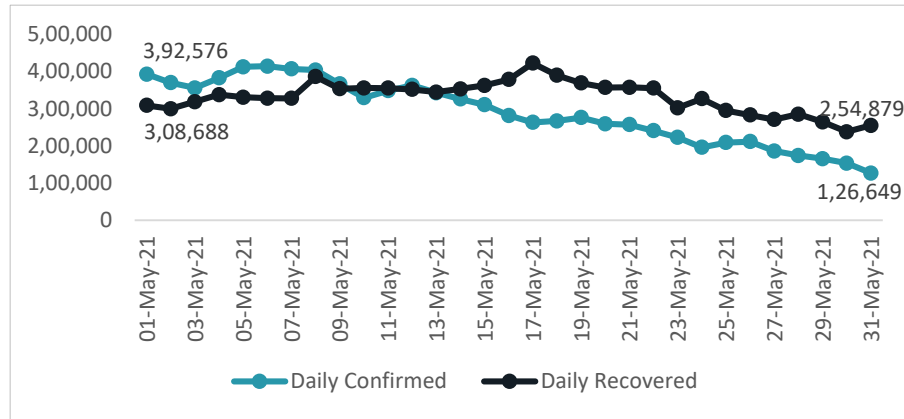


India: The economic pathway

May 2021

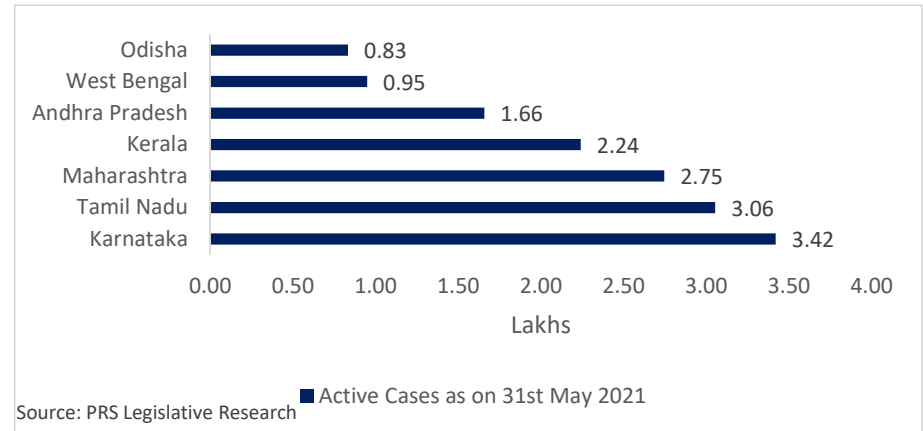
Pandemic progress: Is the worst really over?

Daily recoveries outpace the new coronavirus infections



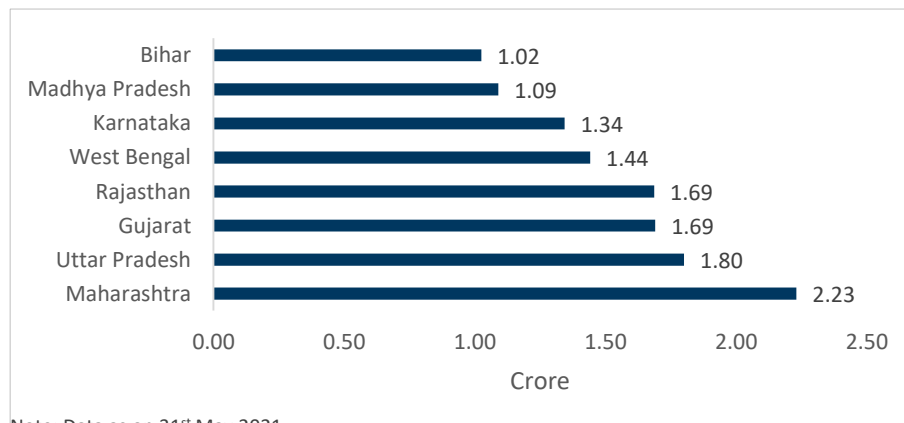
Source: Covid-19 India

Top 7 Indian states accounting for 74% of the total active caseload as on May 31, 2021



Source: PRS Legislative Research

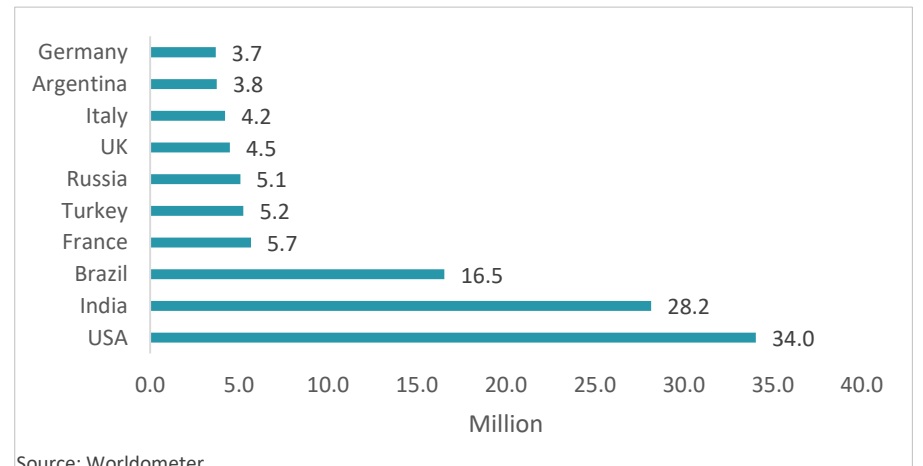
Cumulative Vaccination Progress Report: 8 States leading the way



Note: Data as on 31st May 2021

Source: Ministry of Health & Family Welfare

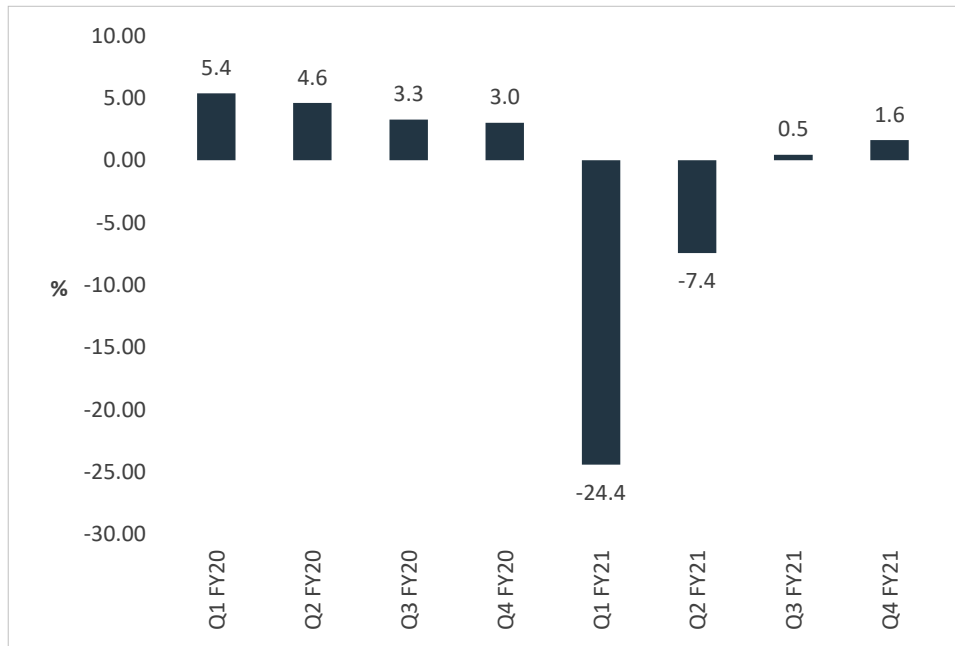
India at the second spot with 28.2 Million Covid-19 cases reported so far



