

# India Economics

## Monthly Chartbook

February 2020

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## Growth seems to have bottomed out

**While government spending will be a drag on growth in Q4FY20 on the back of muted revenues, manufacturing and services sector PMI has risen to 8-year and 7-year high respectively. FII inflows are abundant and forex reserves are well on their way to cross US\$ 500bn in FY21. Lower oil prices are also supportive. Budget has given a fillip to consumption. Rural consumption will improve in the near-term on the back of 9.5% increase in rabi sowing and relatively elevated domestic and global cereal prices. RBI too has taken measures to propel credit growth in certain segments and given relief to real estate sector. RBI is likely to support growth with another rate cut when inflation drops to its target of 4%.**

**Rural consumption to improve:** While wholesale sales in auto sector remain muted, retail sales seem to be picking up as seen in uptick in vehicle loans. At the same time, broad sentiment remains subdued with RBI's consumer confidence index dipping to 83.7 in Jan'20 (85.7 in Nov'19). However, abundant water for rabi crops and 9.5% increase in sowing along with buoyant domestic and global cereal prices bodes well for demand outlook in the near-term.

**Government spending a drag in Q3:** In Q3FY20, general government spending eased to 13.3% from 23.1% in Q2 on 3MMA basis. Both Centre (17.7% in Q3 vs 28.6% in Q2) and states (9.3% vs 17.2%) reduced spending on the back of lower revenue in-take. Capex spending has fallen in both cases (Centre: 38.2% in Q3 vs 64.6% in Q2; States: -

1% vs 8.1%). State tax receipts are muted (0.9% in FYTD20 vs 15.2% last year) driving the dip in spending. States have resorted to higher market borrowing at Rs 4.4tn (Apr'19-Jan'20) versus Rs 3.4tn in Apr'18-Jan'19.

**RBI measures supported yields:** India's 10Y yield rose by 5bps in Jan'19 ahead of the budget amidst fiscal concerns. Post budget however, yields fell supported by government's decision to keep gross borrowing unchanged at Rs 7.1tn, despite a fiscal slippage of 0.5% in FY20. Further, FY21 borrowing plan is pegged only slightly higher at Rs 7.8tn. Apart from this, RBI's recent measures ranging from withdrawal of 1% ceiling of banks to borrow from RBI and introduction of LTROs are a step towards keeping long end yields lower and infusing durable liquidity into the system. As a result, 10Y yield has fallen by 16bps MTD. FII inflows in debt also remain resilient at US\$ 2.5bn in FYTD20.

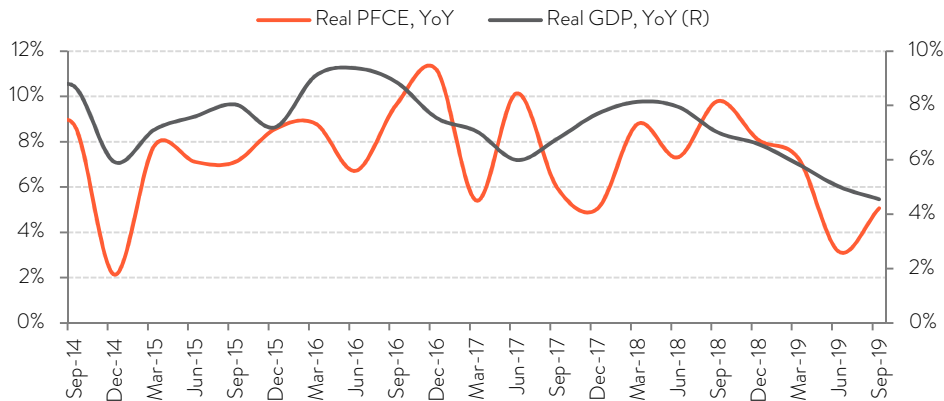
**INR to remain rangebound with an appreciating bias:** While concerns over the economic fallout of the coronavirus outbreak dented demand for EM currencies (-1.1% in Jan'20), INR outperformed and closed stable. Even in Feb'20 INR has appreciated by 0.1%, compared with (-) 0.1% depreciation in EM currencies. FII inflows to India have increased (US\$ 2.9bn in Feb'20). Further, lower oil prices are inherently positive for INR. Hence, INR is likely to remain stable in the near-term with an appreciating bias.

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

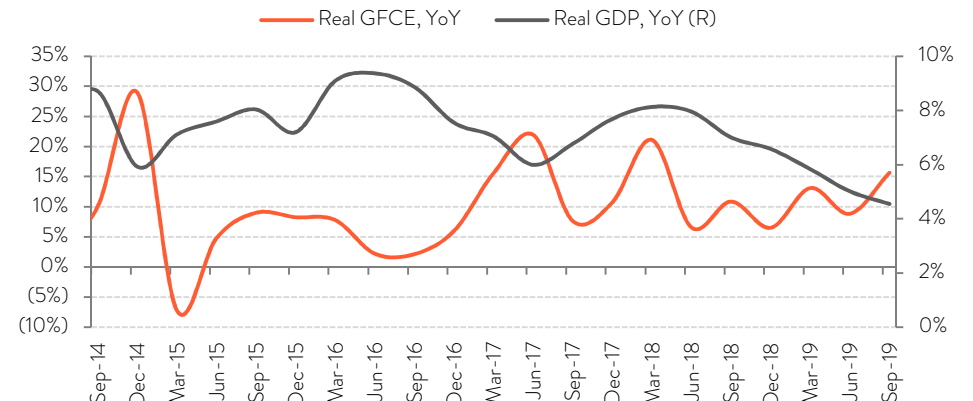
# Consumption

## Final consumption expenditure

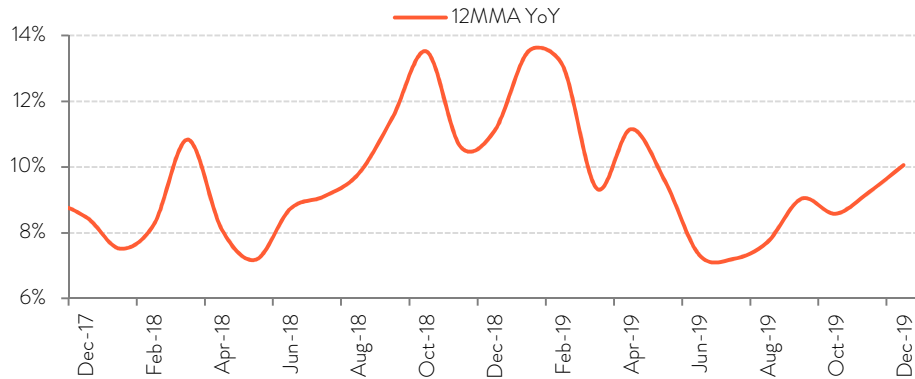
**FIG 1 – CONSUMPTION REBOUNDS TO 5.1% IN Q2FY20**



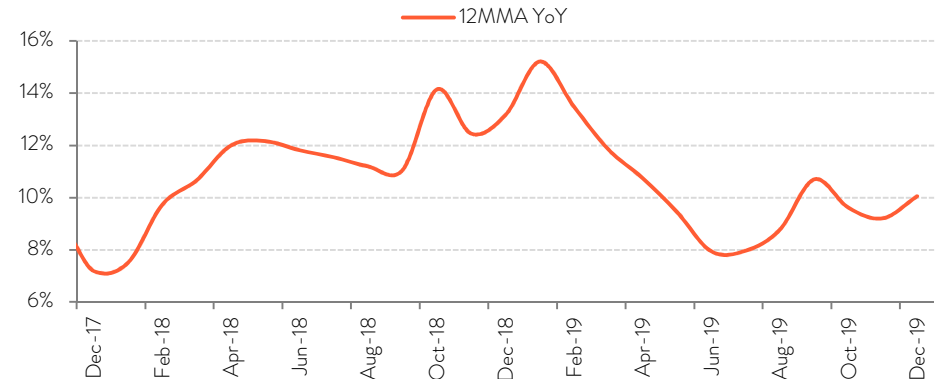
**FIG 2 – GOVERNMENT CONSUMPTION TOO TURNS AROUND IN Q2FY20**



**FIG 3 – GENERAL GOV REVENUE SPENDING INCHING UPWARDS IN DEC'19**



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



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

Non-oil imports, electronic imports

FIG 5 – NON-OIL-NON-GOLD IMPORTS CONTINUES TO DIP

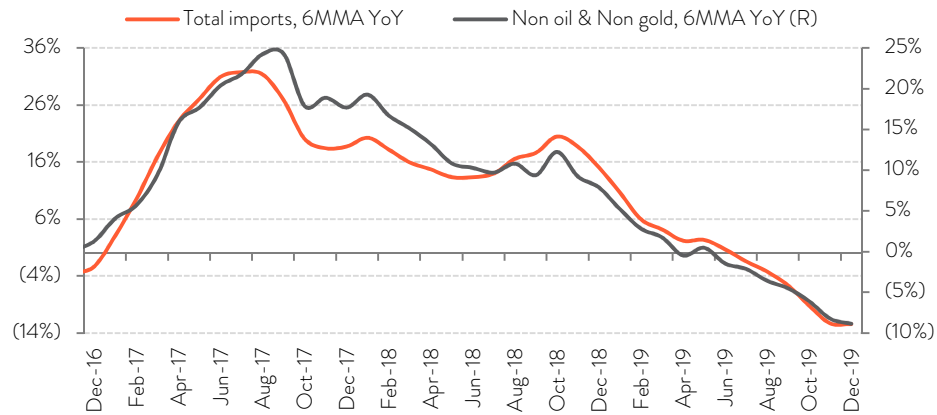


FIG 6 – ELECTRONIC IMPORTS IMPROVES MARGINALLY

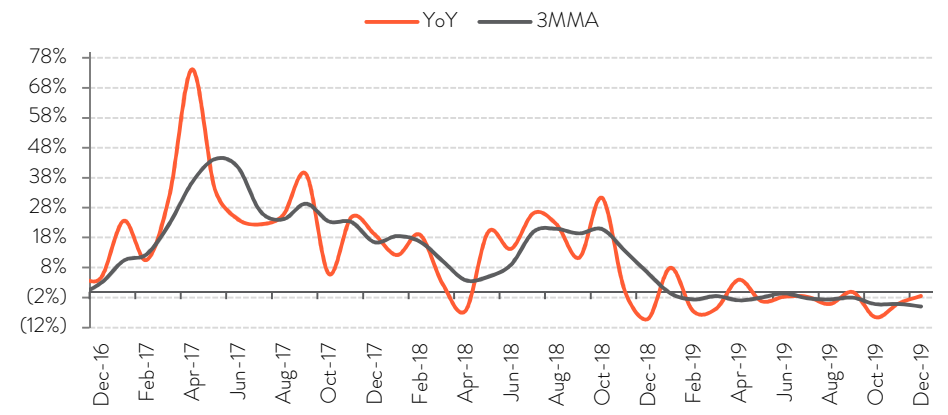


FIG 7 – PASSENGER CAR SALES CONTINUES TO DECLINE AT THE SAME PACE

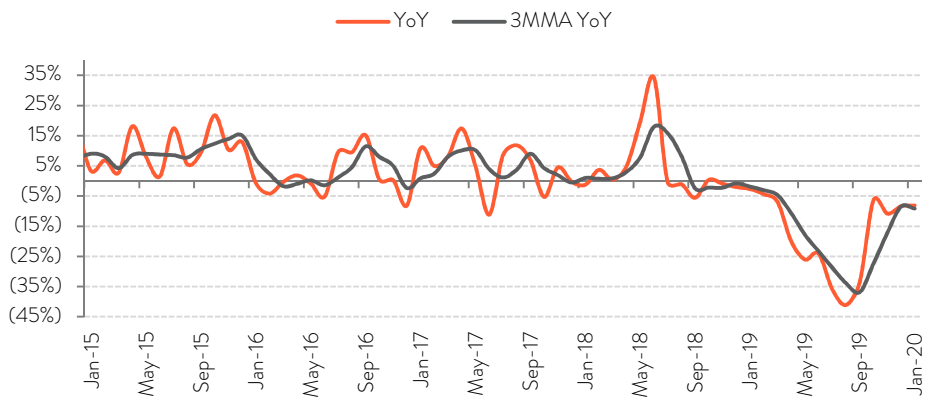
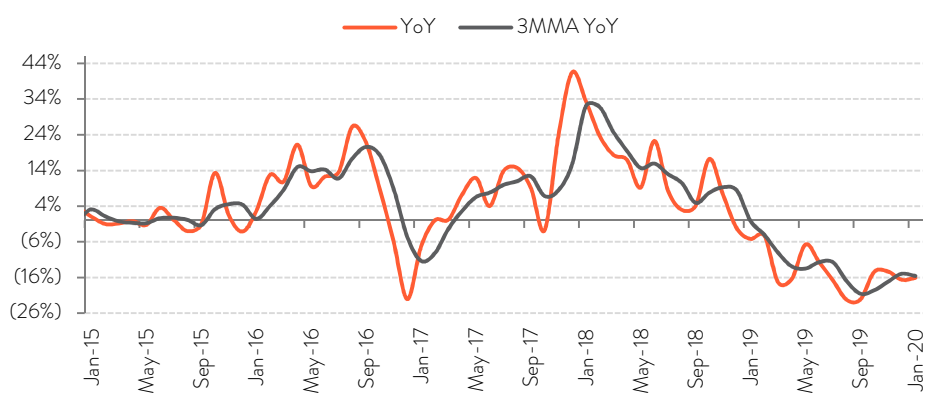


FIG 8 – SIMILAR CASE FOR TWO-WHEELER SALES



Credit deployment of personal loans

FIG 9 – GROWTH IN CREDIT CARD OUTSTANDING STEADIES IN DEC'19

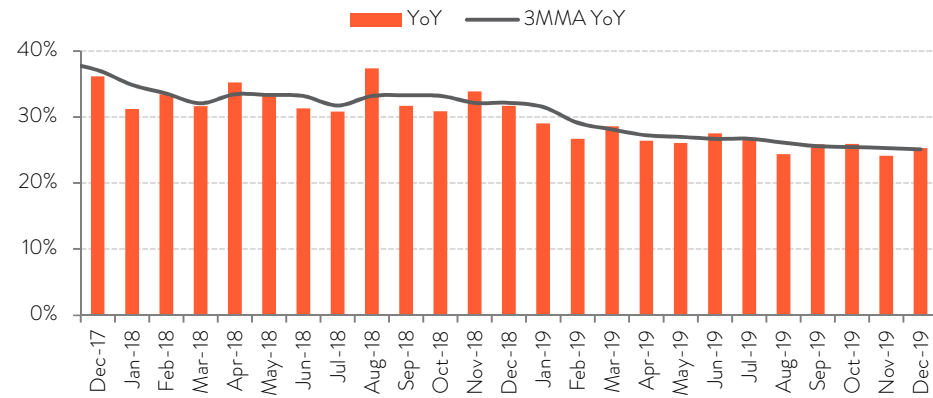


FIG 10 – GROWTH IN PERSONAL LOANS DROPS

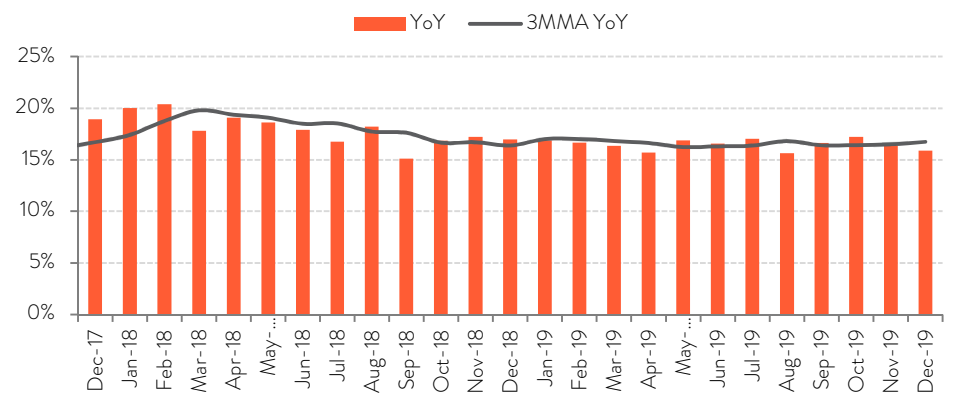


FIG 11 – GROWTH IN VEHICLE LOANS RISES SHARPLY

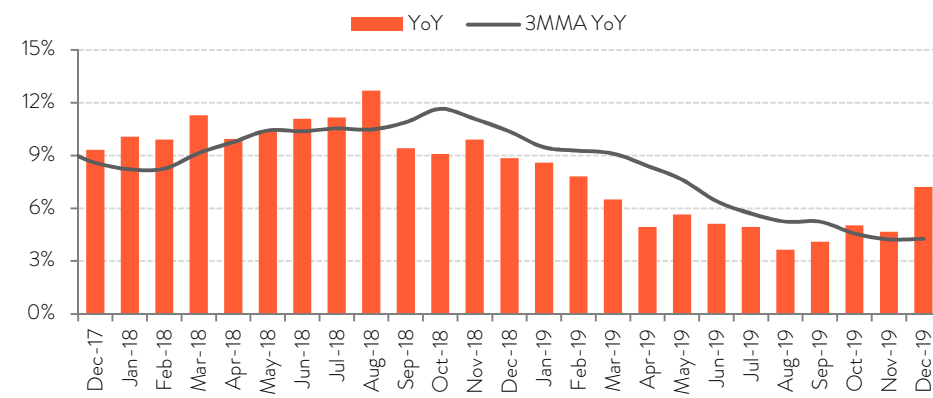
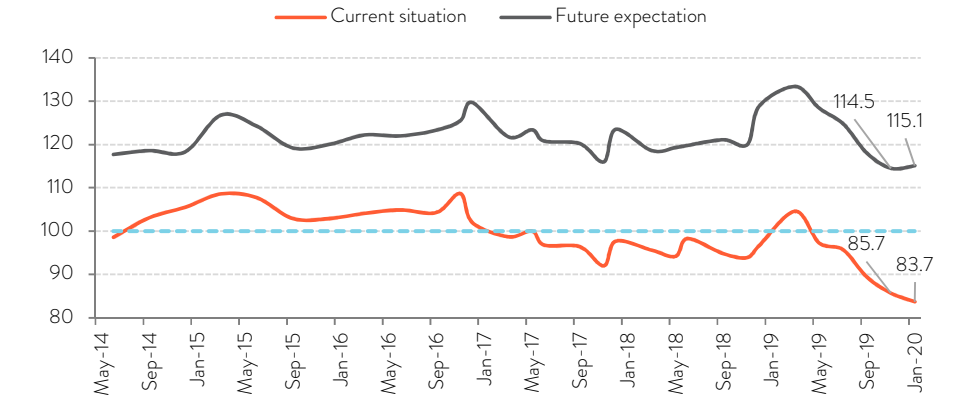
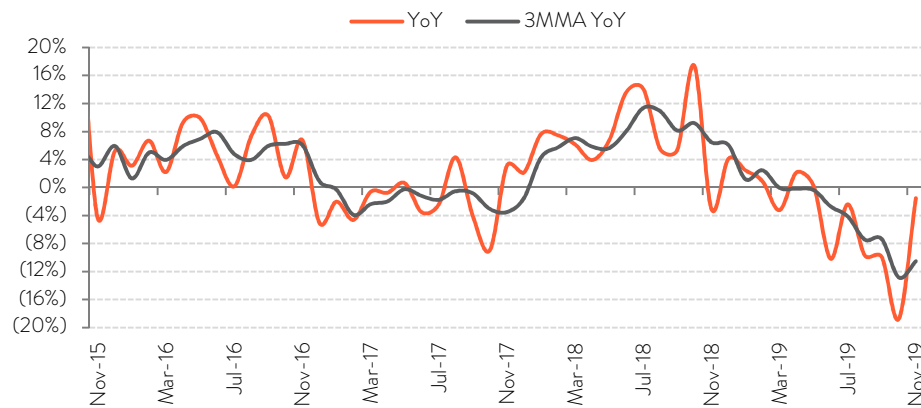


FIG 12 – SUBDUED CONSUMER CONFIDENCE

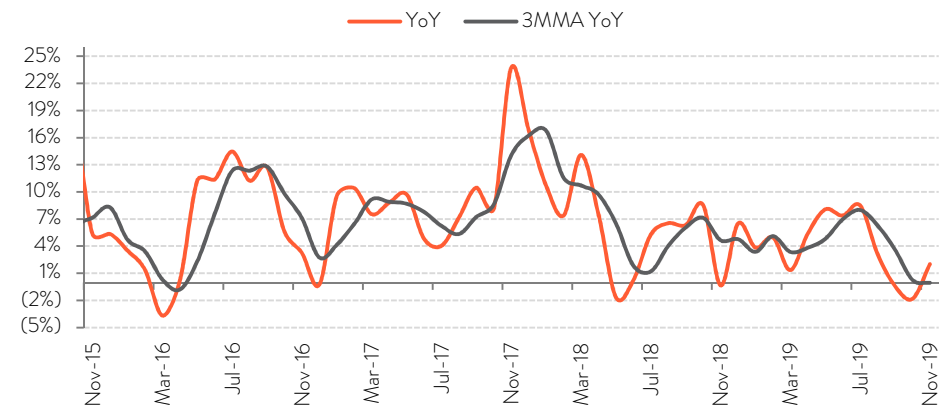


### Consumer durables & non-durables production

**FIG 13 – CONSUMER DURABLES OUTPUT BOUNCES BACK**



**FIG 14 – FMCG OUTPUT BACK IN POSITIVE TERRITORY**



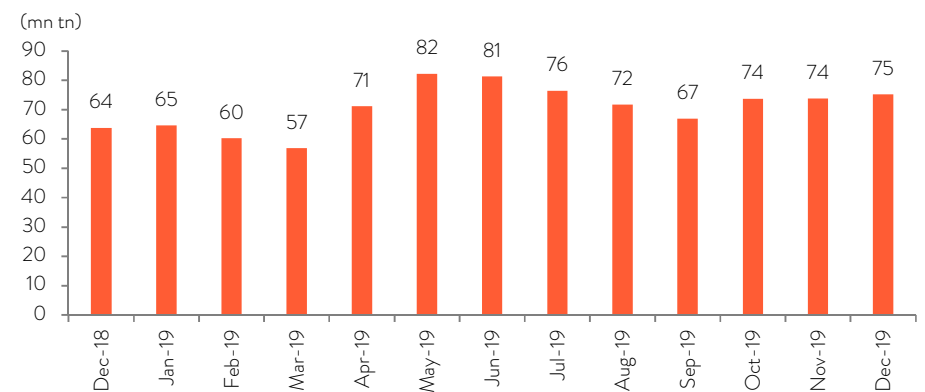
### Agriculture

**FIG 15 – RABI SOWING HAS IMPROVED COMPARED WITH LAST YEAR**

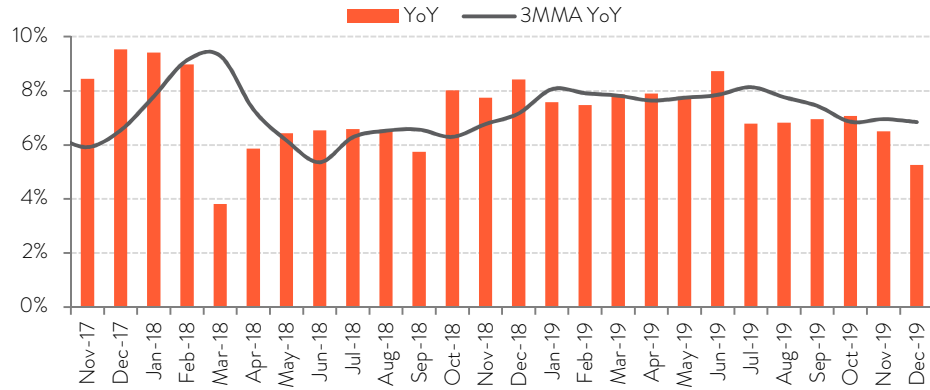
Crop type (ha mn)	Normal area as on date	Area sown in 2019-20	Area sown in 2018-19	Normal area for whole Kharif season	Growth in AY (YoY%)
Wheat	30.4	33.6	29.9	30.6	12.3
Rice	2.3	2.9	2.5	4.3	13.8
Coarse Cereals	5.5	5.6	4.8	6.1	16.6
Pulses	15.1	16.1	15.2	14.6	6.2
Oilseeds	8.1	8.0	8.0	7.9	(0.1)
<b>Total</b>	<b>61.4</b>	<b>66.2</b>	<b>60.5</b>	<b>63.4</b>	<b>9.5</b>

Note: Data as on 31 Jan 2020, AY: Agriculture Year

**FIG 16 – STOCK OF FOODGRAINS AT 75MN TN IN DEC'19 COMPARED WITH 64MN TN IN DEC'18**



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

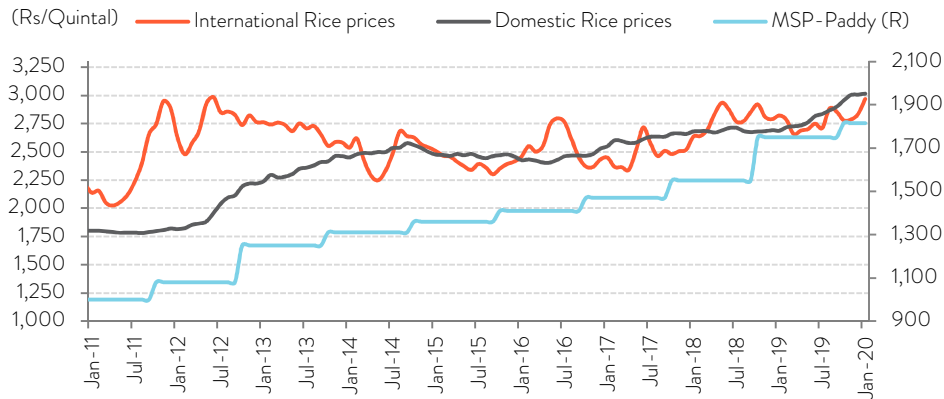


**FIG 18 – PROCUREMENT INCREASING LED BY RICE**

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	33.61*

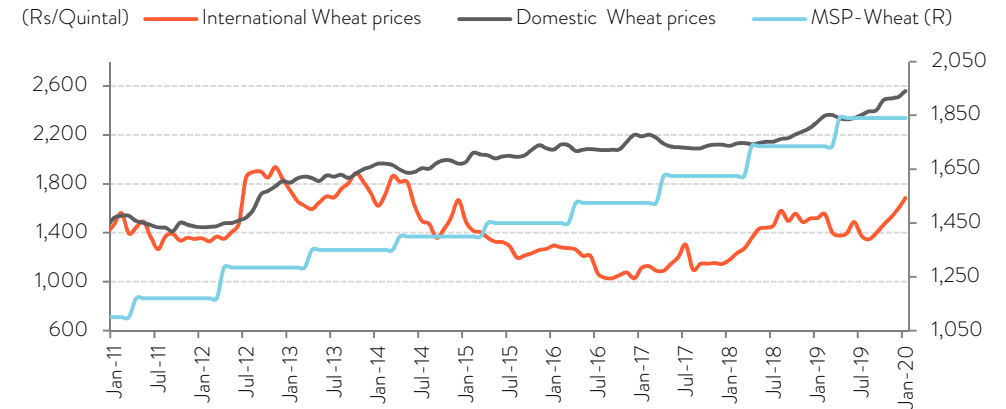
Source: Ministry of Consumer Affairs, Food and Public Distribution | \*As on: 31 Jan 2020

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



Source: World Bank

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



Source: World Bank

FIG 21 – UPTICK IN GLOBAL FOOD PRICES

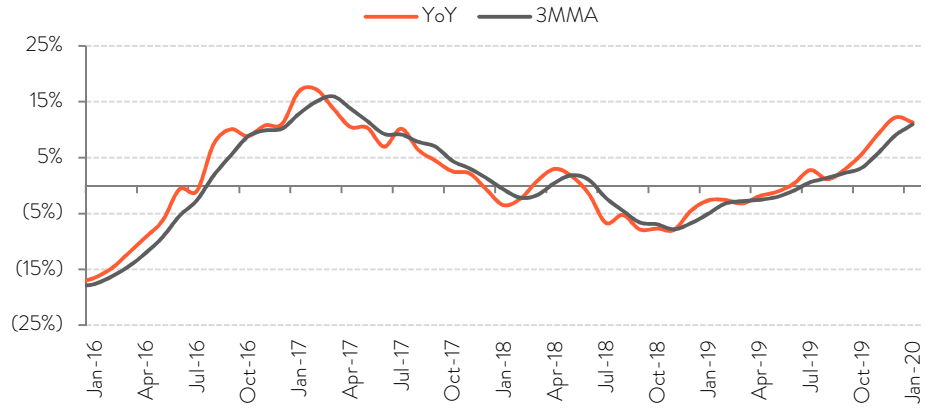
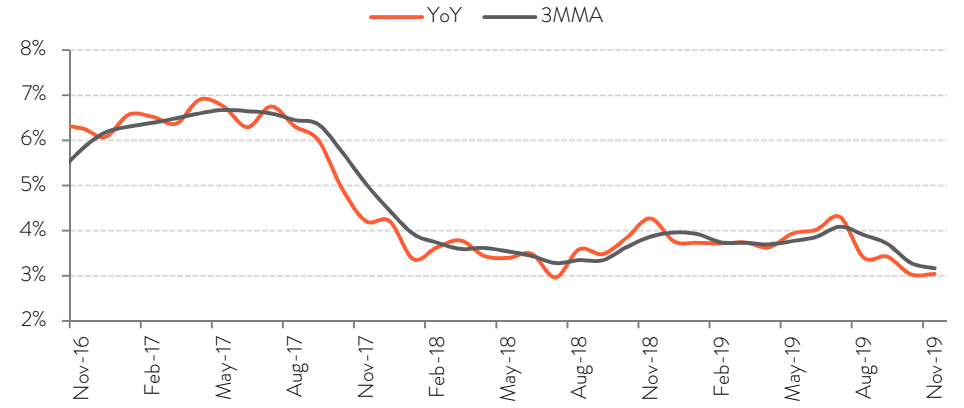


