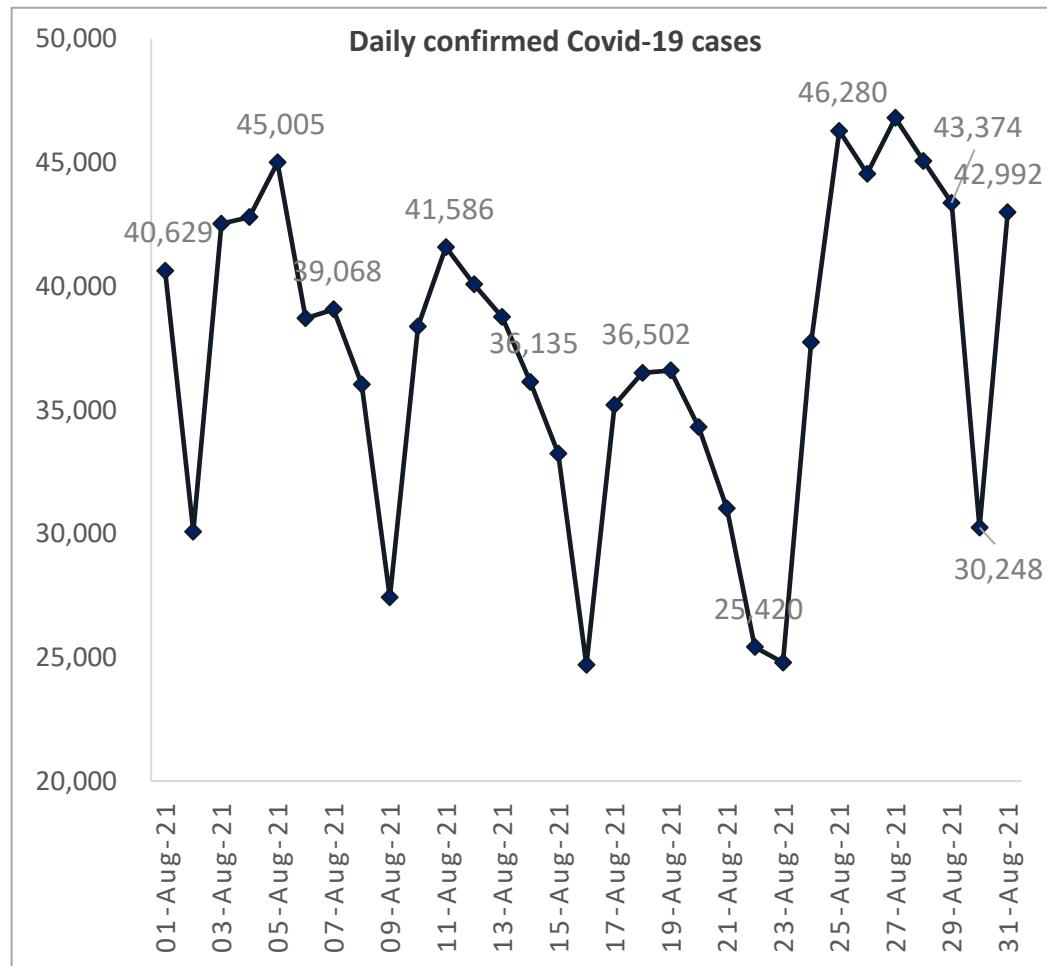


India: The economic pathway

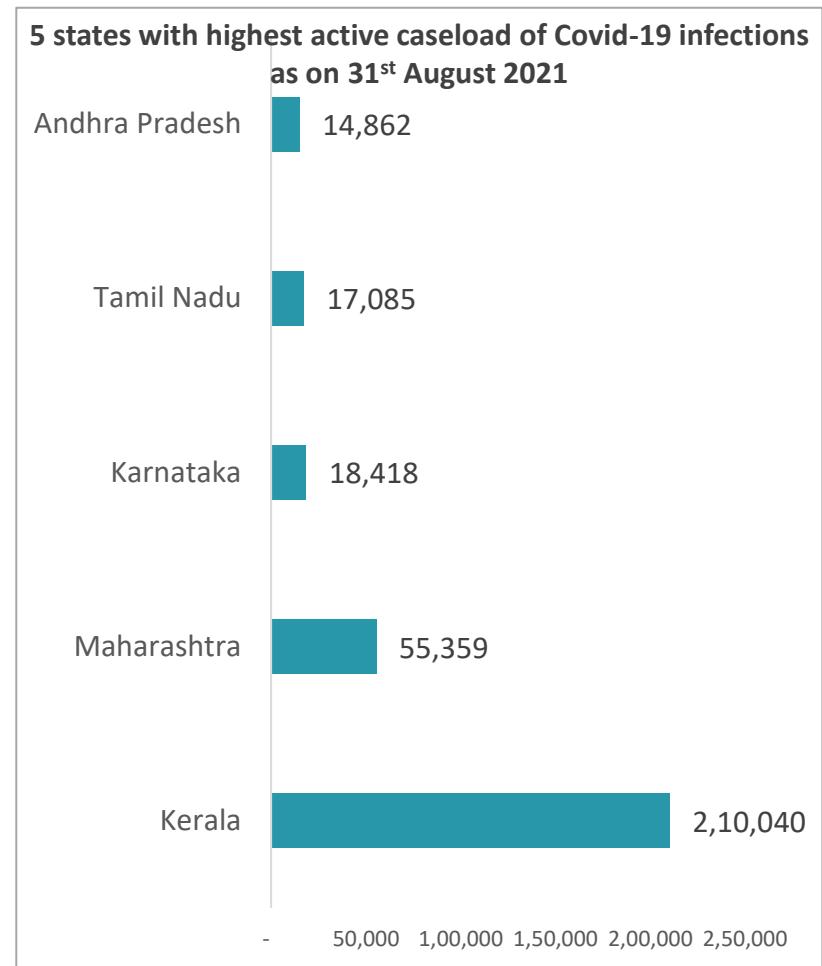
August 2021

Daily confirmed cases volatile, Kerala emerges as a hotspot

The daily confirmed covid-19 cases in India fluctuated during the month. Kerala emerged as a hotspot with the maximum active caseload of infections



