

India Economics

Monthly Chartbook

February 2025

Economic Research Department

+91 22 6698 5794

chief.economist@bankofbaroda.com

Jahnavi

jahnavi@bankofbaroda.com

Dipanwita Mazumdar

dipanwita.mazumdar@bankofbaroda.com

Sonal Badhan

sonal.badhan@bankofbaroda.com

Aditi Gupta

aditi.gupta3@bankofbaroda.com

@2025 Bank of Baroda. All rights reserved

Important disclosures are provided at the end of this report.



“Trump” cards at play

The interplay of both fiscal and monetary policy was evident with the Budget focussing on remaning fiscal prudent and shifting towards the debt-GDP ratio. The new income tax measures are expected to boost consumption. On monetary policy front, MPC after a gap of 5-years began with the easing cycle as it retorted to a unanimous 25bps rate cut. The stance has been retained at neutral allowing for further flexibility ahead. Inflation projections has been retained at 4.8% for FY25 and for FY26 it is estimated at 4.2%. GDP has been pegged at 6.7% in FY26. We expect another 50bps rate cut in this calendar year. Global market are currently laced with volatility amidst the ongoing threat of tariff war along with retaliatory moves. Even though, India's economy remain resilient given strong domestic fundamentals, escalating geopolitical conditons could have an adverse impact.

Mixed picture for demand: Urban demand continued to reflect mixed trend as was evident from indicators such as non-oil-non-gold imports and auto sales signalling an improvement. However, moderation was noted in electronic imports, power demand and digital payments. RBI consumer confidence dropped marginally to 120.7 in Jan'25 from 121.9. Overall, Rabi sowing this year has been higher than last year and bodes well for the food prices. Global food prices also moderated in Jan'25 specially for sugar and vegetable oils. Notably, announcement of the PM Dhandhaanya yojana in the budget has been positve for the agriculture sector and will benefit over 1.7 crore farmers.

Central government finances: Centre in its Union Budget has revised the fiscal deficit target for FY25 lower to 4.8%. For FY26, the target has been set at 4.4%. In the current FY, centre's fiscal deficit is down to 5% as of Dec'24 (12MMA basis) from 5.1% as of Nov'24. Till Dec'24 (FYTD basis), total

expenditure is at 68.5% of FY25RE, of which revenue expenditure is at 68.9% and capex is at 67.3%. On the income side, centre's net revenue has reached 74.2% of FY25RE, within which direct tax collections are at 70.6% and indirect taxes are at 73.1%. Non-tax receipts are already at 84.3% of FY25RE. Fiscal deficit in absolute terms is only at 58.2% of RE, implying that there remains enough room for the government to expand its spending in the coming months.

Yields remained rangebound: India's 10Y yield was supported by RBI's liquidity infusion measures. Post Union Budget, roadmap of fiscal consolidation provided comfort to investors of not excessive deluging of debt. Softening inflation prints led to a build up of expectation of rate cut by RBI, which were broadly aligned. OIS curve (3Y) is trading close to 6% indicative of a terminal repo rate. However, we expect 75bps cumulative cut. Going forward, trifecta of factors such as direction of US 10Y yield, liquidity and quantum of rate cut by RBI, will be the guiding factor for yields. Overall we expect some flattening bias to India's 10Y yield curve, unless correction in durable liquidity happens sooner.

INR weakens: US tariff policies and its implications for global growth and inflation outlook lent a considerable degree of uncertainty to global markets. DXY strengthened, putting pressure on EM currencies. INR tested record lows, depreciating to 87/\$ level. In CY25 (upto 10 Feb 2025), INR depreciated by 2.3%. However, possible intervention by the RBI led to some recovery in the domestic currency in the last trading session. Volatility is likely to remain high given the uncertainty on the global front. RBI intervention is likely to prevent any sharp moves. We expect INR to trade in the range of 86.5-87.5/\$ in the near-term.

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

High frequency indicators

Fig 1 – Slower pace of growth in power demand

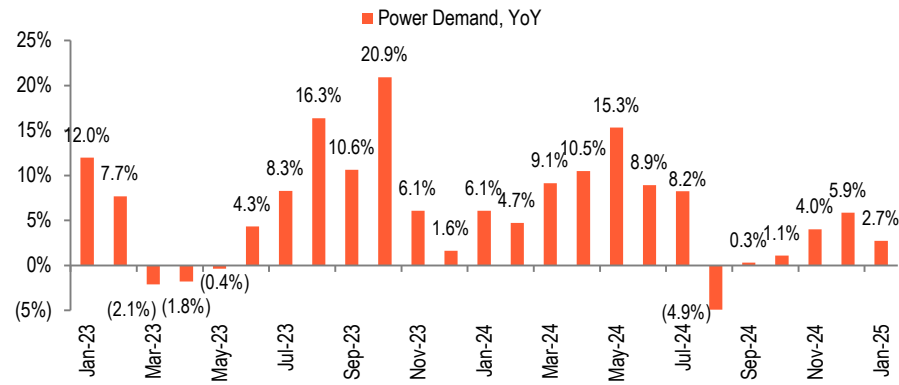
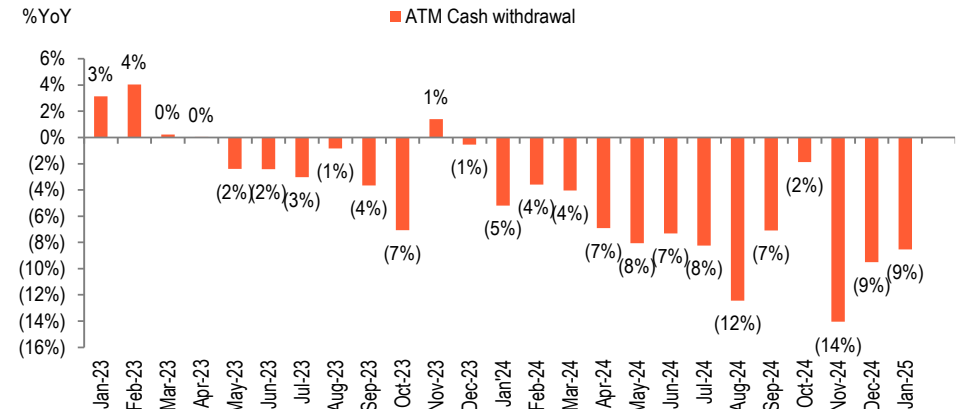
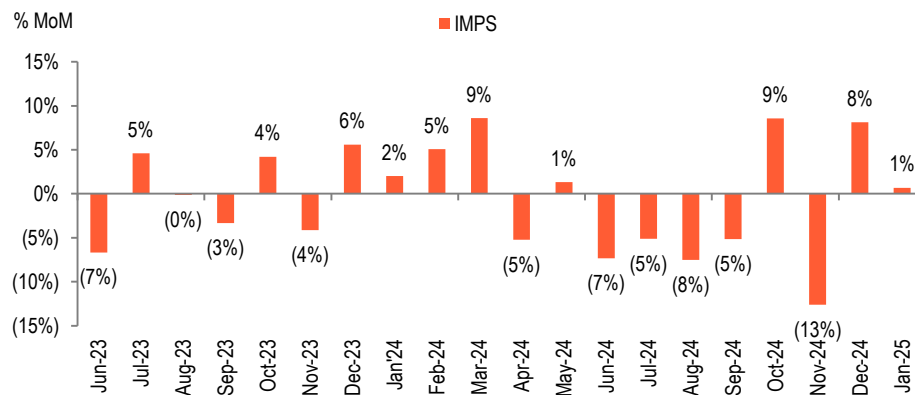


Fig 2 – Steady pace of decline for cash withdrawals



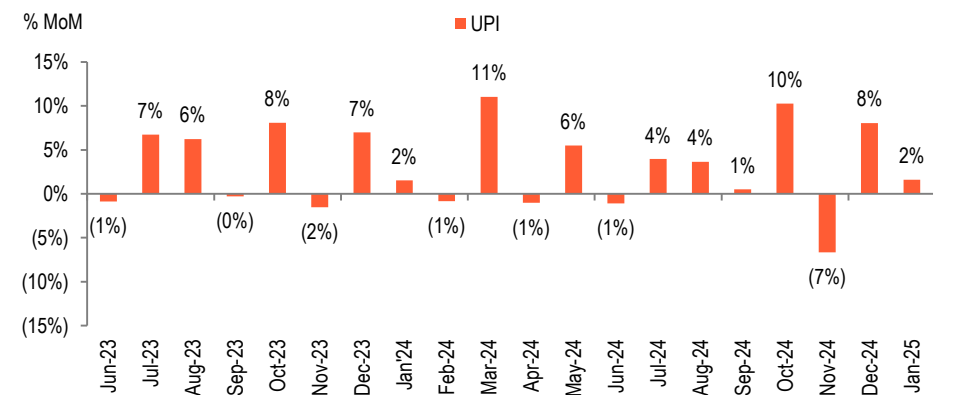
Source: NPCI. Note: NFS Cashwithdrawal amount does not include Card to Card Transfer

Fig 3 – Volume of IMPS transactions moderates



Source: RBI

Fig 4 – Similar trend in UPI payments



Source: RBI

Fig 5 – Higher growth in fertilizer sales

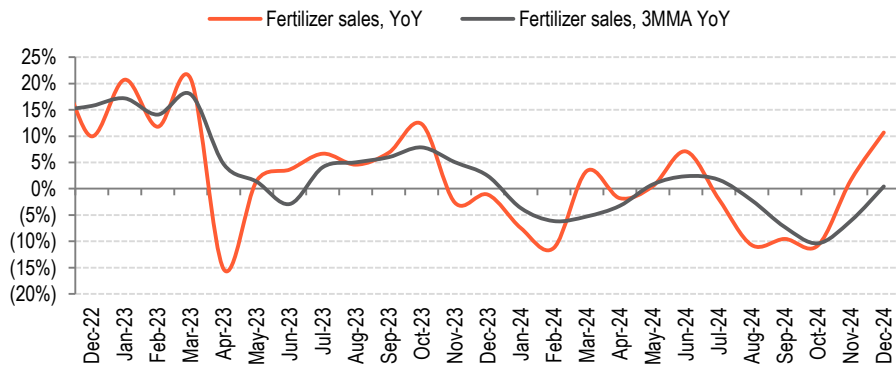
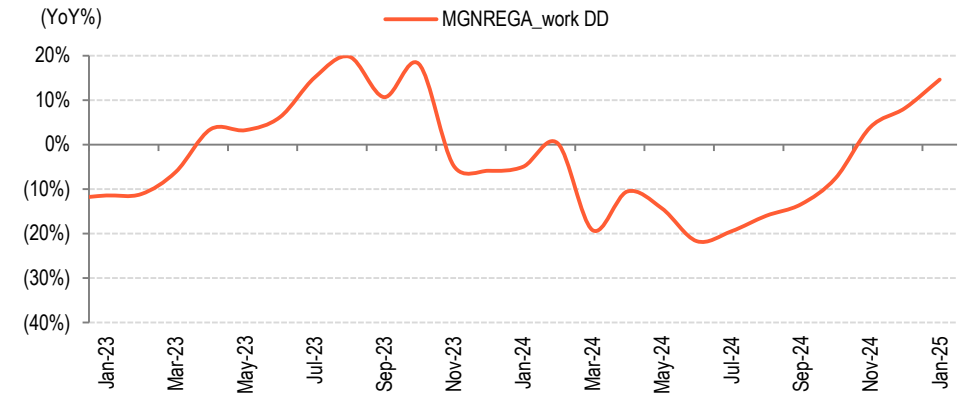


Fig 6 – Demand for work (MGNREGA-household) edges up further



Final consumption expenditure

Fig 7 – Private consumption fared better in Q2 versus last year

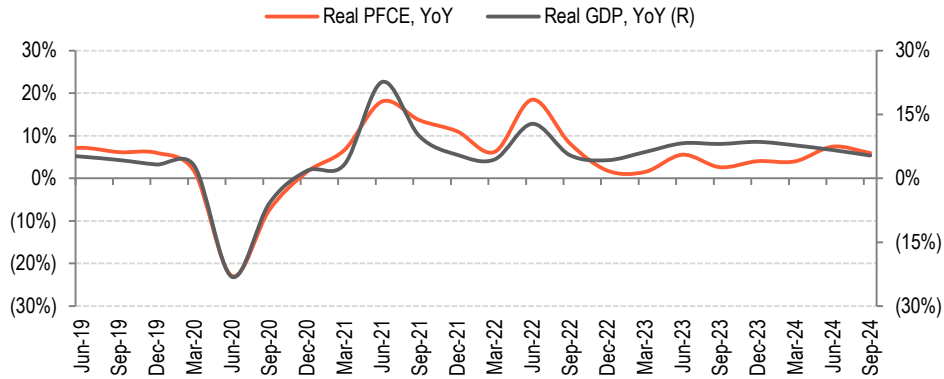


Fig 8 – Government consumption growth was slower compared with last year

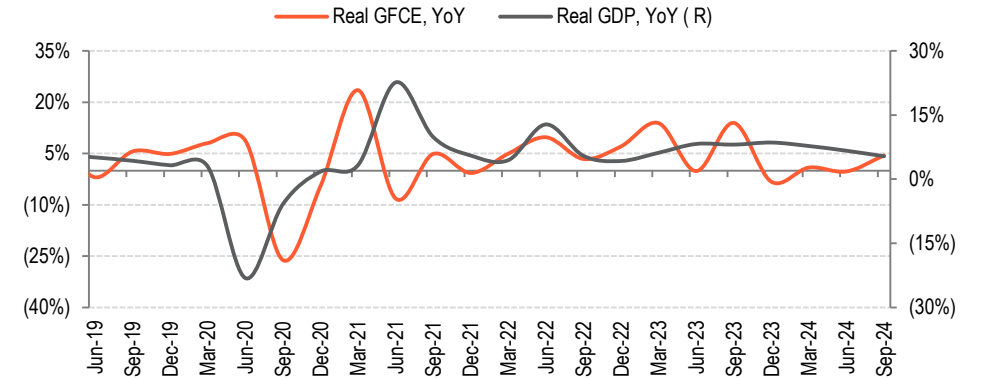


Fig 9 – General govt. revenue spending inch up, led by central government

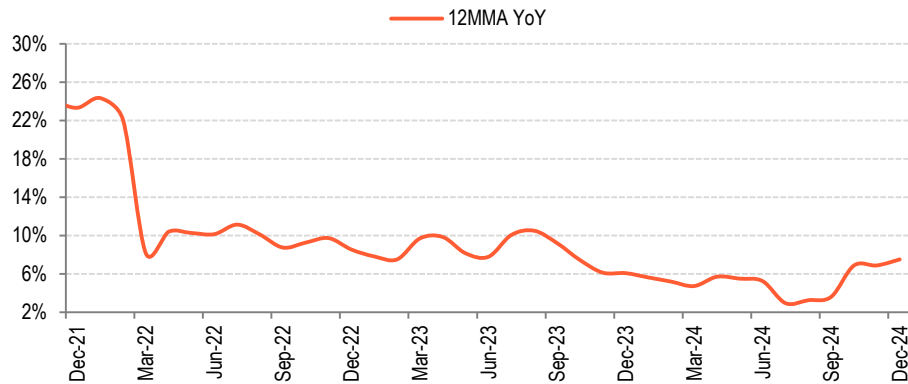
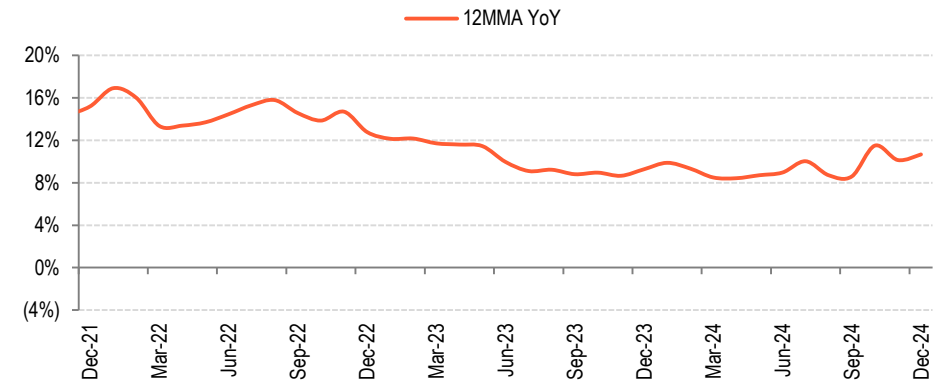


Fig 10 – ...similar trend for State* govt. revenue spending



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

Non-oil imports, electronic imports

Fig 11 – Non-oil-non-gold imports rebound

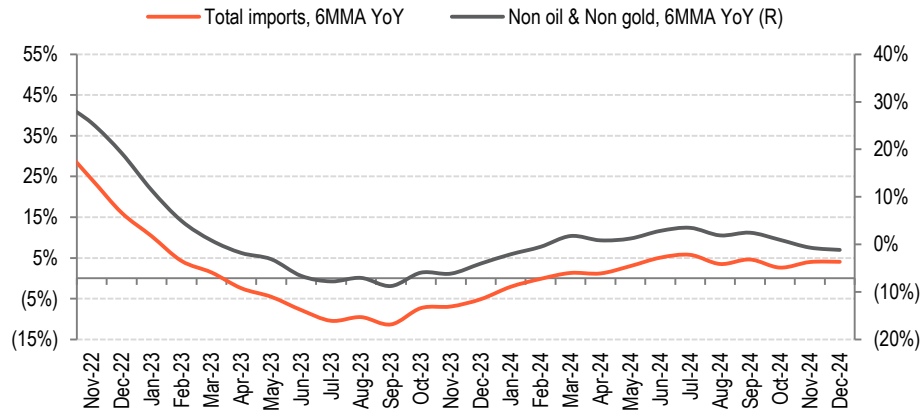


Fig 12 – Electronic imports slow down in Dec'24

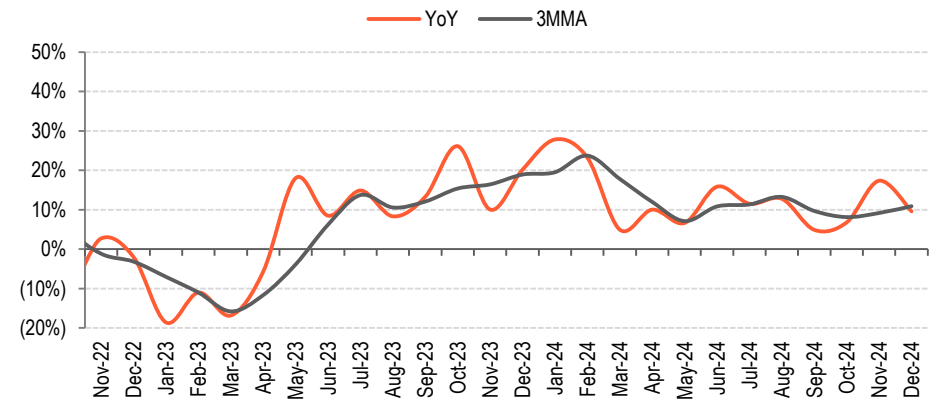
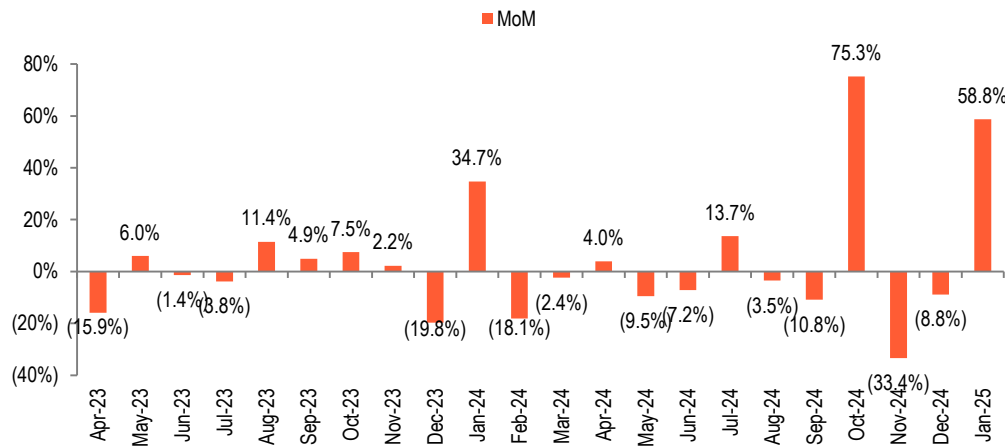
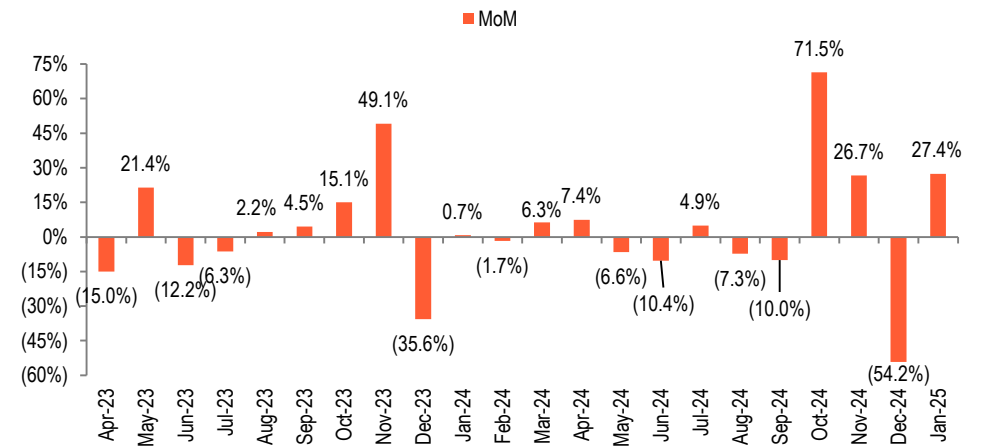


Fig 13 – Retail passenger vehicles witness strong growth...



Source: FADA

Fig 14 – ... similar trend for two-wheeler sales



Credit deployment of personal loans

Fig 15 – Slower growth in personal loans

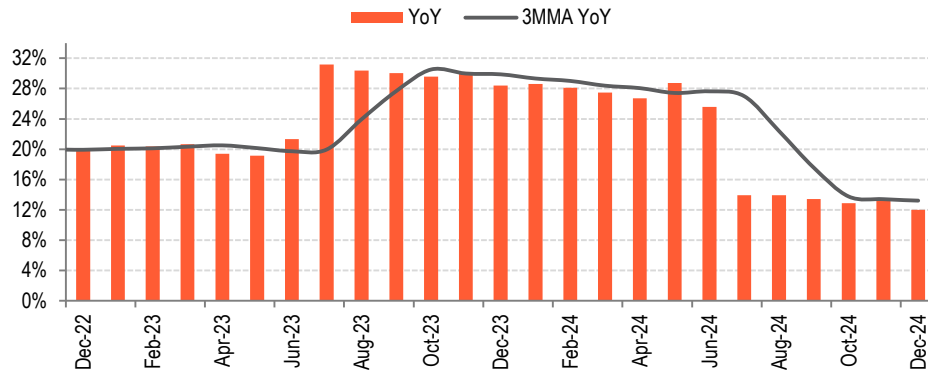


Fig 16 – Growth for credit card outstanding moderates

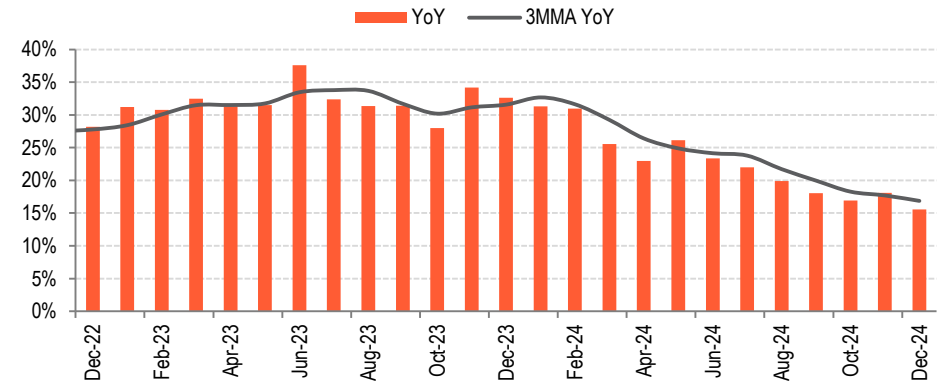


Fig 17 – Growth in vehicle loans continues to ease

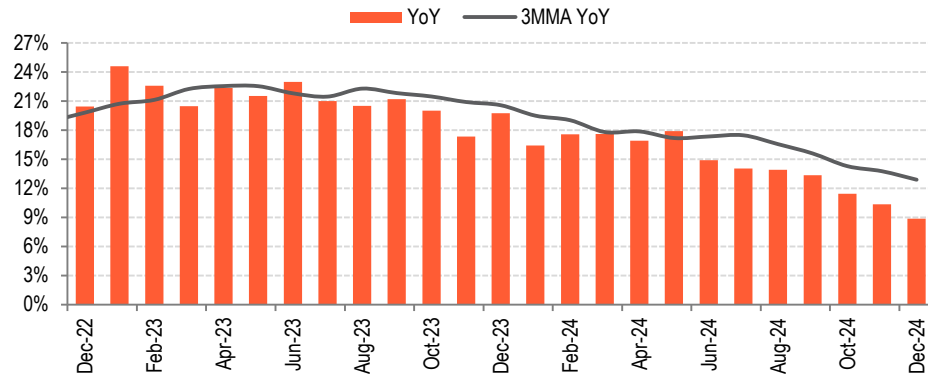


Fig 18 – Consumer's confidence turned marginally lower

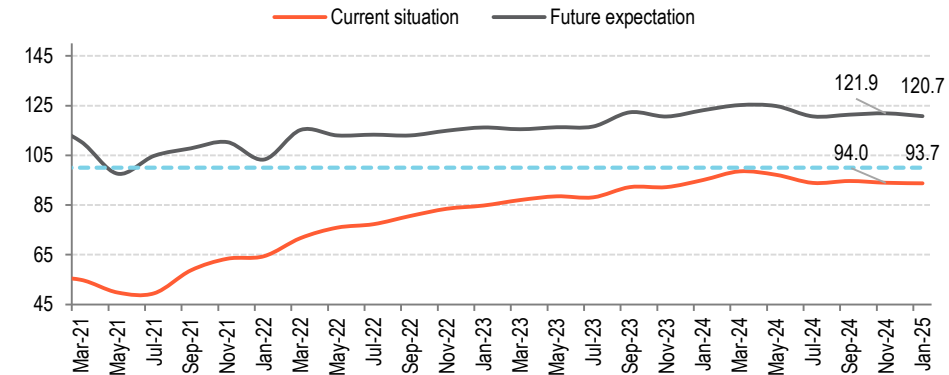


Fig 19 – Lower spending on essential items as per RBI’s survey

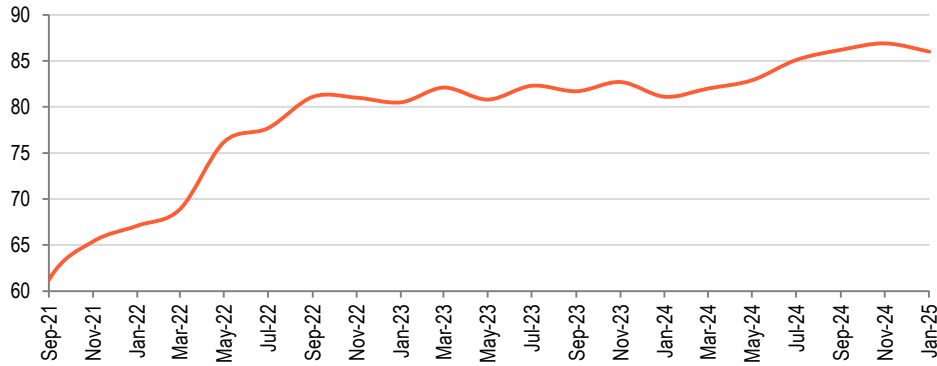
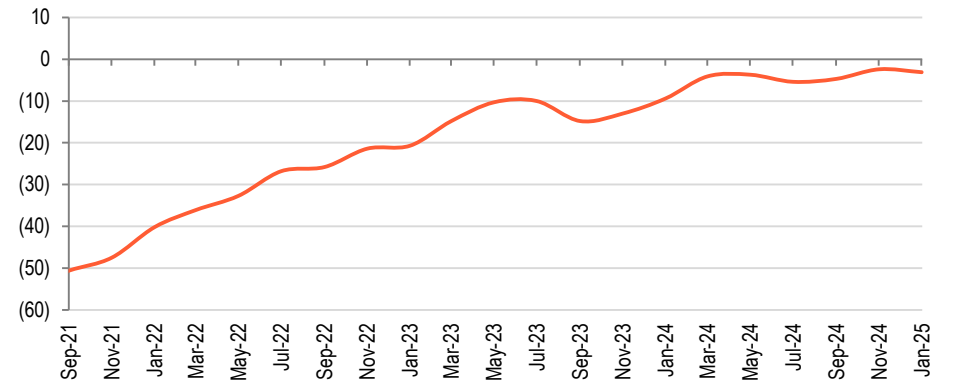


