



MONTHLY ECONOMIC **APR** REPORT ON INDIA 2024

India continues to see **robust momentum** in economic activity. **High frequency indicators** such as power demand, core infrastructure, and bank credit record **strong growth**. **UPI transactions** cross **INR 200 trillion** over FY2024. **E-way bills** at a **record high** in March with **100+ million** bills generated. India's **manufacturing PMI** is at a **decadal high** and is a global outlier. Investments by **foreign portfolio** as well as **domestic institutional** investors are at an **all-time high** in FY2024. However, there is moderation in automobile demand in March and ports traffic in February. Wholesale and retail **food inflation remains** high; watch out for wheat stock with FCI which is close to its buffer limit. Banks' deposits continue to lag credit growth - **credit to deposit ratio** at 80.3 is at a **54-year high**; this could finally push through the monetary transmission of policy rate increases. **Liquidity moves into surplus** resulting in **short-term yields moderating**. **Monetary policy** rates and stance continue to be **unchanged**

Feb – March 2024

Growth

Real GDP growth of 8.4% yoy driven by capex in Q3FY24. Industry and services sector support real GVA growth of 6.5%. Core infrastructure growth supported by **robust steel** (12%) and **cement** (10%) production in a **longer Feb**. Robust 8% power generation growth in Mar; renewable's share picks up to 13%. India's composite PMI continues to remain an outlier in Mar. **Toll road collection** picks up to INR 49 billion in March

Trade

Current account deficit narrows to 1.2% of GDP as services surplus rises in Q3FY24. **Goods trade deficit remains wide** at USD 19 billion in Feb as non-oil imports (mainly gold) pick up. Container freight rate moderates in early April to **2,894** from 3,287 in March. **Muted ~2% ports cargo traffic growth** in Feb. **~10% rail freight growth** boosted by a 29-day Feb

Demand

Robust 9% growth in power demand in March. **Peak power demand deficit moderates** to 0.6%. PV and CV demand growth contracts by ~10% in March, while 2W growth moderates to 5%. **Credit-to-deposit ratio at a 54-year high** at 80.3 as credit maintains a ~20% growth, while deposit growth lags. **E-way bills at an all-time high** with ~104 million bills generated. **UPI transactions cross INR 200 trillion** over FY2024

Foreign Exchange

INR appreciated against JPY over the last 1 to 3 years by 12% and 8% p.a. respectively. USD/INR 1-year **forward premium remains at a 15-year low** of 1.64% as on Apr 08. Dollar strengthens against major currencies as the dollar index rises in March. RBI continues to be a **net buyer of USD** over Dec-Jan. **Forex reserves at a record high** of USD 646 billion (as on 29 March) providing ~9 months of import cover

Inflation

Consumer inflation eases to 5.1% yoy in Feb, core moderates to 3.3%. Food inflation remains high at 8.7% driven by vegetables. **Monetary policy unchanged** since Feb '23. **Wheat stock with FCI near buffer limit** in Feb. **Wholesale inflation eases to 0.2%** in Feb, food and crude oil prices remain elevated. Water reservoir level remains lower. **Monetary transmission** on o/s loans lending rate increased by 111 bps (vs 250 bps repo hike)

Investments

FPIs and domestic institutional investors combined invested more than INR 1 trillion in March. Annual net **foreign portfolio and domestic institutional investments** at an **all-time high** in FY2024. **FDI records a net inflow** of USD 5.4 billion in Jan. AIFs record strong fund-raising and investment activity in FYTD2024. Funds raised and deployed by **Cat II AIFs** were at **INR 231 billion and INR 190 billion** respectively

Markets

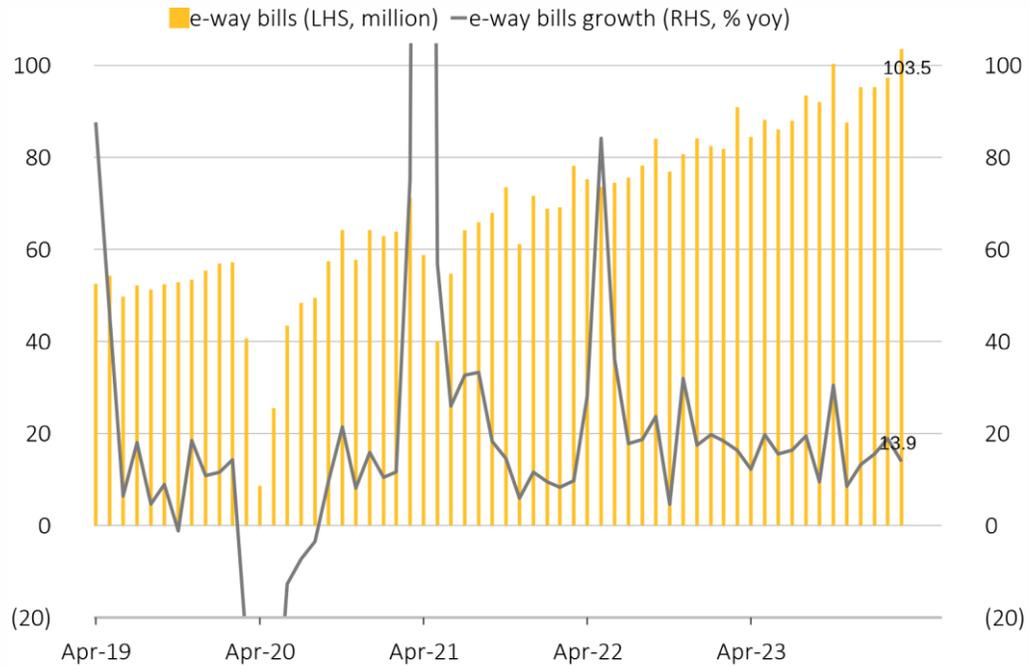
3-month yields moderate to 6.8% as **liquidity moves into surplus** in March. 10-year G-sec yields stable at 7.15%. Indian **equity** markets generate **strong returns** of ~26% in March, higher than global average of 15%. **Gold remains above** the USD 2,000 mark, an all-time high. **Polysilicon prices** remain at a **multi-year low** of USD 8 per kg. Consensus forecasts (as of Mar-end) estimate **50 bps rate cut over Q2 and Q3 in FY2025**.

Fiscal

Strong yoy growth of ~22% in direct tax collection and 37% in capex in FYTD2024 (up to Feb). Other fiscal indicators tracking as per estimates. **Higher tax (GST) to GDP ratio**: GST collection as a % of TTM GDP **increases by 60 bps** over the last two years to 6.9% in March. Growth in number of **e-way bills robust** at ~19% yoy even with a longer Feb, 97 million bills generated

Key charts

Double-digit growth of ~14% yoy in e-way bills in March; ~104 mn bills
 Monthly number of e-way bills, FY2020-FY2024 (Mar '24)

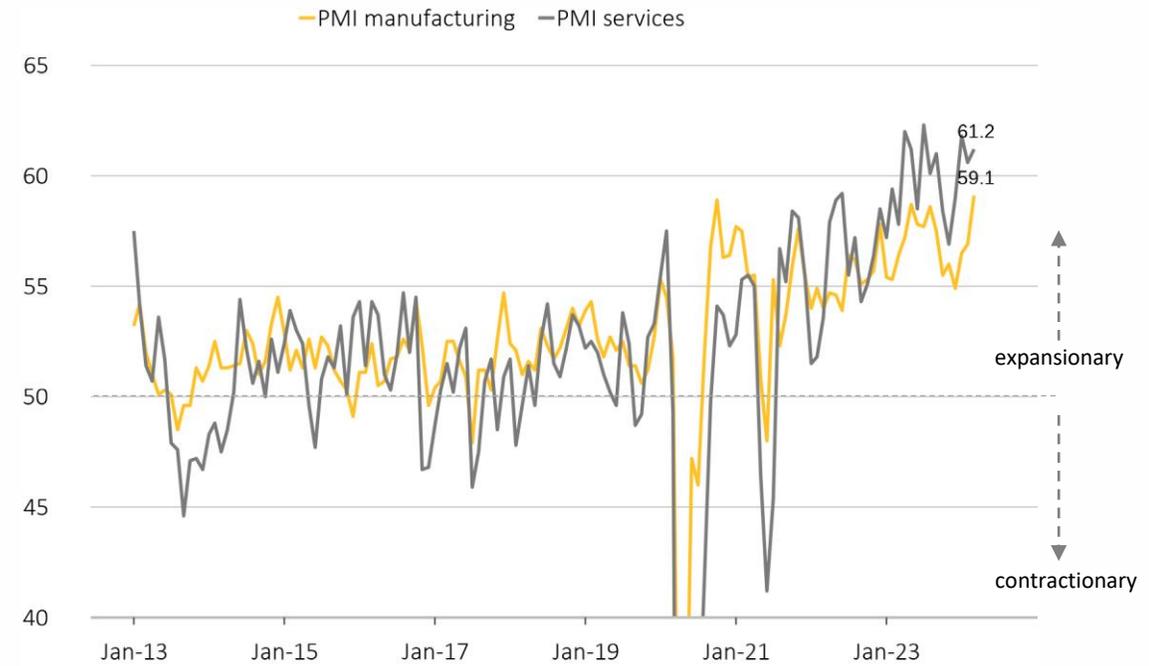


Source: Thurro, GSTN, NIIF Research

Note:

1. Includes all inter-state and intra-state e-way bills
2. e-way bill is a document required to be carried by a person in charge of the conveyance carrying any consignment of goods of value exceeding INR 50,000 under the Goods and Services Tax Act

PMI manufacturing at a decadal high in March; services remain strong
 Monthly India PMI manufacturing and services, FY2013-FY2024 (Mar '24)



Source: Thurro, S&P, NIIF Research

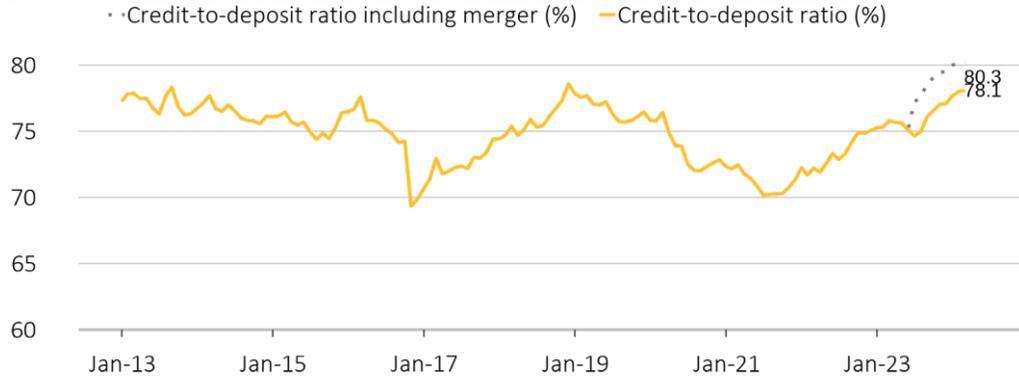
Note:

1. Purchase Managers Index (PMI) is based on a monthly survey of supply chain managers across 19 industries: a number above 50 indicates expansion and below 50 indicates contraction.
2. PMI for manufacturing and services dropped sharply between Apr '20 and Oct'20 due to impact of COVID-19

Key charts

Credit-to-deposit ratio at a 54-year high of 80.3 in March

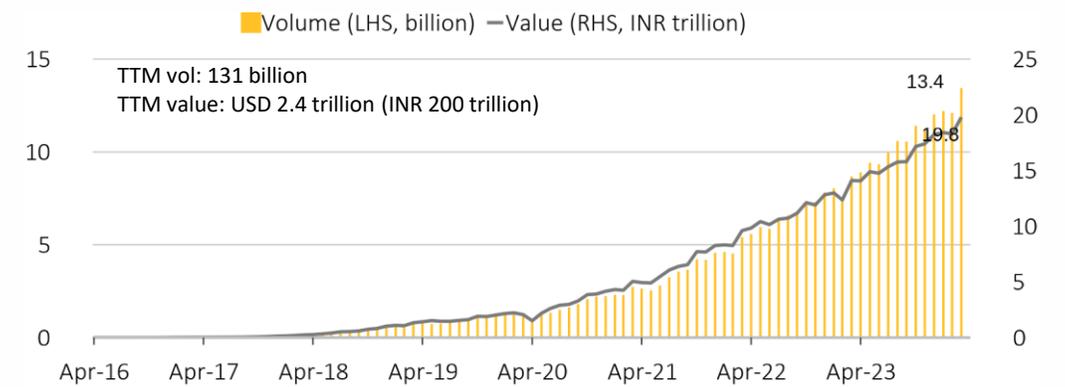
Monthly outstanding credit-deposit ratio with SCBs, FY2013-FY2024 (Mar '24)



Source: Thurro, RBI, NIIF Research
Note: HDFC merger took effect in July 2023

UPI TTM transactions surges past ~INR 200 trillion up to March

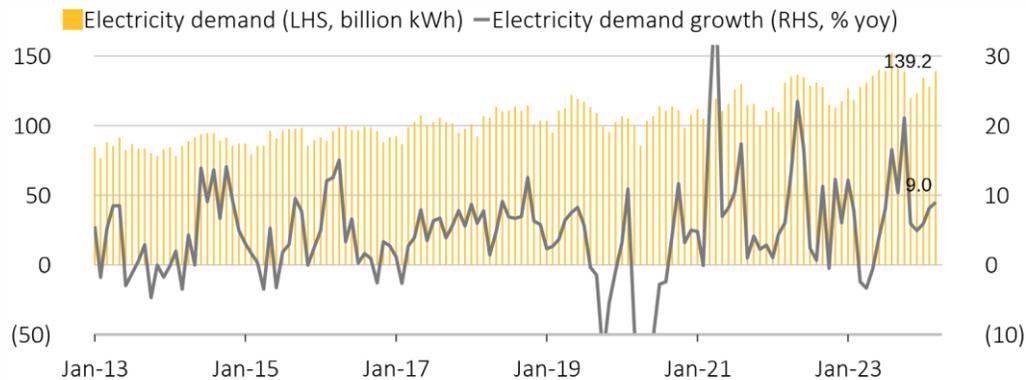
Unified Payment Interface (UPI), FY2017-FY2024 (Mar '24)



Source: Thurro, NPCI, NIIF Research
Note: TTM is trailing twelve months

Strong growth in electricity demand of 9.0% yoy in Mar

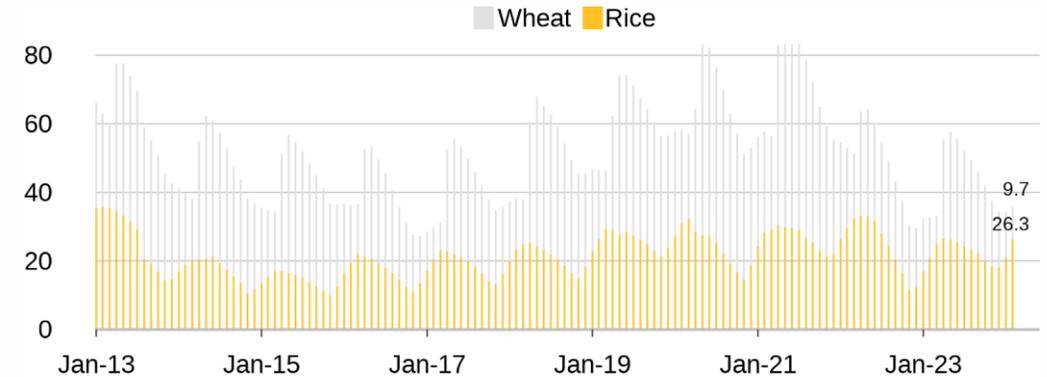
Monthly electricity demand in India, FY2013-FY2024 (Mar '24)



Source: Thurro, POSOCO, NIIF Research
Note: The residual difference between units of electricity generated and demanded is auxiliary consumption to run the power plants

Wheat stock with FCI continues to remain near margin

Monthly food grain stocks with FCI (million tonnes), FY2013-FY2024 (Feb '24)

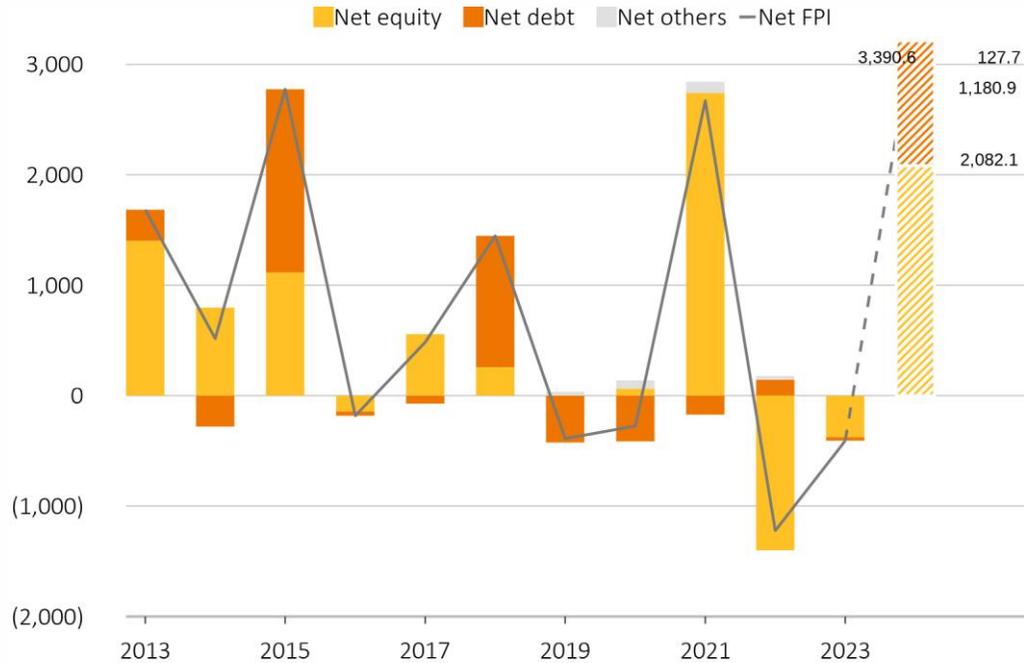


Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research
Note: 1. Rice is excluding paddy
2. Buffer limit required as of Mar 1 for rice is 11.6 mn tons and for wheat is 9.6 mn tons

Key charts

Net FPI of INR 3.4 trillion in FY2024, an all time high

Annual net FPI investments in India (INR billion), FY2013-FY2024 (Mar '24)



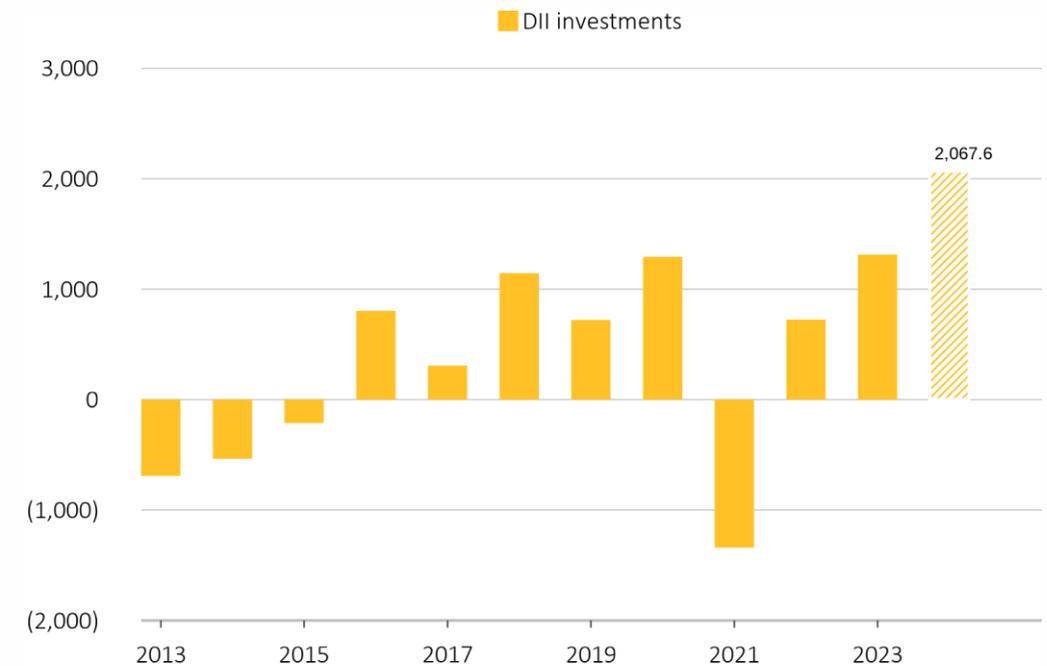
Source: Thurro, NSDL, NIIF Research

Note:

- Others comprise of debt-VRR and hybrid investments. Hybrid include investments in InvITs and REITs. Debt-VRR (voluntary retention route) allows FPIs to participate in repo transactions and also invest in exchange traded funds that invest in debt instruments.

Investments by domestic institutional investors at a decadal high

Annual net DII investments in India (INR billion), FY2013-FY2024 (Mar '24)



Source: Thurro, NSE, BSE, NIIF Research

Note:

- Domestic institutional investors (DII) are those institutional investors who undertake investment in securities and other financial assets (debt, AIFs, etc.) within India. These include insurance companies, banks, DFIs, mutual funds, NPS, EPFO.



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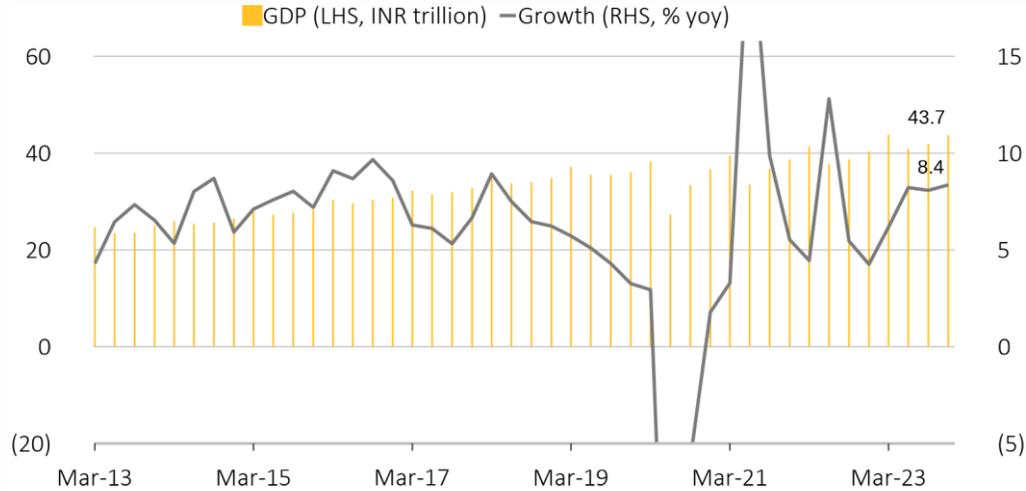
Macroeconomic indicators

- Real GDP growth of 8.4% yoy driven by capex in Q3FY24. Industry and services sectors drive real GVA growth of 6.5%. Robust steel (12%) and cement (10%) production supporting core infrastructure growth in a longer Feb. PMI manufacturing at a decadal high at 59.1 in March. E-way bills at an all-time high at ~104 million, ~14% yoy growth in March
- Decline in demand for PVs and CVs with (9%) and (11%) growth. Demand for two-wheelers moderates with 5% growth in March. Robust growth of 9% in demand for power in March; fuel consumption picks up as retail petrol and diesel prices reduced
- Credit-to-deposit ratio at 54-year high of 80.3 in March as credit maintains a ~20% yoy growth. UPI payments cross INR 200 trillion over TTM up to March while growth in currency in circulation moderates
- Consumer inflation and WPI inflation ease to 5.1% yoy, and 0.2% yoy in Feb respectively. Wheat stock with Food Corporation of India continues to remain near margin in Feb. GST collection as a % of TTM GDP increased by 60 bps to 6.9% over the last two years

Growth

Real GDP growth rises sharply in Q3FY24 by 8.4%

Quarterly real GDP growth for India, FY2013-FY2024 (Dec '23)

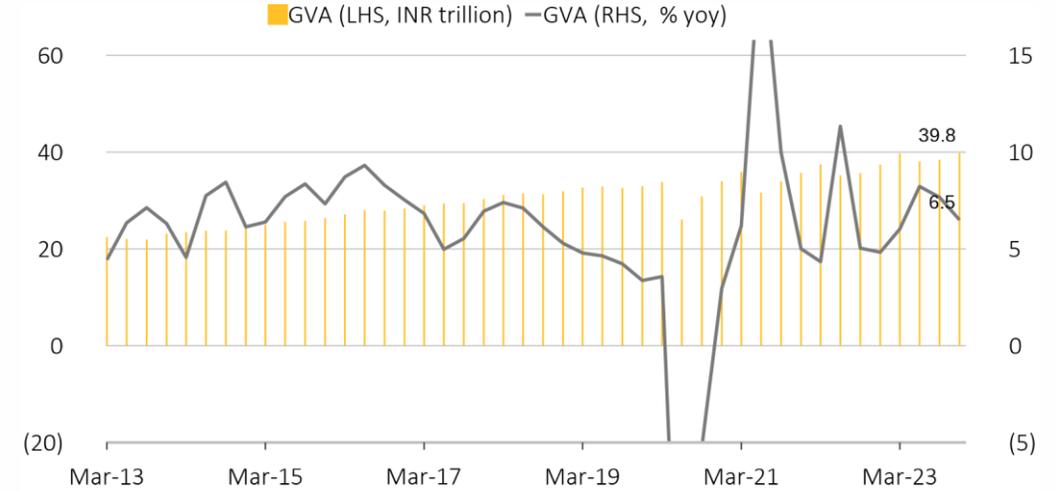


Source: Thurro, MOSPI, NIIF Research

Note: 1. Real GDP growth is based on 2012 prices
2. 10-year average real GDP growth is 5.5%

Real GVA growth of 6.5% in Q3FY24

Quarterly real GVA growth (% yoy), FY2013-FY2024 (Dec '23)



Source: Thurro, MOSPI, NIIF Research

Note: 10-year average real GVA growth is 5.5%

Real Gross Domestic Product (GDP) growth at 8.4% yoy in Q3FY24 (Sep-Dec)

- This is compared to the 8.1% yoy GDP growth in Q2FY24, which was revised upwards from 7.6% previously, and 4.3% in Q3FY23
- Nominal GDP grew by 10.1% yoy in Q3FY24 as compared to 9.6% in Q2FY24 and 9.4% in Q3FY23

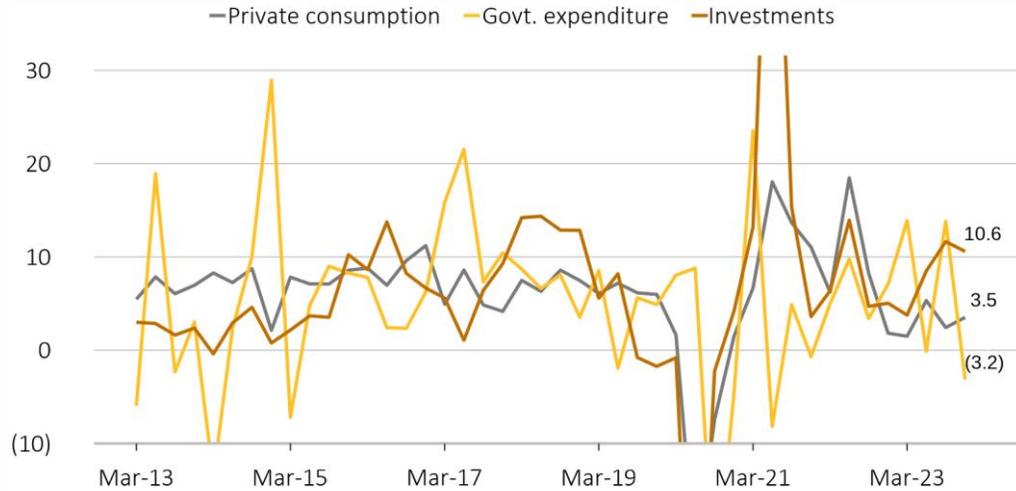
Supply side growth maintains pace with real Gross Value Added (GVA) growth of 6.5% in Q3FY24

- This is compared to 7.7% in Q2FY24 and 4.8% growth in Q3FY23
- **The second advance estimate** by the government for real GDP growth **revised upwards to 7.6% in FY2024** from 7.3% previously, and higher than RBI's projection of 7.0%

Growth

Capex a key driver of GDP growth in Q3FY24

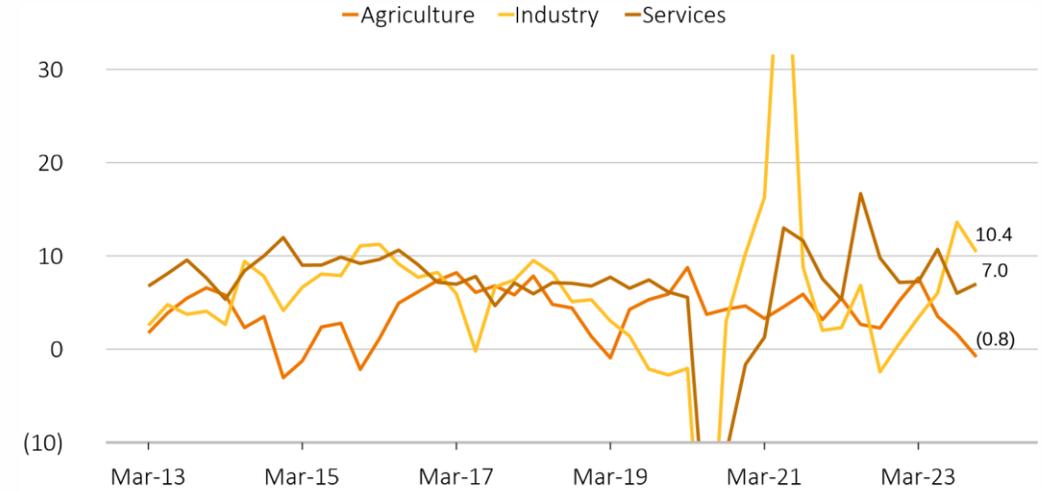
Quarterly real GDP growth by components (% yoy), FY2013-FY2024 (Dec '23)



Source: Thurro, MOSPI, NIIF Research

Robust growth in the industrial and services sectors, agri GVA contracts

Quarterly real GVA growth by components (% yoy), FY2013-FY2024 (Dec '23)



Source: Thurro, MOSPI, NIIF Research

Real GDP growth driven by continued momentum in capex

- Growth in fixed investments or capex of 10.6% yoy in Q3FY24, compared to 11.6% in Q2FY24, supporting strong GDP growth
- Government consumption expenditure declined to a negative 3.2% yoy from 13.8% in Q2FY24. Growth in private consumption of 3.5% yoy in Q3FY24 compared to 2.4% in Q2FY24

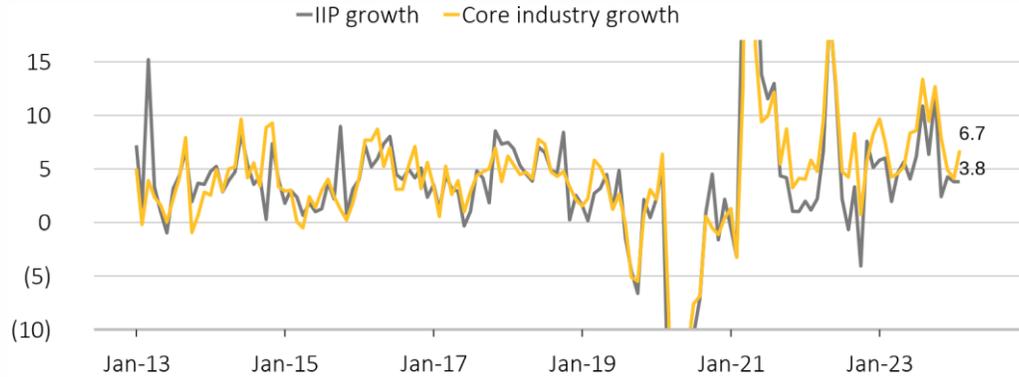
Industry and services sectors drive real GVA growth in Q3FY24

- Healthy industrial growth of 10.4% yoy in Q3FY24 led by robust growth in manufacturing (11.6%) and construction (9.5%)
- Services growth picks up to 7.0% yoy with a broad-based performance across 'trade, hotels, transport and communication', public administration, and 'financial, real estate, professional services' sectors
- Agriculture growth contracts by 0.8% in Q3FY24. Government utilizing wheat stock with FCI to manage supply -- stock with FCI is close to buffer limits

Core sectors

Core infra growth picks up to 6.7% in a longer Feb

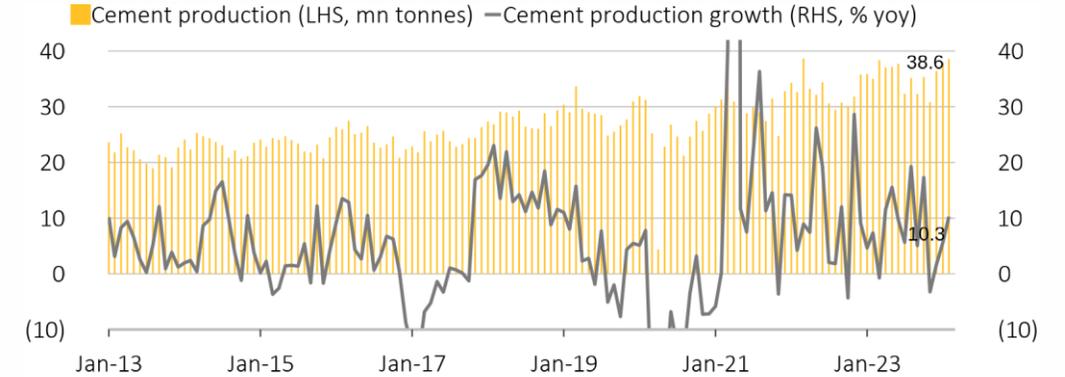
IIP and output of eight core industries (% yoy), FY2013-FY2024 (Feb '24)



Source: Thurro, Office of the Economic Advisor, NIIF Research
 Note: IIP growth for May '20 and Apr '21 not shown due to low base effect

Strong ~10.3% growth in cement production in Feb

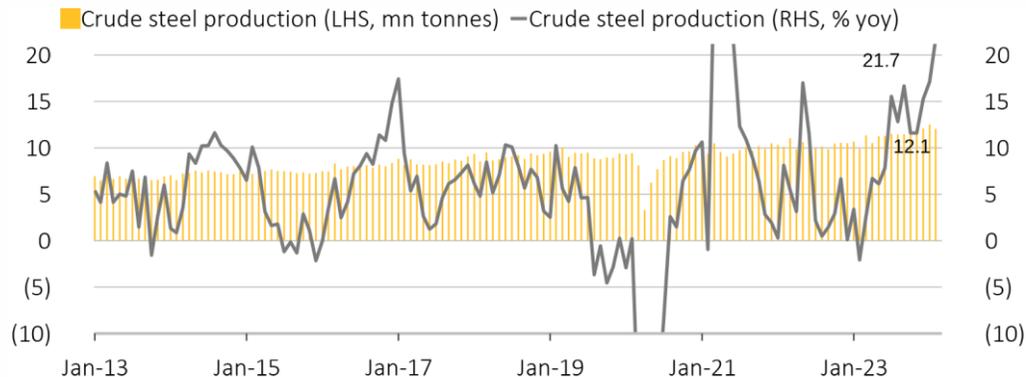
Monthly cement production, FY2013-FY2024 (Feb '24)



Source: Thurro, EAI, NIIF Research
 Note: Growth in cement production in Apr '21 not shown in the chart due to low base effect

Crude steel production growth surges to ~22% in a leap-year Feb

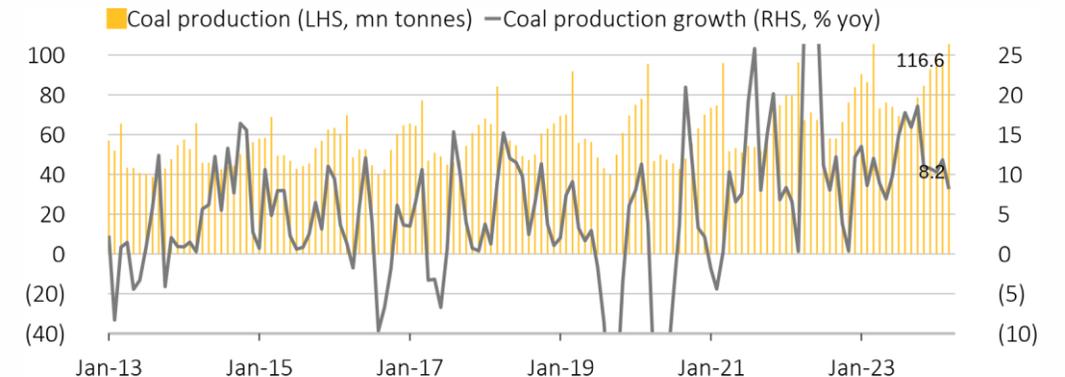
Monthly crude steel production, FY2013-FY2024 (Feb '24)



