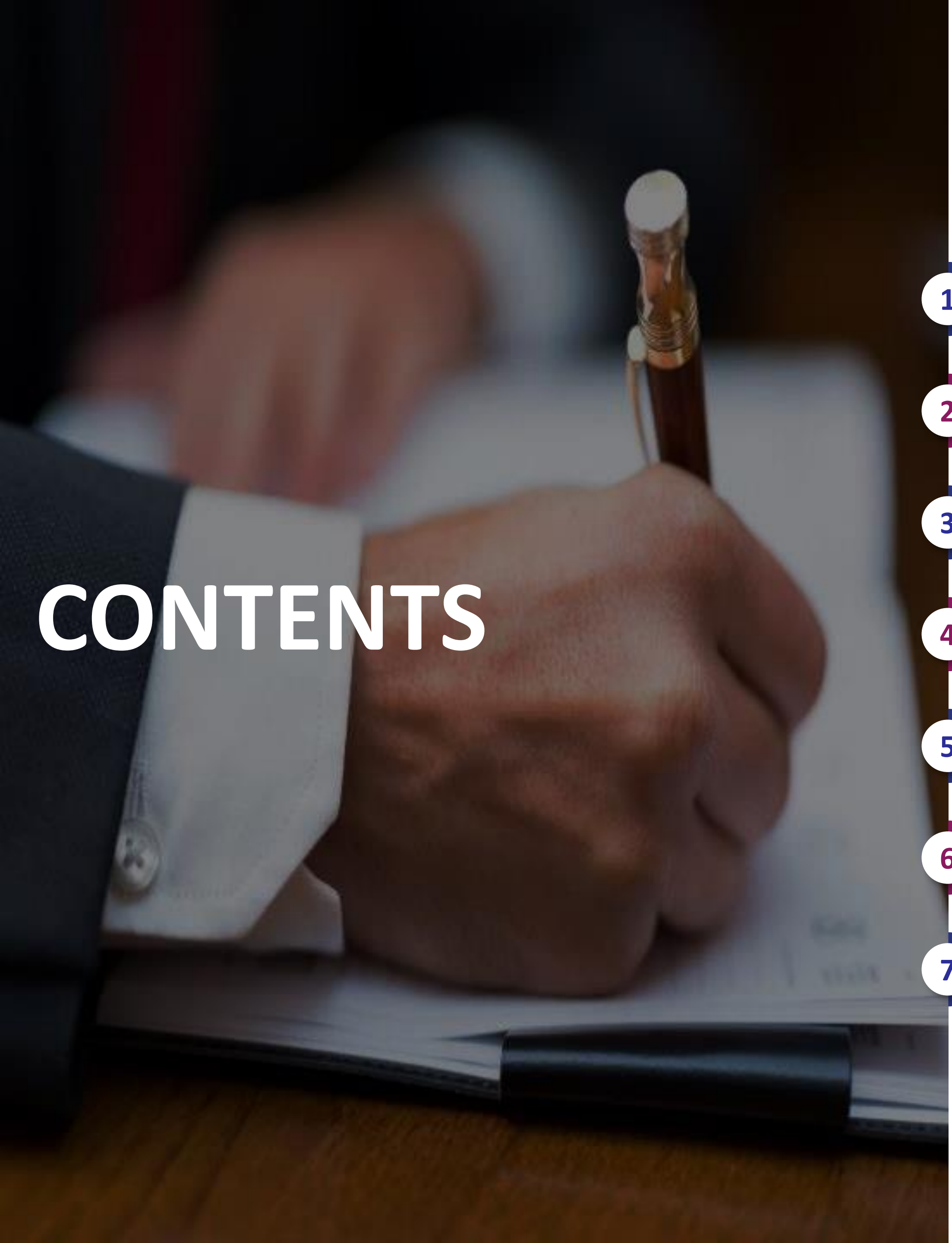
SBICAPS
Complete Investment Banking Solutions

ECOCAPSULE

FROM K-SHAPED RECOVERY TO K-SHAPED NARRATIVES

12 August 2024



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EXECUTIVE SUMMARY (1/2)

Jul’24 was data dense month for the global markets, with the changing colour of economic prints bringing the world to an inflection point. This led to a rapid realignment of rate cut expectations, and a global market sell-off ensued. Charting the chronology of the events reveals that the trigger point may have been the quickly souring after US non-farm payrolls clocking just a 114k increase (expected 175k) in Jul’24 and seeing downward revision for the previous month. This led to heightened recession fears, precipitating an equity sell-off and a rally in US Treasuries, with the market swiftly recalibrating its rate cut expectations for CY24 to 100-125 bps, up from the earlier 50-75 bps. *This means that the probability for a Sep’24 rate cut is higher than before, and Jul’24 may have been the last hold*

Differential dynamics ensured that global Central Banks have refracted these events in divergent ways. For instance, the BoJ made a historic move to raise rates to ~25 bps and reduce bond purchases, aimed at curbing currency devaluation and controlling inflation. While this led to a worst bloodbath in the Nikkei since the 1980s, the JPY finally got a helping hand (vs. USD) after several months. Meanwhile, PBoC and BoE, to revitalize the economy, implemented cuts. China also added temporary repos and adjusted currency to avoid an unsustainable bond rally. The multi-faceted and unique strategies taken by global Central Banks reflects the ongoing priorities at hand – including growth, inflation, and currency

Amid global turbulence which saw some correction in equity markets and the INR reaching a nadir vs. the USD, India continues to serve as an engine of global growth. Domestic high-frequency indicators showed sustained momentum. PMIs are firmly in the expansionary zone, with manufacturing performing exceptionally well. Manufacturing capacity utilization reached ~77% in Q4FY24, the highest in 11 years, while steel consumption maintained double-digit growth at 14.6% y/y in Jul’24. Agricultural recovery is expected to also gain traction, supported by above-normal monsoons (6.6% above LTA as of 11 Aug’24). This will support rural consumption, as evidenced by a 17.2% y/y increase in 2W sales in Jul’24. *Driven by manufacturing and rural elation, we anticipate real GDP to grow by 7.0% y/y in FY25 – with downside risks primarily from global headwinds. Currency will be balanced by record forex buffers and CAD is in control*

Resilient domestic growth is reflected in buoyant receipts estimated in the Union Budget. Tax revenues are set to grow handsomely, with stellar gains in income taxes, while non-tax revenues are buoyed by expected traction in asset monetisation and shapely profits of PSUs. This enabled the Union to shave off a further 20bps from FY25BE (Interim) fiscal deficit estimate to reach 4.9% of GDP as per FY25BE, even though there is a marginal rise in revenue expenditure estimates and capital expenditure remains jubilant.

Sunny growth expectations met with prickly inflation meant that the RBI maintained status quo on policy. Current volatility in TOP and pulses prices continue to challenge the MPC, keeping the headline CPI above target at 5.1% y/y in Jun’24. At the same time, the currently above-normal monsoon and sowing, backed up by a potential La Nina event later, promise reprieve in later quarters. Consequently, CPI projections of the MPC witnessed sharp upward front-ended revisions offset by moderation in later quarters. *Led by food volatility, we continue expect the CPI to average 4.7% in FY25 (20 bps above RBI projection)*

EXECUTIVE SUMMARY (2/2)

The RBI, as well as SEBI and other stakeholders also continued their efforts to develop regulation to preserve financial stability. These include:

1. RBI's draft proposal on adjusting LCR computations, aimed at increasing run-off rates for deposits by 5pp while mandating the fair valuation of Level 1 HQLA, in light of rising digital transactions. *We anticipate impact of 10-17 pp on LCR across banking sector, with banks remaining at cushy LCR levels of ~130%*
2. Adjustments to FAR list by RBI were also made, with the removal of new 14 and 30-year bonds to prevent global flows induced volatility in bond markets
3. Change in valuation norms of AT-1 bonds for mutual funds by SEBI, with them now being valued at yield-to-call instead of 100-year life
4. Caution was also raised by multiple stakeholders against retail F&O activity, culminating in the rise in STT on such instruments in the Union Budget

Stubborn food prices, robust domestic growth, pressure on INR from actions of global Central Banks – all point towards the RBI maintaining rates higher for longer. This, coupled with a paper in the RBI's Bulletin arguing that the neutral real rate has increased indicates that the first rate is now expected in late FY25. Nevertheless, 10Y benchmark Union G-sec yield is firmly lodged under 7%, driven by multi-month high liquidity and accelerated expectations of cuts in the US, rather than expectations of an immediate rate cut. *It is expected to further reduce by 10-15 bps over the medium term driven by similar cues, helped further by Union fiscal consolidation, bond index inflows, and sustained demand for G-sec paper.*

01 MACROECONOMIC OVERVIEW

INDIA'S ECONOMY CONTINUES TO SHINE

REAL GVA SECTORAL BREAK UP

Change (% y/y)	Q4FY24	Q3FY24	Q2FY24	Q1FY24	Q4FY23	Q3FY23	Q2FY23	Q1FY23	Q4FY22
GVA	6.3	6.8	7.7	8.3	6.0	4.8	5.0	11.3	3.9
Agriculture and allied	**0.6**	**0.4**	**1.7**	**3.7**	**7.6**	**5.2**	**2.3**	**2.7**	**4.1**
Industry	**8.4**	**10.5**	**13.6**	**6.0**	**3.4**	**0.6**	**-2.4**	**6.8**	**2.3**
Mining and quarrying	4.3	7.5	11.1	7.0	2.9	1.4	-4.1	6.6	2.3
Manufacturing	8.9	11.5	14.3	5.9	0.9	-4.8	-7.2	2.2	0.6
Electricity, gas & water supply	7.7	9.0	10.5	3.2	7.3	8.7	6.4	15.6	6.7
Construction	8.7	9.6	13.6	8.6	7.4	9.5	6.9	14.7	4.9
Services	**6.7**	**7.1**	**6.0**	**10.7**	**7.2**	**7.2**	**9.8**	**16.7**	**4.9**
Trade, hotel, transport & comm.	5.1	6.9	4.5	9.7	7.0	9.2	13.2	22.1	5.0
Finance, real estate and prof serv.	7.6	7.0	6.2	12.6	9.2	7.7	8.7	10.5	4.6
Public admin., defence & Other svcs	7.8	7.5	7.7	8.3	4.7	3.5	7.3	23.6	5.2

REAL GDP EXPENDITURE COMPONENTS

Change (% y/y)	Q4FY24	Q3FY24	Q2FY24	Q1FY24	Q4FY23	Q3FY23	Q2FY23	Q1FY23	Q4FY22
GDP	7.8	8.6	8.1	8.2	6.2	4.3	5.5	12.8	4.0
Private final consumption exp. (PFCE)	**4.0**	**4.0**	**2.6**	**5.5**	**1.5**	**1.8**	**8.2**	**18.5**	**4.7**
Govt. final consumption exp. (GFCE)	**0.9**	**-3.2**	**14.0**	**-0.1**	**13.9**	**7.1**	**3.4**	**9.8**	**11.8**
Gross capital formation (GCF)	**8.0**	**14.0**	**10.7**	**7.5**	**3.3**	**2.8**	**2.4**	**14.9**	**3.0**
Gross fixed capital formation (GFCF)	6.5	10.7	11.6	8.5	3.8	5.0	4.7	13.9	4.9
Exports	**8.1**	**3.4**	**5.0**	**-6.6**	**12.4**	**10.9**	**11.7**	**19.1**	**22.4**
Imports	**8.3**	**8.7**	**11.6**	**15.2**	**-0.4**	**4.1**	**16.1**	**26.1**	**6.7**

- Real GDP for FY24 (PE) grew at 8.2% y/y, eclipsing a strong 7.0% reading for FY23. Real GVA grew by 7.2% in FY24 led by resilient industrial activity. This substantial gap between GDP and GVA can be attributed to robust growth in net taxes (indirect tax minus subsidy)

- ***Nominal GDP for FY25 is expected at 10.5% y/y.*** This is based on improved spending buffers, expectation of revival in private capex, and fewer global clouds on the horizon than before

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DOMESTIC HIGH FREQUENCY INDICATORS RELATIVELY RESILIENT

INDICATOR	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24
INDUSTRY												
Manufacturing PMI	58.6	57.5	55.5	56	54.9	56.5	56.9	59.1	58.8	57.5	58.3	58.1
IIP (%y/y)	10.9%	6.4%	11.9%	2.4%	4.2%	4.1%	5.6%	5.4%	5.0%	5.9%		
Eight Core (%y/y)	13.4%	9.4%	12.7%	7.9%	4.9%	4.1%	7.1%	6.0%	6.7%	6.4%	4.0%	
Finished Steel Consumption (%y/y)	21.5%	18.7%	13.8%	16.1%	21.5%	12.7%	8.6%	4.6%	9.6%	15.9%	19.5%	14.6%
2W Sales (%y/y)	6.3%	21.7%	-12.6%	21.1%	27.6%	15.0%	13.6%	5.4%	33.2%	2.5%	4.7%	17.2%
PV Sales (%y/y)	6.5%	19.0%	-1.4%	17.2%	2.7%	13.3%	14.9%	-6.2%	15.9%	-1.0%	-6.8%	10.2%
SERVICES/CONSUMPTION												
Services PMI	60.1	61.0	58.4	56.9	59	61.8	60.6	61.2	60.8	60.2	60.5	60.3
Petrol Consumption (%y/y)	2.9%	8.2%	4.8%	9.4%	0.2%	9.7%	8.9%	7.0%	14.2%	3.4%	4.6%	10.1%
Diesel Consumption (%y/y)	5.2%	3.8%	9.3%	-3.1%	-2.3%	3.4%	6.2%	3.1%	1.4%	2.3%	1.0%	4.4%
Railway Freight Volume (%y/y)	8.5%	8.3%	10.6%	6.3%	8.5%	9.2%	12.4%	9.6%	1.4%	3.7%	10.1%	6.6%
Port Cargo Volume (%y/y)	4.4%	0.3%	13.8%	17.0%	0.9%	3.2%	2.3%	4.8%	1.3%	3.7%	6.8%	5.9%
Electricity supply (%y/y)	19.3%	13.3%	24.8%	10.7%	4.8%	6.5%	8.2%	8.3%	10.4%	15.2%	9.0%	8.3%
Total Airport Footfall (%y/y)	23.2%	19.4%	11.9%	10.7%	9.9%	7.2%	8.1%	6.5%	6.0%	8.3%	7.7%	6.6%
Fastag revenues (%y/y)	21.9%	19.9%	24.4%	14.1%	18.6%	15.5%	19.2%	17.2%	8.6%	8.7%	11.2%	12.0%
UPI transactions (%y/y)	46.9%	41.4%	41.6%	46.1%	42.2%	41.7%	47.9%	40.8%	38.8%	37.3%	36.0%	34.6%
GST Revenues (%y/y)	10.8%	10.2%	13.4%	15.1%	10.3%	10.5%	12.5%	11.5%	12.4%	10.0%	7.7%	10.2%

Source: S&P Global, PIB, RBI, JPC, FADA, PPAC, IPA, CEIC, SBICAPS

MANUFACTURING AND RURAL CONSUMPTION TO SUSTAIN GROWTH IN FY25

Manufacturing resilience underscores the next wave of growth even as surging costs eat into profits

- Manufacturing PMI remained in strong expansionary phase. Capacity utilisation in manufacturing sector at 76.8% in Q4FY24 is the highest in 11 years. This resilience is based on strong domestic demand, and is backed by improving bank credit growth to industry (up ~8% y/y in Jun’24)

- The Eight Core index grew at a slower pace of 5.7% y/y in 3MFY25, with activity strongest in fuels such as coal, natural gas and electricity aiding industrial expansion. Infra-forward sectors have experienced sluggishness in recent months with monsoon impacting construction activity. This will recover post monsoons

- Steel demand continues to increase with consumption rising sharply by 14.6% in Jul’24 Demand drivers such as real estate remain strong with homes built in H1CY24 across major cities reaching a 11-year high, boosting domestic production. Despite this, domestic steel prices tanked to a multi-month low owing to flooding of cheap Chinese imports

Rural demand could be seeing a revival based on above normal rainfall and healthy sowing activity

- SW rainfall remains 7.3% above normal (as of 08 Aug’24) and this has helped replenished water reservoir levels to beyond decadal levels. While the spatial and temporal distribution could pose a challenge, a possible La Nina event could be a source of joy

- Helped by this, area sown under kharif crops was up 3% y/y, with paddy, pulses, coarse cereals, oilseeds, and sugarcane all showing increases. Consequently, demand under MGNREGA declined by 21.7% in Jun’24 and 19.4% in Jul’24, reflecting improvement in farm sector employment.

