



MONTHLY ECONOMIC JUN **REPORT ON INDIA** 2024

The Indian economy continues to demonstrate robust growth, with a **real GDP growth of 8+%** in FY2024. Core industrial activities show resilience, with **steel and coal production surging** by more than 10% year-on-year. May saw a **record high in power generation** as **electricity demand soared**, crossing 150 BU with a double-digit growth. Road **toll collections picked up** and **freight traffic** growth across **ports and railways** remains moderate. Despite the **persistent gap between credit and deposit** growth rates, May indicated **early signs** of an upturn in deposit growth. **Consumer inflation** maintained **softened**, though food inflation stayed elevated. Consensus **forecasts** a cumulative **50-bps rate cut by the RBI** in the second half of FY2025. Expectations of increased number of rate cuts in the US are leading to **moderation in US bond yields** - Indian 10-year bond yields dipped below 7%

April – May 2024

Growth

Real GDP growth of 8.2% yoy in FY2024 and 7.8% in Q4FY24 driven by increased **capex**. Industry and services sectors remain key drivers of real GVA growth of 7.2% in FY2024. **Steel** (13%) and **coal** (10%) production growth reflect continued industrial activity. **Electricity generation** at an **all-time high** of ~170 BU in May, up 15% yoy. India's robust composite PMI of 60.5 in May remains an outlier against major economies

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. **Shipping costs rise** for container and bulk dry (index) freight to USD 4,801 per FEU (from USD 3,964 in Jan) and 1,836 (from 1,594 in April), respectively, as of 13 June. **Moderate growth** of ~4% in **ports** and **rail freight** traffic in May. FasTag collection surges to INR 59 billion; **toll road collected picks up** to INR 47 billion in May

Demand

Power demand surges in May – **crosses 150 BU**, up ~12% yoy – leading to an uptick in peak power demand deficit to 1% and increase in traded power tariffs. Demand for PVs and CVs tapers in May. **Deposit growth records an uptick** in May to ~14%, credit growth remains strong at ~21%. Monthly domestic air passenger stable at ~14 million. **USD 2.5 trillion UPI transactions** undertaken over the trailing twelve months up to May

Foreign Exchange

INR depreciated by 1.6% against **USD** over the last year, lower than the 10-year average of ~3%. **Markets price in lower INR depreciation** with 1-year USD/INR forward premium at 1.61% (as of 13 June). **RBI remains a net buyer of USD** worth USD 13.2 billion in March, a 3-year high. **Forex reserves** at an **all-time high** of ~USD 652 billion (as on 31 May), provides sufficient ~9 months of import cover

Inflation

Consumer inflation eases further to 4.7% yoy in May, core inflation at its lowest in the current CPI series at 3.1%. Food inflation remains persistent near ~9% yoy. **Repo rate kept unchanged** at 6.50% in June. Monetary transmission on outstanding loans slower than fresh loans. May-end consensus **project a cumulative 50-bps rate cut** in H2FY25. **Wholesale inflation rises to a 15-month high** of 2.6% in May, led by higher food and crude prices

Investments

Foreign portfolio investors remain **net sellers** with a net outflow of INR 292 billion, while **domestic institutional investors invest** INR 999 billion in FYTD2025 (up to May). **Net FDI flows into India slow down** to USD 10.6 billion in FY2024. **Top FDI sectors** in FY2024 - **computer** software and hardware (USD 8.0 bn), **services** (USD 6.6 bn), and **infrastructure** (USD 4.2 bn). **Top investors** in FY2024 – **Singapore** (USD 11.8 bn) and **Mauritius** (USD 8.0 bn)

Markets

Government bond yields moderate across time horizons – 10-year G-sec yields at 6.99% and 3-month T-bill at 6.84% (as on 13 June). **Indian equity** markets generate average yoy returns of ~20% in May. **VIX corrects** in June after surging in May. **Gold remains above** USD 2,000; **copper and brent crude oil prices moderate** sequentially. **Polysilicon prices** at a **multi-year low** of ~USD 4 per kg in May; silver prices at a decadal high

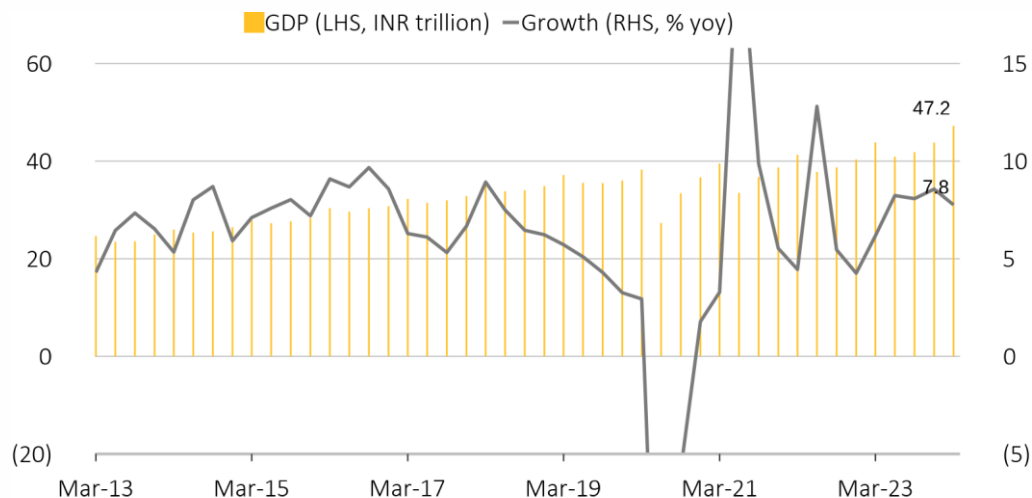
Fiscal

Fiscal deficit in FY2024 of 5.6% of GDP, **lower compared to the budgeted 5.9%**, on account of **buoyant tax collection**. **Direct tax** collection jumped to 6.5% of GDP from 6.1% in FY2023, an increase of 40 bps in one year. Focus on capital expenditure - 3.2% of GDP in FY2024, an increase in 50 bps over one year. **E-way bills record strong growth** of ~15% yoy in April, 97 million bills generated

Key charts

Real GDP growth rises sharply in Q4FY24 by 7.8%

Quarterly real GDP growth for India, FY2013-FY2024 (Mar '24)

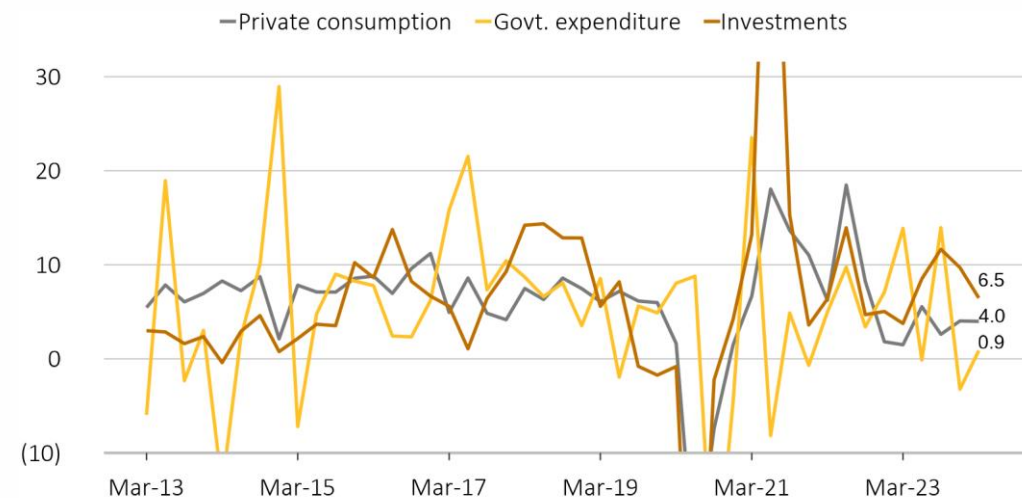


Source: Thurro, MOSPI, NIIF Research

Note: Real GDP growth is based on 2012 prices

Capex remains a key driver of GDP growth in Q4FY24

Quarterly real GDP growth by components (% yoy), FY2013-FY2024 (Mar '24)



Source: Thurro, MOSPI, NIIF Research

Real Gross Domestic Product (GDP) growth at 7.8% yoy in Q4FY24 (Jan-Mar)

- This is compared to the 8.6% yoy GDP growth in Q3FY24, which was revised upwards from 8.4%, and 6.2% in Q4FY23
- Nominal GDP grew by 9.9% yoy in Q4FY24 as compared to 10.4% in Q3FY24 and 9.2% in Q4FY23

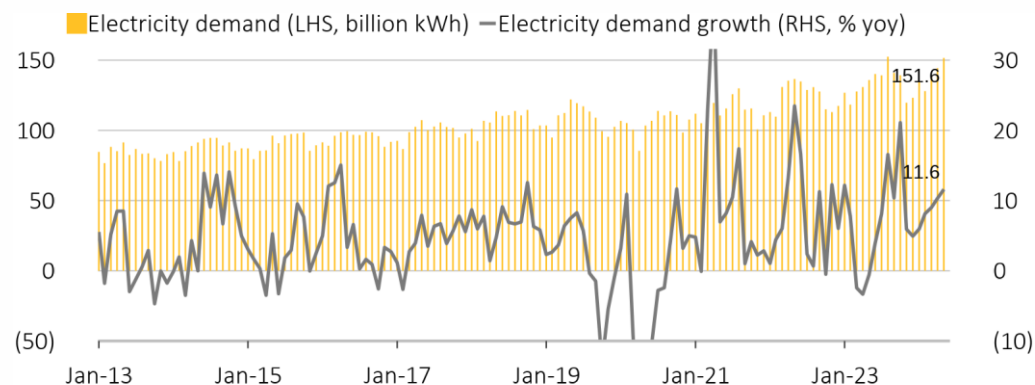
Continued momentum in capex drives real GDP growth

- Growth in fixed investments or capex of 6.5% yoy in Q4FY24, compared to 9.7% in Q3FY24, supporting strong GDP growth
- Government consumption expenditure growth muted at 0.9% from a negative 3.2% in Q3FY24. Growth in private consumption of 4.0% in Q4FY24, unchanged from the previous quarter
- **Real GDP growth rose to 8.2% yoy in FY2024** from 7.0% in FY2023, while GVA growth rose to 7.2% compared with 6.7% in FY2023

Key charts

Strong ~12% yoy growth in electricity demand, crosses 150 BU in May

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

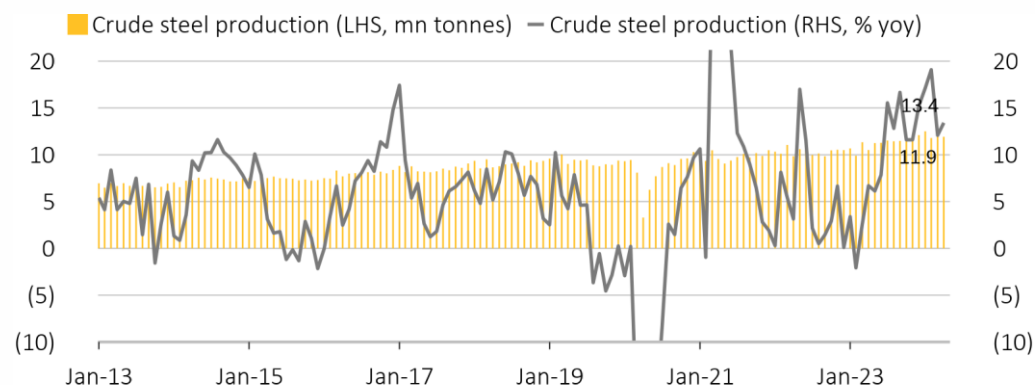


Source: Thurro, POSOCO, NIIF Research

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

Crude steel production growth at ~13% in April

Monthly crude steel production, FY2013-FY2025 (Apr '24)

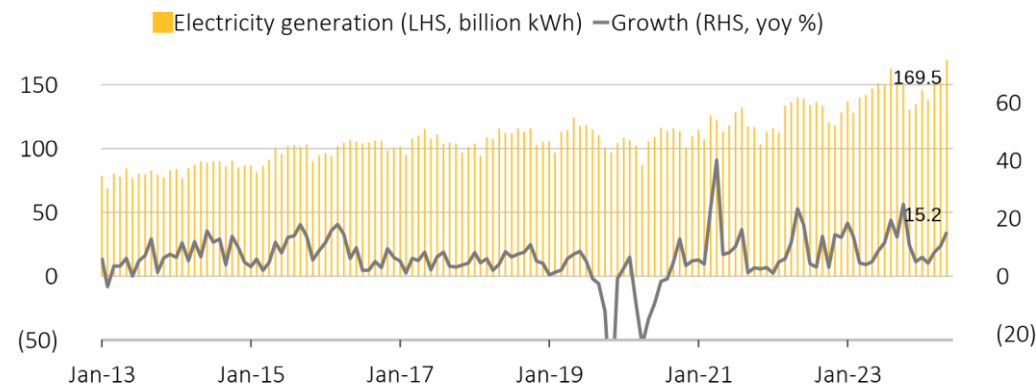


Source: Thurro, Ministry of Steel, JPC, NIIF Research

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

Electricity generation at an all-time high in May at ~170 billion kWh

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

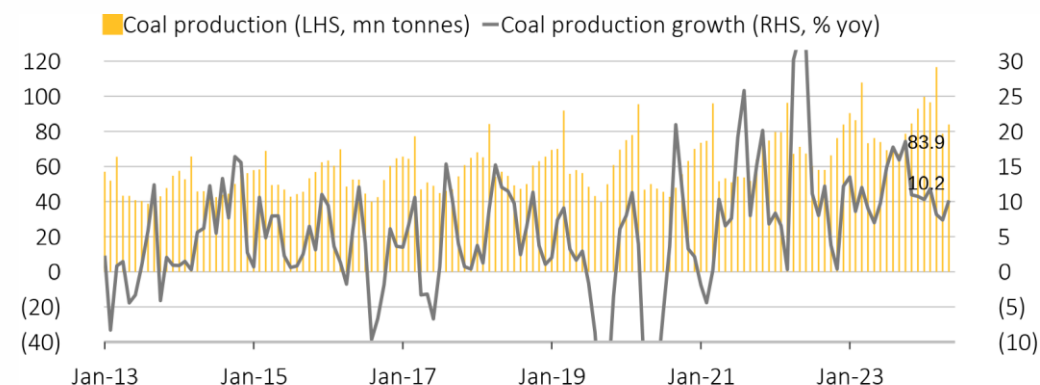


Source: Thurro, POSOCO, NIIF Research

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

Robust ~10% yoy growth in coal production in May

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



Source: Thurro, Ministry of Coal, NIIF Research

Key charts

Government's receipts in FY2024 higher than the budgeted estimates; consolidation in expenditure

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

| | | FY2023 | | FY2024 | | % of BE | |
|-------|--|-------------|--------------|-------------|--------------|--------------|--------------|
| | | % of GDP | INR trillion | % of GDP | INR trillion | YTD FY2023 | YTD FY2024 |
| 1 | Revenue receipts | 8.8 | 23.8 | 9.2 | 27.3 | 108.1 | 103.7 |
| 1.1 | Gross tax revenue | 11.3 | 30.5 | 0.9 | 34.6 | 110.7 | 103.1 |
| 1.1.1 | Direct tax | 6.1 | 16.3 | 6.5 | 19.2 | 115.1 | 105.4 |
| 1.1.2 | Indirect tax | 5.3 | 14.2 | 5.2 | 15.4 | 106.8 | 100.9 |
| 2 | Capital receipts (non-debt) | 0.3 | 0.7 | 0.2 | 0.6 | 91.0 | 72.0 |
| 2.1 | Net recovery of loans and advances | 0.1 | 0.3 | 0.1 | 0.3 | 183.0 | 118.9 |
| 2.2 | Miscellaneous receipts | 0.2 | 0.5 | 0.1 | 0.3 | 70.8 | 54.3 |
| 3 | Total (non-debt) receipts (1 + 2) | 9.1 | 24.6 | 9.4 | 27.9 | 107.5 | 102.7 |
| 4 | Revenue expenditure | 12.8 | 34.5 | 11.8 | 34.9 | 108.1 | 99.8 |
| 4.1 | Interest payment | 3.4 | 9.3 | 3.6 | 10.6 | 98.7 | 98.5 |
| 5 | Capital expenditure | 2.7 | 7.4 | 3.2 | 9.5 | 98.6 | 94.8 |
| 6 | Total expenditure (4 + 5) | 15.6 | 41.9 | 15.0 | 44.4 | 106.3 | 98.7 |
| 7 | Revenue deficit (4 - 1) | 4.0 | 10.7 | 2.6 | 7.7 | 108.1 | 88.0 |
| 8 | Fiscal deficit (6 - 3) | 6.4 | 17.4 | 5.6 | 16.5 | 104.6 | 92.5 |
| 9 | Annual Nominal Gross Domestic Product (GDP) | 269.5 | | 295.4 | | | |

Source: CEIC, NIIF Research

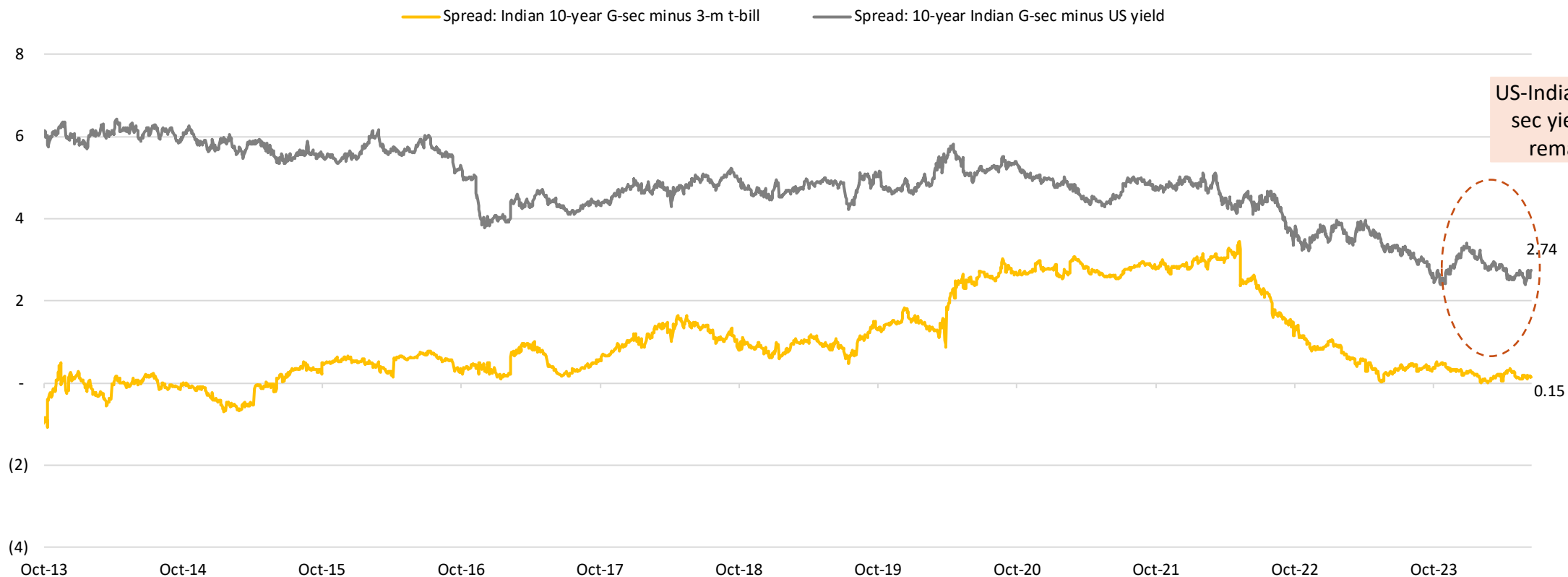
Note:

1. FY2024 is the period between April 2023 and March 2024, similarly for other years
2. BE is the budget estimate for the stated financial year

Key charts

Indian yield curve flat as the spread between Indian 10-year G-Sec and short-term yields low at 15 bps

Daily India 10-year G-sec, 3-month treasury bill, and 10-year US government yields (%), FY2014-FY2025 (13 Jun 2023)



Source: Bloomberg, NIIF Research



MONTHLY ECONOMIC REPORT ON INDIA JUN 2024

Table of contents

| | |
|----|--|
| 08 | Macroeconomic indicators Economy and demand Inflation and employment Fiscal position |
| 25 | Markets Liquidity Balance of payments and foreign exchange markets Debt, equity and commodity market |
| 42 | Investments Institutional investments - FPI and DII Foreign Direct Investments |
| 51 | Infrastructure Ports, roads, railways and aviation Power and renewables |
| 59 | Global Growth and inflation Markets |
| 66 | Annexure |



MONTHLY ECONOMIC REPORT ON INDIA JUN 2024

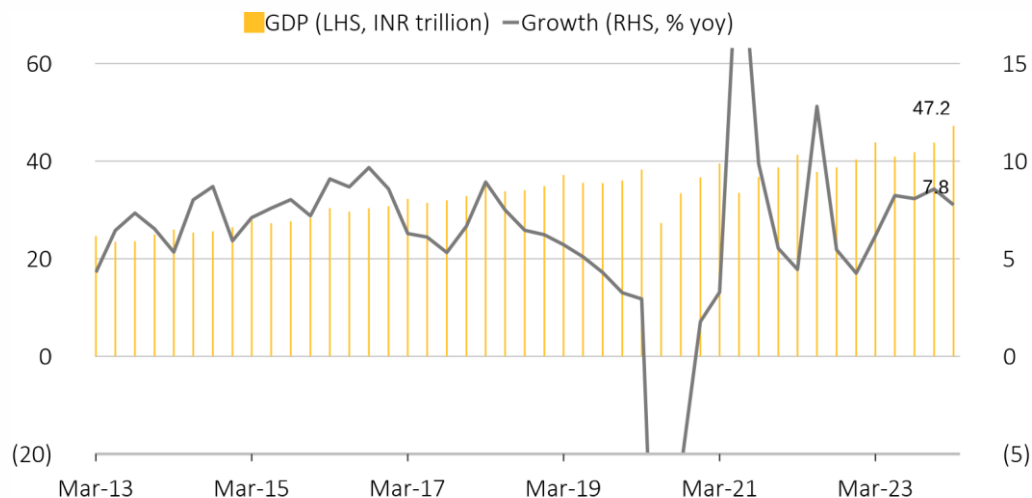
Macroeconomic indicators

- Real GDP growth of 8.2% yoy in FY2024; Q4FY24 growth at 7.8% driven by capex. Industry and services sectors remain key drivers of real GVA growth of 7.2% in FY2024. Industrial growth (5%) led by steel (13%) and coal (10%) production in April and May, respectively. Power demand surges in May – crosses 150 BU, up 12% yoy
- Logistics (e-way bills) and business activity (PMI manufacturing and services) remain strong over April and May, respectively. Demand for four-wheelers and commercial vehicles tapers in May. Sustained demand for three-wheelers and two-wheelers
- Credit continues to outpace deposit growth in May – deposit growth sees a slight uptick to ~14% from an average of ~13% over the last year. Digital payments continue unabated - UPI transactions worth USD 2.5 trillion undertaken over the trailing twelve months up to May
- Wheat stock with Food Corporation of India back within buffer limits. Consumer inflation eases further to 4.7% while wholesale inflation picks up to a 15-month high of 2.6% yoy in May. Lower-than-estimated fiscal deficit in FY2024 due to higher than budgeted tax collection

Growth

Real GDP growth rises sharply in Q4FY24 by 7.8% yoy

Quarterly real GDP growth for India, FY2013-FY2024 (Mar '24)

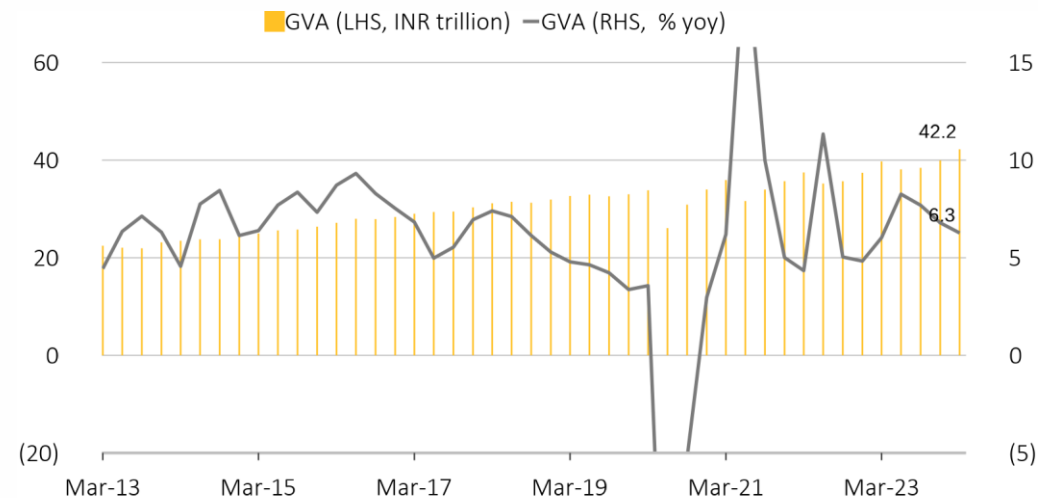


Source: Thurro, MOSPI, NIIF Research

Note: Real GDP growth is based on 2012 prices

Real GVA growth of 6.3% in Q4FY24

Quarterly real GVA growth (% yoy), FY2013-FY2024 (Mar '24)



Source: Thurro, MOSPI, NIIF Research

Real Gross Domestic Product (GDP) growth at 7.8% yoy in Q4FY24 (Jan-Mar)

- This is compared to the 8.6% yoy GDP growth in Q3FY24, which was revised upwards from 8.4%, and 6.2% in Q4FY23
- Nominal GDP grew by 9.9% yoy in Q4FY24 as compared to 10.4% in Q3FY24 and 9.2% in Q4FY23

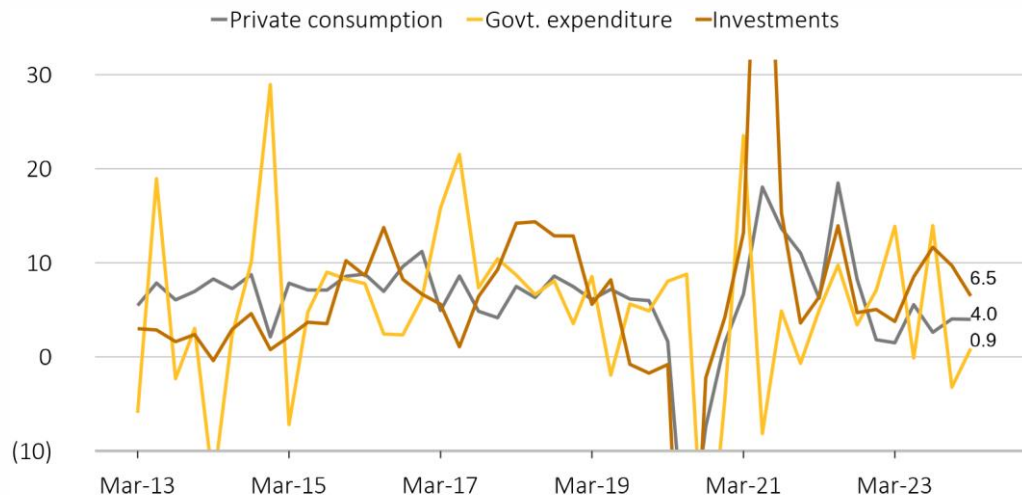
Supply side growth maintains pace with real Gross Value Added (GVA) growth of 6.3% in Q4FY24

- This is compared to 6.8% in Q3FY24 and 6.0% growth in Q4FY23
- **Real GDP growth rose to 8.2% yoy in FY2024** from 7.0% in FY2023, while GVA growth rose to 7.2% compared with 6.7% in FY2023

Growth

Capex remains a key driver of GDP growth in Q4FY24

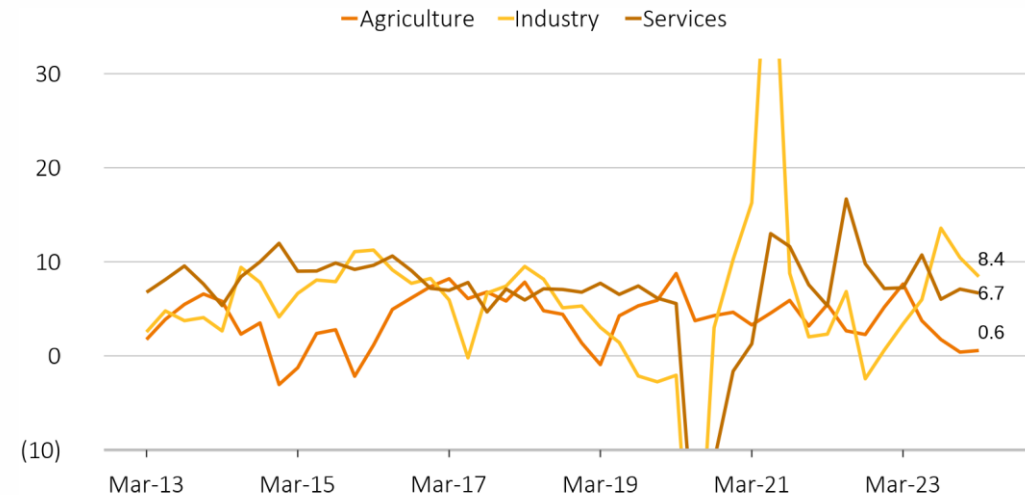
Quarterly real GDP growth by components (% yoy), FY2013-FY2024 (Mar '24)



Source: Thurro, MOSPI, NIIF Research

Industrial and services sectors continue to drive GVA growth

Quarterly real GVA growth by components (% yoy), FY2013-FY2024 (Mar '24)



Source: Thurro, MOSPI, NIIF Research

Continued momentum in capex drives real GDP growth

- Growth in fixed investments or capex of 6.5% yoy in Q4FY24, compared to 9.7% in Q3FY24, supporting strong GDP growth
- Government consumption expenditure growth muted at 0.9% from a negative 3.2% in Q3FY24. Growth in private consumption of 4.0% in Q4FY24, unchanged from the previous quarter

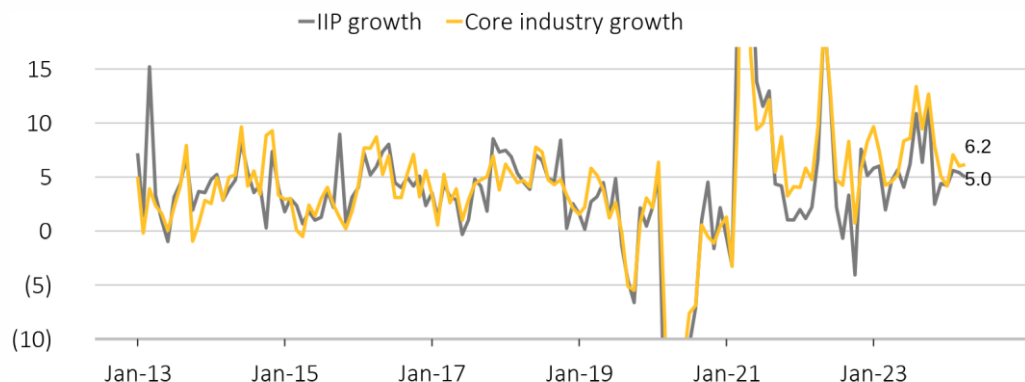
Industry and services sectors remain the key drivers of real GVA growth

- Industrial GVA growth remains elevated at 8.4% yoy in Q4FY24 led by strong growth in manufacturing (8.9%) and construction (8.7%)
- Services GVA growth picks up to 6.7% with a robust performance across public administration, and 'financial, real estate, professional services' sectors
- Agriculture growth muted at 0.6% in Q4FY24, reflecting weaker Rabi production. Decadal low wheat stock held with FCI in March 2024 – since then, inventory is being built up

Core sectors

Stable growth in industrial and core infra in April

IIP and output of eight core industries (% yoy), FY2013-FY2025 (Apr '24)

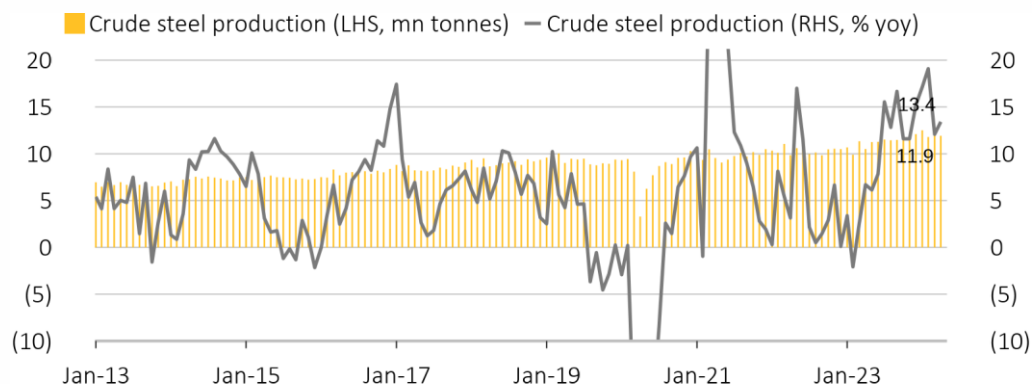


Source: Thurro, Office of the Economic Advisor, NIIF Research

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

Crude steel production growth at ~13% in April

Monthly crude steel production, FY2013-FY2025 (Apr '24)