Fig 20 – Spending on non-essential items remains lower



Consumer durables & non-durables production

Fig 21 – Consumer durables output clocks double digit growth

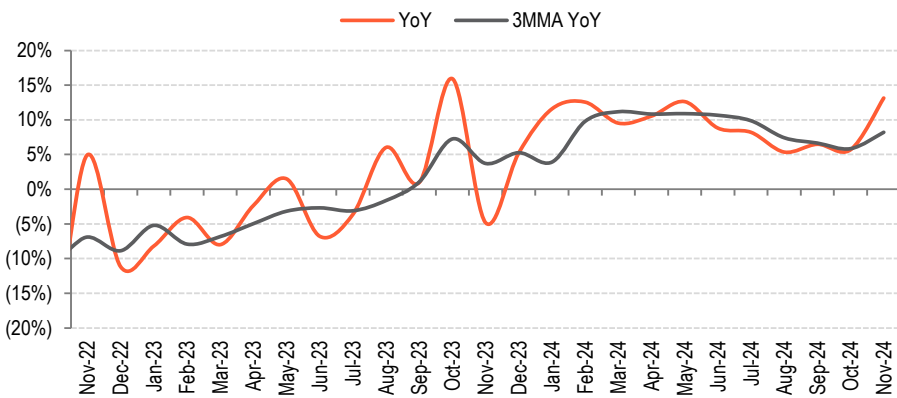
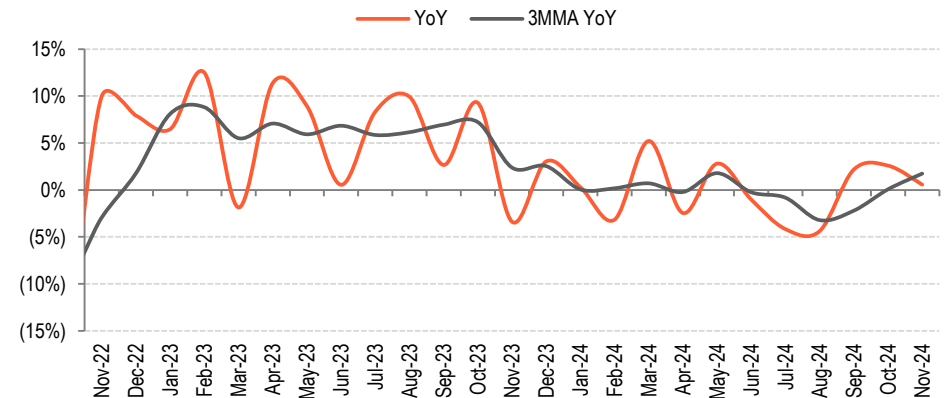


Fig 22 – FMCG output falters



Agriculture

Fig 23 – Agriculture GVA rose at a robust pace

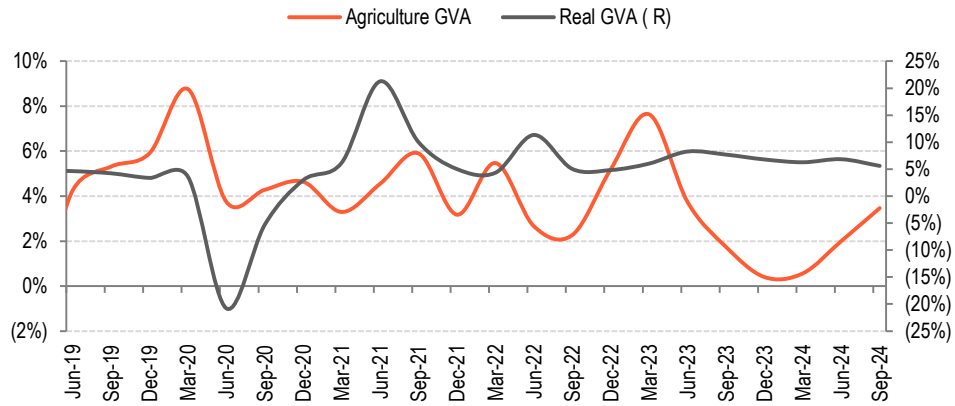
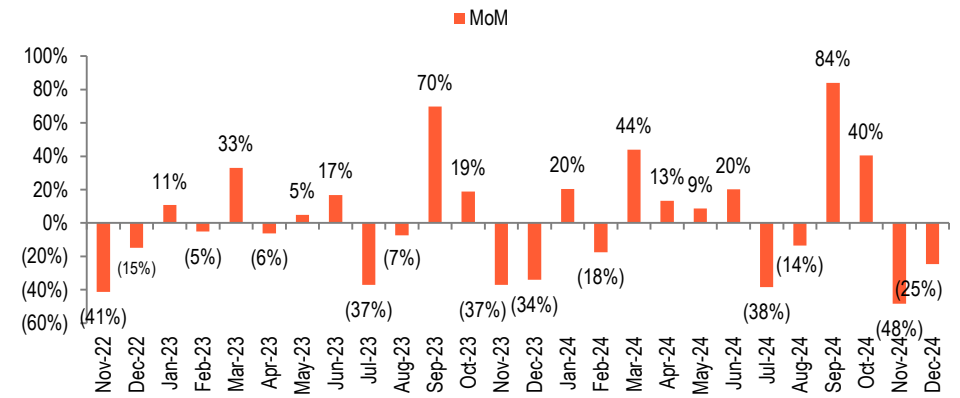


Fig 24 – Tractor sales decline at a slower pace



Note: Tractor sales including exports

Fig 25 – Growth in agriculture credit slows down

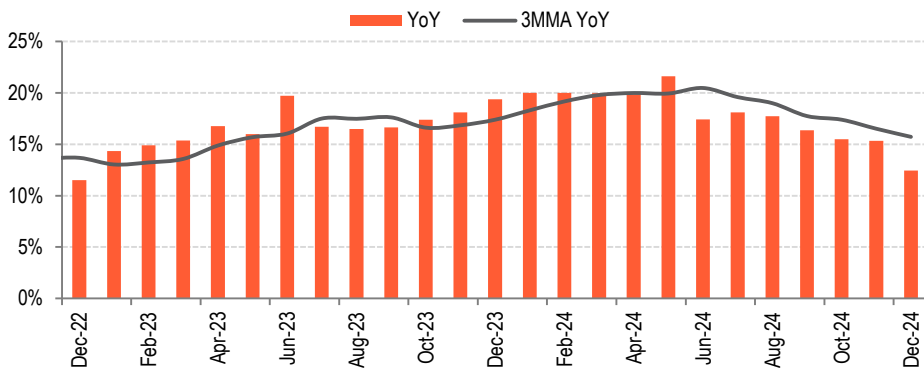
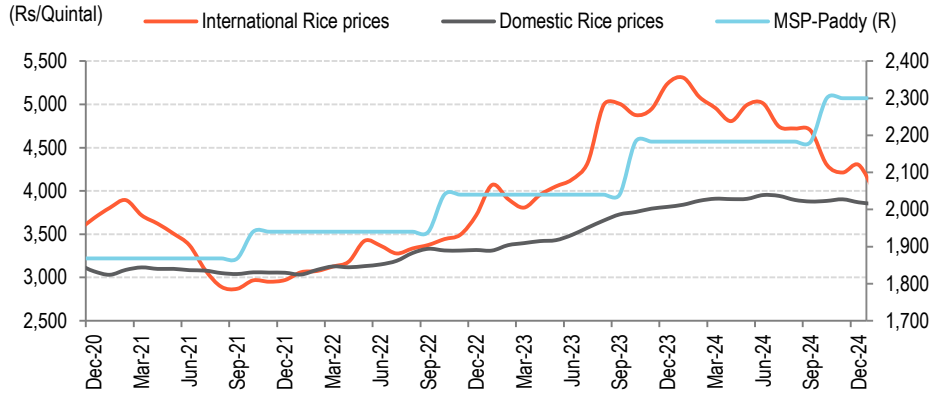


Fig 26 – Procurement of rice and wheat

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	26.66*	31.13

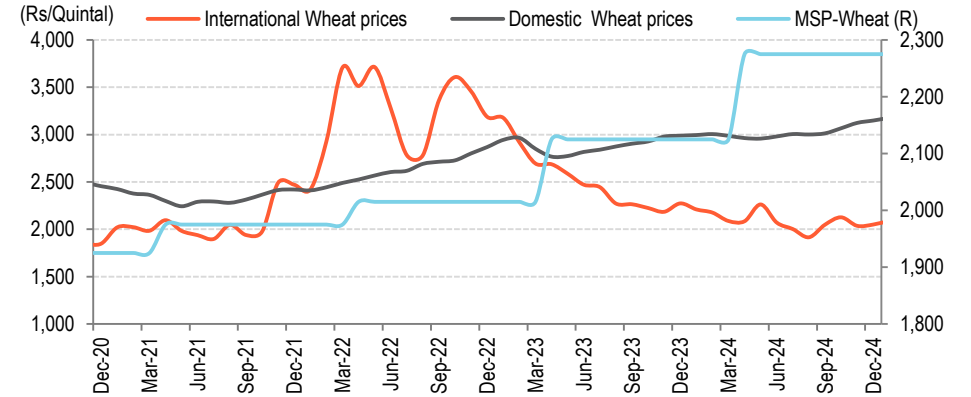
Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 30 Dec 2024

Fig 27 – Both domestic and international rice prices moderate



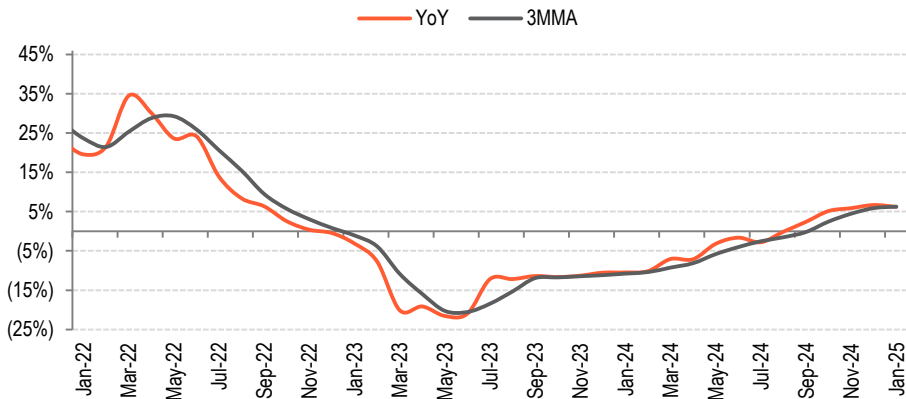
Source: World Bank

Fig 28 – Both domestic and international wheat prices climb up



Source: World Bank

Fig 29 – Global food prices moderate in Jan'25



Source: FAO

Fig 30 – Wage growth (men) improves in Nov'24

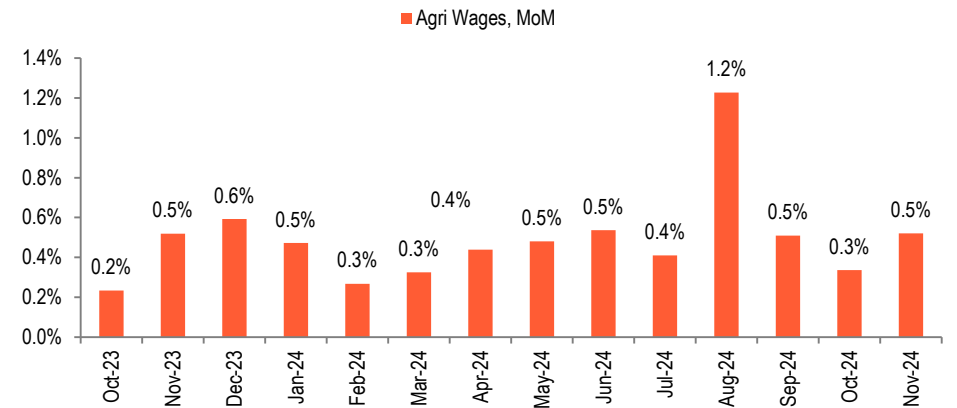


Fig 31 – Rabi sowing is higher compared with last year

Crop Type (Lakh ha)	Area sown in 2024-25	Area sown in 2023-24	Growth (YoY%)
Wheat	324.88	318.33	2.1
Rice	42.54	40.59	4.8
Coarse Cereals	55.25	55.46	(0.4)
Jowar	24.35	27.36	(11.0)
Maize	23.67	21.75	8.8
Pulses	140.89	137.8	2.2
Oilseeds	97.47	99.23	(1.8)
Total	661.03	651.42	1.5

*Note: Till 31 Jan 2024

Inflation

Fig 32 – Headline CPI eased to 5.2% in Dec'24 from 5.5% in Nov'24, led by easing food prices

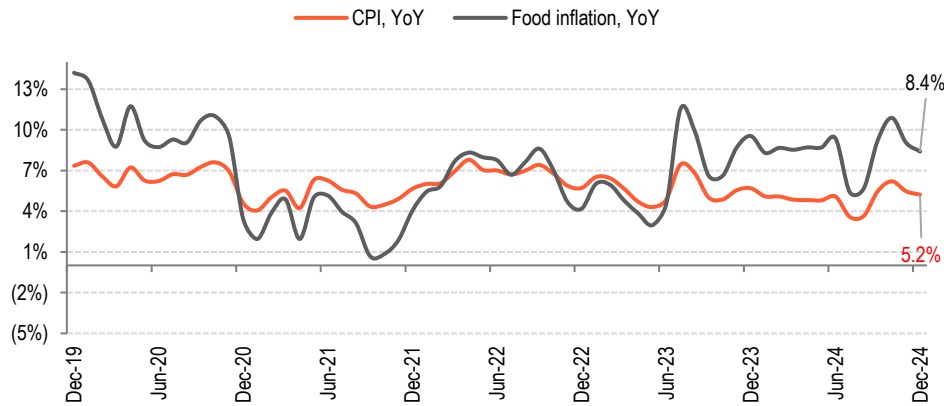


Fig 33 – Food inflation eased to 8.4% from 9%, led by vegetables, pulses amongst others

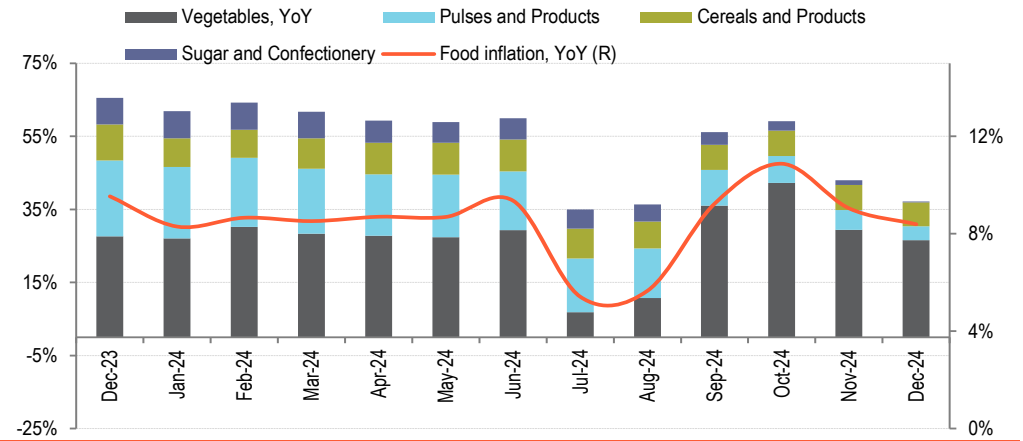


Fig 34 – Except personal care and effects (influenced by gold price fluctuations), core inflation continues to remain benign

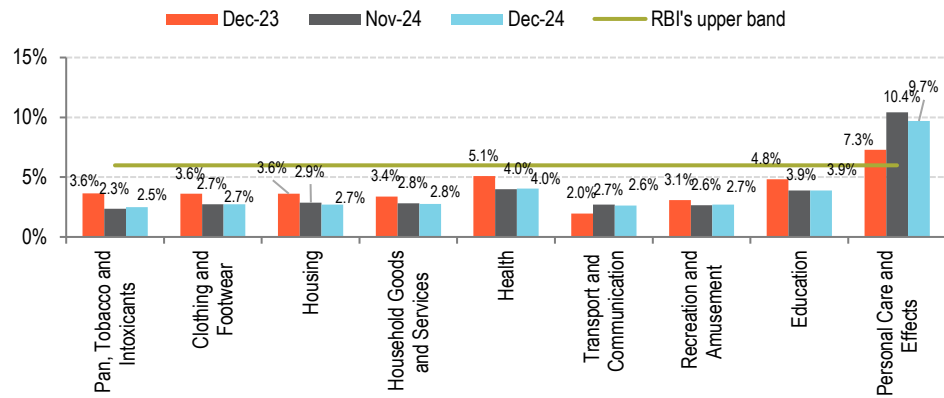
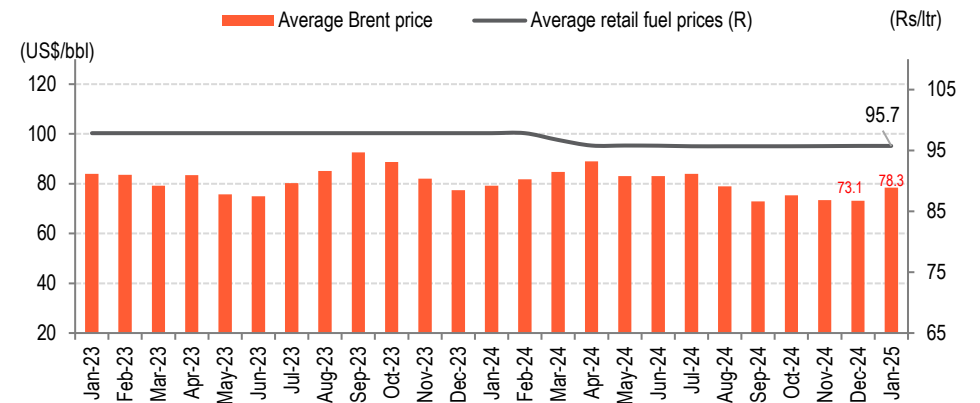


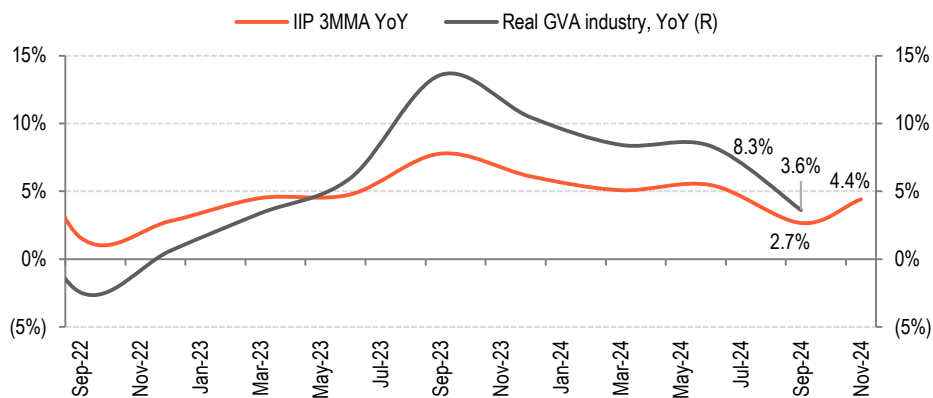
Fig 35 – Domestic retail price was stable at Rs 95.7/lt in Jan'25, average crude price inched up to US\$ 78.3/bbl from US\$ 73.1/bbl in Dec'24



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

Industry

Fig 36 – Higher IIP growth likely in Q3



Note: Nov'24 data is average data for Oct-Nov'24 on YoY basis

Fig 37 – Sectorwise growth lower in FYTD25

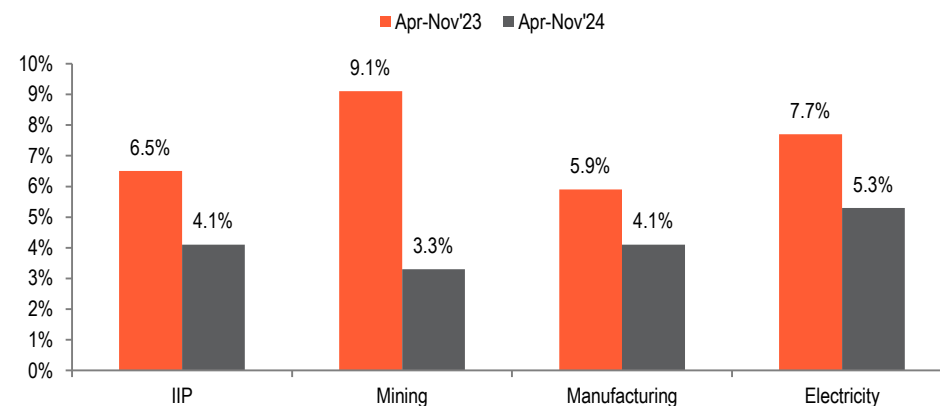
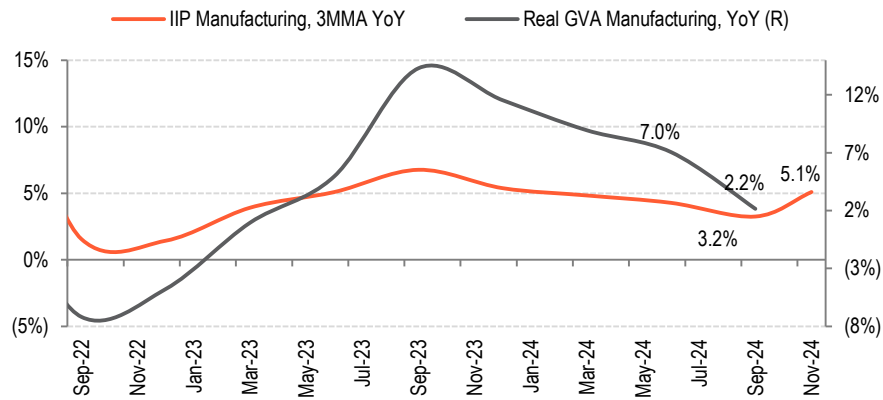


Fig 38 – Stronger IIP growth noted in Nov'24

Sectoral (%)	Weight	Sep-24	Oct-24	Nov-24	Apr-Nov'23	Apr-Nov'24
IIP	100.0	3.1	3.7	5.2	6.5	4.1
Mining	14.4	0.2	0.9	1.9	9.1	3.3
Manufacturing	77.6	3.9	4.4	5.8	5.9	4.1
Electricity	8.0	0.5	2.0	4.4	7.7	5.3
Use-Based						
Primary Goods	34.1	1.8	2.5	2.7	7.2	4.0
Capital Goods	8.2	3.6	3.1	9.0	7.6	4.4
Intermediate Goods	17.2	3.6	4.6	5.0	5.0	4.2
Infrastructure and Construction Goods	12.3	3.2	4.8	10.0	11.4	6.3
Consumer Durables Goods	12.8	6.5	5.7	13.1	0.6	8.7
Consumer Non-Durables Goods	15.3	2.2	2.6	0.6	5.7	(0.5)

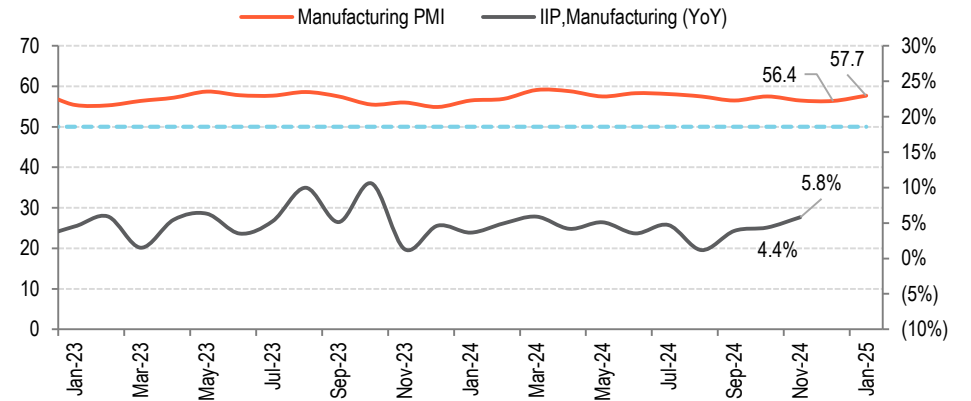
Manufacturing

Fig 39 – Manufacturing growth to inch up in Q3



Note: Nov'24 data is average data for Oct-Nov'24 on YoY basis

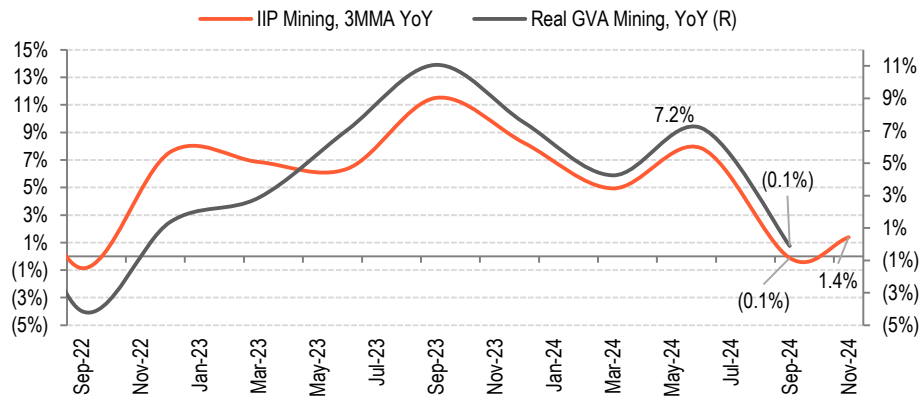
Fig 40 – Manufacturing PMI climbs up in Dec'24



Source: Markit

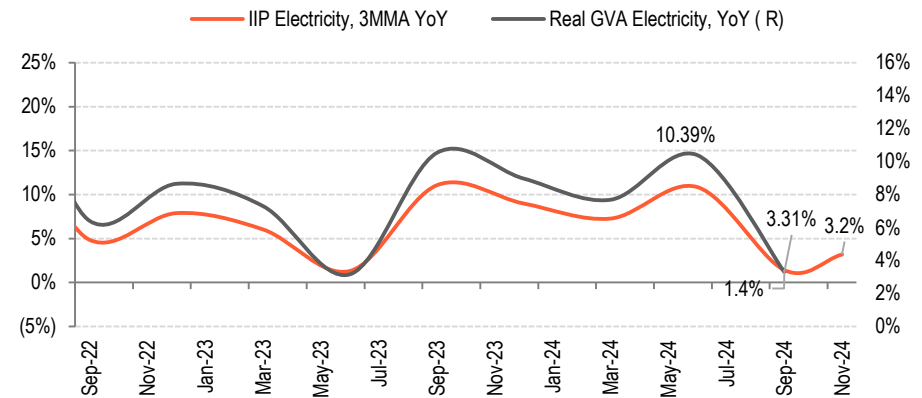
Mining & Electricity

Fig 41 – Mining activity to rebound



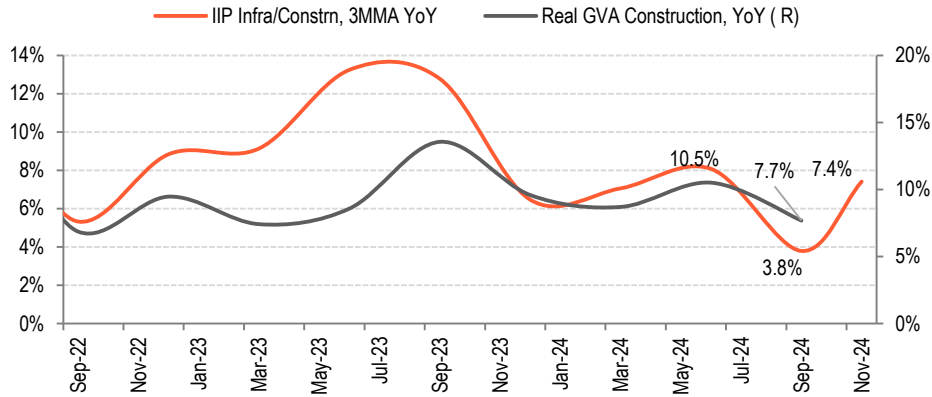
Note: Nov'24 data is average data for Oct-Nov'24 on YoY basis

