

# India Economics

## Monthly Chartbook

January 2020

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## Gradual recovery on the cards

**While manufacturing and services PMIs picked up further in Dec'19, decelerating railway freight and credit growth, lacklustre non-oil-non-gold imports and dip in government spending imply that broader economic activity is muted. Given the pressure on tax revenues and government restricting its fiscal deficit, we do not see government spending picking up. Privatisation will drive private sector capex in the country next year and give room to government to spend on infra sector.**

**Consumption remains subdued:** Non-oil-non-gold imports edged lower in Nov'19. Consumer durables output declined to an all time low of (-) 18%. However, there seems to be some improvement in passenger car sales in Dec'19 after a (-) 10.8% decline seen in Nov'19. With RBI's consumer confidence index at a 5-year low, consumption revival will be gradual.

**Government spending cools off:** General government spending is easing. On FYTD basis, expenditure growth softened to 10.2% in Nov'19 from a 11.1% in Sep'19. Centre's revenue spending has eased to 13% (14% in Sep'19). Revenue expenditure of states has fallen to 8.8% (9.4% in Sep'19). Centre's capex has dipped to 11.7% (15.3% in Sep'19) and capex by states remains muted at 1.2% (-1.3% in Sep'19). The cut in spending is on the back of revenue shortfall. States have resorted to higher

borrowing to sustain spending. In Apr-Dec'19 states have borrowed Rs 3.7tn, 30.5% higher than last year.

**Growth outlook is muted:** We expect GDP to be lower at 5% in FY20 and gradually revive to 5.7% in FY21. The gradual recovery will be led by transmission of past rate cuts, expansion of global demand, government's privatisation roadmap, infra pipeline and improvement in credit cycle.

**Inflation and rates:** Inflation is likely to exhibit a sharp upturn in Dec'19 (6.6%) & Q4FY20 (5.9%) before decelerating. Another overhang on interest rates on government securities is the fear of higher fiscal deficit, given muted government revenues. Yields remained broadly stable in Jan'20 after RBI announced 'operation twist'. Given lacklustre revenue collections, states will borrow even higher amount next year and RBI can cut rates only in H2FY21. Thus yields are likely to remain firm for now.

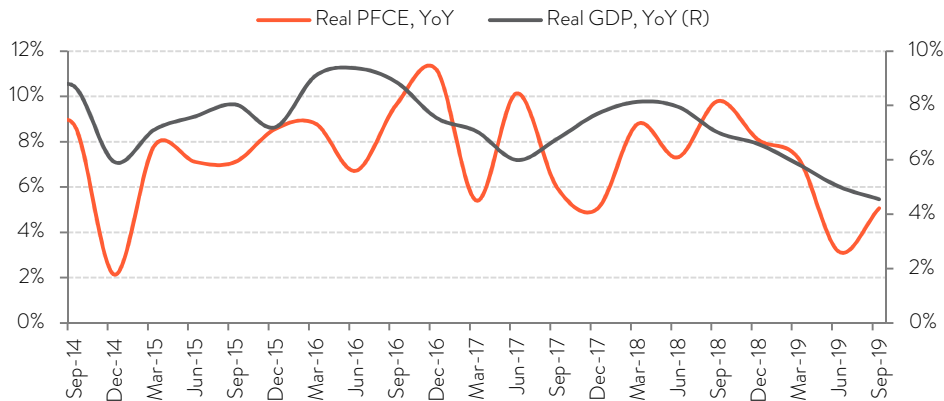
**Higher oil prices put pressure on INR:** Despite higher oil prices and subdued FII inflows, INR rose by 0.5% in Dec'19 after falling by (-) 1.1% in Nov'19. INR gained in-line with other EM currencies (up by 2.1% in Dec'19) as risk sentiment improved due to ebbing US-China trade tensions. However, with flaring up of geo-political tensions in the Middle East and the resulting volatility in oil prices, INR has depreciated by (-) 0.5% in Jan'20 so far.

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

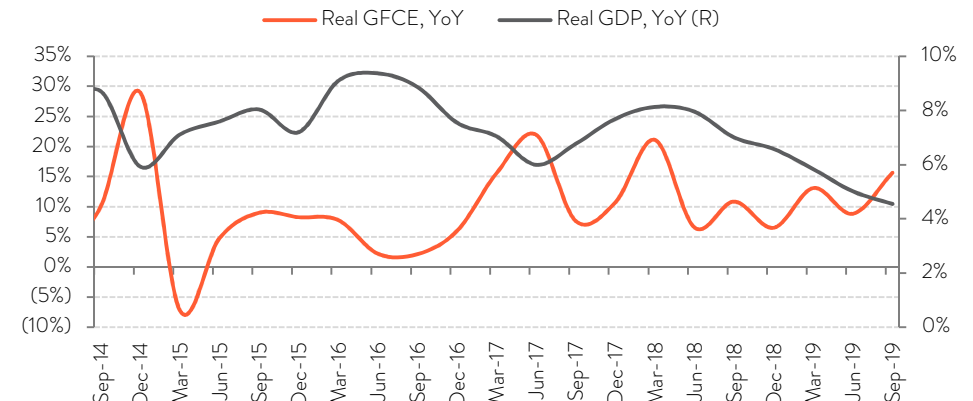
# Consumption

## Final consumption expenditure

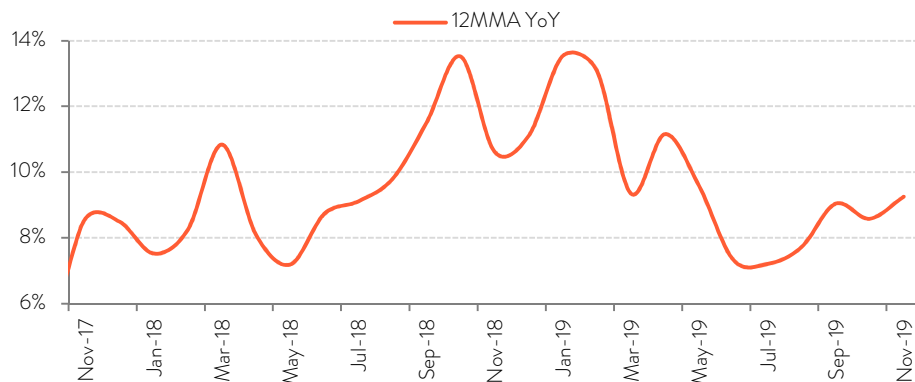
**FIG 1 – CONSUMPTION REBOUNDS TO 5.1% IN Q2FY20**



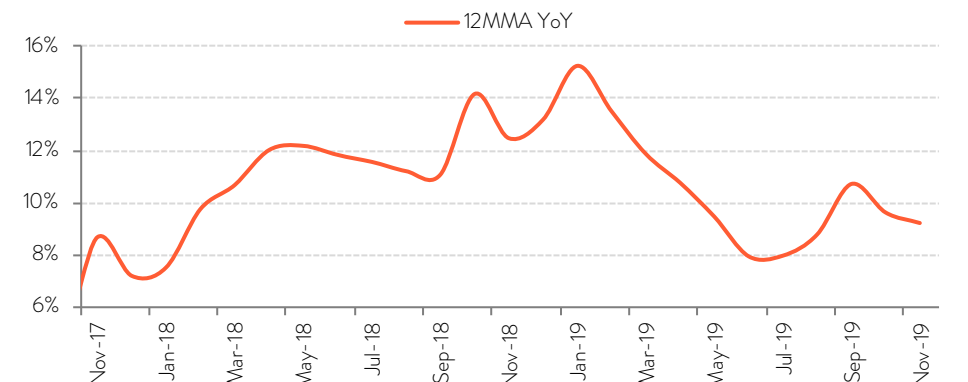
**FIG 2 – GOVERNMENT CONSUMPTION TOO TURNS AROUND IN Q2FY20**



**FIG 3 – GROWTH IN GENERAL GOV REVENUE SPENDING HIGHER ON 12MMA BASIS**



**FIG 4 – STATE\* GOV REVENUE SPENDING DIPS IN NOV'19**



Note: \* All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

Non-oil imports, electronic imports

FIG 5 – NON-OIL-NON-GOLD IMPORTS SLIP FURTHER

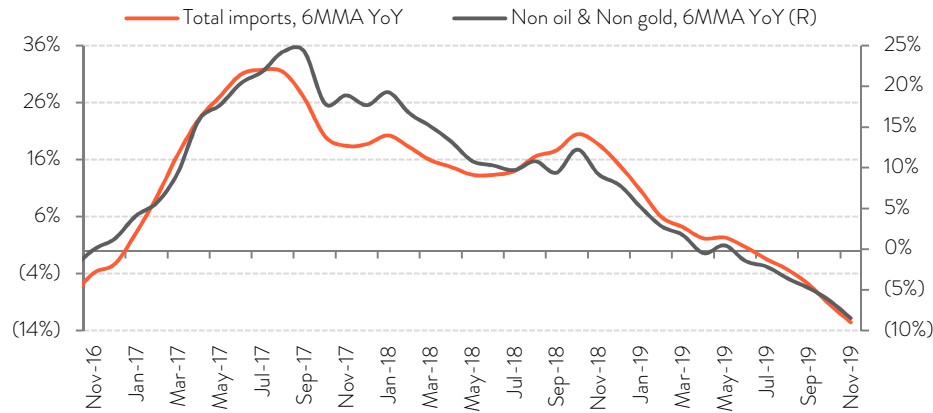


FIG 6 – ELECTRONIC IMPORTS IMPROVE MARGINALLY

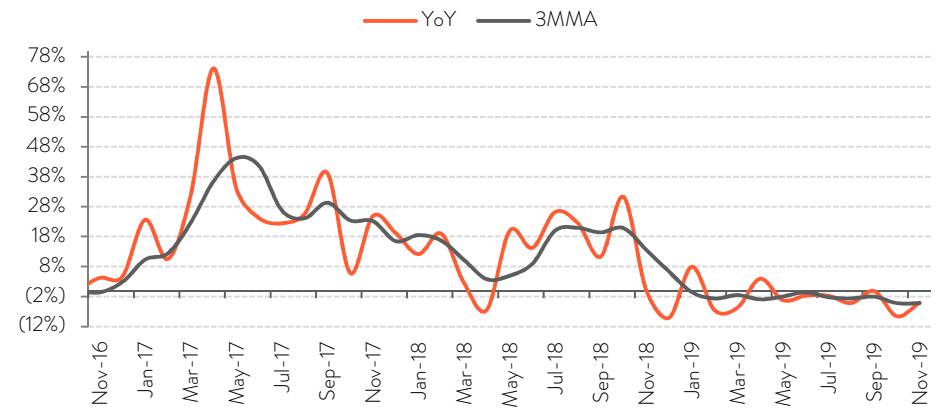


FIG 7 – PASSENGER CAR SALES MODERATE FURTHER, SEEM TO HAVE BOTTOMED OUT

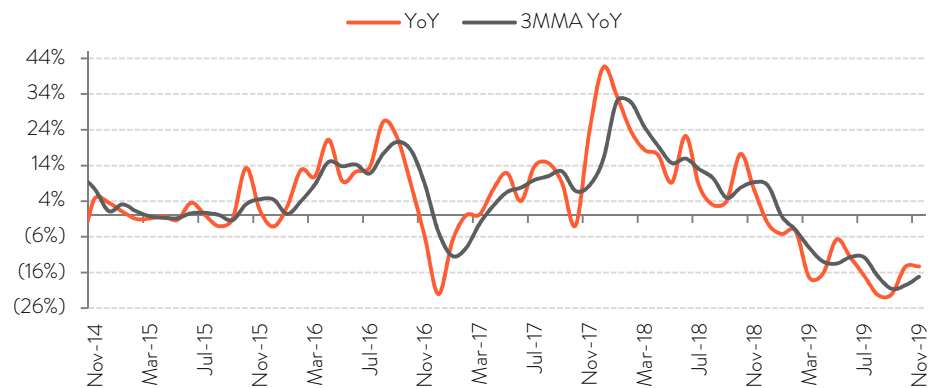
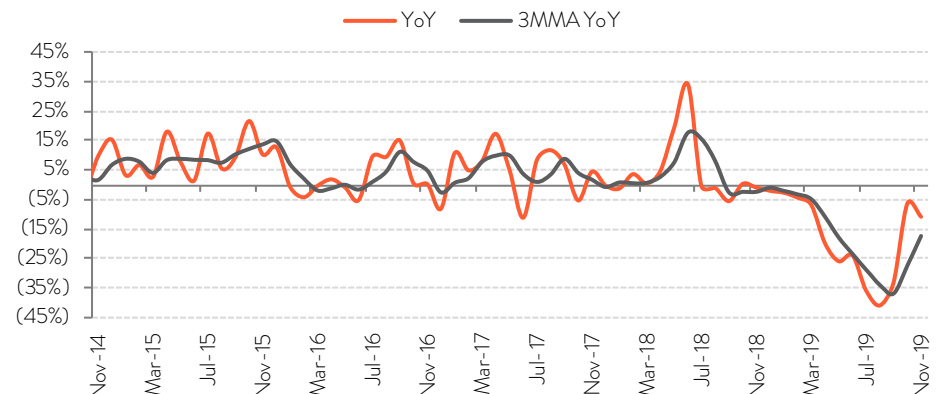


FIG 8 – ..SIMILAR TREND IN TWO-WHEELER SALES



Credit deployment of personal loans

FIG 9 – GROWTH IN CREDIT CARD OUTSTANDING DIPS

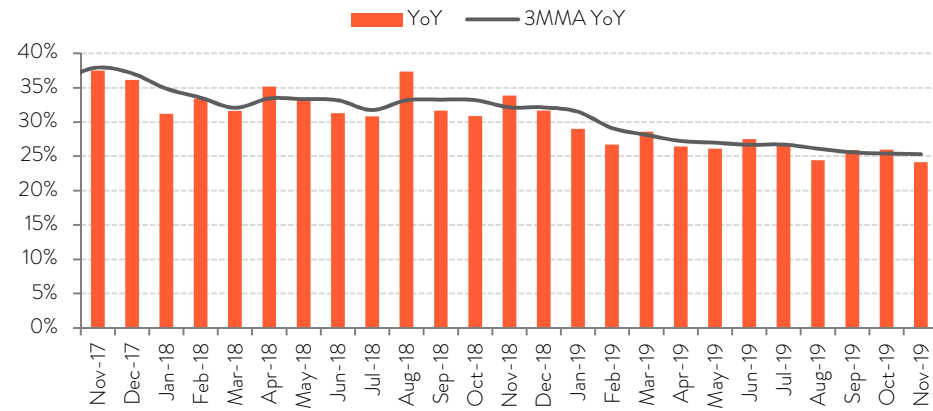


FIG 10 – ...SIMILAR CASE FOR PERSONAL LOANS

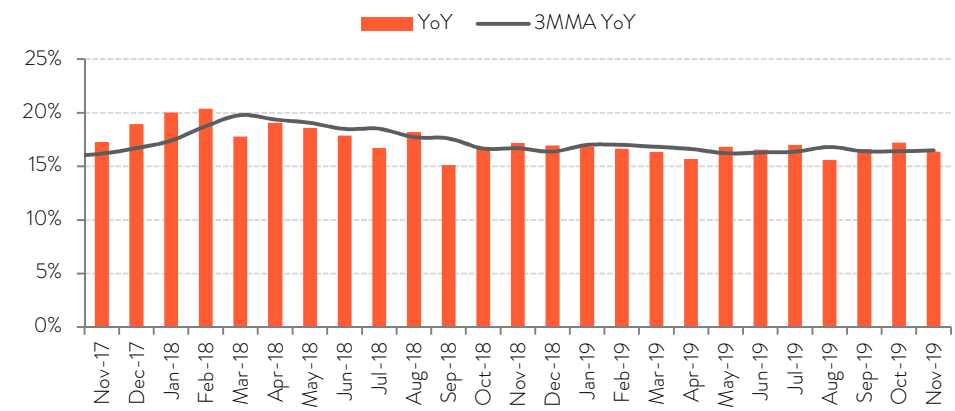


FIG 11 – GROWTH IN VEHICLE LOANS DROPS TO 4.6% IN NOV'19

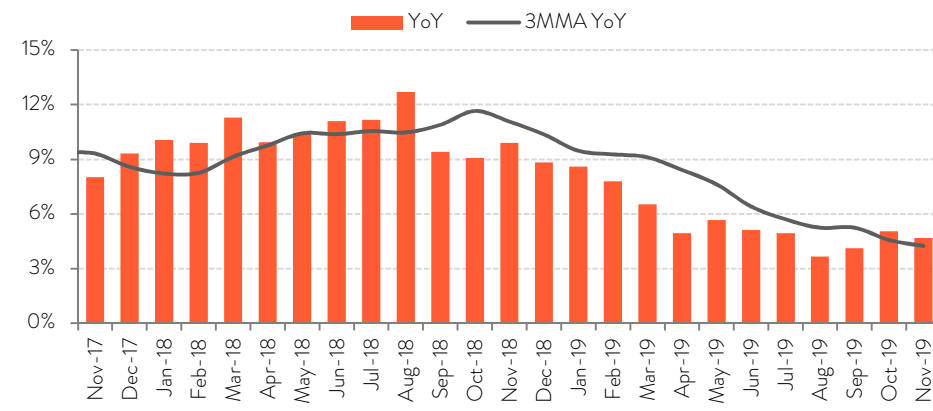
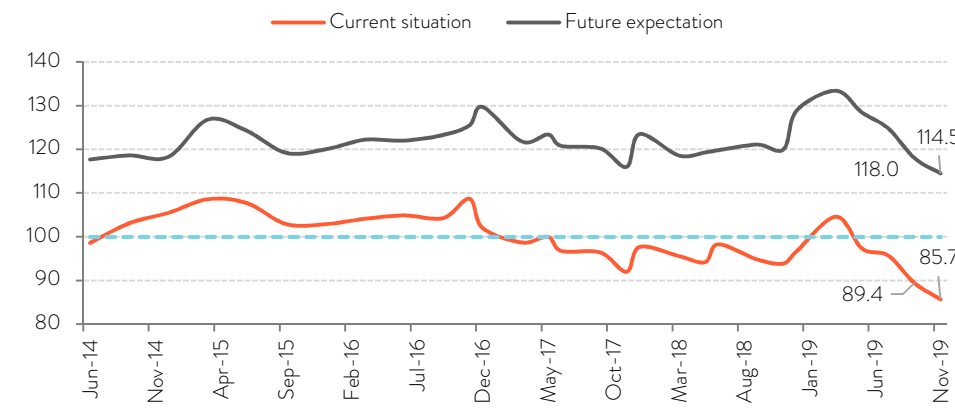
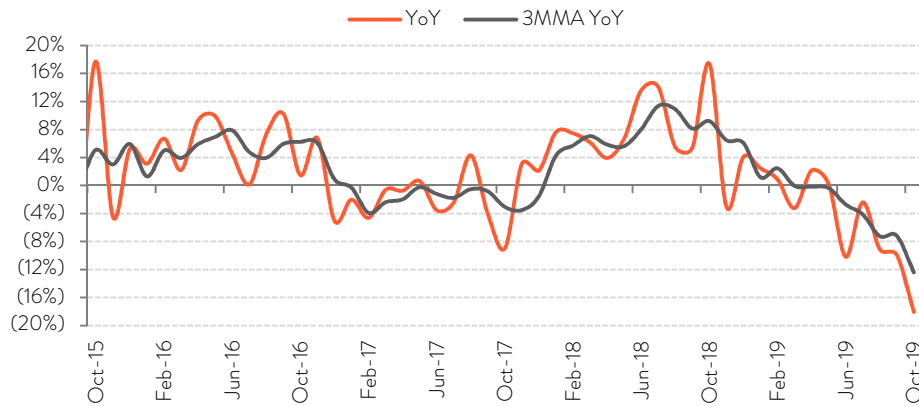


FIG 12 – CONSUMER CONFIDENCE DROPS TO 5-YEAR LOW

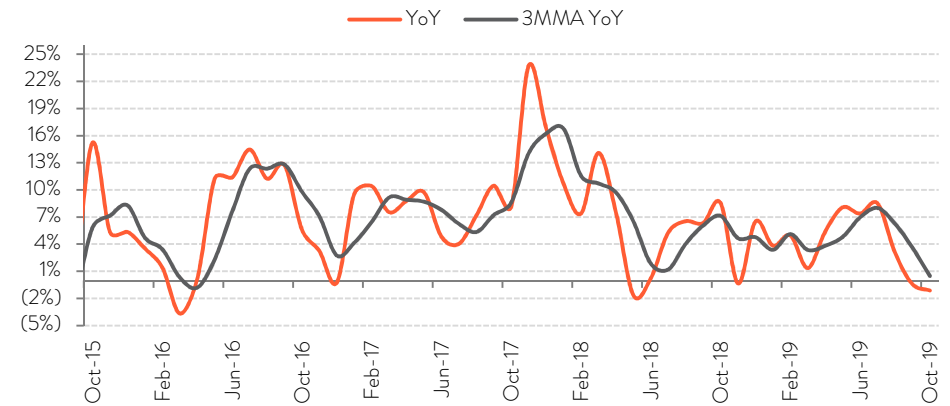


### Consumer durables & non-durables production

**FIG 13 – CONSUMER DURABLE OUTPUT DECLINES FURTHER IN OCT'19**

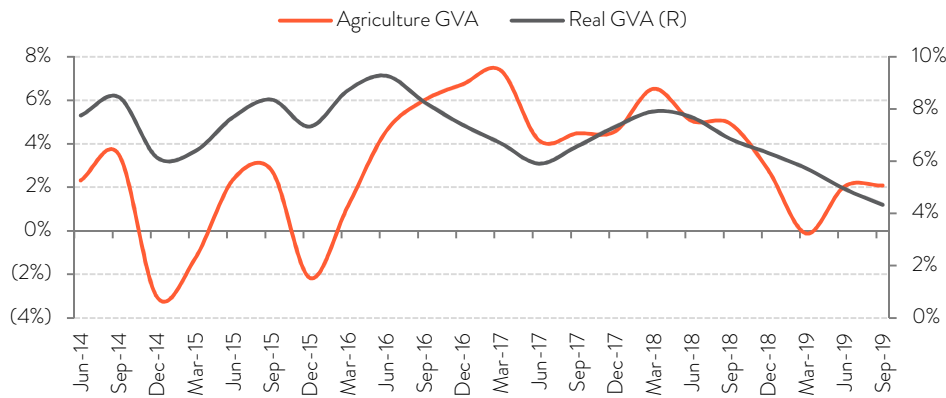


**FIG 14 – FMCG OUTPUT FALLS IN OCT'19**

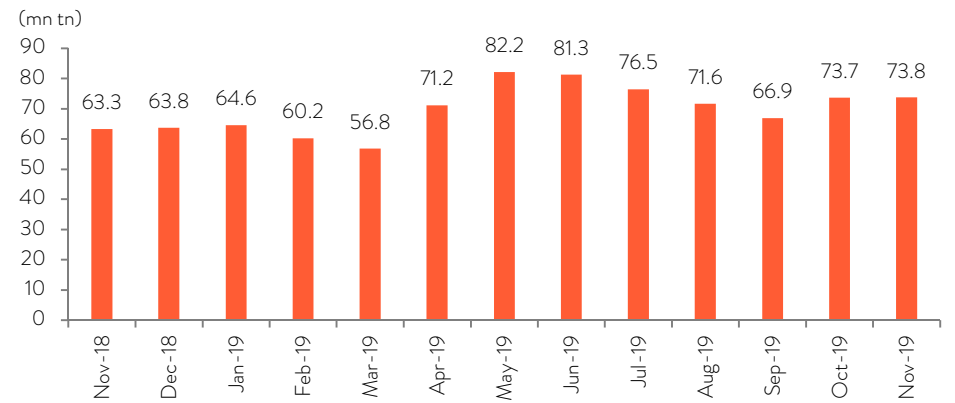


### Agriculture

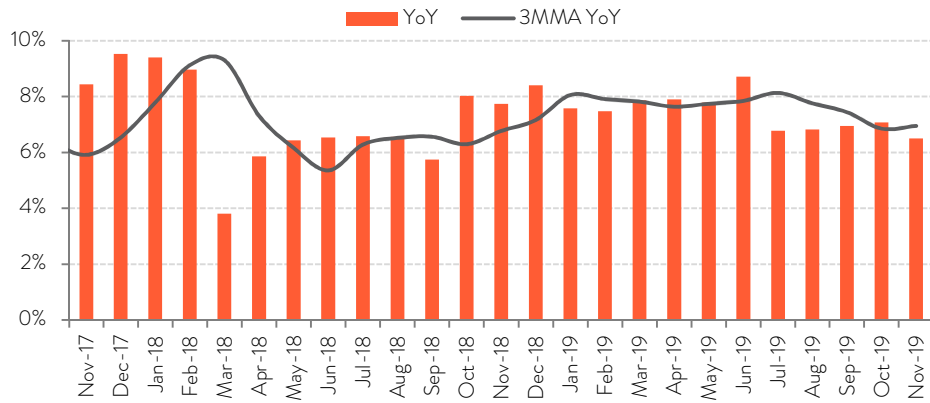
**FIG 15 – AGRICULTURE GROWTH REMAINS STEADY IN Q2FY20**



**FIG 16 – STOCK OF FOODGRAINS AT 73.8MN TN IN NOV'19 COMPARED WITH 63.3MN TN IN NOV'18**



**FIG 17 – GROWTH IN AGRICULTURE CREDIT FALLS TO 6.5% IN NOV'19**

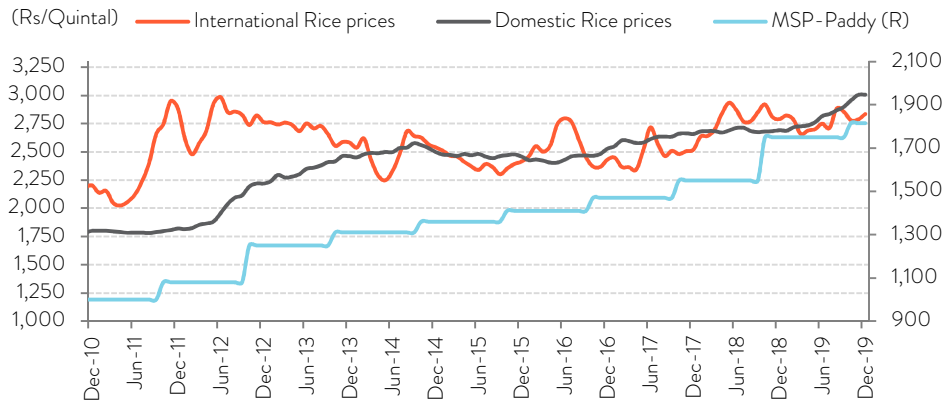


**FIG 18 – PROCUREMENT OF RICE EXPECTED TO BE HIGHER THAN WHEAT**

Year	Wheat	Rice
2011-12	28.34	35.04
2012-13	38.15	34.04
2013-14	25.09	31.85
2014-15	28.02	32.04
2015-16	28.09	34.22
2016-17	22.96	38.11
2017-18	30.83	38.19
2018-19	35.80	44.40
2019-20	34.13	17.09*

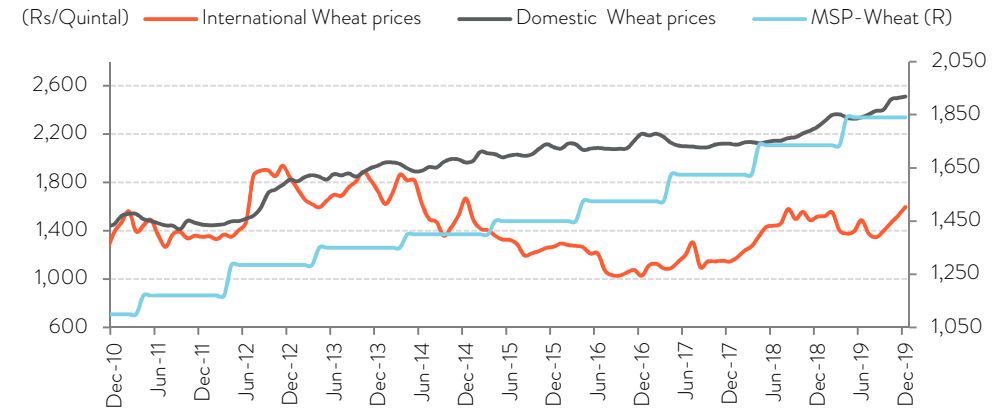
Source: Ministry of Consumer Affairs, Food and Public Distribution | \*As on: 30 Nov 2019

**FIG 19 – BOTH DOMESTIC AND INTERNATIONAL PRICE OF RICE IS RISING**



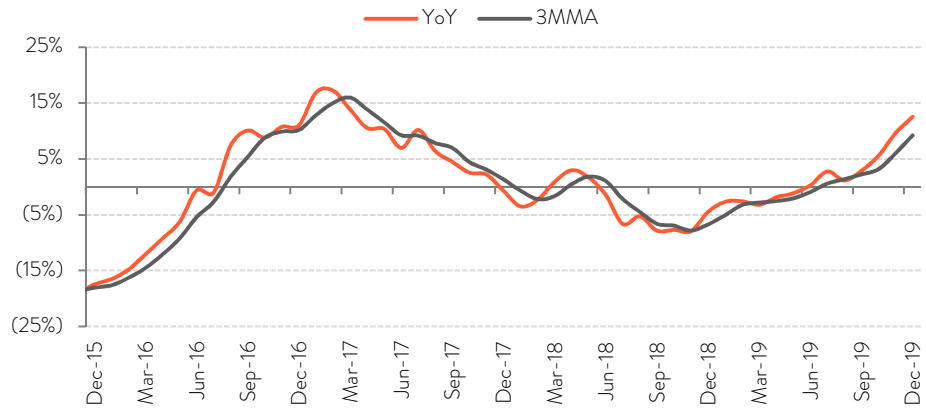
Source: World Bank

**FIG 20 – ...SIMILAR CASE FOR WHEAT PRICES**

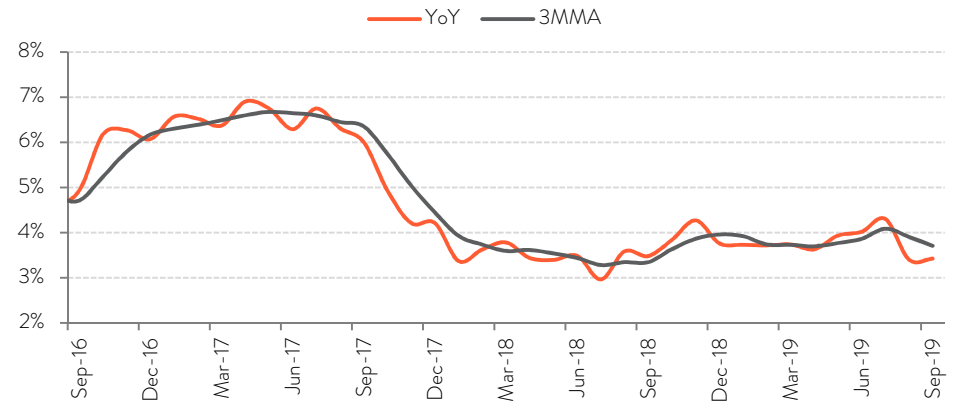


Source: World Bank

**FIG 21 – GLOBAL FOOD PRICES RISE TO 5-YEAR HIGH IN DEC'19**



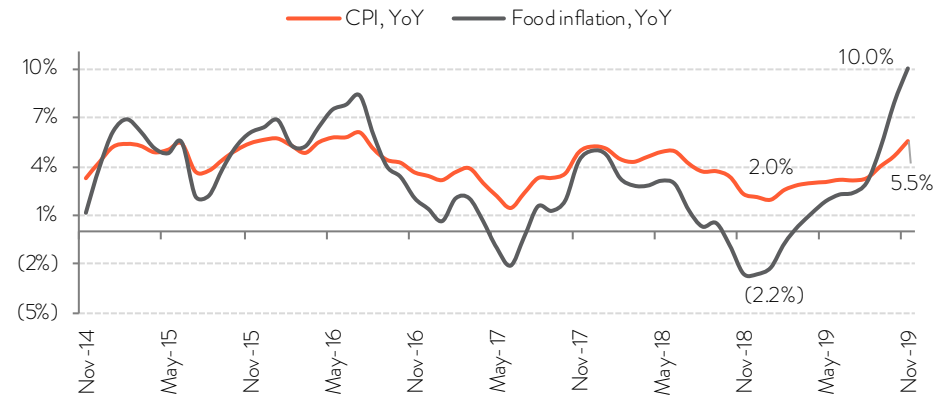
**FIG 22 – RURAL WAGES (MEN) RISE AT A STEADY PACE IN SEP'19**



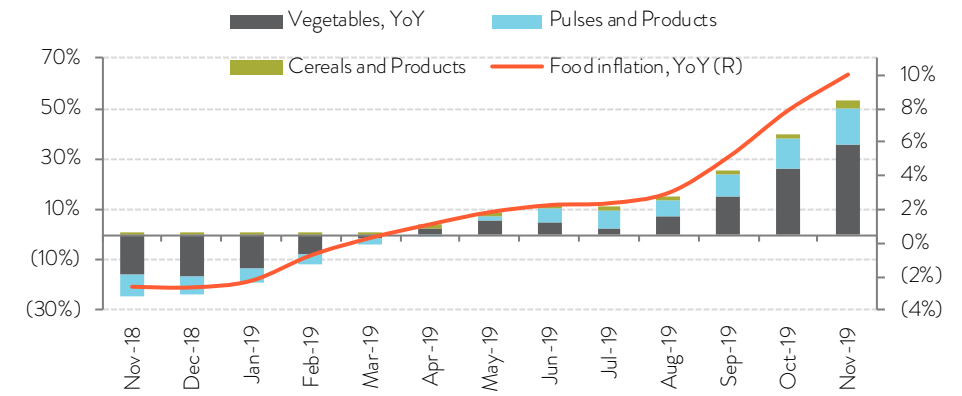


## Inflation

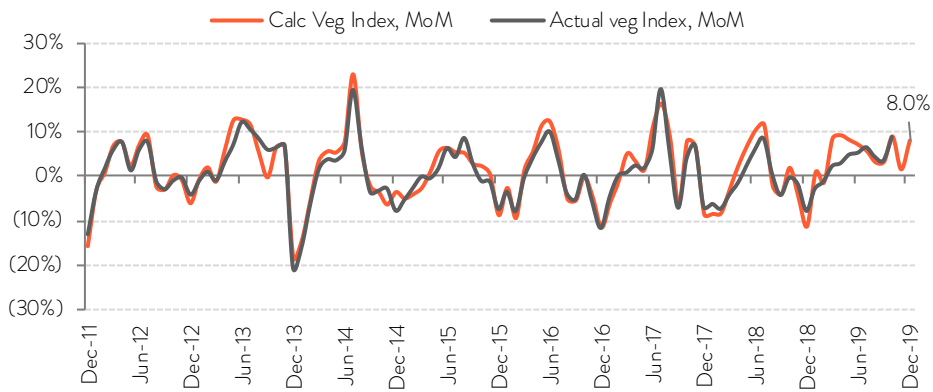
**FIG 23 – RETAIL INFLATION ROSE TO ITS HIGHEST SINCE JAN'18 AT 5.5% IN NOV'19 VS 4.6% IN OCT'19, ABOVE MPC'S 4% TARGET**