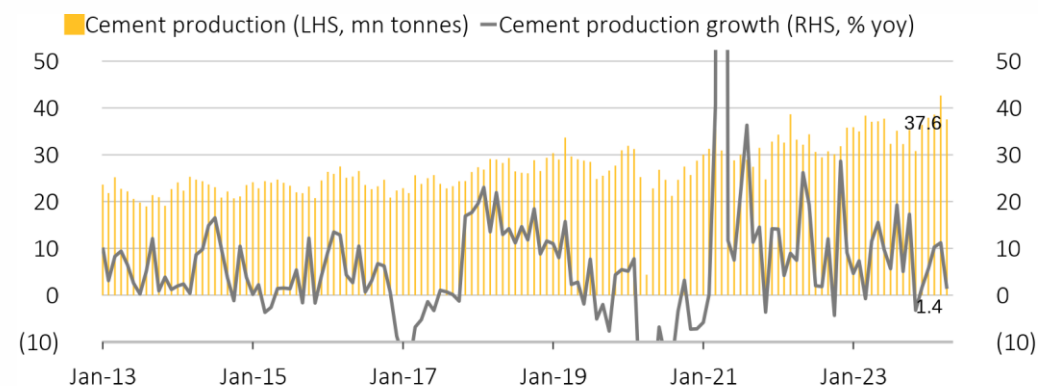


Source: Thurro, Ministry of Steel, JPC, NIIF Research

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

~1% growth in cement production in April on a high base

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

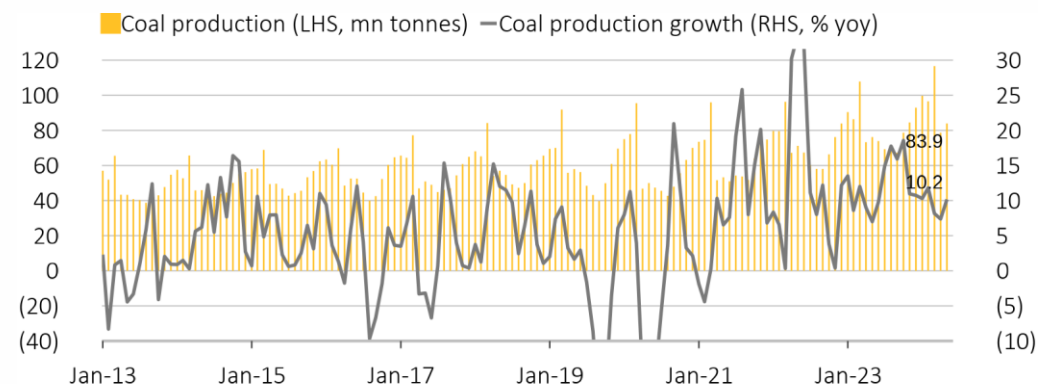


Source: Thurro, EAI, NIIF Research

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

Robust ~10% yoy growth in coal production in May

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

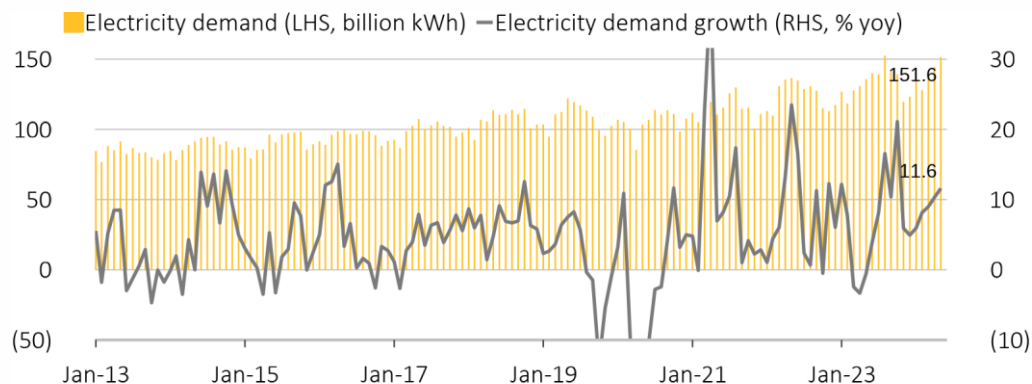


Source: Thurro, Ministry of Coal, NIIF Research

Energy and fuel

Robust ~12% yoy growth in electricity demand, crosses 150 BU in May

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

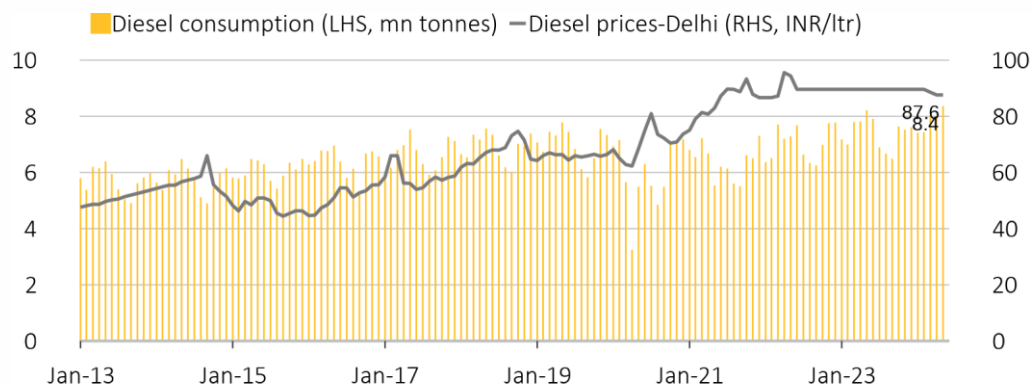


Source: Thurro, POSOCO, NIIF Research

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 May

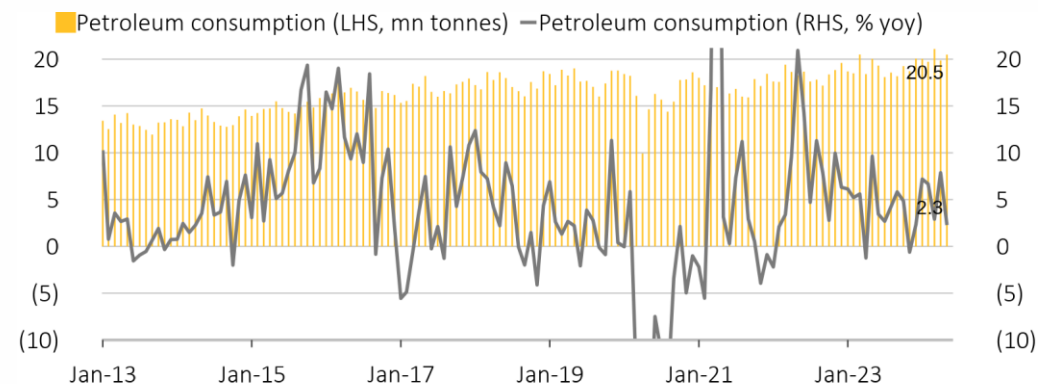
Monthly diesel consumption and prices, FY2013-FY2025 (May '24)



Source: Thurro, PPAC, NIIF Research

Petroleum demand of ~20+ MT in May; ~2% yoy growth on a high base

Monthly petroleum consumption in India, FY2013-FY2025 (May '24)

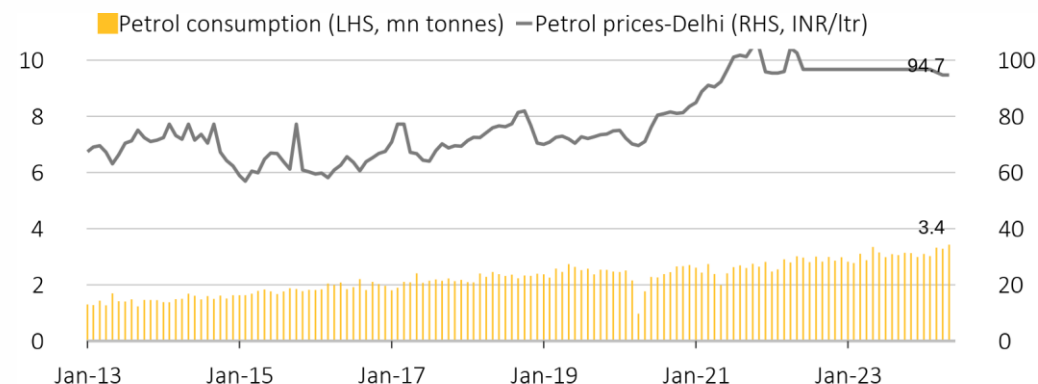


Source: Thurro, PPAC, NIIF Research

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

Petrol consumption picks up in May to 3.4 mn tons

Monthly petrol consumption and prices, FY2013-FY2025 (May '24)

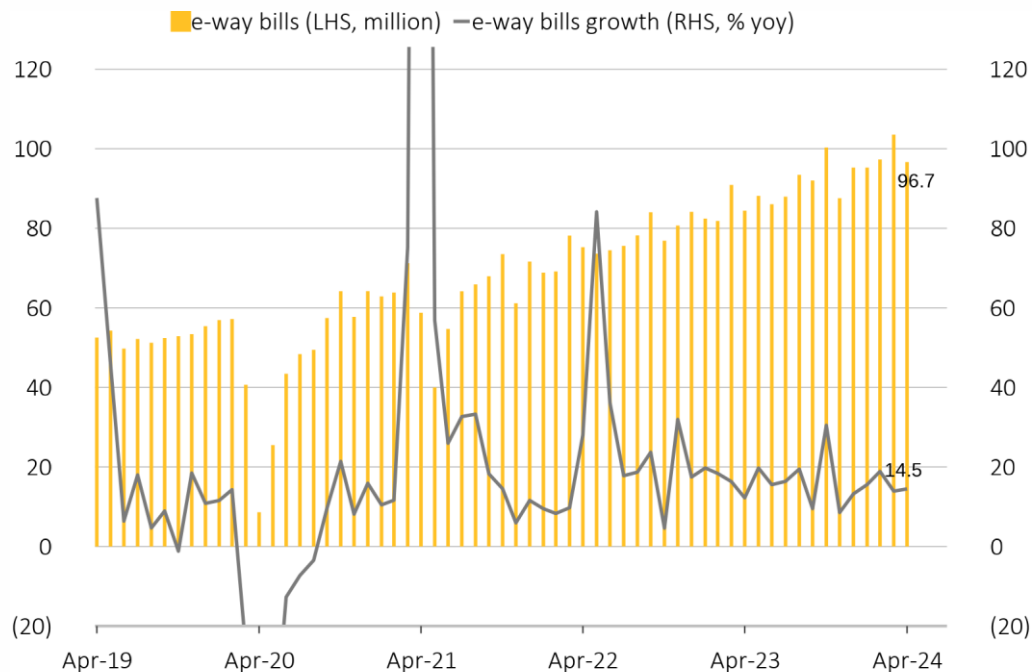


Source: Thurro, PPAC, NIIF Research

Activity levels

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

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



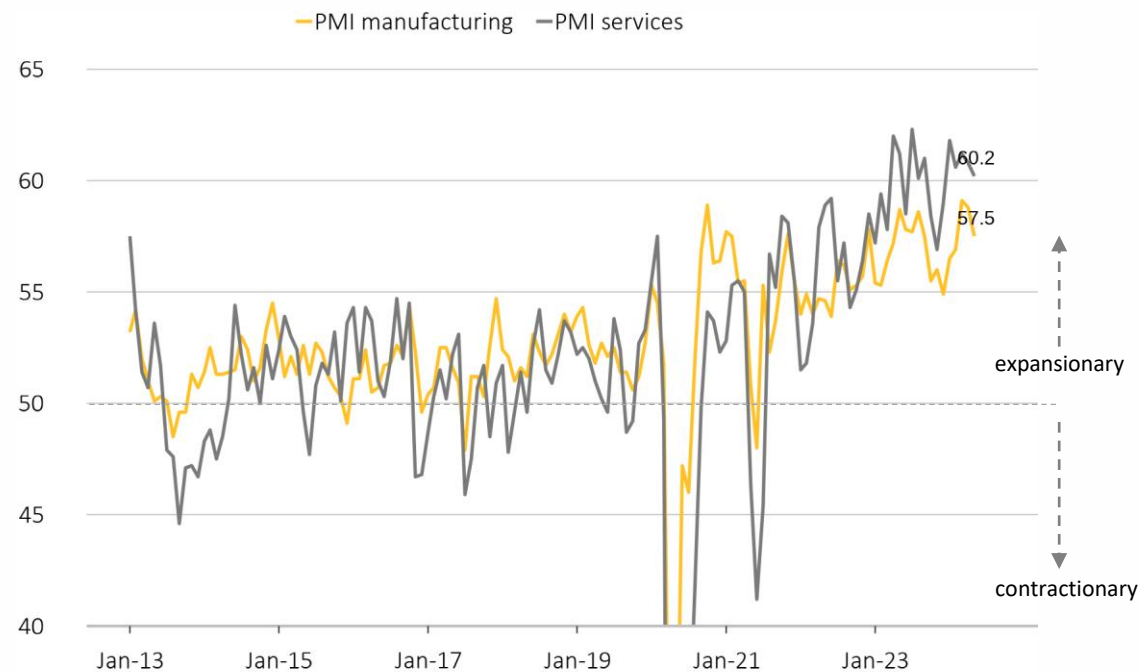
Source: Thurro, GSTN, NIIF Research

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 elevated in May

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



Source: Thurro, S&P, NIIF Research

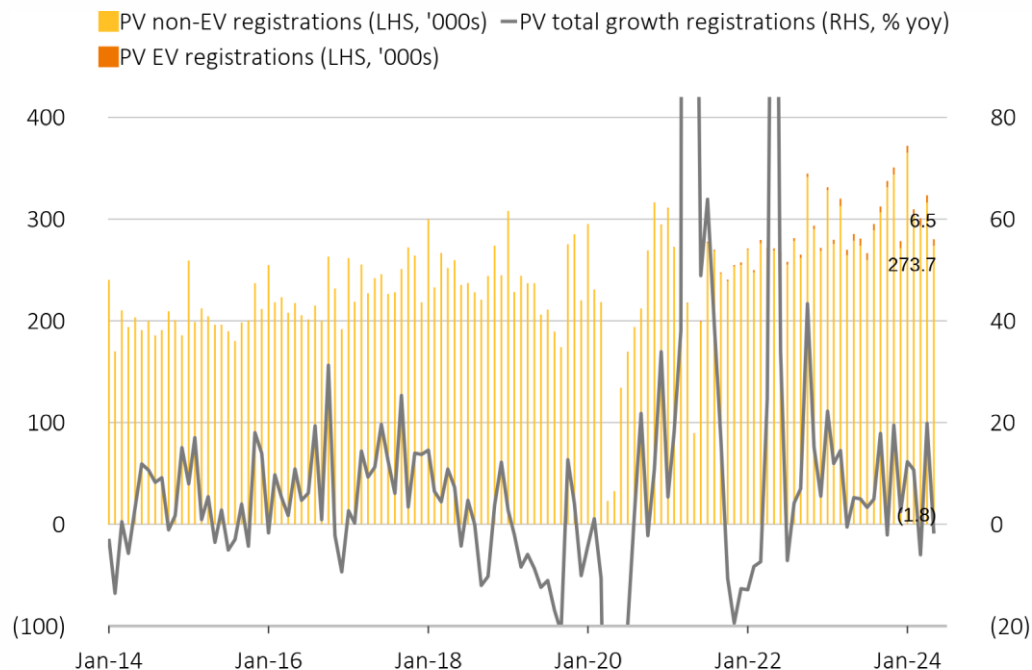
Note:

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

Automobile sector (1/2)

Growth in demand for 4W vehicles contracts on a yoy basis in May

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



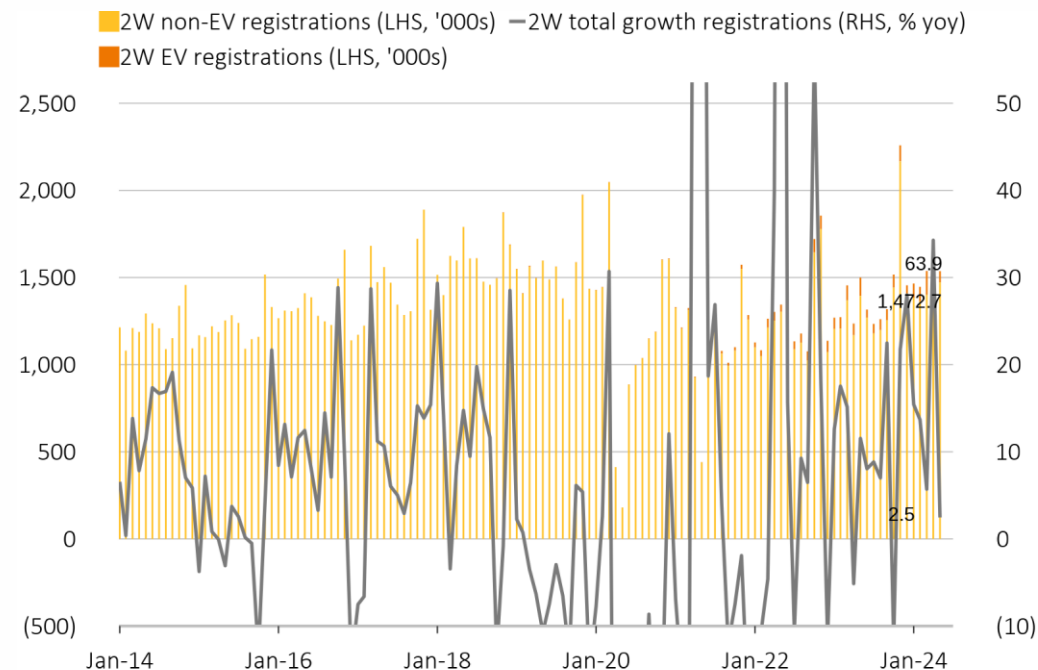
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

Note:

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

Robust demand for two-wheelers in May

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



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

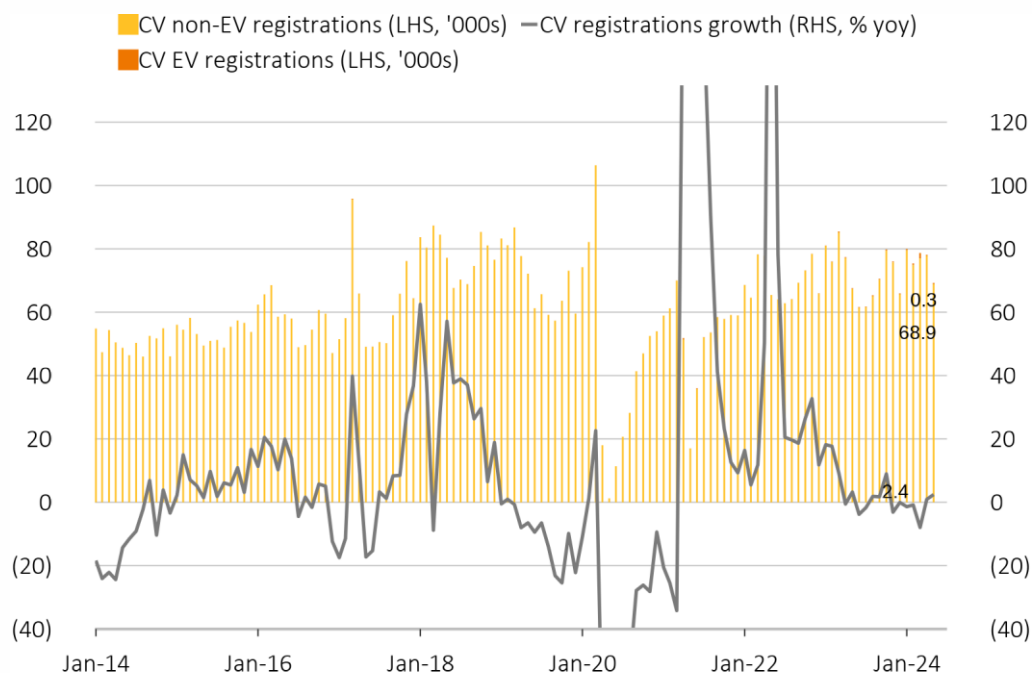
Note:

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)

Moderate growth in commercial vehicle registrations in May

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



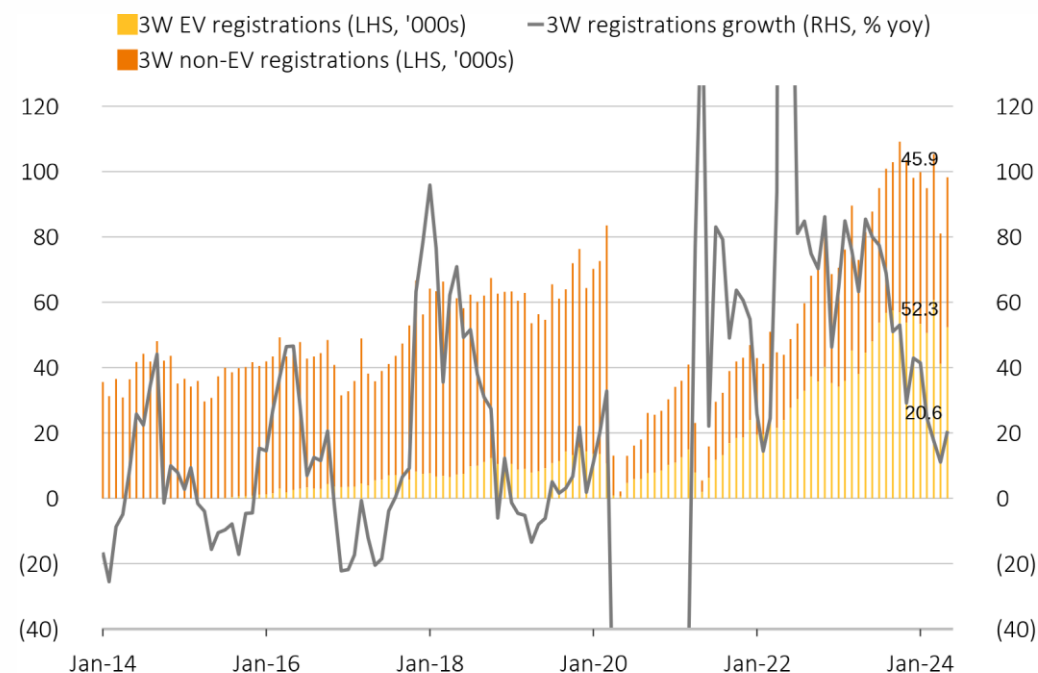
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

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 ~21% yoy in May

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



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

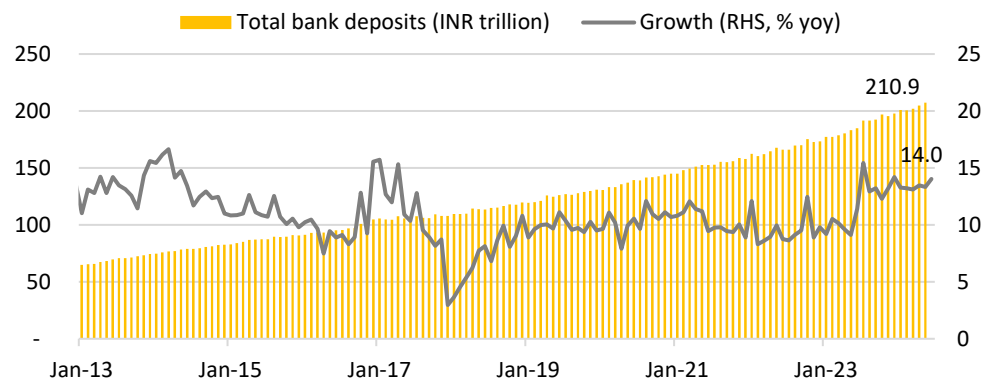
Note:

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 picks up to ~14% yoy in May

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

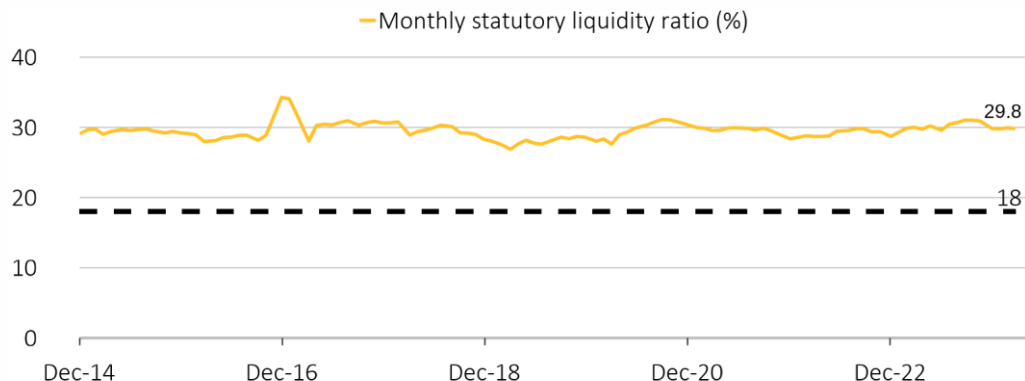


Source: CEIC, NIIF Research

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

Banks SLR holdings remain higher than the minimum required 18%

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

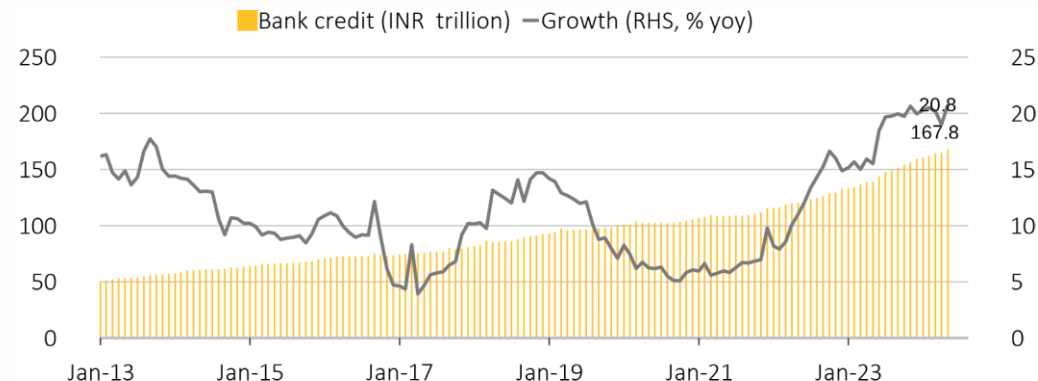


Source: Thurro, RBI, NIIF Research

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

Credit growth remains strong ~21% in May

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

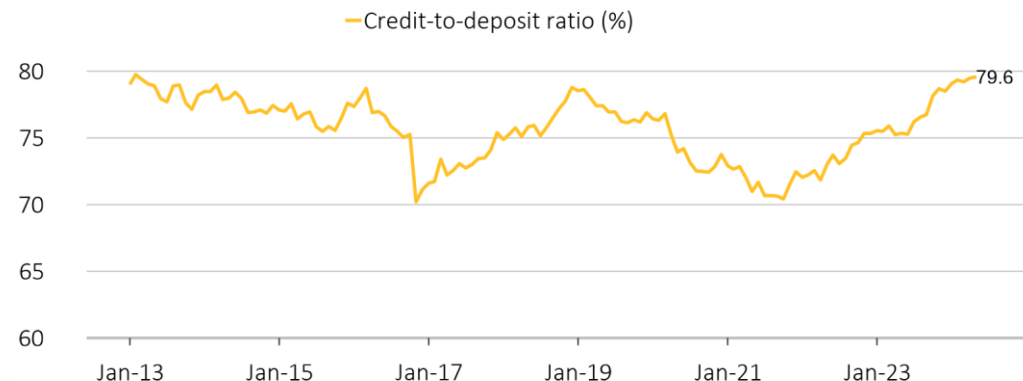


Source: Thurro, RBI, NIIF Research

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

Credit-to-deposit ratio remains high near ~80 in May

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



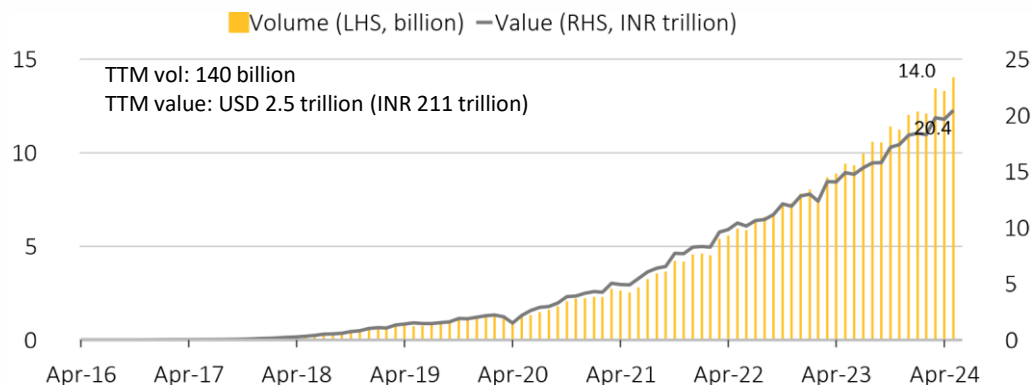
Source: Thurro, RBI, NIIF Research

Note: HDFC merger took effect in July 2023

Currency and transactions

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

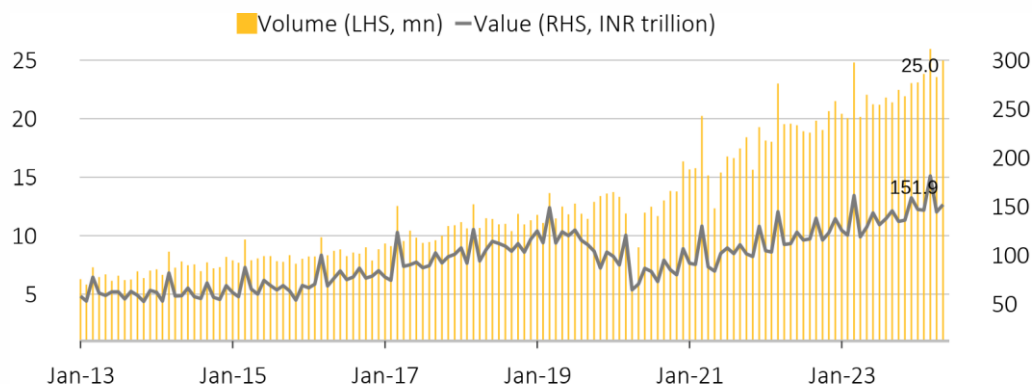
Unified Payment Interface (UPI), FY2017-FY2025 (May '24)



Source: Thurro, NPCI, NIIF Research

RTGS transactions value stable at INR ~152 trillion in May

RTGS transactions, FY2013-FY2025 (May '24)

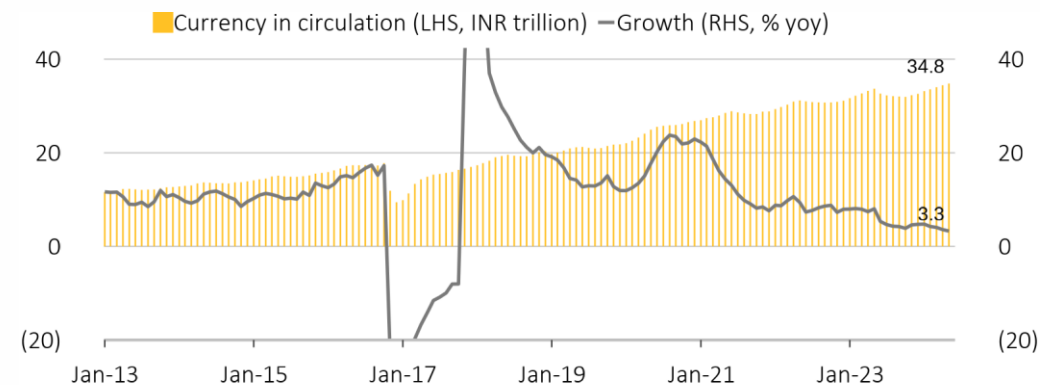


Source: Thurro, RBI, NIIF Research

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

Growth in currency in circulation moderates in May

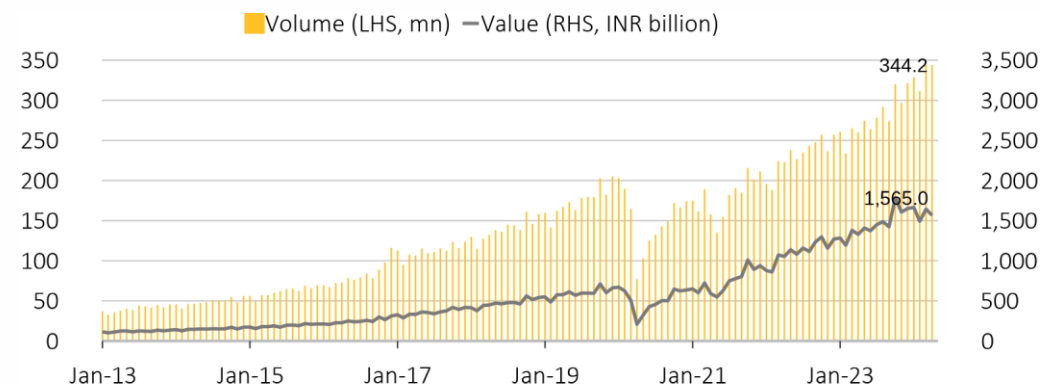
Currency in circulation, FY2013-FY2025 (May '24)



Source: Thurro, RBI, NIIF Research

Transactions using credit cards remain high at ~INR 1.6 trillion in Apr

Credit card transactions, FY2013-FY2025 (Apr '24)

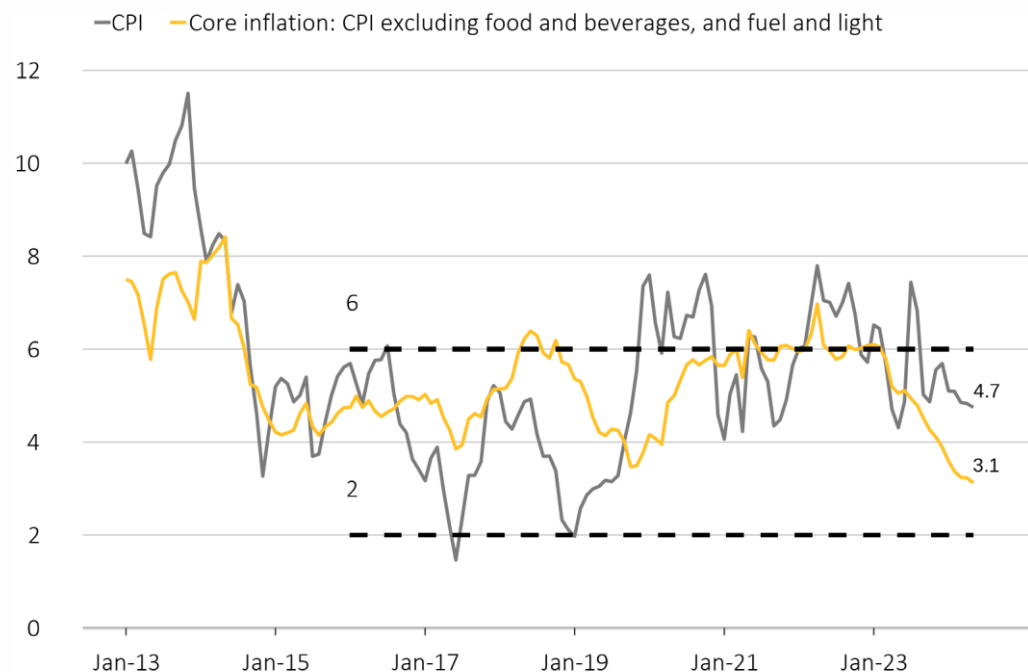


Source: Thurro, RBI, NIIF Research

Inflation: India

CPI inflation moderates further; core at its lowest in the current CPI series

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



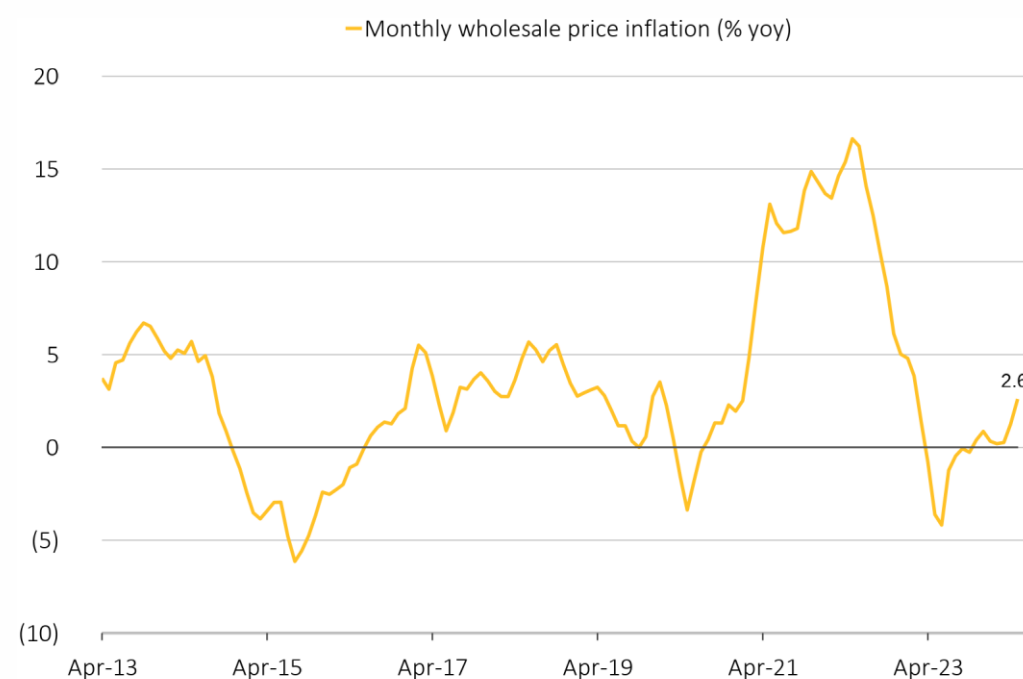
Source: Thurro, MoSPI, NIIF Research

Note:

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

Wholesale inflation picks up to a 15-month high of 2.6% yoy in May

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

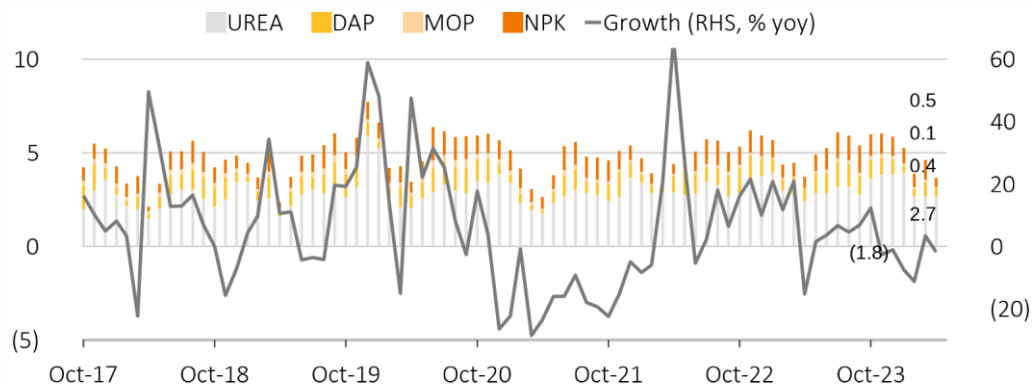


Source: Thurro, Ministry Of Commerce & Industry, NIIF Research

Rural India

Fertilizer sales contracts in April by ~2% yoy

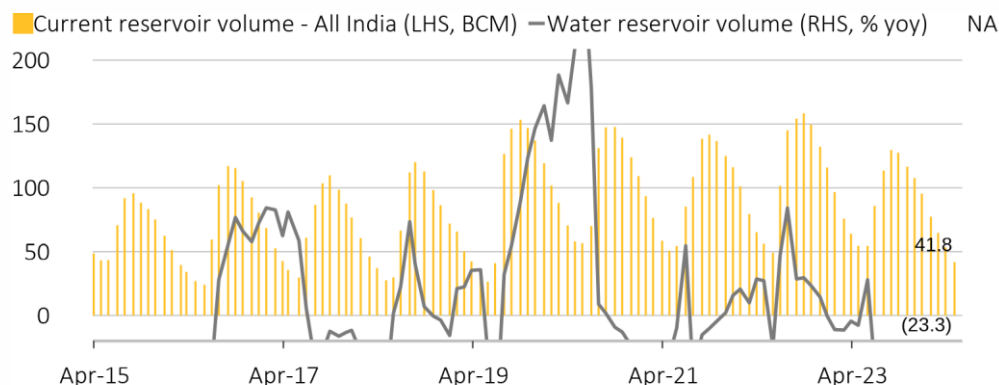
Monthly fertilizer sales, FY2018-FY2025 (Apr '24)



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

Reservoir levels remain low on a yoy basis in May

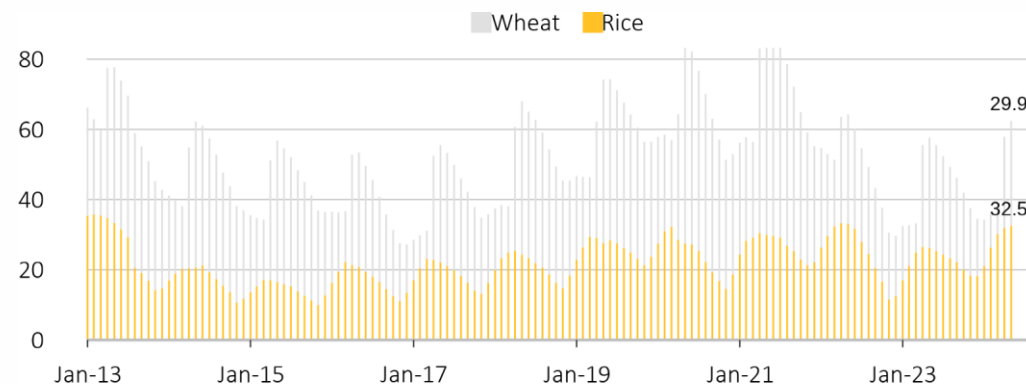
Monthly live water reservoir storage, FY2016-FY2025 (May '24)



Source: Thurro, CWC, NIIF Research

Wheat stock with FCI back up in May after a decadal low in March

Monthly food grain stocks with FCI (million tonnes), FY2013-FY2025 (May '24)



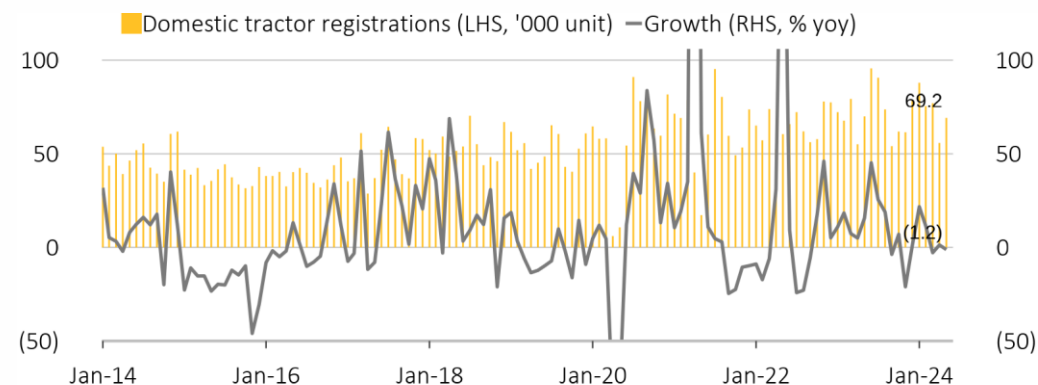
Source: Thurro, FCI, NIIF Research

Note: 1. Rice is excluding paddy

2. Buffer limit required as of Jun 1 for rice is 13.6 mn tons and for wheat is 20.9 mn tons

Growth in tractor demand contracts in May by ~1% yoy

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



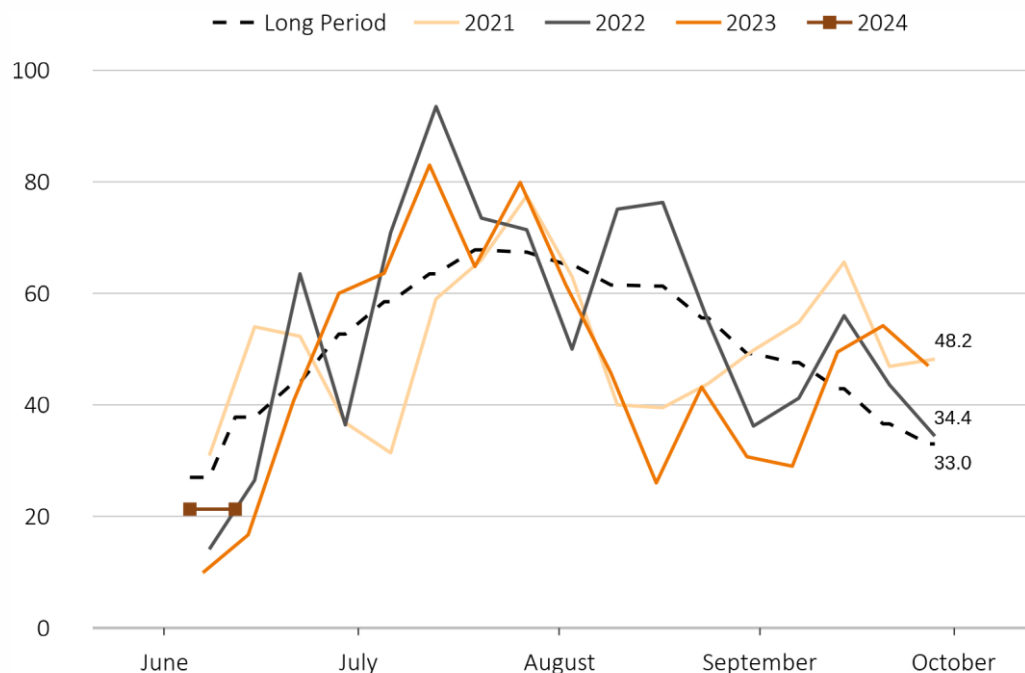
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

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

High Frequency Indicators

Weekly rainfall in early June below the long period average

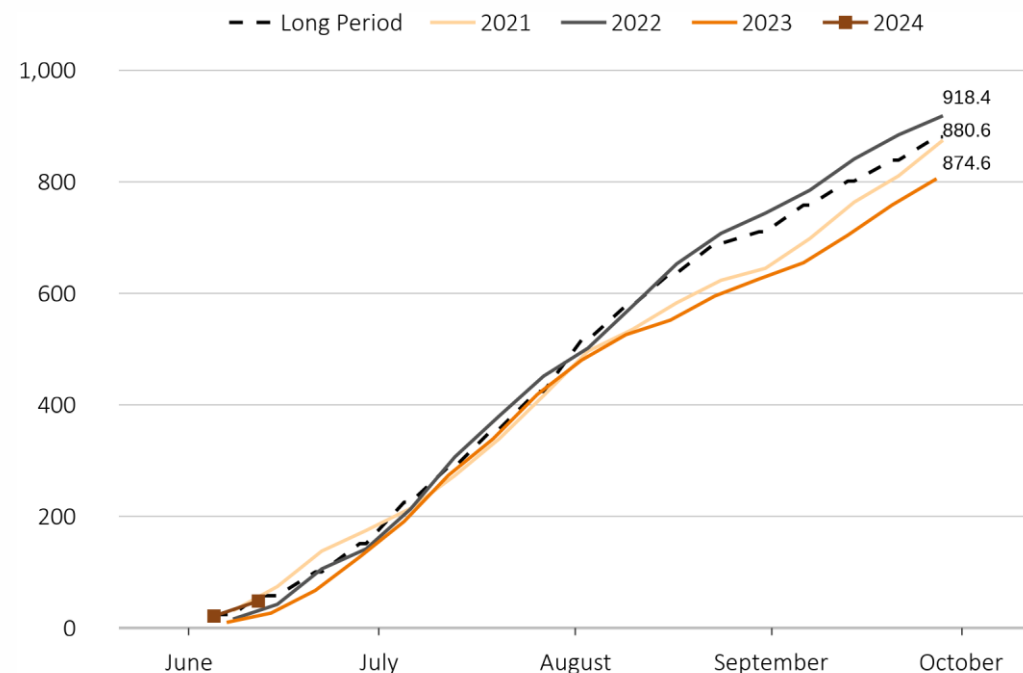
Weekly rainfall (in mm), CY2020-CY2024 (12 Jun '24)



Source: Thurro, India Meteorological Department, CEIC, NIIF Research

Cumulative rainfall tracking the long period average

Cumulative rainfall at the end of the week (in mm), CY2020-CY2024 (12 Jun '24)



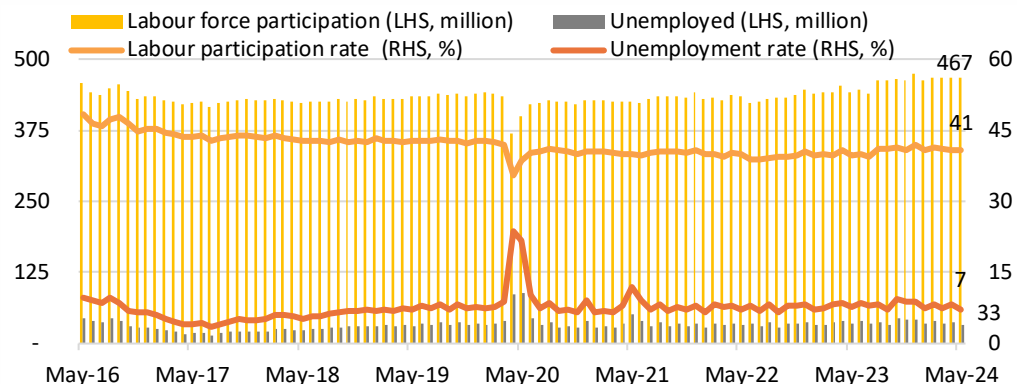
Source: Thurro, India Meteorological Department, CEIC, NIIF Research

IMD forecasts southwest monsoon rainfall to be above-normal, at 106% of long-period average in 2024

Employment – all-India and rural

India's labor force rate stable at 41%, unemployment stable at 7%

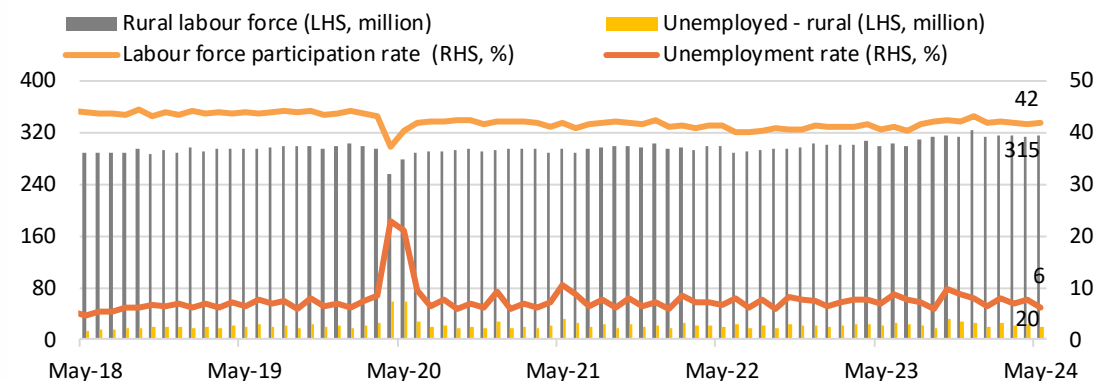
Monthly all-India labour participation and unemployment, FY2018-FY2025 (May '24)



Source: CMIE, NIIF Research

Rural unemployment declines to 6% in May; 310+ mn rural labour force

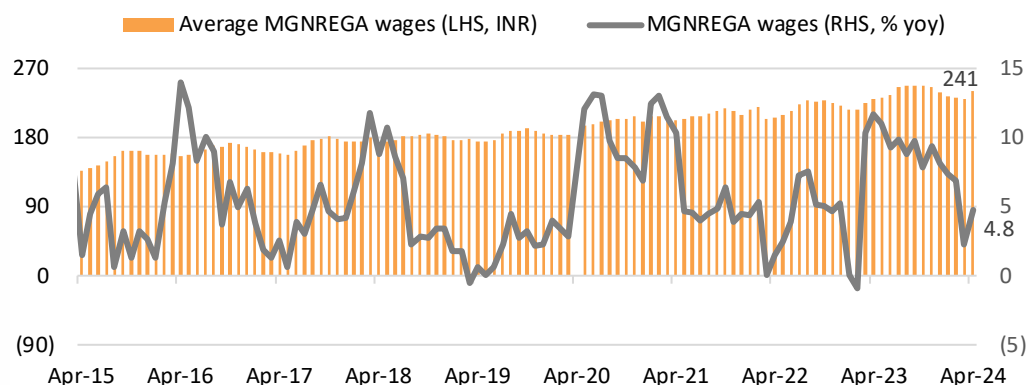
Monthly rural labour participation and unemployment, FY2019-FY2025 (May '24)



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)

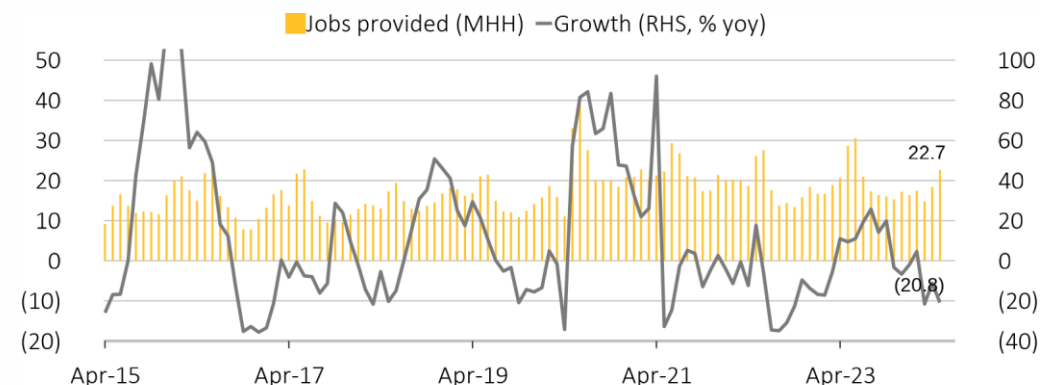


Source: CMIE, NIIF Research

Note: MGNREGA is Mahatma Gandhi National Rural Employment Guarantee Act

Jobs provided under MGNREGA fall on a yoy basis

Monthly MNREGA employment data, FY2016-FY2025 (May '24)



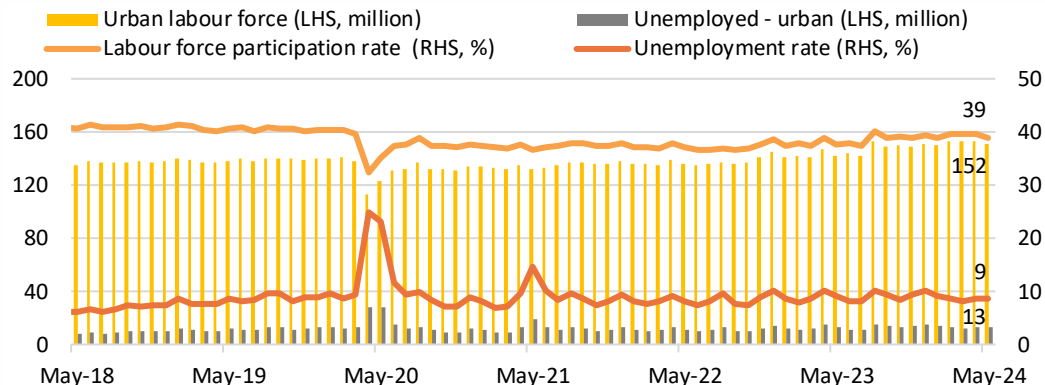
Source: Thurro, MNREGA, NIIF Research

Note: MHH is million households

Employment - urban

Urban labor force stable at ~39%; 150+ million urban labour force

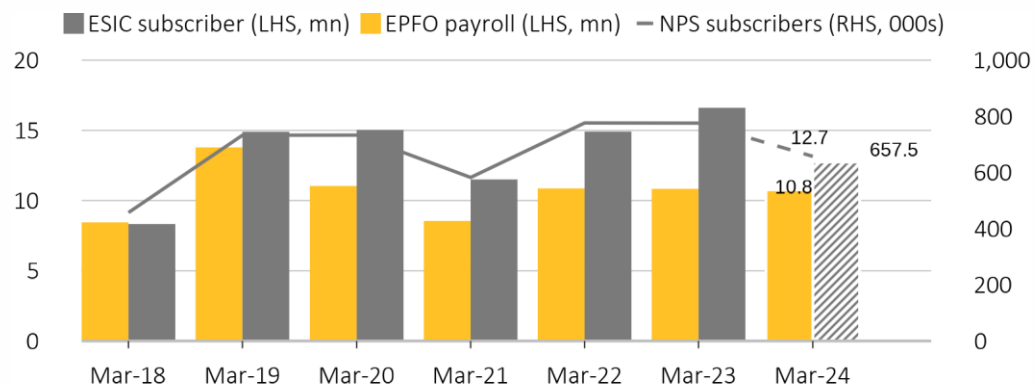
Monthly urban labour participation and unemployment, FY2016-FY2025 (May '24)



Source: Bloomberg, NIIF Research

Continued momentum in addition to formal workforce

Monthly enrollment numbers, FY2018-FY2024 (Mar '24)

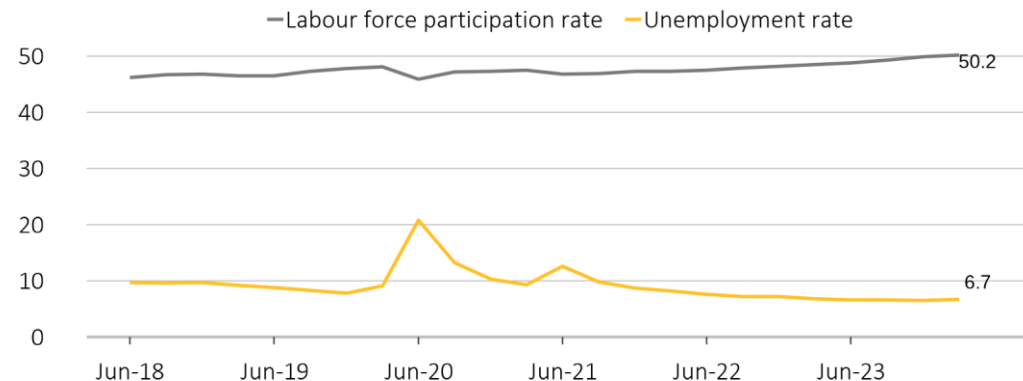


Source: Thurro, EPFO, NIIF Research

Note: ESIC and NPS data available till Dec 2023

Labor force expands in urban areas in the March quarter

Quarterly Periodic Labor Force Survey (urban), FY2019-FY2024 (Mar '24)

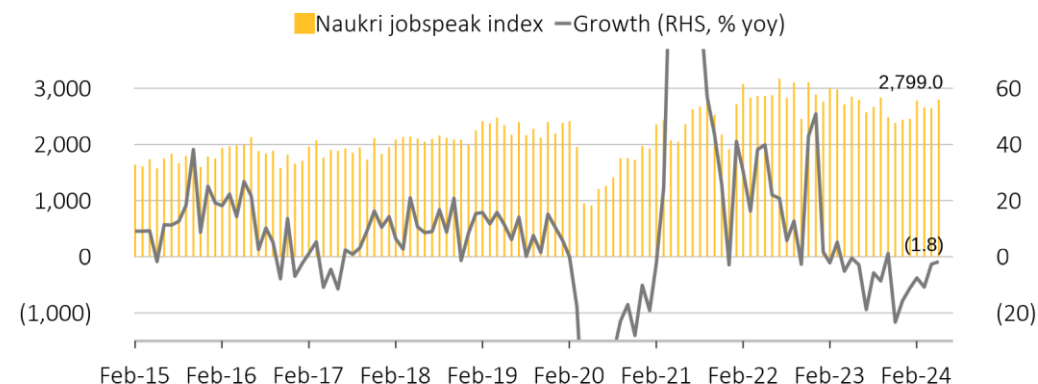


Source: Thurro, MoSPI, NIIF Research

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

Hiring in corporate India slows down

Naukri jobspeak index, FY2015-FY2025 (May '24)



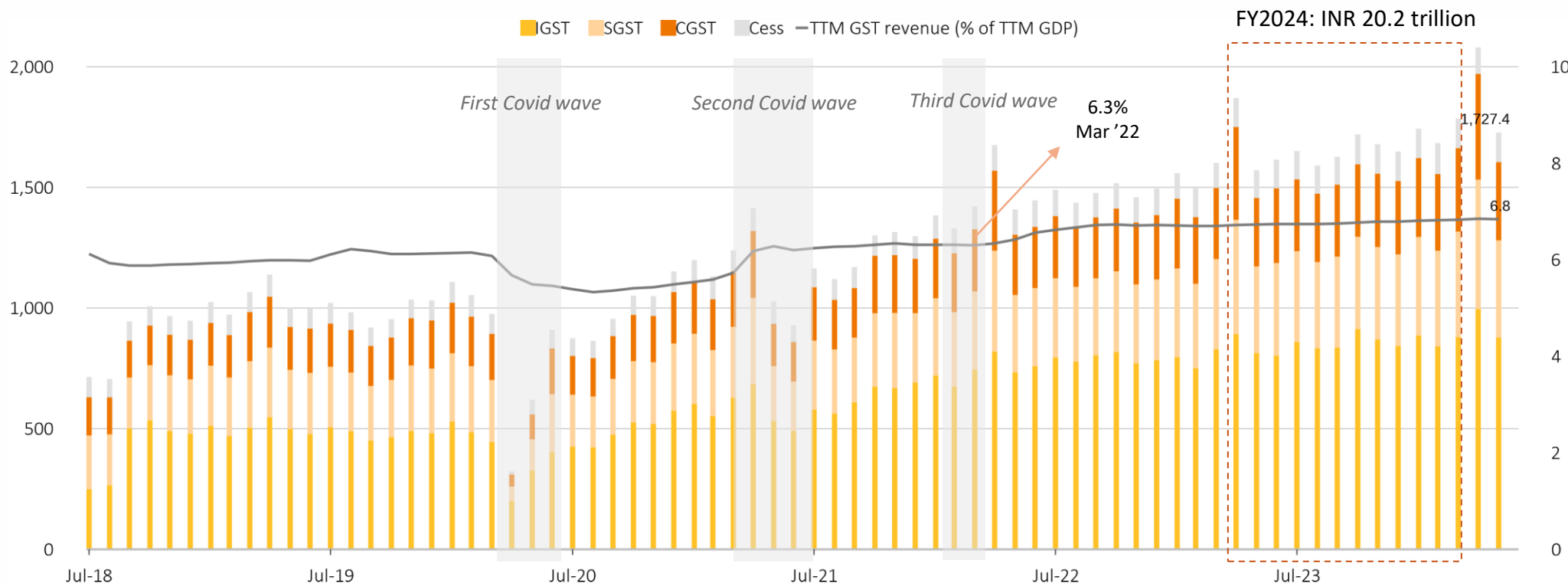
Source: Thurro, Naukri, NIIF Research

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

Fiscal Position

GST collections to GDP over trailing twelve months stable at 6.8%

Monthly composition of GST Revenue (INR billion), FY2019-FY2025 (May '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 FY2024 is the provisional estimate by Ministry of Statistics and Programme Implementation of INR 295.4 trillion, and for FY2025 is the budget estimate of INR 327.7 trillion

Fiscal Position

Government's (non-debt) receipts in FY2024 exceeded while expenditure remains within budgeted estimates

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

| | | FY2023 | | FY2024 | | % of BE | |
|-------|--|-------------|--------------|-------------|--------------|--------------|--------------|
| | | % of GDP | INR trillion | % of GDP | INR trillion | YTD FY2023 | YTD FY2024 |
| 1 | Revenue receipts | 8.8 | 23.8 | 9.2 | 27.3 | 108.1 | 103.7 |
| 1.1 | Gross tax revenue | 11.3 | 30.5 | 0.9 | 34.6 | 110.7 | 103.1 |
| 1.1.1 | Direct tax | 6.1 | 16.3 | 6.5 | 19.2 | 115.1 | 105.4 |
| 1.1.2 | Indirect tax | 5.3 | 14.2 | 5.2 | 15.4 | 106.8 | 100.9 |
| 2 | Capital receipts (non-debt) | 0.3 | 0.7 | 0.2 | 0.6 | 91.0 | 72.0 |
| 2.1 | Net recovery of loans and advances | 0.1 | 0.3 | 0.1 | 0.3 | 183.0 | 118.9 |
| 2.2 | Miscellaneous receipts | 0.2 | 0.5 | 0.1 | 0.3 | 70.8 | 54.3 |
| 3 | Total (non-debt) receipts (1 + 2) | 9.1 | 24.6 | 9.4 | 27.9 | 107.5 | 102.7 |
| 4 | Revenue expenditure | 12.8 | 34.5 | 11.8 | 34.9 | 108.1 | 99.8 |
| 4.1 | Interest payment | 3.4 | 9.3 | 3.6 | 10.6 | 98.7 | 98.5 |
| 5 | Capital expenditure | 2.7 | 7.4 | 3.2 | 9.5 | 98.6 | 94.8 |
| 6 | Total expenditure (4 + 5) | 15.6 | 41.9 | 15.0 | 44.4 | 106.3 | 98.7 |
| 7 | Revenue deficit (4 - 1) | 4.0 | 10.7 | 2.6 | 7.7 | 108.1 | 88.0 |
| 8 | Fiscal deficit (6 - 3) | 6.4 | 17.4 | 5.6 | 16.5 | 104.6 | 92.5 |
| 9 | Annual Nominal Gross Domestic Product (GDP) | 269.5 | | 295.4 | | | |

Source: CEIC, NIIF Research

Note:

1. FY2024 is the period between April 2023 and March 2024, similarly for other years
2. YTD refers to financial year to date, i.e., from April onwards
3. BE is the budget estimate for the stated financial year



MONTHLY ECONOMIC REPORT ON INDIA JUN 2024

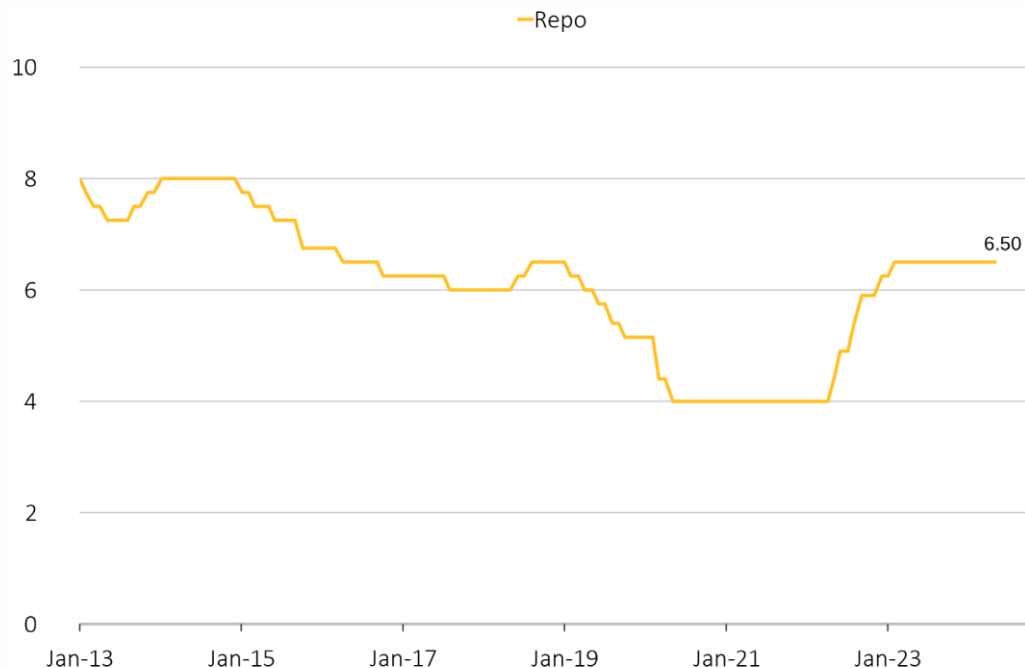
Markets

- Transmission of policy rate on outstanding loans and deposits slower than fresh loans and deposits. Repo rate kept unchanged at 6.50% in June. May-end consensus project a cumulative 50-bps rate cut over Q3 and Q4FY25. Short-term rates are within the policy rate corridor. Yields moderate across time horizons - 10-year G-sec yields at 6.99%, and 3-month T-bill yield at 6.84% as on 13 June
- 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 be a net buyer of USD in March – a 3-year high of USD 13.2 billion; forex reserves at an all-time high of USD 652 billion (as of 31 May). INR depreciated by less than 2% against USD over the last year
- Indian equity markets generated an average 20% yoy return in May. Market volatility (VIX) corrects in June after surging in May. Global price for beverages remain elevated in May, majorly due to cocoa. Gold price inches further up to USD 2,326 per troy oz, while copper and Brent crude oil prices moderate (as of 13 June) sequentially to USD 9,821 per tonne (from USD 10,000+ in May) and to USD 82 per bbl (from USD 90 on 2 April)

Policy rate and liquidity

Repo rate unchanged at 6.5%

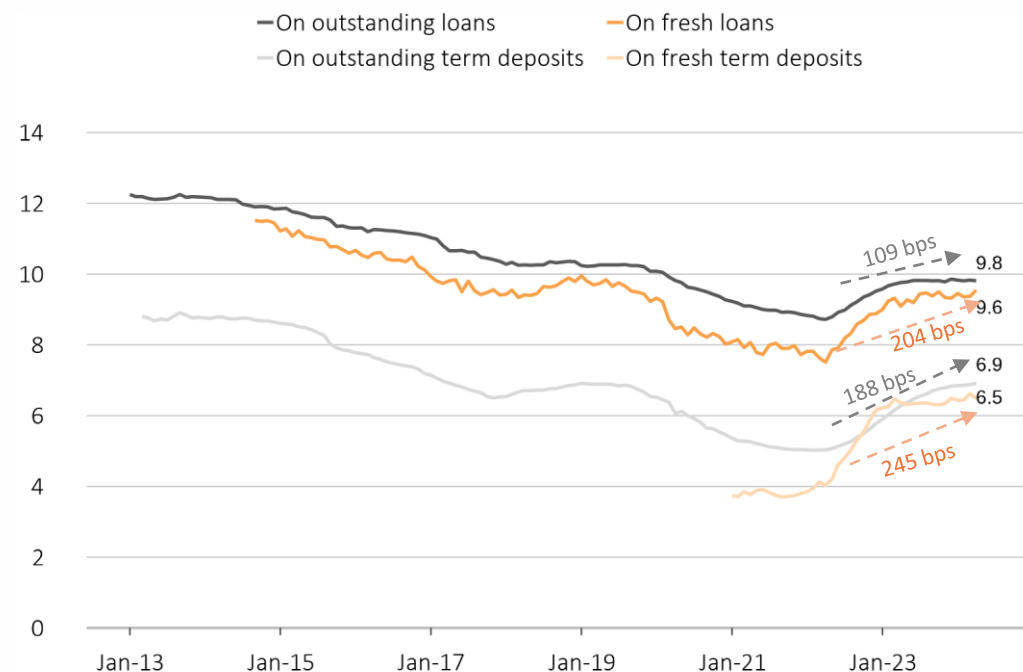
Repo rates (%), FY2013-FY2025 (13 Jun '24)



Source: Thurro, RBI, NIIF Research

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

Monthly weighted average lending and deposit rates (%), FY2014-FY2025 (Apr '24)



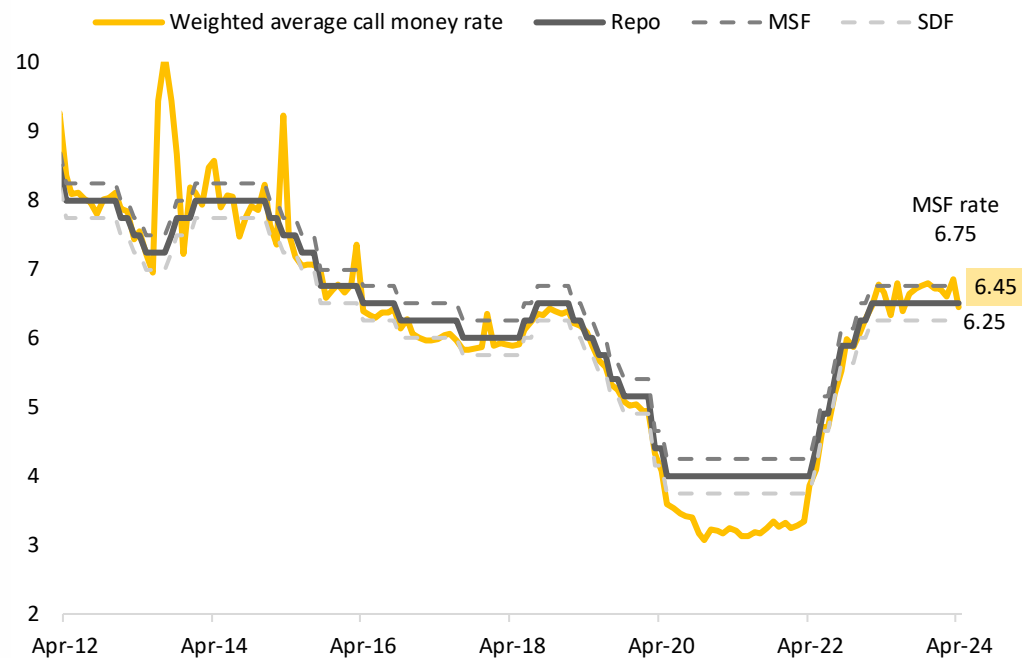
Source: Thurro, RBI, NIIF Research

RBI has asked banks to reassess their strategies in light of the persisting gap between credit and deposit growth rates

