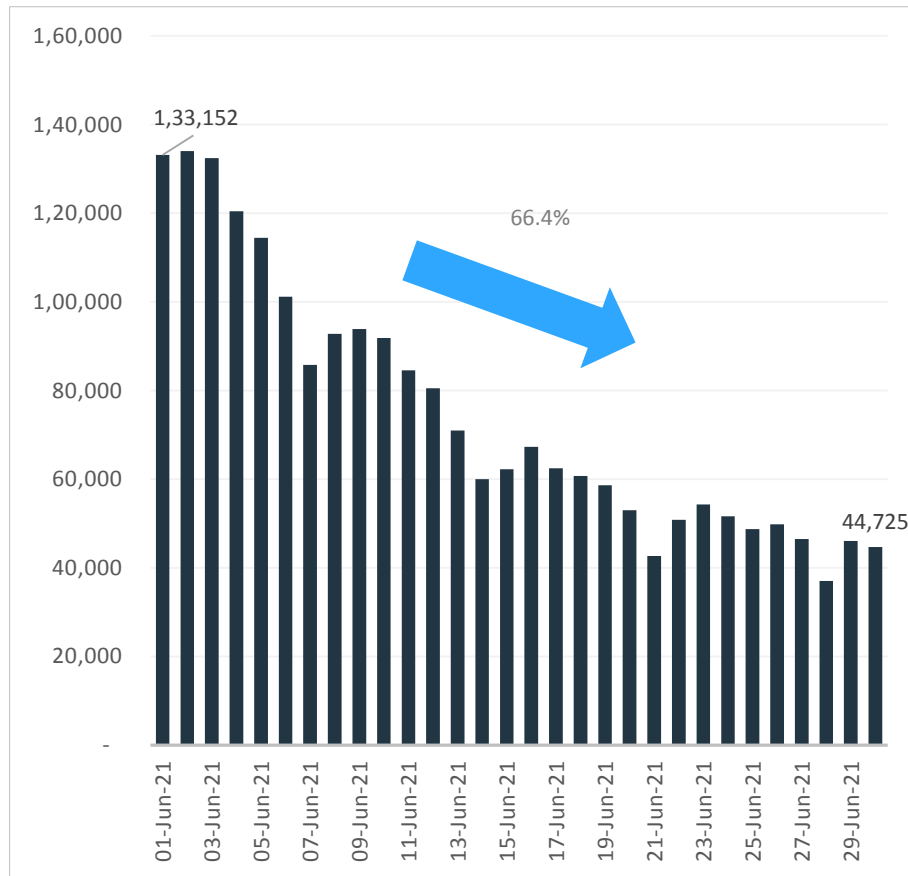


India: The economic pathway

June 2021

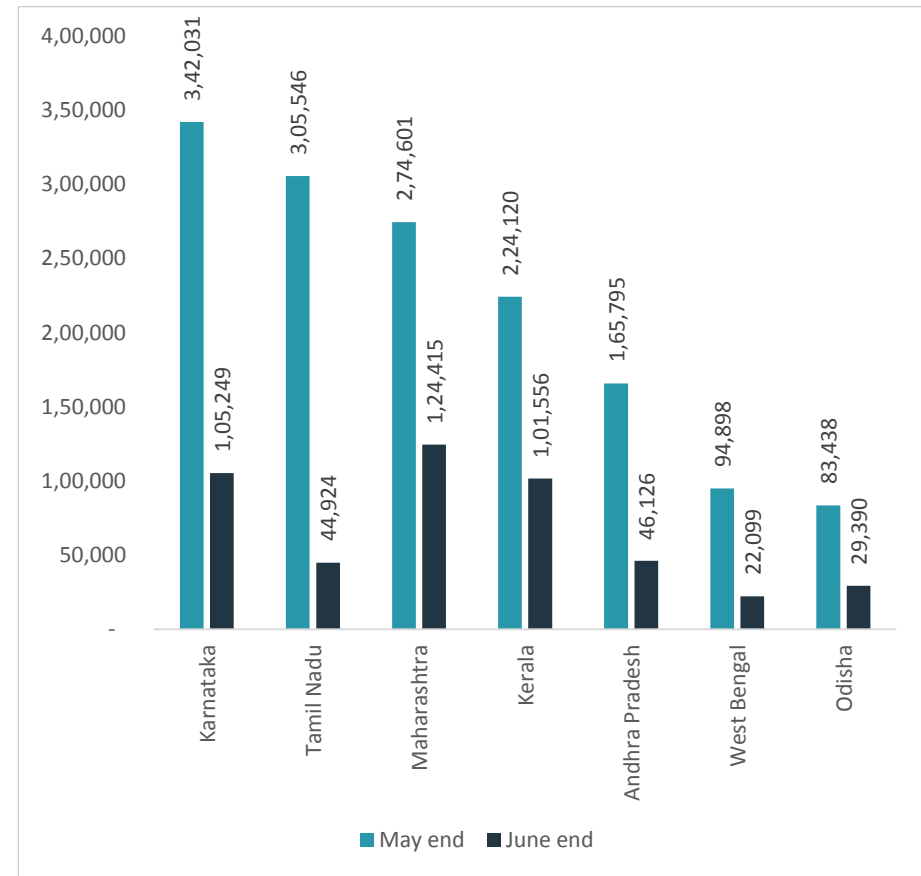
On a bright note: 2nd wave of Covid-19 Eases

India's daily confirmed covid-19 cases witness a steep decline



Source: Covid-19 India

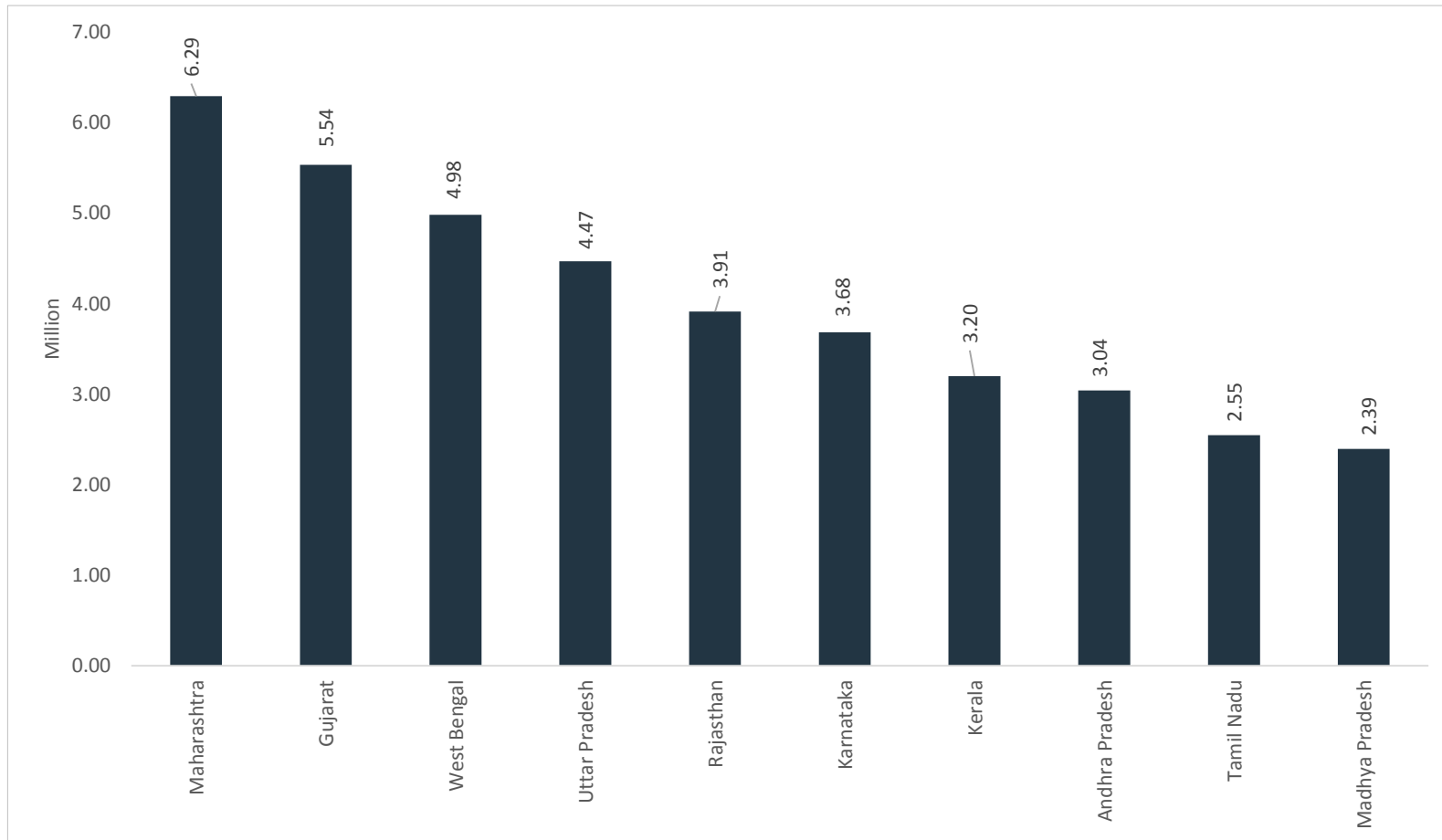
The top 7 states that accounted for more than 70% of India's total active caseload in May'21 have witnessed a notable decline in the number of active cases in June'21



