



MONTHLY ECONOMIC MAY **REPORT ON INDIA** 2024

India's economy sustained its growth momentum driven by expansion across industries and services. **Steel and cement** production rose in March reflecting the ongoing infrastructure push. 10% uptick in **power generation** in April translated into **strong coal production**. **E-way bills**, a proxy for domestic trade, maintains **double-digit growth**, even as the growth in **ports cargo** and **toll collection** was **subdued**. The banking system continues to run on a tight leash with credit growth continuing to outpace deposit growth. After record-high foreign portfolio investments in FY2024, FPIs exited Indian market in April while domestic institutional investors stay invested. Although headline **retail inflation trended downward**, food prices remain elevated. A **decadal low wheat stock** with the FCI brings focus on procurement in ongoing Kharif season. The **US dollar strengthened** as the Fed indicates rates may remain **higher for (even) longer**. The question remains on whether India's monetary policy will continue to be synchronous?

March – April 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%. Industrial growth led by **steel** (10%) and **cement** (11%) production in March. Strong growth in power generation of ~10% in Apr; renewable's share stable at 13%. Continued business optimism in India with composite PMI of 61.5 in Apr. **Toll road collection** moderates m-o-m to INR 46 billion in April

Trade

Goods trade deficit widens to USD 19 billion in April as **oil exports rise**. **Services imports** at an **all-time high** of USD 17 billion in April. **Container freight rate moderates** in early May to USD 2,725 per FEU from the peak of USD 3,964 in Jan. Baltic dry goods index rises again to 2,203 (as on 08 May) from 1,594 (on 08 April). **Weak ~2.7% ports cargo traffic growth** in April

Demand

Robust energy demand in April - power demand up by 10%, and petroleum by 8% in April. PV and 2W record double-digit growth in April. **Credit-to-deposit ratio** in April **remains high** at 79.5 as credit (19%) continues to outpace deposit growth (13%). **Strong growth in e-way bills** of 15% yoy in April, 97 mn bills generated. **UPI transactions** worth **USD 2.5 trillion** undertaken over the trailing twelve months up to April

Foreign Exchange

INR depreciation against USD over the last year at 1.3%. **Markets expect lower INR depreciation** with 1-year USD/INR forward premium at a 15-year low of 1.71%. **RBI buys USD** worth USD 8.6 billion in Feb, a 3-year high. **Dollar strengthens** against major currencies as the dollar index rises in April. **Forex reserves** of USD 638 billion (as on 26 April) provide adequate ~9 months of import cover

Inflation

Consumer inflation eases to 4.8% yoy in Apr, core moderates to 3.2%. Food inflation remains high at 8.7% driven by vegetables. **Monetary policy unchanged** since Feb '23. **Monetary transmission incomplete** – banks pass on less than half of the 250-bps repo hike on loans. Apr-end consensus **push out 25-bps rate cut** forecast to Q3FY25. **Wheat stock** with FCI **at a decadal low** in March. **Wholesale inflation rises** by 1.3% in April

Investments

Foreign portfolio investors record a net outflow of INR 163 billion while domestic investors invest INR 442 billion in April. Annual net **foreign portfolio and domestic** institutional investments at an **all-time high** in FY2024. **Net FDI flows into India slow down** to USD 0.3 billion in Feb. AIFs record strong fund-raising and investment activity in FYTD2024 (till Dec '23): **Cat II AIFs** were at **INR 231 billion and INR 190 billion** respectively

Markets

Short-term rates moderate to 6.45% with **surplus liquidity** in April. 10-year G-sec yields stable at 7.13%. **Indian equity** markets generate yoy returns of ~24% in April, **market volatility sharply picks up** in early May. Diverging trends in key commodities - **gold remains above** USD 2,000, **copper prices** at a **2-year high**, and **brent crude moderates** to USD 83/bbl. **Polysilicon prices** at a **multi-year low**; cocoa prices surge

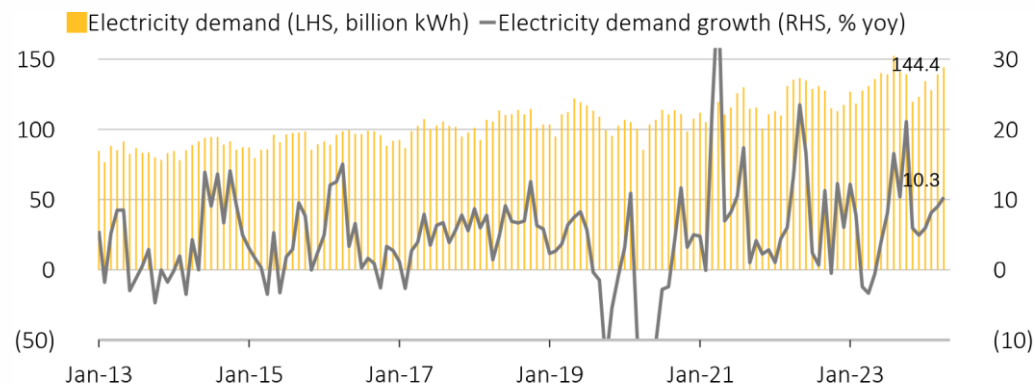
Fiscal

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. **E-way bills record strong growth** of ~15% yoy in April, 97 million bills generated

Key charts

Strong growth of ~10% in electricity demand in April

Monthly electricity demand in India, FY2013-FY2025 (Apr '24)

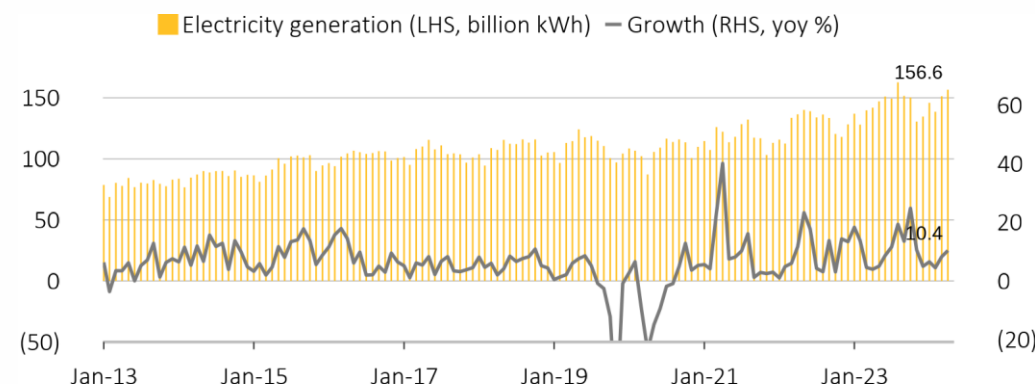


Source: Thurro, POSOCO, NIIF Research

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

Electricity generation surges by ~10% yoy in April

Monthly electricity generation, FY2013-FY2025 (Apr '24)

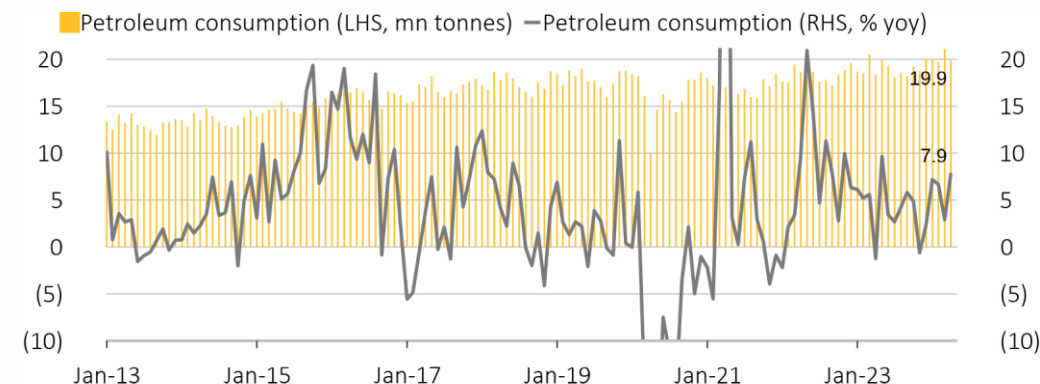


Source: Thurro, POSOCO, NIIF Research

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

Petroleum demand of ~20 MT in April; up by ~8% yoy

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

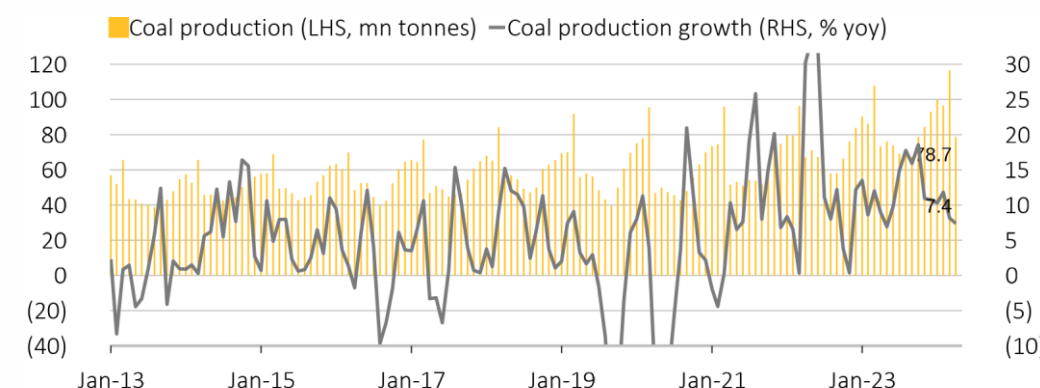


Source: Thurro, PPAC, NIIF Research

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

Stable ~7% yoy growth in coal production in April

Monthly coal production, FY2013-FY2025 (Apr '24)

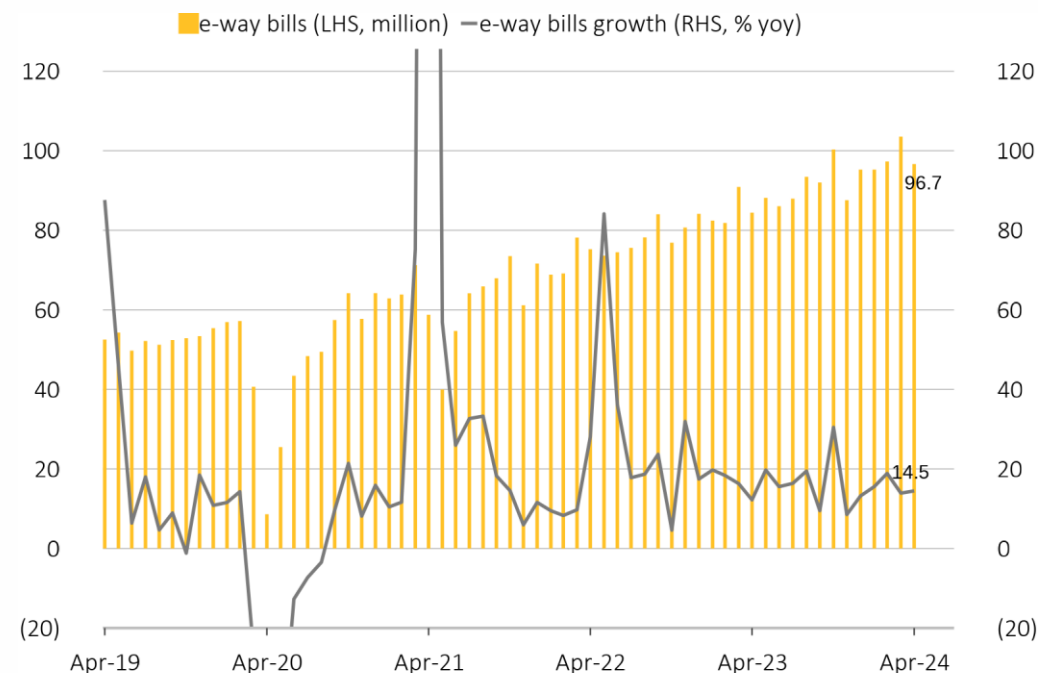


Source: Thurro, Ministry of Coal, NIIF Research

Key charts

Double-digit growth of ~15% yoy in e-way bills in April

Monthly number of e-way bills, FY2020-FY2025 (Apr '24)



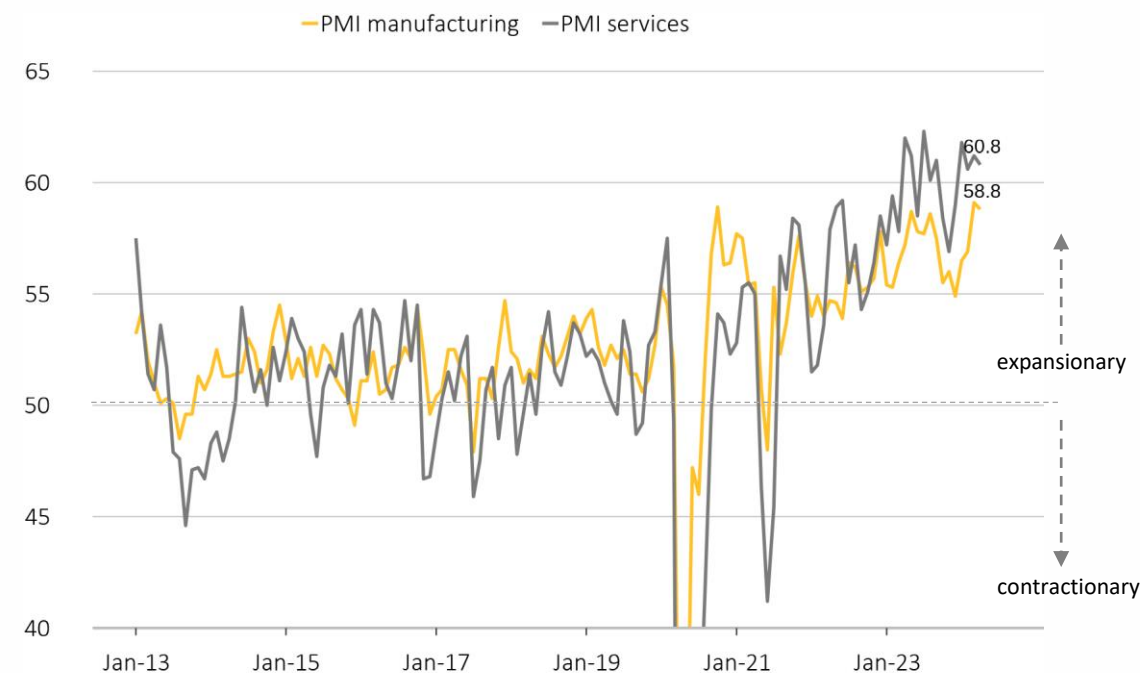
Source: Thurro, GSTN, NIIF Research

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 and services remain high in April

Monthly India PMI manufacturing and services, FY2013-FY2025 (Apr '24)



Source: Thurro, S&P, NIIF Research

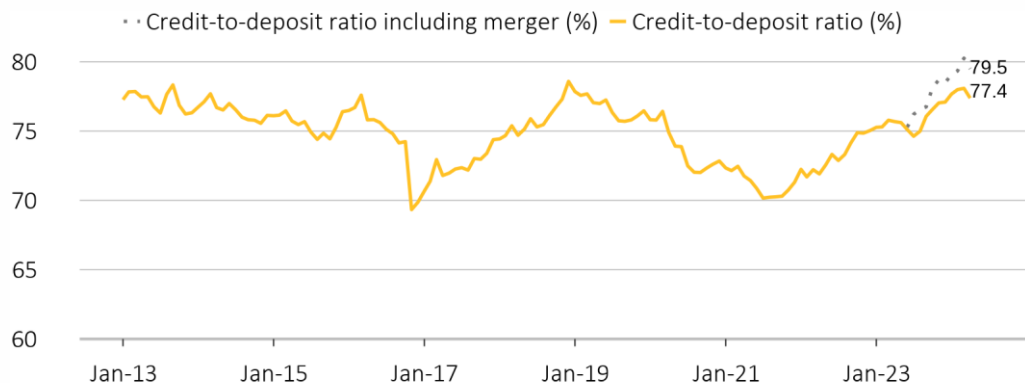
Note:

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 remains near ~80 in April

Monthly outstanding credit-deposit ratio with SCBs, FY2013-FY2025 (Apr '24)

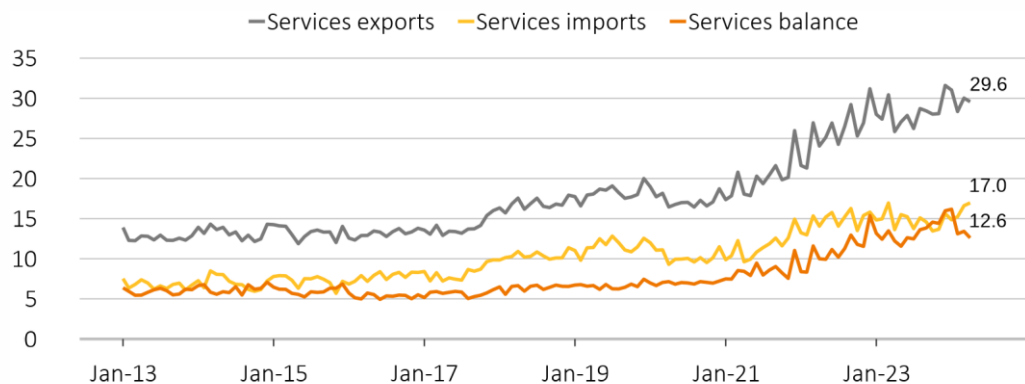


Source: Thurro, RBI, NIIF Research

Note: HDFC merger took effect in July 2023

Service imports at an all-time high of USD 17 billion in April

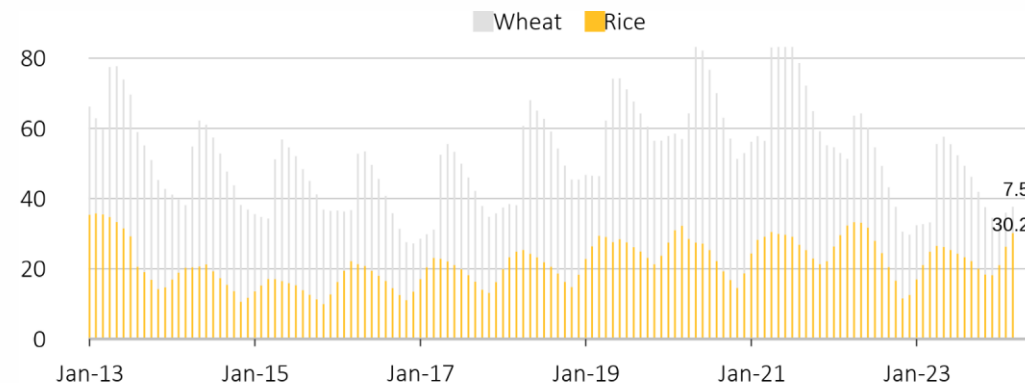
Monthly services trade (USD billion), FY2013-FY2025 (Apr '24)



Source: Thurro, RBI, NIIF Research

Wheat stock with FCI at a decadal low in March

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



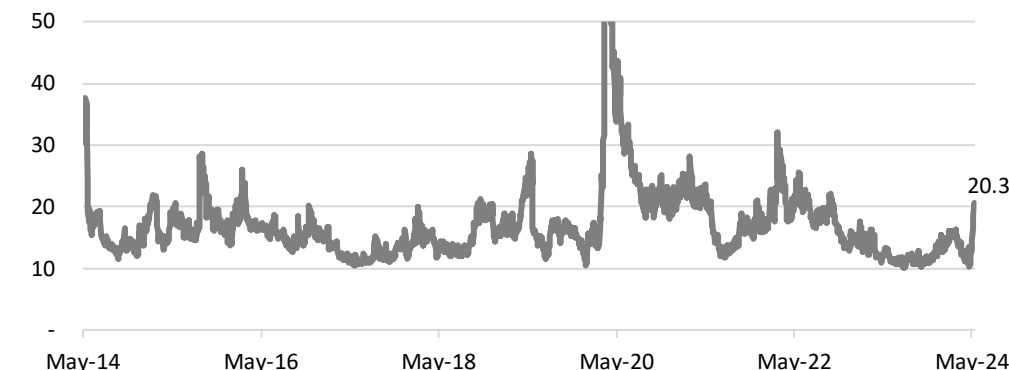
Source: Thurro, FCI, NIIF Research

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

Market volatility picks up sharply in May

Daily NSE NIFTY Volatility Index (X), FY2013-FY2025 (15 May '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



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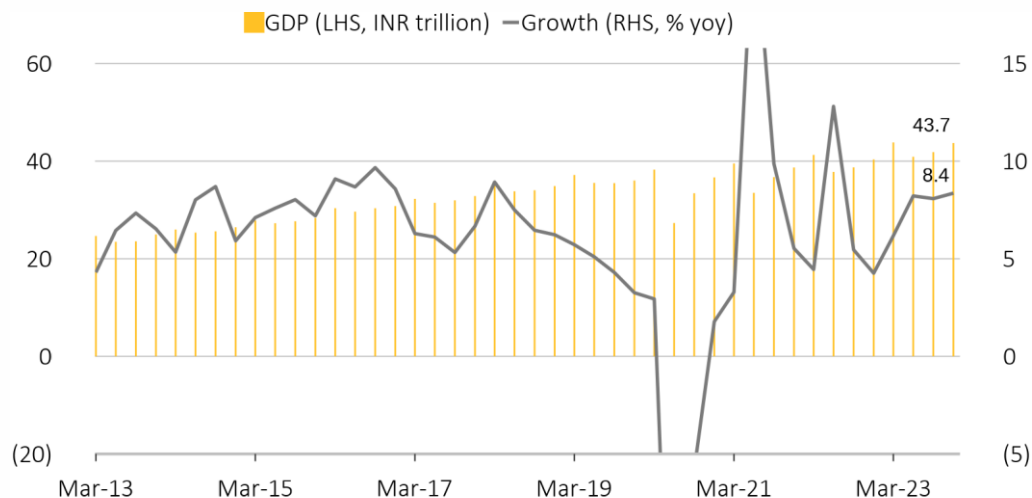
Macroeconomic indicators

- Real GDP growth of 8.4% yoy driven by capex in Q3FY24. Industry and services sectors drive real GVA growth of 6.5%. Industrial growth (5%) led by steel (10%) and cement (11%) production in March. Robust energy demand in April – power consumption up by 10%, and petroleum consumption by 8% in April
- Strong logistics and business activity in April - PMI manufacturing and services remain high, and e-way bills grew by ~15% yoy growth. Double-digit growth in 4W and 2W registration in April. Resilient demand for 3Ws, growth in CVs contracts in April
- Credit-to-deposit ratio in April remains high at 79.5 as credit (19%) continues to outpace deposit (13%) growth. UPI transactions worth USD 2.5 trillion undertaken over the trailing twelve months up to April
- Wheat stock with Food Corporation of India at a decadal low in March ahead of procurement season. Consumer inflation eases further to 4.8% while WPI inflation picks up to 1.3% yoy in April. 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)

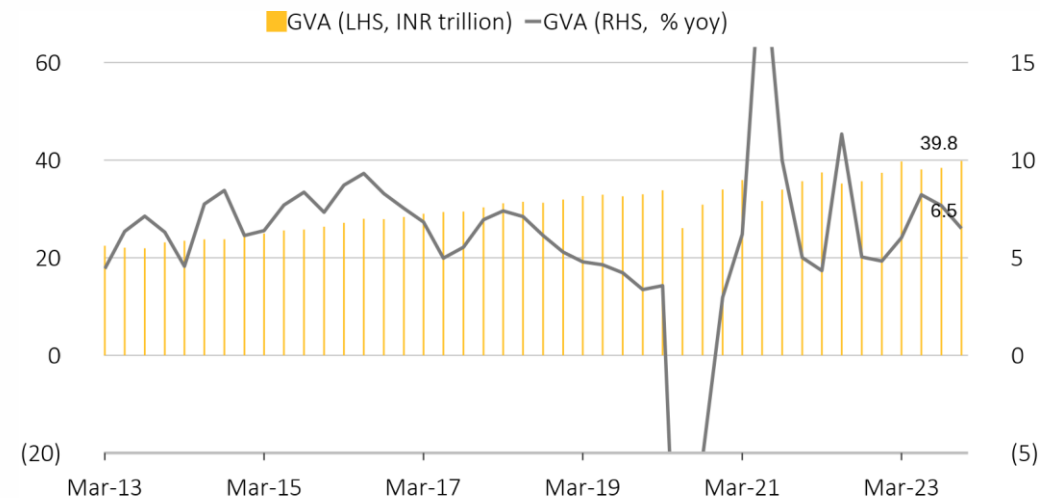


Source: Thurro, MOSPI, NIIF Research

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

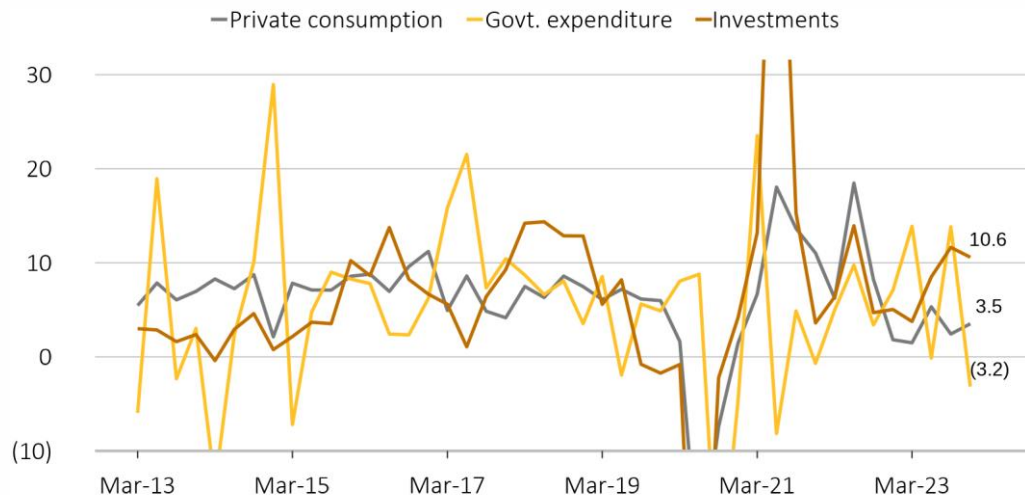
Supply side growth maintains pace with real Gross Value Added (GVA) growth of 6.5% in Q3FY24

- 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

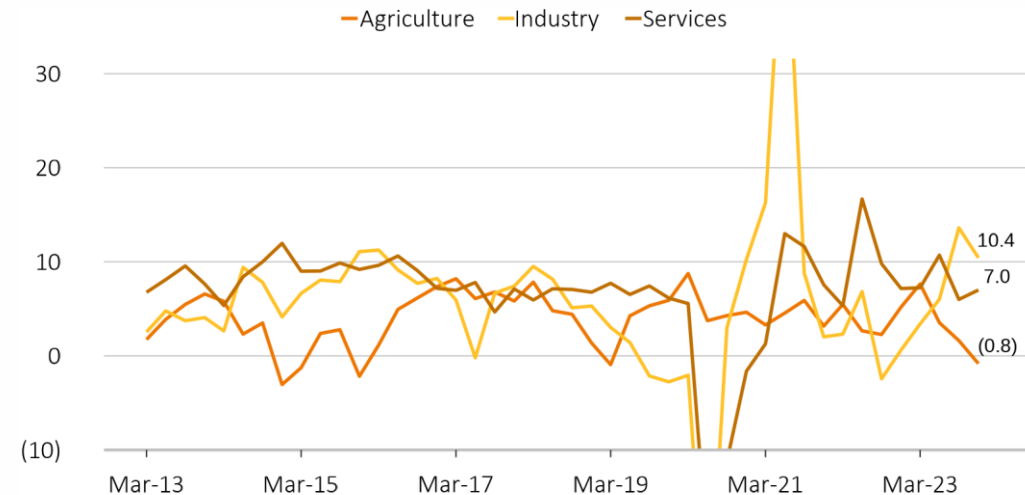
Quarterly real GDP growth by components (% yoy), FY2013-FY2024 (Dec '23)



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

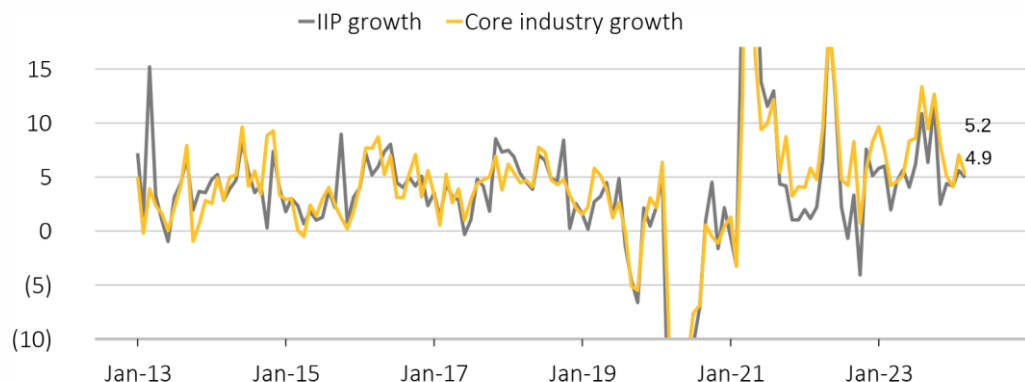
Industry and services sectors drive real GVA growth in Q3FY24

- 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

Industrial production and core infra growth at ~5% in March

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

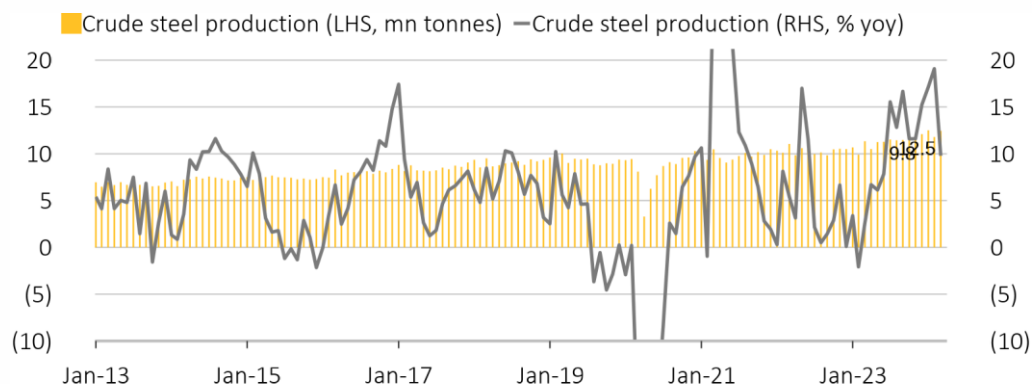


Source: Thurro, Office of the Economic Advisor, NIIF Research

Note: IIP growth for May '20 and Apr '21 not shown due to low base effect

Crude steel production growth at ~10% in March

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

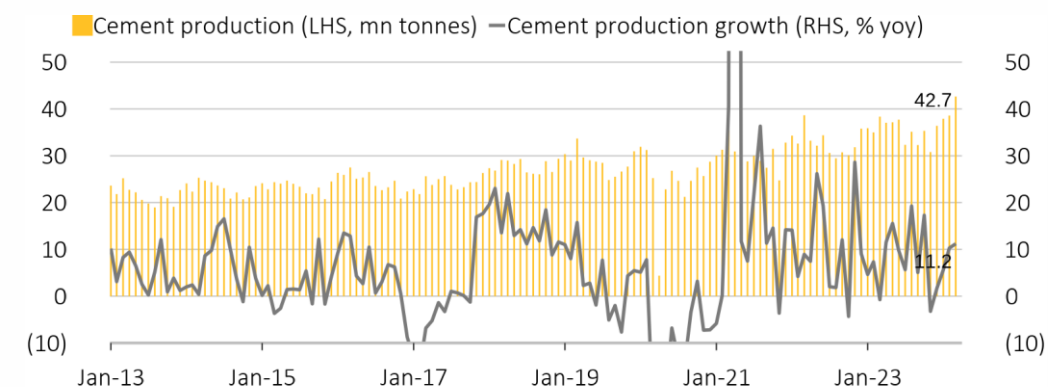


Source: Thurro, Ministry of Steel, JPC, NIIF Research

Note: Growth in steel production in Apr '21 not shown in the chart due to low base effect

Strong ~11% growth in cement production in March

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

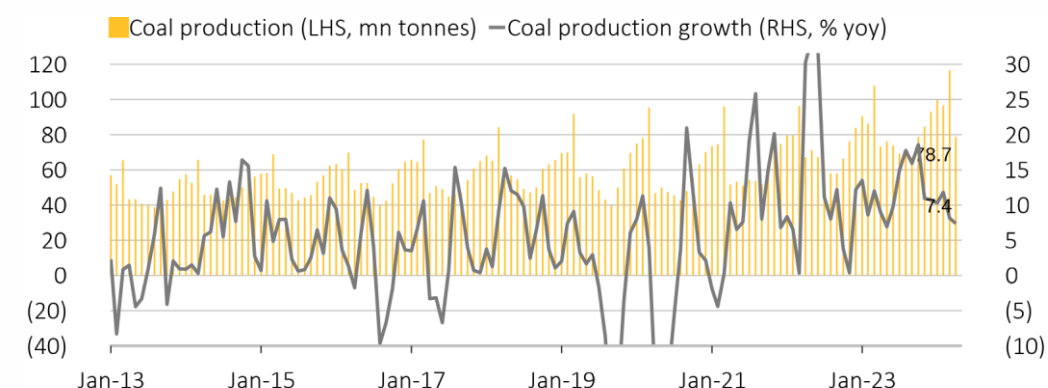


Source: Thurro, EAI, NIIF Research

Note: Growth in cement production in Apr '21 not shown in the chart due to low base effect

Stable ~7% yoy growth in coal production in April

Monthly coal production, FY2013-FY2025 (Apr '24)

