

# India Economics

## Monthly Chartbook

June 2020

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## Recovery has begun, normalcy will take time

India's economy is showing signs of recovery with E-way bills and electricity demand showing signs of improvement from Apr'20 levels. PMIs are showing upticks as well. However, port volumes are yet to pick-up. Consumption too is likely to remain muted with RBI's survey pointing to sharp slowdown. Rural consumption may improve with higher output and MSPs, migration and MNREGA spending. But government revenues are under stress and declined by 44% in Apr'20. Centre's fiscal deficit is estimated at 6.5%. While this prompted Moody's to downgrade India's ratings, yields were stable. We believe RBI and banks will emerge as dominant buyers of government securities to clear the supply in FY21.

**Consumption demand weak, rural outlook better:** India's GDP growth slipped to 3.1% in Q4FY21 driven by slowdown in consumption demand (2.7% from 6.6% in Q3FY20). RBI's consumer confidence gauge dropped to historic low (63.7 in May'20). Beacon of hope is rural India with agriculture growth at 6% in Q4FY20 (from 3.6% in Q3FY20). Higher MSPs, reverse migration, increase in MNREGA spending and a normal monsoon point to better rural demand for now. Medium-term growth potential has also improved after reform announcements such as changes in Essential Commodities Act and model APMC Act.

**Government's fiscal health weak:** Centre's fiscal deficit (% of GDP) increased to 4.6% in FY20 from revised target of 3.8%. Centre maintained its spending target even as revenues slipped on account of

COVID-19. Tax revenues have dipped by 44.3% in Apr'20 versus an increase of 6.9% in Apr'19. The decline is led by 69.5% contraction in indirect taxes (3.3% decline in Apr'19). In Apr'20, capex has taken a back seat with decline of 7.5%, while revenue spending remains robust at 24.4%. We estimate FY21 fiscal deficit at 6.5% of GDP.

**Long end yields likely to fall:** India's 10Y yield fell by 10bps in May'20 following RBI's rate cut of 40bps. The quantum of cut in the current cycle stands at 250bps. Spread of state government bonds over Gsec has also narrowed in recent auctions. Credit spreads (AAA over Gsec 5Y) have expanded showing risk-aversion in the lending markets. Banks have been reducing deposit rates in-line with lukewarm demand for credit because of which MCLR's have fallen further. Yield curve has been steepening as short-end yields have corrected far more than long-end. That is to do with surplus liquidity. We expect 10Y yield in 5.5-6% range as CPI moderates and RBI steps up its purchases of government bonds.

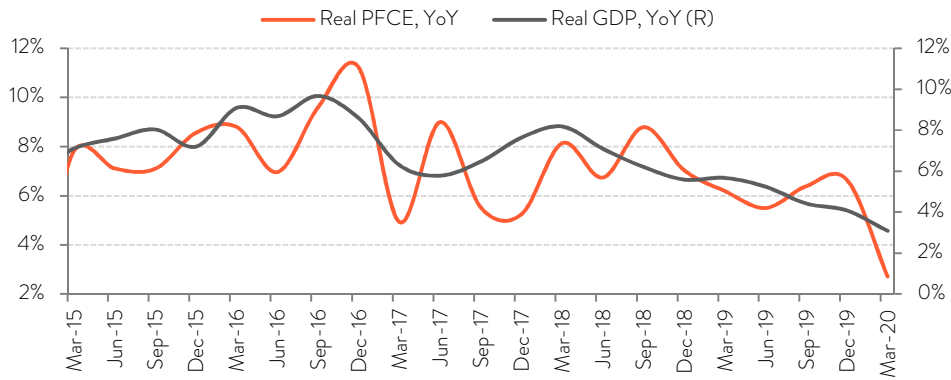
**Pressure on INR abates:** INR depreciated by 0.7% in May'20 in line with EM currencies (down by 0.2%). In Jun'20 so far, FII inflows have picked up to US\$ 2.4bn. We expect INR to appreciate in FY21 on the back of lower oil prices and continuous FDI inflows. The risk to our outlook is a sustained decline in Chinese Yuan which will force INR to depreciate as well in order to maintain its competitive value.

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

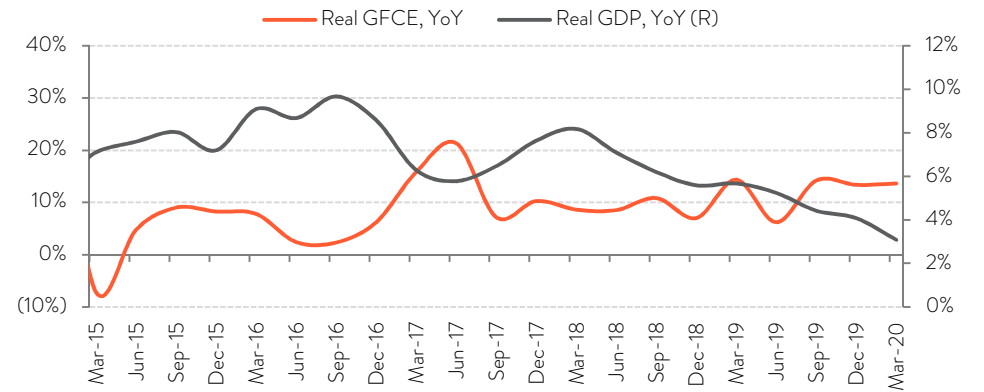
# Consumption

## Final consumption expenditure

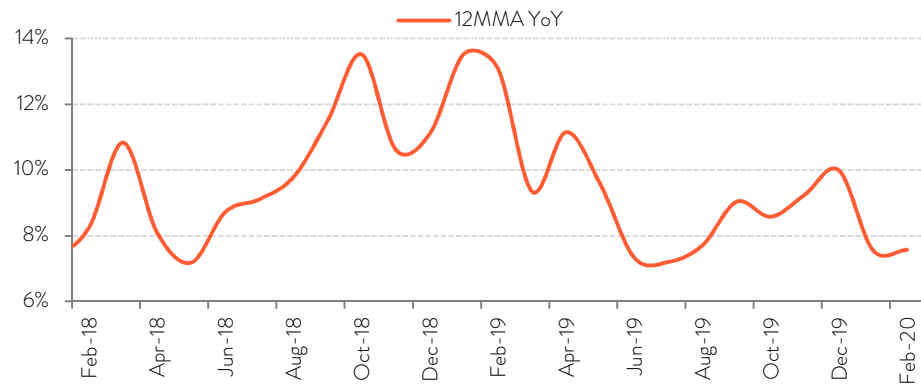
**FIG 1 – CONSUMPTION FALLS IN Q4FY20**



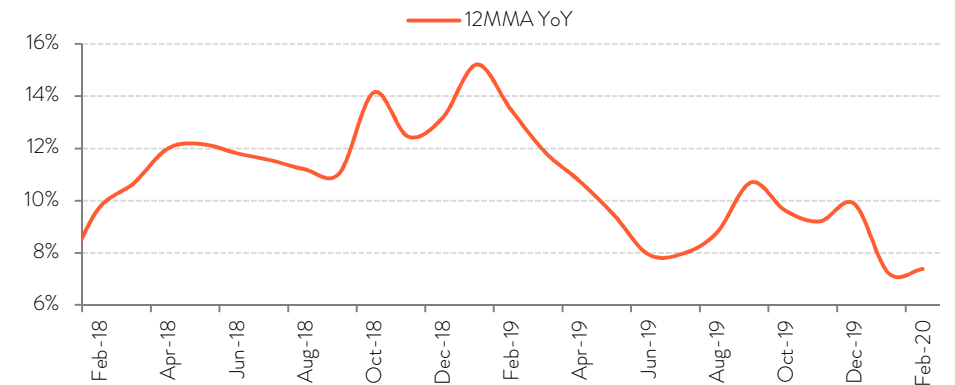
**FIG 2 – GOVERNMENT CONSUMPTION REMAINS STEADY IN Q4FY20**



**FIG 3 – GENERAL GOV REVENUE SPENDING INCHES UP IN FEB'20**



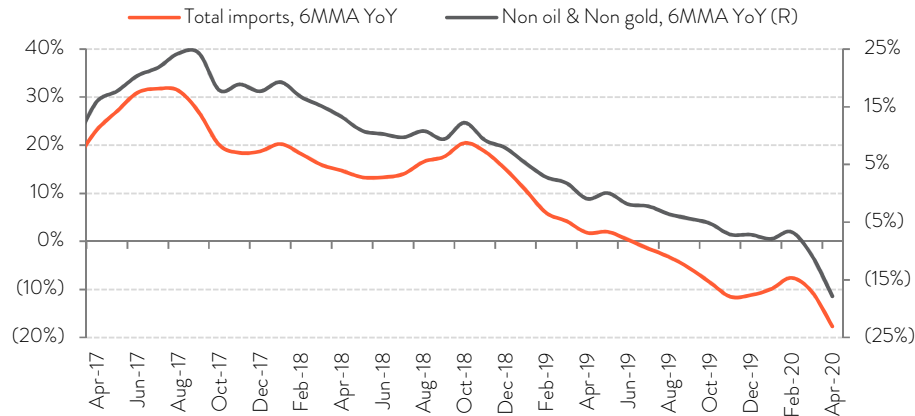
**FIG 4 – STATE\* GOV REVENUE SPENDING TOO MOVING AT THE SAME PACE**



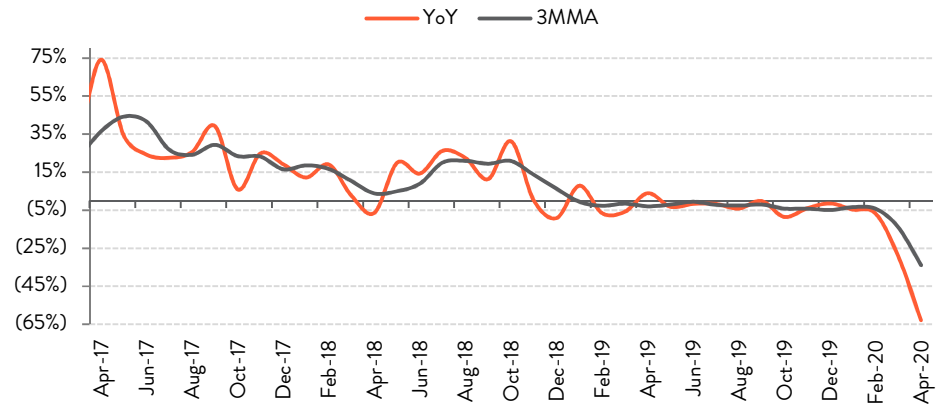
Note: \* All states excluding N.E states, AP, Bihar, Goa, J&K, Karnataka, Maharashtra, TN, and Uttarakhand

Non-oil imports, electronic imports

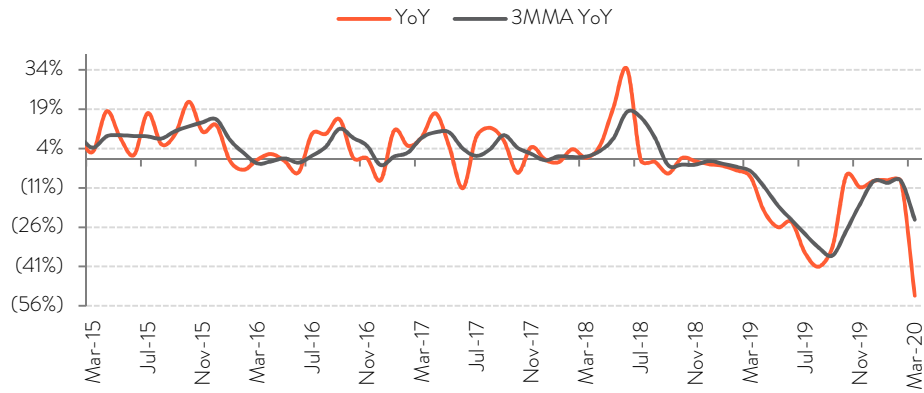
**FIG 5 – NON-OIL-NON-GOLD IMPORTS DECLINES**



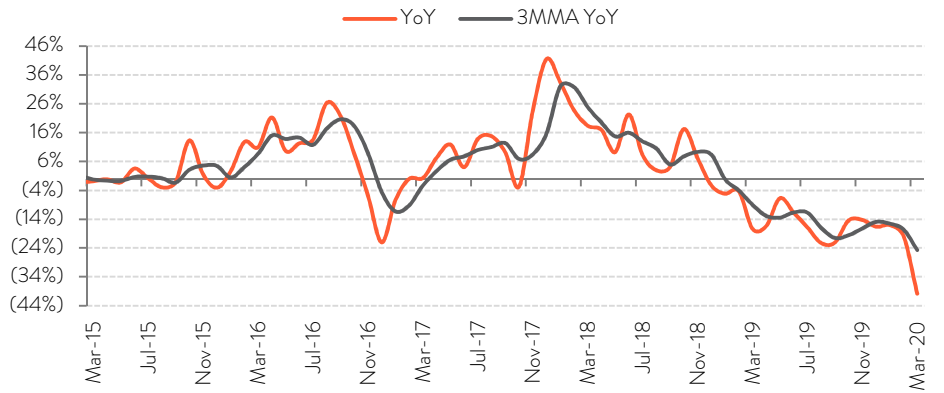
**FIG 6 – ELECTRONIC IMPORTS DECLINES SHARPLY**



**FIG 7 – PASSENGER CAR SALES PLUNGES**



**FIG 8 – SIMILAR CASE FOR TWO-WHEELER SALES**



Credit deployment of personal loans

FIG 9 – GROWTH IN CREDIT CARD OUTSTANDING FALLS SHARPLY

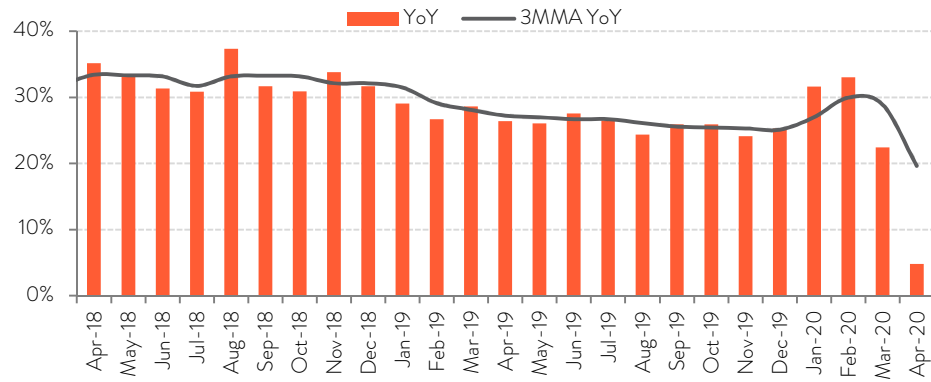


FIG 10 – GROWTH IN PERSONAL LOANS STEADIES

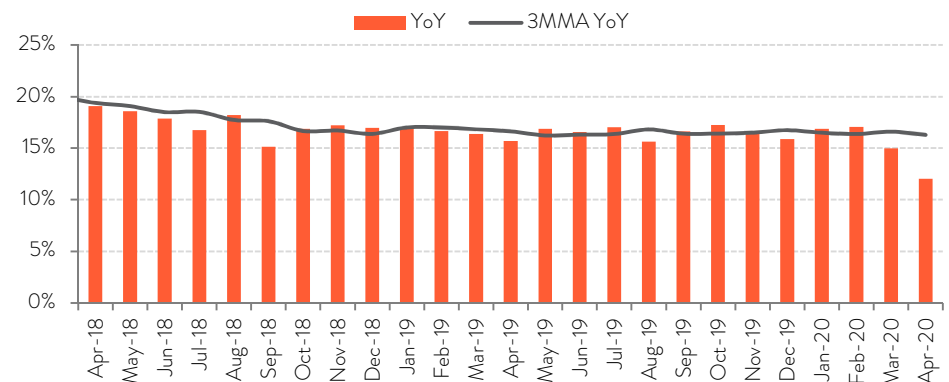


FIG 11 – GROWTH IN VEHICLE LOANS EASES

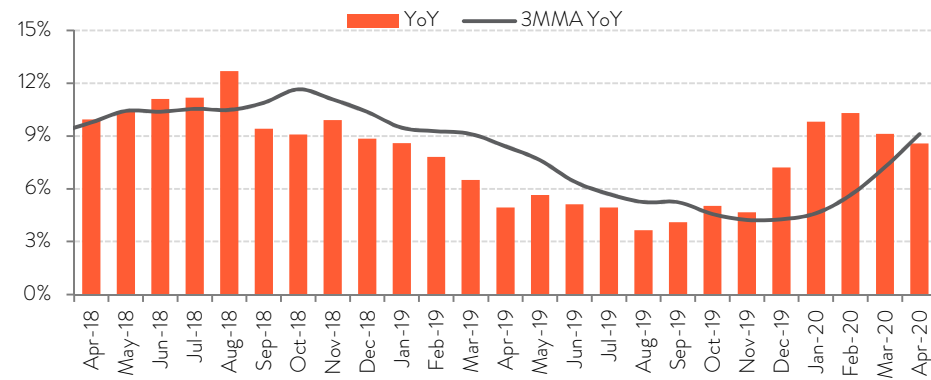
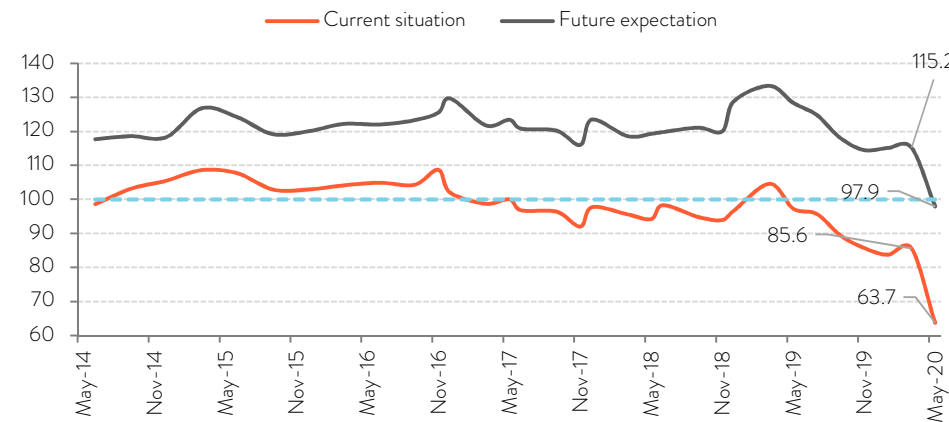
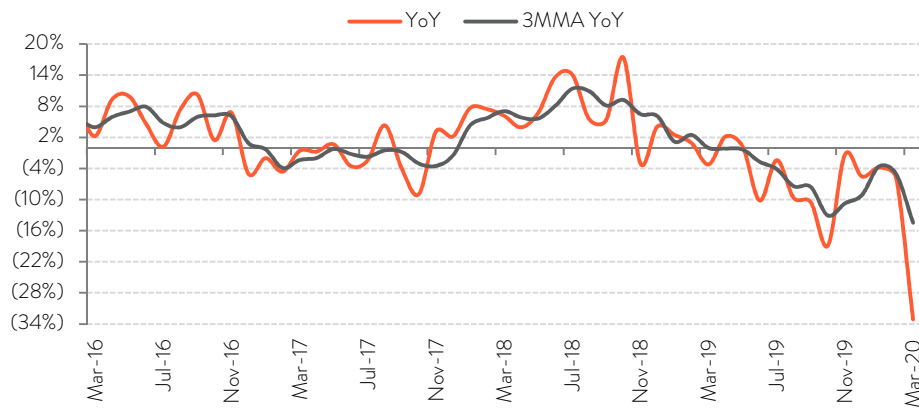


FIG 12 – CONSUMER CONFIDENCE DROPS SIGNIFICANTLY

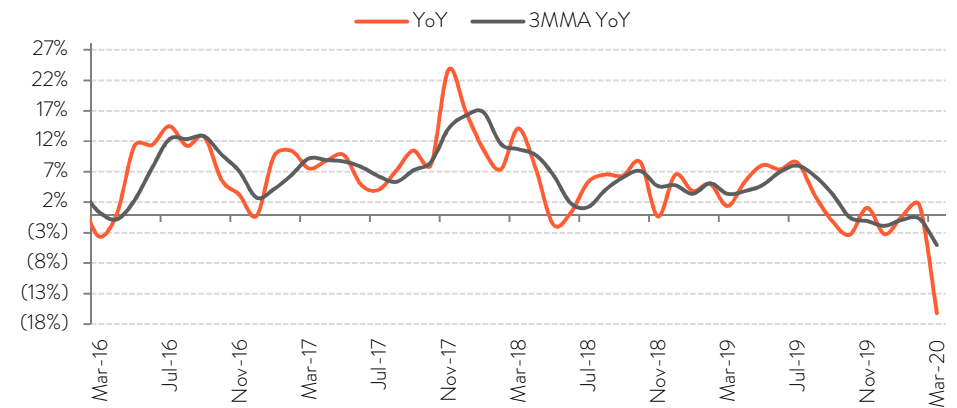


### Consumer durables & non-durables production

**FIG 13 – CONSUMER DURABLES OUTPUT SLUMPS**

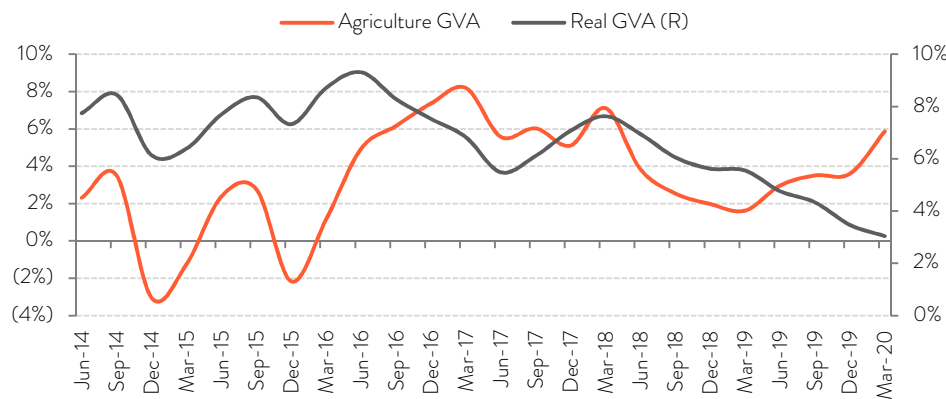


**FIG 14 – ...SIMILAR CASE FOR FMCG OUTPUT**



### Agriculture

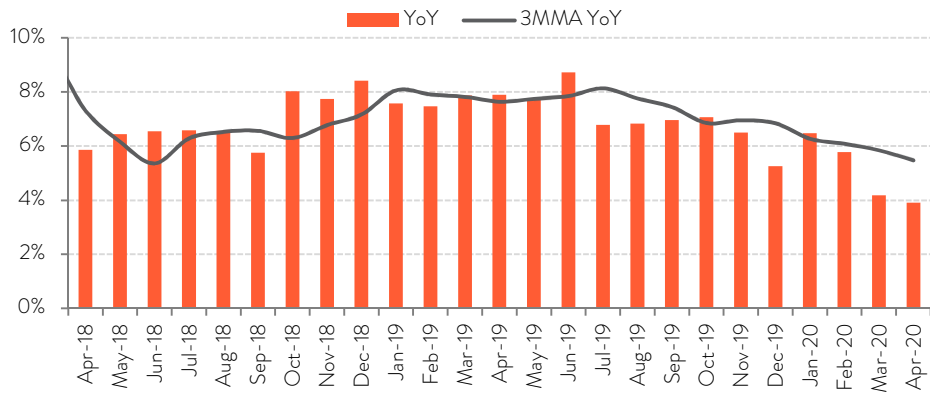
**FIG 15 – AGRICULTURE GROWTH ROSE BY 5.9% IN Q4FY20**



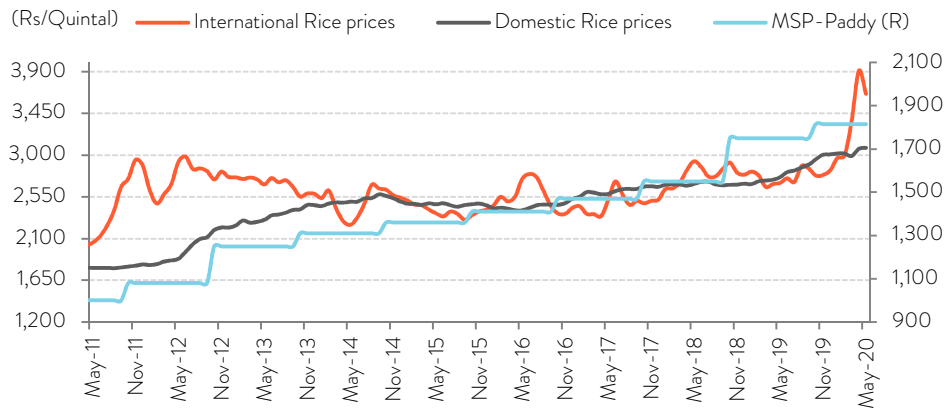
**FIG 16 – HIGHER PRODUCTION OF FOODGRAINS AS PER 3<sup>RD</sup> AE**

Growth (% YoY)	2016	2017	2018	2019
Rice	5.1	2.79	3.3	1.3
Wheat	6.7	1.4	3.7	3.5
Pulses	41.5	9.9	(13.1)	4.2
Cereals	7.1	3.0	1.4	3.6
Foodgrain Production	9.4	3.6	0.1	3.7
Sugarcane	(12.2)	24.1	6.7	(11.7)
Oilseeds	23.9	0.6	0.2	6.3
Cotton	8.6	0.7	(14.5)	28.6

**FIG 17 – GROWTH IN AGRICULTURE CREDIT MODERATES**



**FIG 19 – INTERNATIONAL PRICE OF RICE IS EASING; DOMESTIC PRICE IS RISING**



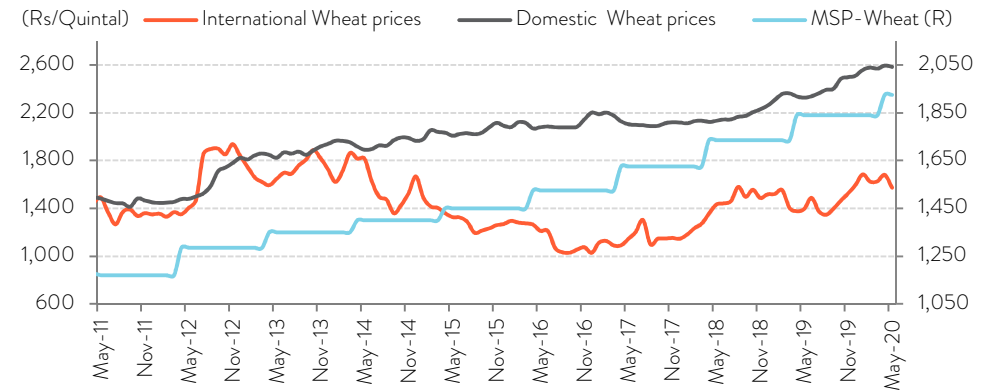
Source: World Bank

**FIG 18 – PROCUREMENT INCREASING LED BY RICE**

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	44.39
2019-20	34.13	42.64*
2020-21	12.95*	

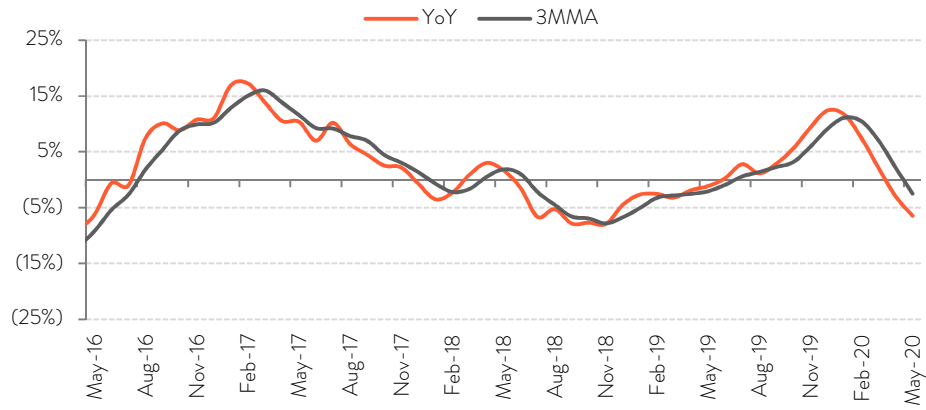
Source: Ministry of Consumer Affairs, Food and Public Distribution | \*As on: 30 Apr 2020