Source: Thurro, Ministry of Steel, JPC, NIIF Research
 Note: Growth in steel production in Apr '21 not shown in the chart due to low base effect

Robust 8.2% yoy growth in coal production in Mar

Monthly coal production, FY2013-FY2024 (Mar '24)

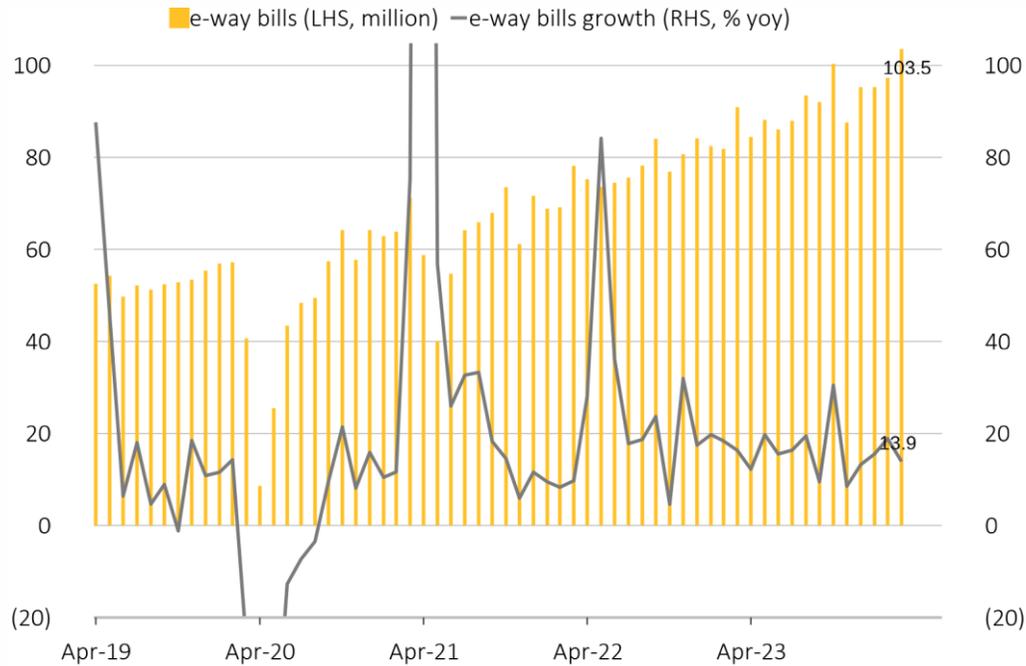


Source: Thurro, Ministry of Coal, NIIF Research

Activity levels

Double-digit growth of ~14% yoy in e-way bills in March

Monthly number of e-way bills, FY2020-FY2024 (Mar '24)



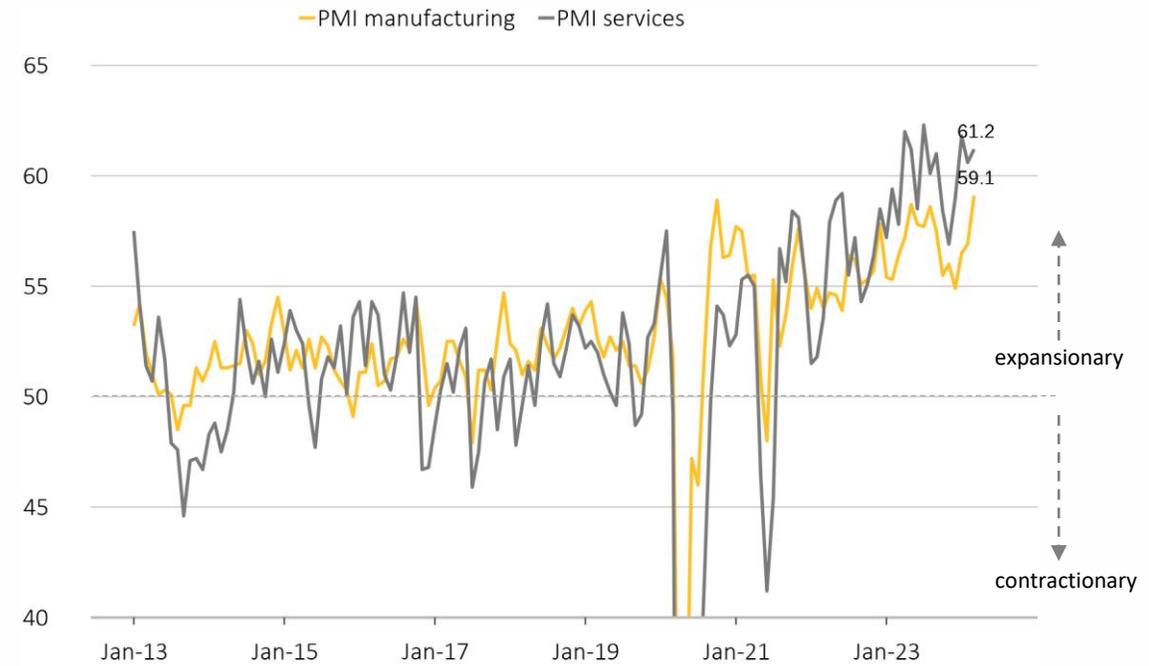
Source: Thurro, GSTN, NIIF Research

Note:

1. Includes all inter-state and intra-state e-way bills
2. e-way bill is a document required to be carried by a person in charge of the conveyance carrying any consignment of goods of value exceeding INR 50,000 under the Goods and Services Tax Act

PMI manufacturing at a decadal high in March; services remain strong

Monthly India PMI manufacturing and services, FY2013-FY2024 (Mar '24)



Source: Thurro, S&P, NIIF Research

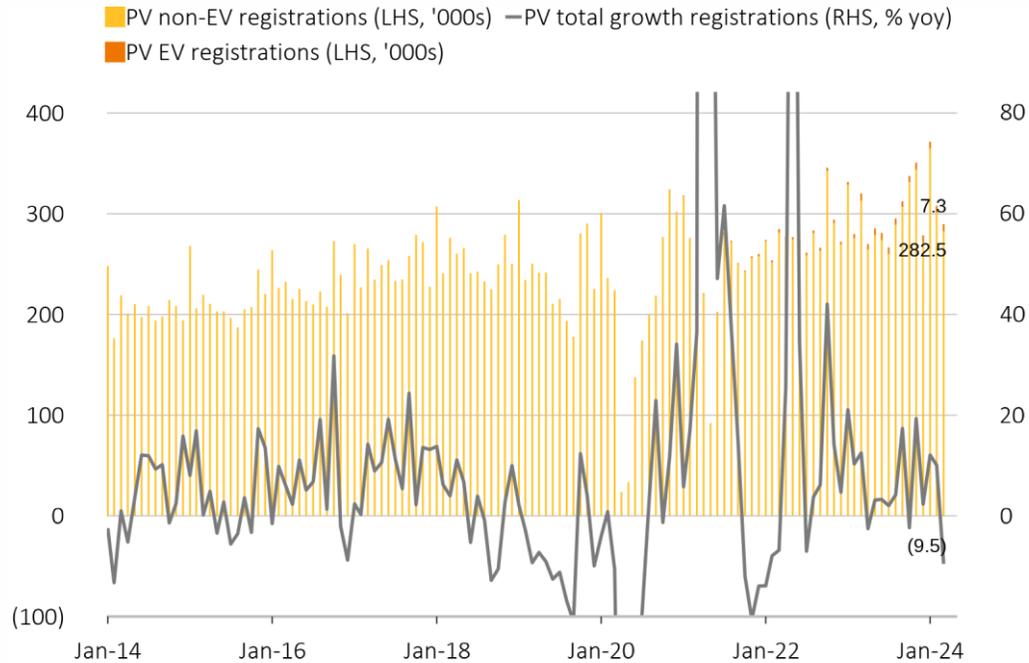
Note:

1. Purchase Managers Index (PMI) is based on a monthly survey of supply chain managers across 19 industries: a number above 50 indicates expansion and below 50 indicates contraction.
2. PMI for manufacturing and services dropped sharply between Apr '20 and Oct'20 due to impact of COVID-19

Automobile sector (1/2)

Growth in passenger vehicle demand records a yoy contraction in March

Monthly passenger vehicle (PV) registrations, FY2014-FY2024 (Mar '24)



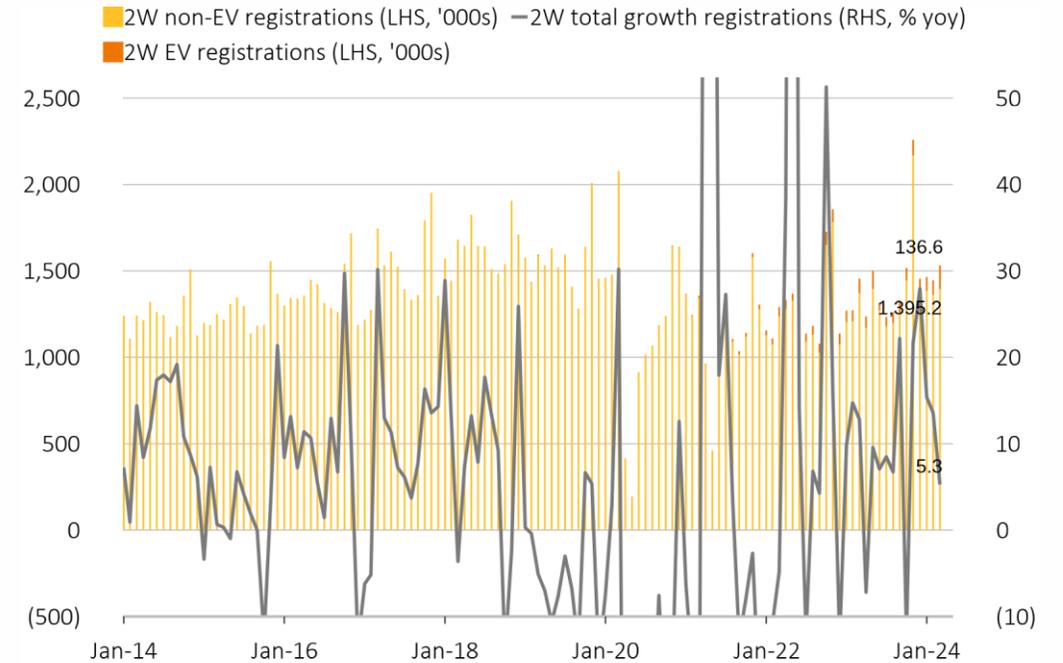
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

Note:

1. Growth in passenger vehicles registration not shown in Jun '21 due to low base effect

Growth in two-wheeler registrations moderates in March

Monthly two-wheeler (2W) registrations, FY2014-FY2024 (Mar '24)



Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

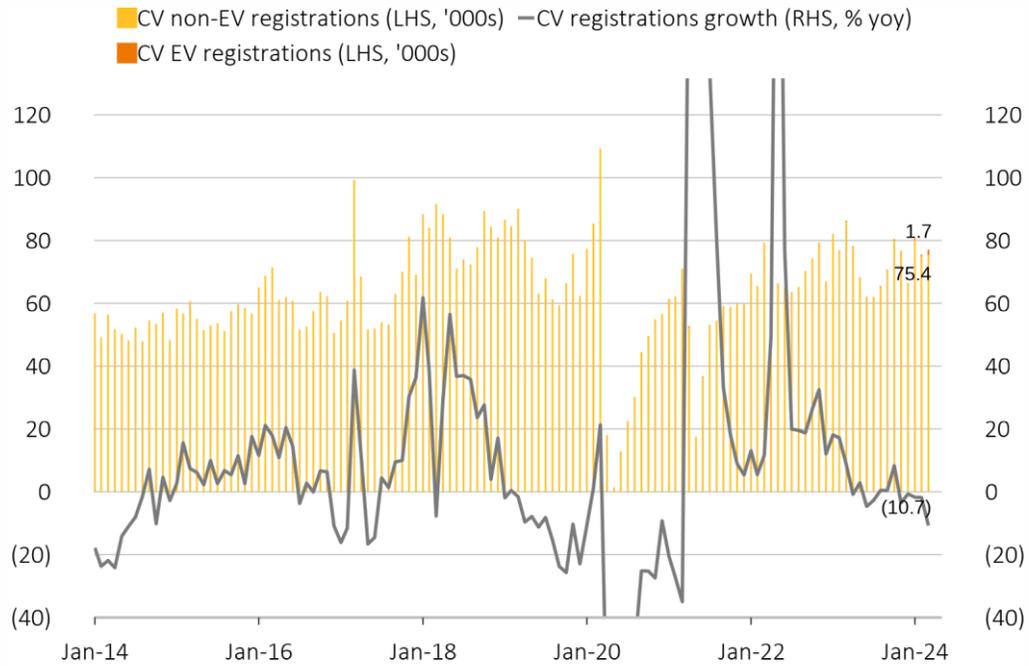
Note:

1. Low growth in two-wheeler registration for Apr '20 and May '20, due to the impact of Covid lockdown, not shown in the chart

Automobile sector (2/2)

Growth in demand for commercial vehicles contracts in March

Monthly commercial vehicle (CV) registrations, FY2014-FY2024 (Mar '24)



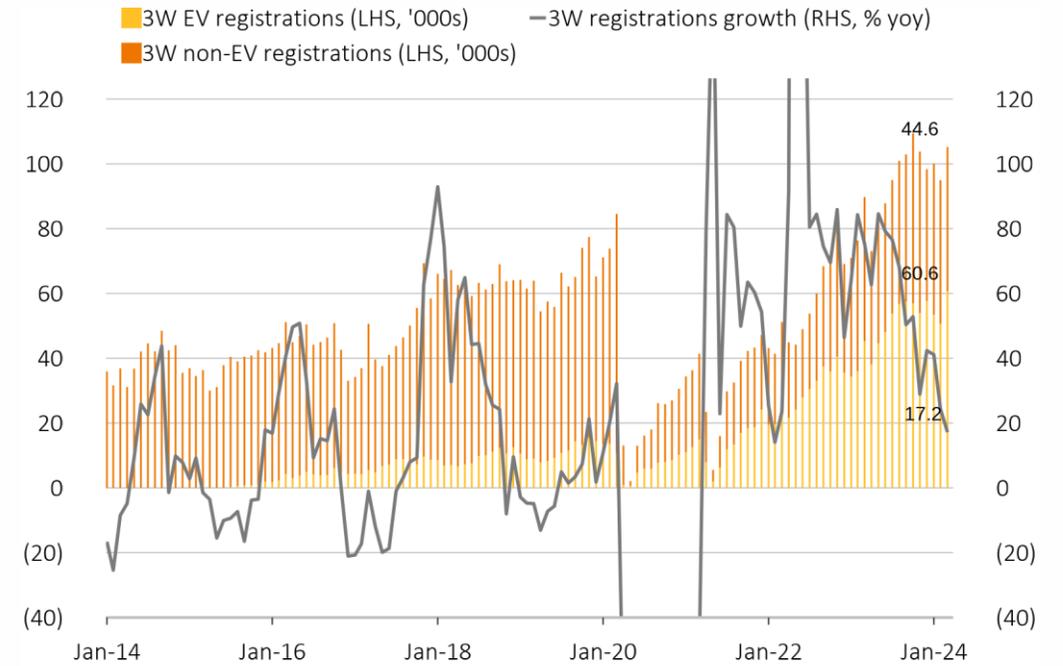
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

Note:

1. Low commercial vehicle registrations growth in Apr '20 and May '20, due to impact of Covid lockdown, not shown in the chart

Growth in 3W demand remains robust in March – EV's share 50%+

Monthly three-wheeler (3W) registrations, FY2014-FY2024 (Mar '24)



Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

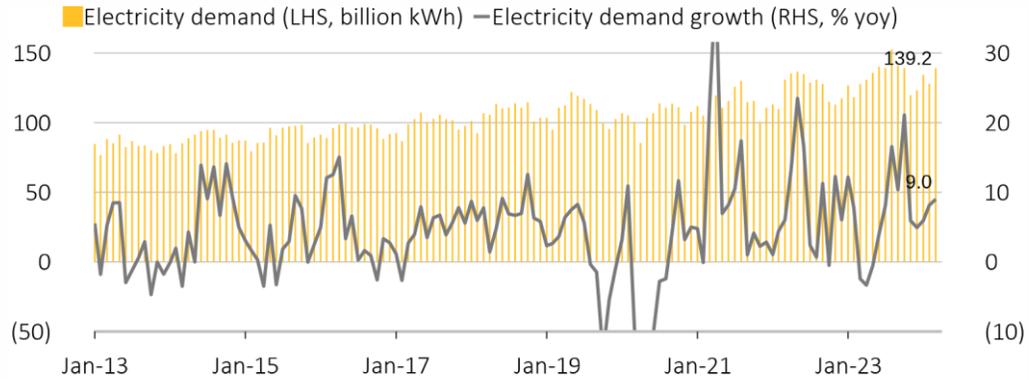
Note:

1. Growth in three-wheeler registrations for Apr '21 and May '21, and May '22 not depicted due to low base effect of Apr '20 and May '20, and May '21 respectively
2. Includes low speed electric 3Ws

Energy and fuel

Strong growth in electricity demand of 9.0% yoy in Mar

Monthly electricity demand in India, FY2013-FY2024 (Mar '24)

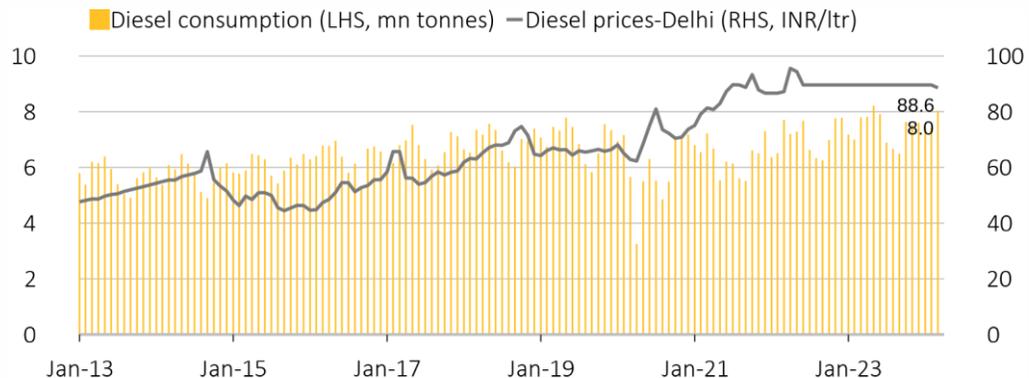


Source: Thurro, POSOCO, NIIF Research

Note: The residual difference between units of electricity generated and demanded is auxiliary consumption to run the power plants

Diesel consumption picks up to ~8 mn tons in Mar; retail prices cut

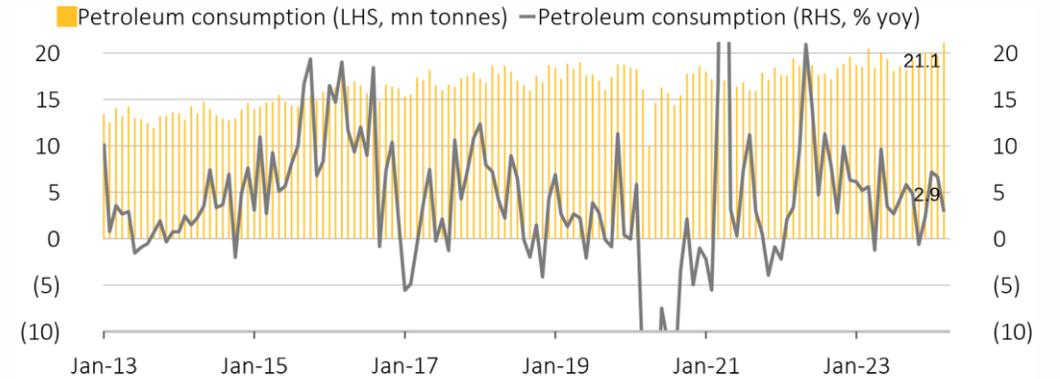
Monthly diesel consumption and prices, FY2013-FY2024 (Mar '24)



Source: Thurro, PPAC, NIIF Research

Demand for petroleum moderates in Mar

Monthly petroleum consumption in India, FY2013-FY2024 (Mar '24)

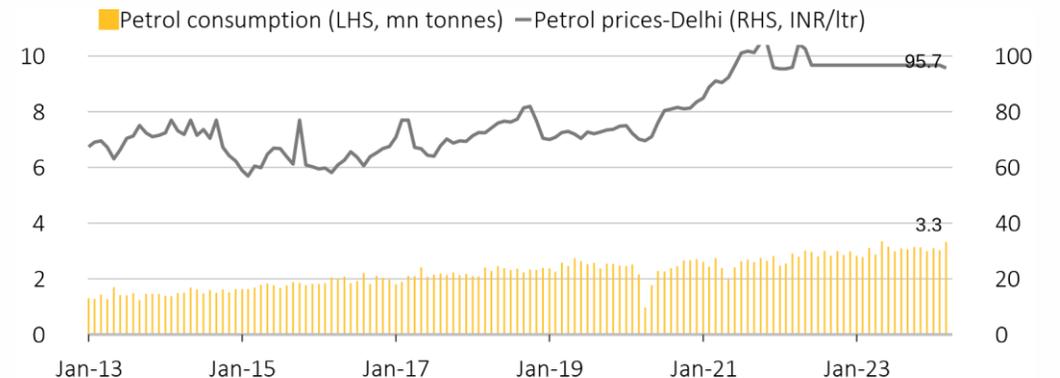


Source: Thurro, PPAC, NIIF Research

Note: Petroleum products include aviation turbine fuel, bitumen, liquified petroleum gas, diesel, motor spirit, naphtha, petroleum coke, among others

Petrol consumption stable in Mar at ~3 mn tons; retail prices cut

Monthly petrol consumption and prices, FY2013-FY2024 (Mar '24)

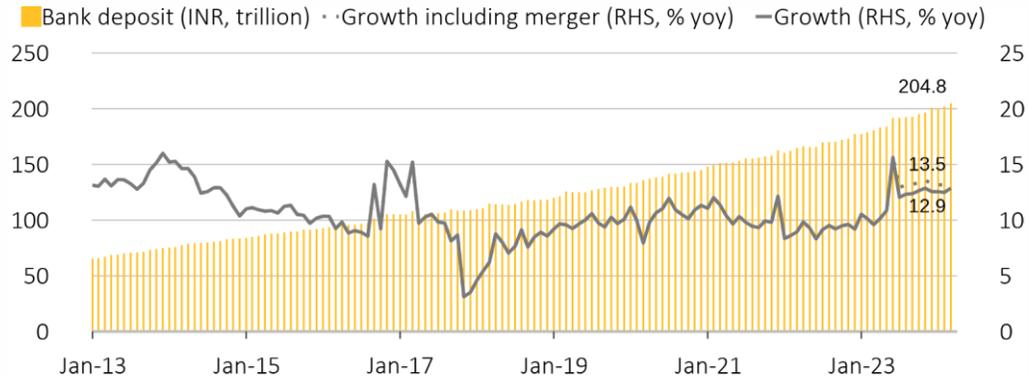


Source: Thurro, PPAC, NIIF Research

Banks: credit and deposits

Deposit growth remains stable at ~14% yoy in March

Monthly total bank deposits, FY2013-FY2024 (Mar '24)

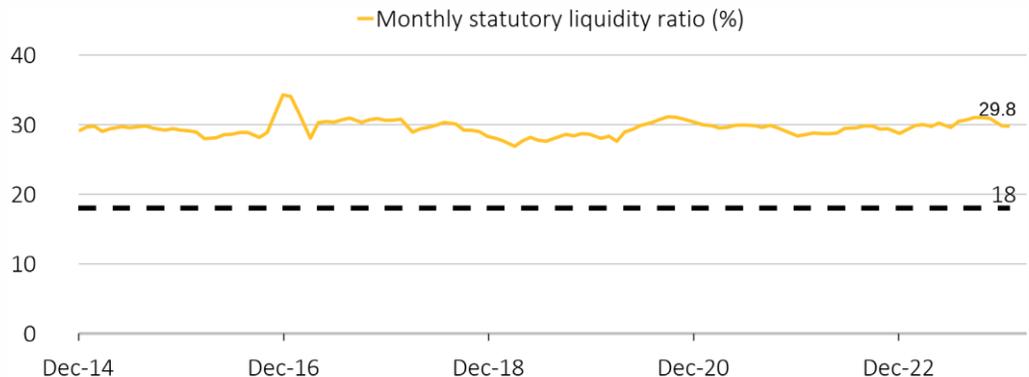


Source: Thurro, RBI, NIIF Research

Note: 1.Total deposits for scheduled commercial banks
2.HDFC merger took effect in July 2023

Banks SLR holdings remain above 30% vs the minimum required 18%

Monthly statutory liquidity ratio (SLR) of banks, FY2015-FY2024 (Jan '24)

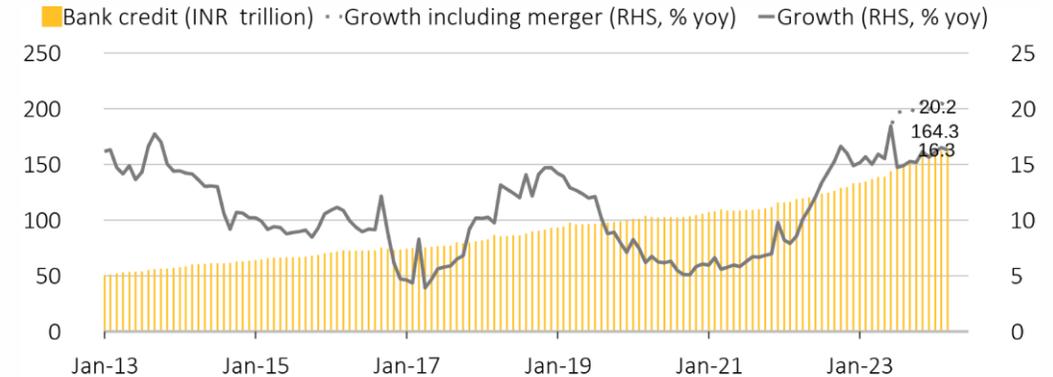


Source: Thurro, RBI, NIIF Research

Note: Banks are required to hold 18% of their net demand and time liabilities as SLR, depicted as the black dotted line above

Credit growth remains high at ~20% yoy in March

Monthly total credit outstanding, FY2013-FY2024 (Mar '24)



Source: Thurro, RBI, NIIF Research

Note: 1.Outstanding credit for scheduled commercial banks (SCBs)
2.HDFC merger took effect in July 2023

Credit-to-deposit ratio at a decadal high of 80.3 in March

Monthly outstanding credit-deposit ratio with SCBs, FY2013-FY2024 (Mar '24)



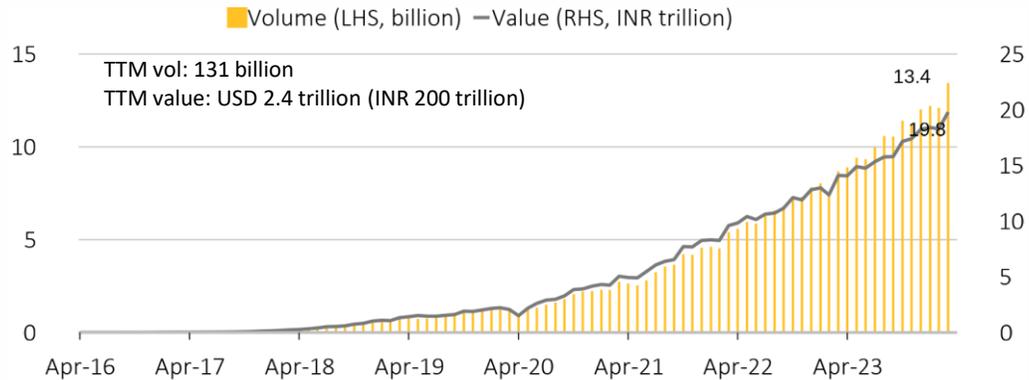
Source: Thurro, RBI, NIIF Research

Note: HDFC merger took effect in July 2023

Currency and transactions

UPI TTM transactions surges past ~INR 200 trillion up to March

Unified Payment Interface (UPI), FY2017-FY2024 (Mar '24)

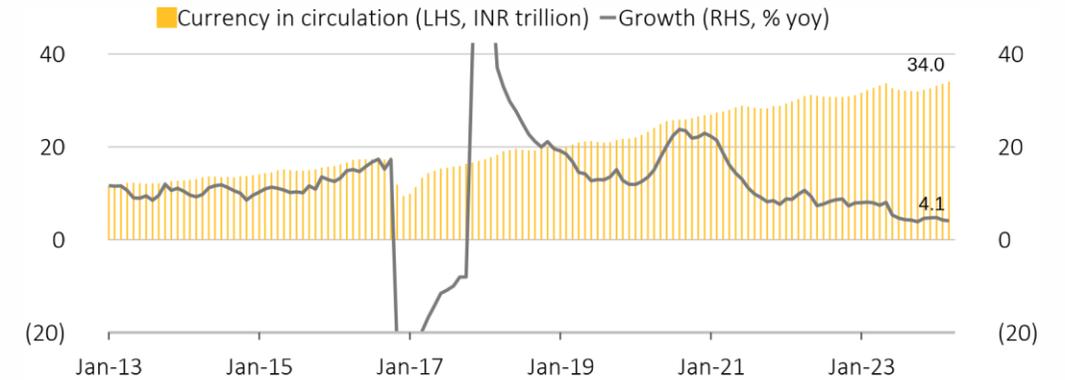


Source: Thurro, NPCI, NIIF Research

Note: TTM is trailing twelve months

Growth in currency in circulation moderates in March

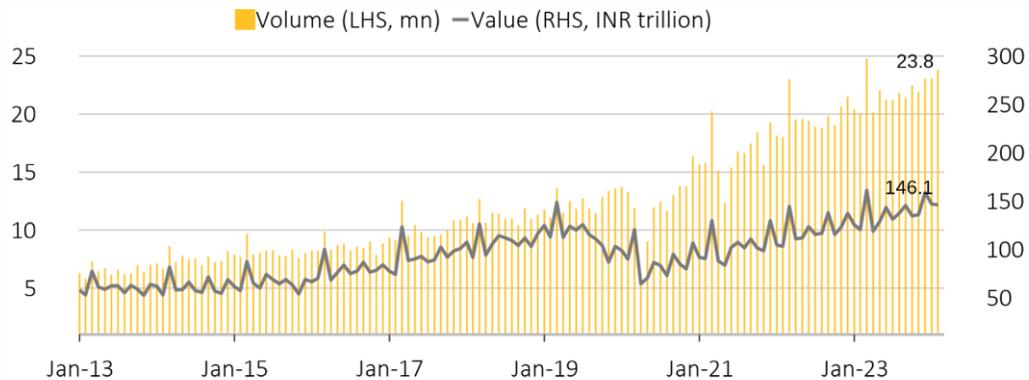
Currency in circulation, FY2013-FY2024 (Mar '24)



Source: Thurro, RBI, NIIF Research

RTGS transactions value stable at INR ~146 trillion in Feb

RTGS transactions, FY2013-FY2024 (Feb '24)

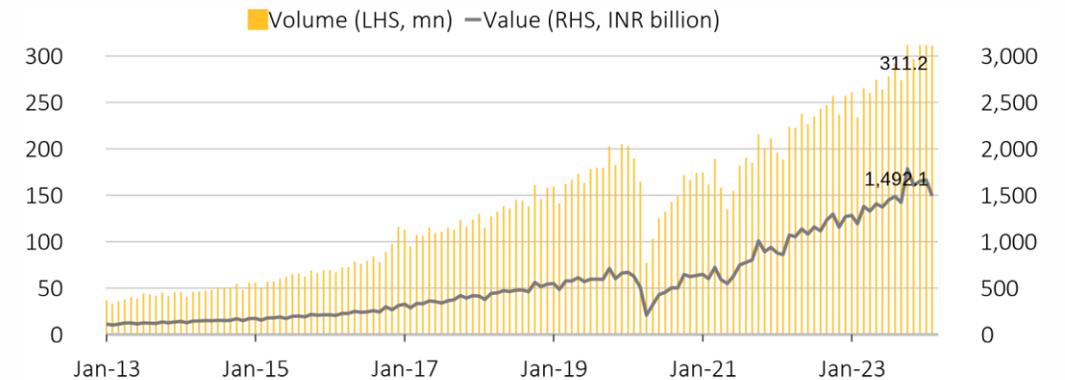


Source: Thurro, RBI, NIIF Research

Note: RTGS stands for Real Time Gross Settlements, that enables payments from one bank to another for a minimum amount of INR 200,000

Transactions using credit cards remain high at ~INR 1.5 trillion in Feb

Credit card transactions, FY2013-FY2024 (Feb '24)

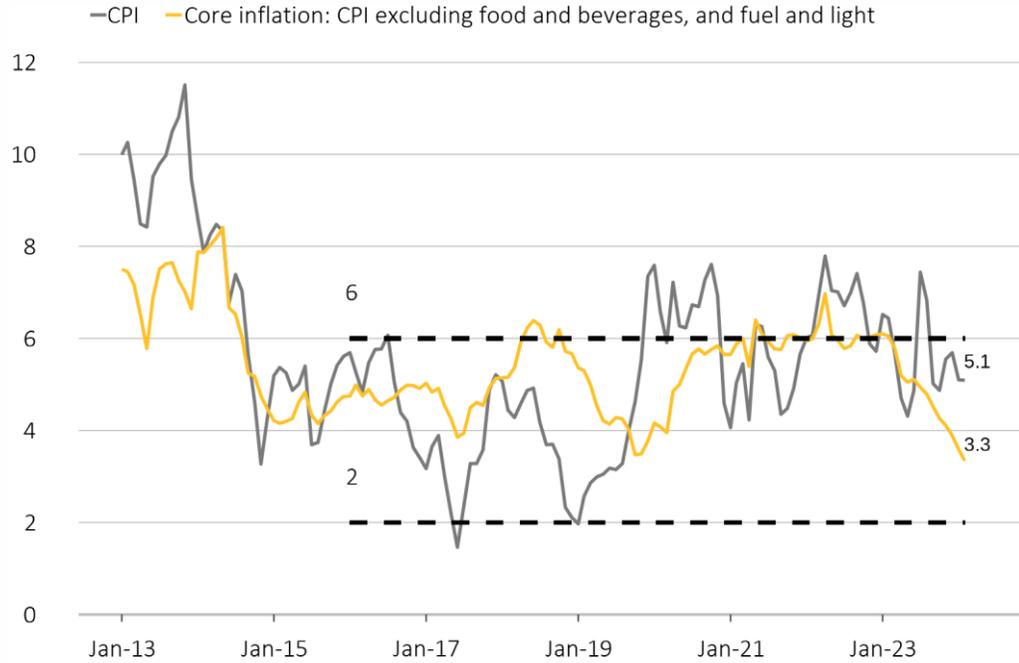


Source: Thurro, RBI, NIIF Research

Inflation: India

CPI inflation unchanged at 5.1% yoy in Feb; core inflation softens further

Monthly consumer price inflation (% yoy), FY2013-FY2024 (Feb '24)



