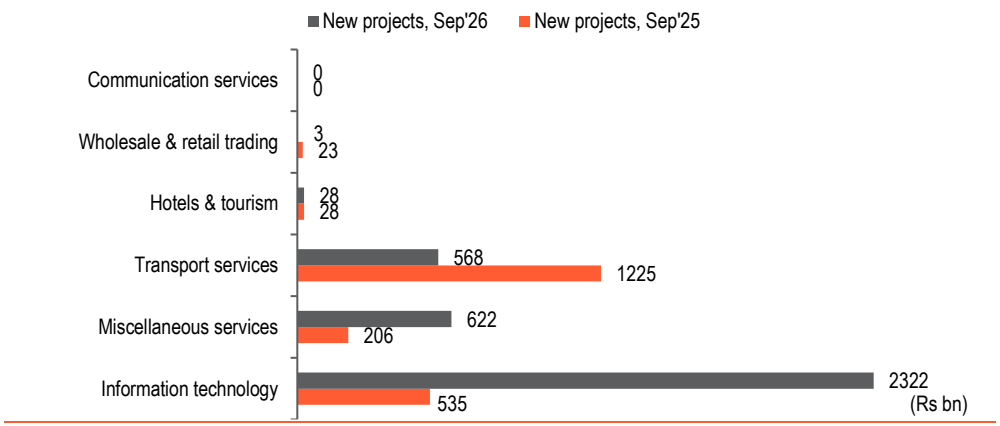
Source: CMIE

Fig 48 – …within manufacturing, sharp fall was led by chemicals sector



Source: CMIE

Fig 49 – However, services remained the outperformer with significant increase in IT related announcements



Source: CMIE

Services sector

Fig 50 – GVA: Services sector growth moderated slightly in Q1FY27, reflecting the impact of US-Iran war

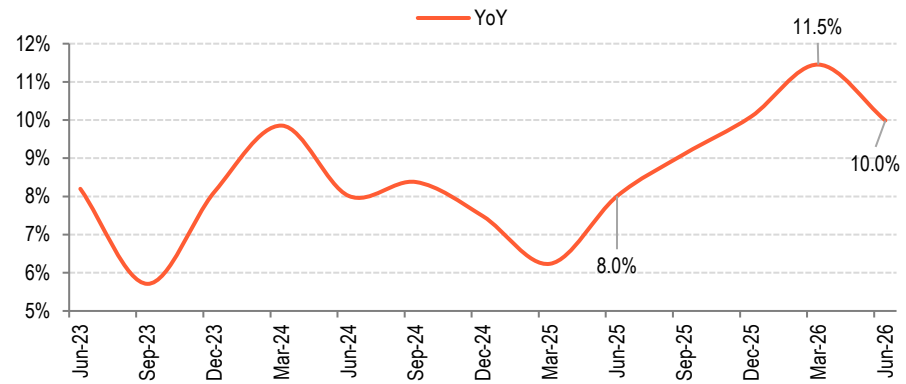
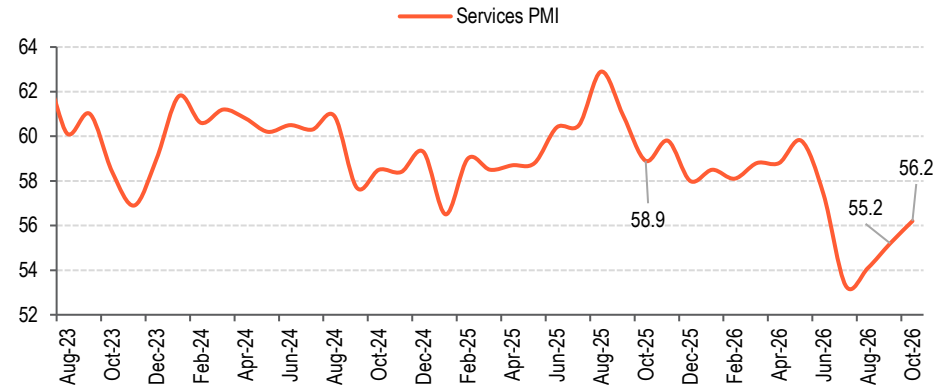


Fig 51 – Services PMI shows activity picked up pace at the start of Q3FY27, compared with Q2FY27 (avg: 54.2); however, index remains weaker than last year



Source: Markit

Fig 52 – GVA: Trade & related services led the drag

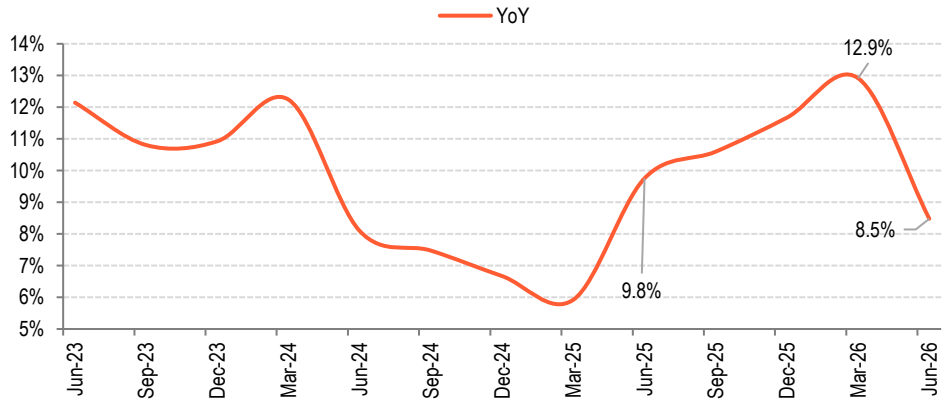
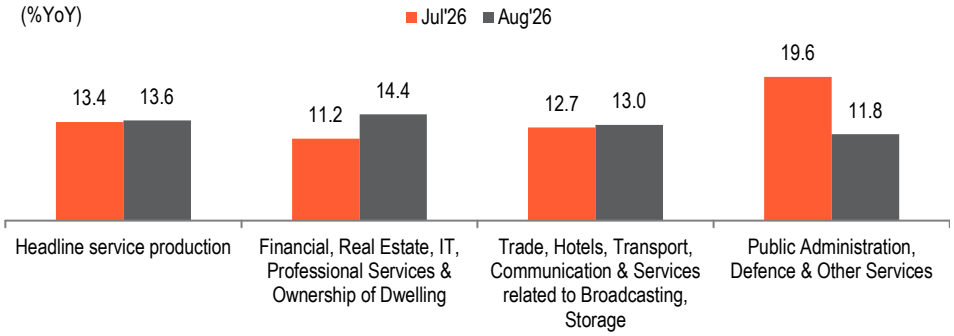
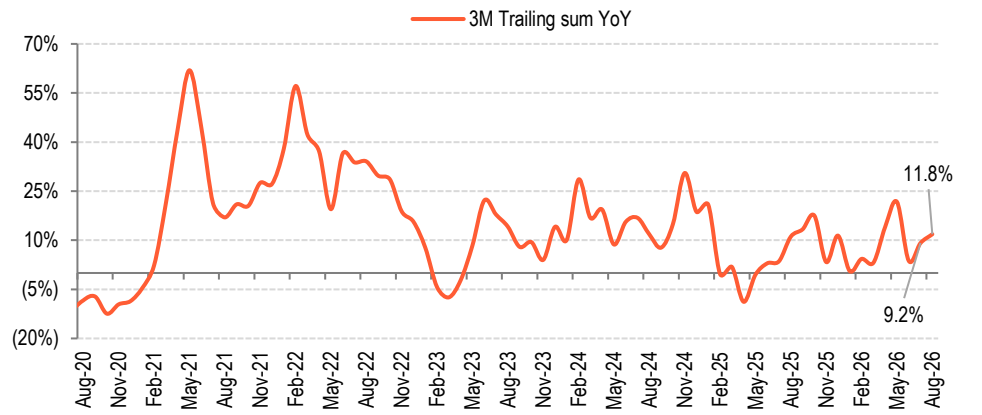


Fig 53 – Index for services production shows activity was broadly steady in Aug'26



Trade

Fig 54 – States' tax revenue growth seen picking up in Aug'26



Note: *All states excluding North Eastern states, Karnataka, Goa, and J&K

Fig 55 – Vehicle registration growth continues to grow robustly

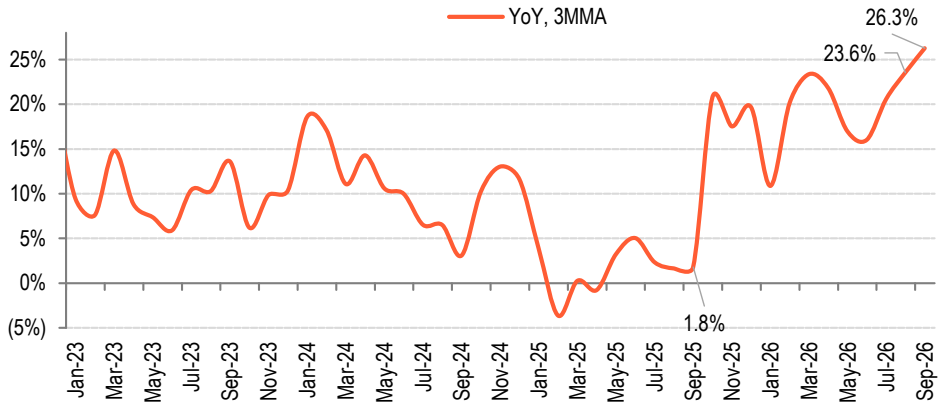


Fig 56 – Diesel consumption growth broadly stable in Sep'26; growth in Q2FY27 much higher than last year

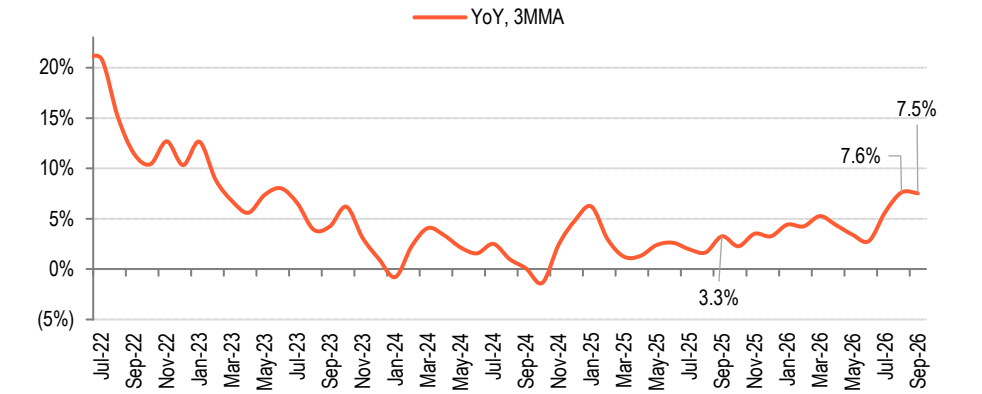


Fig 57 – Port cargo traffic growth in Q2FY27 also remains much higher than last year

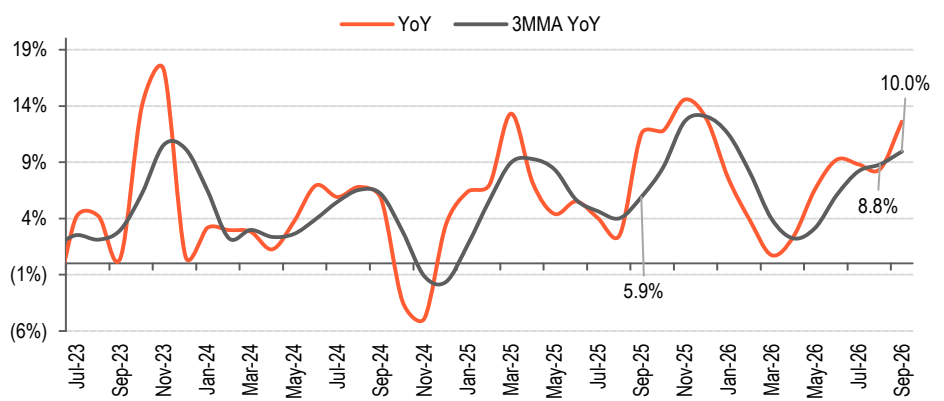


Fig 58 – Toll collection growth continues to decelerate, coming off a high base

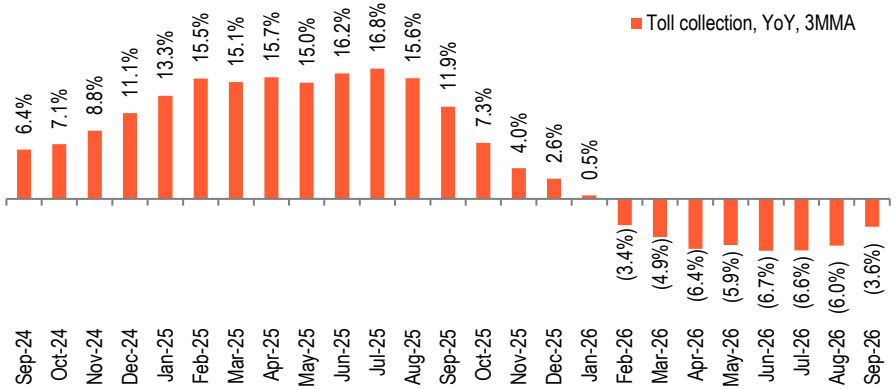
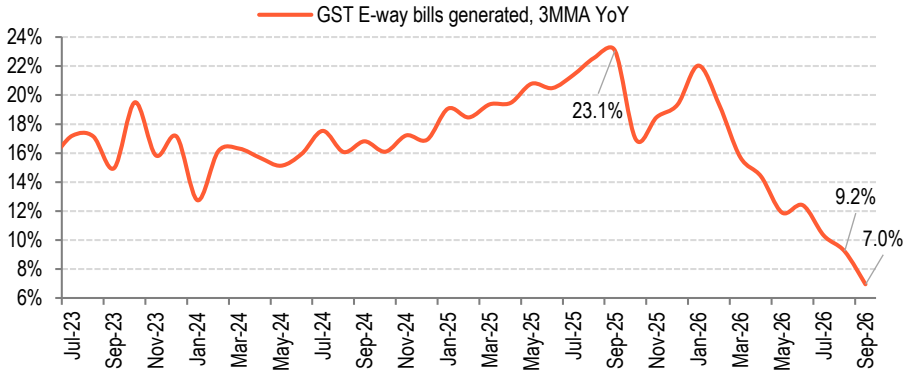


Fig 59 – E-way bill generation growth also slowing down



Hotels and communications

Fig 60 – Airline passenger traffic remained weaker in Q2FY27, dragged by domestic air passenger traffic

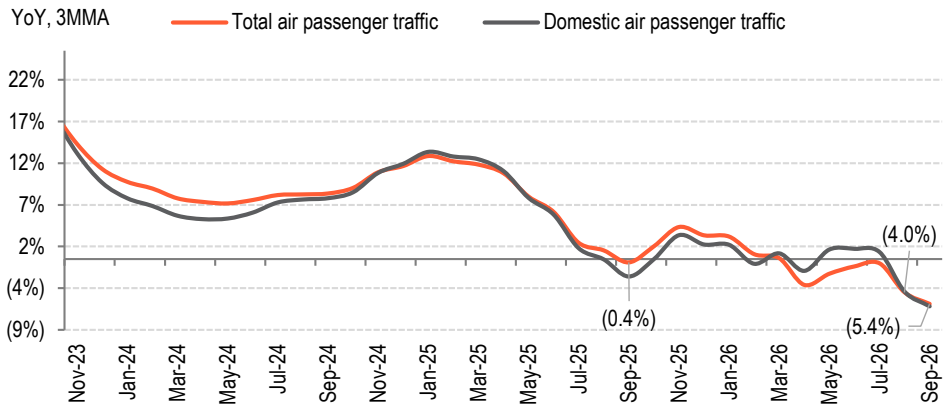
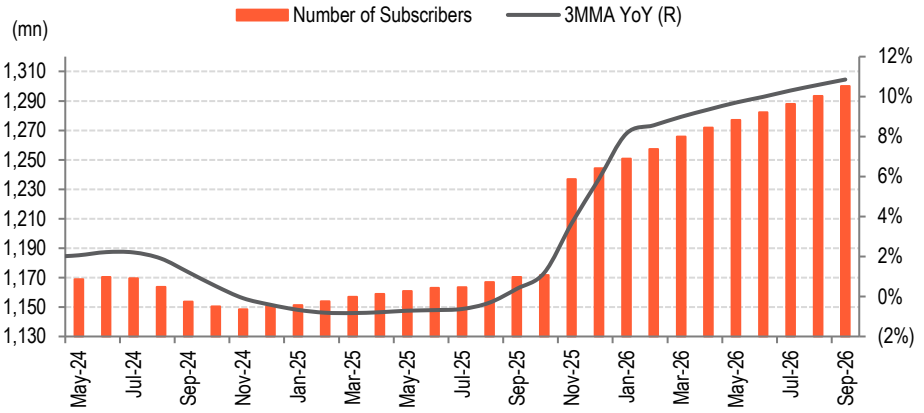


Fig 61 – Number of telecom subscribers rose by 17.6mn in Q2FY27, compared with 7.4mn added last year during the same period



Finance and real estate

Fig 62 – Growth in GVA: Finance, real estate & prof. was relatively stable in Q1FY27 and remained much higher than Q1FY26

