

India Economics

Monthly Chartbook

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Headwinds to growth emerging

India's recovery faces headwinds due to sudden spike in Covid-19 cases. Consumption demand has been on rebound lately with improvement in different indicators such as jump in non-oil-non gold as well as electronic imports. Toll collections, rail freight, air passenger traffic have also shown improvement. However, concerns over spread of Omicron variant pose downside risk to growth, as states might again impose restrictions to curtail the spread. With an increase in Centre's revenue spending and subdued disinvestment receipts, fiscal deficit target for FY22 is likely to be breached. RBI's conduct of VRRR has prompted 10Y yield to jump by 14bps in Dec'21. On external front, exports rose to an all time-high in Dec'21. We expect INR to trade in the range of 74-76/\$ in the near term.

Uncertainty over Omicron: The spread of new Covid-19 variant, Omicron has been rampant across states with Maharashtra leading with highest number of cases. This poses risk to the ongoing recovery in consumption demand. Some high frequency indicators such as non-oil-non-gold imports, electronic imports and digital payments were seeing an improvement. RBI's consumer confidence had improved by 62.3 in Nov'21 (57.7 in Sep'21). Though, contraction in PV sales (semiconductor crisis) is worrisome. As the variant remains 3 times more transmissible, uncertainty prevails over the near term outlook. Vaccine efficiency will also come into play as the country has begun vaccination drive for children in the 15-18 year age bracket (more than 65% of the adult population is completely vaccinated).

Centre's spending gains momentum: With moderation in government's revenues, centre's fiscal deficit (% of GDP, 12MMA basis) in Nov'21 inched up to 6.5% from 6.4% in Oct'21, as spending picked up pace. Over a 2-year

horizon (FYTD), centre's spending was up by 20.7% in Nov'21 versus 10.4% rise in Oct'21, led by revenue spending (18% versus 8.2% in Oct'21). This is followed by parliamentary approval for additional spending under two supplementary grants (collectively Rs ~3.2tn). Capex growth however has taken a sharp hit (2.7% versus 25.8%). Gross tax collections have also slowed to 15.4% in Nov'21 from 29.7% in Oct'21, owing to steep dip in both direct (7% versus 24.2%) and indirect tax (8.4% versus 35%) collections. In addition, disinvestment receipts remain subdued and government looks set to miss the budgeted target. Going ahead, as revenue spending continues to remain elevated and revenue collection moderates, we expect added pressure on fiscal deficit target for FY22.

Yields inching up: India's 10Y generic yield shot up by 13bps in Dec'21. This was on account of RBI's conduct of frequent Variable Rate Reverse Repo (VRRRs) auctions of 3, 4, 7, 14 and 28 days tenor. The weighted average rate of VRRR (3-day) is trading at 3.99% close to the policy rate of 4%. Even INR swap rate (3-year) inched up to 5.14% from 4.97%. Short term rates (between 3M-3Y) rose in the range of 8-19bps in Dec'21 over Nov'21. However, rising Covid-19 cases, remains a downside risk to yields.

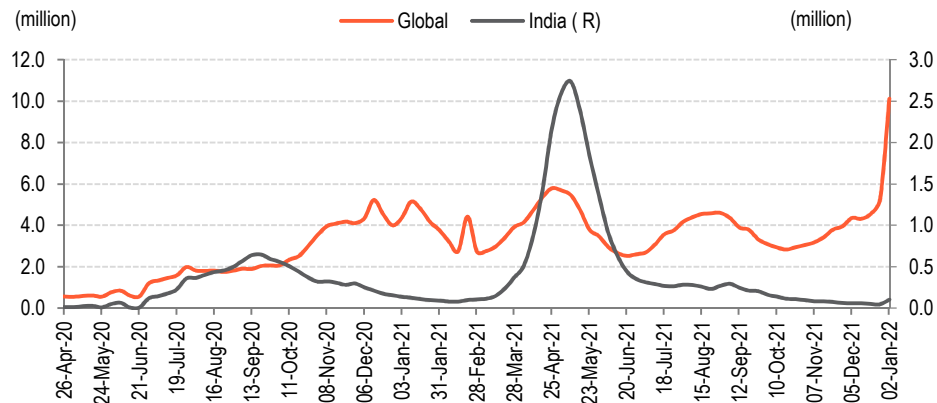
INR strengthens: After depreciating for 3-straight months, INR rose by 1.1% in Dec'21. This was led by a weaker dollar and lower oil prices. However, FII outflows rose to its highest since Mar'20 at US\$ 3.3bn, and trade deficit remained elevated. Going ahead, trade deficit is likely to remain higher. We expect trade deficit at US\$ 180bn in FY22 and CAD at ~1.5% of GDP. INR is likely to trade in the range of 74-76/\$ in the near-term.

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

High frequency indicators

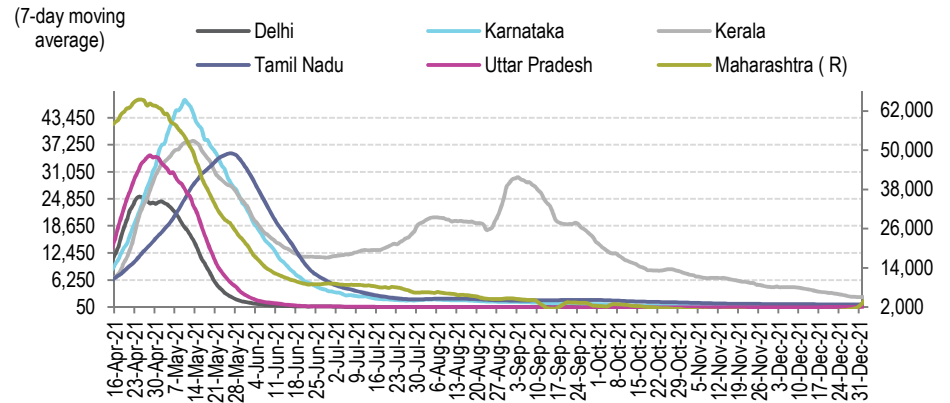
Mobility index and Covid cases

Fig 1 – Spike in global Covid-19 cases



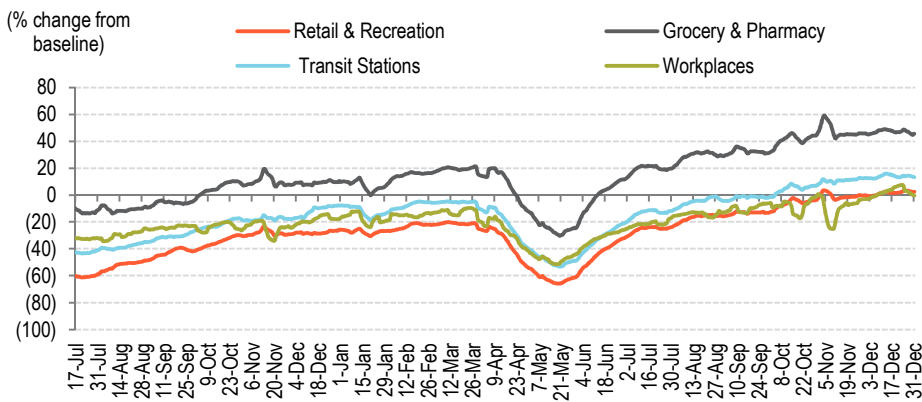
Source: Bloomberg

Fig 2 – Statewise cases beginning to inch up



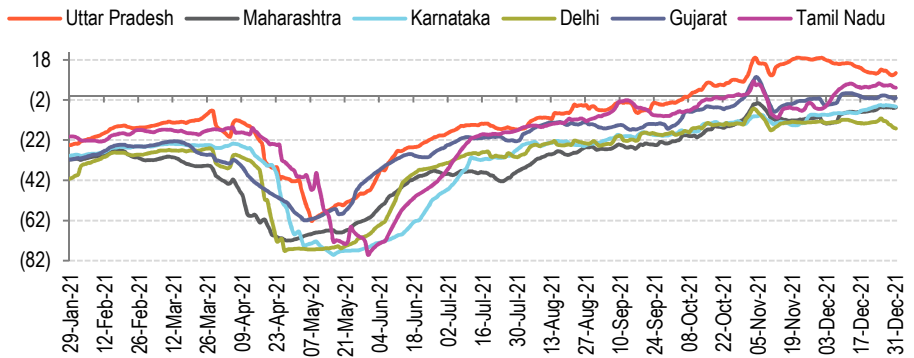
Note: Data taken as 7 days rolling average

Fig 3 – Google mobility index dips marginally in Dec'21



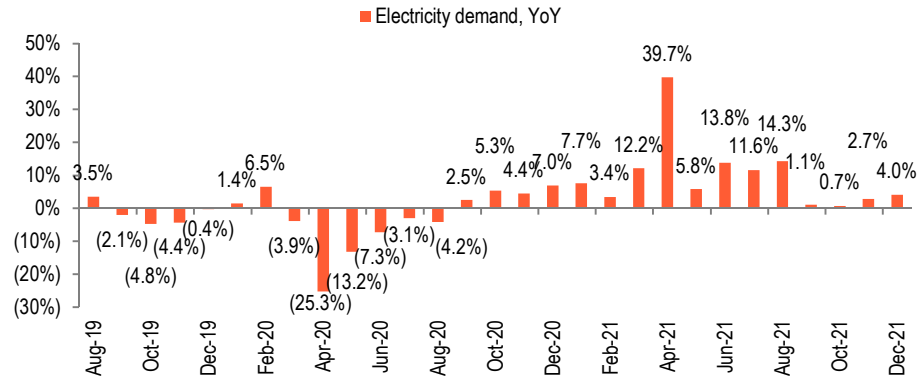
Highlights % change in visits to place from baseline reading (median value, for the corresponding day of the week, during the five week period 3 Jan – 6 Feb 2020)

Fig 4 – Retail and recreation too edge lower for some states



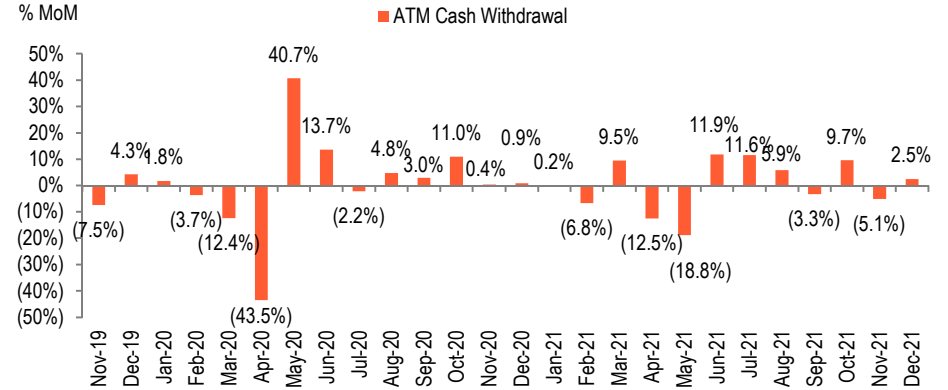
Note: Data taken as 7 days rolling average

Fig 5 – Improvement in electricity demand



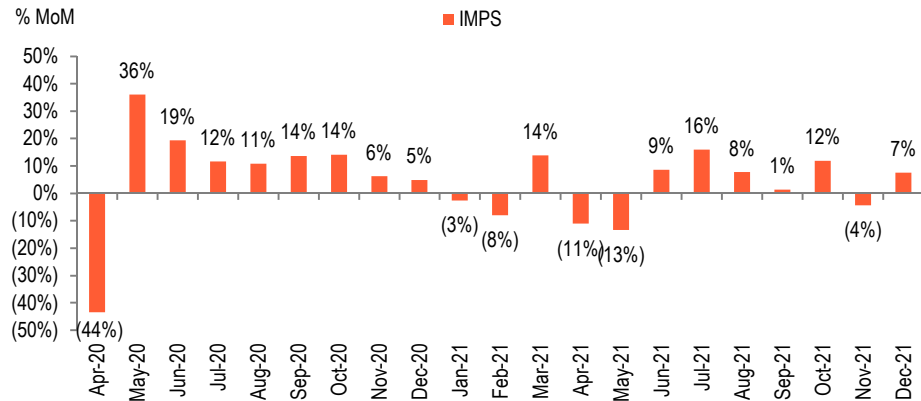
Source: Posoco. Note: Maximum Demand met during peak evening hours (MW)

Fig 6 – Higher cash withdrawal



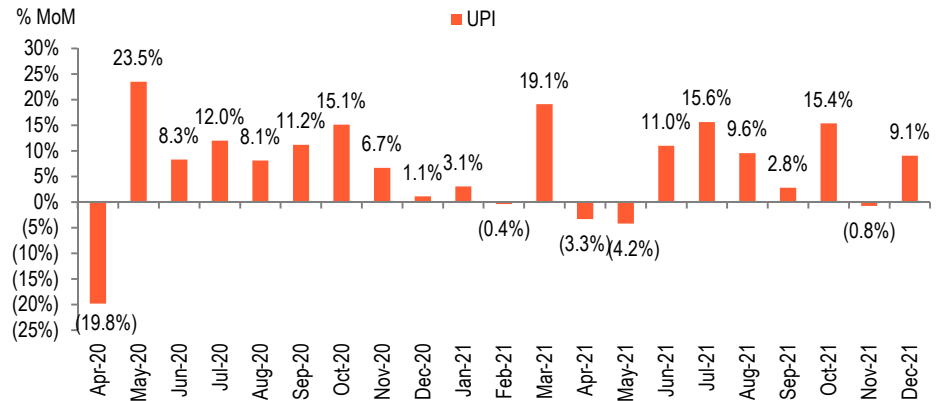
Source: NPCI. Note: NFS Cashwithdrawal amount does not include Card to Card Transfer

Fig 7 – IMPS payments lifts up in Dec'21



Source: NPCI

Fig 8 – UPI payments improve



Source: NPCI

Fig 9 – Fertilizer sales slip further

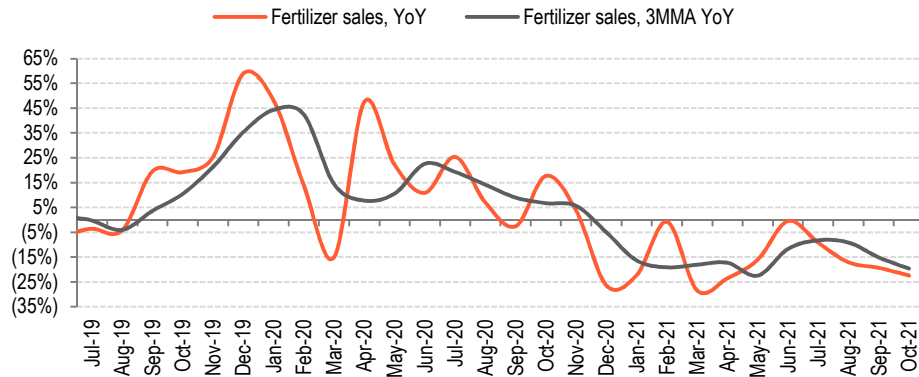
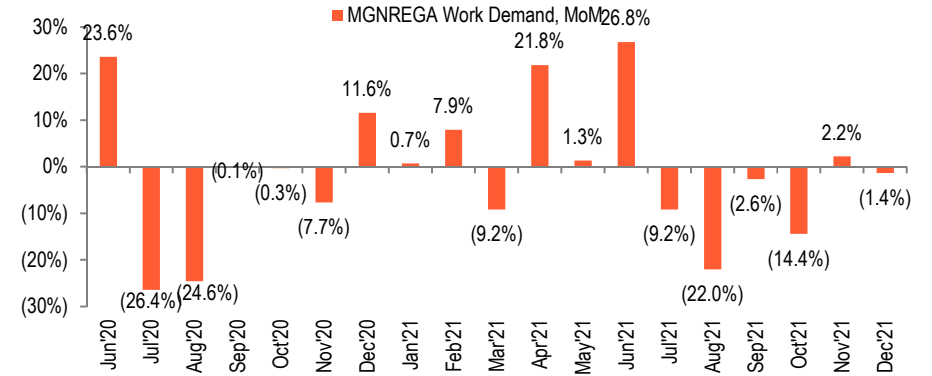


Fig 10 – MGNREGA work demand Slows



Source: MGNREGA

Final consumption expenditure

Fig 11 – Private consumption slows in Q2FY22

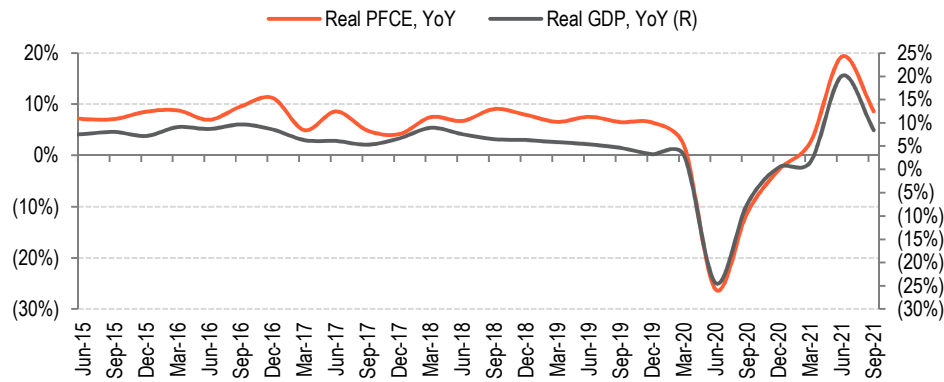


Fig 12 – Government consumption improves

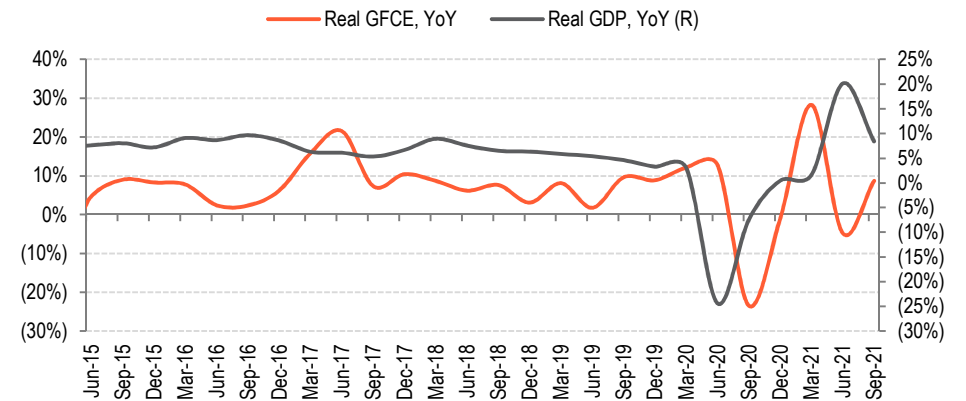


Fig 13 – General govt. revenue spending moderate

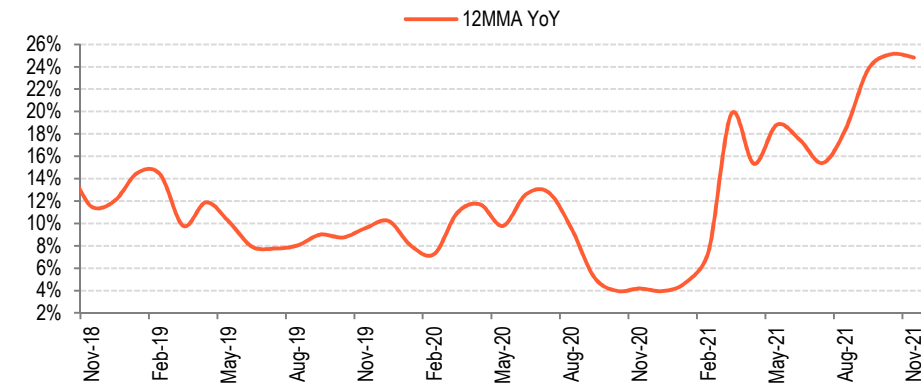
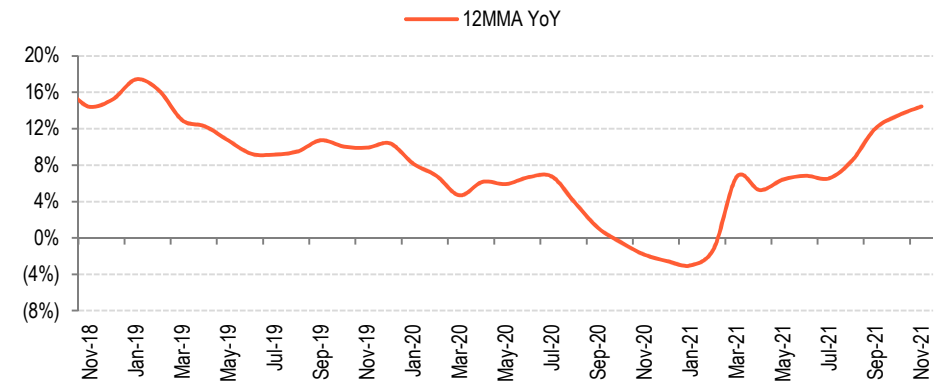


Fig 14 – State* govt. revenue spending improves



Note: *All states excluding N.E states, A.P., Goa, Gujarat J&K, and Telangana

Non-oil imports, electronic imports

Fig 15 – Non-oil-non-gold imports at record high in Dec'21

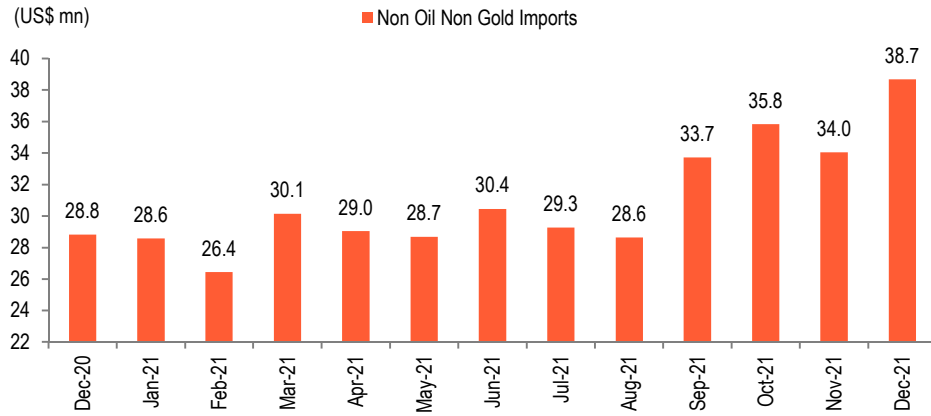


Fig 16 – Electronic imports improve in Dec'21

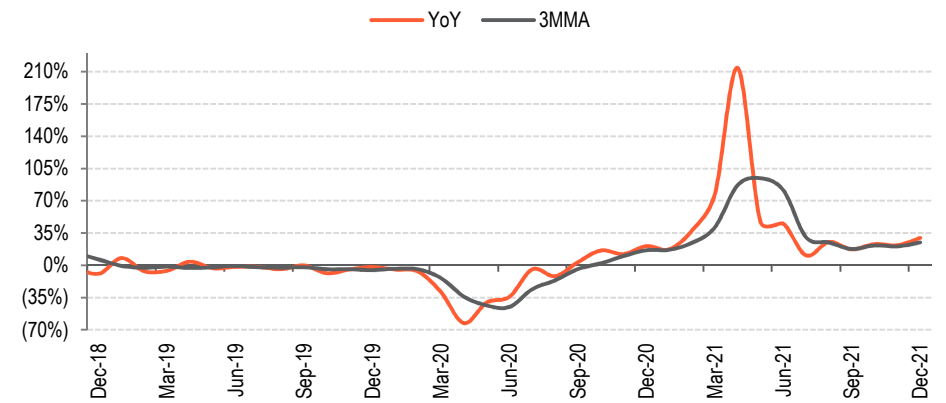
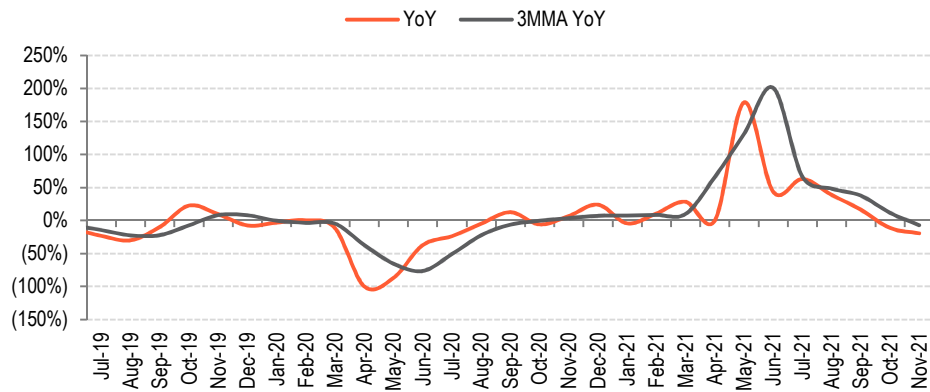
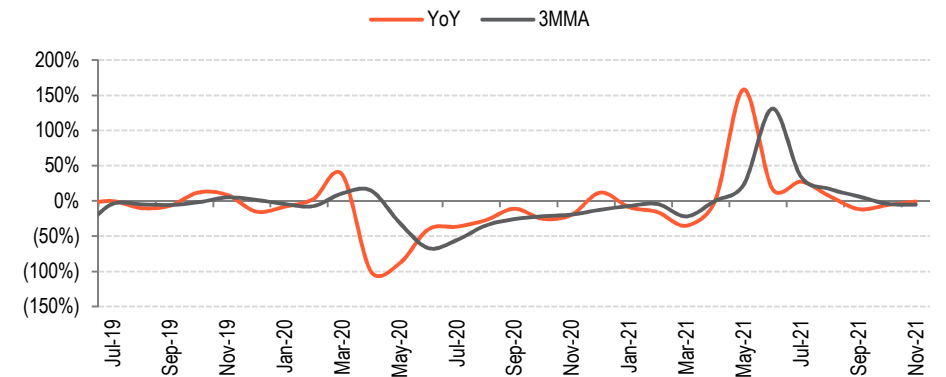


Fig 17 – Retail passenger vehicles sales contracts further



Source: FADA

Fig 18 – Two-wheeler sales contract at a slower pace



Credit deployment of personal loans

Fig 19 – Growth in credit card outstanding eases

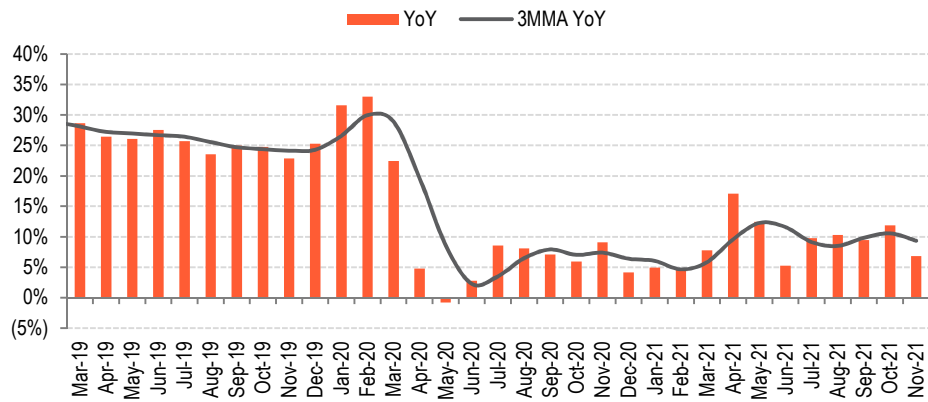


Fig 20 – Growth in personal loan too moderates

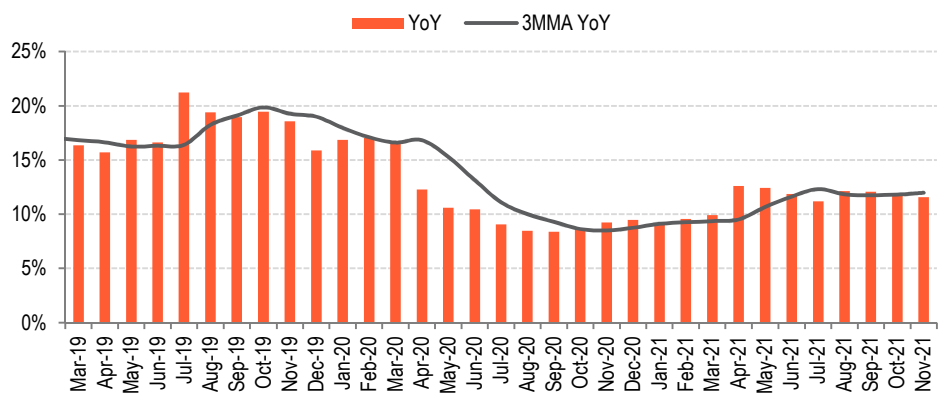


Fig 21 – Growth in vehicle loans slips

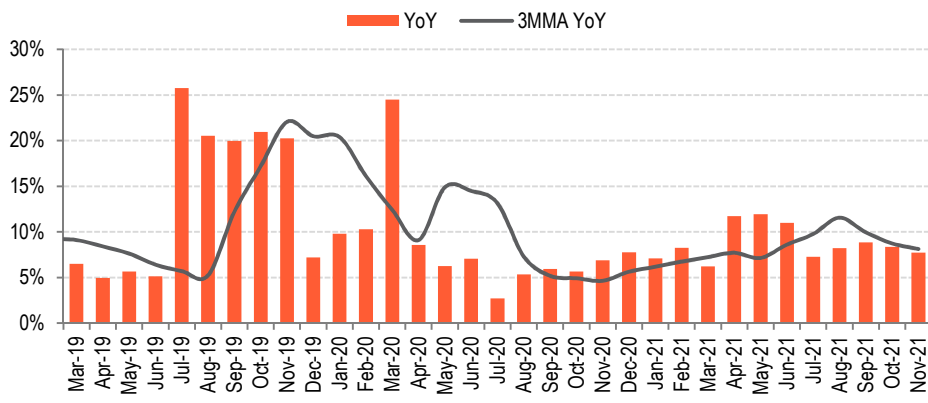


Fig 22 – Consumers turn optimistic

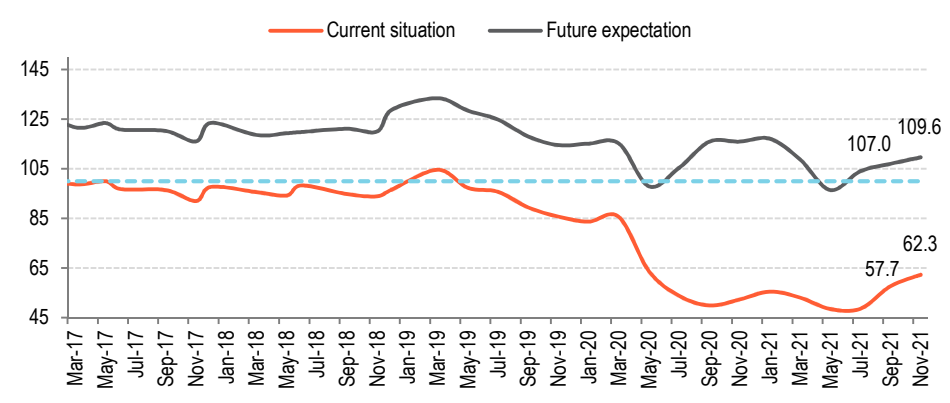


Fig 23 – Uptick in RBI’s essential spending

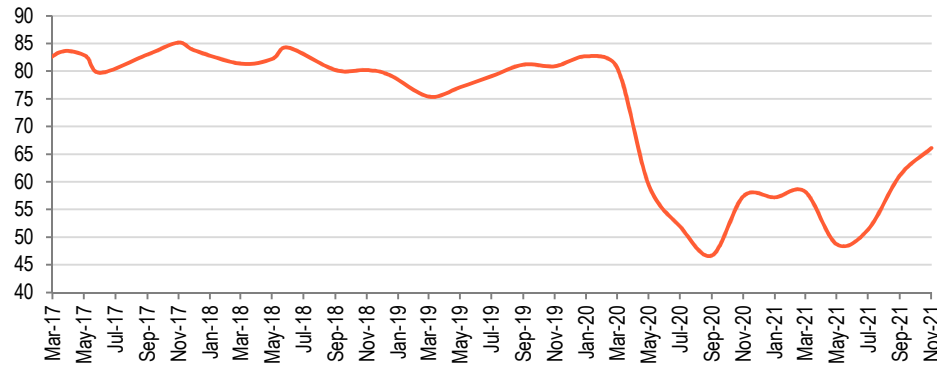
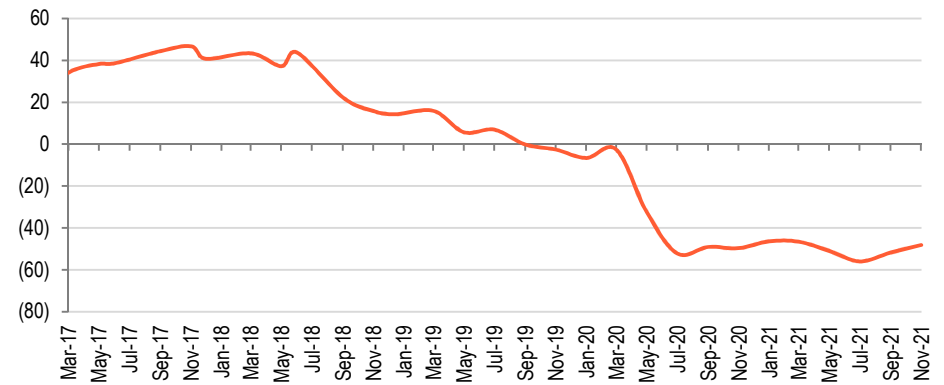


Fig 24 – ...non-essential spending too improves



Consumer durables & non-durables production

Fig 25 – Consumer durables output contracts further

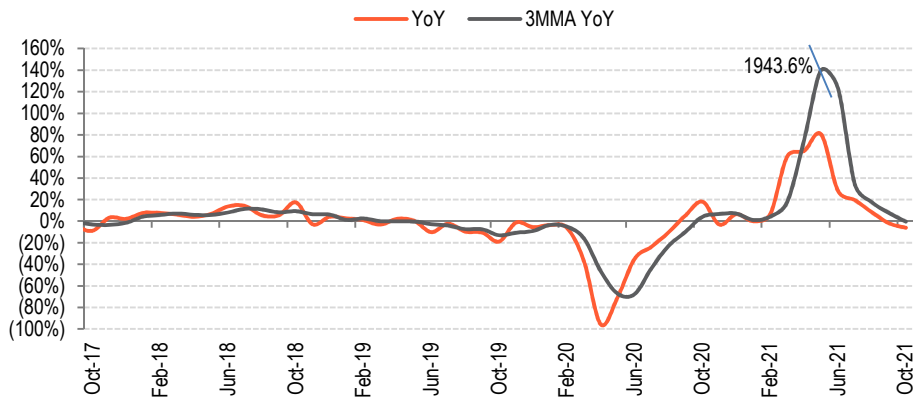
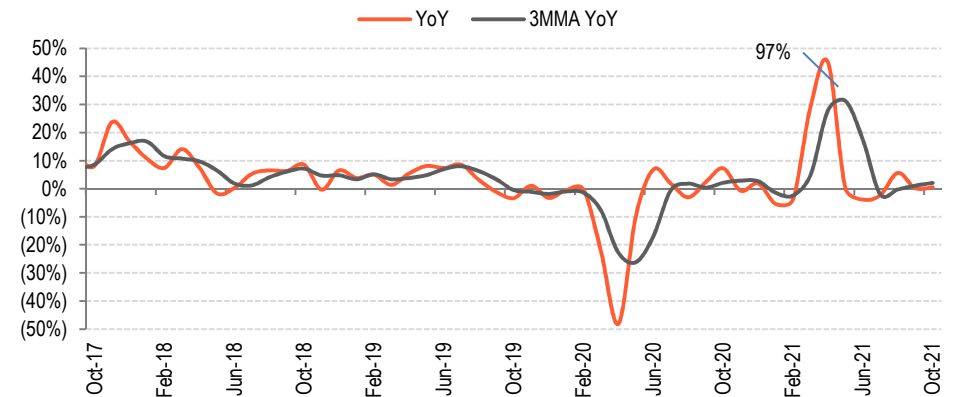