**FIG 20 – BOTH DOMESTIC AND INTERNATIONAL PRICES HAVE BEEN MODERATING**

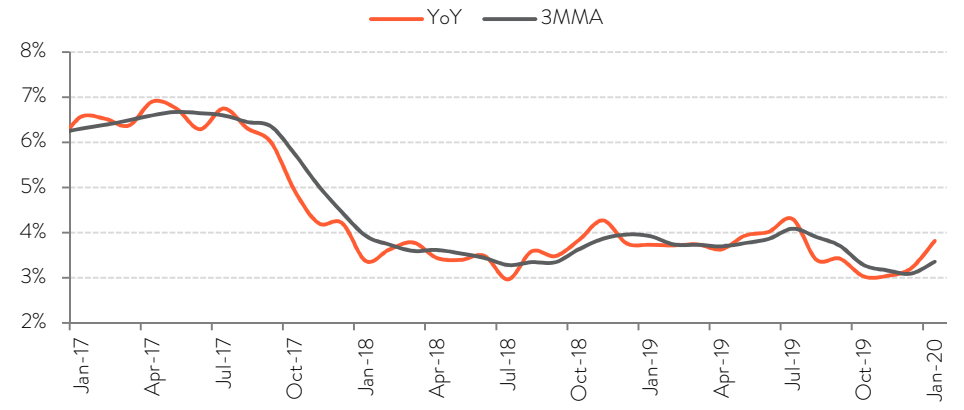


Source: World Bank

**FIG 21 – GLOBAL FOOD PRICES CONTINUE TO EDGE DOWNWARDS**



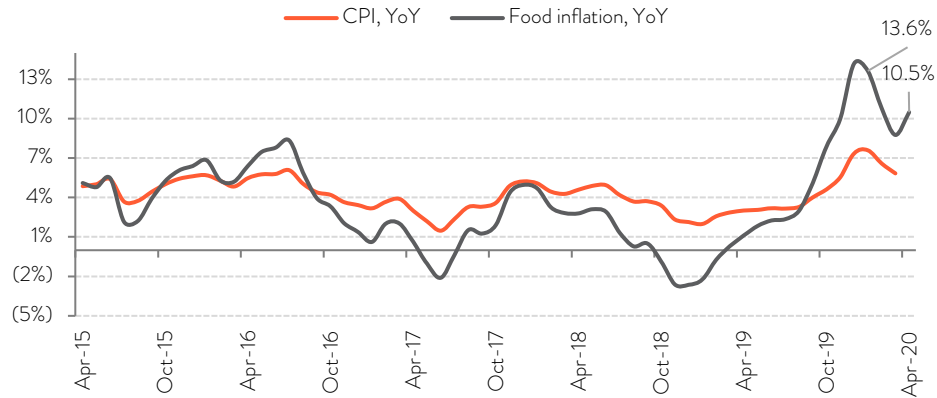
**FIG 22 – RURAL WAGES (MEN) REMAIN STEADY**



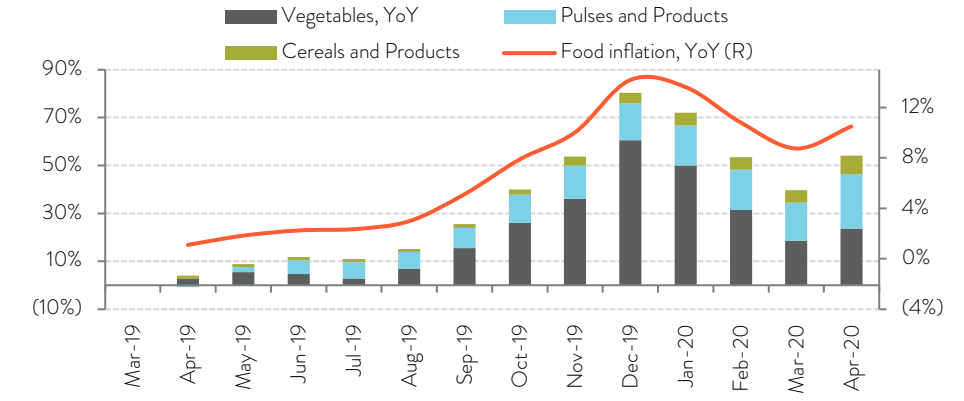


## Inflation

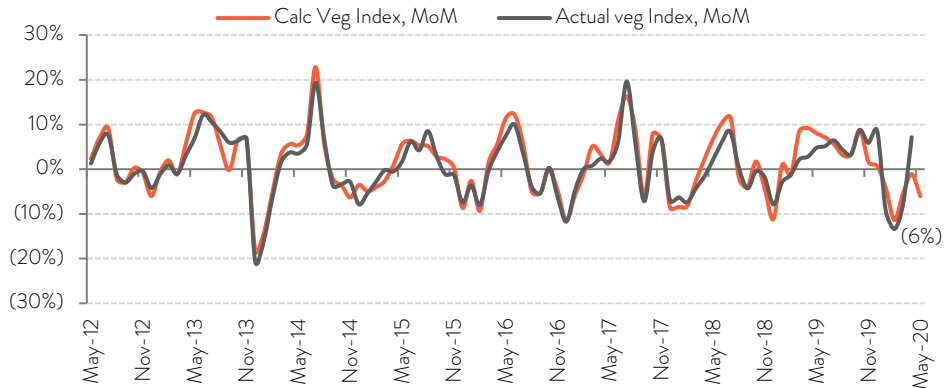
**FIG 23 – RETAIL INFLATION PRINT WAS NOT AVAILABLE IN APR'20 DUE TO LACK OF DATA FOR CORE CATEGORIES**



**FIG 24 – ...HOWEVER, FOOD INFLATION INCHED UP TO 10.5% (8.8% IN MAR'20) LED BY BROAD BASE INCREASE DUE TO SUPPLY DISRUPTION**

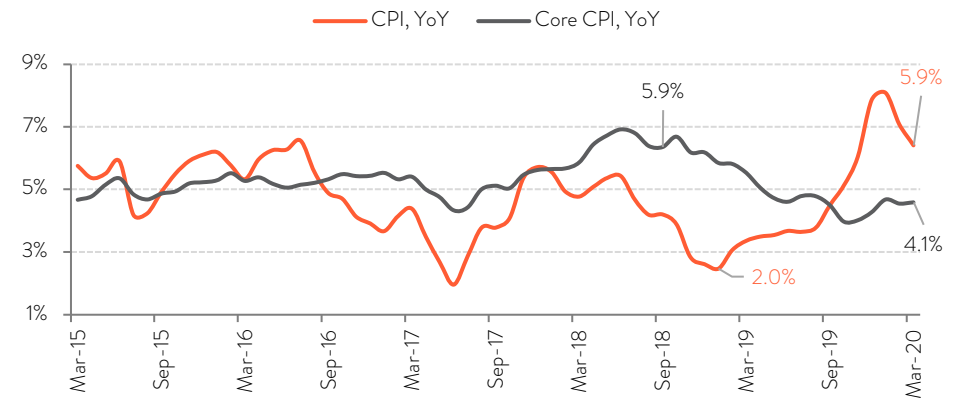


**FIG 25 – VEGETABLE INFLATION IS SEEN FALLING IN MAY'20**

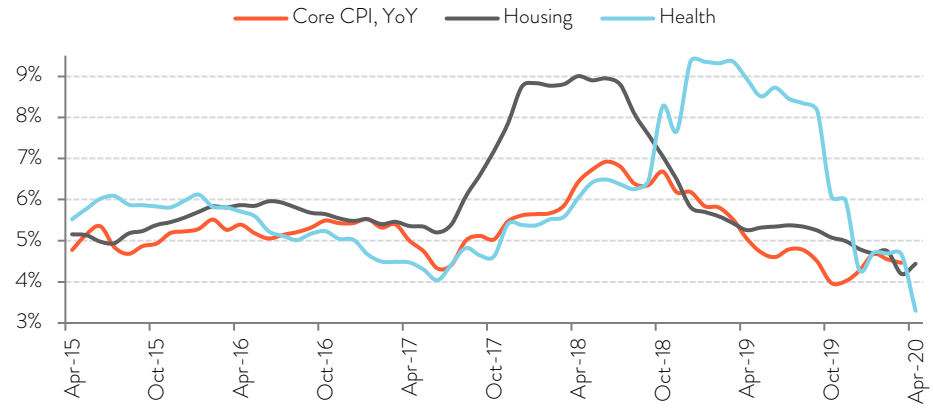


Note: \*Vegetable index computed using average retail price of major items, Apr-20 index is constructed using available prices of potato, tomato and onion

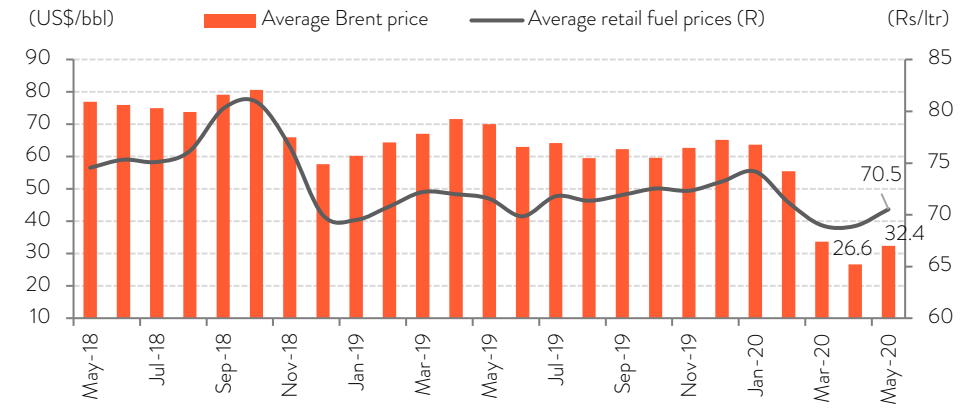
**FIG 26 – CORE INFLATION WAS STABLE AT 4.1% IN MAR'20**



**FIG 27 – CORE PRINT WAS NOT AVAILABLE, ONLY HEALTH AND HOUSING INFLATION DATA WAS THERE WHICH SHOWED DIVERGENT TREND**

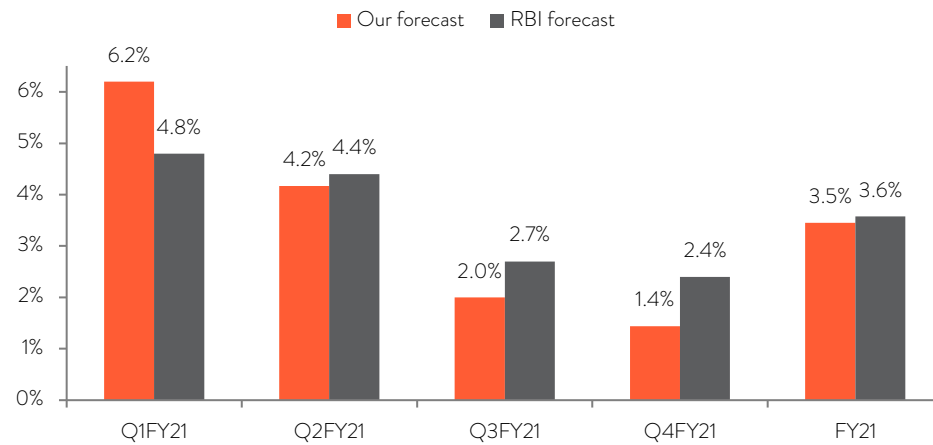


**FIG 28 – IN MAY'20, RETAIL FUEL PRICES ROSE TO RS 70.5/LT (RS 69/LT- APR'20) IN LINE WITH CRUDE (US\$ 32/BBL FROM US\$ 27/BBL- APR'20)**

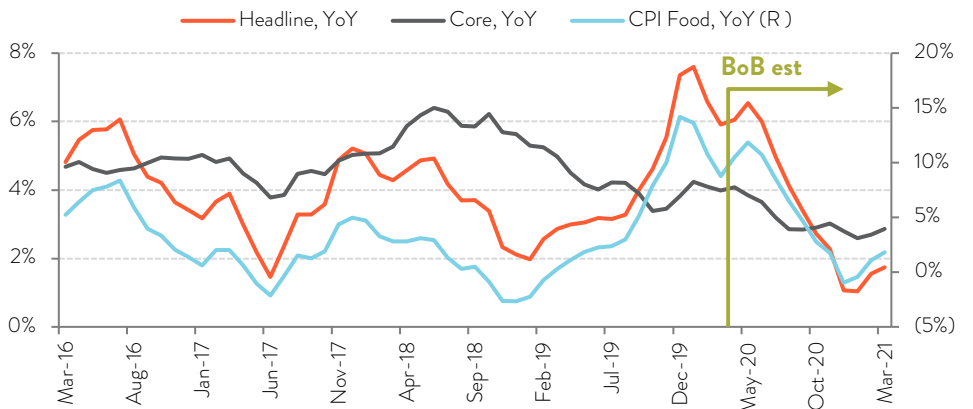


Note: \*Average retail price of Delhi, Kolkata, Mumbai and Chennai

**FIG 29 – RBI'S & OUR INFLATION ESTIMATE IS BROADLY IN LINE SUGGESTING INFLATION TO INCH DOWN SHARPLY IN H2FY21**

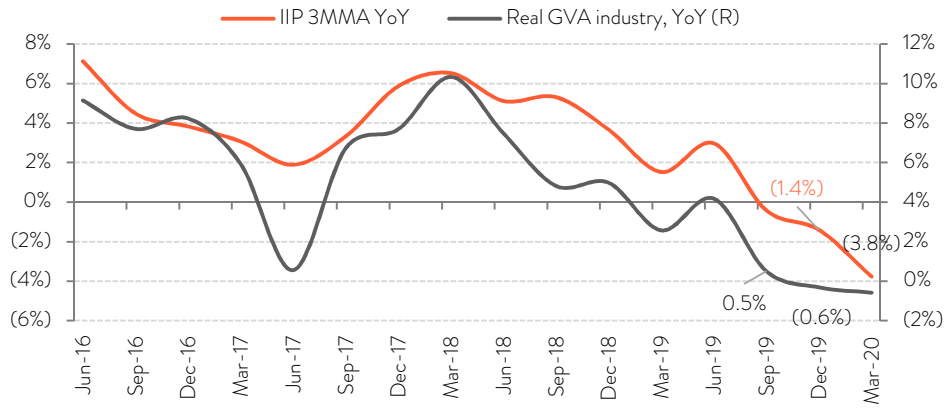


**FIG 30 – LED BY SHARPLY MODERATION IN FOOD INFLATION**

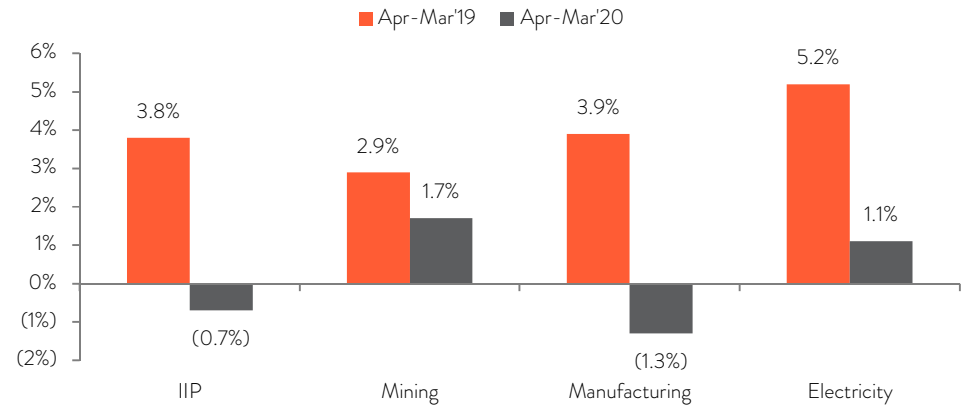


## Industry

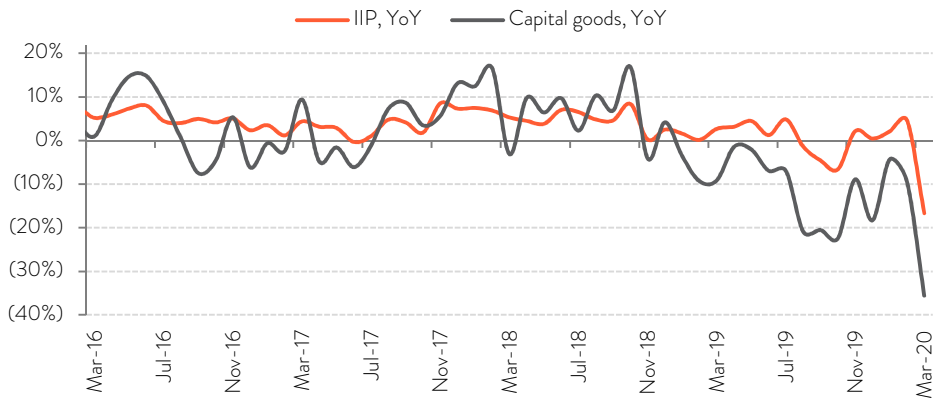
**FIG 31 – INDUSTRIAL OUTPUT CONTRACTS SHARPLY**



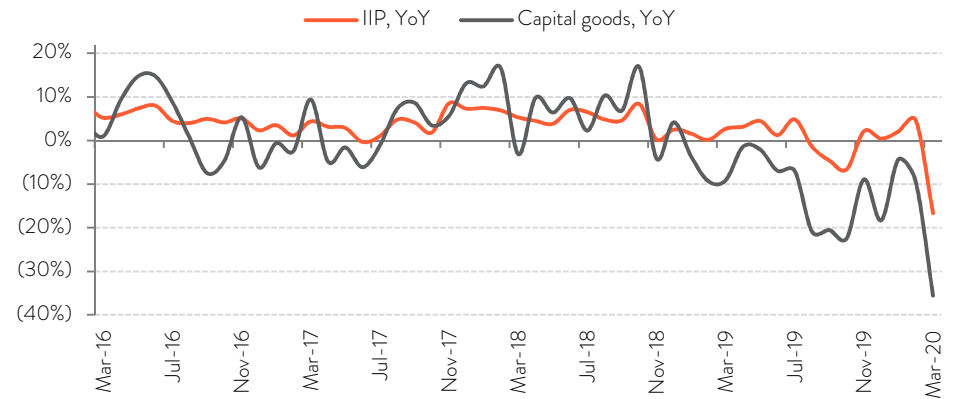
**FIG 32 – IIP CONTRACTED TO 0.7% IN FY20**



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



**FIG 34 – INFRA GOODS TOO DOING THE SAME**

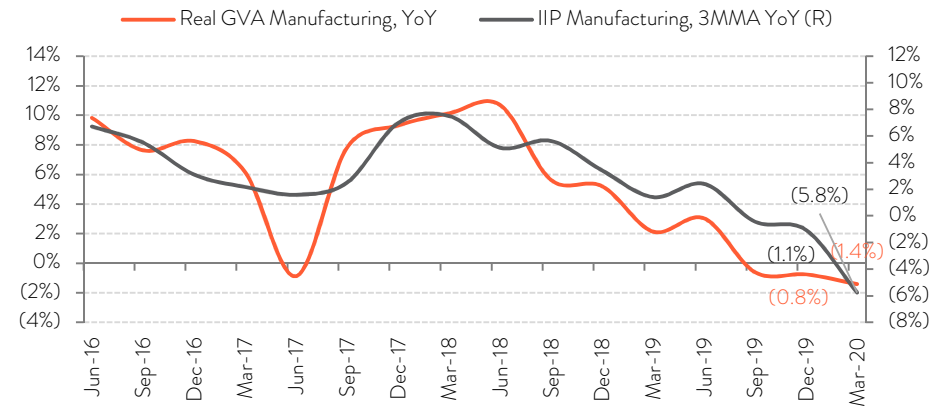


**FIG 35 – INDUSTRIAL PRODUCTION DECLINES SHARPLY IN MAR'20**

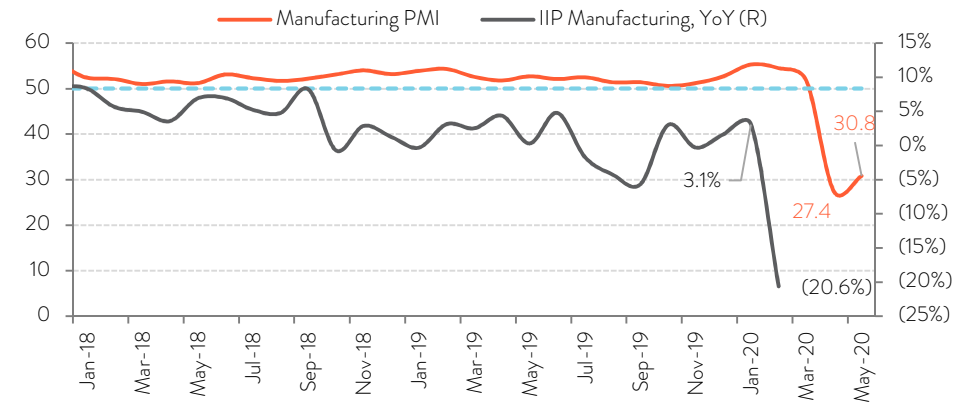
Sectoral (%)	Weight	Mar-20	Feb-20	Mar-19	Apr-Mar'20	Apr-Mar'19
IIP	100.0	(16.7)	4.6	2.7	(0.7)	3.8
Mining	14.4	0.0	9.7	0.8	1.7	2.9
Manufacturing	77.6	(20.6)	3.1	3.1	(1.3)	3.9
Electricity	8.0	(6.8)	11.5	2.2	1.1	5.2
<b>Use-Based</b>						
Primary Goods	34.1	(3.1)	8.3	2.6	0.8	3.5
Capital Goods	8.2	(35.6)	(9.5)	(9.1)	(13.7)	2.7
Intermediate Goods	17.2	(18.5)	19.4	12.4	8.8	0.9
Infrastructure and Construction Goods	12.3	(23.8)	(0.1)	5.1	(4.0)	7.3
Consumer Durables Goods	12.8	(33.1)	(5.8)	(3.2)	(8.4)	5.5
Consumer Non-Durables Goods	15.3	(16.2)	1.5	1.4	0.5	4.0

## Manufacturing

**FIG 36 – MANUFACTURING OUTPUT MODERATES**



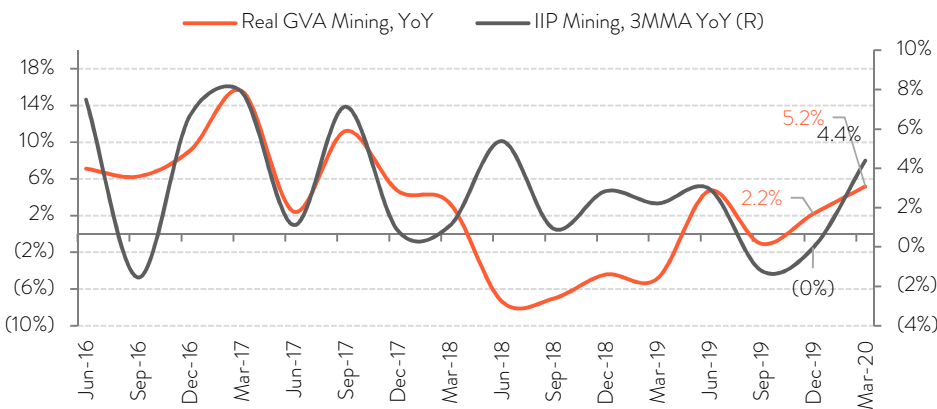
**FIG 37 – MANUFACTURING PMI IMPROVES MARGINALLY**



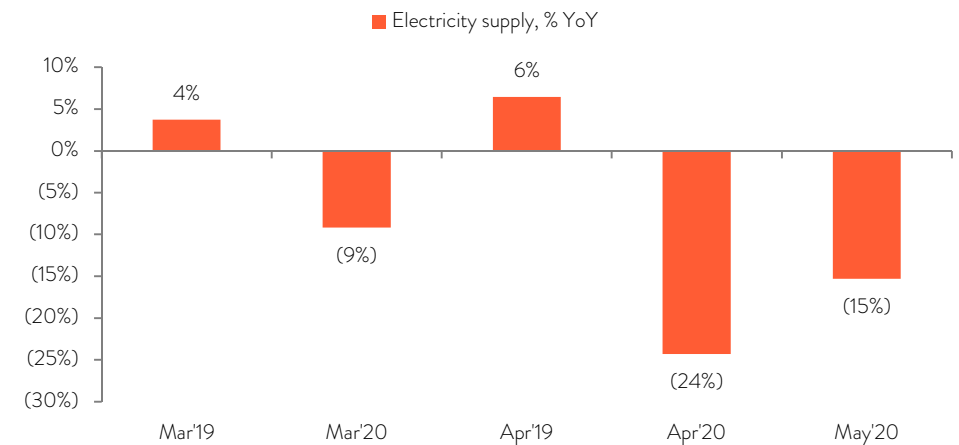
Source: Markit

## Mining & Electricity

**FIG 38 – MINING ACTIVITY IMPROVES IN Q4FY20...**

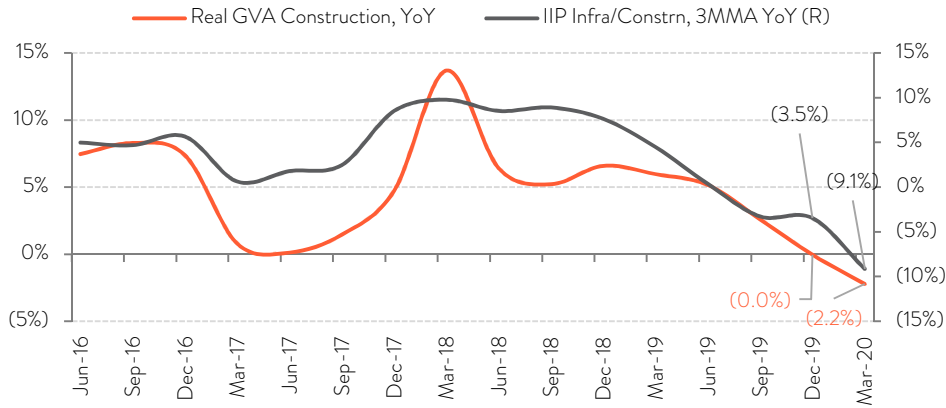


**FIG 39 – ELECTRICITY OUTPUT DECLINING AT A SLOWER PACE IN MAY'20**

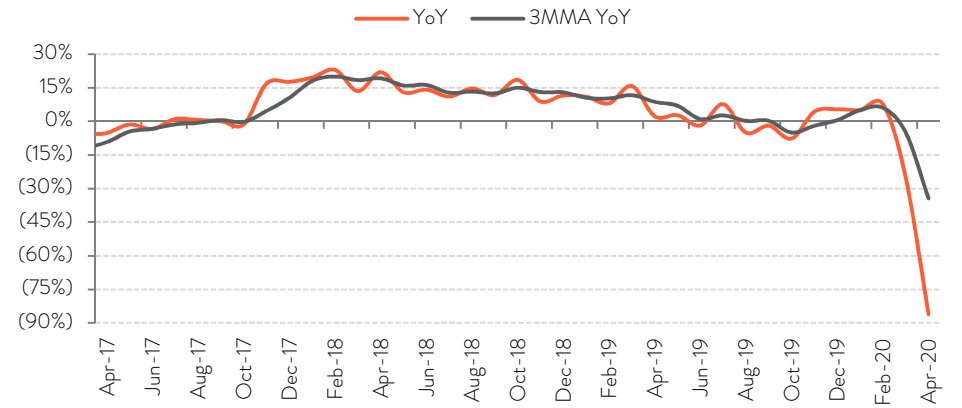


### Infrastructure and Construction

**FIG 40 – GROWTH IN CONSTRUCTION SLUMPS**

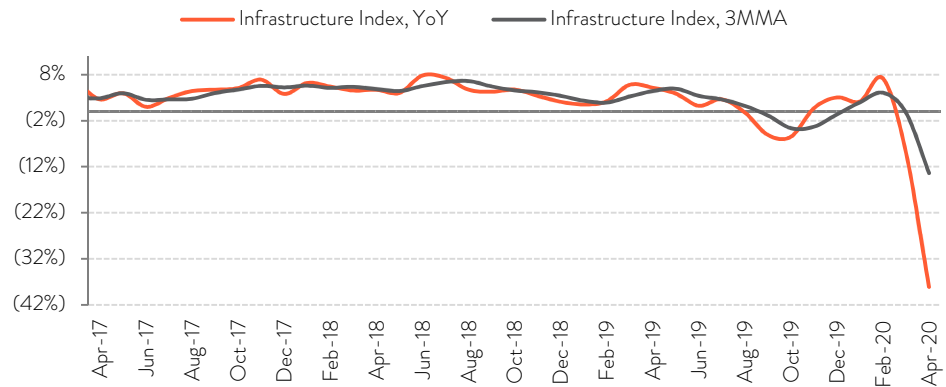


**FIG 41 – CEMENT PRODUCTION FALLS IN APR'20**

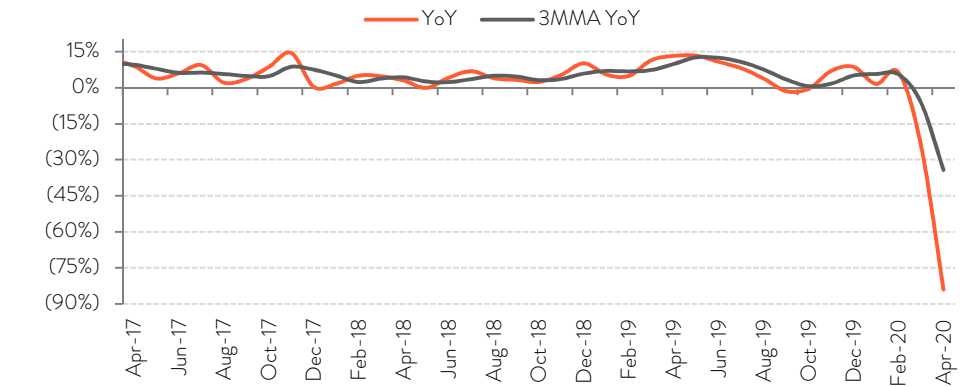


### Infrastructure Index

**FIG 42 – INFRA INDEX DECLINES SHARPLY**

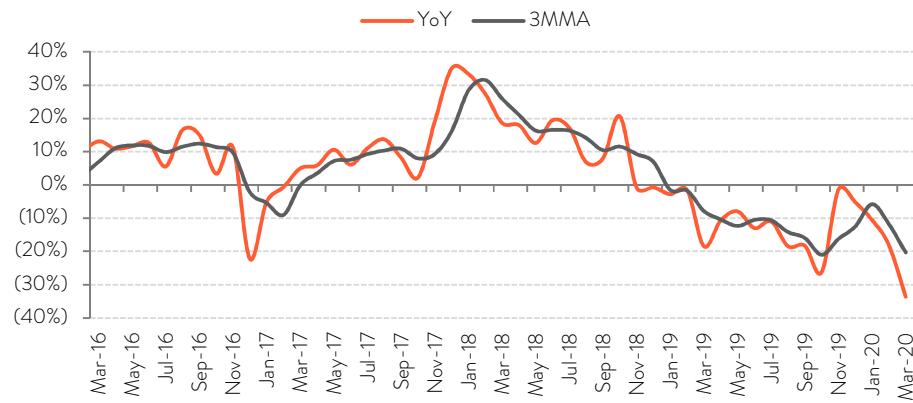


**FIG 43 – STEEL PRODUCTION PLUMMETS**

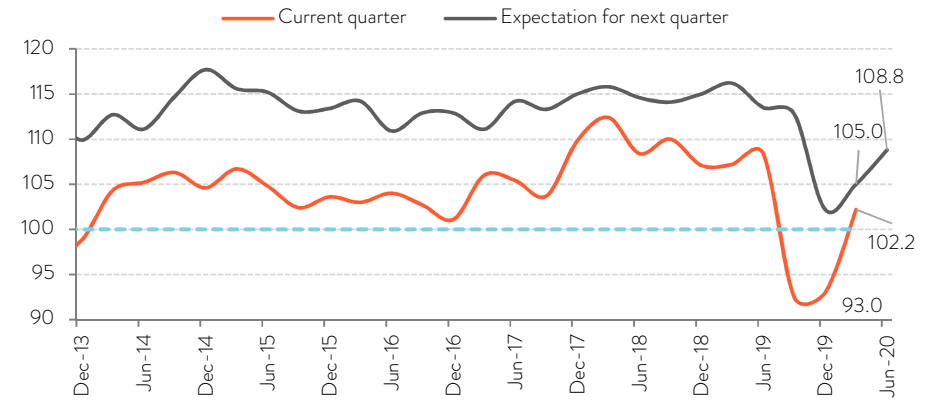


## Auto production & Business expectation index

**FIG 44 – AUTO PRODUCTION DECLINES FURTHER**



**FIG 45 – BUSINESS SENTIMENT EXPECTED TO IMPROVE IN Q1FY21**

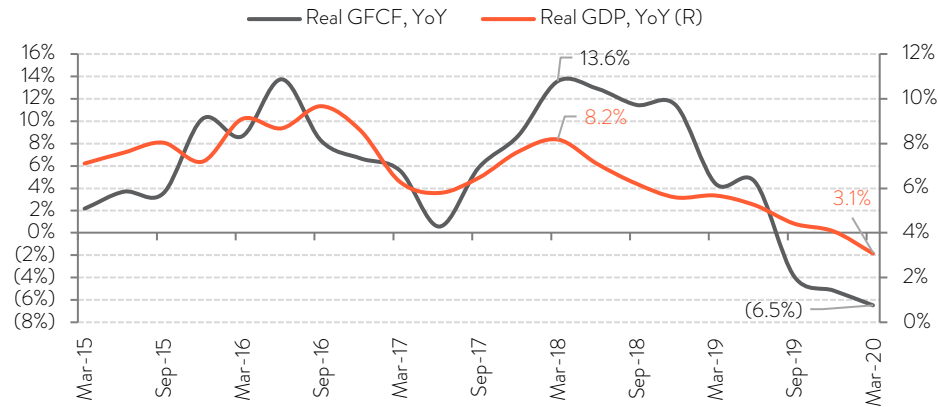


**FIG 46 – INFRASTRUCTURE INDEX SHRINKS TO A RECORD LOW**

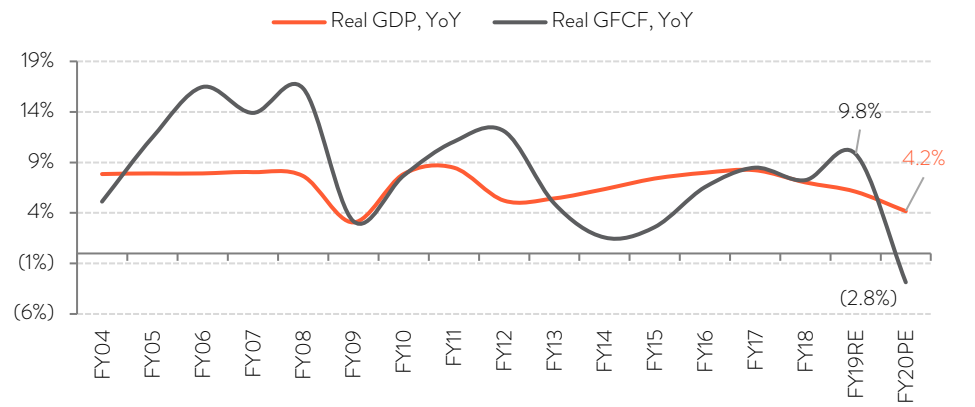
(%)	Weight	Apr-20	Mar-20	Apr-19	Apr-Mar'20	Apr-Mar'19
Infrastructure Index	100	(38.1)	(9.0)	5.2	0.4	4.4
Coal	10.3	(15.5)	4.0	3.2	(0.4)	7.4
Crude Oil	9.0	(6.4)	(5.5)	(6.7)	(5.9)	(4.1)
Natural Gas	6.9	(19.9)	(15.1)	(0.8)	(5.6)	0.8
Petroleum Refinery Products	28.0	(24.2)	(0.5)	4.3	0.2	3.1
Fertilizers	2.6	(4.5)	(11.9)	(4.4)	2.7	0.3
Steel	17.9	(83.9)	(24.1)	13.3	3.4	5.1
Cement	5.4	(86)	(25.1)	2.3	(0.9)	13.3
Electricity	19.9	(22.8)	(8.2)	5.9	1.0	5.2