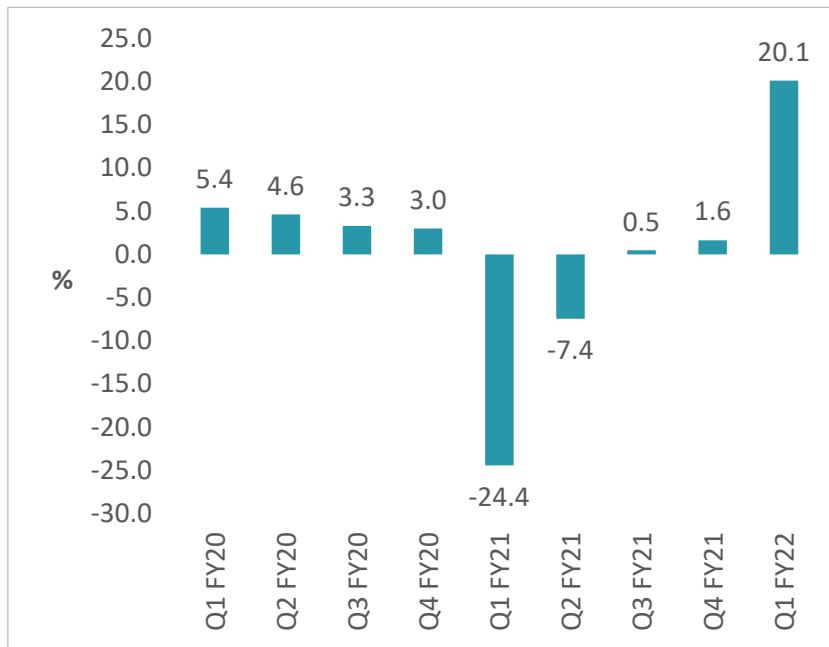
Source: Covid-19 India



Source: PRS Legislative Research

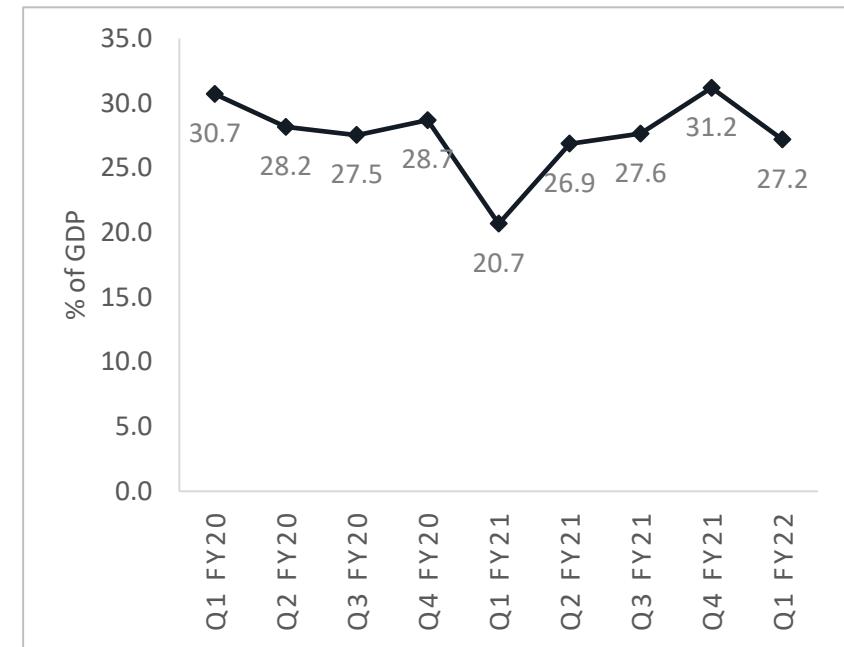
Base effect syndrome bolsters GDP growth in Q1-FY22

Indian economy witnessed robust growth of 20.1% in Q1-FY22 aided by a statistical push



Source: MOSPI

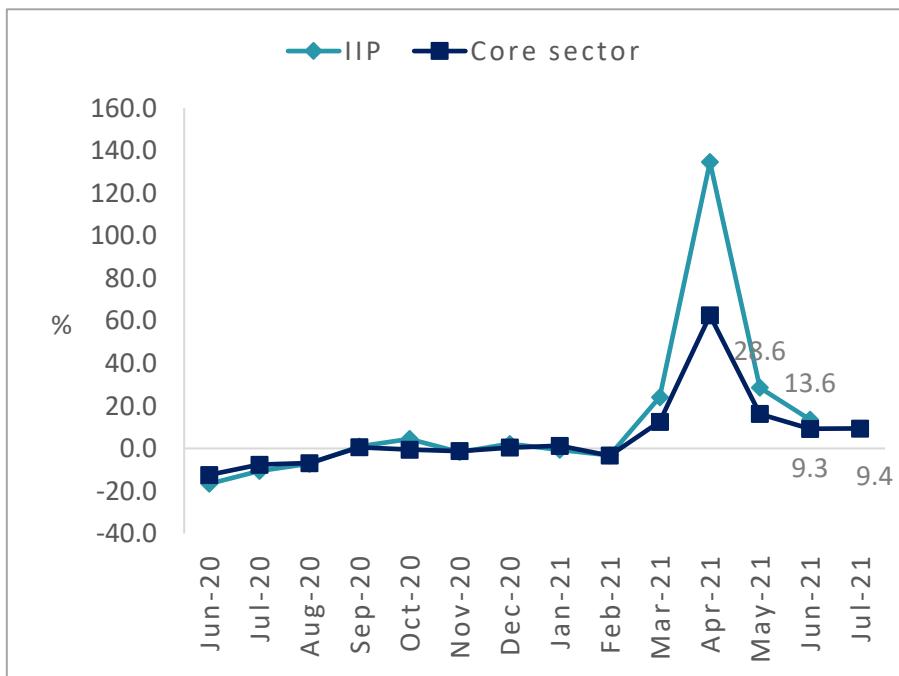
GFCF in Q1-FY22 was lower at 27.2%



Source: MOSPI

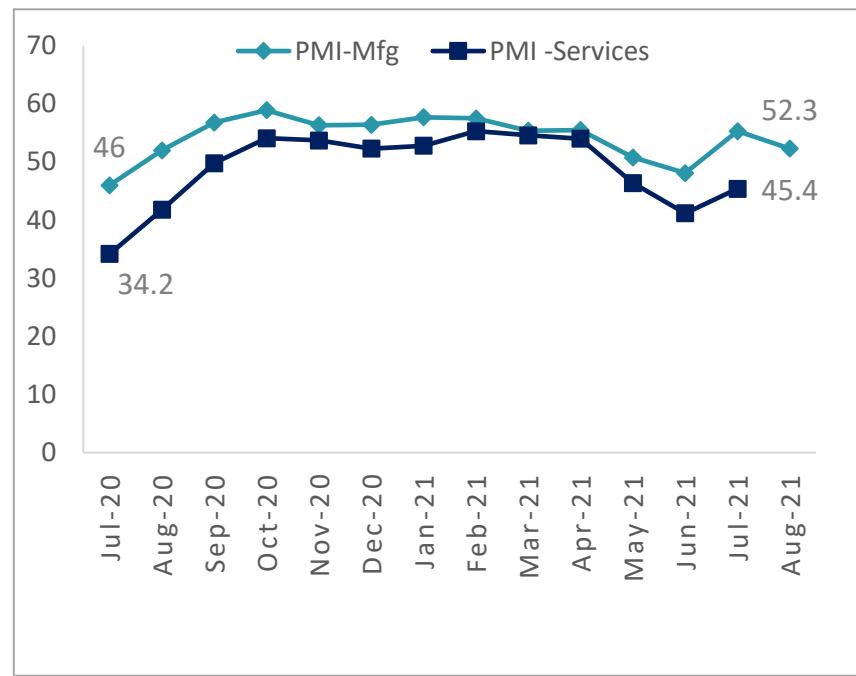
Industry activity remains buoyant, Services sector yet to catch up

Industrial output moderated 13.6% in June 2021 with weakening of the base effect Core sector grew at 9.4% boosted by infrastructure spending