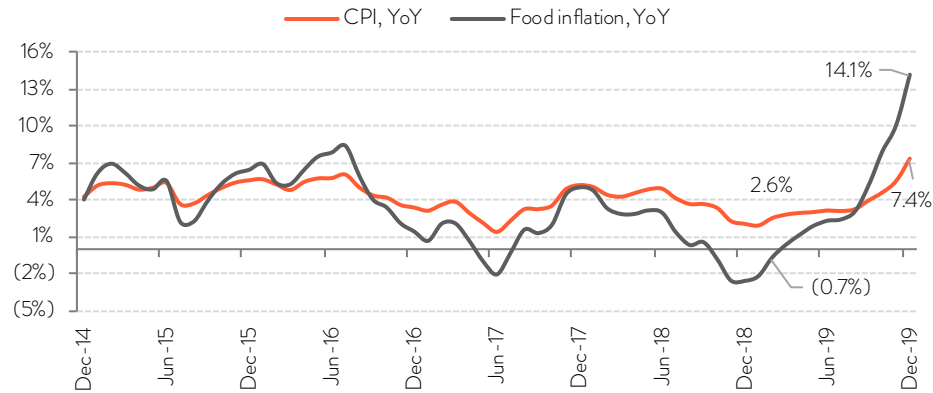
FIG 22 – RURAL WAGES (MEN) STEADY IN NOV'19



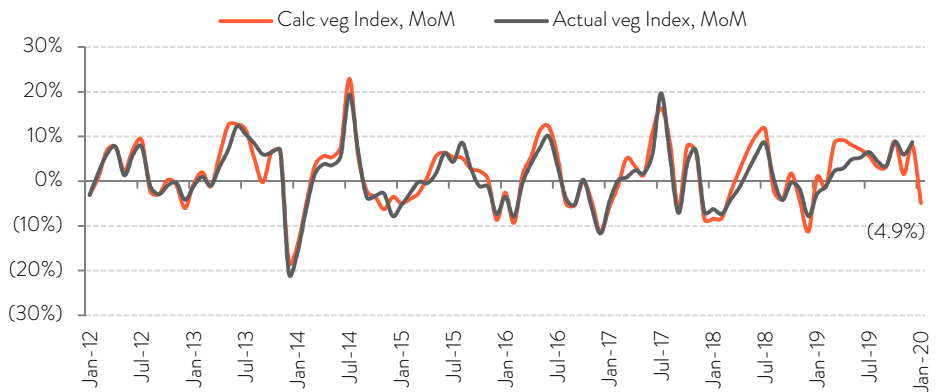


## Inflation

**FIG 23 – RETAIL INFLATION ROSE TO 65-MONTH HIGH OF 7.4% IN DEC'19 VS 5.5% IN NOV'19, ABOVE MPC'S 4% TARGET**

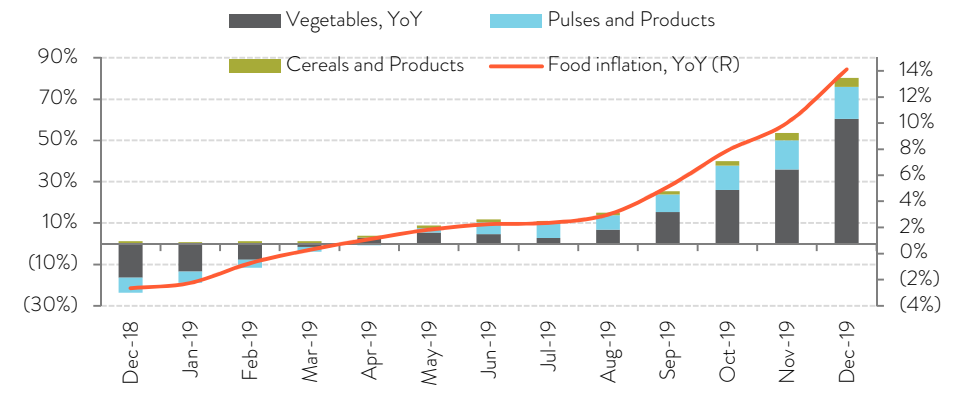


**FIG 25 – ...HOWEVER, VEGETABLE INFLATION SEEN INCHING DOWN LATELY**

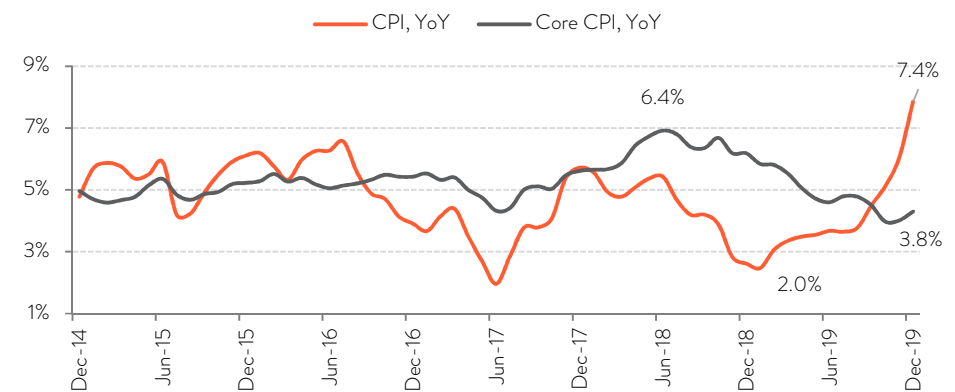


Note: \*Vegetable index computed using average retail price of major items

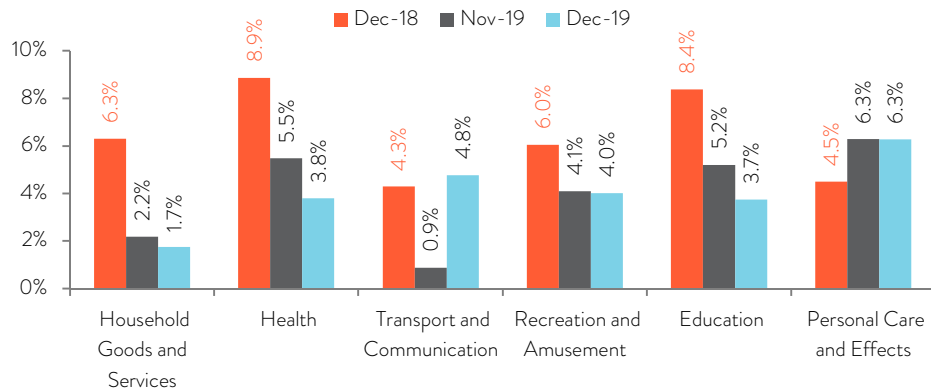
**FIG 24 – ... LED BY 410BPS JUMP IN FOOD INFLATION (14% VS 10% IN NOV'19), ATTRIBUTED TO HIGHER VEGETABLE INFLATION (60.5% VS 36.1% IN NOV'19)**



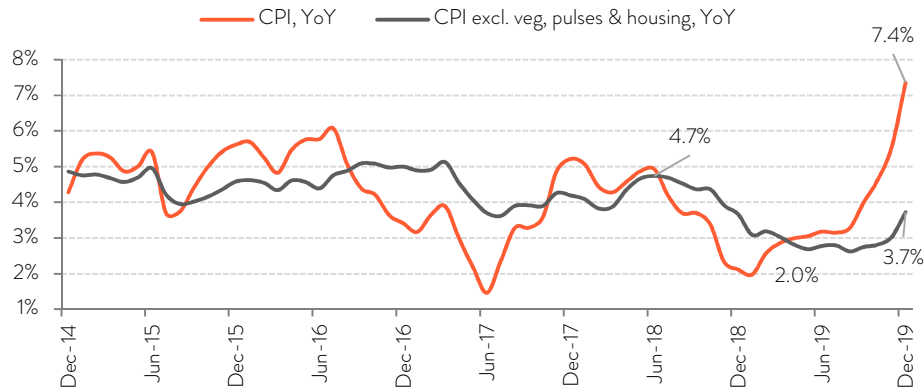
**FIG 26 – CORE INFLATION ROSE BY 30BPS TO 3.8% IN DEC'19, GAP BETWEEN CORE AND HEADLINE CPI STILL WIDENED**



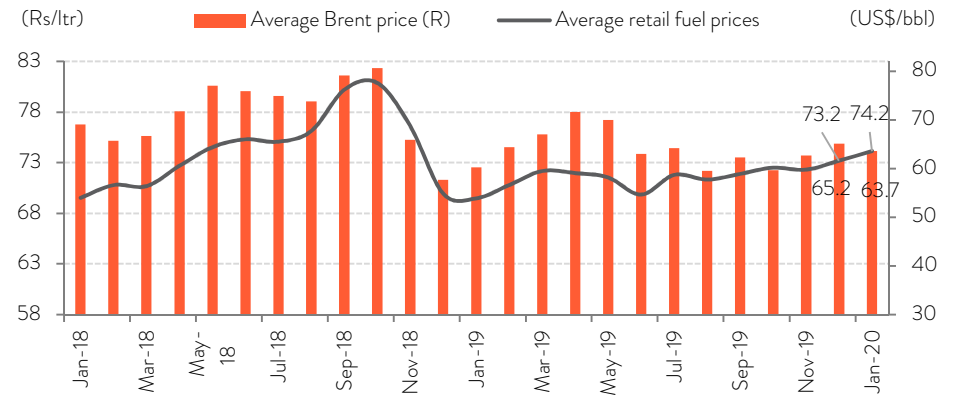
**FIG 27 – ...LED BY ACCELERATION IN TRANSPORT & COMMUNICATION INFLATION**



**FIG 29 – CPI EXCL VEG, PULSES AND HOUSING ROSE BY 70BPS TO 3.7% IN DEC'19**

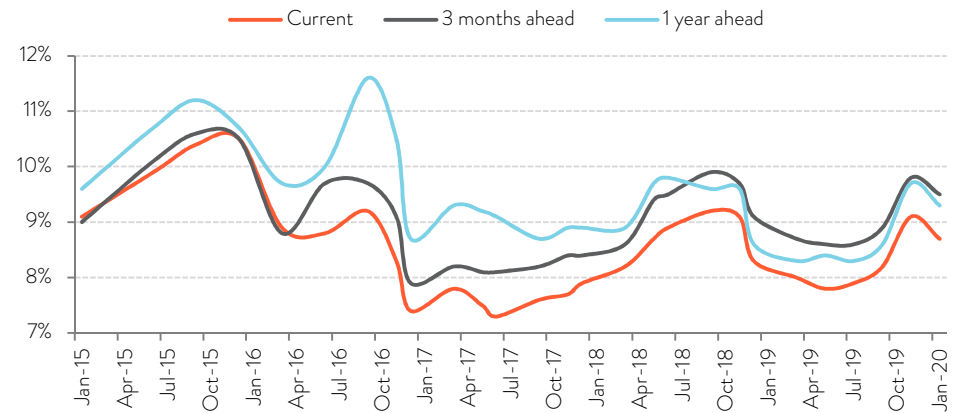


**FIG 28 – ...IN JAN'20 AS WELL, RETAIL FUEL PRICES INCHED UP TO RS 74/LT; CRUDE PRICES ON AN AVERAGE INCHED DOWN TO US\$ 64/BBL**



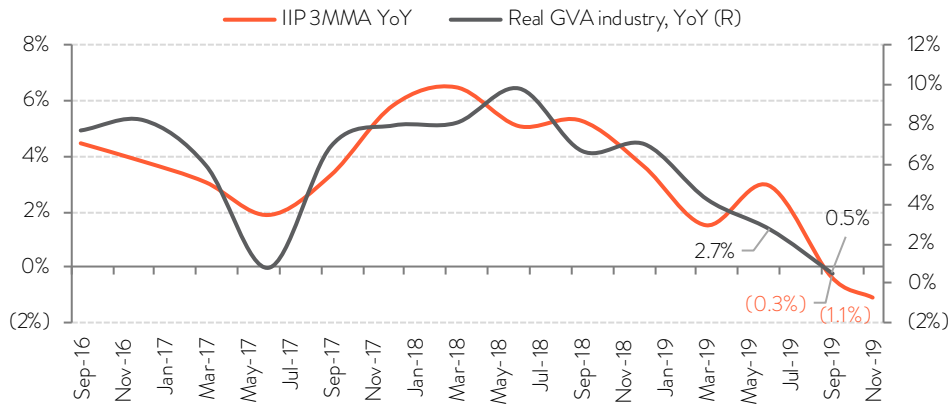
Note: \*Average retail price of Delhi, Kolkata, Mumbai and Chennai

**FIG 30 – INFLATION EXPECTATION INDEX FELL BY 30BPS & 40BPS FOR 3-MONTH & 1-YEAR AHEAD**



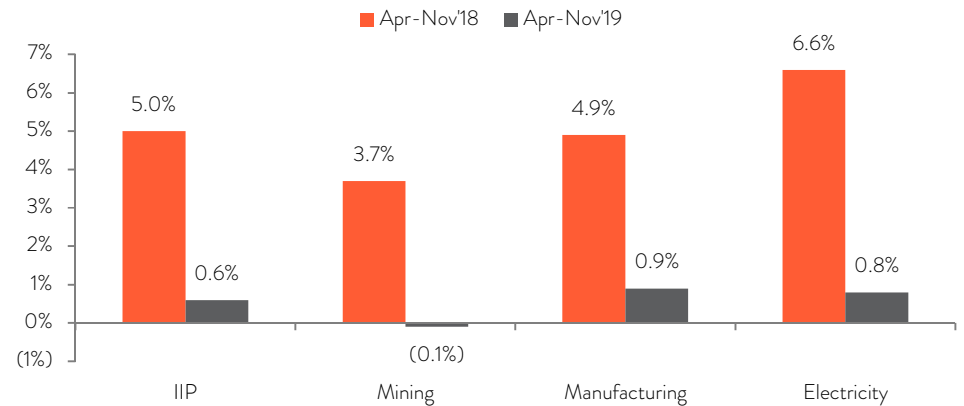
## Industry

**FIG 31 – INDUSTRIAL OUTPUT LIKELY TO BE LOWER IN Q3FY19**

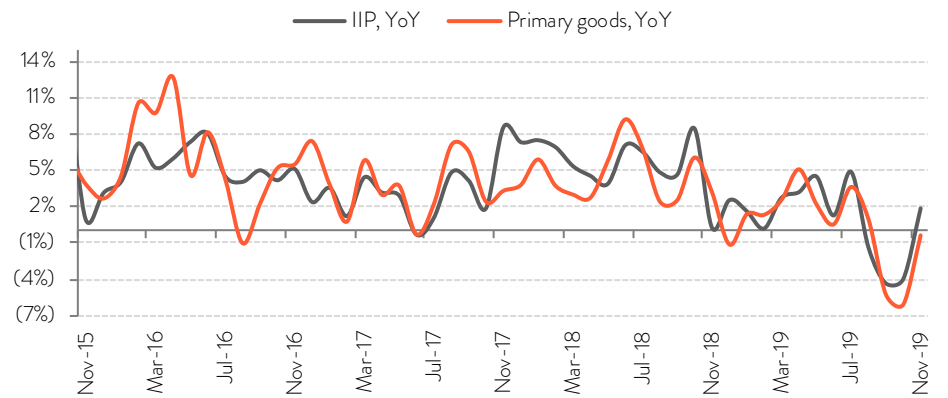


Note: IIP for Nov'19 is average for Oct-Nov19 on a YoY basis

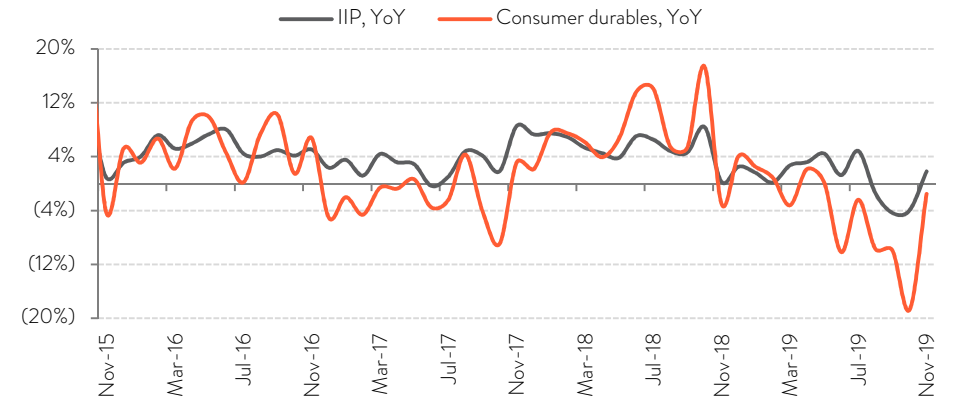
**FIG 32 – BROAD BASED SLOWDOWN ASCROSS SECTORS**



**FIG 33 – PRIMARY GOODS PUSHED IIP UP**



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

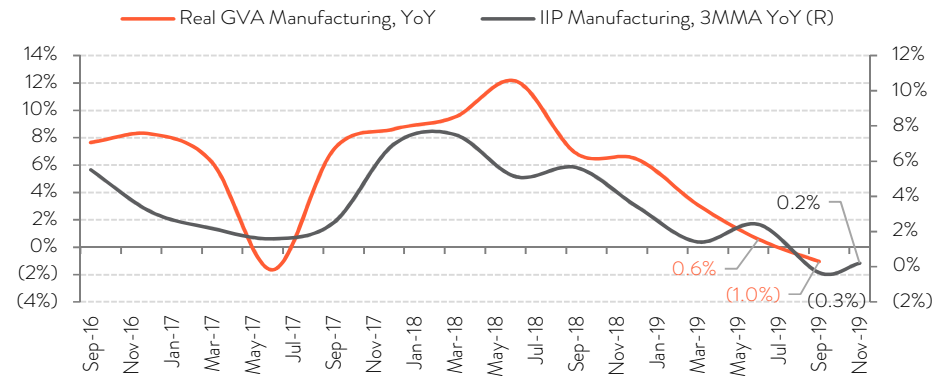


**FIG 35 – INDUSTRIAL PRODUCTION REBOUNDS IN NOV'19**

Sectoral (%)	Weight	Nov-19	Oct-19	Nov-18	Apr-Nov'19	Apr-Nov'18
IIP	100.0	1.8	(4.0)	0.2	0.6	5.0
Mining	14.4	1.7	(8.0)	2.7	(0.1)	3.7
Manufacturing	77.6	2.7	(2.3)	(0.7)	0.9	4.9
Electricity	8.0	(5.0)	(12.2)	5.1	0.8	6.6
<b>Use-Based</b>						
Primary Goods	34.1	(0.3)	(6.0)	3.2	0.1	4.8
Capital Goods	8.2	(8.6)	(22.0)	(4.1)	(11.6)	7.2
Intermediate Goods	17.2	17.1	22.9	(4.1)	12.2	0.7
Infrastructure and Construction Goods	12.3	(3.5)	(9.7)	4.8	(2.7)	8.3
Consumer Durables Goods	12.8	(1.5)	(18.8)	(3.0)	(6.5)	7.8
Consumer Non-Durables Goods	15.3	2.0	(1.8)	(0.3)	3.9	4.0

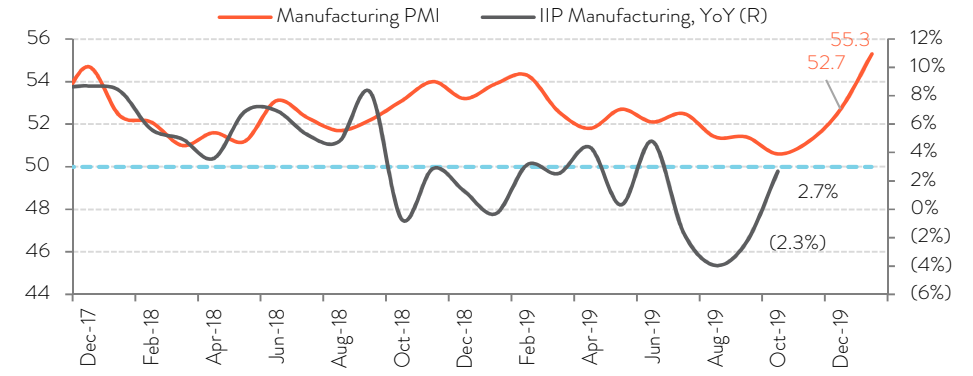
## Manufacturing

**FIG 36 – MANUFACTURING OUTPUT PICKS UP IN NOV'19**



Note: IIP for Nov'19 is average for Oct-Nov'19 on a YoY basis

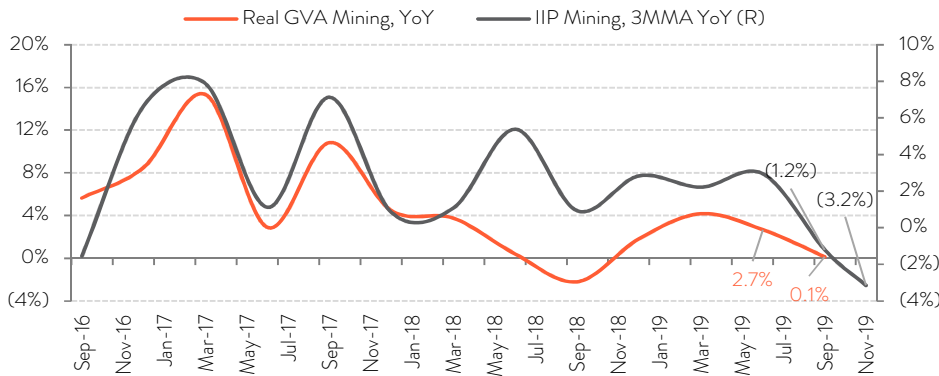
**FIG 37 – MANUFACTURING PMI RISES TO NEAR 8-YEAR HIGH**



Source: Markit

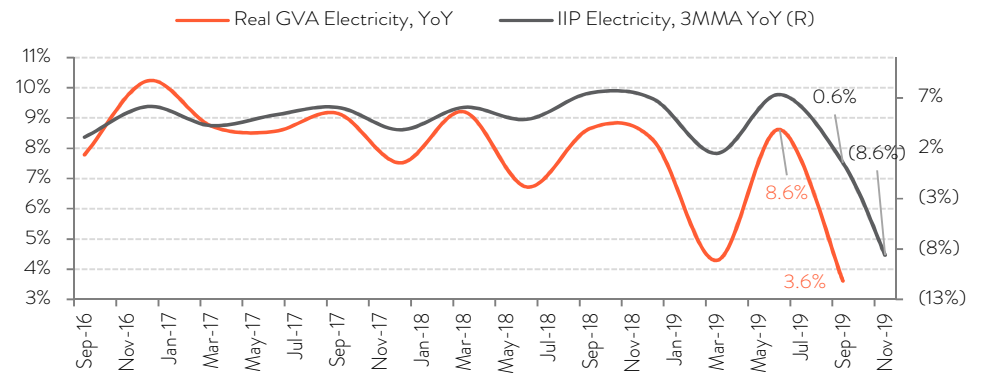
## Mining & Electricity

**FIG 38 – MINING ACTIVITY FALLS FURTHER**



Note: IIP for Nov'19 is average for Oct-Nov'19 on a YoY basis

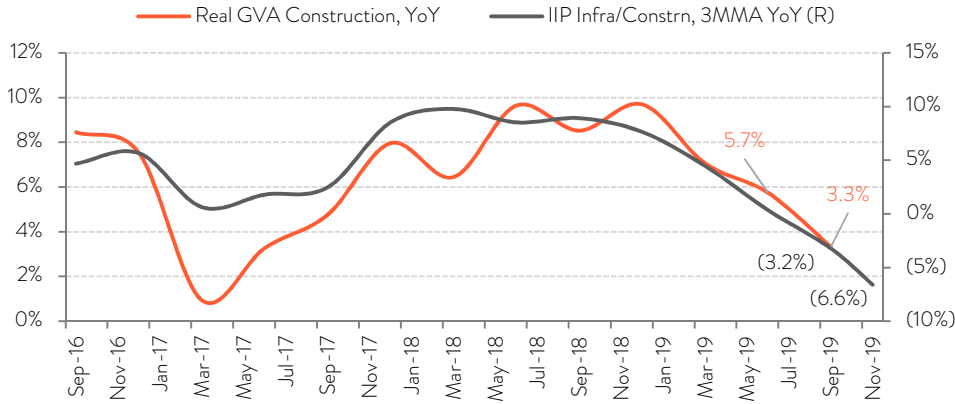
**FIG 39 – ELECTRICITY OUTPUT DROPS IN NOV'19**



Note: IIP for Nov'19 is average for Oct-Nov'19 on a YoY basis

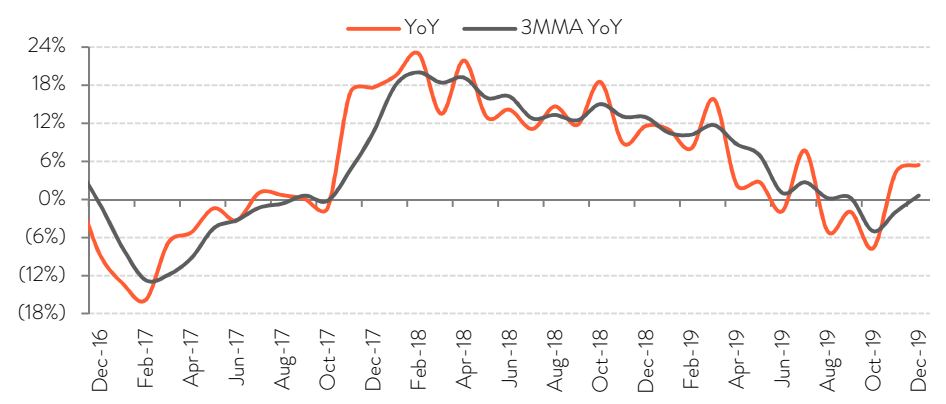
Infrastructure and Construction

FIG 40 – GROWTH IN CONSTRUCTION SECTOR SLOWS IN NOV'19



Note: IIP for Nov'19 is average for Oct-Nov19 on a YoY basis

FIG 41 – CEMENT PRODUCTION EDGES UP



Infrastructure Index

FIG 42 – GROWTH IN INFRA INDEX IMPROVES IN DEC'19

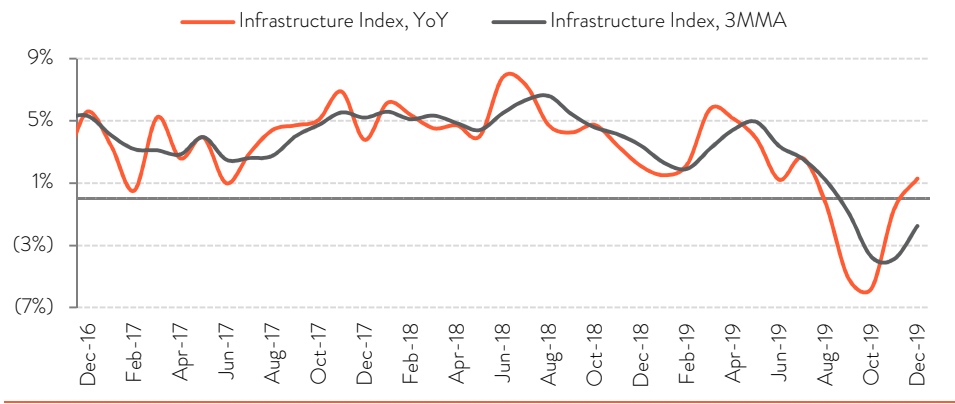
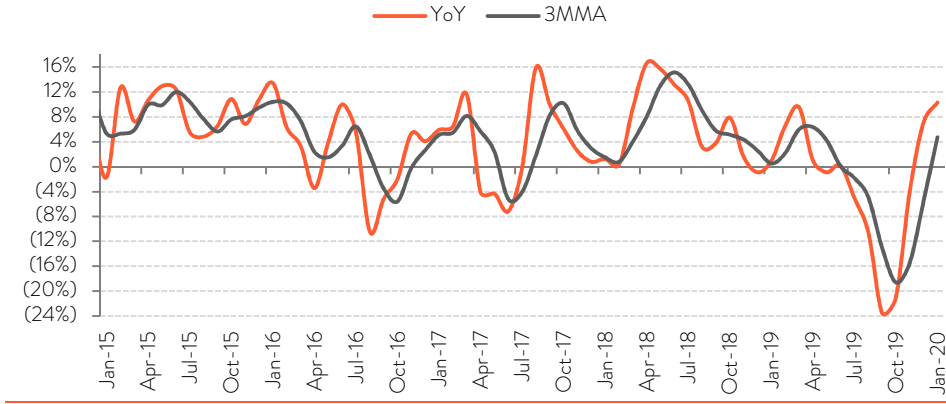
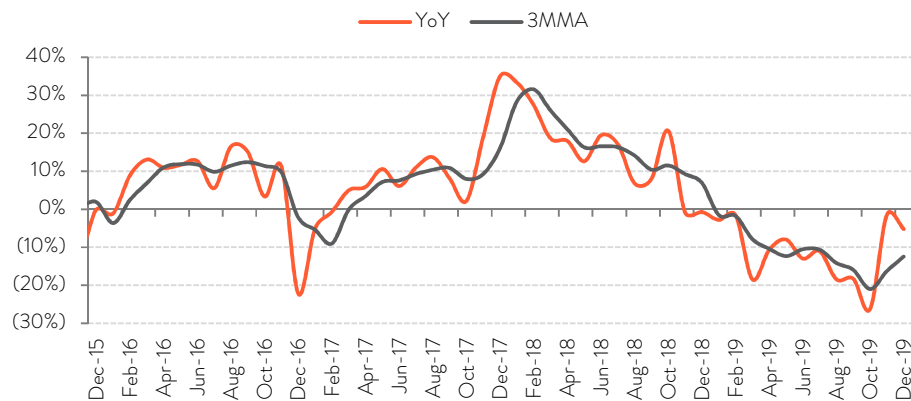


FIG 43 – COAL PRODUCTION CLOCKS DOUBLE DIGIT GROWTH IN JAN'20

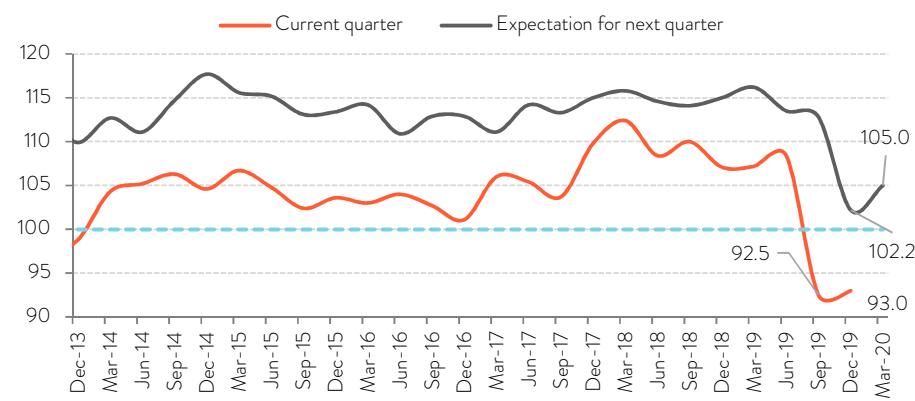


## Auto production & Business expectation index

**FIG 44 – AUTO PRODUCTION SLIPS BY (-) 5% IN DEC'19**



**FIG 45 – BUSINESS SENTIMENT REMAIN OPTIMISTIC FOR Q4FY20**

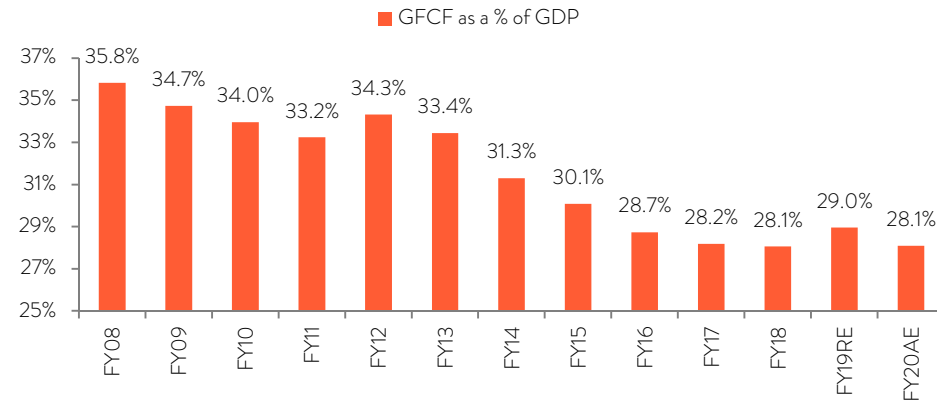


**FIG 46 – INFRASTRUCTURE INDEX RISES BY 1.3% IN DEC'19**

(%)	Weight	Dec-19	Nov-19	Dec-18	Apr-Dec'19	Apr-Dec'18
Infrastructure Index	100	1.3	(0.6)	2.1	0.2	4.8
Coal	10.3	6.1	(2.5)	1.1	(3.8)	7.9
Crude Oil	9.0	(7.4)	(6.0)	(4.3)	(6.0)	(3.7)
Natural Gas	6.9	(9.2)	(6.4)	4.2	(3.8)	(0.1)
Petroleum Refinery Products	28.0	3.0	3.1	(4.8)	(0.6)	4.1
Fertilizers	2.6	10.2	13.6	(2.4)	4.7	(1.4)
Steel	17.9	1.9	(0.1)	10.1	5.2	4.3
Cement	5.4	5.5	4.3	11.6	0.7	13.9
Electricity	19.9	(1.6)	(4.9)	4.4	0.5	6.4