Source: Worldometer

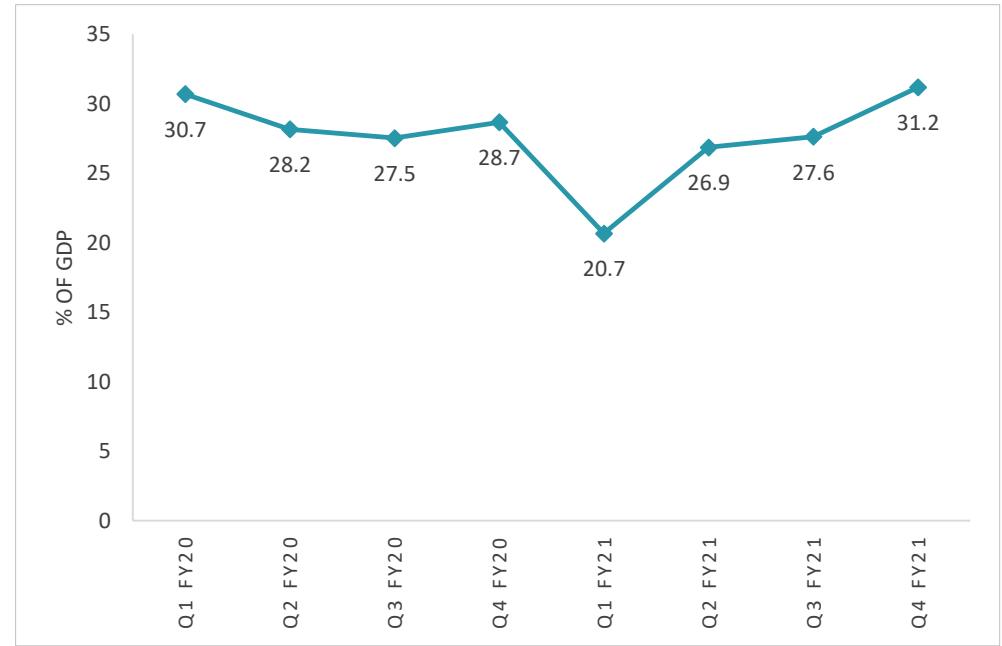
Economy witnesses sequential improvement in Q4-FY21

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



Source: MOSPI

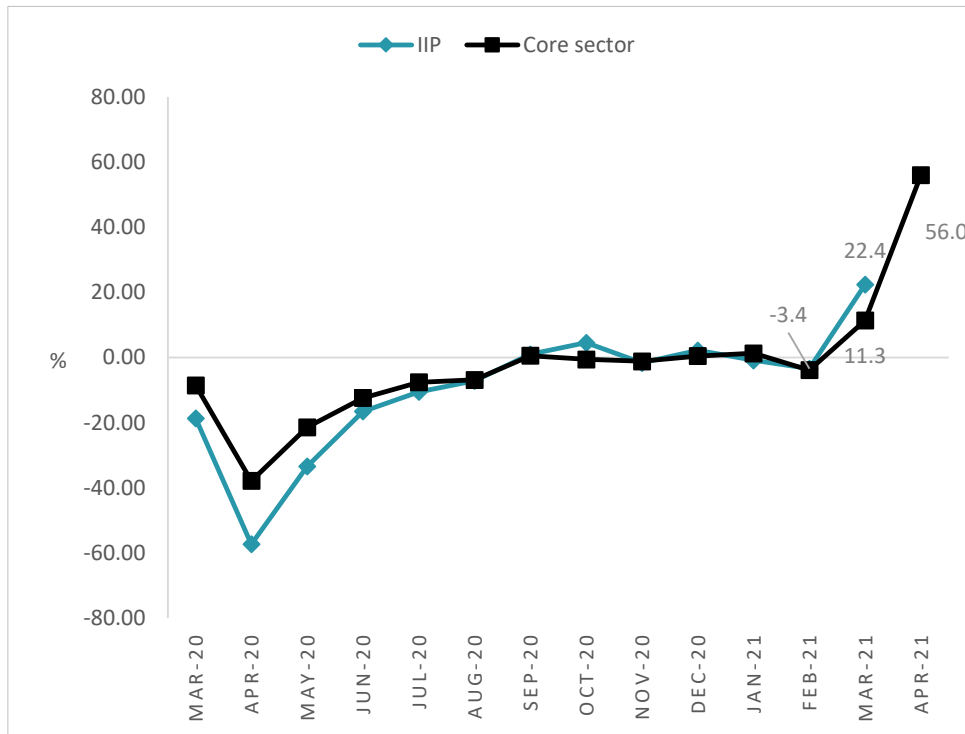
GFCF inched up to 31.2% in Q4-FY21 (Highest in twenty-six quarters)



Source: MOSPI

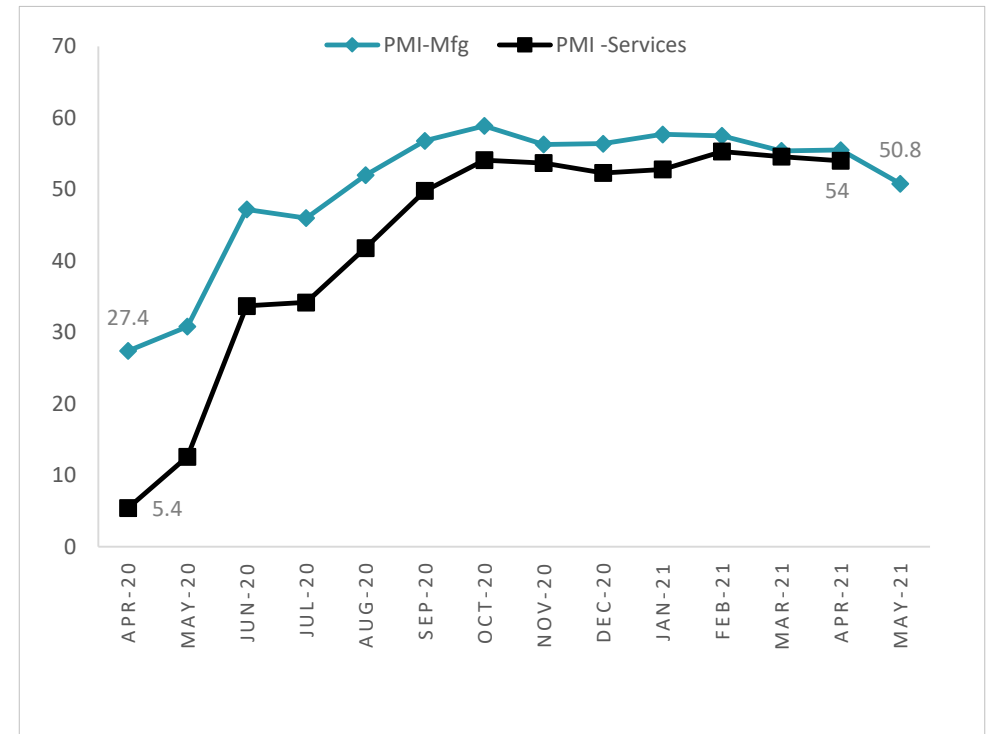
Base effect props up Manufacturing , PMIs not too encouraging

IIP rose by 22.4% in March 2021. (Fastest in the 2011-12 base series) Core output recorded double-digit growth of 56% in April 2021