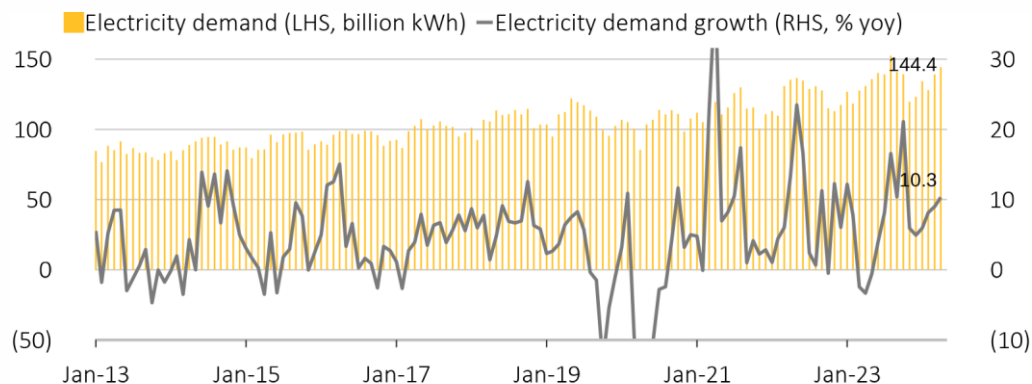


Source: Thurro, Ministry of Coal, NIIF Research

Energy and fuel

Strong growth of 10.3% in electricity demand in April

Monthly electricity demand in India, FY2013-FY2025 (Apr '24)

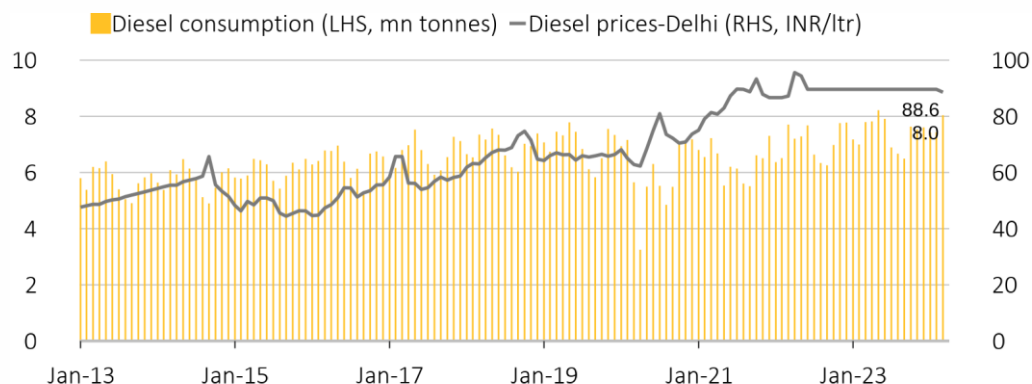


Source: Thurro, POSOCO, NIIF Research

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 March; retail prices cut

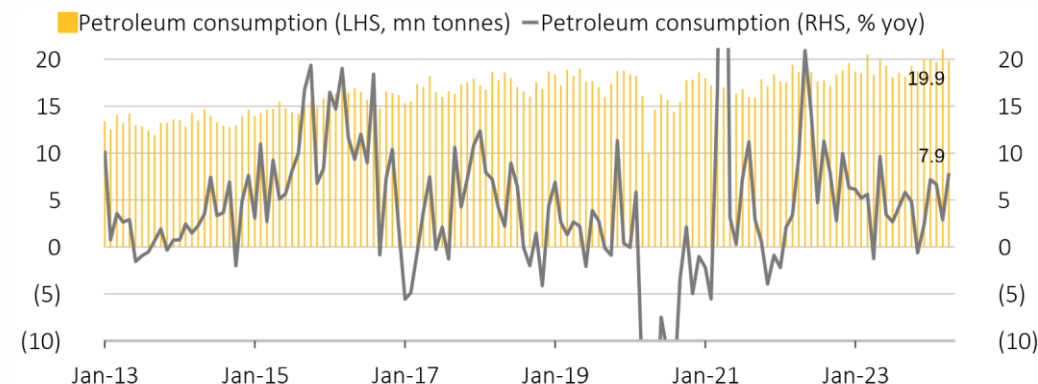
Monthly diesel consumption and prices, FY2013-FY2024 (Mar '24)



Source: Thurro, PPAC, NIIF Research

Petroleum demand of ~20 MT in April; up by ~8% yoy

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

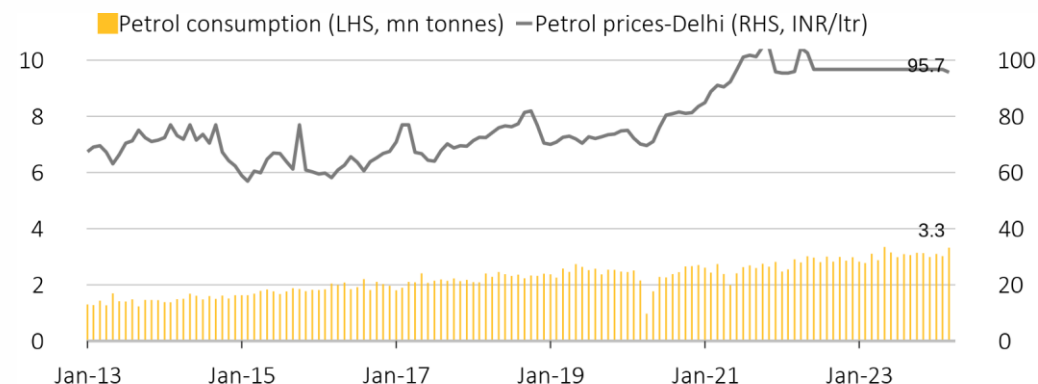


Source: Thurro, PPAC, NIIF Research

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

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

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

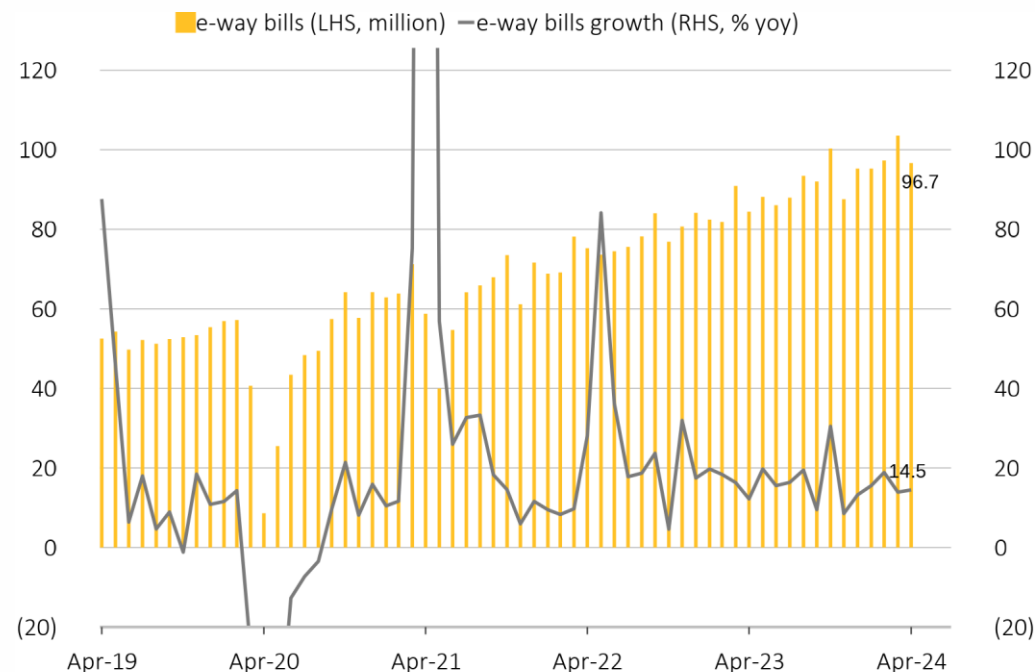


Source: Thurro, PPAC, NIIF Research

Activity levels

Double-digit growth of ~15% yoy in e-way bills in April

Monthly number of e-way bills, FY2020-FY2025 (Apr '24)



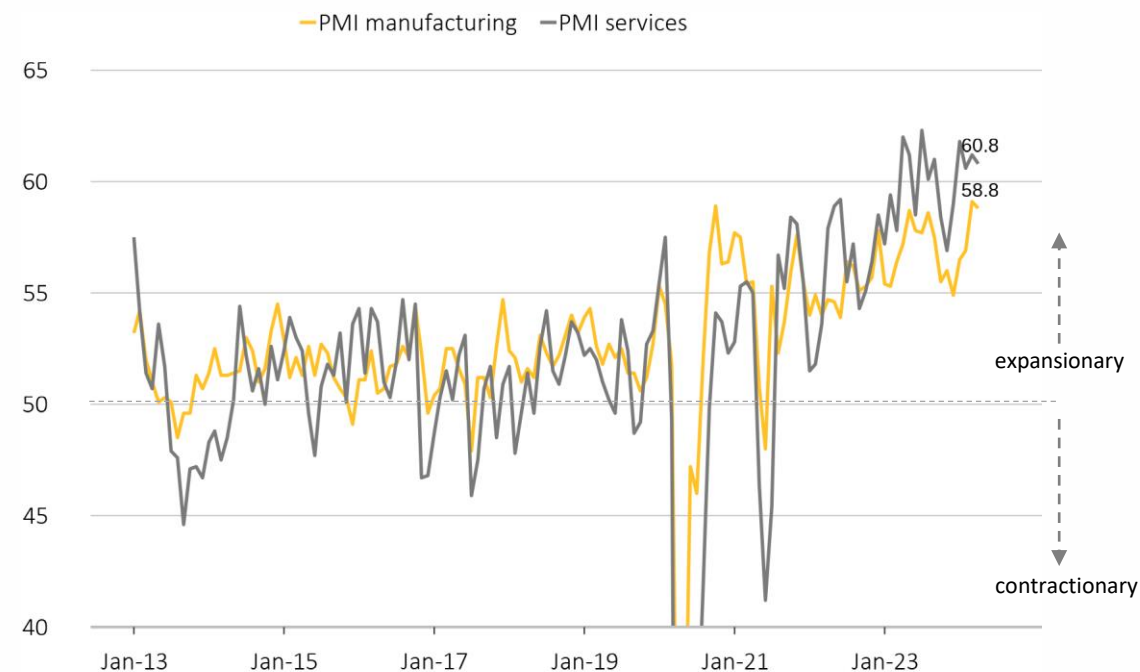
Source: Thurro, GSTN, NIIF Research

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 and services remain high in April

Monthly India PMI manufacturing and services, FY2013-FY2025 (Apr '24)



Source: Thurro, S&P, NIIF Research

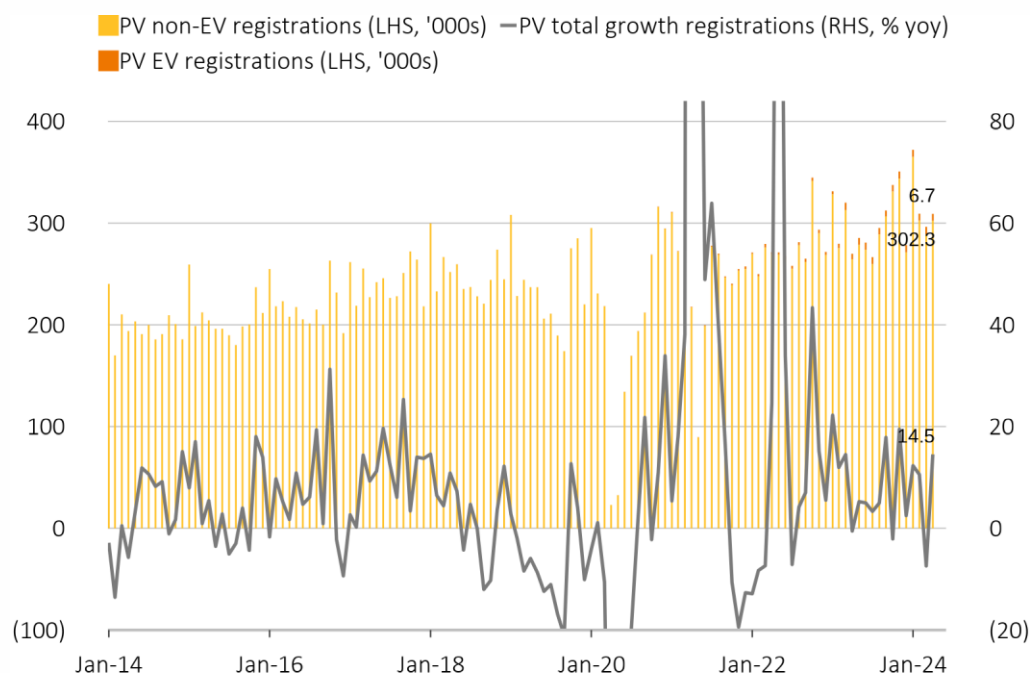
Note:

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)

15% yoy 4W vehicle registrations growth in April

Monthly passenger vehicle (PV) registrations, FY2014-FY2025 (Apr '24)



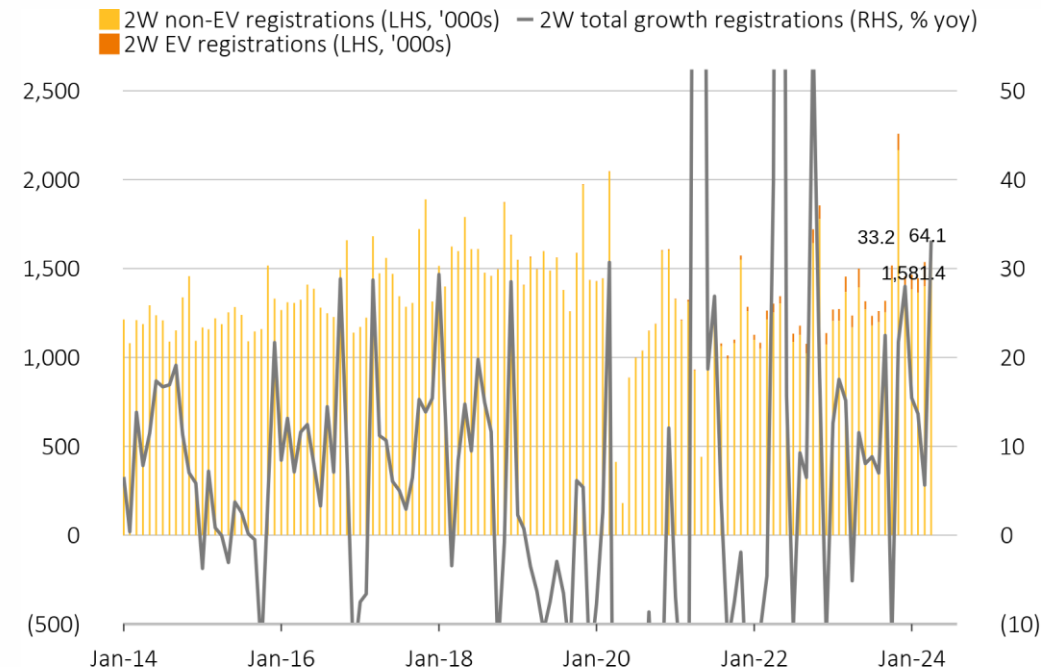
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

Note:

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

Robust demand for two-wheelers in April

Monthly two-wheeler (2W) registrations, FY2014-FY2025 (Apr '24)



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

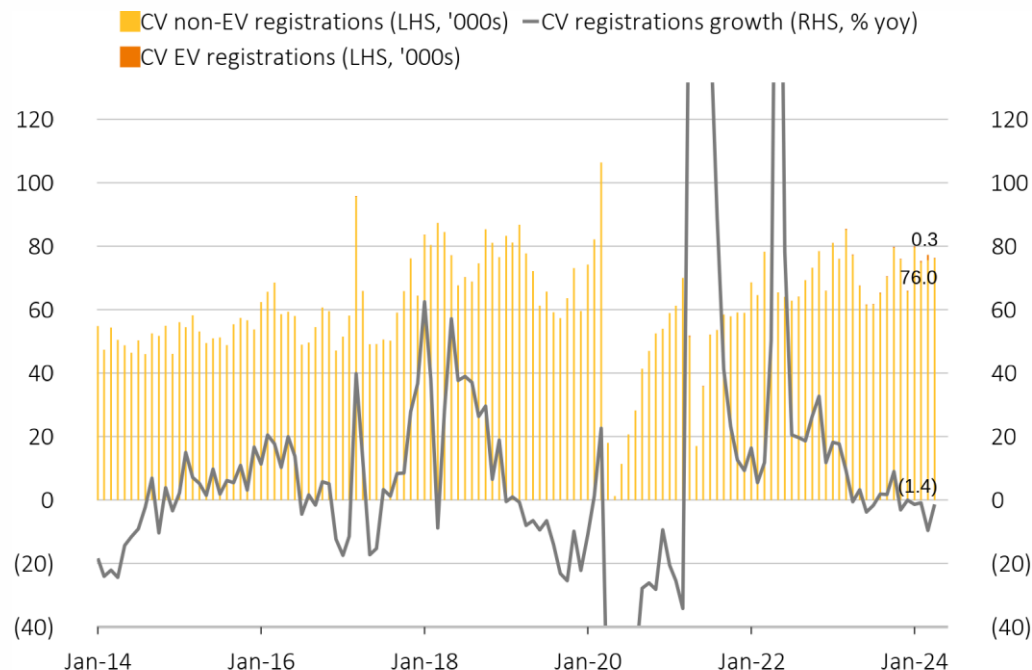
Note:

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)

Commercial vehicle demand stabilizes ~70,000+; yoy growth contracts

Monthly commercial vehicle (CV) registrations, FY2014-FY2025 (Apr '24)



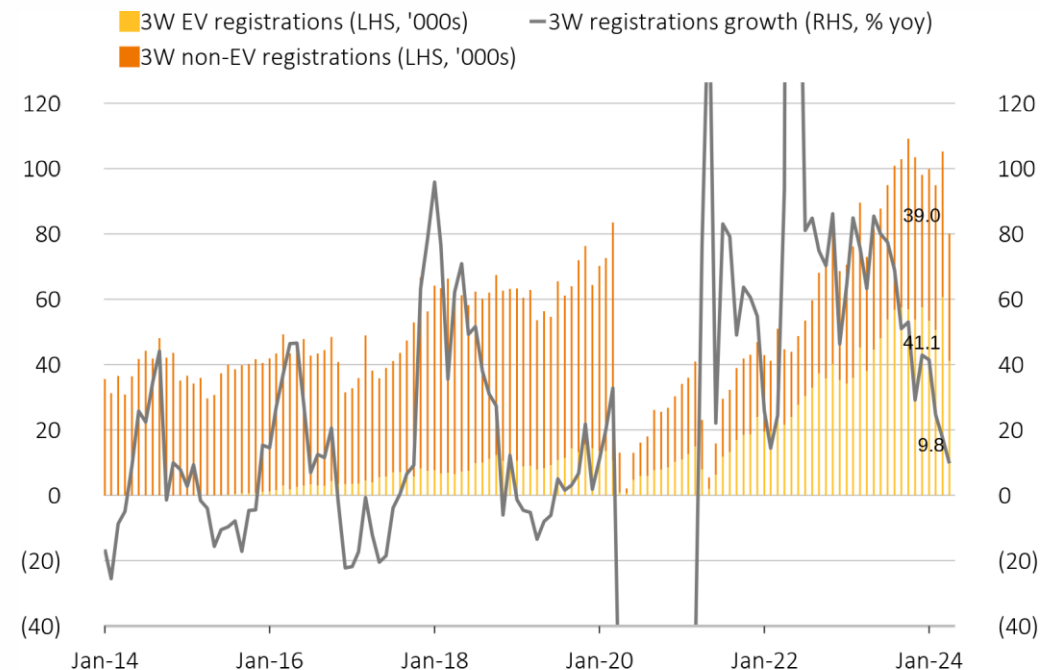
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

Note:

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

3W registrations growth of ~10% yoy in April

Monthly three-wheeler (3W) registrations, FY2014-FY2025 (Apr '24)



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

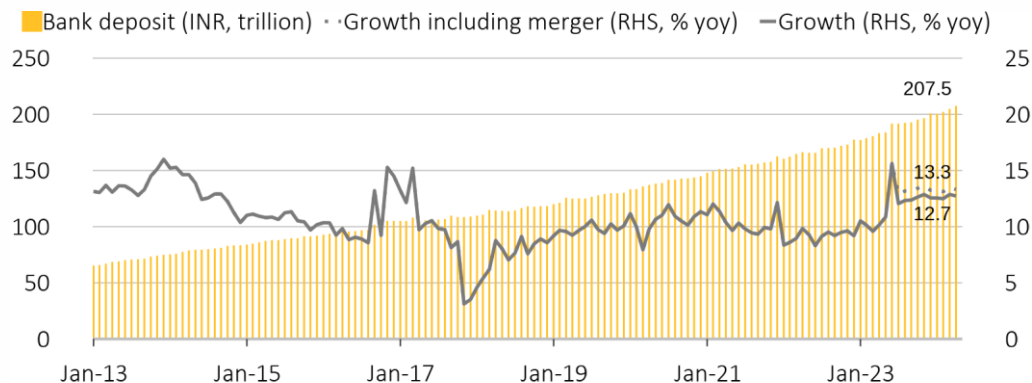
Note:

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

Banks: credit and deposits

Deposit growth remains stable at ~13% yoy in March

Monthly total bank deposits, FY2013-FY2025 (Apr '24)

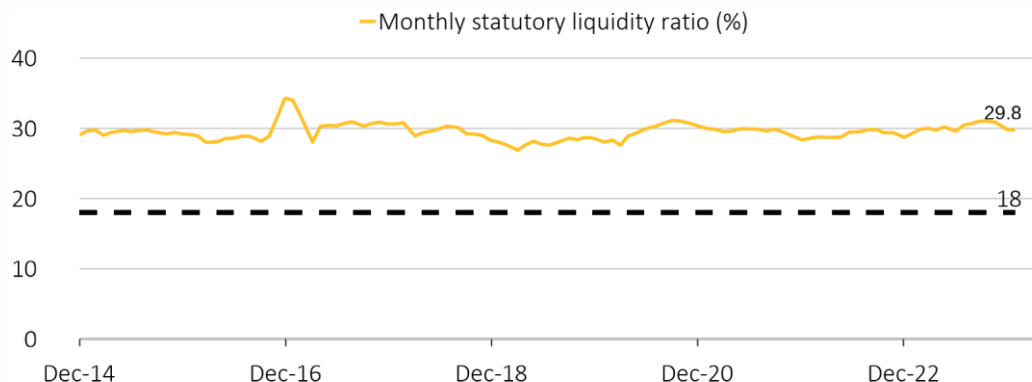


Source: Thurro, RBI, NIIF Research

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

Banks SLR holdings at ~30%, higher than the minimum required 18%

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

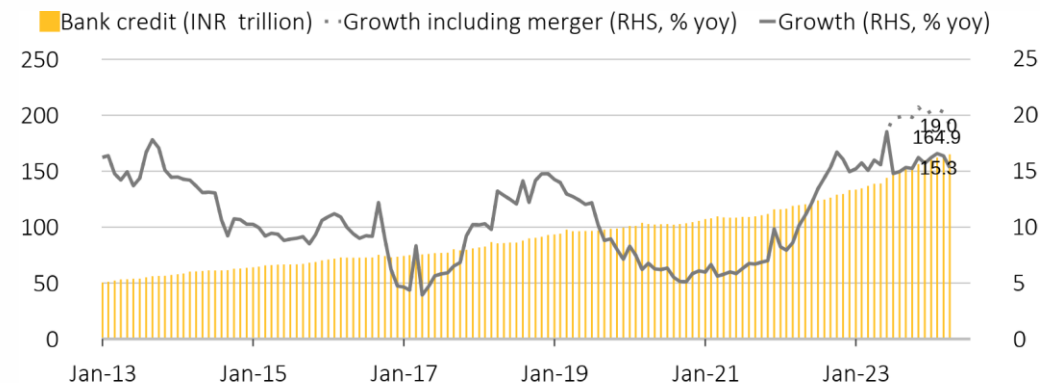


Source: Thurro, RBI, NIIF Research

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

Strong credit growth of ~19% in April, slower than 20+% few months ago

Monthly total credit outstanding, FY2013-FY2025 (Apr '24)

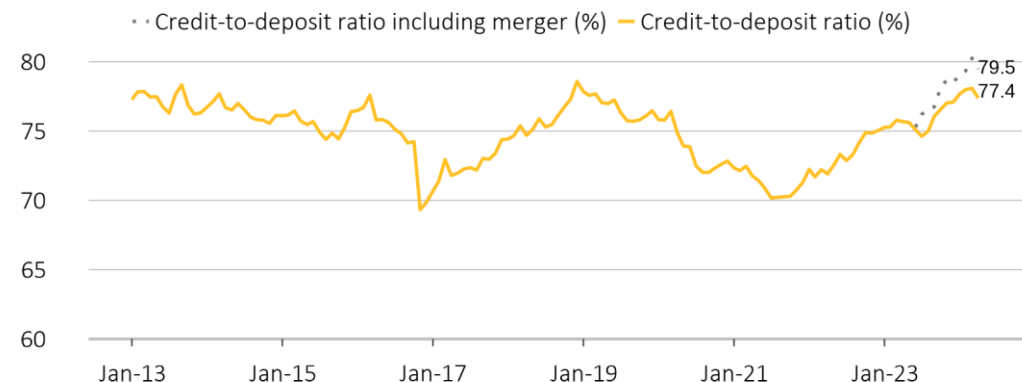


Source: Thurro, RBI, NIIF Research

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

Credit-to-deposit ratio remains near ~80 in April

Monthly outstanding credit-deposit ratio with SCBs, FY2013-FY2025 (Apr '24)



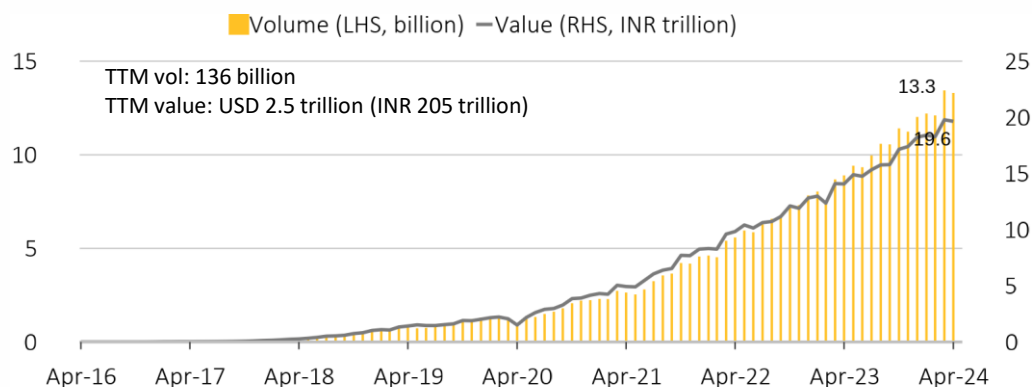
Source: Thurro, RBI, NIIF Research

Note: HDFC merger took effect in July 2023

Currency and transactions

USD 2.5 trillion worth of UPI transactions over TTM up to April

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

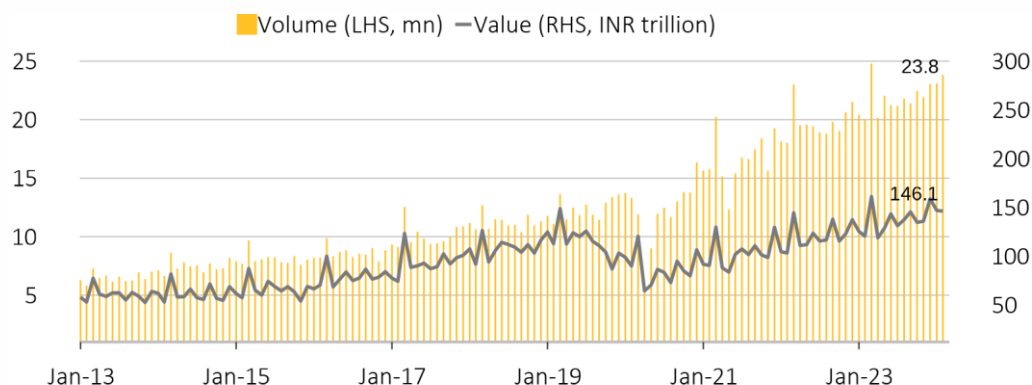


Source: Thurro, NPCI, NIIF Research

Note: TTM is trailing twelve months

RTGS transactions value stable at INR ~146 trillion in Feb

RTGS transactions, FY2013-FY2024 (Feb '24)

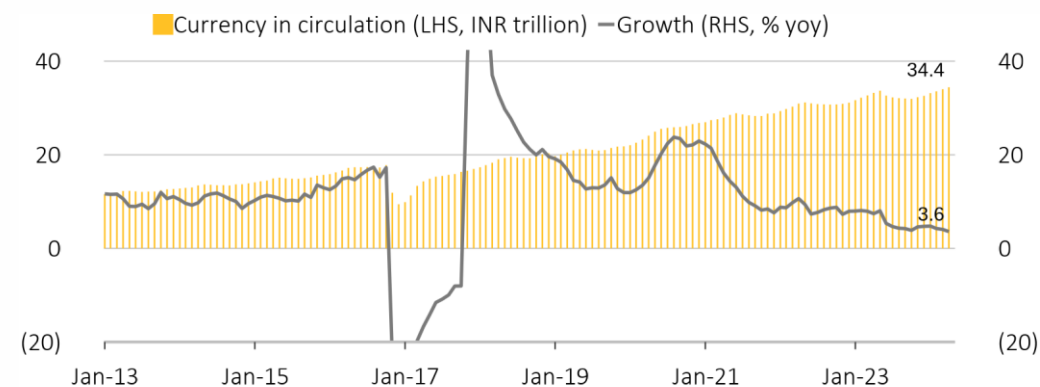


Source: Thurro, RBI, NIIF Research

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

Moderate growth of 3.6% in currency in circulation in April

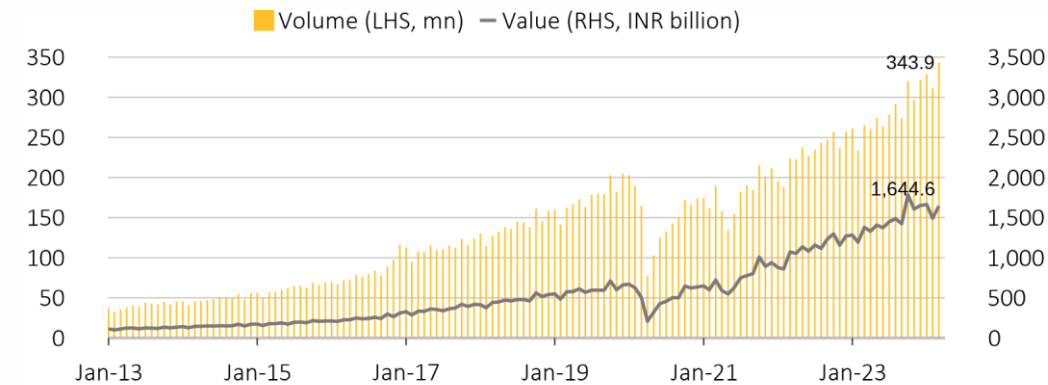
Currency in circulation, FY2013-FY2025 (Apr '24)



Source: Thurro, RBI, NIIF Research

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

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

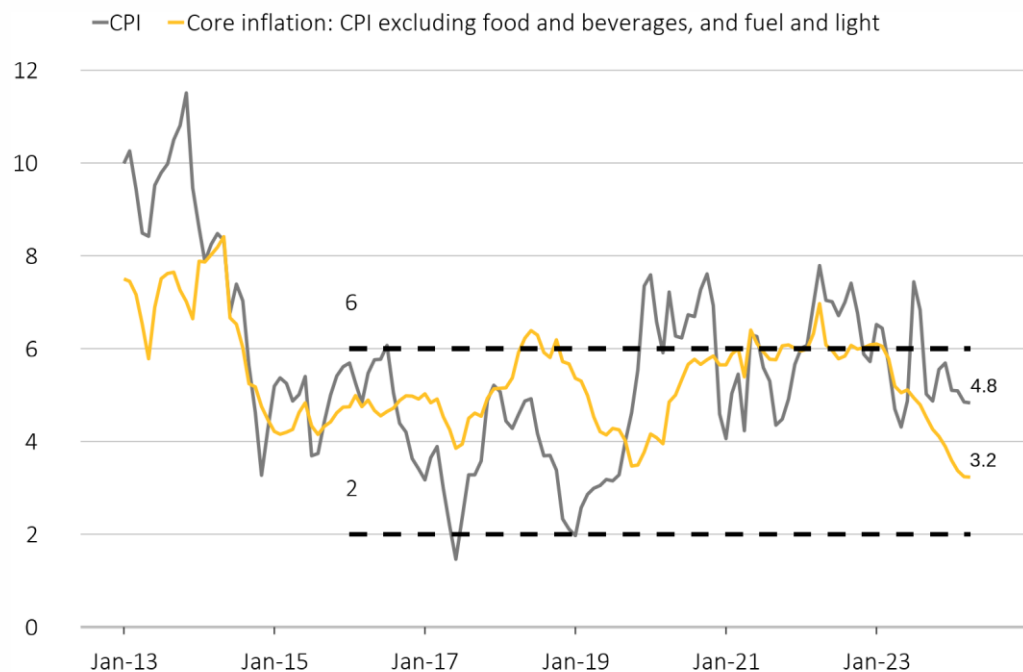


Source: Thurro, RBI, NIIF Research

Inflation: India

CPI inflation moderates to 4.9% in March; core inflation below 4%

Monthly consumer price inflation (% yoy), FY2013-FY2025 (Apr '24)