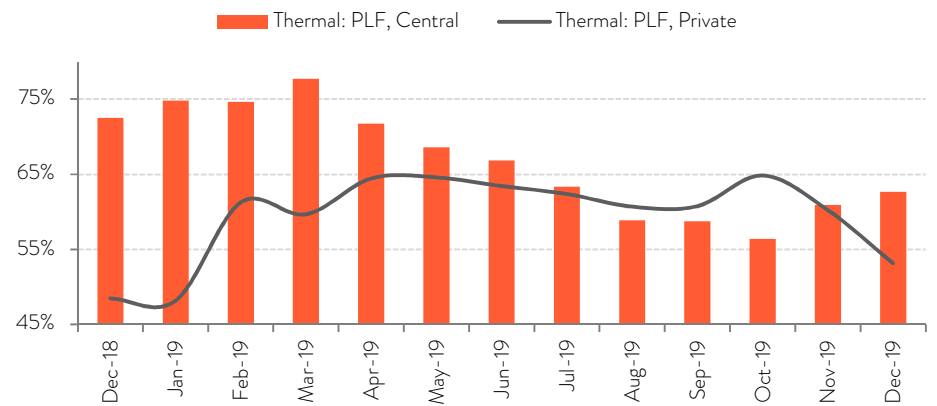
## Investment

**FIG 47 – GFCF RATE EXPECTED TO AT 28.1% IN FY20**

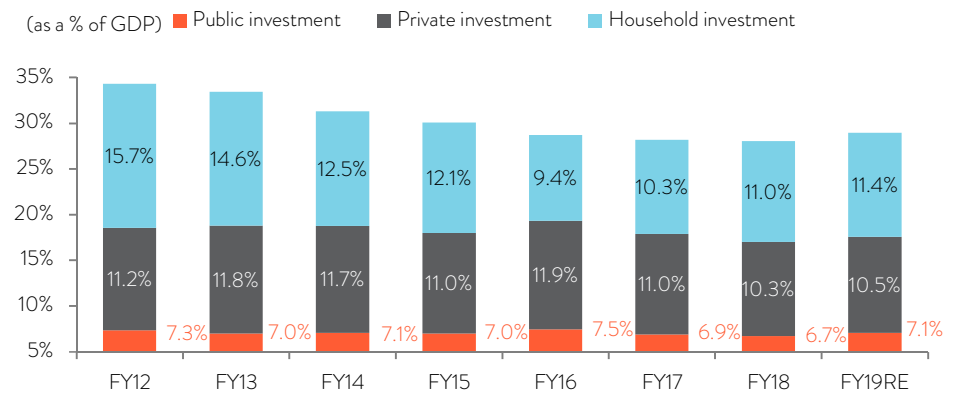


Note: PE: Provisional Estimate, RE: Revised Estimate, AE: 1<sup>st</sup> Advance Estimate

**FIG 49 – CAPACITY UTILISATION OF PRIVATE THERMAL PLANTS FALLING**

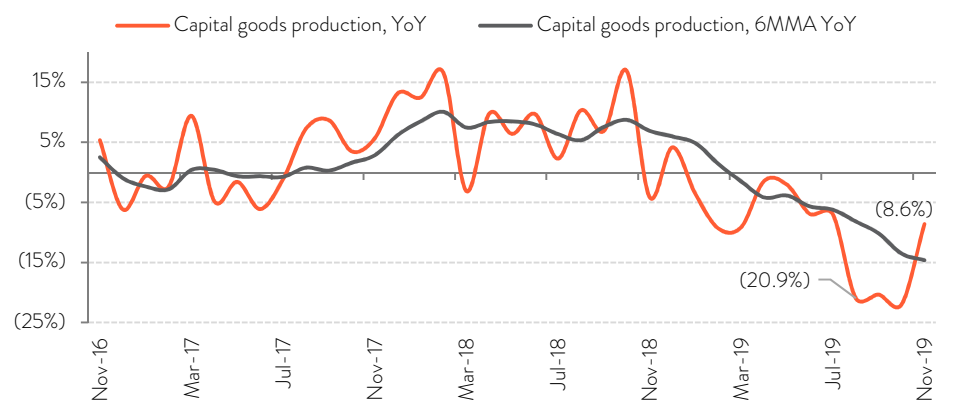


**FIG 48 – COMPONENT WISE BREAKDOWN OF GFCF SHOWS HOUSING INVESTMENT IMPROVING**



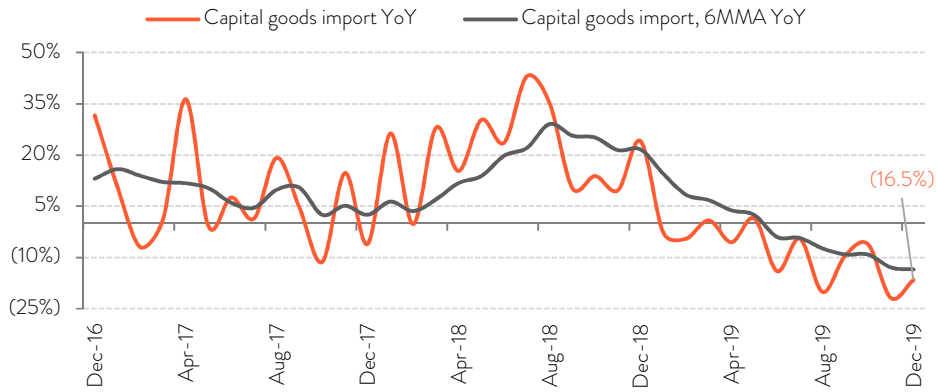
Note: PE: Provisional Estimate, AE: 1<sup>st</sup> Advance Estimate

**FIG 50 – CAPITAL GOODS PRODUCTION CONTRACTS YET PACE OF DECLINE SOFTENED TO (-) 8.6% VS (-) 22% IN OCT'19**

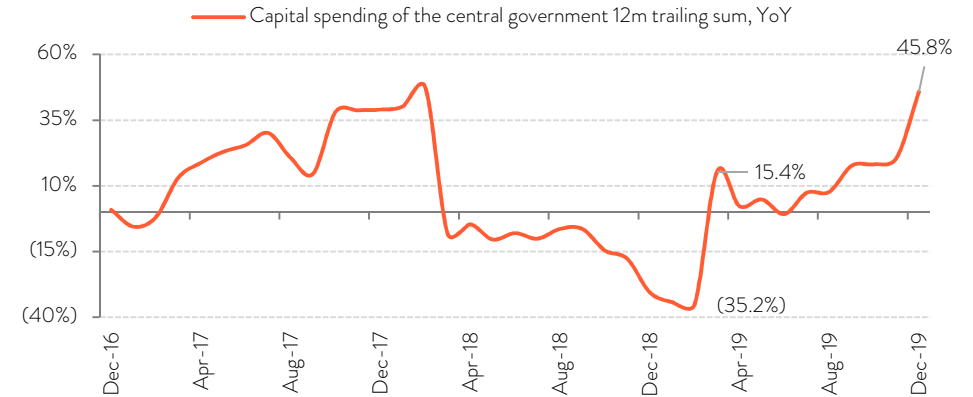




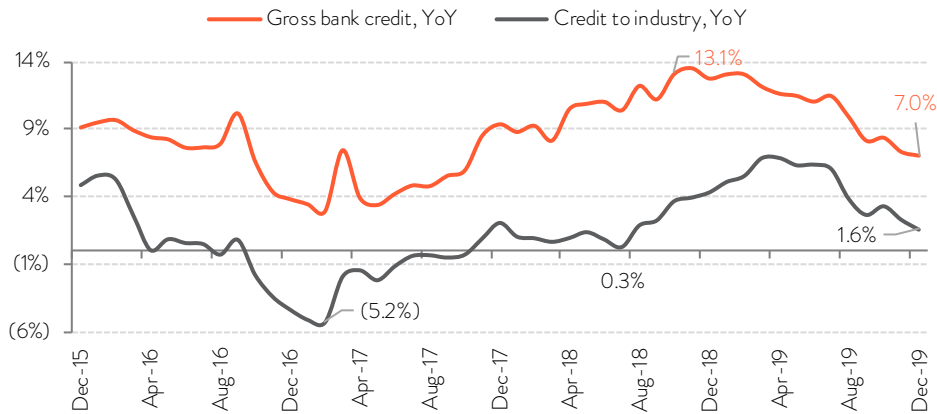
**FIG 51 – CAPITAL GOODS IMPORTS ALSO DECLINED BY (-) 16.5% IN DEC'19 VS (-) 21.8% IN NOV'19 ON YOY BASIS**



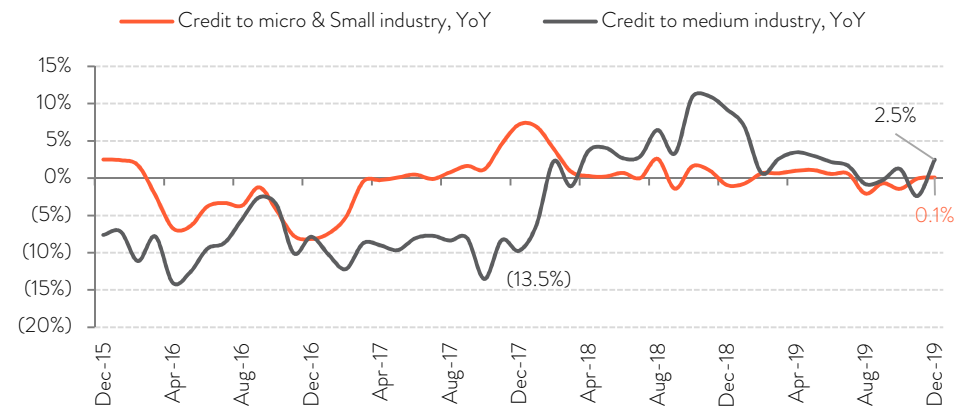
**FIG 52 – CENTRE'S CAPEX SPENDING PICKED UP BY 45.8% IN DEC'19 VS 20.6% IN NOV'19**



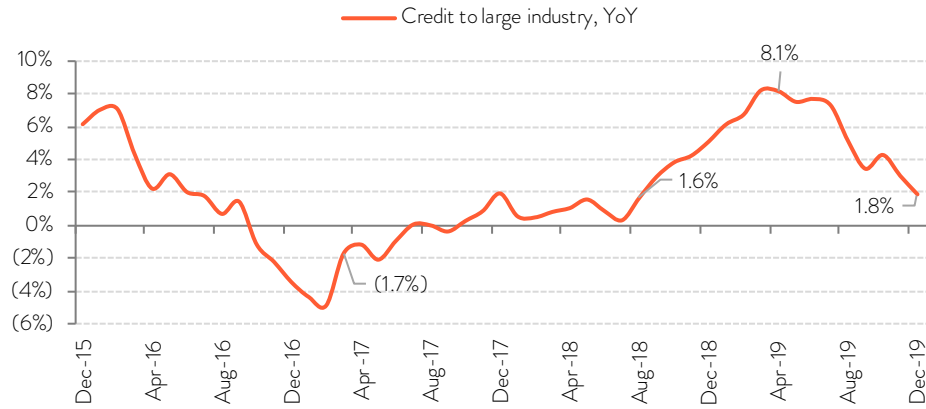
**FIG 53 – INDUSTRY CREDIT GROWTH DECELERATED BY 1.6% IN DEC'19 VS 2.4% IN NOV'19**



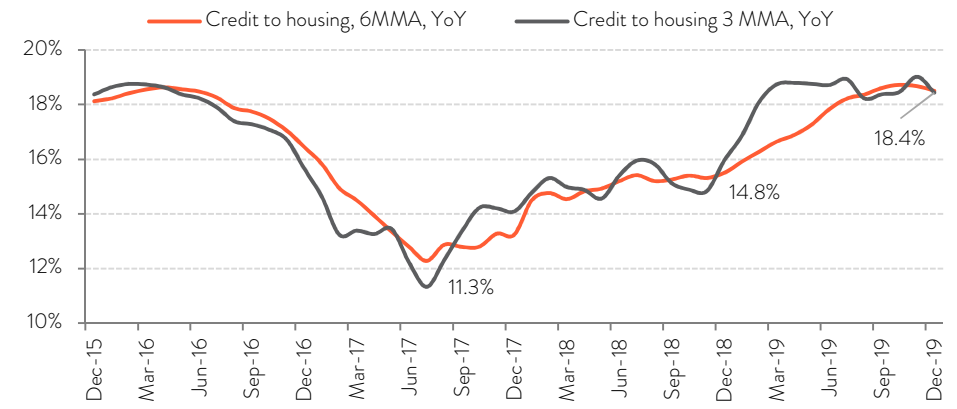
**FIG 54 – CREDIT GROWTH TO MSE SECTOR WAS AT 0.1% (-0.1% IN NOV'19), FOR MEDIUM INDUSTRY IT ROSE BY 2.5% (-2.4% IN NOV'19)**



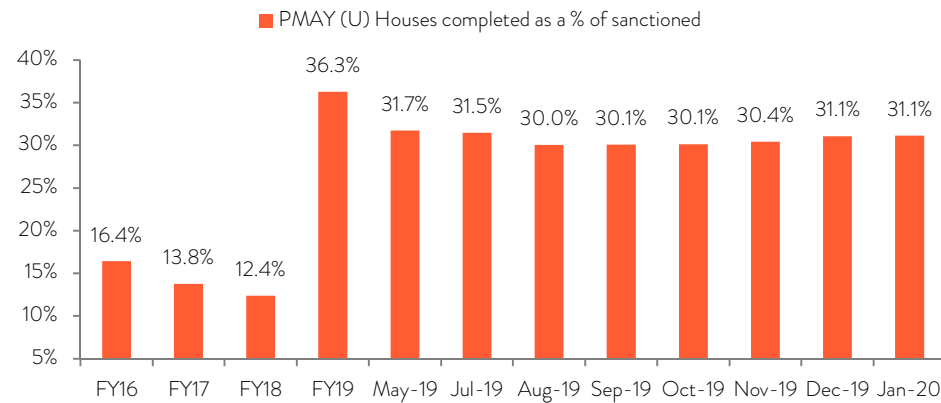
**FIG 55 – CREDIT TO LARGE INDUSTRY EDGED DOWN BY 1.8% IN DEC'19 VS 3% IN NOV'19**



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

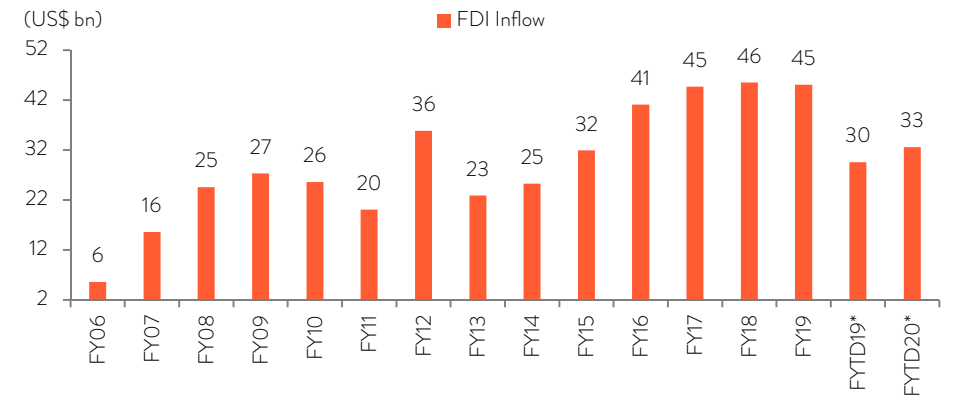


**FIG 57 – PMAY-U PROJECT CONSTRUCTION PICKED PACE IN JAN'20 AS WELL**



Source: MOHUA

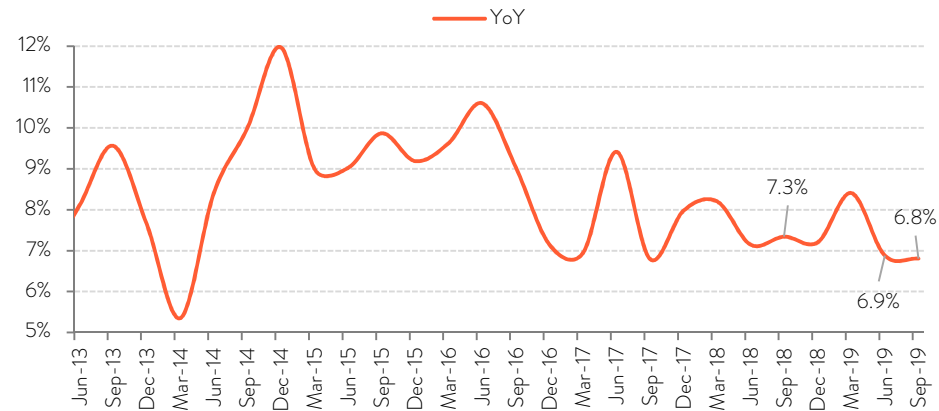
**FIG 58 – FDI INFLOWS IN FYTD20 PICKED UP TO US\$ 33BN VS US\$ 30BN IN THE SAME PERIOD OF PREVIOUS YEAR**



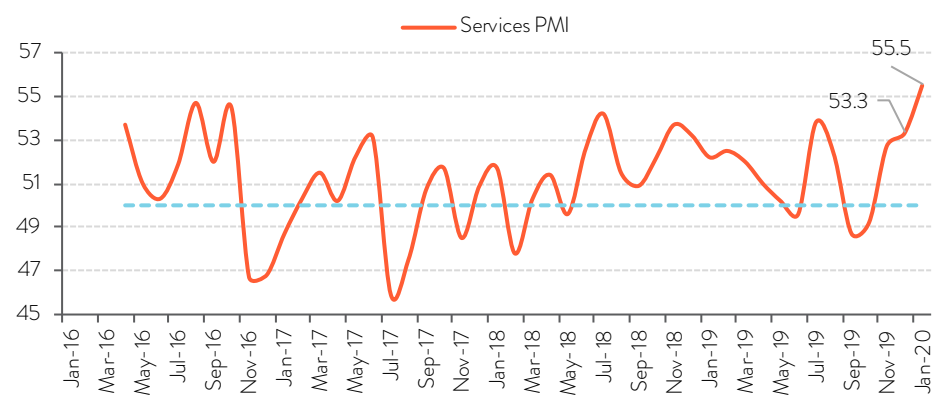
Source: RBI, \*Apr-Nov

## Services sector

**FIG 59 – GVA: SERVICES ACTIVITY REMAINED STABLE IN Q2FY20 VS Q1**

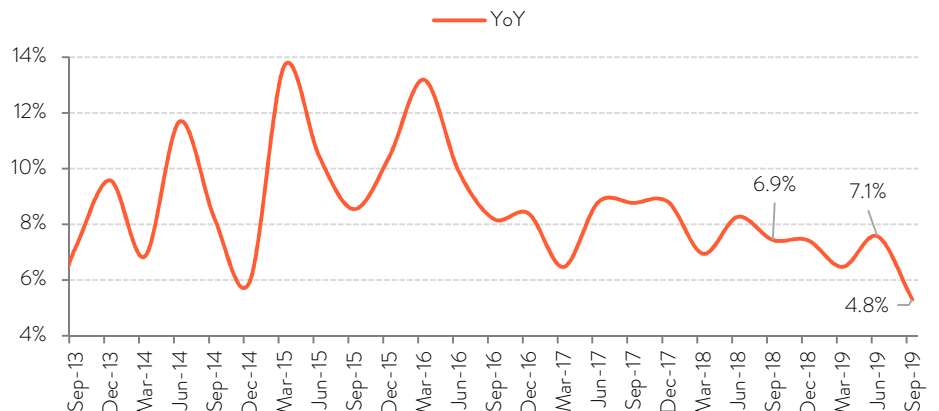


**FIG 60 – SERVICES PMI JUMPS TO 7-YEAR HIGH IN JAN'20**

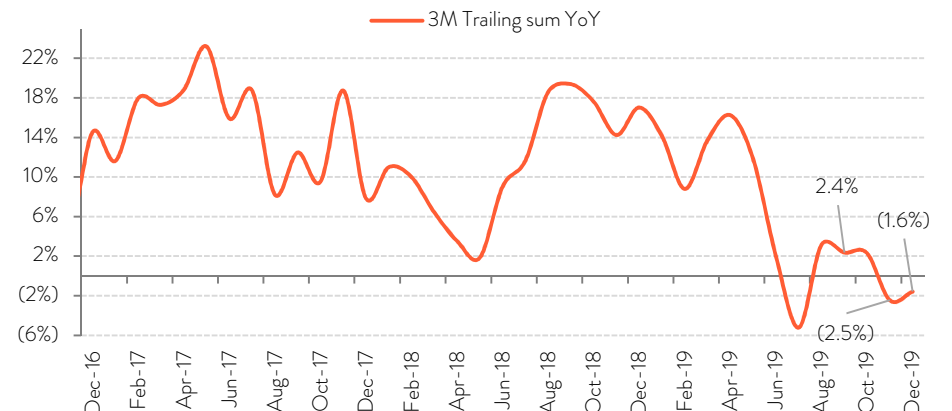


Source: Markit

**FIG 61 – GVA: TRADE & RELATED SERVICES GROWTH DIPPED STEEPLY IN Q2**



**FIG 62 – STATES\* TAX REVENUE GROWTH STILL MUTED**



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

Trade

FIG 63 – COMMERCIAL VEHICLE SALES SLUMP AGAIN IN JAN'20

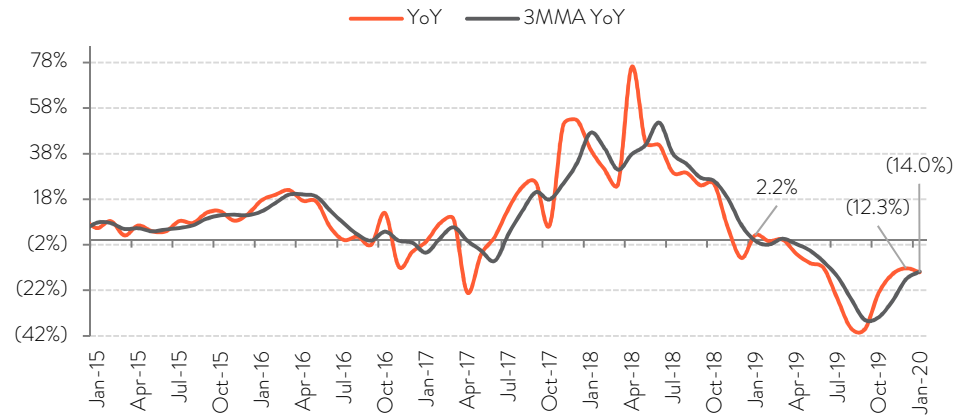
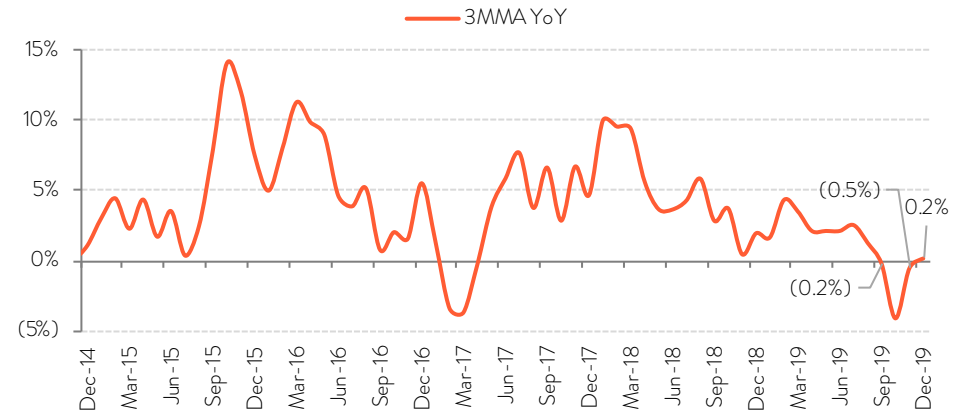


FIG 64 – DIESEL CONSUMPTION IN DEC'19 REVIVES FROM THE LOW OF Q2



Source: PPAC

FIG 65 – PORT CARGO VOLUMES SLIP BACK IN JAN'20

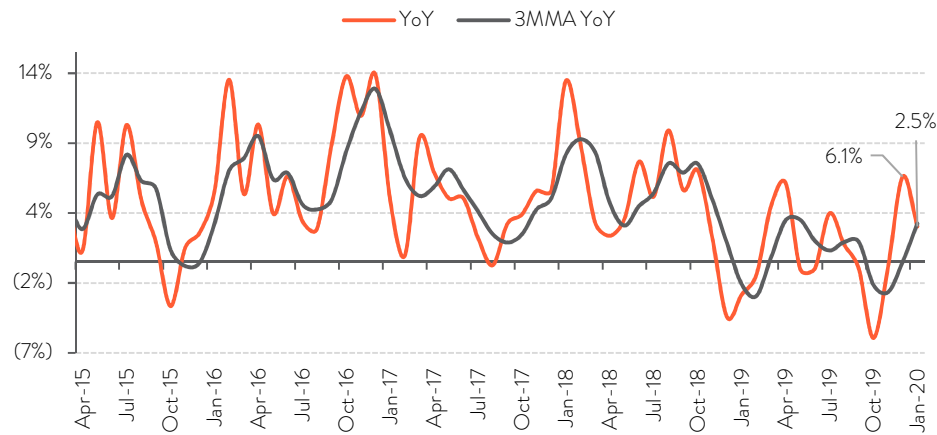
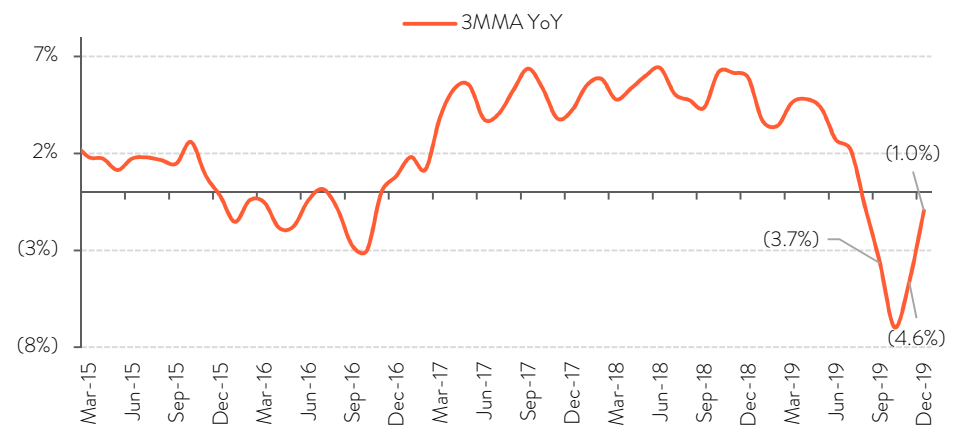
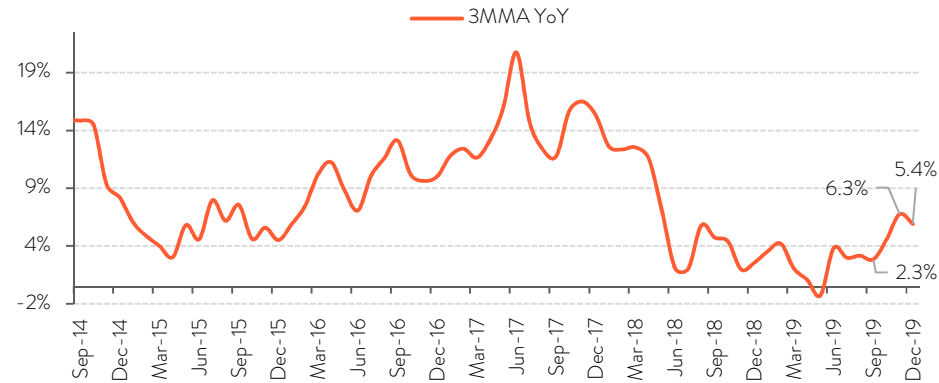


FIG 66 – RAILWAY FREIGHT TRAFFIC IMPROVED A TAD IN Q3FY20 VS Q2

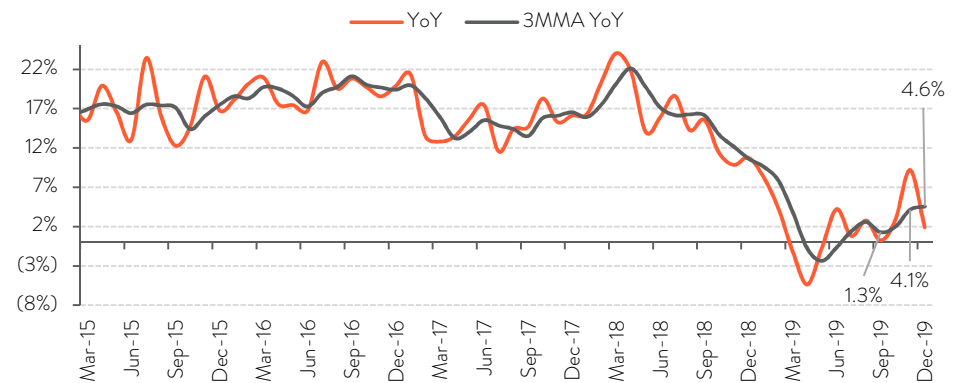


Hotels and Communications

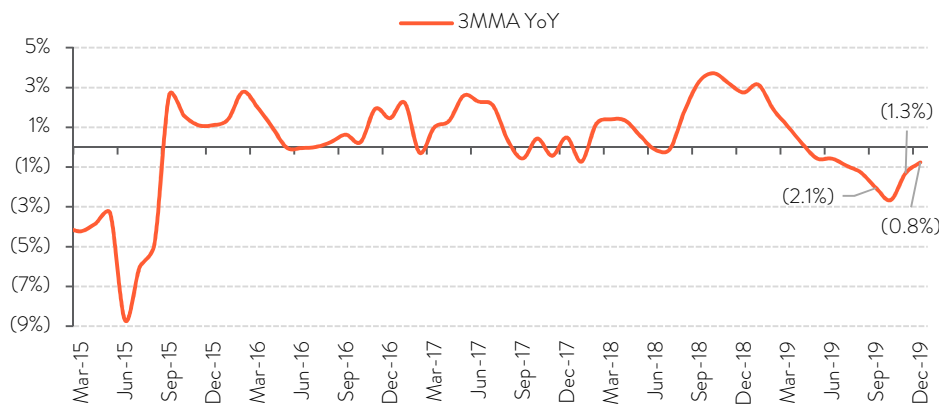
**FIG 67 – FOREIGN TOURIST ARRIVAL GROWTH EASES IN DEC'19; Q3 PRINT STILL HIGHER THAN Q2**