**FIG 24 – ... LED BY 210BPS JUMP IN FOOD INFLATION (10% VS 7.9% IN OCT'19), ATTRIBUTED TO HIGHER VEGETABLE INFLATION (36% VS 26.1% IN OCT'19)**

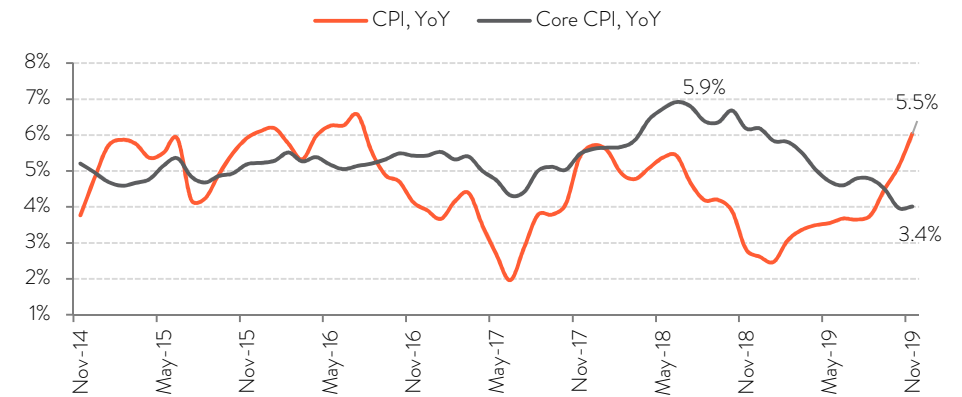


**FIG 25 – ...VEGETABLE INFLATION IS EXPECTED TO INCREASE FURTHER BY 8% IN DEC'19, ON MOM BASIS**

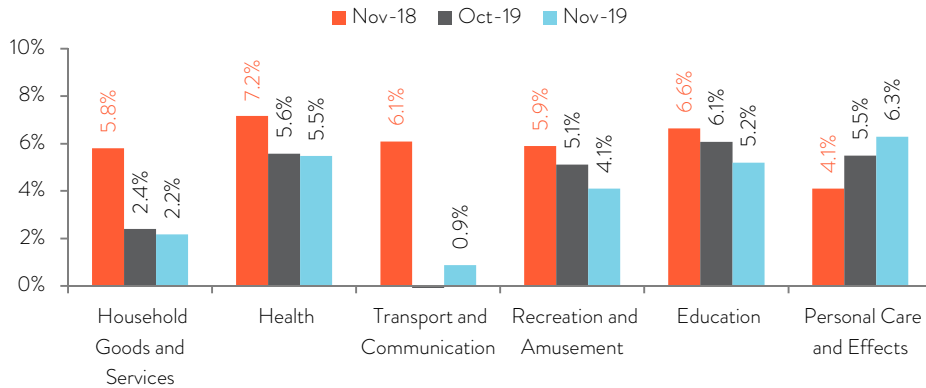


Note: \*Vegetable index computed using average retail price of major items

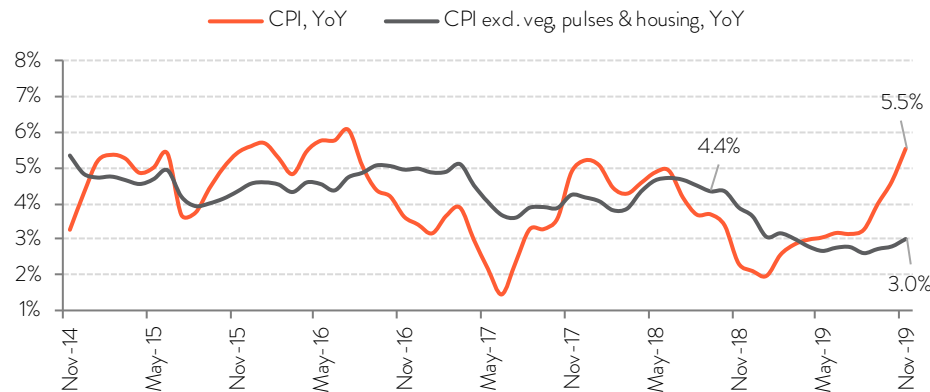
**FIG 26 – CORE INFLATION WAS STABLE AT 3.4% IN NOV'19, BELOW THE HEADLINE CPI PRINT**



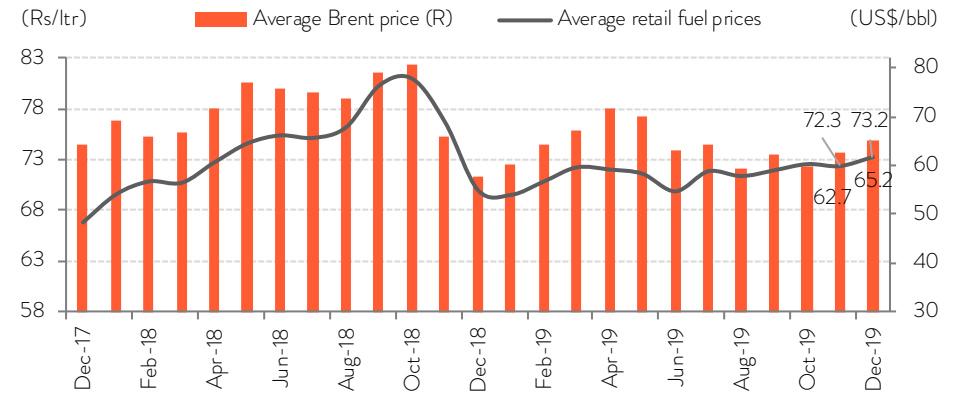
**FIG 27 – ...EXCEPT TRANSPORT & COMMUNICATION AND PERSONAL CARE ITEMS, MODERATION WAS SEEN ACROSS ALL CATEGORIES**



**FIG 29 – CPI EXCL VOLATILE COMPONENTS SUCH AS VEG, PULSES AND HOUSING ROSE BY 20BPS TO 3% IN NOV'19**

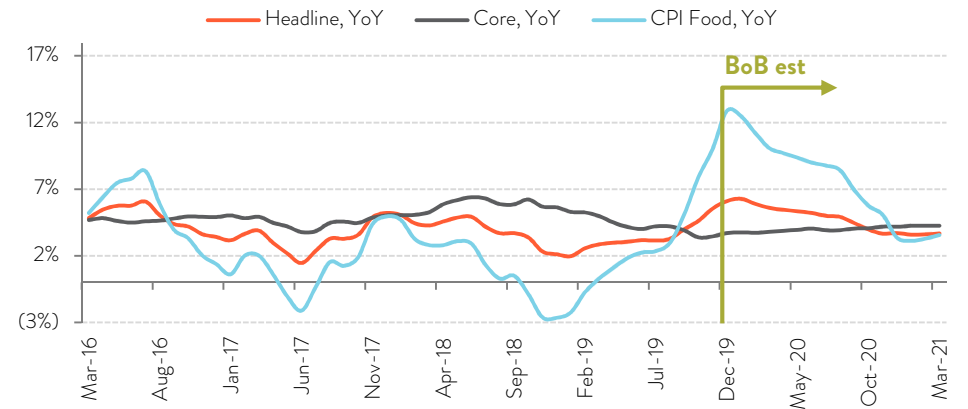


**FIG 28 – ...IN DEC'19 AS WELL, RETAIL FUEL PRICES INCHED UP TO RS 72/LT; (RS 71/LT IN NOV'19); CRUDE PRICES ON AN AVERAGE ROSE TO US\$ 65/BBL**



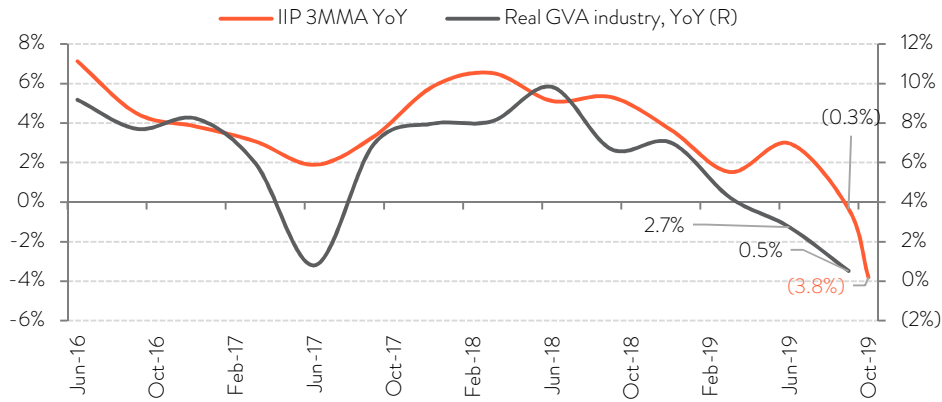
Note: \*Average retail price of Delhi, Kolkata, Mumbai and Chennai

**FIG 30 – HEADLINE CPI PRINT IS EXPECTED TO BE ABOVE MPC'S 4% TARGET**

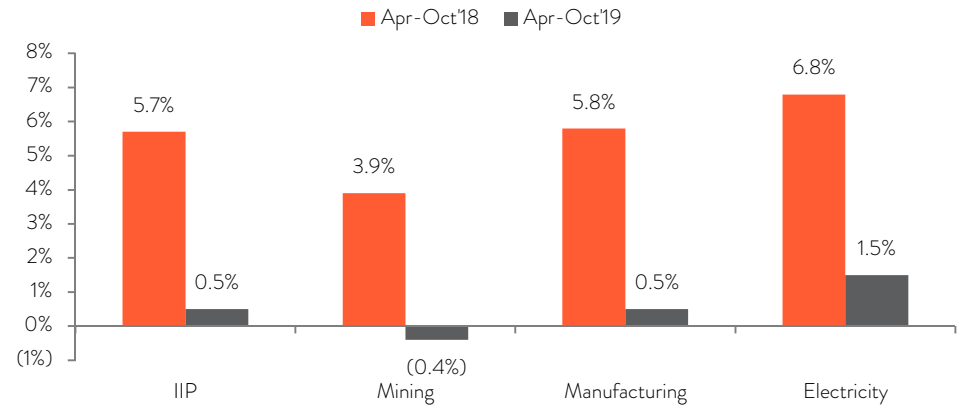


## Industry

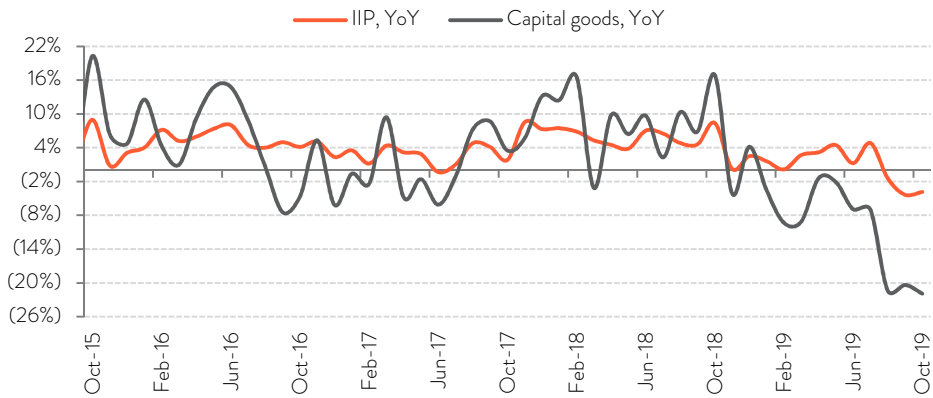
**FIG 31 – INDUSTRIAL OUTPUT CONTINUES TO DECLINE IN OCT'19**



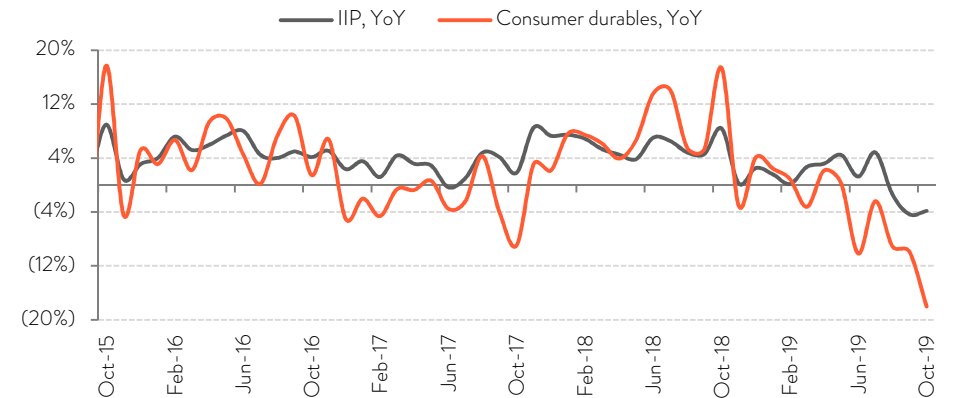
**FIG 32 – MINING HAS SLIPPED IN TO CONTRACTION IN FYTD20**



**FIG 33 – CAPITAL GOODS DRAGGED IIP DOWN**



**FIG 34 – CONSUMER DURABLE GOODS TOO DOING THE SAME**



**FIG 35 – INDUSTRIAL PRODUCTION DECLINES BY (-) 3.8% IN OCT'19**

Sectoral (%)	Weight	Oct-19	Sep-19	Oct-18	Apr-Oct'19	Apr-Oct'18
IIP	100.0	(3.8)	(4.3)	8.4	0.5	5.7
Mining	14.4	(8.0)	(8.6)	7.3	(0.4)	3.9
Manufacturing	77.6	(2.1)	(4.0)	8.2	0.5	5.8
Electricity	8.0	(12.2)	(2.6)	10.8	1.6	6.8
<b>Use-Based</b>						
Primary Goods	34.1	(6)	(5.2)	6.1	0.2	5.1
Capital Goods	8.2	(21.9)	(20.3)	16.9	(12.0)	8.9
Intermediate Goods	17.2	22.2	7.0	2.4	11.3	1.5
Infrastructure and Construction Goods	12.3	(9.2)	(6.8)	9.0	(2.4)	8.7
Consumer Durables Goods	12.8	(18)	(9.9)	17.4	(7)	9.4
Consumer Non-Durables Goods	15.3	(1.1)	(0.4)	8.6	4.3	4.6

## Manufacturing

FIG 36 - MANUFACTURING ACTIVITY FALLS IN OCT'19

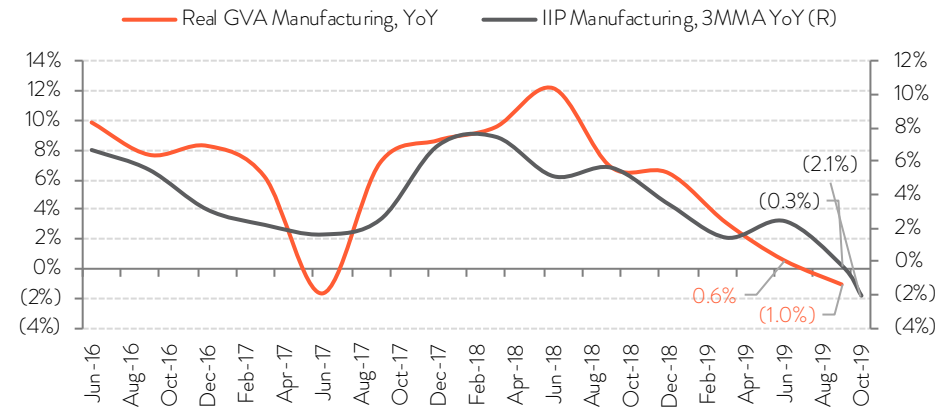
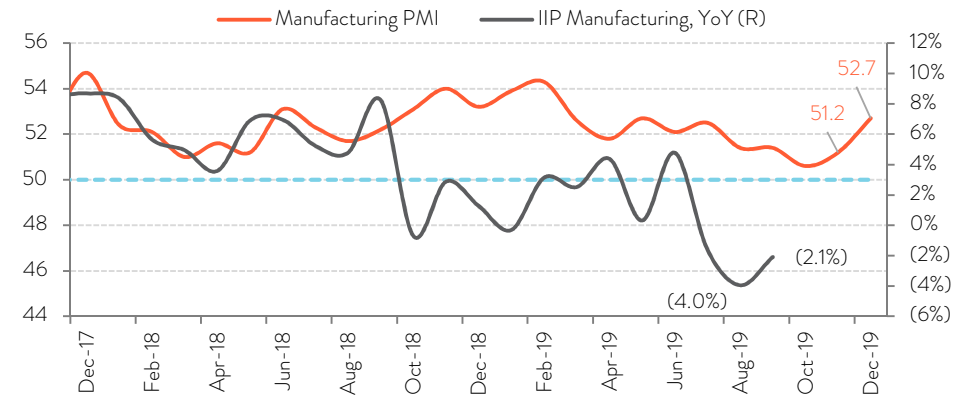


FIG 37 - MANUFACTURING PMI RISES TO 7-MONTH HIGH



Source: Markit

## Mining & Electricity

FIG 38 - MINING ACTIVITY FALLS FURTHER IN OCT'19

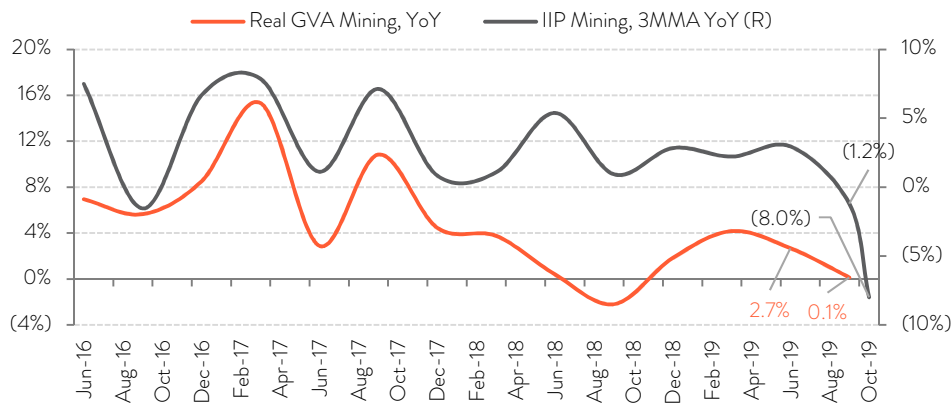
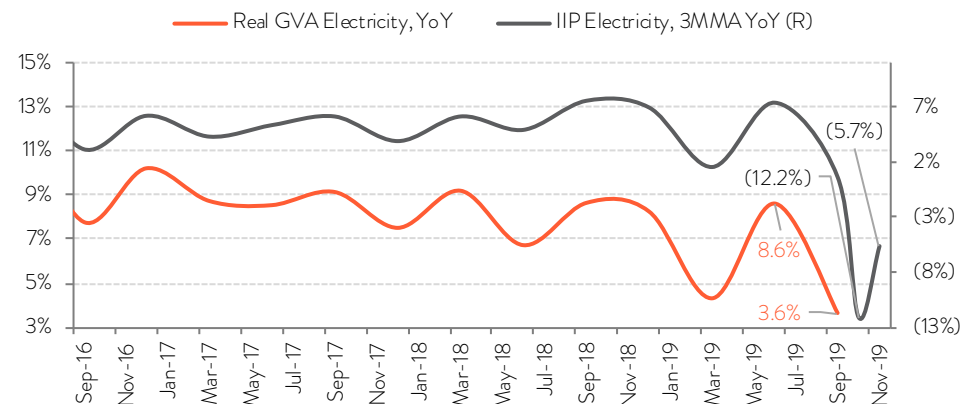
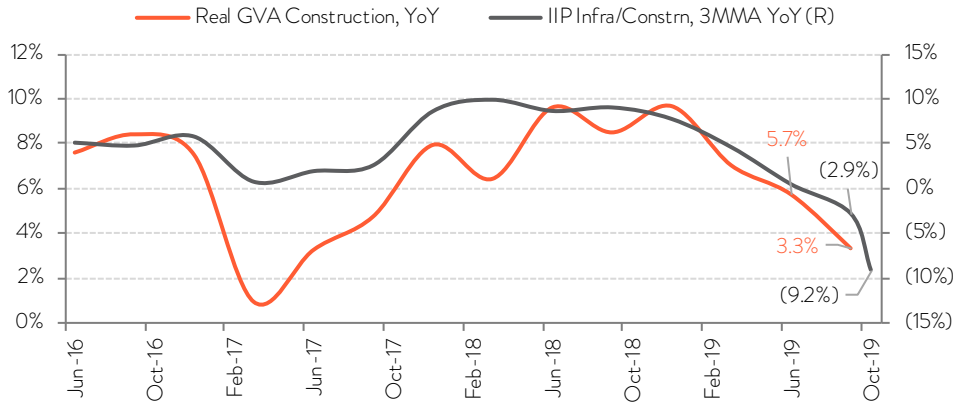


FIG 39 - ELECTRICITY OUTPUT RECOVERS IN NOV'19

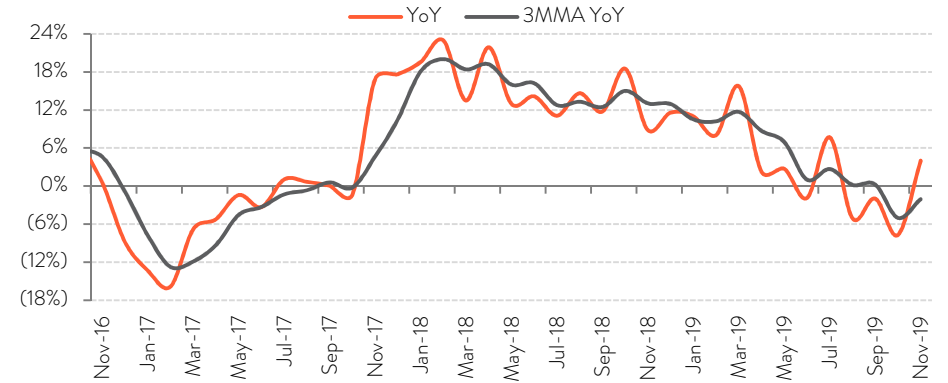


### Infrastructure and Construction

**FIG 40 – GROWTH IN CONSTRUCTION SECTOR DECLINES BY (-) 9.2% IN OCT'19**

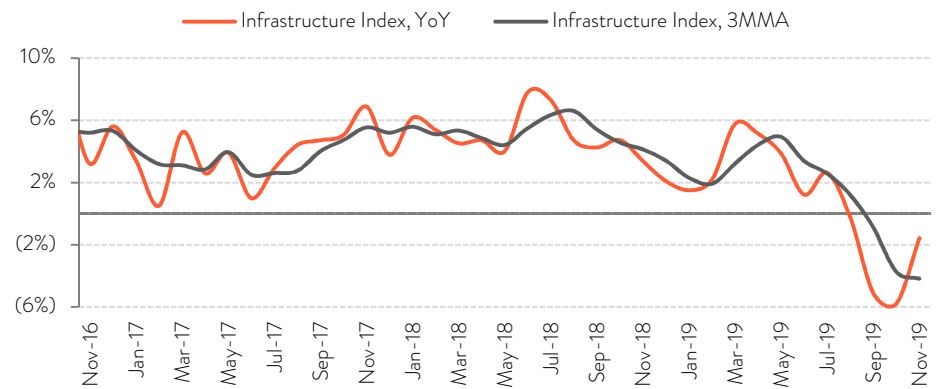


**FIG 41 – UPTURN IN CEMENT PRODUCTION**

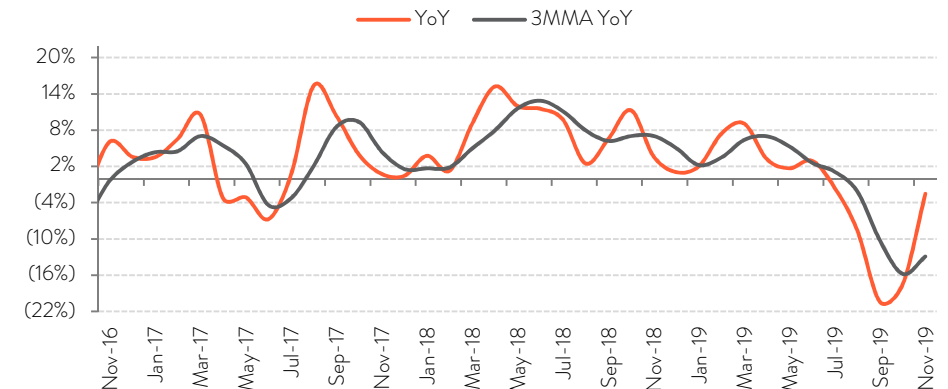


### Infrastructure Index

**FIG 42 – INFRA INDEX REBOUNDS IN NOV'19**



**FIG 43 – COAL PRODUCTION BOUNCES BACK IN NOV'19**



## Auto production & Business expectation index

FIG 44 – GROWTH IN AUTO PRODUCTION REBOUNDS

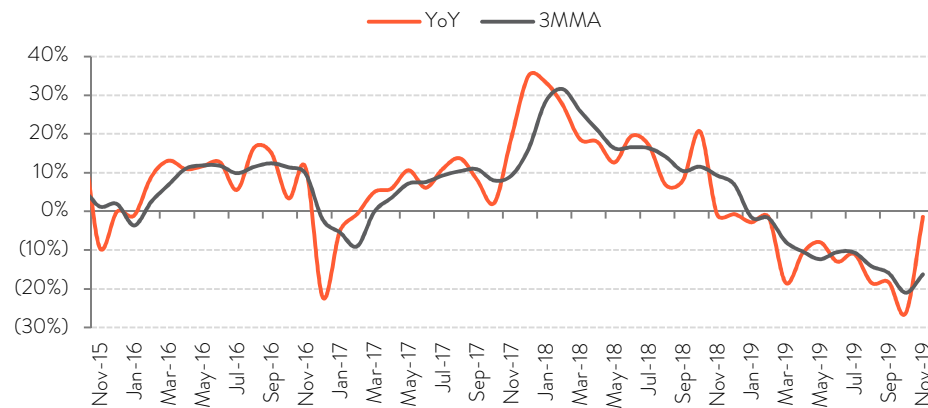


FIG 45 – SUBDUED BUSINESS SENTIMENT IN Q3FY20

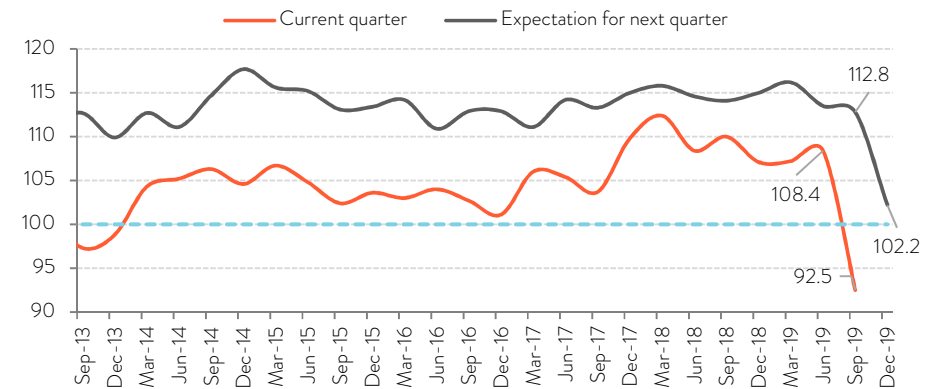
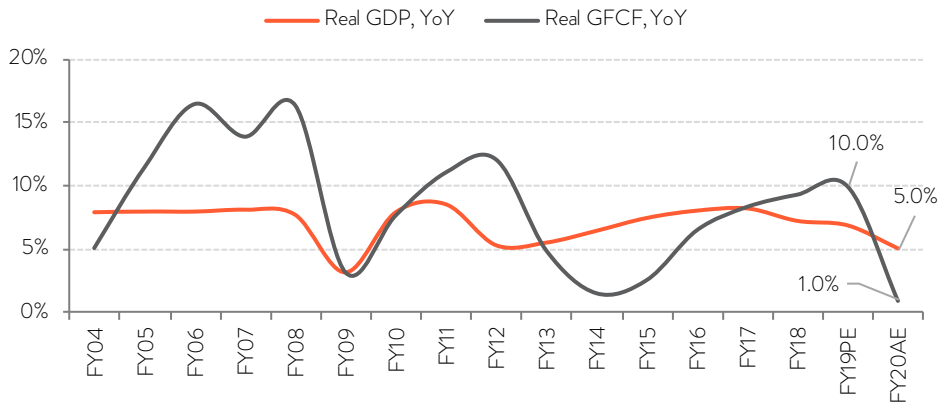


FIG 46 – INFRASTRUCTURE INDEX DECELERATES TO (-) 1.5% IN NOV'19

(%)	Weight	Nov-19	Oct-19	Sep-19	Nov-18
Infrastructure Index	100	(1.5)	(5.8)	(5.1)	3.3
Coal	10.3	(2.5)	(17.6)	(20.5)	3.7
Crude Oil	9.0	(6.0)	(5.1)	(5.4)	(3.5)
Natural Gas	6.9	(6.4)	(5.7)	(4.9)	0.5
Petroleum Refinery Products	28.0	3.1	0.4	(6.6)	2.3
Fertilizers	2.6	13.6	11.8	5.4	(8.1)
Steel	17.9	(3.7)	(1.6)	(1.5)	5.3
Cement	5.4	4.1	(7.7)	(2.0)	8.8
Electricity	19.9	(5.7)	(12.4)	(2.6)	5.1

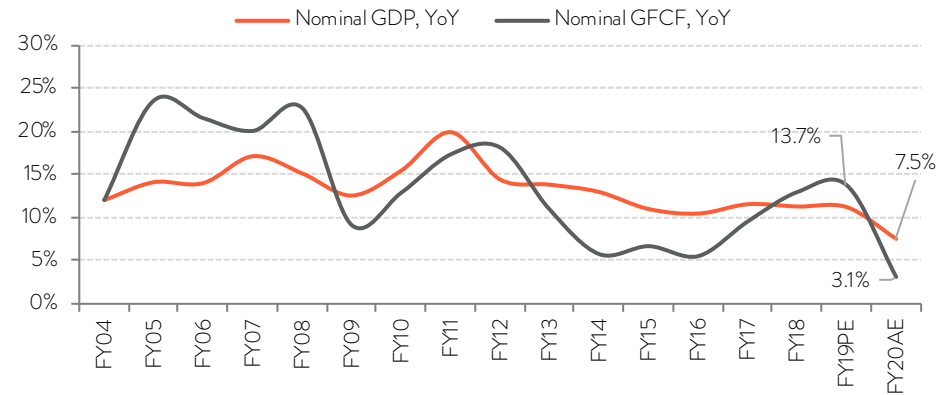
## Investment

**FIG 47 – REAL GFCF GROWTH IS EXPECTED TO BE AT ITS LOWEST SINCE FY03 AT 1%; REAL GDP GROWTH WILL ALSO DECELERATE TO 5%**



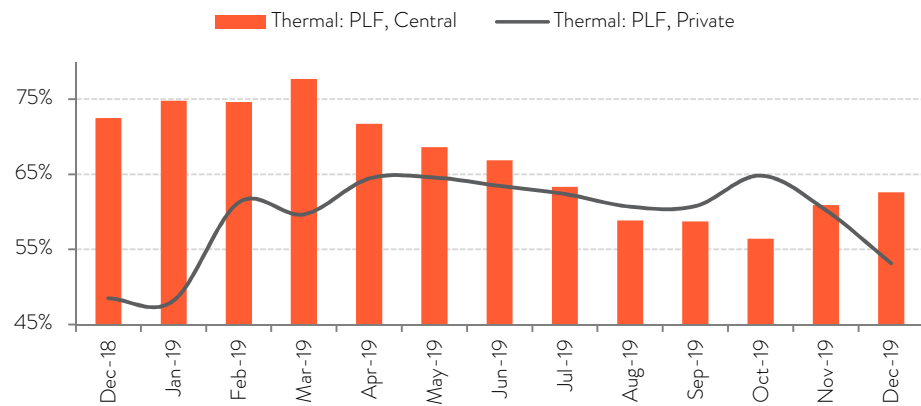
Note: PE: Provisional Estimate, AE: 1<sup>st</sup> Advance Estimate