Source: MOSPI

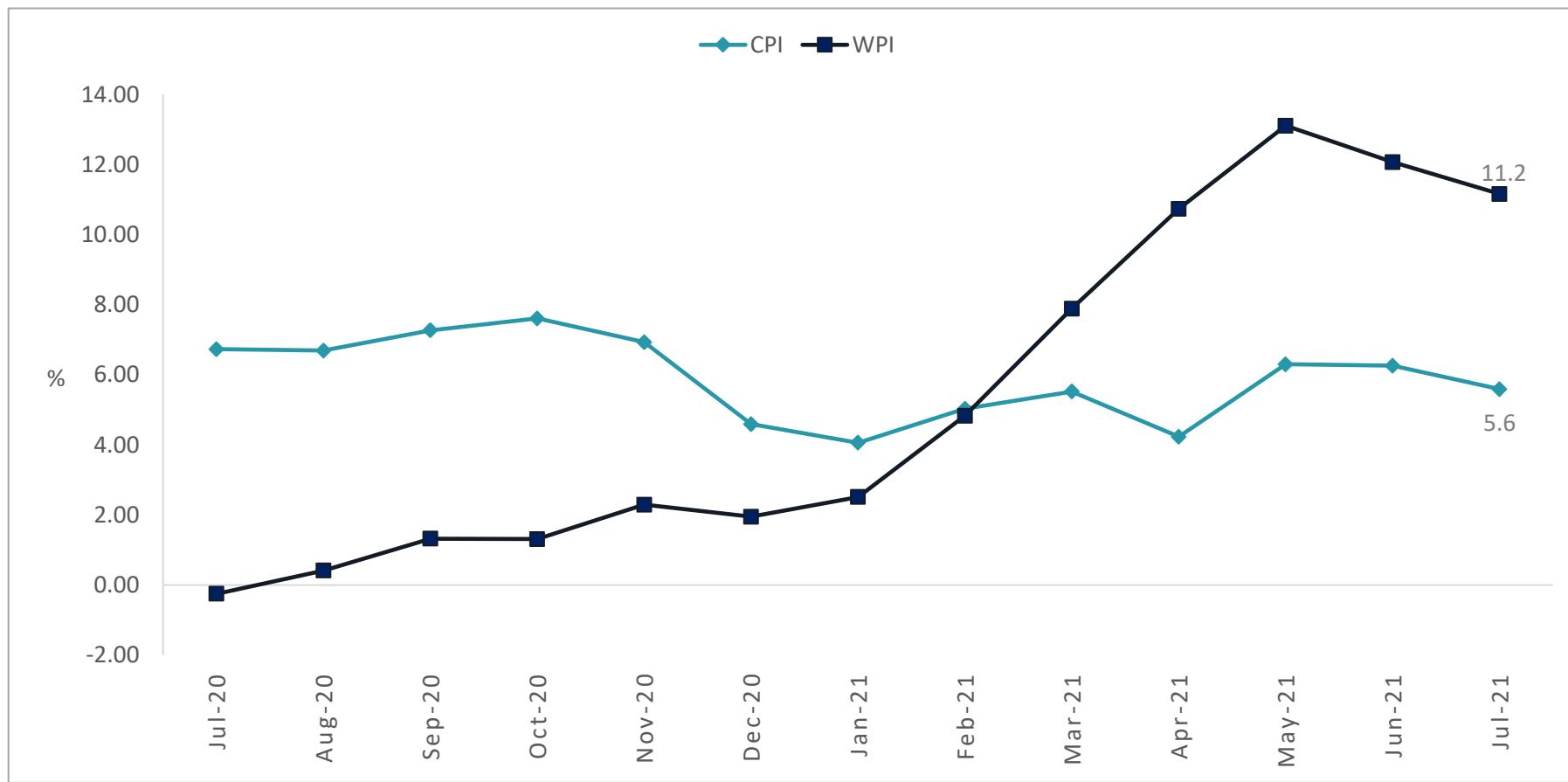
Manufacturing PMI dipped to 52.3 in August 2021
 Services PMI at 45.4 in July 2021, recording contraction for the third consecutive month



Source: IHS markit

Cooling price pressures

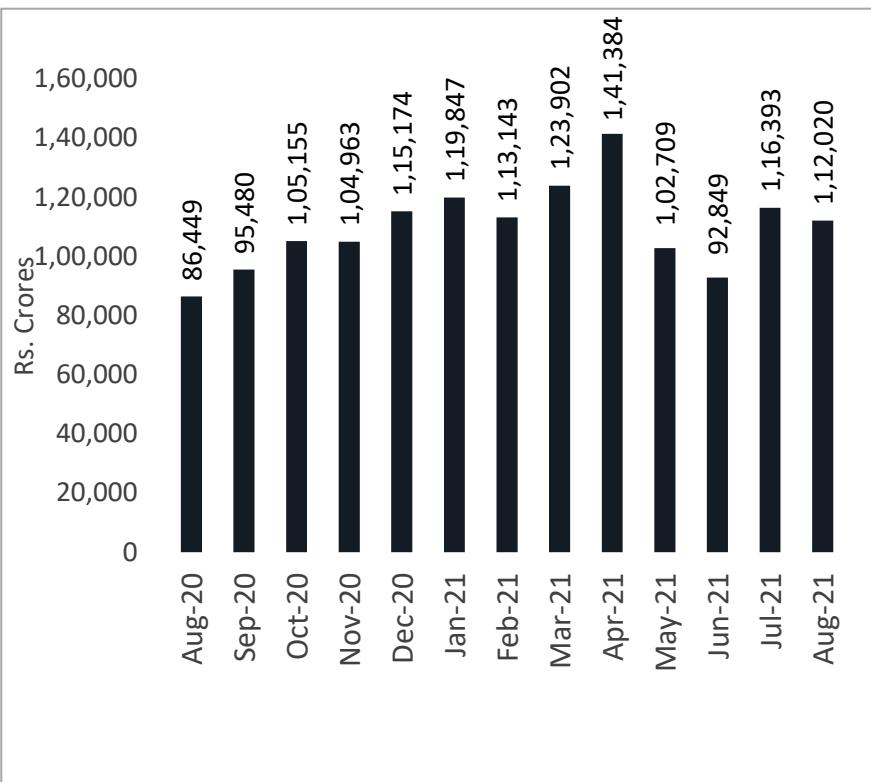
Retail inflation eased to 5.6% in July 2021 and was back within the RBI's band of 2-6%
Wholesale inflation softened to a three-month low of 11.2% in July 2021