Source: PRS Legislative Research

Vaccination: The only way ahead

Maharashtra, Gujarat & West Bengal; the front runners with maximum number of 2nd vaccine doses administered

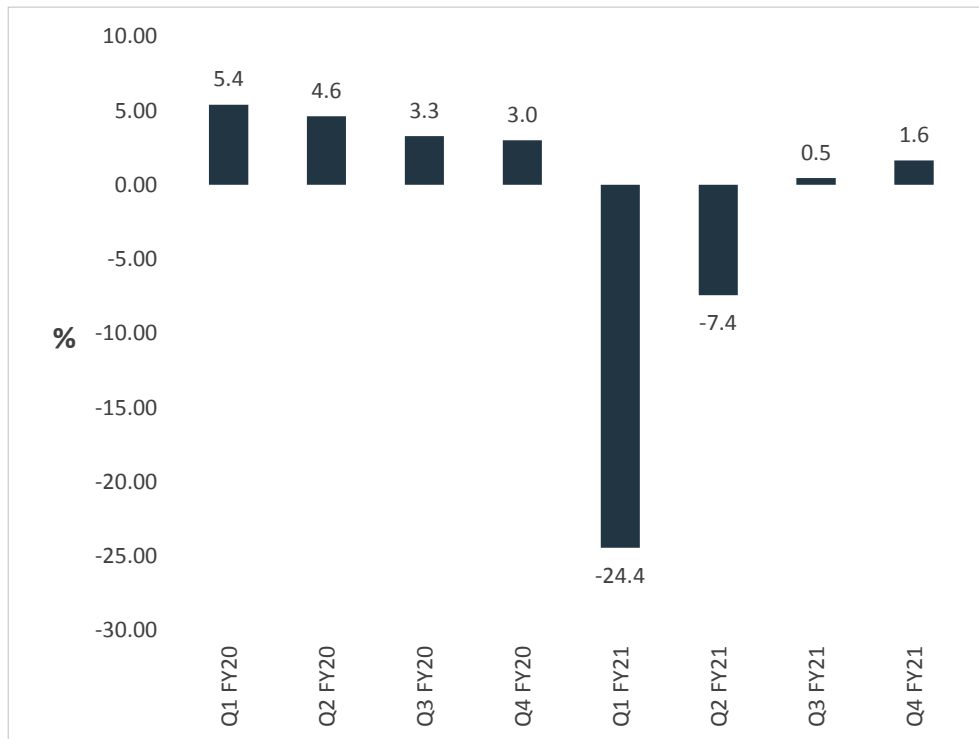


Source: Ministry of Health & Family Welfare
 Note: Data as on 30th June 2021

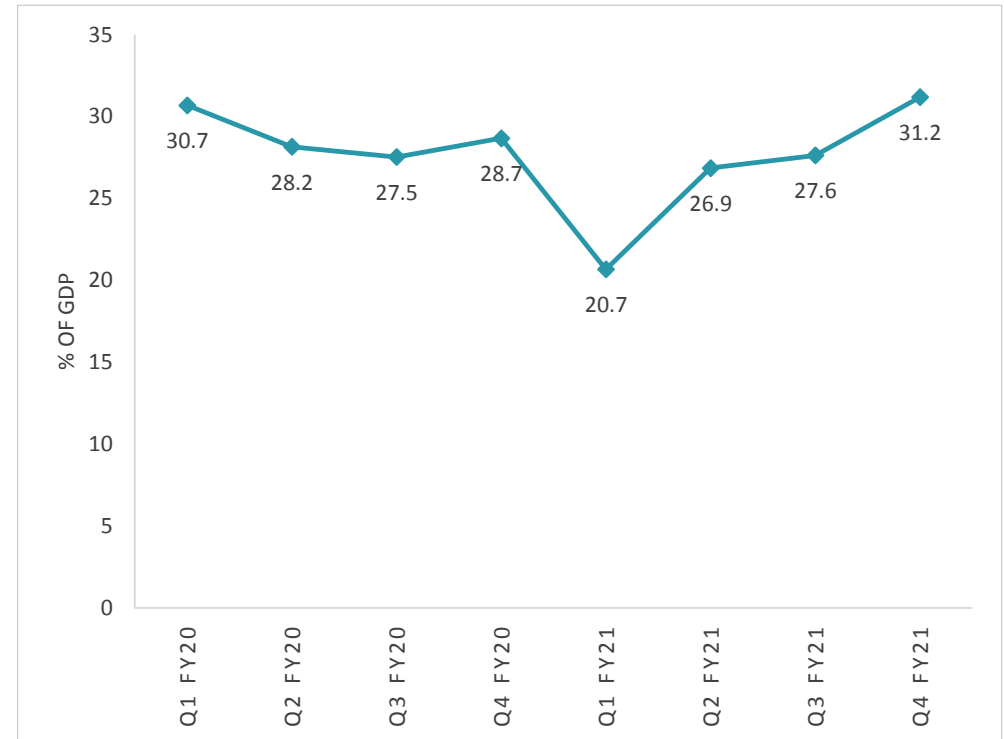
Economy witnesses sequential improvement in Q4-FY21

Indian economy recorded a growth of 1.6% in Q4-FY21.
Thus, the economy grew at -7.3% in FY21.

GFCF inched up to 31.2% in Q4-FY21 (Highest in twenty-six quarters)