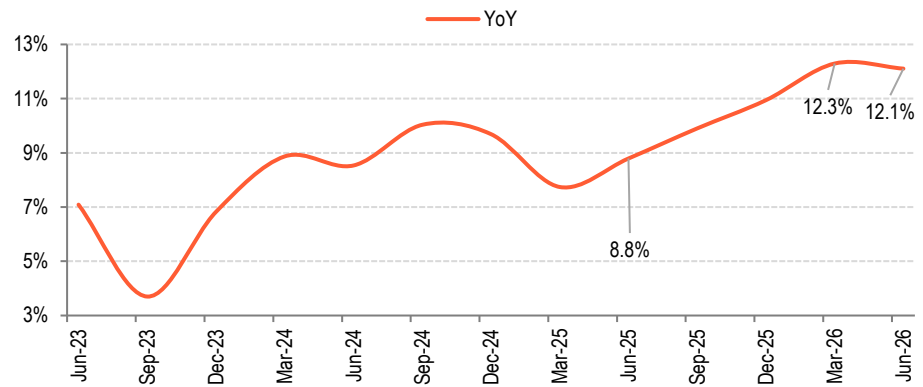


Fig 63 – Credit growth rises further, and continues to outpace deposit growth in Q2FY27; both credit and deposit growth much higher than last year

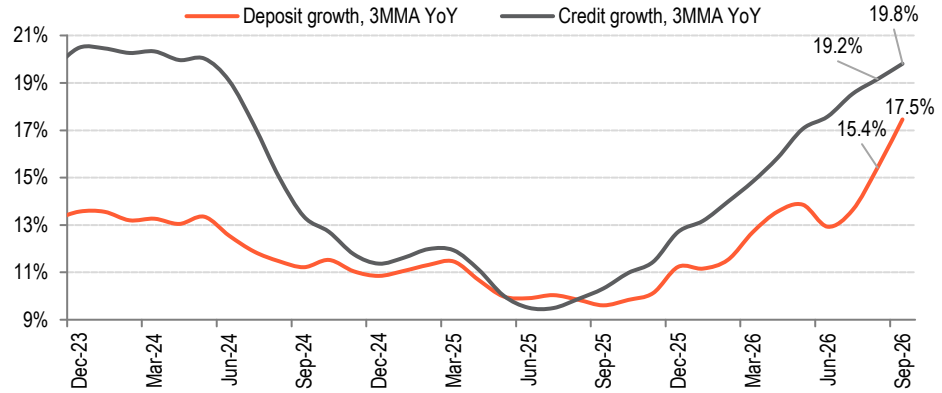


Fig 64 – Credit to industry maintained upward momentum in Q2FY27; credit to services stable

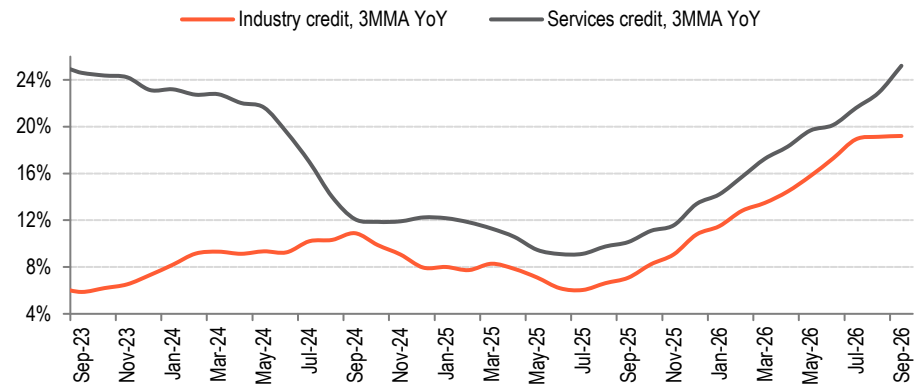


Fig 65 – Within services, credit to NBFCs continue to lead the growth; lending to trade and commercial real estate sector rising at a slower pace

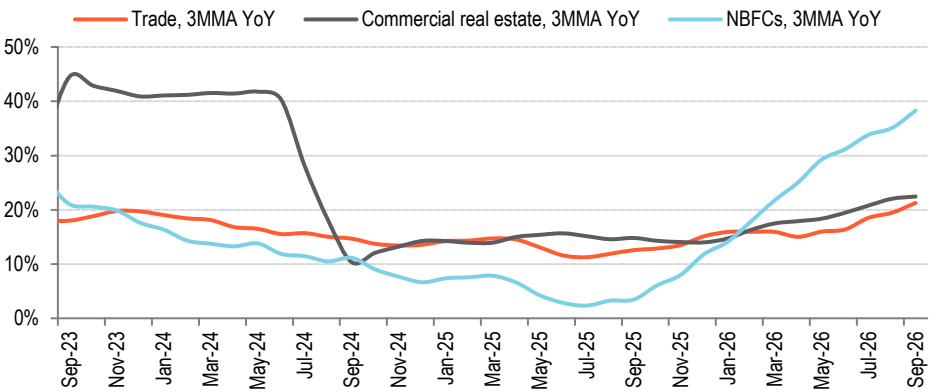
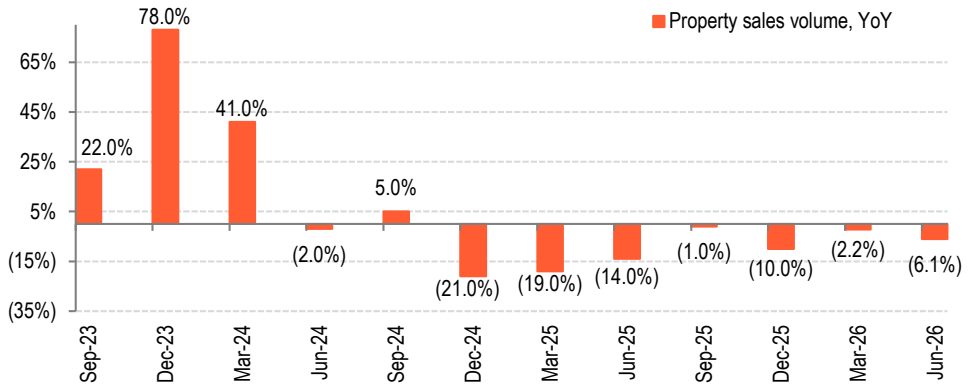
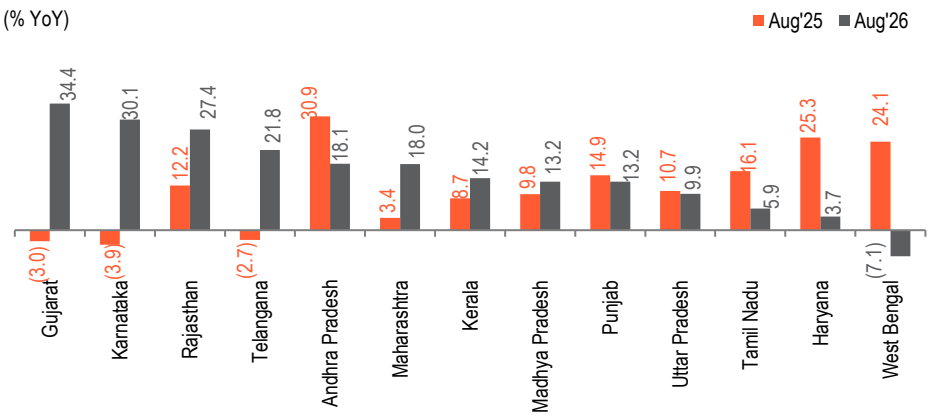


Fig 66 – Property sales volume remained subdued in Q1FY27



Source: Proptiger

Fig 67 – Stamp duties of Gujarat, Karnataka, Rajasthan, Telangana, and Maharashtra, record strong collections till Aug'26 (FYTD basis) versus last year



Public administration

Fig 68 – GVA: Public admin & defence services eased a tad in Q1FY27

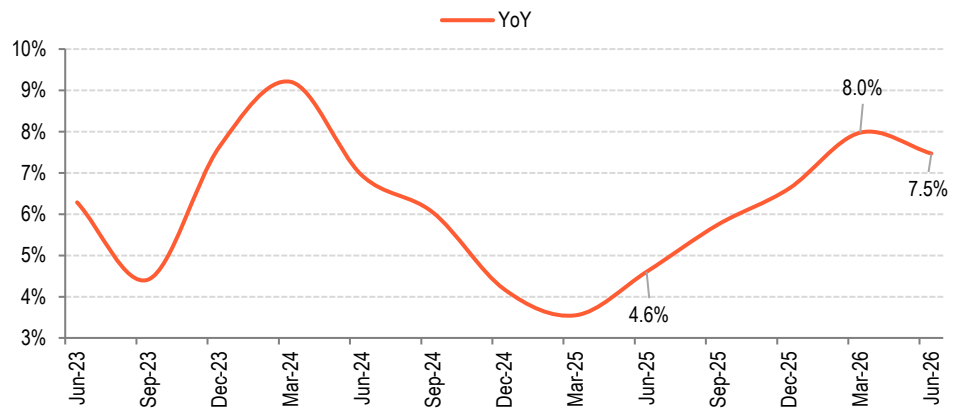


Fig 69 – General govt. spending picked up slightly in Aug'26

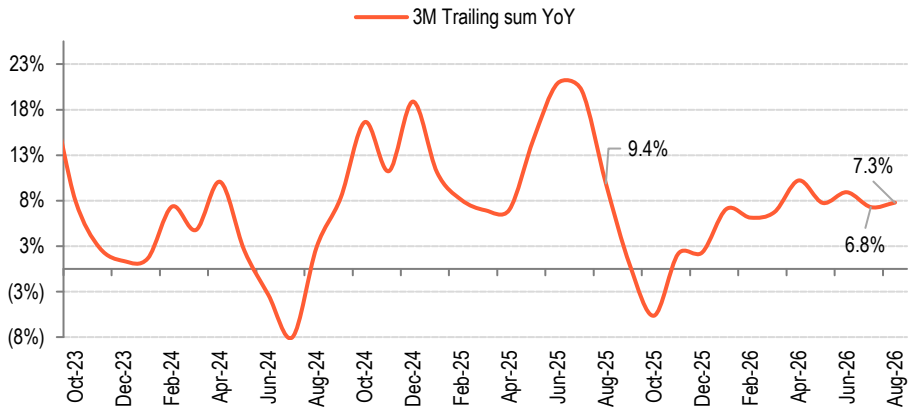
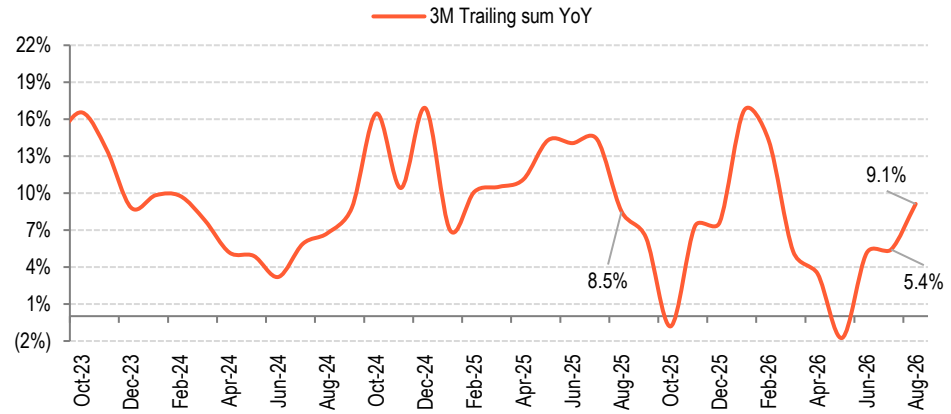
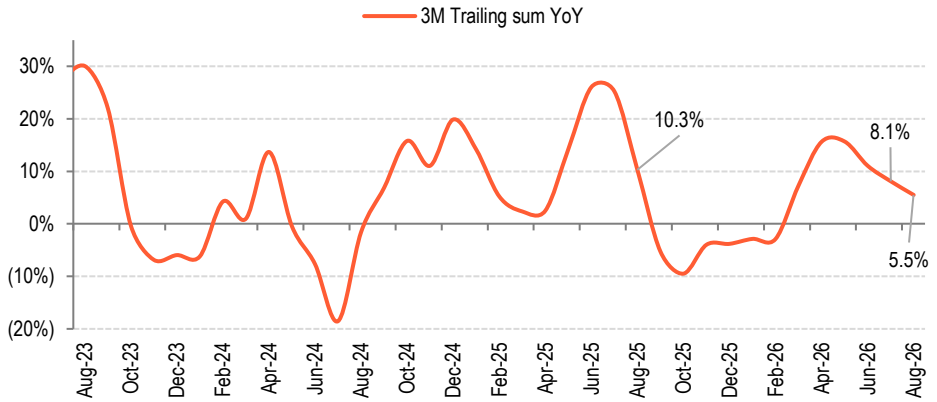


Fig 70 – …as state* government spending picked up pace



Note: : *All states excluding North Eastern states, Karnataka, Goa, and J&K

Fig 71 – Central government spending eased



Financial sector

Money and banking

Fig 72 – Credit growth still outpaces deposits growth…

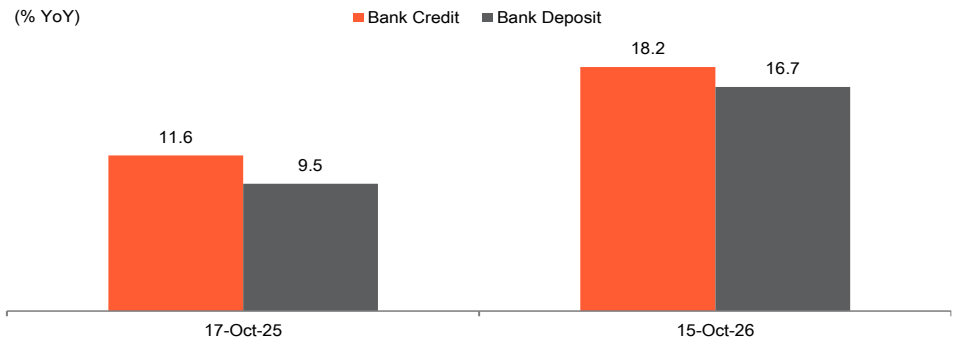
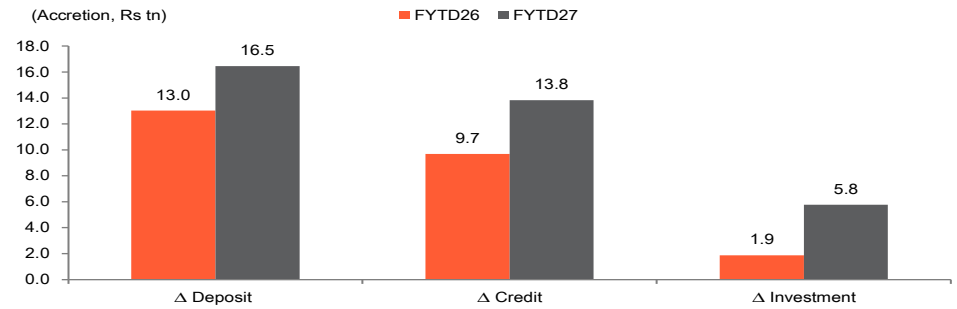


Fig 73 – In FYTD27, in absolute terms, deposit accretion has happened at a faster pace due to FCNR (B) inflows



FYTD27: Till 15 Oct 2026

Fig 74 – Credit deposit ratio has inched up to 81.6%

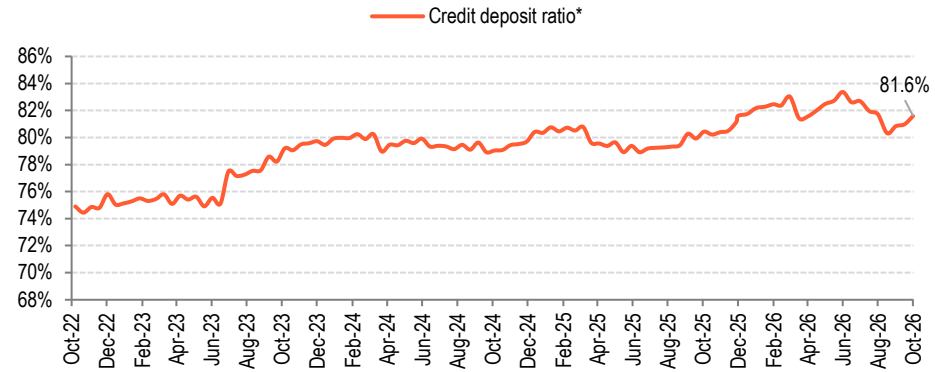
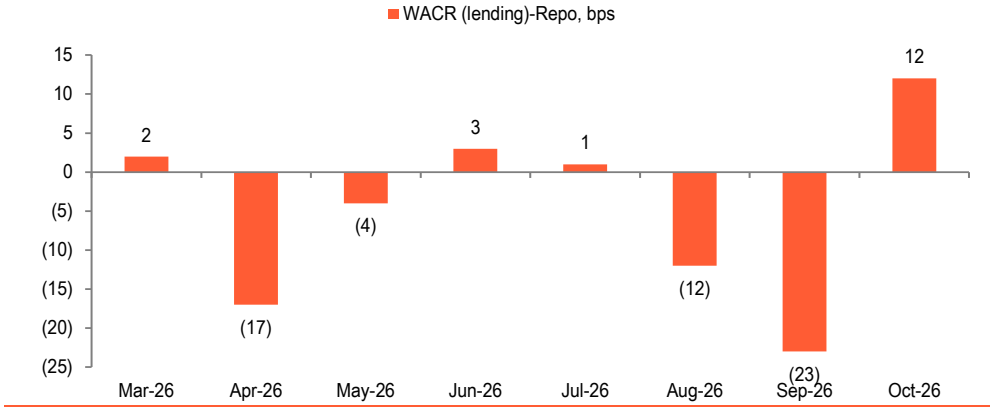


Fig 75 – WALR and repo is showing widening gap due to deficit liquidity



*Till 15 Oct 2026

Fig 76 – WALR on fresh loans fell to 7.93% in Sep'26 from 7.99% in Aug'26, WADTDR edged down to 6.10% from 6.20%