Source: MOSPI

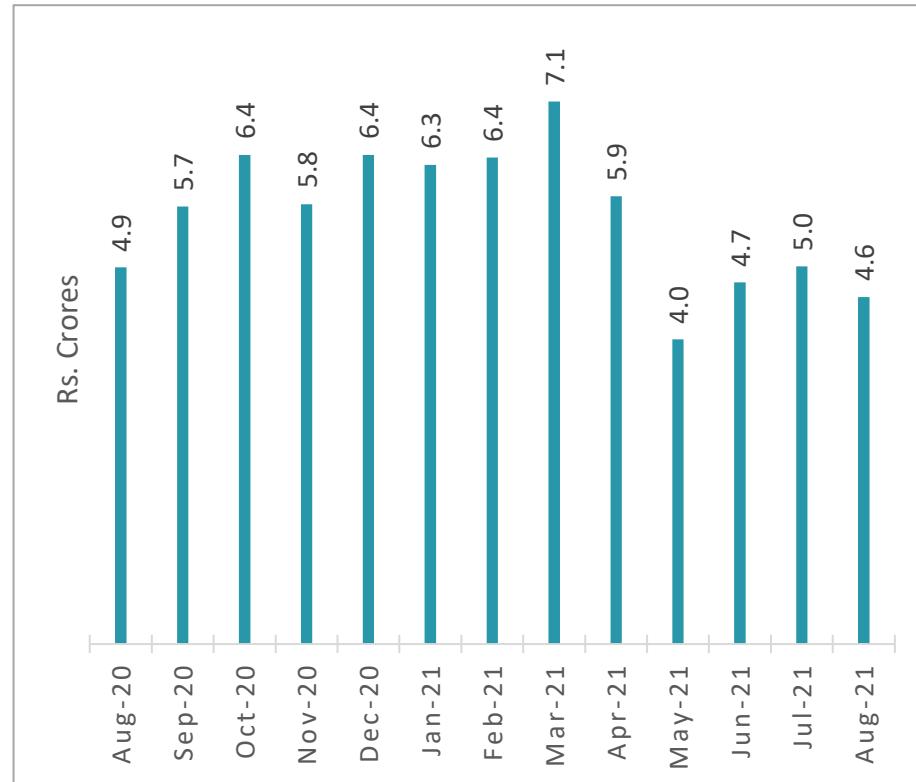
GST collections and E-way bills dip

GST collections dip to Rs. 1,12,020 crores in August 2021



Source: Ministry of Finance

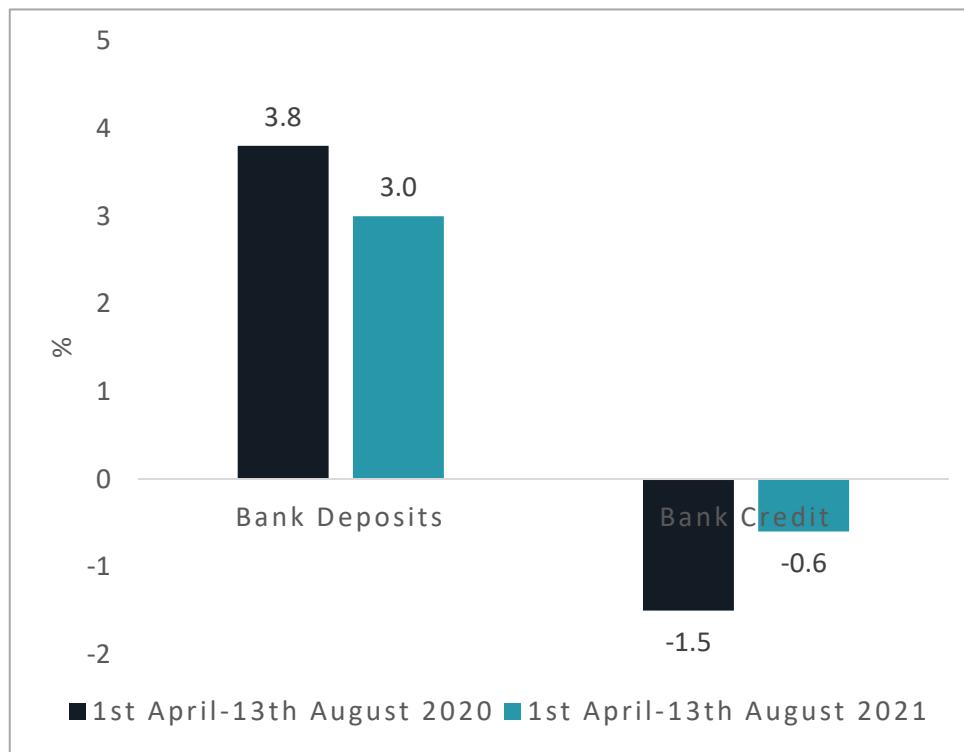
E-Way bills marginally down to Rs.4.6 crores in August 2021



Note: E-Way bill statistics as on 22nd August, 2021
Source: GSTN

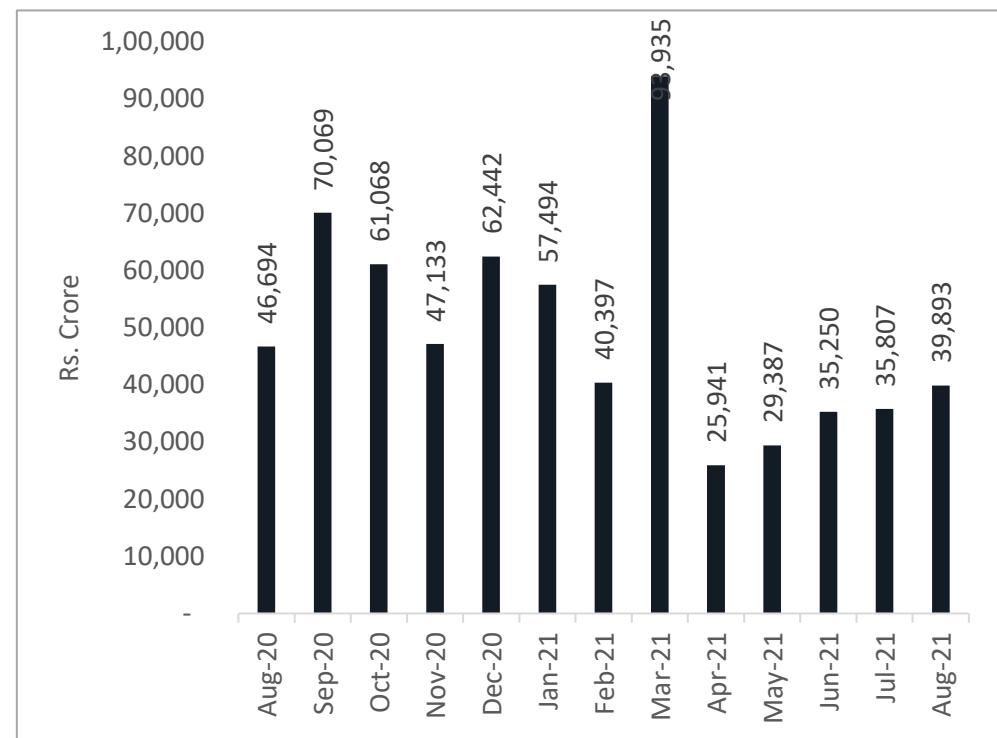
Deposit growth strong, credit market subdued, debt issuances climb

Bank deposits record sustained growth
Bank credit fails to pick-up



Source: RBI

Corporate Bond issuances rose to Rs. 39,893 crores in August 2021

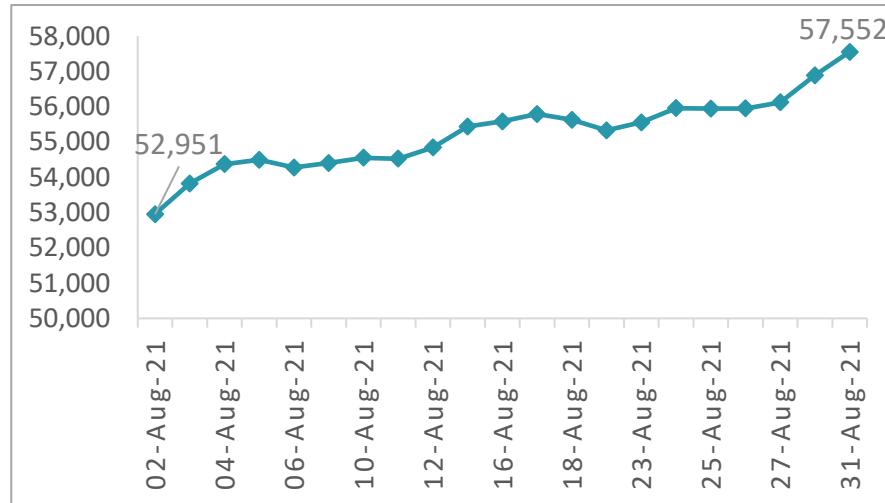


Source: Prime Database

Note: Data extracted on August 1st, 2021

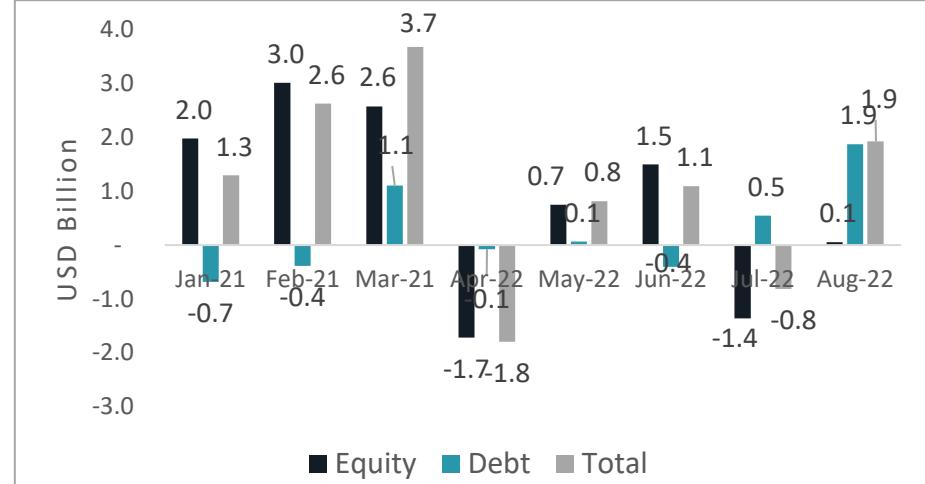
Equities rally, FPI inflows surge and G-secs harden