- Higher rural incomes due to jubilant monsoons and government programs are boosting 2W sales, Tractor sales registered a turnaround by recording 3.6% growth in Jun’24. Dealers remain optimistic about festive season sales and new model launches even as significant inventory buildup exists in the sector

UNION FISCAL POSITION: PATH OF CONSOLIDATION CONTINUES

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ITEM (Rs. bn)	FY23A	FY24BE	FY24P	FY25BE	GROWTH FY24P/FY23A	GROWTH FY25BE/FY24P	3MFY25	3MFY25 /FY25BE
Corporation Tax	8,258	9,227	9,111	10,200	10.32%	11.96%	1,748	17%
Income Tax	8,333	9,006	10,447	11,870	25.37%	13.62%	2,873	24%
Customs Duty	2,134	2,331	2,331	2,377	9.23%	1.97%	471	20%
Excise Duty	3,190	3,390	3,053	3,190	-4.29%	4.49%	514	16%
Service Tax	4	5	4	1	6.00%	-76.42%	-0.4	-40%
GST	8,491	9,566	9,570	10,619	12.71%	10.96%	2,568	24%
Other Taxes	132	84	132	50	0.00%	-62.12%	135	270%
Gross tax revenue	**30,542**	**33,609**	**34,560**	**38,307**	**13.16%**	**10.84%**	**8,292**	**22%**
(-) Transfer to States, UTs	9,484	10,214	11,295	12,472	19.10%	10.42%	2,795	22%
Net tax revenue	**20,978**	**23,306**	**23,265**	**25,835**	**10.90%**	**11.05%**	**5,497**	**21%**
Non-Tax Revenue	**2,854**	**3,017**	**4,019**	**5,457**	**40.82%**	**35.78%**	**2,800**	**51%**
Non-debt Capital Receipts	**722**	**840**	**605**	**780**	**-16.26%**	**29.01%**	**45**	**6%**
Total Receipts	**24,554**	**27,163**	**27,888**	**32,072**	**13.58%**	**15.00%**	**8,342**	**26%**
Revenue Expenditure	34,531	35,021	34,940	37,094	1.19%	6.16%	7,889	21%
Capital Expenditure	7,400	10,010	9,485	11,111	28.18%	17.14%	1,810	16%
Total Expenditure	**41,932**	**45,031**	**44,425**	**48,205**	**5.95%**	**8.51%**	**9,699**	**20%**
Revenue Deficit	**10,699**	**8,699**	**7,656**	**5,802**	**-28.44%**	**-24.22%**	**-408**	**-7%**
Fiscal Deficit	**17,378**	**17,868**	**16,537**	**16,133**	**-4.84%**	**-2.44%**	**1,357**	**8%**
Nominal GDP	**2,72,410**	**3,01,750**	**2,95,357**	**3,27,718**	**8.42%**	**10.96%**		

- The Union Budget further slimmed down the fiscal deficit target to 4.9% of nominal GDP in FY25 (Interim: 5.1%). This was helped by a robust non-tax revenues boosted by asset monetisation, coupled with a generous RBI dividend. Revenue expenditure was increased vs. FY25 (Interim), though subsidy allocations remained in check

Source: Union Budget Documents, CGA, SBICAPS

TRANSFER TO STATES AT A MULTI-YEAR HIGH

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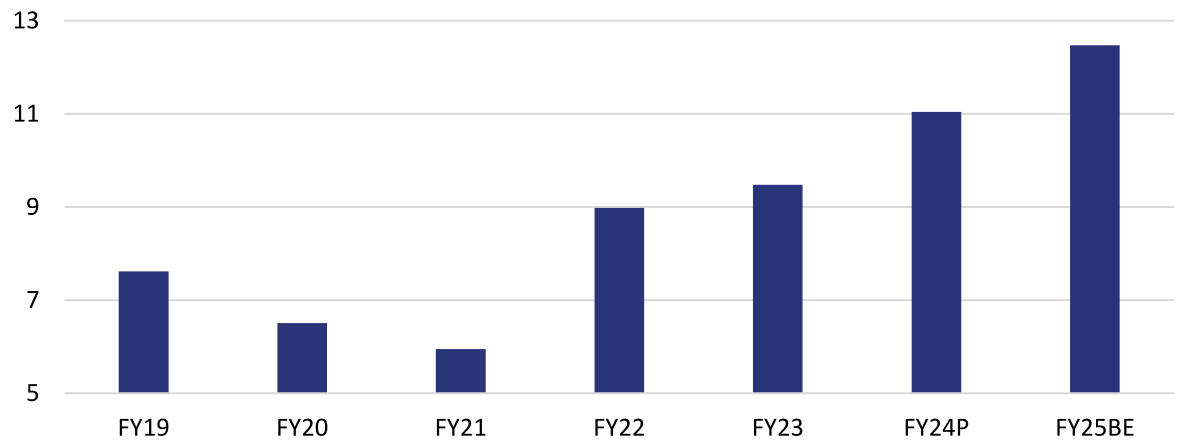
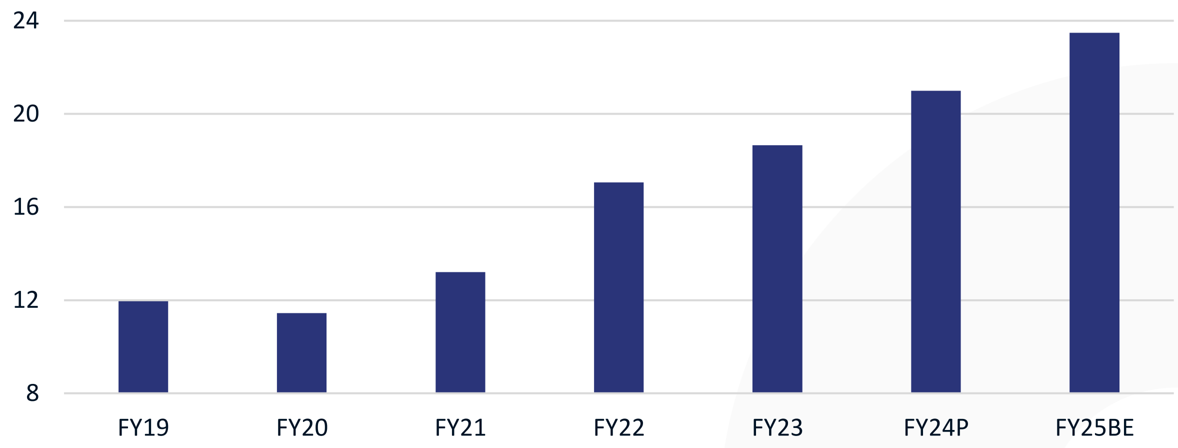
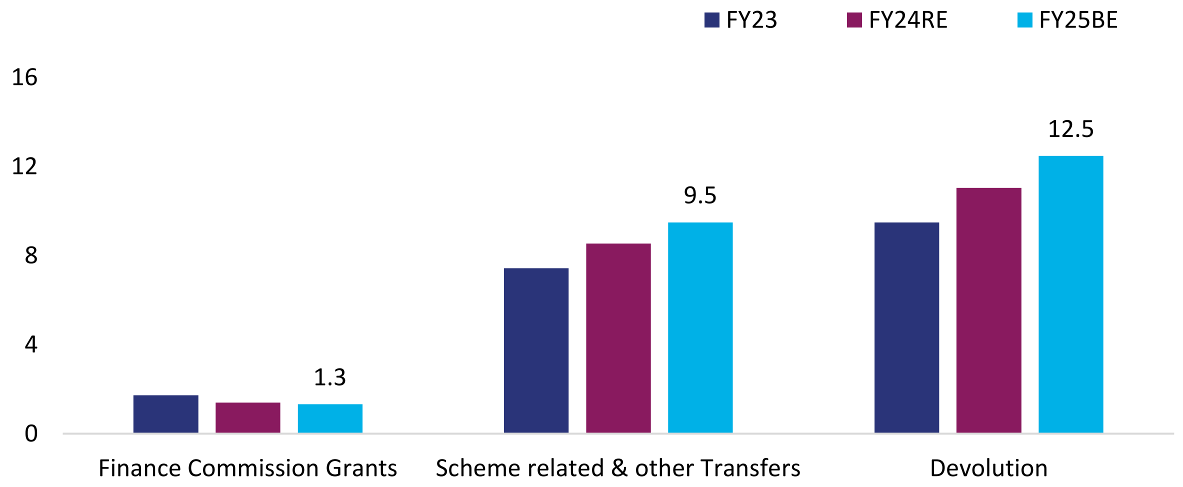
STATES SHARE IN UNION TAXES (Rs. trn)



TOTAL TRANSFER TO STATES AND UTs (Rs. trn)



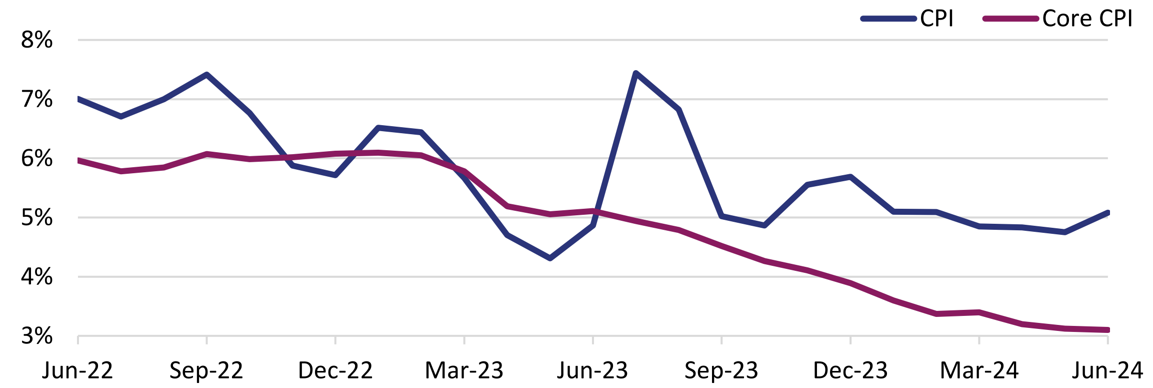
COMPOSITION OF TRANSFERS TO STATES (Rs. trn)



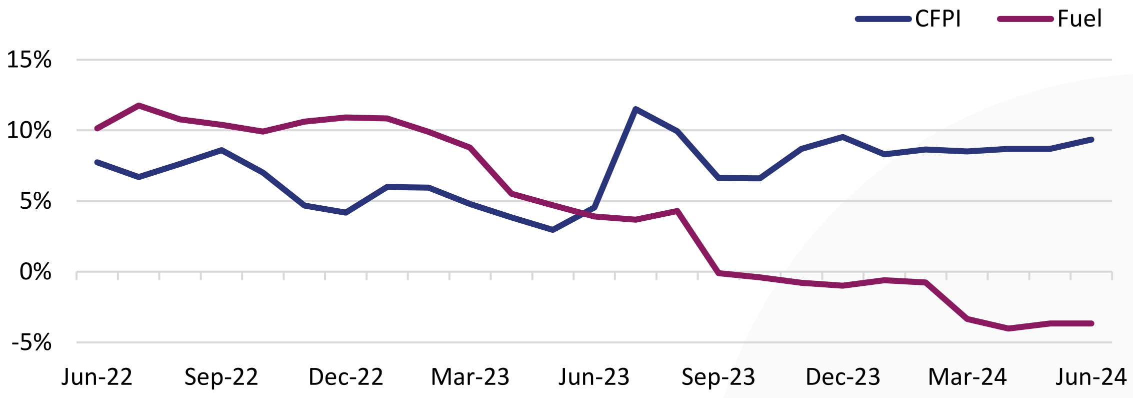
- States have rejoiced on higher transfers from Union, expected to grow further by Rs. 540 bn to Rs. 23.3 trn in FY25BE vs. Interim (FY24RE: Rs. 21.0 trn) led by an equally higher devolution of taxes and scheme related transfers
- FY24 saw gross SGS borrowings of Rs. 10.1 trn vs. Rs. 7.6 trn in FY23 with top 5 states contributing 72% of the incremental SGS issuance. *Gross SGS issuances will likely increase to ~Rs. 10.5 trn in FY25 with major variations amongst States*

A COSTLIER PLATE IS GIVING MPC FOOD FOR THOUGHT

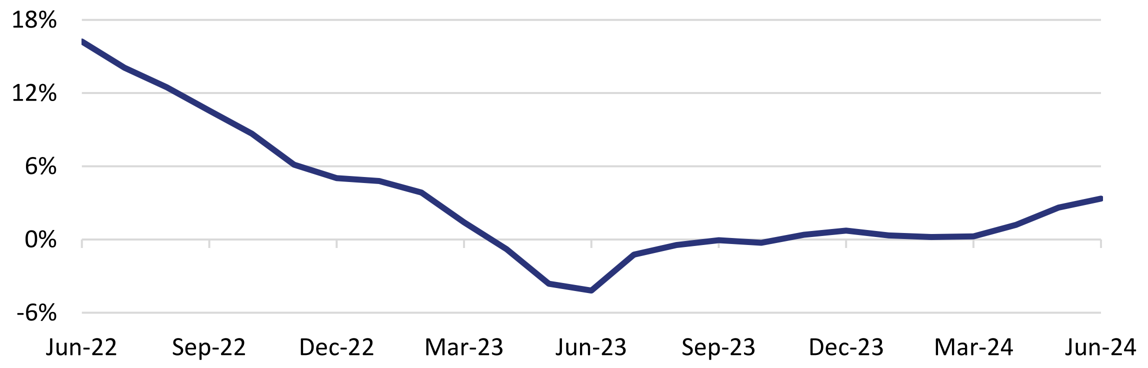
CONSUMER PRICE INDEX (CPI) & CORE CPI (Y/Y)



