

India Economics

Monthly Chartbook

April 2019

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States spending to support Q4 growth

The month has started on a positive note for global economy leading to higher yields and oil prices. Indian yields too have increased even as Centre met its fiscal target of 3.4%. On the growth front, consumption is still weak. While state government spending will push growth upwards in Q4. The same is not the case for FY20 as seen in state budgets. Subdued exports (result of lower global growth) and weak domestic momentum should open room for lower rates in the near-term. Rising oil prices and monsoon a risk.

Muted consumption, better outlook: Consumption demand deteriorated further as reflected in dip in non-oil-non-gold and electronic imports. Auto sales too showed the lowest growth in 5 years at 2.7% in FY19 with two-wheeler production declining by (-) 17% in Mar'19. Much depends upon monsoon. However, consumer confidence is showing an improvement which bodes well for consumption. In addition, PM-KISAN will also aid rural consumption.

Public finances: As per news reports, centre's direct tax revenues touched Rs 11.5tn, marginally lower than FY19RE of Rs 12tn. Indirect tax collections reported buoyancy in Feb'19 with GST collections touching Rs 1.1tn versus average of Rs 976bn during FYTD19. While Centre's capex remained muted, state government's reported a large uptick in revenue and capital spending towards the end of the financial year which is positive for services and investment growth.

Space opens up for one more rate cut: While state government spending is positive for Q4 growth, the state budgets show a moderation in spending in FY20. In addition, lower global demand implies exports will be muted. With growth below potential and inflation continuing to be under RBI's target of 4% (RBI est.: 3.4% & 3.7% respectively in FY20 & 21), there is room for further rate cuts by RBI. However, much depends upon monsoon and oil prices which have increased by 32% in CYTD19.

Yields: While yields fell in Mar'19 on the back of RBI swap of US\$ 5bn and lower global yields, the same is not the case in Apr'19 with rising global yields and oil prices. Central government's borrowing calendar will ensure higher term premium. So is the case with continued credit-deposit differential which will push term interest rates up.

INR appreciates by 2.3% in Mar'19: A sharp increase in FII inflows (US\$ 7bn) boosted INR to close at an 8-month high in Mar'19. INR appreciated by 2.3% in Mar'19, to be the best performing global currency. In CYTD19, INR has appreciated by 0.7%. Outlook for INR has changed somewhat in Apr'19 with rising oil prices (up 4.2%), leading to a (-) 0.2% fall. A dovish RBI is also limiting the gains in INR. Going ahead, oil price movement and outcome of the general elections will determine the trajectory of INR.

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

Consumption

Final consumption expenditure

FIG 1 – CONSUMPTION SLOWED BY 8.3% IN Q3FY19 AS AGAINST 9.8% IN Q2FY19

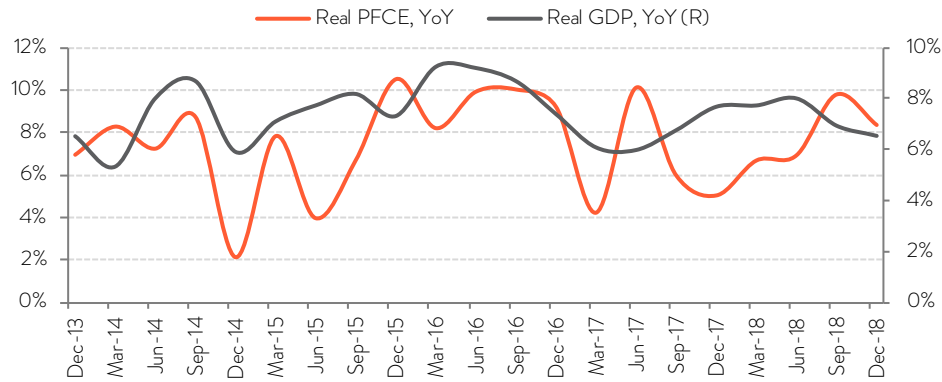


FIG 2 – GOVERNMENT CONSUMPTION DECELERATED TO 6.5% IN Q3FY19

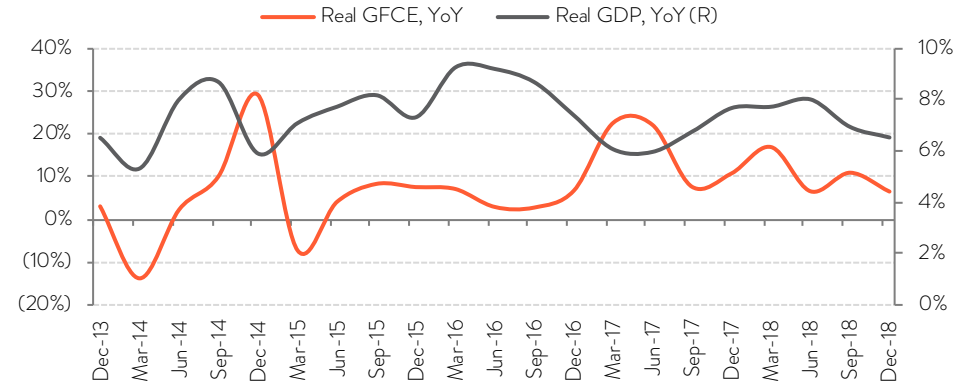


FIG 3 – GENERAL GOV REVENUE SPENDING FALLS...

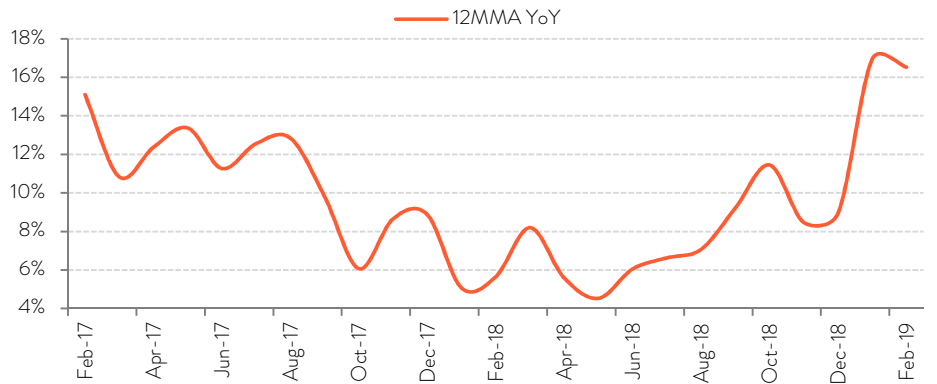
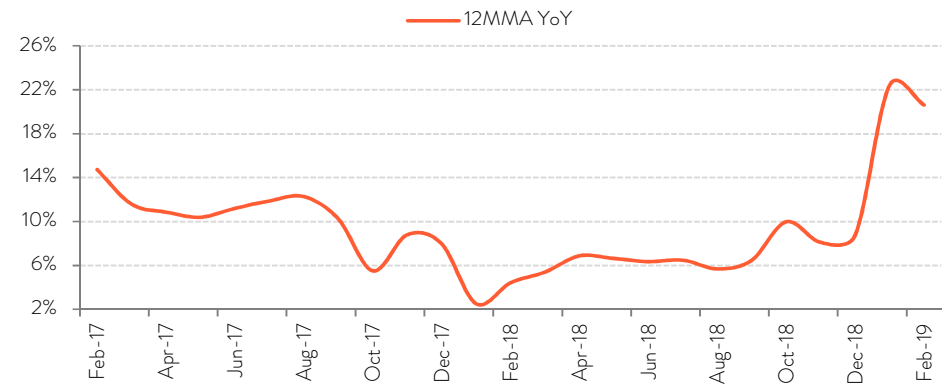


FIG 4 – ...STATE* GOV REVENUE SPENDING FOLLOWING SUIT



Note: *All states excluding N.E states, Andhra Pradesh, Goa and Karnataka

Non-oil imports, electronic imports

FIG 5 – NON-OIL-NON-GOLD IMPORTS PLUNGES FURTHER IN FEB'19

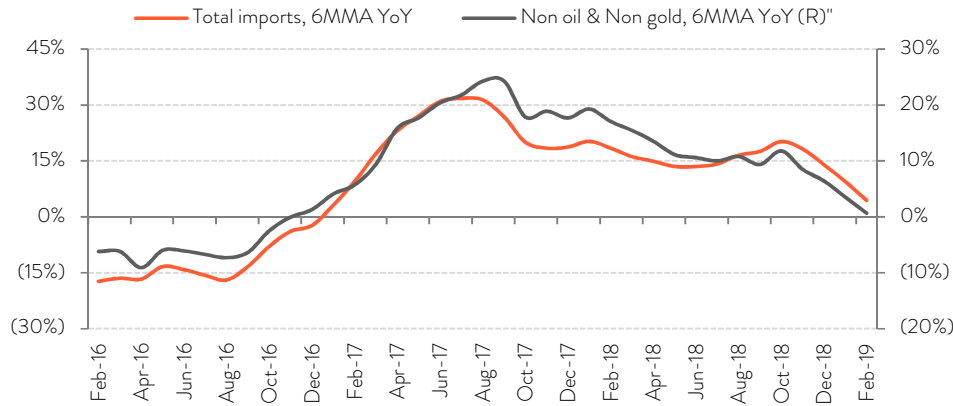


FIG 6 – ELECTRONIC IMPORTS TOO DROP IN FEB'19

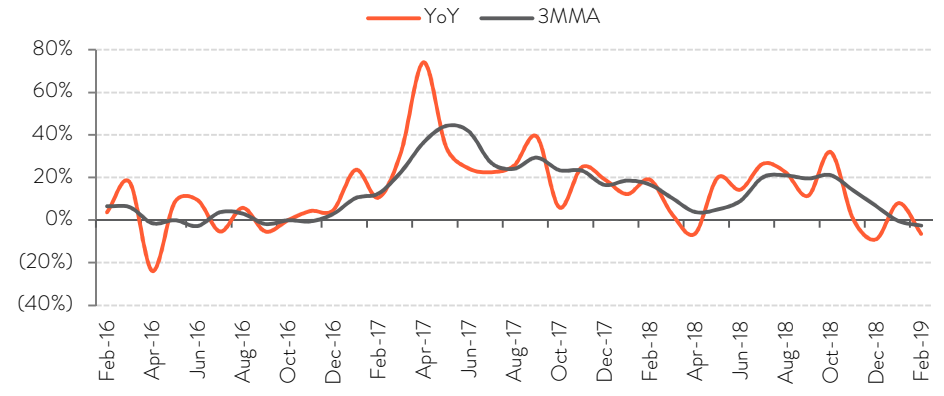


FIG 7 – PASSENGER CAR SALES DROPS FURTHER IN MAR'19

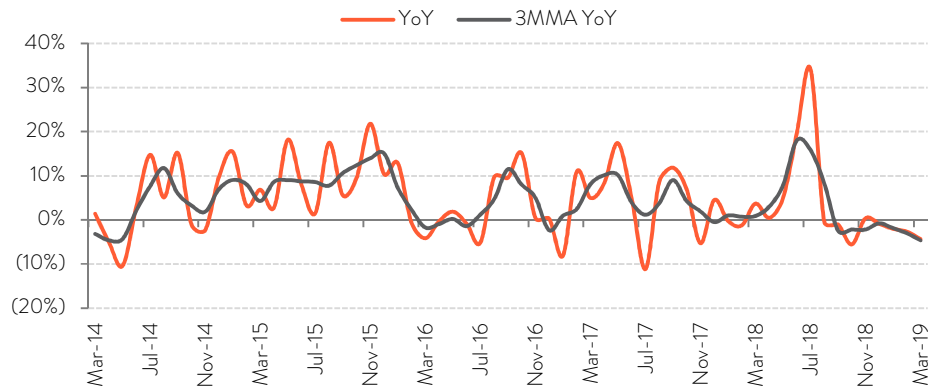
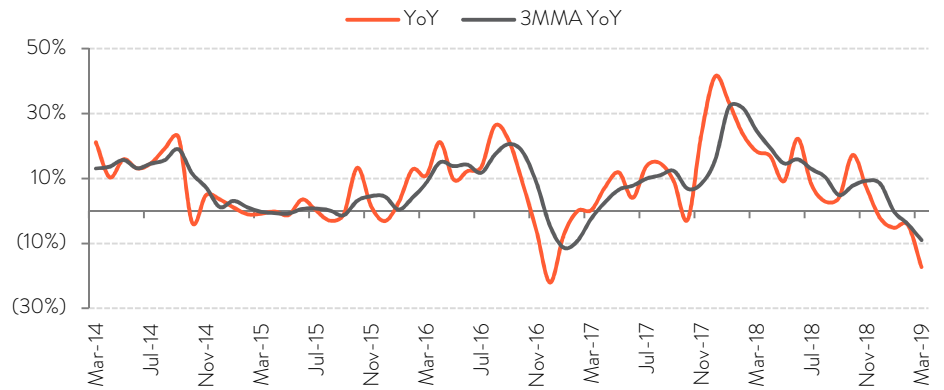


FIG 8 – TWO-WHEELER SALES PLUNGES BY (-) 17.3% IN MAR'19



Credit deployment of personal loans

FIG 9 – GROWTH IN CREDIT CARD OUTSTANDING DROPS

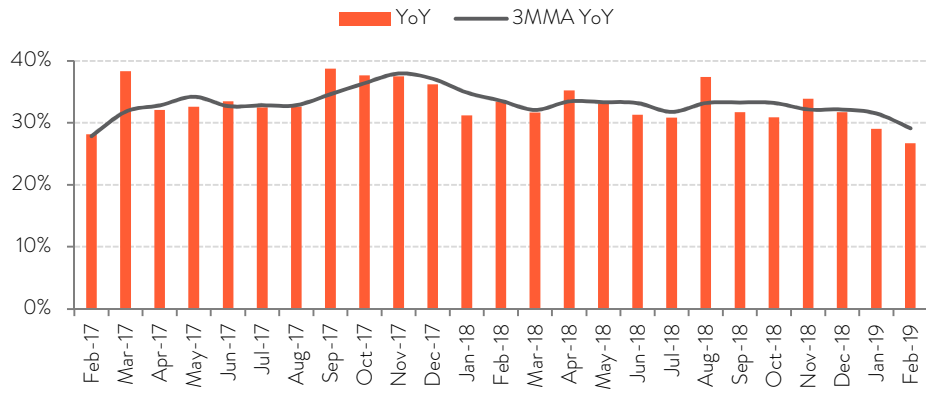


FIG 10 – PERSONAL LOAN GROWING AT STEADY PACE IN FEB'19

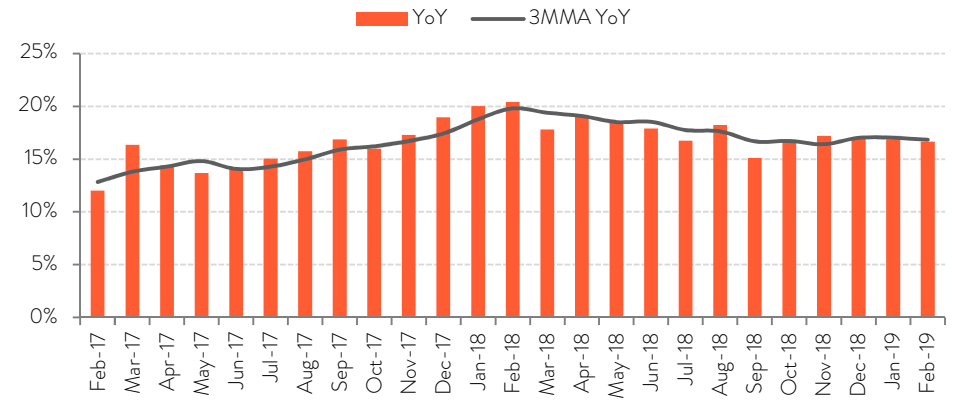


FIG 11 – GROWTH OF VEHICLE LOANS MODERATES MARGINALLY

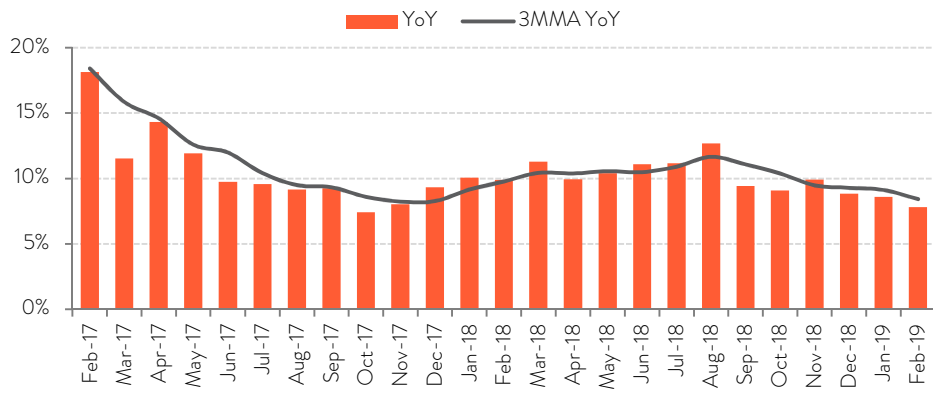
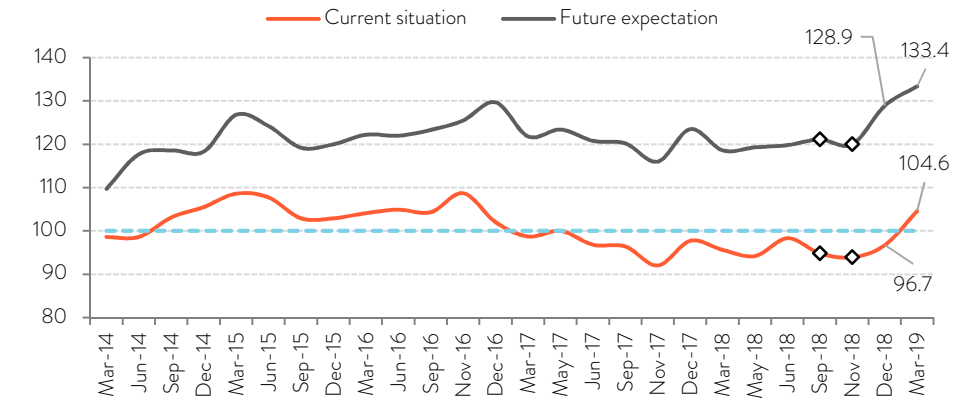


FIG 12 – HIGHER CONSUMER CONFIDENCE



Consumer durables & non-durables production

FIG 13 – CONSUMER DURABLES SLOWS TO 1.8% IN JAN'19

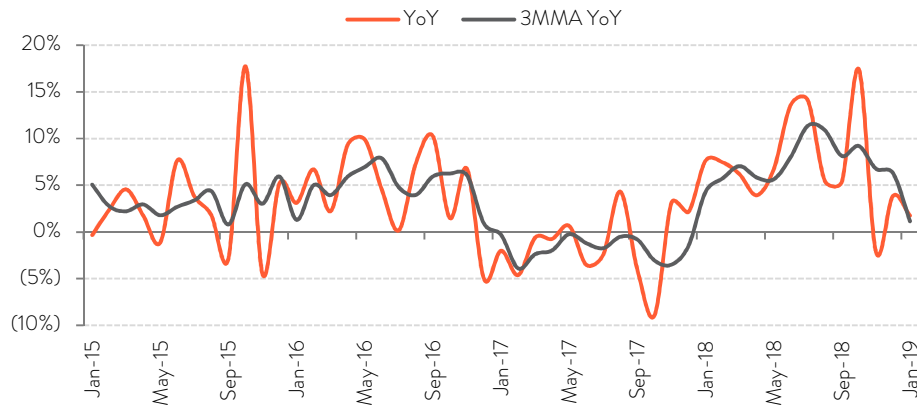
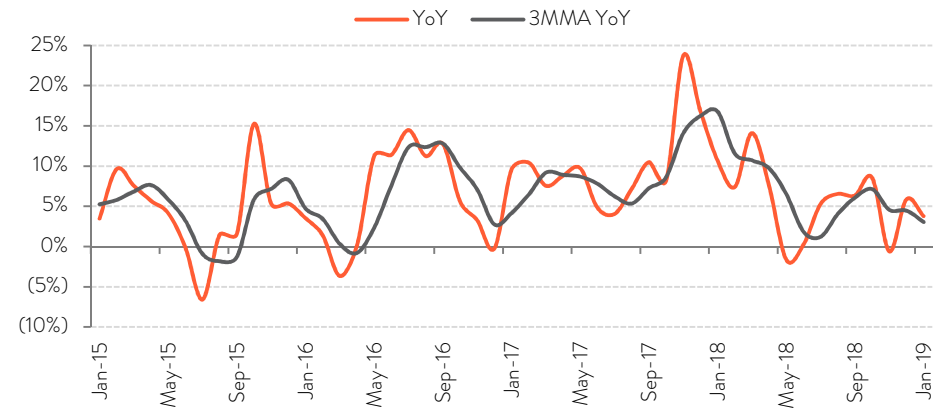


FIG 14 – FMCG OUTPUT TOO DROPS TO 3.8% IN JAN'19



Agriculture

FIG 15 – AGRICULTURE GROWTH DROPS TO 2.7% IN Q3FY19 (4.6% IN Q3FY18)

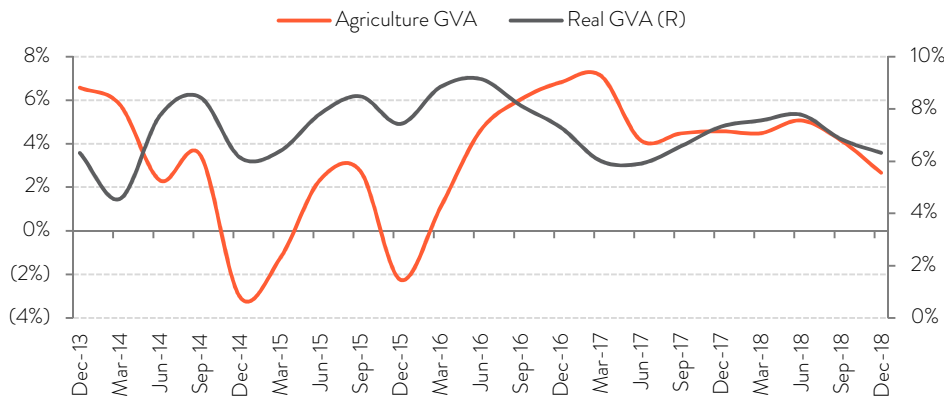


FIG 16 – STOCK OF FOODGRAINS ROSE TO 60 MN TN IN FEB'19 COMPARED TO 48 MN TN IN FEB'18

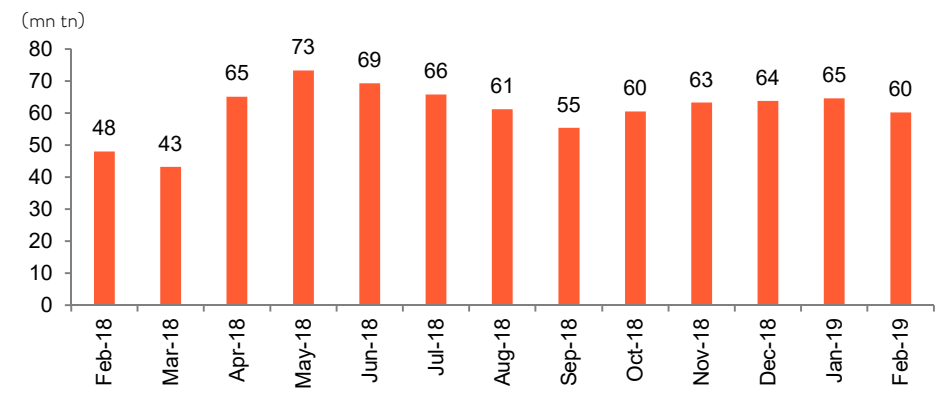


FIG 17 – GROWTH IN AGRICULTURE CREDIT REMAINS STABLE IN FEB'19

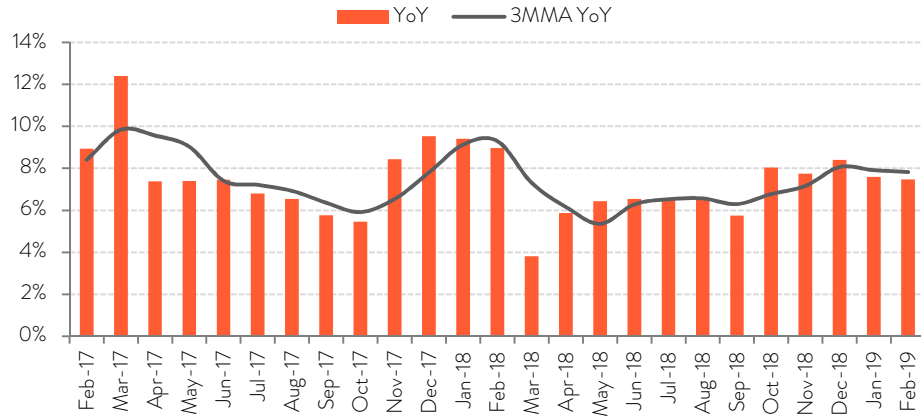
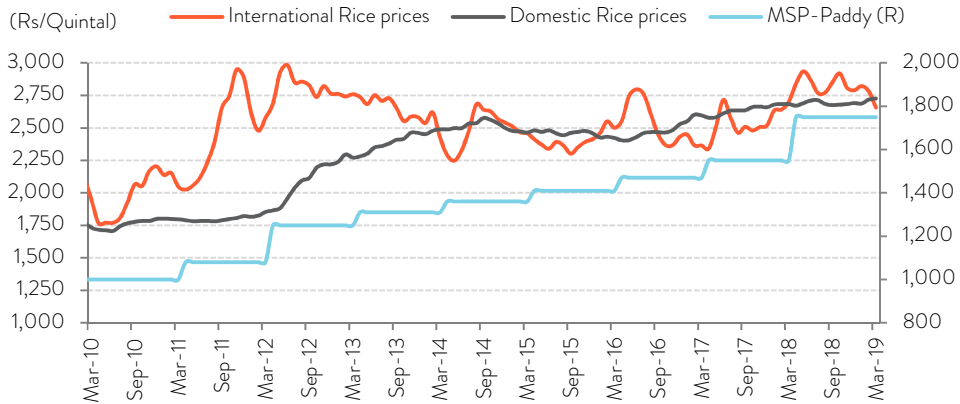


FIG 19 – WHILE DOMESTIC PRICE OF RICE IS RISING; INTERNATIONAL PRICES ARE MODERATING



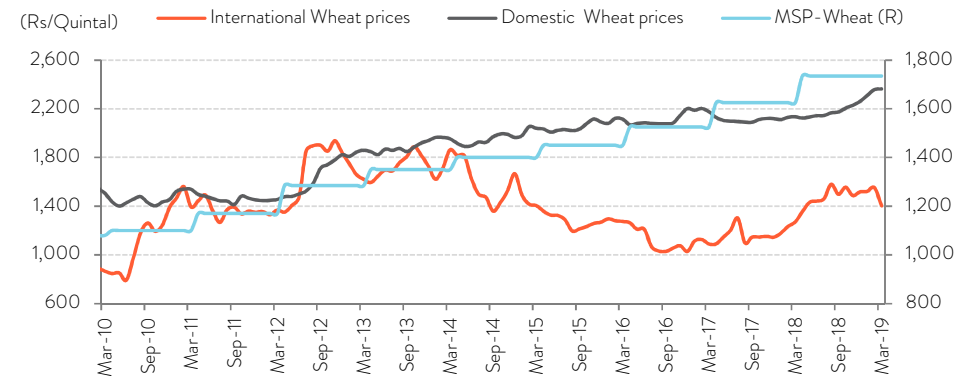
Source: World Bank

FIG 18 – RICE PROCUREMENT IS EXPECTED TO BE HIGHER THAN WHEAT

Year	Wheat	Rice
2010-11	22.51	34.20
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	32.97*

Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 31 Jan 2019

FIG 20 – A SIMILAR SITUATION IS SEEN FOR WHEAT PRICES



Source: World Bank

FIG 21 – GLOBAL FOOD PRICES REMAIN STEADY IN MAR'19

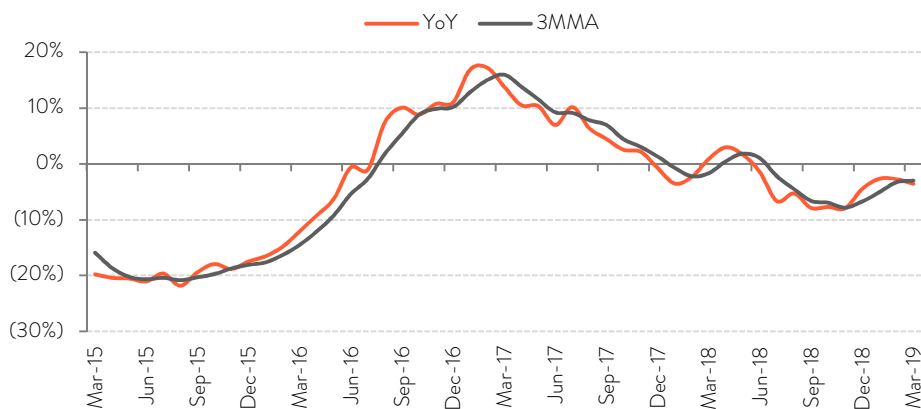


FIG 22 – RURAL WAGES (MEN) MODERATES

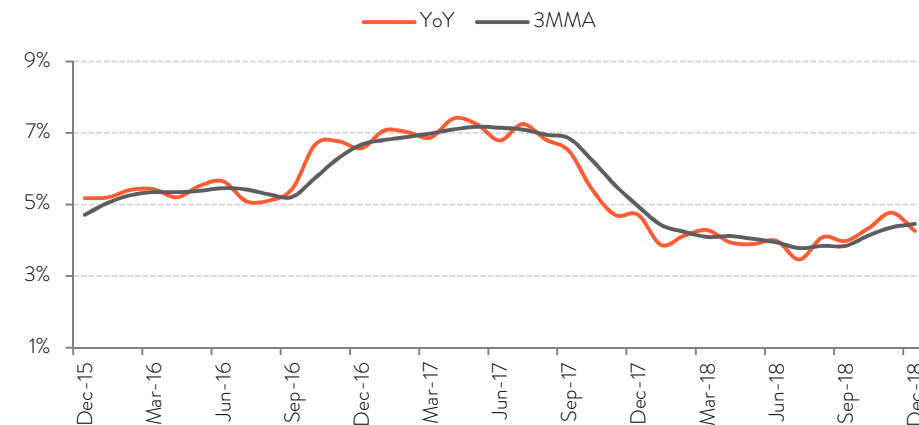


FIG 23 – AGRICULTURAL PRODUCTION

Crop type (%)	Growth in 2016	Growth in 2017	Growth in 2018*
Rice	5.1	2.9	2.4
Wheat	6.7	1.2	(0.6)
Pulses	41.5	9.1	(4.8)
Cereals	7.1	3.0	(0.9)
Sugarcane	(12.2)	23.1	1.0
Oilseeds	23.9	0.1	0.6
Cotton	8.6	7.1	(13.8)
Foodgrain Production	9.4	3.5	(1.2)

Source: Ministry of Agriculture | Note: *Based on 2nd advance estimates

Inflation

FIG 24 – RETAIL INFLATION WAS SEEN PICKING UP AT 2.6% IN FEB'19 VS 2% IN JAN'19 LED BY FOOD

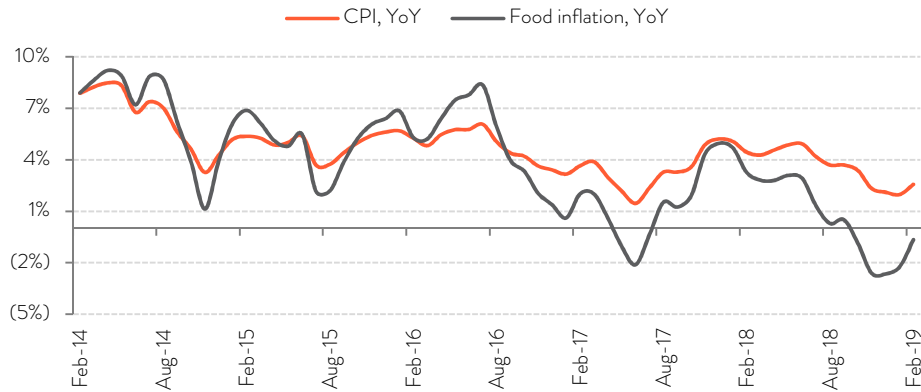
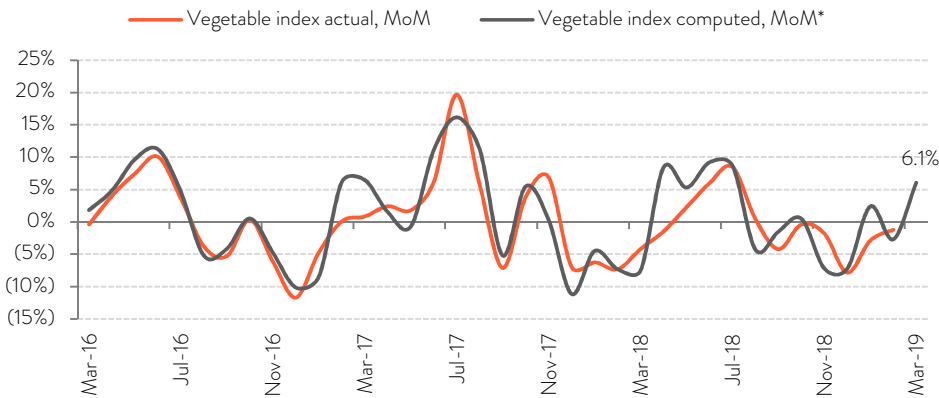


FIG 26 – ...VEGETABLE PRICES ARE INCREASING IN MAR'19 AS WELL AT 6%



Source: NHB | *Vegetable index computed using average retail price of major items

FIG 25 – ...SLOWER PACE OF DEFLATION IN VEGETABLES & RISE IN PRICES OF PROTEIN BASED ITEMS EXERTING UPWARD PRESSURE

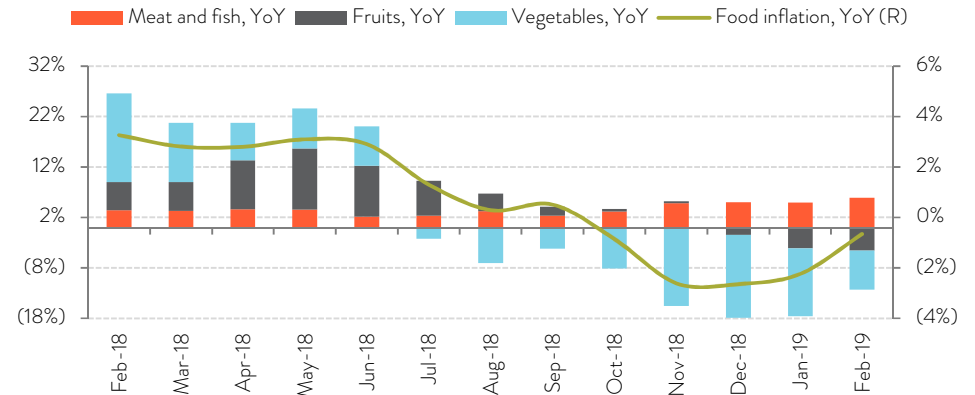


FIG 27 – CPI EXCL. FOOD & FUEL (CORE) REMAINS STICKY AT 5.3% IN FEB'19

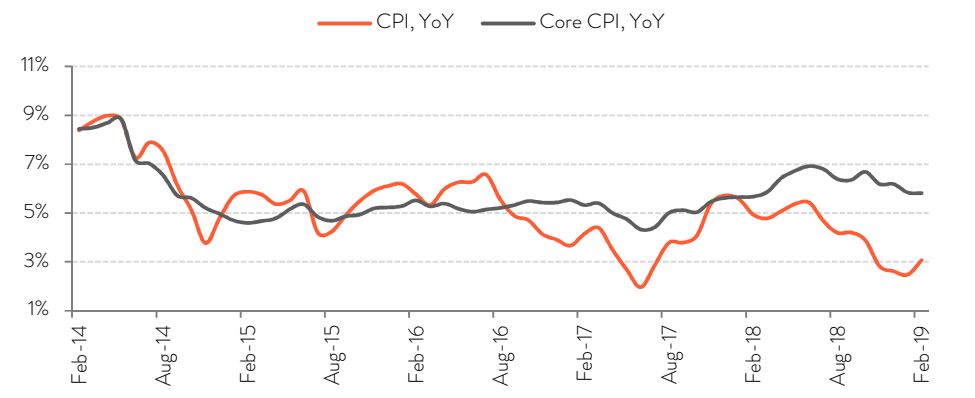


FIG 28 – ...BARRING TRANSPORT & COMMUNICATION, ALL OTHER ITEMS REMAINED STICKY

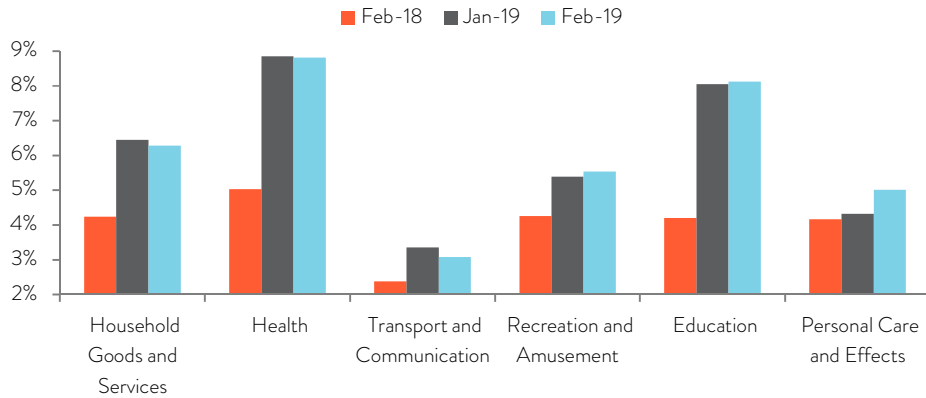


FIG 29 – ...CORE EXCL VEGETABLE INFLATION ALSO REMAINED FAIRLY HIGH AT 5.7% IN FEB'19

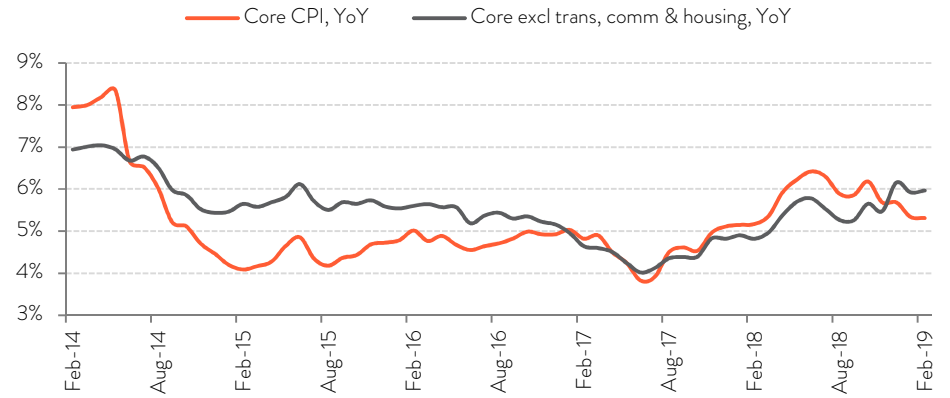
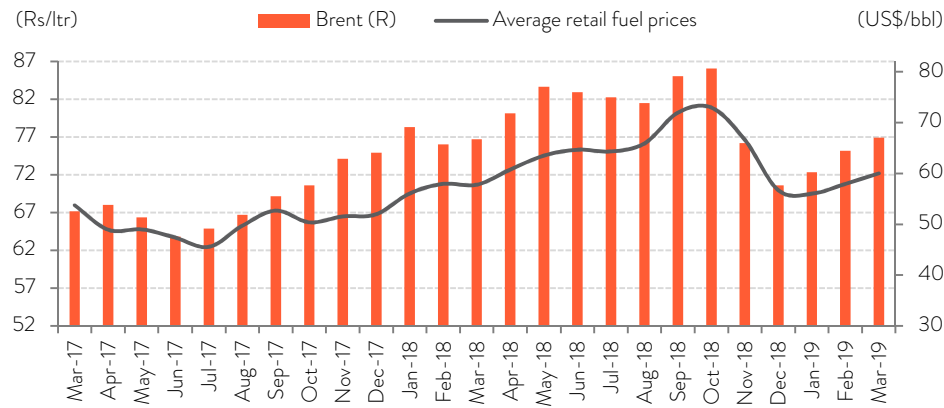
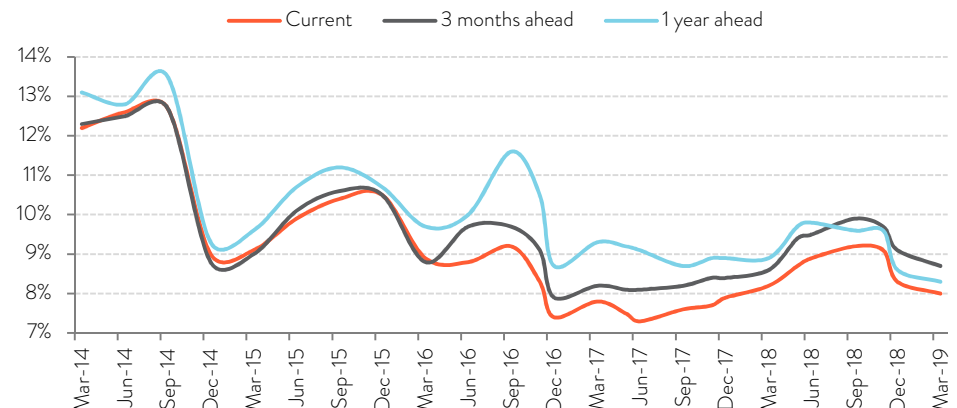


FIG 30 – RETAIL PRICES OF PETROL & DIESEL* INCHED UP TO RS 72/LT IN FEB'19 VS RS 71/LT IN FEB'19 LED BY HIGHER CRUDE PRICES



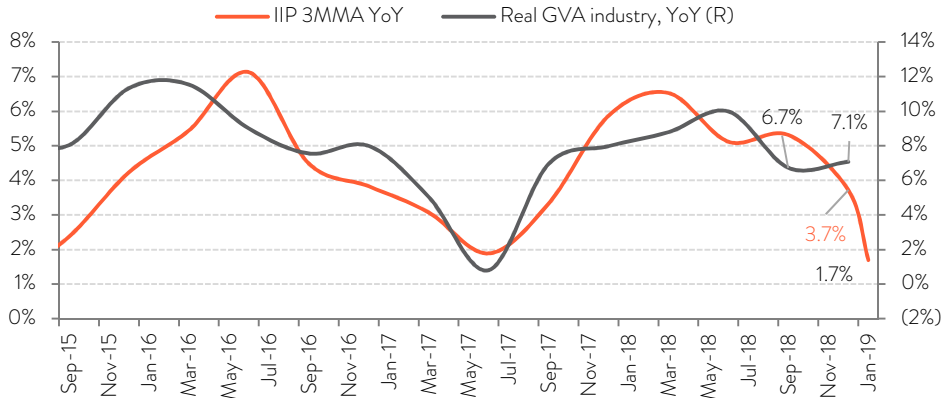
Note: *Average retail price of Delhi, Kolkata, Mumbai and Chennai

FIG 31 – RBI'S INFLATION EXPECTATION INDEX FELL SHARPLY IN MAR'19



Industry

FIG 32 – INDUSTRIAL OUTPUT EASES IN JAN'19



Note: IIP for Jan'19 is on a YoY basis

FIG 33 – BROAD BASED IMPROVEMENT IN IIP ON A YOY BASIS

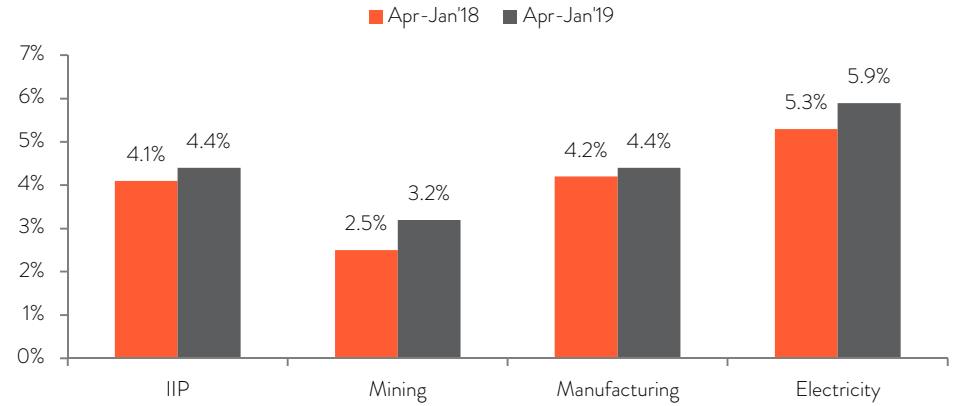


FIG 34 – ELECTRICITY PULLED DOWN IIP

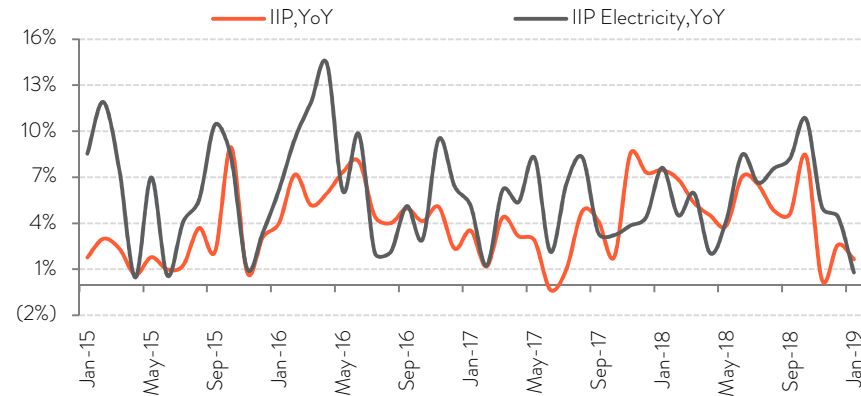


FIG 35 – CAP GOODS DOING THE SAME

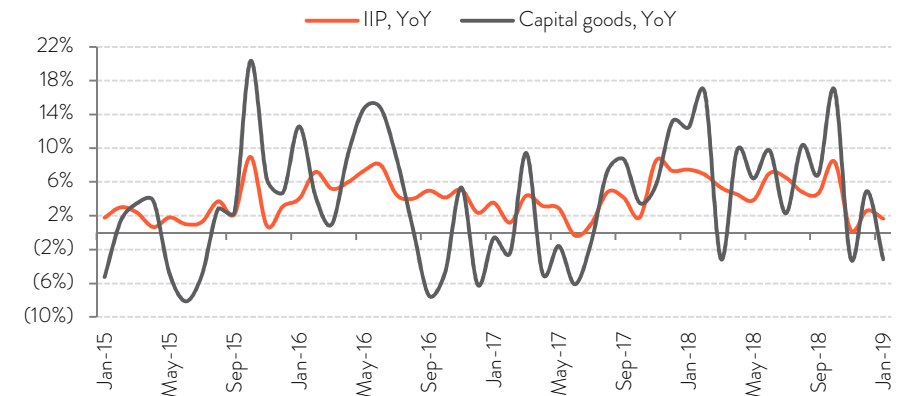
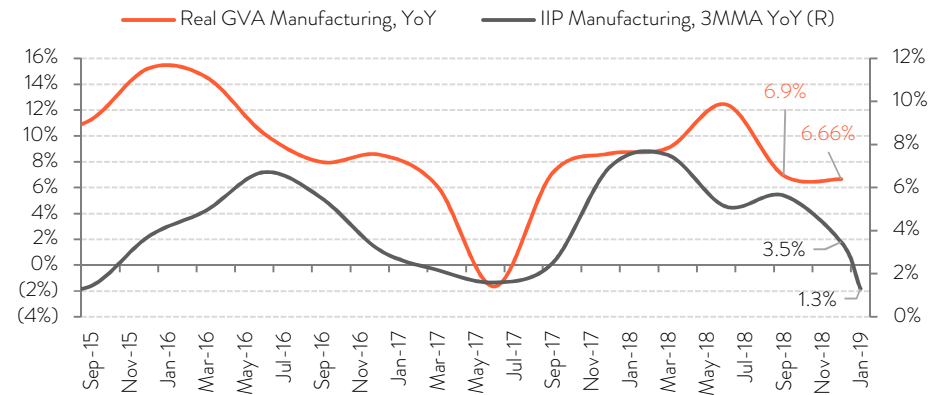


FIG 36 – INDUSTRIAL PRODUCTION SOFTENS TO 1.7% IN JAN'19

Sectoral (%)	Weight	Jan-19	Dec-18	Jan-18	Apr-Jan'19	Apr-Jan'18
IIIP	100.0	1.7	2.6	7.5	4.4	4.1
Mining	14.4	3.9	(1.0)	0.3	3.2	2.5
Manufacturing	77.6	1.3	3.0	8.7	4.4	4.2
Electricity	8.0	0.8	4.4	7.6	5.9	5.3
Use-Based						
Primary Goods	34.1	1.4	(1.2)	5.9	3.8	3.8
Capital Goods	8.2	(3.2)	4.9	12.4	5.9	3.6
Intermediate Goods	17.2	(3.0)	(0.8)	5.4	0.1	2.1
Infrastructure and Construction Goods	12.3	7.9	10.0	7.5	8.4	4.5
Consumer Durables Goods	12.8	1.8	3.9	7.6	7.0	(0.3)
Consumer Non-Durables Goods	15.3	3.8	5.9	10.7	4.1	10.5

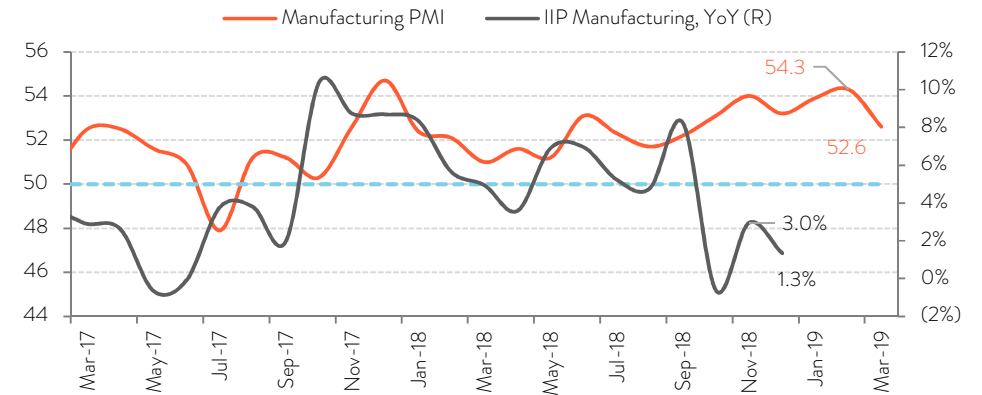
Manufacturing

FIG 37 – MANUFACTURING ACTIVITY DIPS IN JAN'19



Note: IIP for Jan'19 is on a YoY basis

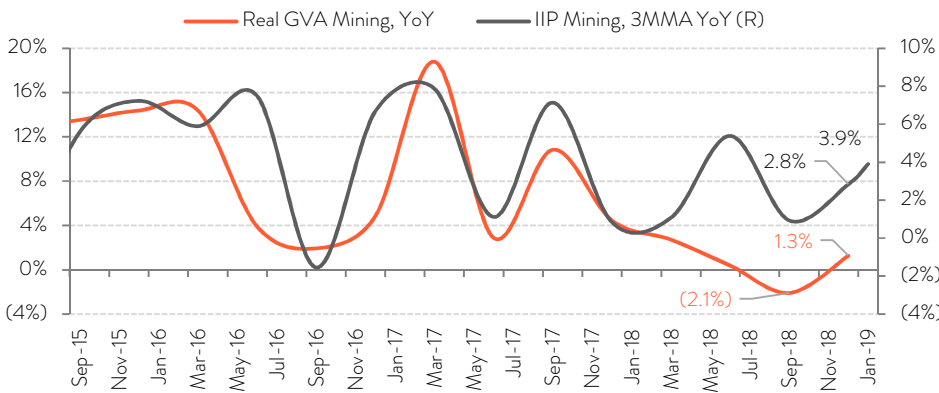
FIG 38 – MANUFACTURING PMI MODERATES TO 52.6 IN MAR'19



Source: Markit

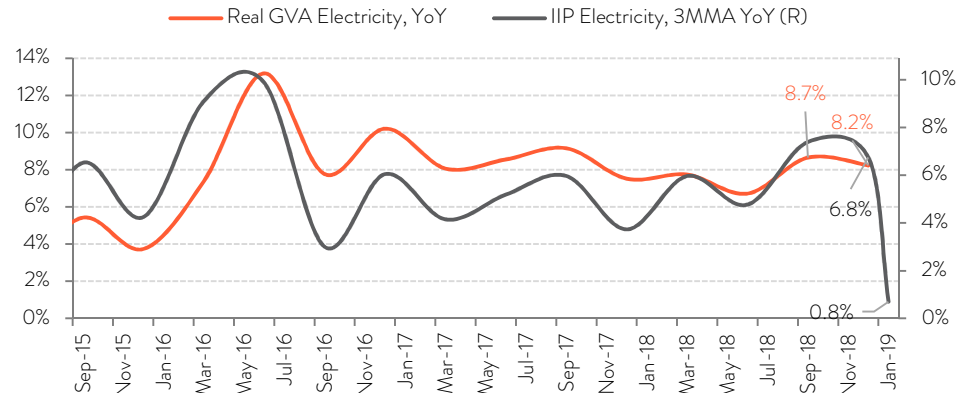
Mining & Electricity

FIG 39 – MINING ACTIVITY IMPROVES



Note: IIP for Jan'19 is on a YoY basis

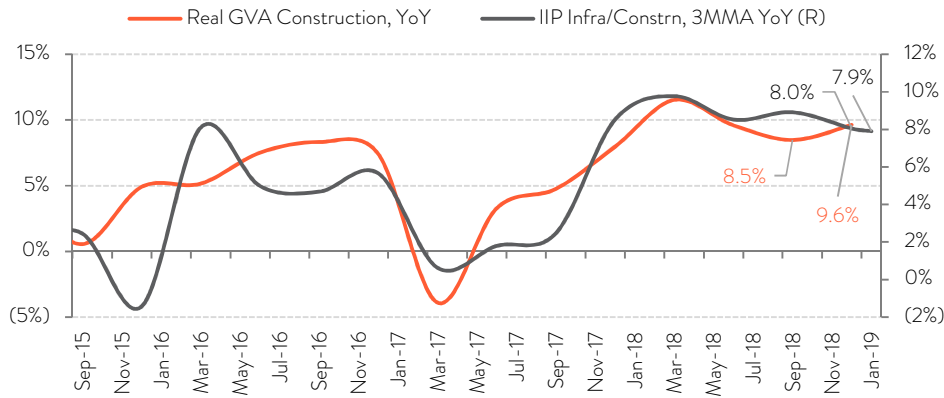
FIG 40 – ELECTRICITY MODERATES



Note: IIP for Jan'19 is on a YoY basis

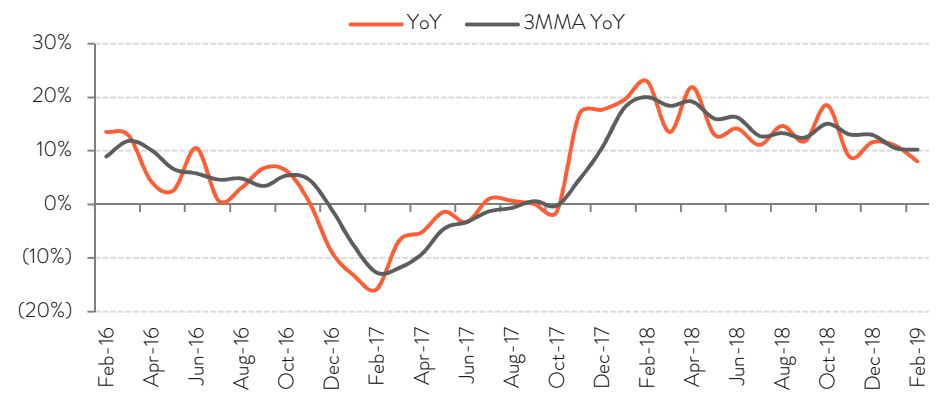
Infrastructure and Construction

FIG 41 – CONSTRUCTION SECTOR GROWTH REMAINS STEADY



Note: IIP for Jan'19 is on a YoY basis

FIG 42 – GROWTH IN CEMENT PRODUCTION SLOWS FURTHER IN FEB'19



Infrastructure Index

FIG 43 – INFRA INDEX PICKS UP MARGINALLY IN FEB'19

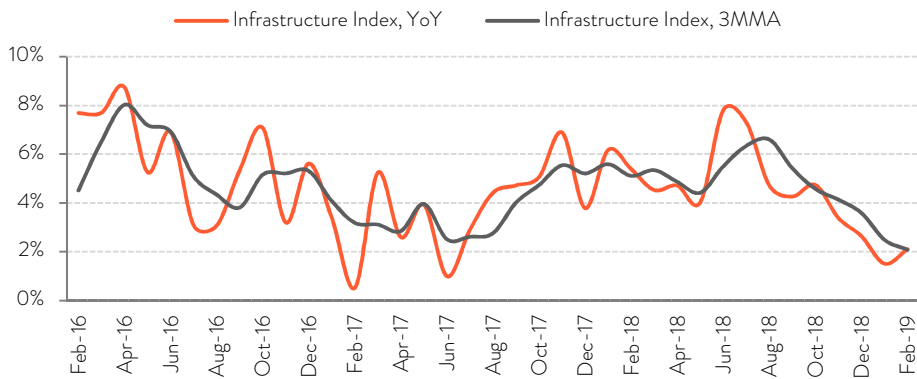
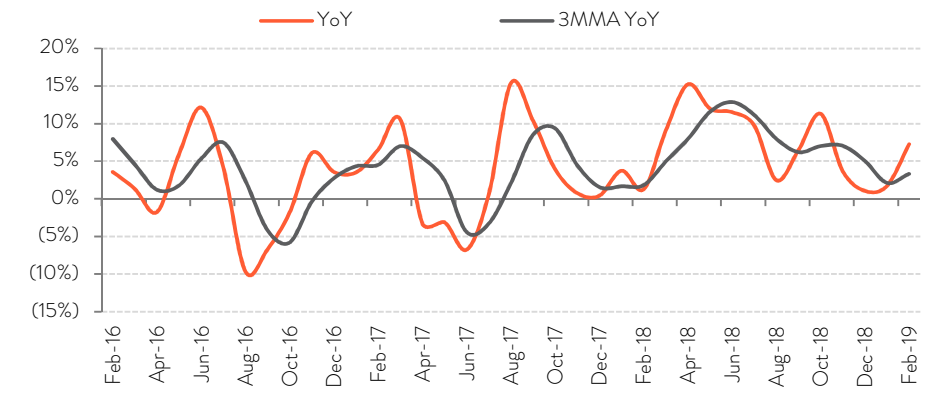


