

India Economics

Monthly Chartbook

March 2025

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Trump-onomics to guide global markets

Global factors have increasingly come into play in shaping macro and market dynamics. Tariff and counter tariff between US and its major trading partners continues. On India as well, reciprocal tariffs have been imposed. India has a trade surplus of over US\$ 30bn with the US. The coming days will shed more light whether the impact will be inflationary or not. However, dependence of inflation in our domestic basket is more, hence as of now impact is likely to be capped. Other domestic macro indicators show a varied picture. Urban demand remains mixed with improved electronic imports but patchy auto sales. Government spending remains supportive to meet budgetary targets. This will also be conducive of domestic liquidity conditions. RBI's measures have brought back durable liquidity into surplus.

Demand picture: India's GDP for Q3FY25 quickened to 6.2% supported by pick up in consumption demand, with PFCE clocking a 6.9% growth and GFCE growing at an accelerated pace of 8.3%. There is expectation of further improvement in consumption demand on the back of the recent budget announcement under new tax regime. Improvement in the urban demand is also reflected by growth in electronic imports, power demand and recovery in non-oil-non-gold imports. However, moderation in auto sales and digital payments was also noted for the same period. On agriculture front, as per the 2nd AE overall foodgrain production is estimated at 3,309 lmt tonne for 2024-25 (3,322 lakh ton previously).

Central government finances: Centre's fiscal deficit rose to 5.3% as of Jan'25 (12MMA basis), up from 4.9% as of Dec'24. Till Jan'25 (FYTD basis), total expenditure jumped to 74.7% of FY25RE versus 68.5% as of Dec'24, thus registering 6.4% growth (5.8% as of Dec'24). Of this, revenue expenditure has

reached 74.4% of the targeted expenditure (Dec'24: 68.9%) and capex is at 75.9% (Dec'24: 67.3%). On the income side, centre's net revenue has reached 82.8% of FY25RE (Dec'24: 74.2%), noting 6.9% growth, down from 12.2% in Dec'24. Within this, direct tax collection growth eased to 10.7% as of Jan'25 (Dec'24: 12.2%), and indirect tax collection growth accelerated to 9.8% (9%). Fiscal deficit in absolute terms is only at 63.6% of RE (Dec'24: 58.2%).

Yields continued to remain stable: India's 10Y yield was fairly rangebound albeit some tightness seen in liquidity. RBI's measures remained supportive of the narrative. Importantly, measures targeted towards durable alignment of liquidity to ease financing and credit conditions, were welcoming. RBI's OMO purchase in the secondary market in Feb'25 was Rs 80,000 crore. All these initiatives also translated into durable liquidity turning to surplus from previous few week's level of deficit (since 10 Jan 2025). Going forward, credit pick up ahead of year end targets will continue to keep liquidity tight. However, improved government spending to meet the budgeted targets coupled with a largely capped dollar will not pose much pressure on liquidity.

Dollar strength dwindling: INR depreciated by 1% in Feb'25, sustained losses in domestic equities and FPI outflows continued to weigh on the currency. Incidentally, DXY declined by 0.7% in Feb'25, and further by 3.9% in Mar'25. Recent economic indicators in the US have cast a doubt on the narrative of US exceptionalism. Uncertainty over tariff policies also remain a cause of concern. Weakness in DXY is positive for INR, however, the extent of appreciation looks limited given the volatile global environment. We expect INR to trade rangebound, with US tariff policies being a key risk.

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

High frequency indicators

Fig 1 – Higher growth in power demand

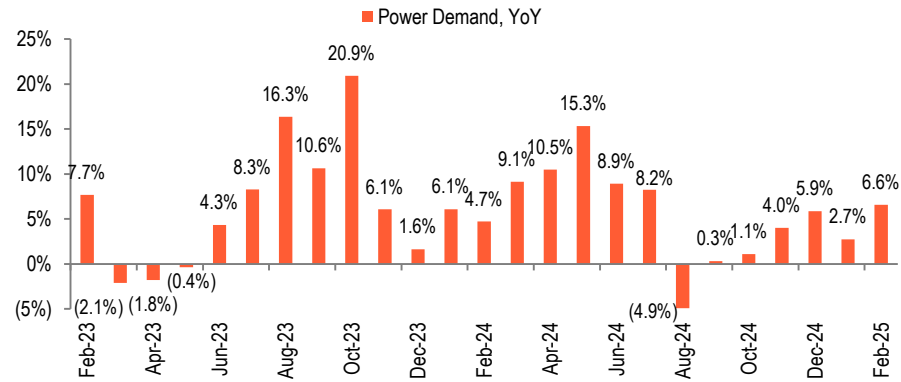


Fig 2 – Volume of IMPS transactions declines

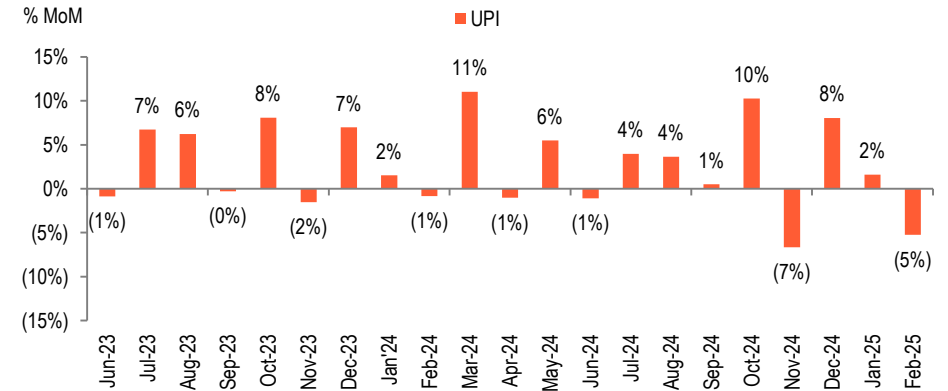


Fig 3 – Growth in fertilizer sales dips

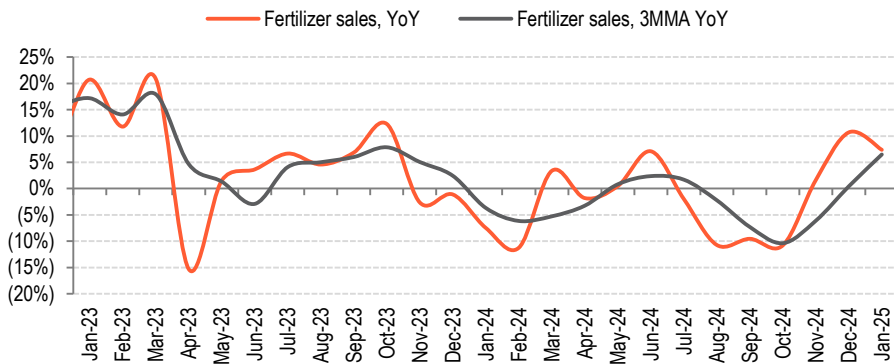
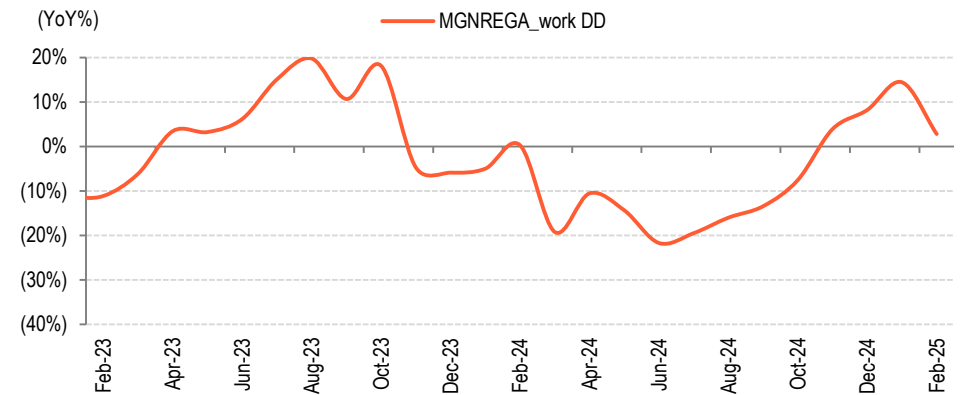


Fig 4 – Demand for work (MGNREGA-household) moderates



Final consumption expenditure

Fig 5 – Private consumption edged up in Q3 versus last year

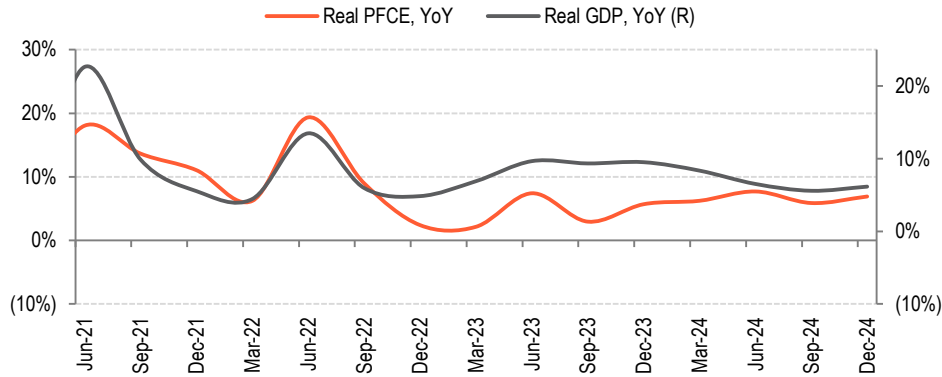


Fig 6 – Government consumption growth accelerates in Q3

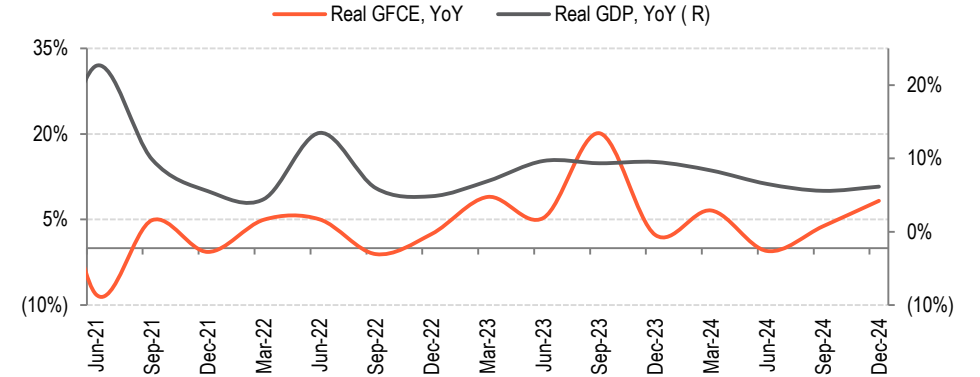


Fig 7 – General govt. revenue spending inch up further, led by central government

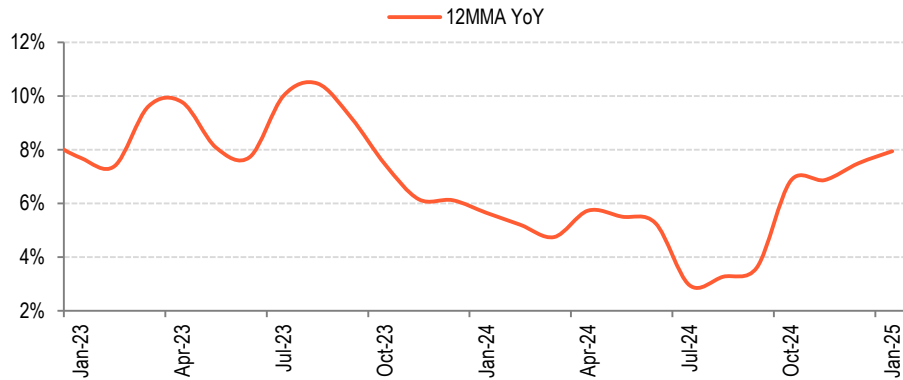
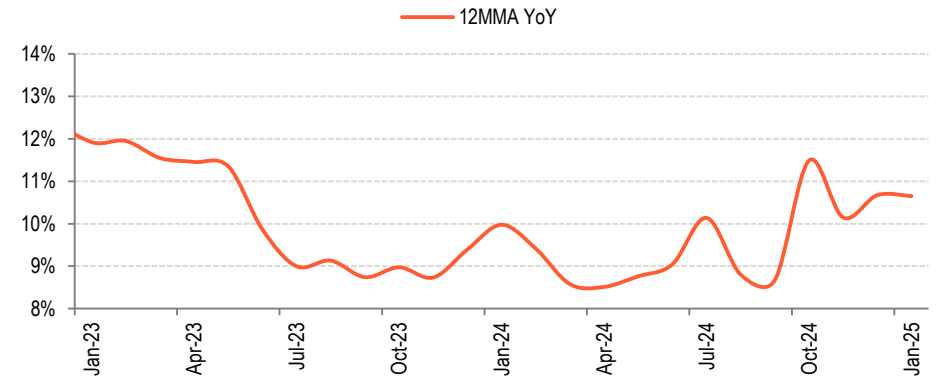


Fig 8 – State* govt. revenue spending registers marginal dip



Note: *All states excluding North Eastern states (ex Assam), Goa,,J&K, Jharkhand and Odisha

Non-oil imports, electronic imports

Fig 9 – Non-oil-non-gold imports recovers

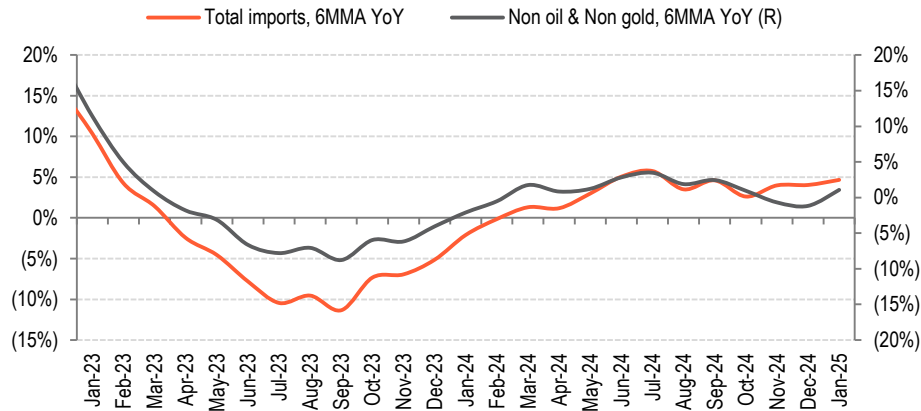


Fig 10 – Electronic imports rebounds

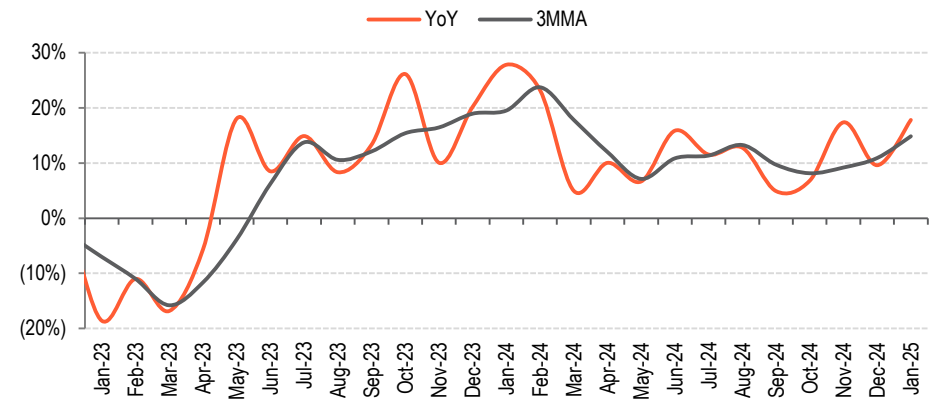


Fig 11 – Retail passenger vehicles witness slower growth...

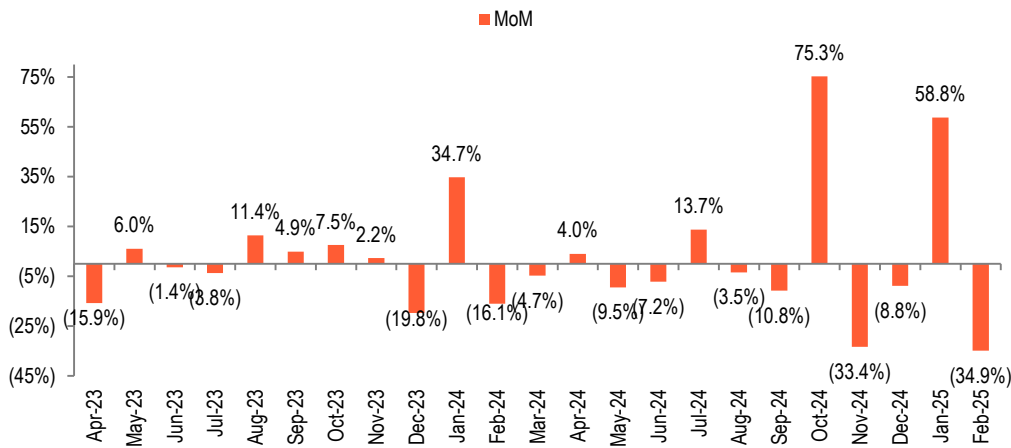
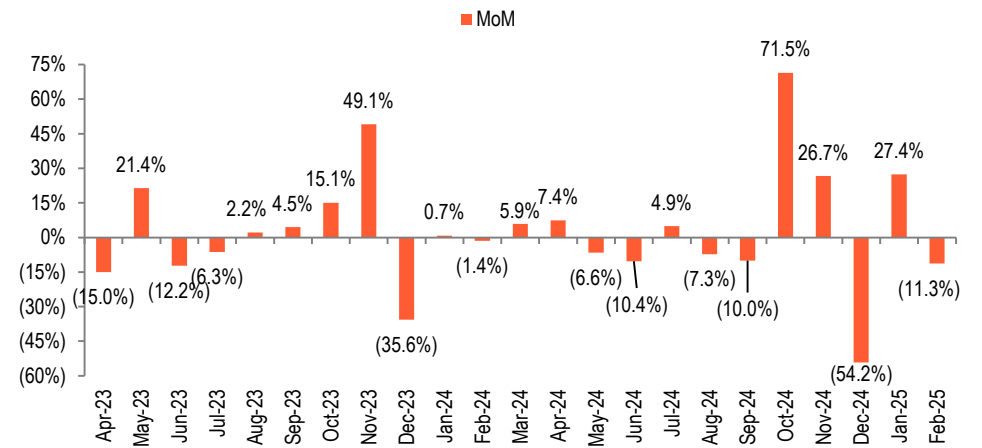


Fig 12 – ... similar trend for two-wheeler sales



Source: FADA

Credit deployment of personal loans

Fig 13 – steady growth in personal loans

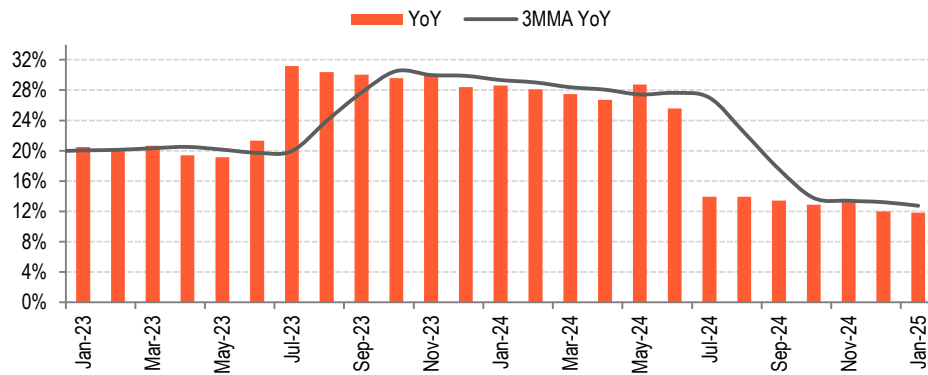


Fig 14 – Growth for credit card outstanding slows

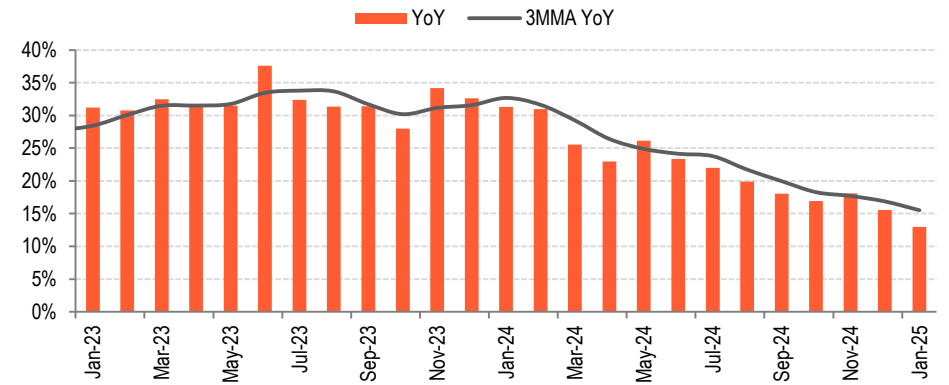


Fig 15 – Growth in vehicle loans inch up

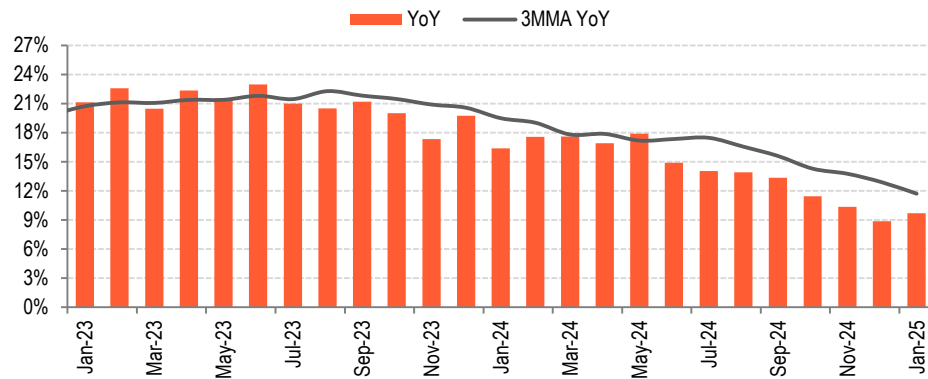


Fig 16 – Consumer’s confidence turned marginally lower

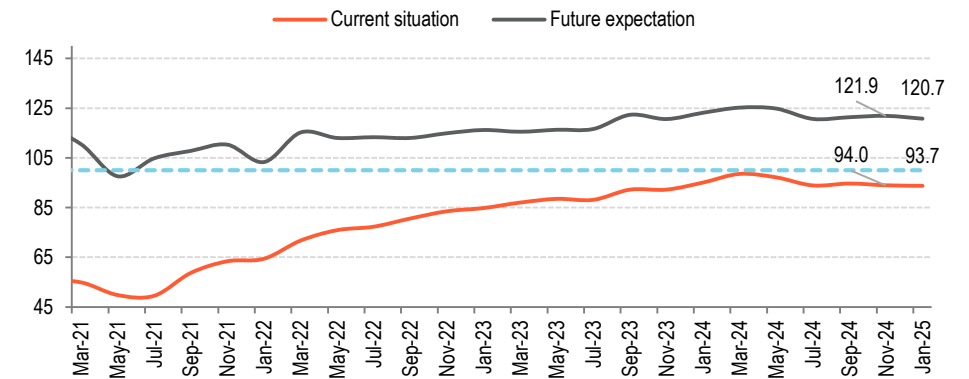


Fig 17 – Lower spending on essential items as per RBI's survey

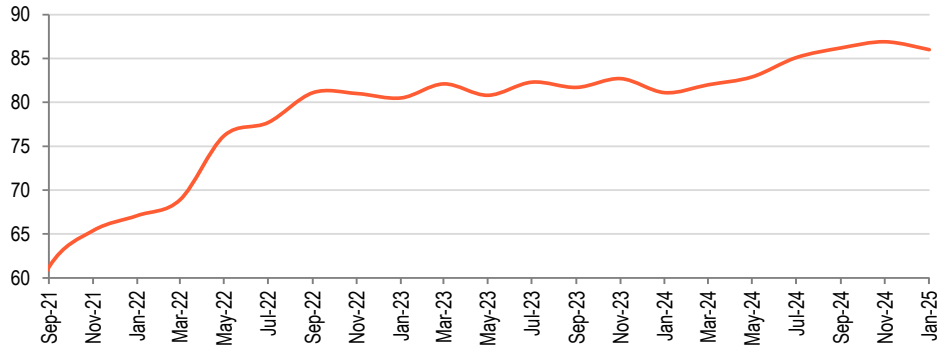
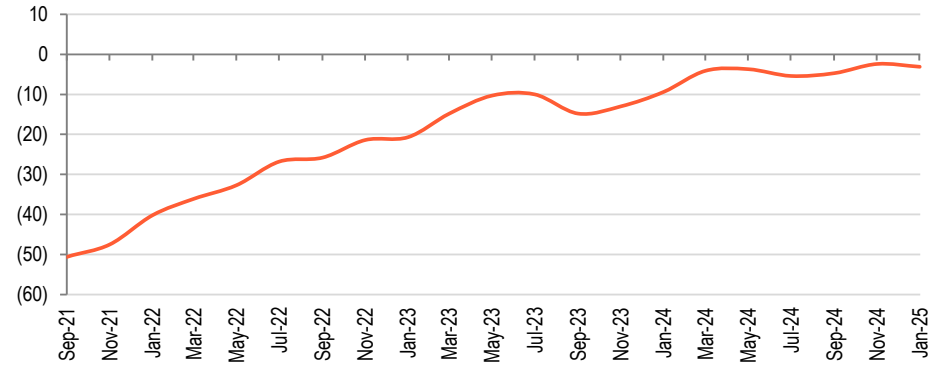


Fig 18 – Spending on non-essential items remains lower



Consumer durables & non-durables production

Fig 19 – Consumer durables output slows down in Dec'24

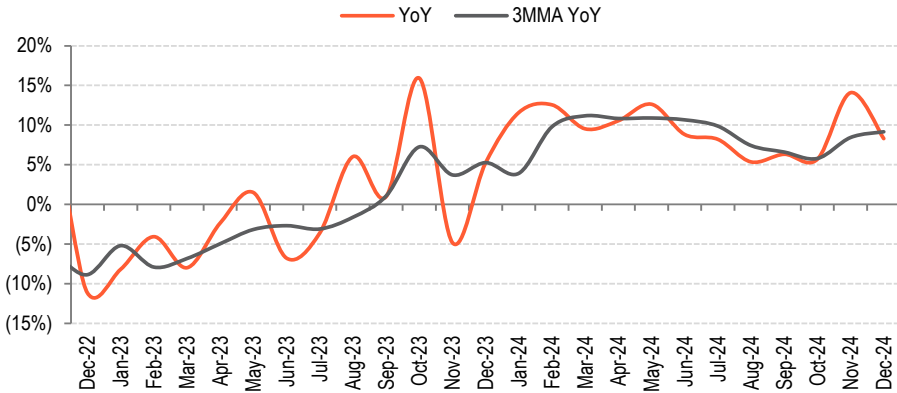
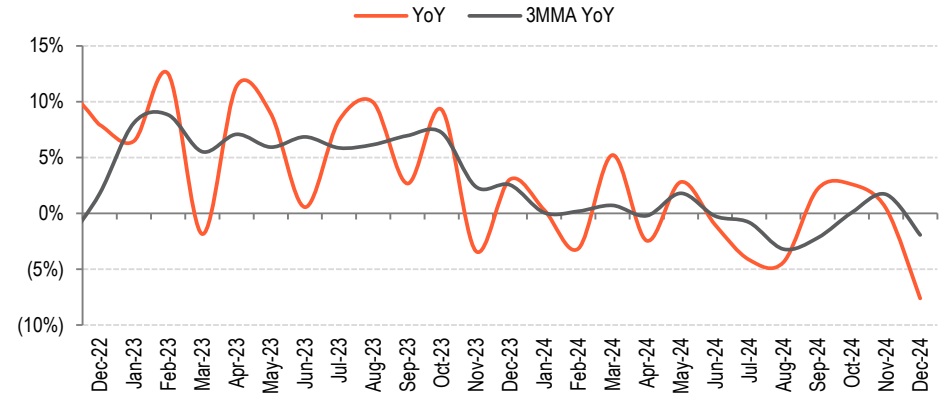