## Investment

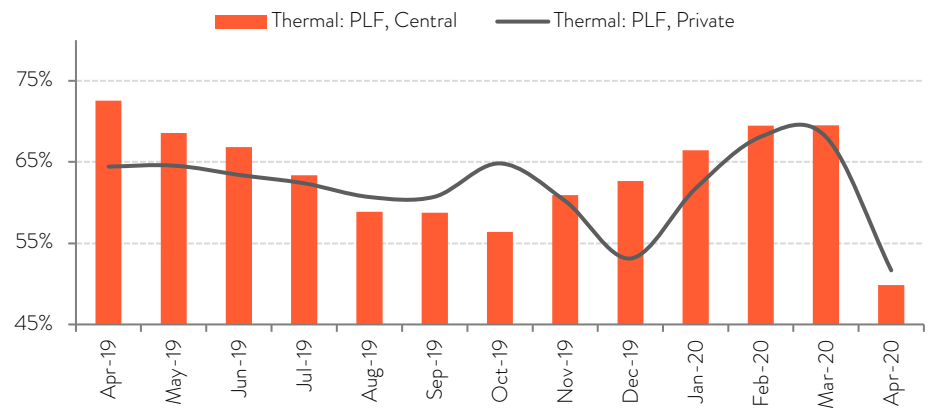
**FIG 47 – REAL GFCF CONTRACTED TO ITS LOWEST IN THE 2011-12 SERIES TO 6.5% IN Q4FY20 VS 5.1% DECLINE IN Q3FY20**



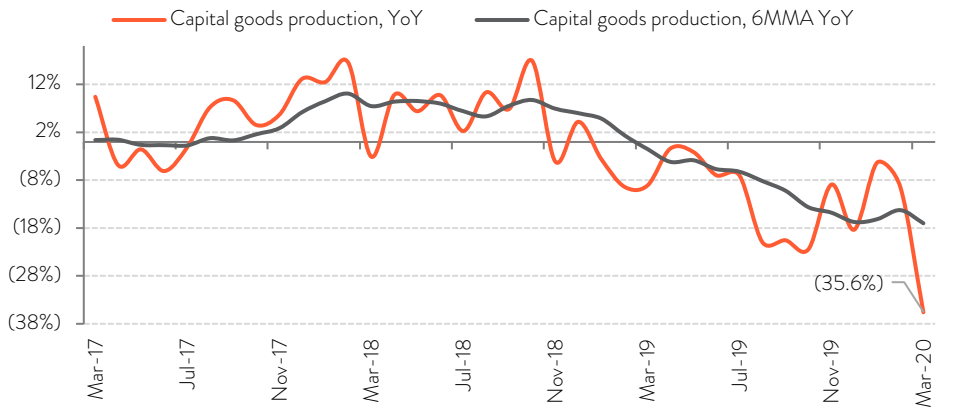
**FIG 48 – ...IN FY20 AS WELL, REAL GFCF SHOWED SHARP CONTRACTION OF 2.8% , GDP GROWTH ALSO DECELERATED TO 4.2%**



**FIG 49 – PLF OF THERMAL PLANTS HAS FALLEN SHARPLY IN APR'20 INDICATING FALLING CAPACITY UTILISATION AMIDST LOCKDOWN**

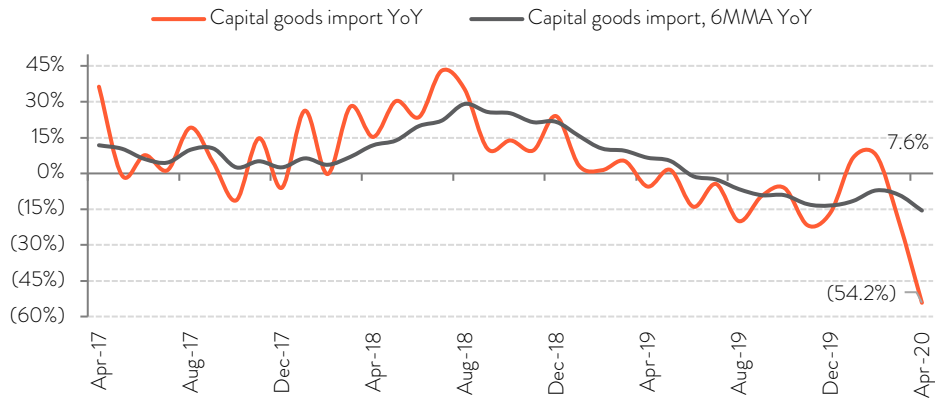


**FIG 50 – CAPITAL GOODS PRODUCTION FELL SHARPLY TO ITS LOWEST IN THE CURRENT SERIES TO 35.6% IN MAR'20 (9.5% DECLINE IN FEB'20)**

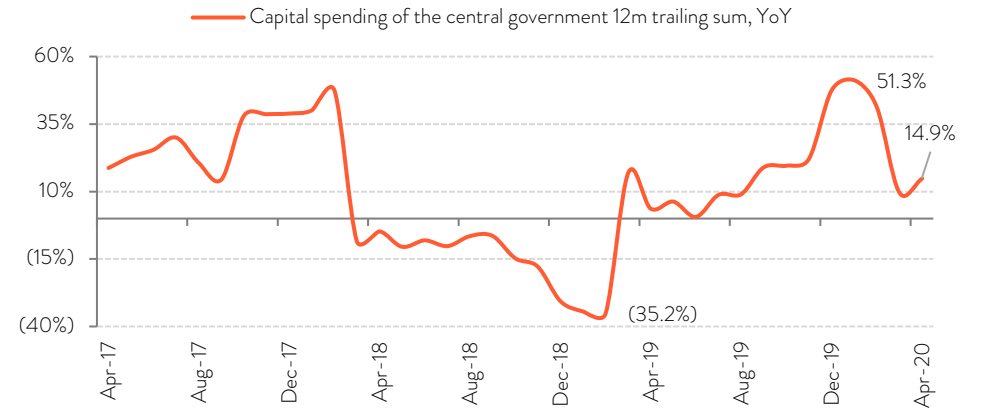




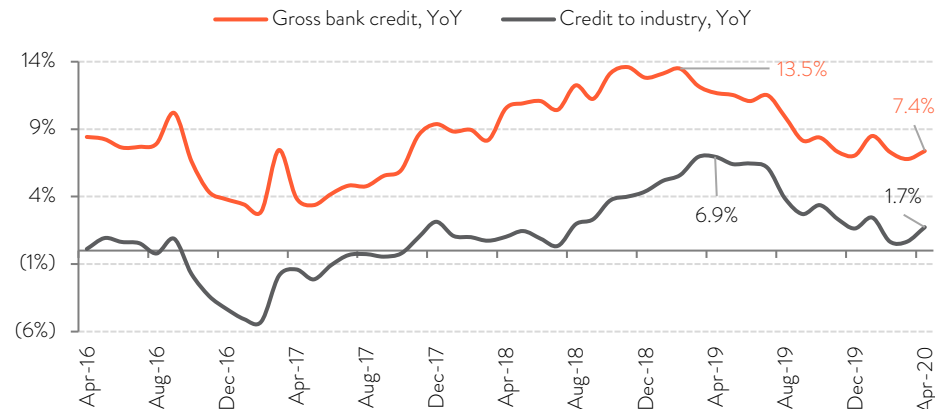
**FIG 51 – CAPITAL GOODS IMPORTS ALSO FELL SHARPLY BY 54% IN APR'20 (20% DECLINE IN MAR'20)-LOWEST IN THE CURRENT SERIES AS WELL**



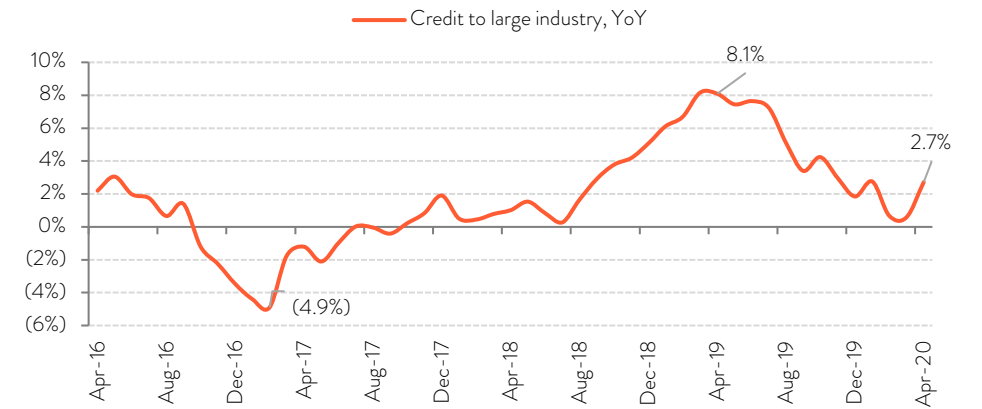
**FIG 52 – CENTRE'S CAPEX SPENDING PICKED UP TO 14.9% IN APR'20 COMPARED WITH 9.7% IN MAR'20**



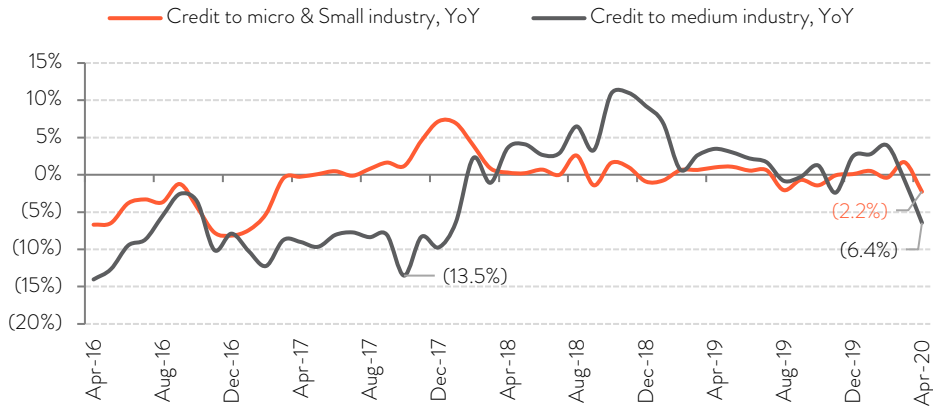
**FIG 53 – INDUSTRY CREDIT GROWTH PICKED UP TO 1.7% IN APR'20 FROM 0.7% IN MAR'20**



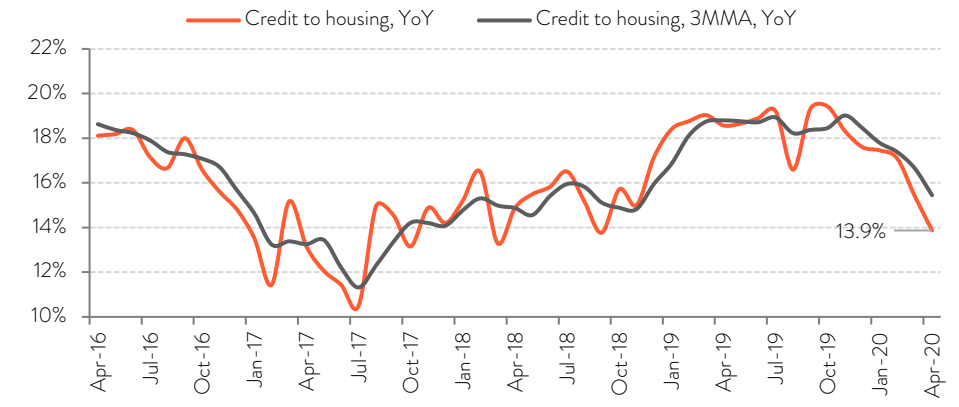
**FIG 54 – LED BY HIGHER CREDIT OFFTAKE TO LARGE INDUSTRY (2.7% AGAINST 0.6% IN MAR'20)**



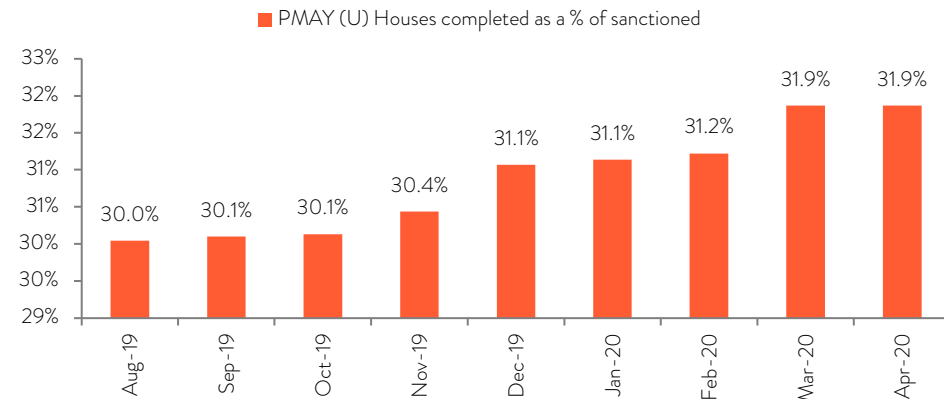
**FIG 55 – HOWEVER, CREDIT TO MICRO, SMALL AND MEDIUM INDUSTRY HAS DECLINED IN APR'20**



**FIG 56 – HOUSING CREDIT DEMAND HAS ALSO MODERATED TO 13.9% IN APR'20 COMPARED WITH 15.4% IN MAR'20**

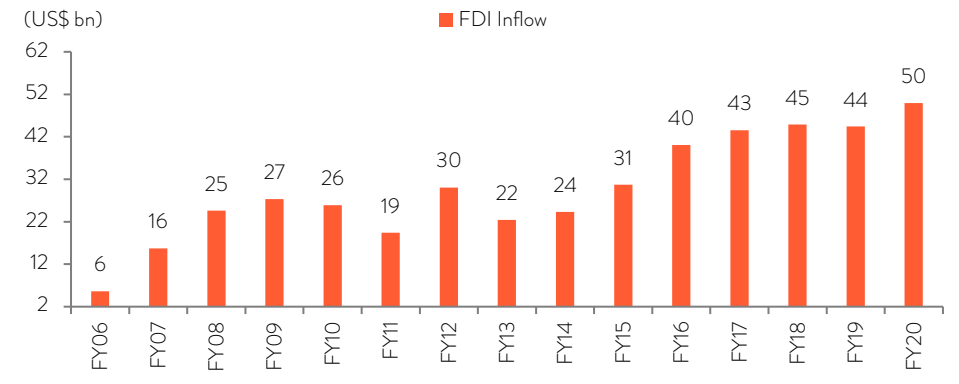


**FIG 57 – AFFORDABLE HOUSING DEMAND WAS STABLE IN APR'20**



Source: MOHUA

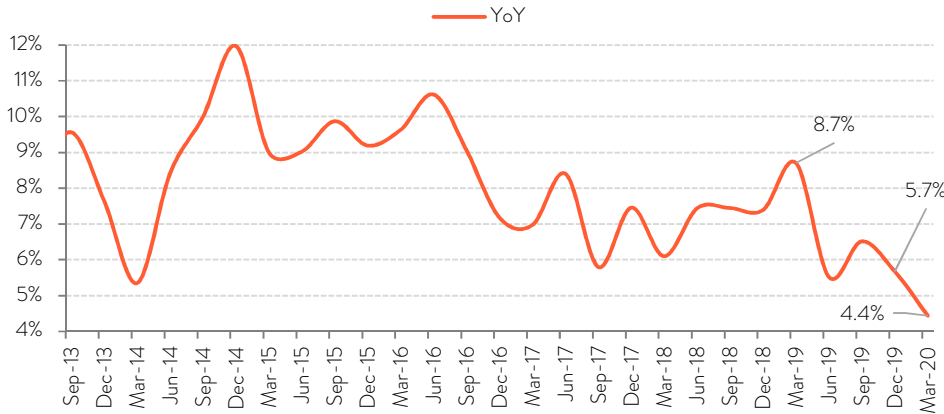
**FIG 58 – FDI INFLOWS IN FY20 PICKED UP TO US\$ 50BN VS US\$ 44BN IN FY19**



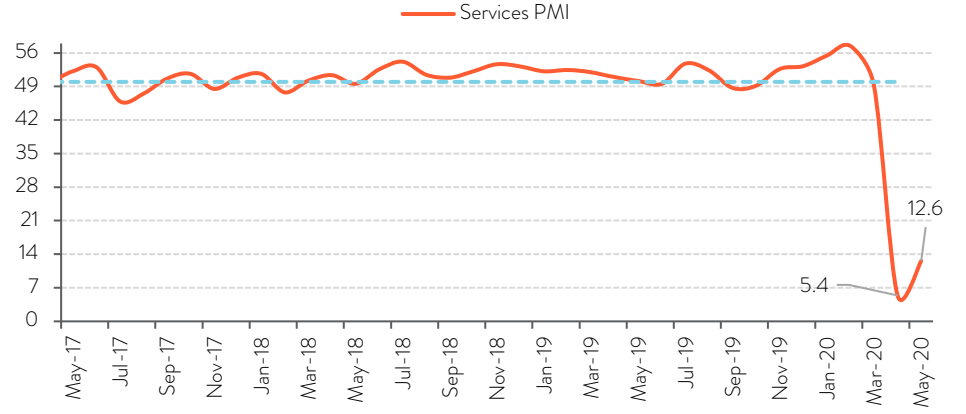
Source: DIPP

## Services sector

**FIG 59 – GVA: SERVICES ACTIVITY SLOWED SHARPLY IN Q4FY20**

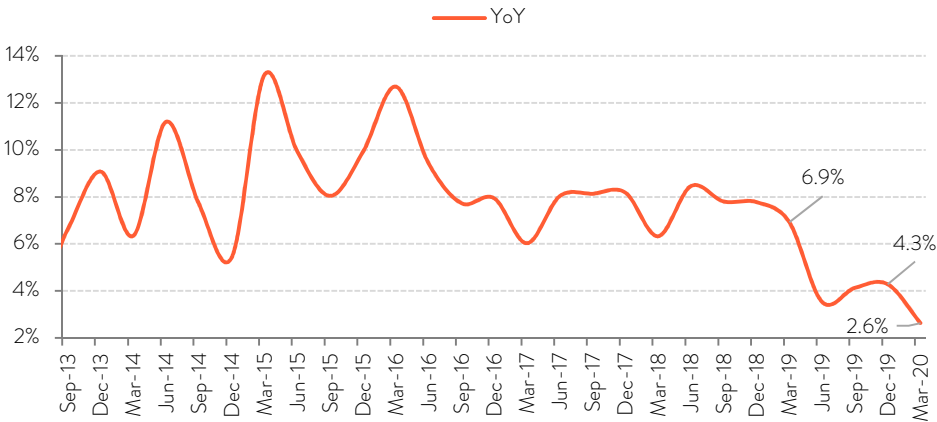


**FIG 60 – STRESS IN SERVICES SECTOR REMAINS, AS SHOWN BY MAY'20 PMI**

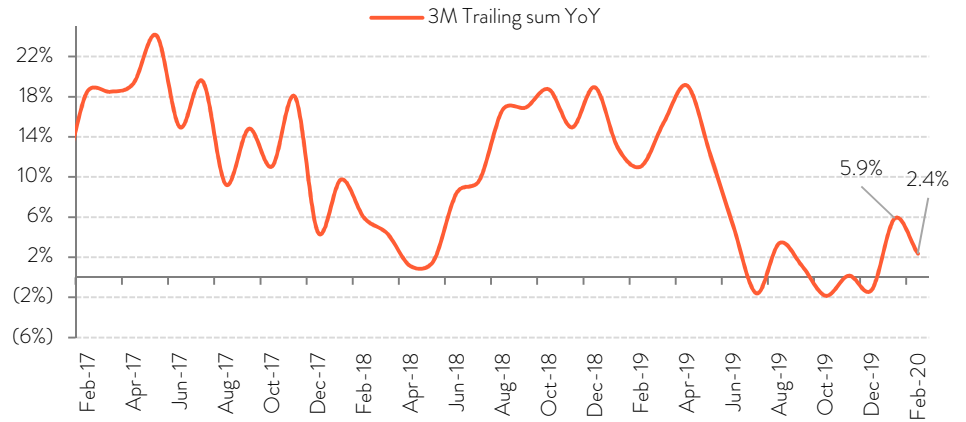


Source: Markit

**FIG 61 – GVA: TRADE & RELATED SERVICES GROWTH REMAINS MUTED**



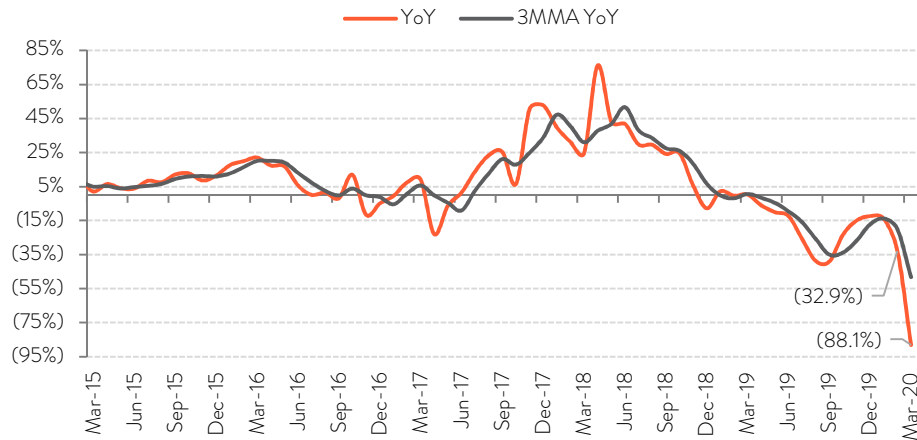
**FIG 62 – STATES\* TAX REVENUE GROWTH SEEN SLIPPING IN FEB'20**



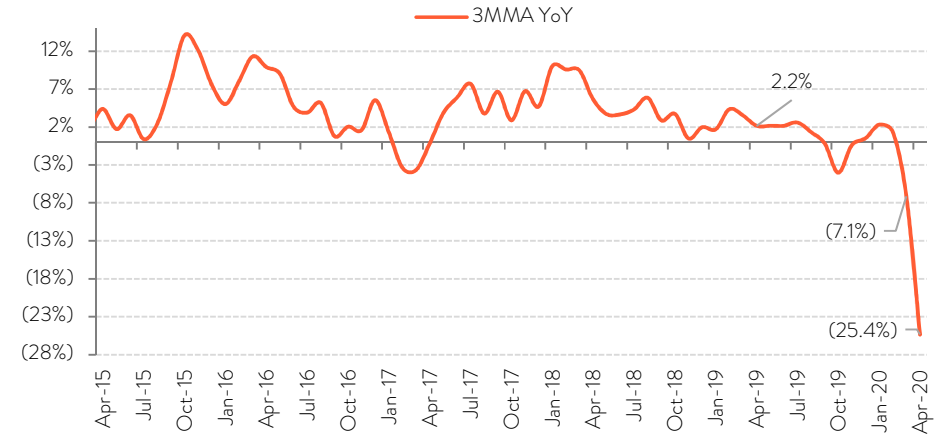
Note: \*All states excluding N.E states, AP, Bihar, Goa, J&K, Karnataka, Maharashtra, TN, and Uttarakhand