Policy rate and liquidity

Call rates are near repo rate, within the policy rate corridor

Monthly money market rates, FY2013-FY2025 (May '24)



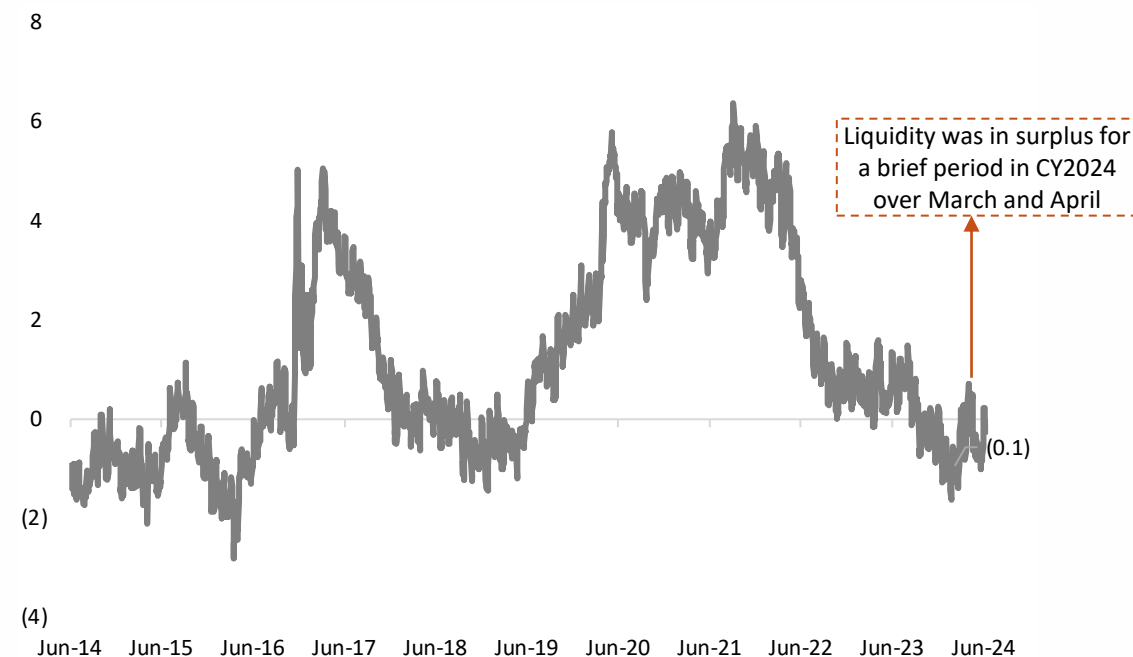
Source: Thurro, RBI, NIIF Research

Note:

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

Banking system liquidity in deficit, after briefly moving into surplus in 2024

Surplus liquidity (% of net demand and time liabilities), FY2013-FY2025 (13 Jun '24)



Source: Thurro, RBI, NIIF Research

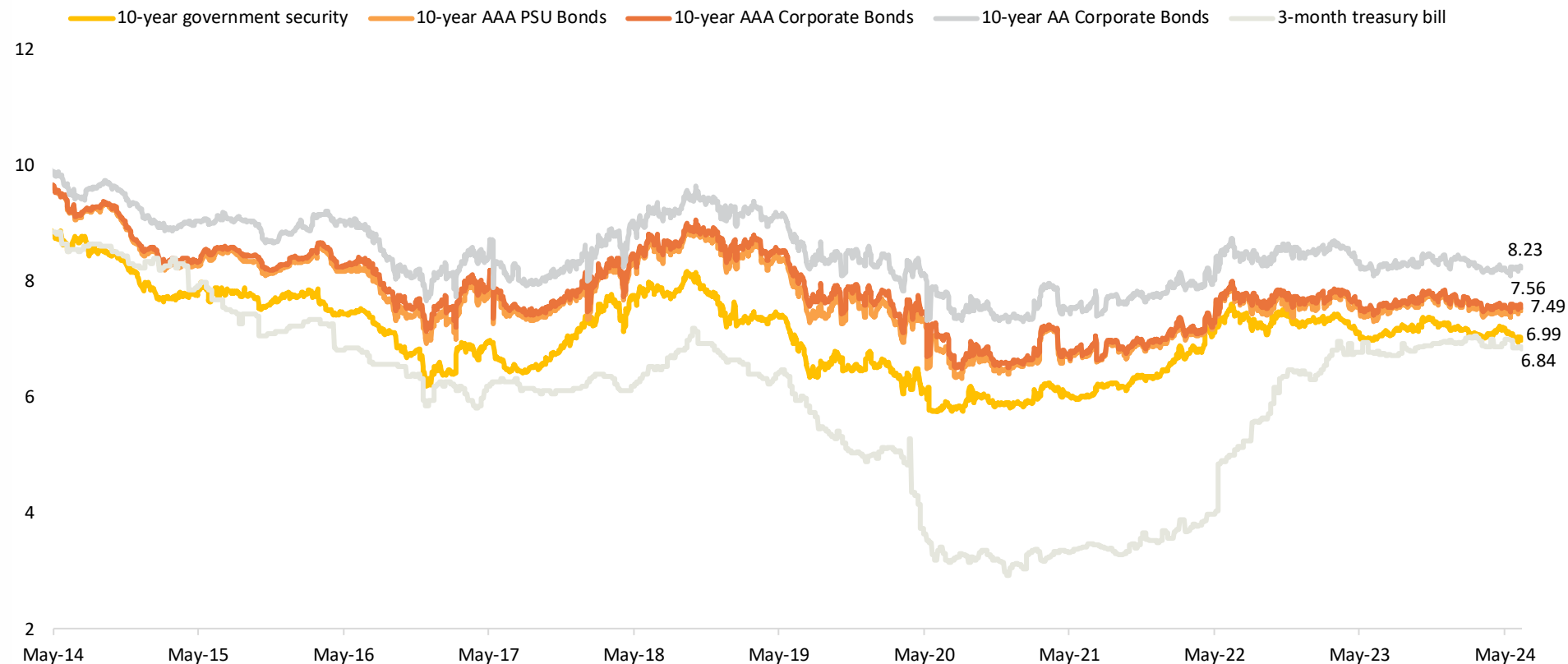
Note:

1. Liquidity operations by RBI include repo, term-repo, long-term repo operations, open market operations, marginal standing facility, and standing liquidity facilities
2. A positive number indicates liquidity surplus, and a negative number indicates a liquidity deficit

Debt Markets

10-year G-Sec yields at a 12-month low, below 7%; 3-month treasury yield moderates to 6.8% in June

Daily India G-sec and corporate bond yields (%), FY2014-FY2025 (13 Jun 2024)



Source: Bloomberg, NIIF Research

Forecast of policy rates

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

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

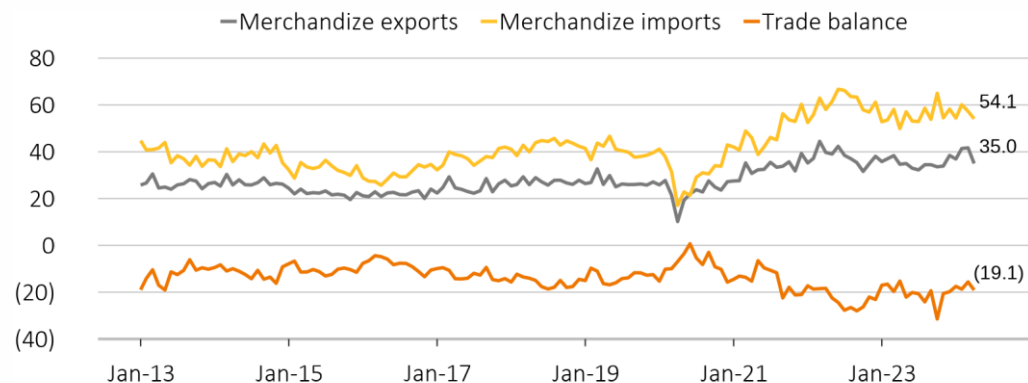
| | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 |
|---|-------------|-------------|-------------|-------------|-------------|
| <i>Number of analysts</i> | 37 | 36 | 39 | 32 | 21 |
| High forecast | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 |
| Low forecast | 6.25 | 6.00 | 5.75 | 5.50 | 5.50 |
| Bloomberg average | 6.50 | 6.40 | 6.20 | 6.05 | 6.00 |
| Median forecast | 6.50 | 6.50 | 6.25 | 6.00 | 6.00 |
| 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

Balance of Payments

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

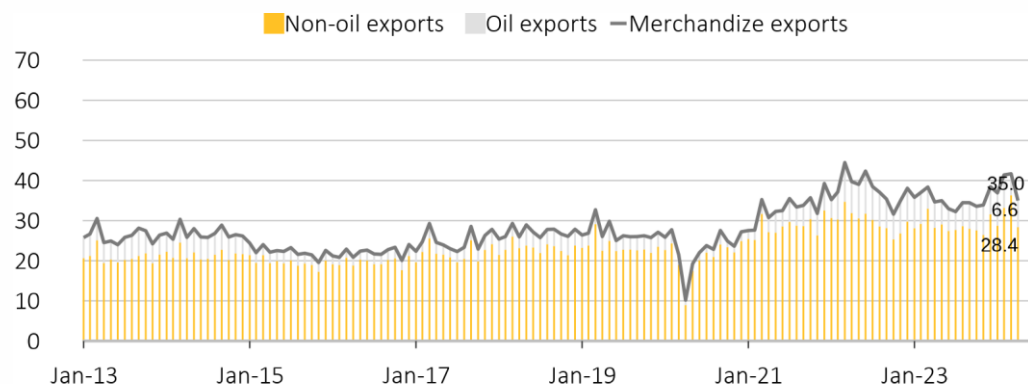
Monthly trade composition (USD billion), FY2013-FY2025 (Apr '24)



Source: Thurro, RBI, NIIF Research

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

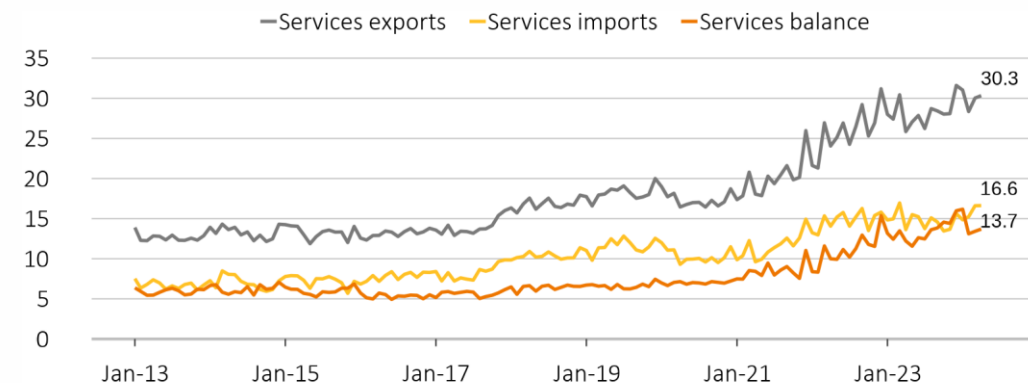
Monthly merchandize exports (USD billion), FY2013-FY2025 (Apr '24)



Source: Thurro, RBI, NIIF Research

Service trade surplus moderates to ~USD 13 billion in April

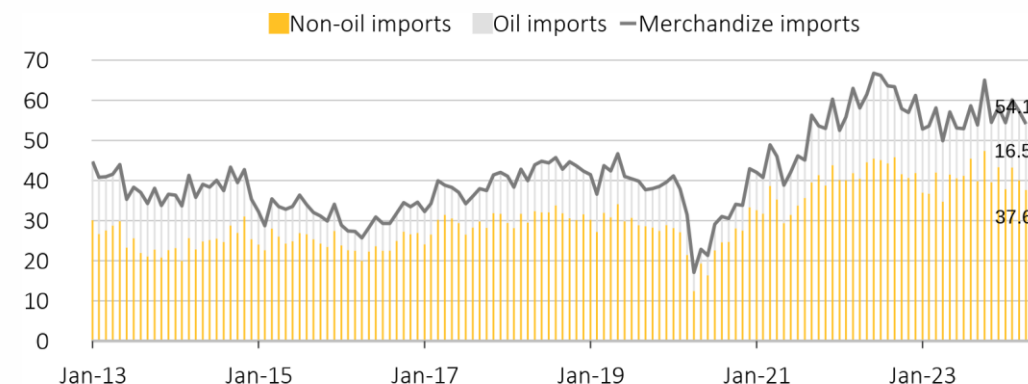
Monthly services trade (USD billion), FY2013-FY2025 (Apr '24)



Source: Thurro, RBI, NIIF Research

Higher oil imports in April; non-oil imports moderate

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

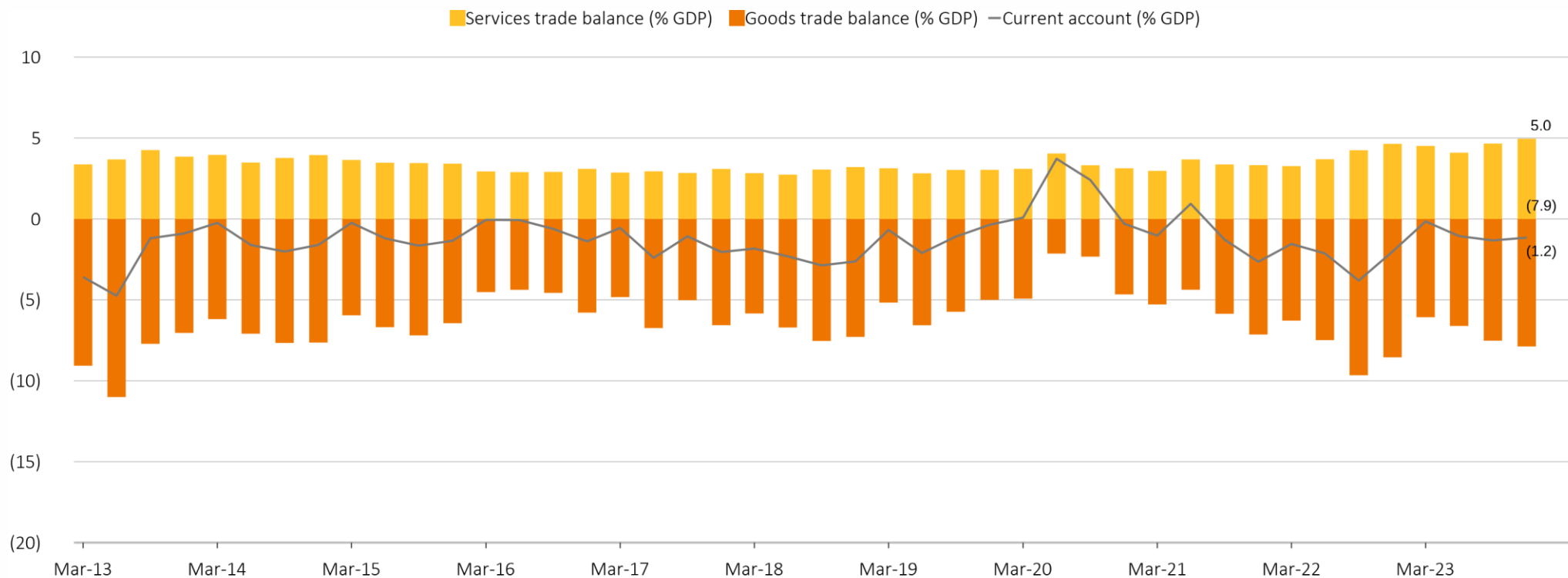


Source: Thurro, RBI, NIIF Research

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

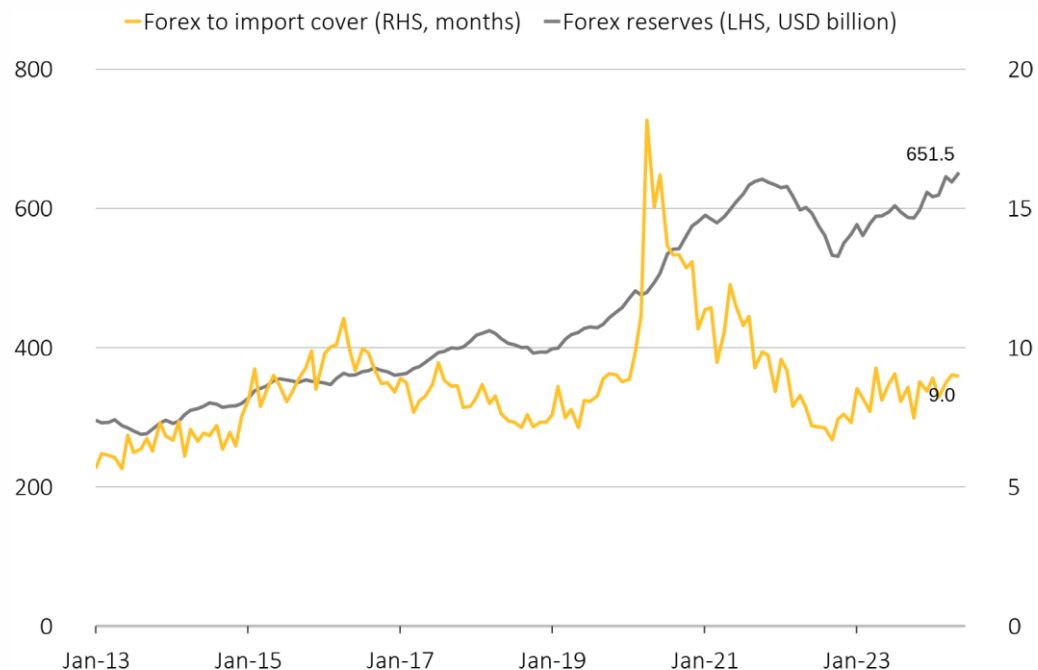
Note:

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 652 bn provide ~9 months of import cover

Monthly foreign exchange reserves, FY2013-FY2025 (31 May '24)



Source: Thurro, RBI, NIIF Research

Note:

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

Forward premium on USD continues to remain below 2%

USD/INR implied 1-year forward risk premium (%), FY2012-FY2025 (08 May '24)



Source: Bloomberg, NIIF Research

Foreign Exchange Markets

INR remains overvalued against currencies of trading partners

Monthly real effective exchange rate of INR, base year 2015-16 (X), (Apr '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 steady to 104.9 in May

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



Source: Thurro, Yahoo Finance, NIIF Research

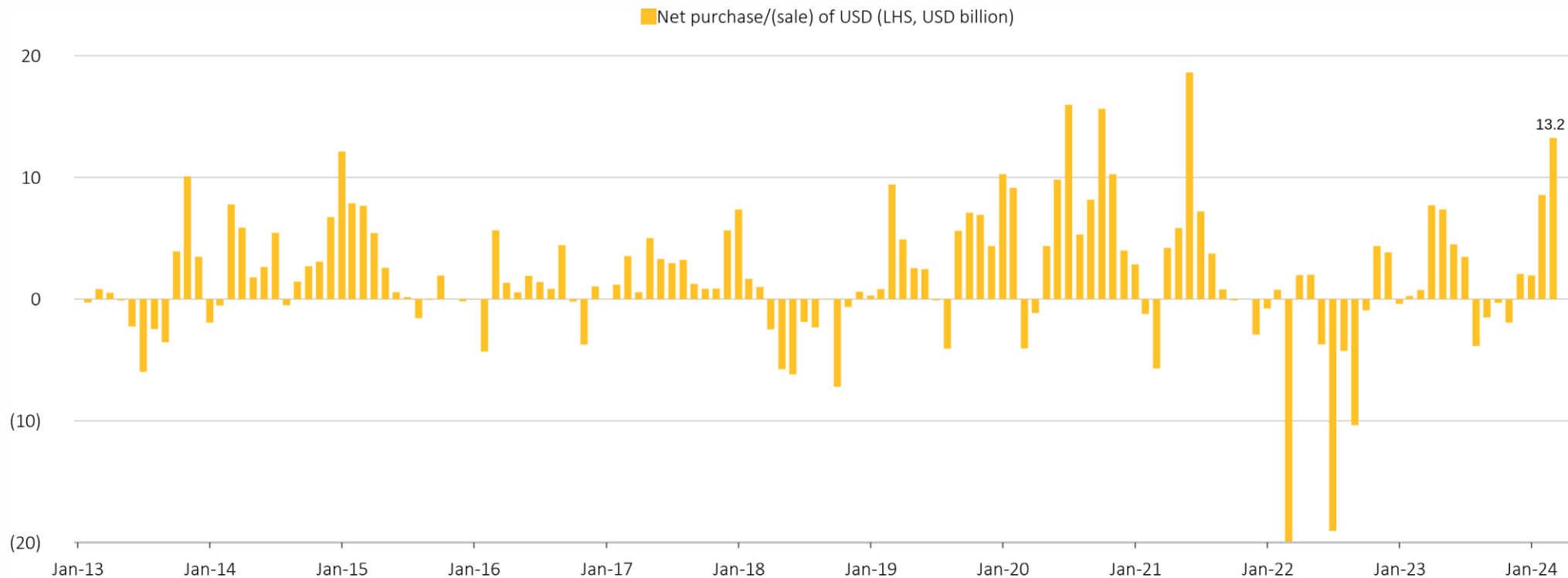
Note:

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's net purchase of USD in March of USD 13.2 billion a close to 3-year high

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



Source: Thurro, RBI, NIIF Research

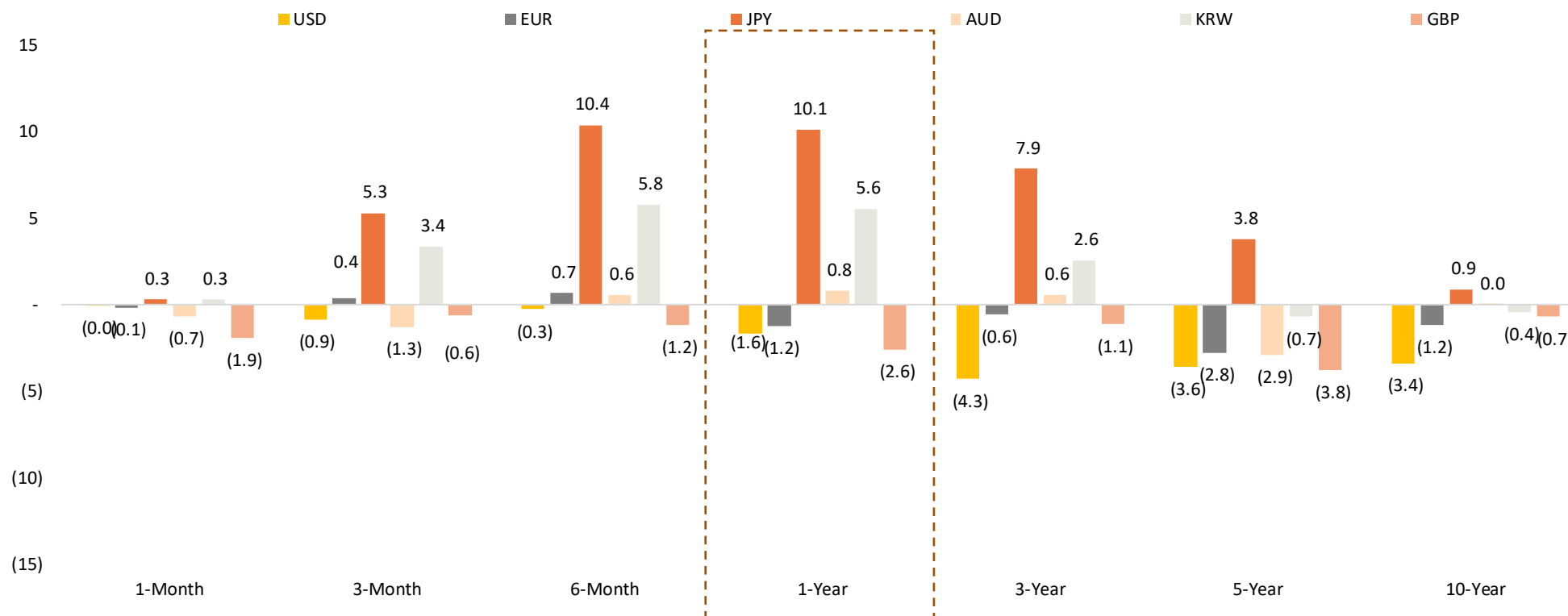
Note:

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% p.a.

INR performance vis-a-vis major currencies (%), FY2025-FY2025 (13 Jun '24)



Source: Thurro, RBI, NIIF Research

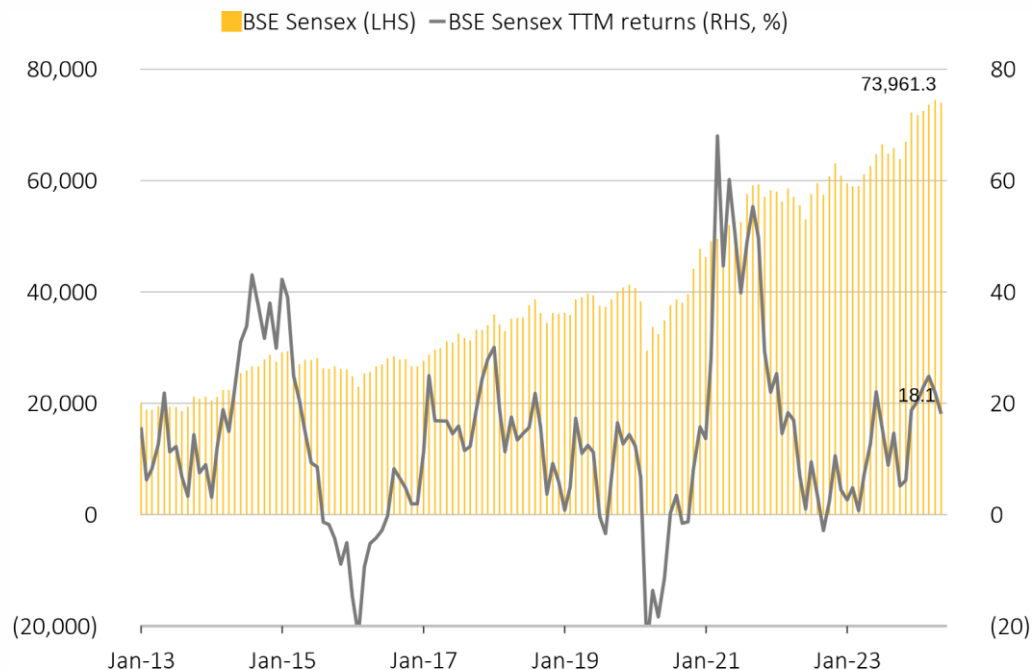
Note:

1. Numbers are annualized for periods above 1 year
2. 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 ~18% yoy in May

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



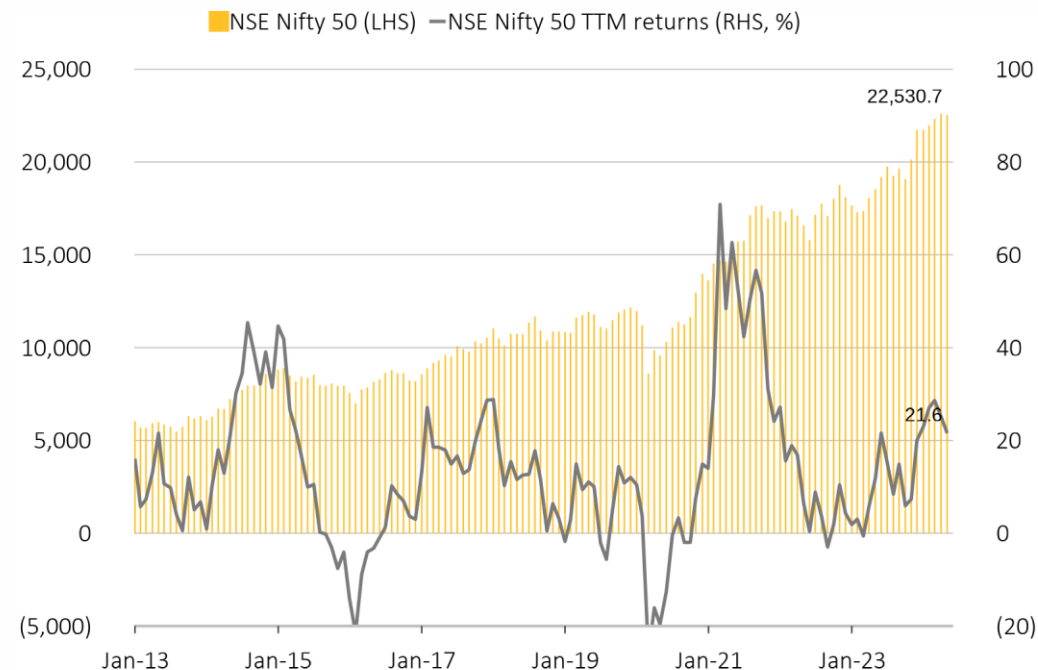
Source: Thurro, BSE, NIIF Research

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 generate robust returns of ~22% yoy in May

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



Source: Thurro, NSE, NIIF Research

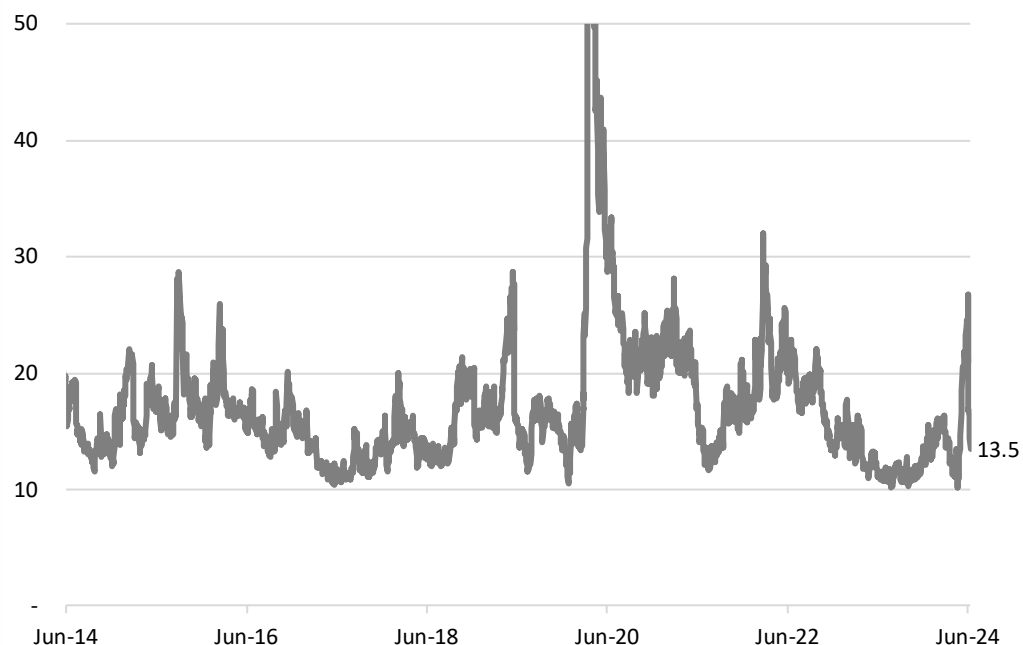
Note:

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 corrects in June after sharply picking up in May

Daily NSE NIFTY Volatility Index (X), FY2015-FY2025 (13 June '24)



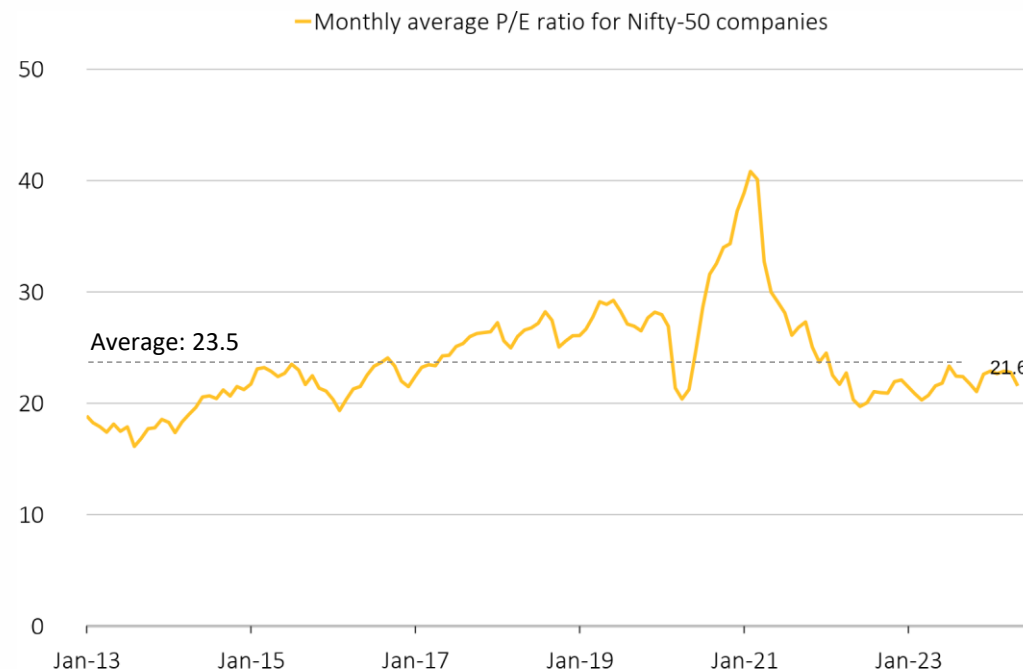
Source: Bloomberg, NIIF Research

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 (May '24)



Source: Thurro, NSE, NIIF Research

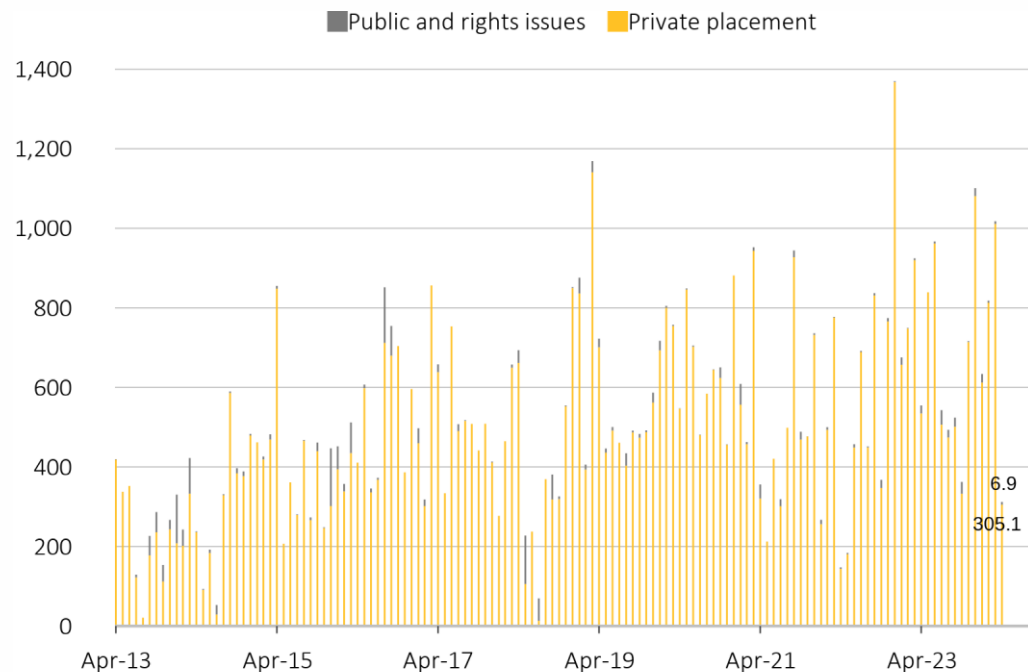
Note:

- 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 April at ~INR 312 billion

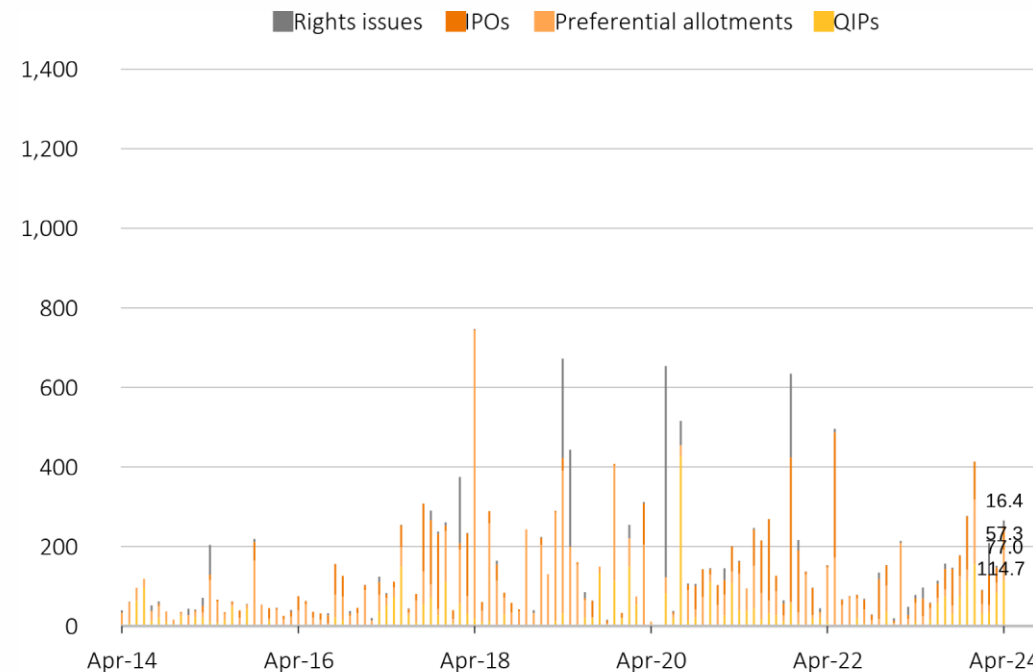
Monthly debt fund raising by corporate sector (INR billion), FY2014-FY2025 (Apr '24)



Source: Thurro, SEBI, NIIF Research

Equity capital raised in April at ~INR 192 billion

Monthly equity fund raising by corporate sector (INR billion), FY2015-FY2025 (Apr '24)



Source: Thurro, SEBI, NIIF Research

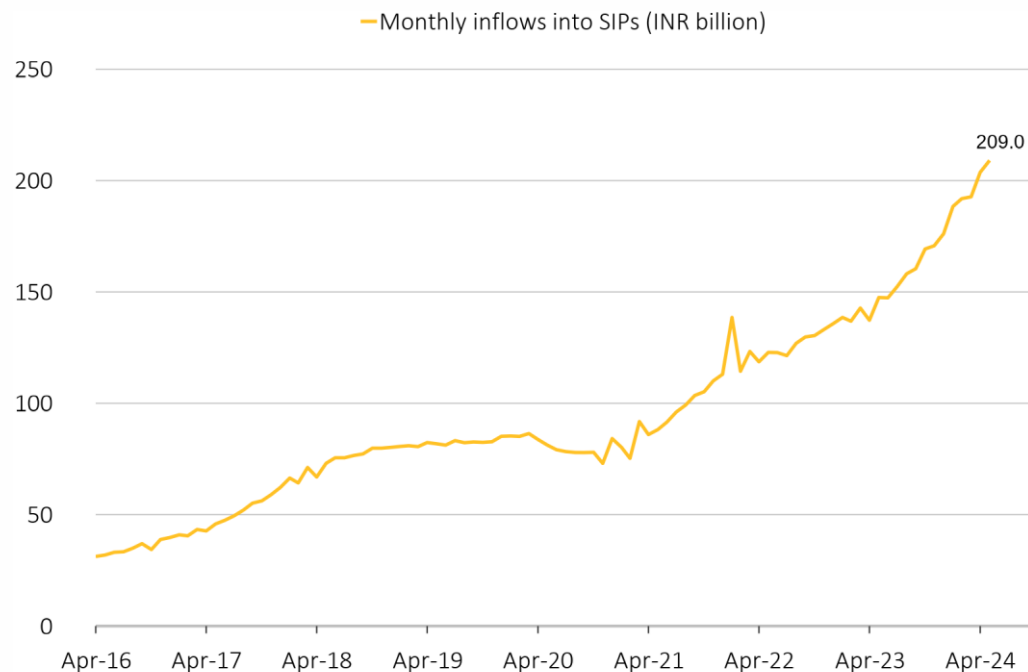
Note:

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

Debt and equity markets: mutual funds

Gross SIP flows into mutual funds pick up to ~INR 209 billion in May

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



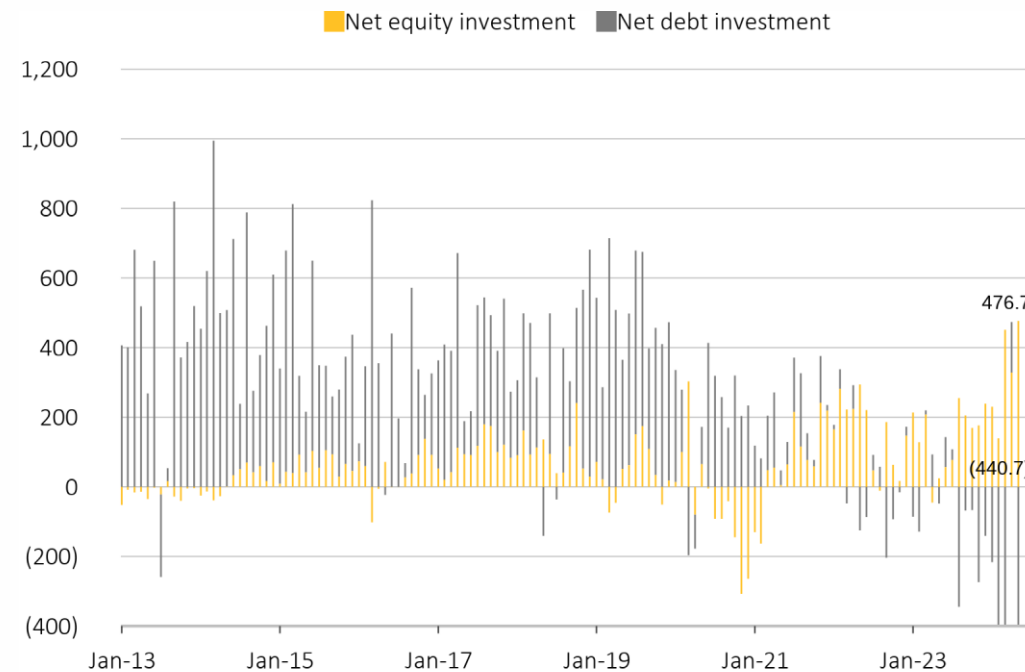
Source: Thurro, AMFI, NIIF Research

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 36 billion in May

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

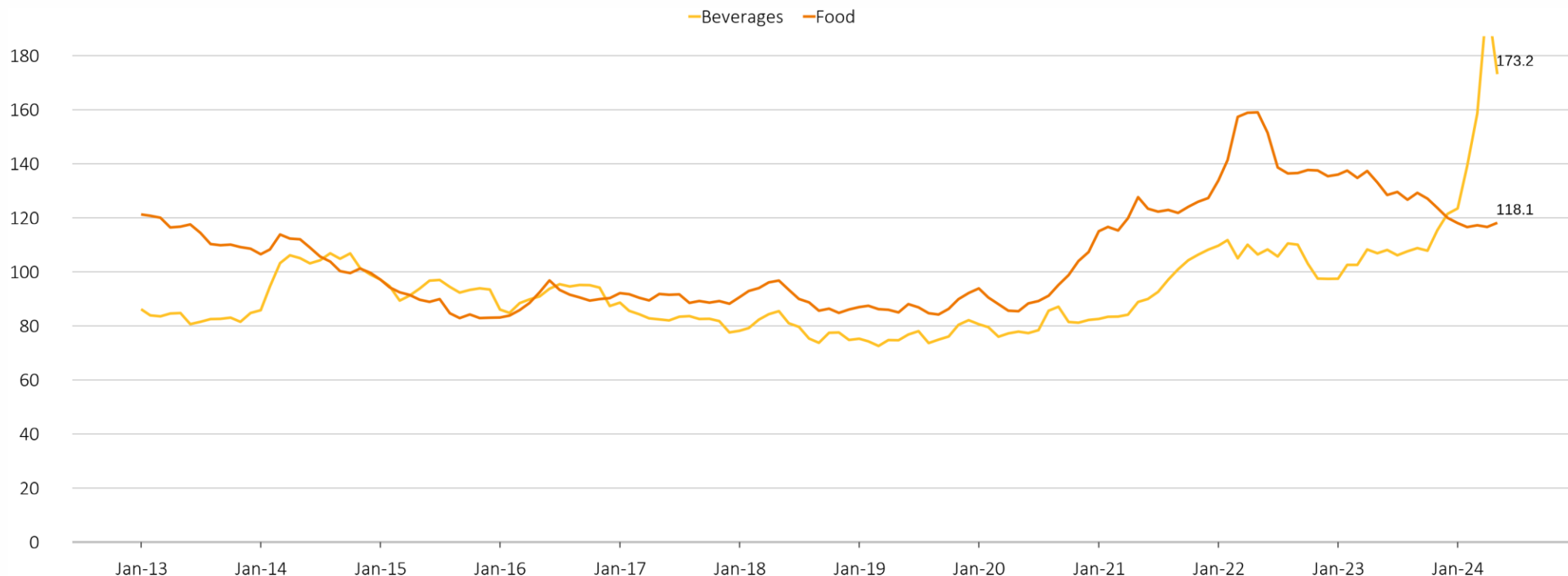


Source: Thurro, SEBI, NIIF Research

Commodity Markets

Prices for beverages picks up sharply over the last four months

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



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

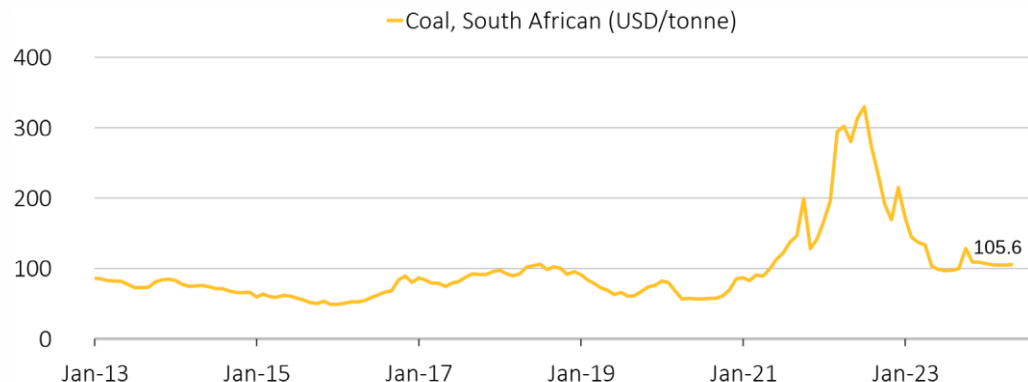
Note:

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

Commodity Markets

Coal prices remain stable at USD 106 per ton in Mar

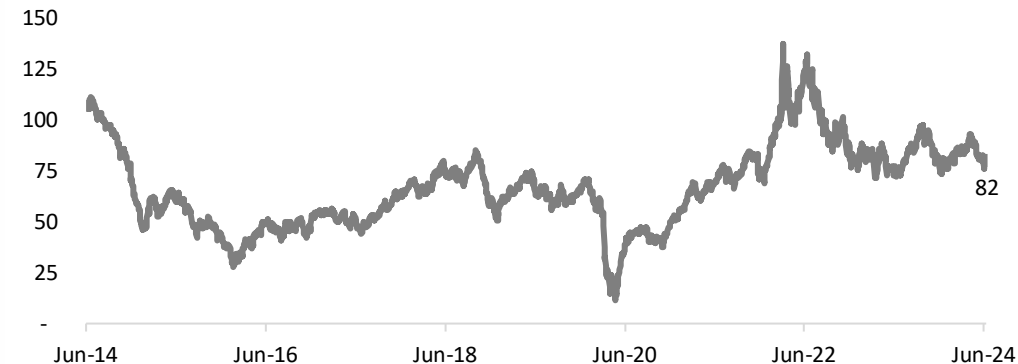
Monthly coal (South African) prices (USD per ton), FY2014-FY2024 (May '24)



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

Brent crude price moderates to ~USD 82 per bbl (as of 13 June)

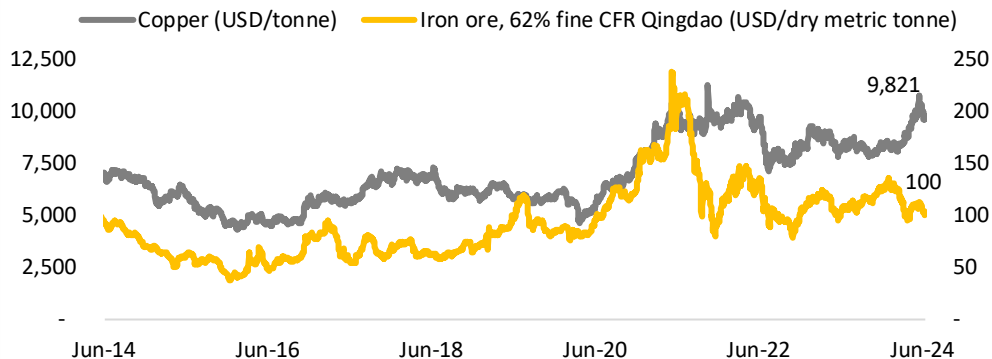
Daily Brent crude oil prices (USD per bbl), FY2014-FY2025 (13 Jun '24)



Source: Bloomberg, NIIF Research

Iron ore and copper prices moderate sequentially in June

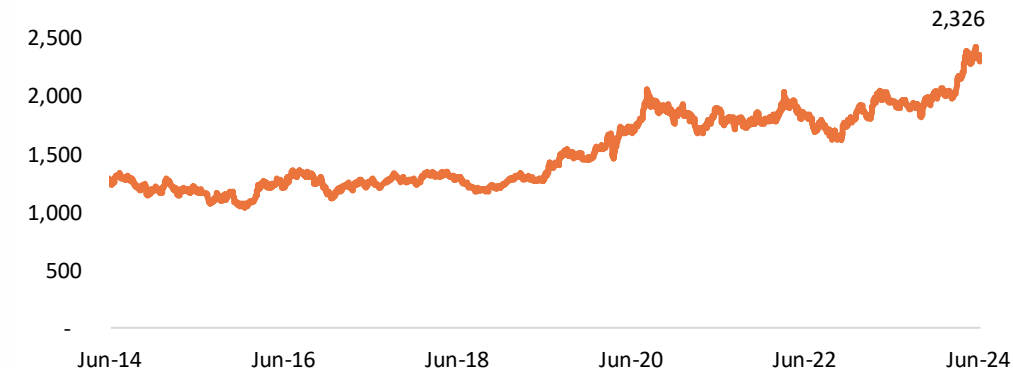
Daily copper and iron ore prices, FY2014-FY2025 (13 Jun '24)



Source: Bloomberg, NIIF Research

Gold prices elevated, remain above the USD 2,000 mark

Daily gold prices (USD per troy oz), FY2014-FY2025 (13 Jun '24)



Source: Bloomberg, NIIF Research



MONTHLY ECONOMIC REPORT ON INDIA JUN 2024

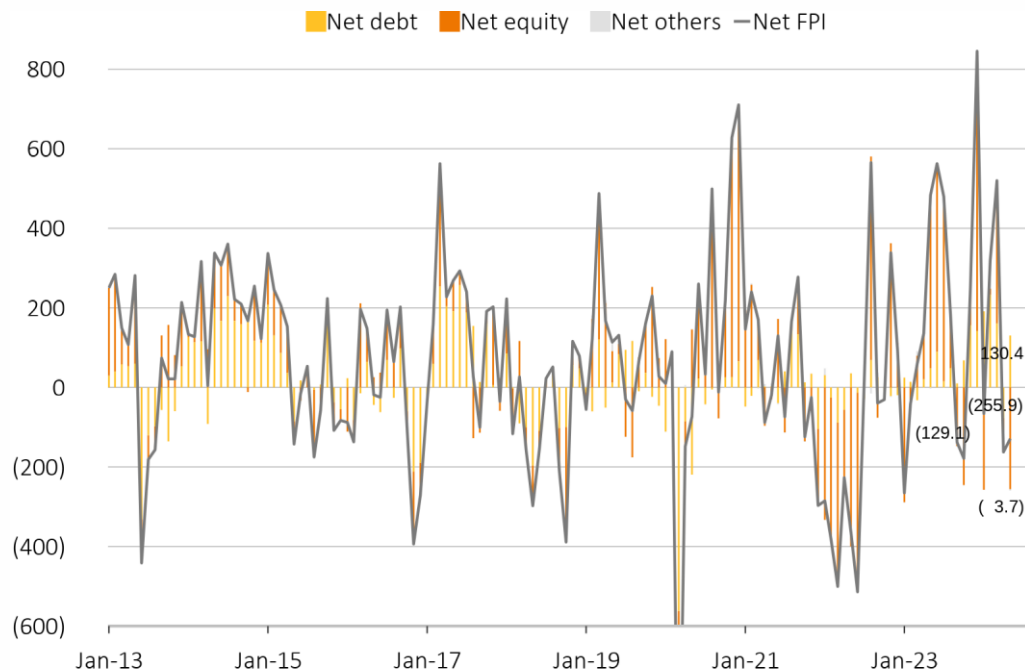
Investments

- Foreign portfolio investors remain net sellers in the Indian market recording a net outflow of ~INR 129 billion while domestic investors invested INR ~557 billion. Cumulative net foreign portfolio outflows of INR 292 billion in FYTD2025 (up to May). Domestic institutional investors stay invested to the tune of INR 999 billion in FYTD2025
- Net foreign direct investments into India slowdown in FY2024 with cumulative net inflow of USD 10.6 billion. Foreign direct investments record a net outflow of USD 4.0 billion in March. In FY2024, computer software and hardware (USD 8.0 bn), services (USD 6.6 bn), and infrastructure (USD 4.2 bn) sectors attracted the highest FDI. Singapore and Mauritius were the top two FDI investors in India at USD 11.8 billion and USD 8.0 billion, respectively
- 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 129 billion in May

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



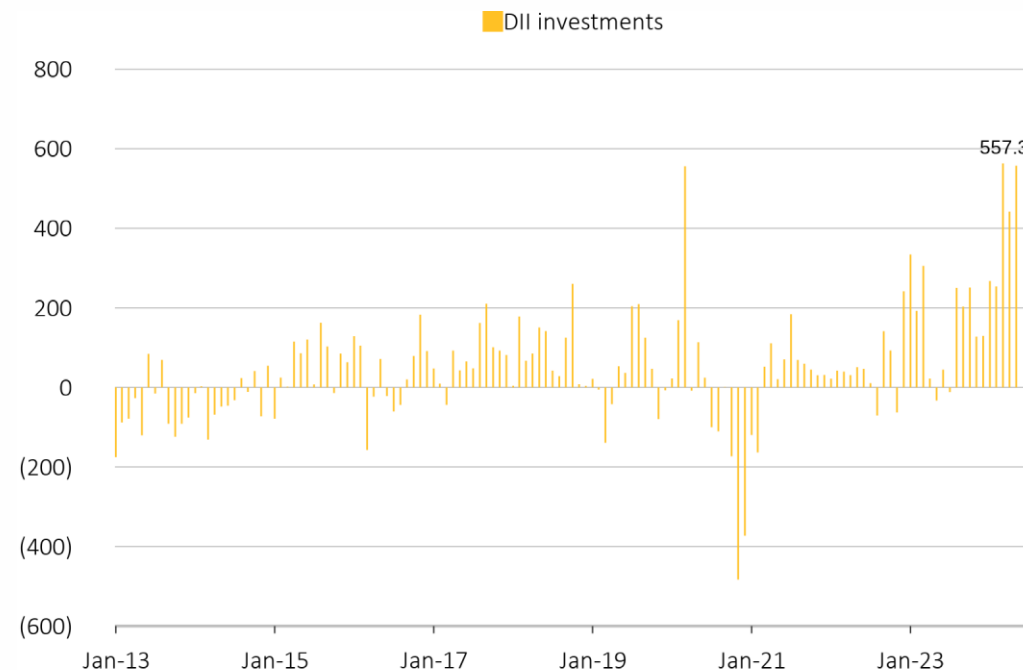
Source: Thurro, NSDL, NIIF Research

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 investments of INR 557 billion in May

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



Source: Thurro, NSE, BSE, NIIF Research

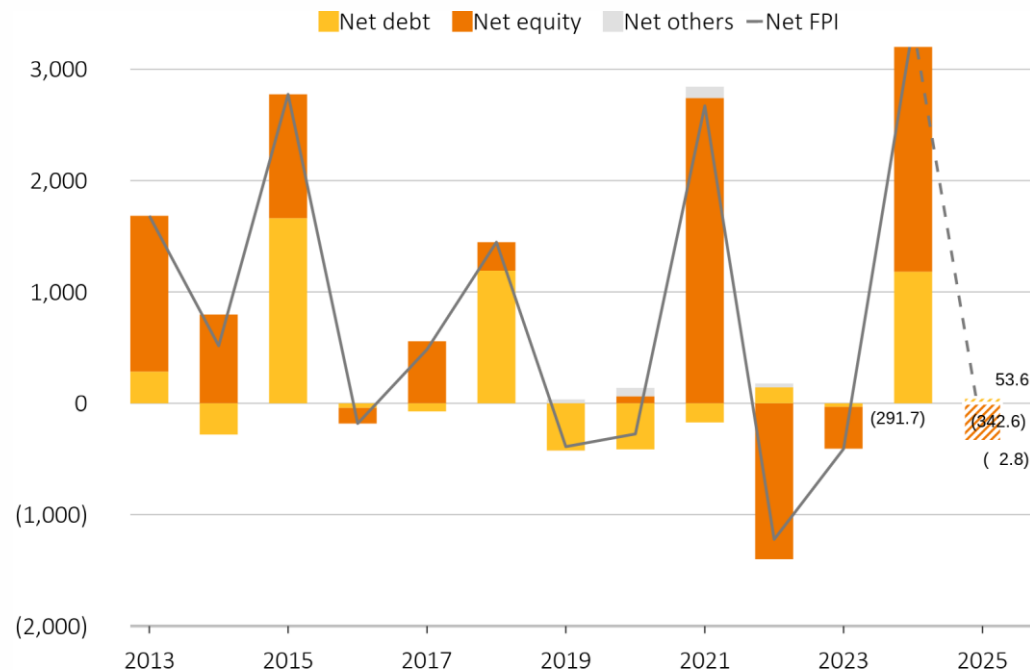
Note:

- 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 of ~INR 292 billion in FYTD2025 (up to May)

Annual net FPI investments in India (INR billion), FY2013-FY2025 (May '24)



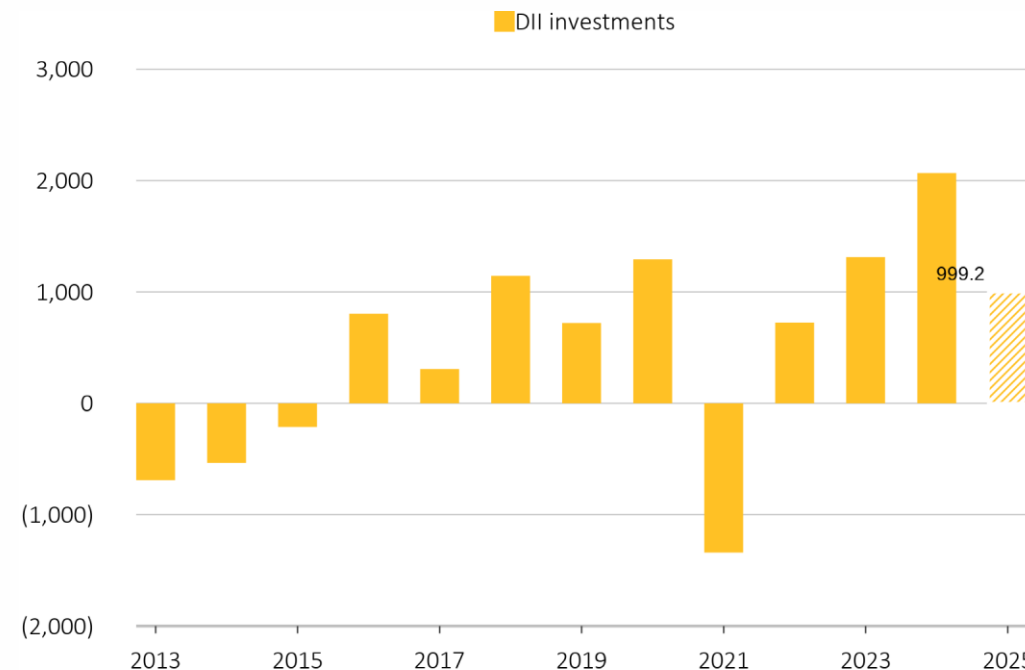
Source: Thurro, NSDL, NIIF Research

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 FYTD2025 (up to May)

Annual net DII investments in India (INR billion), FY2013-FY2025 (May '24)



Source: Thurro, NSE, BSE, NIIF Research

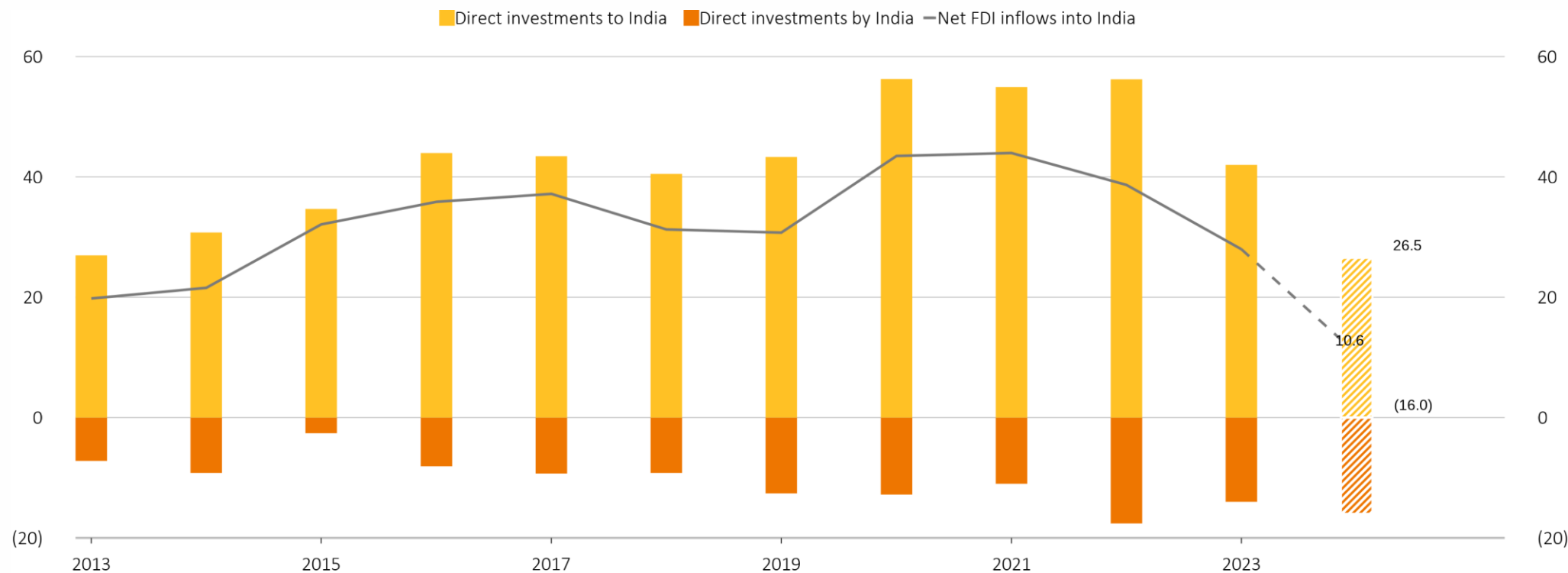
Note:

- 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 FY2024 at a decadal low of USD 10.6 billion

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



Source: Thurro, RBI, NIIF Research

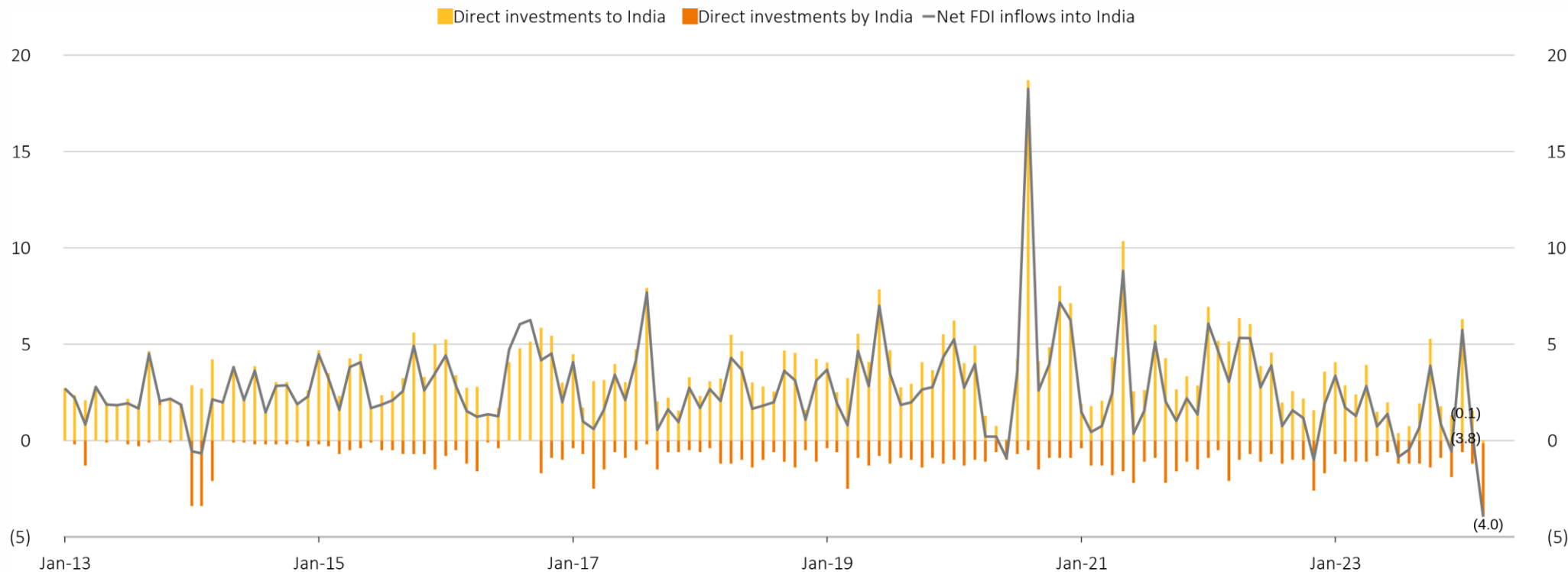
Note:

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

Flows: FDI

Net FDI outflows of USD 4.0 billion in March

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



Source: Thurro, RBI, NIIF Research

Note:

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

FDI flows

Computer software and hardware, services, and construction and infrastructure attract largest investments in FY2024

Annual gross FDI inflows by sector (USD billion), FY2014-FY2024 (Mar '24)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Sector | | | | | | | | | | | |
| Computer software and hardware | 1.1 | 2.3 | 5.9 | 3.7 | 6.2 | 6.4 | 7.7 | 26.1 | 14.5 | 9.4 | 8.0 |
| Services | 2.2 | 4.4 | 6.9 | 8.7 | 6.7 | 9.2 | 7.9 | 5.1 | 7.1 | 8.7 | 6.6 |
| Construction and infrastructure | 0.5 | 0.9 | 4.5 | 1.9 | 2.7 | 2.3 | 2.0 | 7.9 | 3.2 | 1.7 | 4.2 |
| Trading | 1.3 | 2.7 | 3.8 | 2.3 | 4.3 | 4.5 | 4.6 | 2.6 | 4.5 | 4.8 | 3.9 |
| Automobile | 1.5 | 2.7 | 2.5 | 1.6 | 2.1 | 2.6 | 2.8 | 1.6 | 7.0 | 1.9 | 1.5 |
| Drugs and pharmaceuticals | 1.3 | 1.5 | 0.8 | 0.9 | 1.0 | 0.3 | 0.5 | 1.5 | 1.4 | 2.1 | 1.1 |
| Chemicals, excl. Fertilizers | 0.9 | 0.8 | 1.5 | 1.4 | 1.3 | 2.0 | 1.1 | 0.8 | 1.0 | 1.9 | 0.8 |
| Telecommunications | 1.3 | 2.9 | 1.3 | 5.6 | 6.2 | 2.7 | 4.4 | 0.4 | 0.7 | 0.7 | 0.3 |
| FDI inflows across major sectors | 10.1 | 18.2 | 27.2 | 26.1 | 30.5 | 30.0 | 31.0 | 46.0 | 39.4 | 31.2 | 26.4 |
| Gross FDI inflows | 36.0 | 45.1 | 55.6 | 60.2 | 61.0 | 62.0 | 74.4 | 82.0 | 84.8 | 71.4 | 71.0 |

Source: Thurro, Department for Promotion of Industry and Internal Trade, NIIF Research

FDI flows

Singapore, Mauritius, USA, Netherlands account for a majority of FDI flows into India

Annual gross FDI inflows by country (USD billion), FY2014-FY2024 (Mar '24)