Fig 20 – FMCG output contracts



Agriculture

Fig 21 – Agriculture GVA rose at a robust pace

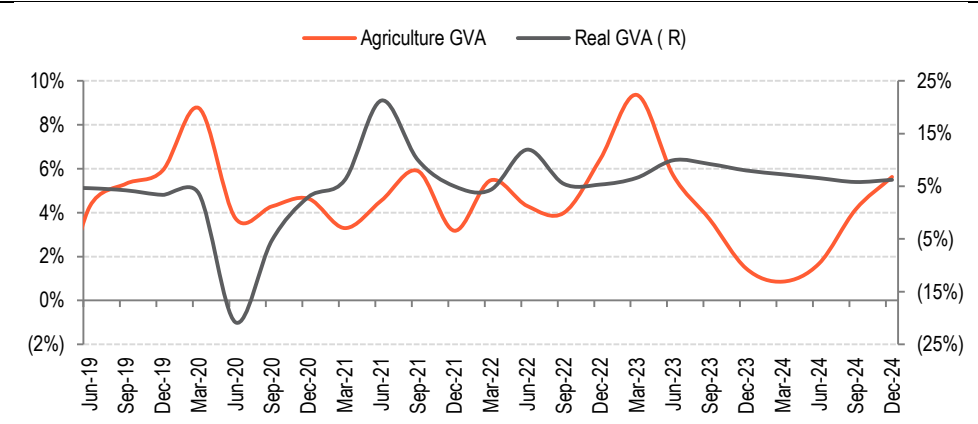


Fig 23 – Growth in agriculture credit remains steady

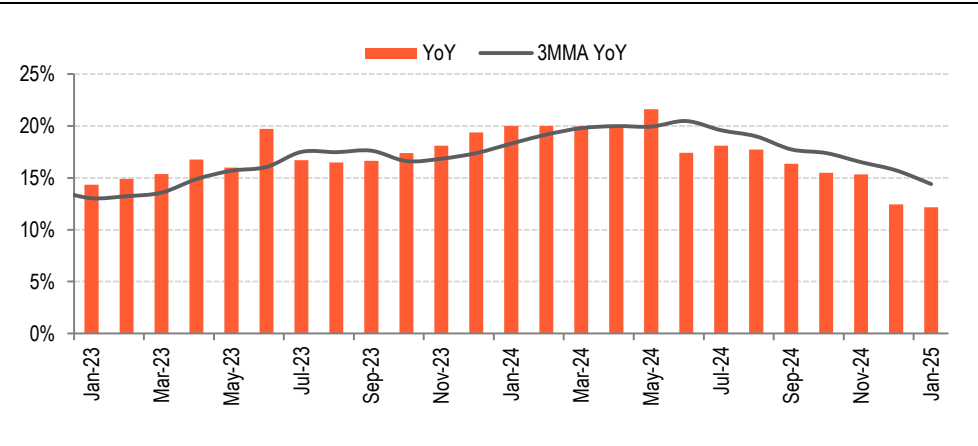
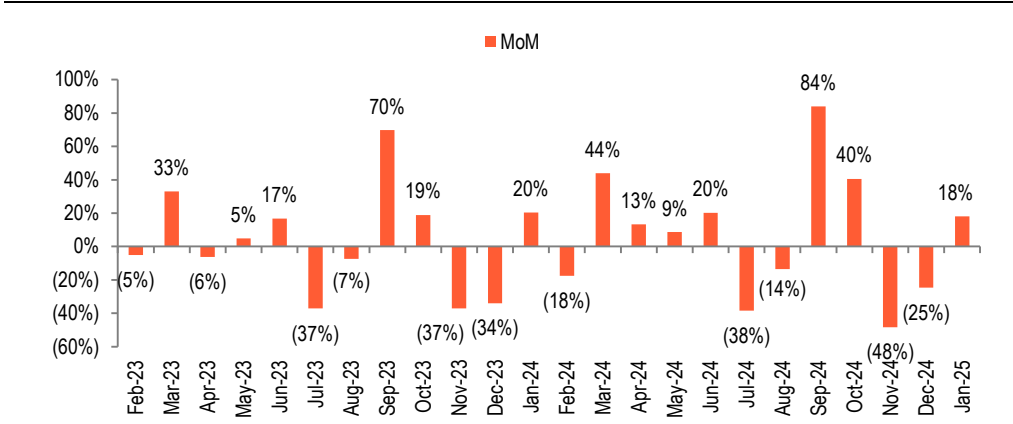


Fig 22 – Tractor sales clocks double digit growth



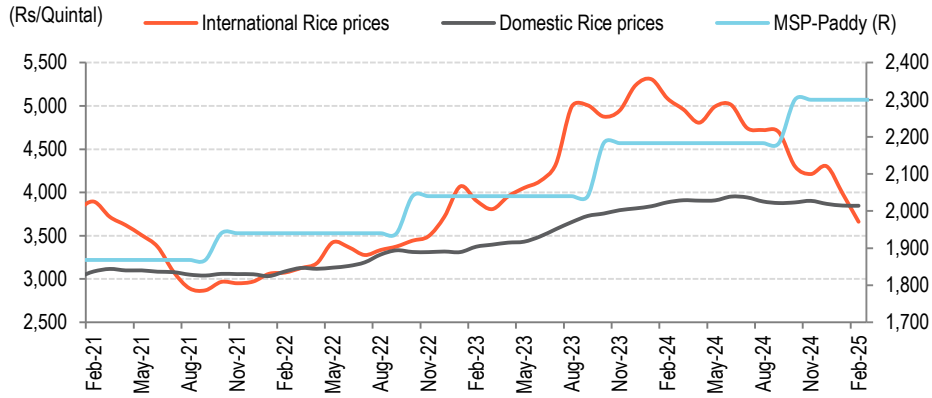
Note: Tractor sales including exports

Fig 24 – Procurement of rice and wheat

Year	Wheat	Rice
2016-17	22.96	38.11
2017-18	30.83	38.19
2018-19	35.80	44.39
2019-20	34.13	51.83
2020-21	38.99	60.17
2021-22	43.34	57.59
2022-23	18.79	54.32
2023-24	26.20	52.53
2024-25	26.61*	41.59

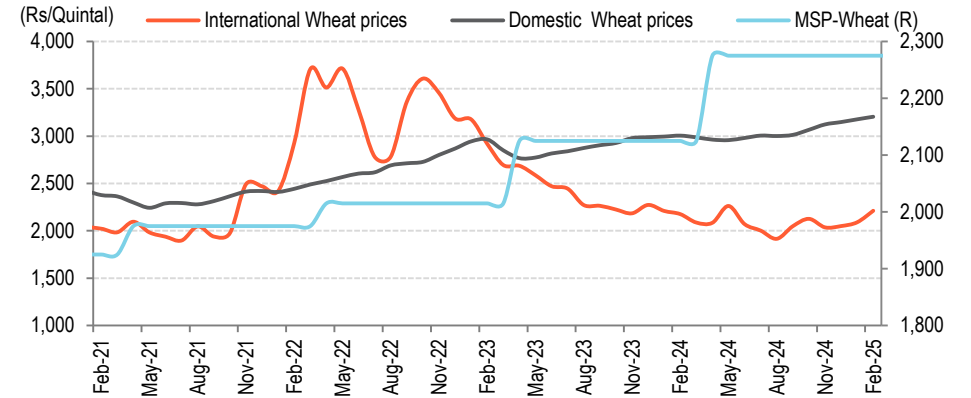
Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 31 Jan 2025

Fig 25 – Both domestic and international rice prices fall



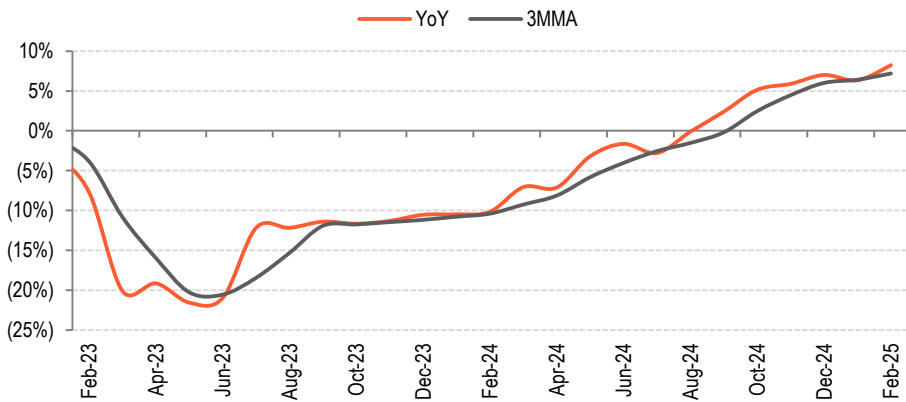
Source: World Bank

Fig 26 – Both domestic and international wheat prices inch up



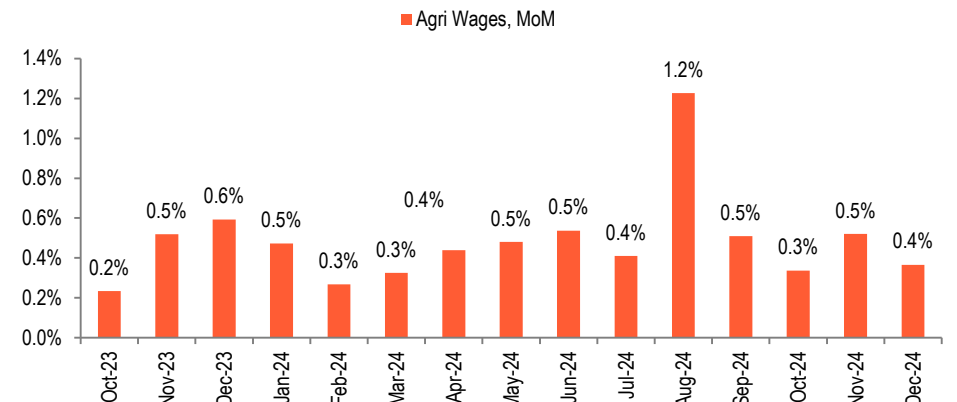
Source: World Bank

Fig 27 – Global food prices rose in Feb'25



Source: FAO

Fig 28 – Wage growth (men) moderates in Dec'24



Inflation

Fig 29 – Headline CPI eased to its lowest since Aug'24 to 4.3% in Jan'25 compared to 5.2% in Dec'24

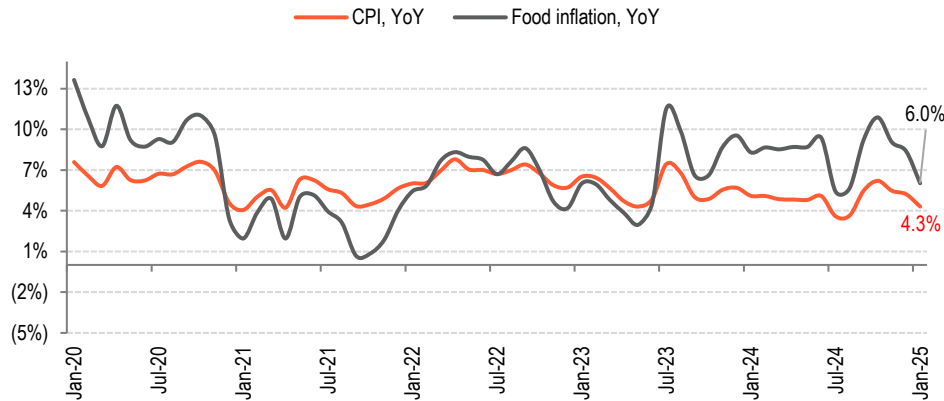


Fig 30 – Food inflation eased to 6% from 8.4%, led by vegetables, pulses and cereals, amongst others

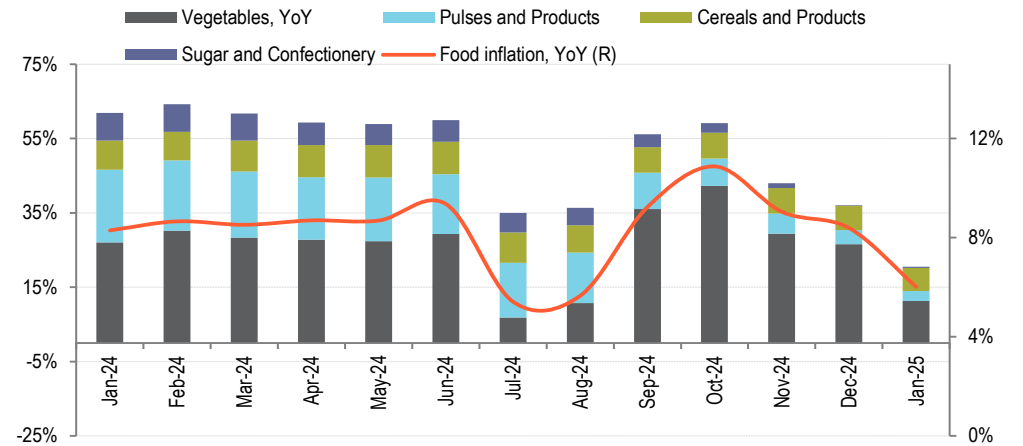


Fig 31 – Except personal care and effects (influenced by gold price fluctuations), core inflation continues to remain rangebound

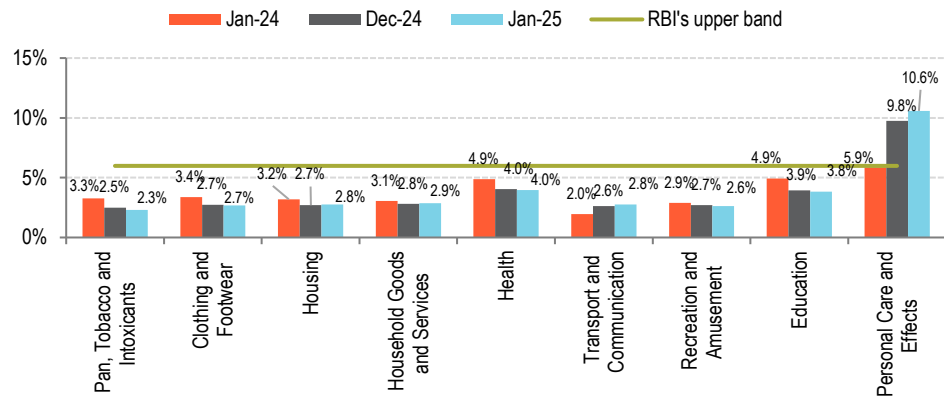
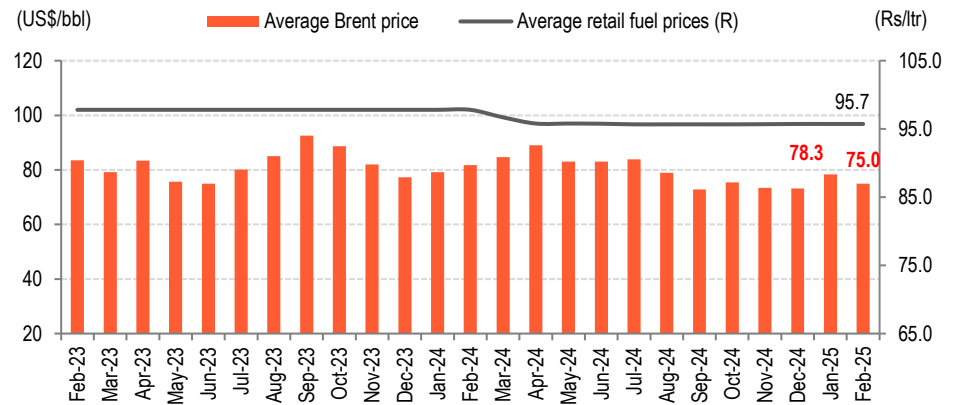


Fig 32 – Domestic retail price was stable at Rs 95.7/lt in Feb'25, average crude price edged down to US\$ 74.95/bbl in Feb'25 from US\$ 78.35/bbl in Jan'25



Note: Average retail price of petrol and diesel for Delhi, Kolkata, Mumbai and Chennai have been taken

Industry

Fig 33 – Higher IIP growth noted in Q3

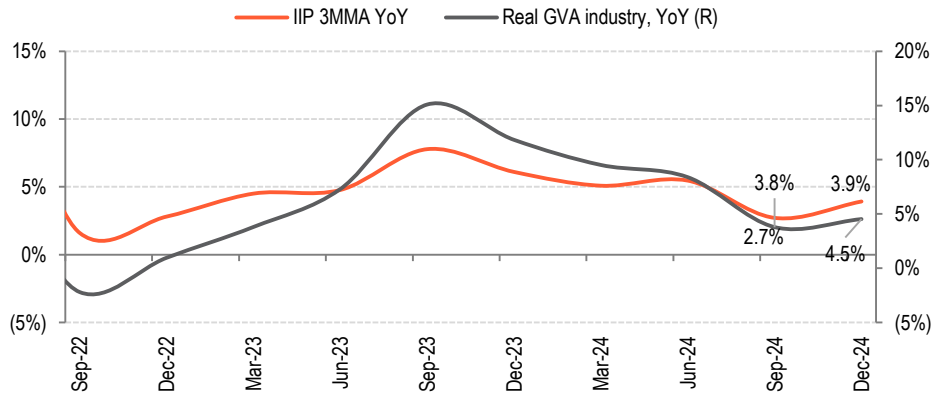


Fig 34 – Sectorwise growth lower in FYTD25

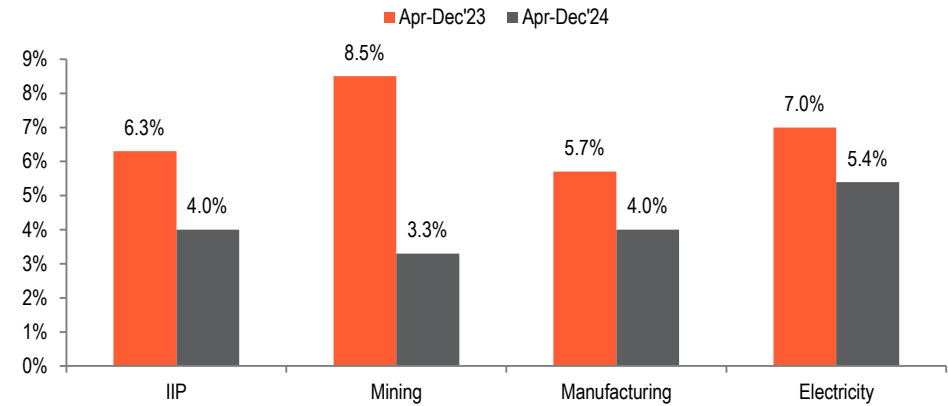


Fig 35 – Slower IIP growth registered in Dec'24

Sectoral (%)	Weight	Dec-23	Nov-24	Dec-24	Apr-Dec'23	Apr-Dec'24
IIP	100.0	4.4	5.0	3.2	6.3	4.0
Mining	14.4	5.2	1.9	2.6	8.5	3.3
Manufacturing	77.6	4.6	5.5	3.0	5.7	4.0
Electricity	8.0	1.2	4.4	6.2	7.0	5.4
Use-Based						
Primary Goods	34.1	4.8	2.7	3.8	6.9	3.9
Capital Goods	8.2	3.7	8.8	10.3	7.1	5.1
Intermediate Goods	17.2	3.7	4.8	5.9	4.8	4.5
Infrastructure and Construction Goods	12.3	5.5	8.1	6.3	10.7	6.1
Consumer Durables Goods	12.8	5.2	14.1	8.3	1.1	8.7
Consumer Non-Durables Goods	15.3	3.0	0.4	(7.6)	5.4	(1.5)

Manufacturing

Fig 36 – Manufacturing growth improves in Q3

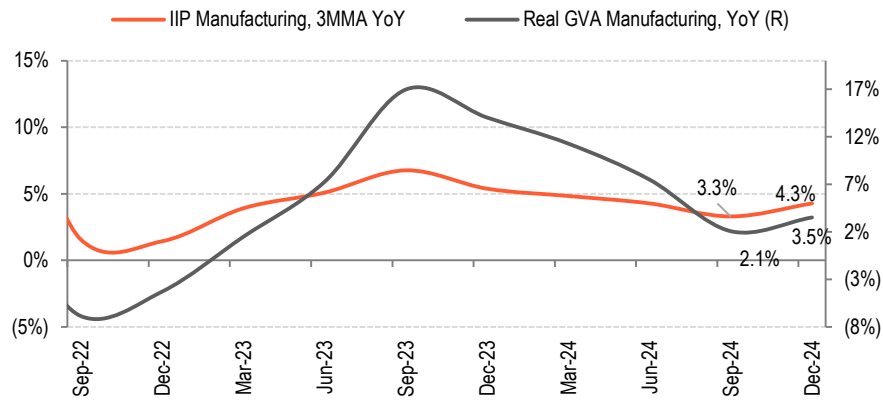
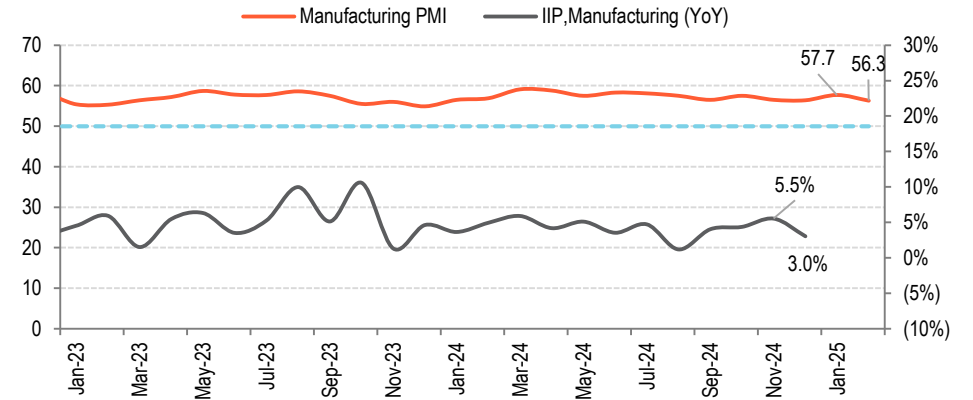


Fig 37 – Manufacturing PMI eases marginally



Source: Markit

Mining & Electricity

Fig 38 – Mining activity rebounds

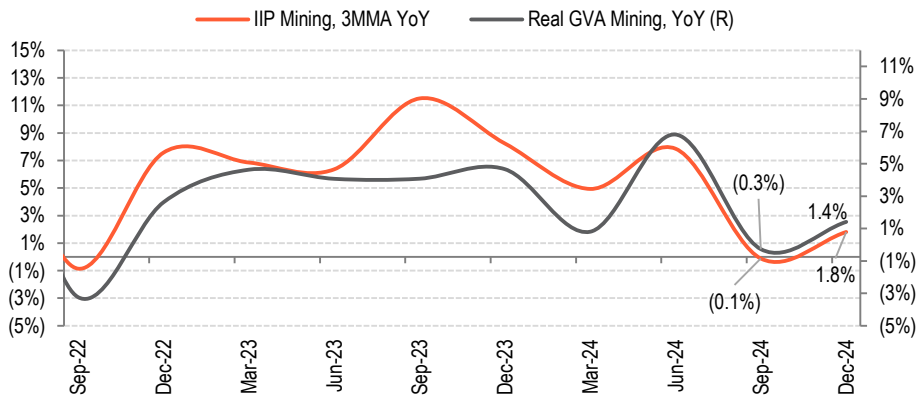
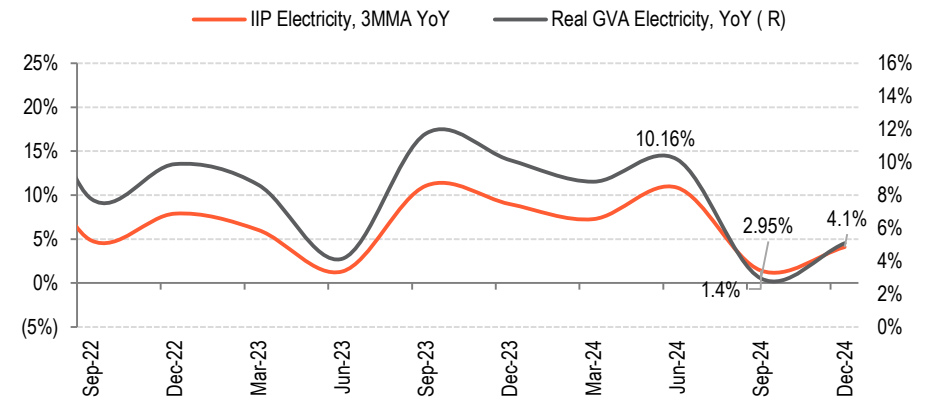


Fig 39 – Higher growth in Electricity



Infrastructure and construction

Fig 40 – Construction growth moderates in Q3

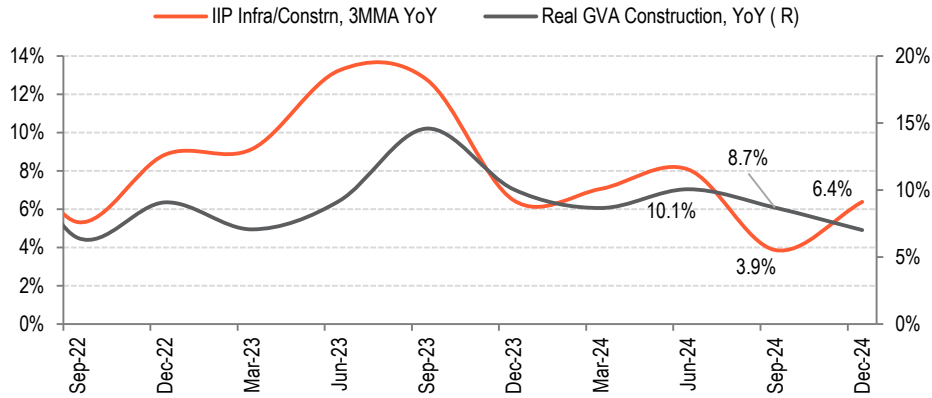
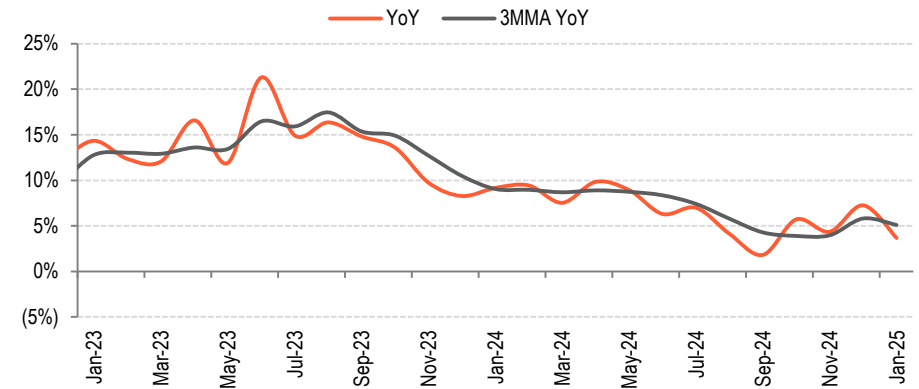


Fig 41 – Slower growth in steel output



Infrastructure index

Fig 42 – Core sector output slows in Jan'25

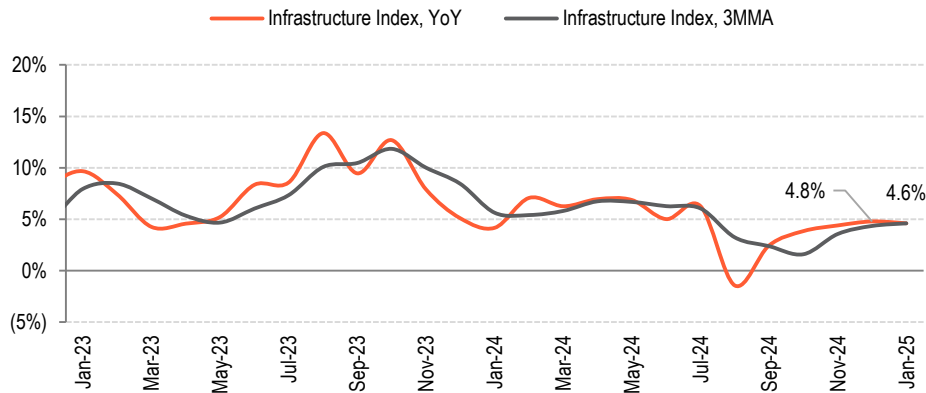
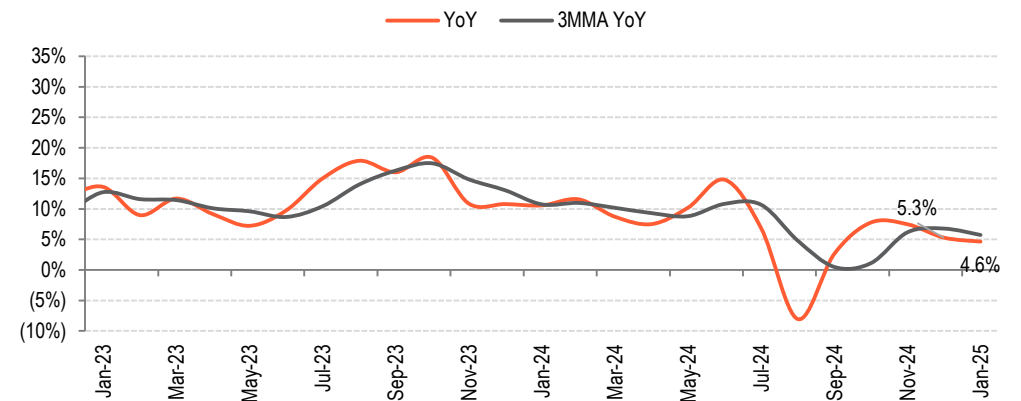