**FIG 48 – IN NOMINAL TERMS AS WELL, GFCF IS EXPECTED TO BE MUTED AT 3.1% IN FY20; NOMINAL GDP GROWTH WOULD ALSO BE LOWER AT 7.5%**

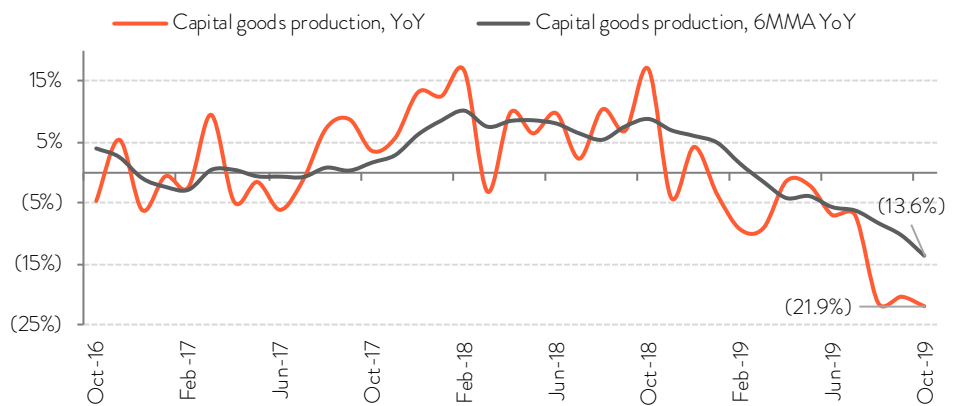


Note: PE: Provisional Estimate, AE: 1<sup>st</sup> Advance Estimate

**FIG 49 – PLF OF PRIVATE THERMAL PLANTS ARE FALLING INDICATING LOWER CAPACITY UTILISATION**

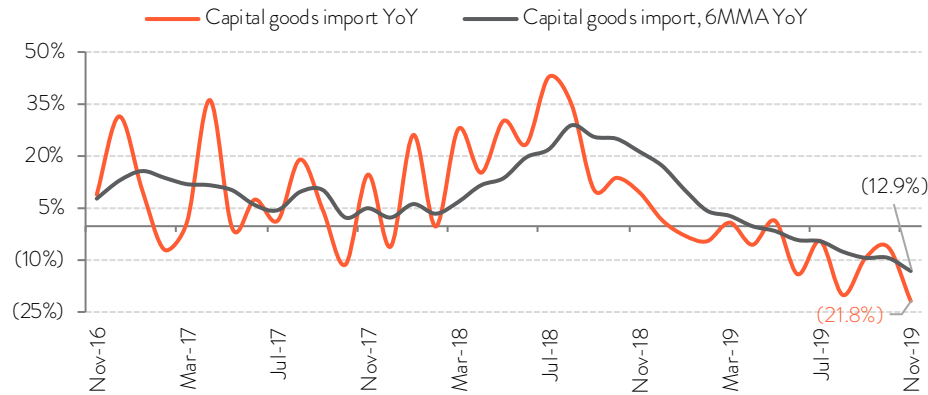


**FIG 50 – CAPITAL GOODS PRODUCTION DECLINED FOR THE 7 MONTH IN A ROW BY (-) 21.9% IN OCT'19 VS (-) 20.3% IN SEP'19 ON YOY BASIS**

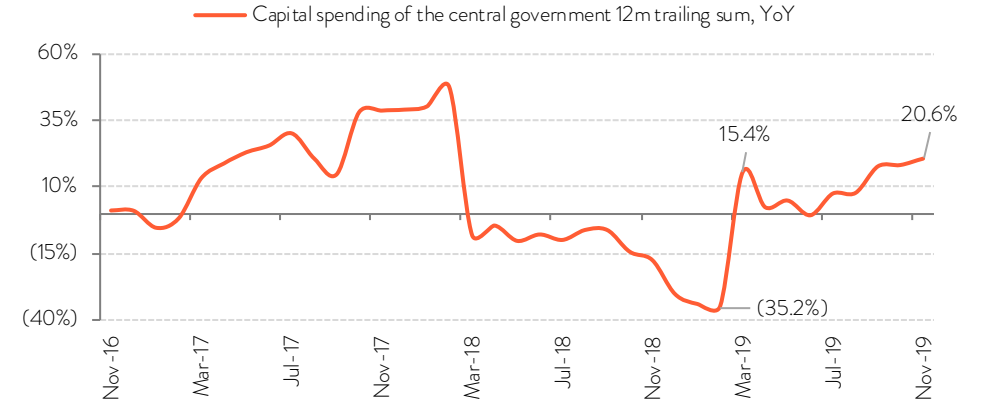




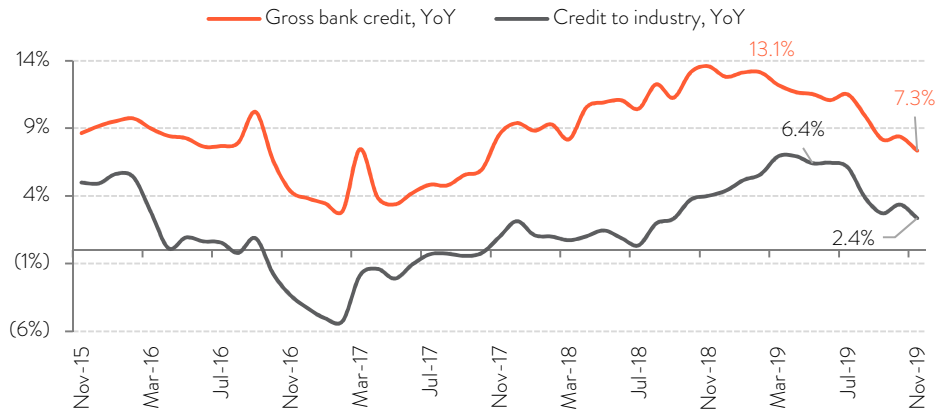
**FIG 51 – CAPITAL GOODS IMPORTS ALSO DECLINED SHARPLY BY (-) 21.8% IN NOV'19 VS (-) 6.1% IN OCT'19 ON YOY BASIS**



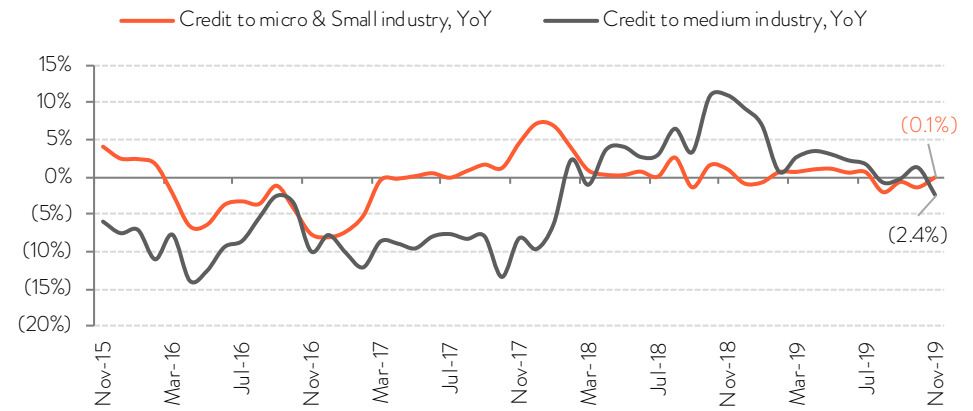
**FIG 52 – CENTRE'S CAPEX SPENDING PICKED UP BY 21% IN NOV'19 VS 17.6% IN OCT'19**



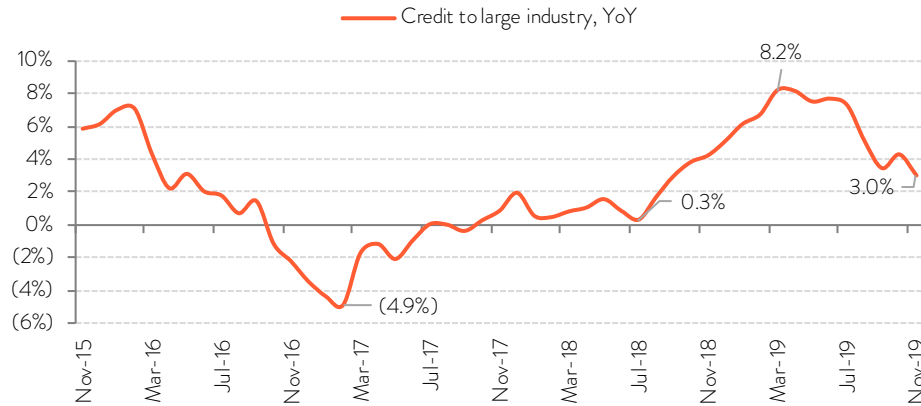
**FIG 53 – INDUSTRY CREDIT GROWTH DECELERATED BY 2.4% IN NOV'19 VS 3.4% IN OCT'19**



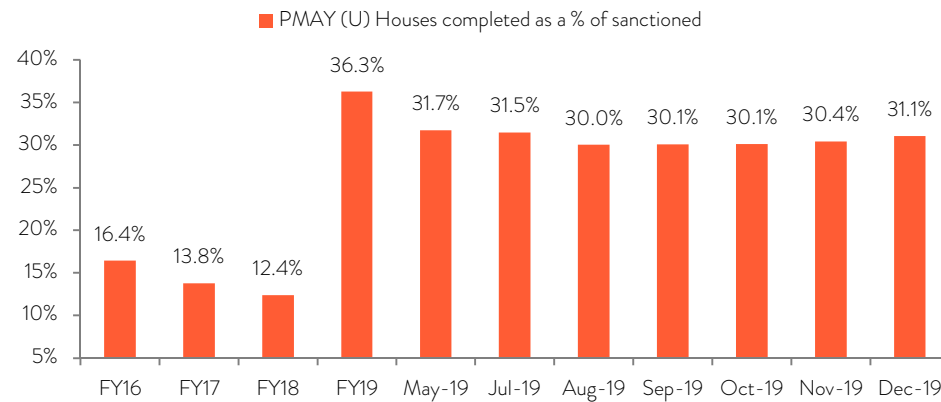
**FIG 54 – CREDIT GROWTH TO MSE SECTOR WAS MUTED AT (-) 0.1% (-1.4% IN OCT'19), FOR MEDIUM INDUSTRY IT FELL SHARPLY BY (-)2.4% (1.2% IN OCT'19)**



**FIG 55 – CREDIT TO LARGE INDUSTRY EDGED DOWN BY 3% IN NOV'19 VS 4.2% IN OCT'19**

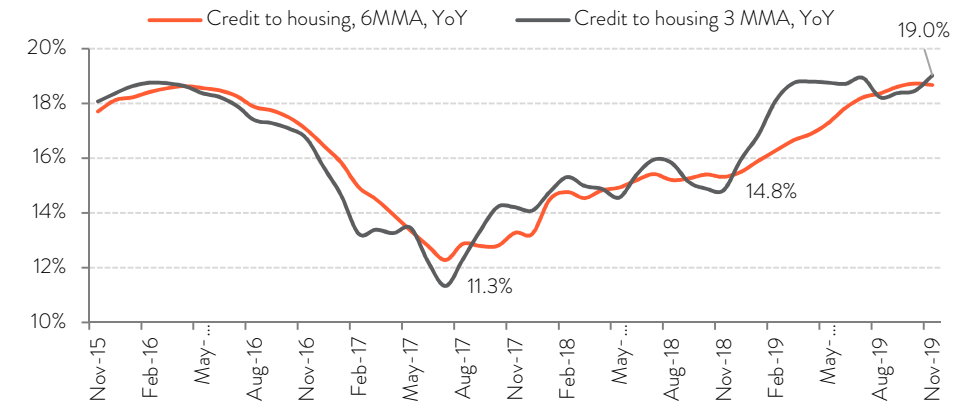


**FIG 57 – PMAY-U PROJECT CONSTRUCTION PICKED PACE IN DEC'19 AS WELL**

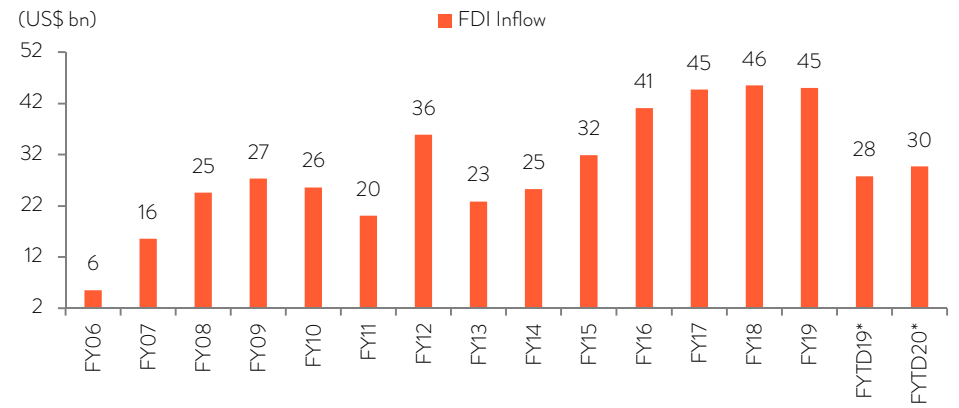


Source: MOHUA

**FIG 56 – ...HOWEVER, CREDIT TO HOUSING REMAINED ROBUST**



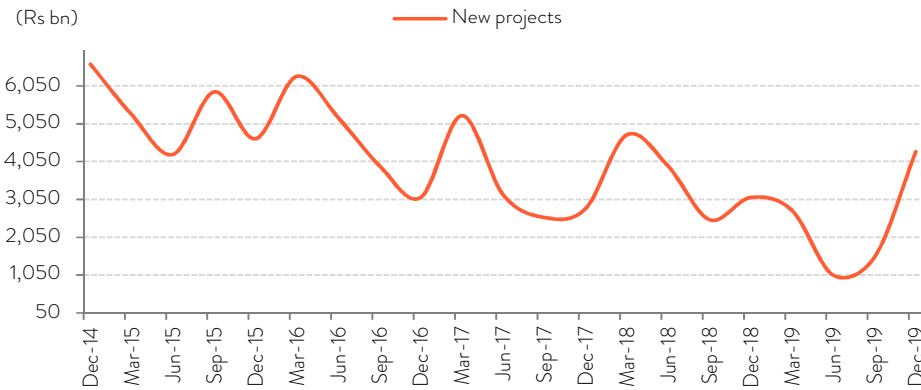
**FIG 58 – FDI INFLOWS IN H1FY20 PICKED UP TO US\$ 30BN VS US\$ 28BN IN THE SAME PERIOD OF PREVIOUS YEAR**



Source: RBI,\*Apr-Oct

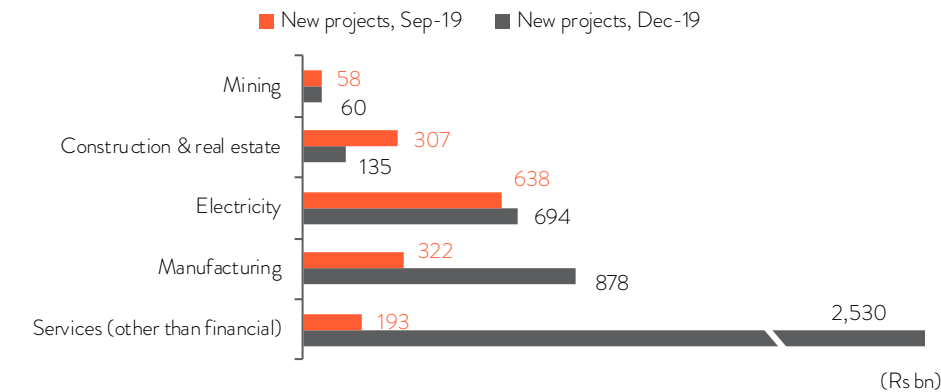
Capex data

**FIG 59 – NEW PROJECT ANNOUNCEMENT IN DEC'19 ROSE SHARPLY TO RS 4.3TN VS RS 1.5TN IN SEP'19**



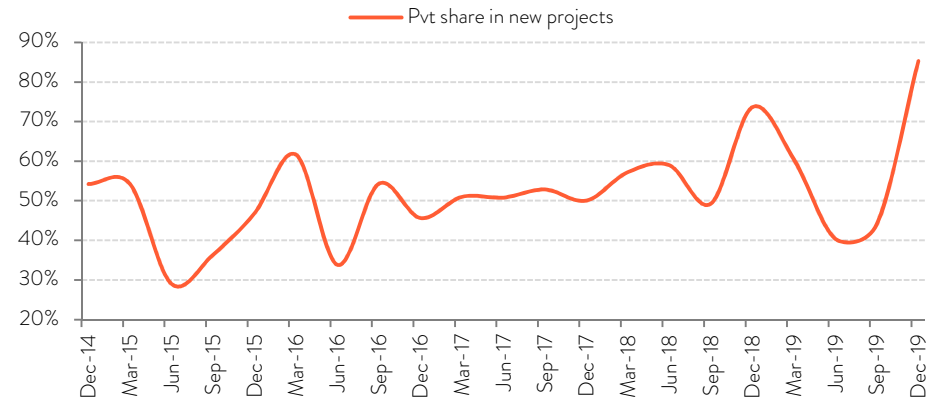
Source: CMIE

**FIG 61 – SHARP JUMP WAS SEEN IN NEW PROJECT ANNOUNCEMENTS OF SERVICES AND MANUFACTURING SECTOR**



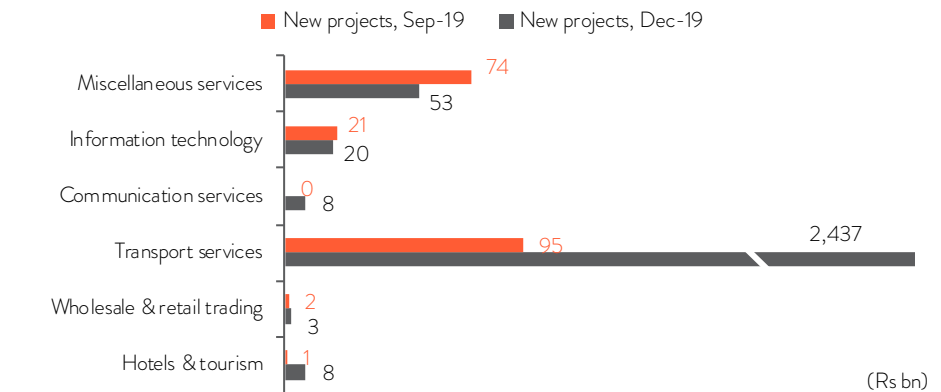
Source: CMIE

**FIG 60 – ...LED BY ACCELERATION IN NEW PROJECTS ANNOUNCEMENTS BY PRIVATE SECTOR**



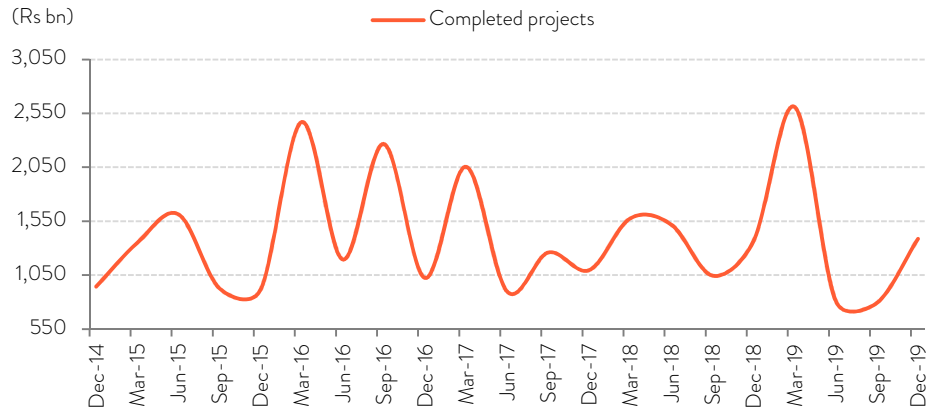
Source: CMIE

**FIG 62 – ...WITHIN SERVICES, THE JUMP WAS DRIVEN BY TRANSPORTATION SECTOR DUE TO INDIGO'S AIRCRAFT ACQUISITION PLAN**



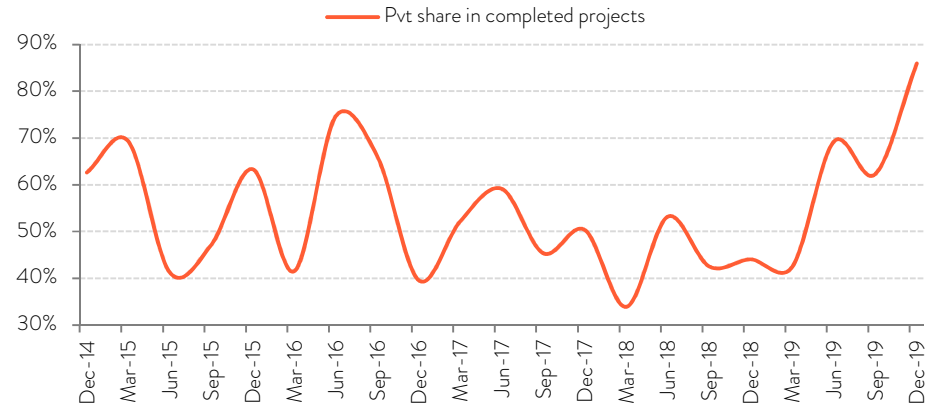
Source: CMIE

**FIG 63 – COMPLETED PROJECTS ALSO ROSE SHARPLY BY 1.4TN IN DEC'19 VS RS 0.8TN IN SEP'19**



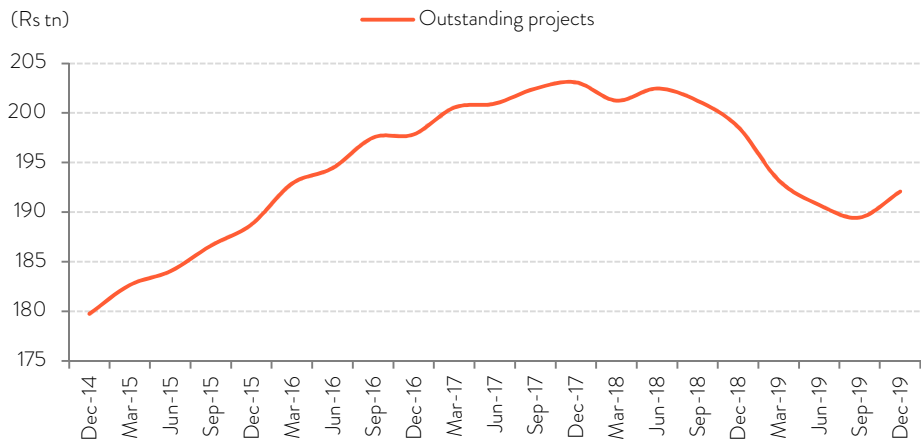
Source: CMIE

**FIG 64 – ...PRIVATE SHARE IN COMPLETED PROJECTS ALSO PICKED PACE**



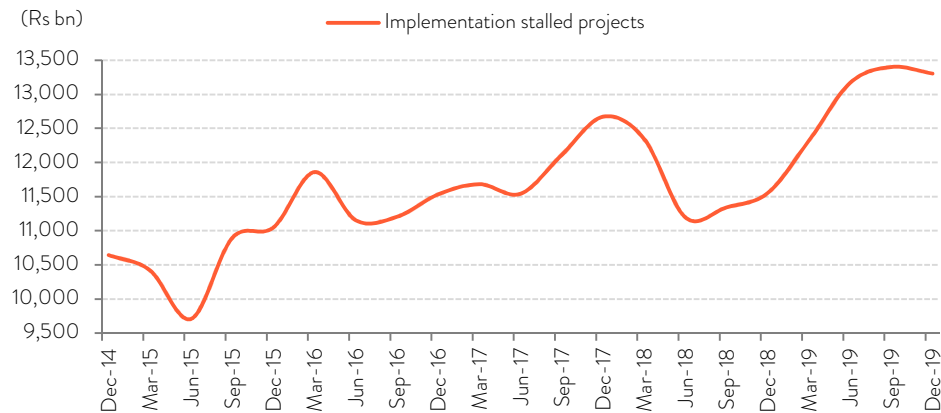
Source: CMIE

**FIG 65 – OUTSTANDING PROJECTS AS ON DEC'19 STOOD AT RS 192TN**



Source: CMIE

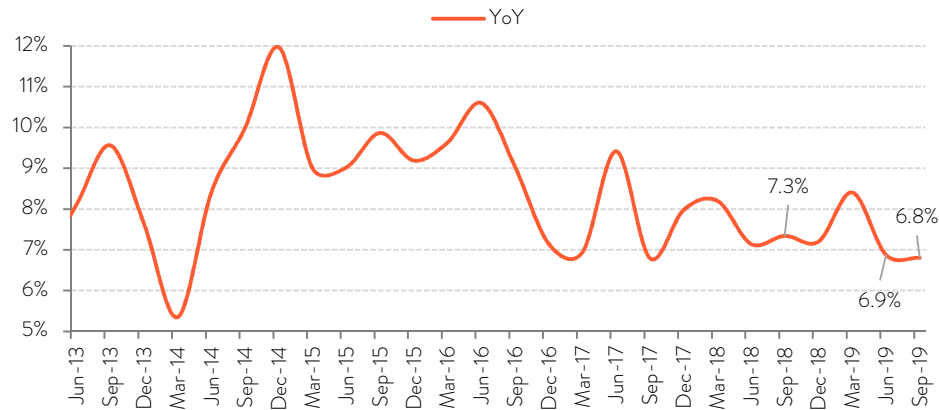
**FIG 66 – STALLED PROJECTS DIPPED MARGINALLY TO RS 13.3TN VS RS 13.4TN IN SEP'19**



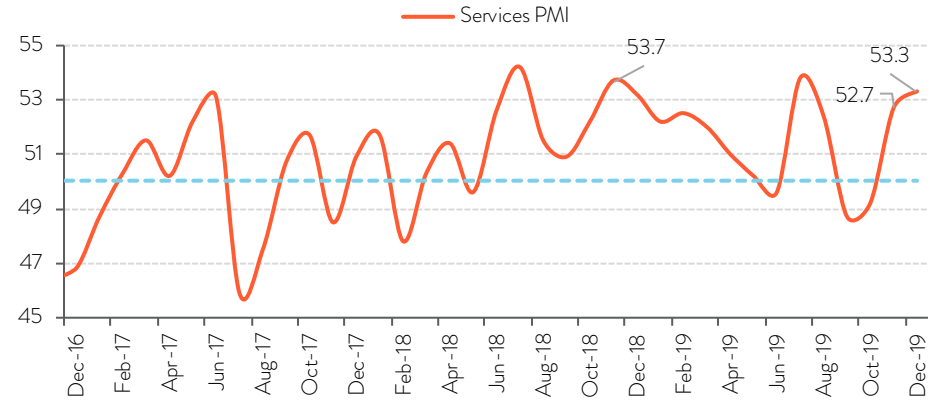
Source: CMIE

## Services sector

**FIG 67 – GVA: SERVICES ACTIVITY REMAINED STABLE IN Q2FY20 VS Q1**

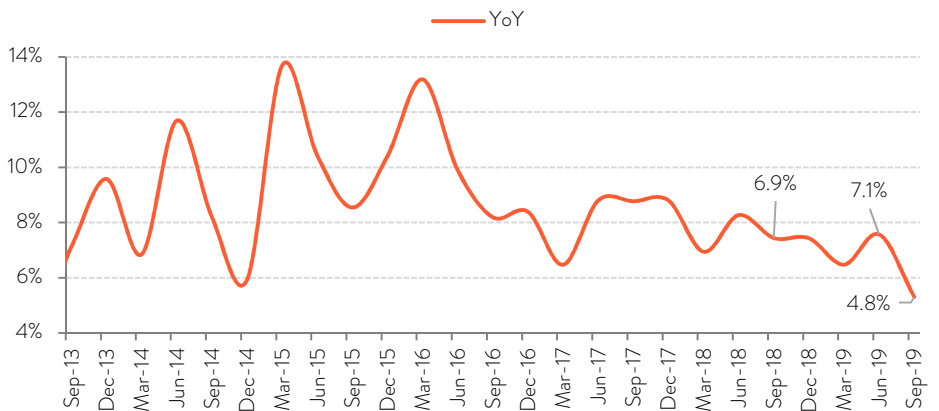


**FIG 68 – SERVICES PMI JUMPED TO 5-MONTH HIGH IN DEC'19**

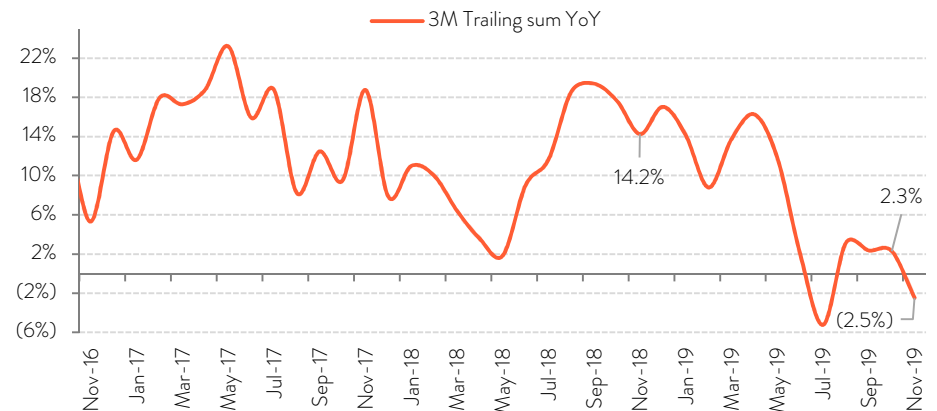


Source: Markit

**FIG 69 – GVA: TRADE & RELATED SERVICES GROWTH DIPPED STEEPLY IN Q2**



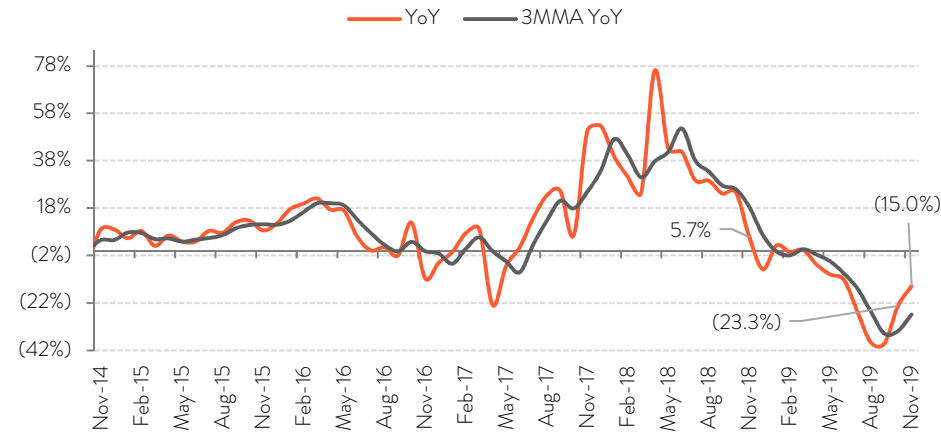
**FIG 70 – STATES\* TAX REVENUE GROWTH DIPS IN NOV'19**



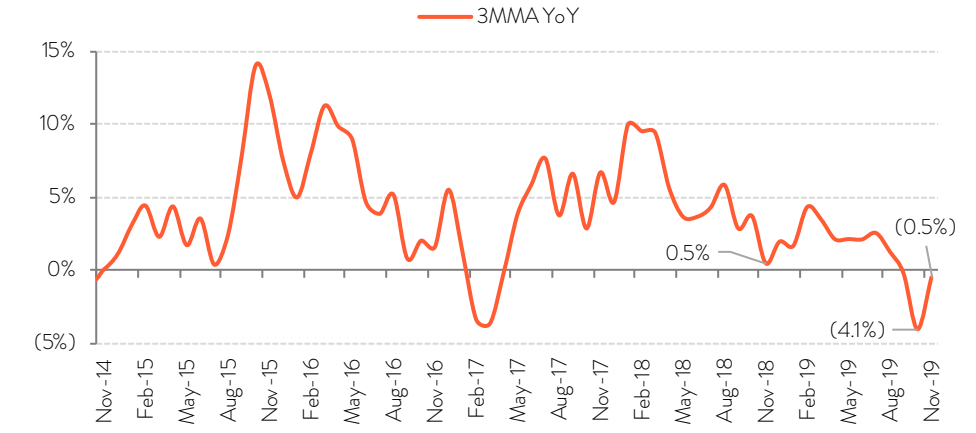
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