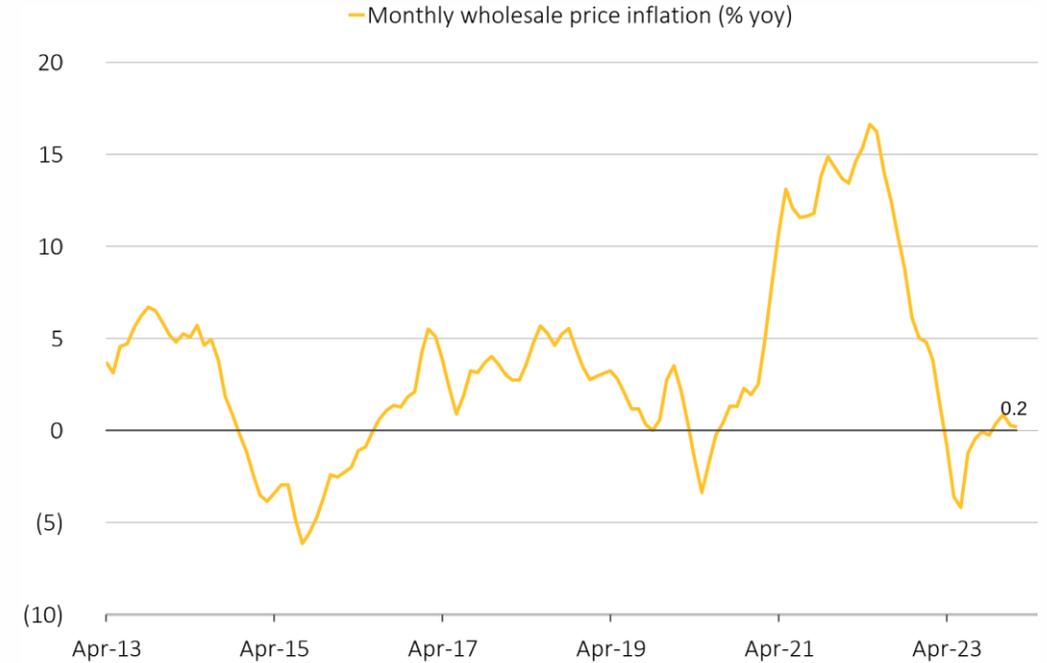
Source: Thurro, MoSPI, NIIF Research

Note:

1. RBI in 2016 adopted flexible inflation target set at 4%, with 6% as upper bound and 2% as lower bound

Wholesale inflation remains in the positive zone, at 0.2% yoy in Feb

Monthly wholesale price inflation (% yoy), FY2014-FY2024 (Feb '24)



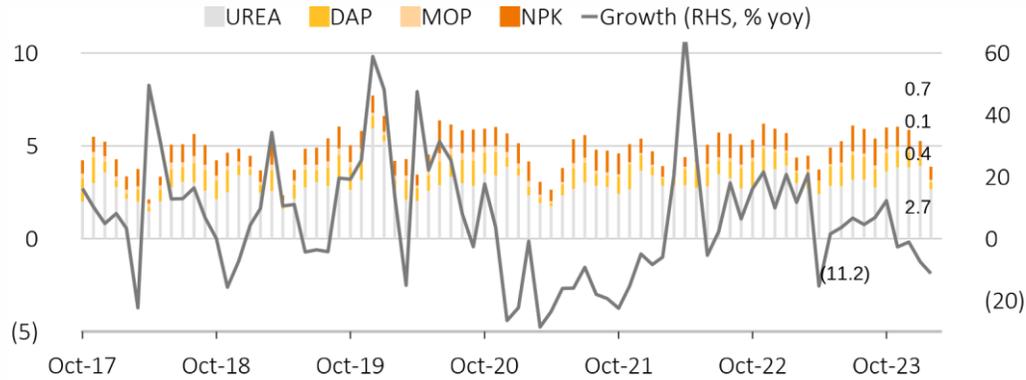
Source: Thurro, Ministry Of Commerce & Industry, NIIF Research

Note:

Rural India

Muted demand for fertilizers in Feb, contracts by 11.2% yoy

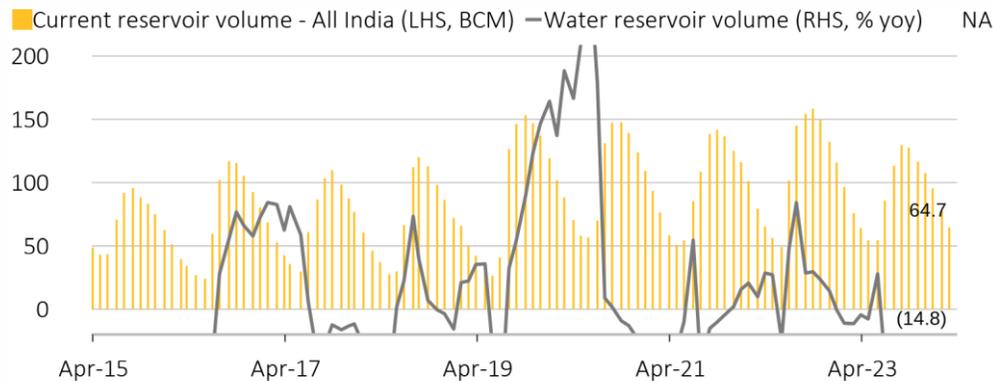
Monthly fertilizer sales, FY2018-FY2024 (Feb '24)



Source: Thurro, Dept of Fertilizer, GoI, NIIF Research

Live storage in reservoirs remains lower on a yoy basis in Mar

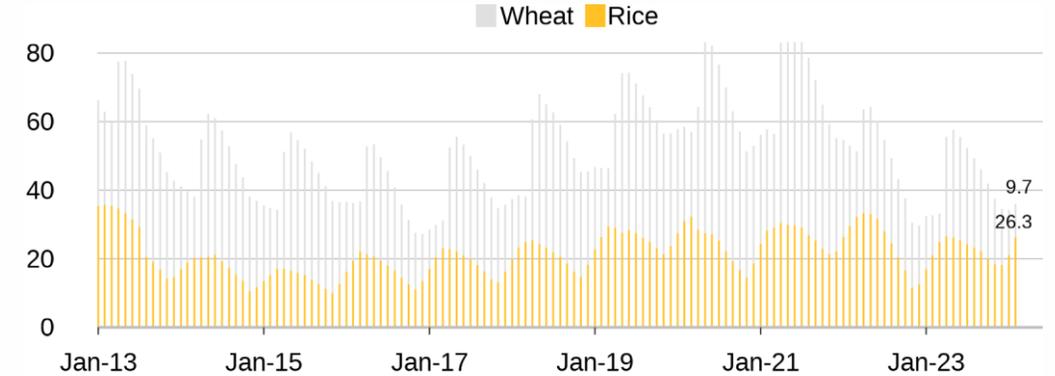
Monthly live water reservoir storage, FY2016-FY2024 (Mar '24)



Source: Thurro, CWC, NIIF Research

Wheat stock with FCI continues to remain near margin

Monthly food grain stocks with FCI (million tonnes), FY2013-FY2024 (Feb '24)

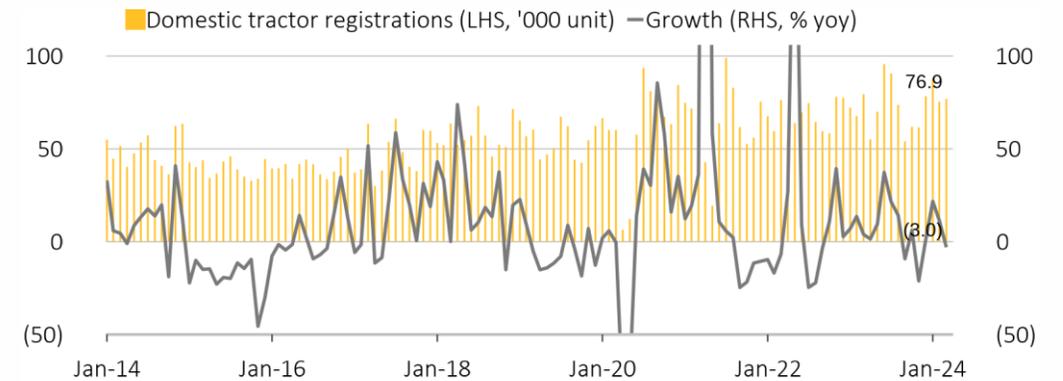


Source: Thurro, FCI, NIIF Research

Note: 1. Rice is excluding paddy
2. Buffer limit required as of Mar 1 for rice is 11.6 mn tons and for wheat is 9.6 mn tons

Weak demand for tractors in March

Monthly domestic tractor registrations, FY2014-FY2024 (Mar '24)



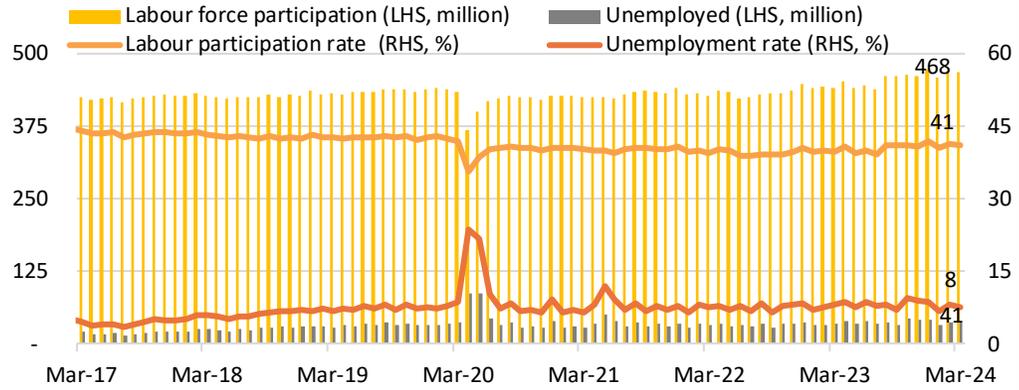
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

Note: 1. Growth in tractor sales in March '20 and April '21 not shown above due to base effects

Employment – all-India and rural

India's labor force rate stable at 41%, unemployment at 8%

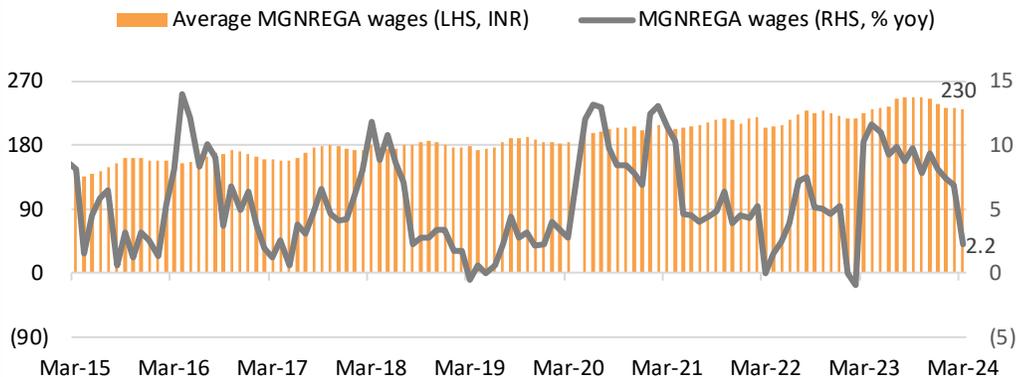
Monthly all-India labour participation and unemployment, FY2016-FY2024 (Mar '24)



Source: CMIE, NIIF Research

Moderate growth in average MGNREGA wages of ~2% yoy in Mar

Daily average MGNREGA wages (INR), FY2015-FY2024 (Mar '24)

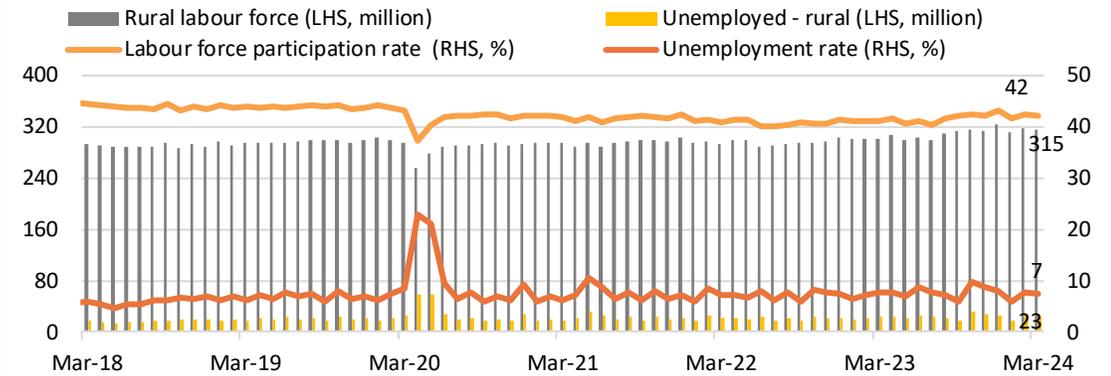


Source: CMIE, NIIF Research

Note: MGNREGA is Mahatma Gandhi National Rural Employment Guarantee Act

Rural unemployment at 7% in Mar; rural labor force at 315 mn

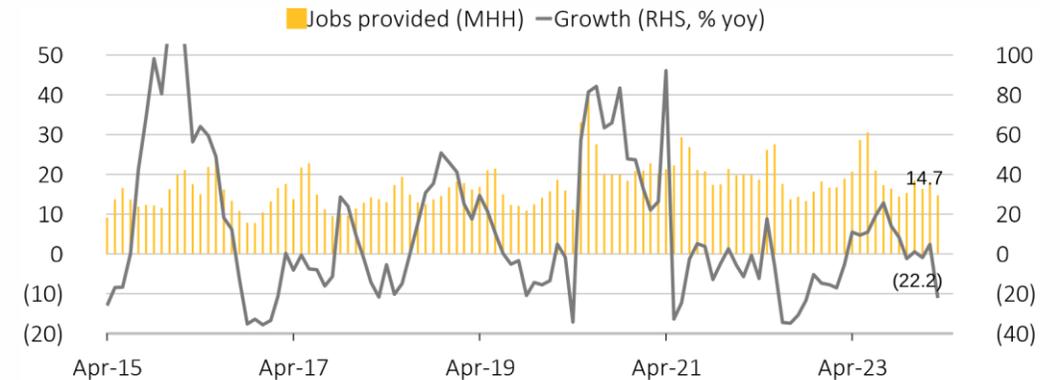
Monthly rural labour participation and unemployment, FY2016-FY2024 (Mar '24)



Source: CMIE, NIIF Research

Jobs provided under MNREGA back to pre-Covid level

Monthly MGNREGA employment data, FY2016-FY2024 (Mar '24)



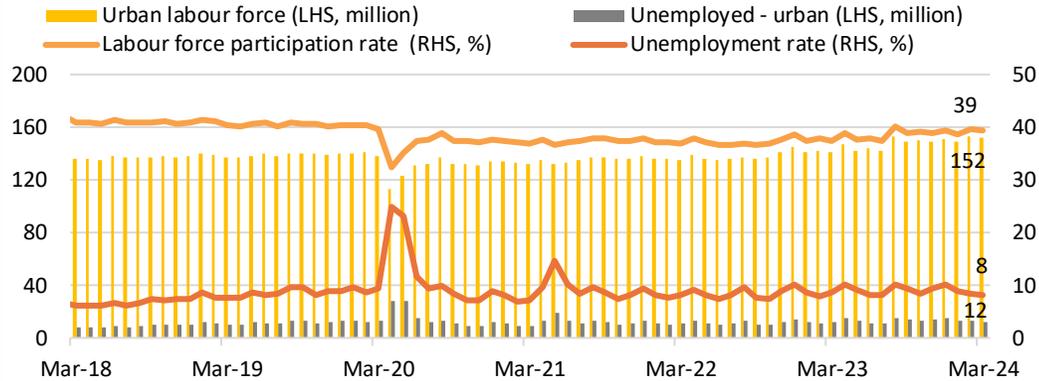
Source: Thurro, MNREGA, NIIF Research

Note: MHH is million households

Employment - urban

Urban labor force stable at ~39%

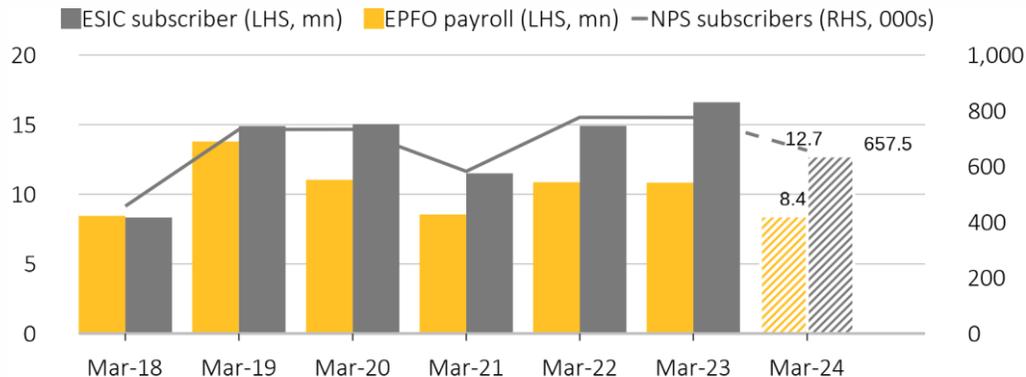
Monthly urban labour participation and unemployment, FY2016-FY2023 (Mar '24)



Source: CMIE, NIIF Research

Continued momentum in addition to formal workforce

Monthly enrollment numbers, FY2018-FY2024 (Dec '23)

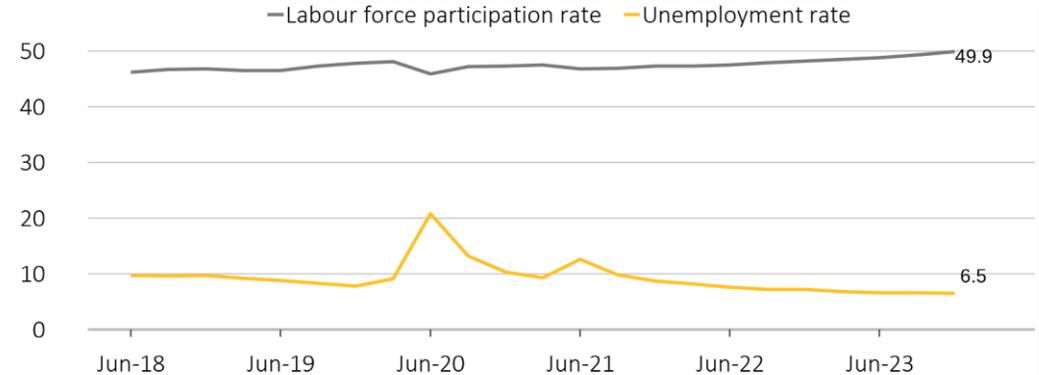


Source: Thurro, EPFO, NIIF Research

Note: March 2024 data is on a financial year-to-date basis

Labor force expands in urban areas in December quarter

Quarterly Periodic Labor Force Survey (urban), FY2019-FY2024 (Dec '23)

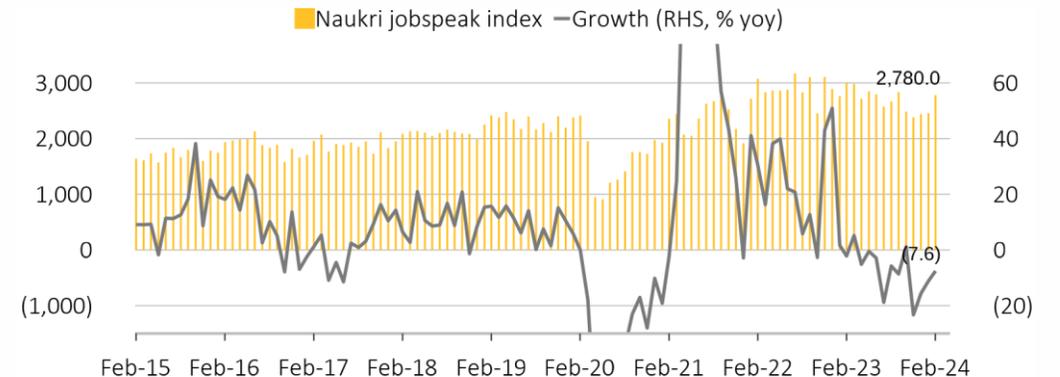


Source: Thurro, MoSPI, NIIF Research

Note: The quarterly PLFS is conducted by NSSO only for the urban areas

Hiring in corporate India slows down

Naukri jobspeak index, FY2015-FY2024 (Feb '24)



Source: Thurro, Naukri, NIIF Research

Note: Naukri Jobspeak Index is calculated based on job listings added Naukri.com on monthly basis. (July 2008 = 1000)

Fiscal Position

Government fiscal dynamics tracking as per estimates

Monthly snapshot of central government fiscal health (INR trillion), FY2023-FY2024 (Feb '24)

	FY2023		FY2024		% of RE		% yoy
	February	YTD	February	YTD	YTD FY2023	YTD FY2024	Δ YTD
1 Revenue receipts	0.6	19.8	(0.1)	22.1	84.3	81.9	11.6
1.1 Gross tax revenue	1.8	25.5	1.8	28.9	83.7	84.1	13.4
1.1.1 Direct tax	0.7	12.9	0.6	15.7	78.0	80.5	21.6
1.1.2 Indirect tax	1.1	12.6	1.2	13.2	91.0	89.3	5.1
2 Capital receipts (non-debt)	0.0	0.6	0.0	0.4	70.5	64.5	(38.6)
2.1 Net recovery of loans and advances	0.0	0.2	0.0	0.2	86.1	90.3	16.1
2.2 Miscellaneous receipts	0.0	0.4	0.0	0.1	64.5	42.2	(67.3)
3 Total (non-debt) receipts (1 + 2)	0.6	20.4	(0.1)	22.5	83.9	81.5	10.1
4 Revenue expenditure	3.1	29.0	3.1	29.4	83.9	83.1	1.3
4.1 Interest payment	0.6	8.0	0.6	8.8	84.9	83.5	10.2
5 Capital expenditure	0.2	5.9	0.8	8.1	81.0	84.8	36.5
6 Total expenditure (4 + 5)	3.3	34.9	3.9	37.5	83.4	83.4	7.3
7 Revenue deficit (4 - 1)	2.4	9.2	3.2	7.3	83.1	87.1	(20.7)
8 Fiscal deficit (6 - 3)	2.6	14.5	4.0	15.0	82.8	86.5	3.3
9 Annual Nominal Gross Domestic Product (GDP)	269.5		293.9				

Source: CEIC, NIIF Research

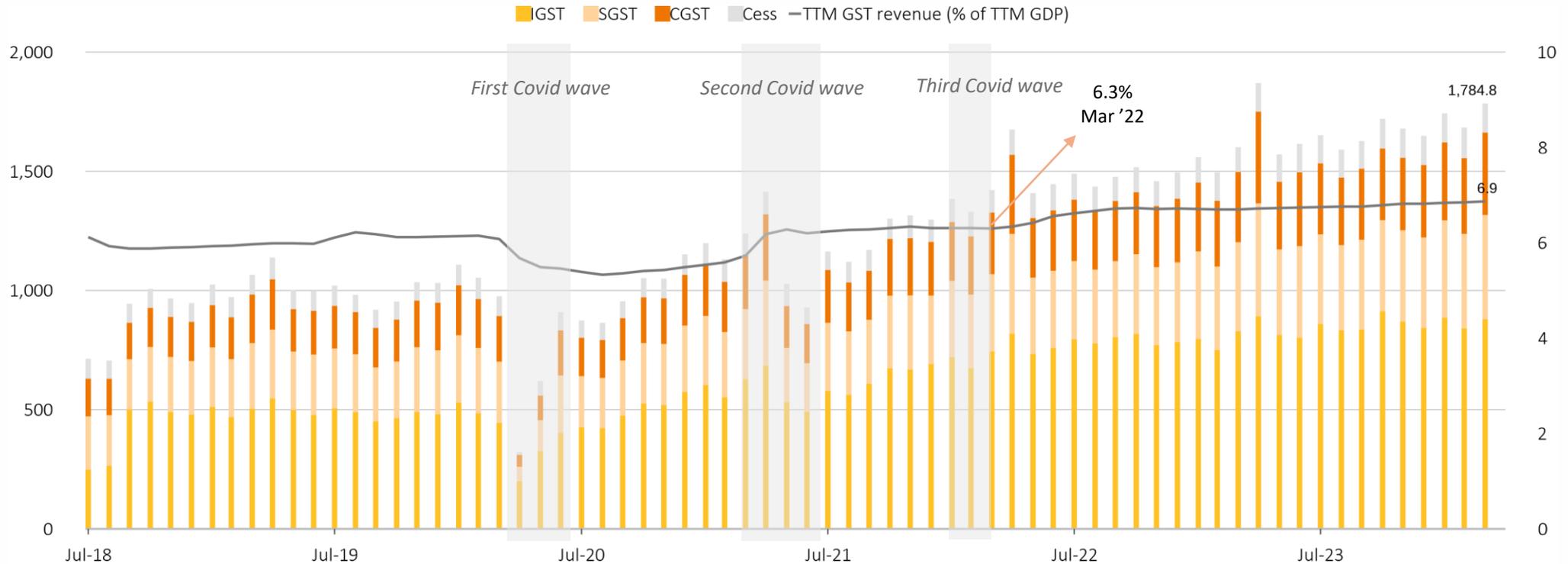
Note:

1. FY2022 is the period between April 2021 and March 2022; and FY2023 is the period between April 2022 and March 2023
2. YTD refers to financial year to date, i.e., from April onwards
3. RE is the revised estimate for the stated financial year

Fiscal Position

GST collections to GDP over trailing twelve months stable at 6.9%

Monthly composition of GST Revenue (INR billion), FY2019-FY2024 (Mar '24)



Source: Thurro, Ministry of Finance, NIIF Research

Note:

1. TTM is trailing twelve months
2. GST collected for April '20 and May '20 assumed to be entirely CGST
3. Nominal GDP for FY2023 is the revised estimate of INR 273.1 trillion, and for FY2024 is the budget estimate of INR 301.8 trillion



MONTHLY ECONOMIC REPORT ON INDIA APR 2024

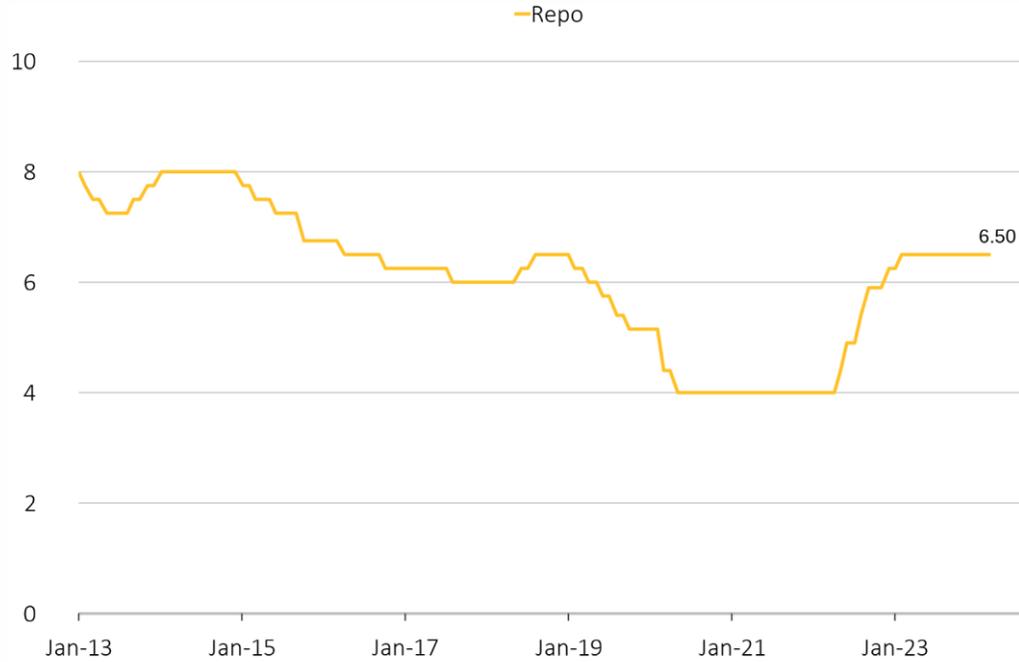
Markets

- Monetary policy stance unchanged since Feb '23. Transmission of policy rate still incomplete. Mar-end consensus forecasts a cumulative 50 bps rate cut in FY2025 over Q2 and Q3. Short-term yields moderate as liquidity eases (back in surplus); 10-year G-sec yields remain stable at 7.15% in early April
- Goods trade deficit remains wide in Feb due to pick up in imports (mainly gold). Buoyant services trade supporting narrowing of current account deficit to 1.2% of GDP in Q3FY24. INR appreciated against JPY over the 1 to 3 years by 12% and 8% p.a. respectively. Forex reserves at a record high of USD 646 billion providing ~9 months of import cover
- Lower volatility in the Indian equity market in March. Benchmark equity indices generate strong average returns of ~26% over the last year. Investors pull out of mutual funds on a net basis in Feb to the tune of INR 324 billion
- Gold remains above USD 2,000 mark, an all-time high. Rising Brent crude oil and copper prices – at USD 92 per bbl and USD 9,282 per ton respectively

Policy rate and liquidity

Repo rate at 6.5% - policy unchanged since Feb 2023

Repo rates (%), FY2013-FY2024 (29 Mar '24)

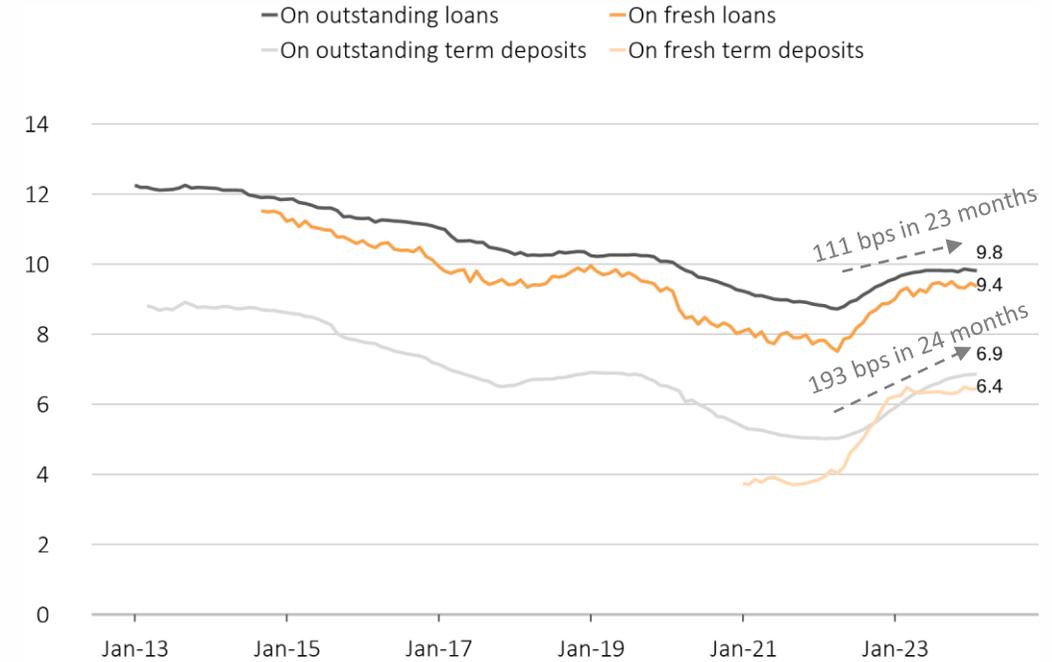


Source: Thurro, RBI, NIIF Research

Note:

Banks pass on less than half of the rate hikes on outstanding loans so far

Monthly weighted average lending and deposit rates (%), FY2014-FY2024 (Jan '24)

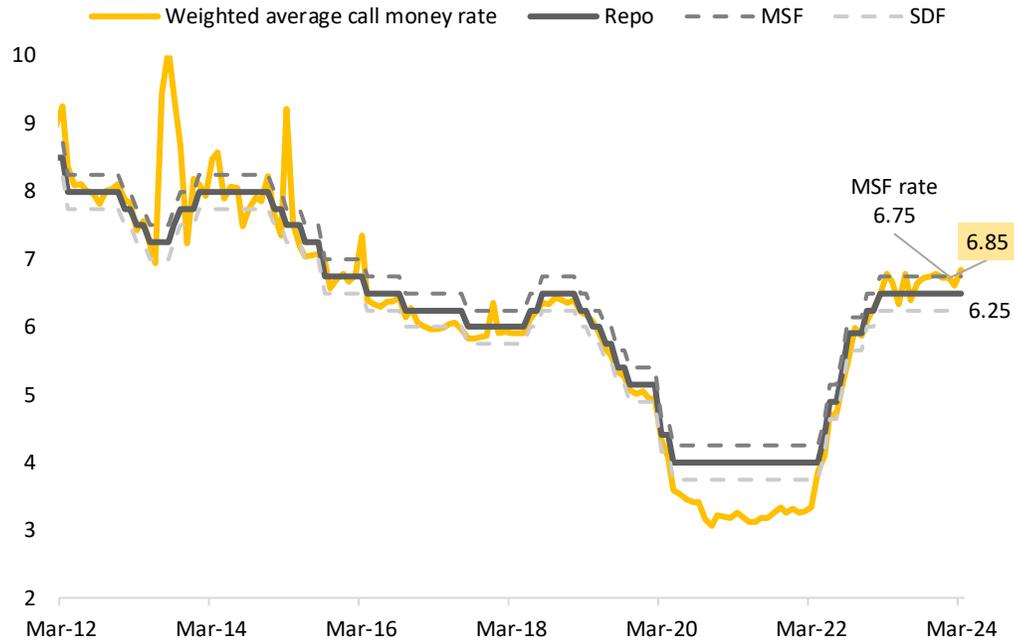


Source: Thurro, RBI, NIIF Research

Note:

Policy rate and liquidity

Call rate back above the upper end of policy rate corridor at 6.85% in Mar
 Monthly money market rates, FY2013-FY2024 (Mar '24)



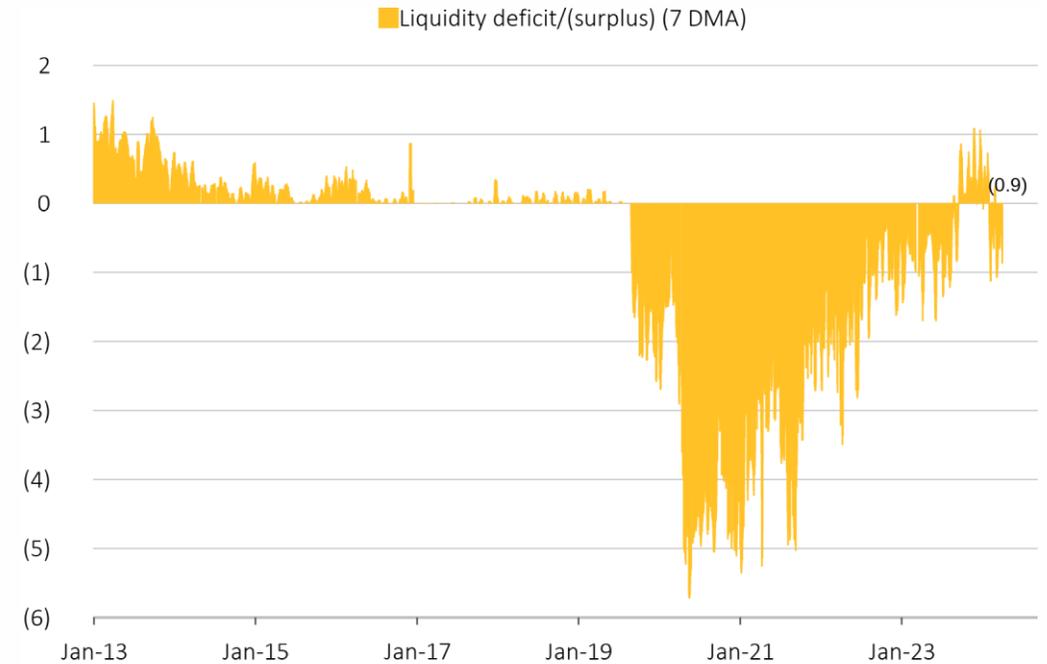
Source: CEIC, NIIF Research

Note:

1. MSF: Marginal standing facility
2. SDF: Standing deposit facility

Banking system liquidity moves into surplus in March

Liquidity injection or absorption by RBI (INR trillion), FY2013-FY2024 (31 Mar '24)



Source: Thurro, RBI, NIIF Research

Note:

1. Liquidity operations by RBI include repo, term-repo, long-term repo operations, open market operations, marginal standing facility, and standing liquidity facilities

Forecast of policy rates

Consensus median forecasts as of March-end estimate repo rate to be held at 6.50% up to Q1FY25

Projections for RBI's benchmark repo rate (%), Q1FY25 to Q1FY26 (Mar '24)