Fig 43 – Moderation in Coal output



Auto production & business expectation index

Fig 44 – Strong recovery in Auto production

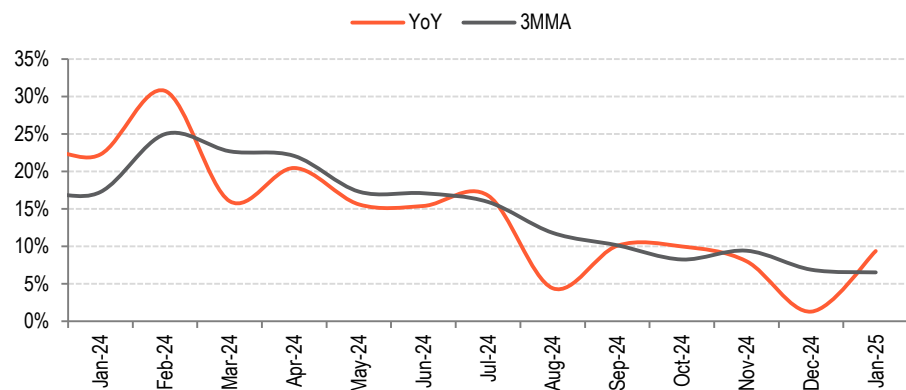


Fig 45 – Business sentiments for Q4 remained optimistic

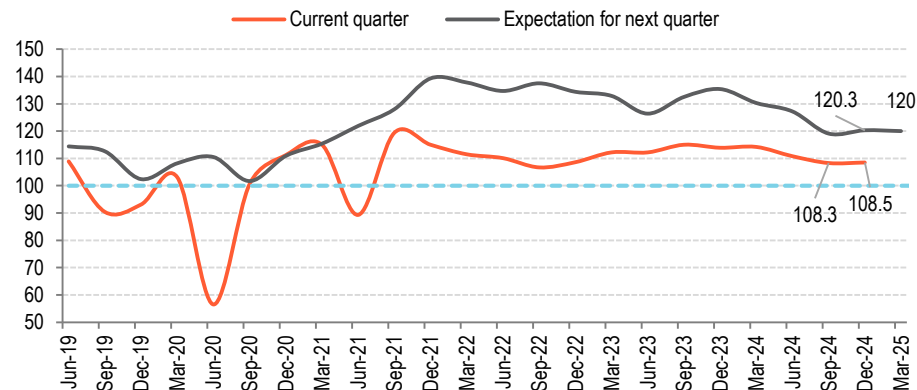
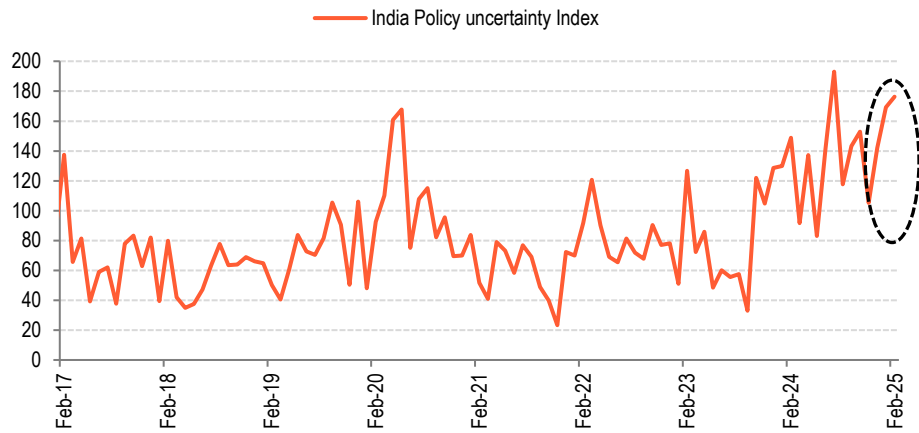


Fig 46 – Infrastructure index moderates in Jan'25

(%)	Weight	Dec-24	Jan-24	Jan-25	Apr-Jan'24	Apr-Jan'25
Infrastructure Index	100	4.8	4.2	4.6	7.8	4.4
Coal	10.3	5.3	10.6	4.6	12.3	6.0
Crude Oil	9.0	0.6	0.6	(1.1)	(0.2)	(2.0)
Natural Gas	6.9	(1.8)	5.5	(1.5)	5.6	0.5
Petroleum Refinery Products	28.0	2.8	(4.3)	8.3	3.9	3.3
Fertilizers	2.6	1.7	(0.6)	3.0	5.5	1.7
Steel	17.9	7.3	9.2	3.7	13.5	5.9
Cement	5.4	4.6	4.1	14.5	8.8	4.6
Electricity	19.9	6.2	5.7	1.3	6.9	5.0

Investment

Fig 47 – Policy uncertainty index in India rose in Feb’25



Source: <https://www.policyuncertainty.com>

Fig 49 – Capital goods production inched up to 10.3% in Dec’24 compared to 8.8% in Nov’24 albeit an unfavourable base

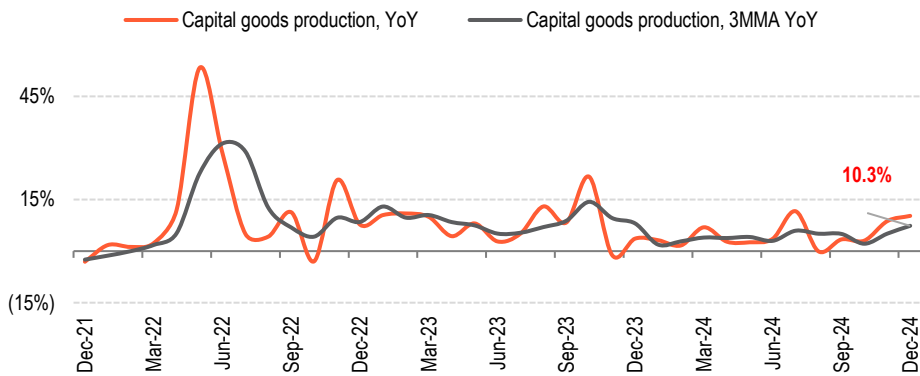


Fig 48 – Real GFCF was stable at 5.7% in Q3FY25

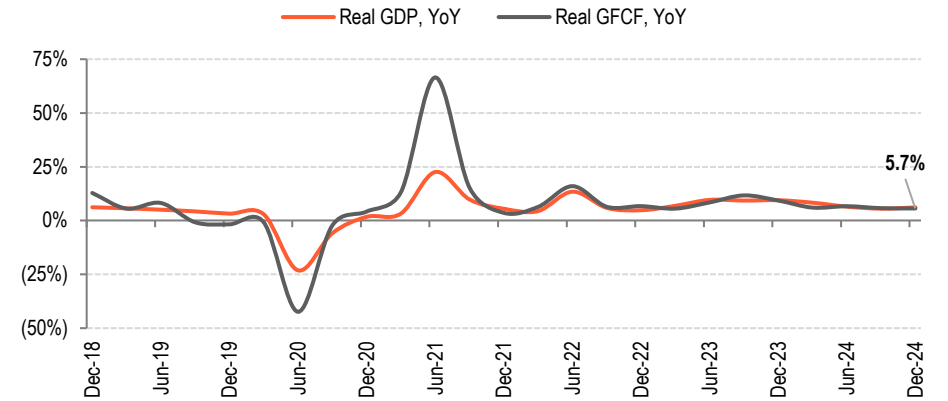


Fig 50 – Capital goods imports picked up to 15.8% in Jan’25 from 7.6% in Dec’24

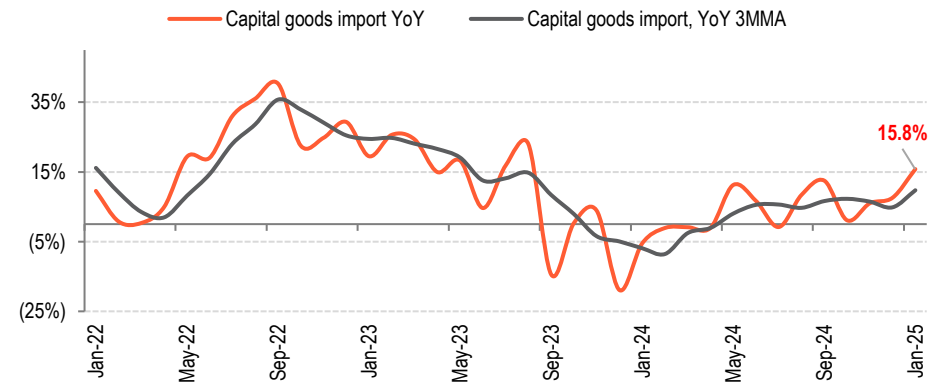


Fig 51 – Centre’s capex spending inched up to 10.5% in Jan’25 from 4% in Dec’24

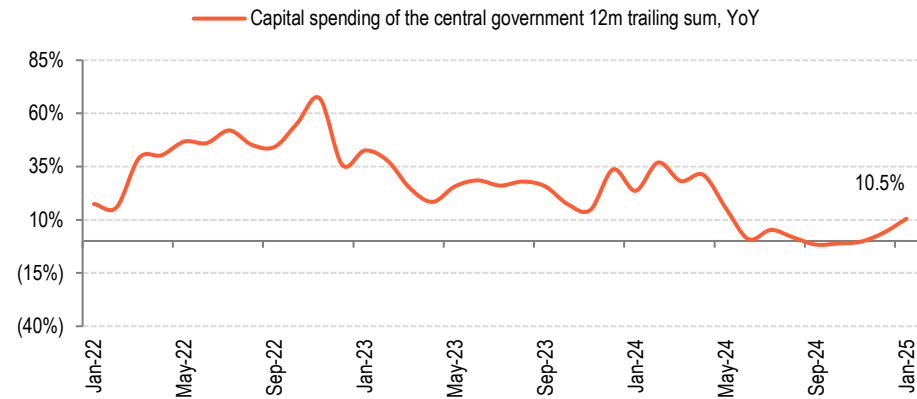


Fig 52 – Credit to micro and small industry moderated to 9.5% in Jan’25 compared to 9.8% in Dec’24, for medium industry it was at 18.5% from 19.9%

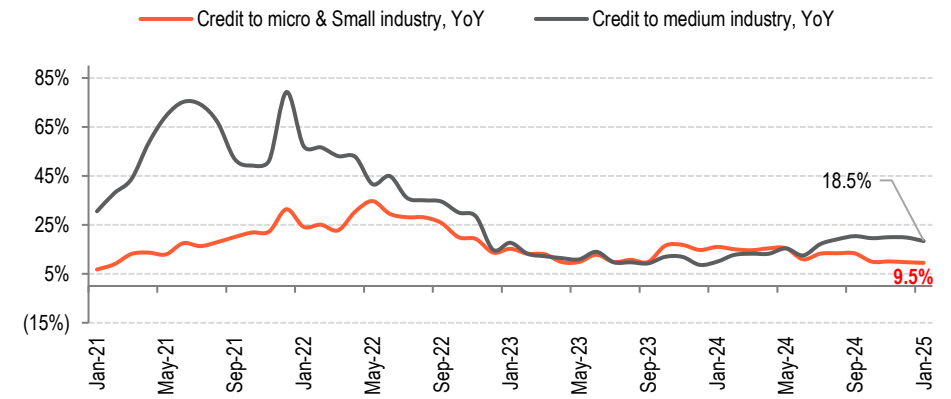


Fig 53 – Credit to housing was stable at 11%

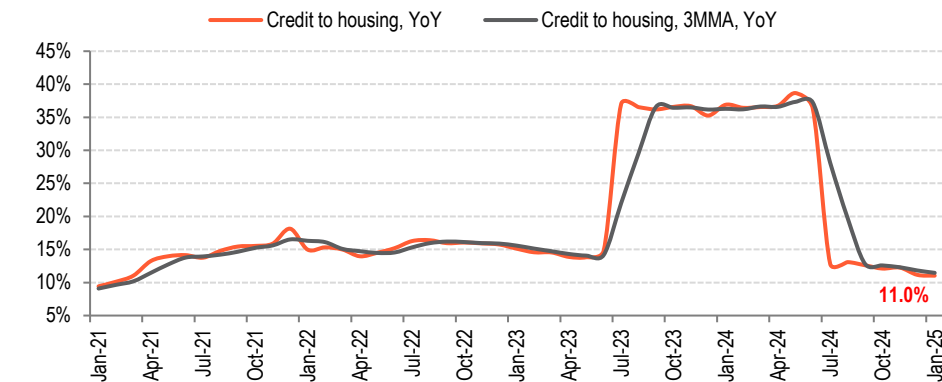
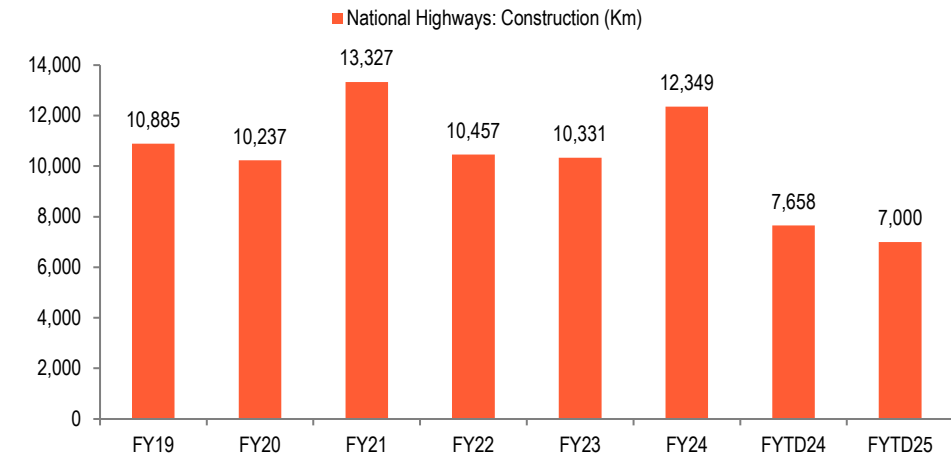


Fig 54 – Highway construction



FYTD: Apr-Jan

Services sector

Fig 55 – GVA: Services sector growth improved marginally in Q3FY25 versus Q2

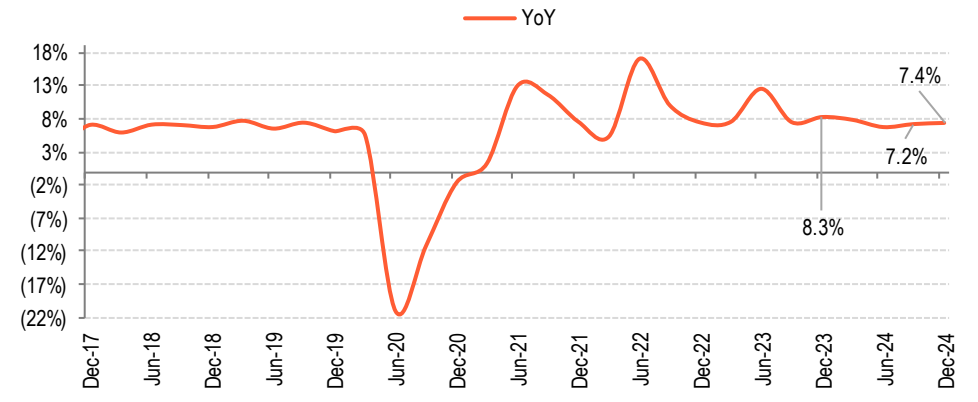
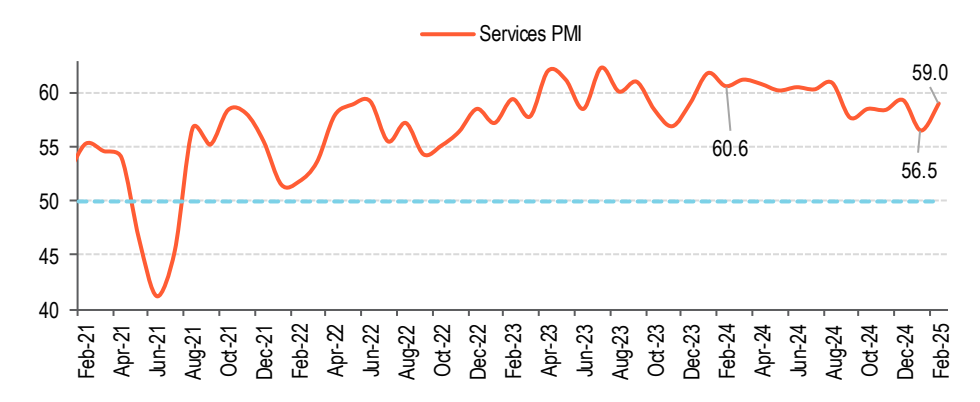


Fig 56 – Services PMI shows activity rebounded in Feb'25



Source: Markit

Fig 57 – GVA: Trade & related services activity jumped in Q3 versus Q2

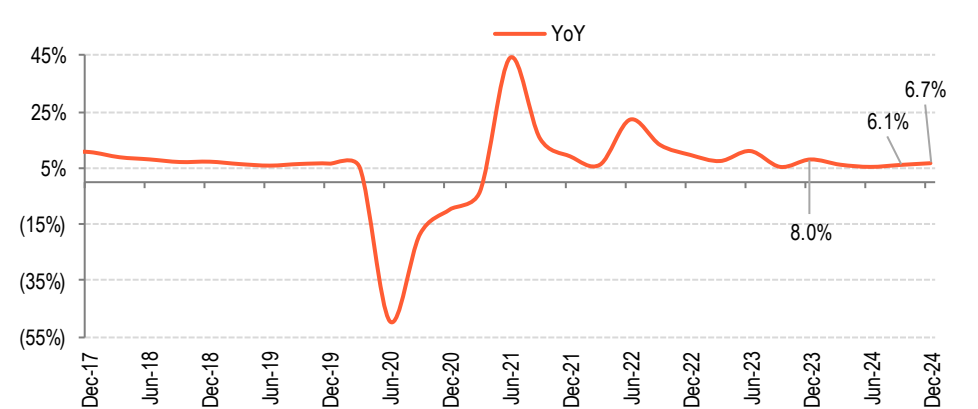
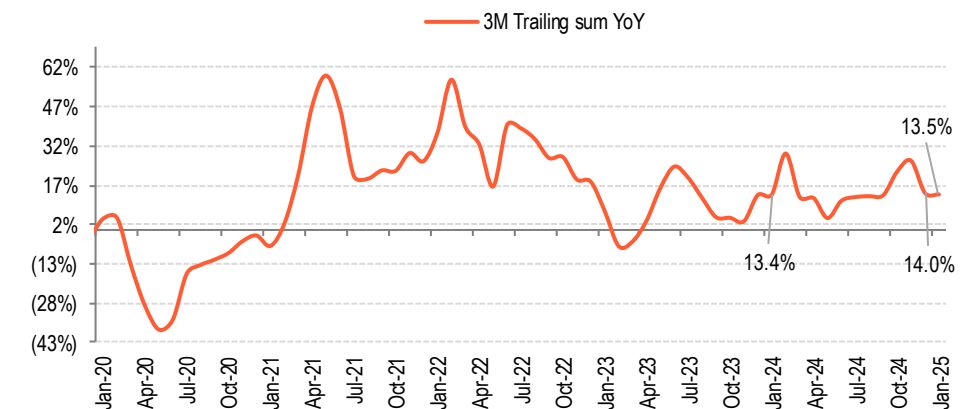


Fig 58 – States' tax revenue growth broadly steady at the start of Q4



Note: *All states excluding North Eastern states (ex Assam), Bihar, Goa, and J&K

Trade

Fig 59 – Vehicle registration growth remains muted in Q4 so far, due to base effect

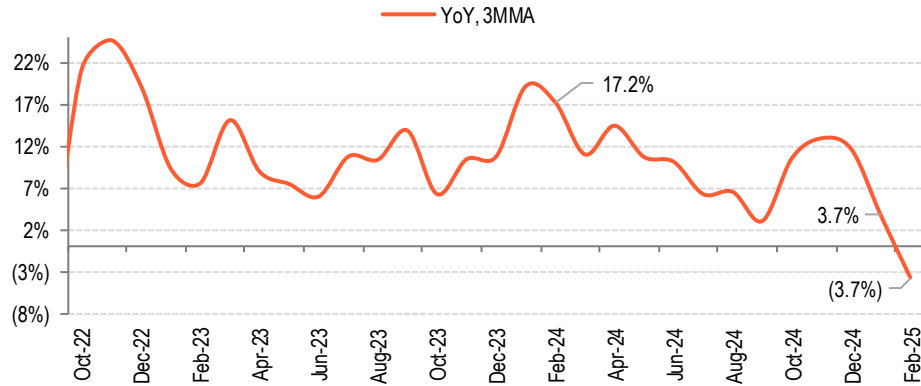


Fig 60 – Diesel consumption also seen cooling down in Q4 (Jan-Feb) versus Q3

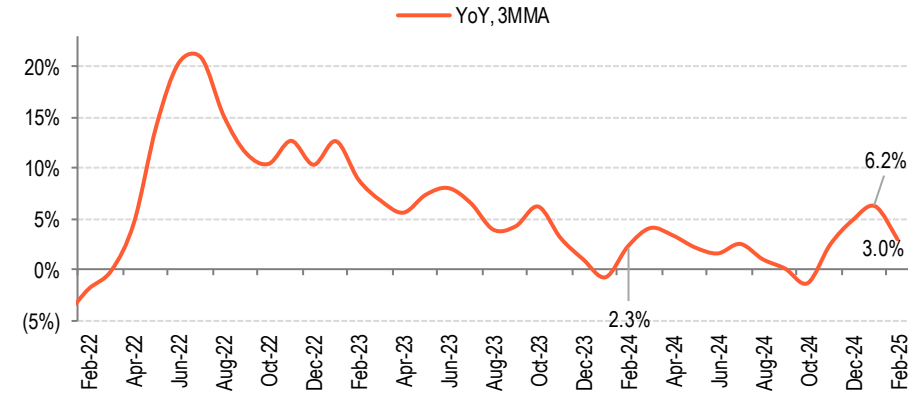


Fig 61 – Railway freight traffic growth fell at a slower pace in Nov'24

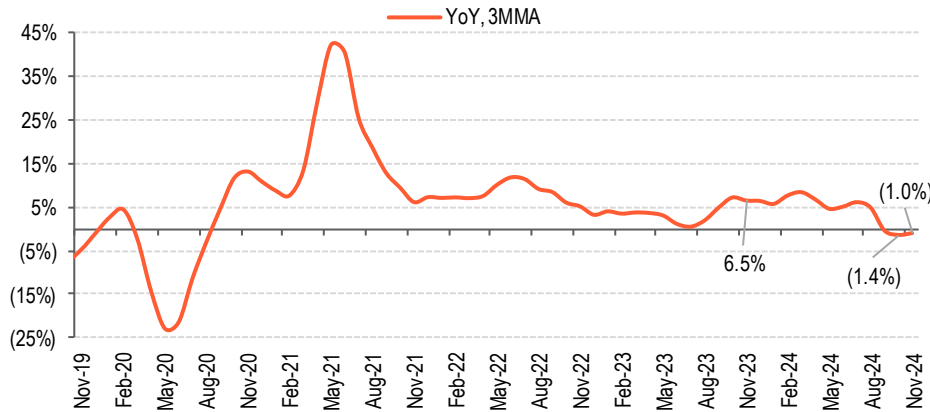


Fig 62 – Port cargo traffic growth rebounded in Q4 so far (6.8%) versus Q3 (-1.7%)

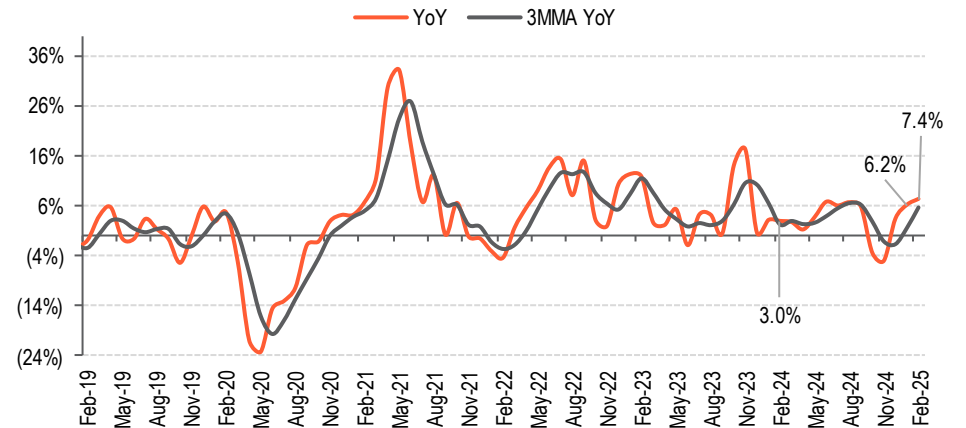


Fig 63 – Toll collections in Q4FY25 off to a good start with higher growth seen in Jan-Feb'25 so far

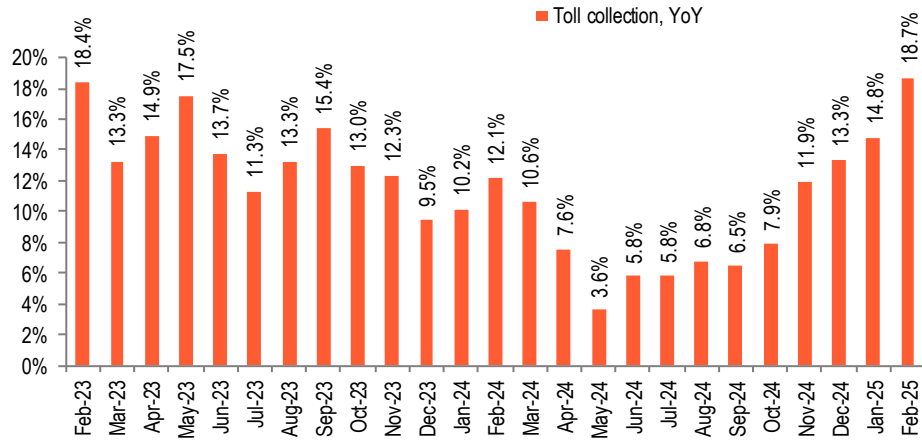
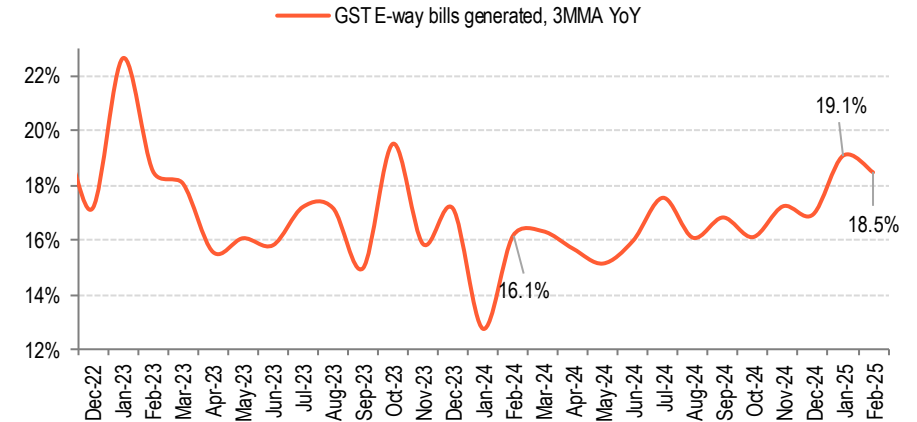


Fig 64 – E-way bill generation eased a tad in Feb'25, Q4 avg still higher than Q3



Hotels and communications

Fig 65 – Airline passenger traffic eased marginally in Feb'25...