Source: MOSPI

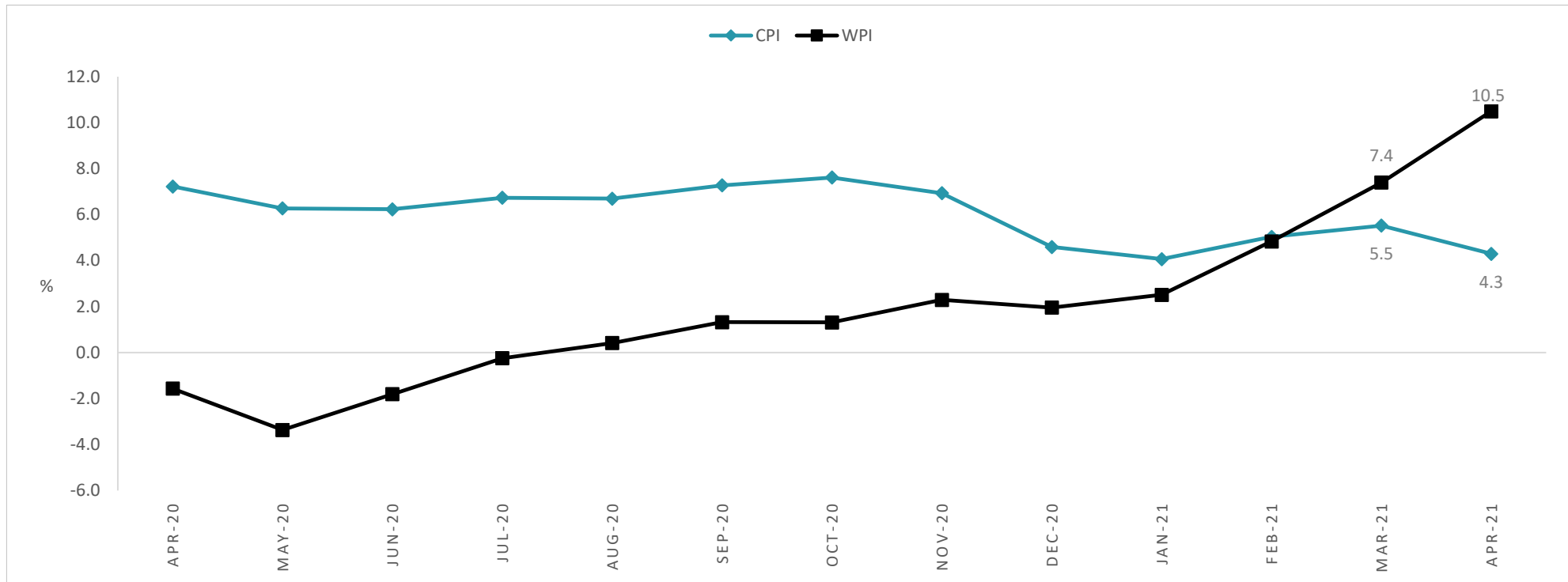
PMI-Manufacturing slumps to a 10-month low in May'21. PMI-Services retreats in April'21



Source: IHS markit

Inflationary pressures upward bound: producers gain while consumers lose

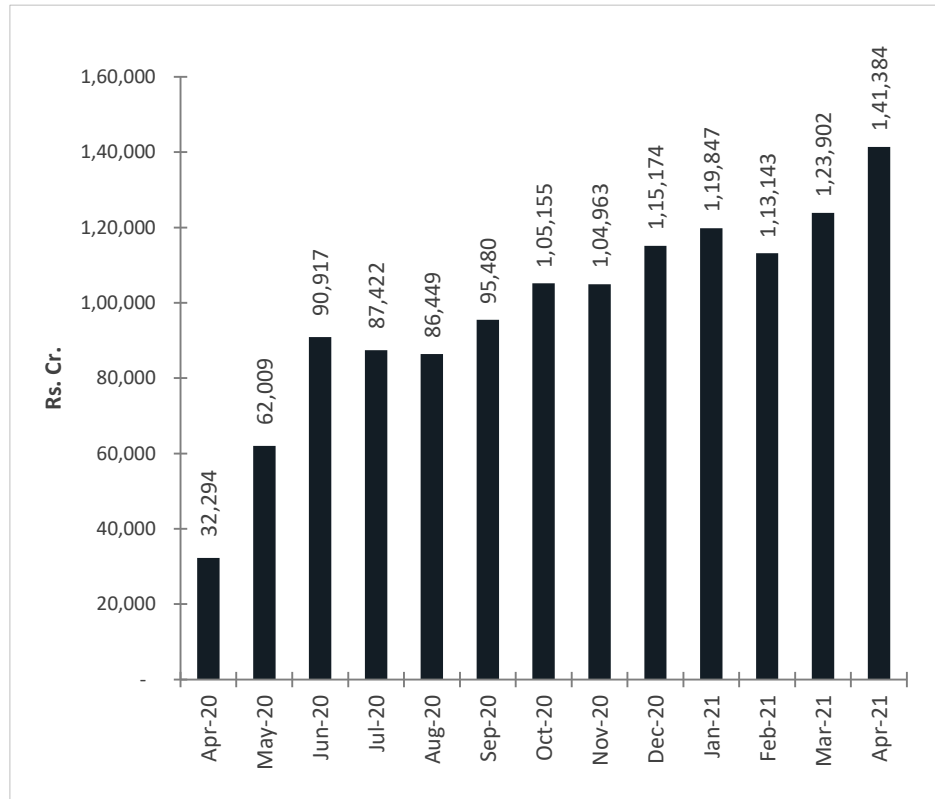
Wholesale inflation rose to 10.5% in April 2021 (Highest since 2012): Retail inflation cooled to 4.3% in April 2021



Source: MOSPI

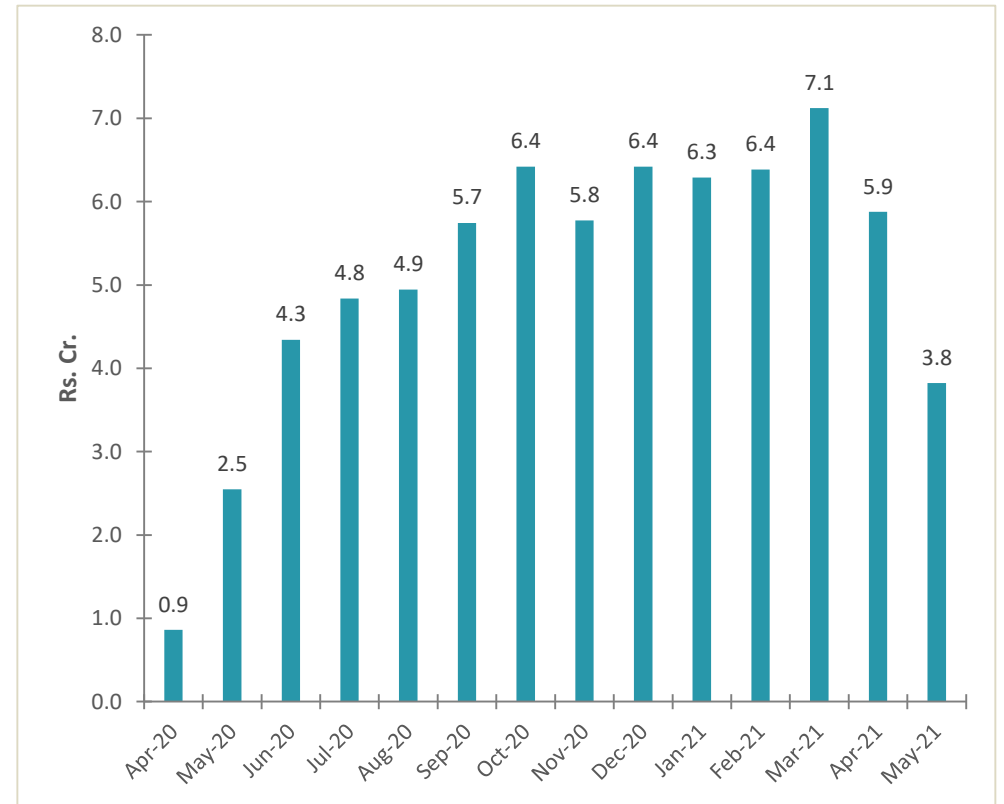
Lockdown effects: GST collections up in April, E-Way bills lower in April-May