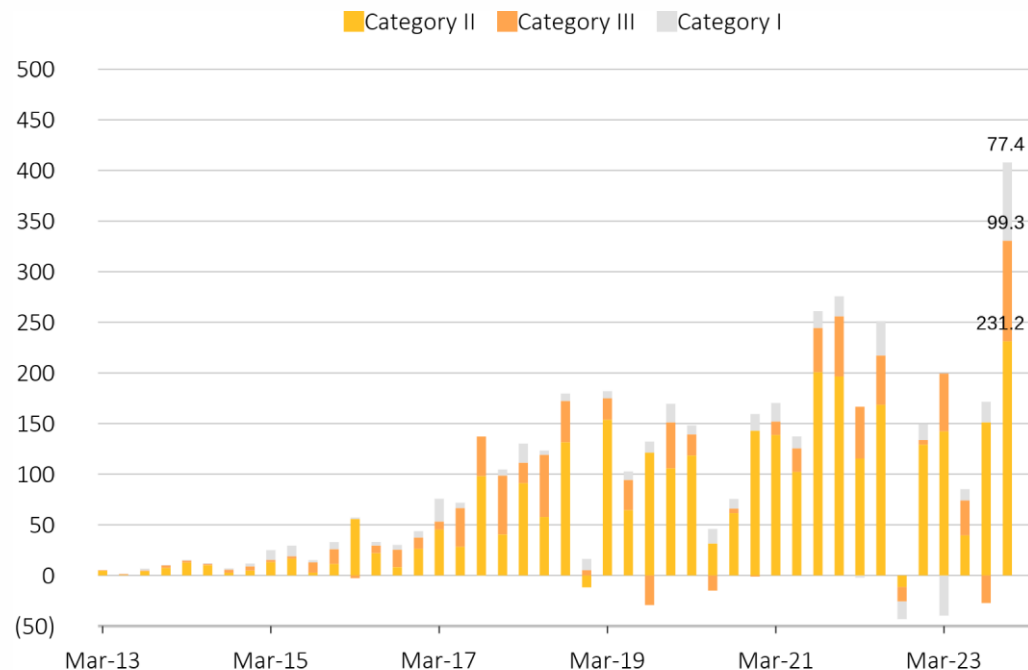
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Country | | | | | | | | | | | |
| Singapore | 6.0 | 6.7 | 13.7 | 8.7 | 12.2 | 16.2 | 14.7 | 17.4 | 15.9 | 17.2 | 11.8 |
| Mauritius | 4.9 | 9.0 | 8.4 | 15.7 | 15.9 | 8.1 | 8.2 | 5.6 | 9.4 | 6.1 | 8.0 |
| USA | 0.8 | 1.8 | 4.2 | 2.4 | 2.1 | 3.1 | 4.2 | 13.8 | 10.5 | 6.0 | 5.0 |
| Netherlands | 2.3 | 3.4 | 2.6 | 3.4 | 2.8 | 3.9 | 6.5 | 2.8 | 4.6 | 2.5 | 4.9 |
| Japan | 1.7 | 2.1 | 2.6 | 4.7 | 1.6 | 3.0 | 3.2 | 2.0 | 1.5 | 1.8 | 3.2 |
| UAE | 0.0 | 0.4 | 1.0 | 0.7 | 1.1 | 0.9 | 0.3 | 4.2 | 1.0 | 3.4 | 2.9 |
| UK | 3.2 | 1.4 | 0.9 | 1.5 | 0.8 | 1.4 | 1.4 | 2.0 | 1.6 | 1.7 | 1.2 |
| Cyprus | 0.6 | 0.6 | 0.5 | 0.6 | 0.4 | 0.3 | 0.9 | 0.4 | 0.2 | 1.3 | 0.8 |
| Germany | 1.0 | 1.1 | 1.0 | 1.1 | 1.1 | 0.9 | 0.5 | 0.7 | 0.7 | 0.5 | 0.5 |
| Cayman islands | 0.1 | 0.1 | 0.4 | 0.1 | 1.2 | 1.0 | 3.7 | 2.8 | 3.8 | 0.8 | 0.3 |
| FDI inflows from major investors | 20.6 | 26.6 | 35.3 | 38.9 | 39.2 | 38.8 | 43.6 | 51.7 | 49.2 | 41.3 | 38.6 |
| Gross FDI Inflows | 36.0 | 45.1 | 55.6 | 60.2 | 61.0 | 62.0 | 74.4 | 82.0 | 84.8 | 71.4 | 71.0 |

Source: Thurro, Department for Promotion of Industry and Internal Trade, NIIF Research

Alternative Investments

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

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



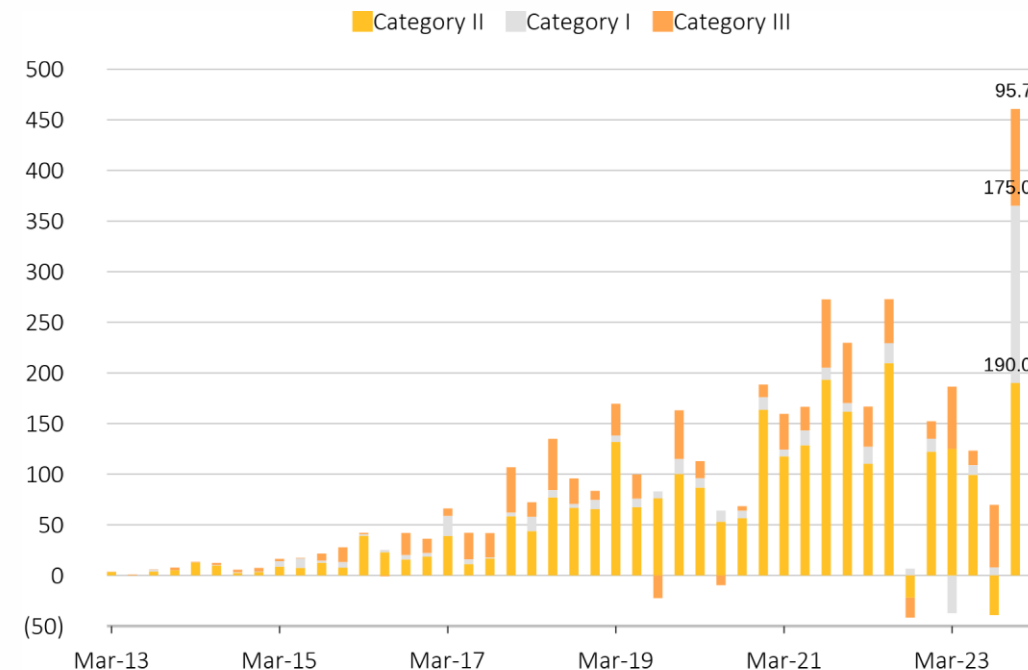
Source: Thurro, SEBI, NIIF Research

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

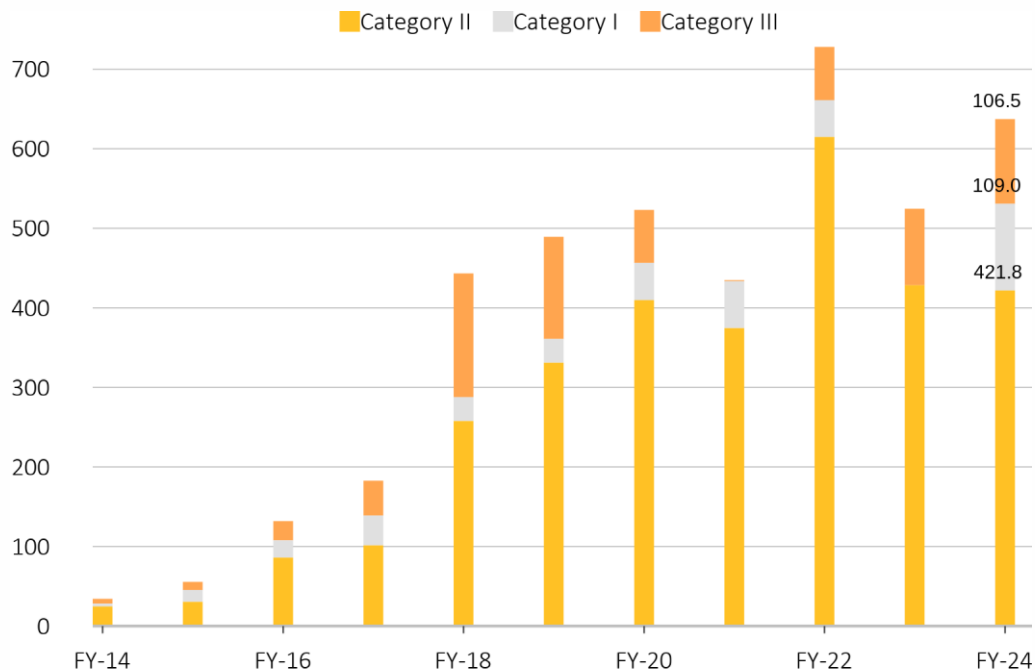
Note:

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)



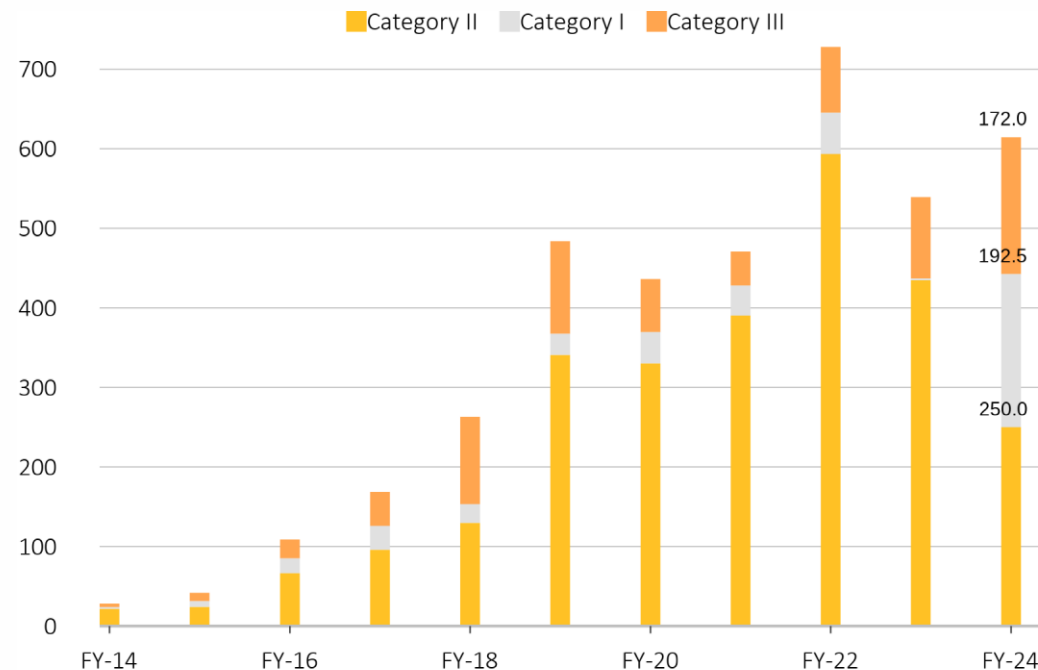
Source: Thurro, SEBI, NIIF Research

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 JUN 2024

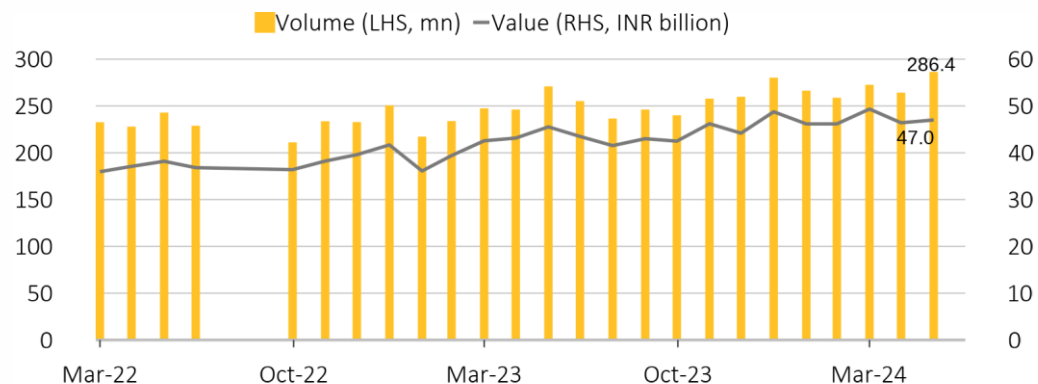
Infrastructure

- Fastag toll collection surges to ~INR 59 billion in May. Road toll collected, as per IHMCL, picks up to INR ~47 billion. Truck freight rates stabilize around INR 54 per 15 tons per km in FY2024. Shipping costs are higher for container and bulk dry freight. Moderate growth in ports cargo and rail freight traffic in May of 3.8% yoy and 3.7% respectively
- Steady growth in the aviation sector across passenger and cargo segments – monthly domestic air passengers stable at ~14 mn in May; growth in air cargo volume of ~5% yoy in April
- Electricity generation at an all-time high in May at ~170 billion kWh, up ~15% yoy. Peak power demand deficit picks up sequentially to 1.0% in May leading to a slight rise in traded power tariffs. Renewable's share in total energy generation stable at ~12% in April
- Polysilicon prices at a 14+ year low of ~USD 4 per kg in May, while silver prices at a decadal high to USD 30 per troy oz

Roads

Toll road collection picks up in May to ~INR 47 billion; 286 mn swipes

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

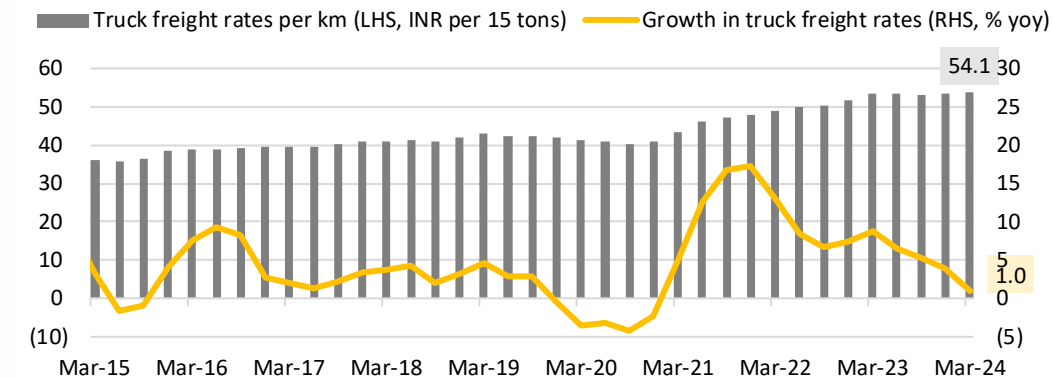


Source: Thurro, IHMCL, NIIF Research

Note: Data for July and August 2022 not published by IHMCL

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)

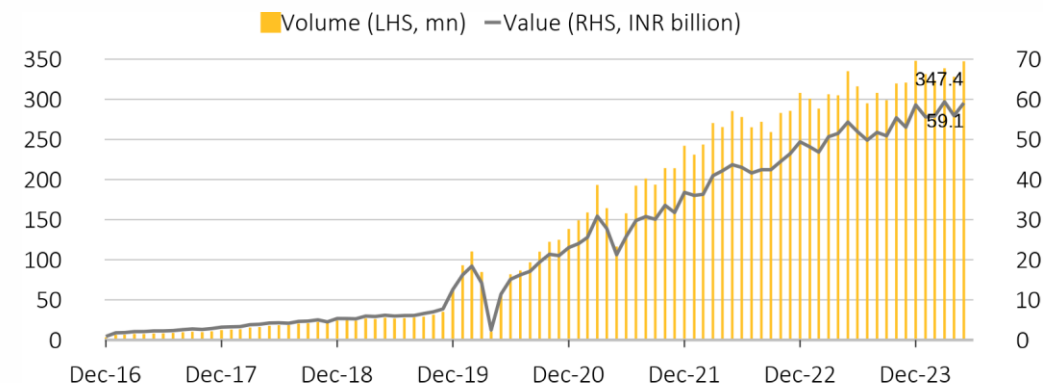


Source: CMIE, NIIF Research

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 surges to ~INR 59 billion in May; ~347 mn swipes

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

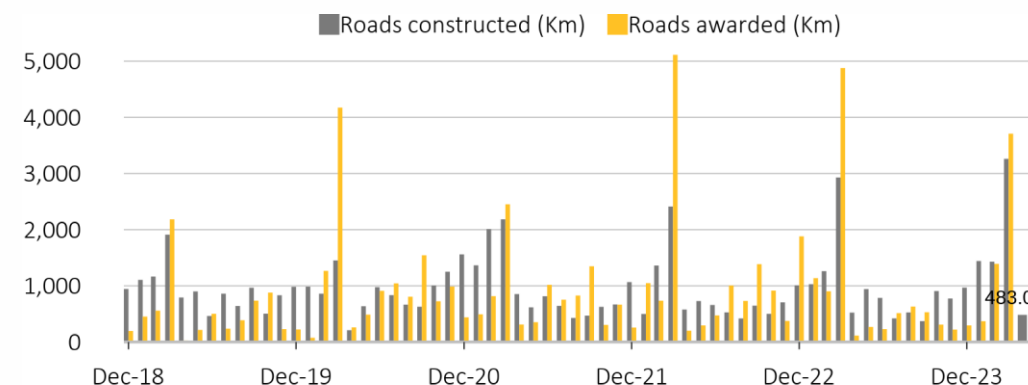


Source: Thurro, RBI, NIIF Research

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

Roads constructed and awarded stable in April

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

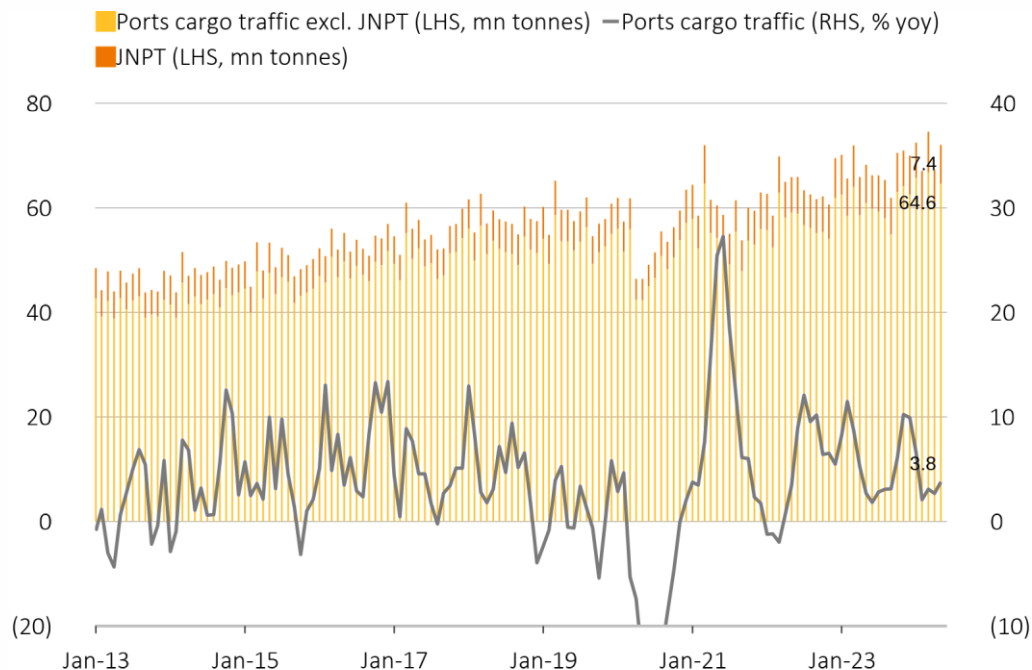


Source: Thurro, MoRTH, NIIF Research

Ports

Ports cargo traffic growth of 3.8% in May

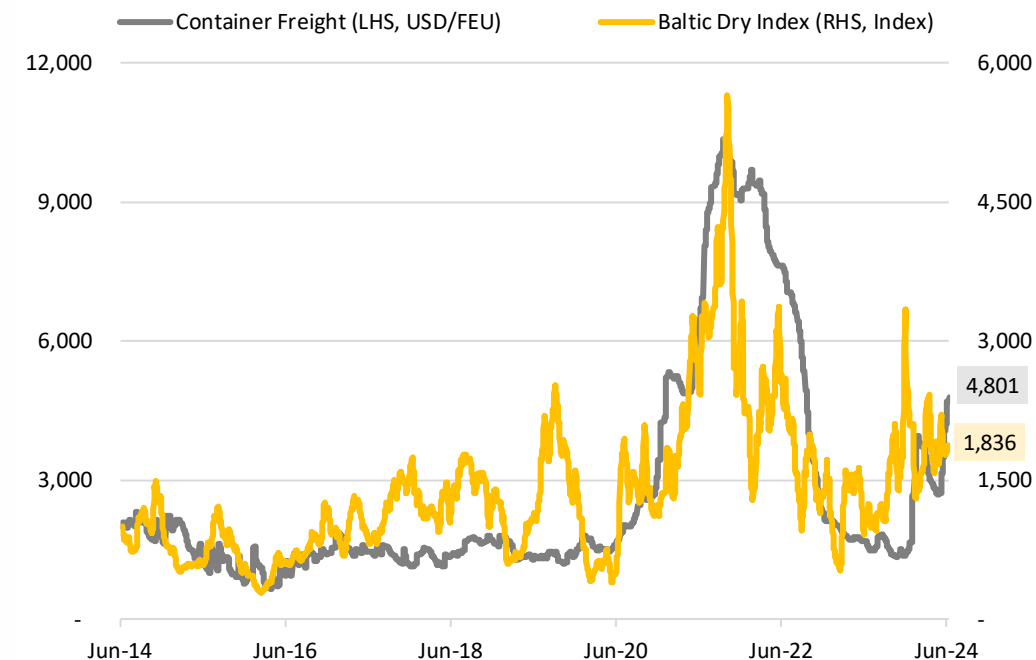
Monthly cargo traffic at major ports, FY2013-FY2025 (May '24)



Source: Thurro, Indian Ports Association, NIIF Research

Container freight rates rising again; bulk dry goods index remains elevated

Daily shipping freight indices, FY2012-FY2025 (13 Jun 2024)



Source: Bloomberg, NIIF Research

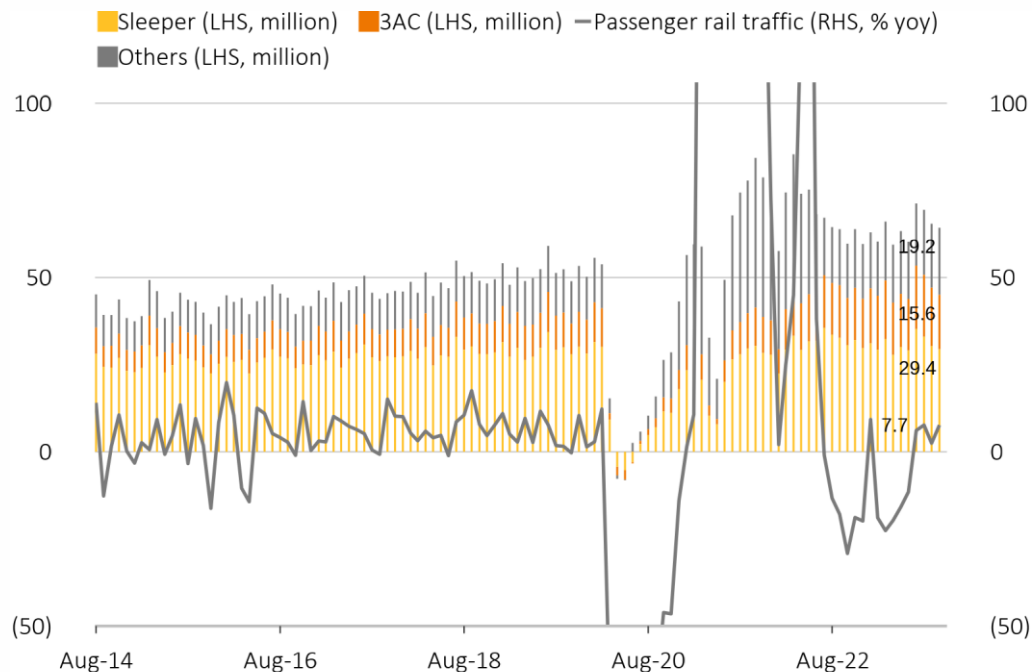
Note:

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)



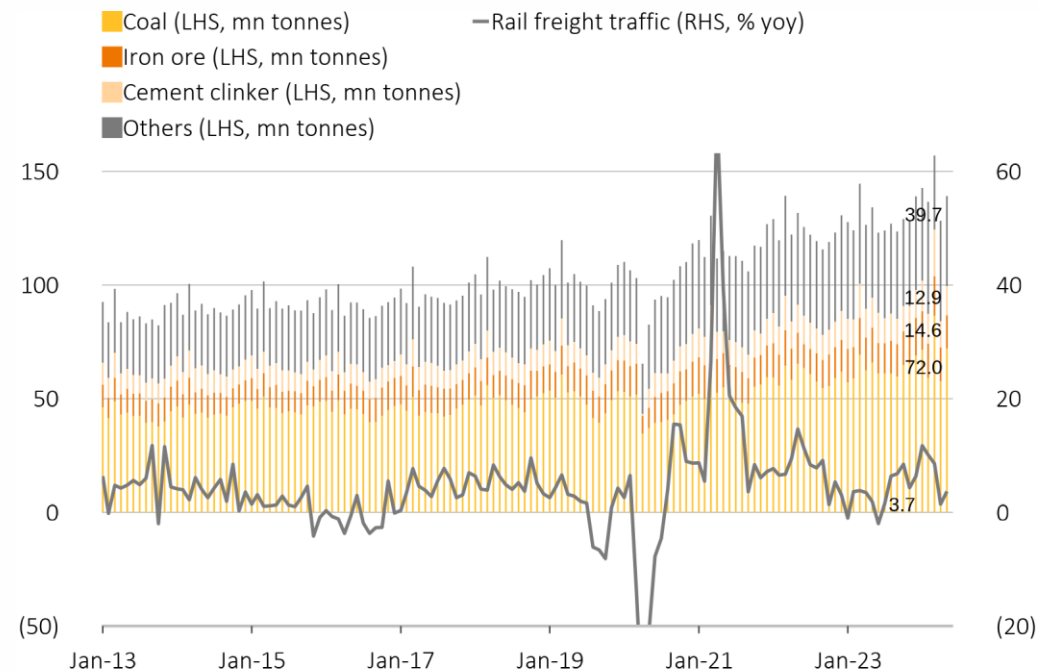
Source: Thurro, IRCTC, NIIF Research

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

Rail freight growth of ~4% yoy in May

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



Source: Thurro, Indian Railways, news articles, NIIF Research

Railways

Growth in coal freight drives overall rail freight traffic in May

Monthly commodity-wise railway freight (mn tonnes), May '23 – May '24

| | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Growth (% yoy) |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Coal | 66.0 | 61.1 | 61.1 | 61.0 | 59.7 | 64.8 | 65.5 | 69.0 | 71.5 | 59.1 | 86.5 | 57.6 | 72.0 | 9.2 |
| Iron ore | 15.2 | 13.3 | 13.3 | 14.5 | 14.3 | 14.8 | 15.0 | 16.5 | 17.0 | 15.1 | 17.3 | 14.9 | 14.6 | (4.0) |
| Cement and clinker | 13.2 | 13.3 | 11.0 | 12.0 | 11.2 | 11.1 | 10.2 | 12.3 | 13.4 | 13.0 | 20.6 | 11.5 | 12.9 | (2.7) |
| Container service | 6.8 | 6.0 | 7.2 | 7.7 | 7.3 | 7.2 | 6.9 | 7.7 | 7.0 | 7.0 | -- | 6.6 | -- | -- |
| Fertilizers | 4.9 | 4.7 | 5.5 | 5.2 | 4.2 | 5.7 | 6.0 | 5.8 | 5.3 | 4.0 | -- | 4.0 | -- | -- |
| Foodgrains | 4.9 | 3.6 | 3.6 | 4.0 | 4.6 | 3.6 | 3.8 | 4.3 | 4.5 | 5.1 | 4.0 | 3.9 | -- | -- |
| Mineral oil | 4.3 | 4.1 | 4.1 | 4.1 | 4.0 | 4.4 | 4.2 | 4.3 | 4.3 | 4.1 | -- | 4.2 | -- | -- |
| Pig iron and finished steel | 5.7 | 5.4 | 5.7 | 5.9 | 5.8 | 5.7 | 5.3 | 6.0 | 6.1 | 5.7 | -- | 5.2 | -- | -- |
| Raw material for steel plants (except iron ore) | 2.2 | 2.2 | 2.5 | 2.4 | 2.4 | 3.2 | -- | -- | -- | -- | -- | -- | -- | -- |
| Others | 11.0 | 9.4 | 10.1 | 10.4 | 10.1 | 8.6 | 8.6 | 9.8 | 10.2 | 10.7 | 6.6 | 9.5 | -- | -- |
| Total | 134.2 | 123.0 | 124.0 | 127.0 | 123.6 | 129.0 | 128.4 | 139.0 | 142.7 | 136.6 | 157.0 | 128.3 | 139.2 | 3.7 |

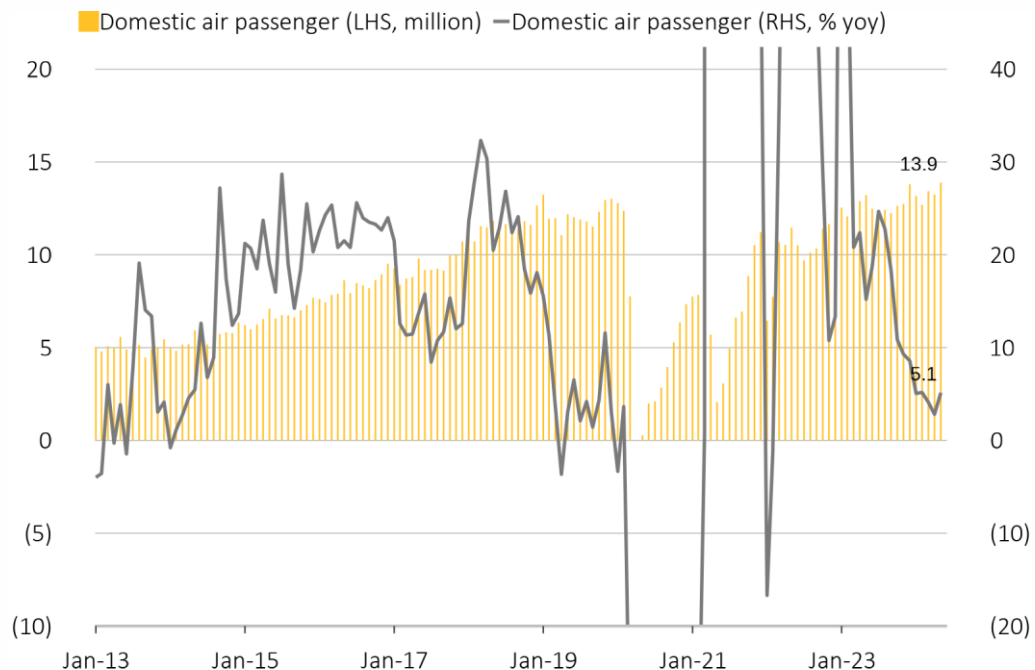
Source: Thurro, Indian Railways, NIIF Research

Note: Data for rail freight commodities such as container service, fertilizers, etc. not available for March and May

Aviation

Monthly domestic air passenger traffic stabilizes at ~14 mn pax

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



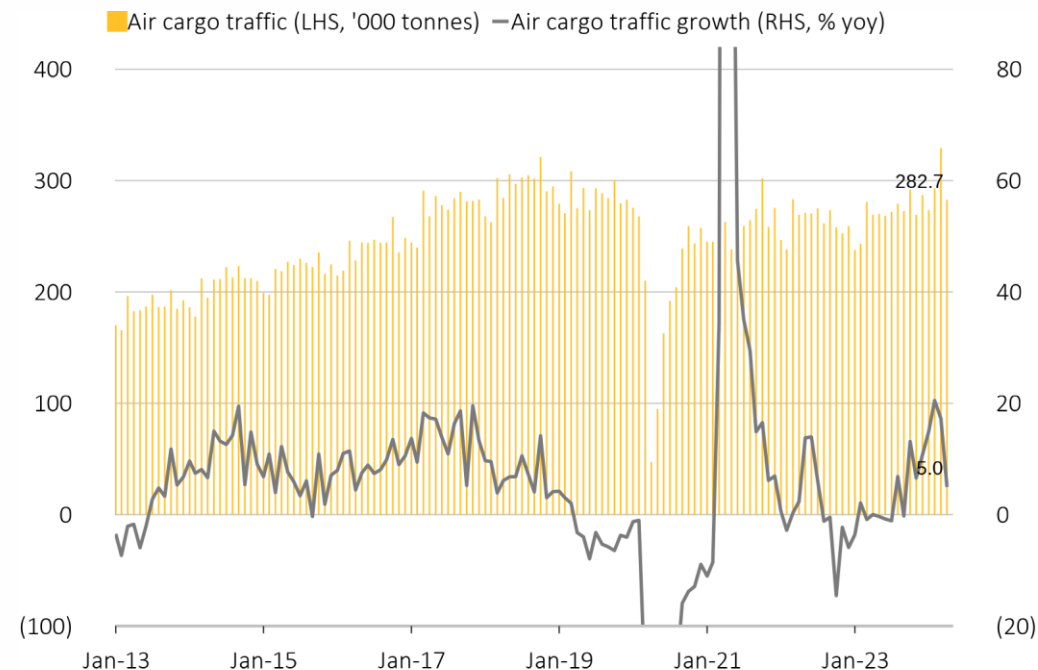
Source: Thurro, DGCA, Ministry of Civil Aviation, NIIF Research

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.