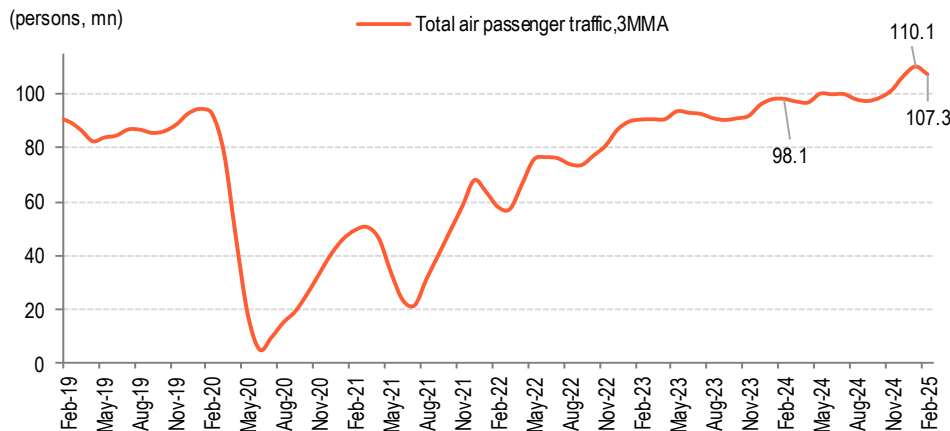


Fig 66 – ...Domestic passenger traffic driving the trend

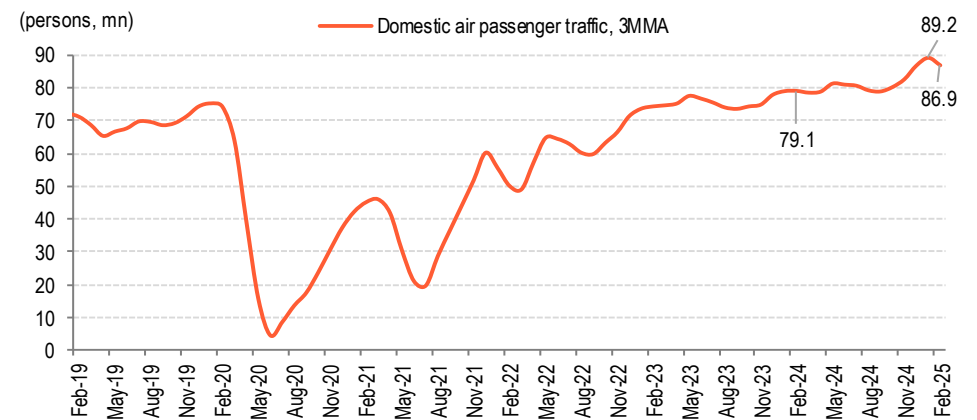


Fig 67 – Foreign tourist arrivals registered an improvement in Dec'24

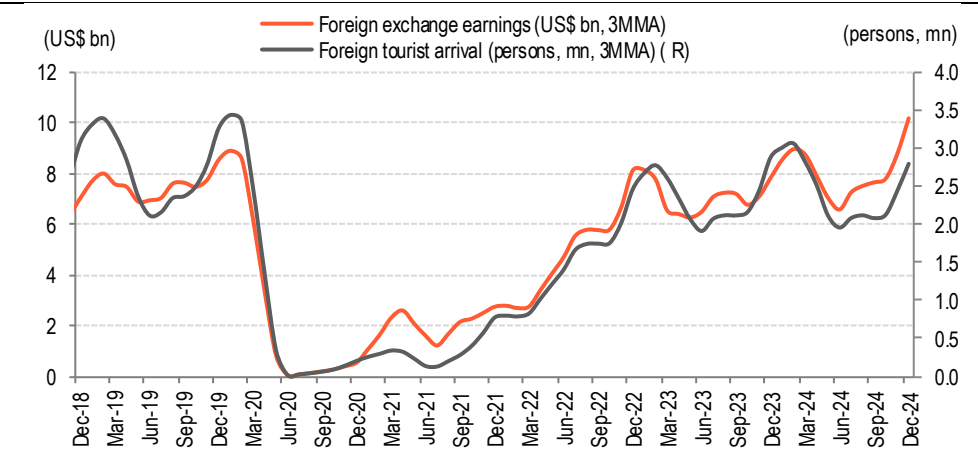
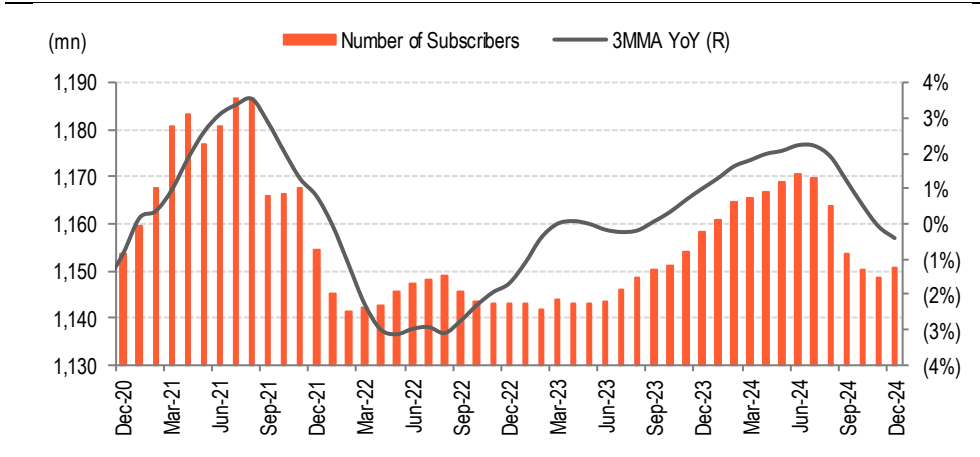


Fig 68 – Number of telecom subscribers fell by 3.1mn in Q3FY25 following 16.8mn decline in subscribers in Q2



Finance and real estate

Fig 69 – Growth in GVA: Finance, real estate & prof. was stable in Q3 versus Q2

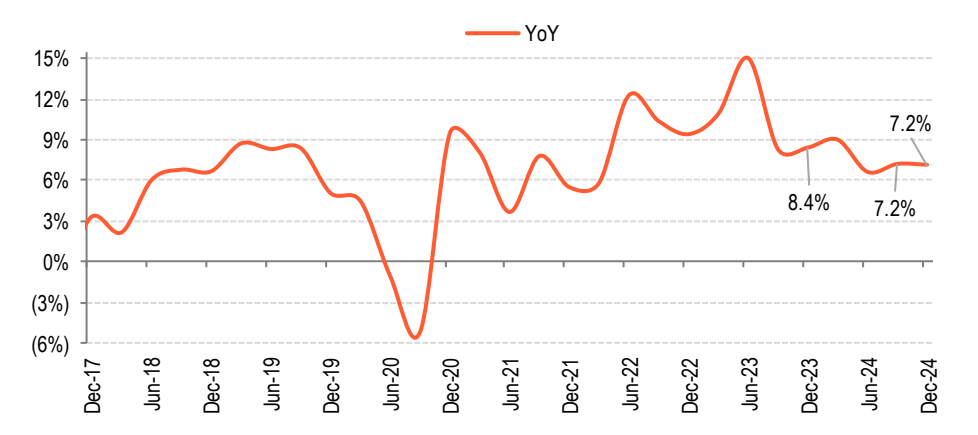
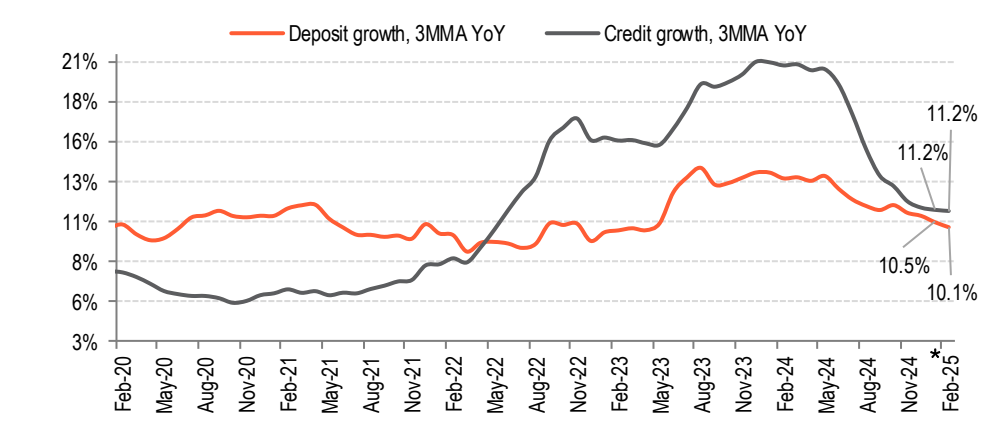


Fig 70 – Credit held ground in Feb'25; deposit growth eased a tad



*Data as of 21 Feb 2025

Fig 71 – Credit to both industry and services was broadly stable in Jan'25

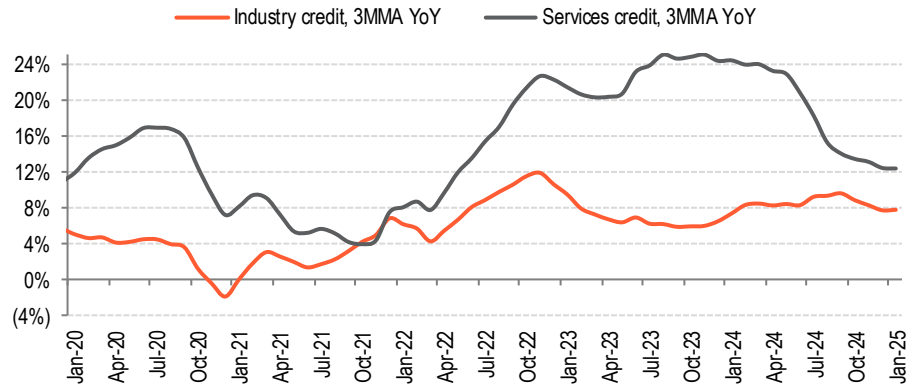


Fig 72 – Within services, credit to trade and NBFCs improved in Jan'25, while that to commercial real estate was steady

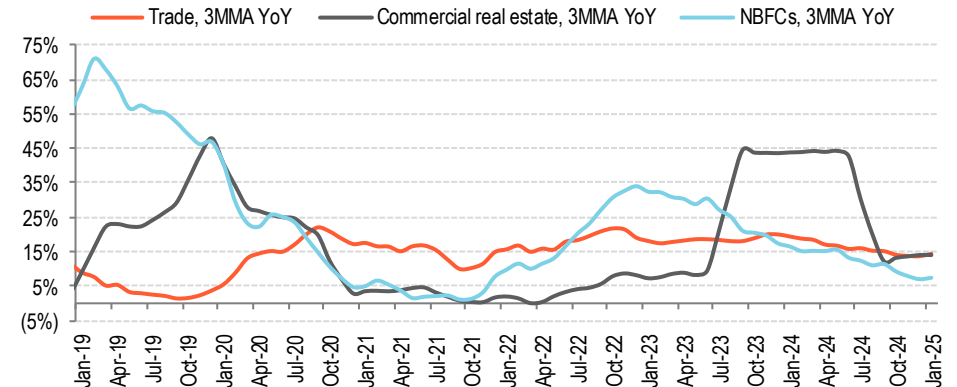
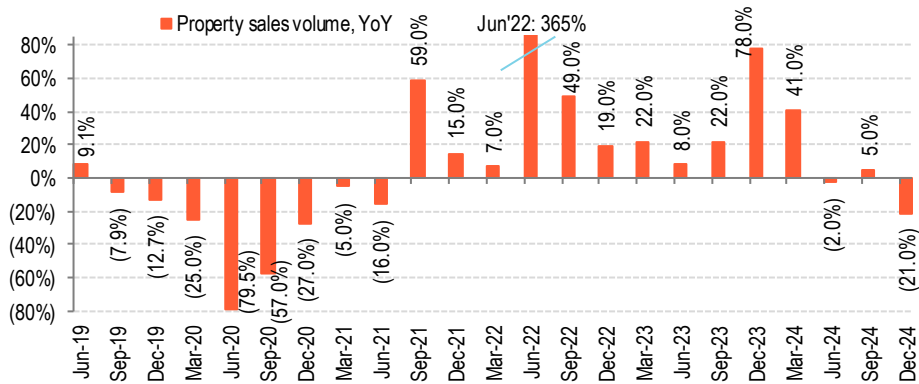
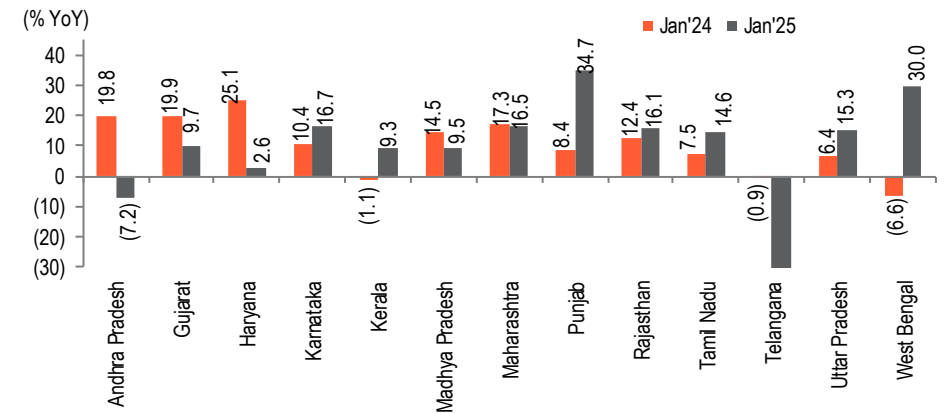


Fig 73 – Property sales volume declined sharply in Q3FY25, due to base effect



Source: Proptiger

Fig 74 – Stamp duties of Haryana, MP, Gujarat, AP and Telangana record weaker collections in FYTD so far (till Jan) versus last year



Labour market

Fig 75 – Naukri job index also improved at a faster pace in Feb'25

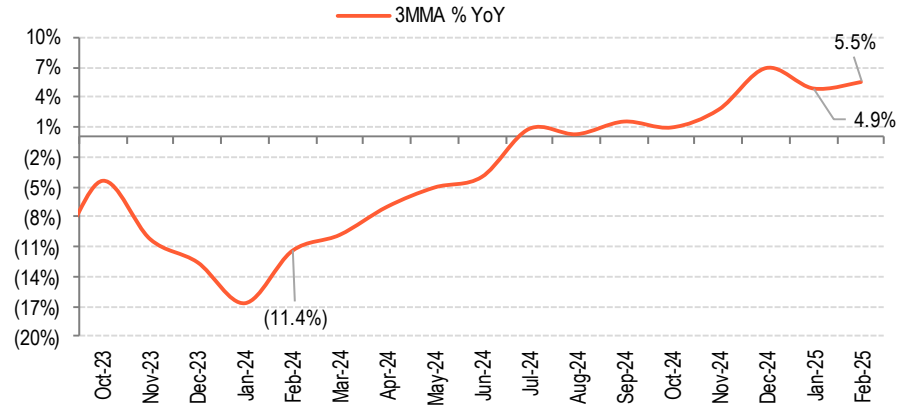
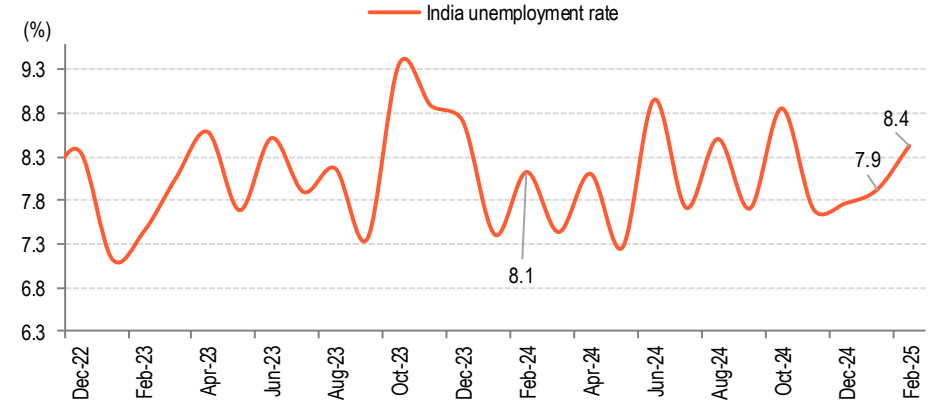


Fig 76 – Overall unemployment rate rose further in Feb'25



Public administration

Fig 77 – GVA: Public admin & defence services growth was stable in Q3 versus Q2

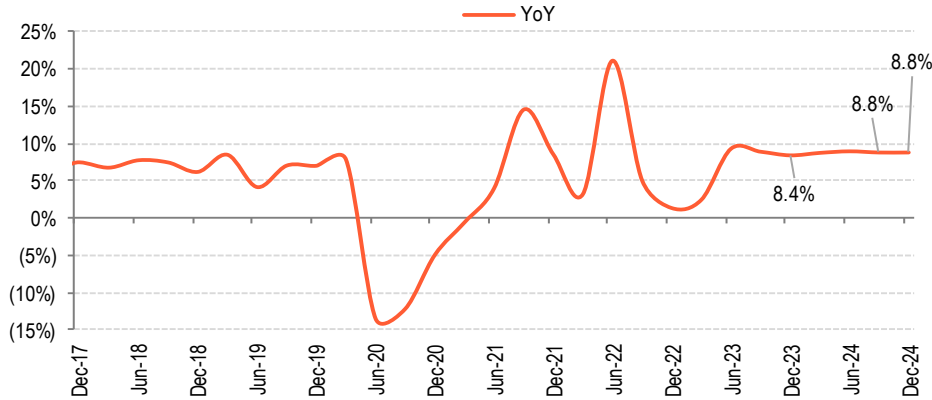


Fig 78 – General govt. spending slowed at the start of Q4

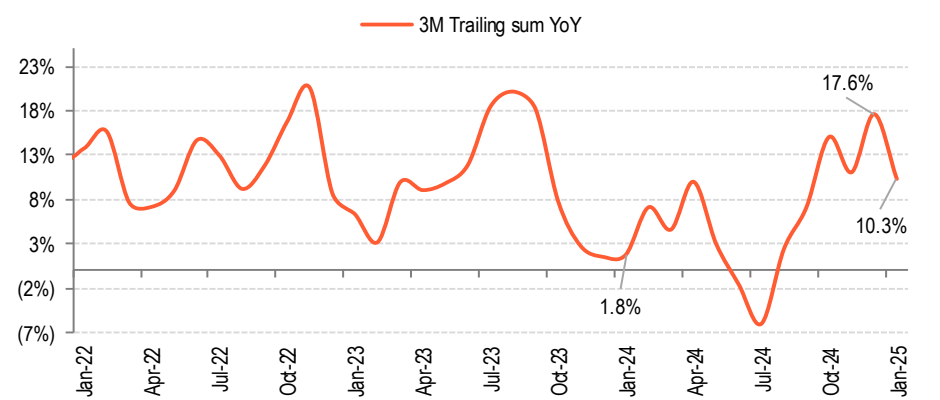


Fig 79 – ...mirroring the trend in central government spending

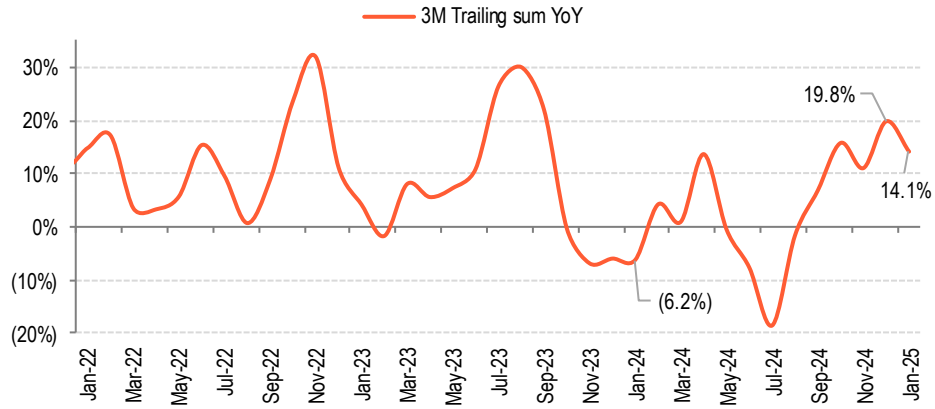
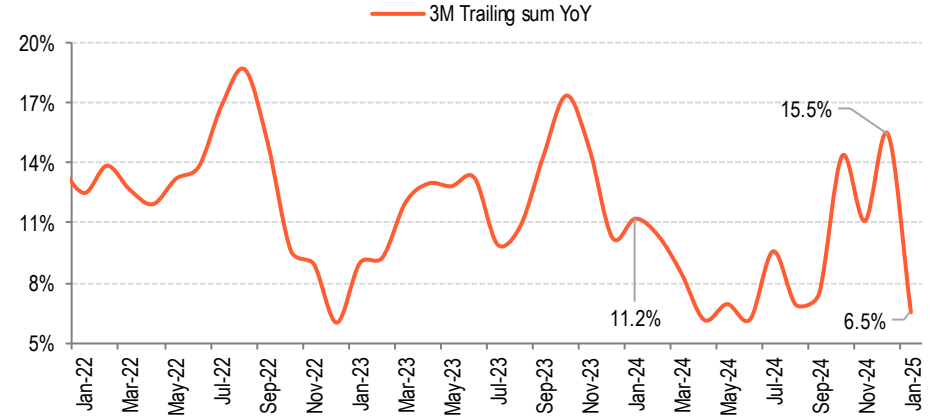


Fig 80 – ... And state* Govt. spending

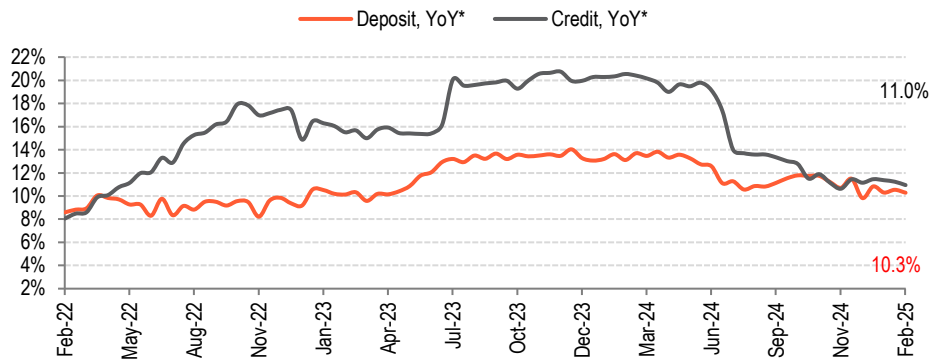


Note: *All states excluding North Eastern states (ex Assam), Bihar, Goa, and J&K

Financial sector

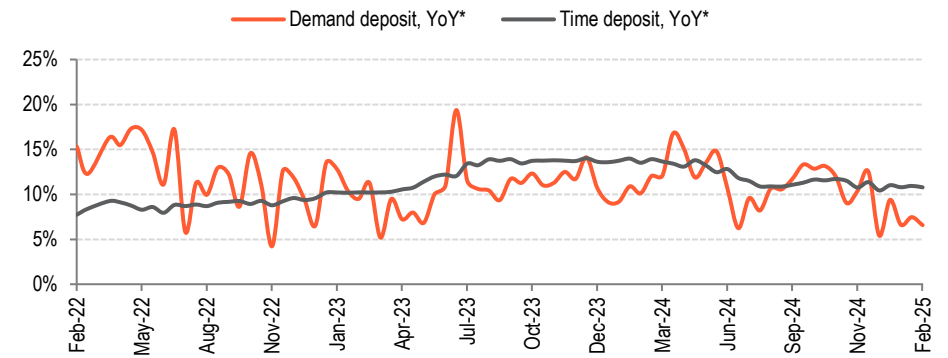
Money and banking

Fig 81 – Credit growth moderated to 11% in Feb'25 compared to 11.4% in Jan'25, deposit growth was stable at 10.3%



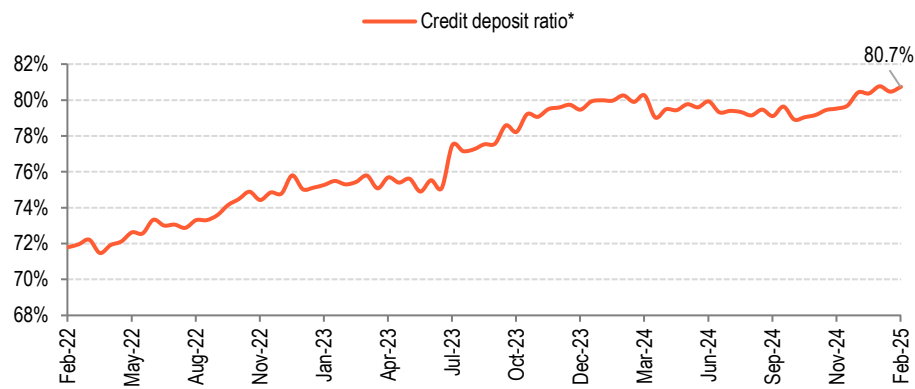
Note: Fortnight as of 21 Feb 2025

Fig 82 – ...Time deposits remained stable



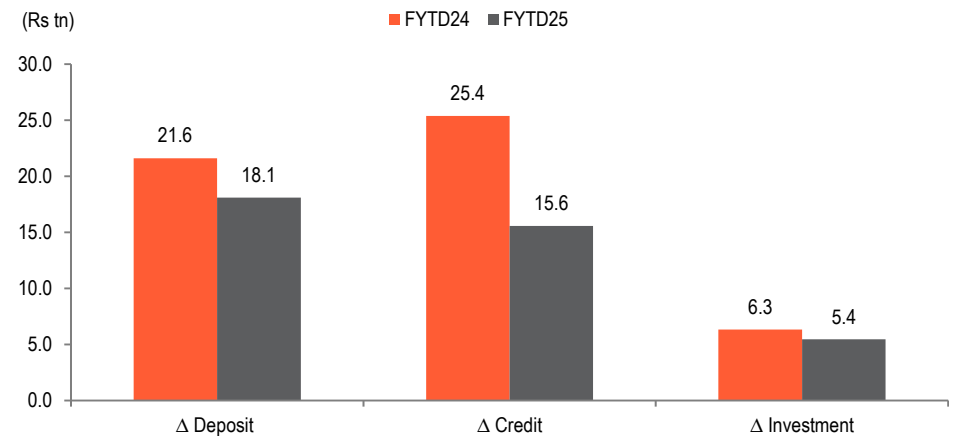
Note: Fortnight as of 21 Feb 2025

Fig 83 – CD ratio was at 80.7



Note: Fortnight as of 21 Feb 2025

Fig 84 – Credit, deposit and investment accretion



Note: Fortnight as of 21 Feb 2025, Accretion from March

Fig 85 – Credit to govt rose to 11.1% in Dec'24 from 8.8% in Nov'24, credit to commercial sector moderated to 12.1% from 12.9%