Trade

**FIG 63 – COMMERCIAL VEHICLE SALES HIT SEVERELY IN MAR'20**

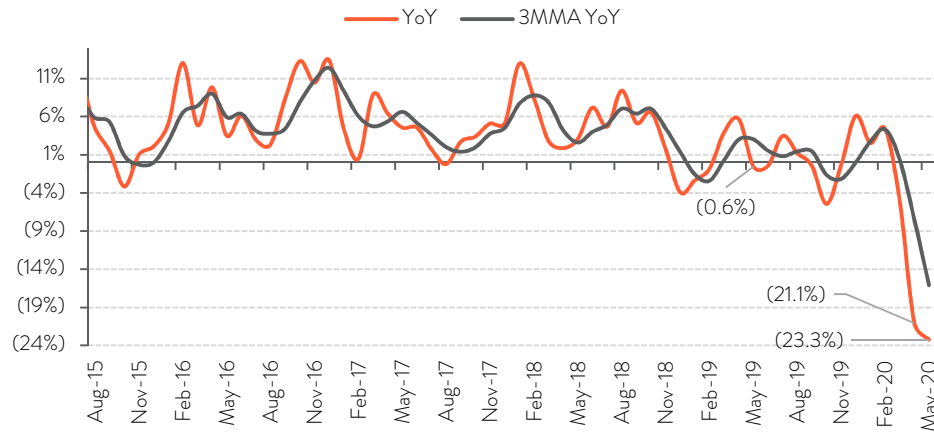


**FIG 64 – DIESEL CONSUMPTION FALLS FURTHER IN APR'20**

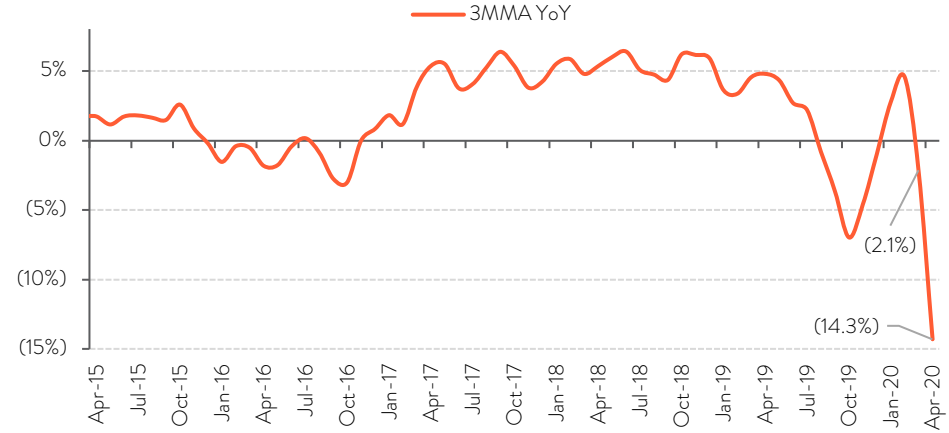


Source: PPAC

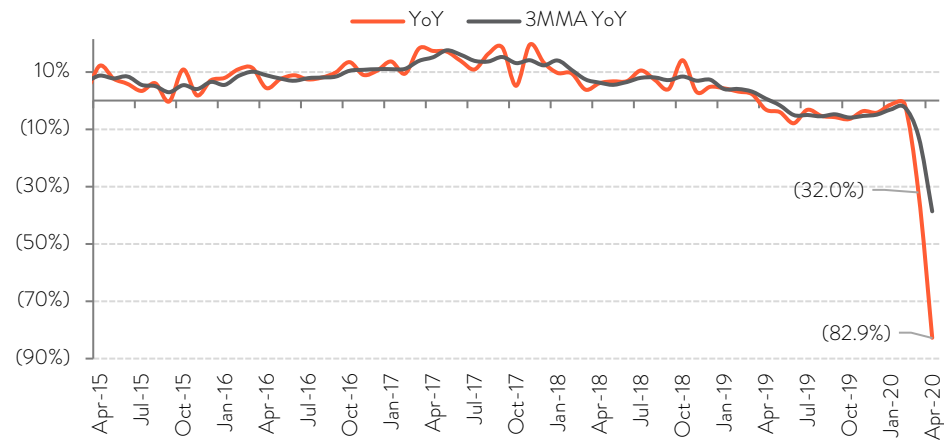
**FIG 65 – PORT CARGO VOLUMES CONTRACT STEEPLY IN MAY'20 AS WELL**



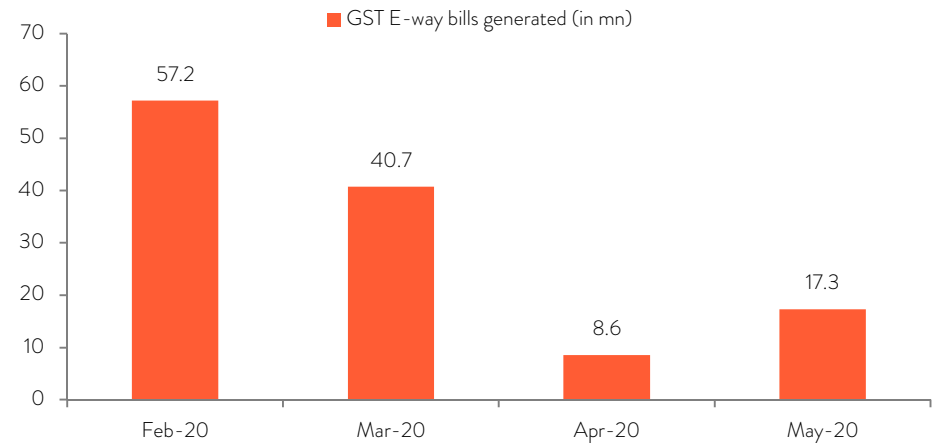
**FIG 66 – RAILWAY FREIGHT TRAFFIC ALSO PLUNGED IN APR'20**



**FIG 67 – AIR CARGO VOLUMES PLUMMET IN APR'20**

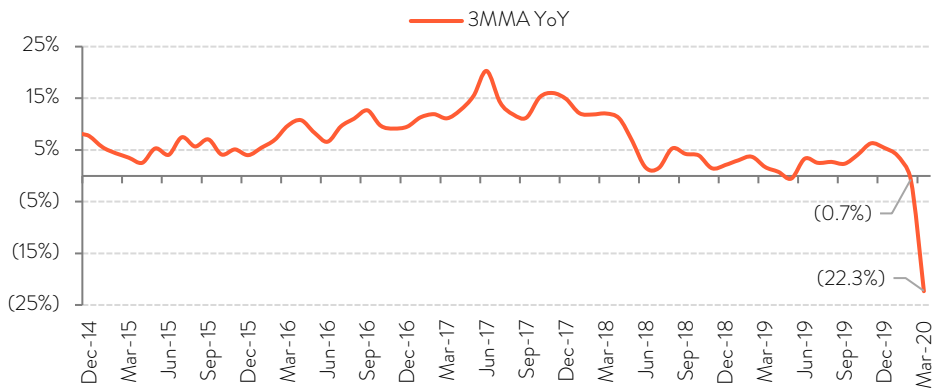


**FIG 68 – E-WAY BILLS SLOWLY RISING, INDICATING RESUMPTION OF ECONOMIC ACTIVITY IN MAY'20**

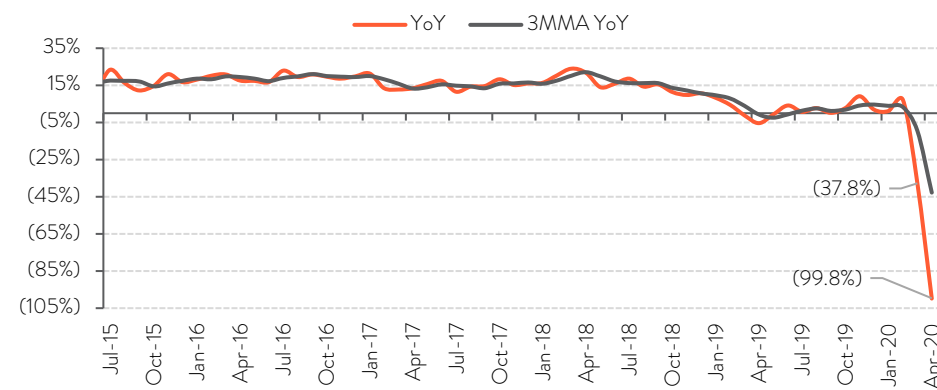


**Hotels and Communications**

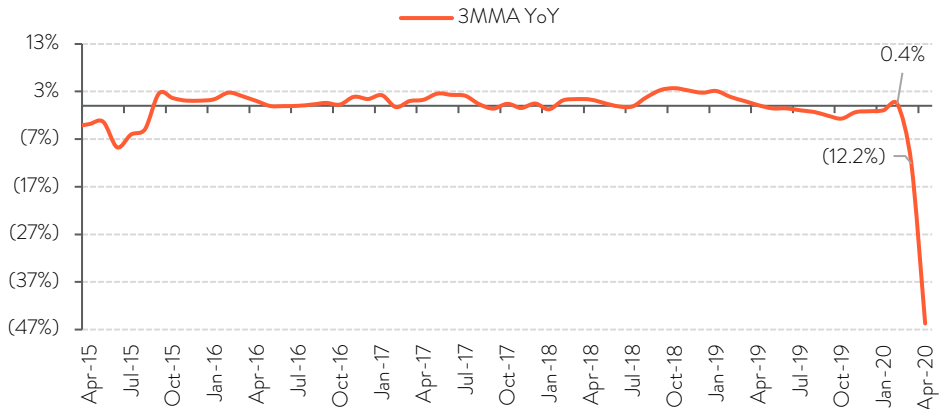
**FIG 69 – FOREIGN TOURIST ARRIVAL GROWTH SLIPPED OWING TO EXTENDED LOCDOWN**



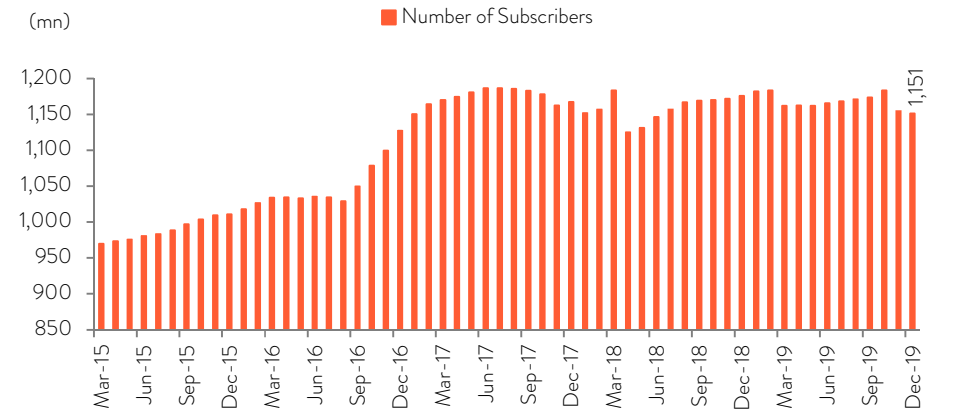
**FIG 70 – ...THUS IMPACTING AIRLINE PASSENGER TRAFFIC GROWTH**



**FIG 71 – RAILWAY PASSENGER TRAFFIC GROWTH FALLS SHARPLY IN APR'20**

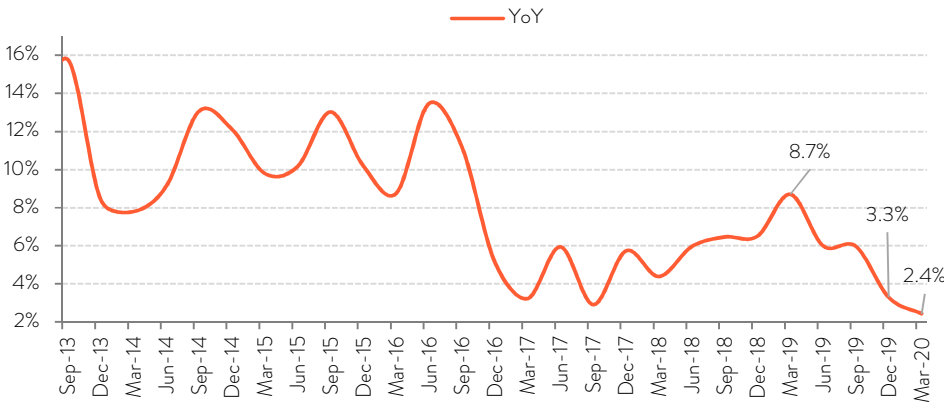


**FIG 72 – WIRELESS SUBSCRIBER BASE SEES DOWNTICK IN DEC'19 TOO**

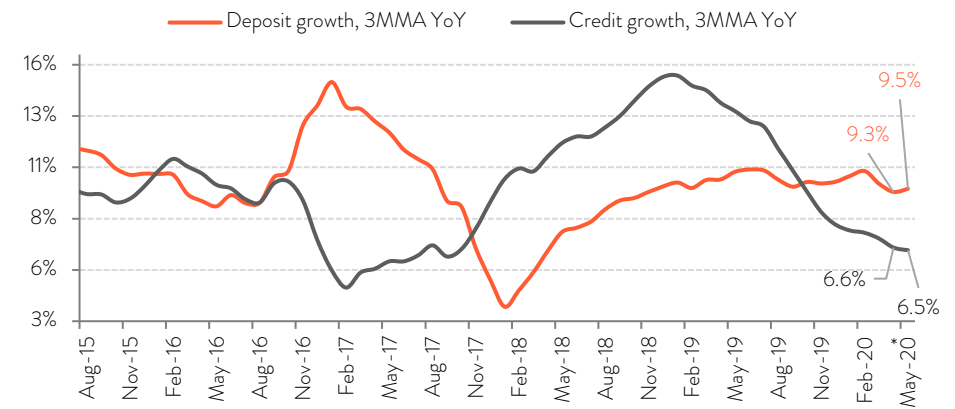


**Finance and Real estate**

**FIG 73 – GROWTH IN GVA: FINANCE, REAL ESTATE & PROF. SERVICES ACTIVITY SLOWED FURTHER IN Q4FY20**

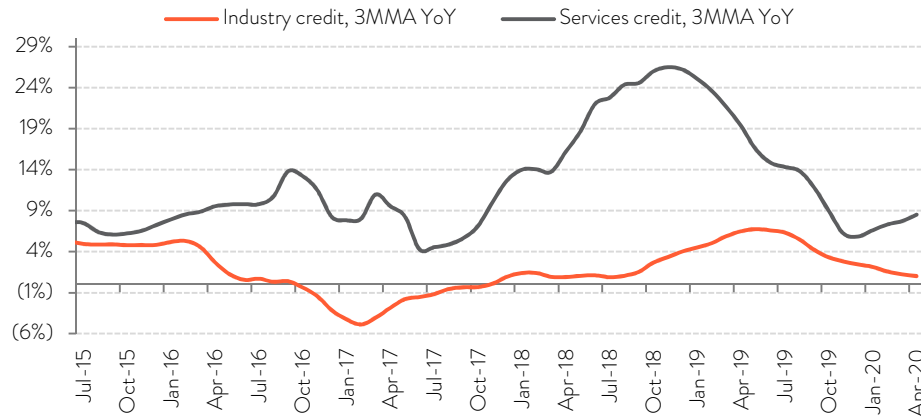


**FIG 74 – CREDIT GROWTH REMAINS LACKLUSTRE; DEPOSIT GROWTH SEEN IMPROVING IN MAY'20**

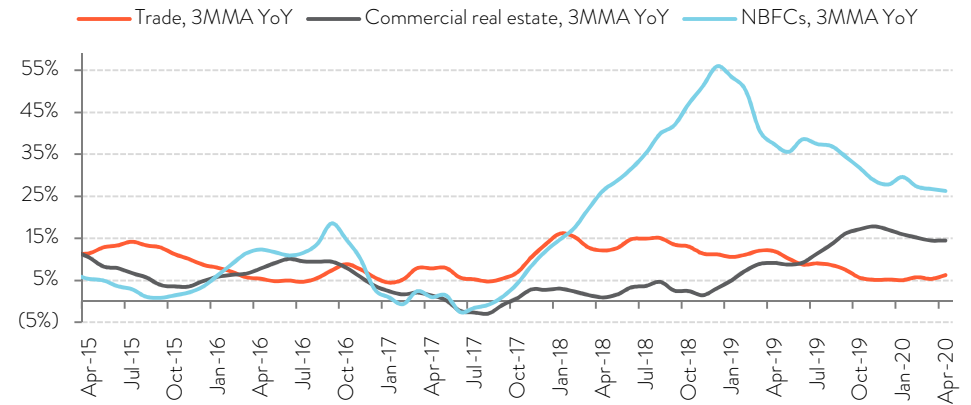


Note: \*May'20 implies fortnight as of 8 May 2020

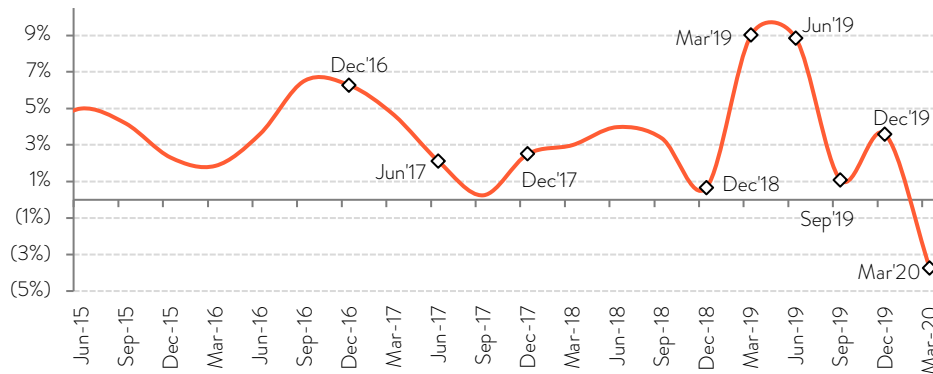
**FIG 75 – CREDIT TO MANUFACTURING SECTOR REMAINED MUTED IN APR'20; CREDIT TO SERVICES SECTOR SEEN INCHING UP...**



**FIG 76 – CREDIT TO NBFCs REMAINS ELEVATED**

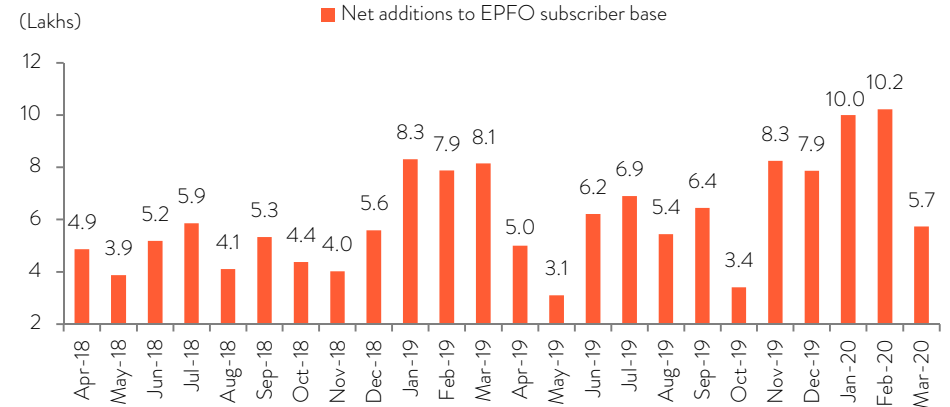


**FIG 77 – AVERAGE PROPERTY PRICE INDEX\* SLUMPS AGAIN IN Q4FY20**



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

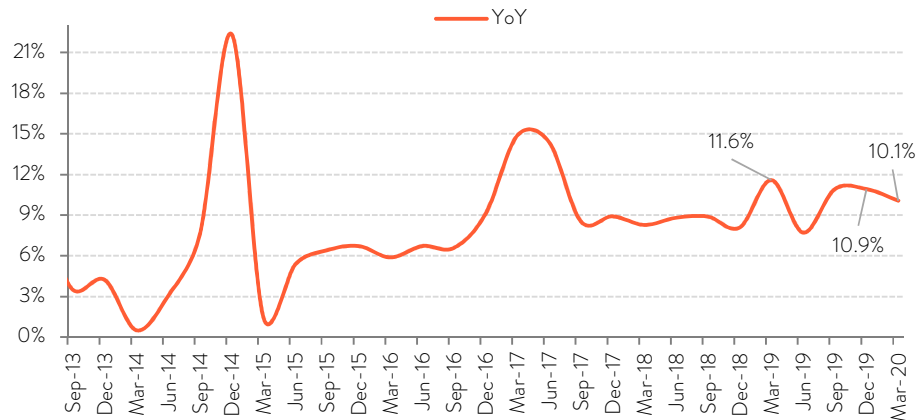
**FIG 78 – NET ADDITIONS TO EPFO SUBSCRIBER DOWN SHARPLY IN MAR'20**



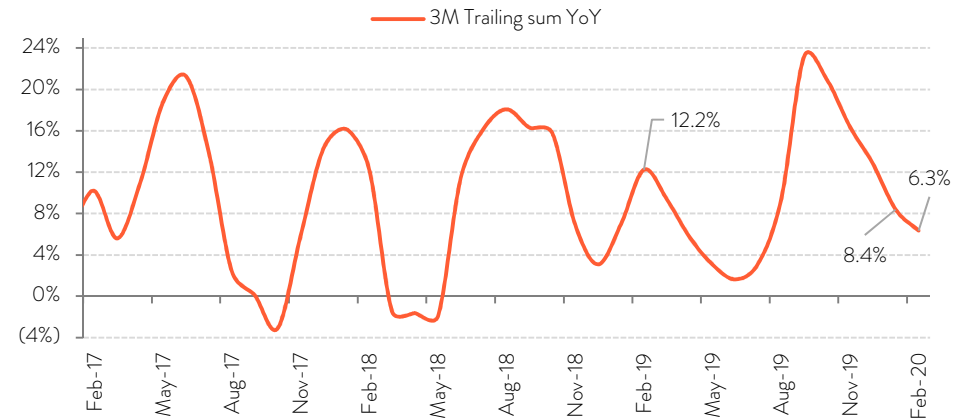
Source: EPFO

Public administration

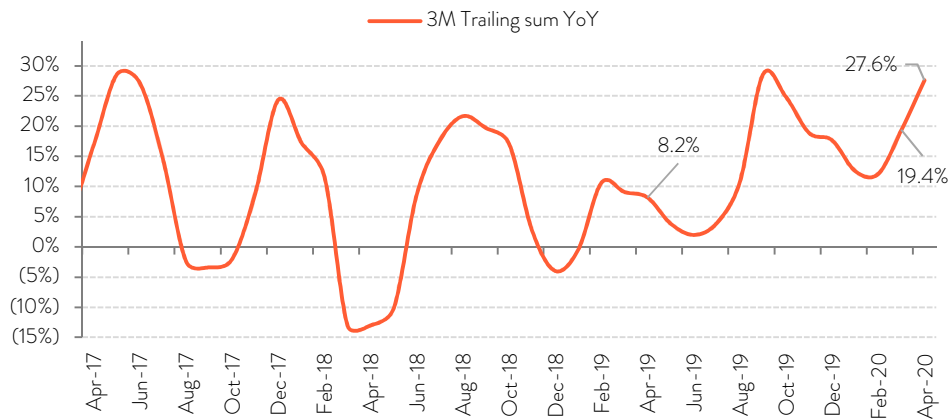
**FIG 79 – PUBLIC ADMINISTRATION & RELATED SERVICES SLOWED IN Q4FY20 AS WELL**



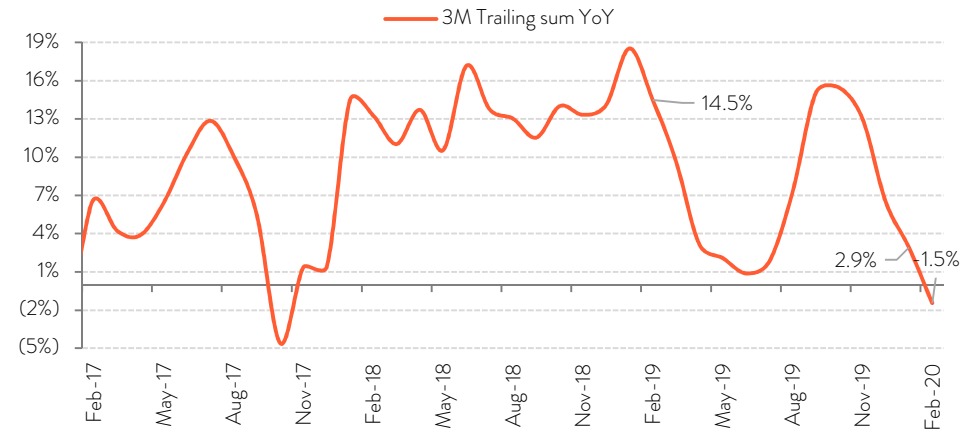
**FIG 80 – GENERAL GOVT. SPENDING EASED IN FEB'20**



**FIG 81 – CENTRAL GOVT. SPENDING MAINTAINS MOMENTUM IN APR'20**



**FIG 82 – STATE\* GOVT. SPENDING ALSO SEEN COOLING OFF**



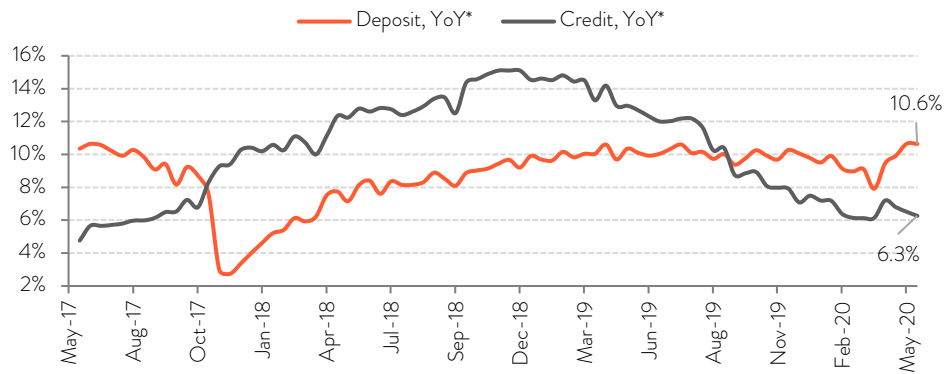
Note: \*All states excluding N.E states, AP, Bihar, Goa, J&K, Karnataka, Maharashtra, TN, and Uttarakhand



## Financial sector

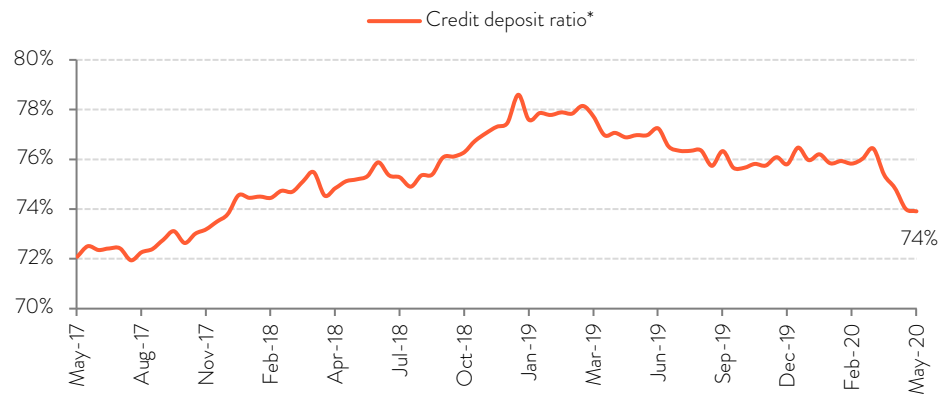
### Money and banking

**FIG 83 – IN MAY'20, CREDIT GROWTH MODERATED TO 6.3% VERSUS 6.8% IN APR'20, DEPOSIT GROWTH WAS HIGHER AT 10.6% (9.9% IN APR'20)**



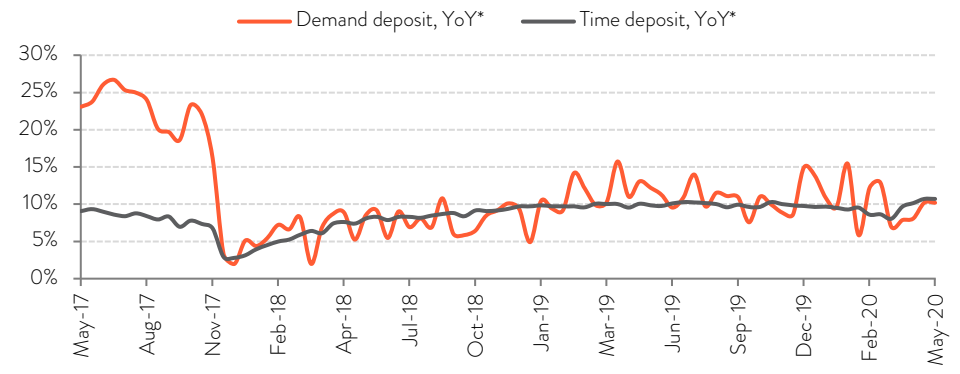
Note: \*May'20 implies fortnight as of 8 May 2020

**FIG 85 – CD RATIO INCHED DOWN TO 74% IN MAY'20**



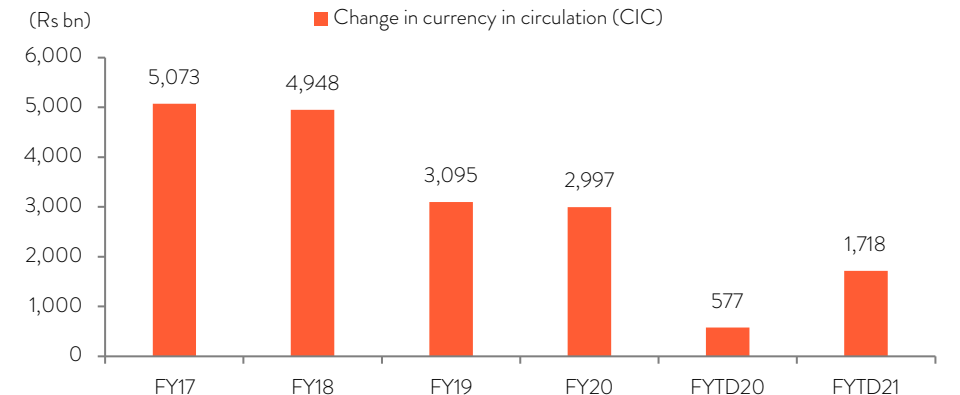
Note: \*May'20 implies fortnight as of 8 May 2020

**FIG 84 – BOTH DEMAND AND TIME DEPOSITS GREW AT A FASTER PACE OF 10.2% AND 10.7% IN MAY'20, RESPECTIVELY**

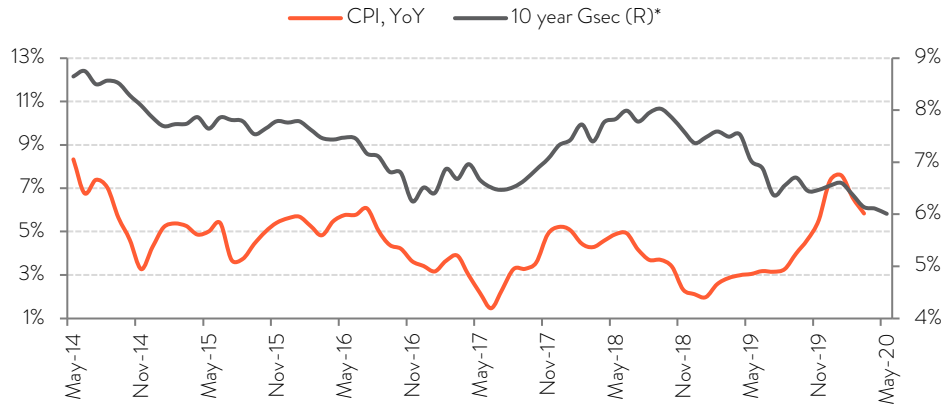


Note: \*May'20 implies fortnight as of 8 May 2020

**FIG 86 – CIC ACCRETION WAS FAR HIGHER AT RS 1.7TN IN FYTD21 COMPARED WITH RS 577BN IN FYTD20**

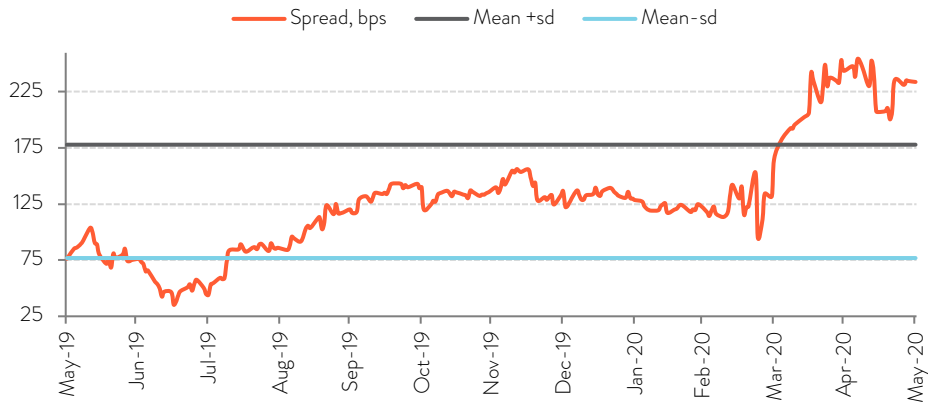


**FIG 87 – 10Y GSEC YIELD FELL TO 6.01% IN APR'20, INFLATION WAS AT 5.8% IN MAR'20**



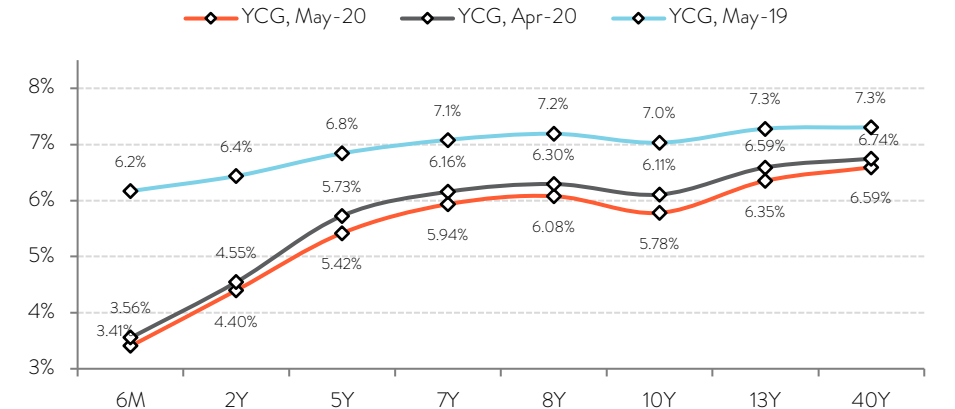
Note: \*As on last trading day of the month, Note: 6.45GS2029 is taken