Fig 42 – Higher growth in Electricity



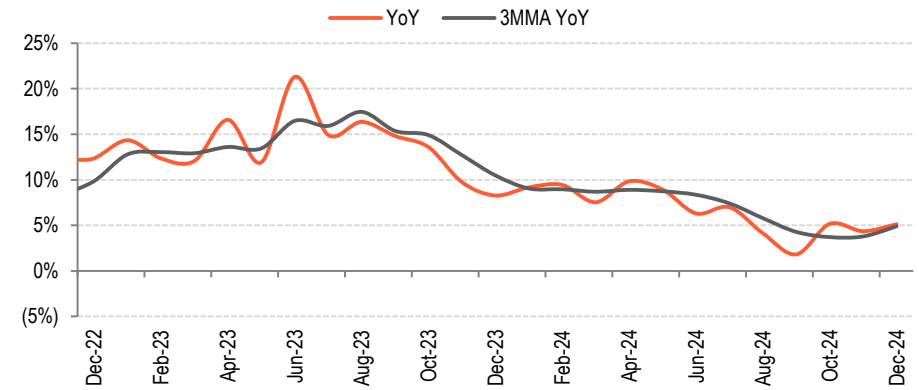
Infrastructure and construction

Fig 43 – Construction growth to bounceback in Q3



Note: Nov'24 data is average data for Oct-Nov'24 on YoY basis

Fig 44 – Steel output climbs upwards in Dec'24



Infrastructure index

Fig 45 – Moderation in Core sector output

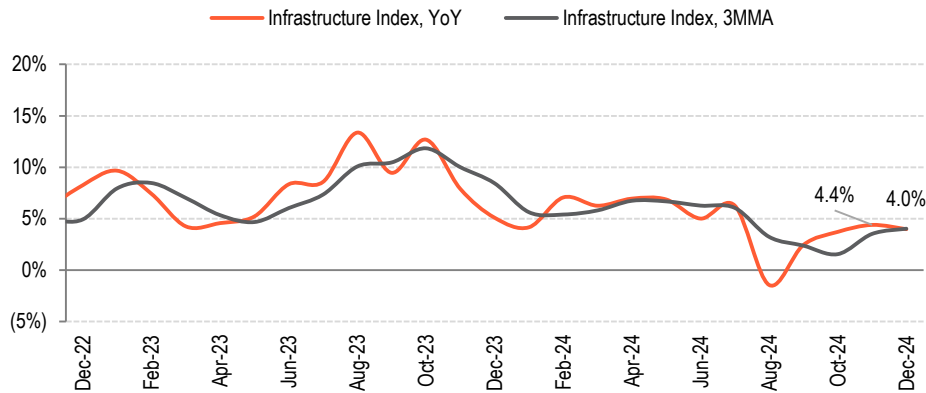
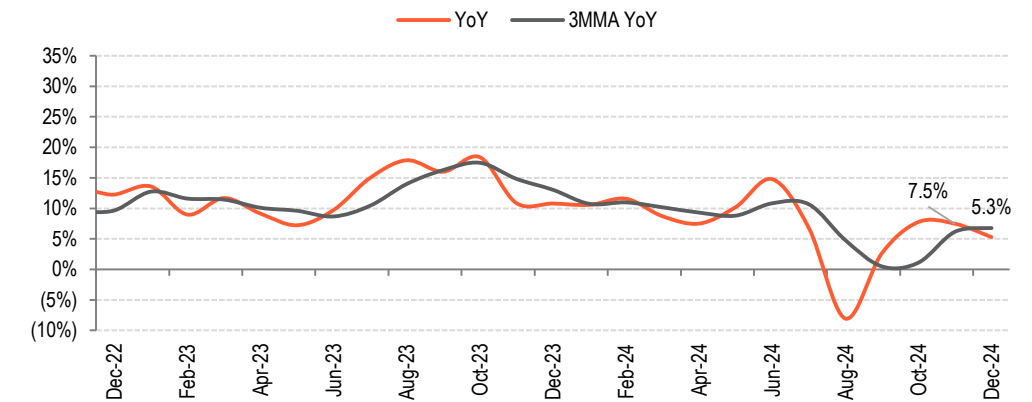


Fig 46 – Slower growth in Coal output



Auto production & business expectation index

Fig 47 – Slower growth in Auto production

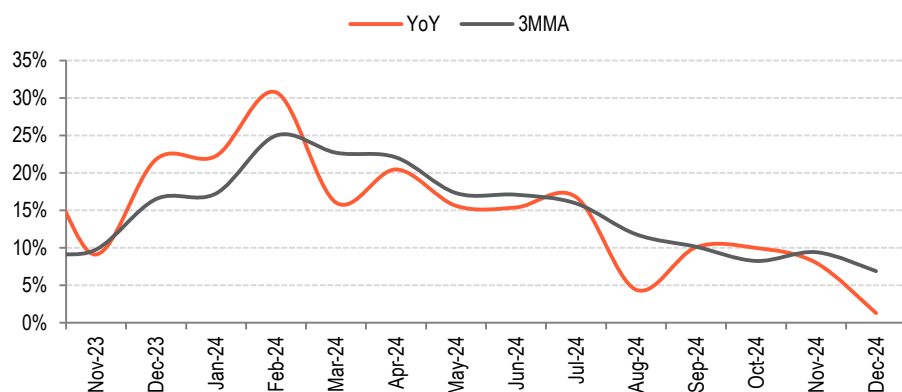


Fig 48 – Business sentiments for Q4 remained optimistic

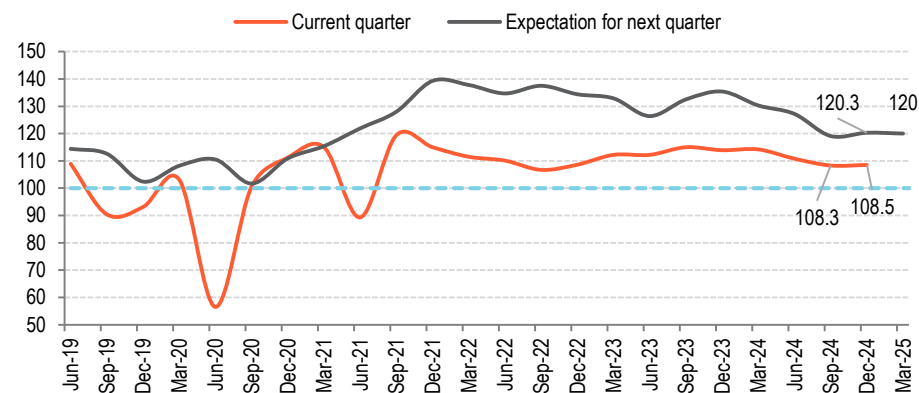
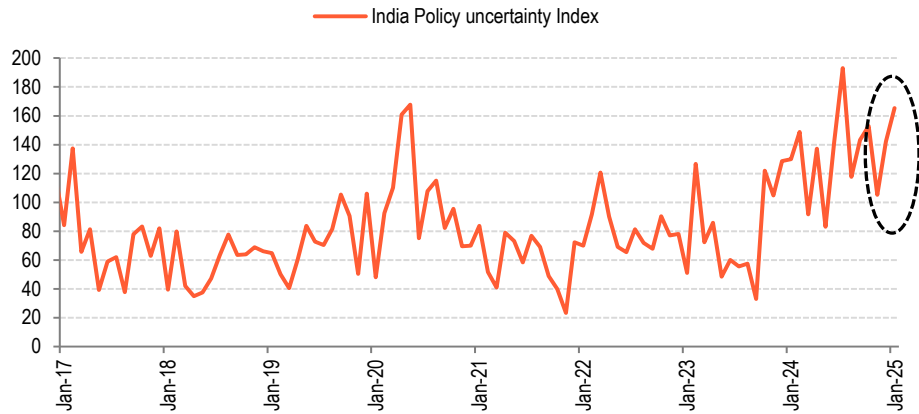


Fig 49 – Infrastructure index moderates in Dec'24

(%)	Weight	Nov-24	Dec-24	Dec-23	Apr-Dec'23	Apr-Dec'24
Infrastructure Index	100	4.4	4.0	5.1	8.3	4.2
Coal	10.3	7.5	5.3	10.8	12.5	6.2
Crude Oil	9.0	(2.1)	0.6	(1.0)	(0.3)	(2.1)
Natural Gas	6.9	(1.9)	(1.8)	6.7	5.6	0.7
Petroleum Refinery Products	28.0	2.9	2.8	4.1	4.9	2.7
Fertilizers	2.6	2.0	1.7	5.9	6.2	1.6
Steel	17.9	4.4	5.1	8.3	14.0	5.8
Cement	5.4	13.5	4.0	3.8	9.4	3.3
Electricity	19.9	4.4	5.1	1.2	7.0	5.3

Investment

Fig 50 – Policy uncertainty index in India rose in Jan'25



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

Fig 52 – Capital goods production inched up to 9% in Nov'24 from 3.1% in Oct'24 supported by a favourable base

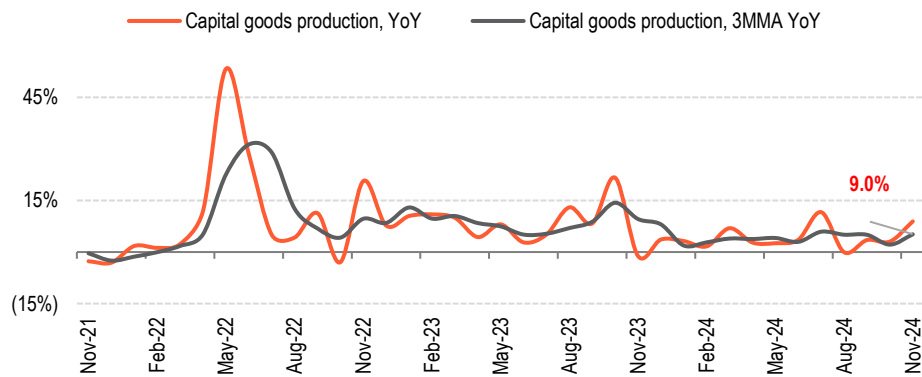


Fig 51 – Real GFCF moderated to 5.4% in Q2FY25 from 6.7% in Q1FY25

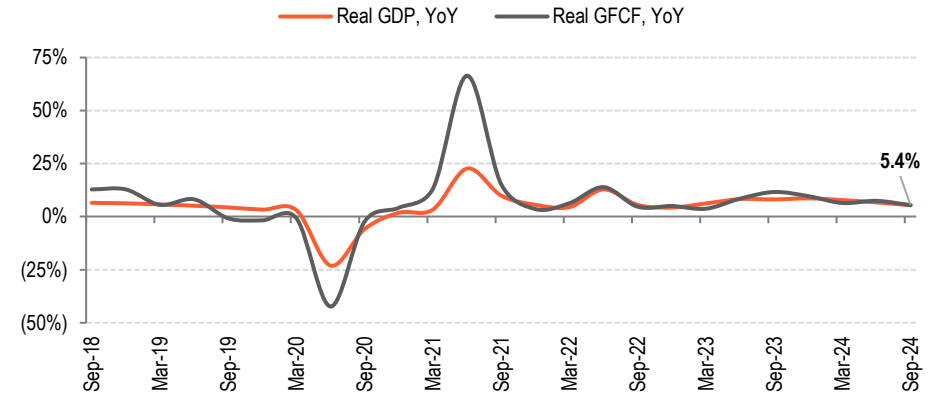


Fig 53 – Capital goods imports picked up to 7.6% in Dec'24 compared to 6% in Nov'24

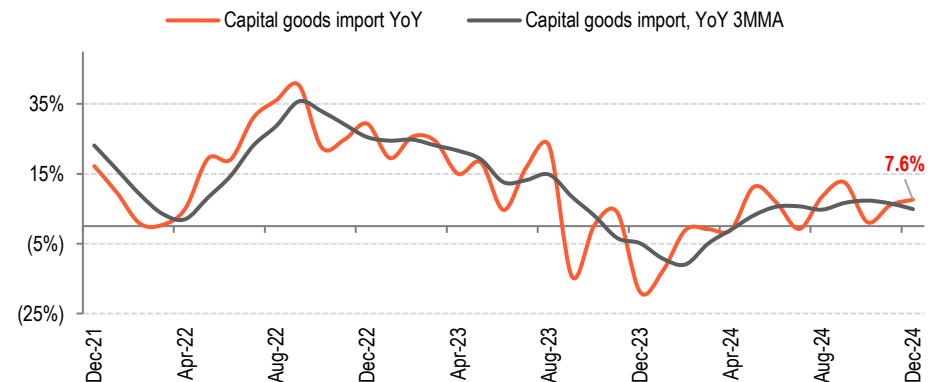


Fig 54 – Centre’s capex spending inched up to 4% in Dec’24 from -0.2% decline seen in Nov’24

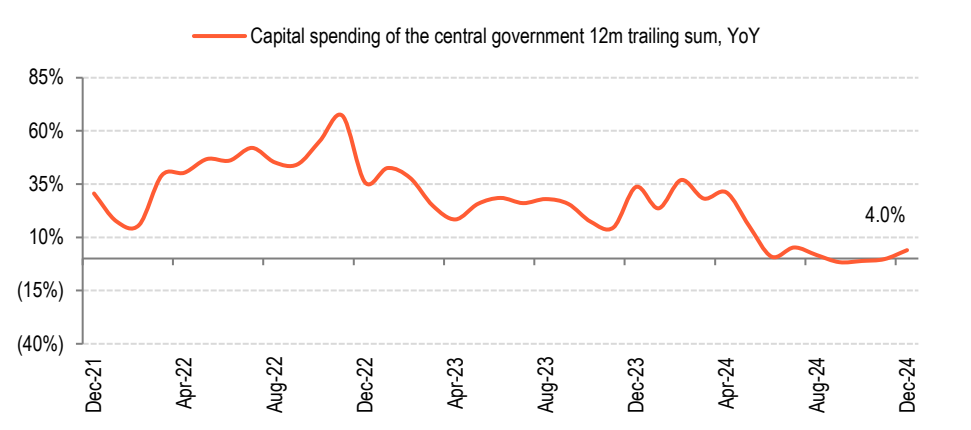


Fig 55 – Credit to micro and small industry moderated to 9.8% in Dec’24 from 10.1% in Nov’24, for medium industry there was a tad moderation to 19.9% from 20%

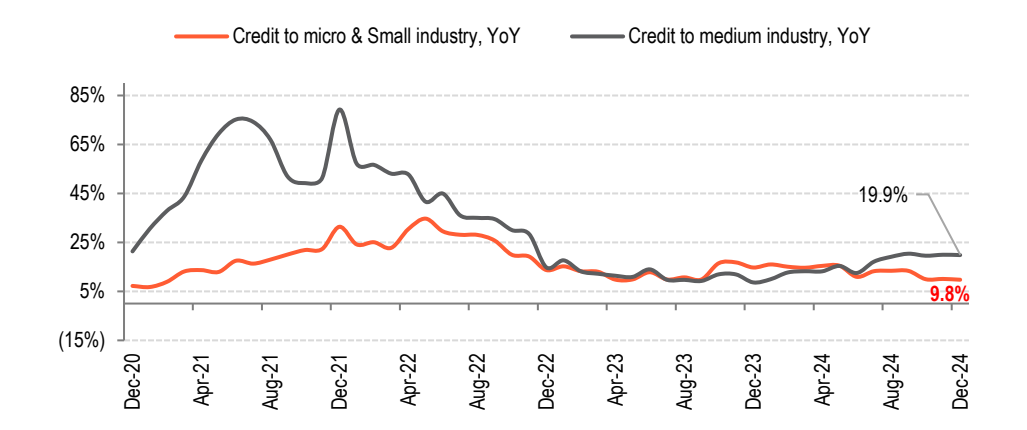


Fig 56 – Credit to housing edged down to 11.1% in Dec’24 from 12.2% in Nov’24

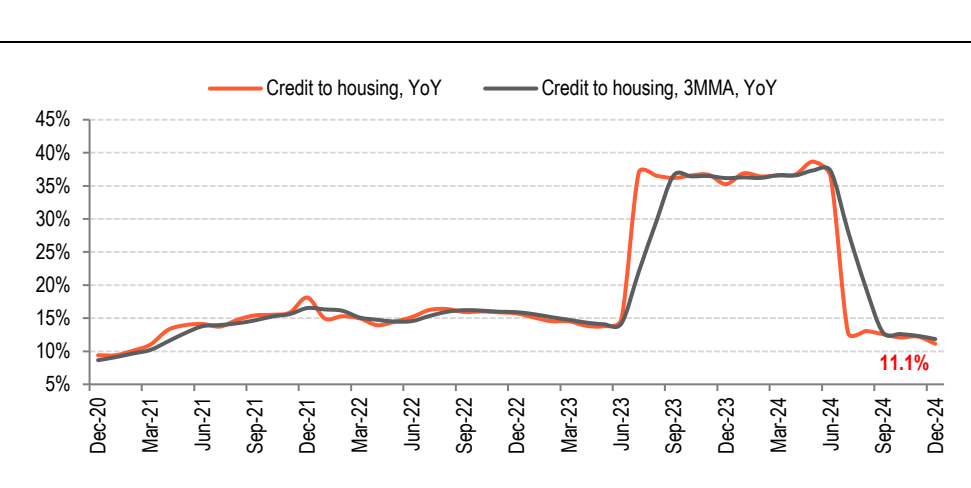
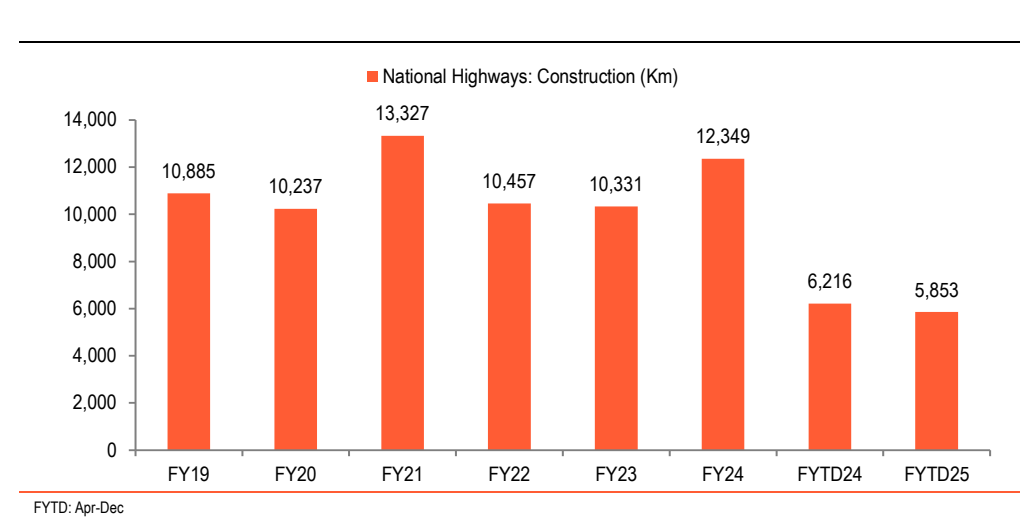
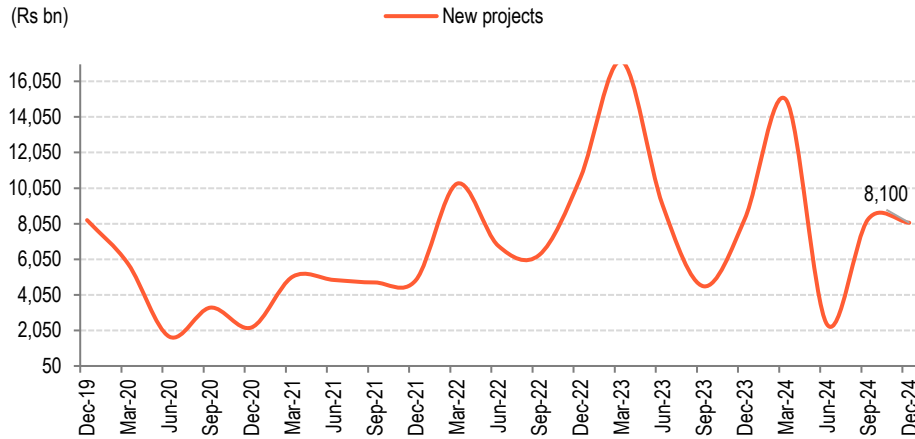


Fig 57 – Highway construction



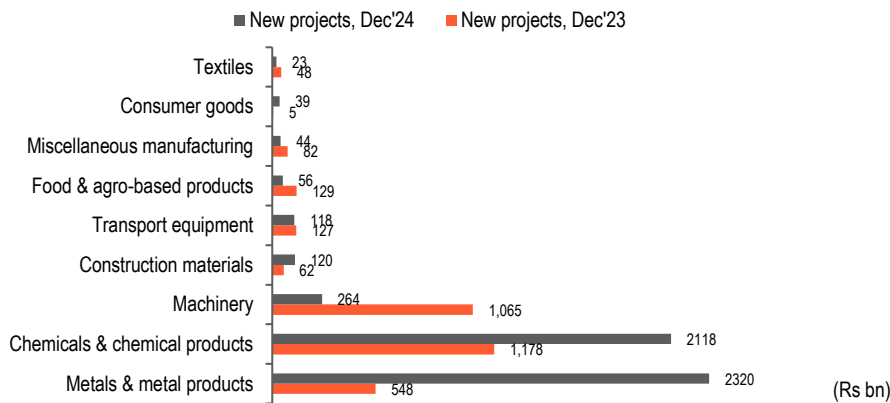
Capex data

Fig 58 – New project announcements softened slightly to Rs 8.1tn in Dec'24 from Rs 8.3tn in Sep'24



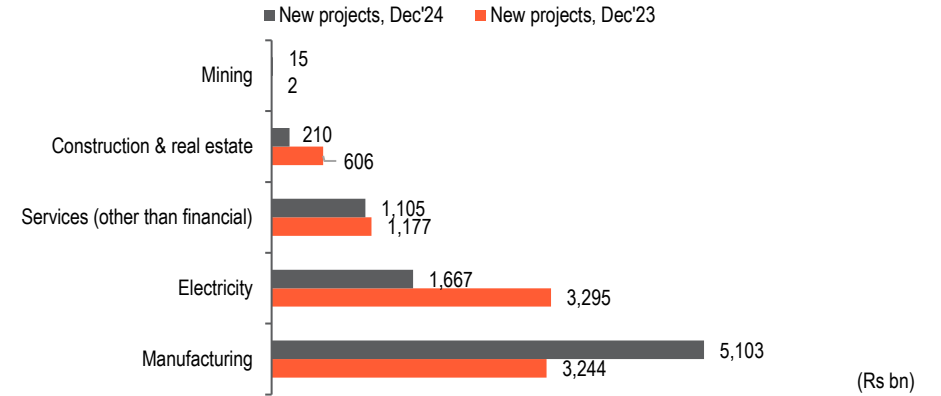
Source: CMIE

Fig 60 – ...within manufacturing, metals and metal products and chemicals and transport equipment drove the announcements



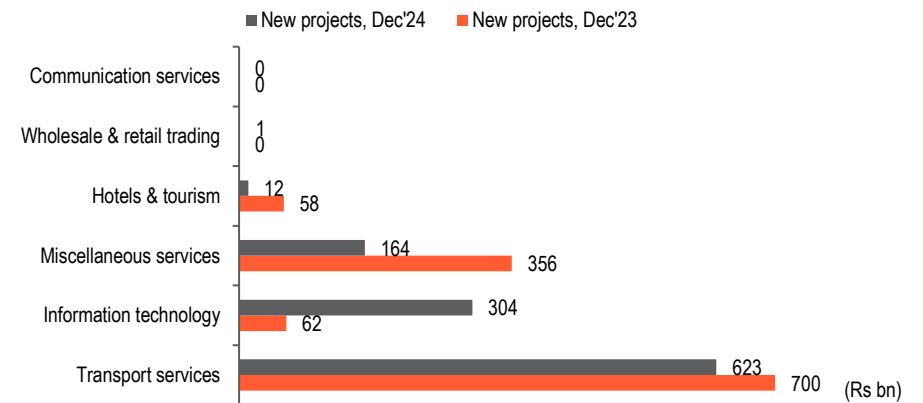
Source: CMIE

Fig 59 – Driven by electricity, however manufacturing held ground



Source: CMIE

Fig 61 – Within services, IT took the lead



Source: CMIE

Services sector

Fig 62 – GVA: Services sector growth was broadly steady in Q2FY25 versus Q1

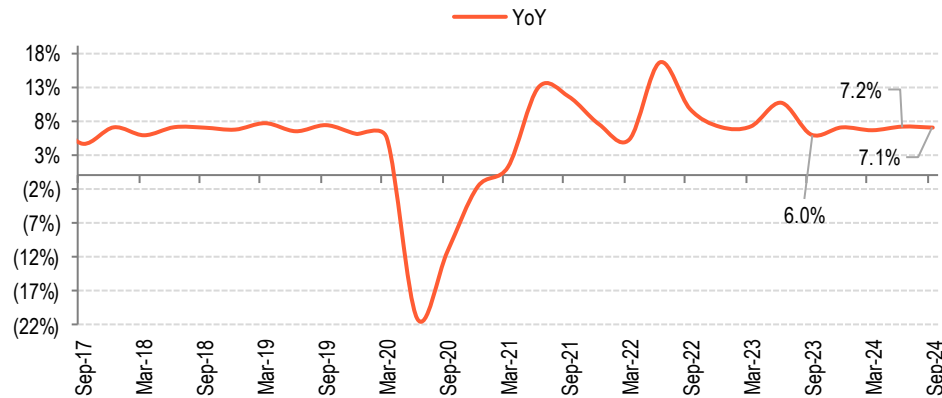
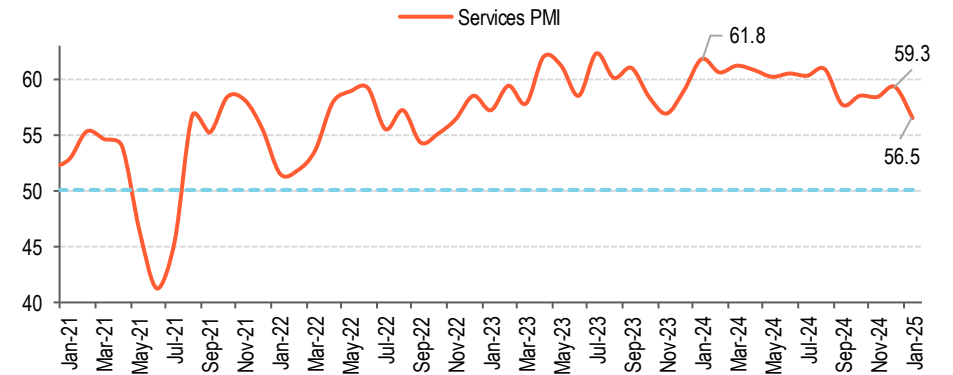


Fig 63 – Services PMI shows activity moderated at the start of Q4



Source: Markit

Fig 64 – GVA: Trade & related services activity maintained pace in Q1 versus Q4

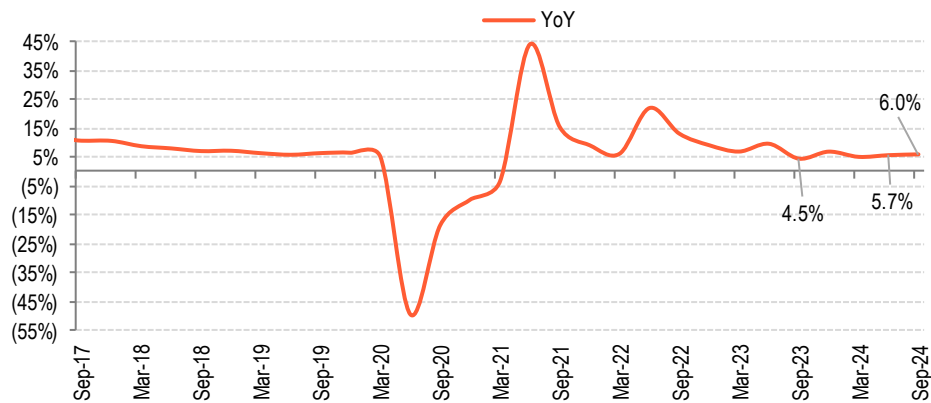
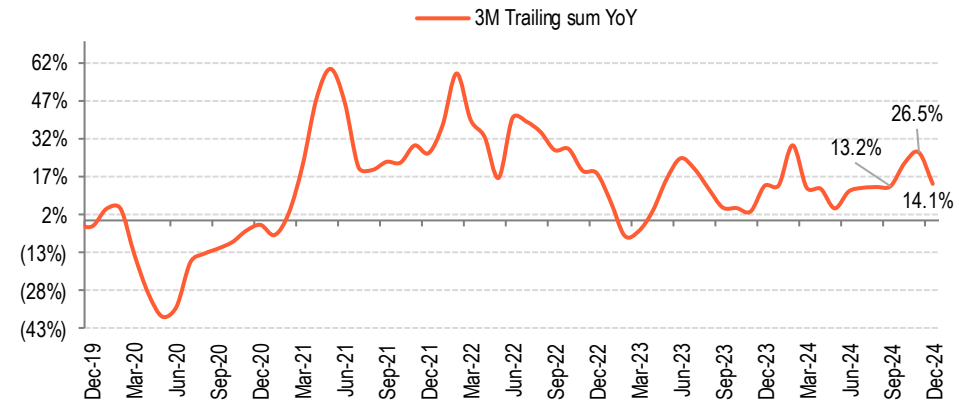


Fig 65 – States' tax revenue growth seen slowing towards end of the quarter, but was higher in Q3 than Q2



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

Trade

Fig 66 – Vehicle registration growth slowed at the start of Q4, due to base effect

