


 MONTHLY CHARTBOOK

21 March 2018

## State spending to boost Q4 growth

**Manufacturing and private services activity seems to be slowing down in Feb'18. However, state government spending is seeing a large rebound which should drive growth in Q4. As economic activity shows some moderation, upward pressure on core CPI is unlikely. Hence, inflation is likely to moderate from Q2FY19 onwards because of which domestic yields have already fallen by 9bps (MTD basis) from the recent peak. Indian equity markets are under-performing but FPI inflows into equity markets have resumed. INR is stable and expected to remain so in the near term.**

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**Manufacturing activity lower in Feb'18:** Industrial production surged to 7.6% in Jan'18 on the back of improvement in consumer durables and capital goods sectors. Manufacturing PMI moderated a bit to 52.1 in Feb'18 (52.4 in Jan'18). Auto production decelerated to 27% in Feb'18 led by 2-wheelers. Non-oil exports were also weak in Feb'18. However, domestic demand is likely to take care of manufacturing activity which will result in only mild deceleration in Feb'18 versus Jan'18.

**Private services slipping, states filling in:** Trade and related services activity indicators such as CV sales, diesel consumption and port cargo are seen losing momentum in Feb'18 versus Jan'18. Services PMI index, also fell sharply in Feb'18 to 49.7. Finance and real estate sectors seem to fare better as credit growth picks up pace and real estate prices rebound. Public sector spending is seeing a sharp upward revival led by state governments. Overall, service sector growth still seems to be on a stronger footing than Q3.

**Exports moderate:** India's export growth moderated to 4.5% in Feb'18, decelerating for the third straight month. Imports of capital goods, agri and oil fell which led to dip in trade deficit to US\$ 12bn. CAD widened to 2% of GDP in Q3FY18 and is expected to remain above 2% in FY19 as well. However, higher remittances and services receipts are a big positive.

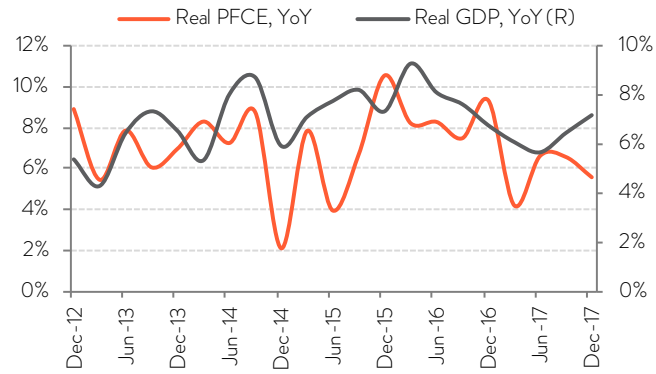
**Inflation softened in Feb'18:** Inflation edged down considerably led by moderation in food (vegetables) and commodity prices globally. Core remained stable at 5.1% led by housing. However, we expect inflation to pick up in Q1FY19 (~5.1%) on the back of building up of vegetable inflation and crude price movement. Vegetable prices are declining at a slower pace of (-) 5.6% on a MTD basis in Mar'18.



# Consumption

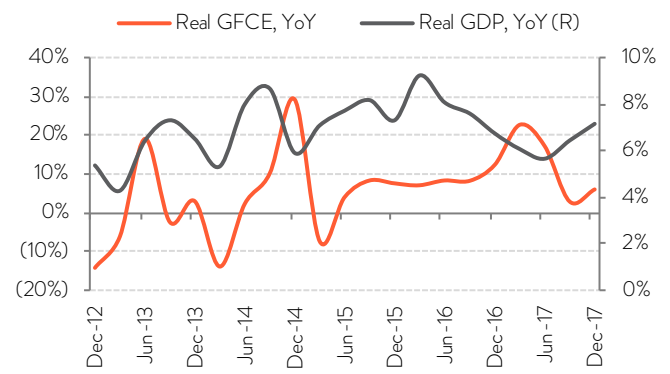
## Final consumption expenditure

**FIG 1 – CONSUMPTION REMAINS WEAK**



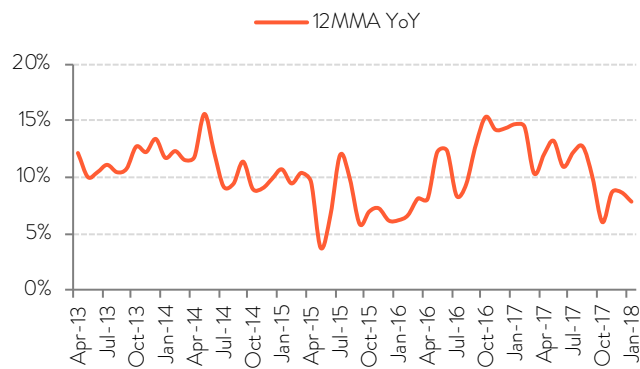
Source: CEIC, Bank of Baroda

**FIG 2 – PICK UP IN GOVERNMENT CONSUMPTION**



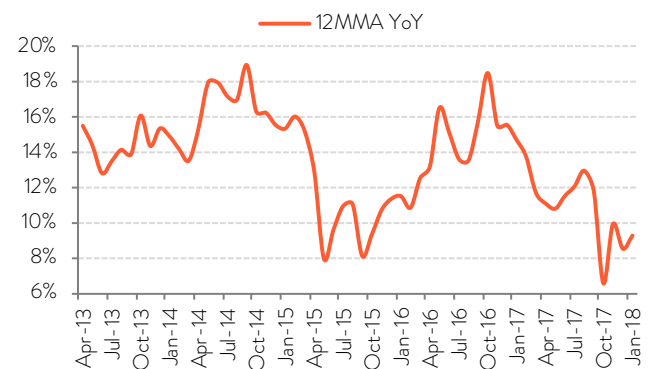
Source: CEIC, Bank of Baroda

**FIG 3 – SLIPPAGE IN GENERAL GOV SPENDING**



Source: CEIC, Bank of Baroda | All states excluding Arunachal Pradesh, Assam, Goa, J&K, Karnataka, Manipur, Meghalaya, Nagaland, Telangana, Tripura and W.Bengal

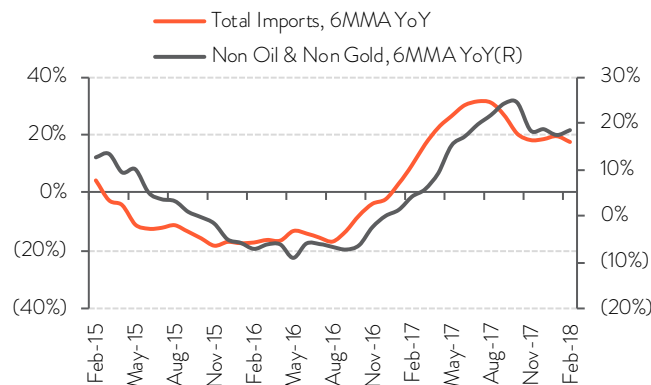
**FIG 4 – STATE GOV SPENDING CRAWLING BACK**



Source: CEIC, Bank of Baroda | All states excluding Arunachal Pradesh, Assam, Goa, J&K, Karnataka, Manipur, Meghalaya, Nagaland, Telangana, Tripura and W.Bengal

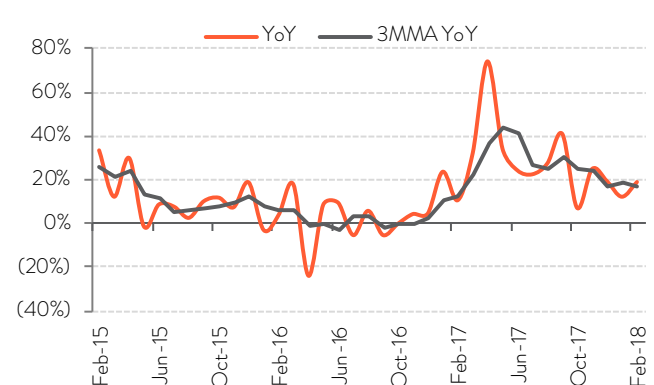
## Non-oil imports, electronic imports

**FIG 5 – NON-OIL-NON-GOLD IMPORTS SLOWING**



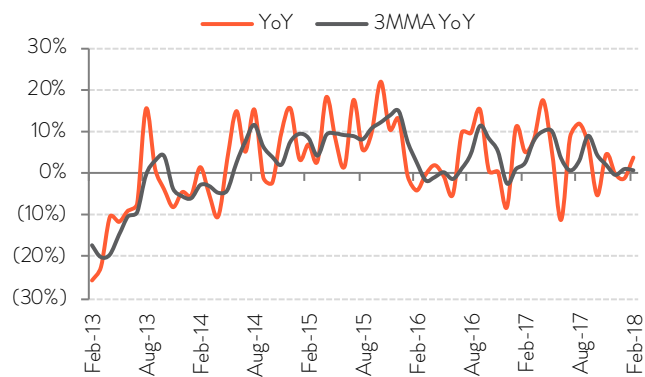
Source: CEIC, Bank of Baroda

**FIG 6 – ELECTRONIC IMPORTS IMPROVED MARGINALLY**



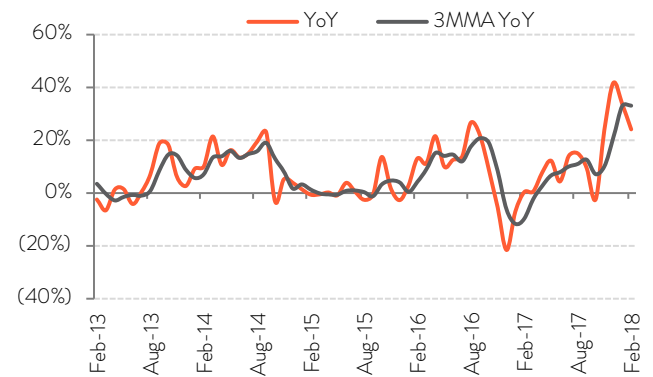
Source: CEIC, Bank of Baroda

**FIG 7 – STEADY GROWTH IN PASSENGER CAR SALES...**



Source: CEIC, Bank of Baroda

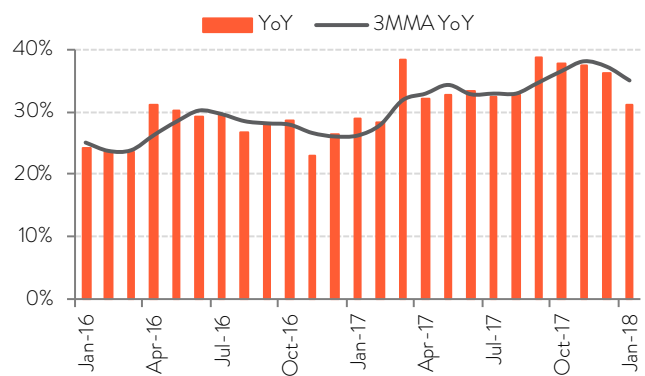
**FIG 8 – ...BUT TWO-WHEELER SALES SAW A SLIGHT DOWN-TICK**



Source: CEIC, Bank of Baroda

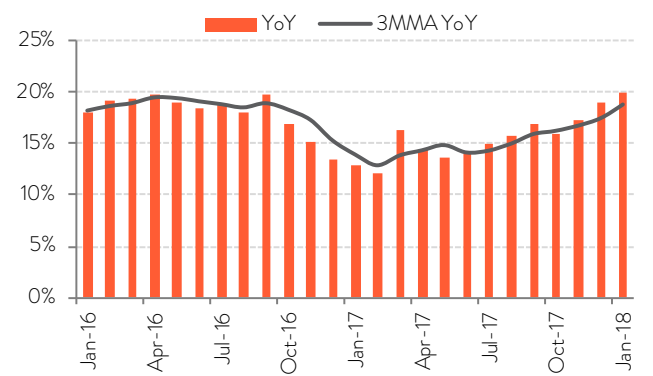
**Credit deployment of personal loans**

**FIG 9 – DOWNWARD BLIP IN CREDIT CARD OUTSTANDING**



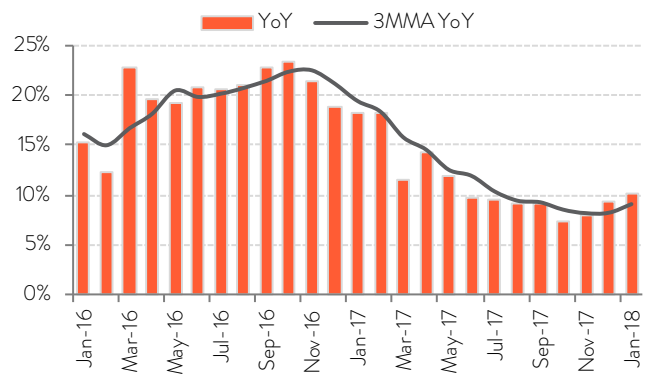
Source: CEIC, Bank of Baroda

**FIG 10 – PERSONAL LOANS ARE GROWING**



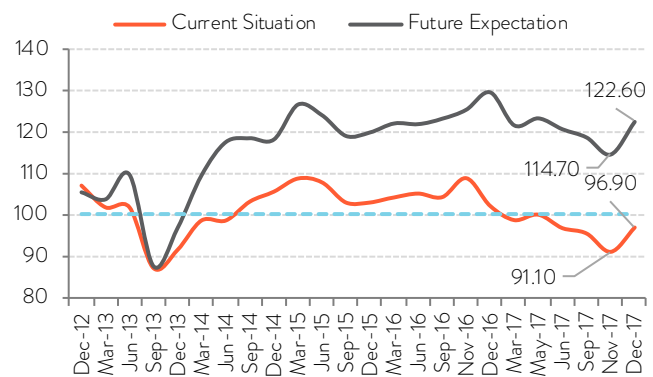
Source: CEIC, Bank of Baroda

**FIG 11 – VEHICLE LOANS INCHING UP**



Source: CEIC, Bank of Baroda

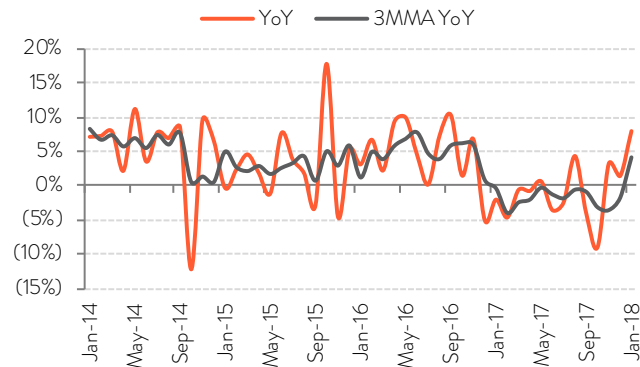
**FIG 12 – CONSUMER CONFIDENCE CONTINUES TO REMAIN OPTIMISTIC**



Source: CEIC, Bank of Baroda

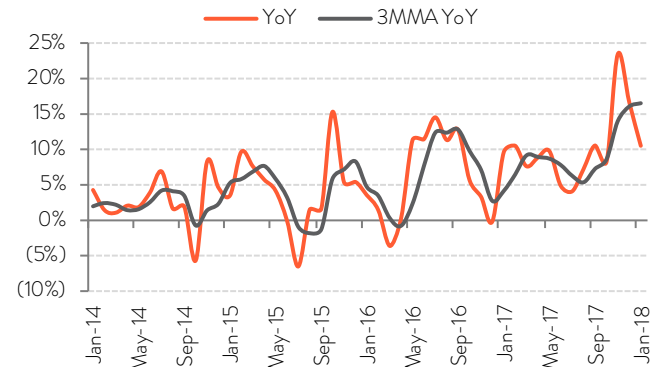
## Consumer durables & non-durables production

**FIG 13 – CONSUMER DURABLES OUTPUT ACCELERATES**



Source: CEIC, Bank of Baroda

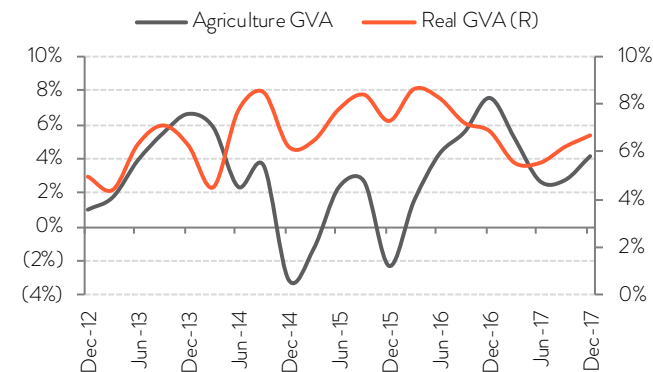
**FIG 14 – ...FMCG OUTPUT HAS DECELERATED THIS MONTH**



Source: CEIC, Bank of Baroda

## Agriculture

**FIG 15 – IMPROVEMENT IN AGRICULTURE GROWTH**



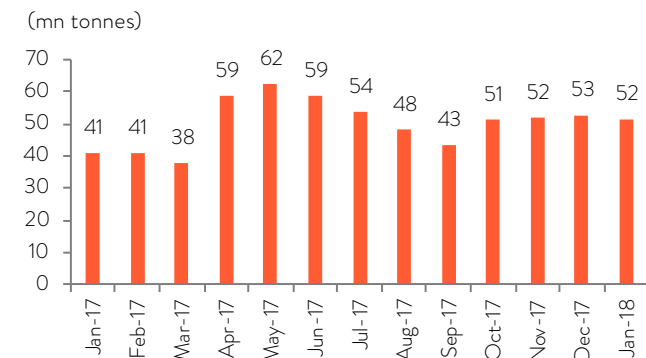
Source: CEIC, Bank of Baroda

**FIG 16 – SOWN AREA IS LOWER LED BY WHEAT**

(mn ha)	Area sown in 2017-18	Area sown in 2016-17	Normal Area for Whole Rabi season	Growth YoY (%)
Wheat	30.43	31.79	30.17	(4.28)
Rice	3.19	2.73	3.65	16.85
Coarse Cereals	5.67	5.75	6.43	(1.39)
Pulses	16.91	16.06	13.95	5.29
Oilseeds	8.09	8.49	8.15	(4.71)
<b>Total</b>	<b>64.29</b>	<b>64.82</b>	<b>62.33</b>	<b>(0.82)</b>

Source: CEIC, Bank of Baroda | As on 9 Feb 2018

**FIG 17 – STOCK OF FOODGRAINS REMAINS STABLE**



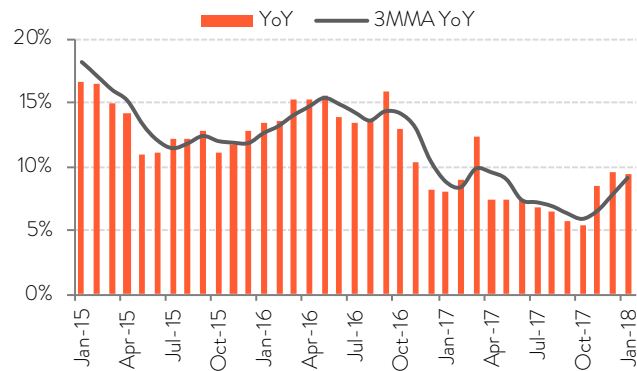
Source: CEIC, Bank of Baroda

**FIG 18 – RICE PROCUREMENT IS LIKELY TO BE HIGHER THAN WHEAT**

Year	Procurement of Wheat as a % of Production	Procurement of Rice as a % of Production
2010-11	25.92	35.63
2011-12	29.86	33.28
2012-13	40.80	32.35
2013-14	26.18	29.86
2014-15	32.39	30.38
2015-16	30.43	32.77
2016-17	23.34	34.60
2017-18	31.74	27.13*

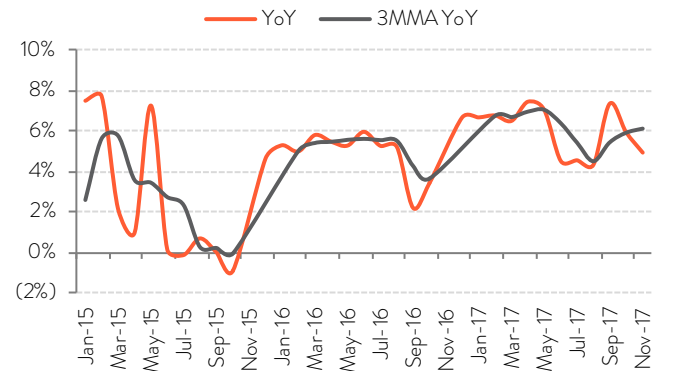
Source: Ministry of Consumer Affairs, Food and Public Distribution, Bank of Baroda | \*As on: 1 Mar 2018