Source: MOSPI

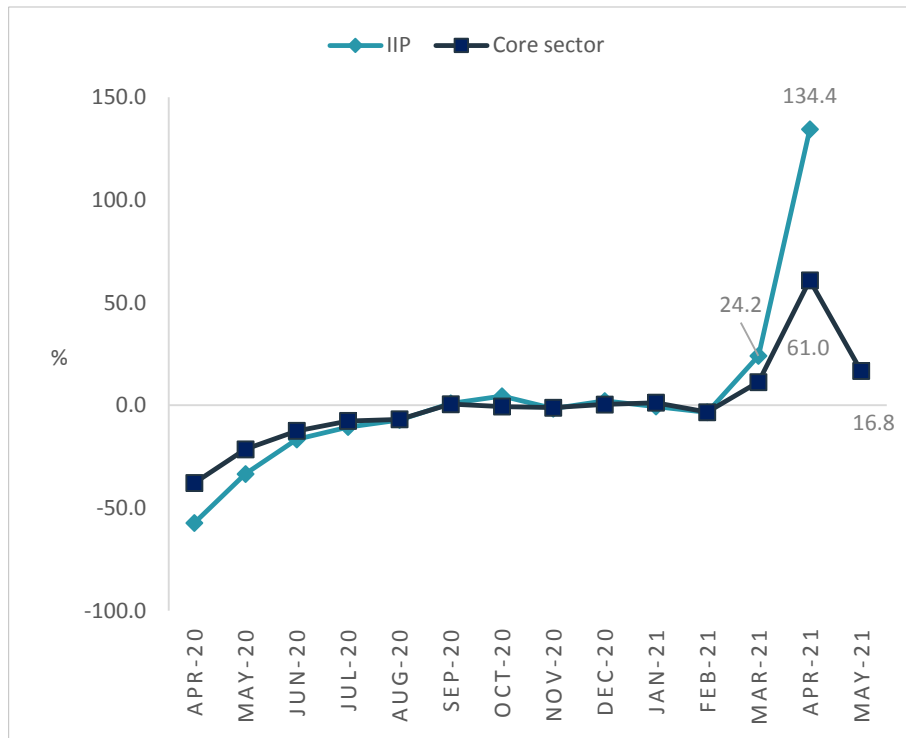


Source: MOSPI

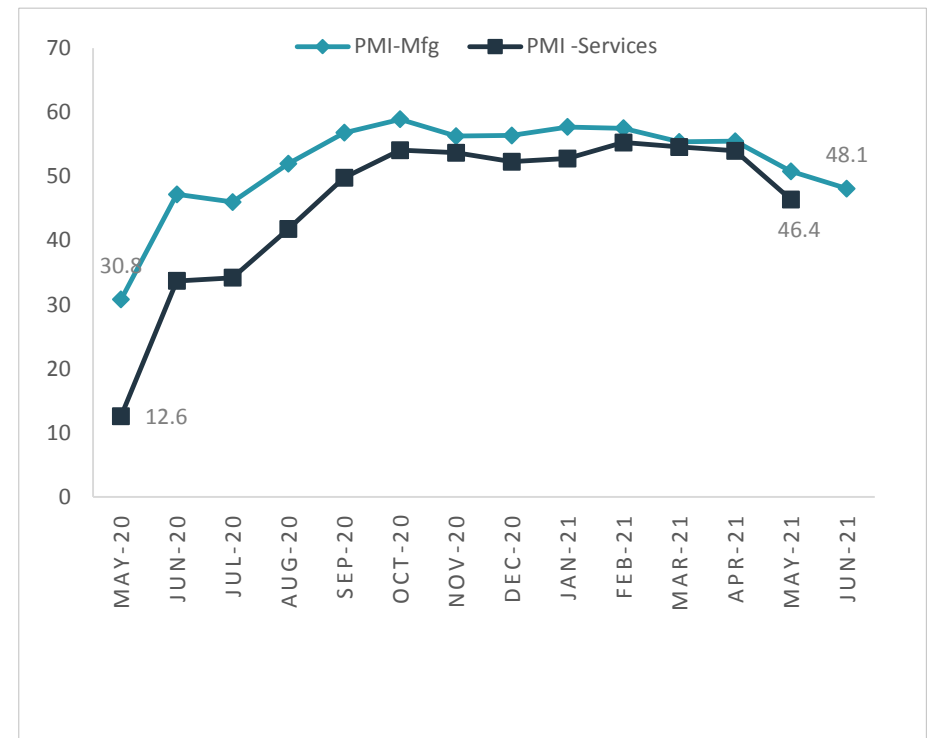
Manufacturing output zoomed on a favorable base, PMIs dwindle

IIP jumped to 134.4% in April '21 pushed by a favorable base-effect
 Core output grew by 16.8% in May'21 vis-à-vis 61% in April'21 weighed down by the lockdown impact

Manufacturing PMI records first contraction in 11-months
 Services PMI too in the contraction territory



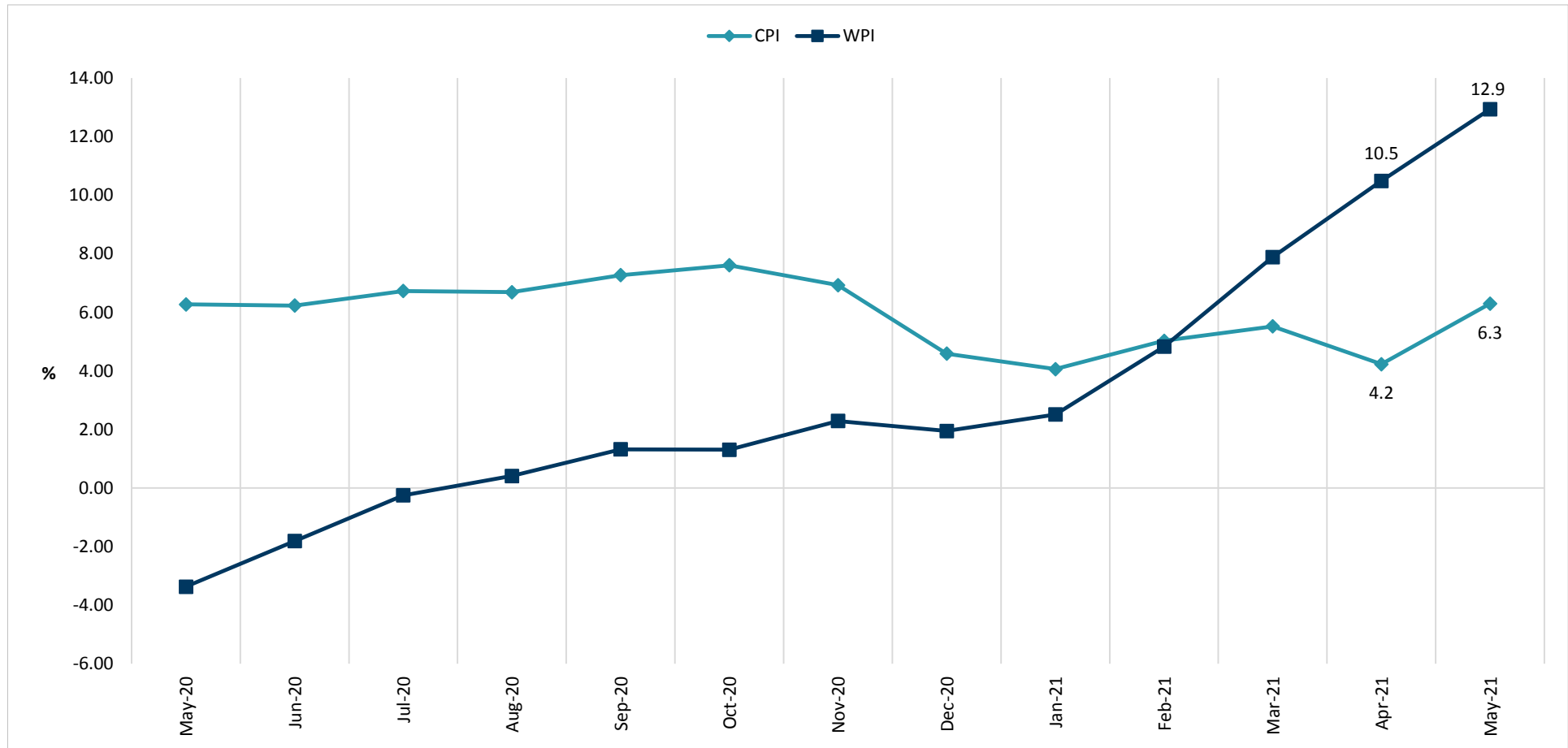
Source: MOSPI



Source: IHS markit

Economy heats up as inflationary pressures continue to strengthen

Retail inflation soared to 6.3% breaching the upper band of RBI's flexible inflation targeting framework
 Wholesale inflation strengthened further to 12.9% in May'21