Fig 26 – FMCG output rebounds



Agriculture

Fig 27 – Slower pace of agriculture growth in Q2FY22

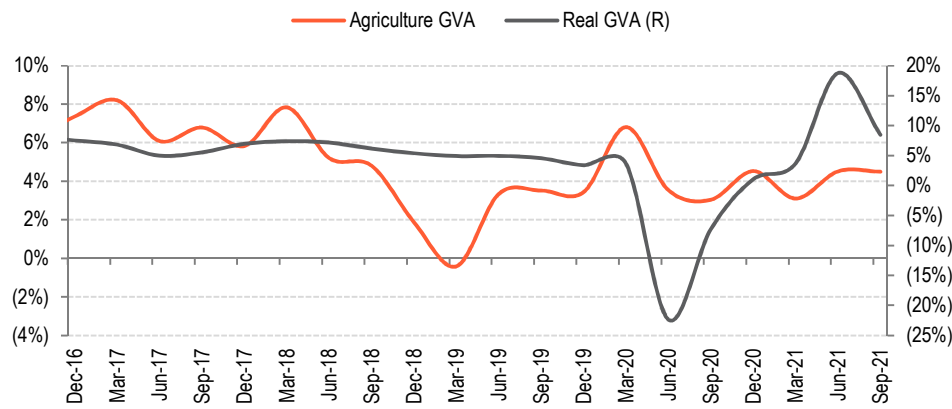


Fig 29 – Agriculture credit inch up further

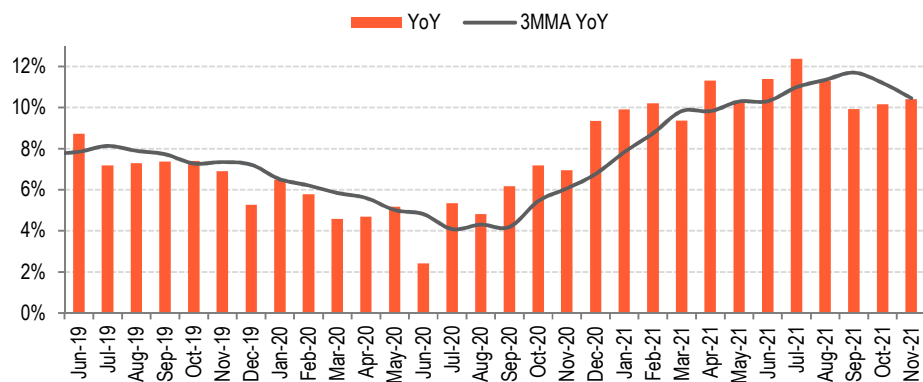
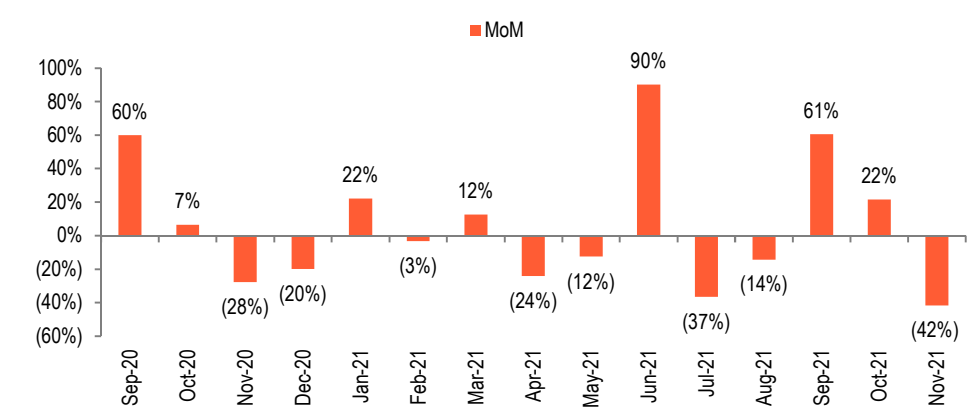


Fig 28 – Growth in tractor sales dips sharply



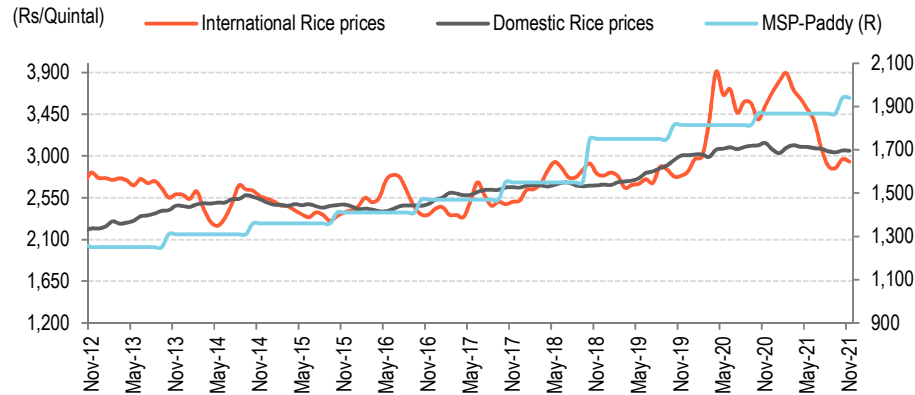
Note: Tractor sales including exports

Fig 30 – Procurement of rice and wheat

Year	Wheat	Rice
2012-13	38.15	34.04
2013-14	25.09	31.85
2014-15	28.02	32.04
2015-16	28.09	34.22
2016-17	22.96	38.11
2017-18	30.83	38.19
2018-19	35.80	44.39
2019-20	34.13	51.83
2020-21	38.99	60.07*
2021-22	43.34*	19.4

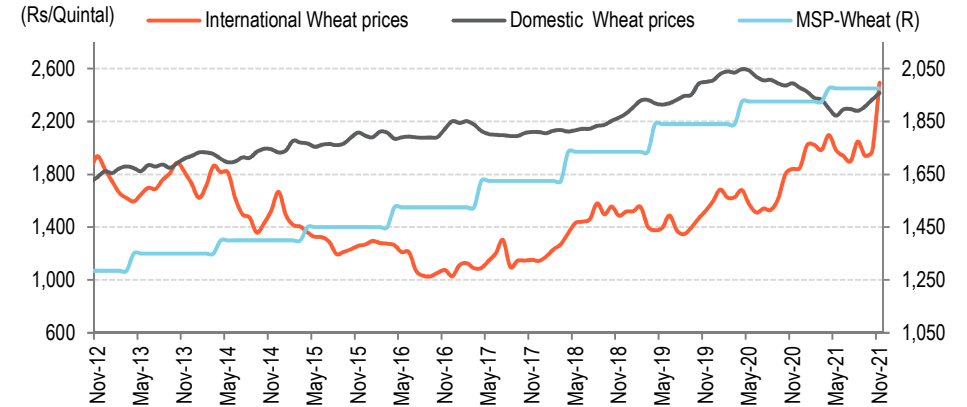
Source: Ministry of Consumer Affairs, Food and Public Distribution | *As on: 30 Nov 2021

Fig 31 – Prices of both international and domestic rice moderate



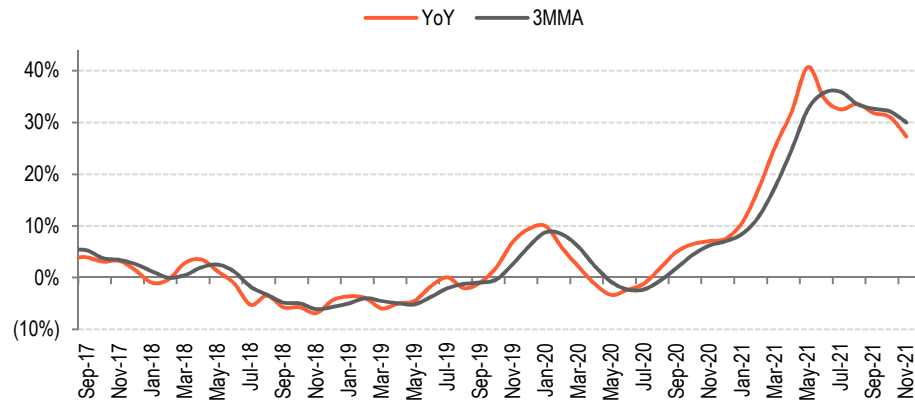
Source: World Bank

Fig 32 – Higher domestic and international wheat prices



Source: World Bank

Fig 33 – Global food prices cool off



Source: FAO

Fig 34 – Wage growth (men) moderates

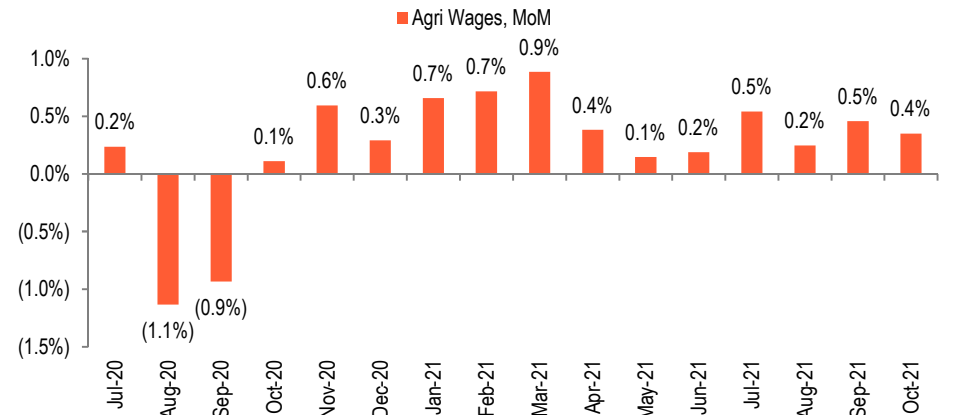


Fig 35 – Rabi sowing is higher compared with last year

Crop Type (mn ha)	Area sown in 2022-23	Area sown in 2021-22	Normal Area for whole Rabi season	Growth (YoY%)
Wheat	32.6	32.9	30.3	(1.0)
Rice	1.4	1.5	4.3	(6.6)
Coarse Cereals	4.5	4.6	5.6	(2.5)
Pulses	15.3	15.4	14.6	(0.9)
Oilseeds	9.7	8.1	7.7	20.4
Total	63.5	62.5	62.5	1.5

*Note: Till 31 Dec 2021

Inflation

Fig 36 – Retail inflation shot up to a 3-month high of 4.9% in Nov'21 from 4.5% in Oct'21

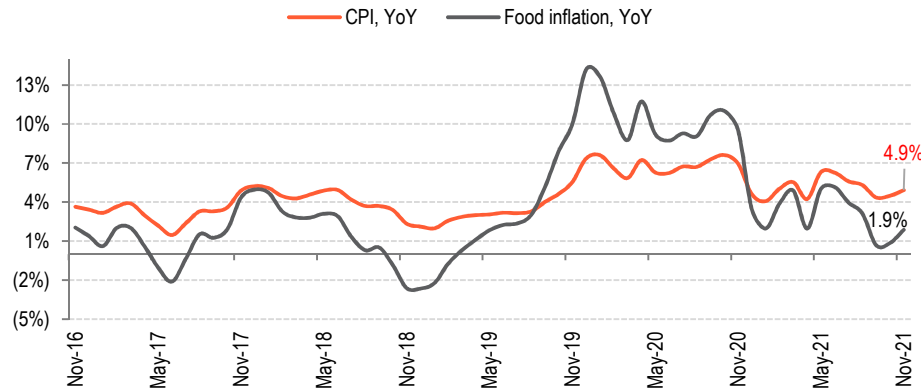


Fig 37 – ...Food inflation inched up to 1.9% from 0.8% led by vegetables, fruits, cereals etc.

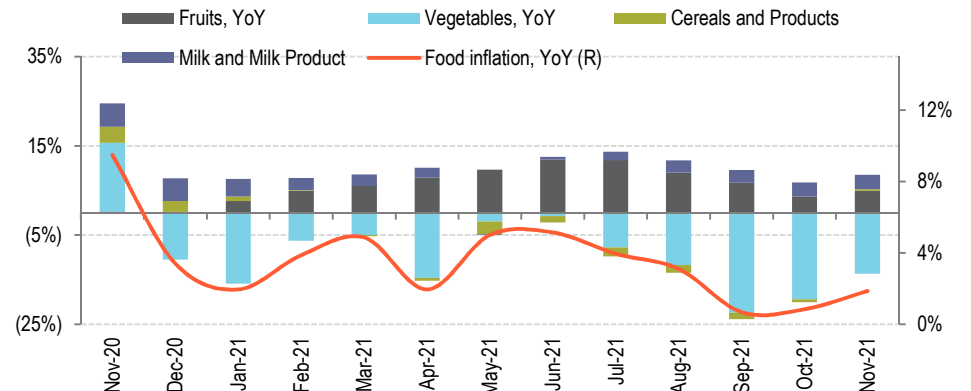
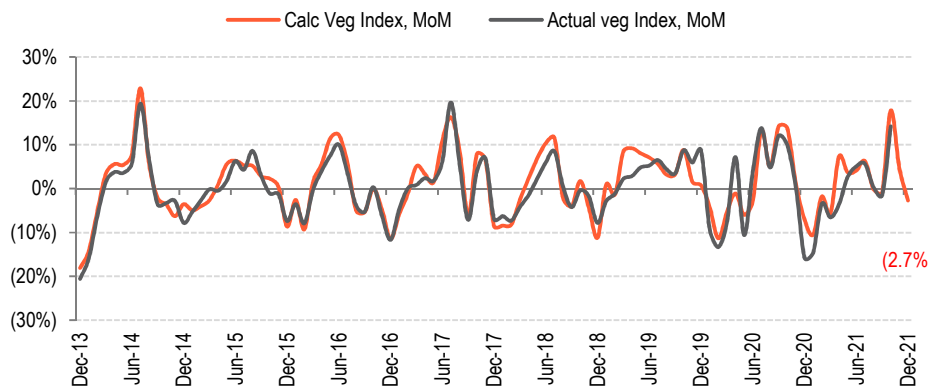


Fig 38 – However, vegetable prices declined by 2.7% (MoM) in Dec'21



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

Fig 39 – CPI excl. food and fuel moderated to 6.1% from 6.2% in Oct'21

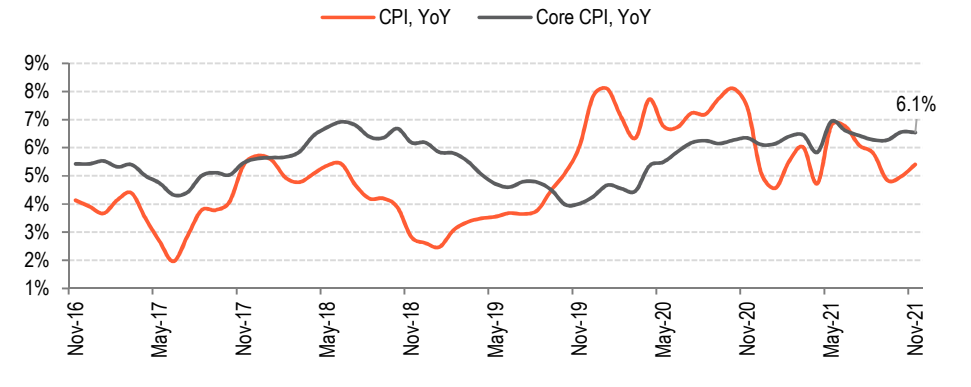


Fig 40 – ...On account of moderation in transport and communication, education and health components

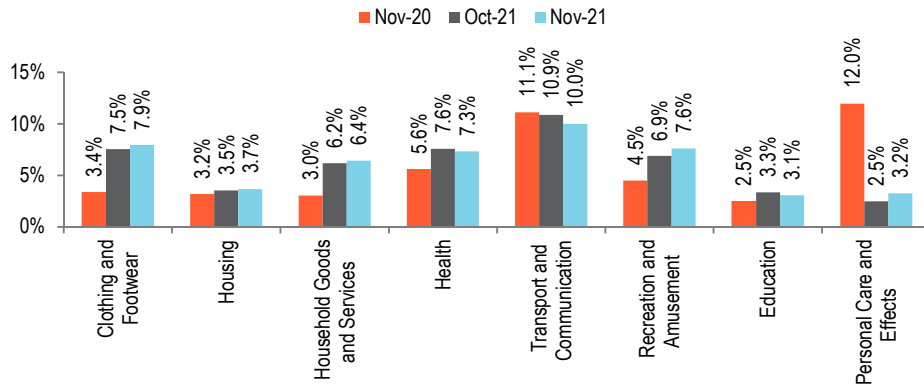


Fig 41 – Core excl. major volatile items was still elevated at 5.6%

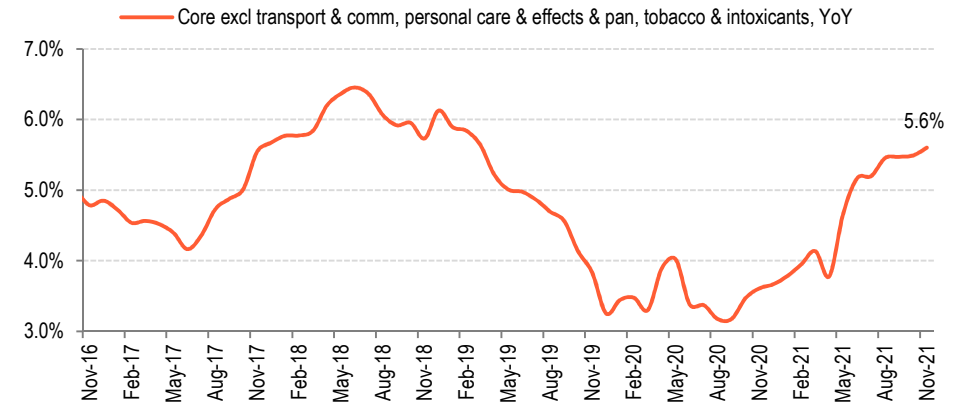
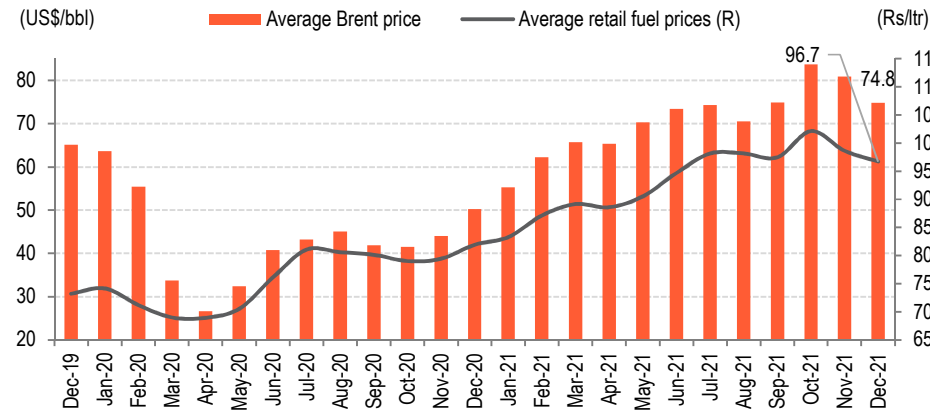
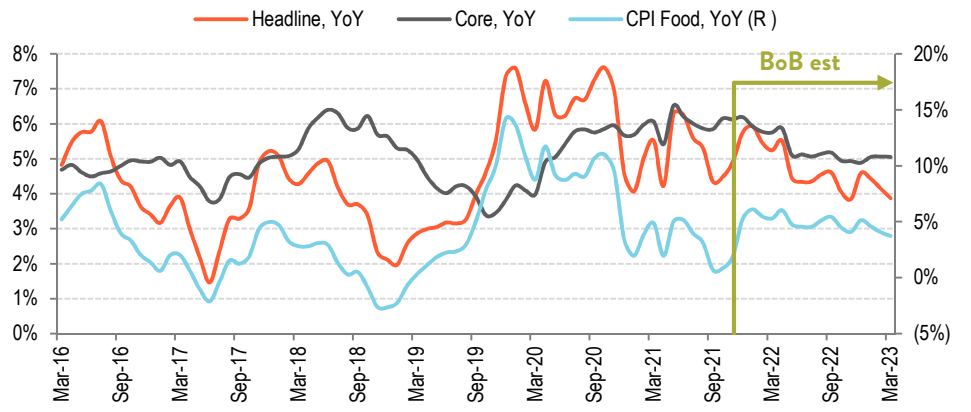


Fig 42 – Retail fuel prices inched down to Rs 96.7/lt from Rs 98.6/lt in Nov'21,; crude prices on an average fell to US\$ 74.8/bbl from US\$ 80.9/bbl



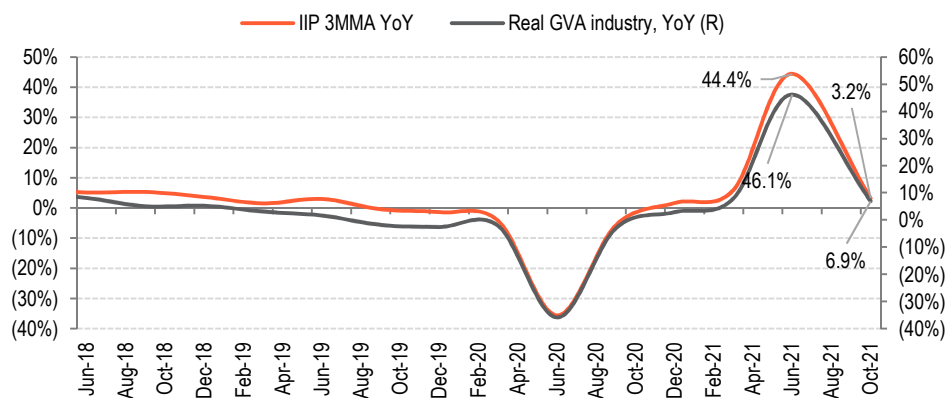
Note: *Average retail price of Delhi, Kolkata, Mumbai and Chennai

Fig 43 – Inflation to moderate in coming months



Industry

Fig 44 – Industrial growth to be slower in Q3FY22

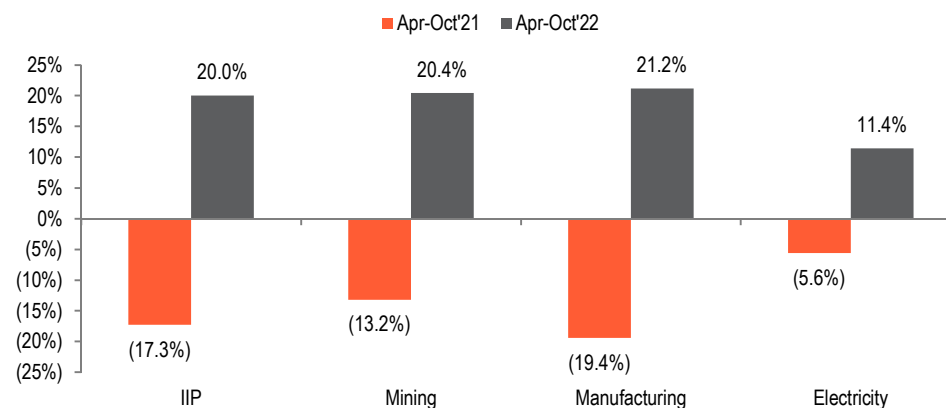


Note: Oct'21 data is on YoY basis

Fig 46 – IIP growth moderates

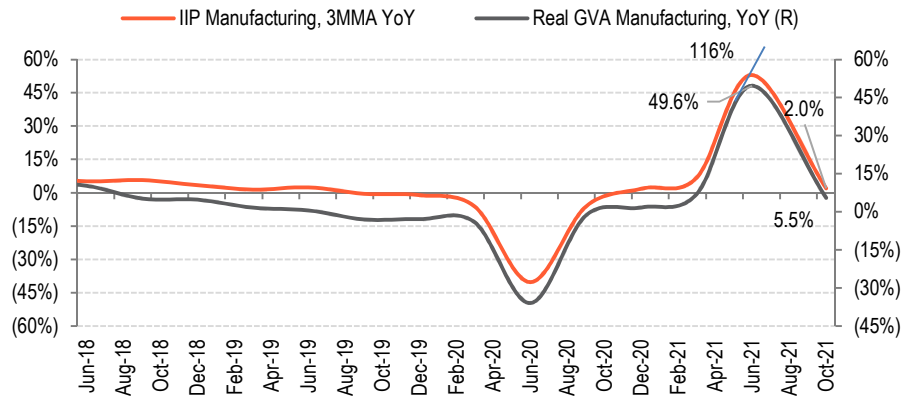
Sectoral (%)	Weight	Oct-21	Oct-20	Apr-Oct'21	Apr-Oct'20
IIP	100.0	3.2	4.5	20.0	(17.3)
Mining	14.4	11.4	(1.0)	20.4	(13.2)
Manufacturing	77.6	2.0	4.5	21.2	(19.4)
Electricity	8.0	3.1	11.2	11.4	(5.6)
Use-Based					
Primary Goods	34.1	9.0	(3.1)	14.8	(12.6)
Capital Goods	8.2	(1.1)	3.2	35.3	(34.4)
Intermediate Goods	17.2	2.1	3.2	27	(19.0)
Infrastructure and Construction Goods	12.3	5.3	10.9	31.2	(20)
Consumer Durables Goods	12.8	(6.1)	18.1	28.5	(31.5)
Consumer Non-Durables Goods	15.3	0.5	7.3	7.2	(6.1)

Fig 45 – Broad based improvement in FYTD22 due to base effect



Manufacturing

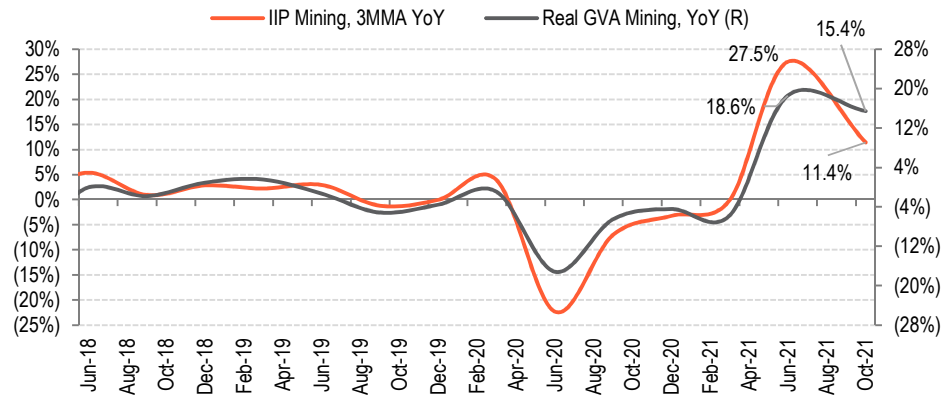
Fig 47 – Slower pace of growth expected in Q3FY22



Note: Oct'21 data is on YoY basis

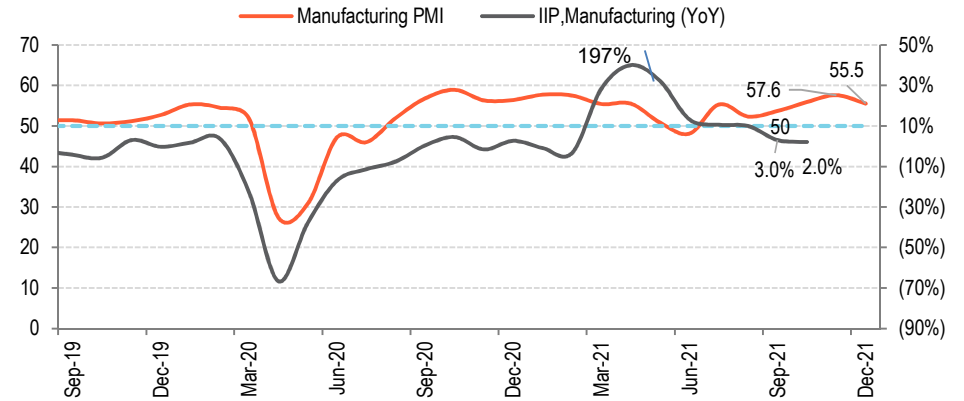
Mining & Electricity

Fig 49 – Mining activity likely to ease in Q3FY22



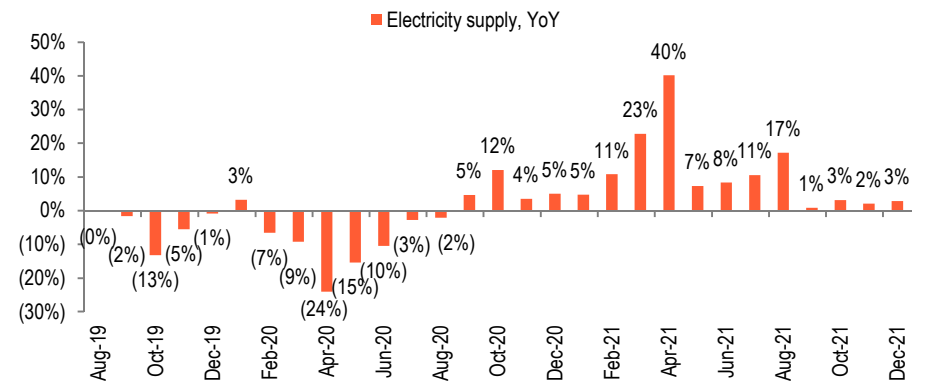
Note: Oct'21 data is on YoY basis

Fig 48 – Manufacturing PMI moderates



Source: Markit

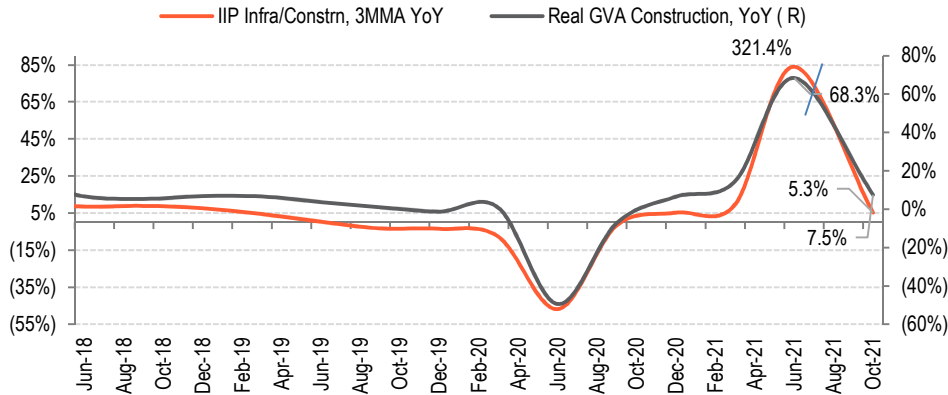
Fig 50 – Electricity output inches up



Source: Posoco. Note: Average Energy Met (MU)

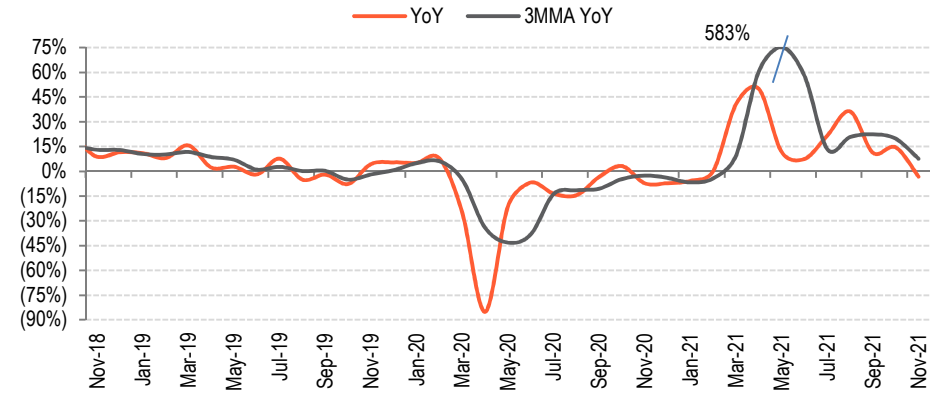
Infrastructure and Construction

Fig 51 – Further dip in construction sector expected



Note: Oct'21 data is on YoY basis

Fig 52 – Contraction in cement output



Infrastructure Index

Fig 53 – Moderation in infra index

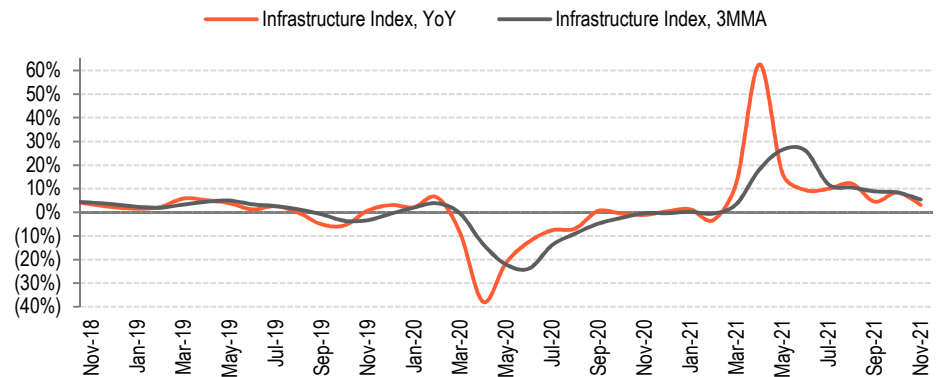
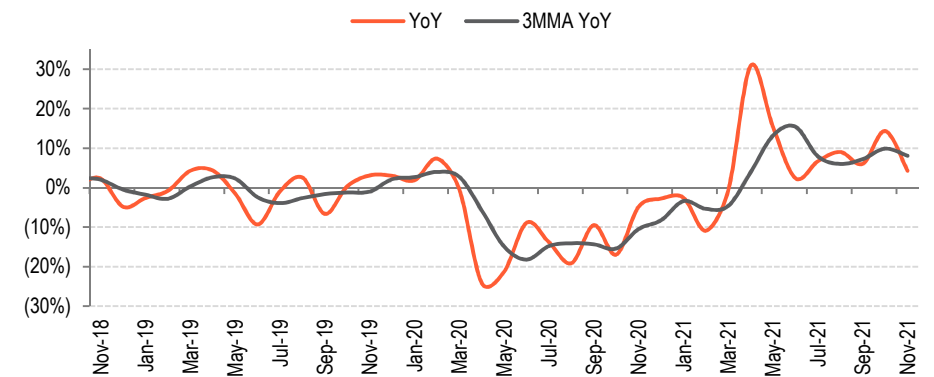


Fig 54 – Refinery output eases significantly



Auto production & Business expectation index

Fig 55 – Auto production contracts sharply

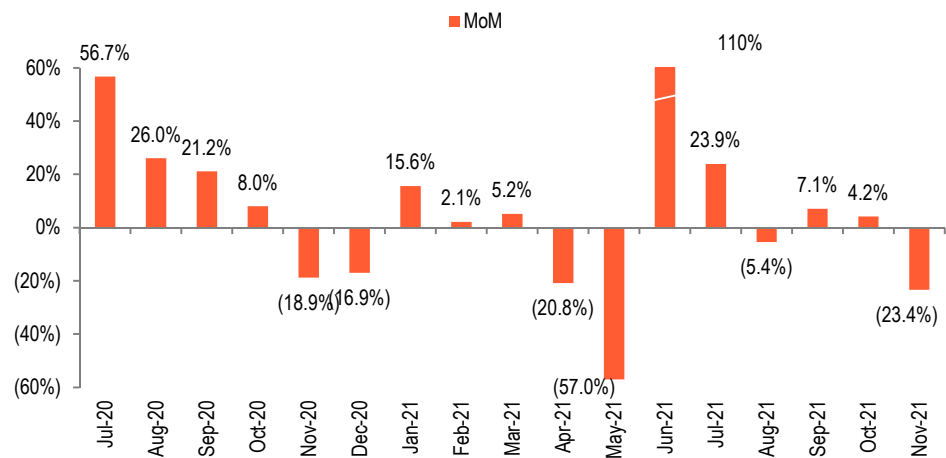


Fig 56 – Business sentiment strengthens

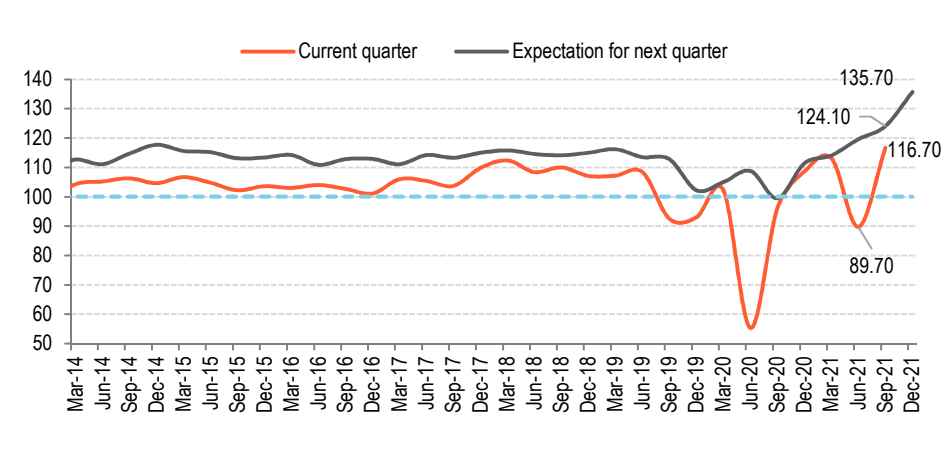
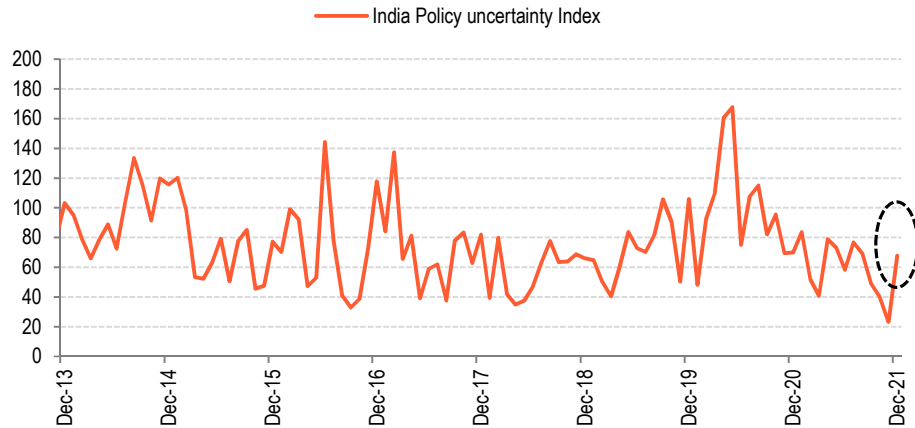