**FIG 19 – AGRICULTURE CREDIT IS SHOWING AN UPTREND**



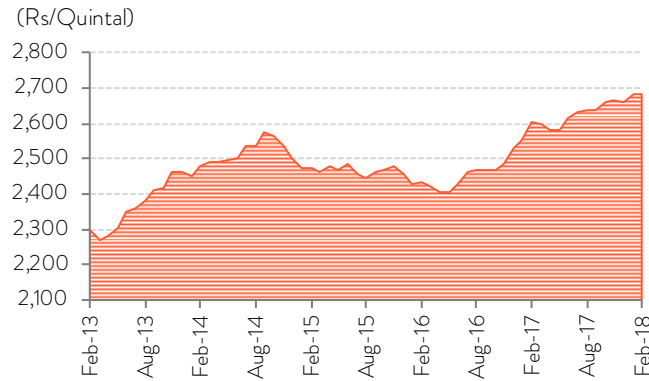
Source: CEIC, Bank of Baroda

**FIG 20 – DOWNWARD BLIP IN AGRICULTURE WAGES IN NOVEMBER, BUT TREND STILL UP**



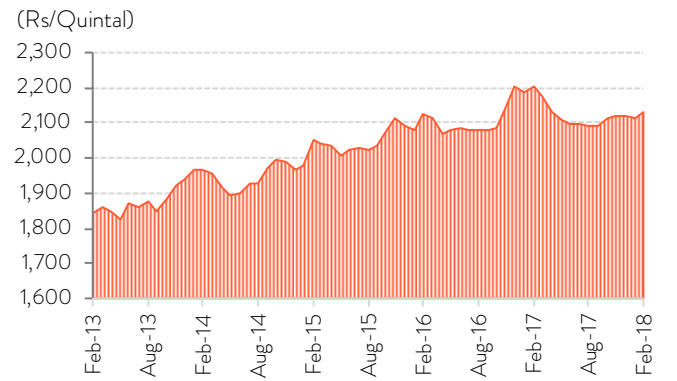
Source: CEIC, Bank of Baroda

**FIG 21 – WHOLESALE PRICE OF RICE INCREASING**



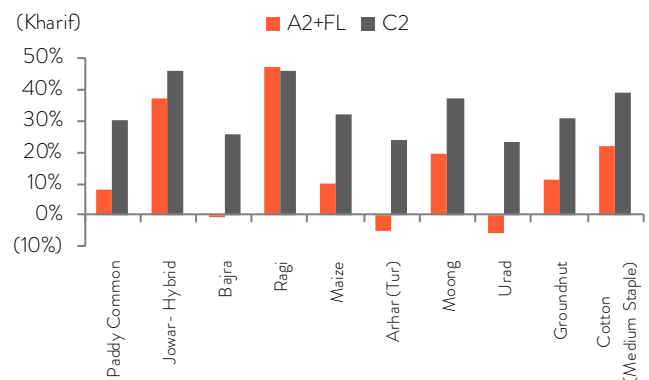
Source: CEIC, Bank of Baroda

**FIG 22 – WHOLESALE PRICE OF WHEAT FLAT**



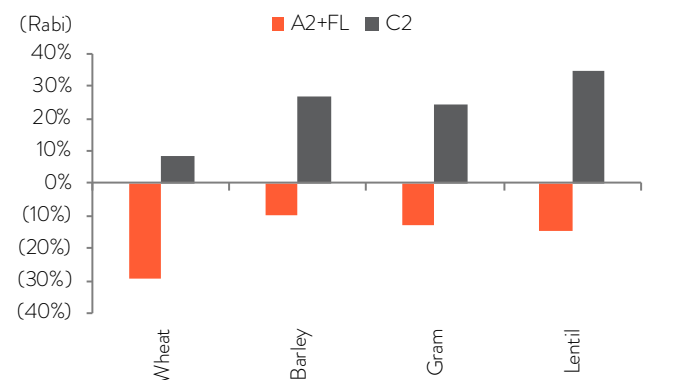
Source: CEIC, Bank of Baroda

**FIG 23 – PROJECTED MSP DIFFERENTIAL FROM ACTUAL MSP (KHARIF)**



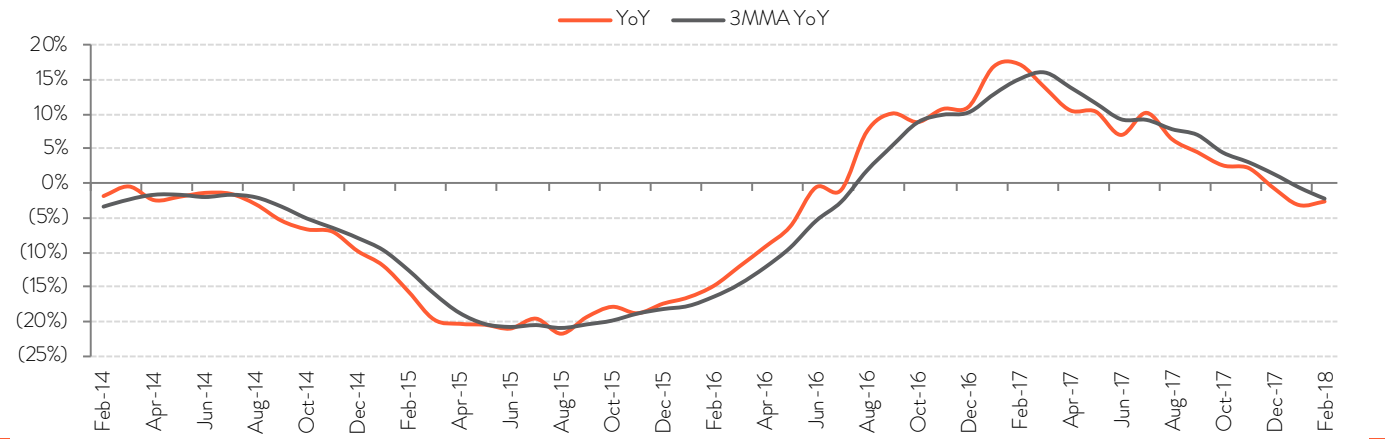
Source: CACP, Bank of Baroda | A2+FL: Actual paid out cost + imputed value of family labour, C2: Comprehensive cost.

**FIG 24 – PROJECTED MSP DIFFERENTIAL FROM ACTUAL MSP (RABI)**



Source: CEIC, Bank of Baroda | A2+FL: Actual paid out cost + imputed value of family labour, C2: Comprehensive cost.

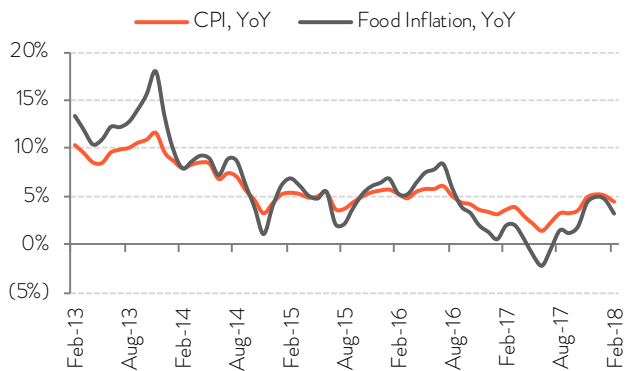
**FIG 25 – GLOBAL FOOD PRICES CONTINUE TO REMAIN SOFT**



Source: FAO, Bank of Baroda

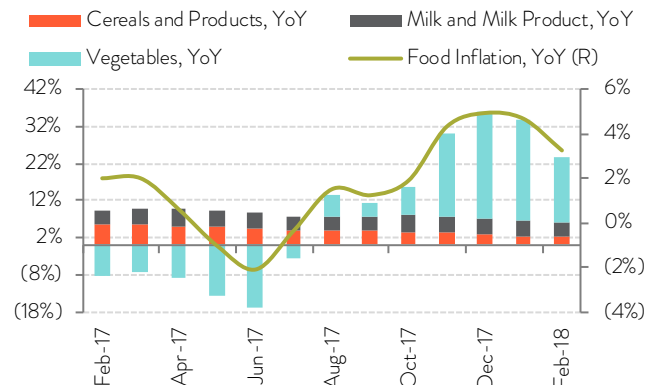
## Inflation

**FIG 26 – RETAIL INFLATION AT 4 MONTH LOW OF 4.4%...**



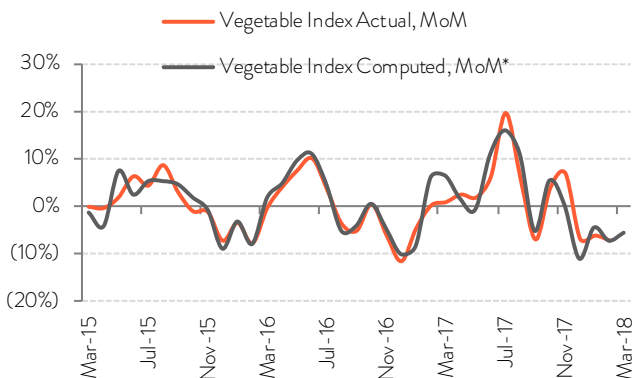
Source: CEIC, Bank of Baroda

**FIG 27 – ...LED BY FOOD ESPECIALLY VEGETABLES**



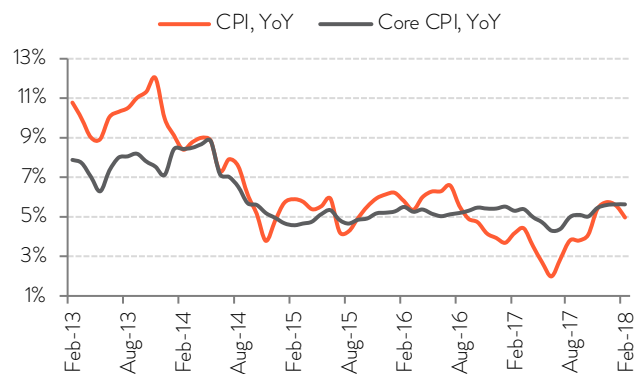
Source: CEIC, Bank of Baroda

**FIG 28 – VEGETABLE INFLATION IS SEEN BUILDING UP IN MAR'18**



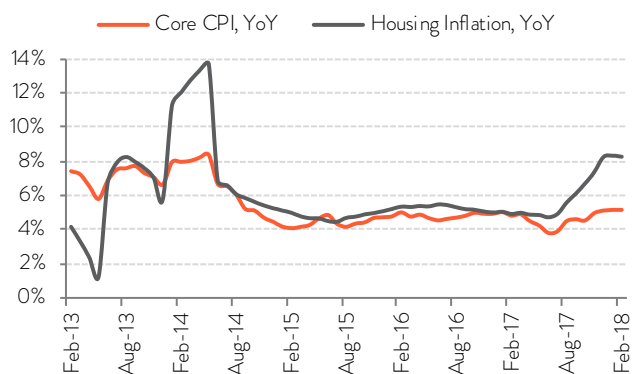
Source: CEIC, Bank of Baroda | \*Vegetable index computed using average retail price of major vegetables as of 15 Mar 2018

**FIG 29 – CORE INFLATION REMAINED STABLE...**



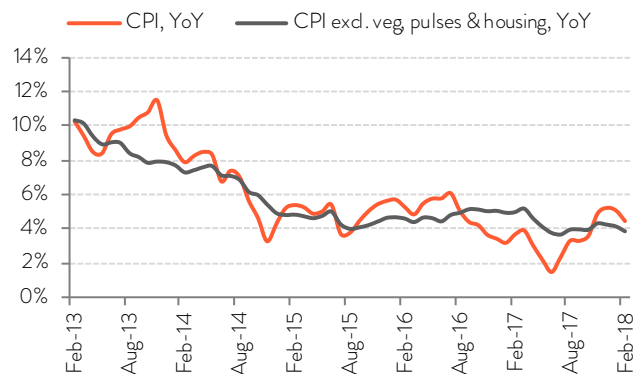
Source: CEIC, Bank of Baroda

**FIG 30 – ...AS HOUSING INFLATION WAS FLAT**



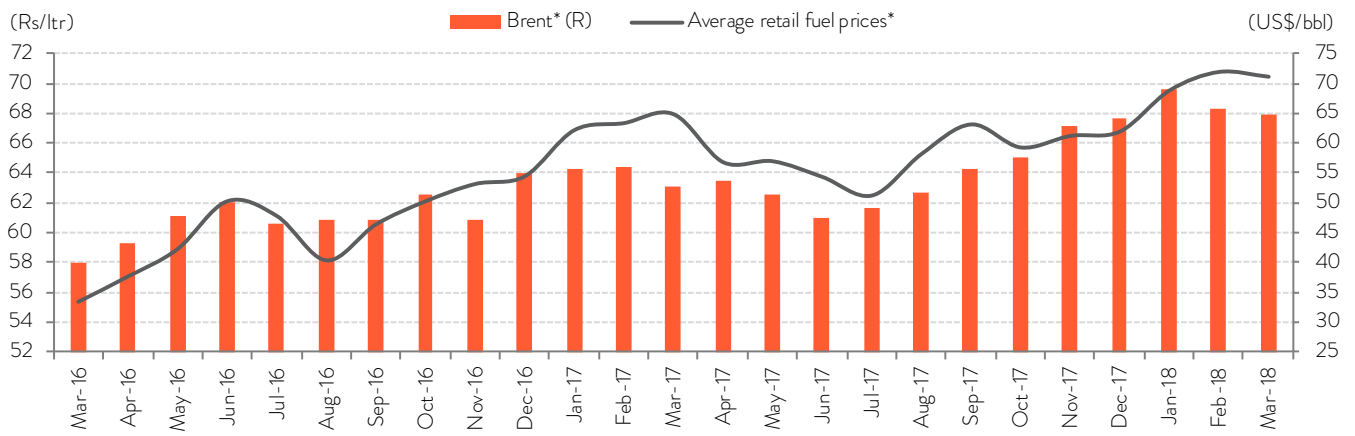
Source: CEIC, Bank of Baroda

**FIG 31 – CPI EXCL VEG, PULSES AND HOUSING FELL IN FEB'18**



Source: CEIC, Bank of Baroda

**FIG 32 – PASS THROUGH OF CRUDE PRICES IMPLIES TRANSPORT FUELS TO HEAD LOWER**

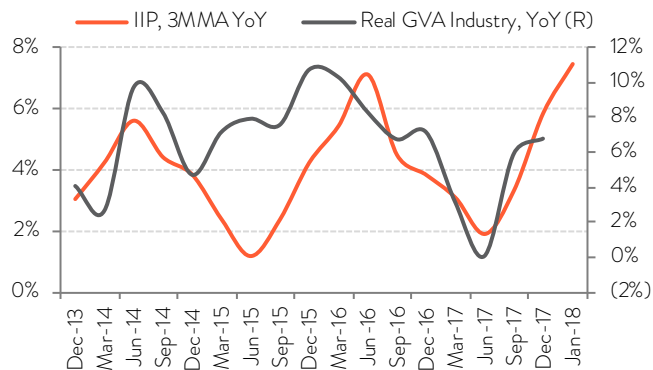


Source: CEIC, Bank of Baroda | \*As of 15 Mar 2018.



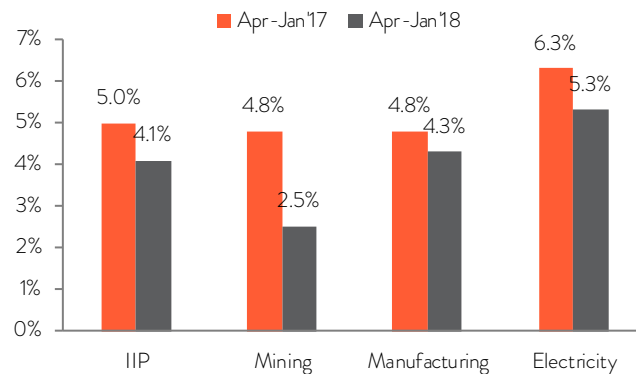
## Industry

**FIG 33 – INDUSTRIAL OUTPUT IMPROVING...**



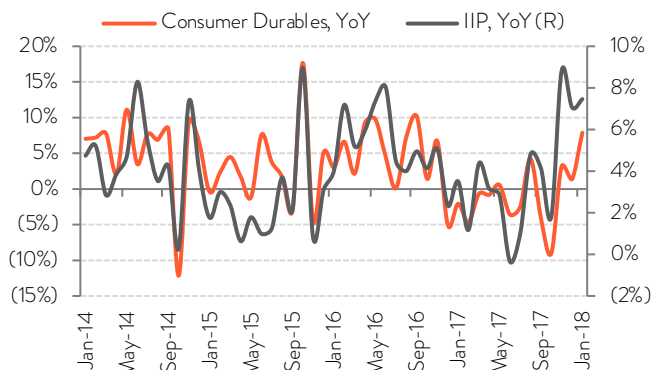
Source: CEIC, Bank of Baroda

**FIG 34 – ...THOUGH STILL LOWER ON FYTD BASIS**



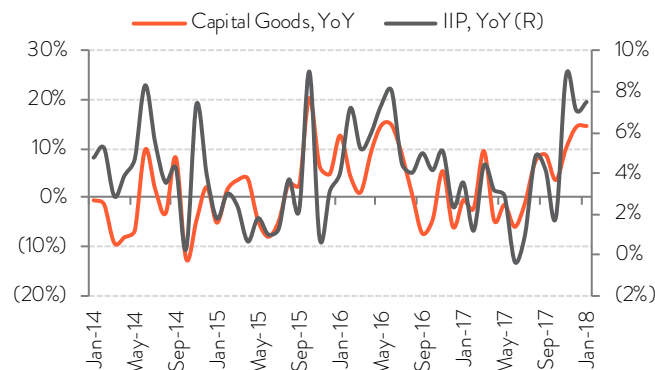
Source: CEIC, Bank of Baroda

**FIG 35 – CONSUMER DURABLES PUSHED IIP UPWARDS**



Source: CEIC, Bank of Baroda

**FIG 36 – CAPITAL GOODS DOING THE SAME**



Source: CEIC, Bank of Baroda

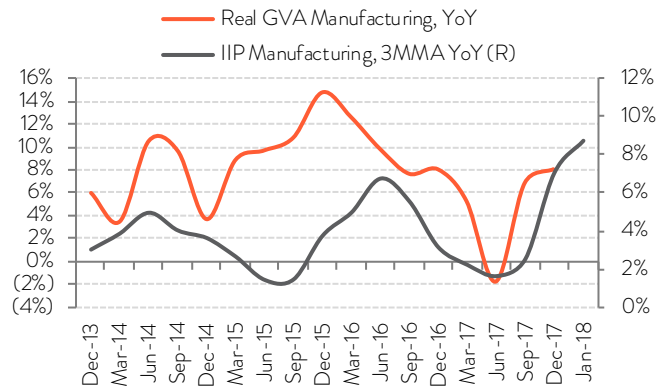
**FIG 37 – INDUSTRIAL PRODUCTION SURGES AHEAD**

Sectoral (%)	Weight	Apr-Jan'17	Apr-Jan'18	Jan-17	Dec-17	Jan-18
IIIP	100.0	5.0	4.1	3.5	7.1	7.5
Mining	77.6	4.8	2.5	8.6	1.2	0.1
Manufacturing	14.4	4.8	4.3	2.5	8.5	8.7
Electricity	8.0	6.3	5.3	5.1	4.4	7.6
<b>Use-Based</b>						
Primary Goods	34.1	5.3	3.7	3.8	3.8	5.8
Capital Goods	8.2	3.0	4.4	(0.6)	14.4	14.6
Intermediate Goods	17.2	3.4	2.0	3.3	6.6	4.9
Infrastructure and Construction Goods	12.3	4.9	4.4	2.6	6.6	6.8
Consumer Durables Goods	12.8	4.1	(0.3)	(2.0)	1.5	8.0
Consumer Non-Durables Goods	15.3	7.7	10.4	9.6	16.6	10.5

Source: CEIC, Bank of Baroda

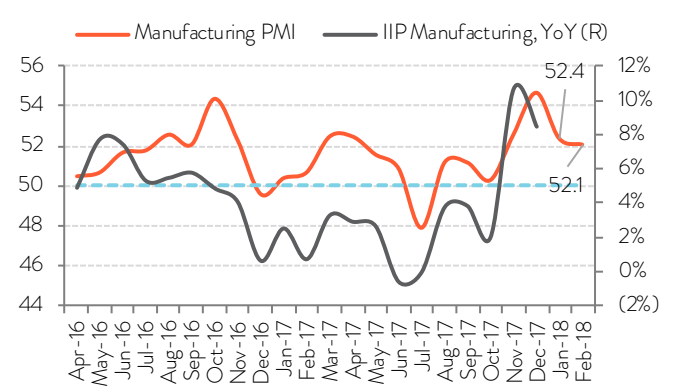
## Manufacturing

**FIG 38 – UPTICK IN MANUFACTURING**



Source: CEIC, Bank of Baroda

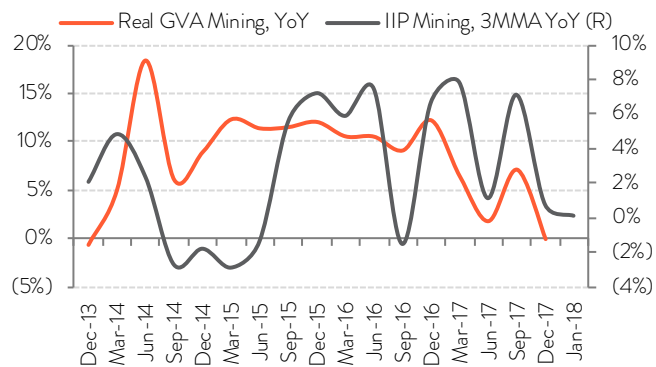
**FIG 39 – MANUFACTURING PMI COOLS-OFF**