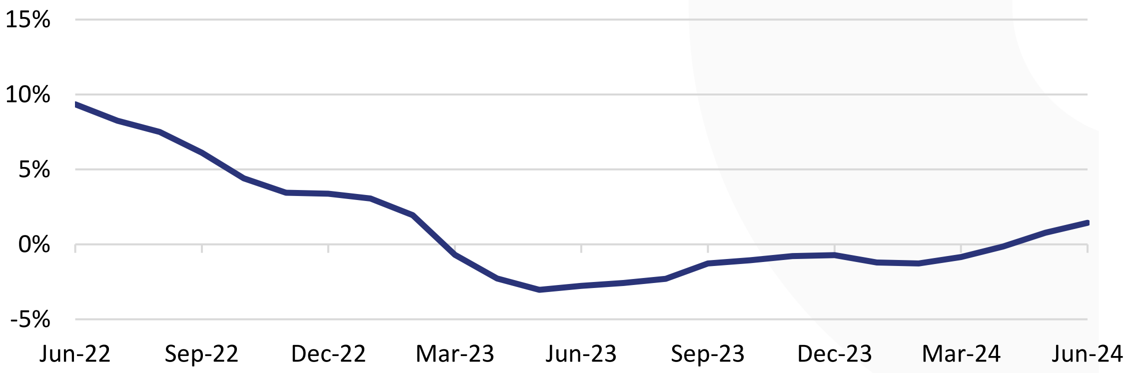
CFPI AND CPI: FUEL (Y/Y)



WHOLESALE PRICE INDEX (WPI) (Y/Y)



WPI: MANUFACTURED PRODUCTS (Y/Y)



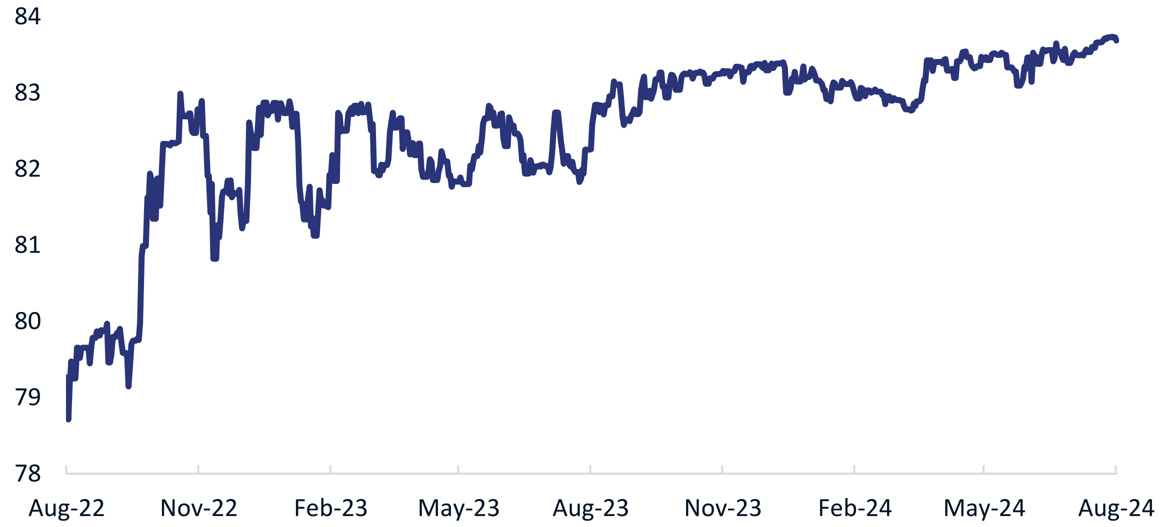
- CPI spiked in Jun’24 above 5% y/y mark as supply side constraints lead to surging prices of vegetables, pulses and cereals, despite an ever-receding core. This has forced the RBI to sharply revise its inflation projection for Q2FY25 to 4.4% from 3.8% earlier. Nevertheless, an above normal monsoon is expected to bring back inflation to sane levels by Q4

- *We expect CPI to be 4.7% for FY25, 20bps higher than RBI’s estimate as temporal and spatial distribution of rainfall could pose region-specific inflation challenges*

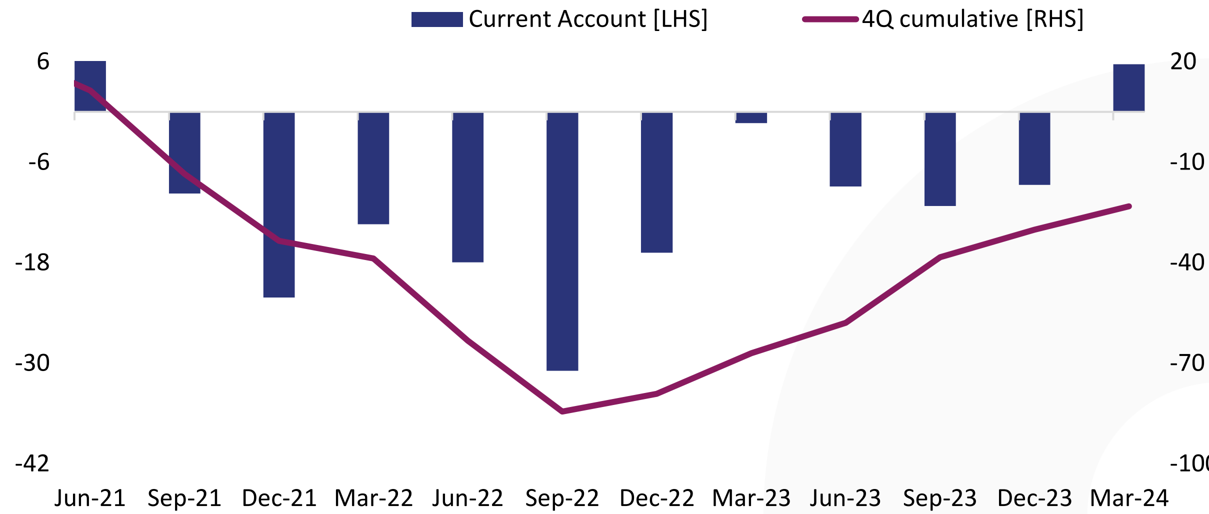
Source: MoSPI, SBICAPS

INR TOUCHES RECORD LOW… RECORD FOREX BUFFERS OFFER REASSURANCE

USD/INR EXCHANGE RATE (Rs. per USD)



CURRENT ACCOUNT BALANCE (USD bn)

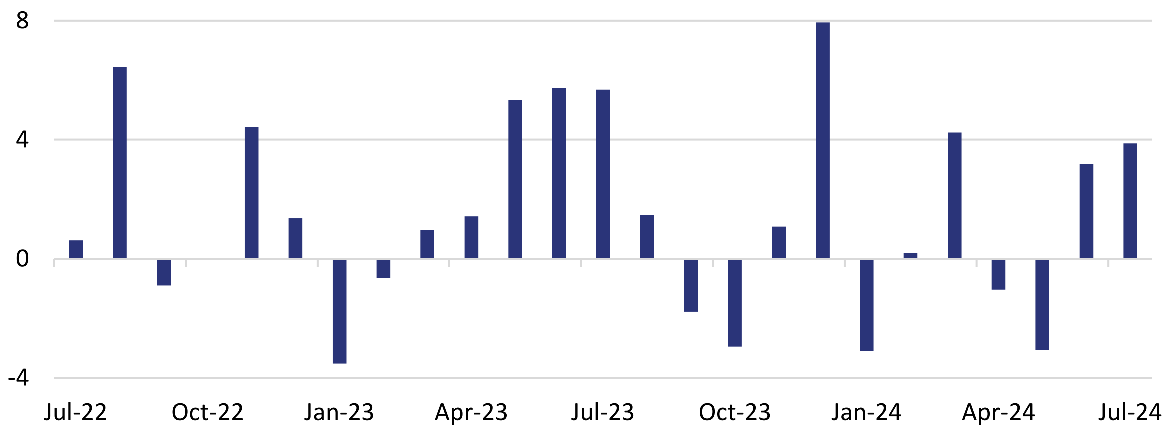


Indicator	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24
Forex Reserves (USD Bn)	603.9	594.9	586.9	586.1	597.9	623.2	616.1	619.1	645.6	637.9	646.7	653.7	667.4
Goods Imports (%y/y)	-17.0%	-2.4%	-15.0%	9.6%	-4.3%	-4.8%	3%	12.2%	-6.0%	10.3%	7.7%	5.1%	
Oil Imports (%y/y)	-36.5%	-13.5%	-20.3%	-1.2%	-8.5%	-22.8%	4%	0.0%	-4.4%	20.2%	28.0%	20.1%	
Non-oil Imports (%y/y)	-8.9%	2.0%	-13.0%	13.8%	-2.7%	3.4%	2%	17.8%	-6.6%	6.4%	0.2%	0.5%	
Goods Exports (%y/y)	-10.0%	3.8%	-2.6%	6.1%	-2.8%	1.0%	3%	11.9%	-0.7%	1.0%	9.0%	2.5%	
Oil Exports (%y/y)	-17.9%	13.5%	-10.8%	-4.6%	-7.4%	-17.6%	7%	5.0%	-35.4%	3.1%	15.6%	-18.3%	
Non-oil Exports (%y/y)	-7.8%	0.9%	-0.5%	8.8%	-1.5%	6.2%	2%	13.7%	8.0%	0.5%	7.7%	7.6%	
Goods Trade Balance (USD Bn.)	-18.4	-22.0	-19.4	-29.9	-20.6	-19.8	-17.5	-18.7	-15.6	-19.1	-23.8	-21.0	
Services Exports (%y/y)	8.1%	8.4%	-2.7%	10.9%	4.4%	1.1%	11%	17.2%	-6.4%	14.7%	11.7%	3.7%	
Services Imports (%y/y)	-2.2%	-0.8%	-10.3%	-0.4%	-11.1%	-1.0%	4%	6.1%	2.1%	19.1%	5.5%	-3.8%	
Overall Trade Balance (USD Bn)	-6.0	-8.4	-5.5	-15.3	-5.3	-3.8	-1.3	-5.6	-2.2	-6.5	-10.7	-7.2	

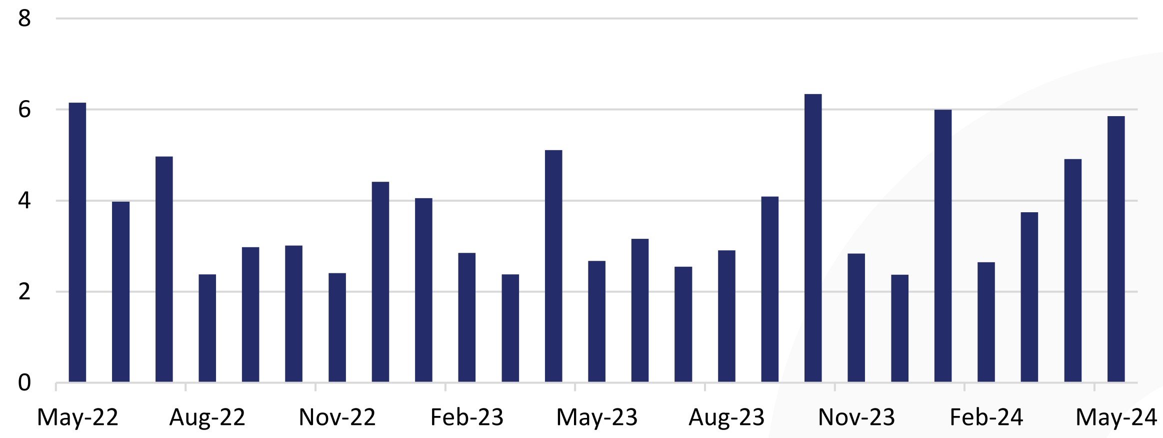
Source: RBI, PIB, Bloomberg, SBICAPS

STABLE MACROS ATTRACT FOREIGN INVESTORS TO DOMESTIC SHORES

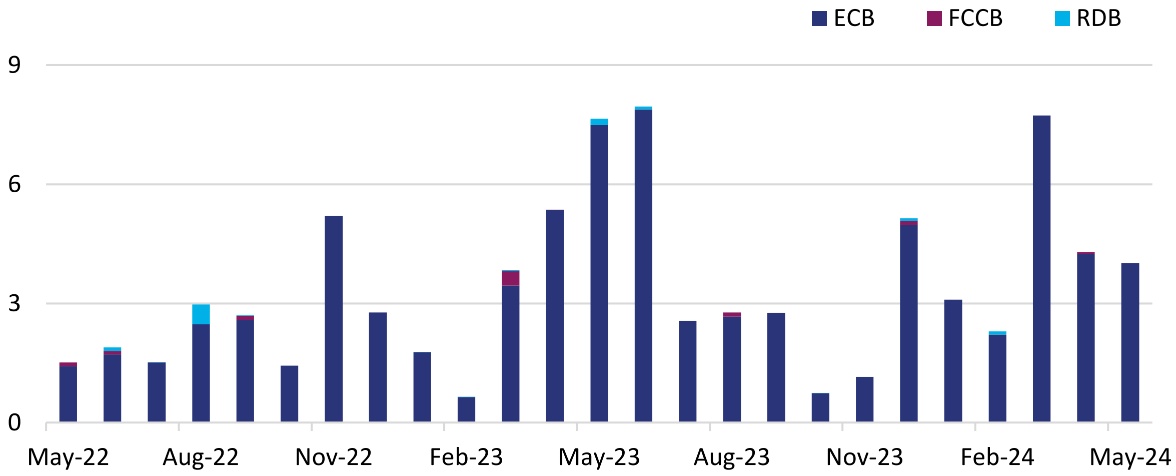
NET FPI EQUITY INFLOW (USD bn)



GROSS FDI EQUITY INFLOWS (USD bn)



GROSS ECB ISSUED (USD bn)