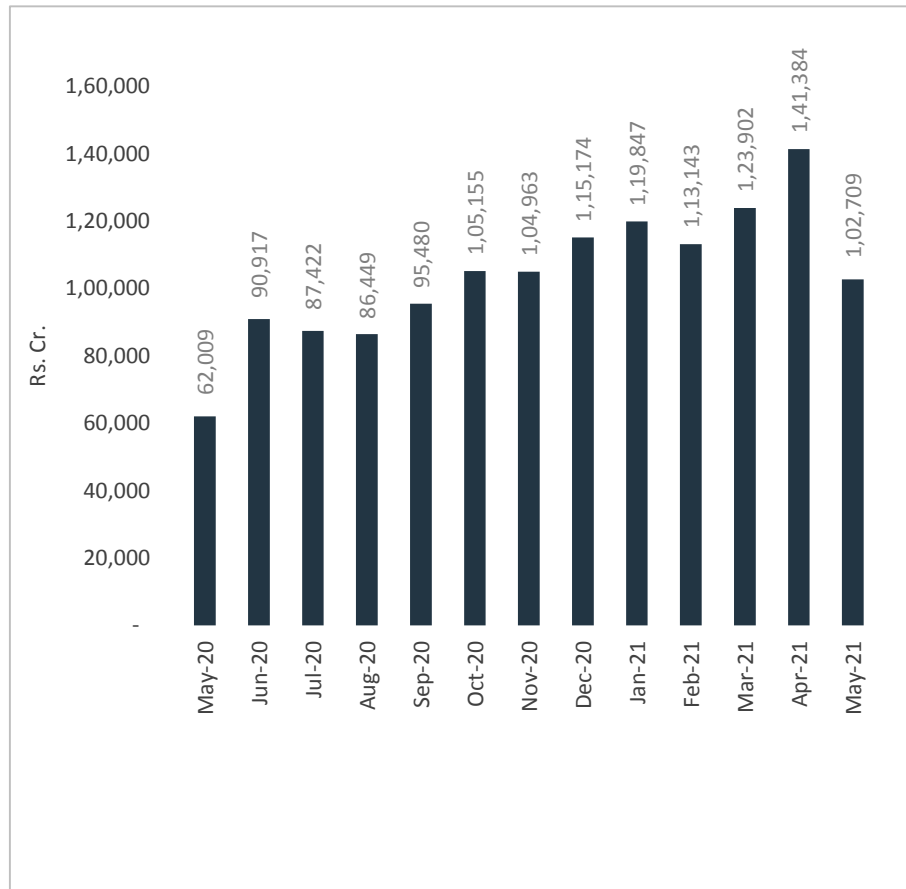


Source: MOSPI

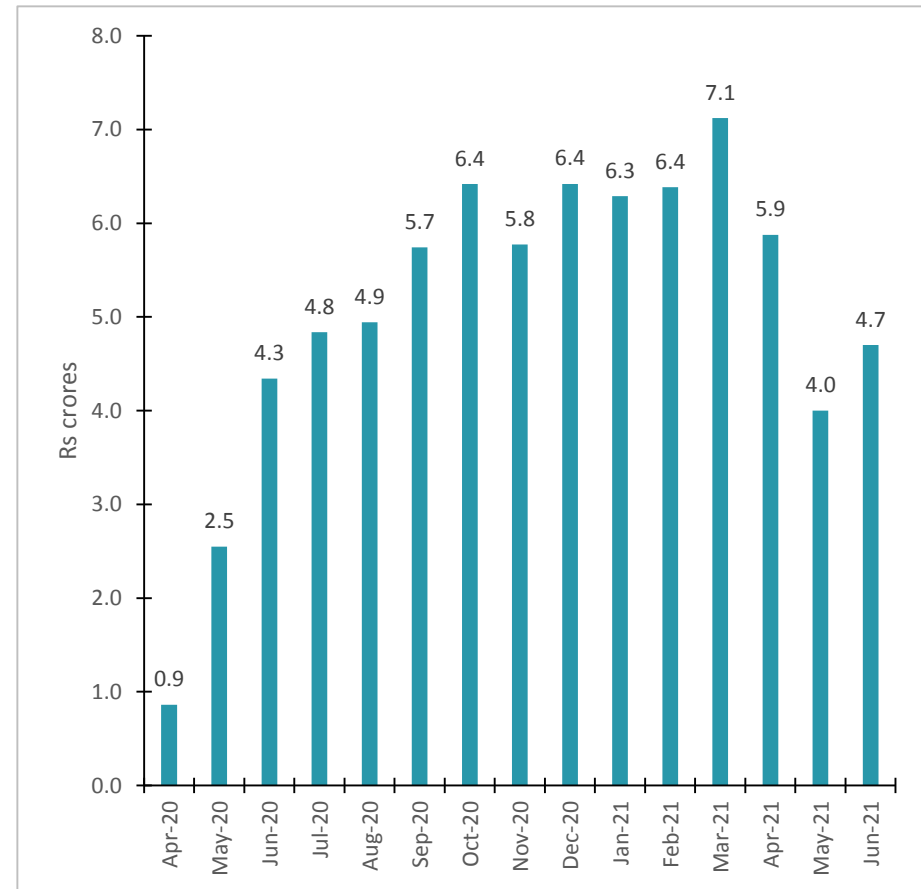
May GST collections nosedive, E-Way bills up in June

GST collections in May'21 tumbled to Rs. 1,02,709 crores after remarkable collection in the previous month

E-Way bills increased to Rs.4.7 crores in Jun'21



Source: Ministry of Finance

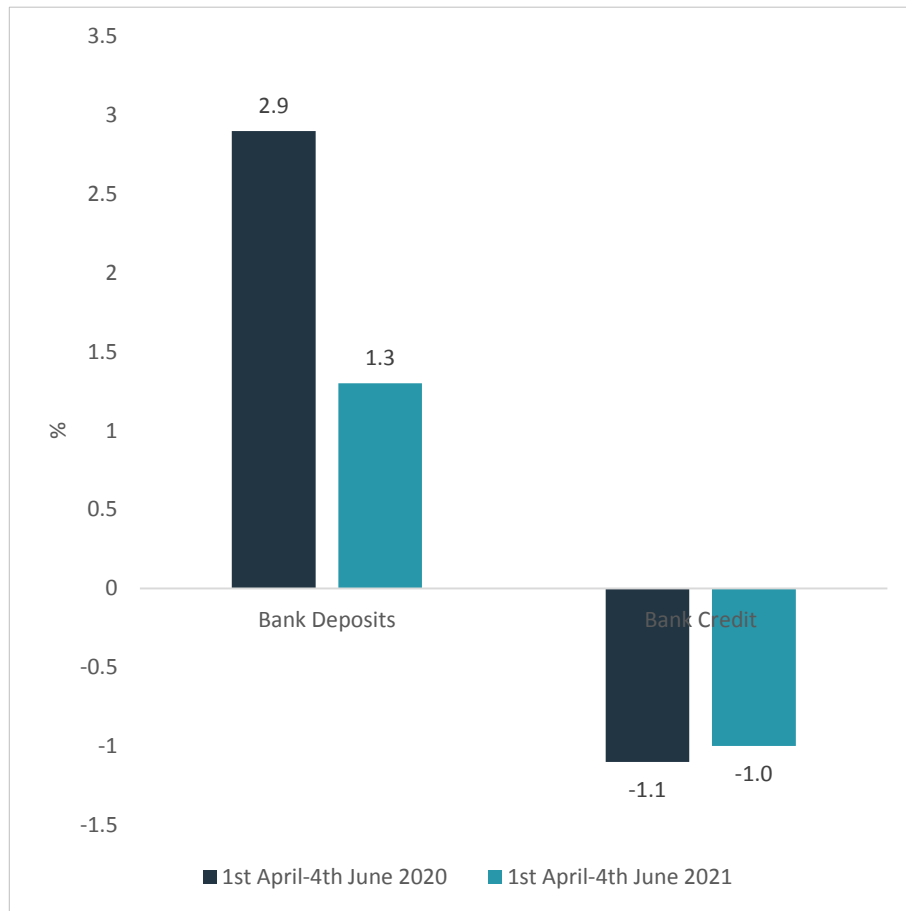


Note: E-Way bill statistics as on 27th June, 2021

Source: GSTN

Bank deposits grow at lackluster pace; Bank credit and debt markets muted

Bank deposits grow at a lackluster pace
Bank credit growth fails to pick-up



Source: RBI

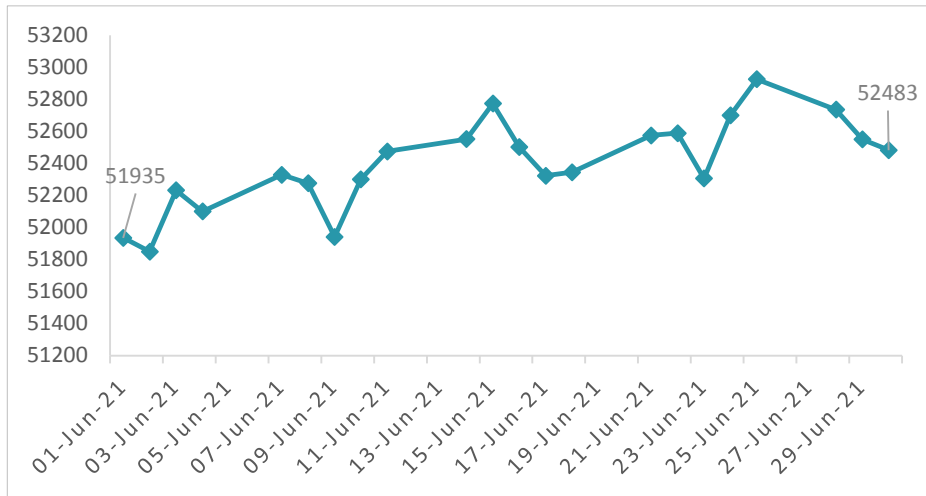
Corporate Bond issuances stood at Rs. 27,289 crores, 10% lower than the previous month