FIG 44 – COAL PRODUCTION IMPROVES SHARPLY IN FEB'19



Auto production & Business expectation index

FIG 45 – AUTO PRODUCTION DROPS IN MAR'19

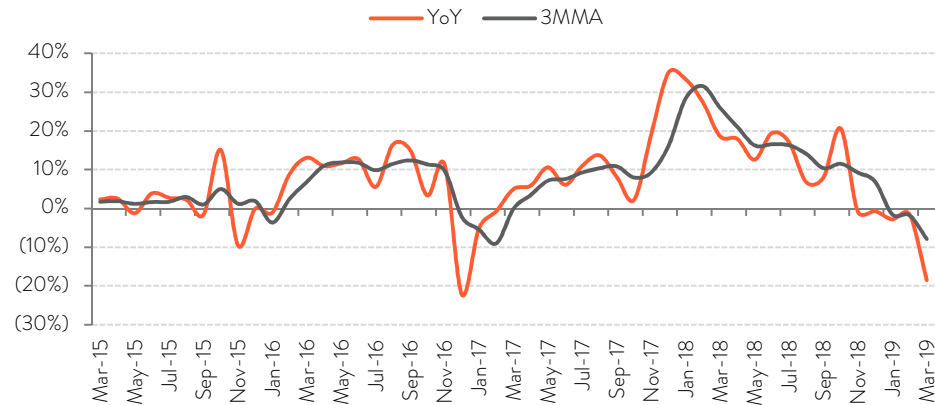


FIG 46 – BUSINESS SENTIMENT REMAINS OPTIMISTIC

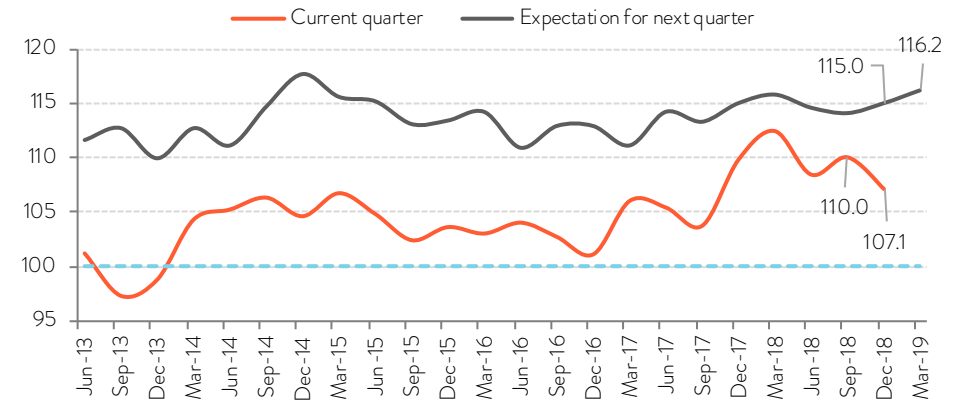


FIG 47 – INFRASTRUCTURE INDEX RISES TO 2.1% IN FEB'19

(%)	Weight	Feb-19	Jan-19	Dec-18	Feb-18
Infrastructure Index	100	2.1	1.5	2.7	5.4
Coal	10.3	7.3	1.7	1.1	1.3
Crude Oil	9.0	(6.1)	(4.3)	(4.3)	(2.4)
Natural Gas	6.9	3.8	6.2	4.2	(1.8)
Petroleum Refinery Products	28.0	(0.8)	(2.6)	(4.8)	7.8
Fertilizers	2.6	2.5	10.5	(2.4)	5.2
Steel	17.9	4.9	5.5	12.9	5.0
Cement	5.4	8.0	11.0	11.6	23.0
Electricity	19.9	0.7	0.8	4.4	4.6

Investment

FIG 48 – REAL GFCF GROWTH HAS PICKED UP TO 10.6% IN Q3FY19 VS 10.2% IN THE PREVIOUS QUARTER

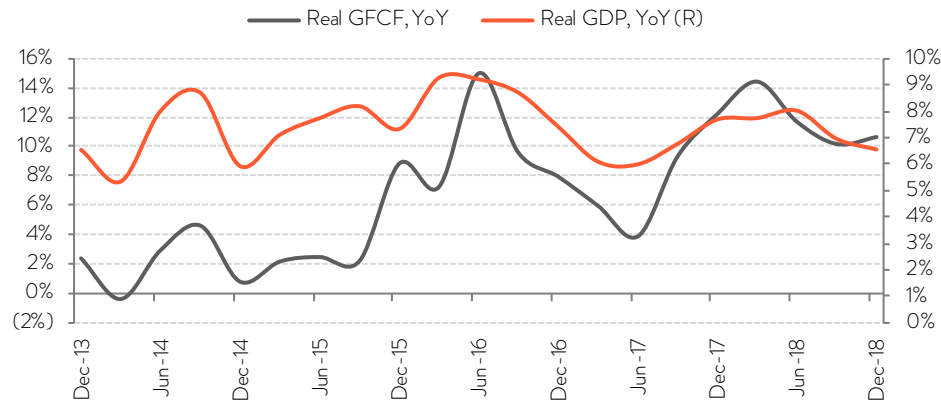


FIG 49 – IN FY19 AS WELL, REAL GFCF IS EXPECTED TO GROW AT A FASTER PACE OF 10% VS 9.3% IN THE PREVIOUS YEAR

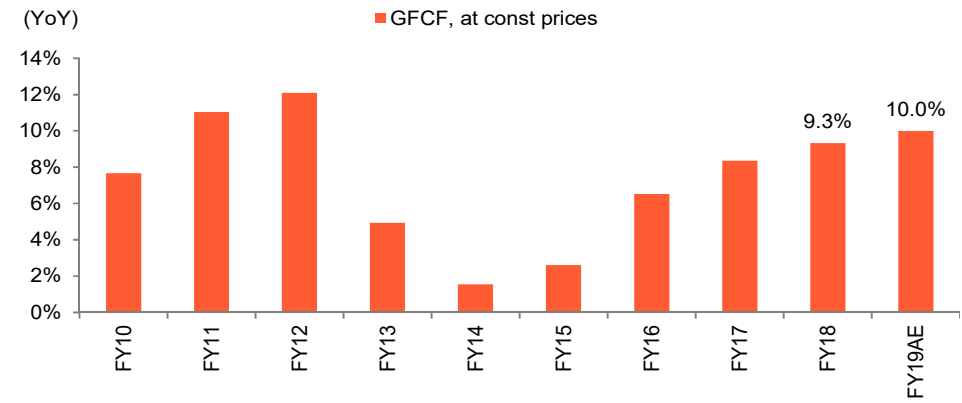


FIG 50 – PLF OF GOVT. THERMAL PLANTS HAS IMPROVED IN MAR'19 AS WELL, REFLECTING HIGHER CAPACITY UTILISATION (CU)

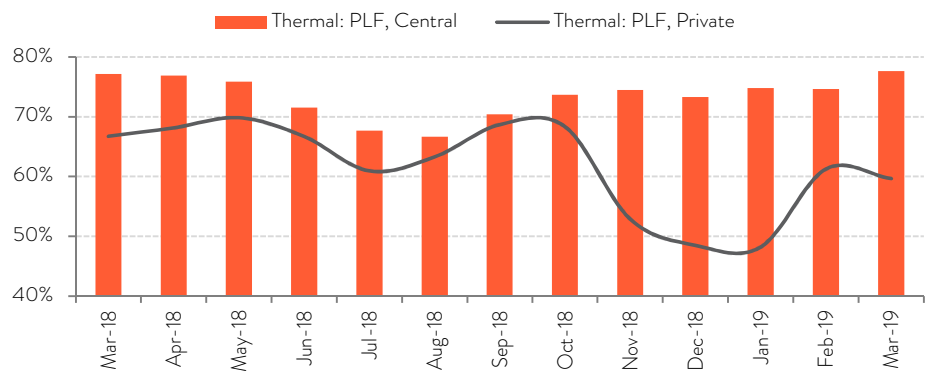


FIG 51 – OVERALL CU ALSO ROSE SHARPLY TO 75.9, FAR ABOVE ITS LONG PERIOD AVERAGE

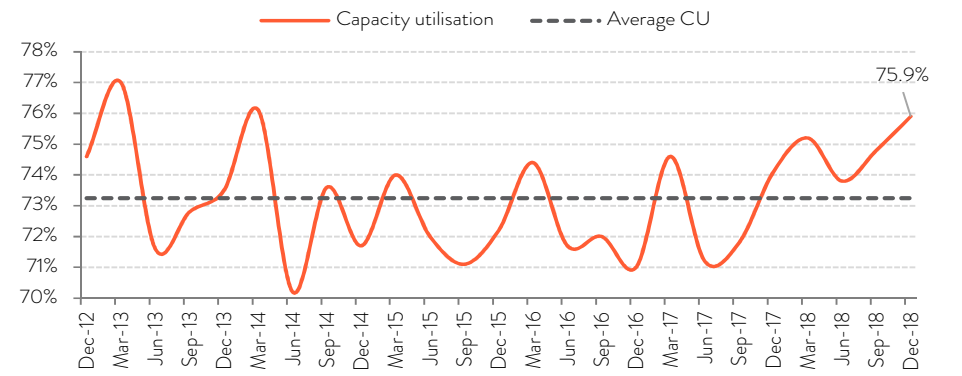


FIG 52 – ... CAPITAL GOODS PRODUCTION HAS DECLINED BY (-) 3.2% IN JAN'19 VS (-) 4.9% IN DEC'18 DRIVEN BY UNFAVOURABLE BASE

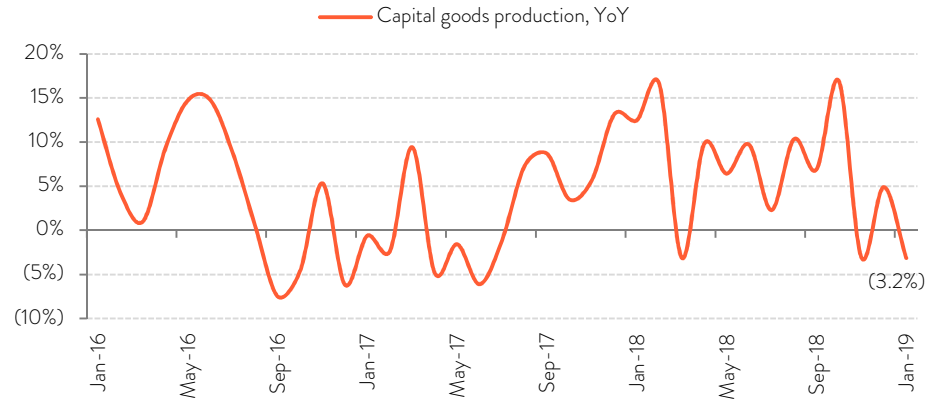


FIG 53 – CAPITAL GOODS IMPORT IS ALSO DECLINING

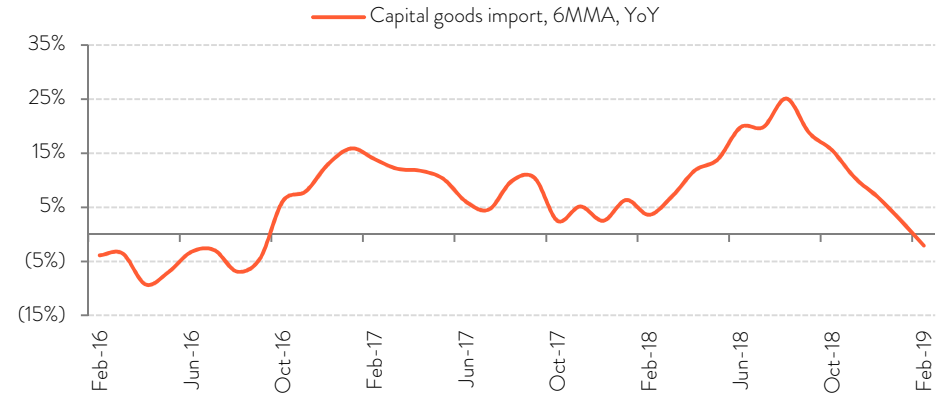


FIG 54 – CENTRAL GOVERNMENT'S CAPEX SPENDING CONTINUED TO BE A DRAG DOWN DUE TO FISCAL CONSOLIDATION

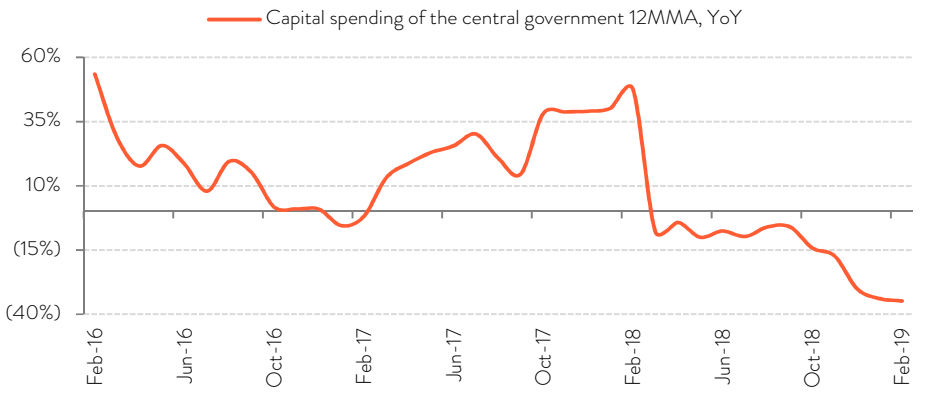


FIG 55 – GROSS BANK CREDIT WAS STABLE AT 13% & INDUSTRY CREDIT INCHED UP TO 5.6% IN FEB'19 VS 5.2% IN JAN'19

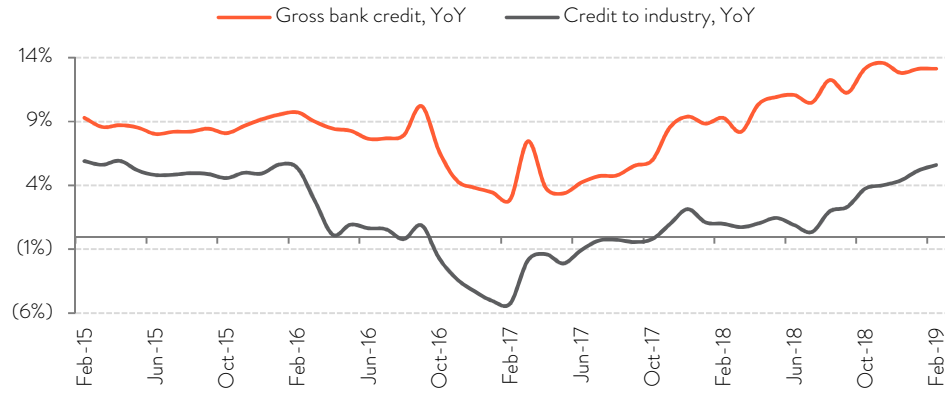


FIG 56 – ...LED BY SHARP UPTICK IN CREDIT TO LARGE INDUSTRY WHICH GREW BY 6.7% IN FEB'19

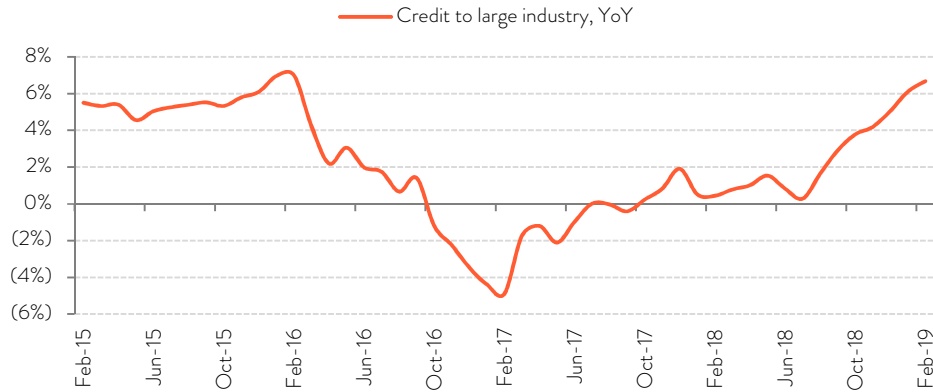


FIG 57 – CREDIT TO INFRA DIPPED marginally to 11.9% in Feb'19 vs 12.6% in the previous month

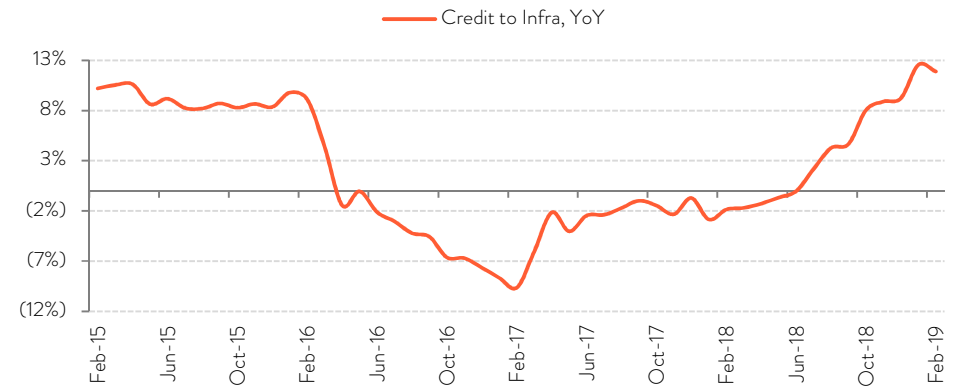


FIG 58 – CREDIT TO HOUSING MAINTAINED ITS DOUGLE DIGIT GROWTH OF 18% & 17% ON A 3MMA & 6MMA BASIS IN FEB'19

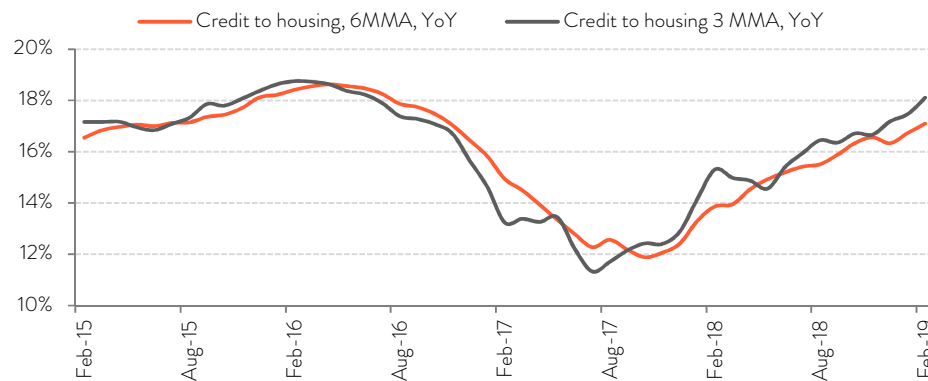
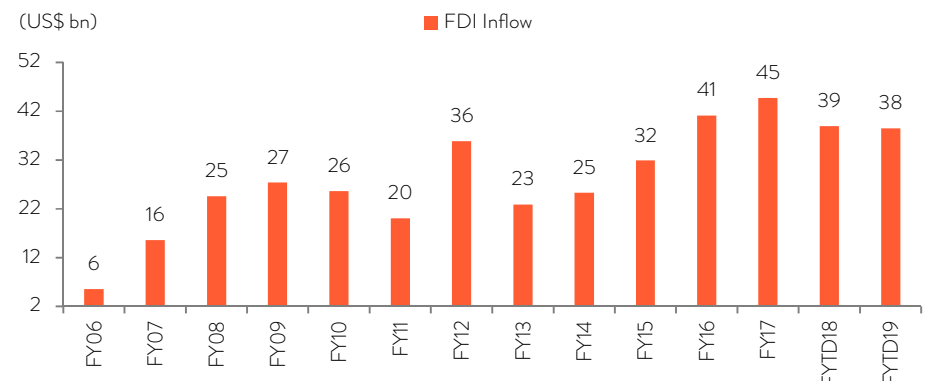


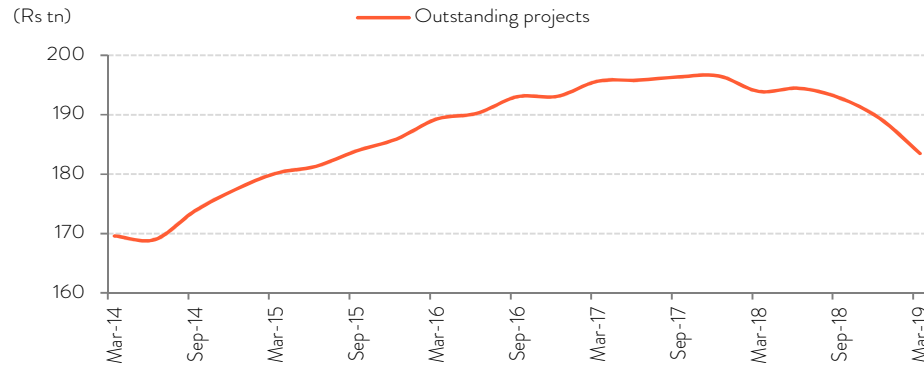
FIG 59 – FDI INFLOWS WERE AT US\$ 38BN IN FYTD19 VS US\$ 39BN IN THE SAME PERIOD OF PREVIOUS YEAR