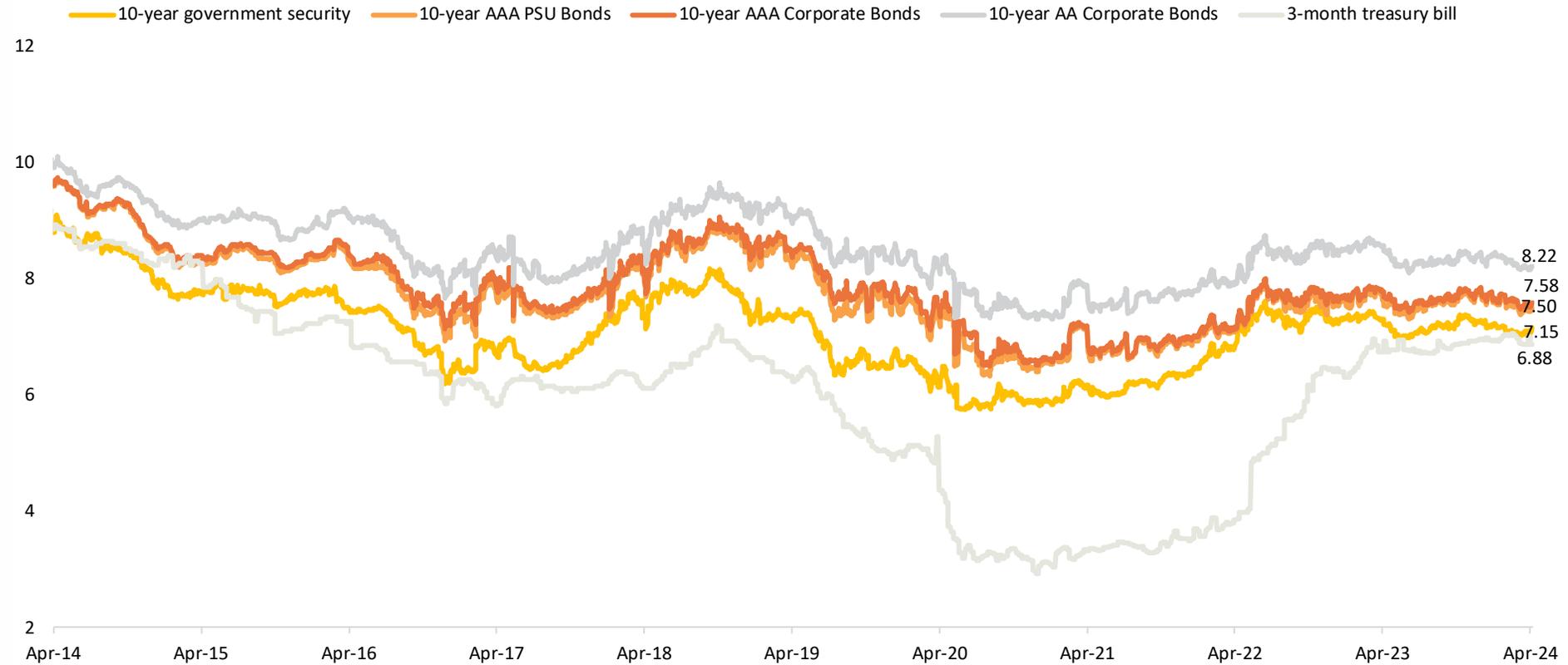
	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
<i>Number of analysts</i>	34	32	34	28	19
High forecast	6.50	6.50	6.50	6.00	6.00
Low forecast	6.25	5.75	5.75	5.50	5.25
Bloomberg average	6.45	6.30	6.00	5.85	5.75
Median forecast	6.50	6.25	6.00	6.00	5.75
Comparing previous survey median forecasts					
Bloomberg Sep '23 survey	6.25	6.00	6.00	6.00	6.00
Bloomberg Mar '23 survey	6.25	6.00	6.00	6.00	6.00
Bloomberg Nov '22 survey	6.25	6.13	6.13	-	

Source: Bloomberg, NIIF Research

Debt Markets

3-month treasury yield moderates to 6.88% in early April; 10-year G-Sec yields stable at 7.15%

Daily India G-sec and corporate bond yields (%), FY2014-FY2025 (08 Apr 2024)



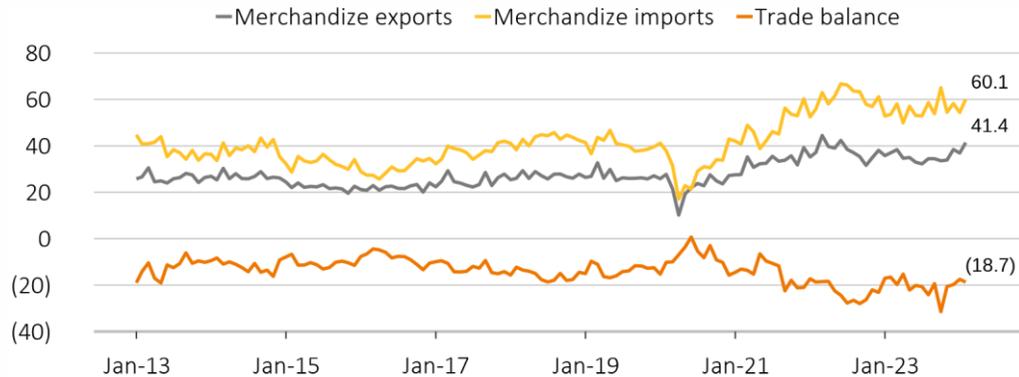
Source: Bloomberg, NIIF Research

Note:

Balance of Payments

Trade deficit widens to ~USD 19 bn in Feb as exports and imports rise

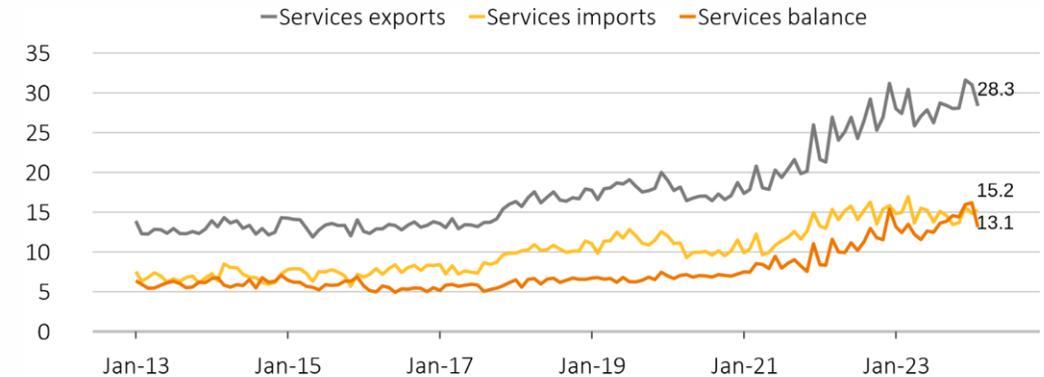
Monthly trade composition (USD billion), FY2013-FY2024 (Feb '24)



Source: Thurro, RBI, NIIF Research

Service trade surplus moderates to ~USD 13 billion in Feb

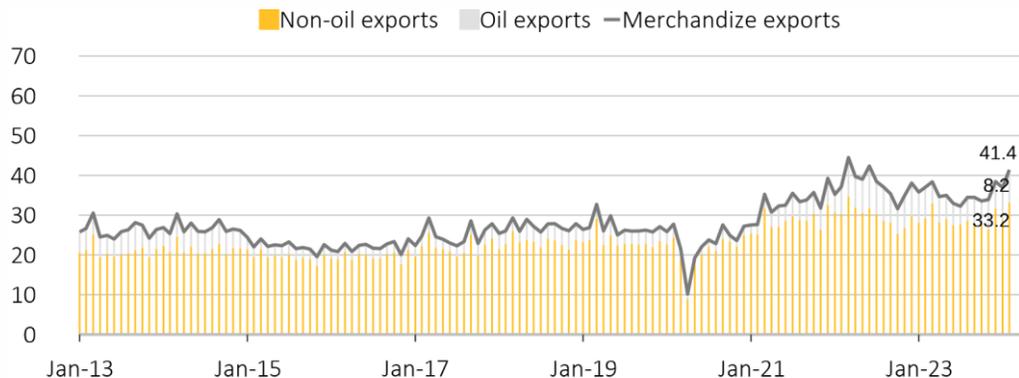
Monthly services trade (USD billion), FY2013-FY2024 (Feb '24)



Source: Thurro, RBI, NIIF Research

Non-oil exports drive the pickup in overall exports in Feb

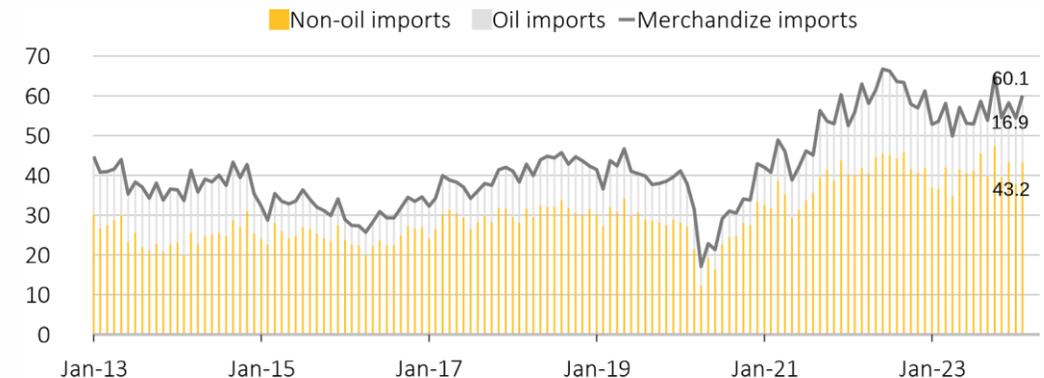
Monthly merchandize exports (USD billion), FY2013-FY2024 (Feb '24)



Source: Thurro, RBI, NIIF Research

Higher non-oil imports (mainly gold) drive overall goods imports in Feb

Monthly merchandize imports (USD billion), FY2013-FY2024 (Feb '24)



Source: Thurro, RBI, NIIF Research

Balance of payments

Current account deficit moderates to 1.2% of GDP in Q3FY24

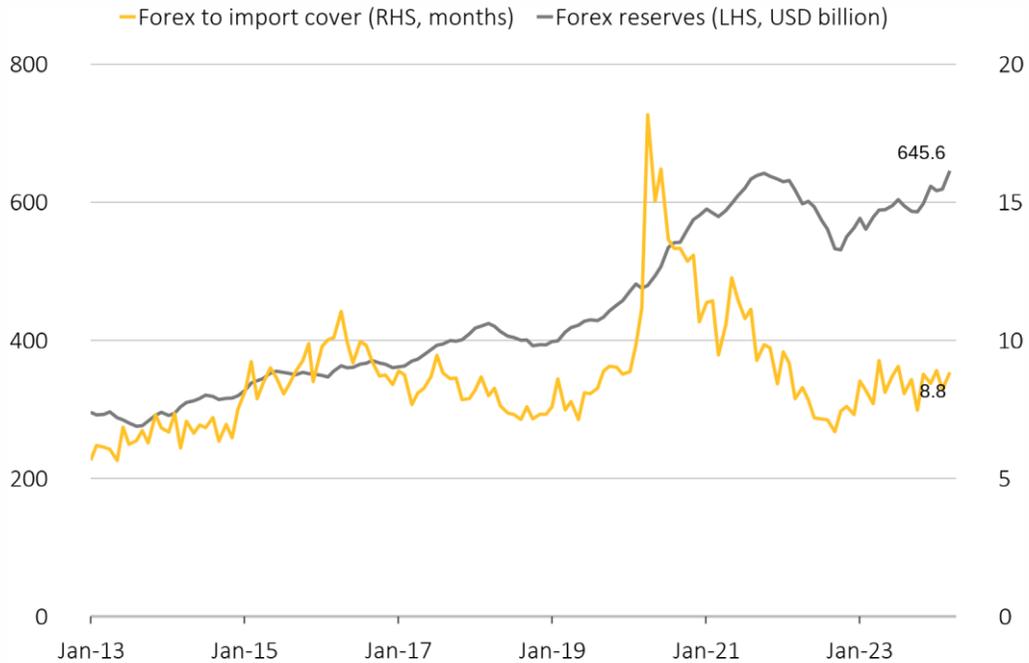
Quarterly balance of payments (USD billion), FY2020-FY2024 (Dec '23)

	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
a. Merchandize trade	(71.3)	(52.6)	(56.7)	(64.5)	(71.6)
<i>(as % of GDP)</i>	<i>(8.6)</i>	<i>(6.1)</i>	<i>(6.6)</i>	<i>(7.5)</i>	<i>(7.9)</i>
b. Exports	105.6	115.8	104.9	108.3	106.7
c. Imports	176.9	168.4	161.6	172.8	178.3
d. Services trade	38.7	39.1	35.1	39.9	45.0
e. Income	(12.7)	(12.6)	(10.4)	(11.8)	(13.2)
f. Transfers	28.5	24.8	22.9	24.9	29.3
g. Current account (a + d + e + f)	(16.8)	(1.3)	(9.1)	(11.4)	(10.5)
<i>(as % of GDP)</i>	<i>(2.0)</i>	<i>(0.2)</i>	<i>(1.1)</i>	<i>(1.3)</i>	<i>(1.2)</i>
h. Foreign direct investment	2.0	6.4	4.9	(0.6)	4.2
i. Portfolio	4.6	(1.7)	15.7	4.9	12.0
j. Loans (external assistance, commercial borrowings, short term credit to india)	1.8	3.1	2.2	3.3	(3.5)
k. Banking capital	14.4	(4.1)	12.9	4.3	16.4
l. Others	7.3	2.9	(1.5)	1.1	(11.7)
m. Capital account (h+ i + j + k + l)	30.2	6.5	34.3	13.0	17.4
<i>(as % of GDP)</i>	<i>3.6</i>	<i>0.8</i>	<i>4.0</i>	<i>1.5</i>	<i>1.9</i>
n. Net errors and omissions	(1.0)	0.4	(0.8)	0.9	(0.8)
o. Balance of payment (g + m + n)	11.1	5.6	24.4	2.5	6.0
<i>(as % of GDP)</i>	<i>1.3</i>	<i>0.6</i>	<i>2.8</i>	<i>0.3</i>	<i>0.7</i>

Source: Thurro, RBI, NIIF Research

Balance of payments

Forex reserves at record highs, provide ~9 months of import cover Monthly foreign exchange reserves, FY2013-FY2024 (29 Mar '24)

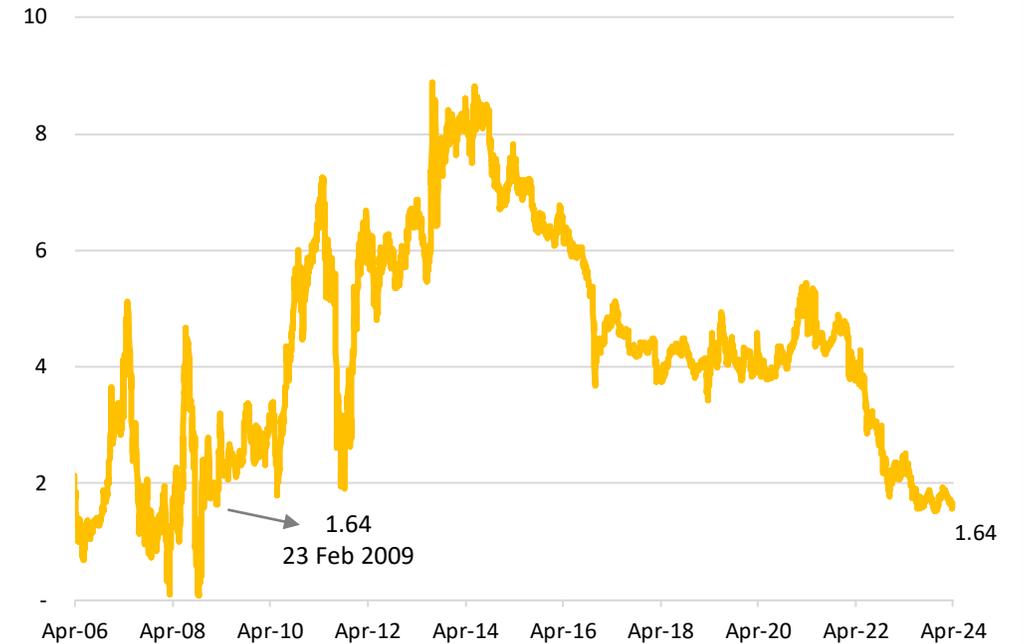


Source: Thurro, RBI, NIIF Research

Note:

1. Import cover calculated on total imports (merchandise plus services)

Forward premium on USD continues to remain low USD/INR implied forward risk premium (%), FY2012-FY2025 (08 Apr '24)



Source: Bloomberg, NIIF Research

Note:

Foreign Exchange Markets

INR remains slightly overvalued against currencies of trading partners

Monthly real effective exchange rate of INR, base year 2015-16 (X), (Feb '24)



Source: Thurro, RBI, NIIF Research

Note:

1. Real effective exchange rate (REER) is the weighted average of a country's currency in relation to basket of currencies of its major trading partners.
2. A REER value greater than 100 implies that the currency is overvalued, and undervalued if under 100

Dollar index trading higher in Mar

Monthly average dollar index (X), FY2013-FY2024 (Mar '24)



Source: Thurro, Yahoo Finance, NIIF Research

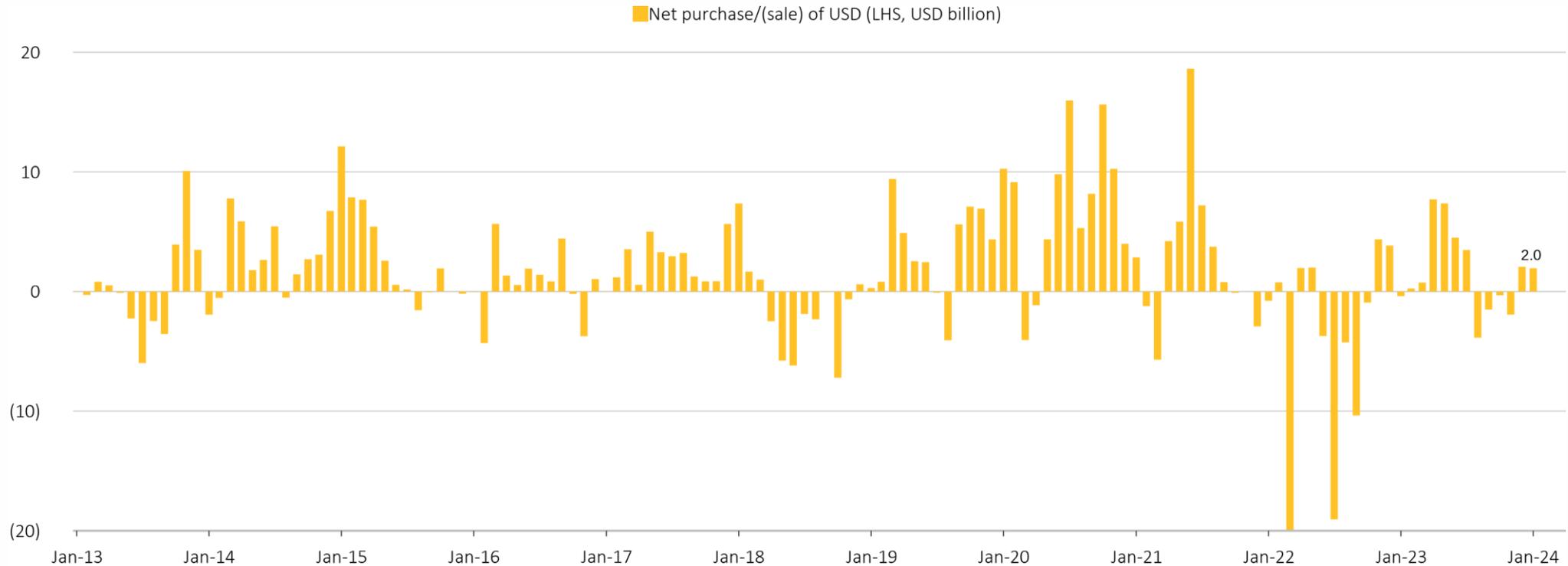
Note:

1. Dollar index measures the relative strength of USD compared to other major currencies (EUR, GBP, JPY, SEK, CAD, CHF). A higher number indicates a stronger USD.

Foreign Exchange Markets

RBI buys USD in Dec-Jan after remaining a net seller for four months

Monthly net purchase/(sale) of USD by RBI, FY2013-FY2024 (Jan '24)



Source: Thurro, RBI, NIIF Research

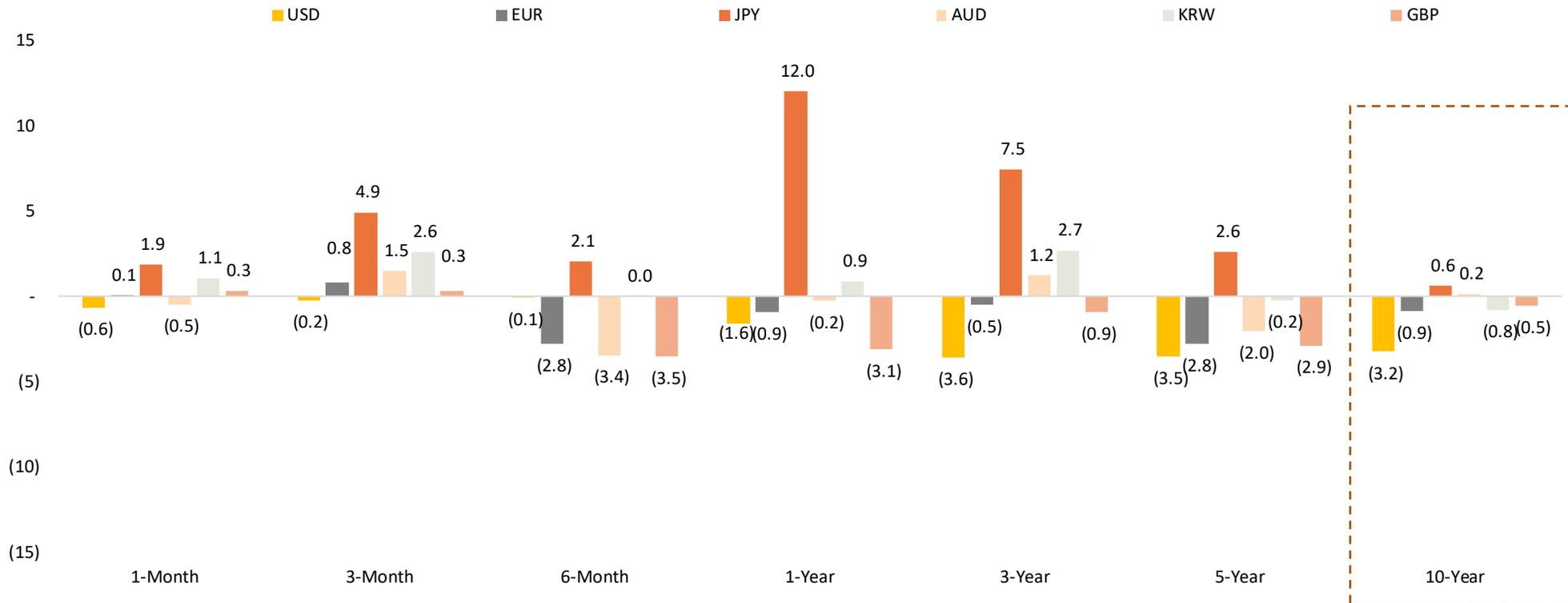
Note:

1. Net purchase and sale of foreign currency in over-the-counter segment
2. RBI was a net seller of USD in March 2022 to the tune of USD 20.1 billion

Foreign Exchange Markets

Long-term depreciation against USD stable at ~3%

INR performance vis-a-vis major currencies (%), FY2015-FY2025 (08 Apr '24)



Source: Thurro, RBI, NIIF Research

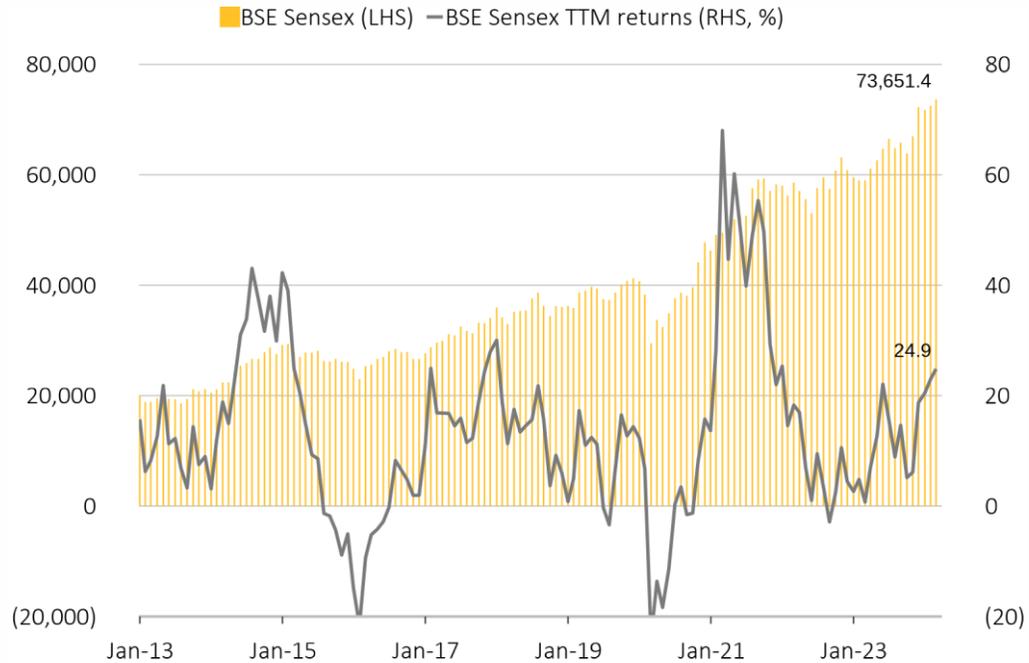
Note:

1. Numbers are annualized for periods above 1 year
2. Positive return indicates appreciation and negative means depreciation

Equity Markets

BSE Sensex generate strong returns of ~25% yoy in Mar

Monthly BSE Sensex performance, FY2013-FY2024 (Mar '24)



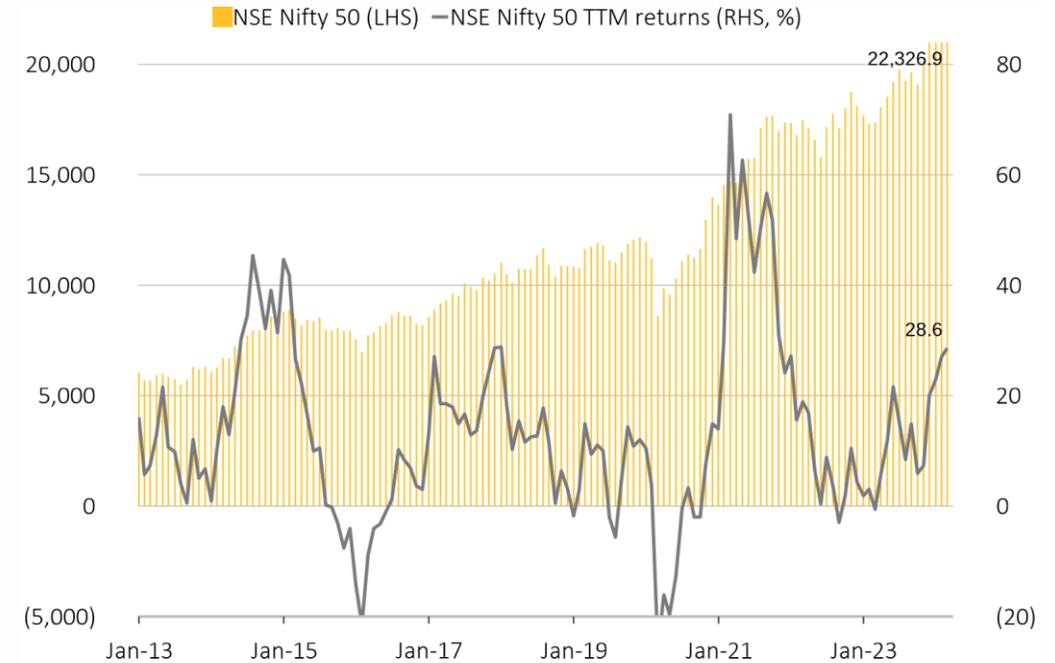
Source: Thurro, BSE, NIIF Research

Note:

1. TTM: trailing twelve months
2. Monthly data for stock indices is as on end of the month
3. Returns do not take into account any dividend payouts and stock buybacks, if any

NSE Nifty returns pick up to ~27% yoy in Mar

Monthly NSE Nifty performance, FY2013-FY2024 (Mar '24)



Source: Thurro, NSE, NIIF Research

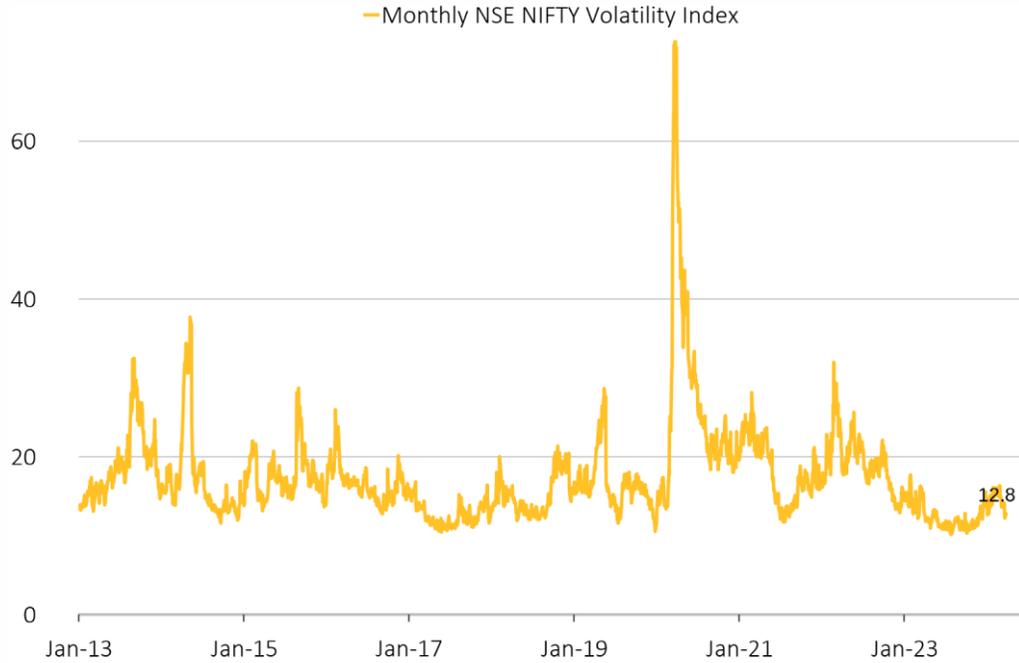
Note:

1. Monthly data for stock indices is as on end of the month
2. Returns do not take into account any dividend payouts and stock buybacks, if any

Equity Markets

Equity market turns less volatile over March

Daily NSE NIFTY Volatility Index (X), FY2013-FY2024 (Mar '24)



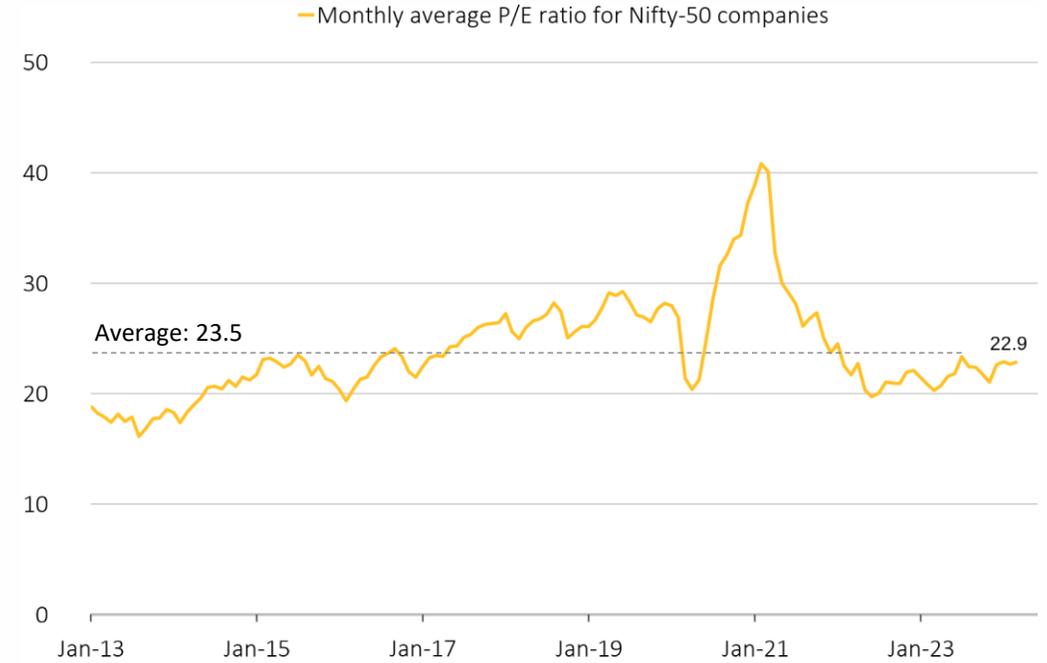
Source: Thurro, NSE, NIIF Research

Note:

- Volatility Index (VIX) represents the market's expectations of volatility over the next 30 days. India VIX is based on the NIFTY Index Option prices

Equity valuations for Nifty-50 companies remain fairly priced

Monthly average P/E ratio for Nifty-50 companies, FY2013-FY2024 (Mar '24)



Source: Thurro, NSE, NIIF Research

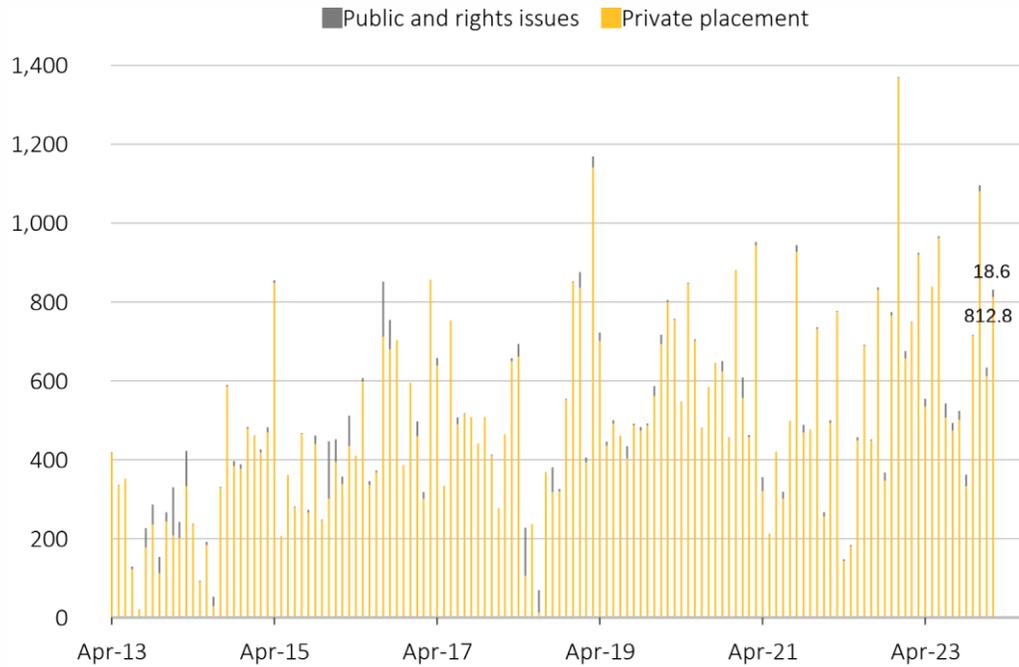
Note:

- Earnings assumed for P/E ratios are trailing 4-quarter earnings
- Sharp fall in P/E ratio around April 2021 is because NSE changed the methodology to calculate this ratio using consolidated financials from standalone

Debt and equity markets: issuance

Capital raised through debt markets in Feb at ~INR 831 billion

Monthly debt fund raising by corporate sector (INR billion), FY2014-FY2024 (Feb '24)