Equity markets scale record highs

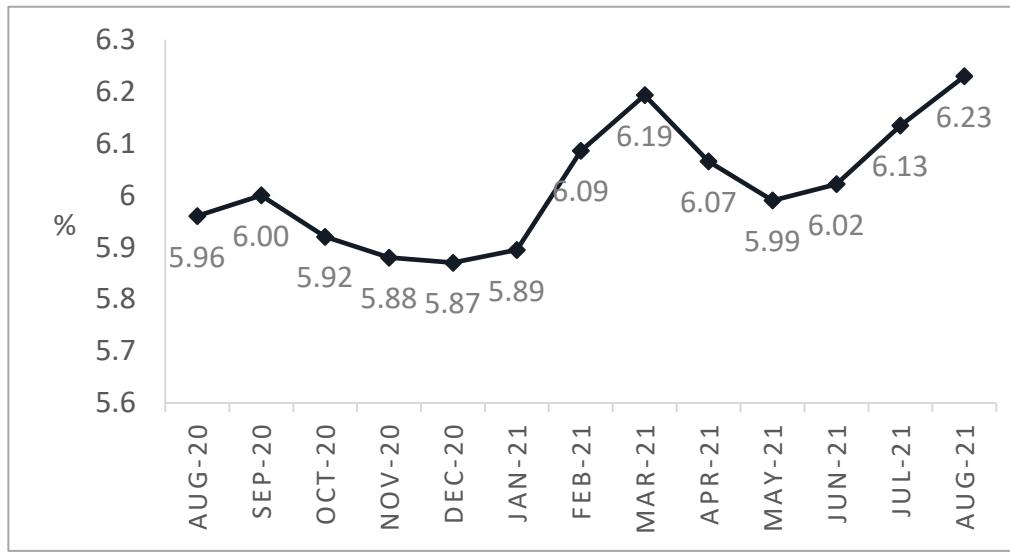


Source: BSE India

Net FPI flows surge to USD 1.9 Billion

Source: NSDL Note: Data till 30th August, 2021

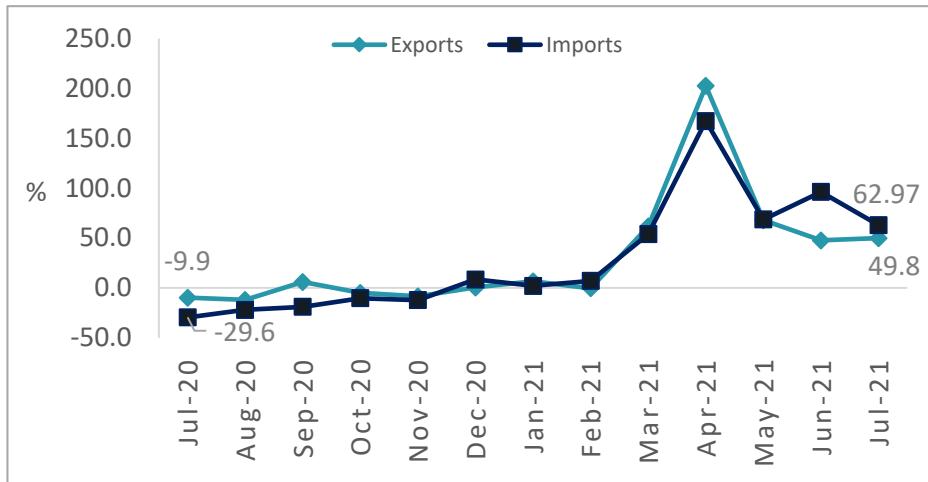
10-year G-Sec Yield (%) rose to 6.23% in August 2021 from 6.13% in the previous month



Source: FIMMDA

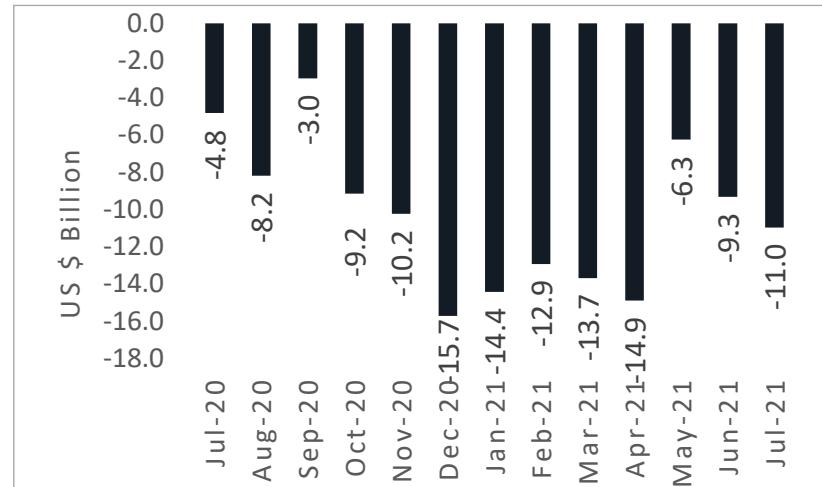
Exports soar, trade deficit widens

Momentum in trade continued as exports scaled a record high of USD 35.4 billion in July 2021



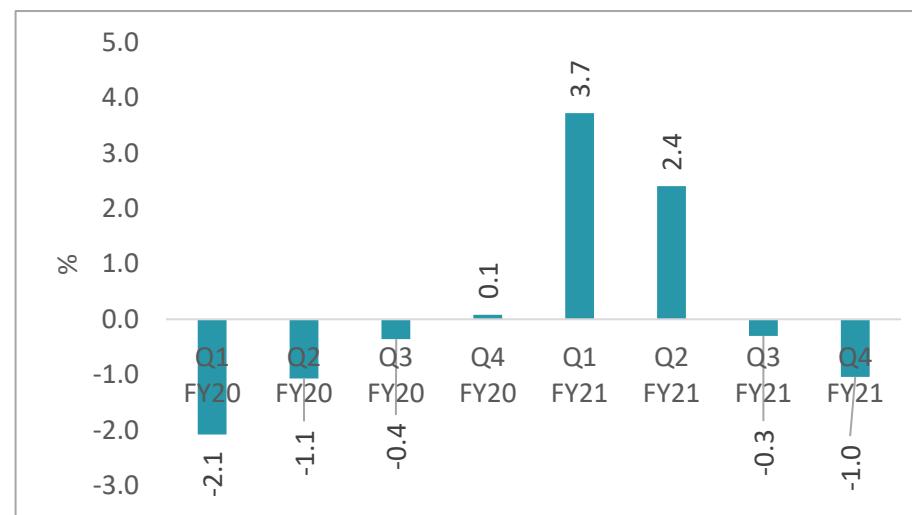
Source: Ministry of Commerce and Industry

Trade deficit widens to USD 11 billion in July 2020 from USD 9 billion in the previous month