Source: RBI | FYTD: Apr-Jan

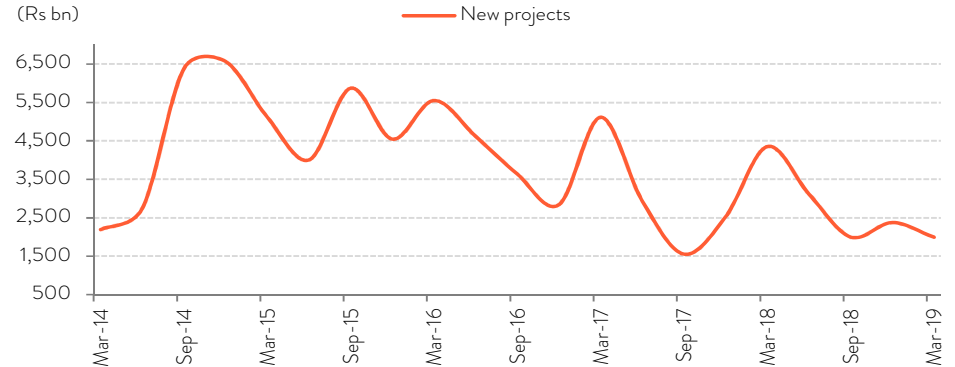
Capex data

FIG 60 – O/S PROJECTS DECLINED IN MAR'19 TO RS 183TN VS RS 194TN IN MAR'18



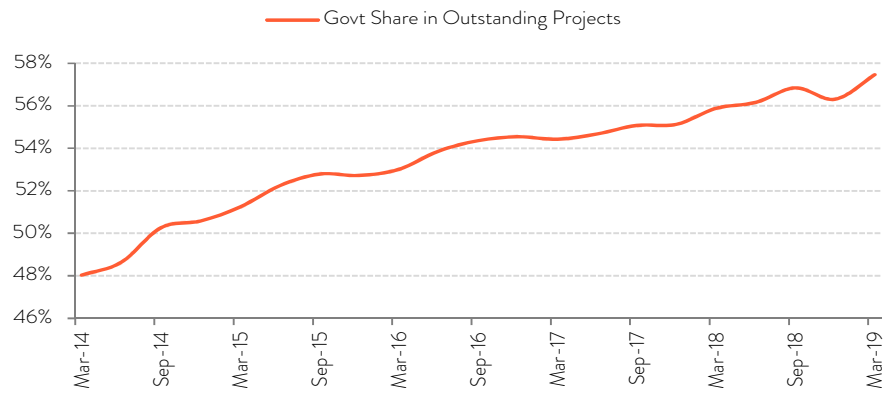
Source: CMIE

FIG 61 – ...LED BY FALL IN NEW PROJECTS TO RS 2TN VS RS 4TN IN MAR'18



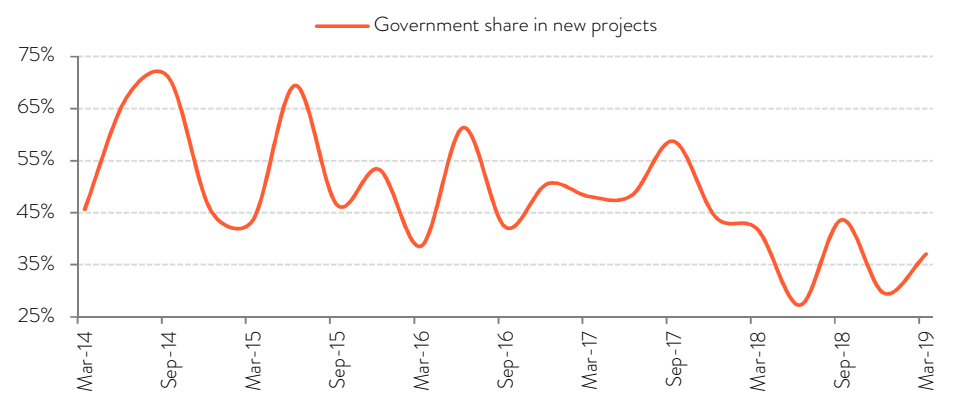
Source: CMIE

FIG 62 – ...HOWEVER GOVT ORDER BOOKS IN O/S PROJECTS ROSE TO 57% IN MAR'19



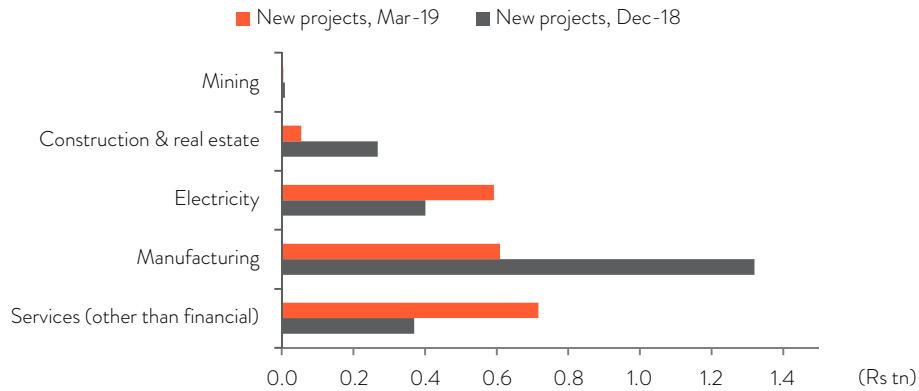
Source: CMIE

FIG 63 – GOVT ORDER BOOKS IN NEW PROJECTS AS WELL ROSE TO 37% IN MAR'19



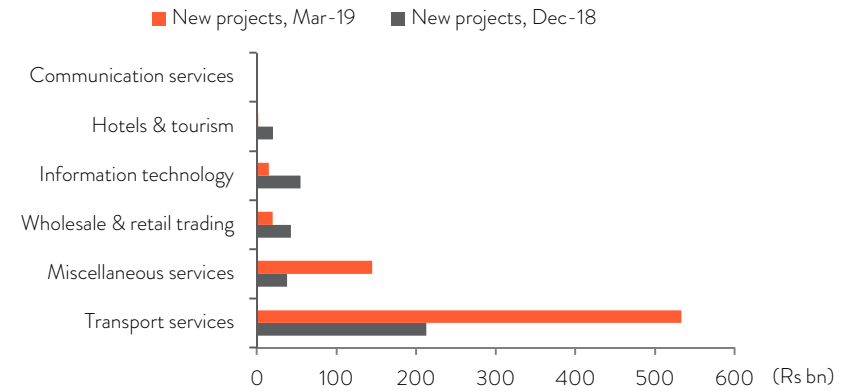
Source: CMIE

FIG 64 – NEW PROJECT ANNOUNCEMENTS IN CONSTRUCTION & MANUFACTURING SEGMENT FELL SHARPLY



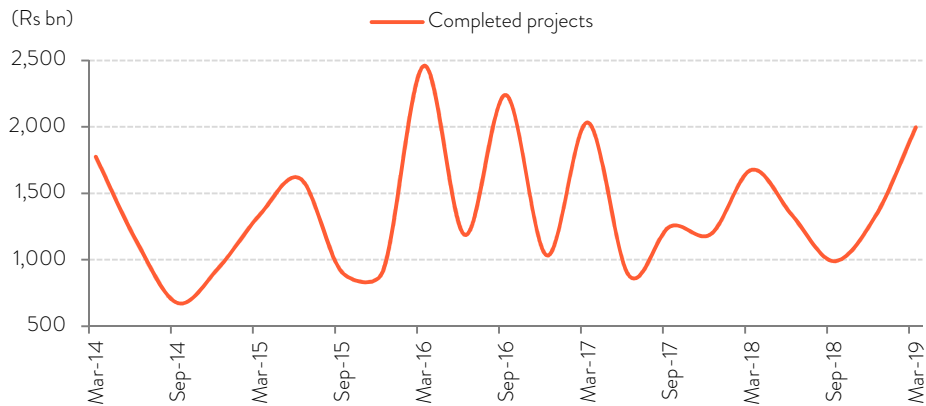
Source: CMIE

FIG 65 – HOWEVER SERVICES SECTOR NEW PROJECT ANNOUNCEMENT SHOWED REVIVAL DRIVEN BY TRANSPORT SECTOR



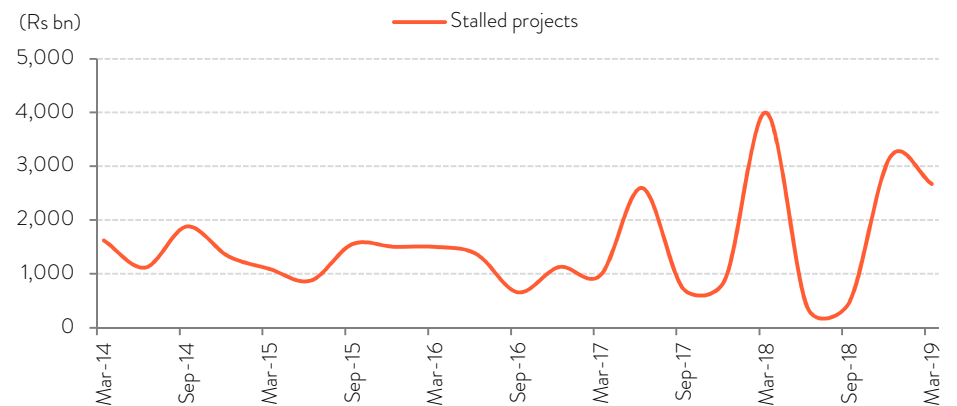
Source: CMIE

FIG 66 – COMPLETED PROJECTS ROSE TO RS 2TN IN MAR'19



Source: CMIE

FIG 67 – STALLED PROJECTS ALSO DECLINED IN MAR'19



Source: CMIE

Services sector

FIG 68 – GVA: SERVICES ACTIVITY GROWTH SLOWS FURTHER IN Q3FY19

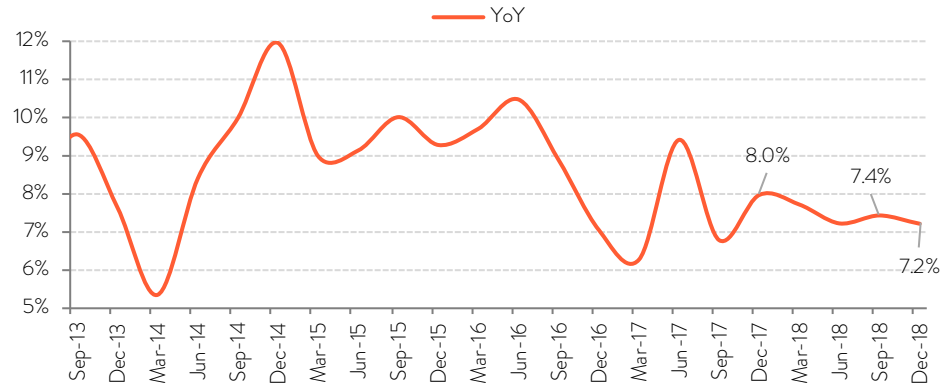
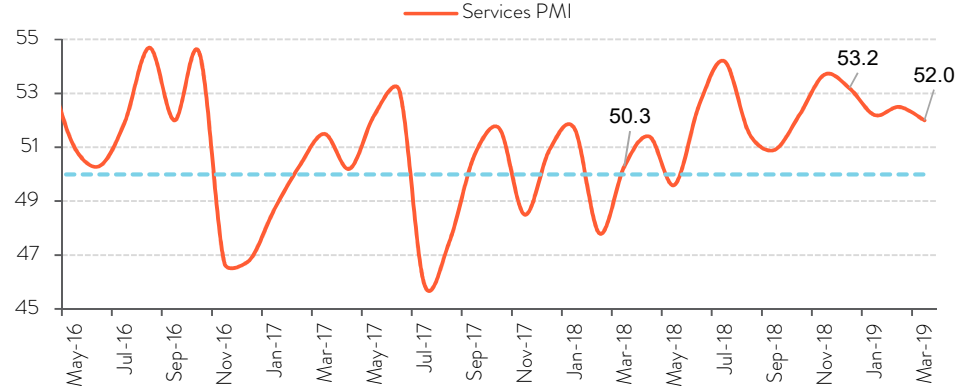


FIG 69 – SERVICES PMI AVERAGED 52.2 IN Q4FY19 VS 49.9 IN Q4FY18



Source: Markit

FIG 70 – GVA: TRADE & RELATED SERVICES REMAIN STEADY IN Q3FY19

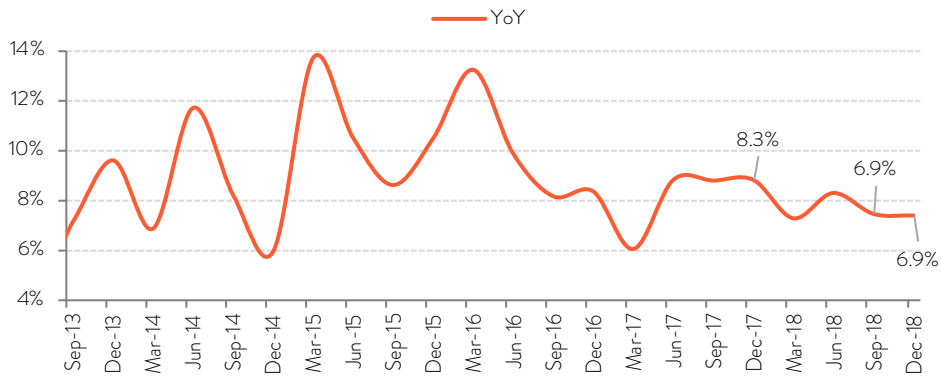
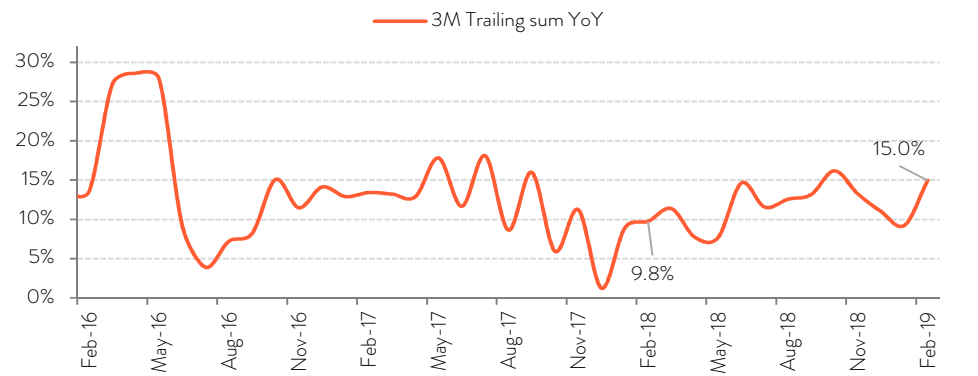


FIG 71 – STATES REVENUE SEEN PICKING UP IN Q4FY19**



Note: **All states excluding N.E states, Andhra Pradesh, Goa and Karnataka

Trade

FIG 72 – COMMERCIAL VEHICLE SALES GROWTH DIPS SHARPLY IN Q4FY19

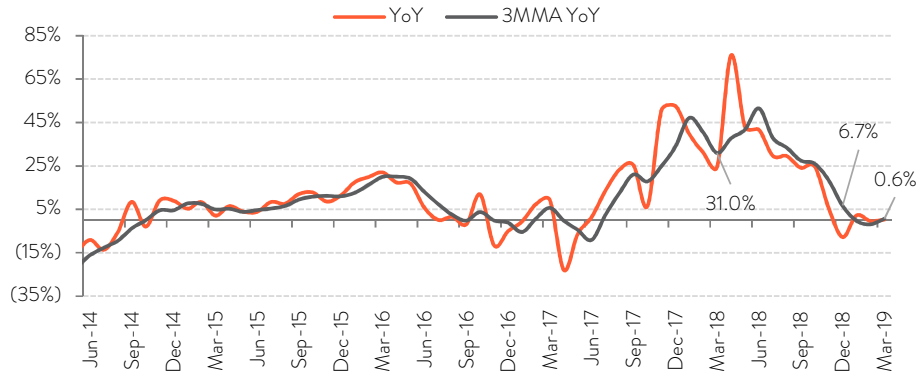
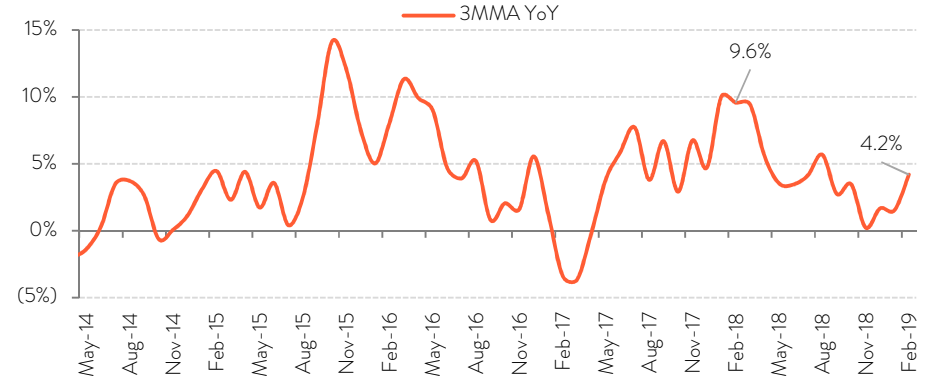


FIG 73 – DIESEL CONSUMPTION PICKS UP IN FEB'19, ALBEIT STILL LOWER THAN LAST YEAR



Source: PPAC

FIG 74 – PORT CARGO VOLUMES IN Q4FY19 DIPS FURTHER VS Q3FY19

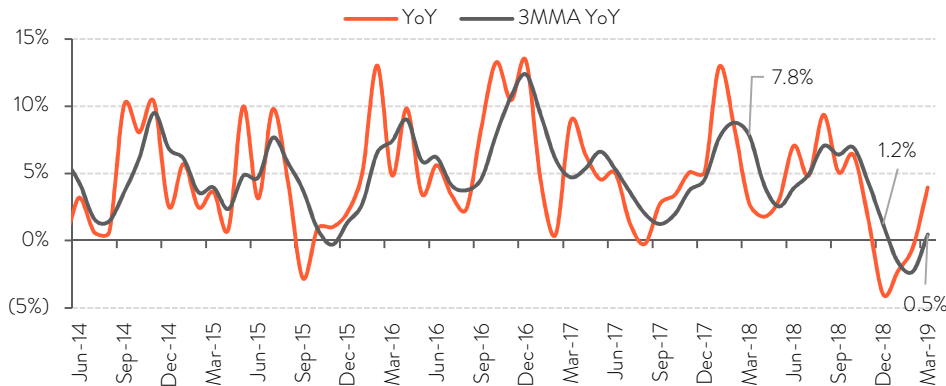
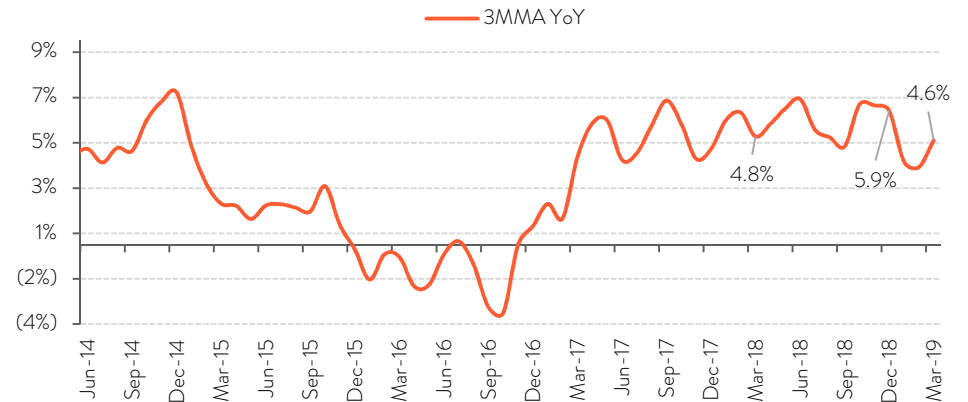


FIG 75 – ...SO DOES RAILWAY FREIGHT TRAFFIC



Hotels and Communications

FIG 76 – FOREIGN TOURIST ARRIVAL GROWTH RECOVERS IN FEB'19 AFTER PLUMMETING IN NOV'18

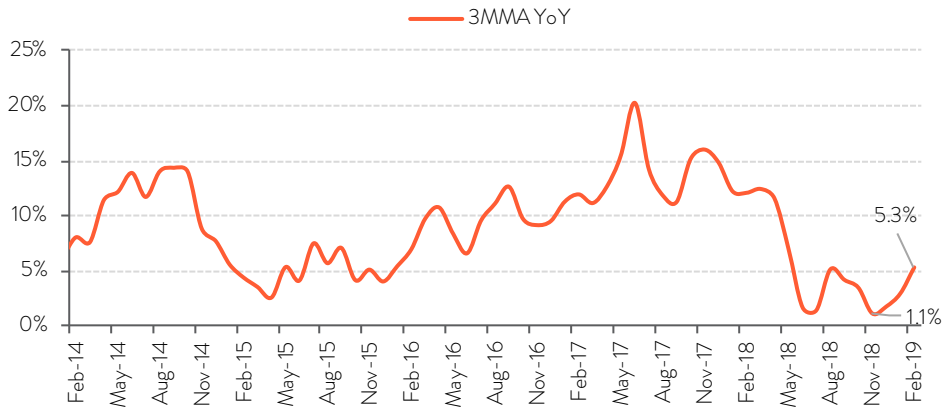


FIG 77 – HOWEVER AIRLINE PASSENGER TRAFFIC GROWTH CONTINUES TO SLOW

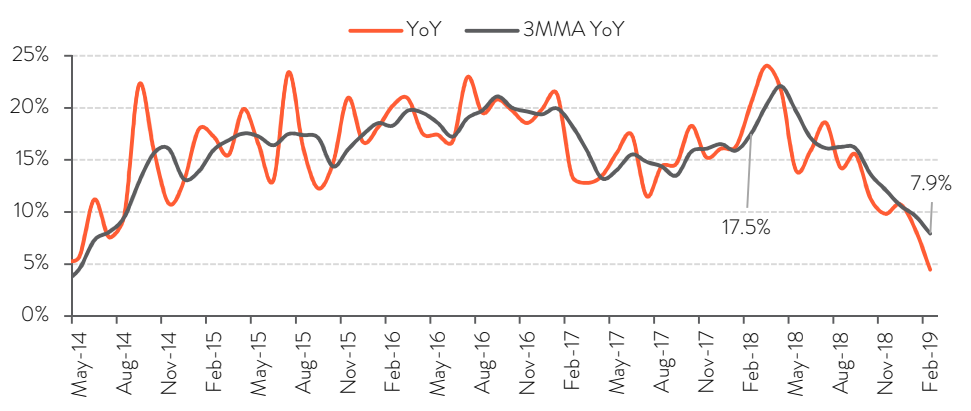


FIG 78 – RAILWAY PASSENGER TRAFFIC GROWTH EDGES DOWN IN FEB'19

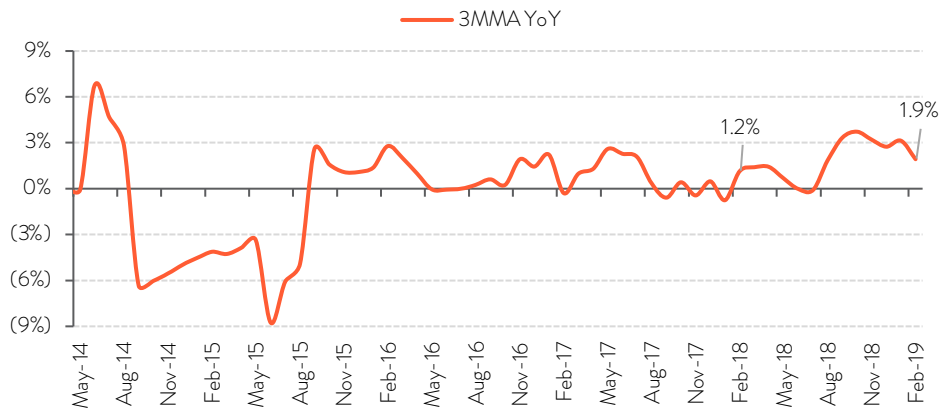
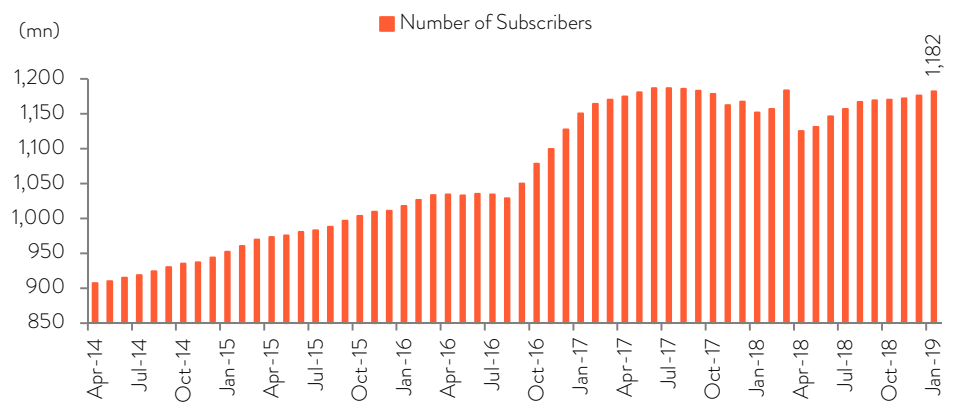


FIG 79 – WIRELESS SUBSCRIBER NOS. RISING STEADILY SINCE APR'18



Finance and Real estate

FIG 80 – GVA: FINANCE, REAL ESTATE & PROF. SERVICES MAIN DRIVER OF GROWTH IN Q3FY19

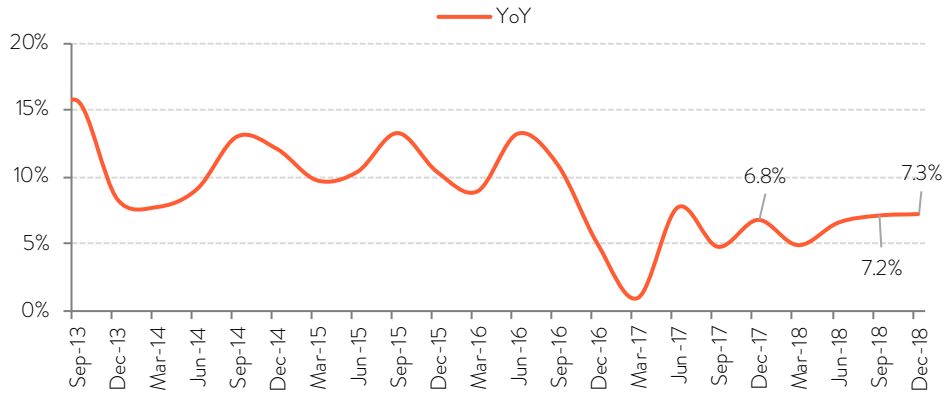
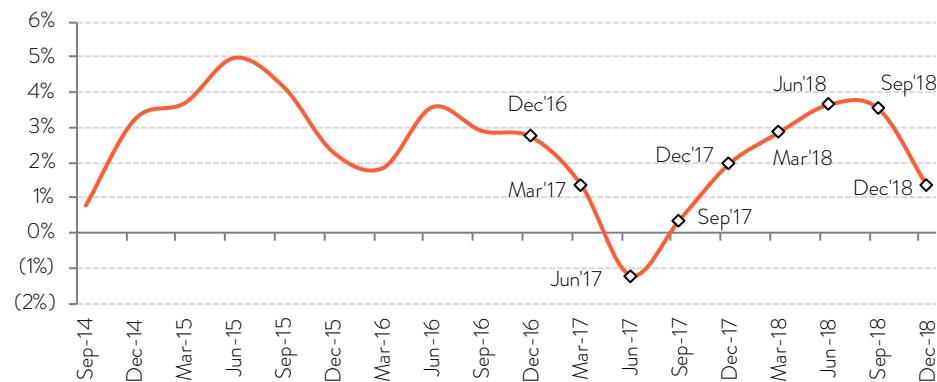


FIG 82 – AVERAGE PROPERTY PRICE INDEX* SHOWS SHARP SLOWDOWN IN REAL ESTATE MARKET IN Q3FY19



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

FIG 81 – BOTH DEPOSIT AND CREDIT GROWTH IN FEB'19 MUCH HIGHER COMPARED TO LAST YEAR

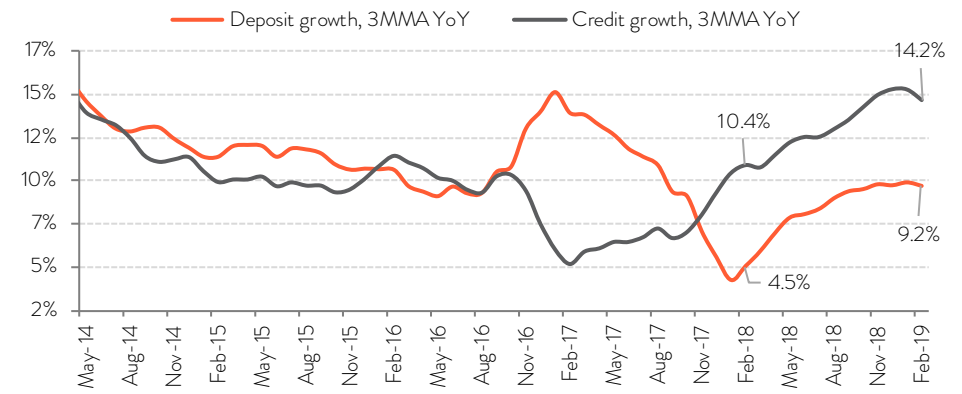
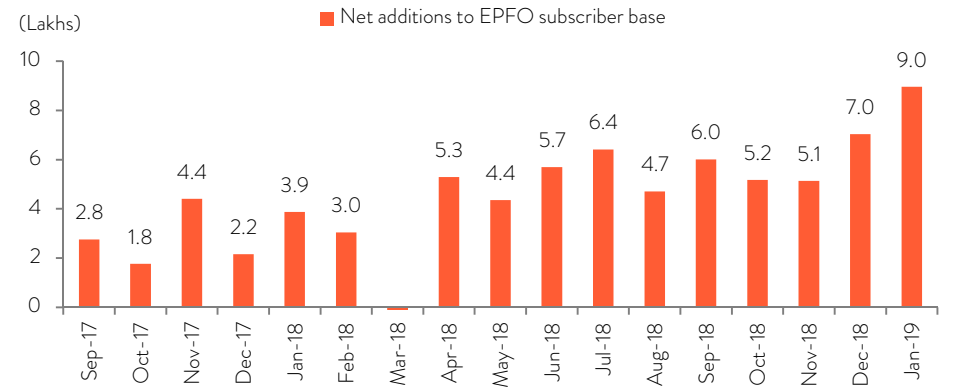


FIG 83 – 76.5 LAKH JOBS FORMALIZED SINCE SEP'17; ADDITIONS IN JAN'19 HIGHEST TILL DATE



Source: EPFO

Public administration

FIG 84 – PUBLIC ADMINISTRATION & RELATED SERVICES DRAG OVERALL SERVICES GROWTH DOWN IN Q3FY19

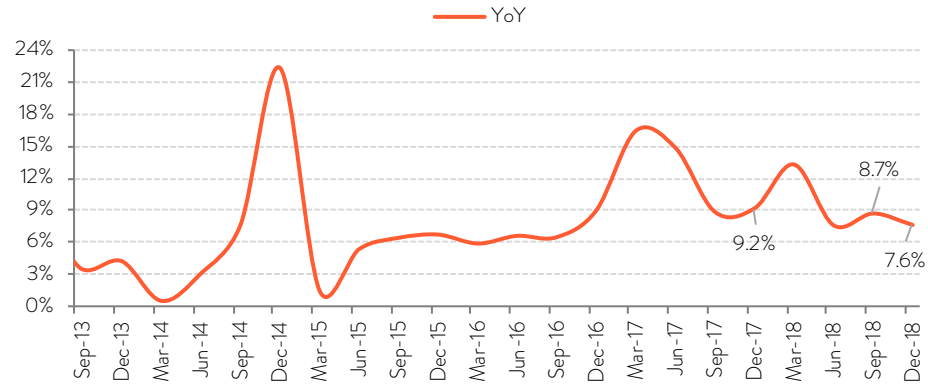


FIG 85 – GENERAL GOVT. SPENDING PICKS UP SHARPLY TOWARDS END OF FY19

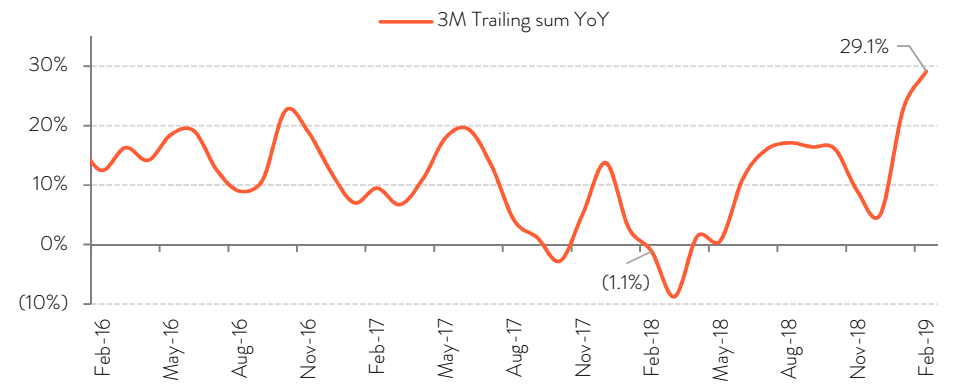


FIG 86 – CENTRAL GOVT. SPENDING CONTNUES TOO REBOUNDS

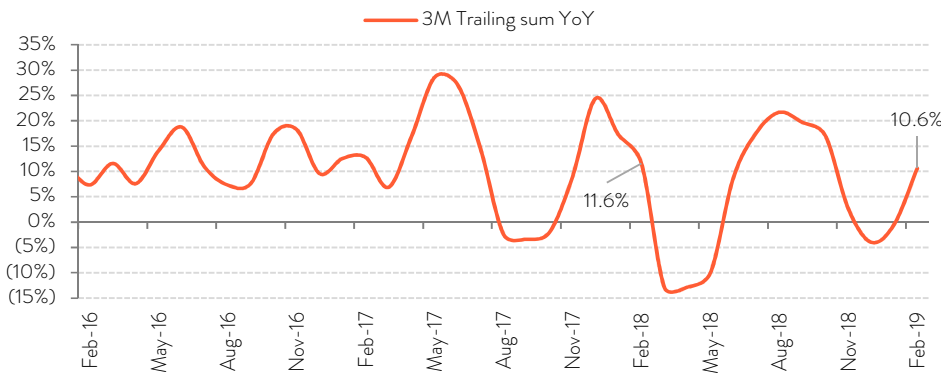
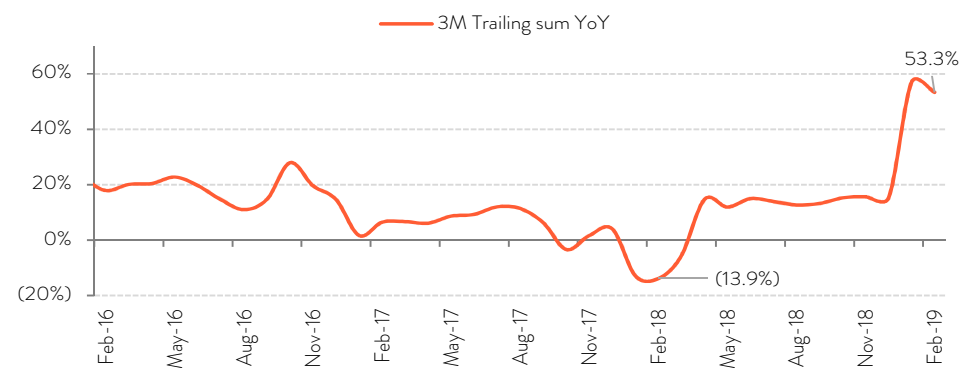