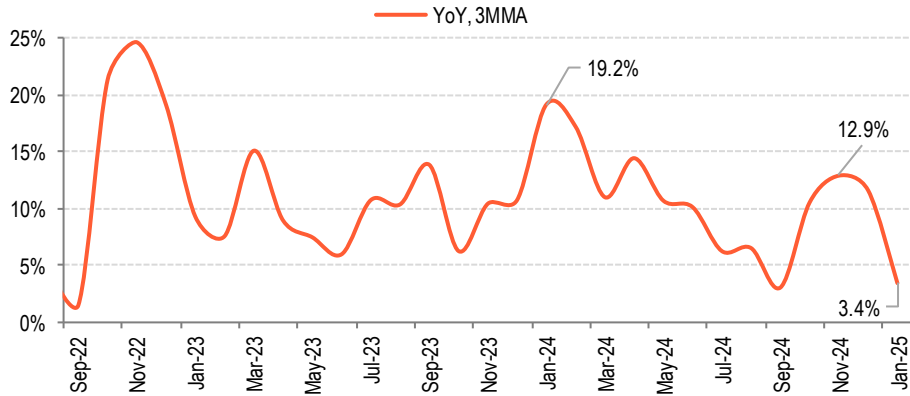


Fig 67 – Diesel consumption jumped further in Jan'25, remains higher than Q3

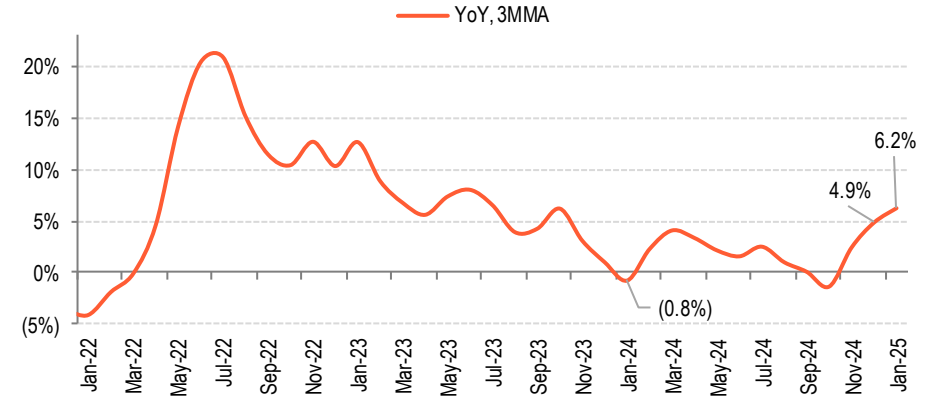


Fig 68 – Railway freight traffic growth dwindled further in Oct'24

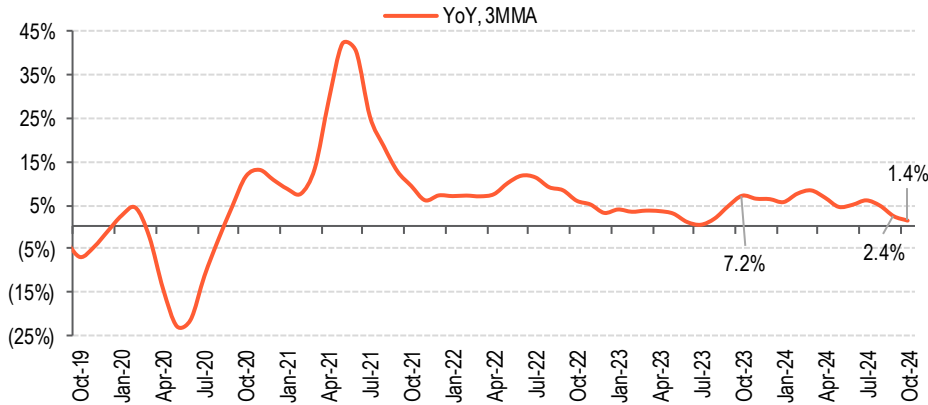


Fig 69 – Port cargo traffic growth shows trade activity gained momentum in Jan'25

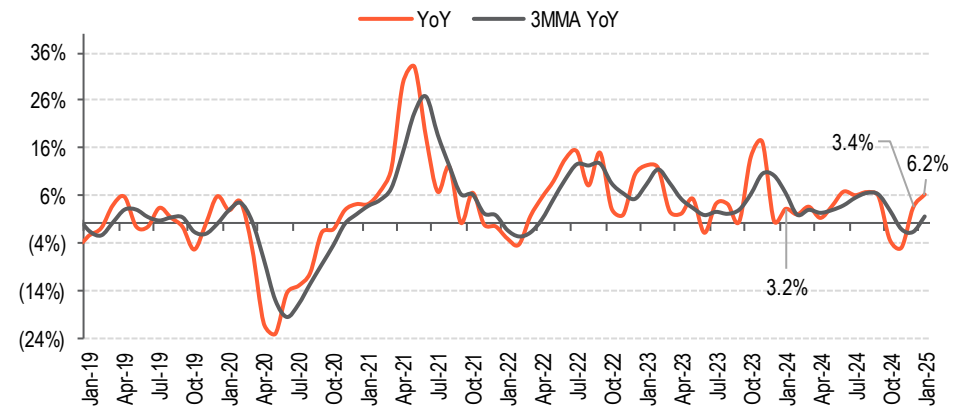


Fig 70 – Toll collections in Q4FY25 off to a good start with higher growth seen in Jan'25

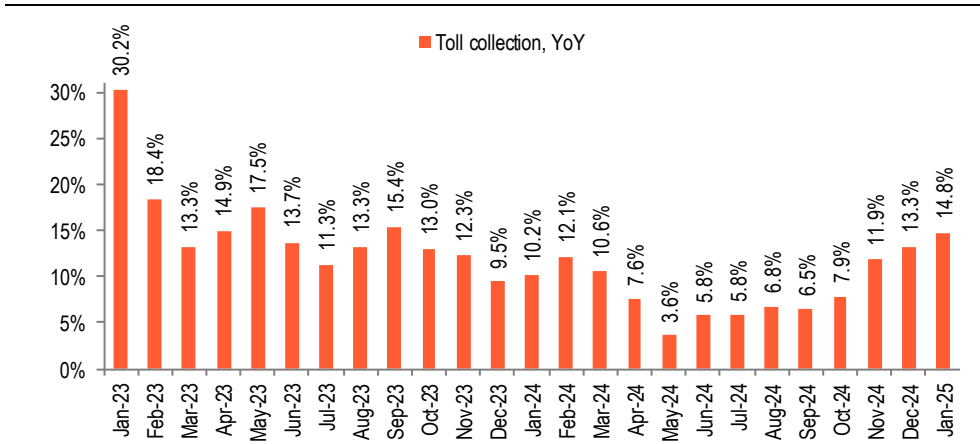
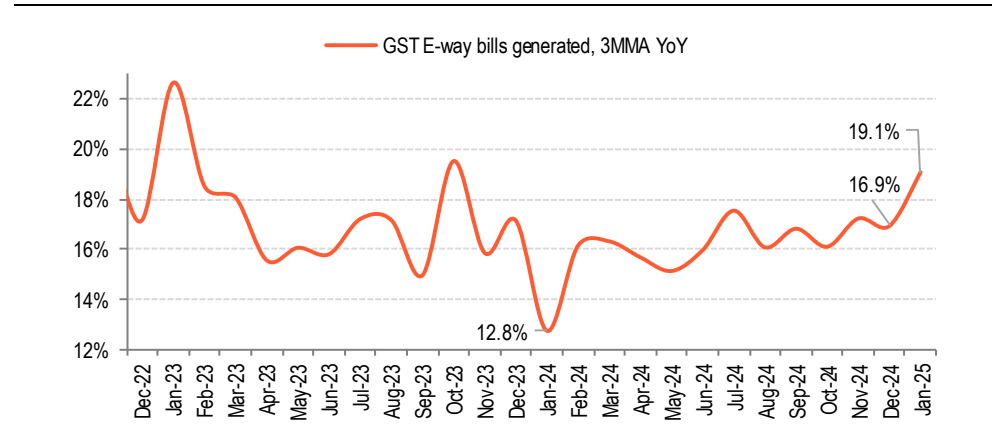


Fig 71 – E-way bills post a robust growth in Jan'25



Hotels and communications

Fig 72 – Airline passenger traffic improved marginally in Jan'25...

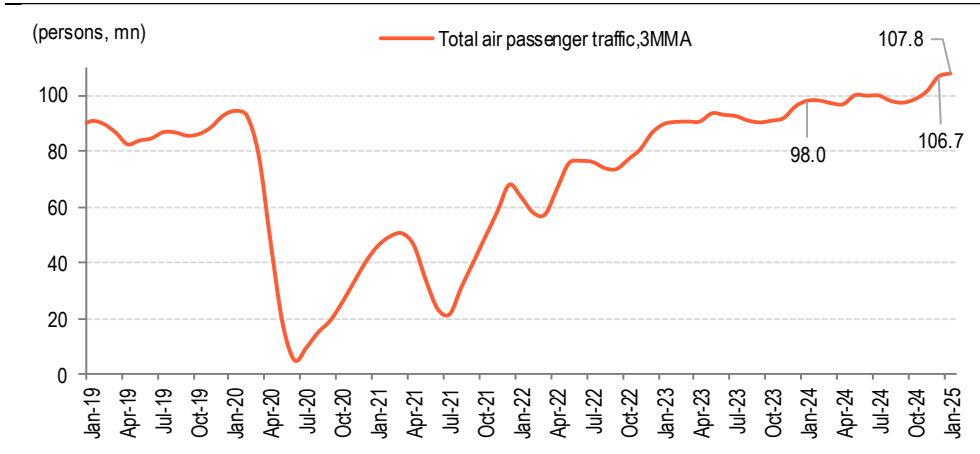


Fig 73 – ...Domestic passenger traffic driving the trend

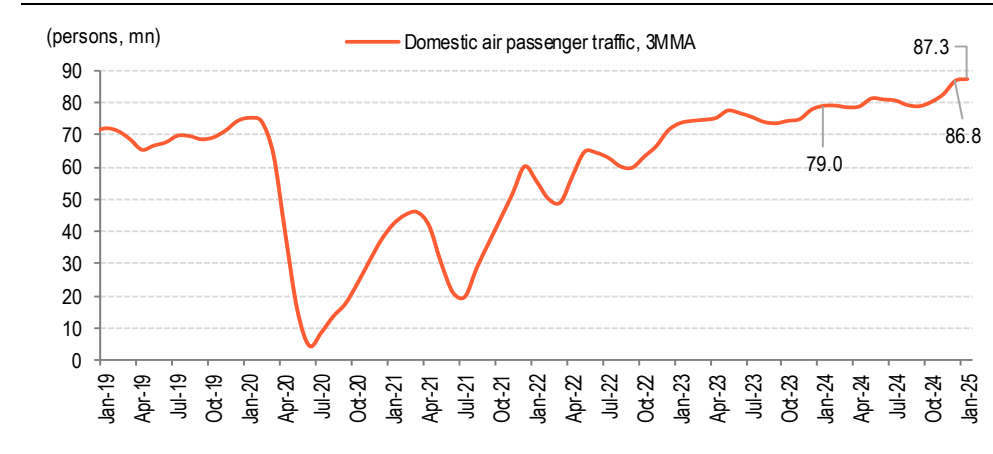


Fig 74 – Foreign tourist arrivals registered an increase in Oct'24

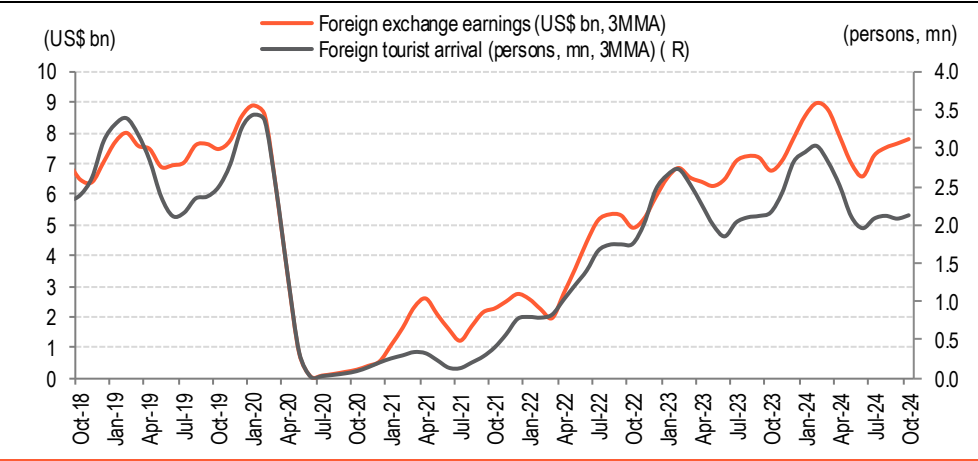
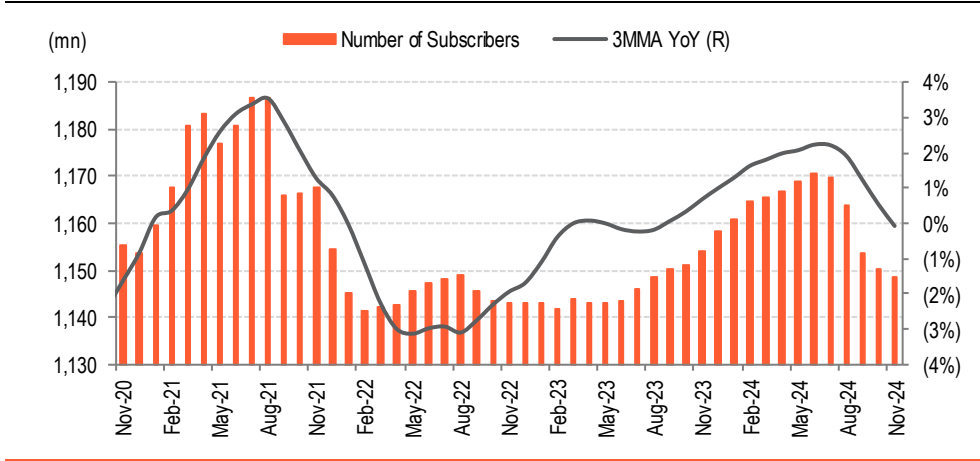


Fig 75 – Number of telecom subscribers fell by 1.8mn in Nov'24 following 3.3mn decline in subscribers in Oct'24



Finance and real estate

Fig 76 – Growth in GVA: Finance, real estate & prof. acted as a drag in Q2

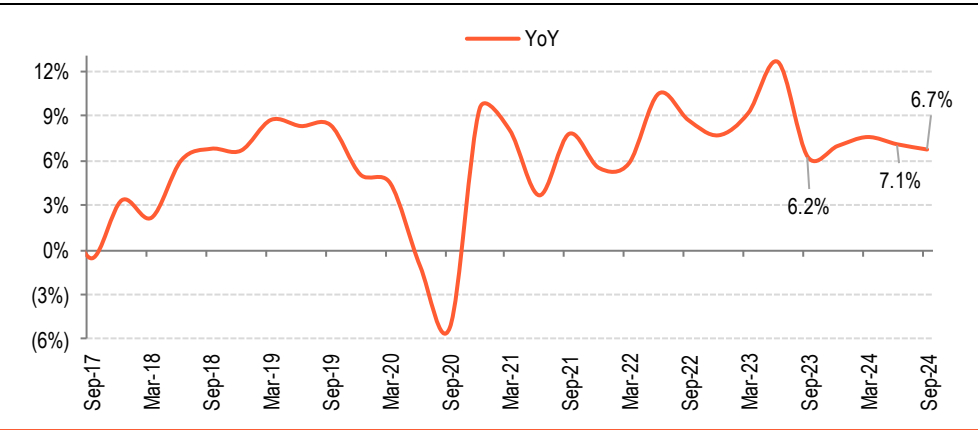
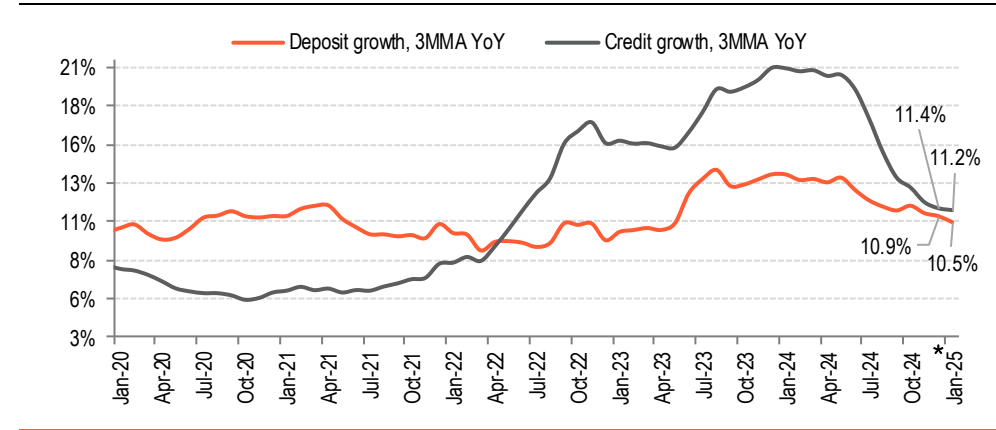


Fig 77 – Both credit and deposit growth eased in Jan'25 versus Q3



*Data as of 24 Jan 2025

Fig 78 – Credit to both industry and services slowed in Q3 versus Q2

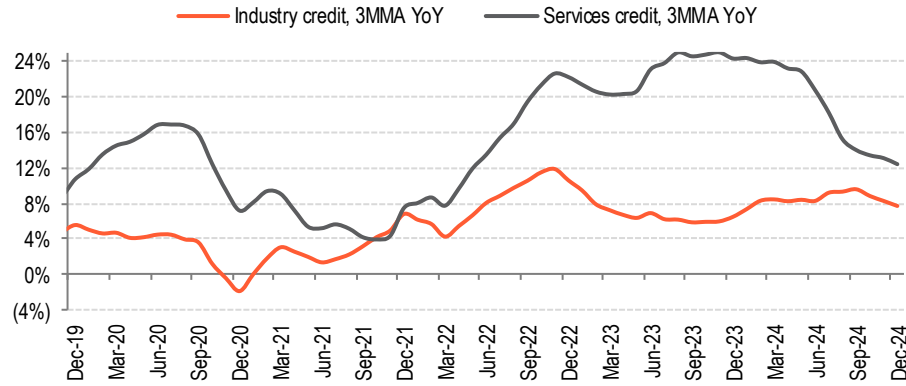


Fig 79 – Within services, credit to commercial real estate improved in Q3 versus Q2, while that to trade and NBFCs slowed

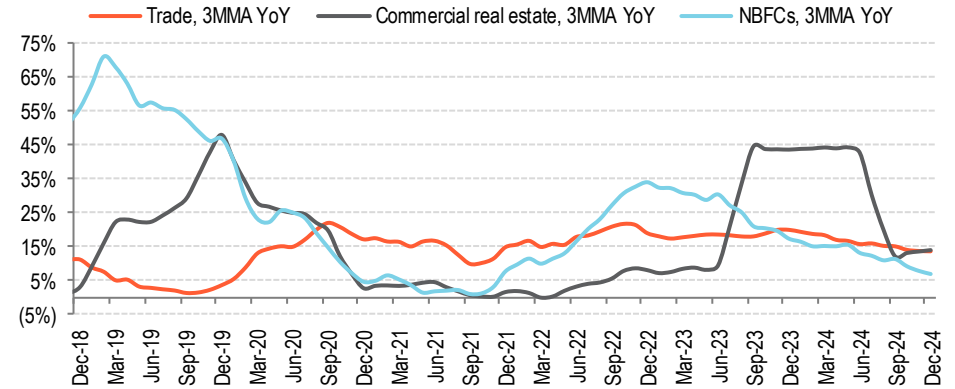


Fig 80 – Property sales volume declined sharply in Q3FY25, due to base effect

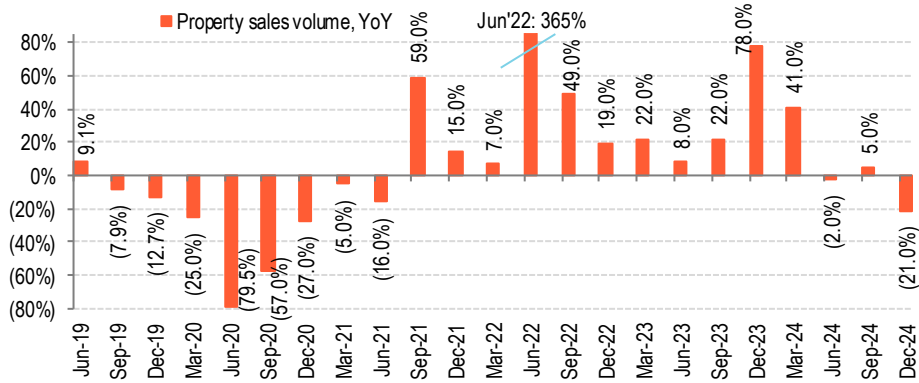
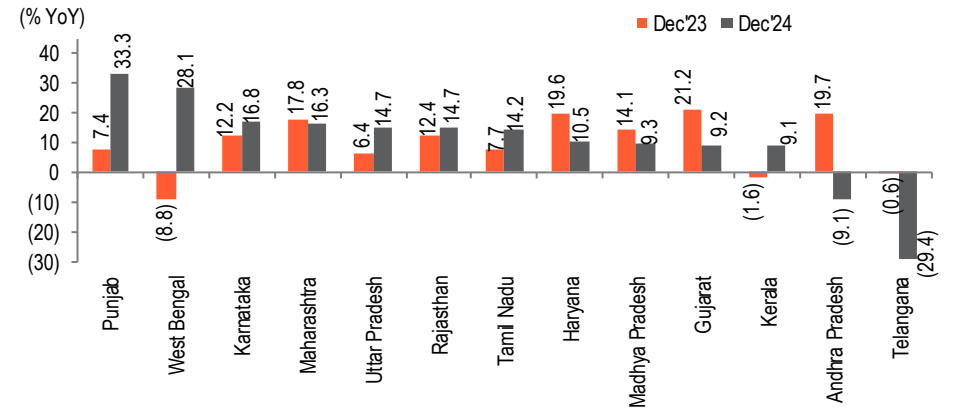


Fig 81 – Stamp duties of Maharashtra, Haryana, MP, Gujarat, AP and Telangana record weaker collections in FYTD so far (till Dec) versus last year



Source: Proptiger

Labour market

Fig 82 – Naukri job index also improved at a faster pace in Q3FY25

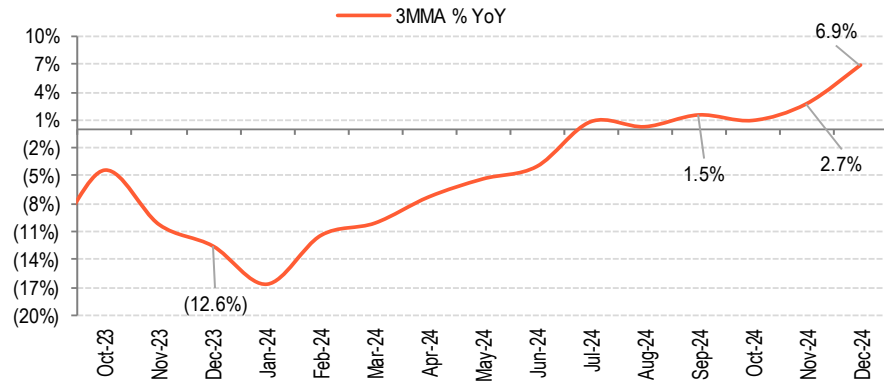
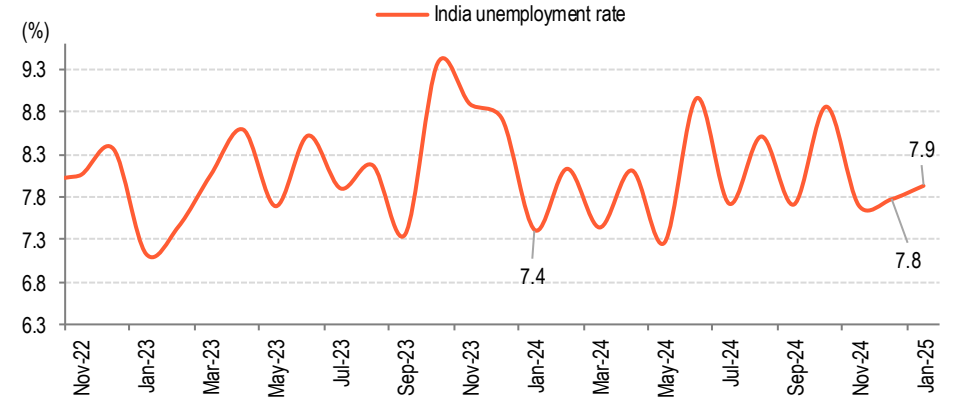


Fig 83 – Overall unemployment rate rose marginally in Jan'25



Public administration

Fig 84 – Public admin & defence services moderated in Q2, dragging headline growth

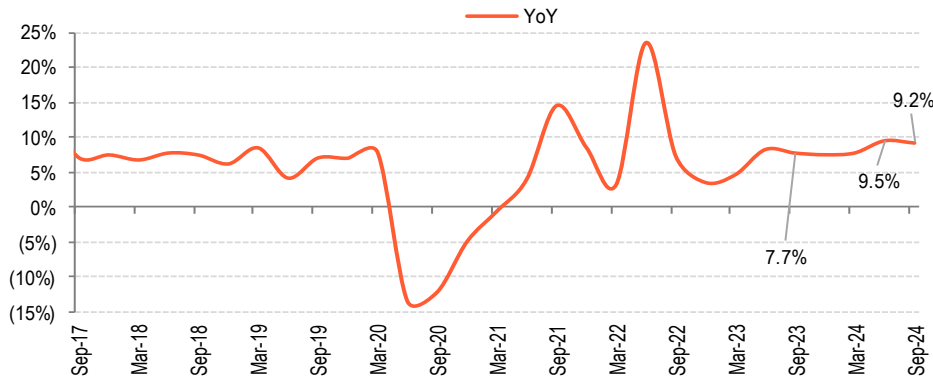


Fig 85 – General govt. spending jumped sharply in Q3 versus Q2

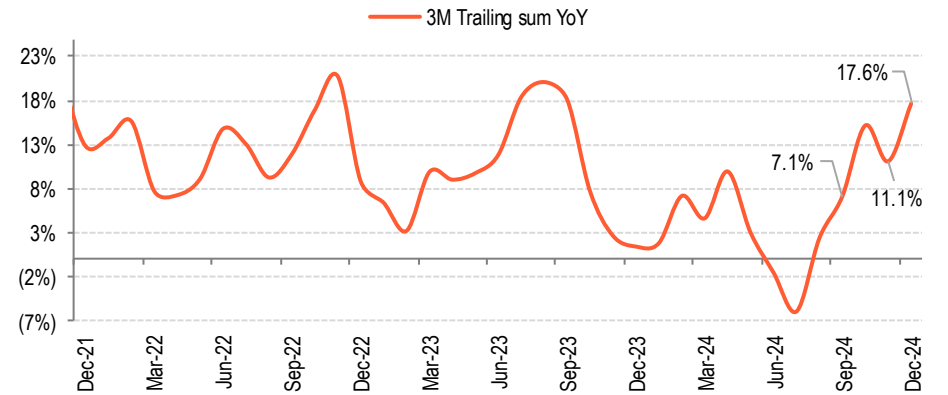


Fig 86 – ...mirroring the trend in central government spending

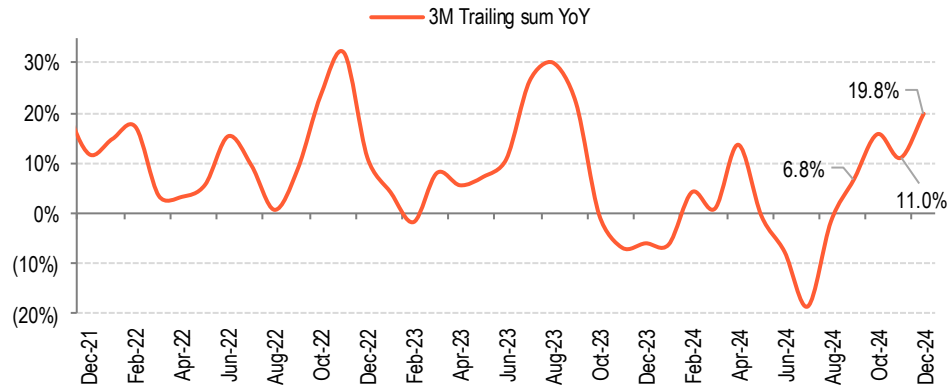
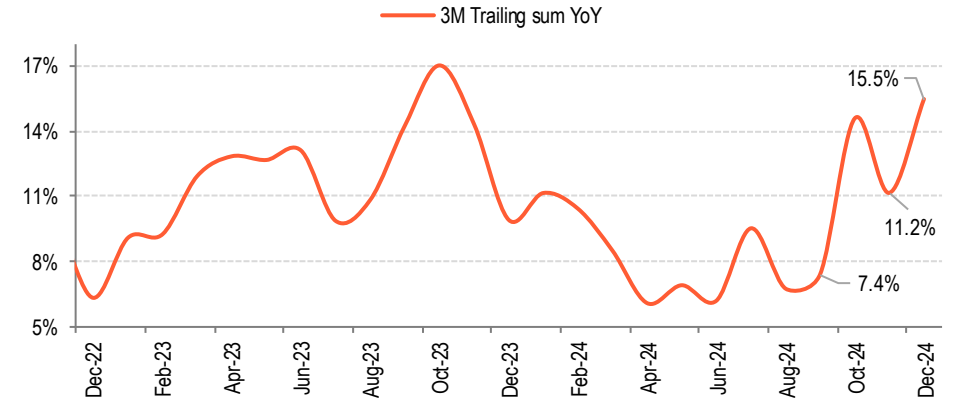