Growth in air cargo volume up by ~5% yoy in April

Monthly air cargo traffic, FY2013-FY2025 (Apr '24)



Source: Thurro, AAI, NIIF Research

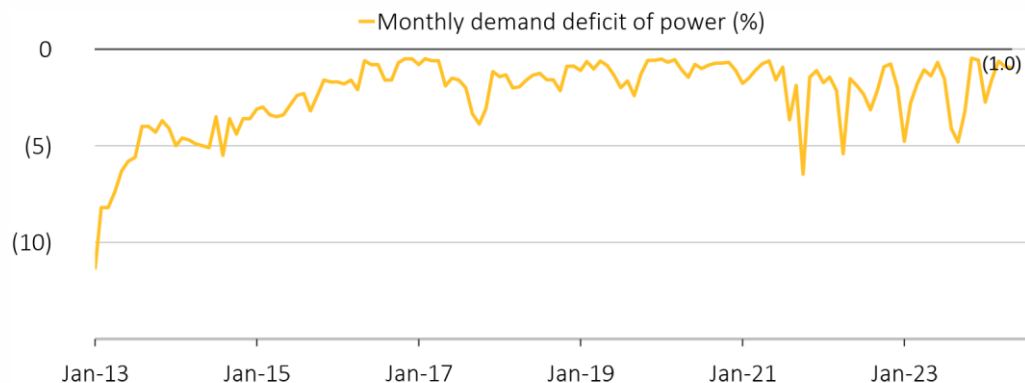
Note:

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 at 1.0% in May

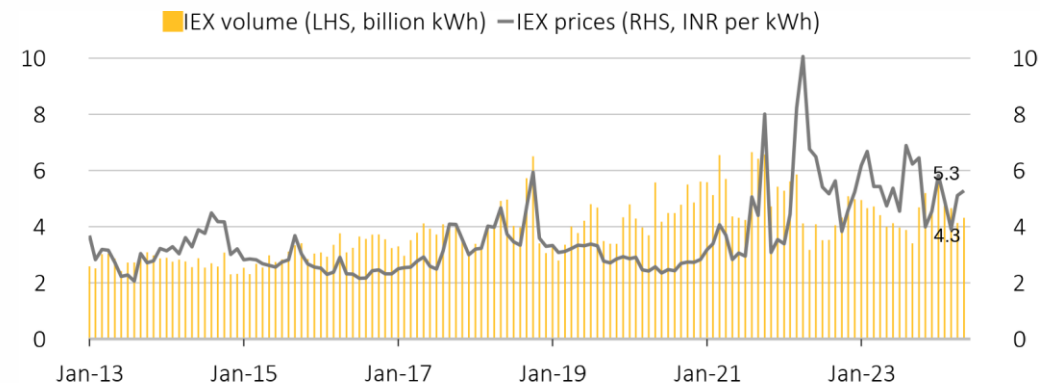
Monthly peak demand deficit of power (%), FY2013-FY2025 (May '24)



Source: Thurro, POSOCO, NIIF Research

Traded power tariffs rise to INR 5.3 per kWh in May

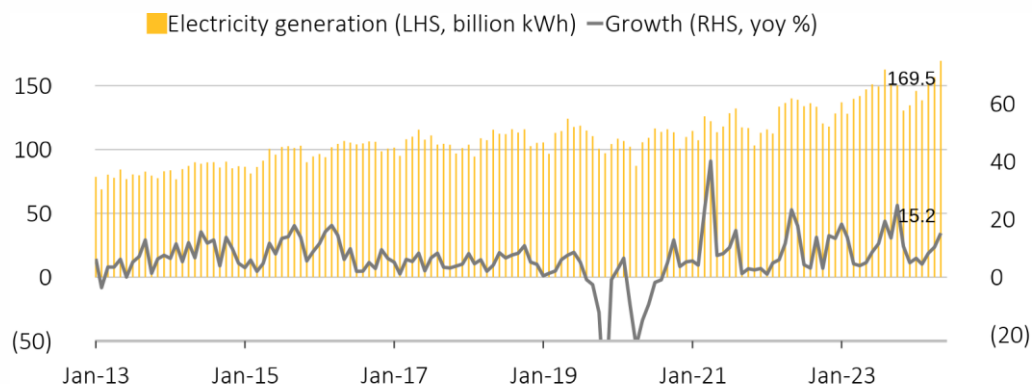
Monthly clearance prices on IEX DAM (INR/kWh), FY2013-FY2025 (May '24)



Source: Thurro, IEX, NIIF Research

Electricity generation at an all-time high in May at ~170 billion kWh

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

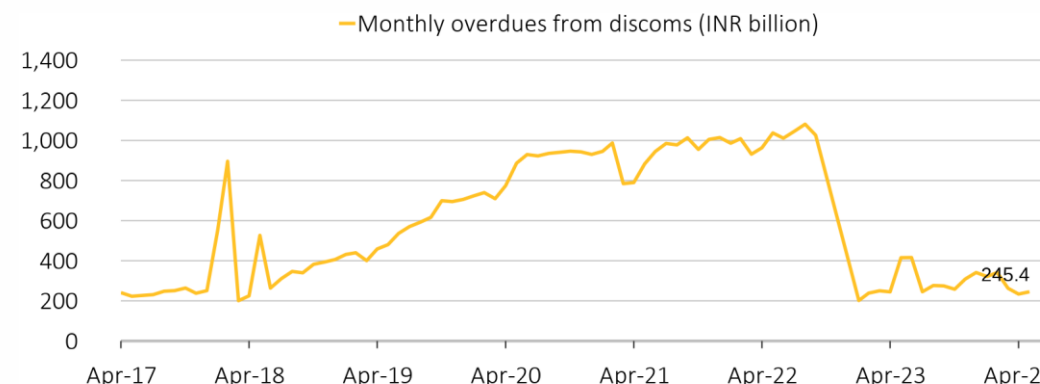


Source: Thurro, POSOCO, NIIF Research

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 245 bn in May

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

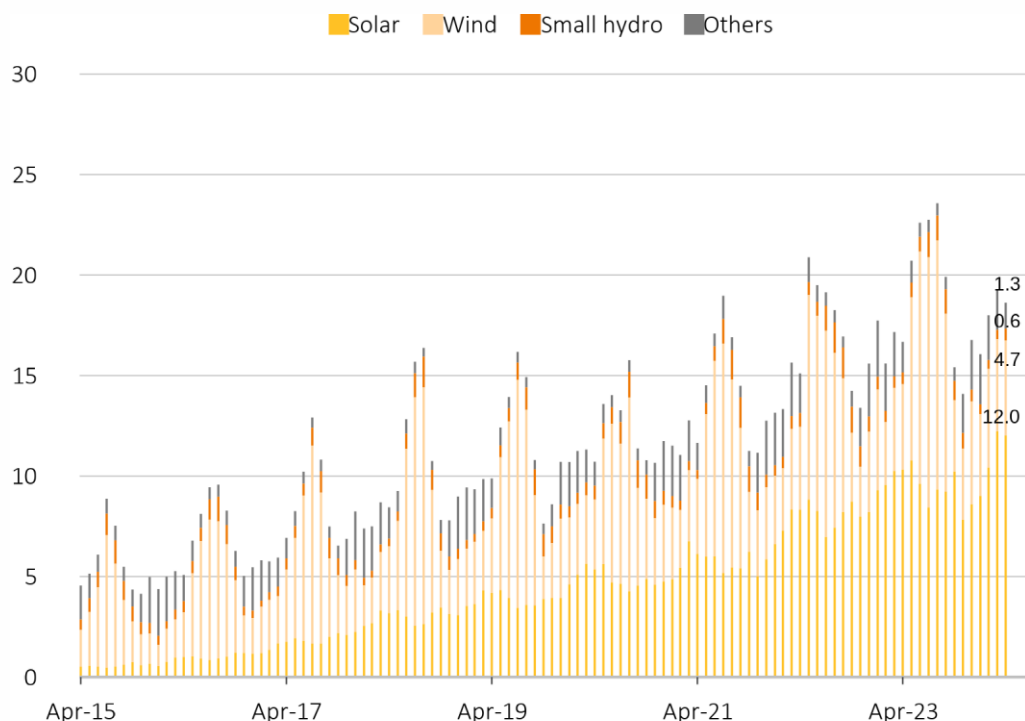


Source: Thurro, PRAAPTI, NIIF Research

Renewables

Solar and wind drives renewable energy generation in April

Monthly generation from renewables (billion kWh), FY2016-FY2025 (Apr '24)



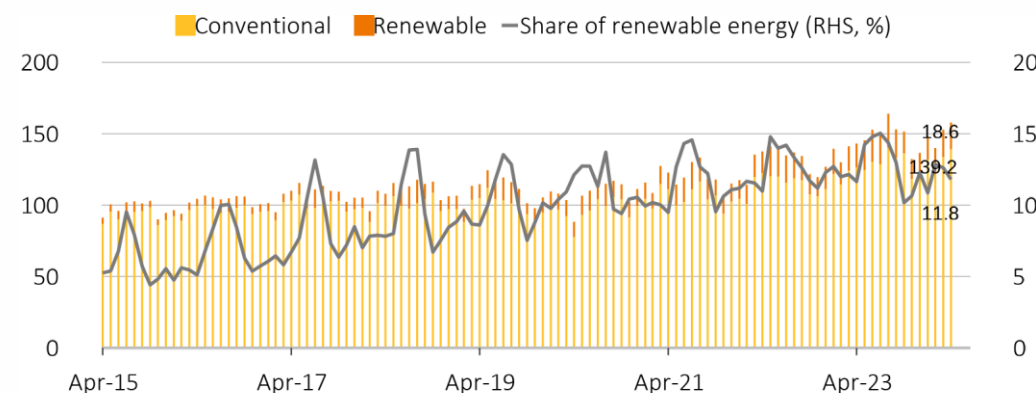
Source: Thurro, CEA, NIIF Research

Note:

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

Share of renewables in total energy generation stable at ~12% in April

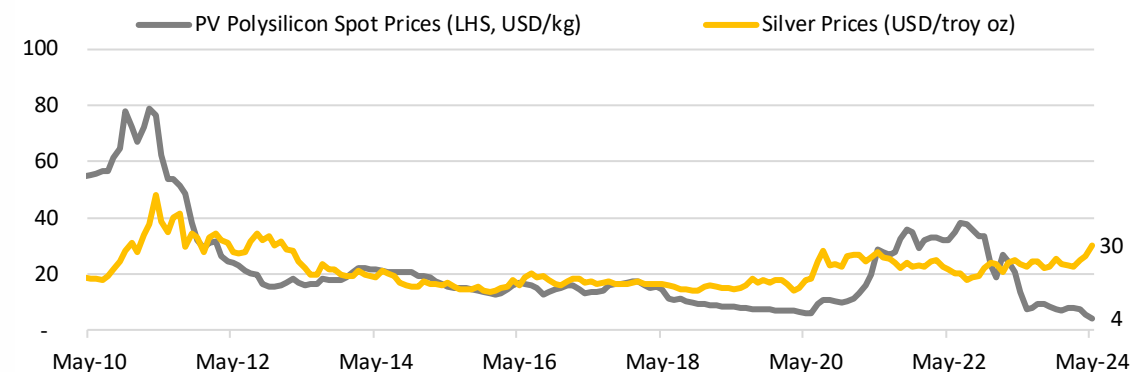
Monthly generation from energy sources (billion kWh), FY2016-FY2025 (Apr '24)



Source: Thurro, POSOCO, CEA, NIIF Research

Polysilicon prices at a 14+ year low, silver prices at a decadal high in May

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



Source: Bloomberg, NIIF Research



MONTHLY ECONOMIC REPORT ON INDIA JUN 2024

Global

- RBI revises its FY2025 real GDP growth projection to 7.2%, from 7.0%. The International Monetary Fund (IMF) forecasts a 6.8% growth in FY2025, and a constant 6.5% p.a. growth thereafter till FY2030. Median estimate of real growth by key agencies is at ~6.8% for FY2025. India remains a consistent outlier in terms of growth over the last few quarters - India's GDP grew by 7.8%, China records a stable 5.3% growth and US 2.9% in Q1CY24
- Business optimism in India sustains at high levels in May with composite Purchasing Managers' Index (PMI) at 60.5. PMI of other major countries seeing an uptick, remaining between 50-55 (above 50 indicates expansion); France sees a contraction at 48.9
- Consumer inflation softens across major economies in May. Indian equity markets generate average returns of ~20% in May, higher than the global average of ~14% over the last twelve months

Global economy

IMF estimates growth at 6.5% p.a. between FY2026 and FY2030

IMF nominal GDP (USD trillion) and real GDP growth projections (%), FY2024 to FY2030

| | Nominal GDP (USD trillion) | | Real GDP growth (% yoy) | | |
|--|----------------------------|--------------|-------------------------|------------|------------|
| | Actual | Projection | Actual | Projection | |
| | 2023 | 2025 | 2023 | 2024 | 2029 |
| World | 104.8 | 114.8 | 3.2 | 3.2 | 3.1 |
| Advanced Economies | 61.4 | 66.4 | 1.6 | 1.7 | 1.7 |
| United States | 27.4 | 29.8 | 2.5 | 2.7 | 2.1 |
| Euro Area | 15.5 | 16.6 | 0.4 | 0.8 | 1.2 |
| Germany | 4.5 | 4.8 | (0.3) | 0.2 | 0.7 |
| Japan | 4.2 | 4.3 | 1.9 | 0.9 | 0.4 |
| United Kingdom | 3.3 | 3.7 | 0.1 | 0.5 | 1.4 |
| Canada | 2.1 | 2.4 | 1.1 | 1.2 | 1.7 |
| Emerging markets and developing economies | 43.4 | 48.5 | 4.3 | 4.2 | 3.9 |
| China | 17.7 | 19.8 | 5.2 | 4.6 | 3.3 |
| India | 3.6 | 4.3 | 7.8 | 6.8 | 6.5 |
| Russia | 2.0 | 2.1 | 3.6 | 3.2 | 1.3 |
| Brazil | 2.2 | 2.4 | 2.9 | 2.2 | 2.0 |
| South Africa | 0.4 | 0.4 | 0.6 | 0.9 | 1.4 |

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

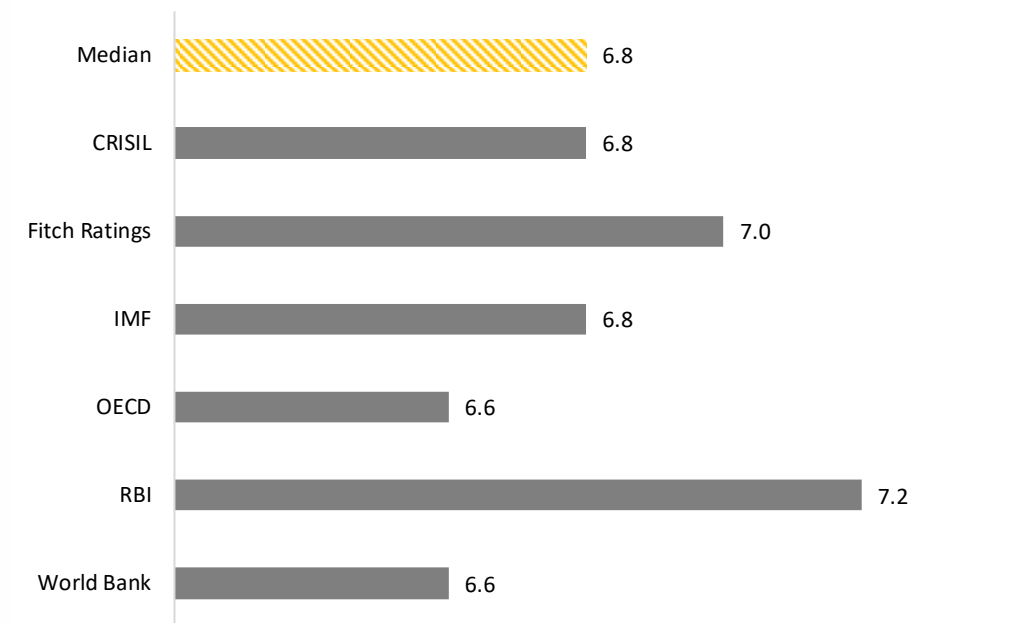
Note:

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. Actual GDP growth in India in FY2024 was 8.2%
3. FY stands for financial year with the period starting Apr 1 and ending on Mar 31

Growth

Median real GDP growth in FY2025 estimated at 6.8%; RBI projects 7.2%

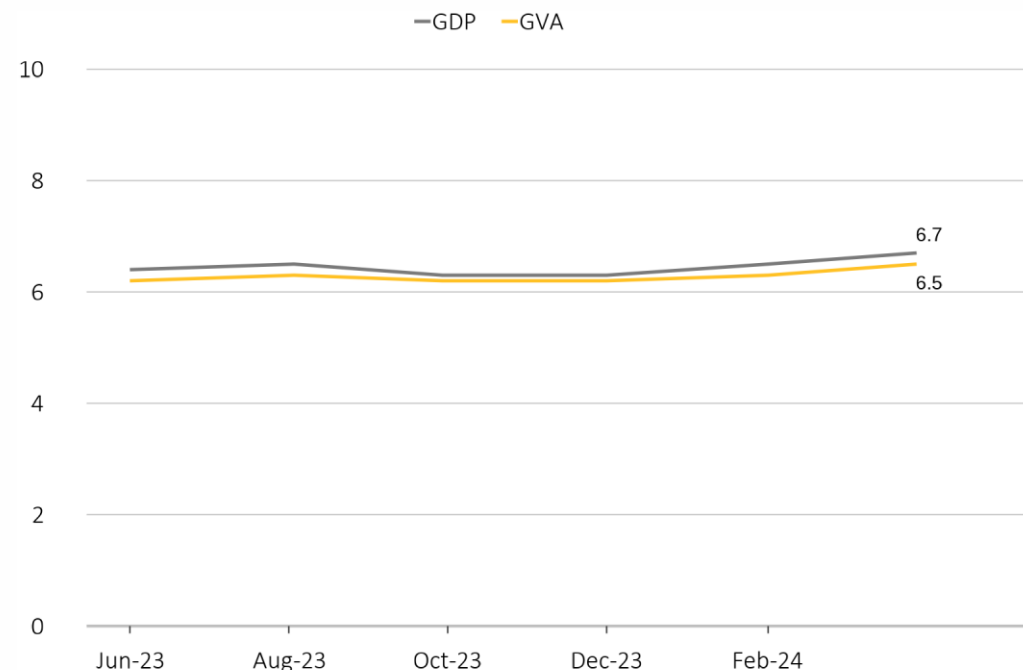
Projections for real GDP growth in FY2025 (% yoy), Mar '24 to Jun '24



Source: CMIE, NIIF Research

RBI's April survey projects a 6.7% growth in FY2025

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



Source: Thurro, RBI, NIIF Research

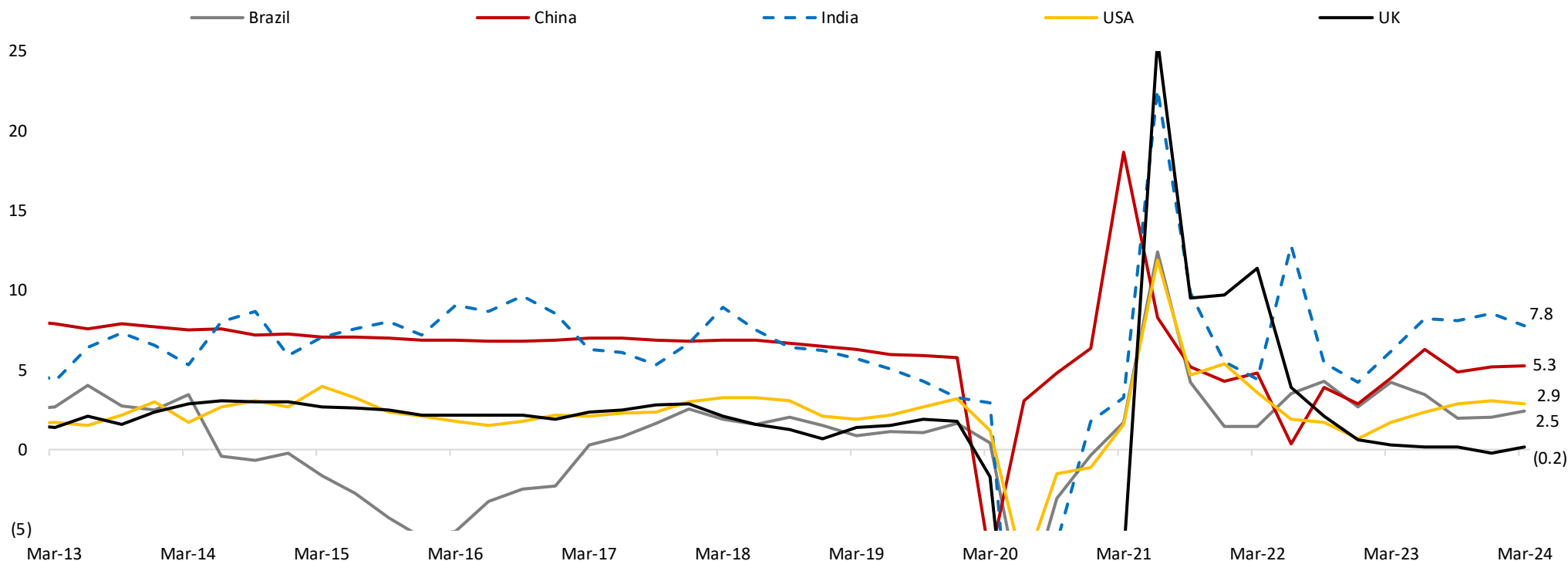
Note:

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 grew by 7.8% in Q1CY24, China records a stable 5.3% growth and US 2.9% in Q1CY24

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



Source: Bloomberg, NIIF Research

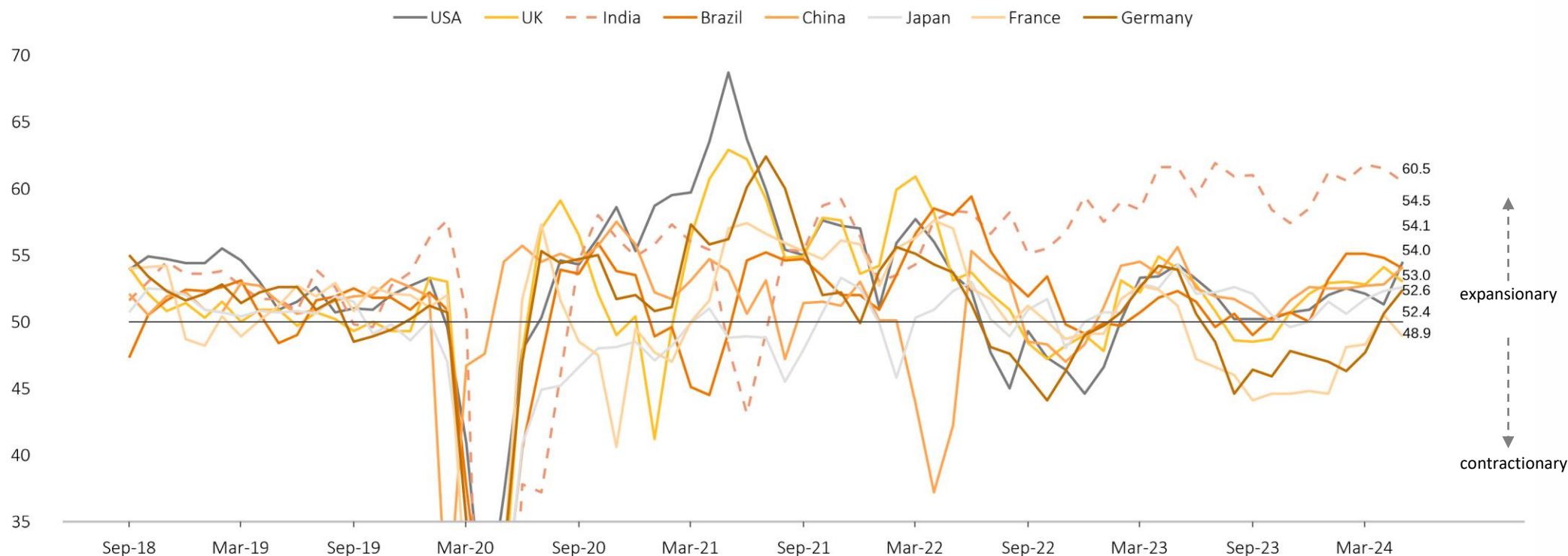
Note:

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

Purchasing managers' index: Global

India's composite PMI remains high at 60.5 in May; economic activity picks up in other economies

Monthly PMI composite indices across major economies, FY2019-FY2025 (May '24)



Source: Thurro, S&P, NIIF Research

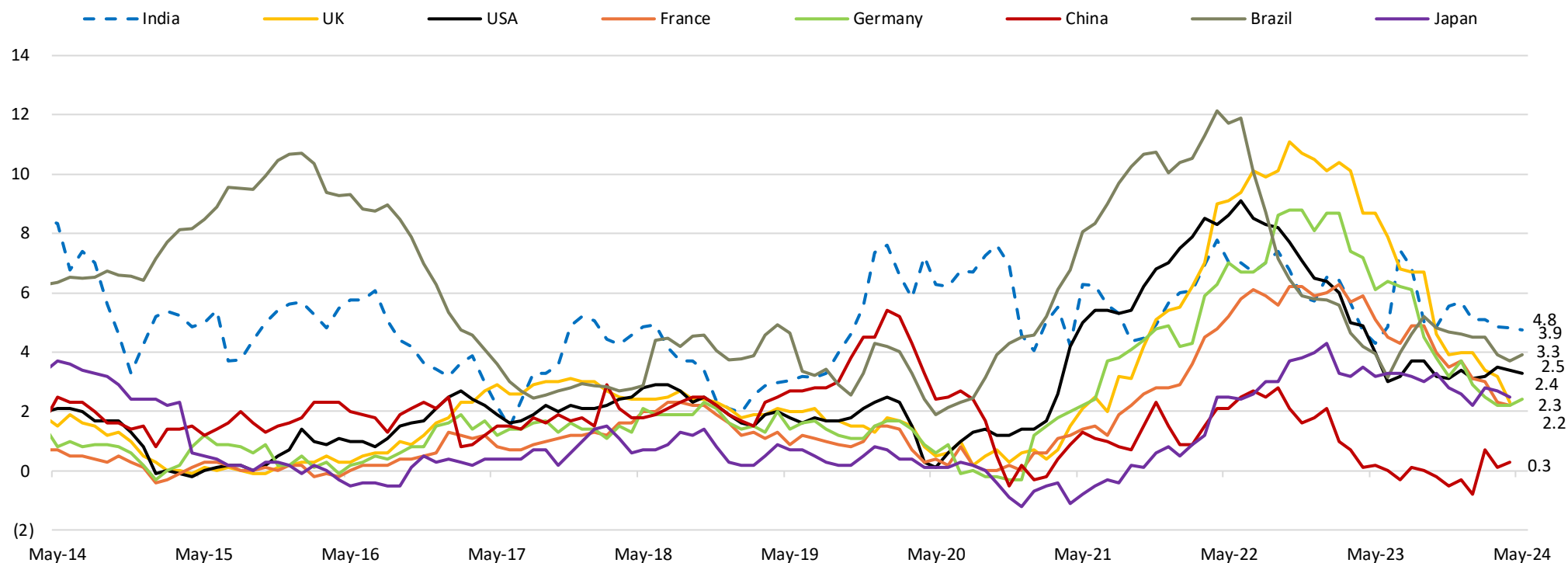
Note:

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

Inflationary pressure eases across India, US, UK, Japan, and France

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



Source: Bloomberg, NIIF Research

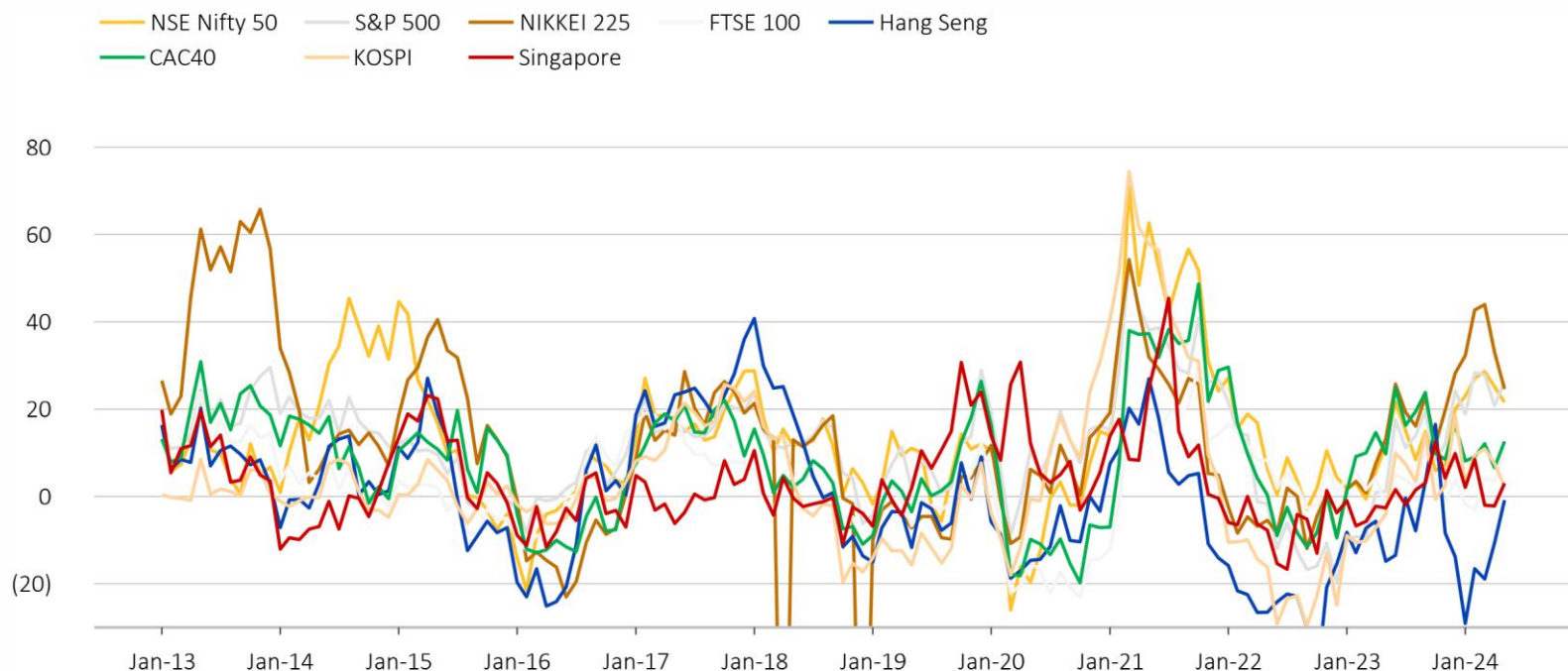
Note:

1. Data for India, USA, Germany, and Brazil is till May 2024, for others up to April

Equity markets: global

Global equity markets generate average returns of ~14% while average Indian market generate ~20% over the last year

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



Returns as on May 31, 2024 (% yoy)

| | |
|--------------|-------|
| S&P 500 | 26.3 |
| NIKKEI 225 | 24.6 |
| NSE Nifty 50 | 21.6 |
| BSE Sensex | 18.1 |
| Dow Jones | 17.6 |
| CAC40 | 12.6 |
| FTSE 100 | 11.1 |
| Singapore | 3.0 |
| KOSPI | 2.3 |
| Hang Seng | (0.9) |

Source: Thurro, BSE, NIIF Research

Note:

1. Return is calculated as on month end



Annexures

MONTHLY ECONOMIC REPORT ON INDIA JUN 2024

High Frequency Indicators (1/2)

Supply side indicators remain robust; rail freight and ports freight traffic growth moderates in April and May respectively

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

| | Units | 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 | May-24 |
|--------------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fiscal | | | | | | | | | | | | | | | |
| Central government expenditure | % yoy | 10.7 | 3.5 | 17.3 | 84.6 | 10.6 | 3.2 | (14.0) | (13.8) | 7.1 | (14.0) | 20.4 | (0.6) | 39.3 | |
| Gross tax revenue | % yoy | (6.1) | 4.4 | 11.3 | 1.5 | 95.2 | 15.9 | (1.2) | 21.3 | 12.9 | 16.5 | (0.5) | 13.5 | 16.9 | |
| GST collection | % yoy | 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 | 10.0 |
| Industry | | | | | | | | | | | | | | | |
| Index of industrial production | % yoy | 4.6 | 5.7 | 4.0 | 6.2 | 10.9 | 6.4 | 11.9 | 2.5 | 4.4 | 4.2 | 5.6 | 5.4 | 5.0 | |
| Index of eight core industries | % yoy | 4.6 | 5.2 | 8.3 | 8.6 | 13.4 | 9.5 | 12.7 | 7.9 | 5.1 | 4.2 | 7.1 | 6.0 | 6.2 | |
| Electricity generation | % yoy | 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 | 15.2 |
| Steel production | % yoy | 6.7 | 6.1 | 7.8 | 15.6 | 12.8 | 16.7 | 11.6 | 11.6 | 15.2 | 17.1 | 19.1 | 12.1 | 13.4 | |
| Cement production | % yoy | 11.5 | 15.5 | 9.7 | 5.7 | 19.3 | 5.1 | 17.3 | (3.2) | 1.7 | 5.6 | 10.3 | 11.2 | 1.4 | |
| Coal production | % yoy | 9.0 | 7.0 | 9.8 | 14.9 | 17.8 | 15.9 | 18.6 | 11.0 | 10.7 | 10.3 | 11.8 | 8.2 | 7.4 | 10.2 |
| Wholesale price index | % yoy | (0.8) | (3.6) | (4.2) | (1.2) | (0.5) | (0.1) | (0.3) | 0.4 | 0.9 | 0.3 | 0.2 | 0.3 | 1.3 | 2.6 |
| Logistics | | | | | | | | | | | | | | | |
| Rail freight | % yoy | 3.5 | 1.9 | (2.0) | 1.5 | 6.4 | 6.8 | 8.5 | 4.3 | 6.4 | 11.7 | 10.1 | 8.6 | 1.4 | 3.7 |
| Port cargo | % yoy | 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 | 3.8 |
| Air cargo | % yoy | 0.0 | (0.3) | (0.8) | (1.1) | 6.9 | (0.3) | 13.2 | 6.6 | 10.8 | 15.0 | 20.5 | 17.3 | 5.0 | |
| E-way bills (volume) | % yoy | 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 | (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 | (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 | (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 | (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 | 7.5 | 7.7 | 3.5 | 8.1 | 8.4 | (2.7) | 10.8 | 4.3 | 1.3 | 10.8 | 3.5 | (1.4) | 17.4 | |
| Services imports | % yoy | (3.1) | 2.0 | (3.4) | (2.2) | (0.8) | (10.3) | (0.4) | (11.1) | (1.2) | 0.1 | 1.8 | (2.1) | 22.1 | |

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 (2/2)

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

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

| | Units | 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 | May-24 |
|---------------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Energy | | | | | | | | | | | | | | | |
| Electricity demand | % yoy | (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 | 11.6 |
| Petrol consumption | % yoy | 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 | 2.4 |
| Automobile registrations | | | | | | | | | | | | | | | |
| Passenger vehicles | % yoy | (0.6) | 5.2 | 5.0 | 3.3 | 5.0 | 17.9 | (2.1) | 19.5 | 2.5 | 12.3 | 10.7 | (6.0) | 19.9 | (1.8) |
| Three-wheeler | % yoy | 63.3 | 85.5 | 80.0 | 77.5 | 69.0 | 51.0 | 53.1 | 29.2 | 42.9 | 41.5 | 24.7 | 17.6 | 11.1 | 20.6 |
| Two-wheeler | % yoy | (5.1) | 11.5 | 8.1 | 8.8 | 7.0 | 22.5 | (11.8) | 21.7 | 28.0 | 15.4 | 13.7 | 5.7 | 34.3 | 2.5 |
| Commercial vehicles | % yoy | (0.6) | 3.2 | (3.8) | (1.7) | 1.9 | 1.7 | 9.0 | (3.1) | 0.0 | (1.4) | (0.8) | (8.0) | 0.9 | 2.4 |
| Passenger vehicles-electric | % yoy | 215.0 | 213.3 | 143.3 | 140.7 | 119.5 | 79.4 | 95.1 | 100.9 | 141.0 | 136.4 | 56.7 | 6.0 | 33.7 | (5.6) |
| Three-wheeler-electric | % yoy | 76.5 | 86.2 | 73.3 | 77.1 | 72.6 | 54.2 | 59.1 | 34.0 | 63.2 | 56.3 | 40.6 | 34.1 | 8.3 | 17.3 |
| Two-wheeler-electric | % yoy | 32.8 | 160.3 | 6.2 | 18.9 | 21.1 | 20.6 | (2.6) | 19.9 | 17.4 | 26.9 | 25.1 | 59.2 | (3.3) | (39.5) |
| Commercial vehicles-electric | % yoy | 417.0 | 441.9 | 231.0 | 510.0 | 450.9 | 371.9 | 550.9 | 244.2 | 128.8 | 202.2 | 214.0 | 393.9 | (9.2) | 43.4 |
| Services | | | | | | | | | | | | | | | |
| Air passenger (domestic) | % yoy | 22.4 | 15.2 | 18.8 | 24.7 | 22.8 | 18.4 | 10.8 | 9.3 | 8.6 | 5.1 | 5.2 | 4.1 | 2.8 | 5.1 |
| Air passenger (international) | % yoy | 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 | 14.9 |
| Rail passenger | % yoy | (19.7) | (15.8) | (11.5) | 6.1 | 7.7 | 2.5 | 7.7 | | | | | | | |
| FASTag collection (volume) | % yoy | 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 | 3.7 |
| FASTag collection (value) | % yoy | 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 | 8.7 |
| UPI transactions (volume) | % yoy | 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 | 49.1 |
| UPI transactions (value) | % yoy | 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 | 37.3 |
| Consumer price index | % yoy | 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 | 4.7 |
| Banking | | | | | | | | | | | | | | | |
| Aggregate deposits | % yoy | 10.2 | 10.9 | 15.6 | 12.9 | 13.2 | 13.2 | 13.4 | 13.6 | 13.2 | 13.2 | 13.1 | 13.5 | 13.3 | 14.0 |
| Outstanding credit | % yoy | 15.9 | 15.5 | 18.5 | 19.7 | 19.8 | 20.0 | 19.7 | 20.6 | 20.0 | 20.3 | 20.5 | 20.2 | 19.0 | 20.8 |

