

March 9, 2025

Nifty-50: 22,553

Period Under Review:
Mar 3 – Mar 7, 2025

Money market and bond market during the week

- Banking sector liquidity in India was at a deficit of Rs569 bn on March 6 compared to deficit of Rs1.8 tn on February 27. The weighted average call rate (WACR) was at 6.21% on March 6 (6.31% on February 27).
- Government cash balances with the RBI (estimated) was at Rs1.3 tn on February 28; lower than Rs2.1 tn on February 21.
- Indian 1-year T-bill was at 6.53% on March 7 (6.53% on February 28). The Indian 5-year G-sec yield was at 6.53% on March 7 (6.54% on February 28).
- Indian 10-year G-sec yield was at 6.69% on March 7 (6.73% on February 28).
- 1-year OIS was at 6.19% on March 7 (6.24% on February 28). 2-year OIS was at 6% on March 7 (6% on February 28).

FX market during the week

- Dollar index (DXY) was 103.8 on March 7 against 107.6 on February 28. EUR-USD gained 4.4% to 1.083 on March 7 from end of last week while GBP-USD gained around 2.7% to 1.29. USD-JPY gained around 1.7% to around 148.
- USD-INR was at 86.9 on March 7 (87.5 on February 28).
- INR 1-year forward premium was at 2.13% on March 7 (2.08% on February 28).

Equity market during the week

- Nifty-50 index gained 1.9% on March 7 from closing of last week while Nifty mid-cap. index gained 3% and small-cap. index gained 5.5%. Broader market index (Nifty-500) gained 2.8% from closing of last week.

Commodities market during the week

- Brent crude oil prices was around US\$72/bbl on March 7 compared to around US\$73.4/bbl on February 28.
- Gold prices increased around 1.8% over the week to around US\$2909/oz on March 7. Copper prices (LME index) increased around 2.9% as on March 7 over end of last week.

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INSIDE: Monetary and banking aggregates, fiscal aggregates, external sector, inflation, bond markets, FX markets, equity markets and commodities

KEY EVENTS AND DATA RELEASES

Key events/data releases during the week

- The RBI announced (1) OMO purchase of Rs1 tn in two tranches of Rs500 bn each on March 12 and March 18 and (2) 3-year tenor FX buy/sell swap auction of US\$10 bn scheduled for March 24; in a bid to inject durable liquidity. Since the December policy, RBI has injected around Rs4 tn of durable liquidity through CRR cuts (around Rs1.1 tn), OMO purchases (around Rs1.4 tn in both primary and secondary markets), and FX buy/sell swaps (around Rs1.3 tn) along with liquidity management tools such as VRRs.
- The European Central Bank (ECB) decided to reduce policy rates by 25 bps on the back of a downward inflation trajectory and subdued growth outlook. Accordingly, the interest rates on the deposit facility, the main refinancing operations and the marginal lending facility will be decreased to 2.50%, 2.65% and 2.90% respectively, with effect from March 12, 2025.
- Bank Negara Malaysia on Thursday maintained its overnight policy rate at 3.00%, citing a balanced outlook on growth and inflation.
- The Turkish Central Bank reduced their benchmark interest rates by 250 bps to 42.5% as inflation in February came in at 39.1% after being above 40% for the last two years. The policy mentioned that the inflation trends would be reviewed and rates would be adjusted cautiously depending on the prevailing conditions..

GLOBAL ECONOMIC CALENDAR

Key data releases across major geographies

	10-Mar-25	11-Mar-25	12-Mar-25	13-Mar-25	14-Mar-25
India			Feb CPI inflation (Kotak: 4.3%) Jan IIP (Kotak: 3.6%)		Feb WPI inflation (Kotak: 2.5%)
China					
Euro Zone					
Germany	Jan trade balance				Feb CPI inflation
Japan		4QCY24 GDP growth			
UK					4QCY24 GDP growth
US			Feb CPI inflation		

Source: Bloomberg, Kotak Institutional Equities

INDIA: ACTIVITY INDICATORS

Economic activity continues to impart mixed signals

Key growth indicators (yoy, %)

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Industry															
PMI manufacturing	54.9	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5	56.4	57.7	56.3
Credit growth (industry)	8.0	8.0	8.9	8.5	7.4	9.4	8.1	10.2	9.7	8.9	7.9	8.0	7.2	8.0	
Petroleum products consumption (industrials)	14.8	11.3	11.1	(4.0)	15.5	(0.7)	3.1	21.7	(10.8)	(13.4)	7.2	16.0	(8.1)	(1.4)	(16.5)
Bitumen consumption	3.6	6.4	0.9	(1.0)	(4.8)	8.8	(1.1)	(20.5)	(42.9)	(16.6)	(14.6)	13.5	6.7	1.7	(5.3)
Diesel consumption	(2.4)	3.4	6.3	2.7	1.4	2.4	1.0	4.5	(2.5)	(1.9)	0.1	8.5	6.0	4.2	(1.3)
Core infrastructure	5.1	4.2	7.1	6.3	6.9	6.9	5.0	6.3	(1.5)	2.4	3.8	4.4	4.8	4.6	
IIP mining	5.2	6.0	8.1	1.3	6.8	6.6	10.3	3.8	(4.3)	0.2	0.9	1.9	2.6		
IIP manufacturing	4.6	3.6	4.9	5.9	4.2	5.1	3.5	4.7	1.2	4.0	4.4	5.5	3.0		
IIP electricity	1.2	5.6	7.6	8.6	10.2	13.7	8.6	7.9	(3.7)	0.5	2.0	4.4	6.2		
IIP coal	10.8	10.6	11.6	8.7	7.5	10.2	14.8	6.8	(8.1)	2.6	7.8	7.5	5.3	4.6	
Railways freight traffic	6.4	6.4	10.1	NA	1.4	3.7	10.1	4.5	0.0	NA	1.5				
Steel production	10.1	7.0	8.3	7.2	5.7	6.2	1.0	10.0	3.9	1.6	4.1	4.0	3.3	7.6	
Services															
PMI services	59.0	61.8	60.6	61.2	60.8	60.2	60.5	60.3	60.9	57.7	58.5	58.4	59.3	56.5	59.0
Credit growth (services)	23.3	24.2	24.3	23.5	22.0	23.2	17.4	14.5	13.9	13.7	12.7	13.0	11.7	12.5	
Airport passenger traffic	8.3	4.6	4.8	3.7	2.4	4.4	5.8	7.3	5.7	6.4	8.1	11.9	8.2	11.3	
Airport cargo	11.5	10.7	14.0	7.4	0.1	7.6	7.2	5.2	2.3	9.6	11.4	(4.5)	5.4		
Foreign tourist arrivals	11.0	7.6	12.3	4.2	4.0	(2.8)	5.7	(1.3)	(4.2)	0.4	(1.4)	(0.1)	(6.6)		
Demand															
Credit growth (personal loans)	28.4	28.6	28.1	27.5	26.7	28.7	25.6	13.9	13.9	13.4	12.9	13.3	12.0	11.8	
Center's expenditure (net of interest payments)	9.3	(22.2)	25.5	(10.1)	15.2	(21.1)	(29.3)	(2.6)	25.2	4.1	31.0	5.2	30.4	19.3	
Fuel consumption (retail)	(0.9)	5.7	7.4	4.8	5.7	2.6	2.2	7.1	2.3	0.2	3.8	8.4	7.0	5.0	(0.2)
Passenger vehicle sales	21.7	31.9	27.0	26.0	1.3	4.0	3.1	(2.5)	(1.8)	(1.4)	0.9	4.0	10.0	1.6	
Two wheeler sales	16.0	26.2	34.6	15.3	30.8	10.1	21.3	12.5	9.3	15.8	14.2	(1.1)	(8.8)	2.1	
Non-oil imports	0.8	3.8	20.0	(5.2)	7.5	(0.5)	0.0	3.1	12.1	2.6	(6.0)	19.5	5.8	19.9	

Notes:

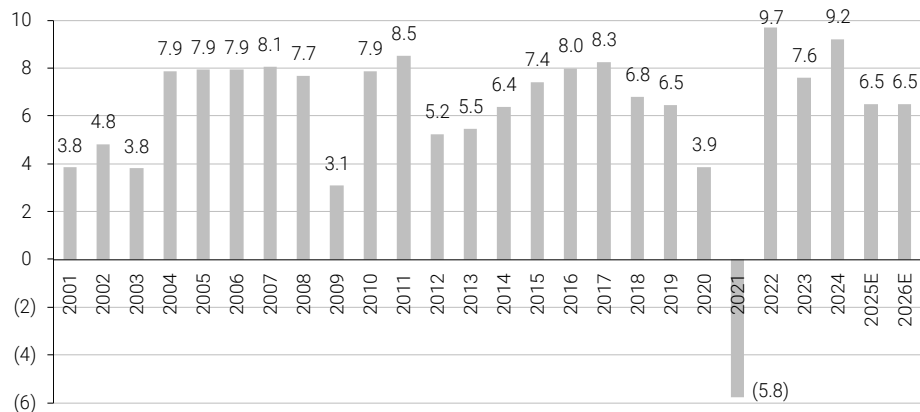
(a) Petroleum products consumption comprise naphtha, NGL, LDO, furnace oil, LSHS, etc.

(b) Fuel consumption comprise LPG, kerosene, gasoline and diesel.

Source: CEIC, Kotak Institutional Equities

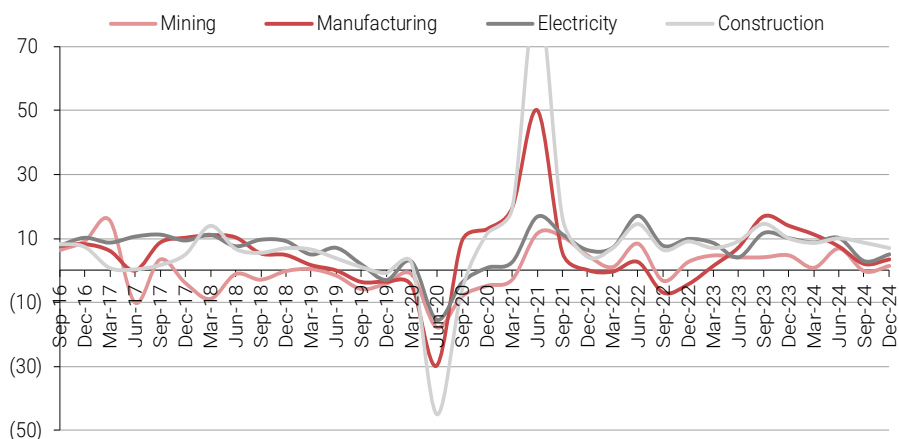
GROSS DOMESTIC PRODUCT (GDP) / GROSS VALUE ADDED (GVA)

YoY growth in India's real GDP, March fiscal year-ends, 2001-2026E (%)



Source: CEIC, Kotak Institutional Equities estimates

YoY growth in GVA of Industrial sector, March fiscal year-ends (%)