Trade

**FIG 71 – COMMERCIAL VEHICLE SALES CONTRACTED LESS SHARPLY IN NOV'19...**

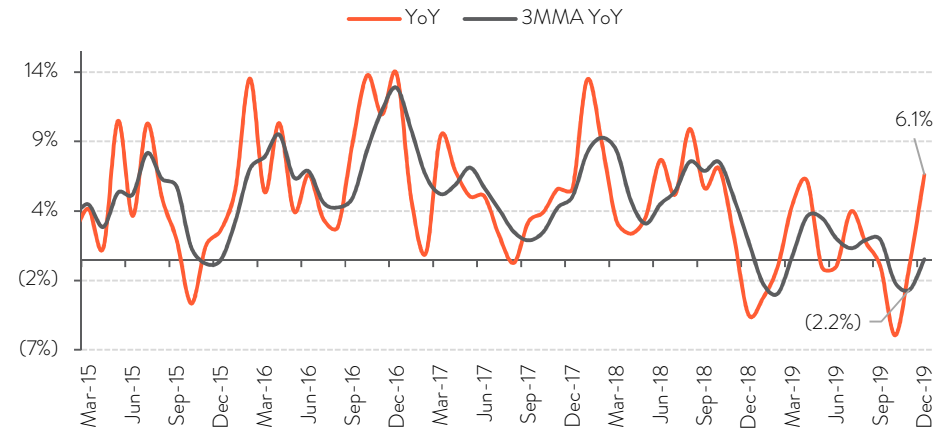


**FIG 72 – DIESEL CONSUMPTION SEEING SOME REVIVAL**

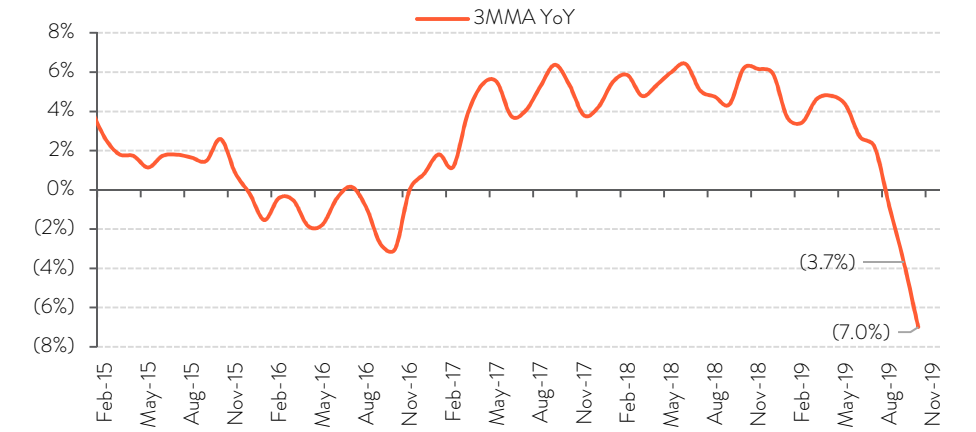


Source: PPAC

**FIG 73 – PORT CARGO VOLUMES SPIKE IN DEC'19**

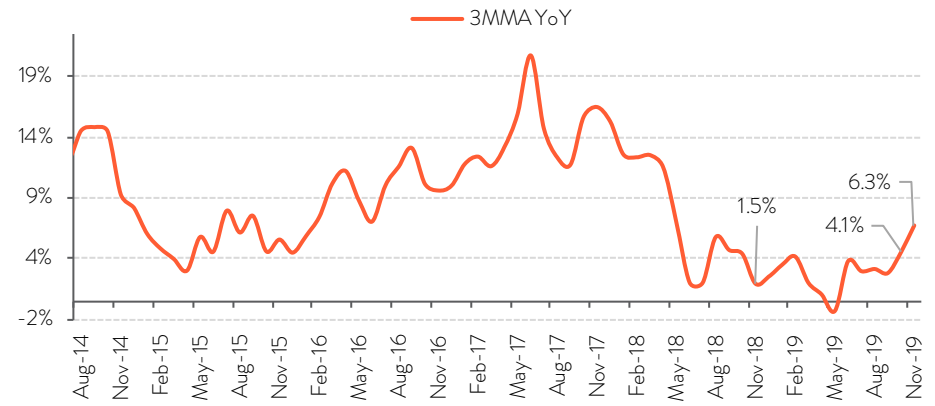


**FIG 74 – RAILWAY FREIGHT TRAFFIC REMAINS MUTED**

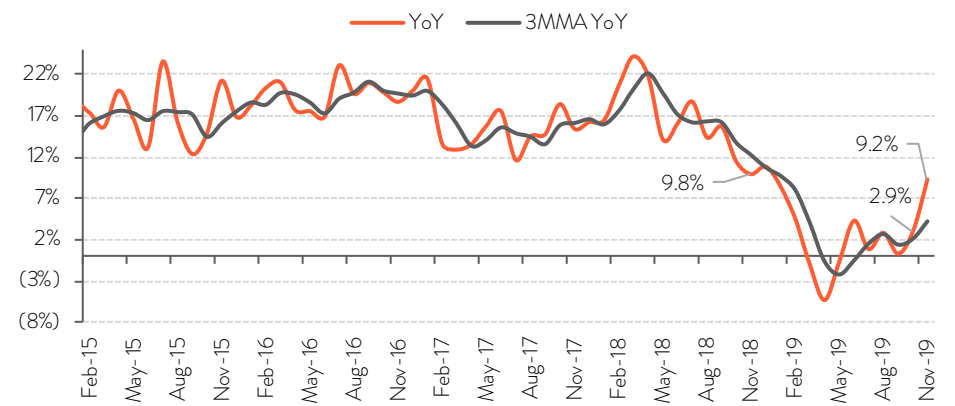


**Hotels and Communications**

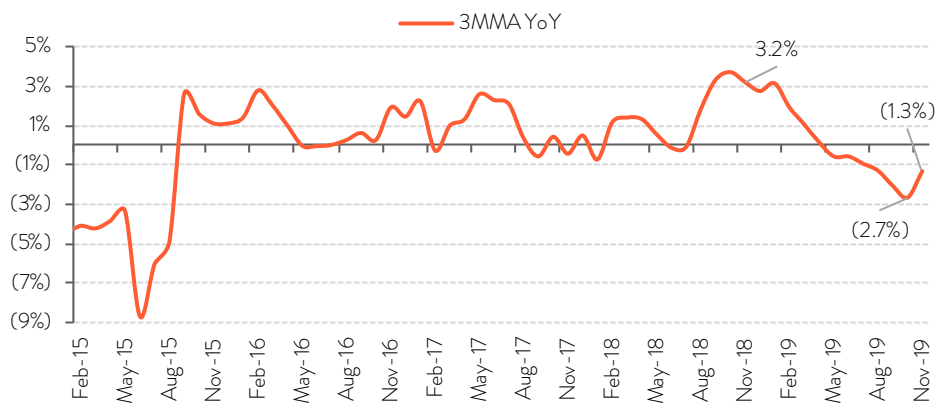
**FIG 75 – FOREIGN TOURIST ARRIVAL GROWTH MAINTAINS MOMENTUM IN NOV'19...**



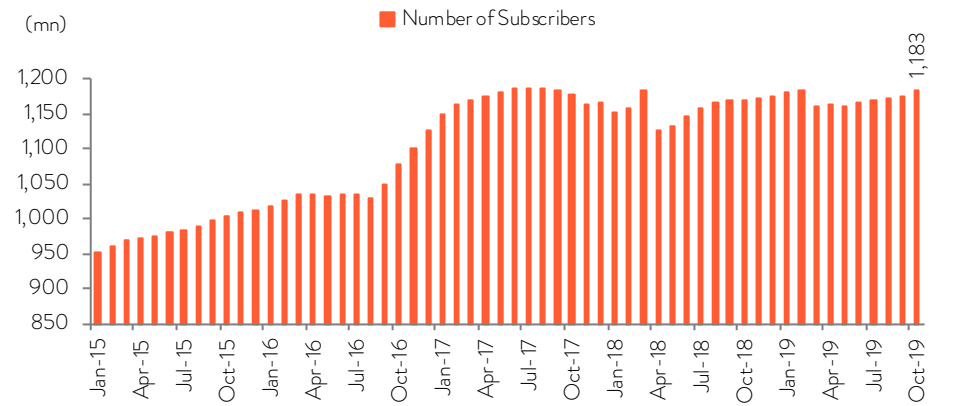
**FIG 76 – ...HELPING REVIVAL IN AIRLINE PASSENGER TRAFFIC GROWTH**



**FIG 77 – RAILWAY PASSENGER TRAFFIC GROWTH CONTRACTED LESS SHARPLY IN NOV'19**

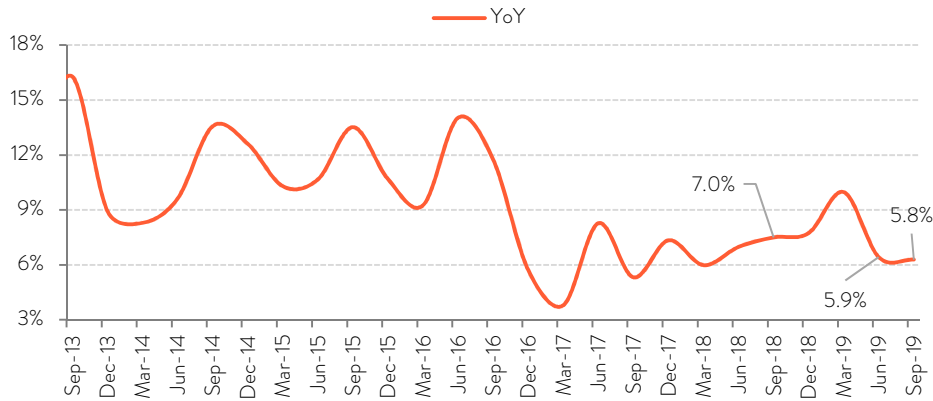


**FIG 78 – WIRELESS SUBSCRIBER BASE SEES UPTICK IN OCT'19**

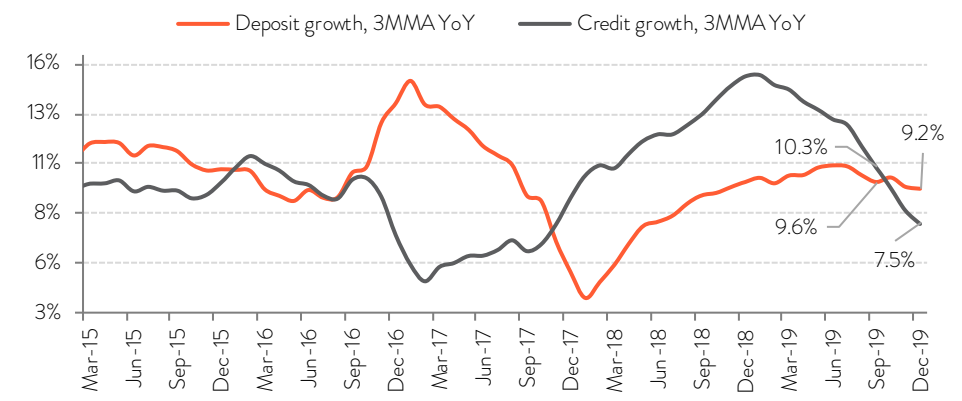


**Finance and Real estate**

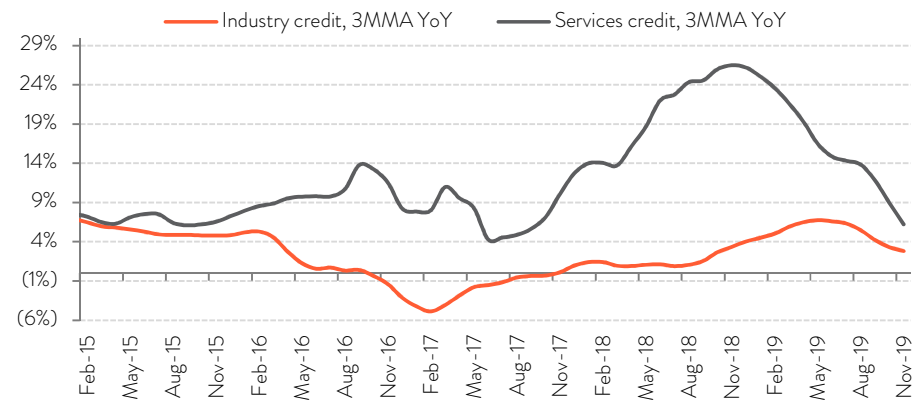
**FIG 79 – GROWTH IN GVA: FINANCE, REAL ESTATE & PROF. SERVICES BROADLY STABLE IN Q2FY20**



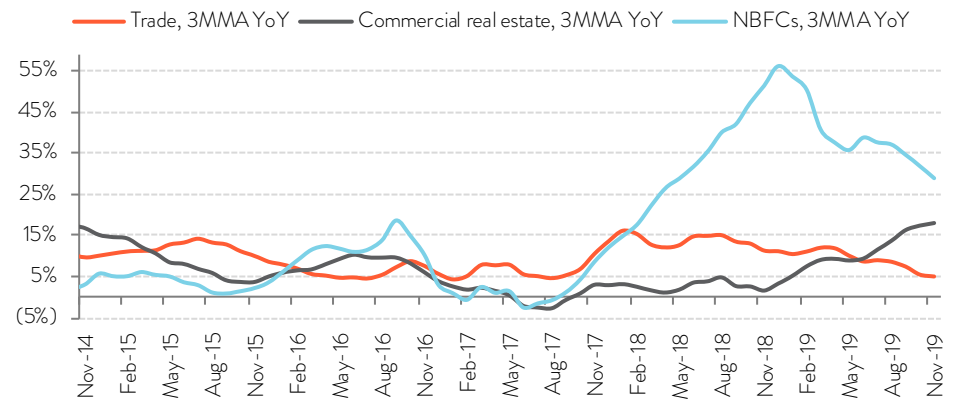
**FIG 80 – CREDIT AND DEPOSIT GROWTH CONTINUE TO DECELERATE IN DEC'19**



**FIG 81 – CREDIT TO BOTH SERVICES MANUFACTURING SECTOR REMAINED MUTED IN NOV'19**

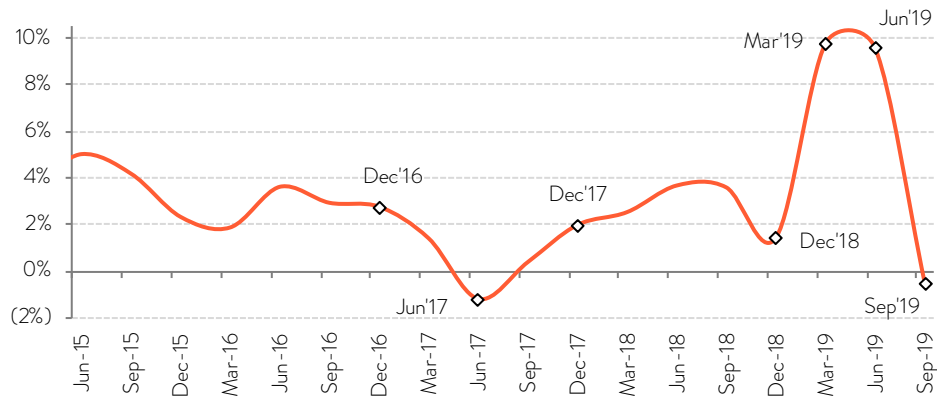


**FIG 82 – ...MAINLY LED BY NBFC AND TRADE; LENDING TO COMMERCIAL REAL ESTATE STEADY**



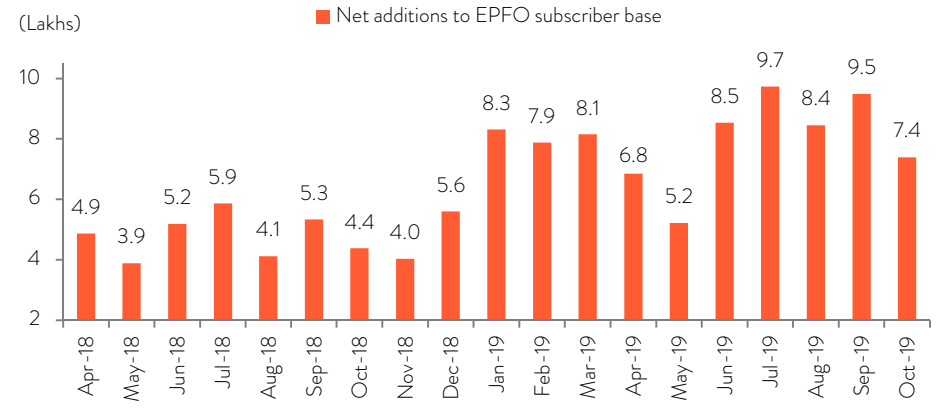


**FIG 83 – AVERAGE PROPERTY PRICE INDEX\* DROPS STEEPLY IN SEP'19**



Source: \*Index for Delhi-NCR, Mumbai & Bangalore; using Colliers International data for commercial property rental price (Rs/sqft)

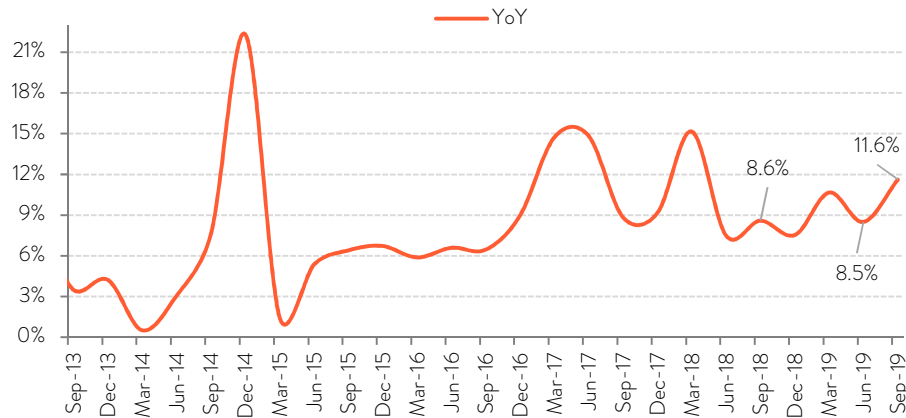
**FIG 84 – NET ADDITIONS TO EPFO SUBSCRIBER BASE EASE IN OCT'19**



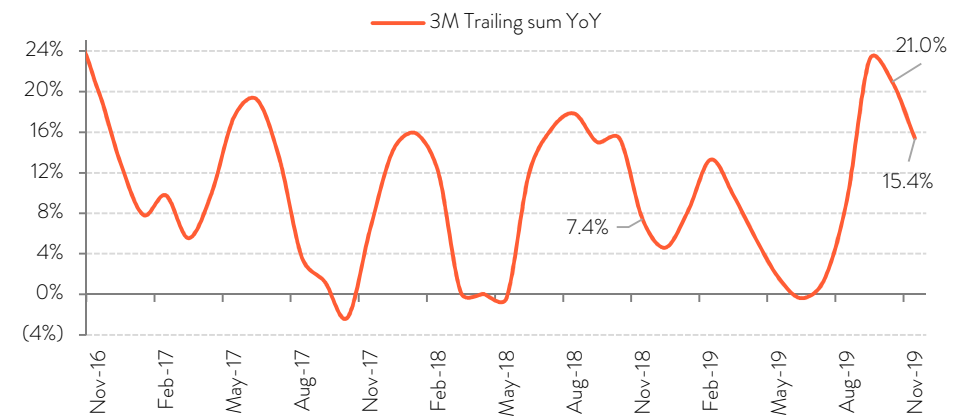
Source: EPFO

Public administration

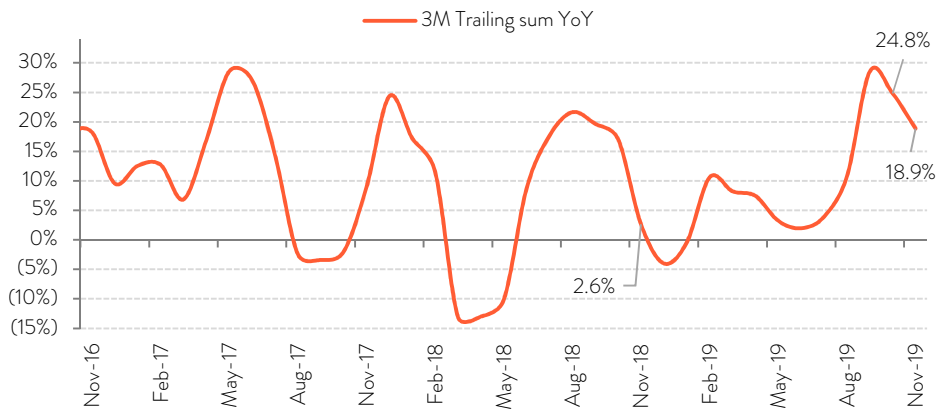
**FIG 85 – PUBLIC ADMINISTRATION & RELATED SERVICES HELPED SERVICE SECTOR GROWTH REMAIN STEADY IN Q2FY20**



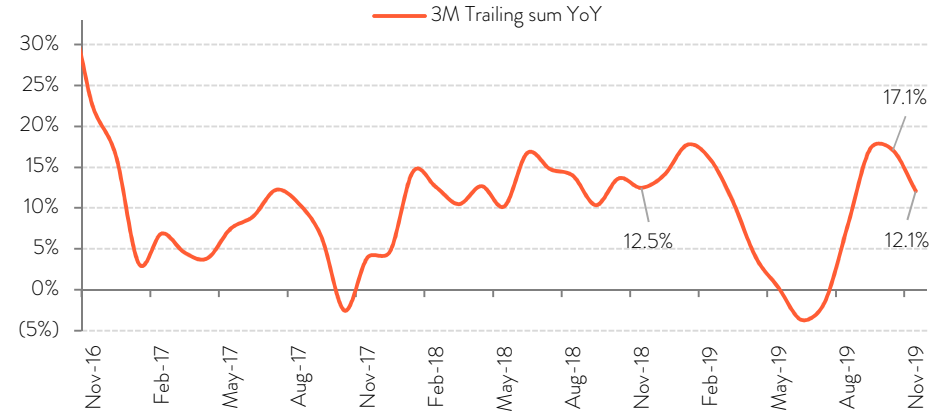
**FIG 86 – GENERAL GOVT. SPENDING COOLS OFF SHARPLY IN OCT-NOV'19 QUARTER...**



**FIG 87 – ...LED BY CENTRAL GOVT. SPENDING...**



**FIG 88 – ...AND STATE\* GOVT. SPENDING**

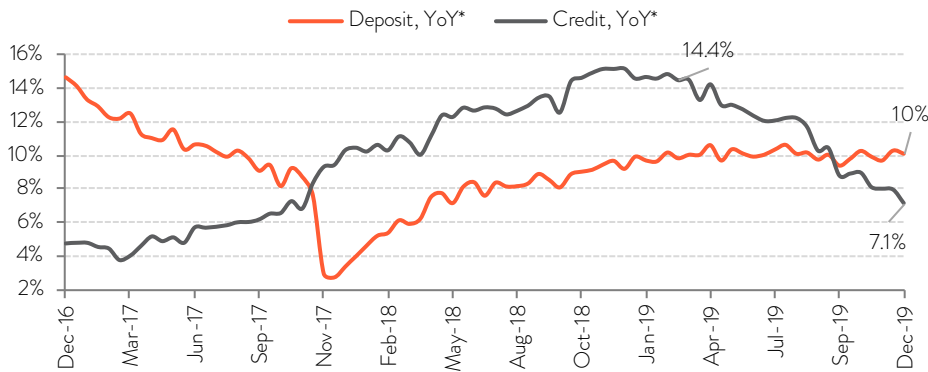


Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

## Financial sector

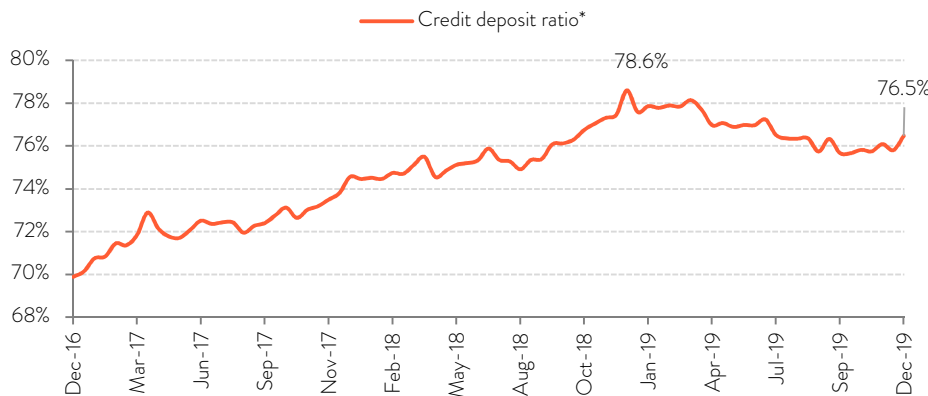
### Money and banking

**FIG 89 – IN DEC'19 AS WELL, CREDIT GROWTH WAS MUTED AT 7.1% VS 8% IN NOV'19, DEPOSIT GROWTH INCHED UP BY 10.1% VS 9.7% IN NOV'19**



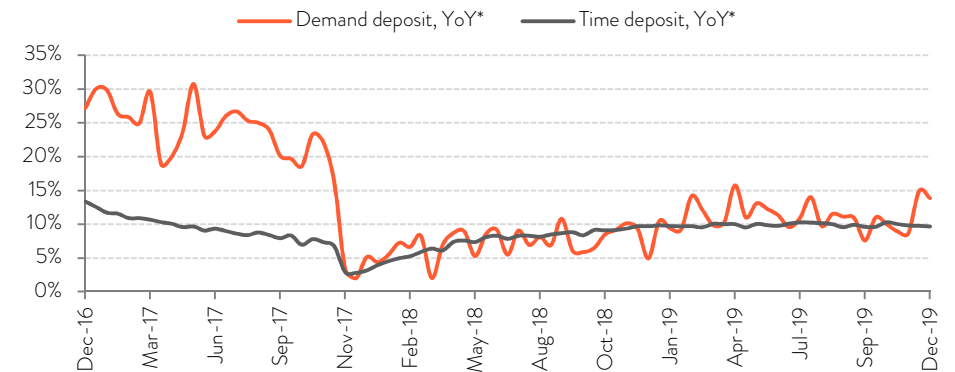
Note: \*Dec19 implies fortnight as of 20 Dec 2019

**FIG 91 – CD RATIO WAS AT 76.5% IN DEC'19**



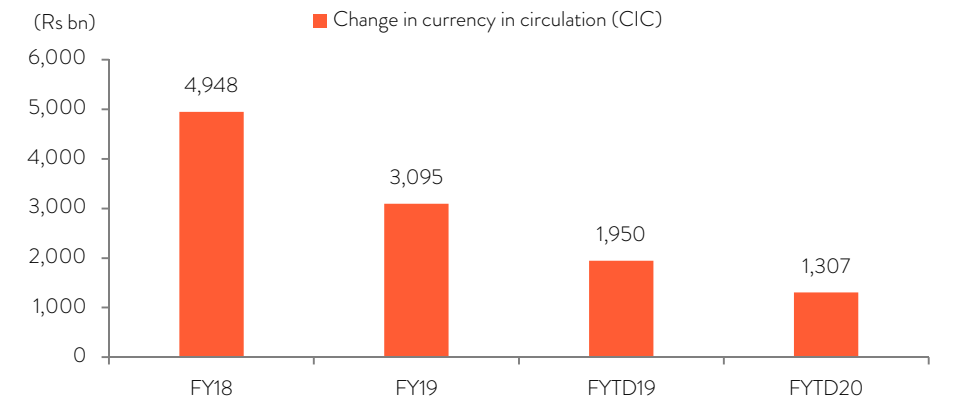
Note: \*Dec19 implies fortnight as of 20 Dec 2019

**FIG 90 – DEMAND DEPOSITS GREW AT A FASTER PACE OF 13.9% (8.6% IN NOV'19), TIME DEPOSITS GREW BY 9.7% (9.8% IN NOV'19)**



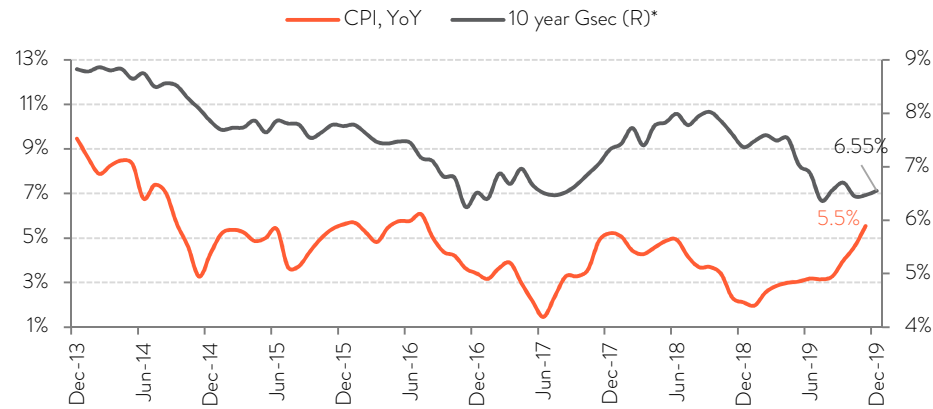
Note: \*Dec19 implies fortnight as of 20 Dec 2019

**FIG 92 – CIC ACCRETION WAS LOWER AT RS 1.3TN IN FYTD20 VS RS 2TN IN THE SAME PERIOD LAST YEAR**



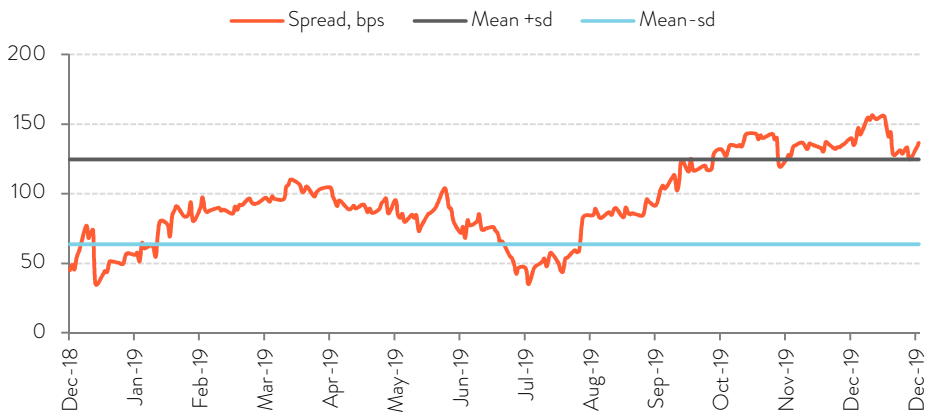
FYTD: Apr-Dec'19

**FIG 93 – 10Y GSEC YIELD INCHED UP TO 6.55% IN DEC'19 (6.47% IN NOV'19) AMIDST FISCAL CONCERNS, INFLATION ALSO ROSE BY 5.5%**



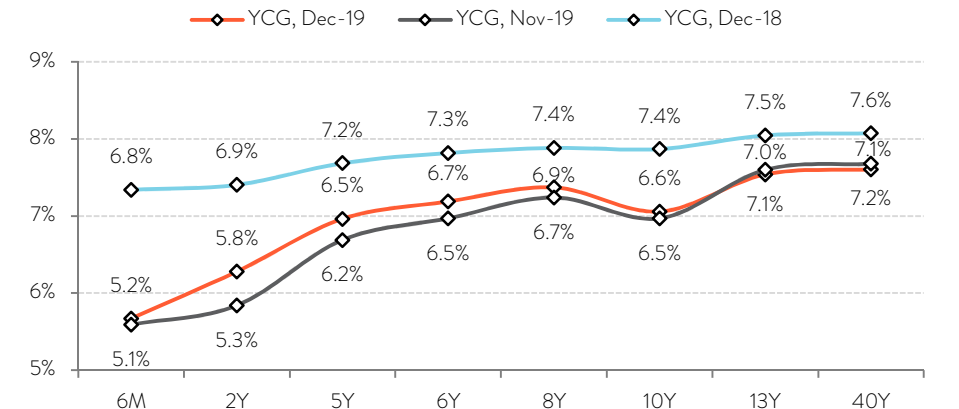
Note: \*As on last trading day of the month

**FIG 95 – SPREAD BETWEEN 10Y GSEC YIELD AND 1YR TBILL WAS HIGHER AT 142BPS IN DEC'19 COMPARED TO 132BPS IN NOV'19**



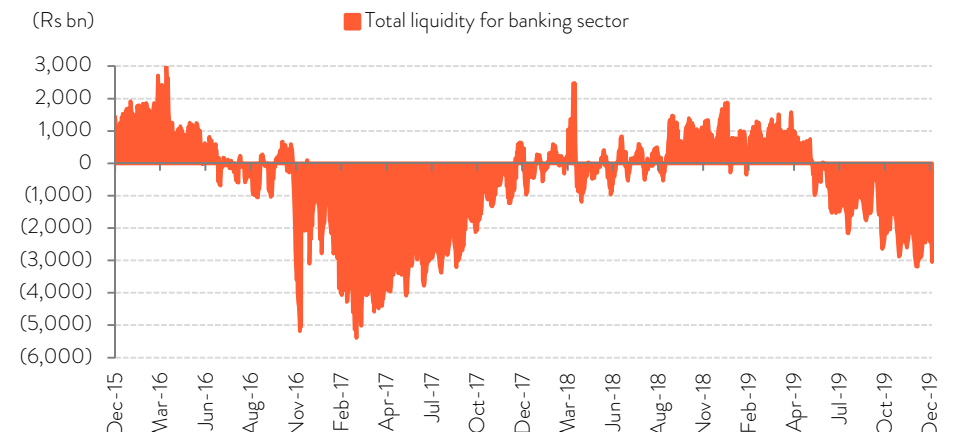
Source: RBI

**FIG 94 – YIELD CURVE GRAPH (YCG) SHOWS STEEPENING BIAS REMAINED**



Source: Bloomberg

**FIG 96 – AVERAGE SYSTEM LIQUIDITY SURPLUS ROSE TO RS 2.6TN IN DEC'19 VS RS 2.4TN IN NOV'19 AND CURRENTLY AT ~RS 3.5TN**