**FIG 68 – ...HELPING REVIVAL IN AIRLINE PASSENGER TRAFFIC GROWTH**



**FIG 69 – RAILWAY PASSENGER TRAFFIC GROWTH CONTRACTED LESS SHARPLY IN Q3FY20 THAN Q2**

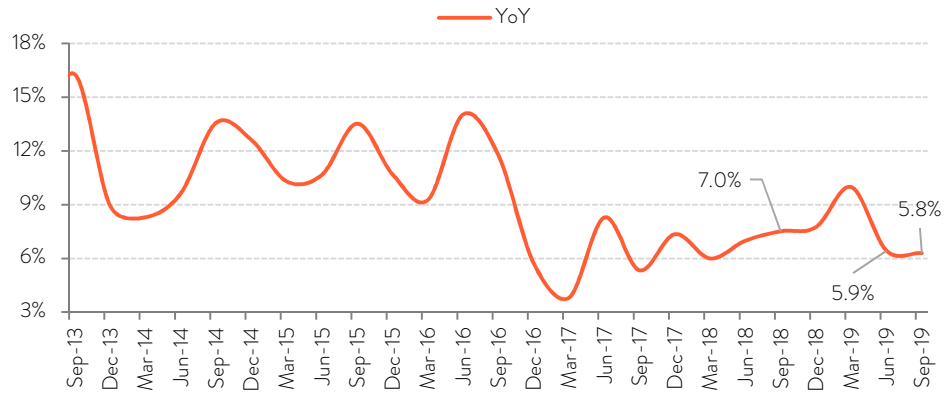


**FIG 70 – WIRELESS SUBSCRIBER BASE SEES DOWNTICK IN NOV'19**

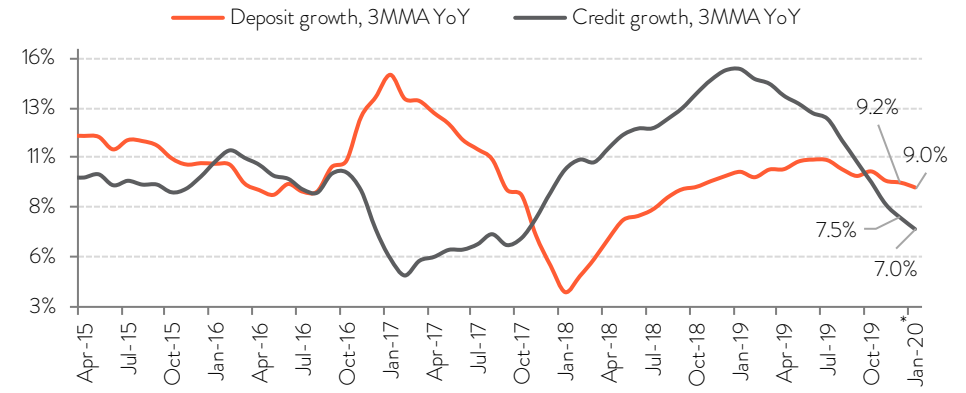


Finance and Real estate

**FIG 71 – GROWTH IN GVA: FINANCE, REAL ESTATE & PROF. SERVICES BROADLY STABLE IN Q2FY20**

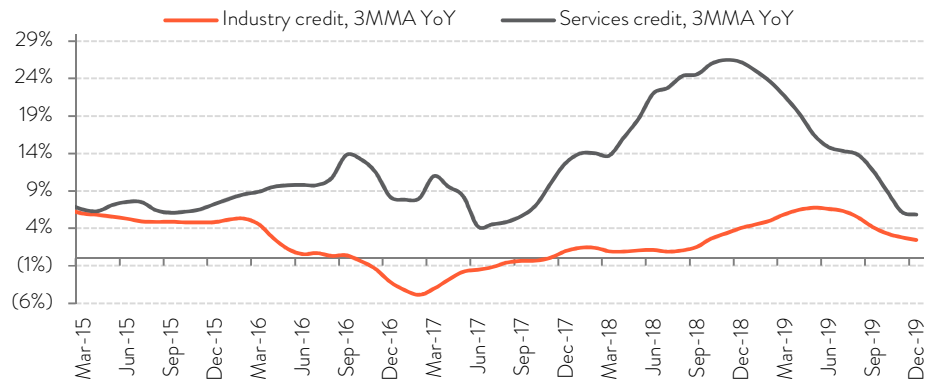


**FIG 72 – CREDIT AND DEPOSIT GROWTH CONTINUE TO DECELERATE IN JAN'20 AS WELL**

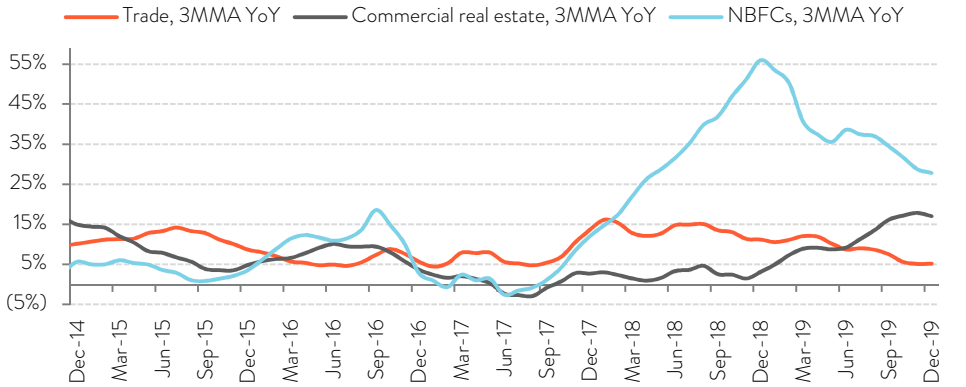


Note: \*Jan'20 implies fortnight as of 17 Jan 2020

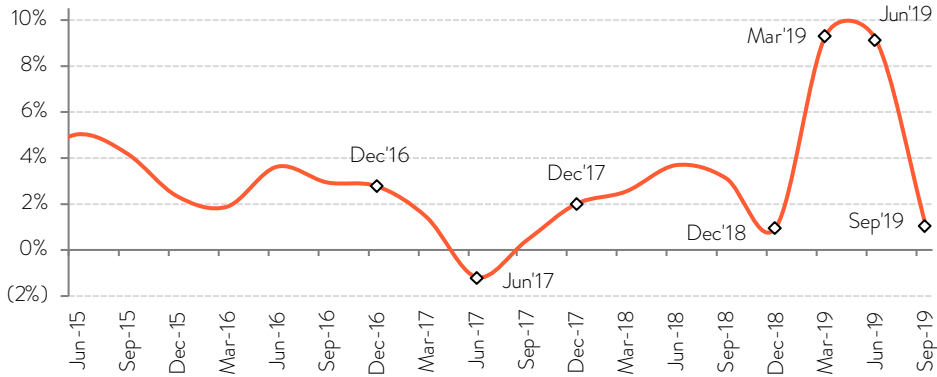
**FIG 73 – CREDIT TO BOTH SERVICES MANUFACTURING SECTOR REMAINED MUTED IN DEC19...**



**FIG 74 – ...MAINLY LED BY NBFC AND COMMERCIAL REAL ESTATE**



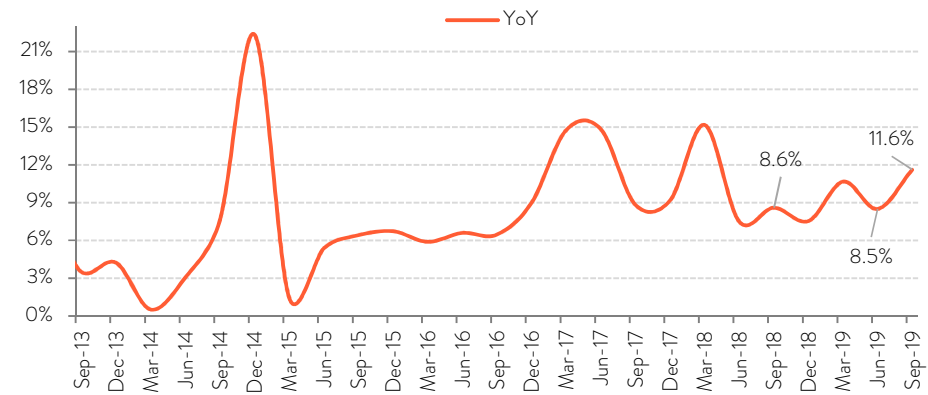
**FIG 75 – AVERAGE PROPERTY PRICE INDEX\* DROPS STEEPLY IN SEP'19**



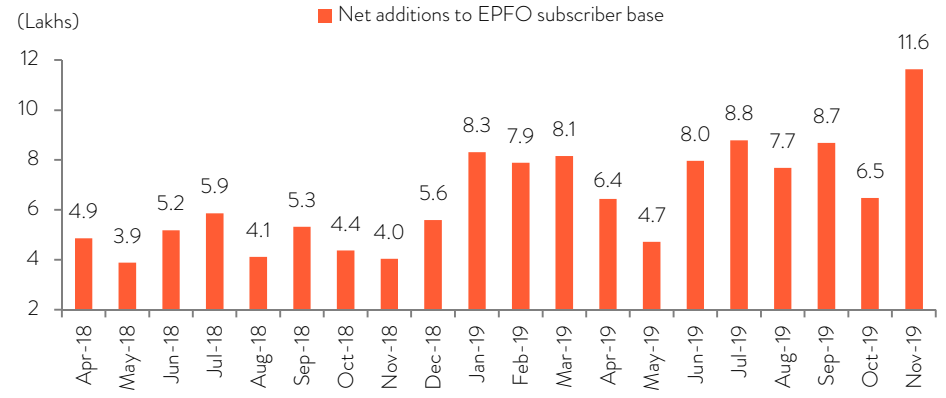
Source: \*Index for Delhi-NCR, Mumbai & Bangalore; using Colliers International data for commercial property rental price (Rs/sqft)

**Public administration**

**FIG 77 – PUBLIC ADMINISTRATION & RELATED SERVICES HELPED SERVICE SECTOR GROWTH REMAIN STEADY IN Q2FY20**



**FIG 76 – NET ADDITIONS TO EPFO SUBSCRIBER BASE JUMPS SHARPLY IN NOV'19**



Source: EPFO

**FIG 78 – GENERAL GOVT. SPENDING COOLS OFF SHARPLY IN Q3 VS Q2...**

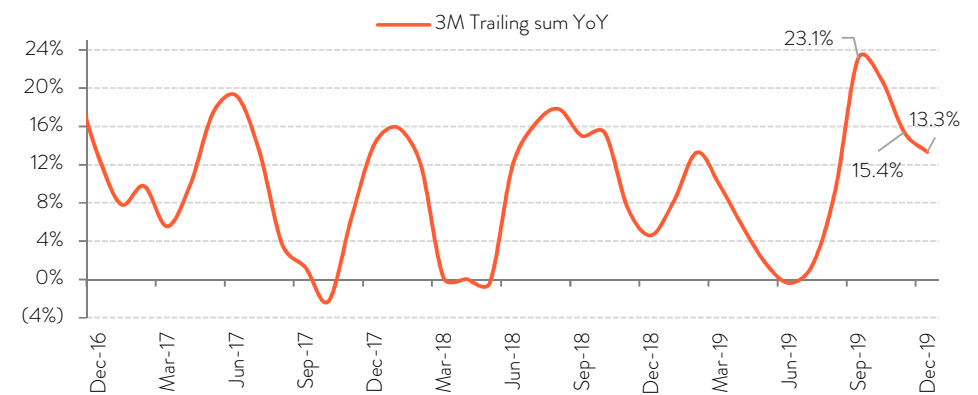


FIG 79 – ...LED BY CENTRAL GOVT. SPENDING

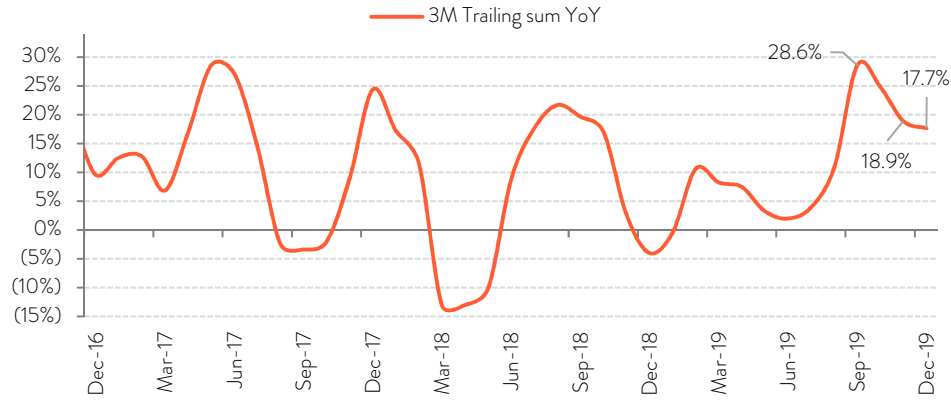
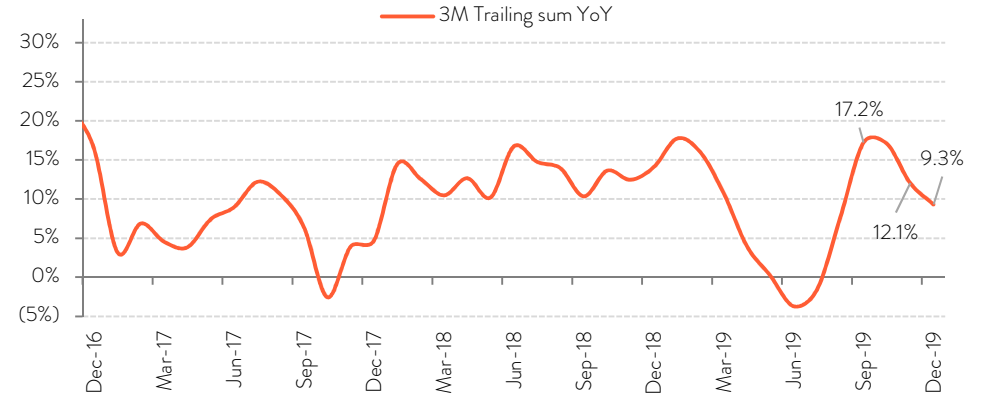


FIG 80 – ...AND STATE\* GOVT. SPENDING



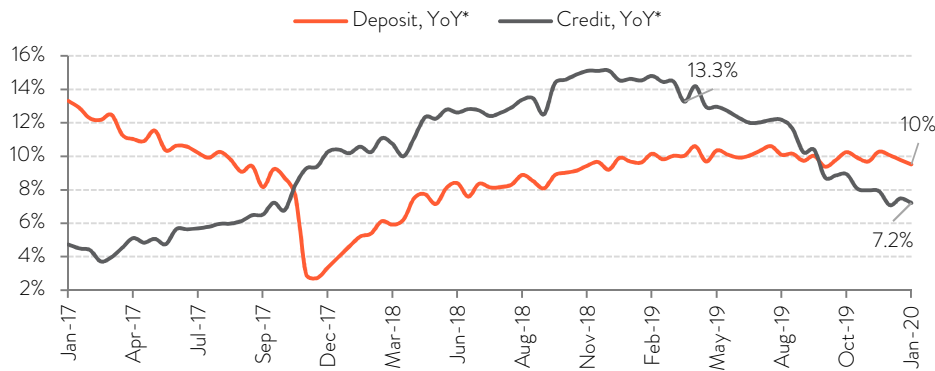
Note: \*All states excluding N.E states, Bihar, Goa, J&K, Karnataka and Uttarakhand



## Financial sector

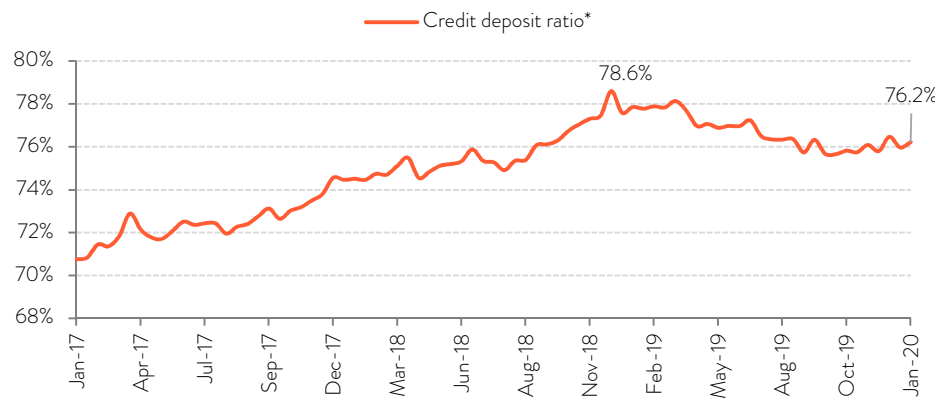
### Money and banking

**FIG 81 – IN JAN'20 AS WELL, CREDIT GROWTH WAS MUTED AT 7%, DEPOSIT GROWTH INCHED DOWN TO 9.5% VS 10.1% IN DEC'19**



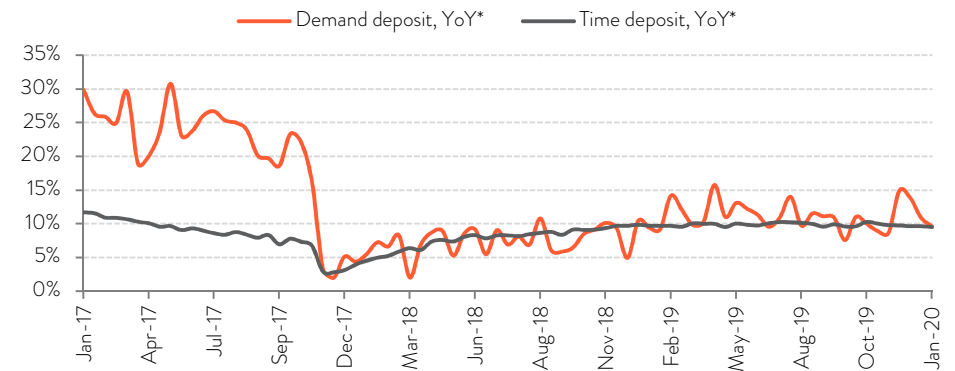
Note: \*Dec19 implies fortnight as of 20 Dec 2019

**FIG 83 – CD RATIO WAS AT 76.2% IN DEC'19**



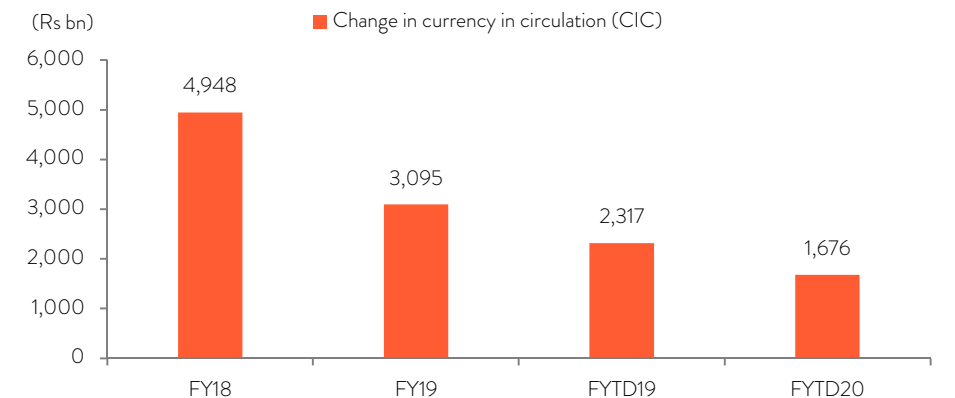
Note: \*Dec19 implies fortnight as of 20 Dec 2019

**FIG 82 – DEMAND DEPOSITS MODERATED BY 9.6% (13.8% IN DEC'19), TIME DEPOSITS GREW BY 9.5% (9.6% IN DEC'19)**



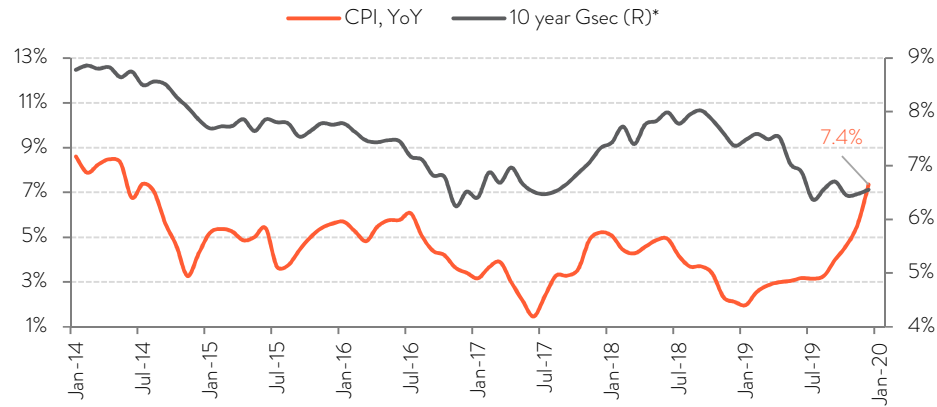
Note: \*Dec19 implies fortnight as of 20 Dec 2019

**FIG 84 – CIC ACCRETION WAS LOWER AT RS 1.7TN IN FYTD20 VS RS 2.3TN IN THE SAME PERIOD LAST YEAR**



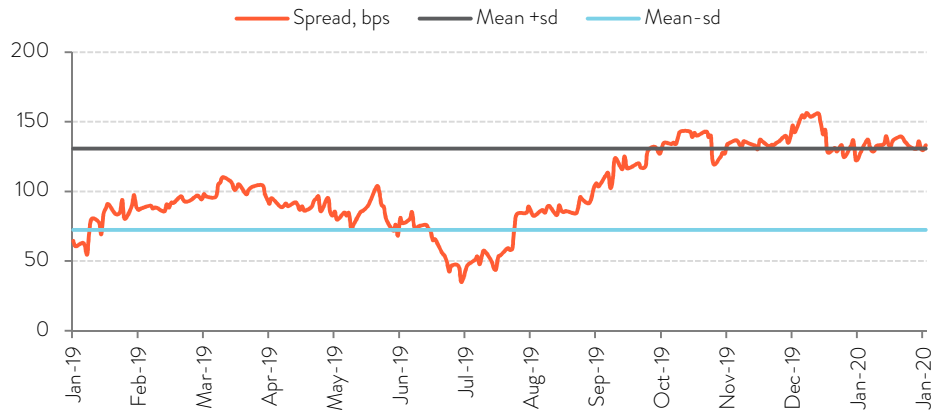
Note: FYTD: Apr-Dec'19

**FIG 85 – HIGHER INFLATION CLOSED THE REAL INTEREST RATE GAP**



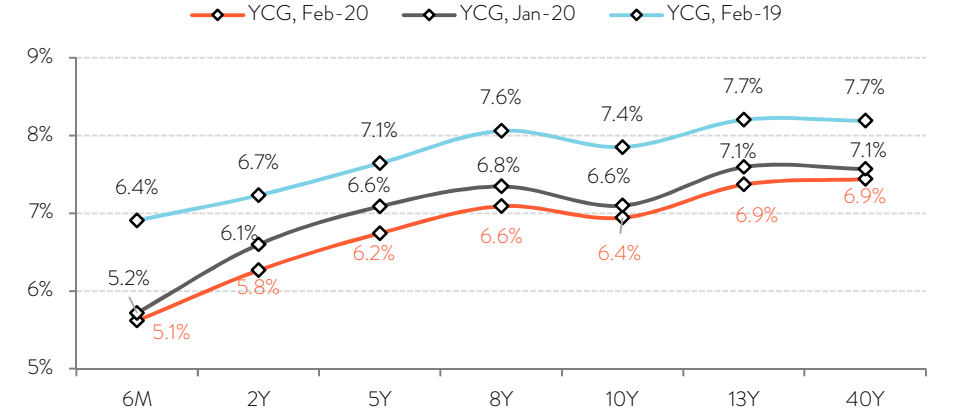
Note: \*As on last trading day of the month

**FIG 87 – SPREAD BETWEEN 10Y GSEC YIELD AND 1YR TBILL WAS LOWER AT 133BPS IN JAN'20 COMPARED TO 142BPS IN DEC'19**



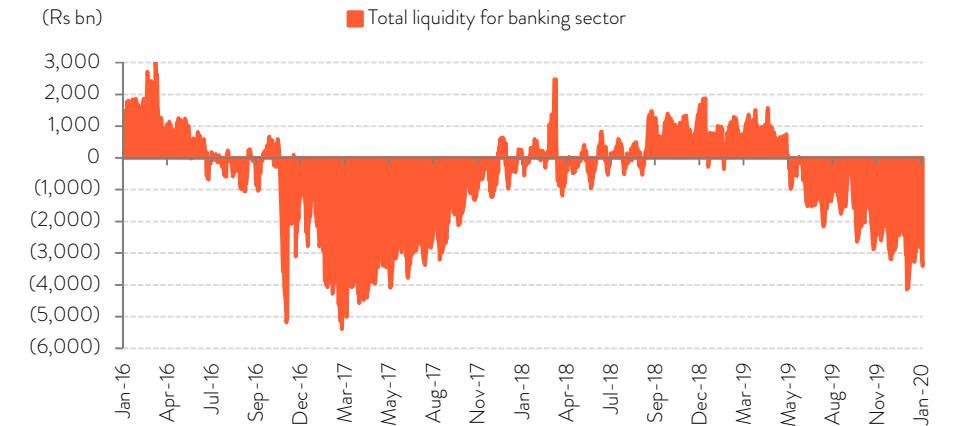
Source: RBI

**FIG 86 – YIELD CURVE GRAPH (YCG) SHOWS STEEPENING BIAS REDUCING WITH RECENT RBI MEASURE OF OPERATION TWIST**



Source: Bloomberg | \*As of 10 Feb 2020

**FIG 88 – AVERAGE SYSTEM LIQUIDITY SURPLUS ROSE TO RS 3.2TN IN JAN'20 VS RS 2.6TN IN DEC'19 AND CURRENTLY AT ~RS 3.5TN**



Source: RBI

## Interest rates on small savings schemes

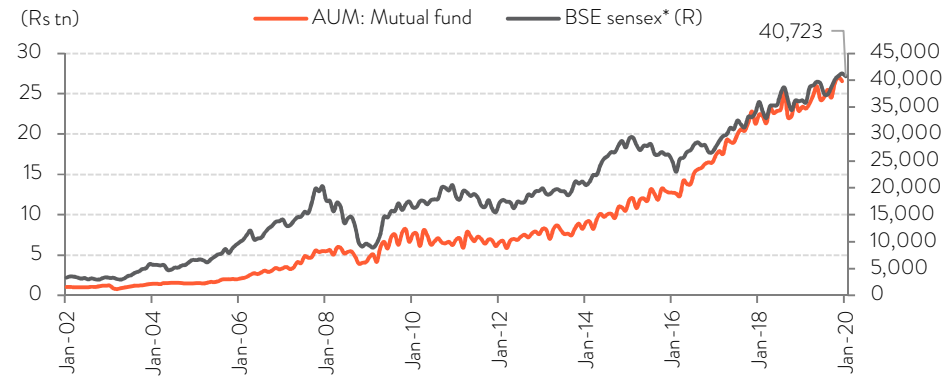
**FIG 89 – INTEREST RATES ON SMALL SAVINGS SCHEME**

Instrument (%)	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Savings deposit	4.0	4.0	4.0	4.0	4.0	4.0
1 year time deposit	6.6	6.9	7.0	7.0	6.9	6.9
2 year time deposit	6.7	7.0	7.0	7.0	6.9	6.9
3 year time deposit	6.9	7.2	7.0	7.0	6.9	6.9
5 year time deposit	7.4	7.8	7.8	7.8	7.7	7.7
5 year recurring deposit	6.9	7.3	7.3	7.3	7.2	7.2
5 year senior citizen savings scheme	8.3	8.7	8.7	8.7	8.6	8.6
5 year monthly income scheme	7.3	7.7	7.7	7.7	7.6	7.6
5 year national savings certificate	7.6	8.0	8.0	8.0	7.9	7.9
Public provident fund scheme	7.6	8.0	8.0	8.0	7.9	7.9
Kisan vikas patra	7.3	7.7	7.7	7.7	7.6	7.6
Sukanya samriddhi account scheme	8.1	8.5	8.5	8.5	8.4	8.4

Source: Department of Economic Affairs, Ministry of Finance, Government of India

Mutual fund (MF) indicators

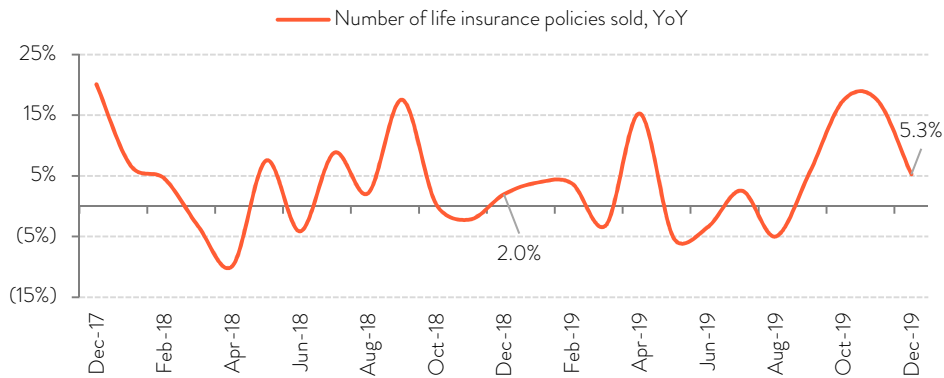
**FIG 90 – SENSEX FELL BY 1.3% TO 40,723 IN JAN'20 AHEAD OF THE BUDGET, MF AUM AT RS 27TN**



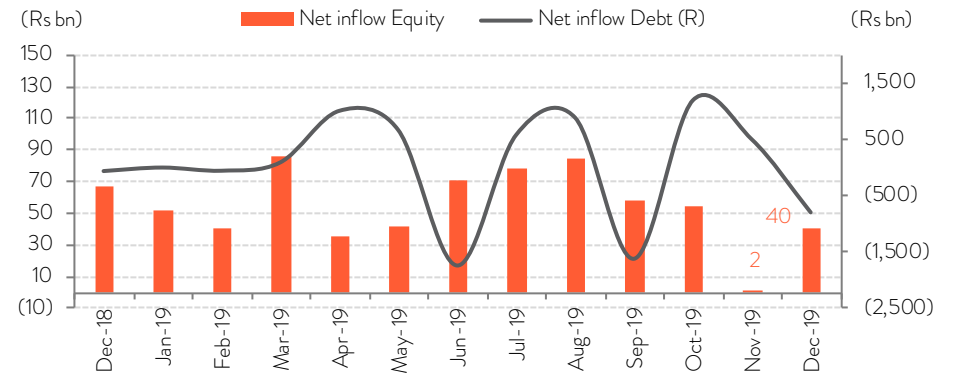
Source: \*Sensex as on last trading day of the month.