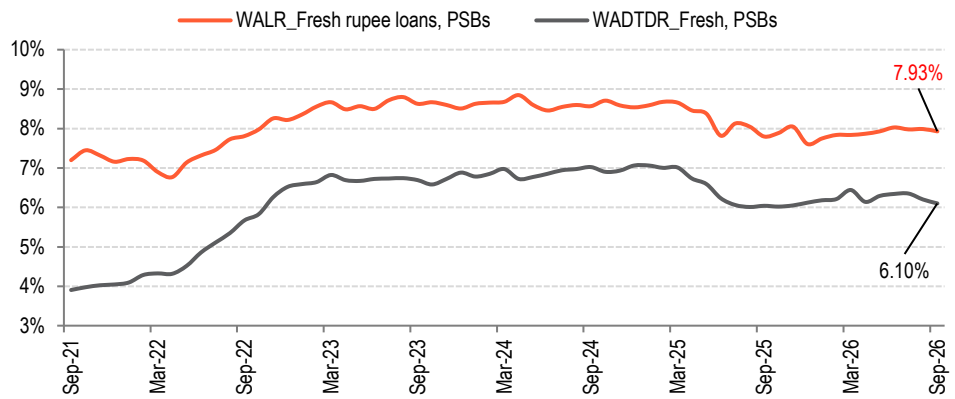


Fig 77 – WALR_Fresh of personal loan segment have risen the most

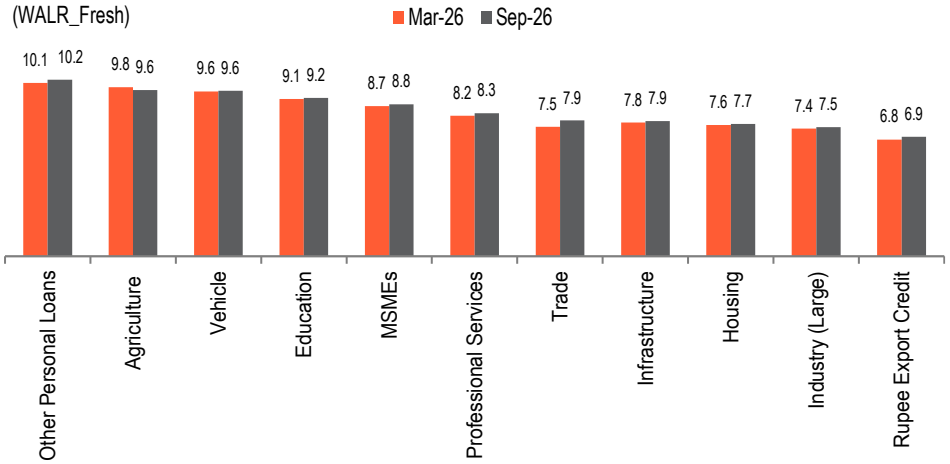
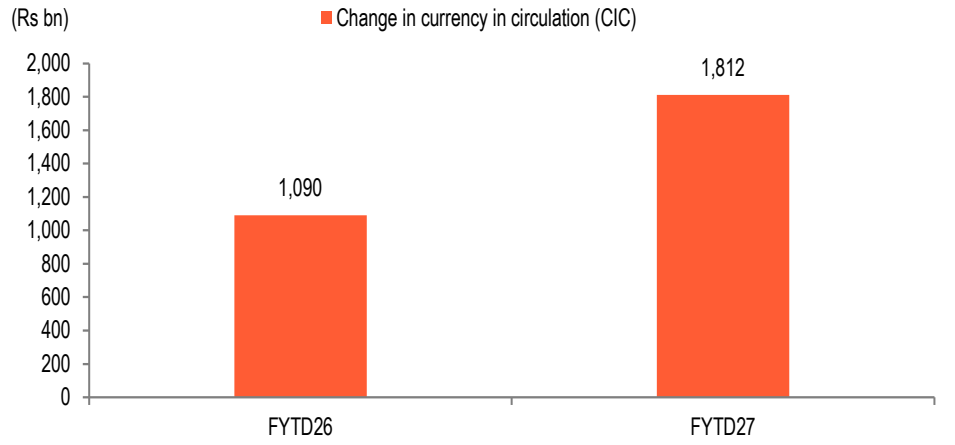
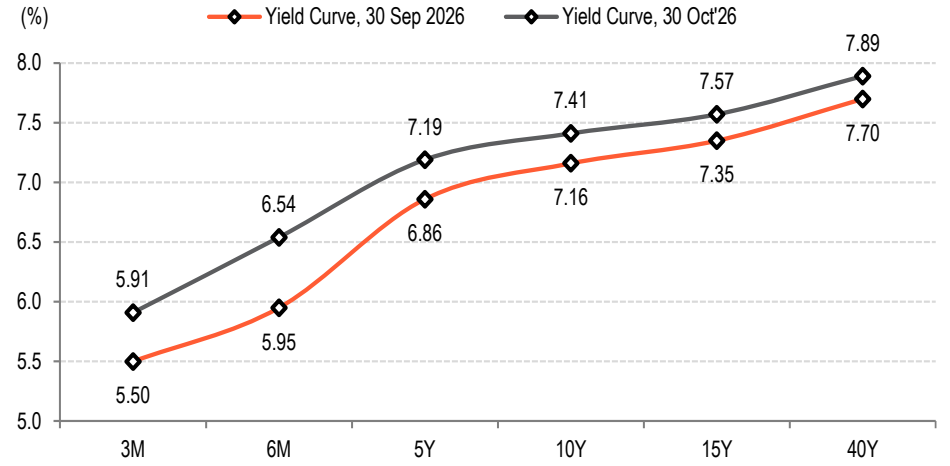


Fig 78 – CIC accretion happening at a faster pace



Note: FYTD27: Till 15 Oct 2026

Fig 79 – India's yield curve inched up broadly



Source: Bloomberg

Fig 80 – Corporate debt issuances rose to Rs 1.1tn in Sep'26 from Rs 577bn in Aug'26

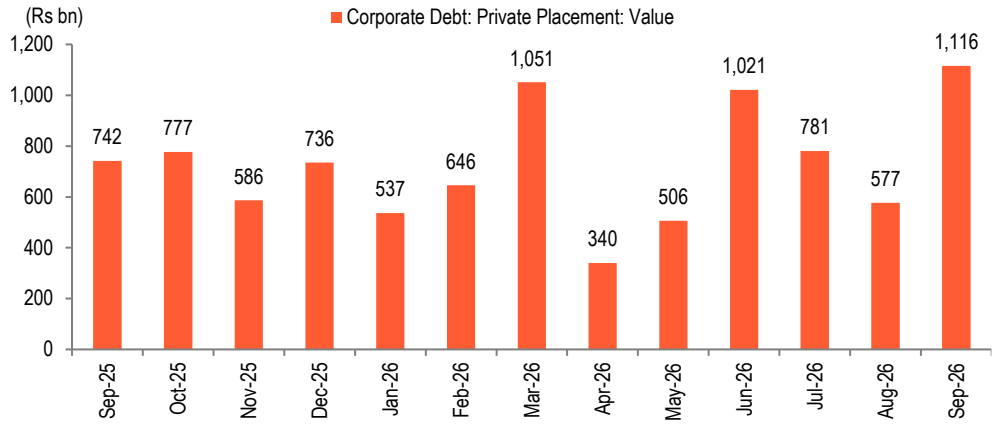
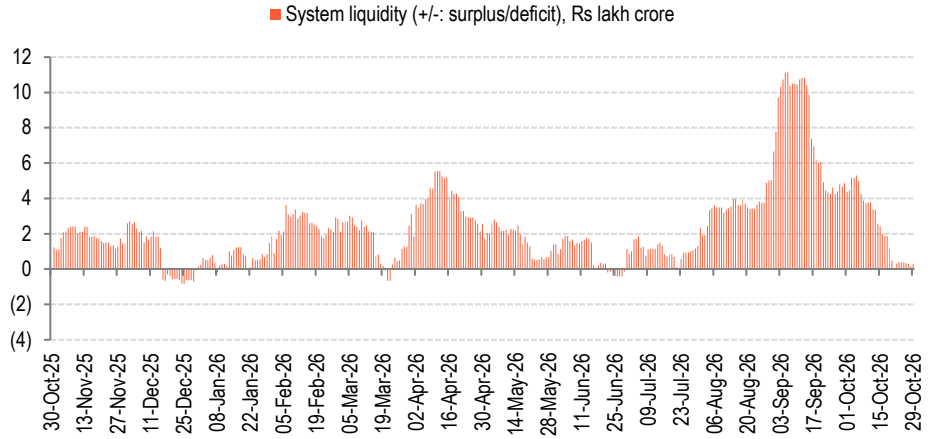


Fig 81 – Avg. system liquidity surplus was at Rs 2.4tn in Oct'26 compared to Rs 7.8tn in Sep'26



Source: RBI

Fig 82 – 3Y AAA NBFC spread is at 145bps touching the upper end of mean+sd levels

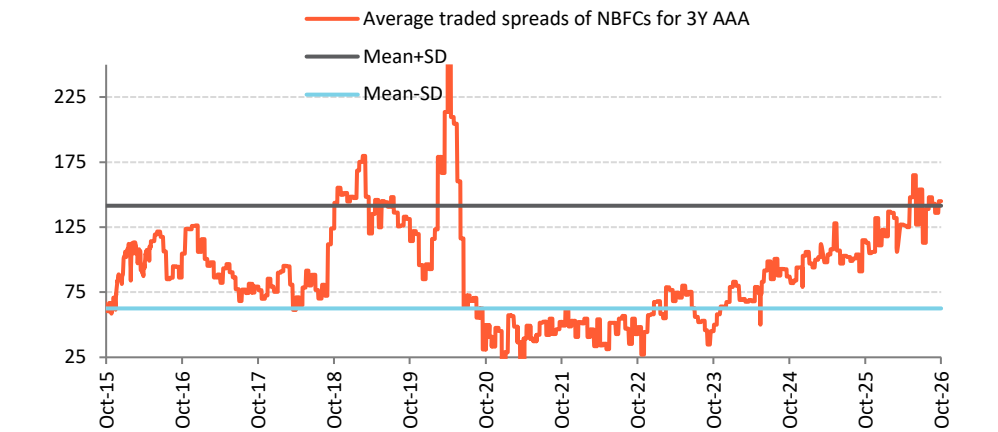
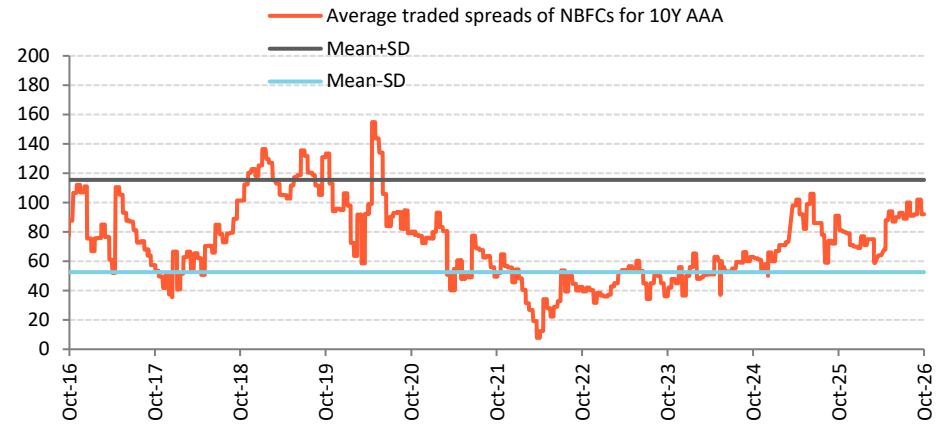


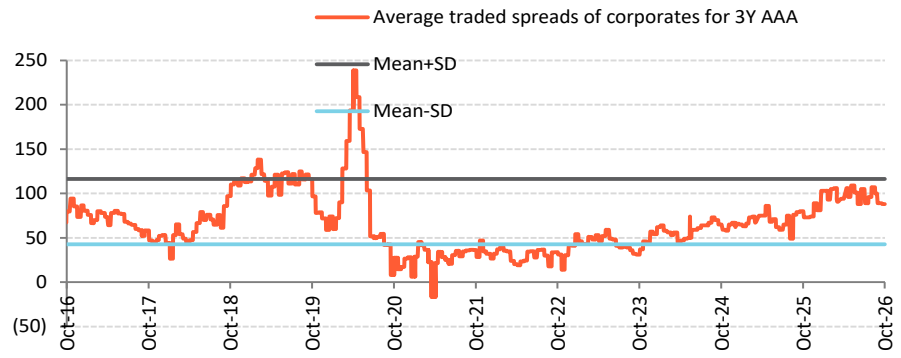
Fig 83 – For 10Y AAA NBFC, it is at 92bps



Source: Bloomberg

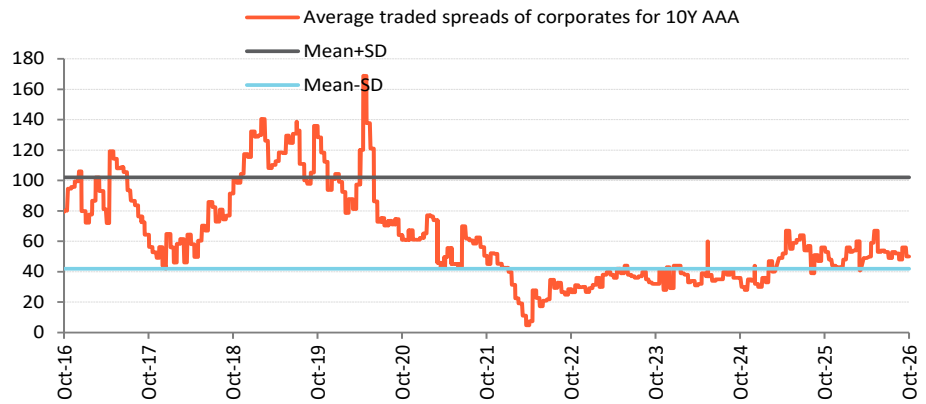
Source: Bloomberg

Fig 84 – 3Y AAA corp spread is at 88bps



Source: Bloomberg

Fig 85 – For 10Y AAA corp spread, it is at 50bps



Source: Bloomberg

Fig 86 – MCLR rate of some banks increased

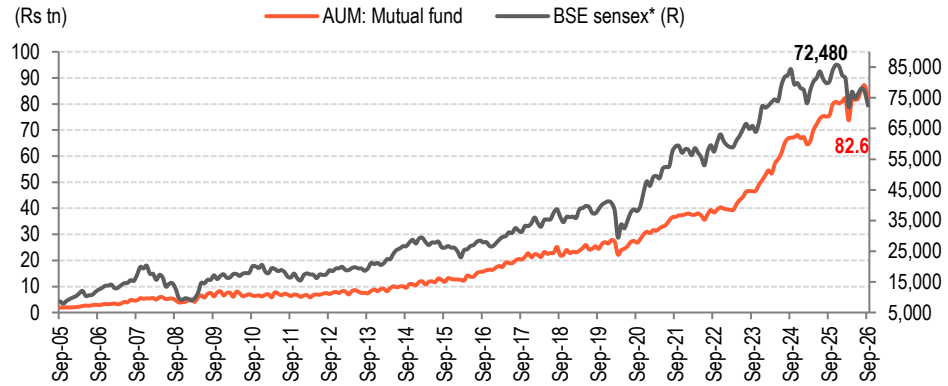
1Y MCLR (%)	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Public Sector Banks																	
Bank of Baroda	8.9	8.9	8.8	8.8	8.75	8.75	8.75	8.75	8.7	8.7	8.7	8.7	8.75	8.75	8.75	8.75	8.75
Bank of India	9.05	9	8.9	8.85	8.85	8.85	8.85	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.80	8.80	8.80
Canara Bank	8.8	8.75	8.75	8.75	8.75	8.7	8.7	8.7	8.7	8.7	8.7	8.75	8.75	8.75	8.80	8.80	8.80
Indian Bank	9.05	9	9	8.85	8.85	8.85	8.8	8.75	8.75	8.75	8.75	8.75	8.75	8.85	8.85	8.85	8.85
Punjab National Bank	8.95	8.9	8.85	8.8	8.8	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.80	8.80	8.80	8.80

1Y MCLR (%)	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
State Bank of India	9	8.8	8.75	8.75	8.75	8.75	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.70	8.70	8.70	8.85
Union Bank of India	8.9	8.75	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.7	8.7	8.75	8.80	8.80	8.80	8.85
Private Sector Banks																	
Axis Bank Ltd.	8.9	8.9	8.75	8.75	8.7	8.75	8.7	8.7	8.8	8.8	8.8	8.7	8.75	8.75	8.75	8.65	8.70
HDFC Bank Ltd.	9.05	8.75	8.7	8.65	8.55	8.5	8.45	8.4	8.4	8.35	8.35	8.35	8.4	8.45	8.40	8.35	8.30
ICICI Bank Ltd.	8.5	8.4	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.4	8.4	8.4	8.40	8.40	8.40	8.40
Indusind Bank	10.3	10.2	10.15	10.15	10.1	10.05	10.05	10	10	10.05	10	10	10.1	9.90	9.90	9.75	9.75
Kotak Mahindra Bank	8.9	8.75	8.6	8.55	8.45	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.45	8.40	8.30	8.30

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

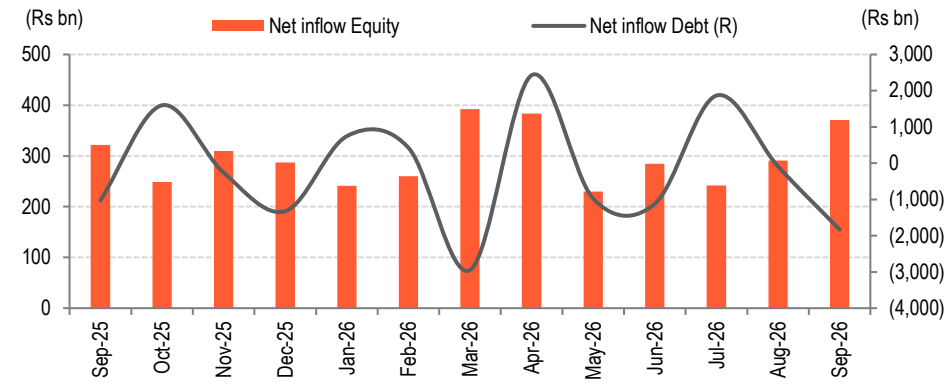
Mutual fund (MF) indicators

Fig 87 – Sensex fell by -5.8% in Sep'26, AUM of MFs edged down to Rs 82.6tn in Sep'26 from Rs 87.1tn in Aug'26