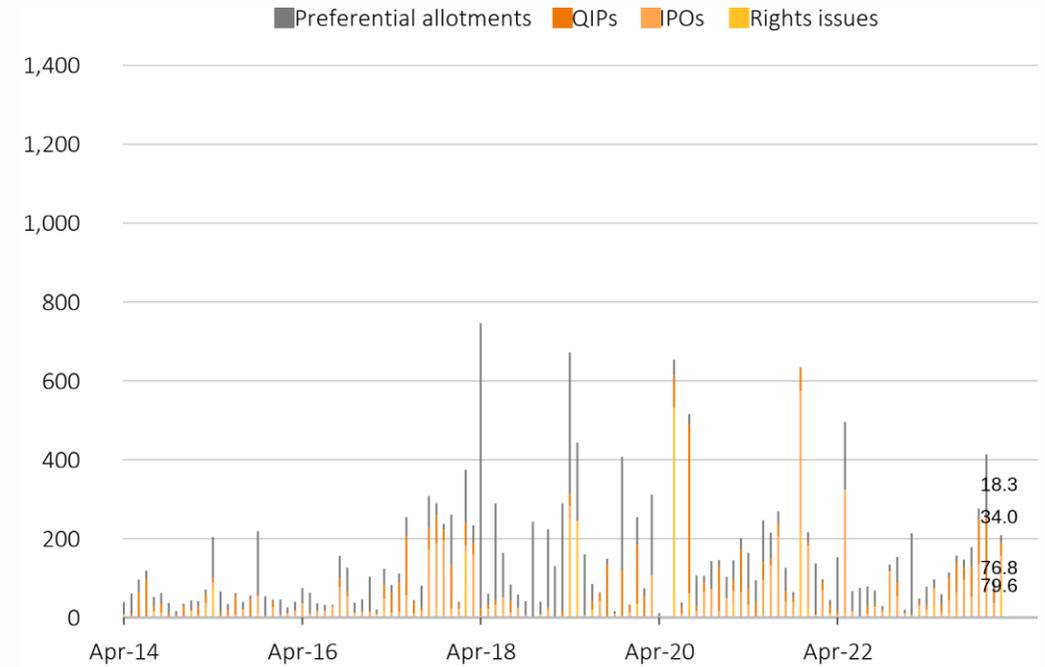


Source: Thurro, SEBI, NIIF Research

Note:

Equity capital raised in Feb at ~INR 209 billion

Monthly equity fund raising by corporate sector (INR billion), FY2015-FY2024 (Feb '24)



Source: Thurro, SEBI, NIIF Research

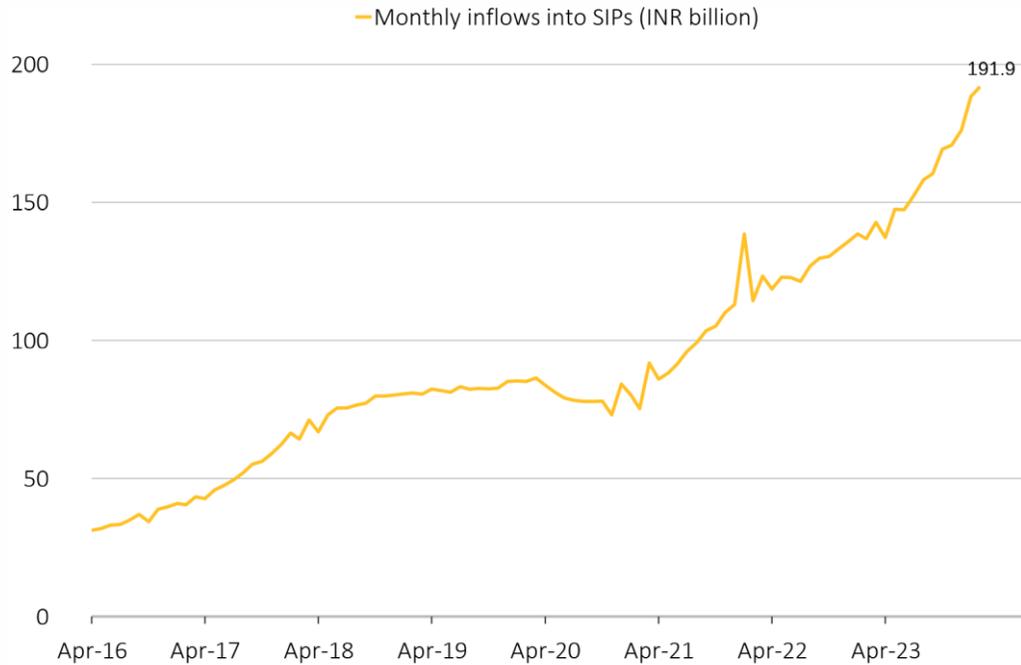
Note:

- IPO here includes only fresh issuances, does not include OFS or secondary sales

Debt and equity markets: mutual funds

SIP flows into mutual funds further pick up to ~INR 192 billion in Feb

Monthly inflows into SIPs, FY2017-FY2024 (Feb '24)



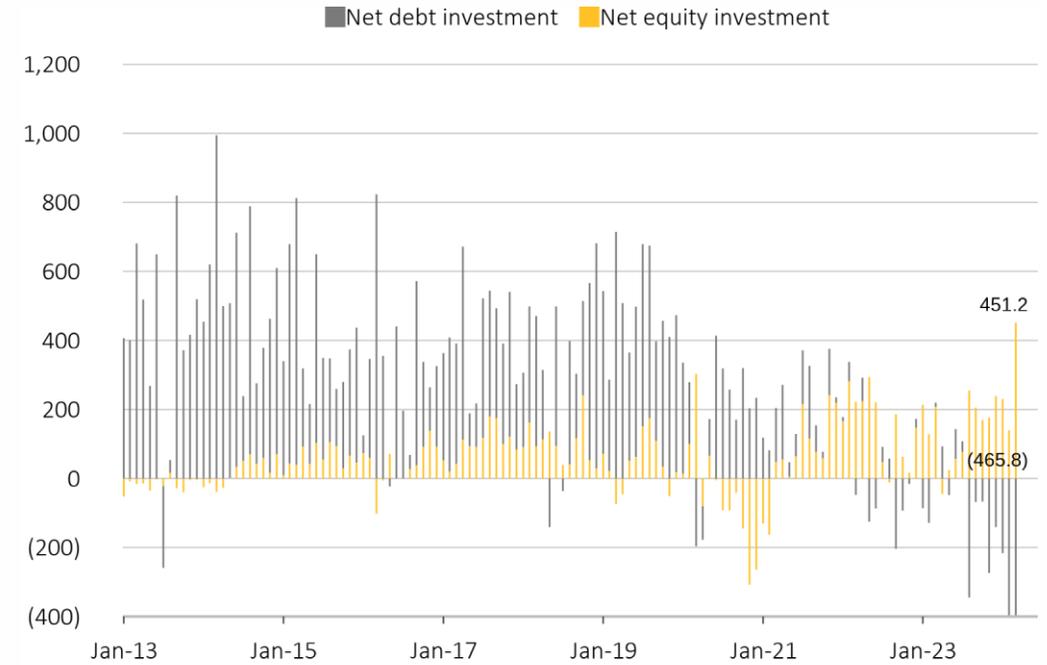
Source: Thurro, AMFI, NIIF Research

Note:

1. SIP stands for Systematic Investment Plans, an investment route offered by mutual funds wherein one can invest a fixed amount in a Mutual Fund scheme at regular intervals

Mutual funds record a net outflow of ~INR 15 billion in Mar

Monthly net inflows into mutual funds (INR billion), FY2013-FY2024 (Mar '24)



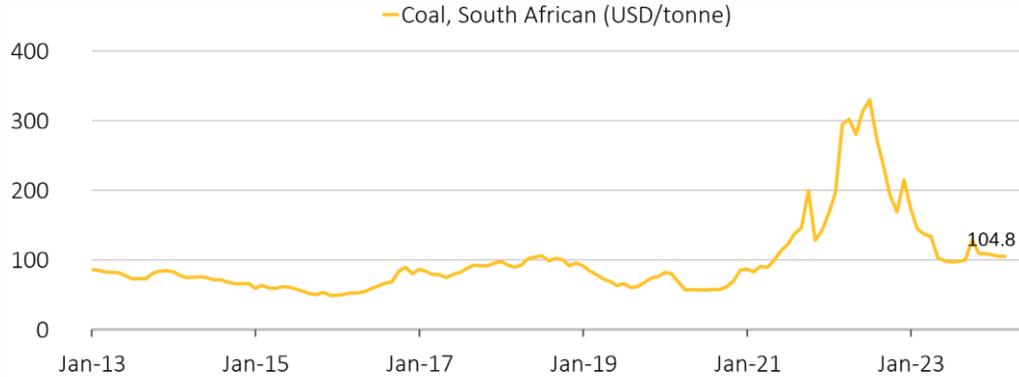
Source: Thurro, SEBI, NIIF Research

Note:

Commodity Markets

Coal prices remain stable at USD 105 per ton in Mar

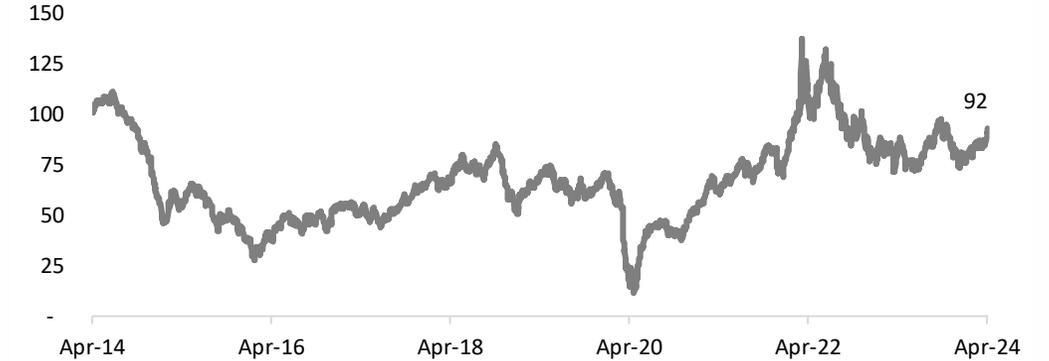
Monthly coal (South African) prices (USD per ton), FY2014-FY2024 (Mar '24)



Source: Thurro, World Bank Commodity Price Data (The Pink Sheet), NIIF Research

Brent crude prices trending above ~USD 90 per bbl

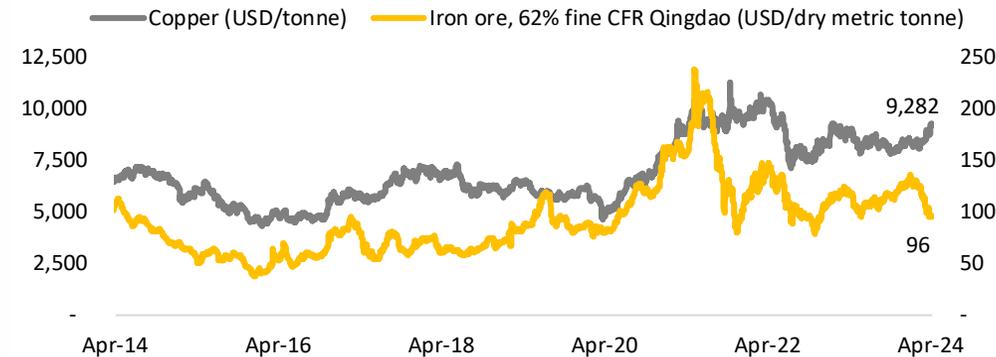
Daily Brent crude oil prices (USD per bbl), FY2014-FY2025 (08 Apr '24)



Source: Bloomberg, NIIF Research

Iron ore prices continue to fall in Apr, copper prices picking up

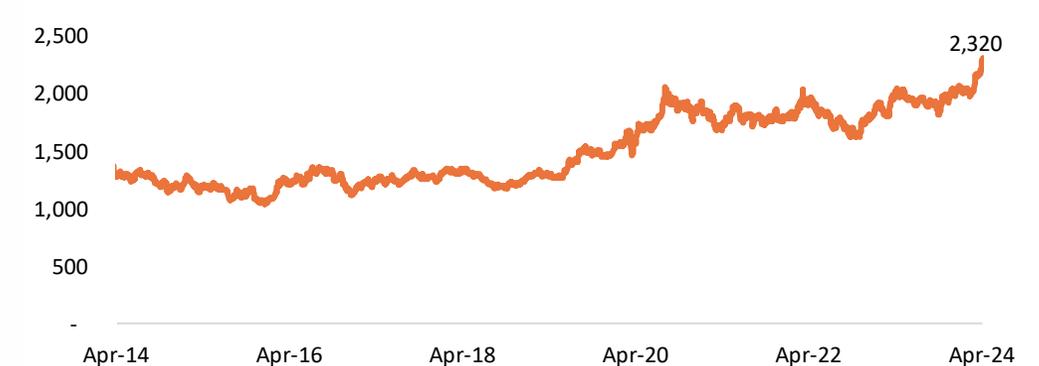
Daily copper and iron ore prices, FY2014-FY2025 (08 Apr '24)



Source: Bloomberg, NIIF Research

Gold price continues to surge, above USD 2,000 mark

Daily gold prices (USD per troy oz), FY2014-FY2025 (08 Apr '24)



Source: Bloomberg, NIIF Research



MONTHLY ECONOMIC REPORT ON INDIA APR 2024

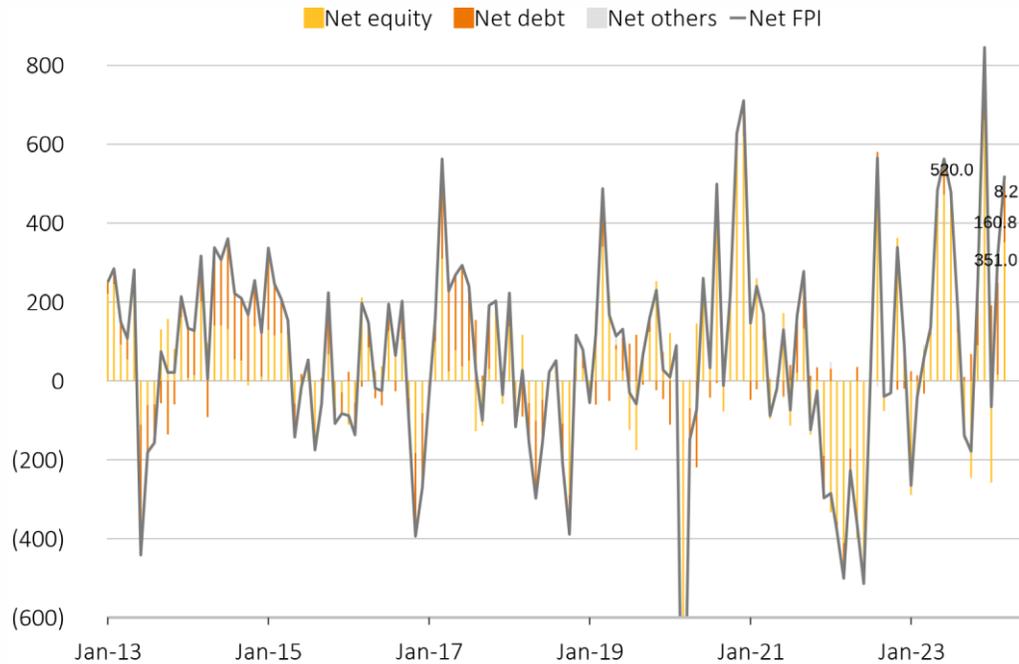
Investments

- Foreign and local institutional investors combined invested more than INR 1 trillion in March FYTD2024. Cumulative net foreign portfolio investments of INR 3.4 trillion and domestic institutional investments of INR 2.1 trillion in FY2024 are at all-time highs.
- Foreign direct investment into India slow down in FYTD2024 with cumulative net FDI inflow of USD 15.4 billion between Apr-Jan. January saw a surge in net FDI inflow of USD 5.7 billion. In FY2023, FDI inflow into services, chemicals and pharma sectors recorded sharp yoy growth. Singapore, USA, and Mauritius were the largest FDI investors in India
- AIF fund-raising activity garners momentum with INR 408 billion raised in Q3FY24. Venture capitals raises the most funds at INR 48.2 billion in Category I AIFs total fundraise of INR 77.4 billion. Investments by AIFs jump to INR 461 billion in Q3FY24, majorly led by Category II. Funds raised and deployed by Cat II AIFs were at INR 231 billion and INR 190 billion respectively. Annually, AIFs record strong fund-raising and investment activity in FYTD2024

Flows: portfolio

Portfolio investors record net inflows of ~INR 520 billion in Mar

Monthly net FPI investments in India (INR billion), FY2013-FY2024 (Mar '24)



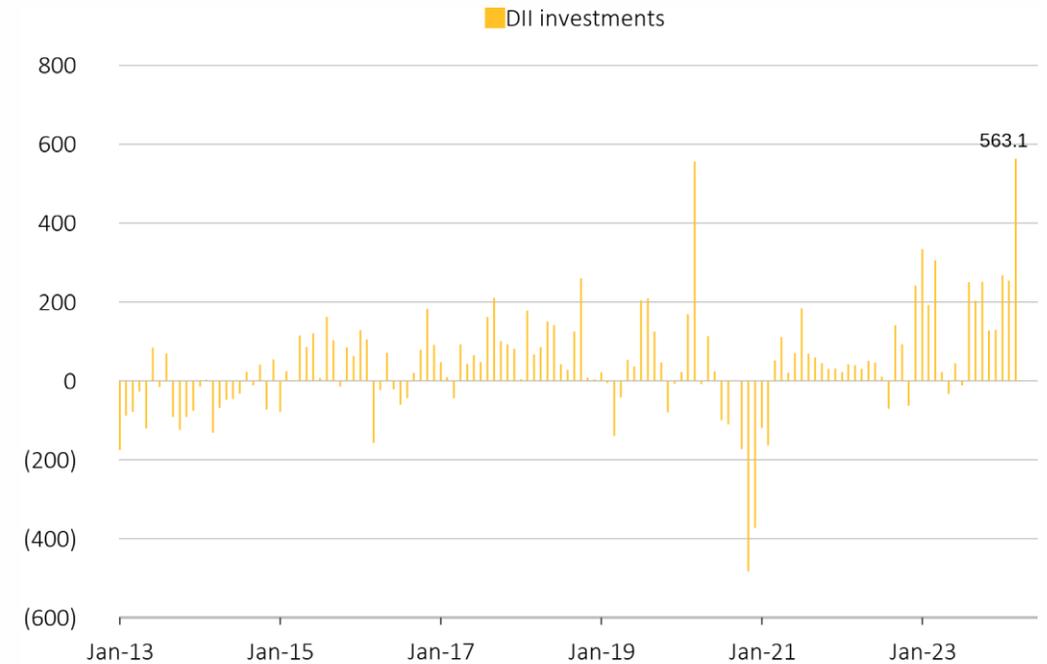
Source: Thurro, NSDL, NIIF Research

Note:

- Others comprise of debt-VRR and hybrid investments. Hybrid include investments in InvITs and REITs. Debt-VRR (voluntary retention route) allows FPIs to participate in repo transactions and also invest in exchange traded funds that invest in debt instruments.

Surge in investments by domestic institutional investors in Mar

Monthly net DII investments in India (INR billion), FY2013-FY2024 (Mar '24)



Source: Thurro, NSE, BSE, NIIF Research

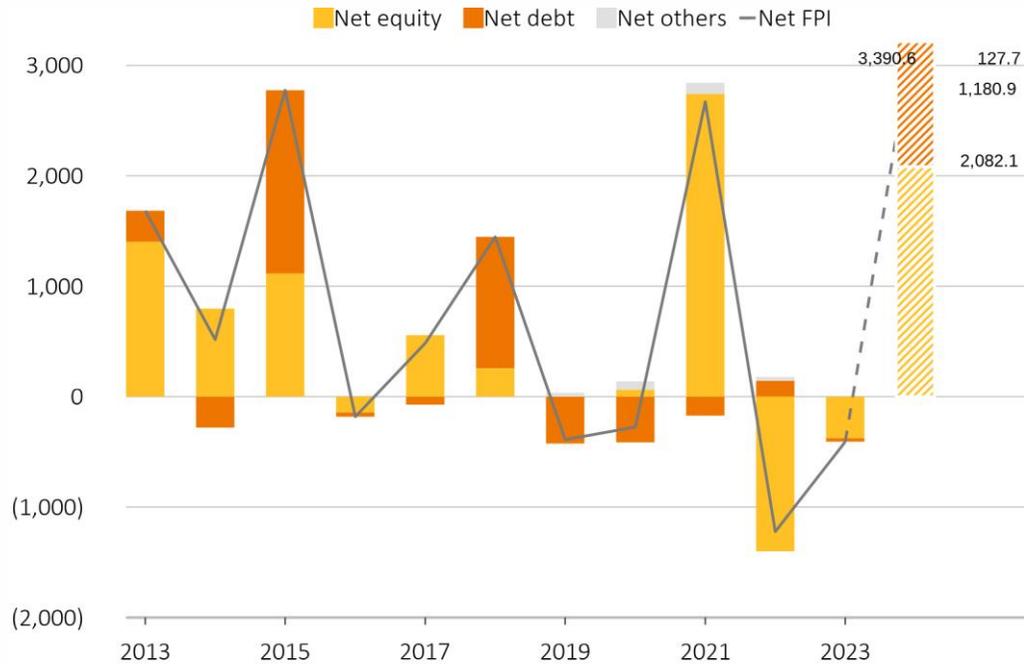
Note:

- Domestic institutional investors (DII) are those institutional investors who undertake investment in securities and other financial assets (debt, AIFs, etc.) within India. These include insurance companies, banks, DFIs, mutual funds, NPS, EPFO.

Flows: portfolio

Net FPI of INR 3.4 trillion in FY2024, an all time high

Annual net FPI investments in India (INR billion), FY2013-FY2024 (Mar '24)



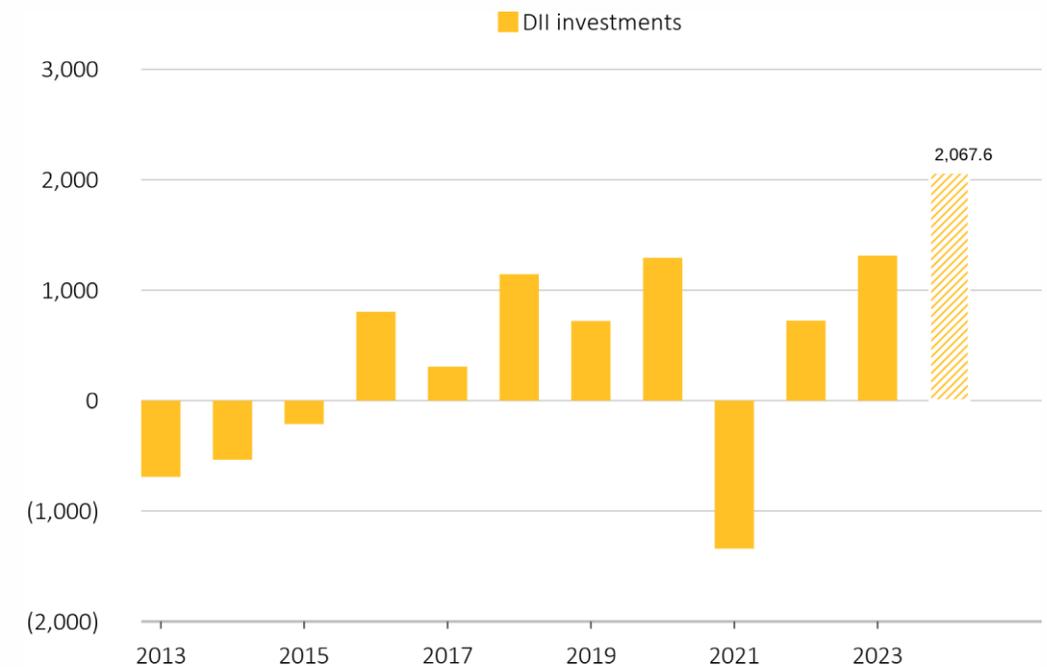
Source: Thurro, NSDL, NIIF Research

Note:

- Others comprise of debt-VRR and hybrid investments. Hybrid include investments in InvITs and REITs. Debt-VRR (voluntary retention route) allows FPIs to participate in repo transactions and also invest in exchange traded funds that invest in debt instruments.

Investments by domestic institutional investors at a decadal high

Annual net DII investments in India (INR billion), FY2013-FY2024 (Mar '24)



Source: Thurro, NSE, BSE, NIIF Research

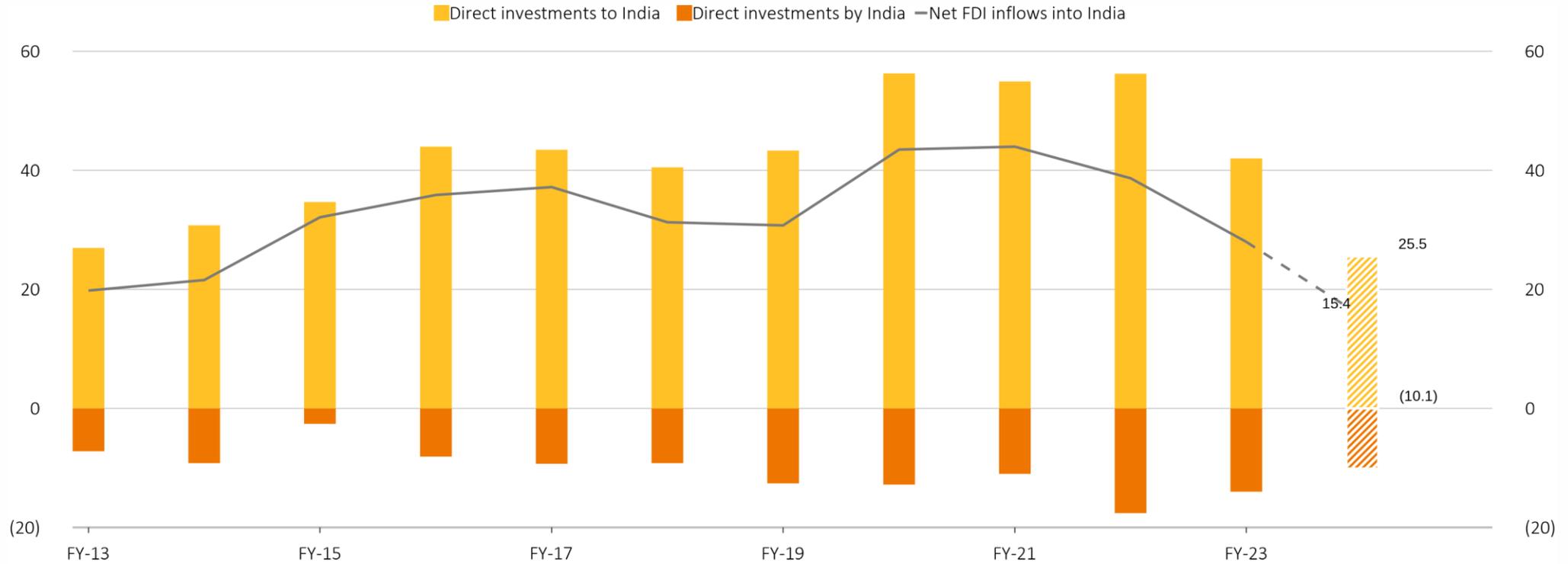
Note:

- Domestic institutional investors (DII) are those institutional investors who undertake investment in securities and other financial assets (debt, AIFs, etc.) within India. These include insurance companies, banks, DFIs, mutual funds, NPS, EPFO.

Flows: FDI

Net FDI flows in FYTD24 (April-Jan) at USD 15.4 billion

Annual foreign direct investments (USD billion), FY2013-FY2024 (Jan '24)



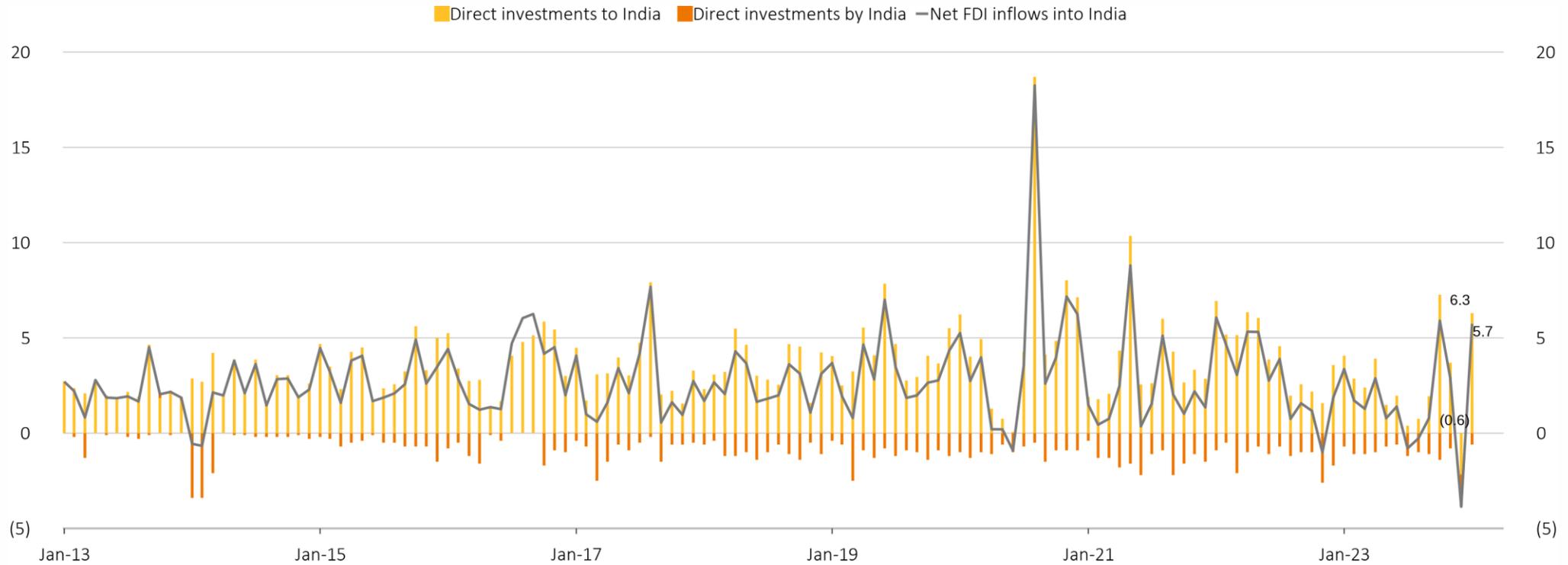
Source: Thurro, RBI, NIIF Research

Note:

Flows: FDI

FDI records a net inflow of USD 5.7 billion in Jan

Monthly foreign direct investments (USD billion), FY2013-FY2024 (Jan '24)



Source: Thurro, RBI, NIIF Research

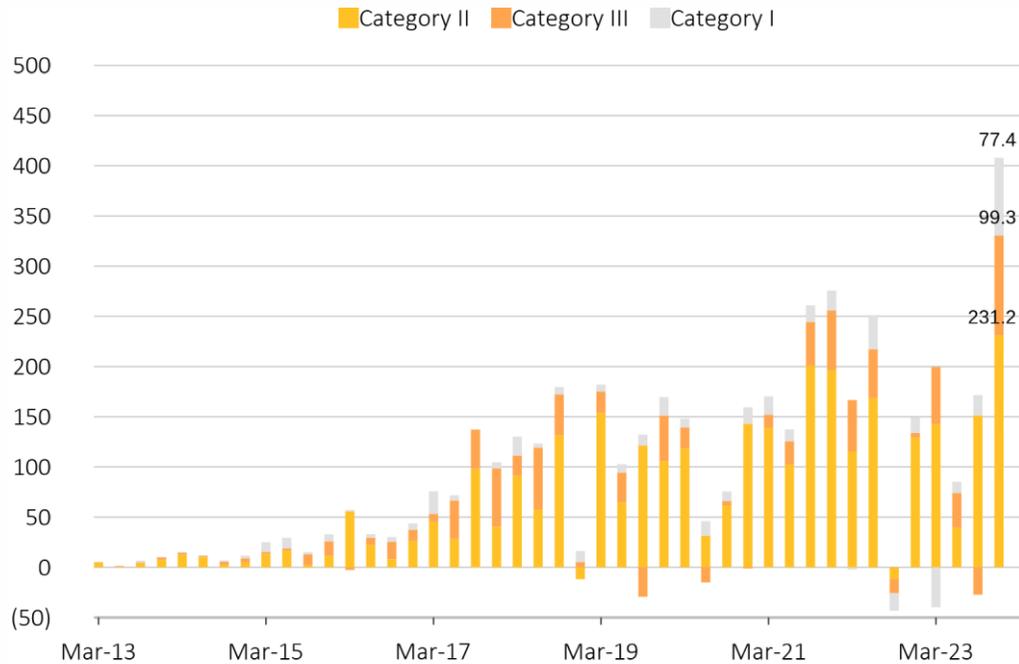
Note:

1. Direct investments to India is the difference between gross inflows and repatriation/disinvestment

Alternative Investments

Sharp pick up in AIF fundraising – INR 408 billion raised in Q3FY24

Quarterly AIF net fundraises (INR billion), FY2013-FY2024 (Dec '23)



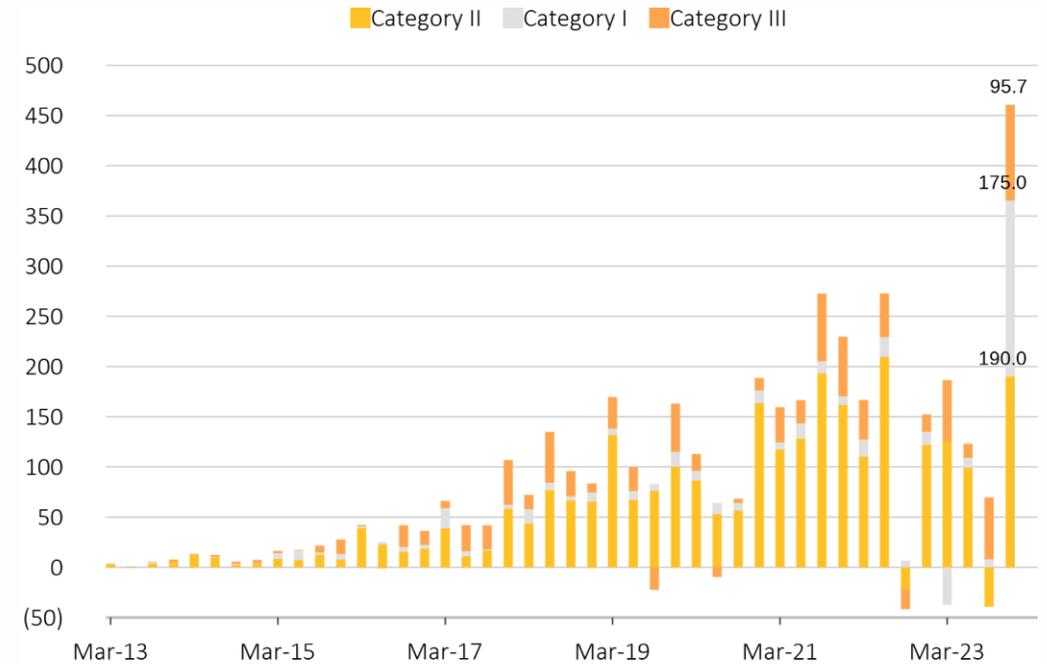
Source: Thurro, SEBI, NIIF Research

Note:

1. Category I Alternative Investment Funds (AIFs) invest in startup or early-stage ventures or social ventures, SMEs, infrastructure, or other sectors which the government or regulators consider as socially or economically desirable
2. Category II AIFs are those that do not fall in Category I and II and which do not undertake leverage other than to meet day-to-day operational requirements, such as real estate funds, private equity funds, etc.
3. Category III AIFs employ diverse trading strategies and may employ leverage including through investment in listed or unlisted derivatives such as hedge funds, PIPE funds, etc.