Insurance sector indicators

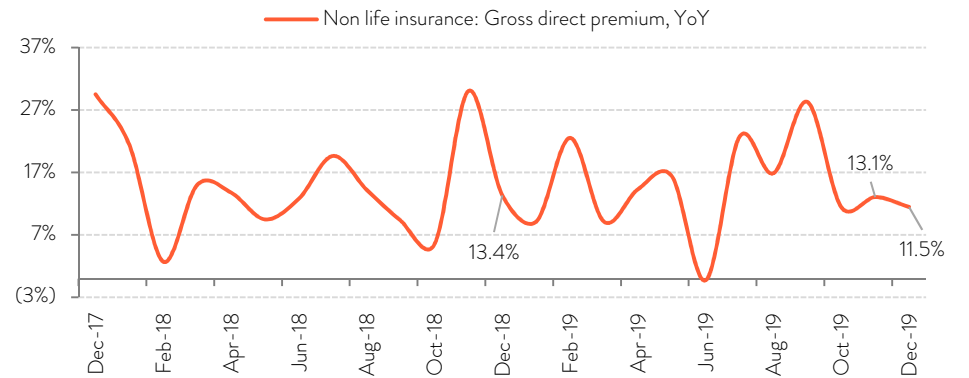
**FIG 92 – LIFE INSURANCE POLICIES SOLD IN DEC'19 EDGED DOWN BY 5.3% IN DEC'19 DUE TO UNFAVOURABLE BASE**



**FIG 91 – MF EQUITY INFLOW ROSE BY RS 40BN (VS 2BN IN NOV'19); DEBT OUTFLOW WAS AT RS 790BN VS INFLOW OF RS 509BN IN NOV'19**



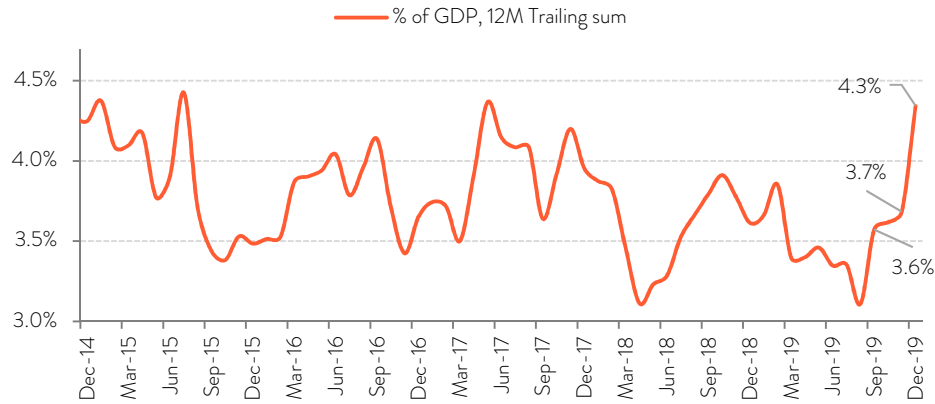
**FIG 93 – GROSS DIRECT PREMIUM FOR NON LIFE INSURANCE ROSE BY 11.5% IN DEC'19 VS 13.1% IN NOV'19**



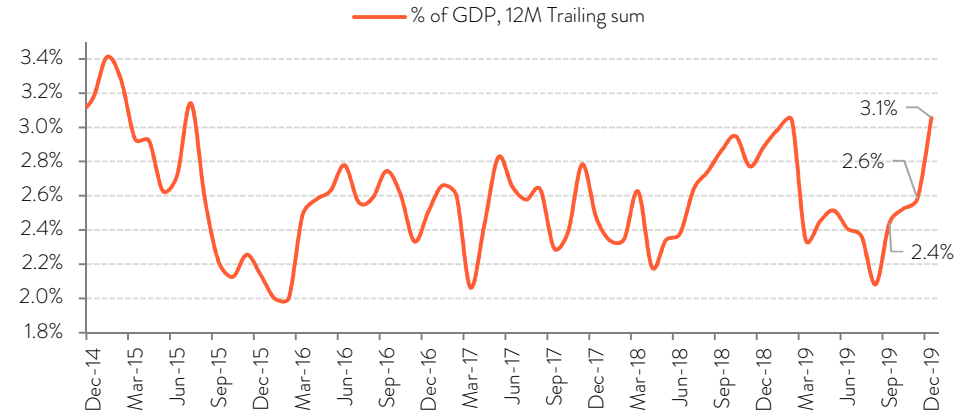
## Public finance

### Central government finances

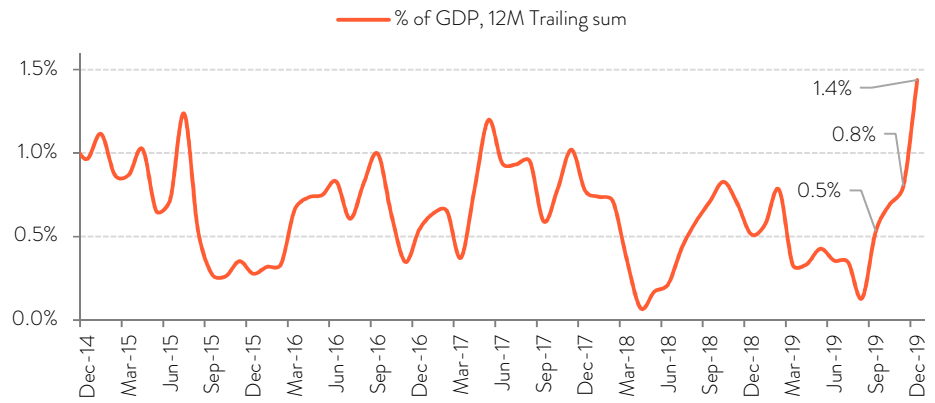
**FIG 94 – FISCAL DEFICIT AT A HIGH OF 4.3% IN DEC'19**



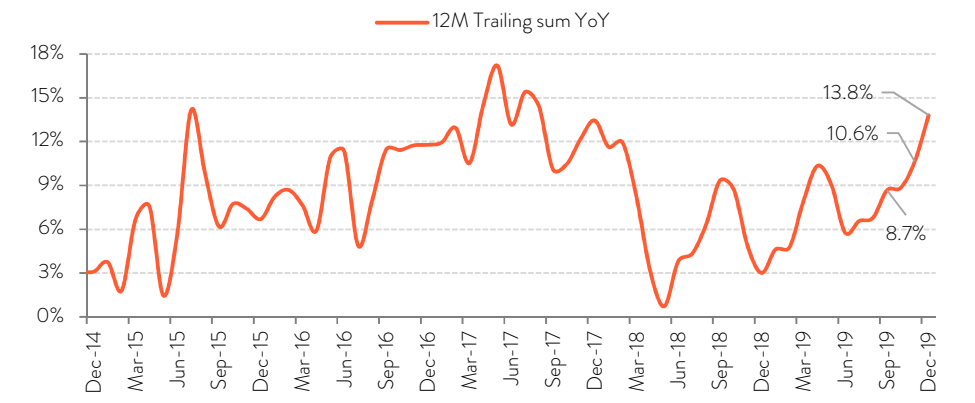
**FIG 95 – REVENUE DEFICIT ALSO WITNESSES SHARP INCREASE**



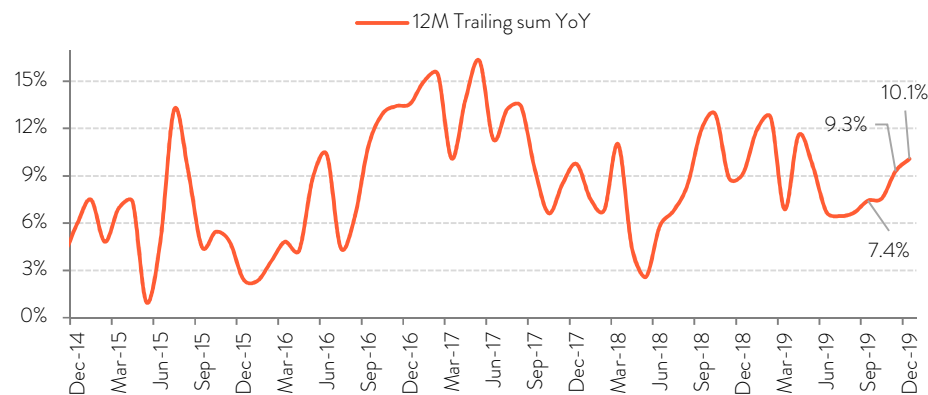
**FIG 96 – PRIMARY DEFICIT INCHES UP TO 1.4%**



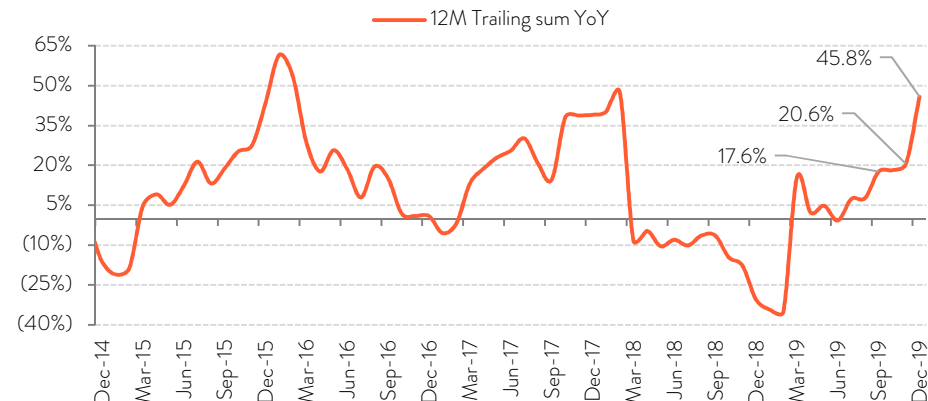
**FIG 97 – GOVERNMENT SPENDING STILL HIGH ON 12MMA BASIS**



**FIG 98 – ...LED BY BOTH REVENUE SPENDING**



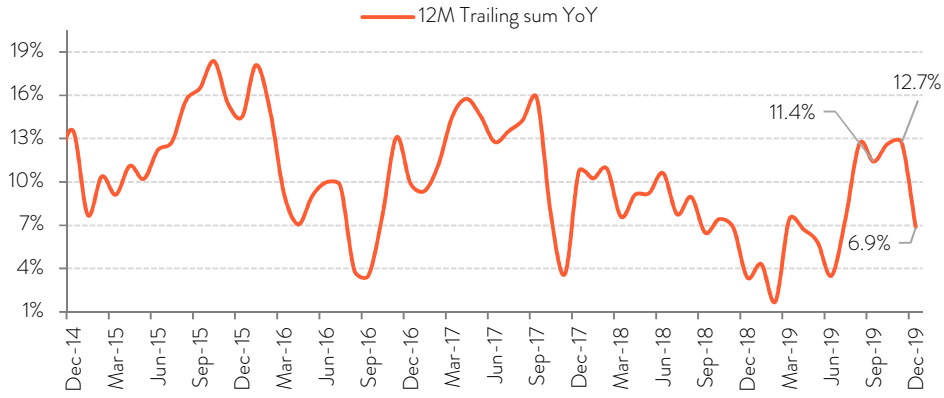
**FIG 99 – ...AND CAPEX**



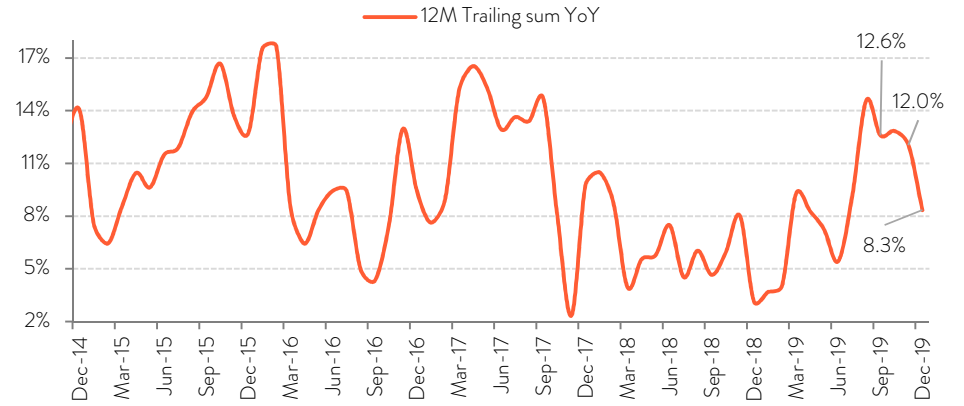
**FIG 100 – HIGHER SPENDING BY MINISTRIES OF AGRICULTURE LIFT THE HEADLINE EXPENDITURE UP IN DEC'19 (FYTD BASIS)**

Ministry	Apr'17-Dec'17 (Rs bn)	Apr'18-Dec'18 (Rs bn)	% change	Apr'19-Dec'19 (Rs bn)	% change
Ministry of Finance	5,488	6,018	9.6	7,184	19.4
Ministry of Defence	3,067	3,330	8.6	3,637	9.2
Ministry of Consumer Affairs, Food and Public Distribution	1,502	1,658	10.4	1,462	(11.8)
Ministry of Rural Development	892	926	3.8	935	0.9
Ministry of Home Affairs	768	896	16.6	991	10.6
Ministry of Human Resource Development	604	464	(23.2)	683	47.3
Ministry of Road Transport and Highways	607	537	(11.6)	718	33.7
Ministry of Chemicals and Fertilisers	540	601	11.3	778	29.4
Ministry of Petroleum and Natural Gas	332	281	(15.2)	407	44.8
Ministry of Agriculture	355	427	20.3	843	97.1
Ministry of Health and Family Welfare	391	412	5.4	507	22.8

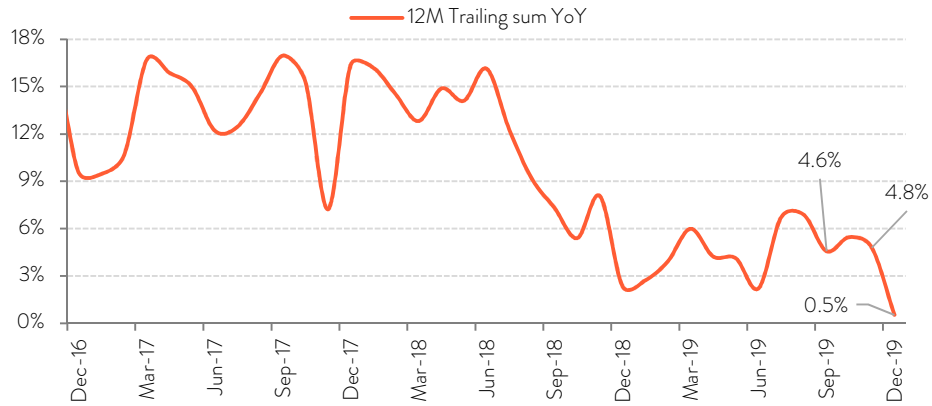
**FIG 101 – RECEIPT GROWTH DIPS IN DEC'19...**



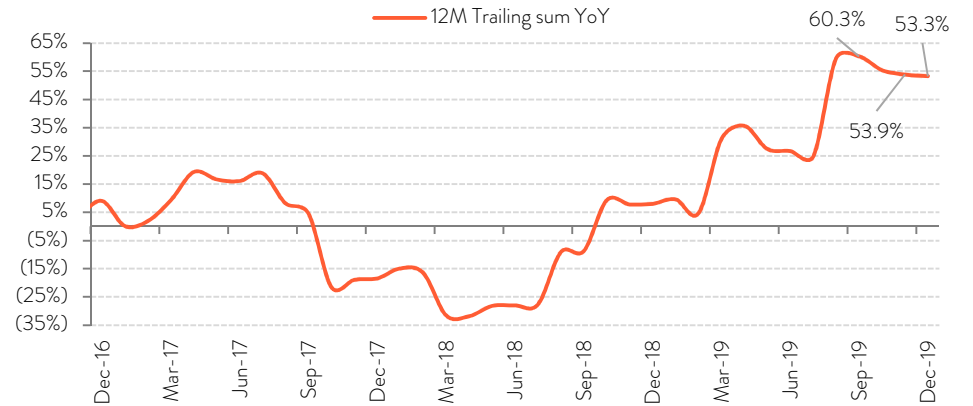
**FIG 102 – ...AS REVENUE RECEIPT GROWTH SLIPPED SHARPLY**



**FIG 103 – TAX REVENUE GROWTH A KEY DRAG**



**FIG 104 – NON-TAX RECEIPT GROWTH STEADY**

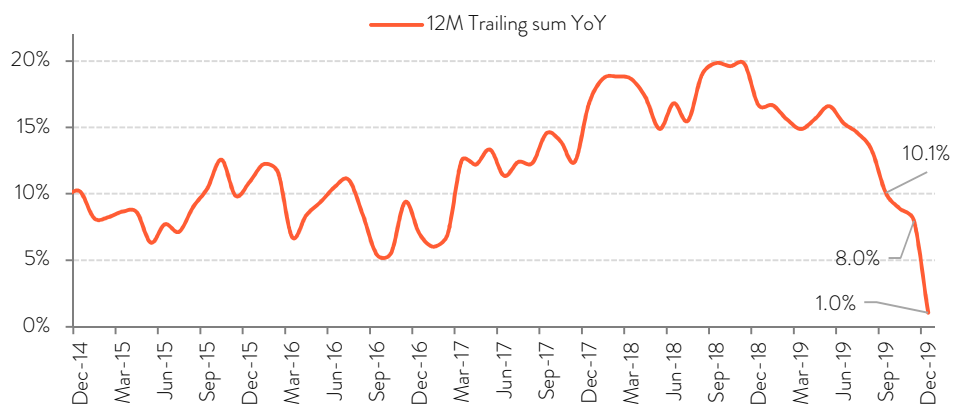


**FIG 105 – CENTRE’S CORPORATE TAX COLLECTIONS A WEAK AREA (FYTD BASIS)**

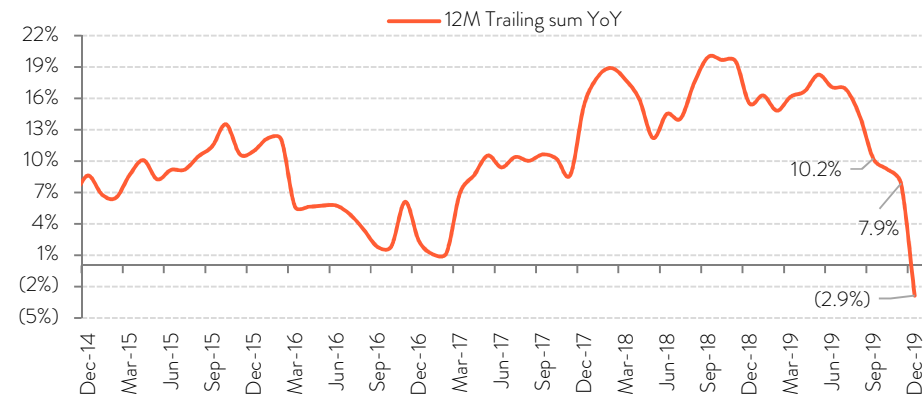
	Apr'17-Dec'17 (Rs bn)	Apr'18-Dec'18 (Rs bn)	% change	Apr'19-Dec'19 (Rs bn)	% change	FY20RE	% change
Gross Tax revenue	12,200	13,478	10.5	13,104	(2.8)	21,634	4.0
Direct taxes	6,374	7,296	14.5	6,872	(5.8)	11,700	2.9
Corp Tax	3,751	4,275	14.0	3,695	(13.6)	6,105	(8.0)
Income Tax	2,623	3,022	15.2	3,177	5.1	5,595	18.3
Indirect taxes*	5,826	6,182	6.1	6,233	0.8	8,882	7.3
Non-tax revenue	1,135	1,477	30.1	2,420	63.8	3,455	46.6
Centre's revenue (net)	10,136	10,840	6.9	11,469	5.8	18,501	19.1
Total expenditure	16,990	18,320	7.8	21,096	15.2	26,986	16.6
Capital exp	2,366	2,118	(10.5)	2,555	20.6	3,489	13.4
Revenue exp	14,624	16,202	10.8	18,541	14.4	23,496	17.0
Fiscal deficit	6,209	7,015	13.0	9,317	32.8	7,668	18.1

Note: \*excluding GST compensation cess

**FIG 106 – GROSS DIRECT TAX COLLECTION CONTINUE TO SLIDE IN DEC'19...**

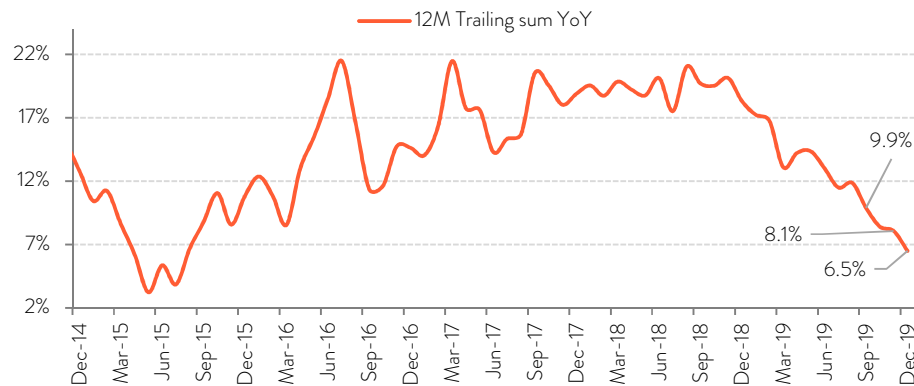


**FIG 107 – ...LED BY LOWER CORPORATE TAX COLLECTIONS**

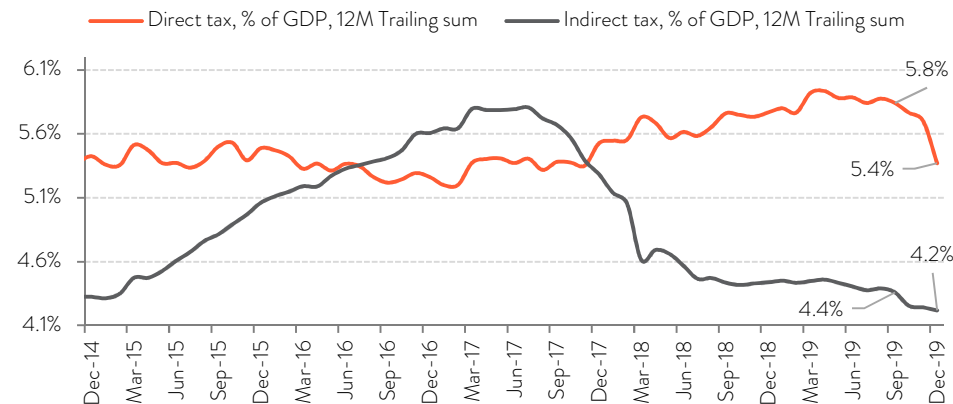




**FIG 108 – INCOME TAX REVENUE GROWTH ALSO LOW**



**FIG 109 – SHARE IN GDP OF BOTH DIRECT & INDIRECT TAX SLIPPING SHARPLY**

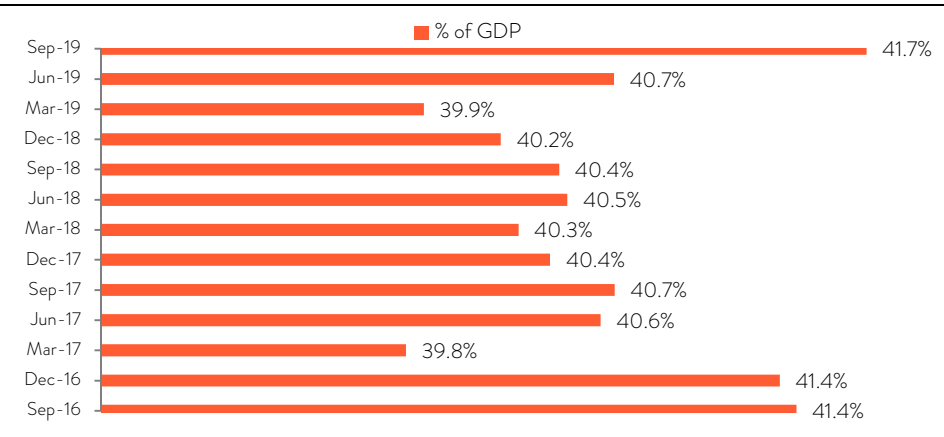


**FIG 110 – FYTD GST COLLECTIONS MOVE CLOSER TO FY20RE**

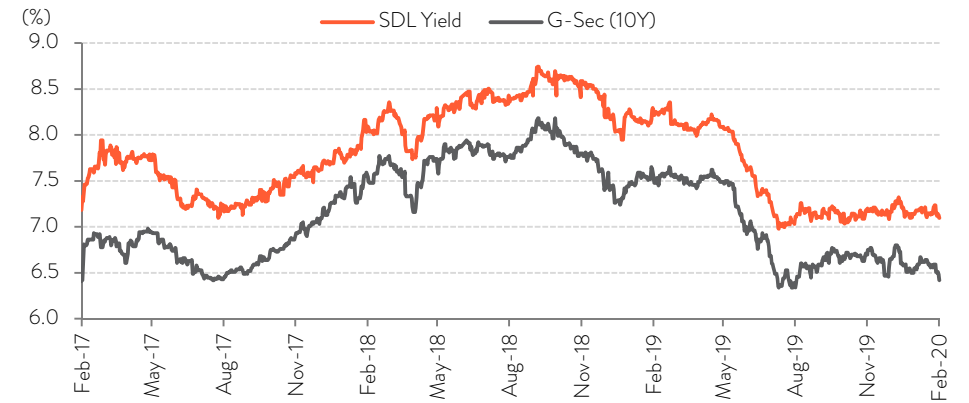
(Rs bn)	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Monthly run rate (FY20)	FYTD20	FY20 (RE)
CGST	431	351	359	462	468	346	354	241	685	381	371	437	405	410	3,688	5,140
UT GST	5.9	1.3	1.1	5.8	1.7	1.5	1.9	2.0	1.2	4.8	1.9	2.0	1.7	2	19	-
IGST	(94)	95	45	23	(6)	72	40	253	(461)	(37)	196	2	(18)	5	42	280
SGST*	605	441	579	566	450	503	544	405	625	533	379	520	641	511	4,600	6,128
Cess	77	84	82	82	89	77	80	82	68	71	87	71	79	78	705	983
Total GST	1,025	972	1,066	1,139	1,003	999	1,021	982	919	954	1,035	1,032	1,108	1,006	9,053	12,531
GST 3B Filing by deadline (mn)	7.3	7.3	7.6	7.2	7.2	7.4	7.6	7.6	7.6	7.4	7.8	8.1	8.3	-	-	-

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

**FIG 111 – CENTRAL GOVT. PUBLIC DEBT SHOOTS TO 3-YEAR HIGH IN Q2FY20**

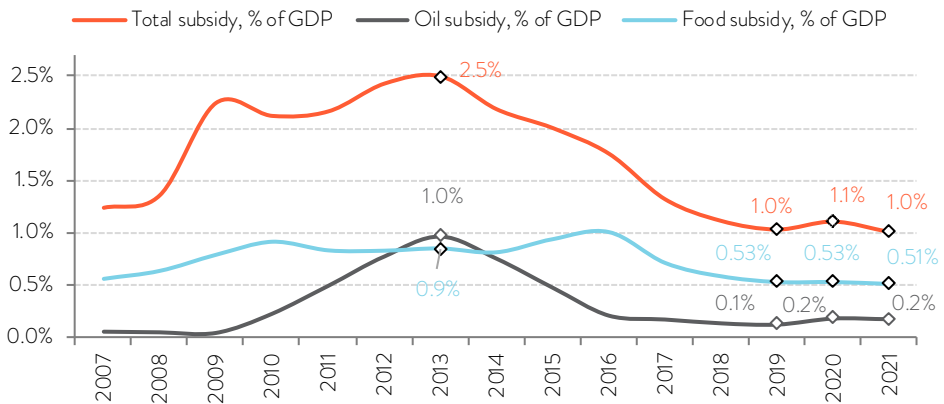


**FIG 112 – GAP BETWEEN AVG. YIELD ON SDL & 10Y G-SEC STEADY IN JAN'20; SEEN RISING IN FEB'20**

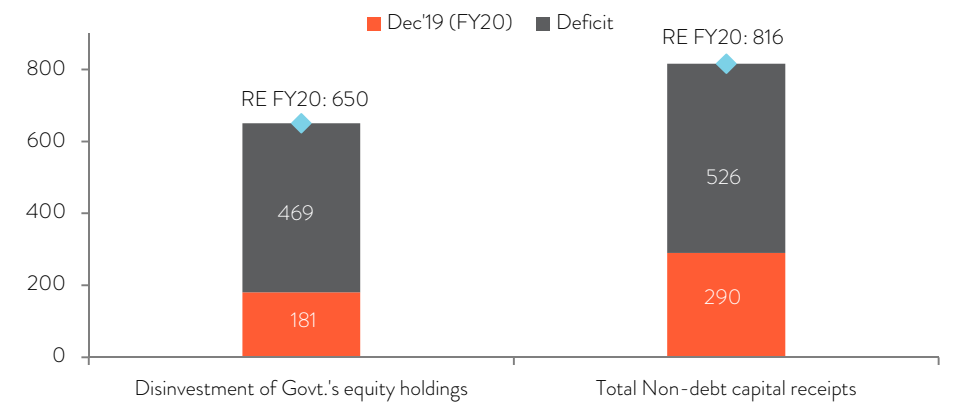


Source: CCIL

**FIG 113 – SUBSIDIES RATIONALISED IN FY21**

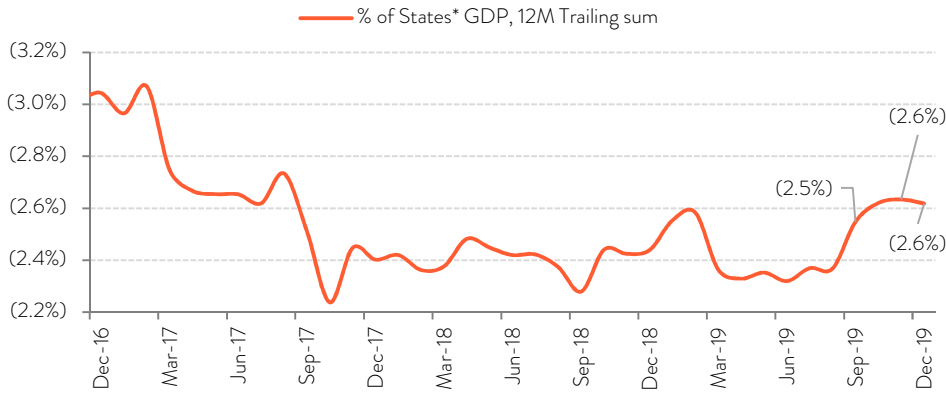


**FIG 114 – CENTRAL GOVT.'S FY20 DISINVESTMENT STATUS**



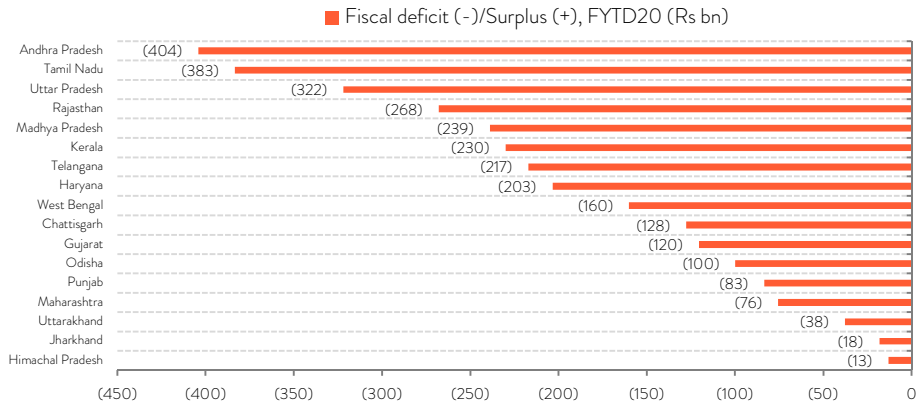
State government finances

FIG 115 – STATES\* FISCAL DEFICIT STEADY IN DEC'19



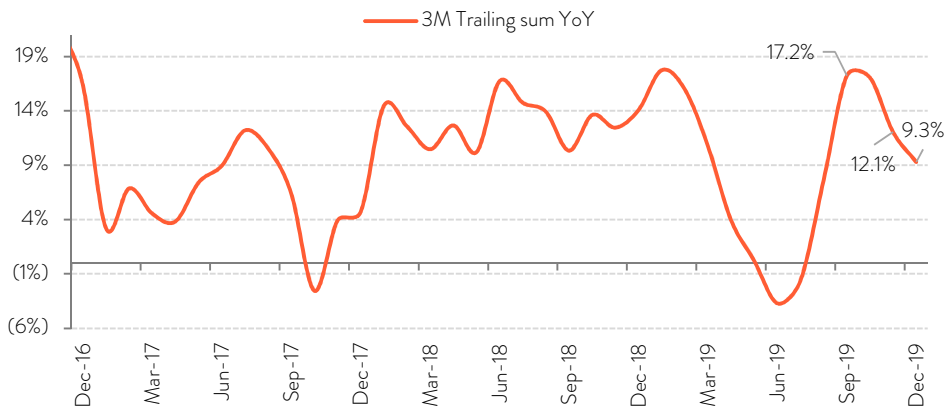
Note: \*All states excluding N.E states, Bihar, Goa, J&K, Karnataka and Uttarakhand

FIG 116 – A.P, TAMIL NADU AND U.P., HIGHEST DEFICIT STATE IN FYTD20



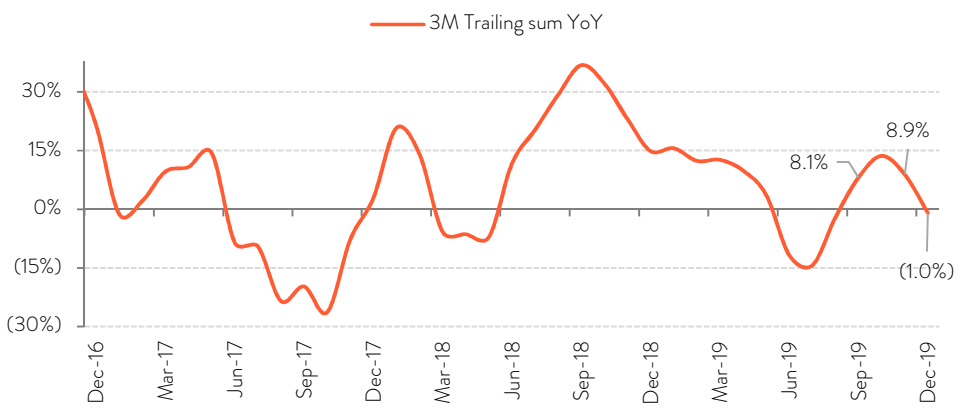
Note: FYTD20 - Apr'19-Dec'19

FIG 117 – TOTAL EXPENDITURE OF STATES\* IN Q3FY20 LOWER THAN Q2...



