

Economic activity grew in double-digits in Jun'21

Expect real GDP growth of ~20% YoY in 1QFY22

- Our in-house Economic Activity Index (EAI) for India's real GVA (called EAI-GVA) grew in double-digits (11.6% YoY) in Jun'21, after growing 38.1%/22.8% YoY in Apr'21/May'21 (after adjusting for a few components). It implies EAI-GVA growth of 22.6% YoY in 1QFY22, following a contraction of 14.4% YoY in 1QFY21. A low base led to higher double-digit growth in the non-Farm sector (up 25.7% YoY in 1QFY22), while Farm activity grew 6.6% in the quarter.
- Just like EAI-GVA, EAI-GDP was also supported largely by a low base. Although EAI-GDP grew by a modest 3.6% YoY in Jun'21 as against 62.8%/11.6% YoY in Apr'21/May'21, it increased by 23% YoY in 1QFY22 as against a contraction of 21.2% YoY in 1QFY21. While private consumption/investments grew by 18%/49% YoY in 1QFY22, government revenue spending contracted in real terms in the quarter.
- Data for Jul'21 indicates that a recovery is on its way. Manufacturing PMI picked up strongly, merchandise exports were at a record high, Power generation grew faster, and there was a strong recovery in e-way registrations and toll collections in Jul'21. It confirms that the reopening has had an improving effect on the Indian economy, and will sustain for a few more months, unless India is hit by the much-feared third COVID wave.
- Our in-house estimates suggest that India's real GVA/GDP growth was ~20% YoY in 1QFY22, which is in line with our expectations. Notwithstanding the double-digit growth in 1QFY22 (primarily supported by a base effect), the real GDP growth would slow towards 5-7% in the remaining quarters of FY22.

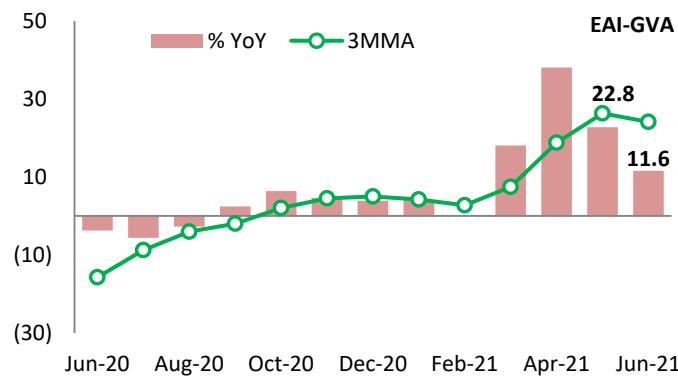
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Preliminary estimates indicate India's EAI for GVA posted lower double-digit growth of 11.6% YoY in Jun'21, after growing 38.1%/22.8% YoY in Apr'21/May'21

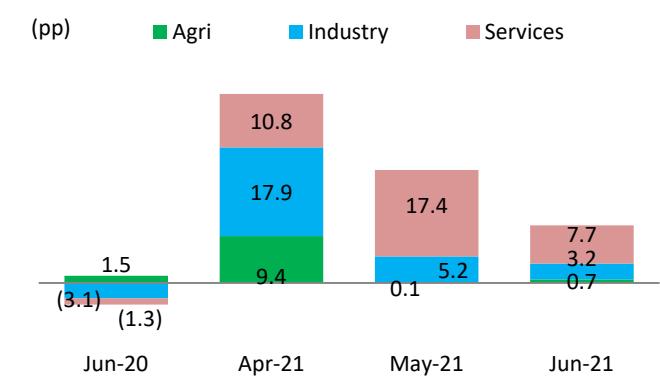
- **EAI-GVA grew 11.6%/22.6% YoY in Jun'21/1QFY22...:** Preliminary estimates indicate India's EAI for GVA posted lower double-digit growth (11.6% YoY) in Jun'21, after growing 38.1%/22.8% YoY in Apr'21/May'21. It implies EAI-GVA growth of 22.6% YoY in 1QFY22, following a contraction of 14.4% YoY in 1QFY21. A low base led to higher double-digit growth in the non-Farm sector (up 25.7% YoY in 1QFY22), while Farm activity grew 6.6% in the quarter (*Exhibits 1 and 2*).
- **...and EAI-GDP also grew 23% YoY in 1QFY22:** Although EAI-GDP grew by a modest 3.6% YoY in Jun'21 as against 62.8%/11.6% YoY in Apr'21/May'21, it increased by 23% YoY in 1QFY22 as against a contraction of 21.2% YoY in 1QFY21. While private consumption/investments grew by 18%/49% YoY in 1QFY22, government revenue spending contracted in real terms in the quarter (*Exhibits 3 and 4*).

Exhibit 1: India's EAI-GVA up 11.6% YoY in Jun'21...