Fig 87 – State* Govt. spending also improved in Q3

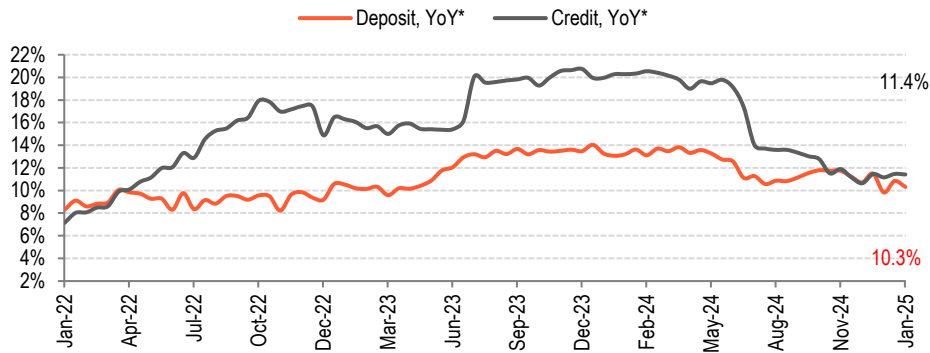


Note: *All states excluding North Eastern states (ex Assam), Bihar, Goa, and J&K

Financial sector

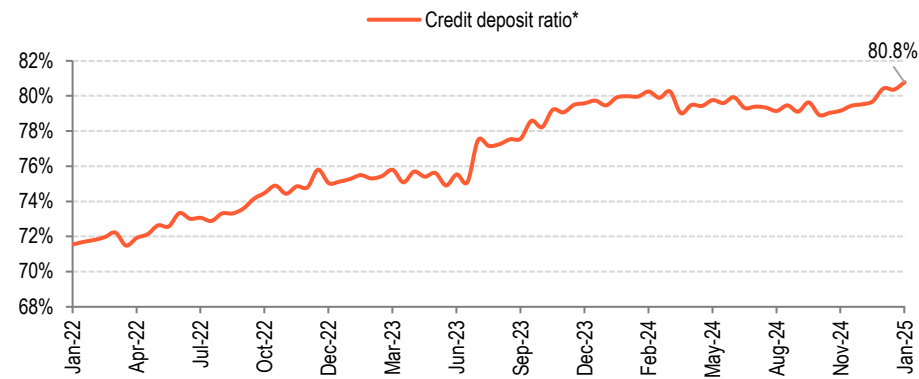
Money and banking

Fig 88 – Credit growth inched up to 11.4% in Jan'24 compared to 11.2% in Dec'24 (incl. merger), deposit growth also edged up to 10.3% from 9.8%



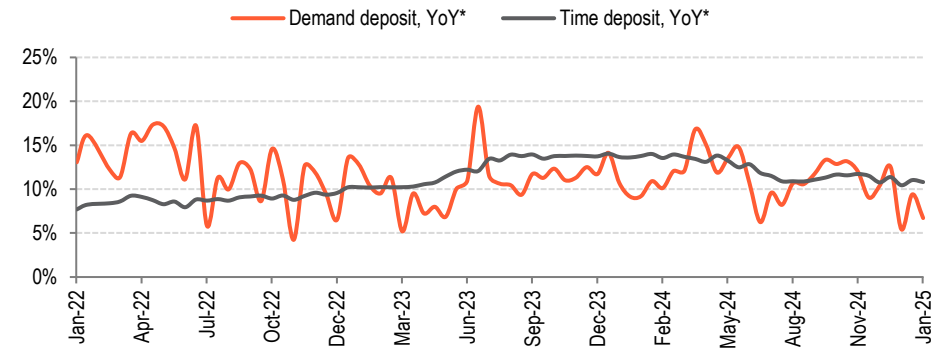
Note: Fortnight as of 24 Jan 2025

Fig 90 – CD ratio was at 80.8



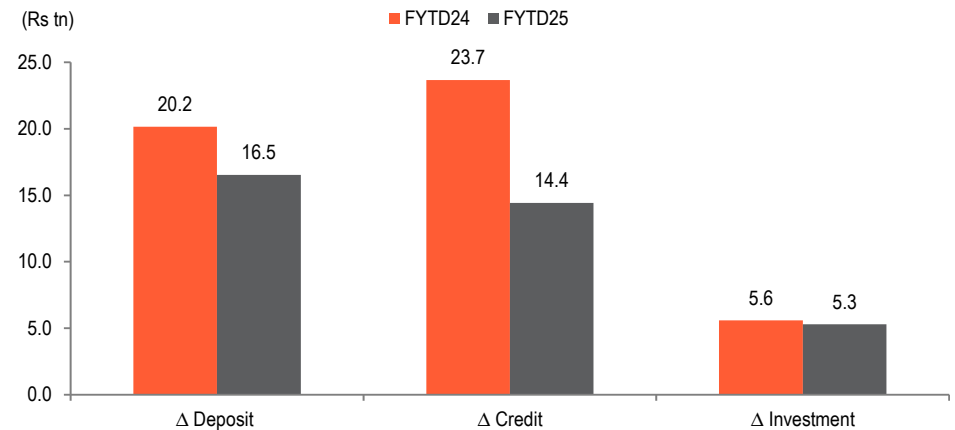
Note: Fortnight as of 24 Jan 2025

Fig 89 – ...Time deposits remained stable



Note: Fortnight as of 24 Jan 2025

Fig 91 – Credit, deposit and investment accretion



Note: Fortnight as of 24 Jan 2025, Accretion from March

Fig 92 – Credit to govt rose to 8.8% in Nov'24 from 8.2% in Oct'24, credit to commercial sector inched up to 12.9% from 12.4%

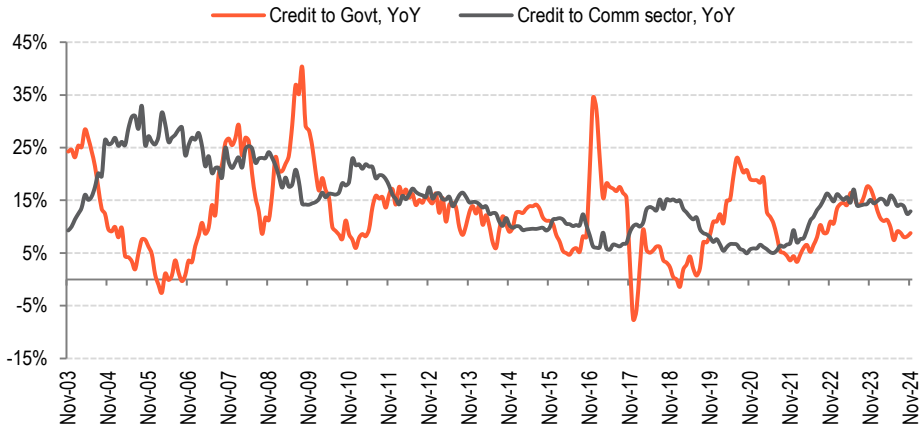


Fig 93 – Spread between WALR and repo

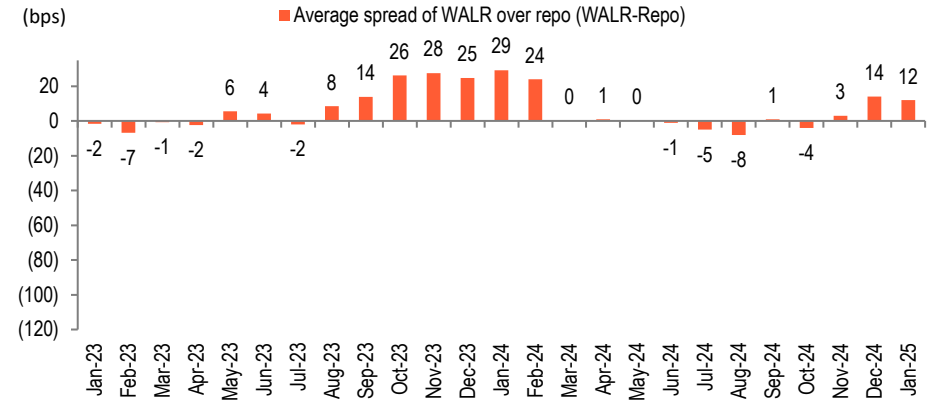


Fig 94 – WALR on fresh loans eased to 8.54% in Dec'24 from 8.59% in Nov'24, WADTDR inched up slightly to 7.12% from 7.10%

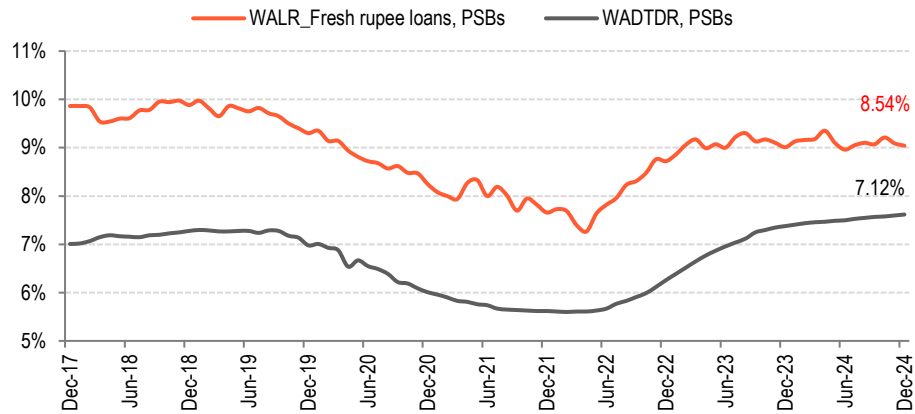
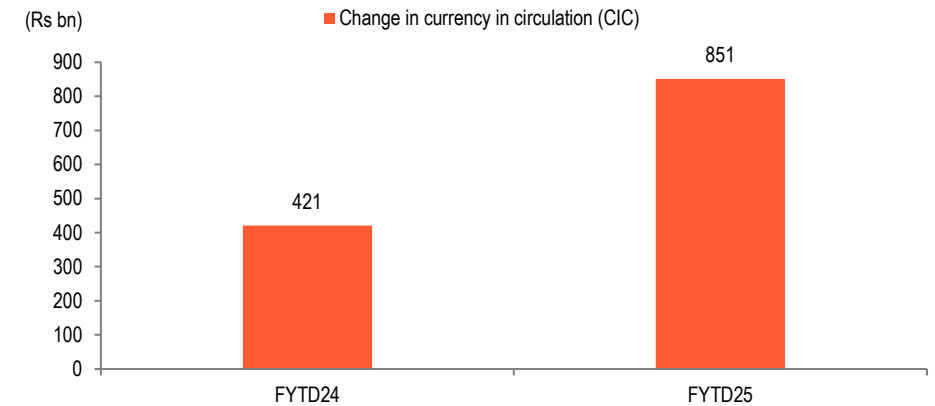
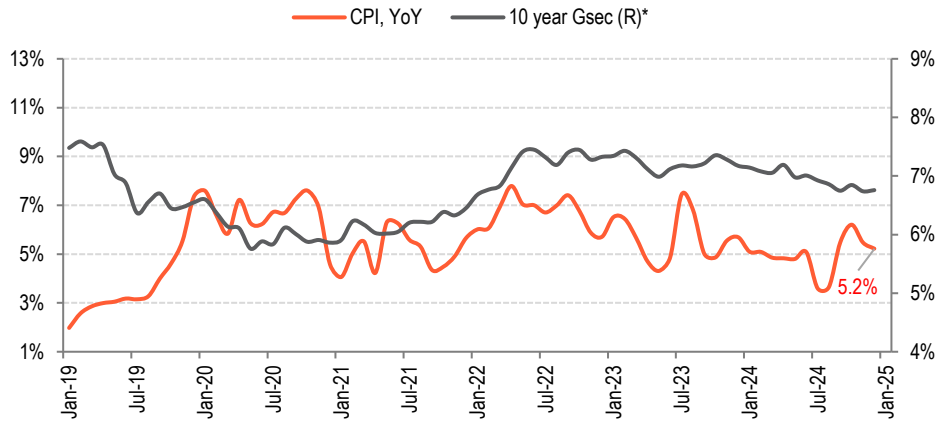


Fig 95 – CIC accretion picking pace



Note: Accretion from Mar

Fig 96 – 10Y GSec yield moderated to 6.7% in Jan'25 from 6.76% in Dec'24 and is trading at 6.69%, inflation moderated to 5.2% in Dec'24 from 5.5% in Nov'24



Note: *As on last trading day of the month

Fig 98 – Corporate debt issuances picked up to Rs 1.2tn in Dec'24 from Rs 675bn in Nov'24

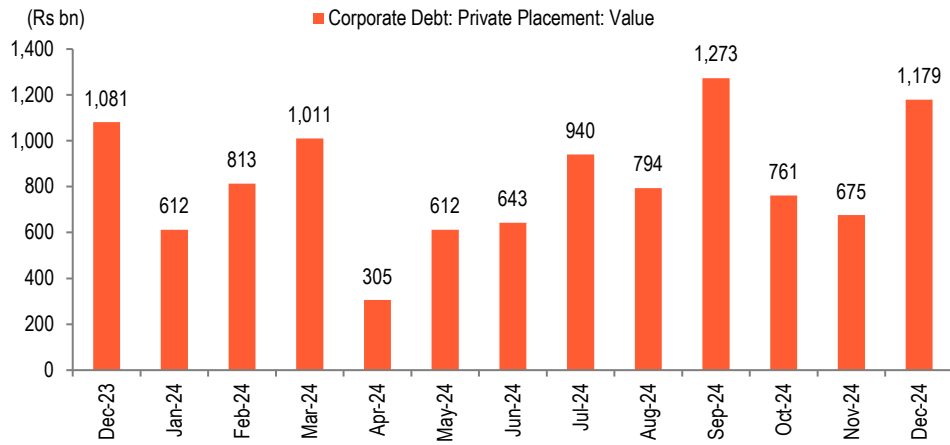
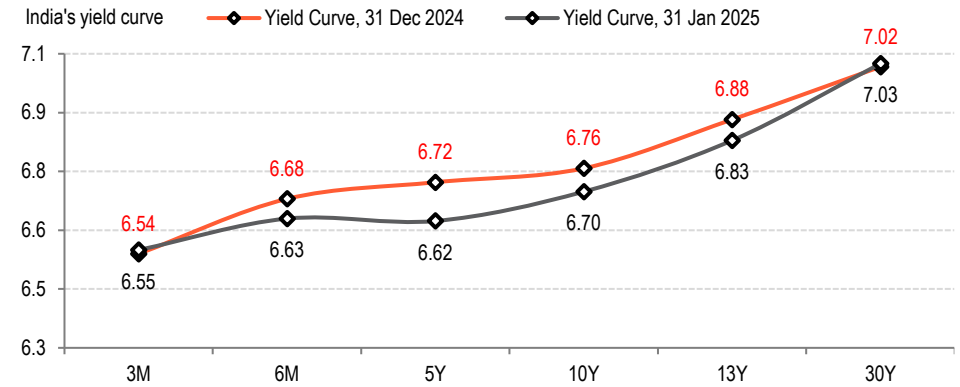
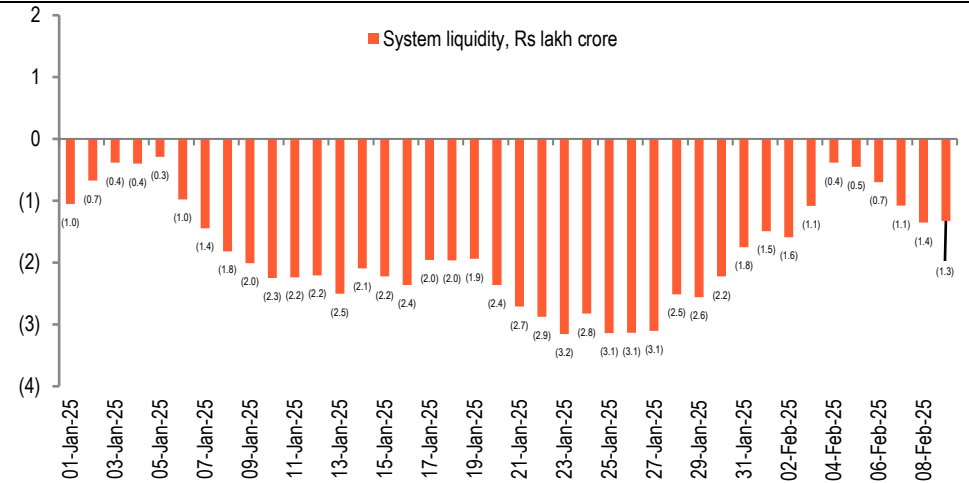


Fig 97 – Yield curve has shifted downwards



Source: Bloomberg

Fig 99 – Avg. system liquidity deficit rose to Rs 2tn in Jan'25 from Rs 0.7tn in Dec'24; currently at deficit of Rs 1.2tn (till 11th Feb)



Source: RBI

Fig 100 – 3Y AAA NBFC spread increased to 106bps as on 31 Jan 2025 from 94bps as of 31 Dec 2024 and currently softened

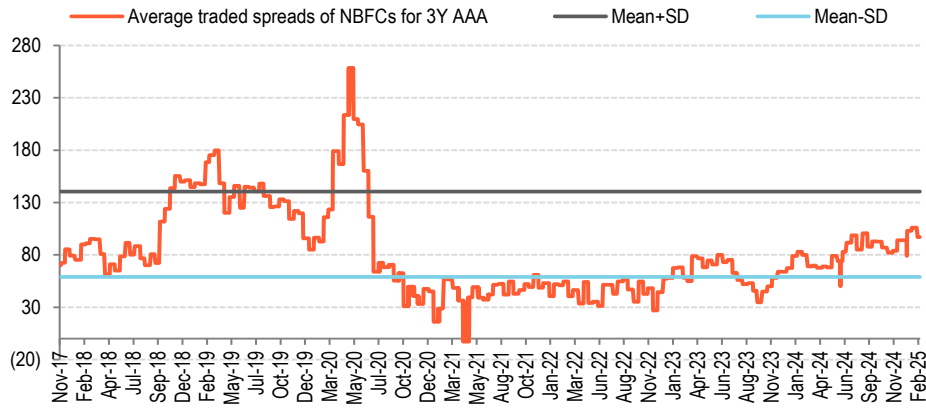


Fig 101 – For 10Y AAA NBFC, it inched up slightly to 60bps from 58bps

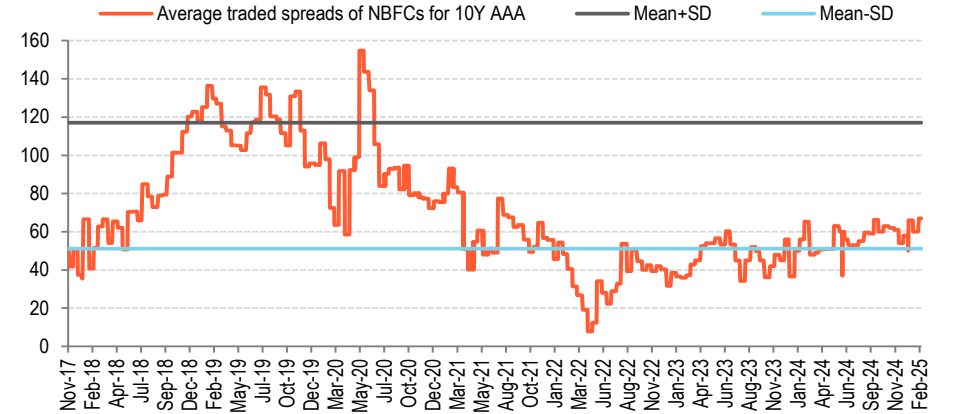


Fig 102 – 3Y AAA corp spread was at 65bps as on 31 Jan 2025 compared to 67bps as on 31 Dec 2024

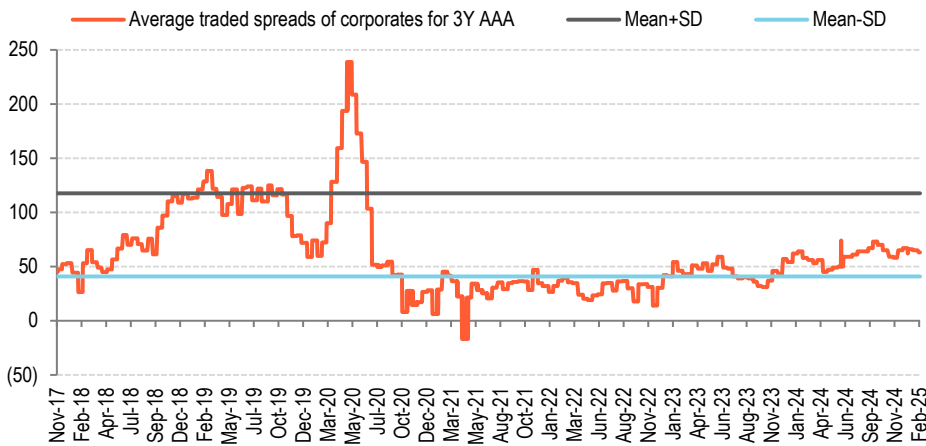


Fig 103 – For 10Y AAA corp spread as well, it softened to 30bps compared to 34bps

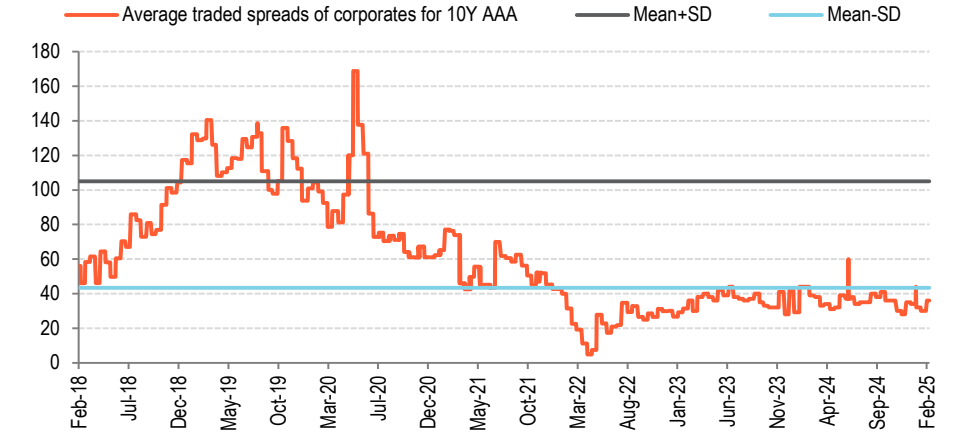


Fig 104 – INR 1Y swap moderated to 6.33 as on 31 Jan 2025 compared to 6.51 as on 31 Dec 2024, in anticipation of rate cut from RBI

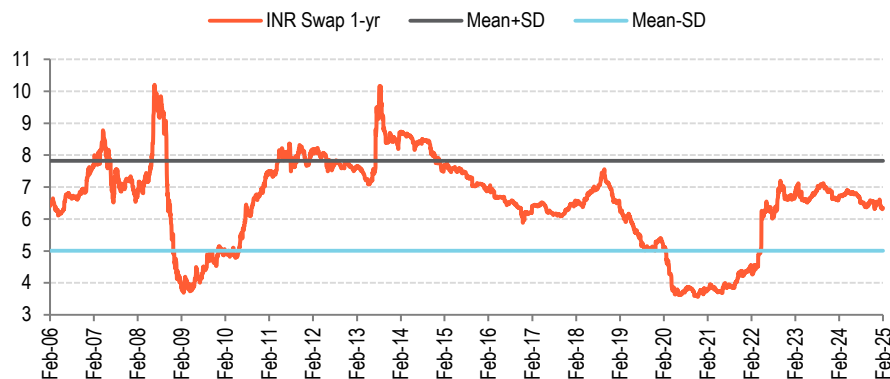
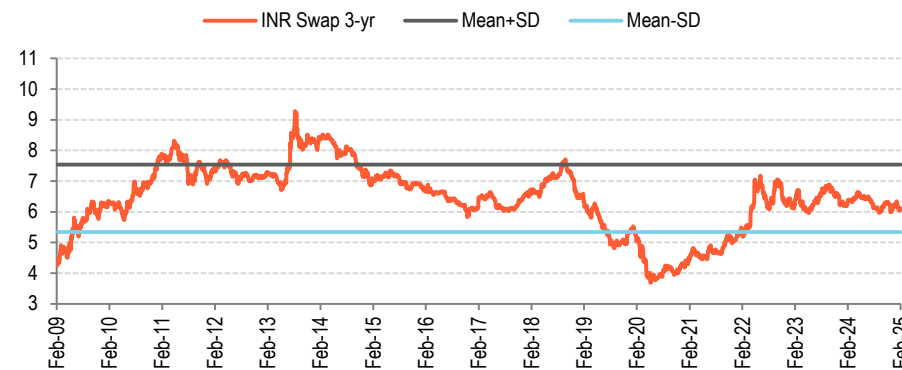


Fig 105 – For 3Y as well, it softened to 6.06% compared to 6.22%



Interest rates on small savings schemes

Fig 106 – 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 samriddhi 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

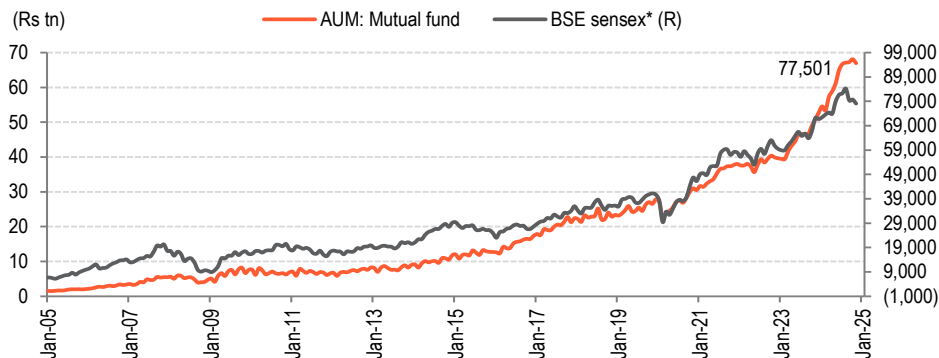
Fig 107 – MCLR rate of banks broadly unchanged

1Y MCLR (%)	Oct'23	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
Public Sector Banks																
Bank of Baroda	8.70	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
Bank of India	8.70	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
Canara Bank	8.70	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
Indian Bank	8.70	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
Punjab National Bank	8.65	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
State Bank of India	8.55	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
Union Bank of India	8.70	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
Private Sector Banks																
Axis Bank Ltd.	9.15	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
HDFC Bank Ltd.	9.20	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
ICICI Bank Ltd.	8.95	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
Indusind Bank	10.30	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
Kotak Mahindra Bank	9.35	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

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

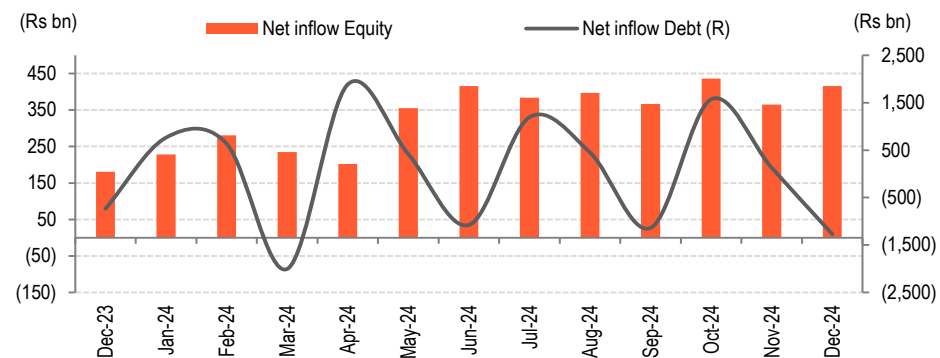
Mutual fund (MF) indicators

Fig 108 – Sensex declined by 0.8% in Jan-25, AUM of MFs moderated to Rs 66.9tn in Dec'24 from Rs 68.1tn in Nov'24



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

Fig 109 – MF equity inflows rose to Rs 416bn in Dec'24 from Rs 365bn in Nov'24; debt outflow rose to Rs 1.3tn from Rs 129bn inflow seen in Nov'24



Insurance sector indicators

Fig 110 – Sale of life insurance policies continued to be on the negative trajectory albeit at a slower pace, as it declined by -8.9% in Jan’25 from -19.8% in Dec’24