Source: CEIC, Bank of Baroda

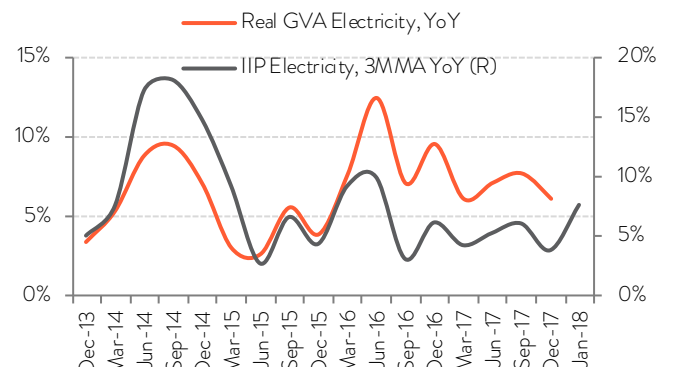
## Mining & Electricity

**FIG 40 – MINING ACTIVITY NOT SHOWING MUCH IMPROVEMENT IN Q4**



Source: CEIC, Bank of Baroda

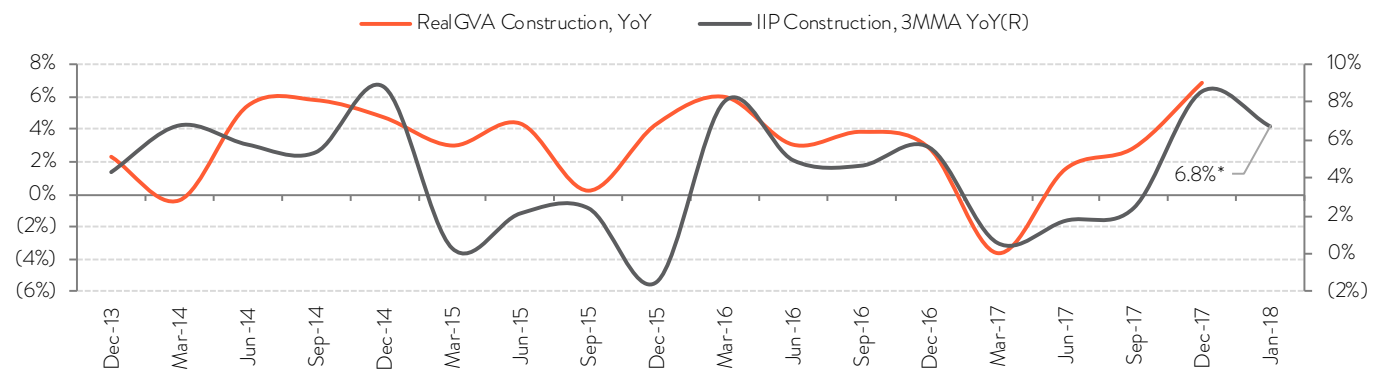
**FIG 41 – ELECTRICITY TO IMPROVE IN Q4**



Source: CEIC, Bank of Baroda

## Infrastructure and Construction

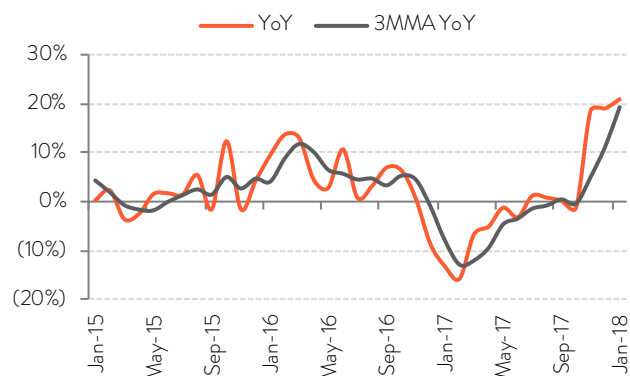
**FIG 42 – MODERATION IN CONSTRUCTION GROWTH**



Source: CEIC, Bank of Baroda | \*Infrastructure and Construction goods for Jan'18 is YoY%.

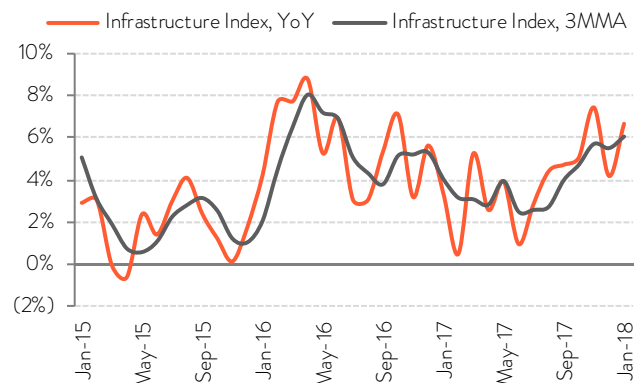
## Cement Production and Infrastructure Index

**FIG 43 – ROBUST DEMAND FOR CEMENT CONTINUES**



Source: CEIC, Bank of Baroda

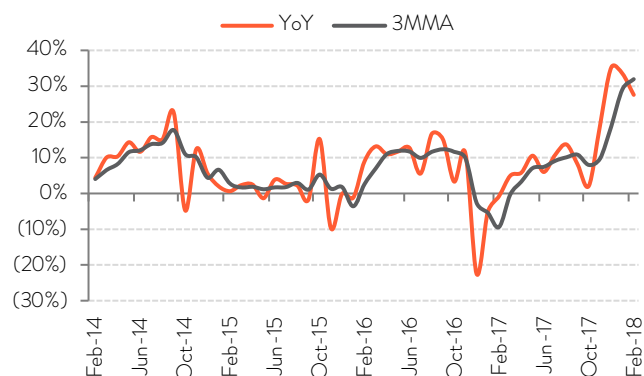
**FIG 44 – INFRASTRUCTURE INDEX SCALING UP**



Source: CEIC, Bank of Baroda

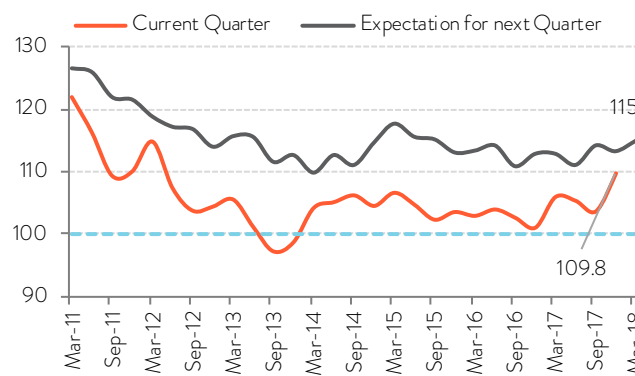
## Auto production & Business expectation index

**FIG 45 – DECELERATION IN AUTO PRODUCTION**



Source: CEIC, Bank of Baroda

**FIG 46 – HOPES OF IMPROVEMENT IN BUSINESS**



Source: CEIC, Bank of Baroda

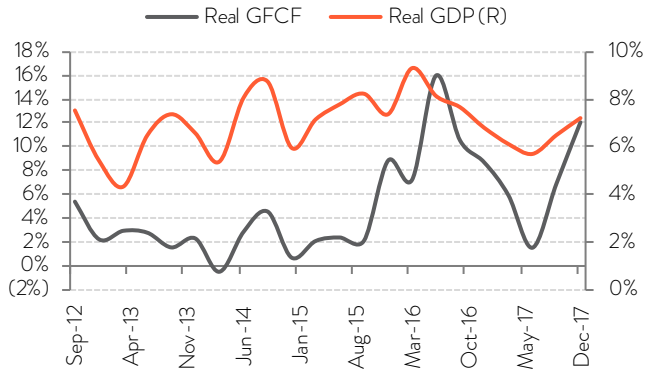
**FIG 47 – INFRASTRUCTURE INDEX REBOUNDS**

(%)	Weight	Apr-Jan'17	Apr-Jan'18	Jan-17	Dec-17	Jan-18
Infrastructure Index	100	5.1	4.3	3.4	4.2	6.7
Coal	4.16	1.8	1.5	3.5	(0.1)	3.0
Crude Oil	3.62	(2.8)	(0.7)	1.3	(2.1)	(3.2)
Natural Gas	2.77	(1.9)	3.5	11.6	1.2	(1.0)
Petroleum Refinery Products	11.29	6.0	4.7	0.0	6.6	11.0
Fertilizers	1.06	0.9	(0.7)	(1.2)	3	(1.6)
Steel	7.21	10.9	6.4	11.3	2.5	3.7
Cement	2.16	1.0	4.4	(13.3)	18.8	20.7
Electricity	7.9	6.2	5.4	5.2	4.4	8.2

Source: CEIC, Bank of Baroda

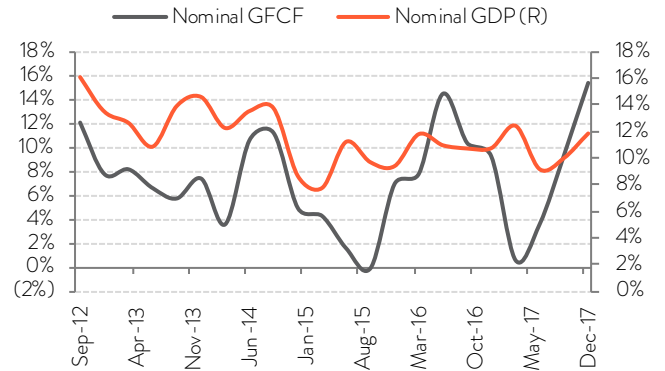
## Investment

**FIG 48 – REAL GFCF PICKING UP SHARPLY**



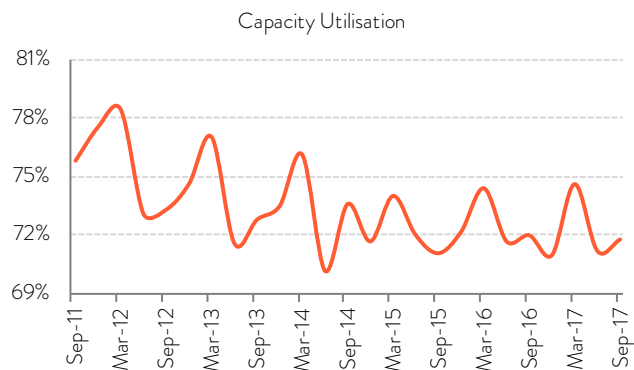
Source: CEIC, Bank of Baroda

**FIG 49 – NOMINAL GFCF ALSO SEEN PICKING UP**



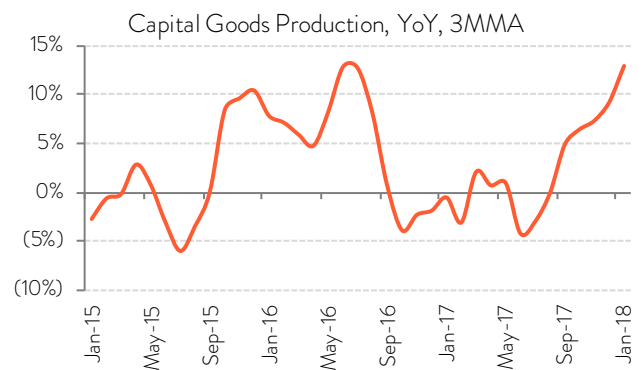
Source: CEIC, Bank of Baroda

**FIG 50 – CAPACITY UTILISATION PICKING UP**



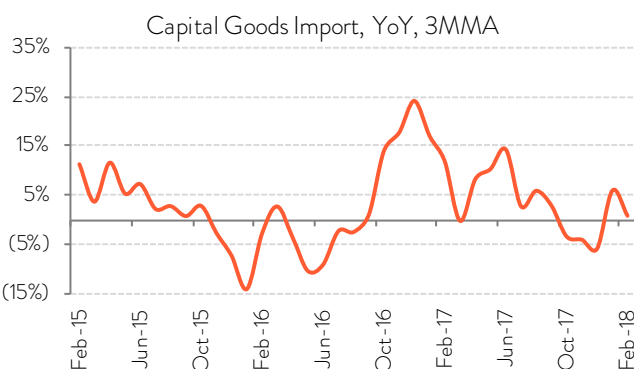
Source: CEIC, Bank of Baroda

**FIG 51 – CAPITAL GOODS PRODUCTION NOTING SHARP UPTICK**



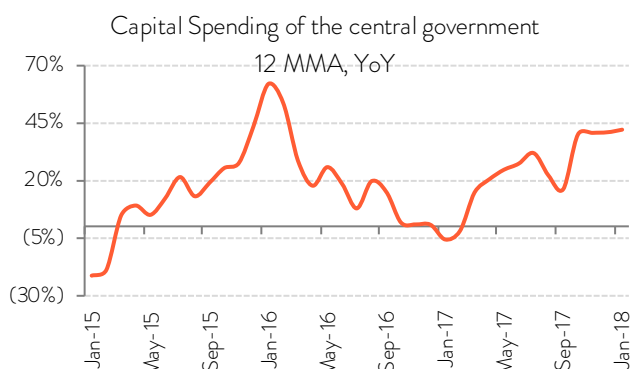
Source: CEIC, Bank of Baroda

**FIG 52 – CAPITAL GOODS IMPORT DECLINING**



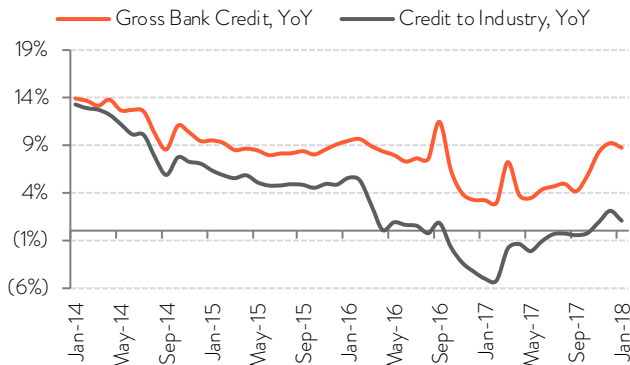
Source: CEIC, Bank of Baroda

**FIG 53 – GOVERNMENT'S CAPITAL SPENDING REMAINED STEADY IN JAN'18**



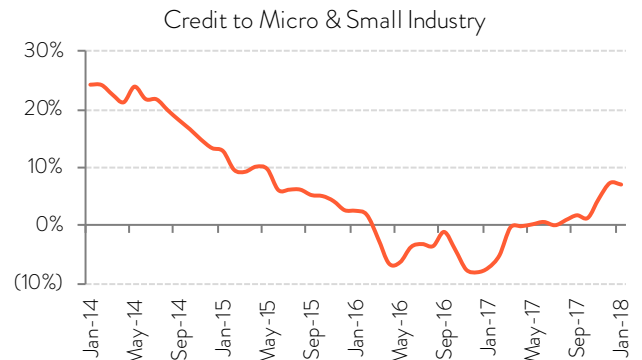
Source: CEIC, Bank of Baroda

**FIG 54 – INDUSTRY CREDIT SHOWING SOME DOWNTICK**



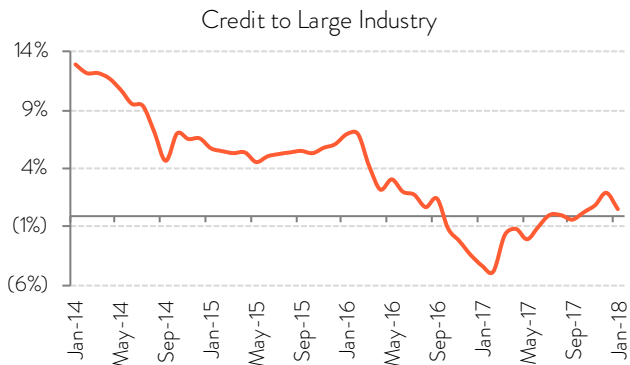
Source: CEIC, Bank of Baroda

**FIG 55 – CREDIT TO MICRO & SMALL INDUSTRY DECLINING**



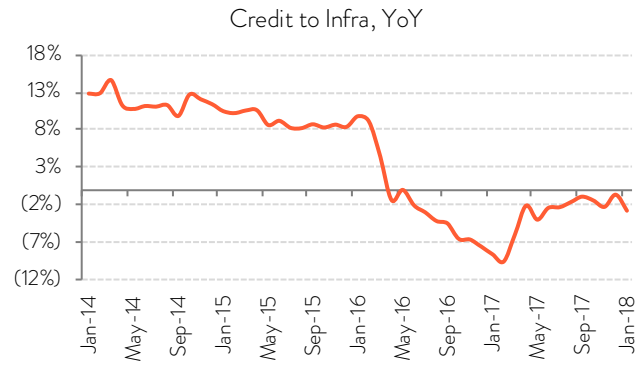
Source: CEIC, Bank of Baroda

**FIG 56 – CREDIT TO LARGE INDUSTRY FALLING**



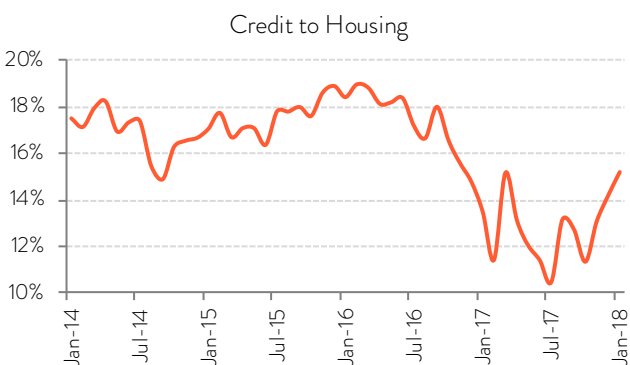
Source: CEIC, Bank of Baroda

**FIG 57 – CREDIT TO INFRA DECLINING**



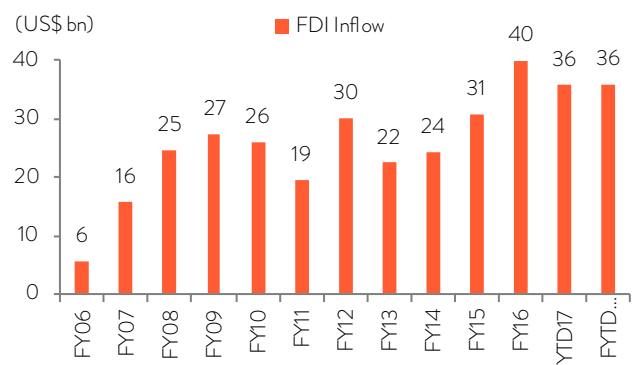
Source: CEIC, Bank of Baroda

**FIG 58 – CREDIT TO HOUSING PICKING UP**



Source: CEIC, Bank of Baroda

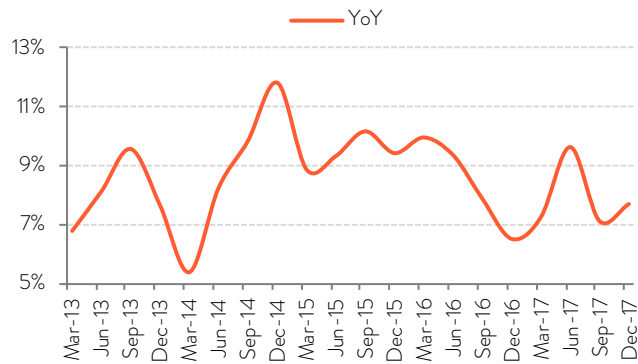
**FIG 59 – FDI INFLOW REMAINED STEADY**



Source: CEIC, Bank of Baroda

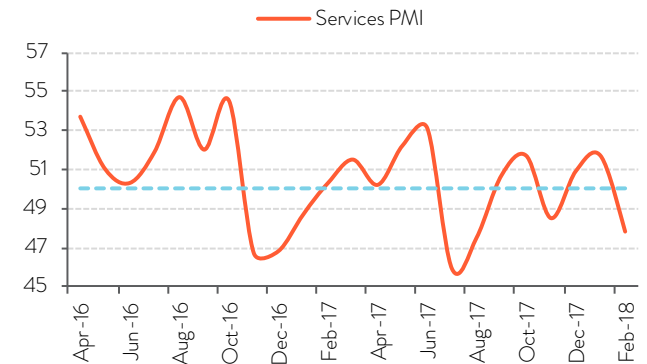
## Services sector

**FIG 60 – GVA: SERVICES ACTIVITY GROWTH REGAINS MOMENTUM IN Q3FY18**



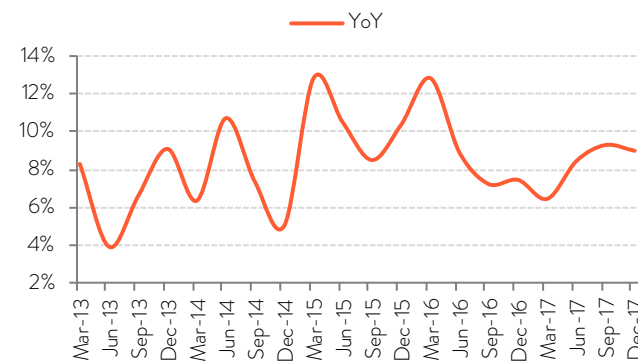
Source: CEIC, Bank of Baroda

**FIG 61 – SERVICES ACTIVITY GROWTH DIPS IN FEB'18, TAKING JAN-FEB'18 QTD AVERAGE BELOW 50**



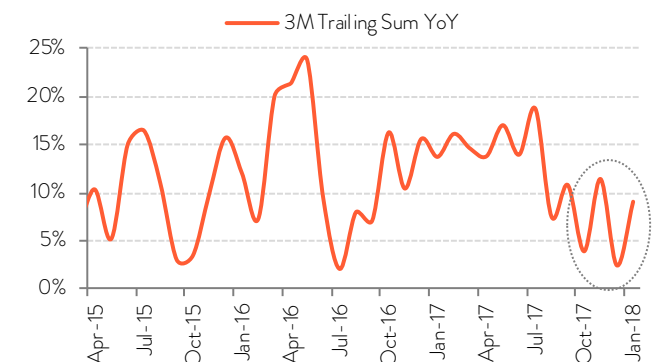
Source: Markit, Bank of Baroda

**FIG 62 – GVA: TRADE & RELATED SERVICES GROWTH SLOWED MARGINALLY IN Q3FY18 IN REAL TERMS**



Source: CEIC, Bank of Baroda

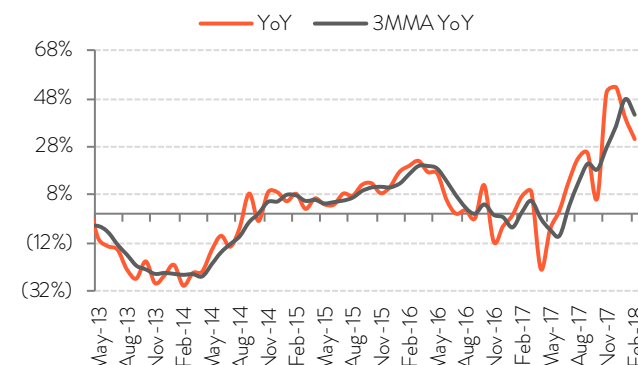
**FIG 63 – STATES\* REVENUE RECEIPTS CONTRIBUTE NEGATIVELY IN Q3FY18, BUT REBOUND IN JAN'18**