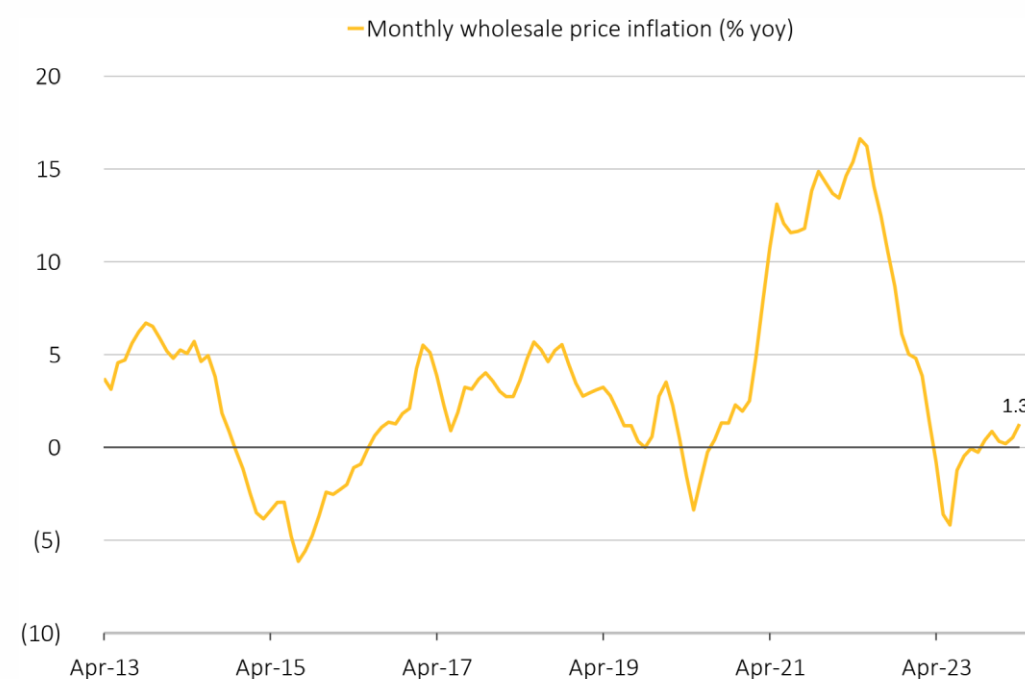
Source: Thurro, MoSPI, NIIF Research

Note:

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

Wholesale inflation pick up to 1.3% yoy in April

Monthly wholesale price inflation (% yoy), FY2014-FY2025 (Apr '24)



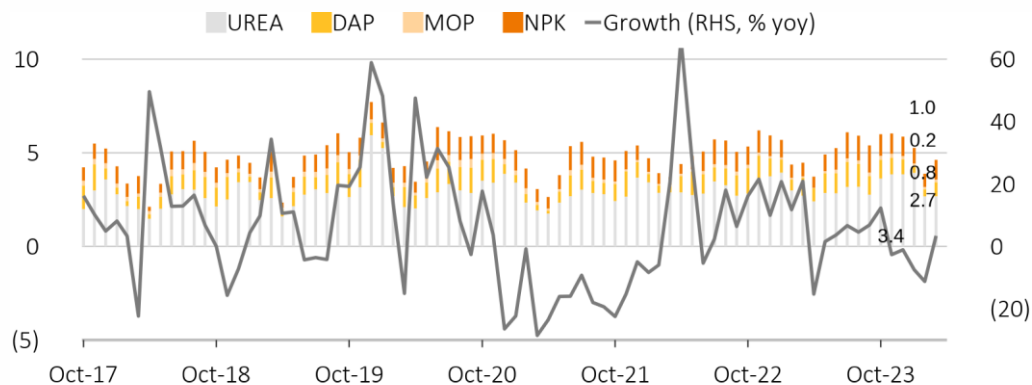
Source: Thurro, Ministry Of Commerce & Industry, NIIF Research

Note:

Rural India

Moderate growth of 3.4% yoy in fertilizer demand in March

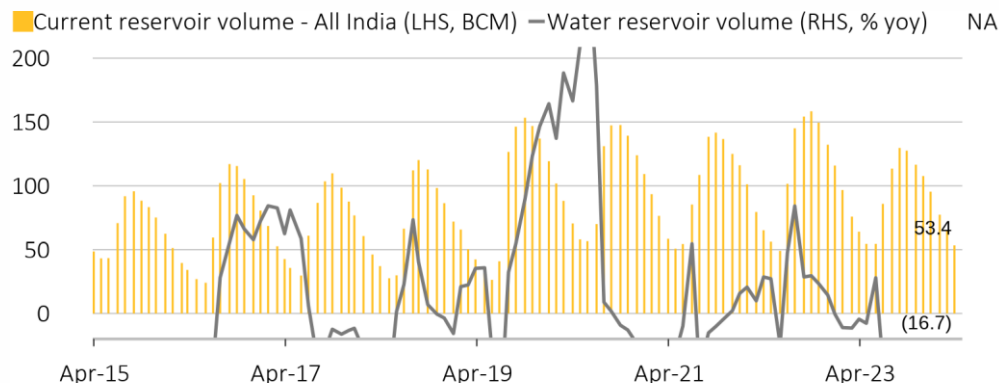
Monthly fertilizer sales, FY2018-FY2024 (Mar '24)



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

Reservoir levels remain low on a yoy basis in April

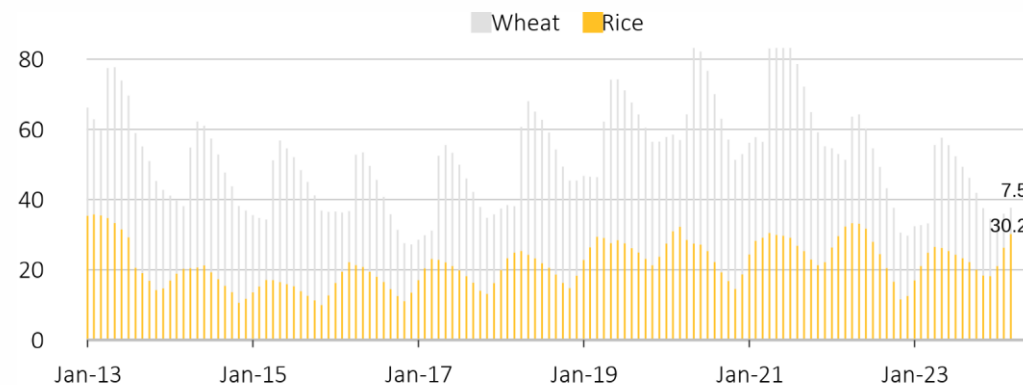
Monthly live water reservoir storage, FY2016-FY2025 (Apr '24)



Source: Thurro, CWC, NIIF Research

Wheat stock with FCI at a decadal low

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

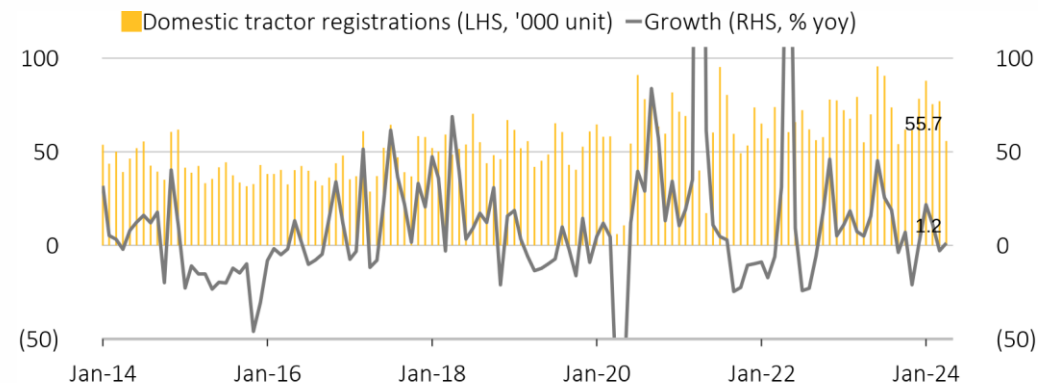


Source: Thurro, FCI, NIIF Research

Note: 1. Rice is excluding paddy
2. Buffer limit required as of Apr 1 for rice is 13.6 mn tons and for wheat is 7.5 mn tons

Tractor demand remains subdued in April

Monthly domestic tractor registrations, FY2014-FY2025 (Apr '24)



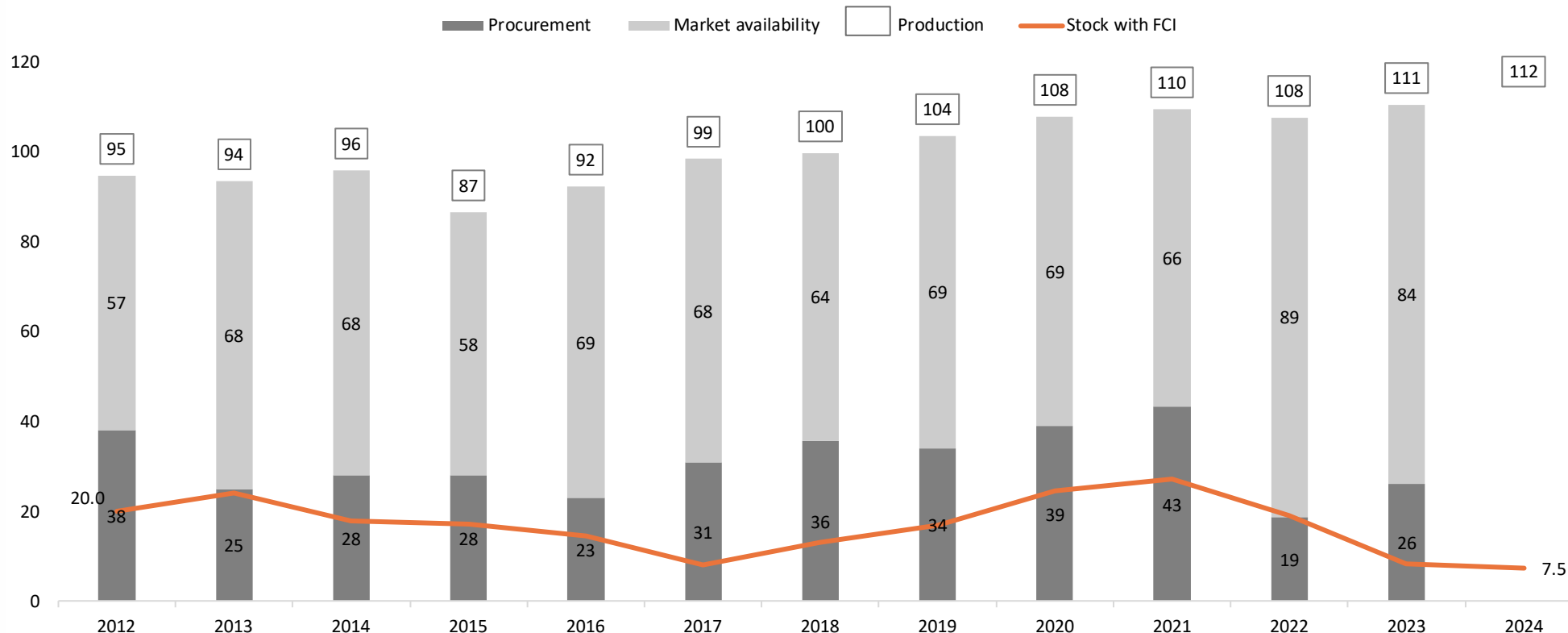
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

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

Rural India

Procurement of wheat begins in 2024 with a decadal low stock with FCI; there can be pressure on FCI to up stock

Annual wheat production, procurement, stock and market availability (million tonnes), 2012 to 2024



Source: CEIC, CMIE, NIIF Research

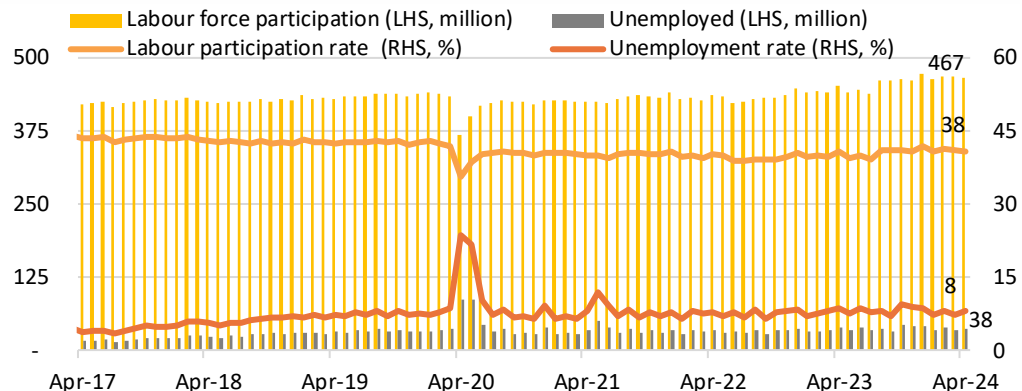
Note:

1. Procurement by FCI in 2023-24 considered under 2023

Employment – all-India and rural

India's labor force rate declines to 38%, unemployment stable at 8%

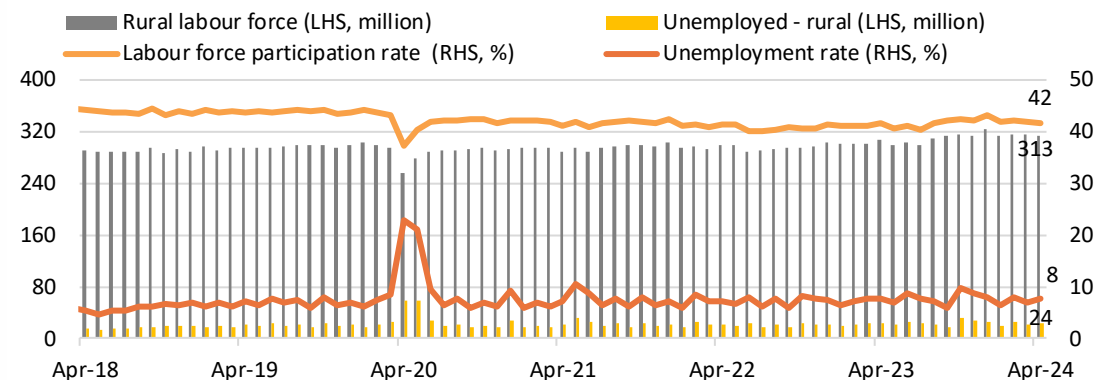
Monthly all-India labour participation and unemployment, FY2018-FY2025 (Apr '24)



Source: CMIE, NIIF Research

Rural unemployment at 8% in April; rural labor force at 42%

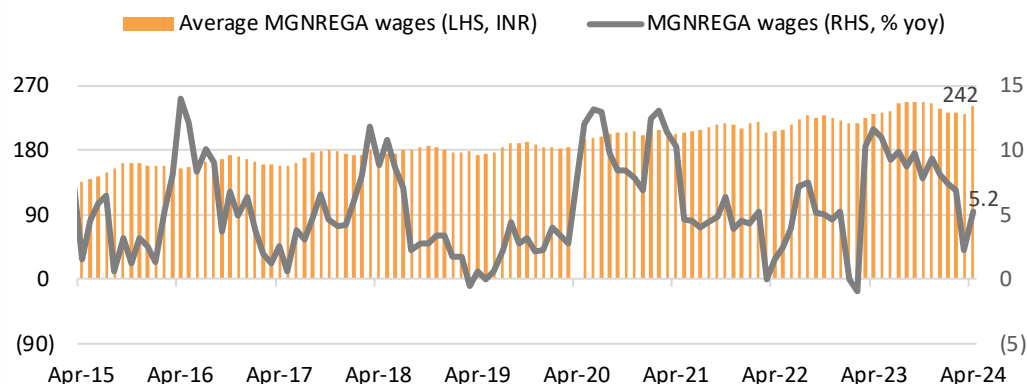
Monthly rural labour participation and unemployment, FY2019-FY2025 (Apr '24)



Source: CMIE, NIIF Research

Growth in average MGNREGA wages picks up to ~5% yoy in April

Daily average MGNREGA wages (INR), FY2016-FY2025 (Apr '24)

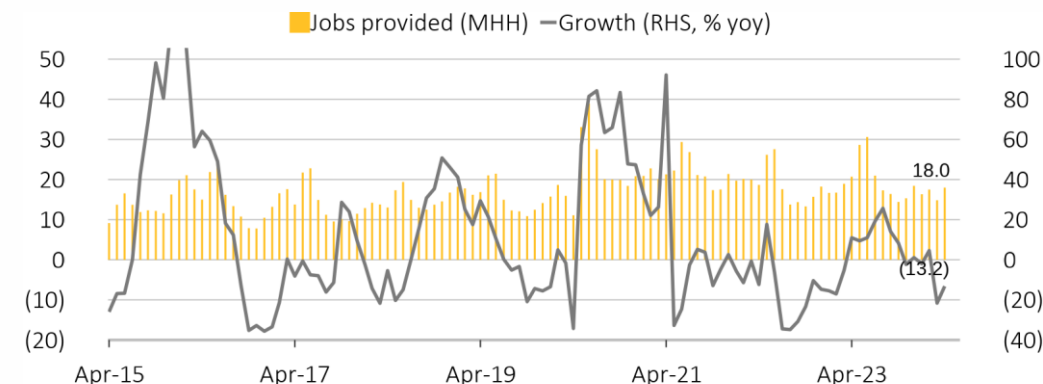


Source: CMIE, NIIF Research

Note: MGNREGA is Mahatma Gandhi National Rural Employment Guarantee Act

Jobs provided under MGNREGA fall on a yoy basis

Monthly MGNREGA employment data, FY2016-FY2025 (Apr '24)



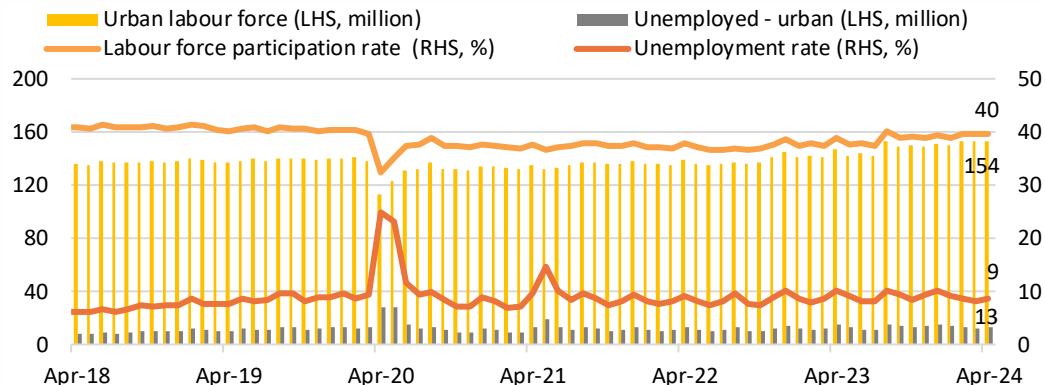
Source: Thurro, MNREGA, NIIF Research

Note: MHH is million households

Employment - urban

Urban labor force stable at ~40%

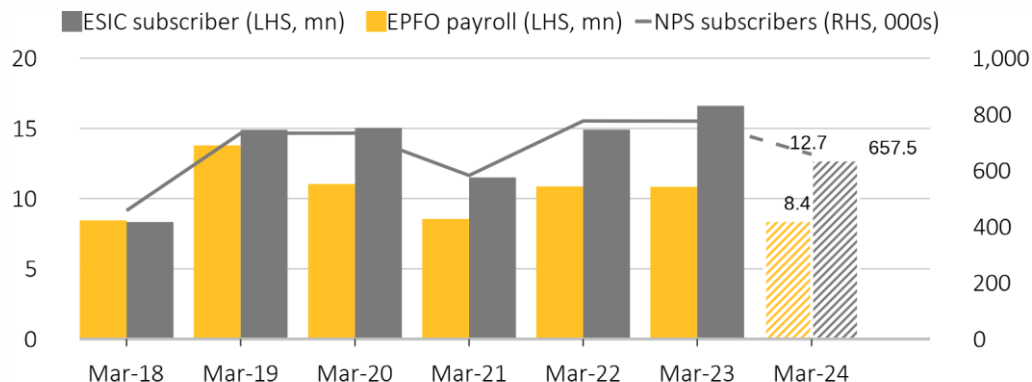
Monthly urban labour participation and unemployment, FY2016-FY2025 (Apr '24)



Source: CMIE, NIIF Research

Continued momentum in addition to formal workforce

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

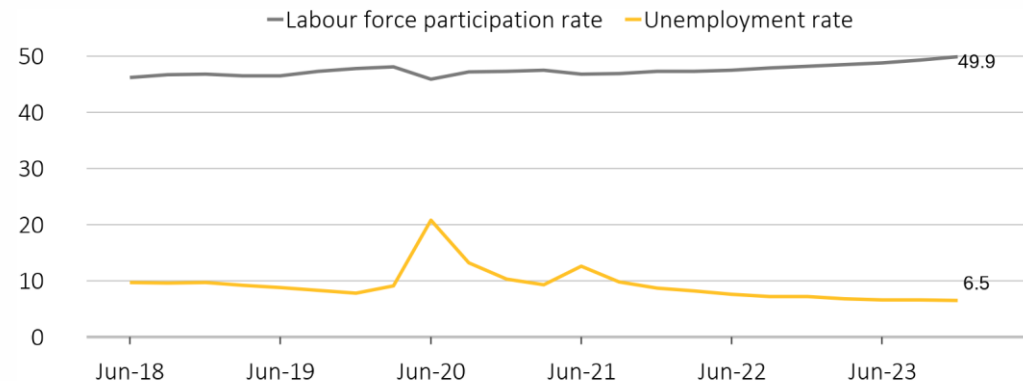


Source: Thirro, EPFO, NIIF Research

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)

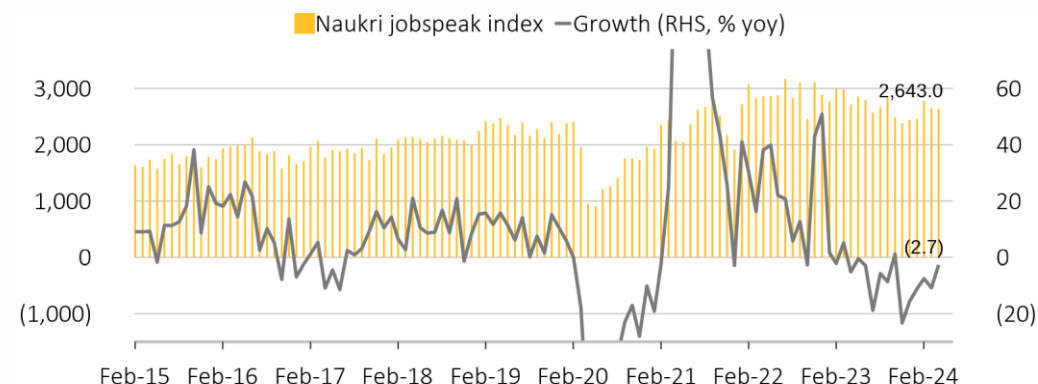


Source: Thirro, MoSPI, NIIF Research

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

Hiring in corporate India slows down

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



Source: Thirro, 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

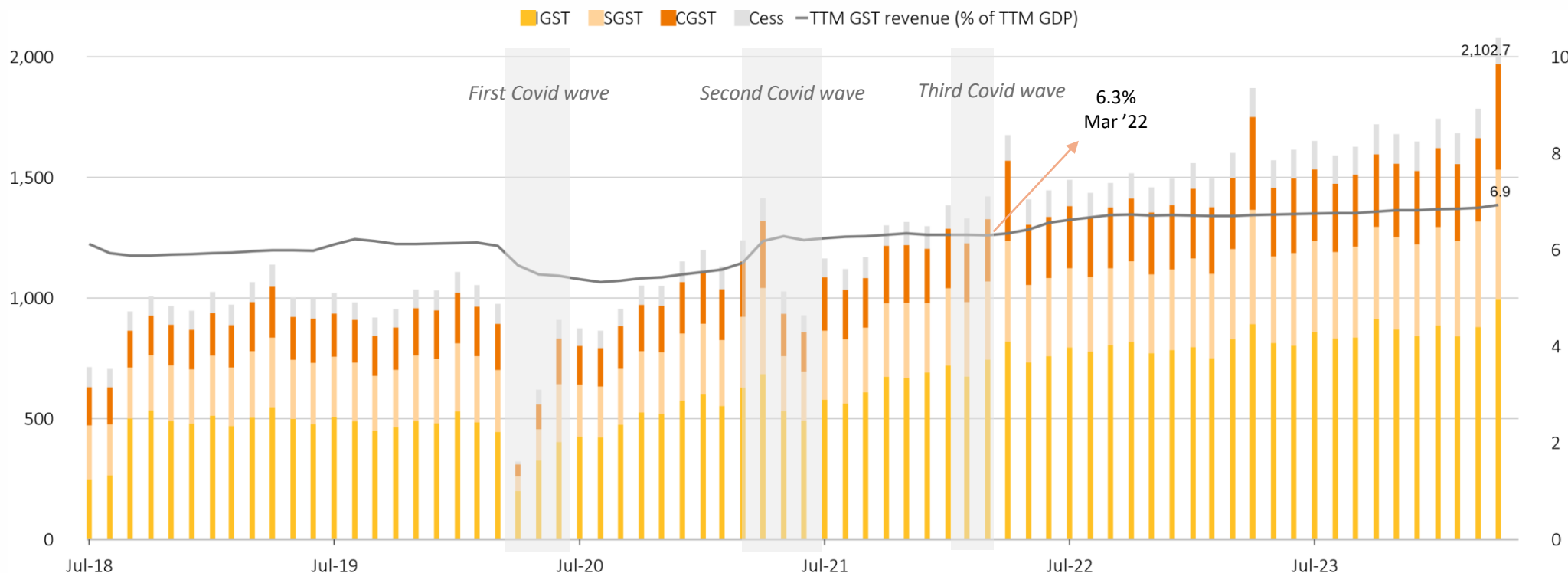
Note:

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-FY2025 (Apr '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 MAY 2024

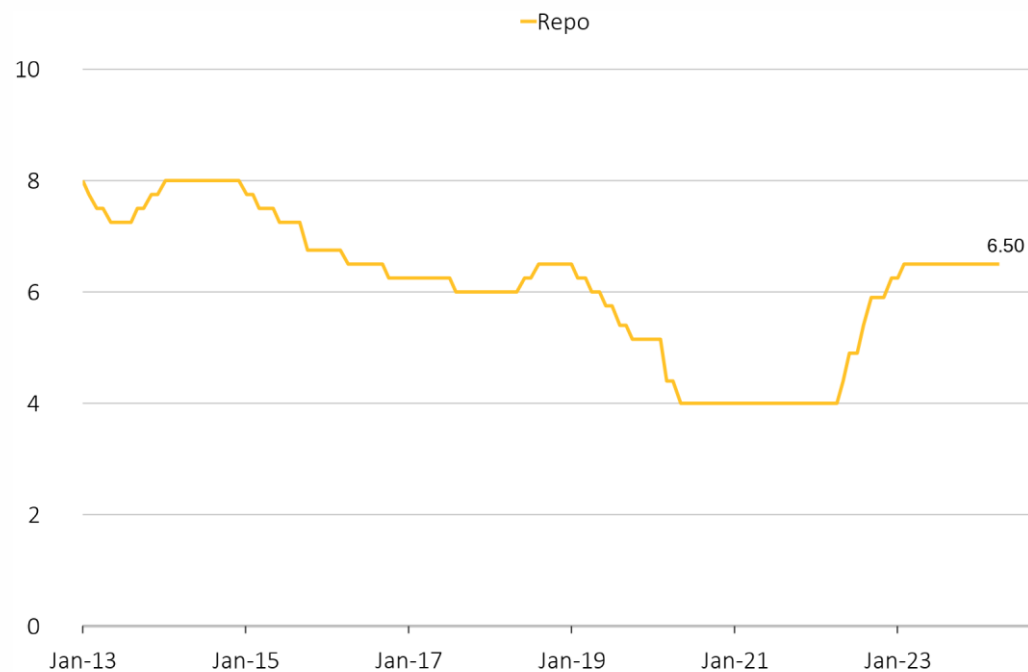
Markets

- Transmission of policy rate in the banking system still incomplete. Monetary policy stance unchanged since Feb '23. Apr-end consensus push out 25-bps rate cut forecast to Q3FY25 from Q2FY25 earlier. Short-term rates moderate, within policy rate corridor, as liquidity remains in surplus. 10-year G-sec yields remain stable at 7.13% in early May
- Goods trade deficit widens in April as imports pick up yoy. Services imports at an all-time high of USD 17 billion in April. RBI continues to purchase USD in Feb – a 3-year high of USD 8.6 billion; forex reserves of USD 638 billion (as of 26 April) provide adequate ~9 months of import cover. 1-year INR depreciation against USD at 1.3%
- Indian equity markets generated an average 24% yoy return in April. Market volatility (VIX) picks up sharply in early May to 20, a 19-month high. Large net inflows into mutual funds of ~INR 474 billion in April
- Key commodity prices diverge - gold remains above the USD 2,000 mark, while copper prices rise to USD 9,767 per tonne (from USD 8,767 on 1 April) and Brent crude price moderates to USD 83 per bbl (from USD 90 on 2 April); beverage price, mainly cocoa, surges in April

Policy rate and liquidity

Repo rate at 6.5% - policy unchanged since Feb 2023

Repo rates (%), FY2013-FY2025 (26 Apr '24)

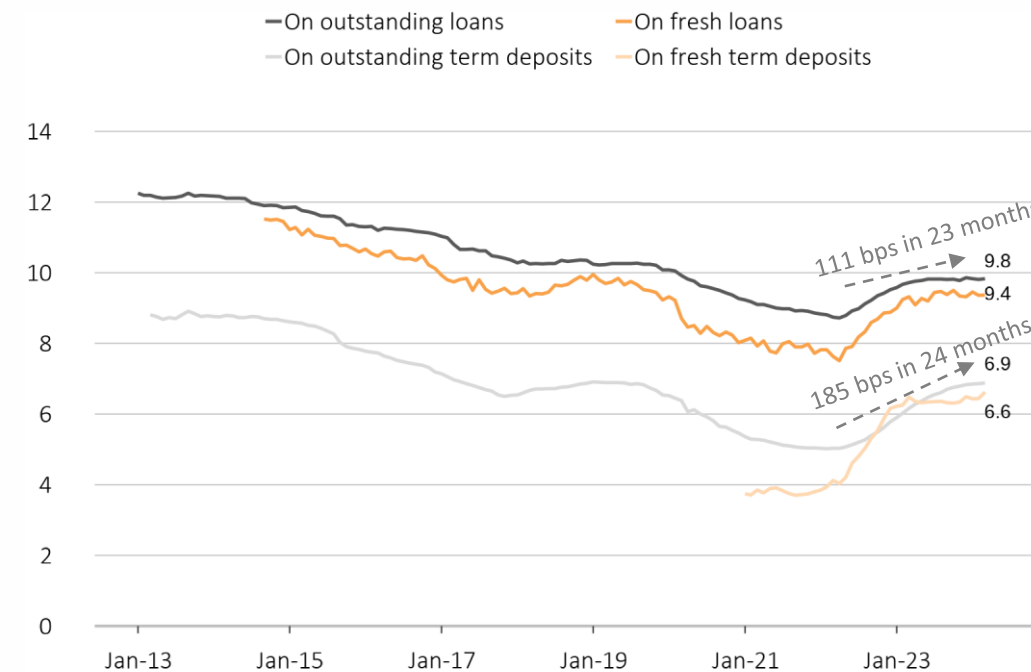


Source: Thurro, RBI, NIIF Research

Note:

Banks pass on less than half of the rate hikes on loans

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



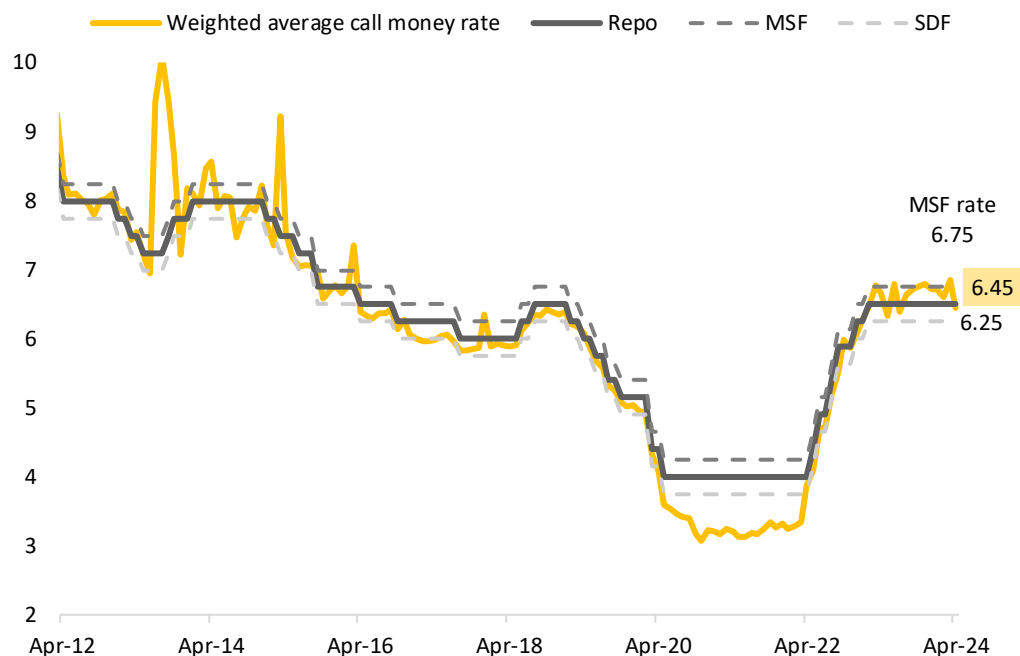
Source: Thurro, RBI, NIIF Research

Note:

Policy rate and liquidity

Call rate moderates, near repo rate

Monthly money market rates, FY2013-FY2024 (Apr '24)