Fig 57 – Infrastructure index eases

(%)	Weight	Nov-21	Oct-21	Nov-20	Apr-Nov'21	Apr-Nov20
Infrastructure Index	100	3.1	8.4	(1.1)	13.7	(11.1)
Coal	10.3	8.2	14.7	3.3	11.6	(2.6)
Crude Oil	9.0	(2.2)	(2.2)	(4.9)	(2.7)	(6.0)
Natural Gas	6.9	23.7	25.8	(9.3)	22.8	(12.1)
Petroleum Refinery Products	28.0	4.3	14.4	(4.8)	10.6	(14.9)
Fertilizers	2.6	2.5	0.04	1.6	(0.6)	3.8
Steel	17.9	0.8	4.5	0.7	25.3	(18.2)
Cement	5.4	(3.2)	14.5	(7.3)	28.3	(19.5)
Electricity	19.9	1.5	3.2	3.5	10.2	(4.6)

Investment

Fig 58 – Policy uncertainty in India shot up in Dec’21, with rising Covid-19 cases globally



Source: policyuncertainty.com

Fig 60 – PLF of private thermal plants inched down; even for govt. plants it showed moderation

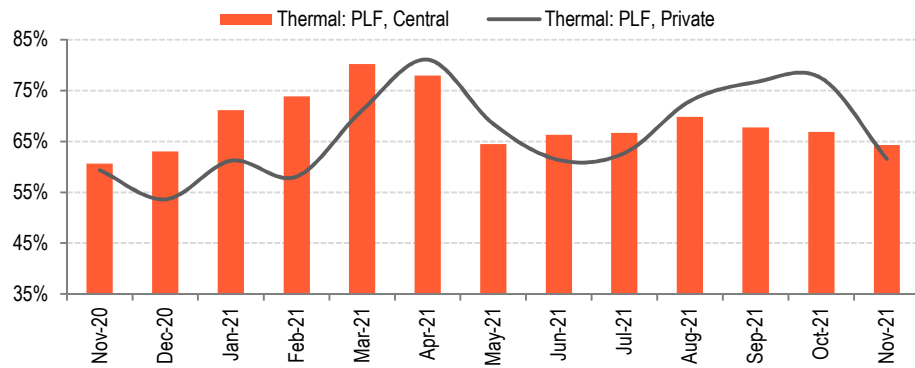


Fig 59 – Over a 2-year horizon, GFCF improved by 1.5% in Q2 against 17.1% decline seen in Q1FY22

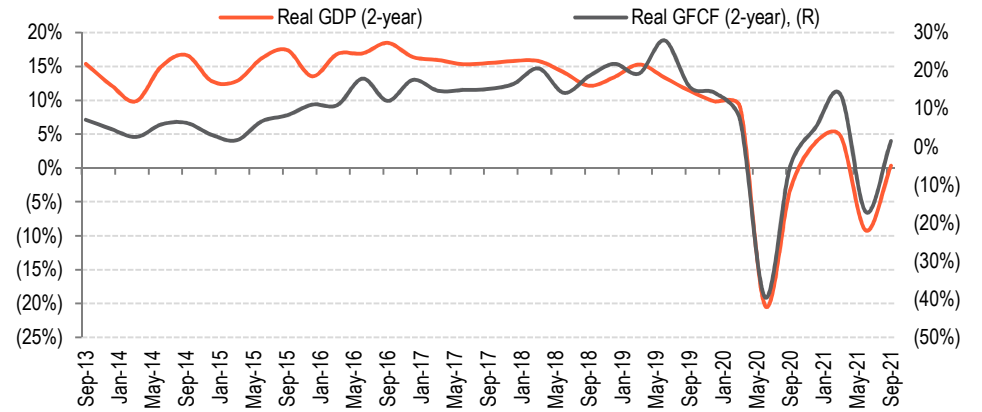


Fig 61 – Capital goods production fell by 1.1% in Oct’21 from 2.4% increase seen in Sep’21, led by unfavourable base

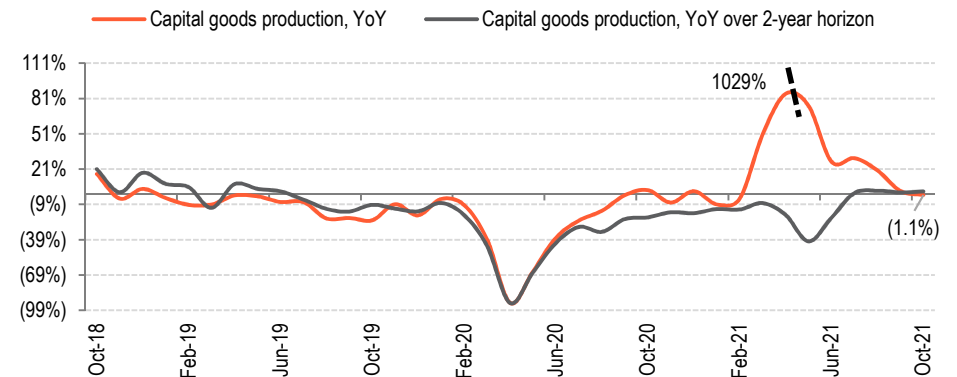


Fig 62 – Capital goods imports moderated to 11.5% in Nov'21 from 18.5% in Oct'21

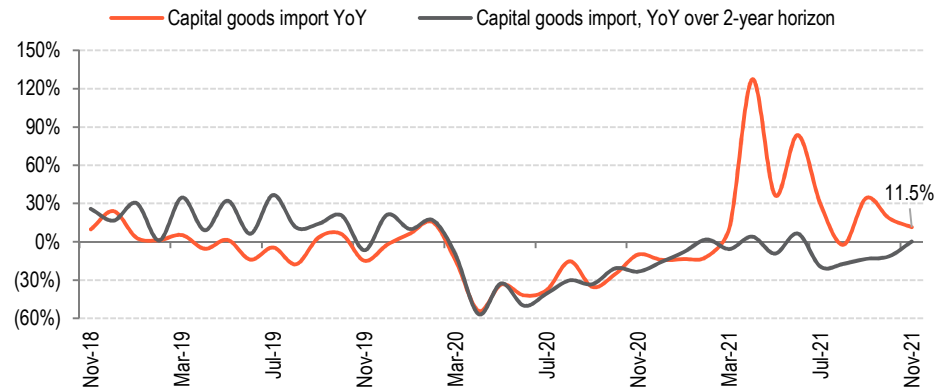


Fig 63 – Centre's capex spending moderated to 26% from 44.9% in Oct'21

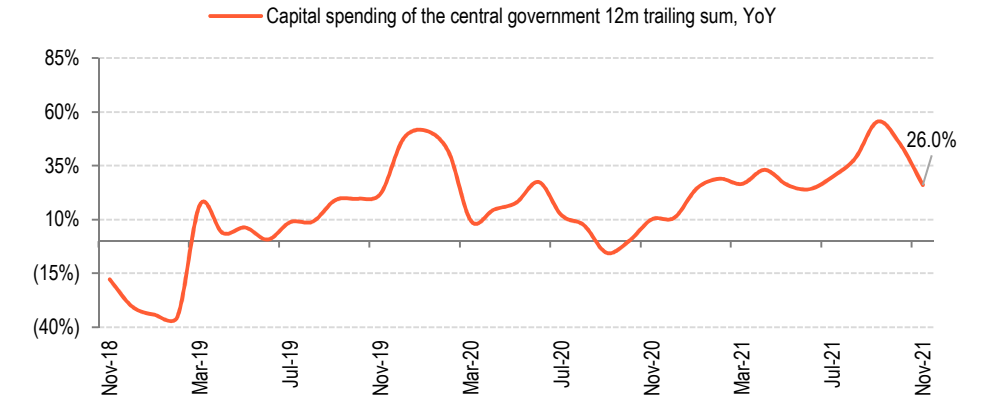


Fig 64 – Industry credit moderated to 3.8% from 4.1% in Oct'21

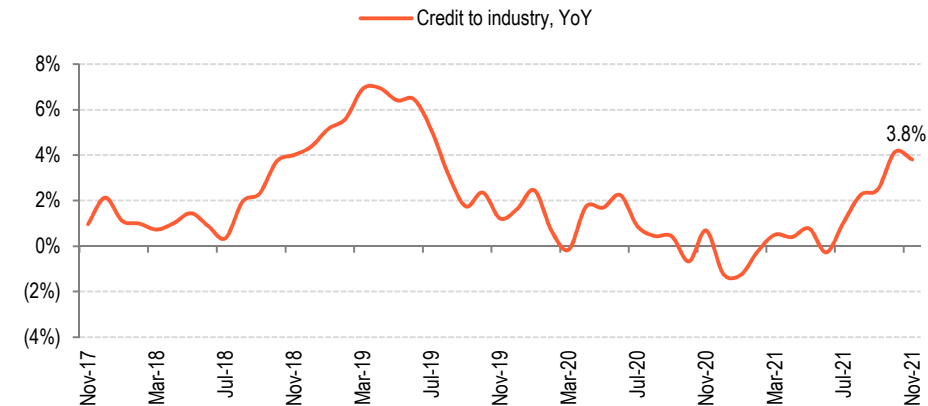


Fig 65 – Credit to micro & small industry rose to 12.7% from 11.9%, for medium industry it was at 48.7% against 48.6%

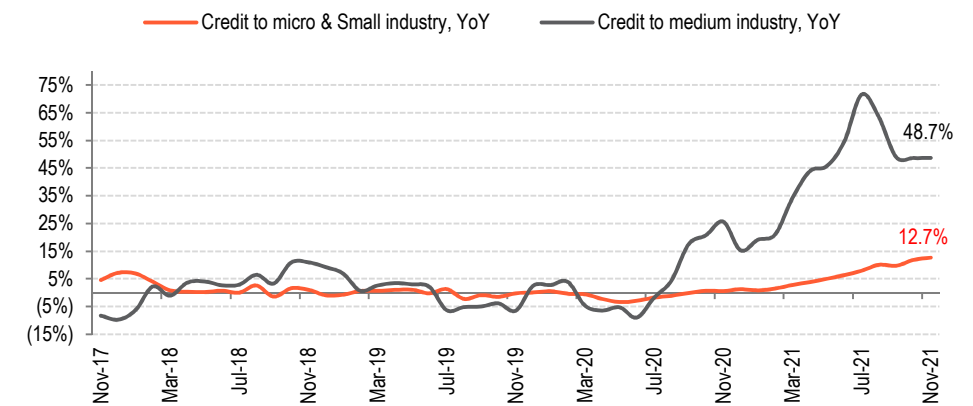


Fig 66 – Credit to large industry fell by 0.1% in Nov'21 from 0.5% increase seen in Oct'21

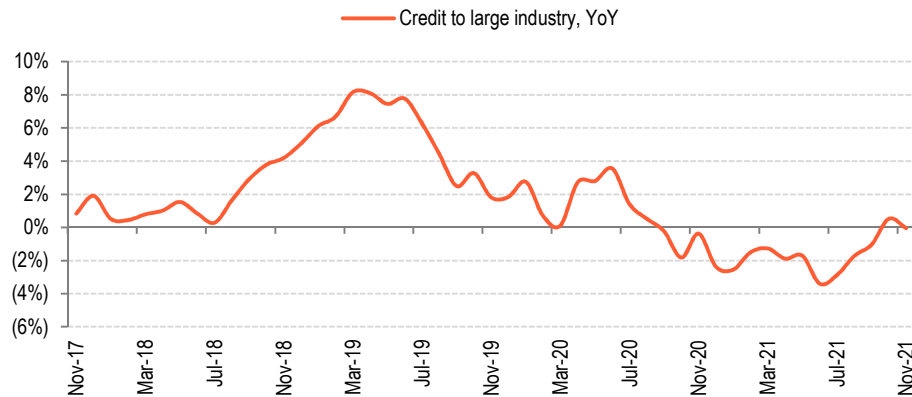


Fig 67 – Housing credit moderated to 8.0% in Nov'21 from 8.4% in Oct'21

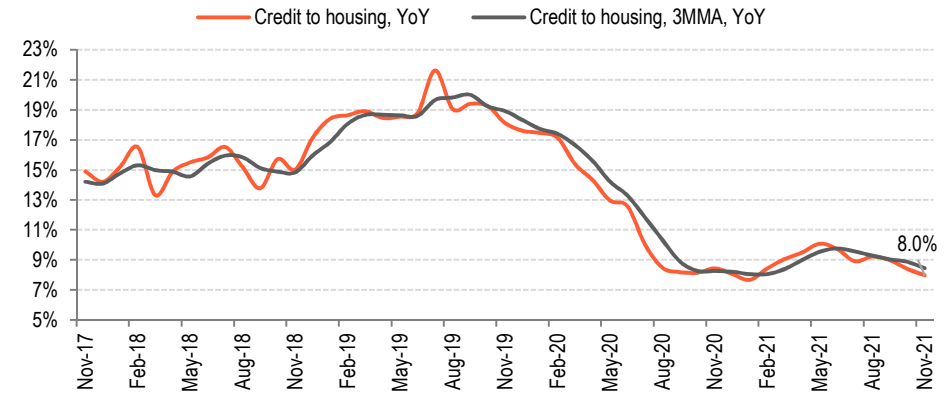
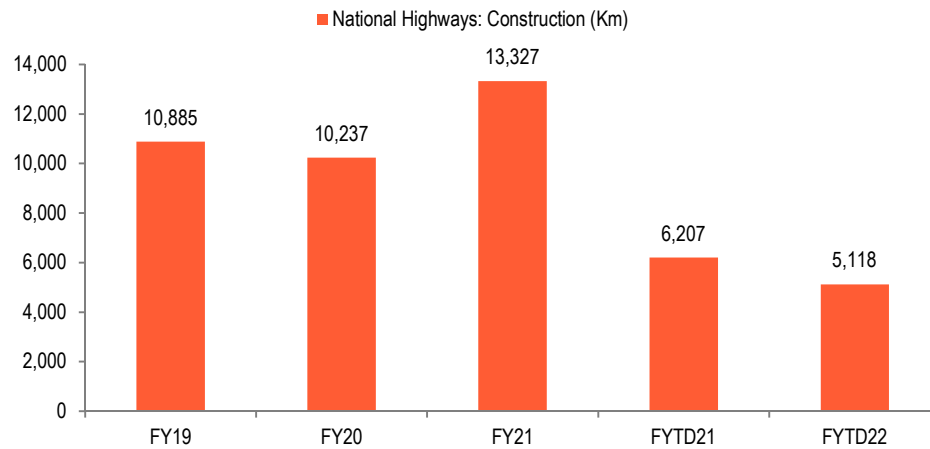
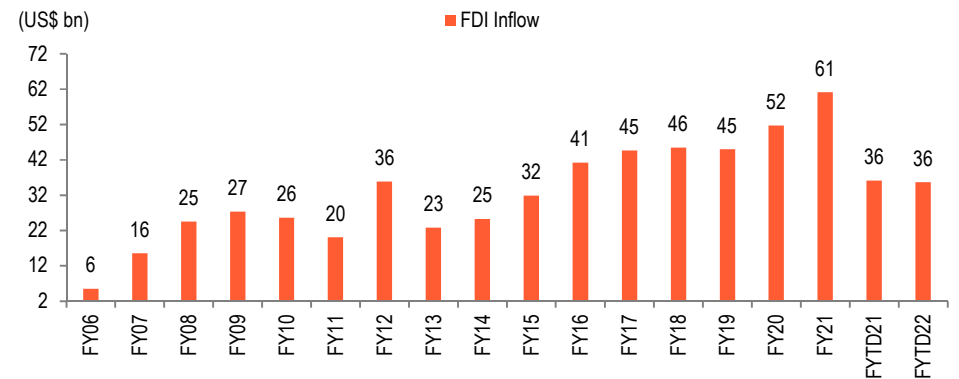


Fig 68 – Highway construction pace showed slight moderation



Note: FYTD22: Apr-Oct

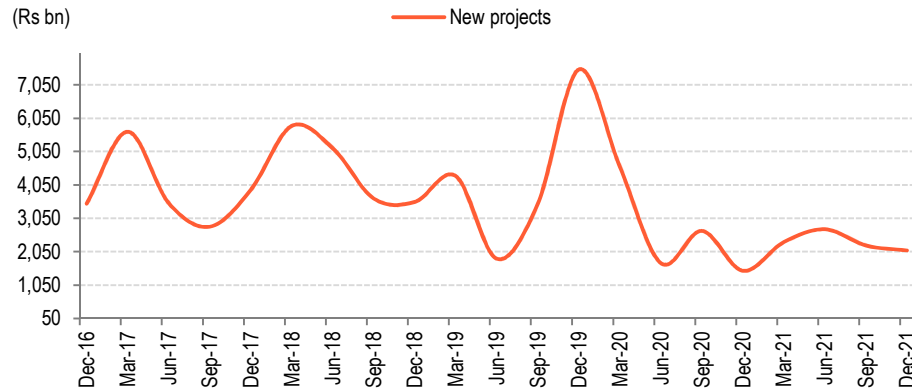
Fig 69 – FDI inflows in FYTD22 are stable at US\$ 36bn



Note: FYTD22: Apr-Oct

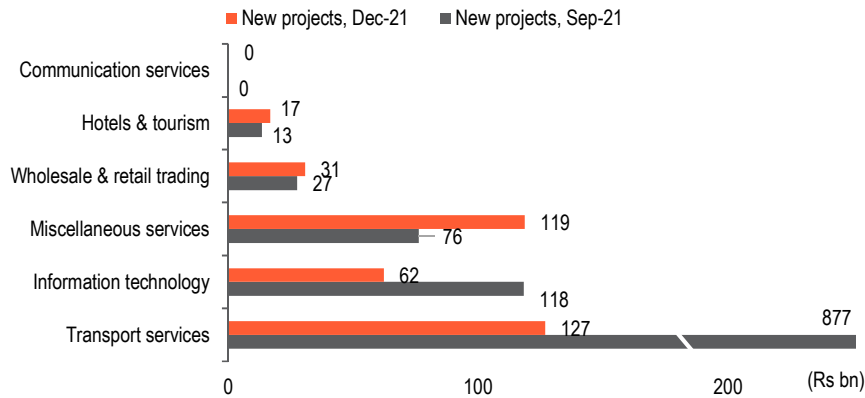
Capex data

Fig 70 – New project announcements moderated to Rs 2.1tn in Dec’21 from Rs 2.2tn in Sep’21



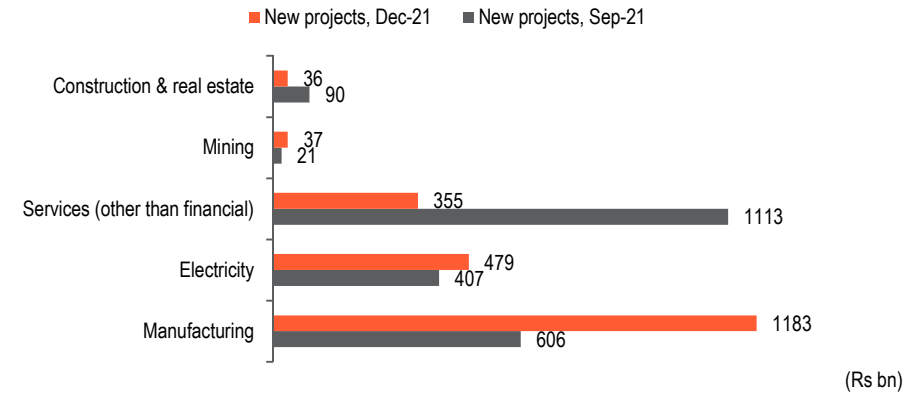
Source: CMIE

Fig 72 – ...on account of IT and transport services



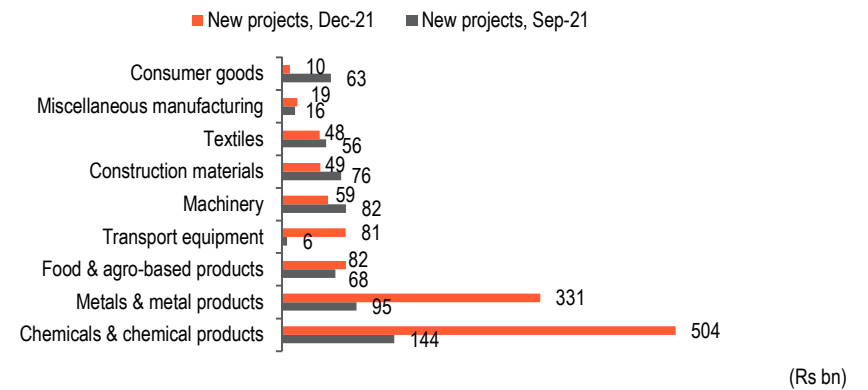
Source: CMIE

Fig 71 – ...Led by services sector



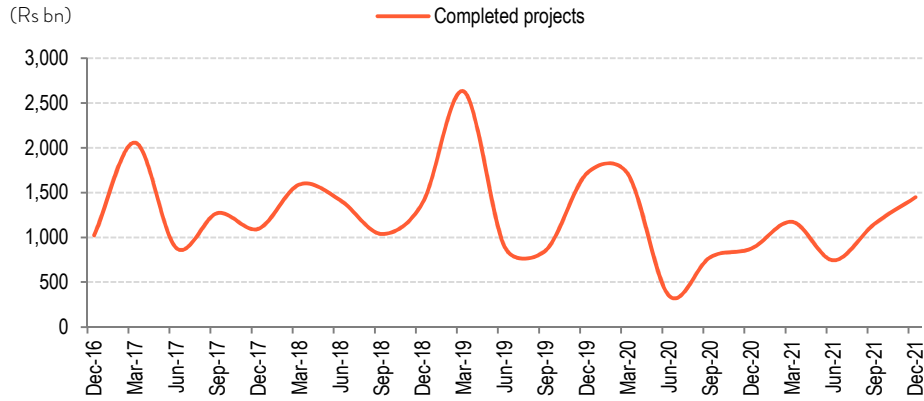
Source: CMIE

Fig 73 – ...However announcements in the manufacturing sector remained a bright spot led by chemical products and metals



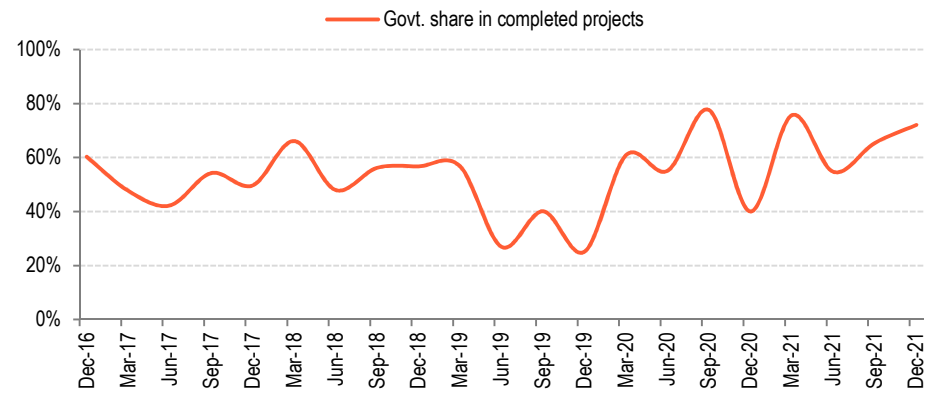
Source: CMIE

Fig 74 – Completed projects rose to Rs 1.4tn in Dec'21 from Rs 1.2tn in Sep'21



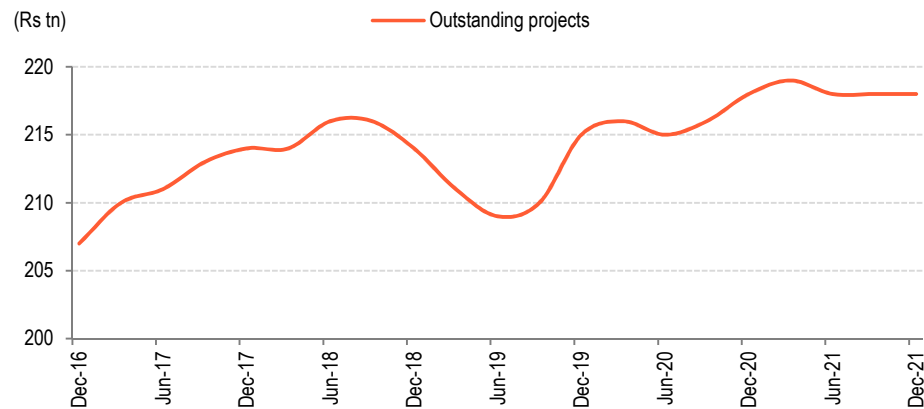
Source: CMIE

Fig 75 – ... Led by pick up in the share of govt. projects



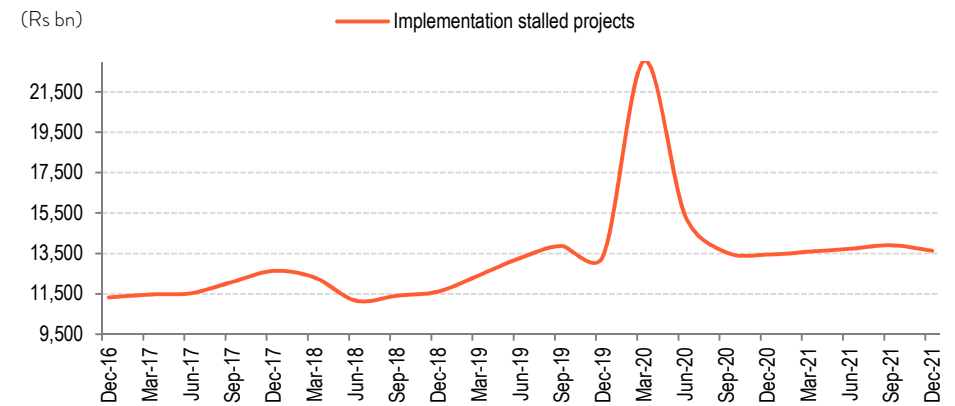
Source: CMIE

Fig 76 – Outstanding projects were stable at Rs 218tn in Dec'21



Source: CMIE

Fig 77 – Implementation stalled projects moderated to Rs 13.6tn in Dec'21 from Rs 13.9tn in Sep'21



Source: CMIE

Services sector

Fig 78 – GVA: Services activity eased in Q2FY22, showing signs of base effect

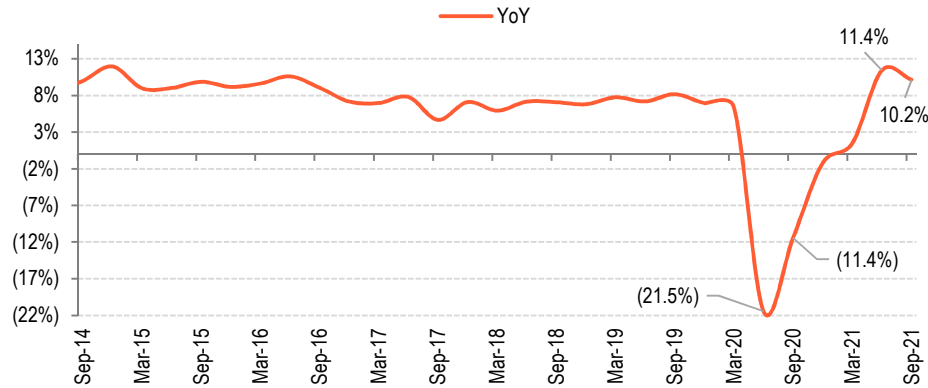
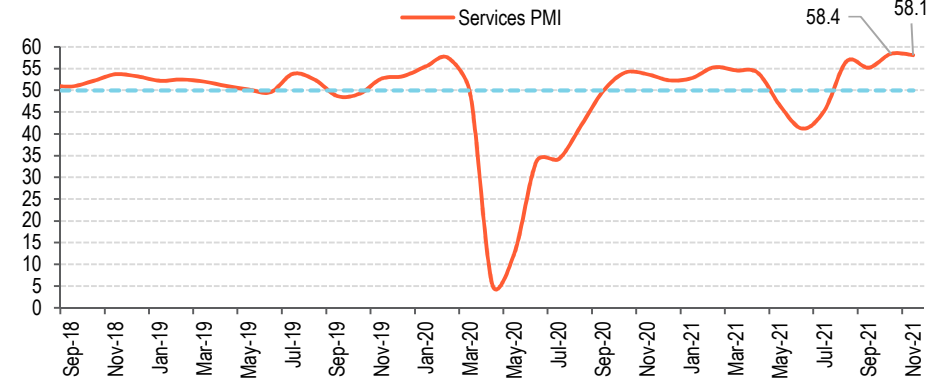


Fig 79 – Services PMI eased a tad in Nov'21; Q3 avg (58.3) still better than Q2 (52.4)



Source: Markit

Fig 80 – GVA: Trade & related services led the drag in Q2

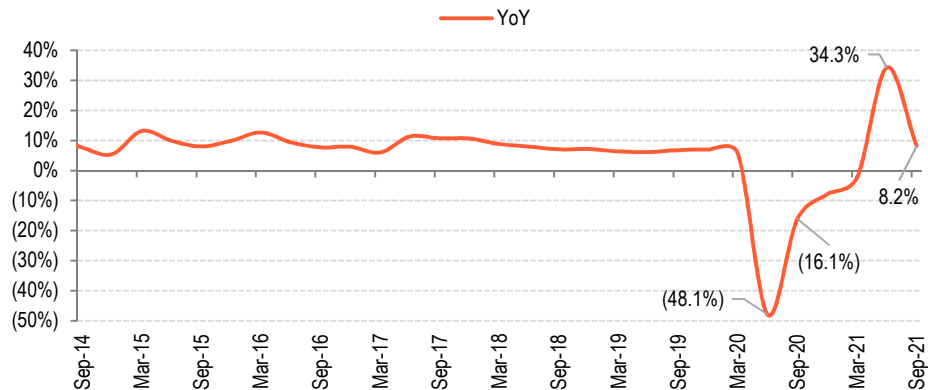
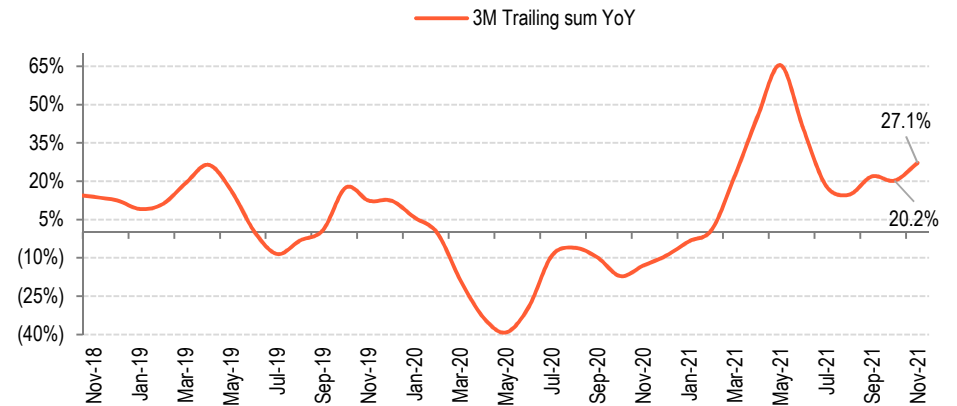


Fig 81 – States** tax revenue growth picked up pace in Nov'21



Note: **All states excluding N.E states, A.P., Goa, Gujarat J&K, and Telangana

Trade

Fig 82 – Vehicle registrations improve further in Dec’21

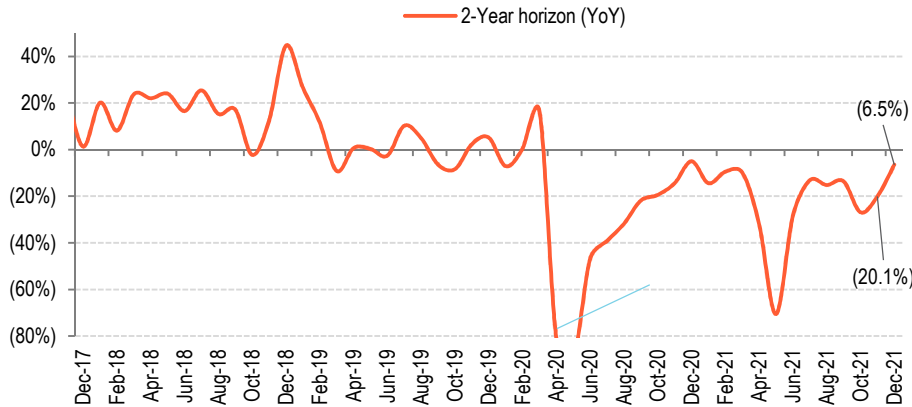


Fig 83 – Diesel consumption recovered in Dec’21, supported by festive season

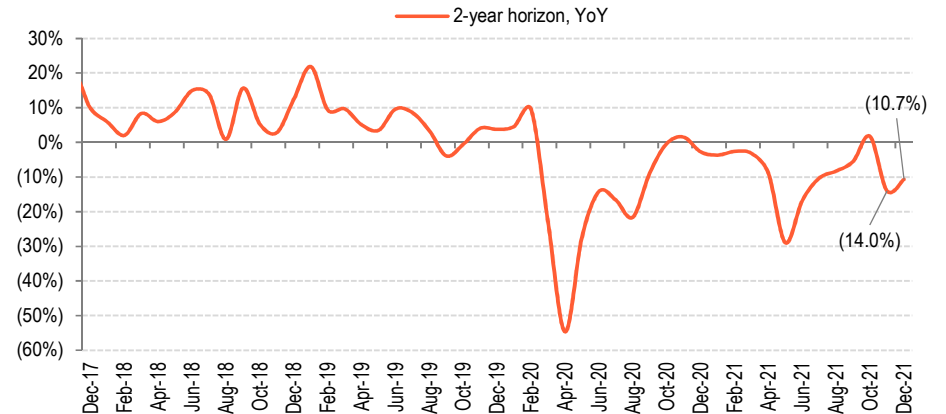


Fig 84 – Port cargo volumes ease, as trade growth moderates in Nov’21; Oct-Nov average (4%) still better than Q2 (-2.9%)

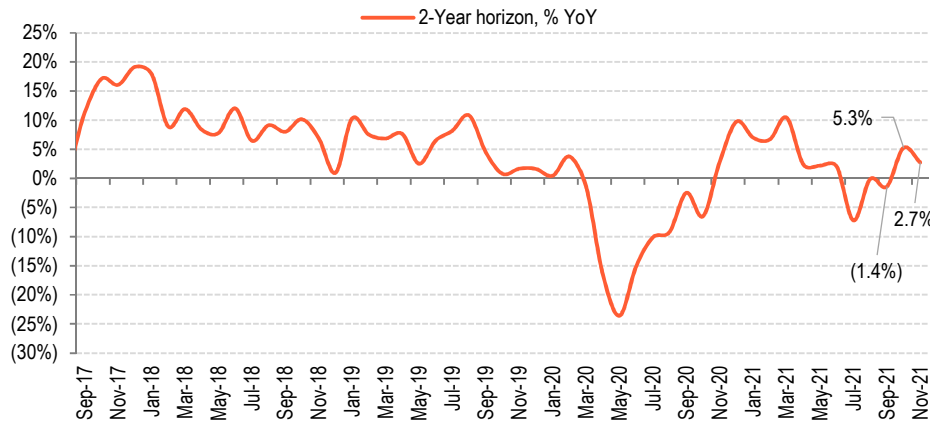


Fig 85 – Railway freight traffic growth also rebounded in Dec’21; Q3 average (8.5%) far better than Q2 (-2.9%)