Source: Prime Database
Note: Data extracted on July 1, 2021

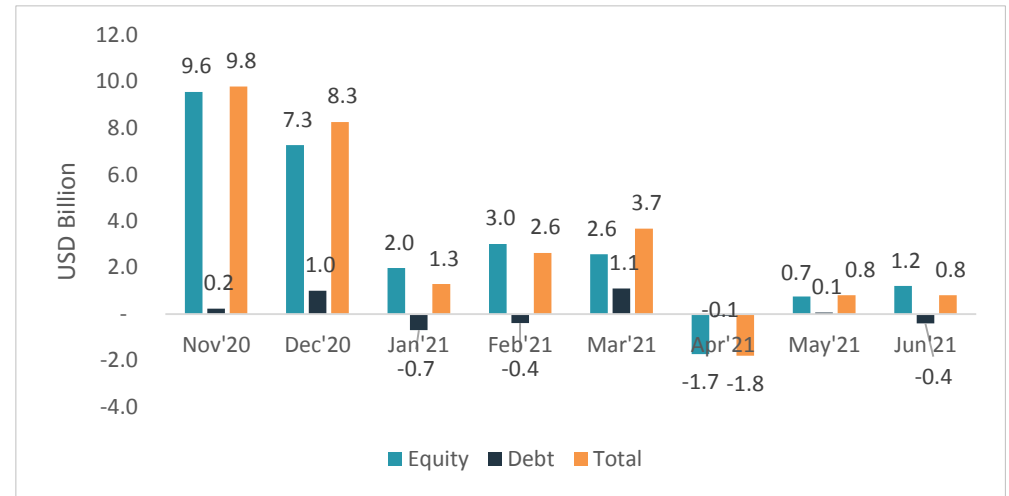
Equities volatile, FPI inflows subdued & G-secs yields harden

Equity markets remained volatile during the month



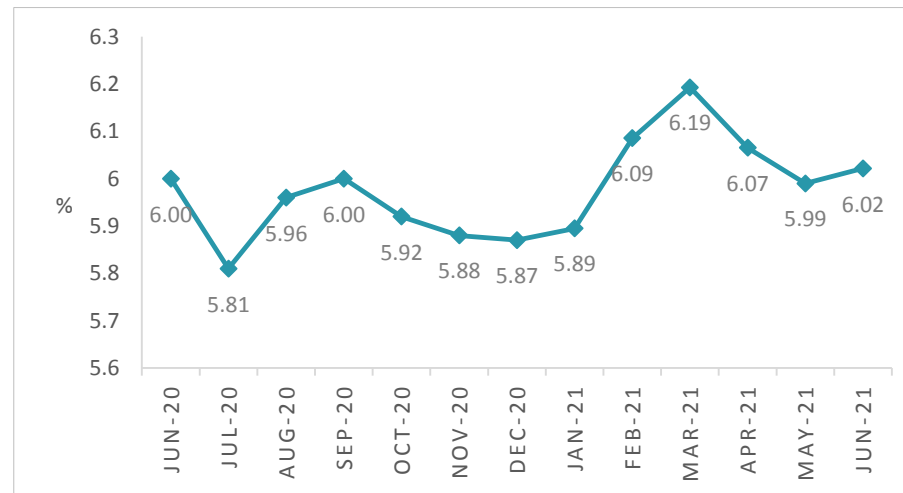
Source: BSE India

Net FPI flows subdued during the month



Source: NSDL Note: Data till June 28, 2021

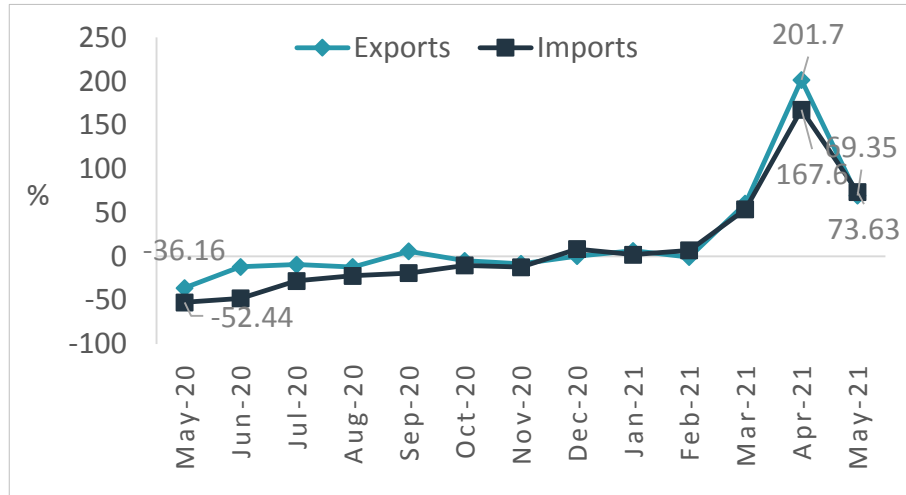
10-year G-Sec Yield (%) edged up to 6.02% in June'21 from 5.99% in the previous month



Source: FIMMDA

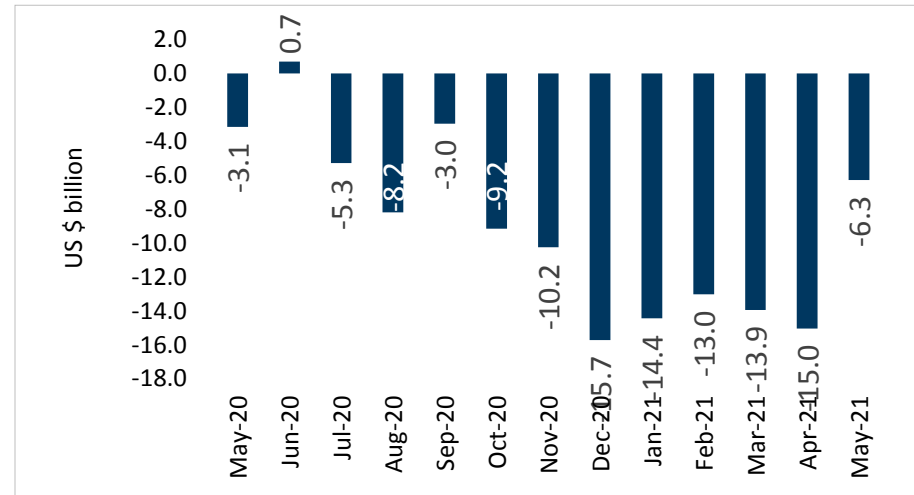
Base effect boosts trade, current account deficit widens

Low base effect bolsters imports & exports



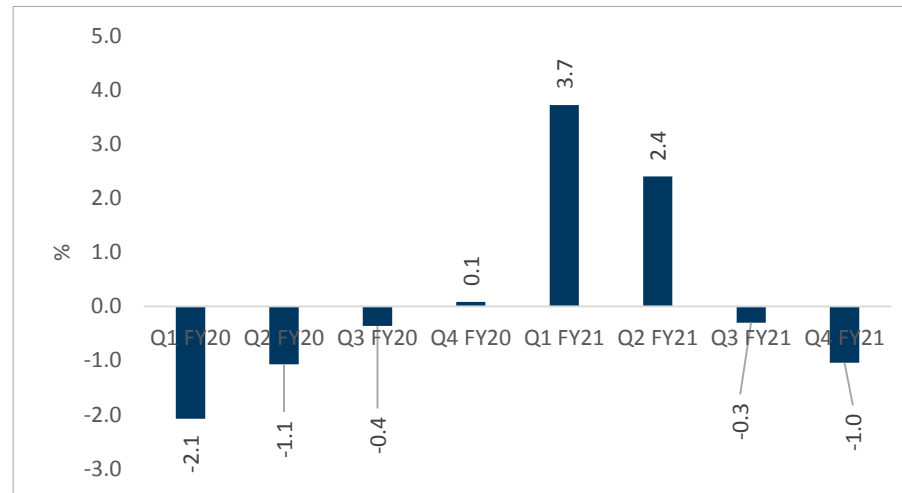
Source: Ministry of Commerce and Industry

Trade deficit in May'21 narrowed to USD 6.3 billion, notably lower than USD 15 billion in Apr'21 aided by growth in exports