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

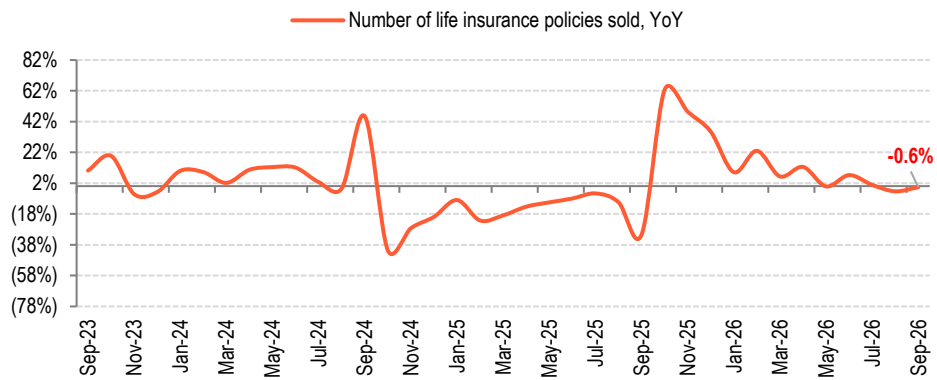
Fig 88 – MF equity inflows rose to Rs 371bn in Sep'26 from Rs 291bn in Aug'26; debt outflow was at Rs 1.9tn from Rs 92bn outflow in Aug'26

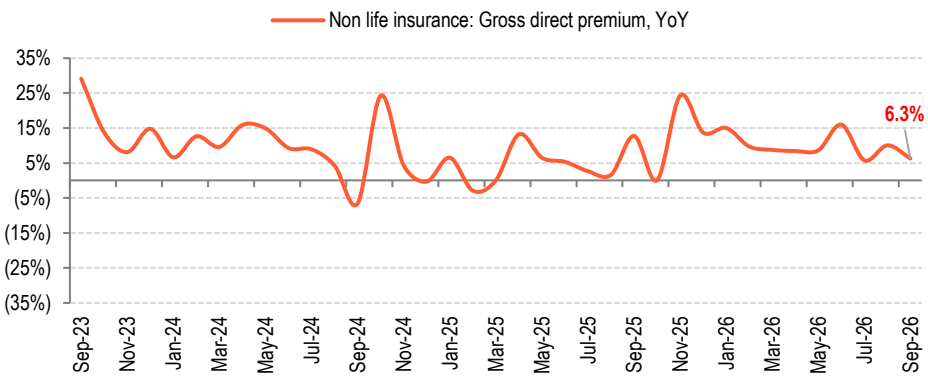


Insurance sector indicators

Fig 89 – Sale of life insurance policies edged down by -0.6% in Sep'26 from -3.3% in Aug'26

Fig 90 – Gross direct premium for non-life insurance edged down to 6.3% in Sep'26 from 10% in Aug'26





Public finance

Central government finances

Fig 91 – Fiscal deficit in Sep'26, much lower than last year (12MMA basis)

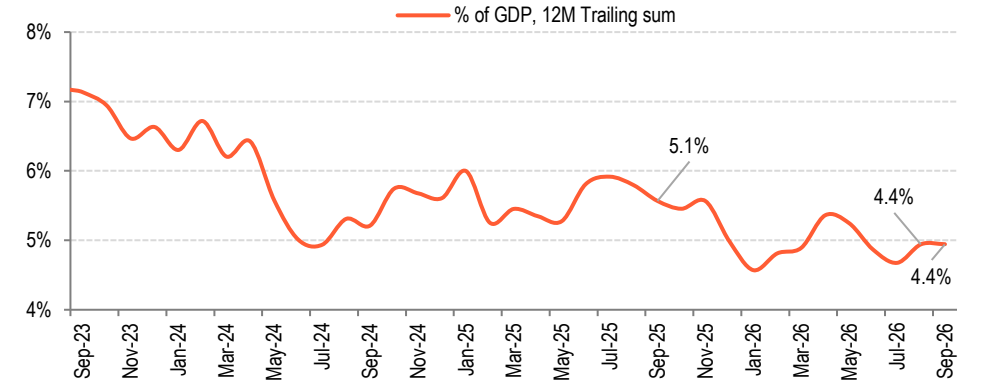


Fig 92 – Revenue deficit a tad higher than last year in Sep'26

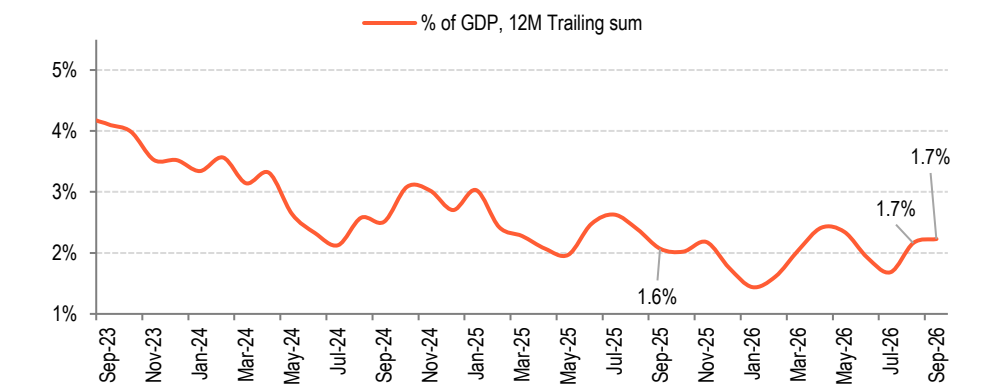
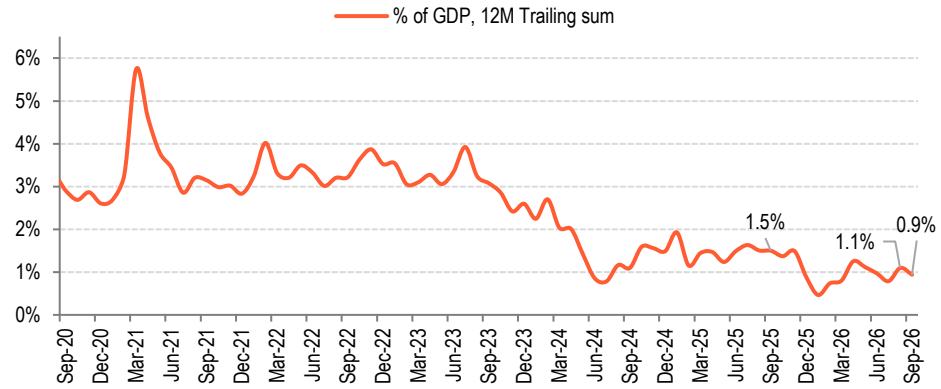


Fig 93 – Primary deficit is lower at 0.9% as of Sep'26

Fig 94 – Government spending growth picking up in Sep'26 (12MMA basis)…



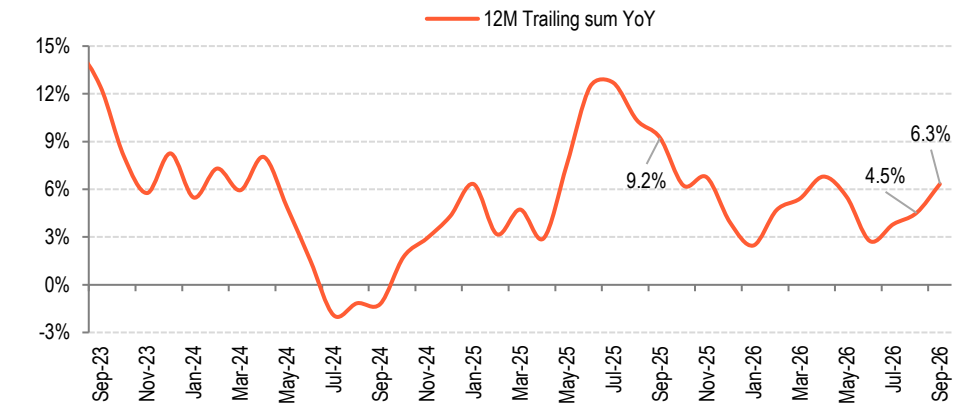


Fig 95 – …Led by revival in revenue expenditure

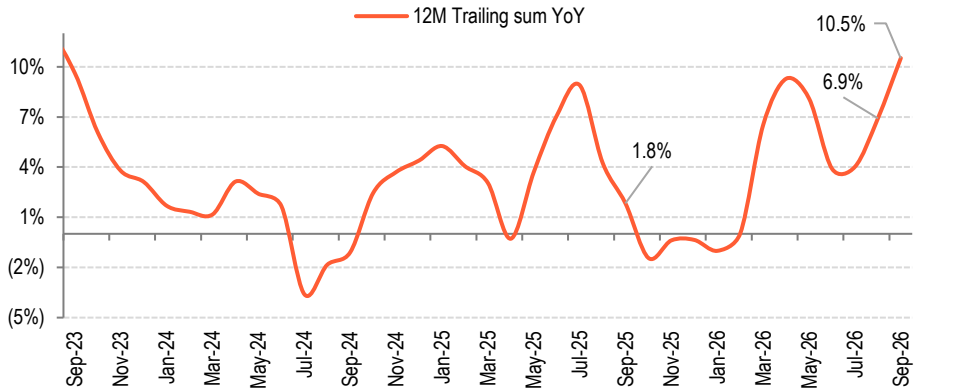


Fig 96 – Capital expenditure growth continues to decelerate

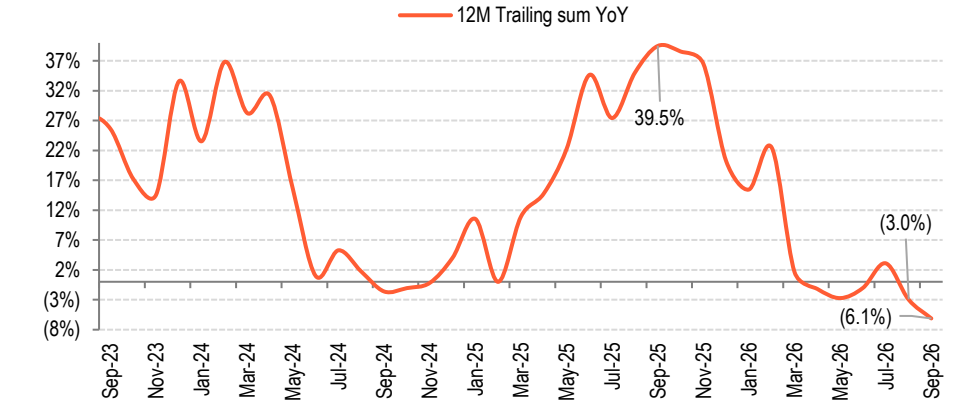


Fig 97 – Rise in spending led by ministries of Finance, Chemicals, consumer affairs, and health

Ministry	Apr-Sep'24	Apr-Sep'25	% change	Apr-Sep'26	% change
Ministry of Finance	7,326	7,535	2.9	8,279	9.9
Ministry of Defence	3,005	3,571	18.8	4,198	17.6

Ministry of Consumer Affairs, Food and Public Distribution	1,348	1,437	6.6	1,584	10.2
Ministry of Rural Development	863	802	(7.0)	603	(24.8)
Ministry of Home Affairs	1,180	1,317	11.6	1,382	5.0
Ministry of Education	416	423	1.6	352	(16.8)
Ministry of Road Transport and Highways	1,463	1,816	24.1	1,788	(1.5)
Ministry of Chemicals and Fertilisers	902	995	10.4	1,216	22.1
Ministry of Petroleum and Natural Gas	39	71	83.4	193	173
Ministry of Agriculture	484	593	22.7	526	(11.4)
Ministry of Health and Family Welfare	458	455	(0.8)	557	22.5

Fig 98 – Receipt growth moderated a tad in Sep'26

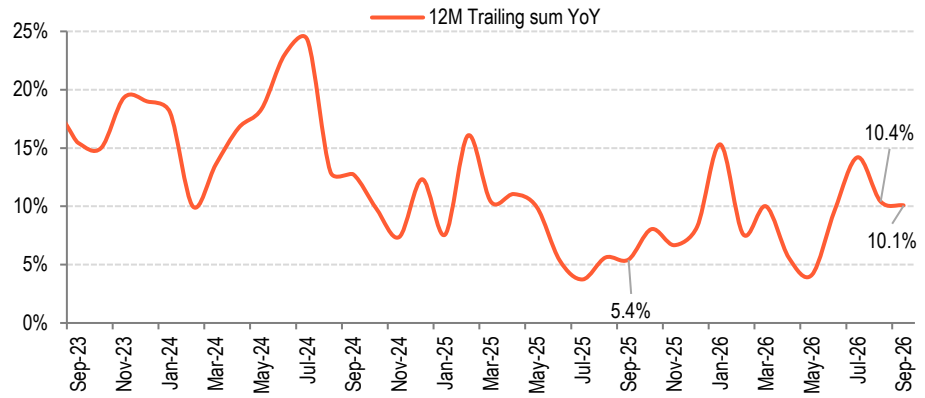


Fig 99 – …mimicking trend in revenue receipts

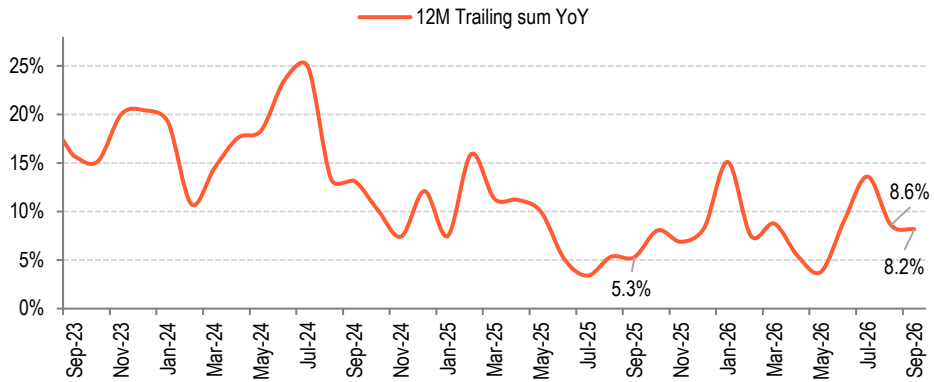
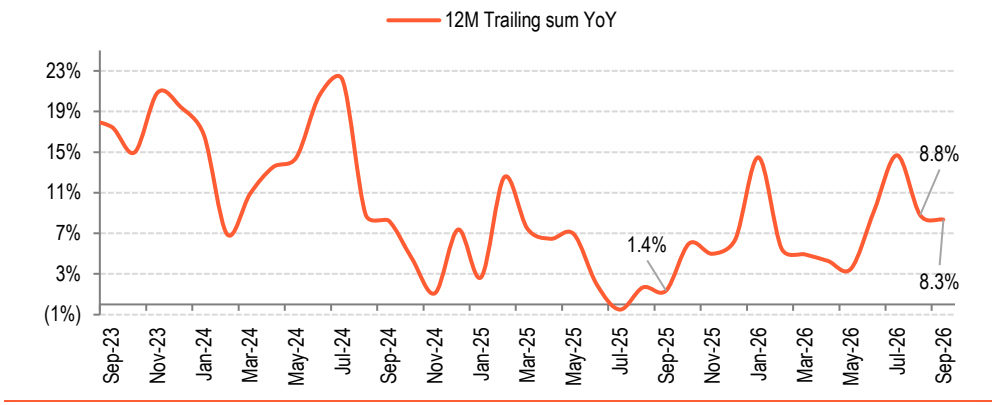


Fig 100 – Net tax revenue receipt growth slowed in Sep'26

Fig 101 – Non-tax collections also seen easing


12M Trailing sum YoY
23%
19%
15%
11%
7%
3%
(1%)
1.4%
8.8%
8.3%
Sep-23
Nov-23
Jan-24
Mar-24
May-24
Jul-24
Sep-24
Nov-24
Jan-25
Mar-25
May-25
Jul-25
Sep-25
Nov-25
Jan-26
Mar-26
May-26
Jul-26
Sep-26

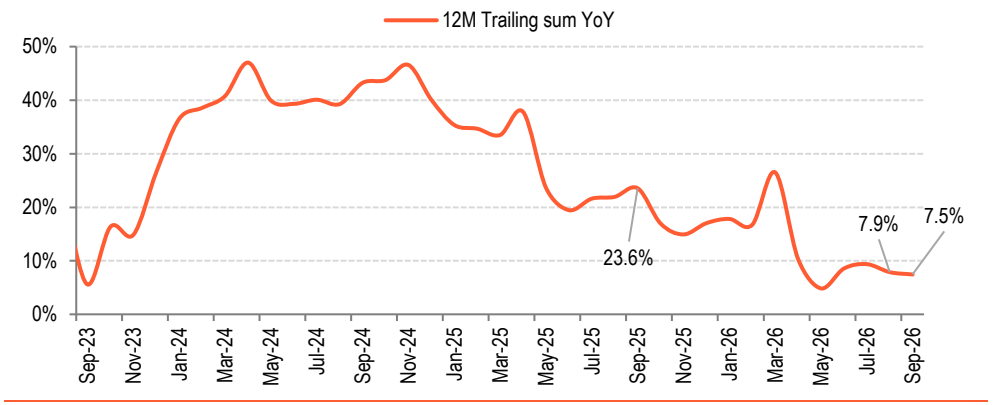

12M Trailing sum YoY
50%
40%
30%
20%
10%
0%
23.6%
7.9%
7.5%
Sep-23
Nov-23
Jan-24
Mar-24
May-24
Jul-24
Sep-24
Nov-24
Jan-25
Mar-25
May-25
Jul-25
Sep-25
Nov-25
Jan-26
Mar-26
May-26
Jul-26
Sep-26