Source: Ministry of Commerce and Industry

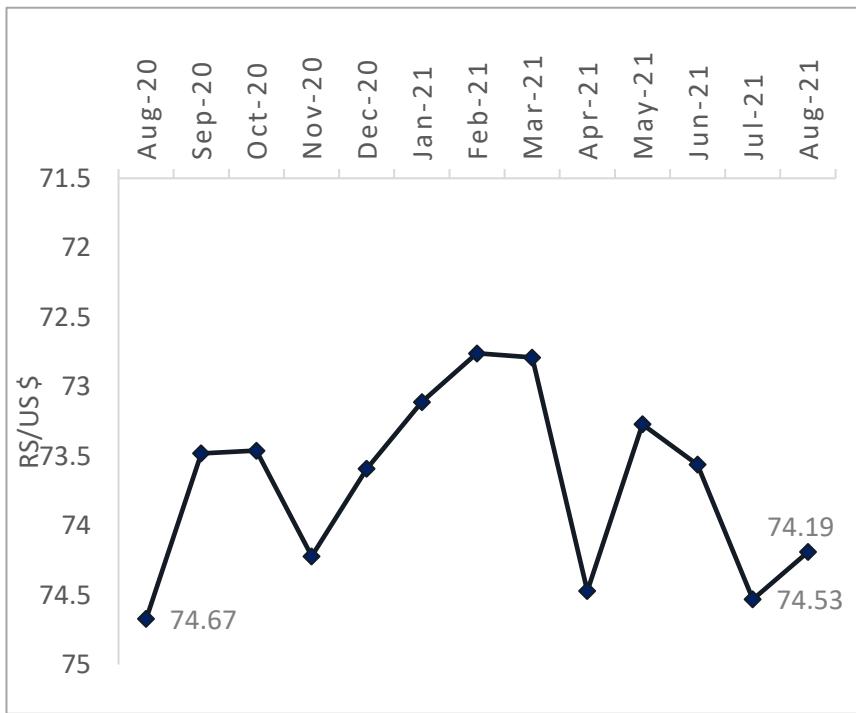
Current account deficit at -1% in Q4 FY21 from -0.3% in the previous quarter



Source: CMIE Note: + surplus/ -deficit

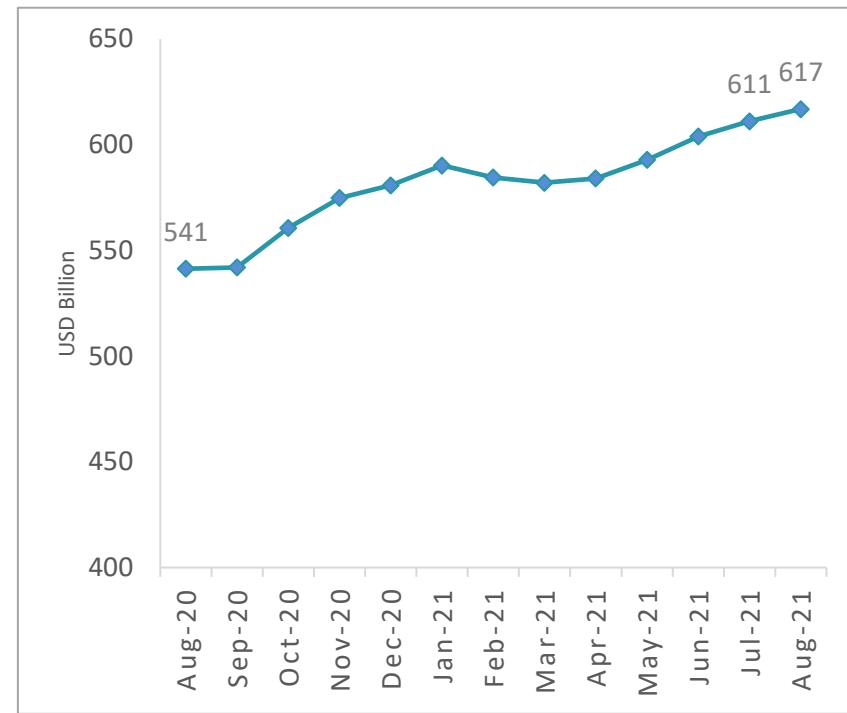
Rupee recovers, Forex reserves inch up

Rupee strengthened against the US dollar to Rs. 74.19 in August 2021



Source: CMIE

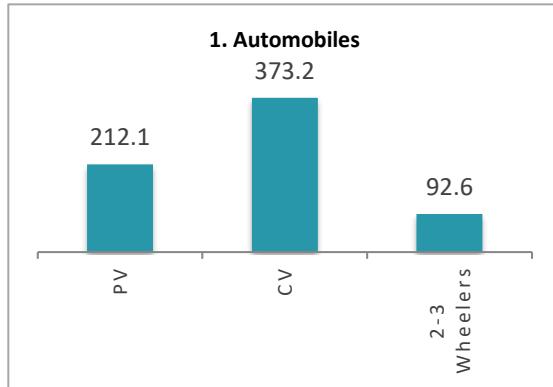
India's forex reserves rose to USD 617 billion during the month



Source: RBI (Data till 20th August, 2021)

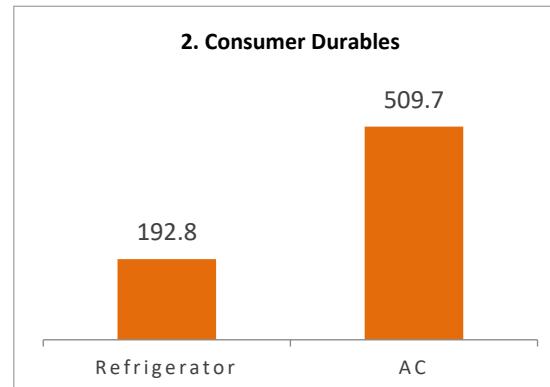
Base effect syndrome masks the real industrial activity

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



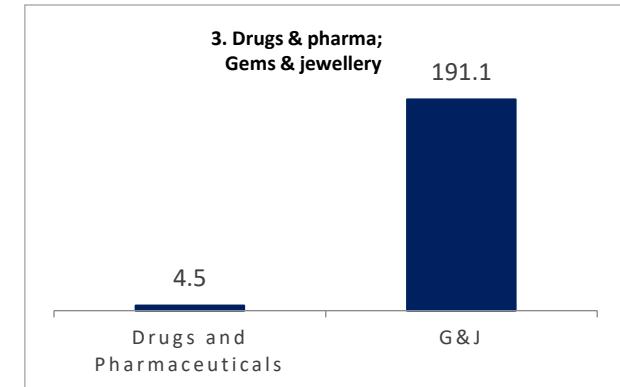
Note: The above chart denotes growth in production. Growth in PVs & 2-3 wheelers is April-July. Growth in CVs is April-June