FIG 87 – STATE* GOVT. SPENDING MAJOR DRIVER OF GENERAL GOVERNMENT SPENDING

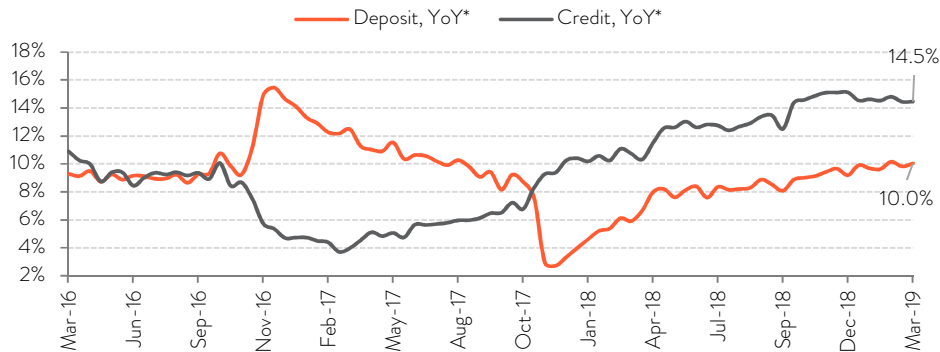


Note: *All states excluding N.E states, Andhra Pradesh, Goa and Karnataka

Financial sector

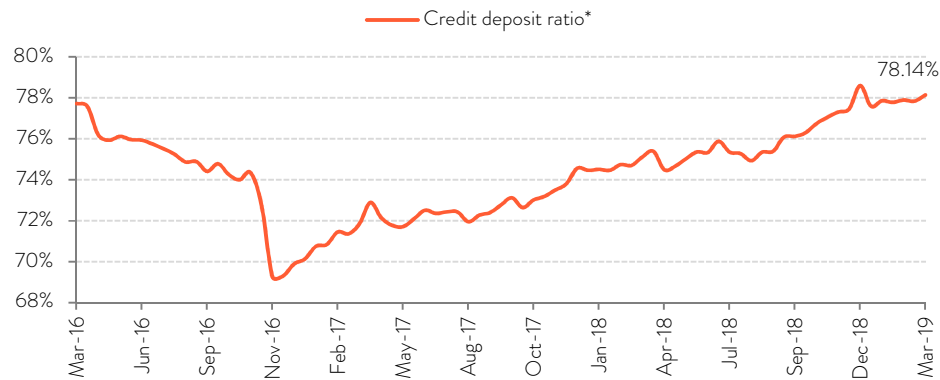
Money and banking

FIG 88 – CREDIT & DEPOSIT GROWTH WAS HIGHER AT 14.5% & 10% IN MAR'19 VS 10.3% & 6.7% IN MAR'18



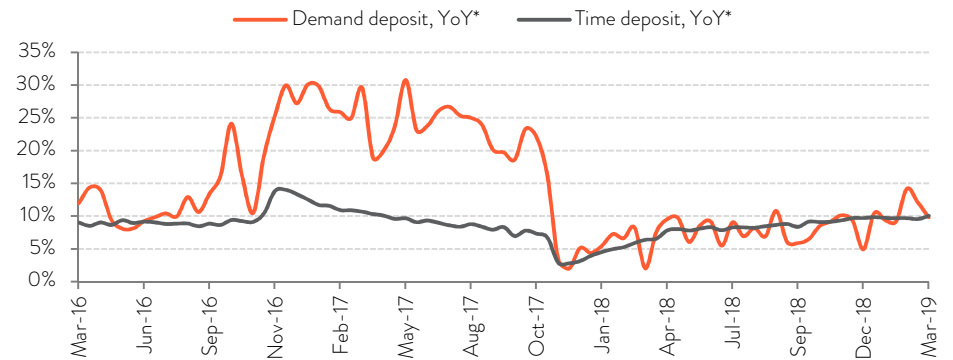
Note: *Mar19 implies fortnight as of 15 Mar 2019.

FIG 90 – CD RATIO WAS HIGHER AT 78.1% IN MAR'19 VS 75.4% IN MAR'18



Note: *Mar19 implies fortnight as of 15 Mar 2019.

FIG 89 – TIME DEPOSITS GREW BY 10.1%, DEMAND DEPOSITS WAS AT 9.8% IN MAR'19



Note: *Mar19 implies fortnight as of 15 Mar 2019

FIG 91 – CIC ACCRETION WAS AT RS 3.1TN VS RS 4.9TN IN FY18

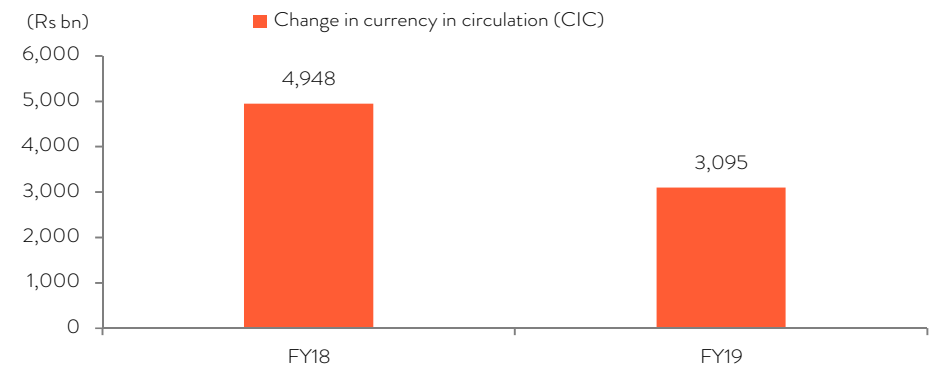
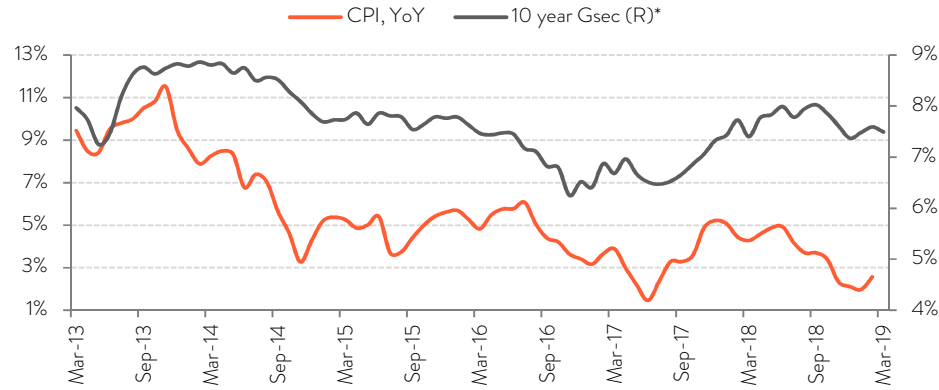
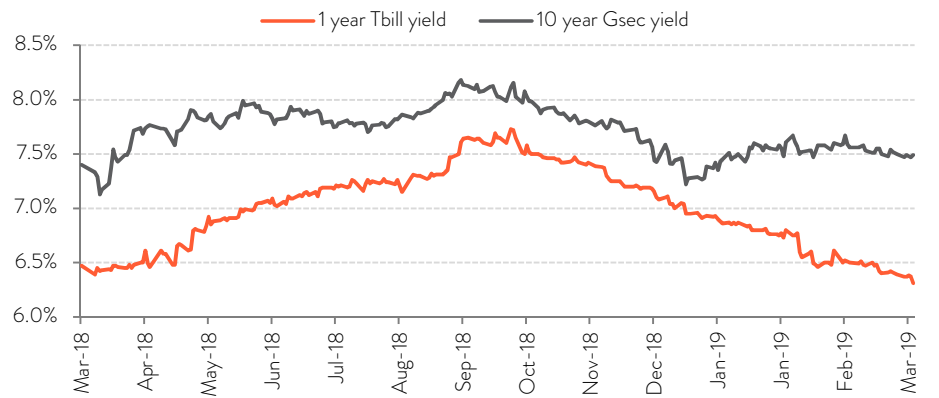


FIG 92 – 10Y GSEC YIELD MODERATED TAKING GLOBAL CUES, INFLATION INCHED UP



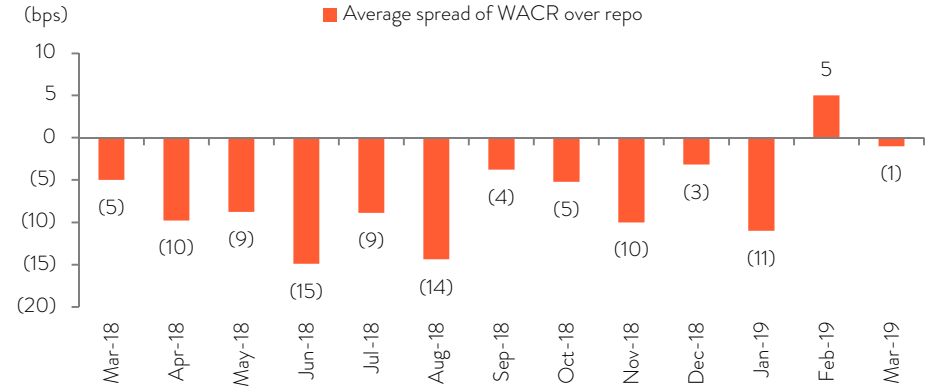
Note: *As on last trading day of the month. 7.17GS2028 is taken

FIG 94 – SHORT END YIELDS DECLINED AT A FASTER PACE, LONG END YIELD ALSO MODERATED THEREBY INCREASING THE SPREAD



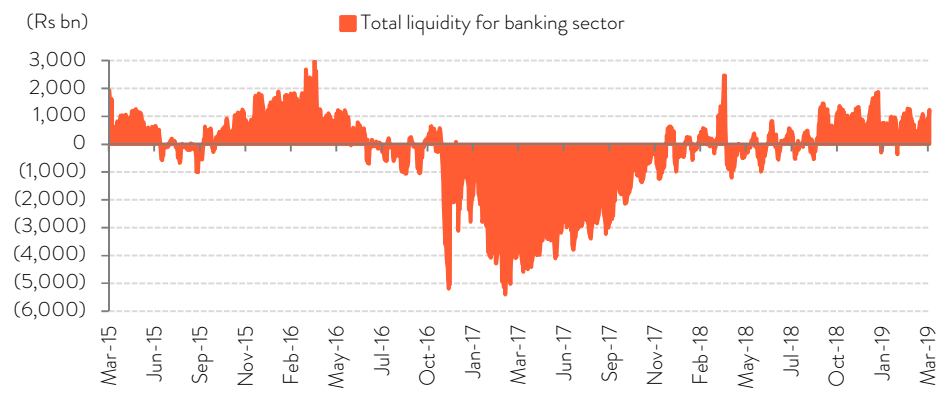
Source: RBI

FIG 93 – CALL AND REPO REMAINED CLOSELY ALLIGNED IN MAR'19 ON ACCOUNT OF LIQUIDITY MEASURES BY RBI



Source: RBI

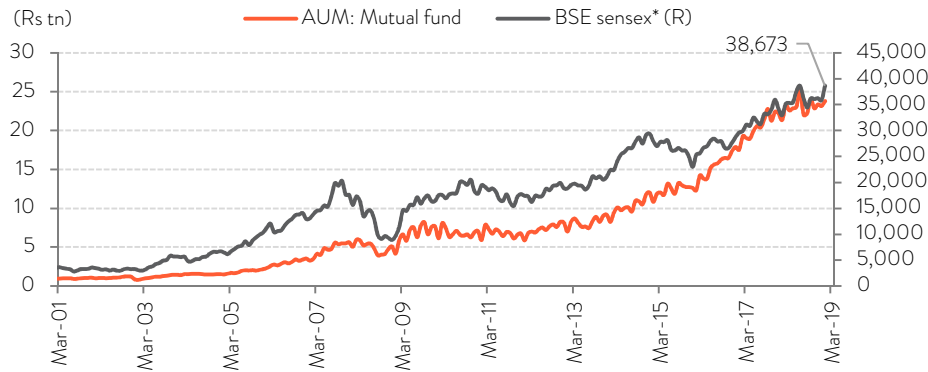
FIG 95 – AVERAGE SYSTEM LIQUIDITY DEFICIT WAS SLIGHTLY LOWER AT RS 637BN IN MAR'19 VS RS 773BN IN FEB'19



Source: RBI

Mutual fund (MF) indicators

FIG 96 – SENSEX WAS AT ITS RECORD HIGH LEVEL OF 38,673 IN MAR'19, AUM OF MFS WAS HIGHER AT 24TN IN MAR'19



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

Insurance sector indicators

FIG 98 – GROWTH OF LIFE INSURANCE POLICIES SOLD MODERATED BY 3.8% IN FEB'19 VS 5% IN FEB'18

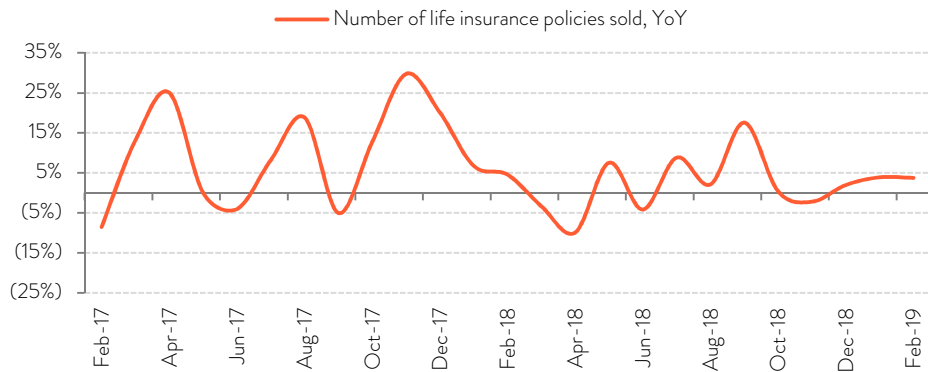


FIG 97 – MF NET EQUITY INFLOW WAS HIGHER AT RS 86BN IN MAR'19 VS RS 40BN IN FEB'19, DEBT INFLOW WAS ALSO HIGHER AT RS 99BN

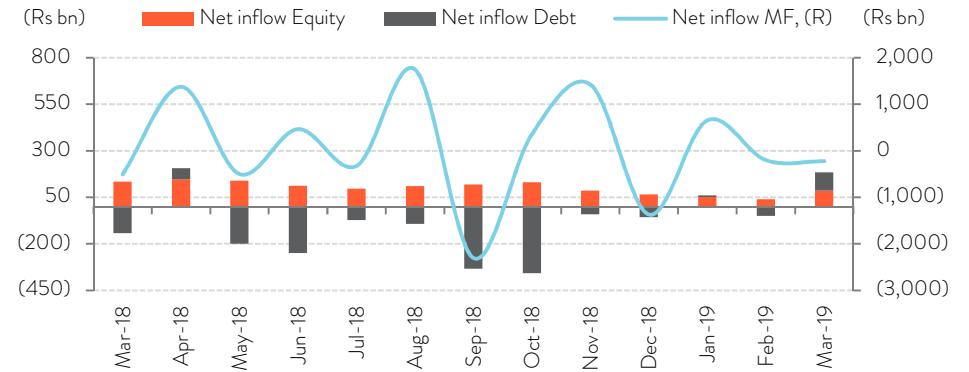
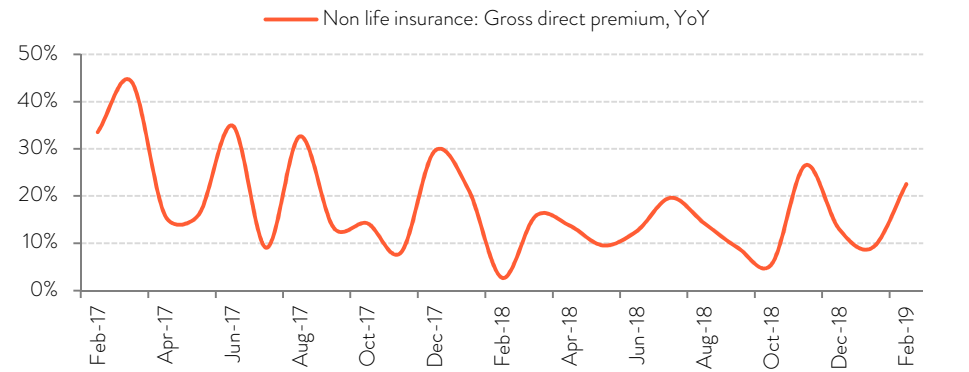


FIG 99 – ...HOWEVER, GROSS DIRECT PREMIUM FOR NON LIFE INSURANCE PICKED UP SHARPLY BY 23% IN FEB'19 ON ACCOUNT OF LOWER BASE



Public finance

Central government finances

FIG 100 – FISCAL DEFICIT IN FEB' 19 SLIGHTLY HIGHER THAN FY19RE

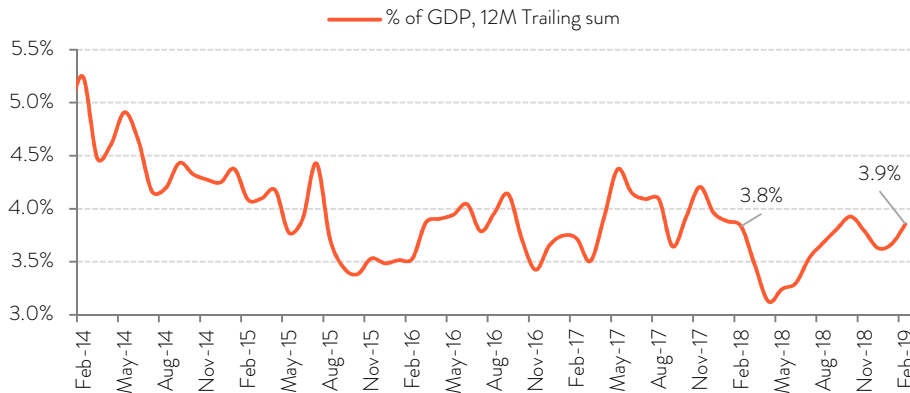


FIG 101 – ...REVENUE DEFICIT TOO SEEN INCHING UP IN FEB'19

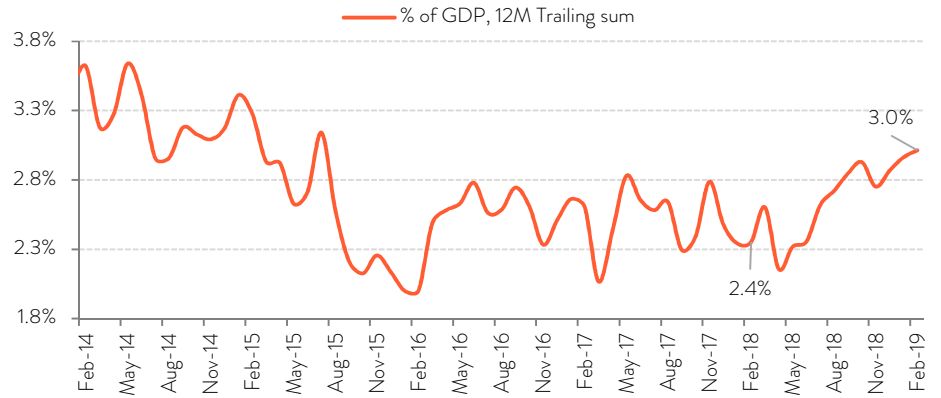


FIG 102 – PRIMARY DEFICIT AT 0.8% IN FEB'19

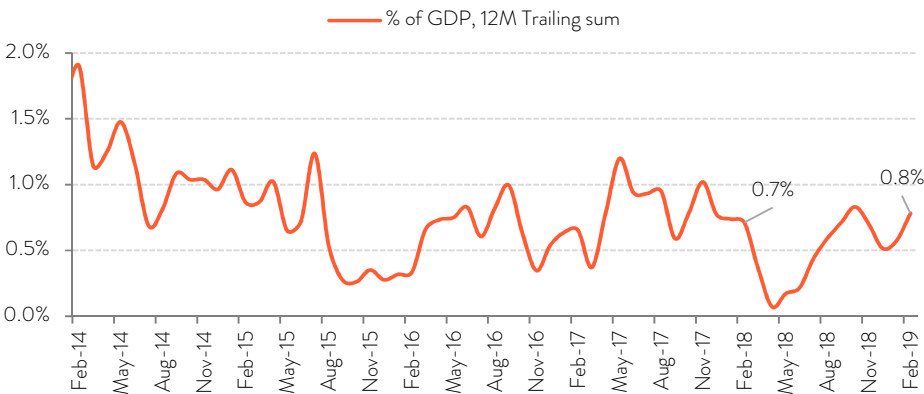


FIG 103 – TOTAL EXPENDITURE GROWTH CONTINUES TO REMAIN LOWER THAN LAST YEAR

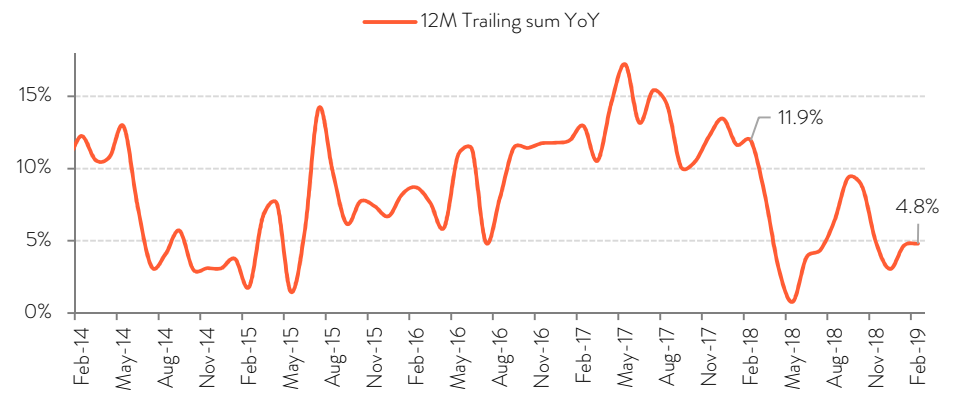


FIG 104 – ...AS CONTRACTION IN CAPEX GROWTH PERSISTS

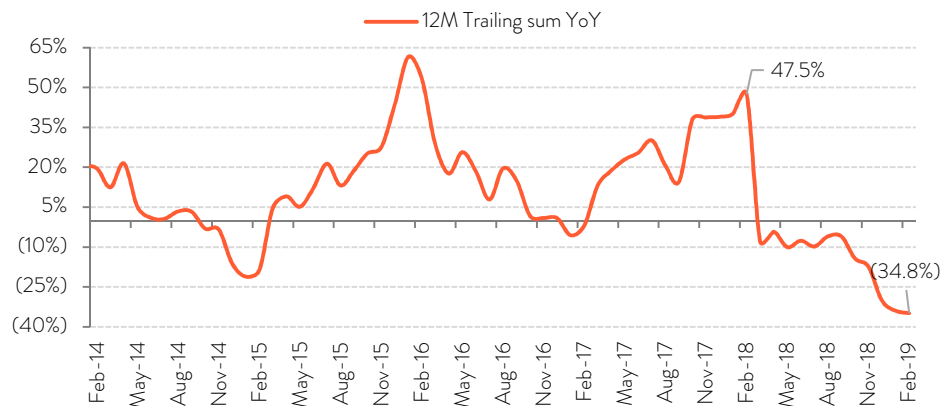


FIG 105 – REVENUE EXPENDITURE GROWTH REMAINS MAJOR DRIVER

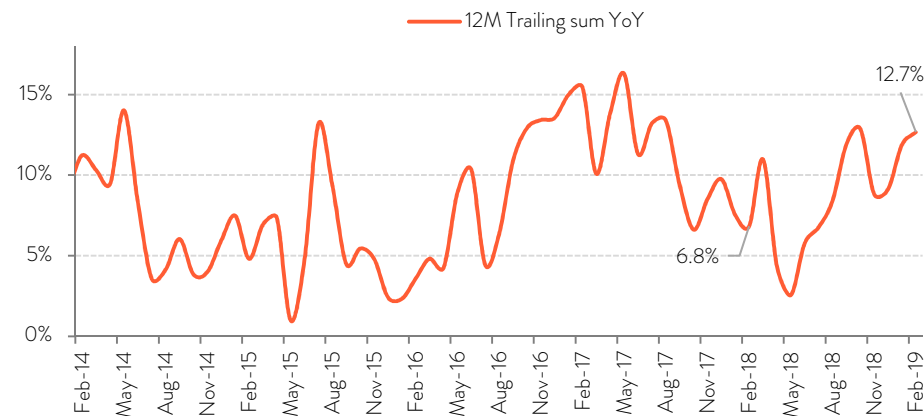


FIG 106 – CHEMICALS AND AGRICULTURE MINISTRY KEY DRIVERS OF SPENDING IN FYTD19

Ministry	Apr'16-Feb'17 (Rs bn)	Apr'17-Feb'18 (Rs bn)	Change (%)	Apr'18-Feb'19 (Rs bn)	Change (%)	FY19RE (% change)
Ministry of Finance	5,873	6,530	11.2	7,375	12.9	12.4
Ministry of Defence	3,175	3,628	14.3	3,898	7.4	6.7
Ministry of Consumer Affairs, Food and Public Distribution	1,440	1,977	37.3	1,879	(5.0)	64.0
Ministry of Rural Development	874	1,034	18.4	1,044	1.0	3.7
Ministry of Home Affairs	752	935	24.4	1,062	13.6	5.1
Ministry of Human Resource Development	659	653	(1.0)	627	(3.9)	118.8
Ministry of Road Transport and Highways	515	579	12.6	621	7.1	28.9
Ministry of Chemicals and Fertilisers	642	614	(4.3)	684	11.4	5.3
Ministry of Petroleum and Natural Gas	261	332	27.0	310	(6.5)	(2.2)
Ministry of Agriculture	413	397	(3.9)	490	23.6	70.5
Ministry of Health and Family Welfare	350	428	22.4	505	17.9	5.5

FIG 107 – TOTAL RECEIPT GROWTH SLIPS TO MULTI-YEAR LOW IN FEB'19...