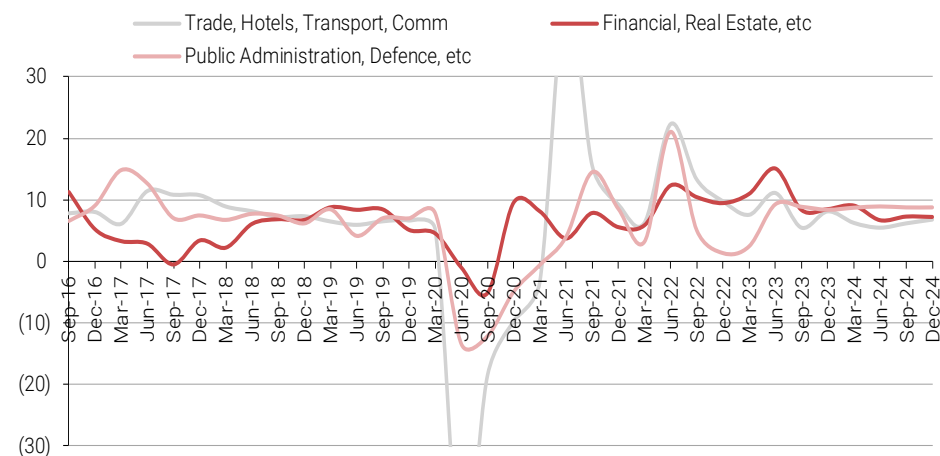
Source: CEIC, Kotak Institutional Equities

India's quarterly real GVA growth, March fiscal year-ends (%)

Sector	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Agriculture and allied	0.4	0.6	2.0	3.5	6.2
Industry	10.5	8.4	8.3	3.6	5.6
Mining	7.5	4.3	7.2	(0.1)	4.5
Manufacturing	11.5	8.9	7.0	2.2	1.4
Electricity	9.0	7.7	10.4	3.3	3.5
Construction	9.6	8.7	10.5	7.7	5.1
Services	7.1	6.7	7.2	7.1	7.0
Trade, hotel, transport, communication	6.9	5.1	5.7	6.0	7.4
Financial, real estate, professional services	7.0	7.6	7.1	6.7	6.7
Public admin, defence, and others	7.5	7.8	9.5	9.2	7.2
Real GVA (basic prices)	6.8	6.3	6.8	5.6	8.8

Source: CEIC, Kotak Institutional Equities

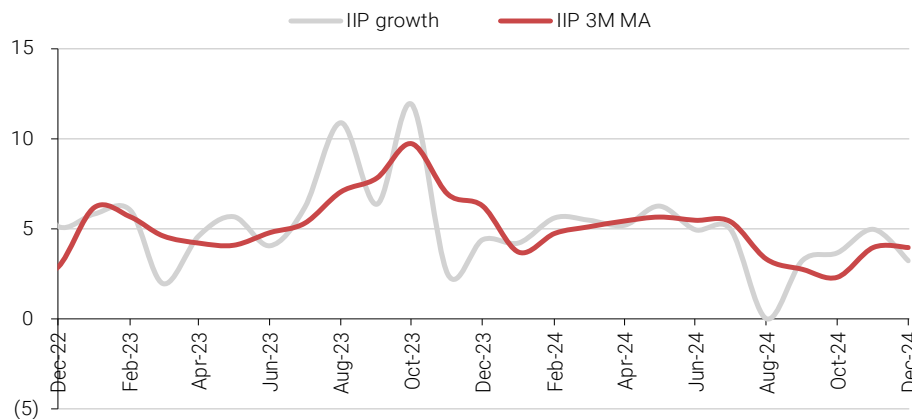
YoY growth in GVA of Services sector, March fiscal year-ends (%)



Source: CEIC, Kotak Institutional Equities

INDEX OF INDUSTRIAL PRODUCTION (IIP)

YoY growth and 3-month YoY growth moving average in India's IIP (%)



Source: CEIC, Kotak Institutional Equities

Sectoral classification of IIP growth, March fiscal year-ends, 2013-25 (%)

	Mining (%)			Manufacturing (%)			Electricity (%)			General (%)		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
April	8.4	5.1	6.8	5.6	5.5	4.2	11.8	(1.1)	10.2	6.7	4.6	5.2
May	11.2	6.4	6.6	20.7	6.3	5.1	23.5	0.9	13.7	19.7	5.7	6.3
June	7.8	7.6	10.3	12.9	3.5	3.5	16.4	4.2	8.6	12.6	4.0	4.9
July	(3.3)	10.7	3.8	3.1	5.3	4.7	2.3	8.0	7.9	2.2	6.2	5.0
August	(3.9)	12.3	(4.3)	(0.5)	10.0	1.2	1.4	15.3	(3.7)	(0.7)	10.9	0.0
September	5.2	11.5	0.2	2.0	5.1	4.0	11.6	9.9	0.5	3.3	6.4	3.2
October	2.6	13.1	0.9	(5.8)	10.6	4.4	1.2	20.4	2.0	(4.1)	11.9	3.7
November	9.7	7.0	1.9	6.7	1.3	5.5	12.7	5.8	4.4	7.6	2.5	5.0
December	10.1	5.2	2.6	3.6	4.6	3.0	10.4	1.2	6.2	5.1	4.4	3.2
January	9.0	6.0		4.5	3.6		12.7	5.6		5.8	4.2	
February	4.8	8.1		5.9	4.9		8.2	7.6		6.0	5.6	
March	6.8	1.3		1.5	5.9		(1.6)	8.6		1.9	5.5	
Average	5.7	7.9		5.0	5.6		9.2	7.2		5.5	6.0	

Source: CEIC, Kotak Economics Research

Use-based classification of IIP growth, March fiscal year-ends, 2023-25 (%)

	Primary goods			Capital goods			Intermediate goods			Infra and construction			Consumer durables			Consumer non-durables		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
April	10.3	1.9	7.0	12.0	4.4	2.8	7.1	1.7	3.8	4.0	13.4	8.5	7.2	(2.3)	10.5	(0.8)	11.4	(2.5)
May	17.8	3.6	7.3	53.3	8.1	2.6	17.5	3.4	3.5	18.4	13.0	7.6	59.1	1.5	12.6	1.4	8.9	2.8
June	13.8	5.3	6.3	28.6	2.9	3.6	10.5	5.2	3.2	9.4	13.3	8.2	25.2	(6.8)	8.8	2.9	0.5	(1.0)
July	2.5	7.7	5.9	5.1	5.1	11.7	3.7	3.2	7.0	4.8	12.6	5.5	2.3	(3.6)	8.2	(2.9)	8.3	(4.2)
August	1.7	12.4	(2.6)	4.3	13.1	0.0	1.3	7.4	3.1	3.0	15.7	2.7	(4.4)	6.0	5.4	(9.0)	9.9	(4.4)
September	9.5	8.0	1.8	11.4	8.4	3.5	1.7	6.1	4.3	8.2	10.1	3.5	(5.5)	1.0	6.3	(5.7)	2.7	2.2
October	2.1	11.4	2.5	(2.9)	21.7	3.1	(2.3)	9.5	4.6	1.7	12.6	4.8	(18.1)	15.9	5.7	(13.0)	9.3	2.6
November	4.8	8.4	2.7	20.7	(1.1)	8.8	3.5	3.4	4.8	14.3	1.5	8.1	5.0	(4.8)	14.1	10.0	(3.4)	0.4
December	8.5	4.8	3.8	7.8	3.7	10.3	1.5	3.7	5.9	11.0	5.5	6.3	(11.2)	5.2	8.3	7.9	3.0	(7.6)
January	9.8	2.9		10.5	3.2		1.4	5.3		11.3	5.5		(8.2)	11.6		6.5	0.3	
February	7.0	5.9		11.0	1.7		1.0	8.6		9.0	8.3		(4.1)	12.6		12.5	(3.2)	
March	3.3	3.0		10.0	7.0		1.8	6.1		7.2	7.4		(8.0)	9.5		(1.9)	5.2	
Average	7.6	6.3		14.3	6.5		4.1	5.3		8.5	9.9		3.3	3.8		0.7	4.4	

Source: CEIC, Kotak Economics Research

RESERVE BANK OF INDIA – BALANCE SHEET

Liabilities and assets of Reserve Bank of India, March fiscal year-ends (Rs bn)

Date	28-Feb-25	01-Mar-24	29-Mar-24	chg (%)				21-Feb-25	chg (%)
				2025		2024			
				yoy	ytd	yoy	ytd		
Liabilities									
Notes Issued	36,156	34,245	34,823	5.6	3.8	3.3	2.3	36,154	0.0
Deposits	14,450	15,514	17,823	(6.9)	(19)	18	15	15,303	(5.6)
Central Government	1.0	1.0	1.0	1.0	0.0	(1.0)	(98)	1.0	0.0
State Government	0.4	0.4	0.4	0.0	0.0	0.0	0.0	0.4	0.0
Market Stabilization Scheme	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SCBs and other banks	9,861	10,217	10,738	(3.5)	(8.2)	14.1	9.8	9,475	4.1
Others	4,588	5,297	7,083	(13.4)	(35)	27	27	5,827	(21)
Other Liabilities	21,732	17,187	18,047	26	20	18	4.7	21,257	2.2
Assets	72,338	66,948	70,694	8.1	2.3	10.0	5.5	72,714	(0.5)
Foreign Currency Assets	47,913	46,378	47,993	3.3	(0.2)	13.0	10.0	47,505	0.9
Gold Coin and Bullion	6,412	4,014	4,350	60	47	16	8.1	6,467	(0.8)
Rupee Securities (incl. T-Bills)	13,996	13,623	13,634	2.7	2.7	(2.5)	(3.1)	13,993	0.0
Loans and Advances	3,761	2,724	4,434	38	(15)	24	(5.7)	4,504	(16)
Central Govt.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Govt.	229	33	23	605	897	(77)	311	221	3.7
SCBs	2,295	1,128	2,660	103	(13.7)	20	0	3,019	(24)
NABARD, other banks and FIs	1,237	1,564	1,750	(21)	(29)	40	24	1,263	(2.1)
Investments	21	21	21	0.0	0.0	0.0	0.0	21	0.0
Other Assets	236	187	263	26	(10.3)	6.6	(69)	226	4.6

Source: CEIC, Kotak Institutional Equities

MONETARY AGGREGATES

Components and sources of money stock in India, March fiscal year-ends (Rs bn)

Date	21-Feb-25	23-Feb-24	22-Mar-24	chg (%)				07-Feb-25	chg (%)
				2025		2024			
				yoy	ytd	yoy	ytd		
Components									
M3 (broad money)	268,516	244,941	248,303	9.6	8.1	10.9	9.7	268,722	(0.1)
M1 (narrow money)	63,361	59,560	60,904	6.4	4.0	6.7	5.1	62,833	0.8
Currency with the public	35,578	33,616	34,187	5.8	4.1	4.3	2.5	35,373	0.6
Demand deposits with banks	26,650	25,105	25,869	6.2	3.0	9.5	8.2	26,340	1.2
Time deposits with banks	205,155	185,381	187,399	10.7	9.5	12.3	11.2	205,889	(0.4)
Sources									
Net bank credit to government	80,997	72,238	73,132	12.1	10.8	5.4	4.4	81,569	(0.7)
Net bank credit to commercial	183,684	164,346	166,696	11.8	10.2	16	13.9	183,308	0.2
Net bank foreign assets	57,633	52,846	54,845	9.1	5.1	11.6	7.2	57,910	(0.5)
Net bank non-monetary liabilities	54,158	44,821	46,702	21	16	21	13.0	54,425	(0.5)

Source: CEIC, Kotak Institutional Equities

Components and sources of reserve money in India, March fiscal year-ends (Rs bn)