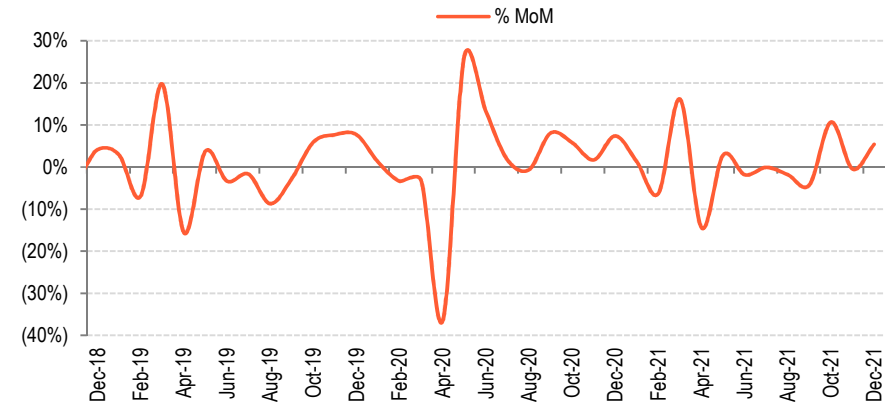


Fig 86 – Toll collections rose sharply in Dec'21, owing to holiday season

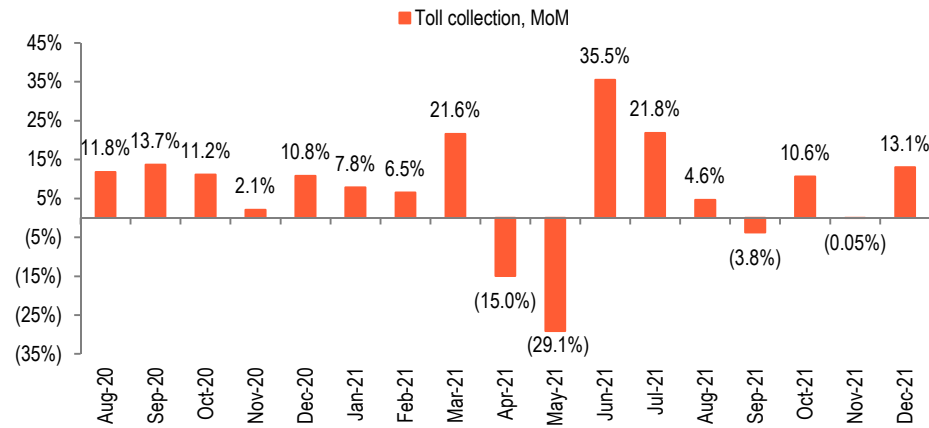
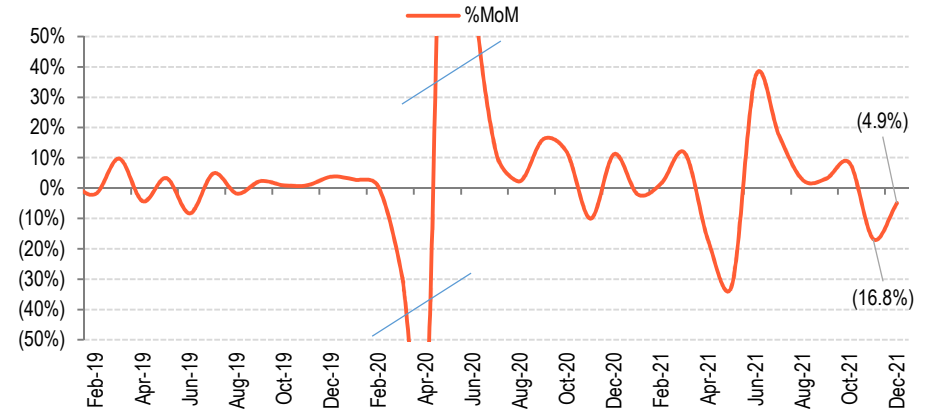


Fig 87 – E-way bill generation growth also bounced back in Dec'21



Hotels and communications

Fig 88 – Airline passenger traffic growth showed steady improvement in Dec'21

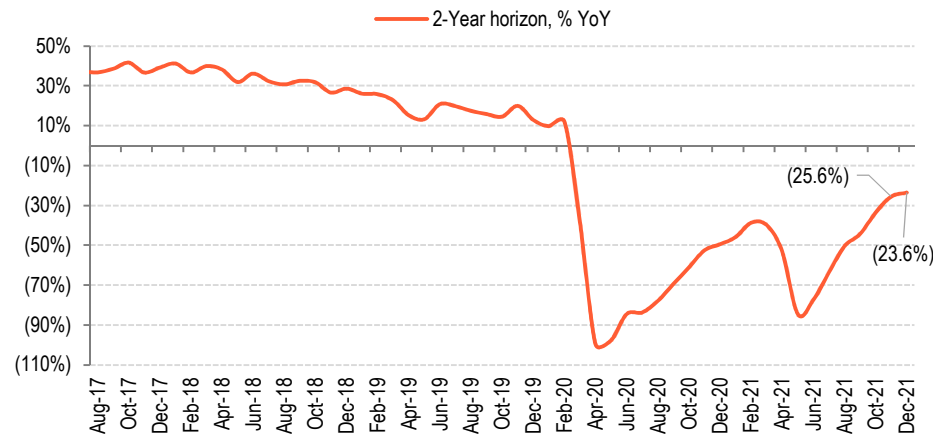


Fig 89 – ...led by domestic passenger growth

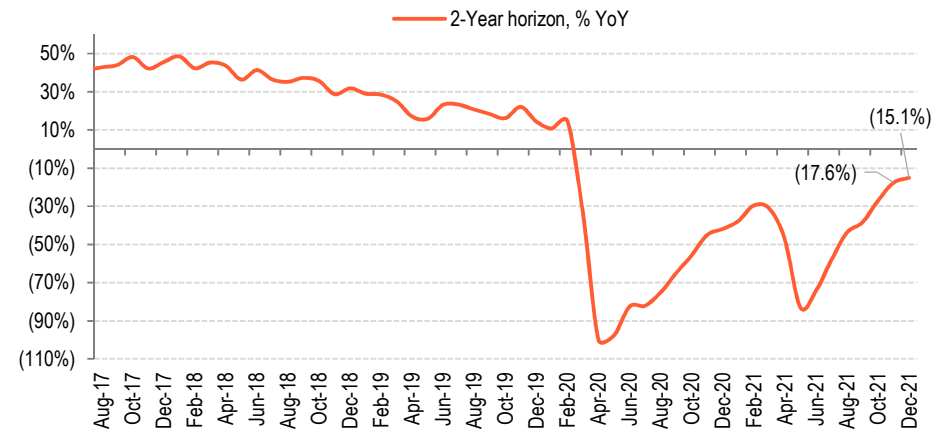


Fig 90 – Railway passenger traffic gradually recovering

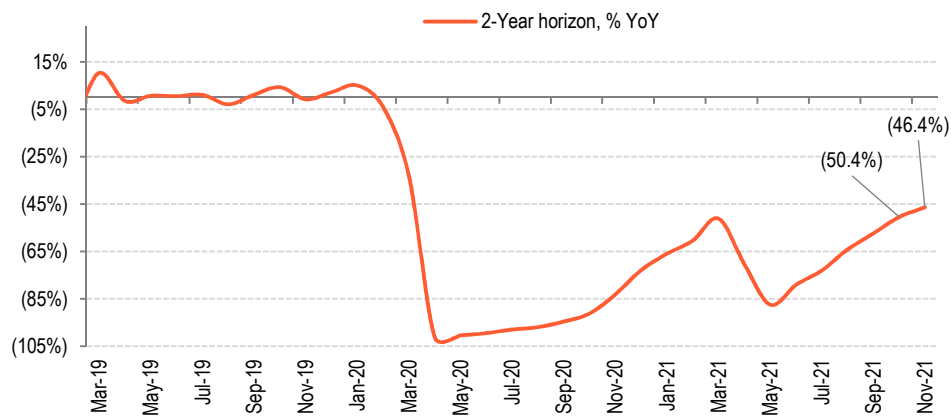
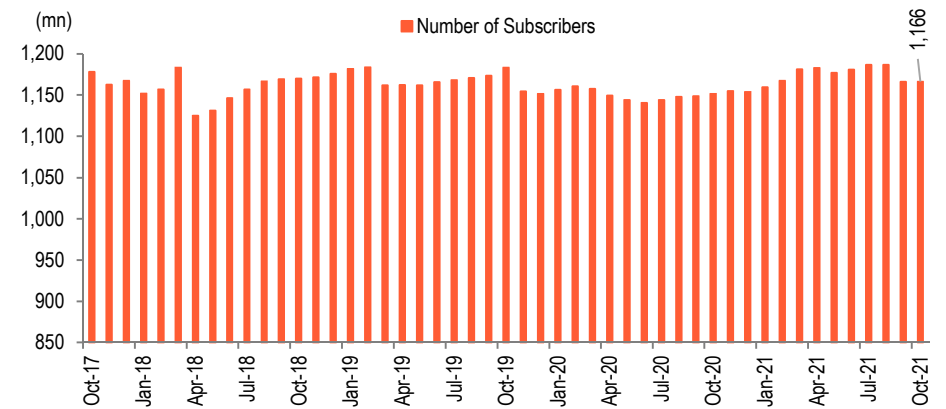


Fig 91 – Telecom sector added 0.3mn wireless subscribers in Oct'21 following 20.7mn subscribers lost in Sep'21



Finance and real estate

Fig 92 – Growth in GVA: Finance, real estate & prof. services rebounded in Q2FY22

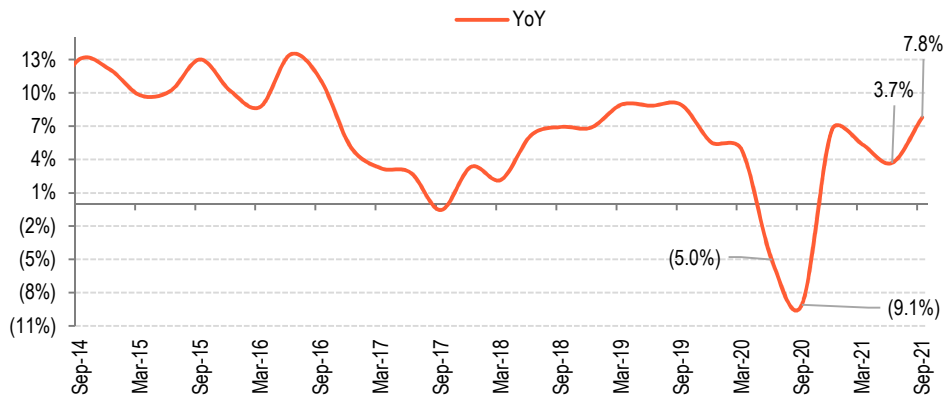
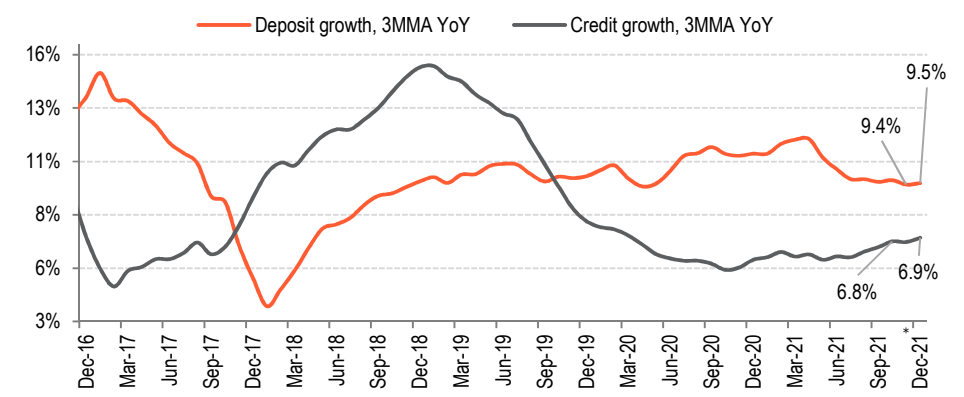


Fig 93 – Both credit and deposit growth see marginal uptick



*Data as of 17 Dec 2021

Fig 94 – Credit to services sector steady, while industry credit continues to recover

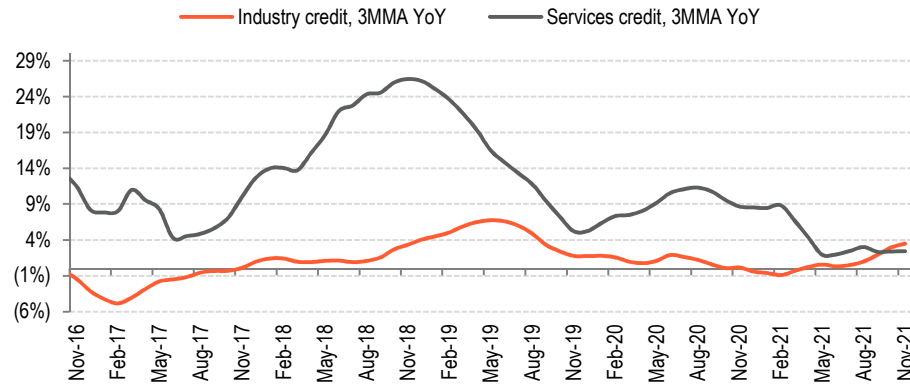


Fig 95 – Credit to NBFCs picking up the most

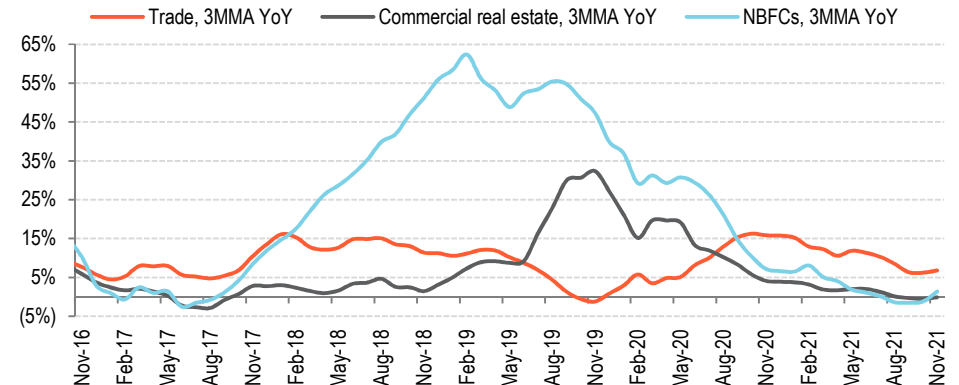
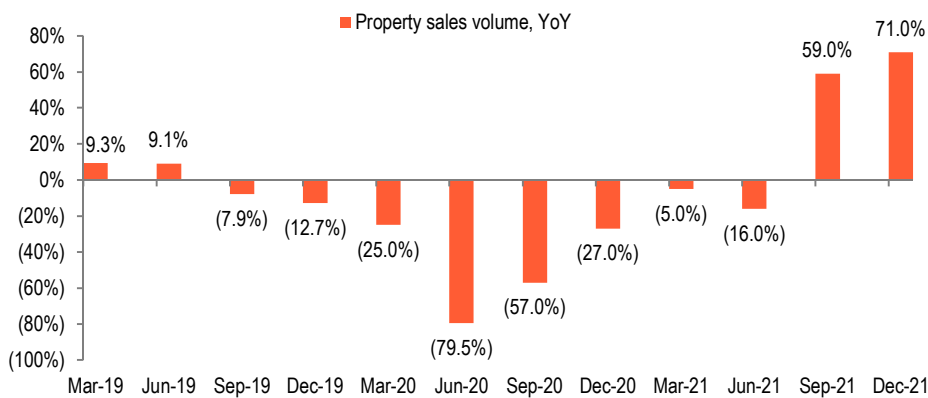
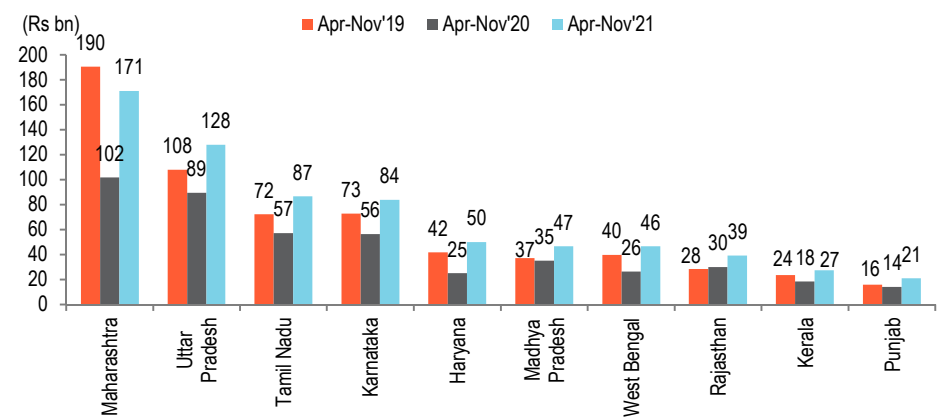


Fig 96 – Property sales volumes maintained momentum in Q3FY22 as well



Source: Proptiger

Fig 97 – Barring Maharashtra, stamp duty collections of other states have remained above pre-pandemic levels in FYTD22 so far



Labour market

Fig 98 – Naukri job index fell for the 1st time in 6 months in Nov'21

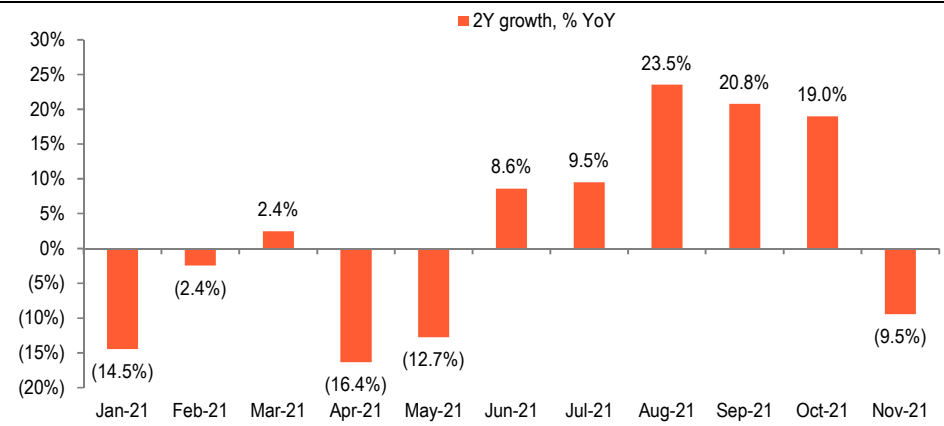
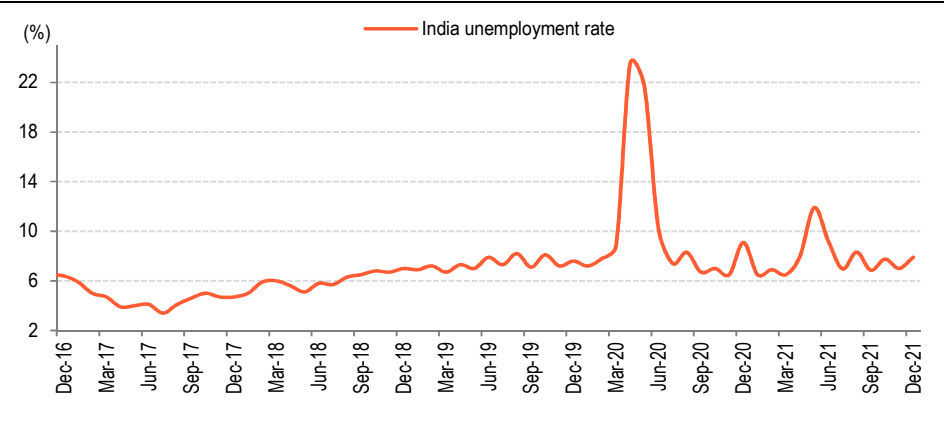


Fig 99 – Unemployment rate inched up in Dec'21



Public administration

Fig 100 – Public administration & defence services contributed positively in Q2FY22

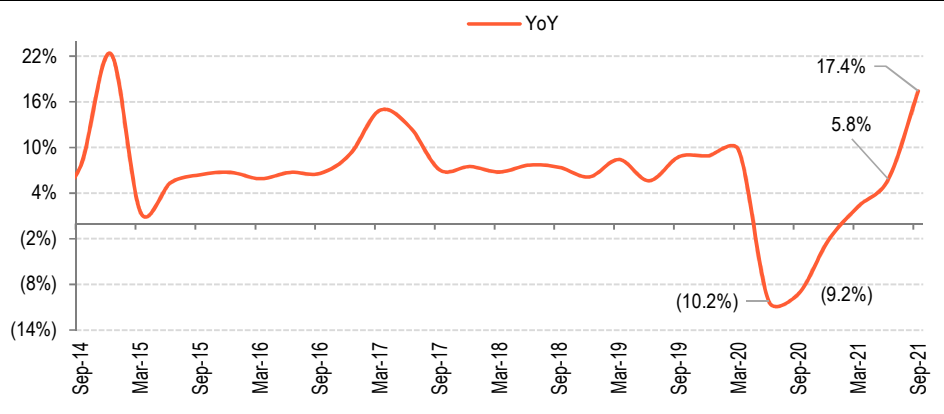


Fig 101 – General govt. spending moderated in Nov'21

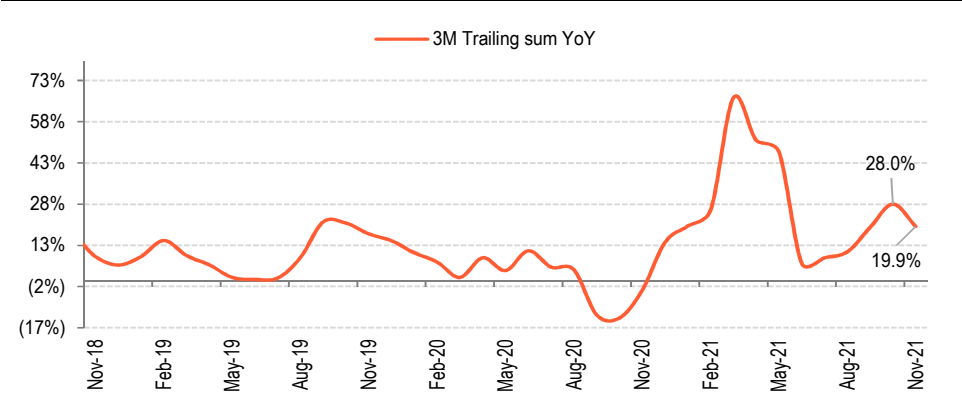


Fig 102 – ...led by both Central government spending

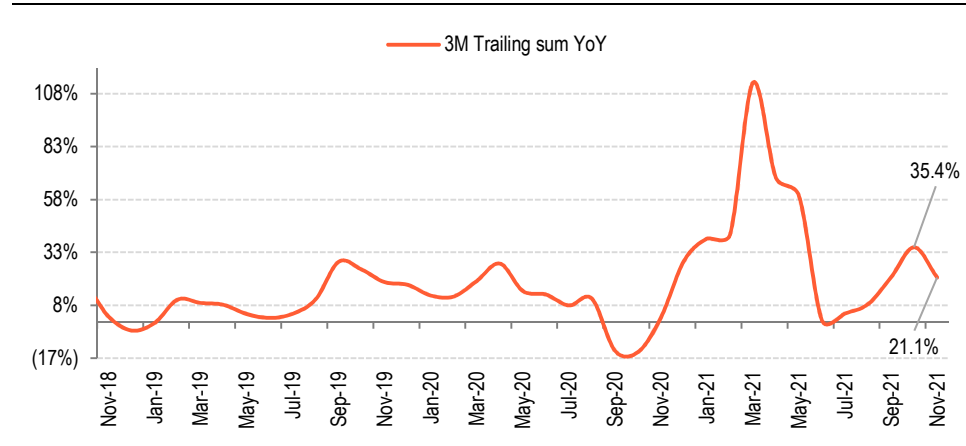
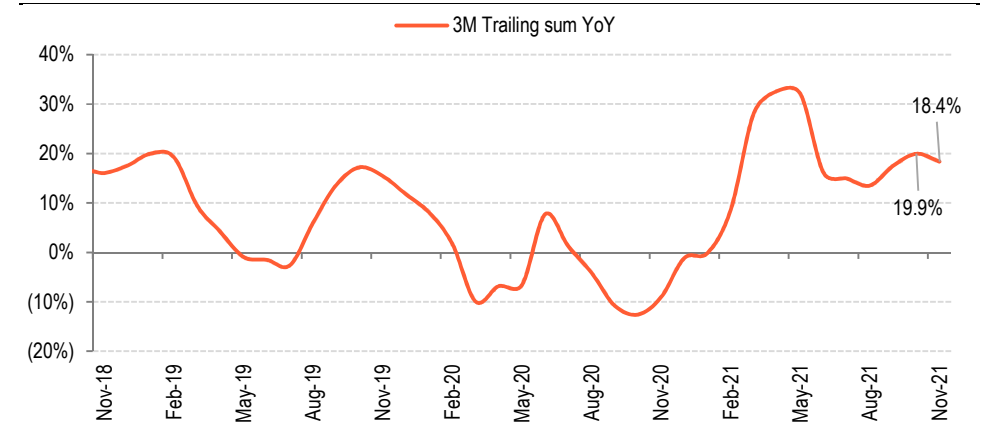


Fig 103 – ...and State* Govt. spending (mainly capex)

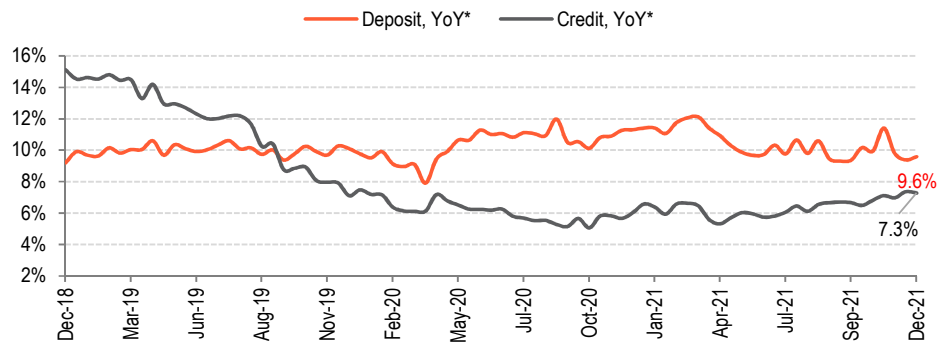


Note: *All states excluding N.E states, A.P., Goa, Gujarat J&K, and Telangana

Financial sector

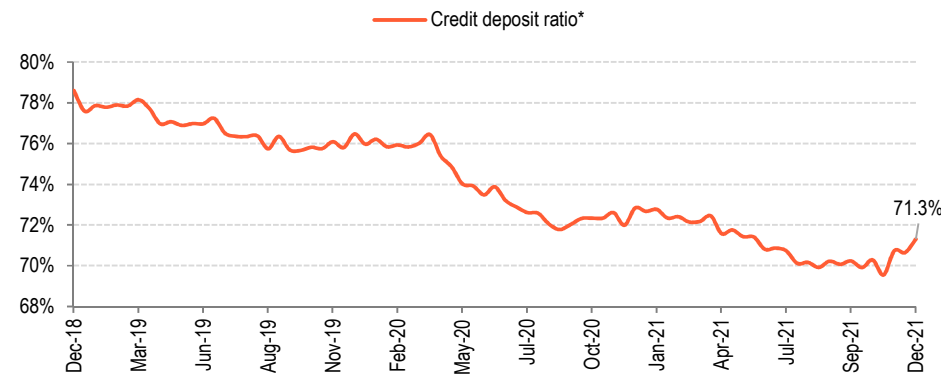
Money and banking

Fig 104 – Credit demand rose to 7.3% in Dec’21 from 7.0% in Nov’21, deposit growth moderated to 9.6% from 9.8%...



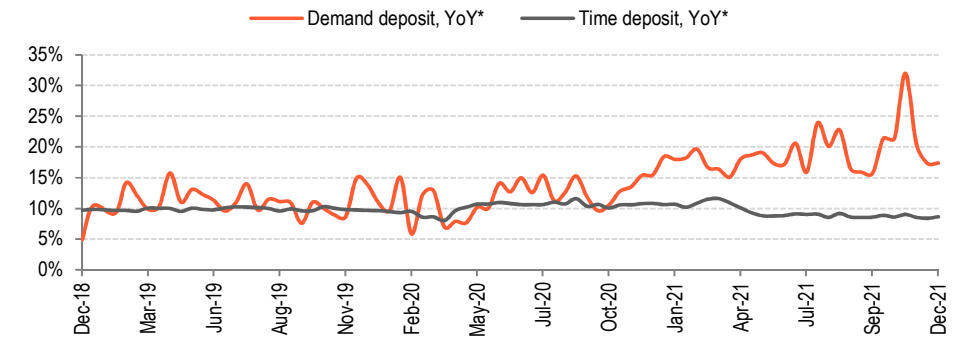
Note: *Dec-21 implies fortnight as of 17 Dec 2021

Fig 106 – CD ratio improved to 71.3%



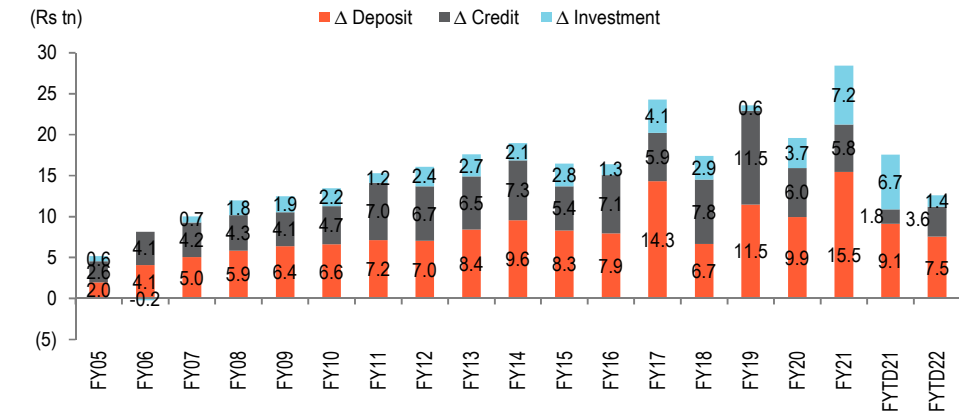
Note: *Dec-21 implies fortnight as of 17 Dec 2021

Fig 105 – ...Demand deposits inched down to 17.4% from 20.5% while time deposits inched up to 8.6% from 8.5%



Note: *Dec-21 implies fortnight as of 17 Dec 2021

Fig 107 – Pace of accretion of credit, investment and deposit



FYTD: Till 17 Dec 2021

Fig 108 – Credit to govt moderated to 4.5% in Oct'21 from 5.1% in Sep'21, credit to commercial sector rose to 6.6% from 6.2%

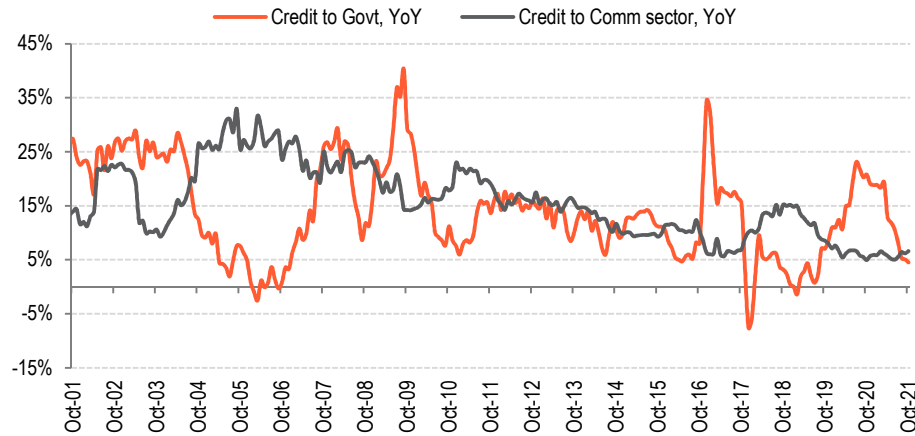


Fig 109 – Spread between call rate and repo

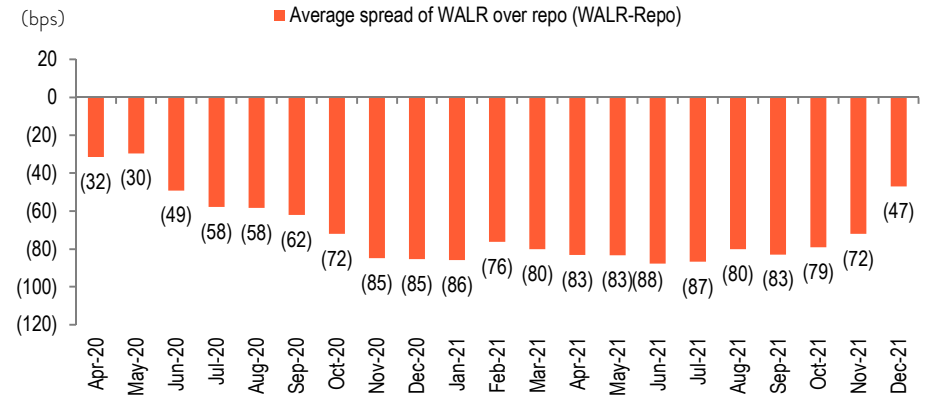


Fig 110 – WALR moderated to 7.3% in Nov'21 from 7.5% in Oct'21, WATDR also inched down to 5.1% from 5.2%

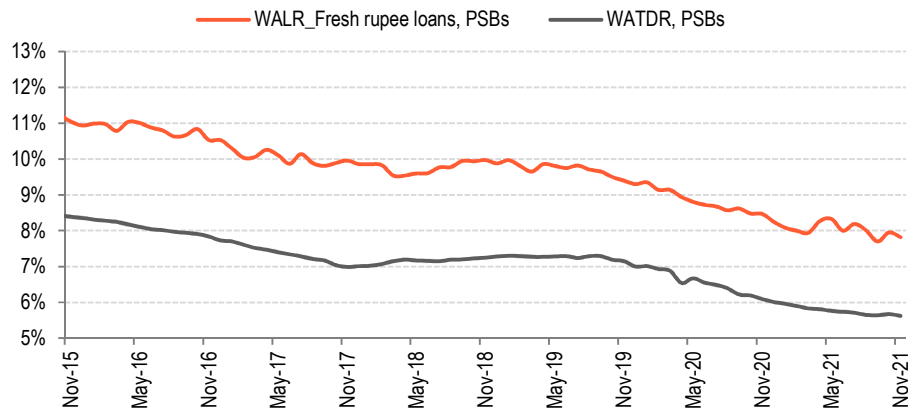
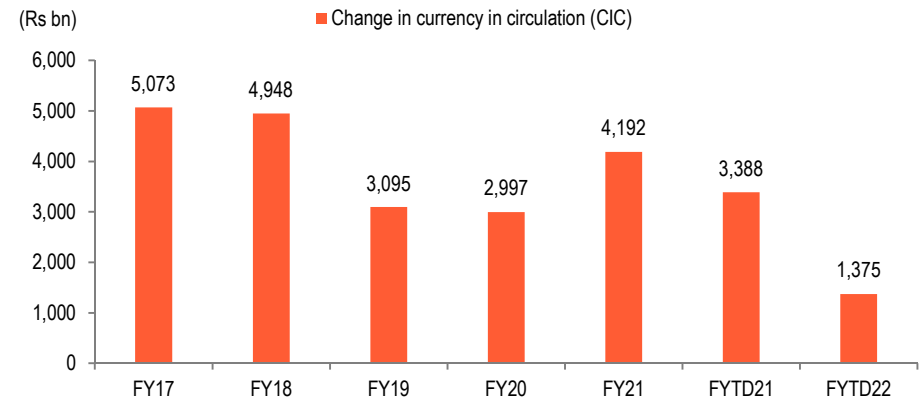
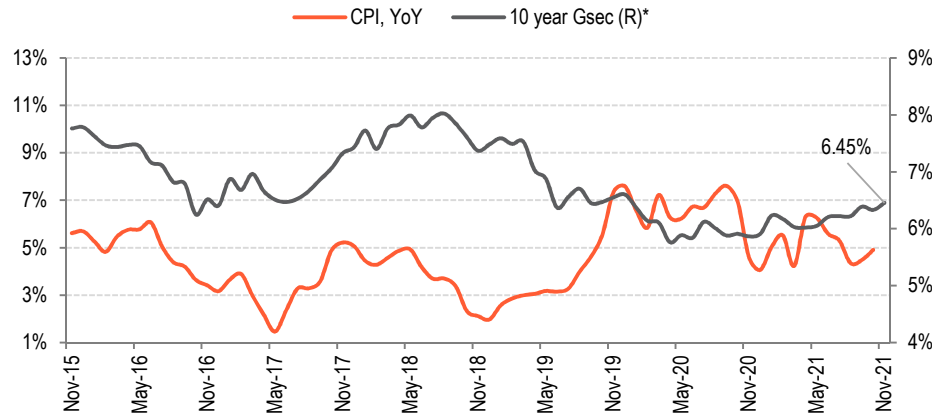