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

FIG 118 – ...LED BY DECLINING CAPEX OF STATES\*



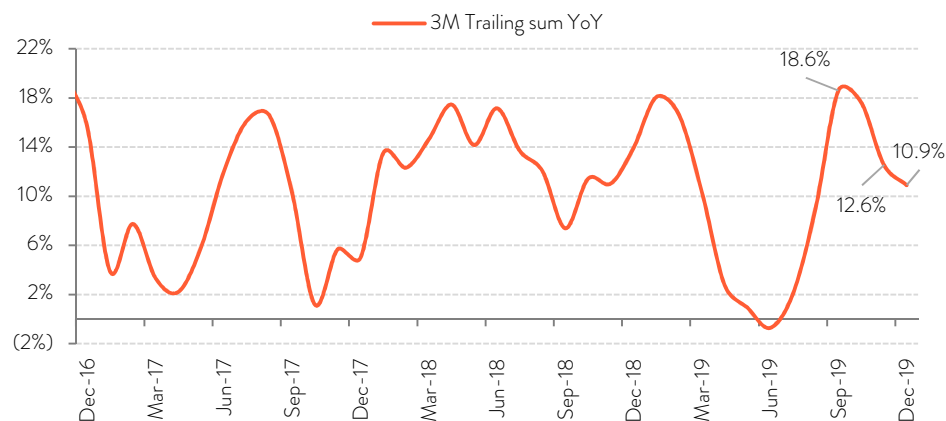
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 119 – STATE\* GOVT. REVENUE RECEIPTS LOOK STRAINED IN FYTD20, CAPEX CONTINUES TO SEE SHARP SLOWDOWN**

	Apr'17-Dec'17 (Rs bn)	Apr'18-Dec'18 (Rs bn)	% change	Apr'19-Dec'19 (Rs bn)	% change
Total Receipts	14,439	16,455	14.0	17,807	8.2
Revenue Receipts	12,035	13,878	15.3	14,681	5.8
Receipts: Tax Revenue	9,372	10,796	15.2	10,889	0.9
Receipts: Non-Tax Revenue	869	1,013	16.5	999	(1.3)
Receipts: Grant in aid & contribution	1,794	2,069	15.3	2,793	35.0
Capital Receipts	2,404	2,578	7.2	3,126	21.3
Total Expenditure	14,259	16,195	13.6	17,486	8.0
Revenue Expenditure	12,573	14,152	12.6	15,556	9.9
Capital Expenditure	1,686	2,026	20.1	2,001	(1.2)
Revenue Surplus or Deficit	(538)	(274)	-	(875)	-
Fiscal Surplus or Deficit	(2,276)	(2,374)	-	(3,002)	-

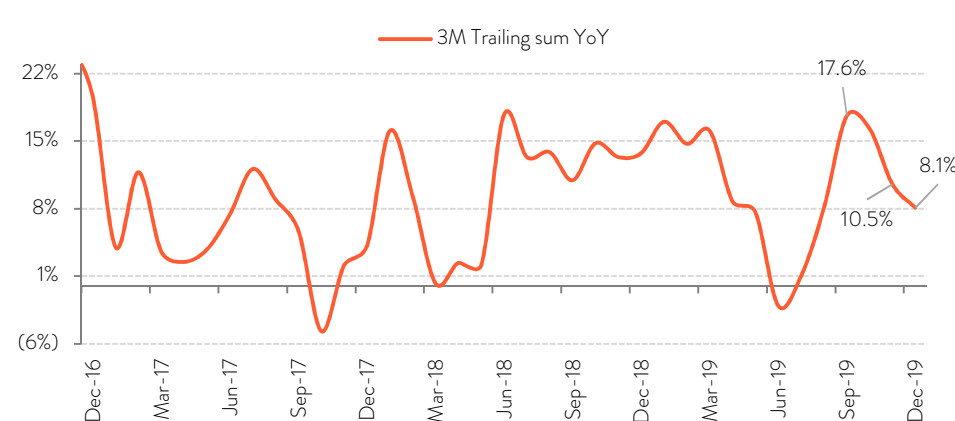
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 120 – REVENUE SPENDING OF STATES\* ALSO SEES EASING IN Q3**



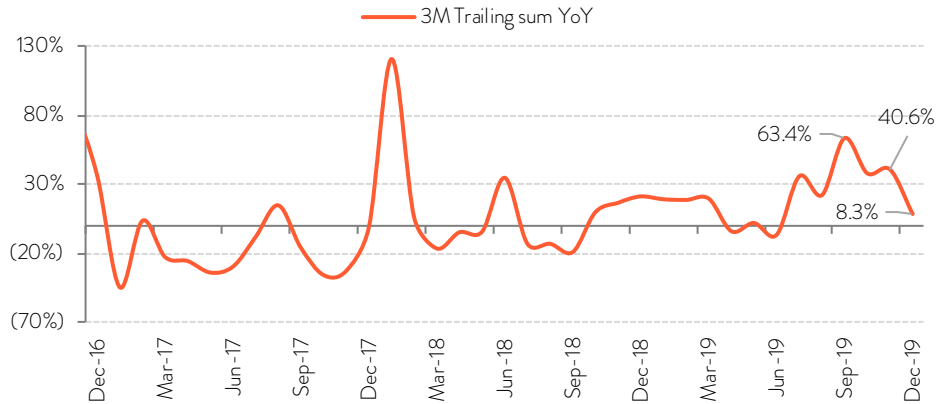
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 121 – TOTAL RECEIPT GROWTH OF STATES\* DIPPED IN DEC'19...**



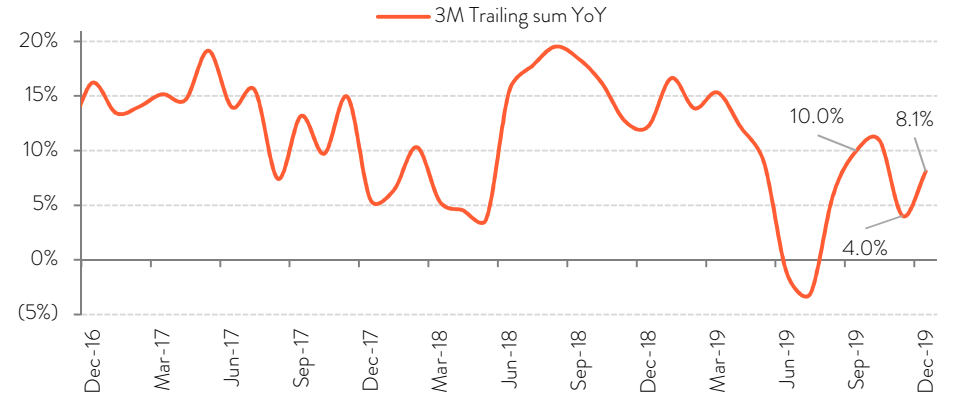
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 122 – ...AS CAPITAL RECEIPTS OF STATES\* EASED, LED BY BORROWINGS**



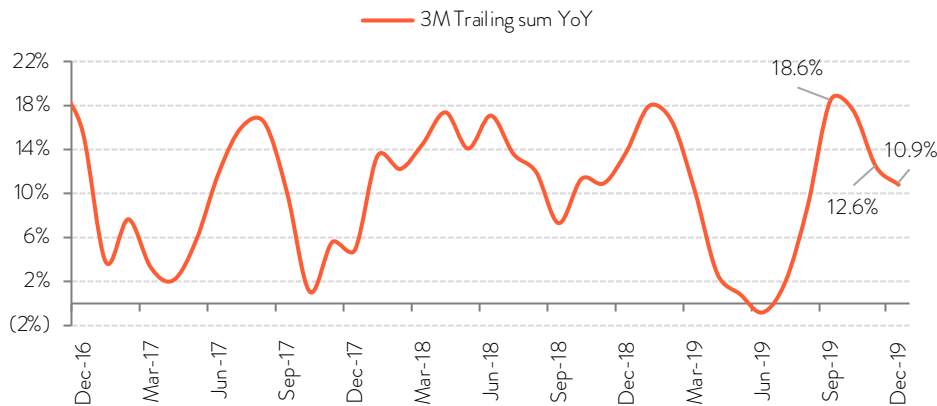
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 123 – REVENUES RECEIPTS OF STATES\* IMPROVE...**



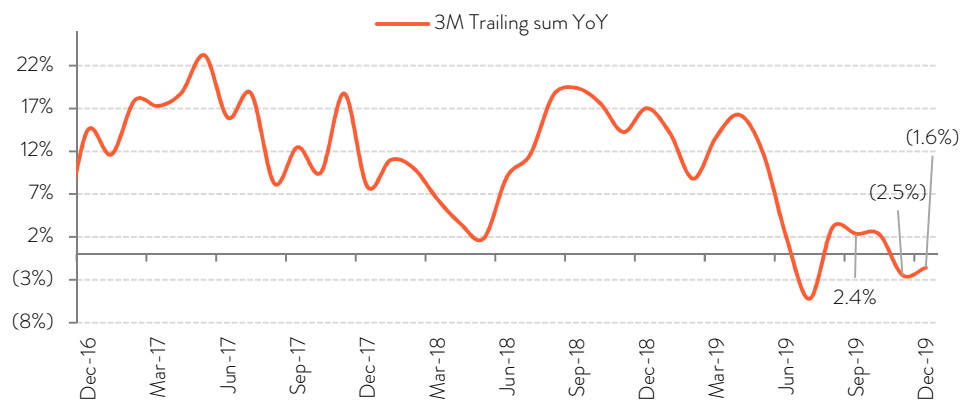
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 124 – ...LED BY GRANT IN AID RECEIVED BY STATES\***



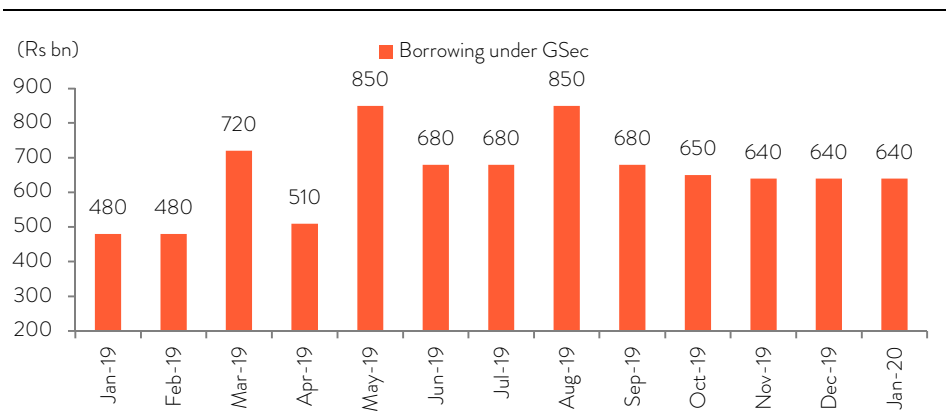
Note: \*All states excluding N.E states, Bihar, Goa, J&K, and Karnataka

**FIG 125 – TAX RECEIPTS OF STATES\* IN Q3 MUCH LOWER THAN Q2FY20**



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

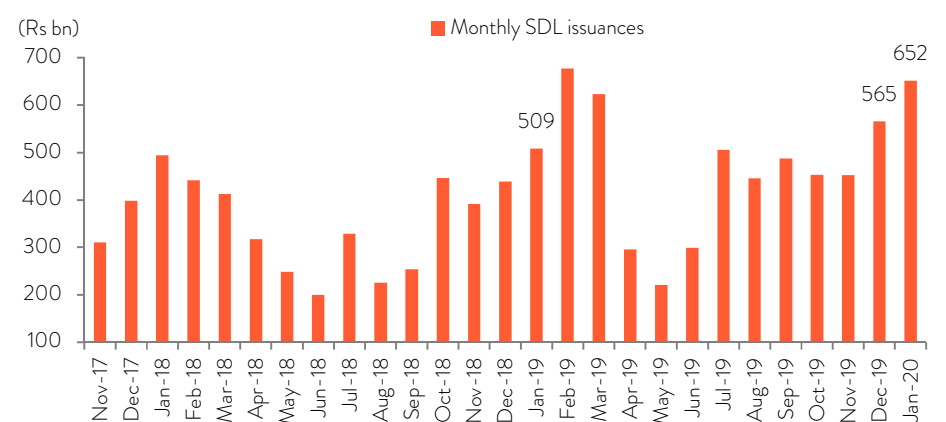
**FIG 126 – CENTRE’S GROSS BORROWING IN JAN’20 WAS AT RS 640BN**



Source: RBI; \*As of 24 Jan 2020

### State government borrowing

**FIG 128 – STATE GOVERNMENT BORROWINGS PICK UP PACE IN DEC-JAN**



Source: RBI

**FIG 127 – CENTRE’S GROSS BORROWING FOR FY20 WAS UNCHANGED AT RS 7.1TN AND PEGGED SLIGHTLY HIGHER AT RS 7.8TN IN FY21**

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

Source: RBI; \*As of 24 Jan 2020

**FIG 129 – MARKET BORROWINGS OF STATES REACH RS 4.5TN IN FYTD20**

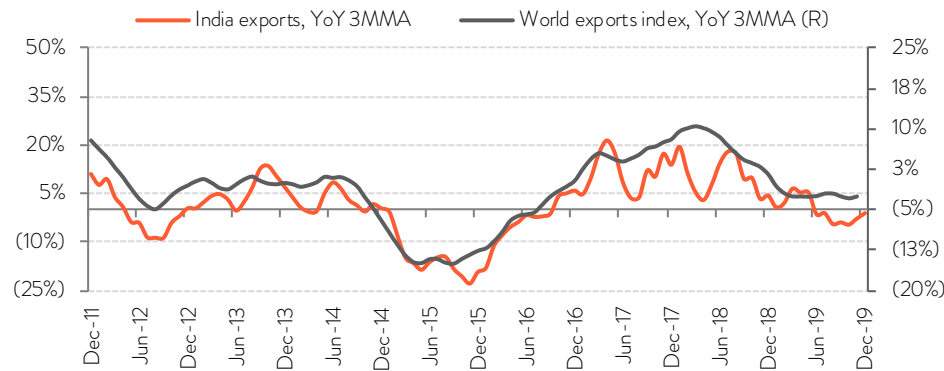
Quarterly SDL issuances, (Rs bn)	FY15	FY16	FY17	FY18	FY19	FY20 (actual)	FY20 (planned)
Q1	439	502	548	650	766	815	1,101
Q2	469	627	792	1,130	809	1,439	1,394
Q3	692	858	1,214	1,054	1,277	1,470	1,707
Q4	809	959	1,322	1,348	1,809	801*	2,086
<b>Total</b>	<b>2,408</b>	<b>2,946</b>	<b>3,876</b>	<b>4,182</b>	<b>4,661</b>	<b>4,526</b>	<b>6,287</b>

Source: RBI; \*As of 4 Feb 2020

## External sector

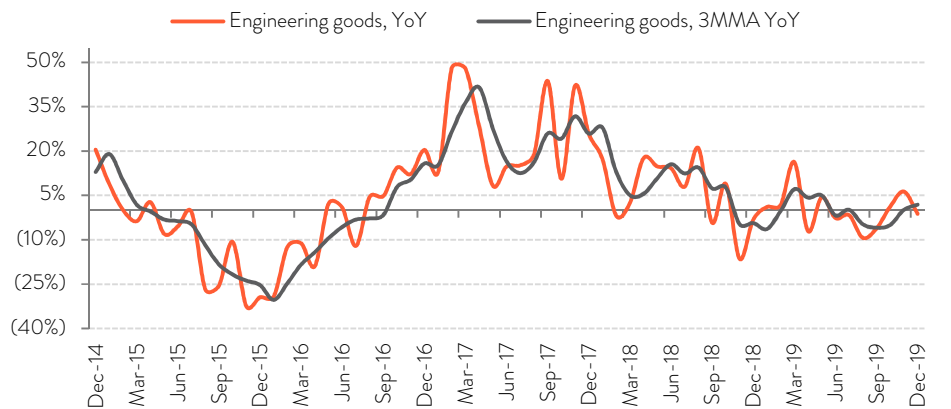
### Exports

**FIG 130 – GLOBAL EXPORTS DECLINE AT A SLOWER PACE**

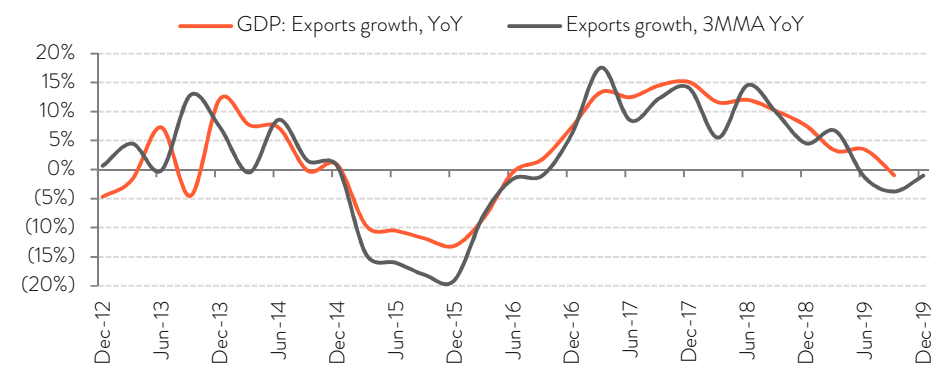


### Exports by major sectors

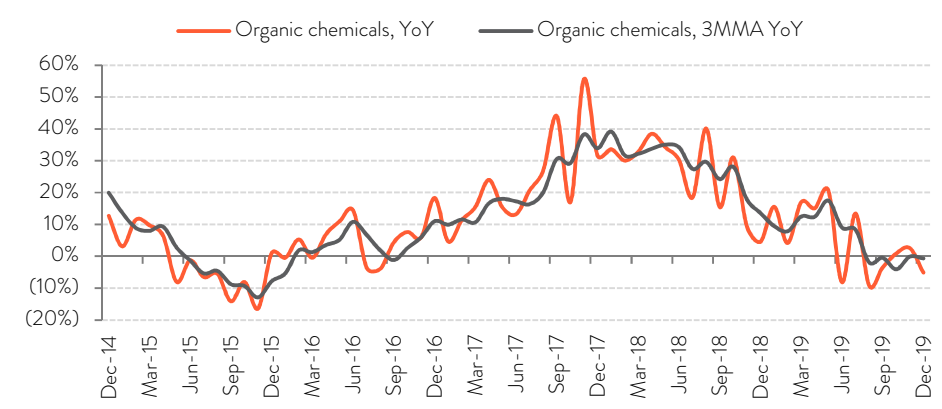
**FIG 132 – EXPORT OF ENGINEERING GOODS FALLS IN DEC'19 BY (-) 1.2%**



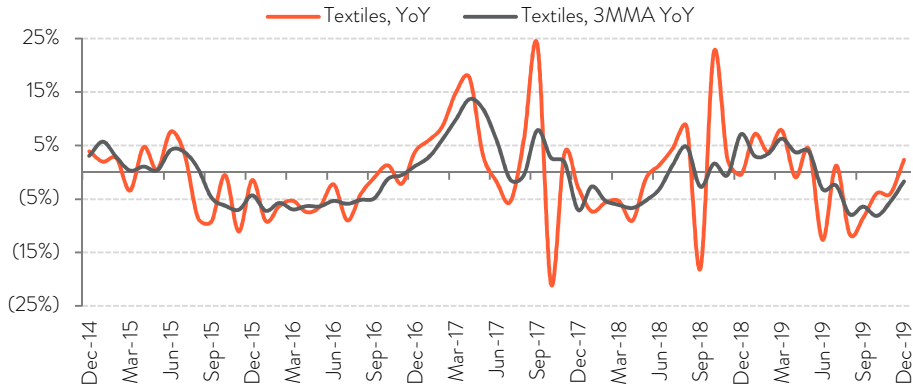
**FIG 131 – SIMILAR TREND VISIBLE IN INDIA'S EXPORTS**



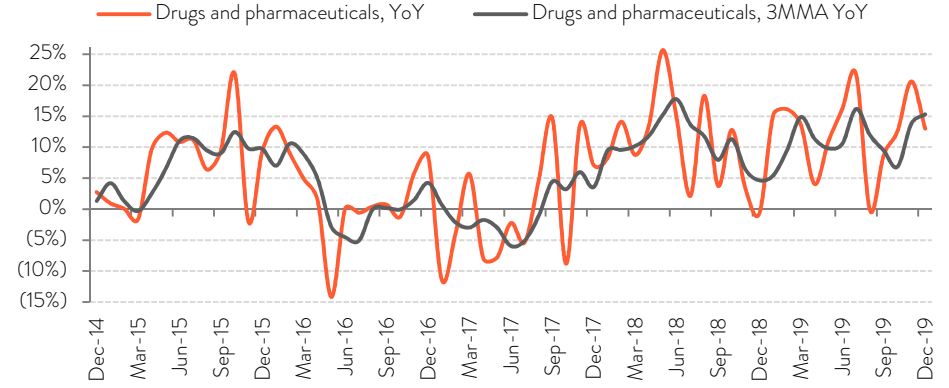
**FIG 133 – ORGANIC CHEMICAL EXPORTS ALSO DECLINE**



**FIG 134 – TEXTILE EXPORTS RISE FOR THE FIRST TIME IN 5-MONTHS**

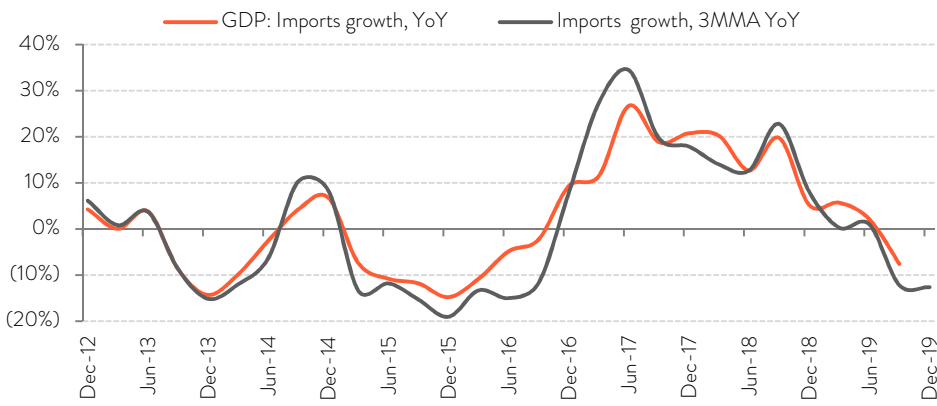


**FIG 135 – DRUGS AND PHARMA EXPORTS CONTINUE TO OUTPERFORM**

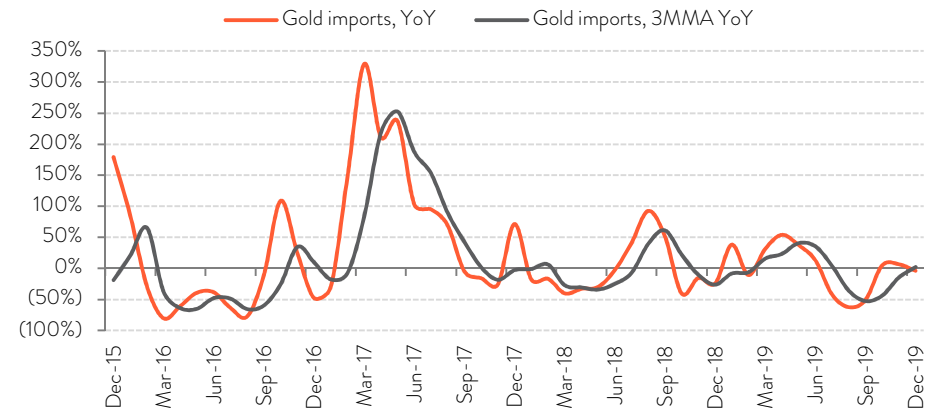


**Imports**

**FIG 136 – IMPORT GROWTH CONTINUES TO CONTRACT**

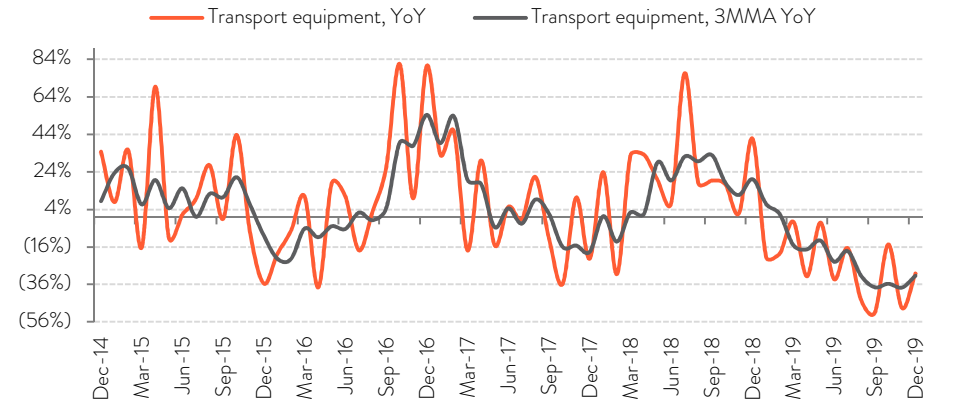


**FIG 137 – GOLD IMPORTS DECLINE BY (-) 3.9% IN DEC'19 VS 6.6% IN NOV'19**

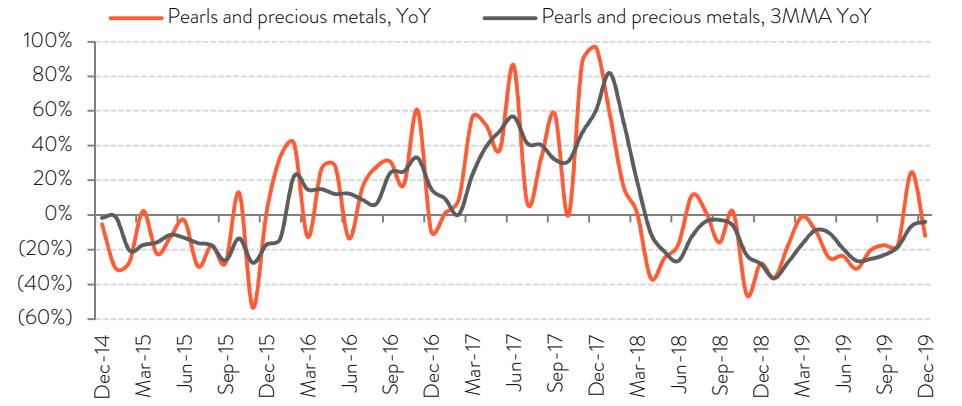




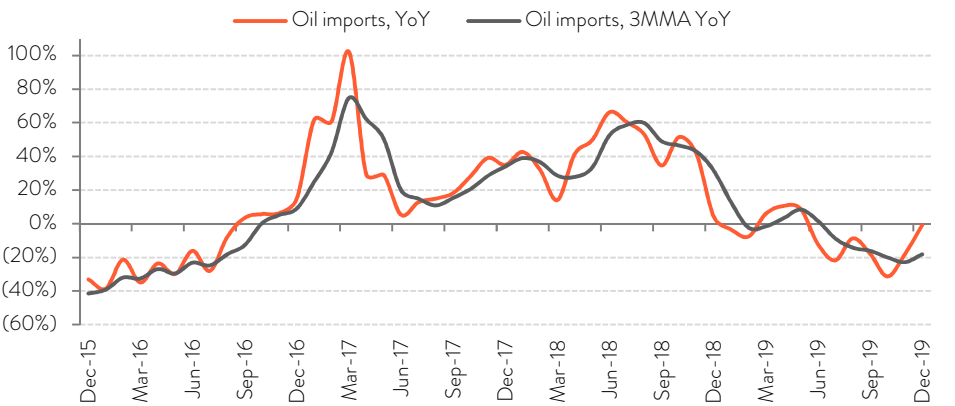
**FIG 138 – IMPORTS OF TRANSPORT EQUIPMENTS ALSO CONTRACTS**



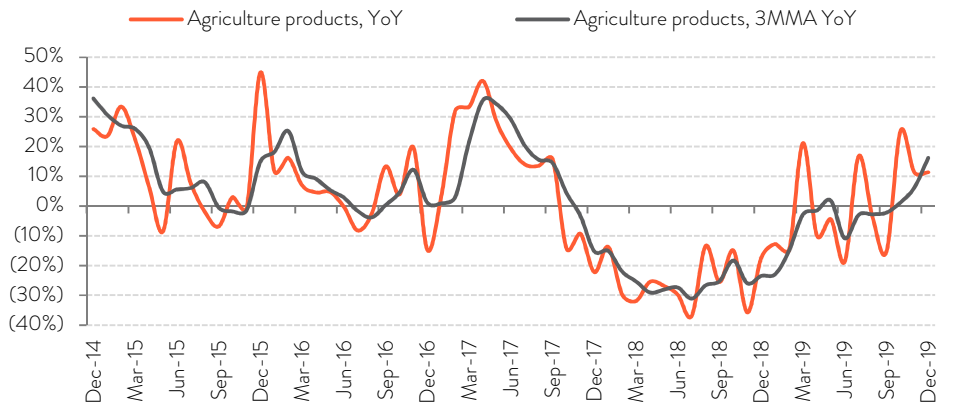
**FIG 139 – IMPORT OF PRECIOUS STONES DIPS AGAIN IN DEC'19 AFTER INCHING UP IN NOV'19**



