



MONTHLY ECONOMIC **MAR** REPORT ON INDIA **2024**

The Indian economy is **nearing its pre-pandemic trend**, supported by the 8%+ growth in Q3FY24, and is expected to close the gap by the end of CY2024. Fixed capital formation and private consumption are already above pre-pandemic trends. High frequency indicators reflect **robust growth** in e-way bills, air travel, and demand for two-wheelers, and bank credit recorded, even after adjusting for a longer February. India's **composite PMI** of 60.6 **remains stellar**. However, there are early **signs of moderation** – yoy growth in overall core infrastructure (despite a strong coal and steel production) and goods trade in Jan, energy demand, power generation, and ports cargo traffic in Feb are muted. **Foreign direct investments** record a net **outflow** in Dec. Cumulative net **foreign portfolio investments** with a **surge in debt inflows** in FYTD2024 (up to Feb) are at a **decadal high** causing Indian yields to moderate. Tighter liquidity conditions continue to keep short-term rates up, causing an **inverted yield curve** (10-year over 1-year)

Jan – Feb 2024

Growth

Real GDP growth surges by 8.4% yoy in Q3FY24 driven by capex. Industry and services sector support real GVA growth of 6.5%. **Core infra** growth in Jan moderates to 3.6% despite robust production in steel (12%) in Jan and coal (12%) in Feb; cement at 6% in Jan. Muted 4.5% power generation growth in Feb, despite an extra day. India's composite PMI remains an outlier in Feb. **Toll road collection** stable at INR 46 billion in Feb

Trade

Services trade surplus increases from a monthly average of ~USD 13 billion in CY2023 to USD 17 billion in Jan. **Goods trade deficit narrows** to USD 18 billion due to lower non-oil trade in Jan. Shipping costs remain elevated - container freight **jumps** to 3,287 (as on Mar 08) from 1,661 on Jan 3. **Muted 4.5% growth in ports** cargo traffic in Feb. **~10% rail freight growth** boosted by a 29-day Feb

Demand

Robust growth in 2W (13%), and 3W (24%) demand, boosted by the 29-day Feb. **Credit-to-deposit ratio at a decadal high** of 80.2 as credit maintains a ~21% growth. Continued momentum in use of digital payments, while growth in currency circulation moderates to 4% in Feb. Steady growth in power demand of 8% in Feb. **Peak power demand deficit moderates** sequentially in Feb to 1.6%

Foreign Exchange

INR appreciated against USD over the last month by 0.3% and depreciated against other major currencies by ~1%. **USD/INR 1-year forward premium at a 15-year low** of 1.68% as on Mar 07. RBI turns a **net buyer of USD** in Dec. Large **foreign exchange reserves of USD 619 billion** (up to Feb 23) provides ~9 months of import cover

Inflation

Monetary policy unchanged for a year now. **Consumer inflation remains unchanged** at 5.1% yoy in Feb, core moderates to 3.3%. Food inflation remains high at 8.7% driven by vegetables. **Wheat stock with FCI near buffer limit** in Dec. **Wholesale inflation subdued** at 0.3% in Jan as food prices remain elevated. **Monetary transmission still incomplete** – o/s loans lending rate only increased by 111 bps (vs 250 bps repo hike)

Investments

FPIs turn net buyers in Feb to the tune of INR 318 billion. Cumulative net **foreign portfolio and domestic institutional investments** at a **decadal high** in Feb. **FDI** records a **net outflow** of USD 3.9 billion in Dec. **AIF activity garners momentum** with INR 408 billion funds raised and INR 461 billion invested in Q3FY24. Funds raised and deployed by **Cat II AIFs** were at **INR 231 billion and INR 190 billion** respectively

Markets

Indian yield curve inverts – 1-year G-sec higher than 10-year yield - over Feb-March with tighter liquidity. **Gold surges past USD 2,000**, an all-time high, in early March as US dollar weakens. Bitcoin prices record an all-time high of ~USD 72,000 on March 11. **Polysilicon prices** remain at a **multi-year low** of USD 7 per kg. Consensus forecasts (as of Feb-end) estimate **50 bps rate cut starting Q2FY25**

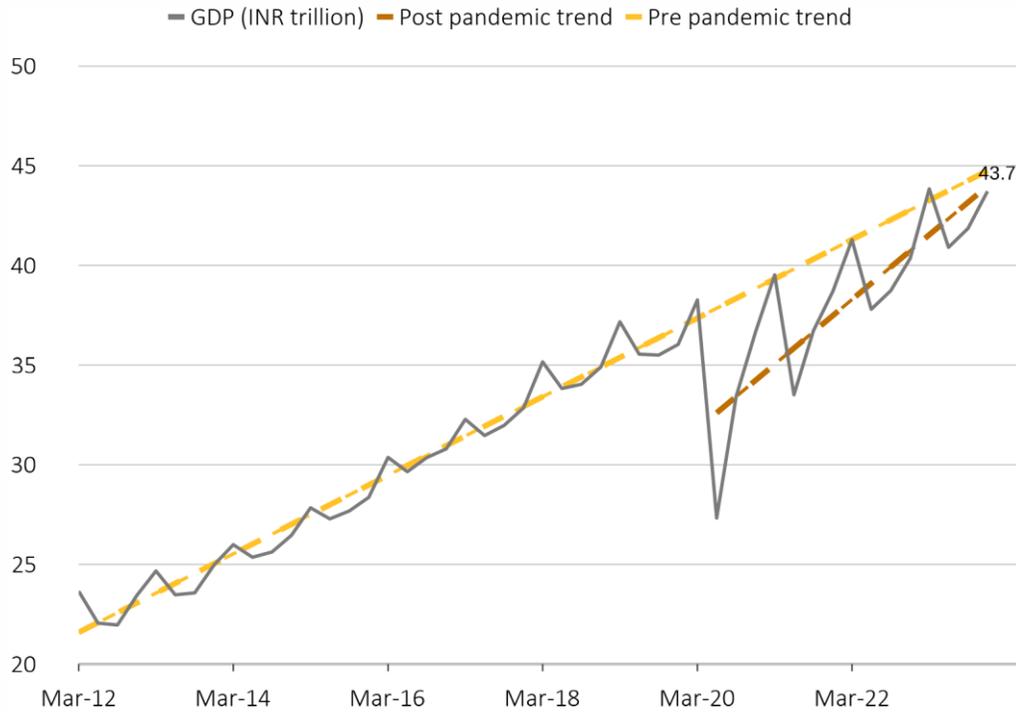
Fiscal

Strong yoy growth of 24% in direct tax collection and 27% in capex in FYTD2024 (up to Jan). Other fiscal indicators tracking as per estimates. **Higher tax (GST) to GDP ratio: GST collection** as a % of TTM GDP **increases by 60 bps** over the last two years to 6.9% in Feb. Growth in number of **e-way bills robust** at ~19% yoy even with a longer Feb, 97 million bills generated

Key charts

Post-pandemic GDP trend closing in on the pre-pandemic trendline

Quarterly trend in real GDP (2011-12 prices), FY2012-FY2024 (Dec '23)



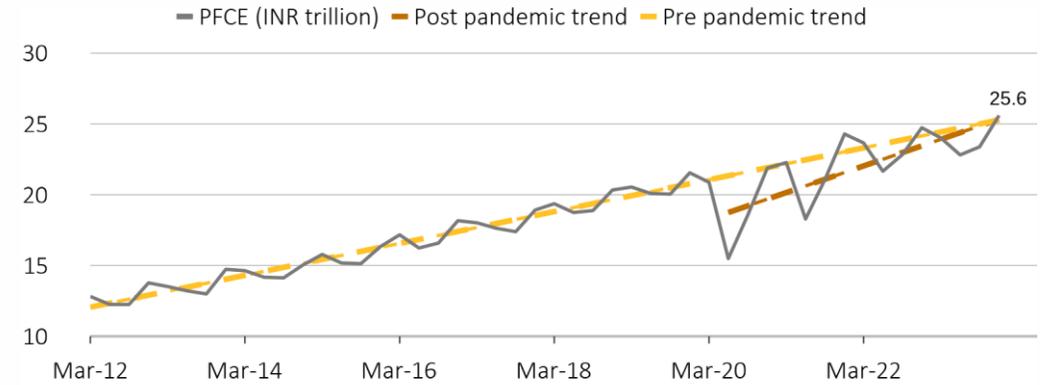
Source: Thurro, MOSPI, NIIF Research

Note:

Post-pandemic trend line for GDP, GFCF, and PFCE starts from quarter-ended June 2020

Private consumption surpasses pre-pandemic trajectory

Quarterly trend in real PFCE (2011-12 prices), FY2012-FY2024 (Dec '23)

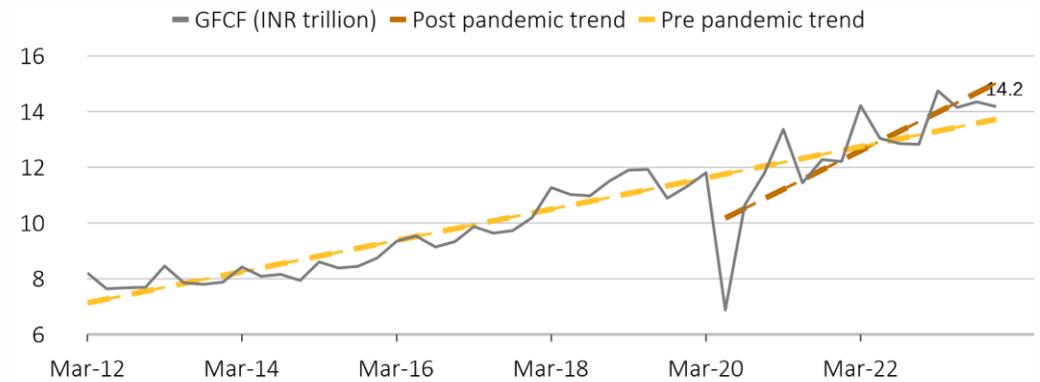


Source: Thurro, MOSPI, NIIF Research

Note: PFCE is private final consumption expenditure

Government investment post-pandemic above pre-pandemic trends

Quarterly trend in real GFCF (2011-12 prices), FY2012-FY2024 (Dec '23)



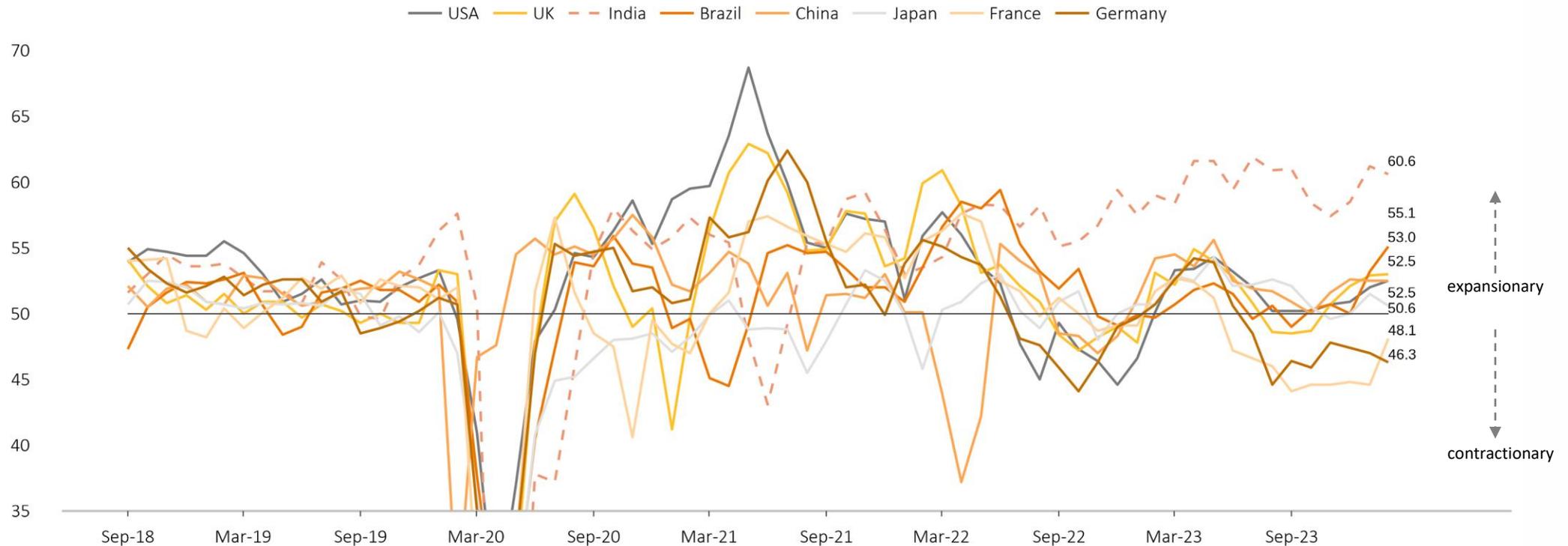
Source: Thurro, MOSPI, NIIF Research

Note: GFCF is government fixed capital formation

Key charts

India's composite PMI at 60.6 in Feb; economic activity in major countries picking up while France and Germany record a contraction

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



Source: Thurro, S&P, NIIF Research

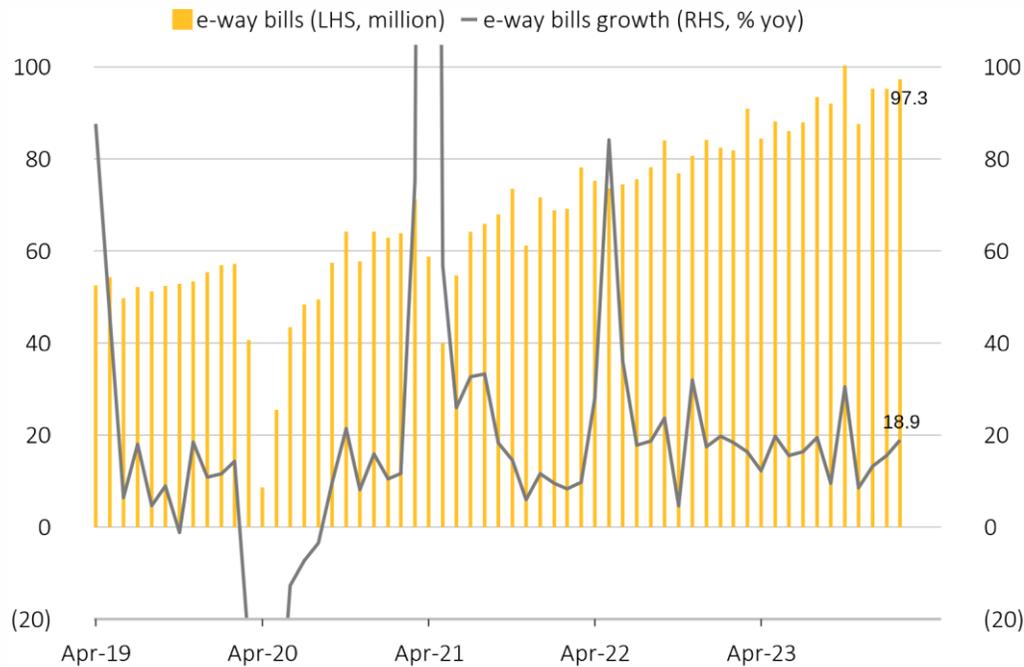
Note:

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.

Key charts

Strong growth of 19% yoy in e-way bills in Feb

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



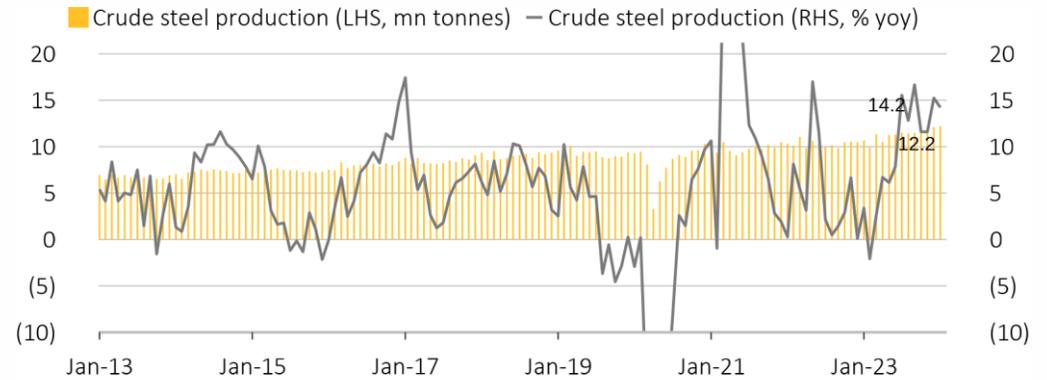
Source: Thurro, GSTN, NIIF Research

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

Crude steel production continues to record double-digit growth in Jan

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

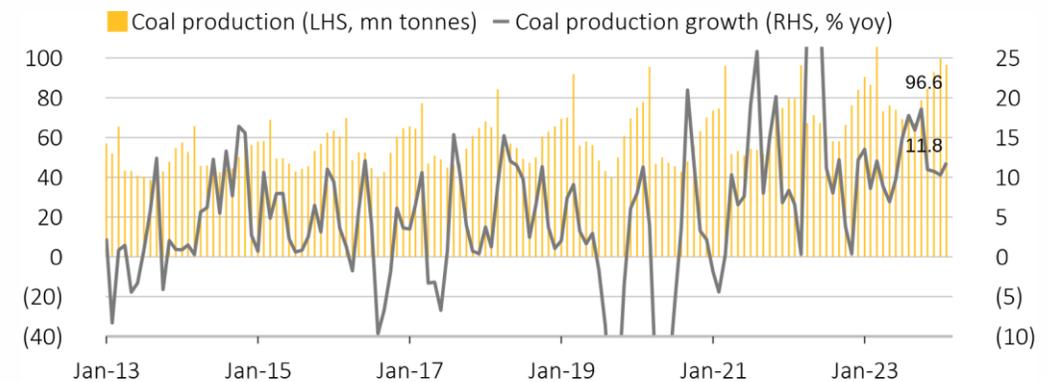


Source: Thurro, Ministry of Steel, JPC, NIIF Research

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

Coal production growth remains in double-digit in a 29-day Feb

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

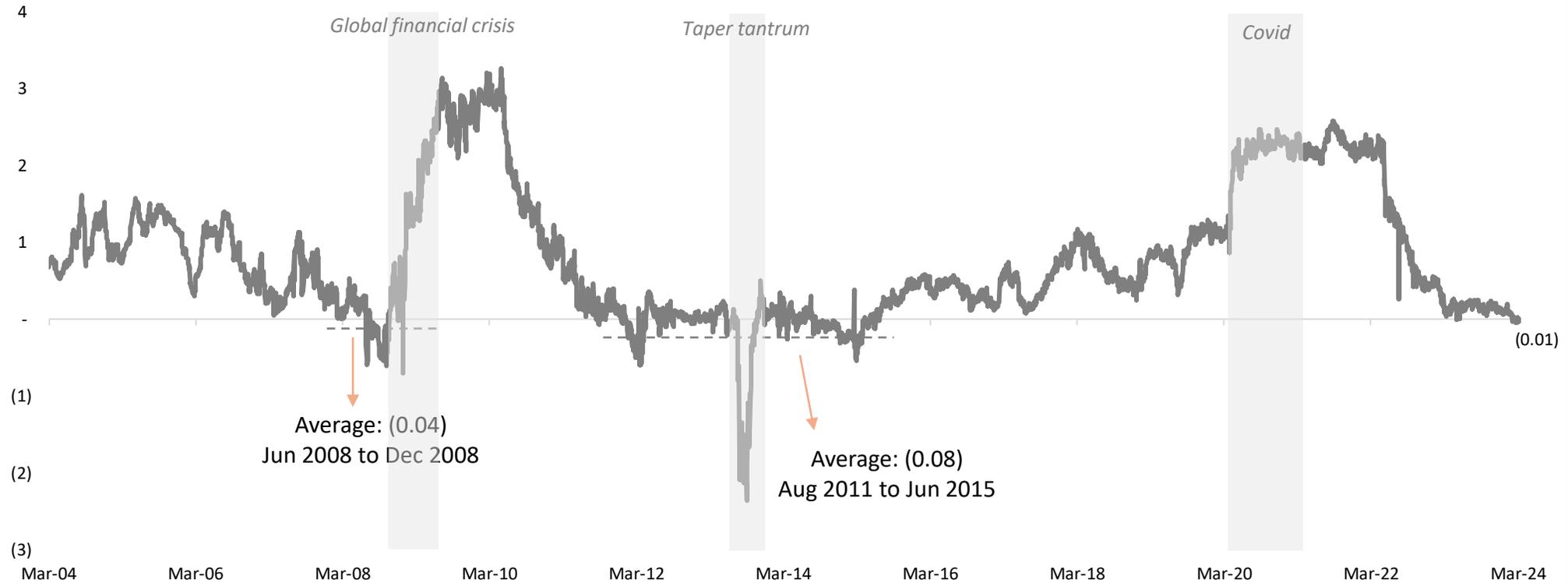


Source: Thurro, Ministry of Coal, NIIF Research

Key charts

Spread between Indian 10-year and 1-year G-sec yield remains in the negative territory in March

Spread between 10-year and 1-year G-sec yields (%), FY2005-FY2024 (08 Mar 2024)

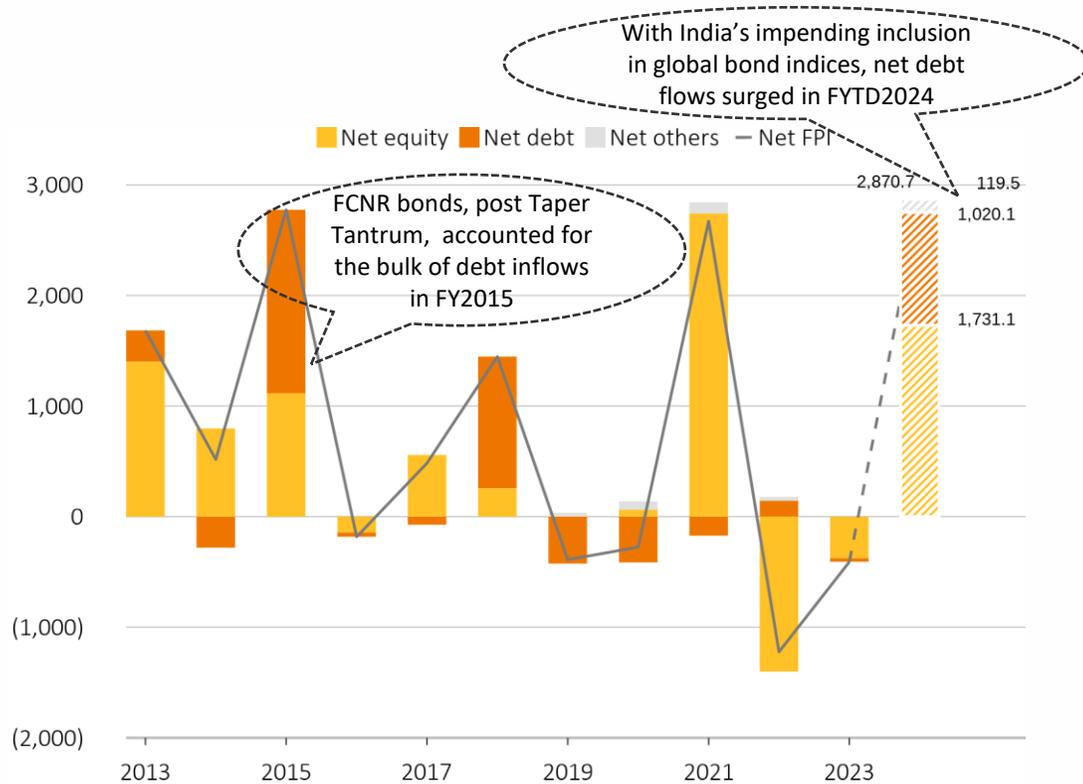


Source: Bloomberg, NIIF Research

Key charts

Net foreign portfolio investments of INR 2.9 trillion in FYTD2024

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



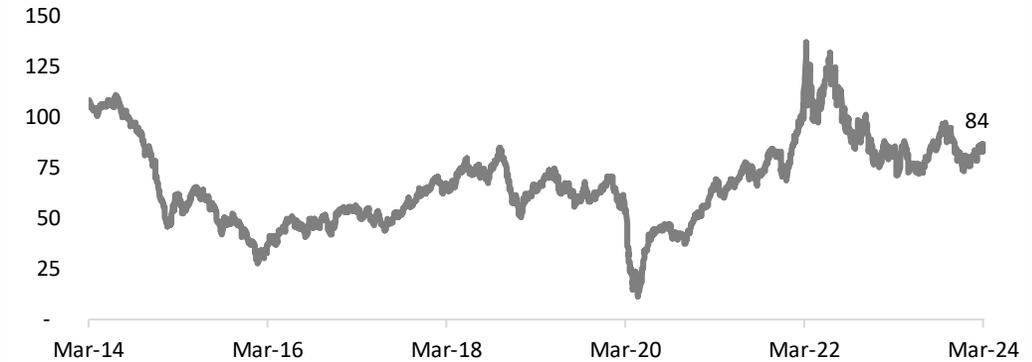
Source: Thurro, NSDL, NIIF Research

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.

Brent crude prices trending upwards, at ~USD 84 per bbl

Daily Brent crude oil prices (USD per bbl), FY2014-FY2024 (08 Mar '24)



Source: Bloomberg, NIIF Research

Sharp jump in gold prices, crosses USD 2,000 mark, an all-time high

Daily gold prices (USD per troy oz), FY2014-FY2024 (08 Mar '24)

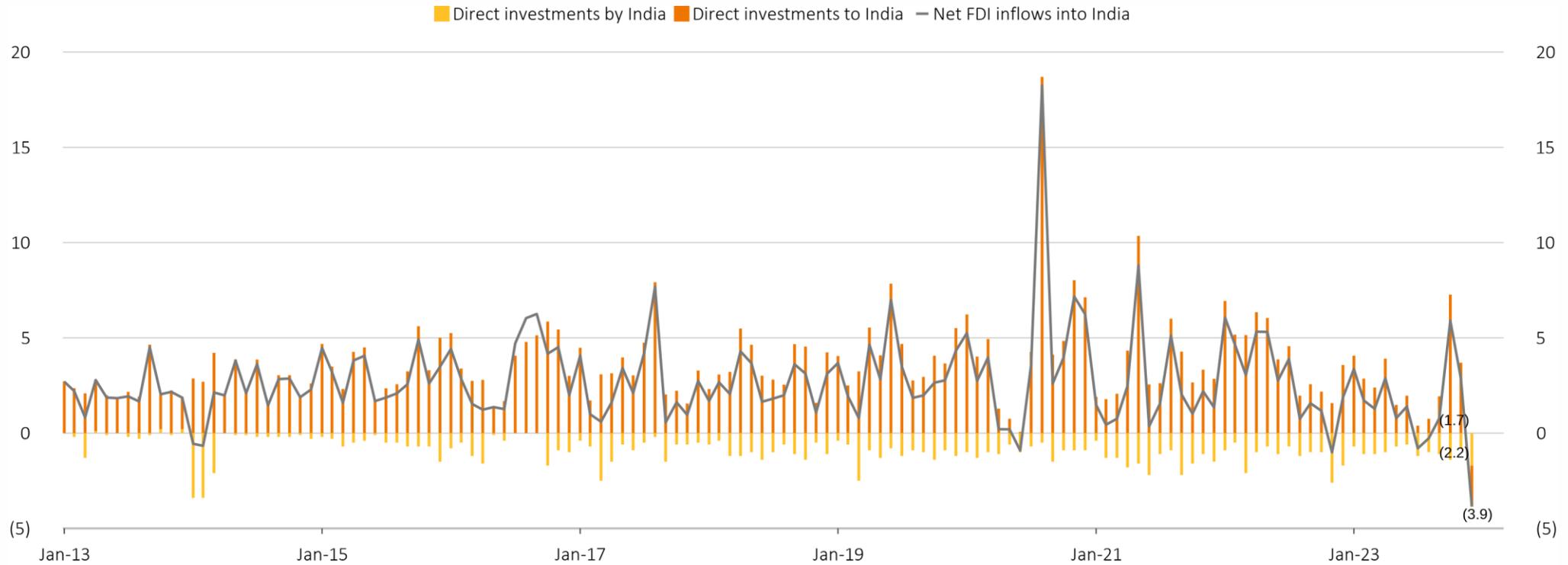


Source: Bloomberg, NIIF Research

Key chart

FDI records a net outflow of USD 3.9 billion in Dec

Monthly foreign direct investments (USD billion), FY2013-FY2024 (Dec '23)



Source: Thurro, RBI, NIIF Research

Note:

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



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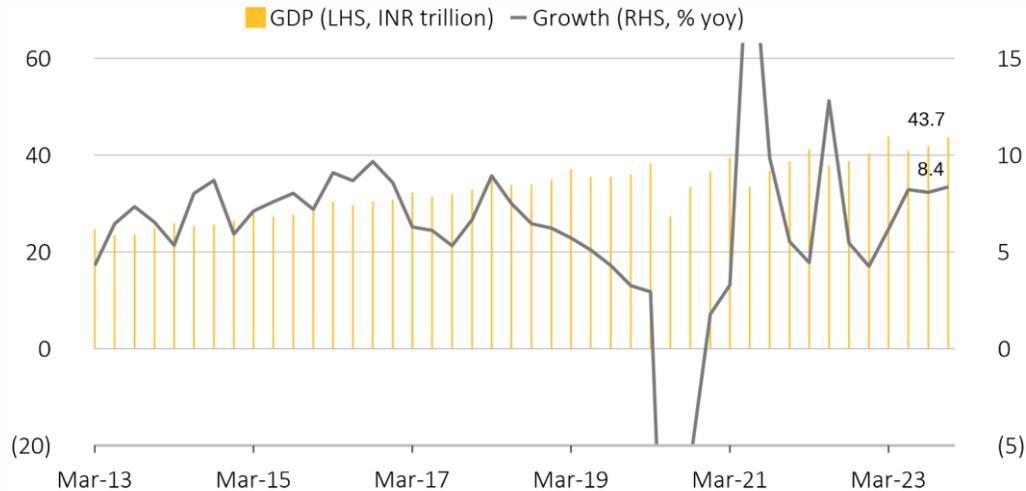
Macroeconomic indicators

- Real GDP surges by 8.4% yoy in Q3FY24 driven by continued momentum in capex. Industry and services sectors drive real GVA growth of 6.5%. Moderating core infrastructure growth of 3.6% yoy in January despite robust steel and coal production. Manufacturing and Services PMI remain in expansionary zone in January at 56.9 and 60.6 respectively. Strong growth in e-way bills of ~19% yoy in February
- Robust 13.4% growth in two-wheeler demand boosted by the 29-day Feb. Strong 24.4% growth in three-wheeler demand in Feb, while commercial vehicle demand contracts. Moderate growth in demand for energy and fuel, adjusted for a 29-day February
- Credit-to-deposit ratio at a decadal high of 80.2 in Feb as credit maintains a ~21% yoy growth. Continued momentum in use of digital payments in Feb while growth in currency in circulation moderates
- Consumer inflation remains within RBI's upper target range at 5.1% yoy in Feb. WPI inflation subdued at 0.3% yoy in Jan. Wheat stock with Food Corporation of India continues to remain near margin in Dec. GST collection as a % of TTM GDP increased by 60 bps to 6.9% over the last two years

Growth

Real GDP growth rises sharply in Q3FY24 by 8.4%

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

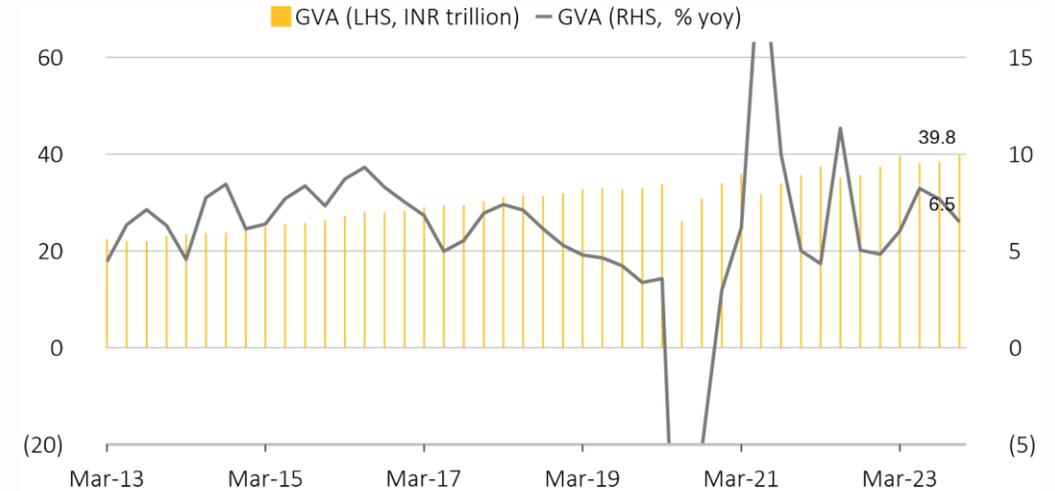


Source: Thurro, MOSPI, NIIF Research

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

Real GVA growth of 6.5% in Q3FY24

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



Source: Thurro, MOSPI, NIIF Research

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

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

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

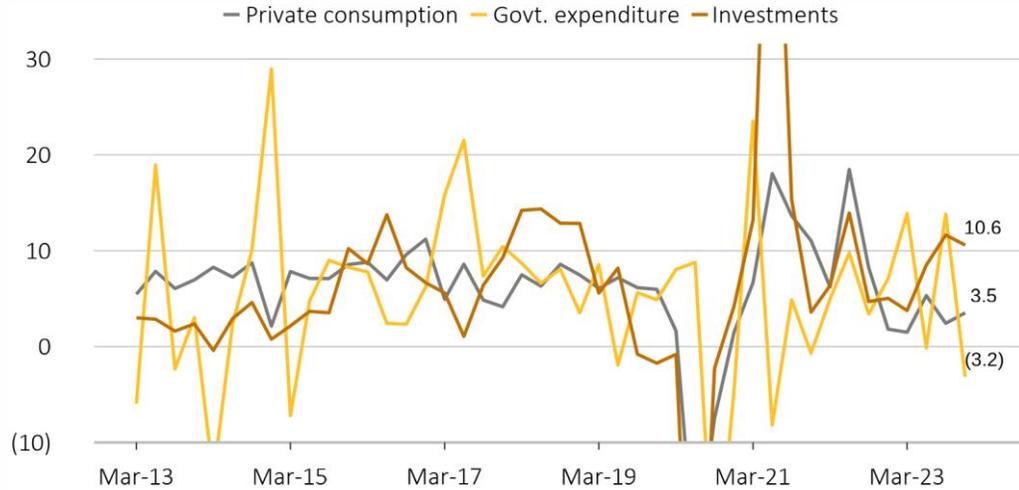
Supply side growth maintains pace with real Gross Value Added (GVA) growth of 6.5% in Q3FY24