Date	28-Feb-25	01-Mar-24	29-Mar-24	chg (%)				21-Feb-25	chg (%)
				2025		2024			
				yoy	ytd	yoy	ytd		
Components									
Reserve money	47,504	45,623	46,821	4.1	1.5	6.0	4.0	47,122	0.8
Currency in circulation	36,516	34,577	35,155	5.6	3.9	3.3	2.3	36,514	0.0
Bankers' deposits with RBI	9,861	10,217	10,738	(3.5)	(8.2)	14.1	9.8	9,475	4.1
Other deposits with RBI	1,127	829	927	36	22	29	6.6	1,133	(0.5)
Sources									
Net RBI credit to government	12,741	11,553	11,346	10.3	12.3	(12.7)	(20)	11,934	6.8
Credit to center	12,512	11,521	11,323	8.6	10.5	(12.0)	(21)	11,713	6.8
Net RBI credit to banks and comm.	1,631	421	643	287	154	(182)	(145)	1,946	(16)
Credit to banks	1,322	310	499	327	165	(147)	(126)	1,660	(20)
Net RBI foreign exchange assets	54,321	50,369	52,338	7.8	3.8	13.3	9.8	53,966	0.7
Government's currency liabilities	360	332	332	8.5	8.5	10.6	9.6	360	0.0
Net RBI non-monetary liabilities	21,549	17,052	17,838	26	21	18	7.4	21,085	2.2

Source: CEIC, Kotak Institutional Equities

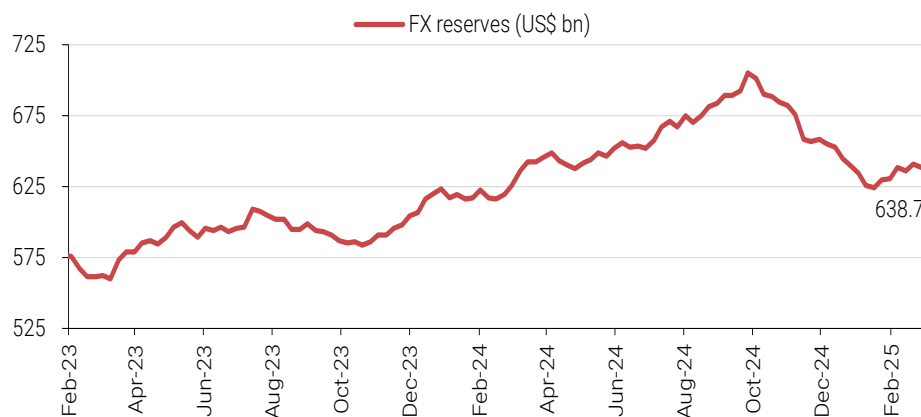
BANKING AND FOREX AGGREGATES

Liabilities and assets of banking system in India, March fiscal year-ends (Rs bn)

Date	21-Feb-25	23-Feb-24	22-Mar-24	chg (%)				07-Feb-25	chg (%)
				2025		2024			
				yoy	ytd	yoy	ytd		
Liabilities									
Aggregate deposits	222,844	202,048	204,752	10.3	8.8	13.1	12.0	223,254	(0.2)
Demand deposits	25,241	23,683	24,439	6.6	3.3	10.1	8.6	24,925	1.3
Time deposits	197,604	178,365	180,314	10.8	9.6	13.5	12.4	198,329	(0.4)
Aggregate deposits (excl. HDFC)	222,226	200,921	203,670	10.6	9.1	12.5	11.4	222,716	(0.2)
Assets									
Cash in banking systems	9,702	9,924	10,209	(2.2)	(5.0)	10.9	10.3	9,622	0.8
Investments in SLR securities	66,510	60,487	61,066	10.0	8.9	13.3	11.7	66,824	(0.5)
Credit by banks	179,900	162,141	164,322	11.0	9.5	21	19	179,634	0.1
Non-food credit	179,425	161,736	164,091	10.9	9.3	21	18	179,095	0.2
Food credit	474	405	231	17	106	15	103	539	(12.0)
Credit by banks (excl. HDFC)	175,568	156,710	159,040	12.0	10.4	17	15	175,296	0.2
Ratios (%)									
Cash-deposit ratio	4.4	4.9	5.0					4.3	
Investment-deposit ratio	30	30	30					30	
Credit-deposit ratio	81	80	80					80	

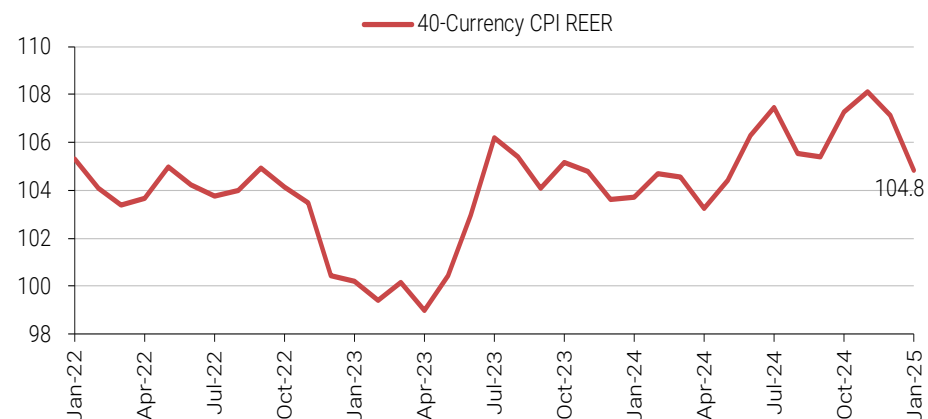
Source: CEIC, Kotak Institutional Equities

India's foreign exchange reserves (US\$ bn)



Source: CEIC, Kotak Institutional Equities

Real effective exchange rate of Indian currency (X)



Source: CEIC, Kotak Institutional Equities

EXTERNAL SECTOR AGGREGATES

Monthly foreign trade aggregates of India, March fiscal year-ends (US\$ bn)

Date	Jan-25	Jan-24	Dec-24	chg (%)		FYTD (Apr-Jan)		chg (%)
				yoy	mom	2025	2024	
Exports	36	37	38	(2.4)	(4.2)	358	354	1.2
Oil exports	3.6	8.6	4.9	(59)	(28)	52	71	(27)
Non-oil exports	33	29	33	14.5	(0.7)	307	283	8.1
Imports	59	54	60	10.3	(0.9)	592	560	5.6
Oil imports	13.4	16	15	(13.5)	(12.1)	152	146	4.3
Non-oil imports	46	38	45	20	2.9	440	415	6.1
- gold imports	2.7	1.9	4.7	41	(43)	56	38	49
Trade balance	(23)	(17)	(22)			(234)	(206)	

Source: Bloomberg, Kotak Institutional Equities

Current account deficit at 1.2% of GDP in 2QFY25

India's quarterly balance of payments, March fiscal year-ends, 2QFY24-2QFY25 (US\$ bn)

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Current account	(11.3)	(10.4)	4.6	(10.2)	(11.2)
GDP	858	909	943	927	915
CAD/GDP (%)	(1.3)	(1.1)	0.5	(1.1)	(1.2)
Trade balance	(65)	(72)	(52)	(65)	(75)
Trade balance/GDP (%)	(7.5)	(7.9)	(5.5)	(7.0)	(8.2)
- Exports	108	107	122	111	104
- oil exports	23	20	22	21	16
- non-oil exports	86	86	99	91	88
- Imports	173	178	174	176	179
- oil imports	42	46	49	51	37
- non-oil imports	131	132	125	125	142
- gold imports	13	14	10	10	18
Invisibles (net)	53	61	57	55	64
- Services	40	45	43	40	45
o/w Software	35	36	37	37	40
o/w Non-software	5	9	6	2	5
- Transfers	25	29	29	26	29
- Income (net)	(12)	(13)	(15)	(11)	(10)
Capital account	12.8	17.3	25.6	14.7	30.5
% of GDP	1.5	1.9	2.7	1.6	3.3
Foreign investment	4	16	14	8	18
- FDI	(1)	4	2	7	(2)
- FPI	5	12	11	1	20
- Equities	4	7	1	(1)	11
- Debt	2	5	10	2	9
Banking capital	4	16	7	3	6
- NRI deposits	3	4	5	4	6
Short-term credit	5	(1)	0	3	3
ECBs	(3)	(4)	2	2	2
External assistance	1	3	2	1	2
Other capital account items	1	(12)	1	(2)	(1)
E&O	1	(1)	1	1	(1)
Overall balance	2.5	6.0	30.8	5.2	18.6
memo items:					
Average exchange rate (US\$/Rs)	82.7	83.3	83.0	83.4	83.8
Average Brent price (US\$/bbl)	85.9	84.3	83.1	83.0	80.3

Source: RBI, Kotak Institutional Equities

FISCAL AGGREGATES

Decent improvement in tax revenues in FYTD24

Monthly tax receipts of the Indian government, March fiscal year-ends (Rs bn)

Date	Jan-25	Jan-24	Dec-24	Chg. (%)		FYTD (Apr-Jan)		Chg. (%)
				yoy	mom	2025	2024	yoy
Gross tax revenues	2,339	2,237	4,895	4.6	(52)	29,844	27,062	10.3
Direct taxes	902	1,011	3,711	(10.8)	(76)	17,148	15,358	11.7
Corporation tax	104	339	2,293	(69)	(95)	7,513	7,556	(0.6)
Income tax	750	627	1,370	20	(45)	9,128	7,483	22
Other taxes	48	45	47	6.5	1.2	507	319	59
Indirect taxes	1,429	1,222	1,181	17	21	12,660	11,665	8.5
Customs duty	200	169	160	19	25	1,902	1,751	8.6
Excise duty	263	265	245	(0.9)	7.1	2,259	2,290	(1.3)
Service tax	(0.3)	0.7	(0.6)	(140)	(52)	0.1	4.7	(99)
GST	967	787	776	23	25	8,499	7,620	11.5
CGST	793	737	694	7.6	14.2	7,525	6,764	11.3
IGST	40	(65)	(37)	(161)	(207)	(276)	(306)	(9.8)
Compensation cess	134	116	120	16	12.2	1,250	1,162	7.6
Net tax revenues	605	1,499	3,996	(60)	(85)	19,036	18,798	1.3
Non-tax revenues	200	257	206	(22)	(3.2)	4,676	3,381	38
Non-debt capital receipts	19	46	33	(58)	(42)	292	342	(14.6)

Source: CEIC, Kotak Institutional Equities

Monthly fiscal aggregates of the Indian government, March fiscal year-ends (Rs bn)

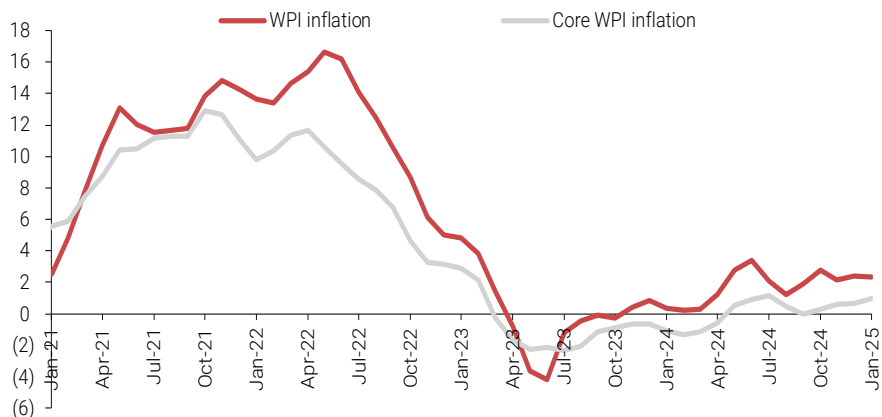
Date	Jan-25	Jan-24	Dec-24	Chg. (%)		FYTD (Apr-Jan)		Chg. (%)
				yoy	mom	2025	2024	yoy
Total receipts	824	1,802	4,236	(54)	(81)	24,004	22,521	6.6
Total expenditure	3,379	3,005	4,911	12.4	(31)	35,700	33,547	6.4
Revenue expenditure	2,658	2,530	3,193	5.1	(17)	28,126	26,335	6.8
Capital expenditure	720	476	1,718	51	(58)	7,574	7,212	5.0
Fiscal deficit	2,555	1,203	675	112	278	11,695	11,026	6.1
Revenue deficit	1,854	773	(1,010)	140	(284)	4,414	4,156	6.2
Primary deficit	1,883	468	(823)	302	(329)	2,941	2,809	4.7