Source: CEIC, Bank of Baroda | \*Excludes Arunachal Pradesh, Assam, Goa, J&K, Karnataka, Manipur, Meghalaya, Nagaland, Telangana, Tripura, W. Bengal

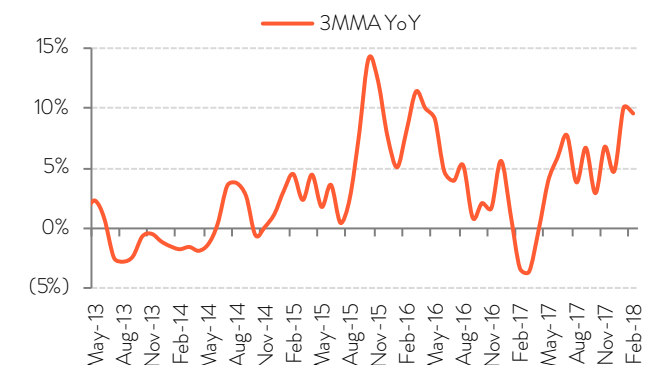
## Trade

**FIG 64 – THOUGH COMMERCIAL VEHICLES SALES DIP IN FEB'18, GROWTH STILL ABOVE 35% IN JAN-FEB'18**



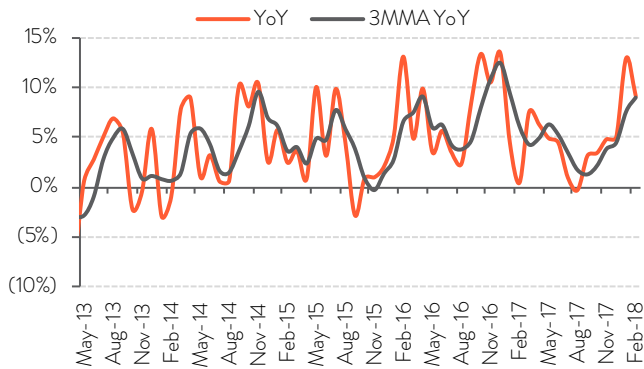
Source: CEIC, Bank of Baroda

**FIG 65 – DIESEL CONSUMPTION SLIPS IN FEB'18; JAN-FEB'18 AVG AT 10.2%, MUCH HIGHER THAN 4.7% IN Q3**



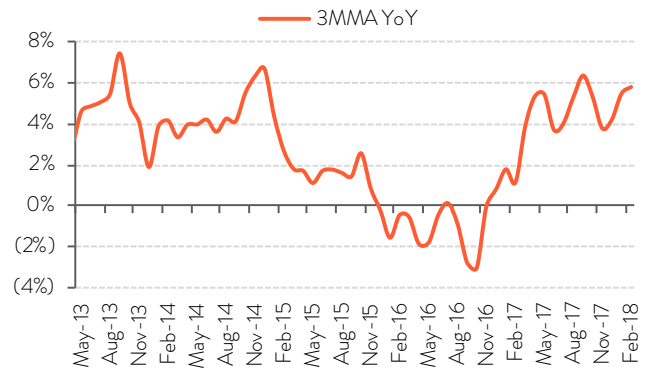
Source: PPAC, Bank of Baroda

**FIG 66 – PORT CARGO VOLUMES DECLINES IN FEB'18 TO 9.1% FROM 12.9% IN JAN'18, TREND STILL UP**



Source: CEIC, Bank of Baroda

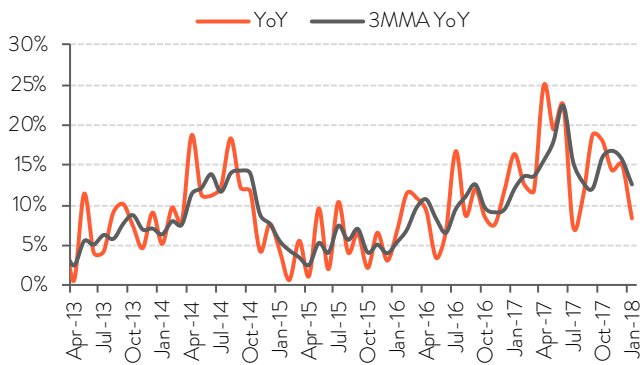
**FIG 67 – RAILWAY FREIGHT TRAFFIC GROWTH MAINTAINS MOMENTUM**



Source: CEIC, Bank of Baroda

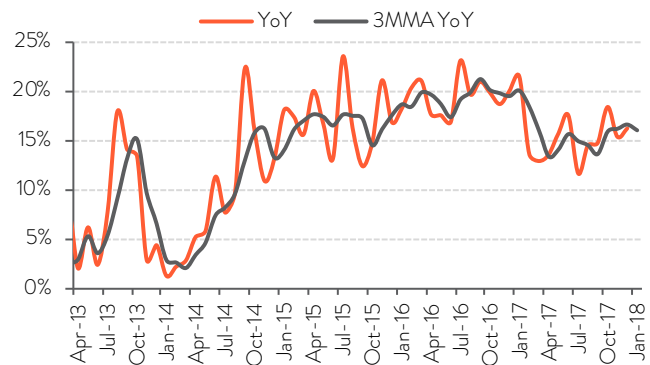
## Hotels and Communications

**FIG 68 – FOREIGN TOURIST ARRIVAL GROWTH FALLS IN JAN'18**



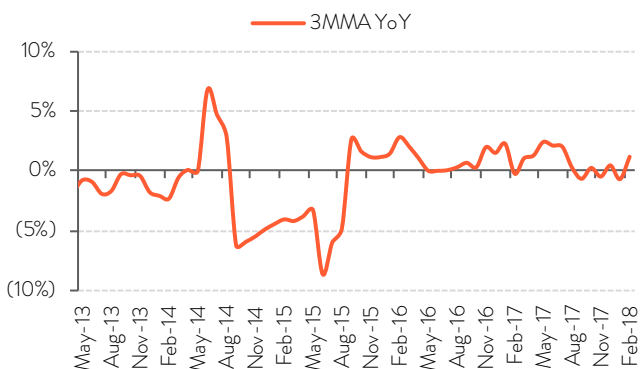
Source: CEIC, Bank of Baroda

**FIG 69 – AIRLINE PASSENGER TRAFFIC GROWTH IMPROVES IN JAN'18 ON YOY BASIS**



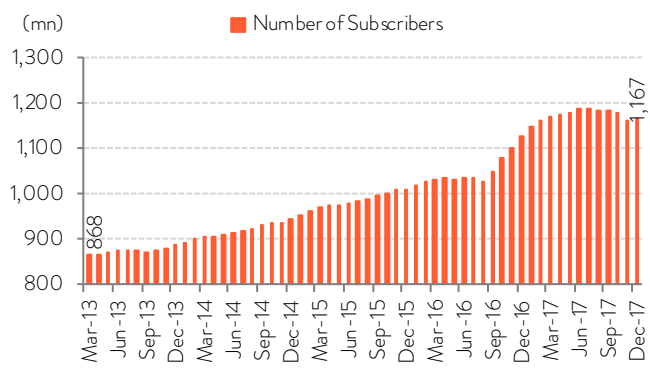
Source: CEIC, Bank of Baroda

**FIG 70 – RAILWAY PASSENGER TRAFFIC GROWTH SEEN HOLDING UP IN Q4FY18**



Source: CEIC, Bank of Baroda

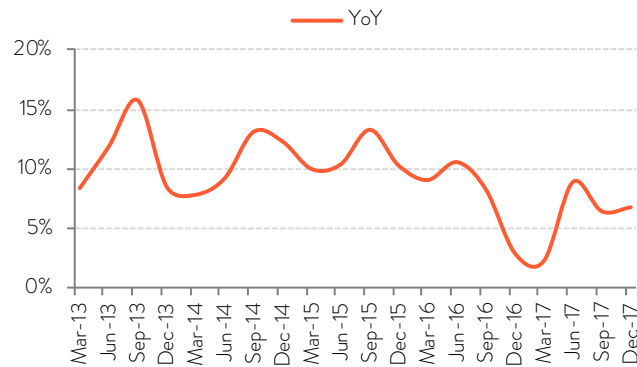
**FIG 71 – WIRELESS SUBSCRIBER GROWTH STABILISES IN DEC'17**



Source: CEIC, Bank of Baroda

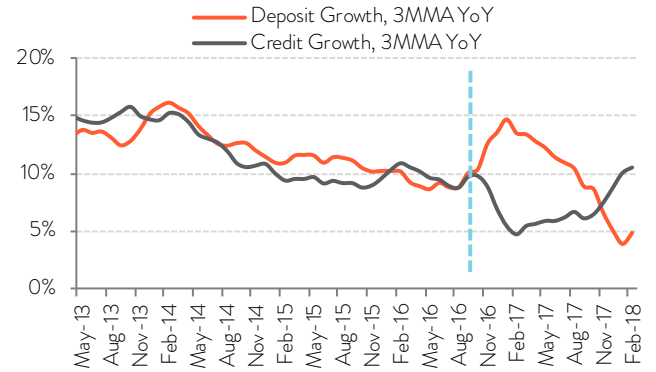
**Finance and Real estate**

**FIG 72 – GVA: FINANCE, REAL ESTATE & PROF. SERVICES GROWTH RECOVERS IN Q3FY18**



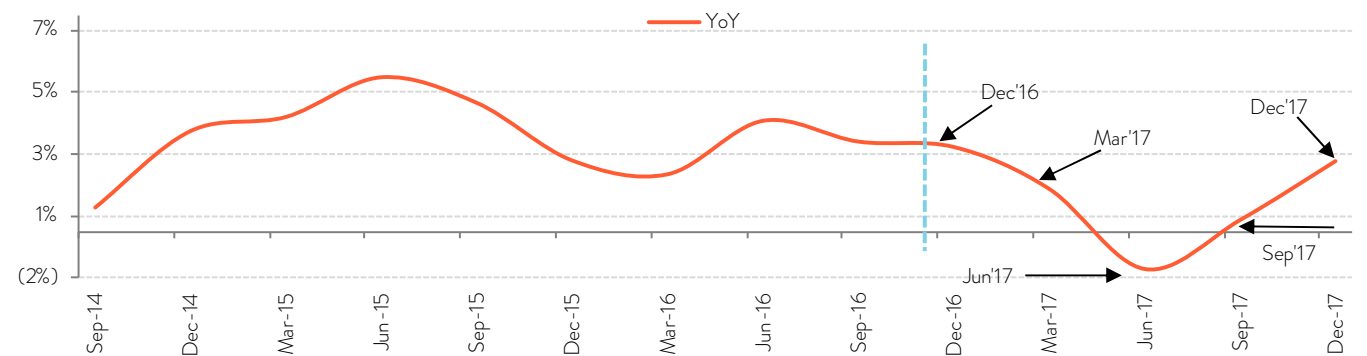
Source: CEIC, Bank of Baroda

**FIG 73 – BOTH DEPOSIT AND CREDIT GROWTH SEEN RISING IN FEB'18, JAN-FEB'18 AVG BETTER THAN Q3**



Source: CEIC, Bank of Baroda

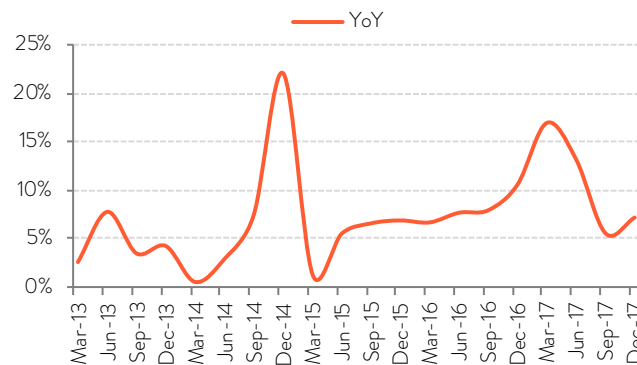
**FIG 74 – AVERAGE PROPERTY PRICE INDEX\* INCHING UP TO PRE-DEMONETISATION LEVELS**



Source: CEIC, Bank of Baroda | \*Index for Delhi-NCR, Mumbai & Bangalore; using Colliers International data for commercial property rental price (Rs/sqft)

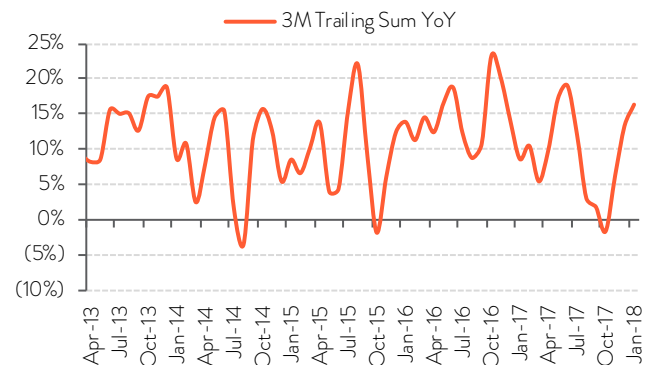
**Public administration**

**FIG 75 – PUBLIC ADMINISTRATION & RELATED SERVICE-MAIN DRIVERS OF SERVICES IN Q3**



Source: CEIC, Bank of Baroda

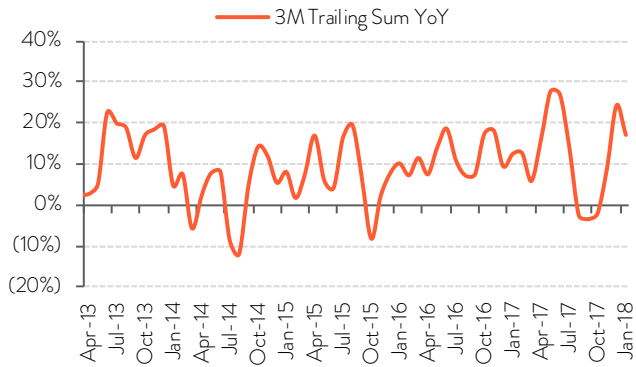
**FIG 76 – GENERAL GOVT. SPENDING MAINTAINS SOLID GROWTH IN JAN'18, LED BY STATES**



Source: CEIC, Bank of Baroda

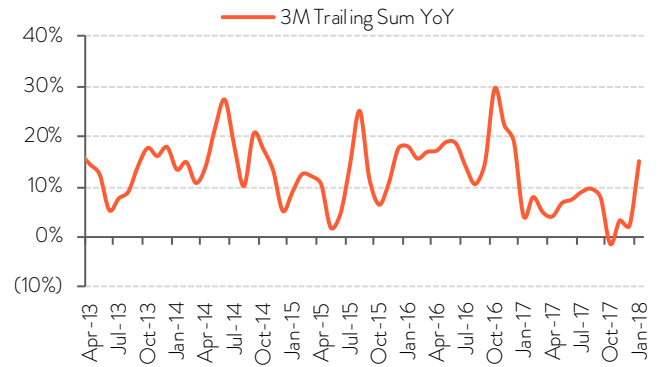


**FIG 77 – CENTRAL GOVT. SPENDING BEGINS TO SLIP IN JAN'18**



Source: CEIC, Bank of Baroda

**FIG 78 – STATE\* GOVT. SPENDING IMPROVES REMARKABLY IN JAN'18**

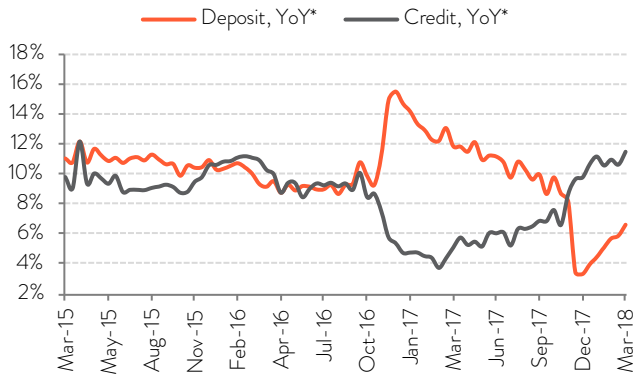


Source: CEIC, Bank of Baroda | \*Excludes Arunachal Pradesh, Assam, Goa, J&K, Karnataka, Manipur, Nagaland, Telangana, Tripura, W.Bengal

## Financial sector

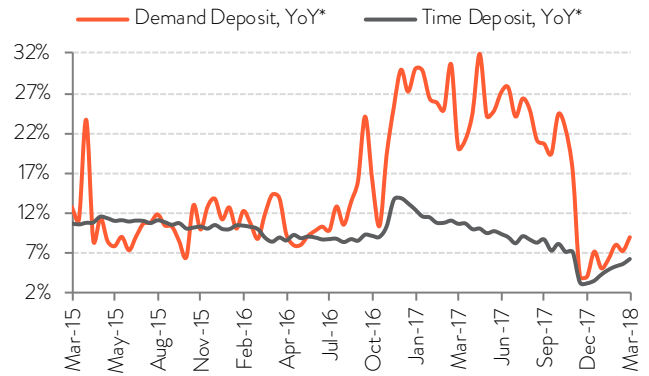
### Money and banking

**FIG 79 – CREDIT AND DEPOSIT GROWTH PICKING PACE**



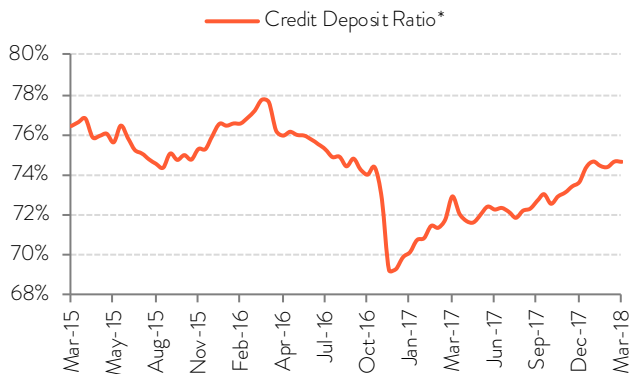
Source: CEIC, Bank of Baroda | \*Mar18 implies fortnight as of 2 Mar 2018.

**FIG 80 – DRIVEN BY SHARPER RISE IN DEMAND AND TIME DEPOSIT**



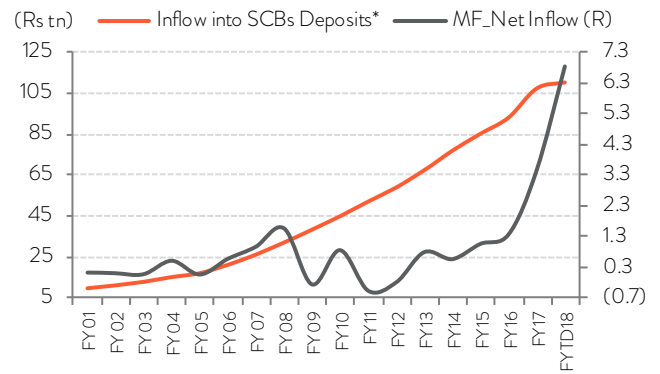
Source: CEIC, Bank of Baroda | \*Mar18 implies fortnight as of 2 Mar 2018.

**FIG 81 – CD RATIO AT 74.6%**



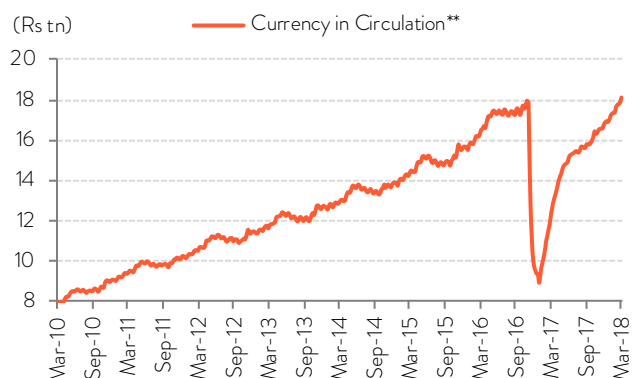
Source: CEIC, Bank of Baroda | \*Mar18 implies fortnight as of 2 Mar 2018.