**FIG 89 – SPREAD BETWEEN 10Y GSEC AND 1Y TBILL SHOT UP TO 229BPS IN MAY'20 AS AGAINST 222BPS IN APR'20**



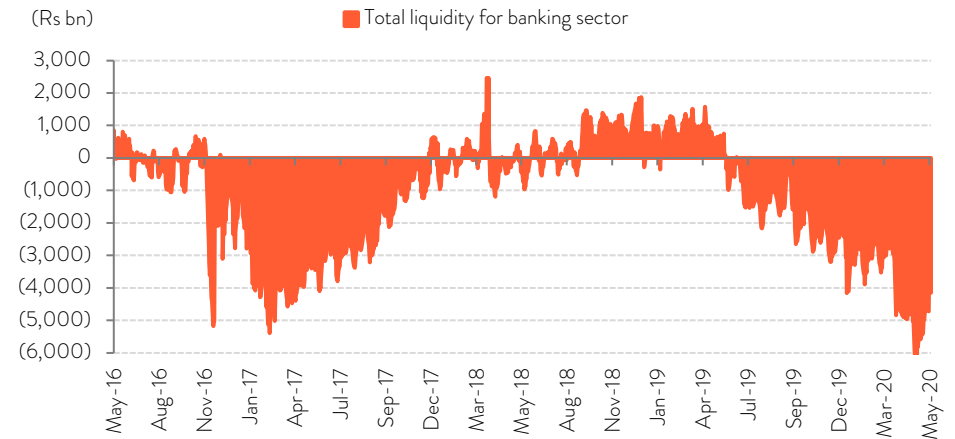
Source: RBI

**FIG 88 – YIELD CURVE GRAPH (YCG) SHOWS STEEPENING BIAS**



Source: Bloomberg

**FIG 90 – AVERAGE SYSTEM LIQUIDITY SURPLUS ROSE TO RS 5.1TN IN MAY'20 (RS 4.7TN IN APR'20) AND CURRENTLY LOWER AT ~RS 4TN**



Source: RBI

## Interest rates on small savings schemes

FIG 91 – INTEREST RATES ON SMALL SAVINGS SCHEME FALLING IN Q1FY21

Instrument (%)	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	GSec Yield (1 Jun 2020)
Savings deposit	4.0	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	5.5	3.82
2 year time deposit	7.0	7.0	7.0	6.9	6.9	6.9	5.5	4.44
3 year time deposit	7.2	7.0	7.0	6.9	6.9	6.9	5.5	4.61
5 year time deposit	7.8	7.8	7.8	7.7	7.7	7.7	6.7	5.46
5 year recurring deposit	7.3	7.3	7.3	7.2	7.2	7.2	5.8	5.46
5 year senior citizen savings scheme	8.7	8.7	8.7	8.6	8.6	8.6	7.4	5.46
5 year monthly income scheme	7.7	7.7	7.7	7.6	7.6	7.6	6.6	5.46
5 year national savings certificate	8	8	8	7.9	7.9	7.9	6.8	5.46
Public provident fund scheme	8	8	8	7.9	7.9	7.9	7.1	6.04
Kisan vikas patra	7.7	7.7	7.7	7.6	7.6	7.6	6.9	-
Sukanya samriddhi account scheme	8.5	8.5	8.5	8.4	8.4	8.4	7.6	-

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

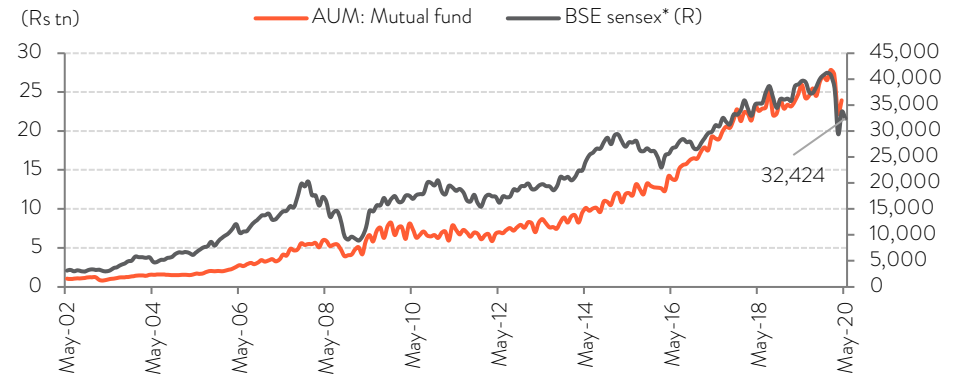
FIG 92 – INTEREST RATES CHARGED BY LEADING BANKS

1Y MCLR (%)	Apr'19	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19	Dec'19	Jan'20	Feb'20	Mar'20	Apr'20
<b>Public Sector Banks</b>													
Bank of Baroda	8.65	8.70	8.70	8.60	8.45	8.40	8.35	8.30	8.25	8.20	8.15	8.15	8.00
Bank of India	8.65	8.70	8.65	8.60	8.35	8.35	8.30	8.30	8.20	8.20	8.20	8.20	8.20
Canara Bank	8.65	8.70	8.70	8.60	8.50	8.40	8.40	8.35	8.35	8.35	8.20	8.20	7.85
Indian Bank	8.65	8.65	8.65	8.60	8.60	8.45	8.35	8.35	8.35	8.30	8.25	8.25	8.10
Punjab National Bank	8.45	8.45	8.45	8.40	8.30	8.30	8.25	8.15	8.15	8.05	8.05	8.05	7.75
State Bank of India	8.50	8.45	8.45	8.40	8.25	8.15	8.05	8.00	7.90	7.90	7.85	7.75	7.40
Union Bank of India	8.60	8.60	8.60	8.55	8.50	8.35	8.30	8.25	8.20	8.10	8.10	8.00	7.75
<b>Private Sector Banks</b>													
Axis Bank Ltd.	8.90	8.80	8.70	8.65	8.55	8.45	8.35	8.25	8.15	8.15	8.15	8.10	7.95
HDFC Bank Ltd.	8.70	8.70	8.70	8.70	8.60	8.45	8.35	8.30	8.15	8.15	8.15	8.15	7.95
ICICI Bank Ltd.	8.75	8.75	8.75	8.65	8.65	8.55	8.45	8.35	8.25	8.20	8.20	8.15	8.00
Indusind Bank	9.85	9.85	9.75	9.70	9.65	9.55	9.45	9.45	9.40	9.30	9.30	9.25	
Kotak Mahindra Bank	8.90	8.90	8.90	8.85	8.75	8.75	8.60	8.50	8.40	8.40	8.35	8.35	

Source: RBI, Bank's website

Mutual fund (MF) indicators

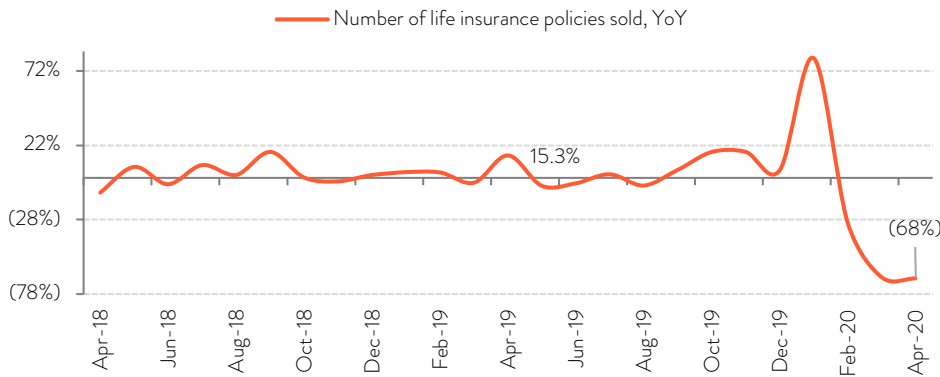
**FIG 93 – SENSEX FELL BY 3.8% TO 32,424 IN MAY'20 AMIDST RISING COVID-19 CASES IN INDIA, AUM OF MFS ROSE TO RS 24TN VERSUS RS 22TN IN MAR'20**



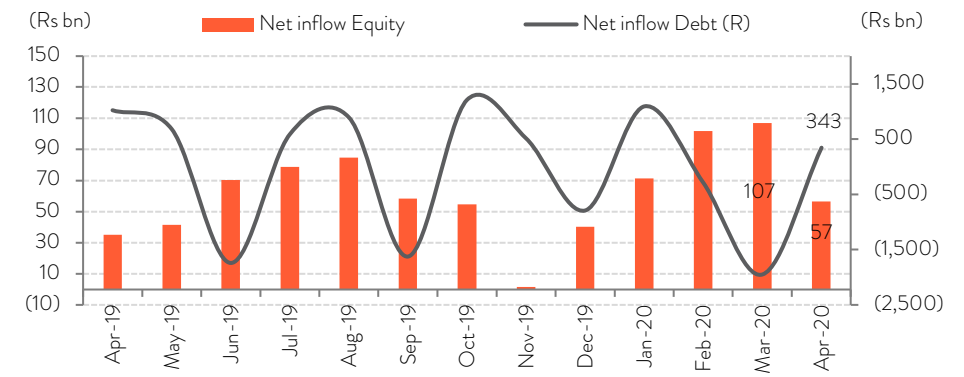
Source: \*Sensex as on last trading day of the month.

Insurance sector indicators

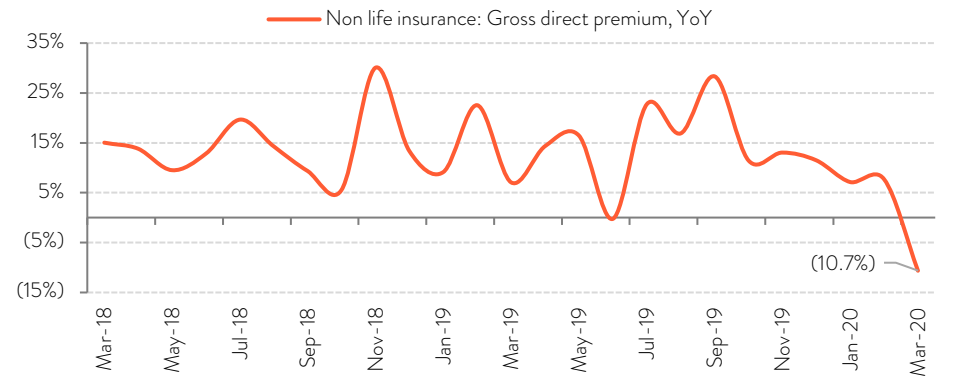
**FIG 95 – LIFE INSURANCE POLICIES SOLD IN APR'20 FELL BY 68%, IN LINE WITH MAR'20**



**FIG 94 – MF EQUITY INFLOW WAS AT RS 57BN IN APR'20 (RS 107BN IN MAR'20), DEBT INFLOW ROSE BY RS 343BN (RS 1.9TN DECLINE IN MAR'20)**



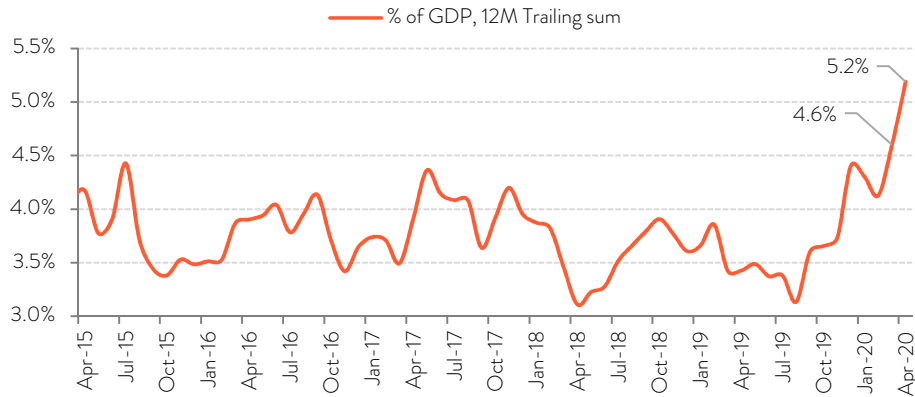
**FIG 96 – GROSS DIRECT PREMIUM FOR NON LIFE INSURANCE ALSO FELL BY 10.7% IN MAR'20 COMPARED WITH 8% GROWTH IN FEB'20**



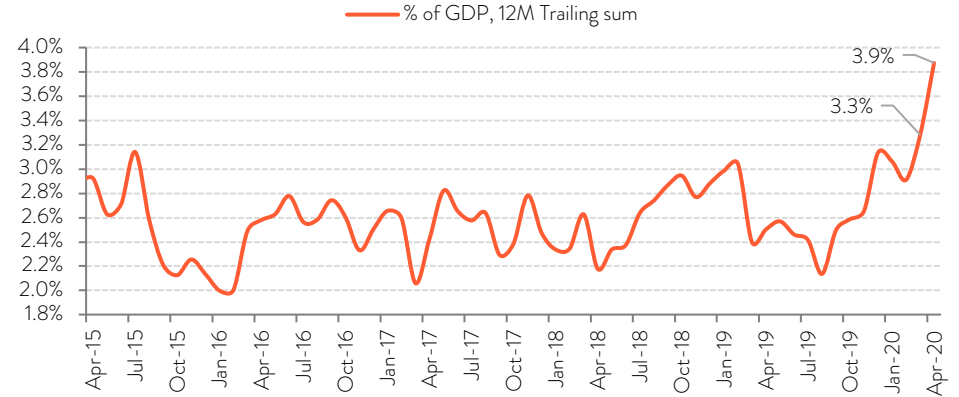
## Public finance

### Central government finances

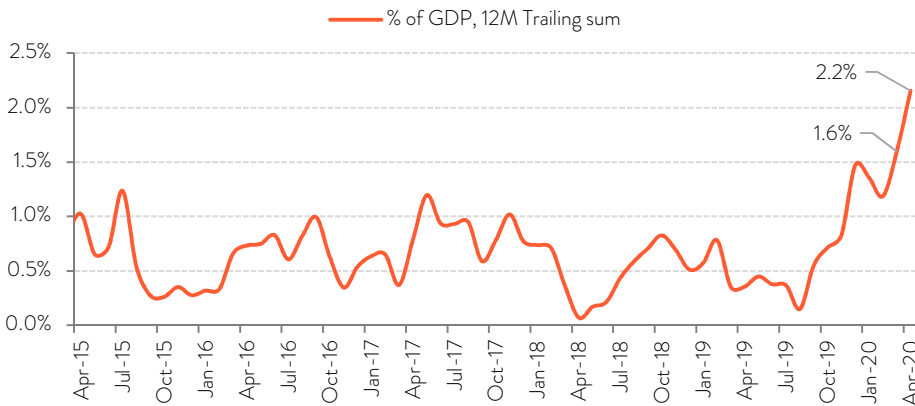
**FIG 97 – FISCAL DEFICIT BREACHES TARGET IN FY20; HIGHER IN APR'20**



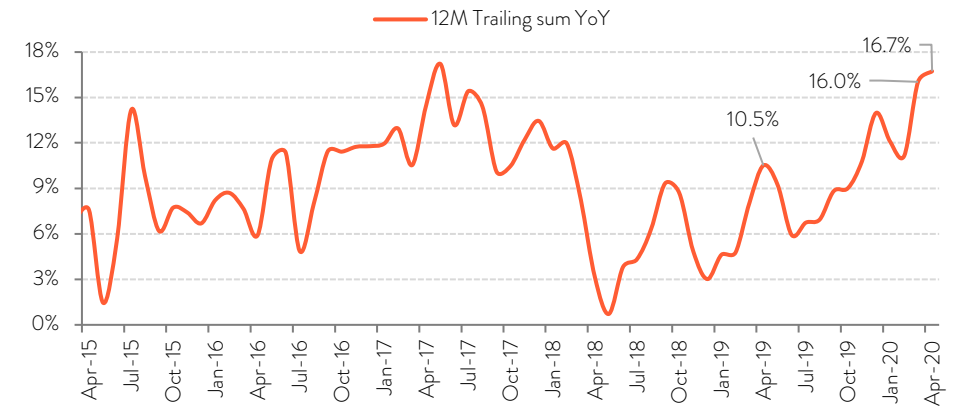
**FIG 98 – REVENUE DEFICIT ROSE SIGNIFICANTLY IN APR'20**



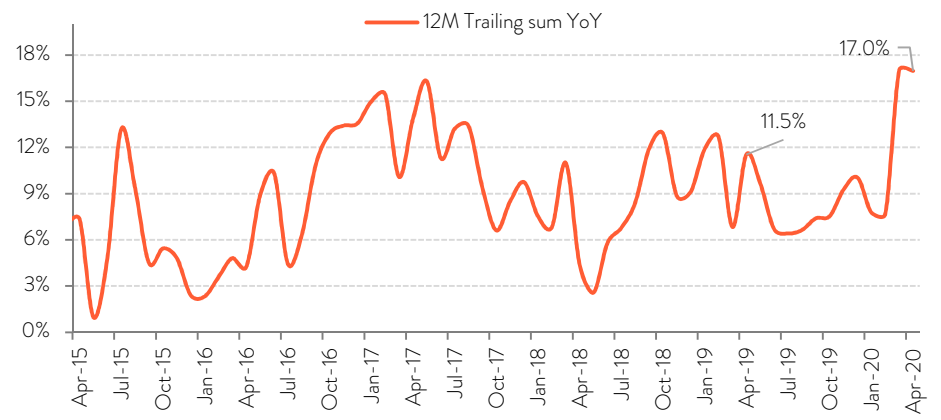
**FIG 99 – PRIMARY DEFICIT AT 2.2%**



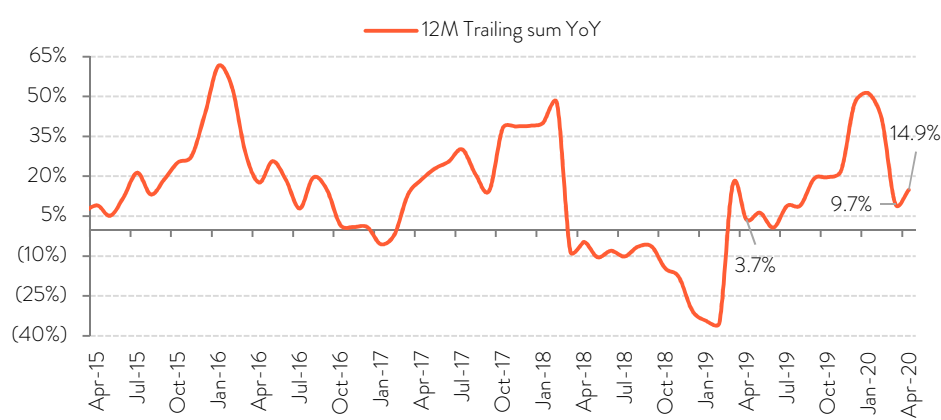
**FIG 100 – GOVERNMENT SPENDING HIGHER ON THE BACK OF COVID-19**



**FIG 101 – LED BY STEADY REVENUE SPENDING**



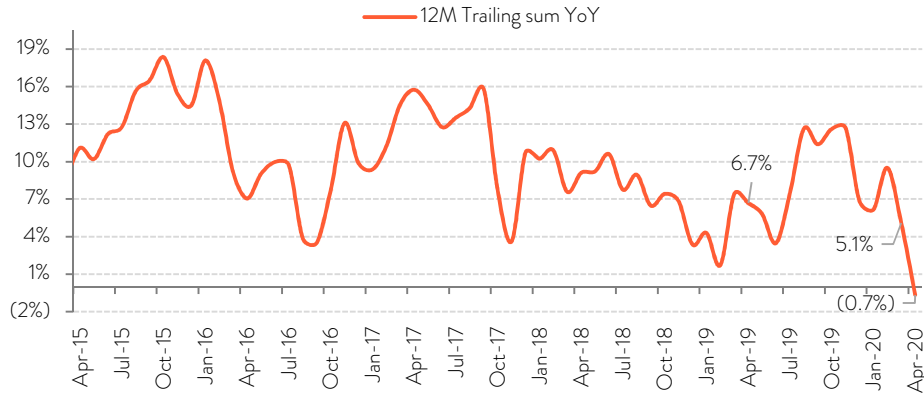
**FIG 102 – CAPEX GROWTH HIGHER THAN LAST YEAR IN APR'20**



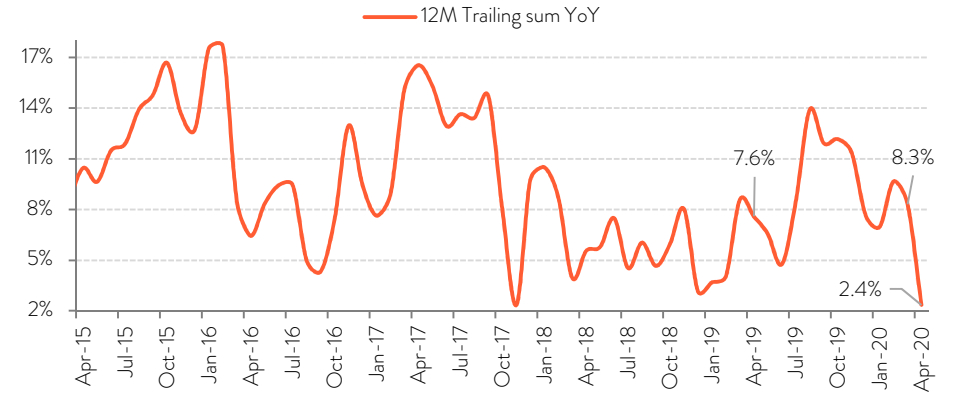
**FIG 103 – HIGHER SPENDING BY MINISTRIES OF ROAD TRANSPORT, AGRICULTURE, HEALTH AND RURAL DEVELOPMENT DRIVING GROWTH IN APR'20**

Ministry	Apr'18 (Rs bn)	Apr'19 (Rs bn)	% change	Apr'20 (Rs bn)	% change
Ministry of Finance	336	416	23.6	727	74.8
Ministry of Defence	492	617	25.4	471	(23.8)
Ministry of Consumer Affairs, Food and Public Distribution	486	469	(3.4)	197	(58.0)
Ministry of Rural Development	217	168	(22.8)	381	127.0
Ministry of Home Affairs	125	138	10.5	140	2.0
Ministry of Human Resource Development	7	53	682.0	50	(6.5)
Ministry of Road Transport and Highways	183	1	(99.3)	72	5,647.0
Ministry of Chemicals and Fertilisers	71	170	137.6	206	21.6
Ministry of Petroleum and Natural Gas	26	52	99.9	77	48.6
Ministry of Agriculture	20	66	230.8	257	290.2
Ministry of Health and Family Welfare	18	43	146.2	129	198.8

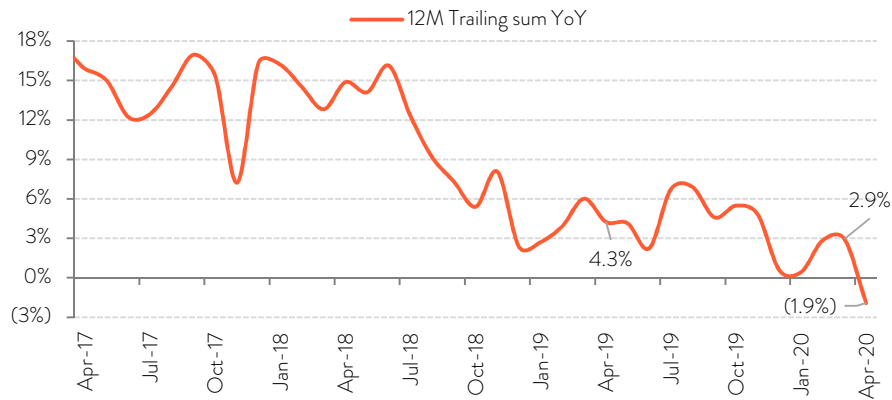
**FIG 104 – RECEIPT GROWTH DECLINED STEEPLY IN APR'20**



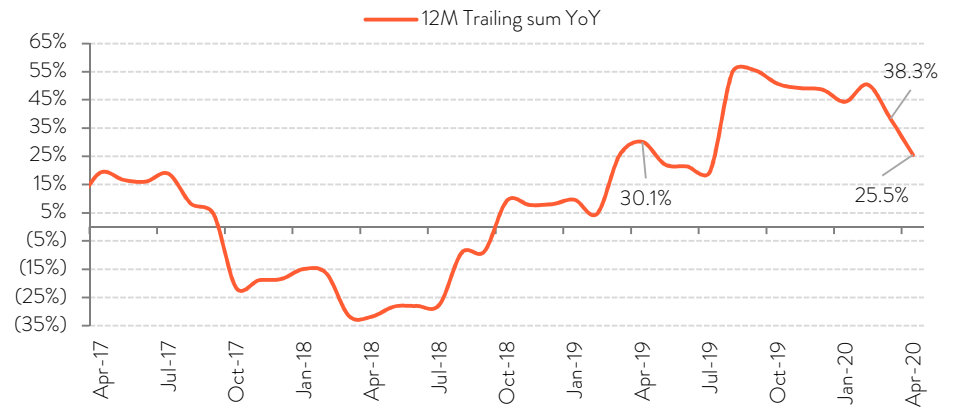
**FIG 105 – ...AS REVENUE RECEIPT GROWTH COMES UNDER STRAIN**



**FIG 106 – TAX REVENUE GROWTH A KEY DRAG**



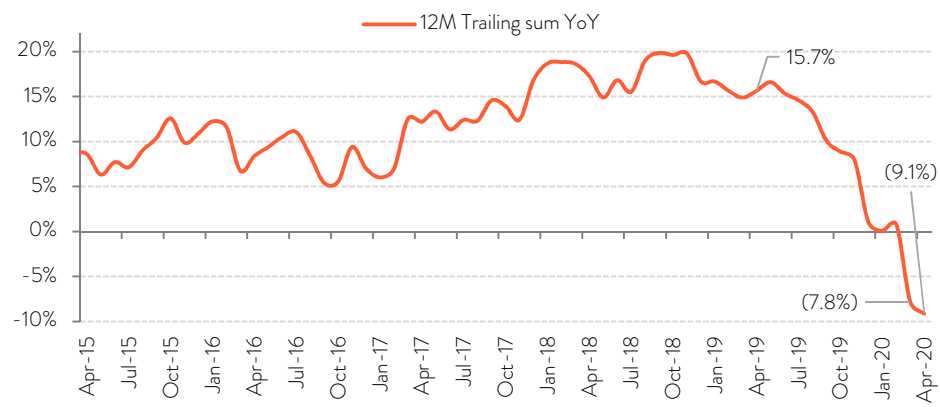
**FIG 107 – NON-TAX RECEIPT GROWTH ALSO EASING**



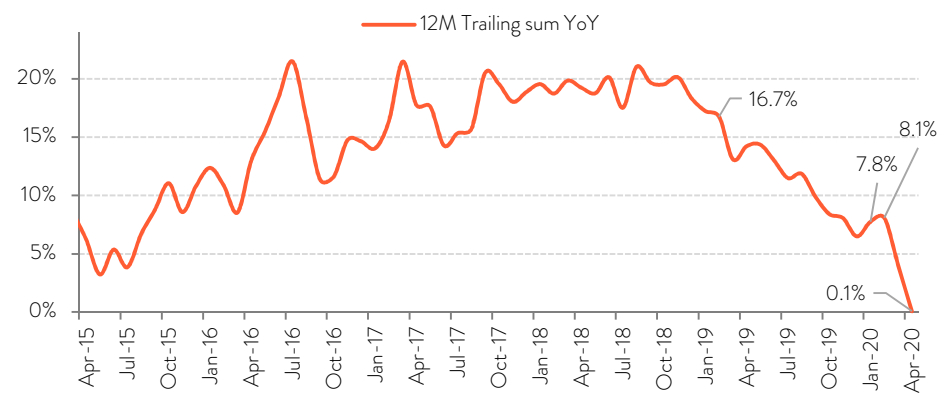
**FIG 108 – CENTRE’S INDIRECT TAX COLLECTIONS AND CAPEX GROWTH OFF TO A WEAK START (FYTD BASIS)**

	Apr'18 (Rs bn)	Apr'19 (Rs bn)	% change	Apr'20 (Rs bn)	% change
Gross Tax revenue	1,133	1,212	6.9	676	(44.3)
Direct taxes	419	521	24.3	465	(10.8)
Corp Tax	78	124	59.3	195	57.7
Income Tax	341	397	16.3	270	(32.1)
Indirect taxes	714	691	(3.3)	211	(69.5)
Non-tax revenue	131	233	77.5	58	(75.2)
Centre's revenue (net)	575	716	24.5	214	(70.1)
Total expenditure	2,234	2,547	14.0	3,071	20.6
Capital exp	467	306	(34.5)	283	(7.5)
Revenue exp	1,767	2,241	26.8	2,788	24.4
Fiscal deficit	1,520	1,570		2,795	-