Please refer to our earlier [report](#) for details

Exhibit 2: ...supported by a favorable base



Source: Various national sources, CEIC, MOFSL

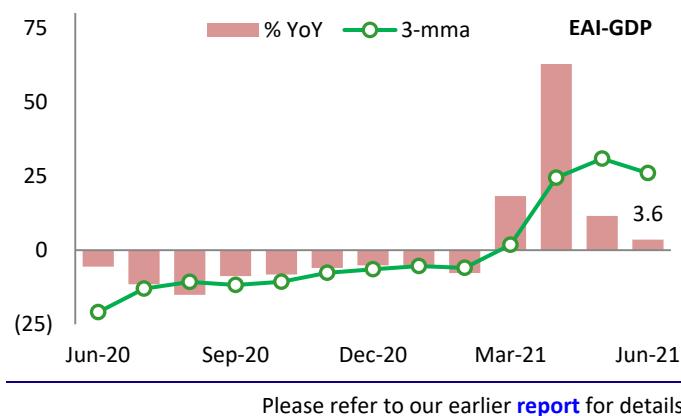
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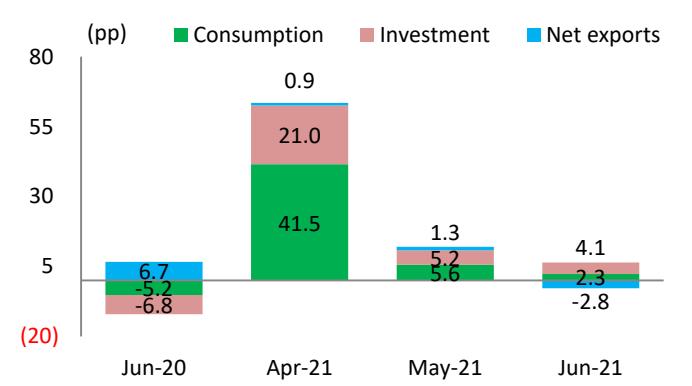
Exhibit 3: EAI-GDP, however, up only 3.6% YoY in Jun'21...

Please refer to our earlier [report](#) for details

While fiscal spending contracted by 8.6% YoY in Jun'21, passenger traffic and consumption imports held up overall Consumption in Jun'21

India's real GVA could grow ~20% YoY in 1QFY22

Exhibit 4: ...led by higher growth in investments



Contribution of various components to EAI-GDP
Source: Various national sources, CEIC, MOFSL

- **Investment grew more than a fifth in Jun'21...:** According to our estimates, Investments grew 21.1% YoY in Jun'21 v/s a contraction of 26% YoY witnessed in Jun'20 and a growth of 25% YoY in May'21 (Exhibit 6). Within Investments, while government capex grew sharply (48.6% YoY) in Jun'21, other indicators such as electricity generation, Auto sales and imports of Capital Goods drove Investments higher on a low base. (refer Exhibit 11 for the heat map).
- **...and government consumption expenditure actually contracted in Jun'21:** Total Consumption grew only 3.2% YoY in Jun'21, despite a low base of -6.9% YoY in Jun'20 (Exhibit 5). While the core revenue spending of the government contracted by 8.6% YoY in Jun'21, passenger traffic and consumption imports held up overall Consumption in Jun'21 (refer Exhibit 12 for heat map). Imports have been growing faster than exports in Jun'21, due to which the external sector deducted 2.8pp from EAI-GDP growth.
- **Non-Farm sector grew modestly, while Farm activity remained robust in Jun'21:** Details of EAI-GVA suggest that while the Farm sector grew 4.6% YoY in Jun'21 as against 0.9% YoY in May'21, growth in the non-Farm sector stood lower at 12.9% YoY in Jun'21 compared to 27.3% YoY in May'21 (Exhibit 7,8). Lower expected Construction and Manufacturing activity, along with weakness in Financial Services and freight traffic, may lead to lower Industrial and Services sector growth within the non-Farm sector (refer Exhibit 13,14 for the heat map).
- **Strong recovery is visible in Jul'21 data:** Data for Jul'21 indicates that a recovery is on its way. Manufacturing PMI picked up strongly, merchandise exports were at a record high, Power generation grew faster, and there was a strong recovery in e-way registrations and toll collections in Jun'21. It confirms that the reopening has had an improving effect on the Indian economy, and will sustain for a few more months, unless India is hit by the much-feared third COVID wave (refer Exhibit 15 for the heat map).
- **Expect real GVA to grow ~20% YoY in 1QFY22:** Our in-house estimates suggest that India's real GVA/GDP growth was ~20% YoY in 1QFY22, which is in line with our expectations. Although there is no one-to-one correlation between our EAIs and the official GDP/GVA due to underlying differences, our composite indices move in sync with the official real GDP (ex-discrepancies) and real GVA estimates (Exhibit 9 and 10). Notwithstanding the double-digit growth in 1QFY22 (primarily supported by a base effect), the real GDP growth would slow towards 5-7% in the remaining quarters of FY22.

Exhibit 5: Consumption up only 3.2% YoY in Jun'21...