Source: Ministry of Commerce and Industry

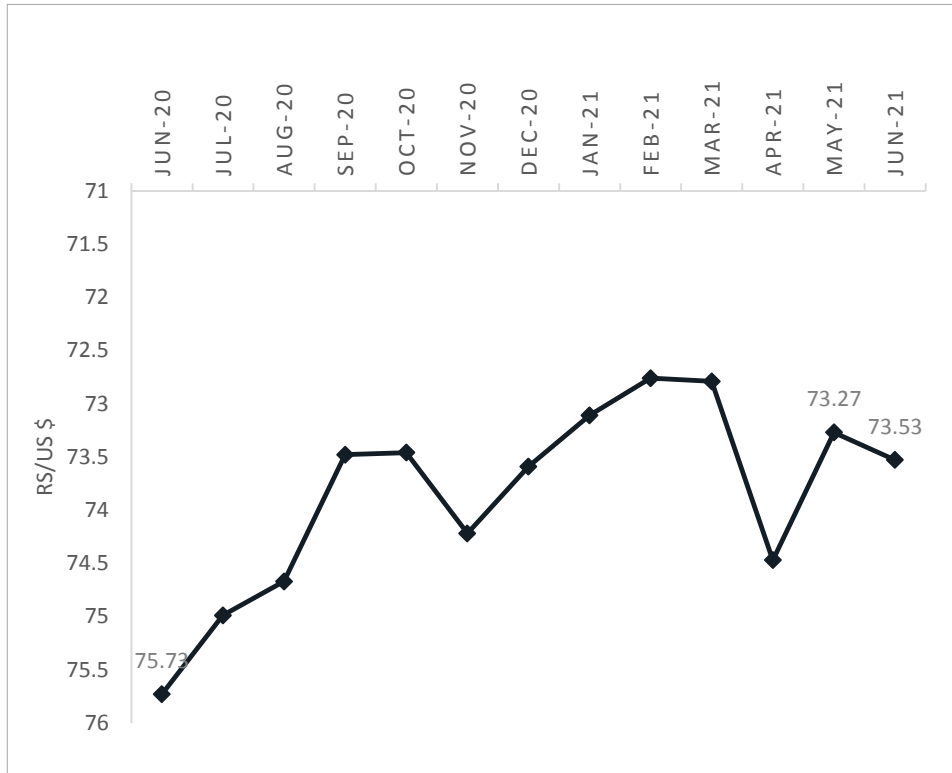
Current account deficit widened to -1% in Q4 FY21 from -0.3% in the previous quarter



Source: CMIE Note: + surplus/ -deficit

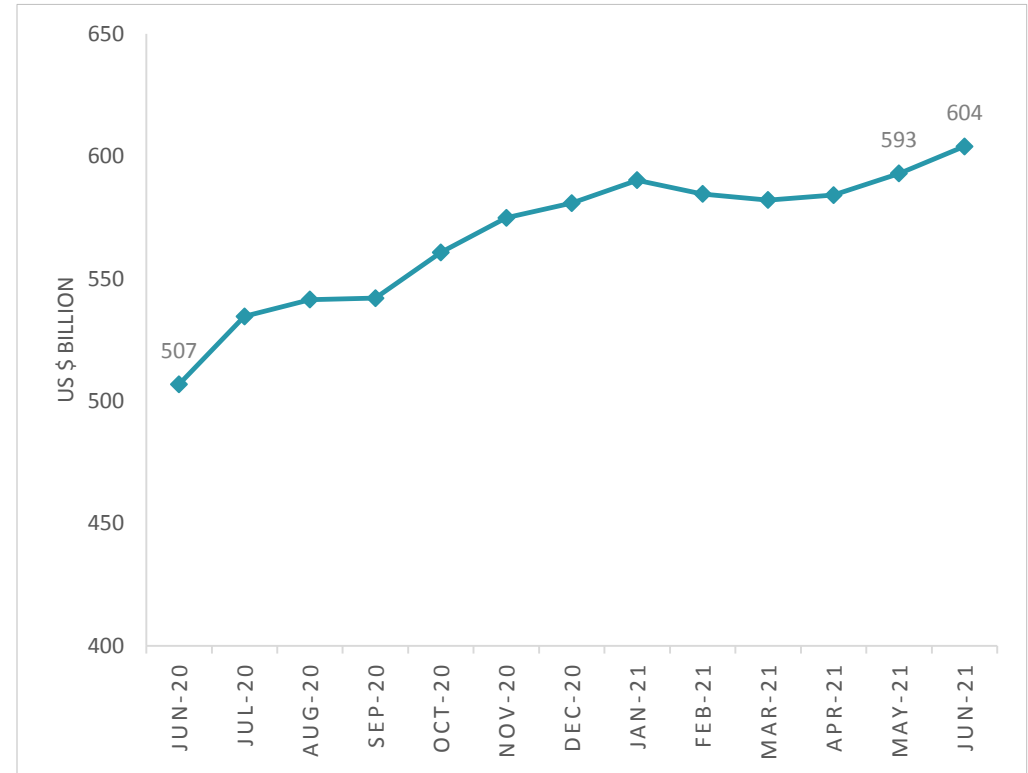
Rupee weakens, Forex reserves soar to record highs

Rupee weakened against the US dollar to Rs. 73.53 in June'21



Source: CMIE

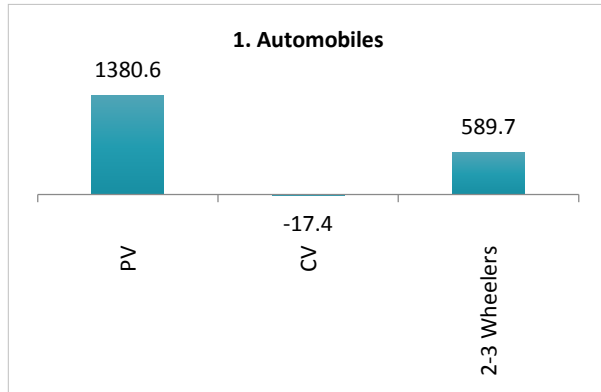
India's forex reserves scaled a record high of USD 604 billion in June'21



Source: RBI (Data till June 18, 2021)

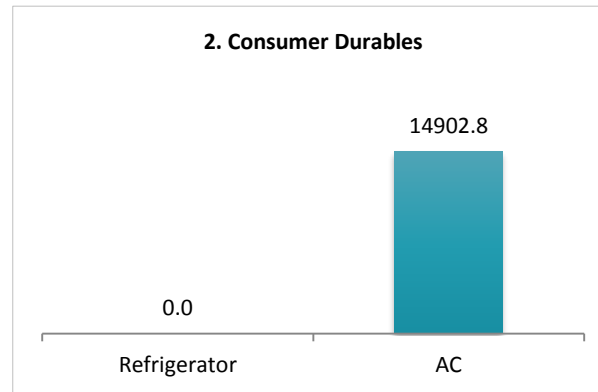
Base effect leads to deceptive growth rates in several industries

Manufacturing- Chart 1, 2 and 3: Operational Indicators of major manufacturing industries on a y-o-y basis (Unit: %)



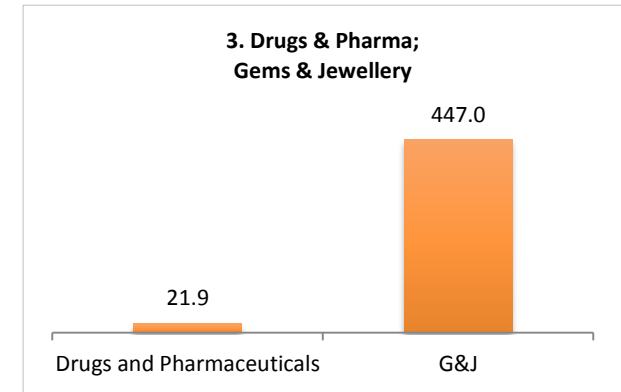
Note: Production of PV and 2-3 Wheelers is April-May and CV is April-March

Source: CMIE



Note: Air Conditioner production is during April and Refrigerator production is not comparable for the month of April due to nil production in April 2020