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

Growth

Capex a key driver of GDP growth in Q3FY24

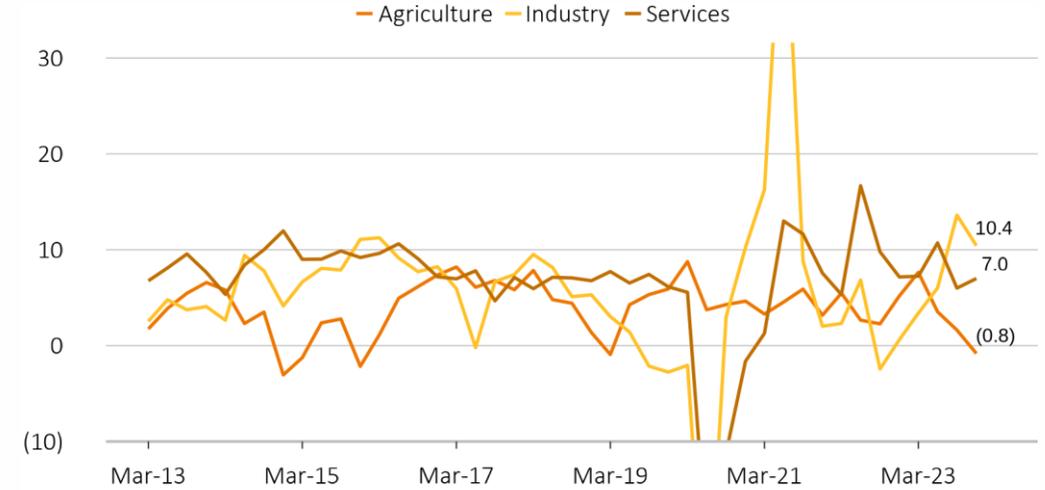
Quarterly real GDP growth by components (% yoy), FY2013-FY2024 (Dec '23)



Source: Thurro, MOSPI, NIIF Research

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

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



Source: Thurro, MOSPI, NIIF Research

Real GDP growth driven by continued momentum in capex

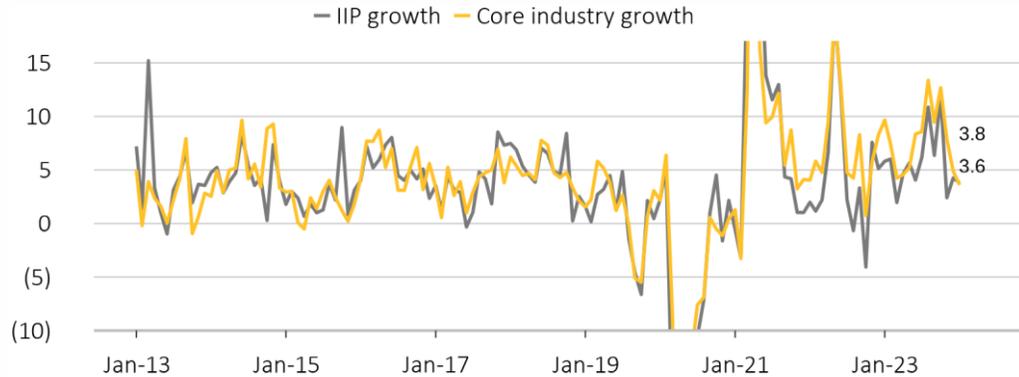
- Growth in fixed investments or capex of 10.6% yoy in Q3FY24, compared to 11.6% in Q2FY24, supporting strong GDP growth
- Government consumption expenditure declined to a negative 3.2% yoy from 13.8% in Q2FY24. Growth in private consumption of 3.5% yoy in Q3FY24 compared to 2.4% in Q2FY24

Industry and services sectors drive real GVA growth in Q3FY24

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

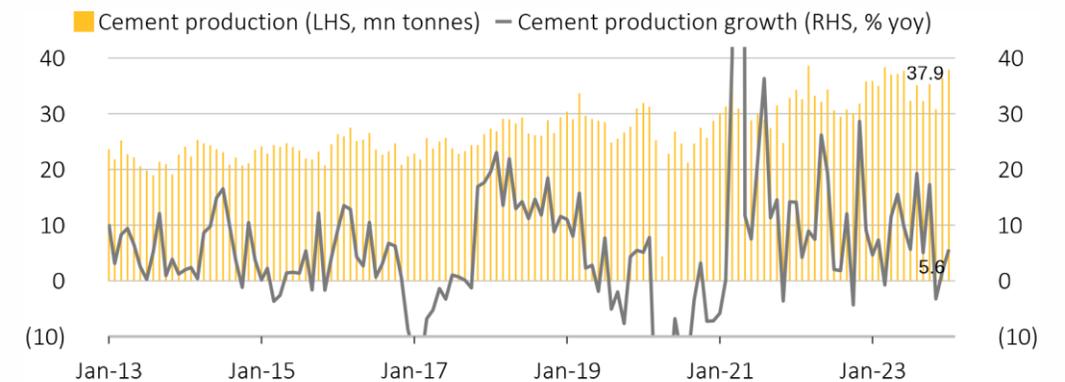
Core sectors

Core infra growth moderates in Jan to 3.6% on a high base of 9.7%
IIP and output of eight core industries (% yoy), FY2013-FY2024 (Jan '24)



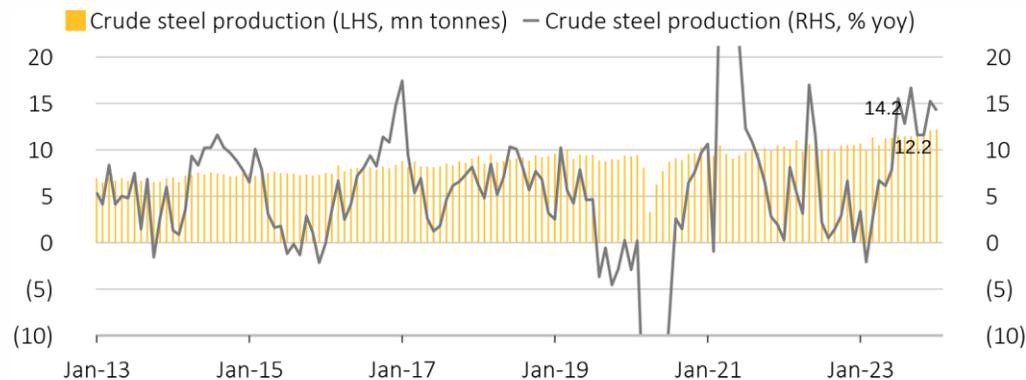
Source: Thurro, Office of the Economic Advisor, NIIF Research
Note: IIP growth for May '20 and Apr '21 not shown due to low base effect

Stable ~5.6% growth in cement production in Jan
Monthly cement production, FY2013-FY2024 (Jan '24)



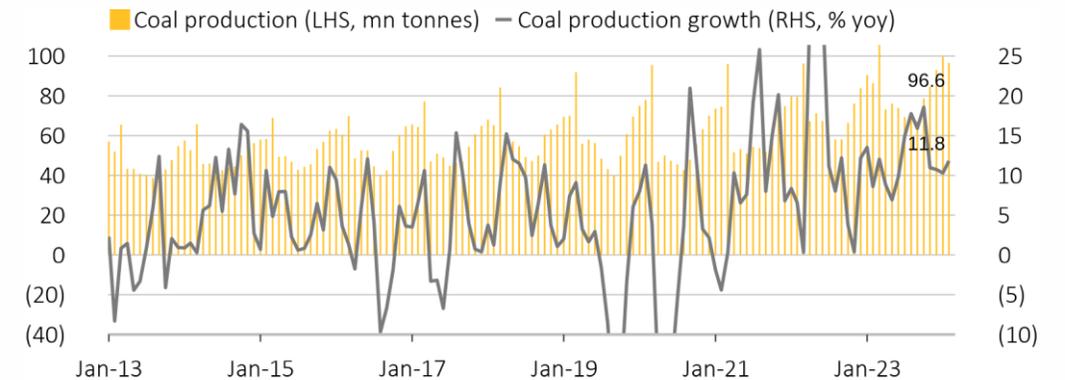
Source: Thurro, EAI, NIIF Research
Note: Growth in cement production in Apr '21 not shown in the chart due to low base effect

Crude steel production continues to record double-digit growth
Monthly crude steel production, FY2013-FY2024 (Jan '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

Coal production growth remains in double-digit in a 29-day Feb
Monthly coal production, FY2013-FY2024 (Feb '24)

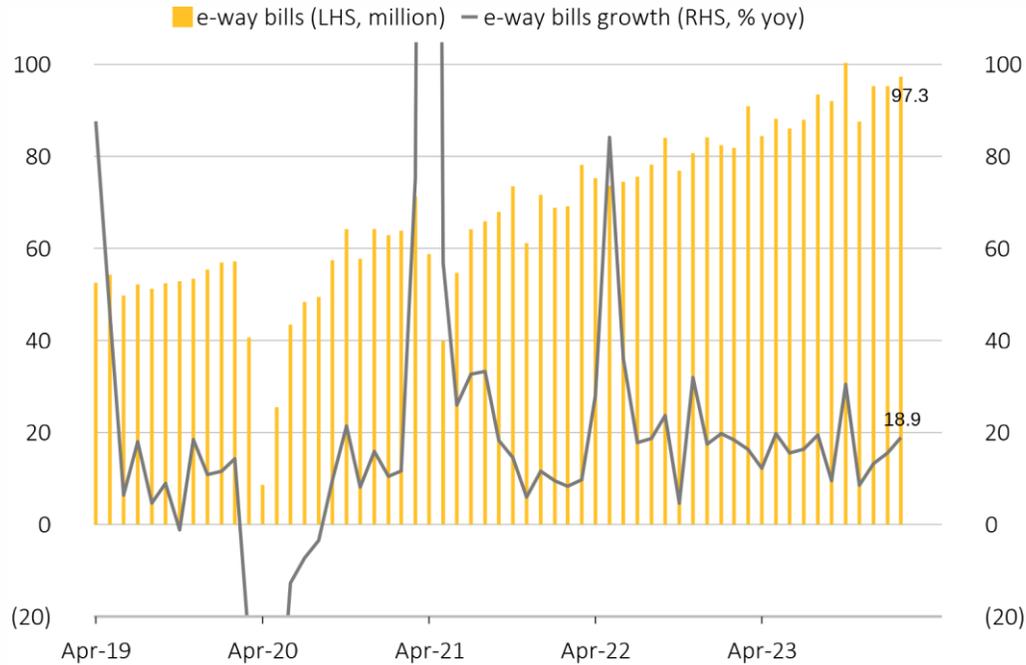


Source: Thurro, Ministry of Coal, NIIF Research

Activity levels

Double-digit growth of 19% yoy in e-way bills in a leap-year Feb

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



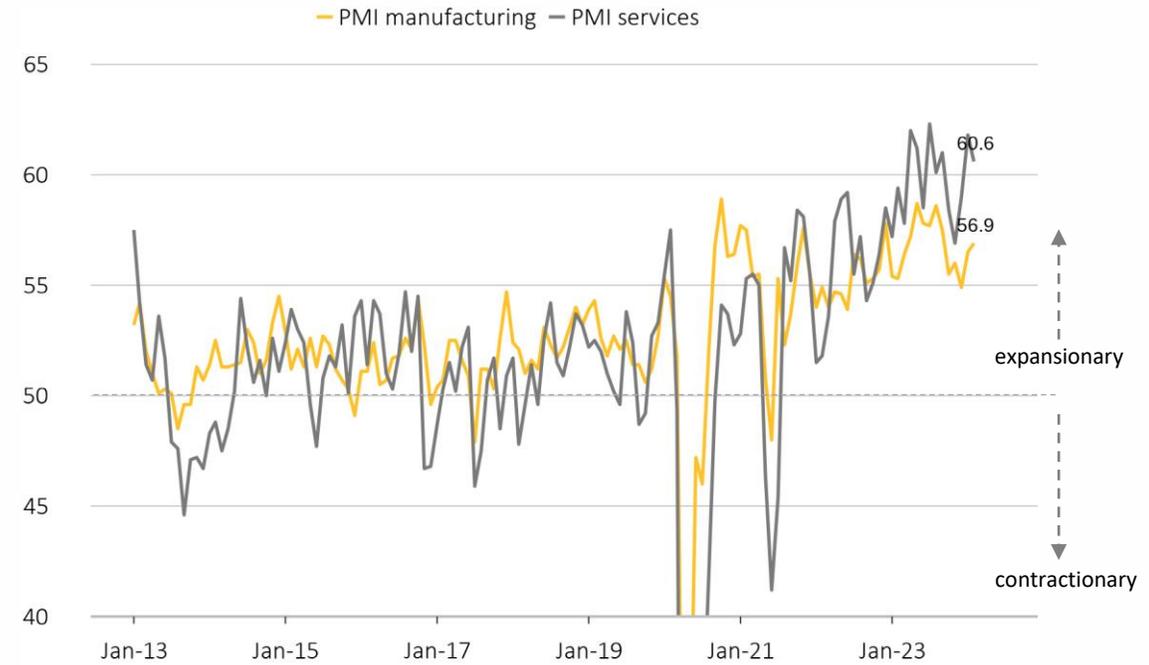
Source: Thurro, GSTN, NIIF Research

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 in services and manufacturing remain high in Feb

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



Source: Thurro, S&P, NIIF Research

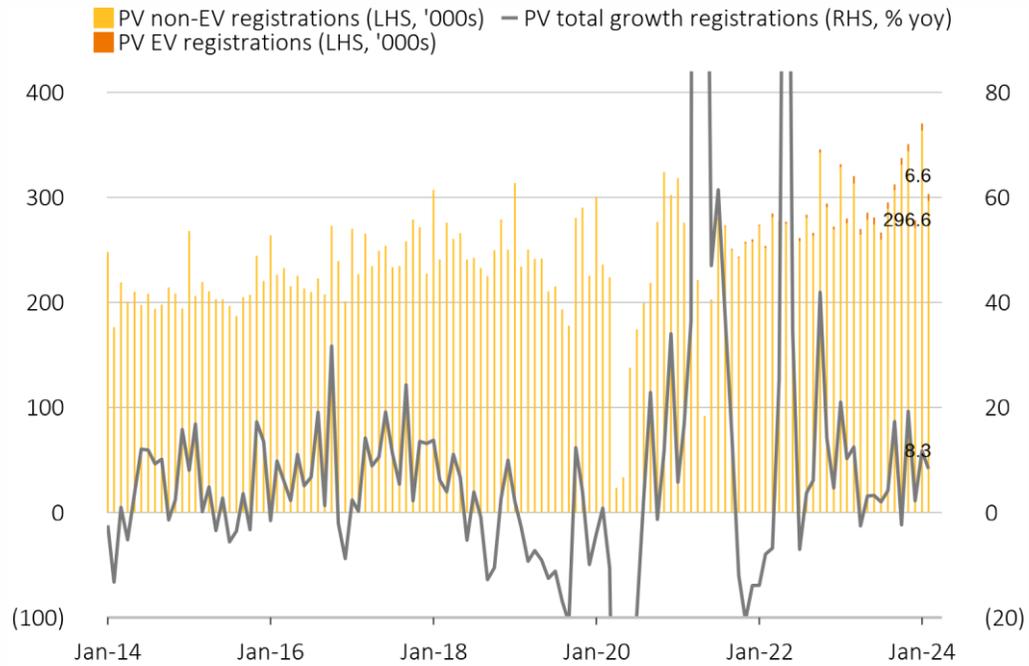
Note:

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)

Stable demand for passenger vehicles

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



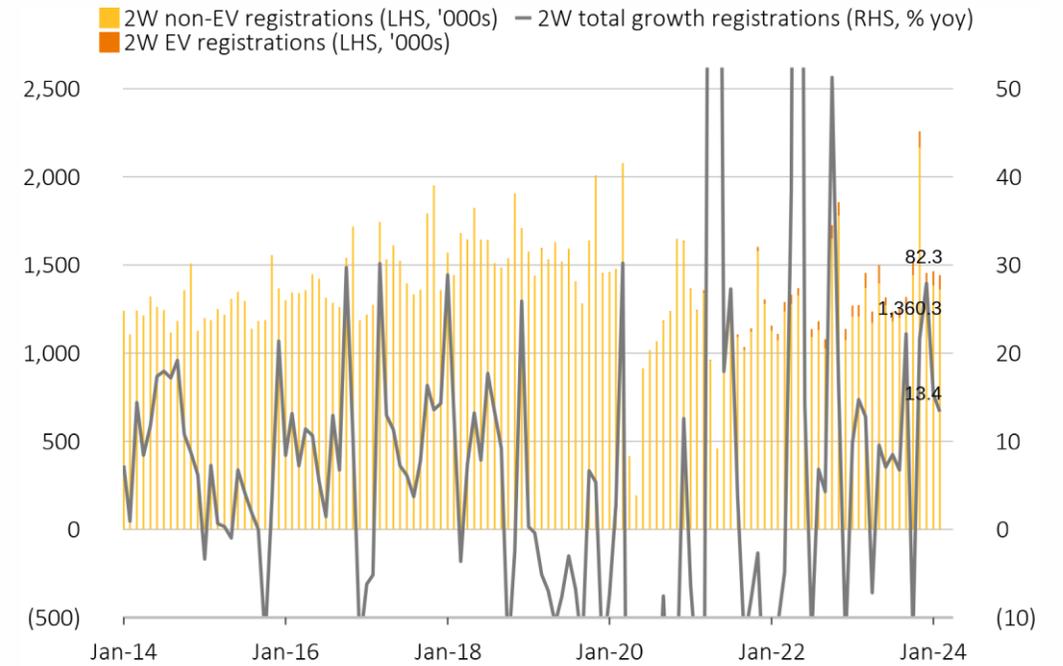
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

Note:

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

Strong growth in two-wheeler registrations in a longer Feb

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



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

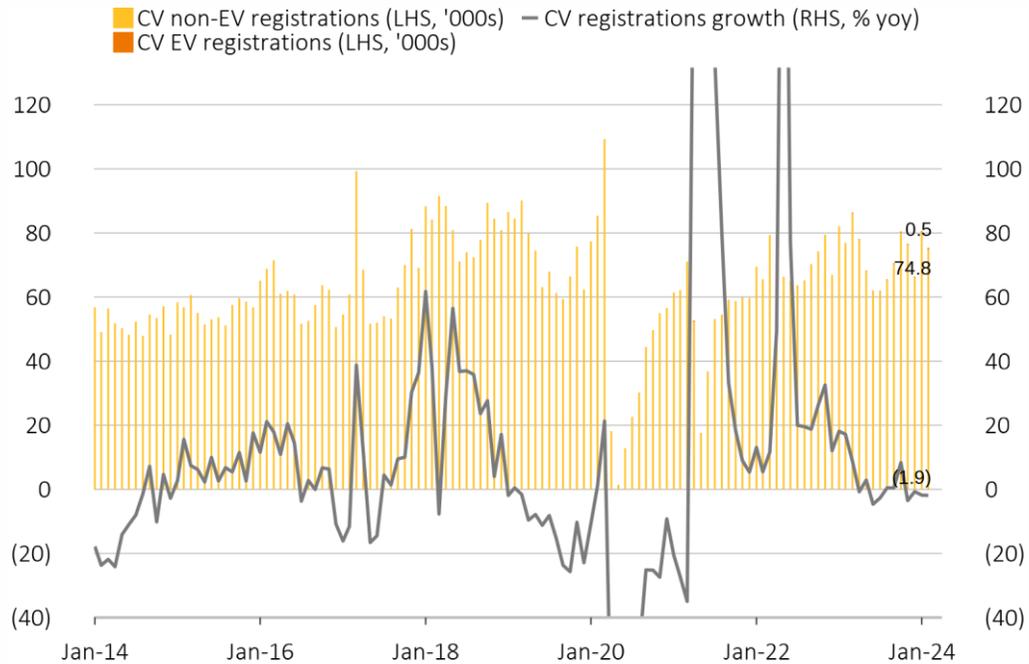
Note:

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)

Demand for commercial vehicles contracts in Feb

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



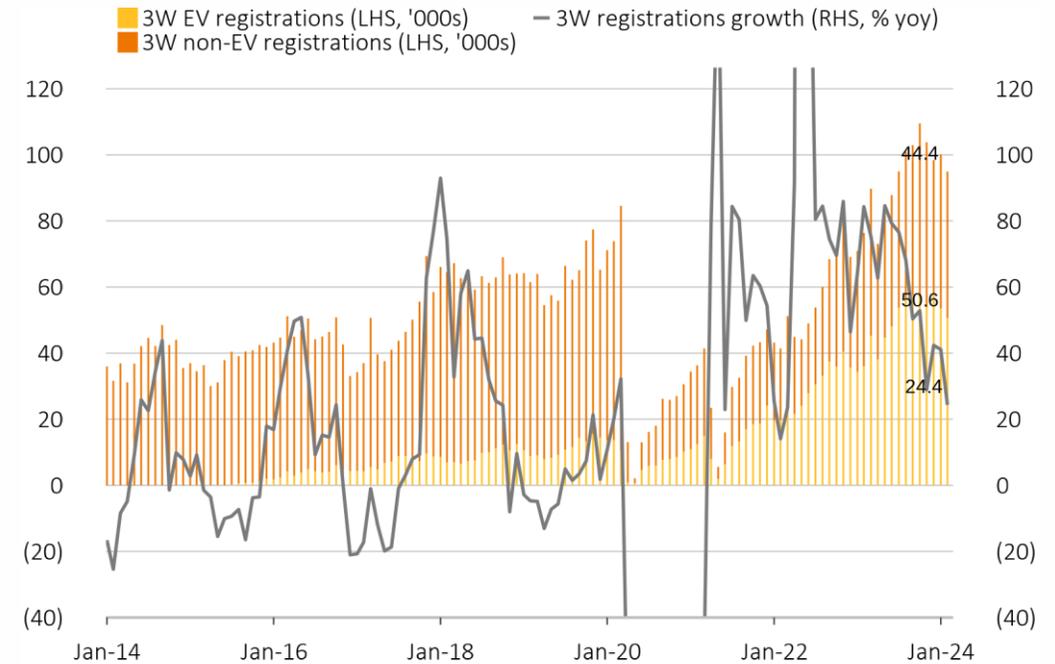
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

Note:

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

Robust demand for 3W in Feb – EV’s share 50%+

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



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

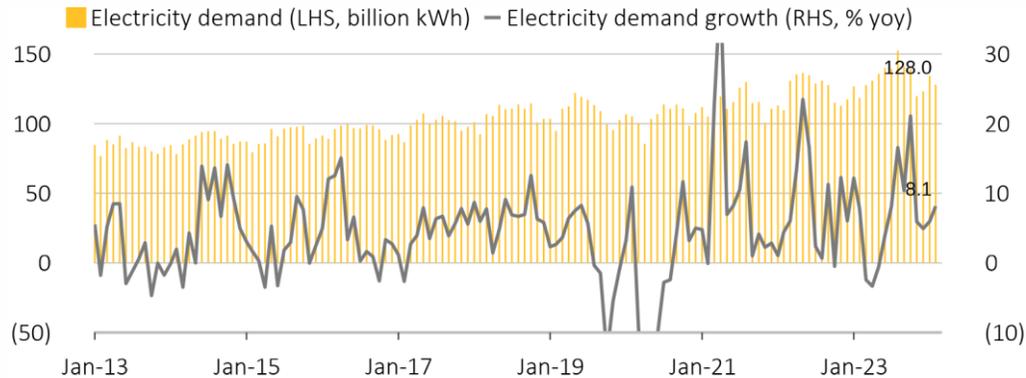
Note:

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

Energy and fuel

Growth in electricity demand of 8.1% yoy in a Feb with one extra day

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

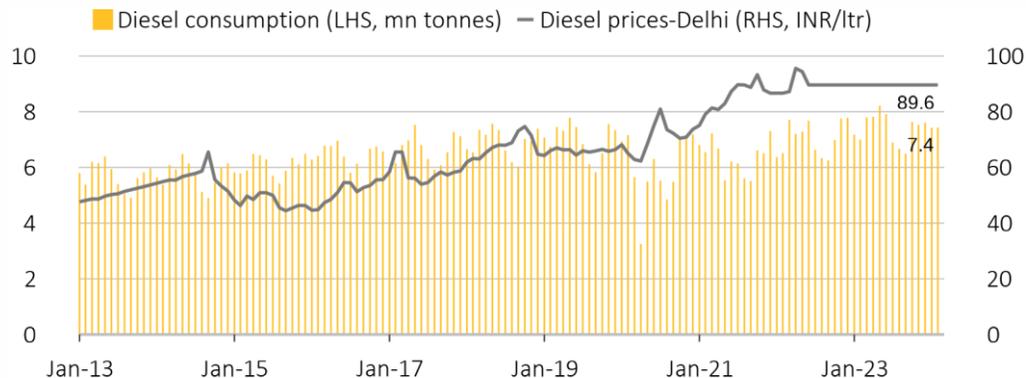


Source: Thurro, POSOCO, NIIF Research

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

Diesel consumption stable at ~7 mn tons in Feb

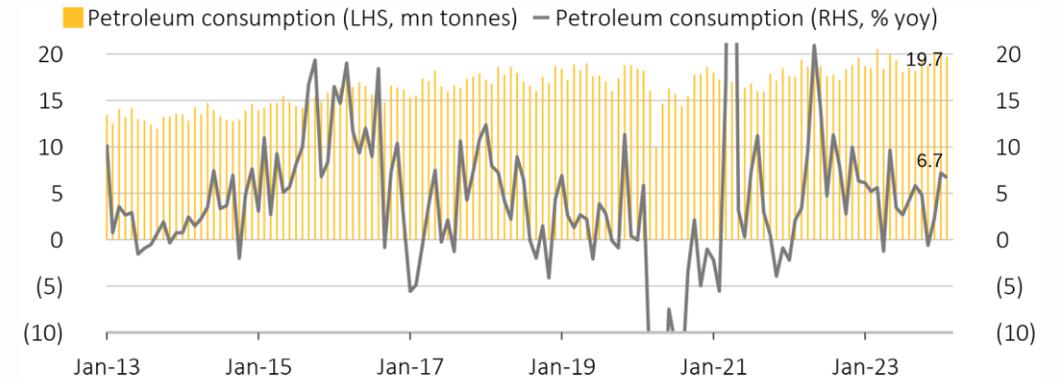
Monthly diesel consumption and prices, FY2013-FY2024 (Feb '24)



Source: Thurro, PPAC, NIIF Research

Demand for petroleum grows by 6.7% yoy in Feb

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

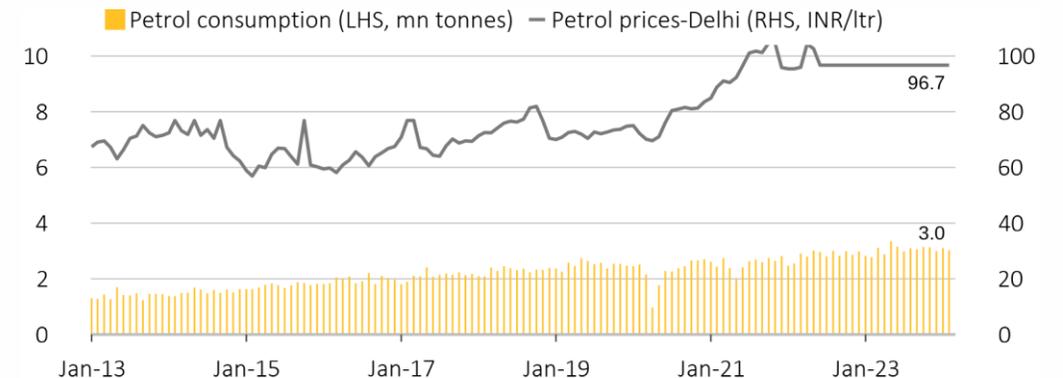


Source: Thurro, PPAC, NIIF Research

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

Petrol consumption stable in Feb at ~3 mn tons; retail prices unchanged

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

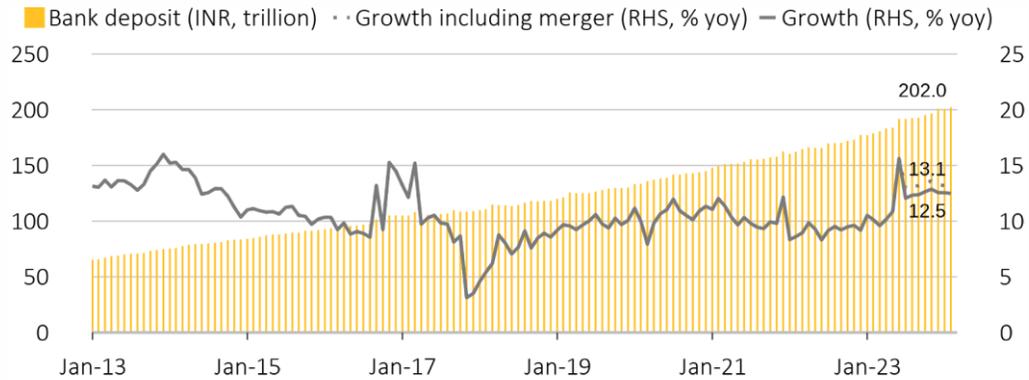


Source: Thurro, PPAC, NIIF Research

Banks: credit and deposits

Deposit growth stable at ~13% yoy; crosses INR 200 trillion

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

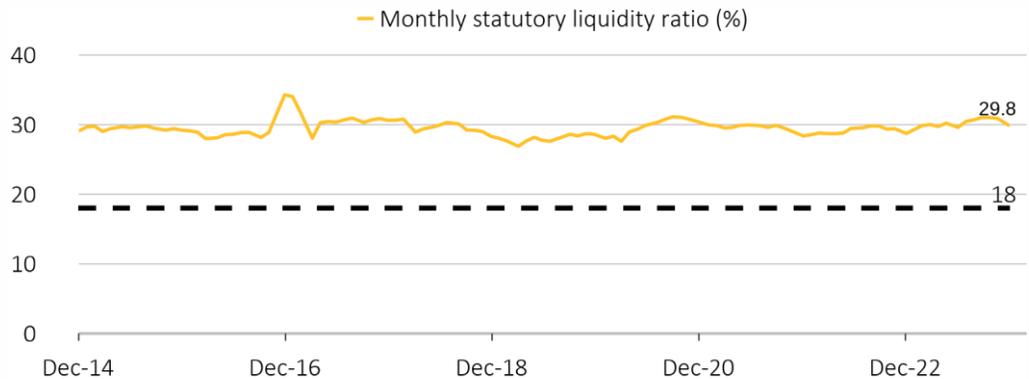


Source: Thurro, RBI, NIIF Research

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

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

Monthly statutory liquidity ratio (SLR) of banks, FY2015-FY2024 (Dec '23)

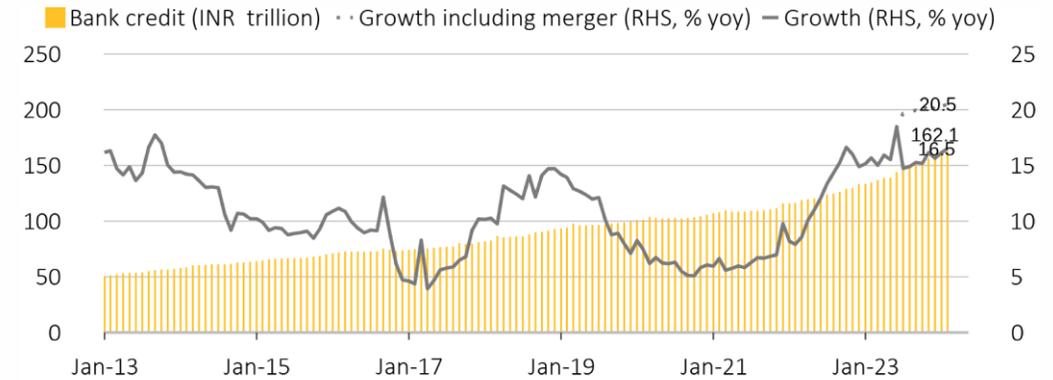


Source: Thurro, RBI, NIIF Research

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

Credit growth remains high at ~21% yoy in Feb

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

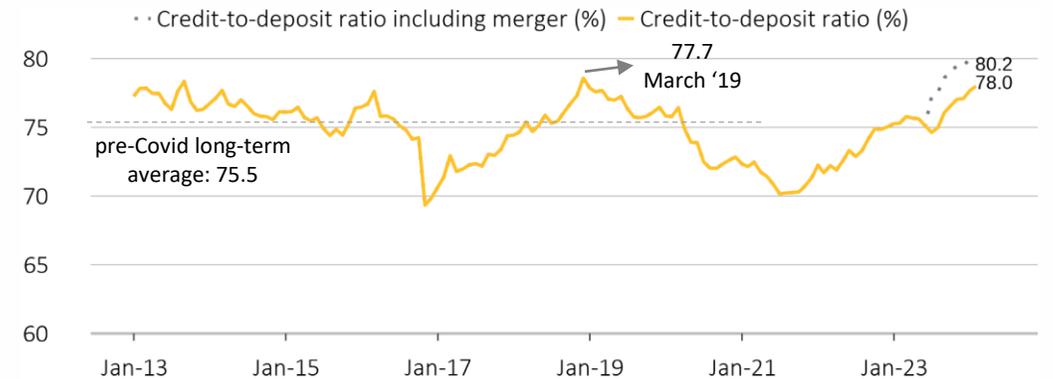


Source: Thurro, RBI, NIIF Research

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

Credit-to-deposit ratio at a decadal high of 80.2 in Feb

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



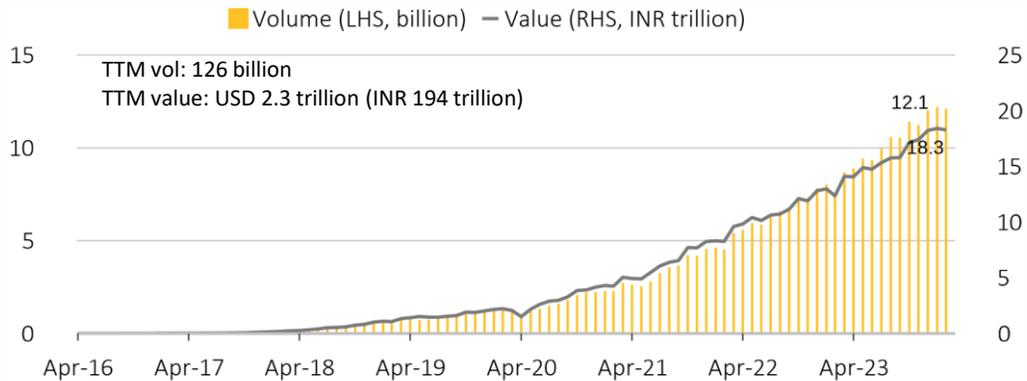
Source: Thurro, RBI, NIIF Research

Note: HDFC merger took effect in July 2023

Currency and transactions

UPI transactions record ~INR 18 trillion in Feb

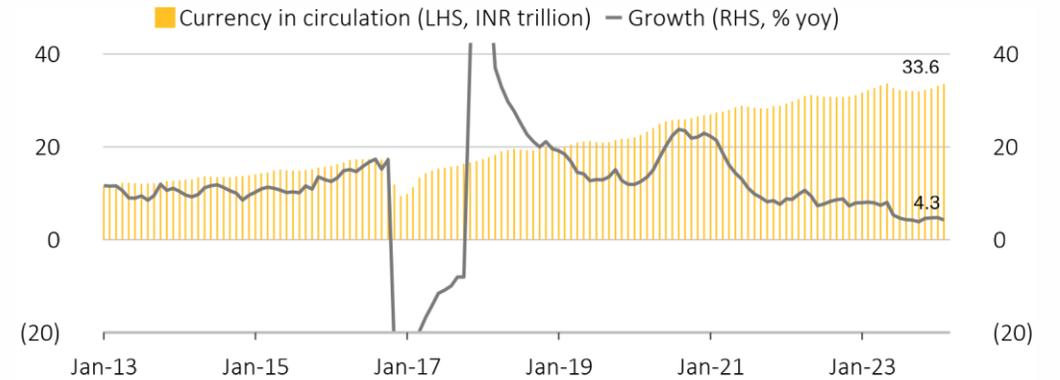
Unified Payment Interface (UPI), FY2017-FY2024 (Feb '24)