GST Collections rose to Rs. 1,41,384 crore in April'21



Source: Ministry of Finance

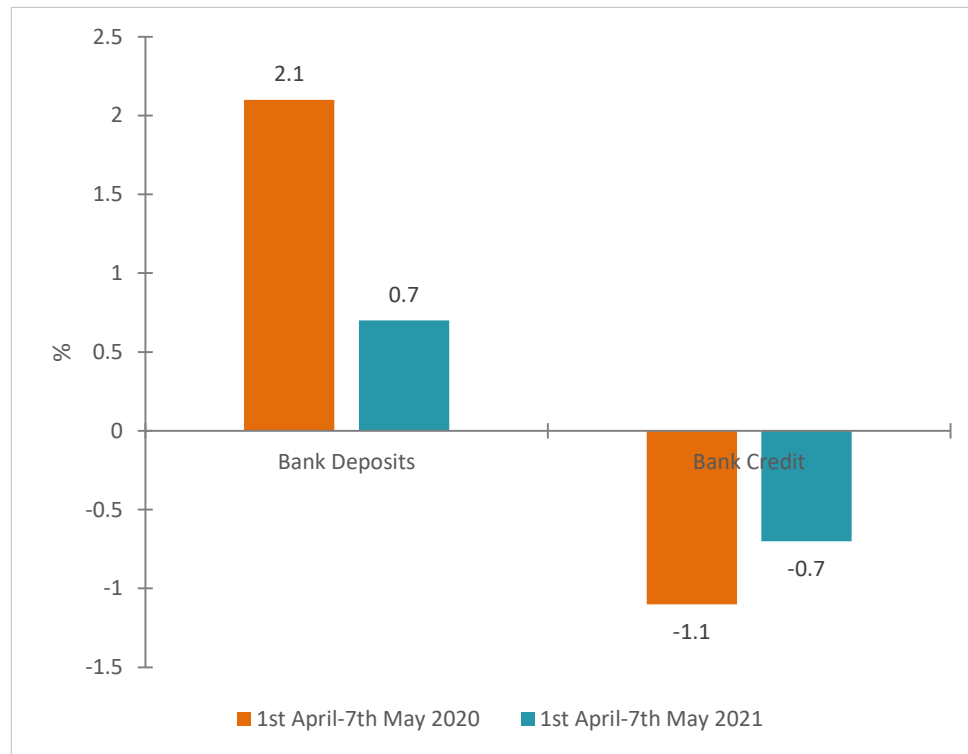
E-Way bills declined to Rs.3.8 crores in May'21



Source: GSTN

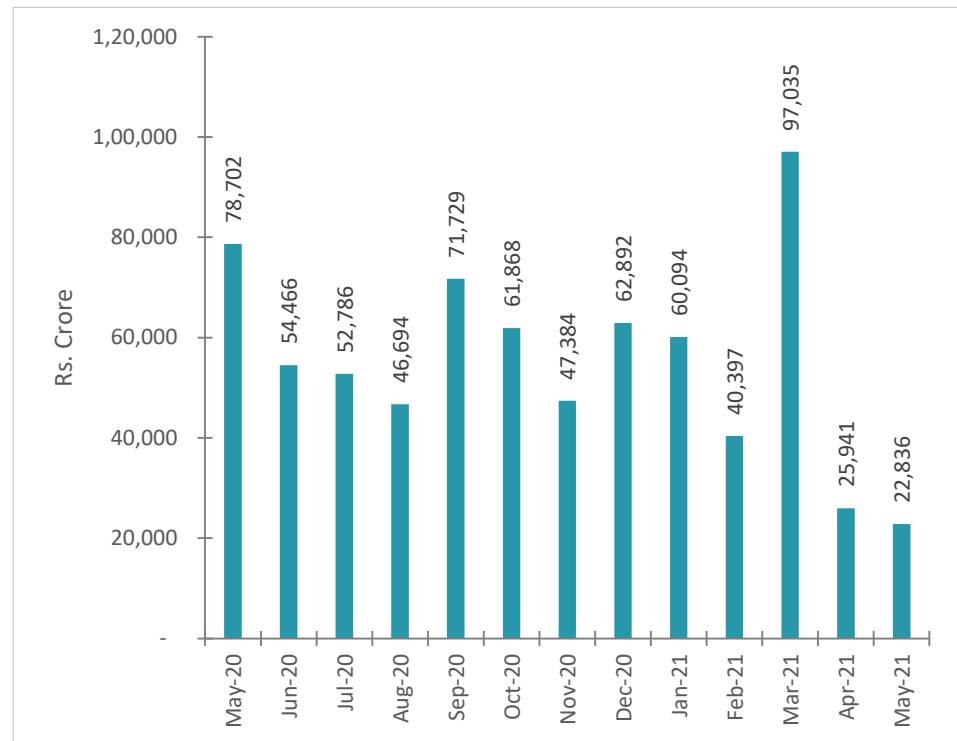
Debt and credit markets subdued this year

Bank deposits remain in the positive territory while Bank credit contracts in FY22



Source: RBI

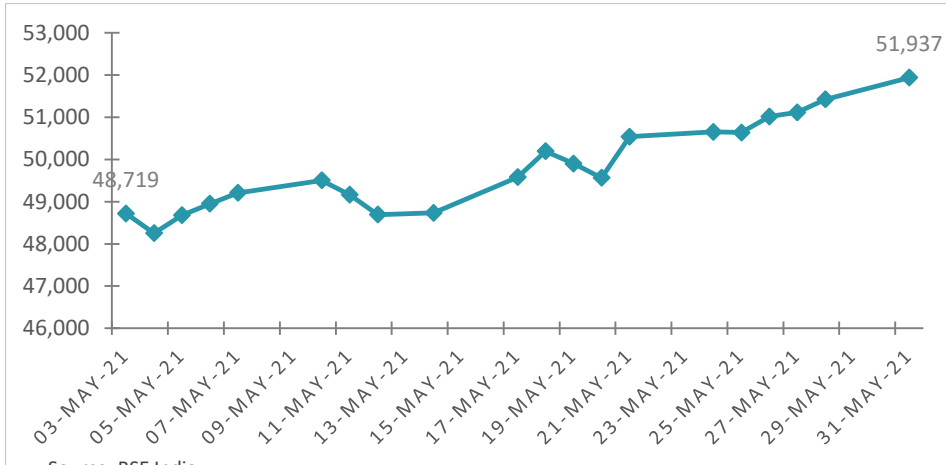
Corporate Bond issuances fell in May 2021



Source: Prime Database Note: (Data extracted on June 1, 2021)