**FIG 82 – INFLOW INTO MUTUAL FUNDS RISING MARKEDLY**



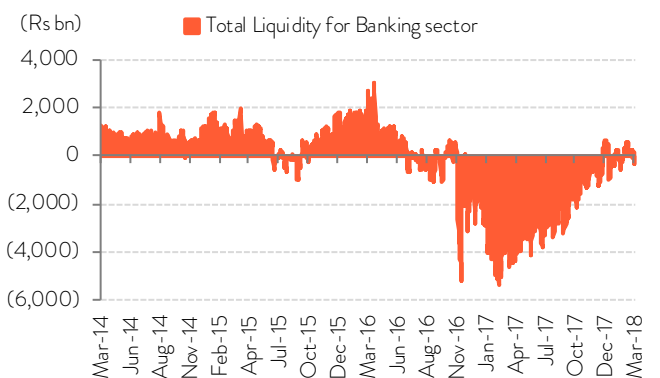
Source: CEIC, Bank of Baroda | \*Mar18 implies fortnight as of 2 Mar 2018, FYTD18 denotes Apr-Feb'18

**FIG 83 – CURRENCY IN CIRCULATION AT RS 18TN, UP BY RS 6TN YOY**



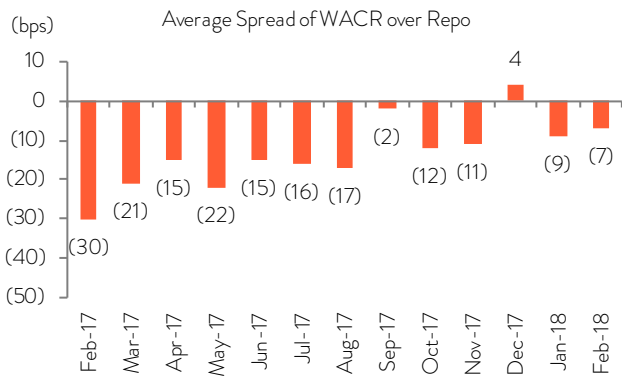
Source: CEIC, Bank of Baroda | \*\*Mar 18 implies week ending 9 Mar 2018

**FIG 84 – FEB'18 LIQUIDITY SURPLUS AT RS 14BN VERSUS RS 210BN IN JAN'18**



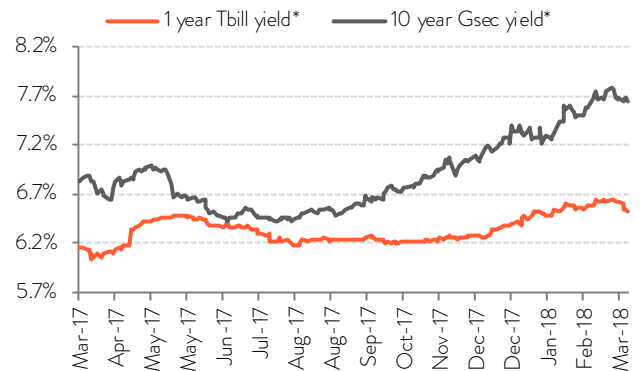
Source: CEIC, Bank of Baroda | #Mar 18 implies as on 15 Mar 2018

**FIG 85 – SPREAD BETWEEN CALL AND REPO FALLING**



Source: CEIC, RBI, Bank of Baroda

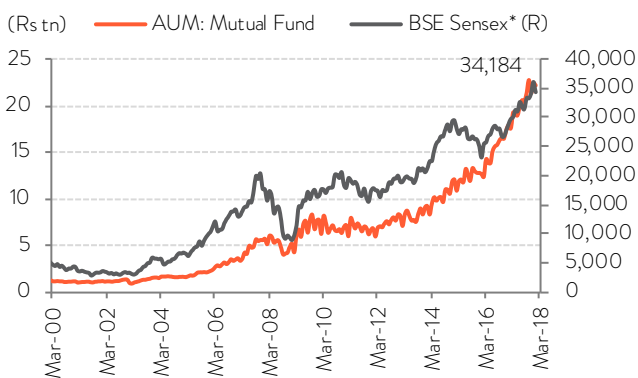
**FIG 86 – GAP BETWEEN LONG TERM AND SHORT TERMS YIELDS WIDENED**



Source: CEIC, Bank of Baroda | #Mar'18 implies as on 15 Mar 2018

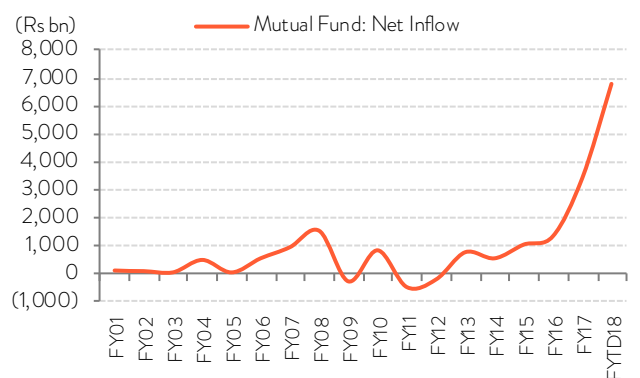
**Mutual fund (MF) indicators**

**FIG 87 – AUM UNDER MF AND SENSEX INCREASING STEADILY**



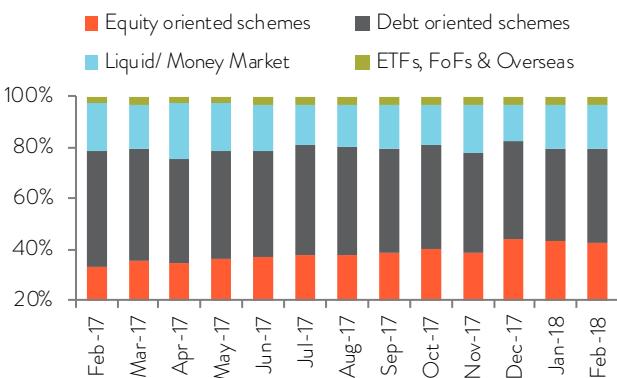
Source: CEIC, Bank of Baroda | \* Sensex as on last trading day of the month. Mar'18 denotes data as on 15 Mar 2018.

**FIG 88 – NET INFLOW INTO MF INCREASING SHARPLY**



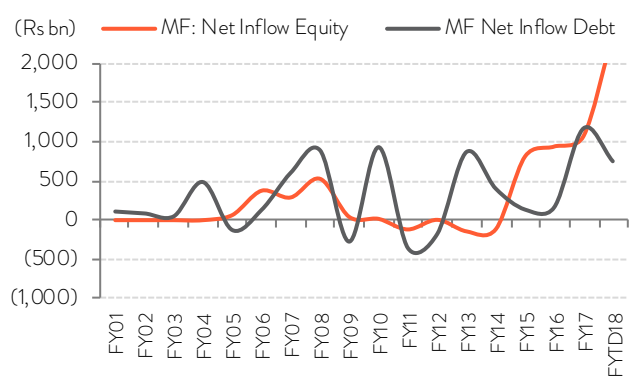
Source: CEIC, Bank of Baroda | \* FYTD18 denotes Apr-Feb'18

**FIG 89 – EQUITY AND DEBT SCHEMES COMPRISED MAJOR PORTION OF AUM**



Source: CEIC, Bank of Baroda

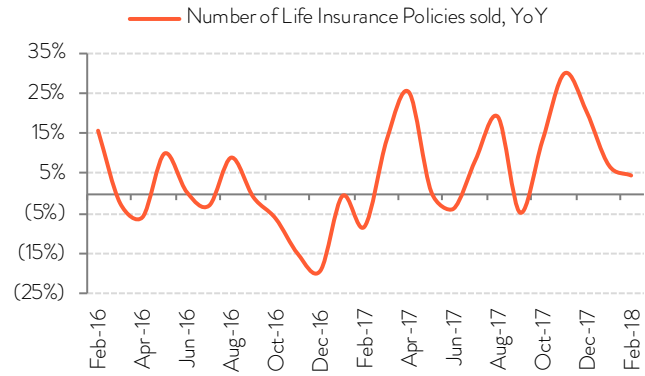
**FIG 90 – NET INFLOW INTO EQUITY SCHEMES RISING SHARPLY**



Source: CEIC, Bank of Baroda | \* FYTD18 denotes Apr-Feb'18

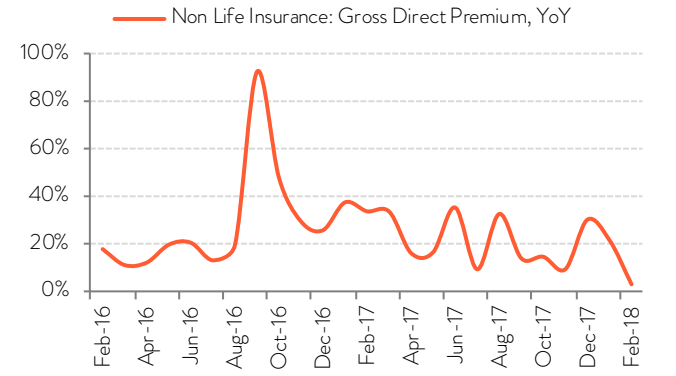
**Insurance sector indicators**

**FIG 91 – NUMBER OF LIFE INSURANCE POLICIES SOLD DECLINED**



Source: CEIC, Bank of Baroda

**FIG 92 – GROSS DIRECT PREMIUM FOR NON LIFE INSURANCE FALLING**

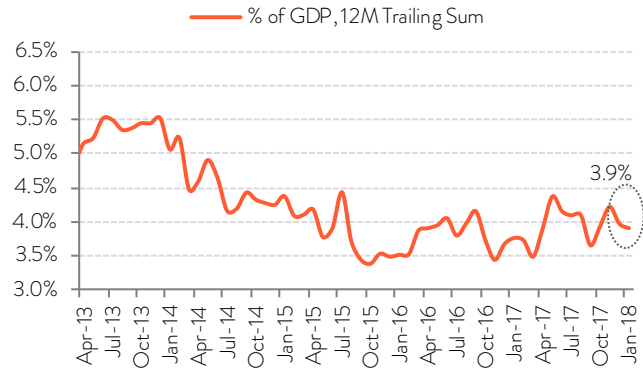


Source: CEIC, Bank of Baroda

## Public finance

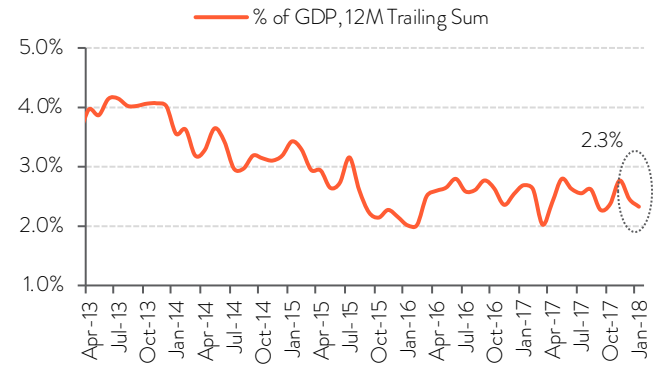
### Central government finances

**FIG 93 – FISCAL DEFICIT DIPS FURTHER IN JAN'18**



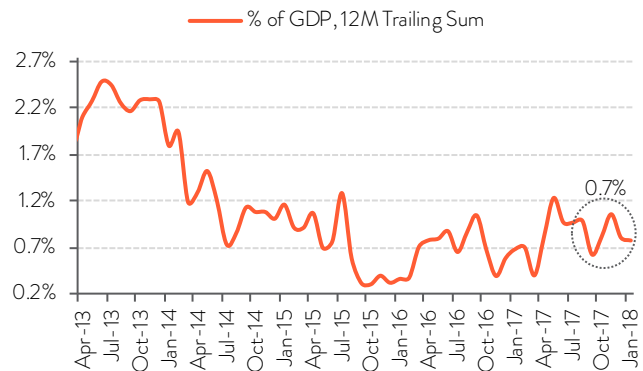
Source: CEIC, Bank of Baroda

**FIG 94 – ... BY DECLINE IN REVENUE DEFICIT**



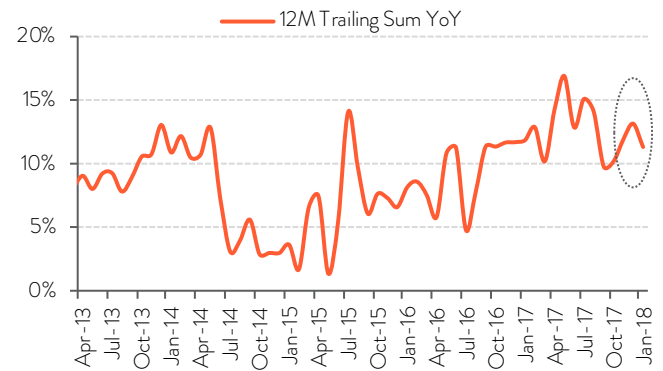
Source: CEIC, Bank of Baroda

**FIG 95 – PRIMARY DEFICIT REMAINS BELOW 1%**



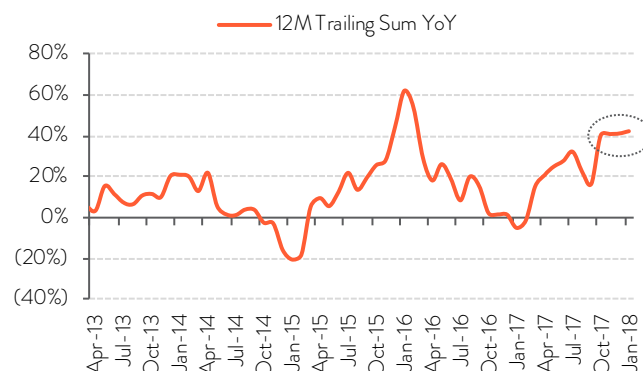
Source: CEIC, Bank of Baroda

**FIG 96 – TOTAL EXPENDITURE GROWTH SLOWED IN JAN'18**



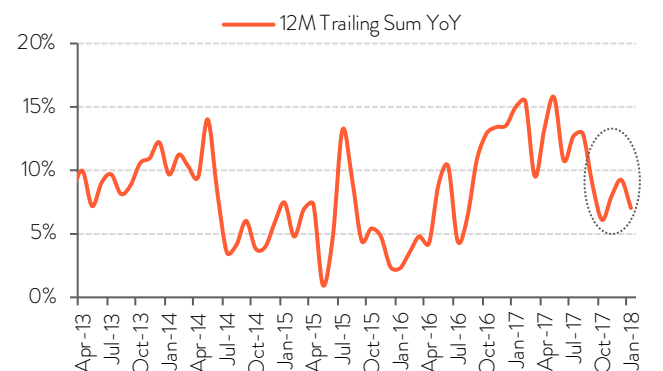
Source: CEIC, Bank of Baroda

**FIG 97 – CAPITAL EXPENDITURE GROWTH CONTINUES TO REMAIN STRONG**



Source: CEIC, Bank of Baroda

**FIG 98 – REVENUE EXPENDITURE LEADS DECLINE IN TOTAL EXPENDITURE IN JAN'18**



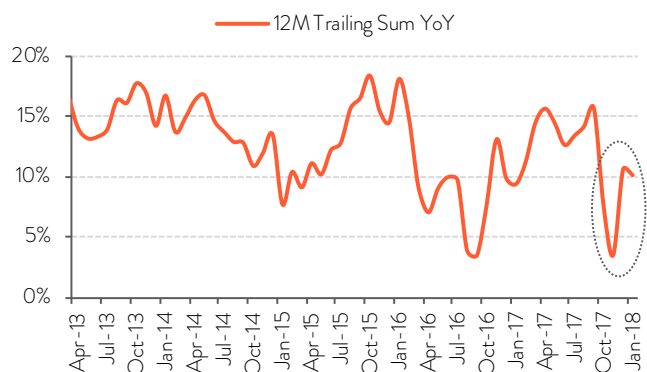
Source: CEIC, Bank of Baroda

**FIG 99 – PETROLEUM & NATURAL GAS MINISTRY EXPENDITURE SHOWS HIGHEST GROWTH IN FY18 (YTD)**

Ministry	Apr'15-Jan'16 (Rs bn)	Apr'16-Jan'17 (Rs bn)	% change YoY	Apr'17-Jan'18 (Rs bn)	% change YoY
Ministry of Finance	5,086	5,431	6.8	6,056	11.5
Ministry of Defence	2,360	2,900	22.9	3,360	15.9
Ministry of Consumer Affairs, Food and Public Distribution	1,321	1,359	2.9	1,703	25.3
Ministry of Rural Development	662	810	22.3	955	17.9
Ministry of Home Affairs	594	691	16.3	855	23.6
Ministry of Human Resource Development	569	601	5.6	624	3.9
Ministry of Road Transport and Highways	359	511	42.1	576	12.8
Ministry of Chemicals and Fertilisers	704	626	(11.1)	577	(7.8)
Ministry of Petroleum and Natural Gas	282	229	(18.5)	332	44.6
Ministry of Agriculture	182	364	100.0	368	1.1
Ministry of Health and Family Welfare	262	300	14.5	411	37.0

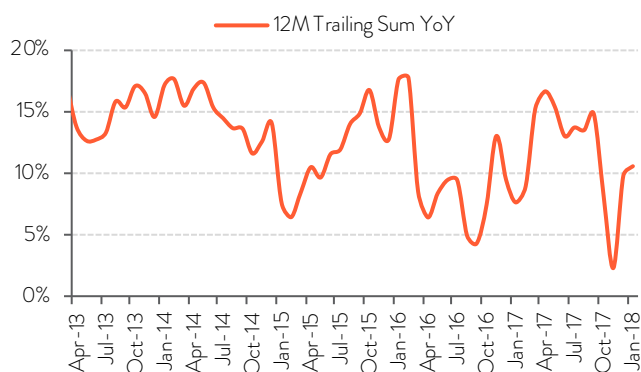
Source: CEIC, Bank of Baroda

**FIG 100 – TOTAL RECEIPTS DECLINE AGAIN IN JAN'18**



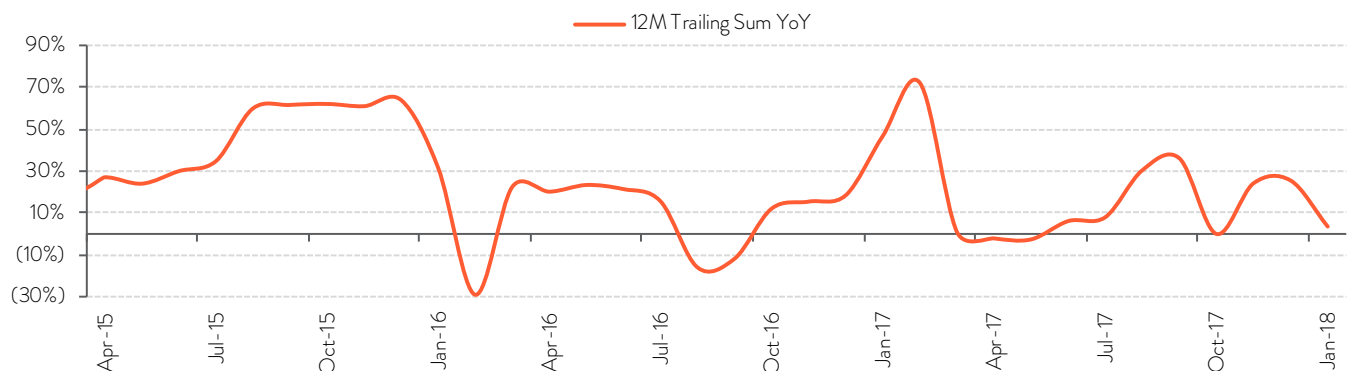
Source: CEIC, Bank of Baroda

**FIG 101 – REVENUE RECEIPTS CONTINUE TO GROW, DRIVEN BY DIRECT TAX COLLECTION**



Source: CEIC, Bank of Baroda

**FIG 102 – CAPITAL RECEIPT GROWTH DIPS AS GOVERNMENT HAS ALMOST MET ITS DISINVESTMENT TARGET**



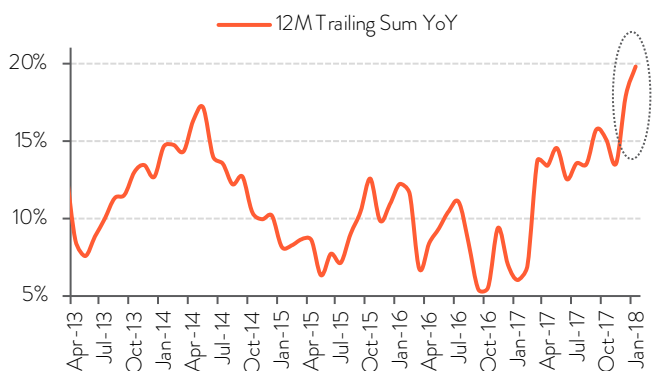
Source: CEIC, Bank of Baroda

**FIG 103 – CAPEX GROWTH REMAINS ROBUST DESPITE DECLINING TAX REVENUES IN FY18 (YTD)**

	Apr'15-Jan'16 (Rs bn)	Apr'16-Jan'17 (Rs bn)	% change YoY	Apr'17-Jan'18 (Rs bn)	% change YoY
Tax revenue	10,577	12,447	17.7	14,558	17.0
Direct taxes	5,222	5,727	9.7	6,779	18.4
Corp Tax	3,172	3,273	3.2	3,896	19.0
Income Tax	2,050	2,454	19.7	2,883	17.5
Indirect taxes	5,355	6,720	25.5	6,437	(4.2)
Non-tax revenue	2,023	1,930	(4.6)	1,244	(35.6)
Centre's revenue	12,600	14,377	14.1	15,802	9.9
Total expenditure	14,363	16,177	12.6	18,399	13.7
Capital exp	2,090	2,034	(2.7)	2,642	29.9
Revenue exp	12,274	14,142	15.2	15,758	11.4
Fiscal deficit	5,323	5,642	6.0	6,766	19.9