Fig 102 – Centre's net tax growth slightly lower than last year in H1FY27 so far; expenditure growth far more robust, supported by revenue spending

	Apr-Sep'24	Apr-Sep'25	% change	Apr-Sep'26	% change
Gross Tax revenue	17,877	18,390	2.9	19,396	5.5
Direct taxes	10,260	10,576	3.1	11,963	13.1
Corp Tax	4,615	4,666	1.1	5,655	21.2
Income Tax	5,645	5,910	4.7	6,308	6.7
Indirect taxes	7,617	7,814	2.6	7,433	(4.9)
Non-tax revenue	3,572	4,661	30.5	4,807	3.1
Centre's revenue (net)	16,224	16,954	4.5	17,568	3.6
Total expenditure	21,115	23,033	9.1	25,498	10.7
Capital exp	4,150	5,807	40.0	6,545	12.7
Revenue exp	16,965	17,226	1.5	18,953	10.0
Fiscal deficit	4,745	5,731	-	7,144	-

Fig 103 – Gross direct tax collections improved in Sep'26

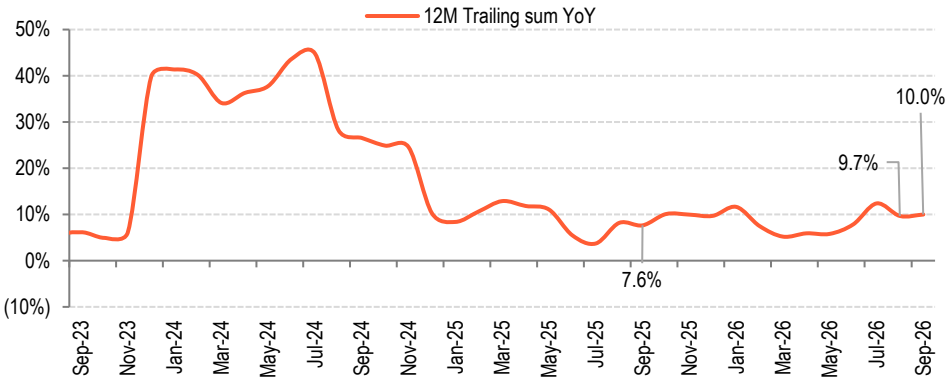


Fig 104 – Gross indirect tax collection growth under pressure

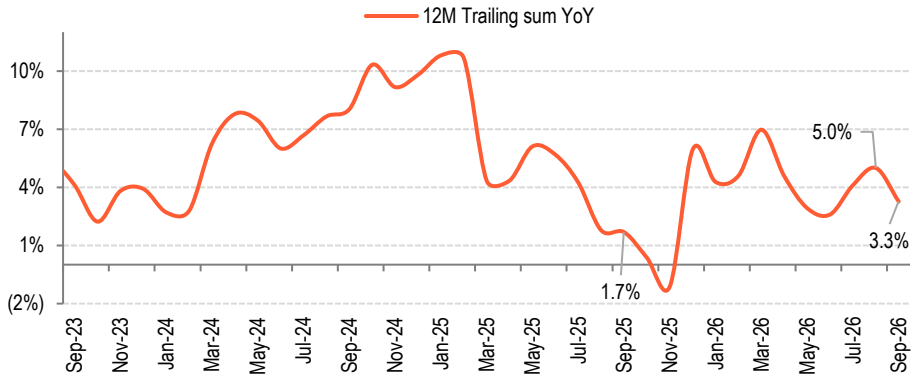


Fig 105 – Amongst direct taxes, corporate tax collections driving the growth

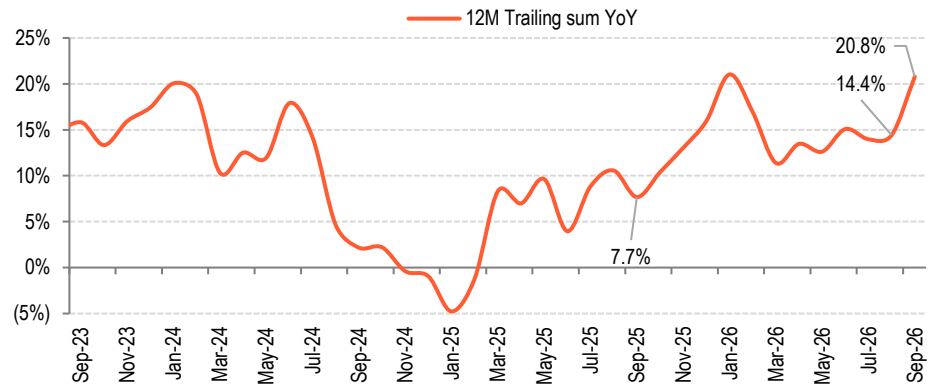


Fig 106 – Income tax collections noting slowdown

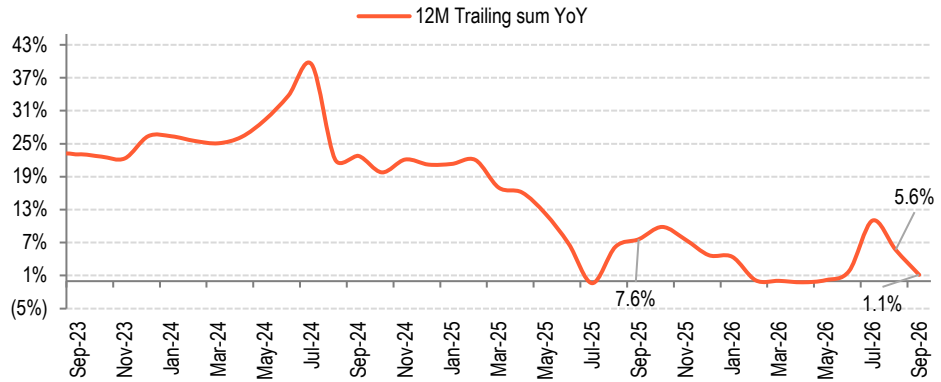


Fig 107 – GST collections improved in Sep'26; overall FYTD27 growth much higher (14.8%) than last year (5.8%)

(Rs bn)	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Monthly run rate (FYTD27)	FYTD27	FY27 (BE)
CGST	762	869	829	741	877	822	871	1077	826	806	906	892	852	893	5,359	10,190
UT GST	5.3	5.2	17.0	4.6	11.3	5.8	7.4	4.4	2.0	5.6	6.1	6.2	4.9	5	29	-
IGST	(92)	(210)	(307)	762	(88)	(114)	20	(68)	35	(35)	4	(79)	(209)	(59)	(353)	-
SGST*	1,102	1,222	1,173	230	1,136	1,126	1,104	1,416	1,075	1,173	1,196	1,179	1,388	1,238	7,428	-
Cess	112	73	39	54	57	49	0	(2)	4	0	0	0	0	0	2	-
Total	1,890	1,959	1,750	1,791	1,993	1,888	2,002	2,428	1,942	1,949	2,112	1,999	2,035	2,077	12,465	**-**

Source: PIB | *Computed from PIB and CGA data

Fig 108 – Total subsidy outgo in H1FY27 has been higher than last 2 years, led by fertilizer subsidy; food subsidy in H1 higher than last year

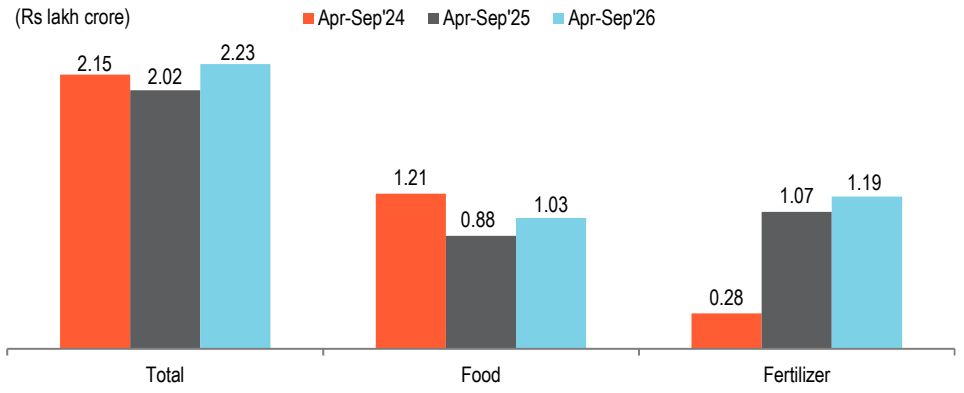
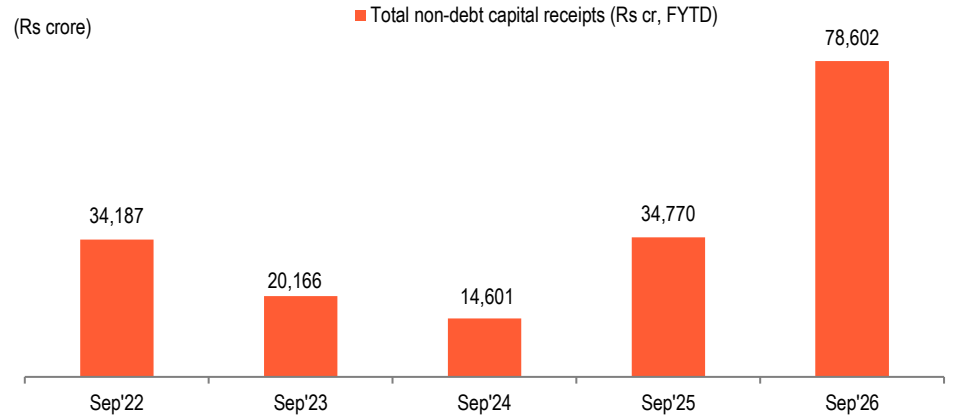


Fig 109 – Central govt's non-debt capital receipts in H1FY27—at its highest in last 5 years



Central government borrowing

Fig 110 – Centre's borrowing through T-bill in Q2 is at Rs 4.8tn and in Q3 till date at Rs 1.1tn

Total accepted amount (T-bills), (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY27 (planned)
Q1	3,089	3,364	5,328	5,375	5,247	4,963	3,469	3,835	3,851	2,880
Q2	3,299	3,024	5,417	3,215	3,704	3,899	3,242	3,877	4,842	3,360
Q3	3,070	2,889	3,745	3,630	3,589	3,611	3,976	4,041	1,069*	
Q4	1,812	2,511	2,714	4,766	4,566	4,258	4,337	3,939		
Total	**11,271**	**11,788**	**17,204**	**16,986**	**17,105**	**16,731**	**15,024**	**15,691**		

Source: RBI, Note: *Till 28 Oct 2026

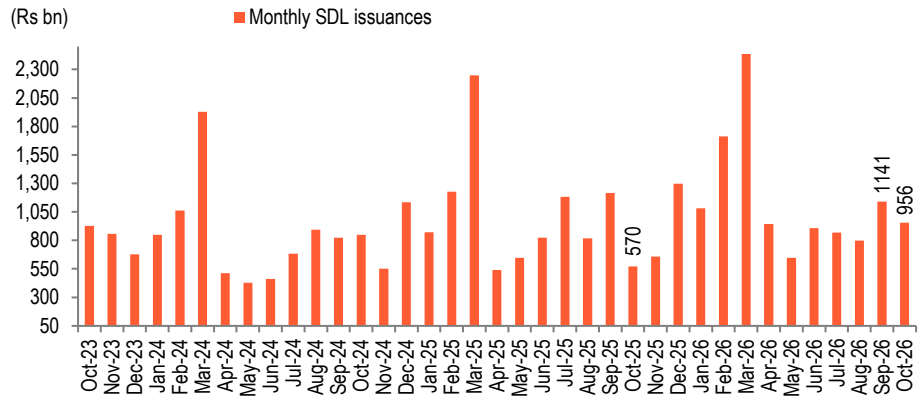
Fig 111 – Centre has raised Rs 4.1tn in Q2 and in Q3 till date at Rs 1.4tn

Total accepted amount (G-Sec), (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY27 (planned)
Q1	1,320	2,040	3,140	3,064	3,570	4,080	3,410	4,010	4,080	4,420
Q2	1,440	2,210	4,220	3,649	4,390	4,800	3,647	3,940	4,055	3,780
Q3	1,270	1,930	2,910	3,190	3,510	3,850	3,840	3,550	1,360*	3,410
Q4	1680	920	3,191	1370	2,740	2,700	2,790	3,110		4,450
Total	**5,710**	**7,100**	**13,461#**	**11,273**	**14,210**	**15,430**	**13,687**	**14,610**		

Source: RBI# Against budgeted Rs 12.8tn Note: *Till 30 Oct

State government borrowing

Fig 112 – State government borrowings in Oct'26 almost 1.7x higher than last year



Source: RBI

Fig 113 – States borrowed 92.5% of the planned amount in H1FY27

Quarterly SDL issuances, (Rs bn)	FY21	FY22	FY23	FY24	FY25	FY26	FYTD27 (actual)	FY27 (planned)
Q1	1,673	1,446	1,102	1,677	1,401	2,008	2,497	2,545
Q2	1,614	1,644	1,661	1,903	2,536	3,214	2,805	3,188
Q3	2,023	1,653	1,879	2,460	2,532	2,526	956*	
Q4	1,898	2,184	3,009	3,838	4,344	5,231		
Total	**7,206**	**6,927**	**7,652**	**9,879**	**10,814**	**12,979**		

Source: RBI; *as of 27 Oct 2026

External sector

Exports

Fig 114 – Merchandise exports continued to register impressive growth; up by 22.9% in Q2 FY27

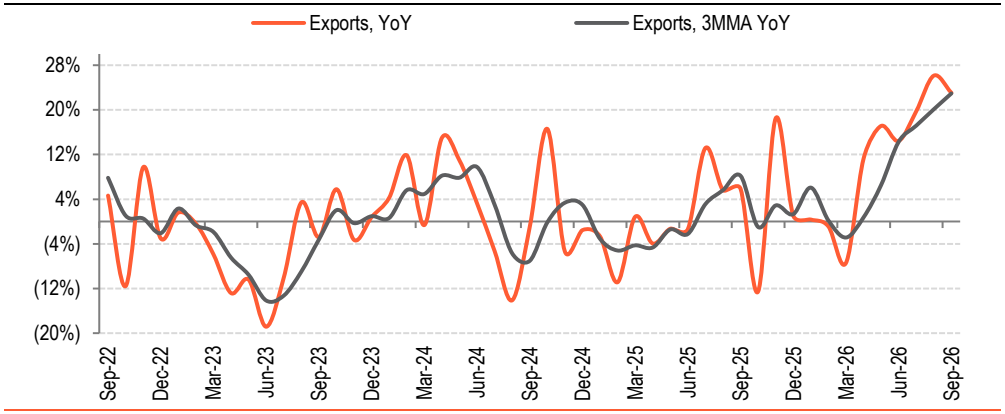
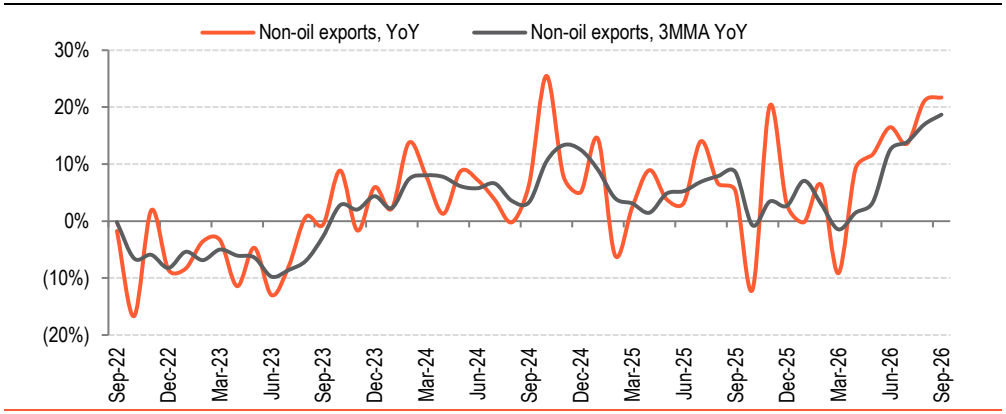