Source: CEIC, Kotak Institutional Equities

INFLATION

WPI inflation moderates slightly

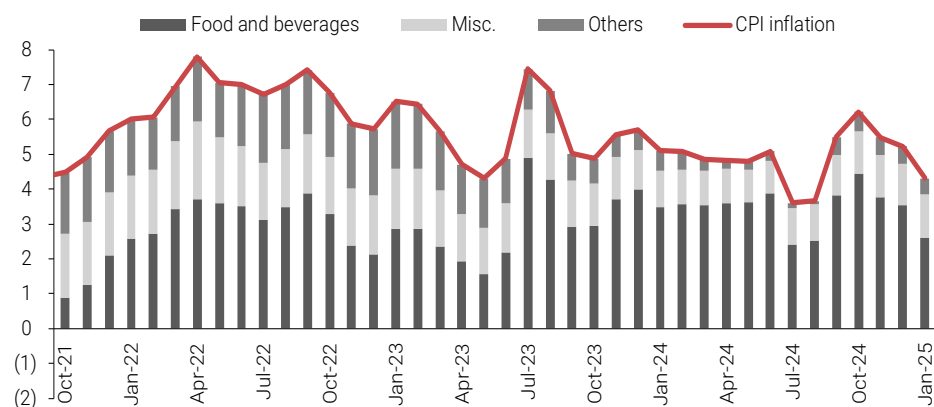
Headline WPI inflation and core inflation, March fiscal year-ends, (%)



Source: CEIC, Kotak Institutional Equities

CPI inflation declines further

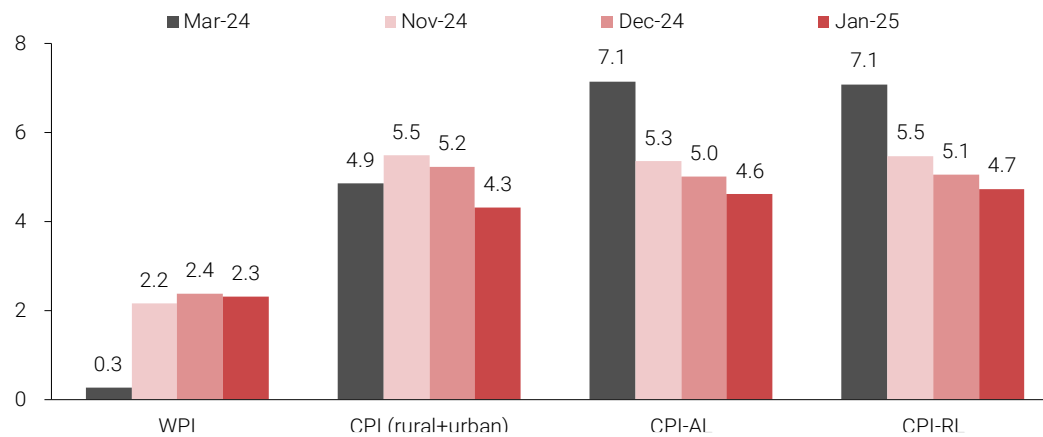
Contribution to CPI inflation by major segments (%)



Source: CEIC, Kotak Institutional Equities

Elevated inflation

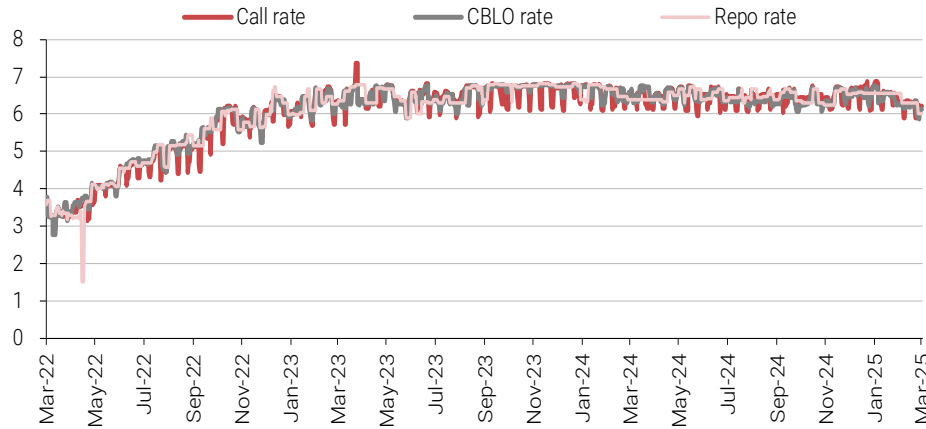
WPI, CPI (urban+rural), CPI for industrial workers (IW), agricultural labor (AL) and rural labor (RL) (%)



Source: Central Statistical Organization, Kotak Institutional Equities

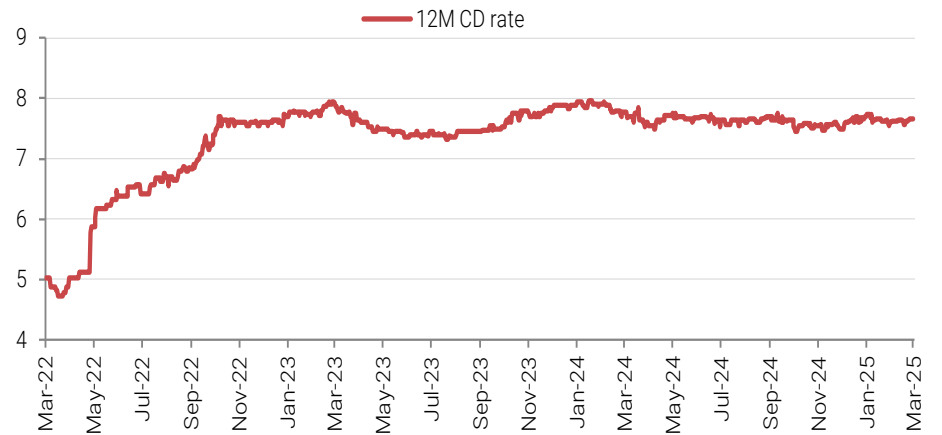
MONEY MARKETS

Money market rates in India (%)



Source: Bloomberg, Kotak Institutional Equities

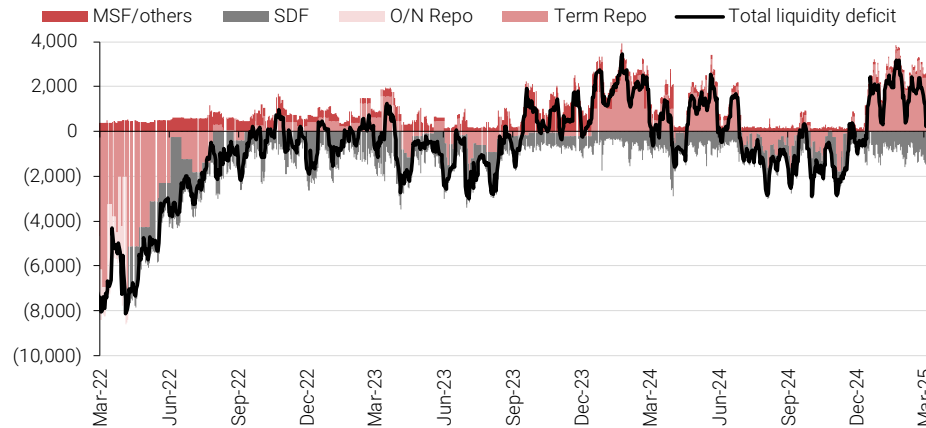
12-months Certificate of Deposit rates in India (%)



Source: Bloomberg, Kotak Institutional Equities

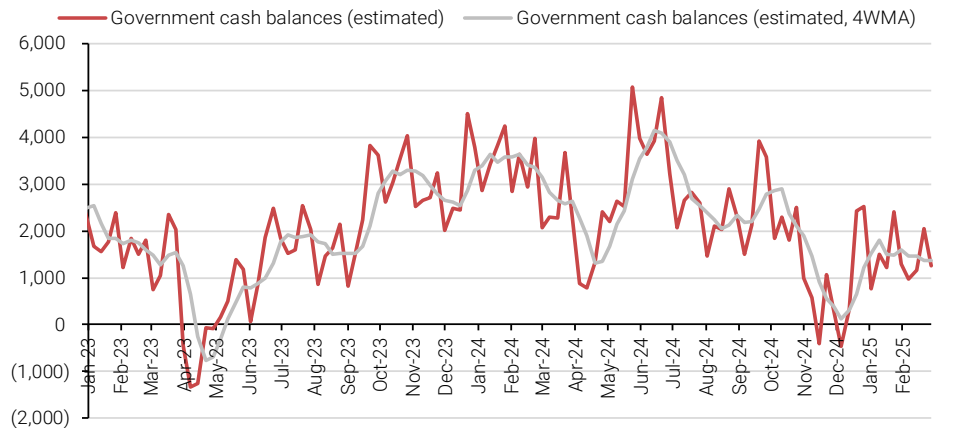
Banking system liquidity has tightened recently

Banking system liquidity, March fiscal year-ends, 2022-25



Source: CEIC, RBI, Kotak Institutional Equities

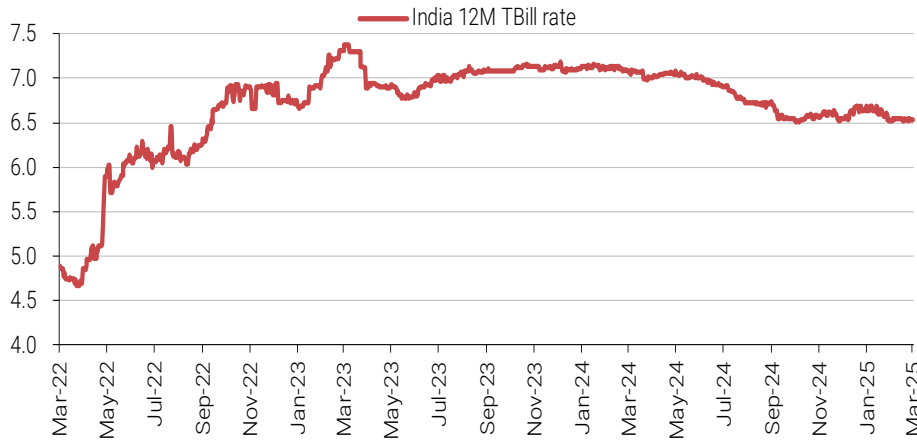
Estimated government cash balances (Rs bn)



