

RESEARCH
BOB Economics Research | Monsoon Update

Monsoon and sowing progress

SUMMARY
India Economics: Monsoon Update

For the cumulative period, South West Monsoon is 5% above LPA as of 8 Sep 2022. Out of 36 subdivisions, 6 are in the deficient zone during this period along with 6 states (Uttar Pradesh, Bihar, and Jharkhand amongst other states). Kharif crops which is in the last leg of sowing is marginally lower in terms of acreage than last year. Deficient rains in parts of Gangetic belt has impacted acreage of rice and pulses. The dip in sowing activity has also prompted Government to curtail the exports of rice and needs further monitoring, with IMD predicting likelihood of extended seasonal showers before the withdrawal of South West Monsoon.

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Daily macro indicators

Indicator	07-Sep	08-Sep	Chg (%)
US 10Y yield (%)	3.26	3.32	5bps
India 10Y yield (%)	7.18	7.08	(11bps)
USD/INR	79.90	79.72	0.2
Brent Crude (US\$/bbl)	88.0	89.2	1.3
Dow	31,581	31,775	0.6
Hang Seng	19,044	18,855	(1.0)
Sensex	59,029	59,688	1.1
India FII (US\$ mn)	06-Sep	07-Sep	Chg (\$ mn)
FII-D	62.2	24.1	(38.1)
FII-E	213.4	13.9	(199.5)

Source: Bank of Baroda Economics Research

BOBCAPS Research

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MONSOON UPDATE

09 September 2022

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Jahnvi Prabhakar
Economist

Where does Kharif sowing stand?

For the week ended 2th Sep 2022, overall kharif sown area has fallen by 1.3% compared with last year. Sown area of rice and pulses have declined by 5.6% and 4.4% respectively. Within pulses, Arhar (2.7%), Urad (1.6%) and Moong (1.4%) have registered a significant drop in acreage. Area sown for oilseeds too (2.9%) continues to remain low compared with last year levels. On the other hand, sowing area of cotton (6.8%) and sugarcane (1.7%) have registered an improvement.

Table 1: Kharif Sowing

	Area sown in 2022-23 (mn ha)	Area sown in 2021-22 (mn ha)	Growth (YoY %)
Foodgrains	69.3	71.4	(3.0)
Cereals	56.3	57.9	(2.7)
Rice	38.4	40.7	(5.6)
Pulses	13.0	13.5	(4.4)
Oilseeds	18.4	19.0	(2.9)
Cotton	12.6	11.8	6.8
Sugarcane	5.6	5.5	1.7
Jute and Mesta	0.7	0.7	(0.1)
Total	106.9	108.3	(1.3)

Source: CEIC, Bank of Baroda | *Data as of 2 Sep 2022.

Monsoon:

For the period 1 Jun 2022 to 8 Sep 2022, South West Monsoon is 5% above LPA compared with last year.

- For Fig 1, states such as Rajasthan, Gujarat, Telangana, Karnataka and Tamil Nadu continue to receive excess rainfall.



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BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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