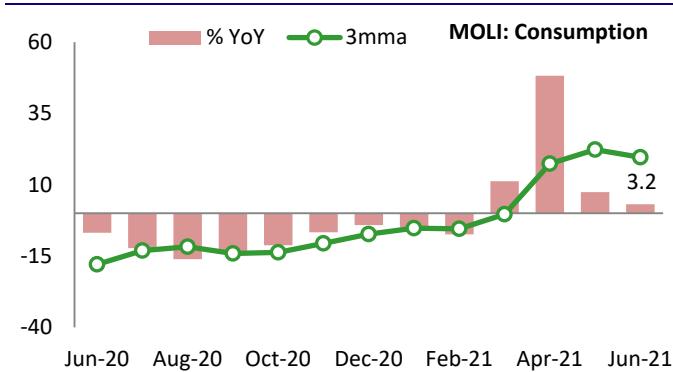


Exhibit 6: ...while Investments post very high growth

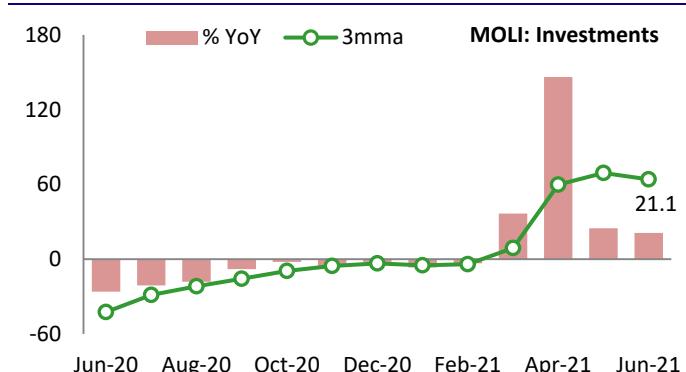


Exhibit 7: Industrial activity subdued in Jun'21...

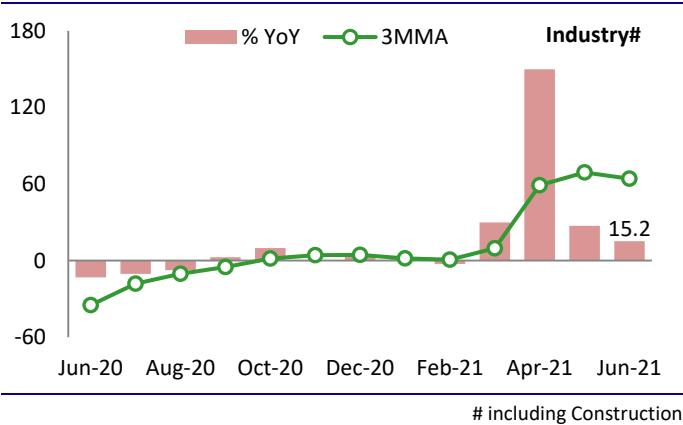


Exhibit 8: ...and so was the Services sector

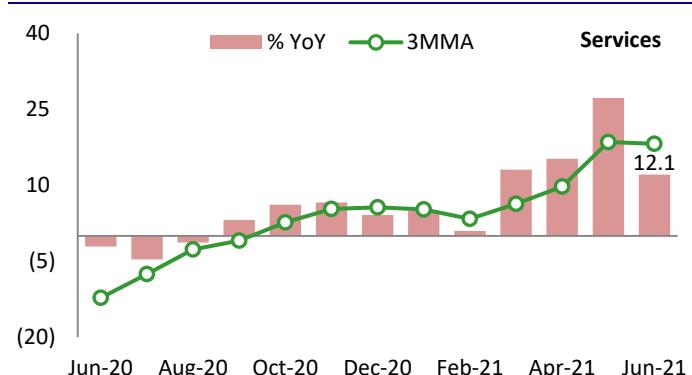
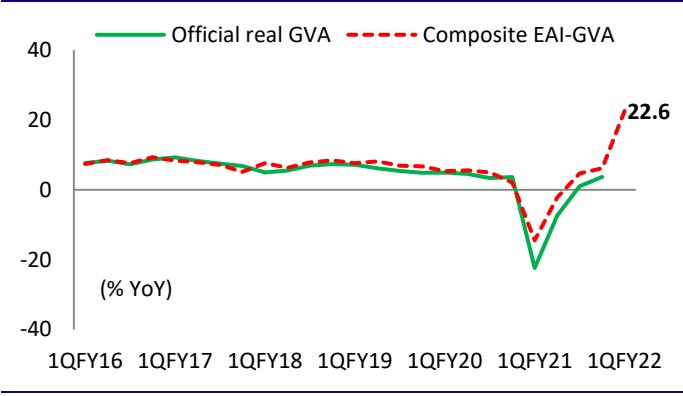
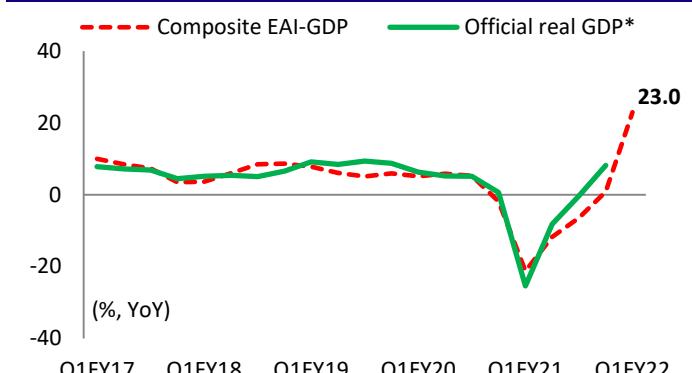


Exhibit 9: EAI-GVA moves in line with the official real GVA...