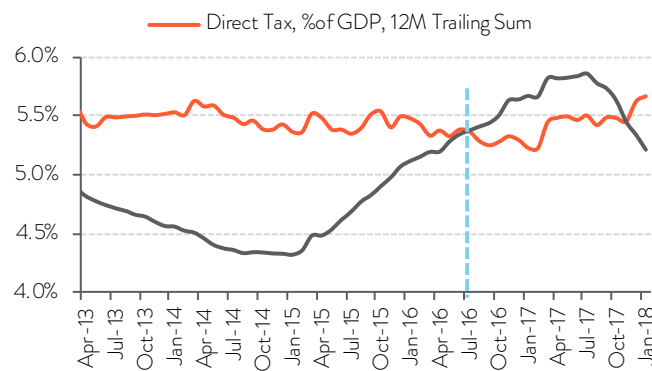
Source: CEIC, Bank of Baroda

**FIG 104 – GROSS DIRECT TAX COLLECTION MAINTAINS HIGH GROWTH TOWARDS END OF FY18**



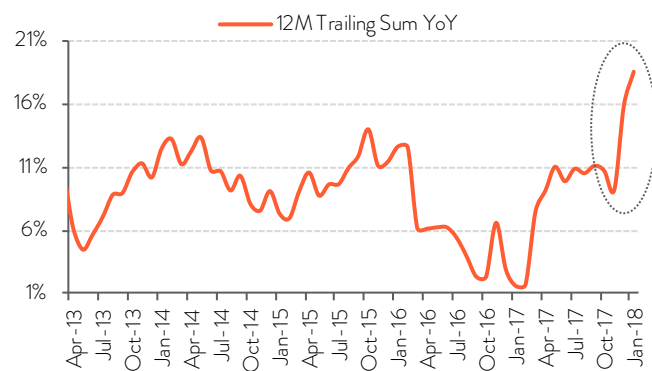
Source: CEIC, Bank of Baroda

**FIG 105 – SHARE OF DIRECT TAXES CONTINUES TO RISE AS THAT OF INDIRECT TAX FALLS**



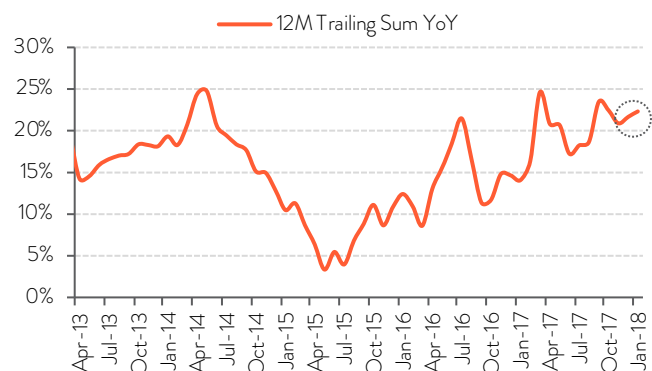
Source: CEIC, Bank of Baroda

**FIG 106 – CORPORATE TAX REVENUE LEADS THE WAY UNDER DIRECT TAXES**



Source: CEIC, Bank of Baroda

**FIG 107 – INCOME TAX REVENUE IMPROVES MARGINALLY**



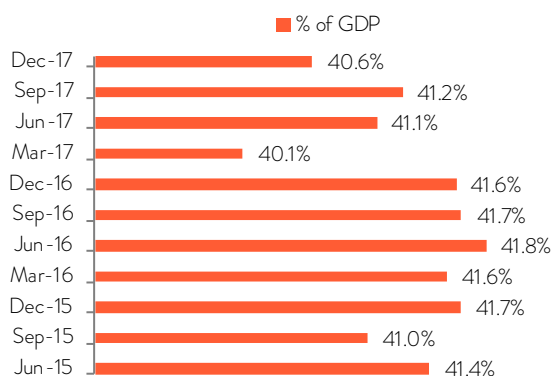
Source: CEIC, Bank of Baroda

**FIG 108 – GST COLLECTIONS FALL MARGINALLY IN JAN'18**

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	FY18 YTD
Central GST (Rs bn)	0.1	153	151	312	238	242	231	1,328
UT GST (Rs bn)	0.0	0.0	0.0	0.2	0.8	2.2	1.9	5.1
Integrated GST (Rs bn)	0.3	709	304	184	186	171	194	1,749
State GST (Rs bn)	227	211	212	223	187	372	355	1,787
GST Cess (Rs bn)	0.0	77	80	80	71	79	80	468
Total GST	228	1,150	747	799	683	867	863	5,337
GST 3B Filing by deadline (mn)	5.9	5.9	5.7	5.0	5.3	5.6	5.8	-
No. of Eligible Taxpayers (mn)	6.0	6.8	7.3	9.6	9.9	10.0	10.3	-

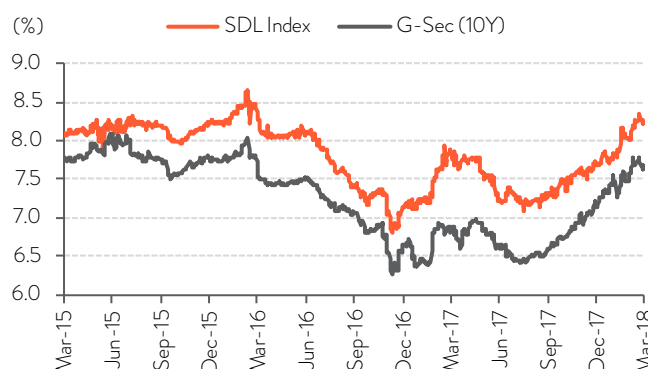
Source: CEIC, PIB, Bank of Baroda

**FIG 109 – CENTRAL GOVT. REIGNS PUBLIC DEBT; RECORDS TWO QUARTER LOW IN Q3FY18**



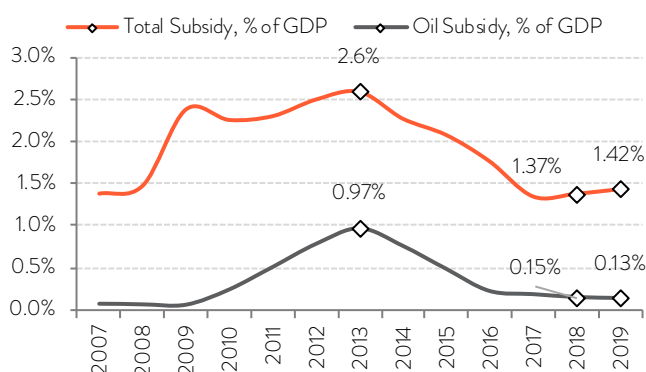
Source: CEIC, Bank of Baroda

**FIG 110 – GAP BETWEEN AVG. YIELD ON SDL AND 10Y G-SEC WIDENING; 58.3BPS IN MAR FROM 56.9 IN FEB**



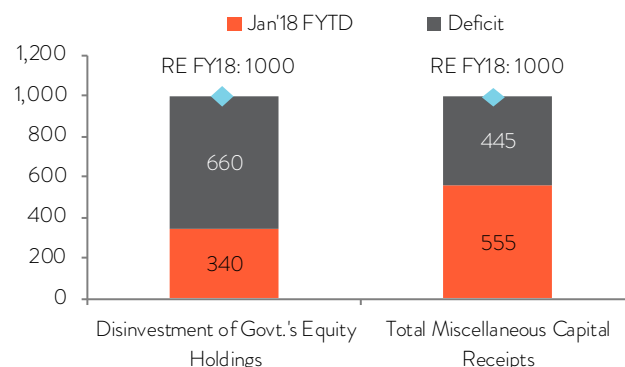
Source: CEIC, CCIL, Bank of Baroda

**FIG 111 – SUBSIDIES HAVE BEEN RATIONALISED**



Source: CEIC, Bank of Baroda

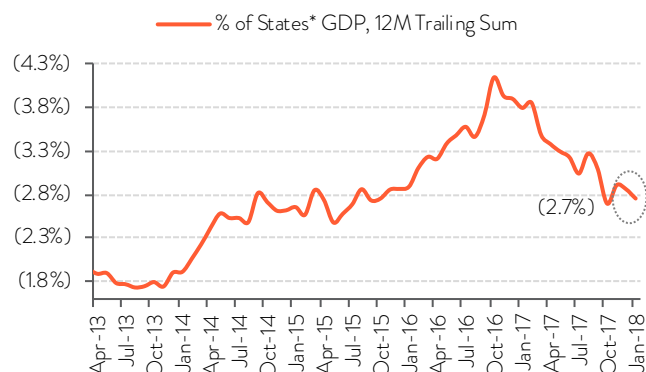
**FIG 112 – CENTRAL GOVT. MOVES CLOSER TO MEETING REVISED DISINVESTMENT TARGET**



Source: CEIC, Bank of Baroda

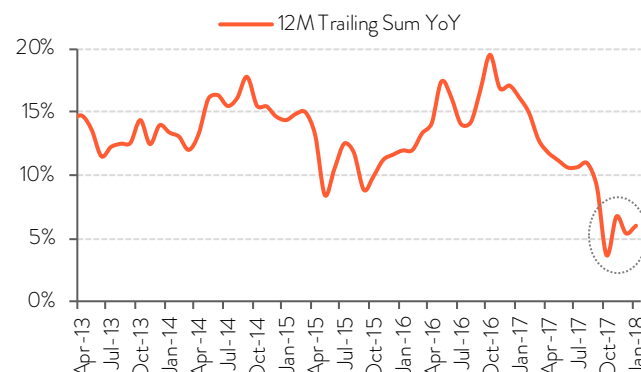


**FIG 113 – FISCAL DEFICIT OF STATES\* IMPROVES FURTHER IN JAN'18**



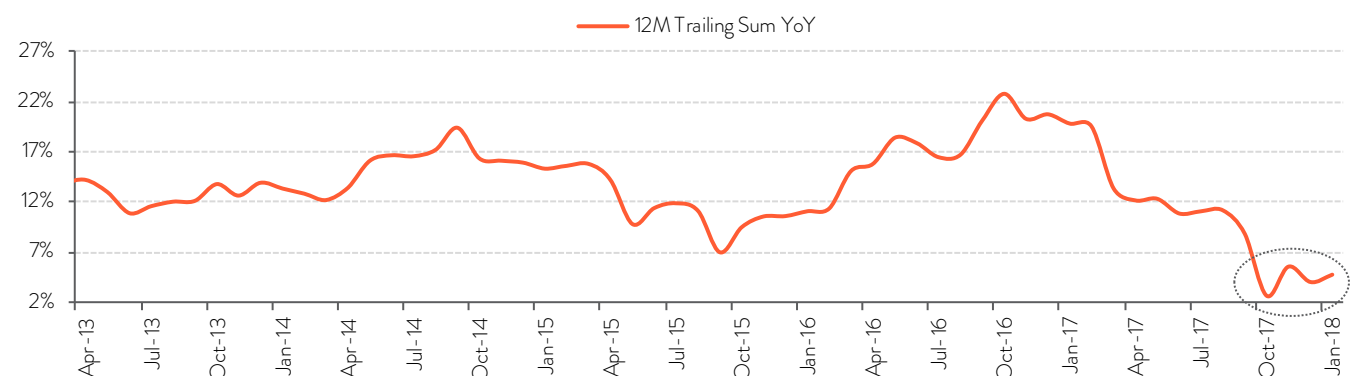
Source: CEIC, Bank of Baroda | \*Excludes Arunachal Pradesh, Assam, Goa, J&K, Karnataka, Manipur, Meghalaya, Nagaland,, Telangana, Tripura, W. Bengal

**FIG 114 – TOTAL EXPENDITURE BY STATES\* PICKS UP IN JAN'18**



Source: CEIC, Bank of Baroda | \*Excludes Arunachal Pradesh, Assam, Goa, J&K, Karnataka, Manipur, Meghalaya, Nagaland, Telangana, Tripura, W. Bengal

**FIG 115 – TOTAL RECEIPTS OF STATES\* STABILISE**



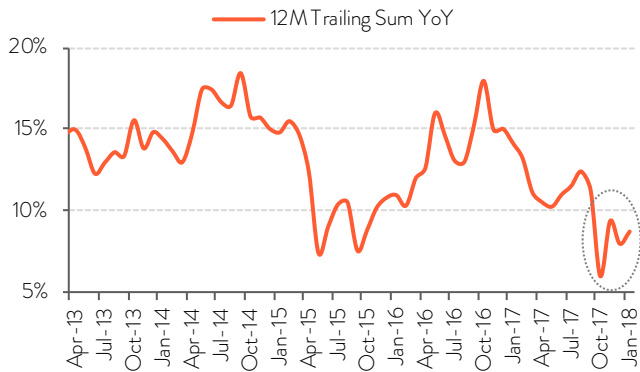
Source: CEIC, Bank of Baroda | \*Excludes Arunachal Pradesh, Assam, Goa, J&K, Karnataka, Manipur, Meghalaya, Nagaland, Telangana, Tripura, W. Bengal

**FIG 116 – STATE\* GOVT. REVENUE AND EXPENDITURE GROWTH SEEN DETERIORATING IN FY18 VS. FY17 (YTD)**

	Apr'15-Jan'16 (Rs bn)	Apr'16-Jan'17 (Rs bn)	% change YoY	Apr'17-Jan'18 (Rs bn)	% change YoY
Total Receipts	11,935	13,998	17.3	14,691	4.9
Revenue Receipts	10,354	11,496	11.0	12,678	10.3
Receipts: Tax Revenue	8,033	8,756	9.0	9,828	12.2
Receipts: Non-Tax Revenue	794	868	9.2	945	8.9
Capital Receipts	1,582	2,550	61.2	2,014	(21.0)
Total Expenditure	11,848	13,723	15.8	14,590	6.3
Revenue Expenditure	10,210	11,609	13.7	12,793	10.2
Capital Expenditure	1,638	1,874	14.4	1,773	(5.4)
Revenue Surplus or Deficit	143	(283)	(297.5)	(138)	(51.0)
Fiscal Surplus or Deficit	(1,570)	(2,541)	61.9	(1,966)	(22.6)

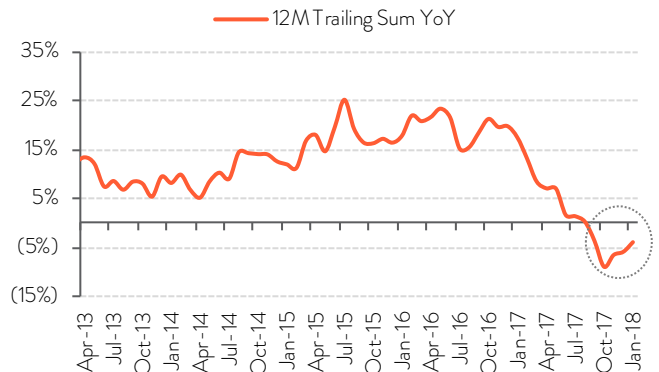
Source: CEIC, Bank of Baroda | \*Excludes Arunachal Pradesh, Assam, Goa, J&K, Karnataka, Manipur, Meghalaya, Nagaland, Telangana, Tripura, W. Bengal

**FIG 117 – RISING TOTAL EXPENDITURE OF STATES\* LED BY PICK UP IN REVENUE EXP**



Source: CEIC, Bank of Baroda | \*Excludes Arunachal Pradesh, Assam, Goa, J&K, Karnataka, Manipur, Meghalaya, Nagaland, Telangana, Tripura, W. Bengal

**FIG 118 – CAPEX GROWTH OF STATES\* ALSO SEEN CRAWLING BACK UP**



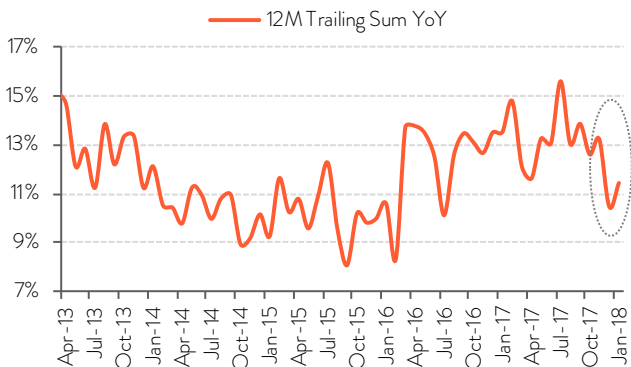
Source: CEIC, Bank of Baroda | \*Excludes Arunachal Pradesh, Assam, Goa, J&K, Karnataka, Manipur, Meghalaya, Nagaland, Telangana, Tripura, W. Bengal

**FIG 119 – PATTERN OF STATE SPENDING**

State	Pay Commission	Loan Waiver	Capex Declining (Jan'18, 12M Trailing Sum, %YoY)
Andhra Pradesh	✓	✓	✓
Bihar	✓	✗	✗
Chhattisgarh	✓	✗	✗
Gujarat	✓	✗	✓
Haryana	✓	✗	✗
Madhya Pradesh	✓	✓	✓
Maharashtra	✓	✓	✓
Odisha	✓	✗	✗
Punjab	✗	✓	✓
Uttar Pradesh	✓	✓	✓
Rajasthan	✓	✓	✓
Telangana	✓	✓	✗
Uttarakhand	✓	✗	✗

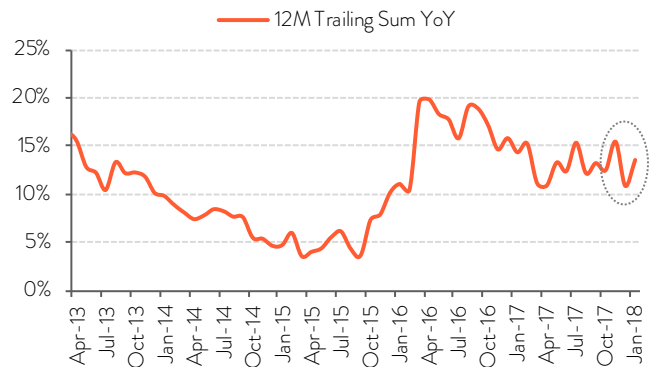
Source: News Reports, CEIC, Bank of Baroda

**FIG 120 – REVENUE RECEIPTS OF STATES\* SEE A TURNAROUND...**



Source: CEIC, Bank of Baroda | \*Excludes Arunachal Pradesh, Assam, Goa, J&K, Karnataka, Manipur, Meghalaya, Nagaland, Telangana, Tripura, W. Bengal

**FIG 121 – ...AS TAX REVENUE PICKS UP**

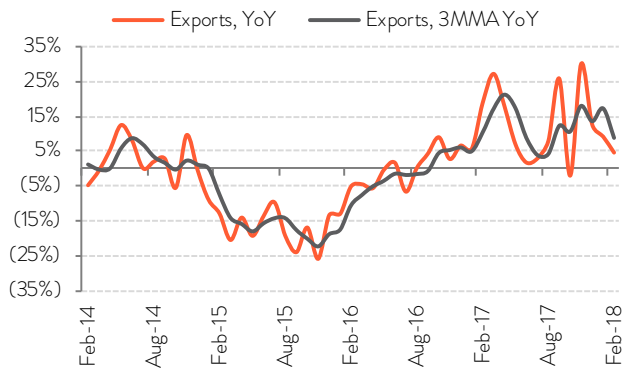


Source: CEIC, Bank of Baroda | \*Excludes Arunachal Pradesh, Assam, Goa, J&K, Karnataka, Manipur, Meghalaya, Nagaland, Telangana, Tripura, W. Bengal