Source: CMIE



Note: The above chart denotes growth in production during April-June

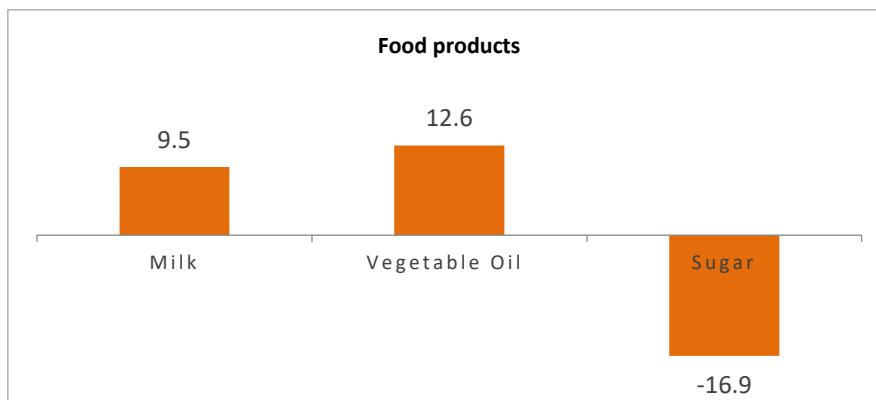
Source: CMIE



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

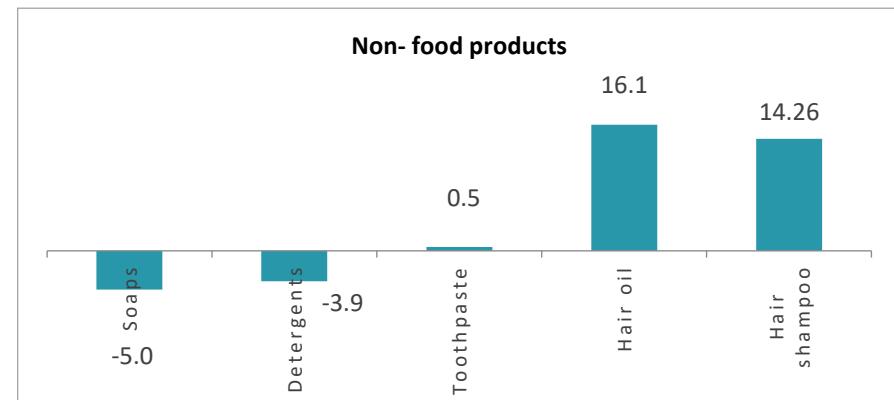
Source: CMIE, GJEPC

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



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

Source: CMIE

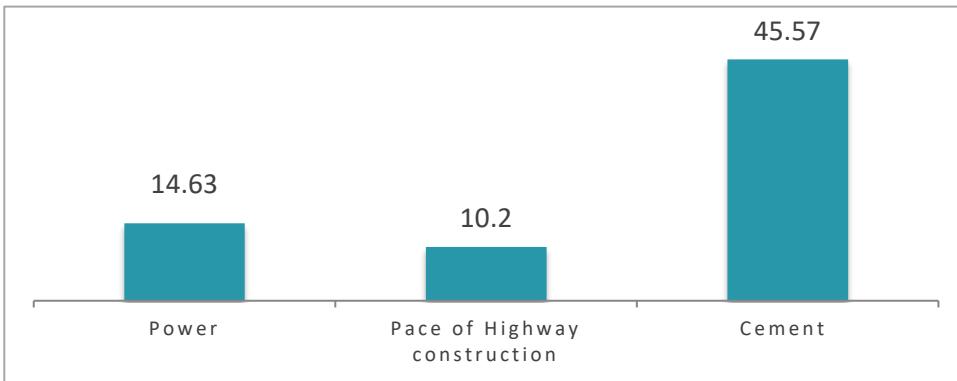


Note: Non Food Products Production growth is during April-June

Source: CMIE

Steller performance in metals, capital goods and infra sectors aided by statistical push

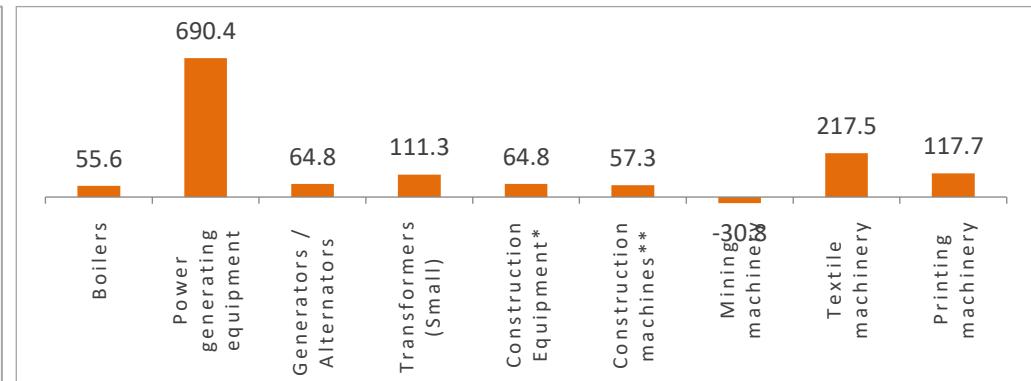
Infrastructure and Infra-Allied - Chart 6: Cumulative Operational Indicators on a y-o-y basis (Unit: %)



Note: The above chart denotes growth during April-July

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

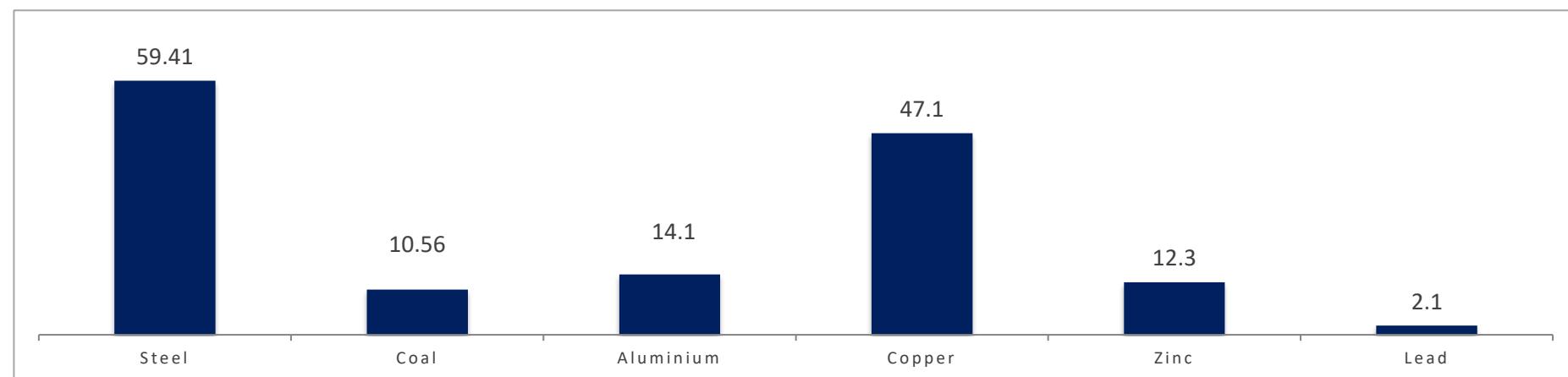
Capital Goods - Chart 7: Industrial Production: Components of Capital Goods Index (Unit: %)



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

Source: CMIE

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

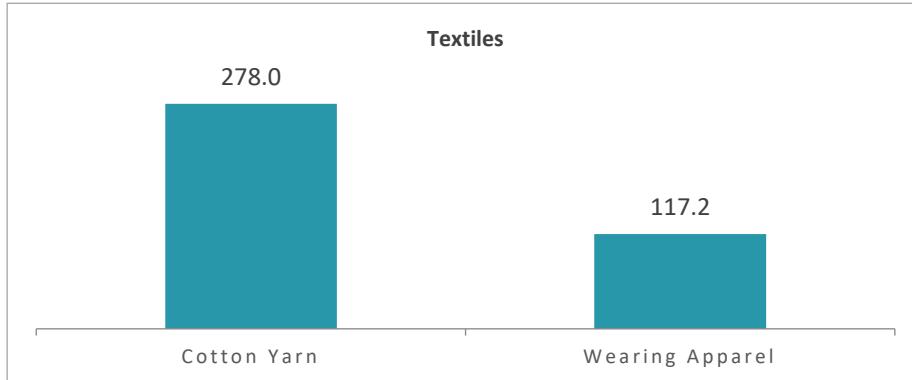


Note: The above chart denotes growth in production during April-July

Source: Ministry of Mines, Office of the Economic Advisor

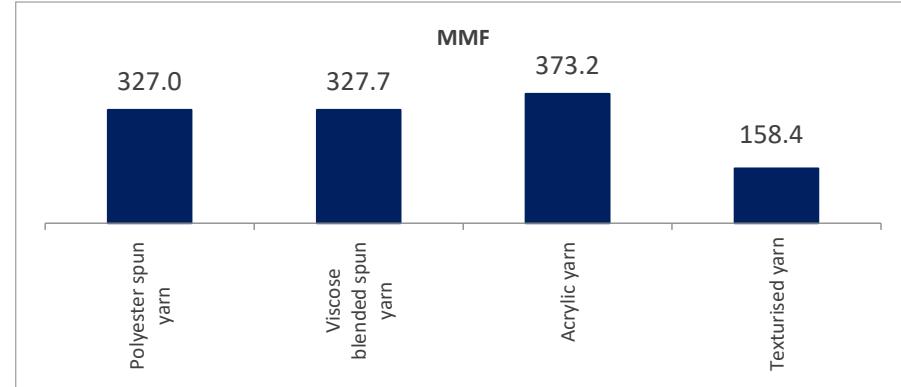
Textiles spinning a tale of surprising growth