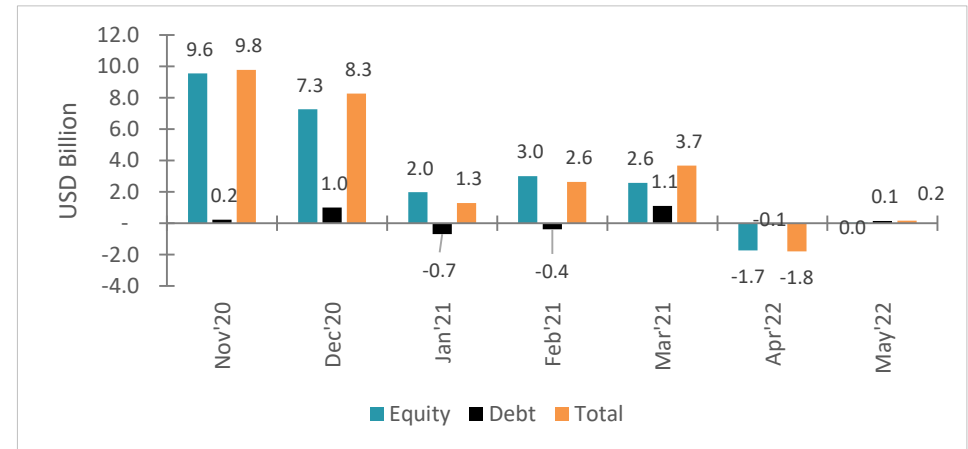
Equities rally, FPI inflows rise & G-sec yields soften

Equity markets rallied during the month with Sensex ending close to the 52,000-mark



Source: BSE India

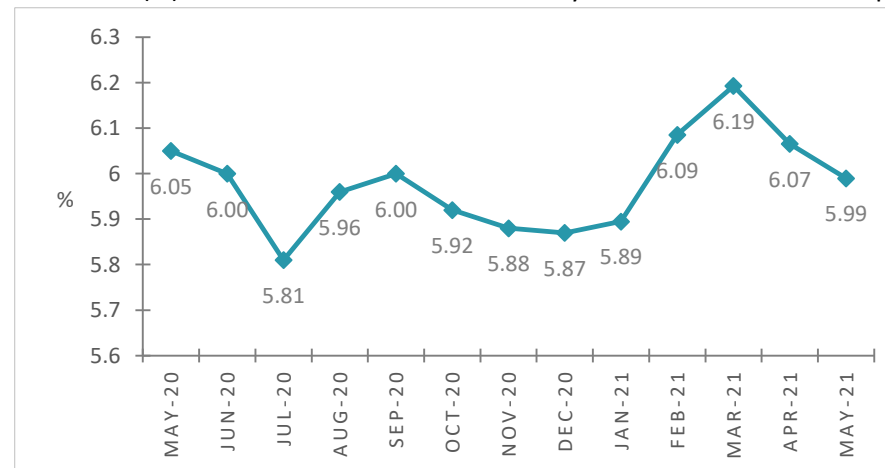
Net FPI flows turn marginally positive during May 2021



Note: Data till May 28, 2021

Source: NSDL

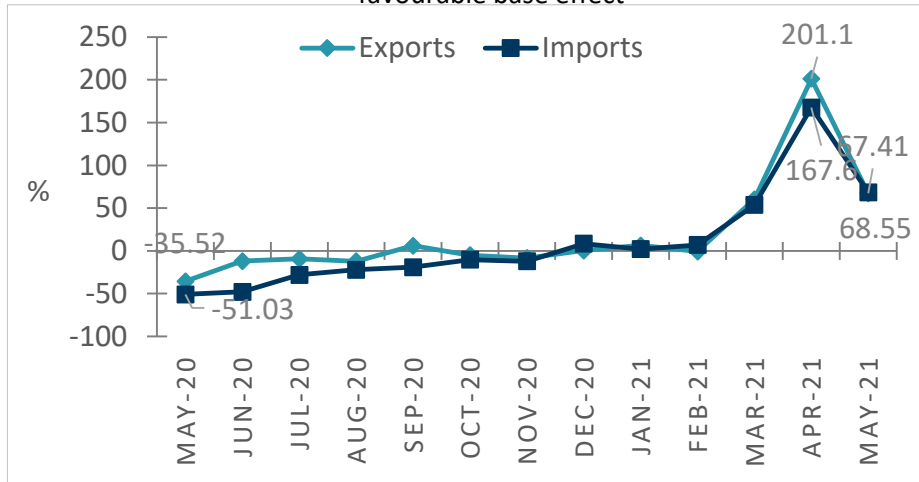
10-year G-Sec Yield (%) softened further to 5.99% in May 2021 from 6.07% in the previous month



Source: FIMMDA; Average for December has been computed based on the new benchmark GSec 5.85%

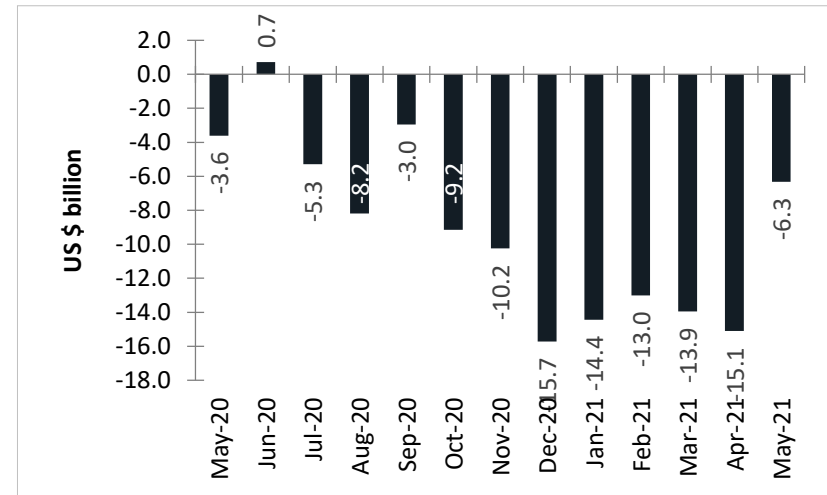
Exports & Imports soar, Trade deficit narrows

Exports & Imports witnessed double-digit growth in May'21 owing to a favourable base effect



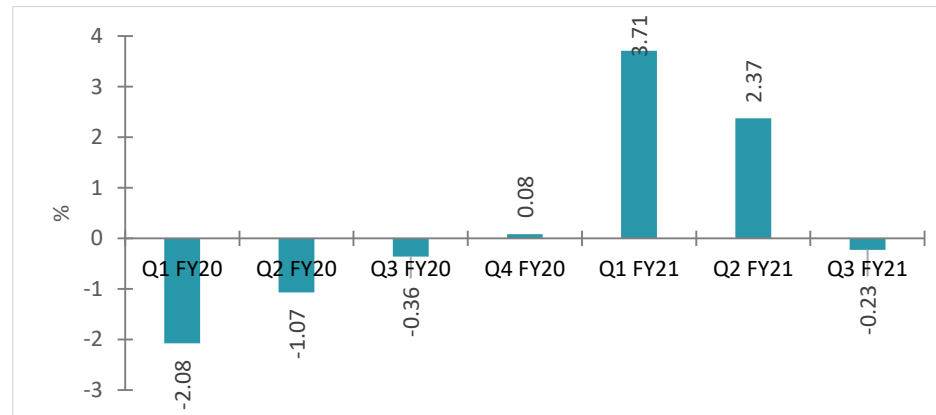
Source: Ministry of Commerce and Industry