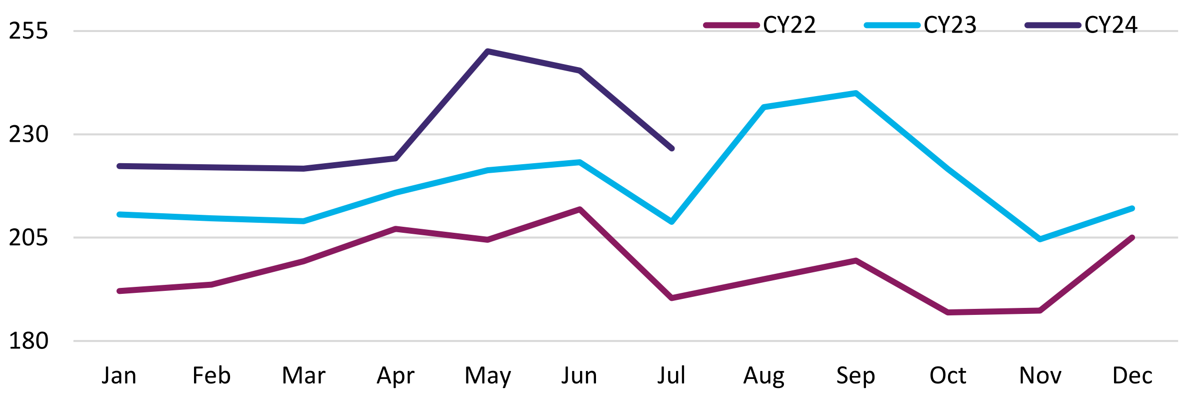


- FPIs continue to pour into domestic equities in Jul'24, emboldened by policy continuity and fiscal prudence, amidst backdrop of global volatility
- FDI flows have been on the rise with Union chalking up regulations to improve ease of doing business to attract global companies.
- Swinging US yields restricted ECB issuances at a low score. Net ECB issuances remain mellower, indicating that most transactions are for refinancing

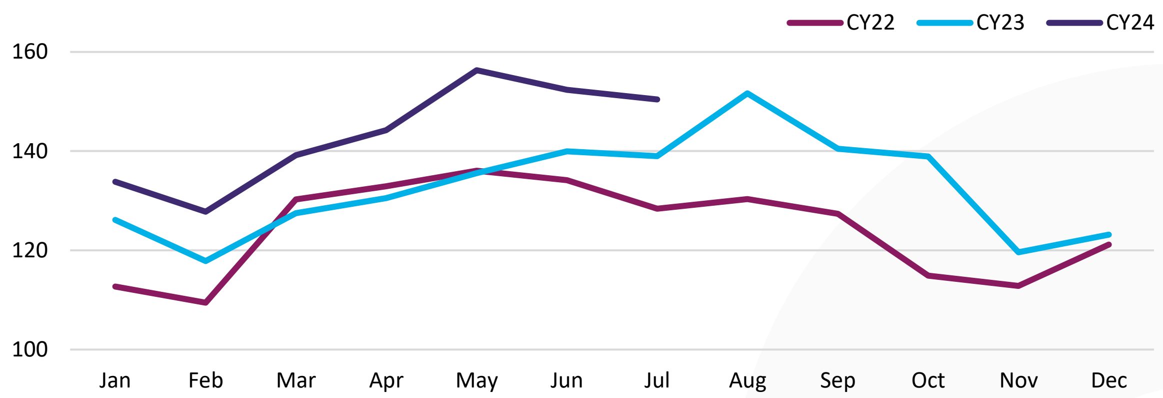
02 SECTORAL UPDATES

EXCHANGE TRADING VOLUMES SPIKE DESPITE LIMITED DEMAND UPTICK

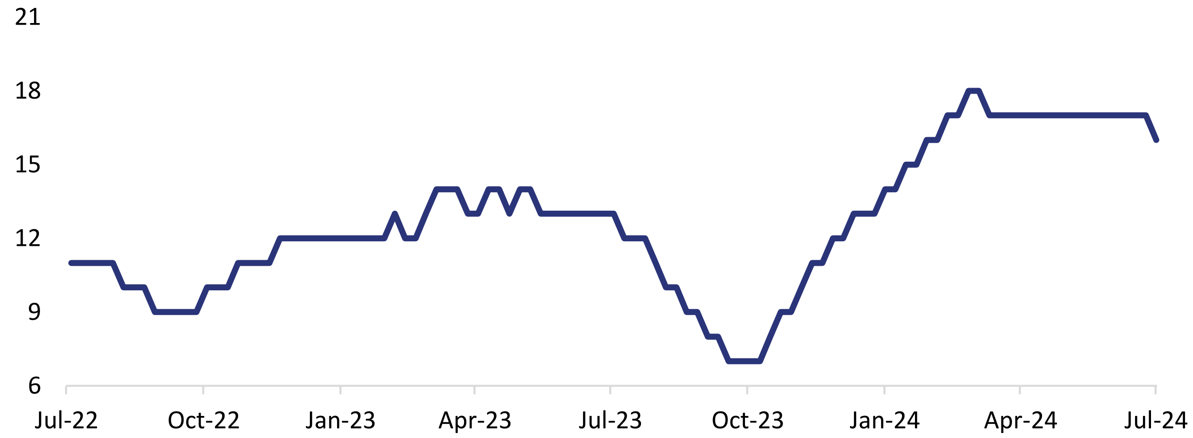
PEAK POWER DEMAND (GW)



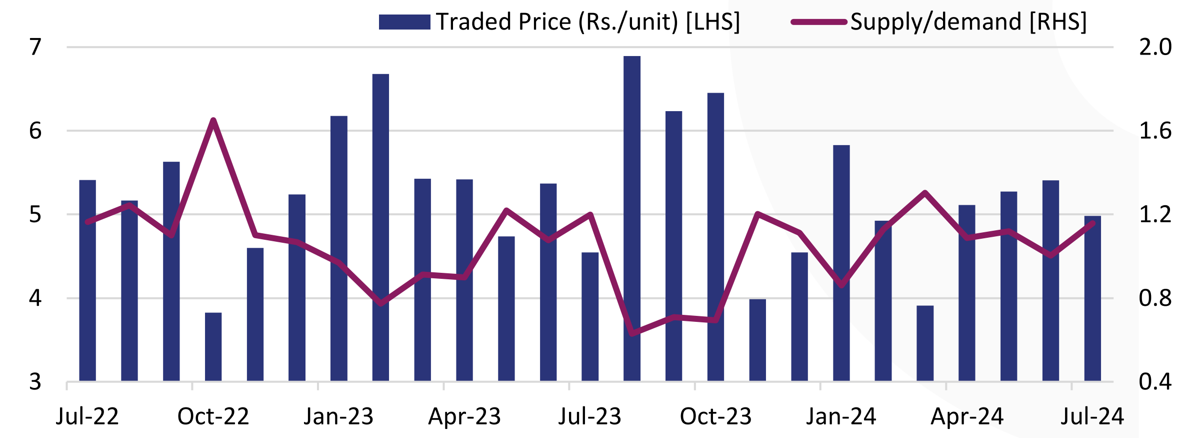
POWER SUPPLY (BU)



COAL STOCKS WITH POWER SECTOR (NUMBER OF DAYS)



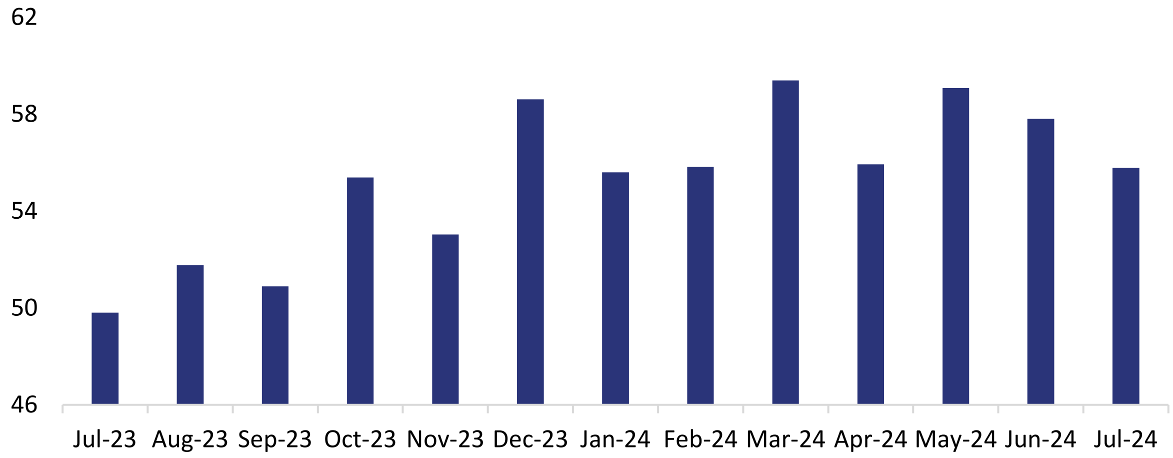
SPOT PRICE (Rs./UNIT) VS. SUPPLY-DEMAND IN DAM



- Spatial distribution of power demand is concentrated in the Northern region which faces shortage of rainfall leading to 10% y/y rise in DAM prices. Volumes traded on exchange hit all time high of 13.3 BU in Jul'24 driven by sharp surge in renewal energy certificates
- Coal stock at power plants has stagnated despite handsome production as usage is gargantuan. Share of RE generation has increased, but only due to solar, as non-solar dips

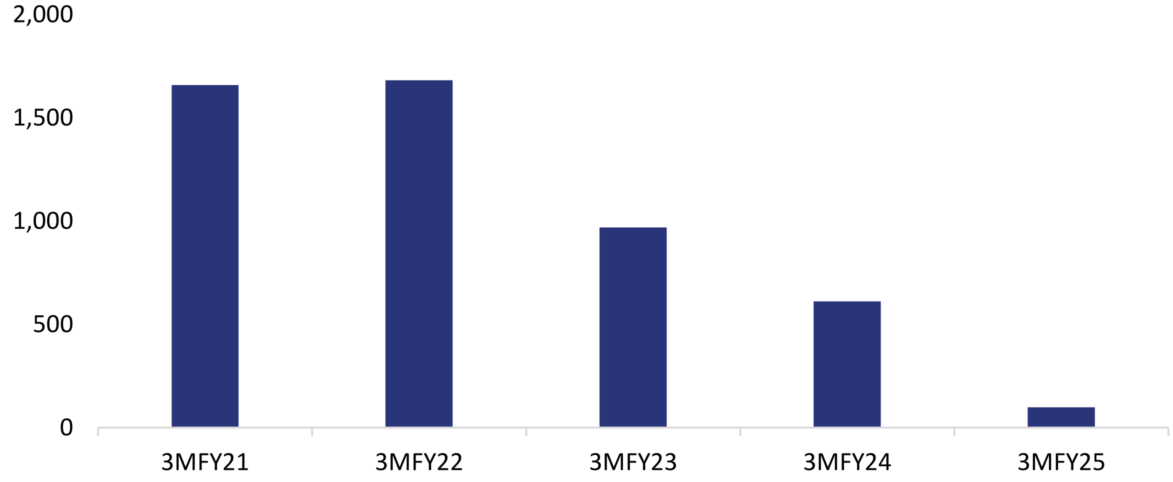
UNION HINTS AT RAMPING UP HIGHWAY AWARDING PACE

FASTAG REVENUE (Rs. bn)

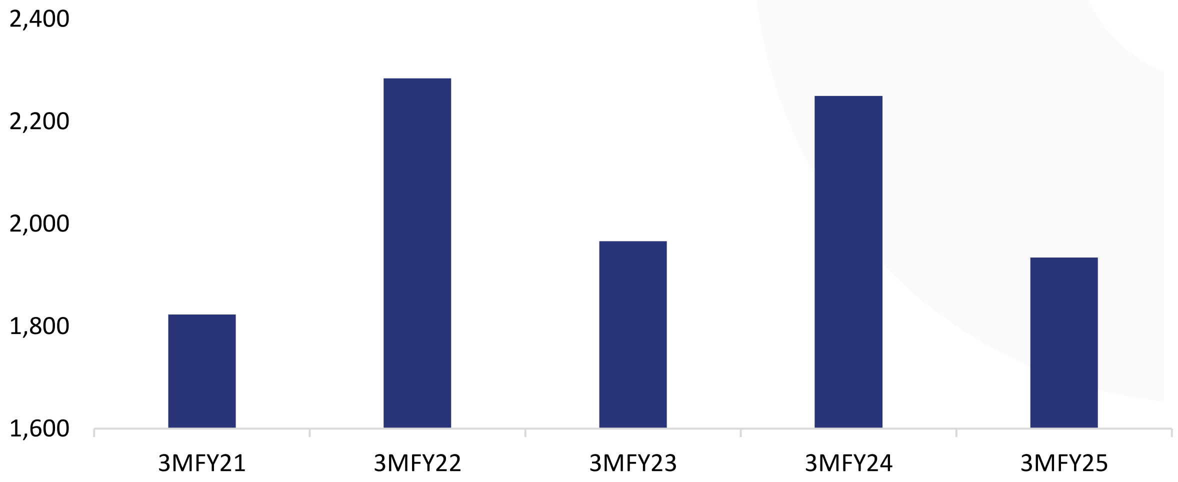


- Fastag revenues showed continued momentum in Jul’24 (up 12% y/y), albeit off of highs of yester months, helped by Increased traffic activity and earlier toll revisions. NHAI’s toll income is Rs. 450 bn and expected to reach Rs. 1.4 trn in 2 years
- While awarding pace has been placid in Q1, projects worth Rs. 3 trn are set to be awarded in the next 3 months, with the target to award Rs. 5 trn worth by Mar’25
- NHAI has announced plans to monetise USD 2.4 bn worth assets aimed at cutting debt in FY25 and construct new roads. It also said that reducing debt costs will enable it to save Rs. 10 bn in FY25

NATIONAL HIGHWAY AWARDING (km)



NATIONAL HIGHWAY CONSTRUCTION (km)