Fig 115 – Continued momentum in non-oil exports



Exports by major sectors

Fig 116 – Sustained uptick in textiles exports

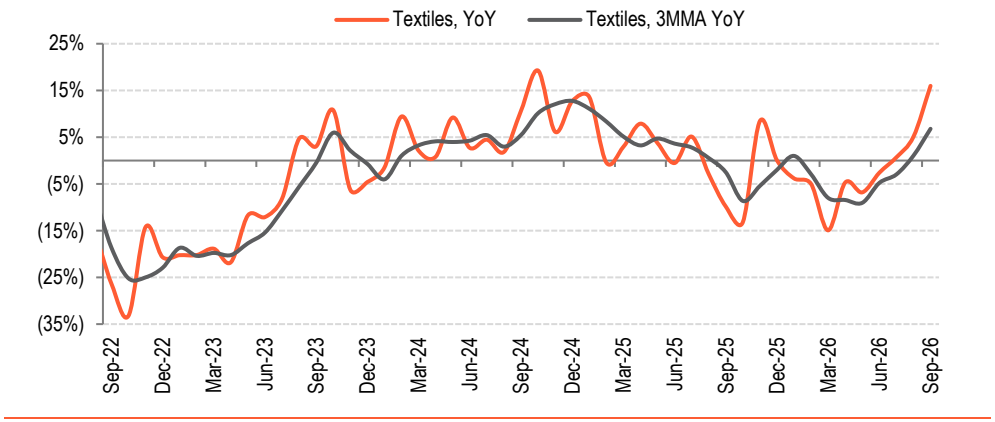


Fig 117 – Gems and jewellery exports also picked up pace in Sep'26

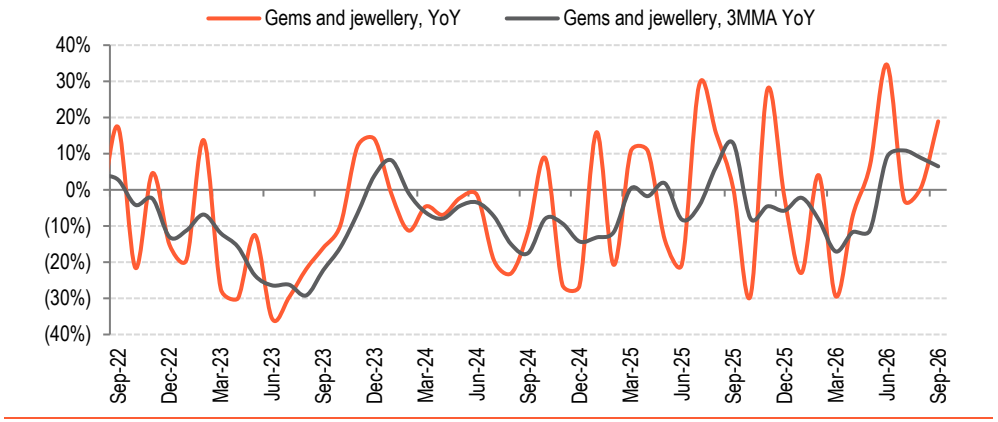


Fig 118 – Engineering exports also increasing at a steady pace

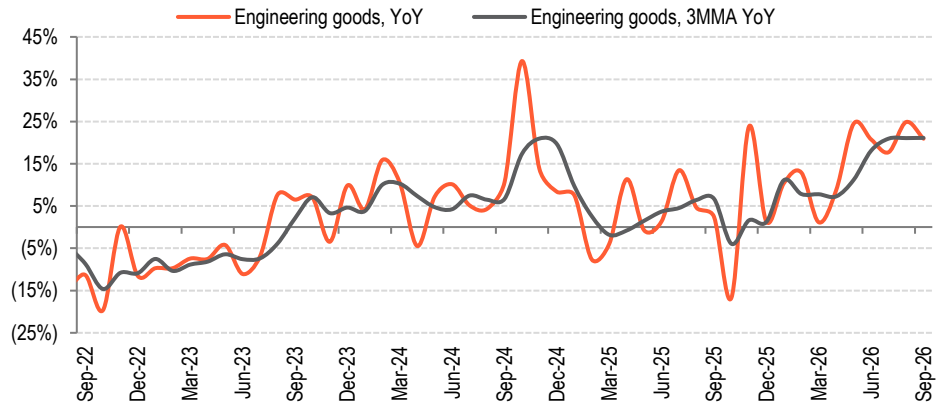


Fig 119 – ..similar trend visible in exports of electronic goods

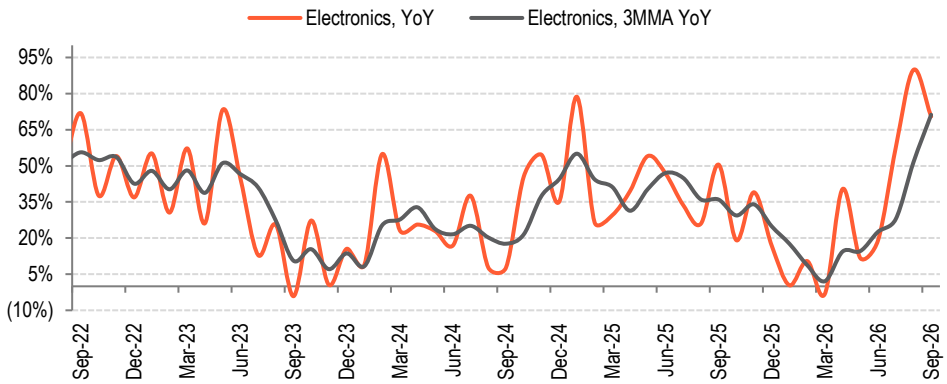


Fig 120 – Exports of drugs and pharmaceuticals still muted

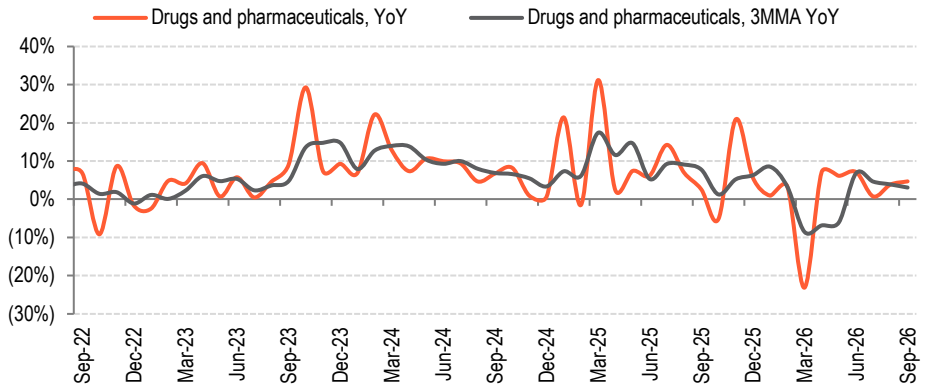
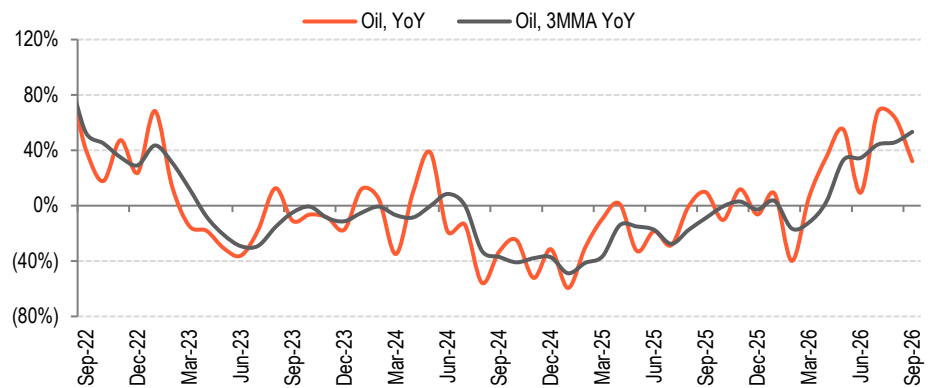


Fig 121 – Moderation in oil exports



Imports

Fig 122 – Growth in imports decelerated in Sep'26; imports increased by 13% in Q2 FY27

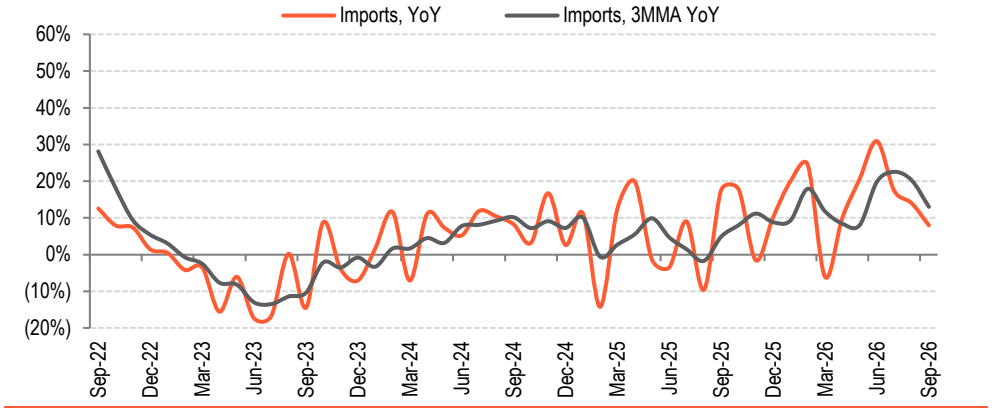


Fig 123 – Deceleration in imports led largely by lower gold imports

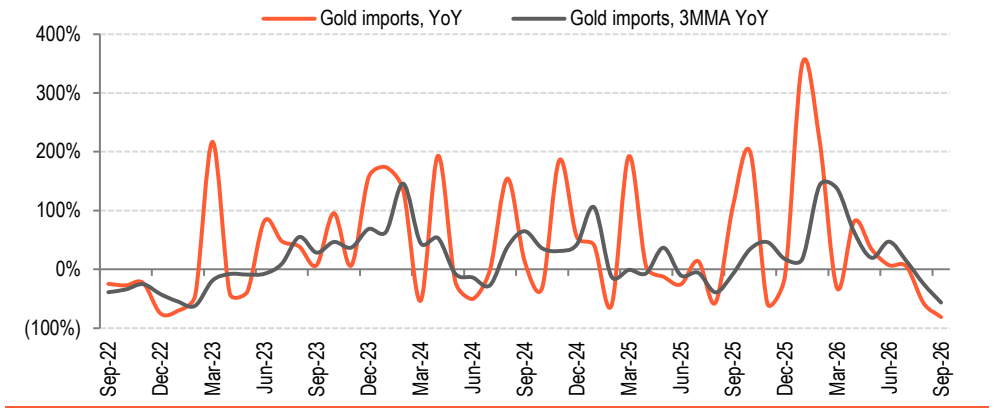


Fig 124 – … even as oil imports were higher

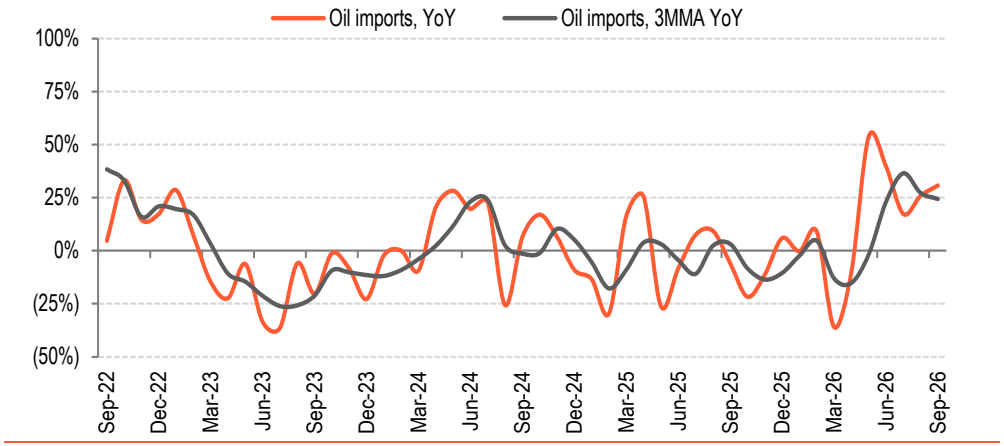


Fig 125 – Sharp uptick in imports of electronic goods

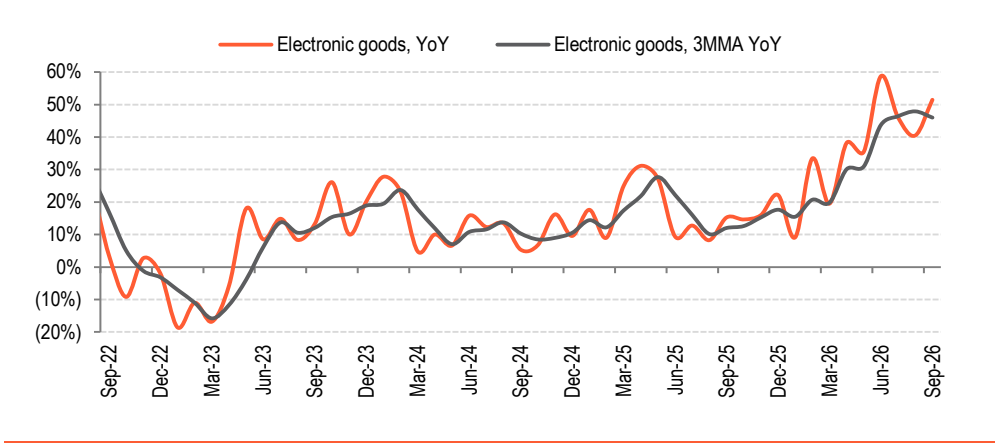


Fig 126 – Marginal improvement in imports of machinery

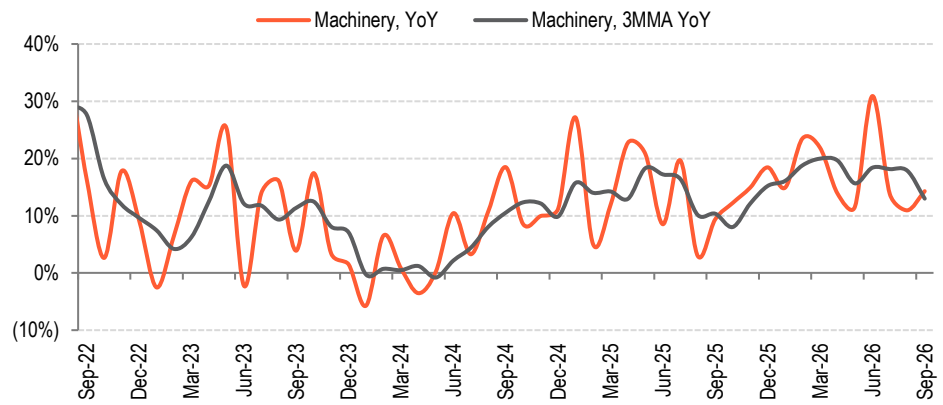


Fig 127 – .. and transport equipment

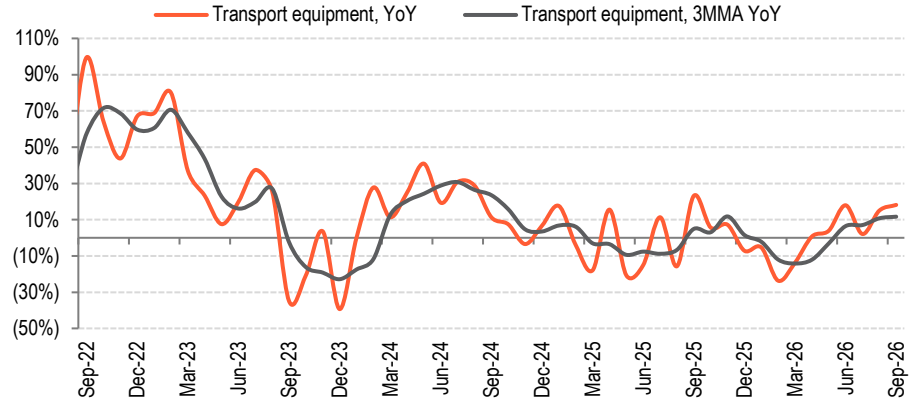


Fig 128 – Agri imports also registered a faster pace of increase

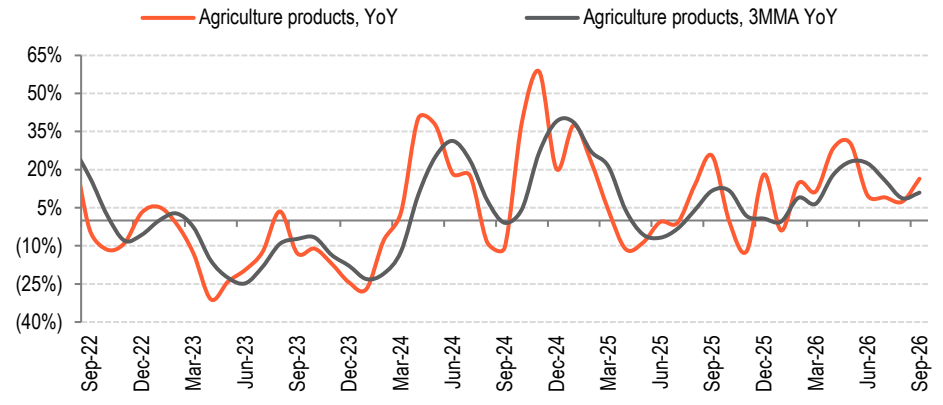
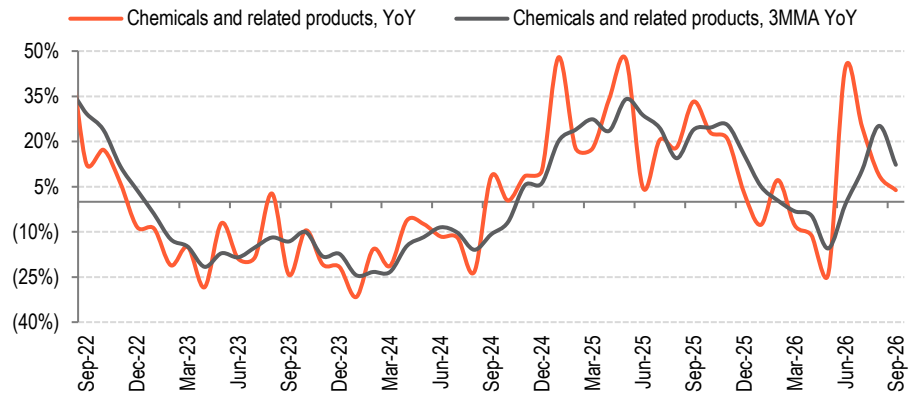


Fig 129 – .. deceleration seen in imports of chemicals and related products



Exports and imports by major regions

Fig 130 – Significant traction seen in exports to Asia Pacific and China

Region (% YoY)	Share in FY26	Share in FYTD27	FYTD26	FYTD27	Jul'26	Aug'26
Americas	26.2	27.2	15.1	8.7	14.5	14.6
Asia and Pacific (Ex. China)	21.7	24.9	(4.4)	38.3	29.1	29.1
China	4.5	4.7	19.4	38.2	63.9	64.9
Europe	21.2	20.4	(8.0)	7.4	7.5	7.5
Middle East and Africa	25.3	24.7	2.3	14.9	24.1	24.2
Other	1.1	1.4	12.5	56.0	8.4	8.4