Trade Deficit narrowed to USD 6.3 billion during May 2021



Source: Ministry of Commerce and Industry

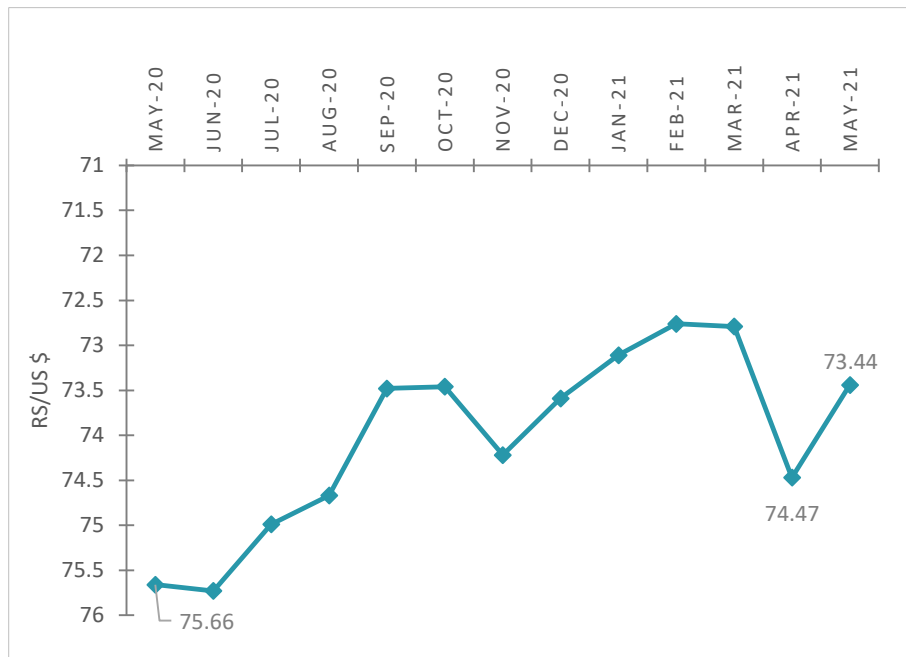
Current Account Balance turned negative in Q3-2021



Note: + surplus/ - deficit
Source: CMIE

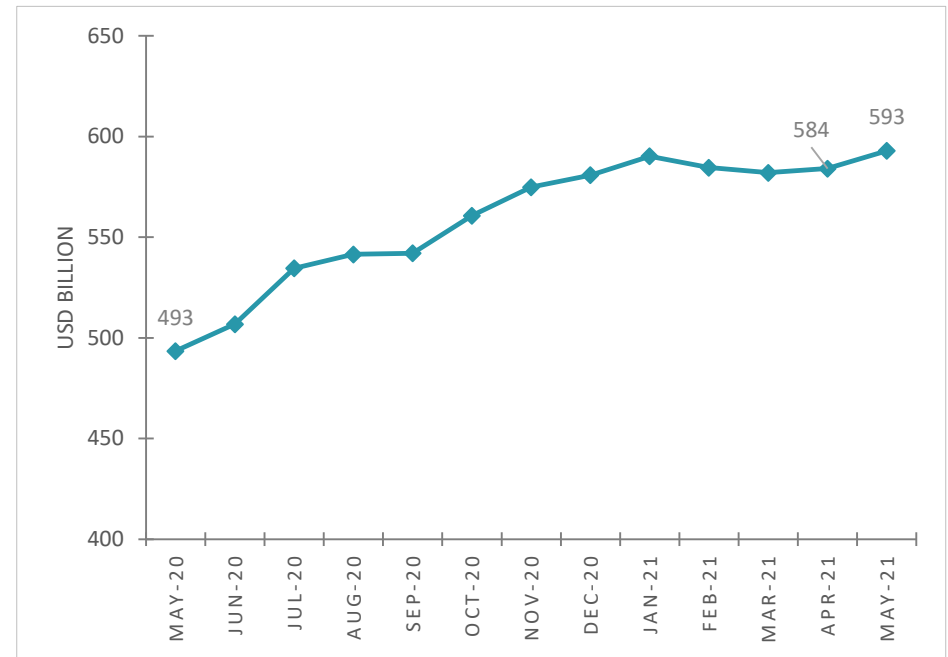
Rupee gains, Forex reserves swell

Currency strengthened by Rs 1.09 paise to Rs. 73.44 against the US Dollar



Source: CMIE

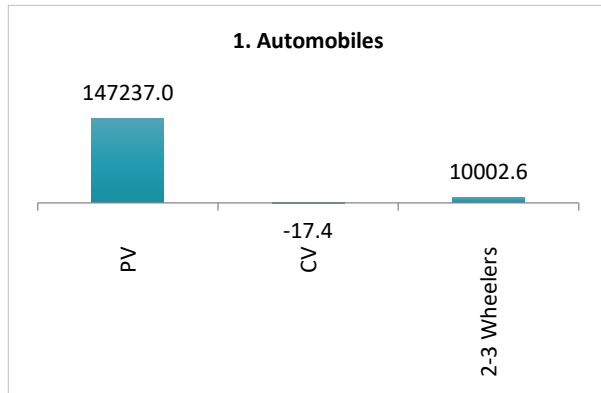
India's foreign exchange reserves rose to USD 593 Billion in May 2021



Source: RBI (Data till May 21, 2021)

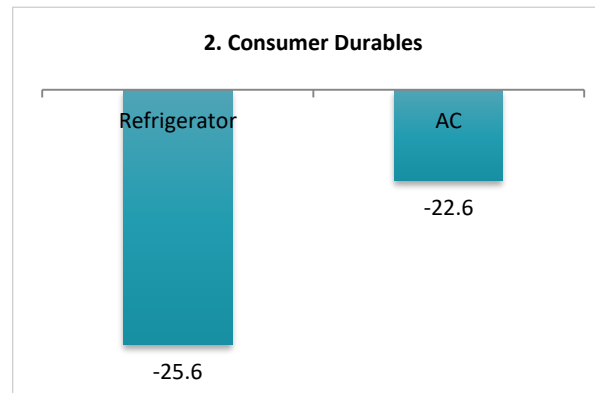
Base effects tell on growth in several industries

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



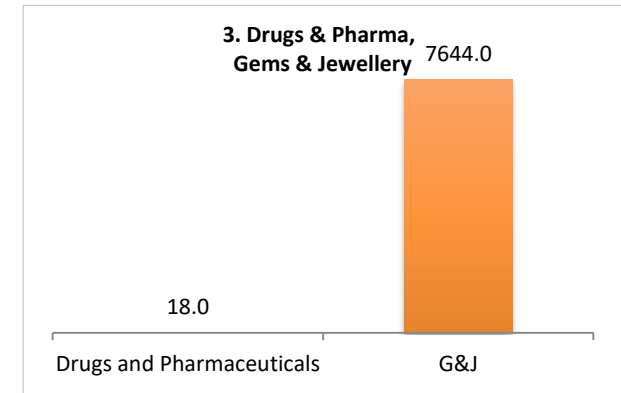
Note: Production of PV and 2-3 Wheelers is for the month of April and CV is April-March

Source: CMIE



Note: Air Conditioner and Refrigerator production is April-March

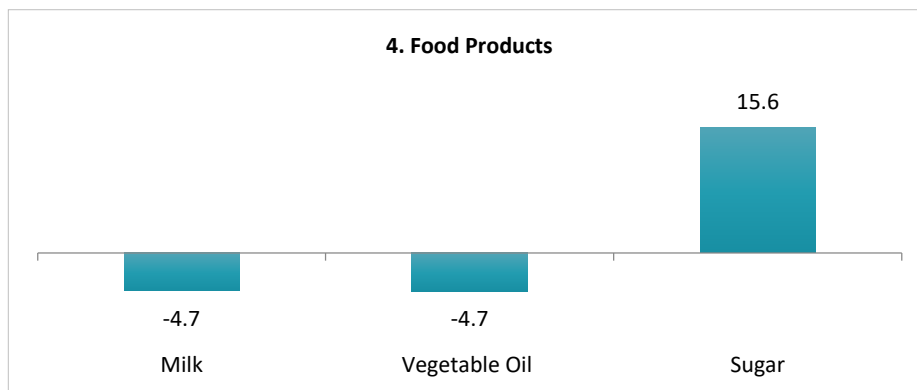
Source: CMIE



Note: Exports of Drugs and Pharmaceuticals is April-March and Exports of G&J is for the month of April