**FIG 140 – OIL IMPORTS FALL AT A SLOWER PACE OF (-) 0.8% IN DEC'19 VS (-) 22.9% IN NOV'19**



**FIG 141 – AGRI IMPORTS RISING**



## Exports and imports by major regions

**FIG 142 – EXPORTS TO ASIA AND PACIFIC (EX. CHINA) HAVE DECLINED BY (-) 12% IN FYTD20**

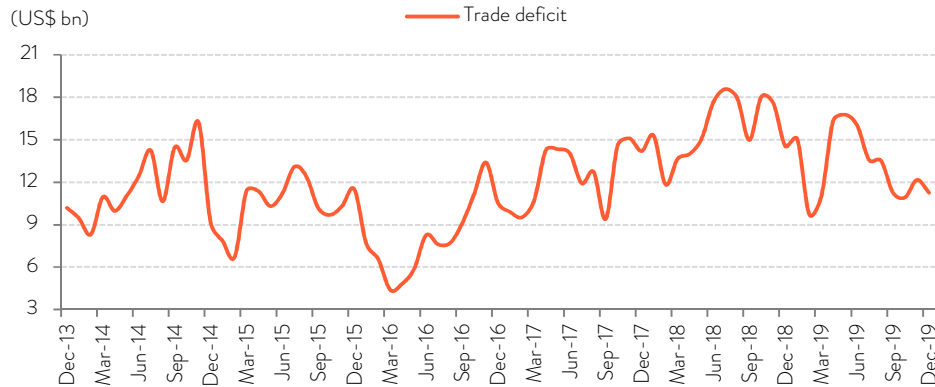
Region (% YoY)	Share (in %) FY19	Oct'19	Nov'19	Dec'19	FYTD19	FYTD20
Americas	21.1	3.0	15.7	10.3	10.2	3.5
Asia and Pacific (Ex. China)	28.1	(16.8)	(13.3)	(11.0)	6.7	(12.0)
China	5.1	1.7	(5.7)	(5.2)	33.5	4.0
Europe	19.7	2.6	(7.3)	(2.2)	9.9	(2.7)
Middle East and Africa	24.8	9.3	7.7	(0.3)	7.5	2.4
Other	1.1	40.2	(15.9)	(48.5)	24.7	0.8

**FIG 143 – IMPORTS FROM ALL REGIONS HAVE CONTRACTED IN FYTD20 LED BY EUROPE (-11.4%)**

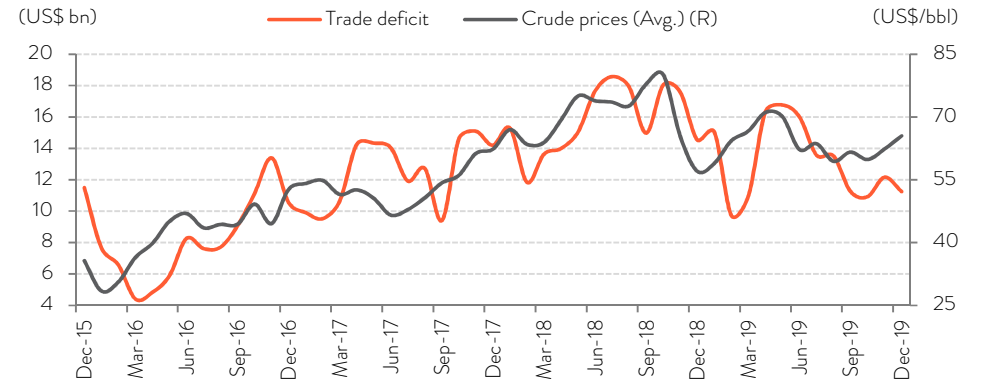
Region (% YoY)	Share (in %) FY19	Oct'19	Nov'19	Dec'19	FYTD19	FYTD20
Americas	12.7	(12.1)	(15.6)	(4.4)	19.0	(7.1)
Asia and Pacific (Ex. China)	25.3	(15.0)	(14.1)	(6.6)	23.4	(7.2)
China	13.7	(11.1)	(11.1)	(9.3)	(4.5)	(3.7)
Europe	15.3	(18.0)	(16.0)	(26.4)	14.2	(11.4)
Middle East	31.1	(23.2)	(12.0)	(2.1)	27.5	(10.4)
Other	1.9	16.5	28.5	(5.9)	(54.7)	17.4

Trade deficit

**FIG 144 – TRADE DEFICIT NARROWS TO US\$ 11.3BN IN DEC'19 VS US\$ 12.2BN IN NOV'19**

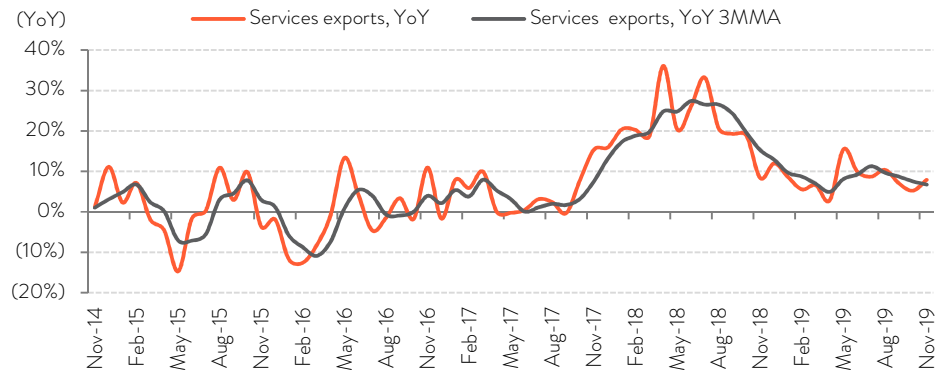


**FIG 145 – EVEN AS OIL PRICES INCHED UP IN DEC'19**



Trade in services

**FIG 146 – SERVICES EXPORTS STABILISE**



BoP

**FIG 147 – CAD NARROWS TO 0.9% OF GDP IN Q2FY20 VS 2% IN Q1FY20**

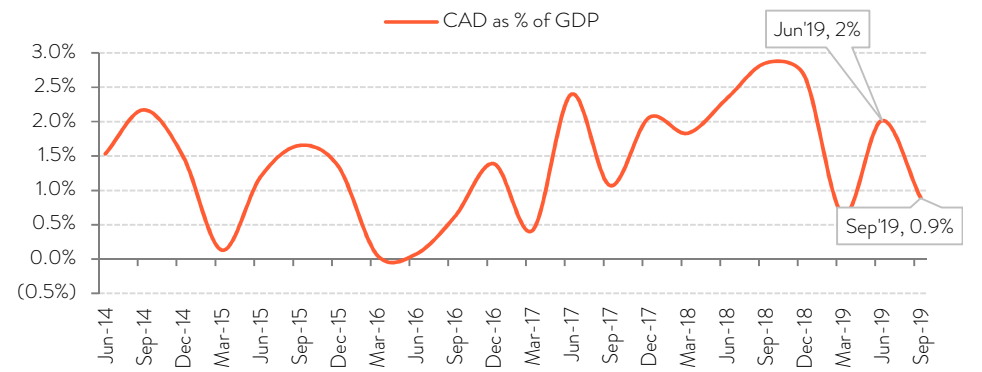


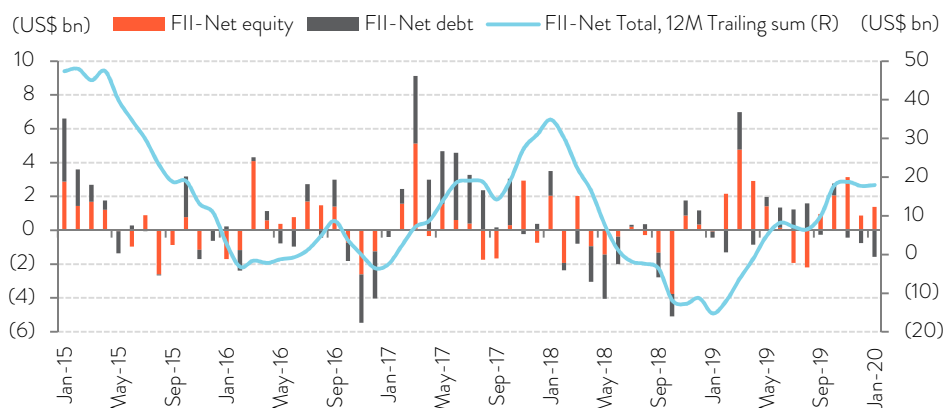
FIG 148 – LED BY LOWER TRADE DEFICIT

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

## Foreign inflows

### FII inflows

**FIG 149 – FII OUTFLOWS AT US\$ 196MN IN JAN'20**



Source: Bloomberg

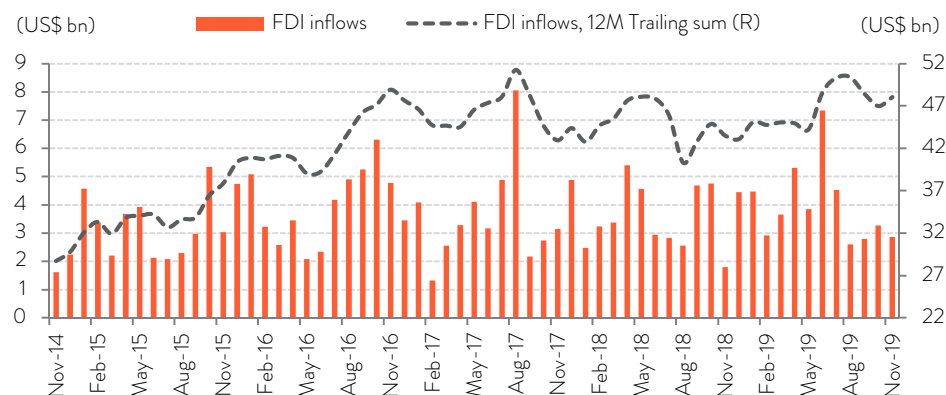
**FIG 151 – FDI INFLOWS INTO TELECOM AND COMPUTER SERVICES RISE IN FYTD20**

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

Source: DIPP

### FDI inflows

**FIG 150 – FDI INFLOWS AT US\$ 2.9BN IN NOV'19 VS US\$ 3.3BN IN OCT'19**



Source: RBI, Bank of Baroda Research

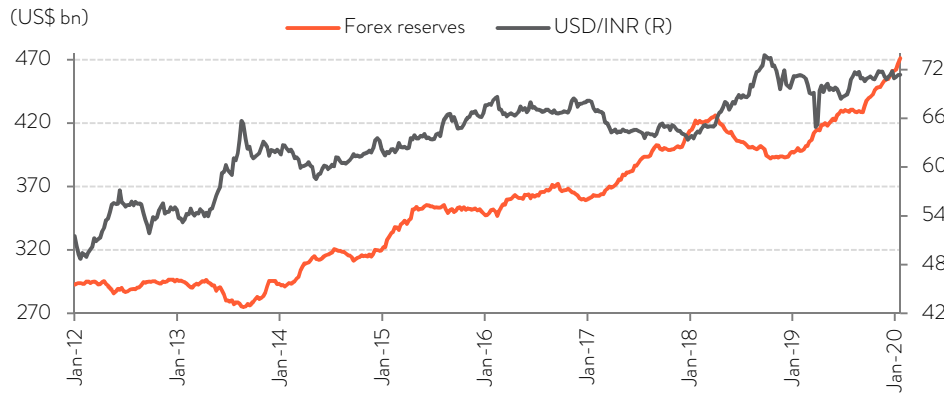
**FIG 152 – FDI INFLOWS FROM MAURITIUS RISE TO US\$ 6.4BN IN FYTD20, INFLOWS FROM SINGAPORE DIP**

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

Source: DIPP

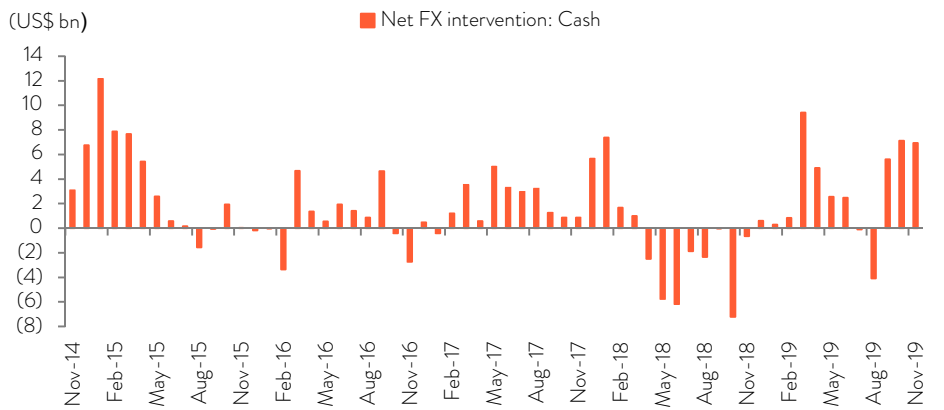
Forex reserves and external debt

**FIG 153 – INDIA’S FX RESERVES RISE TO A LIFETIME HIGH AT US\$ 471.3BN IN JAN’20, RISE BY US\$ 59.4BN IN FYTD20**

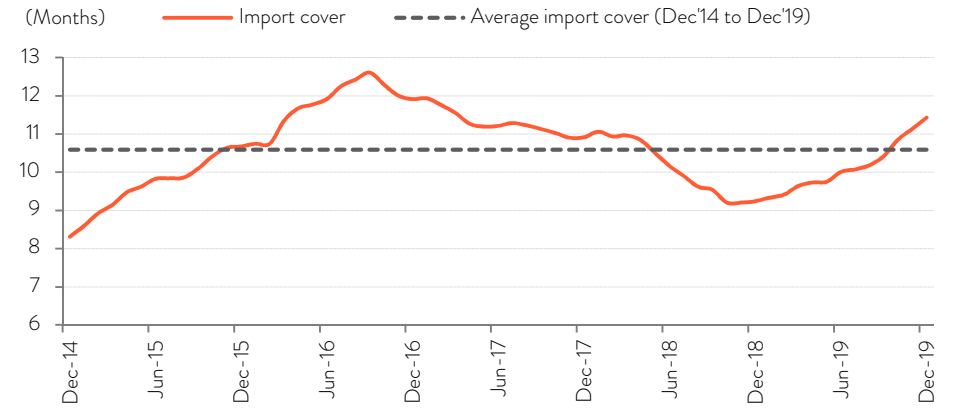


Source: Bloomberg | Weekly data as of 31 Jan 2020

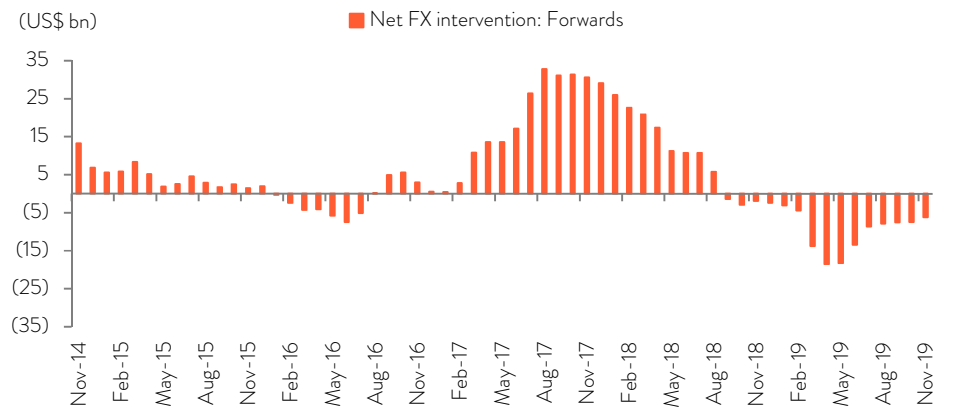
**FIG 155 – RBI PURCHASED US\$ 6.9BN (NET) IN SPOT MARKET IN NOV’19**



**FIG 154 – IMPORT COVER RISES TO 11.4 MONTHS IN DEC’19; ABOVE 5-YEAR LONG TERM AVERAGE**



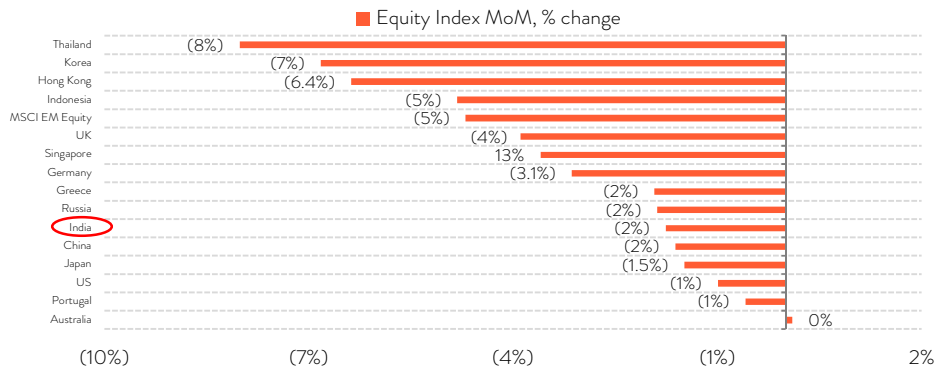
**FIG 156 – IN FORWARDS MARKET, RBI BOUGHT US\$ 1.3BN IN NOV’19, OUTSTANDING POSITION AT (-) US\$ 6.1BN**



## Markets

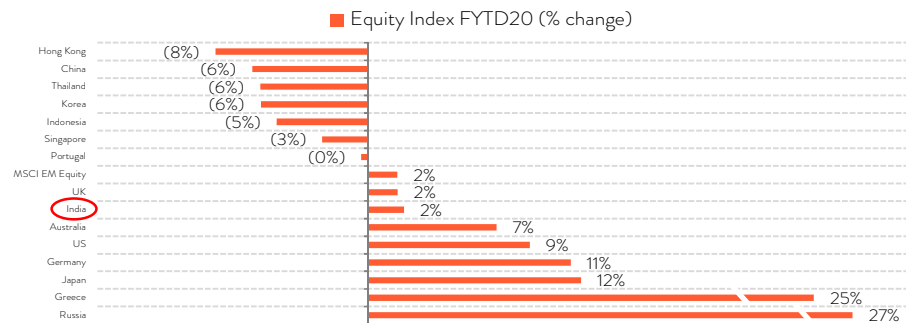
### Equity

**FIG 157 – IN JAN'20, SENSEX FELL BY (-) 2%, OUTPERFORMING MSCI EM WHICH FELL BY (-) 5%, ON MOM BASIS IN CONSTANT CURRENCY TERMS**



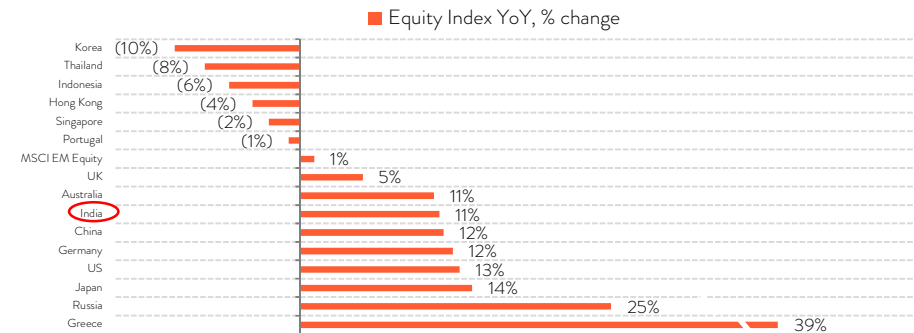
Source: Bloomberg | \* As on 31 Jan 2020, Indices are in US\$ terms

**FIG 159 – IN FYTD20\*, SENSEX ROSE BY 2%**



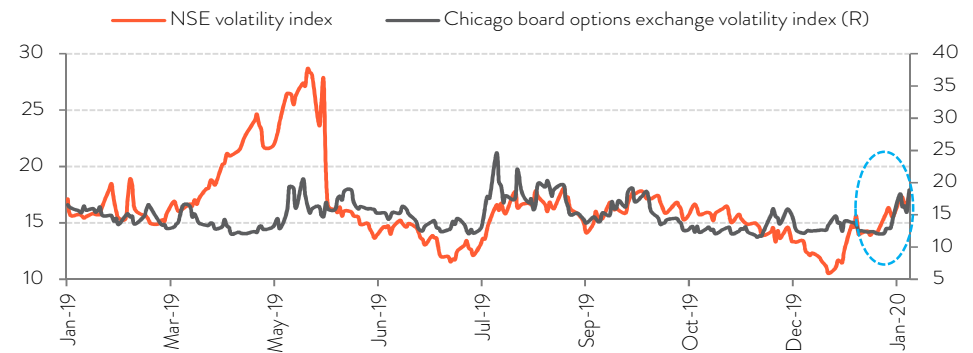
Source: Bloomberg | \* As on 31 Jan 2020, Indices are in US\$ terms

**FIG 158 – ON YOY BASIS\* TOO SENSEX (11%) OUTPERFORMED MSCI EM INDEX (1%)**



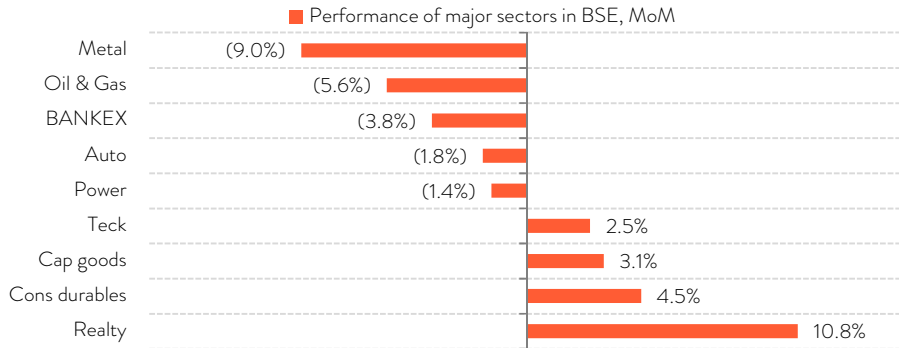
Source: Bloomberg | \* As on 31 Jan 2020, Indices are in US\$ terms

**FIG 160 – VIX INDEX ROSE TO 17.37 IN JAN'20 AGAINST 11.67 IN DEC'19 AMIDST VOLATILITY IN GLOBAL MARKETS**



Source: Bloomberg

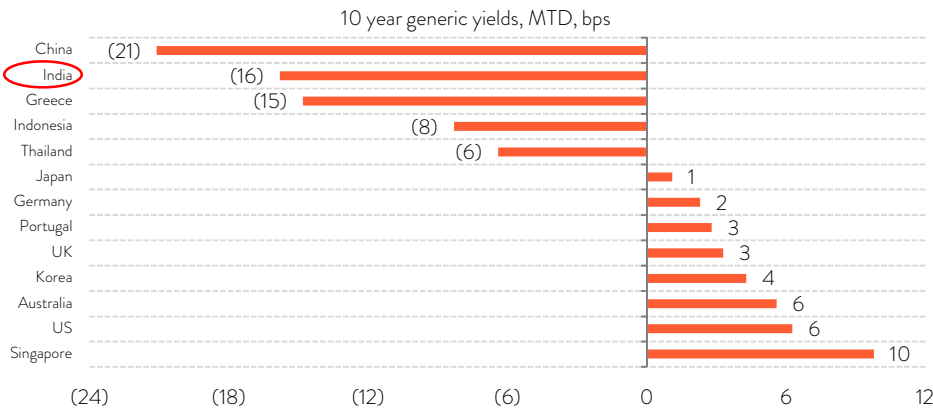
**FIG 161 – METAL STOCKS FELL THE MOST, REAL ESTATE STOCKS NOTED CONSIDERABLE GAIN IN JAN'20**



Source: Bloomberg | \*As on 31 Jan 2020

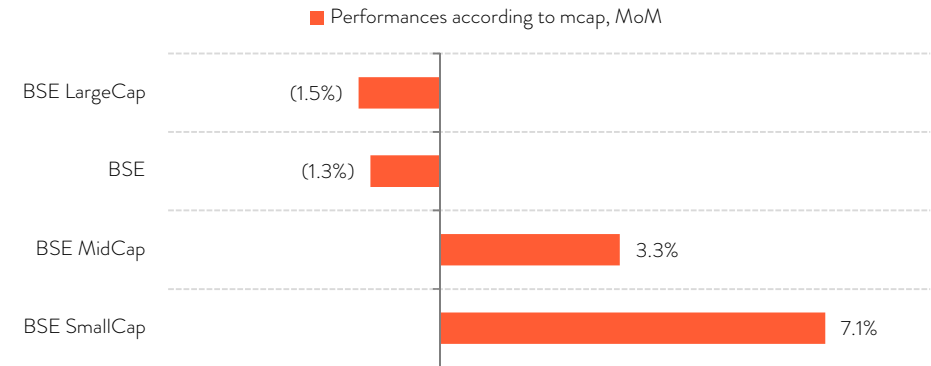
### 10 year bond yields

**FIG 163 – IN FEB'20, INDIA'S 10Y YIELD FELL THE MOST BY 16BPS (AFTER CHINA) SUPPORTED BY RBI'S LIQUIDITY INFUSION MEASURES**



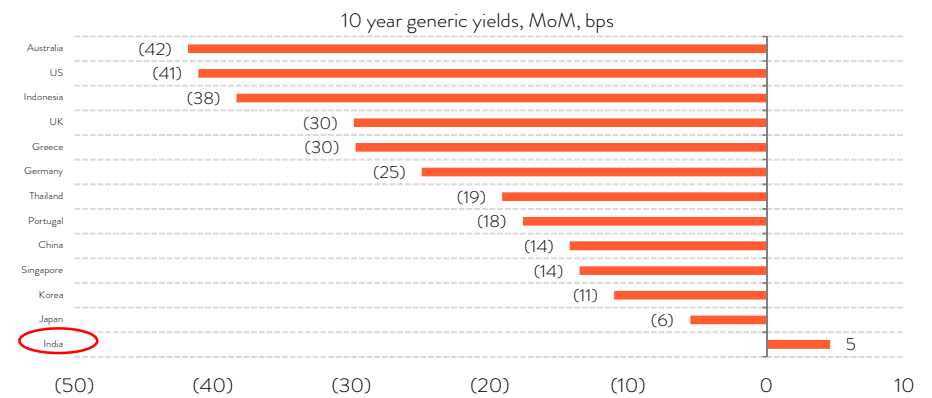
Source: Bloomberg | \*As on 10 Feb 2020

**FIG 162 – SMALL CAPS OUTPERFORMED LARGE CAPS IN JAN'20**



Source: Bloomberg | \*As on 31 Jan 2020

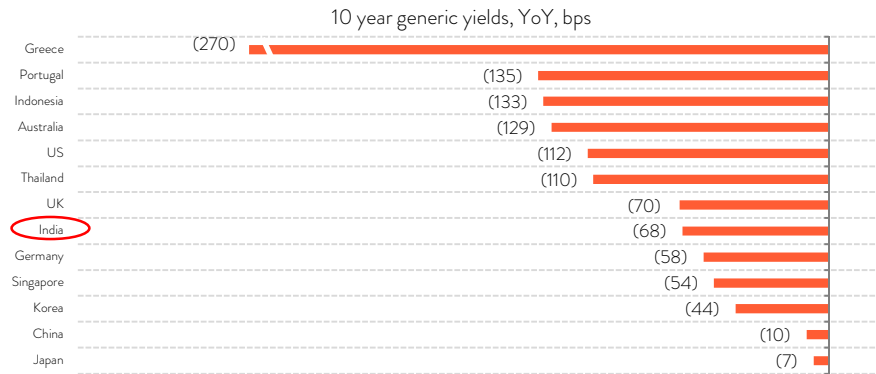
**FIG 164 – ON MOM BASIS\*, INDIA'S 10Y YIELD ROSE BY 5BPS AMIDST FISCAL CONCERNS**