Note: FYTD-Apr-May

Fig 131 – Imports from Americas and Asia Pacific higher on a FYTD basis

Region (% YoY)	Share in FY26	Share in FYTD27	FYTD26	FYTD27	Jul'26	Aug'26
Americas	12.0	14.7	7.8	53.7	37.1	58.3
Asia and Pacific (Ex. China)	24.3	24.2	3.6	17.0	12.6	18.8
China	17.0	18.0	10.2	27.0	34.4	17.1
Europe	13.6	10.9	(9.0)	4.8	13.0	(12.1)
Middle East and Africa	25.8	20.4	3.1	(7.7)	(15.2)	(4.4)
Other	7.4	11.7	(5.2)	55.3	80.3	41.4

Note: FYTD-Apr-May

Trade deficit

Fig 132 – Trade deficit widened to US$ 30.2bn in Sep'26 from US$ 26.9bn in Aug'26

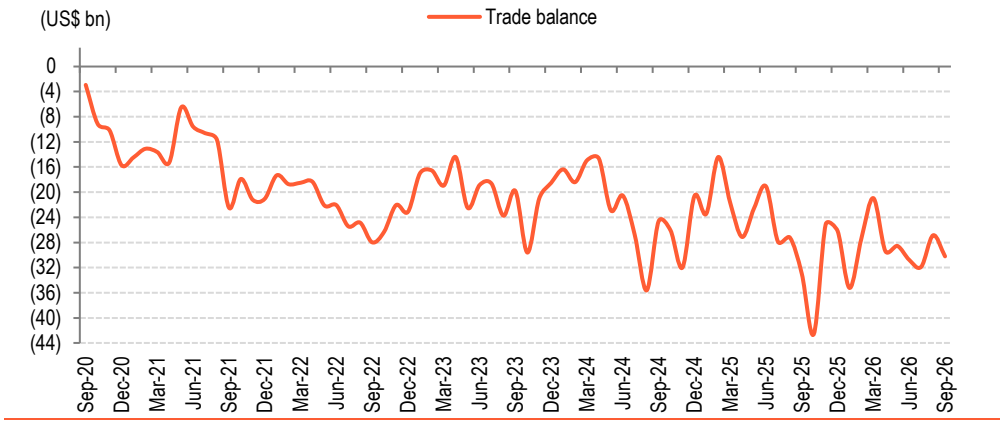
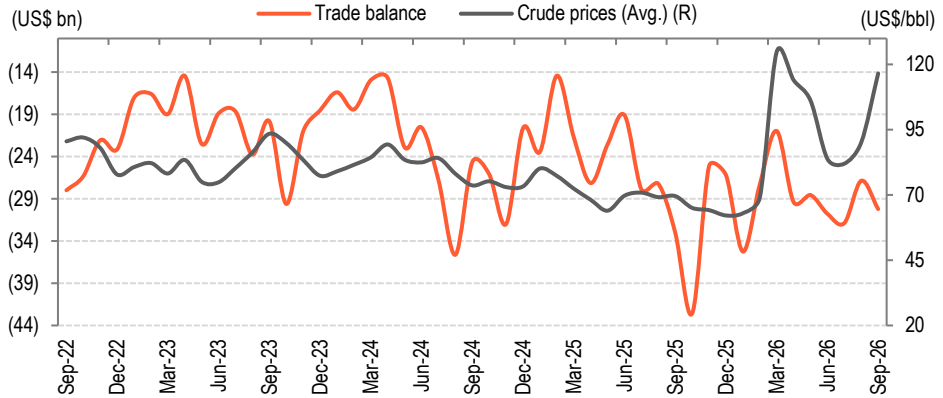
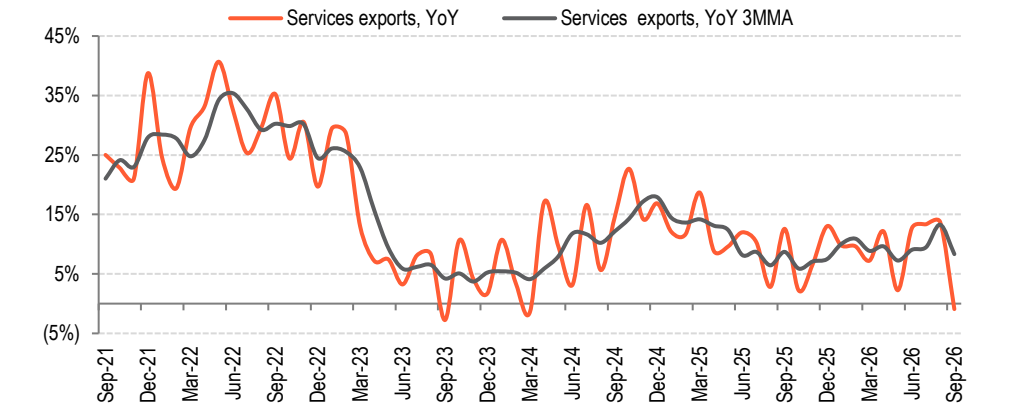


Fig 133 – … as oil prices inched up



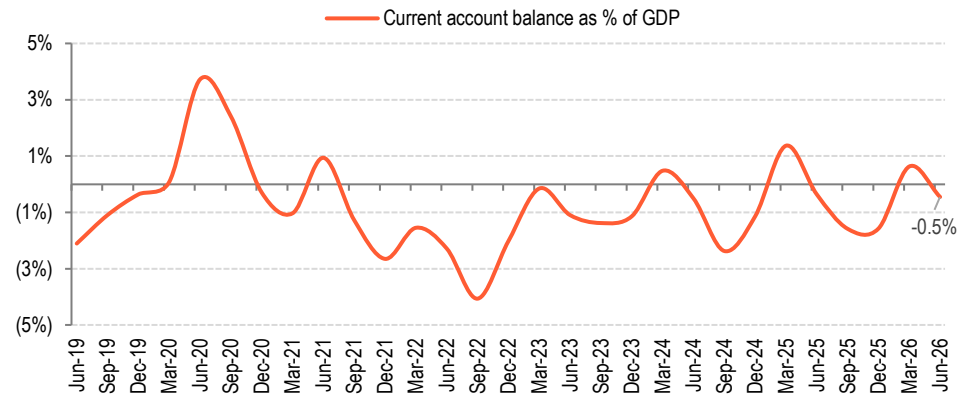
Trade in services

Fig 134 – Sharp dip in services exports in Sep'26



BoP

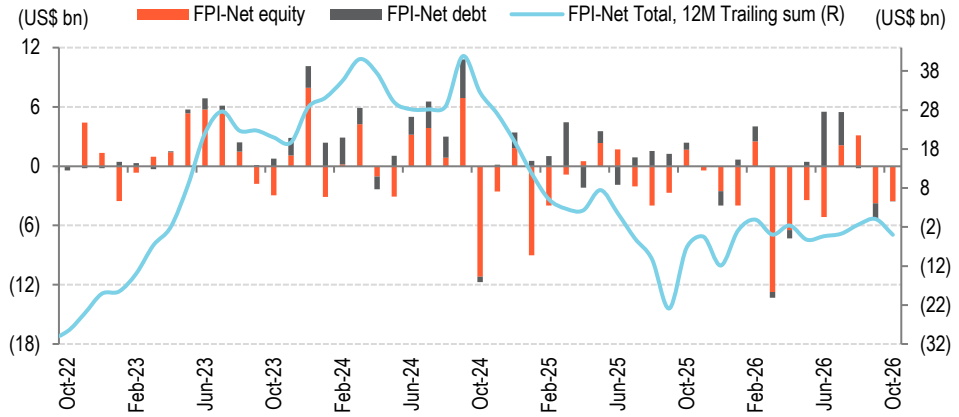
Fig 135 – India's CAD remained manageable in Q1FY27



Foreign inflows

FPI inflows

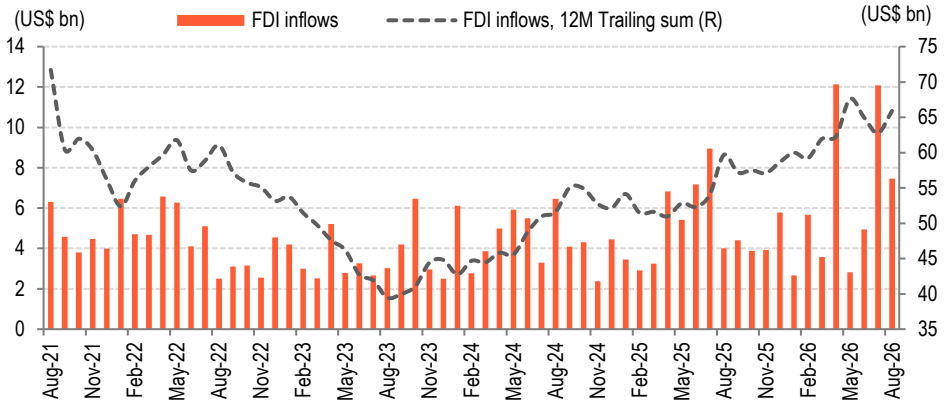
Fig 136 – FPI outflows continued even in Oct'26, led by equity segment



Source: NSDL | Note: For Sep'26, data till 24 Sep 2026

FDI inflows

Fig 137 – Gross FDI inflows rise by US$ 39.5bn in Apr-Aug'26 versus US$ 32.4bn in the same period last year



Source: RBI, Bank of Baroda Research

Fig 138 – In Q1 FY27, FDI inflows into services sector increased sharply

Sector	Share in FY26, %	FY25	FY26	Q1FY26	Q4FY26	Q1FY27
Computer software and hardware	23.7	7.8	13.9	5.5	3.2	2.8
Services Sector	17.0	9.3	10.0	3.3	1.6	7.0
Trading	6.8	4.2	4.0	0.5	0.7	1.9
Non Conventional Energy	5.1	4.0	3.0	1.1	0.5	1.2
Food processing industry	5.1	0.5	3.0	0.4	0.3	0.6
Construction (Infrastructure) activities	4.4	2.2	2.6	0.7	0.5	0.6
Automobile industry	4.2	1.6	2.5	1.3	0.6	0.6

Source: DIPP

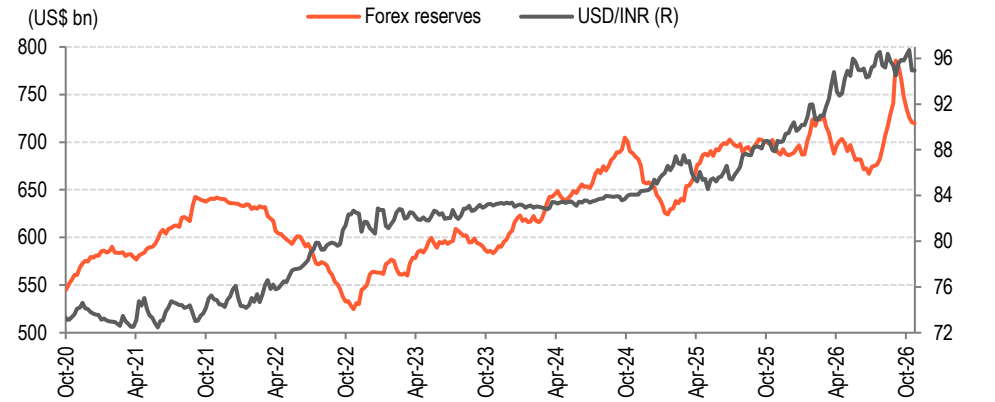
Fig 139 – Country wise, inflows from Singapore and Japan increased the most in Q1 FY27

Country (US$ bn)	Share in FY26, %	FY25	FY26	Q1FY26	Q4FY26	Q1FY27
Singapore	33.7	14.9	19.8	4.6	2.2	5.2
US	19.0	5.5	11.2	5.6	3.4	1.3
Mauritius	11.2	8.3	6.6	2.1	1.7	2.3
Japan	6.4	2.5	3.7	0.6	0.5	5.7
Netherlands	5.7	4.6	3.4	0.7	1.1	1.4
UAE	4.7	4.3	2.7	1.0	0.3	0.9

Source: DIPP

Forex reserves and external debt

Fig 140 – India's FX reserves at US$719.7bn; net accretion of US$ 31.7bn in FYTD27



Source: Bloomberg| Note: Weekly data as of 23 Oct 2026

Fig 141 – India's import cover hovering around its long-term average

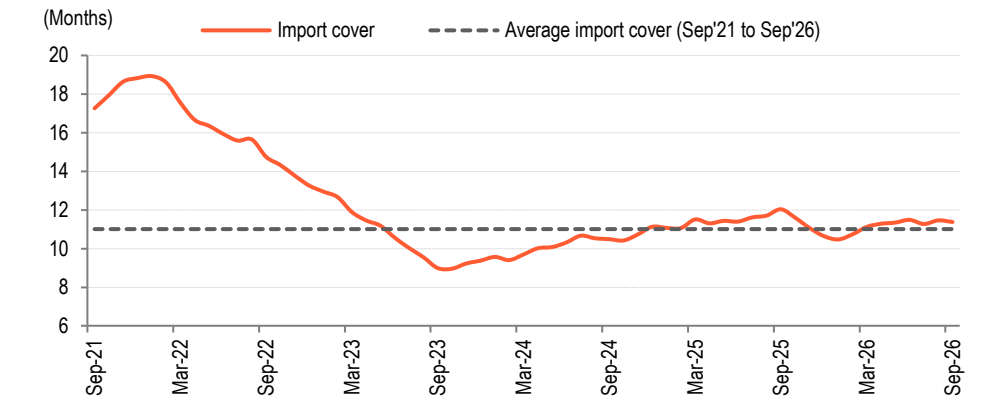


Fig 142 – RBI's purchased a record net US$ 43.3bn in the spot market in Aug'26

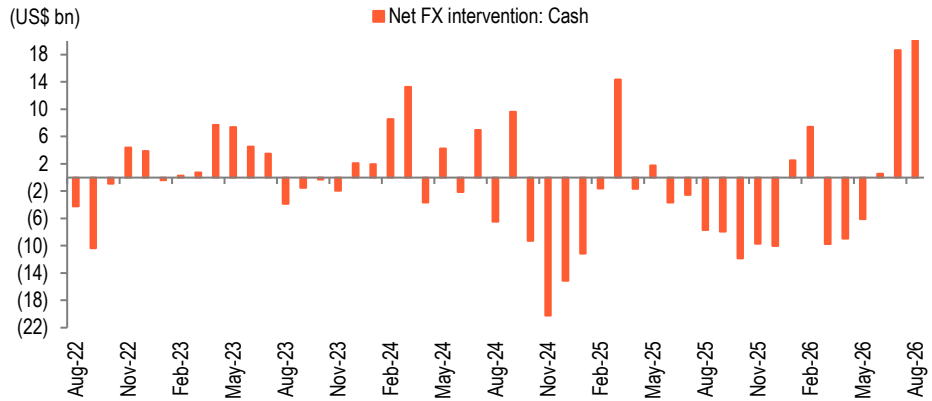
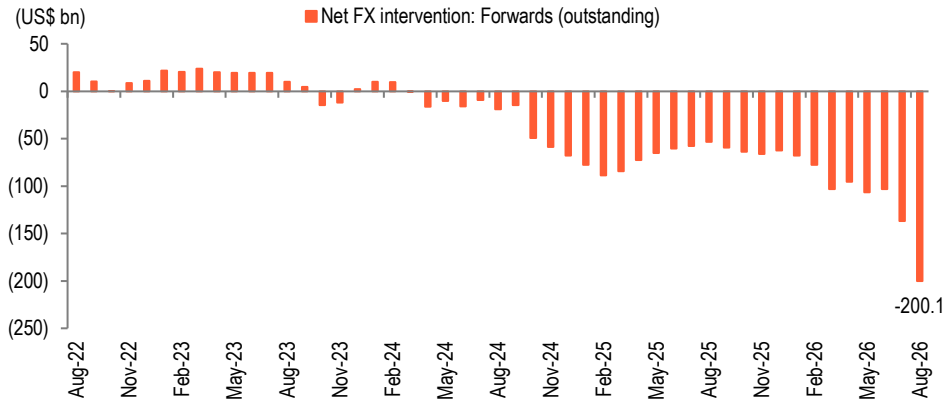


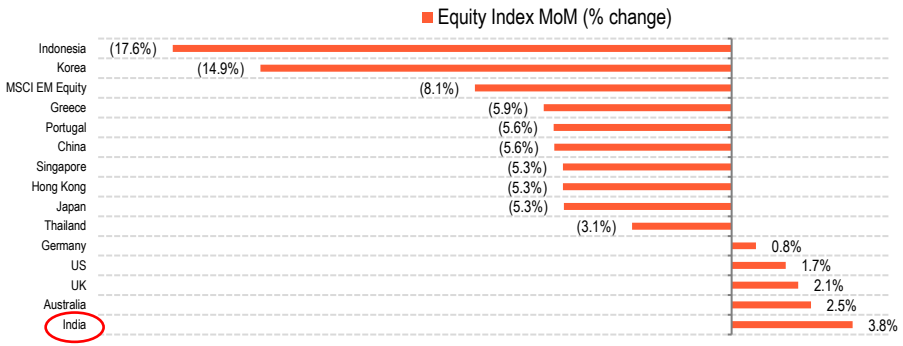
Fig 143 – RBI's outstanding forwards book expands to a record high of US$ 200.1bn in Aug'26