Fig 111 – CIC accretion at a much slower pace of Rs 1.4tn in FYTD22 against Rs 3.4tn in the same period of previous year



FYTD: Apr-Dec

Fig 112 – 10Y GSec yield inched up to 6.45% in Dec'21 from 6.33% in Nov'21 and currently at 6.46%, inflation edged up to 4.9% from 4.5% in Oct'21



Note: *As on last trading day of the month, 6.10GS2031 benchmark security is taken

Fig 114 – Corporate debt issuance rose to Rs 477bn in Nov'21 from Rs 468bn in Oct'21

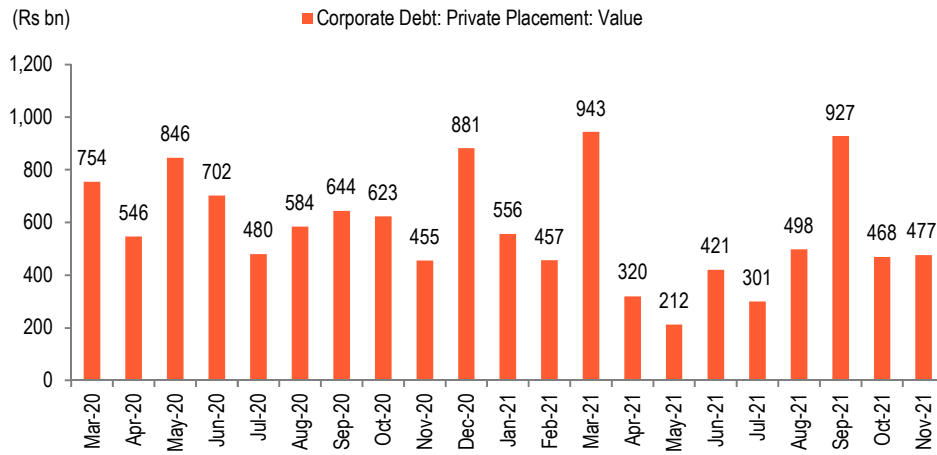
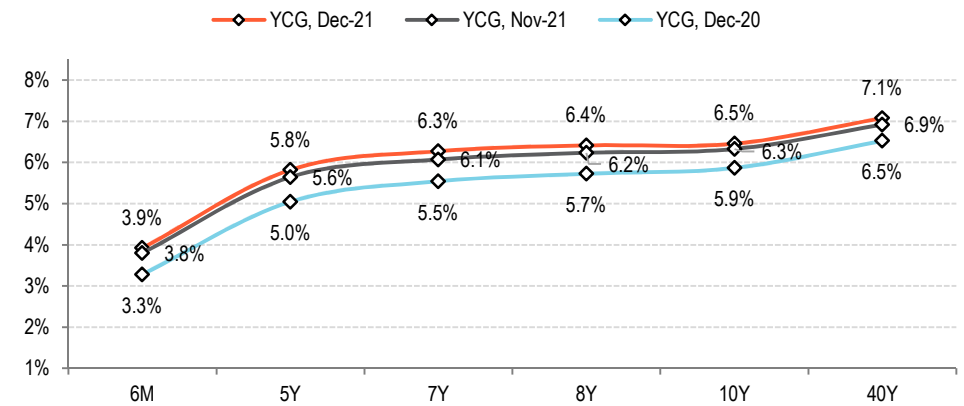
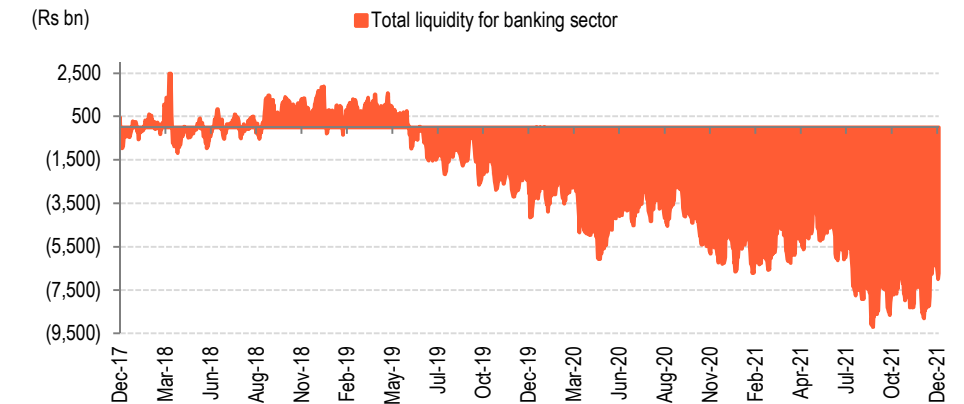


Fig 113 – Yield curve graph (YCG)



Source: Bloomberg

Fig 115 – Average system liquidity surplus was at Rs 7.4tn versus Rs 7.6tn in Nov'21 and currently higher at Rs 7.9tn



Source: RBI

Fig 116 – 3Y AAA NBFC spread inched down to 53bps as on 31 Dec 2021 from 61bps as on 29 Nov 2021

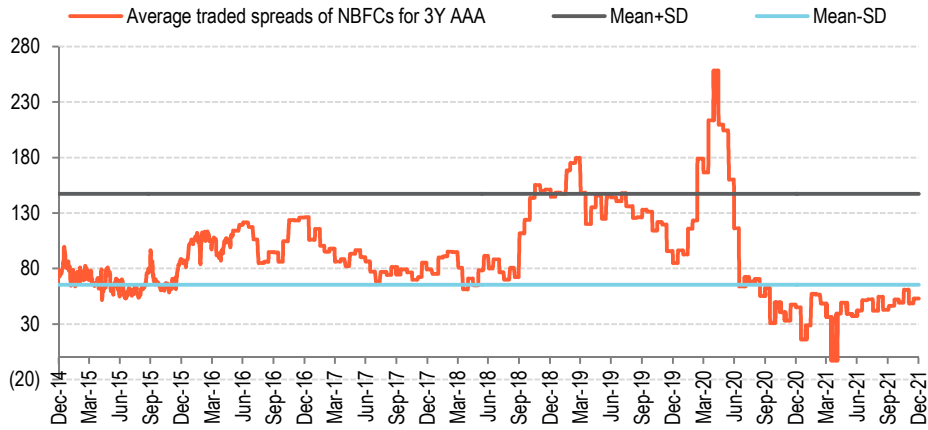


Fig 117 – 10Y AAA NBFC spread fell to 56bps as on 31 Dec 2021 from 65bps as on 29 Nov 2021

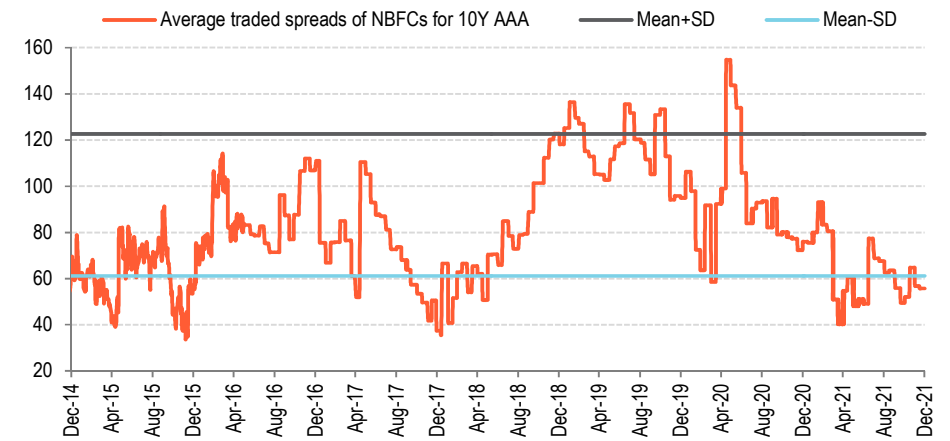


Fig 118 – 3Y AAA corp also fell to 32bps as on 31 Dec 2021 from 47bps as on 30 Nov 2021

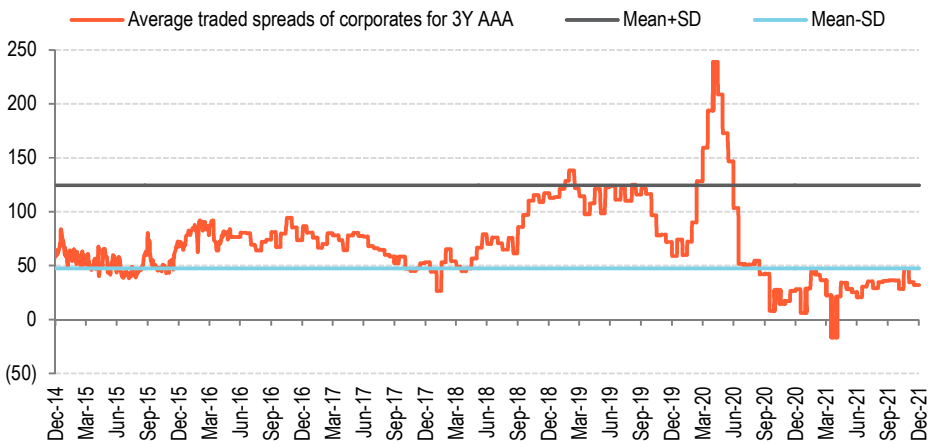


Fig 119 – 10Y AAA corp spread moderated to 45bps from 52bps

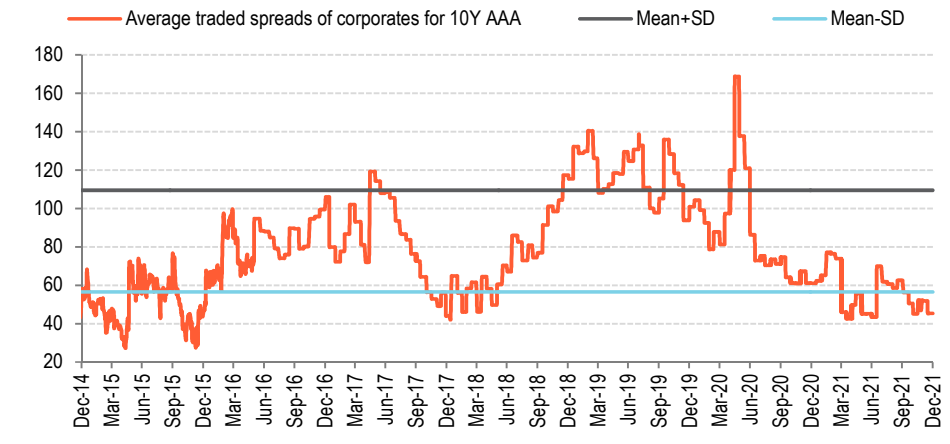


Fig 120 – INR 3Y swap rose to 5.14 as on 31 Dec 2021 from 4.97 as on 30 Nov 2021

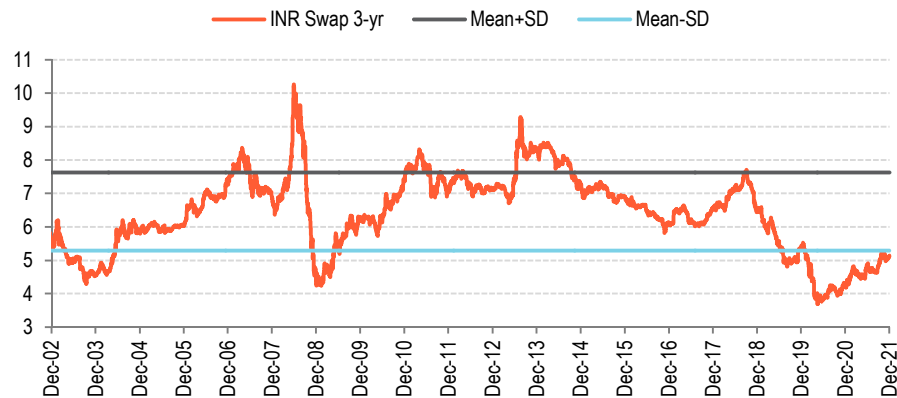
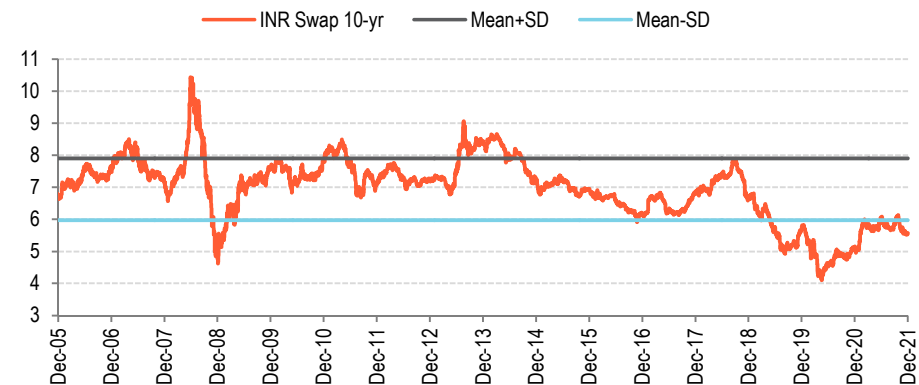


Fig 121 – For 10Y, it rose to 5.57 from 5.55



Interest rates on small savings schemes

Fig 122 – Interest rates on small savings scheme to remain unchanged in Q4FY22 as well

Instrument (%)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Savings deposit	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	6.9	6.9	6.9	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
2 year time deposit	6.9	6.9	6.9	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
3 year time deposit	6.9	6.9	6.9	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
5 year time deposit	7.7	7.7	7.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
5 year recurring deposit	7.2	7.2	7.2	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
5 year senior citizen savings scheme	8.6	8.6	8.6	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4
5 year monthly income scheme	7.6	7.6	7.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6
5 year national savings certificate	7.9	7.9	7.9	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8
Public provident fund scheme	7.9	7.9	7.9	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Kisan vikas patra	7.6	7.6	7.6	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9
Sukanya samridhhi account scheme	8.4	8.4	8.4	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6

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

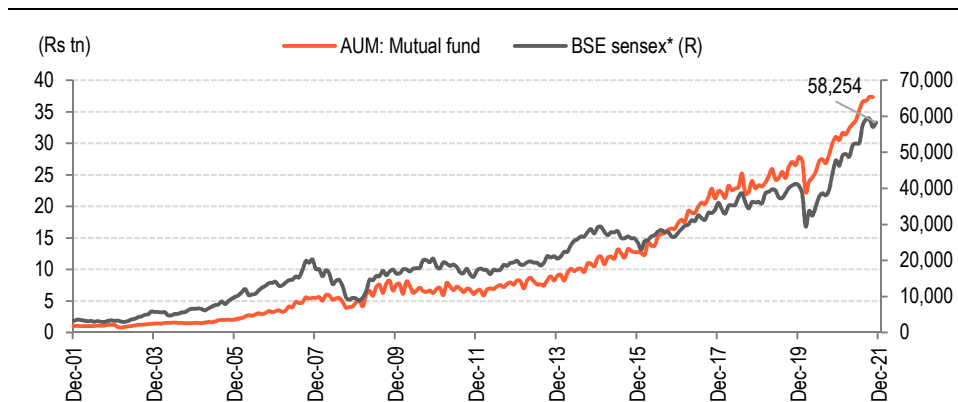
Fig 123 – Interest rates charged by leading banks

1Y MCLR (%)	Oct'20	Nov'20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun'21	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21
Public Sector Banks															
Bank of Baroda	7.50	7.45	7.40	7.40	7.40	7.40	7.40	7.40	7.35	7.35	7.35	7.35	7.30	7.30	7.30
Bank of India	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.30	7.25	7.25	7.25	7.25	7.25
Canara Bank	7.40	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.25	7.25	7.25
Indian Bank	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.35	7.35	7.35	7.30	7.30
Punjab National Bank	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.30	7.30	7.30	7.30	7.25	7.25	7.25
State Bank of India	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Union Bank of India	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.25	7.25	7.25
Private Sector Banks															
Axis Bank Ltd.	7.45	7.45	7.45	7.40	7.40	7.40	7.40	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35
HDFC Bank Ltd.	7.30	7.25	7.25	7.25	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20
ICICI Bank Ltd.	7.35	7.35	7.35	7.30	7.30	7.30	7.30	7.30	7.30	7.25	7.25	7.25	7.25	7.25	7.25
Indusind Bank	8.75	8.70	8.65	8.65	8.60	8.60	8.60	8.60	8.60	8.55	8.45	8.45	8.45	8.45	8.45
Kotak Mahindra Bank	7.45	7.35	7.35	7.35	7.30	7.25	7.25	7.25	7.25	7.25	7.25	7.20	7.20	7.20	7.20

Source: RBI

Mutual fund (MF) indicators

Fig 124 – Sensex rose by 2.1% to 58,254 in Dec'21, AUM of MFs was stable at Rs 37tn



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

Fig 125 – MF equity inflows rose to Rs 116bn from Rs 60bn in Oct'21; debt inflows also picked up to Rs 149bn from Rs 119bn

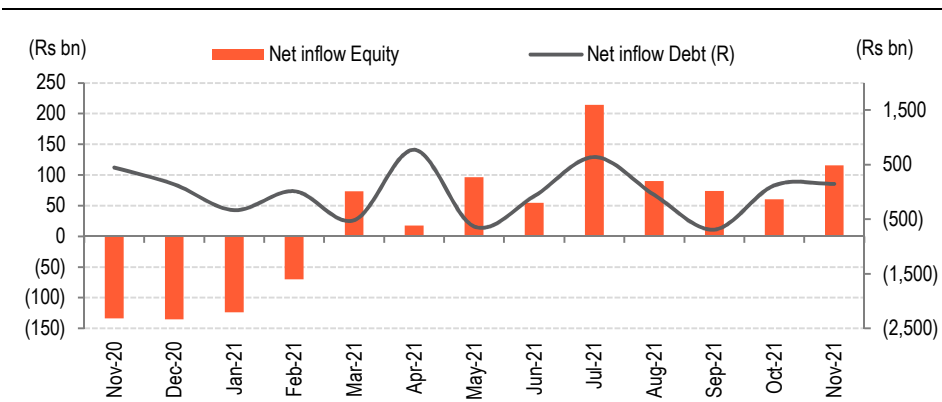
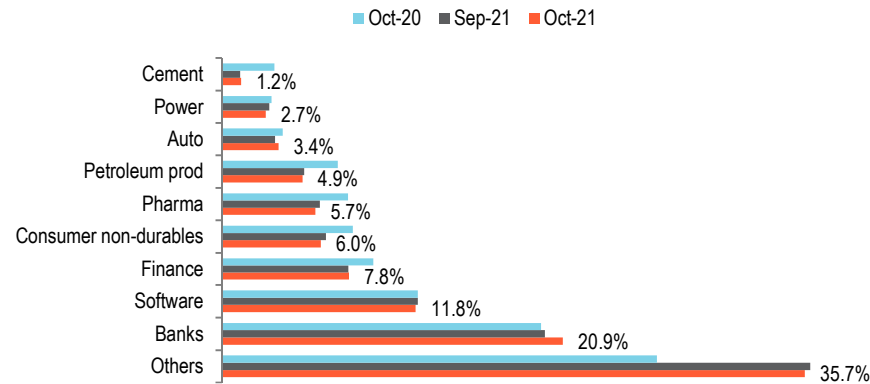


Fig 126 – Pattern of MF deployment of equity funds



Source: SEBI

Insurance sector indicators

Fig 128 – Sale of life insurance policies picked up to 3.2% in Nov'21 from 0.5% decline in Oct'21, supported by favourable base

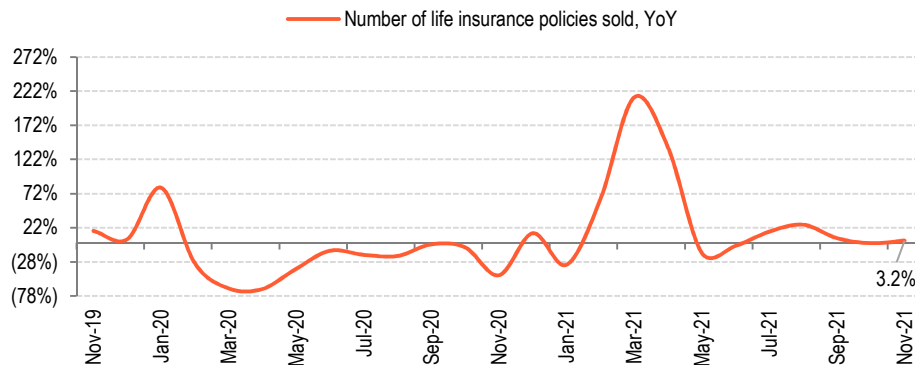
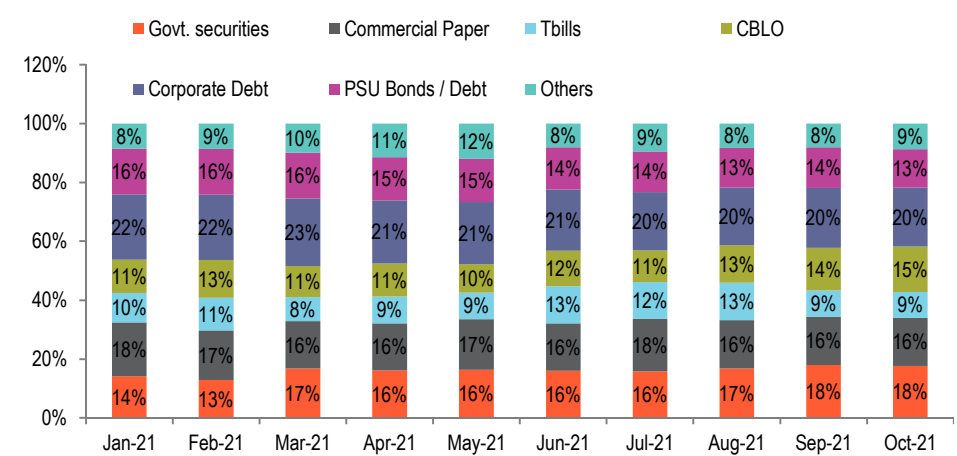
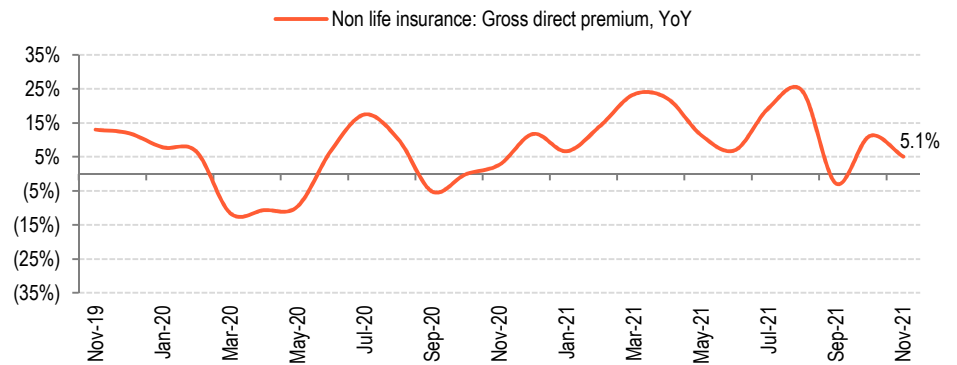


Fig 127 – MF deployment of debt funds



Source: SEBI

Fig 129 – Gross direct premium for non-life insurance moderated to 5.1% in Nov'21 from 11.1% in Oct'21



Public finance

Central government finances

Fig 130 – Fiscal deficit inched up in Nov’21

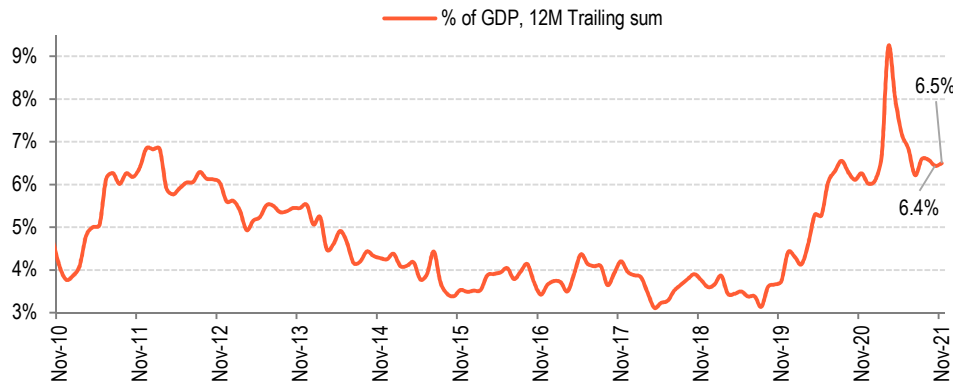


Fig 131 – Revenue deficit too expanded

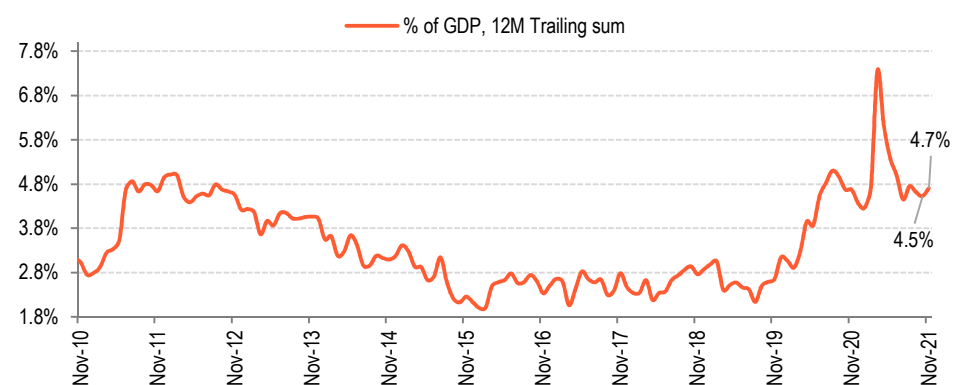


Fig 132 – Primary deficit up at 3.1%

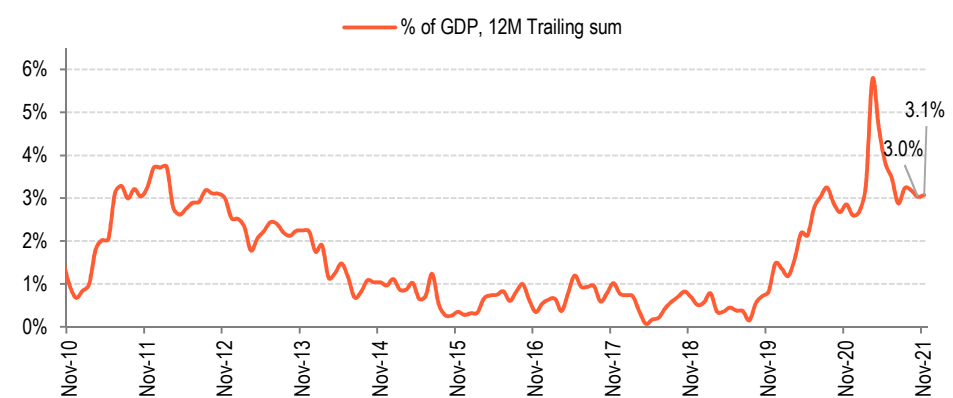


Fig 133 – Government spending begins to moderate in Nov’21 (12MMA)...

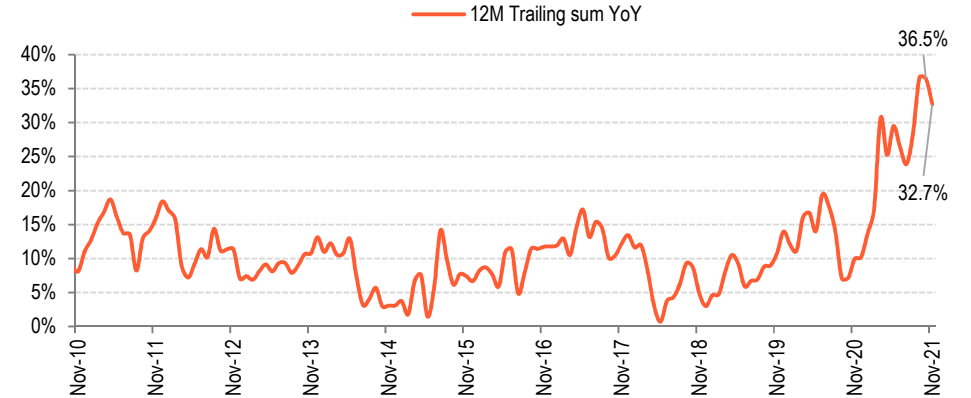


Fig 134 – ...led by capex

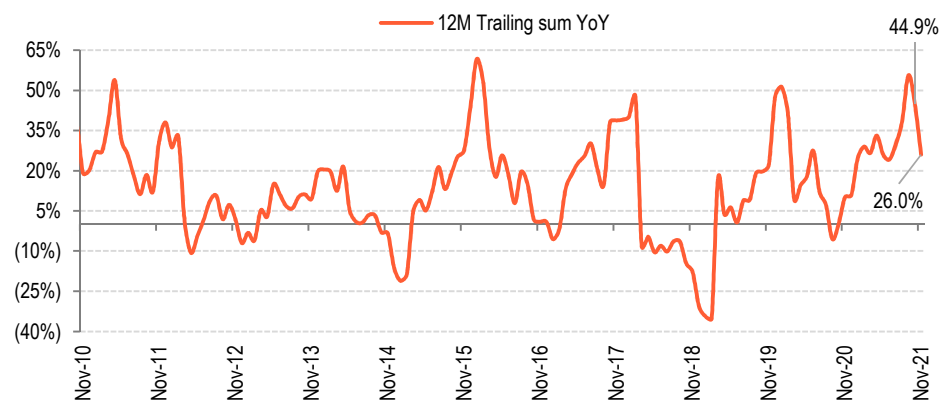


Fig 135 – Revenue spending also losing steam

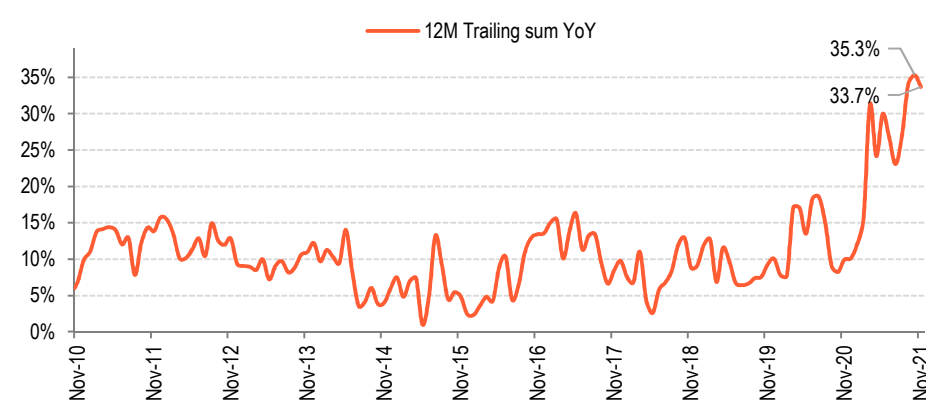


Fig 136 – Spending by ministries of rural development, petroleum and agriculture fell Nov'21 (FYTD basis)

Ministry	Apr-Nov'19 (Rs bn)	Apr-Nov'20 (Rs bn)	% change	Apr-Nov'21 (Rs bn)	% change
Ministry of Finance	5,841	6,803	16.5	7,701	13.2
Ministry of Defence	3,298	2,980	(9.6)	3,174	6.5
Ministry of Consumer Affairs, Food and Public Distribution	1,348	1,403	4.0	1,763	25.7
Ministry of Rural Development	837	1,470	75.6	968	(34.2)
Ministry of Home Affairs	891	954	7.1	1,077	12.9
Ministry of Human Resource Development	575	409	(28.9)	443	8.3
Ministry of Road Transport and Highways	520	595	14.5	806	35.4
Ministry of Chemicals and Fertilisers	736	662	(10.1)	656	(0.9)
Ministry of Petroleum and Natural Gas	375	231	(38.4)	43	(81.3)
Ministry of Agriculture	679	747	10.0	664	(11.1)
Ministry of Health and Family Welfare	428	499	16.6	470	(5.7)

Fig 137 – Receipt growth eased further in Nov’21...