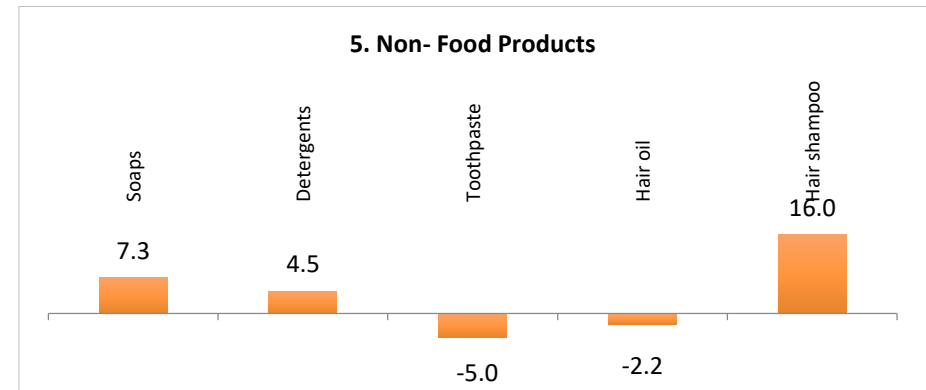
Source: CMIE, GJEPC

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



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

Source: CMIE

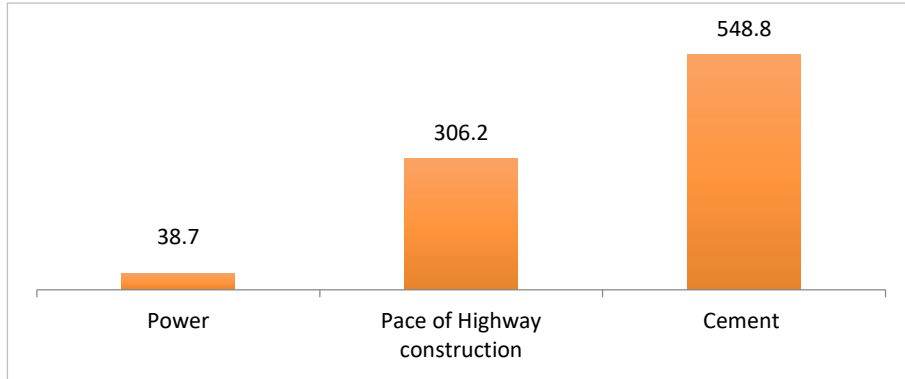


Note: Non Food Products Production is April-March

Source: CMIE

Curious case of abnormal growth in infra & metals and degrowth in capital goods

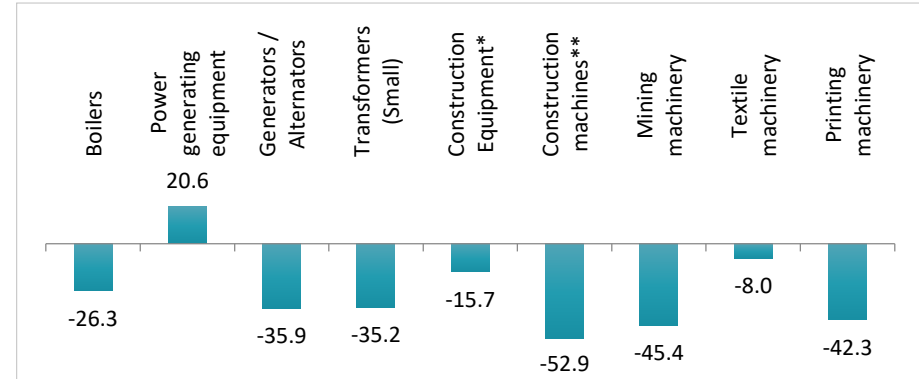
Infrastructure and Infra-Allied - Chart 6: Cumulative Operational Indicators on a y-o-y basis (Unit: %)



Note: The above chart denotes growth in Power Generation, Pace of Construction of National Highways and Cement Production in the month of April

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

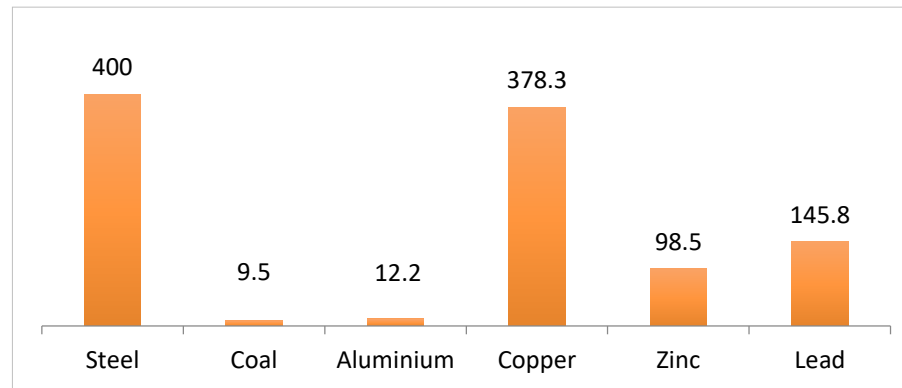
Capital Goods - Chart 7: Industrial Production: Components of Capital Goods Index (Unit: %)



Note: Production of Capital goods is during April-March; * 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: %)

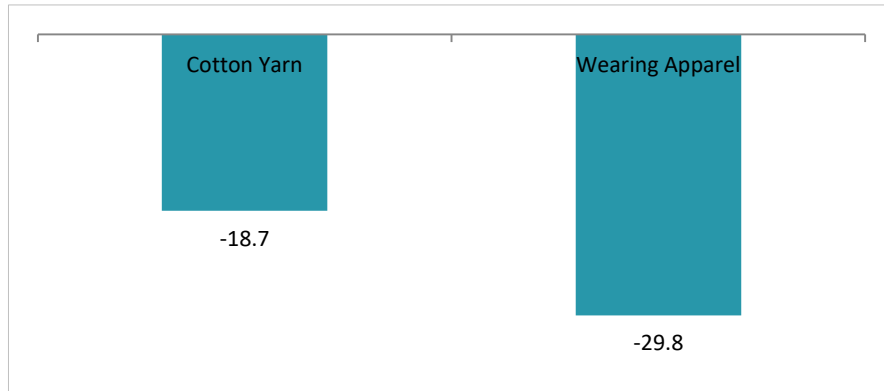


Note: The above chart denotes growth for the month of April

Source: Ministry of Mines, Office of the Economic advisor

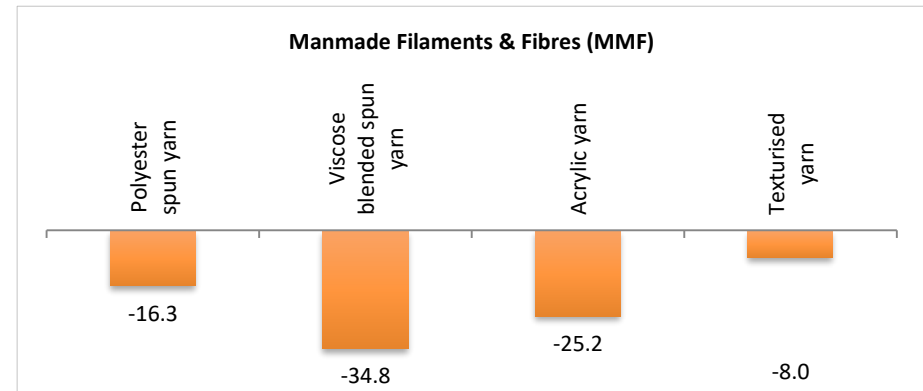
Textiles continued to witness negative growth rate