Source: CEIC, RBI, Kotak Institutional Equities estimates

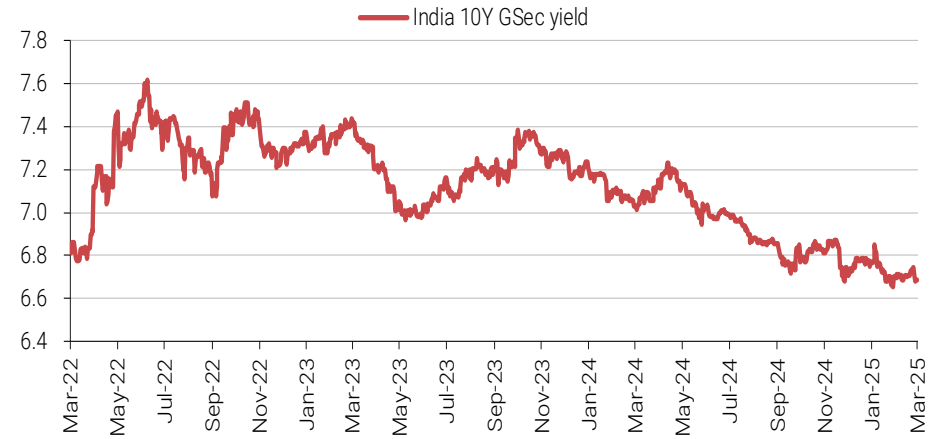
BOND MARKETS

12-month benchmark treasury bill yields in India (%)



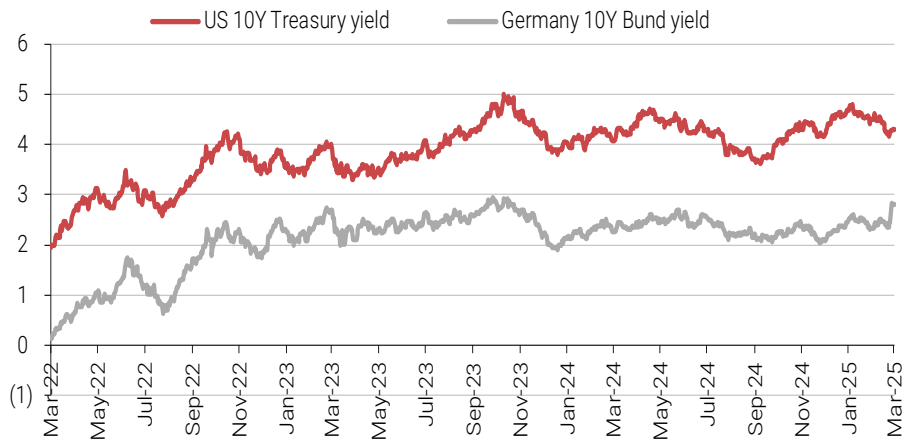
Source: Bloomberg, Kotak Institutional Equities

10-year benchmark government security yield in India (%)



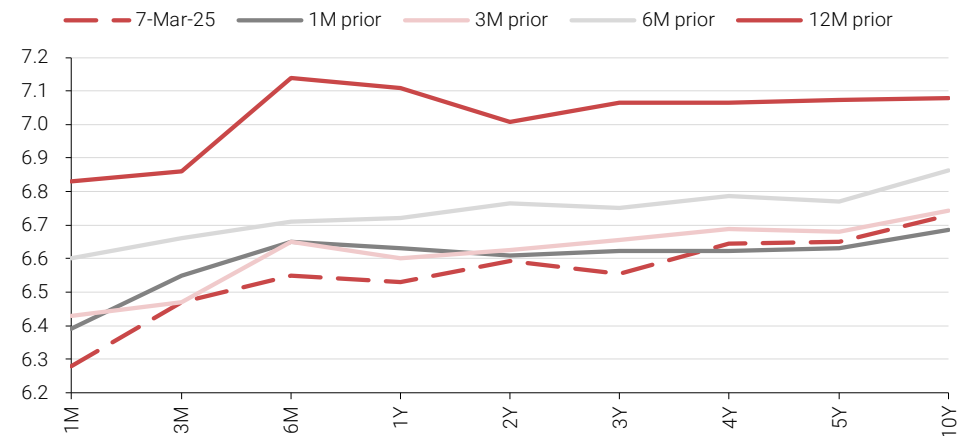
Source: Bloomberg, Kotak Institutional Equities

10-year government securities yields in US and Germany (%)



Source: Bloomberg, Kotak Institutional Equities

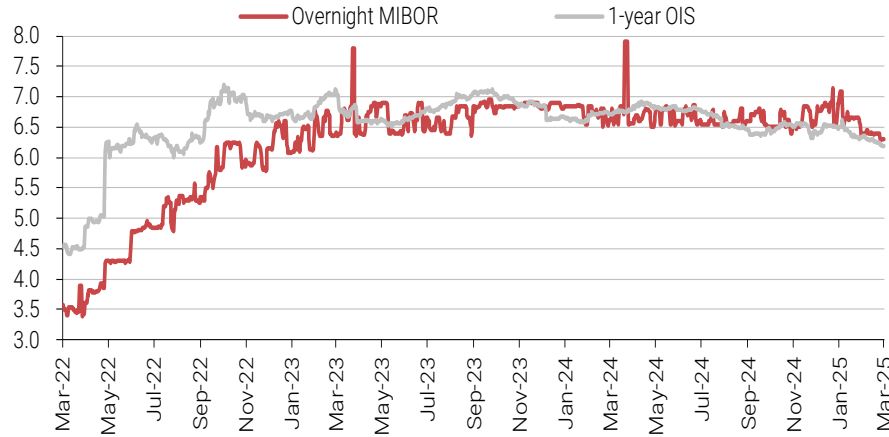
Yield curve of Indian treasury bills and government securities (%)



Source: Bloomberg, Kotak Institutional Equities

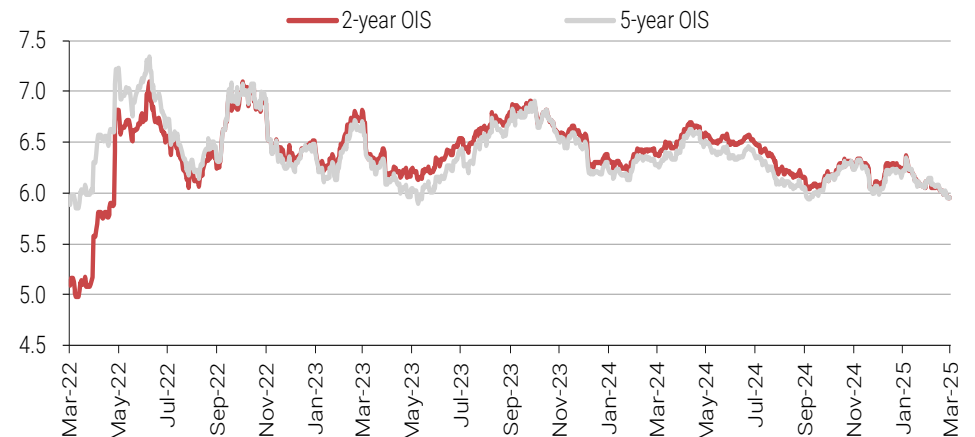
BOND MARKETS

Overnight MIBOR and 1-year Overnight Indexed Swap (OIS) rates in India (%)



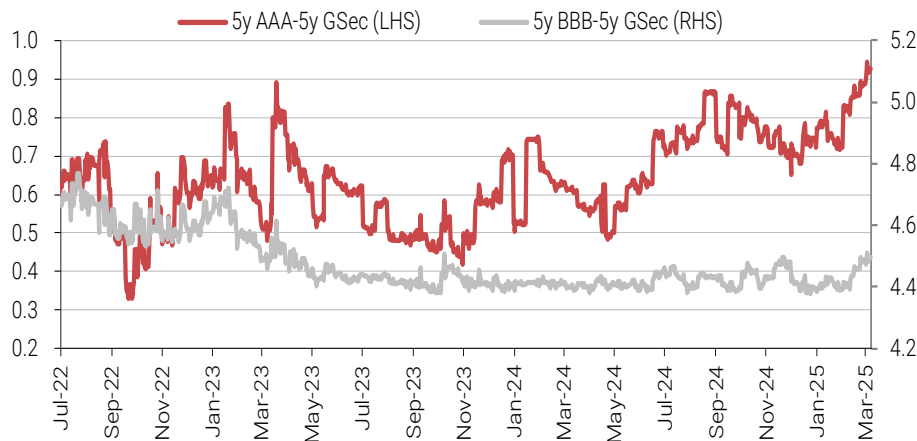
Source: Bloomberg, Kotak Institutional Equities

2-year and 5-year Overnight Indexed Swap (OIS) rates in India (%)



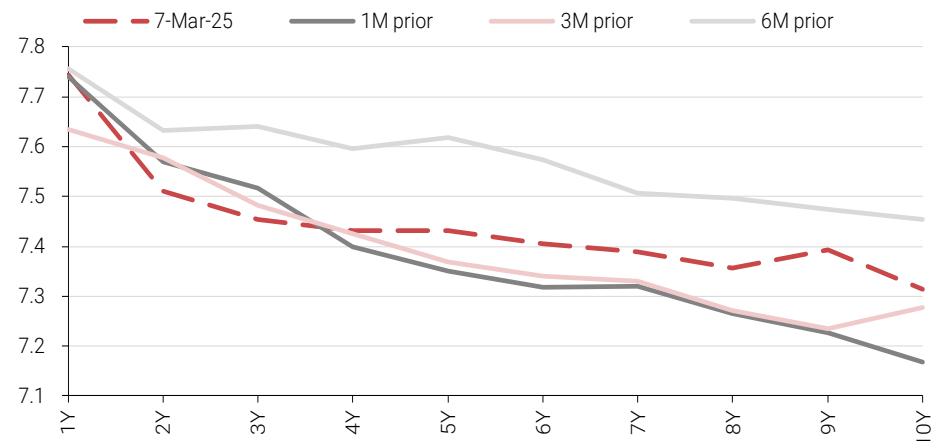
Source: Bloomberg, Kotak Institutional Equities

Yield spreads across corporate bonds and G-secs in India (%)



Source: Bloomberg, Kotak Institutional Equities

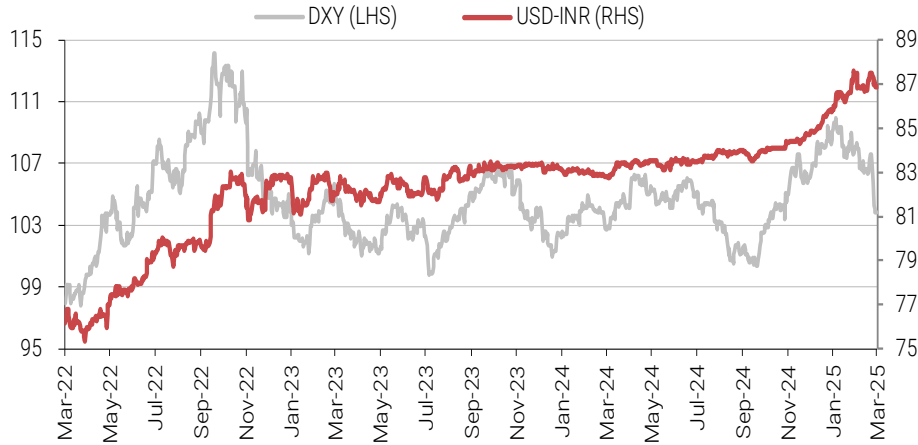
Yield curve of AAA corporate bonds (%)