## External sector

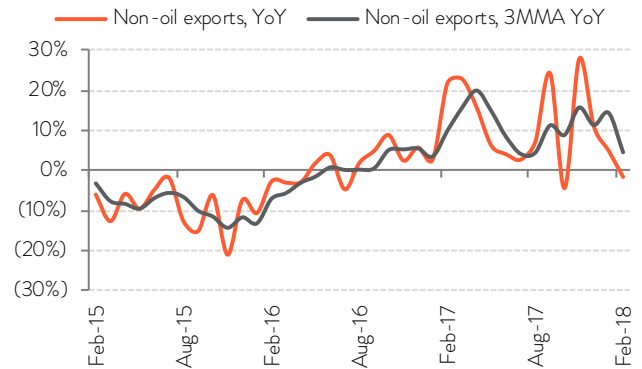
### Exports

**FIG 122 – EXPORTS GROWTH MODERATES FURTHER**



Source: CEIC, Bank of Baroda

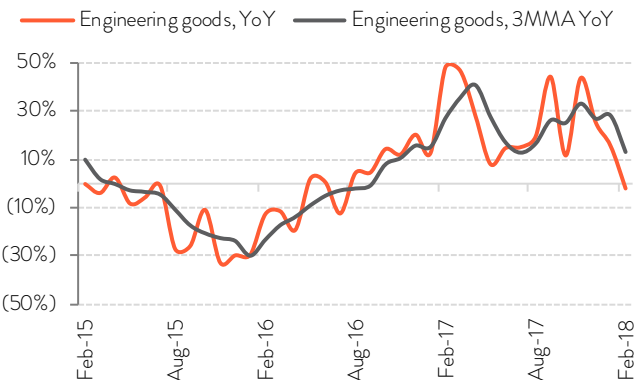
**FIG 123 – NON-OIL EXPORTS LED THE MODERATION**



Source: CEIC, Bank of Baroda

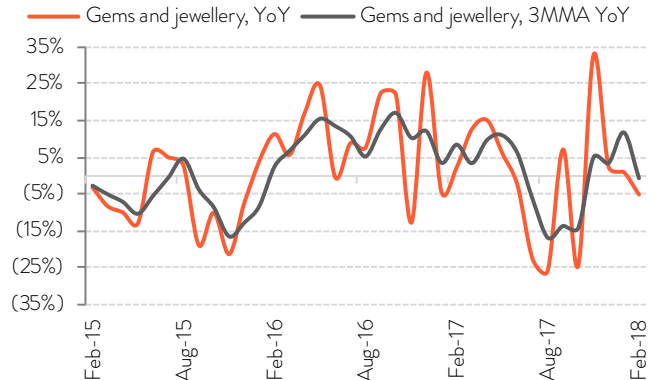
### Exports by major sectors

**FIG 124 – ENGINEERING EXPORTS DECLINE**



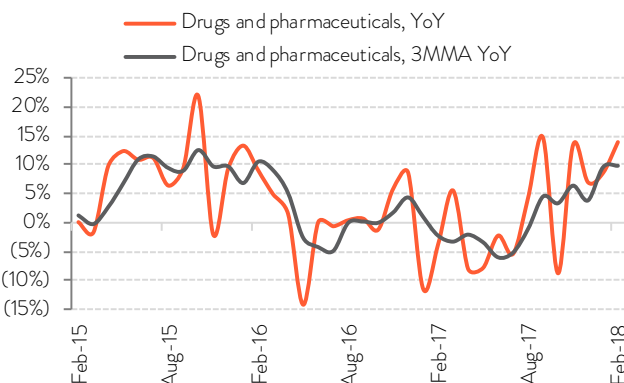
Source: CEIC, Bank of Baroda

**FIG 125 – FALL IN GEMS AND JEWELLERY EXPORTS**



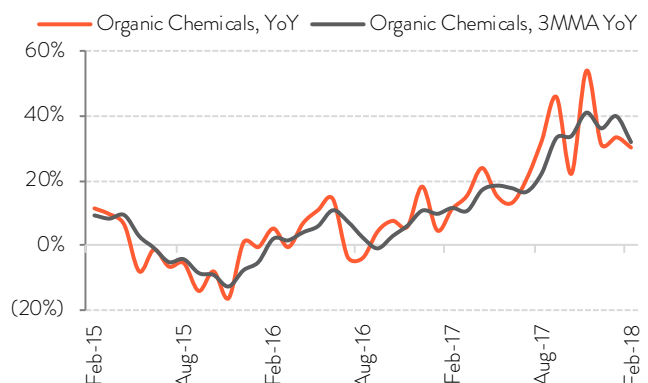
Source: CEIC, Bank of Baroda

**FIG 126 – PHARMA EXPORTS PERFORM WELL**



Source: CEIC, Bank of Baroda

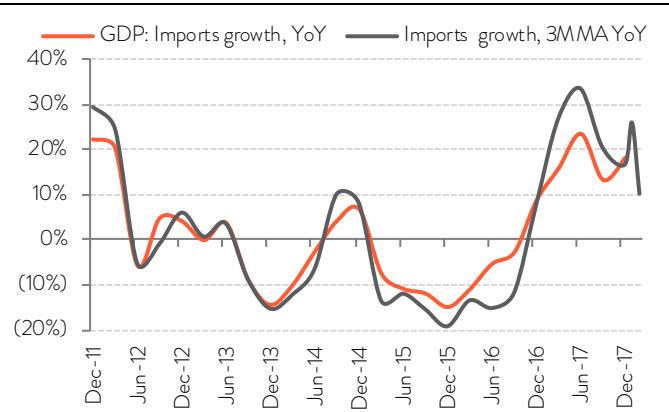
**FIG 127 – EXPORTS OF ORGANIC CHEMICALS BUOYANT**



Source: CEIC, Bank of Baroda

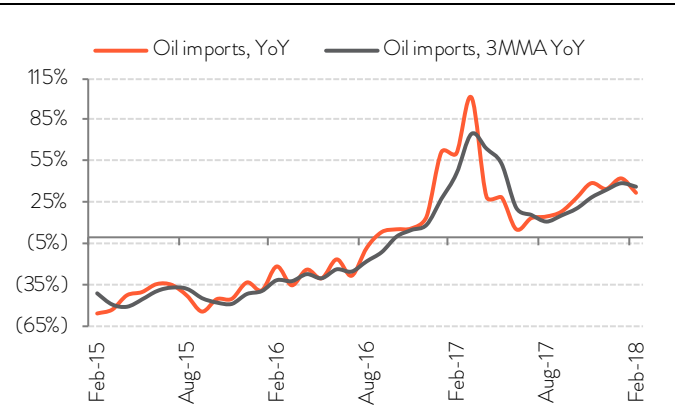
**Imports**

**FIG 128 – IMPORT GROWTH ALSO MODERATES**



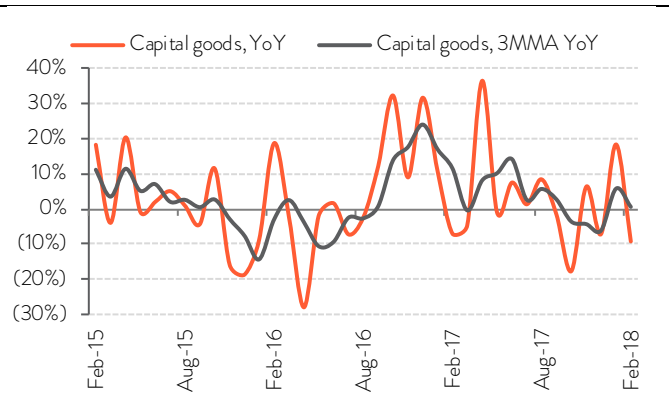
Source: CEIC, Bank of Baroda

**FIG 129 – LED BY DECLINE IN OIL IMPORTS TO 32.1% IN FEB'18 VERSUS 42.6% IN JAN'18**



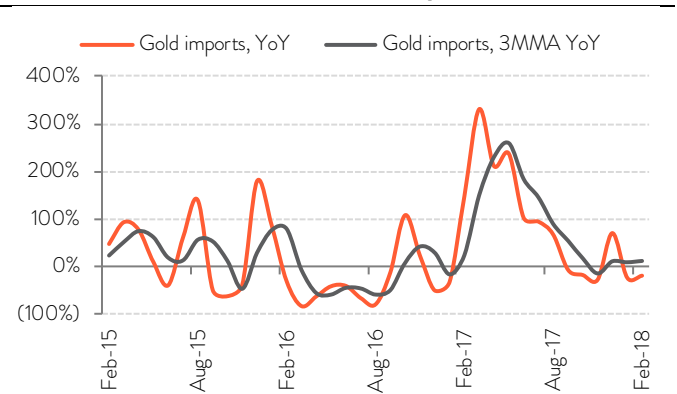
Source: CEIC, Bank of Baroda

**FIG 130 – CAPITAL GOODS IMPORTS DECELERATE**



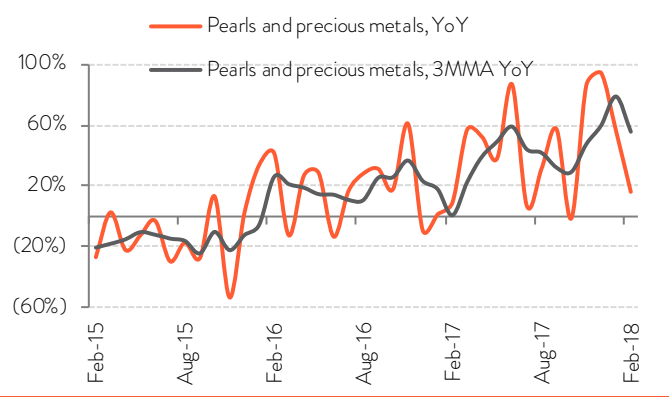
Source: CEIC, Bank of Baroda

**FIG 131 – GOLD IMPORTS DURING JAN-FEB'18 DOWN 19.5% VERSUS 9.8% INCREASE IN Q3FY18**



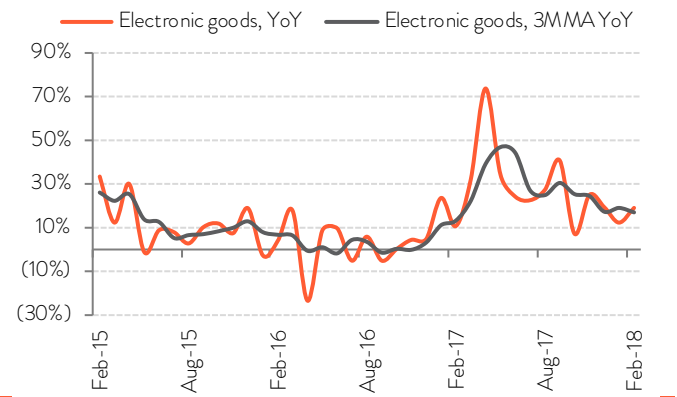
Source: CEIC, Bank of Baroda

**FIG 132 – IMPORTS OF PRECIOUS METALS DIP**



Source: CEIC, Bank of Baroda

**FIG 133 – ELECTRONIC IMPORTS RISE**



Source: CEIC, Bank of Baroda

## Exports and imports by major regions

**FIG 134 – EXPORTS TO CHINA REMAIN BUOYANT**

Region (% YoY)	% Share FY17	Nov'17	Dec'17	Jan'18	FY17 YTD	FY18 YTD
Americas	20.1	34.7	16.1	25.7	2.8	13.9
Asia and Pacific (Ex. China)	28.5	27.3	16.1	19.4	6.6	16.5
China	3.7	24.4	9.6	16.8	4.7	30.9
Europe	19.5	45.0	12.2	39.1	2.9	14.1
Middle East	26.7	21.4	8.0	9.3	(5.8)	2.2
Other	1.5	(20.4)	(47.1)	29.9	2.9	(37.5)

Source: CEIC, Bank of Baroda | \* FYTD18 denotes Apr-Feb'18

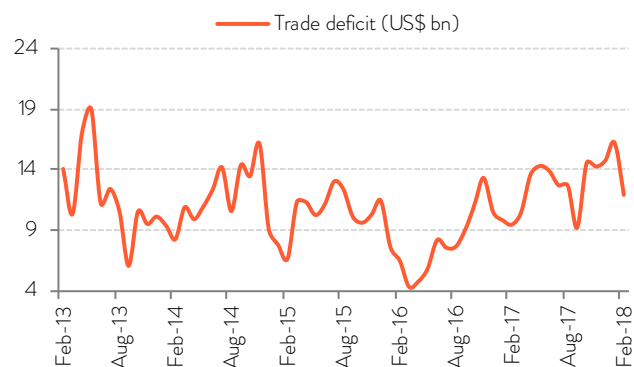
**FIG 135 – IMPORTS FROM CHINA, ASIA AND PACIFIC ALMOST DOUBLE IN JAN'18**

Region (% YoY)	% Share FY17	Nov'17	Dec'17	Jan'18	FY17 YTD	FY18 YTD
Americas	12.1	17.9	7.5	19.2	(1.9)	19.0
Asia and Pacific (Ex. China)	23.2	24.4	13.2	23.3	(1.2)	24.6
China	15.9	28.8	15.3	30.8	(1.8)	24.3
Europe	16.0	9.1	22.6	16.8	(12.2)	16.2
Middle East	28.4	22.6	32.5	34.6	(6.9)	24.2
Other	4.4	21.7	52.8	48.8	(2.0)	39.0

Source: CEIC, Bank of Baroda | \* FYTD18 denotes Apr-Feb'18

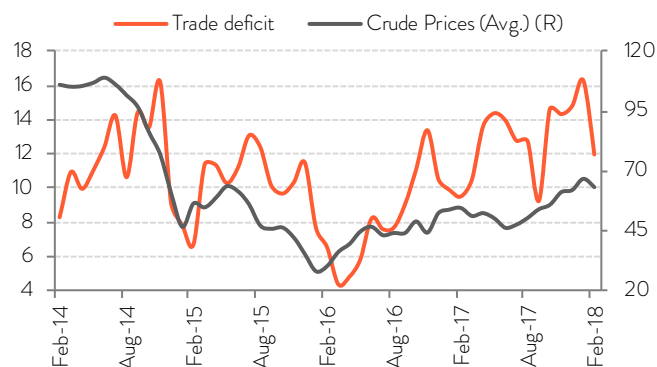
## Trade deficit

**FIG 136 – TRADE DEFICIT NARROWS IN FEB'18**



Source: CEIC, Bank of Baroda

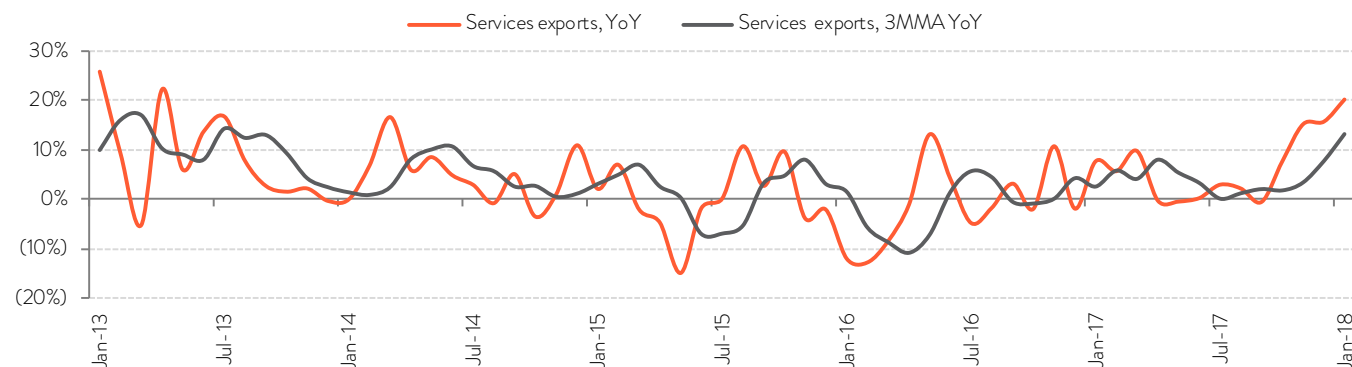
**FIG 137 – DECLINE IN CRUDE PRICES HELP TRADE BALANCE**



Source: CEIC, Bank of Baroda

## Trade in services

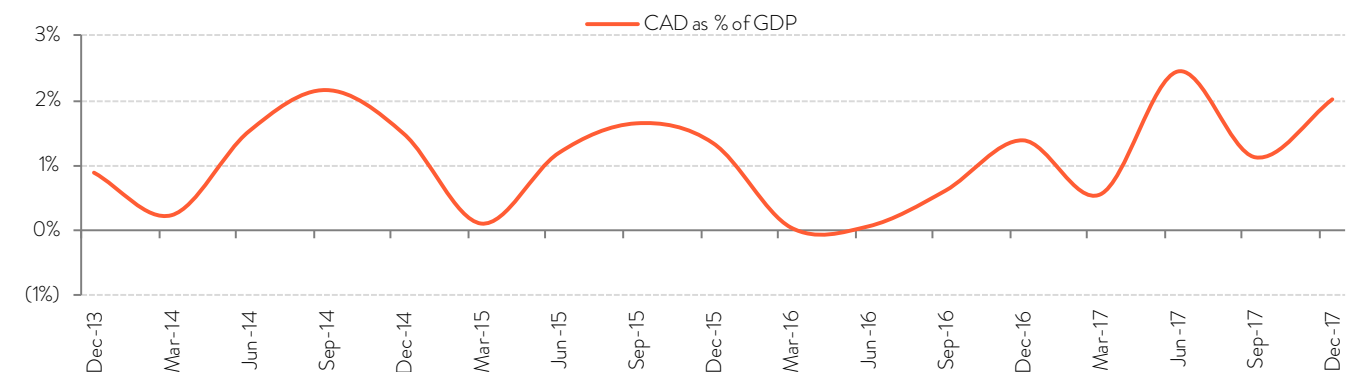
**FIG 138 – SERVICES EXPORTS ACCELERATE SHARPLY**



Source: CEIC, Bank of Baroda

## Balance of Payments

**FIG 139 – CAD RISES TO 2% OF GDP...**



Source: CEIC, Bank of Baroda

**FIG 140 – ...LED BY HIGHER TRADE DEFICIT**

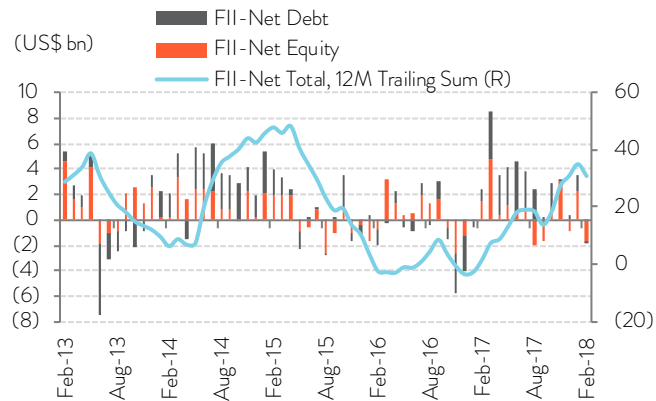
(US\$ bn)	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18
A. Current Account	(8.0)	(3.4)	(15.0)	(7.2)	(13.5)
Goods and services balance	(15.5)	(12.1)	(23.7)	(14.4)	(23.2)
Primary Income	(6.4)	(5.6)	(5.8)	(8.5)	(6.4)
Secondary Income	13.9	14.2	14.5	15.7	16.1
B. Capital and Financial Account	7.3	3.1	14.4	6.9	12.6
of which: change in Reserve	(1.2)	7.3	11.4	9.5	9.4
C. Errors & Omissions (-) (A+B)	0.7	0.4	0.6	0.3	0.8

Source: CEIC, Bank of Baroda

## Foreign inflows

### FII inflows

**FIG 141 – FII INFLOWS DECELERATE LED BY EQUITY**



Source: CEIC, Bank of Baroda

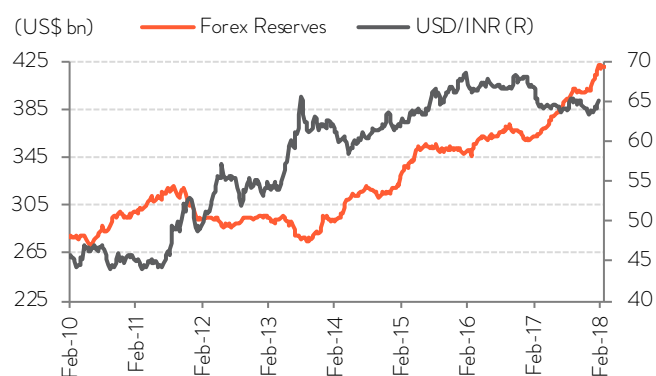
**FIG 143 – PICKUP IN FDI INFLOWS FROM SINGAPORE**

Country (US\$ bn)	% Share FY17	Jun'17	Sep'17	Dec'17	FYTD 17	FYTD 18
Mauritius	36.2	3.3	8.2	1.9	12.8	13.3
Singapore	20.1	3.0	2.3	3.9	7.1	9.2
Japan	10.8	0.4	0.5	0.3	4.2	1.3
UK	3.4	0.1	0.2	0.4	1.3	0.7
Netherlands	7.8	0.6	1.4	0.4	2.5	2.4