Source: RBI

## Interest rates on small savings schemes

**FIG 97 – INTEREST RATES ON SMALL SAVINGS SCHEME**

Instrument (%)	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	GSec Yield (1 Jan 2020)
Savings deposit	4.0	4.0	4.0	4.0	4.0	4.0	-
1 year time deposit	6.9	7.0	7.0	6.9	6.9	6.9	5.46
2 year time deposit	7.0	7.0	7.0	6.9	6.9	6.9	5.76
3 year time deposit	7.2	7.0	7.0	6.9	6.9	6.9	6.21
5 year time deposit	7.8	7.8	7.8	7.7	7.7	7.7	6.40
5 year recurring deposit	7.3	7.3	7.3	7.2	7.2	7.2	6.40
5 year senior citizen savings scheme	8.7	8.7	8.7	8.6	8.6	8.6	6.40
5 year monthly income scheme	7.7	7.7	7.7	7.6	7.6	7.6	6.40
5 year national savings certificate	8	8	8	7.9	7.9	7.9	6.40
Public provident fund scheme	8	8	8	7.9	7.9	7.9	6.50
Kisan vikas patra	7.7	7.7	7.7	7.6	7.6	7.6	-
Sukanya samriddhi account scheme	8.5	8.5	8.5	8.4	8.4	8.4	-

Source: Department of Economic Affairs, Ministry of Finance, Government of India, 10Y benchmark yield 6.45GS2029

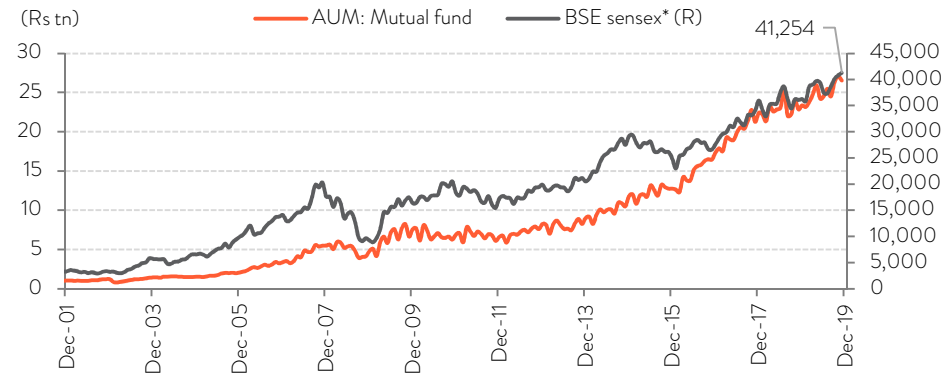
**FIG 98 – INTEREST RATES CHARGED BY LEADING BANKS**

1Y MCLR (%)	Mar'19	Apr'19	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19	Dec'19
<b>Public Sector Banks</b>										
Bank of Baroda	8.65	8.65	8.70	8.70	8.60	8.45	8.40	8.35	8.30	8.25
Bank of India	8.65	8.65	8.70	8.65	8.60	8.35	8.35	8.30	8.30	8.20
Canara Bank	8.65	8.65	8.70	8.70	8.60	8.50	8.40	8.40	8.35	8.35
Indian Bank	8.65	8.65	8.65	8.65	8.60	8.60	8.45	8.35	8.35	8.35
Punjab National Bank	8.45	8.45	8.45	8.45	8.40	8.30	8.30	8.25	8.15	8.15
State Bank of India	8.55	8.50	8.45	8.45	8.40	8.25	8.15	8.05	8.00	7.90
Union Bank of India	8.60	8.60	8.60	8.60	8.55	8.50	8.35	8.30	8.25	8.20
<b>Private Sector Banks</b>										
Axis Bank Ltd.	8.90	8.90	8.80	8.70	8.65	8.55	8.45	8.35	8.25	8.15
HDFC Bank Ltd.	8.75	8.70	8.70	8.70	8.70	8.60	8.45	8.35	8.30	8.15
ICICI Bank Ltd.	8.80	8.75	8.75	8.75	8.65	8.65	8.55	8.45	8.35	8.25
Indusind Bank	9.90	9.85	9.85	9.75	9.70	9.65	9.55	9.45	9.45	9.40
Kotak Mahindra Bank	9.00	8.90	8.90	8.90	8.85	8.75	8.75	8.60	8.50	8.40

Source: RBI, Bank's website

**Mutual fund (MF) indicators**

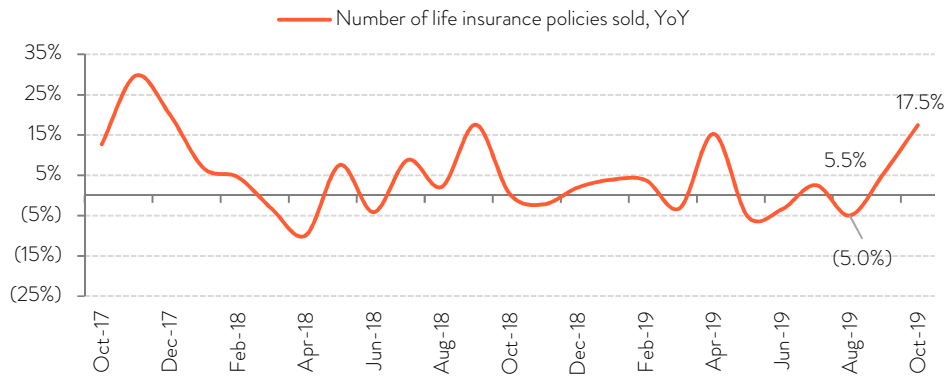
**FIG 99 – SENSEX ROSE BY 1.1% TO ITS RECORD HIGH OF 41,254 IN DEC'19, AUM OF MFS WAS AT RS 27TN**



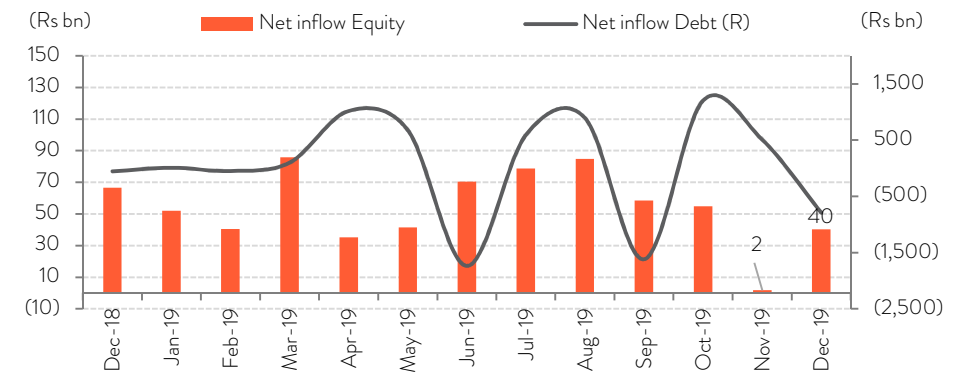
Source: \*Sensex as on last trading day of the month.

**Insurance sector indicators**

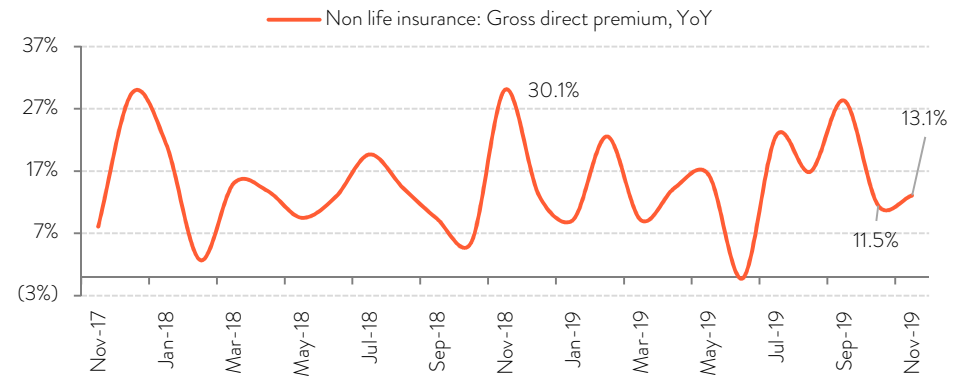
**FIG 101 – LIFE INSURANCE POLICIES SOLD IN OCT'19 INCREASED DOUBLE DIGIT BY 17.5% VS 5.5% IN SEP'19 DRIVEN BY A FAVOURABLE BASE**



**FIG 100 – MF EQUITY INFLOW ROSE BY RS 40BN (VS 2BN IN NOV'19); DEBT OUTFLOW WAS AT RS 790BN VS INFLOW OF RS 509BN IN NOV'19**



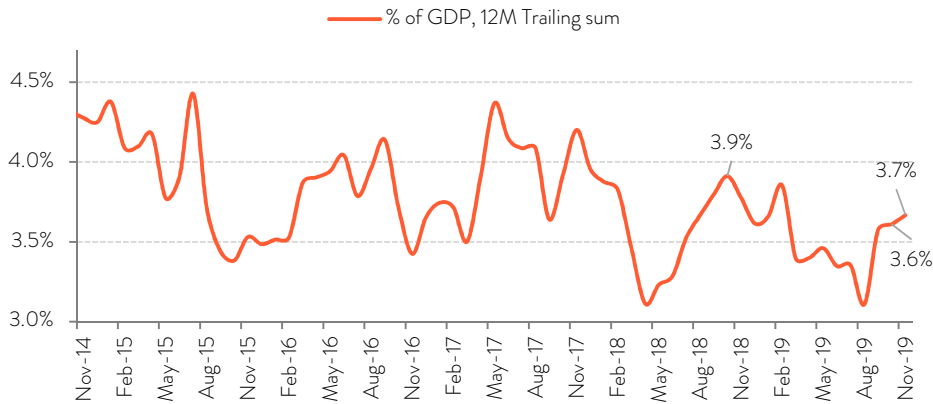
**FIG 102 – GROSS DIRECT PREMIUM FOR NON LIFE INSURANCE ROSE BY 13.1% IN NOV'19 VS 11.5% IN OCT'19**



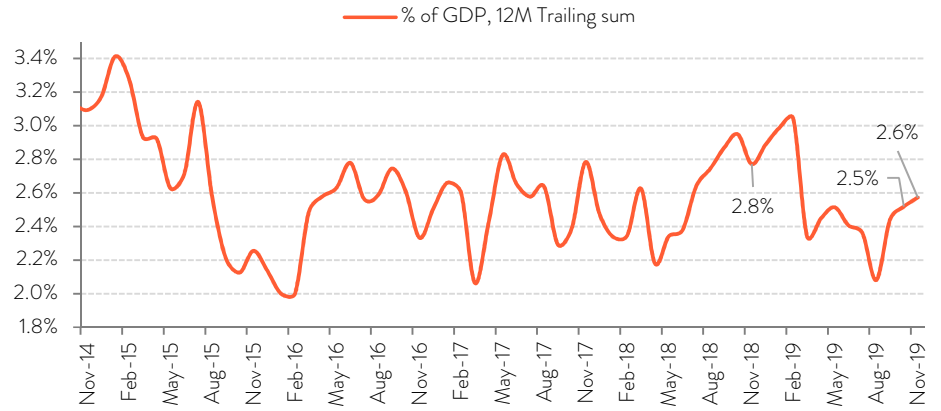
## Public finance

### Central government finances

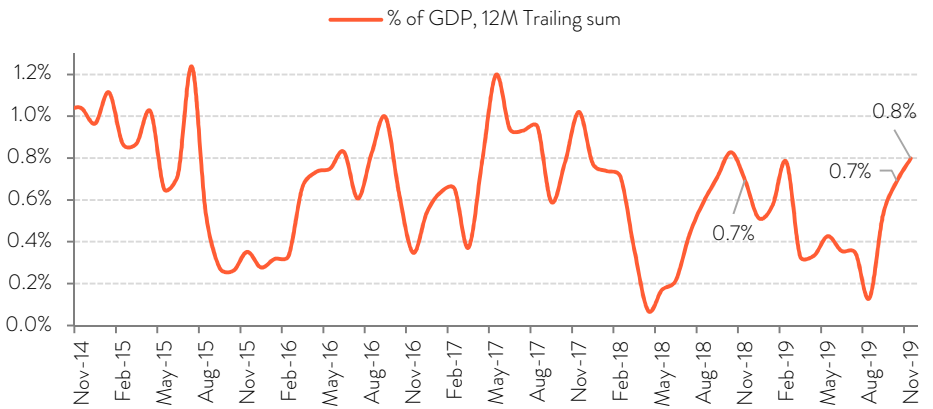
**FIG 103 – FISCAL DEFICIT REMAINED ELEVATED IN NOV'19**



**FIG 104 – REVENUE DEFICIT ALSO HIGH**



**FIG 105 – PRIMARY DEFICIT UP AT 0.8%**



**FIG 106 – GOVERNMENT SPENDING STILL HIGH ON 12MMA BASIS**

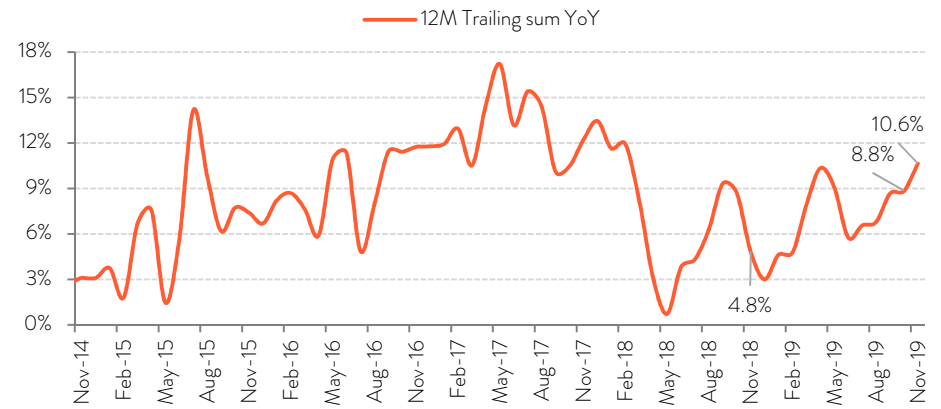


FIG 107 – ...LED BY BOTH REVENUE SPENDING

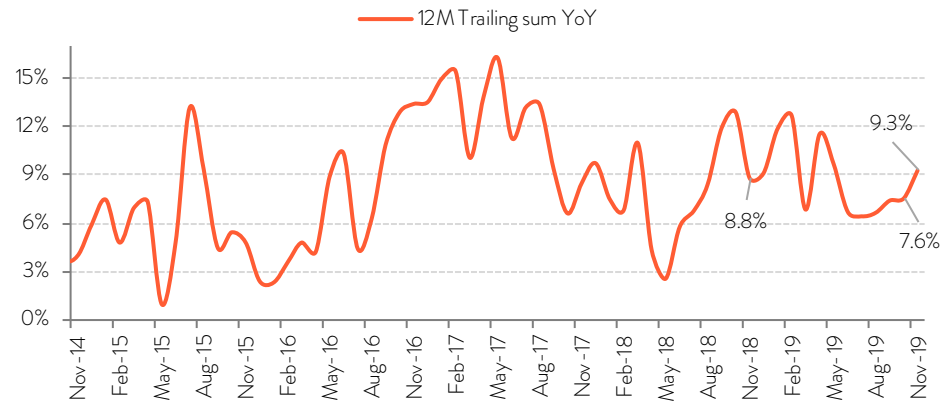


FIG 108 – ... AND CAPEX

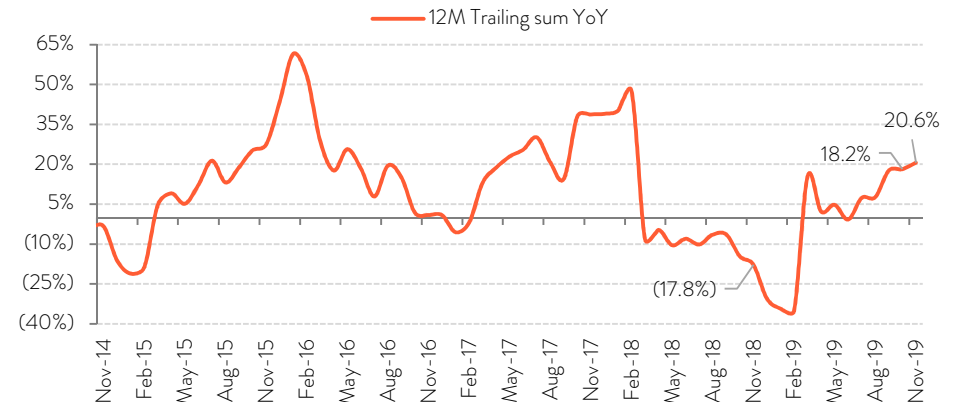
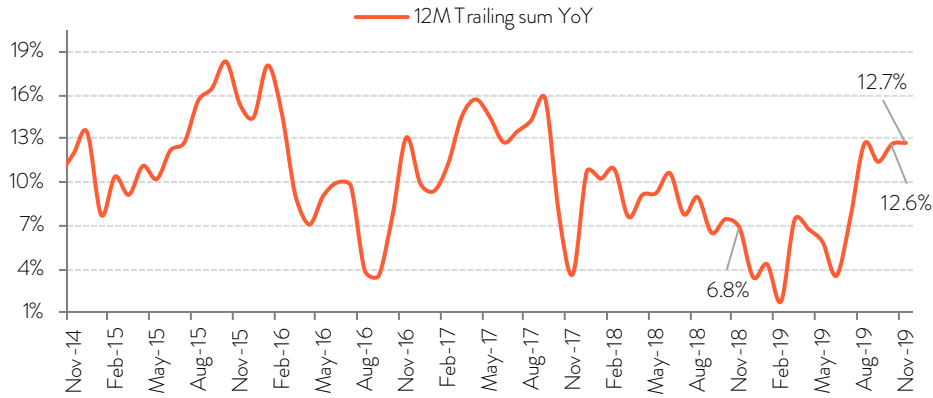


FIG 109 – HIGHER SPENDING BY MINISTRIES OF CHEMICALS, PETROLEUM, AND AGRICULTURE MAINTAIN OVERALL SPENDING MOMENTUM (FYTD BASIS)

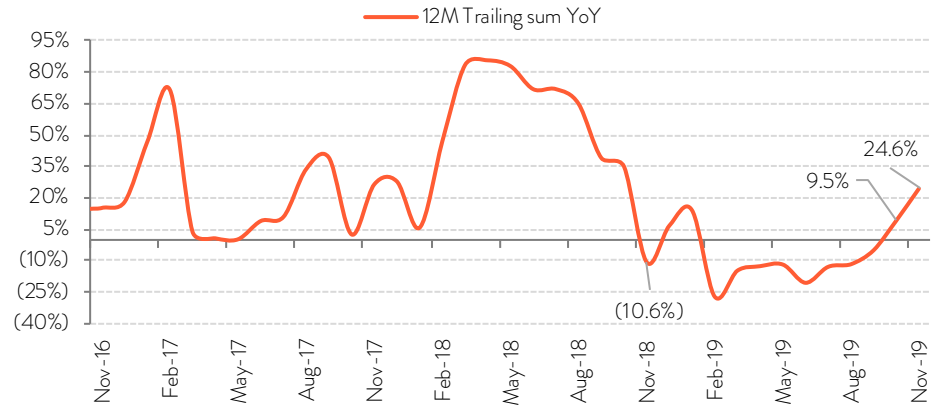
Ministry	Apr'17-Nov'17 (Rs bn)	Apr'18-Nov'18 (Rs bn)	% change	Apr'19-Nov'19 (Rs bn)	% change
Ministry of Finance	3,723	4,284	15.1	5,163	20.5
Ministry of Defence	2,430	2,654	9.2	2,977	12.2
Ministry of Consumer Affairs, Food and Public Distribution	1,332	1,377	3.4	1,316	(4.5)
Ministry of Rural Development	686	769	12.1	775	0.7
Ministry of Home Affairs	620	724	16.8	774	6.9
Ministry of Human Resource Development	465	461	(0.8)	533	15.5
Ministry of Road Transport and Highways	414	534	29.0	519	(2.8)
Ministry of Chemicals and Fertilisers	441	508	15.2	674	32.7
Ministry of Petroleum and Natural Gas	284	272	(4.3)	372	36.7
Ministry of Agriculture	328	394	20.2	649	64.5
Ministry of Health and Family Welfare	288	349	21.1	376	7.6



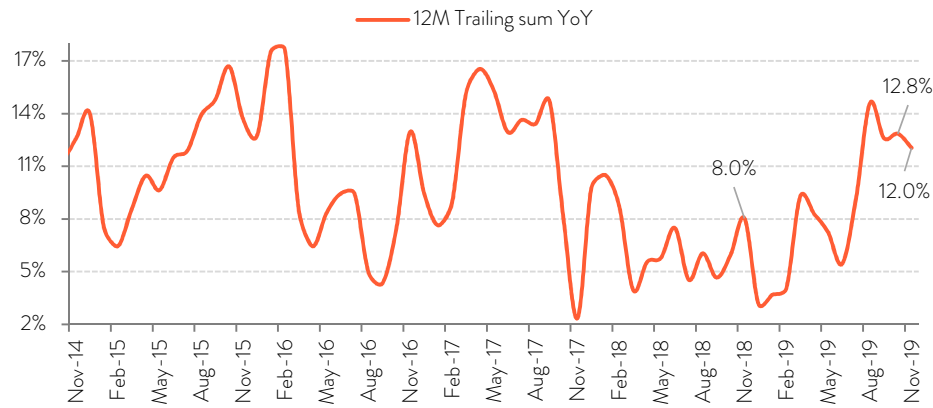
**FIG 110 – RECEIPT GROWTH STEADY IN NOV'19**



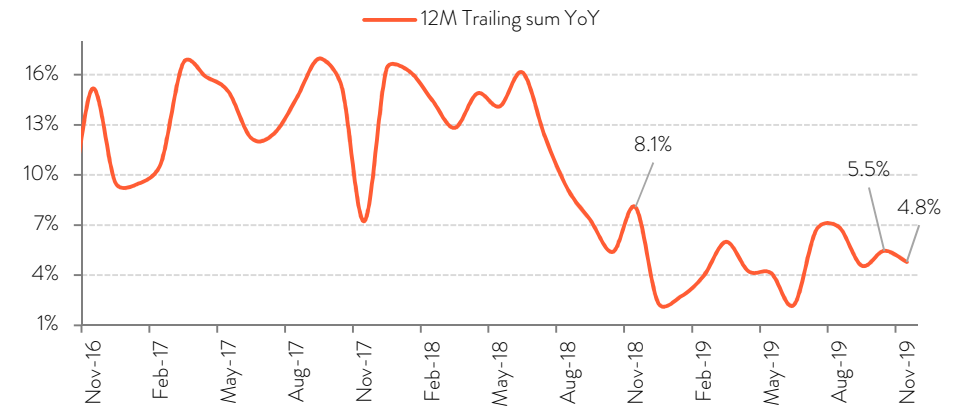
**FIG 111 – ...SUPPORTED BY IMPROVEMENT IN CAPITAL RECEIPTS**



**FIG 112 – REVENUE RECEIPT GROWTH EASED IN NOV'19**



**FIG 113 – AS TAX RECEIPTS SLOWED**

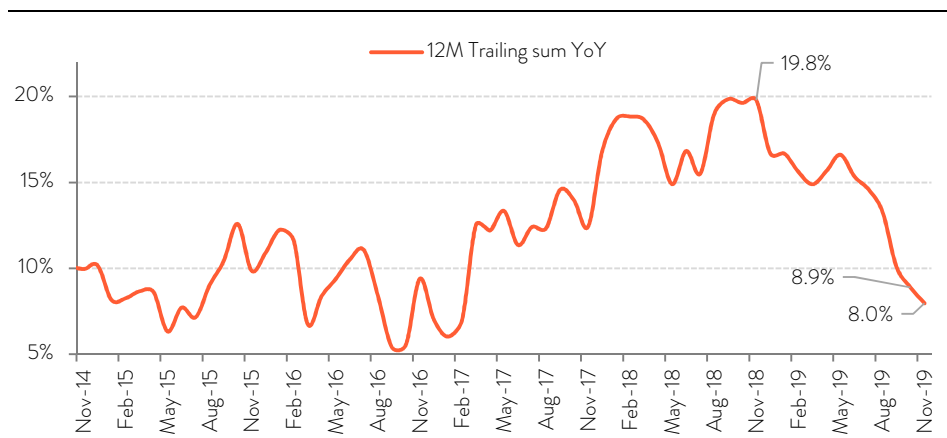


**FIG 114 – CENTRE’S SPENDING GROWTH ROBUST; GROSS TAX COLLECTIONS A CONCERN (FYTD BASIS)**

	Apr'17-Nov'17 (Rs bn)	Apr'18-Nov'18 (Rs bn)	% change	Apr'19-Nov'19 (Rs bn)	% change
Gross Tax revenue	9,872	10,911	10.5	11,086	1.6
Direct taxes	4,650	5,417	16.5	5,565	2.7
Corp Tax	2,498	2,913	16.6	2,886	(0.9)
Income Tax	2,152	2,504	16.4	2,679	7.0
Indirect taxes*	5,222	5,494	5.2	5,520	0.5
Non-tax revenue	1,055	1,386	31.4	2,326	67.8
Centre's revenue (net)	8,049	8,703	8.1	9,832	13.0
Total expenditure	14,788	16,132	9.1	18,201	12.8
Capital exp	1,841	1,914	4.0	2,138	11.7
Revenue exp	12,947	14,218	9.8	16,062	13.0
Fiscal deficit	6,121	7,166	17.1	8,078	12.7

Note: \*excluding GST compensation cess

**FIG 115 – GROSS DIRECT TAX COLLECTIONS CONTINUE TO SLIP...**



**FIG 116 – ...LED BY LOWER CORPORATE TAX COLLECTIONS**

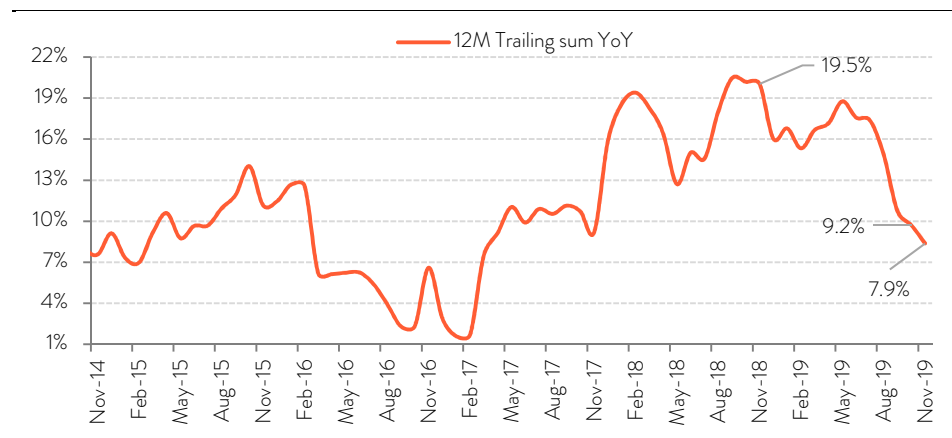


FIG 117 – ...AND INCOME TAX COLLECTIONS

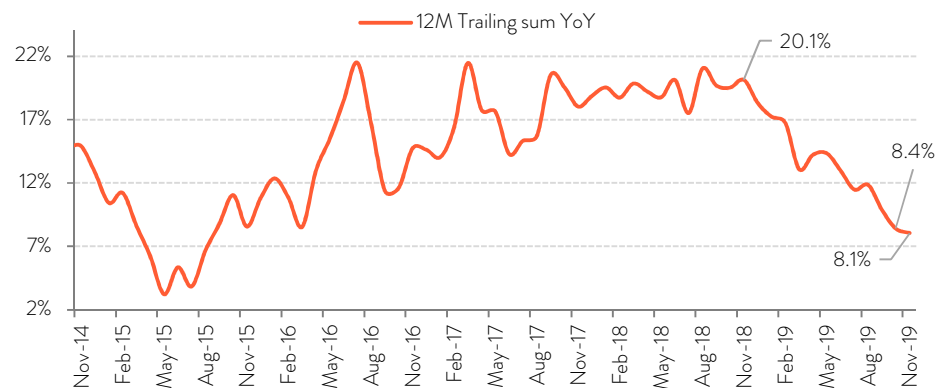


FIG 118 – SHARE IN GDP OF BOTH DIRECT & INDIRECT TAX SLIPPING; SHARE OF INDIRECT TAXES BOTTOMS TO LOWEST SINCE FY12

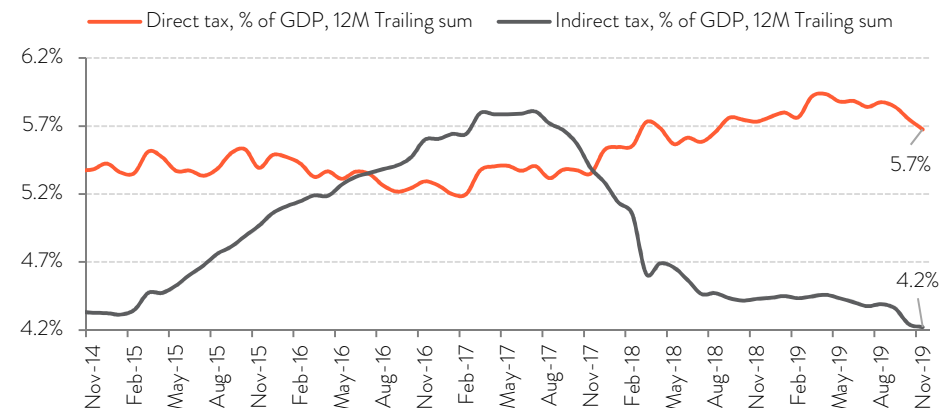
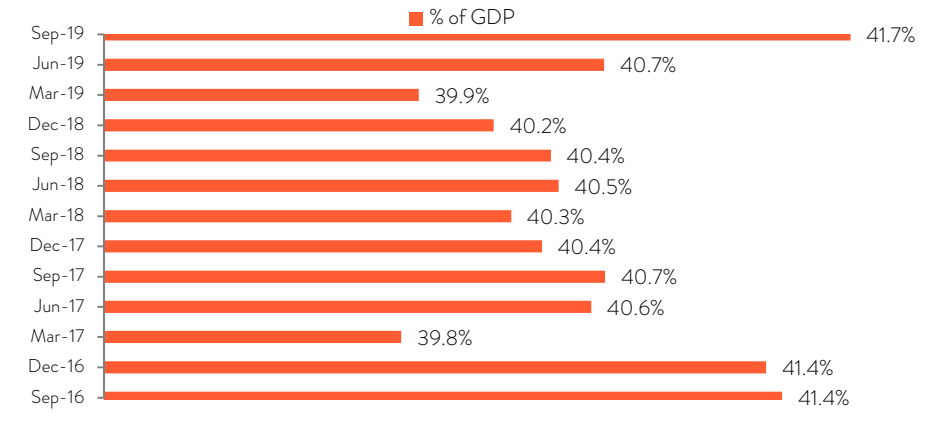


FIG 119 – GST COLLECTIONS AVERAGE RS 993BN VS RS 959BN IN FYTD19

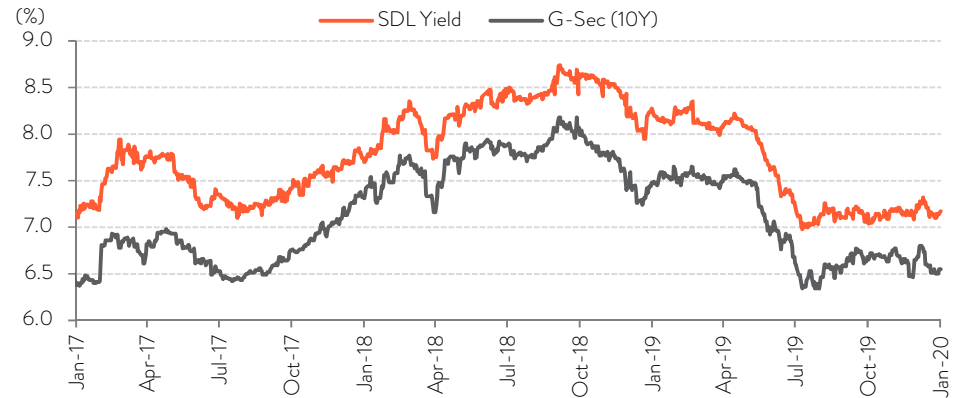
(Rs bn)	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Monthly run rate (FY20)	FYTD20	FY20 (BE)
CGST	344	431	351	359	462	468	346	354	241	685	381	371	437	410	3,284	5,260
UT GST	0.8	5.9	1.3	1.1	5.8	1.7	1.5	1.9	2.0	1.2	4.8	1.9	2.0	2	17	-
IGST	90	(94)	95	45	23	(6)	72	40	253	(461)	(37)	196	2	7	60	280
SGST*	433	605	441	579	566	450	503	544	405	625	533	379	520	495	3,958	6,128
Cess	79	77	84	82	82	89	77	80	82	68	71	87	71	78	626	1,093
Total GST	947	1,025	972	1,066	1,139	1,003	999	1,021	982	919	954	1,035	1,032	993	7,945	12,761
GST 3B Filing by deadline (mn)	7.2	7.3	7.3	7.6	7.2	7.2	7.4	7.6	7.6	7.6	7.4	7.8	8.1	-	-	-