Markets

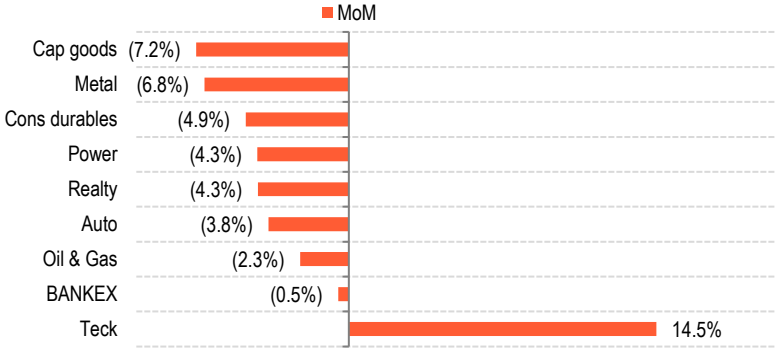
Equity & Bonds

Fig 144 – In Oct'26*, Sensex rose by 3.8%



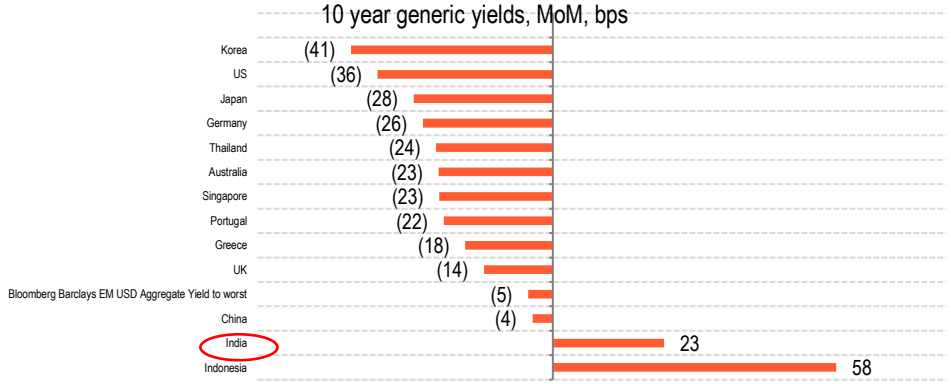
Source: Bloomberg | * Indices are in US$ terms

Fig 145 – …led by significant increase in technology stocks



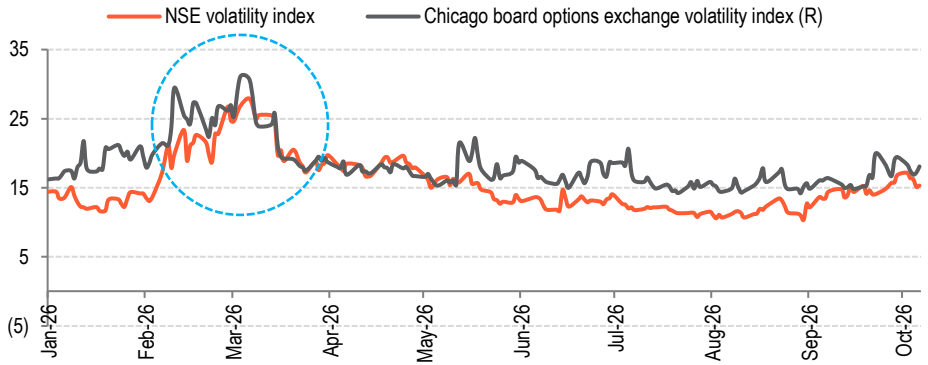
Source: Bloomberg | As on 30 Oct 2026

Fig 146 – India's 10Y yield rose sharply by 23bps in Oct'26 over Sep'26



Source: Bloomberg

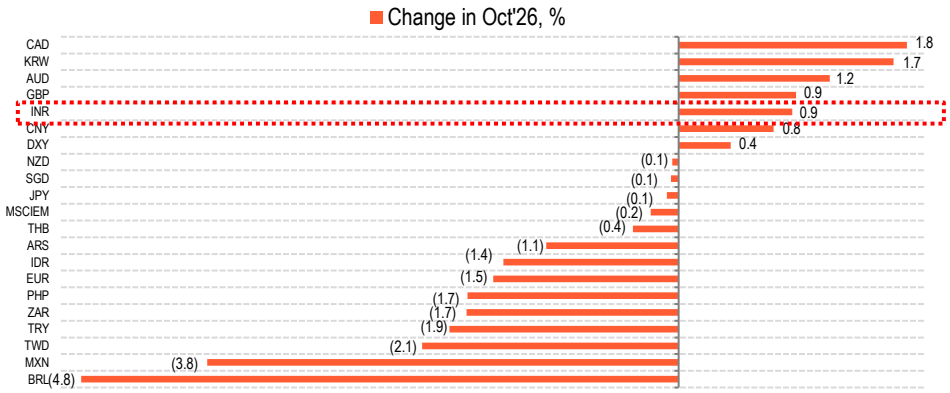
Fig 147 – VIX remained elevated amidst war related tensions



Source: Bloomberg

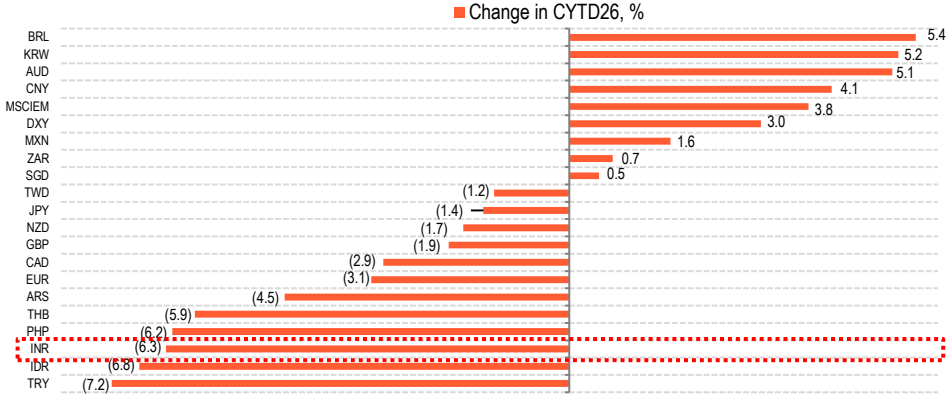
Currencies

Fig 148 – INR appreciated by 0.9% in Oct'26 supported by RBI measures



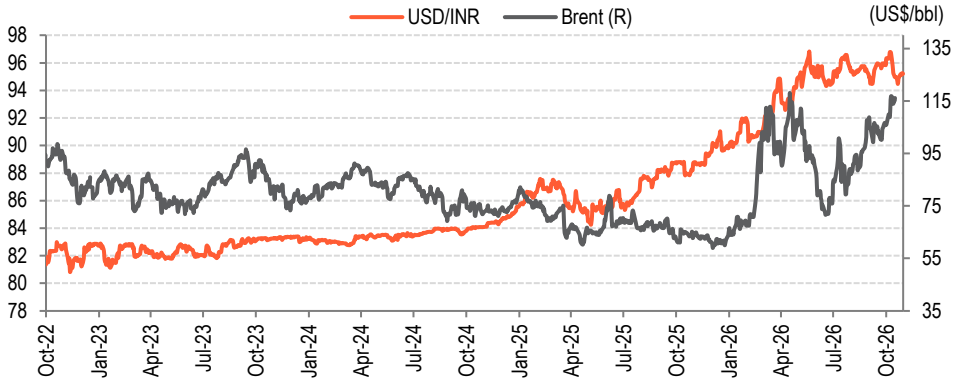
Source: Bloomberg | As on 30 Oct 2026

Fig 149 – In CYTD6, INR has depreciated by 5.3%



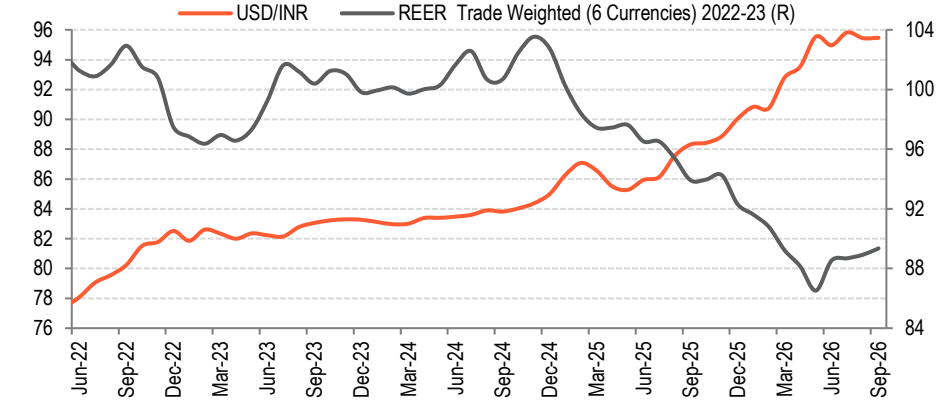
Source: Bloomberg | As on 30 Oct 2026

Fig 150 – INR remained range-bound supported by RBI measures, even as dollar was marginally higher



Source: Bloomberg | As on 24 Sep 2026

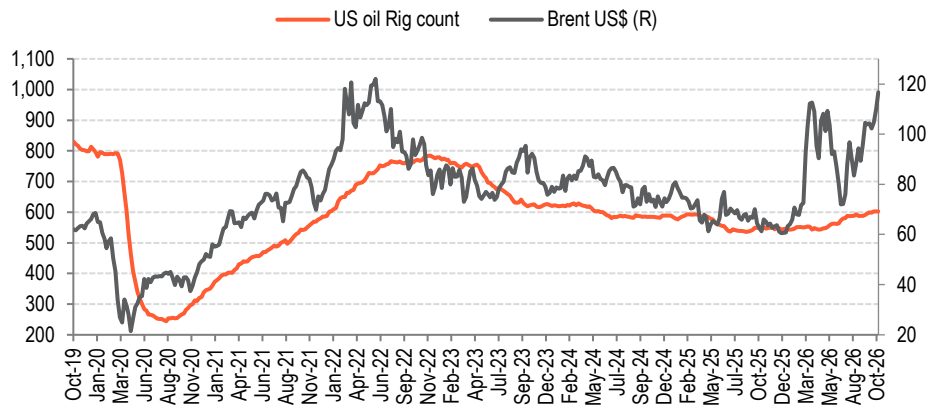
Fig 151 – INR remains undervalued in REER terms



Source: Bloomberg

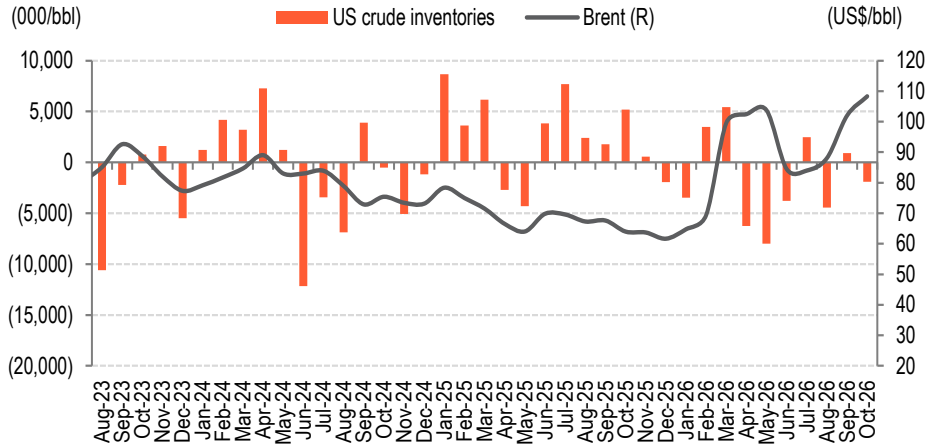
Commodities

Fig 152 – US rig count inched up



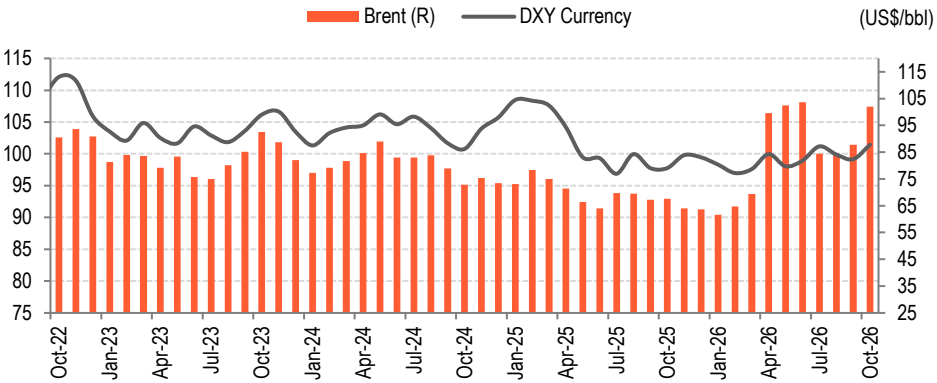
Source: Bloomberg

Fig 153 – Crude inventories edged down



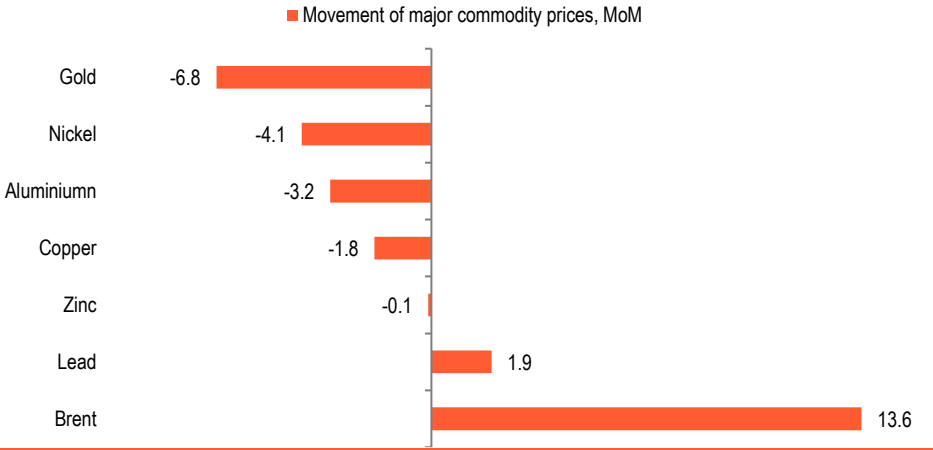
Source: Bloomberg

Fig 154 – DXY and crude both have a hardening bias



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

Fig 155 – Upside risk continues to persist for energy prices



Source: Bloomberg

Fig 156 – Performance of high frequency indicators

Indicators	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Agriculture													
Tractor sales	42.9	14.4	30.3	34.9	40.1	30.7	24.0	27.1	19.1	11.8	18.5	8.3	(15.5)
Two wheeler sales	6.5	52.5	(3.1)	9.5	20.8	25.0	28.7	17.2	7.5	22.1	28.3	19.7	33.1
MNREGA work (HH)	(27.1)	(35.1)	(32.0)	(28.9)	(25.7)	(14.2)	(23.2)	(35.5)	(27.8)	(18.5)	-	-	-
Manufacturing													
IIP: General index	6.1	(0.9)	7.0	6.7	4.1	4.4	3.0	4.9	5.0	8.8	7.4	7.8	6.7
IIP: Manufacturing	5.5	(0.7)	8.8	7.7	4.6	5.7	4.0	6.1	5.2	9.5	8.2	8.6	7.6
IIP: Capital goods	13.2	5.4	16.6	12.8	12.4	16.5	8.5	12.0	15.5	17.9	19.0	15.9	10.4
IIP: Infra & construction goods	9.8	5.1	12.0	12.3	12.9	10.1	5.2	6.0	6.6	8.8	8.0	8.0	7.2
IIP: Consumer goods	4.6	-6.0	13.0	7.4	(0.2)	4.2	2.4	5.6	8.0	10.3	12.0	10.5	6.0
Steel	14.3	9.5	11.6	11.1	13.8	9.9	9.6	4.7	5.1	5.6	1.9	3.5	4.9
Cement	5.1	5.2	15.1	14.0	11.3	9.1	4.7	8.3	8.4	9.9	12.7	11.7	9.8
Electricity	3.1	(7.0)	(1.5)	6.2	5.1	2.3	0.8	5.5	11.2	11.4	8.4	13.1	11.4
Iron ore	0.8	8.7	19.3	22.3	12.8	8.5	33.3	12.5	19.0	44.5	29.5	5.5	18.4
PMI: Manufacturing	57.7	59.2	56.6	55	55.4	56.9	53.9	54.7	55	54.2	53.5	52.8	55.1
Services													
Services PMI index	60.9	58.9	59.8	58	58.5	58.1	58.8	58.8	59.8	57.4	53.3	54.1	55.2
Automobile sales	5.2	42.0	2.1	14.6	17.6	25.6	25.3	17.4	9.5	23.6	25.9	17.5	31.8
Passenger vehicle sales	5.8	14.7	20.4	26.6	7.2	26.1	21.5	18.1	23.2	32.6	19.1	16.1	32.1
Vehicle registration	6.3	41.1	2.9	15.9	18.1	26.5	26.2	13.7	11.3	23.8	27.7	19.2	32.3
Port cargo volume	11.5	11.8	14.6	12.8	7.6	3.8	0.7	2.4	6.6	9.2	8.8	8.4	12.6
Credit growth	10.8	12.0	11.5	14.5	13.4	14.0	17.1	16.4	17.7	18.6	19.3	19.5	20.6
Deposit growth	9.4	10.8	10.2	12.7	10.6	11.3	16.2	13.3	12.2	13.3	15.4	17.6	19.4
CIC	9.1	7.2	9.0	10.2	11.4	13.2	14.7	16.5	16.8	15.6	14.3	13.3	13.0
Toll collection (in mn)	332.7	360.9	369.4	383.7	373.4	350.4	363.8	358.1	375.2	361.8	347.3	351.0	337.3
Diesel consumption	6.5	(0.3)	4.8	5.2	3.3	4.3	8.1	0.8	1.6	6.1	10.0	6.8	5.6
GST E-way bill	21.0	8.2	27.6	23.5	15.8	18.8	12.9	11.8	10.9	14.5	6.0	7.7	7.2
External Trade													
Merchandise exports	5.9	(12.5)	18.5	1.1	0.4	(0.9)	(7.4)	11.2	17.1	14.4	19.7	26.1	23.1
Merchandise imports	17.6	17.9	(1.5)	10.2	20.0	24.5	(6.0)	10.0	20.6	30.9	17.4	14.1	8.0
Services exports	12.6	2.2	6.7	13.0	9.8	9.7	7.2	12.2	2.3	12.7	13.4	13.7	(0.9)
Services imports	7.9	2.9	(2.1)	7.4	(0.5)	16.2	(1.6)	9.1	5.8	16.4	19.1	21.4	8.9

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

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