Source: CEIC, various official sources, MOSL

Exhibit 10: ...and linked with official real GDP* growth



*Excluding discrepancies

Exhibit 11: Key leading indicators for Consumption

YoY (%)	Passenger traffic ¹	Revenue spending ²	Petrol sales	Rural wages ³	Consumer durable: IIP	Currency	Auto sales ⁴	Imports ⁵	Foreign tourists arrival	Personal credit	Services PMI
Jun-20	(99.2)	97.7	(13.5)	2.4	6.9	20.6	(39.7)	(36.4)	(100.0)	10.4	33.7
Jul-20	(97.7)	24.4	(10.4)	1.9	1.8	22.2	(14.0)	(16.9)	(100.0)	11.2	34.2
Aug-20	(96.4)	(26.6)	(7.5)	0.3	(3.0)	23.2	4.2	(24.4)	(100.0)	10.6	41.8
Sep-20	(93.9)	(43.3)	3.3	(1.2)	2.4	22.7	13.3	(5.1)	(100.0)	9.2	49.8
Oct-20	(90.6)	(21.0)	4.5	(1.6)	7.3	20.3	16.5	0.9	(100.0)	9.3	54.1
Nov-20	(82.1)	46.0	5.1	(1.0)	(0.7)	22.2	12.1	6.5	(100.0)	10.0	53.7
Dec-20	(72.1)	29.4	9.4	2.0	1.9	22.2	8.5	25.7	(100.0)	9.5	52.3
Jan-21	(66.2)	26.6	6.3	2.9	(5.4)	21.5	7.3	15.6	(100.0)	9.1	52.8
Feb-21	(57.1)	(9.4)	(1.9)	2.6	(3.8)	20.8	11.4	18.6	(100.0)	9.6	55.3
Mar-21	(27.2)	68.9	27.1	2.8	31.2	16.6	78.4	65.1	(59.8)	10.2	54.6
Apr-21	n/a	(45.9)	145.3	0.7	94.9	15.2	n/a	133.1	n/a	12.6	54.0
May-21	n/a	47.0	12.5	(2.0)	0.8	13.5	40.7	47.6	n/a	12.4	46.4
Jun-21	n/a	(8.6)	5.6	(3.1) ⁶	(1.7) ⁶	12.3	14.9	110.9	n/a	11.9	41.2
YoY (%)	Passenger traffic ¹	Revenue spending ²	Petrol sales	Rural wages ³	Consumer durable: IIP	Currency	Auto sales ⁴	Imports ⁵	Foreign tourist arrivals	Personal credit	Services PMI
4QFY18	1.7	11.3	13.5	2.4	10.7	37.0	21.9	5.2	12.0	17.8	49.9
1QFY19	0.2	14.5	8.4	2.5	1.9	27.7	16.5	1.6	1.6	17.9	51.2
2QFY19	3.5	22.2	6.6	2.7	6.1	21.2	3.8	8.1	4.2	15.1	52.2
3QFY19	2.9	(9.3)	7.8	3.4	4.8	19.6	7.0	1.0	2.0	17.0	53.0
4QFY19	1.1	(3.8)	9.4	1.1	3.4	16.8	(8.0)	(1.1)	2.1	16.4	52.2
1QFY20	(0.5)	1.7	10.1	(1.1)	7.0	12.7	(13.0)	(1.2)	4.0	16.6	50.3
2QFY20	(1.8)	33.9	8.1	(1.9)	3.4	13.6	(22.0)	(2.3)	2.5	16.6	51.6
3QFY20	(1.1)	40.0	7.1	(4.7)	(1.9)	11.9	(13.6)	(5.0)	5.5	15.9	51.7
4QFY20	(12.3)	23.1	(1.2)	(4.9)	(7.7)	14.5	(25.0)	(11.0)	(23.3)	15.0	53.1
1QFY21	(100.2)	33.7	(35.9)	0.7	(16.9)	20.6	(74.8)	(38.3)	(100.0)	10.4	17.2
2QFY21	(96.0)	(19.9)	(5.1)	0.3	0.4	22.7	1.6	(15.6)	(100.0)	9.2	41.9
3QFY21	(81.7)	17.0	6.3	(0.2)	2.7	22.2	13.0	10.5	(100.0)	9.5	53.4
4QFY21	(53.5)	31.0	9.7	2.8	5.5	16.6	26.1	30.7	(95.0)	10.2	54.2
1QFY22	n/a	(12.8)	35.1	(1.5) ⁶	19.0 ⁶	12.3	108.2	92.3	n/a	11.9	47.2