Source: Bloomberg, Kotak Institutional Equities

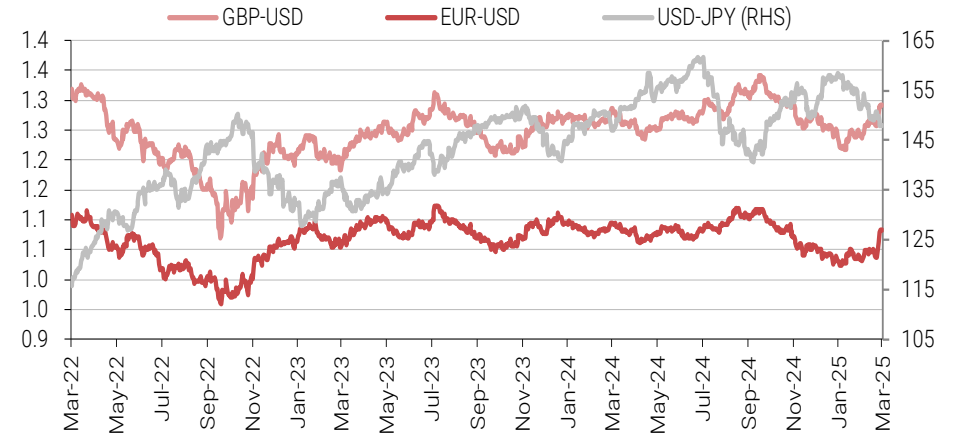
FX MARKETS

USD-INR spot rate (RHS) and DXY index (LHS)



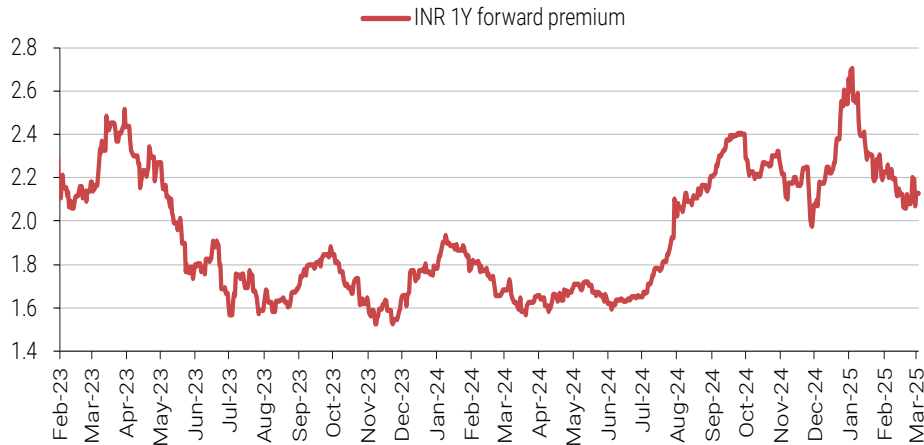
Source: Bloomberg, Kotak Institutional Equities

Spot rates of GBP-USD, EUR-USD, USD-JPY (RHS)



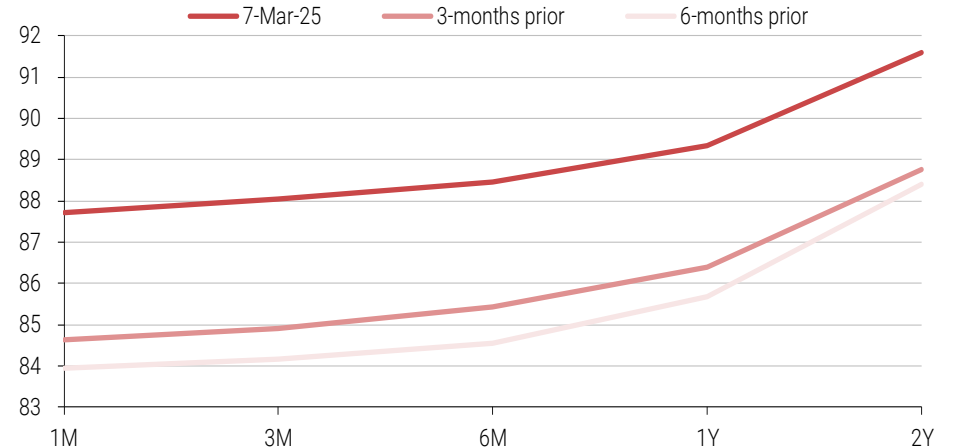
Source: Bloomberg, Kotak Institutional Equities

INR 1-Year forward premium (%)



Source: Bloomberg, Kotak Institutional Equities

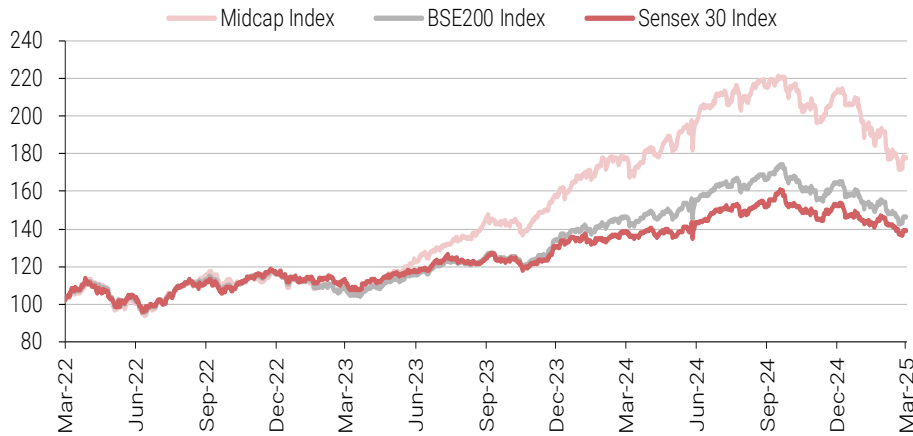
Forward rates curve of USD-INR



Source: Bloomberg, Kotak Institutional Equities

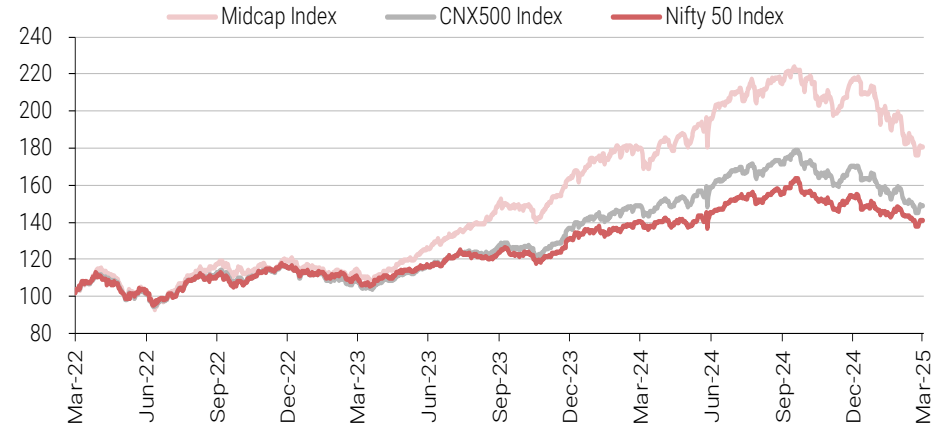
INDIAN EQUITY MARKETS

Performance of benchmark BSE indices (3-year prior=100)



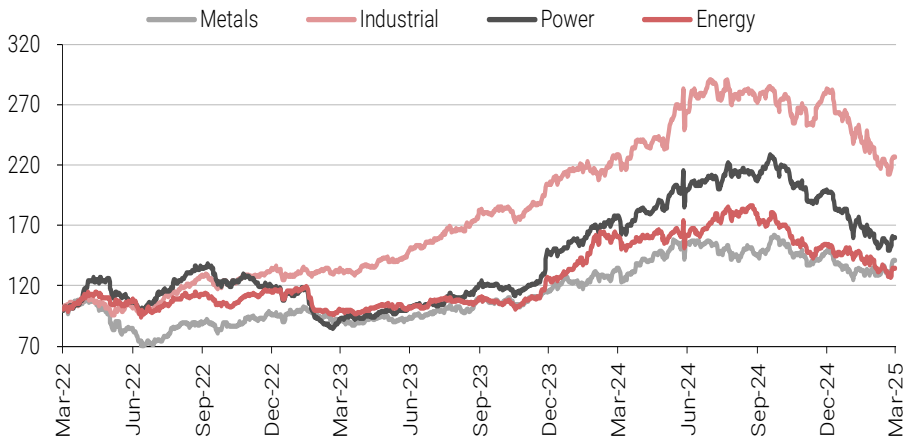
Source: Bloomberg, Kotak Institutional Equities

Performance of benchmark NSE indices (3-year prior=100)



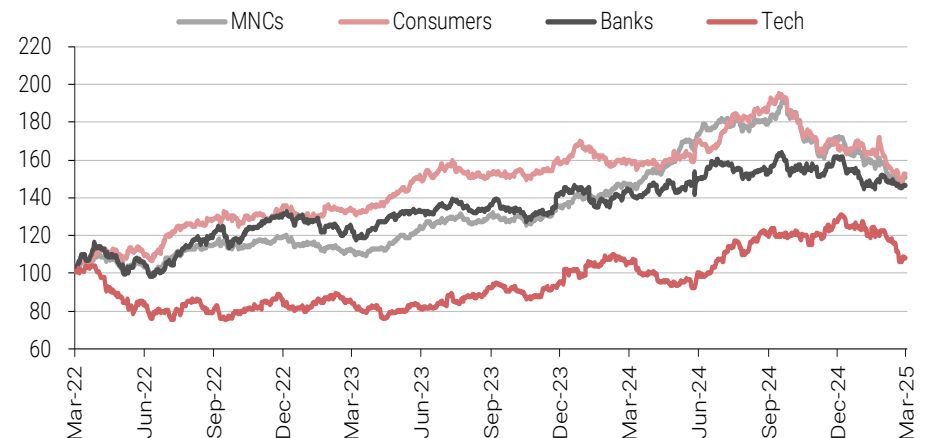
Source: Bloomberg, Kotak Institutional Equities

Performance of benchmark sector indices on BSE (3-year prior=100)



Source: Bloomberg, Kotak Institutional Equities

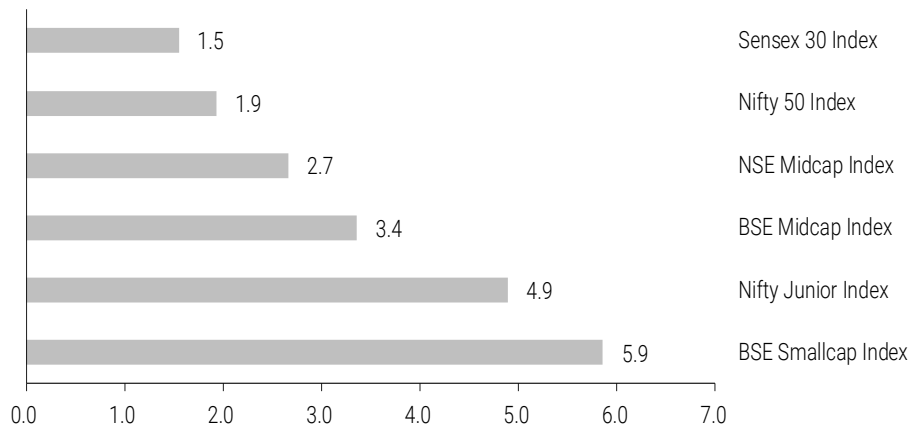
Performance of benchmark sector indices on NSE (3-year prior=100)