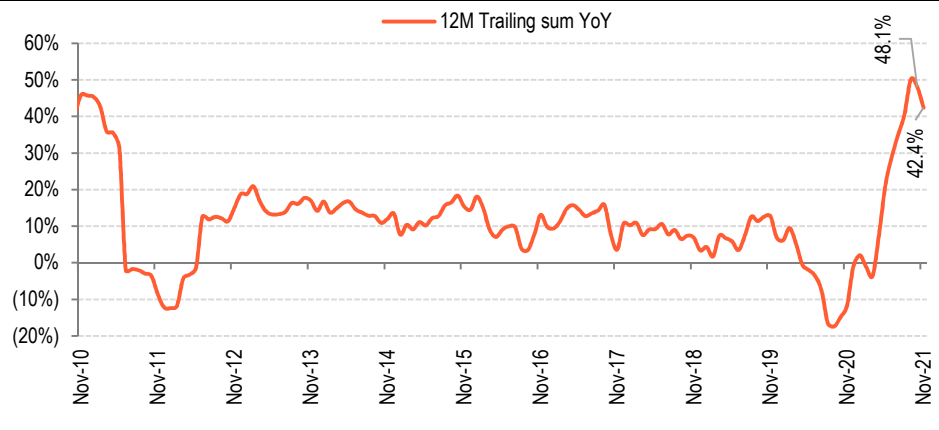


Fig 138 – ...dragged by revenue receipts

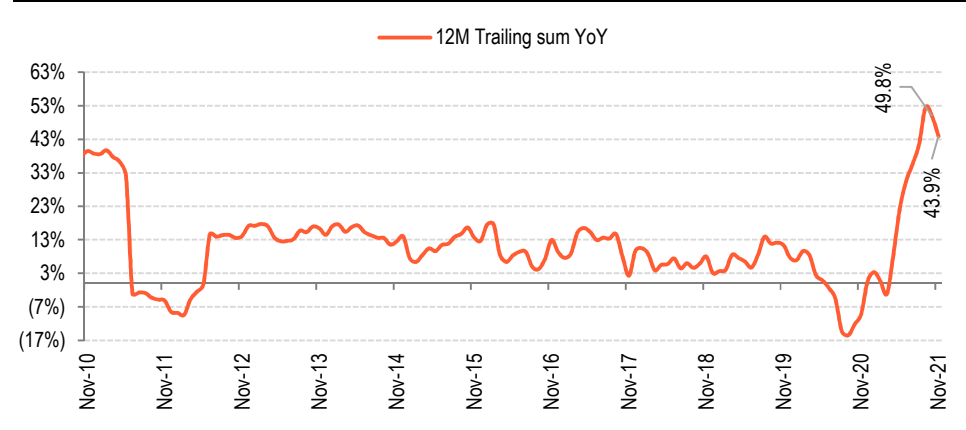


Fig 139 – Tax receipts slip further in Nov’21

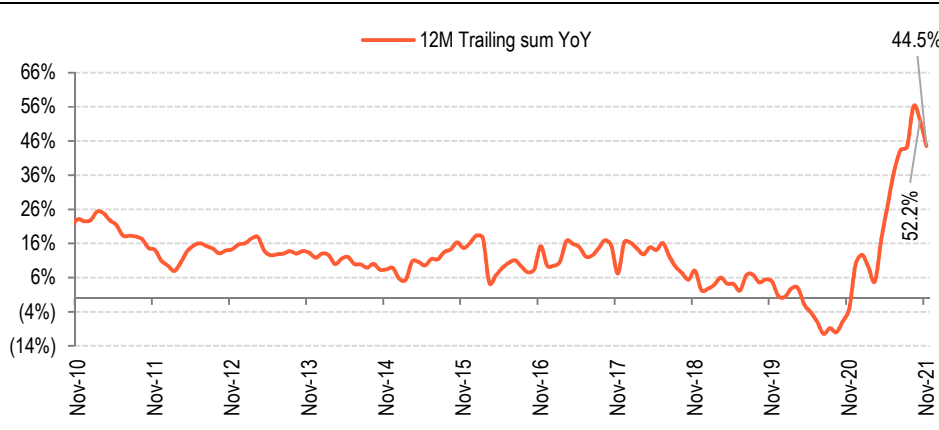


Fig 140 – Non-tax revenue growth maintains upward momentum

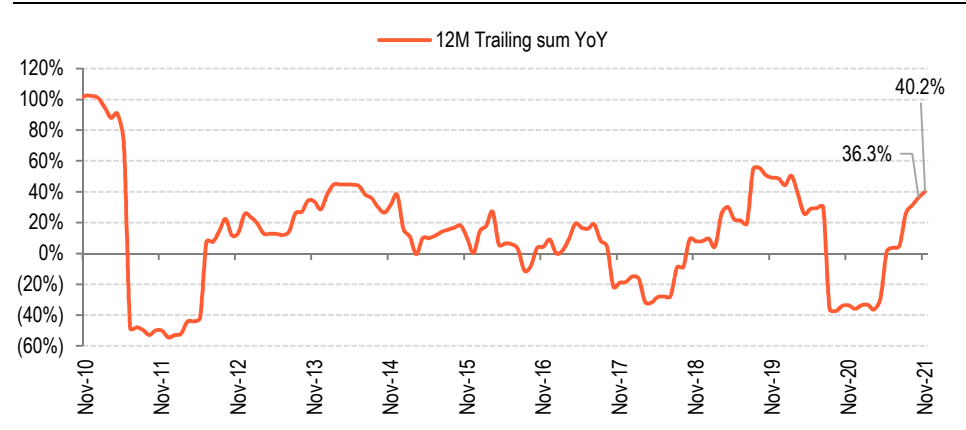


Fig 141 – Centre’s revenue situation much better over 2-year horizon (FYTD basis)

	Apr-Nov’19 (Rs bn)	Apr-Nov’20 (Rs bn)	% change	Apr-Nov’21 (Rs bn)	% change	2-Year change (% YoY)
Gross Tax revenue	11,741	10,261	(12.6)	15,419	50.3	31.3
Direct taxes	5,565	4,207	(24.4)	6,997	66.3	25.7
Corp Tax	2,886	1,857	(35.7)	3,536	90.4	22.5
Income Tax	2,679	2,350	(12.3)	3,461	47.2	29.2
Indirect taxes	6,176	6,053	(2.0)	8,423	39.1	36.4
Non-tax revenue	2,326	1,243	(46.6)	2,230	79.5	(4.1)
Centre's revenue (net)	9,832	8,127	(17.3)	13,583	67.1	38.1
Total expenditure	18,201	19,064	4.7	20,746	8.8	14.0
Capital exp	2,138	2,412	12.8	2,736	13.5	28.0
Revenue exp	16,062	16,652	3.7	18,010	8.2	12.1
Fiscal deficit	8,078	10,755	-	6,956	-	-

Fig 142 – Gross direct tax collections picked up a tad in Nov’21

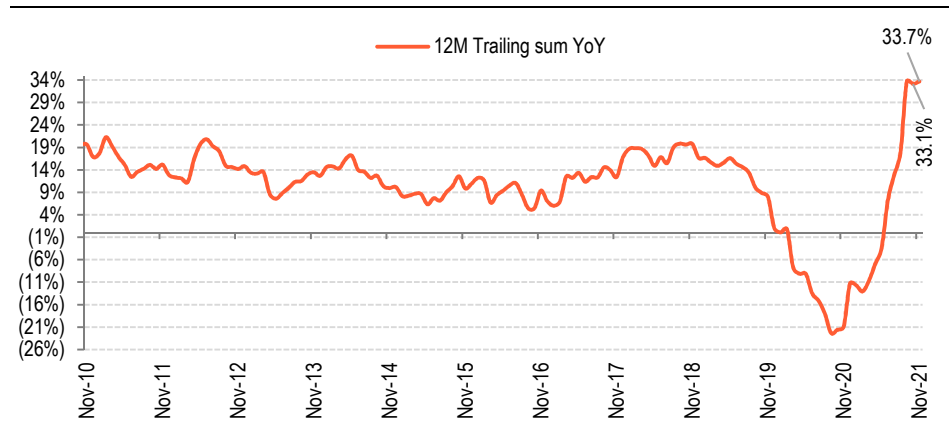


Fig 143 – Gross indirect tax collection growth seen slowing

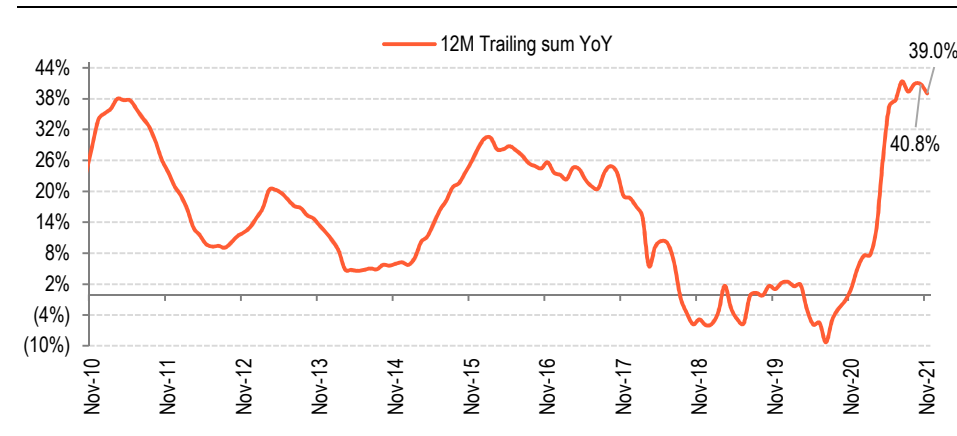


Fig 144 – Corporate tax collections support overall direct tax collections

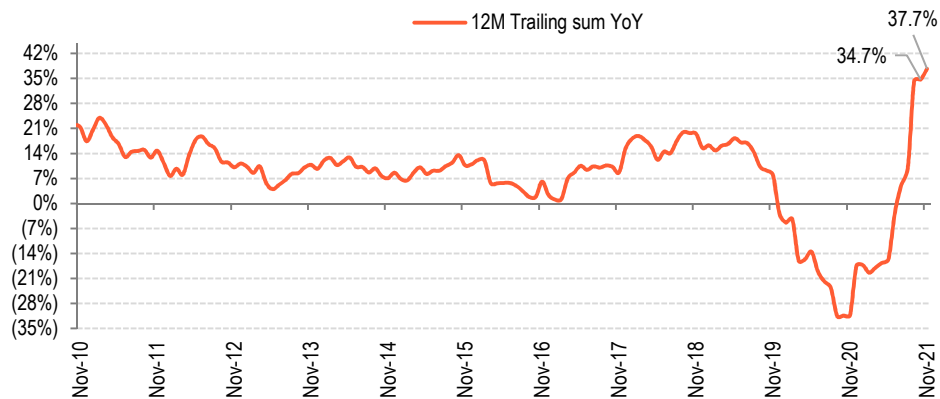


Fig 145 – Income tax collections eased further in Nov’21

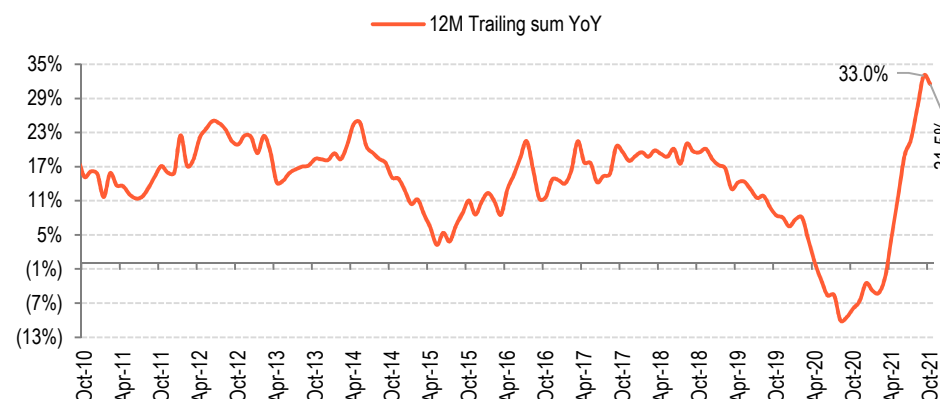


Fig 146 – GST collections for Nov’21 moderate marginally; but are above Rs 1tn mark for 6 months in a row

(Rs bn)	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Monthly run rate (FY22)	FYTD22	FY22 (BE)
CGST	398	430	447	666	568	555	283	337	479	533	474	485	492	455	3,638	5,300
UT GST	1.3	1.4	3.2	4.1	3.2	1.6	1.6	1.7	2.5	2.9	2.2	1.4	1.2	2	15	-
IGST	76	124	68	(373)	(104)	48	153	64	(37)	(162)	(6)	90	72	28	222	-
SGST*	596	560	531	848	862	331	402	696	601	711	747	656	637	598	4,781	-
Cess	80	82	83	93	84	92	89	66	75	85	85	82	94	83	668	1,000
Total GST	1,152	1,198	1,131	1,239	1,414	1,027	928	1,164	1,120	1,170	1,301	1,315	1,298	1,166	9,324	-

Source: PIB | *Computed from PIB and CGA data

Fig 147 – Central gov. public debt broadly steady in Q2FY22

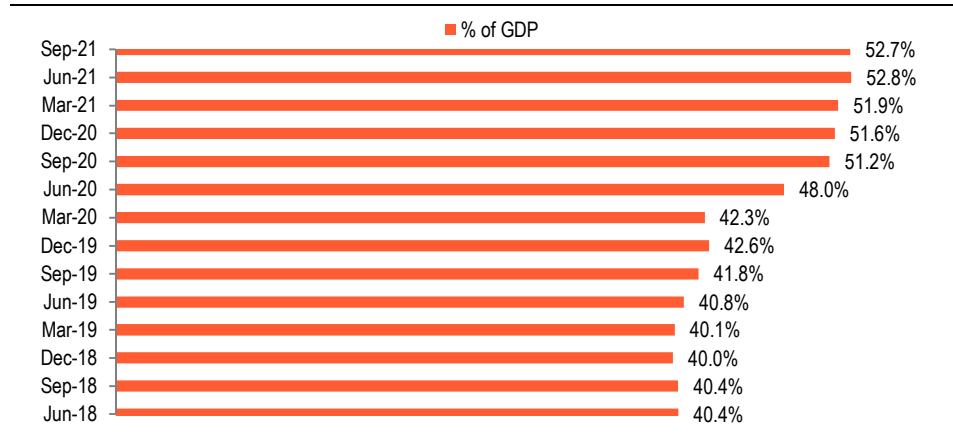


Fig 148 – Gap between avg. yield on SDL and 10Y G-sec declined further in Dec'21, but is again inching up in Jan'22 so far

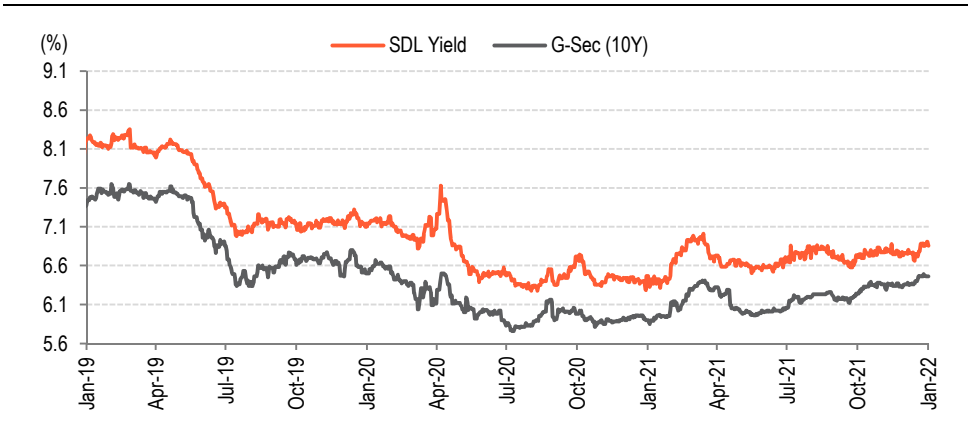


Fig 149 – Subsidy burden increased significantly in FY21

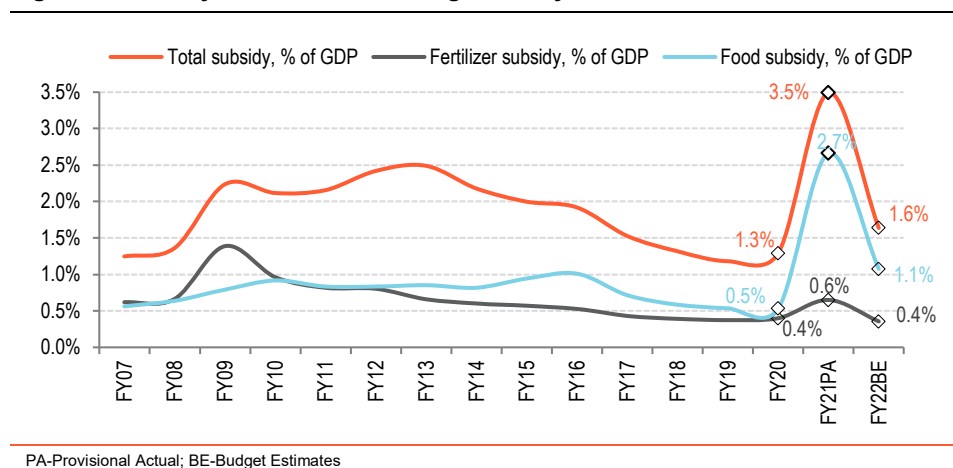
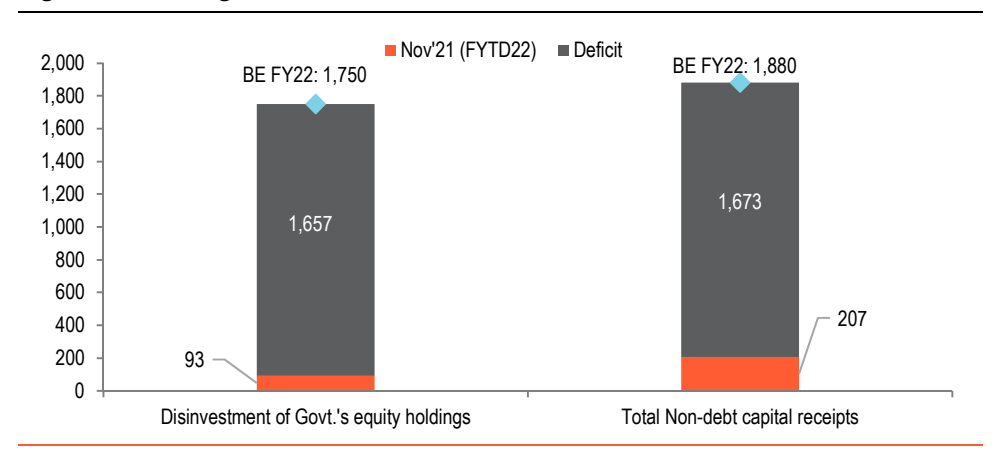
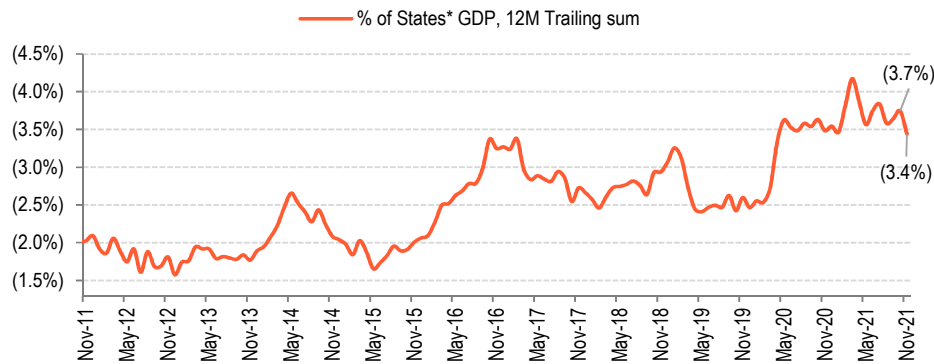


Fig 150 – Central gov. FY22 disinvestment status



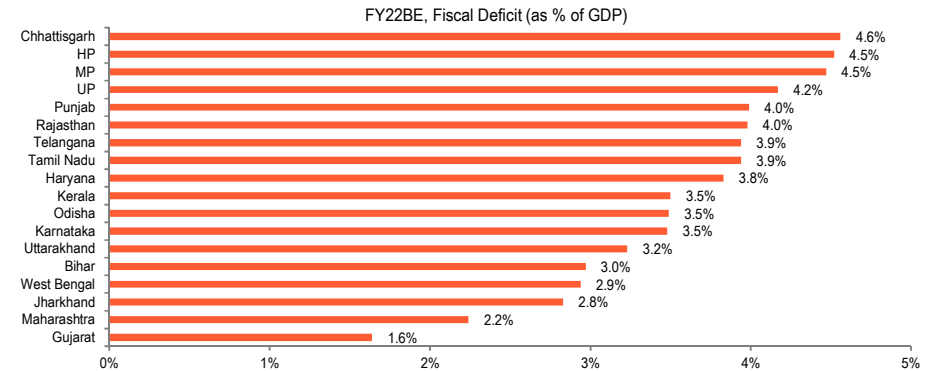
State government finances

Fig 151 – States* fiscal deficit eased sharply in Nov’21



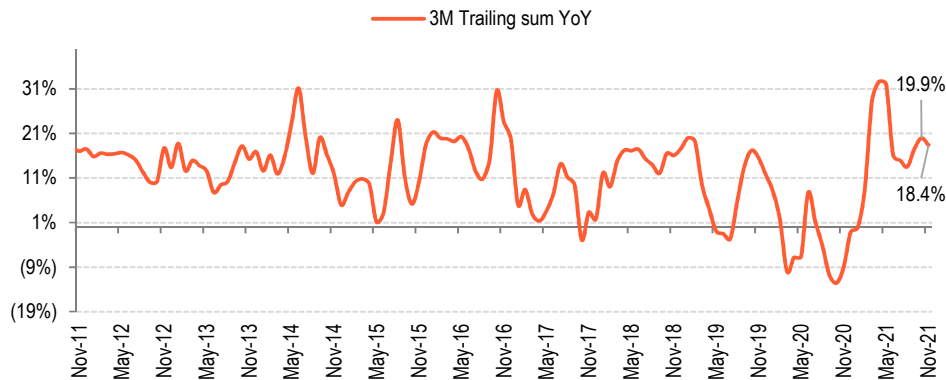
Note: *All states excluding N.E states, A.P., Goa, Gujarat J&K, and Telangana

Fig 152 – Chhattisgarh, M.P., U.P. to remain higher deficit states in FY22 (BE)



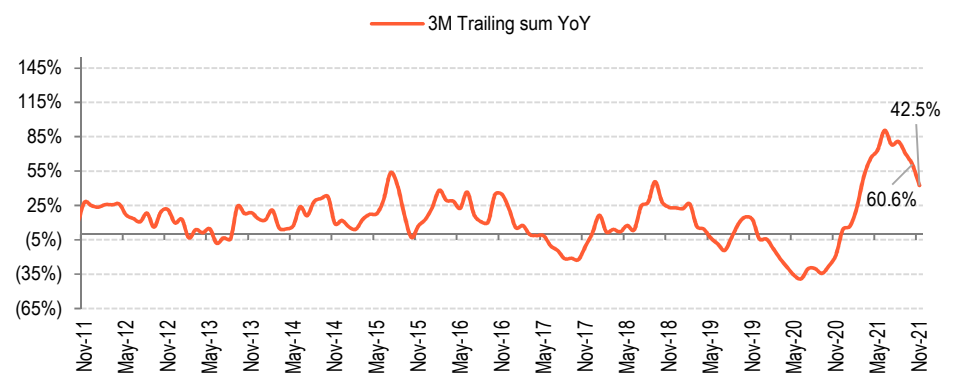
Source: Budget documents

Fig 153 – Total expenditure of states* begins slowing...



Note: *All states excluding N.E states, A.P., Goa, Gujarat J&K, and Telangana

Fig 154 – ...led by capex



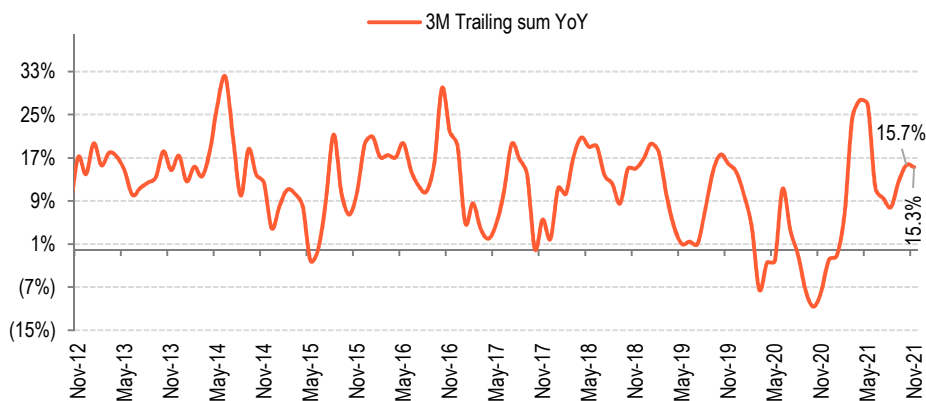
Note: *All states excluding N.E states, A.P., Goa, Gujarat J&K, and Telangana

Fig 155 – State* govt. tax revenue receipts in Nov’21 remain higher than pre-pandemic (Nov’19) levels; spending also steadily up so far

	Apr-Nov’19 (Rs bn)	Apr-Nov’20 (Rs bn)	% change	Apr-Nov’21 (Rs bn)	% change
Total Receipts	14,833	14,144	(4.7)	16,459	16.4
Revenue Receipts	12,186	10,661	(12.5)	13,240	24.2
Receipts: Tax Revenue	9,157	7,560	(17.4)	9,817	29.9
Receipts: Non-Tax Revenue	775	680	(12.2)	1,045	53.6
Receipts: Grant in aid & contribution	2,254	2,823	25.3	3,369	19.3
Capital Receipts	2,647	3,482	31.5	3,219	(7.6)
Total Expenditure	14,633	14,117	(3.5)	16,274	15.3
Revenue Expenditure	13,012	12,884	(1.0)	14,339	11.3
Capital Expenditure	1,693	1,234	(27.1)	1,935	56.9
Revenue Surplus or Deficit	(912)	(2,357)	-	(1,216)	-
Fiscal Surplus or Deficit	(2,427)	(3,501)	-	(3,051)	-

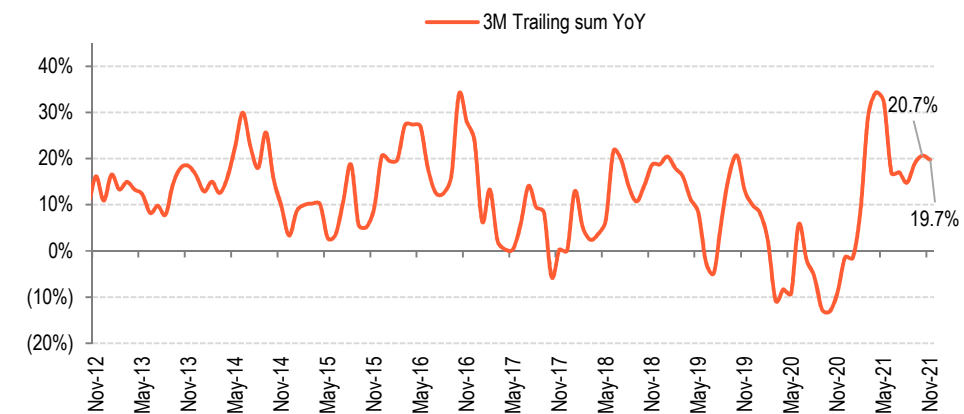
Note: *All states excluding N.E states, A.P., Goa, Gujarat J&K, and Telangana

Fig 156 – Revenue spending of states* also down



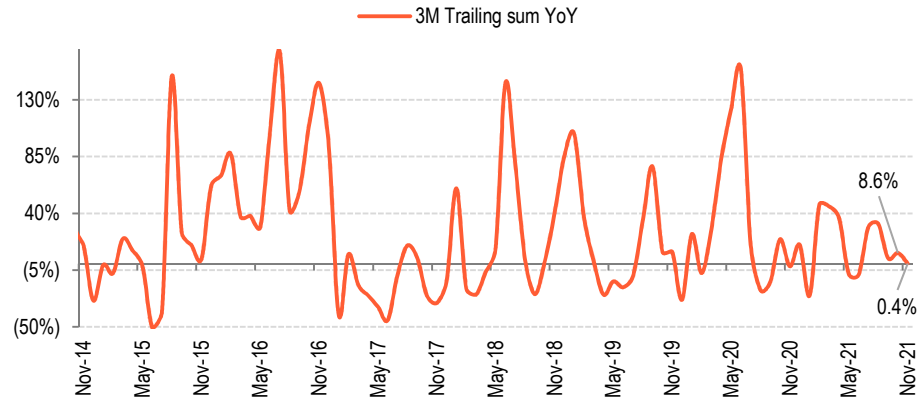
Note: *All states excluding N.E states, A.P., Goa, Gujarat J&K, and Telangana

Fig 157 – Slowdown in total receipt of states* impacting overall spending



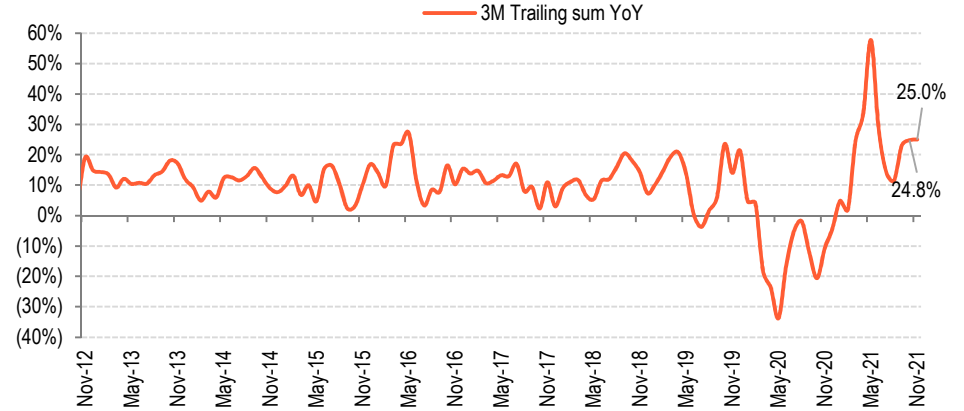
Note: *All states excluding N.E states, A.P., Goa, Gujarat J&K, and Telangana

Fig 158 – Capital receipts of states* dragged the headline print down



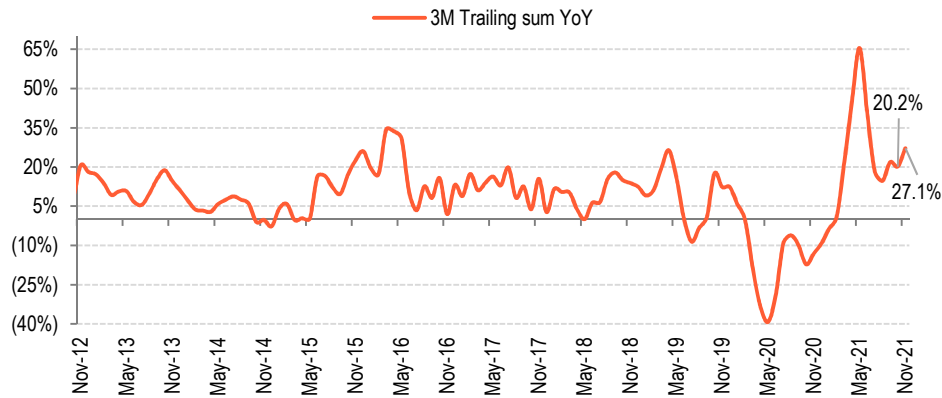
Note: *All states excluding N.E states, A.P., Goa, Gujarat J&K, and Telangana

Fig 159 – Revenue receipts of states* remain robust



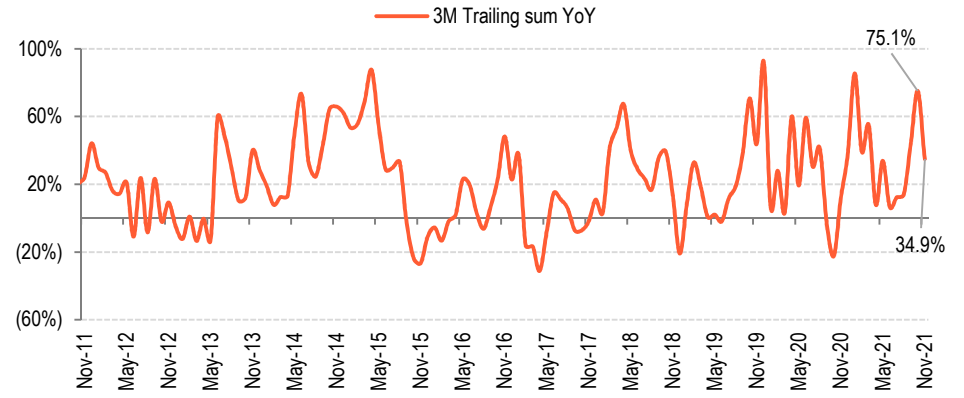
Note: *All states excluding N.E states, A.P., Goa, Gujarat J&K, and Telangana

Fig 160 – Tax receipts of states* lead the recovery



Note: *All states excluding N.E states, A.P., Goa, Gujarat J&K, and Telangana

Fig 161 – Grant in aid from Centre to states* sees sharp fall in Nov'21



Note: *All states excluding N.E states, A.P., Goa, Gujarat J&K, and Telangana

Central government borrowing

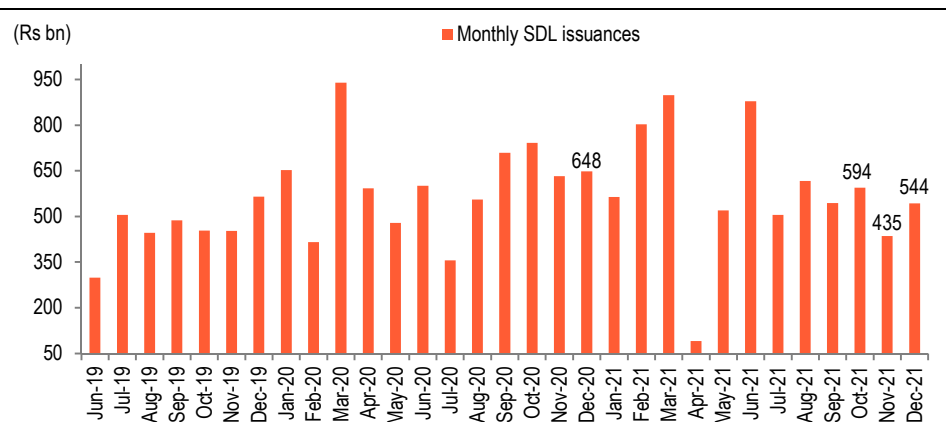
Fig 162 – Centre’s T-bill issuances at Rs 3.6tn in Q3

Total accepted amount (G-Sec), (Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY22 (planned)
Q1	2,613	2,797	2,888	3,089	3,364	5,328	5,375	4,680
Q2	2,667	2,584	3,186	3,299	3,024	5,417	3,215	2,210
Q3	2,645	2,747	2,632	3,070	2,889	3,745	3,630	2,600
Q4	2,104	1,684	2,486	1,812	2,511	2,714	-	-
Total	10,029	9,811	11,192	11,271	11,788	17,204	-	-

Source: RBI

State government borrowing

Fig 164 – State government borrowings picked up pace in Dec’21



Source: RBI

Fig 163 – Centre’s gross borrowing in Q3 is at Rs 3.0tn

Total accepted amount (G-Sec), (Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY22 (planned)
Q1	1,740	1,500	1,680	1,320	2,040	3,140	3,064	3,800
Q2	1,630	1,910	1,890	1,440	2,210	4,220	3,649	3,440
Q3	1,640	1,610	1,640	1,270	1,930	2,910	3,020	2,160
Q4	840	800	670	1,680	920	3,191	-	2,870
Total	5,850	5,820	5,880	5,710	7,100	13,461^	-	-

Source: RBI^ Against budgeted Rs 12.8tn

Fig 165 – States’ market borrowings to pick up in Q4

Quarterly SDL issuances, (Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21	FYTD22 (actual)	FY22 (planned)
Q1	502	548	650	766	815	1,673	1,491	1,783
Q2	627	792	1,130	809	1,439	1,614	1,667	1,696
Q3	858	1,214	1,054	1,277	1,470	2,023	1,653	2,019
Q4	959	1,322	1,348	1,809	2,006	2,448	194*	3,100
Total	2,946	3,876	4,182	4,661	5,731	7,757	5,005*	8,597

Source: RBI; *as of 4 Jan 2022

External sector

Exports

Fig 166 – Global exports stabilising

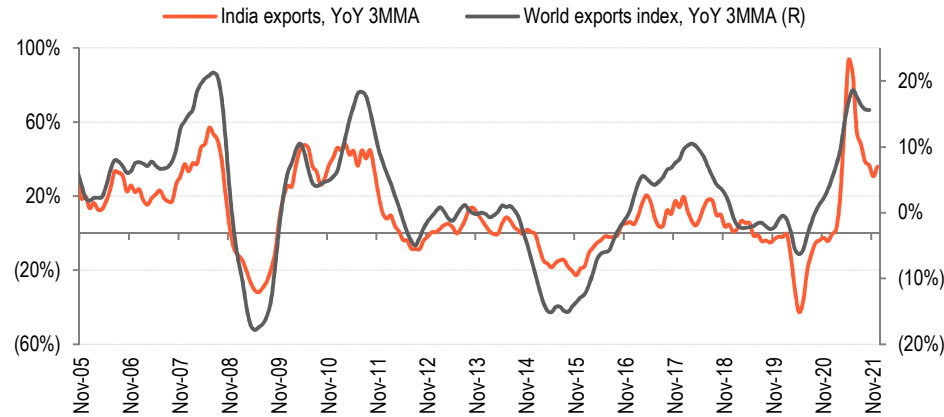
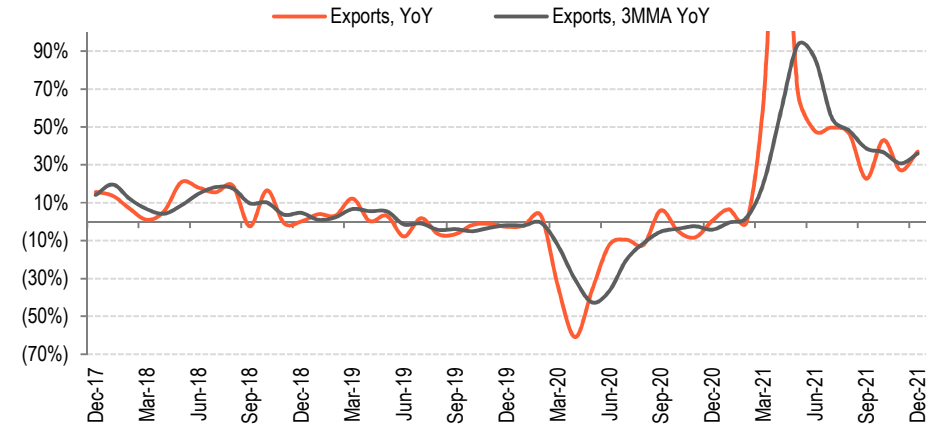