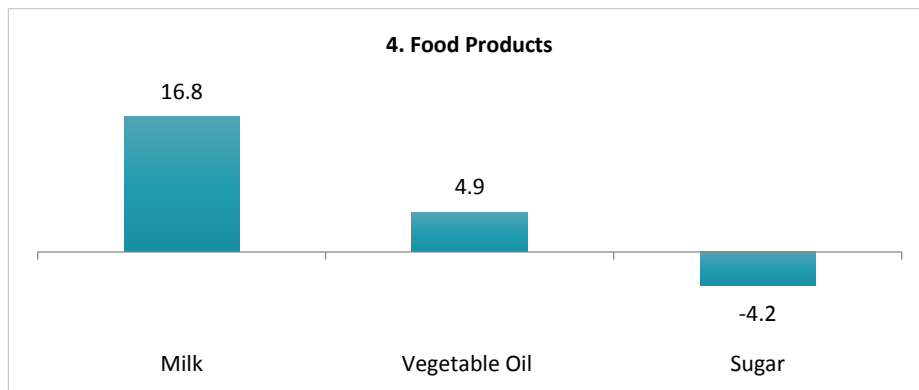
Source: CMIE



Note: Exports of Drugs and Pharmaceuticals is during April and Exports of G&J is April-May

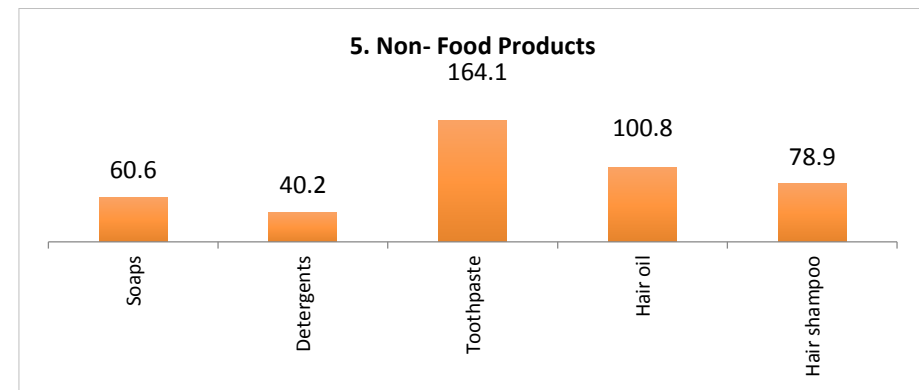
Source: CMIE, GJEPC

FMCG- Chart 4 and 5: Cumulative Production on a y-o-y basis (Unit: %)



Note: Vegetable Oil Production is November-April; Milk and Sugar Production is during April

Source: CMIE

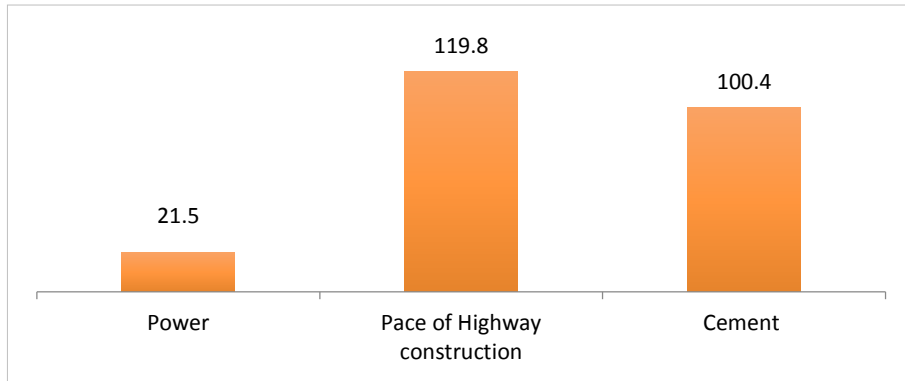


Note: Non Food Products Production is during April

Source: CMIE

Low base plays around with growth rates

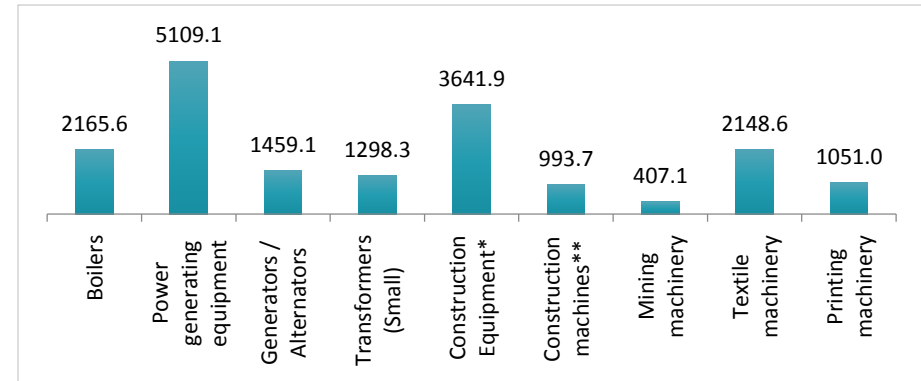
Infrastructure and Infra-Allied - Chart 6: Cumulative Operational Indicators on a y-o-y basis (Unit: %)



Note: The above chart denotes growth in Power Generation, Pace of Construction of National Highways and Cement production in April-May

Source: Office of the Economic Adviser, Ministry of Roads and Highways

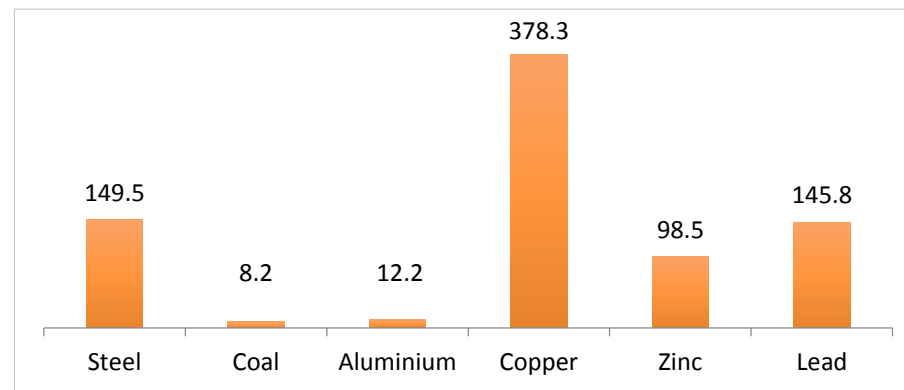
Capital Goods - Chart 7: Industrial Production: Components of Capital Goods Index (Unit: %)



Note: Production of Capital goods is during April; * includes Material handling, lifting and hoisting equipment; ** incl. bull-dozers and road rollers

Source: CMIE

Metal - Chart 8: Cumulative Production on a y-o-y basis (Unit: %)

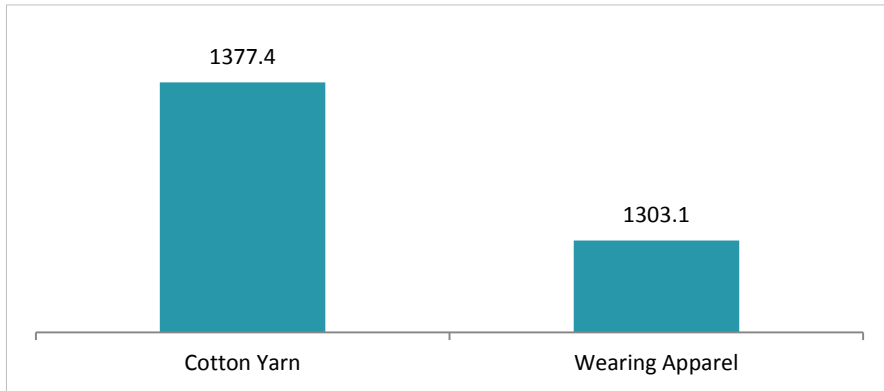


Note: The above chart denotes growth in production of Steel and Coal during April-May and Aluminium, Copper, Zinc and Lead during April

Source: Ministry of Mines, Office of the Economic Advisor

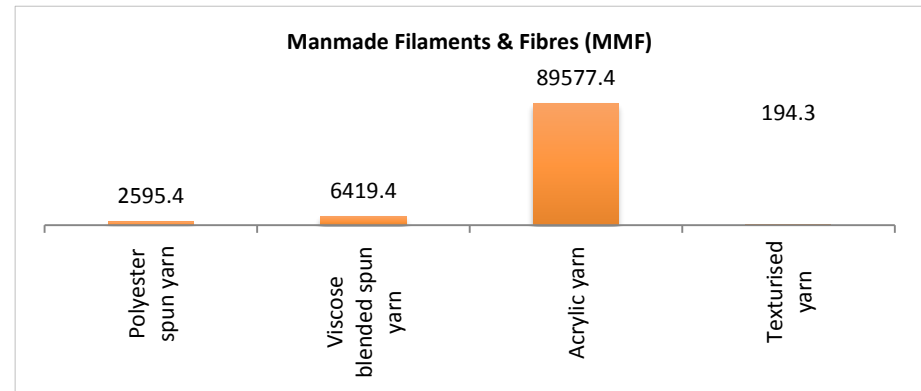
Textiles weave a story of abnormal growth rates