Worse than the previous month and a year ago

Worse than the previous month, but better than a year ago

Better than the previous month, but worse than a year ago

Better than the previous month and the year ago

¹ Railways and Aviation

² Revenue spending *less* interest payments by the central government

³ Real rural wages deflated by CPI for rural workers

⁴ Includes Passenger Vehicles and Two-Wheelers

⁵ Imports of Agricultural items, Leather products, Newsprint and Electronic Goods, Textiles (excluding gold, silver, and precious metals)

⁶ Our forecasts

Exhibit 12: Key leading indicators for Investment

YoY (%)	Cargo traffic ¹	Electricity	Auto sales ^{2,6}	Diesel sales	Import of Capital Goods ³	Cement production	IIP: Non-Metallic products	IIP: Capital Goods	Industrial credit	Government capex ⁴	Manufacturing PMI
Jun-20	(10.2)	(10.0)	(71.1)	(15.5)	(42.1)	(6.8)	(10.0)	(37.4)	2.2	116.2	47.2
Jul-20	(7.9)	(2.4)	(59.0)	(19.5)	(37.7)	(13.5)	(14.5)	(22.8)	0.8	(47.1)	46.0
Aug-20	(1.6)	(1.8)	(48.2)	(20.7)	(42.0)	(14.5)	(12.5)	(14.4)	0.5	(20.9)	52.0
Sep-20	8.9	4.8	(39.5)	(5.9)	(29.2)	(3.4)	(7.5)	(1.2)	(0.0)	(38.9)	56.8
Oct-20	9.1	11.2	(32.2)	7.5	(23.8)	3.2	3.4	3.2	(1.7)	129.5	58.9
Nov-20	6.7	3.5	(26.7)	(6.9)	(10.0)	(7.3)	(3.8)	(7.5)	(0.7)	248.5	56.3
Dec-20	7.1	5.1	(27.0)	(2.7)	0.6	(7.2)	(4.8)	2.2	(1.2)	62.7	56.4
Jan-21	7.0	5.5	(31.9)	(1.9)	(13.7)	(5.8)	(6.1)	(9.0)	(1.3)	335.1	57.7
Feb-21	4.2	0.2	(9.0)	(8.4)	(5.4)	0.2	(6.8)	(4.2)	(0.2)	16.9	57.5
Mar-21	22.8	22.5	188.7	27.8	17.9	32.7	30.4	48.3	0.4	(36.8)	55.4
Apr-21	53.4	38.5	1544.1	105.4	127.3	582.7	637.3	1042.9	0.4	66.5	55.4
May-21	36.9	7.3	51.0	0.8	36.5	7.9	18.6	85.3	0.8	(41.1)	50.8
Jun-21	20.2	7.4	49.8	(1.5)	83.8	4.3	13.2 ⁵	41.1 ⁵	(0.3)	46.8	48.1

YoY (%)	Cargo traffic ¹	Electricity	Auto sales ^{2,6}	Diesel sales	Import of Capital Goods ³	Cement production	IIP: Non-Metallic products	IIP: Capital Goods	Industrial credit	Government capex ⁴	Manufacturing PMI
4QFY18	5.9	6.1	49.3	9.4	17.2	18.5	13.9	7.5	0.9	(75.4)	51.8
1QFY19	5.5	4.8	52.6	3.7	22.8	16.3	12.2	8.6	1.1	27.3	52.0
2QFY19	5.1	7.5	26.3	2.8	28.3	12.5	8.8	6.6	1.5	(3.1)	52.1
3QFY19	4.2	6.9	0.7	2.0	16.0	12.9	8.1	5.4	4.0	(45.5)	53.4
4QFY19	3.0	1.4	(3.2)	3.5	0.1	11.7	5.2	(7.5)	5.9	268.1	53.6
1QFY20	2.3	7.3	(8.6)	2.2	(6.1)	1.0	(1.2)	(3.6)	6.6	(27.6)	52.2
2QFY20	(1.8)	0.6	(22.6)	(0.1)	(11.8)	0.2	(0.0)	(16.6)	4.2	64.6	51.8
3QFY20	(0.6)	(5.9)	(7.6)	0.5	(15.0)	0.6	(2.0)	(16.9)	2.4	38.2	51.5
4QFY20	(1.3)	1.7	(40.4)	(7.1)	0.8	(5.0)	(4.2)	(18.3)	1.3	(16.0)	53.9
1QFY21	(20.8)	(15.8)	(84.6)	(33.3)	(43.0)	(38.3)	(41.6)	(64.8)	1.9	40.1	35.1
2QFY21	(0.5)	0.1	(48.6)	(15.7)	(36.4)	(10.6)	(11.6)	(12.8)	0.4	(37.7)	51.6
3QFY21	7.6	6.7	(28.8)	(1.1)	(10.8)	(4.0)	(1.9)	(0.7)	(1.2)	110.5	57.2
4QFY21	11.3	9.2	8.7	4.3	(1.9)	7.3	4.1	8.0	(0.3)	44.7	56.9
1QFY22	35.5	16.4	142.0	22.5	75.5	52.7	63.8 ⁵	121.8 ⁵	0.3	26.3	51.4