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

**FIG 120 – CENTRAL GOVT. PUBLIC DEBT SHOOTS TO 3-YEAR HIGH IN Q2FY20**

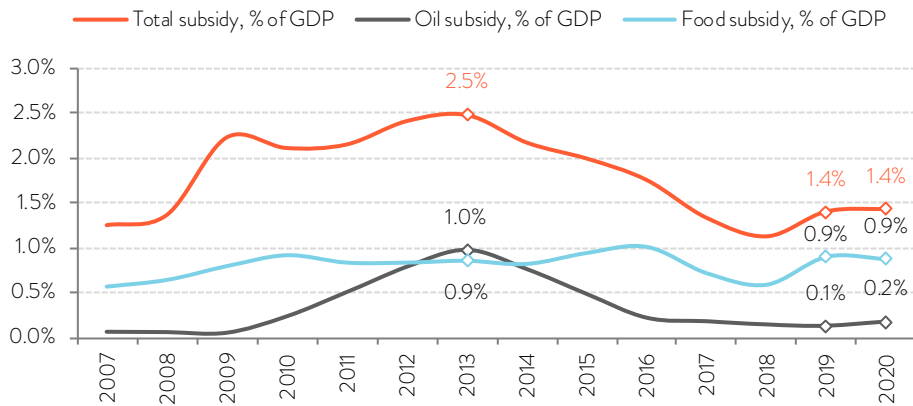


**FIG 121 – GAP BETWEEN AVG. YIELD ON SDL & 10Y G-SEC INCREASED IN DEC'19; REMAINS WIDE IN JAN'20 AS WELL**

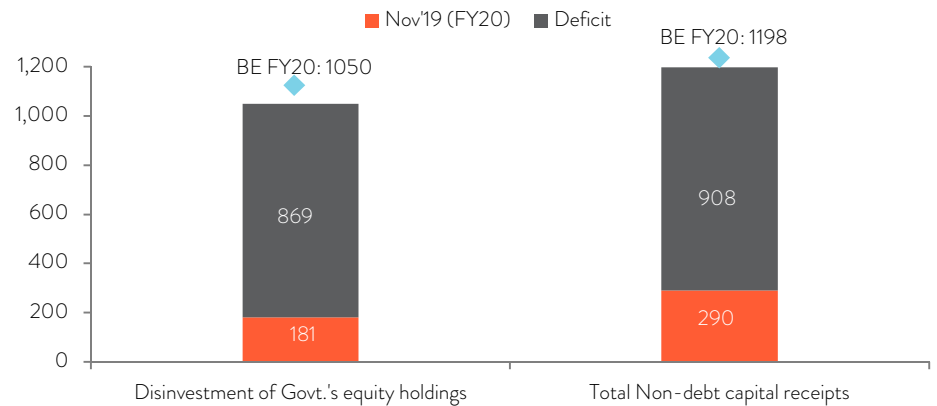


Source: CCIL

**FIG 122 – SUBSIDIES MAINTAINED AT A STEADY RATIO IN FY20**

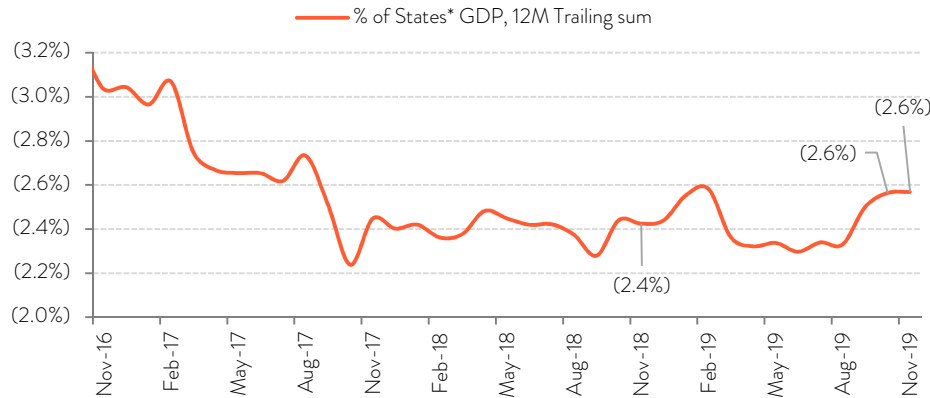


**FIG 123 – CENTRAL GOVT.'S FY20 DISINVESTMENT STATUS**



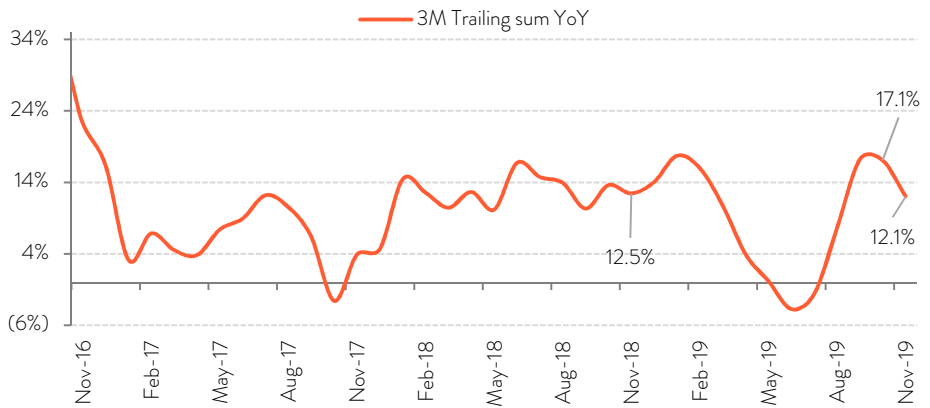
State government finances

FIG 124 – STATES\* FISCAL DEFICIT REMAINED STEADY IN NOV'19



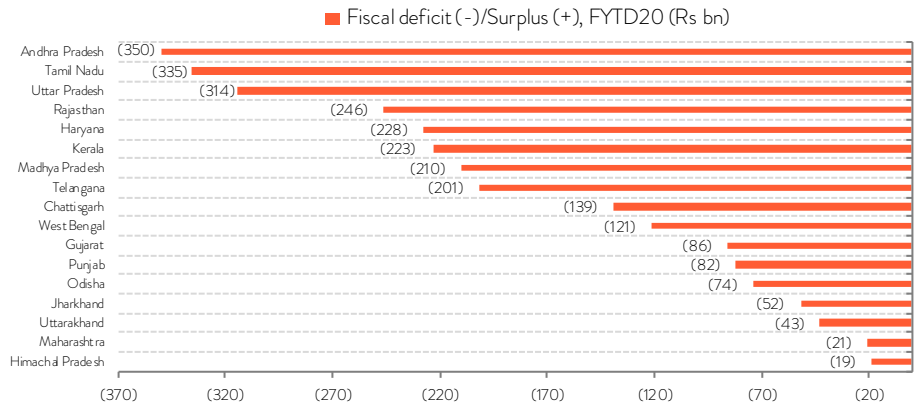
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

FIG 126 – TOTAL EXPENDITURE OF STATES\* EASES IN NOV'19...



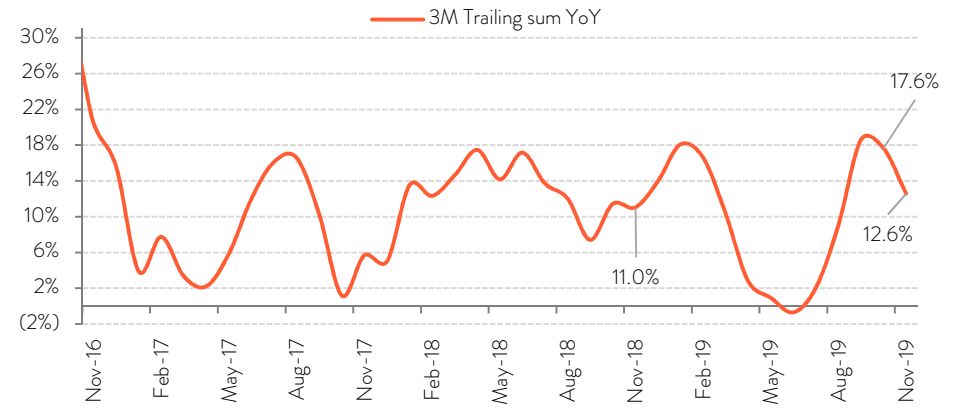
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

FIG 125 – ANDHRA PRADESH, TAMIL NADU AND U.P., HIGHEST DEFICIT STATE IN FYTD20



Note: FYTD20 - Apr'19 - Nov'19

FIG 127 – ...LED BY REVENUE EXPENDITURE



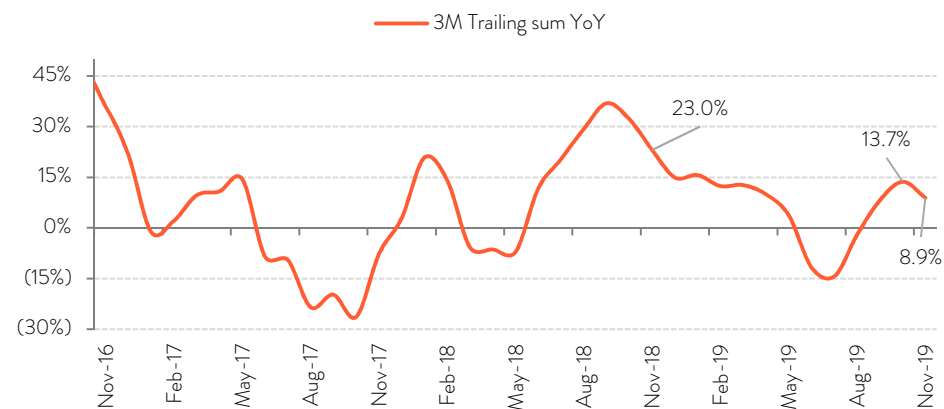
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 128 – STATE\* GOVT. REVENUE RECEIPTS LOOK STRAINED IN FYTD20, CAPEX SEEING SHARP SLOWDOWN**

	Apr'17-Nov'17 (Rs bn)	Apr'18-Nov'18 (Rs bn)	% change	Apr'19-Nov'19 (Rs bn)	% change
Total Receipts	12,631	14,522	15.0	15,618	7.5
Revenue Receipts	10,609	12,278	15.7	12,798	4.2
Receipts: Tax Revenue	8,296	9,538	15.0	9,582	0.5
Receipts: Non-Tax Revenue	767	889	16.0	869	(2.3)
Receipts: Grant in aid & contributions	1,546	1,851	19.7	2,347	26.8
Capital Receipts	2,022	2,244	11.0	2,820	25.7
Total Expenditure	12,516	14,329	14.5	15,369	7.3
Revenue Expenditure	11,096	12,560	13.2	13,667	8.8
Capital Expenditure	1,419	1,752	23.5	1,774	1.2
Revenue Surplus or Deficit	(487)	(281)	-	(869)	-
Fiscal Surplus or Deficit	(2,042)	(2117)	-	(2,745)	-

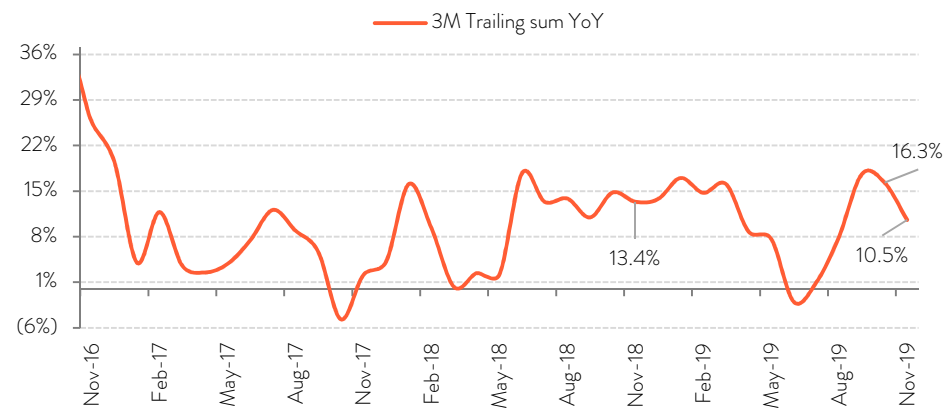
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 129 – ...AND DECLINING CAPEX OF STATES\***



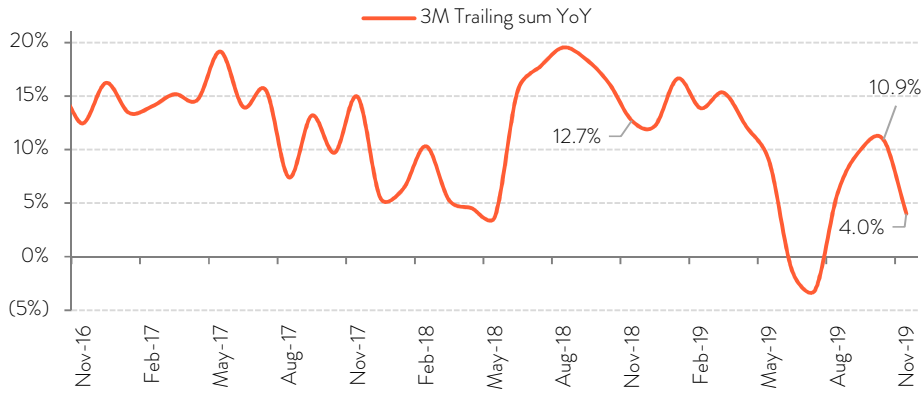
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 130 – TOTAL RECEIPT GROWTH OF STATES\* DIPPED FURTHER IN NOV'19**



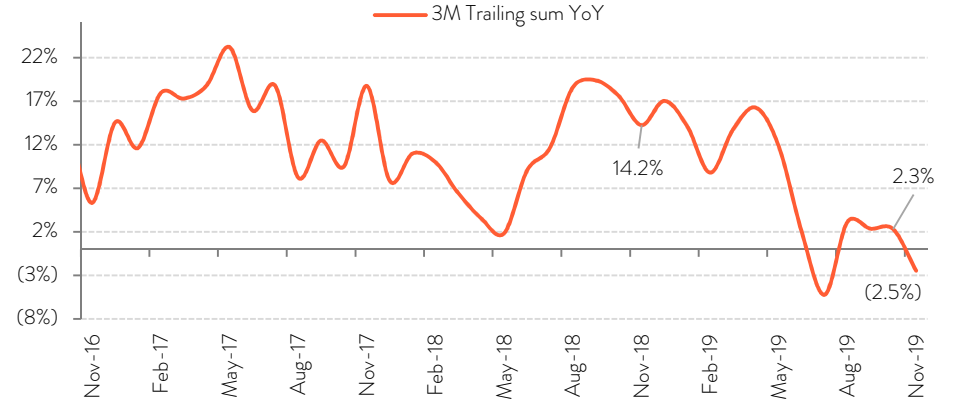
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 131 – REVENUE RECEIPTS OF STATES\* FALL SHARPLY IN NOV'19**



Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

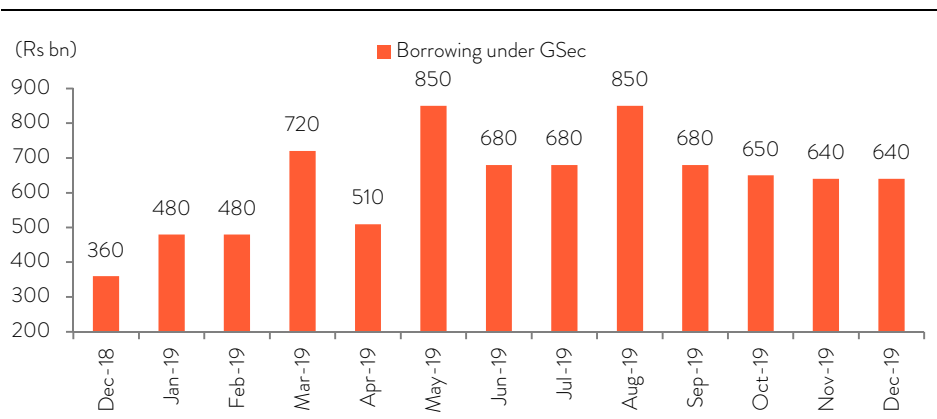
**FIG 132 – ...LED BY LOWER TAX RECEIPTS AND GRANTS FROM CENTRE**



Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

## Central government borrowing

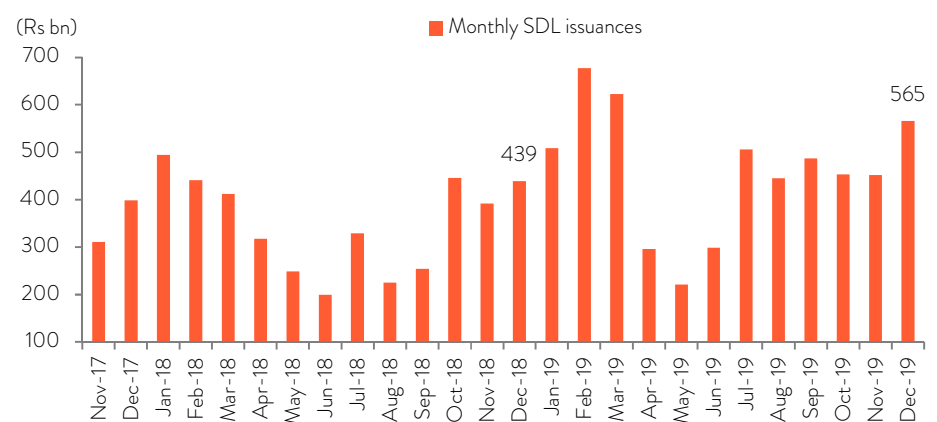
FIG 133 – CENTRE’S GROSS BORROWING IN DEC’19 WAS AT RS 640BN



Source: RBI

## State government borrowing

FIG 135 – STATE GOVT. BORROWINGS IN DEC’19 HIGHEST SINCE MAR’19



Source: RBI

FIG 134 – CENTRE’S GROSS BORROWING FOR H2FY20 HAS BEEN KEPT AS PER BUDGETED AT RS 2.68TN

Total accepted amount (G-Sec), (Rs bn)	FY15	FY16	FY17	FY18	FY19	FY20 (actual)	FY20 (planned)
Q1	1,830	1,740	1,500	1,680	1,320	2040	2,210
Q2	1,570	1,630	1,910	1,890	1,440	2210	2,210
Q3	1,430	1,640	1,610	1,640	1,270	1930	2080
Q4	1,090	840	800	670	1680	-	600
<b>Total</b>	<b>5,920</b>	<b>5,850</b>	<b>5,820</b>	<b>5,880</b>	<b>5,710</b>	<b>-</b>	<b>7100</b>

Source: RBI

FIG 136 – MARKET BORROWINGS OF STATES REACHES RS 3.9TN IN FYTD20

Quarterly SDL issuances, (Rs bn)	FY15	FY16	FY17	FY18	FY19	FY20 (actual)	FY20 (planned)
Q1	439	502	548	650	766	815	1,101
Q2	469	627	792	1,130	809	1,439	1,394
Q3	692	858	1,214	1,054	1,277	1,470	1,707
Q4	809	959	1,322	1,348	1,809	165*	2,086
<b>Total</b>	<b>2,408</b>	<b>2,946</b>	<b>3,876</b>	<b>4,182</b>	<b>4,661</b>	<b>3,890*</b>	<b>6,287</b>

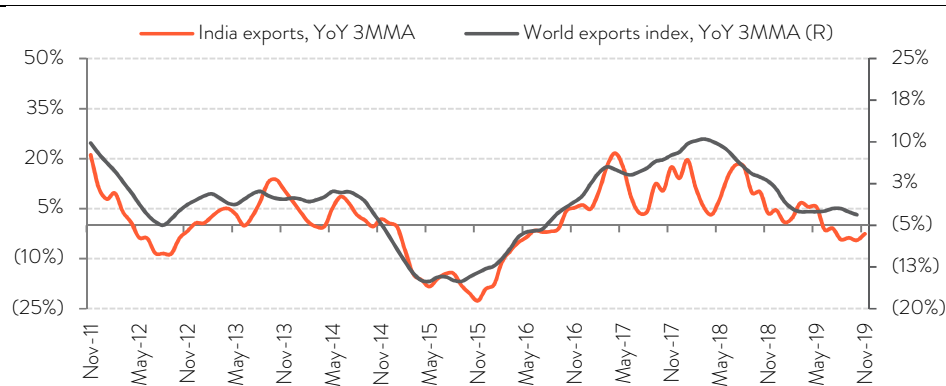
Source: RBI; \*As of 7 Jan 2020



## External sector

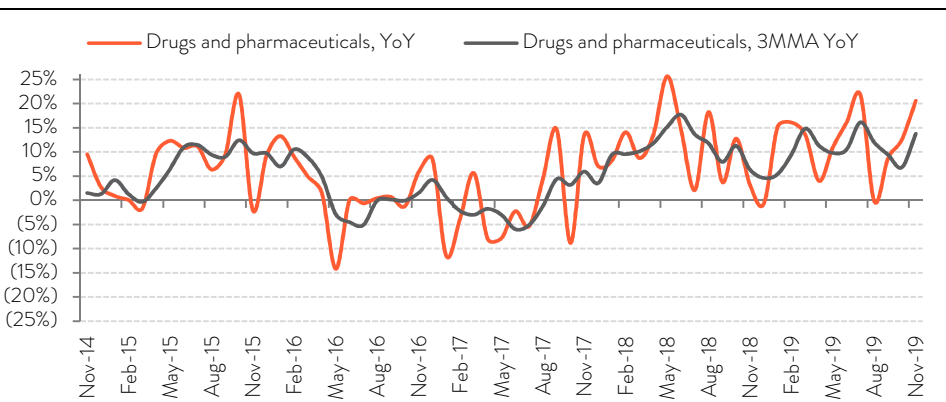
### Exports

**FIG 137 – INDIA’S EXPORTS DECLINING IN LINE WITH GLOBAL EXPORTS**

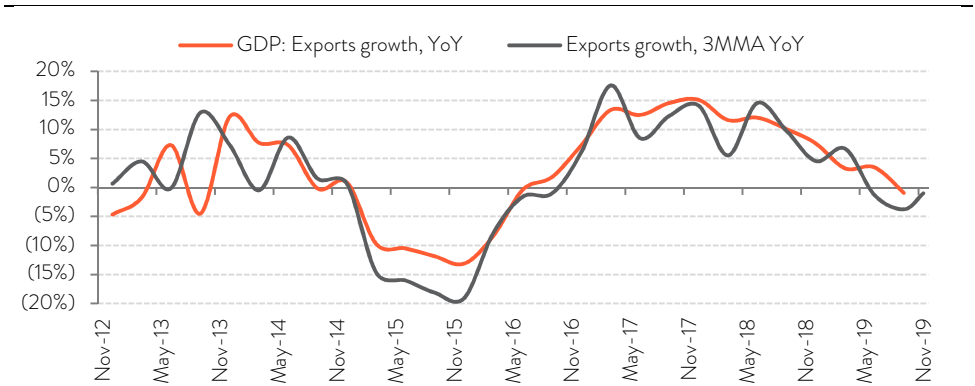


### Exports by major sectors

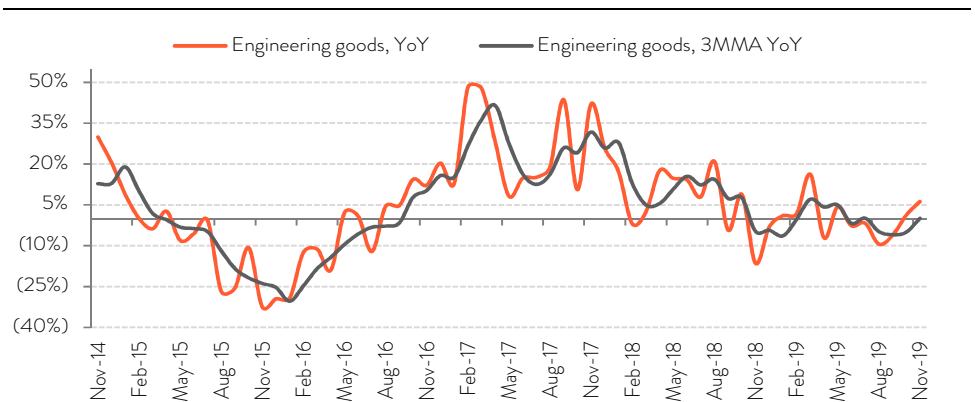
**FIG 139 – PHARMACEUTICAL EXPORTS REMAIN RESILIENT**



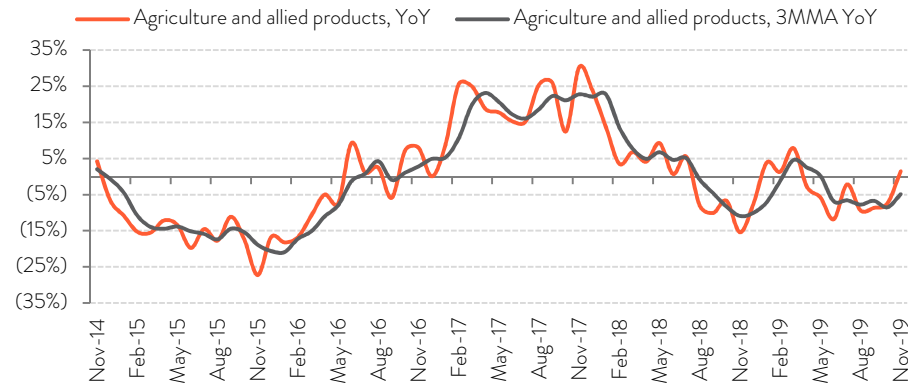
**FIG 138 – EXPORTS DECLINE AT A SLOWER PACE OF (-) 0.3% IN NOV'19 VERSUS (-) 0.8% IN OCT'19**



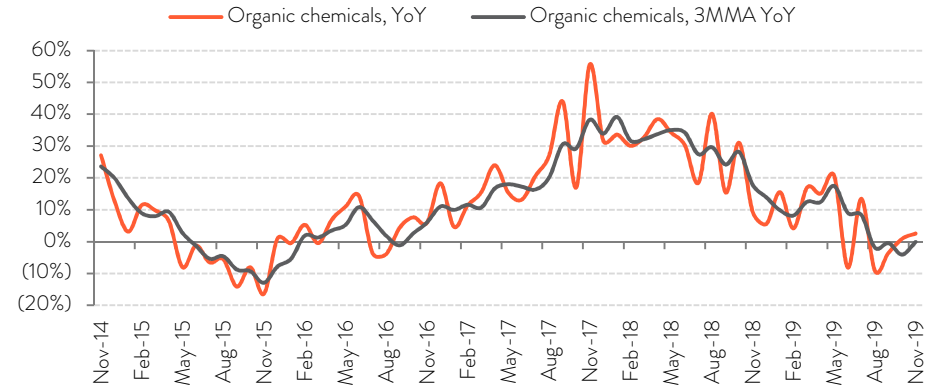
**FIG 140 – ENGINEERING EXPORTS ALSO PICK UP TO 6.3% IN NOV'19 VERSUS 1.2% IN OCT'19**



**FIG 141 – EXPORTS OF AGRICULTURAL PRODUCTS RISE FOR THE FIRST TIME IN 7 MONTHS IN NOV'19**

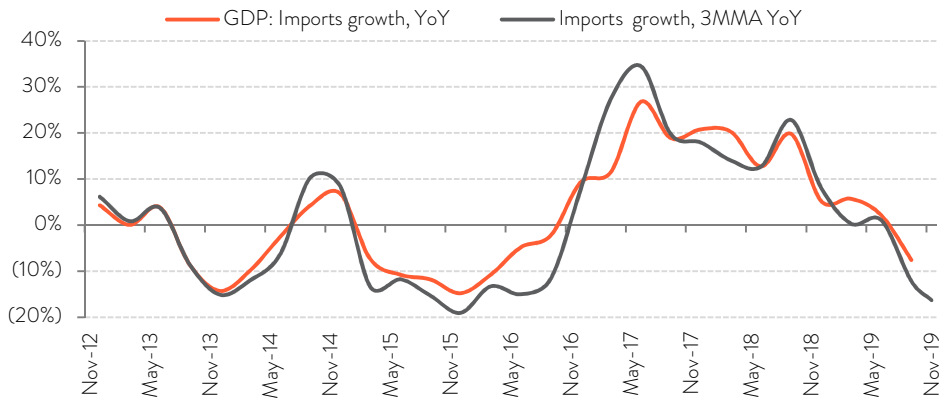


**FIG 142 – ORGANIC CHEMICAL EXPORTS ALSO EDGED HIGHER**

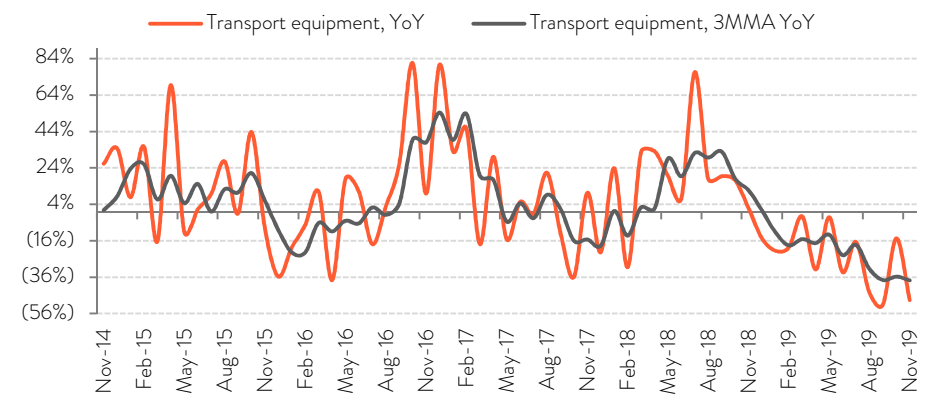


**Imports**

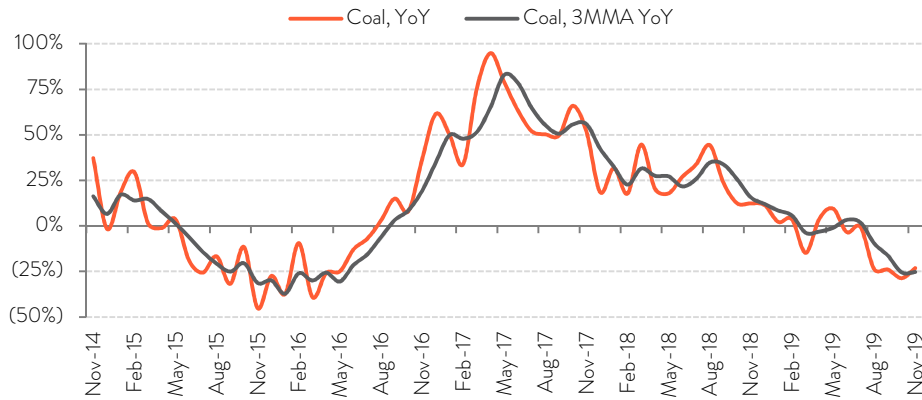
**FIG 143 – IMPORTS CONTINUE TO CONTRACT EVEN IN NOV'19 LED BY A FALL IN NON-OIL-NON-GOLD IMPORTS**



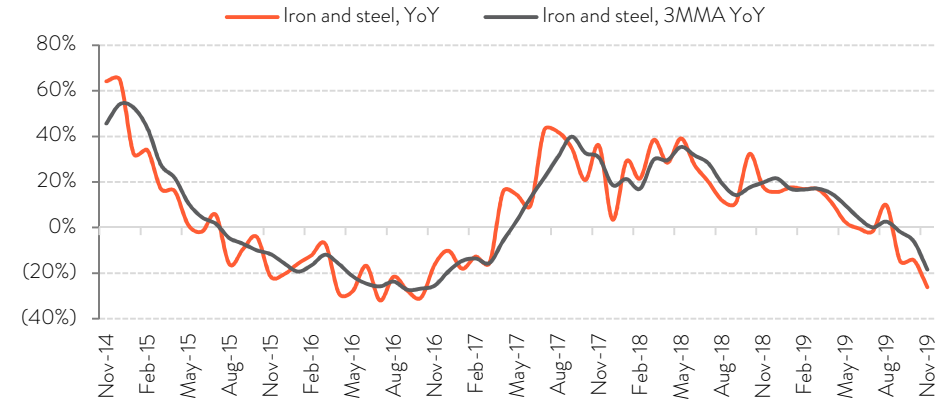
**FIG 144 – IMPORT OF TRANSPORT EQUIPMENT FALLS BY (-) 48.5% IN NOV'19 VERSUS (-) 14.6% IN OCT'19**