**FIG 109 – GROSS DIRECT TAX COLLECTIONS DRIPPED SHARPLY IN APR'20**

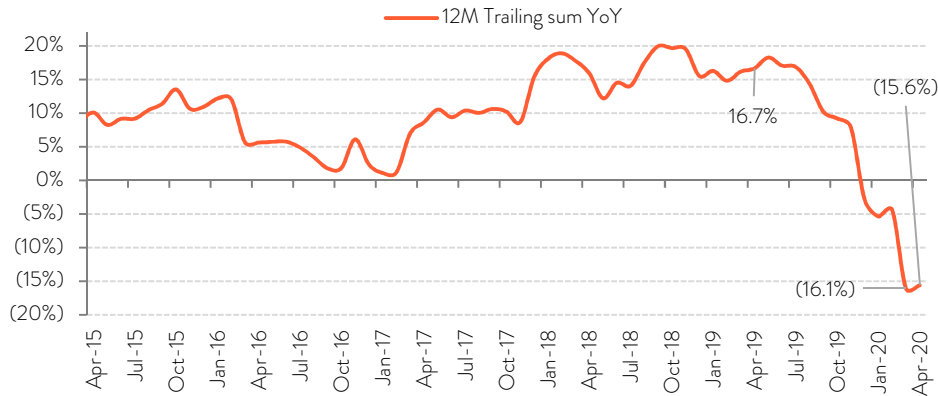


**FIG 110 – ...LED BY LOWER INCOME TAX COLLECTIONS**

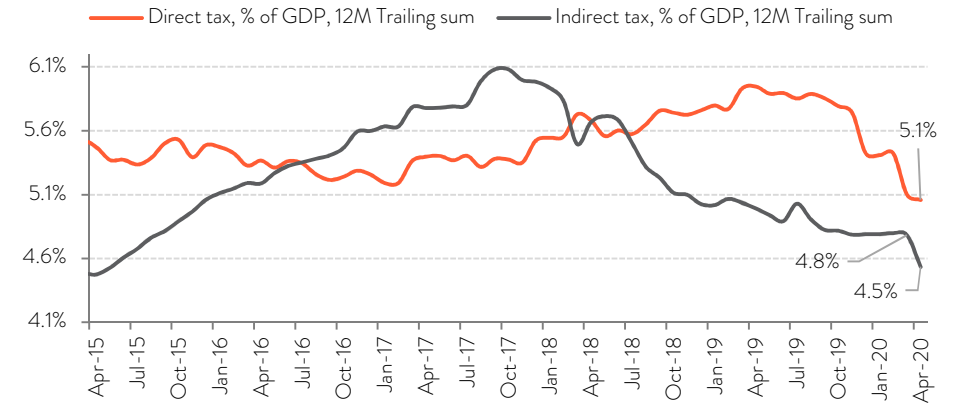




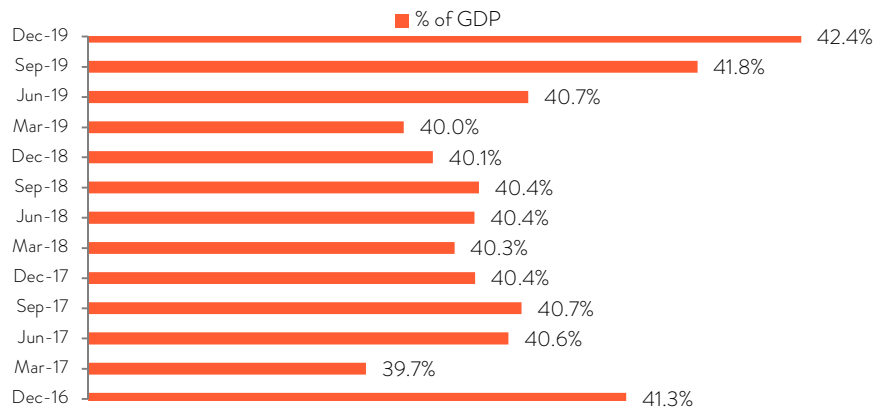
**FIG 111 – CORPORATE TAX REVENUES ALSO WEAK ON 12MMA BASIS**



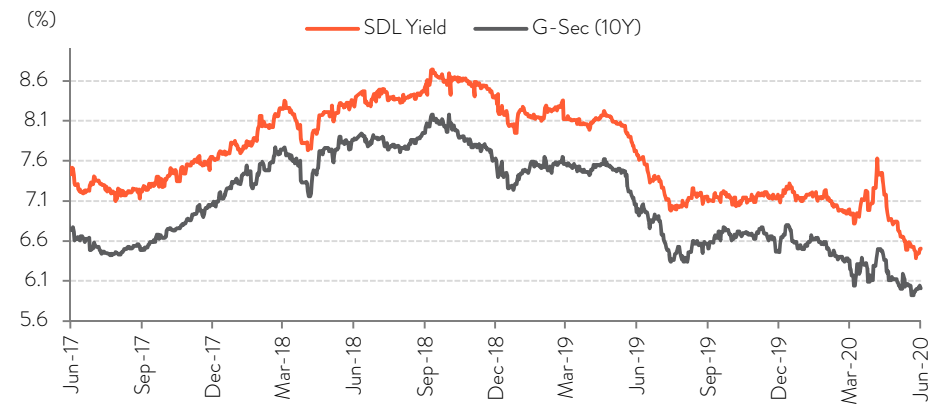
**FIG 112 – SHARE IN GDP OF INDIRECT TAX SLUMPS IN APR'20; SHARE OF DIRECT TAXES ALSO LOW**



**FIG 113 – CENTRAL GOVT. PUBLIC DEBT SHOOTS TO 6-YEAR HIGH IN Q3FY20**

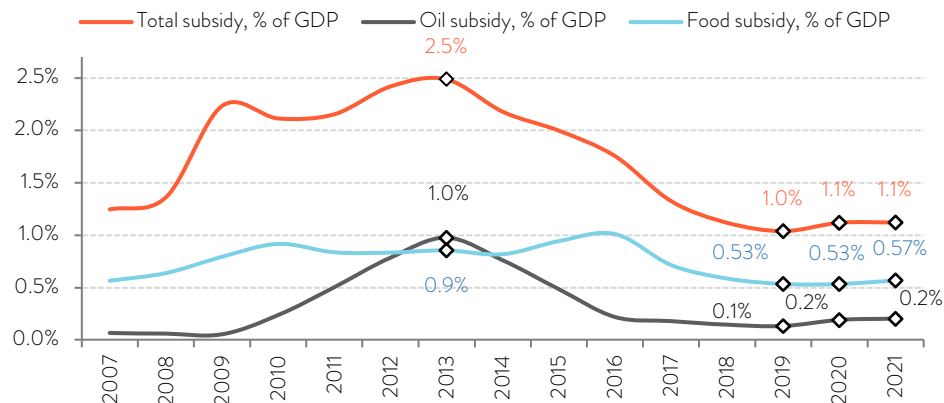


**FIG 114 – GAP BETWEEN AVG. YIELD ON SDL & 10Y G-SEC FELL SHARPLY IN MAY'20; SIMILAR TREND VISIBLE IN JUN'20**

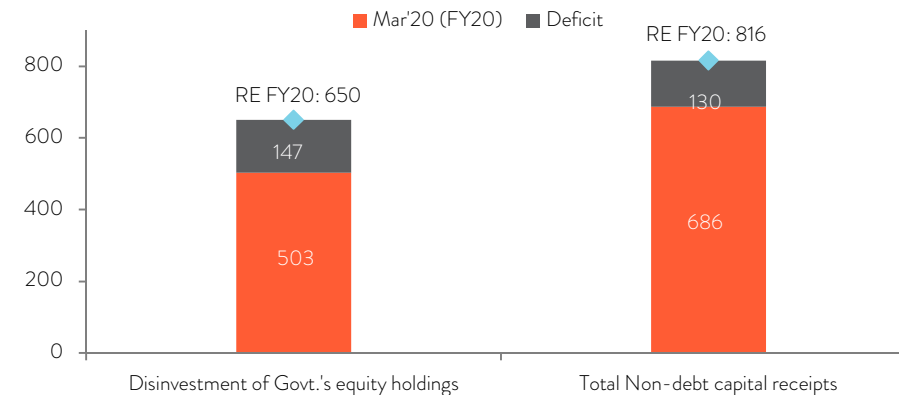


Source: CCIL

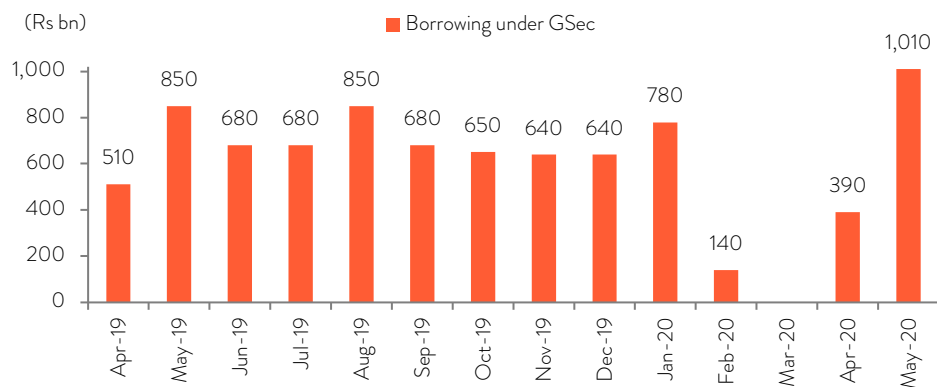
**FIG 115 – SUBSIDIES BUDGETED FOR FY21**



**FIG 116 – CENTRAL GOVT MISSES FY20 DISINVESTMENT TARGET**



**FIG 117 – CENTRE'S GROSS BORROWING IN MAY'20 SHOOT UPTO RS 1TN**



Source: RBI, till 22 May'20

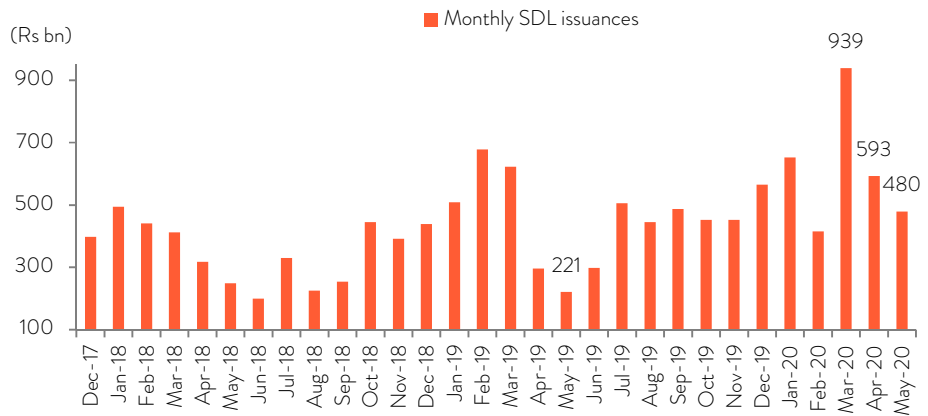
**FIG 118 – CENTRE'S GROSS BORROWING FOR H1FYFY21 WAS REVISED TO RS 6TN (RS 4.88TN EARLIER), OVERALL BORROWING HIGHER AT RS 12TN**

Total accepted amount (G-Sec), (Rs bn)	FY15	FY16	FY17	FY18	FY19	FY20	FY21 (actual)	FY21 (planned)
Q1	1,830	1,740	1,500	1,680	1,320	2,040	1400#	2400*
Q2	1,570	1,630	1,910	1,890	1,440	2,210		3600*
Q3	1,430	1,640	1,610	1,640	1,270	1,930		-
Q4	1,090	840	800	670	1,680	920		-
<b>Total</b>	<b>5,920</b>	<b>5,850</b>	<b>5,820</b>	<b>5,880</b>	<b>5,710</b>	<b>7,100</b>		<b>12,000</b>

Source: RBI; \*Includes Rs 240bn FRBs, #till 22 May'20

### State government borrowing

**FIG 119 – STATE GOVERNMENT BORROWINGS SIGNIFICANTLY HIGHER IN MAY'20 COMPARED WITH LAST YEAR**



Source: RBI

**FIG 120 – MARKET BORROWINGS OF STATES MUCH HIGHER IN Q1 THAN PREVIOUS YEARS**

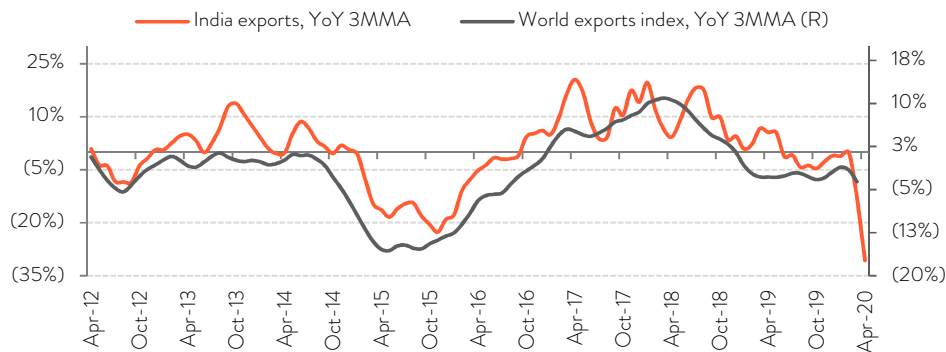
Quarterly SDL issuances, (Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21 (actual)	FY21 (planned)
Q1	502	548	650	766	815	1232*	1,272
Q2	627	792	1,130	809	1,439	-	-
Q3	858	1,214	1,054	1,277	1,470	-	-
Q4	959	1,322	1,348	1,809	2,006	-	-
<b>Total</b>	<b>2,946</b>	<b>3,876</b>	<b>4,182</b>	<b>4,661</b>	<b>5,731</b>	-	-

Source: RBI: \*As of 2 Jun 2020

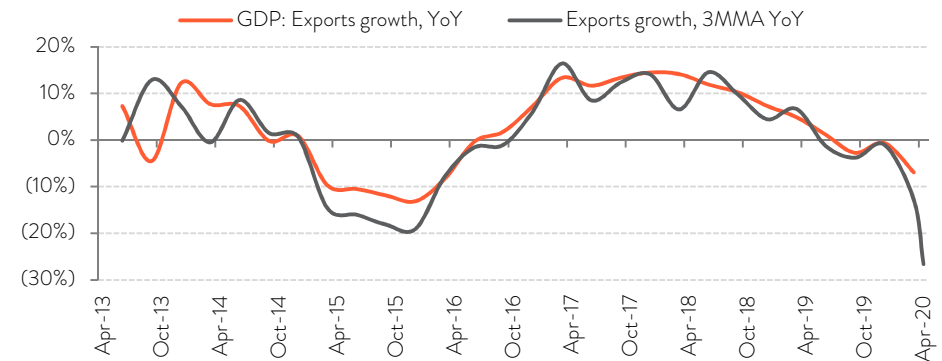
## External sector

### Exports

**FIG 121 – INDIA’S EXPORTS FELL BY 60% IN APR’20, GLOBAL EXPORTS TOO INCH LOWER**

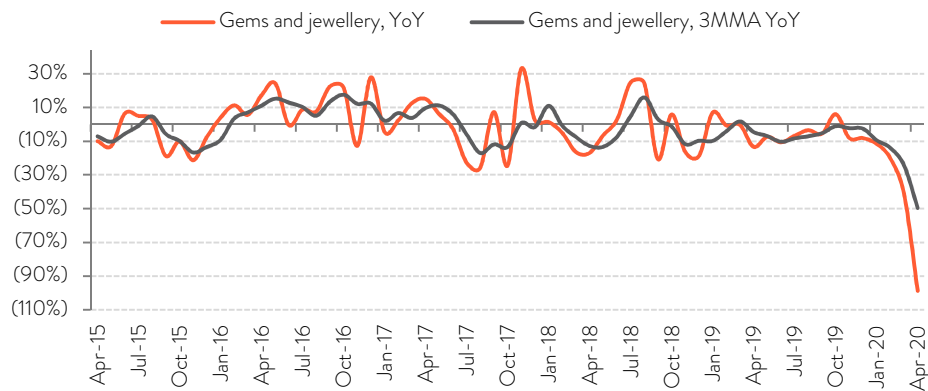


**FIG 122 – EXPORT GROWTH NOSEDIVES IN APR’20**

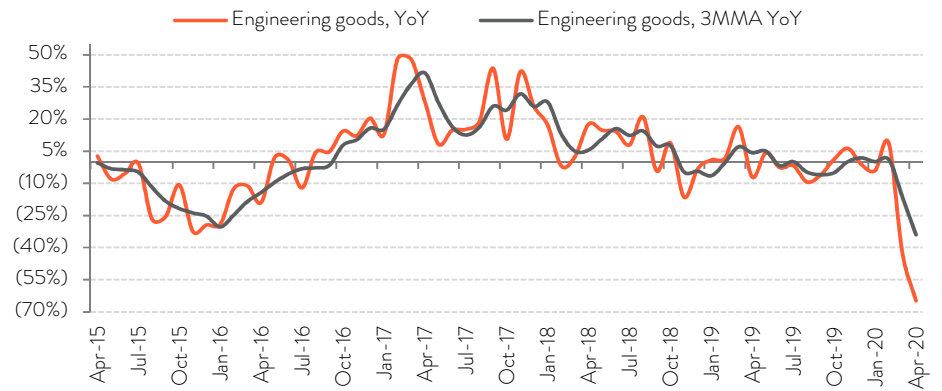


### Exports by major sectors

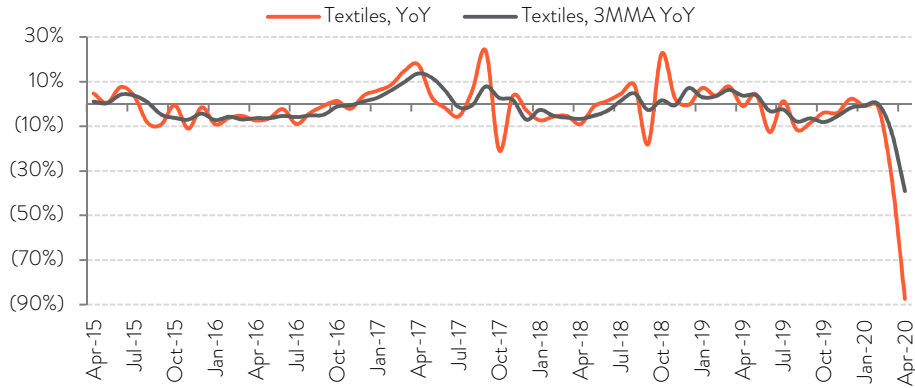
**FIG 123 – GEMS AND JEWELLERY EXPORTS FALL BY 98.6% IN APR’20**



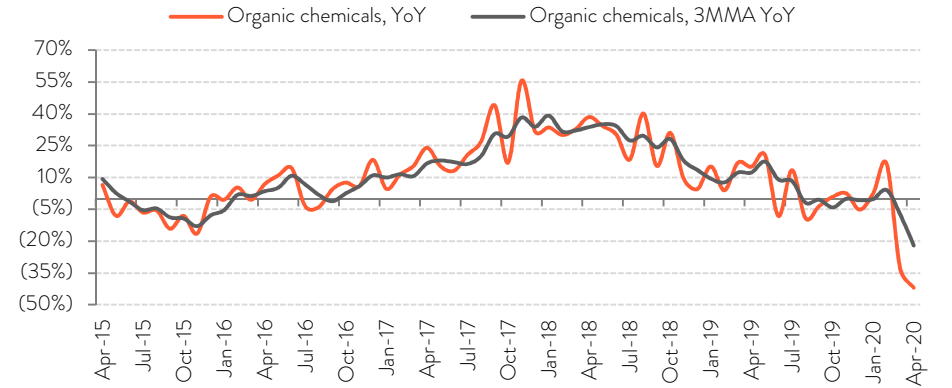
**FIG 124 – EXPORT OF ENGINEERING GOODS ALSO PLUNGES SHARPLY**



**FIG 125 – SIMILAR TREND VISIBLE IN EXPORTS OF TEXTILES**

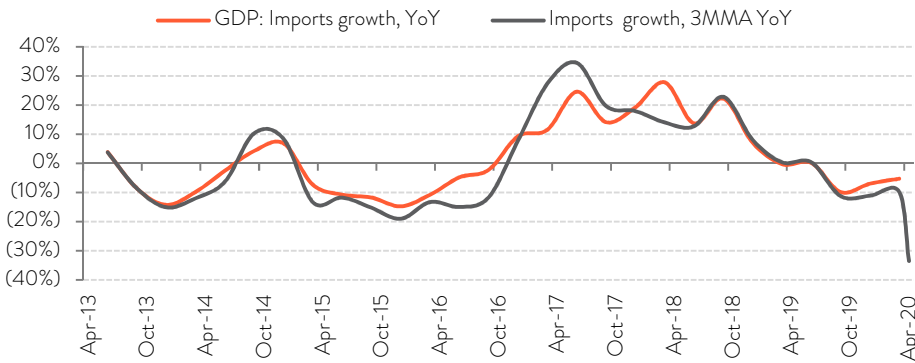


**FIG 126 – AND ORGANIC CHEMICALS**

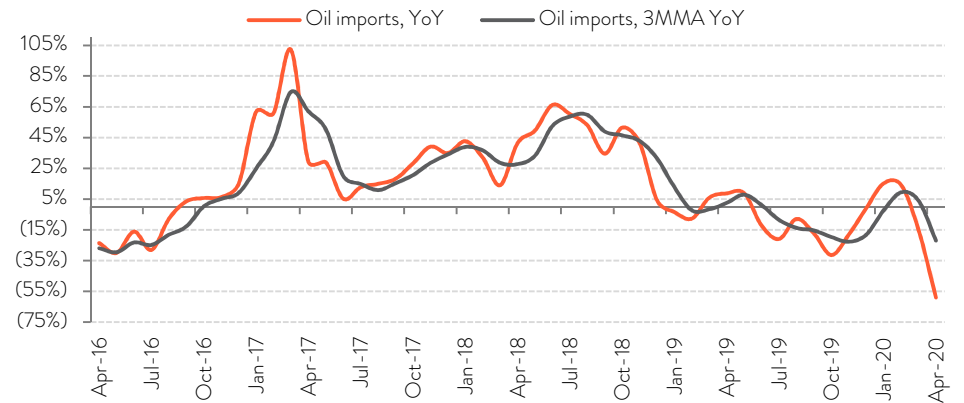


**Imports**

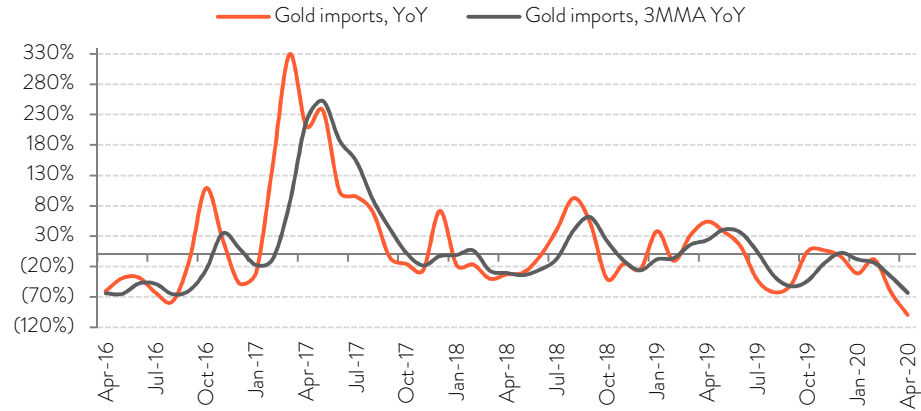
**FIG 127 – IMPORT GROWTH ALSO DIPS SIGNIFICANTLY**



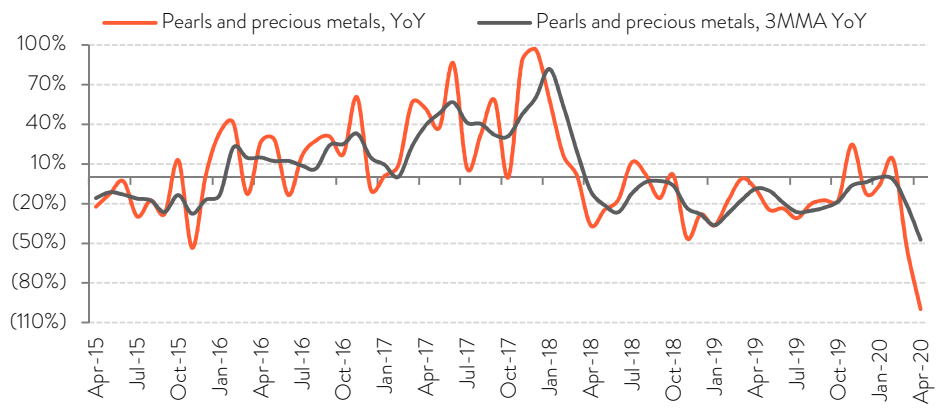
**FIG 128 – AS OIL IMPORTS FALL BY 59.1% IN APR'20**



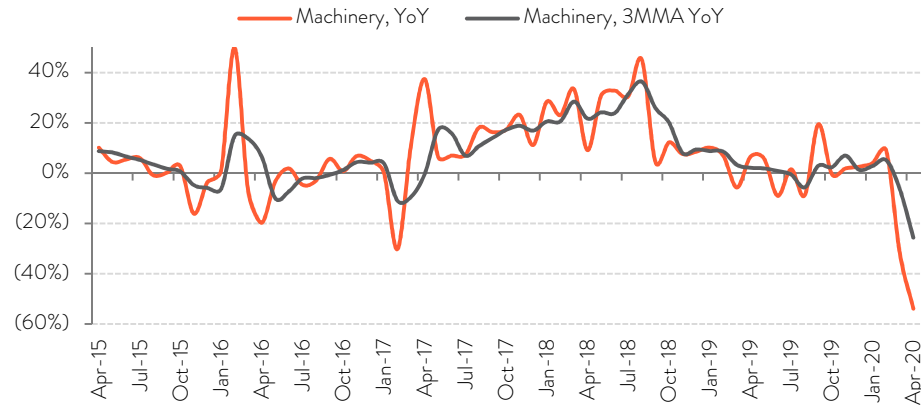
**FIG 129 – GOLD IMPORTS PLUNGE FURTHER IN APR'20**



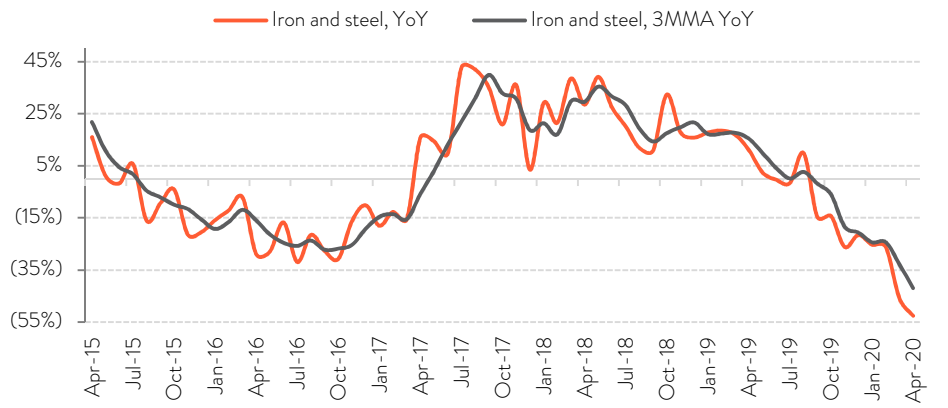
**FIG 130 – IMPORTS OF PEARLS AND PRECIOUS ALSO CONTRACTS SHARPLY**



**FIG 131 – SIMILAR TREND IN IMPORTS OF MACHINERY**



**FIG 132 – AND IRON AND STEEL IMPORTS**



## Exports and imports by major regions

**FIG 133 – EXPORTS TO ASIA AND PACIFIC (EX. CHINA) HAVE DECLINED THE MOST IN FY20 ; EXPORTS TO AMERICAS INCREASED**

Region (% YoY)	Share in FY20	FY17	FY18	FY19	FY20
Americas	22.5	4.1	14.3	9.7	1.1
Asia and Pacific (Ex. China)	25.5	12.5	12.8	4.7	(14.5)
China	5.4	12.9	31.1	25.6	(0.9)
Europe	19.6	5.8	13.1	6.7	(5.9)
Middle East and Africa	25.9	(2.4)	0.7	10.4	(1.0)
Other	1.1	(0.5)	(26.4)	28.8	(11.8)

**FIG 134 – IMPORTS FROM ALL REGIONS HAVE CONTRACTED IN FY20 LED BY EUROPE**

Region (% YoY)	Share in FY20	FY17	FY18	FY19	FY20
Americas	12.8	1.5	20.0	16.4	(6.6)
Asia and Pacific (Ex. China)	25.0	4.8	20.4	21.0	(8.5)
China	13.8	(0.7)	24.6	(7.9)	(7.2)
Europe	15.0	(4.9)	13.7	13.5	(10.6)
Middle East	30.8	1.4	22.7	19.4	(8.6)
Other	2.6	4.5	32.0	(56.8)	27.0