Source: Bloomberg, Kotak Institutional Equities

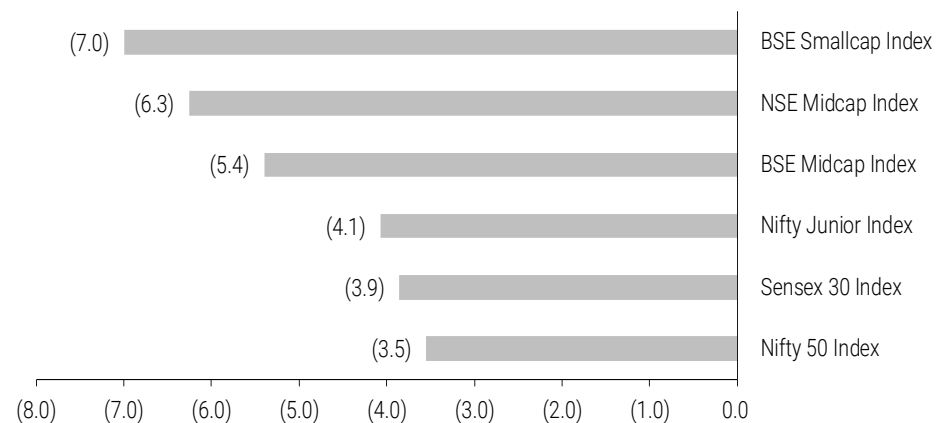
INDIAN EQUITY MARKETS

1-week performance of benchmark BSE and NSE indices (%)



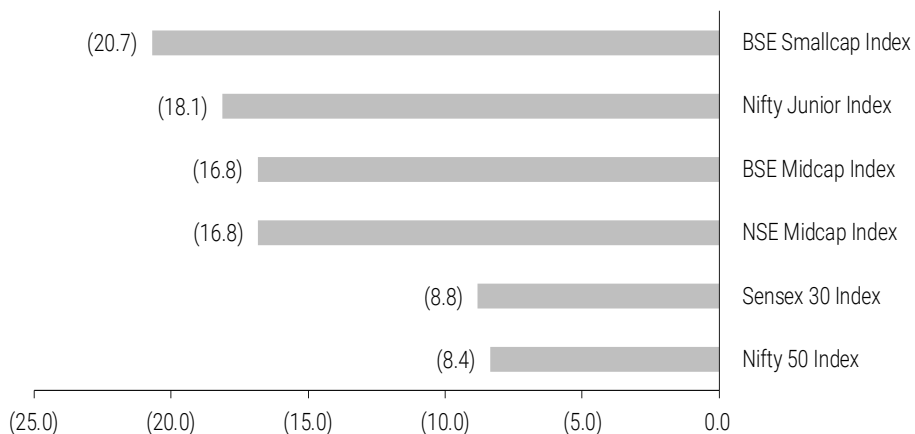
Source: Bloomberg, Kotak Institutional Equities

1-month performance of benchmark BSE and NSE indices (%)



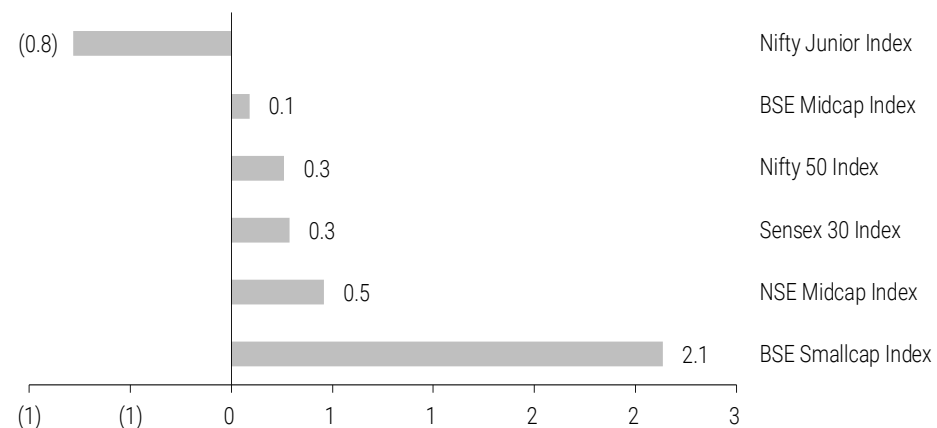
Source: Bloomberg, Kotak Institutional Equities

3-month performance of benchmark BSE and NSE indices (%)



Source: Bloomberg, Kotak Institutional Equities

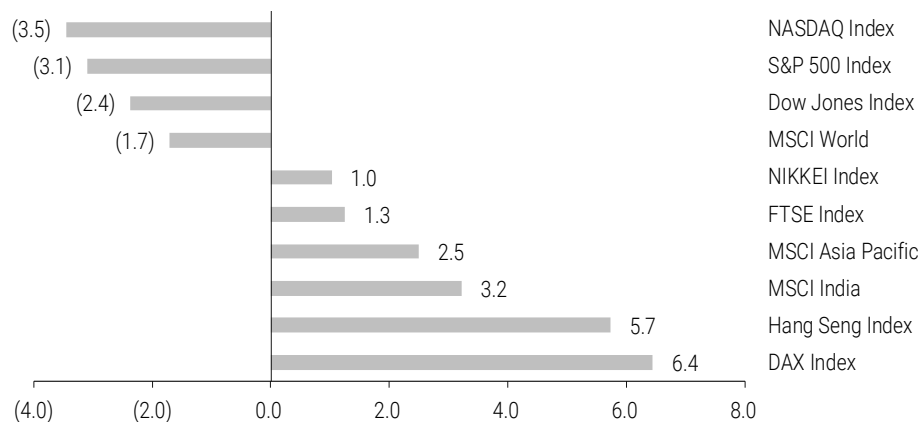
YTD performance of benchmark BSE and NSE indices (%)



Source: Bloomberg, Kotak Institutional Equities

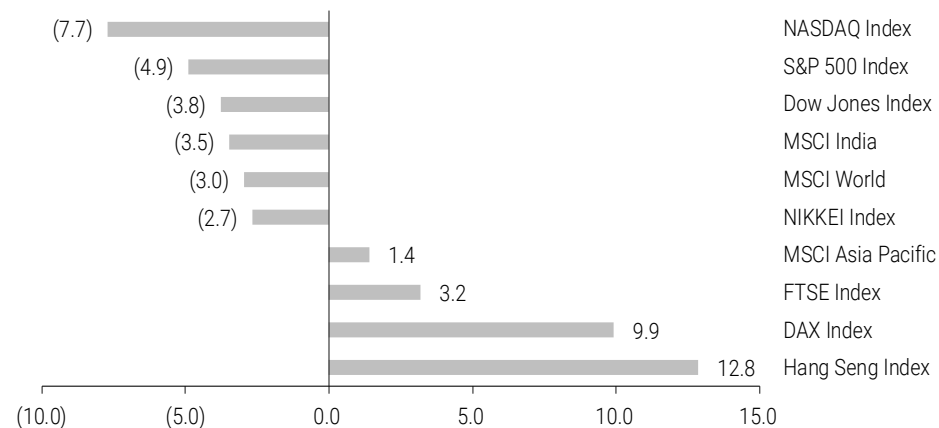
GLOBAL EQUITY MARKETS

1-week performance of benchmark global indices (%)



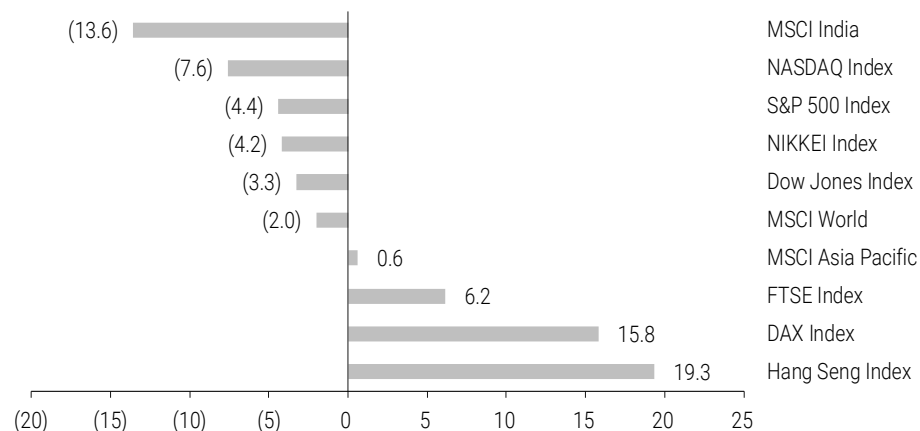
Source: Bloomberg, Kotak Institutional Equities

1-month performance of benchmark global indices (%)



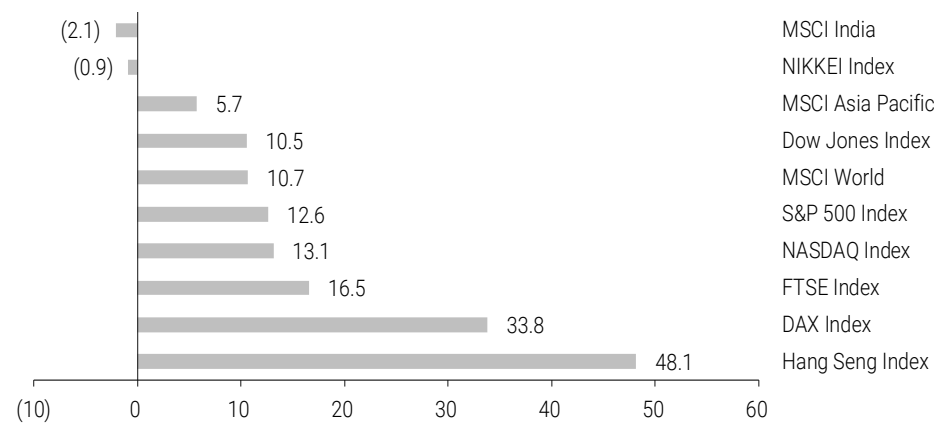
Source: Bloomberg, Kotak Institutional Equities

3-month performance of benchmark global indices (%)



Source: Bloomberg, Kotak Institutional Equities

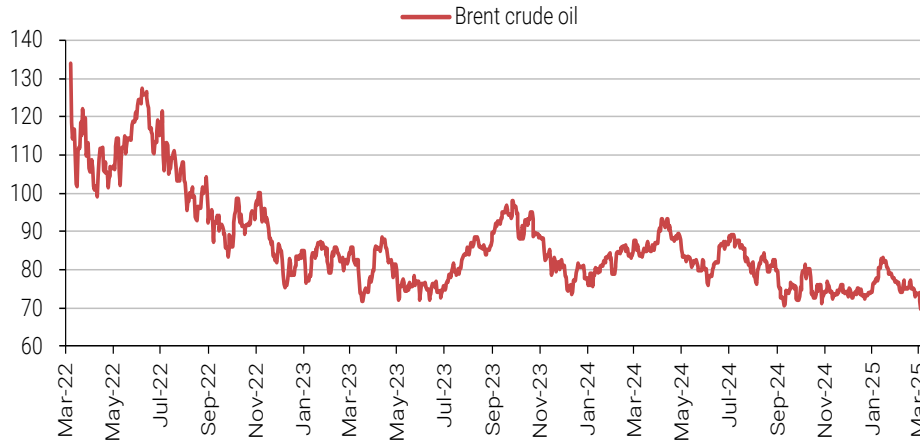
YTD performance of benchmark global indices (%)