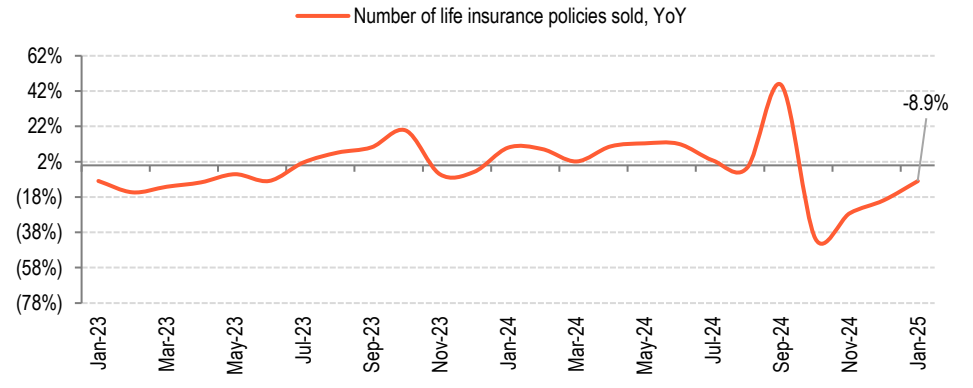
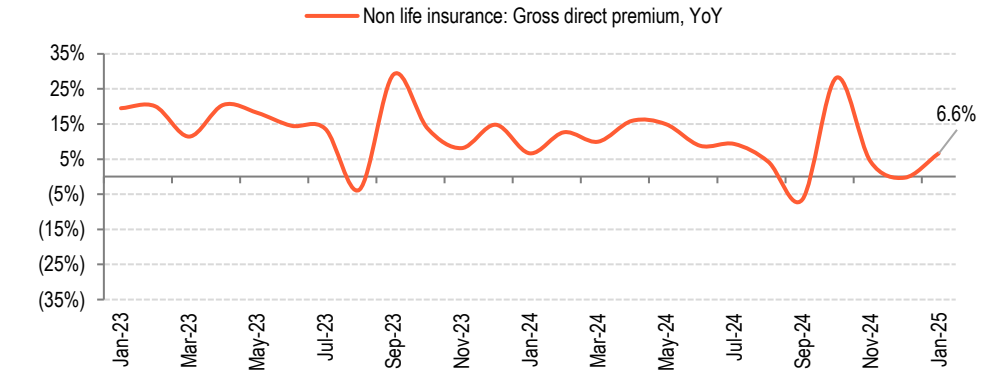


Fig 111 – Gross direct premium for non-life insurance inched up by 6.6% in Jan’25 from -0.3% in Dec’24



Public finance

Central government finances

Fig 112 – Fiscal deficit eased in Dec'24 (12MMA basis), but remains slightly higher than Q2

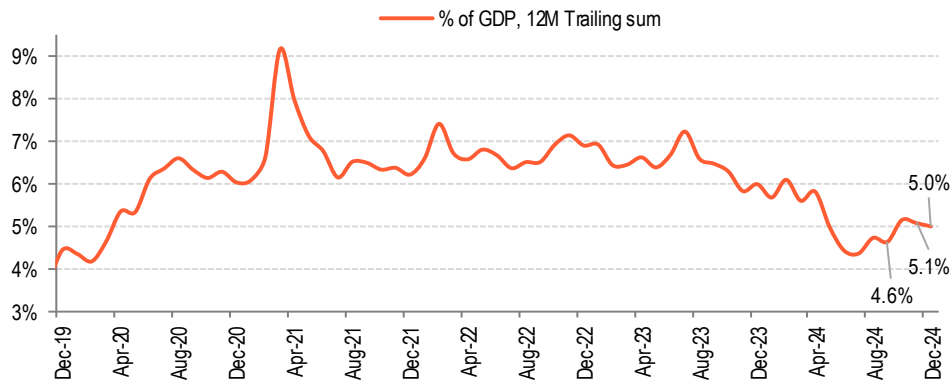


Fig 113 – Revenue deficit was also down in Dec'24

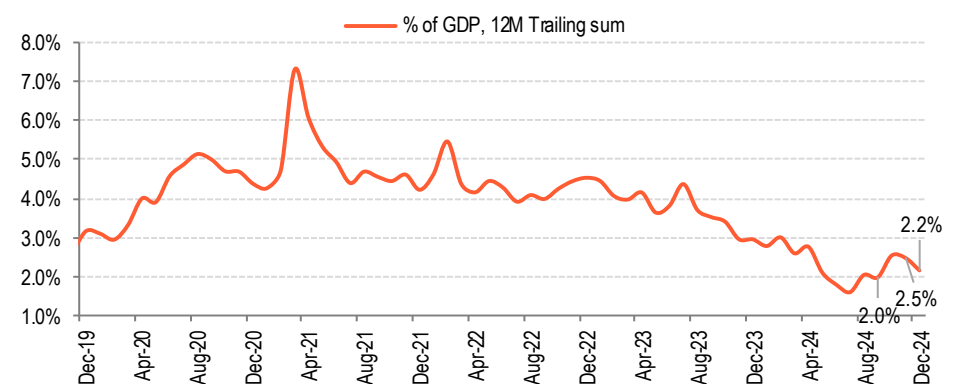


Fig 114 – Primary deficit stable at 1.5% as of Q3; slightly higher than Q2

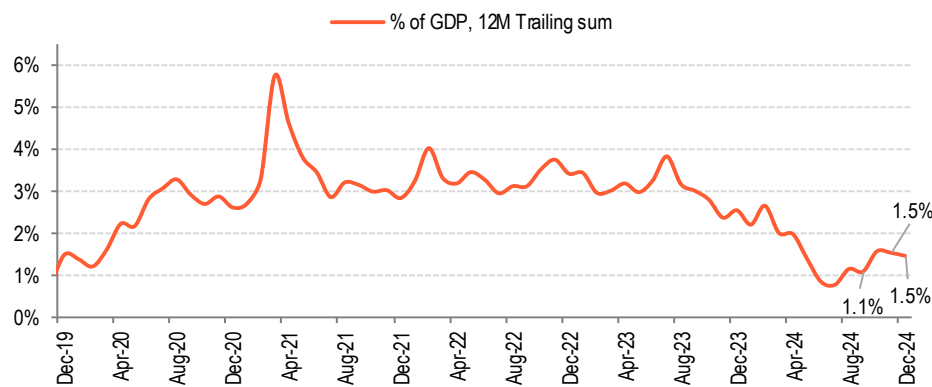


Fig 115 – Government spending gathered pace in Q3 versus Q2 (12MMA basis)...

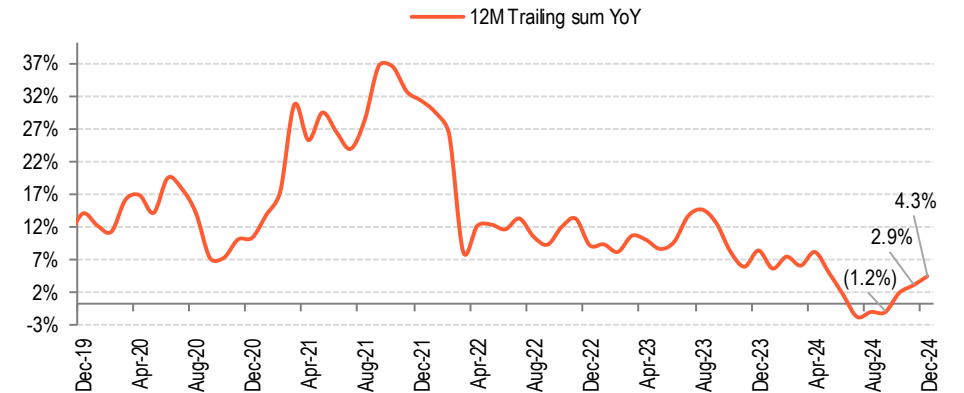


Fig 116 – ...Led by both revenue spending

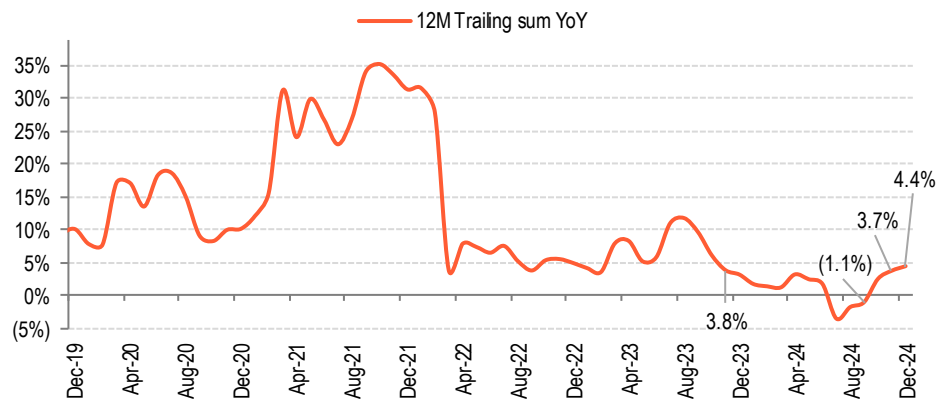


Fig 117 – ...And capital expenditure

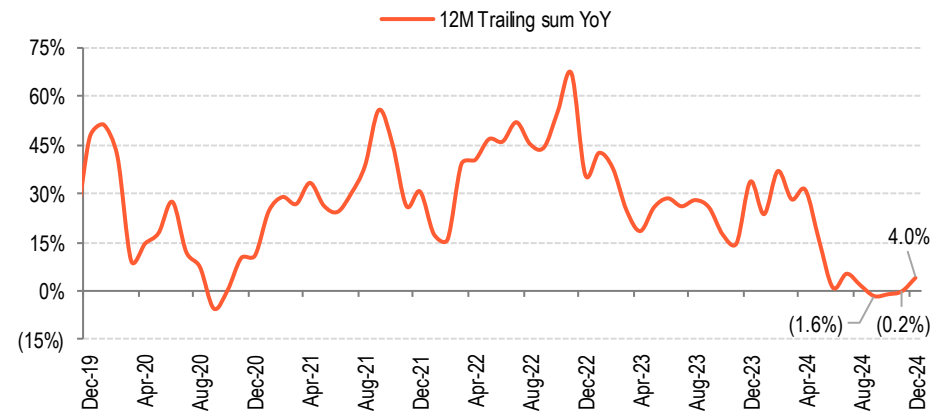


Fig 118 – Spending gaining momentum due to higher outgo from ministry of road transport, consumer affair, home affair and rural development

Ministry	Apr-Dec'22	Apr-Dec'23	% change	Apr-Dec'24	% change
Ministry of Finance	10,123	10,769	6.4	11,767	9.3
Ministry of Defence	3,802	4,453	17.1	4,528	1.7
Ministry of Consumer Affairs, Food and Public Distribution	1,685	1,393	(17.3)	1,765	26.8
Ministry of Rural Development	1,100	1,089	(1.0)	1,142	4.8
Ministry of Home Affairs	1,343	1,460	8.7	1,763	20.7
Ministry of Education	637	592	(7.0)	679	14.6
Ministry of Road Transport and Highways	1,582	2,281	44.2	2,386	4.6
Ministry of Chemicals and Fertilisers	1,816	1,414	(22.1)	1,363	(3.6)
Ministry of Petroleum and Natural Gas	32	29	(10.1)	72	147.5
Ministry of Agriculture	695	779	12.1	844	8.3
Ministry of Health and Family Welfare	521	557	6.9	669	20.1

Fig 119 – Receipt growth improved in Q3 versus Q2...

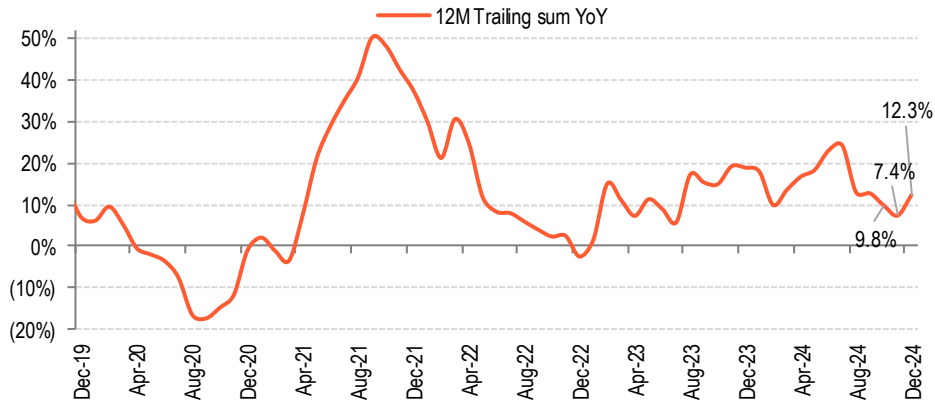


Fig 120 – ...Led by jump in revenue receipts

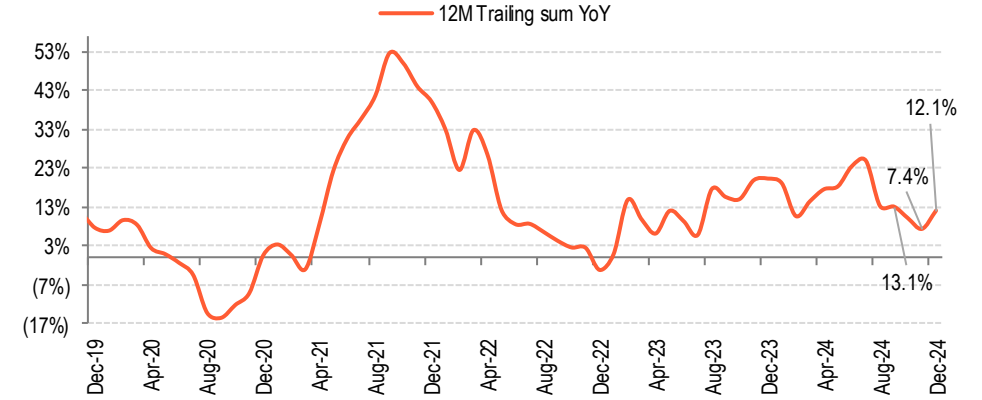


Fig 121 – Net tax revenue receipts led the pickup in revenue receipts

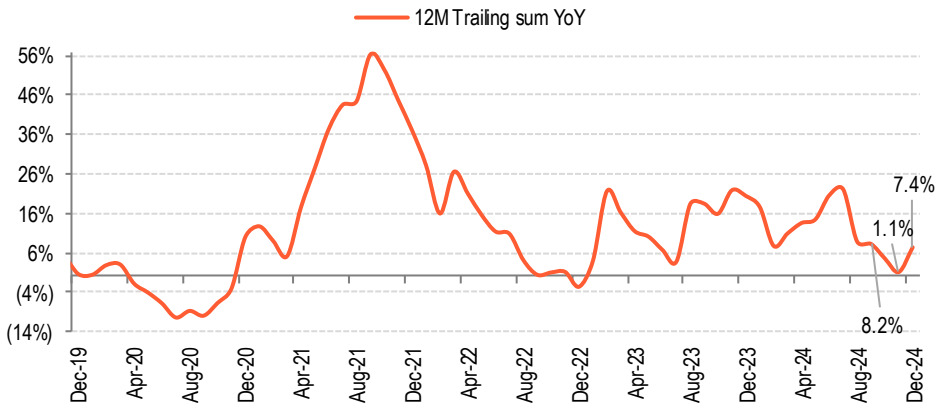


Fig 122 – Non-tax collections note marginal easing

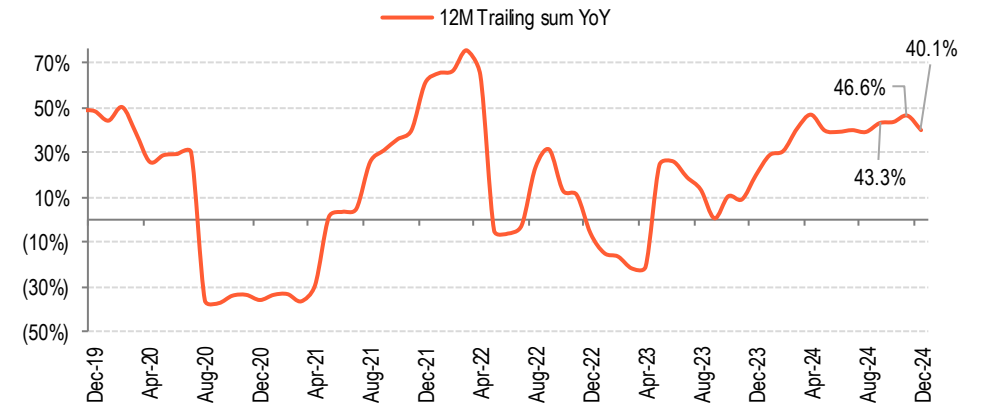


Fig 123 – Centre’s net tax collections see a slowdown, due to higher base; capex slightly higher than last year

	Apr-Dec'22	Apr-Dec'23	% change	Apr-Dec'24	% change
Gross Tax revenue	19,696	24,825	26.0	27,504	10.8
Direct taxes	9,412	14,073	49.5	15,787	12.2
Corp Tax	6,082	7,217	18.7	7,409	2.7
Income Tax	5,341	6,856	28.4	8,378	22.2
Indirect taxes	10,284	10,752	4.6	11,717	9.0
Non-tax revenue	2,143	3,124	45.8	4,477	43.3
Centre's revenue (net)	17,700	20,423	15.4	22,907	12.2
Total expenditure	28,181	30,542	8.4	32,321	5.8
Capital exp	4,899	6,736	37.5	6,853	1.7
Revenue exp	23,281	23,806	2.3	25,468	7.0
Fiscal deficit	9,930	9,823	-	9,141	-

Fig 124 – Gross indirect tax collections maintaining momentum

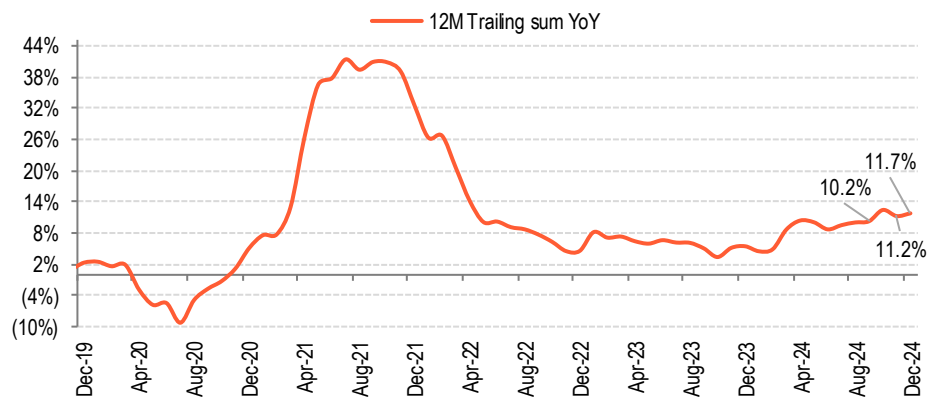


Fig 125 – Gross direct tax collections see some moderation

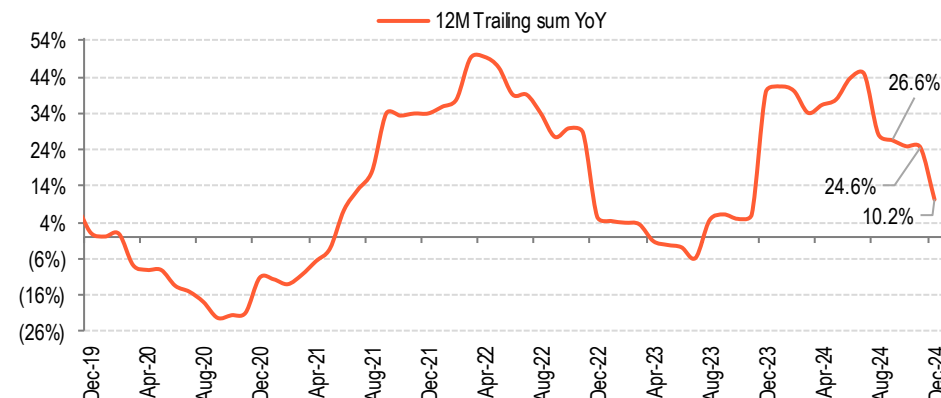


Fig 126 – Amongst direct taxes, corporate tax collections declined further

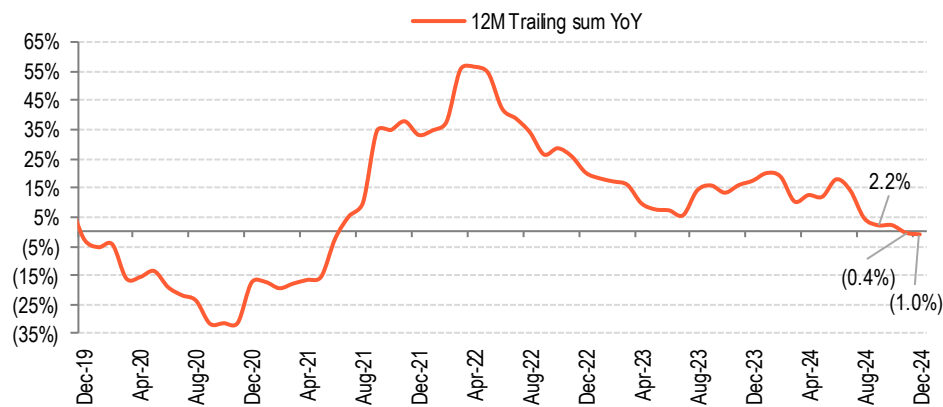


Fig 127 – Income tax collection growth seen holding ground

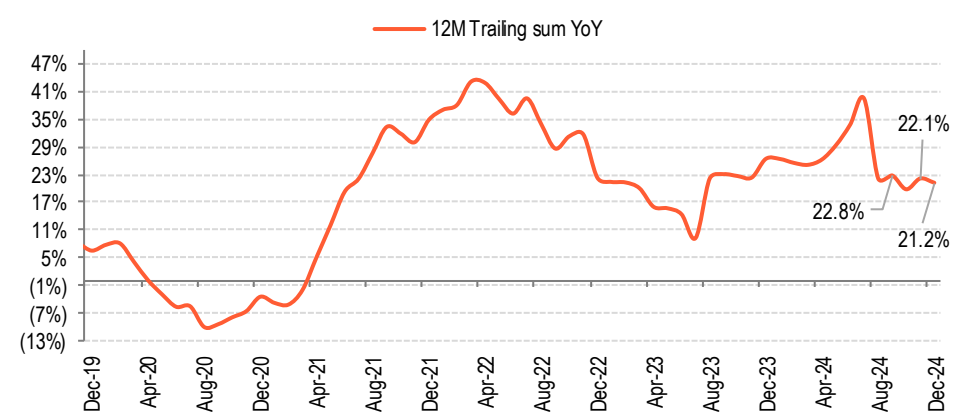


Fig 128 – GST collections for Dec'24 broadly stable

(Rs bn)	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	Monthly run rate (FYTD25)	FYTD25	FY25 (RE)
CGST	680	737	711	731	912	677	695	723	706	700	804	823	694	748	6,733	9,085
UT GST	4.5	4.7	3.8	7.0	2.9	3.1	2.8	0.6	3.5	3.4	3.2	4.8	2.7	3	27	-
IGST	(113)	(65)	(127)	383	(26)	(82)	7	(5)	82	16	(96)	(174)	(37)	(35)	(316)	-
SGST*	959	949	970	537	1,084	1,012	904	974	839	894	1,041	1,038	990	975	8,776	-
Cess	118	116	125	127	130	118	129	128	119	119	122	131	120	124	1,116	1,534
Total GST	1,649	1,741	1,683	1,785	2,103	1,727	1,738	1,821	1,750	1,732	1,873	1,823	1,769	1,815	16,336	-

Source: PIB | *Computed from PIB and CGA data

Fig 129 – Total subsidy disbursed in FYTD25 so far has been higher than last year, led by food subsidies

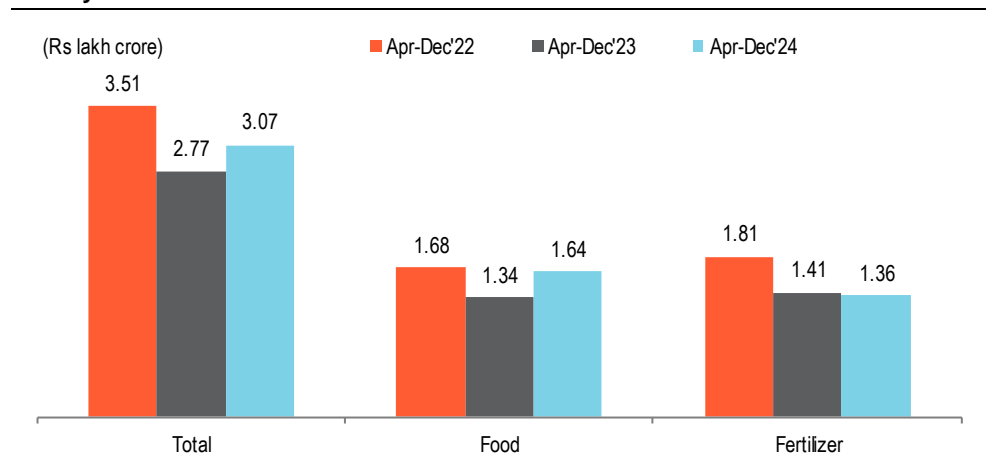
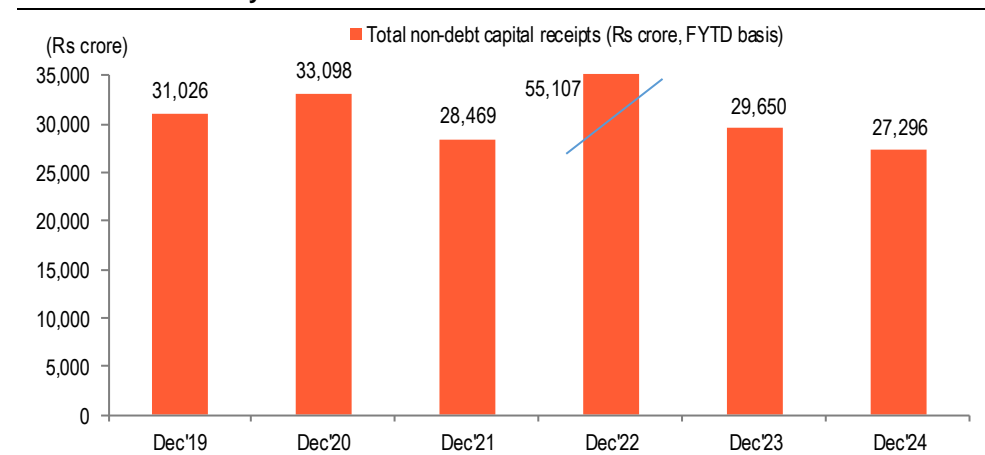


Fig 130 – Central gov't's non-debt capital receipts as of FYTD25 continues to track lower than last year



Central government borrowing

Fig 131 – Centre's borrowing through T-bill in Q4 was at ~Rs 2.1tn

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	2,066*	3,940
Total	11,192	11,271	11,788	17,204	16,986	17,105	16,731		12,220

Source: RBI, *Till 5 Feb 2025

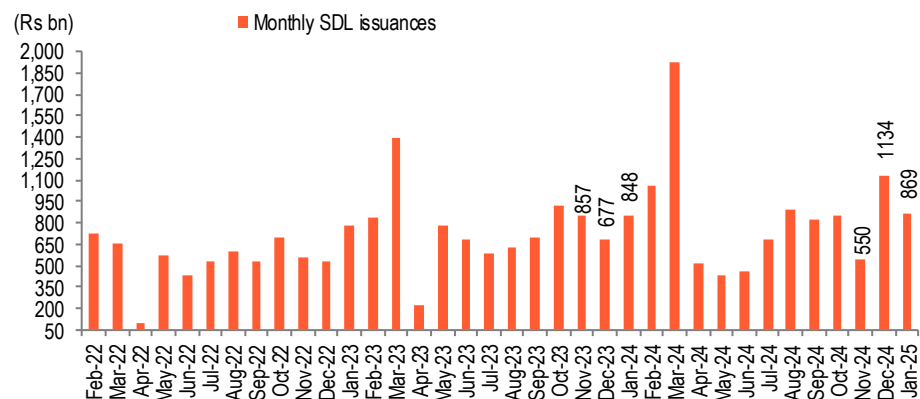
Fig 132 – Centre has raised Rs 1.8tn in Q4*

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	1,760*	2,470
Total	5,880	5,710	7,100	13,461#	11,273	14,210	15,430		14,110**

Source: RBI# Against budgeted Rs 12.8tn, * Till 7 Feb 2025, ** Union Budget figure of Rs 14,007

State government borrowing

Fig 133 – State government borrowings eased in Jan'25



Source: RBI

Fig 134 – States have borrowed ~60% 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	1,387*	4,735
Total	4,661	5,731	7,206	6,927	7,652	9,879	7,856*	13,112