 Worse than the previous month and a year ago

Worse than the previous month, but better than a year ago

Better than the previous month, but worse than a year ago

Better than the previous month and the year ago

¹ Railways and waterways

³ Machinery and equipment, transport equipment, machine tools, and project goods

⁵ Our forecasts

⁶ Data for total CV sales starting Apr'20 derived using CV sales of Ashok Leyland, Eicher Motors, Mahindra & Mahindra, and Tata Motors. The four companies account for ~98% of all CV sales

² Includes Commercial Vehicles and Three-Wheelers

⁴ Capital spending by the central government

Exhibit 13: Key indicators used in the creation of EAI-GVA on a monthly basis

YoY (%)	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Agriculture and allied activities													
IIP: Fertilizer	4.2	6.9	7.3	(0.3)	6.3	1.6	(2.9)	0.8	(3.7)	(7.1)	3.9	(9.6)	2.0
Domestic Tractor sales	20.2	35.9	64.8	26.7	9.0	48.3	41.2	47.5	30.4	170.4	480.8	(2.4)	22.1
Real rural wages ¹	2.4	1.9	0.3	(1.2)	(1.6)	(1.0)	2.0	2.9	2.6	2.8	0.7	(2.0) ⁸	(3.1) ⁸
Reservoir levels	115.7	71.5	3.6	1.4	(3.6)	(6.9)	(9.6)	(8.5)	(8.2)	(18.5)	(17.0)	(12.4)	(2.0)
Agriculture sector	10.8	10.4	10.0	5.3	3.3	7.3	6.3	7.3	5.2	19.9	54.5	0.9	4.6
Industrial sector													
Coal	(15.5)	(5.7)	3.6	21.0	11.7	3.3	2.2	(1.9)	(4.4)	0.3	9.5	6.9	7.4
Crude oil	(6.0)	(4.9)	(6.3)	(6.0)	(6.2)	(4.9)	(3.6)	(4.6)	(3.2)	(3.1)	(2.1)	(6.3)	(1.9)
Natural gas	(12.0)	(10.2)	(9.5)	(10.6)	(8.6)	(9.3)	(7.2)	(2.1)	(1.0)	12.3	25.0	20.1	20.6
IIP: Mining	(19.5)	(12.7)	(8.7)	1.4	(1.0)	(5.4)	(3.0)	(2.4)	(4.4)	5.9	36.3	23.3	22.5 ⁸
Mining	(12.6)	(6.7)	(4.3)	2.9	0.7	(1.8)	0.6	0.7	0.7	9.2	28.0	17.4	20.7
Electricity	(10.0)	(2.4)	(1.8)	4.8	11.2	3.5	5.1	5.5	0.2	22.5	38.5	7.3	7.4
IIP: Manufacturing	(17.0)	(11.4)	(7.6)	0.4	4.5	(1.6)	2.7	(0.9)	(3.4)	28.3	197.9	34.5	17.6 ⁸
Credit growth ²	4.1	1.1	0.1	(1.3)	(3.0)	(2.9)	(3.1)	(3.7)	(4.8)	(6.9)	(9.3)	(10.8)	(11.0)
Fuel consumption	(9.8)	(16.7)	(18.7)	(3.9)	9.2	(3.5)	(2.2)	(1.9)	(6.5)	21.9	95.2	5.7	(0.6)
Manufacturing	(13.2)	(12.9)	(11.2)	1.4	10.5	0.0	3.7	1.2	(2.9)	33.2	189.3	29.4	14.3
Steel production	(23.2)	(6.5)	0.5	6.2	5.9	0.7	3.5	8.2	2.2	27.3	472.7	59.3	25.1
Cement output	(6.8)	(13.5)	(14.5)	(3.4)	3.2	(7.3)	(7.2)	(5.8)	0.2	32.7	582.7	7.9	4.3
IIP: NMMP ³	(10.0)	(14.5)	(12.5)	(7.5)	3.4	(3.8)	(4.8)	(6.1)	(6.8)	30.4	637.3	18.6	13.2 ⁸
IIP: Construction	(18.3)	(8.2)	0.0	4.0	10.9	2.1	3.1	2.3	(3.5)	34.9	596.1	46.8	21.0 ⁸
Construction	(18.3)	(8.2)	0.0	4.0	10.9	2.1	3.1	2.3	(3.5)	34.9	596.1	46.8	21.0
Industry	(13.2)	(10.4)	(7.5)	2.6	9.8	0.4	3.3	1.5	(2.7)	29.9	149.8	27.3	15.2
Services sector													
Auto sales#	(41.7)	(16.8)	1.0	10.0	13.5	9.5	5.4	4.2	10.1	82.7	n/a	41.2	16.0
Trade credit ⁴	10.1	9.4	12.0	10.0	12.6	12.2	12.5	12.8	3.6	3.6	(0.2)	(0.4)	(0.8)
Foreign tourist arrivals	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(59.8)	n/a	n/a	n/a
Freight traffic ⁵	(10.2)	(7.9)	(1.6)	8.9	9.1	6.7	7.1	7.0	4.2	22.8	53.4	85.0	20.2
Passenger traffic ⁵	(99.4)	(98.0)	(96.8)	(94.3)	(91.2)	(82.6)	(72.6)	(66.6)	(57.4)	(27.6)	n/a	n/a	n/a
MF AUM	7.0	10.8	7.5	8.2	5.8	8.5	14.7	6.8	10.9	30.8	22.2	19.2	17.9
Fiscal Spending ⁶	105.0	5.5	(26.2)	(42.9)	(4.3)	67.7	34.0	59.5	7.4	40.6	(39.3)	22.7	6.2
Real deposits ⁷	11.7	12.4	10.5	9.1	9.7	8.2	8.7	8.4	6.9	3.2	0.4	(3.1)	(1.9)
Telecom subscribers	(2.2)	(2.1)	(2.0)	(2.2)	(2.7)	(0.1)	0.1	0.2	0.6	2.0	2.9	3.0	3.4 ⁸
PMI: Services	(32.1)	(36.4)	(20.2)	2.3	10.0	1.9	(1.9)	(4.9)	(3.8)	10.8	n/a	n/a	22.3
Services sector	(2.1)	(4.6)	(1.3)	3.2	6.2	6.6	4.2	5.0	1.0	13.1	15.2	27.3	12.1
Aggregates													
EAI-GVA	(3.7)	(5.6)	(2.7)	2.5	6.4	4.7	3.9	4.0	0.2	18.1	38.1	22.8	11.6
Non-farm EAI-GVA	(4.5)	(6.7)	(3.5)	2.6	7.1	4.4	3.7	3.6	(0.5)	17.8	34.6	27.3	12.9