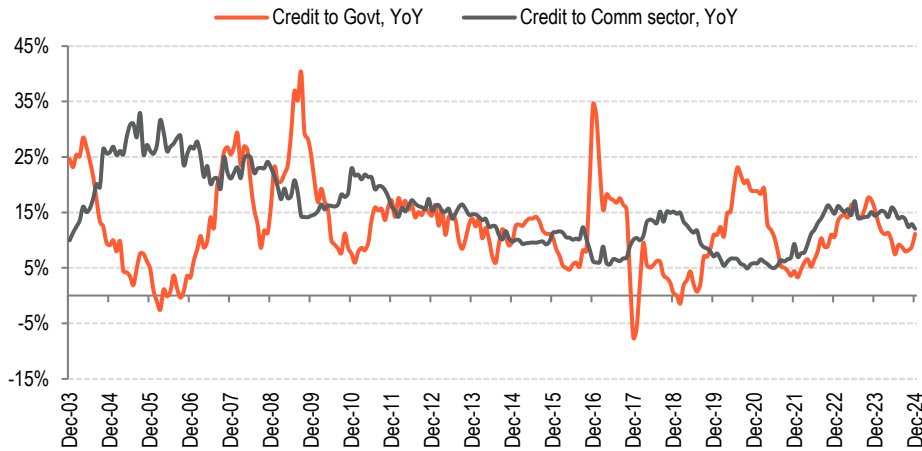


Fig 86 – Spread between WALR and repo

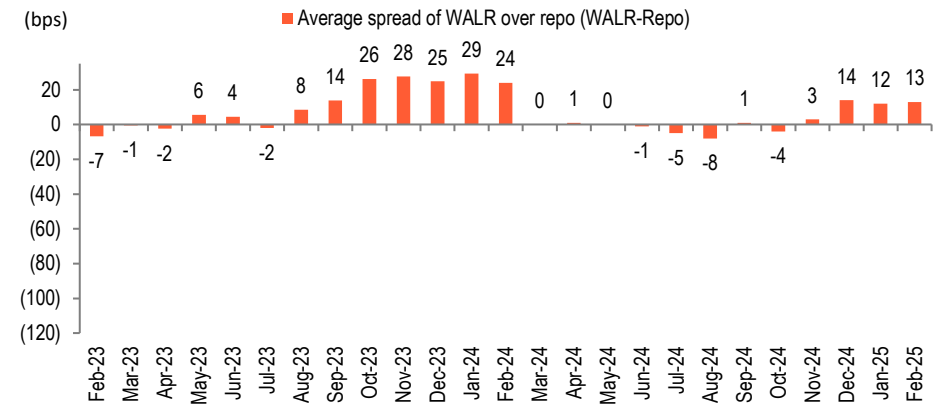


Fig 87 – WALR on fresh loans inched up to 8.59% from 8.54% in Dec'24, WADTDR also edged up slightly to 7.15% from 7.12%

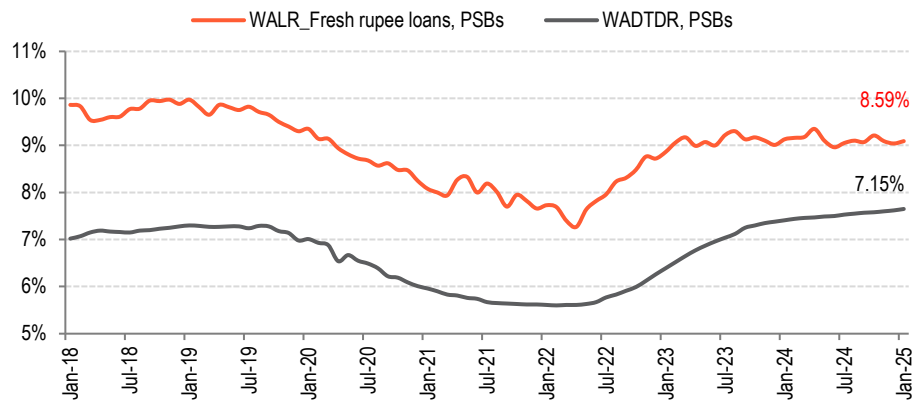
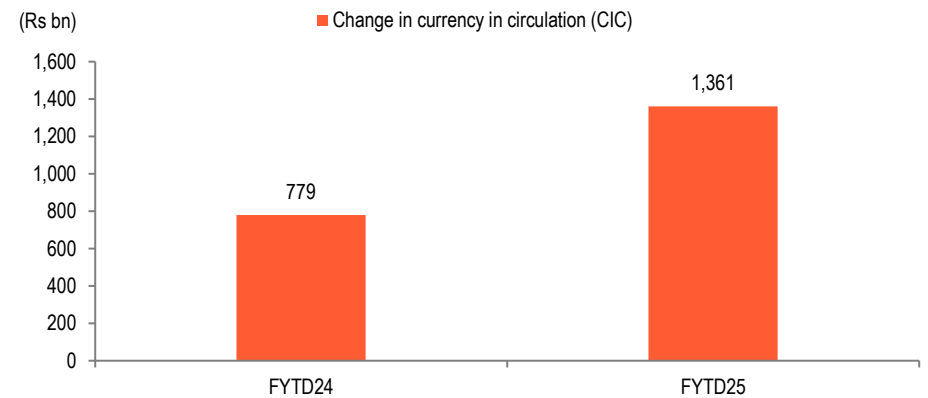
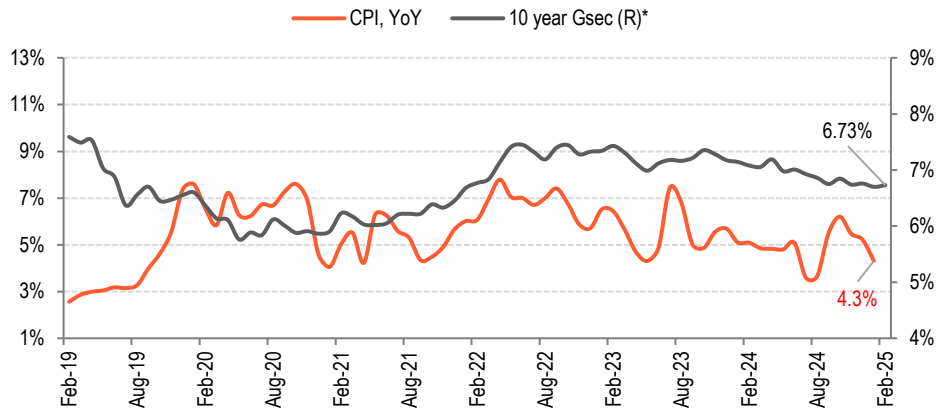


Fig 88 – CIC accretion picking pace



Note: Accretion from Mar

Fig 89 – 10Y GSec yield was broadly stable at 6.73% in Feb'25 and is trading lower at 6.69%, inflation moderated to 4.3% in Jan'25 from 5.2% in Dec'24



Note: *As on last trading day of the month

Fig 91 – Corporate debt issuances moderated to Rs 678bn in Jan'25 from Rs1.2tn in Dec'24

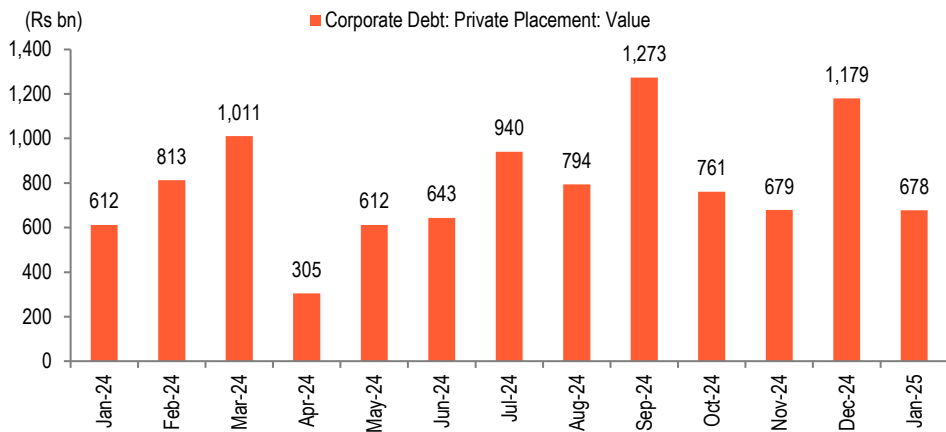
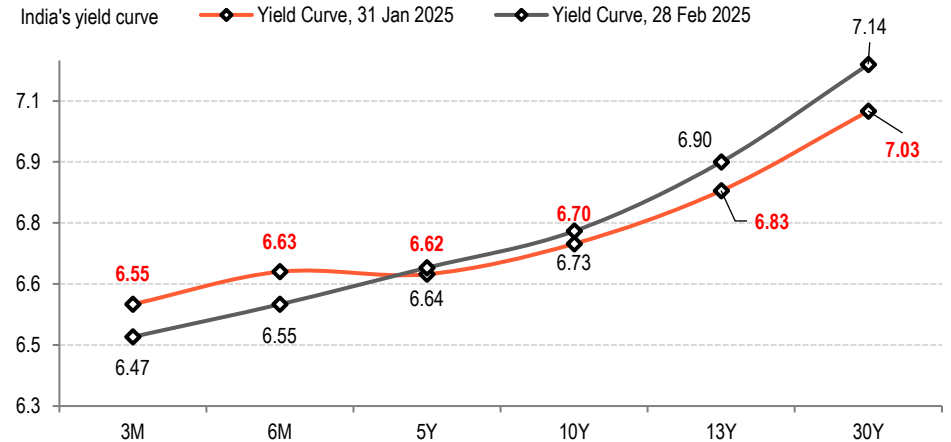
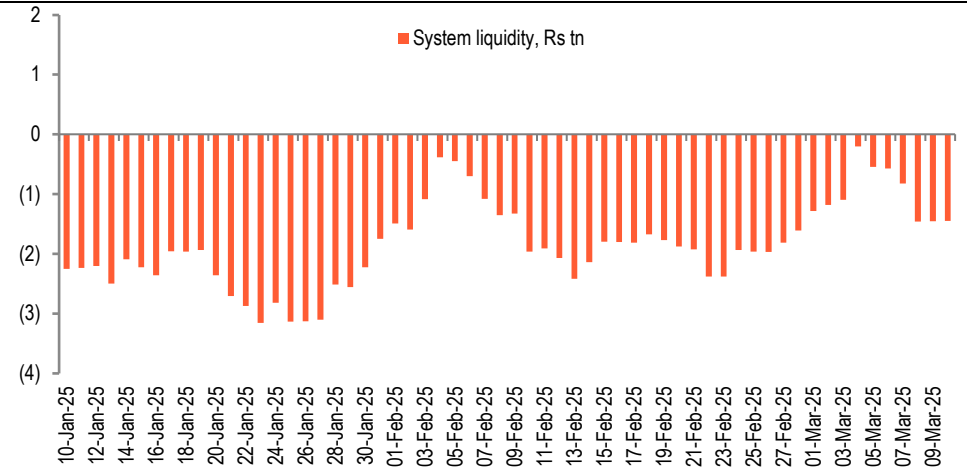


Fig 90 – Spread between long and short end yields have increased



Source: Bloomberg

Fig 92 – Avg. system liquidity deficit moderated to Rs 1.7tn in Feb'25 compared to Rs 2 tn in Jan'25 and currently at Rs 1 lakh crore deficit



Source: RBI

Fig 93 – 3Y AAA NBFC spread moderated to 94bps as on 28 Feb 2025 from 106bps as on 31 Jan 2025 and currently hardened

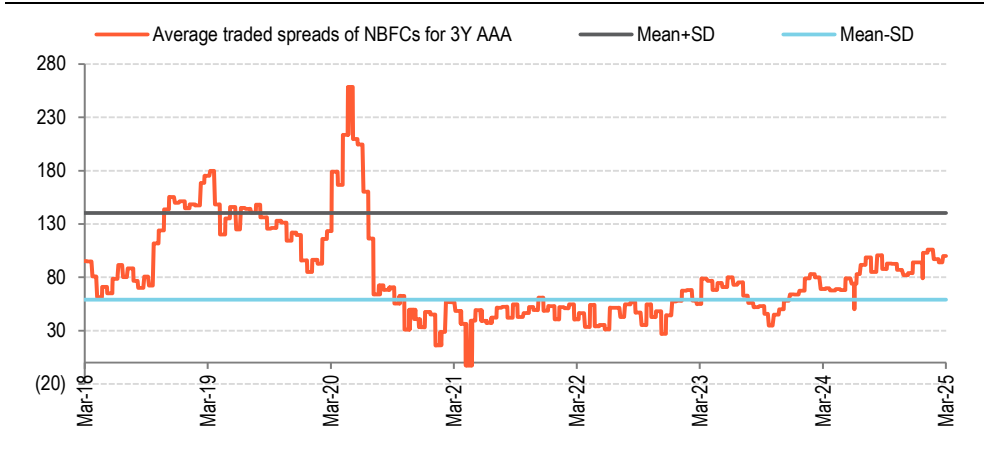


Fig 94 – For 10Y AAA NBFC, it inched up to 71bps from 60bps

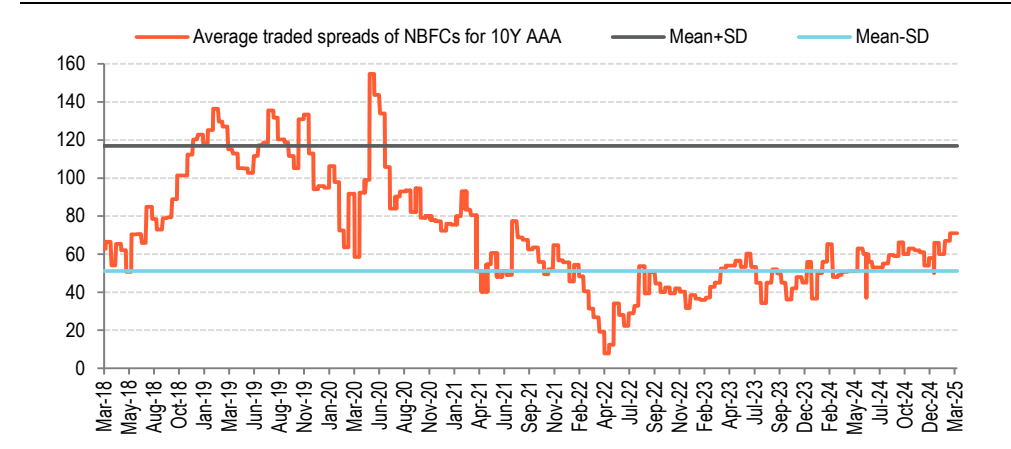


Fig 95 – 3Y AAA corp spread was broadly stable at 66bps as on 28 Feb 2025, however it inched up lately

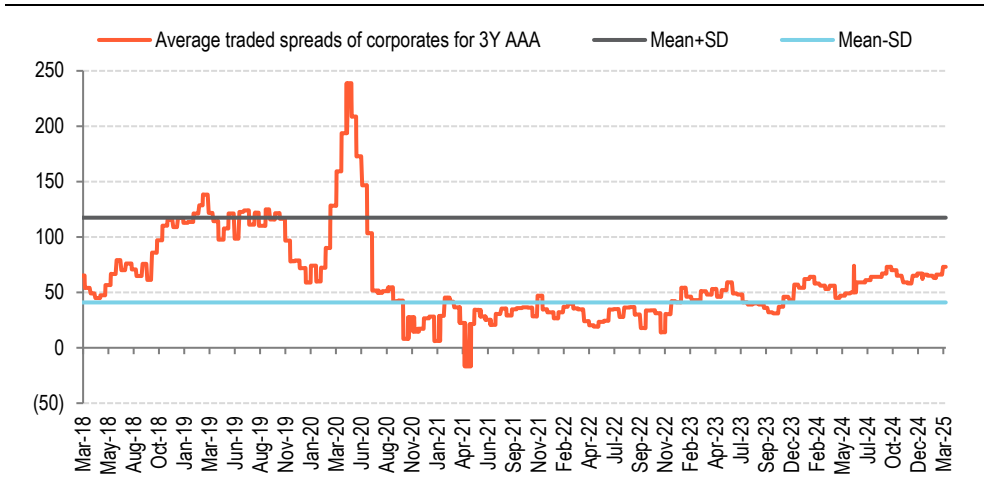


Fig 96 – For 10Y AAA corp spread as well, it was broadly stable at 33bps as on 28 Feb 2025 and currently gained momentum

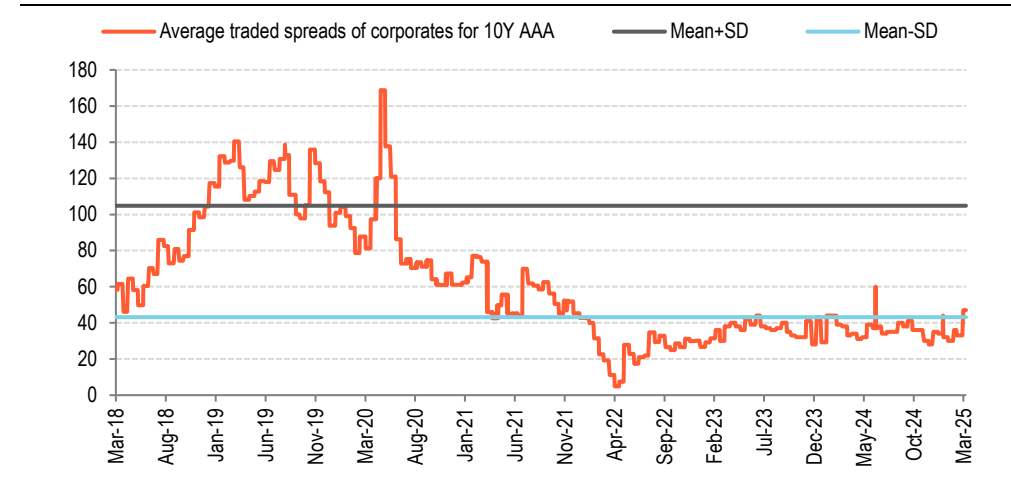


Fig 97 – INR 1Y swap moderated to 6.17 as on 11 Mar 2025 compared to 6.24 as on 28 Feb 2025 and 6.33 as on 31 Jan 2025

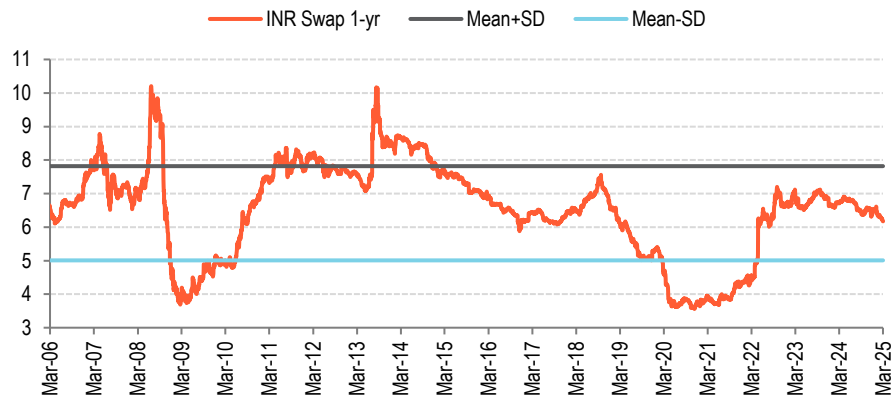
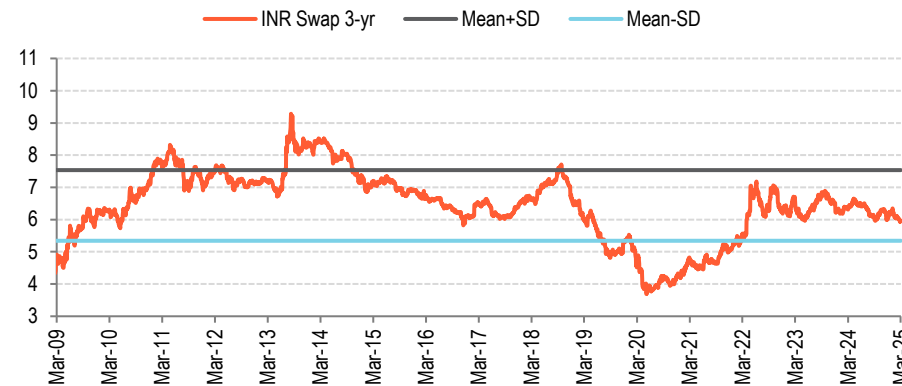


Fig 98 – For 3Y as well, it softened to 5.95 as on 11 Mar 2025 compared to 5.99 as on 28 Feb 2025



Interest rates on small savings schemes

Fig 99 – Interest rate on small savings scheme to remain unchanged in Q4FY25

Instrument (%)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Savings deposit	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
1 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.6	6.8	6.9	6.9	6.9	6.9	6.9	6.9	6.9
2 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.7	6.8	6.9	7.0	7.0	7.0	7.0	7.0	7.0	7.0
3 year time deposit	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.8	6.9	7.0	7.0	7.0	7.1	7.1	7.1	7.1	7.1
5 year time deposit	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	7.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
5 year recurring deposit	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	6.2	6.5	6.7	6.7	6.7	6.7	6.7	6.7
5 year senior citizen savings scheme	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.6	8.0	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2
5 Y monthly income scheme	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.7	7.1	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4
5Y national savings certificate	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	7.0	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
PPF	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Kisan vikas patra	6.9	6.9	6.9	6.9	6.9	6.9	6.9	7.0	7.2	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Sukanya samridhhi account scheme	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	8.0	8.0	8.0	8.2	8.2	8.2	8.2	8.2

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

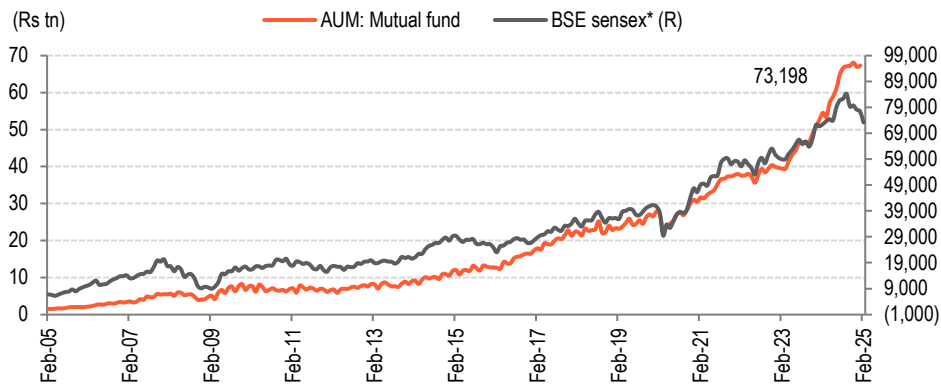
Fig 100 – MCLR rate of banks broadly unchanged

1Y MCLR (%)	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sep'24	Oct'24	Nov'24	Dec'24	Jan'25	Feb'25
Public Sector Banks																
Bank of Baroda	8.75	8.75	8.80	8.80	8.80	8.85	8.85	8.85	8.90	8.95	8.95	8.95	9.00	9.00	9.00	9.00
Bank of India	8.75	8.80	8.80	8.80	8.85	8.85	8.85	8.90	8.90	8.95	8.95	8.95	9.00	9.00	9.05	9.05
Canara Bank	8.75	8.75	8.80	8.85	8.90	8.90	8.90	8.90	8.95	9.00	9.00	9.05	9.05	9.10	9.10	9.10
Indian Bank	8.75	8.75	8.80	8.85	8.85	8.85	8.85	8.90	8.95	8.95	9.00	9.00	9.00	9.05	9.05	9.10
Punjab National Bank	8.65	8.65	8.70	8.80	8.80	8.80	8.80	8.85	8.85	8.90	8.90	8.95	8.95	9.00	9.00	9.05
State Bank of India	8.55	8.65	8.65	8.65	8.65	8.65	8.65	8.75	8.85	8.95	8.95	8.95	9.00	9.00	9.00	9.00
Union Bank of India	8.70	8.80	8.80	8.90	8.90	8.90	8.90	8.90	8.90	8.95	8.95	8.95	9.00	9.00	9.00	9.00
Private Sector Banks																
Axis Bank Ltd.	9.20	9.25	9.25	9.30	9.30	9.30	9.30	9.30	9.30	9.35	9.35	9.35	9.35	9.35	9.40	9.40
HDFC Bank Ltd.	9.20	9.20	9.25	9.30	9.30	9.30	9.30	9.30	9.40	9.45	9.45	9.45	9.45	9.45	9.40	9.40
ICICI Bank Ltd.	9.00	9.00	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10
Indusind Bank	10.35	10.35	10.35	10.40	10.40	10.40	10.45	10.45	10.45	10.55	10.55	10.55	10.55	10.55	10.55	10.55
Kotak Mahindra Bank	9.35	9.35	9.35	9.45	9.45	9.45	9.45	9.50	9.50	9.55	9.55	9.55	9.55	9.55	9.55	9.55

Source: RBI, Note: Banks whose MCLR changed in Feb'25 have been marked red

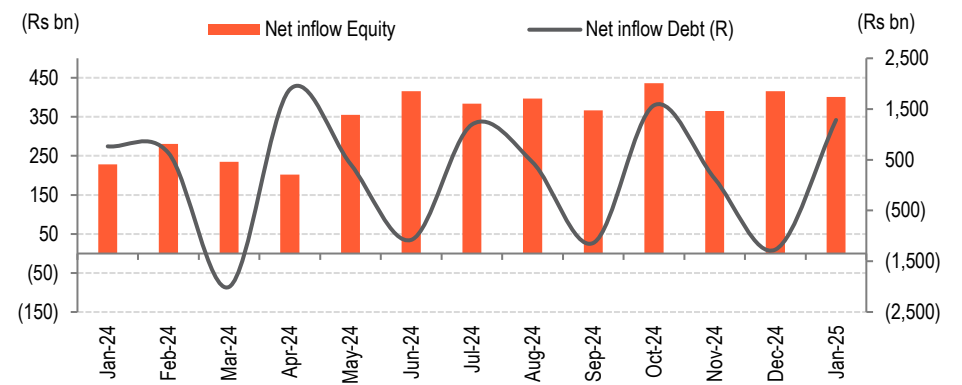
Mutual fund (MF) indicators

Fig 101 – Sensex declind by -5.6% in Feb'25, AUM of MFs inched up to Rs 67.3tn in Jan'25 from 66.9tn in Dec'24



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

Fig 102 – MF equity inflows was at Rs 401bn in Jan'25 from Rs 416bn in Dec'24; debt inflow rose to Rs 1.3tn from Rs 1.3tn outflow seen in Dec'24



Insurance sector indicators

Fig 103 – Sale of life insurance policies continued to be on the negative trajectory and declined at a sharp pace by -22.2% in Feb'25 compared to -8.9% in Jan'25

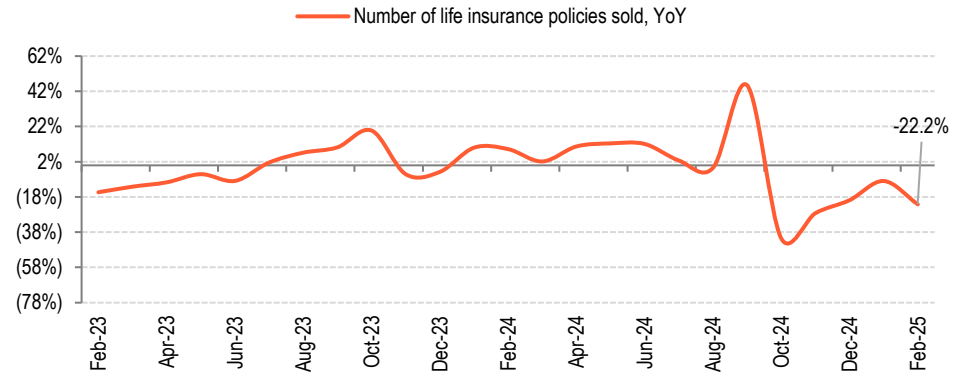
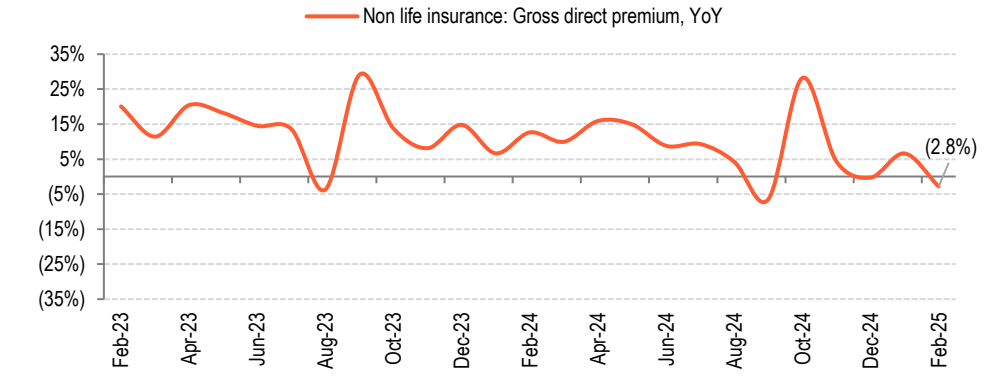


Fig 104 – Gross direct premium for non-life insurance fell by -2.8% in Feb'25 compared to 6.6% increase in Jan'25, led by adverse base



Public finance

Central government finances

Fig 105 – Fiscal deficit inched up in Jan'25 (12MMA basis)

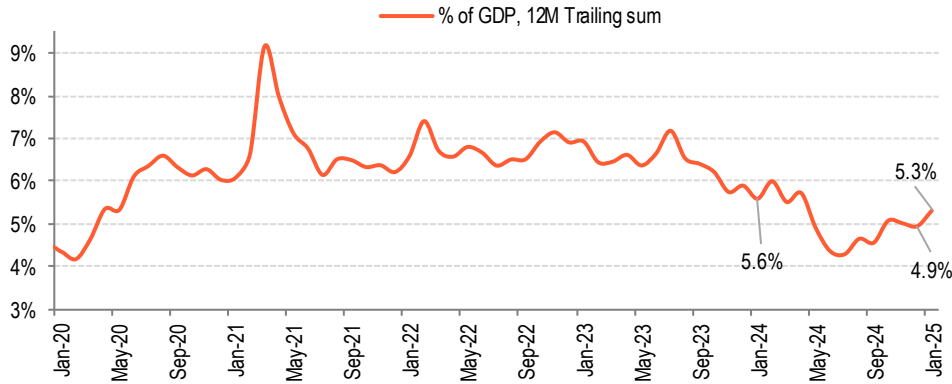


Fig 106 – Revenue deficit also rose in Jan'25

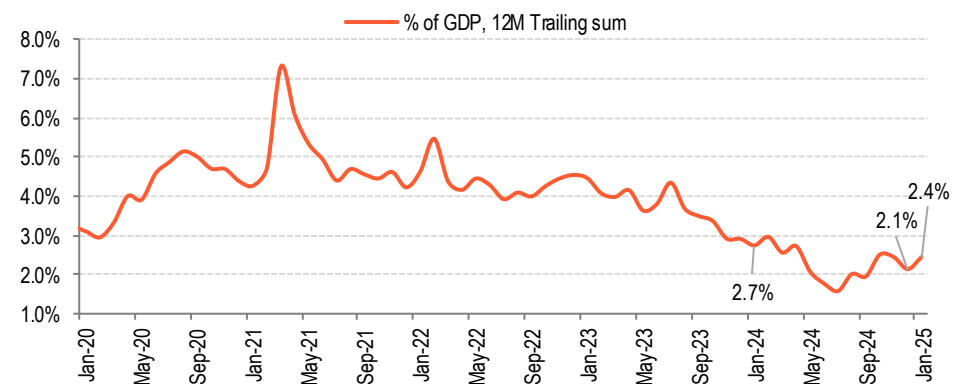


Fig 107 – Primary deficit was higher at 1.9% as of Jan'25

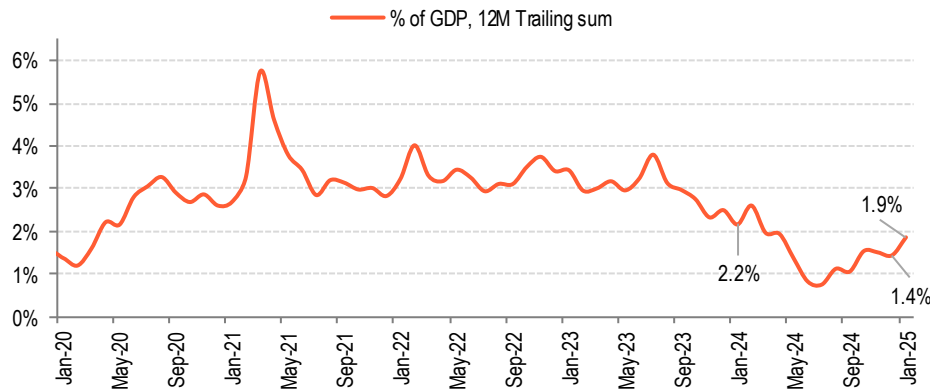


Fig 108 – Government spending gathered further pace in Jan'25 (12MMA basis)...