Source: RBI; *as of 11 Feb 2025

External sector

Exports

Fig 135 – Global exports decelerate

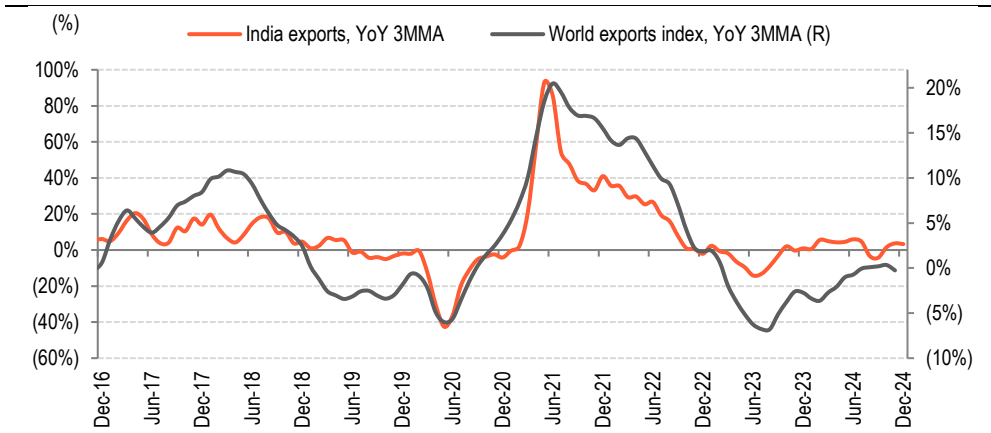
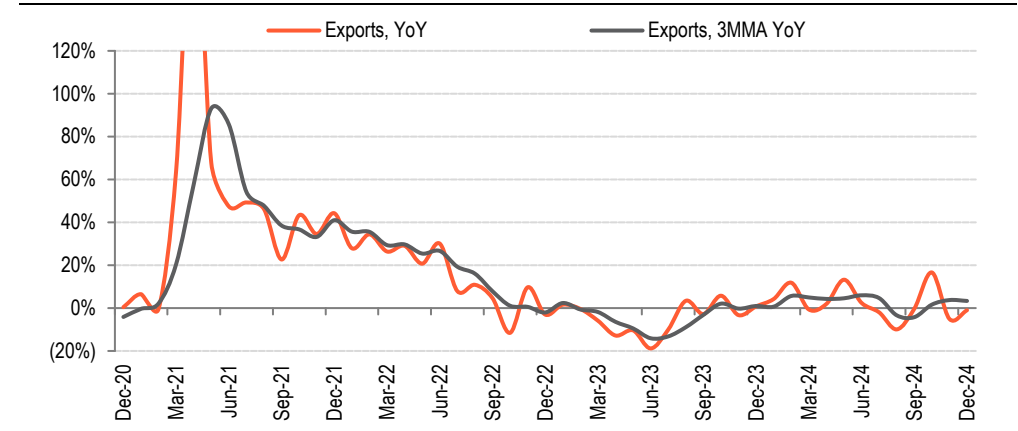


Fig 136 – India's exports declined at a softer pace of 1% in Dec'24, following a 5.1% decline in Nov'24



Exports by major sectors

Fig 137 – Non-oil exports increased at a steady pace

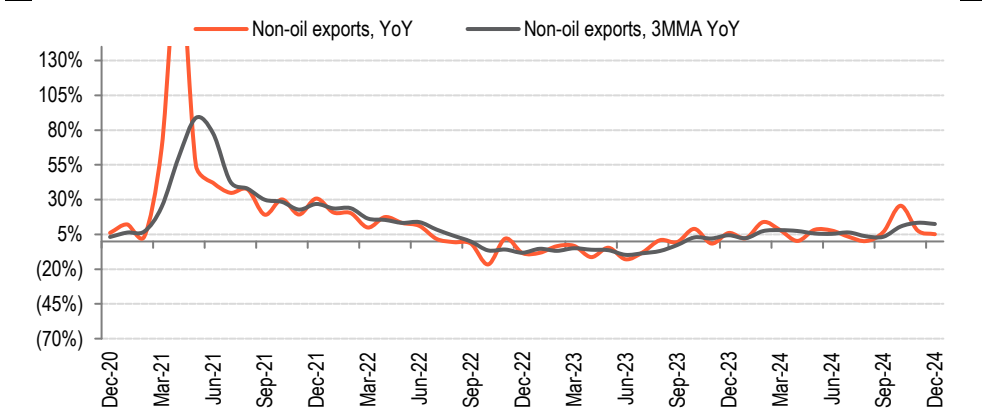


Fig 138 – Steady improvement in textiles exports

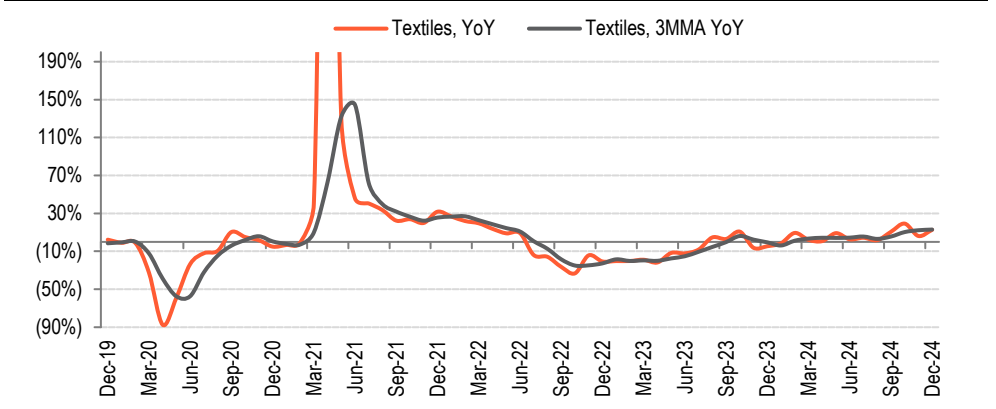


Fig 139 – Exports of engineering goods also increasing at a steady pace

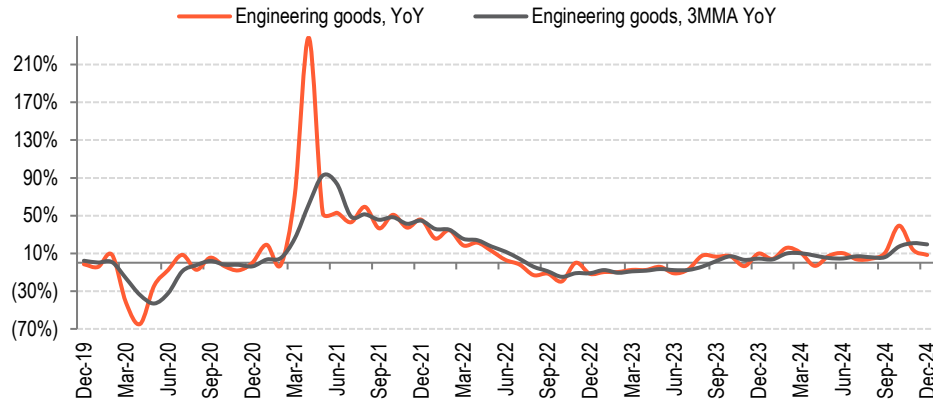
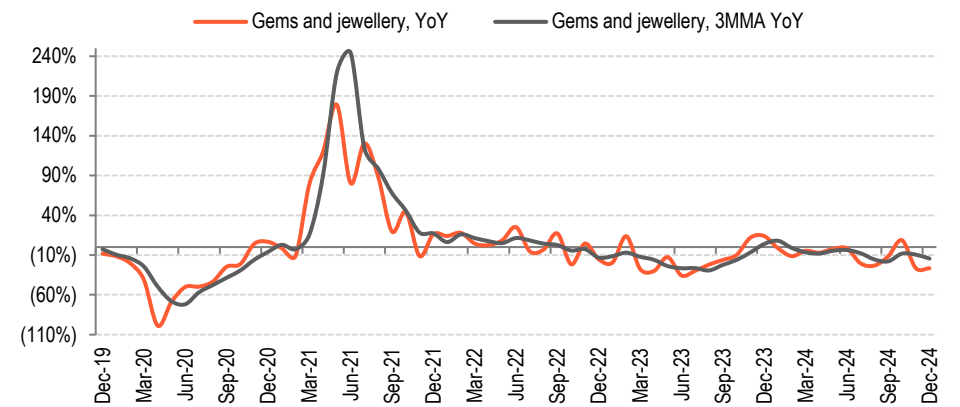


Fig 140 – Gems and jewellery exports awaiting a meaningful recovery



Imports

Fig 141 – Import growth moderated to 4.9% in Dec'24 from 16% in Nov'24

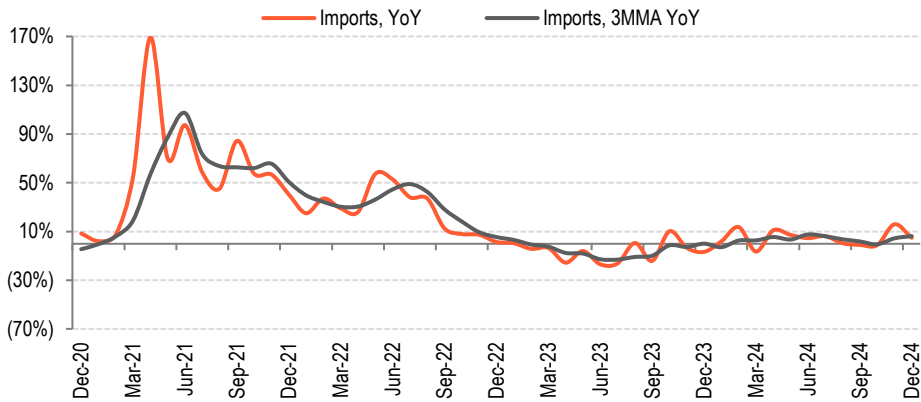


Fig 142 – .. led by a deceleration in gold imports

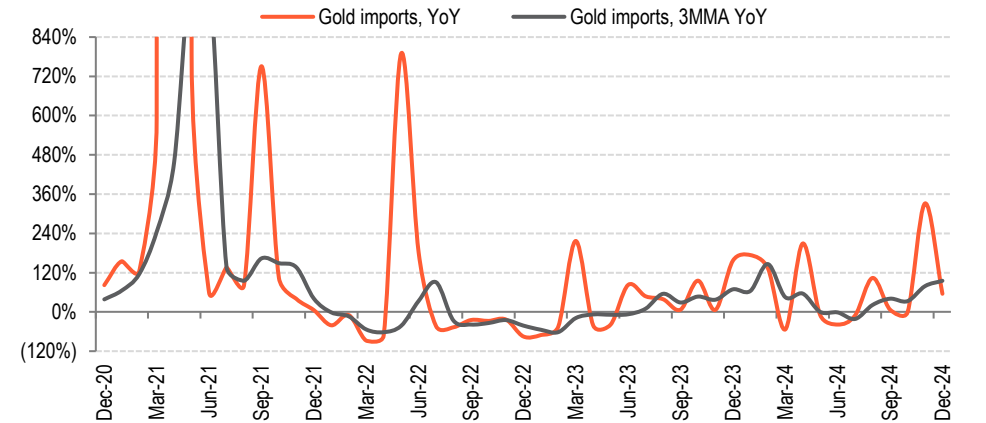


Fig 143 – Sharp drop in coal imports

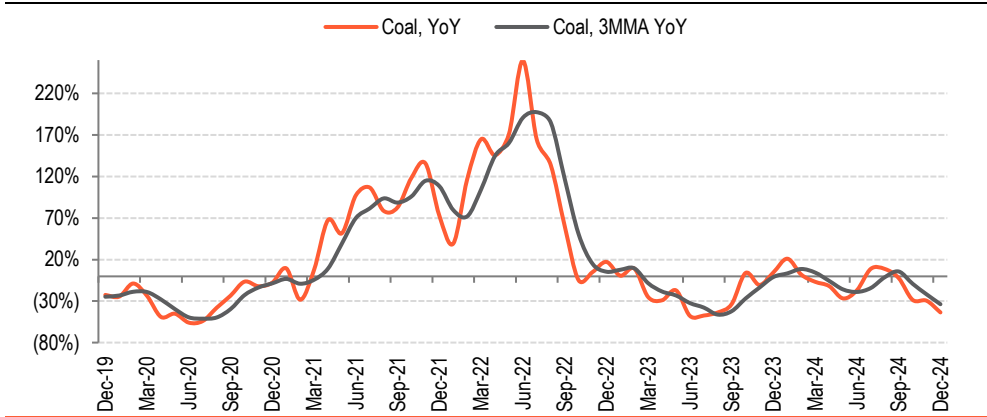


Fig 144 – Imports of pearls and precious stones also contracted further

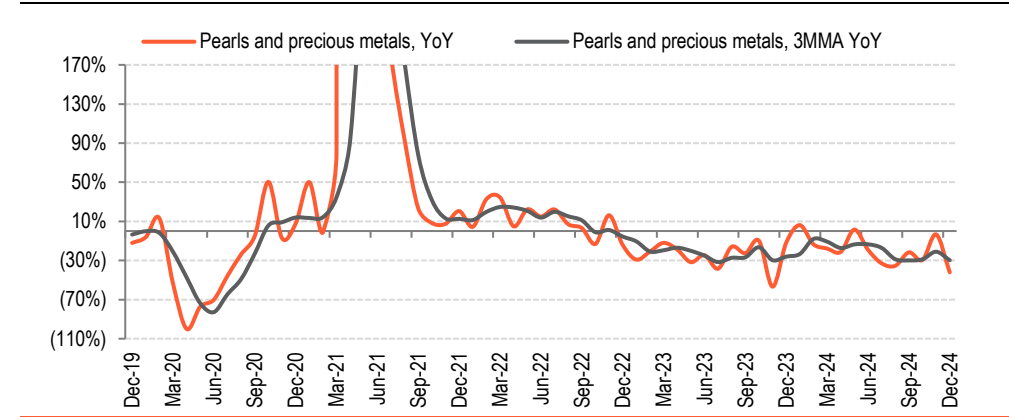


Fig 145 – Improvement seen in imports of machinery

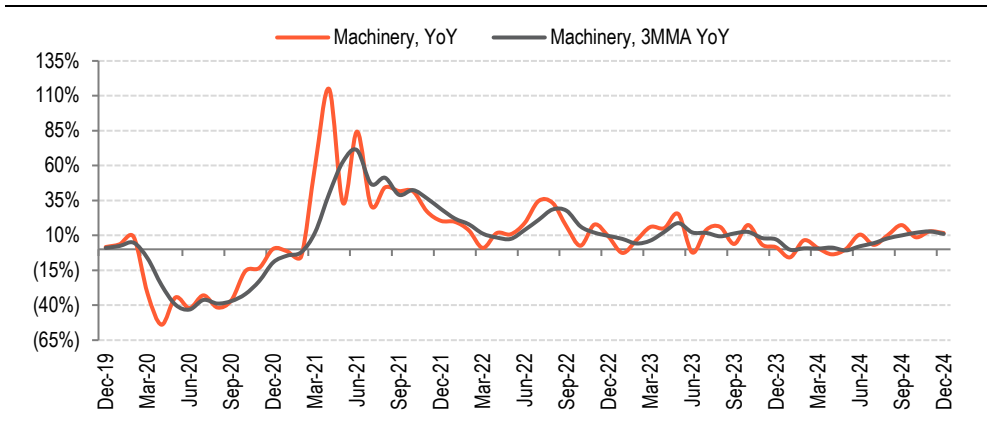
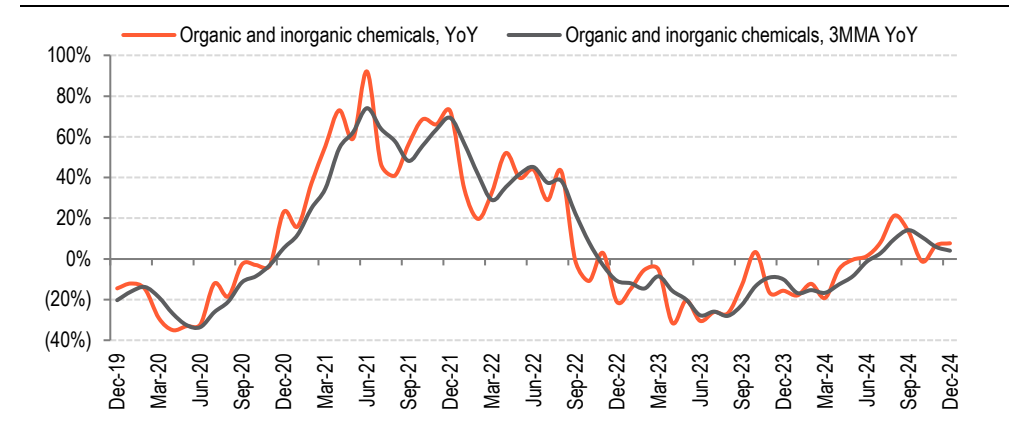


Fig 146 – .. similar trend seen in imports of organic and inorganic chemicals



Exports and imports by major regions

Fig 147 – Exports to China have declined sharply in FYTD25

Region (% YoY)	Share in FY24	FYTD24	FYTD25	Sep-24	Oct-24	Nov-24
Americas	23.5	(8.6)	6.5	(2.5)	7.7	11.5
Asia and Pacific (Ex. China)	22.5	(14.4)	2.0	(13.1)	(5.4)	34.6
China	3.9	0.6	(9.5)	(22.8)	(14.1)	(10.2)
Europe	22.9	1.8	5.8	(10.2)	6.1	17.9
Middle East and Africa	26.3	(9.1)	(0.2)	(12.9)	(3.2)	13.0
Other	1.0	12.2	(17.3)	(10.3)	(37.5)	(38.0)

Fig 148 – Continued weakness in imports from Europe

Region (% YoY)	Share in FY24	FYTD24	FYTD25	Sep-24	Oct-24	Nov-24
Americas	10.4	(13.7)	(1.8)	1.8	10.0	(39.1)
Asia and Pacific (Ex. China)	25.0	(6.6)	2.5	1.2	3.2	5.9
China	15.0	0.2	9.8	14.4	0.7	9.9
Europe	14.1	8.0	(7.9)	(14.4)	(38.6)	15.9
Middle East and Africa	26.3	(26.6)	14.8	1.6	22.6	6.8
Other	9.2	47.5	10.4	3.0	31.5	9.9

Trade deficit

Fig 149 – Trade deficit narrowed

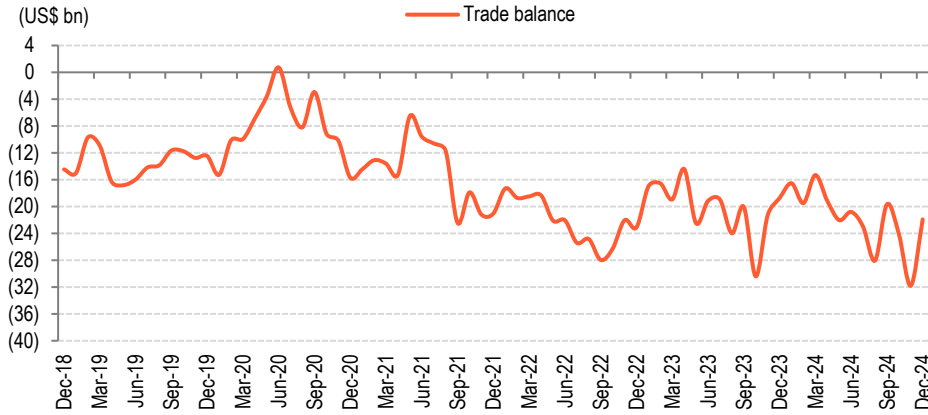
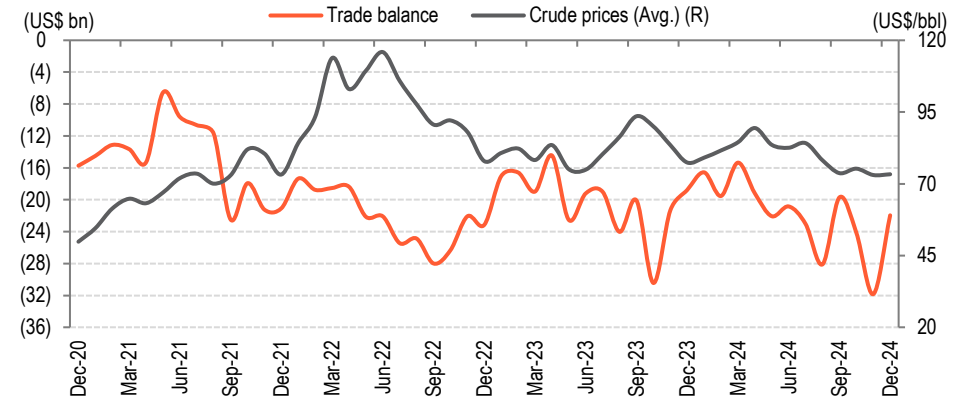
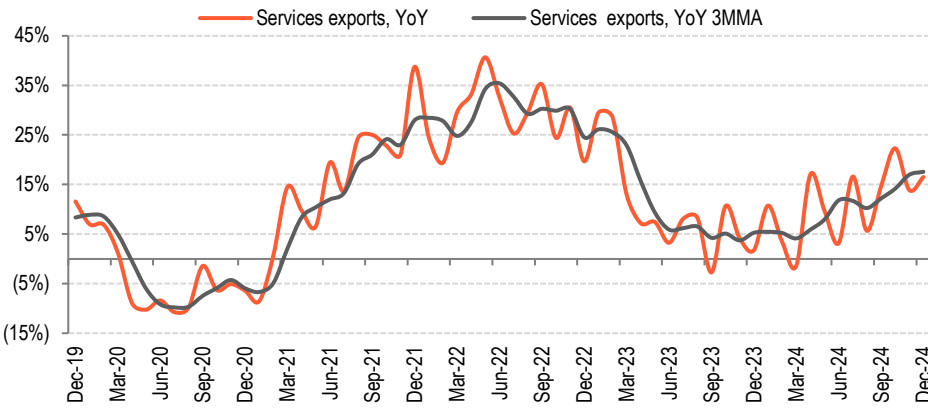


Fig 150 – .. as oil prices were lower



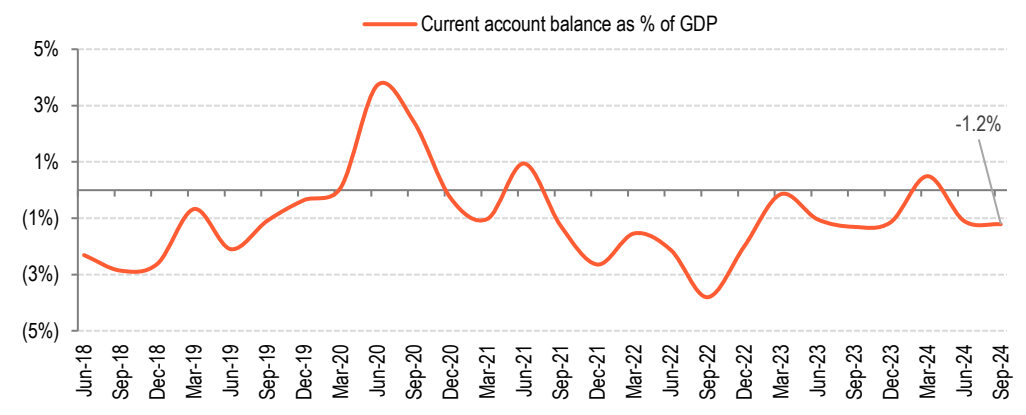
Trade in services

Fig 151 – Services exports increased by 16.5% in Dec'24 following a 13.9% increase in Nov'24



BoP

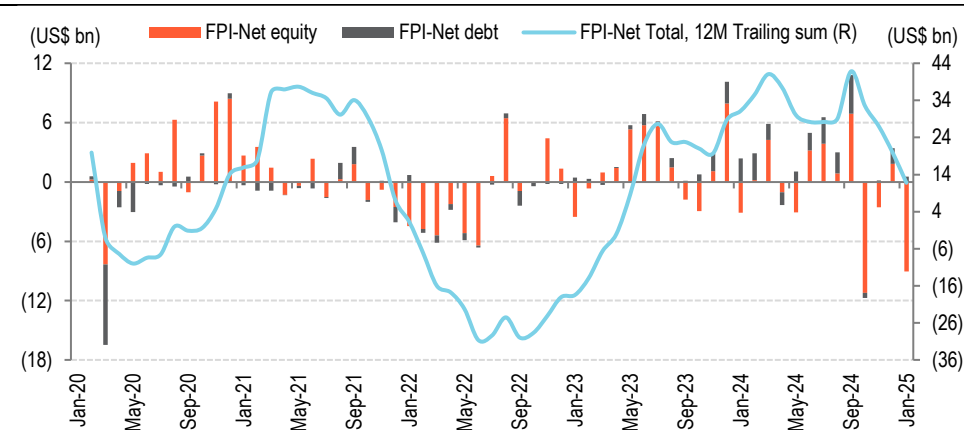
Fig 152 – India's current account deficit at 1.2% of GDP in Q2 FY25



Foreign inflows

FPI inflows

Fig 153 – In Jan'25, FPI outflows stood at ~US\$ 9bn, led by the equity segment



Source: NSDL

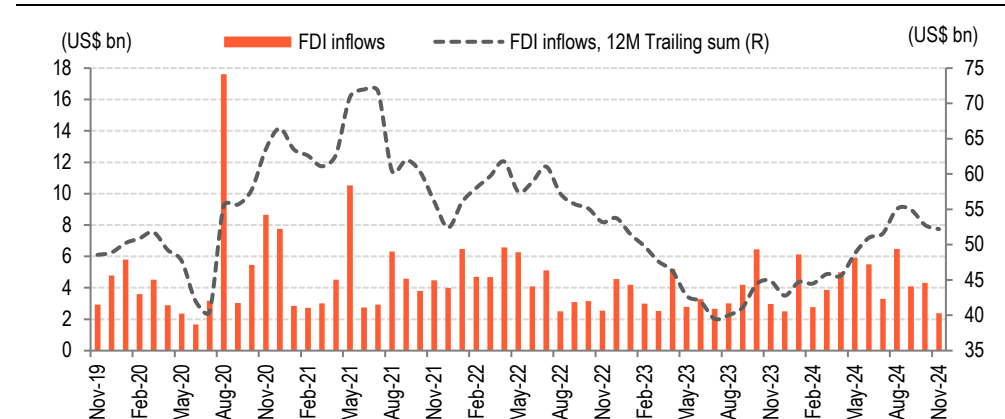
Fig 155 – FDI inflows into trading sector rise sharply in Q2FY25

Sector	% Share FY24	FYTD24	FYTD25	Q2FY24	Q1FY25	Q2FY25
Computer software and hardware	17.9	2.4	4.2	1.4	2.7	1.4
Services Sector	14.9	3.9	5.7	1.3	4.0	1.7
Construction (Infrastructure) activities	9.5	2.4	1.3	1.6	0.7	0.7
Trading	8.7	0.9	2.7	0.4	0.5	2.3
Non Conventional Energy	8.5	1.2	2.1	0.5	1.0	1.1
Automobile industry	3.4	0.7	0.9	0.3	0.4	0.6
Drugs and Pharmaceuticals	2.4	0.1	0.5	0.0	0.2	0.3

Source: DIPP

FDI inflows

Fig 154 – FDI inflows decelerate to US\$ 2.4bn in Nov'24 compared with US\$ 4.3bn in Oct'24



Source: RBI, Bank of Baroda Research

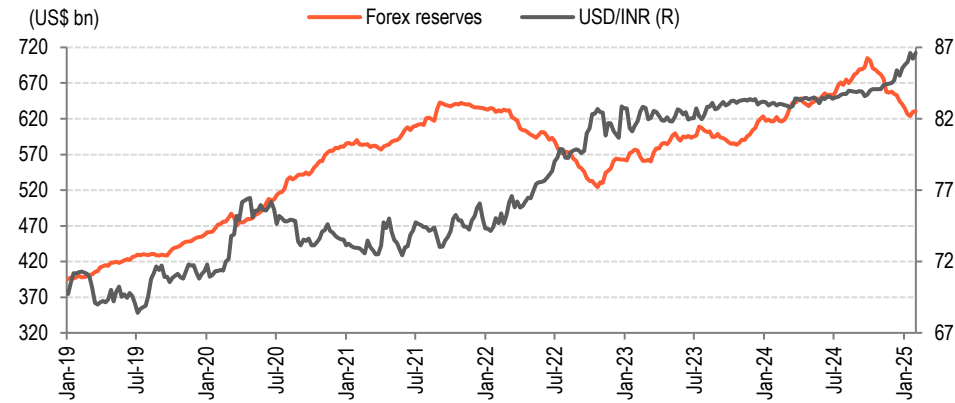
Fig 156 – Country wise, inflows from key sources lower in Q2 FY25

Country (US\$ bn)	Share in FY24	FYTD24	FYTD25	Q2FY24	Q1FY25	Q2FY25
Singapore	26.5	5.2	7.5	2.2	3.9	3.6
Mauritius	17.9	3.0	5.3	2.0	3.2	2.1
US	11.3	2.1	2.6	1.0	1.5	1.1
Netherlands	11.1	1.9	3.6	0.4	2.5	1.1
Japan	7.2	2.1	1.2	0.9	0.6	0.6
UK	2.7	0.6	0.2	0.2	0.1	0.1