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

Note:

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. Rail passenger data unavailable since November 2023

High Frequency Indicators (1/2)

Supply side indicators remain robust; rail freight and ports freight traffic growth moderates in April and May respectively

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

| | Units | 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 | May-24 |
|--------------------------------|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fiscal | | | | | | | | | | | | | | | |
| Central government expenditure | INR trillion | 3.0 | 3.2 | 4.2 | 3.3 | 2.9 | 4.5 | 2.8 | 2.6 | 4.0 | 3.0 | 3.9 | 7.0 | 4.2 | |
| Gross tax revenue | INR trillion | 2.2 | 1.8 | 2.7 | 2.2 | 3.0 | 4.3 | 2.2 | 2.1 | 4.4 | 2.2 | 1.8 | 5.7 | 2.6 | |
| GST collection | INR trillion | 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 | 1.7 |
| Industry | | | | | | | | | | | | | | | |
| Index of industrial production | Index | 140.7 | 145.6 | 143.9 | 142.7 | 145.8 | 142.3 | 144.9 | 141.1 | 152.3 | 153.6 | 147.1 | 159.9 | 147.7 | |
| Index of eight core industries | Index | 151.2 | 157.4 | 155.9 | 153.2 | 158.6 | 151.7 | 156.4 | 150.4 | 161.2 | 165.4 | 157.7 | 174.6 | 160.5 | |
| Electricity generation | billion kWh | 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 | 169.5 |
| Steel production | mn tonnes | 10.5 | 11.3 | 11.3 | 11.5 | 11.4 | 11.5 | 11.7 | 11.8 | 12.1 | 12.5 | 11.8 | 12.7 | 11.9 | |
| Cement production | mn tonnes | 37.1 | 37.2 | 37.7 | 32.3 | 35.1 | 32.3 | 35.3 | 30.8 | 36.4 | 37.9 | 38.6 | 42.7 | 37.6 | |
| Coal production | mn tonnes | 73.3 | 76.2 | 73.9 | 69.3 | 68.4 | 67.3 | 78.7 | 84.5 | 92.9 | 99.7 | 96.6 | 116.6 | 78.7 | 83.9 |
| Wholesale price index | Index | 151.1 | 149.4 | 148.9 | 152.1 | 152.5 | 151.8 | 152.5 | 153.1 | 151.8 | 151.2 | 151.2 | 151.4 | 153.0 | 153.3 |
| Logistics | | | | | | | | | | | | | | | |
| Rail freight | mn tonnes | 126.5 | 134.2 | 123.0 | 124.0 | 127.0 | 123.6 | 129.0 | 128.4 | 139.0 | 142.7 | 136.6 | 157.0 | 128.3 | 139.2 |
| Port cargo | mn tonnes | 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 | 72.0 |
| Air cargo | '000 ton | 269.3 | 270.1 | 268.3 | 272.0 | 279.3 | 272.7 | 291.8 | 269.3 | 287.0 | 273.3 | 293.0 | 329.3 | 282.7 | |
| E-way bills (volume) | million | 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 | 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 | 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 | 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 | 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 | 25.8 | 27.1 | 27.9 | 26.2 | 28.7 | 28.4 | 28.0 | 28.1 | 31.6 | 31.0 | 28.3 | 30.0 | 30.3 | |
| Services imports | USD billion | 13.6 | 15.5 | 15.2 | 13.8 | 15.1 | 14.6 | 13.5 | 13.7 | 15.6 | 14.9 | 15.2 | 16.6 | 16.6 | |

High Frequency Indicators (2/2)

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

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

| | Units | 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 | May-24 |
|---------------------------------|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Energy | | | | | | | | | | | | | | | |
| Electricity demand | billion kWh | 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 | 151.6 |
| Petrol consumption | mn tonnes | 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 | 3.4 |
| Automobile registrations | | | | | | | | | | | | | | | |
| Passenger vehicles | '000s | 269.8 | 285.4 | 280.8 | 266.5 | 295.2 | 312.3 | 337.4 | 350.7 | 278.3 | 372.0 | 309.6 | 300.8 | 323.4 | 280.2 |
| Three-wheeler | '000s | 73.0 | 81.5 | 87.8 | 95.0 | 100.9 | 102.9 | 109.2 | 103.5 | 98.1 | 99.9 | 94.9 | 105.3 | 81.0 | 98.3 |
| Two-wheeler | '000s | 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 | 1,446.5 | 1,537.7 | 1,659.3 | 1,536.6 |
| Commercial vehicles | '000s | 77.4 | 67.6 | 61.6 | 61.8 | 65.3 | 70.5 | 79.8 | 76.0 | 65.9 | 79.9 | 75.4 | 78.7 | 78.1 | 69.2 |
| Passenger vehicles-electric | '000s | 5.4 | 6.8 | 7.0 | 6.9 | 6.3 | 5.7 | 6.4 | 7.1 | 7.0 | 7.0 | 6.8 | 7.6 | 7.2 | 6.5 |
| Three-wheeler-electric | '000s | 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 | 52.3 |
| Two-wheeler-electric | '000s | 66.8 | 105.5 | 46.1 | 54.6 | 62.7 | 64.0 | 75.1 | 92.0 | 75.8 | 82.0 | 82.6 | 137.4 | 64.6 | 63.9 |
| Commercial vehicles-electric | '000s | 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 | 0.3 |
| Services | | | | | | | | | | | | | | | |
| Air passenger (domestic) | million | 12.9 | 13.2 | 12.5 | 12.1 | 12.4 | 12.2 | 12.6 | 12.7 | 13.8 | 13.2 | 12.7 | 13.4 | 13.3 | 13.9 |
| Air passenger (international) | million | 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 | 6.4 |
| Rail passenger | million | 59.4 | 63.3 | 60.3 | 71.2 | 69.4 | 65.4 | 64.3 | | | | | | | |
| FASTag collection (volume) | million | 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 | 347.4 |
| FASTag collection (value) | INR billion | 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 | 59.1 |
| UPI transactions (volume) | billion | 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 | 14.0 |
| UPI transactions (value) | INR trillion | 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 | 20.4 |
| Consumer price index | Index | 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 | 187.6 |
| Banking | | | | | | | | | | | | | | | |
| Aggregate deposits | INR trillion | 183.1 | 184.9 | 191.6 | 191.7 | 192.3 | 192.8 | 195.1 | 196.5 | 200.8 | 200.6 | 202.0 | 204.8 | 207.5 | 210.9 |
| Outstanding credit | INR trillion | 138.6 | 138.9 | 143.9 | 148.0 | 149.2 | 151.5 | 154.3 | 156.2 | 159.6 | 160.4 | 162.1 | 164.3 | 164.9 | 167.8 |

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

Core sectors

IIP growth of 5.0% in April driven by mining and electricity; consumer durable, infrastructure, and primary goods also outperform

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

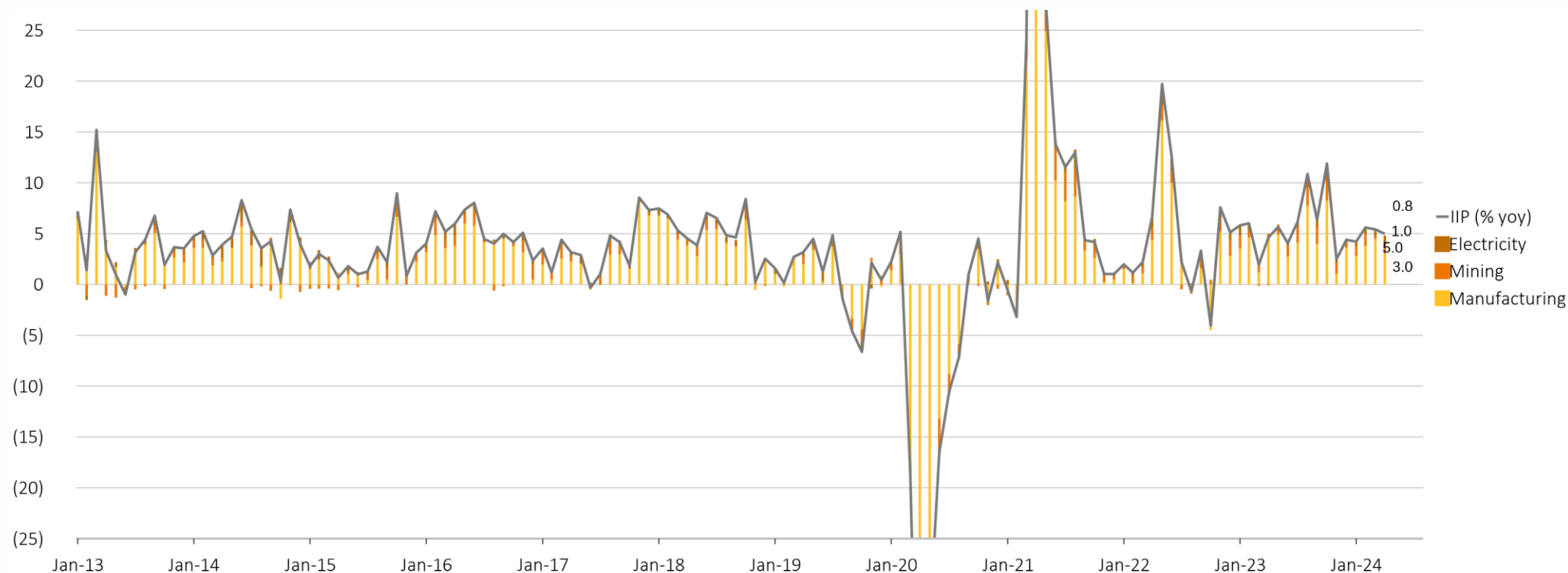
| | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 |
|---------------------------------------|------------|------------|------------|------------|-------------|------------|-------------|------------|------------|------------|------------|------------|------------|
| IIP | 4.6 | 5.7 | 4.1 | 6.2 | 10.9 | 6.4 | 11.9 | 2.5 | 4.4 | 4.2 | 5.6 | 5.4 | 5.0 |
| Sector-based classification | | | | | | | | | | | | | |
| Mining | 5.2 | 6.4 | 7.6 | 10.7 | 12.4 | 11.5 | 13.1 | 7.0 | 5.2 | 6.0 | 8.1 | 1.3 | 6.7 |
| Manufacturing | 5.5 | 6.3 | 3.5 | 5.3 | 10.0 | 5.1 | 10.6 | 1.3 | 4.6 | 3.6 | 4.9 | 5.8 | 3.9 |
| Electricity | (1.1) | 0.9 | 4.2 | 8.0 | 15.3 | 9.9 | 20.4 | 5.8 | 1.2 | 5.6 | 7.5 | 8.6 | 10.2 |
| Use-based classification | | | | | | | | | | | | | |
| Primary goods | 1.9 | 3.6 | 5.3 | 7.7 | 12.4 | 8.0 | 11.4 | 8.5 | 4.8 | 2.9 | 5.9 | 3.0 | 7.0 |
| Capital goods | 4.4 | 8.1 | 2.9 | 5.2 | 13.1 | 8.4 | 21.7 | (1.1) | 3.7 | 3.2 | 1.1 | 6.6 | 3.1 |
| Intermediate goods | 1.7 | 3.4 | 5.2 | 3.2 | 7.4 | 6.1 | 9.5 | 3.4 | 3.7 | 5.3 | 8.7 | 5.5 | 3.2 |
| Infrastructure and construction goods | 13.4 | 13.0 | 13.3 | 12.6 | 15.7 | 10.1 | 12.6 | 1.6 | 5.5 | 5.5 | 8.5 | 7.4 | 8.0 |
| Consumer durable goods | (2.4) | 1.5 | (6.8) | (3.6) | 6.0 | 1.0 | 15.9 | (4.8) | 5.2 | 11.6 | 12.4 | 9.5 | 9.8 |
| Consumer non-durable goods | 11.4 | 9.0 | 0.6 | 8.3 | 9.9 | 2.7 | 9.3 | (3.4) | 3.0 | 0.3 | (3.5) | 5.3 | (2.4) |

Source: Thurro, MOSPI, NIIF Research

Core sectors

Manufacturing accounts for 3.0pp of the 5.0% IIP growth in April, followed by mining at 1.0pp and electricity at 0.8pp

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



Source: Thurro, MOSPI, NIIF Research

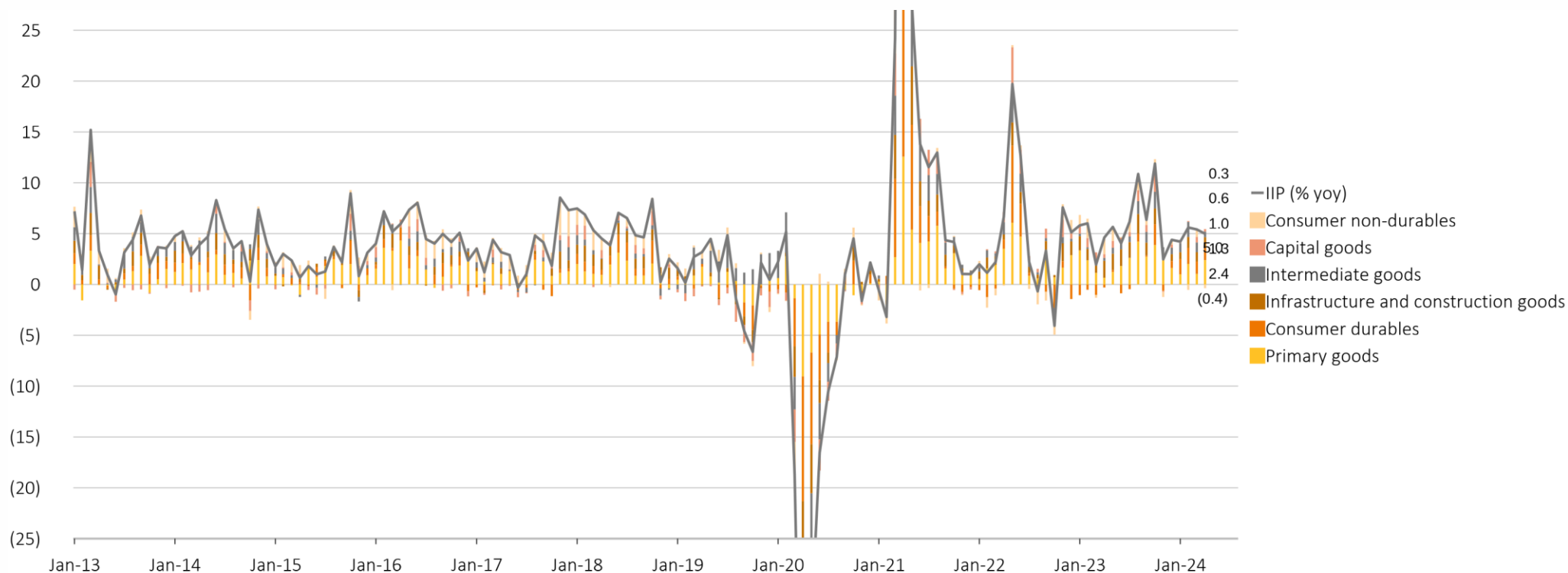
Note:

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

Core sectors

Primary goods contribute 2.4pp of 5.0% IIP growth in April, followed by consumer durable goods at 1.3pp

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

Banks: credit and deposits

Sustained demand for retail, trade, commercial real estate, and agriculture loans

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

HDFC merger

| | 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 | Growth (% yoy) |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Agriculture | 17.3 | 17.2 | 18.0 | 17.9 | 18.0 | 18.2 | 19.1 | 19.3 | 19.9 | 20.1 | 20.4 | 20.7 | 21.1 | 22.5 |
| Industry | 33.7 | 33.5 | 34.2 | 33.7 | 34.1 | 34.7 | 35.7 | 36.0 | 36.6 | 36.5 | 36.7 | 36.8 | 36.6 | 8.5 |
| Construction | 1.2 | 1.2 | 1.3 | 1.2 | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 | 1.3 | 8.6 |
| Infrastructure | 12.2 | 12.2 | 12.3 | 12.3 | 12.4 | 12.5 | 12.7 | 12.8 | 12.9 | 12.8 | 12.8 | 12.8 | 13.2 | 8.5 |
| Power | 6.1 | 6.2 | 6.2 | 6.2 | 6.1 | 6.2 | 6.2 | 6.3 | 6.5 | 6.4 | 6.5 | 6.5 | 6.5 | 5.7 |
| Telecom | 1.3 | 1.3 | 1.2 | 1.3 | 1.3 | 1.4 | 1.4 | 1.5 | 1.4 | 1.4 | 1.3 | 1.4 | 1.4 | 6.7 |
| Roads | 2.9 | 2.9 | 2.9 | 3.0 | 3.0 | 3.0 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.0 | 3.3 | 13.2 |
| Services | 36.6 | 36.8 | 38.9 | 39.0 | 39.4 | 40.3 | 42.1 | 42.6 | 44.1 | 44.2 | 44.9 | 45.9 | 45.9 | 25.4 |
| Services - NBFC | 13.5 | 13.4 | 14.2 | 13.8 | 13.8 | 14.2 | 14.8 | 14.9 | 15.2 | 15.0 | 15.1 | 15.5 | 15.5 | 15.6 |
| Services - Trade | 8.3 | 8.4 | 8.6 | 8.4 | 8.4 | 8.7 | 9.3 | 9.1 | 9.4 | 9.6 | 10.1 | 10.2 | 10.2 | 22.5 |
| Services - Commercial Real Estate | 3.2 | 3.2 | 3.3 | 4.1 | 4.1 | 4.1 | 4.2 | 4.3 | 4.4 | 4.4 | 4.4 | 4.5 | 4.5 | 38.7 |
| Retail loans | 41.2 | 41.4 | 42.6 | 47.3 | 47.7 | 48.3 | 50.0 | 50.6 | 51.8 | 52.2 | 52.7 | 53.4 | 53.6 | 30.2 |
| Other non-food loans | 9.6 | 9.6 | 10.0 | 9.9 | 9.8 | 9.8 | 7.1 | 7.3 | 6.8 | 6.9 | 7.0 | 7.3 | 7.5 | (21.8) |
| Non-food credit | 138.4 | 138.6 | 143.6 | 147.8 | 149.0 | 151.3 | 154.1 | 155.8 | 159.2 | 160.0 | 161.7 | 164.1 | 164.8 | 19.1 |
| Total Credit Outstanding (without HDFC merger) | 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 | 15.3 |
| Total Credit Outstanding | 138.6 | 138.9 | 143.9 | 148.0 | 149.2 | 151.5 | 154.3 | 156.2 | 159.6 | 160.4 | 162.1 | 164.3 | 164.9 | 19.0 |

Source: Thurro, RBI, NIIF Research

Banks: credit and deposits

Robust growth in retail loans of ~30% yoy in April driven by housing and credit cards

Monthly retail loans (INR trillion), Apr '23 - Apr '24

HDFC merger

| | 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 | Growth (% yoy) |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|
| Personal loans | 41.2 | 41.4 | 42.6 | 47.3 | 47.7 | 48.3 | 50.0 | 50.6 | 51.8 | 52.2 | 52.7 | 53.4 | 53.6 | 30.2 |
| Housing | 19.5 | 19.6 | 20.0 | 24.3 | 24.6 | 24.8 | 25.6 | 25.9 | 26.4 | 26.6 | 26.8 | 27.2 | 27.4 | 40.7 |
| Vehicle loans | 5.1 | 5.1 | 5.2 | 5.3 | 5.3 | 5.4 | 5.5 | 5.6 | 5.8 | 5.8 | 5.8 | 5.9 | 5.9 | 16.7 |
| Credit card outstanding | 2.0 | 2.0 | 2.1 | 2.1 | 2.2 | 2.2 | 2.4 | 2.4 | 2.5 | 2.6 | 2.6 | 2.6 | 2.6 | 29.7 |
| Advances against fixed deposits | 1.1 | 1.1 | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.3 | 1.2 | 8.2 |
| Education | 1.0 | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 22.3 |
| Loans against gold jewellery | 0.9 | 0.9 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 13.3 |
| Consumer durables | 0.4 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | (37.7) |
| Others | 11.2 | 11.4 | 11.8 | 12.2 | 12.2 | 12.4 | 12.9 | 13.0 | 13.3 | 13.5 | 13.7 | 13.9 | 13.9 | 24.6 |

Source: Thurro, RBI, NIIF Research

Inflation

Consumer inflation in May moderates to 4.7% yoy driven by softening in prices of household goods, and clothing and footwear

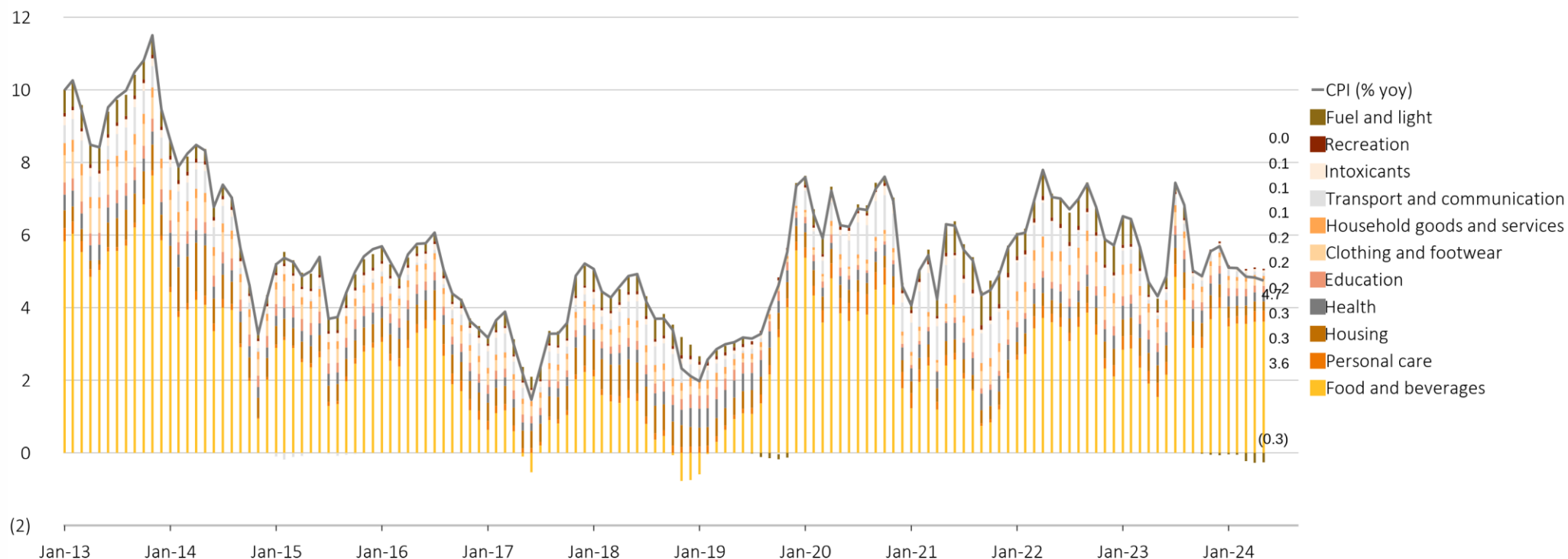
Monthly consumer price inflation (% yoy), May '23 – May '24

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

Source: Thurro, MoSPI, NIIF Research

Inflation

Food and beverages contributes 3.6pp to 4.7% of CPI inflation in May, 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 (May '24)



Source: Thurro, MoSPI, NIIF Research

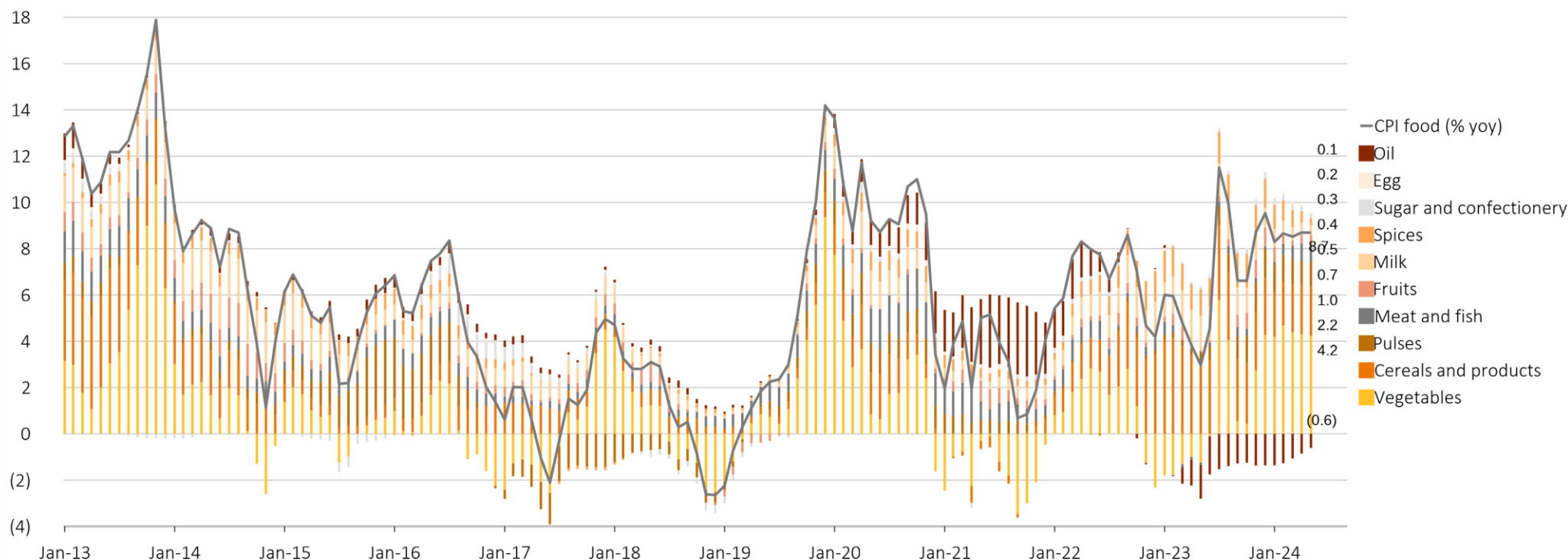
Note:

- 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 4.2pp of overall 8.7% food inflation in May, followed by cereals at 2.2pp, and pulses at 1.0pp

Contribution of key components to consumer food price inflation (CPI food) (% yoy/pp), FY2013-FY2025 (May '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 2.6% yoy in May driven by higher food and crude oil prices

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

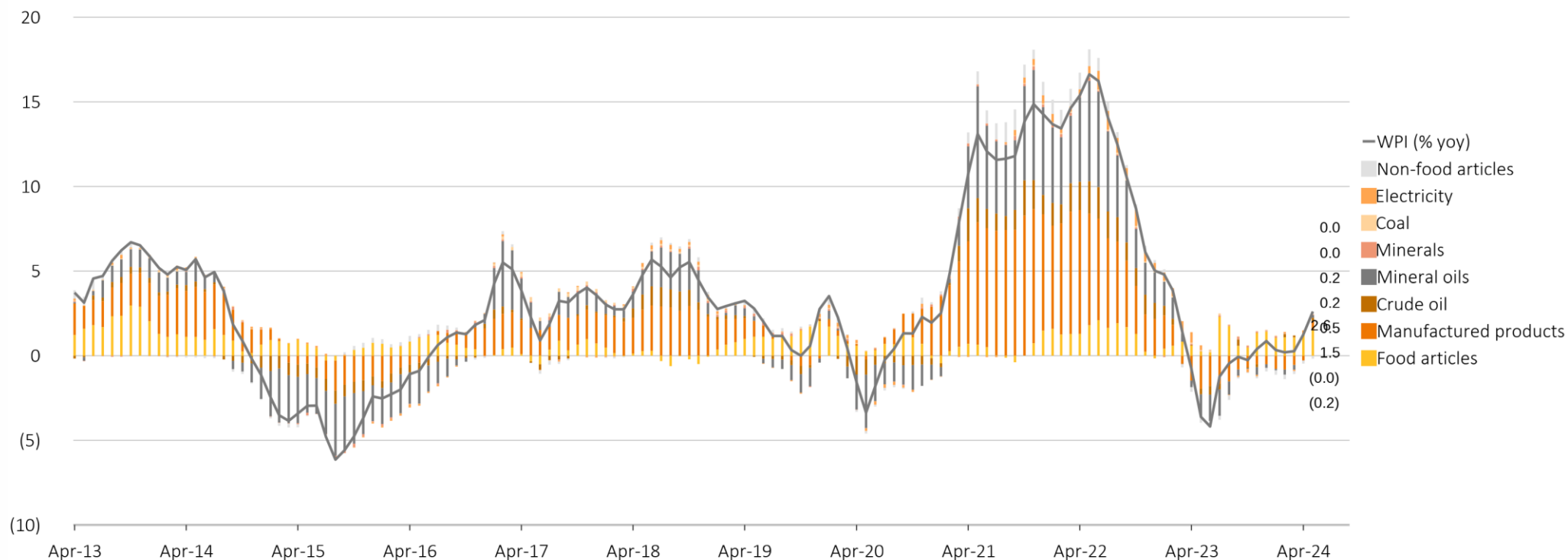
| | Weights | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 |
|--------------------------------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| WPI | 100.0 | (3.6) | (4.2) | (1.2) | (0.5) | (0.1) | (0.3) | 0.4 | 0.9 | 0.3 | 0.2 | 0.3 | 1.3 | 2.6 |
| Primary articles | 22.6 | (1.9) | (3.0) | 8.2 | 6.7 | 4.4 | 2.3 | 5.2 | 5.7 | 4.1 | 4.6 | 4.6 | 5.0 | 7.2 |
| Food articles | 15.3 | 1.6 | 1.3 | 15.1 | 11.4 | 3.8 | 3.2 | 8.8 | 9.3 | 6.9 | 7.1 | 7.0 | 7.7 | 9.8 |
| Non-food articles | 4.1 | (9.5) | (9.7) | (5.8) | (6.8) | (2.1) | (1.1) | (3.0) | (5.2) | (6.4) | (6.5) | (4.2) | (4.4) | (4.0) |
| Minerals | 0.8 | 2.2 | 0.5 | 9.0 | 6.5 | 19.0 | 11.6 | 8.7 | 6.8 | 10.6 | 3.4 | (0.4) | (1.3) | 4.3 |
| Crude oil, petroleum and natural gas | 2.4 | (13.7) | (21.4) | (13.7) | (1.9) | 15.6 | (2.2) | (7.1) | (0.1) | 0.2 | 8.2 | 4.9 | 5.0 | 9.8 |
| Fuel and power | 13.2 | (9.2) | (12.5) | (12.7) | (6.3) | (3.3) | (1.6) | (4.1) | (1.4) | (0.4) | (1.7) | (2.7) | 1.4 | 1.3 |
| Coal | 2.1 | 2.5 | 5.1 | 5.1 | 2.5 | 1.8 | 1.8 | 1.8 | 1.8 | 1.4 | 0.3 | 0.5 | 0.2 | 1.2 |
| Mineral oils | 7.9 | (16.2) | (19.5) | (19.6) | (9.7) | (4.7) | (0.5) | (5.7) | (2.7) | (1.1) | (3.8) | (3.5) | (0.1) | 2.0 |
| Electricity | 3.1 | 9.5 | 1.1 | 0.3 | (1.0) | (2.6) | (6.8) | (2.9) | 0.4 | 0.3 | 3.0 | (2.6) | 6.3 | (0.4) |
| Manufactured products | 64.2 | (3.0) | (2.8) | (2.6) | (2.3) | (1.3) | (1.1) | (0.8) | (0.8) | (1.2) | (1.3) | (0.8) | (0.4) | 0.8 |

Source: Thurro, EAI, NIIF Research

Inflation

Food products contribute 1.5pp of 2.6% WPI inflation in May

Contribution of key components to wholesale price inflation (WPI) (% yoy/pp), FY2014-FY2025 (May '24)



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

Note:

- 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

This research report (the “Report”) is an “information only” document and is an assimilation of general observations on certain economic and other data. The information in this Report is based on facts, figures and information that have been obtained from publicly available media or other sources believed to be reliable and the same have not been independently verified by National Investment and Infrastructure Fund Limited (the “NIIFL”) or any person associated with the drafting, review and/or finalisation of this Report. The Report is made available on an “as is” basis with an intent that each recipient will not distribute, disclose, reproduce or use, (in whole or in part), the information contained therein. NIIFL disclaims all liabilities which may arise from the use of the Report. The layout, design, original artwork, concepts and other intellectual properties, shall at all times remain the property of NIIFL and cannot be used in any form or for any purpose whatsoever by any party without the prior written consent of NIIFL.

The information set forth in this Report has been compiled as of the date hereof and may undergo change in the future. Unless stated otherwise, the delivery of this Report shall not create any implication that the information contained herein is correct as of, or at any time subsequent to, this date. NIIFL does not undertake to update or correct any information herein. NIIFL reserves the right at any time and without notice to change, amend, or cease publication of the Report. No representation or warranty, express or implied, is made or

assurance given by NIIFL, its associates or their respective members, directors, officers or employees (collectively, “NIIFL Parties”) and no responsibility or liability or duty of care is, or will be accepted by NIIFL Parties as to (a) the fairness, veracity, correctness, accuracy, authenticity, completeness, currency, reliability or reasonableness of the information or opinions contained in this Report; or (b) updating this Report, correcting any inaccuracies in it or providing any additional information to any recipient. None of NIIFL Parties shall be liable for any loss (direct, indirect, special or consequential, including lost revenue or lost profits) or damage suffered by any person as a result of relying on any statement in, or omission from, this Report.

This Report is not intended to be, and should not be, construed to be any investment and/or divestment related recommendation or advice or nor should it be used as input for any investment/divestment related decision, in any manner whatsoever. The use of any data or information set out in this Report is entirely prohibited as this Report is for informative purpose only. This Report should not form the basis for any decision as to any potential course of action without independent confirmation of its observations; nor should it be relied upon as advice in any manner whatsoever. Each recipient of this Report should make such investigation as it deems necessary to arrive at an independent evaluation of the data referred to in this Report (including the merits and risks involved). Under no circumstances should

anything contained in this Report be construed to be an offer to sell or a solicitation of an offer to buy any interests or securities whatsoever or be capable of being relied upon by any person.

No recipient should construe the contents of this Report as legal, tax, financial, investment, accounting or other advice. If the Report mentions any rates of return, other yields or performance, please note that those are indicative only and note that they may change depending upon various factors such as prevailing market conditions, taxation, regulation, foreign exchange rates and other relevant factors. Words such as “will”, “expect”, “should” and similar expressions are forward looking statements which, by their nature, involve risk and uncertainty. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in information technology and political, economic, legal and social conditions in India.

The Report is not targeted at the residents of any particular jurisdiction or country and is not intended for distribution to, or use by, any person in any jurisdiction or country where such distribution, publication, availability or use would be contrary to local law or regulations or which would subject NIIFL to any registration or licensing requirements within such jurisdiction. It is the responsibility of each recipient to satisfy themselves as to full compliance with the applicable laws and regulations of any relevant territory through consulting or seeking advice

from a local counsel / qualified professional or otherwise, including obtaining any requisite governmental, regulatory or other consent and observing any other formality presented in such territory.

Copyright © 2024 National Investment and Infrastructure Fund Limited.
All rights reserved.



MONTHLY ECONOMIC REPORT ON INDIA JUN 2024

Contact



- Akshata Kalloor
akshata.kalloor@niifindia.in

Volume 35

Published on June 14, 2024