AIF investments jump to ~INR 461 billion in Q3FY24, led by Cat I and II

Quarterly AIF net investments (INR billion), FY2013-FY2024 (Dec '23)



Source: Thurro, SEBI, NIIF Research

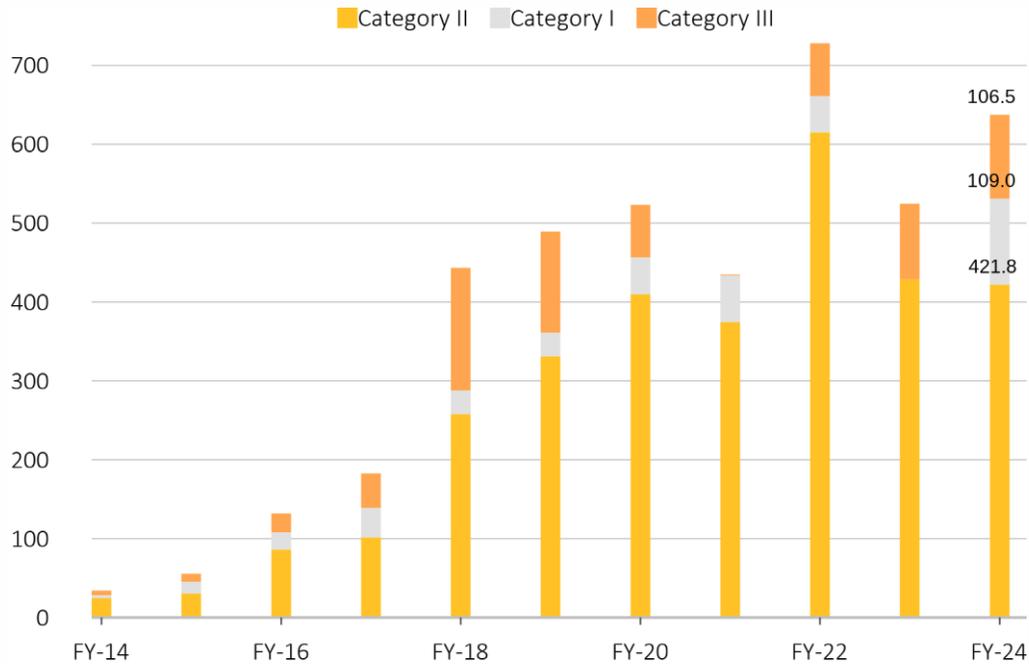
Note:

1. SEBI publishes quarterly data on Alternative Investment Funds (AIFs) related to cumulative commitments raised, funds raised, and investments made up to a quarter-end. Therefore, the chart above shows AIF activity in a quarter by subtracting the cumulative numbers provided by SEBI for current quarter from the previous quarter to get a flow number.

Alternative Investments

Funds raising activity by AIFs in FYTD2024 at INR 637 billion

Annual AIF net fundraises (INR billion), FY2014-FY2024 (Dec '23)



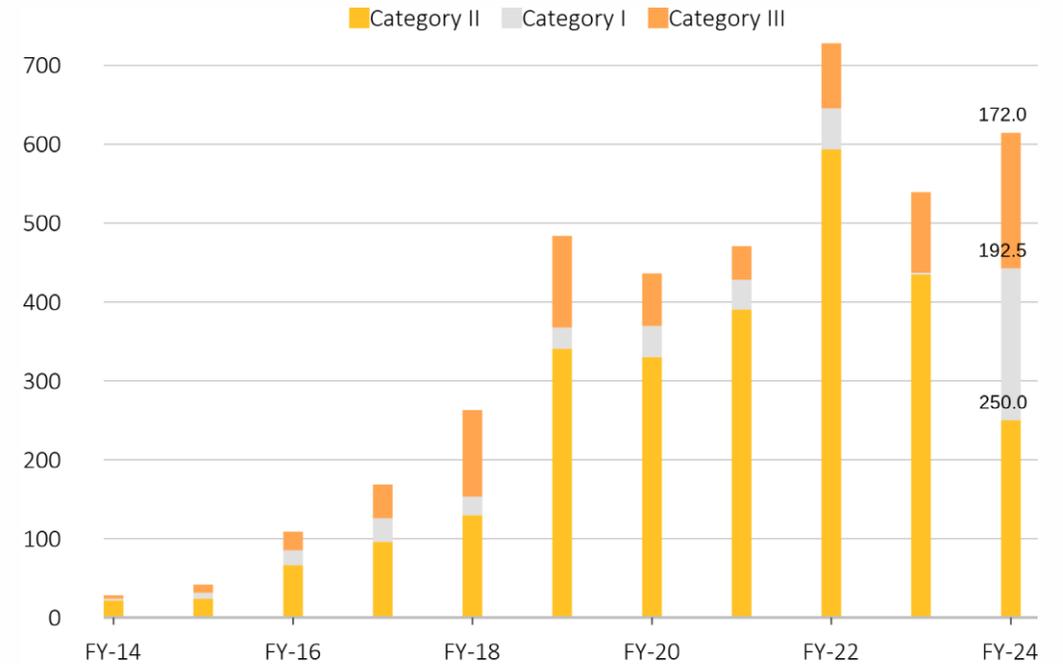
Source: Thurro, SEBI, NIIF Research

Note:

1. Category I Alternative Investment Funds (AIFs) invest in startup or early-stage ventures or social ventures, SMEs, infrastructure, or other sectors which the government or regulators consider as socially or economically desirable
2. Category II AIFs are those that do not fall in Category I and II and which do not undertake leverage other than to meet day-to-day operational requirements, such as real estate funds, private equity funds, etc.
3. Category III AIFs employ diverse trading strategies and may employ leverage including through investment in listed or unlisted derivatives such as hedge funds, PIPE funds, etc.

Net investments by AIFs in FYTD2024 at ~INR 615 billion

Annual AIF net investments (INR billion), FY2014-FY2024 (Dec '23)



Source: Thurro, SEBI, NIIF Research

Note:

1. SEBI publishes quarterly data on Alternative Investment Funds (AIFs) related to cumulative commitments raised, funds raised, and investments made up to a quarter-end. Therefore, the chart above shows AIF activity in a quarter by subtracting the cumulative numbers provided by SEBI for current quarter from the previous quarter to get a flow number.



MONTHLY ECONOMIC REPORT ON INDIA APR 2024

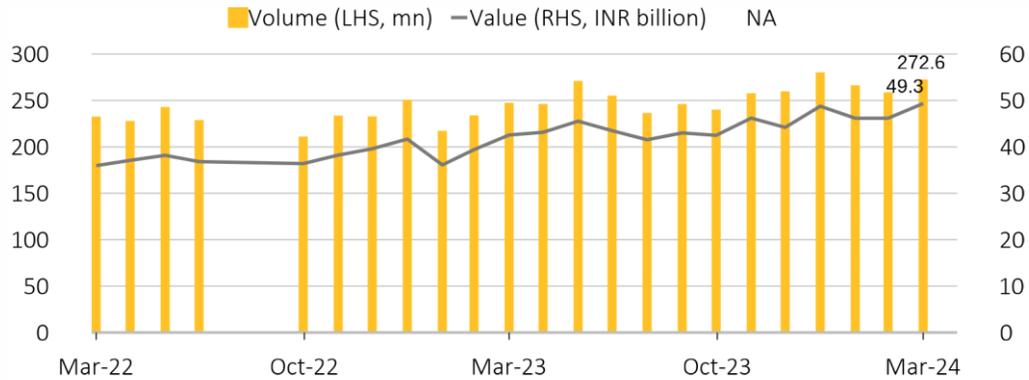
Infrastructure

- FasTag and road toll collection picks up in March to ~INR 59 billion and INR ~49 billion respectively. Truck freight rate growth moderates in quarter-ended Dec. Shipping costs moderate in early April. Muted growth in ports cargo traffic of 2% yoy in Feb. Robust growth in rail freight of ~10% yoy, boosted by a 29-day Feb, driven by iron ore
- Domestic air travel growth moderates in March to 5% yoy, with ~14 mn passengers. Growth in rail passenger traffic at 7.7% in October – data unavailable thereafter
- Strong growth of 8% in power generation in March. Peak power demand deficit moderates in Mar to 0.6% leading to a fall in traded power tariffs
- Renewable's share in total energy generation picks up to ~13% in Feb, driven by a pickup in 'other' sources of renewables (bagasse, biomass excl. bagasse, etc.). Polysilicon prices remain at a multi-year low of USD 8 per kg in Mar, silver prices rise to USD 25 per troy oz

Roads

Toll road collection picks up in March to ~INR 49 billion

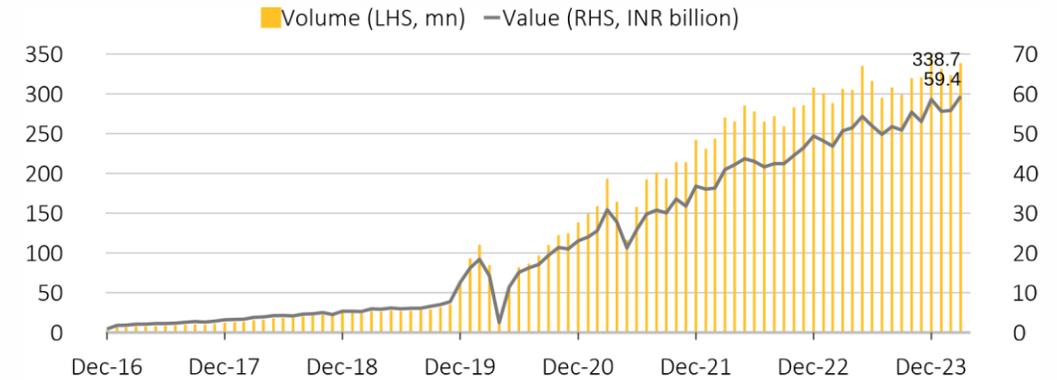
Monthly road toll collection at NHAH tolls, FY2022-FY2024 (Mar '24)



Source: Thurro, IHMCL, NIIF Research

FasTag collection picks up to ~INR 59 billion in March

Monthly national electronic road toll collection, FY2017-FY2024 (Mar '24)

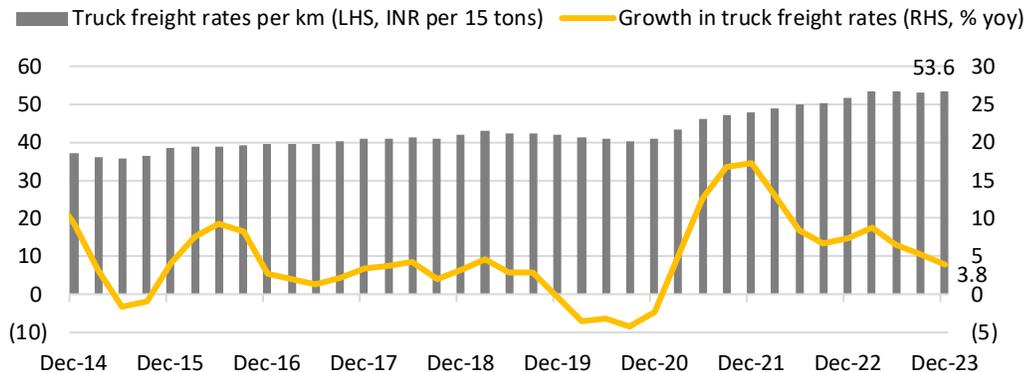


Source: Thurro, RBI, NIIF Research

Note: FasTag is primarily used at ~800 national and ~300 state highways, and at a few parking lots

Truck freight rates stabilize around INR 54 per 15 tons per km in Dec '23

Quarterly average all-India truck freight rates, FY2015-FY2024 (Dec '23)

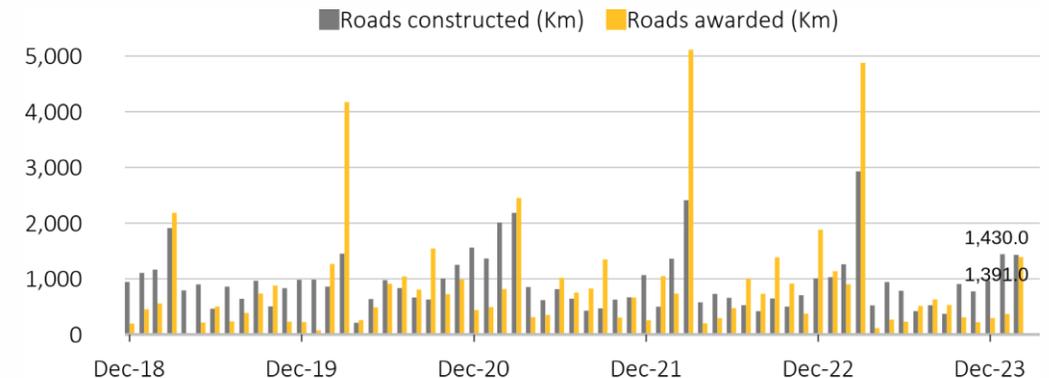


Source: CMIE, NIIF Research

Note: The index tracks average monthly truck freight rates between Delhi and 81 cities in India

Roads constructed remain stable; roads awarded picks up momentum

Monthly road construction in India, FY2019-FY2024 (Feb '24)

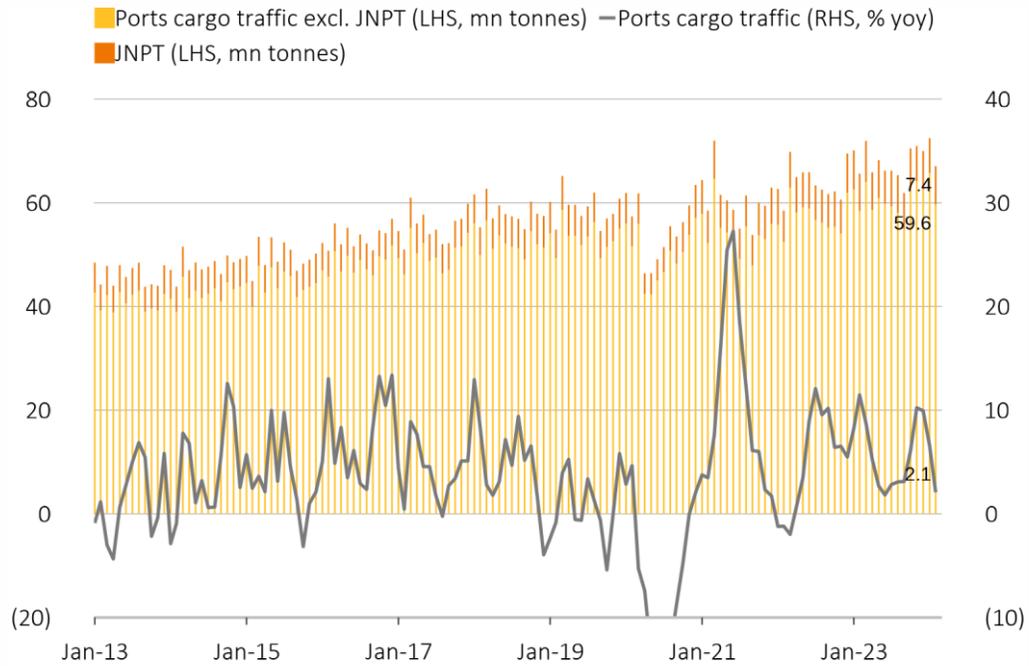


Source: Thurro, MoRTH, NIIF Research

Ports

Growth in ports cargo traffic moderates to 2.1% in Feb

Monthly cargo traffic at major ports, FY2013-FY2024 (Feb '24)

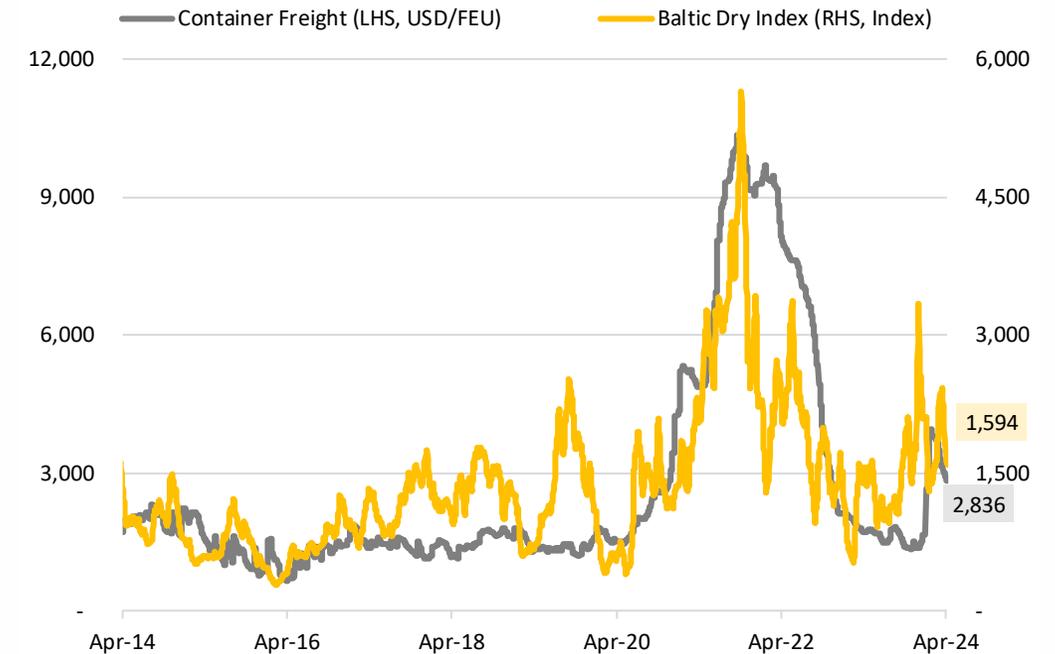


Source: Thurro, Indian Ports Association, NIIF Research

Note:

Container freight rates and bulk dry goods index moderate

Daily shipping freight indices, FY2012-FY2025 (08 Apr 2024)



Source: Bloomberg, NIIF Research

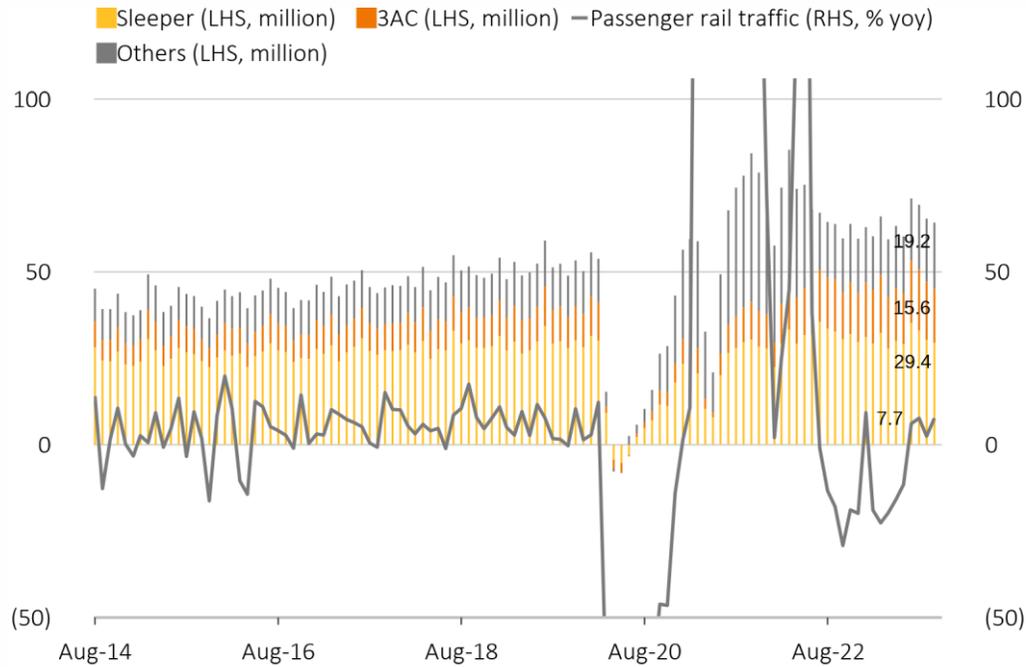
Note:

1. Baltic Indices represent average shipping freights across 12 major international routes. Index units measured in points. (January 4, 1985 = 1,000).
2. Baltic Dry Index measures freight rates for ships carrying bulk commodities like coal, iron ore, food grains, bauxite and alumina, steel and fertilizers.
3. Container freight measures actual spot freight rates in USD for 40-foot containers for 8 major east-west trade routes compiled as World Container Index (WCI).

Railways

Railway passenger traffic growth picks up in October

Monthly passenger rail traffic, FY2015-FY2024 (Oct '23)



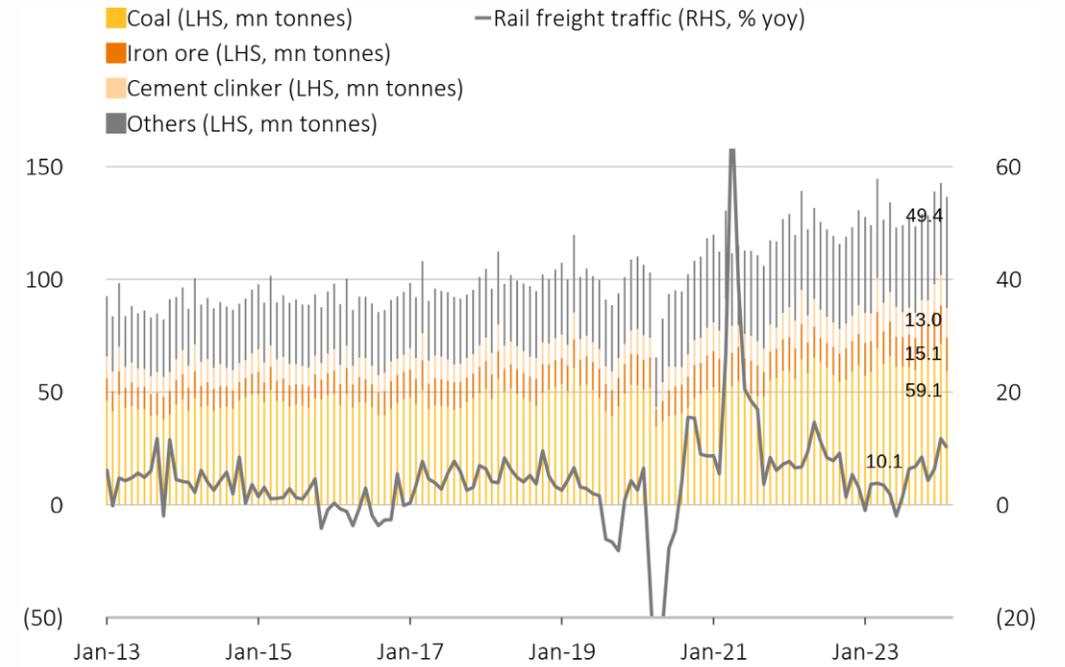
Source: Thurro, IRCTC, NIIF Research

Note:

1. Growth in railway passengers for Apr '21 to Nov '21, and May '22 not depicted due to low base effect of Apr '20 to Nov '20, and May '21 respectively
2. This data reflects only inter-city passengers. It does not include intra-city commuters
3. Rail passenger data unavailable since October 2023

Robust growth in rail freight of ~10% yoy, boosted by a 29-day Feb

Monthly rail freight traffic, FY2013-FY2024 (Feb '24)



Source: Thurro, Indian Railways, NIIF Research

Note:

Railways

Iron ore freight drives overall rail freight traffic in February

Monthly railway freight (mn tonnes), Feb '23 - Feb '24

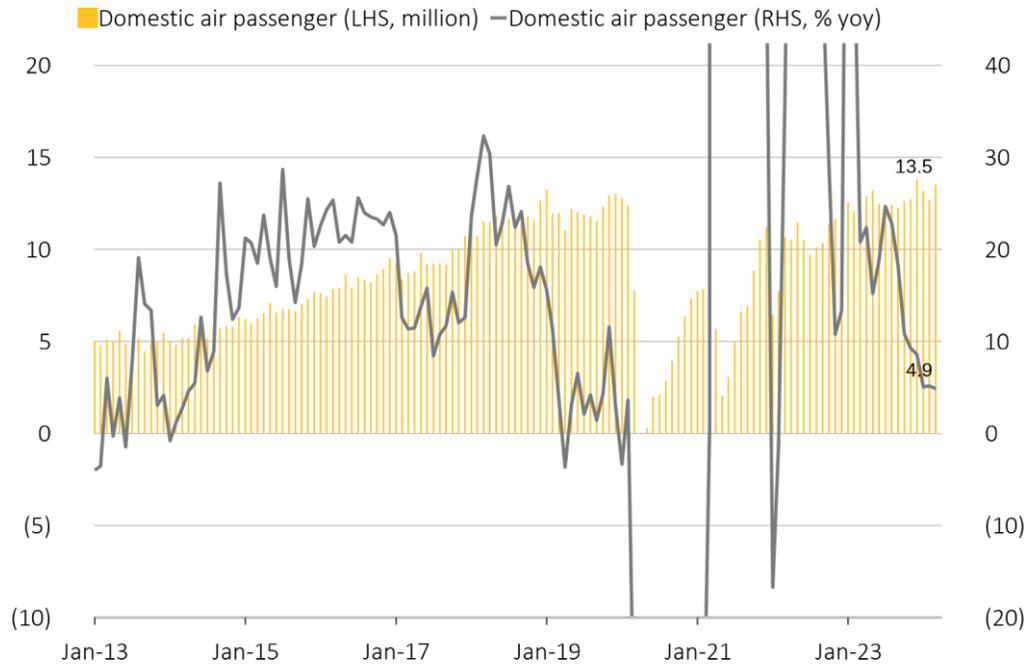
	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Growth (% yoy)
Coal	58.9	69.3	62.4	66.0	61.1	61.1	61.0	59.7	64.8	65.5	69.0	71.5	59.1	0.3
Iron ore	13.7	16.2	14.5	15.2	13.3	13.3	14.5	14.3	14.8	15.0	16.5	17.0	15.1	10.0
Cement and clinker	12.2	15.0	12.6	13.2	13.3	11.0	12.0	11.2	11.1	10.2	12.3	13.4	13.0	6.7
Container service	6.5	7.6	6.7	6.8	6.0	7.2	7.7	7.3	7.2	6.9	7.7	7.0	7.0	7.5
Pig iron and finished steel	5.5	6.9	5.6	5.7	5.4	5.7	5.9	5.8	5.7	5.3	6.0	6.1	5.7	3.3
Foodgrains	5.6	4.9	5.1	4.9	3.6	3.6	4.0	4.6	3.6	3.8	4.3	4.5	5.1	(8.1)
Fertilizers	4.7	3.9	3.9	4.9	4.7	5.5	5.2	4.2	5.7	6.0	5.8	5.3	4.0	(15.7)
Mineral oil	3.9	4.4	4.1	4.3	4.1	4.1	4.1	4.0	4.4	4.2	4.3	4.3	4.1	4.6
Raw material for steel plants (except iron ore)	2.3	2.9	2.5	2.2	2.2	2.5	2.4	2.4	3.2	-	-	-	-	-
Others	10.8	13.5	9.0	11.0	9.4	10.1	10.4	10.1	8.6	8.6	9.8	10.2	10.7	(1.2)
Total	124.1	144.6	126.5	134.2	123.0	124.0	127.0	123.6	129.0	128.4	139.0	142.7	136.6	10.1

Source: Thurro, Indian Railways, NIIF Research

Aviation

Moderate growth in domestic air passenger traffic in Mar

Monthly domestic air passengers, FY2013-FY2024 (Mar '24)



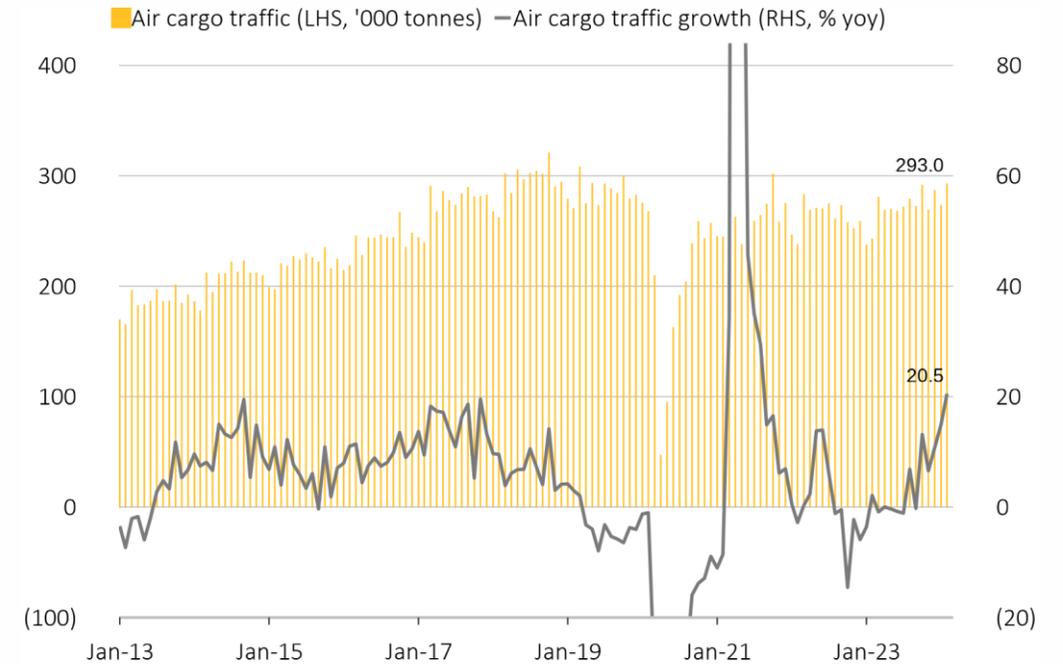
Source: Thurro, DGCA, Ministry of Civil Aviation, NIIF Research

Note:

- Growth in air passengers between Apr '21 and Oct '21, and May '22 not depicted due to low base effect of Apr '20 to Oct '20, and May '21.

Sharp growth in air cargo traffic in Feb of ~21% yoy

Monthly air cargo traffic, FY2013-FY2024 (Feb '24)



Source: Thurro, AAI, NIIF Research

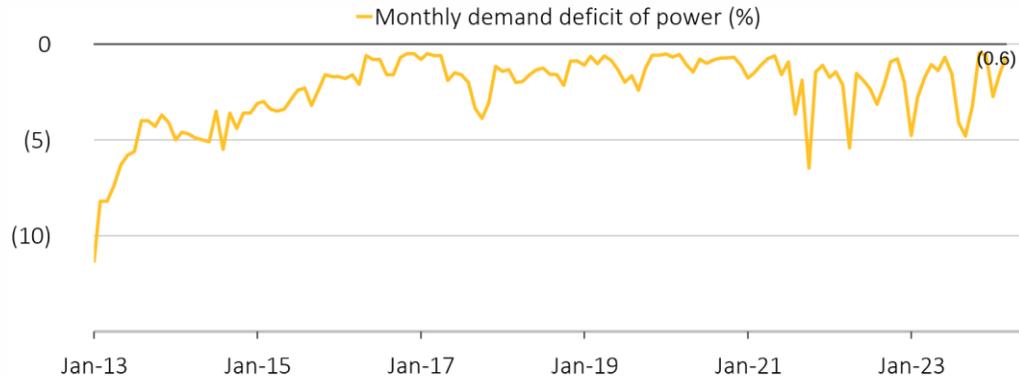
Note:

- Growth in air cargo traffic between Apr '21 and Jun '21 not depicted due to low base effect of Apr '20 to Jun '20.

Power

Peak power demand deficit moderates to 0.6% in Mar

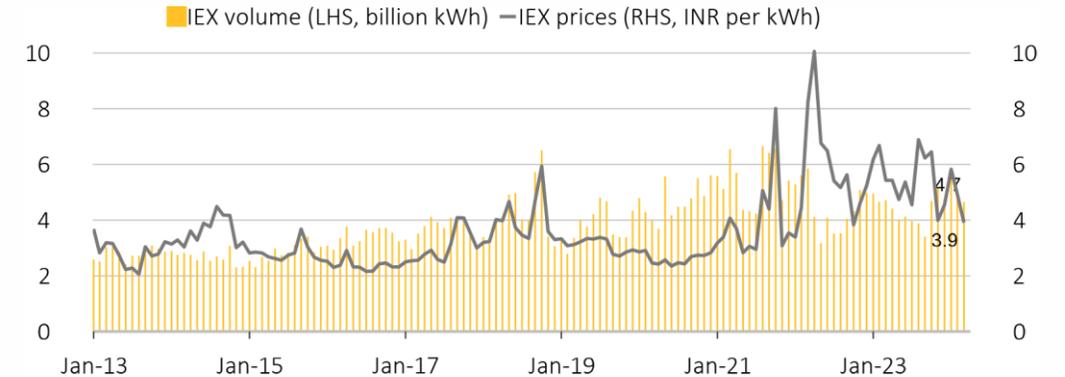
Monthly peak demand deficit of power (%), FY2013-FY2024 (Mar '24)



Source: Thurro, POSOCO, NIIF Research

Traded power tariffs fall to INR 3.9 per kWh in Mar

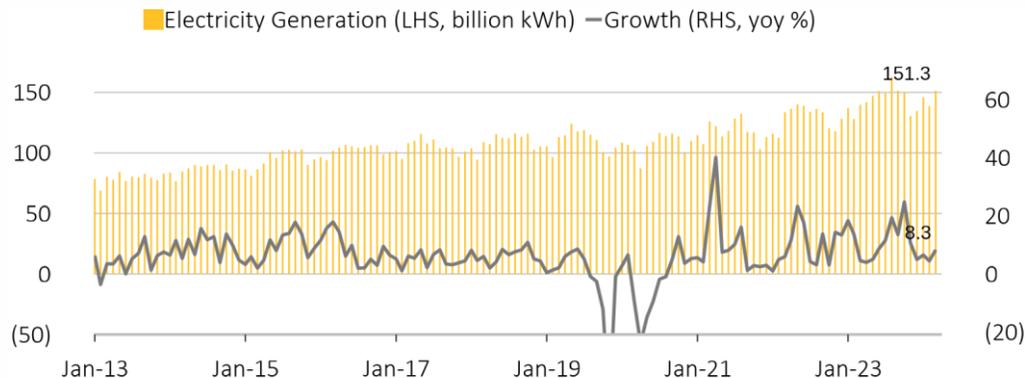
Monthly clearance prices on IEX DAM (INR/kWh), FY2013-FY2024 (Mar '24)



Source: Thurro, IEX, NIIF Research

Strong growth in electricity generation of 8.3% yoy in Mar

Monthly electricity generation, FY2013-FY2024 (Mar '24)

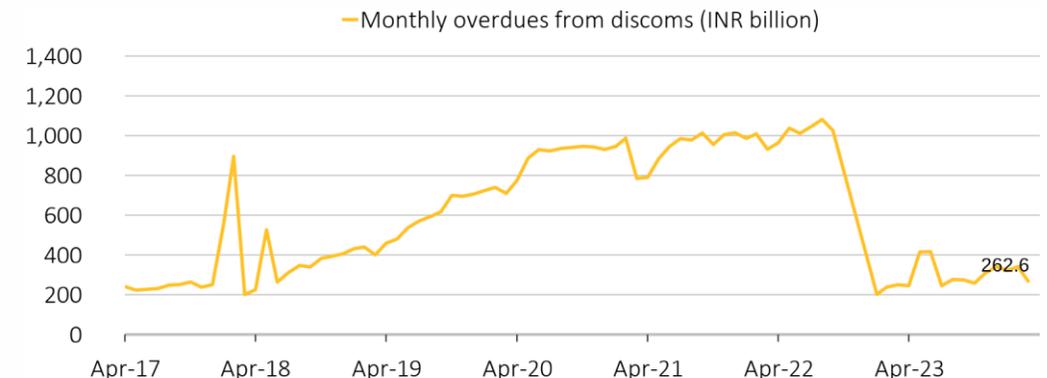


Source: Thurro, POSOCO, NIIF Research

Note: The residual difference between units of electricity generated and demanded is auxiliary consumption to run the power plants

Outstanding dues of distribution companies at INR 263 bn in Mar

Monthly outstanding dues of discoms, FY2018-FY2024 (Mar '24)