Source: MoRTH, NPCI, SBICAPS

BANKING: SCRAMBLE FOR LIABILITIES COULD STRETCH BEYOND DEPOSITS

SBICAPS
Complete Investment Banking Solutions

INDICATOR	MAY'23	JUN'23	JUL'23	AUG'23	SEP'23	OCT'23	NOV'23	DEC'23	JAN'24	FEB'24	MAR'24	APR'24	MAY'24	JUN'24
CREDIT														
Non-food credit growth (%y/y)	15.6%	16.4%	14.8%	15.0%	15.3%	15.3%	16.3%	15.8%	16.2%	16.5%	16.3%	15.3%	16.2%	13.9%
Industry credit growth (%y/y)	6.0%	8.0%	5.2%	6.1%	6.5%	5.4%	6.1%	8.1%	7.8%	8.6%	8.5%	6.9%	8.9%	7.7%
Services credit growth (%y/y)	21.4%	26.8%	19.4%	20.7%	21.3%	20.1%	21.9%	19.6%	20.7%	21.2%	20.2%	19.2%	20.7%	15.1%
Personal credit growth (%y/y)	19.5%	21.2%	18.2%	18.4%	18.3%	18.0%	18.6%	17.7%	18.4%	18.1%	18.7%	17.4%	17.8%	16.6%
DEPOSITS														
Total Deposits (%y/y)	11.4%	15.5%	12.9%	13.2%	15.7%	13.2%	13.4%	14.1%	12.8%	13.6%	12.5%	13.3%	11.7%	11.3%
Time Deposits (%y/y)	11.6%	14.1%	13.3%	13.7%	14.9%	13.9%	13.7%	12.5%	13.9%	14.0%	12.7%	13.1%	11.4%	11.5%
Demand Deposits (%y/y)	9.9%	25.3%	10.6%	9.4%	21.6%	8.1%	11.0%	5.3%	5.0%	10.9%	11.5%	14.9%	14.1%	9.6%
KEY RATIOS														
C/D Ratio (%)	75.2%	75.1%	74.6%	75.0%	75.3%	76.7%	77.2%	77.1%	77.7%	78.0%	78.1%	76.9%	77.5%	77.4%
Investment/Deposit Ratio (%)	30.0%	29.6%	30.1%	30.3%	30.3%	30.4%	29.8%	29.5%	29.5%	29.7%	29.6%	29.1%	29.1%	29.6%
KEY RATES														
1Y MCLR (Median-All SCB)	8.6%	8.7%	8.7%	8.6%	8.7%	8.7%	8.7%	8.8%	8.8%	8.8%	8.8%	8.9%	8.8%	8.9%
WALR – fresh (%)	9.3%	9.2%	9.4%	9.5%	9.4%	9.5%	9.4%	9.3%	9.5%	9.4%	9.4%	9.6%	9.4%	9.3%
WALR – o/s (%)	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.9%	9.8%	9.9%	9.8%	9.8%	9.9%
WADTDR – fresh (%)	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.5%	6.4%	6.4%	6.6%	6.5%	6.5%	6.5%
WADTDR – o/s (%)	6.4%	6.5%	6.6%	6.6%	6.7%	6.8%	6.8%	6.8%	6.8%	6.9%	6.9%	6.9%	6.9%	6.9%
Repo Rate	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%

Source: RBI, SBICAPS; Credit and Deposit Data excludes impact of HDFC merger

DELAY IN RATE CUTS COULD MEAN A FOCUS ON BANKS ALM STRATEGY

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Broad basing of industry credit growth and slowdown in unsecured credit a welcome sight for RBI

- Industry credit surged 7.7% y/y in Jun’24 with the broad-based offtake. Higher capacity utilisation leading to capex, pick-up in MSME credit, and increased infrastructure activity are expected to boost industry segment, potentially achieving high single-digit growth in FY25.
- Credit growth to services moderated substantially at 15.1% y/y, as credit to NBFCs moderate post RBI crackdown, substituted in parts by fine offtake to transport, trade and CRE.
- Personal credit has slowed considerably with base effects and higher risk weights for unsecured loans impacting disbursals. Yet, unimpacted categories have moved from strength to strength. Fresh concerns over consumption-based retail loans and top-up housing loans have been raised by the RBI, which means curbs could be coming up

Structural changes in savings patterns are impacting the quality and quantity of deposits available to sustain credit growth

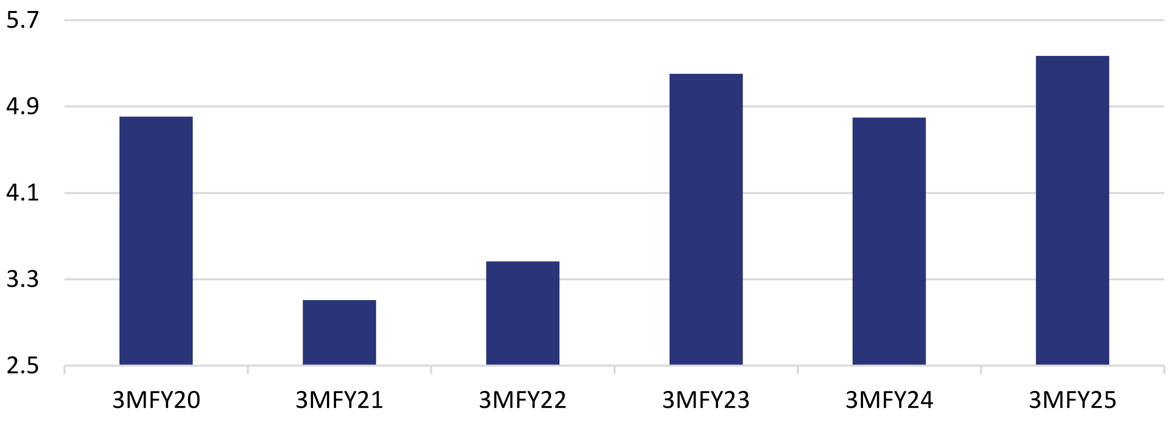
- Deposit growth has slowed down from the decadal highs of FY24. Households are increasingly reliant on alternate savings avenues like mutual funds, life insurance, etc. while declining CASA ratio and higher share of bulk deposits points at stymied quantity as well as quality of deposits
- Banks have adopted a multi pronged approach to close the C-D gap- borrowings, investment book drawdown and hiking term deposit rates. RBI’s review of LCR framework would require banks to keep additional buffers for liquidity, and move them closer to alternates vis-à-vis deposits
- As banks navigate through these regulatory bumps, issuances of infra-bonds and CDs could rise owing to a lower level of regulatory constraints. *We expect gross infra bond issuances to double on-year to Rs. 1.2 trn in FY25*

Margins are getting squeezed as banks contend with costlier means of financing

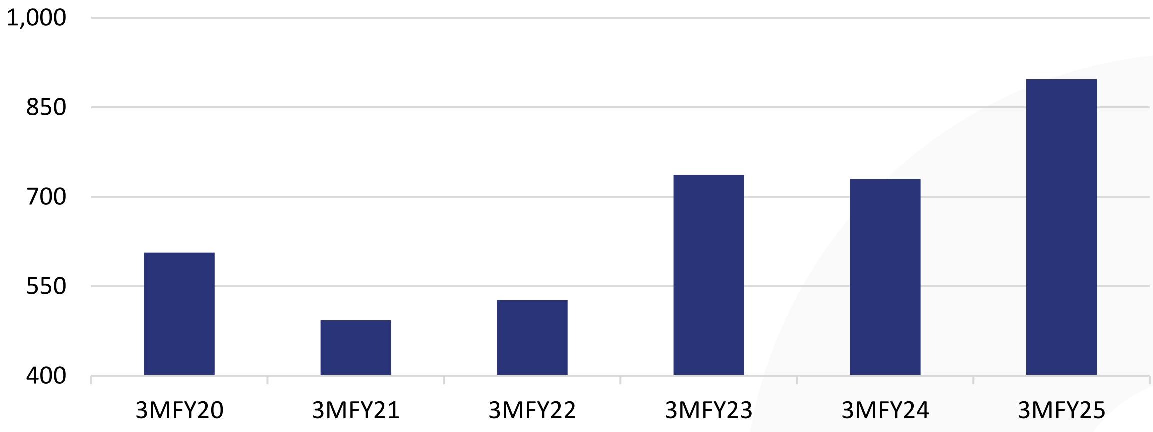
- Significant transmission to lending rates has ensured that NIMs remained almost as strong in FY24 as FY23, despite fuller transmission to deposit rates
- *We expect NIMs to consolidate near current levels in FY25, with absolute profits set for glory despite return ratios moderating*

HEALTH INSURERS OUTPERFORM IN A STRONG JUL'24

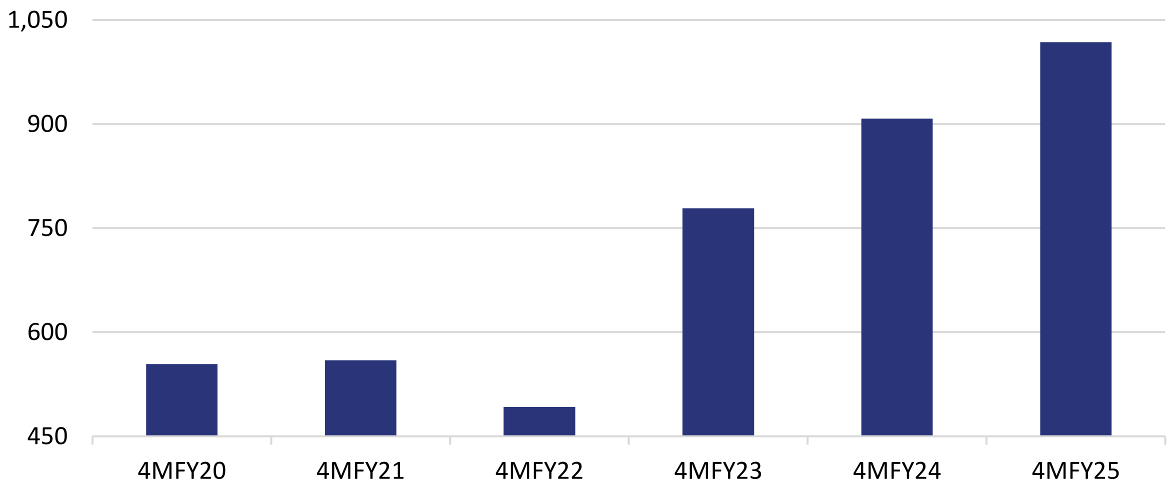
NEW LIFE INSURANCE POLICIES (mn units)



FIRST YEAR PREMIUM- LIFE INSURANCE (Rs. bn)



GROSS DIRECT PREMIUM- NON- LIFE INSURANCE (Rs. bn)



- Non-life insurance reported 9.3% y/y growth in gross direct premium underwritten in Jul'24.
- PSU general insurers clocked 7.8% y/y growth in premiums during Jul'24, private sector insurers reported 10.7% growth. Standalone health insurers premium grew by 23.2%

EQUITY FUND FLOWS EXEMPLIFY EUPHORIA

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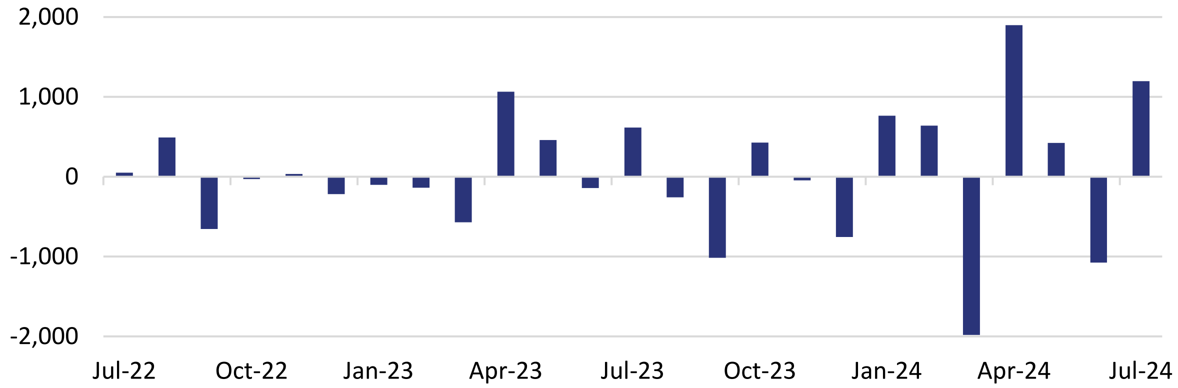
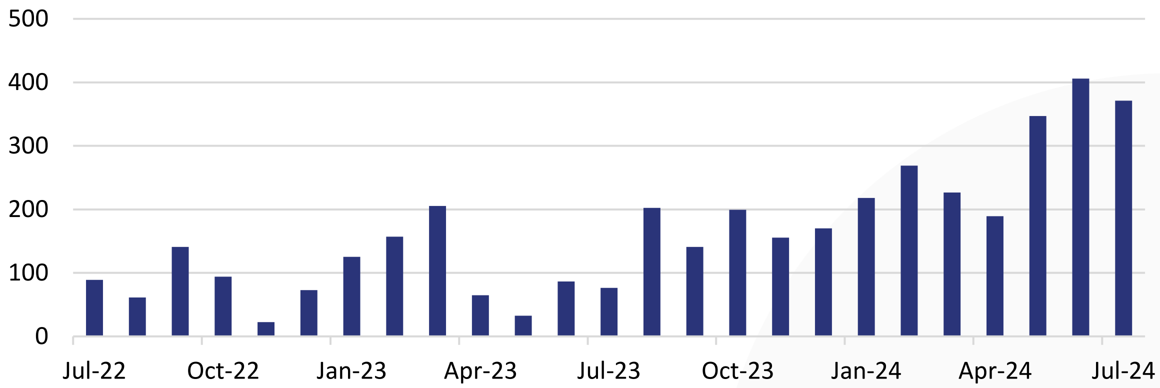
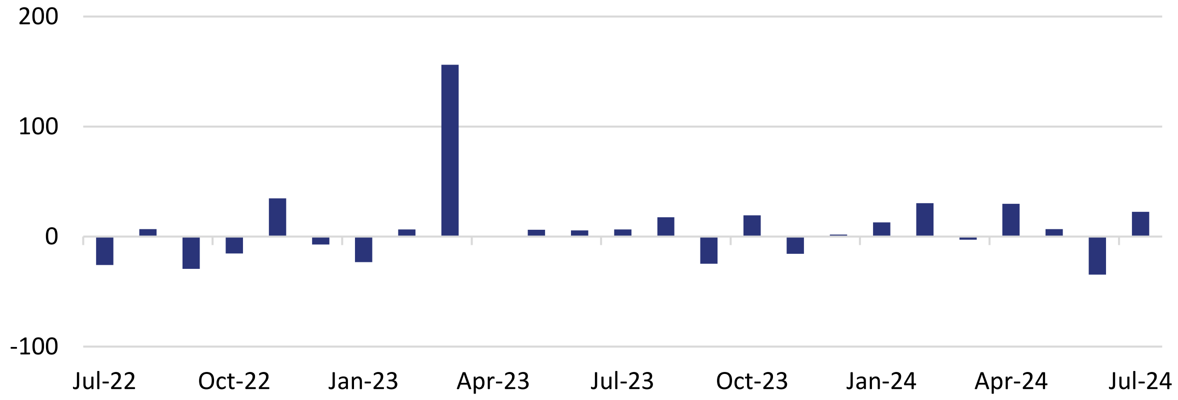
OPEN ENDED SCHEME: INCOME/DEBT MF NET INFLOW (Rs. bn)