Source: Thurro, NPCI, NIIF Research
Note: Trailing twelve months (TTM)

Growth in currency in circulation moderates in Feb

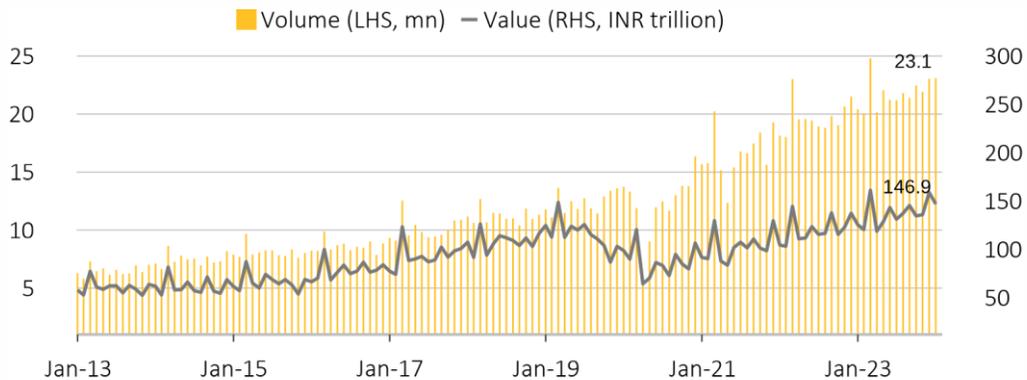
Currency in circulation, FY2013-FY2024 (Feb '24)



Source: Thurro, RBI, NIIF Research

RTGS transactions value stable at INR ~147 trillion in Jan

RTGS transactions, FY2013-FY2024 (Jan '24)

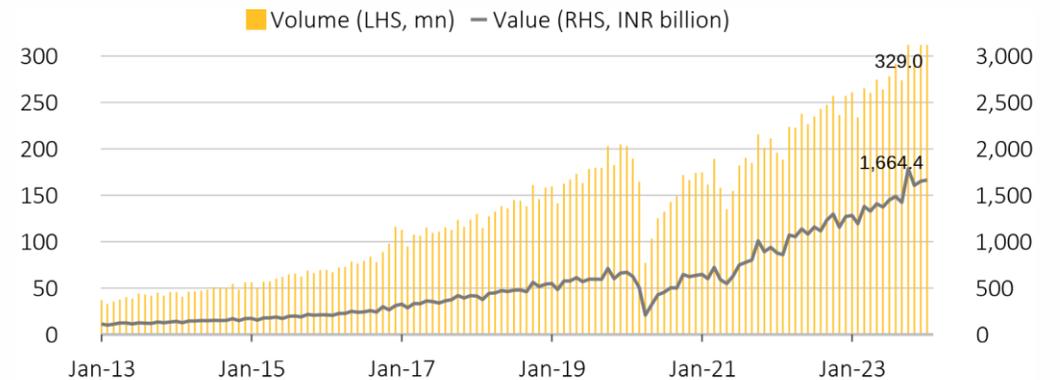


Source: Thurro, RBI, NIIF Research

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

Transactions using credit cards remain high at ~INR 1.7 trillion in Jan

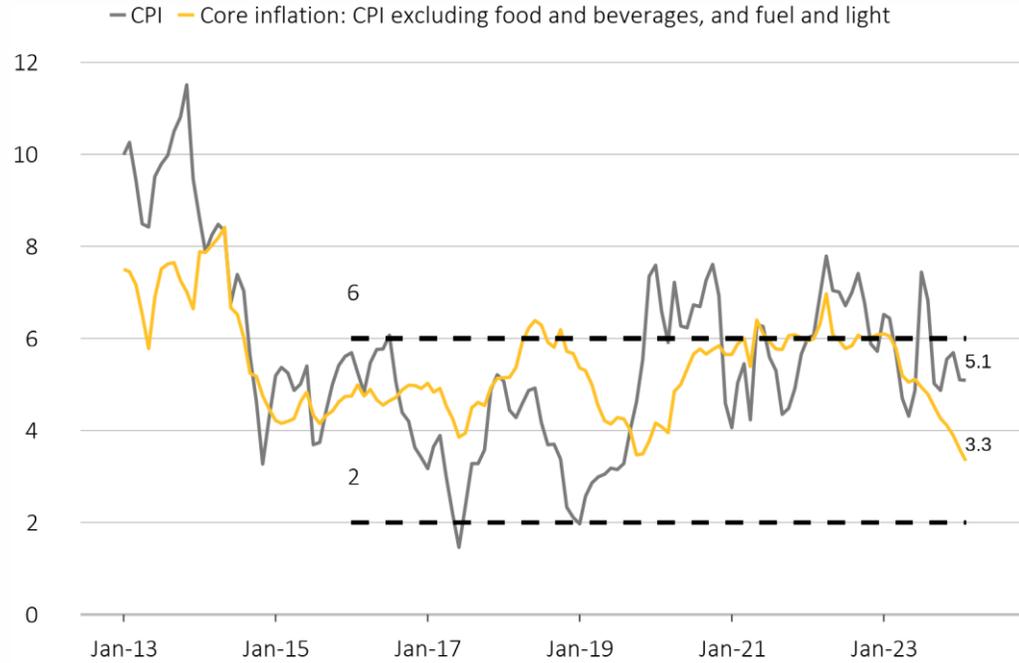
Credit card transactions, FY2013-FY2024 (Jan '24)



Source: Thurro, RBI, NIIF Research

Inflation: India

CPI inflation unchanged at 5.1% yoy in Feb; core inflation softens further
 Monthly consumer price inflation (% yoy), FY2013-FY2024 (Feb '24)

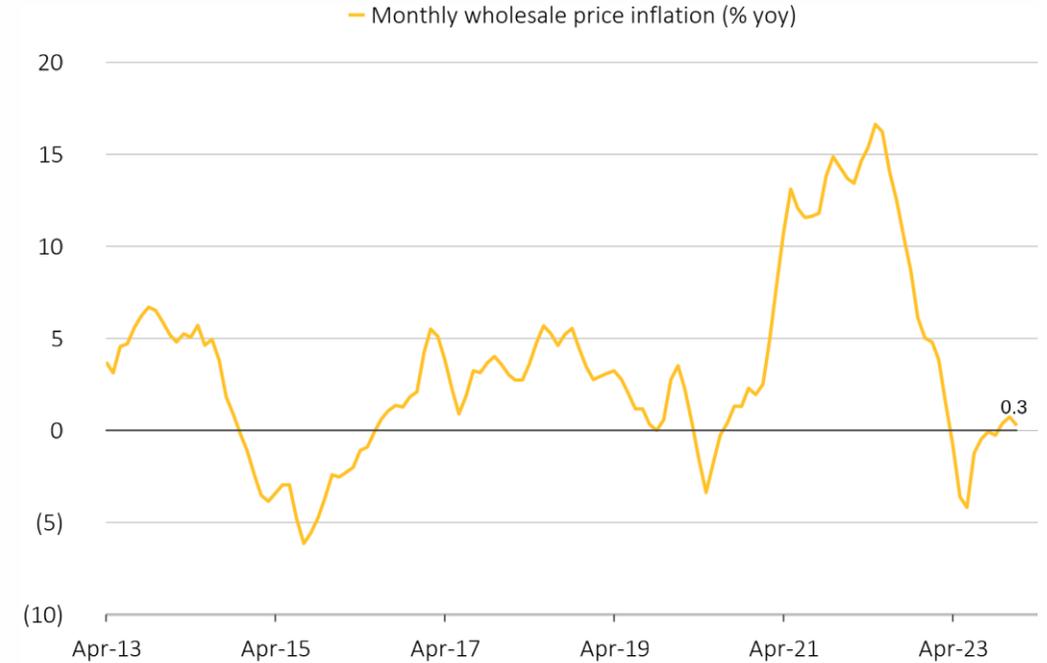


Source: Thurro, MoSPI, NIIF Research

Note:

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

Wholesale inflation remains in the positive zone, at 0.3% yoy in Jan
 Monthly wholesale price inflation (% yoy), FY2014-FY2024 (Jan '24)

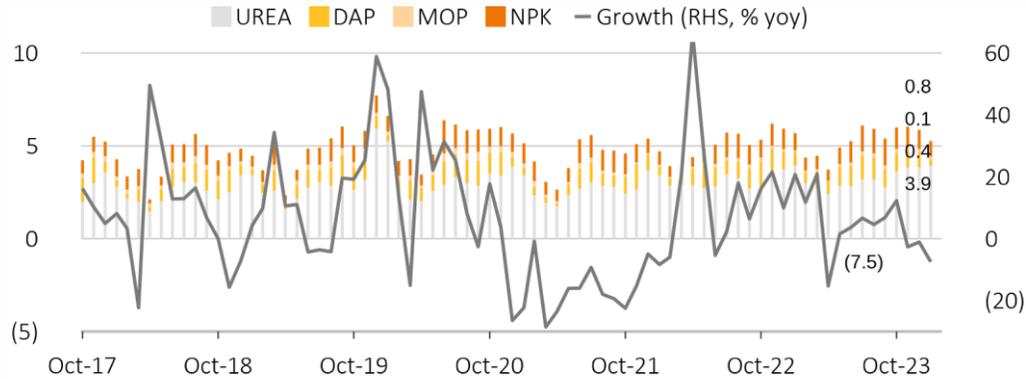


Source: Thurro, Ministry Of Commerce & Industry, NIIF Research

Rural India

Muted demand for fertilizers in January, contracts by 7.5% yoy

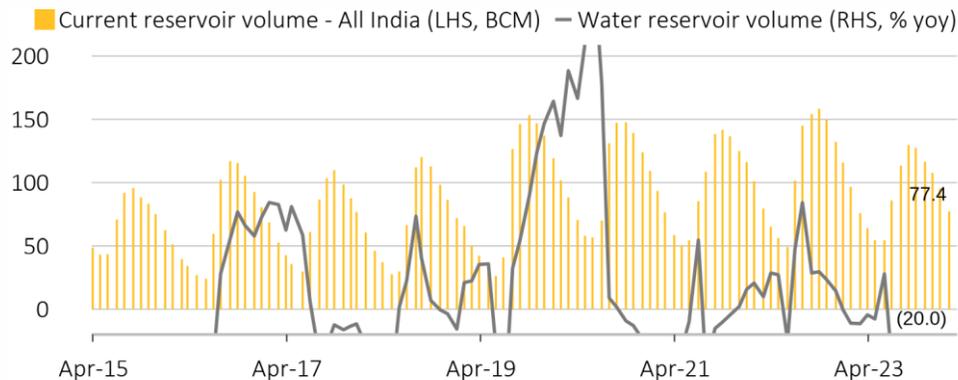
Monthly fertilizer sales, FY2018-FY2024 (Jan '24)



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

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

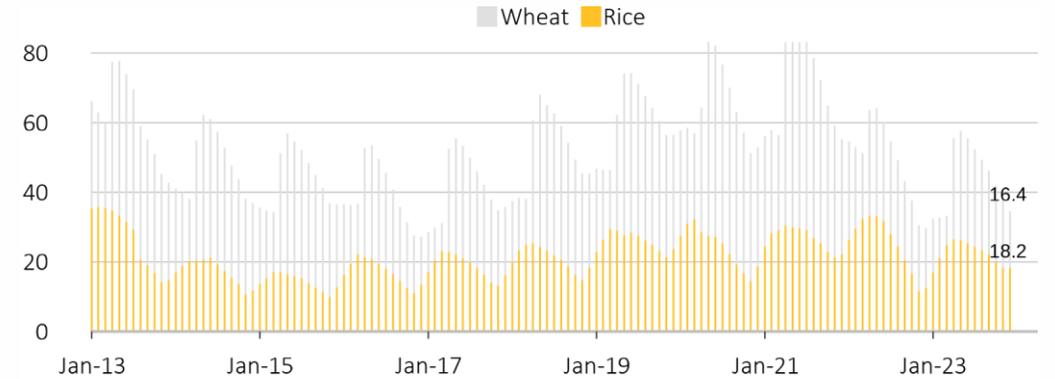
Monthly live water reservoir storage, FY2016-FY2024 (Feb '24)



Source: Thurro, CWC, NIIF Research

Wheat stock with FCI continues to remain near margin

Monthly food grain stocks with FCI (million tonnes), FY2013-FY2024 (Dec '23)

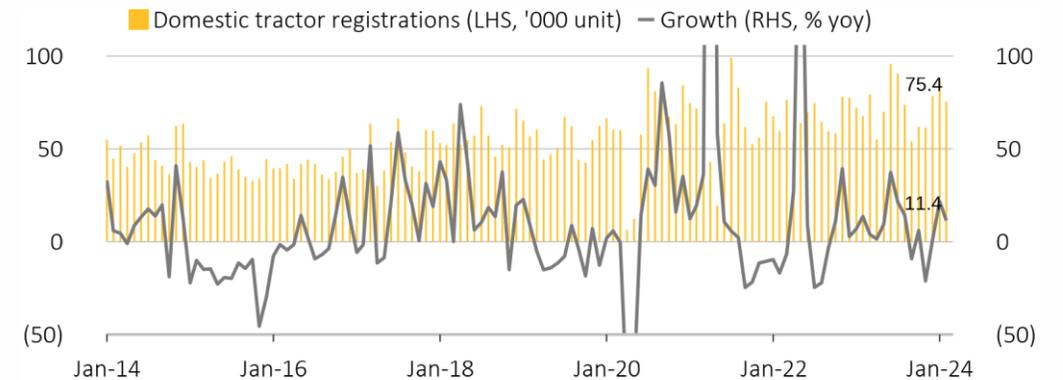


Source: Thurro, FCI, NIIF Research

Note: 1. Rice is excluding paddy
2. Buffer limit required as of January 1 for rice is 7.6 mn tons and for wheat is 13.8 mn tons

Tractor registration records double-digit growth in Feb

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



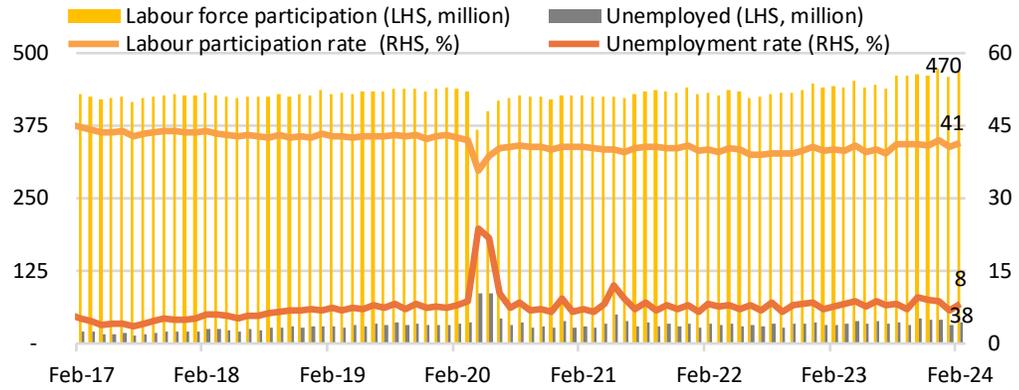
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

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

Employment – all-India and rural

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

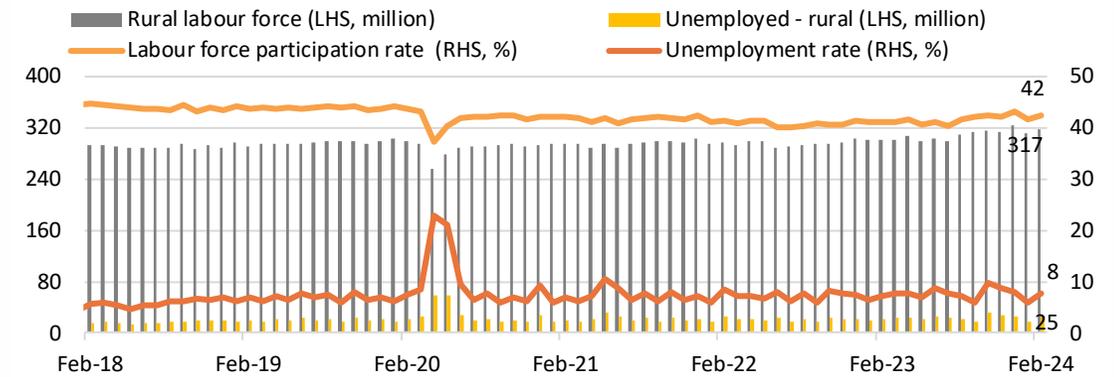
Monthly all-India labour participation and unemployment, FY2016-FY2024 (Feb '24)



Source: CMIE, NIIF Research

Rural unemployment picks up to 8% in Feb; rural labor force at 317 mn

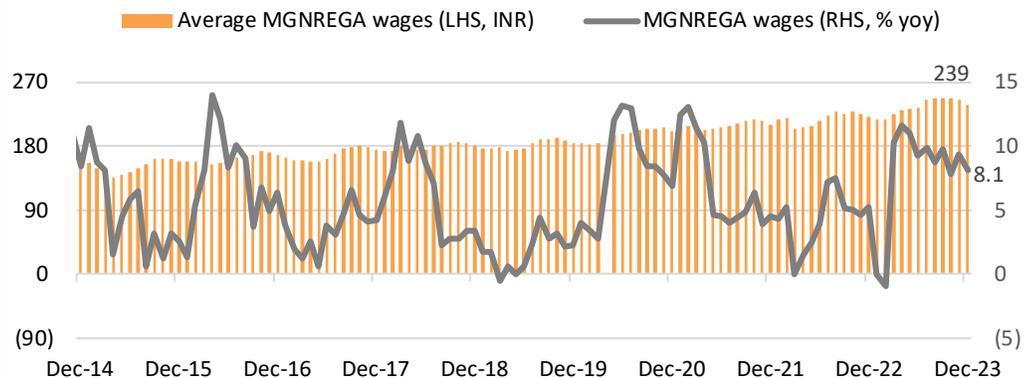
Monthly rural labour participation and unemployment, FY2016-FY2024 (Feb '24)



Source: CMIE, NIIF Research

Robust growth in average MGNREGA wages of ~8% yoy in Dec

Daily average MGNREGA wages (INR), FY2015-FY2024 (Dec '23)

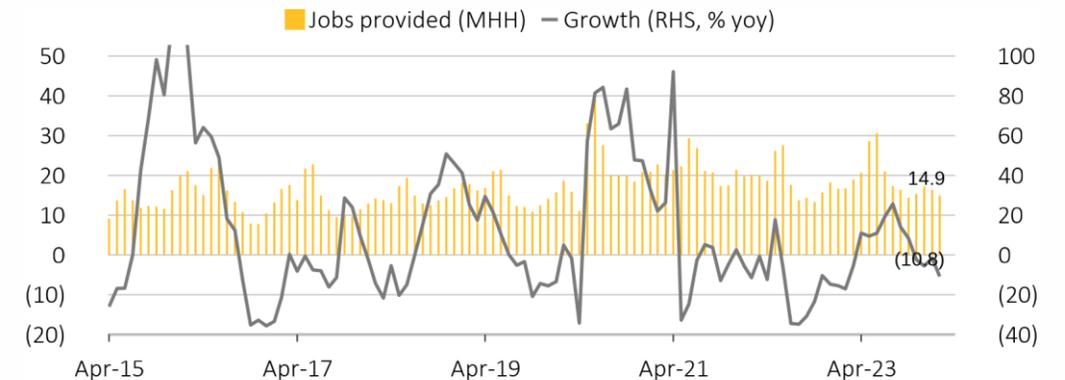


Source: CMIE, NIIF Research

Note: MGNREGA is Mahatma Gandhi National Rural Employment Guarantee Act

Jobs provided under MNREGA back to pre-Covid level

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



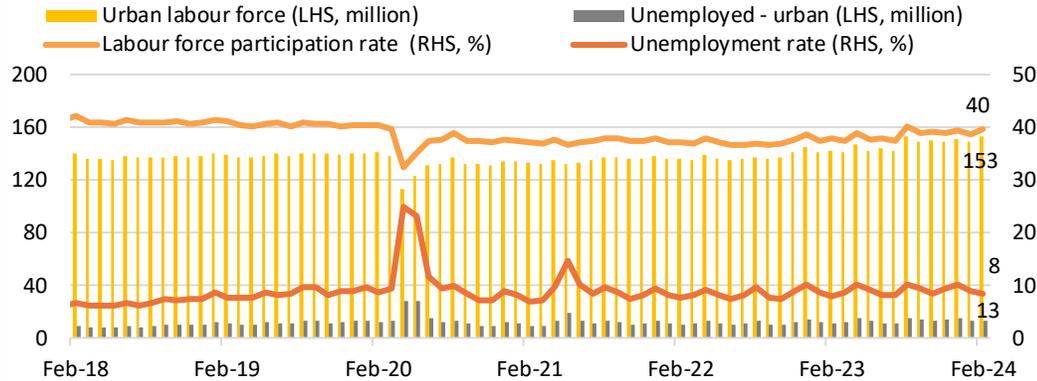
Source: Thurro, MNREGA, NIIF Research

Note: MHH is million households

Employment - urban

Urban labor force stable at ~40%

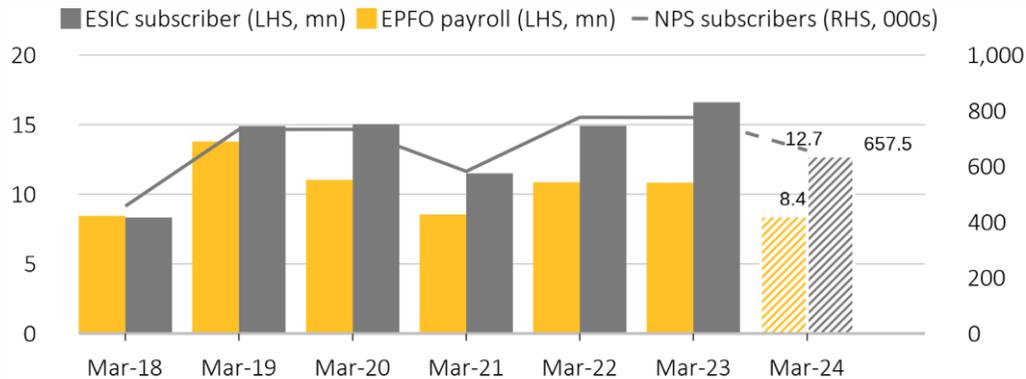
Monthly urban labour participation and unemployment, FY2016-FY2024 (Feb '24)



Source: CMIE, NIIF Research

Continued momentum in addition to formal workforce

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

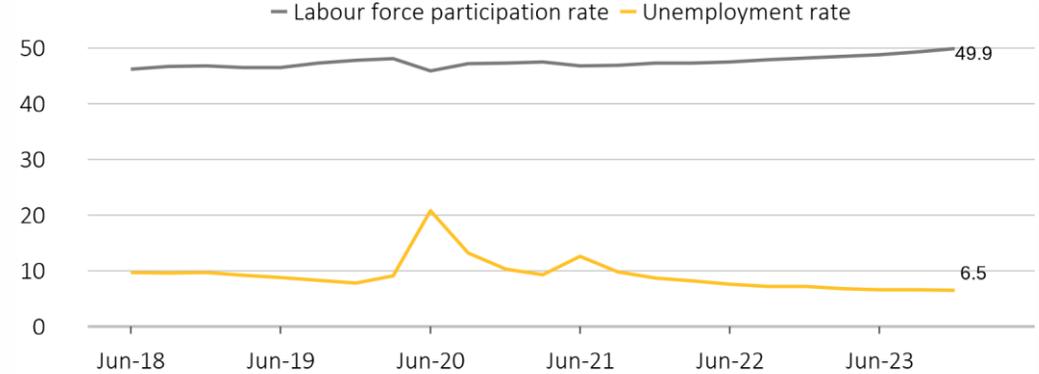


Source: Thurro, EPFO, NIIF Research

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

Labor force expands in urban areas in December quarter

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

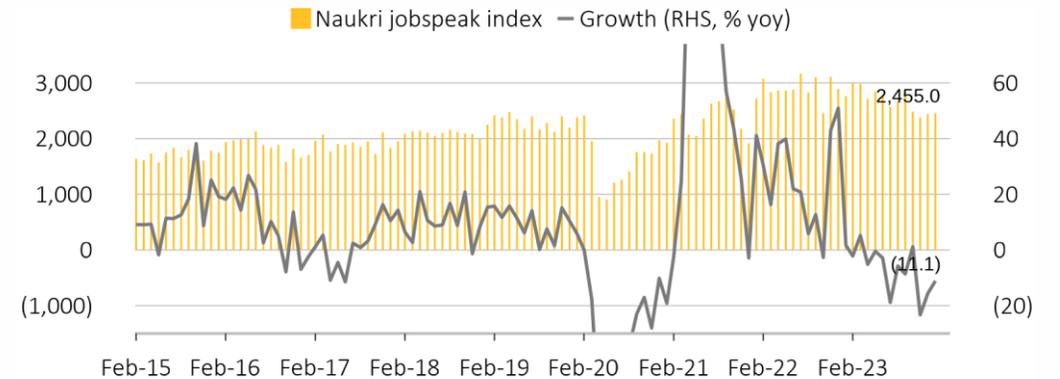


Source: Thurro, MoSPI, NIIF Research

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

Hiring in corporate India slows down

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



Source: Thurro, Naukri, NIIF Research

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

Fiscal Position

Government fiscal dynamics tracking as per estimates

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

	FY2023		FY2024		% of RE		% yoy
	January	YTD	January	YTD	YTD FY2023	YTD FY2024	Δ YTD
1 Revenue receipts	1.5	19.2	1.8	22.2	81.7	82.2	15.5
1.1 Gross tax revenue	1.9	23.6	2.2	27.1	77.6	78.7	14.5
1.1.1 Direct tax	0.7	12.2	1.0	15.0	73.7	77.3	23.6
1.1.2 Indirect tax	1.2	11.5	1.3	12.0	82.7	81.0	4.9
2 Capital receipts (non-debt)	0.0	0.6	0.0	0.3	68.5	61.1	(40.2)
2.1 Net recovery of loans and advances	0.0	0.2	0.0	0.2	78.8	83.3	17.0
2.2 Miscellaneous receipts	(0.0)	0.4	0.0	0.1	64.5	41.9	(67.5)
3 Total (non-debt) receipts (1 + 2)	1.5	19.8	1.8	22.5	81.3	81.7	13.9
4 Revenue expenditure	2.7	26.0	2.5	26.3	75.1	74.4	1.4
4.1 Interest payment	0.6	7.4	0.7	8.2	78.5	77.9	11.2
5 Capital expenditure	0.8	5.7	0.5	7.2	78.3	75.9	26.5
6 Total expenditure (4 + 5)	3.5	31.7	3.0	33.5	75.7	74.7	5.9
7 Revenue deficit (4 - 1)	1.2	6.8	0.8	4.2	61.1	49.4	(38.7)
8 Fiscal deficit (6 - 3)	2.0	11.9	1.2	11.0	67.8	63.6	(7.4)
9 Annual Nominal Gross Domestic Product (GDP)	269.5		293.9				

Source: CEIC, NIIF Research

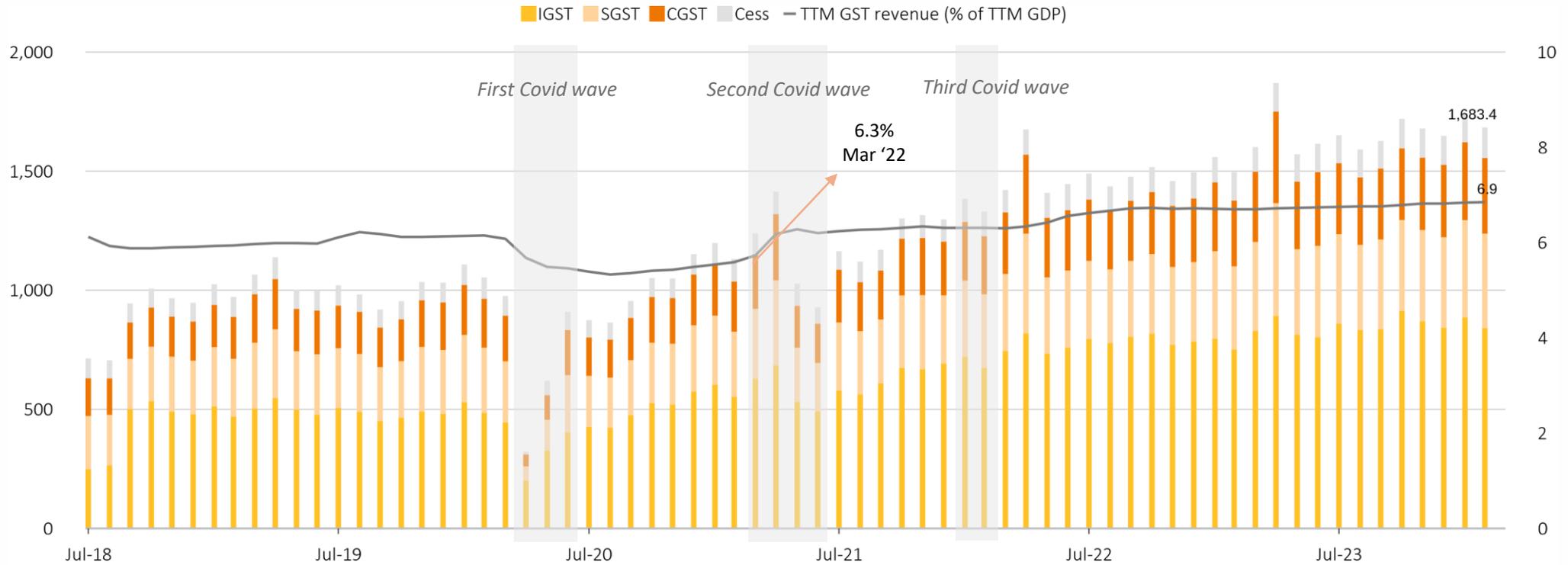
Note:

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

Fiscal Position

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

Monthly composition of GST Revenue (INR billion), FY2019-FY2024 (Feb '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 assumed are the revised estimates for FY2023 of INR 269.5 trillion, and for FY2024 of INR 293.9 trillion



MONTHLY ECONOMIC REPORT ON INDIA MAR 2024

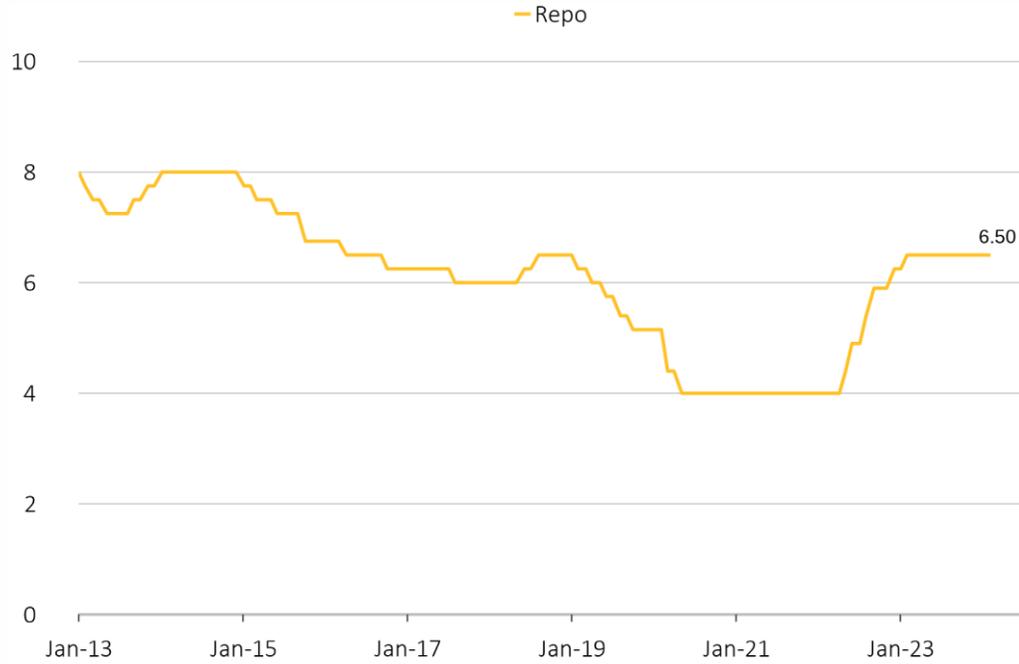
Markets

- Monetary policy stance unchanged for a year now. Transmission of policy rate still incomplete. Consensus forecast (as of Feb-end) expect a cumulative 50 bps rate cut in FY2025 starting Q2FY25. Tighter liquidity leading to an inverted yield curve over Feb/March for the first time since 2015; 10-year G-sec yields moderate to nearly 7% in early March after remaining stable between 7.1-7.3% over the past few months
- Robust services export supporting services trade surplus. Goods trade deficit narrows in January due to lower core (non-oil) trade. INR appreciated against US Dollar over the last month by 0.3%, depreciated by ~1% against other currencies. USD/INR forward premium at a 15-year low
- Volatility rising in the Indian equity market in Feb. Indian benchmark equity indices generate strong average returns of ~25% over the last year. SIP inflows continue to surge in Feb, investors pull out of mutual funds on a net basis in Feb to the tune of INR 324 billion
- Alternatives at an all-time high as dollar weakens- gold surges past USD 2,000 and Bitcoin records USD 71,700 on March 11. Brent crude oil price trending upwards