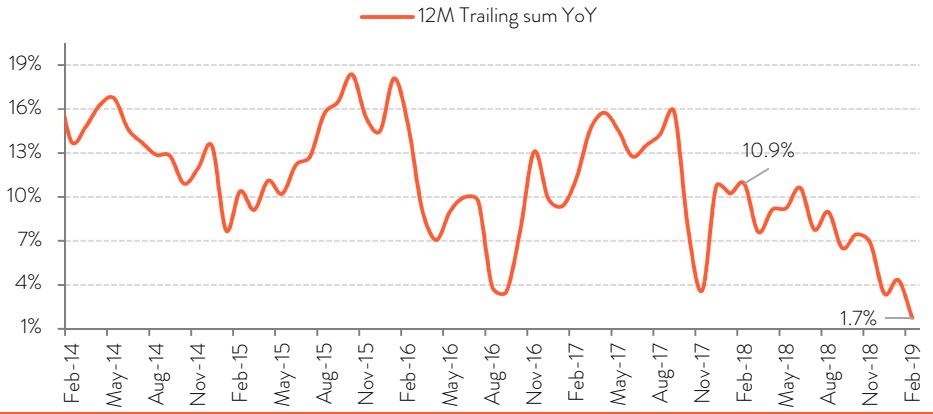


FIG 108 – ...LED BY DECLINING CAPITAL RECEIPTS

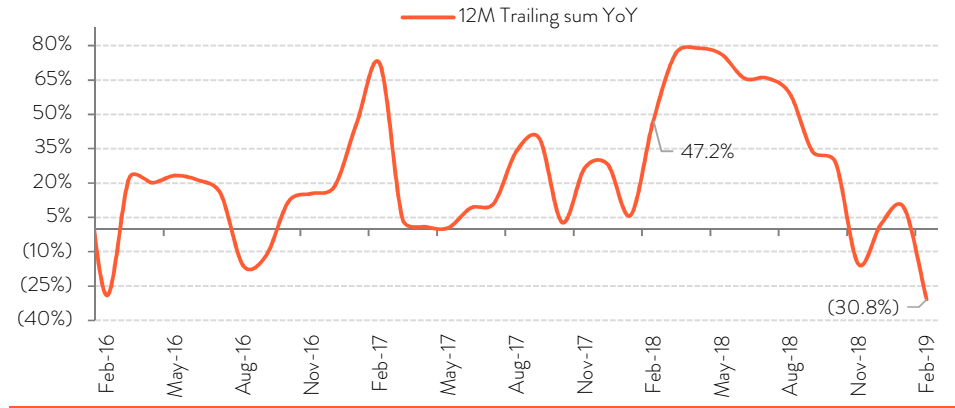


FIG 109 – REVENUE RECEIPTS ALSO LOWER COMPARED TO LAST YEAR

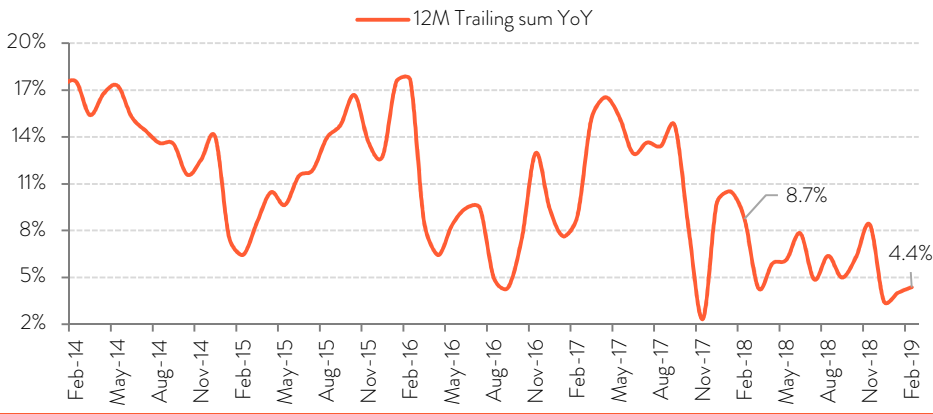


FIG 110 – ...DRIVEN BY LESS THAN TARGETED RISE IN TAX REVENUE

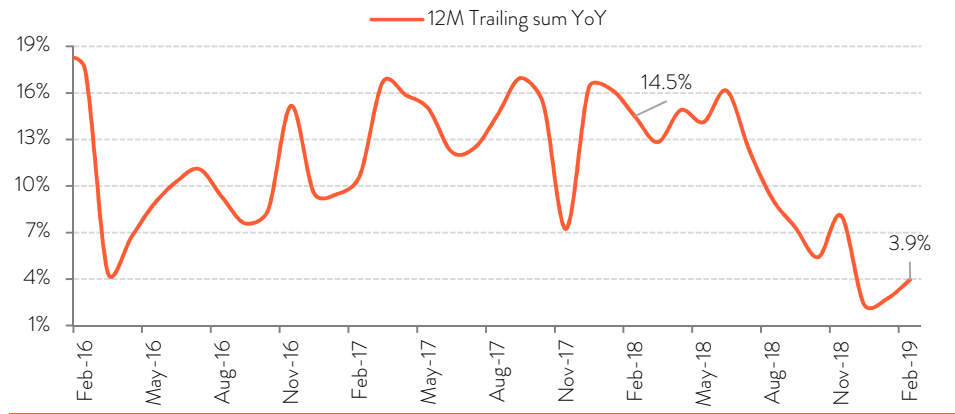


FIG 111 – CENTRE’S TAX REVENUE AND EXPENDITURE CLOSER TO FY19RE (FYTD BASIS)

	Apr'16-Feb'17 (Rs bn)	Apr'17-Feb'18 (Rs bn)	Change (%)	Apr'18-Feb'19 (Rs bn)	Change (%)	FY19RE (% change)
Gross Tax revenue	13,549	14,358	6.0	15,919	10.9	17.2
Direct taxes	6,123	7,275	18.8	8,358	14.9	19.8
Corp Tax	3,439	4,118	19.7	4,754	15.4	17.5
Income Tax	2,683	3,157	17.7	3,604	14.2	22.8
Indirect taxes	7,427	7,083	(4.6)	7,561	6.8	14.3
Non-tax revenue	2,089	1,421	(32.0)	1,718	20.8	27.3
Centre's revenue (net)	10,942	11,777	7.6	12,657	7.5	20.5
Total expenditure	17,530	19,992	14.0	21,888	9.5	14.7
Capital exp	2,148	2,971	38.3	2,735	(7.9)	20.3
Revenue exp	15,382	17,021	10.7	19,153	12.5	13.9
Fiscal deficit	6,056	7,157	18.2	8,515	19.0	7.3

FIG 112 – GROSS DIRECT TAX COLLECTION GROWTH DIPS marginally IN FEB'19 VS FEB'18

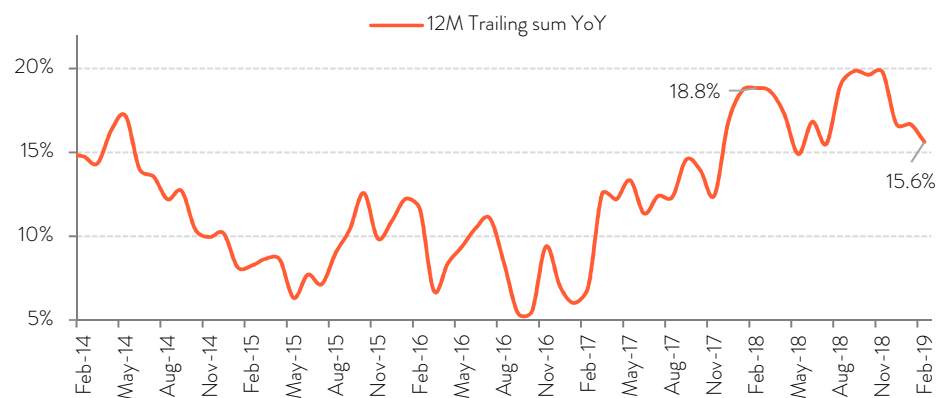


FIG 113 – GAP BETWEEN SHARE IN GDP OF DIRECT & INDIRECT TAX WIDENING

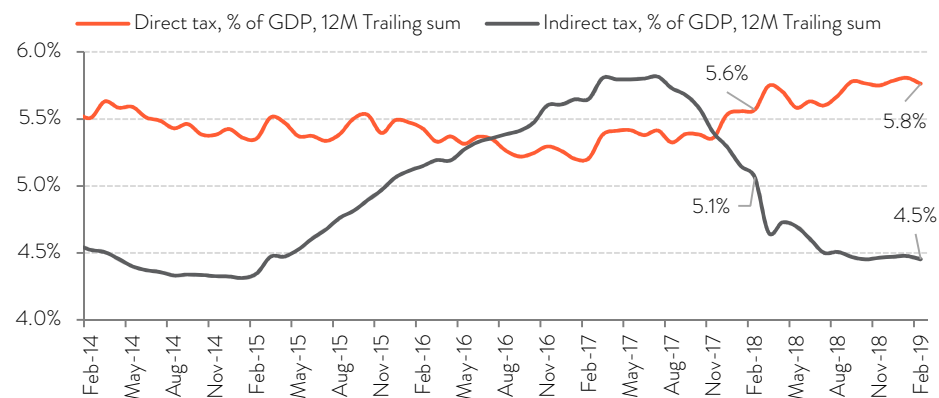


FIG 114 – CORPORATE TAX REVENUE GROWTH EASES IN FEB'19

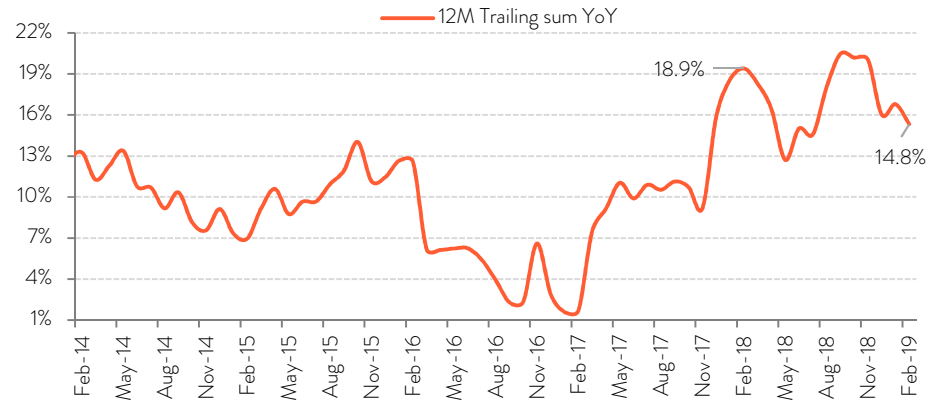


FIG 115 – INCOME TAX REVENUE GROWTH ALSO DOWN COMPARED TO PREVIOUS YEAR

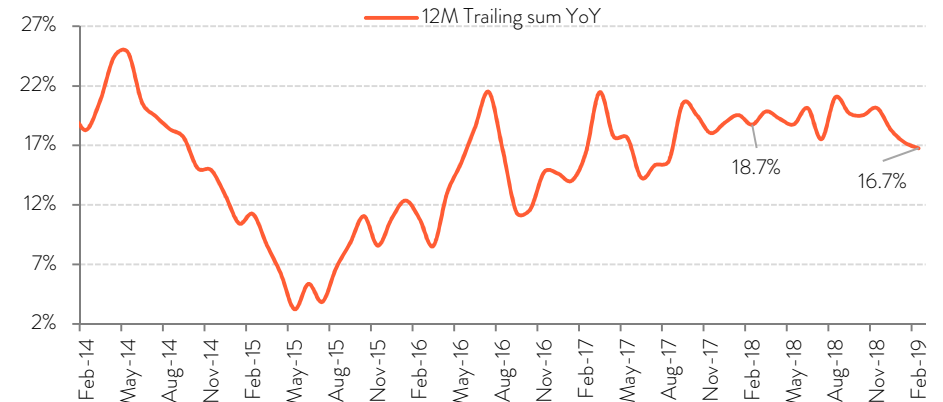


FIG 116 – FEB'19 GST COLLECTIONS CROSS RS 1TN; FYTD19 AVERAGE RISES TO RS 976BN VS FYTD18 AVERAGE OF RS 912BN

(Rs bn)	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Monthly run rate	FYTD19	FY19 (RE)
CGST	431	274	321	281	309	579	360	299	480	344	431	351	359	374	4,113	5,039
UT GST	0.9	9.7	0.9	0.5	0.6	1.6	3.3	1.1	1.3	0.8	5.9	1.3	1.1	2	18	-
IGST	(197)	137	200	169	102	(399)	52	148	(142)	90	(94)	95	45	24	266	500
SGST*	576	539	333	433	473	678	455	481	561	433	605	441	579	497	5,472	4,882
Cess	82	76	85	72	80	80	74	79	77	79	77	84	82	79	869	900
Total GST	893	1,035	940	956	965	940	944	1,007	976	947	1,025	972	1,066	976	10,739	11,321
GST 3B Filing by deadline (mn)	5.5	6.0	6.2	6.5	6.6	6.7	6.7	6.7	7.0	7.2	7.33	7.35	7.60	-	-	-

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

FIG 117 – CENTRAL GOVT. PUBLIC DEBT IN Q3FY19 LOWEST SINCE FY17

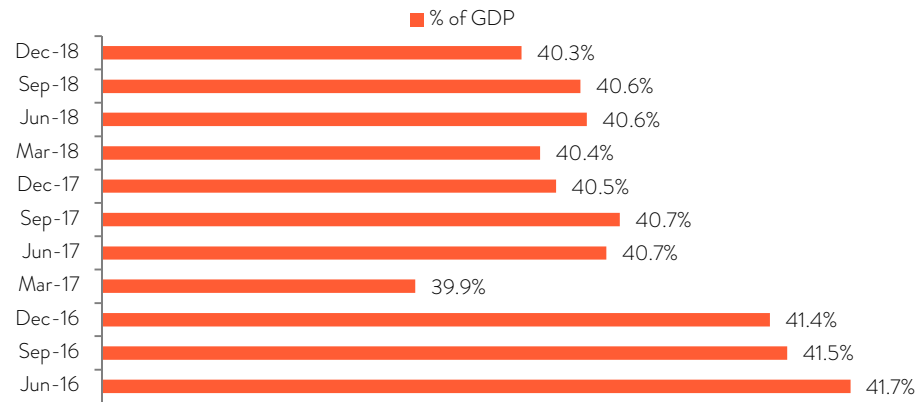
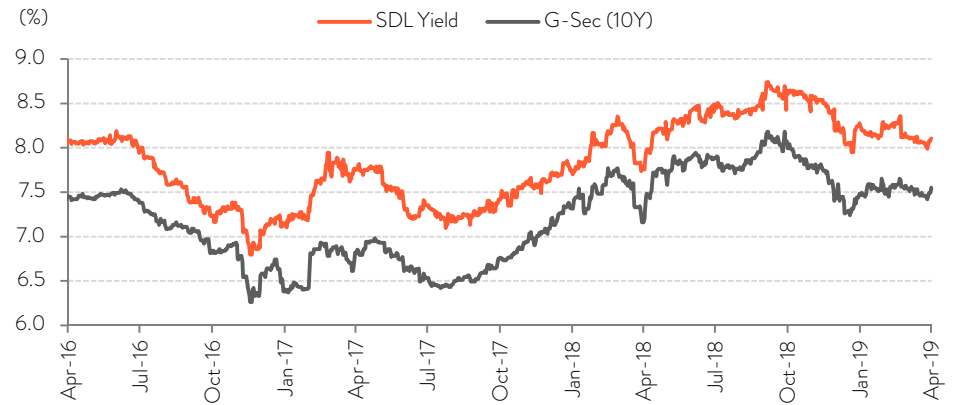


FIG 118 – GAP BETWEEN AVG. YIELD ON SDL & 10Y G-SEC NARROWED IN FY19 (61BPS) VS FY18 (65BPS); AND IS LOWER IN APR'19 (57BPS)



Source: CCIL

FIG 119 – SUBSIDIES MAINTAINED AT A STEADY RATIO IN FY19 & FY20

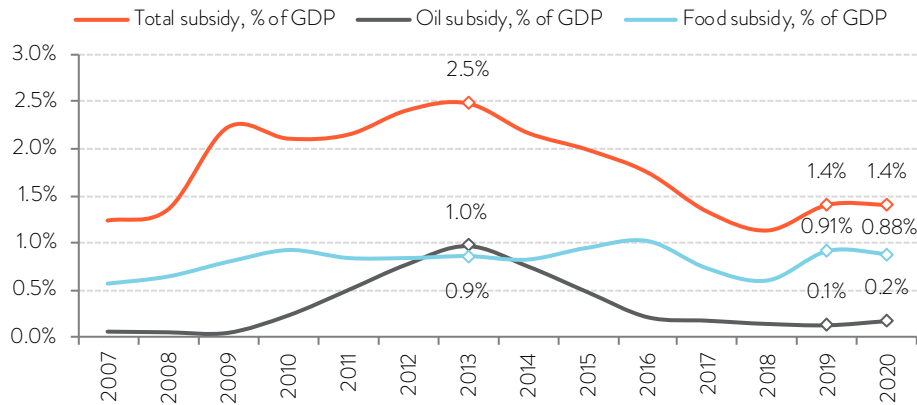
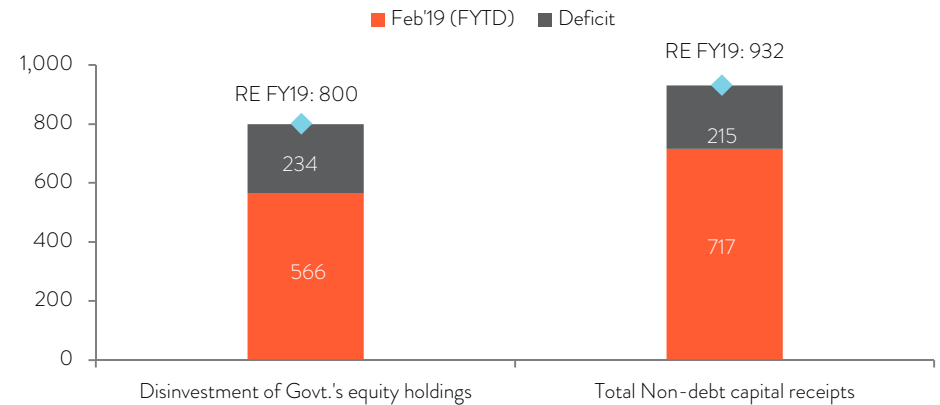
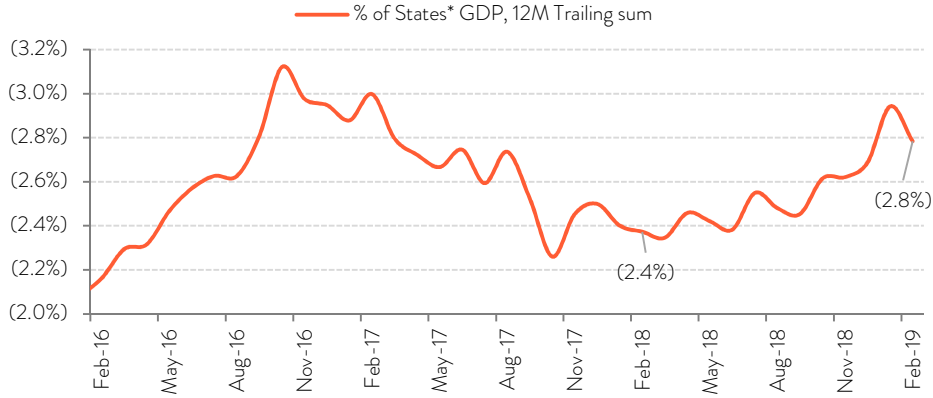


FIG 120 – CENTRAL GOVT.'S DISINVESTMENT STATUS



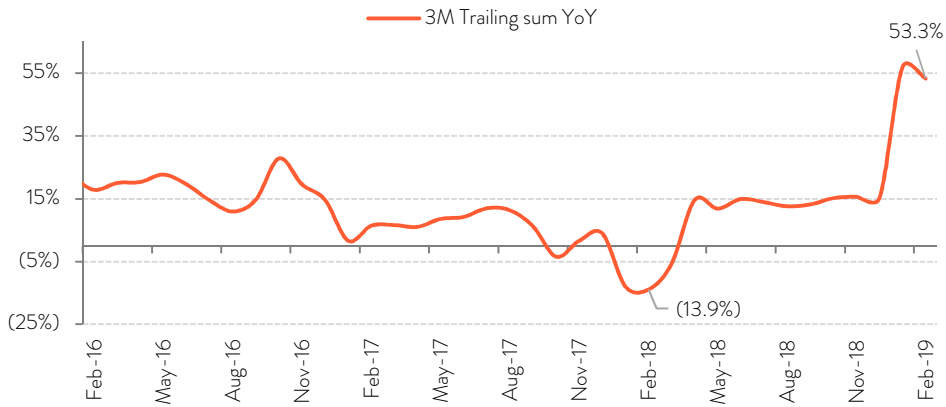
State government finances

FIG 121 – STATES* FISCAL DEFICIT AT 2.8% IN FEB'19



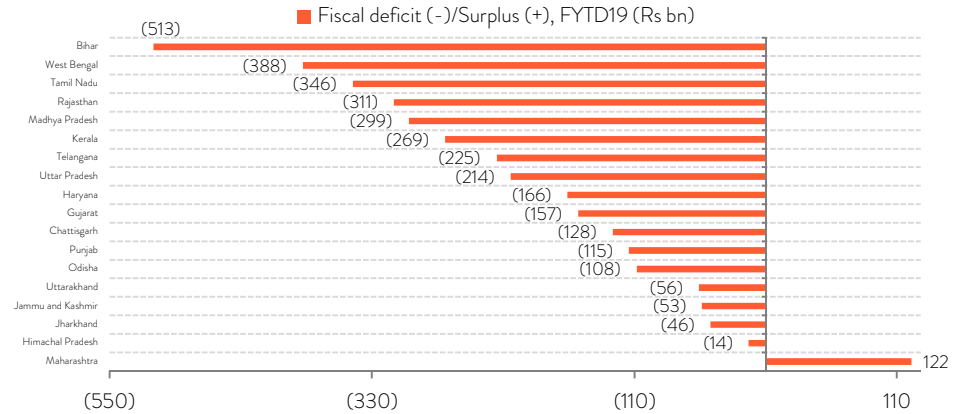
Note: *All states excluding N.E states, Andhra Pradesh, Goa and Karnataka

FIG 123 – TOTAL EXPENDITURE OF STATES* JUMPS EXPONENTIALLY IN JAN-FEB'19



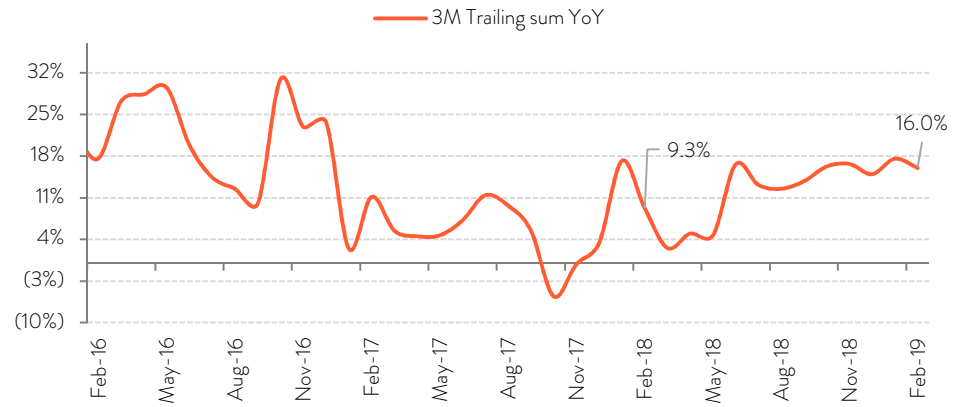
Note: *All states excluding N.E states, Andhra Pradesh, Goa and Karnataka

FIG 122 – BIHAR & W.BENGLA HIGHEST DEFICIT STATES AS OF FEB'19



Note: FYTD- Apr'18-Feb'19

FIG 124 – TOTAL RECEIPTS OF STATES* HIGHER IN FEB'19 VS FEB'18



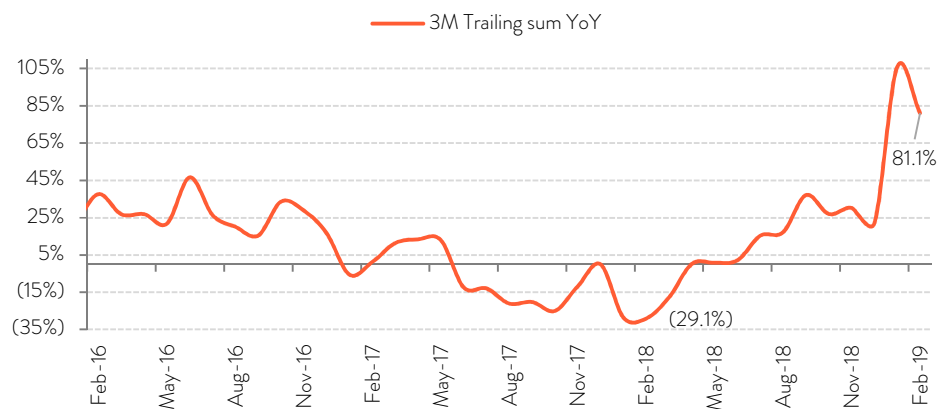
Note: *All states excluding N.E states, Andhra Pradesh, Goa and Karnataka

FIG 125 – STATE* GOVT. CAPEX MARKS A SHARP RISE, TAX REVENUES BROADLY STABLE ON FYTD BASIS

	Apr'16-Feb'17 (Rs bn)	Apr'17-Feb'18 (Rs bn)	% change	Apr'18-Feb'19 (Rs bn)	% change
Total Receipts	16,790	17,883	6.5	20,704	15.8
Revenue Receipts	13,589	15,139	11.4	17,201	13.6
Receipts: Tax Revenue	10,376	11,721	13.0	13,128	12.0
Receipts: Non-Tax Revenue	997	1,176	17.9	1,348	14.7
Capital Receipts	3,248	2,744	(15.5)	3,503	27.7
Total Expenditure	16,322	16,457	0.8	20,441	24.2
Revenue Expenditure	13,931	14,503	4.1	17,766	22.5
Capital Expenditure	2,391	1,954	(18.3)	2,676	36.9
Revenue Surplus or Deficit	(333)	636	(291.2)	(564)	(188.7)
Fiscal Surplus or Deficit	(3,263)	(2,609)	(20.0)	(3,286)	25.9

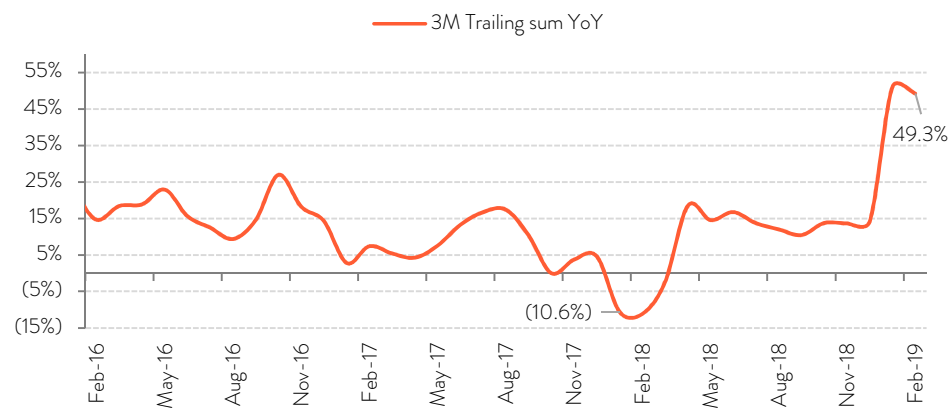
Note: *All states excluding N.E states, Andhra Pradesh, Goa and Karnataka

FIG 126 – STATES* CAPEX REBOUNDS TOWARDS END OF FY19



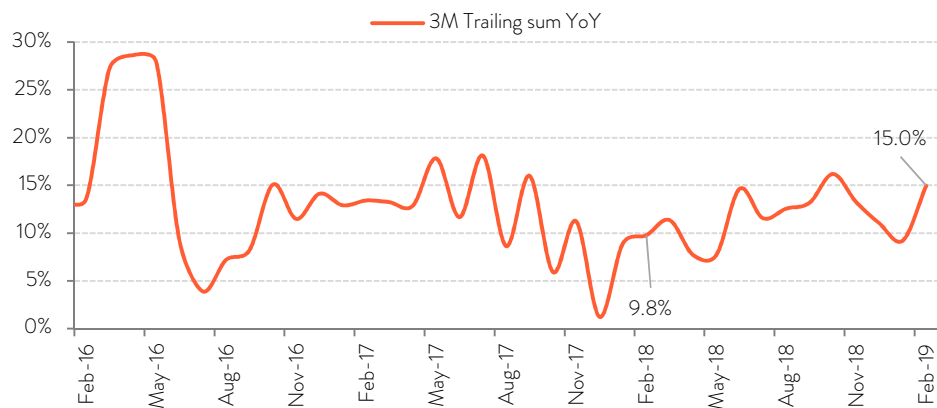
Note: *All states excluding N.E states, Andhra Pradesh, Goa and Karnataka