Trade deficit

FIG 135 – TRADE DEFICIT NARROWS TO A 47-MONTH LOW AT US\$ 6.8BN

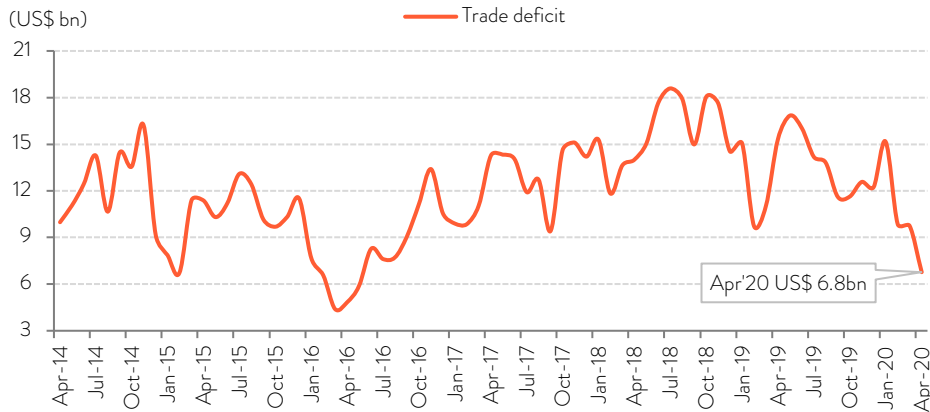
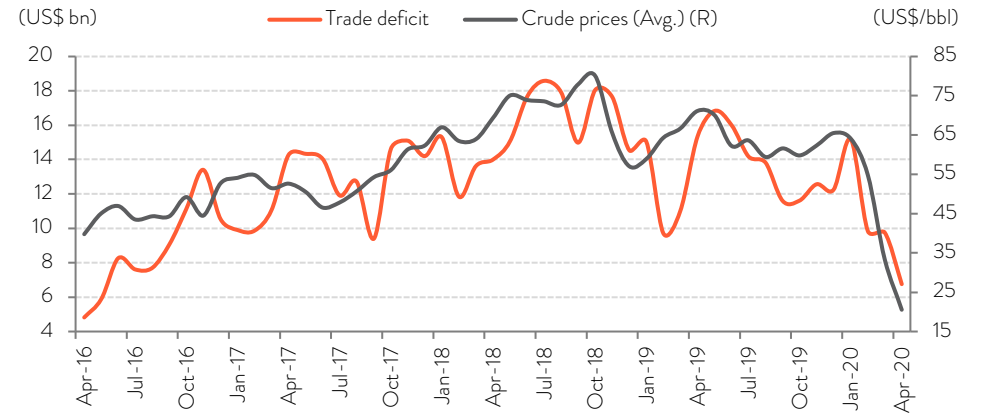
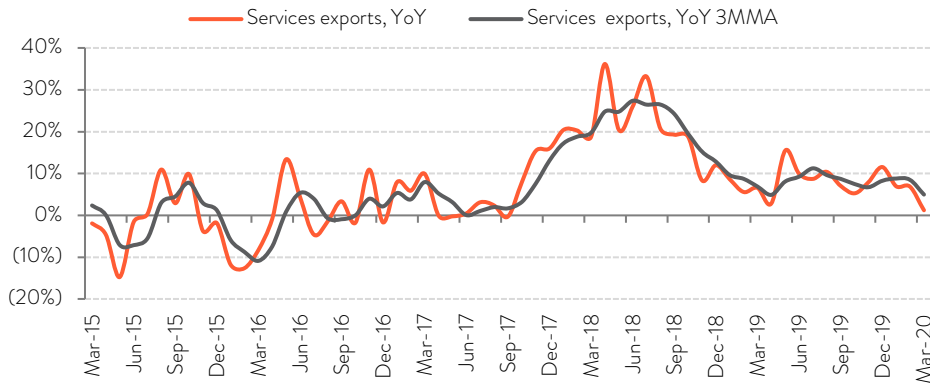


FIG 136 – SUPPORTED BY LOWER OIL PRICES



Trade in services

FIG 137 – SERVICES EXPORTS DECELERATING



BoP

FIG 138 – CAD NARROWS TO A 14-QUARTER LOW AT 0.2% OF GDP IN Q3FY20

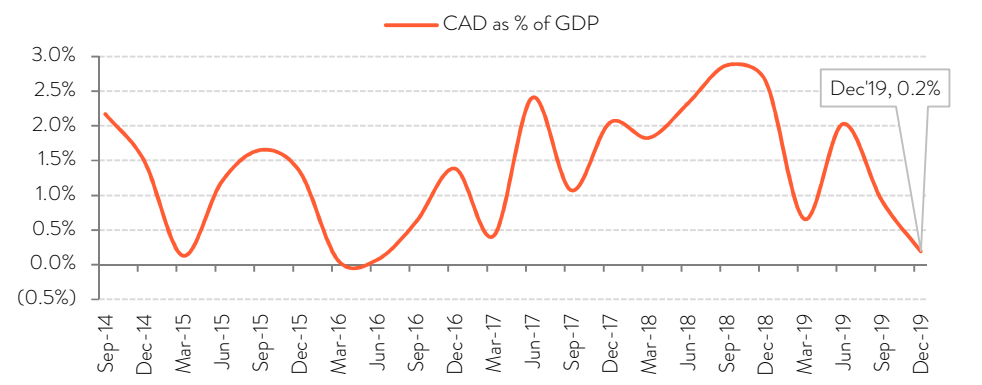




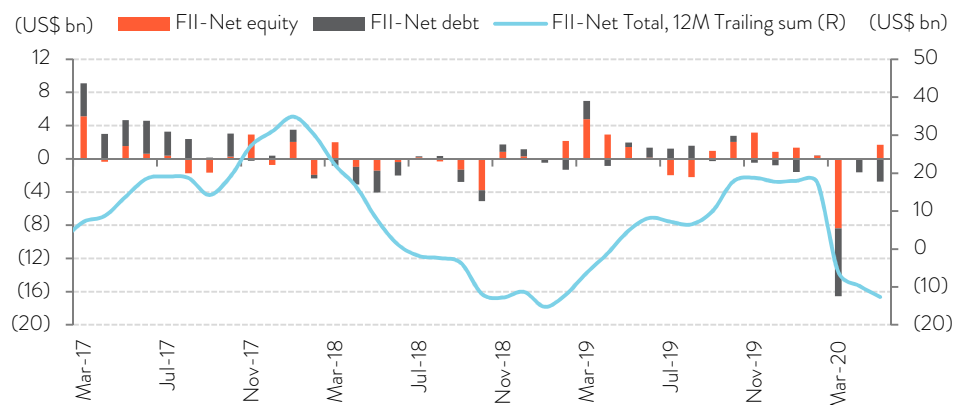
FIG 139 – LED BY LOWER TRADE DEFICIT

(US\$ bn)	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
<b>Current account</b>	<b>(17.8)</b>	<b>(4.6)</b>	<b>(14.4)</b>	<b>(6.5)</b>	<b>(1.4)</b>
<b>CAD/GDP (%)</b>	<b>(2.7)</b>	<b>(0.7)</b>	<b>(2.0)</b>	<b>(0.9)</b>	<b>(0.2)</b>
Trade balance	(49.3)	(35.2)	(46.2)	(38.1)	(34.6)
- Merchandise exports	83.1	87.4	82.7	80	81.2
- Merchandise imports	132.4	122.6	128.9	118.1	115.9
--Oil imports	38.4	32.4	35.3	29.6	31.4
--Non-oil imports	94	90.2	93.6	88.5	84.5
- Net Services	21.7	21.3	20.1	20.4	21.9
--Software	19.9	19.9	21.0	21.1	21.5
Transfers	17.4	16.2	18.0	20.0	18.7
Other invisibles	(7.6)	(6.9)	(6.3)	(8.8)	(7.4)
<b>Capital account</b>	<b>13.8</b>	<b>19.2</b>	<b>28.3</b>	<b>12.3</b>	<b>22.4</b>
<b>% of GDP</b>	<b>2.1</b>	<b>2.7</b>	<b>4.0</b>	<b>1.7</b>	<b>3.1</b>
Foreign investments	5.2	15.9	19.0	10.4	17.8
- FDI	7.3	6.4	14.2	7.9	10
- FII	(2.1)	9.4	4.8	2.5	7.8
Banking capital	4.9	(8.1)	3.4	(1.8)	(2.3)
Short-term credit	(0.7)	1.5	2.0	(0.6)	(1.4)
ECBs	2.0	7.5	6.1	3.3	3.2
External assistance	1.7	1.3	1.5	0.4	1.3
Other capital account items	0.7	1.2	(3.8)	0.6	3.7
E&O	(0.3)	(0.4)	0.2	(0.7)	0.7
Overall balance	(4.3)	14.2	14.0	5.1	21.6

## Foreign inflows

### FII inflows

**FIG 140 – FII OUTFLOWS EASE FURTHER IN APR'20**



Source: Bloomberg

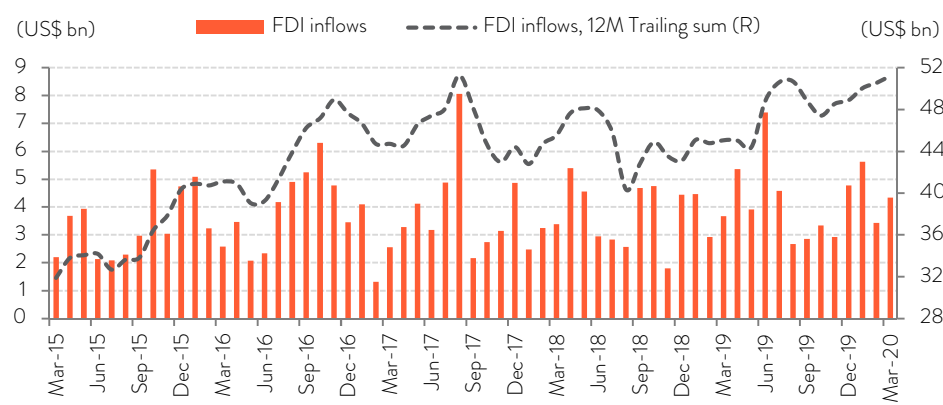
**FIG 142 – FDI INFLOWS INTO SERVICES EASE IN FY20, TELECOM SECTOR SEES AN INCREASE**

Sector (US\$ bn)	% Share FY20	FY16	FY17	FY18	FY19	FY20
Services Sector	15.7	6.9	8.7	6.7	9.2	7.9
Computer software and hardware	15.4	5.9	3.7	6.2	6.4	7.7
Trading	9.2	3.9	2.3	4.3	4.5	4.6
Telecommunications	8.9	1.3	5.6	6.2	2.7	4.4
Automobile industry	5.7	2.5	1.6	2.1	2.6	2.8

Source: DIPP

### FDI inflows

**FIG 141 – FDI INFLOWS AT US\$ 51.2BN IN FY20 VERSUS US\$ 45.1BN IN FY19**



Source: RBI, Bank of Baroda Research

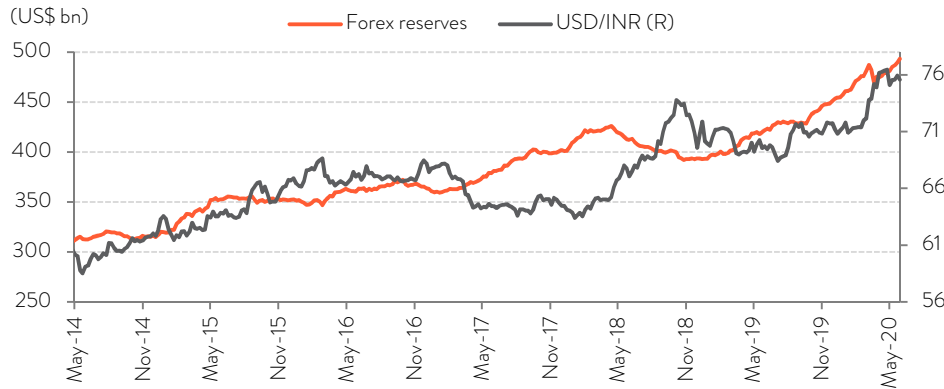
**FIG 143 – FDI INFLOWS FROM SINGAPORE DECELERATE IN FY20**

Country (US\$ bn)	% Share in FY20	FY16	FY17	FY18	FY19	FY20
Singapore	29.4	13.7	8.7	12.2	16.2	14.7
Mauritius	16.5	8.4	15.7	15.9	8.1	8.2
Netherlands	13.0	2.6	3.4	2.8	3.9	6.5
Japan	6.5	2.6	4.7	1.6	3.0	3.2
UK	2.8	0.9	1.5	0.8	1.4	1.4

Source: DIPP

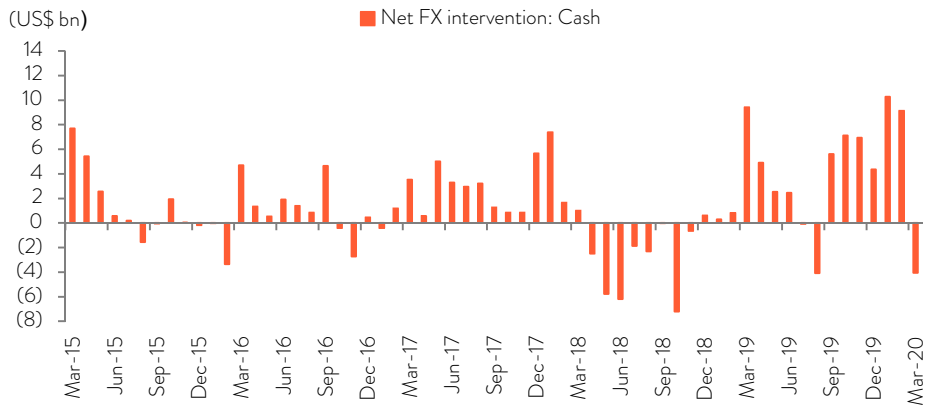
Forex reserves and external debt

**FIG 144 – INDIA’S FX RESERVES RISE TO A RECORD HIGH AT US\$ 493.5BN IN MAY’20**

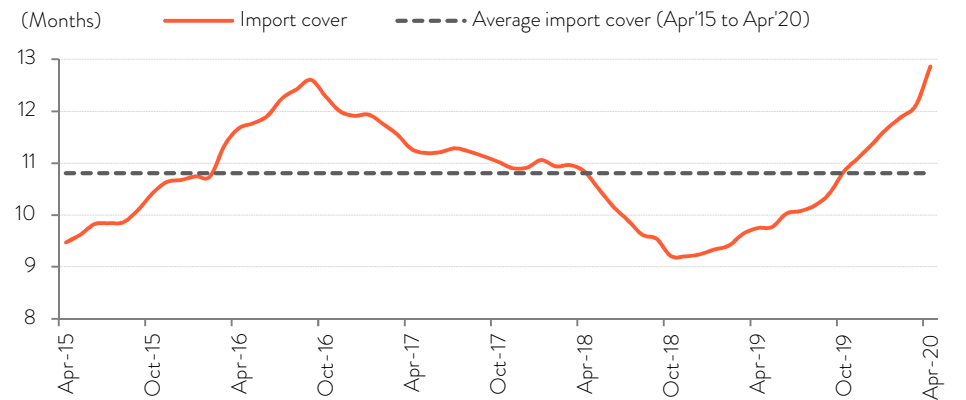


Source: Bloomberg | Weekly data as of 29 May 2020

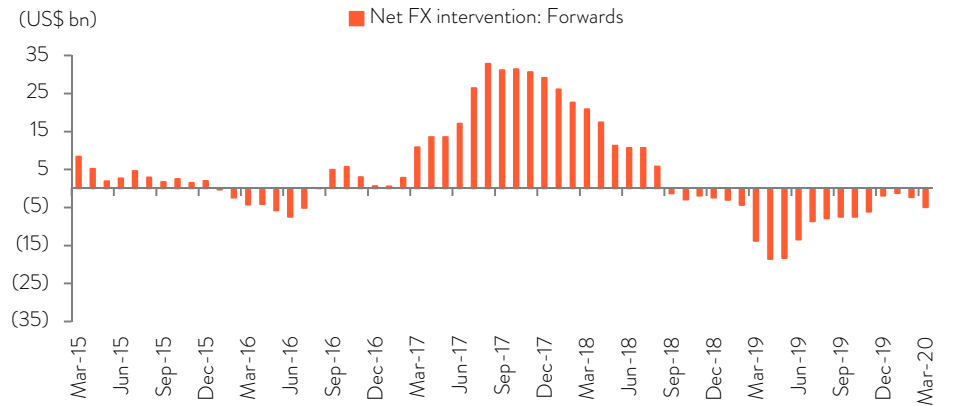
**FIG 146 – RBI’S NET PURCHASES IN FY20 WERE US\$ 45.1BN IN FY20**



**FIG 145 – IMPORT COVER ALSO RISES TO 12.9 MONTHS IN APR’20**



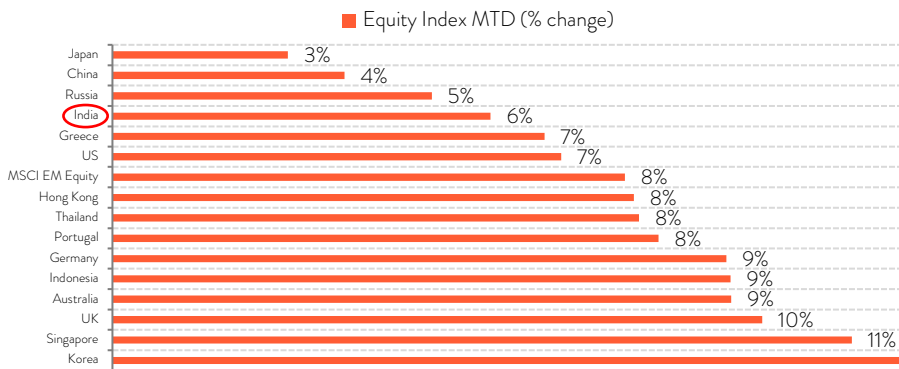
**FIG 147 – IN FORWARDS MARKET, RBI PURCHASED US\$ 8.8BN IN FY20, OUTSTANDING POSITION AT (-) US\$ 4.9BN**



## Markets

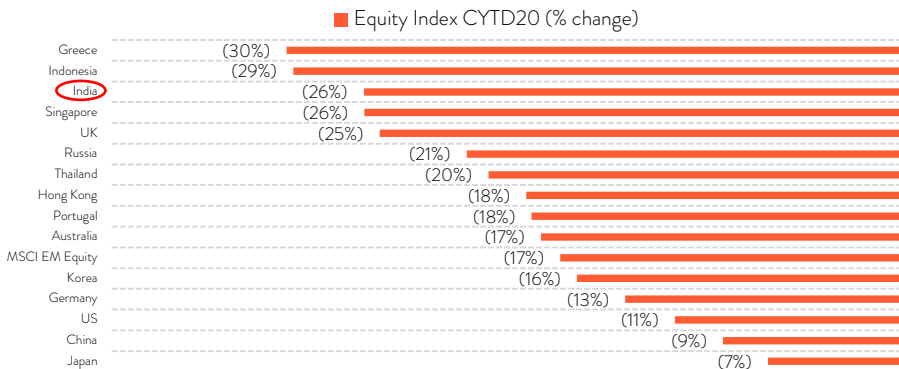
### Equity

**FIG 148 – IN JUN'20, SENSEX ROSE BY 6%, IN CONSTANT CURRENCY TERMS DUE TO PHASED OPENING OF THE ECONOMY**



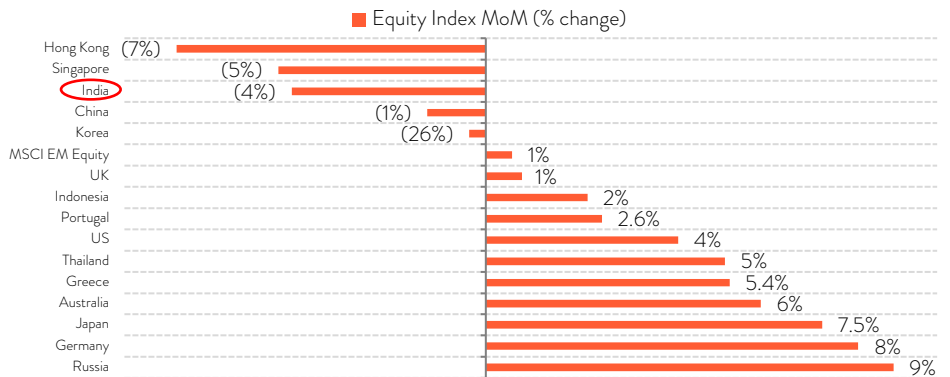
Source: Bloomberg | \* As on 5 Jun 2020, Indices are in US\$ terms

**FIG 150 – SENSEX ALSO FELL SHARPLY BY 26% ON CYTD20 BASIS**



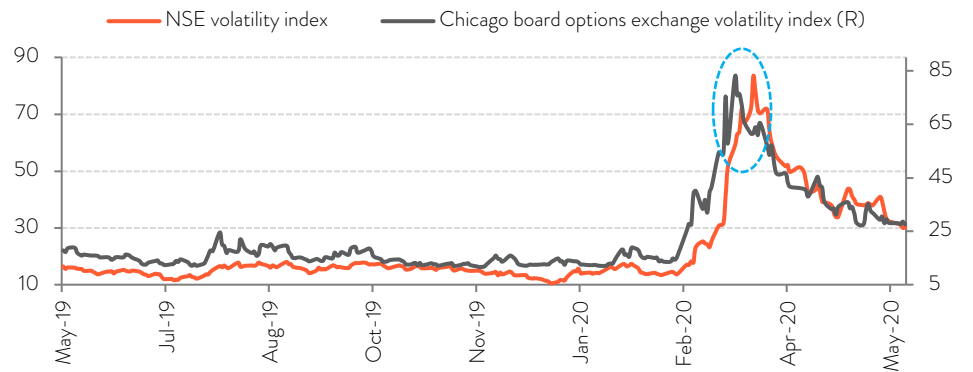
Source: Bloomberg | \* As on 29 May 2020, Indices are in US\$ terms

**FIG 149 – SENSEX FELL BY 4% IN MAY'20 DUE TO RISING COVID-19 CASES**



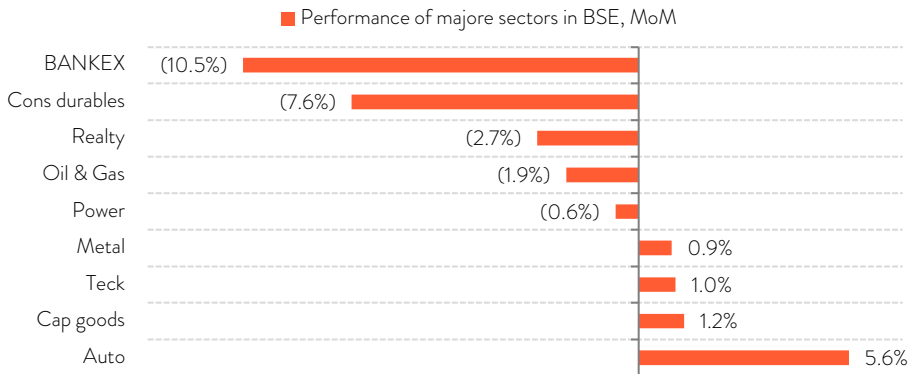
Source: Bloomberg | \* As on 29 May 2020, Indices are in US\$ terms

**FIG 151 – VIX INDEX FELL TO 30.22 IN MAY'20 FROM ITS HIGH OF OF 83.61 IN MAR'20 LED BY EASING LOCKDOWN RESTRICTIONS GLOBALLY**



Source: Bloomberg

**FIG 152 – BANKING STOCKS WERE THE WORST HIT**



Source: Bloomberg | \* As on 29 May 2020

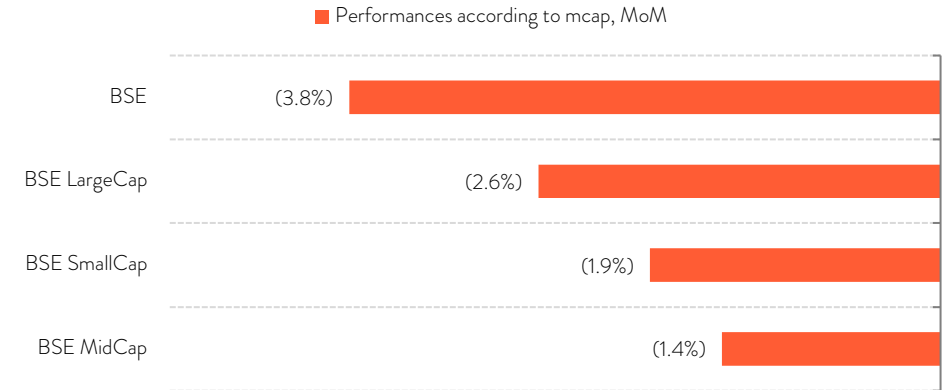
## 10 year bond yields

**FIG 154 – IN JUN'20, INDIA'S 10Y YIELD ROSE BY ONLY 1BPS**



Source: Bloomberg | \*As on 4 Jun 2020, Note: For India 6.45GS2029 is taken

**FIG 153 – LARGE CAPS DECLINED THE MOST**



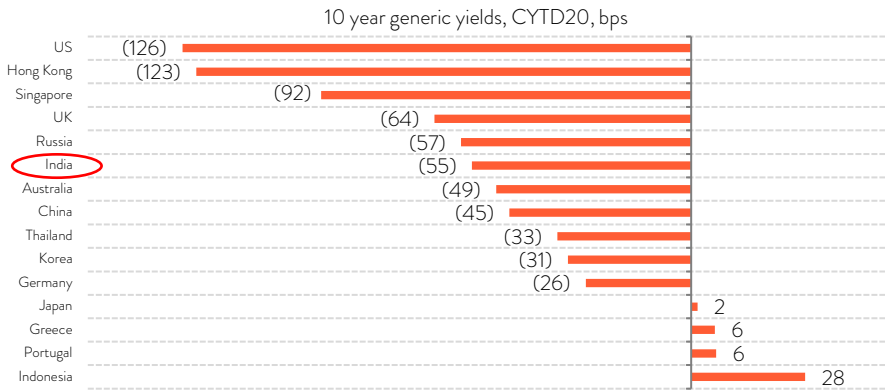
Source: Bloomberg | \* As on 29 May 2020

**FIG 155 – INDIA'S 10Y YIELD FELL BY 10BPS IN MAY'20**



Source: Bloomberg | \* As on 29 May 2020, Note: For India 6.45GS2029 is taken

**FIG 156 – IN CYTD20 AS WELL, INDIA’S 10Y YIELD HAS FALLEN BY 55BPS**



Source: Bloomberg | \* As on 29 May 2020, Note: For India 6.45GS2029 is taken

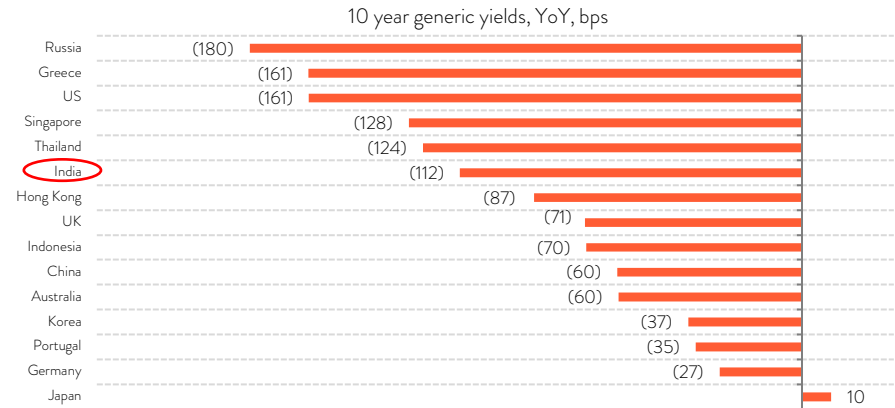
**Currencies**

**FIG 158 – INR DEPRECIATED BY 0.7% IN MAY'20**



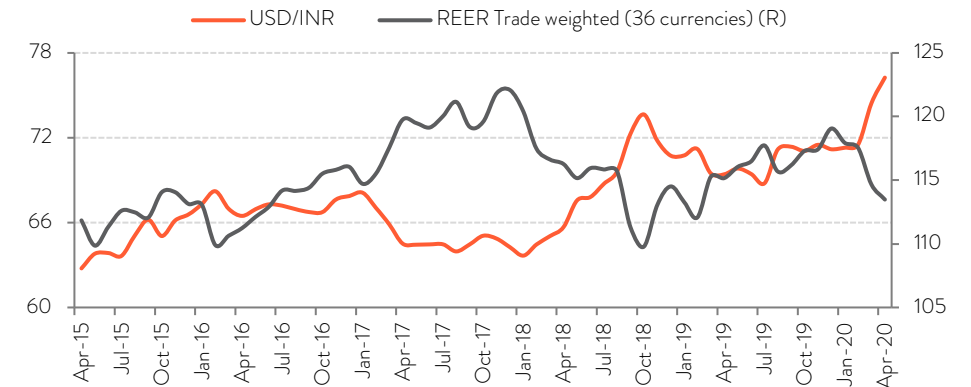
Source: Bloomberg | \*As on 29 May 2020

**FIG 157 – INDIA’S 10Y YIELD FELL SHARPLY BY 112BPS IN MAY'20 ON YOY BASIS**



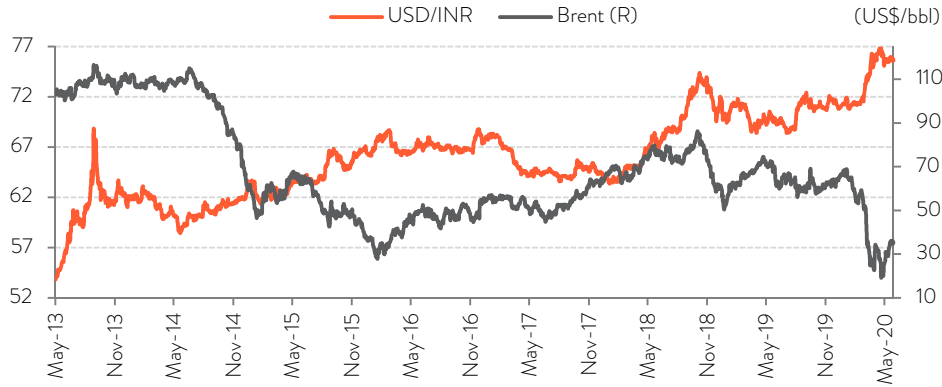
Source: Bloomberg | \* As on 29 May 2020, Note: For India 6.45GS2029 is taken