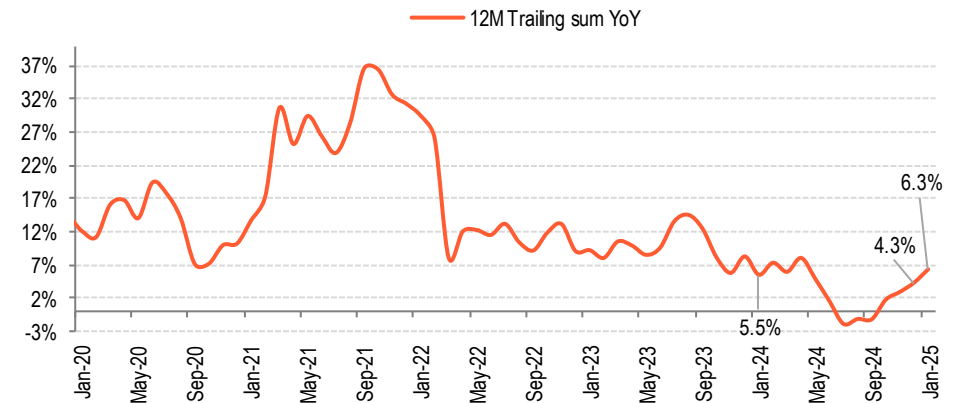


Fig 109 – ...Led by both revenue spending

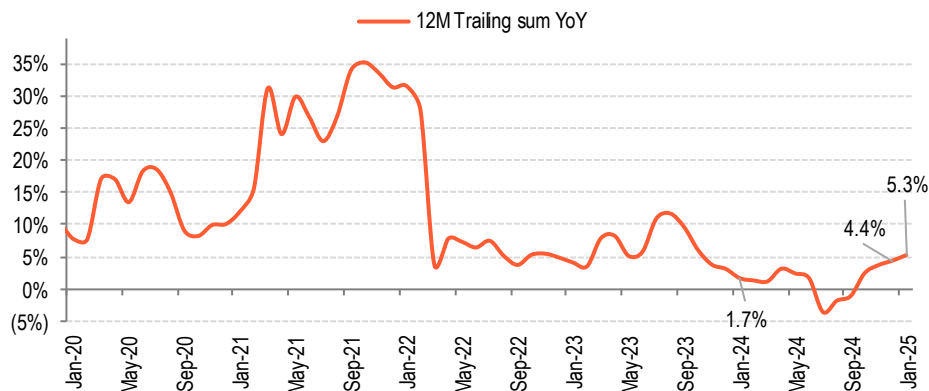


Fig 110 – ...And capital expenditure

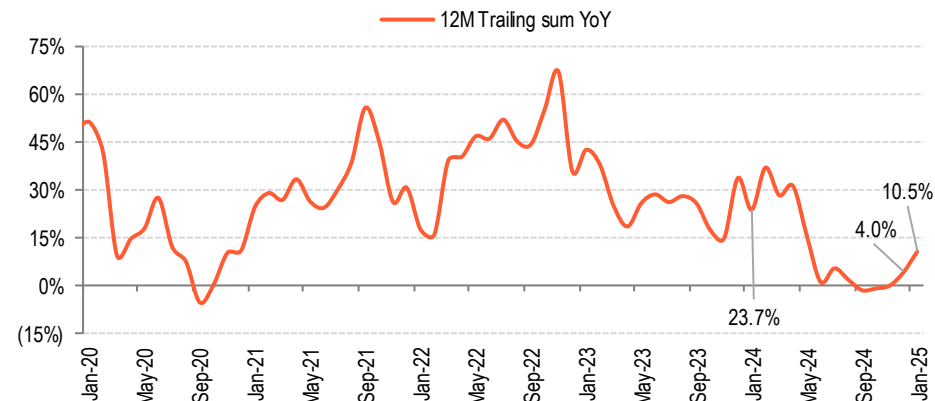


Fig 111 – Spending gaining momentum due to higher outgo from ministry of consumer affair, home affair, health and rural development

Ministry	Apr-Dec'22	Apr-Dec'23	% change	Apr-Dec'24	% change
Ministry of Finance	11,019	11,956	8.5	13,186	10.3
Ministry of Defence	4,309	4,911	14.0	5,102	3.9
Ministry of Consumer Affairs, Food and Public Distribution	1,936	1,537	(20.6)	1,844	20.0
Ministry of Rural Development	1,185	1,150	(2.9)	1,246	8.3
Ministry of Home Affairs	1,551	1,642	5.8	1,905	16.0
Ministry of Education	687	702	2.2	781	11.3
Ministry of Road Transport and Highways	2,063	2,421	17.3	2,427	0.3
Ministry of Chemicals and Fertilisers	2,074	1,663	(19.8)	1,599	(3.9)
Ministry of Petroleum and Natural Gas	252	31	(87.8)	73	137.6
Ministry of Agriculture	721	811	12.5	867	7.0
Ministry of Health and Family Welfare	566	612	8.1	735	20.2

Fig 112 – Receipt growth moderated in Jan'25...

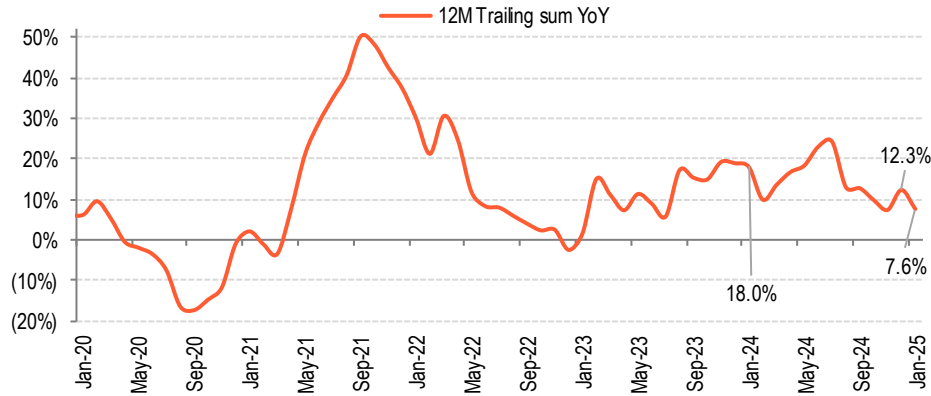


Fig 113 – ...Led by slowdown in revenue receipts

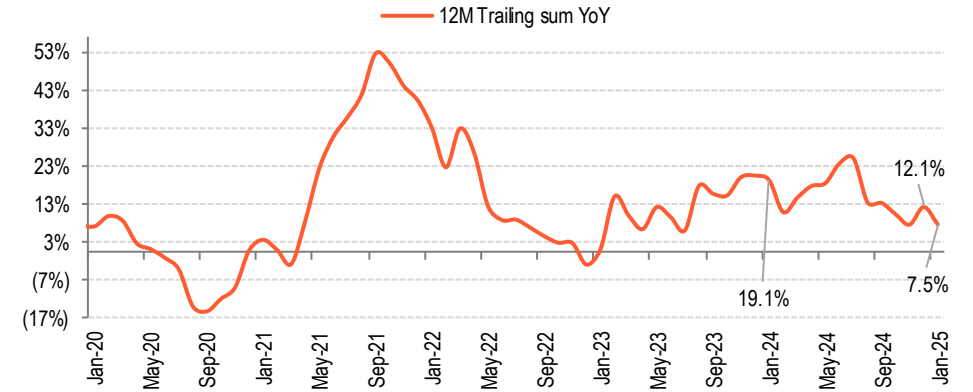


Fig 114 – Net tax revenue receipts led the softening in revenue receipts

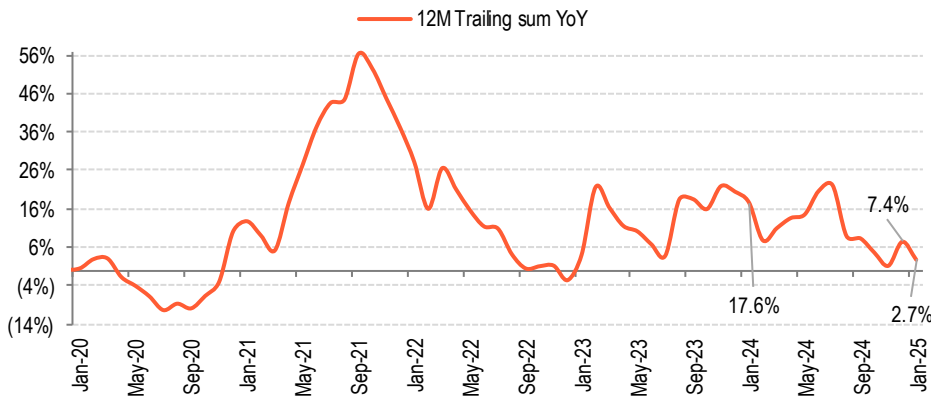


Fig 115 – Non-tax collections also note some easing

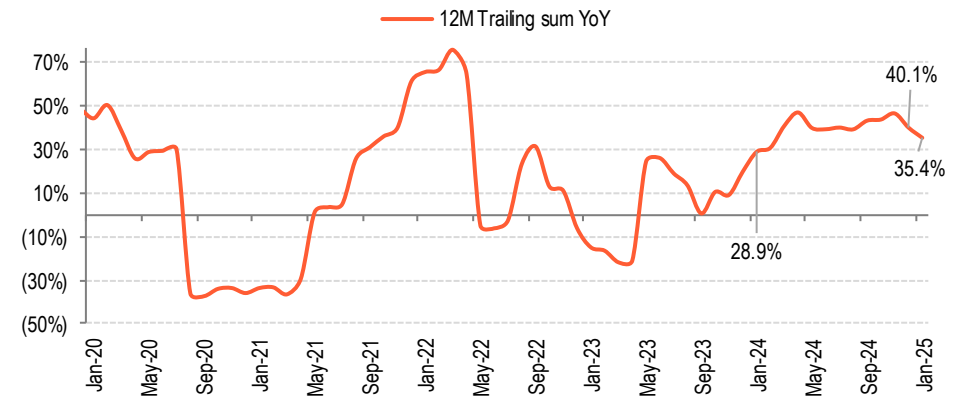


Fig 116 – Centre’s net tax collections continue to soften, due to higher base; capex gradually improving from last year

	Apr-Jan'23	Apr-Jan'24	% change	Apr-Jan'25	% change
Gross Tax revenue	21,616	27,062	25.2	29,844	10.3
Direct taxes	10,156	15,038	48.1	16,641	10.7
Corp Tax	6,290	7,556	20.1	7,513	(0.6)
Income Tax	5,876	7,483	27.3	9,128	22.0
Indirect taxes	11,460	12,024	4.9	13,202	9.8
Non-tax revenue	2,309	3,381	46.4	4,676	38.3
Centre's revenue (net)	19,196	22,179	15.5	23,712	6.9
Total expenditure	31,676	33,547	5.9	35,700	6.4
Capital exp	5,699	7,212	26.5	7,574	5.0
Revenue exp	25,978	26,335	1.4	28,126	6.8
Fiscal deficit	11,908	11,026	-	11,695	-

Fig 117 – Gross indirect tax collections maintaining momentum

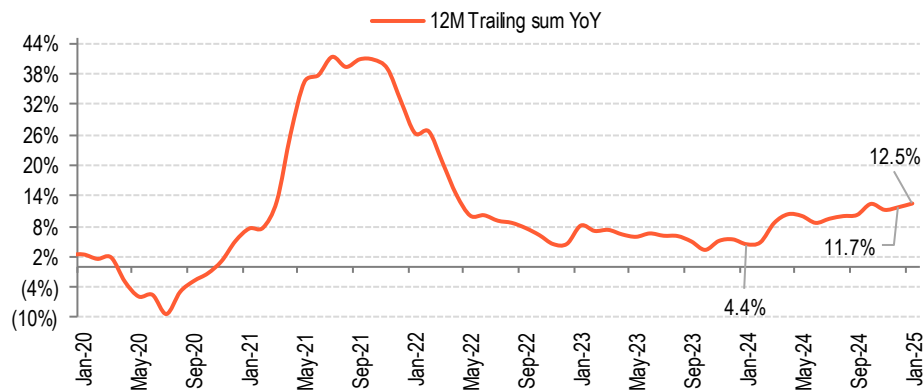


Fig 118 – Gross direct tax collections see further moderation

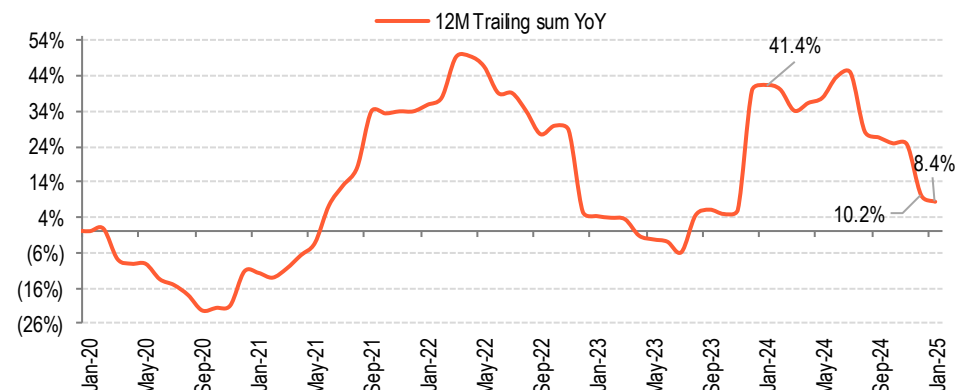


Fig 119 – Amongst direct taxes, corporate tax collections continue to decline

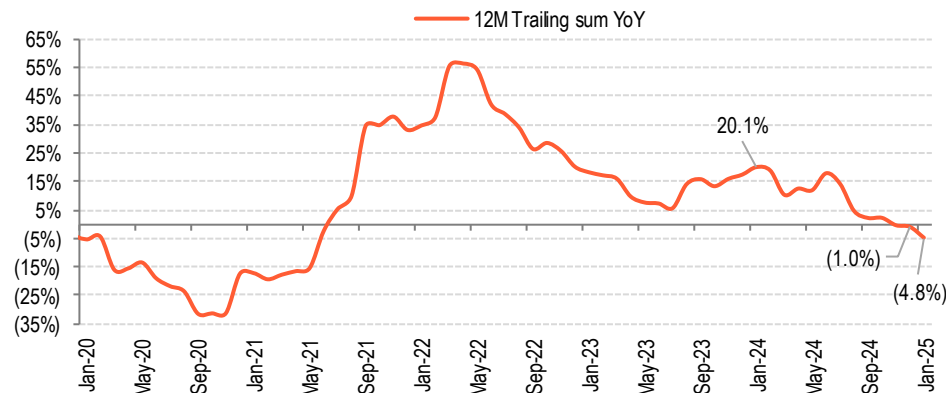


Fig 120 – Income tax collection growth sees marginal improvement

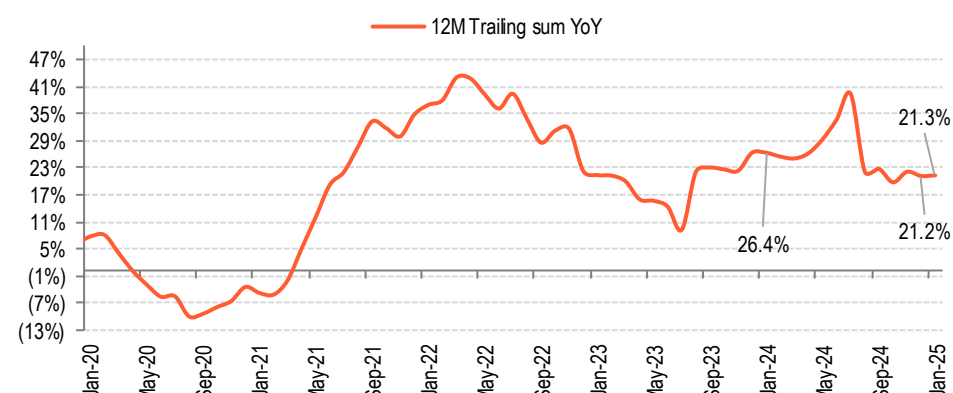


Fig 121 – GST collections for Jan'25 noted an improvement

(Rs bn)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Monthly run rate (FYTD25)	FYTD25	FY25 (RE)
CGST	737	711	731	912	677	695	723	706	700	804	823	694	793	753	7,525	9,085
UT GST	4.7	3.8	7.0	2.9	3.1	2.8	0.6	3.5	3.4	3.2	4.8	2.7	8.6	4	36	-
IGST	(65)	(127)	383	(26)	(82)	7	(5)	82	16	(96)	(174)	(37)	40	(28)	(276)	-
SGST*	949	970	537	1,084	1,012	904	974	839	894	1,041	1,038	990	980	976	9,756	-
Cess	116	125	127	130	118	129	128	119	119	122	131	120	134	125	1,250	1,534
Total GST	1,741	1,683	1,785	2,103	1,727	1,738	1,821	1,750	1,732	1,873	1,823	1,769	1,955	1,829	18,291	-

Source: PIB | *Computed from PIB and CGA data

Fig 122 – Total subsidy disbursed in FYTD25 so far has been higher than last year, led by food subsidies

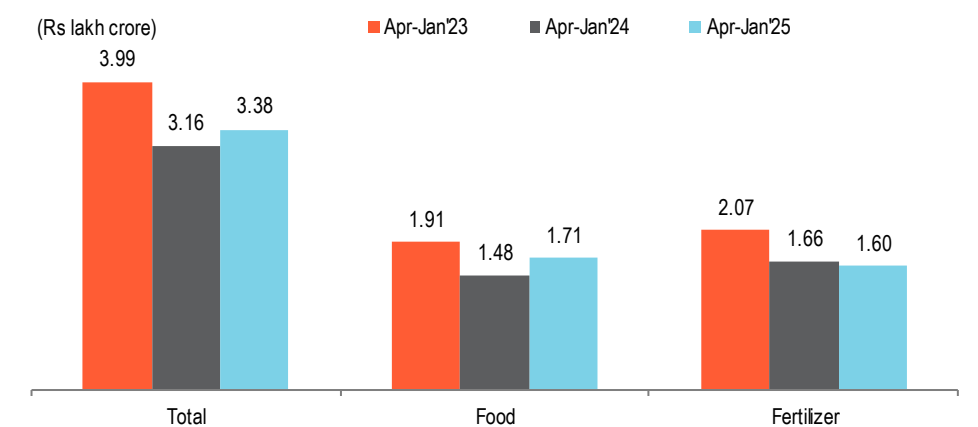
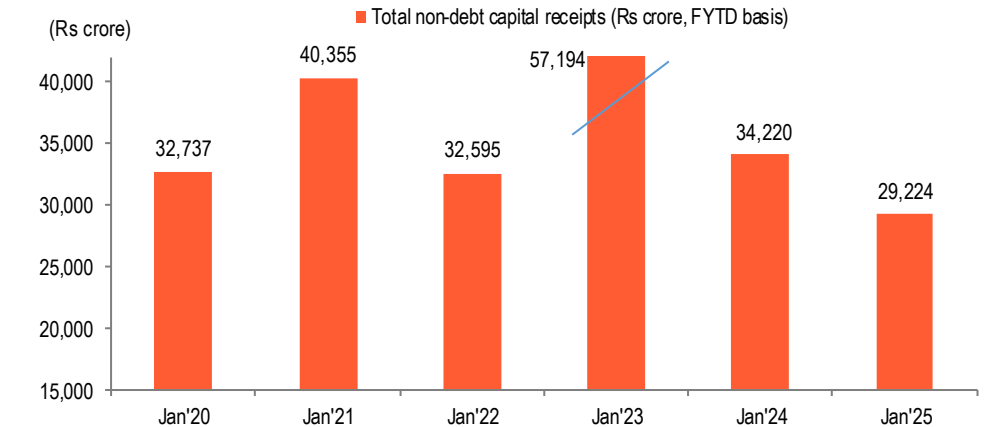


Fig 123 – Central gov't's non-debt capital receipts as of FYTD25 continues to track lower than last year



Central government borrowing

Fig 124 – Centre's borrowing through T-bill in Q4* was at ~Rs 3.3tn

Total accepted amount (T-bills), (Rs bn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY25 (planned)
Q1	2,888	3,089	3,364	5,328	5,375	5,247	4,963	3,469	3,210
Q2	3,186	3,299	3,024	5,417	3,215	3,704	3,899	3,242	2,600
Q3	2,632	3,070	2,889	3,745	3,630	3,589	3,611	3,976	2,470
Q4	2,486	1,812	2,511	2,714	4,766	4,566	4,258	3,270*	3,940
Total	11,192	11,271	11,788	17,204	16,986	17,105	16,731		12,220

Source: RBI, *Till 5 Mar 2025

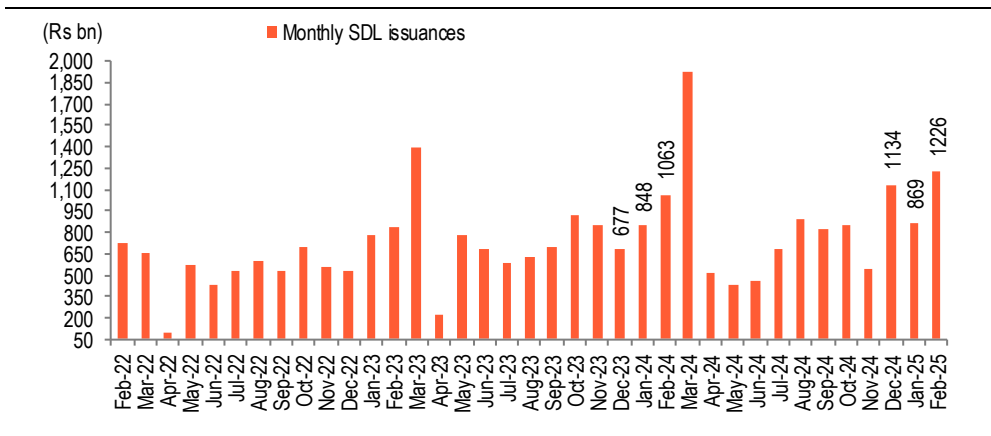
Fig 125 – Centre has raised Rs 2.8tn in Q4

Total accepted amount (G-Sec), (Rs bn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY25 (planned)
Q1	1,680	1,320	2,040	3,140	3,064	3,570	4,080	3,410	3,780
Q2	1,890	1,440	2,210	4,220	3,649	4,390	4,800	3,647	3,720
Q3	1,640	1,270	1,930	2,910	3,190	3,510	3,850	3,840	4,140
Q4	670	1,680	920	3,191	1,370	2,740	2,700	2,790	2,470
Total	5,880	5,710	7,100	13,461#	11,273	14,210	15,430	13,687	14,110**

Source: RBI# Against budgeted Rs 12.8tn,** Union Budget figure of Rs 14,007

State government borrowing

Fig 126 – State government borrowings picked up pace in Feb'25



Source: RBI

Fig 127 – States have borrowed ~73% of the planned amount in FYTD25 so far

Quarterly SDL issuances, (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FYTD25 (actual)	FY25 (planned)
Q1	766	815	1,673	1,446	1,102	1,677	1,401	2,540
Q2	809	1,439	1,614	1,644	1,661	1,903	2,536	2,636
Q3	1,277	1,470	2,023	1,653	1,879	2,460	2,532	3,201
Q4	1,809	2,006	1,898	2,184	3,009	3,838	3,096*	4,735
Total	4,661	5,731	7,206	6,927	7,652	9,879	9,565*	13,112