Source: CEIC, Bank of Baroda

### Forex reserves

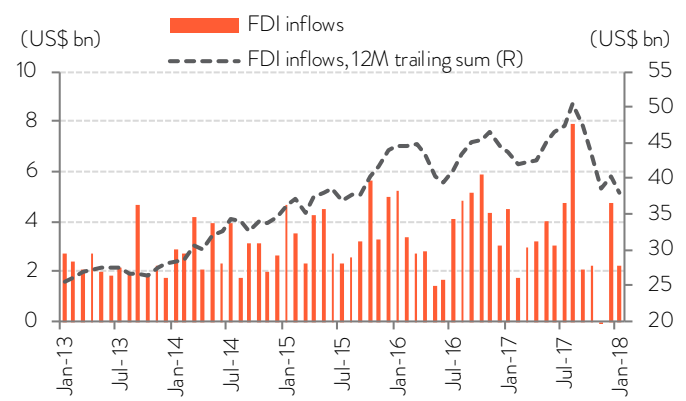
**FIG 145 – INDIA'S FX RESERVES HAVE STRENGTHENED STEADILY TO US\$ 421.5BN**



Source: Bloomberg, CEIC, Bank of Baroda | \*Data as of 9 Mar 2018

### FDI inflows

**FIG 142 – FDI INFLOWS REMAIN SUBDUED**



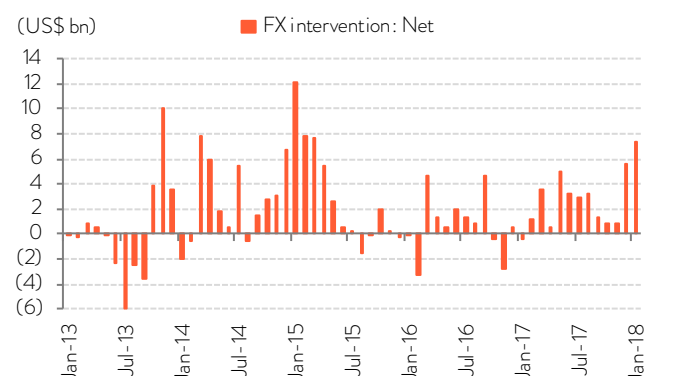
Source: CEIC, Bank of Baroda

**FIG 144 – TELECOM SECTOR RECEIVES THE HIGHEST FDI INFLOW IN FY18 YTD**

Sector (US\$ bn)	% Share FY17	Jun'17	Sep'17	Dec'17	FYTD 17	FYTD 18
Services Sector	20.0	1.9	1.0	0.1	5.5	6.1
Telecom	12.8	0.1	6.0	2.1	1.8	5.2
Computer software and hardware	8.4	1.3	1.7	1.7	7.6	4.6
Trading	5.4	0.8	0.7	0.8	2.0	2.3
Automobile	3.7	0.7	0.5	0.5	1.5	1.7

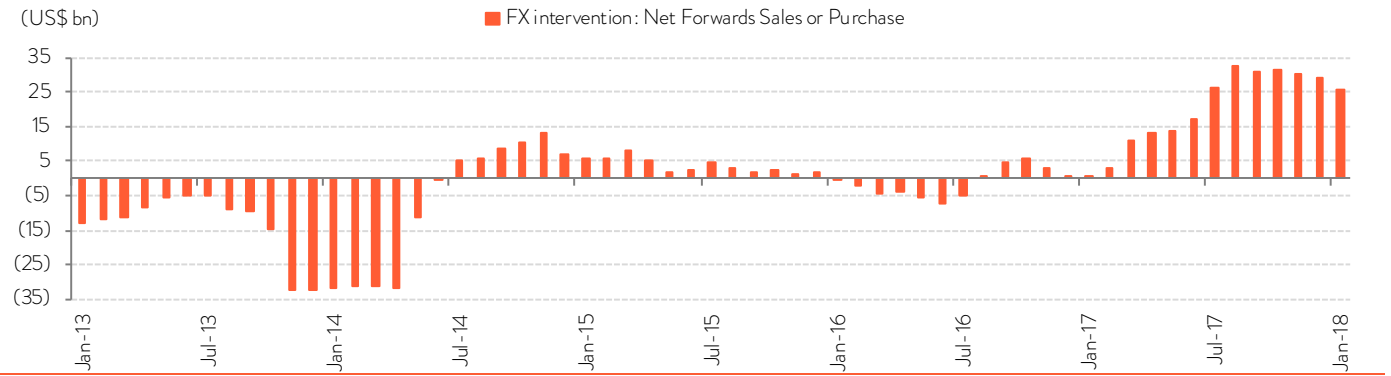
Source: CEIC, Bank of Baroda

**FIG 146 – IN FY18 SO FAR, RBI WAS A NET BUYER OF US\$ 31BN (CASH)**



Source: CEIC, Bank of Baroda

**FIG 147 – RBI HAS BUILT UP A US\$ 26BN POSITION IN FX FORWARDS**



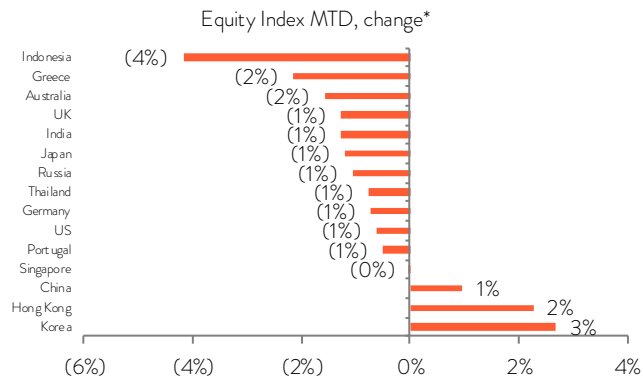
Source: CEIC, Bank of Baroda



## Markets

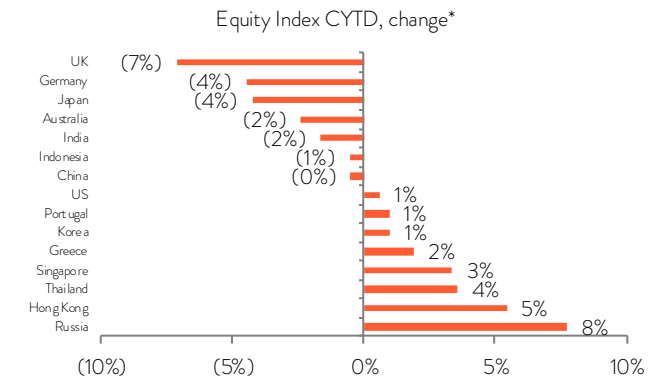
### Equity

**FIG 148 – NIFTY FELL CONSIDERABLY ON MTD BASIS**



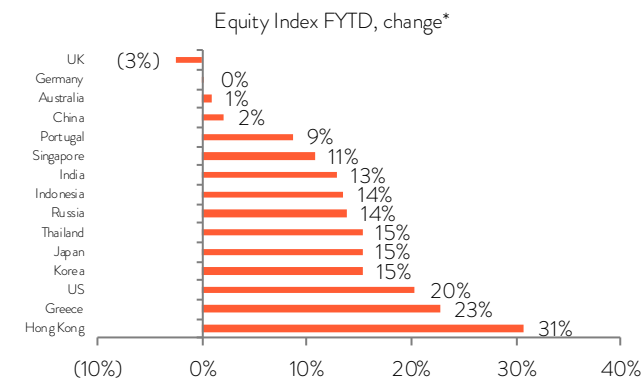
Source: Bloomberg, Bank of Baroda |\*As on 15 Mar 2018

**FIG 149 – SIMILAR TREND CONTINUED ON A CYTD BASIS...**



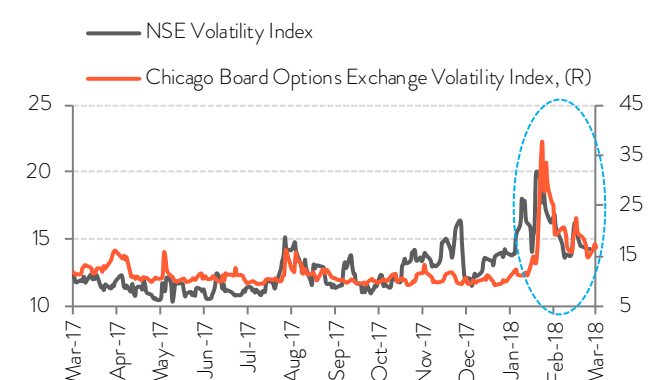
Source: Bloomberg, Bank of Baroda |\*As on 15 Mar 2018

**FIG 150 – ...HOWEVER ON A FYTD BASIS, NIFTY GAINED CONSIDERABLY**



Source: Bloomberg, Bank of Baroda |\*As on 15 Mar 2018

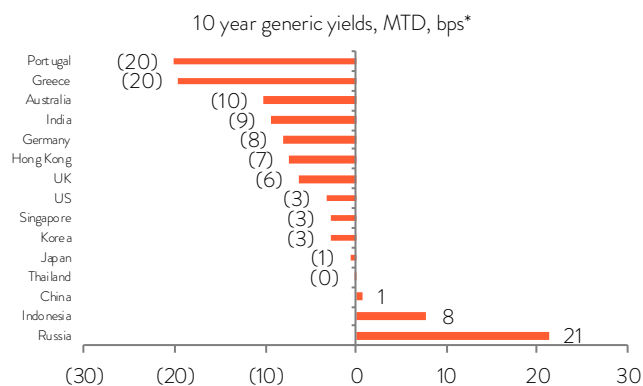
**FIG 151 – NSE VIX DECLINED TO 14 IN FEB'18 FROM 16 IN JAN'18**



Source: Bloomberg, Bank of Baroda |\*As on 15 Mar 2018

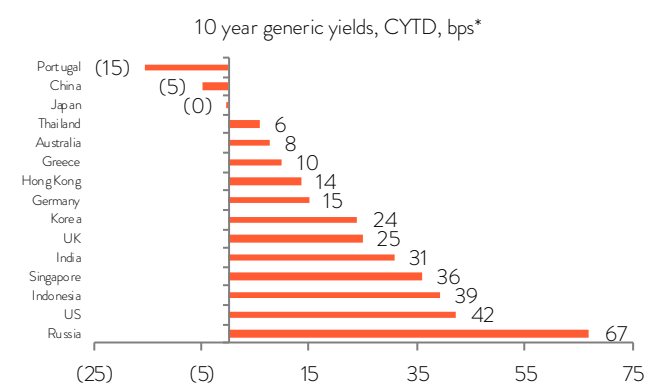
### 10 year Bond yields

**FIG 152 – 10 YEAR BOND YIELD IN INDIA DECLINED ON MTD BASIS**



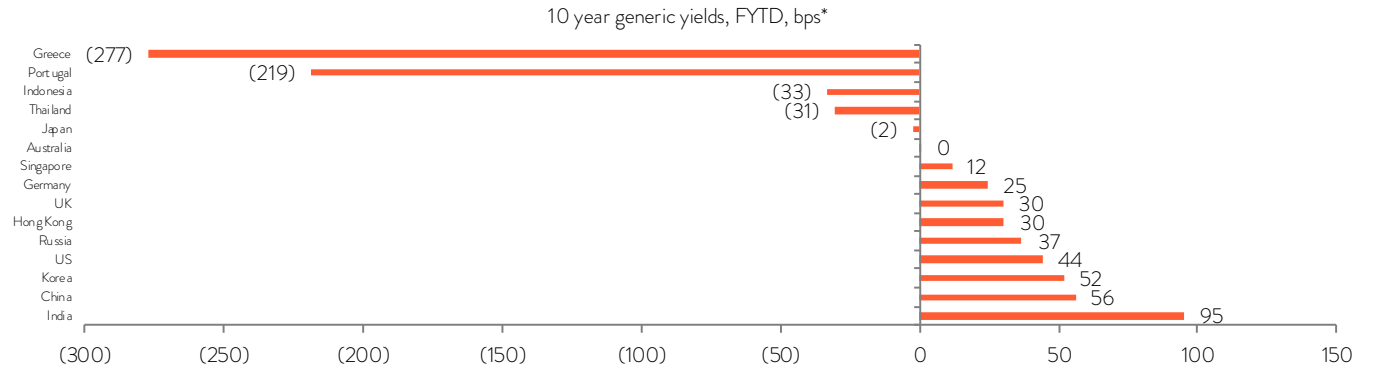
Source: Bloomberg, Bank of Baroda |\*As on 15 Mar 2018

**FIG 153 – ON CYTD BASIS, YIELDS FIRMED UP SHARPLY**



Source: Bloomberg, Bank of Baroda |\*As on 15 Mar 2018

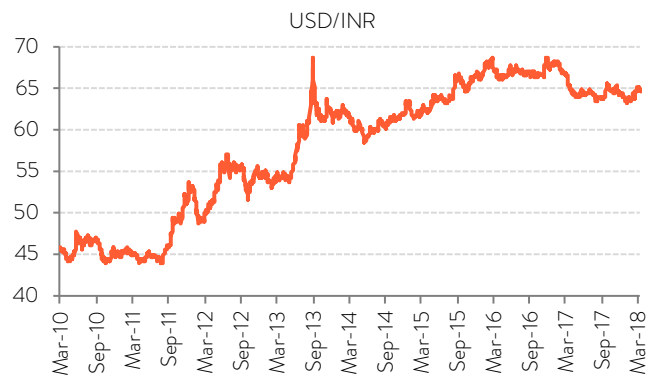
**FIG 154 – ON FYTD BASIS, FIRING OF YIELDS WAS THE HIGHEST FOR INDIA**



Source: Bloomberg, Bank of Baroda |\*As on 15 Mar 2018

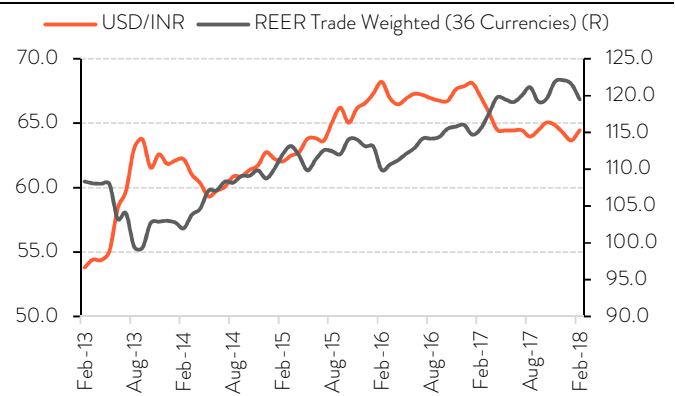
**Currencies**

**FIG 155 – INR SHOWING A DEPRECIATING BIAS AGAINST USD (1.2% IN CY18)**



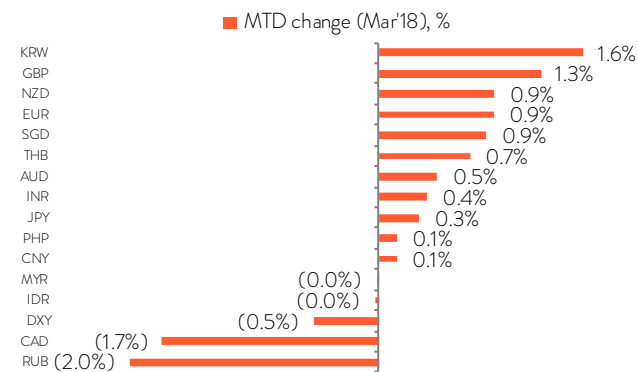
Source: Bloomberg, Bank of Baroda

**FIG 156 – INR DEPRECIATING AGAINST MAJOR CURRENCIES**



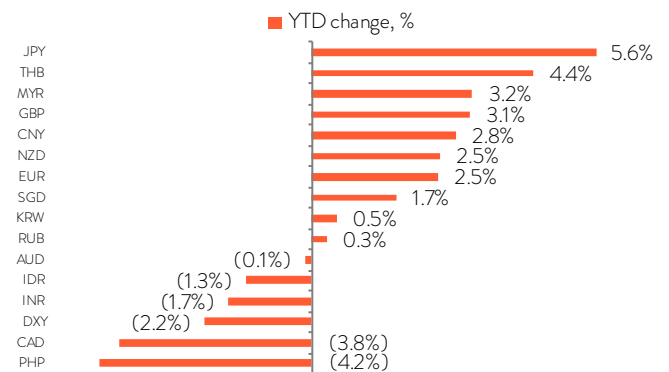
Source: Bloomberg, CEIC, Bank of Baroda

**FIG 157 – MTD (MAR'18\*) CHANGE IN MAJOR CURRENCIES VS. USD**



Source: Bloomberg, Bank of Baroda |\*As on 15 Mar 2018

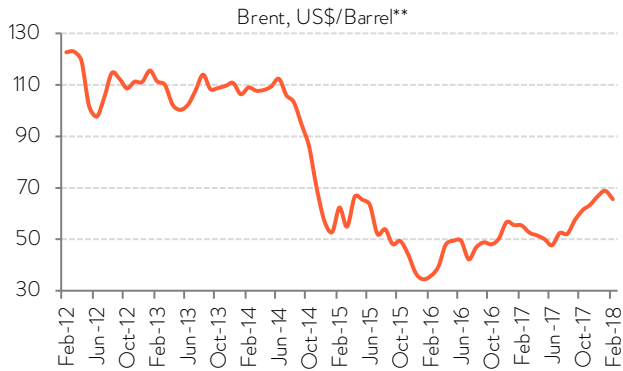
**FIG 158 – CYTD18\* CHANGE IN MAJOR CURRENCIES VS. USD**



Source: Bloomberg, Bank of Baroda |\*As on 15 Mar 2018

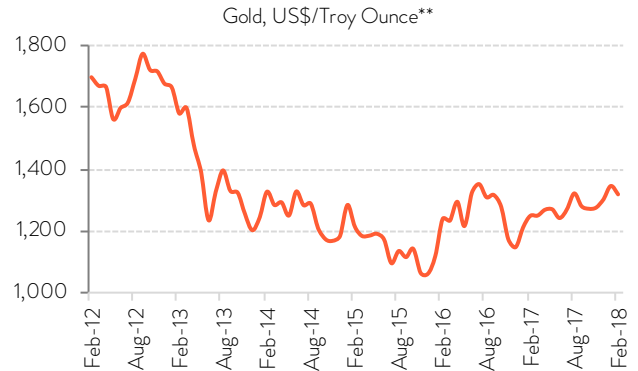
**Commodities**

**FIG 159 – BRENT PRICES FALLING**



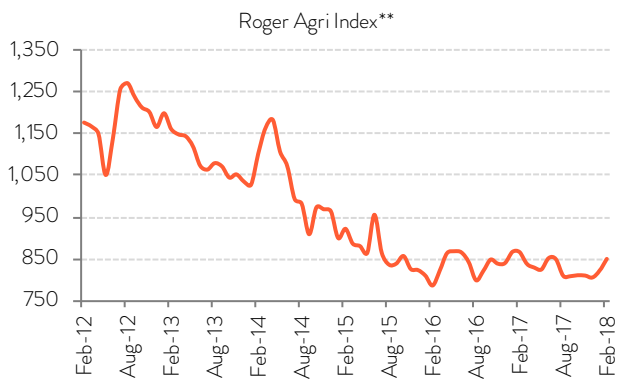
Source: Bloomberg, Bank of Baroda |\*\*As on last trading day of the month

**FIG 160 – GOLD PRICES FALLING**



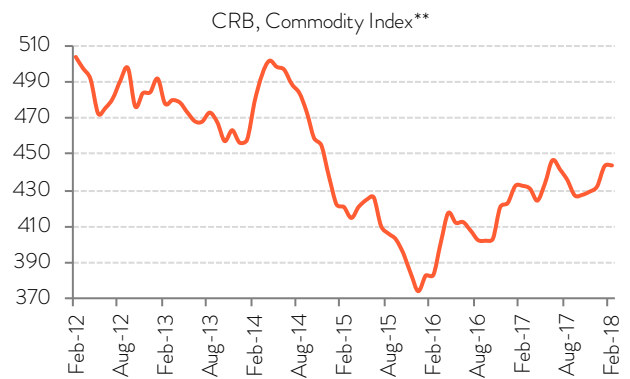
Source: Bloomberg, Bank of Baroda |\*\*As on last trading day of the month

**FIG 161 – AGRI INDEX PICKING UP**



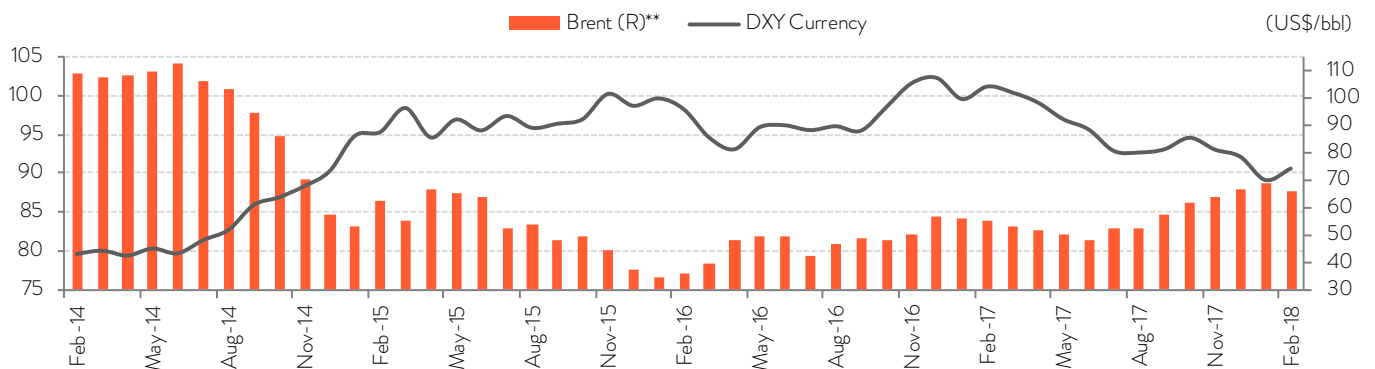
Source: Bloomberg, Bank of Baroda |\*\*As on last trading day of the month

**FIG 162 – GLOBAL COMMODITY PRICES WERE STABLE**



Source: Bloomberg, Bank of Baroda |\*\*As on last trading day of the month

**FIG 163 – DXY AND OIL PRICES SHOWING NEGATIVE CORRELATION**



Source: Bloomberg, Bank of Baroda |\*\*As on last trading day of the month

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