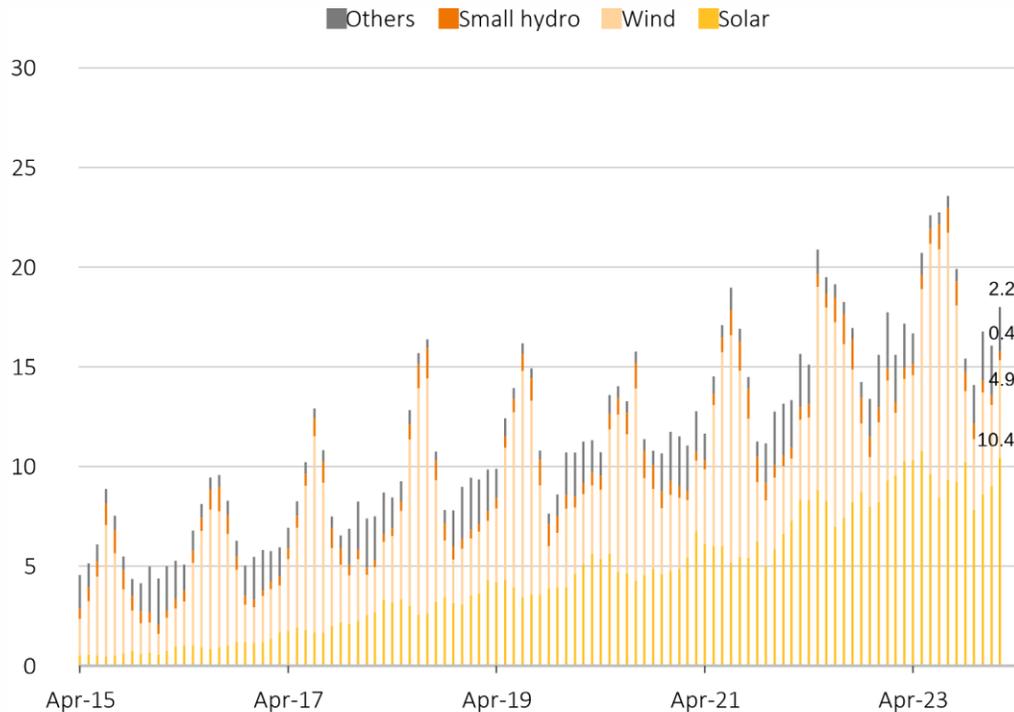


Source: Thurro, PRAAPTI, NIIF Research

Renewables

Renewables driven by a seasonal pick up in 'other' sources in Jan

Monthly generation from renewables (billion kWh), FY2016-FY2024 (Feb '24)



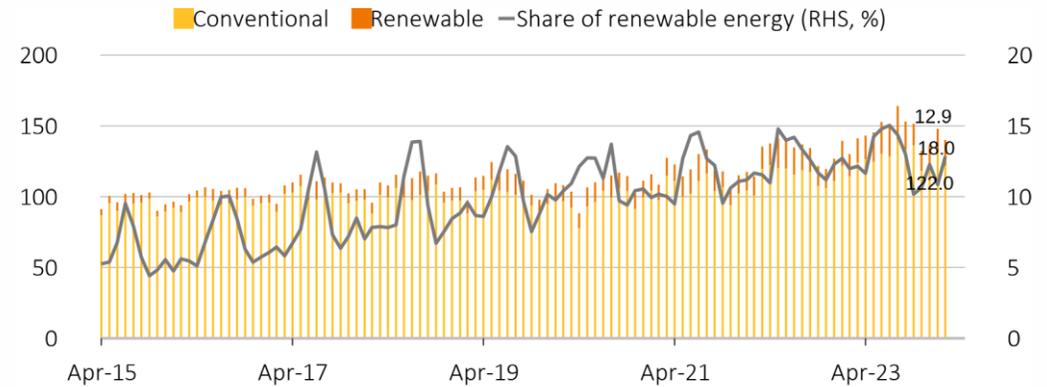
Source: Thurro, CEA, NIIF Research

Note:

- Others include bagasse-based energy and biomass other than bagasse, among other sources

Renewable accounts for ~13% of total energy generation in Feb

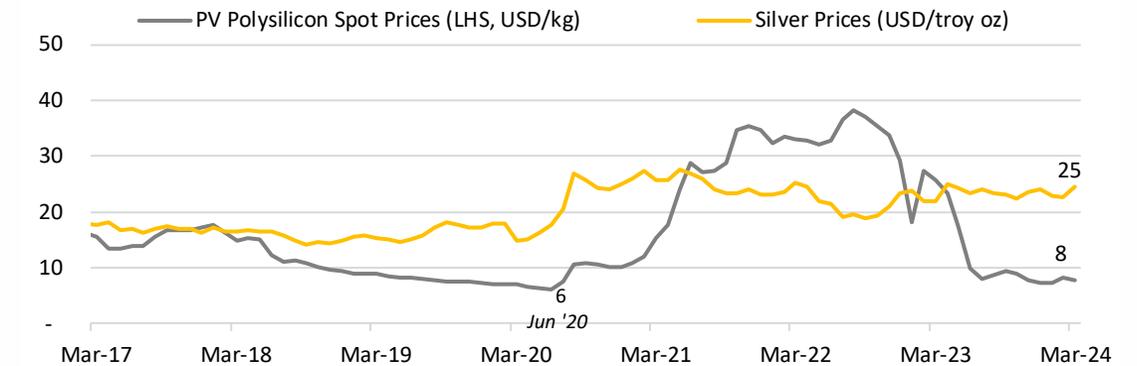
Monthly generation from energy sources (billion kWh), FY2016-FY2024 (Feb '24)



Source: Thurro, POSOCO, CEA, NIIF Research

Polysilicon prices remain low at USD 8 per kg in Feb; silver prices rise

Monthly average silicon prices, FY2015-FY2024 (Mar '24)



Source: Bloomberg, NIIF Research



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Global

- FY2025 real growth estimated to be between 6.5-7.0% by various agencies. The International Monetary Fund (IMF) revised its forecasts in January to 6.5% for FY2025 and FY2026 from 6.3% earlier. RBI projects a 7% real growth in FY2025. India remains a global outlier with a real GDP growth of 8.4% yoy in Q3FY24, growth in US and China picks up to 3.1% yoy and 5.2% yoy respectively while UK economy contracts by 0.2%
- Continued momentum in business optimism with composite Purchasing Managers' Index (PMI) for India at 61.8 in Mar. PMI of other major countries picks up, remaining between 52-55 (above 50 indicates expansion), France and Germany record contraction in economic activity
- Inflationary pressures moderate across major economies in Feb. China exits deflation in Feb after six months
- Returns generated in Indian equity markets of ~27% continue to be higher than the global average in March of ~15% over the last twelve months

Global economy

India continues to be the fastest growing large economy; IMF estimates growth at 6.5% in FY2025 and FY2026

IMF nominal GDP (USD trillion) and real GDP growth projections (%), CY2023 to FY2026

	GDP (USD trillion)		Growth (%)		
	Actual	Projection	Estimate	Projection	
	2022	2024	2023	2024	2025
World	100.1	109.7	3.1	3.1	3.2
Advanced Economies	57.7	63.6	1.6	1.5	1.8
United States	25.5	28.0	2.5	2.1	1.7
Euro Area	14.2	16.3	0.5	0.9	1.7
Germany	4.1	4.7	(0.3)	0.5	1.6
Japan	4.2	4.3	1.9	0.9	0.8
United Kingdom	3.1	3.6	0.5	0.6	1.6
Canada	2.1	2.2	1.1	1.4	2.3
Emerging markets and developing economies	42.5	46.2	4.1	4.1	4.2
China	17.9	18.6	5.2	4.6	4.1
India	3.4	4.1	6.7	6.5	6.5
Russia	2.2	1.9	3.0	2.6	1.1
Brazil	1.9	2.3	3.1	1.7	1.9
South Africa	0.4	0.4	0.6	1.0	1.3

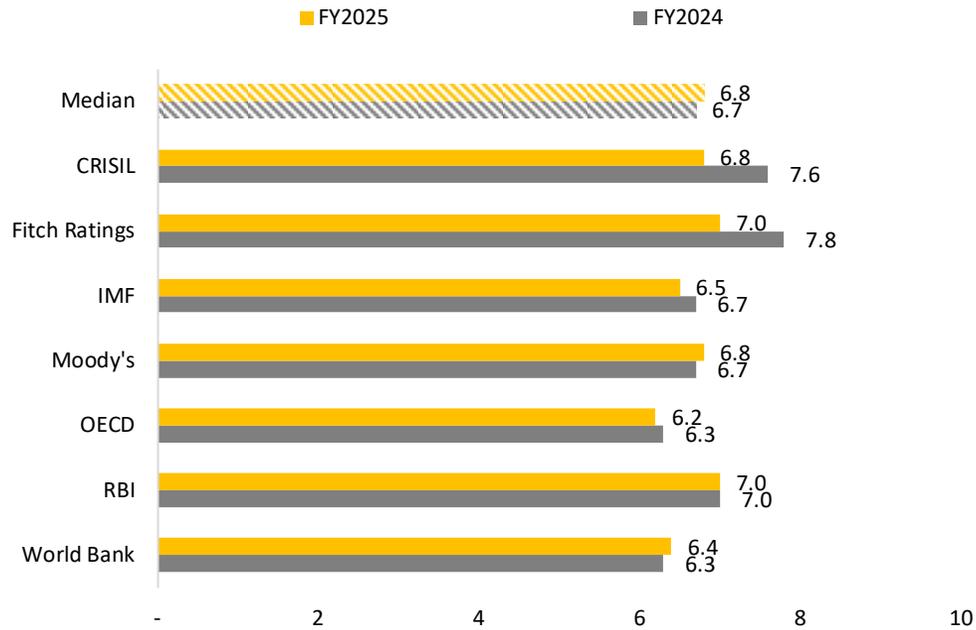
Source: IMF's World Economic Outlook (January 2024 and October 2023), NIIF Research

Note:

1. For India, data and forecasts are presented on a fiscal year basis (Apr-Mar); on calendar year basis for other countries
2. FY stands for financial year with the period starting Apr 1 and ending on Mar 31
3. The 6.7% GDP growth for India under the 2023 column is projected for FY2023-24; similarly for other years

Growth

Median real GDP growth for FY2025 estimated at 6.8%; RBI projects 7.0%
Projections for real GDP growth in FY2024 and FY2025 (% yoy), Sep '23 to Mar '24

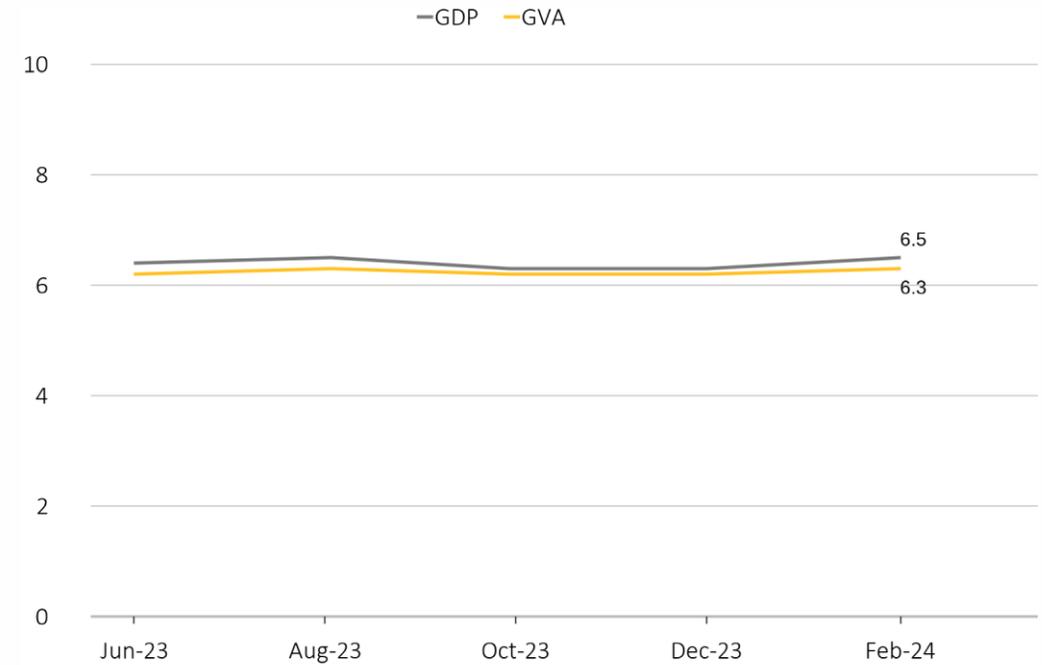


Source: CMIE, NIIF Research

Note:

1. The data shown above is the projections made by same agencies across two time periods
2. Moody's GDP projections are for calendar years 2023 and 2024

RBI's recent survey projects a growth of 6.5% in FY2025
Bi-monthly median real GDP projections for FY2025 by RBI (% yoy), (Feb '24)



Source: Thurro, RBI, NIIF Research

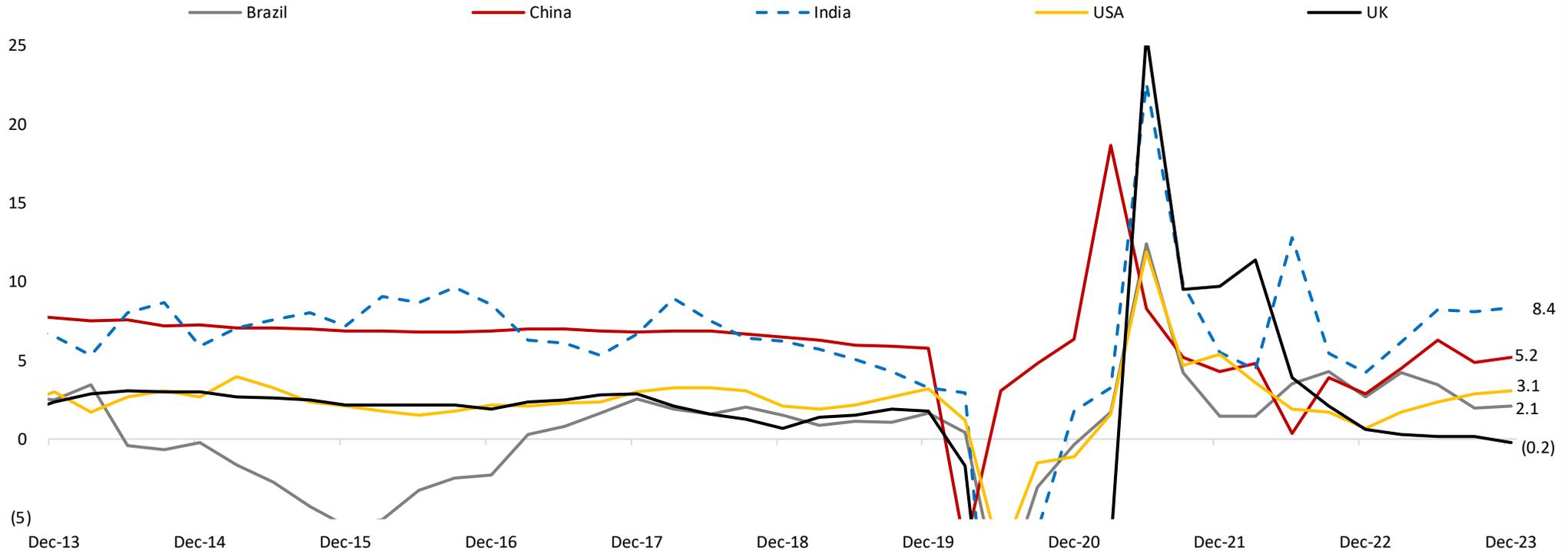
Note:

1. RBI's Professional Forecasters' Survey presents short to medium term economic development on GDP growth, among other macroeconomic indicators. In every round of survey, questionnaires are shared with 30 to 40 selected forecasters.

Growth

India's GDP growth robust at 8.4% in Q4CY24, growth rebounds in China and US, and UK growth at a (0.2%)

Quarterly real GDP growth across countries (% yoy), FY2014-FY2024 (Dec '23)



Source: Bloomberg, NIIF Research

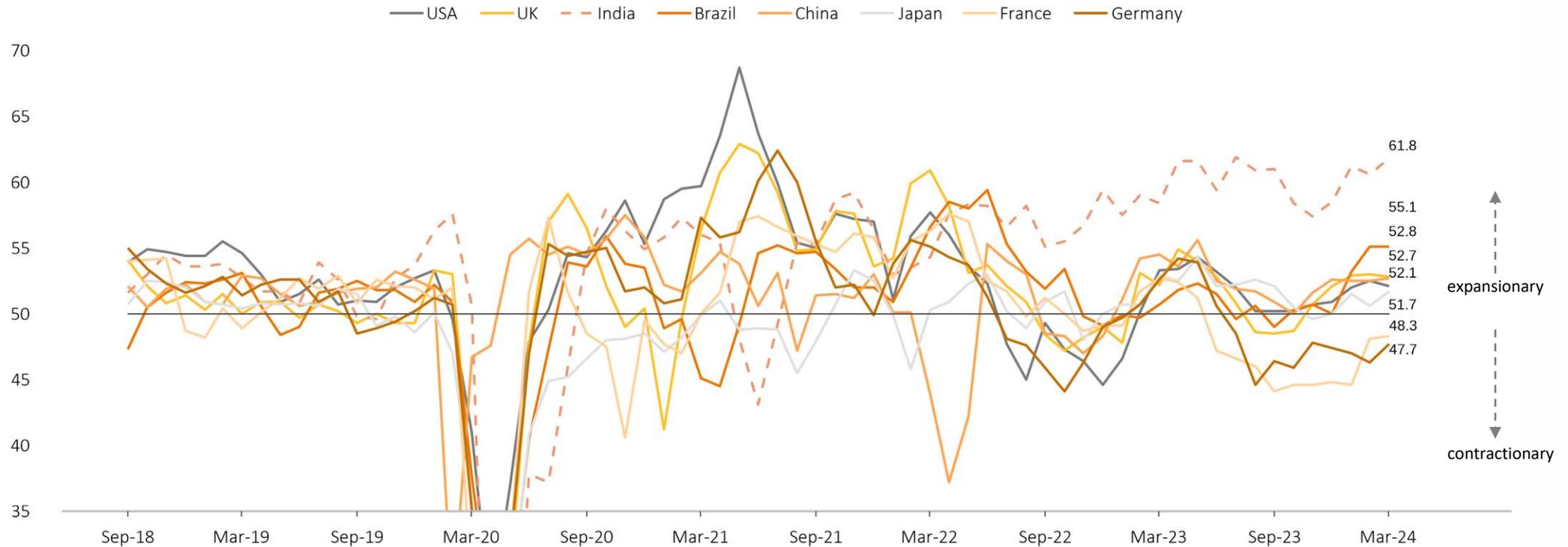
Note:

1. Contraction in growth for four quarters between March 2020 to March 2021 not shown due to the impact of Covid-19 lockdown on the economy

Purchasing managers' index: Global

India's composite PMI picks up further to 61.8 in Mar; economic activity in other major countries picking up

Monthly PMI composite indices across major economies, FY2019-FY2024 (Mar '24)



Source: Thurro, S&P, NIIF Research

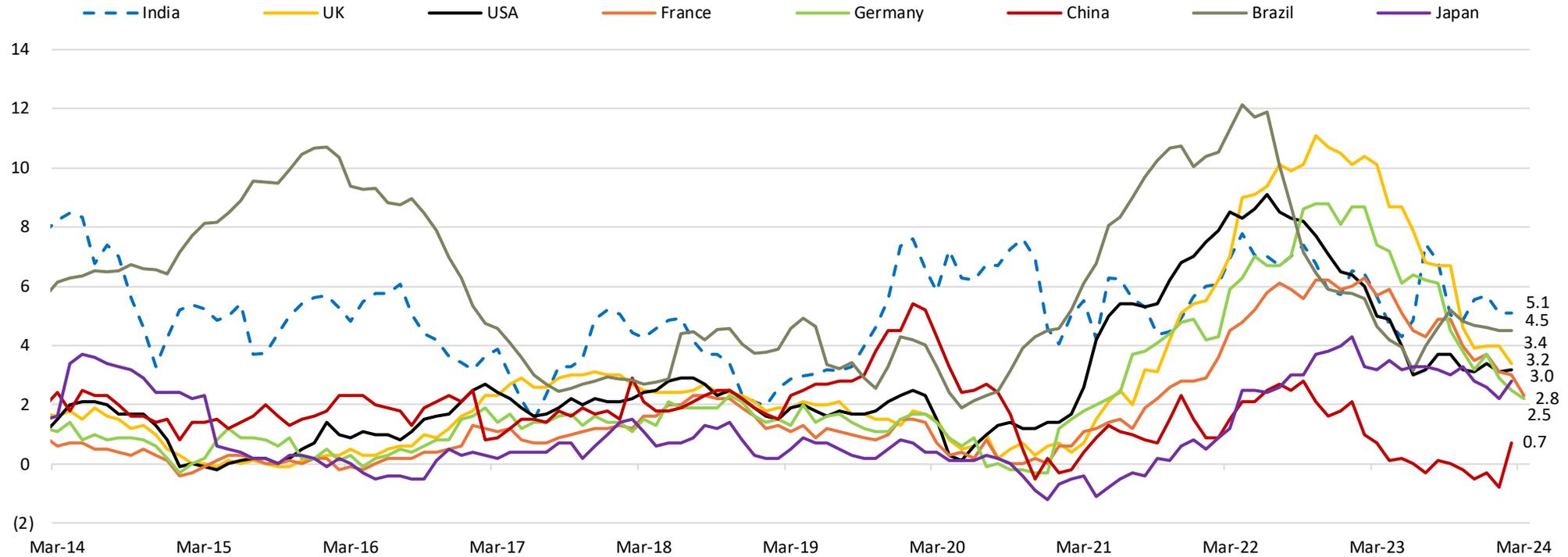
Note:

1. Impact of Covid on economic activity seen across countries for months between Feb '20 and May '20 and hence not shown in the chart.
2. The headline PMI Composite (Output) Index is a weighted average of the headline PMI Services Index and the Manufacturing Output Index (not the headline PMI manufacturing). Hence, a simple average of PMI Services and Manufacturing indices may not reflect in the PMI Composite.

Inflation: Global

Retail inflation eases across India, US, Japan, and France, Germany, and Brazil

Monthly consumer price inflation (% yoy), FY2013-FY2024 (Mar '24)



Source: Bloomberg, NIIF Research

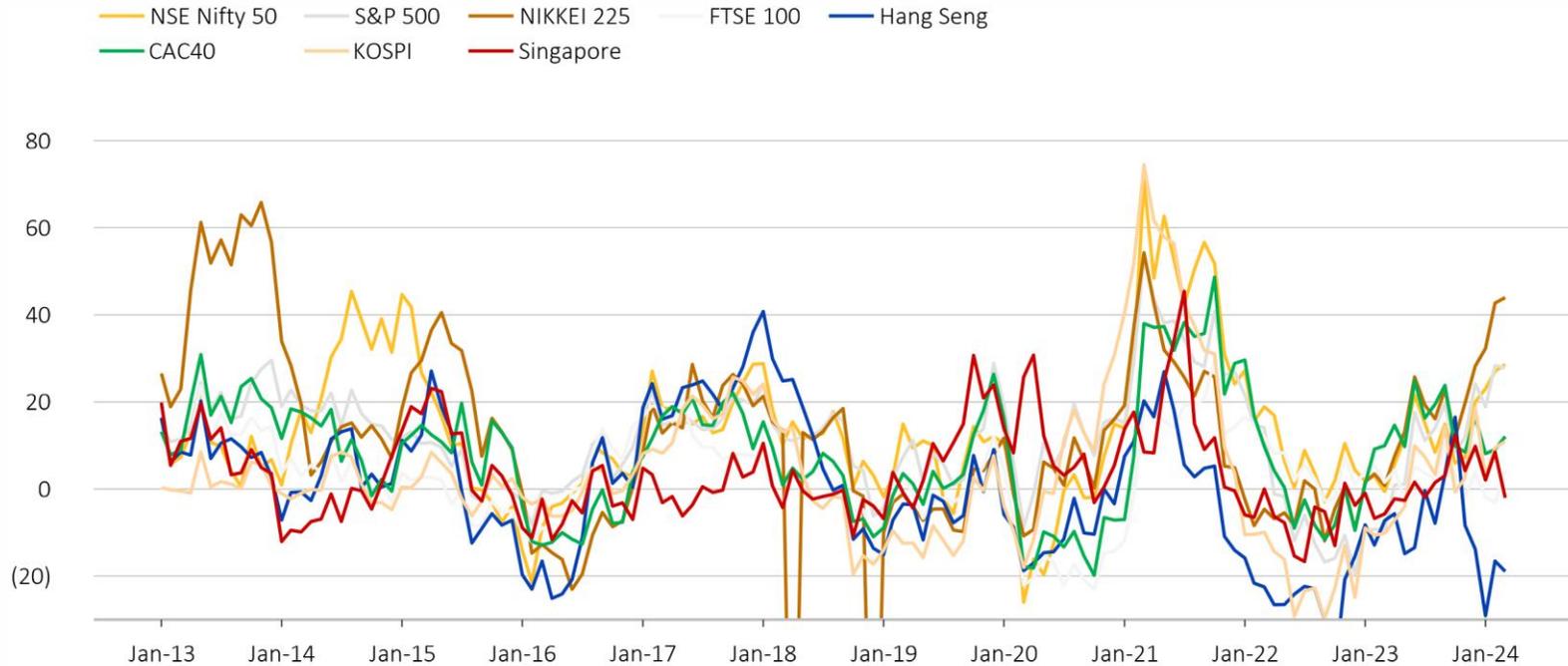
Note:

1. Inflation for France and Germany up March 2024, for rest till February 2024

Equity markets: global

Global equity markets generate average returns of 15.1% over the last year; average Indian market returns of ~27%

Monthly performance of Nifty-50, Sensex and other global indices, returns in local currency (% yoy), FY2013-FY2024 (Mar '24)



Returns as on March 31, 2024 (% yoy)

NIKKEI 225	44.0
NSE Nifty 50	28.6
S&P 500	27.9
BSE Sensex	24.9
Dow Jones	19.6
CAC40	12.1
KOSPI	10.9
FTSE 100	4.2
Singapore	(2.0)
Hang Seng	(18.9)

Source: Thurro, BSE, NIIF Research

Note:

1. Return is calculated as on month end



Annexures

MONTHLY ECONOMIC REPORT ON INDIA APR 2024

High Frequency Indicators

Supply side indicators reflect strong momentum in Feb; ports freight traffic and services trade growth moderates

Change in major economic indicators (% yoy), Feb '23 - Mar '24

	Units	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Fiscal															
Central government expenditure	% yoy	(2.6)	7.0	10.7	3.5	17.3	84.6	10.6	3.2	(14.0)	(13.8)	7.1	(14.0)	20.4	
Gross tax revenue	% yoy	4.5	16.8	(6.1)	4.4	11.3	1.5	95.2	15.9	(1.2)	21.3	12.9	16.5	(0.5)	
GST collection	% yoy	12.4	12.7	11.6	11.5	11.7	10.8	10.8	10.2	13.4	15.1	10.3	11.8	12.5	11.5
Industry															
Index of industrial production	% yoy	6.0	2.0	4.6	5.7	4.1	6.2	10.9	6.4	11.9	2.4	4.3	3.8		
Index of eight core industries	% yoy	7.4	4.2	4.6	5.2	8.3	8.6	13.4	9.5	12.7	7.9	4.9	4.1	6.7	
Electricity generation	% yoy	13.8	4.6	4.0	5.0	8.7	11.6	19.3	13.5	24.8	10.6	5.0	6.5	4.5	8.3
Steel production	% yoy	(2.1)	2.6	6.7	6.1	7.8	15.6	12.8	16.7	11.6	11.6	15.2	17.1	21.7	
Cement production	% yoy	7.3	(0.8)	11.5	15.5	9.7	5.7	19.3	5.1	17.3	(3.2)	1.7	5.6	10.3	
Wholesale price index	% yoy	3.9	1.4	(0.8)	(3.6)	(4.2)	(1.2)	(0.5)	(0.1)	(0.3)	0.4	0.9	0.3	0.2	
Logistics															
Rail freight	% yoy	3.7	3.8	3.5	1.9	(2.0)	1.5	6.4	6.8	8.5	4.3	6.4	11.7	10.1	
Port cargo	% yoy	11.5	8.7	5.3	2.7	1.8	2.8	3.1	3.1	6.1	10.2	9.9	6.6	2.1	
Air cargo	% yoy	2.1	(0.9)	0.0	(0.3)	(0.8)	(1.1)	6.9	(0.3)	13.2	6.6	10.8	15.0	20.5	
E-way bills (volume)	% yoy	18.4	16.3	12.2	19.7	15.5	16.4	19.5	9.5	30.5	8.5	13.2	15.6	18.9	13.9
Trade															
Merchandise exports	% yoy	(0.4)	(13.7)	(12.7)	(10.4)	(22.2)	(16.2)	(7.0)	(2.6)	6.2	(2.8)	1.0	3.1	11.9	
Merchandise imports	% yoy	(4.1)	(7.7)	(14.1)	(7.1)	(20.4)	(20.1)	(7.8)	(15.0)	12.3	(4.3)	(4.9)	3.0	12.2	
Non-oil merchandise exports	% yoy	(3.6)	(5.0)	(11.5)	(4.9)	(13.6)	(8.3)	0.2	(0.5)	8.9	(1.5)	6.2	2.2	13.7	
Non-oil merchandise imports	% yoy	(8.4)	0.4	(14.2)	(6.9)	(10.7)	(8.7)	2.6	(13.0)	13.9	(2.7)	3.4	2.4	17.8	
Services exports	% yoy	28.6	13.0	7.5	7.7	3.5	8.1	8.4	(2.7)	10.8	4.3	1.3	10.8	3.5	
Services imports	% yoy	15.4	10.5	(3.1)	2.0	(3.4)	(2.2)	(0.8)	(10.3)	(0.4)	(11.1)	(1.2)	0.1	1.8	

Source: Thurro, CGA, Ministry of Finance, MoSPI, EAI, POSOCO, Indian Railways, Indian Ports Association, AAI, GSTN, RBI, NPCI, NIIF Research

Note:

1. Conditional formatting based on absolute values with respect to zero, with the largest negative values represented by dark red and largest positive values represented by dark green for each variable

High Frequency Indicators

Demand side high-frequency indicators across energy, services and banking continue to support growth

Change in major economic indicators (% yoy), Feb '23 - Mar '24

	Units	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Energy															
Electricity demand	% yoy	7.8	(2.4)	(3.3)	(0.6)	4.0	8.1	16.6	10.4	21.1	5.9	4.9	5.9	8.1	9.0
Petrol consumption	% yoy	8.9	6.8	2.8	11.0	6.2	6.3	3.0	8.2	4.9	9.4	0.2	9.8	8.9	7.0
Automobile registrations															
Passenger vehicles	% yoy	10.3	12.5	(2.6)	3.1	3.3	2.0	4.2	17.3	(2.4)	19.3	2.3	12.1	10.0	(9.5)
Three-wheeler	% yoy	84.3	75.4	62.7	84.6	79.2	76.6	68.1	50.4	52.8	28.9	42.4	41.1	24.4	17.2
Two-wheeler	% yoy	14.7	12.8	(7.2)	9.6	7.1	8.5	6.7	22.2	(12.1)	21.7	28.0	15.4	13.6	5.3
Commercial vehicles	% yoy	17.2	8.8	(0.8)	2.9	(4.6)	(2.7)	0.5	0.5	8.3	(3.5)	(0.7)	(1.7)	(1.8)	(10.7)
Passenger vehicles-electric	% yoy	89.0	95.0	200.0	199.0	137.0	134.0	115.0	78.0	94.0	99.0	139.0	135.0	55.0	2.0
Three-wheeler-electric	% yoy	84.0	84.0	76.0	85.0	73.0	76.0	72.0	54.0	59.0	33.0	62.0	56.0	40.0	34.0
Two-wheeler-electric	% yoy	85.0	59.0	25.0	149.0	4.0	17.0	20.0	20.0	(3.0)	20.0	17.0	27.0	25.0	58.0
Commercial vehicles-electric	% yoy	583.3	627.7	417.0	441.9	231.0	510.0	450.9	371.9	550.9	244.2	128.8	202.2	213.4	393.0
Services															
Air passenger (domestic)	% yoy	55.9	20.8	22.4	15.2	18.8	24.7	22.8	18.4	10.8	9.3	8.6	5.1	5.2	4.9
Air passenger (international)	% yoy	105.3	62.4	46.7	35.8	25.1	20.8	21.1	20.0	20.8	21.4	18.2	20.7	17.5	14.7
Rail passenger	% yoy	(18.9)	(22.6)	(19.7)	(15.8)	(11.5)	6.1	7.7	2.5	7.7					
FASTag collection (volume)	% yoy	18.4	13.3	14.9	17.4	13.7	11.3	13.3	15.4	13.0	12.3	13.0	10.2	8.3	10.6
FASTag collection (value)	% yoy	29.0	23.7	22.1	24.3	20.8	19.7	21.9	19.9	24.4	14.2	18.7	15.5	15.1	17.2
UPI transactions (volume)	% yoy	66.4	60.7	59.4	58.1	59.2	58.5	60.9	55.7	56.2	53.7	53.5	51.8	60.6	54.7
UPI transactions (value)	% yoy	49.5	46.8	43.1	43.0	45.5	44.3	47.0	41.4	41.6	46.1	42.2	41.8	47.9	40.3
Consumer price index	% yoy	6.4	5.7	4.7	4.3	4.9	7.4	6.8	5.0	4.9	5.6	5.7	5.1	5.1	
Banking															
Aggregate deposits (excluding merger)	% yoy	10.1	9.6	10.2	10.9	15.6	12.1	12.3	12.4	12.6	12.9	12.6	12.6	12.5	12.9
Outstanding credit (excluding merger)	% yoy	15.7	15.0	15.9	15.5	18.5	14.7	14.9	15.3	15.2	16.2	15.6	16.2	16.5	16.3

Source: Thurro, CGA, Ministry of Finance, MoSPI, EAI, POSOCO, Indian Railways, Indian Ports Association, AAI, GSTN, RBI, NPCI, NIIF Research

Note:

1. Conditional formatting based on absolute values with respect to zero, with the largest negative values represented by dark red and largest positive values represented by dark green for each variable

High Frequency Indicators

Supply side indicators reflect strong momentum in Feb; ports freight traffic and services trade growth moderates

Major economic indicators (absolute values), Feb '23 - Mar '24

	Units	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Fiscal															
Central government expenditure	INR trillion	3.3	7.0	3.0	3.2	4.2	3.3	2.9	4.5	2.8	2.6	4.0	3.0	3.9	
Gross tax revenue	INR trillion	1.8	5.1	2.2	1.8	2.7	2.2	3.0	4.3	2.2	2.1	4.4	2.2	1.8	
GST collection	INR trillion	1.5	1.6	1.9	1.6	1.6	1.7	1.6	1.6	1.7	1.7	1.6	1.7	1.7	1.8
Industry															
Index of industrial production	Index	139.3	151.7	140.7	145.6	143.9	142.7	145.8	142.3	144.9	141.0	152.1	153.0		
Index of eight core industries	Index	147.3	164.7	151.2	157.4	155.9	153.2	158.6	151.7	156.4	150.4	160.9	165.3	157.2	
Electricity generation	billion kWh	128.0	139.7	141.9	147.1	151.1	149.4	162.6	151.6	150.3	130.5	134.6	145.9	138.6	151.3
Steel production	mn tonnes	9.9	11.3	10.5	11.3	11.3	11.5	11.4	11.5	11.7	11.8	12.1	12.5	12.1	
Cement production	mn tonnes	35.0	38.4	37.1	37.2	37.7	32.3	35.1	32.3	35.3	30.8	36.4	37.9	38.6	
Wholesale price index	Index	150.9	151.0	151.1	149.4	148.9	152.1	152.5	151.8	152.5	153.1	151.8	151.1	151.2	
Logistics															
Rail freight	mn tonnes	124.1	144.6	126.5	134.2	123.0	124.0	127.0	123.6	129.0	128.4	139.0	142.7	136.6	
Port cargo	mn tonnes	65.6	71.9	65.9	68.2	66.2	66.2	65.3	61.9	70.5	70.9	70.0	72.5	67.1	
Air cargo	'000 ton	243.1	280.8	269.3	270.1	268.3	272.0	279.3	272.7	291.8	269.3	287.0	273.3	293.0	
E-way bills (volume)	million	81.8	90.9	84.4	88.2	86.1	88.0	93.4	92.0	100.3	87.6	95.3	95.3	97.3	103.5
Trade															
Merchandise exports	USD billion	37.0	38.4	34.7	35.0	33.0	32.3	34.5	34.5	33.6	33.9	38.5	36.9	41.4	
Merchandise imports	USD billion	53.6	58.1	49.9	57.1	53.1	52.9	58.6	53.8	65.0	54.5	58.3	54.4	60.1	
Non-oil merchandise exports	USD billion	29.2	33.0	28.2	29.0	27.4	27.7	28.6	28.0	27.6	26.4	31.6	28.7	33.2	
Non-oil merchandise imports	USD billion	36.7	42.0	34.7	41.5	40.6	41.2	45.4	39.9	47.4	39.6	43.3	37.8	43.2	
Services exports	USD billion	27.4	30.4	25.8	27.1	27.9	26.2	28.7	28.4	28.0	28.1	31.6	31.0	28.3	
Services imports	USD billion	15.0	17.0	13.6	15.5	15.2	13.8	15.1	14.6	13.5	13.7	15.6	14.9	15.2	