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-June

Source: CMIE

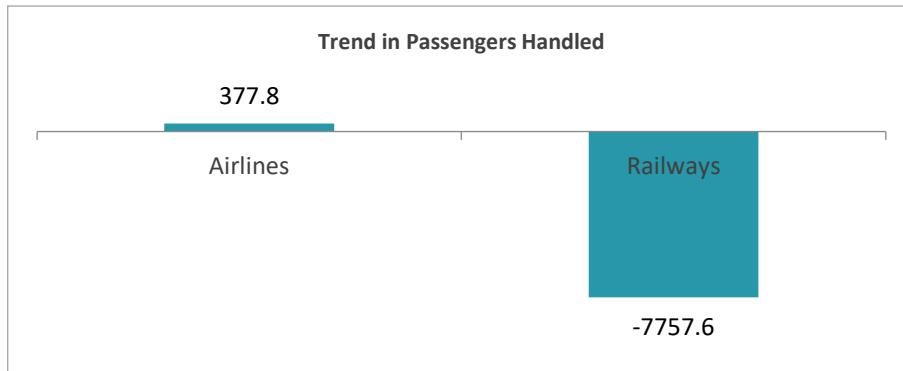


Note: Production of MMF is during April-June

Source: CMIE

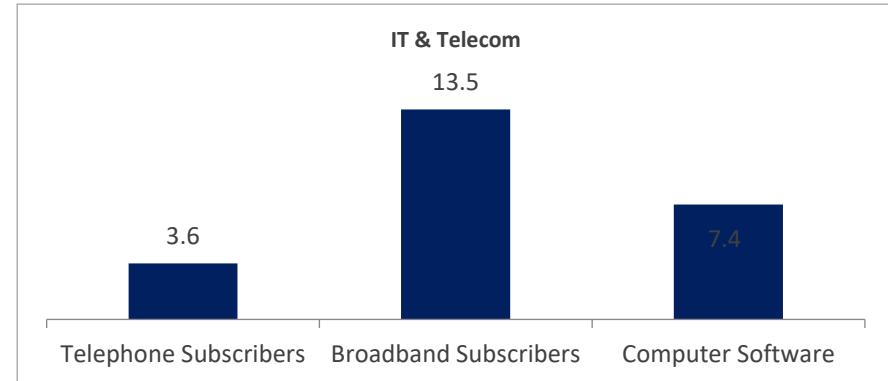
Services & freight upbeat

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



Note: Growth in Passengers carried by Scheduled Domestic Airlines & number of passengers booked through railways is April-June

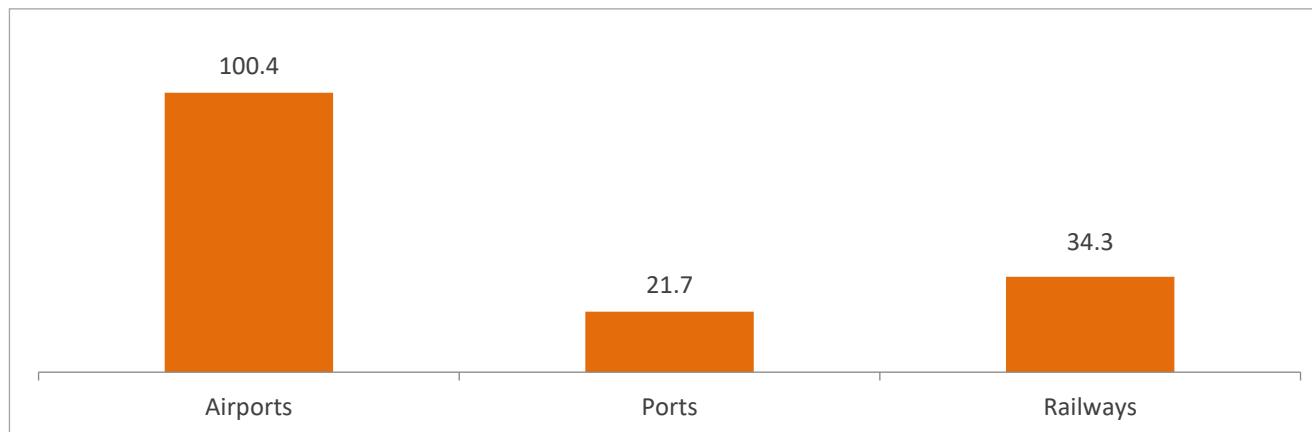
Source: Ministry of Railways, DGCA



Note: Telephone and Broadband subscribers is as on 30th June 2021; Exports in Computer Software is April-March

Source: TRAI, CMIE

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

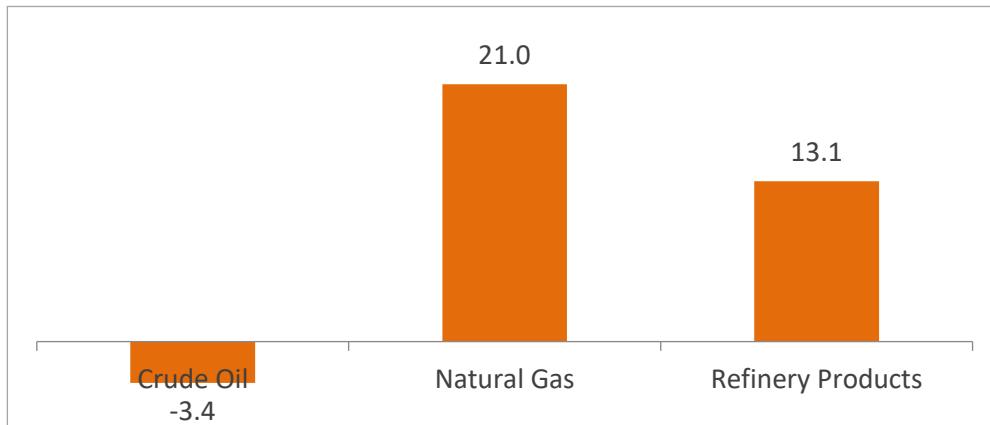


Note: The above chart denotes growth during April-July

Source: AAI, IPA, CMIE

Crude oil & fertilizers growth dulled, natural gas & refinery growth picks-up

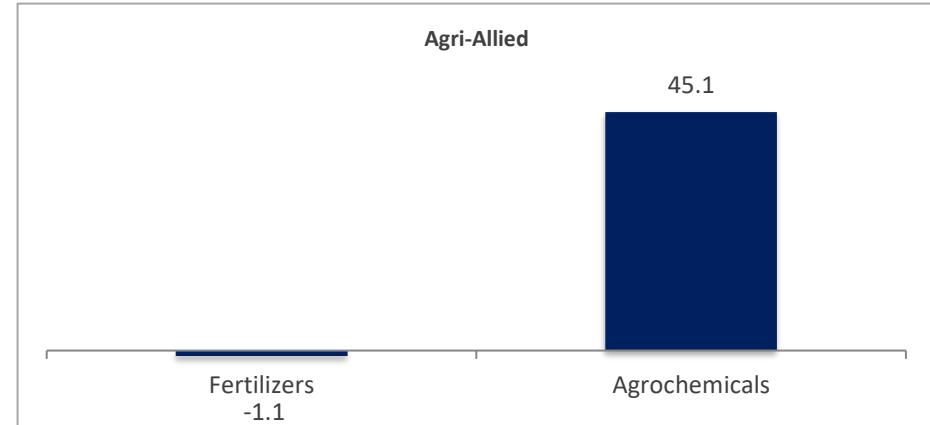
Oil & Gas - Chart 11: Cumulative Production on a y-o-y basis (Unit: %)



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

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-July, Exports of Agrochemicals is for April-May

Source: Office of the Economic Adviser, Ministry of Commerce

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