Policy rate and liquidity

Repo rate at 6.5% - policy unchanged since Feb 2023

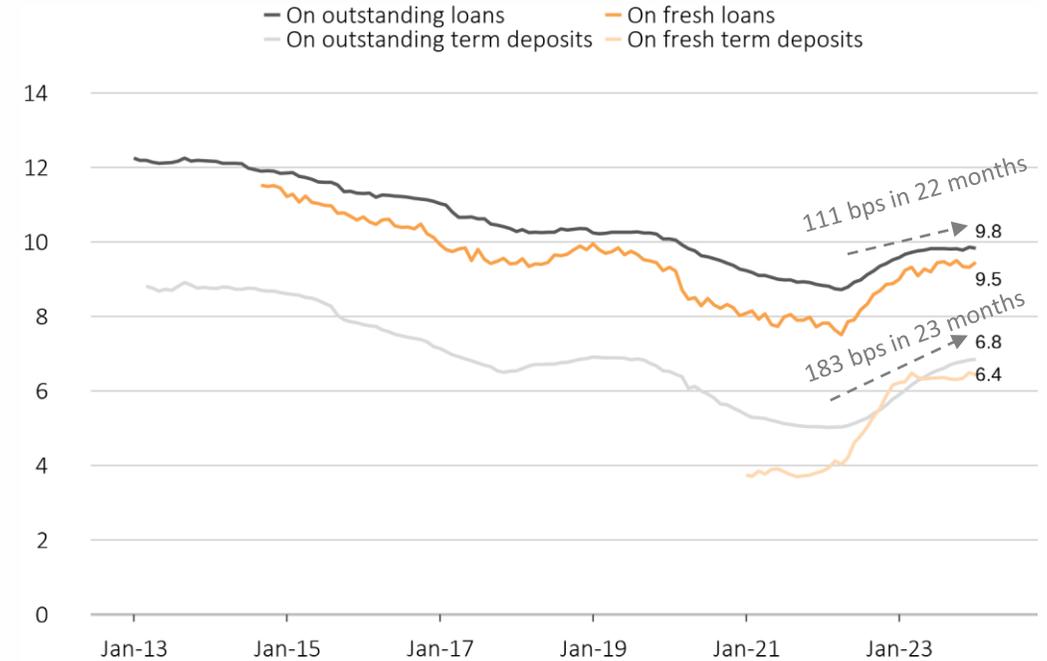
Repo rates (%), FY2014-FY2024 (01 Mar '24)



Source: Thurro, RBI, NIIF Research

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

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

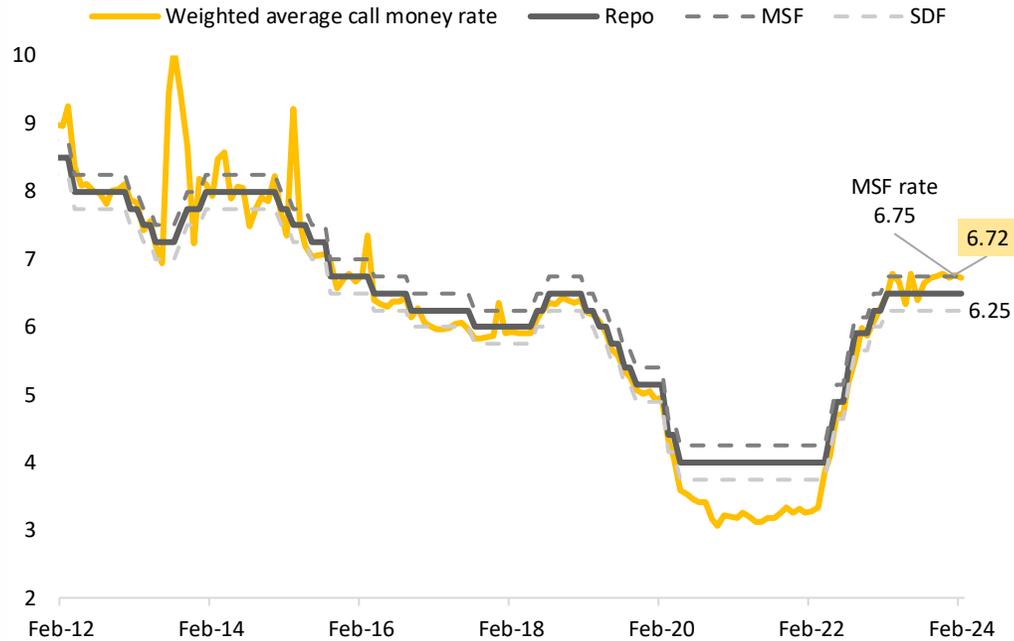


Source: Thurro, RBI, NIIF Research

Banking and financial institutions

Call rate back within the upper end of policy rate corridor at 6.72% in Feb

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



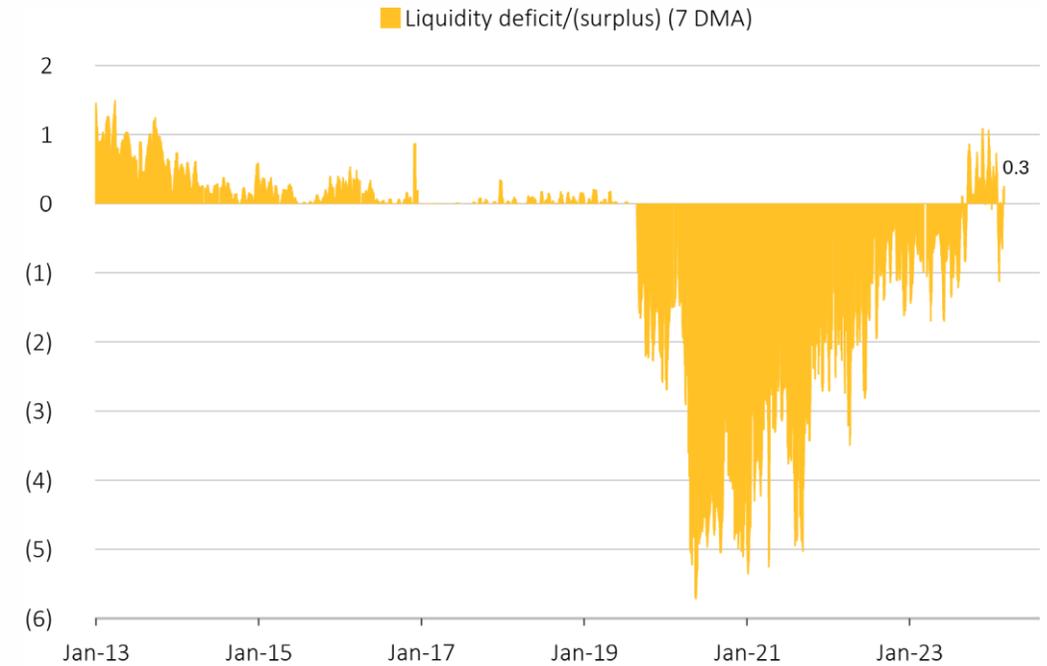
Source: CEIC, NIIF Research

Note:

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

Banking system liquidity remains in deficit

Liquidity injection or absorption by RBI (INR trillion), FY2014-FY2024 (29 Feb '24)



Source: Thurro, RBI, NIIF Research

Note:

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

Forecast of policy rates

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

Projections for RBI's benchmark repo rate (%), Q4FY24 to Q4FY25 (Feb '24)

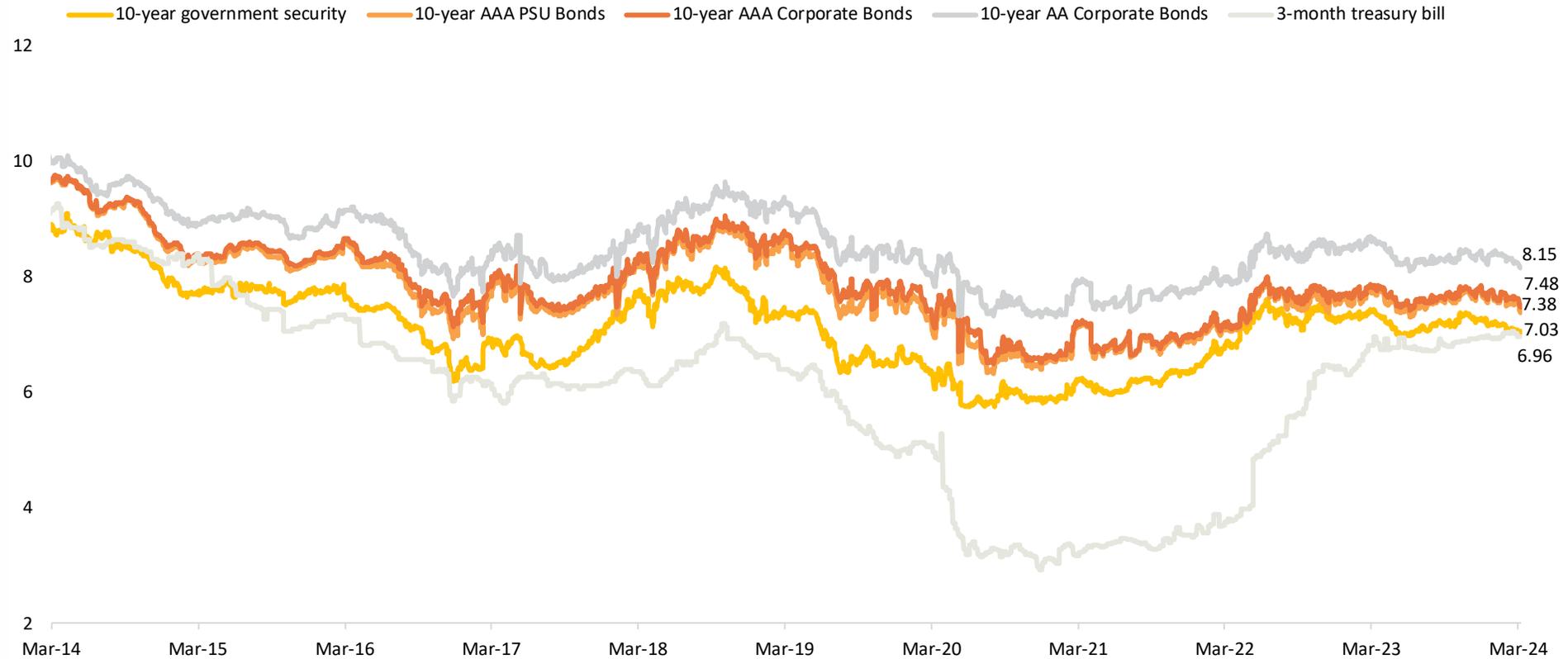
	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
<i>Number of analysts</i>	35	36	32	35	25
High forecast	6.50	6.50	6.50	6.50	6.00
Low forecast	6.50	6.00	5.75	5.50	5.25
Bloomberg average	6.50	6.40	6.20	6.00	5.80
Median forecast	6.50	6.50	6.25	6.00	6.00
Comparing previous survey median forecasts	<i>Market now expects rates to remain higher for longer</i>				
Bloomberg Sep '23 survey	6.50	6.25	6.00	6.00	-
Bloomberg Nov '22 survey	6.33	6.25	6.13	6.13	-

Source: Bloomberg, NIIF Research

Debt Markets

10-year G-Sec yields moderate over Feb/March by ~10-15 bps

Daily India G-sec and corporate bond yields (%), FY2014-FY2024 (08 Mar 2024)

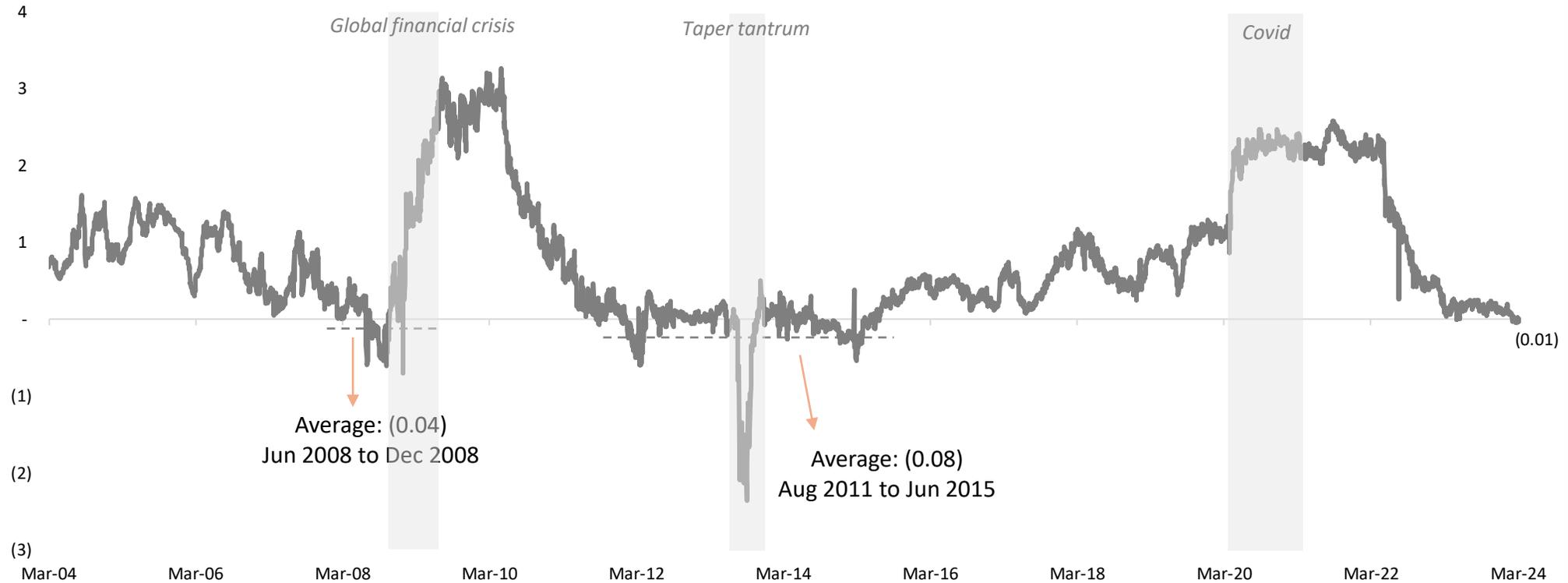


Source: Bloomberg, NIIF Research

Debt Markets

Spread between Indian 10-year and 1-year G-sec yield remains in the negative territory in March

Spread between 10-year and 1-year G-sec yields (%), FY2005-FY2024 (08 Mar 2024)

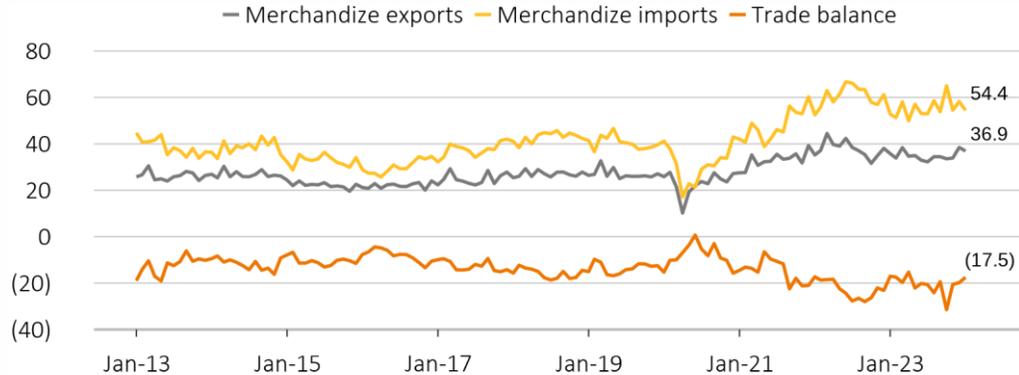


Source: Bloomberg, NIIF Research

Balance of Payments

Trade deficit further moderates to ~USD 18 bn in January

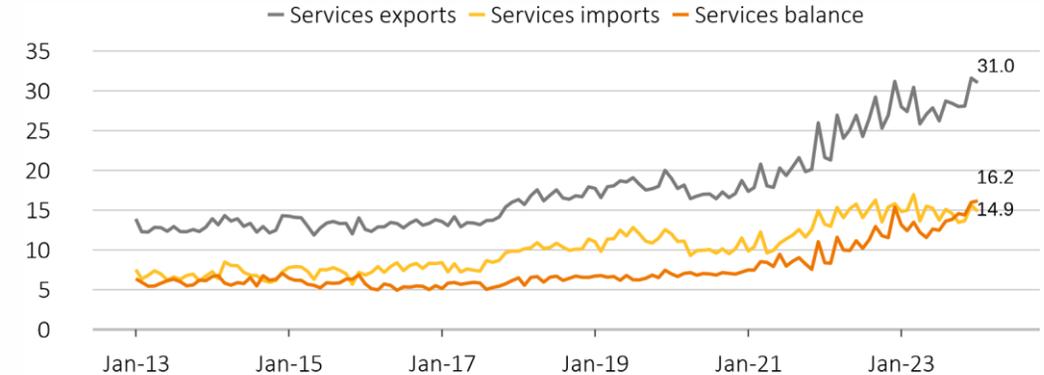
Monthly trade composition (USD billion), FY2013-FY2024 (Jan '24)



Source: Thurro, RBI, NIIF Research

Service trade surplus increases to ~USD 16 billion in January

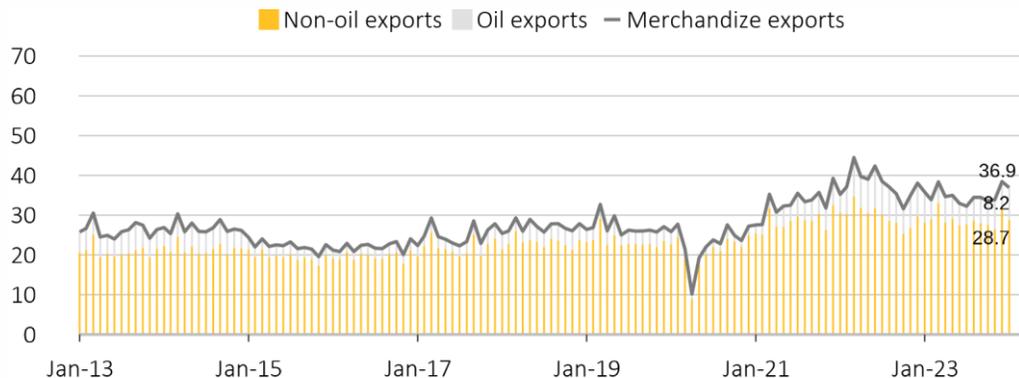
Monthly services trade (USD billion), FY2013-FY2024 (Jan '24)



Source: Thurro, RBI, NIIF Research

Oil exports drive overall exports in Jan

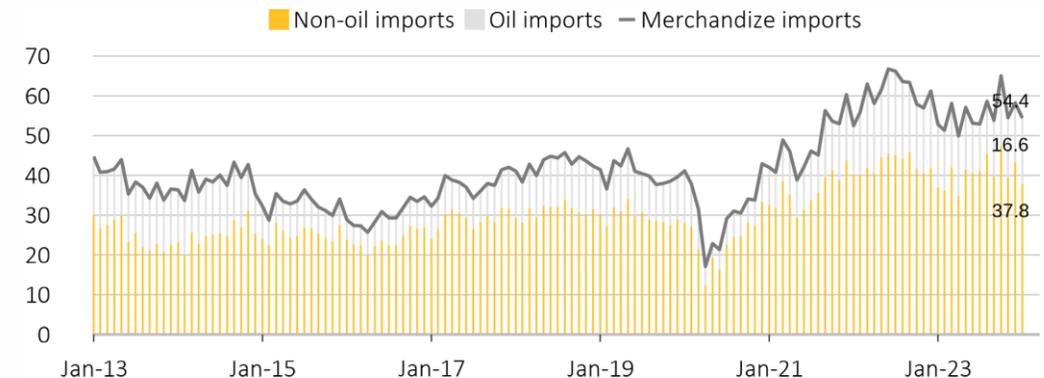
Monthly merchandize exports (USD billion), FY2013-FY2024 (Jan '24)



Source: Thurro, RBI, NIIF Research

Higher oil imports drive overall goods imports in Jan

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

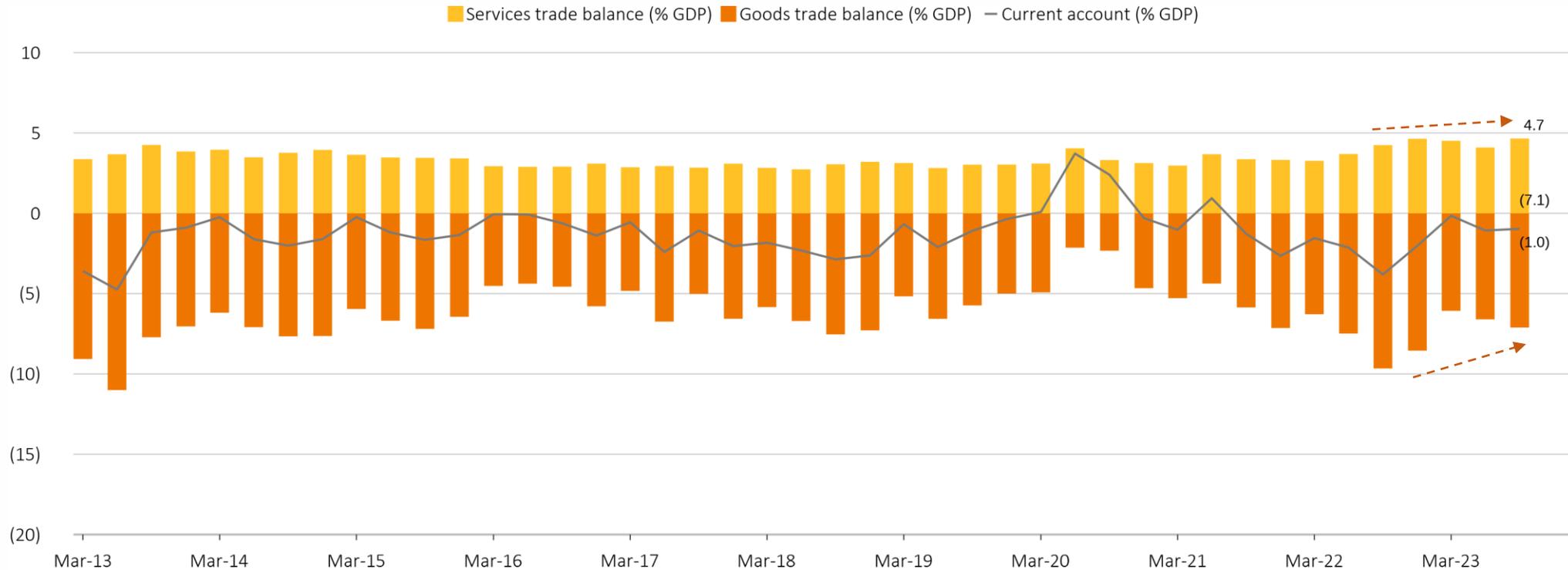


Source: Thurro, RBI, NIIF Research

Foreign Exchange Markets

Services trade maintains surplus supporting overall current account

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



Source: Thurro, RBI, NIIF Research

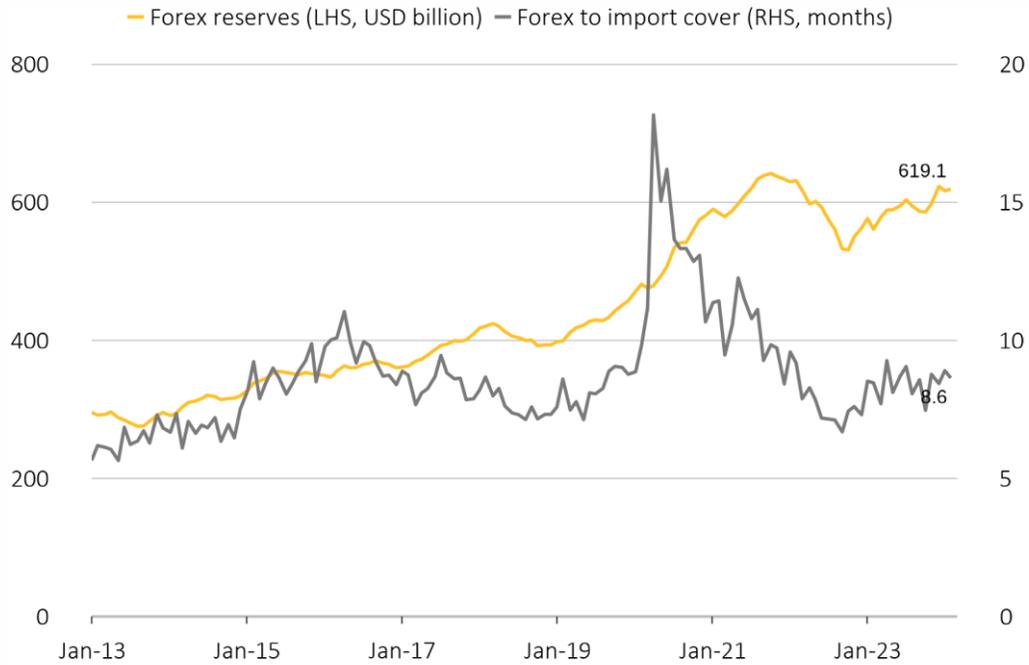
Note:

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

Foreign Exchange Markets

Large forex reserves provide sufficient ~9 months of import cover

Monthly foreign exchange reserves, FY2013-FY2024 (23 Feb '24)



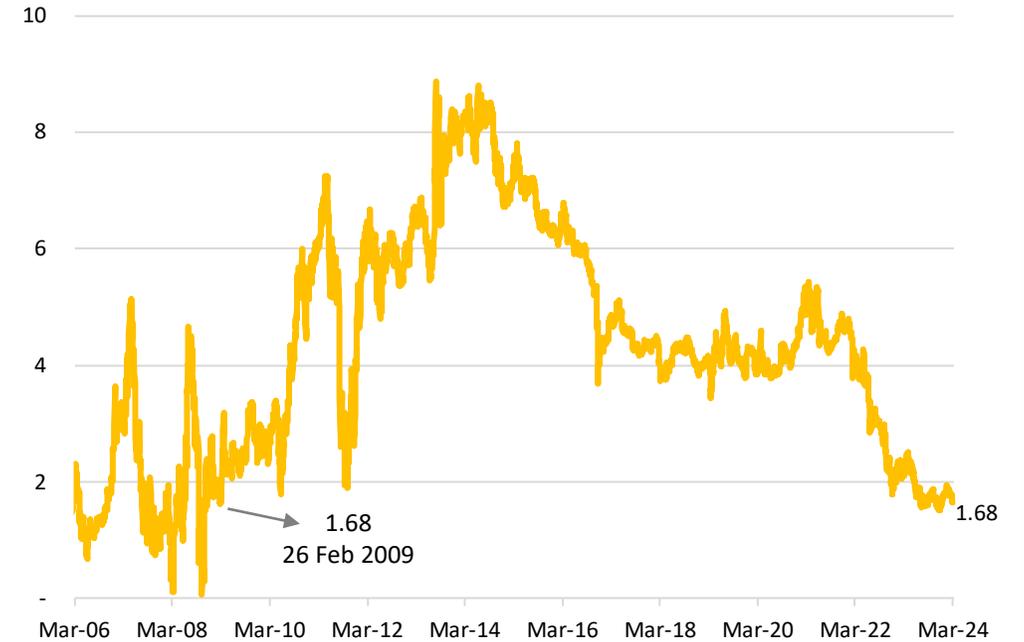
Source: Thurro, RBI, NIIF Research

Note:

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

Forward premium on USD remains at a 15-year low

USD/INR implied forward risk premium (%), FY2012-FY2024 (07 Mar '24)



Source: Bloomberg, NIIF Research

Foreign Exchange Markets

INR remains slightly overvalued against currencies of trading partners

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



Source: Thurro, RBI, NIIF Research

Note:

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

Dollar index trading higher in Feb

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



Source: Thurro, Yahoo Finance, NIIF Research

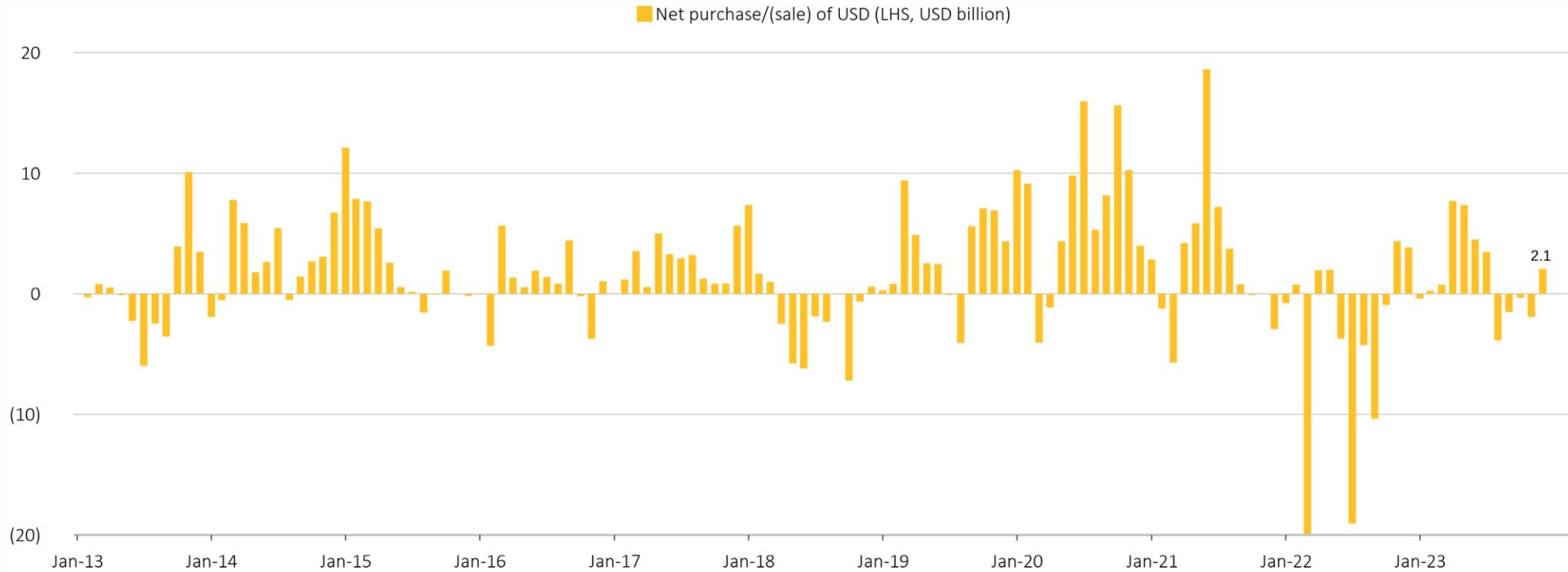
Note:

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

Foreign Exchange Markets

RBI buys USD in December after remaining a net seller for four months

Monthly net purchase/(sale) of USD by RBI, FY2013-FY2024 (Dec '23)



Source: Thurro, RBI, NIIF Research

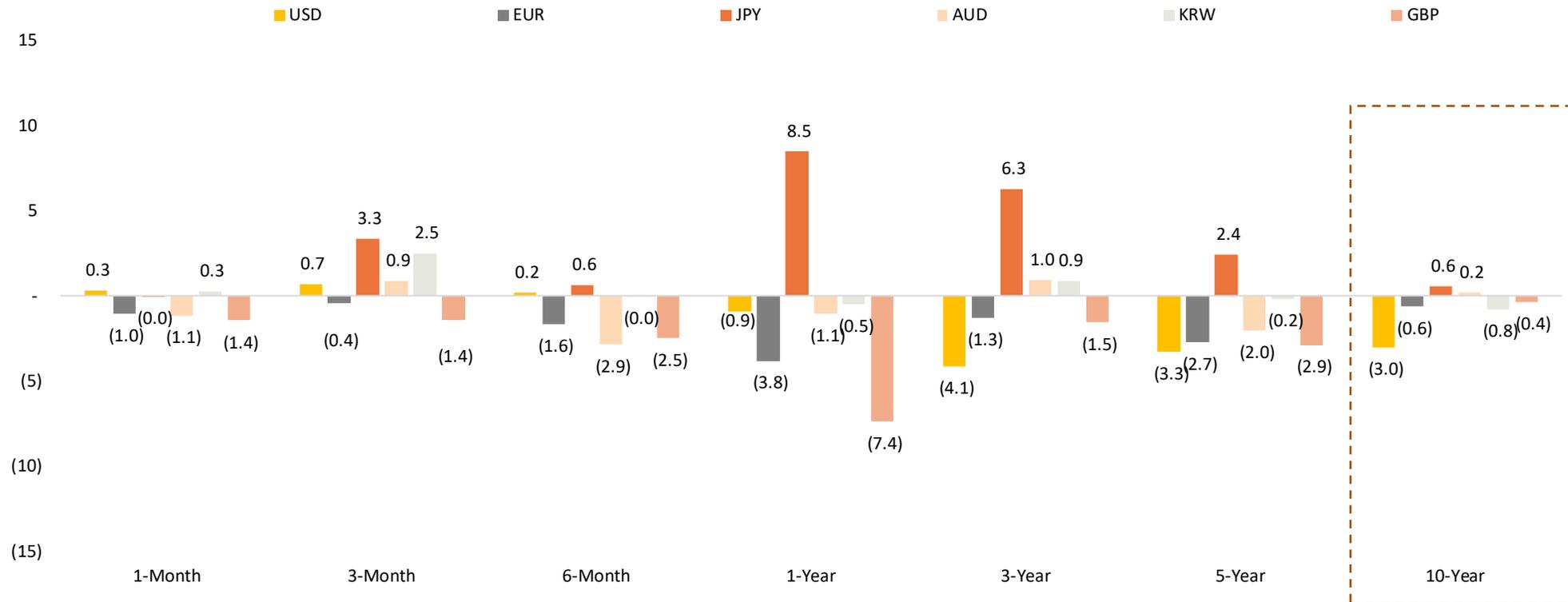
Note:

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

Foreign Exchange Markets

Long-term depreciation against USD stable at ~3%

INR performance vis-a-vis major currencies (%), FY2024-FY2024 (07 Mar '24)



Source: Thurro, RBI, NIIF Research

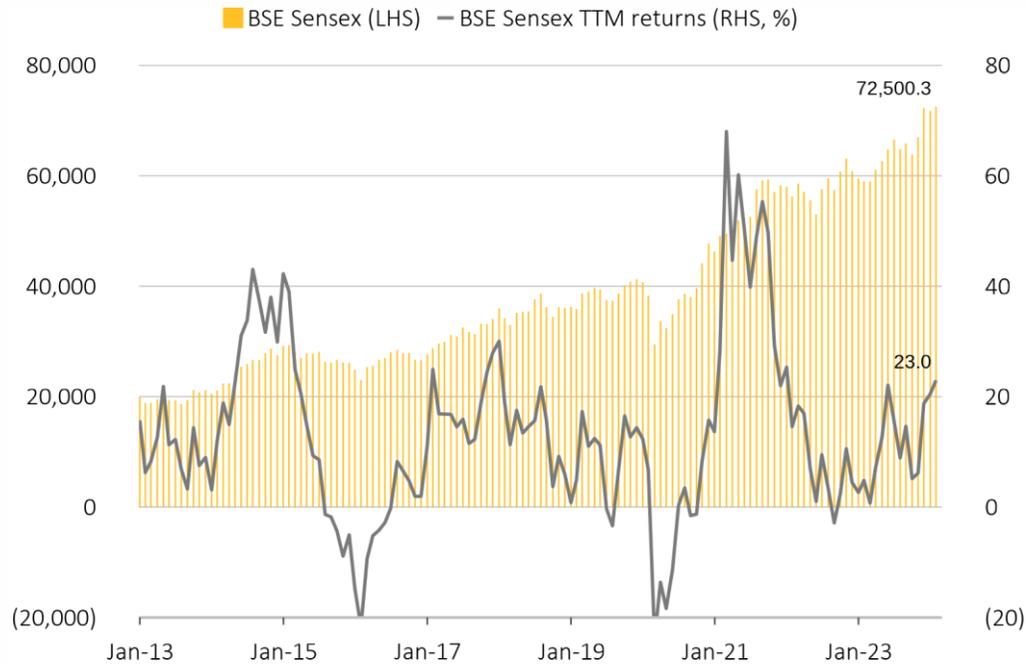
Note:

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

Equity Markets

BSE Sensex returns pick up to 23.0% yoy in Feb

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



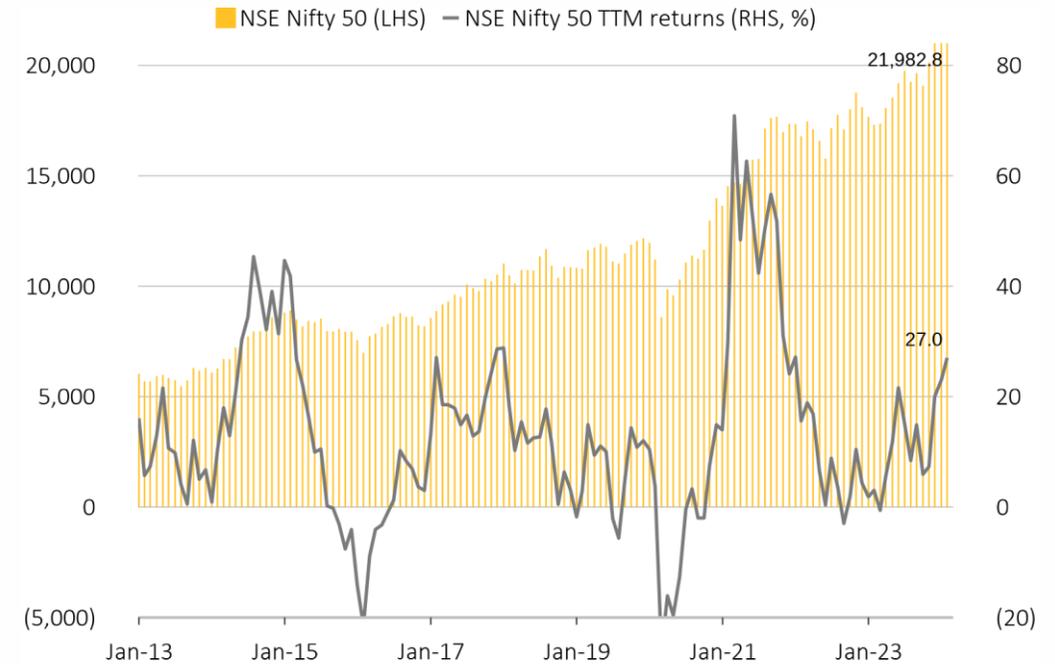
Source: Thurro, BSE, NIIF Research

Note:

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

NSE Nifty returns pick up to 27.0% yoy in Feb

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



Source: Thurro, NSE, NIIF Research

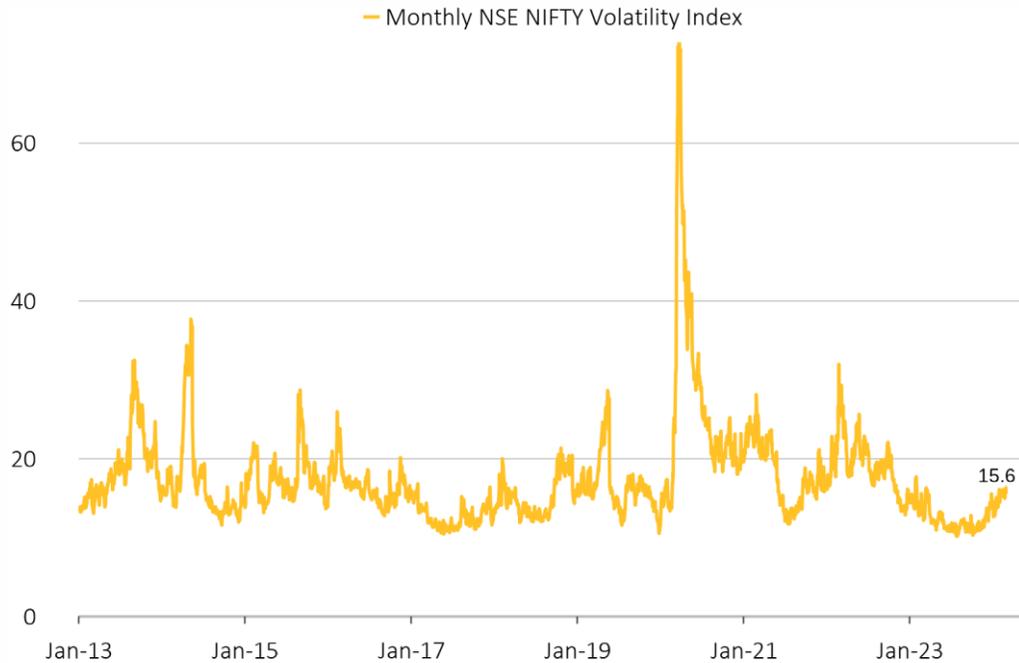
Note:

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

Pick up in equity market volatility over the last few months

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



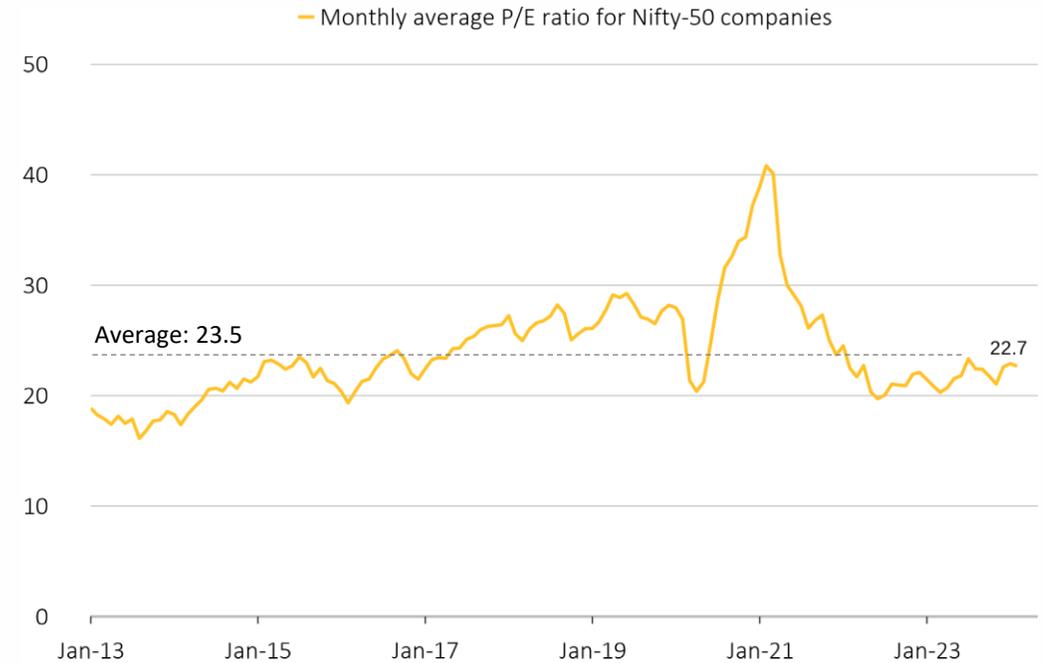
Source: Thurro, NSE, NIIF Research

Note:

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

Equity valuations for Nifty-50 companies remain fairly priced

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



Source: Thurro, NSE, NIIF Research

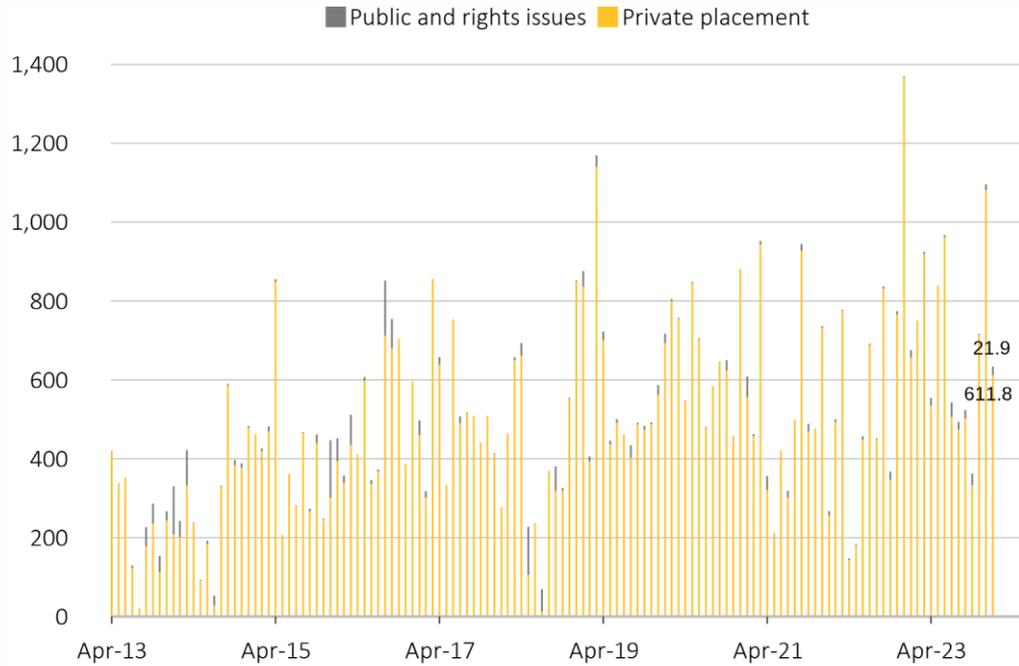
Note:

- 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 Jan at ~INR 634 billion

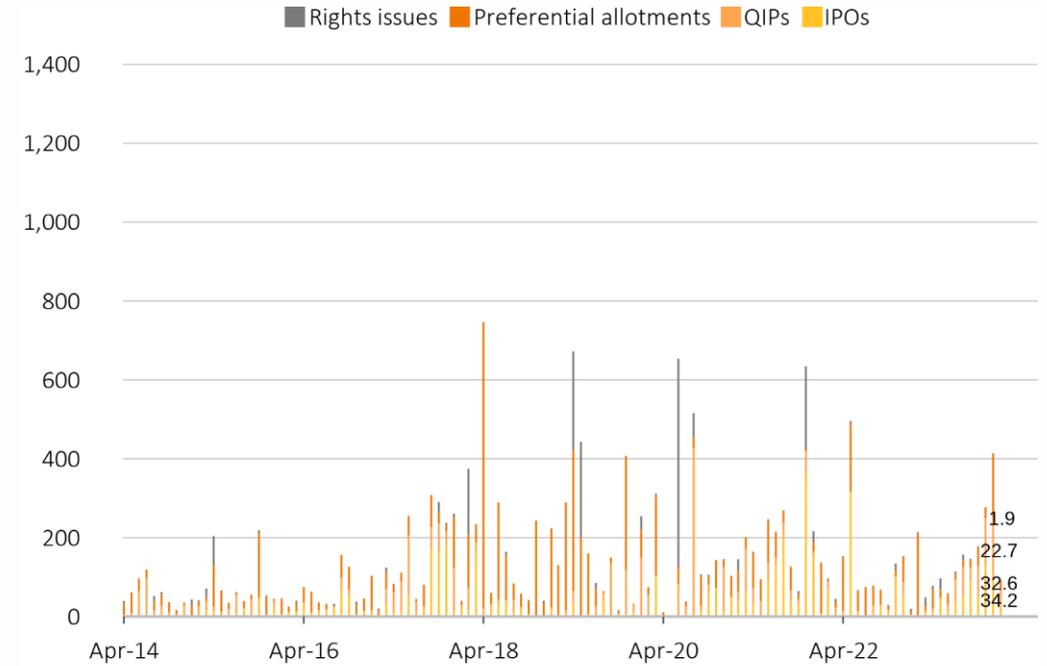
Monthly debt fund raising by corporate sector (INR billion), FY2014-FY2024 (Jan '24)



Source: Thurro, SEBI, NIIF Research

Equity capital raised in Jan at ~INR 91 billion

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



Source: Thurro, SEBI, NIIF Research

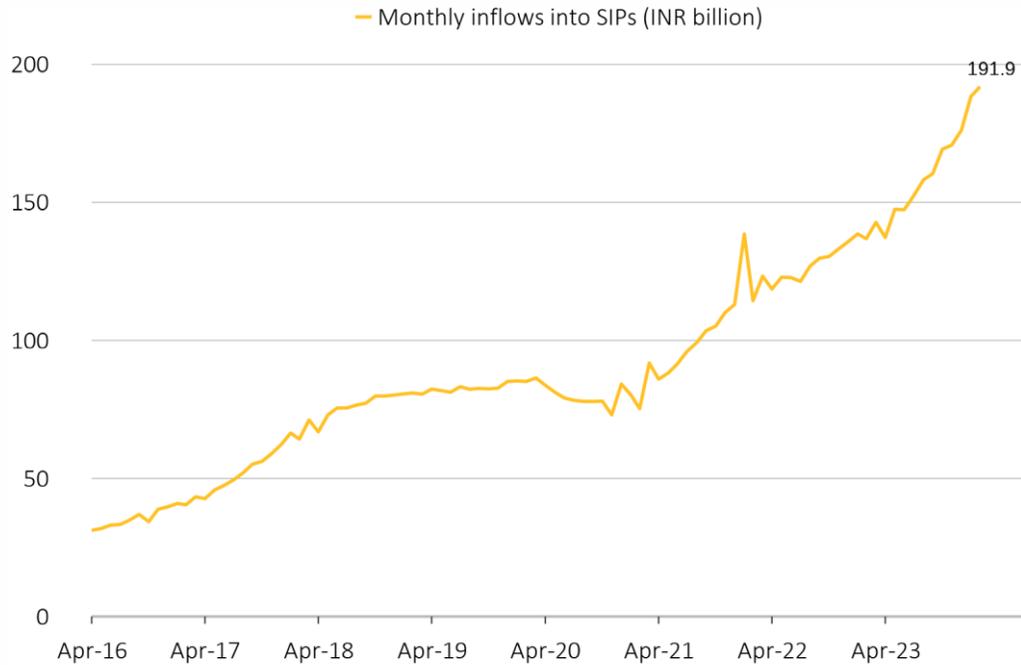
Note:

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

Debt and equity markets: mutual funds

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

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



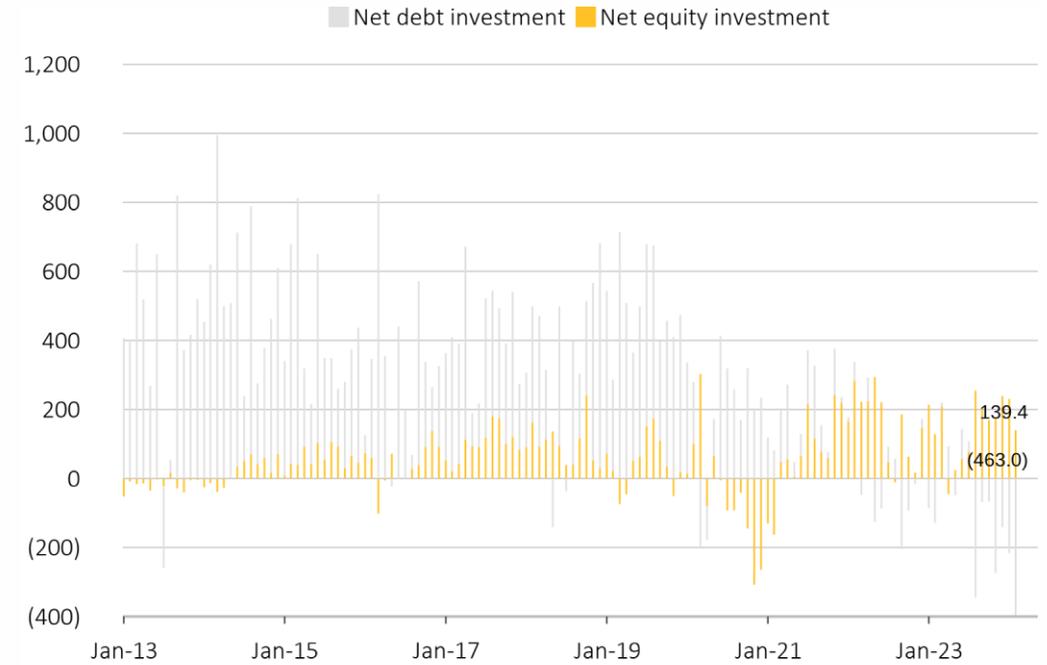
Source: Thurro, AMFI, NIIF Research

Note:

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

Mutual funds record a net outflow of ~INR 324 billion in Feb

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



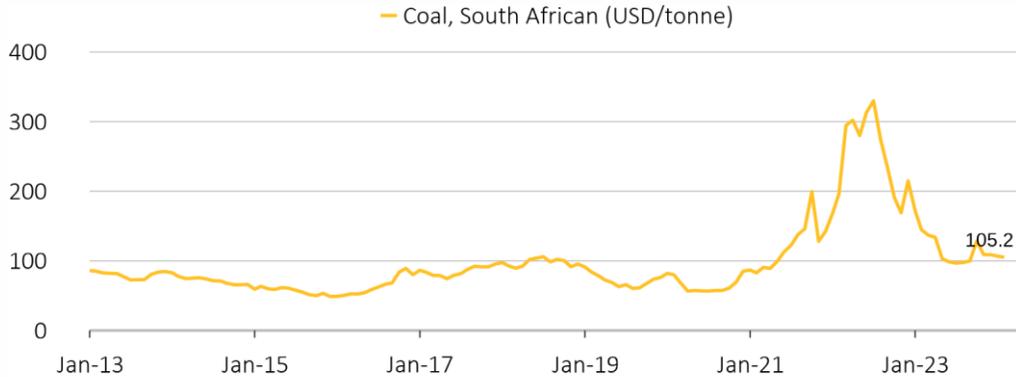
Source: Thurro, SEBI, NIIF Research

Note:

Commodity Markets

Coal prices moderate to USD 105 per ton in Feb

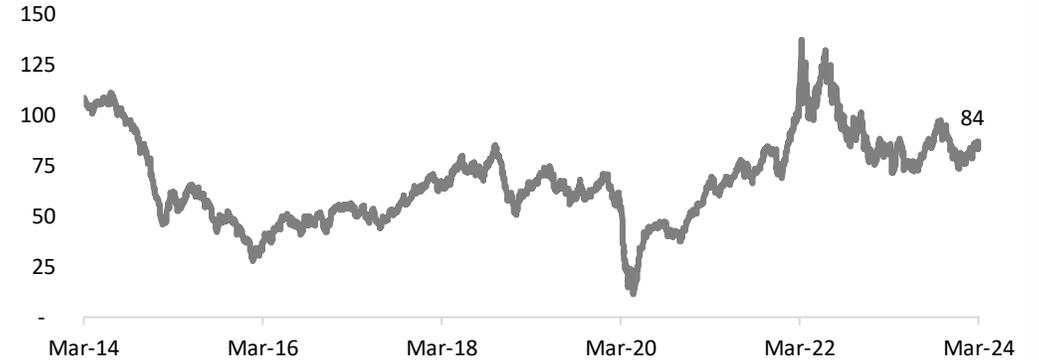
Monthly coal (South African) prices (USD per ton), FY2014-FY2024 (Feb '24)



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

Brent crude prices trending upwards, at ~USD 84 per bbl

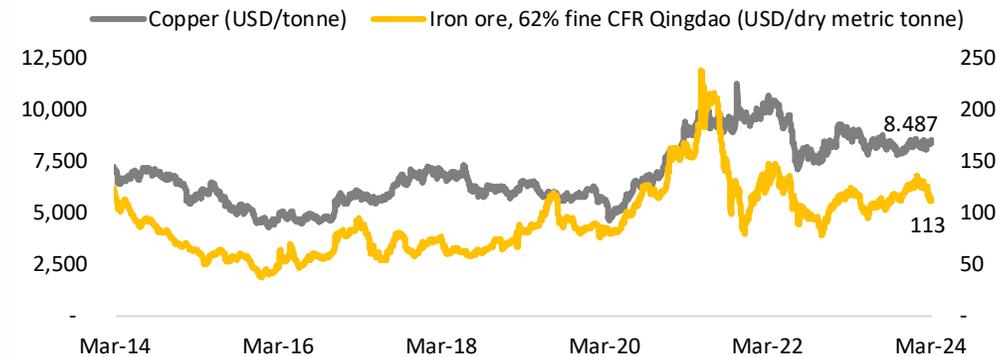
Daily Brent crude oil prices (USD per bbl), FY2014-FY2024 (08 Mar '24)



Source: Bloomberg, NIIF Research

Iron ore prices fall sequentially in Mar, copper prices stable

Daily copper and iron ore prices, FY2014-FY2024 (08 Mar '24)



Source: Bloomberg, NIIF Research

Sharp jump in gold prices, crosses USD 2,000 mark

Daily gold prices (USD per troy oz), FY2014-FY2024 (08 Mar '24)

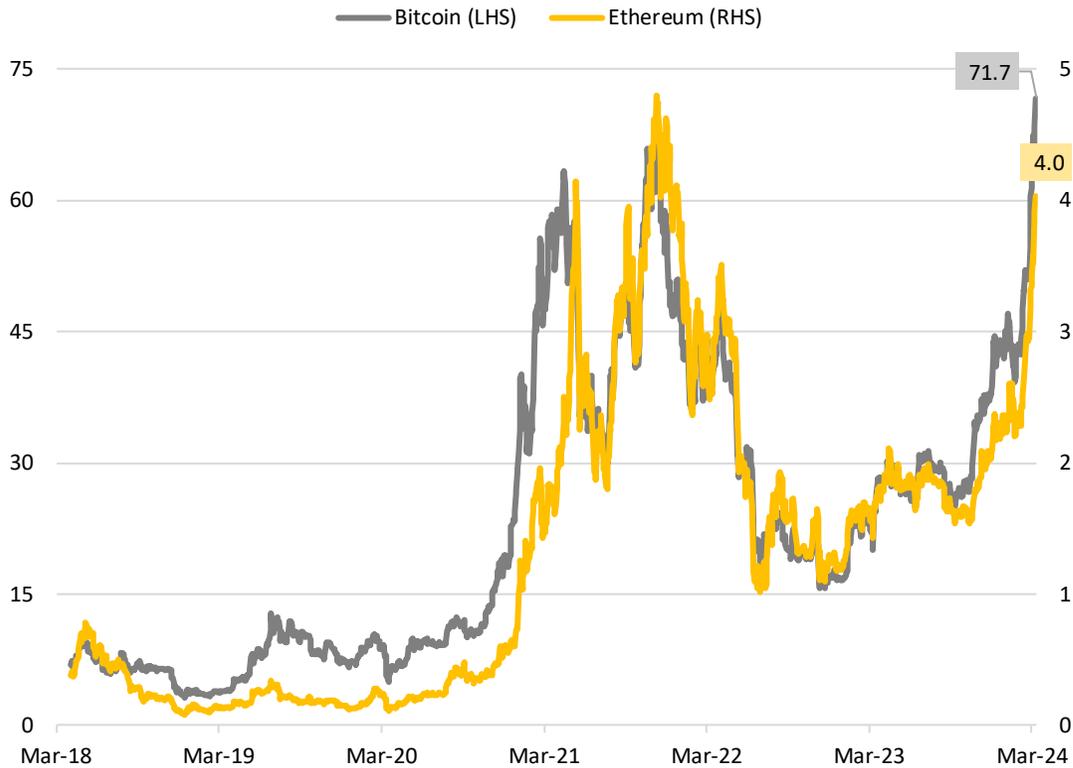


Source: Bloomberg, NIIF Research

Alternative Investments

Prices for Bitcoin surges to a new record high nearing USD 72,000

Daily cryptocurrency price ('000 USD), FY2019-FY2024 (11 Mar '24)



	Returns (%)				
	1W	1M	3M	6M	12M
Bitcoin	6.2	50.8	74.1	185.8	195.8
Ethereum	12.5	61.1	81.9	161.7	141.2

Source: Bloomberg, NIIF Research

Note: Returns calculated as on Mar 11, 2024



MONTHLY ECONOMIC REPORT ON INDIA MAR 2024

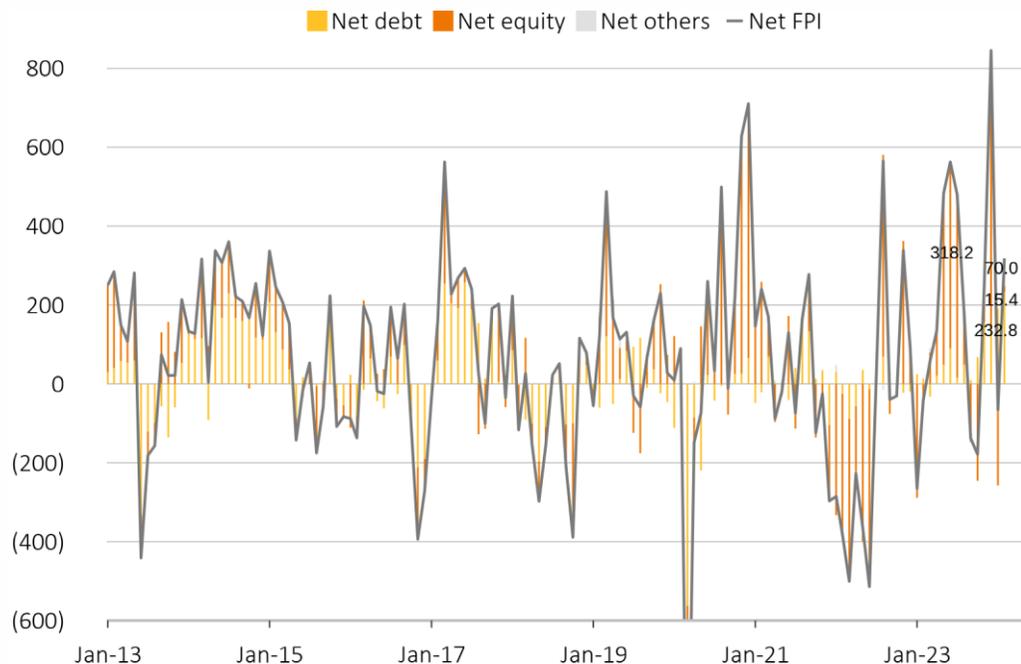
Investments

- Foreign and local institutional investors remain invested in the India market in FYTD2024. Cumulative net foreign portfolio investments of INR 2.9 trillion and domestic institutional investments of INR 1.5 billion up to Feb are decadal highs. On a monthly basis, FPIs turn net buyers in Feb to the tune of INR 318 billion.
- Foreign direct investment into India slow down in FYTD2024 with cumulative net FDI inflow of USD 9.3 billion between Apr-Dec. December recorded a net FDI outflow of USD 3.9 billion. However, India's share in global FDI increased till CY2022. In FY2023, FDI inflow into services, chemicals and pharma sectors recorded sharp yoy growth. Singapore, USA, and Mauritius were the largest FDI investors in India
- AIF fund-raising activity garners momentum with INR 408 billion raised in Q3FY24. Venture capitals raises the most funds at INR 48.2 billion in Category I AIFs total fundraise of INR 77.4 billion. Investments by AIFs jump to INR 461 billion in Q3FY24, majorly led by Category II. Funds raised and deployed by Cat II AIFs were at INR 231 billion and INR 190 billion respectively. Cat I AIF investments led by venture capital

Flows: portfolio

Portfolio investors record net inflows of ~INR 318 billion in Feb

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



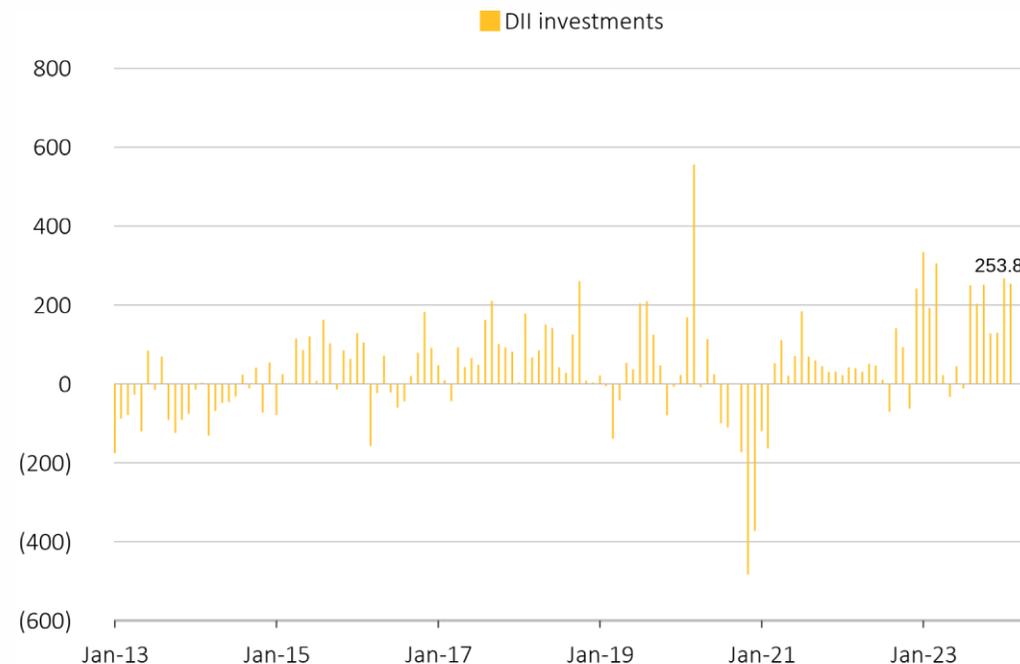
Source: Thurro, NSDL, NIIF Research

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.

Stable investment by domestic institutional investors

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



Source: Thurro, NSE, BSE, NIIF Research

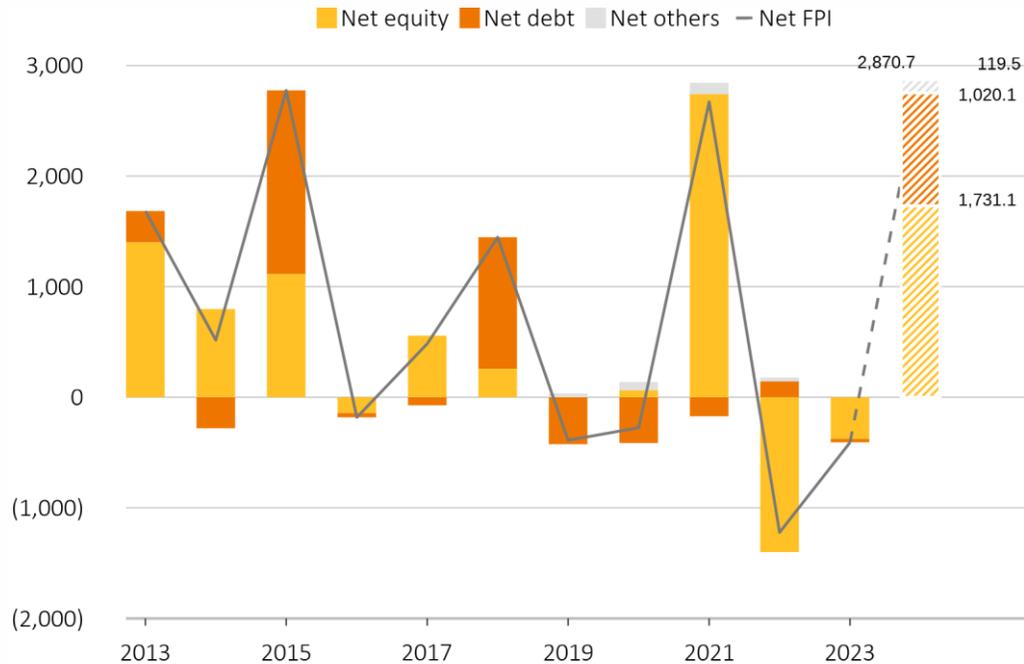
Note:

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

Flows: portfolio

Net foreign portfolio investments of INR 2.9 trillion in FYTD2024

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



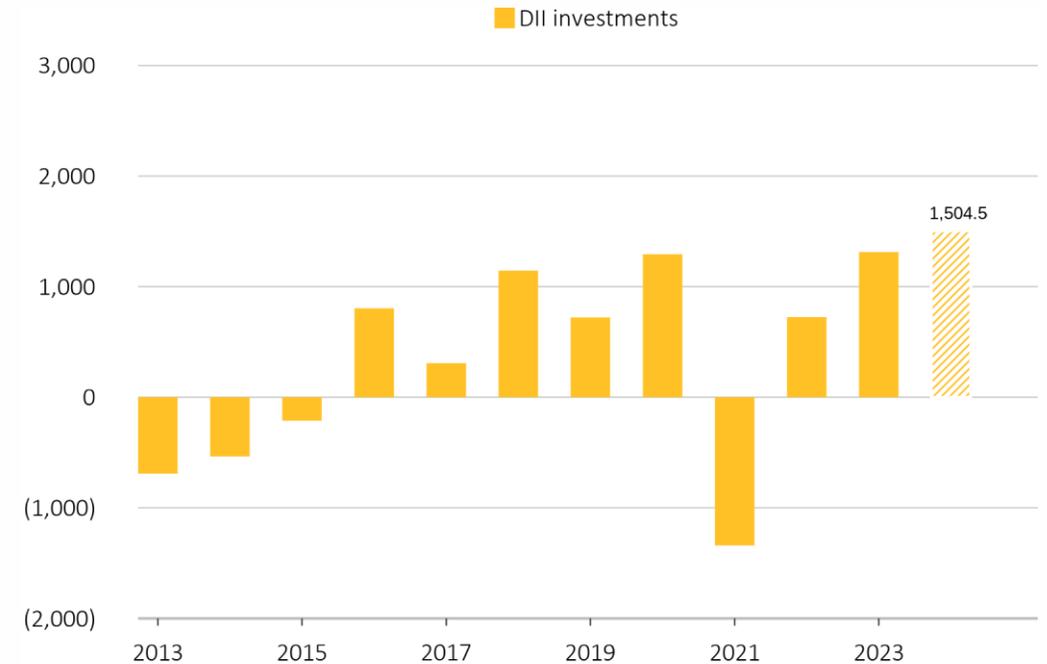
Source: Thurro, NSDL, NIIF Research

Note:

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

Investments by domestic institutional investors at a decadal high

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



Source: Thurro, NSE, BSE, NIIF Research

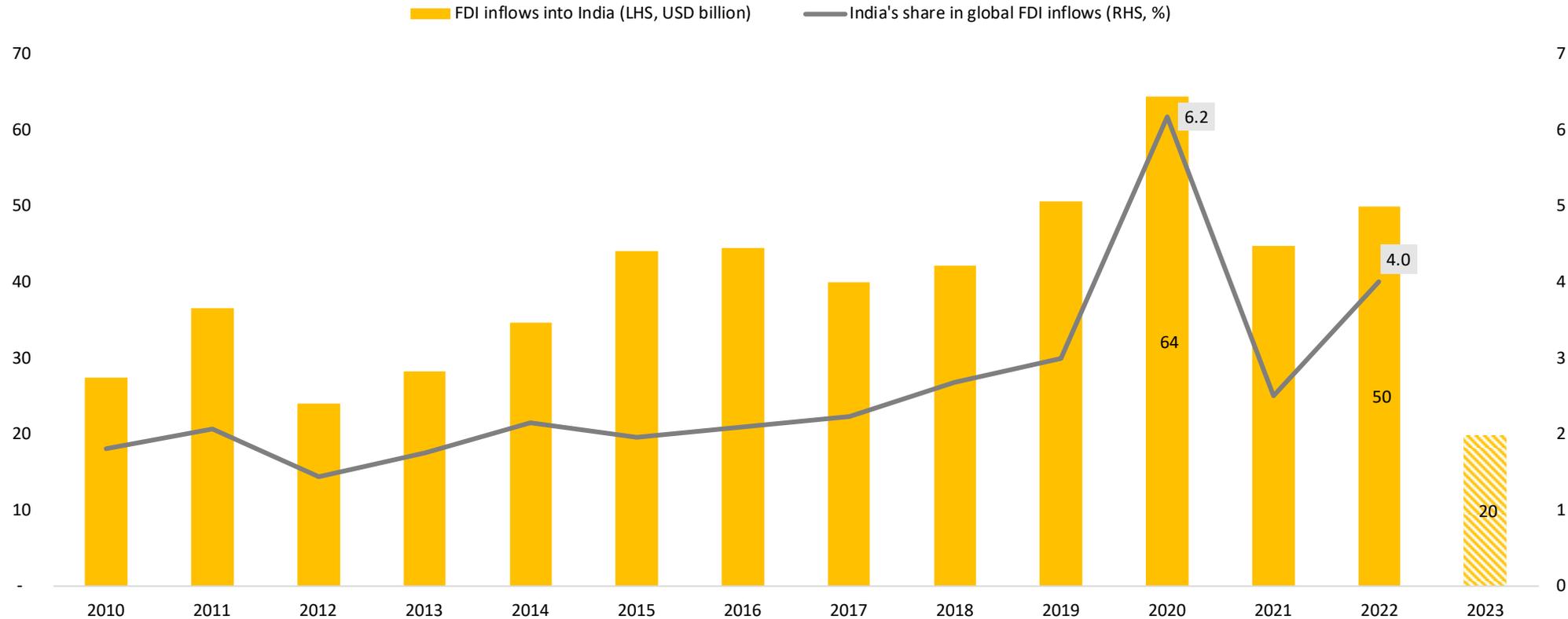
Note:

- 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

India continues to attract steady FDI flows in the current financial year despite global headwinds

Annual FDI inflows into India and total FDI inflows to the world, CY2010-CYTD2023 (Sep '23)



Source: CEIC, OECD, NIIF Research

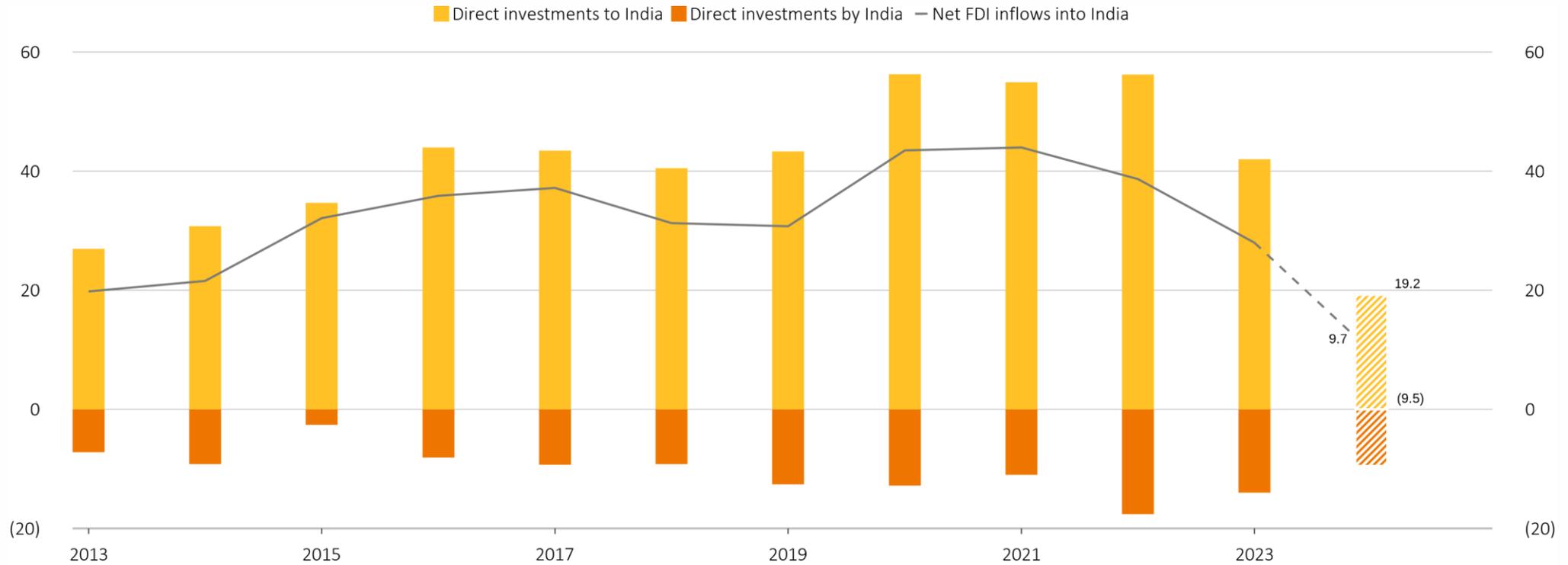
Note:

1. CY refers to calendar year with the period starting Jan 1 and ending on Dec 31
2. FDI inflows to India is net of repatriation

Flows: FDI

Net FDI flows in FYTD24 (April-Dec) at USD 9.3 billion

Annual foreign direct investments (USD billion), FY2013-FY2024 (Dec '23)

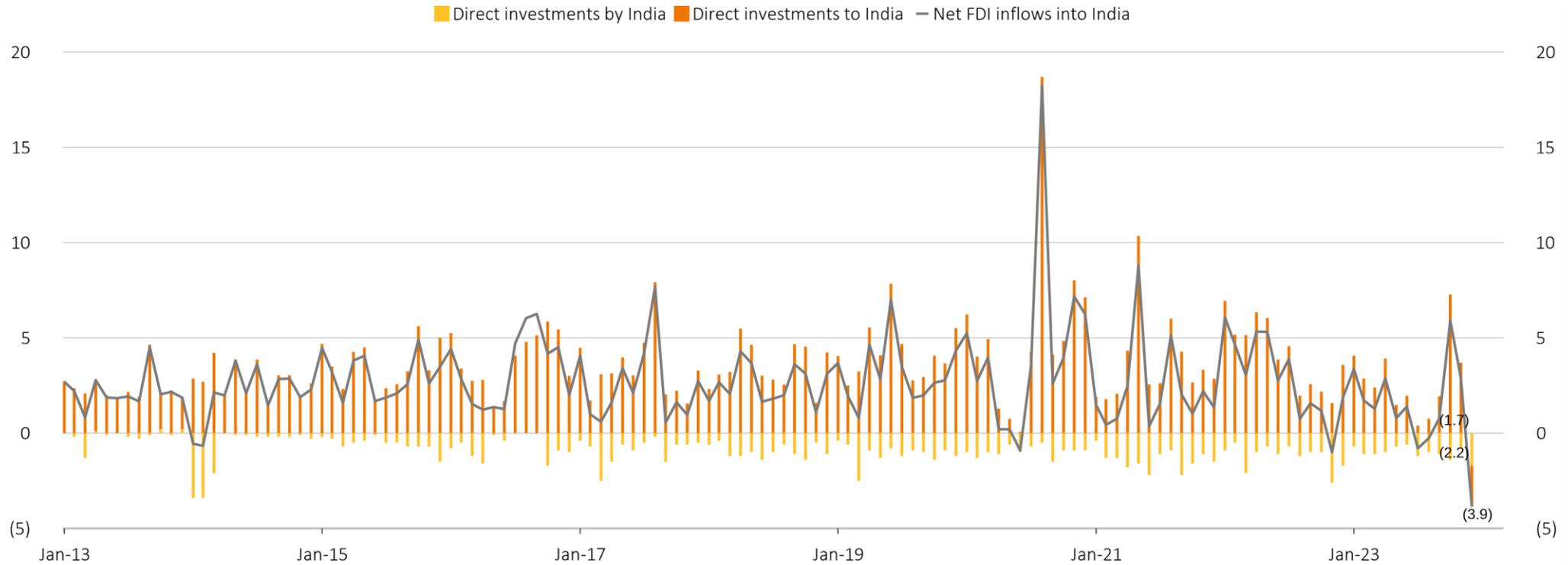


Source: Thurro, RBI, NIF Research

Flows: FDI

FDI records a net outflow of USD 3.9 billion in Dec

Monthly foreign direct investments (USD billion), FY2013-FY2024 (Dec '23)



Source: Thurro, RBI, NIIF Research

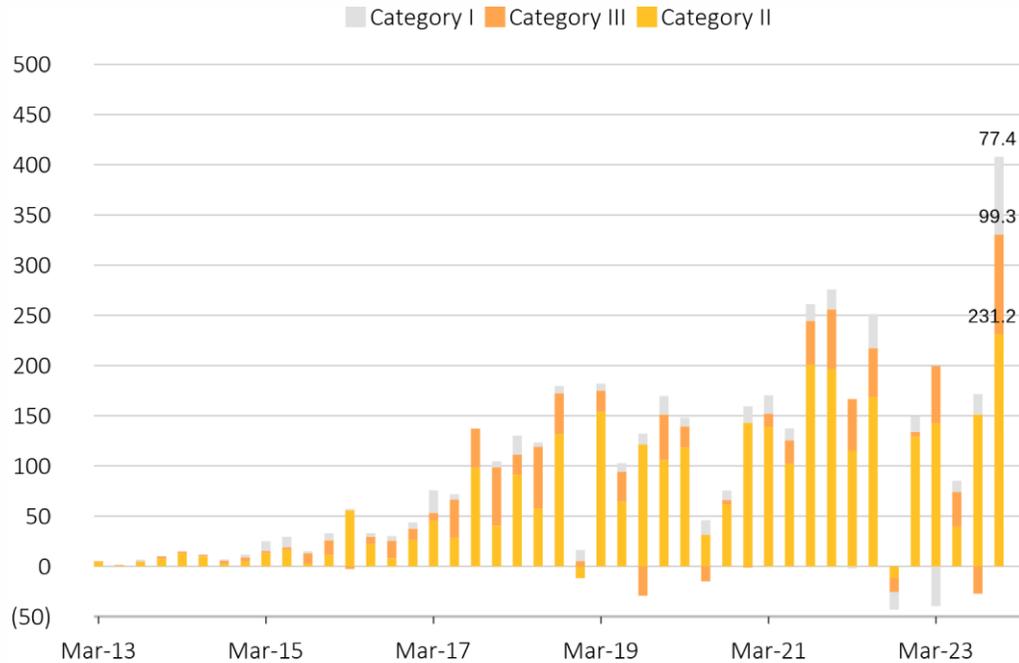
Note:

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

Alternative Investments

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

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



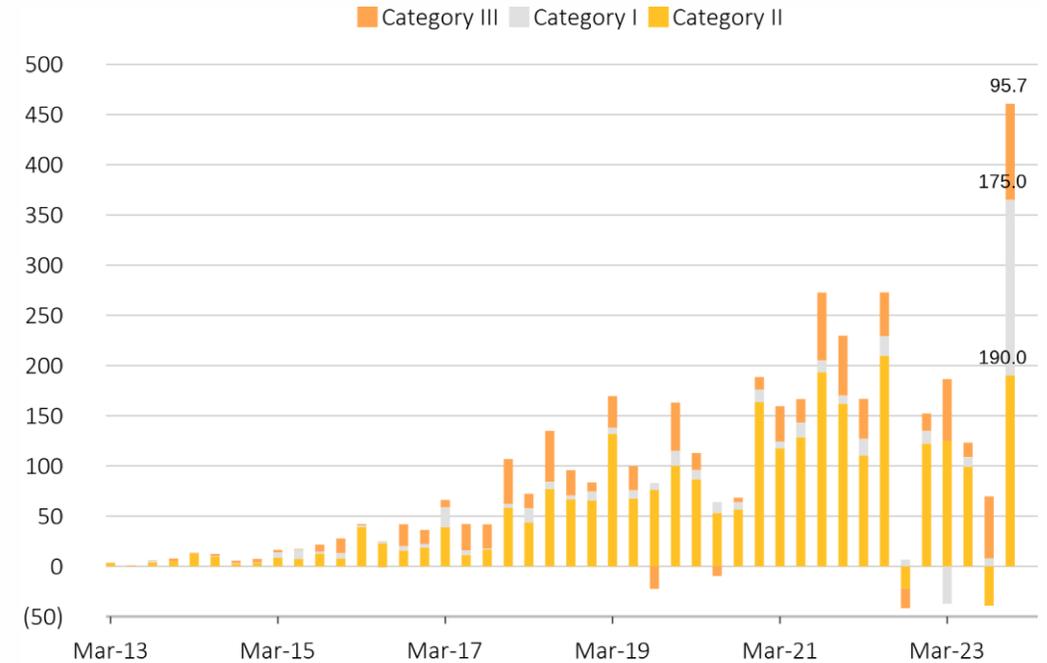
Source: Thurro, SEBI, NIIF Research

Note:

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

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

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



Source: Thurro, SEBI, NIIF Research

Note:

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



MONTHLY ECONOMIC REPORT ON INDIA MAR 2024

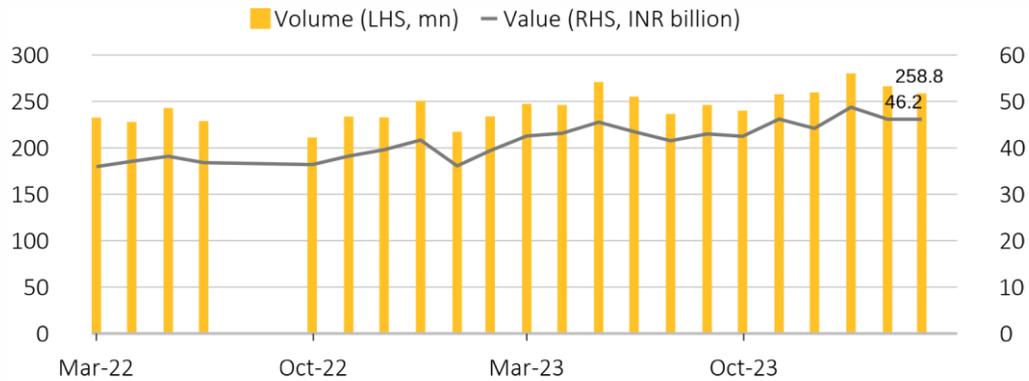
Infrastructure

- FasTag and road toll collection remain stable at ~INR 56 billion and INR ~46 billion respectively in February. Truck freight rate growth moderates in Feb to 4% yoy. Shipping costs remain elevated and further pick up in early March. Muted growth in ports cargo traffic of 2% yoy in Feb. Robust growth in rail freight of ~10% yoy, boosted by a 29-day Feb
- Domestic air travel surges in Feb to ~14 mn, grows by ~13% yoy. Growth in rail passenger traffic at 7.7% in October – data unavailable thereafter
- Muted 4.5% growth in power generation in Feb. Peak power demand deficit moderates sequentially in Feb to 1.6%
- Renewable's share in total energy generation stable at ~11% in Jan with a seasonal pick up in 'other' sources of renewables (bagasse, biomass excl. bagasse, etc.). Polysilicon prices remain at a multi-year low of USD 8 per kg in Feb, silver prices remain stable at USD 23 per troy oz

Roads

Stable toll road collection in February of ~INR 46 billion

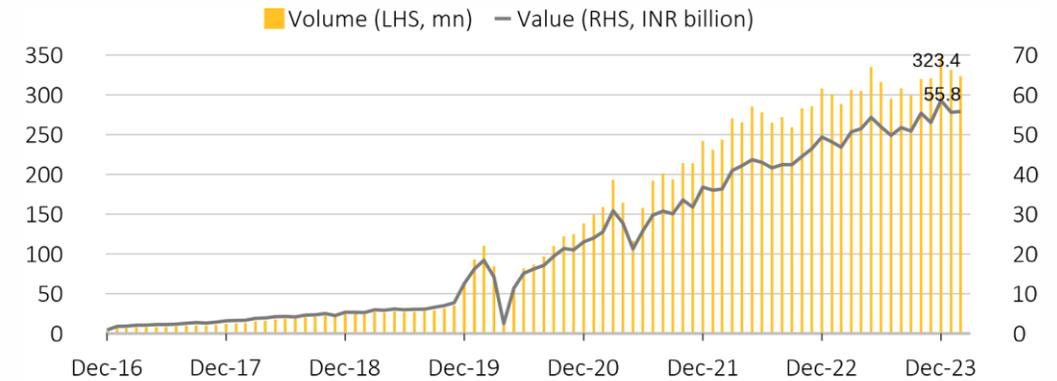
Monthly road toll collection at NHAH tolls, FY2022-FY2024 (Feb '24)



Source: Thurro, IHMCL, NIIF Research

FasTag collection at ~INR 56 billion in Feb

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

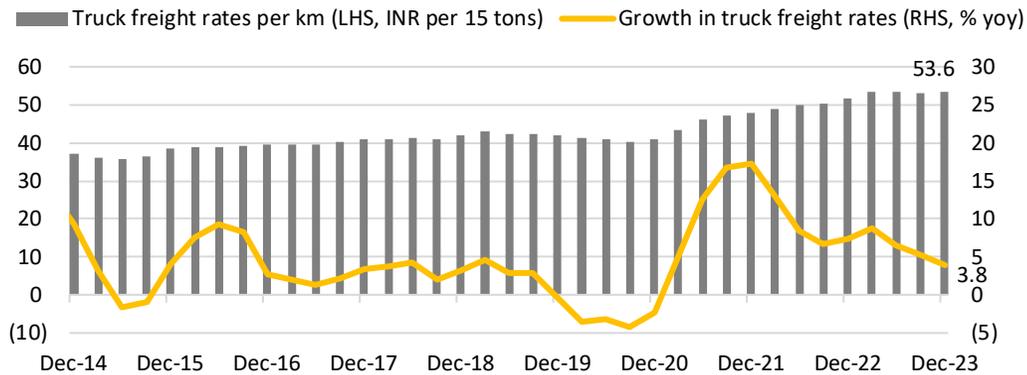


Source: Thurro, RBI, NIIF Research

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

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

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

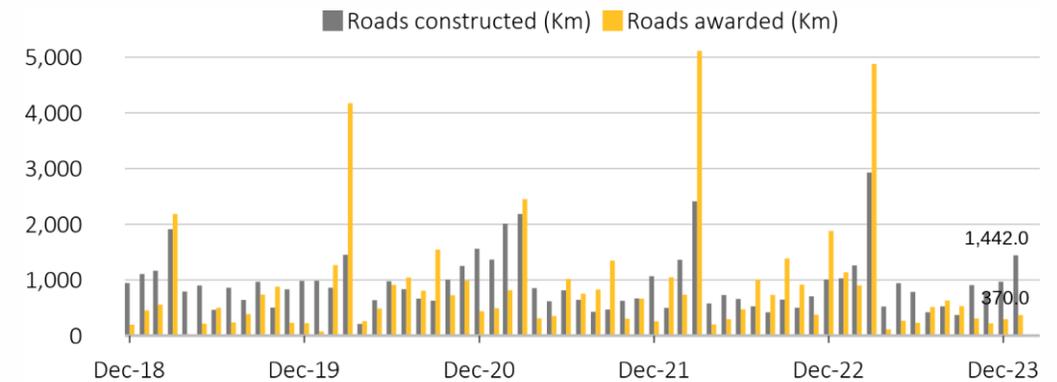


Source: CMIE, NIIF Research

Note: 1. Freight rates are from Delhi to various 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

Pick up in roads constructed; roads awarded maintains momentum

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

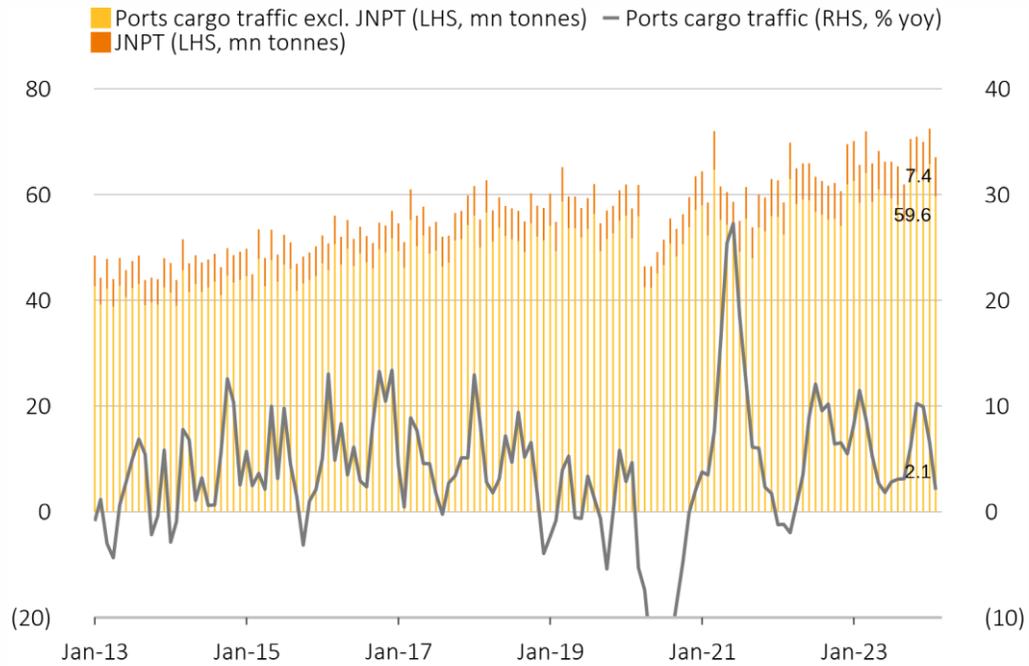


Source: Thurro, MoRTH, NIIF Research

Ports

Growth in ports cargo traffic moderates to 2.1% in Feb

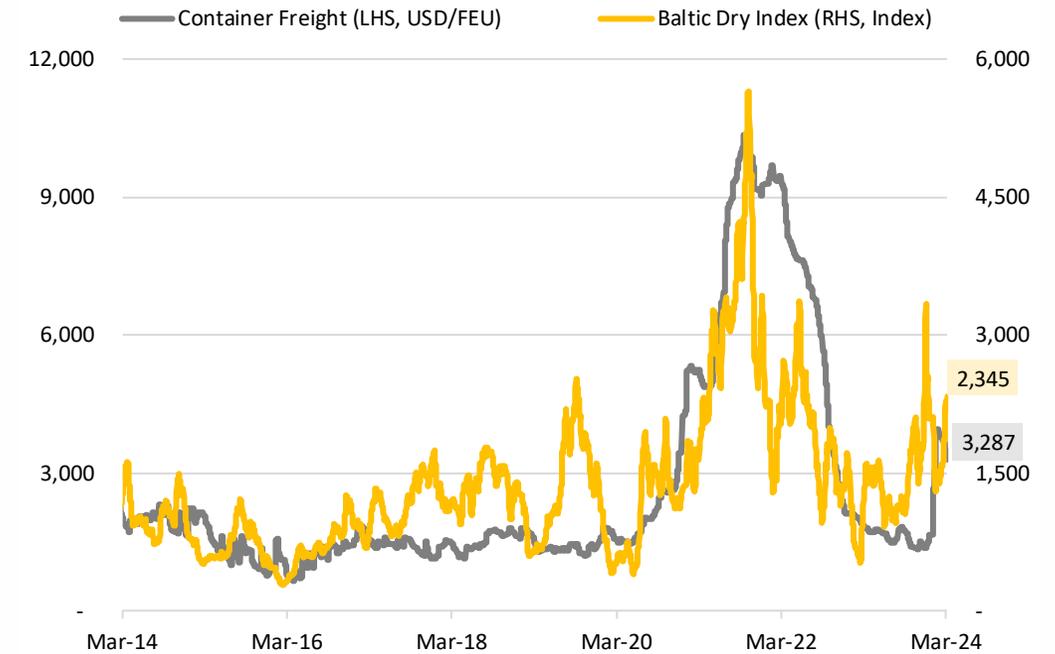
Monthly cargo traffic at major ports, FY2013-FY2024 (Feb '24)



Source: Thurro, Indian Ports Association, NIIF Research

Container freight rates and bulk dry goods index remain elevated

Daily shipping freight indices, FY2012-FY2024 (08 Mar 2024)



Source: Bloomberg, NIIF Research

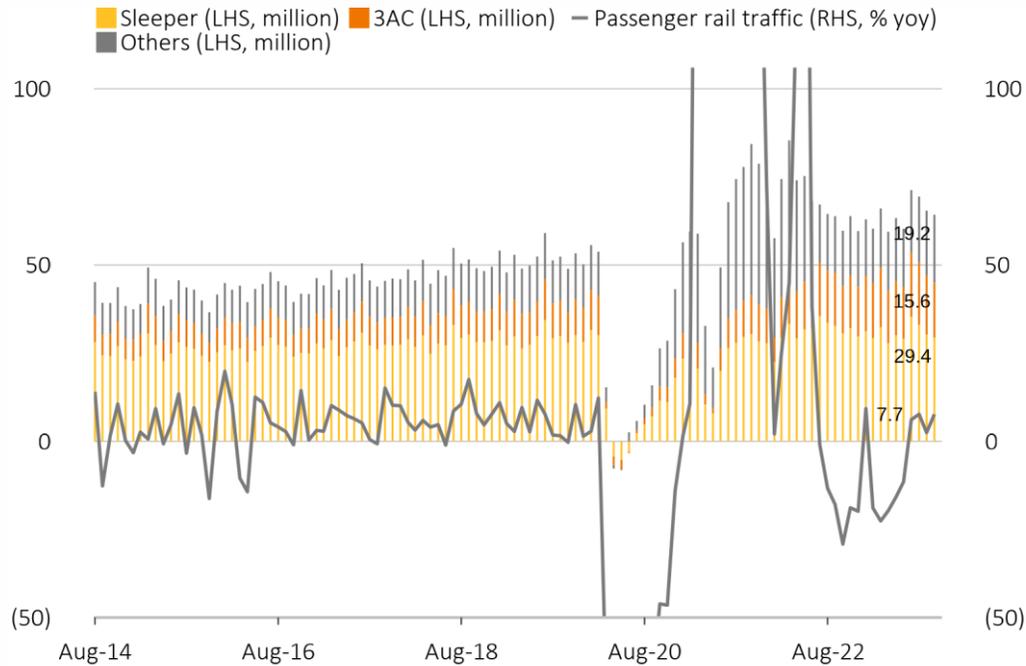
Note:

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

Railways

Railway passenger traffic growth picks up in October

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



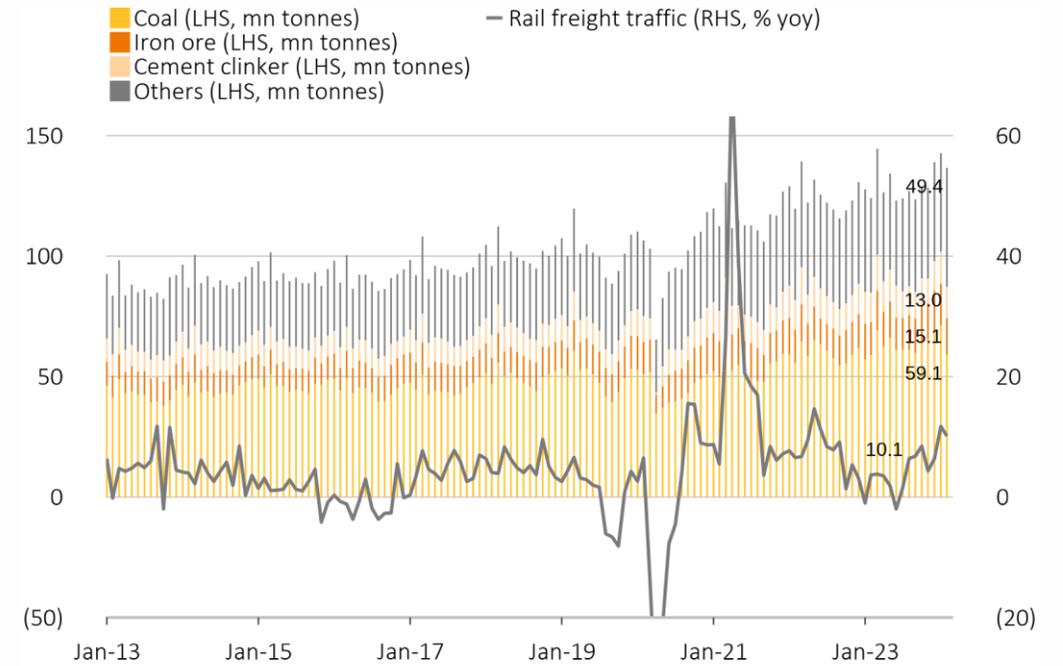
Source: Thurro, IRCTC, NIIF Research

Note:

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

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

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

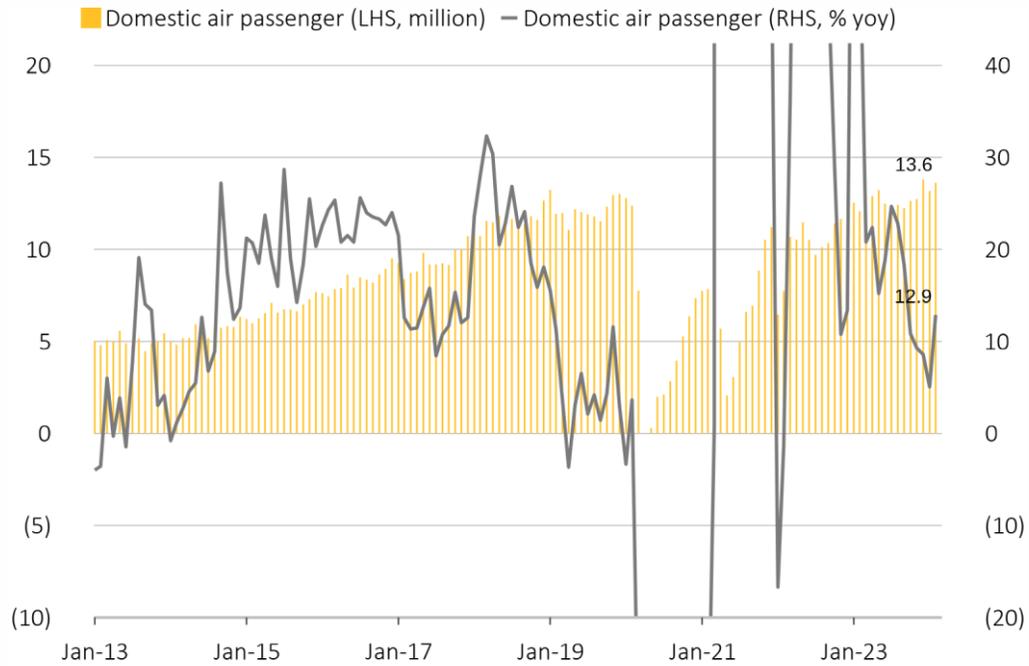


Source: Thurro, Indian Railways, NIIF Research

Aviation

Domestic air passenger traffic stable at ~14 million in Feb

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



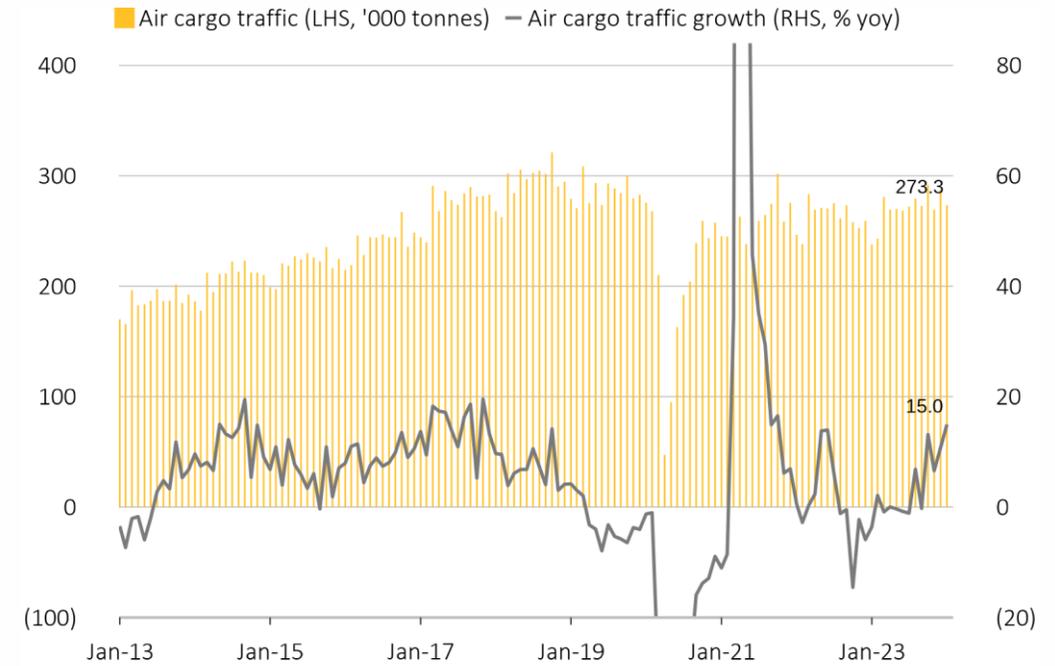
Source: Thurro, DGCA, Ministry of Civil Aviation, NIIF Research

Note:

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

Strong growth in air cargo traffic in Jan of ~15% yoy

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



Source: Thurro, AAI, NIIF Research

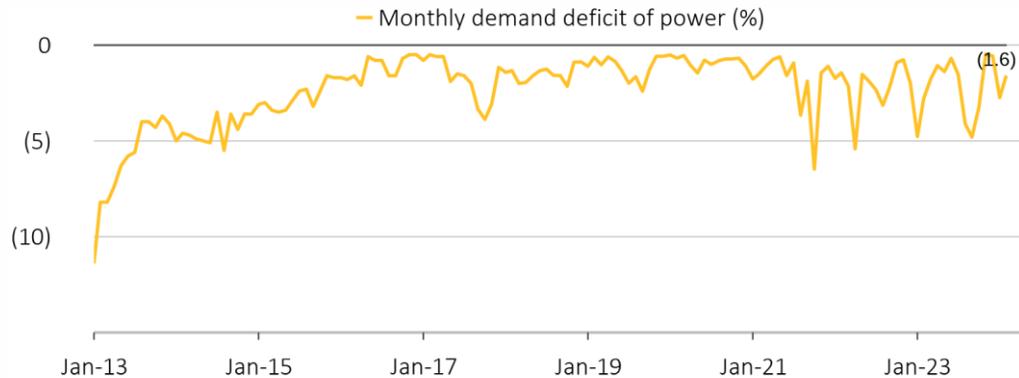
Note:

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

Power

Peak power demand deficit moderates to 1.6% in Feb

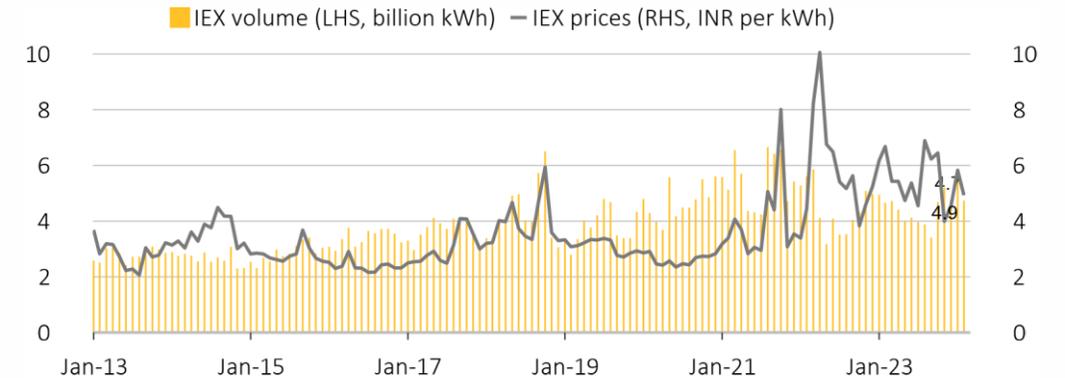
Monthly peak demand deficit of power (%), FY2013-FY2024 (Feb '24)



Source: Thurro, POSOCO, NIIF Research

Traded power tariffs in Feb at INR 4.9 per kWh

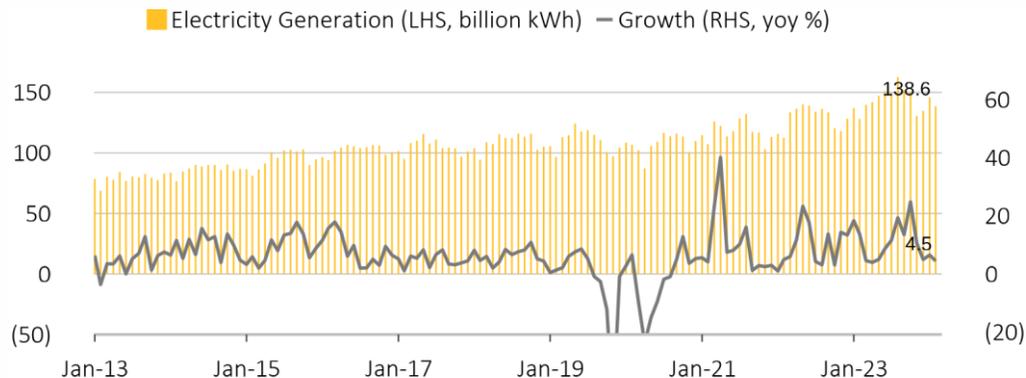
Monthly clearance prices on IEX DAM (INR/kWh), FY2013-FY2024 (Feb '24)



Source: Thurro, IEX, NIIF Research

Electricity generation growth moderates to 4.5% yoy in Feb

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

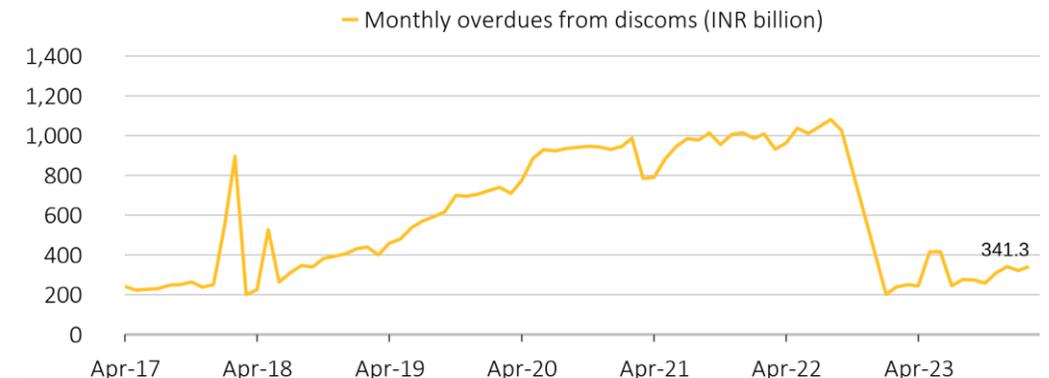


Source: Thurro, POSOCO, NIIF Research

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 341 bn in Feb

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

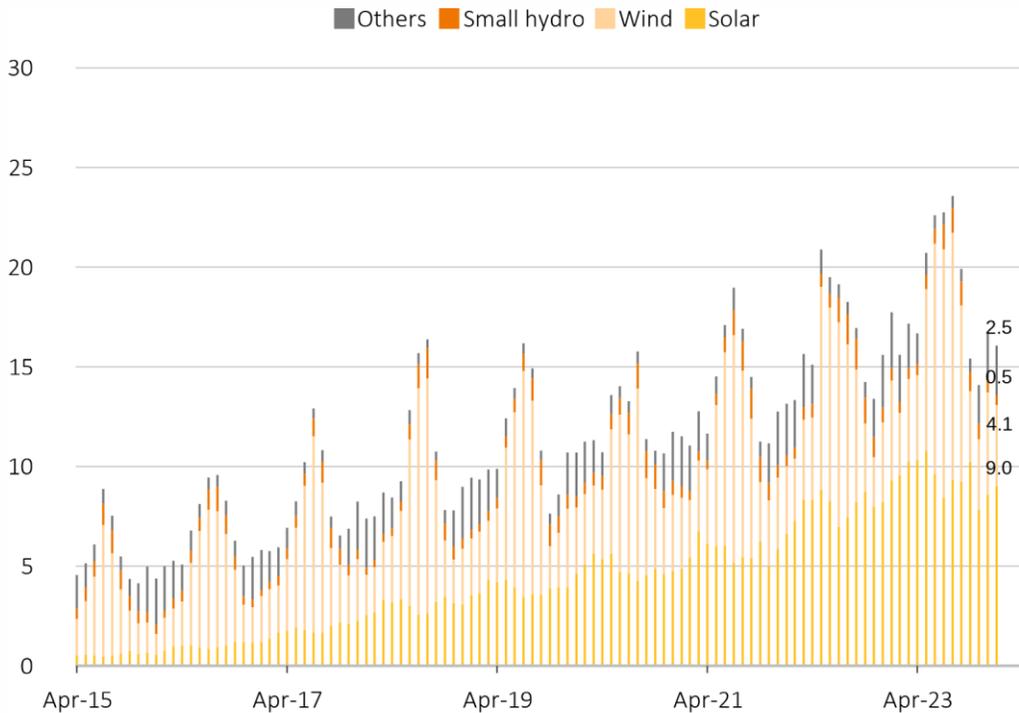


Source: Thurro, PRAAPTI, NIIF Research

Renewables

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

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



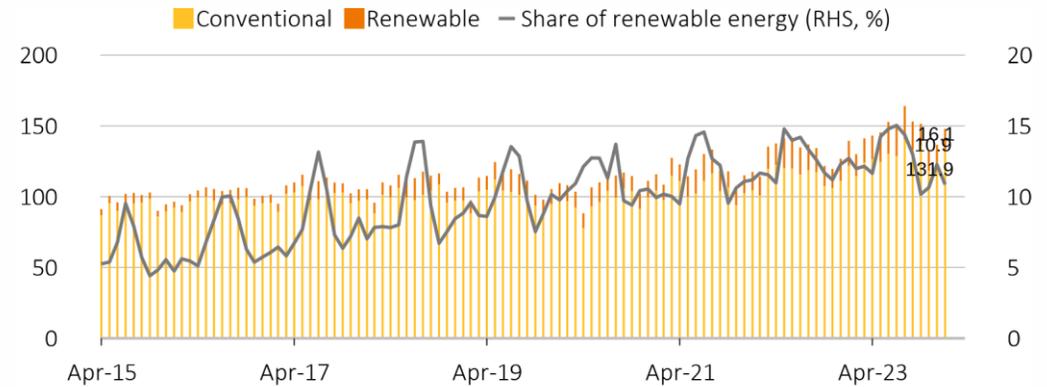
Source: Thurro, CEA, NIIF Research

Note:

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

Renewable accounts for ~11% of total energy generation in Jan

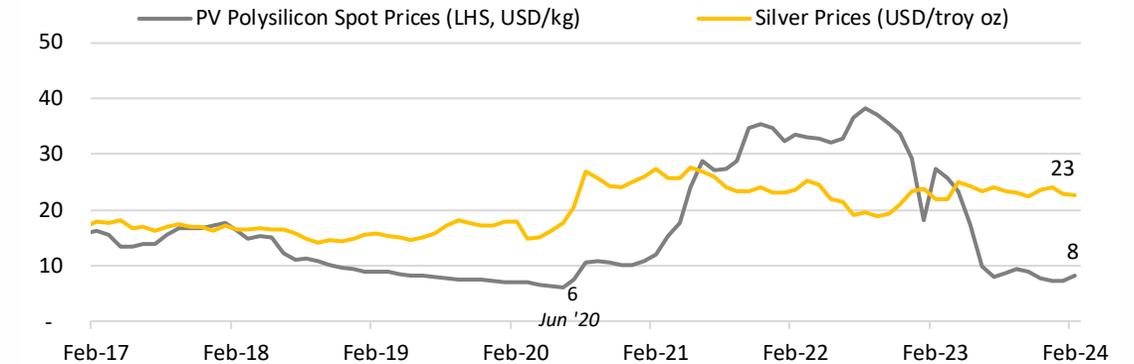
Monthly generation from energy sources (billion kWh), FY2016-FY2024 (Jan '24)



Source: Thurro, POSOCO, CEA, NIIF Research

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

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



Source: Bloomberg, NIIF Research



MONTHLY ECONOMIC REPORT ON INDIA MAR 2024

Global

- Growth estimates for India revised upwards by the International Monetary Fund (IMF) in January to 6.5% for FY2025 and FY2026 from 6.3% earlier. RBI projects a 7% real growth in FY2025. India remains a global outlier with a real GDP growth of 8.4% yoy in Q3FY24, growth in US and China picks up to 3.1% yoy and 5.2% yoy respectively while UK economy contracts by 0.2%
- Continued momentum in business optimism with composite Purchasing Managers' Index (PMI) for India at 60.6 in Jan. PMI of other major countries picks up, remaining between 52-55 (above 50 indicates expansion), France and Germany record contraction in economic activity
- Retail inflation remains moderate across major economies in Feb. China exits deflation in Feb after six months
- Returns generated in Indian equity markets continue to be higher than the global average in Feb at ~25% over the last twelve months compared to the global average of ~15%

Global economy

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

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

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

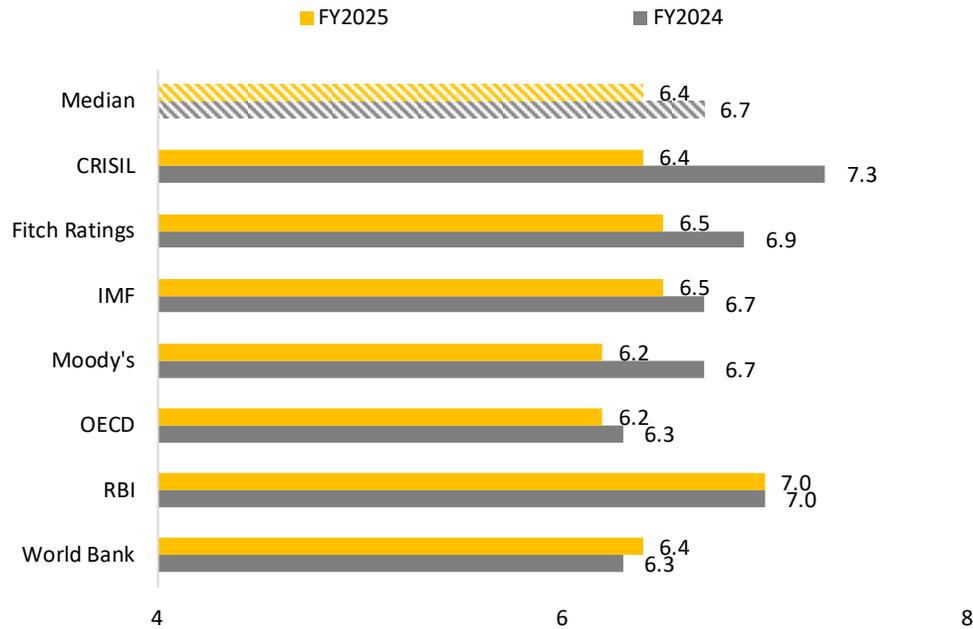
Source: IMF's World Economic Outlook (January 2024 and October 2023), NIIF Research

Note:

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

Growth

Median real GDP growth for FY2025 estimated at 6.4%; RBI projects 7.0%
 Projections for real GDP growth in FY2024 and FY2025 (% yoy), Sep '23 to Feb '24

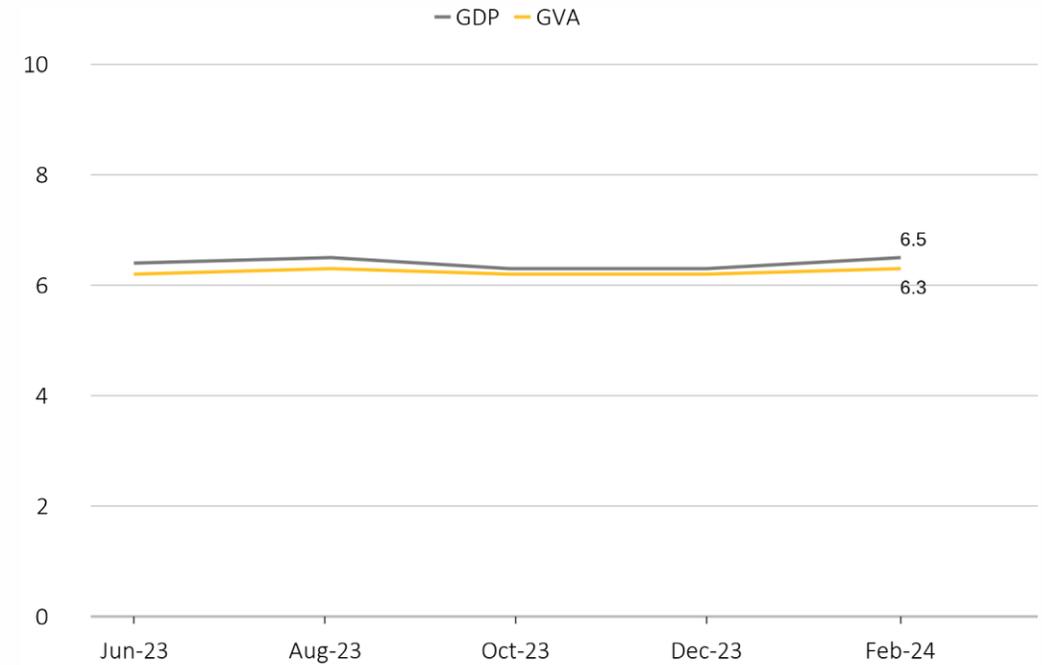


Source: CMIE, NIIF Research

Note:

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

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



Source: Thurro, RBI, NIIF Research

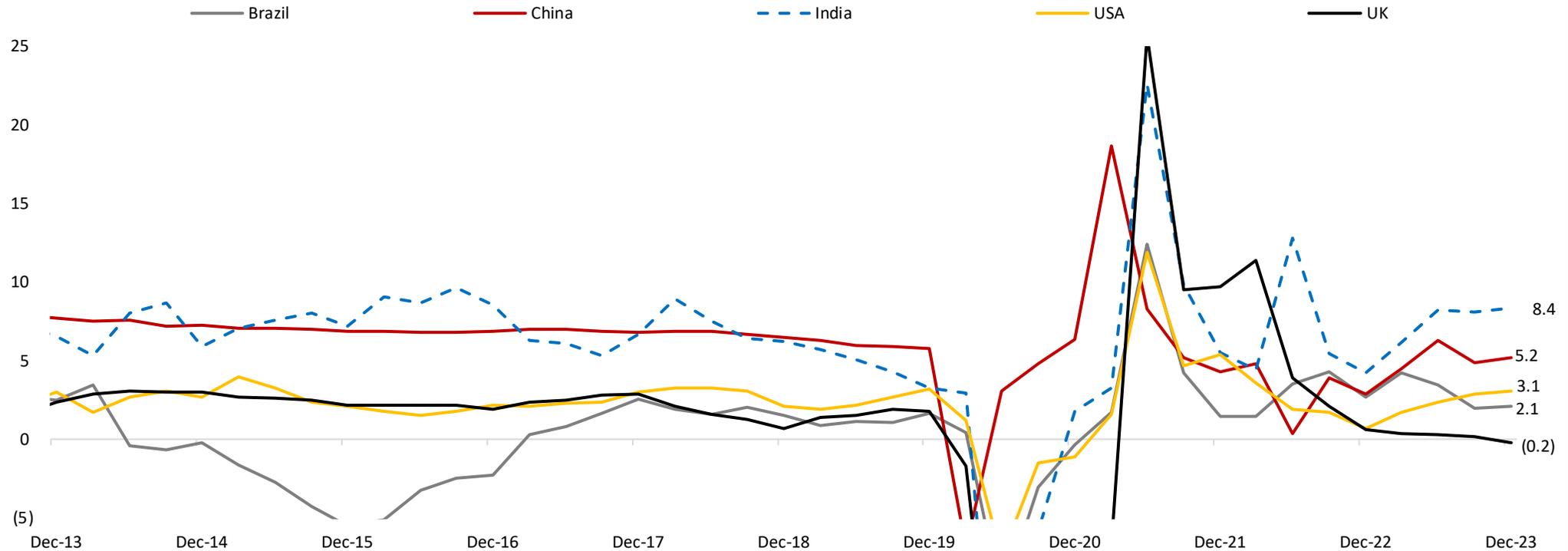
Note:

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

Growth

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

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



Source: Bloomberg, NIIF Research

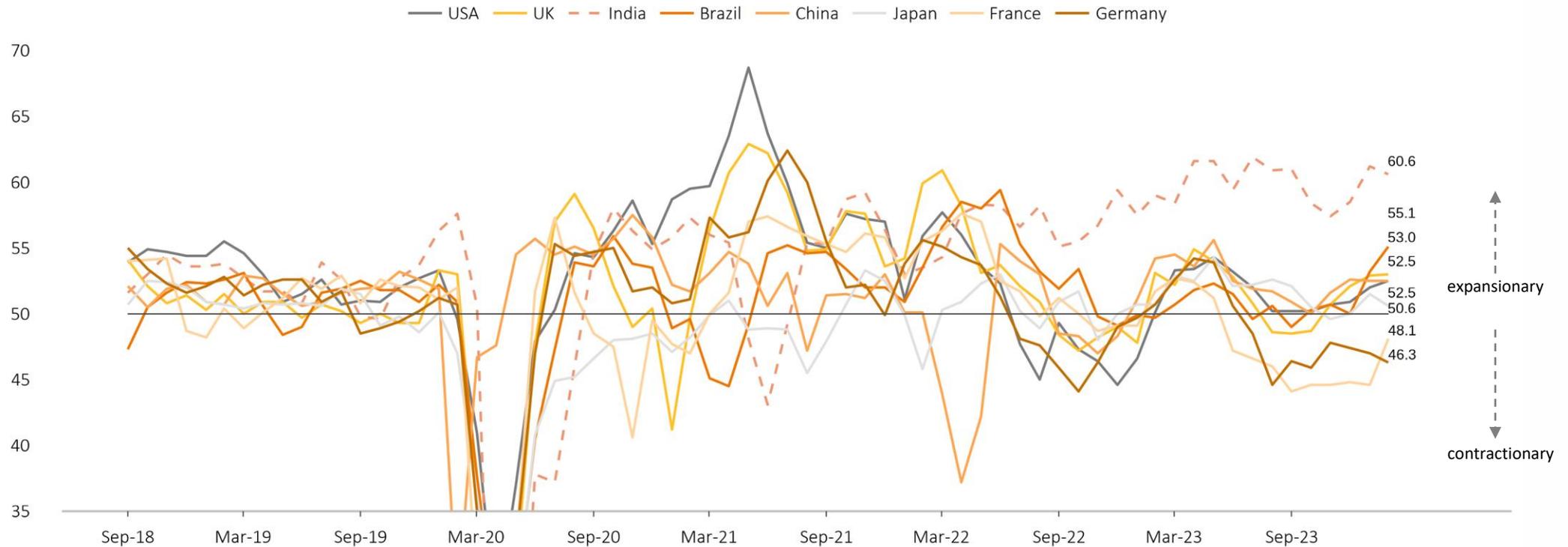
Note:

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

Purchasing managers' index: Global

India's composite PMI at 60.6 in Feb; economic activity in major countries picking up while France and Germany record a contraction

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



Source: Thurro, S&P, NIIF Research

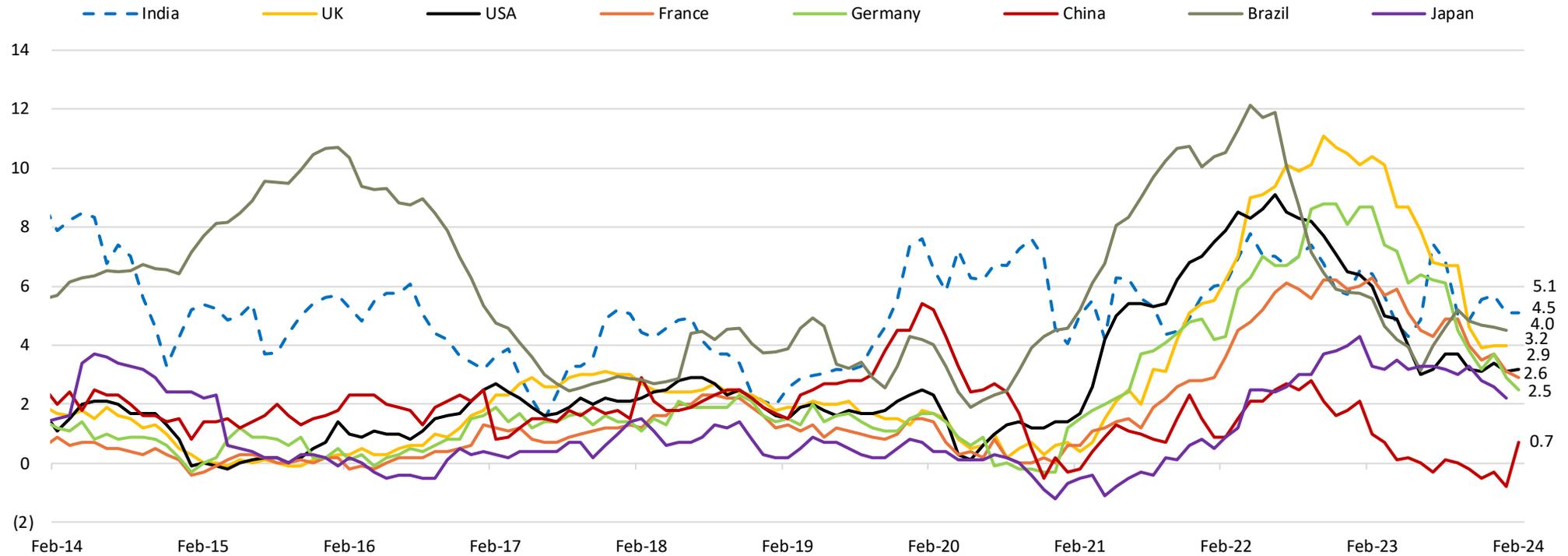
Note:

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

Inflation: Global

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

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



Source: Bloomberg, NIIF Research

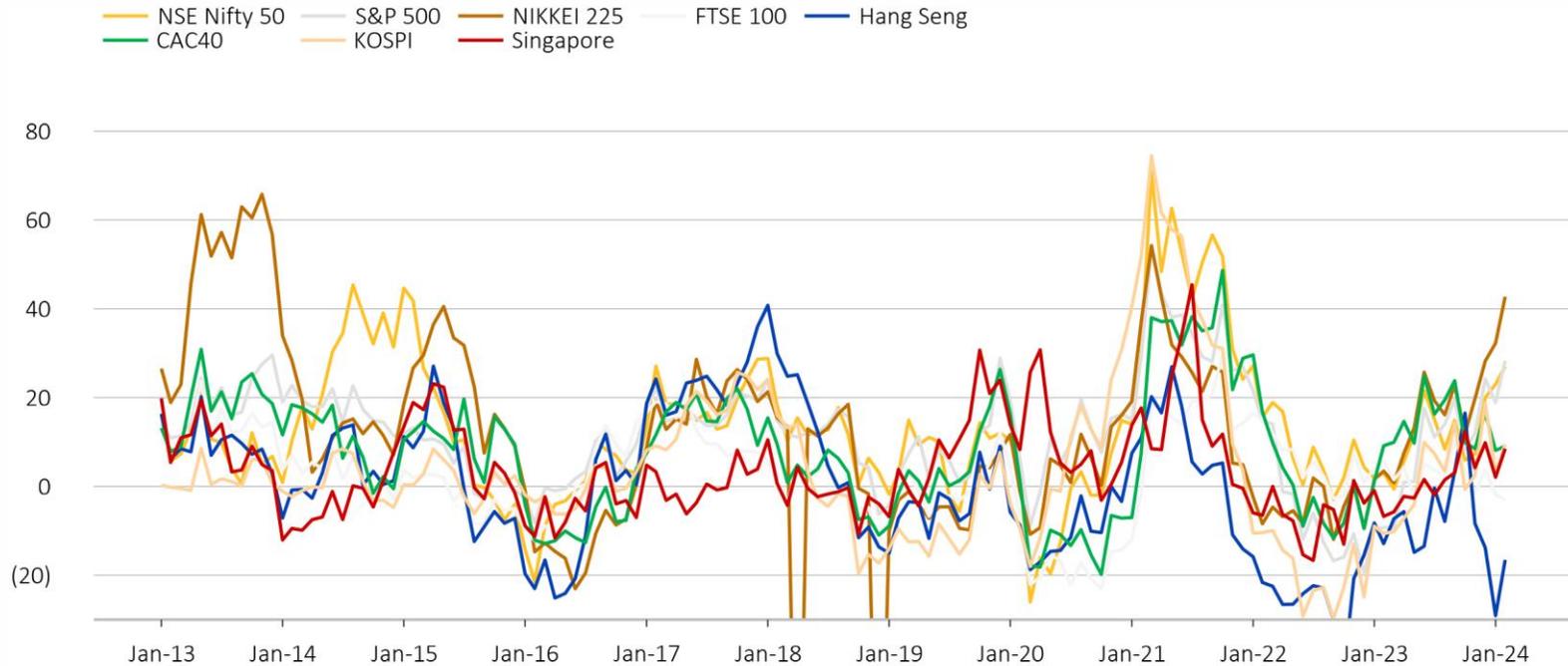
Note:

1. Inflation for India, US, France, Germany, and China available up to February 2024, for rest till January 2024

Equity markets: global

Global equity markets generate average returns of 14.8% over the last year; average Indian market returns of 25.0%

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



Returns as on February 29, 2024 (% yoy)

NIKKEI 225	42.7
S&P 500	28.4
NSE Nifty 50	27.0
BSE Sensex	23.0
Dow Jones	19.4
KOSPI	9.5
CAC40	9.1
Singapore	8.5
FTSE 100	(3.1)
Hang Seng	(16.6)

Source: Thurro, BSE, NIIF Research

Note:

1. Return is calculated as on month end



Annexures

MONTHLY ECONOMIC REPORT ON INDIA MAR 2024

High Frequency Indicators

Muted growth across supply side indicators – industrial production, ports freight traffic, and goods trade - in Jan/Feb

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

	Units	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Fiscal															
Central government expenditure	% yoy	21.2	(2.6)	7.0	10.7	3.5	17.3	84.6	10.6	3.2	(14.0)	(13.8)	7.1	(14.0)	
Gross tax revenue	% yoy	13.5	4.5	16.8	(6.1)	4.4	11.3	1.5	95.2	15.9	(1.2)	21.3	12.9	16.5	
GST collection	% yoy	12.7	12.4	12.7	11.6	11.5	11.7	10.8	10.8	10.2	13.4	15.1	10.3	11.8	12.5
Industry															
Index of industrial production	% yoy	5.8	6.0	2.0	4.6	5.7	4.1	6.2	10.9	6.4	11.9	2.4	4.3	3.8	
Index of eight core industries	% yoy	9.7	7.4	4.2	4.6	5.2	8.3	8.6	13.4	9.5	12.7	7.9	4.9	3.6	
Electricity generation	% yoy	18.3	13.8	4.6	4.0	5.0	8.7	11.6	19.3	13.5	24.8	10.6	5.0	6.5	4.5
Steel production	% yoy	3.4	(2.1)	2.6	6.7	6.1	7.8	15.6	12.8	16.7	11.6	11.6	15.2	14.2	
Cement production	% yoy	4.6	7.3	(0.8)	11.5	15.5	9.7	5.7	19.3	5.1	17.3	(3.2)	1.7	5.6	
Wholesale price index	% yoy	4.8	3.9	1.4	(0.8)	(3.6)	(4.2)	(1.2)	(0.5)	(0.1)	(0.3)	0.4	0.7	0.3	
Logistics															
Rail freight	% yoy	(1.0)	3.7	3.8	3.5	1.9	(2.0)	1.5	6.4	6.8	8.5	4.3	6.4	11.7	10.1
Port cargo	% yoy	8.2	11.5	8.7	5.3	2.7	1.8	2.8	3.1	3.1	6.1	10.2	9.9	6.6	2.1
Air cargo	% yoy	(3.6)	2.1	(0.9)	0.0	(0.3)	(0.8)	(1.1)	6.9	(0.3)	13.2	6.6	10.8	15.0	
E-way bills (volume)	% yoy	19.7	18.4	16.3	12.2	19.7	15.5	16.4	19.5	9.5	30.5	8.5	13.2	15.6	18.9
Trade															
Merchandise exports	% yoy	1.7	(8.8)	(13.7)	(12.7)	(10.4)	(22.2)	(16.2)	(7.0)	(2.6)	6.2	(2.8)	1.0	3.1	
Merchandise imports	% yoy	0.7	(8.1)	(7.7)	(14.1)	(7.1)	(20.4)	(20.1)	(7.8)	(15.0)	12.3	(4.3)	(4.9)	3.0	
Non-oil merchandise exports	% yoy	(8.3)	(4.3)	(5.0)	(11.5)	(4.9)	(13.6)	(8.3)	0.2	(0.5)	8.9	(1.5)	6.2	2.2	
Non-oil merchandise imports	% yoy	(7.9)	(9.6)	0.4	(14.2)	(6.9)	(10.7)	(8.7)	2.6	(13.0)	13.9	(2.7)	3.4	2.4	
Services exports	% yoy	29.5	28.6	13.0	7.5	7.7	3.5	8.1	8.4	(2.7)	10.8	4.3	1.3	10.8	
Services imports	% yoy	12.0	15.4	10.5	(3.1)	2.0	(3.4)	(2.2)	(0.8)	(10.3)	(0.4)	(11.1)	(1.2)	0.1	

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

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

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

	Units	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Energy															
Electricity demand	% yoy	12.2	7.8	(2.4)	(3.3)	(0.6)	4.0	8.1	16.6	10.4	21.1	5.9	4.9	5.9	8.1
Petrol consumption	% yoy	14.2	8.9	6.8	2.8	11.0	6.2	6.3	3.0	8.2	4.9	9.4	0.2	9.8	8.9
Automobile registrations															
Passenger vehicles	% yoy	21.0	10.3	12.5	(2.6)	3.1	3.3	2.0	4.2	17.3	(2.4)	19.3	2.2	11.7	8.3
Three-wheeler	% yoy	64.3	84.3	75.4	62.7	84.6	79.2	76.6	68.1	50.4	52.8	28.9	42.4	41.1	24.4
Two-wheeler	% yoy	9.9	14.7	12.8	(7.2)	9.6	7.1	8.5	6.7	22.2	(12.1)	21.7	27.9	15.3	13.4
Commercial vehicles	% yoy	18.1	17.2	8.8	(0.8)	2.9	(4.6)	(2.7)	0.5	0.5	8.3	(3.5)	(0.7)	(1.8)	(1.9)
Passenger vehicles-electric	% yoy	119.0	89.0	95.0	200.0	199.0	137.0	134.0	115.0	78.0	94.0	99.0	139.0	134.0	51.0
Three-wheeler-electric	% yoy	76.0	84.0	84.0	76.0	85.0	73.0	76.0	72.0	54.0	59.0	33.0	62.0	56.0	40.0
Two-wheeler-electric	% yoy	115.0	85.0	59.0	25.0	149.0	4.0	17.0	20.0	20.0	(3.0)	20.0	17.0	27.0	24.0
Commercial vehicles-electric	% yoy	389.3	583.3	627.7	417.0	441.9	231.0	510.0	450.9	371.9	550.9	244.2	124.6	202.9	212.8
Services															
Air passenger (domestic)	% yoy	94.3	55.9	20.8	22.4	15.2	18.8	24.7	22.8	18.4	10.8	9.3	8.6	5.1	12.9
Air passenger (international)	% yoy	118.2	105.3	62.4	46.7	35.8	25.1	20.8	21.1	20.0	20.8	21.4	18.2	20.7	17.5
Rail passenger	% yoy	9.3	(18.9)	(22.6)	(19.7)	(15.8)	(11.5)	6.1	7.7	2.5	7.7				
FASTag collection (volume)	% yoy	30.2	18.4	13.3	14.9	17.4	13.7	11.3	13.3	15.4	13.0	12.3	13.0	10.2	8.3
FASTag collection (value)	% yoy	33.6	29.0	23.7	22.1	24.3	20.8	19.7	21.9	19.9	24.4	14.2	18.7	15.5	15.1
UPI transactions (volume)	% yoy	74.1	66.4	60.7	59.4	58.1	59.2	58.5	60.9	55.7	56.2	53.7	53.5	51.8	60.6
UPI transactions (value)	% yoy	56.1	49.5	46.3	44.0	43.0	45.5	44.3	46.9	41.4	41.6	46.1	42.2	41.7	31.7
Consumer price index	% yoy	6.5	6.4	5.7	4.7	4.3	4.9	7.4	6.8	5.0	4.9	5.6	5.7	5.1	5.1
Banking															
Aggregate deposits (excluding merger)	% yoy	10.5	10.1	9.6	10.2	10.9	15.6	12.1	12.3	12.4	12.6	12.9	12.6	12.6	12.5
Outstanding credit (excluding merger)	% yoy	15.2	15.7	15.0	15.9	15.5	18.5	14.7	14.9	15.3	15.2	16.2	15.6	16.2	16.5

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; Rail passenger data not available since November 2023

High Frequency Indicators

Muted growth across supply side indicators – industrial production, ports freight traffic, and goods trade - in Jan/Feb