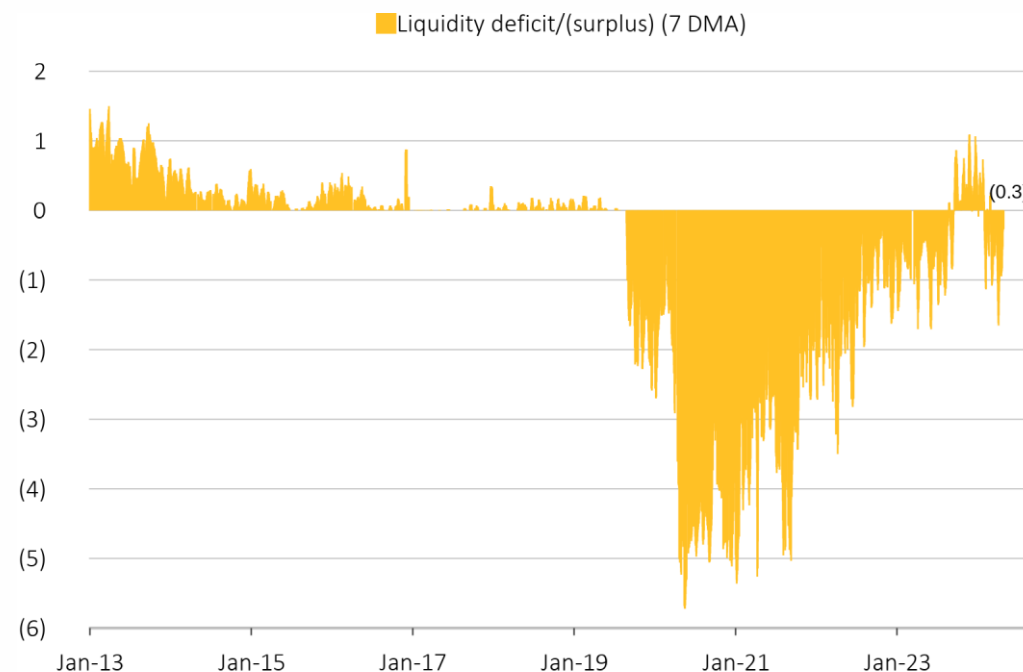
Source: CEIC, NIIF Research

Note:

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

Banking system liquidity in surplus in April

Liquidity injection or absorption by RBI (INR trillion), FY2013-FY2024 (30 Apr '24)



Source: Thurro, RBI, NIIF Research

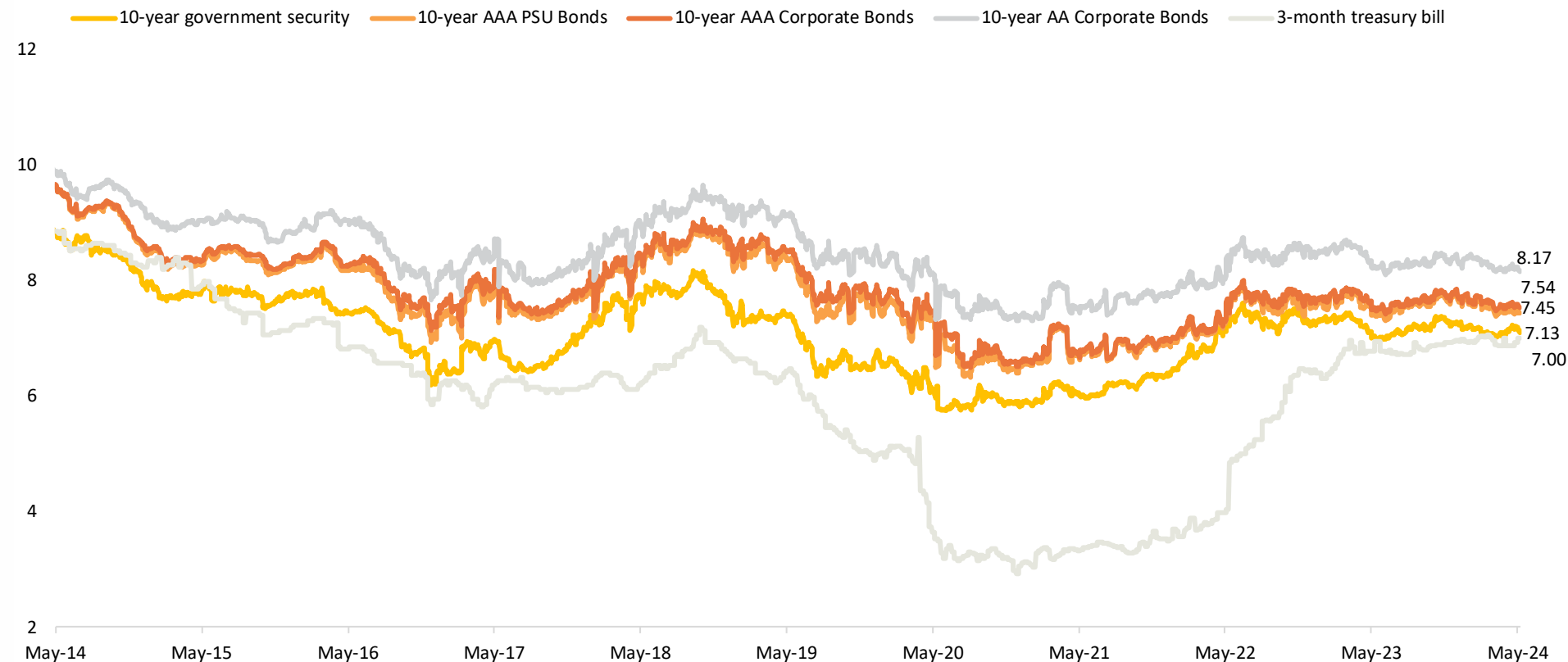
Note:

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

Debt Markets

3-month treasury yield picks up to 7.0% in early May; 10-year G-Sec yields stable at 7.13%

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



Source: Bloomberg, NIIF Research

Note:

Forecast of policy rates

Consensus median forecasts as of April-end estimate a cumulative repo rate cut of 50bps in H2FY25

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

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
<i>Number of analysts</i>	35	33	38	31	19
High forecast	6.50	6.50	6.50	6.50	6.25
Low forecast	6.25	6.00	5.75	5.50	5.25
Bloomberg average	6.50	6.35	6.10	5.95	5.85
Median forecast	6.50	6.50	6.13	6.00	5.75
Comparing previous survey median forecasts					
Bloomberg Mar '24 survey	6.50	6.25	6.00	6.00	5.75
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

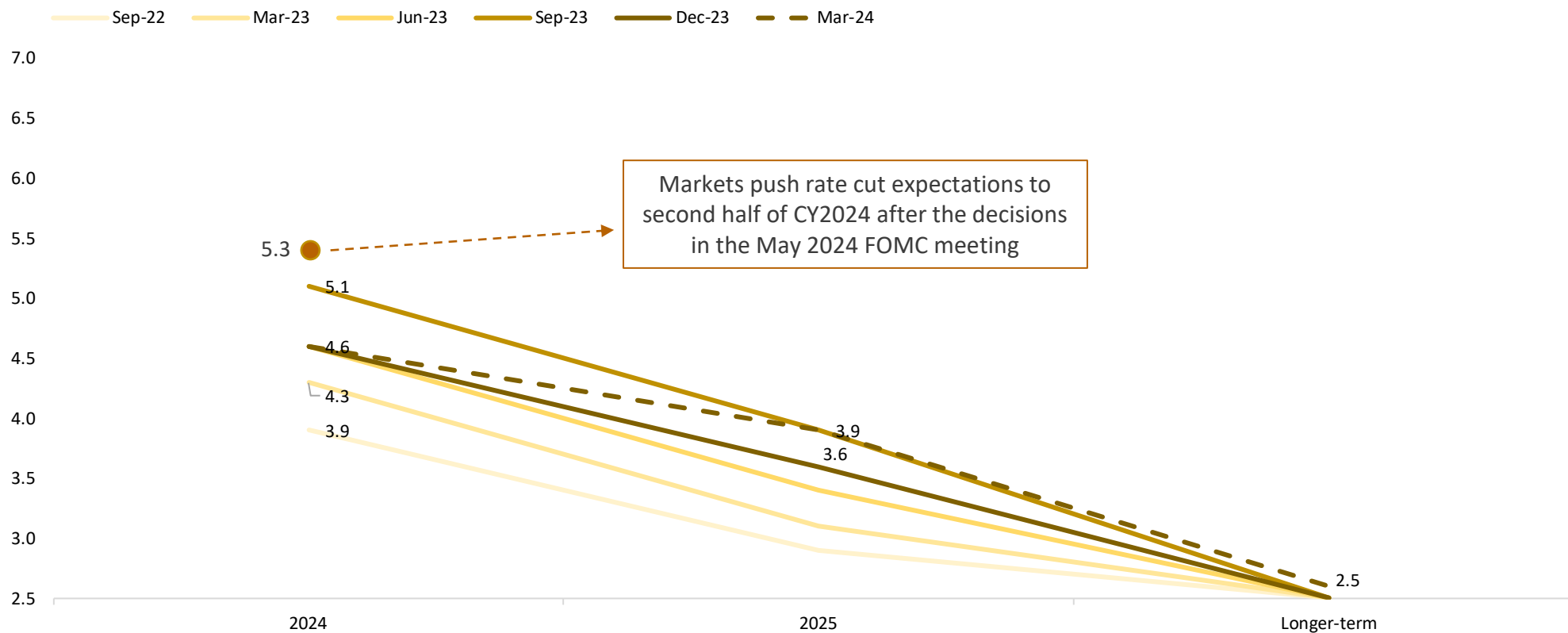
Source: Bloomberg, NIIF Research

Note:

Forecast of policy rates

Interest rate in CY2024 expected to be higher than estimated earlier

US Federal Open Market Committee (FOMC) interest rate projections across time periods, June 2022 to Mar 2024



Source: Bloomberg, NIIF Research

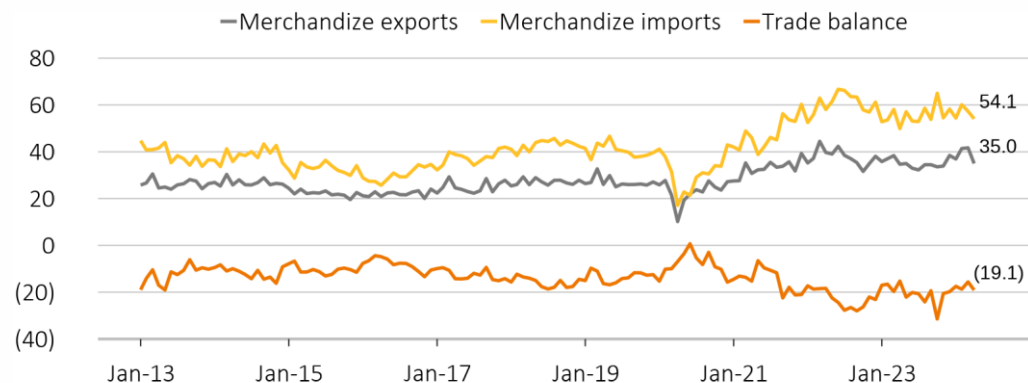
Note:

- The projections for the federal funds rate are the value of the midpoint of the projected appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run

Balance of Payments

Trade deficit widens to ~USD 19 bn in April as imports rise on a yoy basis

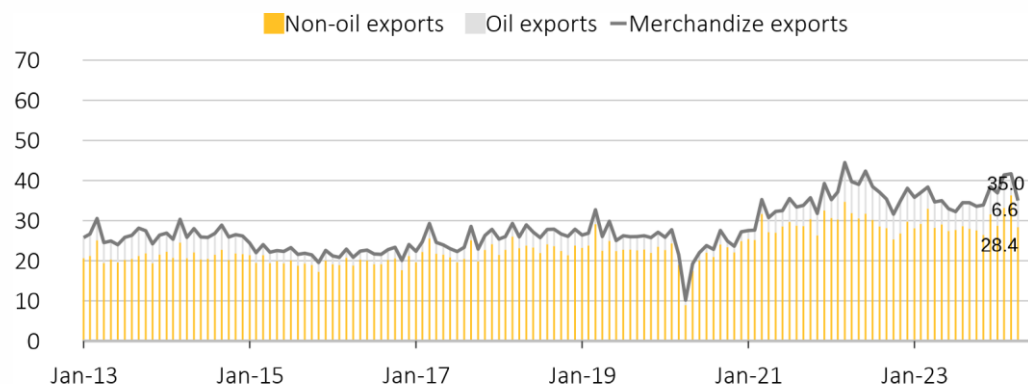
Monthly trade composition (USD billion), FY2013-FY2025 (Apr '24)



Source: Thurro, RBI, NIIF Research

Lower non-oil exports in April, oil exports pick up yoy

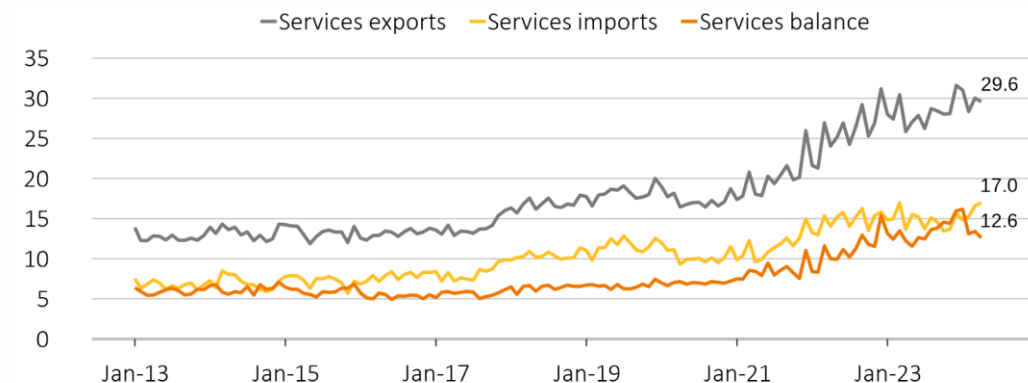
Monthly merchandize exports (USD billion), FY2013-FY2025 (Apr '24)



Source: Thurro, RBI, NIIF Research

Service trade surplus moderates to ~USD 13 billion in April

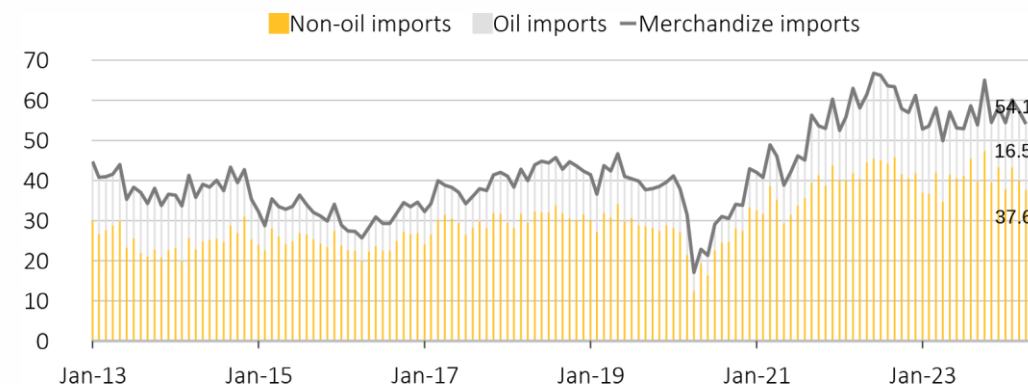
Monthly services trade (USD billion), FY2013-FY2025 (Apr '24)



Source: Thurro, RBI, NIIF Research

Higher oil imports in April; non-oil imports moderate

Monthly merchandize imports (USD billion), FY2013-FY2025 (Apr '24)

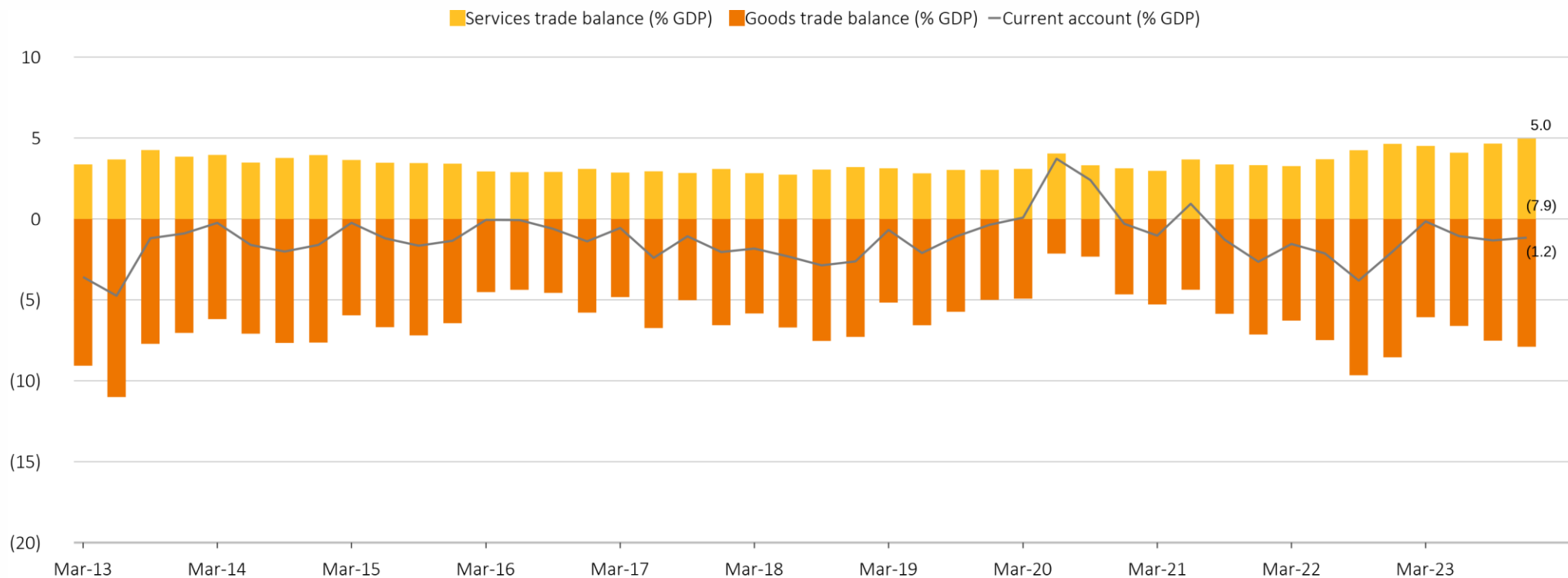


Source: Thurro, RBI, NIIF Research

Foreign Exchange Markets

Services trade maintains surplus supporting overall current account

Quarterly current account balance (% of GDP), FY2013-FY2024 (Dec '23)



Source: Thurro, RBI, NIIF Research

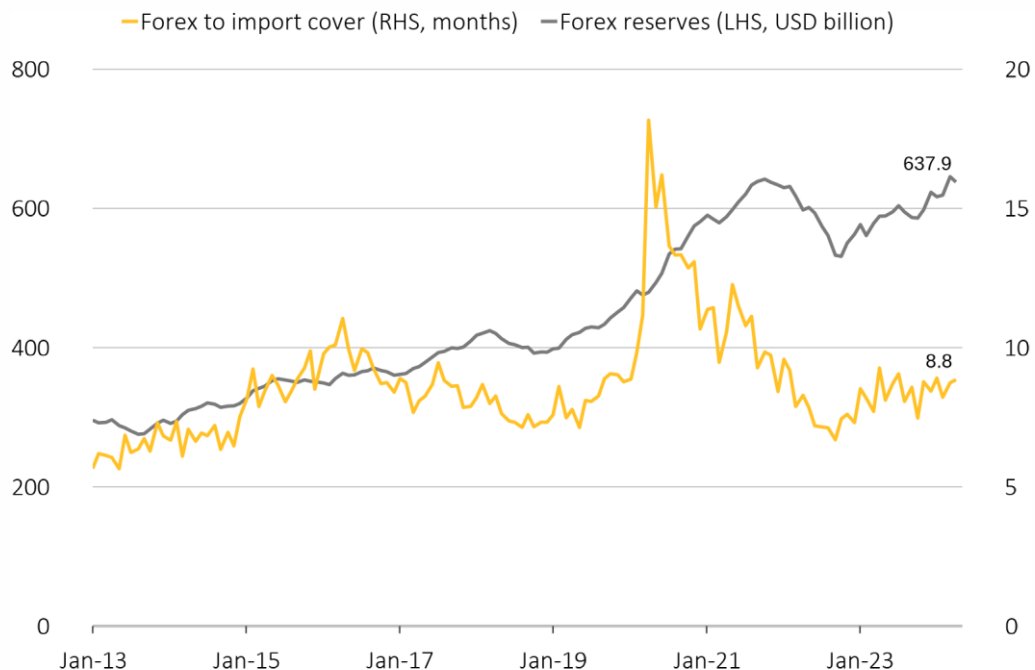
Note:

1. Current account comprises (1) goods trade, (2) services trade, (3) transfers (grants, gifts, remittances, etc.), and (4) income (investment income and compensation of employees)
2. Hence, current account balance as % of GDP would not add up to the balance of goods and services trade that are shown above

Balance of payments

Forex reserves of USD 638 bn provide ~9 months of import cover

Monthly foreign exchange reserves, FY2013-FY2025 (26 Apr '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 May '24)



Source: Bloomberg, NIIF Research

Note:

Foreign Exchange Markets

INR remains overvalued against currencies of trading partners

Monthly real effective exchange rate of INR, base year 2015-16 (X), (Mar '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 strengthened to 105.2 pts in April

Monthly average dollar index (X), FY2013-FY2025 (Apr '24)



Source: Thurro, Yahoo Finance, NIIF Research

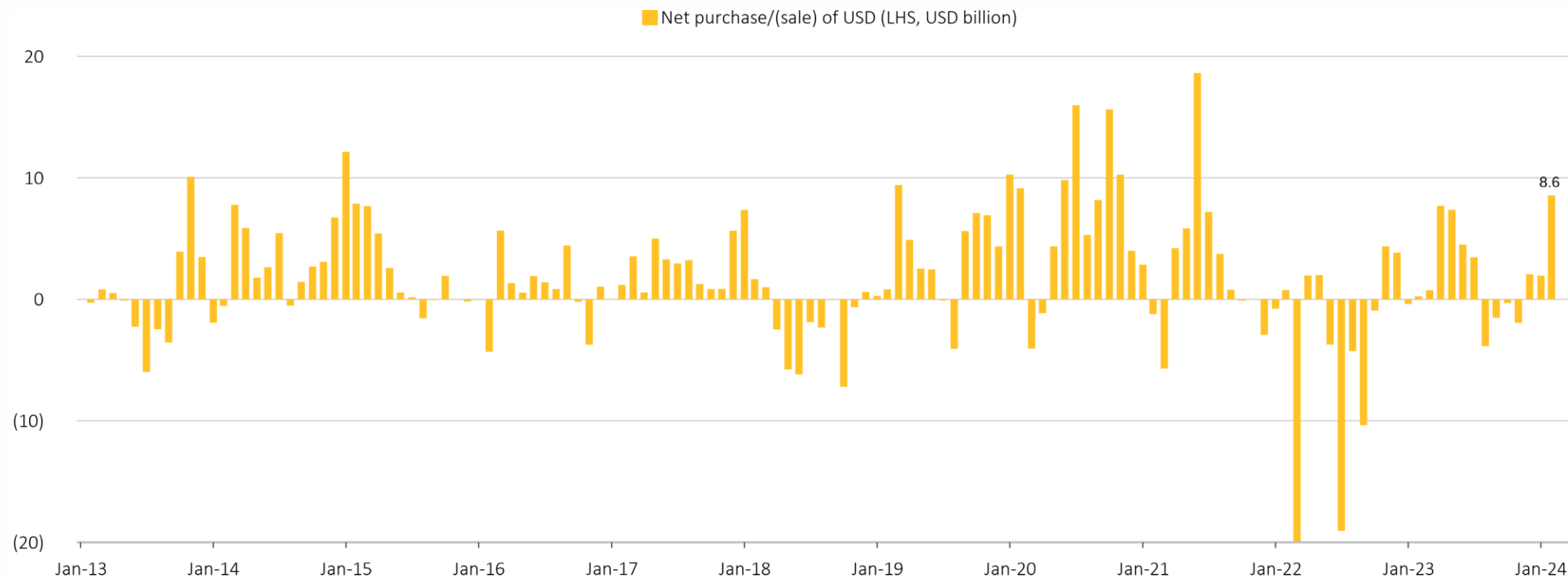
Note:

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 Feb to the tune of USD 8.6 billion, a 3-year high

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



Source: Thurro, RBI, NIIF Research

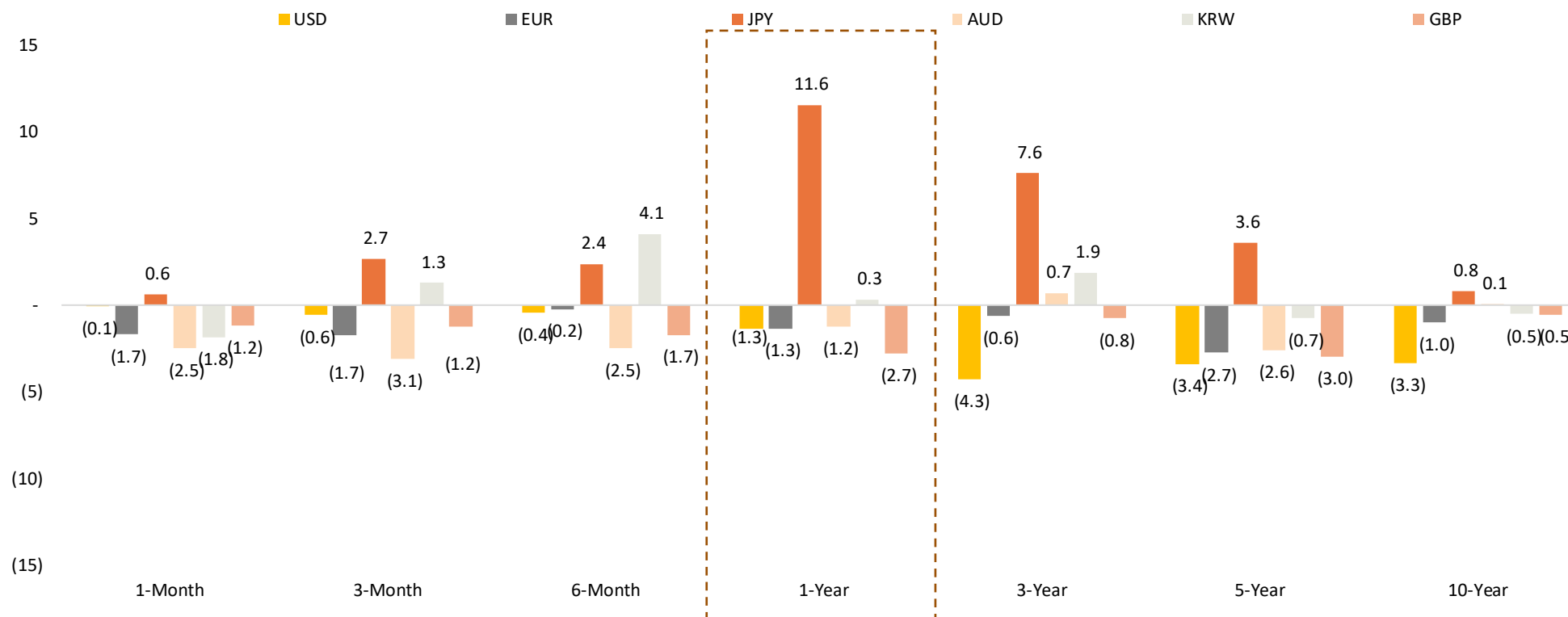
Note:

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 INR depreciation against USD stable at ~3%

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



Source: Thurro, RBI, NIIF Research

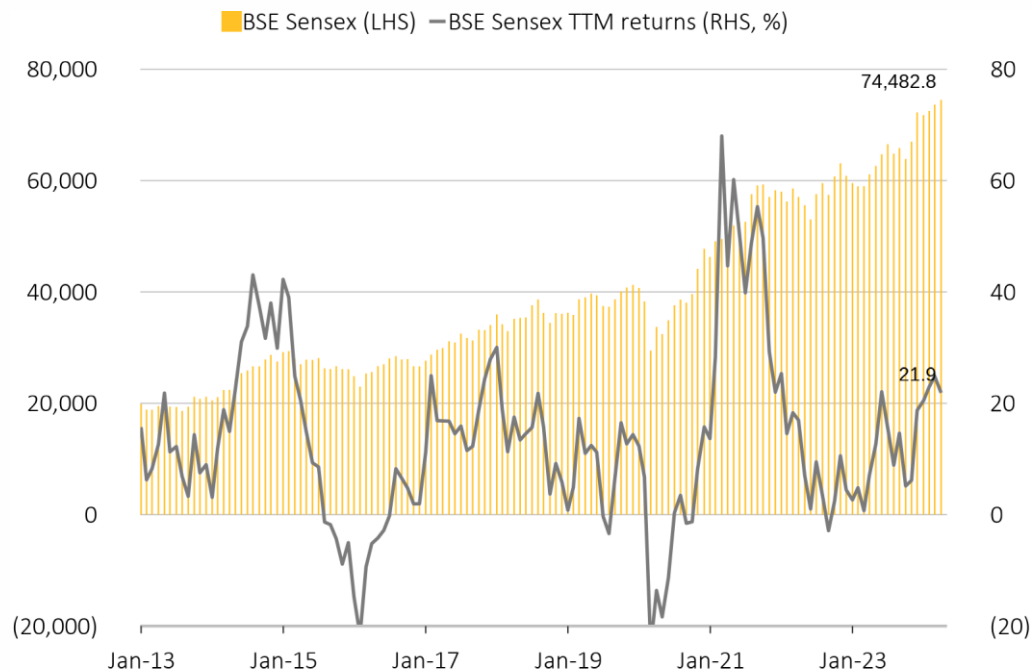
Note:

- Numbers are annualized for periods above 1 year
- Positive return indicates appreciation of INR and negative means depreciation of INR vis-à-vis respective currency

Equity Markets

BSE Sensex generate strong returns of ~22% yoy in April

Monthly BSE Sensex performance, FY2013-FY2025 (Apr '24)



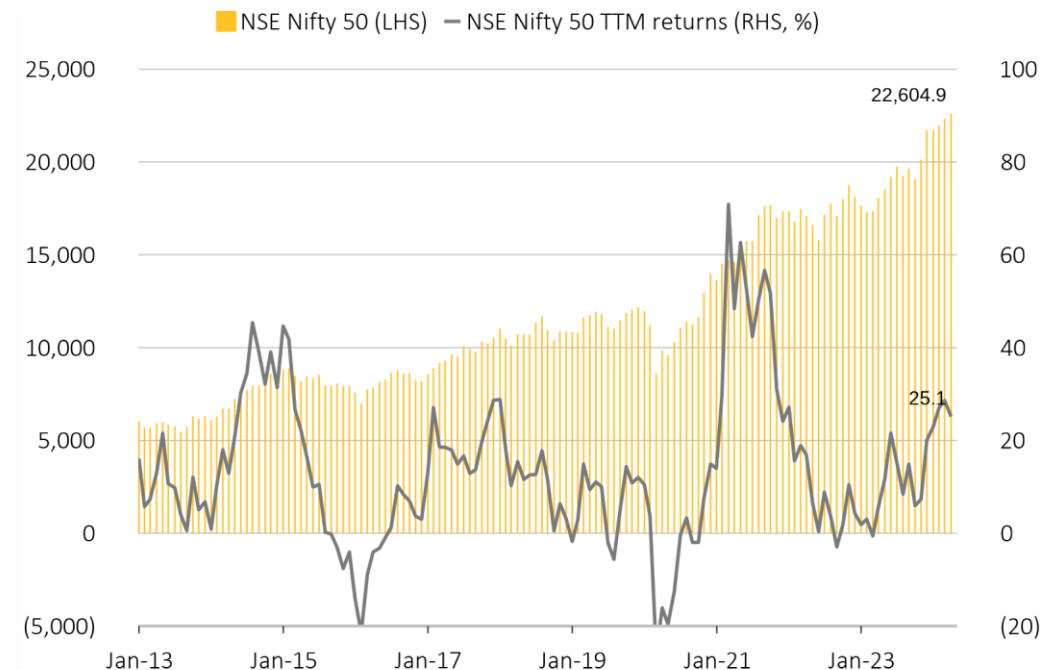
Source: Thurro, BSE, NIIF Research

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 ~25% yoy in April

Monthly NSE Nifty performance, FY2013-FY2025 (Apr '24)



Source: Thurro, NSE, NIIF Research

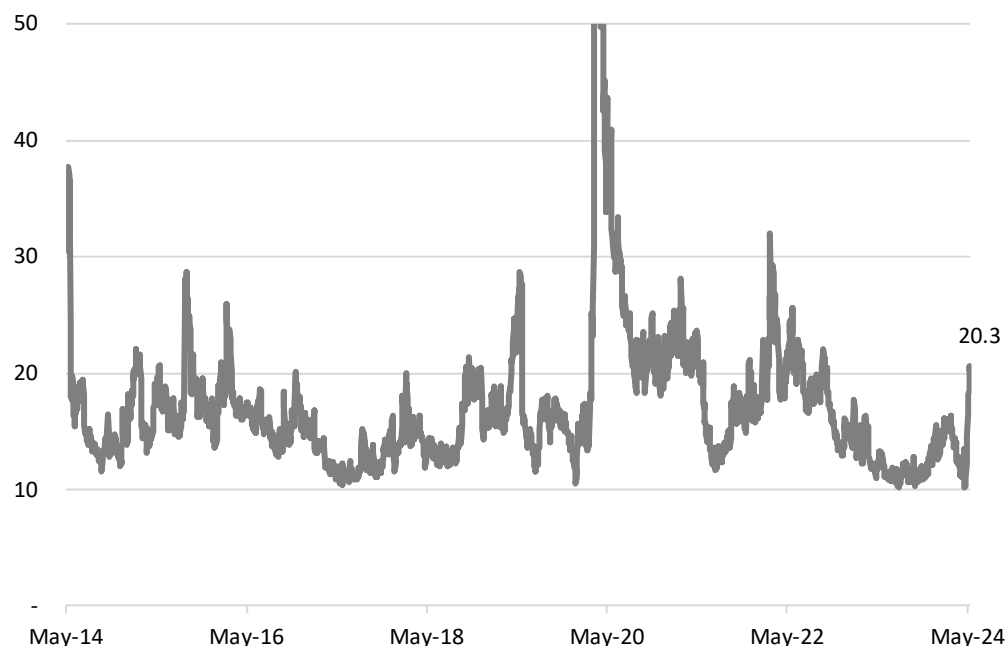
Note:

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

Market volatility picks up sharply in May

Daily NSE NIFTY Volatility Index (X), FY2013-FY2025 (15 May '24)



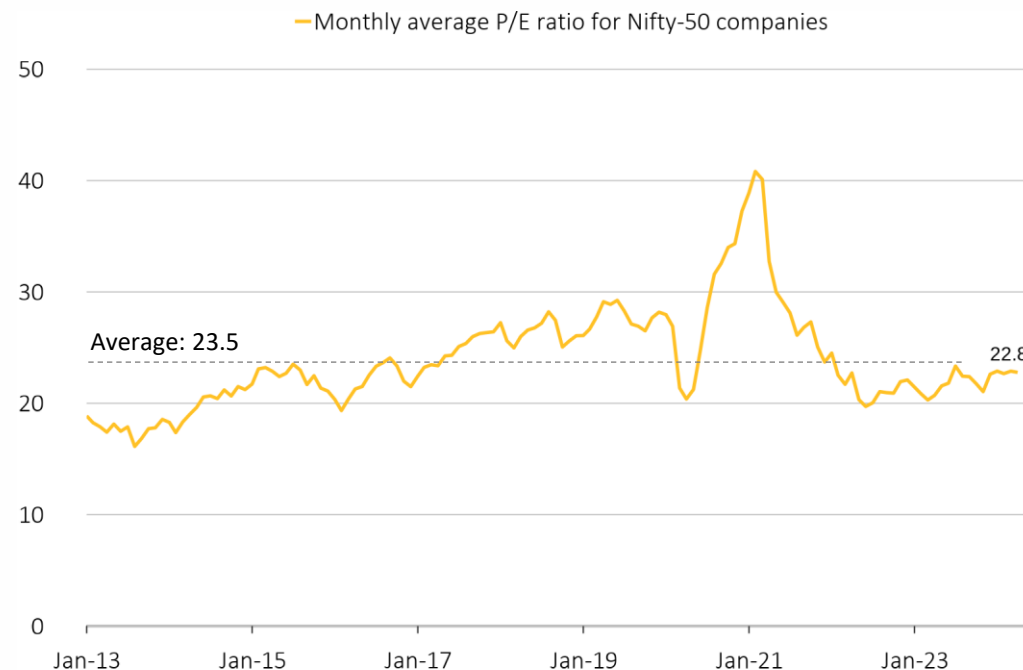
Source: Thurro, NSE, NIIF Research

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-FY2025 (Apr '24)



Source: Thurro, NSE, NIIF Research

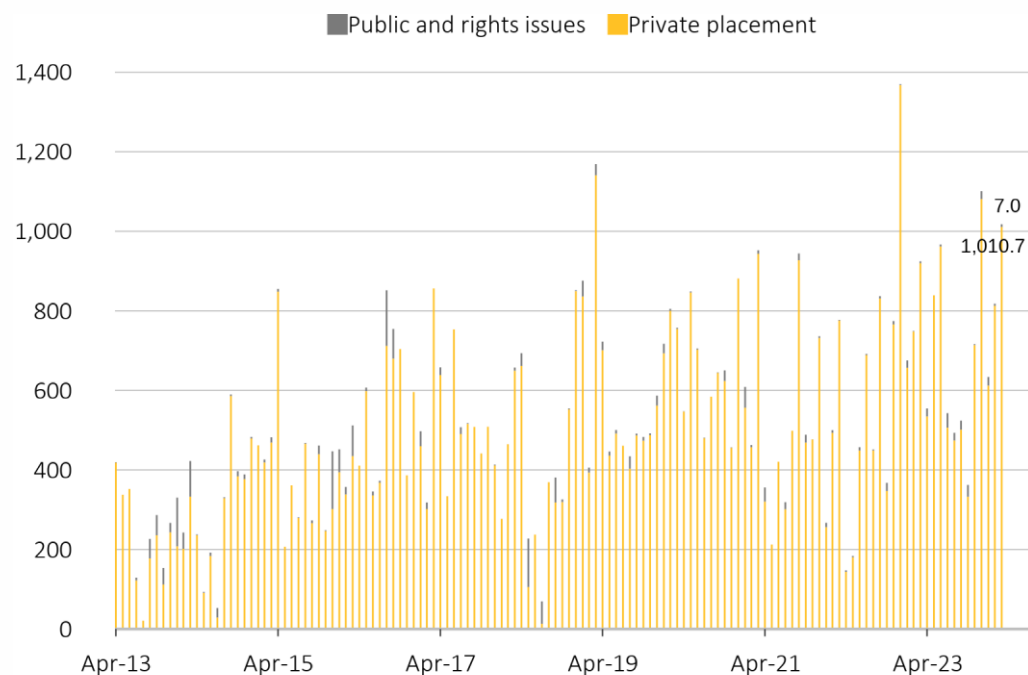
Note:

- 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 March at ~INR 1 trillion

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

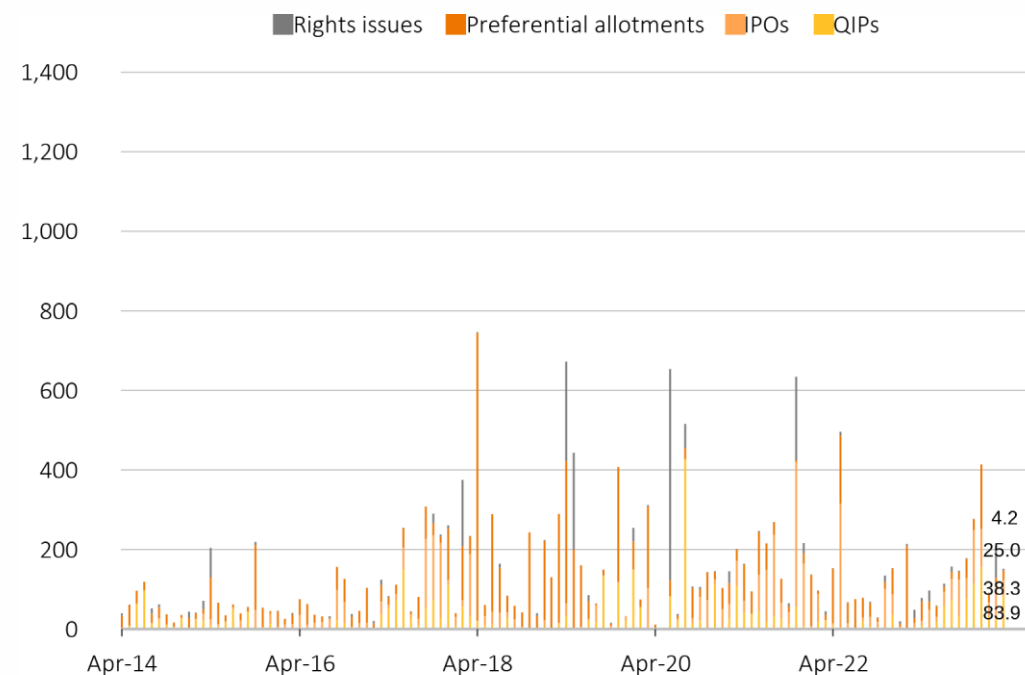


Source: Thurro, SEBI, NIIF Research

Note:

Equity capital raised in March at ~INR 151 billion

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



Source: Thurro, SEBI, NIIF Research

Note:

1. 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 193 billion in March

Monthly inflows into SIPs, FY2017-FY2025 (Apr '24)



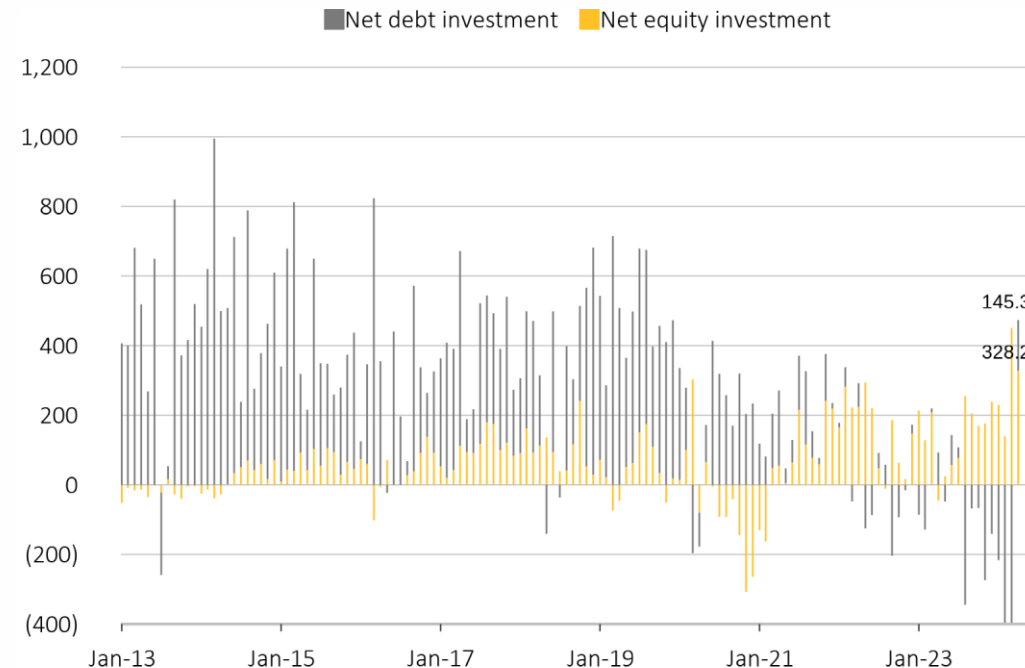
Source: Thurro, AMFI, NIIF Research

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 inflow of ~INR 474 billion in April

Monthly net inflows into mutual funds (INR billion), FY2013-FY2025 (Apr '24)



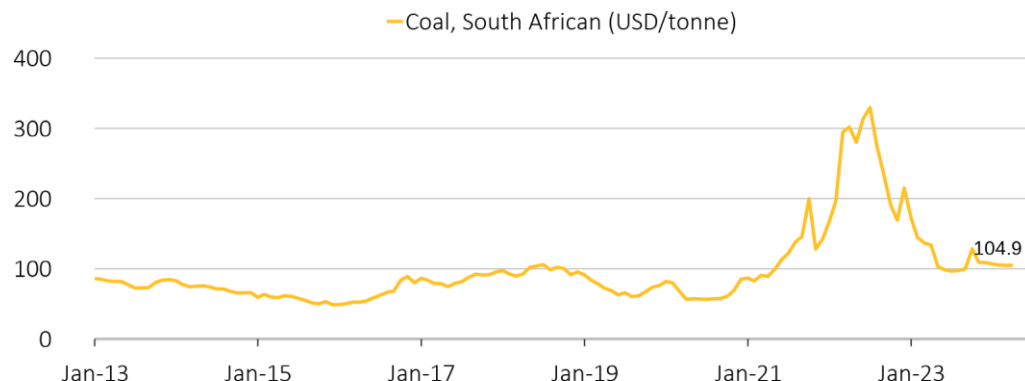
Source: Thurro, SEBI, NIIF Research

Note:

Commodity Markets

Coal prices remain stable at USD 105 per ton in Mar

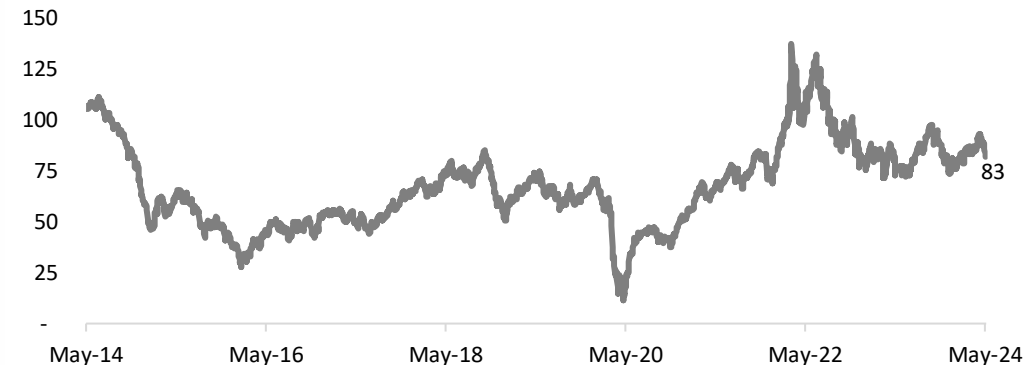
Monthly coal (South African) prices (USD per ton), FY2014-FY2024 (Apr '24)



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

Brent crude prices moderates to ~USD 83 per bbl in early May

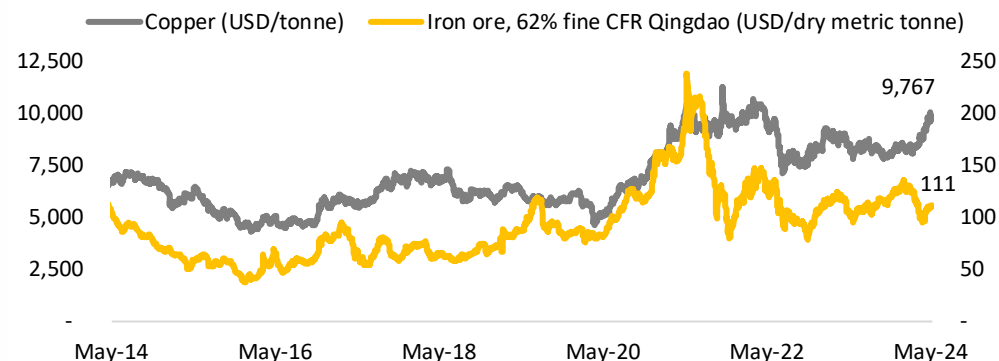
Daily Brent crude oil prices (USD per bbl), FY2014-FY2025 (08 May '24)



Source: Bloomberg, NIIF Research

Iron ore prices moderate, copper prices sharply pick up to a 2-year high

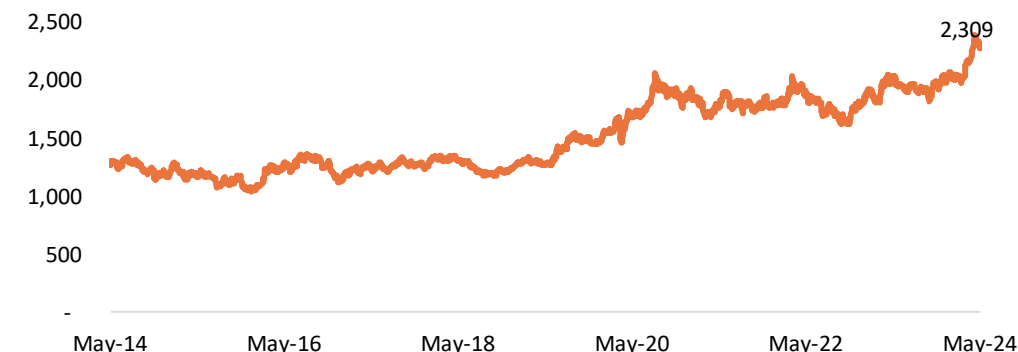
Daily copper and iron ore prices, FY2014-FY2025 (08 May '24)



Source: Bloomberg, NIIF Research

Gold price continues to remain above USD 2,000 mark

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

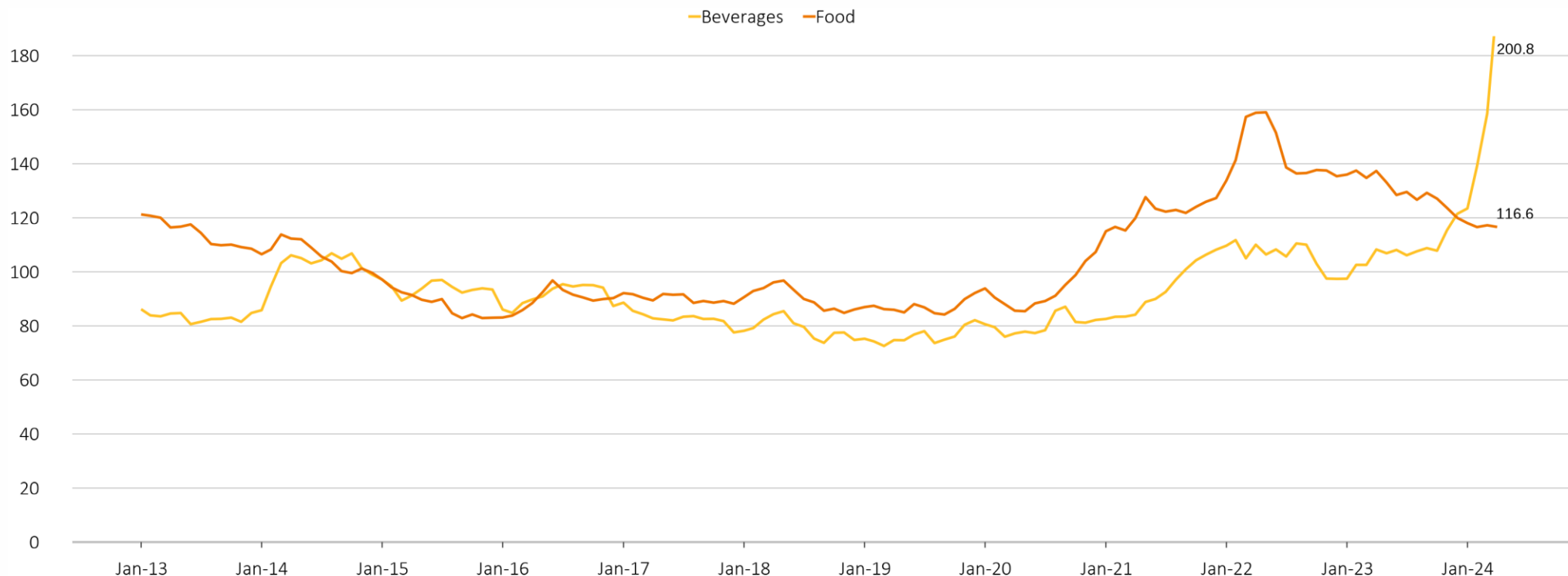


Source: Bloomberg, NIIF Research

Commodity Markets

Prices for beverages picks up sharply over the last three months

Monthly commodity index, 2010=100, FY2013-FY2025 (Apr '24)



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

Note:

1. All commodity indices composed with CY2010 average prices as base for the index.
2. Food comprises of food oils, cereals (barley, maize, wheat and rice), meat and fruits (bananas, oranges)
3. Beverages comprises of coffee, cocoa, and tea



MONTHLY ECONOMIC REPORT ON INDIA MAY 2024

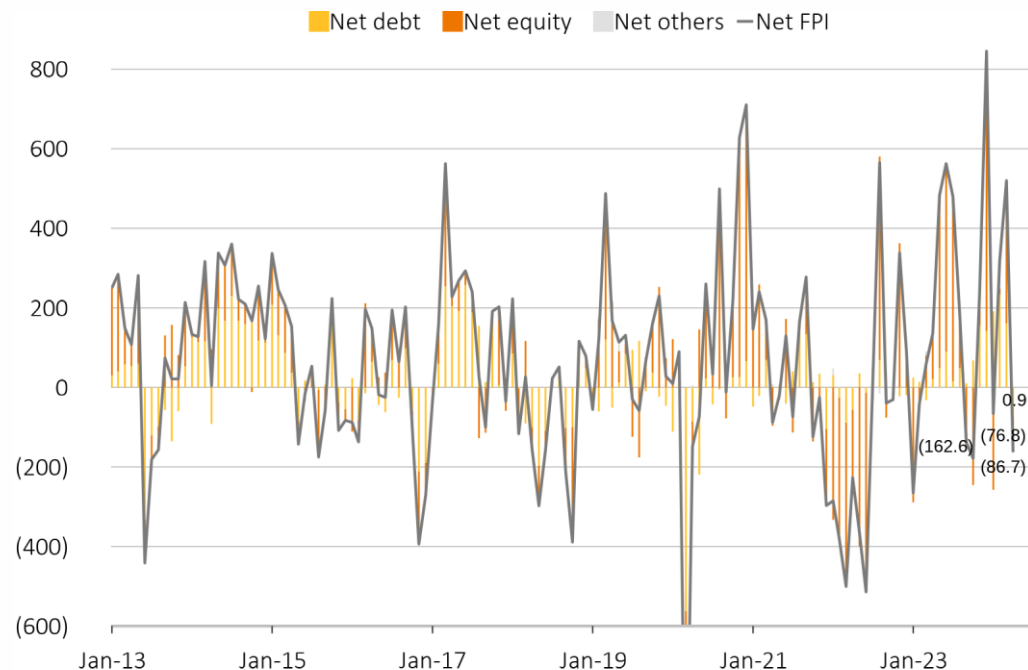
Investments

- Contrasting moves by foreign and domestic institutional investors in April. Foreign portfolio investors exit the Indian market recording a net outflow of INR 163 billion while domestic investors invest INR ~442 billion. Cumulative net foreign portfolio investments of INR 3.4 trillion and domestic institutional investments of INR 2.1 trillion in FY2024 are all-time highs
- Foreign direct investment into India slow down in FYTD2024 with cumulative net inflow of USD 14.6 billion up to Feb. Net inflow in February slowed to USD 0.3 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. 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 outflows of ~INR 163 billion in April

Monthly net FPI investments in India (INR billion), FY2013-FY2025 (Apr '24)



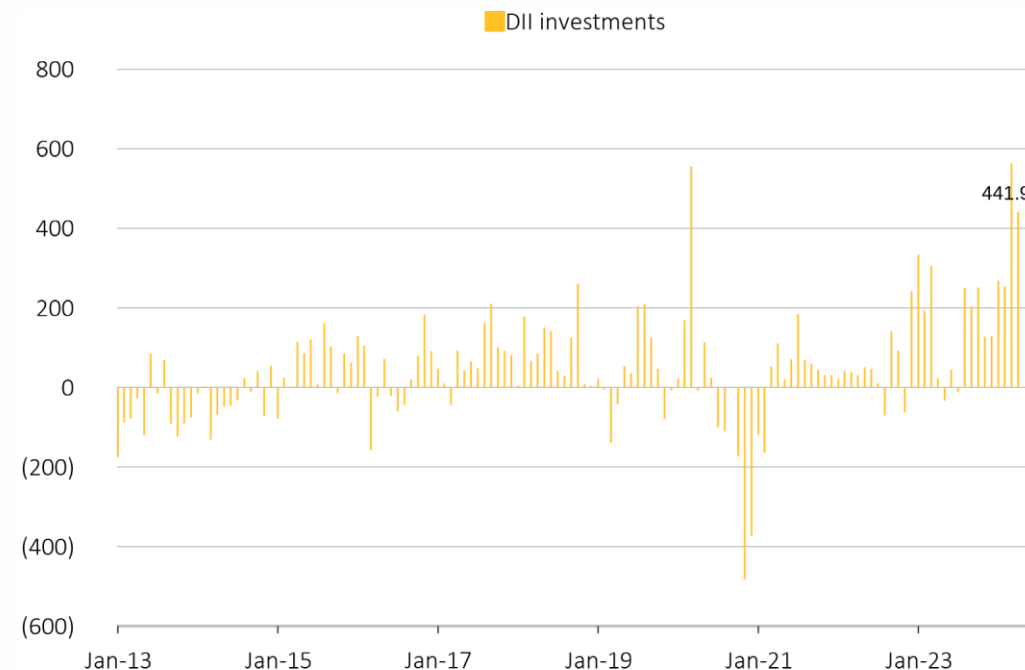
Source: Thurro, NSDL, NIIF Research

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.

Continued investments by domestic institutional investors in April

Monthly net DII investments in India (INR billion), FY2013-FY2025 (Apr '24)



Source: Thurro, NSE, BSE, NIIF Research

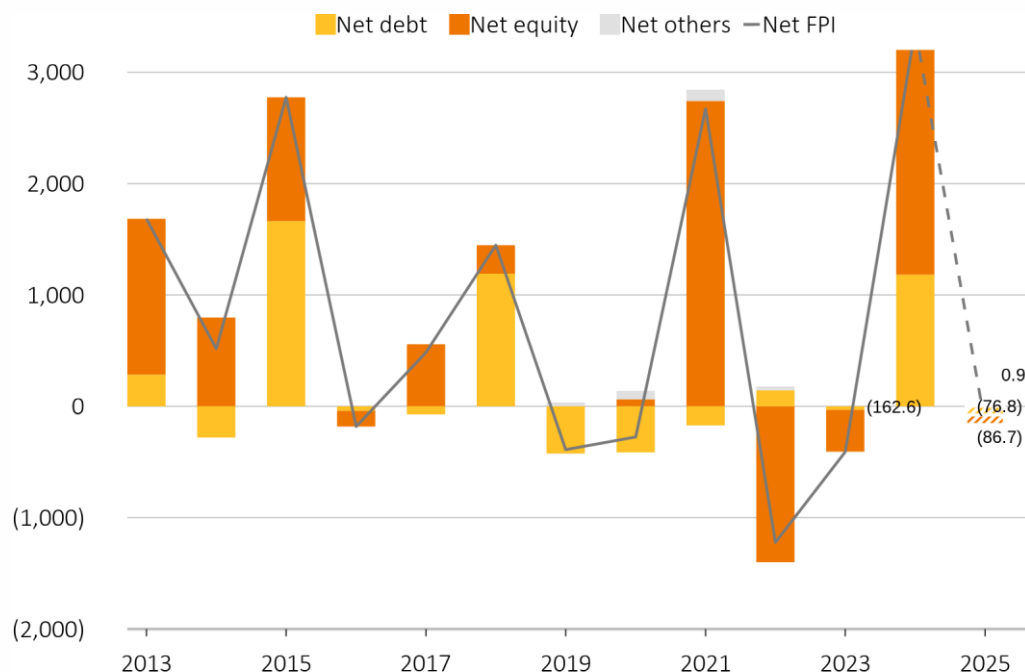
Note:

- 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

FPIs record a net outflow in April

Annual net FPI investments in India (INR billion), FY2013-FYTD2025 (Apr '24)



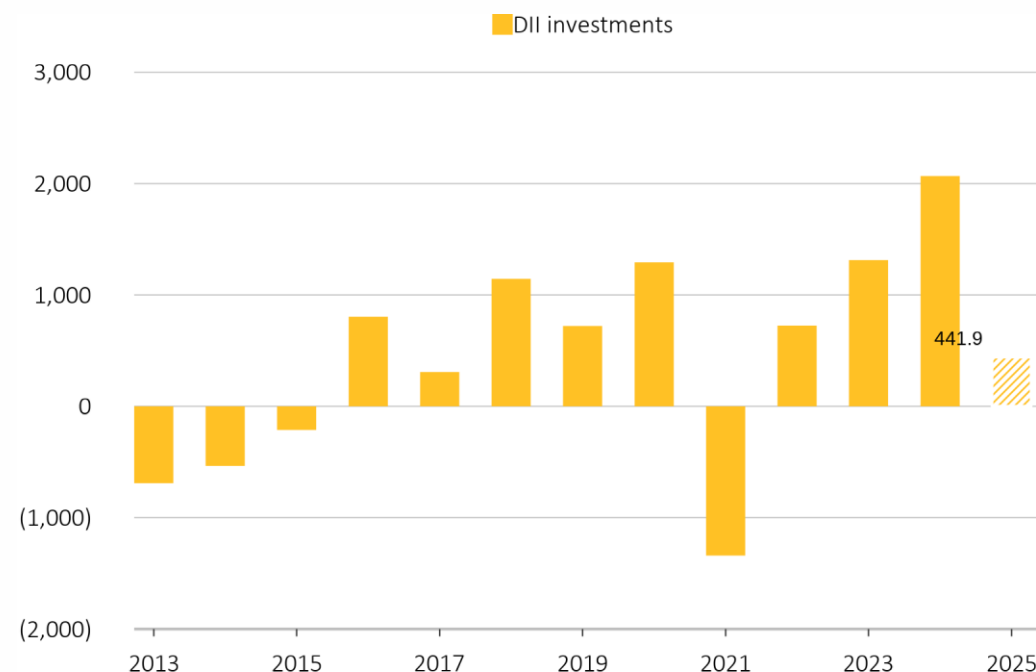
Source: Thurro, NSDL, NIIF Research

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.

Domestic institutional investors stay invested in April

Annual net DII investments in India (INR billion), FY2013-FYTD2025 (Apr '24)



Source: Thurro, NSE, BSE, NIIF Research

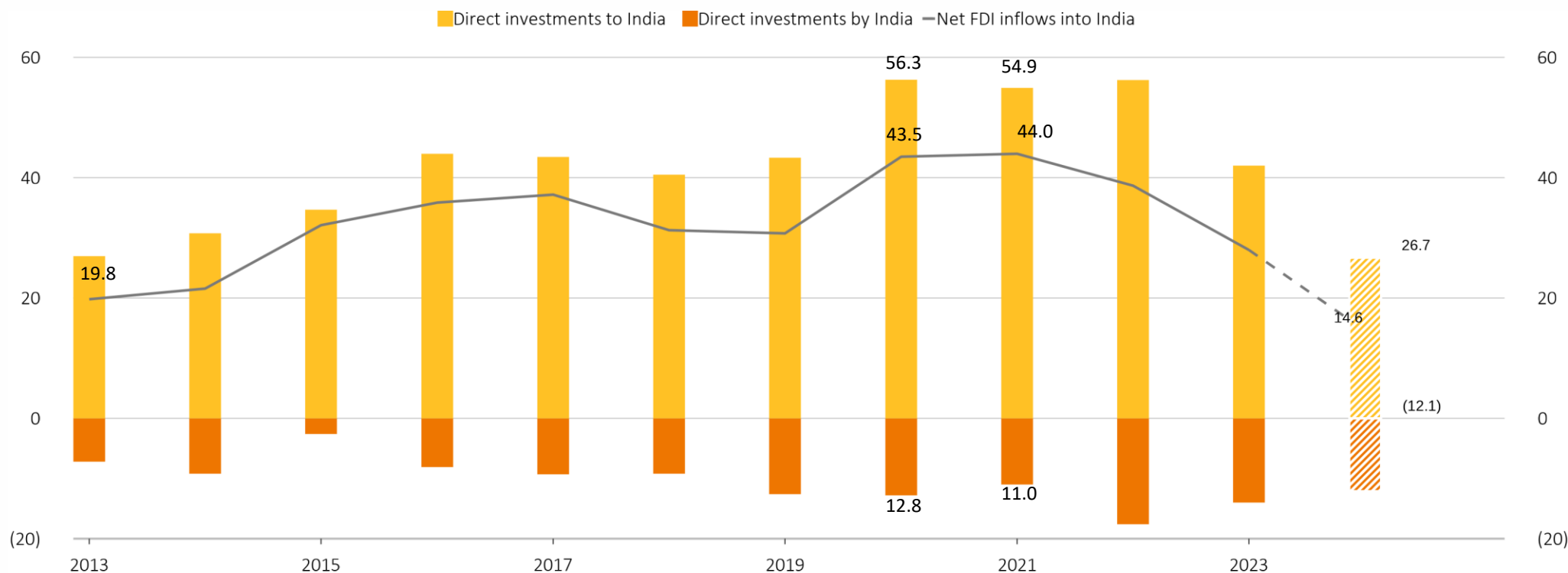
Note:

- 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-Feb) at USD 14.6 billion

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

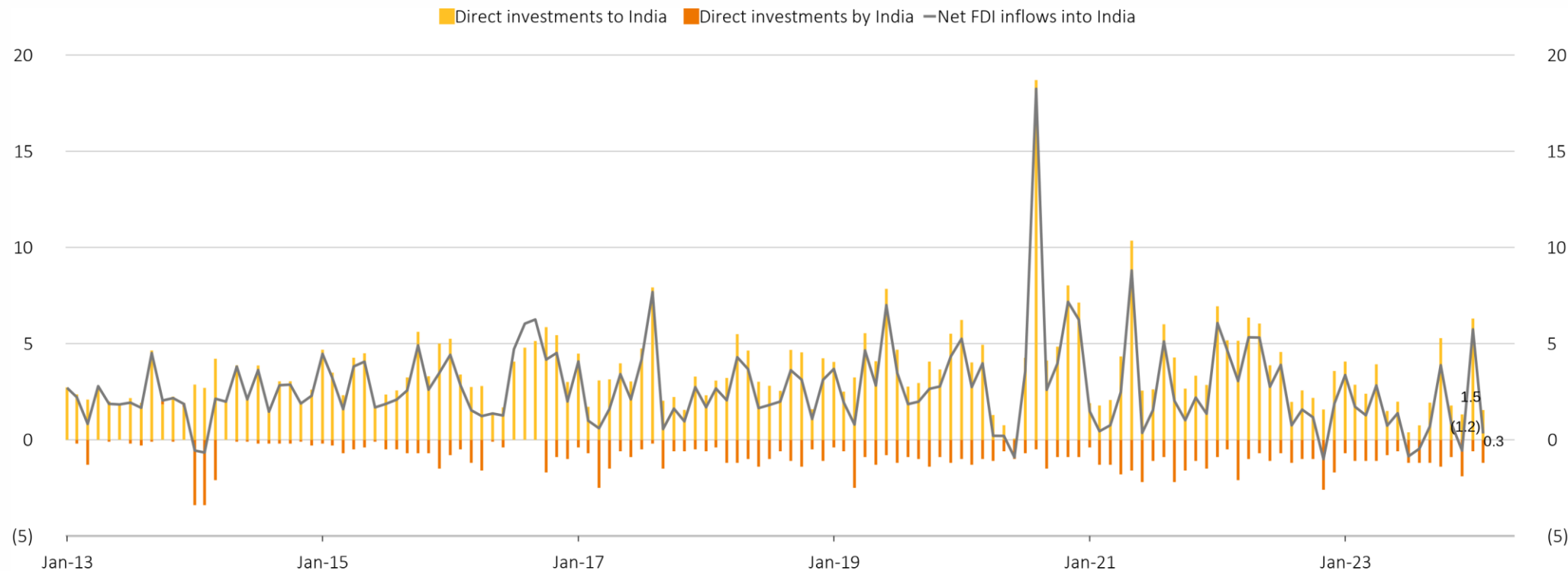


Source: Thurro, RBI, NIIF Research

Flows: FDI

Net FDI inflows of USD 0.3 billion in Feb

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



Source: Thurro, RBI, NIIF Research

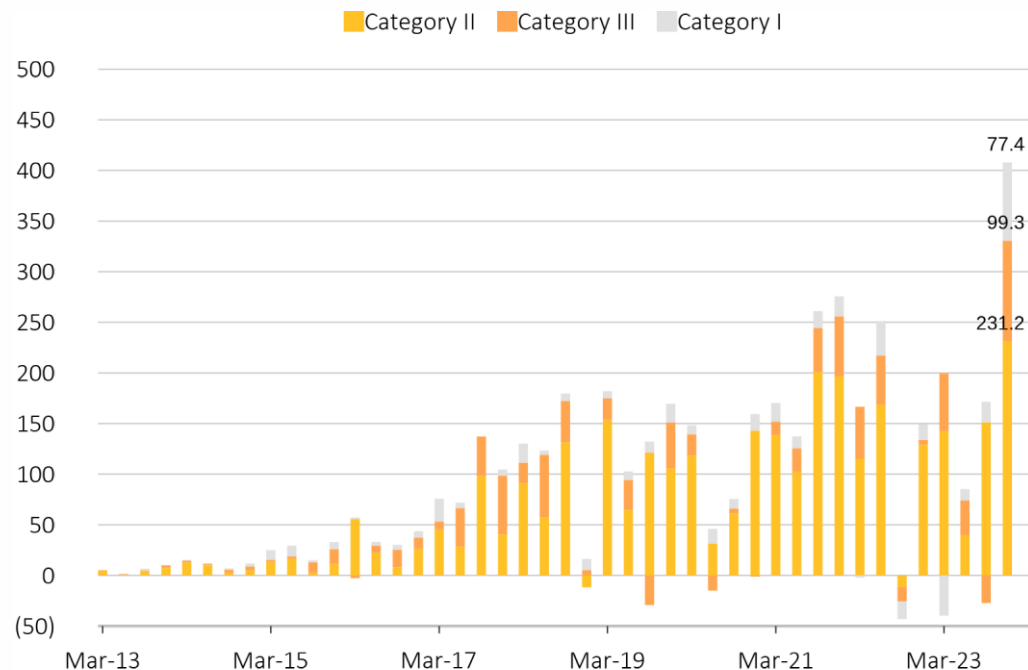
Note:

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)



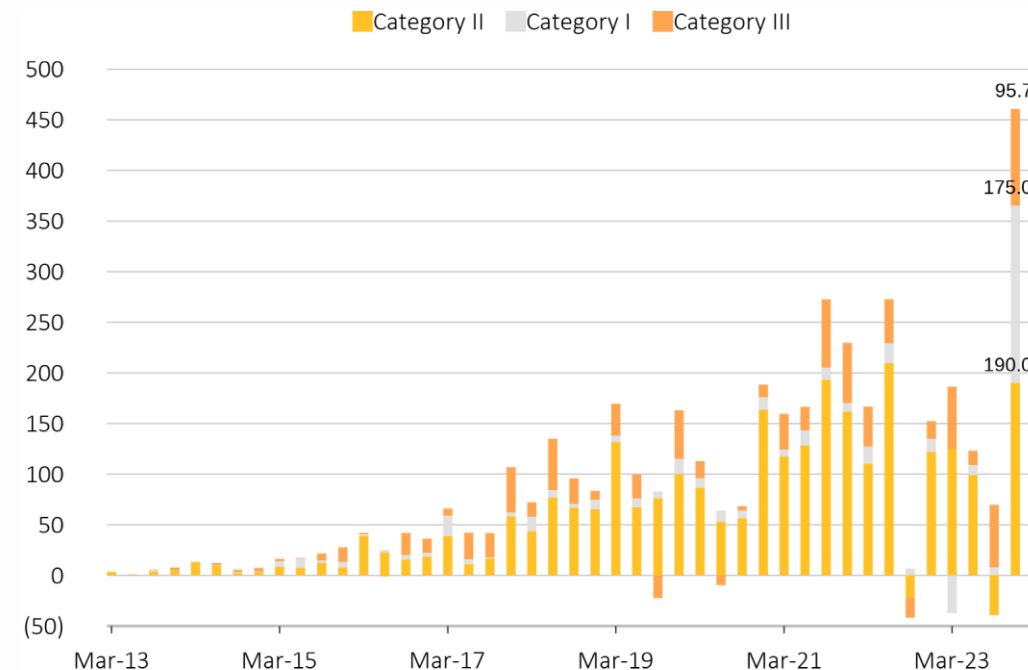
Source: Thurro, SEBI, NIIF Research

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

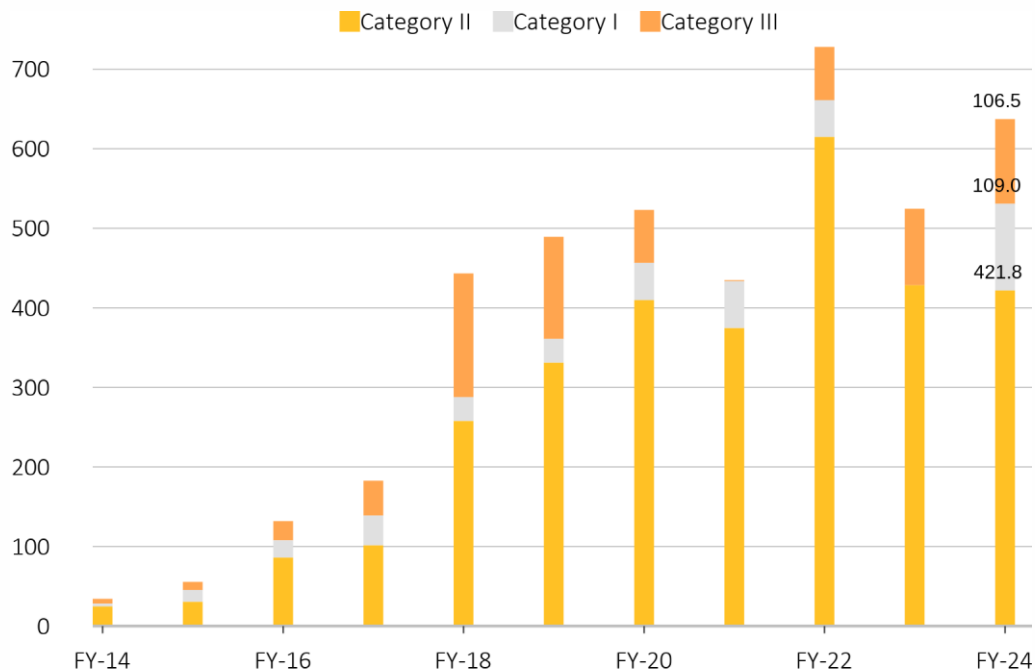
Note:

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)



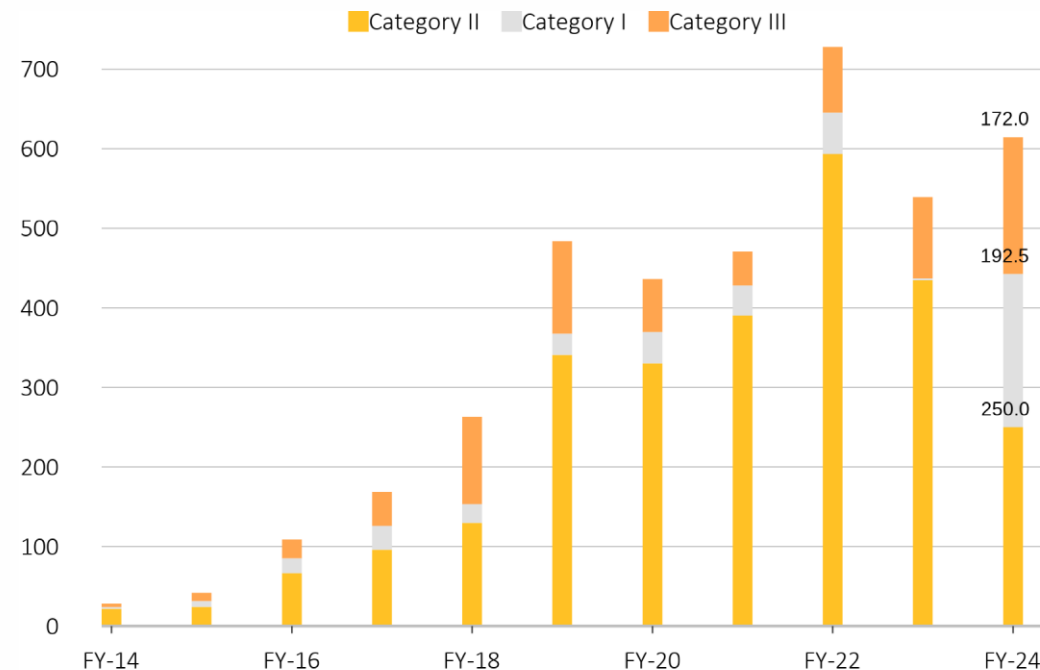
Source: Thurro, SEBI, NIIF Research

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 MAY 2024

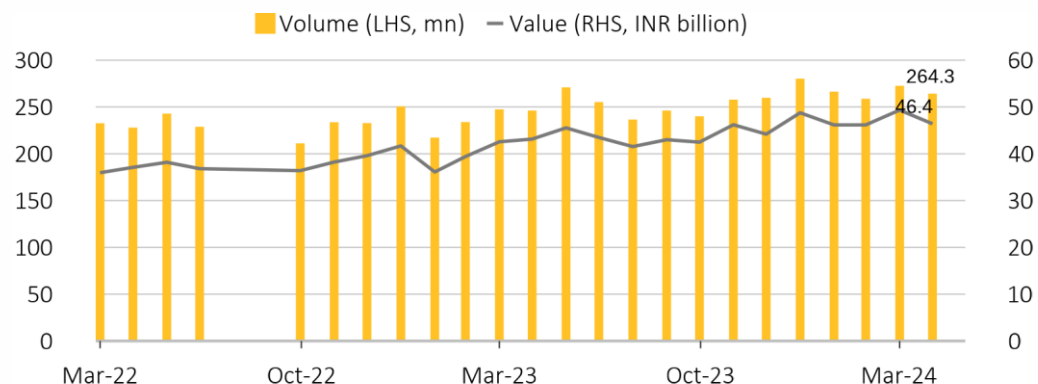
Infrastructure

- FasTag and road toll collection moderates on a month-on-month basis in April to ~INR 56 billion and INR ~46 billion respectively. Truck freight rates stabilize around INR 54 per 15 tons per km in FY2024. Container freight rates moderate while bulk dry goods index scales up. Weak growth in ports cargo traffic of 2.7% yoy in April
- Robust growth in the aviation sector in April – ~14 mn domestic passengers at airports, up ~7% yoy; air cargo at an all-time high of 329,000 tons, up ~17%
- Peak power demand deficit moderates to 0.9% with robust power generation growth of ~10% in April. Renewable's share in total energy generation stable at ~13% in March, driven by a rise in solar and 'other' sources of renewables (bagasse, biomass excl. bagasse, etc.). Polysilicon prices fall further to a multi-year low of USD 6 per kg in April, while silver prices rise to USD 27 per troy oz above the trailing twelve-month average of USD 24 per troy oz

Roads

Toll road collection moderates m-o-m in April to ~INR 46 billion

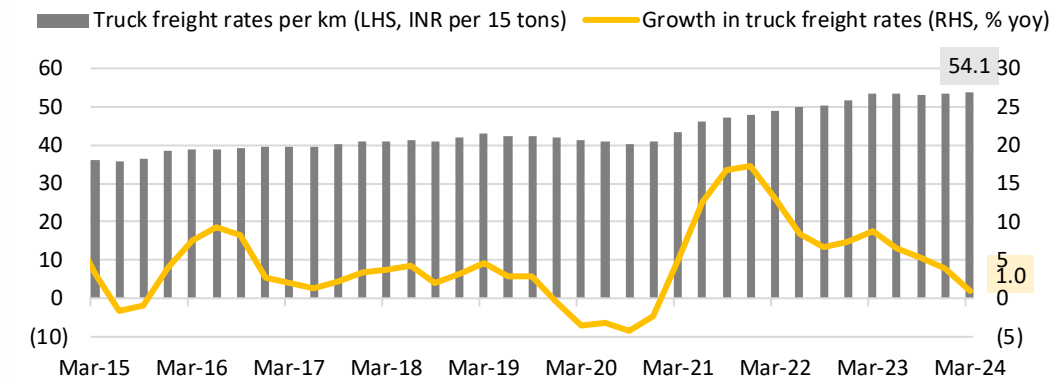
Monthly road toll collection at NHAI tolls, FY2022-FY2025 (Apr '24)



Source: Thurro, IHMCL, NIIF Research

Truck freight rates stabilize around INR 54 per 15 tons per km in FY2024

Quarterly average all-India truck freight rates, FY2015-FY2024 (Mar '24)

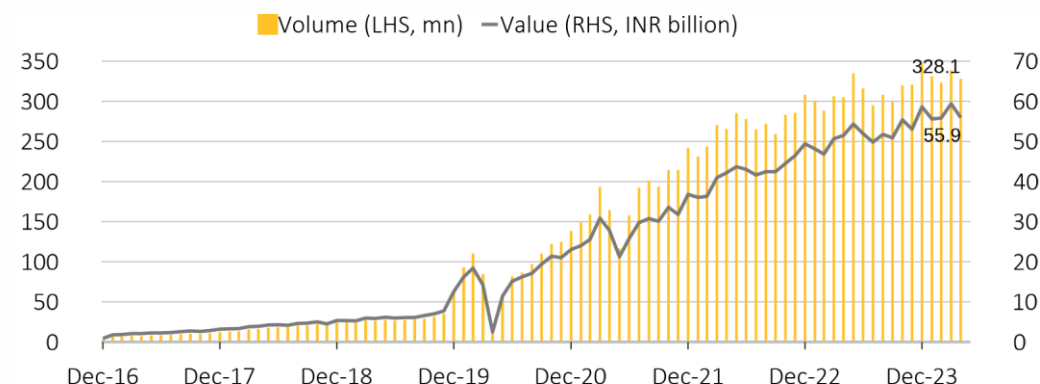


Source: CMIE, NIIF Research

Note: 1. Freight rates are from Delhi to 15 cities - Jaipur, Sirsa, Patna, Lucknow, Dehradun, Bhopal, Ahmedabad, Mumbai, Bangalore, Hyderabad, Chennai, Trivandrum, Guwahati, Bhuvaneshwar, and Kolkata
2. All-India rates calculated by averaging freight rates across each route

FasTag collection moderates to ~INR 56 billion in April

Monthly national electronic road toll collection, FY2017-FY2025 (Apr '24)

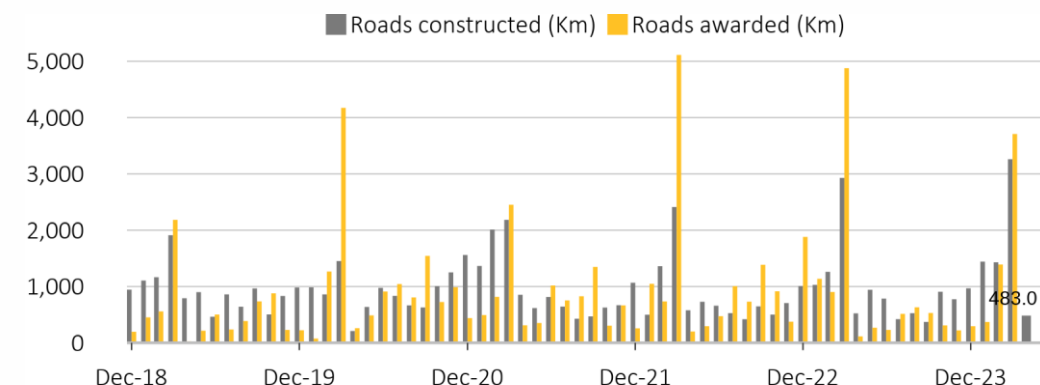


Source: Thurro, RBI, NIIF Research

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

Roads constructed and awarded picks up sharply in March

Monthly road construction in India, FY2019-FY2025 (Apr '24)



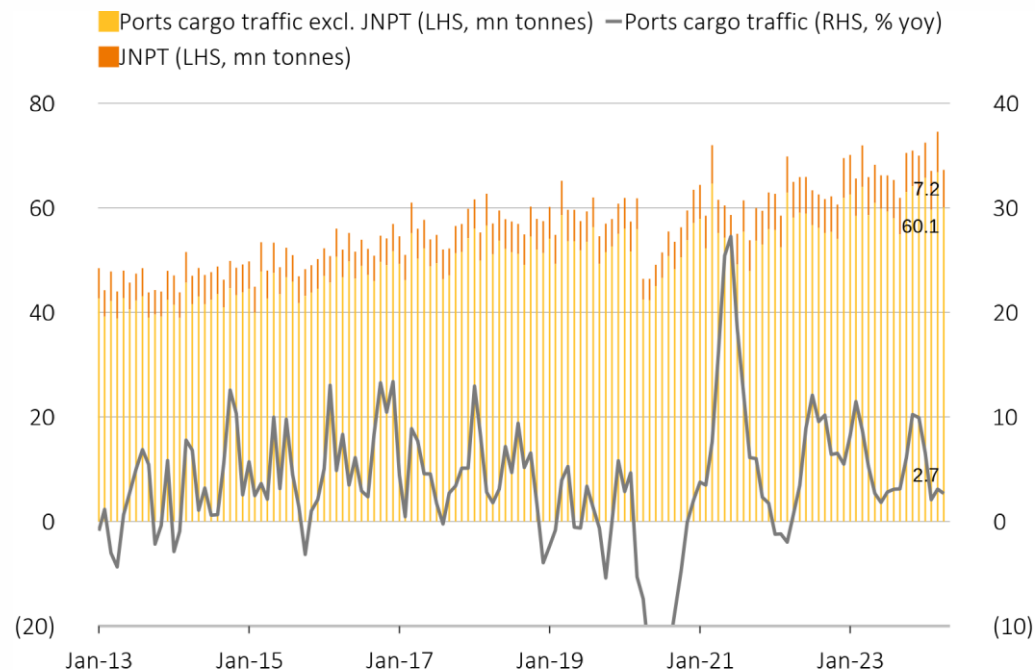
Source: Thurro, MoRTH, NIIF Research

Note: Roads awarded data not available for April 2024

Ports

Growth in ports cargo traffic remains subdued at 2.7% in April

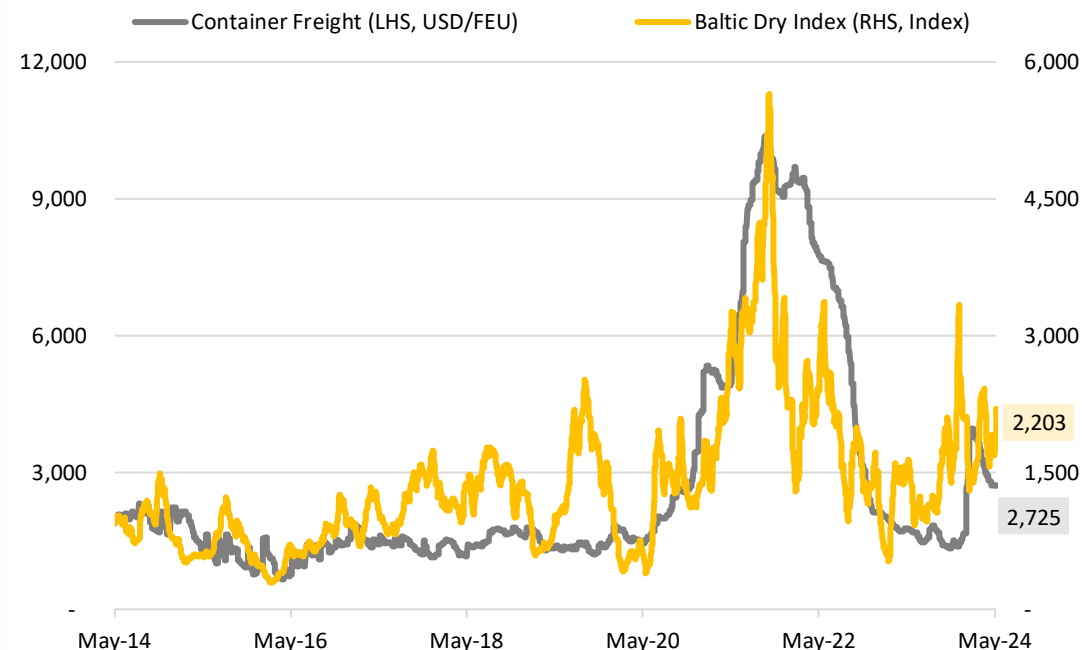
Monthly cargo traffic at major ports, FY2013-FY2025 (Apr '24)



Source: Thurro, Indian Ports Association, NIIF Research

Container freight rates moderate while bulk dry goods index scales up

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



Source: Bloomberg, NIIF Research

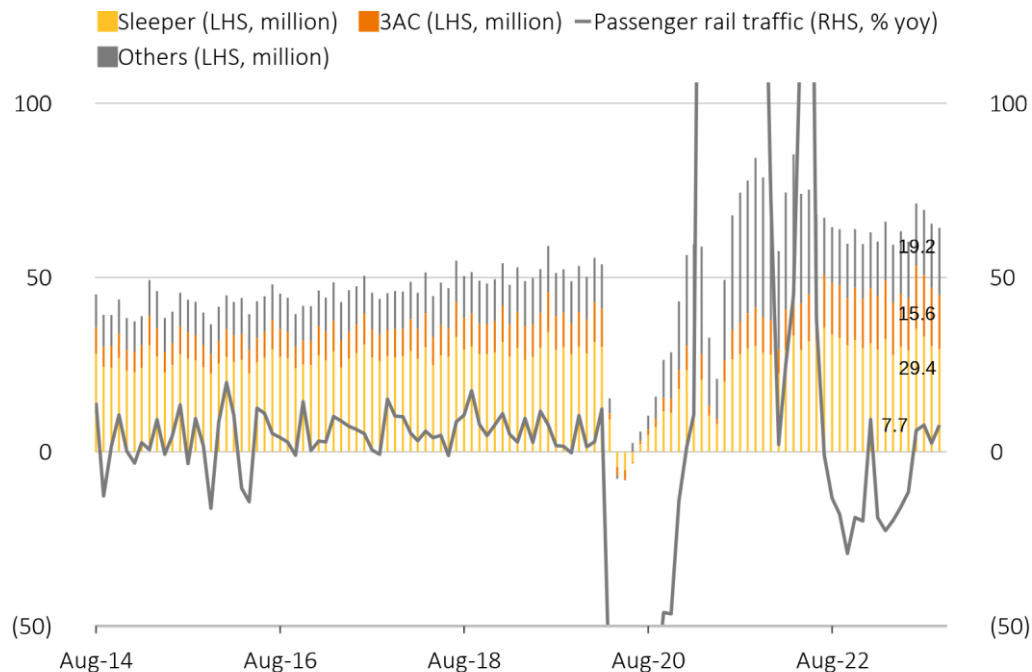
Note:

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-feet 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)



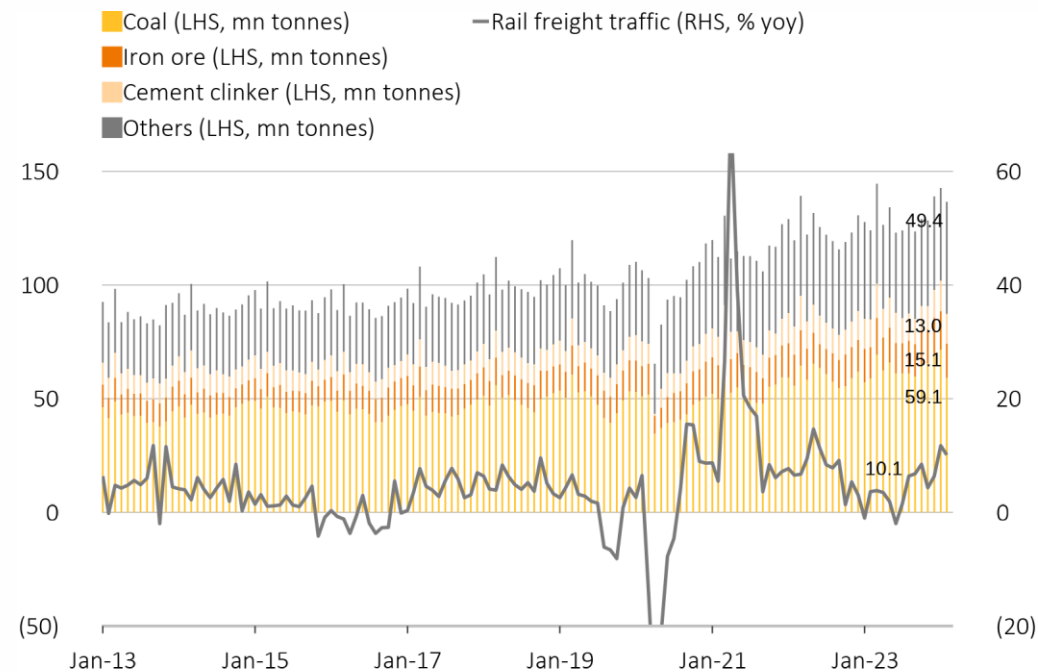
Source: Thurro, IRCTC, NIIF Research

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 non-suburban passengers under passenger reservation system (PRS). 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

Railways

Iron ore freight drives overall rail freight traffic in February

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

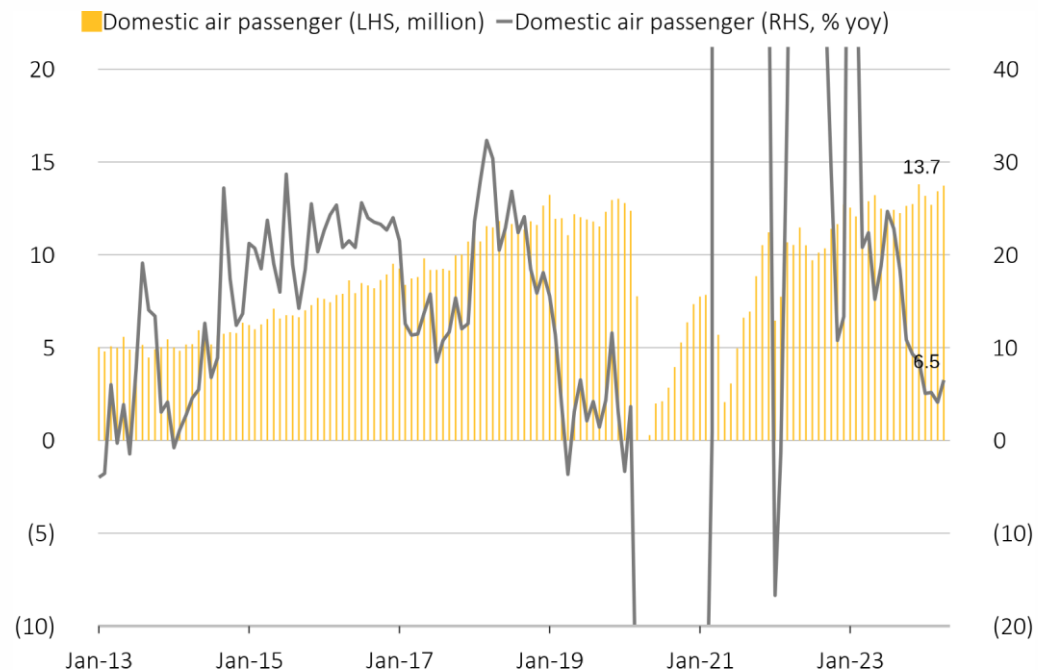
	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Growth (% yoy)
Coal	58.9	69.3	62.4	66.0	61.1	61.1	61.0	59.7	64.8	65.5	69.0	71.5	59.1	0.3
Iron ore	13.7	16.2	14.5	15.2	13.3	13.3	14.5	14.3	14.8	15.0	16.5	17.0	15.1	10.0
Cement and clinker	12.2	15.0	12.6	13.2	13.3	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	0.0	0.0	0.0	0.0	0.0
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

Stable growth in domestic air passenger traffic; ~14 mn pax in April

Monthly domestic air passengers, FY2013-FY2025 (Apr '24)



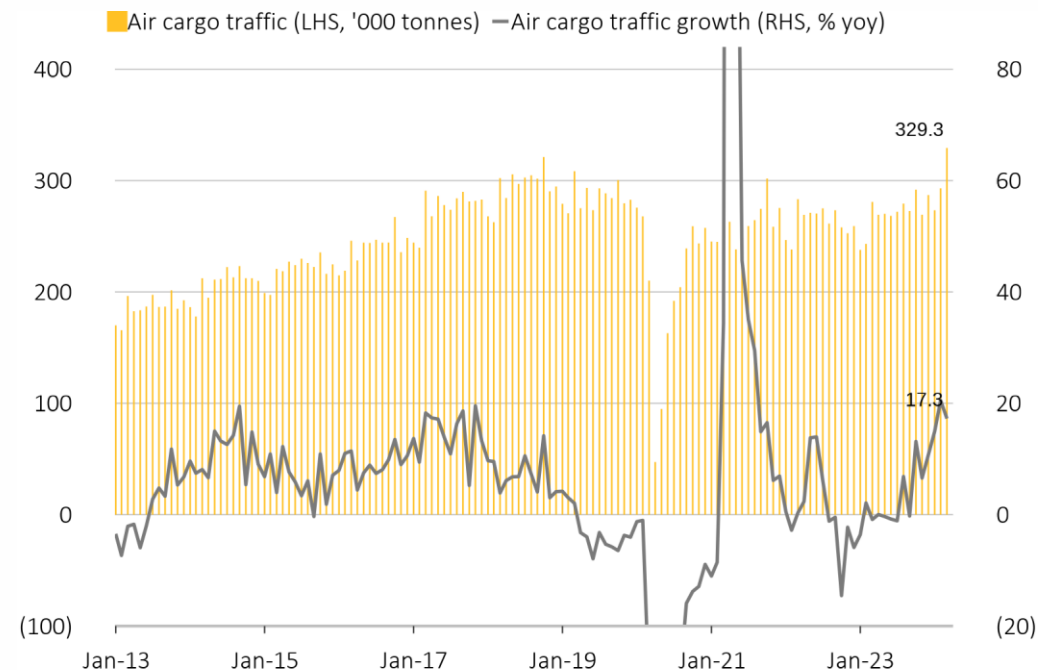
Source: Thurro, DGCA, Ministry of Civil Aviation, NIIF Research

Note:

1. 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.