Fig 167 – India's exports rise to a record high in Dec'21



Exports by major sectors

Fig 168 – ...led by non-oil exports

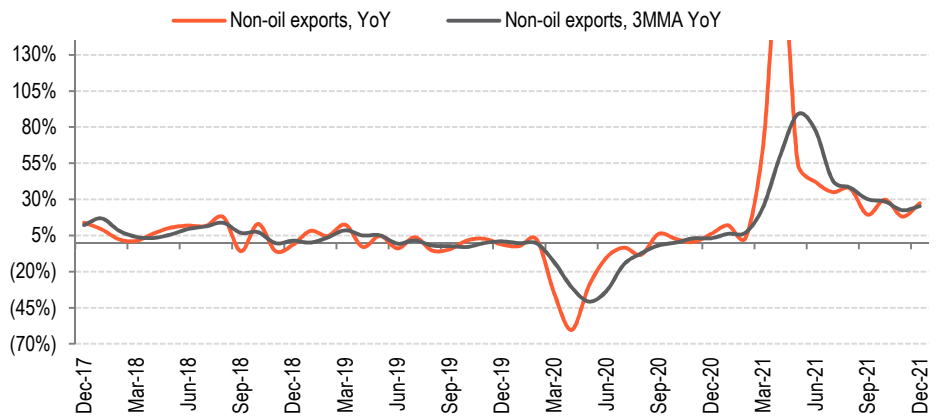


Fig 169 – Exports of gems and jewellery rise

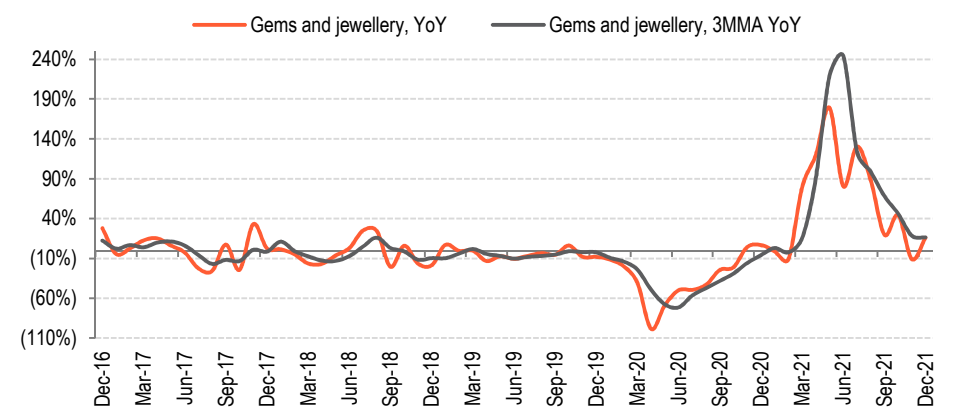


Fig 170 – Exports of drugs and pharma products also recover

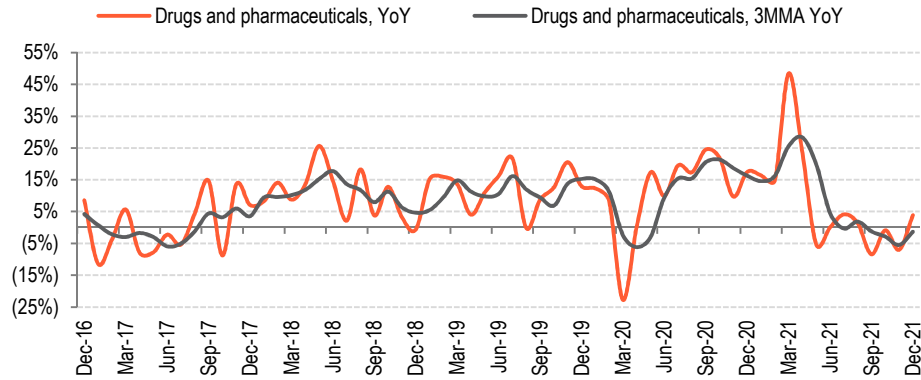
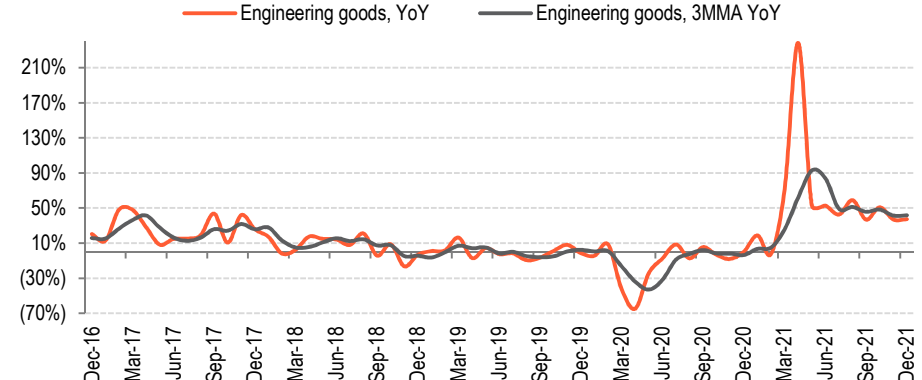


Fig 171 – Engineering goods exports also improving



Imports

Fig 172 – Imports also surge to a record-high in Dec'21

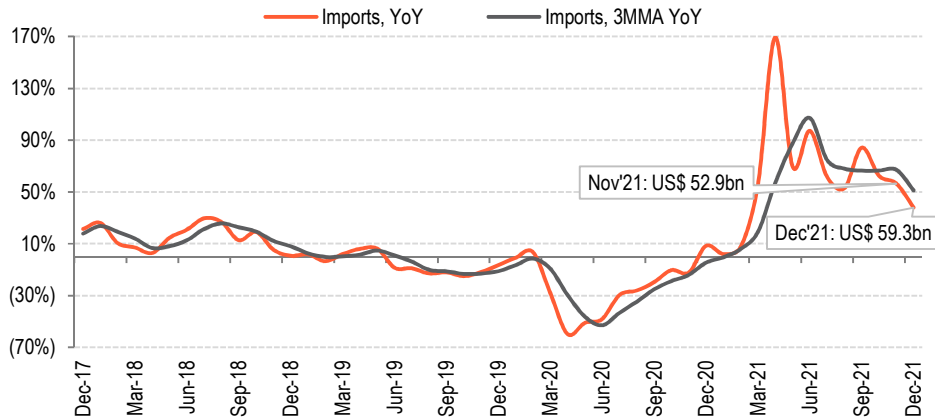


Fig 173 – ...oil imports rise

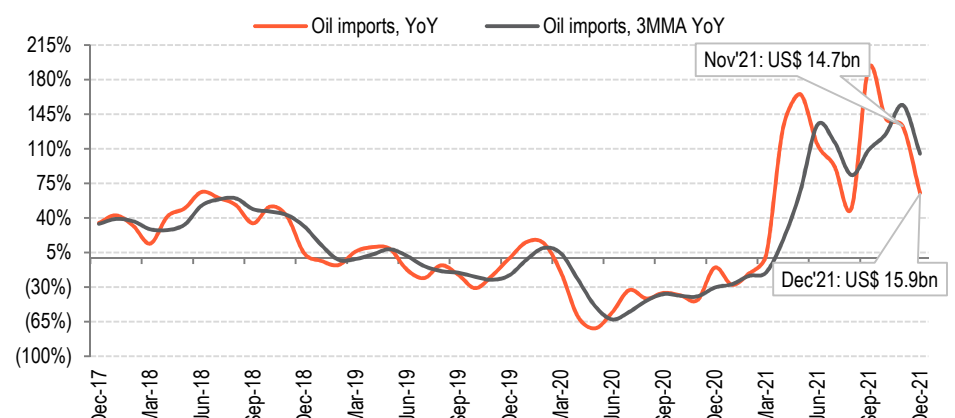


Fig 174 – Import of pearls and precious stones improves

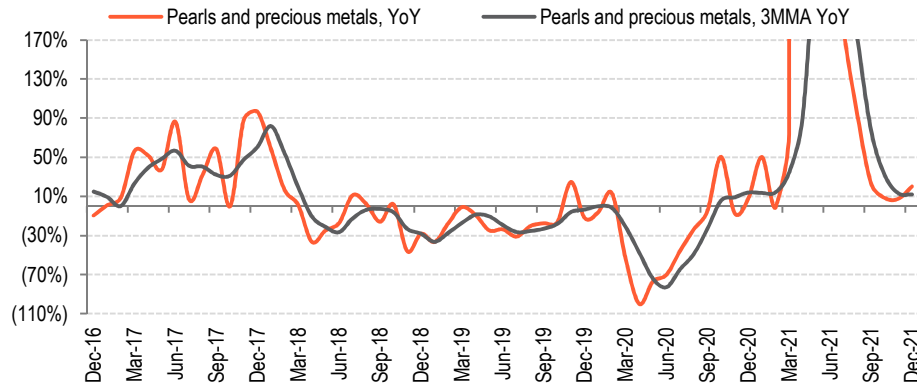


Fig 175 – ... similar case for chemicals

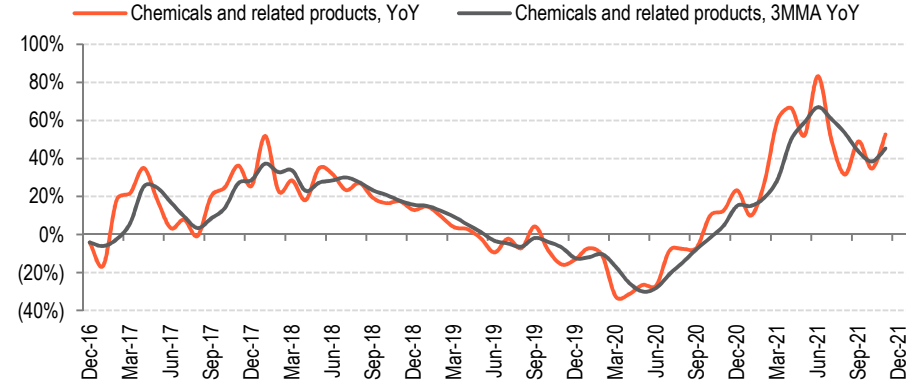


Fig 176 – Imports of transport equipments picking up

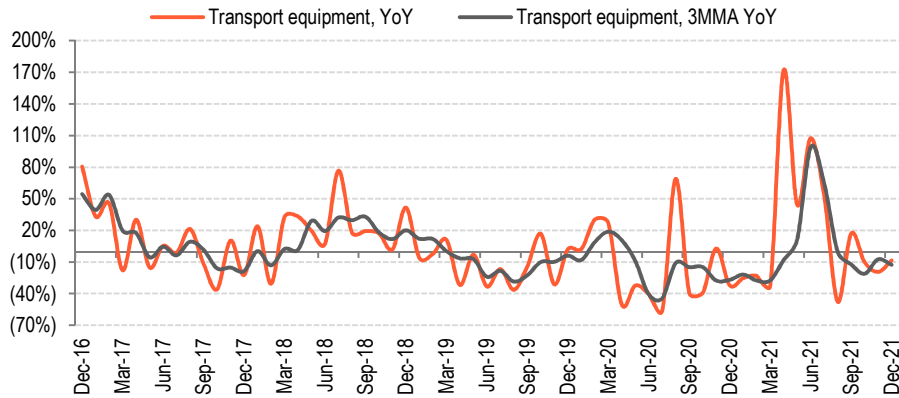
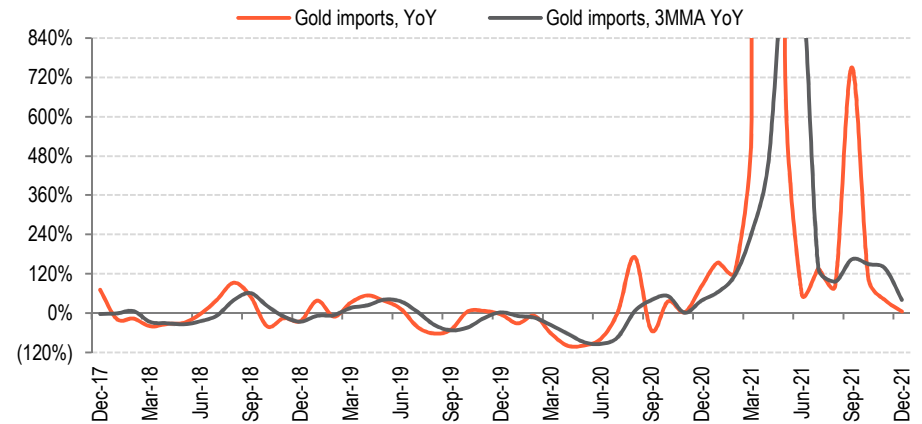


Fig 177 – However, gold imports remain steady at US\$ 4.9bn in Dec'21



Exports and imports by major regions

Fig 178 – Barring China, exports to all regions have picked up in FYTD22 (Apr-Nov'21) due to favourable base

Region (% YoY)	Share in FY21	FYTD21	FYTD22	Sep-21	Oct-21	Nov-21
Americas	23.7	(11.7)	55.8	21.3	45.3	24.6
Asia and Pacific (Ex. China)	27.3	(13.1)	51.0	21.4	37.6	38.1
China	7.4	19.0	14.5	2.0	21.6	1.9
Europe	19.2	(21.2)	64.4	37.1	53.9	51.1
Middle East and Africa	22.0	(29.9)	56.8	19.3	43.1	35.7
Other	0.4	(66.1)	31.7	53.3	257.7	134.4

Fig 179 – Imports from all regions have picked up in FYTD22

Region (% YoY)	Share in FY21	FYTD21	FYTD22	Sep-21	Oct-21	Nov-21
Americas	12.8	(34.1)	69.8	116.3	80.8	48.9
Asia and Pacific (Ex. China)	25.0	(28.4)	59.5	48.1	45.1	54.9
China	13.8	(17.2)	52.1	41.5	41.0	51.8
Europe	15.0	(33.0)	71.6	102.4	49.2	19.5
Middle East and Africa	30.8	(41.9)	107.5	132.0	75.1	82.5
Other	2.6	(28.5)	53.3	153.4	48.8	76.4

Trade deficit

Fig 180 – Trade deficit narrows marginally to US\$ 22bn in Dec'21 from US\$ 22.9bn in Nov'21

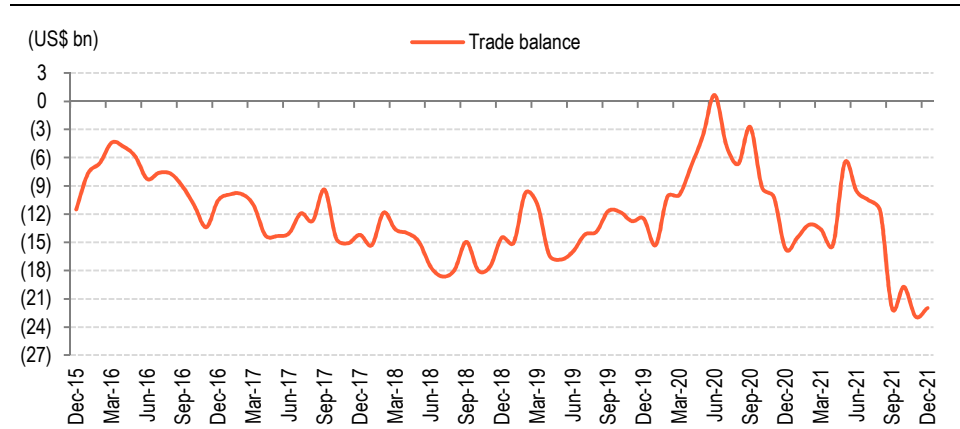
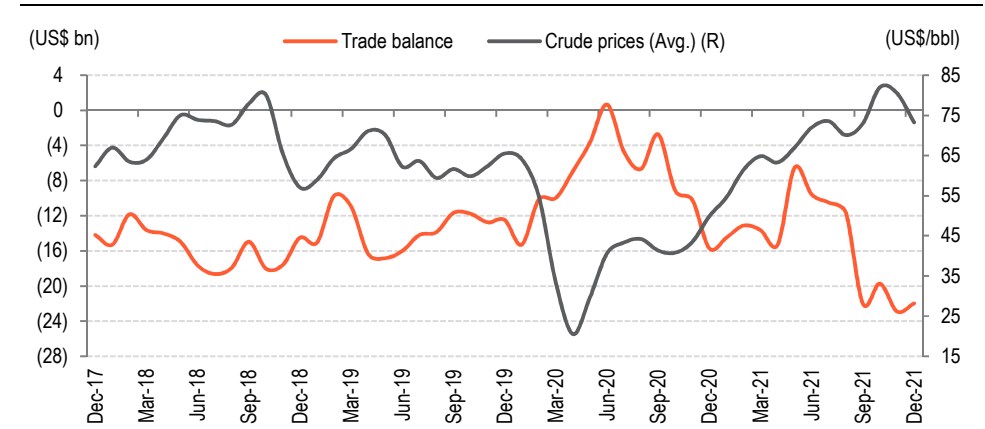
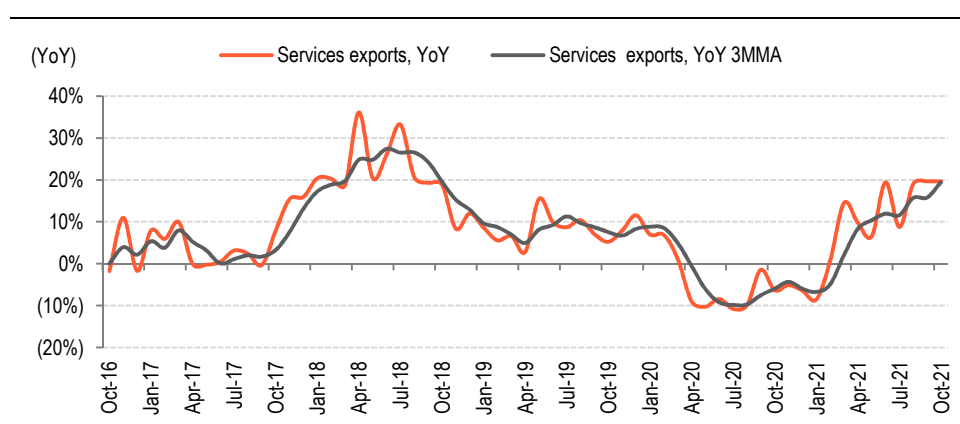


Fig 181 – ... as oil prices eased



Trade in services

Fig 182 – Services exports pick up to 19.7% in Oct'21 versus 19.6% in Sep'21



BoP

Fig 183 – India's current account returns to a deficit of 1.3% of GDP in Q2FY22 from a surplus of 0.9% of GDP in Q1FY22

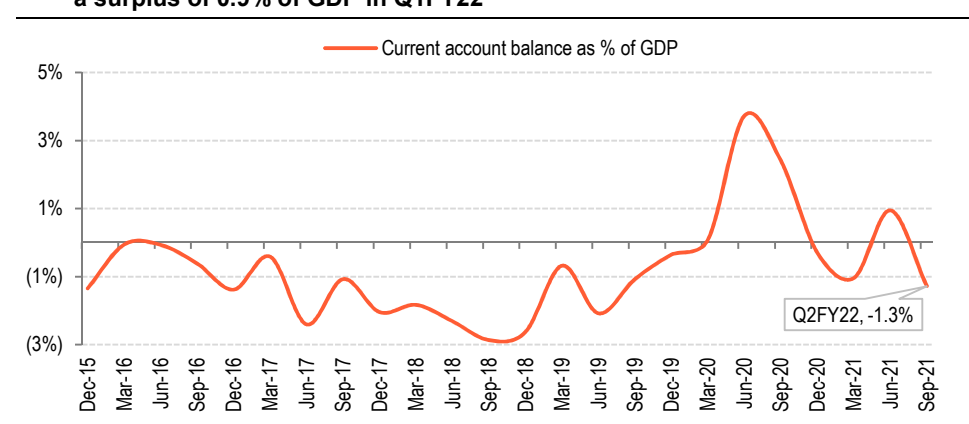


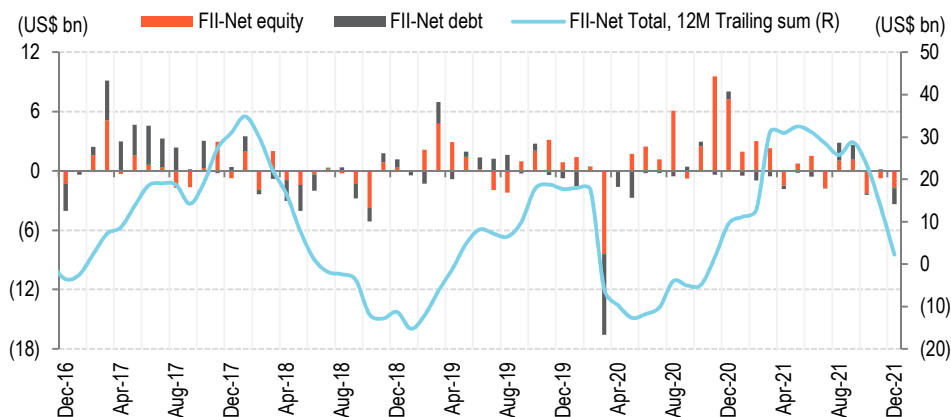
Fig 184 – .. led by higher trade deficit

(US\$ bn)	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
Current account	15.3	(2.2)	(8.2)	6.6	(9.6)
CAD/GDP (%)	2.4	(0.3)	(1.0)	0.9	(1.3)
Trade balance	(14.8)	(34.6)	(41.7)	(30.7)	(44.4)
- Merchandise exports	75.6	77.2	91.3	97.4	104.8
- Merchandise imports	90.4	111.8	133.0	128.2	149.3
- Net Services	21.1	23.2	23.5	25.8	25.6
--Software	22.0	23.5	23.5	25.1	26.8
Transfers	18.4	19.3	18.8	18.9	18.9
Other invisibles	(9.4)	(10.1)	(8.7)	(7.5)	(9.7)
Capital account	15.9	34.1	12.3	25.6	40.1
% of GDP	2.5	4.6	1.6	3.7	5.3
Foreign investments	31.4	38.6	10.0	12.1	13.3
- FDI	24.4	17.4	2.7	11.7	9.5
- FII	7.0	21.2	7.3	0.4	3.9
Banking capital	(11.3)	(7.6)	(4.4)	4.1	0.4
Short-term credit	(1.8)	0.2	(2.3)	1.9	2.4
ECBs	(4.0)	(1.1)	6.1	0.6	4.1
External assistance	1.9	1.2	4.0	0.3	1.1
Other capital account items	(0.3)	2.8	(1.0)	6.6	18.8
E&O	0.4	0.6	(0.7)	(0.2)	0.7
Overall balance	31.6	32.5	3.4	31.9	31.2

Foreign inflows

FII inflows

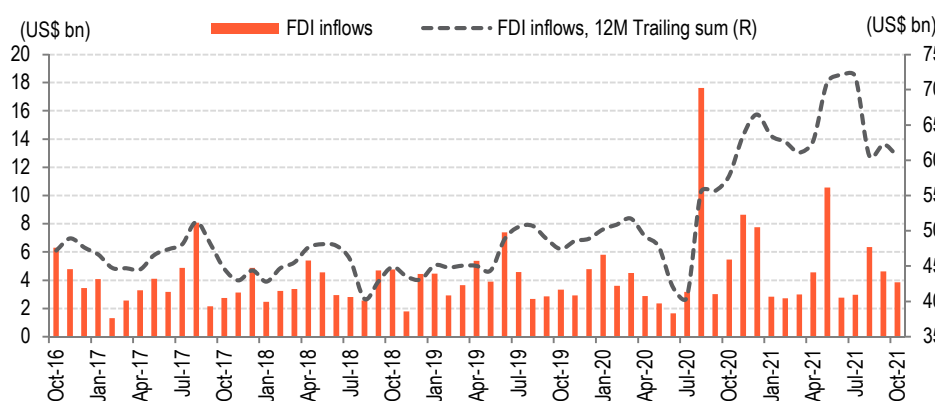
Fig 185 – FII outflows rose to US\$ 3.3bn in Dec'21 from US\$ 0.9bn in Nov'21



Source: Bloomberg

FDI inflows

Fig 186 – FDI inflows at US\$ 3.8bn in Oct'21 versus US\$ 4.6bn in Sep'21



Source: RBI, Bank of Baroda Research

Fig 187 – FDI inflows in trading and computer, software rise in Q2FY22

Sector	% Share FY21	FYTD21	FYTD22	Mar'21	Jun'21	Sep'21
Computer software & hardware	43.8	17.6	7.1	1.8	3.1	4.1
Construction (infra.) activities	13.2	0.4	1.2	0.7	0.7	0.6
Services Sector	8.5	2.3	3.2	1.2	1.9	1.3
Trading	4.4	0.9	2.1	0.5	0.6	1.5
Automobile industry	2.7	0.4	4.9	0.5	4.7	0.3
Metallurgical industries	2.2	0.8	1.3	0.5	1.3	0.0
Telecommunications	0.4	0.0	0.0	0.4	0.0	0.0

Source: DIPP

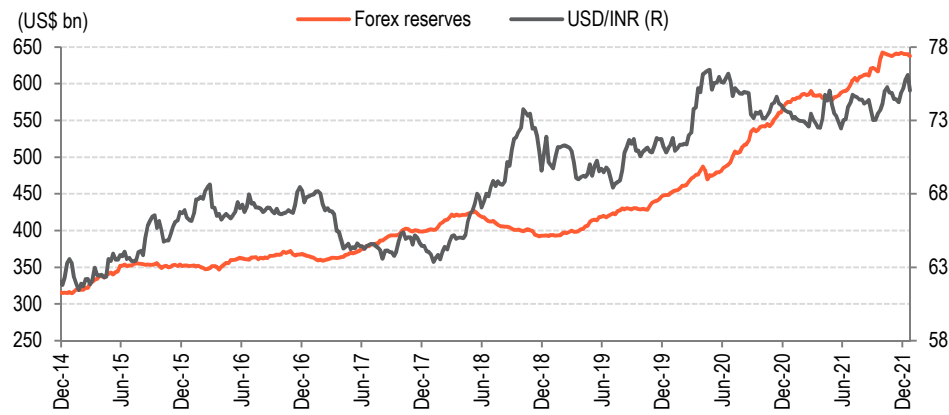
Fig 188 – FDI inflows from Singapore accelerate the most in Q2FY22

Country (US\$ bn)	% Share in FY21	FYTD21	FYTD22	Mar'21	Jun'21	Sep'21
Singapore	29.2	8.3	8.1	1.7	3.3	4.8
US	23.2	7.1	4.6	1.0	2.0	2.7
Mauritius	9.5	2.0	4.3	2.2	3.3	1.0
Netherlands	4.7	1.5	2.1	0.4	1.1	1.0
UK	3.4	1.4	1.1	0.2	0.3	0.8
Japan	3.3	0.7	0.8	0.9	0.5	0.3

Source: DIPP

Forex reserves and external debt

Fig 189 – India’s FX reserves at US\$ 635.1bn in Dec’21, US\$ 55.8bn accretion in FYTD22



Source: Bloomberg | Weekly data as of 24 Dec 2021

Fig 190 – External debt to GDP ratio dips marginally to 20.1% in Q2FY22 from 20.2% in Q1FY22

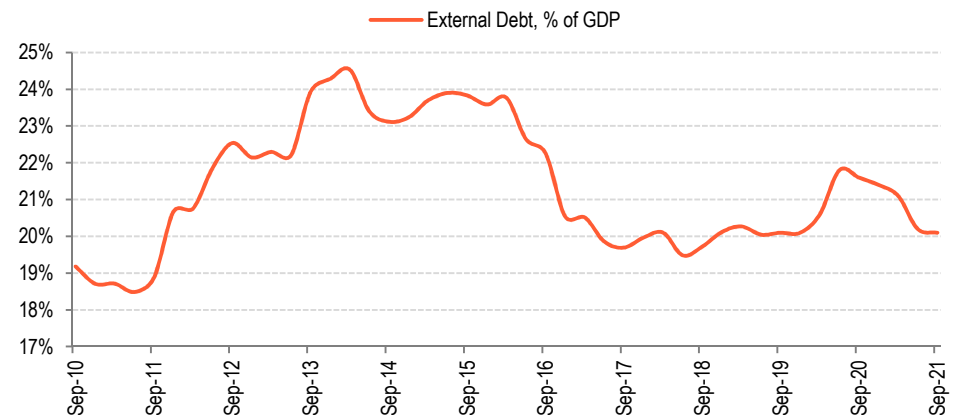


Fig 191 – RBI sold US\$ 0.1bn in the spot market in Oct’21 compared with net purchase of US\$ 0.8bn in Sep’21

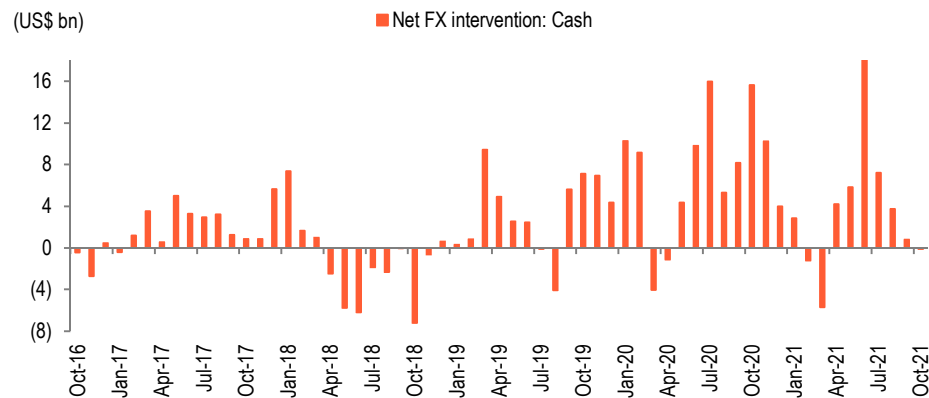
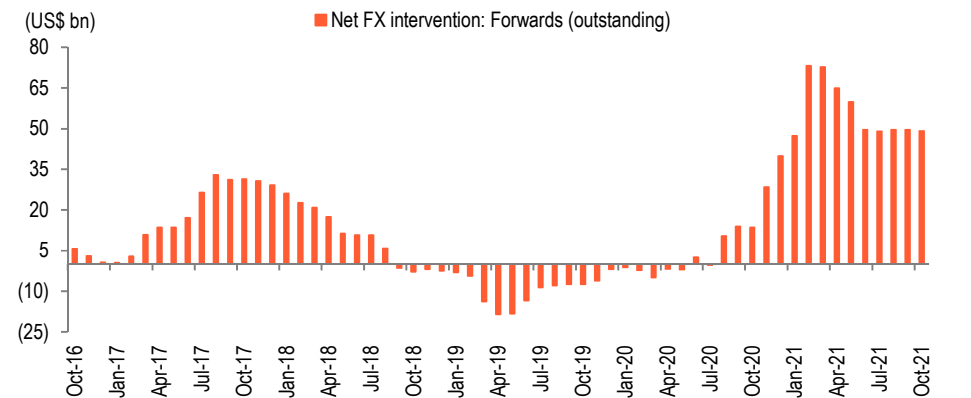


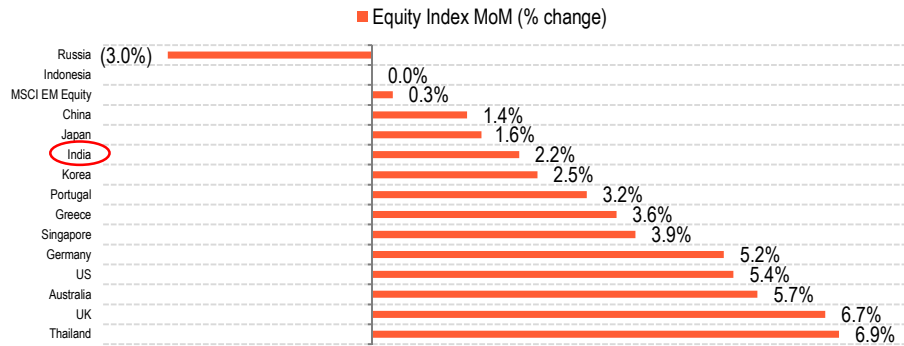
Fig 192 – RBI’s outstanding forwards position at US\$ 49.1bn as of end Oct’21



Markets

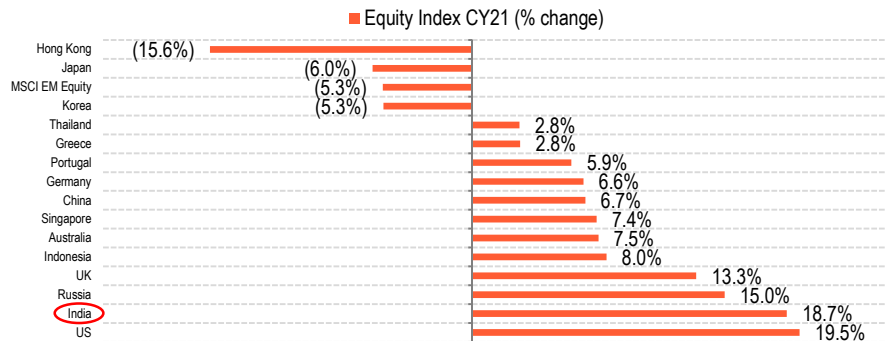
Equity

Fig 193 – In Dec'21, Sensex rose by 2.2%, outperforming MSCI EM (+0.3%)



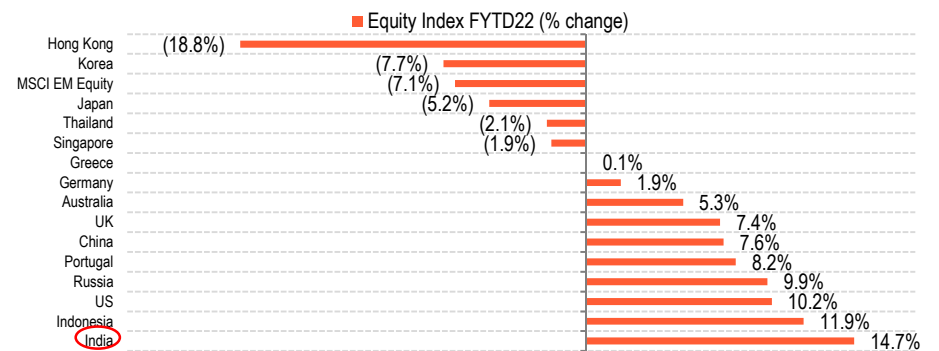
Source: Bloomberg | * As on 31 Dec 2021, Indices are in US\$ terms

Fig 195 – In CY21 as well, Sensex rose by 18.7%



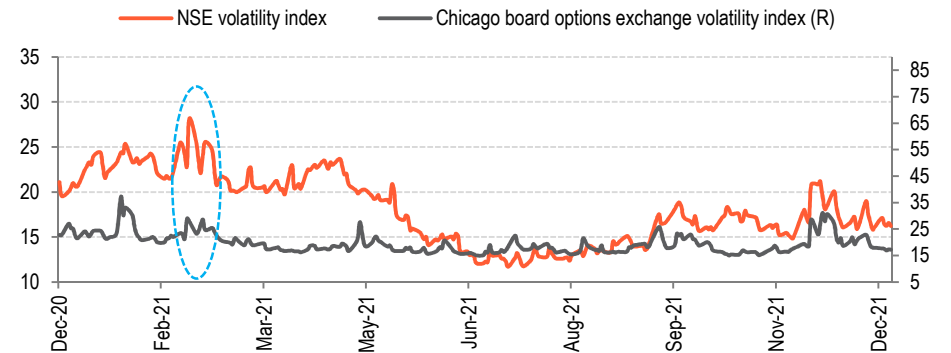
Source: Bloomberg | * As on 31 Dec 2021, Indices are in US\$ terms

Fig 194 – In FYTD22, Sensex rose the most by 14.7%



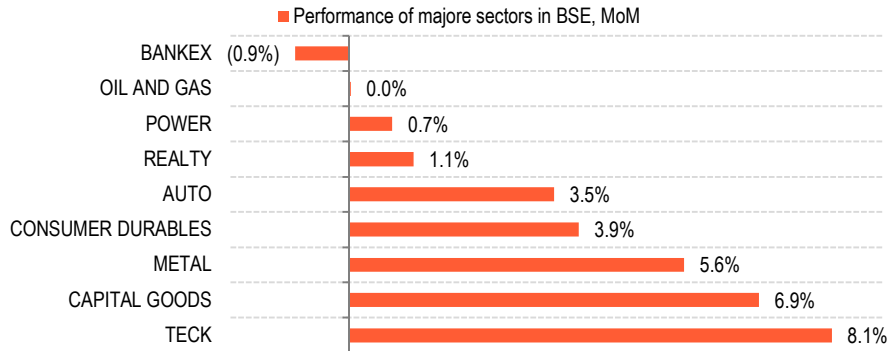
Source: Bloomberg | * As on 31 Dec 2021, Indices are in US\$ terms