FIG 127 – REVENUE EXPENDITURE ALSO MUCH HIGHER IN JAN-FEB'19



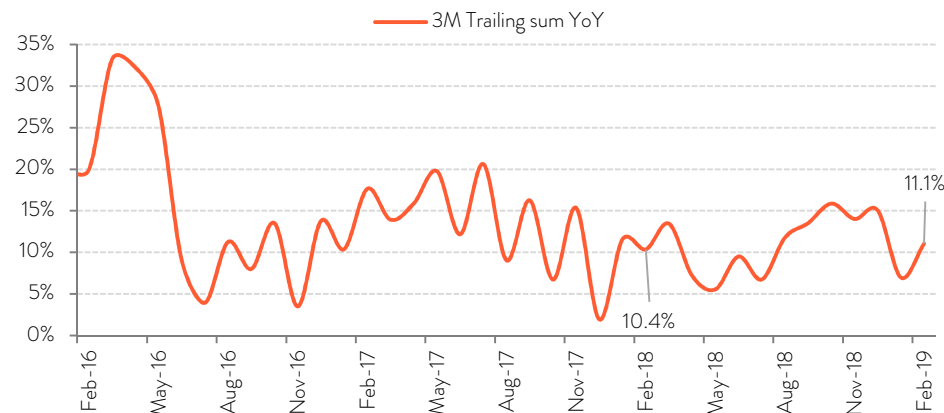
Note: *All states excluding N.E states, Andhra Pradesh, Goa and Karnataka

FIG 128 – REVENUE RECEIPTS OF STATES* RECOVER



Note: *All states excluding N.E states, Andhra Pradesh, Goa and Karnataka

FIG 129 – ...LED BY A HIGHER TAX REVENUES



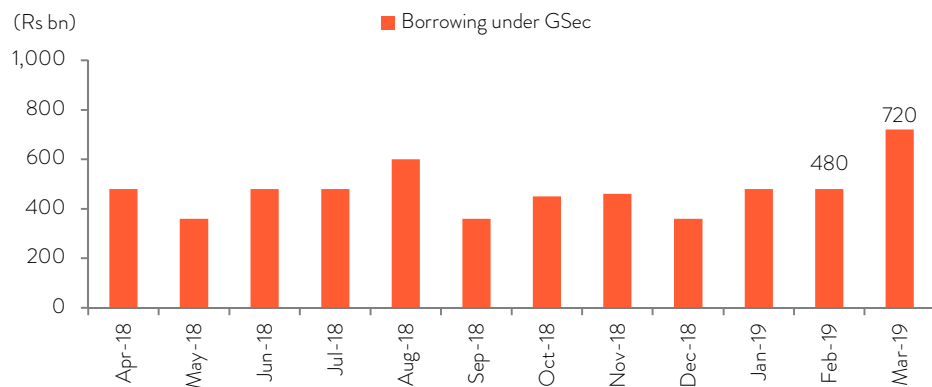
Note: *All states excluding N.E states, Andhra Pradesh, Goa and Karnataka

FIG 130 – PATTERN OF STATE SPENDING

State	Pay commission implemented	Loan waiver announced	Capex Increasing (Feb'19, 12M Trailing sum, %YoY)
Andhra Pradesh*	✓	✓	✗
Bihar	✓	✗	✗
Chhattisgarh	✓	✗	✗
Gujarat	✓	✗	✓
Haryana	✓	✗	✓
Karnataka	✗	✓	✓
Madhya Pradesh	✓	✓	✓
Maharashtra	✗	✓	✓
Odisha	✓	✗	✓
Punjab	✗	✓	✓
Uttar Pradesh	✓	✓	✓
Rajasthan	✓	✓	✓
Telangana	✓	✓	✗
Uttarakhand	✓	✗	✗

Source: News Reports, CEIC, Bank of Baroda | Note: ✓ means yes; ✗ means no | *Capex as of Jan'19

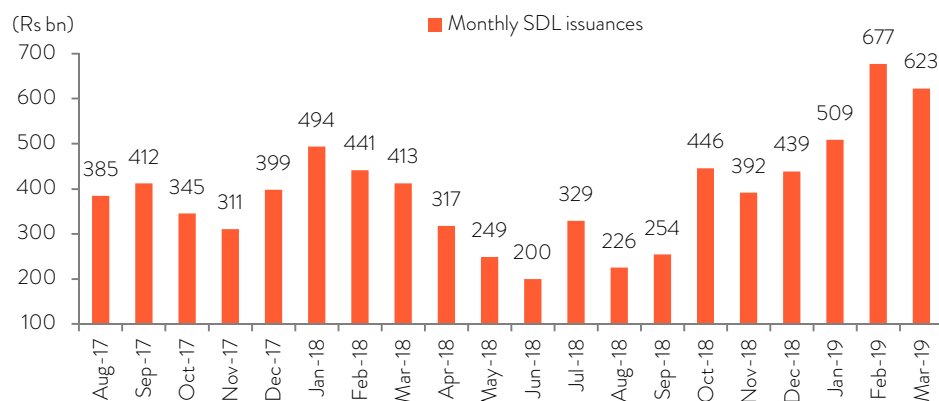
FIG 131 – CENTRE’S GROSS BORROWING ROSE TO RS 720BN IN MAR’19 VS RS 480BN IN FEB’19



Source: RBI

State government borrowing

FIG 133 – STATE BORROWING IN FEB-MAR’19 AT ALL TIME HIGH



Source: RBI

FIG 132 – CENTRE’S PLANNED BORROWING FOR H1FY20 ESTIMATED AT RS 4.42TN

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	-	2,210
Q2	1,570	1,630	1,910	1,890	1,440	-	2,210
Q3	1,430	1,640	1,610	1,640	1,270	-	
Q4	1,090	840	800	670	1,680	-	
Total	5,920	5,850	5,820	5,880	5,710	-	

Source: RBI

FIG 134 – STATES BORROWED RS 4.7TN IN FY19 VS RS 4.2TN IN FY18

Quarterly SDL issuances, (Rs bn)	FY15	FY16	FY17	FY18	FY19	FY20 (actual)	FY20 (planned)
Q1	439	502	548	650	766	161*	1,101
Q2	469	627	792	1,130	809	-	
Q3	692	858	1,214	1,054	1,277	-	
Q4	809	959	1,322	1,348	1,809	-	
Total	2,408	2,946	3,876	4,182	4,661	-	

Source: RBI, *as of 9 Apr 2019

External sector

Exports

FIG 135 – EXPORT GROWTH DECELERATES FURTHER IN FEB'19

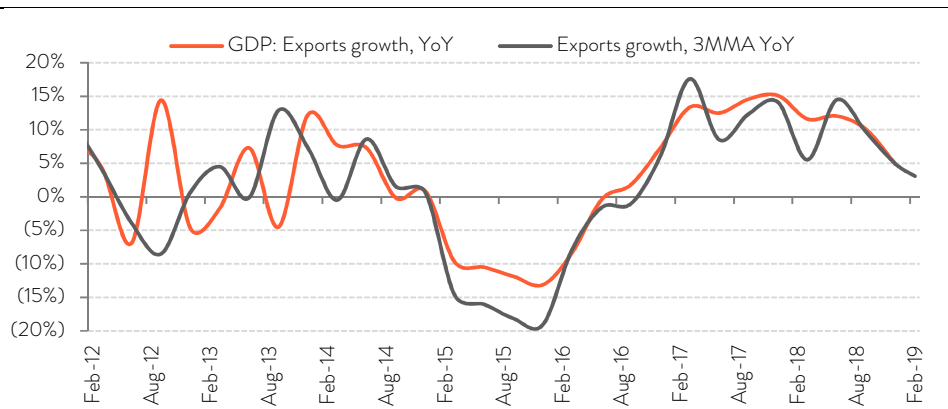
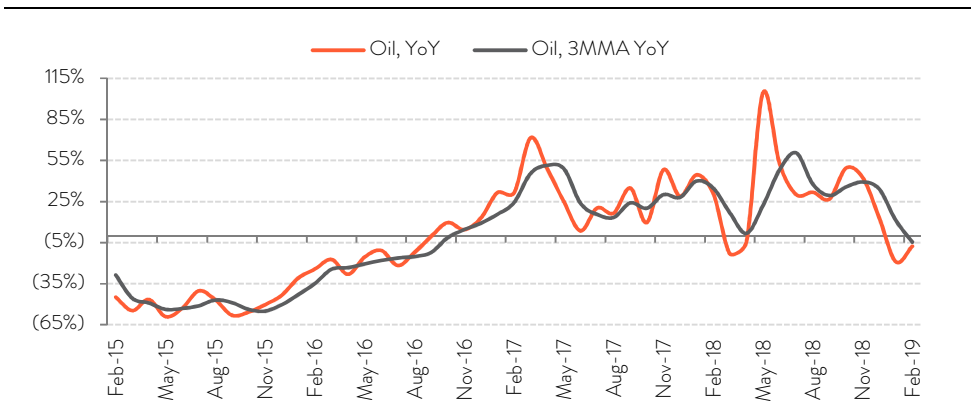


FIG 136 – LED BY A DECLINE IN OIL EXPORTS (-7.7% IN FEB'19 VS 29.1% IN FYTD19)



Exports by major sectors

FIG 137 – EXPORTS OF GEMS AND JEWELLERY ALSO DECLINE

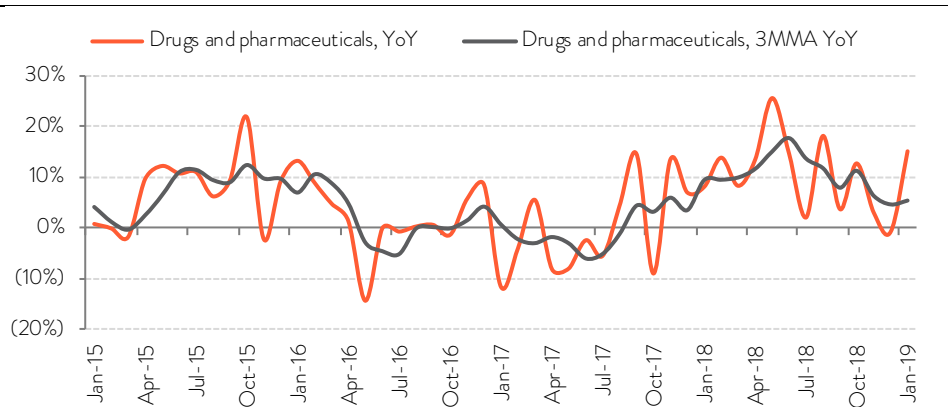


FIG 138 – DECLARATION IN EXPORTS OF ORGANIC CHEMICALS

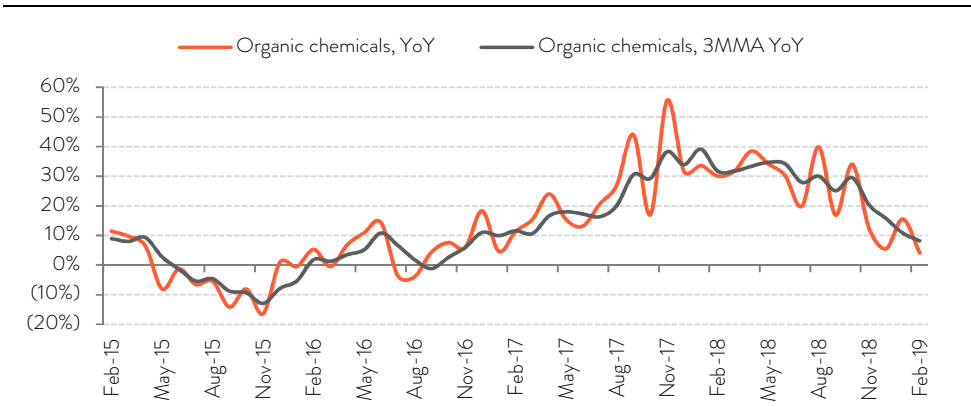


FIG 139 – MARGINAL IMPROVEMENT IN EXPORTS OF ENGINEERING GOODS

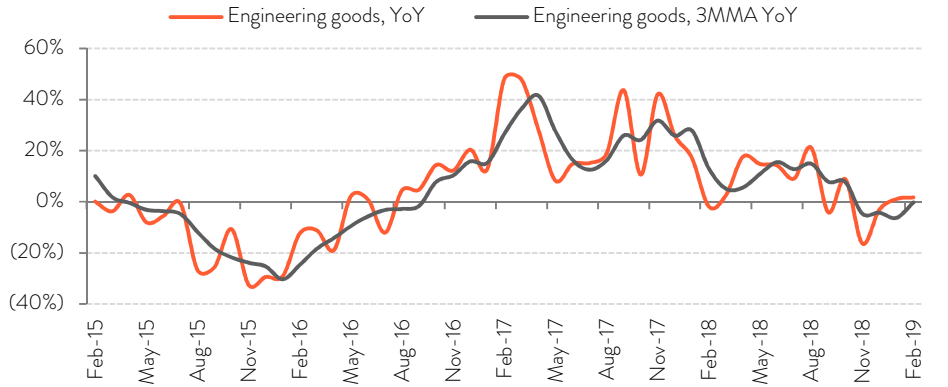
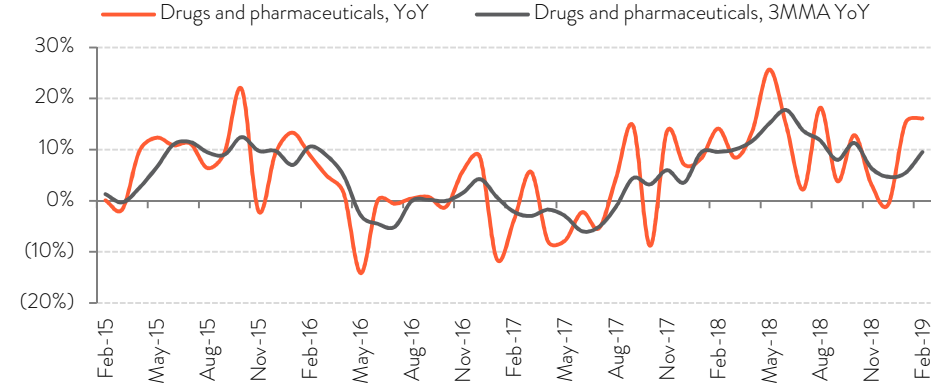


FIG 140 – PHARMA EXPORTS PICKING UP (16.1% IN FEB'19 VS 15.2% IN JAN'19)



Imports

FIG 141 – IMPORT GROWTH DECLINES TO A 30-MONTH LOW IN FEB'19

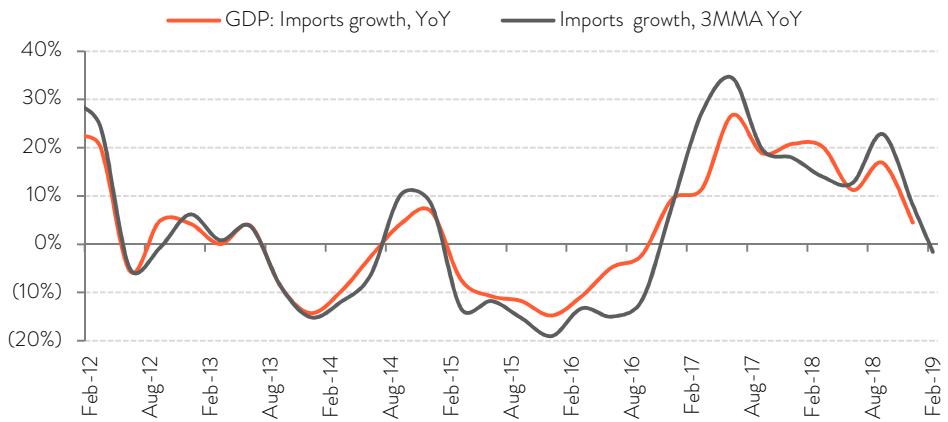


FIG 142 – LED BY A SHARP DECLINE IN IMPORTS OF PEARLS AND PRECIOUS METALS

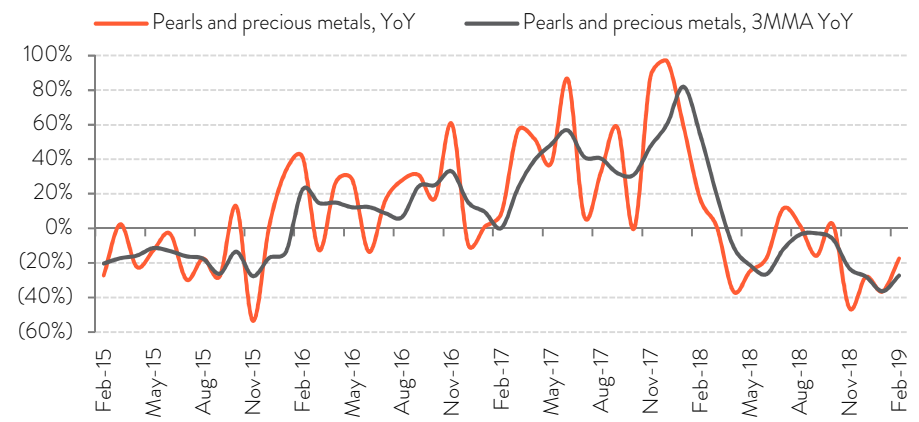


FIG 143 – GOLD IMPORTS ALSO DECLINE BY (-) 10.8% IN FEB'19 VS AN INCREASE OF 38.2% IN JAN'19

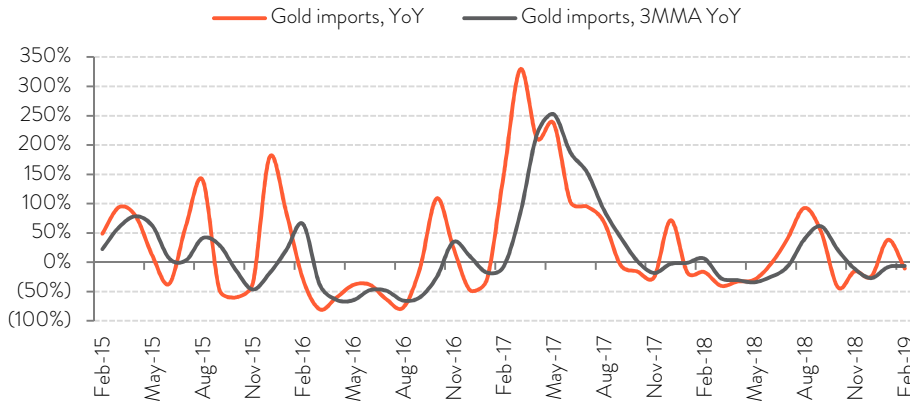


FIG 144 – OIL IMPORTS ALSO FALL BY (-) 8% IN FEB'19 VS INCREASE OF 36% IN FYTD19

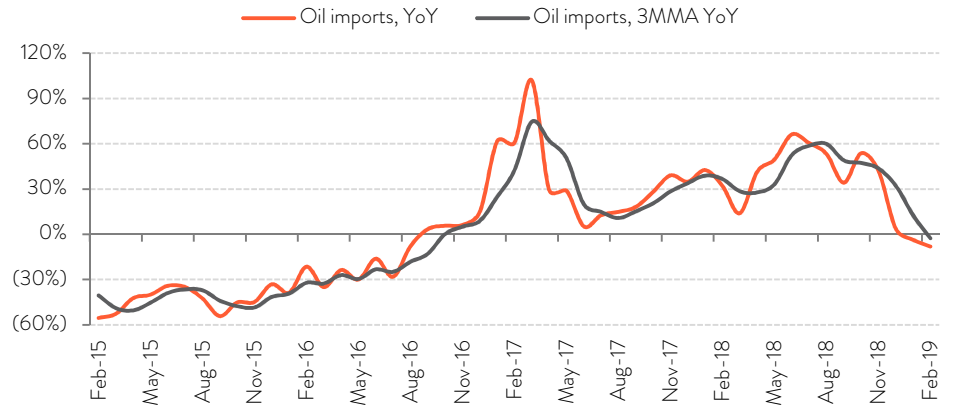


FIG 145 – ELECTRONIC IMPORTS ALSO EDGE DOWN

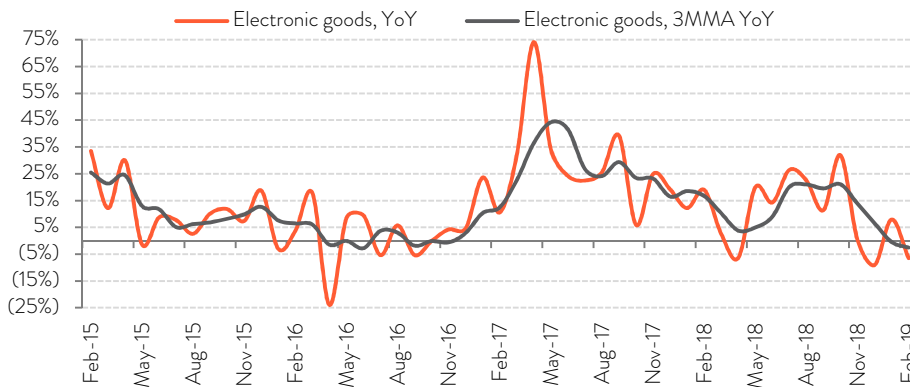
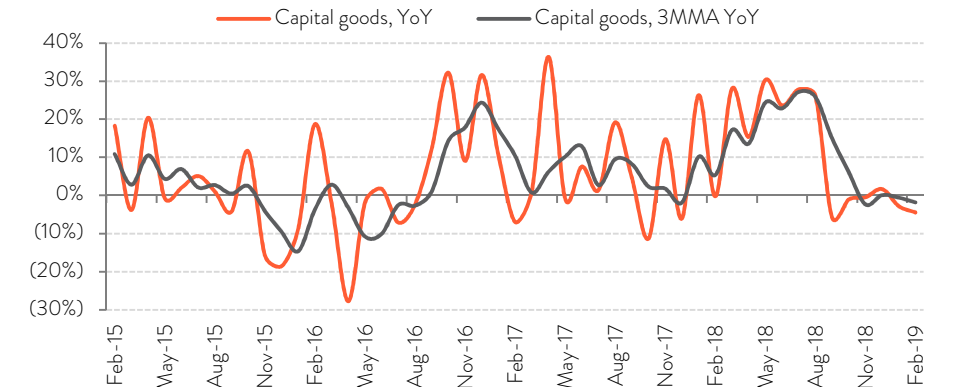


FIG 146 – CAPITAL GOODS IMPORT REMAIN LACKLUSTRE



Exports and imports by major regions

FIG 147 – EXCEPT MIDDLE EAST AND AFRICA, EXPORTS TO OTHER MAJOR REGIONS DECLINE ON A FYTD BASIS

Region (% YoY)	Share (in %) FY18	Dec'18	Jan'19	Feb'19	FYTD18	FYTD19
Americas	20.9	3.6	8.9	6.4	14.3	9.7
Asia and Pacific (Ex. China)	29.3	(8.0)	(11.1)	(5.2)	14.9	3.5
China	4.4	21.9	9.2	6.3	31.1	28.6
Europe	20.0	2.4	(9.1)	(0.1)	14.4	6.9
Middle East and Africa	24.4	0.7	27.6	11.2	2.4	9.6
Other	1.0	8.8	70.8	34.2	(31.1)	29.2

FIG 148 – ON A FYTD BASIS, IMPORTS FROM CHINA FALL THE MOST

Region (% YoY)	Share (in %) FY18	Dec'18	Jan'19	Feb'19	FYTD18	FYTD19
Americas	12.0	2.7	(0.5)	2.4	20.9	15.6
Asia and Pacific (Ex. China)	23.0	12.7	12.2	11.2	22.7	21.2
China	16.4	(17.8)	(10.6)	(18.1)	25.1	(6.3)
Europe	15.0	9.3	6.1	(5.5)	16.1	11.8
Middle East	28.8	1.2	0.6	(4.4)	24.0	21.5
Other	4.8	(34.9)	(52.1)	(66.0)	35.9	(55.5)

Trade deficit

FIG 149 – TRADE DEFICIT NARROWS TO A 10-MONTH LOW AT US\$ 9.6BN

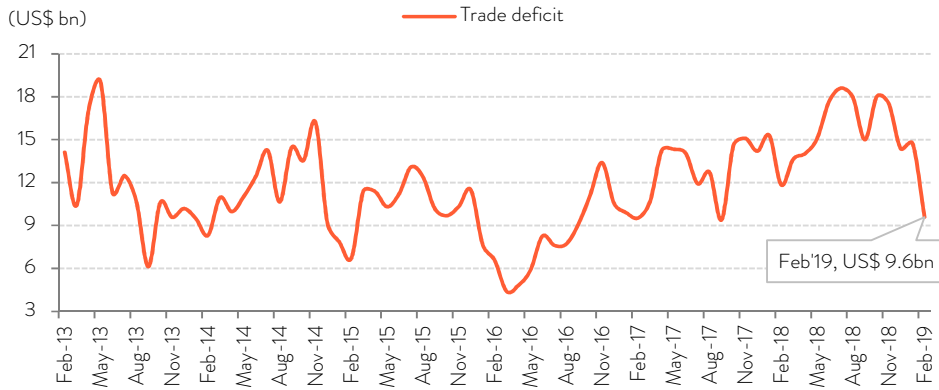
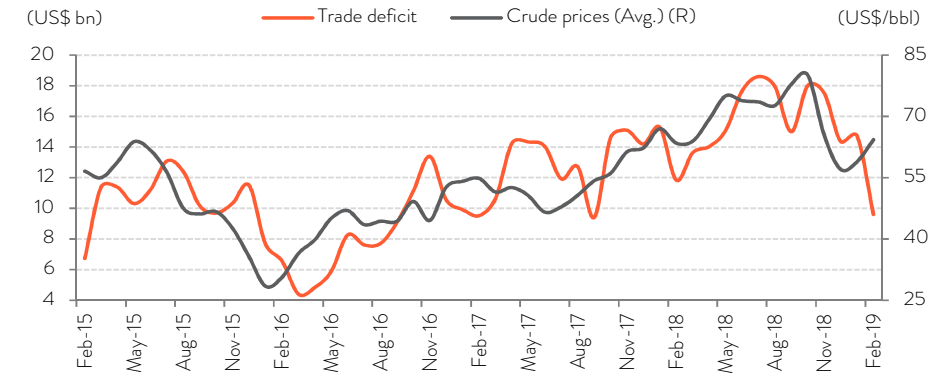
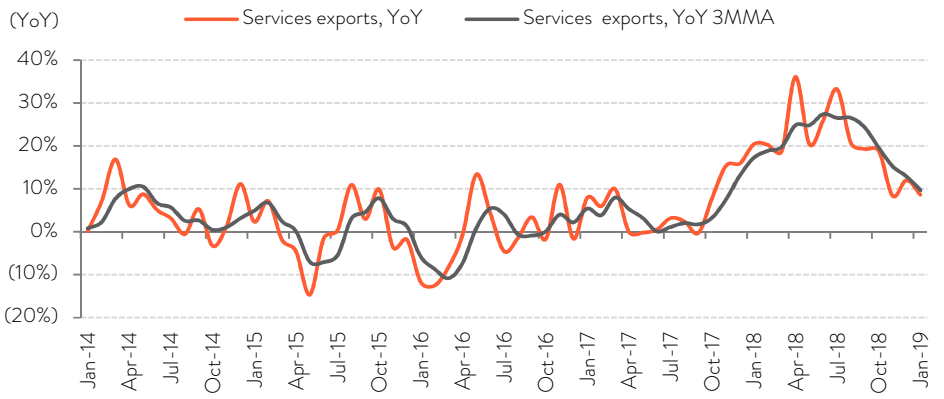


FIG 150 – EVEN AS OIL PRICES RISE



Trade in services

FIG 151 – SERVICES EXPORT ON A DOWNWARD TREND



BoP

FIG 152 – CAD NARROWS TO 2.5% OF GDP IN Q3FY19 FROM A 21-QUARTER HIGH IN Q2FY19

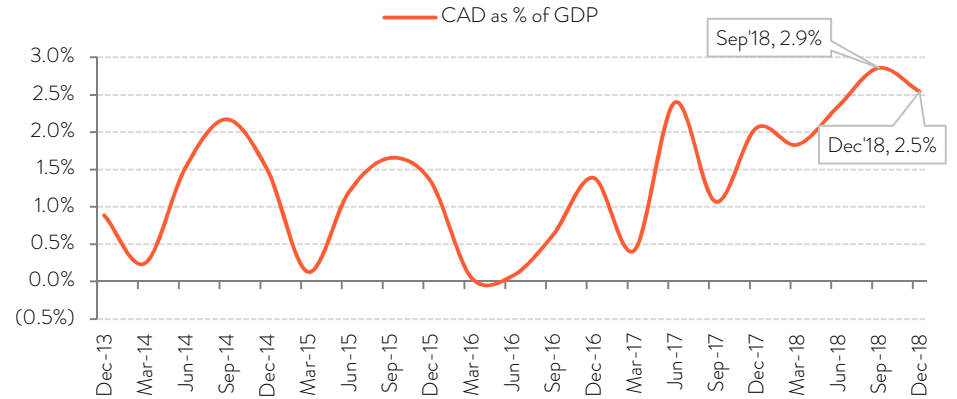


FIG 153 – SUPPORTED BY HIGHER SERVICES RECEIPTS

(US\$ bn)	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19
Current account	(13.7)	(13.1)	(15.9)	(19.1)	(16.9)
CAD/GDP (%)	(2.1)	(1.9)	(2.4)	(2.9)	(2.5)
Trade balance	(44.0)	(41.6)	(45.8)	(50.0)	(49.5)
- Merchandise exports	77.5	82.2	83.4	83.4	83.1
- Merchandise imports	121.6	123.8	129.1	133.4	132.6
--Oil imports	29.2	33	34.7	35.2	38.5
--Non-oil imports	92.4	90.8	94.4	98.2	94.1
- Net Services	20.7	20.2	18.7	20.3	21.3
--Software	18.2	18.6	18.4	19.3	19.8
Transfers	16.1	16.2	17	19.3	17.2
Other invisibles	(6.5)	(7.8)	(5.8)	(8.7)	(6.0)
Capital account	22.5	25.1	5.0	16.7	13.6
% of GDP	3.4	3.6	0.8	2.6	2.0
Foreign investments	9.6	8.7	1.6	7.7	5.4
- FDI	4.3	6.4	9.8	7.5	7.5
- FII	5.3	2.3	(8.1)	0.2	(2.1)
Banking capital	4.6	4.6	10.1	0.5	4.9
Short-term credit	4.8	4.5	(3.5)	4.8	(0.7)
ECBs	0.4	1.0	(1.3)	2.2	2.0
External assistance	0.7	1.4	0.5	0	1.7
Other capital account items	2.4	4.8	(2.4)	1.5	0.4
E&O	0.6	1.3	(0.4)	0.5	(1.0)
Overall balance	9.4	13.3	(11.3)	(1.9)	(4.3)