Air cargo volume at an all-time high in March, up ~17% yoy

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



Source: Thurro, AAI, NIIF Research

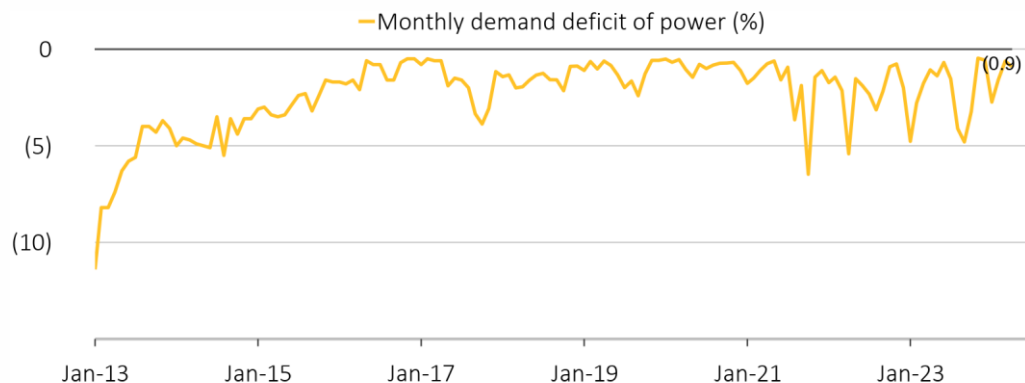
Note:

1. 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 0.9% in April

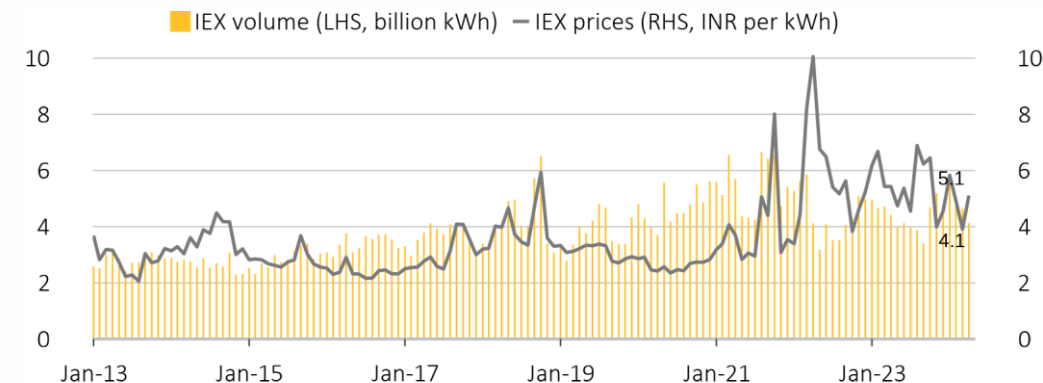
Monthly peak demand deficit of power (%), FY2013-FY2025 (Apr '24)



Source: Thurro, POSOCO, NIIF Research

Traded power tariffs rise to INR 5.1 per kWh in April

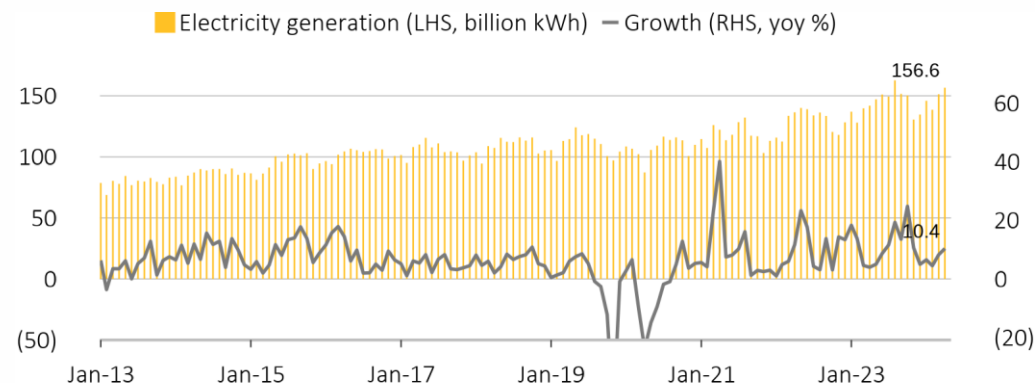
Monthly clearance prices on IEX DAM (INR/kWh), FY2013-FY2025 (Apr '24)



Source: Thurro, IEX, NIIF Research

Electricity generation surges by ~10% yoy in April

Monthly electricity generation, FY2013-FY2025 (Apr '24)

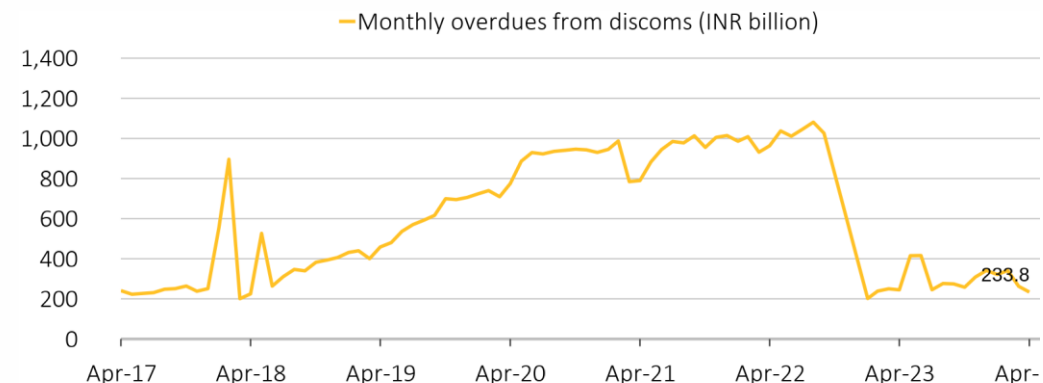


Source: Thurro, POSOCO, NIIF Research

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 234 bn in April

Monthly outstanding dues of discoms, FY2018-FY2025 (Apr '24)

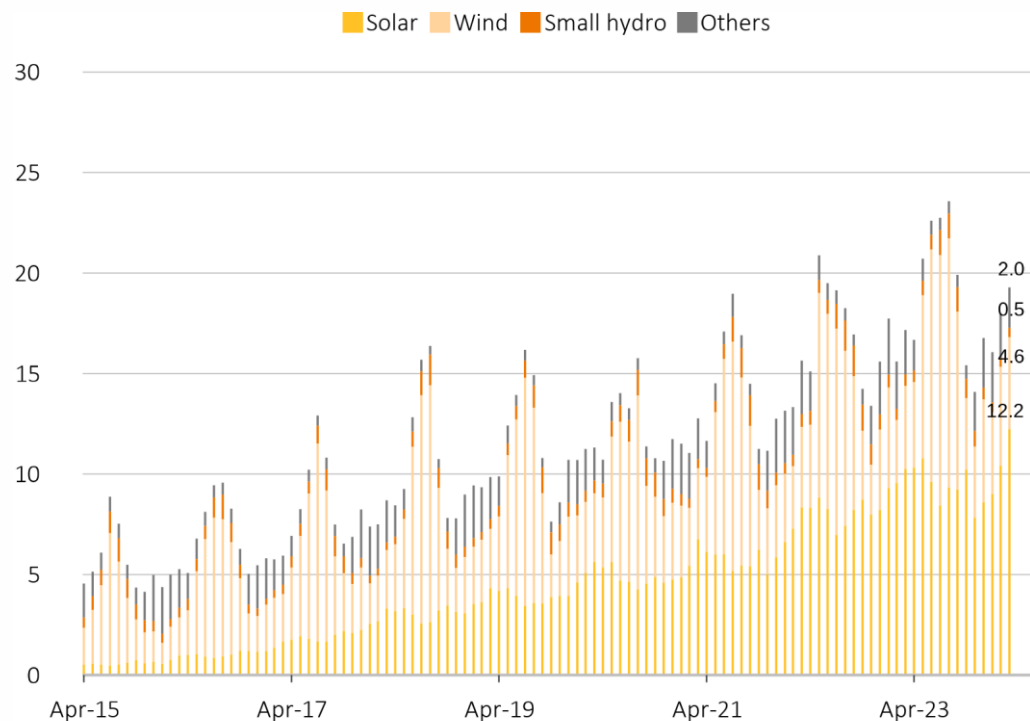


Source: Thurro, PRAAPTI, NIIF Research

Renewables

Renewables driven by a pickup in solar and 'other' sources in March

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



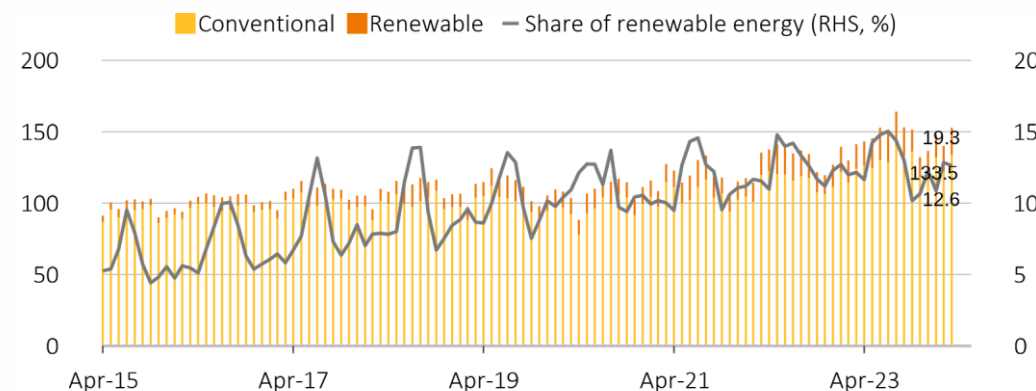
Source: Thurro, CEA, NIIF Research

Note:

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

Share of renewable in total energy generation stable at ~13% in March

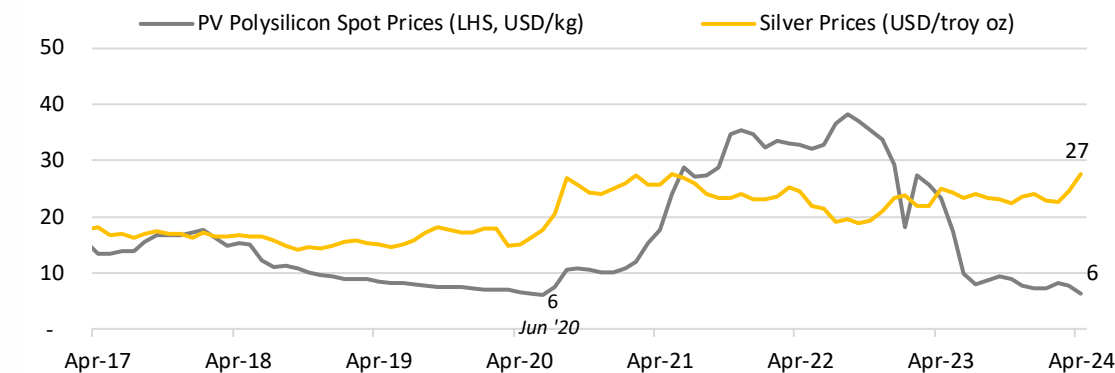
Monthly generation from energy sources (billion kWh), FY2016-FY2024 (Mar '24)



Source: Thurro, POSOCO, CEA, NIIF Research

Polysilicon prices fall further to USD 6 per kg in April while silver prices rise

Monthly average silicon prices, FY2015-FY2025 (Apr '24)



Source: Bloomberg, NIIF Research



MONTHLY ECONOMIC REPORT ON INDIA MAY 2024

Global

- Real growth estimated by key agencies to be ~6.8% per annum in FY2025. RBI projects a 7% real growth while the International Monetary Fund (IMF) forecasts a 6.8% growth. Strong growth in US (5.3%) and China (3.0%) yoy in Q1CY24. In Q4CY23, India recorded an 8.4% real GDP growth
- Business optimism in India sustains at high levels with composite Purchasing Managers' Index (PMI) at 61.5 in April. PMI of other major countries also picking up, remaining between 50-55 (above 50 indicates expansion)
- Inflationary pressures eases across major economies in March. Indian equity markets generate average returns of ~24% in April, higher than the global average of ~12% 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 FY2025

	GDP (USD trillion)		Growth (%)		
	Actual	Projection	Actual	Projection	
	2022	2025	2023	2024	2025
World	100.7	114.8	3.2	3.2	3.2
Advanced Economies	58.1	66.4	1.6	1.7	1.8
United States	25.7	29.8	2.5	2.7	1.9
Euro Area	14.2	16.6	0.4	0.8	1.5
Germany	4.1	4.8	(0.3)	0.2	1.3
Japan	4.3	4.3	1.9	0.9	1.0
United Kingdom	3.1	3.7	0.1	0.5	1.5
Canada	2.2	2.4	1.1	1.2	2.3
Emerging markets and developing economies	42.5	48.5	4.3	4.2	4.2
China	17.8	19.8	5.2	4.6	4.1
India	3.4	4.3	7.8	6.8	6.5
Russia	2.3	2.1	3.6	3.2	1.8
Brazil	2.0	2.4	2.9	2.2	2.1
South Africa	0.4	0.4	0.6	0.9	1.2

Source: IMF's World Economic Outlook (April 2024), NIIF Research

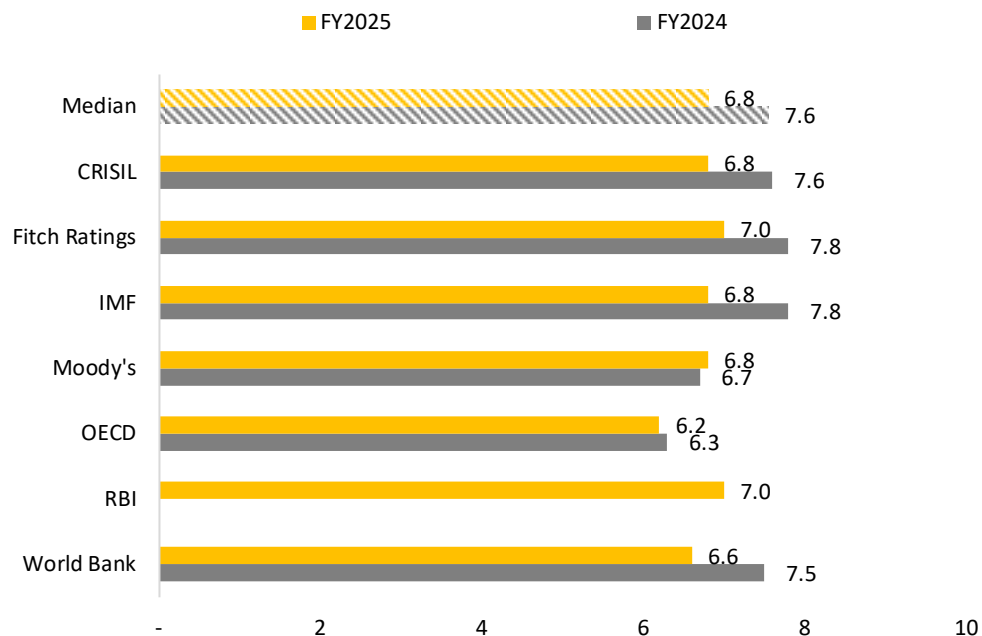
Note:

1. For India, data and forecasts are presented on a fiscal year basis (Apr-Mar); on calendar year basis for other countries
2. 7.8% GDP growth for India under the 2023 column is for FY2023-24; similarly for other years
3. FY stands for financial year with the period starting Apr 1 and ending on Mar 31

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 Apr '24



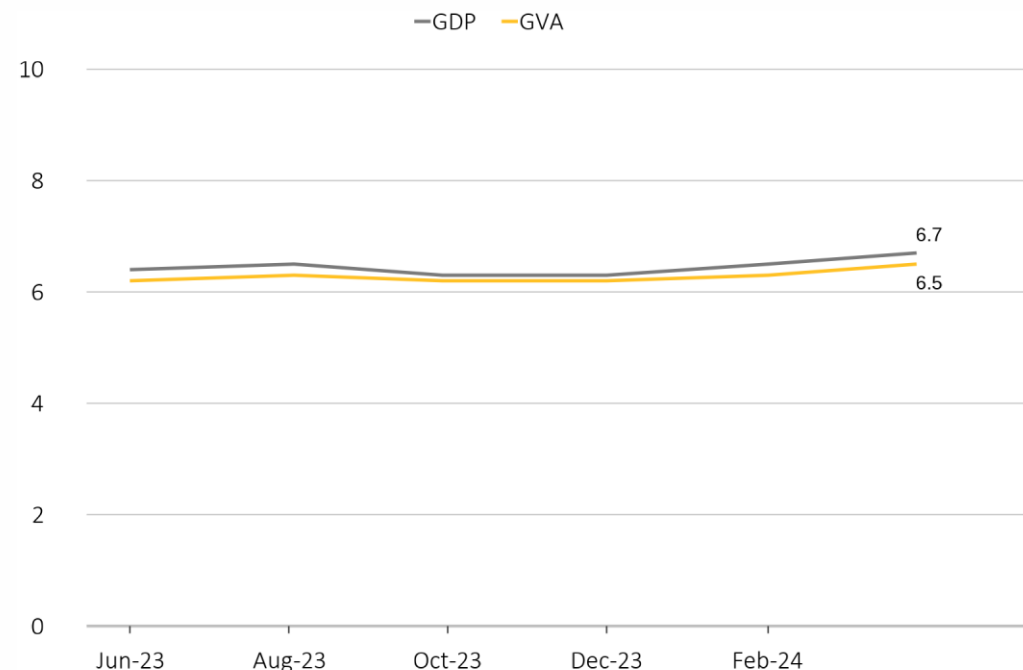
Source: CMIE, NIIF Research

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 growth survey projections revised up to 6.7% for FY2025

Bi-monthly median real GDP projections for FY2025 by RBI (% yoy), (Apr '24)



Source: Thurro, RBI, NIIF Research

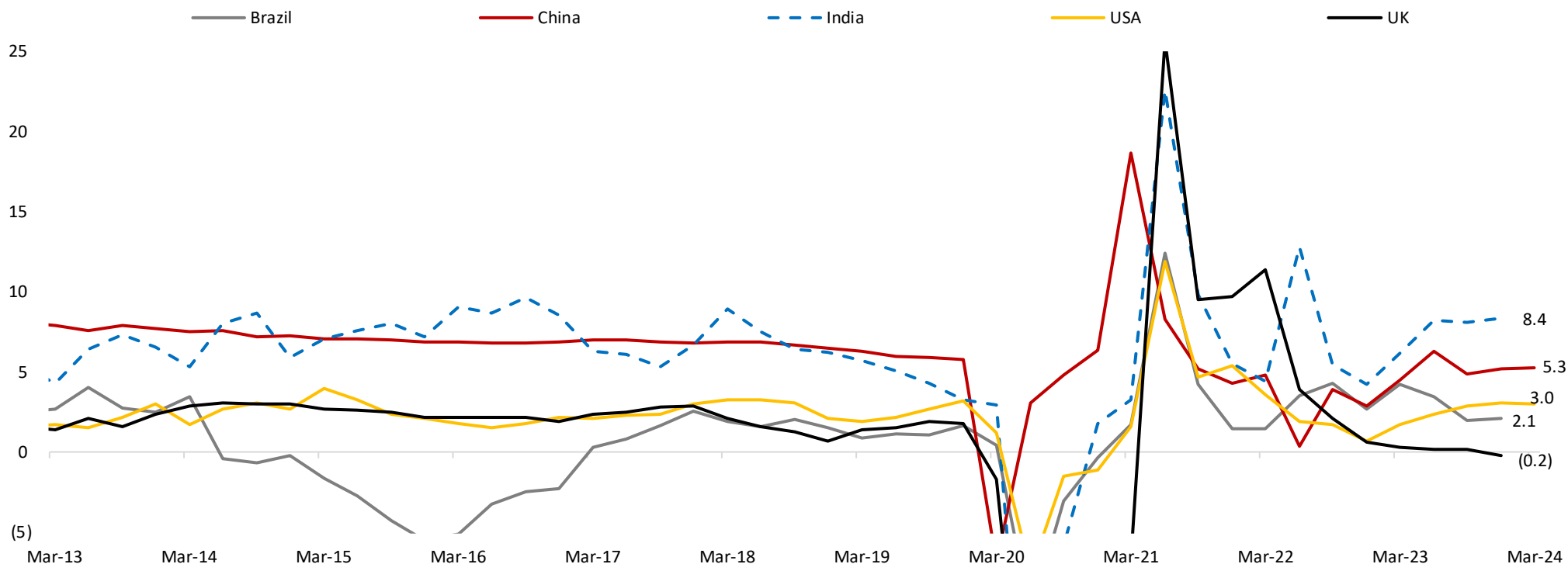
Note:

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 grows at 8.4% in Q4CY23, robust growth in China and US in Q1CY24

Quarterly real GDP growth across countries (% yoy), FY2014-FY2024 (Mar '24)



Source: Bloomberg, NIIF Research

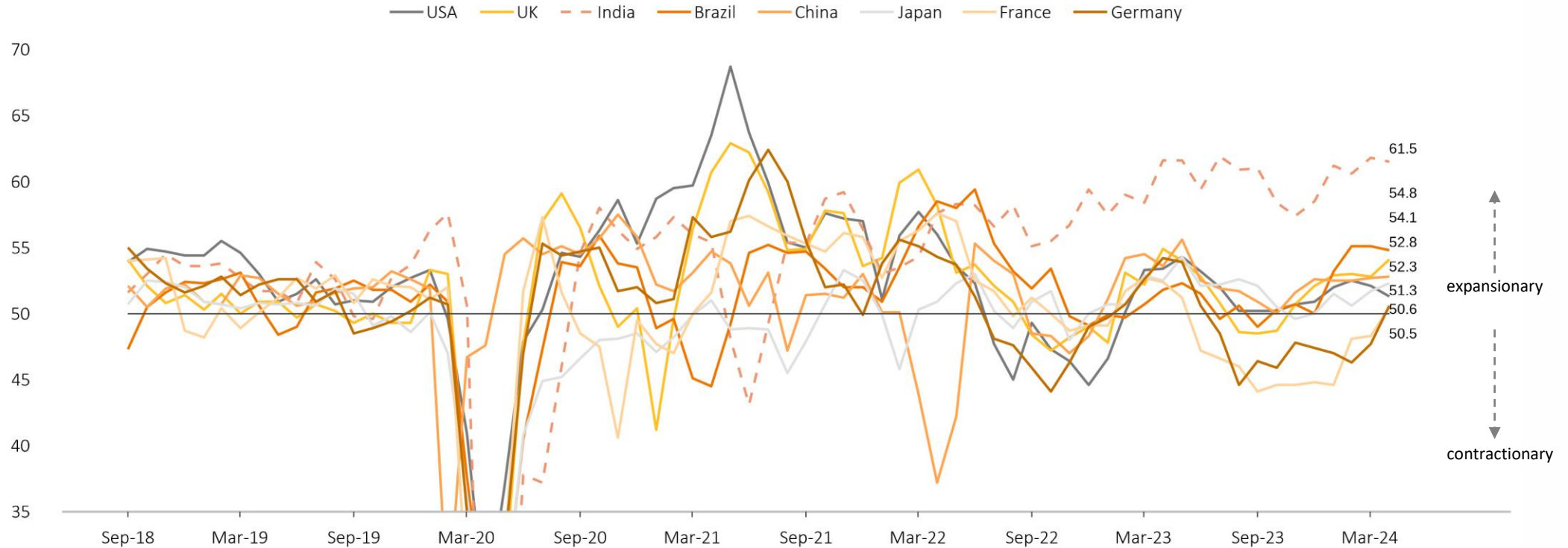
Note:

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
2. GDP growth for China and USA shown till quarter-ended March 2024, for rest till Dec 2023

Purchasing managers' index: Global

India's composite PMI remains high at 61.5 in April; pick up in economic activity in other economies

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



Source: Thurro, S&P, NIIF Research

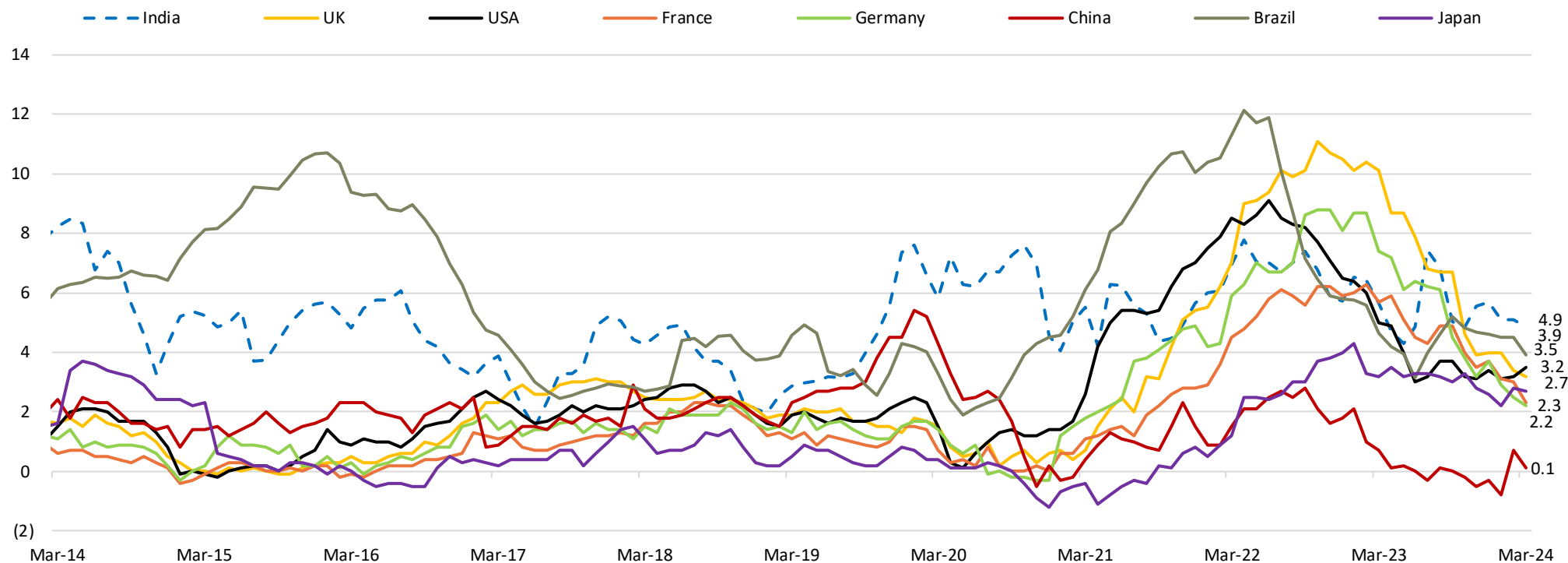
Note:

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

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

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



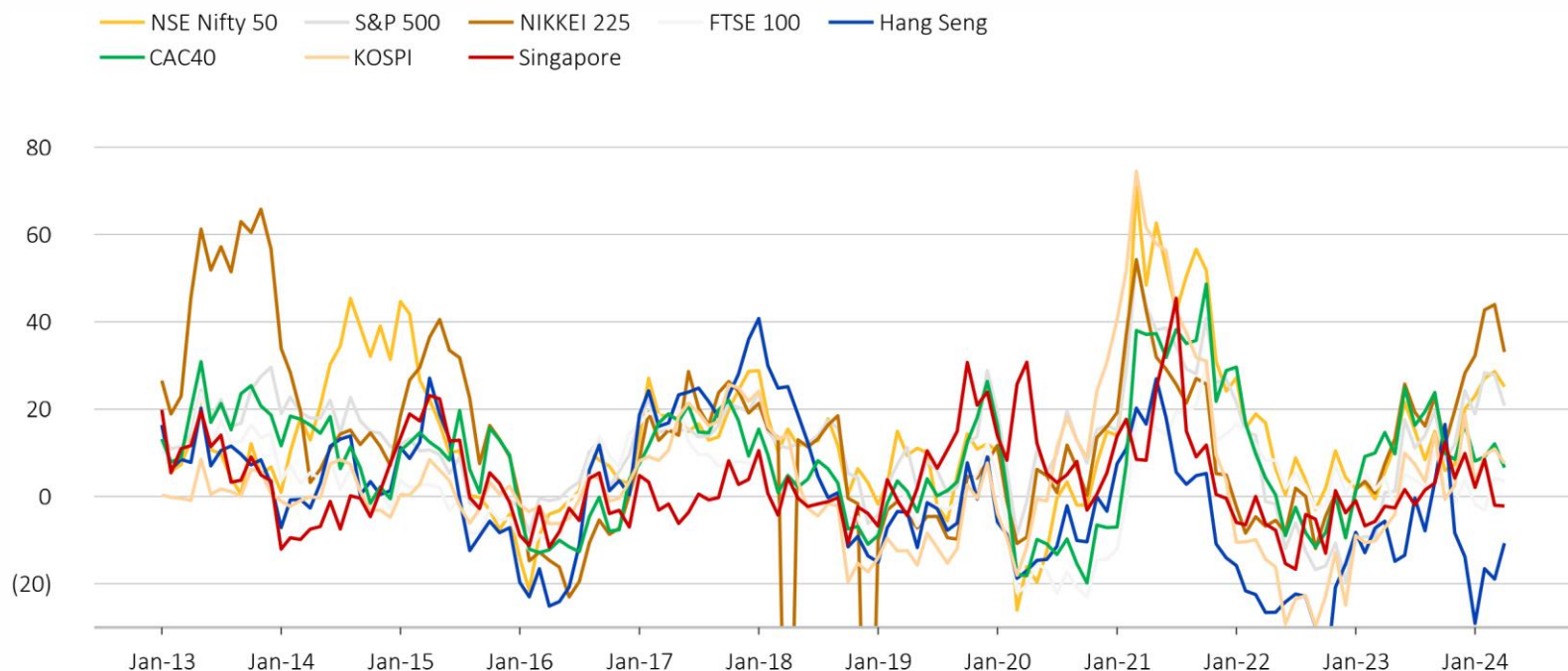
Source: Bloomberg, NIIF Research

Note:

Equity markets: global

Global equity markets generate average returns of 11.7% over the last year; average Indian market returns of ~24%

Monthly performance of Nifty-50, Sensex and other global indices, returns in local currency (% yoy), FY2013-FY2025 (Apr '24)



Returns as on April 30, 2024 (% yoy)

NIKKEI 225	33.1
NSE Nifty 50	25.1
BSE Sensex	21.9
S&P 500	20.8
Dow Jones	10.9
KOSPI	7.6
CAC40	6.6
FTSE 100	3.5
Singapore	(2.2)
Hang Seng	(10.7)

Source: Thurro, BSE, NIIF Research

Note:

1. Return is calculated as on month end



Annexures

MONTHLY ECONOMIC REPORT ON INDIA MAY 2024

High Frequency Indicators

Robust growth in supply side indicators in March/April; ports freight traffic and goods exports subdued

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

	Units	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	Apr-24
Fiscal															
Central government expenditure	% yoy	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	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	12.7	11.6	11.5	11.7	10.8	10.8	10.2	13.4	15.1	10.3	11.8	12.5	11.5	12.4
Industry															
Index of industrial production	% yoy	2.0	4.6	5.7	4.1	6.2	10.9	6.4	11.9	2.5	4.4	4.1	5.6	4.9	
Index of eight core industries	% yoy	4.2	4.6	5.2	8.3	8.6	13.4	9.5	12.7	7.9	5.1	4.1	7.1	5.2	
Electricity generation	% yoy	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	10.4
Steel production	% yoy	2.6	6.7	6.1	7.8	15.6	12.8	16.7	11.6	11.6	15.2	17.1	19.1	9.8	
Cement production	% yoy	(0.8)	11.5	15.5	9.7	5.7	19.3	5.1	17.3	(3.2)	1.7	5.6	10.3	11.2	
Wholesale price index	% yoy	1.4	(0.8)	(3.6)	(4.2)	(1.2)	(0.5)	(0.1)	(0.3)	0.4	0.9	0.3	0.2	0.5	1.3
Logistics															
Rail freight	% yoy	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	8.7	5.3	2.7	1.8	2.8	3.1	3.1	6.1	10.2	9.9	6.6	2.1	3.1	2.7
Air cargo	% yoy	(0.9)	0.0	(0.3)	(0.8)	(1.1)	6.9	(0.3)	13.2	6.6	10.8	15.0	20.5	17.3	
E-way bills (volume)	% yoy	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	14.5
Trade															
Merchandise exports	% yoy	(13.7)	(12.7)	(10.4)	(22.2)	(16.2)	(7.0)	(2.6)	6.2	(2.8)	1.0	3.1	11.9	8.6	1.0
Merchandise imports	% yoy	(7.7)	(14.1)	(7.1)	(20.4)	(20.1)	(7.8)	(15.0)	12.3	(4.3)	(4.9)	3.0	12.2	(1.4)	8.4
Non-oil merchandise exports	% yoy	(5.0)	(11.5)	(4.9)	(13.6)	(8.3)	0.2	(0.5)	8.9	(1.5)	6.2	2.2	13.7	10.1	0.6
Non-oil merchandise imports	% yoy	0.4	(14.2)	(6.9)	(10.7)	(8.7)	2.6	(13.0)	13.9	(2.7)	3.4	2.4	17.8	(4.6)	8.4
Services exports	% yoy	13.0	7.5	7.7	3.5	8.1	8.4	(2.7)	10.8	4.3	1.3	10.8	3.5	(1.4)	14.4
Services imports	% yoy	10.5	(3.1)	2.0	(3.4)	(2.2)	(0.8)	(10.3)	(0.4)	(11.1)	(1.2)	0.1	1.8	(2.1)	24.5

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, automobiles, and banking continue to support growth

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

	Units	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	Apr-24
Energy															
Electricity demand	% yoy	(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	10.3
Petrol consumption	% yoy	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	14.2
Automobile registrations															
Passenger vehicles	% yoy	14.5	(0.6)	5.2	5.0	3.3	5.0	17.9	(2.1)	19.5	2.5	12.3	10.6	(7.4)	14.5
Three-wheeler	% yoy	75.8	63.3	85.5	80.0	77.5	69.0	51.0	53.1	29.2	42.9	41.5	24.7	17.5	9.8
Two-wheeler	% yoy	15.1	(5.1)	11.5	8.1	8.8	7.0	22.5	(11.8)	21.7	28.0	15.4	13.7	5.6	33.2
Commercial vehicles	% yoy	9.2	(0.6)	3.2	(3.8)	(1.7)	1.9	1.7	9.0	(3.1)	0.0	(1.4)	(0.9)	(9.6)	(1.4)
Passenger vehicles-electric	% yoy	100.3	215.0	213.3	143.3	140.7	119.5	79.4	95.1	100.9	141.0	136.4	56.4	5.5	24.6
Three-wheeler-electric	% yoy	84.5	76.5	86.2	73.3	77.1	72.6	54.2	59.1	34.0	63.2	56.3	40.6	34.1	8.2
Two-wheeler-electric	% yoy	69.0	32.8	160.3	6.2	18.9	21.1	20.6	(2.6)	19.9	17.4	26.9	25.0	58.9	(4.1)
Commercial vehicles-electric	% yoy	627.7	417.0	441.9	231.0	510.0	450.9	371.9	550.9	244.2	128.8	202.2	214.0	393.6	(9.8)
Services															
Air passenger (domestic)	% yoy	20.8	22.4	15.2	18.8	24.7	22.8	18.4	10.8	9.3	8.6	5.1	5.2	4.1	6.5
Air passenger (international)	% yoy	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	14.6
Rail passenger	% yoy	(22.6)	(19.7)	(15.8)	(11.5)	6.1	7.7	2.5	7.7						
FASTag collection (volume)	% yoy	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	7.6
FASTag collection (value)	% yoy	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	8.6
UPI transactions (volume)	% yoy	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	49.5
UPI transactions (value)	% yoy	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	39.6
Consumer price index	% yoy	5.7	4.7	4.3	4.9	7.4	6.8	5.0	4.9	5.6	5.7	5.1	5.1	4.9	4.8
Banking															
Aggregate deposits (excluding merger)	% yoy	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	12.7
Outstanding credit (excluding merger)	% yoy	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	15.3

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

Robust growth in supply side indicators in March/April; ports freight traffic and goods exports subdued

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

	Units	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	Apr-24
Fiscal															
Central government expenditure	INR trillion	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	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	1.6	1.9	1.6	1.6	1.7	1.6	1.6	1.7	1.7	1.6	1.7	1.7	1.8	2.1
Industry															
Index of industrial production	Index	151.7	140.7	145.6	143.9	142.7	145.8	142.3	144.9	141.1	152.3	153.5	147.1	159.2	
Index of eight core industries	Index	164.7	151.2	157.4	155.9	153.2	158.6	151.7	156.4	150.4	161.2	165.3	157.7	173.3	
Electricity generation	billion kWh	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	156.6
Steel production	mn tonnes	11.3	10.5	11.3	11.3	11.5	11.4	11.5	11.7	11.8	12.1	12.5	11.8	12.5	
Cement production	mn tonnes	38.4	37.1	37.2	37.7	32.3	35.1	32.3	35.3	30.8	36.4	37.9	38.6	42.7	
Wholesale price index	Index	151.0	151.1	149.4	148.9	152.1	152.5	151.8	152.5	153.1	151.8	151.2	151.2	151.8	153.0
Logistics															
Rail freight	mn tonnes	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	71.9	65.9	68.2	66.2	66.2	65.3	61.9	70.5	70.9	70.0	72.5	67.1	74.6	67.3
Air cargo	'000 ton	280.8	269.3	270.1	268.3	272.0	279.3	272.7	291.8	269.3	287.0	273.3	293.0	329.3	
E-way bills (volume)	million	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	96.7
Trade															
Merchandise exports	USD billion	38.4	34.7	35.0	33.0	32.3	34.5	34.5	33.6	33.9	38.5	36.9	41.4	41.7	35.0
Merchandise imports	USD billion	58.1	49.9	57.1	53.1	52.9	58.6	53.8	65.0	54.5	58.3	54.4	60.1	57.3	54.1
Non-oil merchandise exports	USD billion	33.0	28.2	29.0	27.4	27.7	28.6	28.0	27.6	26.4	31.6	28.7	33.2	36.3	28.4
Non-oil merchandise imports	USD billion	42.0	34.7	41.5	40.6	41.2	45.4	39.9	47.4	39.6	43.3	37.8	43.2	40.1	37.6
Services exports	USD billion	30.4	25.8	27.1	27.9	26.2	28.7	28.4	28.0	28.1	31.6	31.0	28.3	30.0	29.6
Services imports	USD billion	17.0	13.6	15.5	15.2	13.8	15.1	14.6	13.5	13.7	15.6	14.9	15.2	16.6	17.0