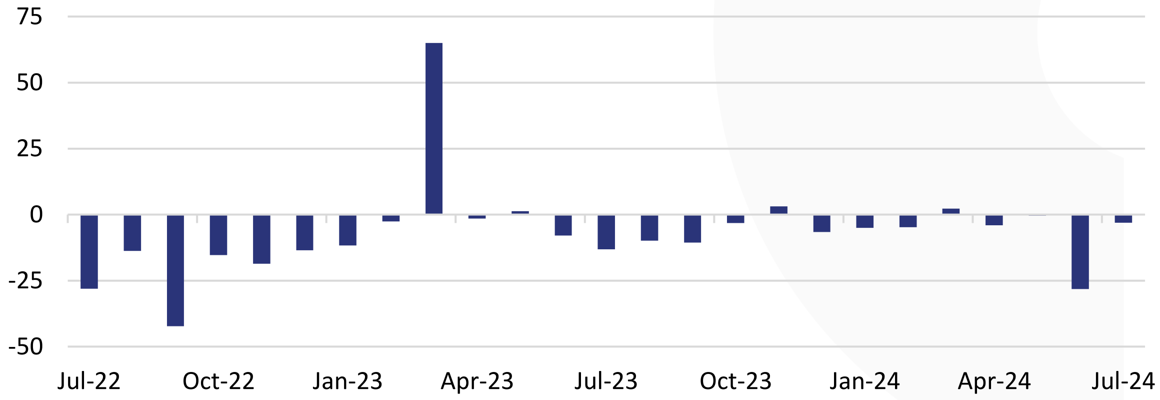
OPEN ENDED SCHEME: EQUITY MF NET INFLOW (Rs. bn)



CORPORATE BOND NET INFLOW (Rs. bn)



BANKING AND PSU FUND NET INFLOW (Rs. bn)



- Equity mutual funds witnessed inflows of Rs. 371 bn in Jul’24, driven by flows into sectoral funds
- Debt funds reversed outflows seen in Jun’24 in Jul’24, with the month seeing second highest inflows in FY25 till now

MONETARY POLICY AND YIELDS

RBI KEEPS POLICY RATE AND STANCE UNCHANGED AS EXPECTED

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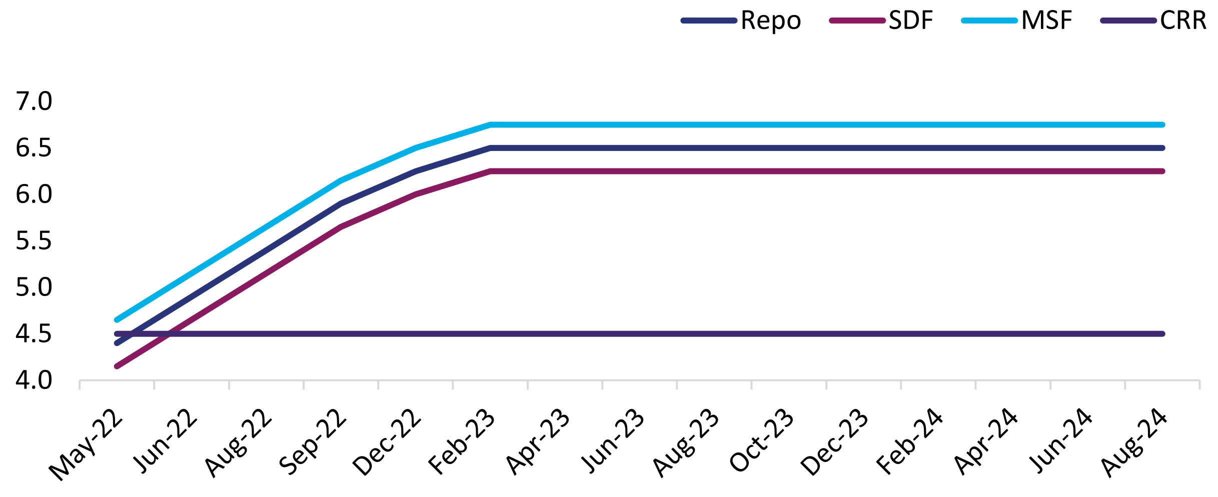
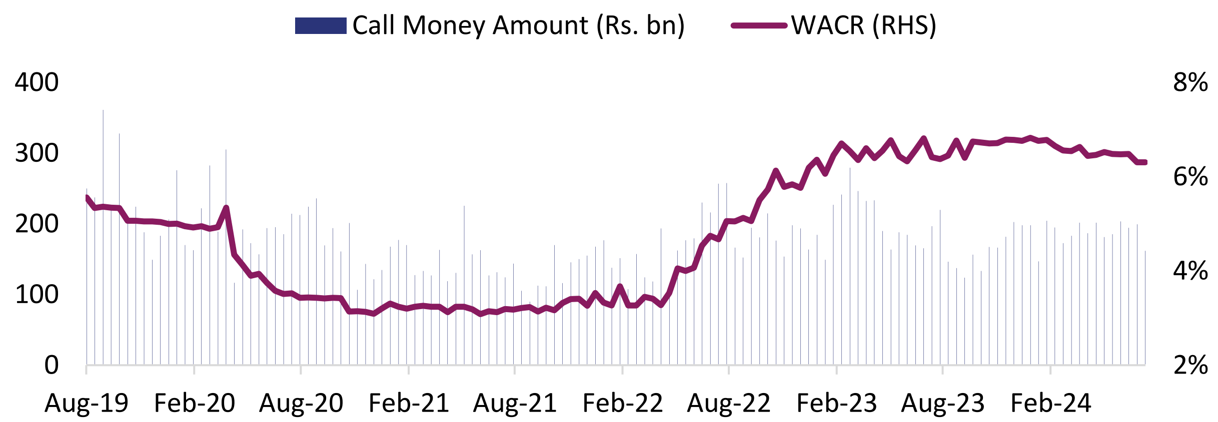
KEY RATES (%)



CALL MONEY AMOUNT AND WACR RATE (%)



STANCE OF POLICY

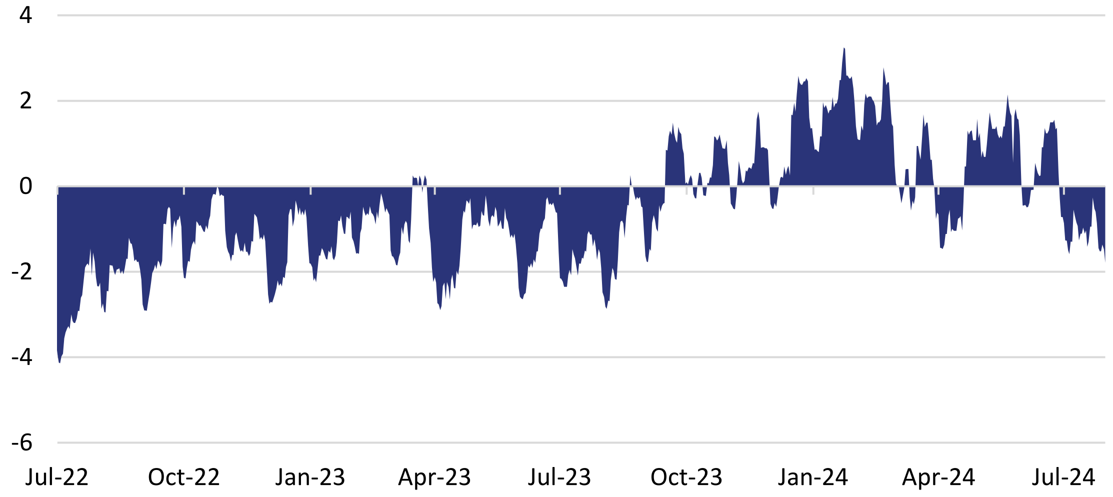
Date	Stance	Vote
04-May-22	Remain accommodative, while focussing on withdrawal of accommodation	6-0
08-Jun-22	Withdrawal of Accommodation	6-0
05-Aug-22	Withdrawal of Accommodation	6-0
30-Sep-22	Withdrawal of Accommodation	5-1
07-Dec-22	Withdrawal of Accommodation	4-2
08-Feb-23	Withdrawal of Accommodation	4-2
06-Apr-23	Withdrawal of Accommodation	5-1
08-Jun-23	Withdrawal of Accommodation	5-1
10-Aug-23	Withdrawal of Accommodation	5-1
06-Oct-23	Withdrawal of Accommodation	5-1
08-Dec-23	Withdrawal of Accommodation	5-1
08-Feb-24	Withdrawal of Accommodation	5-1
05-Apr-24	Withdrawal of Accommodation	5-1
07-Jun-24	Withdrawal of Accommodation	4-2
07-Aug-24	Withdrawal of Accommodation	4-2

- RBI's MPC kept the repo rate unchanged at 6.50%, in line with market expectations, and the stance was retained at "withdrawal of accommodation". No changes were made in other key rates
- Vote split remained 4-2, in line with the Jun'24 policy, suggesting some MPC members want the focus on growth to increase vs. current unitary focus on inflation

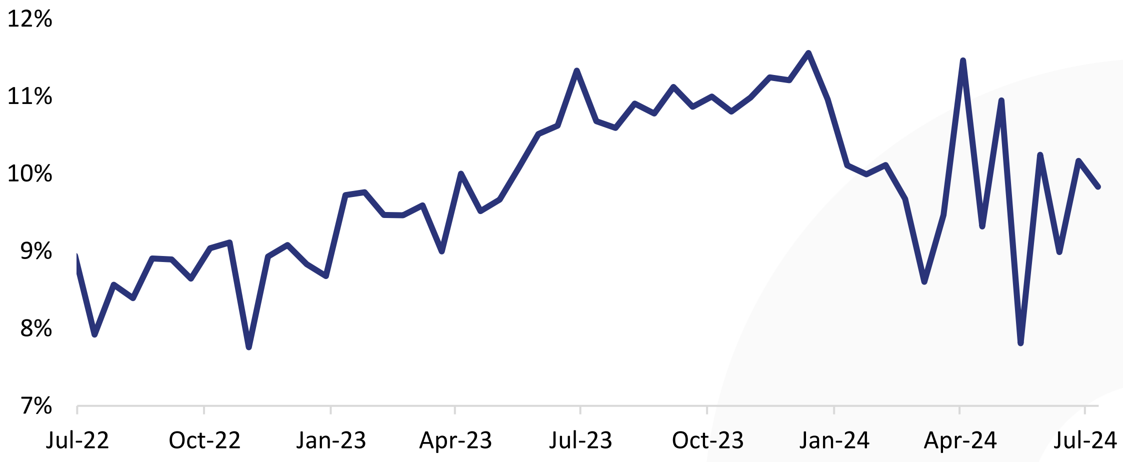
Source: RBI, SBICAPS

IMPROVED LIQUIDITY BEING ABSORBED BY RBI REGULARLY

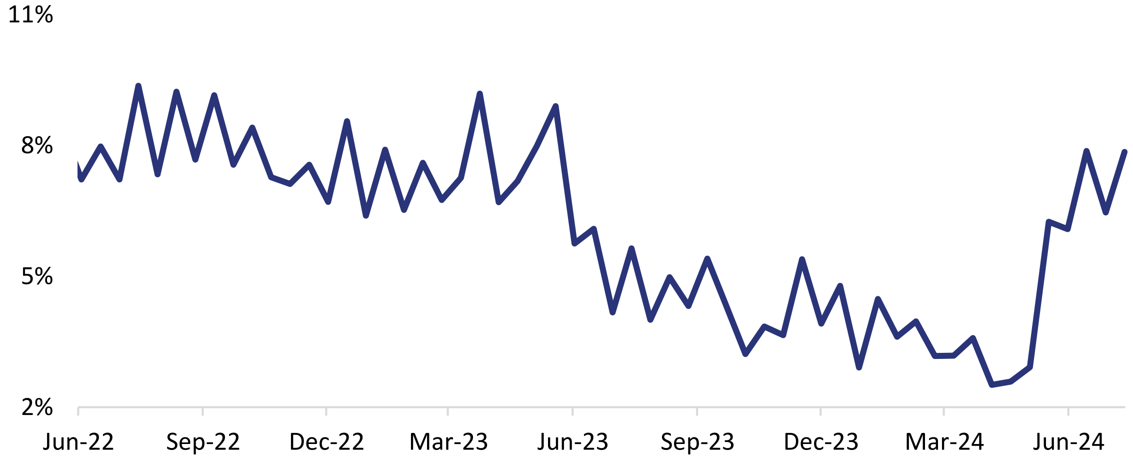
BLOOMBERG INDIA LIQUIDITY INDICATOR (Rs. trn)



MONEY STOCK M3 (Y/Y)



CURRENCY WITH PUBLIC (Y/Y)



- Banking liquidity has improved to surplus in Jul'24 , its highest showing in a year, on the back of increased Union spending. RBI has managed this surplus with VRRR auctions and OMO sales
- Money stock has steadily risen in the past year with rising deposits. Notably, currency with the public spiked recently