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 April-March

Source: CMIE

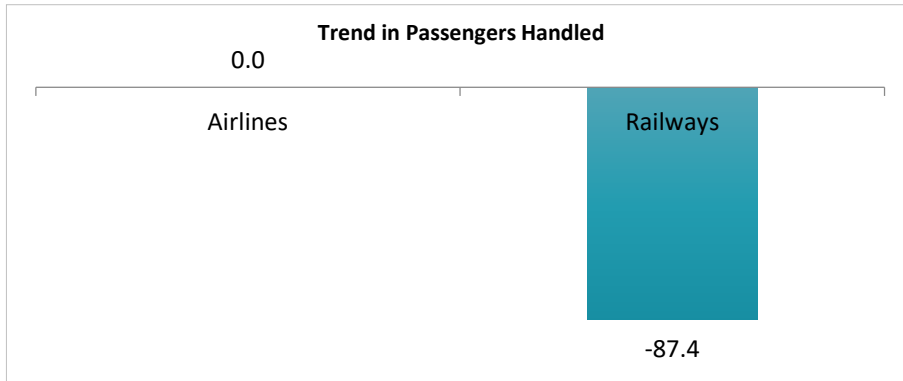


Note: Production of MMF is April-March

Source: CMIE

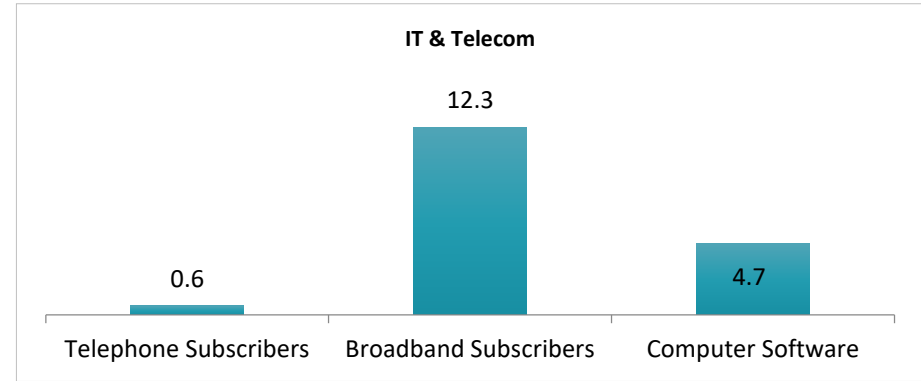
Passengers & cargo handled de-grew or recorded marginal positive growth

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 not comparable for the month of April due to nil passengers carried in April 2020; Number of passengers booked through railways is April-February

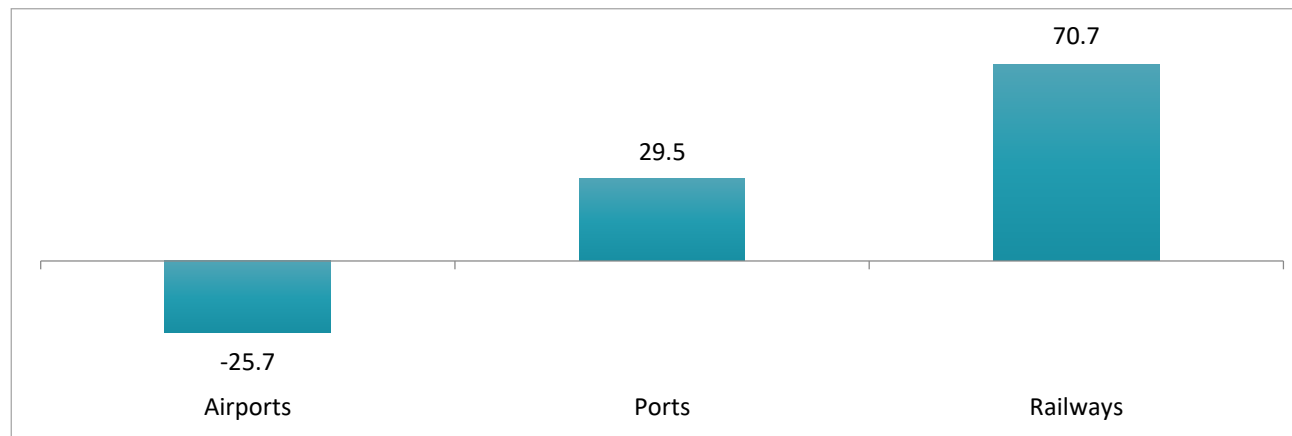
Source: Ministry of Railways, DGCA



Note: Telephone and Broadband subscribers is as on 28th February 2021; Exports in Computer Software is April-December

Source: TRAI, CMIE

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

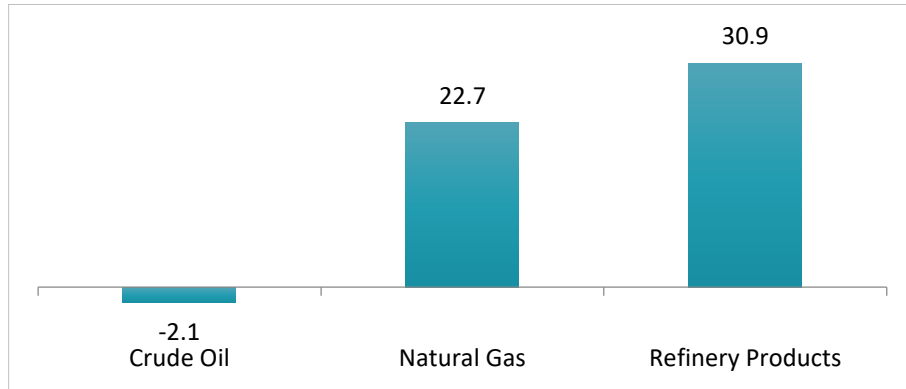


Note: The above chart denotes growth/de-growth in Airports during April-March and Ports, Railways for the month of April

Source: AAI, IPA, Ministry of Railways

Oil & Gas and Chemicals record positive growth rates

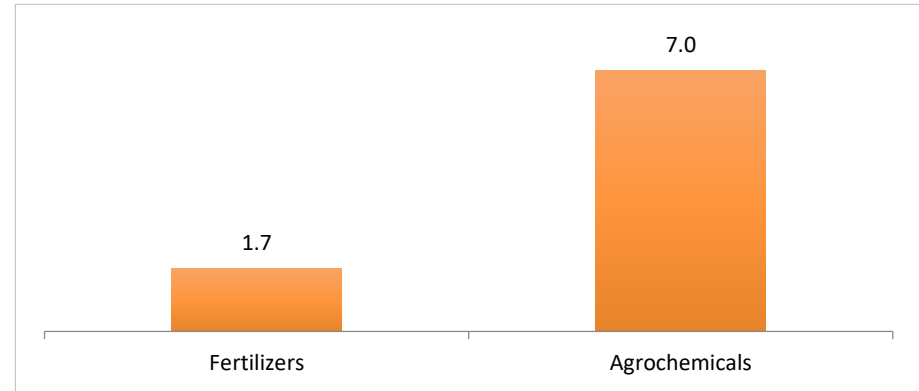
Oil & Gas - Chart 11: Cumulative Production on a y-o-y basis (Unit: %)



Note: The above chart denotes growth/de-growth in the month of April

Source: MOPNG

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



Note: Production of Fertilizers is for the month of April, Exports of Agrochemicals is April-March

Source: Office of the Economic Adviser, Ministry of Commerce

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