Textiles - Chart 9 and 10: Operational Indicators of major manufacturing industries on a y-o-y basis (Unit: %)



Note: Production of Cotton yarn and Wearing Apparel (IIP) is during April

Source: CMIE

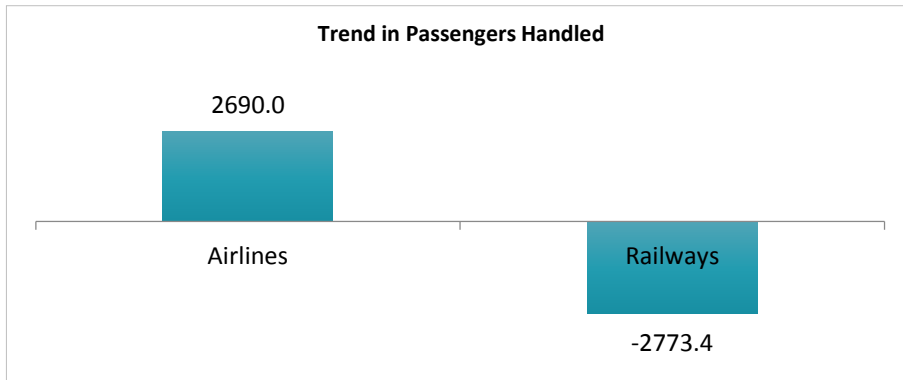


Note: Production of MMF is during April

Source: CMIE

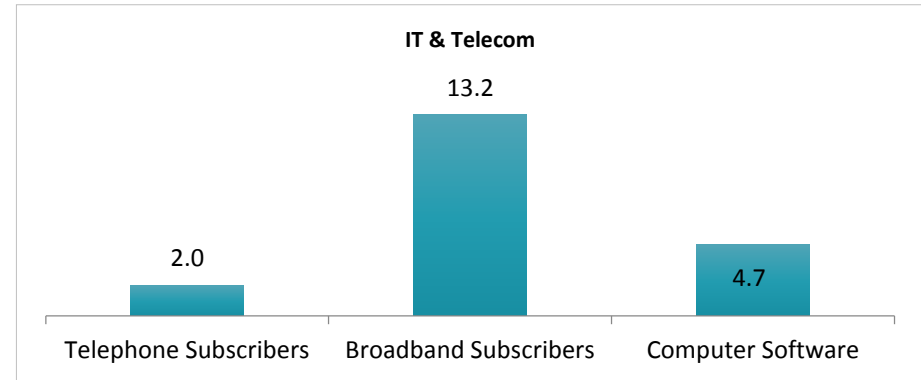
Services & freight record positive growth

Services - Chart 8 and 9: Operational Indicators on various services on a y-o-y basis (Unit: %)



Note: Passengers carried by Scheduled Domestic Airlines is April-May; Number of passengers booked through railways is April

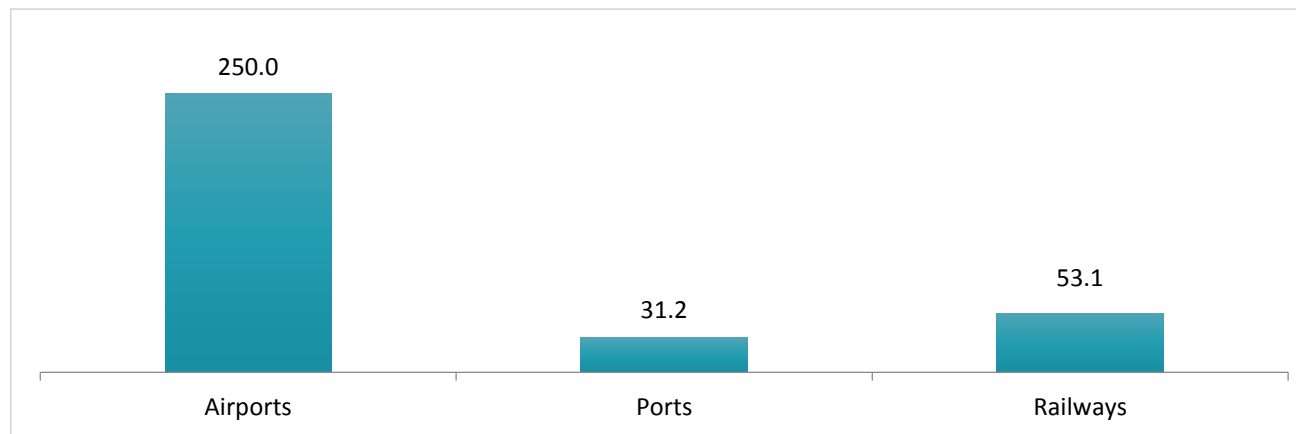
Source: Ministry of Railways, DGCA



Note: Telephone and Broadband subscribers is as on 31st March 2021; Exports in Computer Software is April-December

Source: TRAI, CMIE

Freight - Chart 10: Cumulative Cargo Handled on a y-o-y basis (Unit: %)

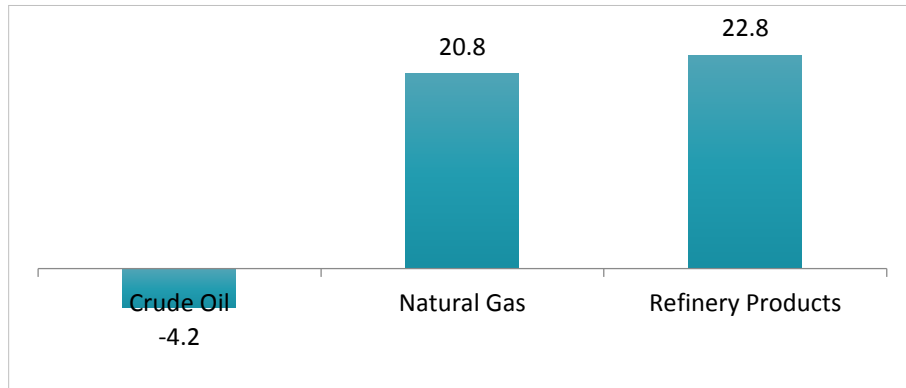


Note: The above chart denotes growth in Airports, Ports and Railways in April-May

Source: AAI, IPA, CMIE

Crude oil & fertilizers register negative growth

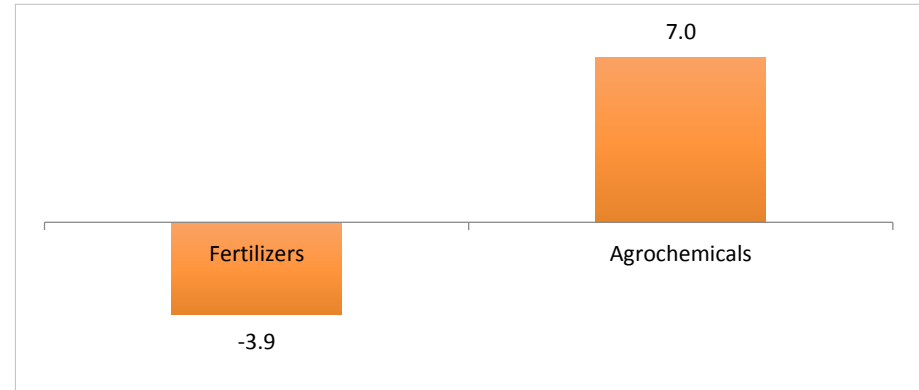
Oil & Gas - Chart 11: Cumulative Production on a y-o-y basis (Unit: %)



Note: The above chart denotes growth/de-growth in April-May

Source: MOPNG

Agri-Allied- Chart 12: Operational Indicators on a y-o-y basis (Unit: %)



Note: De-growth in production for fertilizers is in April-May, Exports of Agrochemicals is April-March

Source: Office of the Economic Adviser, Ministry of Commerce

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