¹ Rural wages deflated by CPI for rural workers² Industrial credit growth for Banks deflated by WPI³ Non-metallic mineral products (NMMP)⁴ Non-food trade credit for Banks deflated by WPI⁵ Railways and Aviation⁶ Total spending of the Central government, excluding interest and subsidies, deflated by WPI⁷ Bank deposits deflated by WPI⁸ Our forecasts

Sale of Commercial Vehicles within total Auto sales starting Apr'20. The same has been derived using CV sales of Ashok Leyland, Eicher Motors., Mahindra & Mahindra, and Tata Motors. The four companies account for ~98% of all CV sales

Exhibit 14: Key indicators used in the creation of EAI-GVA on a quarterly basis

YoY (%)	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22
Agriculture and allied activities									
IIP: Fertilizer	(1.1)	3.3	11.8	(3.1)	2.8	4.6	1.6	(3.1)	(1.7)
Domestic Tractor sales	(15.6)	(7.9)	(5.7)	(12.6)	(15.8)	38.2	26.9	67.7	45.5
Real rural wages ¹	(1.1)	(1.9)	(4.7)	(4.9)	0.7	0.3	(0.2)	2.8	(1.5) ⁸
Reservoir levels	6.2	4.2	47.0	64.7	84.3	11.4	(6.6)	(11.2)	(11.0)
Agriculture sector	0.8	1.7	4.5	3.9	5.1	7.3	5.0	9.2	6.6
Industrial sector									
Coal	2.6	(10.3)	(4.7)	7.4	(15.0)	5.4	5.2	(1.9)	7.9
Crude oil	(6.8)	(5.1)	(6.2)	(5.7)	(6.5)	(5.7)	(4.9)	(3.6)	(3.4)
Natural gas	(1.0)	(3.1)	(7.1)	(11.3)	(16.2)	(10.1)	(8.4)	3.0	21.8
IIP: Mining	3.0	(1.2)	(0.0)	3.9	(22.3)	(7.0)	(3.2)	(0.2)	27.1 ⁸
Mining	2.3	(0.8)	(1.1)	1.9	(15.1)	(3.0)	(0.3)	3.6	21.9
Electricity	7.3	0.6	(5.9)	1.7	(15.8)	0.1	6.7	9.2	16.4
IIP: Manufacturing	2.4	(0.4)	(1.1)	(6.3)	(40.3)	(6.3)	1.8	6.7	56.2 ⁸
Credit growth ²	3.8	3.3	1.3	(0.8)	4.2	(0.0)	(3.0)	(5.2)	(10.4)
Fuel consumption	(0.6)	1.4	(0.4)	(4.4)	(27.9)	(13.4)	0.8	3.6	23.3
Manufacturing	5.0	3.9	2.3	(3.5)	(38.6)	(7.8)	4.5	9.1	53.4
Steel production	12.4	3.5	5.1	(6.5)	(48.6)	(0.1)	3.3	11.9	87.6
Cement output	1.0	0.2	0.6	(5.0)	(38.3)	(10.6)	(4.0)	7.3	52.7
IIP: NMMP ³	(1.2)	(0.0)	(2.0)	(4.2)	(41.6)	(11.6)	(1.9)	4.1	63.8 ⁸
IIP: Construction	0.4	(3.3)	(3.4)	(7.3)	(35.5)	(49.4)	(47.4)	(21.8)	(8.8) ⁸
Construction	0.4	(3.3)	(3.4)	(7.3)	(35.5)	(49.4)	(47.4)	(21.8)	(8.8)
Industry	4.4	3.2	1.5	(1.4)	(27.9)	(4.9)	4.0	7.4	38.0
Services sector									
Auto sales#	(12.8)	(22.0)	(13.2)	(26.2)	(75.4)	(1.5)	10.1	25.0	109.5
Trade credit ⁴	5.9	6.6	4.0	3.3	10.6	10.5	12.4	6.6	(0.5)
Foreign tourist arrivals	4.0	2.5	5.5	(23.3)	(100.0)	(100.0)	(100.0)	n/a	n/a
Freight traffic ⁵	2.3	(1.8)	(0.6)	(1.3)	(20.8)	(0.5)	7.6	11.3	51.6
Passenger traffic ⁵	(0.5)	(1.9)	(1.2)	(12.4)	(100.3)	(96.4)	(82.2)	(53.9)	n/a
MF AUM	6.3	5.0	14.3	7.7	0.9	8.8	9.6	15.2	19.7
Real CG spending ⁶	(6.5)	38.8	36.9	11.4	34.6	(24.0)	30.5	32.8	(9.0)
Real deposits ⁷	7.5	8.6	8.6	7.5	12.6	10.6	8.8	6.1	(1.5)
Telecom subscribers	2.4	0.5	(0.8)	(1.6)	(1.7)	(2.1)	(0.9)	0.9	3.1 ⁸
PMI: Services	(1.8)	(1.1)	(2.5)	3.6	(65.7)	(18.8)	3.2	0.2	n/a
Services sector	6.2	6.6	6.5	3.4	(12.6)	(1.1)	5.6	12.9	22.0
Aggregates									
Real GVA	5.4	5.6	5.0	2.1	(14.4)	(2.1)	4.7	10.6	22.6
Non-farm GVA	5.8	5.9	5.1	2.0	(16.1)	(2.7)	4.9	10.8	25.7