High Frequency Indicators

Demand side high-frequency indicators across energy, services and banking continue to support growth

Major economic indicators (absolute values), Feb '23 - Mar '24

	Units	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Energy															
Electricity demand	billion kWh	118.3	127.7	130.8	135.8	140.1	139.2	152.4	140.9	139.3	119.7	123.2	134.3	128.0	139.2
Petrol consumption	mn tonnes	2.8	3.1	2.9	3.3	3.2	3.0	3.1	3.1	3.1	3.1	3.0	3.1	3.0	3.3
Automobile registrations															
Passenger vehicles	'000s	279.9	320.2	269.9	285.5	280.9	266.6	295.2	312.3	337.5	350.8	278.4	371.5	307.9	289.7
Three-wheeler	'000s	76.4	89.8	73.1	81.6	87.8	95.0	100.9	102.9	109.5	103.8	98.4	100.1	95.0	105.2
Two-wheeler	'000s	1,272.5	1,455.0	1,235.9	1,499.8	1,316.1	1,233.8	1,261.0	1,318.4	1,517.1	2,258.6	1,455.2	1,465.1	1,445.3	1,531.8
Commercial vehicles	'000s	76.8	86.3	78.1	68.2	62.0	61.9	65.5	70.6	80.4	76.6	66.4	80.6	75.4	77.1
Passenger vehicles-electric	'000s	4.4	7.2	5.4	6.8	7.0	6.9	6.3	5.7	6.4	7.1	7.0	7.0	6.8	7.3
Three-wheeler-electric	'000s	36.0	45.3	38.1	44.6	48.0	53.8	56.8	57.5	57.0	53.9	57.7	53.5	50.6	60.6
Two-wheeler-electric	'000s	66.1	86.4	66.9	105.6	46.1	54.6	62.7	64.0	75.1	92.0	75.8	82.0	82.5	136.6
Commercial vehicles-electric	'000s	0.2	0.3	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.5	1.7
Services															
Air passenger (domestic)	million	12.1	12.9	12.9	13.2	12.5	12.1	12.4	12.2	12.6	12.7	13.8	13.2	12.7	13.5
Air passenger (international)	million	5.4	5.4	5.4	5.6	5.7	5.7	5.6	5.5	5.7	6.2	6.5	6.6	6.4	6.2
Rail passenger	million	60.3	66.0	59.4	63.3	60.3	71.2	69.4	65.4	64.3					
FASTag collection (volume)	million	288.4	306.3	305.0	335.0	316.1	295.0	308.0	298.9	319.7	320.8	348.0	331.4	323.4	338.7
FASTag collection (value)	INR billion	46.8	50.7	51.5	54.3	52.0	49.8	51.8	50.9	55.4	53.0	58.6	55.6	55.8	59.4
UPI transactions (volume)	billion	7.5	8.7	8.9	9.4	9.3	10.0	10.6	10.6	11.4	11.2	12.0	12.2	12.1	13.4
UPI transactions (value)	INR trillion	12.4	14.1	14.1	14.9	14.8	15.3	15.8	15.8	17.2	17.4	18.2	18.4	18.3	19.8
Consumer price index	Index	176.8	177.2	178.1	179.1	181.0	186.3	186.2	184.1	185.3	186.3	185.7	185.5	185.8	
Banking															
Aggregate deposits (excluding merger)	INR trillion	178.6	180.4	183.1	183.7	191.6	190.2	190.9	191.4	193.8	195.2	199.6	199.4	200.9	203.7
Outstanding credit (excluding merger)	INR trillion	134.5	136.8	138.6	138.9	143.9	141.9	143.2	145.6	148.4	150.4	153.9	154.9	156.7	159.0

High Frequency Indicators

IIP growth of 3.8% in January driven by mining and electricity; also driven by consumer durables, intermediate and infra goods

Monthly index of industrial production (% yoy), Jan '23 - Jan '24

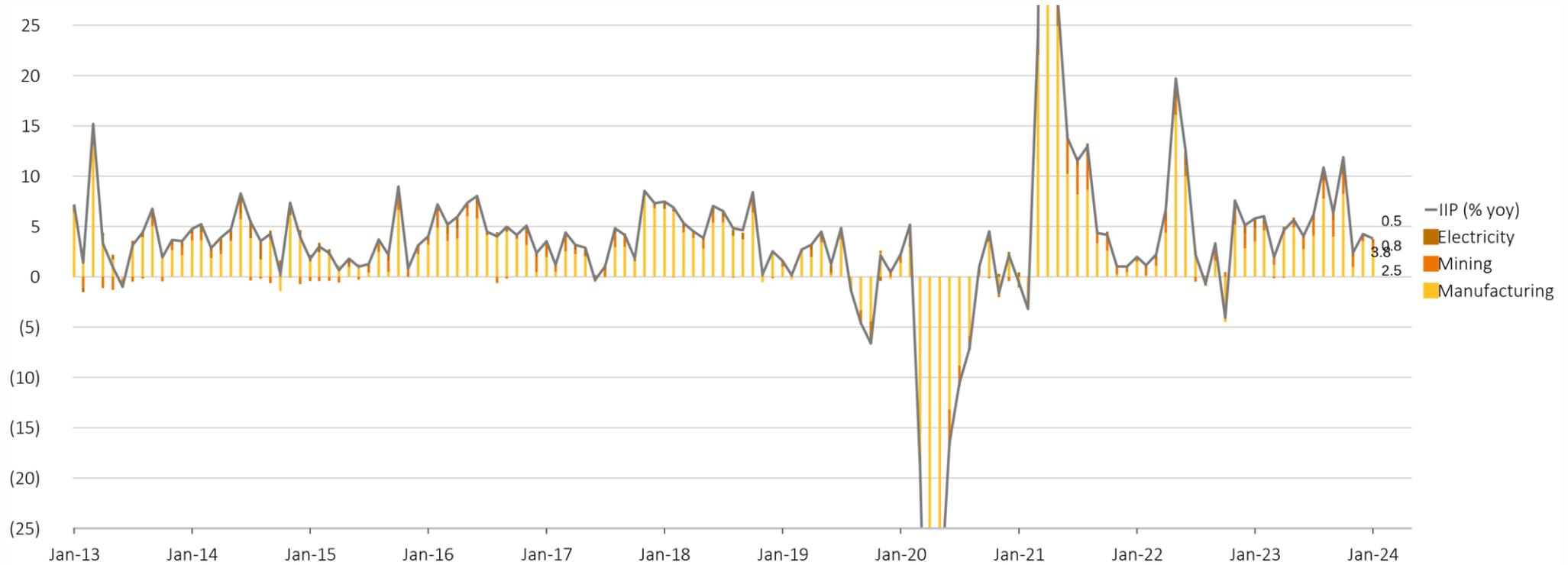
	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
IIP	5.8	6.0	2.0	4.6	5.7	4.1	6.2	10.9	6.4	11.9	2.4	4.3	3.8
Sector-based classification													
Mining	9.0	4.8	6.8	5.2	6.4	7.6	10.7	12.4	11.5	13.1	7.0	5.2	5.9
Manufacturing	4.5	5.9	1.5	5.5	6.3	3.5	5.3	10.0	5.1	10.6	1.2	4.5	3.2
Electricity	12.7	8.2	(1.6)	(1.1)	0.9	4.2	8.0	15.3	9.9	20.4	5.8	1.2	5.6
Use-based classification													
Primary goods	9.8	7.0	3.3	1.9	3.6	5.3	7.7	12.4	8.0	11.4	8.5	4.8	2.9
Capital goods	10.5	11.0	10.0	4.4	8.1	2.9	5.2	13.1	8.4	21.7	(1.1)	3.6	4.1
Intermediate goods	1.4	1.0	1.8	1.7	3.4	5.2	3.2	7.4	6.1	9.5	3.1	3.9	4.8
Infrastructure and construction goods	11.3	9.0	7.2	13.4	13.0	13.3	12.6	15.7	10.1	12.6	1.7	5.2	4.6
Consumer durable goods	(8.2)	(4.1)	(8.0)	(2.4)	1.5	(6.8)	(3.6)	6.0	1.0	15.9	(5.5)	5.3	10.9
Consumer non-durable goods	6.5	12.5	(1.9)	11.4	9.0	0.6	8.3	9.9	2.7	9.3	(3.3)	2.4	(0.3)

Source: Thurro, MOSPI, NIIF Research

High Frequency Indicators

Manufacturing accounts for 2.5pp of the 3.8% IIP growth in January, followed by mining at 0.8pp and electricity at 0.5pp

Contribution from key components of index of industrial production-sector-based classification (% yoy/pp), FY2013-FY2024 (Jan '24)



Source: Thurro, MOSPI, NIIF Research

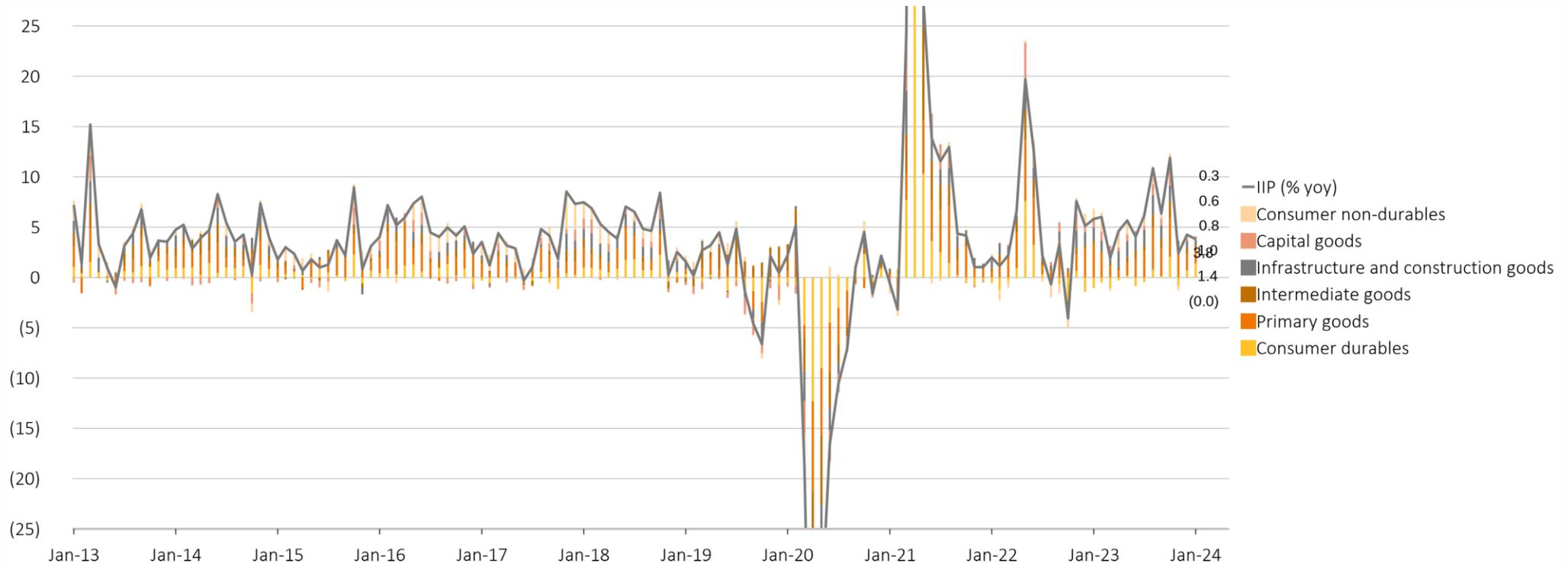
Note:

1. Mining accounts for ~14.37%, manufacturing 77.63%, and electricity 7.99% weight in the Index of Industrial Production

High Frequency Indicators

Consumer durable goods contribute 1.4pp of 3.8% IIP growth in January, followed by primary at 1.0pp

Contribution from key components of index of industrial production-use-based classification (% yoy/pp), FY2013-FY2024 (Jan '24)



Source: Thurro, MOSPI, NIIF Research

Note:

1. Primary goods account for ~34.05%, capital goods 8.22%, intermediate 17.22%, infrastructure and construction goods 12.34%, consumer durables 12.84%, and consumer non-durable goods 15.33% weight in the Index of Industrial Production

High Frequency Indicators

Double-digit credit growth supported by retail and trade, apart from agriculture

Monthly total credit outstanding by sector (INR trillion), Feb '23 - Feb '24 *HDFC merger*

	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Growth (% yoy)
Agriculture	16.6	16.9	17.3	17.2	18.0	17.9	18.0	18.2	19.1	19.3	19.9	20.1	20.4	22.9
Industry	32.9	33.4	33.7	33.5	34.2	33.7	34.1	34.7	35.7	36.0	36.6	36.5	36.7	11.5
Construction	1.2	1.2	1.2	1.2	1.3	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.4	14.0
Infrastructure	11.8	12.0	12.2	12.2	12.3	12.3	12.4	12.5	12.7	12.8	12.9	12.8	12.8	8.6
Power	6.0	6.2	6.1	6.2	6.2	6.2	6.1	6.2	6.2	6.3	6.5	6.4	6.5	7.6
Telecom	1.1	1.1	1.3	1.3	1.2	1.3	1.3	1.4	1.4	1.5	1.4	1.4	1.3	18.0
Roads	2.8	2.8	2.9	2.9	2.9	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1	9.5
Services	35.2	36.1	36.6	36.8	38.9	39.0	39.4	40.3	42.1	42.6	44.1	44.2	44.9	27.5
Services - NBFC	13.1	13.3	13.5	13.4	14.2	13.8	13.8	14.2	14.8	14.9	15.2	15.0	15.1	15.7
Services - Trade	8.0	8.2	8.3	8.4	8.6	8.4	8.4	8.7	9.3	9.1	9.4	9.6	10.1	26.5
Services- Commercial Real Estate	3.1	3.1	3.2	3.2	3.3	4.1	4.1	4.1	4.2	4.3	4.4	4.4	4.4	41.4
Retail loans	40.1	40.9	41.2	41.4	42.6	47.3	47.7	48.3	50.0	50.6	51.8	52.2	52.7	31.3
Other non-food loans	9.3	9.4	9.6	9.6	10.0	9.9	9.8	9.8	7.1	7.3	6.8	6.9	7.0	(24.6)
Non-food Credit	134.2	136.6	138.4	138.6	143.6	147.8	149.0	151.3	154.1	155.8	159.2	160.0	161.7	20.5
Total Credit Outstanding (without HDFC merger)	134.5	136.8	138.6	138.9	143.9	141.9	143.2	145.6	148.4	150.4	153.9	154.9	156.7	16.5
Total Credit Outstanding	134.5	136.8	138.6	138.9	143.9	148.0	149.2	151.5	154.3	156.2	159.6	160.4	162.1	20.5

Source: Thurro, RBI, NIIF Research

High Frequency Indicators

Robust growth in retail loans of ~32% yoy in Jan driven by housing loans and credit cards; consumer durable goods loan demand contracts

Monthly components of retail loans (INR trillion), Feb '23 - Feb '24

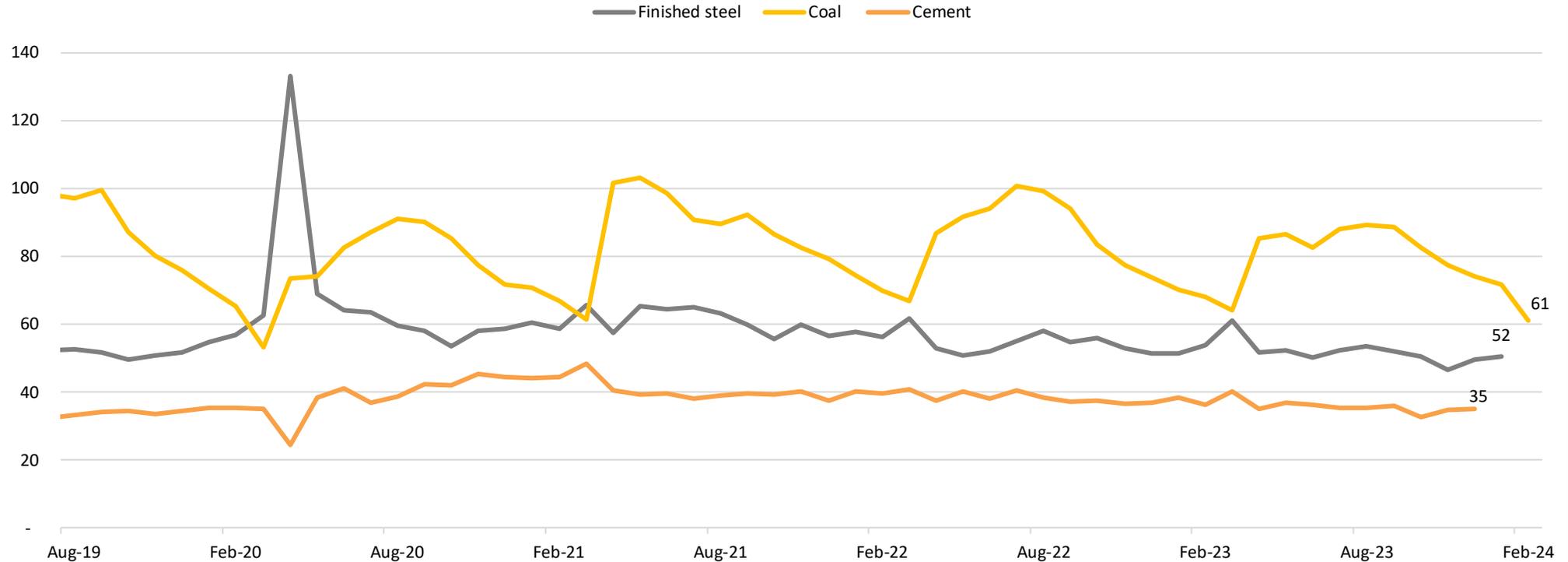
	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Growth (% yoy)
Personal loans	40.1	40.9	41.2	41.4	42.6	47.3	47.7	48.3	50.0	50.6	51.8	52.2	52.7	31.3
Housing	19.1	19.4	19.5	19.6	20.0	24.3	24.6	24.8	25.6	25.9	26.4	26.6	26.8	40.4
Vehicle loans	5.0	5.0	5.1	5.1	5.2	5.3	5.3	5.4	5.5	5.6	5.8	5.8	5.8	17.4
Credit card outstanding	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.2	2.4	2.4	2.5	2.6	2.6	38.1
Advances against fixed deposits	1.1	1.2	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	5.7
Education	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.2	1.2	23.4
Loans against gold jewellery	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	16.7
Consumer durables	0.4	0.2	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	(35.2)
Others	10.8	11.2	11.2	11.4	11.8	12.2	12.2	12.4	12.9	13.0	13.3	13.5	13.7	27.1

Source: Thurro, RBI, NIIF Research

Railways

Less than three-fourths of coal, more than half of steel, and more than one-third of cement produced are transported via rail

Rail freight as a % share of production of respective commodity (%), FY2020-FY2024 (Feb '24)



Source: CEIC, CMIE, NIIF Research

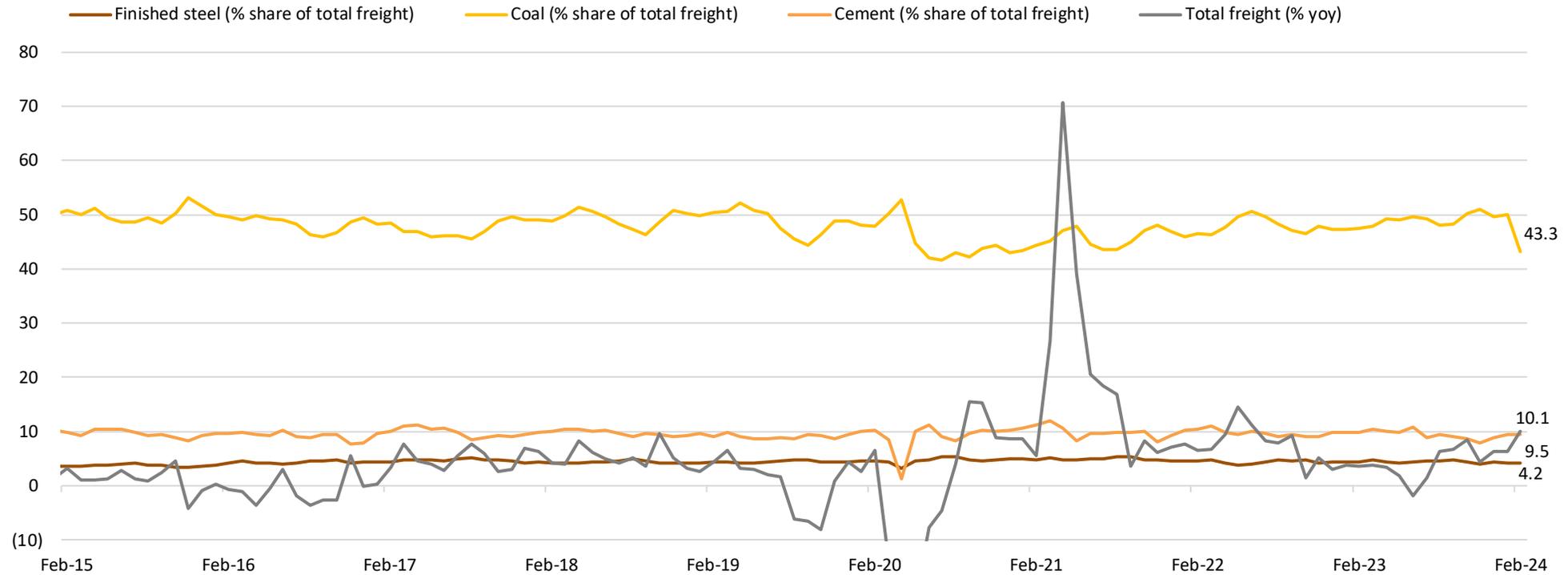
Note:

1. Cement production as of Dec 2023, finished steel as of Jan 2024

Railways

Share of coal in total rail freight falls in Feb to 43%; share of cement trending upwards

Share of commodities in total rail freight (%), FY2015-FY2024 (Feb '24)



Source: CEIC, NIIF Research

Inflation

Consumer inflation in February rises by 5.1% yoy driven by a pickup in food prices

Monthly consumer price inflation (% yoy), Feb '23 - Feb '24

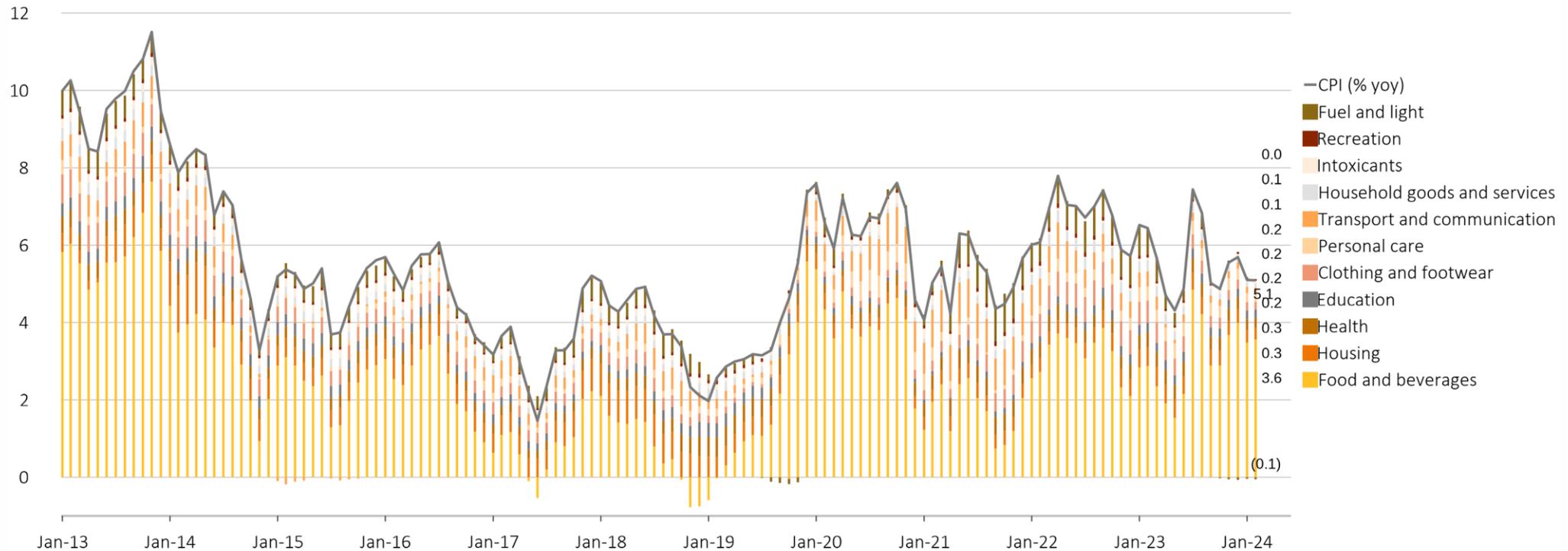
	Weights	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Consumer Price Index	100.0	6.4	5.7	4.7	4.3	4.9	7.4	6.8	5.0	4.9	5.6	5.7	5.1	5.1
Consumer Price Index - Core	47.3	6.1	5.8	5.2	5.1	5.1	4.9	4.8	4.5	4.3	4.1	3.9	3.6	3.3
Food and beverages	45.9	6.3	5.1	4.2	3.4	4.7	10.6	9.2	6.3	6.3	8.0	8.7	7.6	7.8
Pan, tobacco and intoxicants	2.4	3.2	3.0	3.5	3.6	3.7	3.9	4.1	3.9	3.9	3.8	3.7	3.3	3.1
Clothing and footwear	6.5	8.8	8.2	7.5	6.6	6.1	5.6	5.2	4.6	4.3	3.9	3.6	3.4	3.1
Housing	10.1	4.8	5.0	4.9	4.8	4.6	4.5	4.4	4.0	3.8	3.6	3.6	3.2	2.9
Fuel and light	6.8	9.9	8.8	5.5	4.7	3.9	3.7	4.3	(0.1)	(0.4)	(0.8)	(1.0)	(0.6)	(0.8)
Miscellaneous	28.3	6.1	5.8	4.9	4.9	5.2	5.1	4.9	4.8	4.5	4.4	4.1	3.8	3.6
Household goods and services	3.8	7.4	7.0	6.5	6.1	5.6	5.2	4.8	4.3	3.9	3.5	3.4	3.1	2.8
Health	5.9	6.5	6.6	6.3	6.2	6.2	6.2	6.2	5.9	5.9	5.5	5.1	4.9	4.5
Transportation and communication	8.6	4.5	4.0	1.2	1.1	2.5	2.5	2.5	2.3	2.0	2.1	2.0	2.0	1.8
Recreation and amusement	1.7	4.9	4.3	3.8	3.7	3.6	3.7	3.6	3.4	3.3	3.2	3.1	2.9	2.7
Education	4.5	5.6	5.4	5.7	5.5	6.0	5.5	5.5	5.3	5.1	5.0	4.8	4.9	4.8
Personal Care and effects	3.9	9.4	8.3	9.0	10.0	9.0	8.9	8.1	8.5	7.8	7.8	7.3	5.9	5.2

Source: Thurro, MoSPI, NIIF Research

Inflation

Food and beverages contributes 3.6pp to 5.1% of CPI inflation in February, followed by housing and health at 0.3pp each

Contribution of key components to consumer price index (CPI) inflation (% yoy/pp), FY2013-FY2024 (Feb '24)



Source: Thurro, MoSPI, NIIF Research

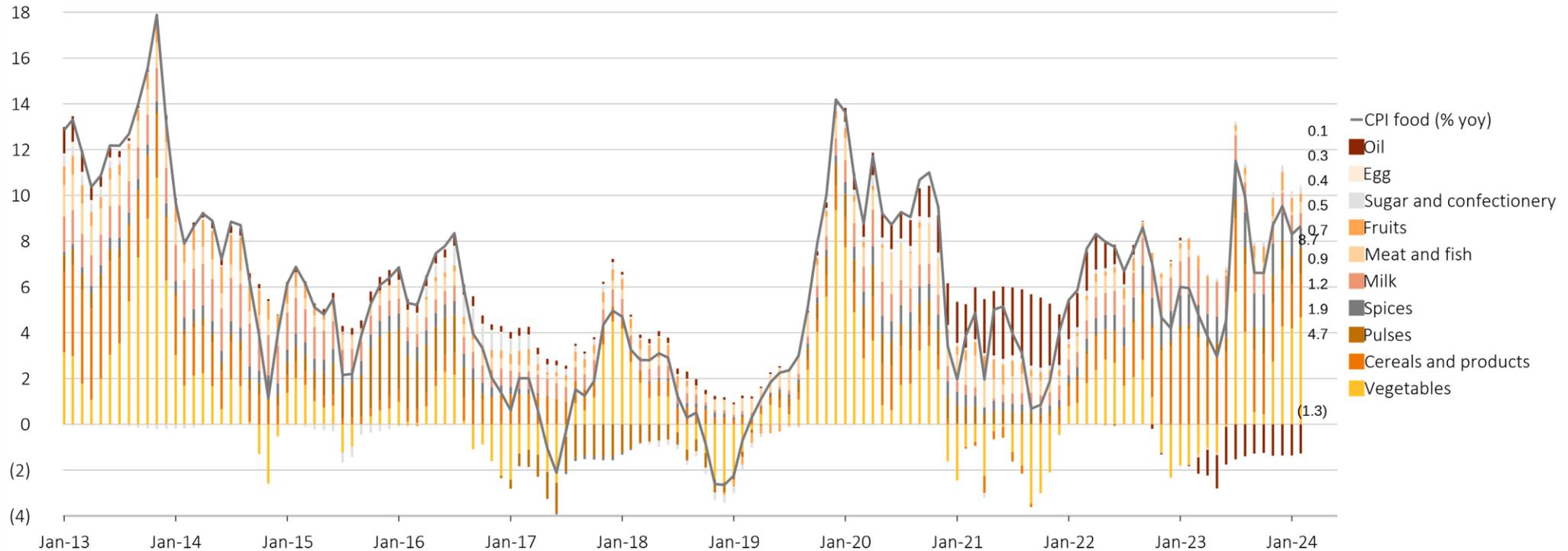
Note:

1. Food and beverages account for ~45.86%, intoxicants 2.38%, clothing and footwear 6.53%, housing 10.07%, fuel and light 6.84%, and household goods and services 3.8%, health 5.89%, transport and communication 8.59%, recreation 1.68%, education 4.46%, and personal care 3.89% weight in the headline consumer price index inflation

Inflation

Vegetables contribute 4.7pp of overall 8.7% food inflation in February, followed by cereals at 1.9pp, and pulses at 1.2pp

Contribution of key components to consumer food price inflation (CPI food) (% yoy/pp), FY2013-FY2024 (Feb '24)



Source: Thurro, MoSPI, NIIF Research

Note:

1. Cereals account for ~9.67%, meat and fish 3.61%, egg 0.43%, milk 6.61%, oils 3.56%, fruits 2.89%, vegetables 6.04%, pulses 2.38%, sugar and confectionery 1.36%, and spices 2.5% weight in the consumer food price index inflation

Inflation

WPI inflation rises by 0.3% yoy in January driven by higher food prices; growth in wholesale crude oil prices back in the positive territory

Monthly wholesale price inflation (% yoy), Feb '23 - Feb '24

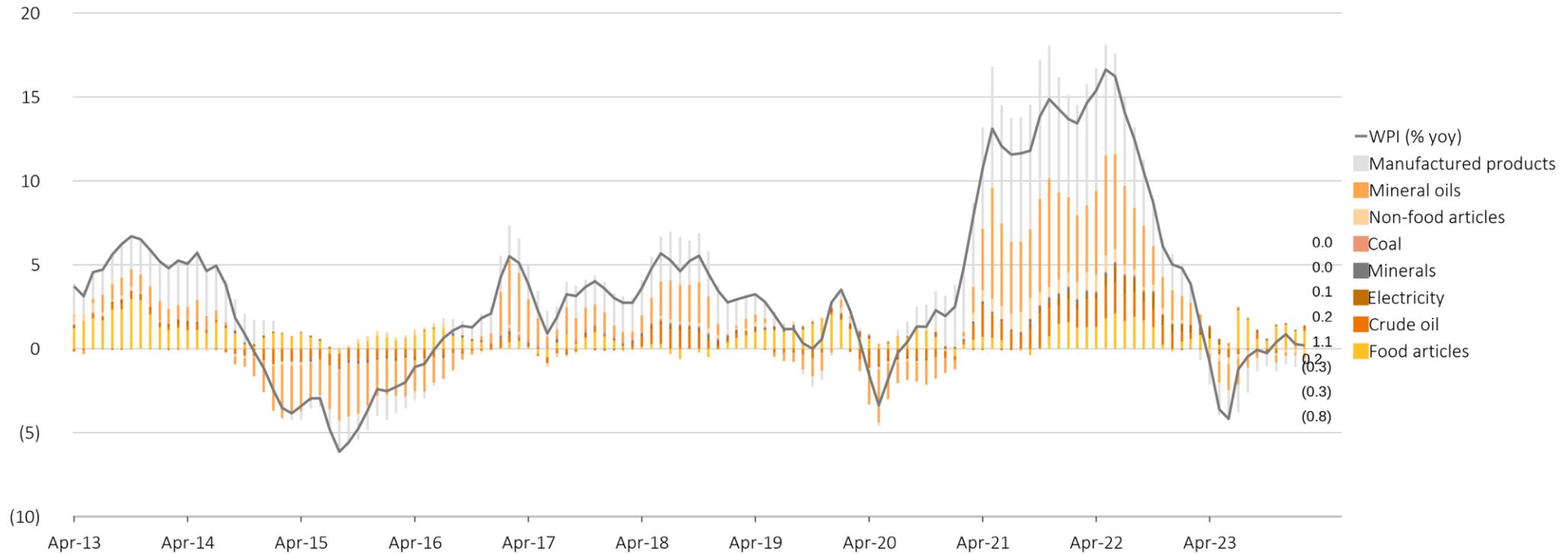
	<i>Weights</i>	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
WPI	100.0	3.9	1.4	(0.8)	(3.6)	(4.2)	(1.2)	(0.5)	(0.1)	(0.3)	0.4	0.9	0.3	0.2
Primary articles	22.6	3.6	2.5	1.9	(1.9)	(3.0)	8.2	6.7	4.4	2.3	5.2	5.7	3.8	4.5
Food articles	15.3	3.8	5.4	3.9	1.6	1.3	15.1	11.4	3.8	3.2	8.8	9.3	6.9	7.0
Non-food articles	4.1	0.0	(4.5)	(6.7)	(9.5)	(9.7)	(5.8)	(6.8)	(2.1)	(1.1)	(3.0)	(5.2)	(6.6)	(6.3)
Minerals	0.8	(3.3)	(2.8)	7.9	2.2	0.5	9.0	6.5	19.0	11.6	8.7	6.8	7.6	2.9
Crude oil, petroleum and natural gas	2.4	14.5	(1.2)	1.6	(13.7)	(21.4)	(13.7)	(1.9)	15.6	(2.2)	(7.1)	(0.1)	0.2	8.2
Fuel and power	13.2	14.0	8.7	1.0	(9.2)	(12.5)	(12.7)	(6.3)	(3.4)	(1.6)	(4.1)	(1.4)	(0.5)	(1.6)
Coal	2.1	3.6	3.2	3.5	2.5	5.1	5.1	2.5	1.8	1.8	1.8	1.8	1.4	0.3
Mineral oils	7.9	15.8	6.1	(4.9)	(16.2)	(19.5)	(19.6)	(9.7)	(4.7)	(0.5)	(5.7)	(2.7)	(1.1)	(3.8)
Electricity	3.1	15.6	21.4	20.1	9.5	1.1	0.3	(1.0)	(2.6)	(6.8)	(2.9)	0.4	(0.1)	3.5
Manufactured products	64.2	1.9	(0.7)	(2.3)	(3.0)	(2.8)	(2.6)	(2.3)	(1.3)	(1.1)	(0.8)	(0.8)	(1.1)	(1.3)

Source: Thurro, EAI, NIIF Research

Inflation

Food products contribute 1.0pp of 0.3% WPI inflation in January

Contribution of key components to wholesale price inflation (WPI) (% yoy/pp), FY2014-FY2024 (Feb '24)



Source: Thurro, Office of the Economic Advisor, NIIF Research

Note:

1. Food articles account for ~15.26%, non-food 4.12%, mineral 0.83%, crude oil 2.41%, coal 2.14%, mineral oils 7.95%, electricity 3.06%, and manufactured products 64.23% weight in the wholesale price index inflation

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