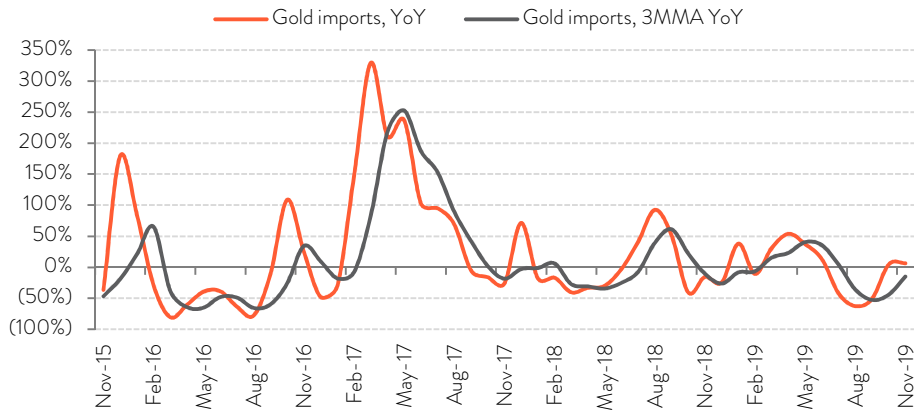
**FIG 145 – COAL IMPORTS DECLINING AS WELL**



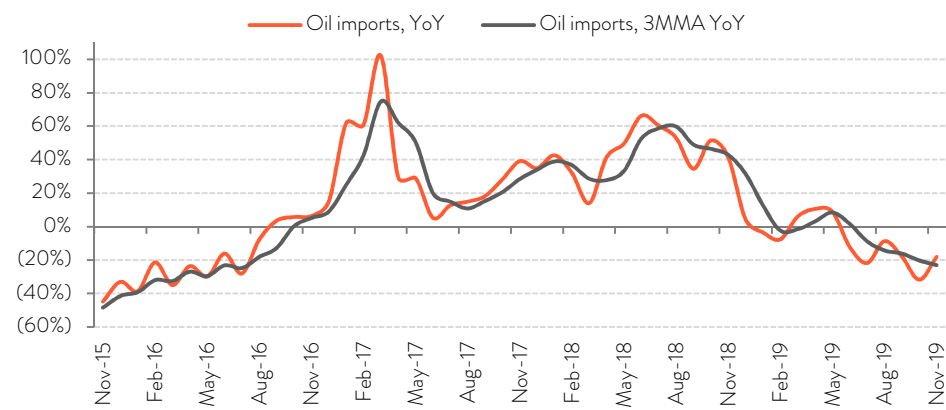
**FIG 146 – IMPORTS OF IRON AND STEEL DECLINING STEADILY**



**FIG 147 – HOWEVER, GOLD IMPORTS ROSE BY 6.6% IN NOV'19 VERSUS 4.7% IN OCT'19**



**FIG 148 – OIL IMPORTS DECLINED AT A LOWER PACE IN NOV'19**



## Exports and imports by major regions

**FIG 149 – EXPORTS TO ASIAN COUNTRIES (EX. CHINA) HAVE FALLEN THE MOST IN FYTD20**

Region (% YoY)	Share (in %) FY19	Sep'19	Oct'19	Nov'19	FYTD19	FYTD20
Americas	21.1	(1.5)	3.0	15.7	11.1	2.7
Asia and Pacific (Ex. China)	28.1	(20.3)	(16.8)	(13.3)	8.7	(12.1)
China	5.1	0.4	1.7	(5.7)	35.5	5.4
Europe	19.7	(2.6)	2.6	(7.3)	11.0	(2.8)
Middle East and Africa	24.8	4.1	9.3	7.7	8.6	2.8
Other	1.1	(10.1)	40.2	(15.9)	27.6	7.9

**FIG 150 – IMPORTS FROM ALL REGIONS HAVE FALLEN IN FYTD20**

Region (% YoY)	Share (in %) FY19	Sep'19	Oct'19	Nov'19	FYTD19	FYTD20
China	13.7	(15.2)	(12.0)	(15.6)	21.0	(7.8)
Europe	15.3	(15.5)	(15.0)	(14.1)	24.8	(7.3)
Asia and Pacific (Ex. China)	25.3	(0.5)	(11.1)	(11.1)	(2.7)	(3.0)
Middle East	31.1	(21.6)	(15.1)	(16.0)	14.9	(9.5)
Americas	12.7	(10.8)	(23.2)	(12.0)	31.5	(11.3)
Other	1.9	(17.5)	16.4	28.5	(57.0)	21.5

Trade deficit

FIG 151 – TRADE DEFICIT EXPANDS TO US\$ 12.2BN IN NOV'19

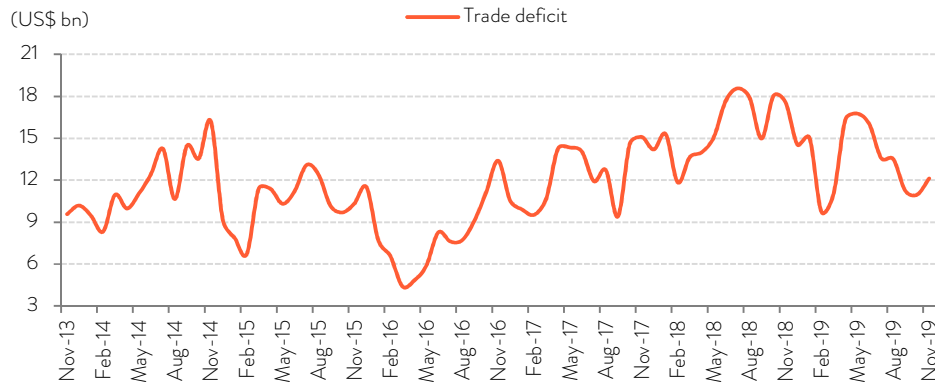
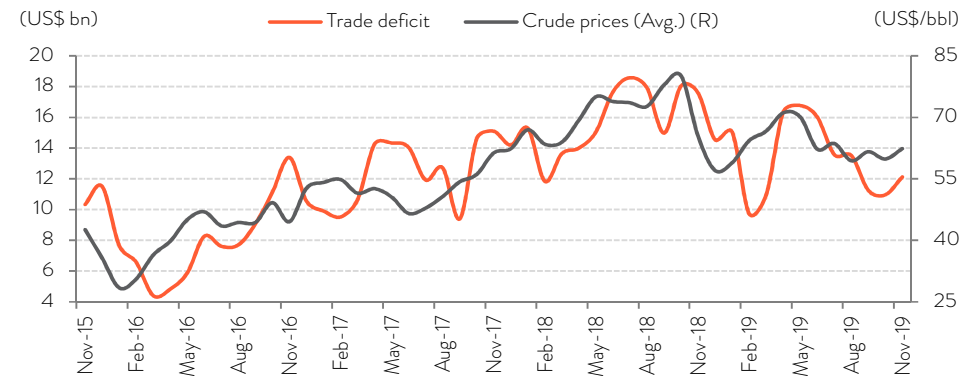
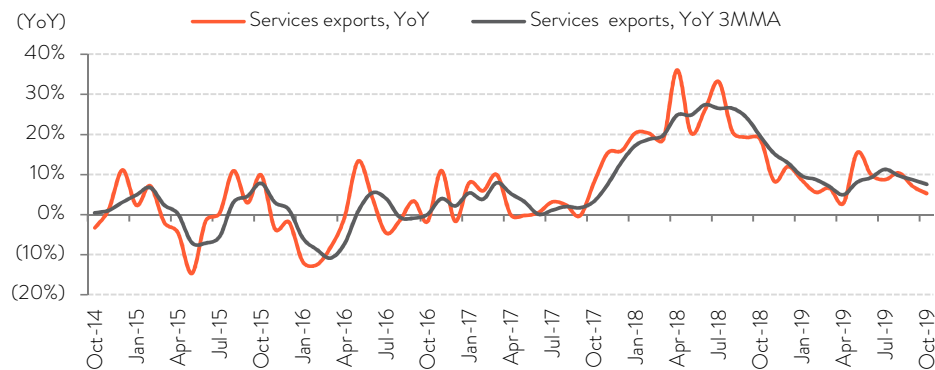


FIG 152 – AS OIL PRICES ROSE



Trade in services

FIG 153 – EXPORT OF SERVICES EASING



BoP

FIG 154 – CAD NARROWS SHARPLY TO 0.9% OF GDP IN Q2FY20 FROM 2% OF Q1FY20

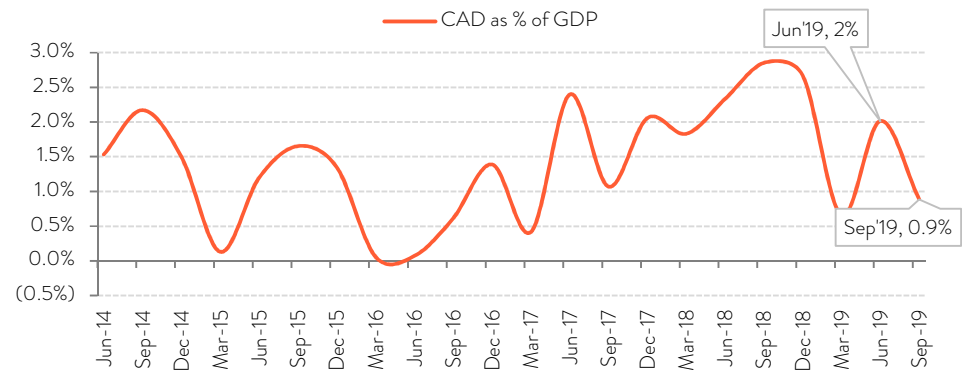


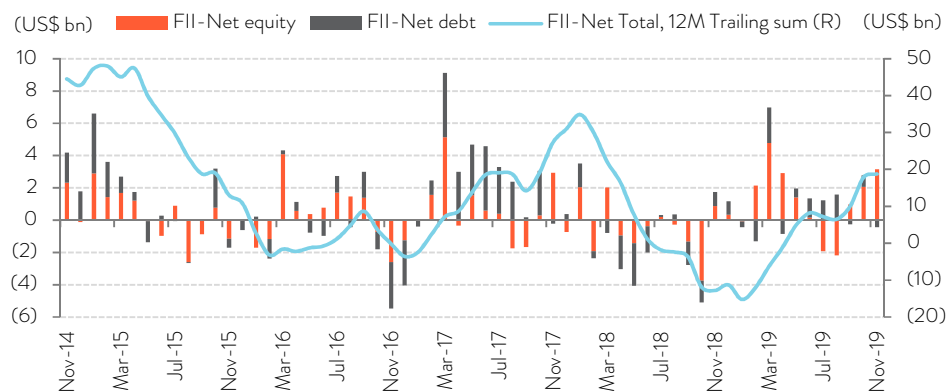
FIG 155 – AS TRADE DEFICIT NARROWED

(US\$ bn)	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20
<b>Current account</b>	<b>(19.1)</b>	<b>(17.8)</b>	<b>(4.6)</b>	<b>(14.2)</b>	<b>(6.3)</b>
<b>CAD/GDP (%)</b>	<b>(2.9)</b>	<b>(2.7)</b>	<b>(0.7)</b>	<b>(2.0)</b>	<b>(0.9)</b>
Trade balance	(50.0)	(49.3)	(35.2)	(46.2)	(38.1)
- Merchandise exports	83.4	83.1	87.4	82.7	80
- Merchandise imports	133.4	132.4	122.6	128.9	118.1
--Oil imports	35.3	34.7	32.4	35.3	29.6
--Non-oil imports	98.1	97.7	90.2	93.6	88.5
- Net Services	20.3	21.7	21.3	20.1	20.4
--Software	19.3	19.9	19.9	21.0	21.1
Transfers	19.3	17.4	16.2	18.0	20.0
Other invisibles	(8.6)	(7.6)	(6.9)	(6.1)	(8.6)
<b>Capital account</b>	<b>14.6</b>	<b>13.8</b>	<b>19.2</b>	<b>27.9</b>	<b>12.1</b>
<b>% of GDP</b>	<b>2.2</b>	<b>2.1</b>	<b>2.7</b>	<b>4.0</b>	<b>1.7</b>
Foreign investments	5.8	5.2	15.9	18.7	9.9
- FDI	7.4	7.3	6.4	13.8	7.4
- FII	(1.6)	(2.1)	9.4	4.8	2.5
Banking capital	0.5	4.9	(8.1)	3.4	(1.8)
Short-term credit	4.8	(0.7)	1.5	2.0	(0.6)
ECBs	2.0	2.0	7.2	6.1	3.4
External assistance	0	1.7	1.3	1.5	0.4
Other capital account items	1.5	0.7	1.2	(3.7)	0.8
E&O	0.6	(0.3)	(0.4)	0.3	(0.7)
Overall balance	(3.9)	(4.3)	14.2	14.0	5.1

## Foreign inflows

### FII inflows

**FIG 156 – FII INFLOWS EASED TO US\$ 106MN IN DEC'19 VERSUS US\$ 2.7BN IN NOV'19**



Source: Bloomberg

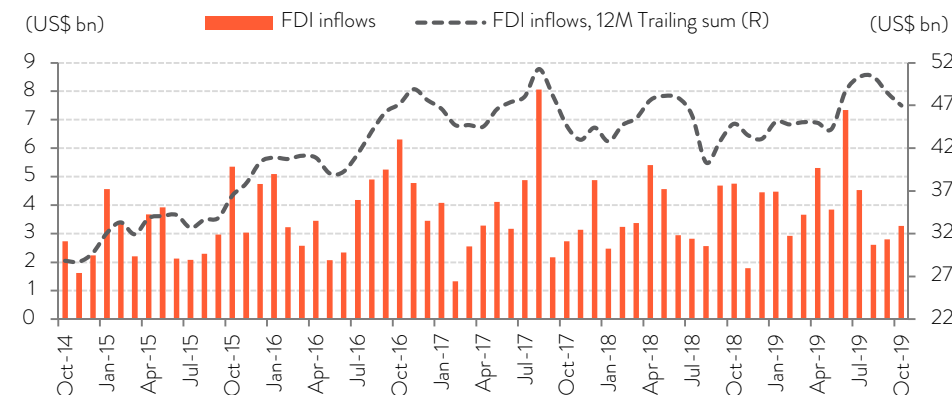
**FIG 158 – FDI INFLOWS INTO TELECOM AND COMPUTER SERVICES RISE IN FYTD20**

Sector (US\$ bn)	% Share FY19	Mar'19	Jun'19	Sep'19	FYTD19	FYTD20
Services sector	20.6	2.6	2.8	1.7	4.9	4.5
Computer software and hardware	14.5	1.4	2.2	1.8	2.5	4.0
Trading	10.1	1.4	1.1	1.0	2.1	2.1
Telecommunications	6.0	0.4	4.2	0.1	2.2	4.3
Automobile industry	5.9	0.5	1.0	1.2	1.6	2.1

Source: DIPP

### FDI inflows

**FIG 157 – FDI INFLOWS RISE TO US\$ 3.3BN IN OCT'19 VERSUS US\$ 2.8BN IN SEP'19**



Source: RBI, Bank of Baroda Research

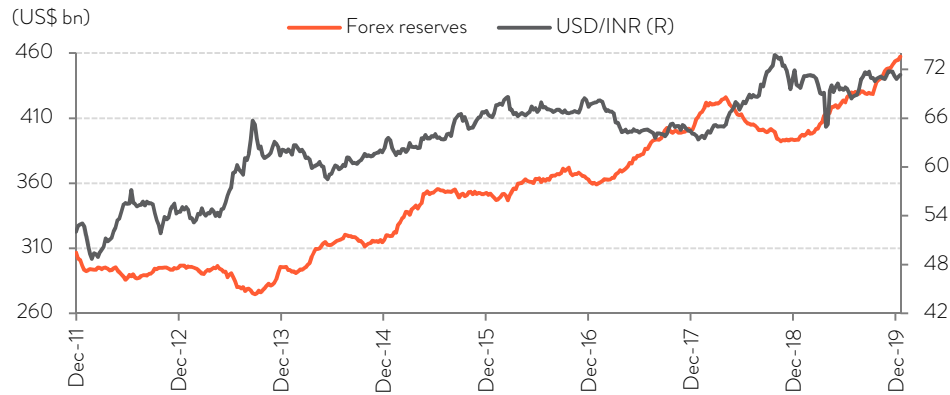
**FIG 159 – FDI INFLOWS FROM MAURITIUS RISE TO US\$ 6.4BN IN FYTD20, INFLOWS FROM SINGAPORE DIP**

Country (US\$ bn)	% Share in FY19	Mar'19	Jun'19	Sep'19	FYTD19	FYTD20
Singapore	36.6	3.3	5.3	2.7	8.6	8.0
Mauritius	18.2	2.1	4.7	1.7	3.9	6.4
Netherlands	8.7	0.9	1.4	1.0	2.3	2.3
Japan	6.7	0.8	0.5	1.3	1.9	1.8
UK	3.0	0.3	0.3	0.6	0.8	0.9

Source: DIPP

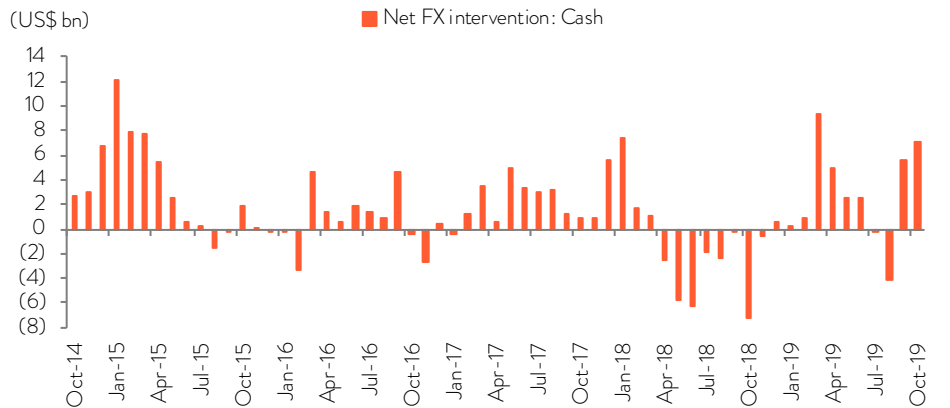
Forex reserves and external debt

**FIG 160 – INDIA’S FX RESERVES RISE TO A LIFETIME HIGH AT US\$ 457.5BN IN DEC’19; UP BY US\$ 45.6BN IN FYTD20**

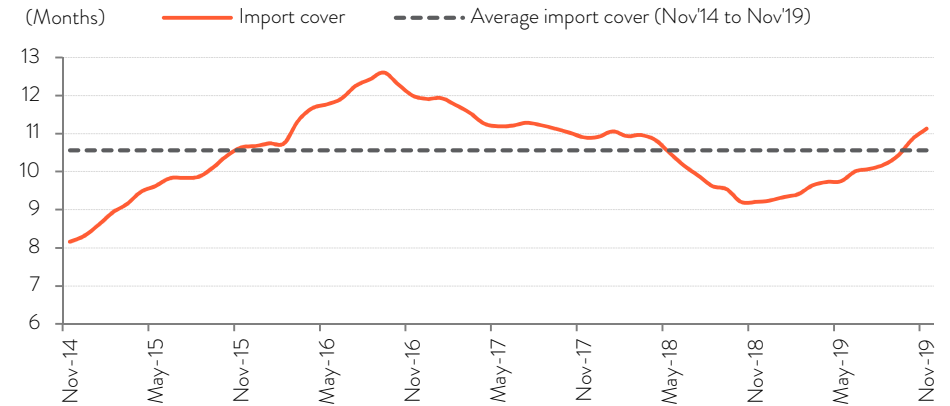


Source: Bloomberg | Weekly data as of 27 Dec 2019

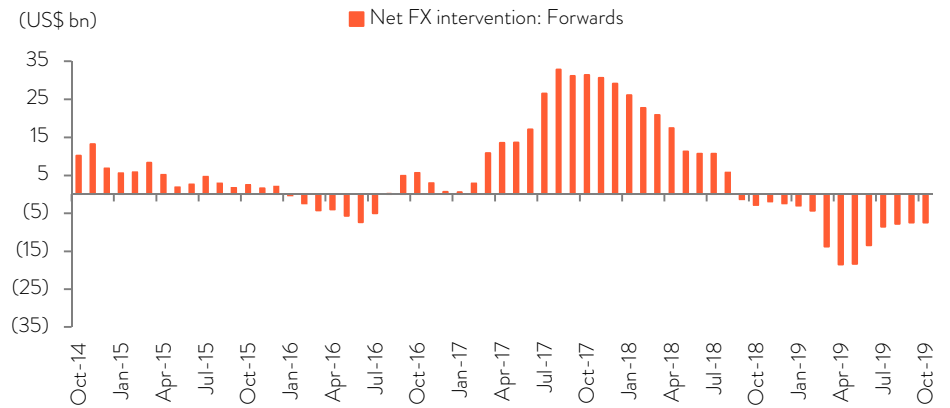
**FIG 162 – RBI BOUGHT NET US\$ 7.1BN IN SPOT MARKET IN OCT’19**



**FIG 161 – IMPORT COVER RISES TO 11.1 MONTHS IN NOV’19, ABOVE LONG-TERM 5-YEAR AVERAGE**



**FIG 163 – RBI’S OUTSTANDING POSITION REMAINED UNCHANGED AT (-) US\$ 7.5BN IN OCT’19**

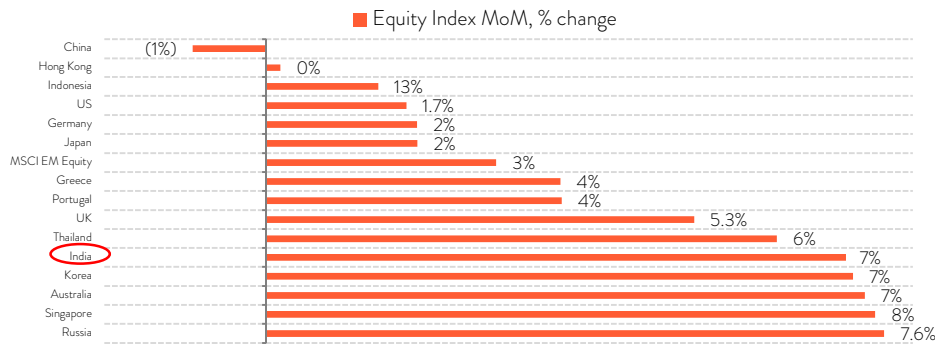




## Markets

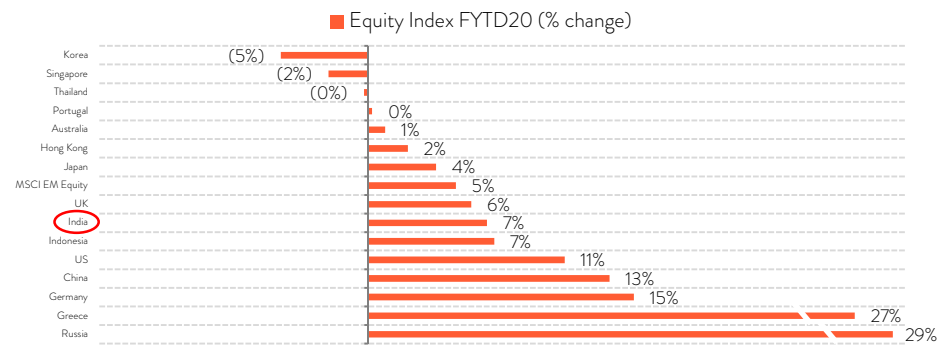
### Equity

**FIG 164 – IN DEC'19, SENSEX OUTPERFORMED MSCI EM (3%) AND ROSE BY 7% IN CONSTANT CURRENCY TERMS**



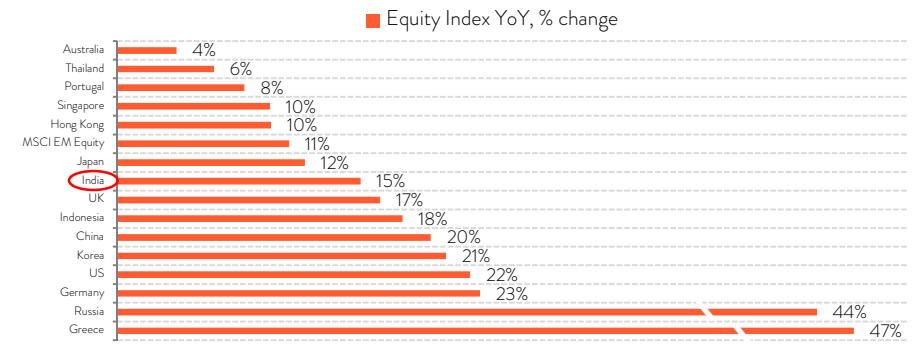
Source: Bloomberg | \* As on 31 Dec 2019, Indices are in US\$ terms

**FIG 166 – IN FYTD20\*, SENSEX ROSE BY 7%**



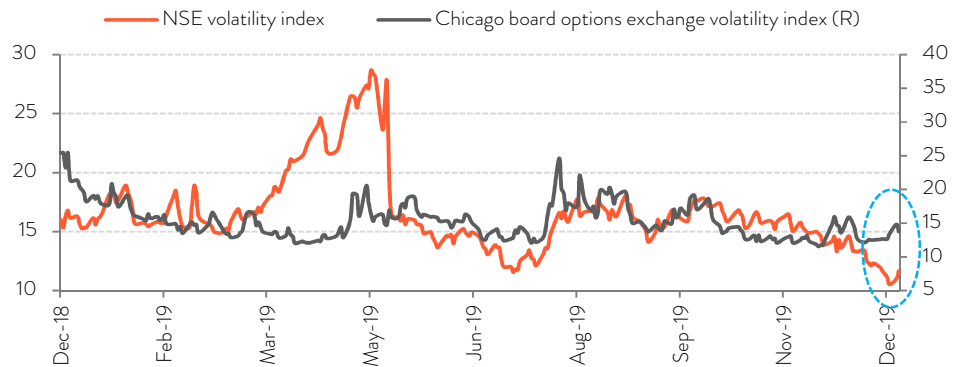
Source: Bloomberg | \* As on 31 Dec 2019, Indices are in US\$ terms

**FIG 165 – ON YOY BASIS\* AS WELL, SENSEX (15%) OUTPERFORMED MSCI EM INDEX (11%)**



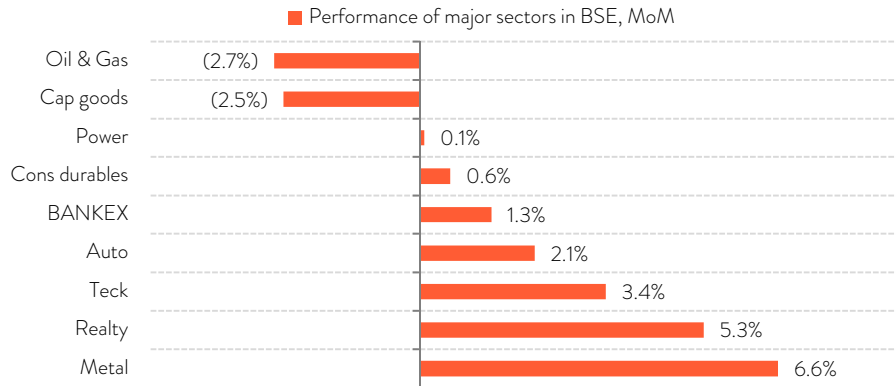
Source: Bloomberg | \* As on 31 Dec 2019, Indices are in US\$ terms

**FIG 167 – VIX INDEX FELL TO 11.7 IN DEC'19 AGAINST 13.9 IN NOV'19 AMIDST OPTIMISM OVER US-CHINA TRADE DEAL**



Source: Bloomberg

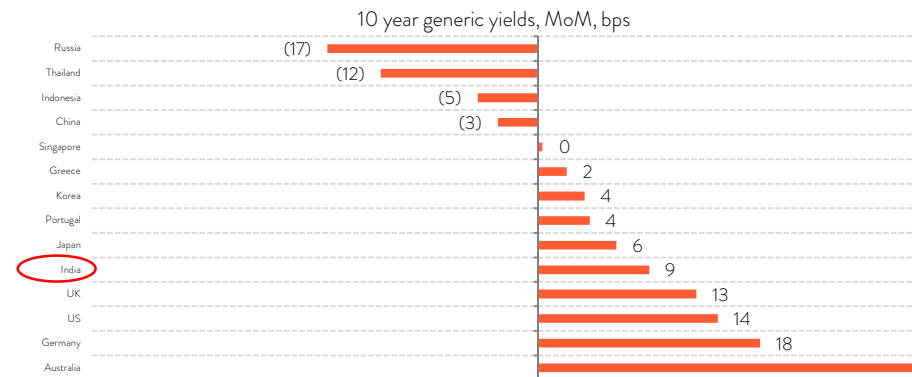
**FIG 168 – METAL STOCKS GAINED THE MOST, OIL & GAS STOCKS FELL IN DEC'19**



Source: Bloomberg | \* As on 31 Dec 2019

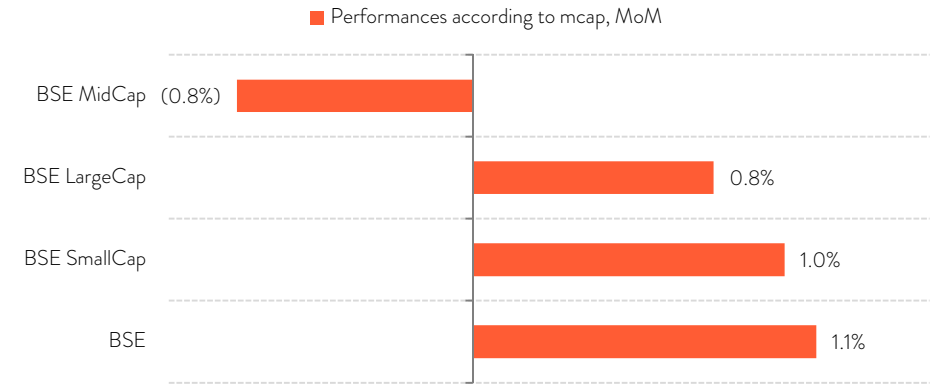
### 10 year bond yields

**FIG 170 – IN DEC'19, INDIA'S 10Y YIELD ROSE BY 9BPS AMIDST FISCAL CONCERNS**



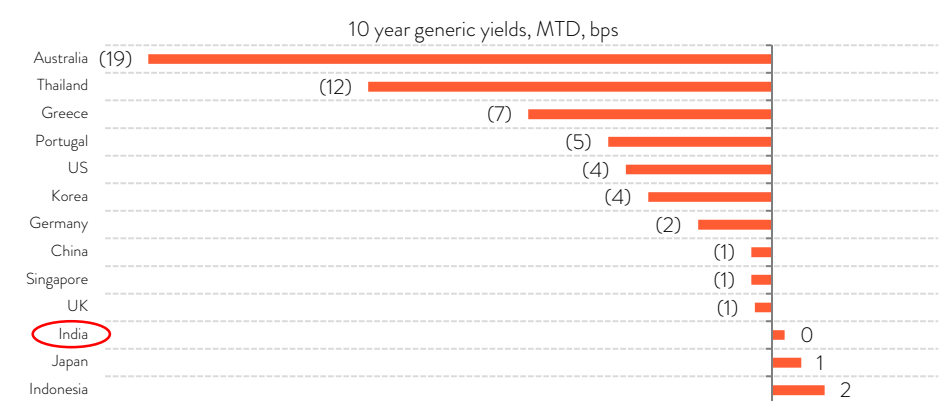
Source: Bloomberg | \*As on 31 Dec 2019

**FIG 169 – SMALL CAPS OUTPERFORMED LARGE CAPS IN DEC'19**



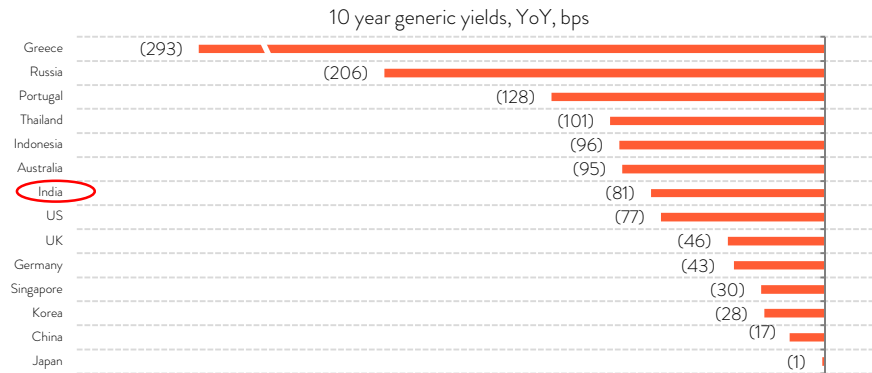
Source: Bloomberg | \* As on 31 Dec 2019

**FIG 171 – ON MTD BASIS\*, INDIA'S 10Y YIELD REMAINED FLAT SUPPORTED BY 3 ROUNDS OF RBI'S OPERATION TWIST**



Source: Bloomberg | \* As on 8 Jan 2020

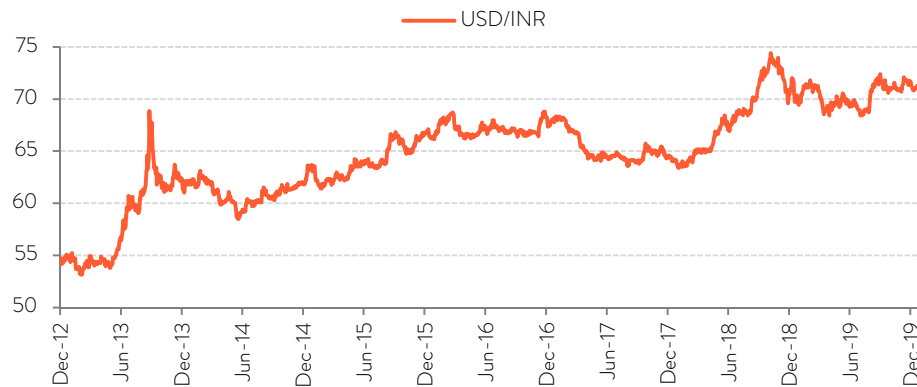
**FIG 172 – INDIA’S 10Y YIELD HAS FALLEN BY 81BPS ON YOY BASIS ; IN LINE WITH MAJOR GLOBAL YIELDS**