¹ Rural wages deflated by CPI for rural workers
³ Non-metallic mineral products (NMMP)

⁵ Railways and Aviation

⁷ Bank deposits deflated by WPI

Sale of Commercial Vehicles within total Auto sales starting Apr'20. The same has been derived using CV sales of Ashok Leyland, Eicher Motors., Mahindra & Mahindra, and Tata Motors. The four companies account for ~98% of all CV sales

² Industrial credit growth for Banks deflated by WPI

⁴ Non-food trade credit for Banks deflated by WPI

⁶ Total spending of the Central government, excluding interest and subsidies, deflated by WPI

⁸ Our forecasts

Exhibit 15: Economic recovery seems to be on its way in Jul'21

% MoM	Unit	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21
PMI: Manufacturing	Index	46.0	52.0	56.8	58.9	56.3	56.4	57.7	57.5	55.4	55.5	50.8	48.1	55.3
E-way registrations	MoM %	7.8	2.2	20.0	8.1	-7.1	7.6	-2.1	12.4	0.8	-14.8	-34.2	41.4	13.5
Toll collection (Units)	MoM %	2.3	11.8	17.5	7.6	5.5	7.3	7.8	17.9	9.8	-12.1	-31.4	40.0	17.9
FX reserves	USD bn	490.8	498.9	502.2	517.6	533.5	542.2	547.2	542.6	536.7	546.1	554.1	568.7	611.1
Currency in circulation	MoM %	0.4	0.3	0.1	1.3	2.1	0.3	1.0	1.0	0.6	1.9	2.1	0.9	-0.4
Vahaan registrations	MoM %	16.9	4.2	13.3	5.2	29.4	-0.6	-13.2	-6.1	10.2	-28.9	-54.9	127.4	27.7
Apple mobility (driving)	MoM %	10.1	26.5	22.0	12.0	19.5	14.6	3.5	3.3	-11.7	-30.7	-40.4	89.0	41.9
Google mobility (R&R)	Index	-59.3	-51.5	-41.9	-33.8	-28.1	-27.5	-27.6	-22.7	-22.1	-38.0	-62.6	-40.4	-24.6
Exports	MoM %	8.5	-4.1	20.9	-9.6	-5.4	15.5	1.1	0.1	25.1	-11.1	5.4	0.7	8.2
Imports	MoM %	37.9	1.2	2.8	12.4	-0.8	27.0	-2.3	-3.4	19.3	-5.5	-15.7	8.6	10.8
Power generation	YoY %	-1.8	-0.9	4.9	12.8	3.7	5.3	5.6	4.1	23.3	40.1	7.5	8.3	10.2



Worse than the preceding quarter and a year ago

Worse than the preceding quarter, but better than a year ago

Better than the preceding quarter, but worse than a year ago

Better than the preceding quarter and a year ago

¹ In terms of daily vehicle units³ Google mobility index for retail and recreation⁵ Based on daily Power generation

Conditional formatting of mobility indicators not possible because of unavailability of past data

² Apple mobility index for driving⁴ Merchandise exports and imports

Source: Various national sources, CEIC, MOFSL

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