Foreign inflows

FII inflows

FIG 154 – FII INFLOWS SURGE TO US\$ 7BN IN MAR'19

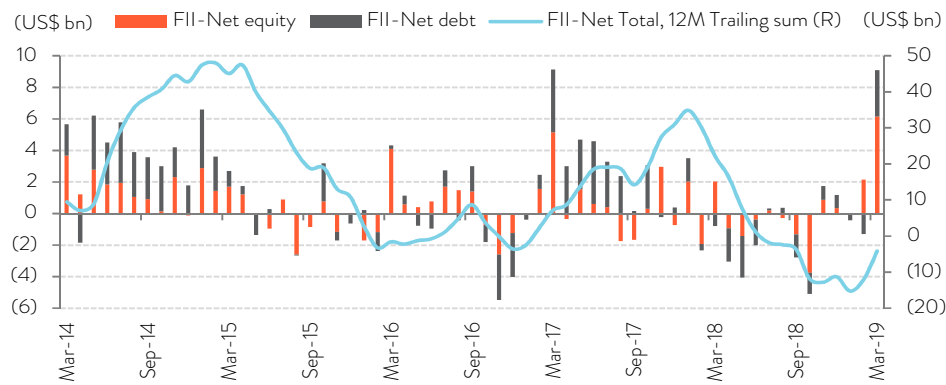


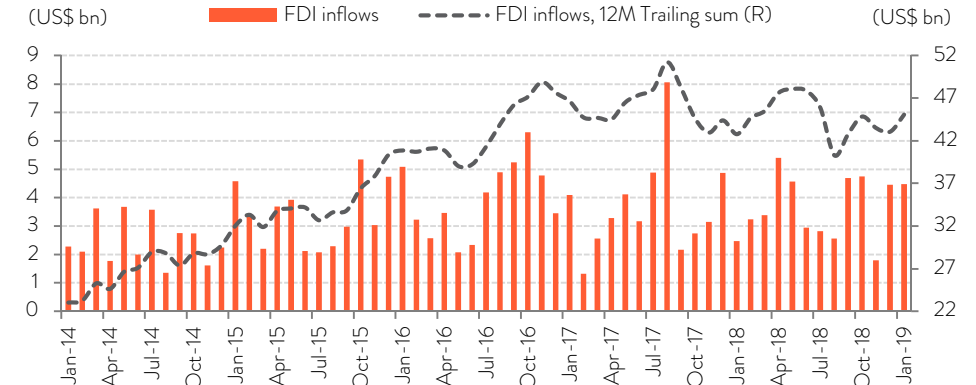
FIG 156 – FDI INFLOWS FROM MAURITIUS LOWER, INFLOWS FROM SINGAPORE PICKUP

Country (US\$ bn)	% Share FY18	Jun'18	Sep'18	Dec'18	FYTD18	FYTD19
Mauritius	35.5	1.5	2.4	2.1	13.3	6.0
Singapore	27.2	6.5	2.1	4.4	9.2	13.0
Netherlands	6.2	0.8	1.5	0.6	2.4	3.0
Japan	3.6	0.9	1.0	0.3	1.3	2.2
UK	1.9	0.6	0.2	0.2	0.7	1.1

Source: DIPP

FDI inflows

FIG 155 – FDI INFLOWS MARGINALLY LOWER AT US\$ 38BN IN FYTD19 VS US\$ 39BN IN FYTD18



Source: RBI, Bank of Baroda Research

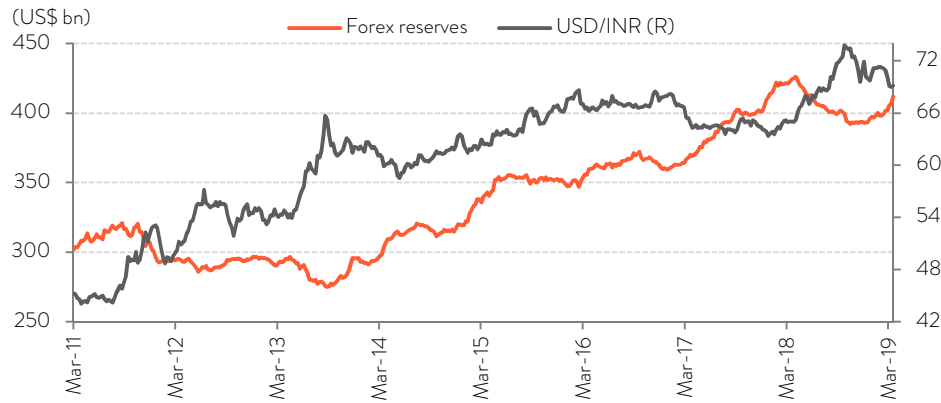
FIG 157 – FDI INFLOWS IN SERVICES SECTOR RISE TO US\$ 6.6BN IN FYTD19

Sector (US\$ bn)	% Share FY'18	Jun'18	Sep'18	Dec'18	FYTD18	FYTD19
Services Sector	15.0	2.4	2.5	1.7	4.6	6.6
Telecommunications	13.8	1.6	0.6	0.1	6.1	2.3
Computer software and hardware	13.7	1.4	1.1	2.5	5.2	5.0
Trading	9.7	1.6	0.5	0.9	2.3	3.0
Automobile industry	4.7	0.5	1.1	0.5	1.7	2.1

Source: DIPP

Forex reserves and external debt

FIG 158 – INDIA'S FX RESERVES RISE TO US\$ 412BN, HIGHEST SINCE JUN'18



Source: Bloomberg | Weekly data as of 29 Mar 2019

FIG 160 – RBI'S SOLD US\$ 25.6BN IN SPOT MARKET IN FY19 (APR-JAN'19)

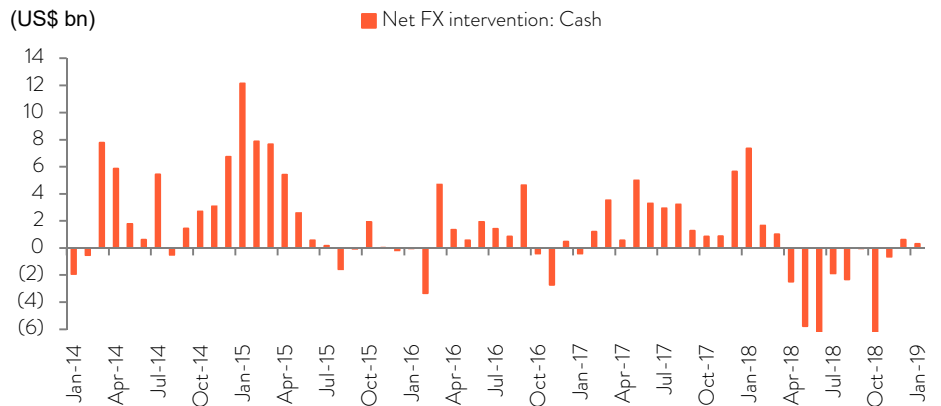
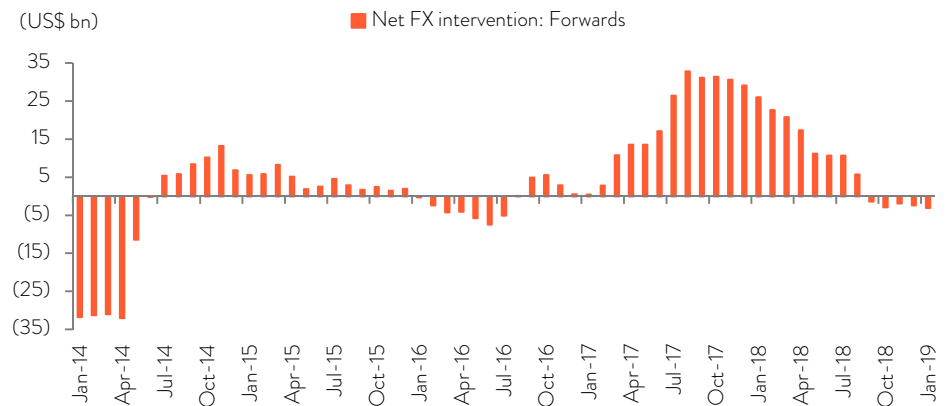


FIG 159 – EXTERNAL DEBT RISES TO 20.2% OF GDP IN Q3FY19



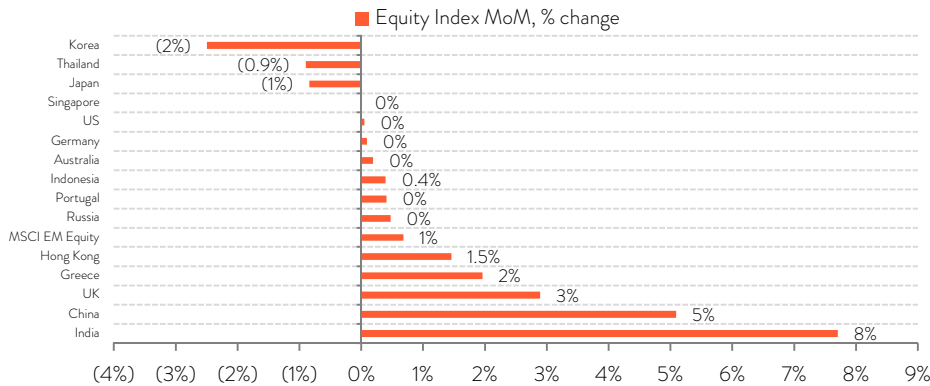
FIG 161 – IN FORWARDS MARKET, RBI SOLD US\$ 23.9BN IN THE SAME PERIOD



Markets

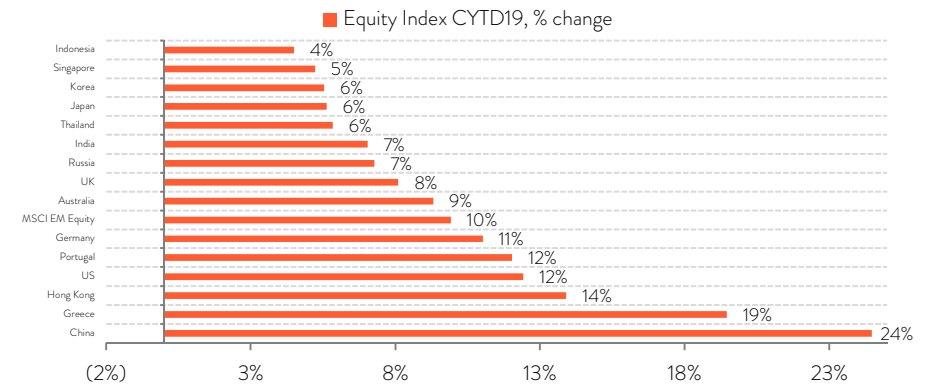
Equity

FIG 162 – ON MOM BASIS*, NIFTY INCREASED THE MOST BY 8% AMONG MAJOR ECONOMIES



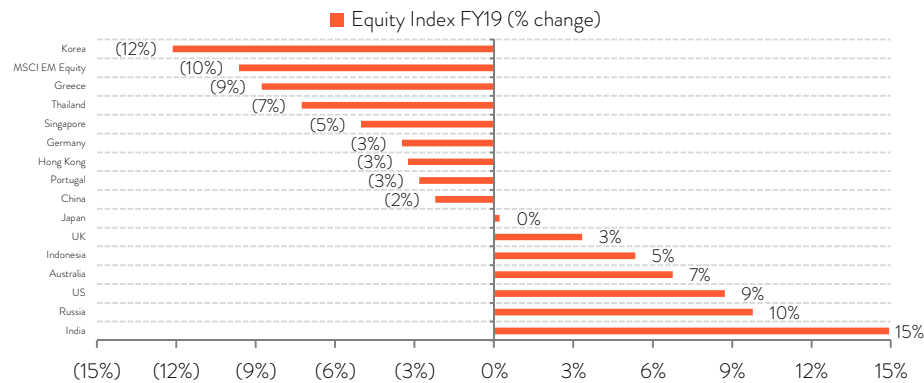
Source: Bloomberg, *As on 31 Mar 2019

FIG 163 – ON CYTD19 BASIS*, NIFTY INCREASED BY 7% UNDER-PERFORMING MSCI EM WHICH ROSE BY 10%



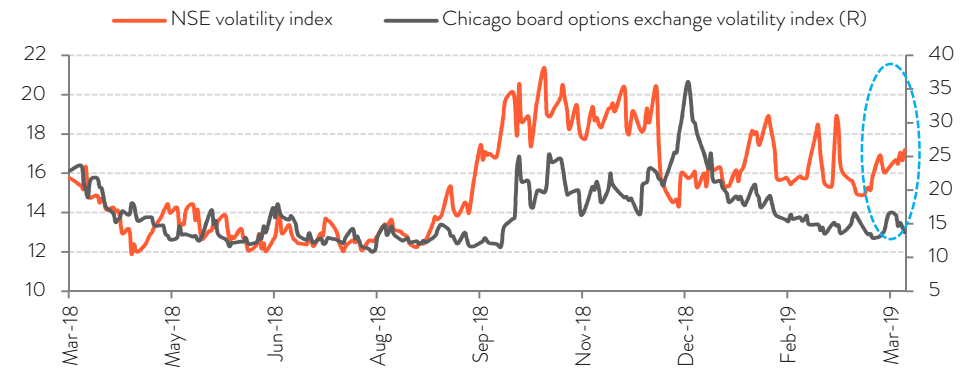
Source: Bloomberg | * As on 31 Mar 2019

FIG 164 – IN FY19, NIFTY ROSE BY 15%



Source: Bloomberg

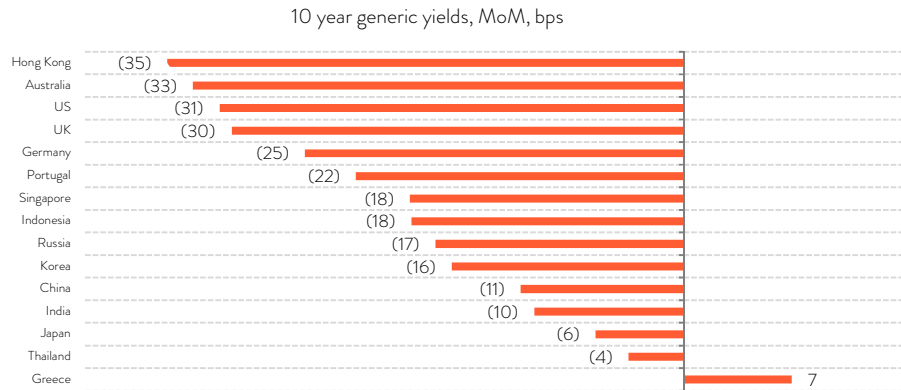
FIG 165 – NIFTY VIX ROSE IN MAR'19 REFLECTING PRE ELECTION VOLATILITY



Source: Bloomberg

10 year Bond yields

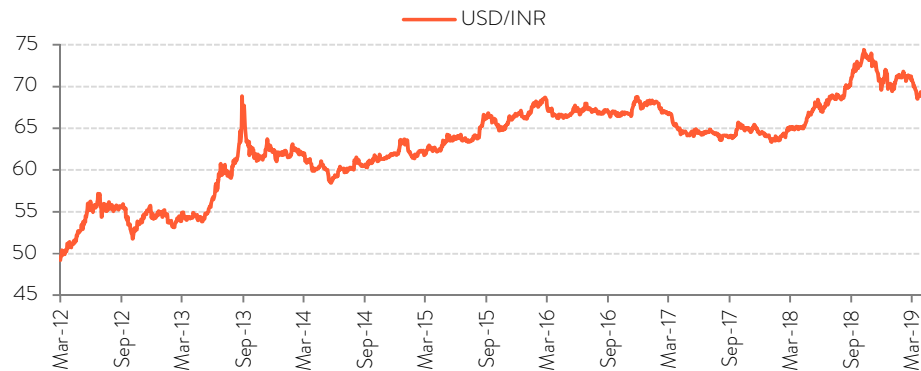
FIG 166 – ON MOM BASIS*, INDIAN 10 YEAR YIELD DECLINED BY 10BPS ON ACCOUNT OF SLOWDOWN IN GLOBAL GROWTH INDICATORS



Source: Bloomberg | 7.17GS2028 is taken , *As on 31 Mar 2019

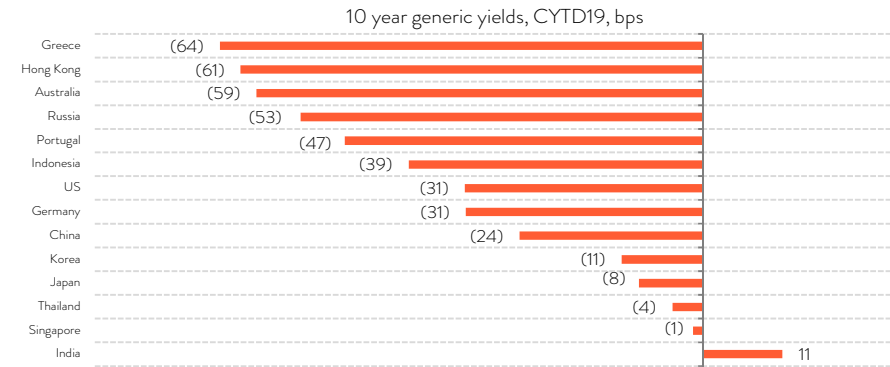
Currencies

FIG 168 – DEPRECIATION PRESSURE ON INR EASES



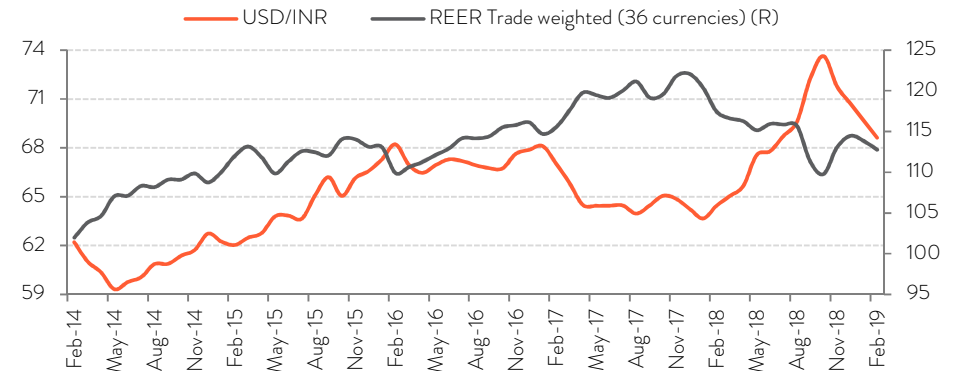
Source: Bloomberg | *As on 31 Mar 2019

FIG 167 – ON CYTD19 BASIS*, INDIAN 10 YEAR YIELD ROSE BY 11BPS AMIDST LIQUIDITY CONCERNS



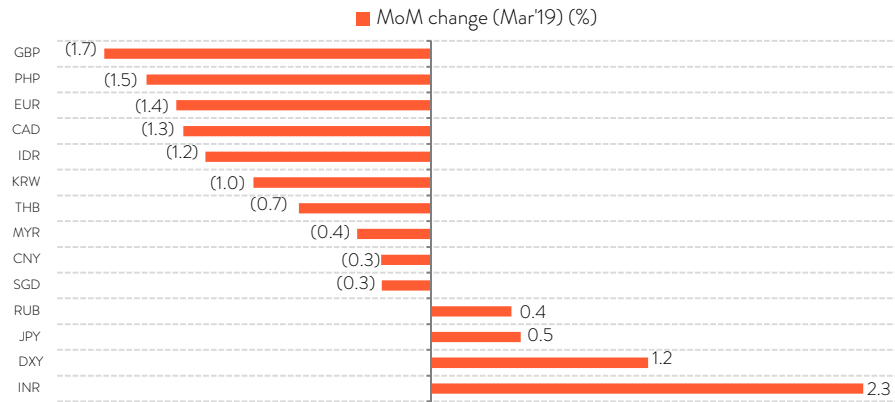
Source: Bloomberg | 7.17GS2028 is taken , *As on 31 Mar 2019

FIG 169 – INR OVERVALUED BY 12.8% (FEB'19)



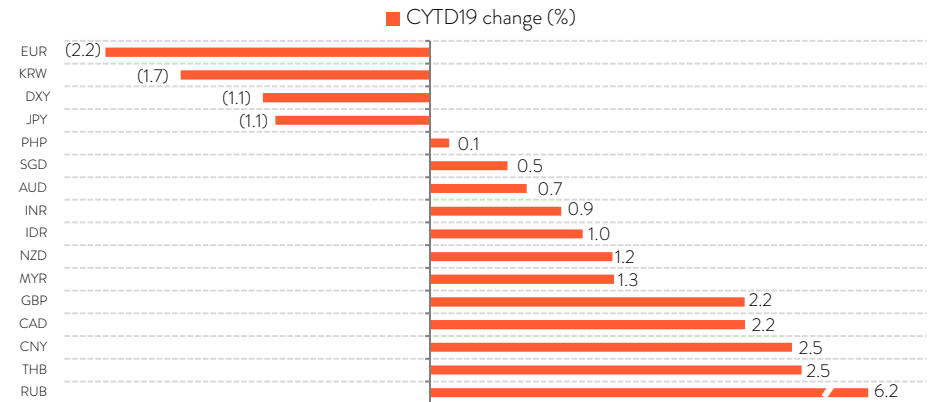
Source: Bloomberg

FIG 170 – INR APPRECIATES BY 2.3% IN MAR'19



Source: Bloomberg | *As on 31 Mar 2019

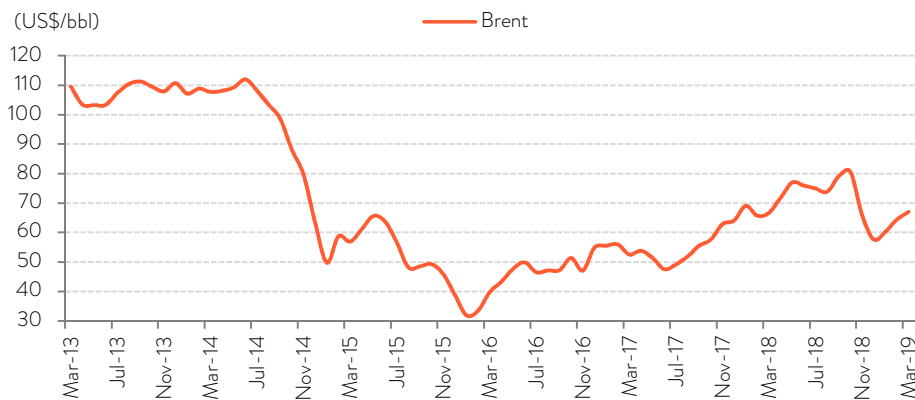
FIG 171 – IN CYTD19, INR HAS APPRECIATED BY 0.9% SO FAR



Source: Bloomberg | *As on 31 Mar 2019

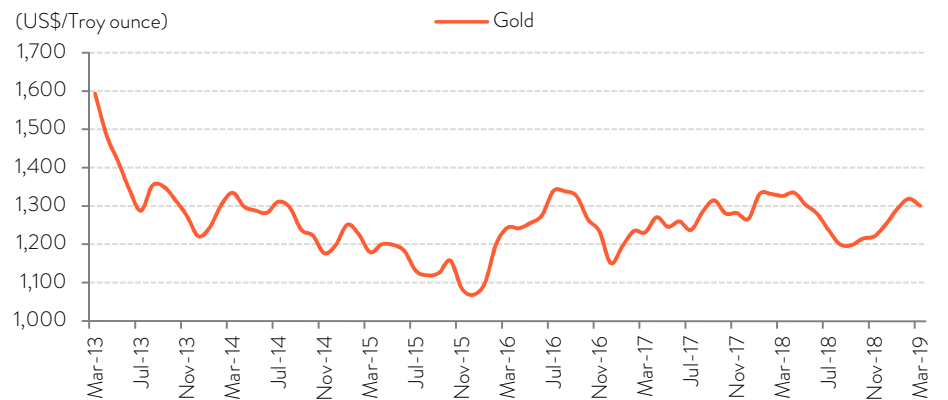
Commodities

FIG 172 – BRENT PRICES ON AN AVERAGE ROSE TO US\$ 67/BBL IN MAR'19 VS US\$ 64/BBL & CURRENTLY AT US\$ 71/BBL



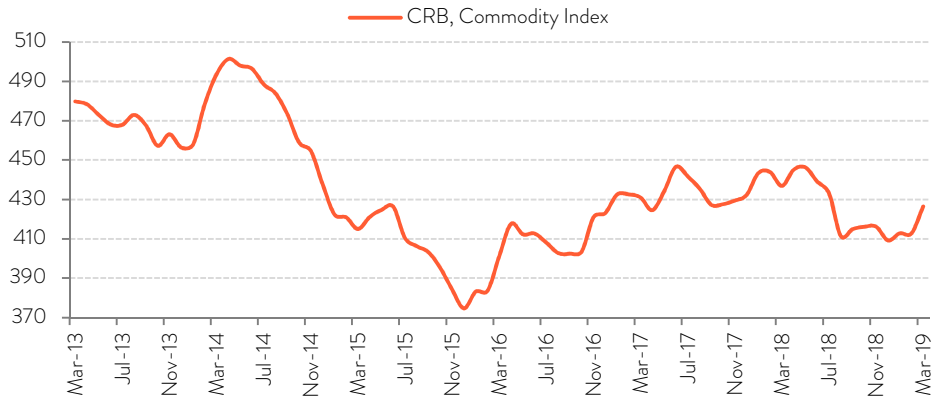
Source: Bloomberg

FIG 173 – GOLD PRICES DECLINED BY 2% ON MOM BASIS IN MAR'19 VS DECLINE OF (-) 1% IN FEB'19 OVER GLOBAL GROWTH SLOWDOWN



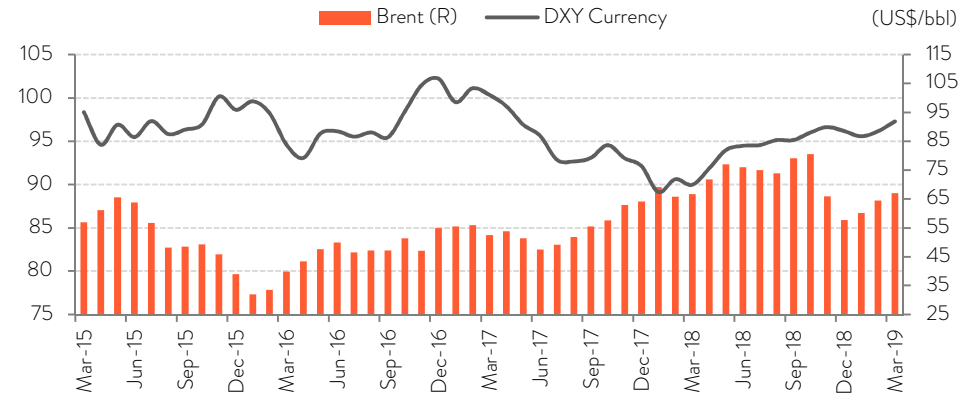
Source: Bloomberg

FIG 174 – COMMODITY INDEX INCHED UP ON RISING ENERGY PRICES



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

FIG 175 – DXY INCHED UP IN MAR'19 TO 97.28 VS 96.16 IN FEB'19 , SO WAS THE CASE FOR BRENT



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

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