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

High Frequency Indicators

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

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

	Units	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	Apr-24
Energy															
Electricity demand	billion kWh	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	144.4
Petrol consumption	mn tonnes	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	3.3
Automobile registrations															
Passenger vehicles	'000s	320.0	269.8	285.4	280.8	266.5	295.2	312.3	337.4	350.7	278.3	372.0	309.2	296.3	309.0
Three-wheeler	'000s	89.6	73.0	81.5	87.8	95.0	100.9	102.9	109.2	103.5	98.1	99.9	94.9	105.2	80.1
Two-wheeler	'000s	1,454.8	1,235.7	1,499.7	1,316.0	1,233.8	1,261.0	1,318.4	1,517.1	2,258.5	1,455.2	1,465.3	1,446.2	1,536.7	1,645.5
Commercial vehicles	'000s	85.5	77.4	67.6	61.6	61.8	65.3	70.5	79.8	76.0	65.9	79.9	75.4	77.3	76.3
Passenger vehicles-electric	'000s	7.1	5.4	6.8	7.0	6.9	6.3	5.7	6.4	7.1	7.0	7.0	6.8	7.5	6.7
Three-wheeler-electric	'000s	45.2	38.0	44.6	48.0	53.7	56.7	57.4	56.9	53.8	57.5	53.4	50.6	60.7	41.1
Two-wheeler-electric	'000s	86.3	66.8	105.5	46.1	54.6	62.7	64.0	75.1	92.0	75.8	82.0	82.6	137.2	64.1
Commercial vehicles-electric	'000s	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	0.3
Services															
Air passenger (domestic)	million	12.9	12.9	13.2	12.5	12.1	12.4	12.2	12.6	12.7	13.8	13.2	12.7	13.4	13.7
Air passenger (international)	million	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	6.1
Rail passenger	million	66.0	59.4	63.3	60.3	71.2	69.4	65.4	64.3						
FASTag collection (volume)	million	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	328.1
FASTag collection (value)	INR billion	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	55.9
UPI transactions (volume)	billion	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	13.3
UPI transactions (value)	INR trillion	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	19.6
Consumer price index	Index	177.2	178.1	179.1	181.0	186.3	186.2	184.1	185.3	186.3	185.7	185.5	185.8	185.8	186.7
Banking															
Aggregate deposits (excluding merger)	INR trillion	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	206.4
Outstanding credit (excluding merger)	INR trillion	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	159.7

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

High Frequency Indicators

IIP growth of 5.7% in February driven by mining and electricity; non-consumer durable output declines

Monthly index of industrial production (% yoy), Mar '23 – Mar '24

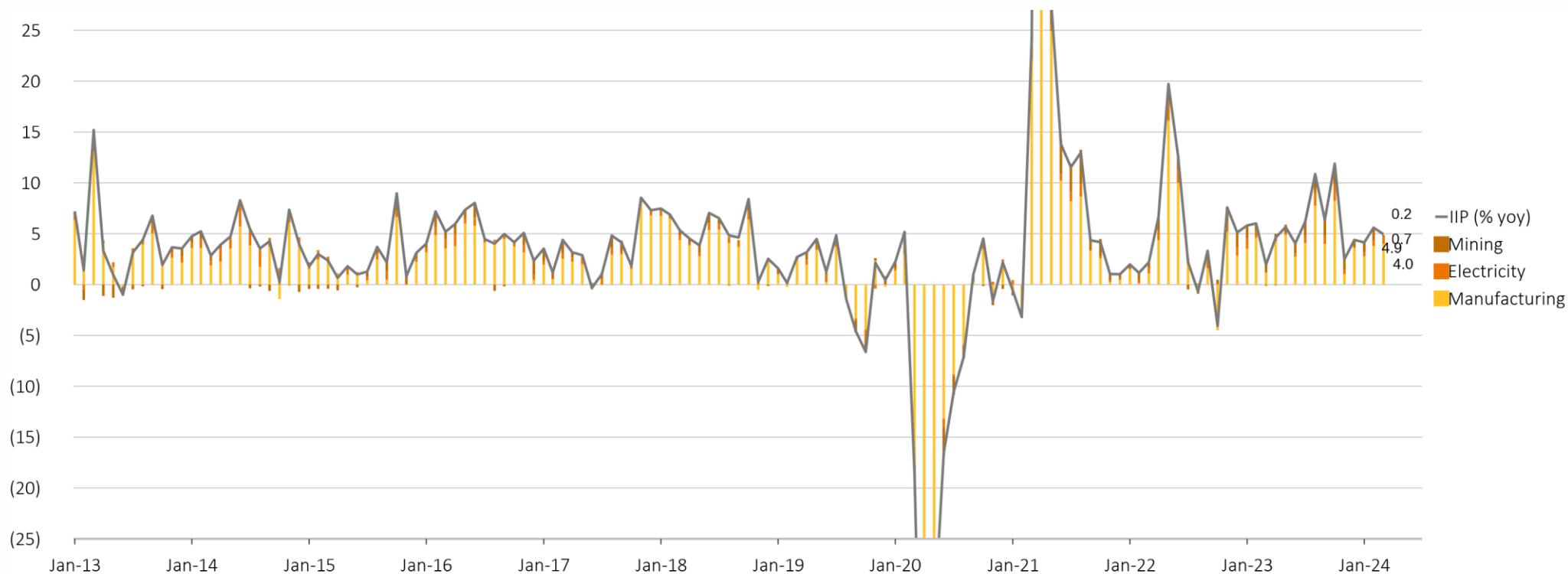
	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
IIP	2.0	4.6	5.7	4.1	6.2	10.9	6.4	11.9	2.5	4.4	4.1	5.6	4.9
Sector-based classification													
Mining	6.8	5.2	6.4	7.6	10.7	12.4	11.5	13.1	7.0	5.2	5.9	8.1	1.2
Manufacturing	1.5	5.5	6.3	3.5	5.3	10.0	5.1	10.6	1.3	4.6	3.6	4.9	5.2
Electricity	(1.6)	(1.1)	0.9	4.2	8.0	15.3	9.9	20.4	5.8	1.2	5.6	7.5	8.6
Use-based classification													
Primary goods	3.3	1.9	3.6	5.3	7.7	12.4	8.0	11.4	8.5	4.8	2.9	5.9	2.5
Capital goods	10.0	4.4	8.1	2.9	5.2	13.1	8.4	21.7	(1.1)	3.7	3.4	1.1	6.1
Intermediate goods	1.8	1.7	3.4	5.2	3.2	7.4	6.1	9.5	3.4	3.7	5.3	8.7	5.1
Infrastructure and construction goods	7.2	13.4	13.0	13.3	12.6	15.7	10.1	12.6	1.6	5.5	5.5	8.5	6.9
Consumer durable goods	(8.0)	(2.4)	1.5	(6.8)	(3.6)	6.0	1.0	15.9	(4.8)	5.2	11.9	12.4	9.5
Consumer non-durable goods	(1.9)	11.4	9.0	0.6	8.3	9.9	2.7	9.3	(3.4)	3.0	(0.2)	(3.5)	4.9

Source: Thurro, MOSPI, NIIF Research

High Frequency Indicators

Manufacturing accounts for 3.9pp of the 5.7% IIP growth in February, followed by mining at 1.2pp and electricity at 0.6pp

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



Source: Thurro, MOSPI, NIIF Research

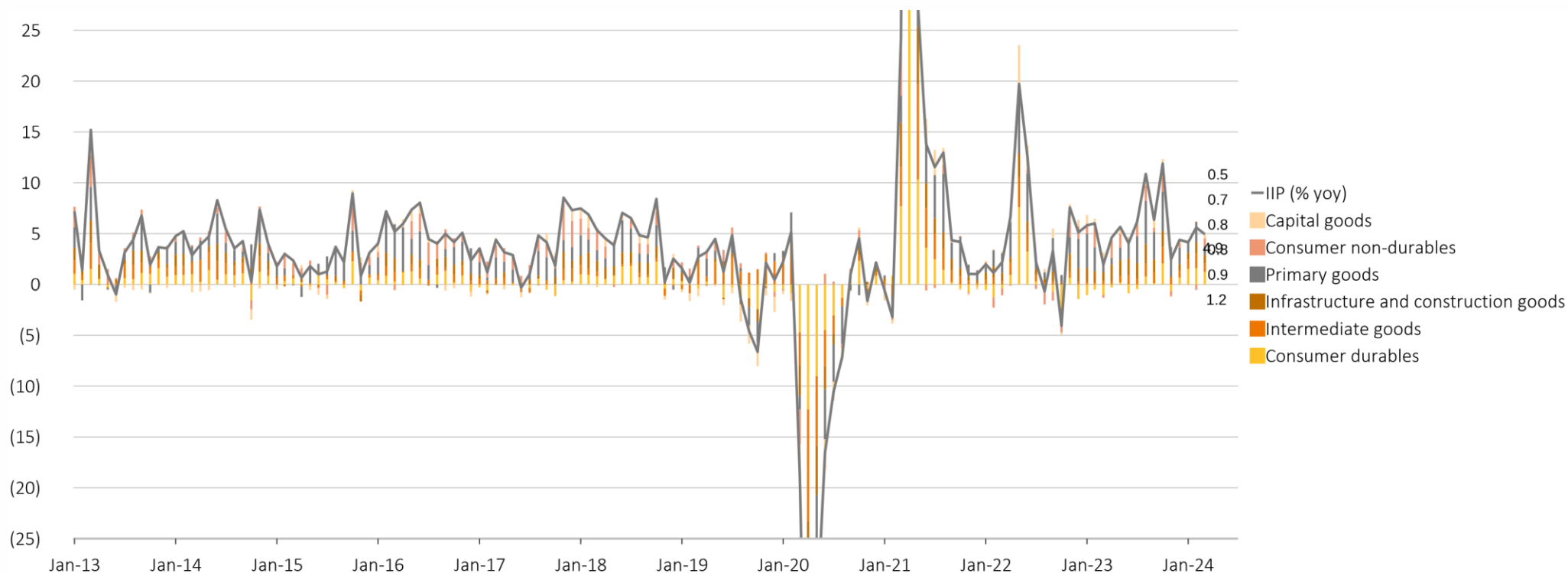
Note:

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

High Frequency Indicators

Primary goods contribute 2.0pp of 5.7% IIP growth in February, followed by intermediate and consumer durables at 1.6pp each

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



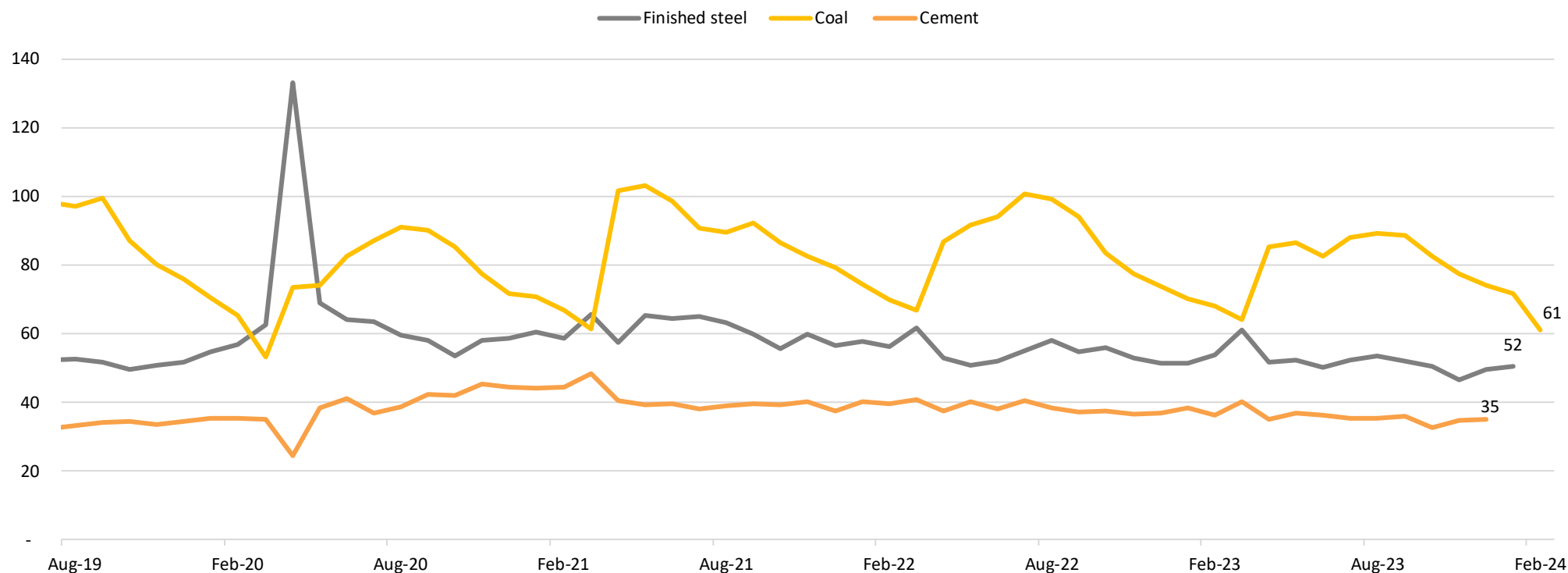
Source: Thurro, MOSPI, NIIF Research

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

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

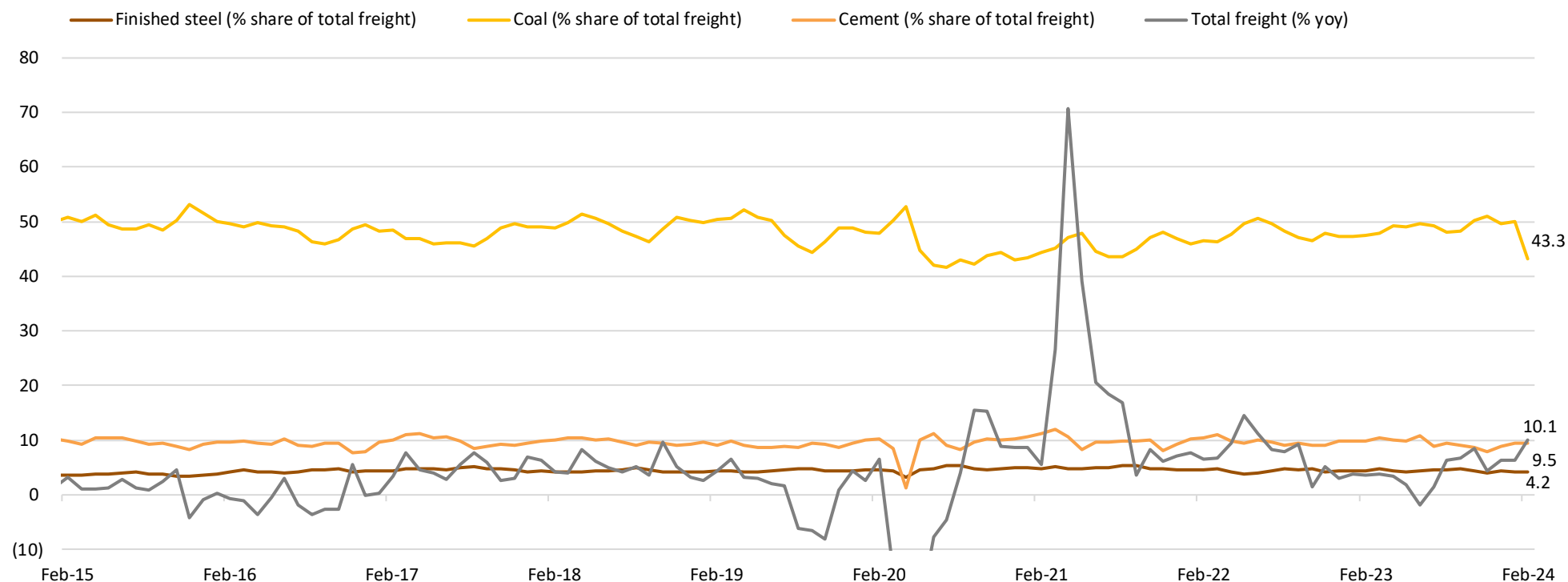
Note:

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

High Frequency Indicators

Double-digit credit growth visible in sustained demand for retail, trade, commercial real estate, and agriculture loans

Monthly total credit outstanding by sector (INR trillion), Mar '23 - Mar '24

	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	Growth (% yoy)
<i>HDFC merger</i>														
Agriculture	16.9	17.3	17.2	18.0	17.9	18.0	18.2	19.1	19.3	19.9	20.1	20.4	20.7	23.0
Industry	33.4	33.7	33.5	34.2	33.7	34.1	34.7	35.7	36.0	36.6	36.5	36.7	36.8	10.4
Construction	1.2	1.2	1.2	1.3	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	11.0
Infrastructure	12.0	12.2	12.2	12.3	12.3	12.4	12.5	12.7	12.8	12.9	12.8	12.8	12.8	6.5
Power	6.2	6.1	6.2	6.2	6.2	6.1	6.2	6.2	6.3	6.5	6.4	6.5	6.5	4.0
Telecom	1.1	1.3	1.3	1.2	1.3	1.3	1.4	1.4	1.5	1.4	1.4	1.3	1.4	24.6
Roads	2.8	2.9	2.9	2.9	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.0	6.5
Services	36.1	36.6	36.8	38.9	39.0	39.4	40.3	42.1	42.6	44.1	44.2	44.9	45.9	27.2
Services - NBFC	13.3	13.5	13.4	14.2	13.8	13.8	14.2	14.8	14.9	15.2	15.0	15.1	15.5	16.3
Services - trade	8.2	8.3	8.4	8.6	8.4	8.4	8.7	9.3	9.1	9.4	9.6	10.1	10.2	24.9
Services - commercial real estate	3.1	3.2	3.2	3.3	4.1	4.1	4.1	4.2	4.3	4.4	4.4	4.4	4.5	42.4
Retail loans	40.9	41.2	41.4	42.6	47.3	47.7	48.3	50.0	50.6	51.8	52.2	52.7	53.4	30.6
Other non-food loans	9.4	9.6	9.6	10.0	9.9	9.8	9.8	7.1	7.3	6.8	6.9	7.0	7.3	(22.4)
Non-food credit	136.6	138.4	138.6	143.6	147.8	149.0	151.3	154.1	155.8	159.2	160.0	161.7	164.1	20.2
Total credit outstanding (without HDFC merger)	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	16.3
Total credit outstanding	136.8	138.6	138.9	143.9	148.0	149.2	151.5	154.3	156.2	159.6	160.4	162.1	164.3	20.2

Source: Thurro, RBI, NIIF Research

Note: Sector-wise credit data includes impact of the HDFC merger

High Frequency Indicators

Robust growth in retail loans of ~31% yoy in March driven by housing and credit cards

Monthly components of retail loans (INR trillion), Mar '23 – Mar '24

HDFC merger

	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	Growth (% yoy)
Personal loans	40.9	41.2	41.4	42.6	47.3	47.7	48.3	50.0	50.6	51.8	52.2	52.7	53.4	30.6
Housing	19.4	19.5	19.6	20.0	24.3	24.6	24.8	25.6	25.9	26.4	26.6	26.8	27.2	40.6
Vehicle loans	5.0	5.1	5.1	5.2	5.3	5.3	5.4	5.5	5.6	5.8	5.8	5.8	5.9	17.8
Credit card outstanding	1.9	2.0	2.0	2.1	2.1	2.2	2.2	2.4	2.4	2.5	2.6	2.6	2.6	32.3
Advances against fixed deposits	1.2	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.3	2.7
Education	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	23.3
Loans against gold jewellery	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	16.1
Consumer durables	0.2	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	18.3
Others	11.2	11.2	11.4	11.8	12.2	12.2	12.4	12.9	13.0	13.3	13.5	13.7	13.9	23.9

Source: Thurro, RBI, NIIF Research

Inflation

Consumer inflation in April eases to 4.8% yoy driven by softening in prices of transportation and education

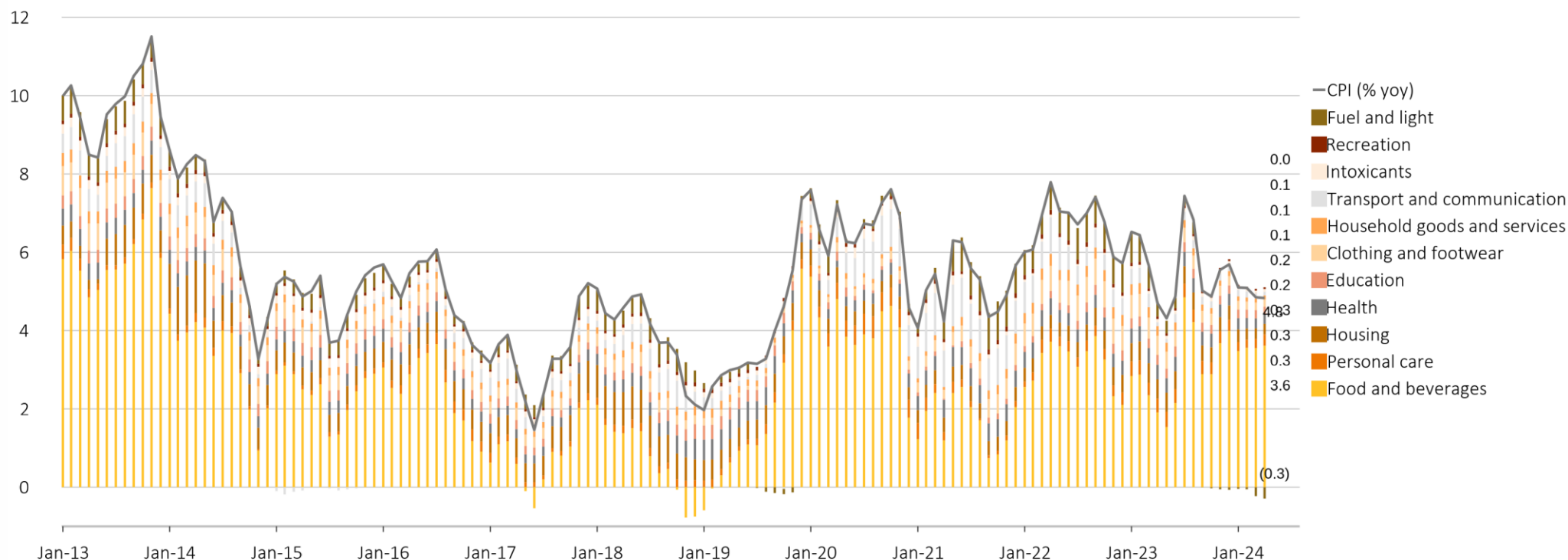
Monthly consumer price inflation (% yoy), Apr '23 – Apr '24

	Weights	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
Consumer Price Index	100.0	4.7	4.3	4.9	7.4	6.8	5.0	4.9	5.6	5.7	5.1	5.1	4.9	4.8
Consumer Price Index - Core	47.3	5.2	5.1	5.1	4.9	4.8	4.5	4.3	4.1	3.9	3.6	3.4	3.2	3.2
Food and beverages	45.9	4.2	3.4	4.7	10.6	9.2	6.3	6.3	8.0	8.7	7.6	7.8	7.7	7.9
Pan, tobacco and intoxicants	2.4	3.5	3.6	3.7	3.9	4.1	3.9	3.9	3.8	3.7	3.3	3.1	3.1	3.0
Clothing and footwear	6.5	7.5	6.6	6.1	5.6	5.2	4.6	4.3	3.9	3.6	3.4	3.1	3.0	2.9
Housing	10.1	4.9	4.8	4.6	4.5	4.4	4.0	3.8	3.6	3.6	3.2	2.9	2.7	2.7
Fuel and light	6.8	5.5	4.7	3.9	3.7	4.3	(0.1)	(0.4)	(0.8)	(1.0)	(0.6)	(0.8)	(3.4)	(4.2)
Miscellaneous	28.3	4.9	4.9	5.2	5.1	4.9	4.8	4.5	4.4	4.1	3.8	3.6	3.5	3.5
Household goods and services	3.8	6.5	6.1	5.6	5.2	4.8	4.3	3.9	3.5	3.4	3.1	2.8	2.7	2.7
Health	5.9	6.3	6.2	6.2	6.2	6.2	5.9	5.9	5.5	5.1	4.9	4.5	4.3	4.3
Transportation and communication	8.6	1.2	1.1	2.5	2.5	2.5	2.3	2.0	2.1	2.0	2.0	1.8	1.5	1.1
Recreation and amusement	1.7	3.8	3.7	3.6	3.7	3.6	3.4	3.3	3.2	3.1	2.9	2.7	2.8	2.6
Education	4.5	5.7	5.5	6.0	5.5	5.5	5.3	5.1	5.0	4.8	4.9	4.8	4.7	4.2
Personal Care and effects	3.9	9.0	10.0	9.0	8.9	8.1	8.5	7.8	7.8	7.3	5.9	5.2	6.0	7.5

Source: Thurro, MoSPI, NIIF Research

Inflation

Food and beverages contributes 3.6pp to 4.8% of CPI inflation in April, followed by personal care, housing, and health at 0.3pp each
 Contribution of key components to consumer price index (CPI) inflation (% yoy/pp), FY2013-FY2025 (Apr '24)



Source: Thurro, MoSPI, NIIF Research

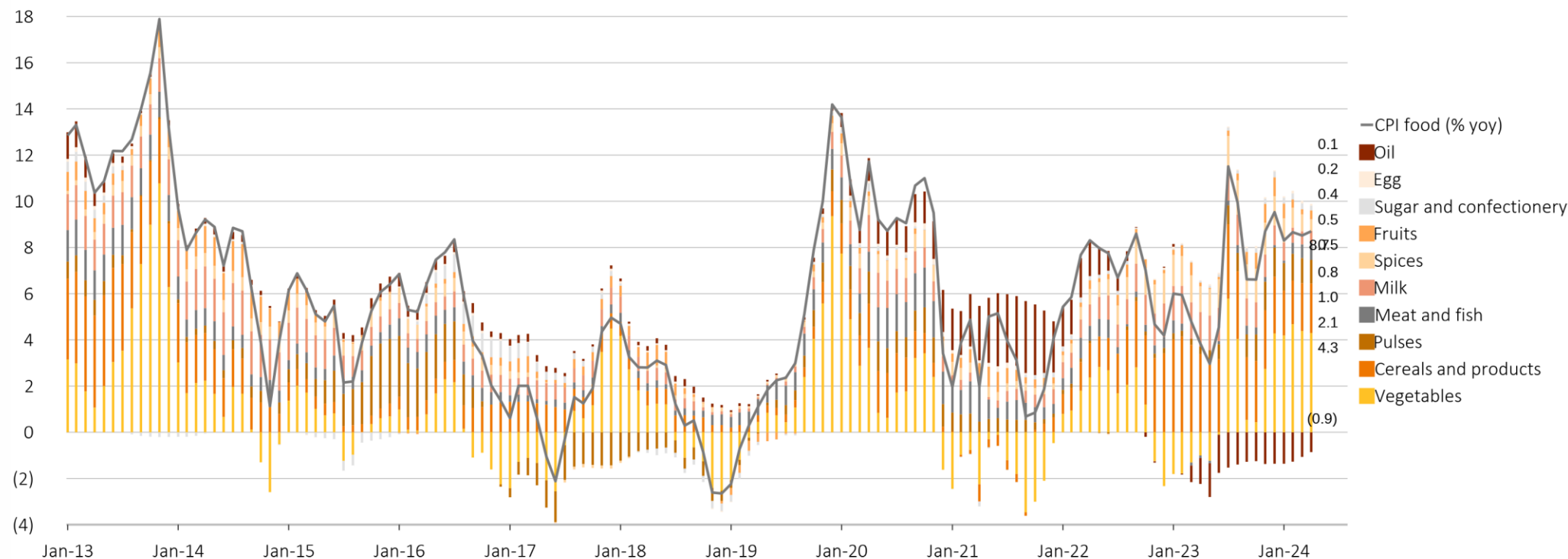
Note:

- 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 4.3pp of overall 8.7% food inflation in April, followed by cereals at 2.1pp, and pulses at 1.0pp

Contribution of key components to consumer food price inflation (CPI food) (% yoy/pp), FY2013-FY2025 (Apr '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 confectionary 1.36%, and spices 2.5% weight in the consumer food price index inflation

Inflation

WPI inflation rises by 1.3% yoy in April driven by higher food prices and elevated price of electricity

Monthly wholesale price inflation (% yoy), Apr '23 – Apr '24

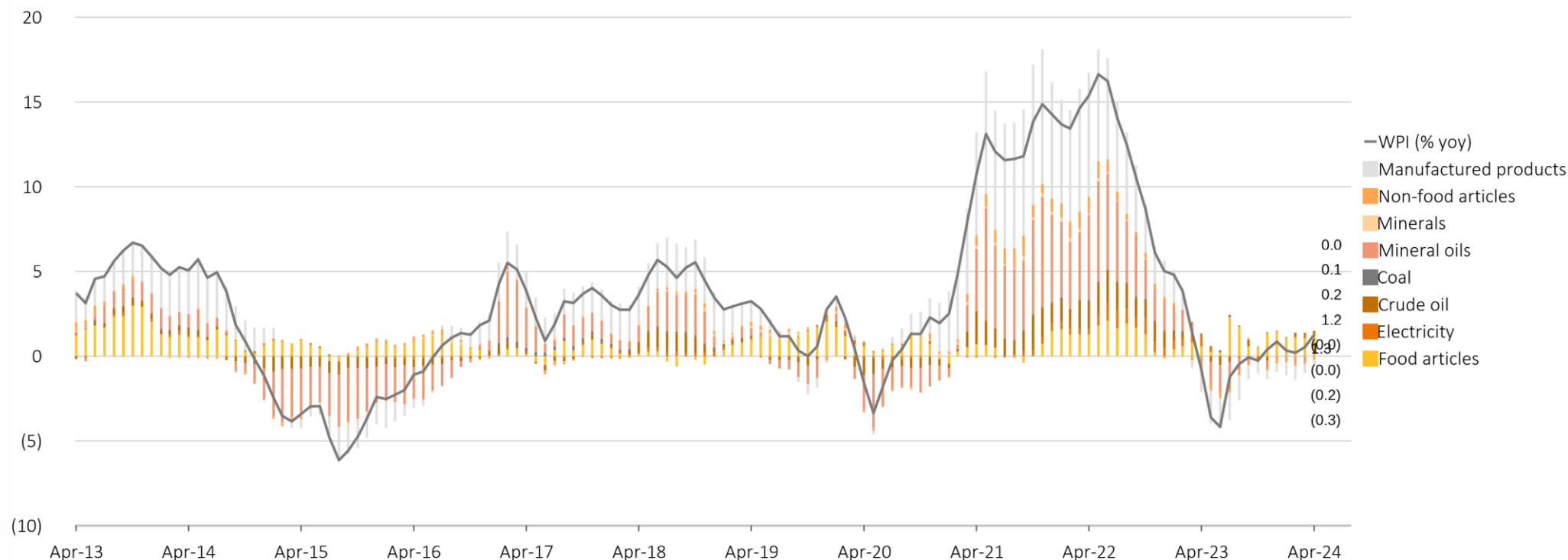
	Weights	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
WPI	100.0	(0.8)	(3.6)	(4.2)	(1.2)	(0.5)	(0.1)	(0.3)	0.4	0.9	0.3	0.2	0.5	1.3
Primary articles	22.6	1.9	(1.9)	(3.0)	8.2	6.7	4.4	2.3	5.2	5.7	4.1	4.6	4.5	5.0
Food articles	15.3	3.9	1.6	1.3	15.1	11.4	3.8	3.2	8.8	9.3	6.9	7.1	6.9	7.7
Non-food articles	4.1	(6.7)	(9.5)	(9.7)	(5.8)	(6.8)	(2.1)	(1.1)	(3.0)	(5.2)	(6.4)	(6.5)	(4.1)	(4.4)
Minerals	0.8	7.9	2.2	0.5	9.0	6.5	19.0	11.6	8.7	6.8	10.6	3.5	1.2	(1.3)
Crude oil, petroleum and natural gas	2.4	1.6	(13.7)	(21.4)	(13.7)	(1.9)	15.6	(2.2)	(7.1)	(0.1)	0.2	8.2	4.9	5.0
Fuel and power	13.2	1.0	(9.2)	(12.5)	(12.7)	(6.3)	(3.4)	(1.6)	(4.1)	(1.4)	(0.5)	(1.7)	(0.8)	1.4
Coal	2.1	3.5	2.5	5.1	5.1	2.5	1.8	1.8	1.8	1.8	1.4	0.3	0.5	0.2
Mineral oils	7.9	(4.9)	(16.2)	(19.5)	(19.6)	(9.7)	(4.7)	(0.5)	(5.7)	(2.7)	(1.1)	(3.8)	(3.5)	(0.1)
Electricity	3.1	20.1	9.5	1.1	0.3	(1.0)	(2.6)	(6.8)	(2.9)	0.4	0.3	3.0	6.4	6.3
Manufactured products	64.2	(2.3)	(3.0)	(2.8)	(2.6)	(2.3)	(1.3)	(1.1)	(0.8)	(0.8)	(1.2)	(1.3)	(0.9)	(0.4)

Source: Thurro, EAI, NIIF Research

Inflation

Food products contribute 1.2pp of 1.3% WPI inflation in April

Contribution of key components to wholesale price inflation (WPI) (% yoy/pp), FY2014-FY2025 (Apr '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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