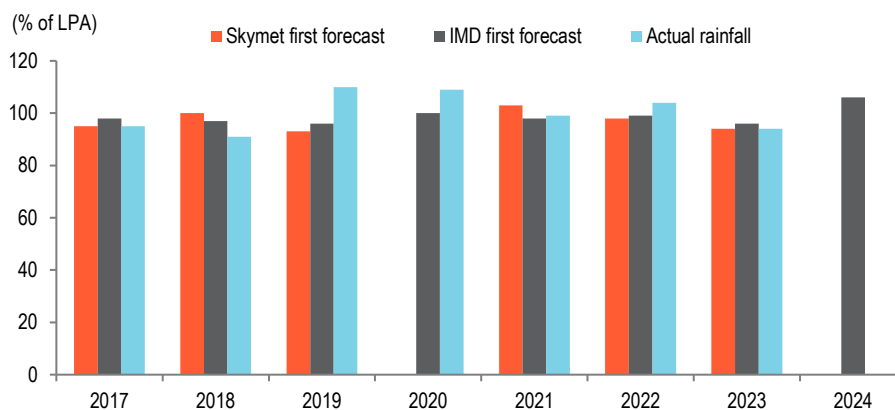


IMD-Forecast for South West Monsoon

- IMD its first long range forecast for the year has stated the South-West Monsoon (Jun-Sep) this year is expected to be above normal. The country will witness rainfall at 106% of the LPA (model error of +-5%). The LPA (Long period average) for the whole season over the country is expected to be around 87cm.
- On weather conditions, IMD stated they expect El Nino conditions moderating over the equatorial pacific region with certain agencies forecasting possible fading of these conditions and turning to neutral ENSO (El Nino Southern Oscillation) conditions. In the latter half of the South west monsoon (Aug-Sep), there is a possibility of the formation of La Nina conditions. These conditions result in cooling of the sea surface temperature and they contribute to higher rainfall. The ENSO conditions occurs in span of 2-7 years and in 3-phases, El Nino, La Nina and Neutral. A strong El Nino condition last occurred in the year 2023.
- Currently, there are neutral IOD conditions forming over the Indian Ocean and there is likelihood of this conditions turning positive in the later part of the monsoon.
- In terms of spatial distribution, regions such as North West, Eastern and North Eastern regions are expected to witness below normal rainfall while other regions continue to record above normal rainfall across the country.

Out of the last 8-years, this is the first time in 2024, IMD has forecasted for above normal rainfall (104-110% of LPA) in its first forecast. In the year 2022, the country actually witnessed above normal rainfall, against the expectation of normal rainfall. Last year in 2023, in line with expectations the country actually witnessed normal rainfall at 94% of LPA.

Fig 17: Rainfall over the years



Source: IMD, Skymet, Bank of Baroda Research

Impact on Economy

IMD forecast of above normal rainfall comes in the wake of the extreme heatwave conditions ongoing in the country. The water reservoir level has also been lower at 33% of their total capacity compared with 39% reservoir levels noted last year (as of 12.4.2024). However, the expectations of normal monsoon bodes well for the agriculture sector and will also keep a check on food prices. RBI while

retaining its inflation and growth projections, in its recent monetary policy statement had assumed a normal monsoon which will also be positive for the kharif crops.

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