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

	Units	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Fiscal															
Central government expenditure	INR trillion	3.5	3.3	7.0	3.0	3.2	4.2	3.3	2.9	4.5	2.8	2.6	4.0	3.0	
Gross tax revenue	INR trillion	1.9	1.8	5.1	2.2	1.8	2.7	2.2	3.0	4.3	2.2	2.1	4.4	2.2	
GST collection	INR trillion	1.6	1.5	1.6	1.9	1.6	1.6	1.7	1.6	1.6	1.7	1.7	1.6	1.7	1.7
Industry															
Index of industrial production	Index	147.4	139.3	151.7	140.7	145.6	143.9	142.7	145.8	142.3	144.9	141.0	152.1	153.0	
Index of eight core industries	Index	158.8	147.3	164.7	151.2	157.4	155.9	153.2	158.6	151.7	156.4	150.4	160.9	164.5	
Electricity generation	billion kWh	137.0	128.0	139.7	141.9	147.1	151.1	149.4	162.6	151.6	150.3	130.5	134.6	145.9	138.6
Steel production	mn tonnes	10.7	9.9	11.3	10.5	11.3	11.3	11.5	11.4	11.5	11.7	11.8	12.1	12.2	
Cement production	mn tonnes	35.9	35.0	38.4	37.1	37.2	37.7	32.3	35.1	32.3	35.3	30.8	36.4	37.9	
Wholesale price index	Index	150.7	150.9	151.0	151.1	149.4	148.9	152.1	152.5	151.8	152.5	153.1	151.6	151.1	
Logistics															
Rail freight	mn tonnes	127.7	124.1	144.6	126.5	134.2	123.0	124.0	127.0	123.6	129.0	128.4	139.0	142.7	136.6
Port cargo	mn tonnes	70.1	65.6	71.9	65.9	68.2	66.2	66.2	65.3	61.9	70.5	70.9	70.0	72.5	67.1
Air cargo	'000 ton	237.8	243.1	280.8	269.3	270.1	268.3	272.0	279.3	272.7	291.8	269.3	287.0	273.3	
E-way bills (volume)	million	82.4	81.8	90.9	84.4	88.2	86.1	88.0	93.4	92.0	100.3	87.6	95.3	95.3	97.3
Trade															
Merchandise exports	USD billion	35.8	33.9	38.4	34.7	35.0	33.0	32.3	34.5	34.5	33.6	33.9	38.5	36.9	
Merchandise imports	USD billion	52.8	51.3	58.1	49.9	57.1	53.1	52.9	58.6	53.8	65.0	54.5	58.3	54.4	
Non-oil merchandise exports	USD billion	28.1	29.0	33.0	28.2	29.0	27.4	27.7	28.6	28.0	27.6	26.4	31.6	28.7	
Non-oil merchandise imports	USD billion	37.0	36.2	42.0	34.7	41.5	40.6	41.2	45.4	39.9	47.4	39.6	43.3	37.8	
Services exports	USD billion	28.0	27.4	30.4	25.8	27.1	27.9	26.2	28.7	28.4	28.0	28.1	31.6	31.0	
Services imports	USD billion	14.8	15.0	17.0	13.6	15.5	15.2	13.8	15.1	14.6	13.5	13.7	15.6	14.9	

High Frequency Indicators

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

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

	Units	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Energy															
Electricity demand	billion kWh	126.8	118.3	127.7	130.8	135.8	140.1	139.2	152.4	140.9	139.3	119.7	123.2	134.3	128.0
Petrol consumption	mn tonnes	2.8	2.8	3.1	2.9	3.3	3.2	3.0	3.1	3.1	3.1	3.1	3.0	3.1	3.0
Automobile registrations															
Passenger vehicles	'000s	331.6	279.9	320.2	269.9	285.5	280.9	266.6	295.2	312.3	337.5	350.8	278.2	370.4	303.1
Three-wheeler	'000s	70.9	76.4	89.8	73.1	81.6	87.8	95.0	100.9	102.9	109.5	103.8	98.4	100.1	95.0
Two-wheeler	'000s	1,269.6	1,272.5	1,455.0	1,235.9	1,499.8	1,316.1	1,233.8	1,261.0	1,318.4	1,517.1	2,258.6	1,455.0	1,464.4	1,442.5
Commercial vehicles	'000s	82.1	76.8	86.3	78.1	68.2	62.0	61.9	65.5	70.6	80.4	76.6	66.4	80.6	75.4
Passenger vehicles-electric	'000s	3.0	4.4	7.2	5.4	6.8	7.0	6.9	6.3	5.7	6.4	7.1	7.0	6.9	6.6
Three-wheeler-electric	'000s	34.3	36.0	45.3	38.1	44.6	48.0	53.8	56.8	57.5	57.0	53.9	57.7	53.4	50.6
Two-wheeler-electric	'000s	64.7	66.1	86.4	66.9	105.6	46.1	54.6	62.7	64.0	75.1	92.0	75.8	82.0	82.3
Commercial vehicles-electric	'000s	0.1	0.2	0.3	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.5
Services															
Air passenger (domestic)	million	12.5	12.1	12.9	12.9	13.2	12.5	12.1	12.4	12.2	12.6	12.7	13.8	13.2	13.6
Air passenger (international)	million	5.5	5.4	5.4	5.4	5.6	5.7	5.7	5.6	5.5	5.7	6.2	6.5	6.6	6.4
Rail passenger	million	63.0	60.3	66.0	59.4	63.3	60.3	71.2	69.4	65.4	64.3				
FASTag collection (volume)	million	300.8	288.4	306.3	305.0	335.0	316.1	295.0	308.0	298.9	319.7	320.8	348.0	331.4	323.4
FASTag collection (value)	INR billion	48.1	46.8	50.7	51.5	54.3	52.0	49.8	51.8	50.9	55.4	53.0	58.6	55.6	55.8
UPI transactions (volume)	billion	8.0	7.5	8.7	8.9	9.4	9.3	10.0	10.6	10.6	11.4	11.2	12.0	12.2	12.1
UPI transactions (value)	INR trillion	13.0	12.4	14.1	14.1	14.9	14.8	15.3	15.8	15.8	17.2	17.4	18.2	18.4	18.3
Consumer price index	Index	176.5	176.8	177.2	178.1	179.1	181.0	186.3	186.2	184.1	185.3	186.3	185.7	185.5	185.8
Banking															
Aggregate deposits (excluding merger)	INR trillion	177.2	178.6	180.4	183.1	183.7	191.6	190.2	190.9	191.4	193.8	195.2	199.6	199.4	200.9
Outstanding credit (excluding merger)	INR trillion	133.4	134.5	136.8	138.6	138.9	143.9	141.9	143.2	145.6	148.4	150.4	153.9	154.9	156.7

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

Note: Rail passenger data unavailable since November 2023

High Frequency Indicators

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

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

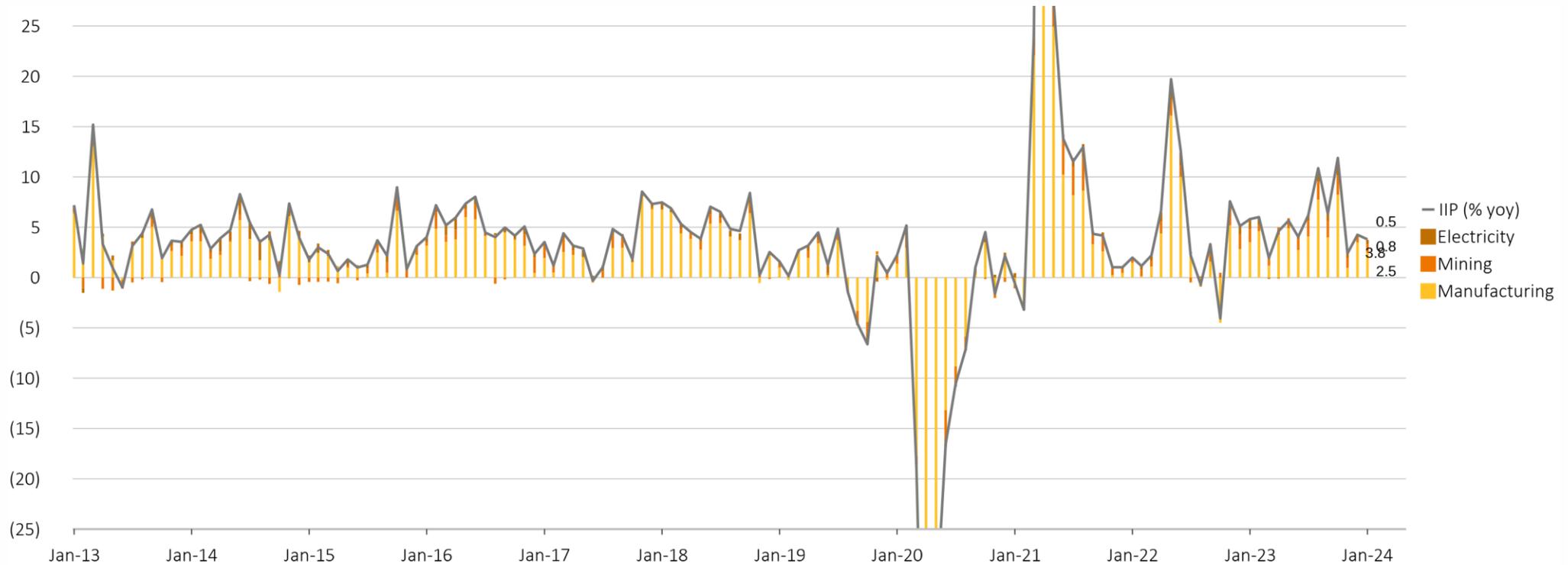
	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
IIP	5.8	6.0	2.0	4.6	5.7	4.1	6.2	10.9	6.4	11.9	2.4	4.3	3.8
Sector-based classification													
Mining	9.0	4.8	6.8	5.2	6.4	7.6	10.7	12.4	11.5	13.1	7.0	5.2	5.9
Manufacturing	4.5	5.9	1.5	5.5	6.3	3.5	5.3	10.0	5.1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

Source: Thurro, MOSPI, NIIF Research

High Frequency Indicators

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

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



Source: Thurro, MOSPI, NIIF Research

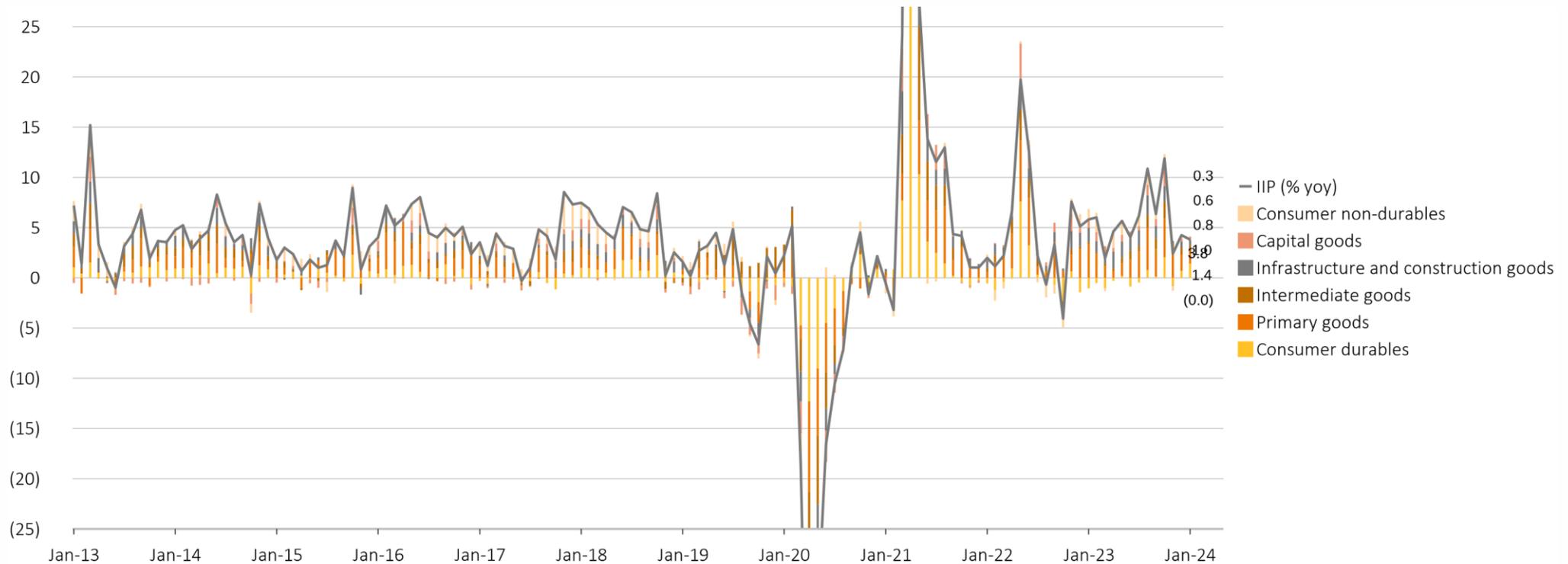
Note:

1. Manufacturing accounts for 77.63% weight in the Index of Industrial Production, followed by mining at ~14.37%, and electricity at 7.99%

High Frequency Indicators

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

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



Source: Thurro, MOSPI, NIIF Research

Note:

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

High Frequency Indicators

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

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

HDFC merger

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Growth (% yoy)
Agriculture	16.4	16.6	16.9	17.3	17.2	18.0	17.9	18.0	18.2	19.1	19.3	19.9	20.1	22.9
Industry	32.9	32.9	33.4	33.7	33.5	34.2	33.7	34.1	34.7	35.7	36.0	36.6	36.5	11.1
Construction	1.2	1.2	1.2	1.2	1.2	1.3	1.2	1.3	1.3	1.3	1.3	1.4	1.4	18.0
Infrastructure	11.9	11.8	12.0	12.2	12.2	12.3	12.3	12.4	12.5	12.7	12.8	12.9	12.8	7.8
Power	6.1	6.0	6.2	6.1	6.2	6.2	6.2	6.1	6.2	6.2	6.3	6.5	6.4	5.4
Telecom	1.1	1.1	1.1	1.3	1.3	1.2	1.3	1.3	1.4	1.4	1.5	1.4	1.4	26.8
Roads	2.8	2.8	2.8	2.9	2.9	2.9	3.0	3.0	3.0	3.1	3.1	3.1	3.1	7.5
Services	34.8	35.2	36.1	36.6	36.8	38.9	39.0	39.4	40.3	42.1	42.6	44.1	44.2	27.1
Services - NBFC	12.9	13.1	13.3	13.5	13.4	14.2	13.8	13.8	14.2	14.8	14.9	15.2	15.0	16.7
Services - Trade	7.8	8.0	8.2	8.3	8.4	8.6	8.4	8.4	8.7	9.3	9.1	9.4	9.6	22.8
Services- Commercial Real Estate	3.1	3.1	3.1	3.2	3.2	3.3	4.1	4.1	4.1	4.2	4.3	4.4	4.4	39.9
Retail loans	39.6	40.1	40.9	41.2	41.4	42.6	47.3	47.7	48.3	50.0	50.6	51.8	52.2	31.8
Other non-food loans	9.3	9.3	9.4	9.6	9.6	10.0	9.9	9.8	9.8	7.1	7.3	6.8	6.9	(25.2)
Non-food Credit	132.9	134.2	136.6	138.4	138.6	143.6	147.8	149.0	151.3	154.1	155.8	159.2	160.0	20.4
Total Credit Outstanding (without HDFC merger)	133.4	134.5	136.8	138.6	138.9	143.9	141.9	143.2	145.6	148.4	150.4	153.9	154.9	16.1
Total Credit Outstanding	133.4	134.5	136.8	138.6	138.9	143.9	148.0	149.2	151.5	154.3	156.2	159.6	160.4	20.3

Source: Thurro, RBI, NIIF Research

High Frequency Indicators

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

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

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Growth (% yoy)
Personal loans	39.6	40.1	40.9	41.2	41.4	42.6	47.3	47.7	48.3	50.0	50.6	51.8	52.2	31.8
Housing	18.9	19.1	19.4	19.5	19.6	20.0	24.3	24.6	24.8	25.6	25.9	26.4	26.6	40.9
Vehicle loans	5.0	5.0	5.0	5.1	5.1	5.2	5.3	5.3	5.4	5.5	5.6	5.8	5.8	16.2
Credit card outstanding	1.9	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.2	2.4	2.4	2.5	2.6	38.4
Advances against fixed deposits	1.1	1.1	1.2	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.1	1.2	1.2	5.9
Education	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.2	22.9
Loans against gold jewellery	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	18.6
Consumer durables	0.4	0.4	0.2	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	(34.5)
Others	10.5	10.8	11.2	11.2	11.4	11.8	12.2	12.2	12.4	12.9	13.0	13.3	13.5	28.7

Source: Thurro, RBI, NIIF Research

Railways

Iron ore freight drives overall rail freight traffic in February

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

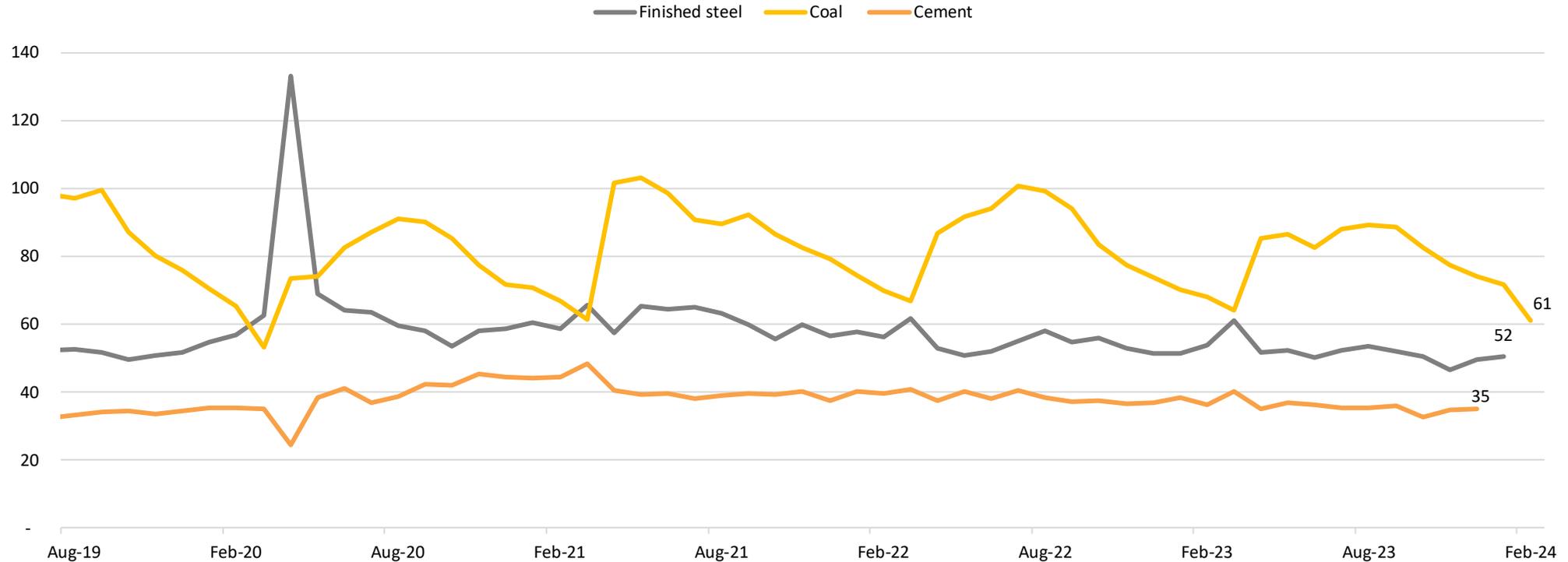
	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Growth (% yoy)
Coal	58.9	69.3	62.4	66.0	61.1	61.1	61.0	59.7	64.8	65.5	69.0	71.5	59.1	0.3
Iron ore	13.7	16.2	14.5	15.2	13.3	13.3	14.5	14.3	14.8	15.0	16.5	17.0	15.1	10.0
Cement and clinker	12.2	15.0	12.6	13.2	13.3	11.0	12.0	11.2	11.1	10.2	12.3	13.4	13.0	6.7
Container service	6.5	7.6	6.7	6.8	6.0	7.2	7.7	7.3	7.2	6.9	7.7	7.0	7.0	7.5
Pig iron and finished steel	5.5	6.9	5.6	5.7	5.4	5.7	5.9	5.8	5.7	5.3	6.0	6.1	5.7	3.3
Foodgrains	5.6	4.9	5.1	4.9	3.6	3.6	4.0	4.6	3.6	3.8	4.3	4.5	5.1	(8.1)
Fertilizers	4.7	3.9	3.9	4.9	4.7	5.5	5.2	4.2	5.7	6.0	5.8	5.3	4.0	(15.7)
Mineral oil	3.9	4.4	4.1	4.3	4.1	4.1	4.1	4.0	4.4	4.2	4.3	4.3	4.1	4.6
Raw material for steel plants (except iron ore)	2.3	2.9	2.5	2.2	2.2	2.5	2.4	2.4	3.2	3.0	3.3	3.5	12.9	470.7
Others	10.8	13.5	9.0	11.0	9.4	10.1	10.4	10.1	8.6	8.6	9.8	10.2	10.7	(1.2)
Total	124.1	144.6	126.5	134.2	123.0	124.0	127.0	123.6	129.0	128.4	139.0	142.7	136.6	10.1

Source: Thurro, Indian Railways, NIIF Research

Railways

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

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



Source: CEIC, CMIE, NIIF Research

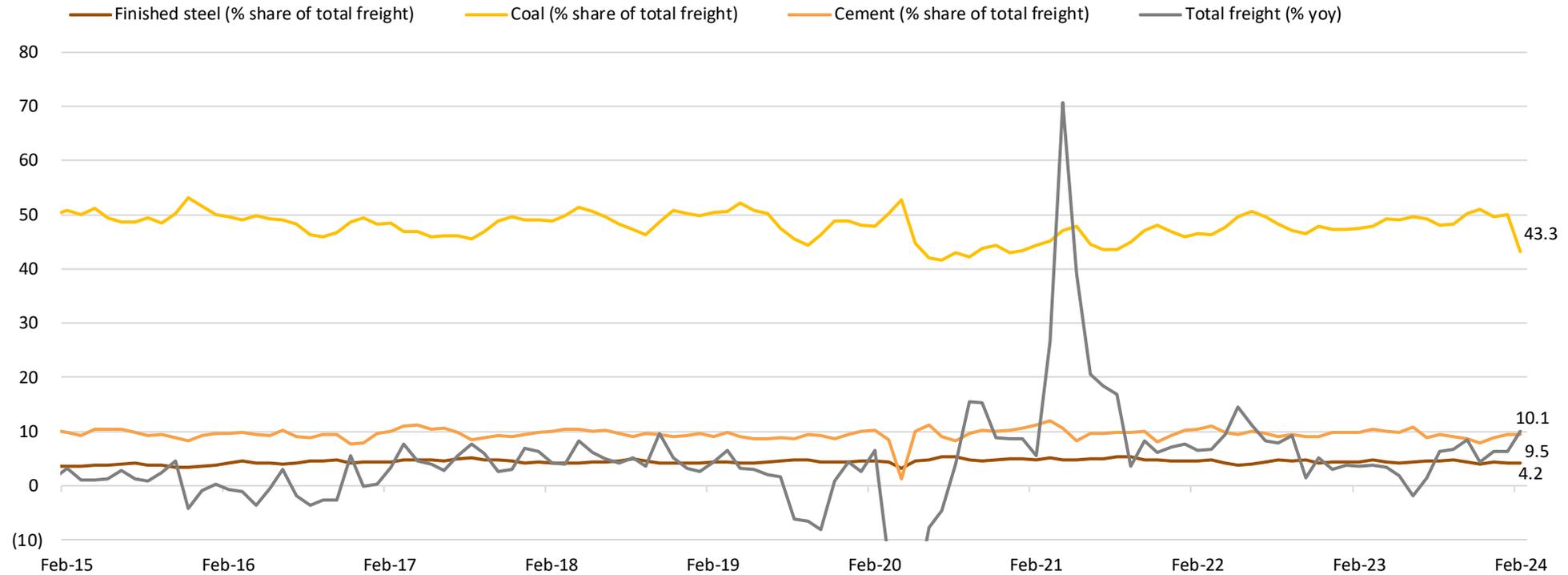
Note:

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

Railways

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

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



Source: CEIC, NIIF Research

Inflation

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

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

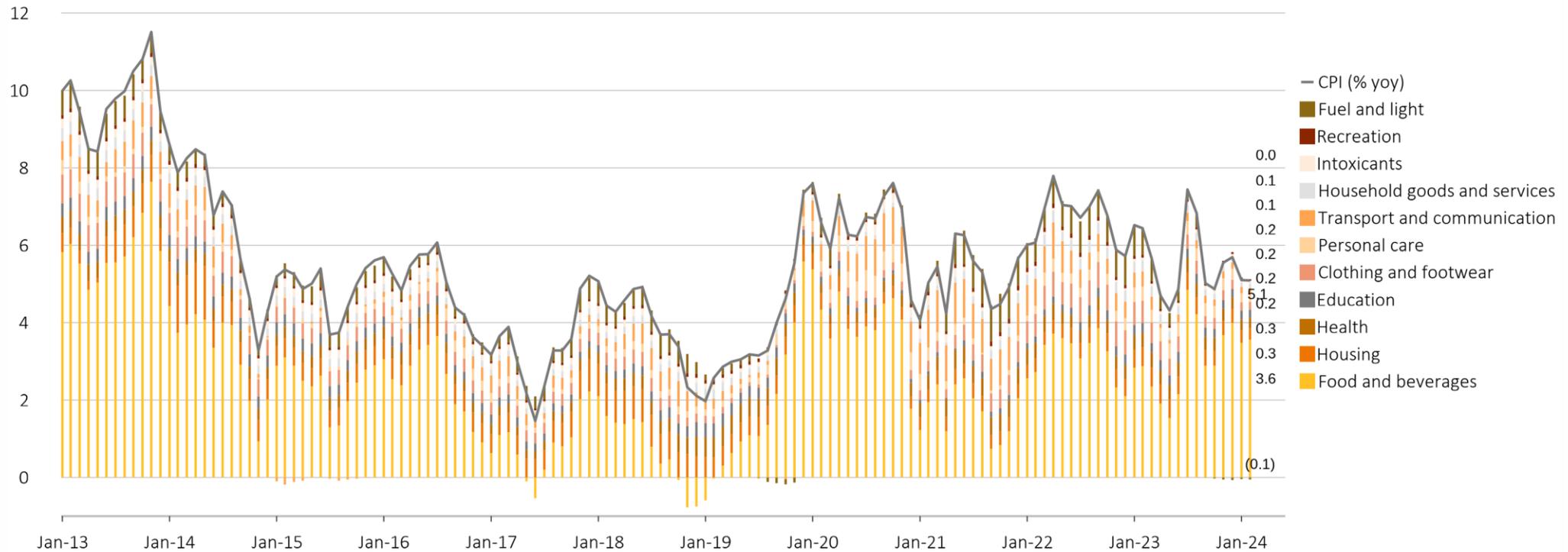
	Weights	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Consumer Price Index	100.0	6.4	5.7	4.7	4.3	4.9	7.4	6.8	5.0	4.9	5.6	5.7	5.1	5.1
Consumer Price Index - Core	47.3	6.1	5.8	5.2	5.1	5.1	4.9	4.8	4.5	4.3	4.1	3.9	3.6	3.3
Food and beverages	45.9	6.3	5.1	4.2	3.4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

Source: Thurro, MoSPI, NIIF Research

Inflation

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

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



Source: Thurro, MoSPI, NIIF Research

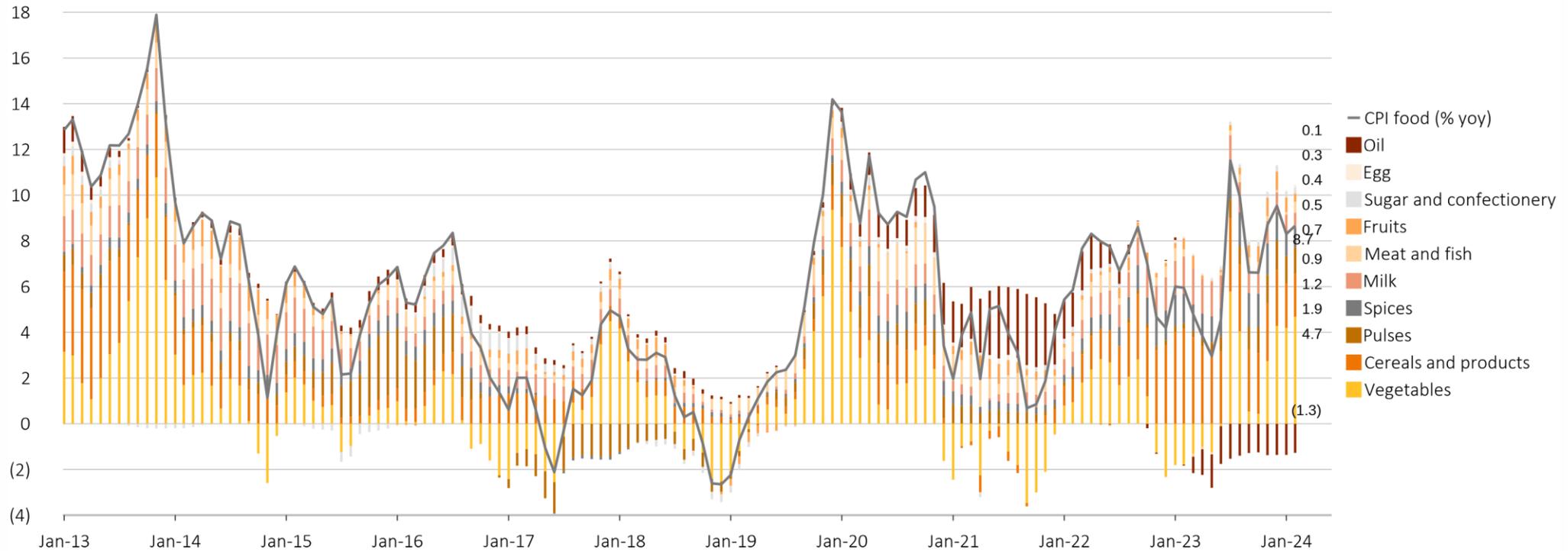
Note:

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

Inflation

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

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



Source: Thurro, MoSPI, NIIF Research

Note:

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

Inflation

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

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

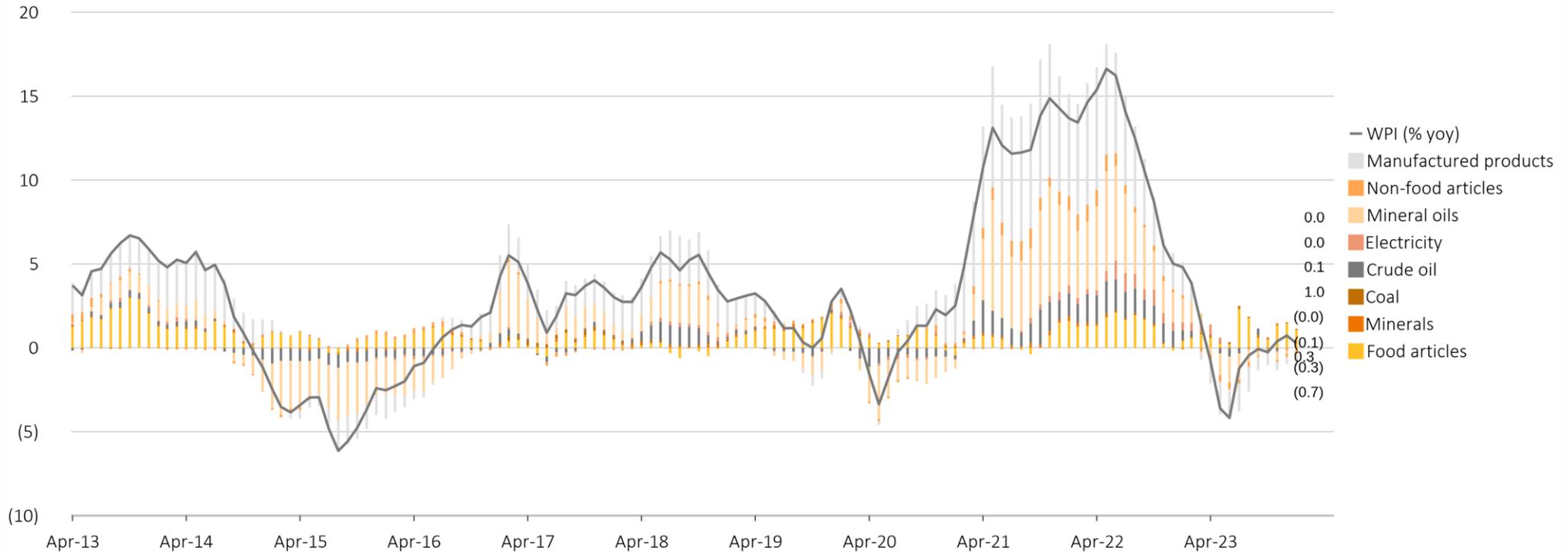
	<i>Weights</i>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
WPI	100.0	4.8	3.9	1.4	(0.8)	(3.6)	(4.2)	(1.2)	(0.5)	(0.1)	(0.3)	0.4	0.7	0.3
Primary articles	22.6	4.1	3.6	2.5	1.9	(1.9)	(3.0)	8.2	6.7	4.4	2.3	5.2	5.8	3.8
Food articles	15.3	2.7	3.8	5.4	3.9	1.6	1.3	15.1	11.4	3.8	3.2	8.8	9.4	6.9
Non-food articles	4.1	4.7	0.0	(4.5)	(6.7)	(9.5)	(9.7)	(5.8)	(6.8)	(2.1)	(1.1)	(3.0)	(4.7)	(6.6)
Minerals	0.8	(10.0)	(3.3)	(2.8)	7.9	2.2	0.5	9.0	6.5	19.0	11.6	8.7	5.8	7.6
Crude oil, petroleum and natural gas	2.4	23.8	14.5	(1.2)	1.6	(13.7)	(21.4)	(13.7)	(1.9)	15.6	(2.2)	(7.1)	(0.1)	0.2
Fuel and power	13.2	15.0	14.0	8.7	1.0	(9.2)	(12.5)	(12.7)	(6.3)	(3.4)	(1.6)	(4.1)	(2.4)	(0.5)
Coal	2.1	2.6	3.6	3.2	3.5	2.5	5.1	5.1	2.5	1.8	1.8	1.8	1.8	1.4
Mineral oils	7.9	17.9	15.8	6.1	(4.9)	(16.2)	(19.5)	(19.6)	(9.7)	(4.7)	(0.5)	(5.7)	(2.7)	(1.1)
Electricity	3.1	15.8	15.6	21.4	20.1	9.5	1.1	0.3	(1.0)	(2.6)	(6.8)	(2.9)	(3.9)	(0.1)
Manufactured products	64.2	3.1	1.9	(0.7)	(2.3)	(3.0)	(2.8)	(2.6)	(2.3)	(1.3)	(1.1)	(0.8)	(0.7)	(1.1)

Source: Thurro, EAI, NIIF Research

Inflation

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

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



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

Note:

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

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