Source: RBI; *as of 11 Mar 2025

External sector

Exports

Fig 128 – Global exports decline in Dec'24

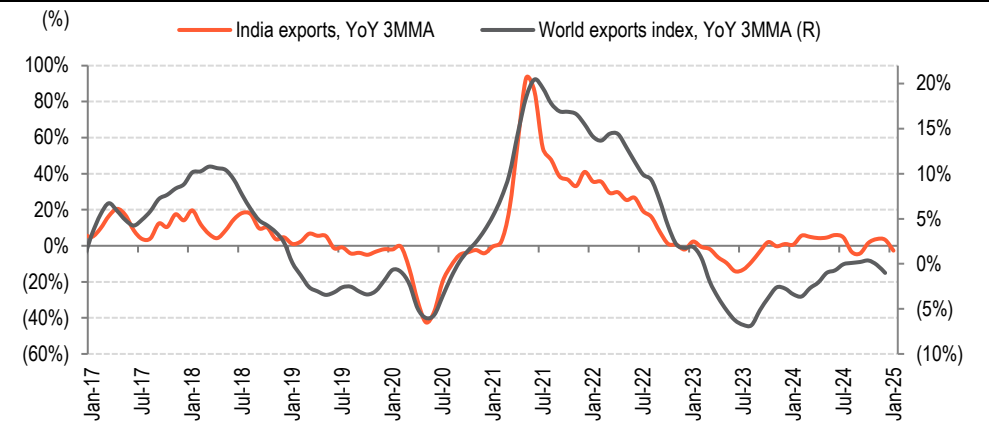
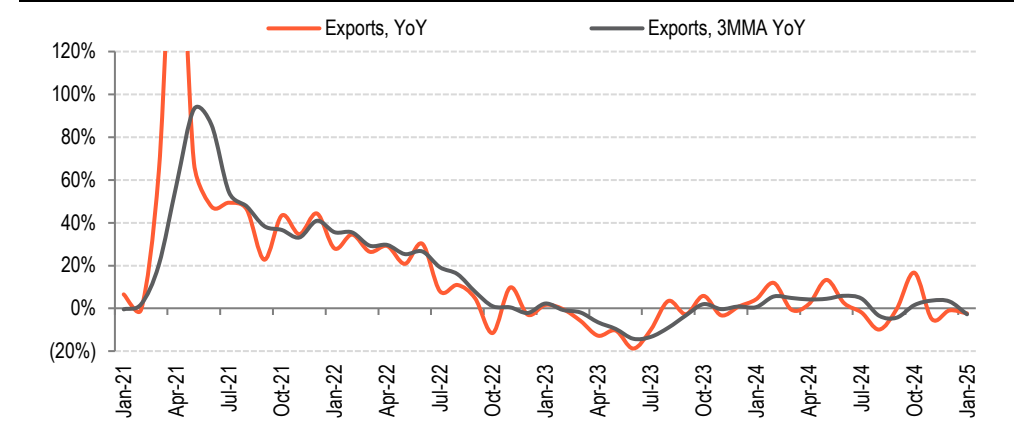


Fig 129 – India's exports declined by 2.4% in Jan'25, following a 1% dip in Dec'24



Exports by major sectors

Fig 130 – Oil exports declined sharply by 58.5% in Jan'25

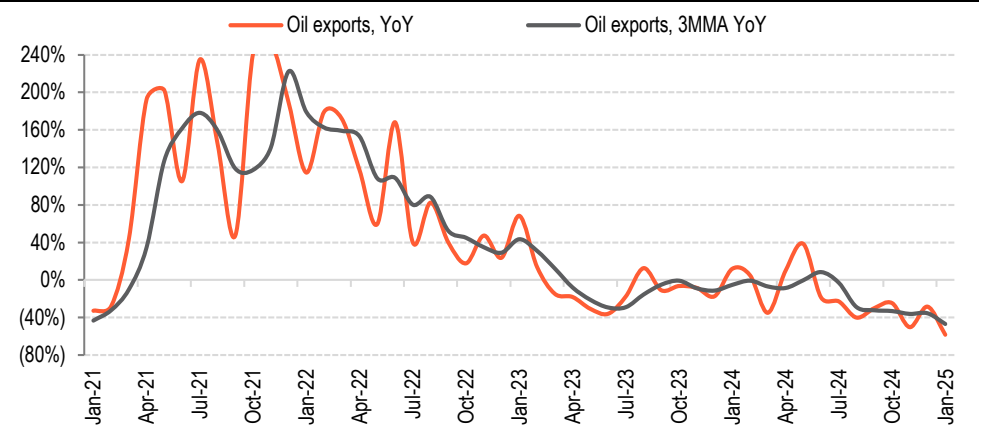


Fig 131 – Electronic exports surge by 79% in Jan'25

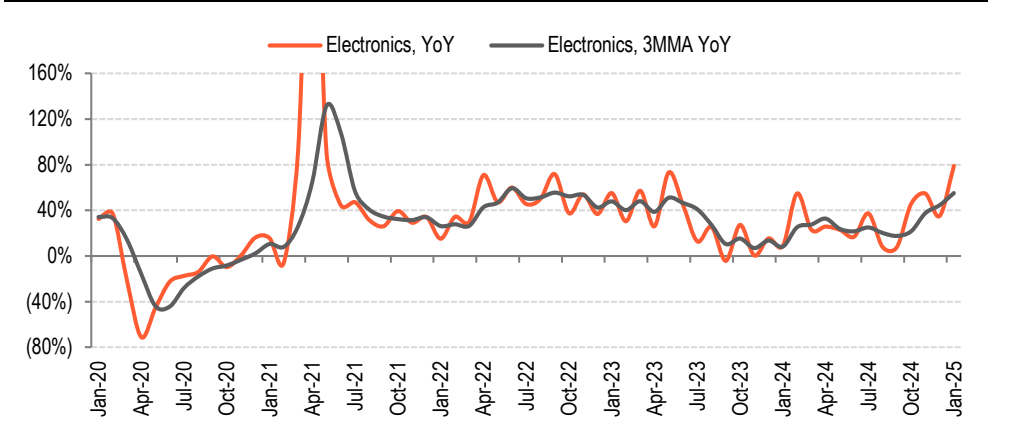


Fig 132 – Drugs and pharma exports also accelerate in Jan'25

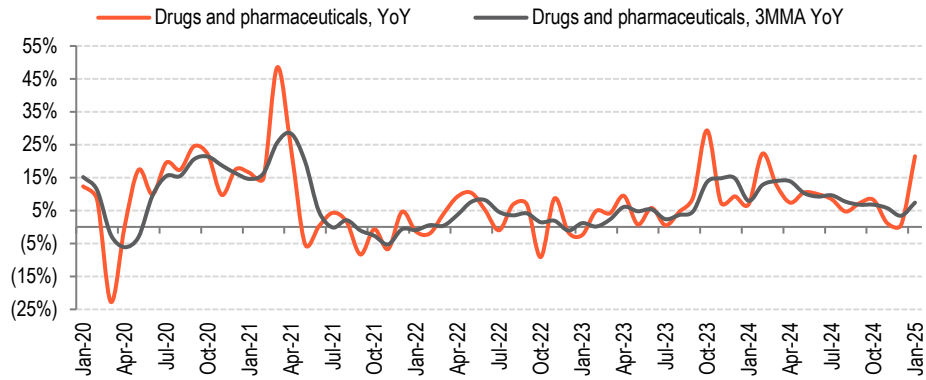
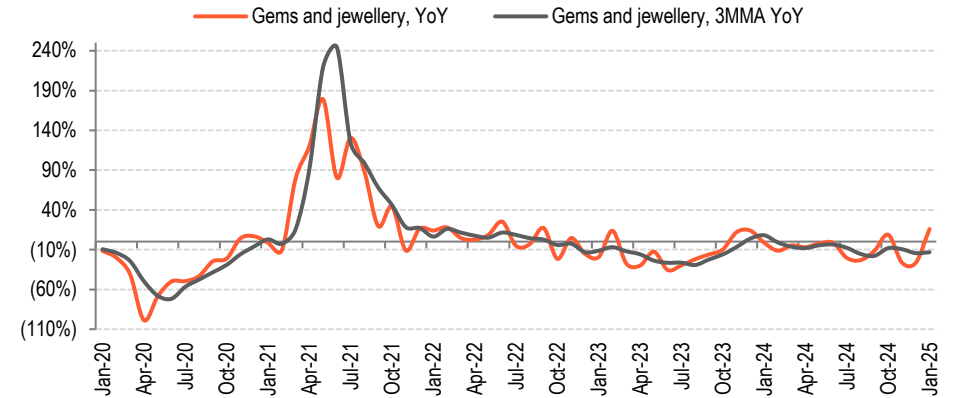


Fig 133 – Recovery visible in gems and jewellery exports



Imports

Fig 134 – Import growth picked up to 10.3% in Jan'25 from 4.9% in Dec'24

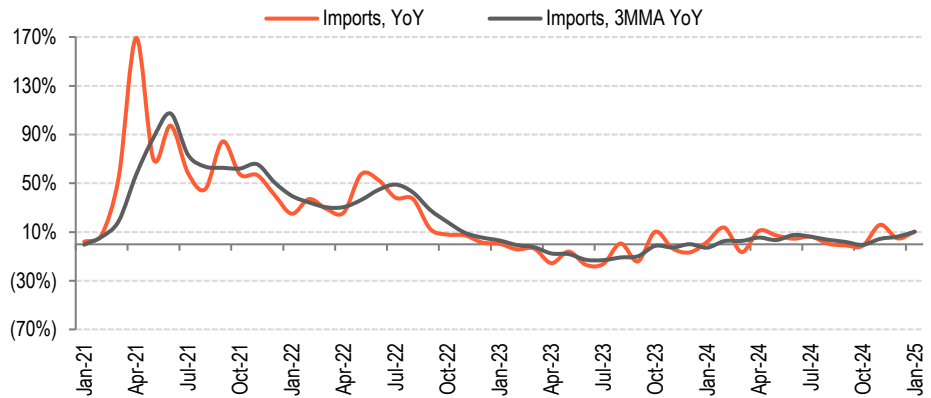


Fig 135 – .. even as oil imports declined

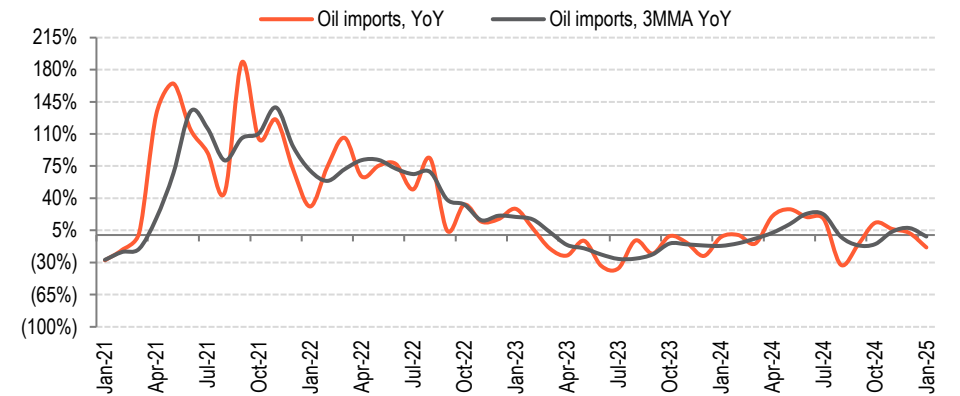


Fig 136 – Sharp pickup in imports of chemicals and related products

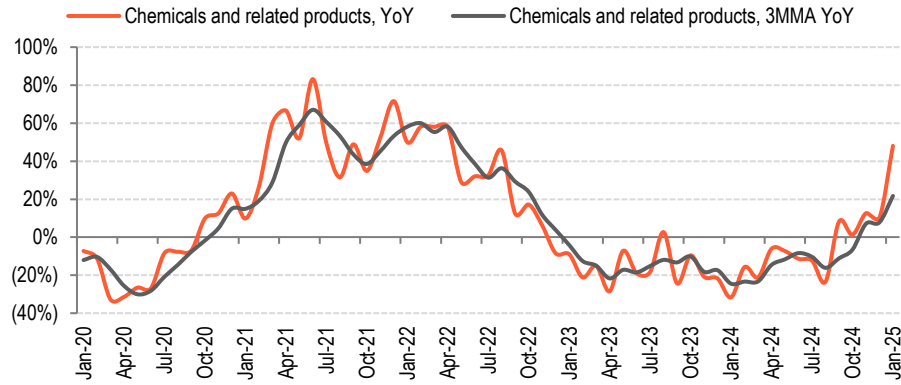


Fig 137 – Iron and steel imports also recover in Jan'25 after declining in the last 2 months

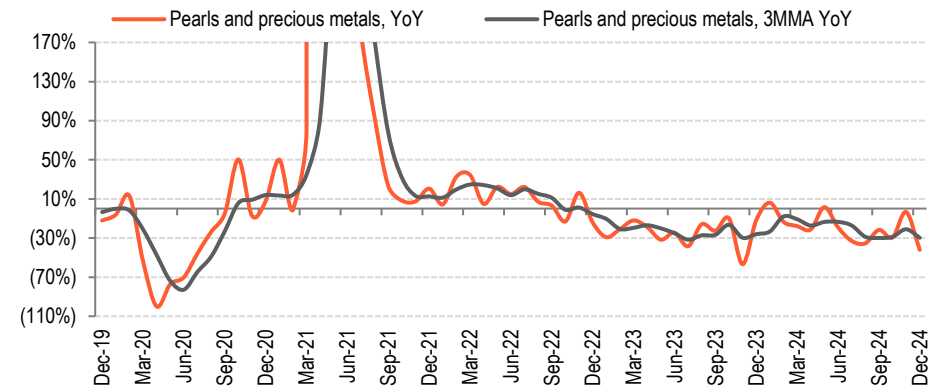


Fig 138 – Machinery imports also ticking higher

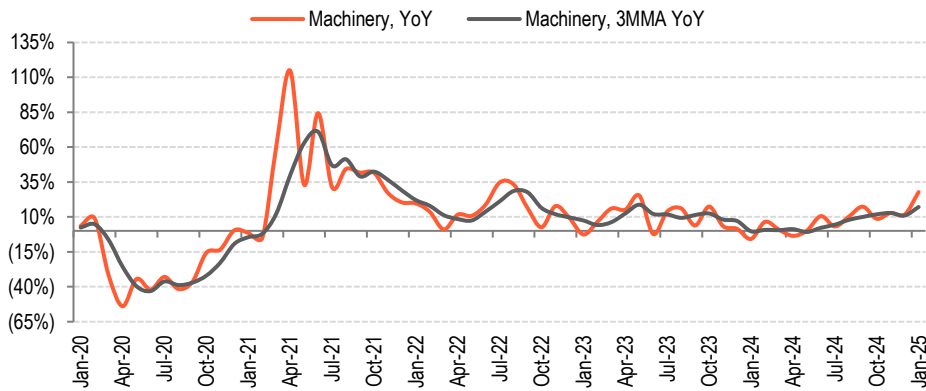
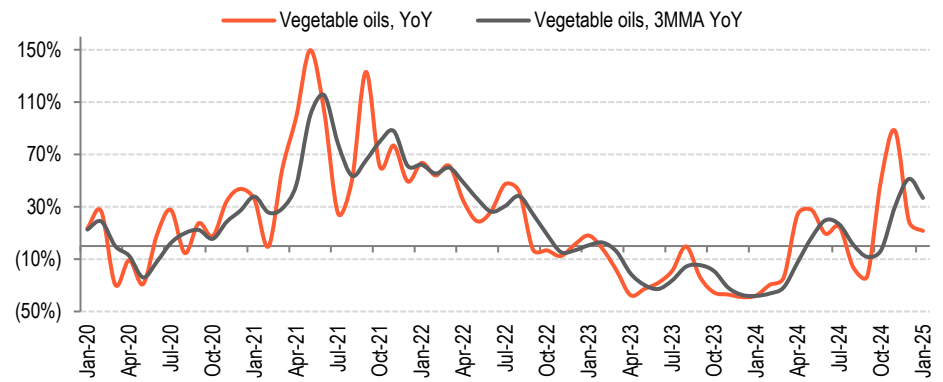


Fig 139 – However, imports of vegetable oils lower due to correction in global prices



Exports and imports by major regions

Fig 140 – Exports to China have declined sharply in FYTD25

Region (% YoY)	Share in FY24	FYTD24	FYTD25	Oct-24	Nov-24	Dec-24
Americas	23.5	(7.5)	5.6	11.3	(3.9)	8.9
Asia and Pacific (Ex. China)	22.5	(12.1)	2.5	34.6	7.9	2.1
China	3.9	8.4	(12.7)	(9.8)	(15.8)	(26.5)
Europe	22.9	0.5	3.3	17.5	(8.4)	(0.3)
Middle East and Africa	26.3	(7.2)	(2.7)	12.4	(10.4)	(9.1)
Other	1.0	6.9	(14.9)	(37.8)	(12.4)	(6.1)

Fig 141 – Continued weakness in imports from Europe

Region (% YoY)	Share in FY24	FYTD24	FYTD25	Oct-24	Nov-24	Dec-24
Americas	10.4	(14.4)	4.6	8.4	7.6	11.5
Asia and Pacific (Ex. China)	25.0	(7.2)	1.4	(0.4)	3.7	2.1
China	15.0	1.4	9.4	(0.3)	8.6	9.1
Europe	14.1	8.0	(6.2)	(42.5)	39.5	1.7
Middle East and Africa	26.3	(25.3)	10.5	13.4	24.4	(3.6)
Other	9.2	41.6	8.4	26.7	13.7	(6.2)

Trade deficit

Fig 142 – Trade deficit widened to US\$ 23.1 bn in Jan'25 from US\$ 21.9 bn in Dec'24

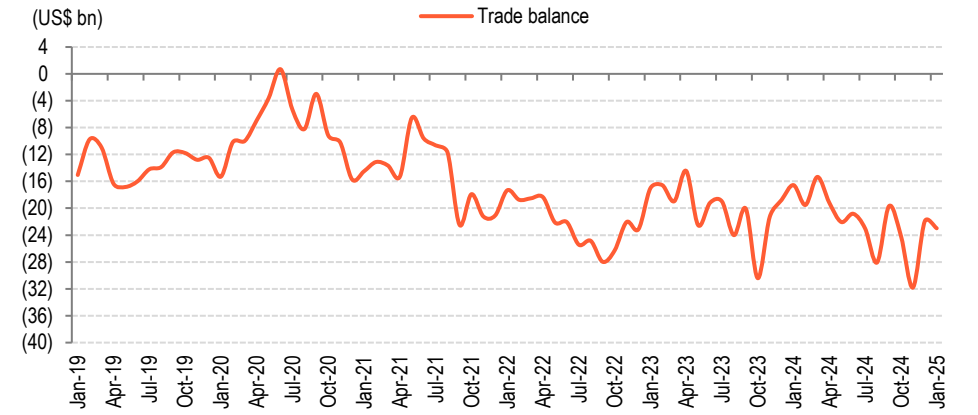
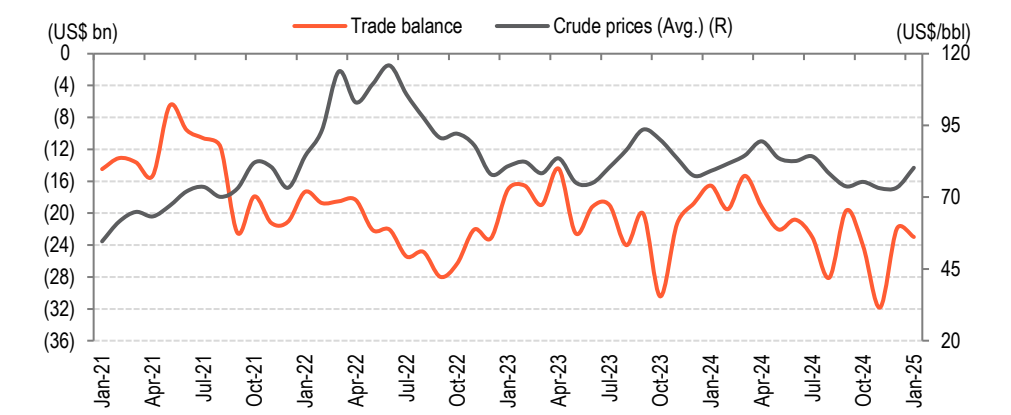
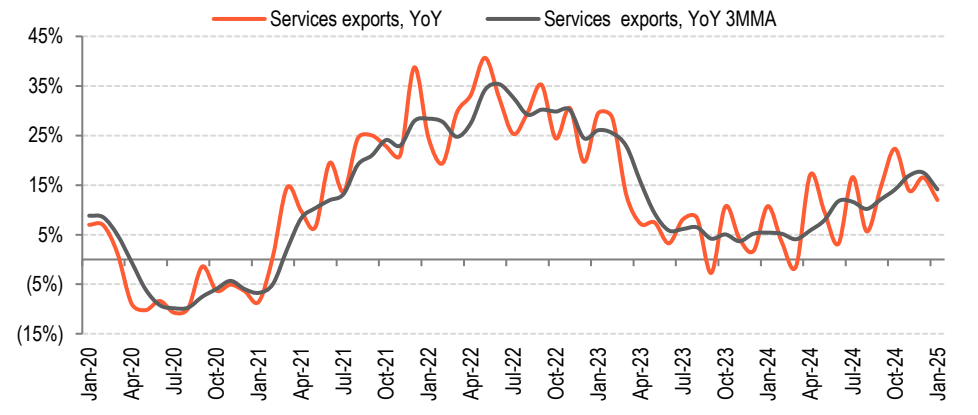


Fig 143 – .. despite lower oil prices



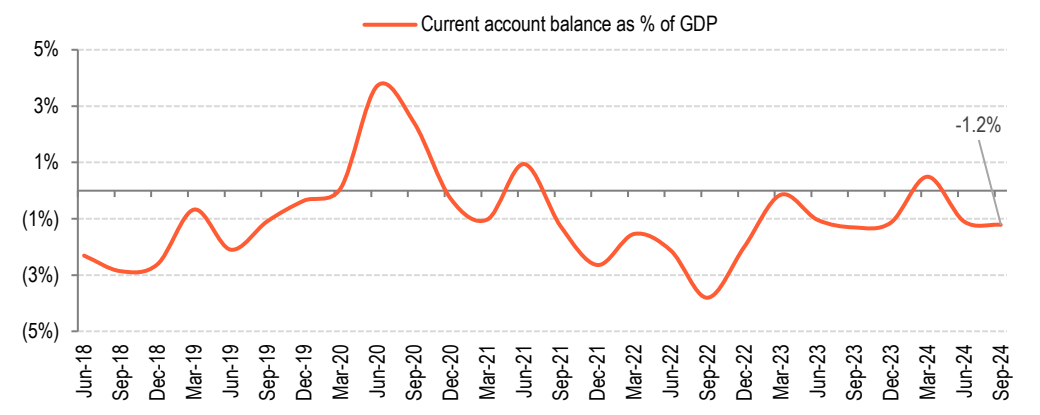
Trade in services

Fig 144 – Services exports tick marginally lower to 12% in Jan'25 versus 16.5% earlier



BoP

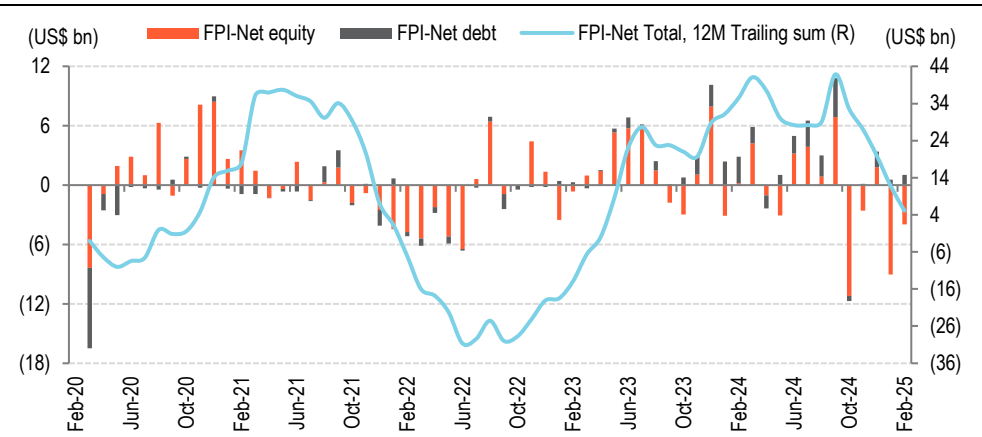
Fig 145 – India's current account deficit at 1.2% of GDP in Q2 FY25



Foreign inflows

FPI inflows

Fig 146 – FPI outflows continue in Feb'25



Source: NSDL

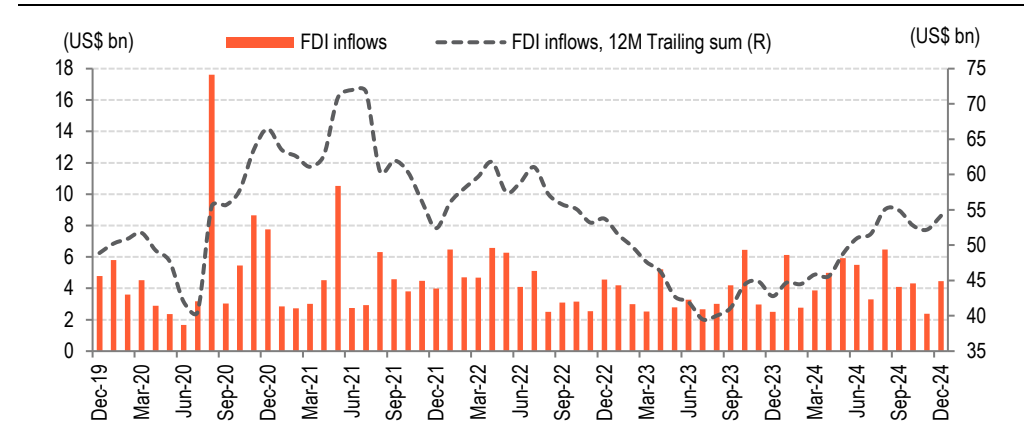
Fig 148 – In FYTD25, FDI inflows into services sector and computer hardware and software sector have increased

Sector	% Share FY24	FYTD24	FYTD25	Q3FY24	Q2FY25	Q3FY25
Computer software and hardware	17.9	3.4	5.5	1.0	1.4	1.3
Services Sector	14.9	5.2	7.2	1.3	1.7	1.5
Construction (Infrastructure) activities	9.5	3.8	1.8	1.4	0.7	0.5
Trading	8.7	2.7	3.3	1.7	2.3	0.6
Non Conventional Energy	8.5	2.1	3.4	0.9	1.1	1.4
Automobile industry	3.4	0.9	1.3	0.2	0.6	0.3
Drugs and Pharmaceuticals	2.4	0.9	0.8	0.8	0.3	0.3

Source: DIPP

FDI inflows

Fig 147 – FDI inflows pick up in Dec'24 to US\$ 4.5bn compared with US\$ 2.4bn in Nov'24



Source: RBI, Bank of Baroda Research

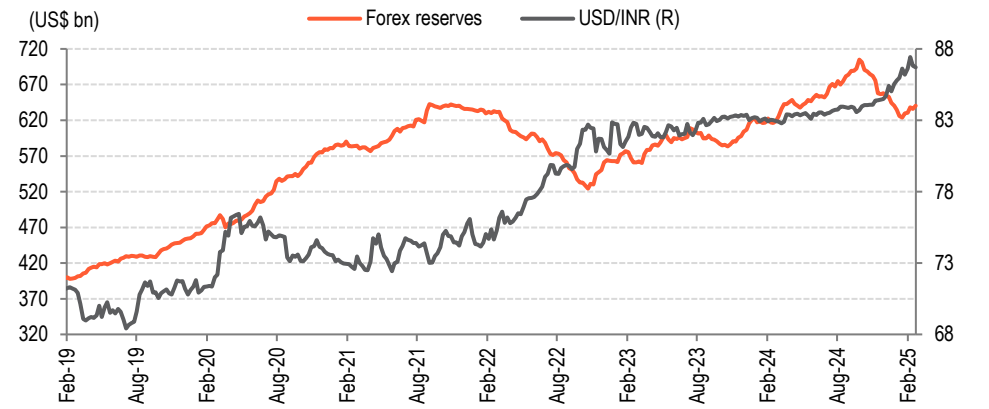
Fig 149 – Country wise, inflows from Singapore and Netherlands have increased the most in FYTD25

Country (US\$ bn)	Share in FY24	FYTD24	FYTD25	Q3FY24	Q2FY25	Q3FY25
Singapore	26.5	7.4	12.0	2.2	3.6	4.4
Mauritius	17.9	7.0	7.0	4.1	2.1	1.6
US	11.3	2.8	3.7	0.8	1.1	1.2
Netherlands	11.1	2.3	4.1	0.4	1.1	0.5
Japan	7.2	2.7	1.4	0.6	0.6	0.2
UK	2.7	0.9	0.6	0.3	0.1	0.4