Source: Bloomberg, Kotak Institutional Equities

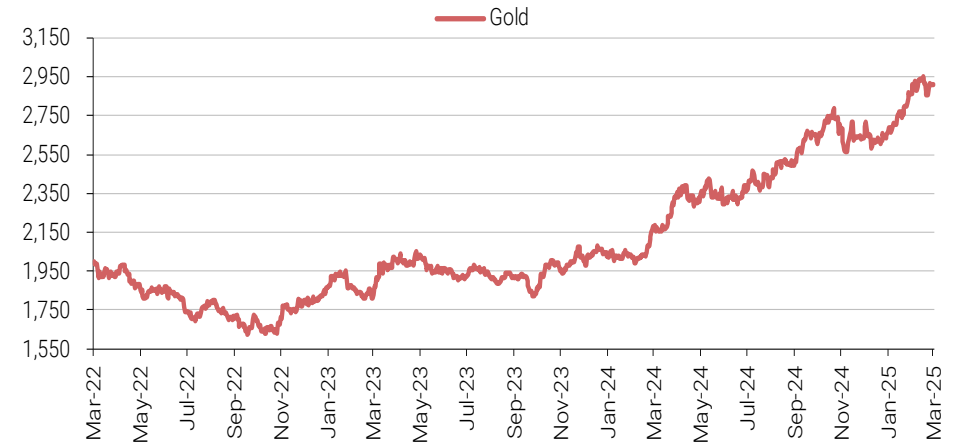
GLOBAL COMMODITY MARKETS

Spot price of Brent crude oil (USD/bbl)



Source: Bloomberg, Kotak Institutional Equities

Spot prices of gold in the international market (USD/oz)



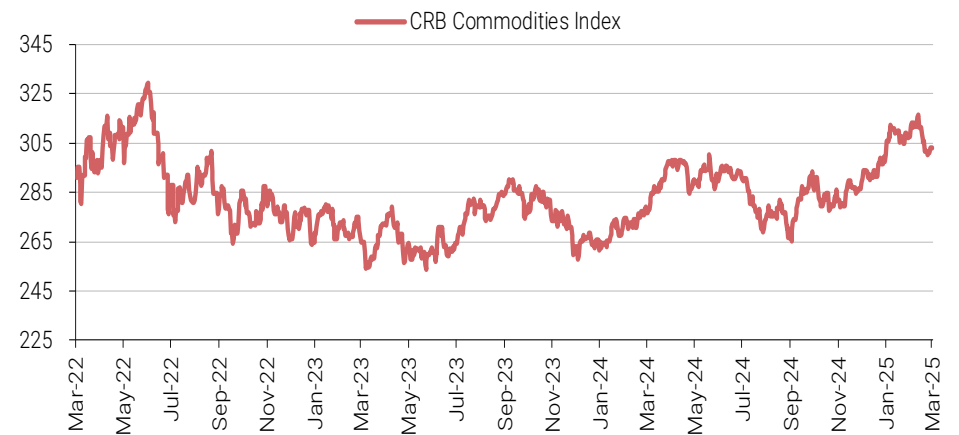
Source: Bloomberg, Kotak Institutional Equities

Spot prices of silver in the international market (USD/oz)



Source: Bloomberg, Kotak Institutional Equities

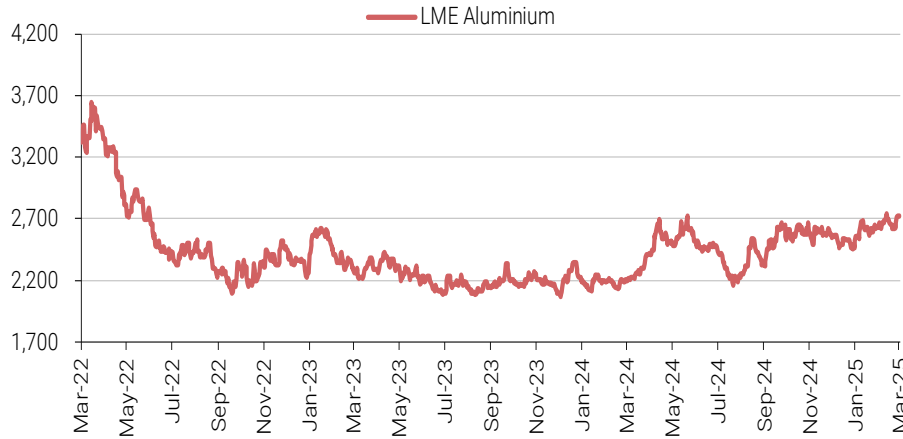
CRB Commodities Index (X)



Source: Bloomberg, Kotak Institutional Equities

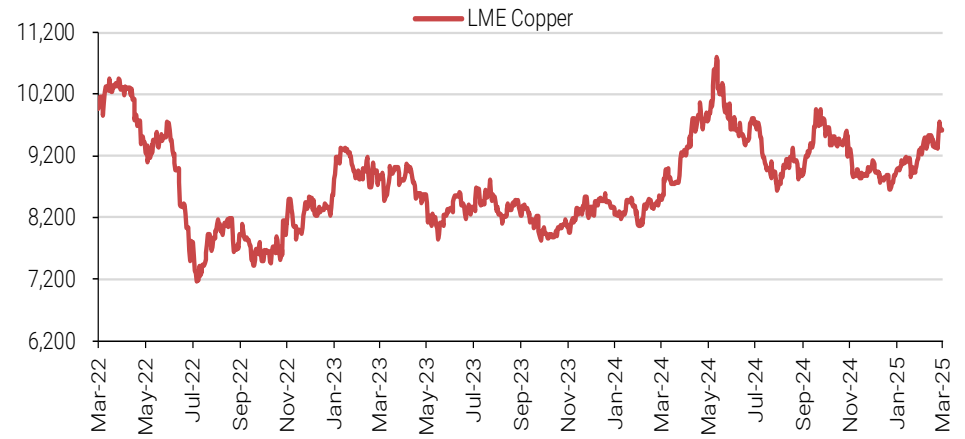
GLOBAL COMMODITY MARKETS

Spot prices of Aluminium on LME (USD/ton)



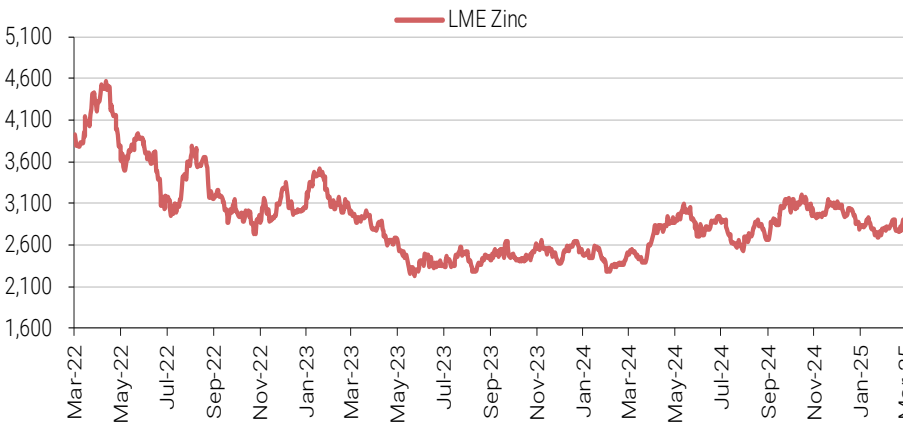
Source: Bloomberg, Kotak Institutional Equities

Spot prices of Copper on LME (USD/ton)



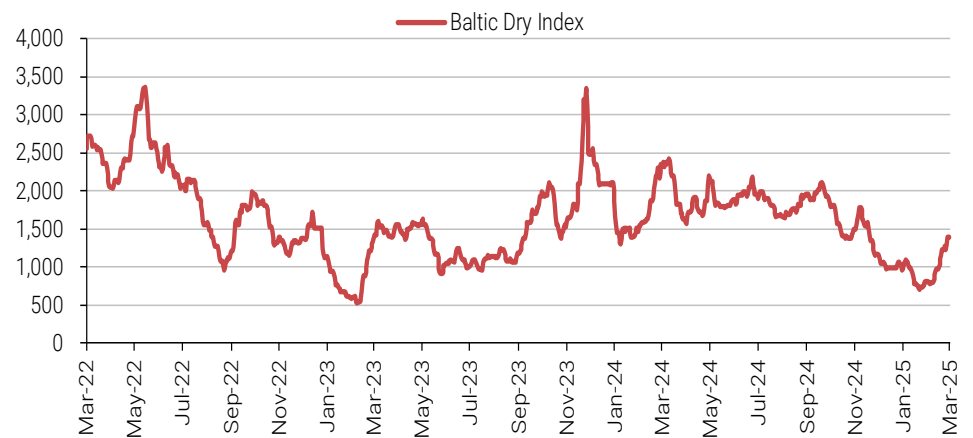
Source: Bloomberg, Kotak Institutional Equities

Spot prices of Zinc on LME (USD/ton)



Source: Bloomberg, Kotak Institutional Equities

Baltic Dry shipping Index (X)



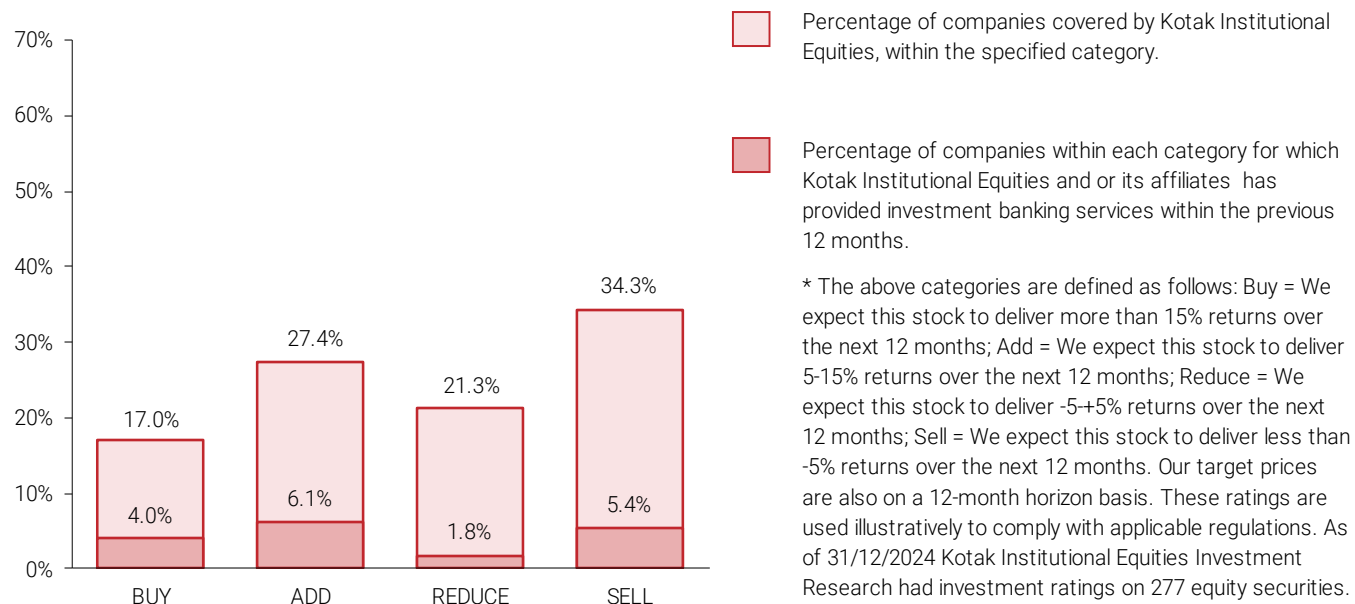
Source: Bloomberg, Kotak Institutional Equities

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As of December 31, 2024

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