Source: Bloomberg, RBI, SBICAPS

EBBING SHORT-TERM RATES BENEFICIAL FOR CP ISSUANCES

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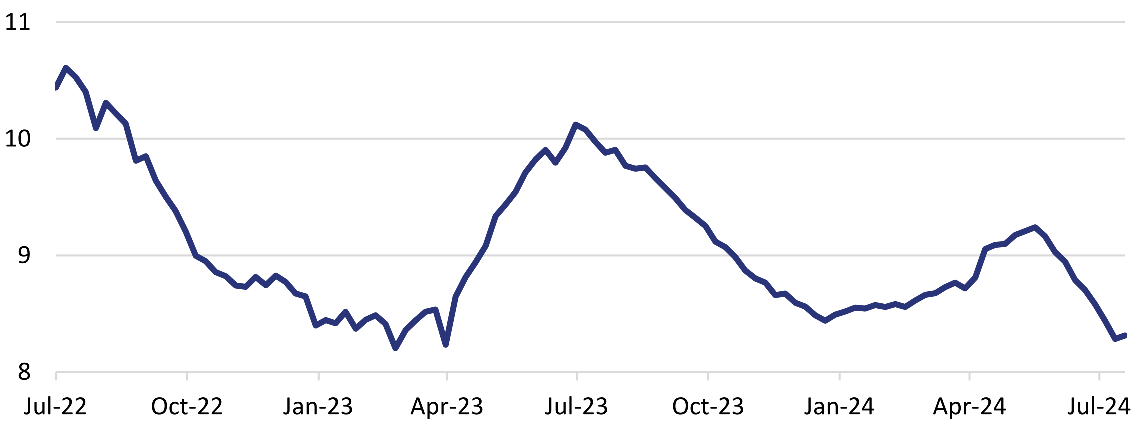
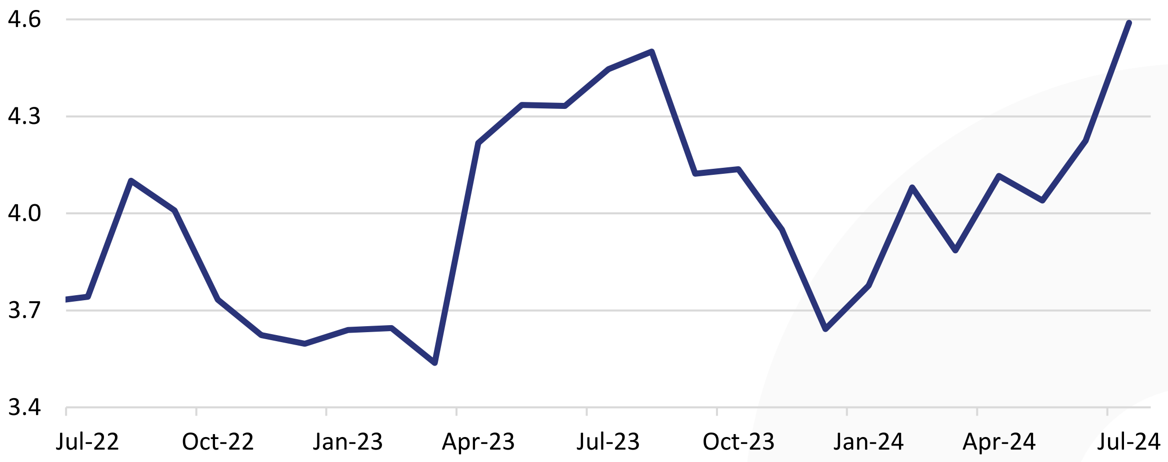
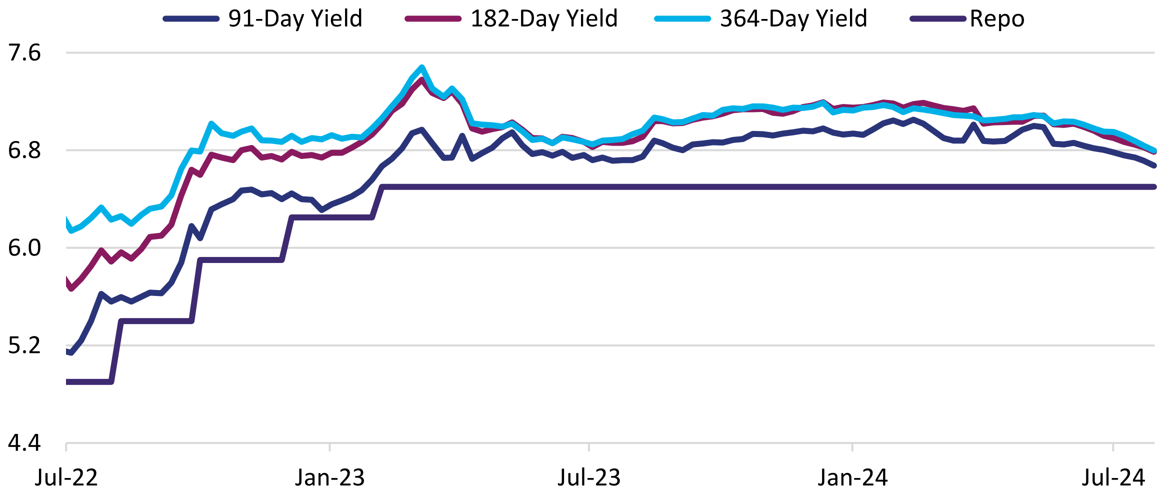
T-BILL OUTSTANDING (Rs. trn)



COMMERCIAL PAPER OUTSTANDING (Rs. trn)



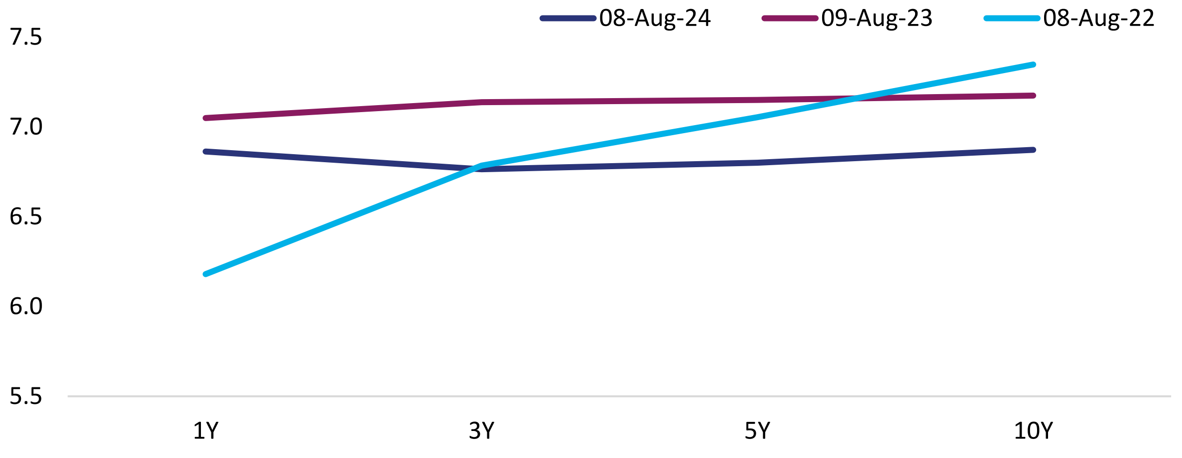
T-BILL PRIMARY YIELDS & REPO (%)



- CP issuances continue their ascension aided by better liquidity and rates. Issuances were dominated by NBFCs who are moving away from bank funding and tapping capital markets.
- T-bill yields have further eased at the end of Jun’24, attributable to lower supply in FY25, and flush liquidity

YIELDS FALL SECULARLY, WITH SHORT-TERM YIELDS MOST IMPACTED

YIELD CURVE (%)



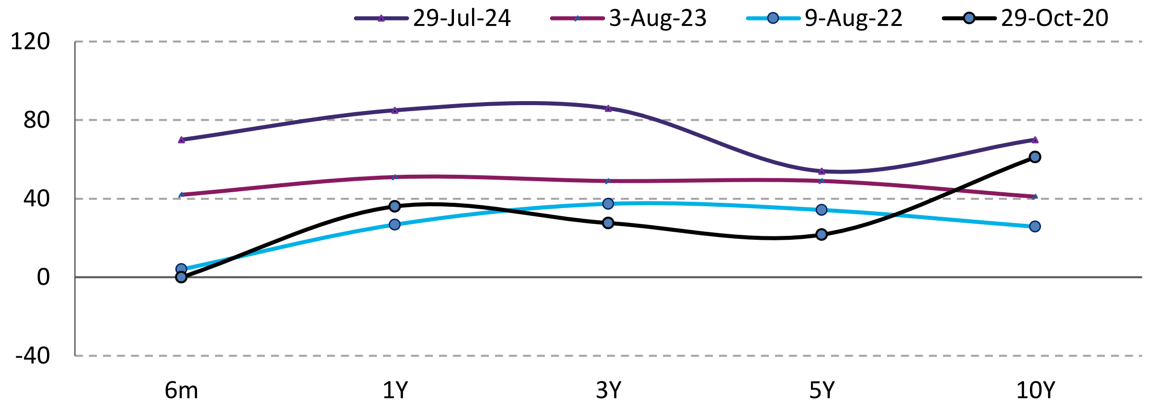
G-SEC YIELD (10 YEARS) (%)

G-SEC YIELD (5 YEARS) (%)

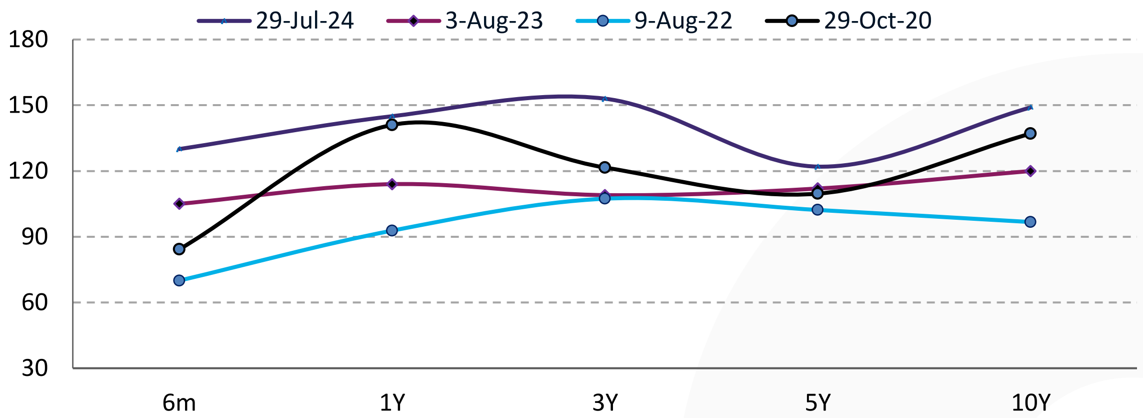
- Despite widely oscillating US 10-year yields over the past couple of months, Indian yields have largely remained stable. As stated in our previous publications, India 10Y yields have already descended below 7%. *We expect bonds to rally further*
- In line with our previous estimates, the inversion in 10Y and 5Y yields has reversed with the curve remaining flattish. *Future monetary policy actions might lead a bull steepening in the yield curve, with the cuts expected to begin in late FY25*

CORPORATE SPREADS UP FROM PANDEMIC ERA

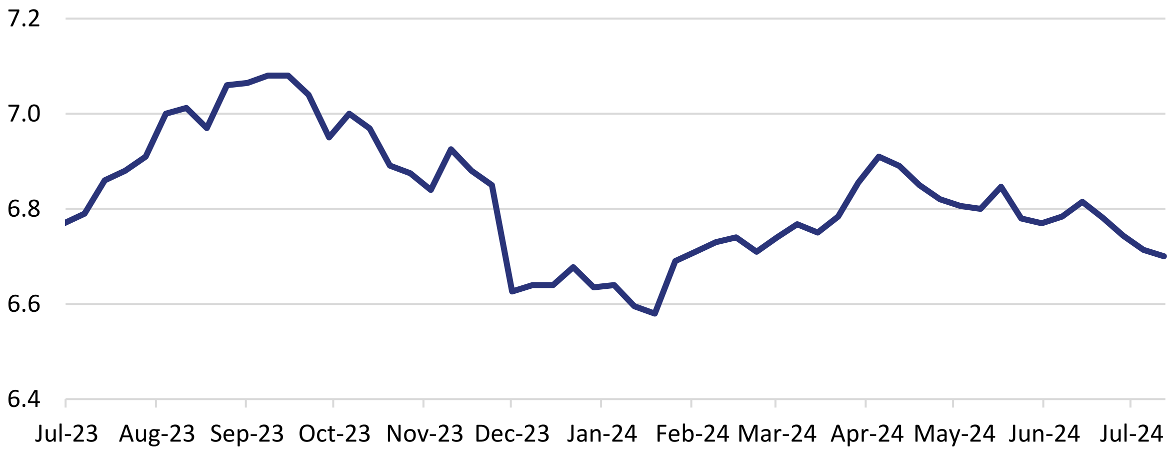
FIMMDA CORPORATE AAA SPREAD OVER GILT CURVE (bps)



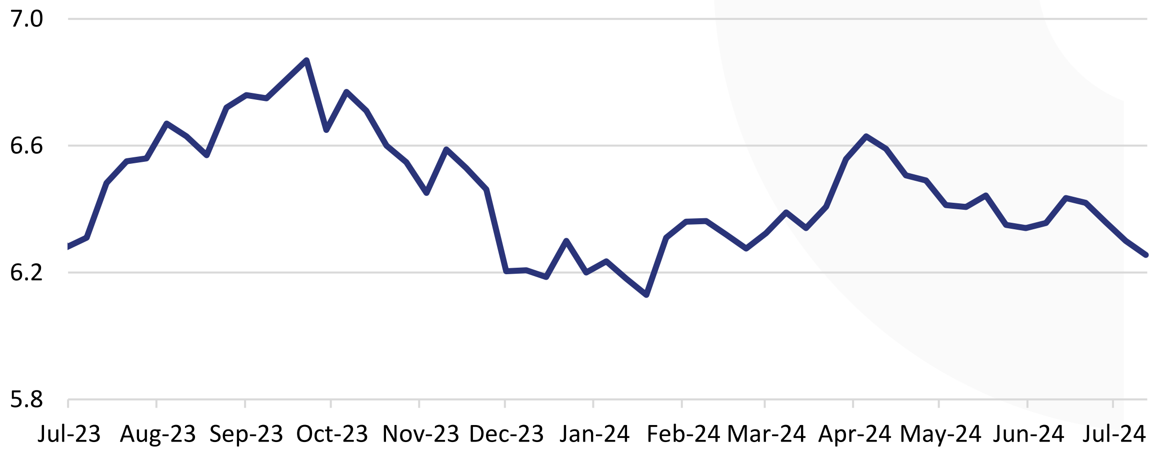
FIMMDA CORPORATE AA SPREAD OVER GILT CURVE (bps)



OIS 1- YEAR (%)



OIS 5 –YEAR (%)

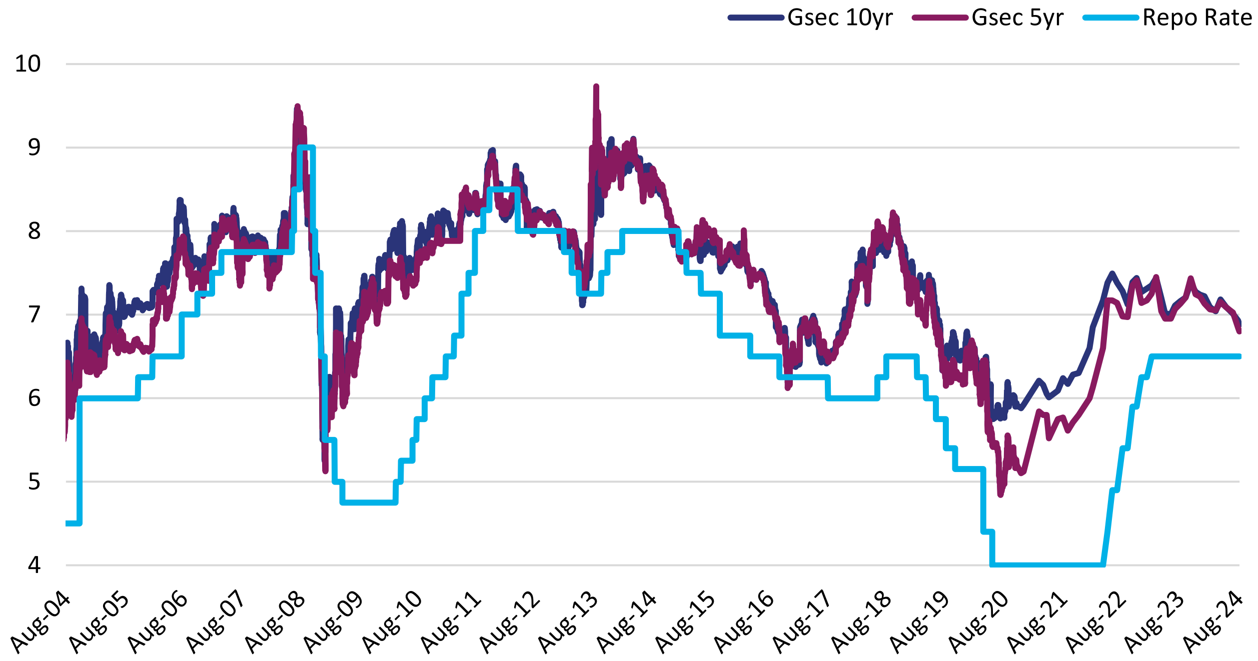


- OIS rates have steadily tracked G-Sec yields, approaching within realm of call money rates, with 5Y OIS much below the repo rate even, indicating liquidity trends rather than rate cuts