Source: DIPP

Forex reserves and external debt

Fig 150 – India’s FX reserves at US\$ 640bn; decline of ~US\$ 5bn in FYTD25



Source: Bloomberg | Note: Weekly data as of 21 Feb 2025

Fig 151 – India’s import cover at ~11 months

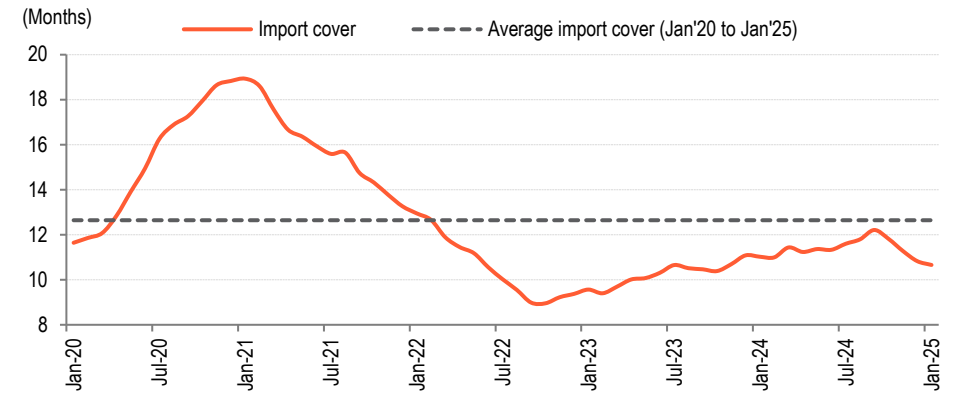


Fig 152 – RBI’s sold net US\$ 15.2bn in the spot market in Dec’24

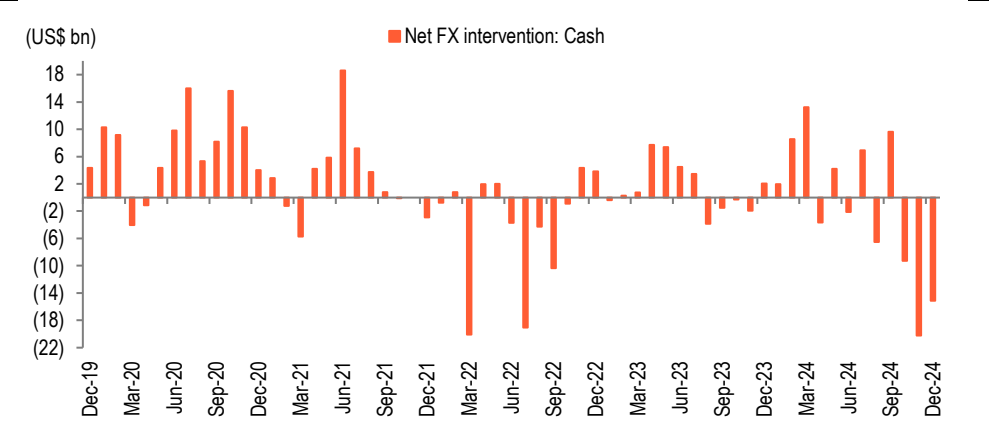
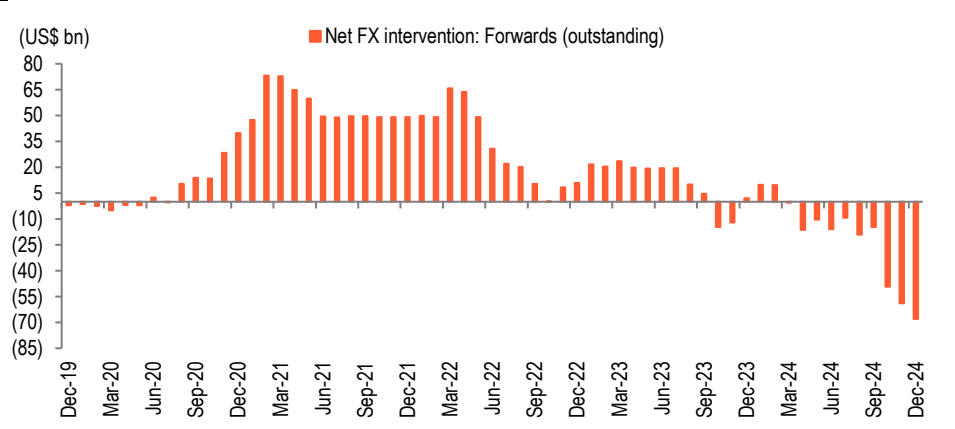


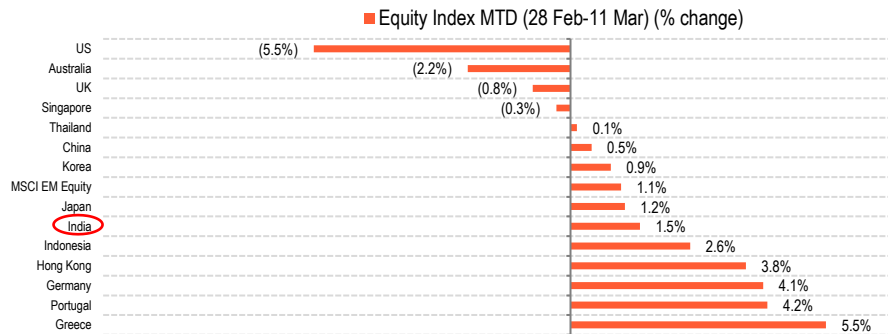
Fig 153 – RBI’s outstanding forwards book swells to US\$ 67.9bn as of Dec’24



Markets

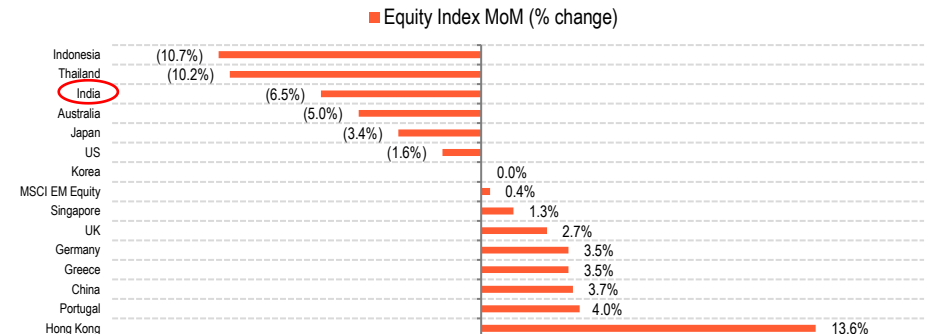
Equity

Fig 154 – In Mar’25, Sensex rose by 1.5%



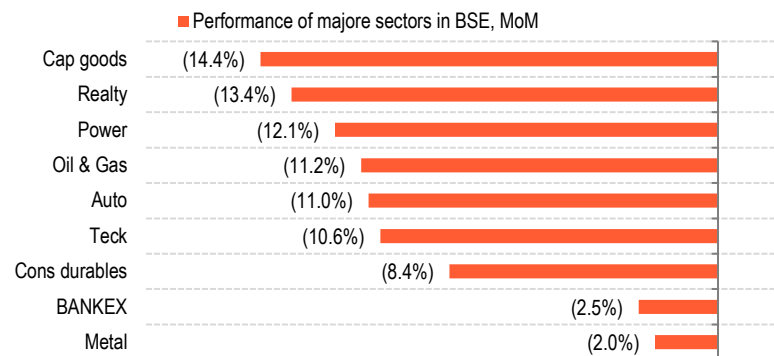
Source: Bloomberg | * As on 11 Mar 2025, Indices are in US\$ terms

Fig 155 – However, in Feb’25, Sensex fell by 6.5%



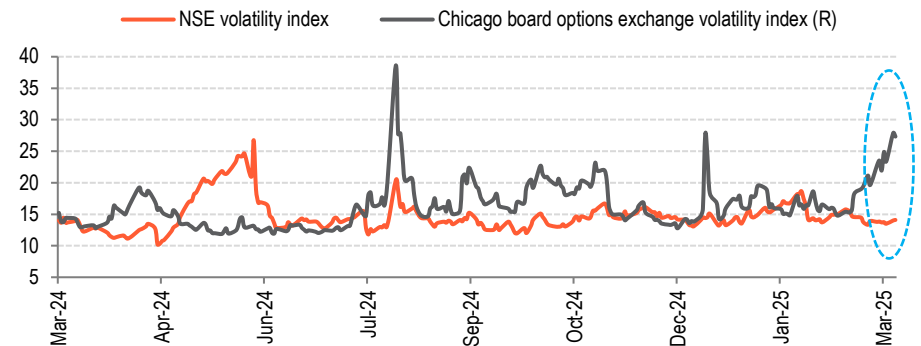
Source: Bloomberg | * As on 28 Feb 2025, Indices are in US\$ terms

Fig 156 – Capital goods and real estate stocks fell the most



Source: Bloomberg | * As on 28 Feb 2025

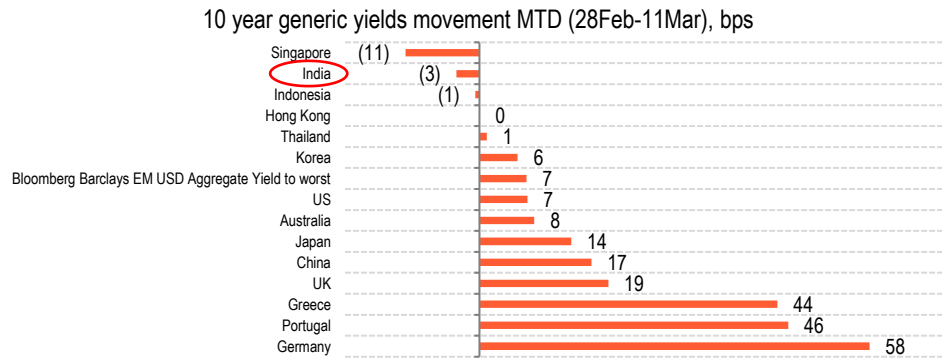
Fig 157 – VIX index showed aberration on the back of tariff turmoil



Source: Bloomberg

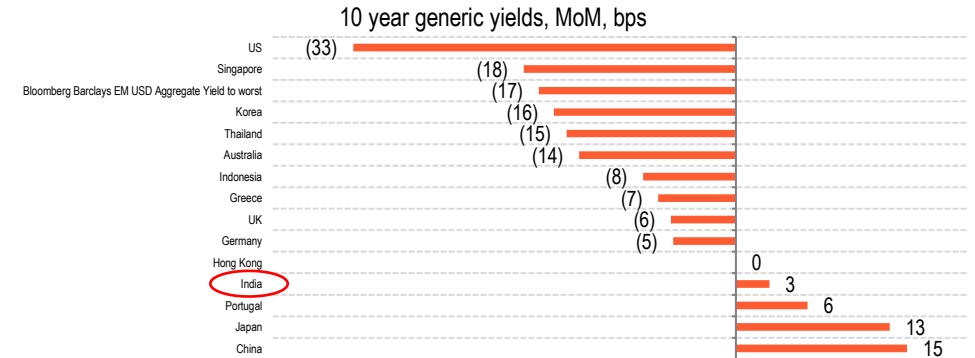
10-year bond yields

Fig 158 – In Mar’25*, India’s 10Y yield fell marginally by 3bps



Source: Bloomberg, *As on 11 Mar 2025

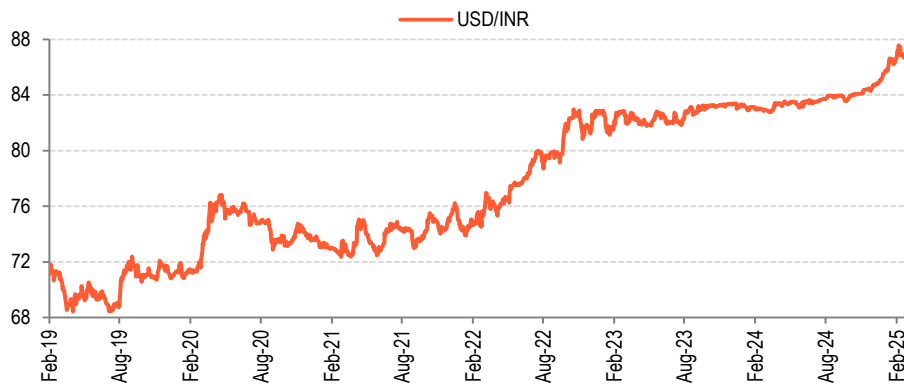
Fig 159 – In Feb’25, India’s 10Y yield rose by 3bps



Source: Bloomberg, As on 28 Feb 2025

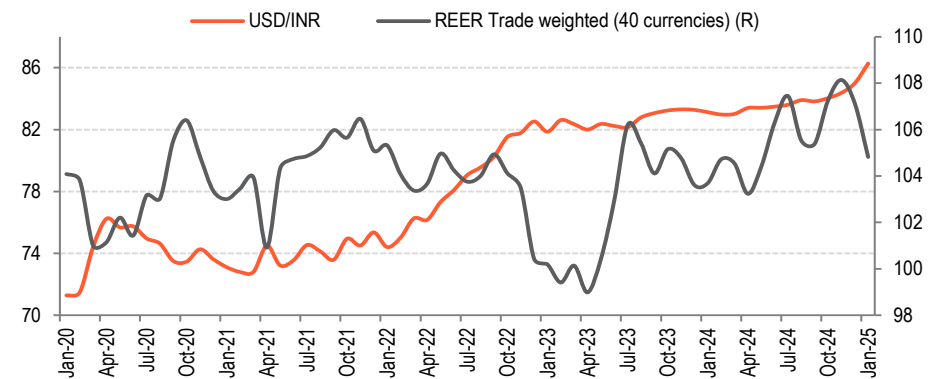
Currencies

Fig 160 – INR tested fresh record lows in Feb’25



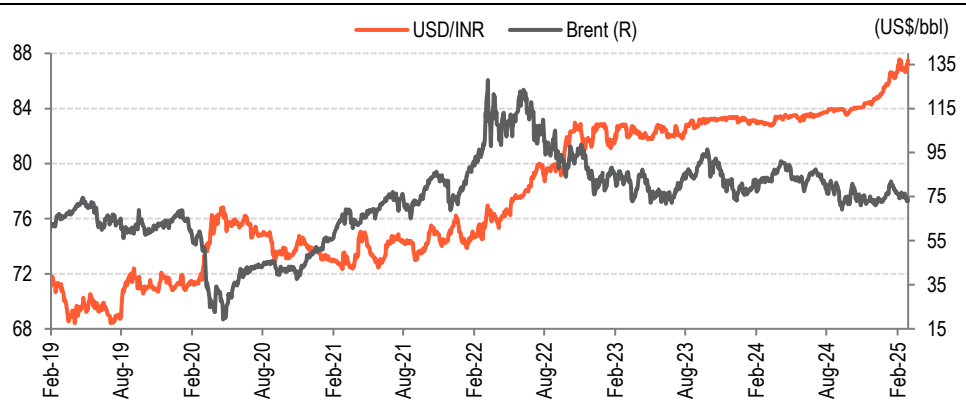
Source: Bloomberg | *As on 28 Feb 2025

Fig 161 – INR overvalued by 4.8% on REER basis (Jan’25)



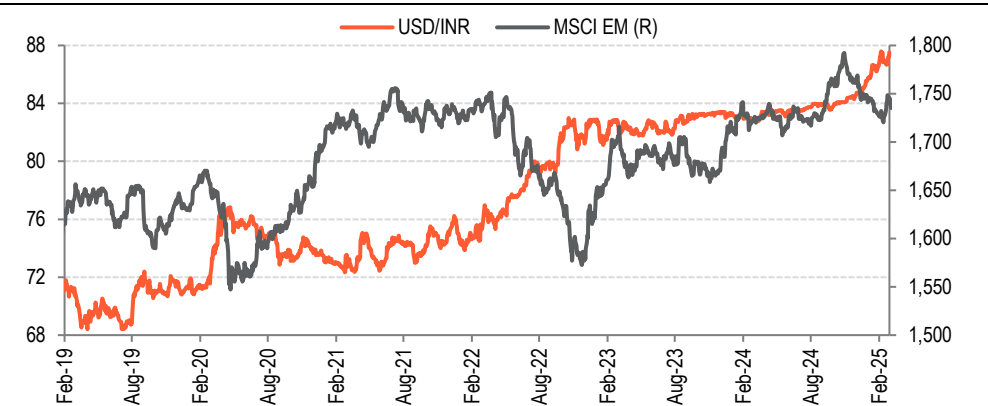
Source: Bloomberg

Fig 162 – Oil prices were lower on average in Feb'25



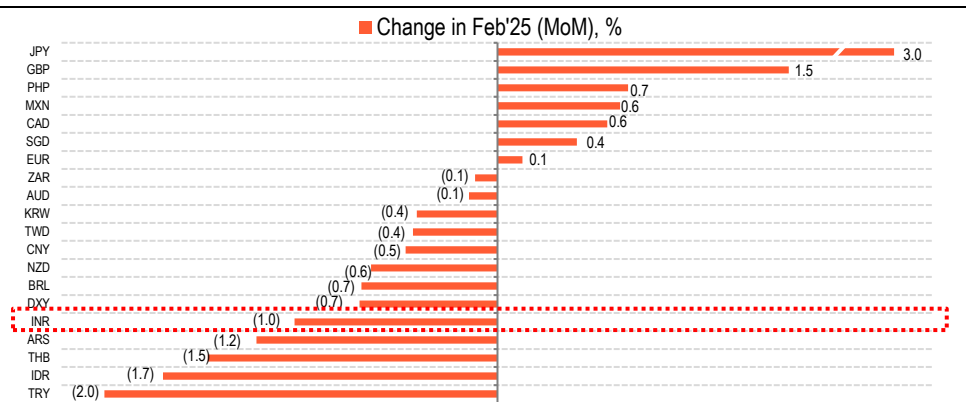
Source: Bloomberg | *As on 28 Feb 2025

Fig 163 – EM currencies ended broadly stable



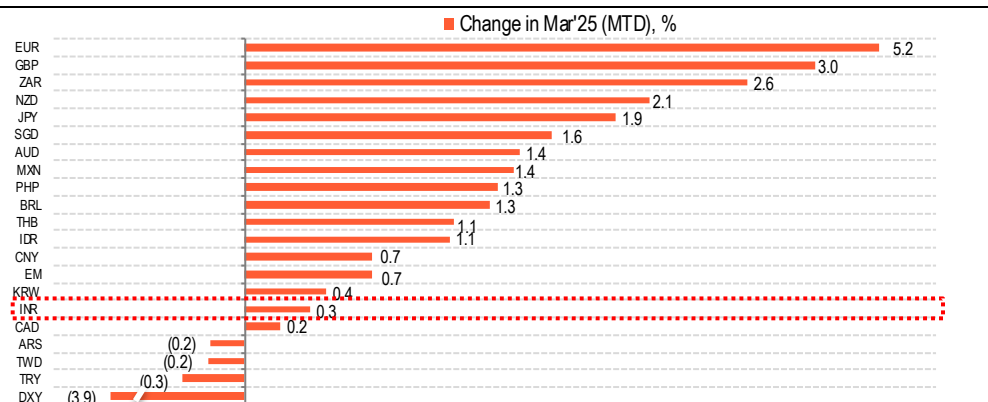
Source: Bloomberg | *As on 28 Feb 2025

Fig 164 – INR depreciated by 1% in Feb'25



Source: Bloomberg | *As on 28 Feb 2025

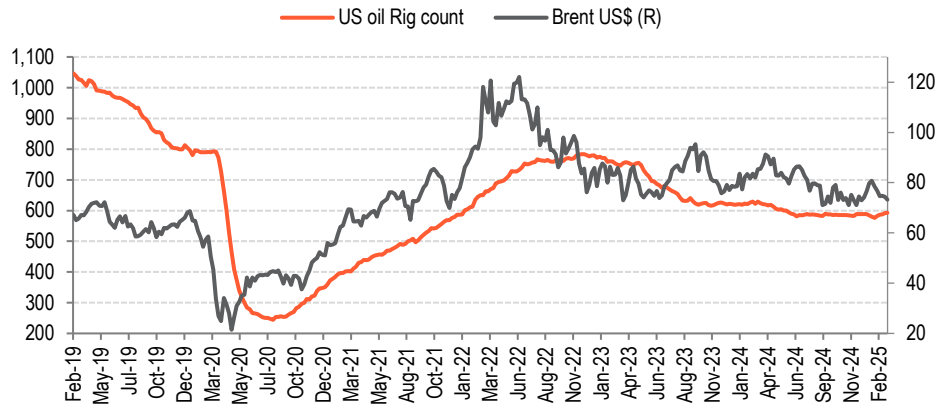
Fig 165 – In Mar'25, INR has strengthened by 0.3%



Source: Bloomberg | *As on 11 Mar 2025

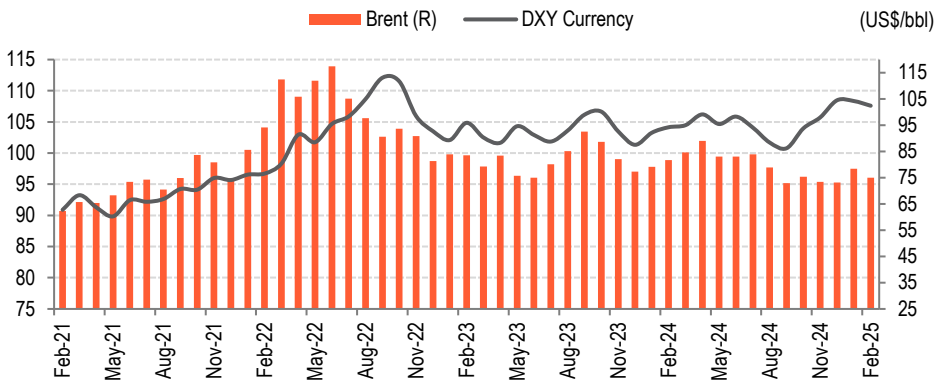
Commodities

Fig 166 – US rig count inched up



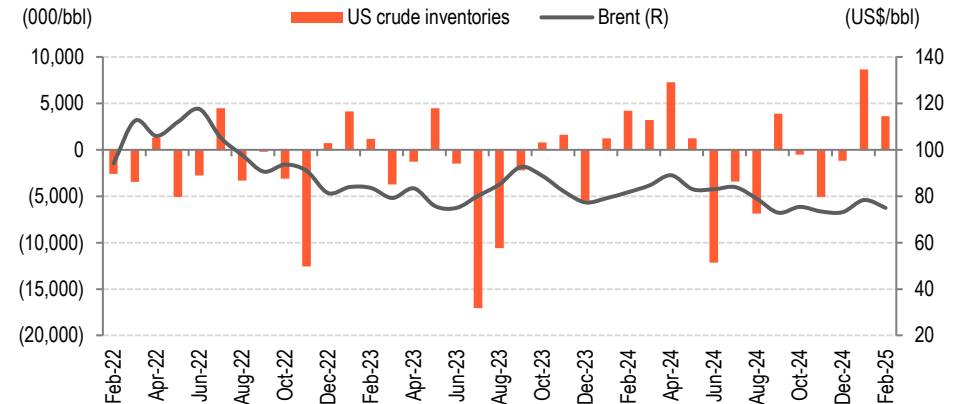
Source: Bloomberg

Fig 168 – Oil price averaged to US\$ 74.95/bbl in Feb'25 from US\$ 78.35/bbl in Jan'25, DXY softened to 107.61 from 108.37



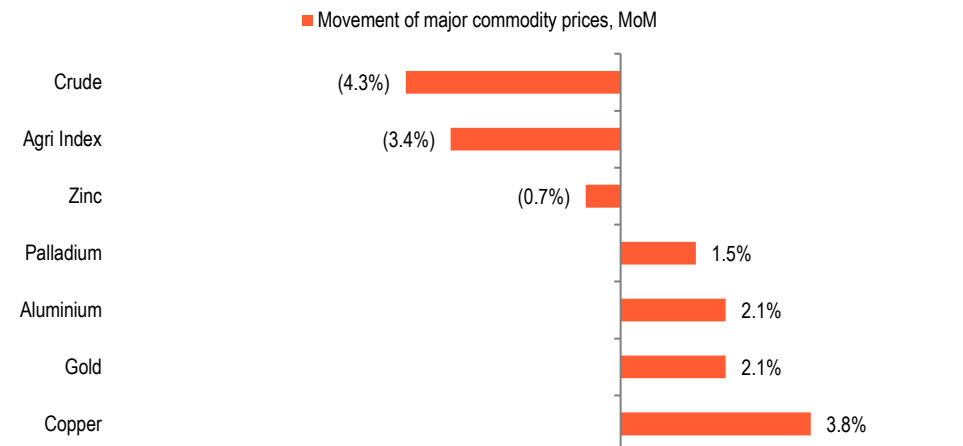
Source: Bloomberg | DXY Index as on last trading day of the month

Fig 167 – Crude inventories moderated



Source: Bloomberg

Fig 169 – Crude prices fell the most in Feb'25



Source: Bloomberg | Index as on last trading day of the month, all other commodities are averaged and MoM change is taken

Fig 170 – Performance of high frequency indicators

Indicators	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Agriculture													
Tractor sales	(25.7)	(19.5)	(2.9)	0.5	3.5	1.4	(5.5)	2.4	21.0	(0.9)	13.3	11.1	-
Two wheeler sales	13.3	5.4	33.2	2.5	4.7	17.2	6.3	(8.5)	36.3	15.8	(17.6)	4.2	(6.3)
MNREGA work (HH)	0.3	(19.2)	(10.6)	(14.3)	(21.7)	(19.5)	(16.0)	(13.4)	(7.6)	3.9	8.2	14.4	2.8
Manufacturing													
IIP: General index	5.6	5.5	5.2	6.3	4.7	4.7	(0.1)	3.1	3.7	5.0	3.2	-	-
IIP: Manufacturing	4.9	5.9	4.2	5.1	3.2	4.4	1.1	3.9	4.4	5.5	3.0	-	-
IIP: Capital goods	1.7	7.0	2.8	2.6	3.8	11.8	0.5	3.6	3.1	8.8	10.3	-	-
IIP: Infra & construction goods	8.3	7.4	8.5	7.6	7.1	4.6	2.2	3.2	4.8	8.1	6.3	-	-
IIP: Consumer goods	12.6	9.5	10.5	12.6	8.7	8.3	5.3	6.5	5.7	14.1	8.3	-	-
Steel	9.4	7.5	9.8	8.9	6.3	6.4	3.9	1.6	5.2	4.4	7.3	3.7	-
Cement	7.8	10.6	0.2	(0.6)	1.8	5.5	(3.0)	7.2	3.1	13.5	4.6	14.5	-
Electricity	7.6	8.6	10.2	13.7	8.6	7.9	(3.7)	0.5	2.0	4.4	6.2	6.1	-
PMI: Manufacturing	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5	56.4	57.7	56.3
Services													
Services PMI index	60.6	61.2	60.8	60.2	60.5	60.3	60.9	57.7	58.5	58.4	59.3	56.5	59.0
Automobile sales	13.1	3.1	26.7	2.6	0.7	13.8	2.9	(9.3)	32.1	11.2	(12.5)	6.6	(7.2)
Passenger vehicle sales	12.4	(6.2)	15.9	(1.0)	(6.8)	10.2	(4.5)	(18.8)	32.4	(13.7)	(2.0)	15.5	(10.3)
Vehicle registration	14.0	3.8	27.5	3.3	1.4	14.7	3.7	(8.6)	33.4	11.9	(11.9)	7.4	(7.3)
Rail freight traffic	10.1	8.6	1.4	3.7	10.1	4.5	0.0	(5.8)	1.5	1.2	-	-	-
Port cargo volume	3.0	2.7	1.3	3.7	6.8	6.0	6.7	5.9	(3.4)	(5.0)	3.4	6.2	7.4
Credit growth	20.5	20.2	19.2	20.7	17.4	13.7	14.0	12.3	11.8	11.2	11.2	11.4	11.0
Deposit growth	13.1	13.5	12.6	14.0	11.1	10.6	12.7	10.4	11.5	11.2	9.8	10.3	10.3
CIC	3.7	4.1	3.2	4.6	6.0	6.4	5.7	5.9	7.0	5.9	5.9	5.3	5.6
Toll collection (in mn)	323.4	338.7	328.1	347.4	334.4	312.3	329.0	318.4	345.0	358.8	382.0	380.3	383.9
Diesel consumption	6.3	2.7	1.4	2.4	1.0	4.5	(2.5)	(1.9)	0.1	8.5	6.0	4.2	(1.3)
GST E-way bill (in mn)	97.3	103.5	96.7	103.2	100.1	104.9	105.5	109.1	117.3	101.8	112.0	118.1	111.6
External Trade													
Merchandise exports	11.9	(0.6)	2.0	13.3	2.4	(2.0)	(9.9)	(0.3)	16.6	(5.1)	(1.0)	(2.4)	-
Merchandise imports	13.7	(6.4)	11.1	7.3	4.6	6.3	0.4	(0.9)	(1.2)	16.0	4.9	10.3	-
Services exports	3.4	(1.4)	17.1	9.7	3.2	16.6	5.7	14.6	22.3	13.9	16.5	12.0	-
Services imports	1.7	(2.1)	20.0	6.2	(3.1)	16.0	9.1	13.5	27.9	26.0	13.8	12.6	-

Source: CEIC, Posoco, Markit, RBI, Bank of Baroda Research

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