Source: DIPP

Forex reserves and external debt

Fig 157 – India’s FX reserves at US\$ 630bn as of end Jan’25



Source: Bloomberg | Note: Weekly data as of 31 Jan 2025

Fig 158 – India’s import cover at ~11 months

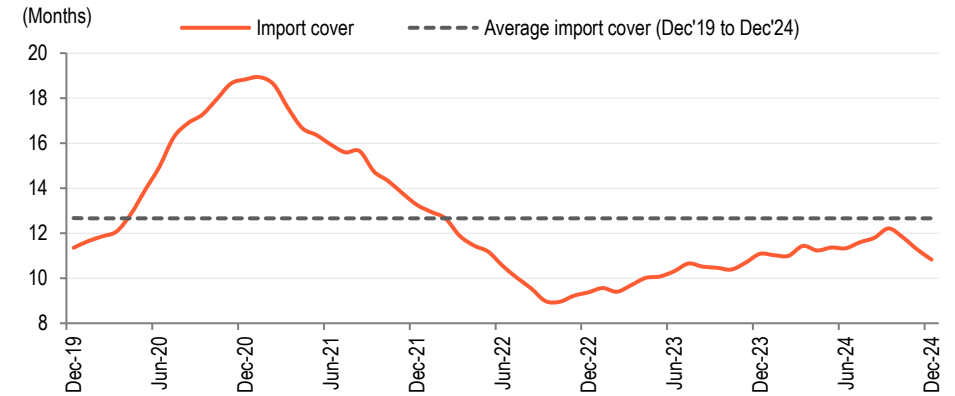


Fig 159 – RBI’s sold net US\$ 20.2bn in the spot market in Nov’24- A record high

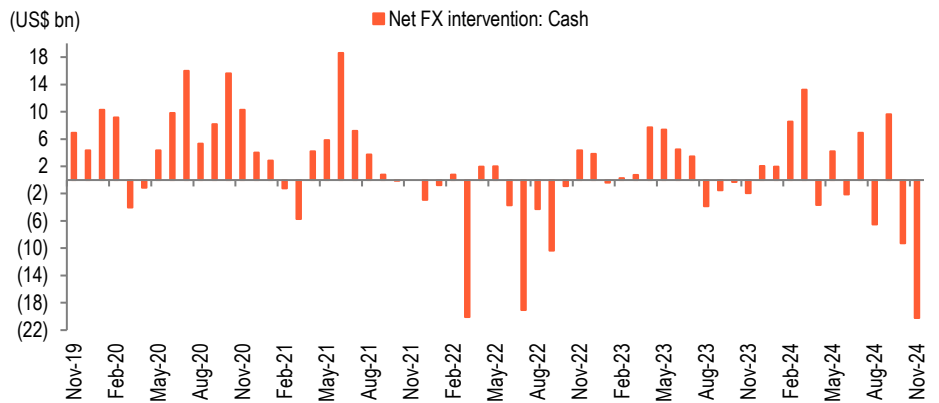
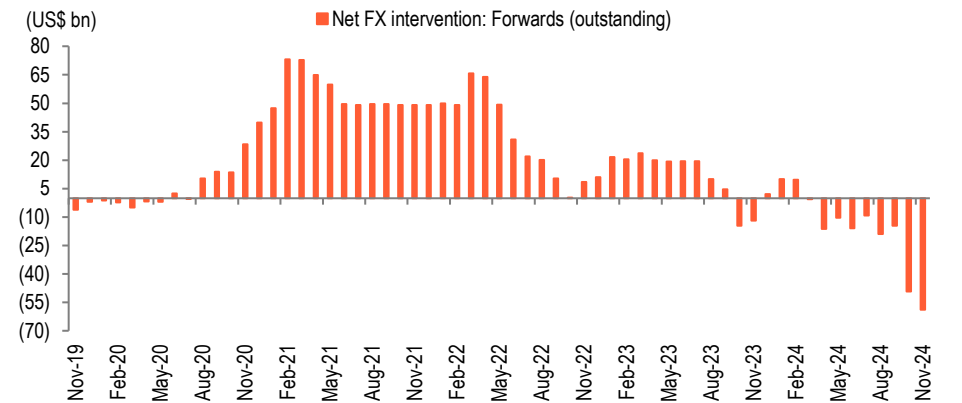


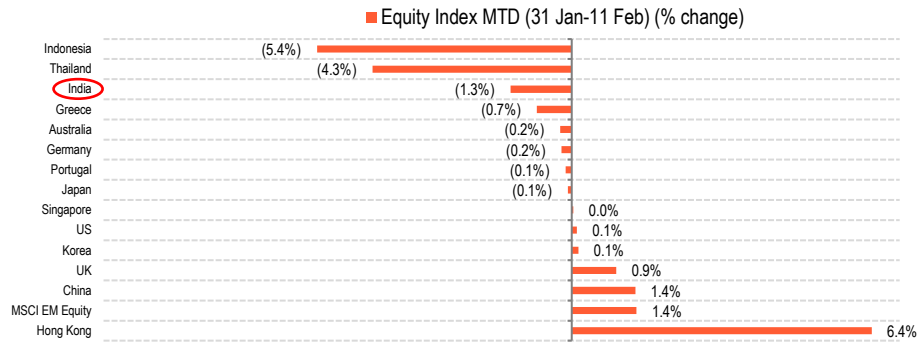
Fig 160 – RBI’s outstanding forwards book swells to US\$ 58.9bn as of Nov’24



Markets

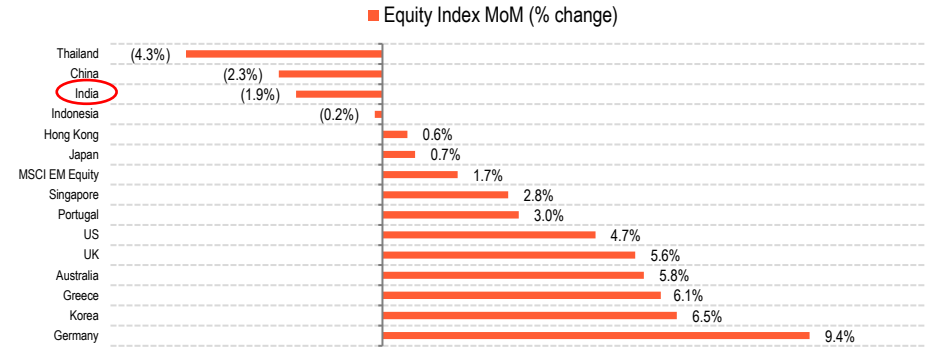
Equity

Fig 161 – In Feb’25, Sensex slipped by 1.3%



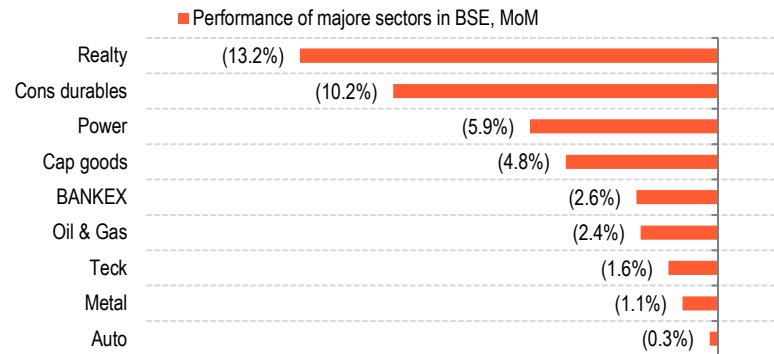
Source: Bloomberg | * As on 11 Feb 2025, Indices are in US\$ terms

Fig 162 – However, in Jan’25, Sensex fell at a less sharp pace by 1.9%



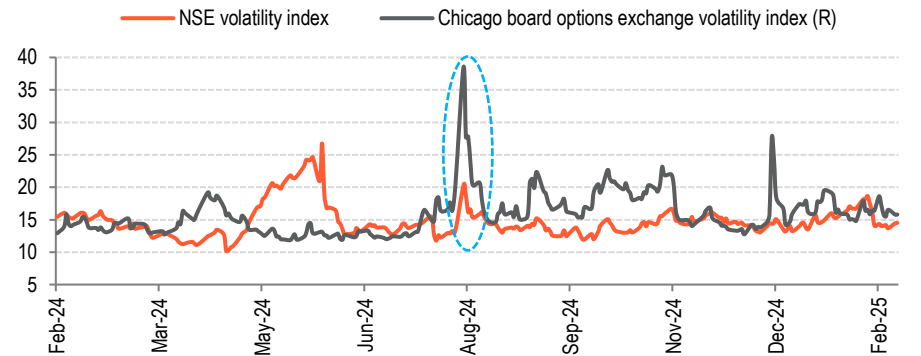
Source: Bloomberg | * As on 31 Jan 2025, Indices are in US\$ terms

Fig 163 – Real estate stocks fell the most



Source: Bloomberg | * As on 31 Jan 2025

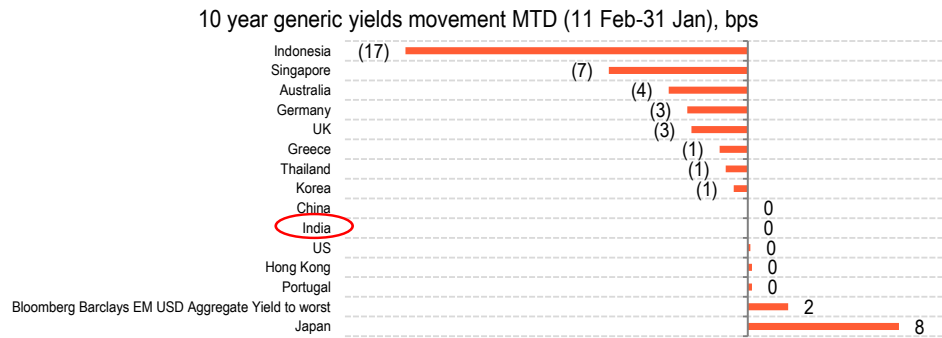
Fig 164 – VIX index inched up to 16.25 as on 31 Jan 2025 from 14.47 as on 31 Dec 2024



Source: Bloomberg

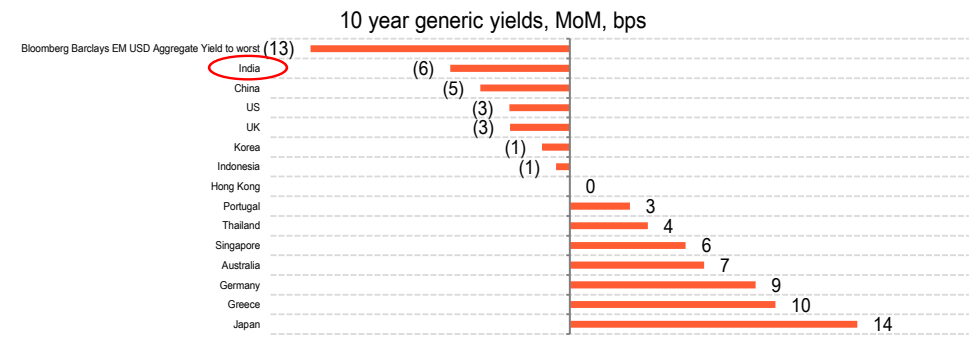
10-year bond yields

Fig 165 – In Feb'25*, India's 10Y yield remained stable



Source: Bloomberg, *As on 11 Feb 2025

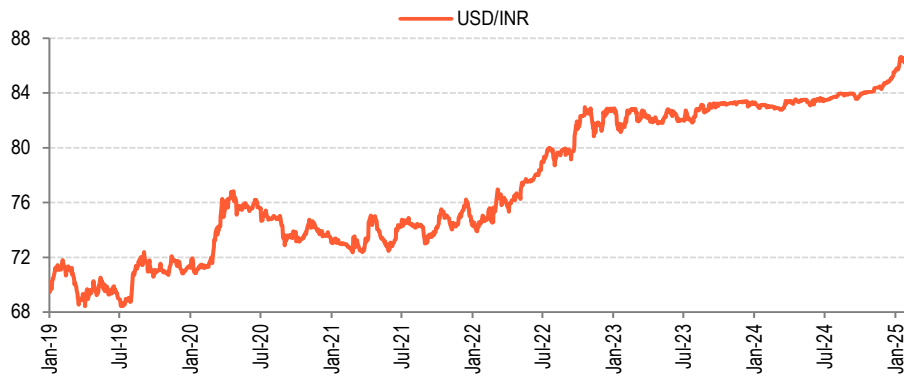
Fig 166 – In Jan'25, India's 10Y yield fell by 6bps



Source: Bloomberg, As on 31 Jan 2025

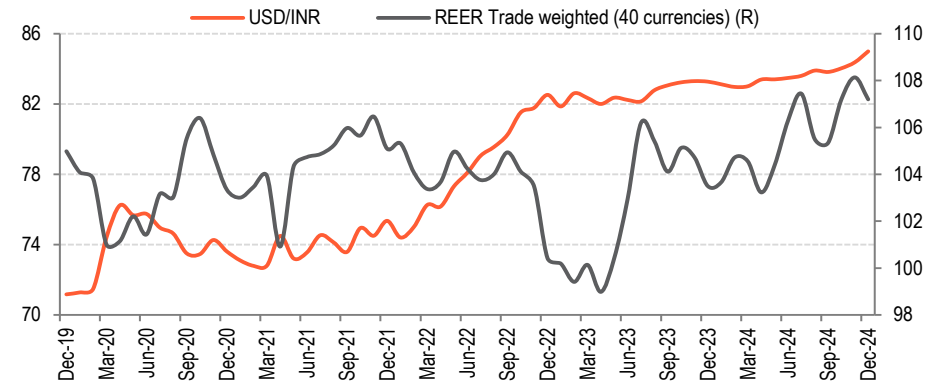
Currencies

Fig 167 – INR tested fresh record lows in Jan'25



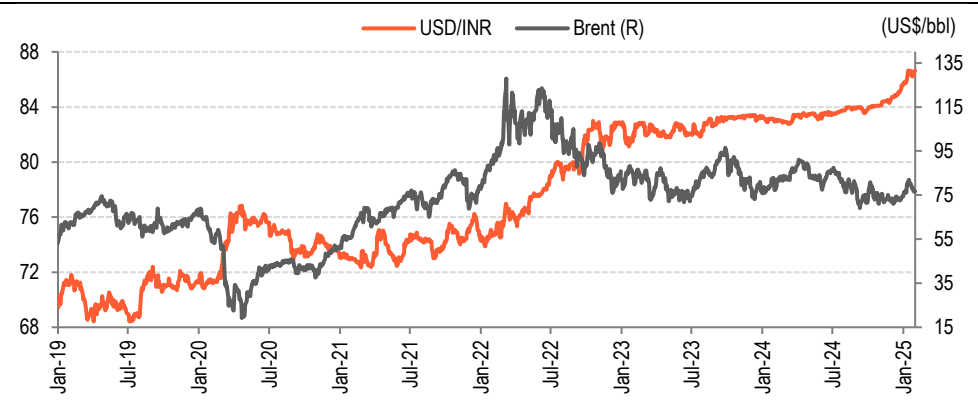
Source: Bloomberg | *As on 31 Jan 2025

Fig 168 – INR overvalued by 7.2% on REER basis (Dec'24)



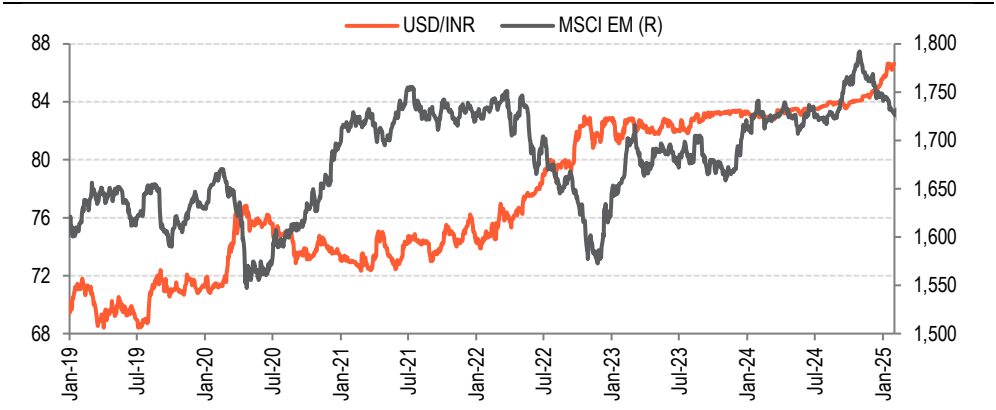
Source: Bloomberg

Fig 169 – Oil prices were higher on an average in Jan'25



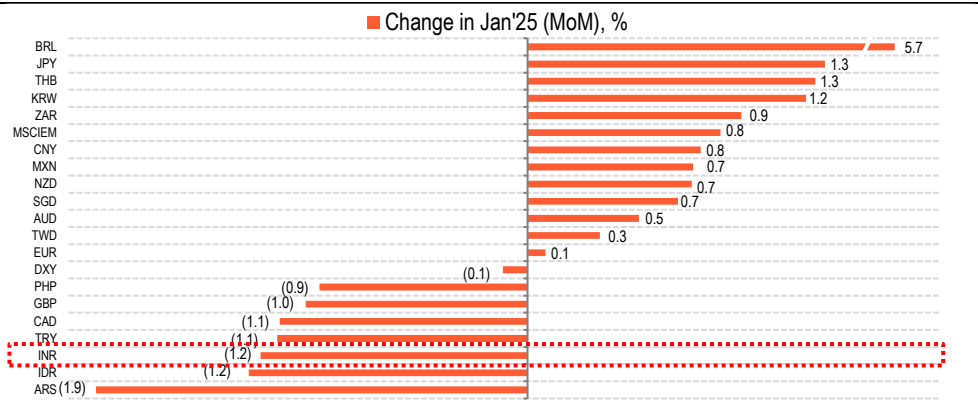
Source: Bloomberg | *As on 31 Jan 2025

Fig 170 – ..exerting pressure on EM currencies



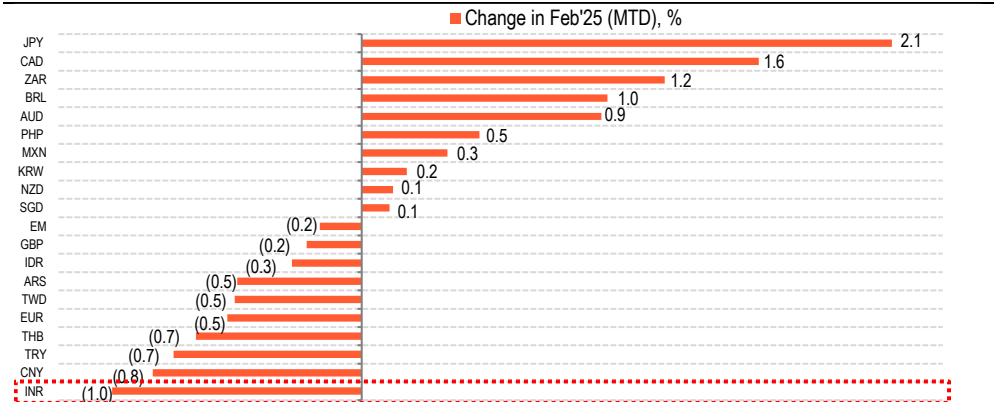
Source: Bloomberg | *As on 31 Jan 2025

Fig 171 – INR depreciated by 1.2% in Jan'25



Source: Bloomberg | *As on 31 Jan 2025

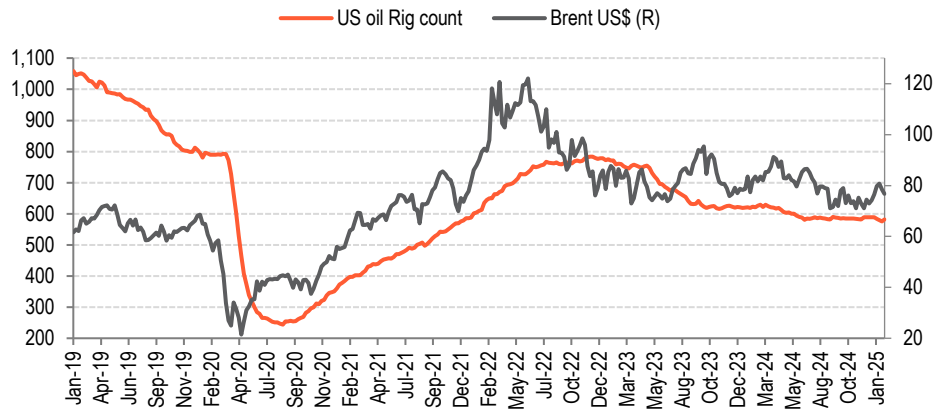
Fig 172 – In Feb'25, INR has depreciated further by 1%



Source: Bloomberg | *As on 10 Feb 2025

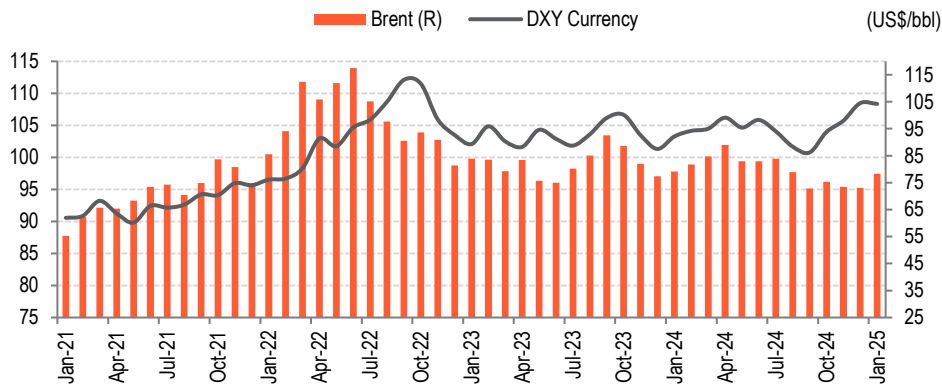
Commodities

Fig 173 – US rig count showed moderation



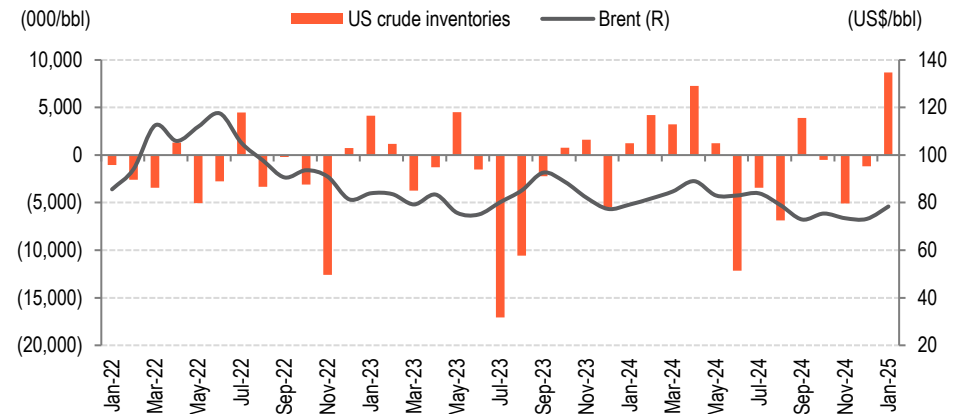
Source: Bloomberg

Fig 175 – Oil price averaged to US\$ 78.35/bbl in Jan'25 compared to US\$ 73.1/bbl in Dec'24, DXY was at 108.37



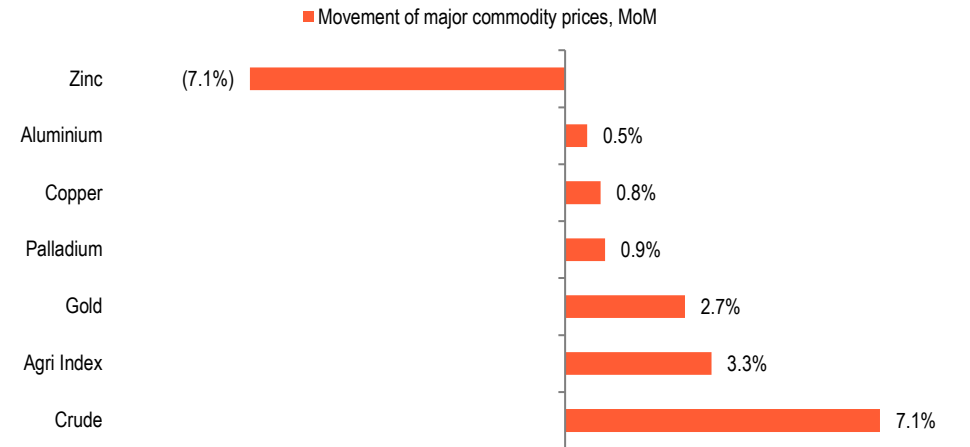
Source: Bloomberg | DXY Index as on last trading day of the month

Fig 174 – Crude inventories swelled up



Source: Bloomberg

Fig 176 – Crude prices firmed up in Jan'25



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

Fig 177 – Performance of high frequency indicators

Indicators	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
Agriculture													
Tractor sales	(14.5)	(25.7)	(19.5)	(2.9)	0.5	3.5	1.4	(5.5)	2.4	21.0	(0.9)	13.3	-
Two wheeler sales	15.0	13.3	5.4	33.2	2.5	4.7	17.2	6.3	(8.5)	36.3	15.8	15.8	-
MNREGA work (HH)	(5.0)	0.3	(19.2)	(10.6)	(14.3)	(21.7)	(19.5)	(16.0)	(13.4)	(7.6)	3.9	8.2	14.6
Manufacturing													
IIP: General index	4.2	5.6	5.5	5.2	6.3	4.7	4.7	(0.1)	3.1	3.7	5.2	-	-
IIP: Manufacturing	3.6	4.9	5.9	4.2	5.1	3.2	4.4	1.1	3.9	4.4	5.8	-	-
IIP: Capital goods	3.2	1.7	7.0	2.8	2.6	3.8	11.8	0.5	3.6	3.1	9.0	-	-
IIP: Infra & construction goods	5.5	8.3	7.4	8.5	7.6	7.1	4.6	2.2	3.2	4.8	10.0	-	-
IIP: Consumer goods	11.6	12.6	9.5	10.5	12.6	8.7	8.3	5.3	6.5	5.7	13.1	-	-
Steel	9.2	9.4	7.5	9.8	8.9	6.3	6.4	3.9	1.6	5.2	4.4	5.1	-
Cement	4.1	7.8	10.6	0.2	(0.6)	1.8	5.5	(3.0)	7.2	3.1	13.5	4.0	-
Electricity	5.7	7.6	8.6	10.2	13.7	8.6	7.9	(3.7)	0.5	2.0	4.4	5.1	-
PMI: Manufacturing	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5	56.4	57.7
Services													
Services PMI index	61.8	60.6	61.2	60.8	60.2	60.5	60.3	60.9	57.7	58.5	58.4	59.3	56.5
Automobile sales	15.0	13.1	3.1	26.7	2.6	0.7	13.8	2.9	(9.3)	32.1	11.2	(12.5)	6.6
Passenger vehicle sales	13.3	12.4	(6.2)	15.9	(1.0)	(6.8)	10.2	(4.5)	(18.8)	32.4	(13.7)	(2.0)	15.5
Vehicle registration	16.1	14.0	3.8	27.5	3.3	1.4	14.7	3.7	(8.6)	33.3	11.9	(12.0)	6.5
Rail freight traffic	6.4	10.1	8.6	1.4	3.7	10.1	4.5	0.0	2.8	1.5	-	-	-
Port cargo volume	3.2	2.0	3.6	1.3	3.7	6.8	6.0	6.7	5.9	(3.4)	(5.0)	3.4	6.2
Credit growth	20.3	20.5	20.2	19.2	20.7	17.4	13.7	14.0	12.3	11.8	11.2	11.2	11.4
Deposit growth	13.2	13.1	13.5	12.6	14.0	11.1	10.6	12.7	10.4	11.5	11.2	9.8	10.3
CIC	3.9	3.7	4.1	3.2	4.6	6.0	6.4	5.7	5.9	7.0	5.9	5.9	5.3
Toll collection (in mn)	331.4	323.4	338.7	328.1	347.4	334.4	312.3	329.0	318.4	345.0	358.8	382.0	380.3
Diesel consumption	3.4	6.3	2.7	1.4	2.4	1.0	4.5	(2.5)	(1.9)	0.1	8.5	6.0	4.2
GST E-way bill (in mn)	96.0	97.3	103.5	96.7	103.2	100.1	104.9	105.5	109.1	117.3	101.8	112.0	118.1
External Trade													
Merchandise exports	4.3	11.9	(0.6)	2.0	13.3	2.4	(2.0)	(9.9)	(0.3)	16.6	(5.1)	(1.0)	-
Merchandise imports	2.0	13.7	(6.4)	11.1	7.3	4.6	6.3	0.4	(0.9)	(1.2)	16.0	4.9	-
Services exports	10.8	3.4	(1.4)	17.1	9.7	3.2	16.6	5.7	14.6	22.3	13.9	16.5	-
Services imports	0.1	1.7	(2.1)	20.0	6.2	(3.1)	16.0	9.1	13.5	27.9	26.0	13.8	-

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

Disclaimer

The views expressed in this research note are personal views of the author(s) and do not necessarily reflect the views of Bank of Baroda. Nothing contained in this publication shall constitute or be deemed to constitute an offer to sell/ purchase or as an invitation or solicitation to do so for any securities of any entity. Bank of Baroda and/ or its Affiliates and its subsidiaries make no representation as to the accuracy; completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. Bank of Baroda Group or its officers, employees, personnel, directors may be associated in a commercial or personal

capacity or may have a commercial interest including as proprietary traders in or with the securities and/ or companies or issues or matters as contained in this publication and such commercial capacity or interest whether or not differing with or conflicting with this publication, shall not make or render Bank of Baroda Group liable in any manner whatsoever & Bank of Baroda Group or any of its officers, employees, personnel, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this publication from time to time.

Visit us at www.bankofbaroda.com



For further details about this publication, please contact:

Economics Research Department

Bank of Baroda

+91 22 6698 5143

chief.economist@bankofbaroda.com