Fig 196 – VIX index moderated to 16.2 in Dec'21 from 21.2 in Nov'21



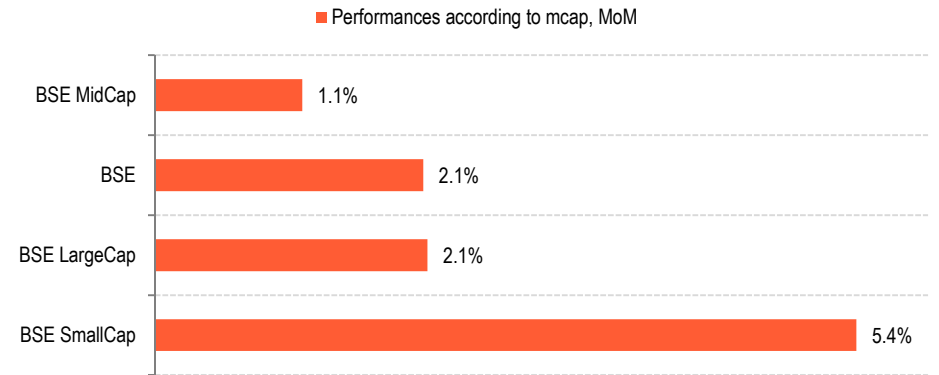
Source: Bloomberg

Fig 197 – Tech stocks rose the most, followed by capital goods stocks



Source: Bloomberg | As on 31 Dec 2021

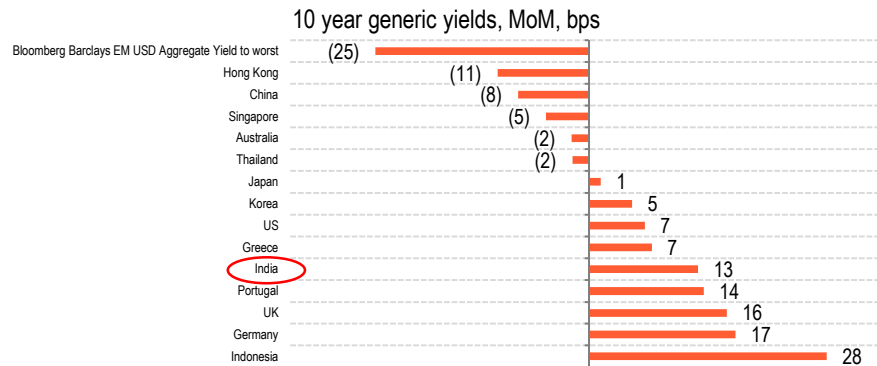
Fig 198 – Small caps rose the most



Source: Bloomberg | As on 31 Dec 2021

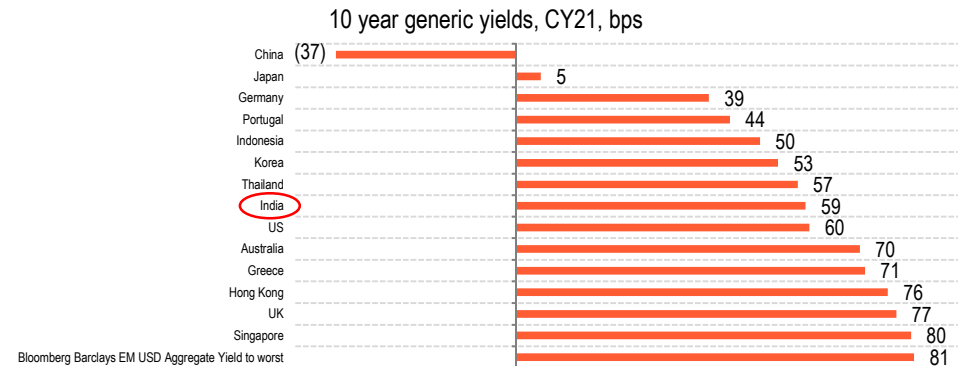
10-year bond yields,

Fig 199 – In Dec’21, India’s 10Y yield rose by 13bps



Source: Bloomberg | As on 31 Dec 2021, Note: For India 6.10GS2031 yield is taken

Fig 200 – In CY21, India’s 10Y yield rose by 59bps



Source: Bloomberg | As on 31 Dec 2021, Note: For India 6.10GS2031 yield is taken

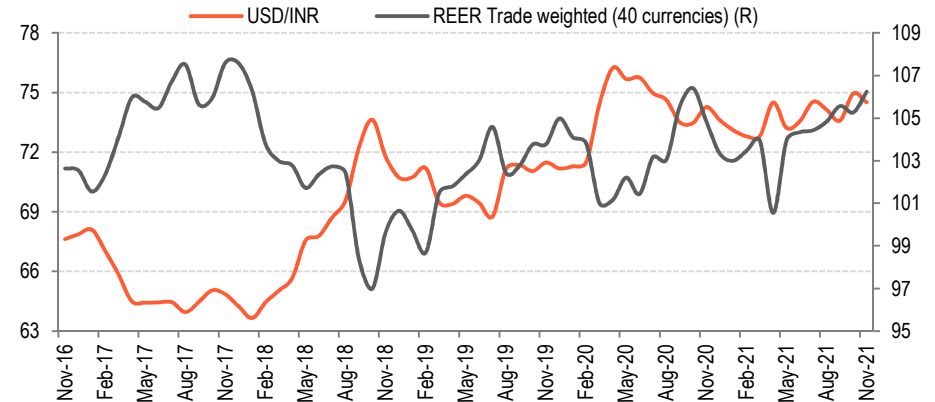
Currencies

Fig 201 – INR appreciated by 1.1% in Dec'21



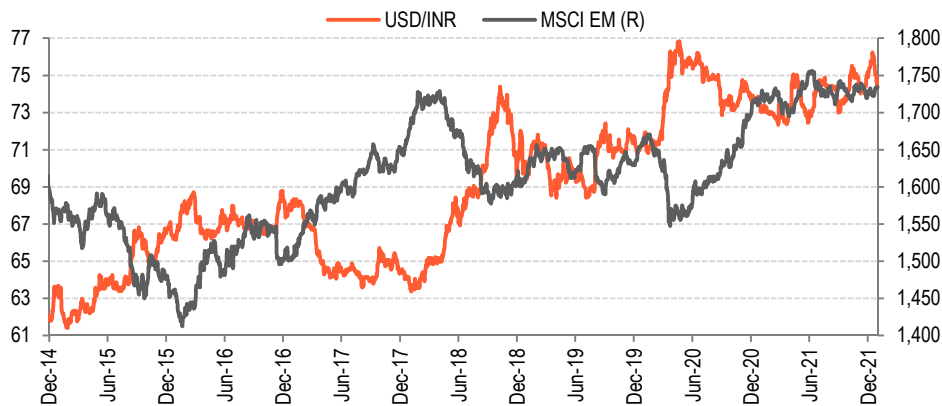
Source: Bloomberg | *As on 31 Dec 2021

Fig 202 – INR still overvalued by 6.2% (Nov'21)



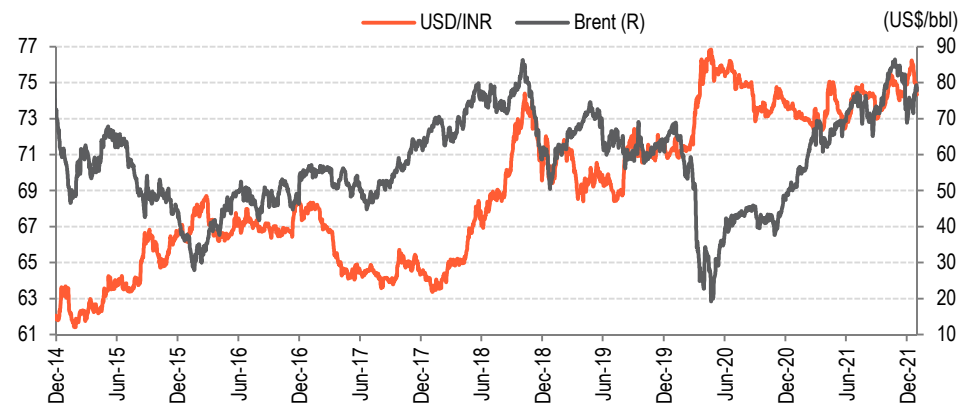
Source: Bloomberg

Fig 203 – EM currencies also rose marginally in Dec'21



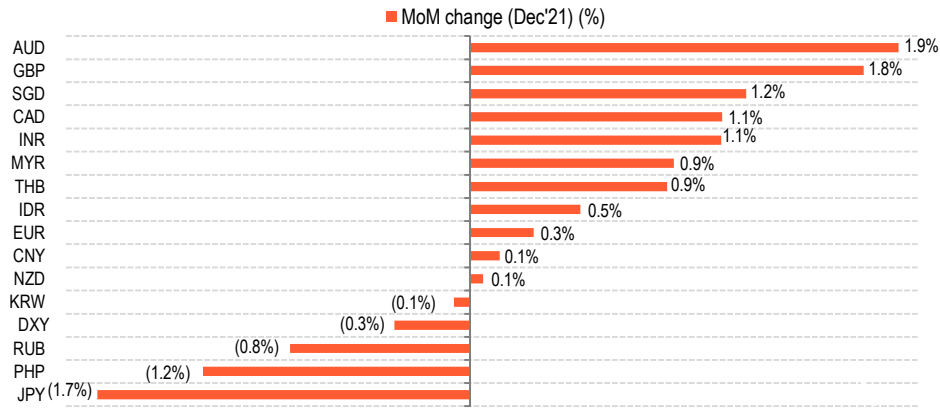
Source: Bloomberg | *As on 31 Dec 2021

Fig 204 – ...despite higher oil prices



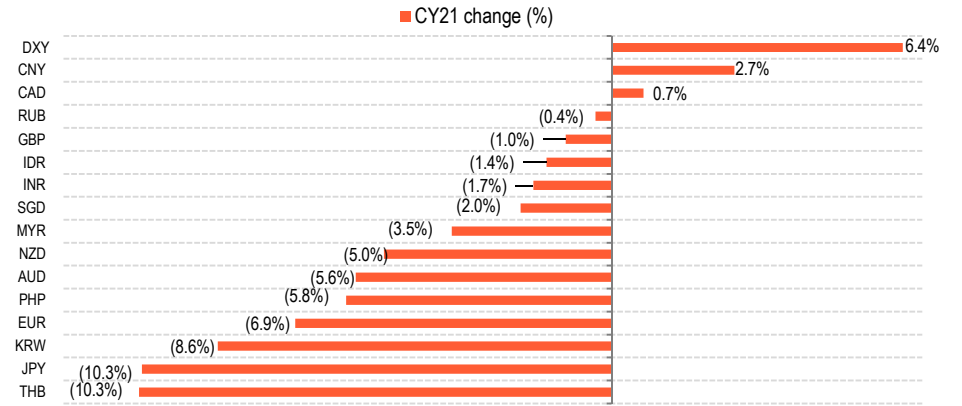
Source: Bloomberg | *As on 31 Dec 2021

Fig 205 – INR rose in Dec'21 supported by a weaker USD



Source: Bloomberg | *As on 31 Dec 2021

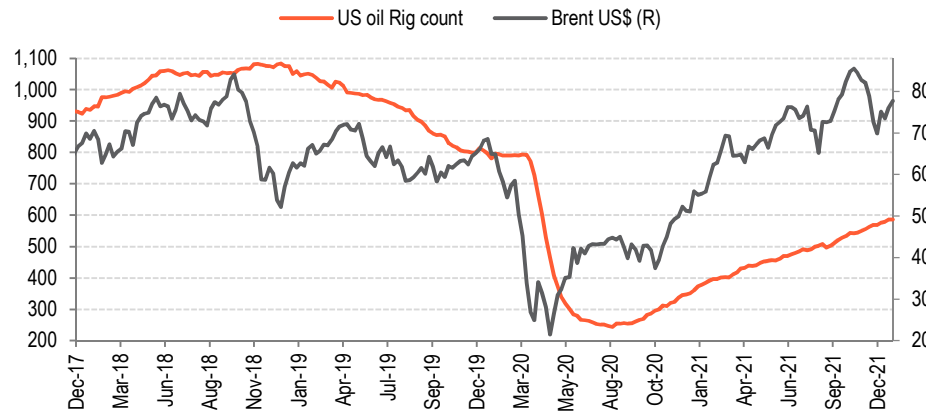
Fig 206 – In CY21, INR depreciated by 1.7% after depreciating by 2.3% in CY20



Source: Bloomberg | *As on 31 Dec 2021

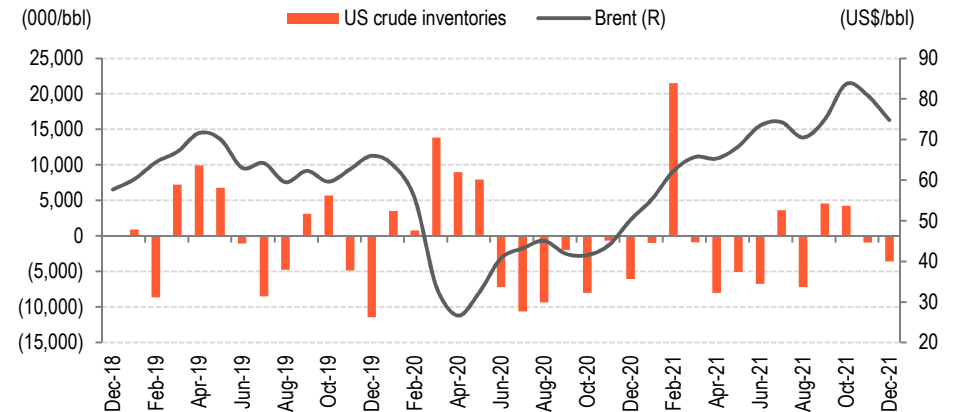
Commodities

Fig 207 – US rig count inched up



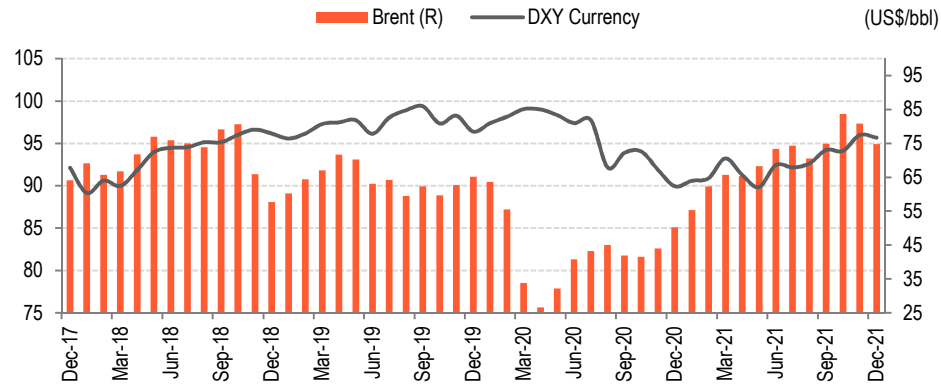
Source: Bloomberg

Fig 208 – US crude oil inventories fell in Dec'21



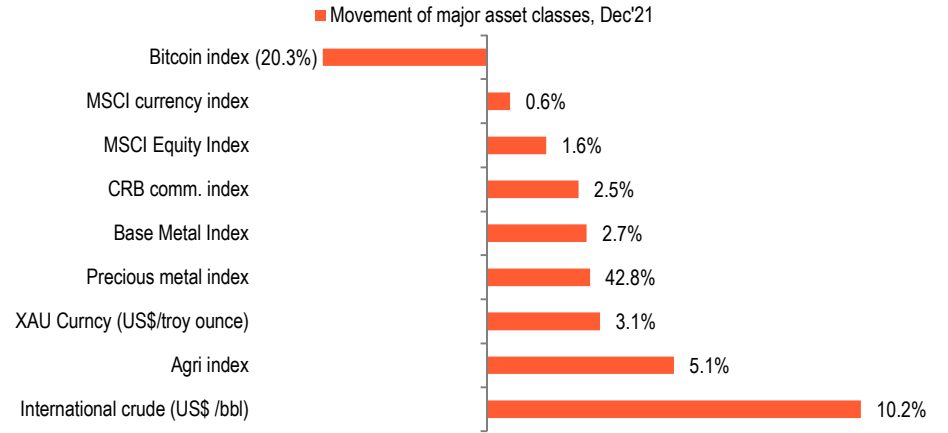
Source: Bloomberg

Fig 209 – Oil prices on an average were at US\$ 74.8/bbl against US\$ 80.9/bbl in Nov'21, DXY edged down to 95.67 from 95.99



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

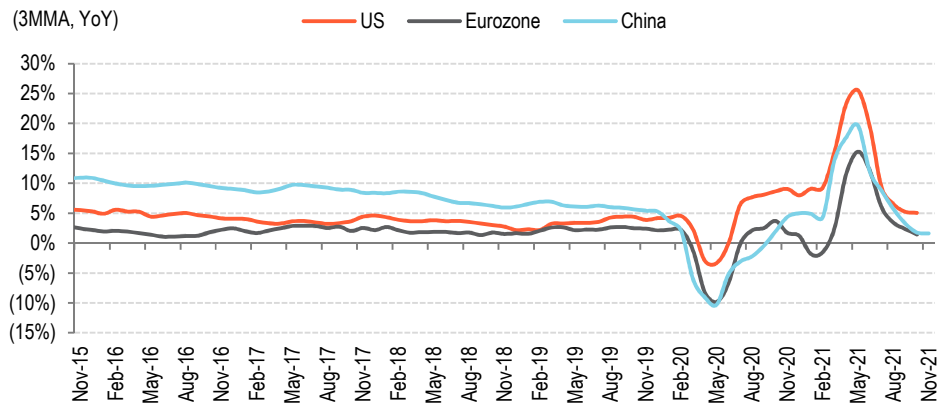
Fig 210 – Bitcoin fell the most



Source: Bloomberg | As on last trading day of the month

Global consumption

Fig 211 – Retail sales moderate



Note: Retail sales for US and Eurozone till Oct'21

Fig 212 – Auto sales continue to recover

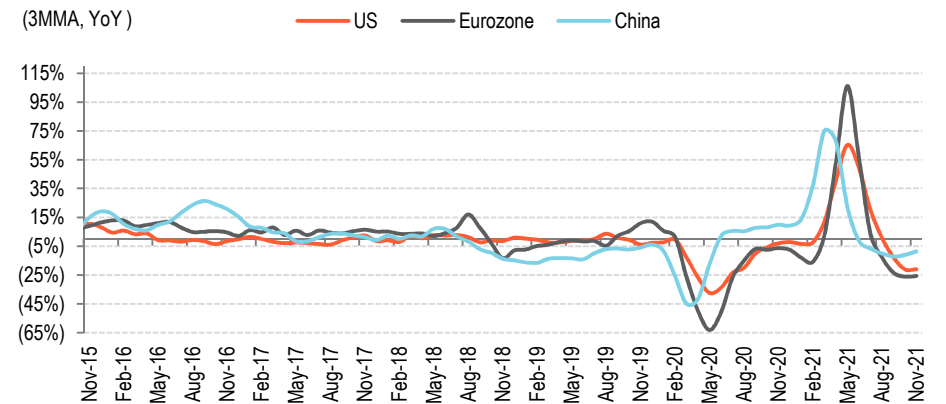
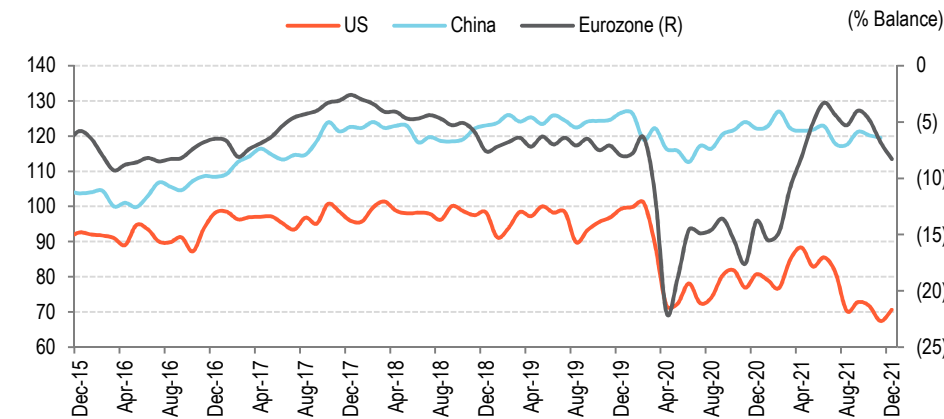
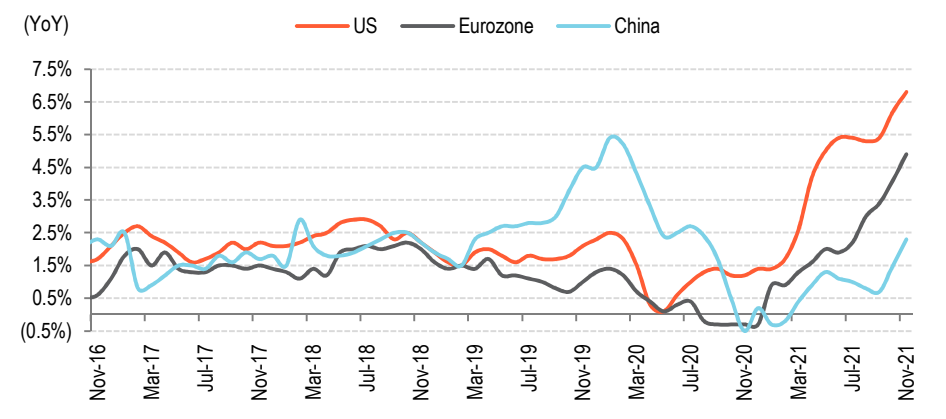


Fig 213 – Consumer confidence inches up in US



Note: Consumer confidence for eurozone is % diffusion index. Data for China is for Nov'21

Fig 214 – CPI edges upwards



Policy

Fig 215 – Some central banks turned hawkish

Country	Current inflation rate (%)	Current policy rate (%)	CY20 (change in bps)	CY21 (change in bps)	Direction of policy rate in CYTD21
Brazil	10.7	9.3	(250)	725	↑
Russia	8.4	8.5	(200)	425	↑
Mexico	7.4	5.5	(300)	125	↑
Korea	3.7	1.0	(75)	50	↑
UK	5.1	0.3	(65)	15	↑
Germany	5.2	0.0	0	0	-
US	6.8	0.3	(150)	0	-
India	4.9	4.0	(115)	0	-
Japan	0.6	-0.1	0	0	-
China	2.3	4.4	0	0	-
Australia	3.0	0.1	(65)	0	-
Thailand	2.7	0.5	(75)	0	-
Malaysia	3.3	1.8	(125)	0	-
Philippines	4.2	2.0	(200)	0	-
Indonesia	1.9	3.5	(125)	(25)	↓
Turkey	36.1	14.0	500	(300)	↓

Source: Bloomberg

Global investment and manufacturing

Fig 216 – Global manufacturing and services PMI broadly steady in Nov'21

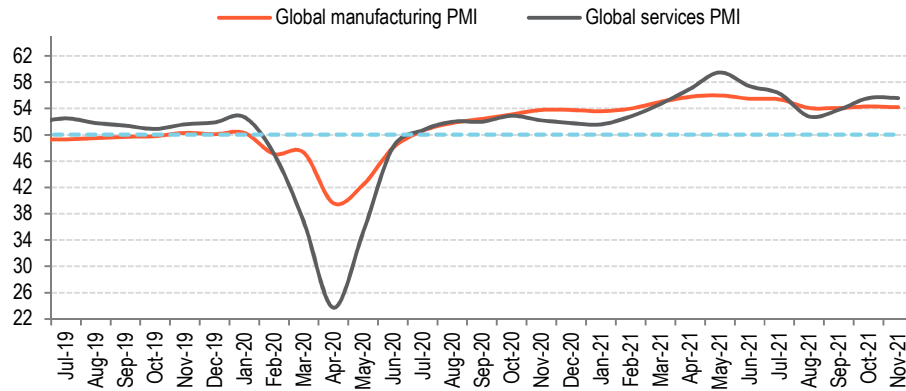


Fig 217 – Recovery in manufacturing activity (PMI) remains uneven in Nov'21 as well

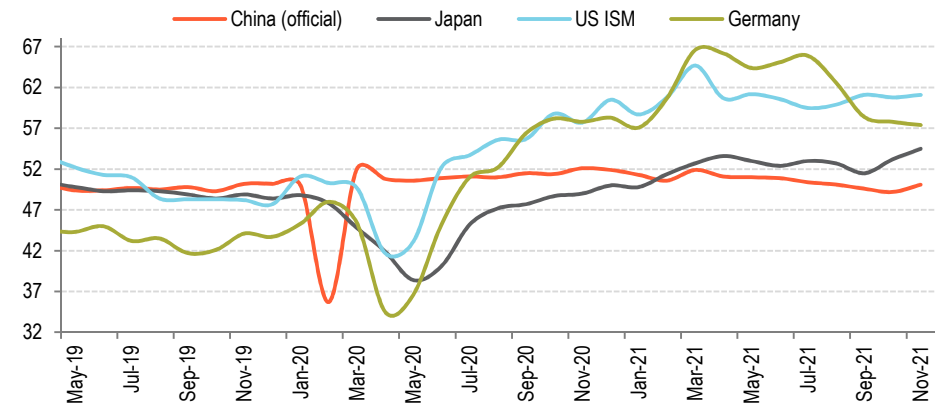


Fig 218 – Barring China, producer prices remain elevated elsewhere

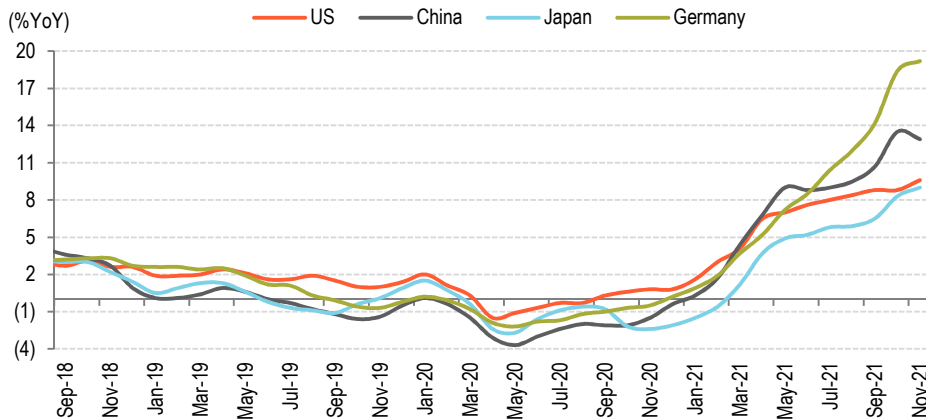
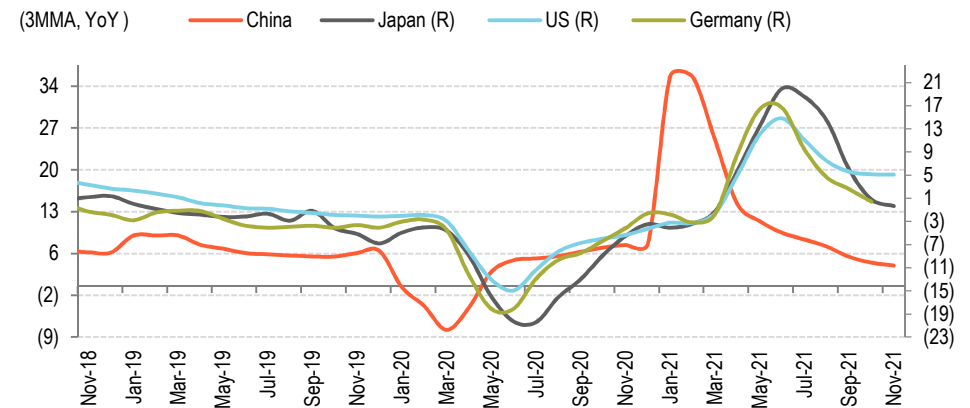
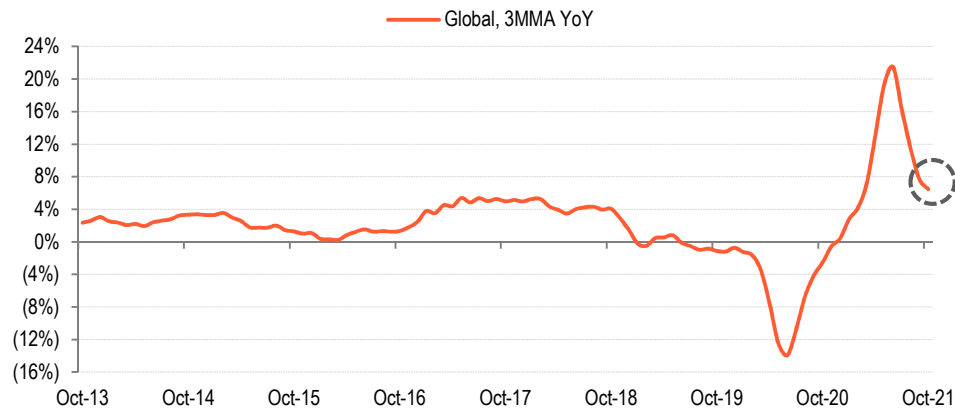


Fig 219 – Industrial production remained muted in Nov'21 also



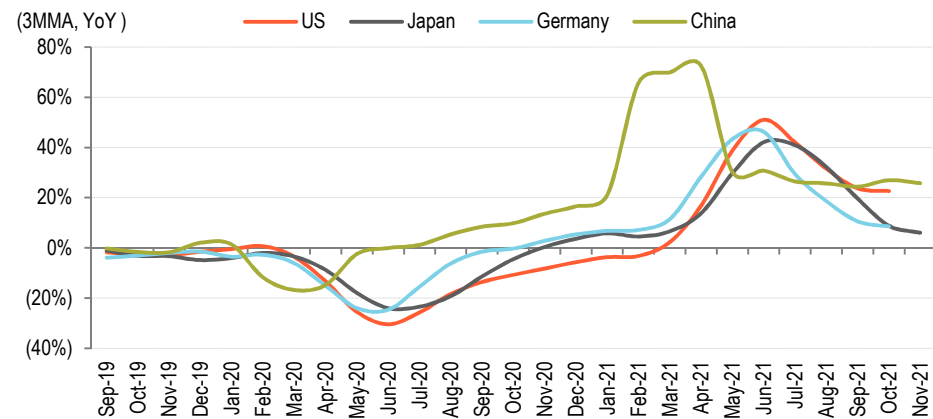
Global trade

Fig 220 – World trade volume shows signs of stabilising in Oct'21



Source: CPB, World Trade Monitor

Fig 222 – China's exports stagnating



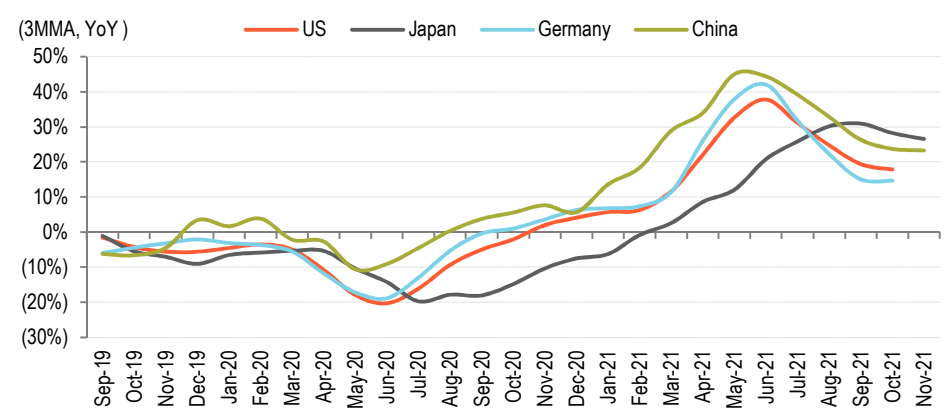
Source: Bloomberg

Fig 221 – ...led by improvement in China and Emerging Asia

Country/Region (% YoY)	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
Africa and Middle East	5.0	7.2	4.5	2.7	5.3	4.1
China	17.0	12.5	5.7	7.5	2.1	7.8
Eastern Europe / CIS	9.5	11.0	13.3	12.1	12.2	11.1
Emerging Asia (ex. China)	33.5	28.2	17.1	20.2	16.9	19.3
Euro Area	26.3	14.1	8.1	5.7	2.8	5.9
Japan	17.7	18.3	15.0	12.2	4.6	(1.6)
Latin America	44.0	21.7	13.4	13.8	7.1	8.2
US	29.8	21.2	9.2	8.1	4.7	5.9

Source: CPB, World Trade Monitor

Fig 223 – Imports however picking up



Source: Bloomberg

Fig 224 – Performance of high frequency indicators

Indicators	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Agriculture													
Domestic tractor sales	41.2	47.5	30.4	170.4	480.8	(2.4)	22.1	8.2	(9.8)	(9.5)	3.2	(16.7)	-
Two wheeler sales	11.9	(8.8)	(16.0)	(35.0)	-	158.3	16.9	27.6	6.7	(11.5)	(6.1)	(0.8)	-
MNREGA work (HH, MoM)	16.6	(0.7)	8.9	(8.5)	4.2	1.3	26.8	(9.2)	(22.0)	(2.6)	(14.4)	2.2	(1.4)
Manufacturing													
IIP: General index	2.2	(0.6)	(3.2)	24.2	134.6	27.6	13.8	11.5	12.0	3.3	3.2	-	-
IIP: Manufacturing	2.7	(0.9)	(3.4)	28.4	196	32.1	13.2	10.5	9.9	3.0	2.0	-	-
IIP: Capital goods	2.2	(9.0)	(4.2)	50.4	1042.9	74.9	27.3	30.3	19.9	2.4	(1.1)	-	-
IIP: Infra & construction goods	3.1	2.3	(3.5)	35.1	609.4	46.5	20.0	12.3	11.4	7.8	5.3	-	-
IIP: Consumer goods	6.5	(0.1)	6.6	59.9	1943.6	80.4	28.0	19.4	8.2	(1.9)	(6.1)	-	-
Steel	3.5	8.2	2.2	31.5	472.7	55.1	25.2	9.4	6.9	2.8	4.5	0.8	-
Cement	(7.2)	(5.8)	0.2	40.6	582.7	11.7	7.5	21.7	36.3	11.3	14.5	(3.2)	-
Electricity	5.1	5.5	0.2	22.5	38.5	7.5	8.2	11.0	16.0	0.9	3.2	1.5	-
PMI: Manufacturing	56.4	57.7	57.5	55.4	55.5	50.8	48.1	55.3	52.3	53.7	55.9	57.6	55.5
Services													
Services PMI index	52.3	52.8	55.3	54.6	54.0	46.4	41.2	45.4	56.7	55.2	58.4	58.1	-
Automobile sales	11.0	(9.7)	(13.4)	(28.6)	-	164.4	22.6	34.1	14.5	(5.3)	(5.3)	(2.7)	-
Passenger vehicle sales	24.0	(4.5)	10.6	28.4	-	178.8	43.5	62.9	38.7	16.3	(11.4)	(19.4)	-
Vehicle registration	11.5	(8.4)	(12.1)	(27.3)	220.1	156.3	21.3	33.5	15.5	(4.7)	(5.1)	(2.7)	(16.1)
Rail freight traffic	8.7	8.7	5.5	26.6	70.7	39.1	20.5	18.4	16.9	3.6	8.4	6.1	4.1
Port cargo volume	4.4	4.0	1.9	16.4	29.5	33.0	19.5	6.7	11.4	0.4	6.5	(0.2)	-
Credit growth	6.3	5.9	6.6	5.6	6.2	5.9	6.1	6.1	6.7	6.7	6.9	6.6	7.3
Deposit growth	10.8	11.1	12.1	11.4	11.2	9.5	9.8	9.8	9.5	9.4	10.0	8.8	9.6
CIC	22.4	21.4	20.3	17.2	15.0	13.2	12.0	10.3	9.8	9.0	8.5	7.7	7.8
Toll collection (in mn)	138.4	149.2	159	193.3	164.3	116.5	157.9	192.3	201.2	193.6	214.2	214.1	242.1
Diesel consumption	(2.7)	(2.1)	(8.4)	27.6	105.2	0.7	(1.6)	11.3	15.7	0.4	(5.4)	(7.6)	1.4
GST E-way bill (in mn)	64.2	62.9	63.8	71.2	58.8	40.0	54.7	64.2	65.9	67.9	73.5	61.2	58.1
External Trade													
Merchandise exports	0.4	6.5	(0.4)	64.1	202.6	68.3	47.9	49.7	46.5	22.7	43.0	27.2	37.0
Merchandise imports	8.4	2.1	7.5	55.4	169.5	69.9	97.3	61.7	53.0	84.2	62.5	56.6	38.1
Services exports	(6.4)	(8.5)	0.7	14.5	9.8	6.5	19.4	8.8	19.1	19.6	19.7	-	-
Services imports	(8.4)	(17.7)	(6.2)	10.4	3.4	0.1	8.8	10.1	20.0	20.5	21.8	-	-

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

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