Source: Bloomberg | \*As on 31 Jan 2020



**FIG 165 – INDIA’S 10Y YIELD HAS FALLEN BY 68BPS ON YOY BASIS ; IN LINE WITH MAJOR GLOBAL YIELDS**



Source: Bloomberg | \*As on 31 Jan 2020

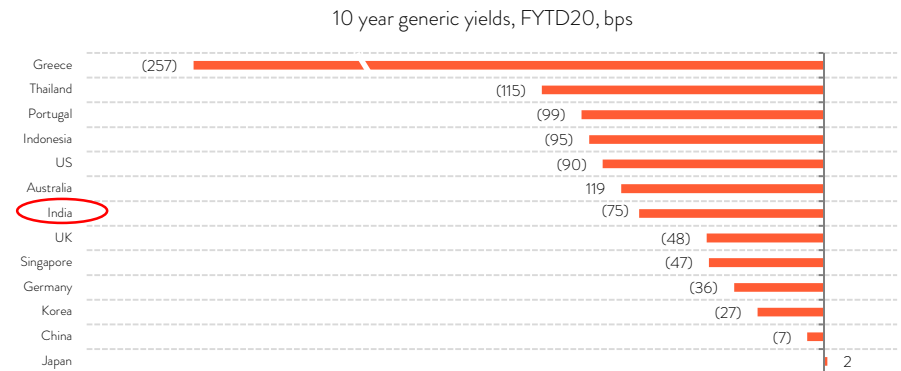
**Currencies**

**FIG 167 – INR WAS STABLE IN JAN'20**



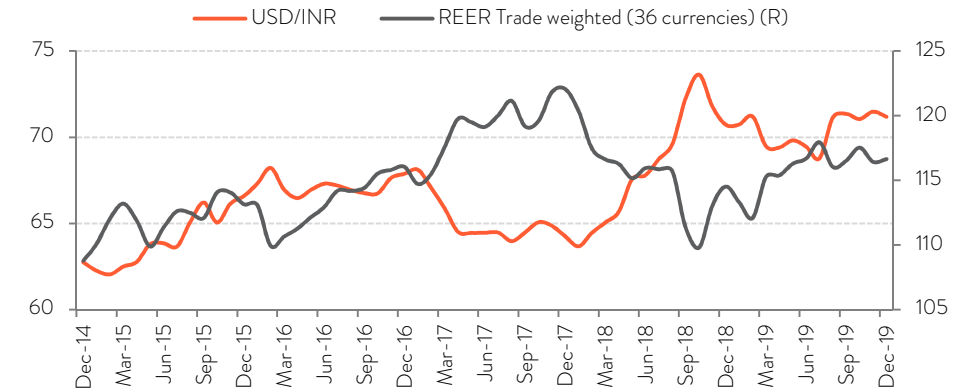
Source: Bloomberg | \*As on 31 Jan 2020

**FIG 166 – IN FYTD20 AS WELL, INDIA’S 10Y YIELD HAS FALLEN BY 75BPS**



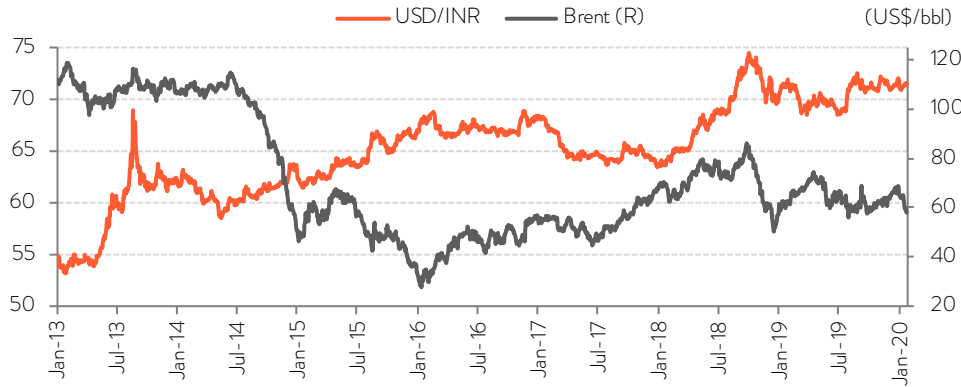
Source: Bloomberg | \*As on 31 Jan 2020

**FIG 168 – INR STILL OVERVALUED BY 16.6% (DEC'19'19)**



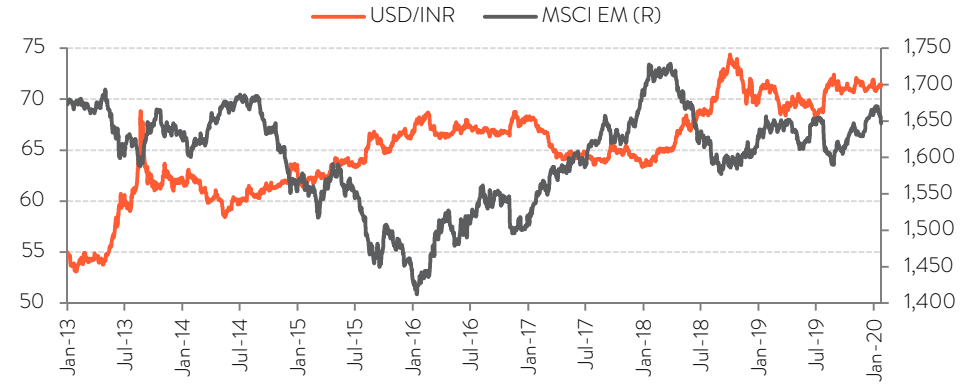
Source: Bloomberg

**FIG 169 – AS OIL PRICES FELL SHARPLY IN JAN'20**



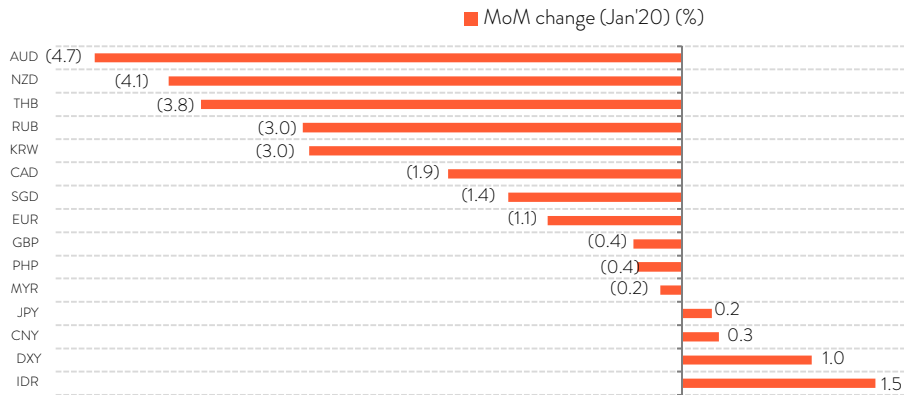
Source: Bloomberg | \*As on 31 Jan 2020

**FIG 170 – AND EM CURRENCIES DEPRECIATED**



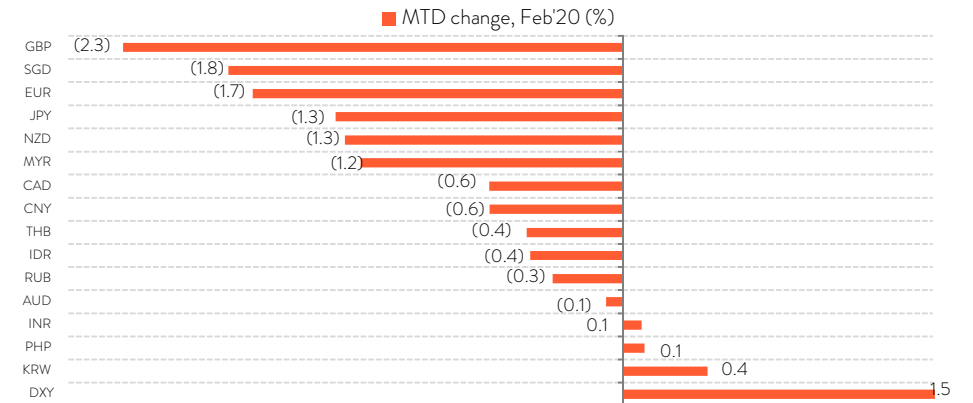
Source: Bloomberg | \*As on 31 Jan 2020

**FIG 171 – MOST GLOBAL CURRENCIES DEPRECIATED IN JAN'20 OVER FEARS OF THE CORONAVIRUS OUTBREAK**



Source: Bloomberg | \*As on 31 Jan 2020

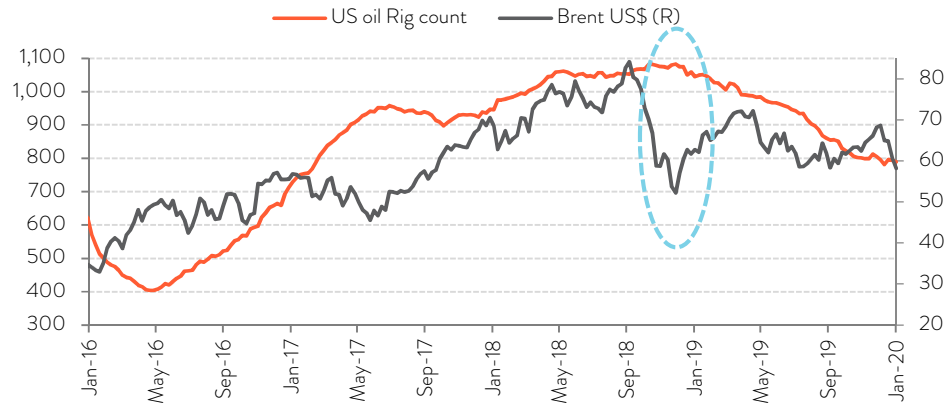
**FIG 172 – DXY HAS RISEN BY 1.5% IN FEB'20**



Source: Bloomberg | \*As on 10 Feb 2020

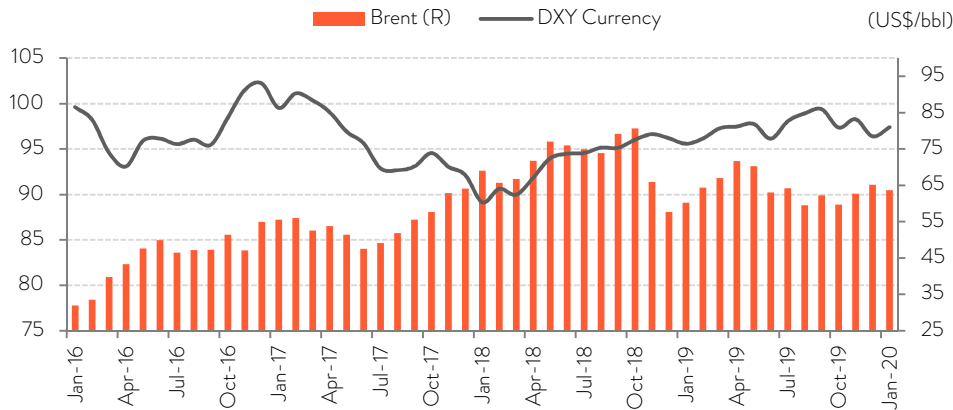
Commodities

FIG 173 – US RIG COUNT FELL TO 790 IN JAN'20 VERSUS 805 IN DEC'19



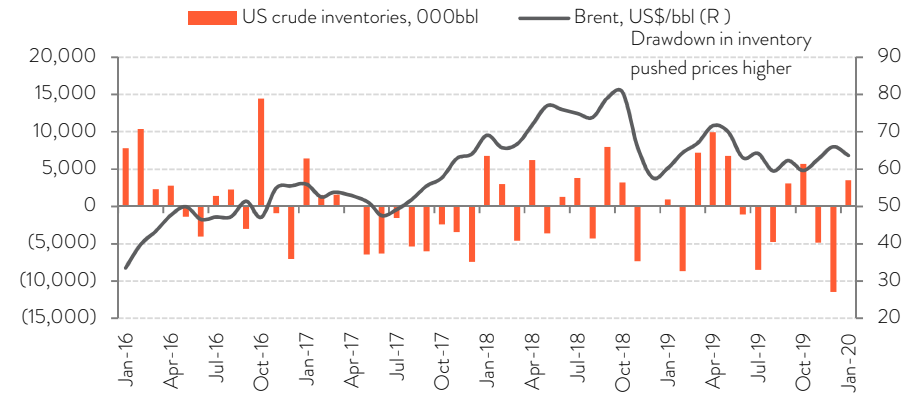
Source: Bloomberg

FIG 175 – DXY ROSE TO 97.4 IN JAN'20 FROM 96.4 IN DEC'19, CRUDE PRICES ON AN AVERAGE WAS LOWER AT US\$ 64/BBL (US\$ 65/BBL IN DEC'19)



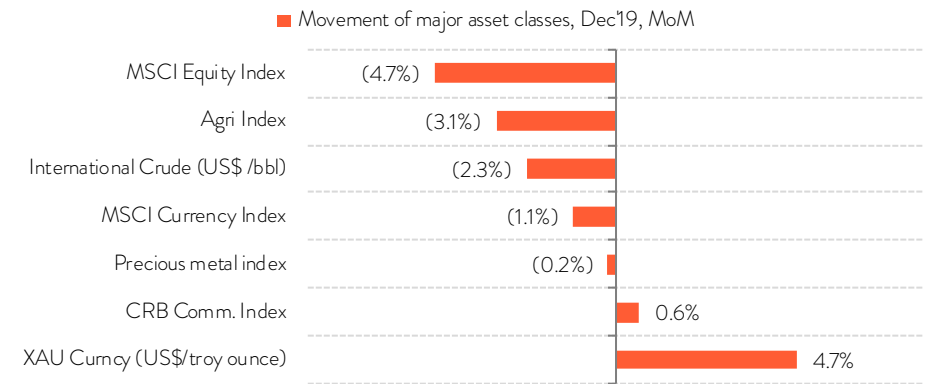
Source: Bloomberg | DXY Index as on last trading day of the month

FIG 174 – US CRUDE INVENTORIES ROSE IN JAN'20; OIL PRICES FELL BY (-) 2.3% ON MOM BASIS



Source: Bloomberg

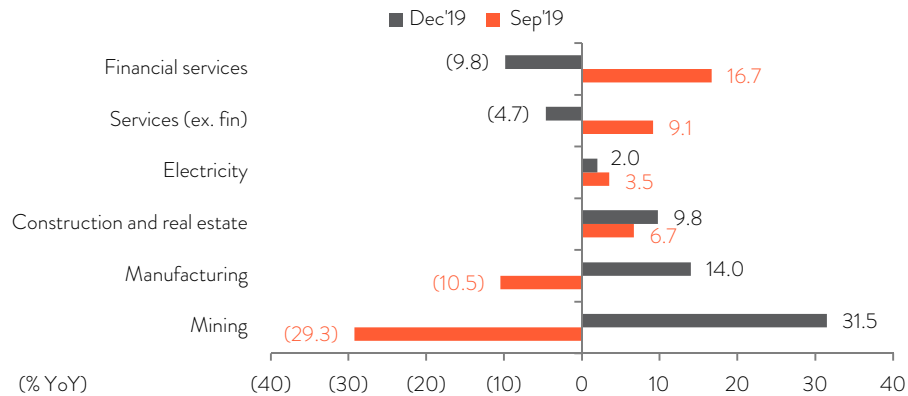
FIG 176 – AMONGST MAJOR ASSET CLASS, GOLD ROSE THE MOST DUE TO INCREASED DEMAND FOR SAFE HAVEN



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

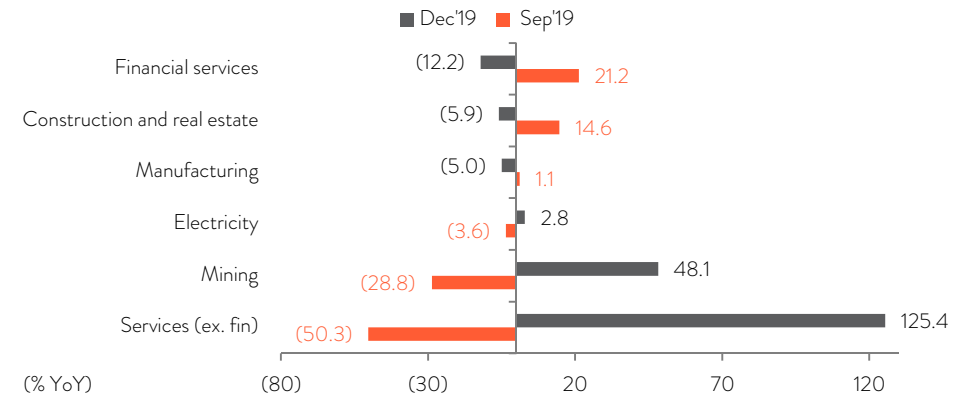
## Corporate earnings

**FIG 177 – NET SALES IN MINING AND MANUFACTURING PICKS UP IN Q3FY19**



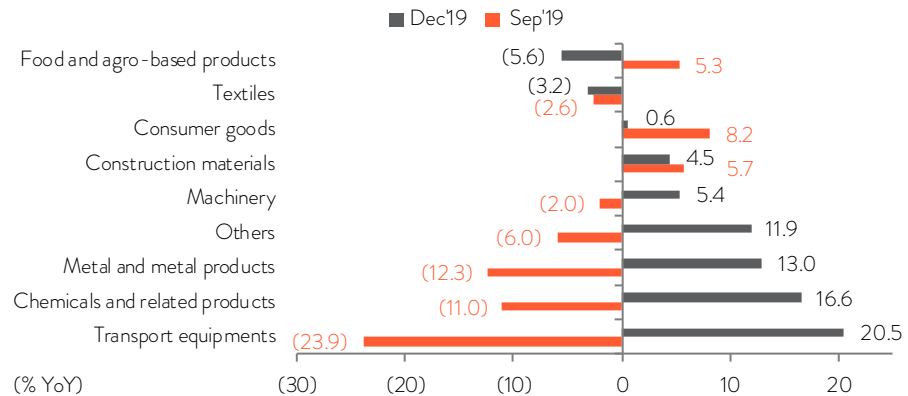
Source: CMIE, Prowess | Based on financial results of 257 companies

**FIG 178 – IMPROVEMENT IN PBDIT IN SERVICES SECTOR**



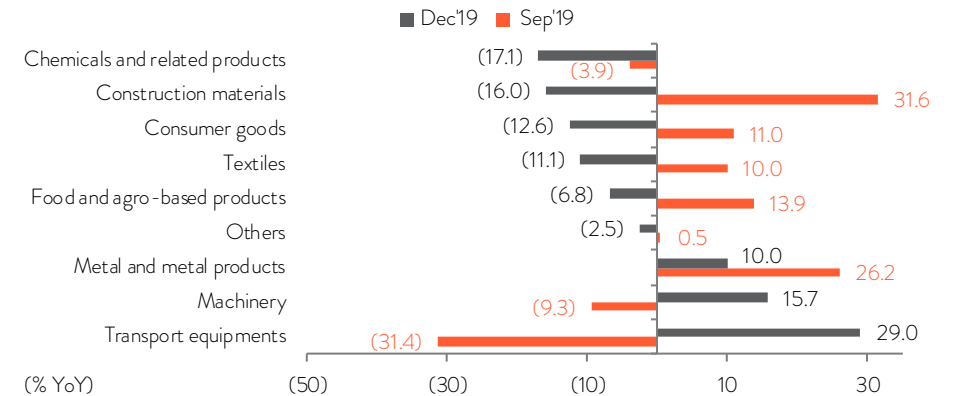
Source: CMIE, Prowess | Based on financial results of 257 companies

**FIG 179 – WITHING MANUFACTURING, NET SALES IN AUTO AND CHEMICAL SECTORS IMPROVES THE MOST**



Source: CMIE, Prowess | Based on financial results of 125 manufacturing companies

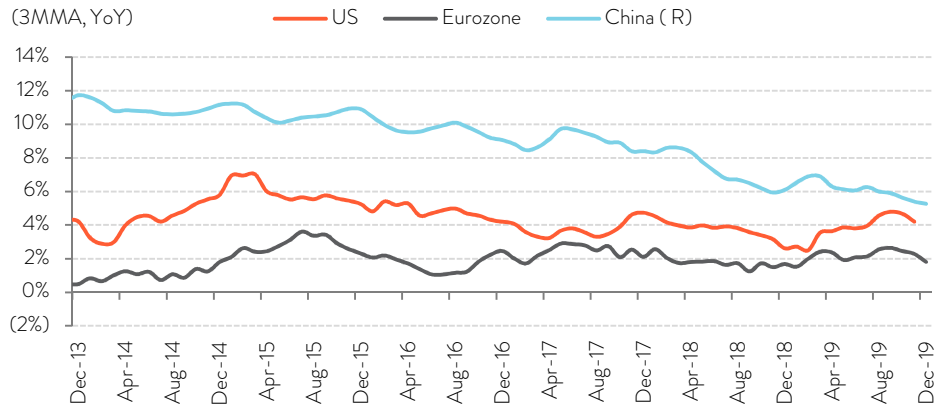
**FIG 180 – GROWTH IN PBDIT PICKS UP FOR AUTO AND MACHINERY SECTOR**



Source: CMIE, Prowess | Based on financial results of 125 manufacturing companies

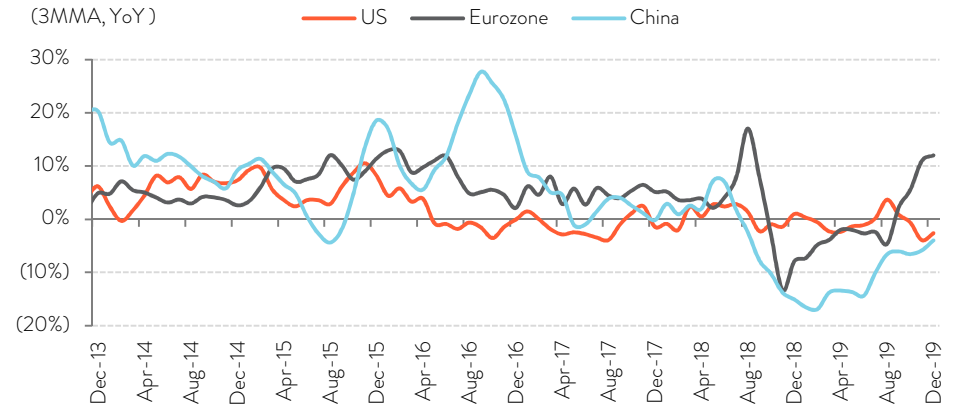
## Global consumption

**FIG 181 – RETAIL SALES DROPS ACROSS REGIONS**

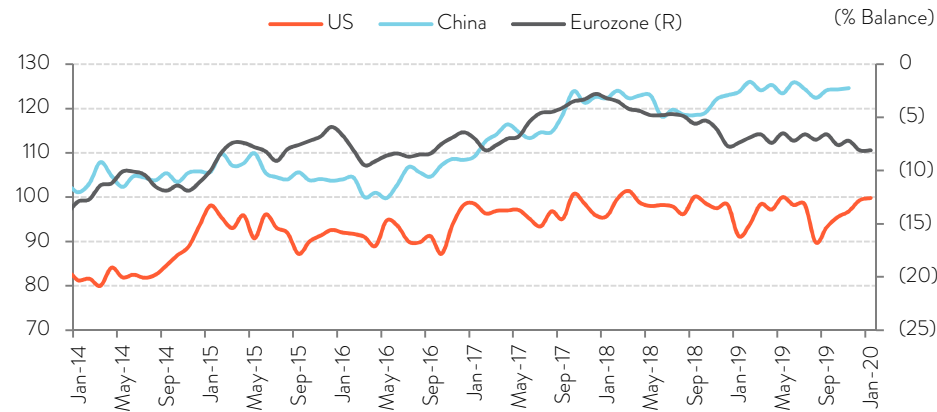


Note: Data for retail sales for US is for Nov'19

**FIG 182 – AUTO SALES INCH UP**

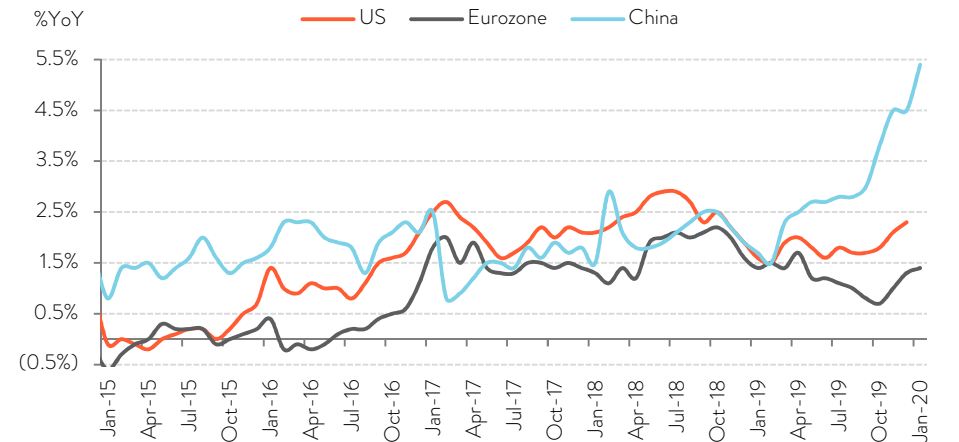


**FIG 183 – CONSUMER CONFIDENCE IMPROVES**



Note: consumer confidence for eurozone is % diffusion index

**FIG 184 – CPI EDGES UPWARDS**



Note: Data for CPI for US is for Dec'19

## Policy

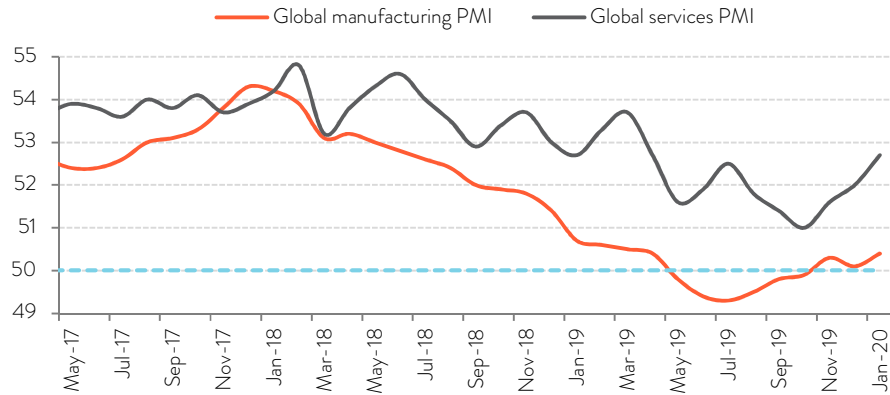
**FIG 185 – GLOBAL POLICY RATES ON A DOWNWARD TRAJECTORY TO SUPPORT GROWTH**

Country	Current inflation rate (%)	Current policy rate (%)	CY19 (change in bps)	CYTD20 (change in bps)	Direction of policy rate in CYTD20
Germany	1.5	0	0	0	-
UK	1.3	0.75	0	0	-
US	2.3	1.75	(75)	0	-
India	7.4	5.15	(135)	0	-
Japan	0.8	(0.1)	0	0	-
China	4.5	4.35	0	0	-
Korea	0.7	1.25	(50)	0	-
Australia	1.8	0.75	(75)	0	-
Indonesia	2.7	5	(100)	0	-
Mexico	2.8	7.25	(100)	0	-
Brazil	4.3	1.75	0	0	-
Russia	3.0	6	(150)	(25)	↓
Thailand	0.9	1	(50)	(25)	↓
Malaysia	1.0	2.75	(25)	(25)	↓
Philippines	2.5	3.75	(75)	(25)	↓
Turkey	11.8	11.25	(1200)	(75)	↓

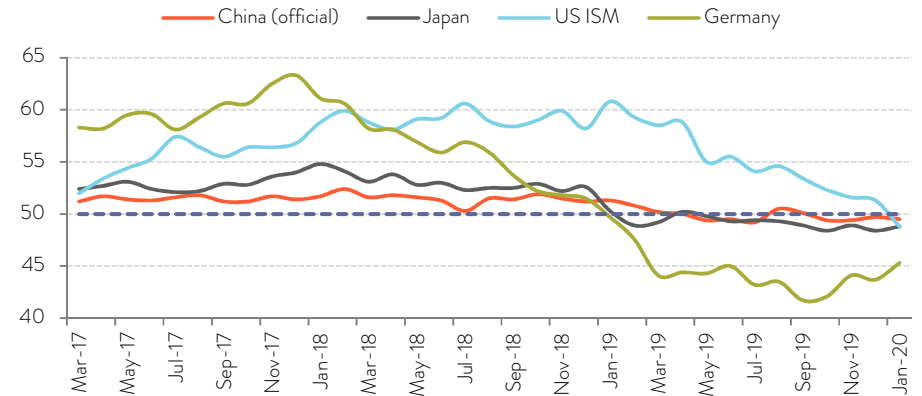
Source: Bloomberg

## Global investment and manufacturing

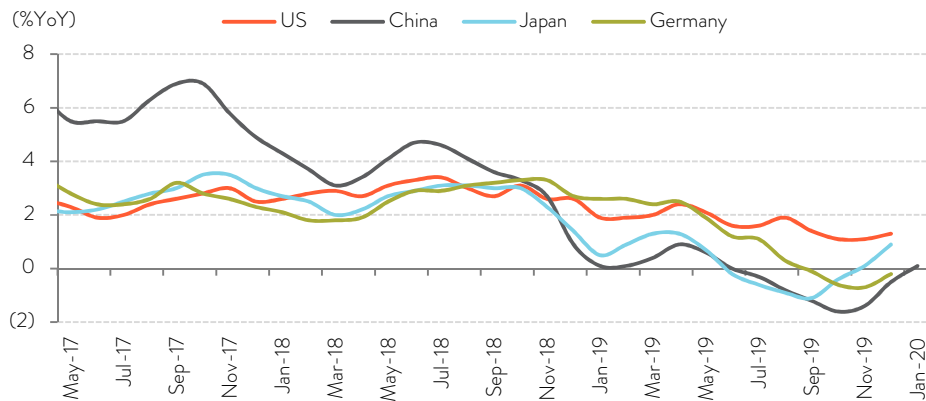
**FIG 186 – GLOBAL MANUFACTURING AND SERVICES ACTIVITY SEES AN UPTICK IN JAN'20**



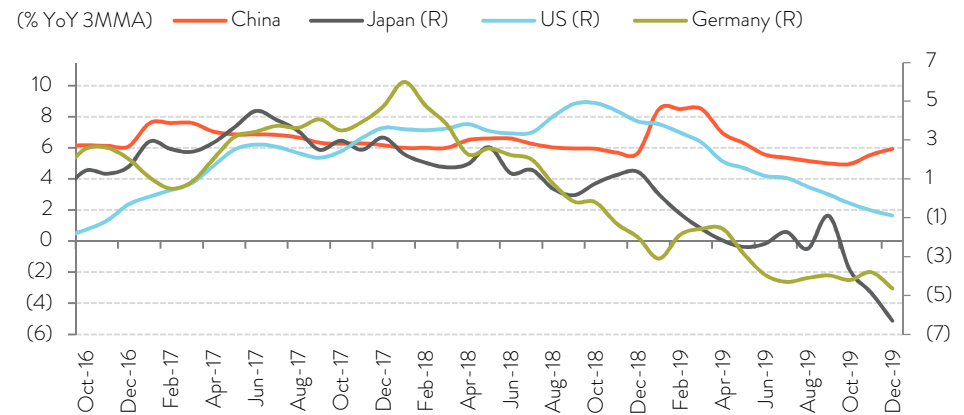
**FIG 187 – SOME STRESS STILL REMAINS IN MANUFACTURING SECTOR OF MAJOR ECONOMIES, AS INDICATED BY PMI THE INDEX**



**FIG 188 – PRODUCER PRICES BEGINNING TO PICK UP**



**FIG 189 – BARRING CHINA, GLOBAL INDUSTRIAL PRODUCTION REMAINED MUTED IN DEC'19**



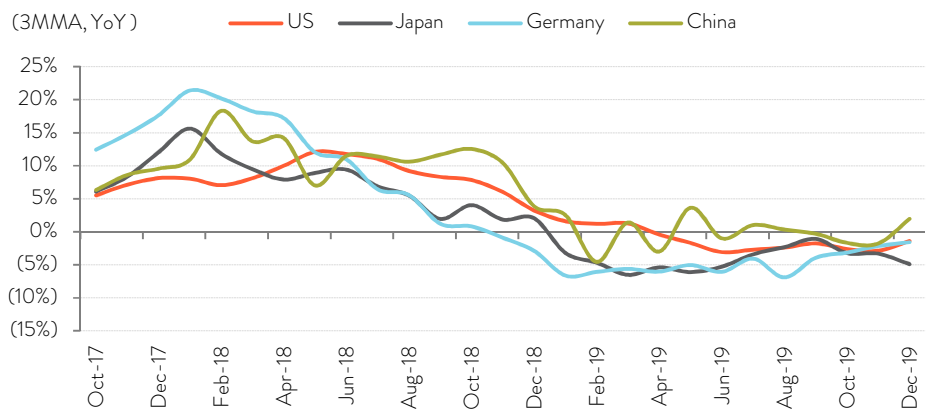
## Global trade

**FIG 190 – WORLD TRADE VOLUME LIKELY BOTTOMED OUT**



Source: NPB, World Trade Monitor

**FIG 192 – EXPORTS FROM CHINA RISE IN DEC'19**



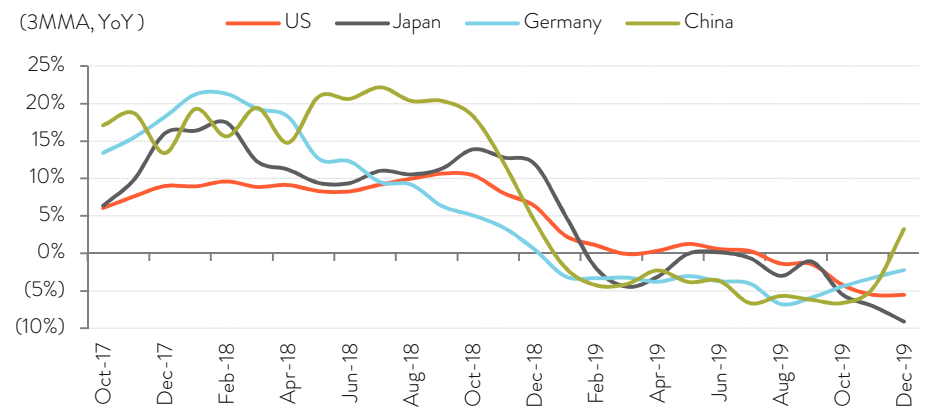
Source: Bloomberg

**FIG 191 – TRADE VOLUME PICKS UP IN JAPAN AND EURO AREA IN NOV'19**

Country/Region (% YoY)	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
US	(1.2)	(2.4)	(3.6)	(2.2)	(6.1)	(4.5)	(4.5)
Japan	(2.5)	(1.9)	(4.7)	(0.4)	(5.0)	(1.7)	3.2
Euro Area	0.5	(0.5)	0.7	1.3	3.2	2.0	4.2
China	(1.1)	(2.6)	(2.9)	(3.9)	(3.1)	(6.0)	(2.4)
Emerging Asia (ex. China)	0.7	(0.9)	(0.8)	(1.0)	0.6	0.1	(1.0)
Eastern Europe / CIS	(0.7)	1.6	2.3	(0.2)	3.2	(3.6)	(3.0)
Latin America	3.6	(4.1)	2.5	(1.9)	(0.8)	(2.7)	(4.3)
Africa and Middle East	1.0	0.2	0.4	1.2	(1.7)	(2.6)	(2.3)

Source: NPB, World Trade Monitor

**FIG 193 – IMPORTS IN CHINA AND GERMANY EDGE UP**



Source: Bloomberg



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