**FIG 159 – INR STILL OVERVALUED BY 13.5%**



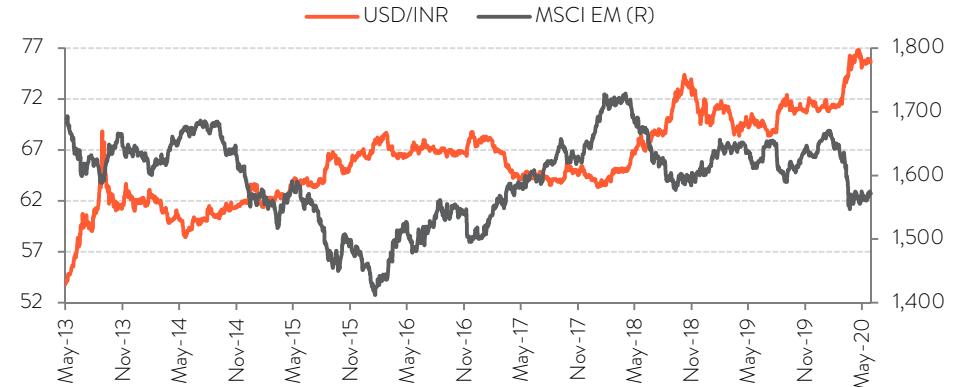
Source: Bloomberg

**FIG 160 – OIL PRICES ROSE IN MAY'20**



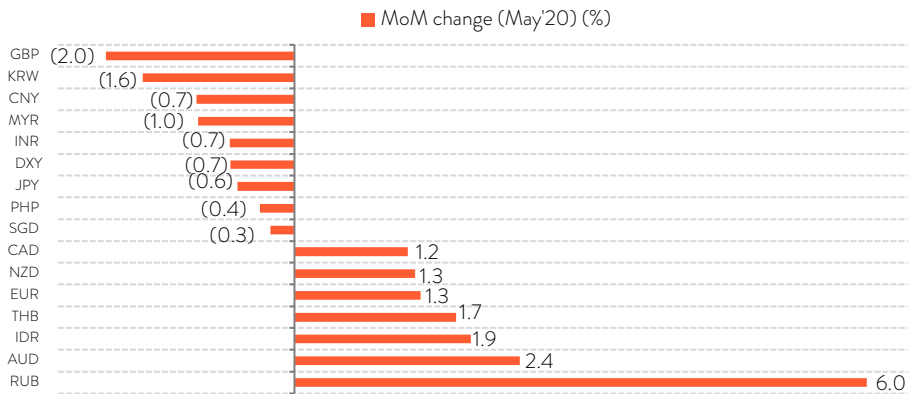
Source: Bloomberg | \*As on 29 May 2020

**FIG 161 – EM CURRENCIES ALSO DEPRECIATED**



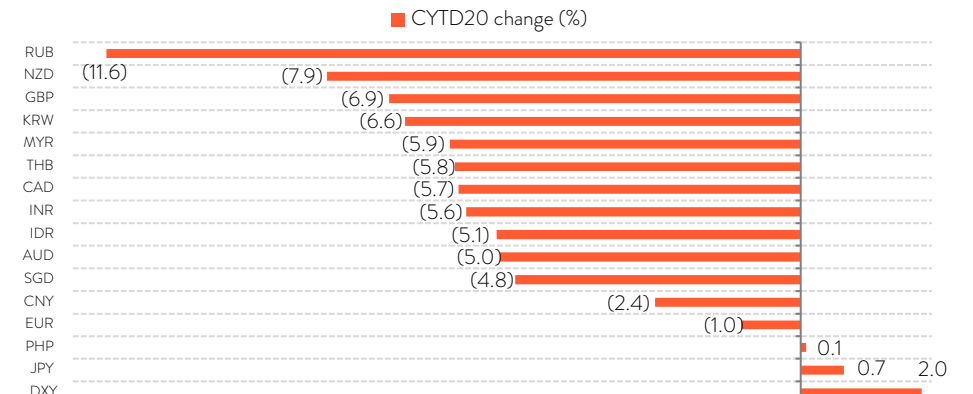
Source: Bloomberg | \*As on 29 May 2020

**FIG 162 – INR DEPRECIATED BY 0.7% IN MAY'20**



Source: Bloomberg | \*As on 29 May 2020

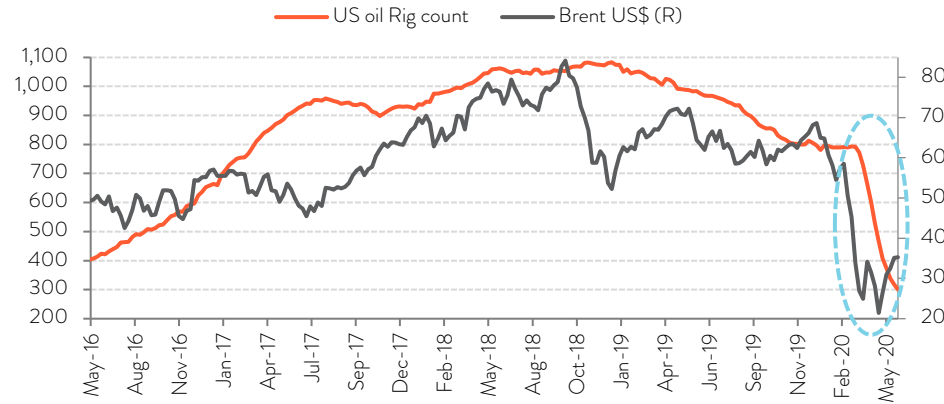
**FIG 163 – IN CYTD20, INR HAS DEPRECIATED BY 5.6%**



Source: Bloomberg | \*As on 29 May 2020

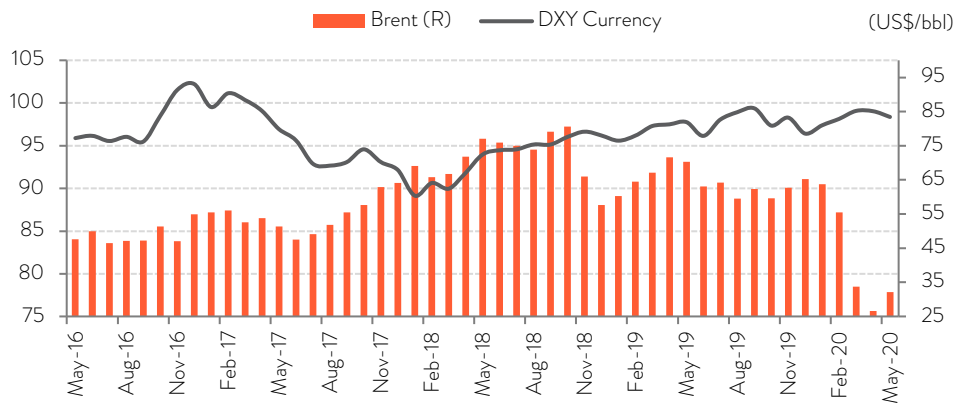
Commodities

**FIG 164 – OIL PRICES ROSE TO US\$ 32/BBL IN MAY'20 (US\$ 26.6/BBL IN APR-20), US RIG COUNT FELL TO 301 VS 465 IN APR'20**



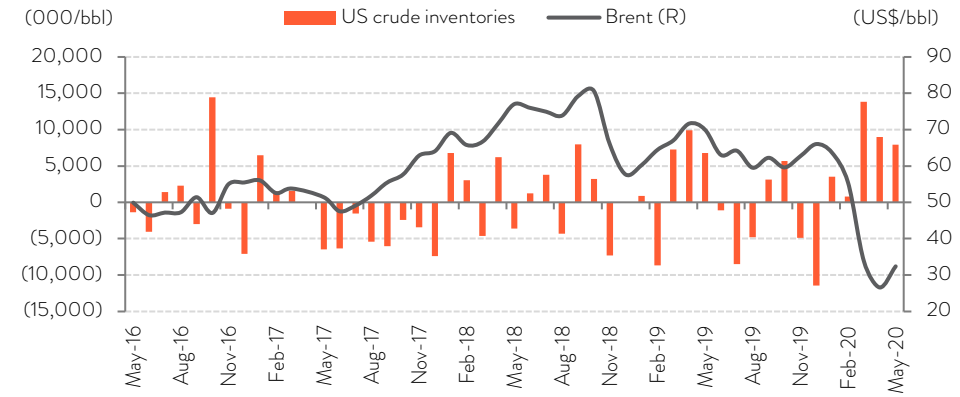
Source: Bloomberg

**FIG 166 – DXY FELL TO 98.3 IN MAY'20 VERSUS 99 IN APR'20, OIL PRICES INCHED UP**



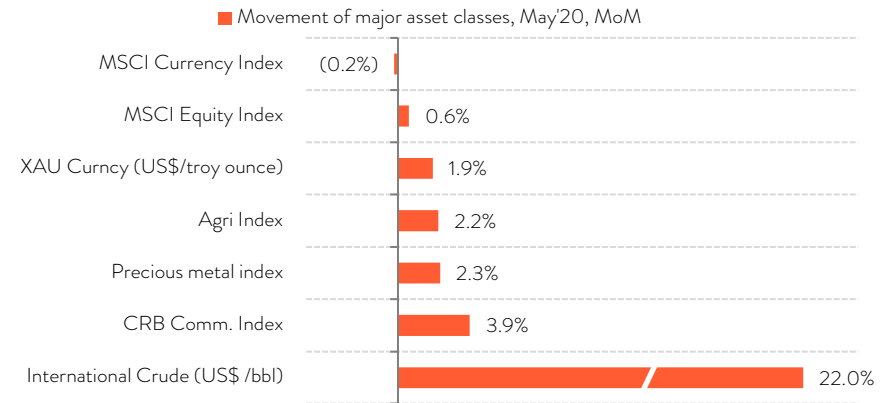
Source: Bloomberg | DXY Index as on last trading day of the month

**FIG 165 – US INVENTORIES WAS SEEN FALLING IN MAY'20 AS EASING LOCKDOWN RESTRICTIONS RESTORED HOPES OF A REVIVAL IN DEMAND**



Source: Bloomberg

**FIG 167 – OIL PRICES ROSE THE MOST, OTHER COMMODITY PRICES ALSO PICKED UP ON HOPES OF DEMAND RECOVERY**

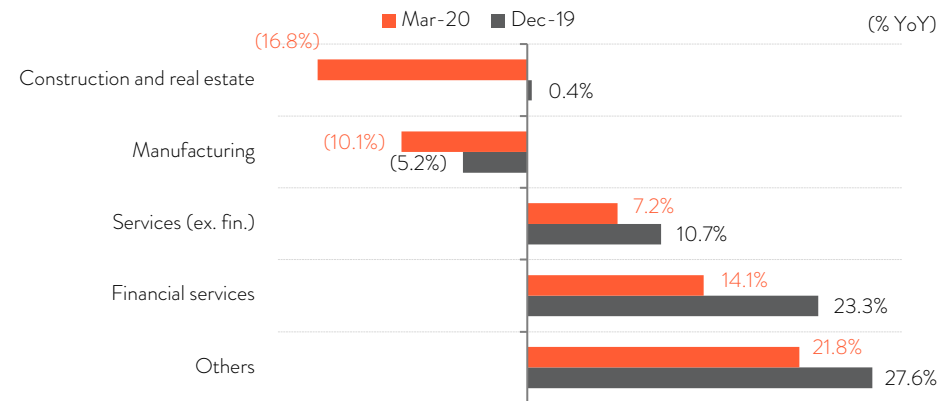


Source: Bloomberg | Index as on last trading day of the month



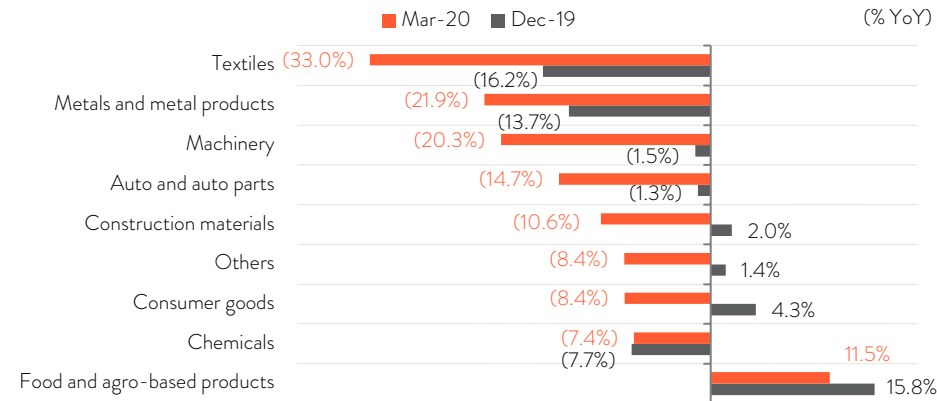
## Corporate earnings

**FIG 168 – NET SALES IN MANUFACTURING AND CONSTRUCTION MATERIALS DECLINES**

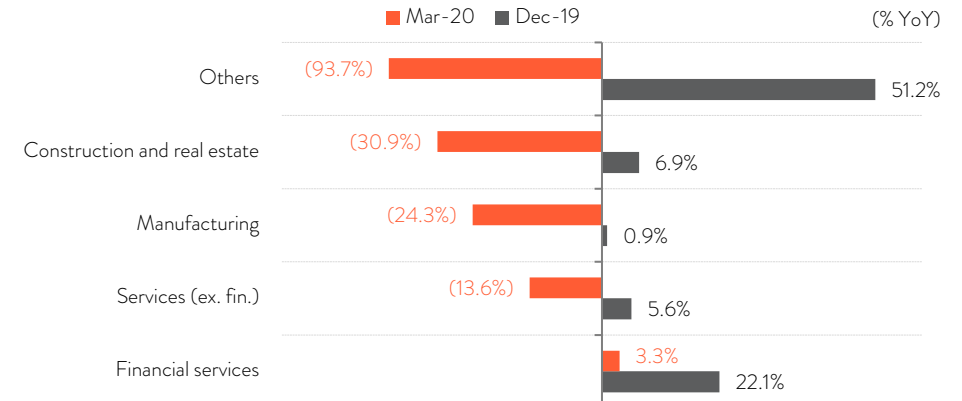


Source: CMIE, Prowess | Based on financial results of 211 companies

**FIG 170 – EXCEPT FOOD AND AGRI PRODUCTS, NET SALES OF MANUFACTURING FIRMS DECLINE IN MAR'20**

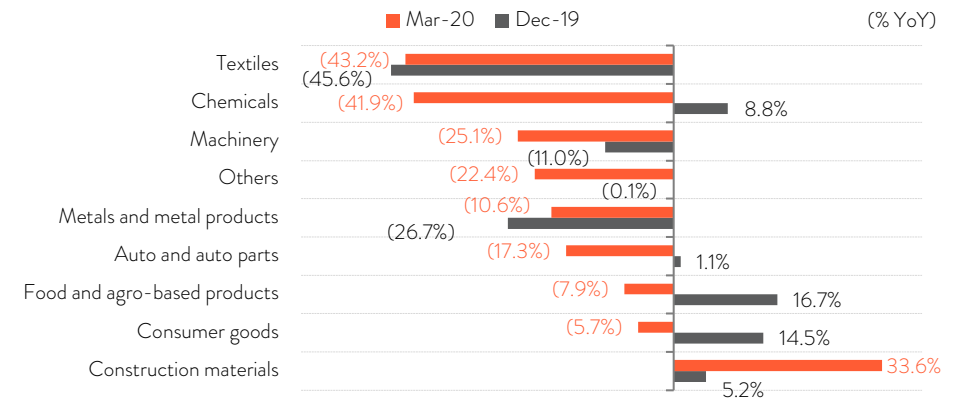


**FIG 169 – EXCEPT FINANCIAL SERVICES, PBDIT IN ALL SECTORS FALLS**



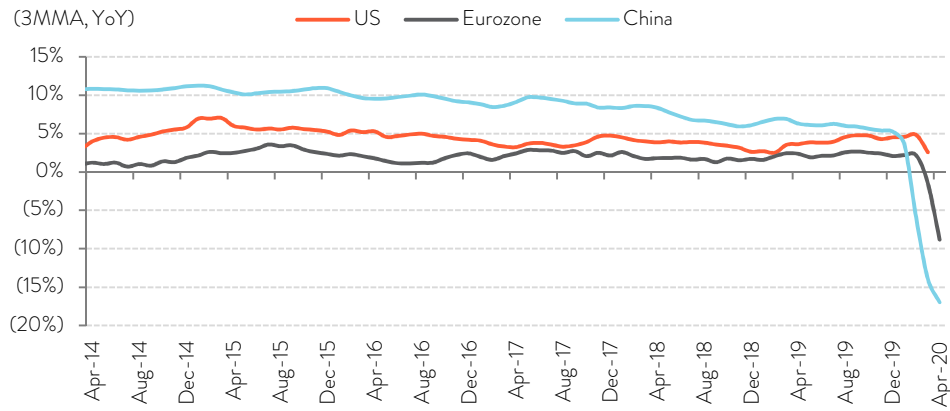
Source: CMIE, Prowess | Based on financial results of 211 companies

**FIG 171 – BARRING CONSTRUCTION MATERIALS, PBDIT FALLS ACROSS THE BOARD FOR MANUFACTURING SECTOR**



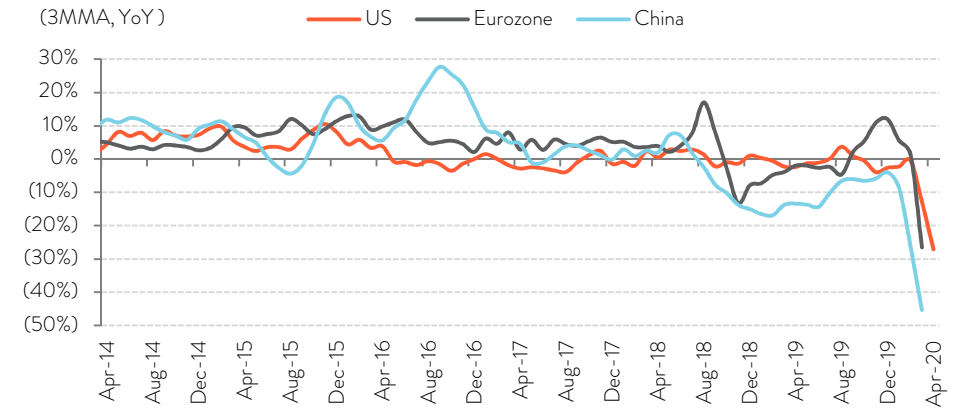
## Global consumption

**FIG 172 – RETAIL SALES REMAIN WEEK**

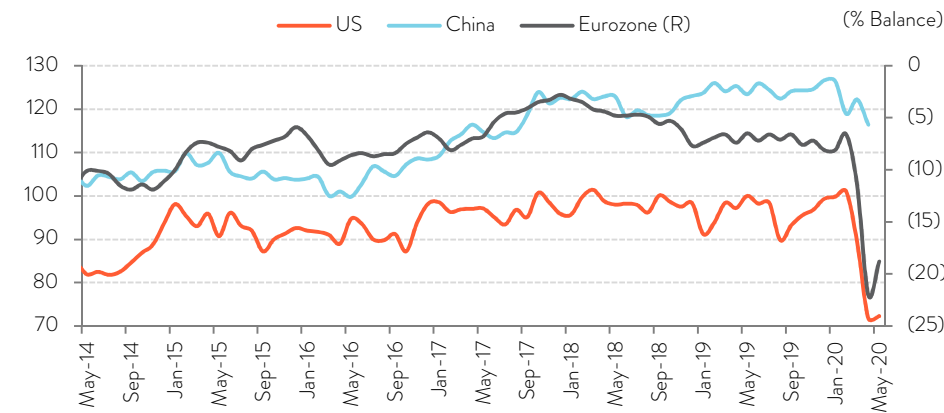


Note: Data for US is till Mar'20

**FIG 173 – CONTRACTION CONTINUE IN AUTO SALES**

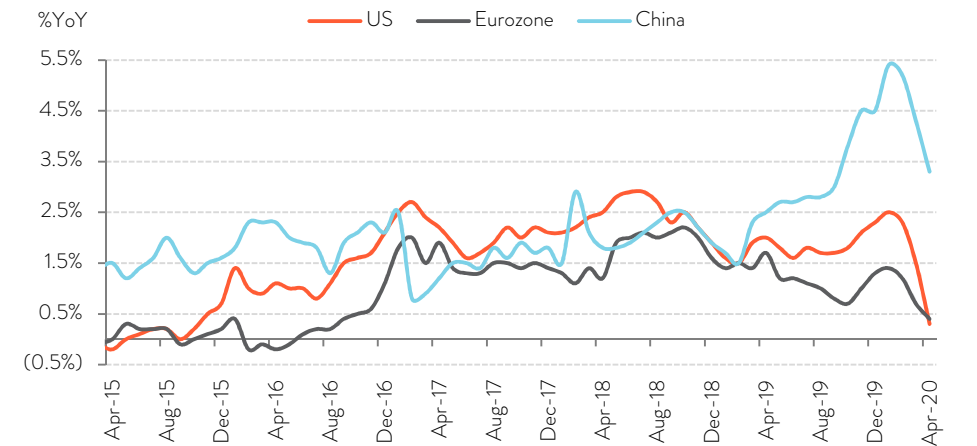


**FIG 174 – CONSUMER CONFIDENCE RECOVERS IN US AND EUROZONE**



Note: Consumer confidence for eurozone is % diffusion index. Data for China is for Apr'20

**FIG 175 – CPI EASES FURTHER**



## Policy

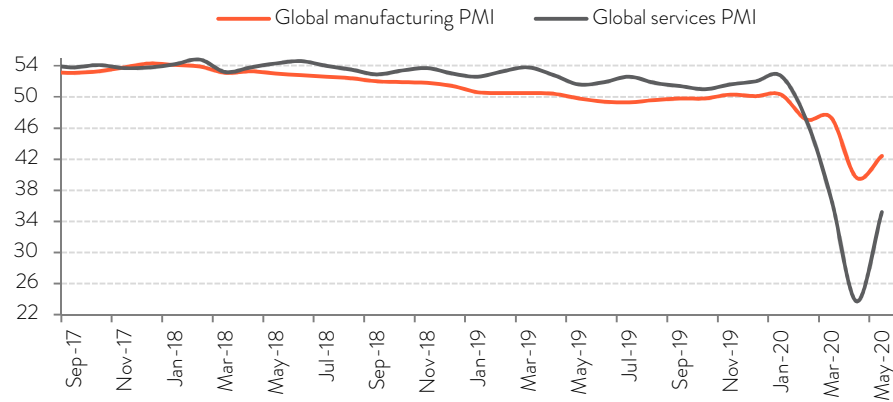
**FIG 176 – GLOBAL CENTRAL BANKS ARE ON MONETARY EASING CYCLE; RBI UNDERWENT ANOTHER SURPRISE 40BPS CUT IN MAY'20**

Country	Current inflation rate (%)	Current policy rate (%)	CY19 (change in bps)	CYTD20 (change in bps)	Direction of policy rate in CYTD20
Germany	0.6	0	0	0	-
Japan	0.1	(0.1)	0	0	-
China	3.3	4.35	0	0	-
Australia	2.2	0.25	(75)	(50)	↓
Indonesia	2.19	4.5	(100)	(50)	↓
UK	0.8	0.10	0	(65)	↓
Russia	3.1	5.50	(150)	(75)	↓
Korea	(0.3)	0.50	(50)	(75)	↓
Thailand	(2.99)	0.5	(50)	(75)	↓
Malaysia	(2.9)	2.00	(25)	(100)	↓
India	5.91	4	(135)	(115)	↓
Phillipines	2.2	2.75	(75)	(125)	↓
US	0.3	0.25	(75)	(150)	↓
Brazil	2.4	0.25	0	(150)	↓
Mexico	2.15	5.5	(100)	(175)	↓
Turkey	10.94	8.25	(1,200)	(375)	↓

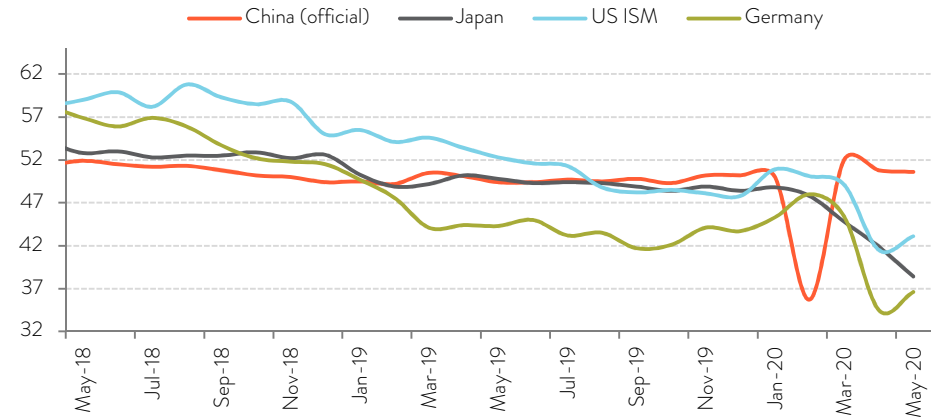
Source: Bloomberg

## Global investment and manufacturing

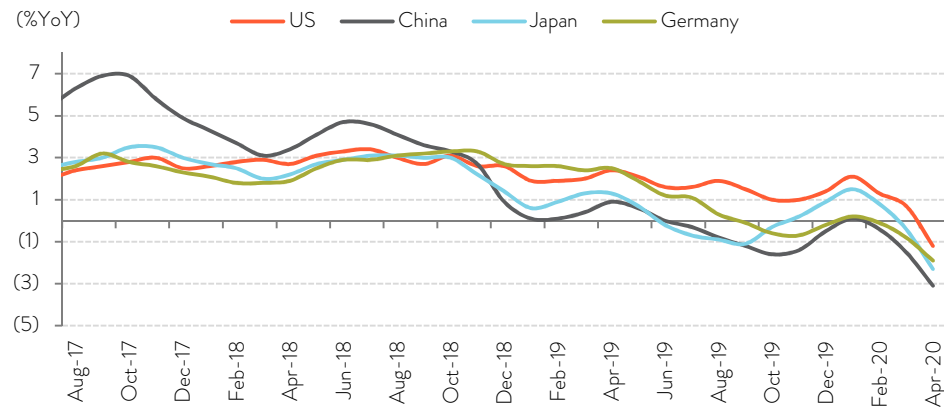
**FIG 177 – GLOBAL MANUFACTURING AND SERVICES ACTIVITY SEEN RECOVERING IN MAY'20**



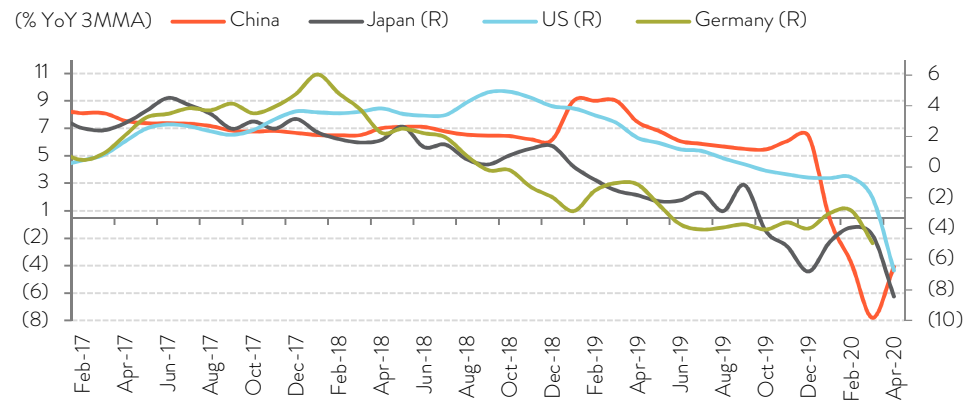
**FIG 178 – MAJOR GLOBAL MANUFACTURING HUBS IMPACTED BY COVID-19 IN MAY'20 AS WELL**



**FIG 179 – PRODUCER PRICES SLIP FURTHER IN APR'20**



**FIG 180 – GLOBAL INDUSTRIAL PRODUCTION ON WEAK FOOTING**



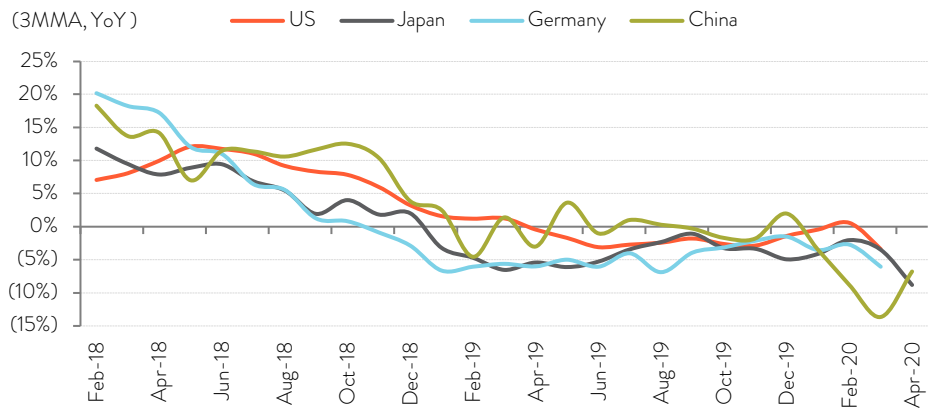
## Global trade

**FIG 181 – WORLD TRADE VOLUME DIPPED FURTHER IN MAR'20**



Source: NPB, World Trade Monitor

**FIG 183 – CHINA'S EXPORTS RISE UNEXPECTEDLY IN APR'20**



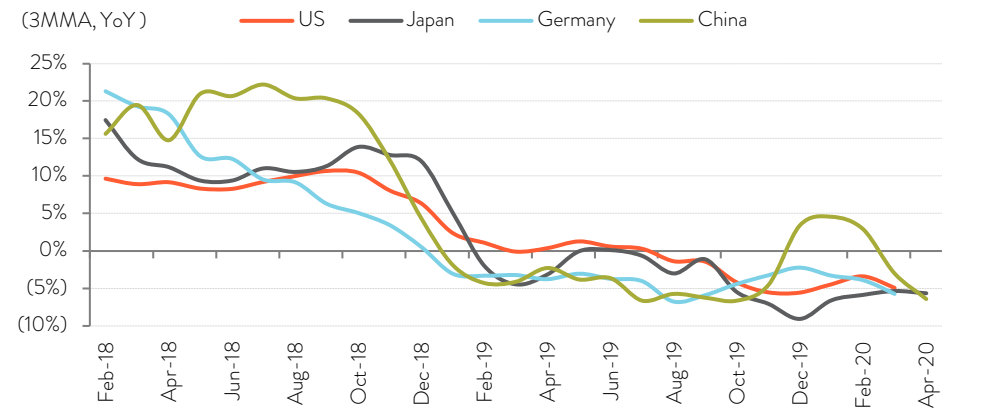
Source: Bloomberg

**FIG 182 – TRADE VOLUME IN MAJOR COUNTRIES/REGIONS FALLS IN MAR'20**

Country/Region (% YoY)	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Africa and Middle East	(3.7)	(4.0)	(4.2)	(3.1)	(2.2)	(1.7)	(1.4)
China	(3.0)	(1.9)	(0.8)	5.2	4.0	1.3	(2.9)
Eastern Europe / CIS	2.6	3.1	3.2	2.8	2.1	1.4	0.7
Emerging Asia (ex. China)	(3.5)	(4.4)	(4.0)	(2.7)	(1.5)	(1.1)	(1.6)
Euro Area	0.0	0.3	0.5	(0.6)	(1.5)	(1.7)	(3.9)
Japan	1.9	(0.1)	(1.0)	(2.3)	(2.1)	(3.4)	(3.9)
Latin America	1.0	(0.6)	(1.7)	(3.2)	(3.5)	(3.6)	(1.9)
US	(0.2)	(1.2)	(2.4)	(2.4)	(2.4)	(2.3)	(3.4)

Source: NPB, World Trade Monitor

**FIG 184 – IMPORTS HOWEVER REMAIN LACKLUSTRE**



Source: Bloomberg

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