Source: Bloomberg | \*As on 31 Dec 2019

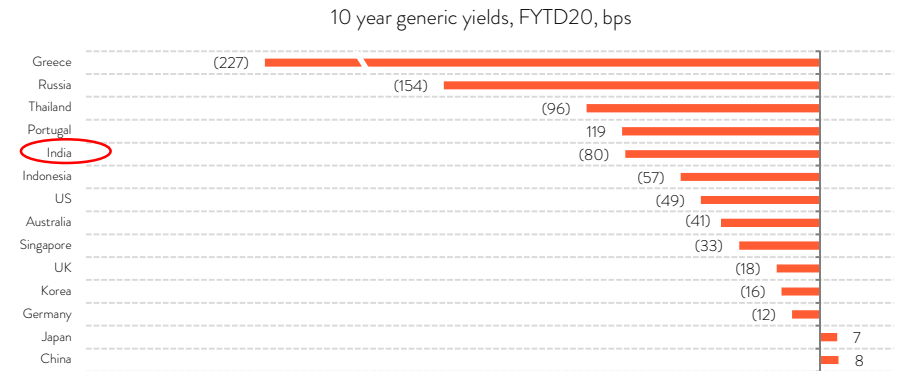
**Currencies**

**FIG 174 – INR ROSE BY 0.5% IN DEC'19**



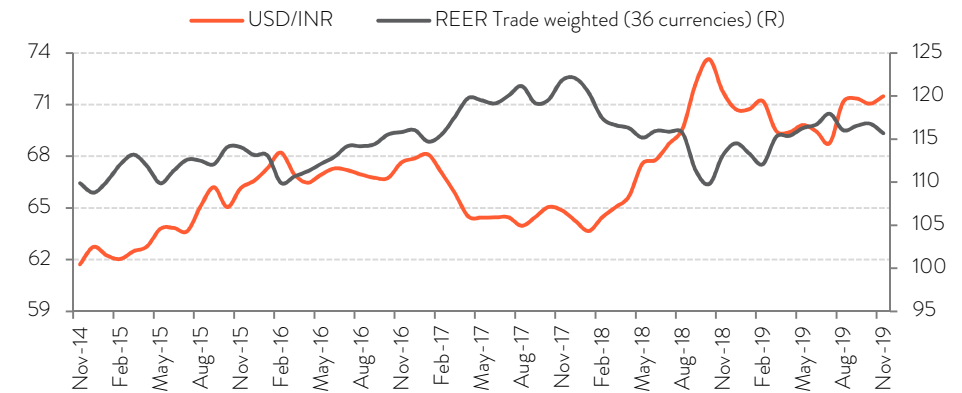
Source: Bloomberg | \*As on 31 Dec 2019

**FIG 173 – IN FYTD20 AS WELL, INDIA’S 10Y YIELD HAS FALLEN BY 80BPS**



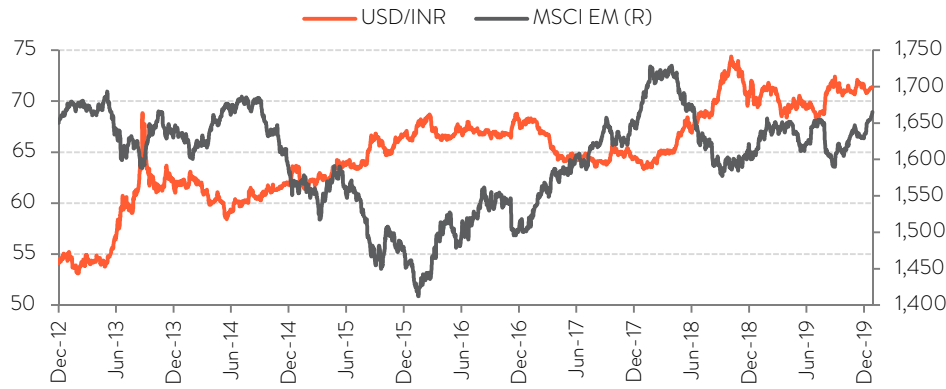
Source: Bloomberg | \*As on 31 Dec 2019

**FIG 175 – INR STILL OVERVALUED BY 15.7% (NOV'19)**



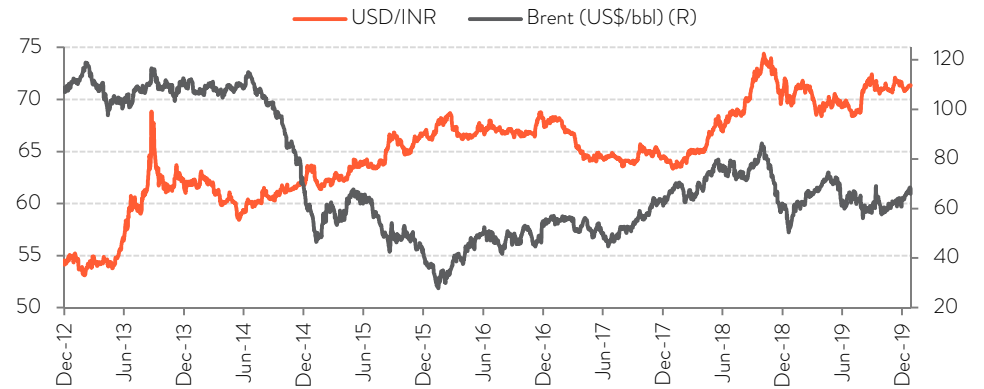
Source: Bloomberg

FIG 176 – EM CURRENCIES ALSO EDGED HIGHER



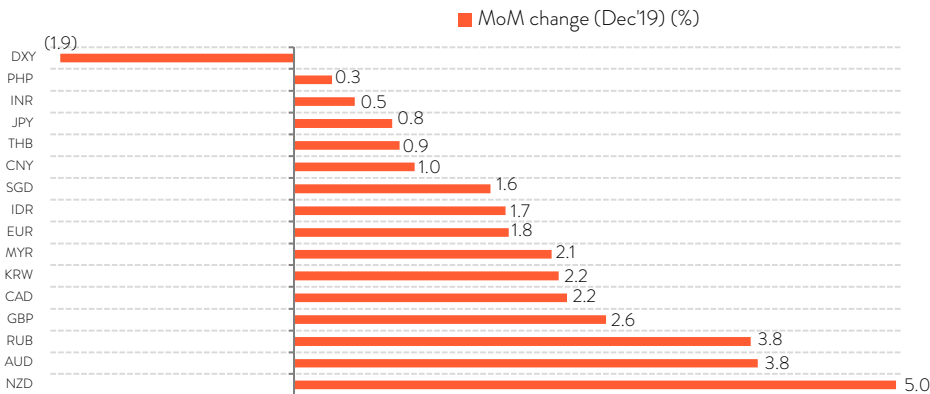
Source: Bloomberg | \*As on 31 Dec 2019

FIG 177 – EVEN AS OIL PRICES ROSE



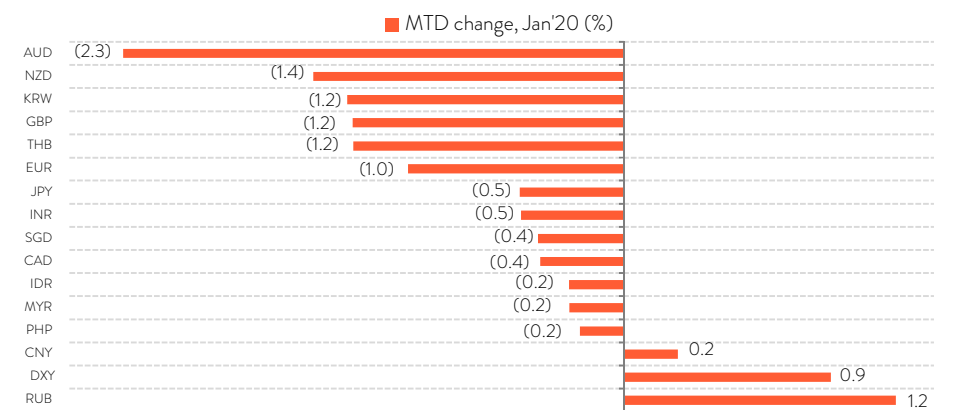
Source: Bloomberg | \*As on 31 Dec 2019

FIG 178 – GLOBAL CURRENCIES EDGED HIGHER IN DEC'19 AS RISK SENTIMENT IMPROVED



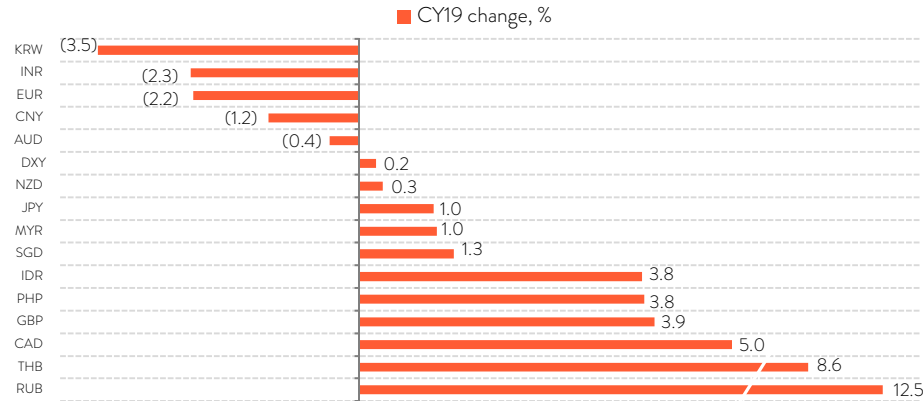
Source: Bloomberg | \*As on 31 Dec 2019

FIG 179 – HOWEVER, GLOBAL CURRENCIES HAVE SLIPPED IN JAN'20 DUE TO RISING GEO-POLITICAL TENSIONS IN MIDDLE EAST



Source: Bloomberg | \*As on 8 Jan 2020

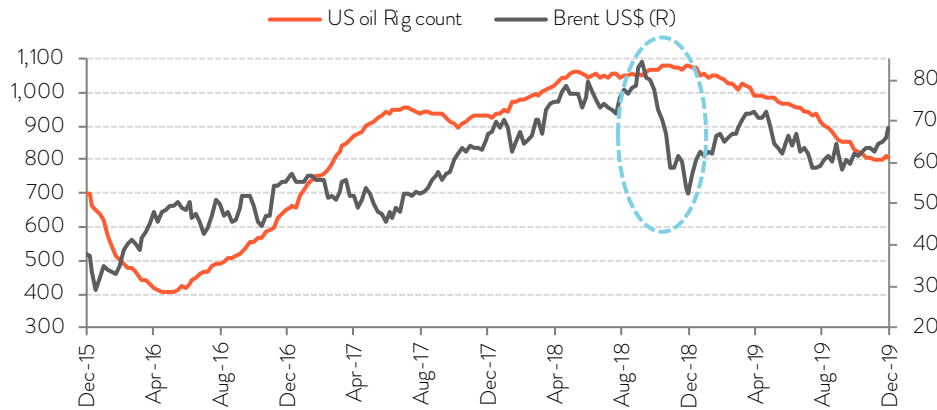
FIG 180 – INR DEPRECIATED BY 2.3% IN CY19..



Source: Bloomberg | \*As on 31 Dec 2019

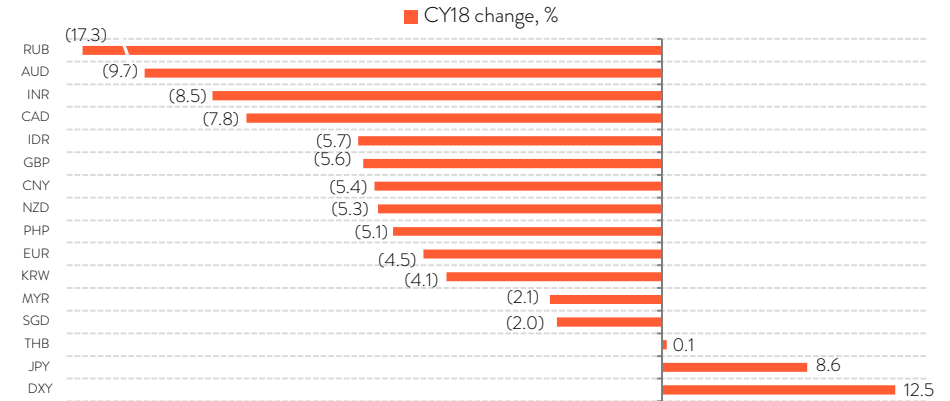
Commodities

FIG 182 – US RIG COUNT ROSE TO 805 IN DEC'19 VERSUS 802 IN NOV'19



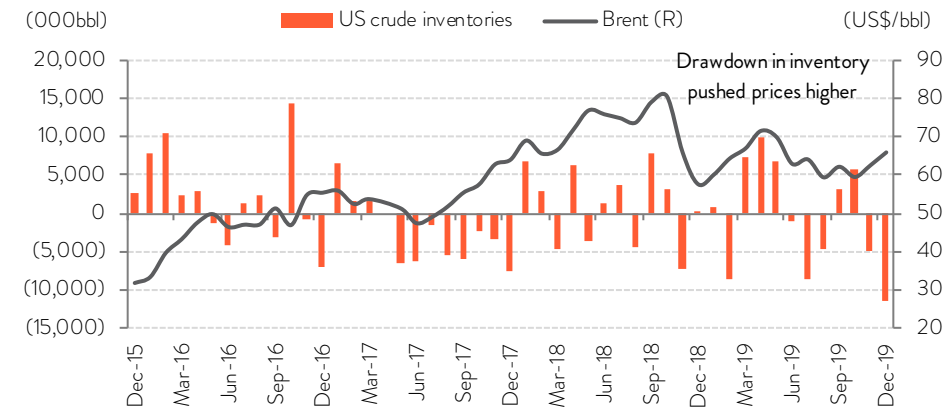
Source: Bloomberg

FIG 181 – ..VERSUS 8.5% IN CY18



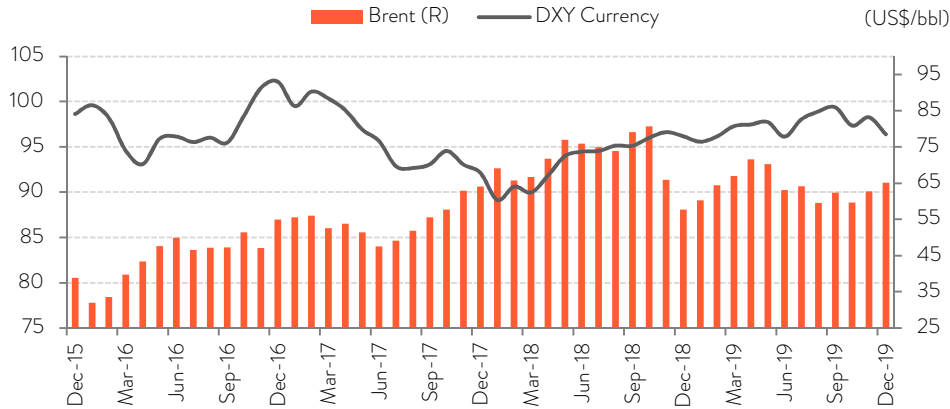
Source: Bloomberg | \*As on 31 Dec 2018

FIG 183 – US INVENTORIES DECLINED IN DEC'19; OIL PRICES ROSE BY 3.9% ON MOM BASIS (US\$ 65/BBL)



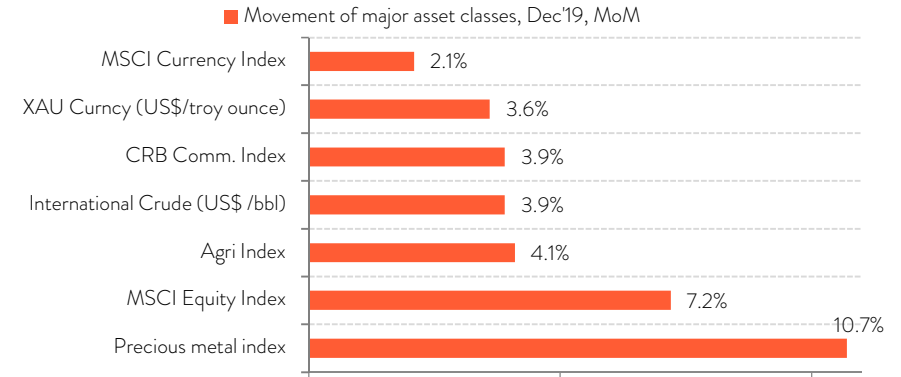
Source: Bloomberg

**FIG 184 – DXY FELL TO 96.4 IN DEC'19 FROM 98.3 IN NOV'19, CRUDE PRICES WERE HIGHER ON AN AVERAGE AT US\$ 65/BBL (US\$ 63/BBL IN NOV'19)**



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

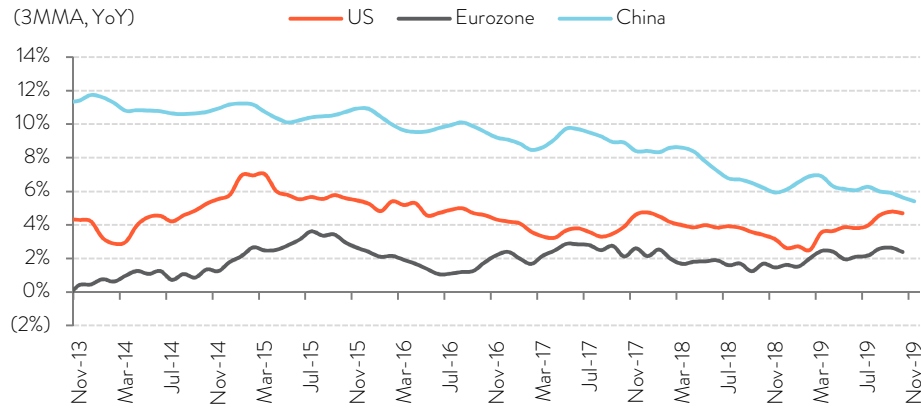
**FIG 185 – AMONGST MAJOR ASSET CLASS, PRECIOUS METALS ROSE THE MOST IN DEC'19**



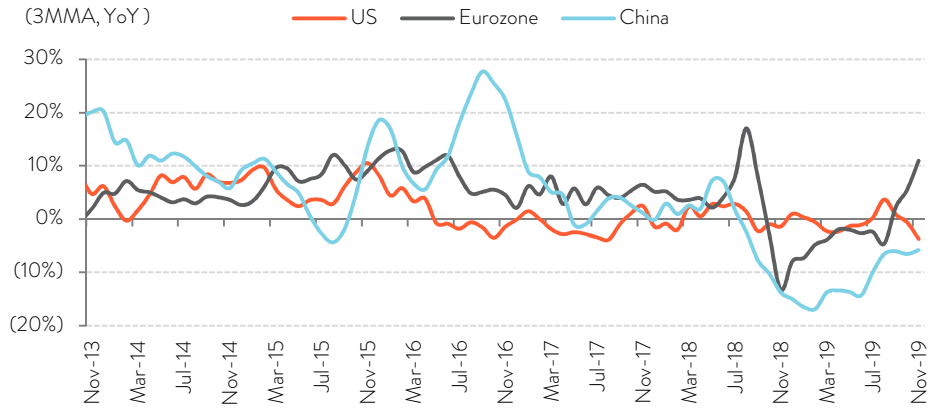
Source: Bloomberg | Index as on last trading day of the month

## Global consumption

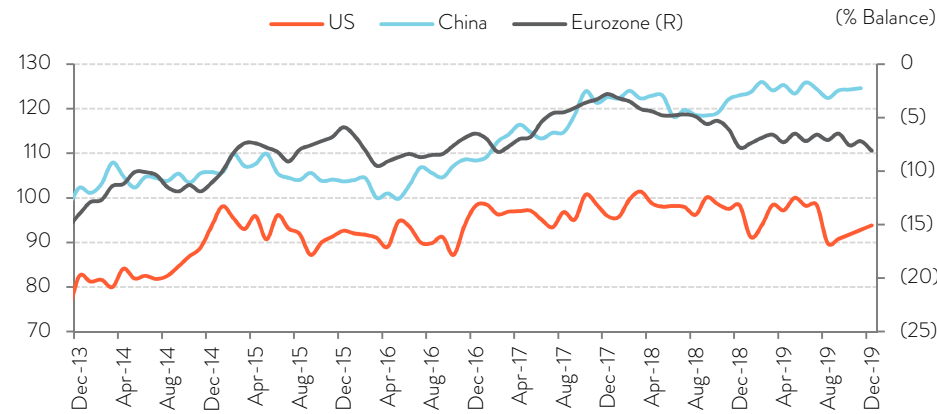
**FIG 186 – RETAIL SALES MODERATES IN CHINA AND EUROZONE**



**FIG 187 – AUTO SALES IMPROVE IN EUROZONE AND CHINA; DIPS IN US**

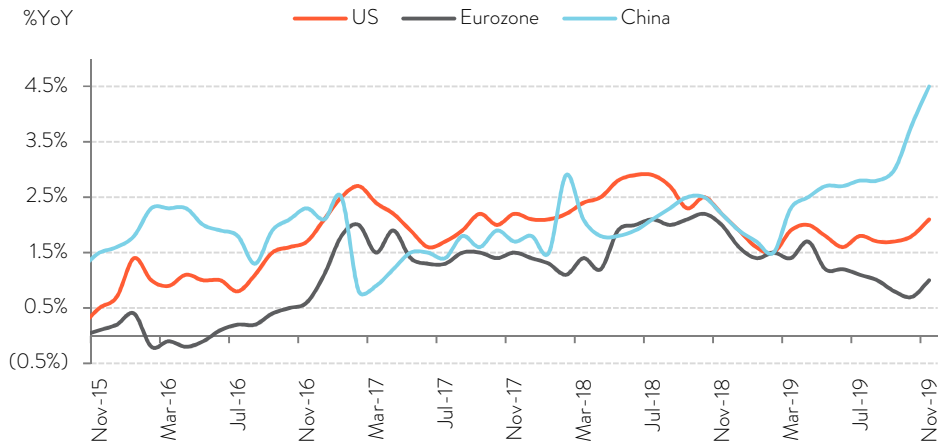


**FIG 188 – CONSUMER CONFIDENCE IMPROVES IN US; DIPS IN EUROZONE**



Note: Consumer confidence for eurozone is % diffusion index, China's consumer confidence is for Nov'19

**FIG 189 – CPI ACCELERATES ACROSS COUNTRIES**



## Global inflation and policy rates

FIG 190 – GLOBAL POLICY EASING CYCLE CONTINUES

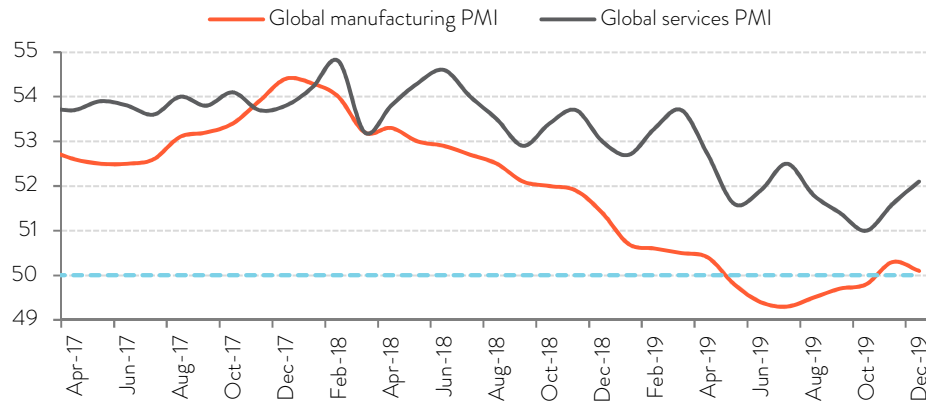
Country	Current inflation rate (%)	Current policy rate (%)	CY18 (change in bps)	CYTD19 (change in bps)	Direction of policy rate in CYTD19
Germany	1.5	0	0	0	-
UK	1.5	0.75	25	0	-
Japan	0.5	(0.1)	0	0	-
China	4.5	4.35	0	0	-
Brazil	2.9	1.75	75	0	-
Malaysia	0.9	3	25	(25)	↓
Korea	0.7	1.25	25	(50)	↓
Thailand	0.3	1.25	25	(50)	↓
Russia	3.0	7	0	(75)	↓
US	2.1	1.75	100	(75)	↓
Australia	1.7	0.75	0	(75)	↓
Phillipines	0.9	4	175	(75)	↓
Indonesia	3.4	5	175	(100)	↓
Mexico	3.0	7.25	100	(100)	↓
<b>India</b>	<b>5.5</b>	<b>5.15</b>	<b>50</b>	<b>(135)</b>	<b>↓</b>
Turkey	9.3	12	1,600	(1,200)	↓

Source: Bloomberg

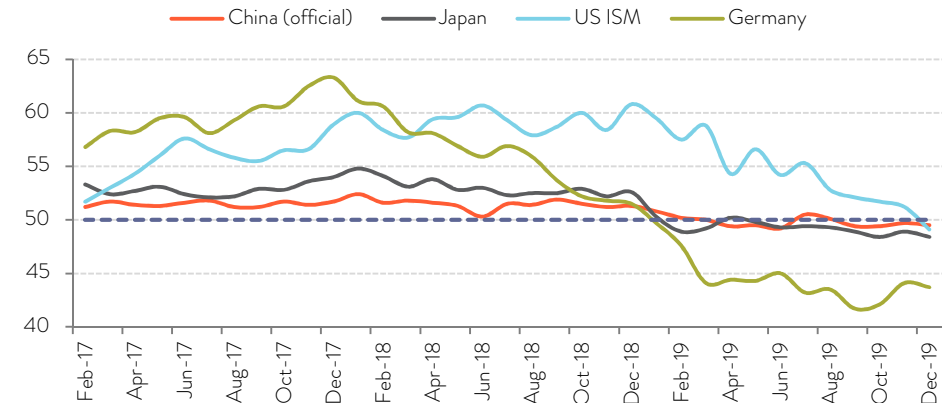


## Global investment and manufacturing

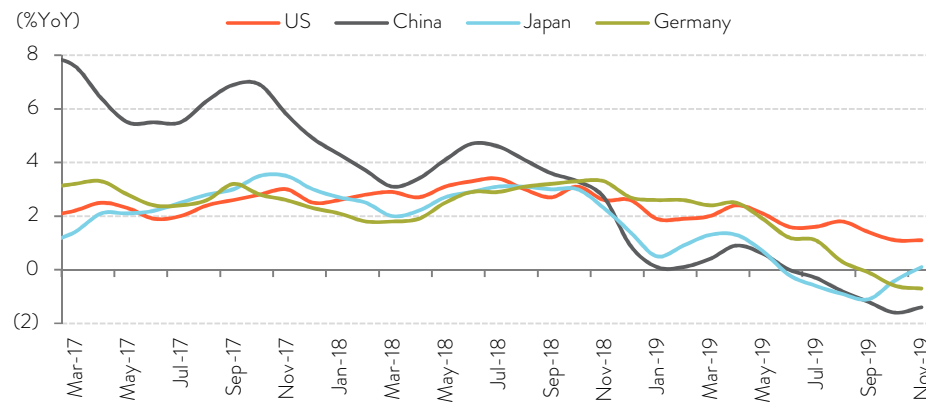
**FIG 191 – GLOBAL MANUFACTURING SLIPS AGAIN IN DEC'19; SERVICES GROWTH BUOYANT**



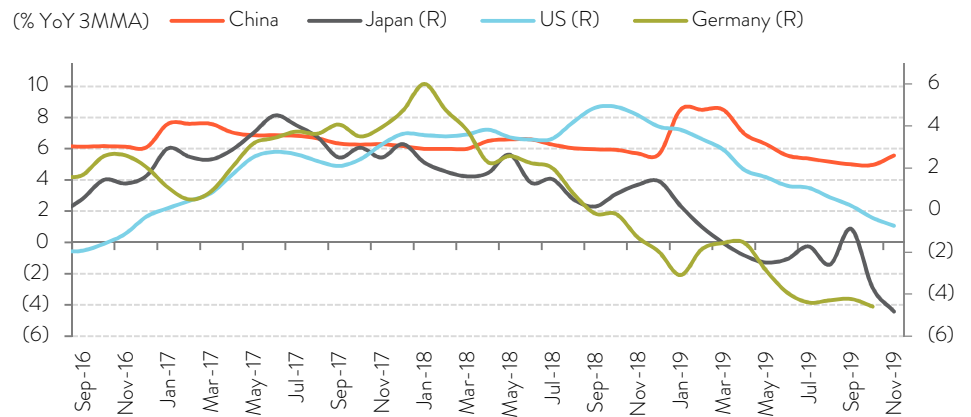
**FIG 192 – EXCEPT CHINA, MANUFACTURING ACTIVITY (PMI) SEEN EASING ACROSS REGIONS IN DEC'19**



**FIG 193 – PRODUCER PRICES PICKING UP IN CHINA AND JAPAN**

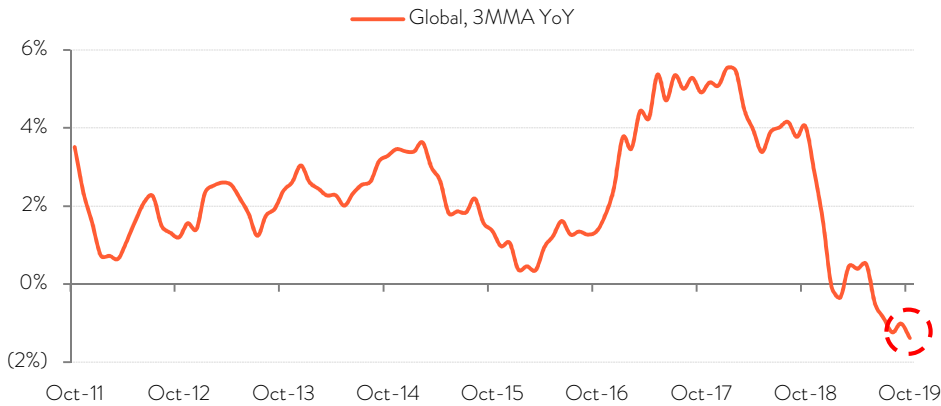


**FIG 194 – BARRING CHINA, INDUSTRIAL PRODUCTION REMAINED WEAK IN NOV'19**



## Global trade

**FIG 195 – WORLD TRADE VOLUME DIPS FURTHER IN OCT'19**



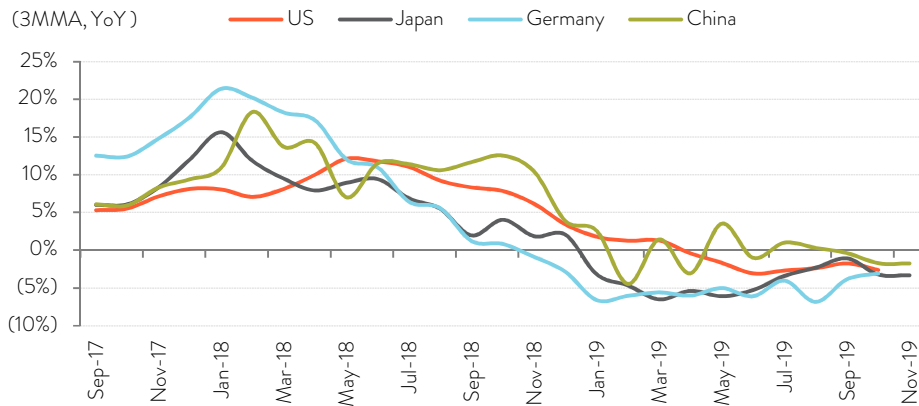
Source: NPB, World Trade Monitor

**FIG 196 – TRADE VOLUMES IN ALL MAJOR REGIONS CONTRACTED IN OCT'19**

Country/Region (% YoY)	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Africa and Middle East	0.1	(1.2)	(2.4)	(3.6)	(2.1)	(6.1)	(4.4)
China	2.4	(2.5)	(1.8)	(4.7)	0.0	(5.0)	(0.9)
Eastern Europe / CIS	(0.2)	(0.6)	(1.8)	0.2	0.6	1.9	0.8
Emerging Asia (ex. China)	0.9	(1.1)	(2.6)	(3.0)	(3.8)	(3.3)	(6.2)
Euro Area	(0.4)	0.6	(0.9)	(0.7)	(1.3)	0.5	(0.6)
Japan	0.9	(0.7)	1.6	2.3	(0.2)	3.2	(3.6)
Latin America	(0.7)	3.6	(4.0)	2.4	(1.9)	(0.8)	(2.6)
US	(1.7)	1.0	0.2	0.4	1.2	(1.7)	(2.6)

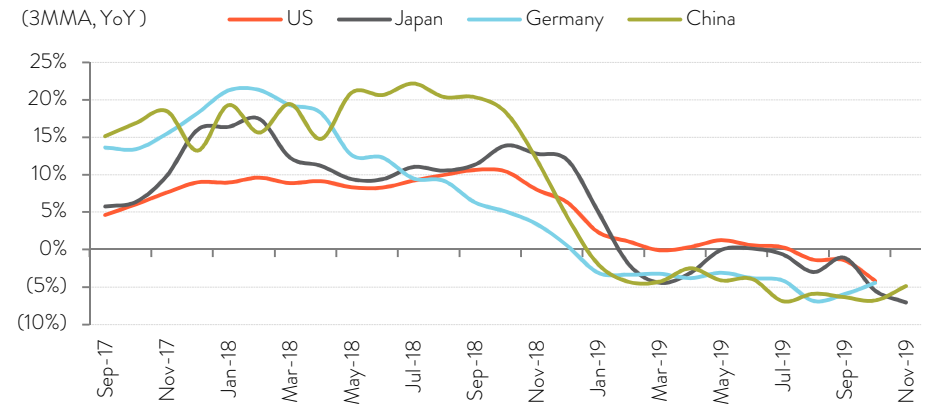
Source: NPB, World Trade Monitor

**FIG 197 – EXPORT GROWTH IN ALL MAJOR ECONOMIES DECLINING**



Source: Bloomberg

**FIG 198 – IMPORTS TOO REMAIN LACKLUSTRE**



Source: Bloomberg

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