Source: Bloomberg, FIMMDA, SBICAPS

YIELD OUTLOOK

KEY RATES (%)



- We expect headline inflation (CPI) to average 4.7% in FY25 with evenly balanced risks
- We expect general govt. (Union + State) fiscal deficit ~8% of GDP in FY25
- We expect 10Y G-Sec yields to remain below 7% in the coming months. Below are the upside and downside risks to our assumptions -

Yield softening triggers

- Inclusion in global bond indices
- Liquidity surplus
- Softening in commodity prices due to global slowdown

Yield hardening triggers

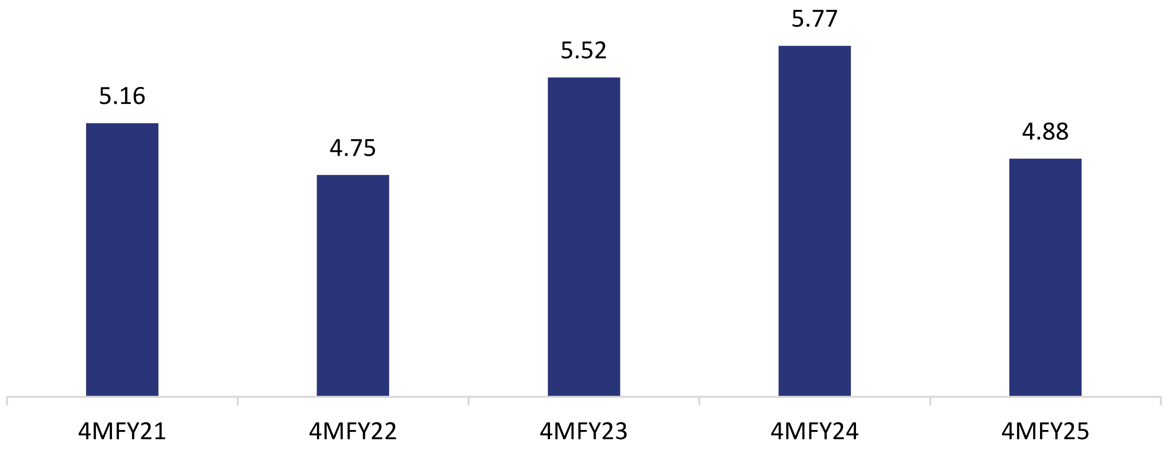
- Higher CPI print than estimate
- Higher crude price- impact on fiscal, inflation
- Higher govt. borrowing
- Currency volatility – 2013 and 2018 example

Source: Bloomberg, SBICAPS

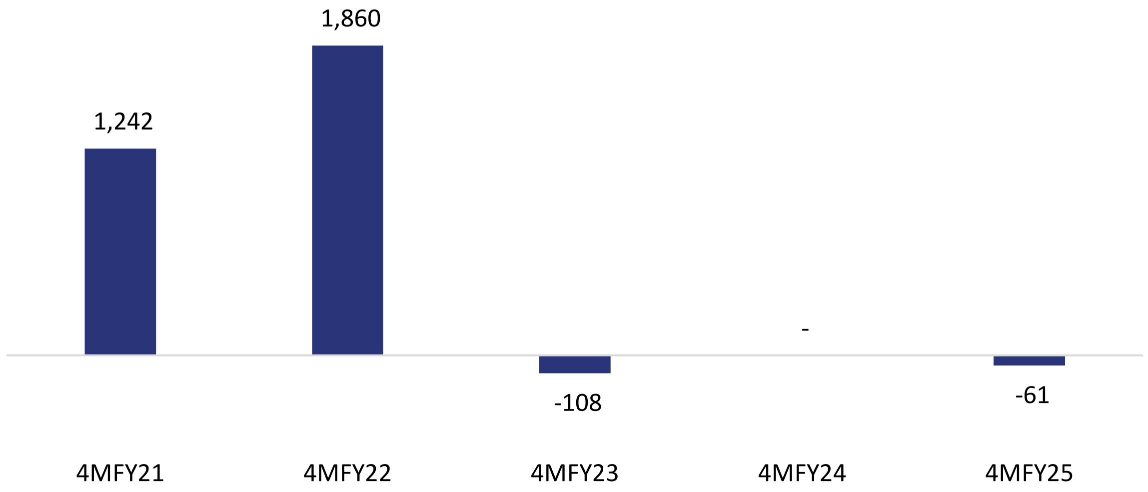
CAPITAL MARKETS

SGS ISSUANCE LOWER THAN INDICATIVE CALENDAR IN Q1

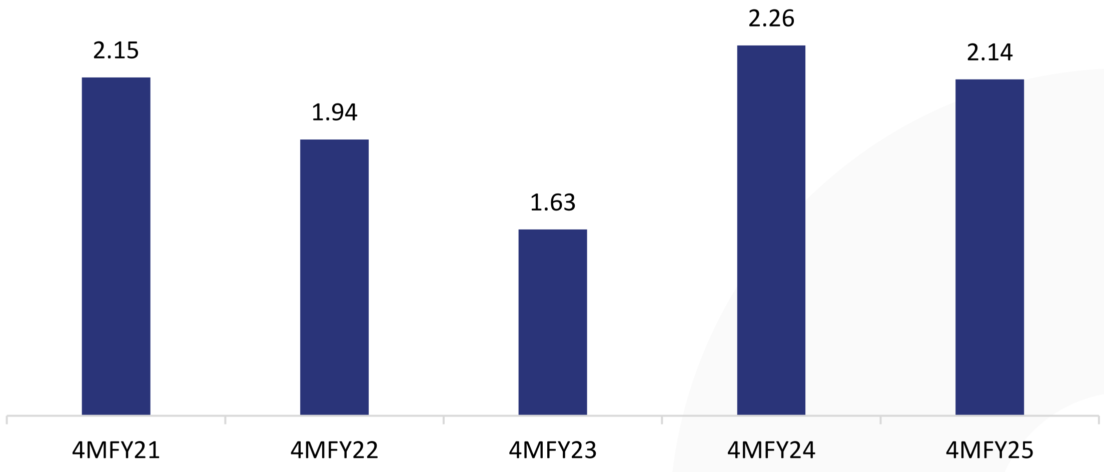
G-SEC: GROSS AMOUNT RAISED YTD (Rs. trn)



CUMULATIVE NET OMOS YTD (Rs. bn)



SGS BIDS ACCEPTED YTD (Rs. trn)

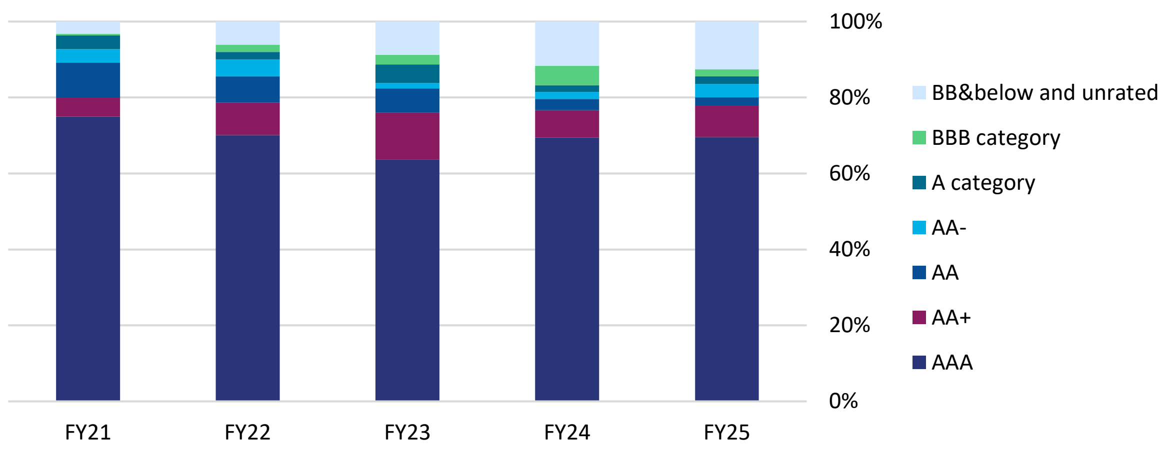


- A further cut in gross Union borrowing by Rs. 120 bn [vs. Interim] to Rs. 14.01 trn was seen in the final Budget. The net borrowing for FY25BE has been set at Rs. 11.63 trn [Interim: Rs. 11.75 trn], representing a marginal decline
- Jul'24 saw many states picking up on SGS issuances. Even so, a ~15% shortfall exists vs. indicative amount in 4MFY25 Notably, Tamil Nadu and Telangana have outperformed indicative while Maharashtra remains a laggard

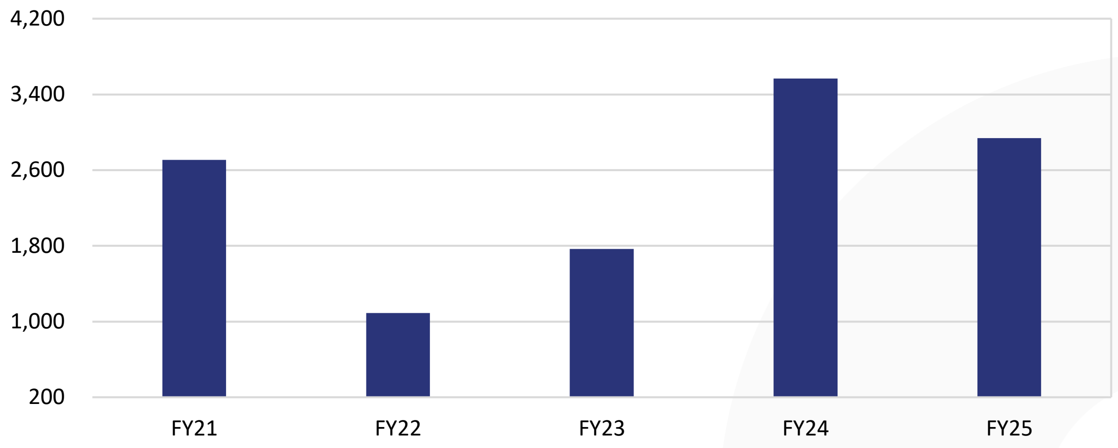
Source: RBI, Union Budget Documents, SBICAPS

LOWER RATED ISSUANCES GET A FILLIP IN YTDFY25

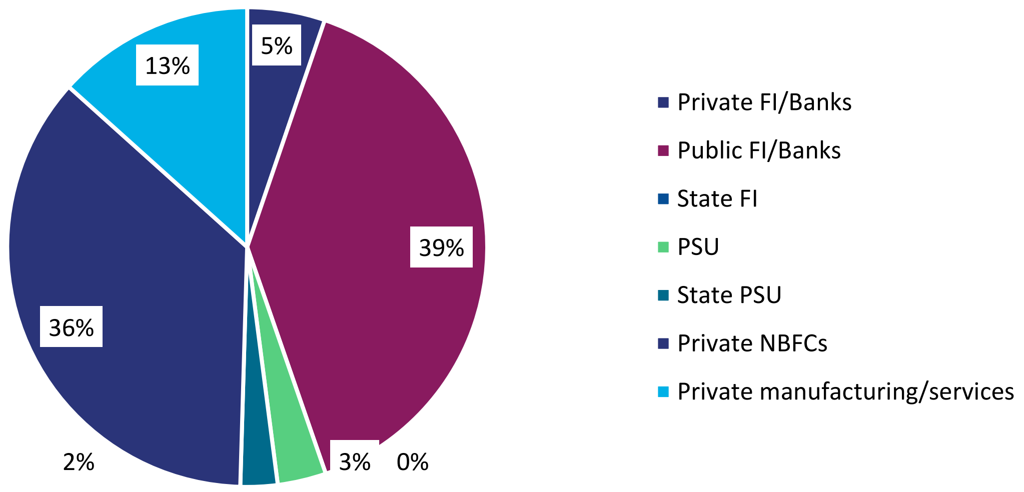
GROSS ISSUANCE (Rs. bn) WITH RATING SPLIT (%) UPTO 4MFY25



GROSS ISSUANCES – 4MFY (Rs. bn)



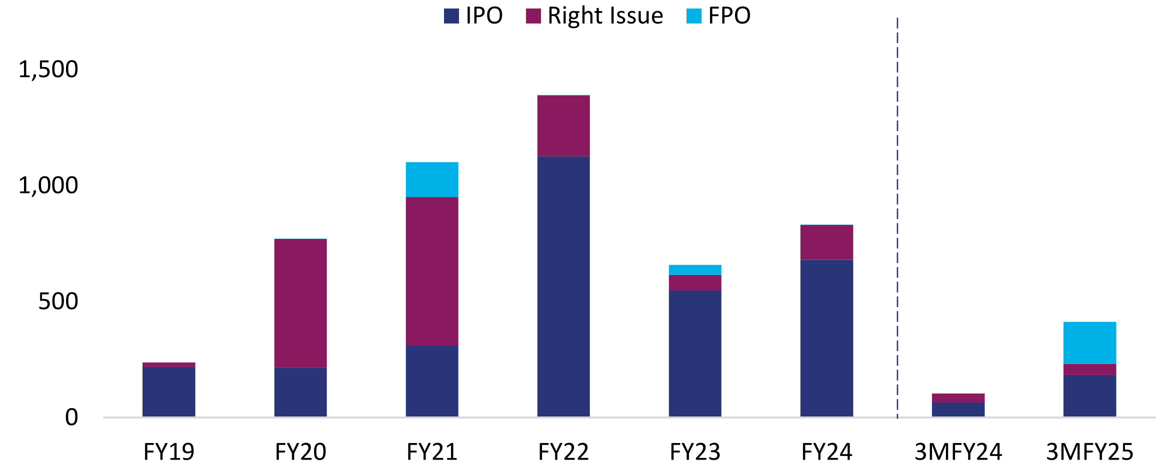
ISSUER TYPE WISE GROSS ISSUANCES BY AMOUNT- 4MFY25



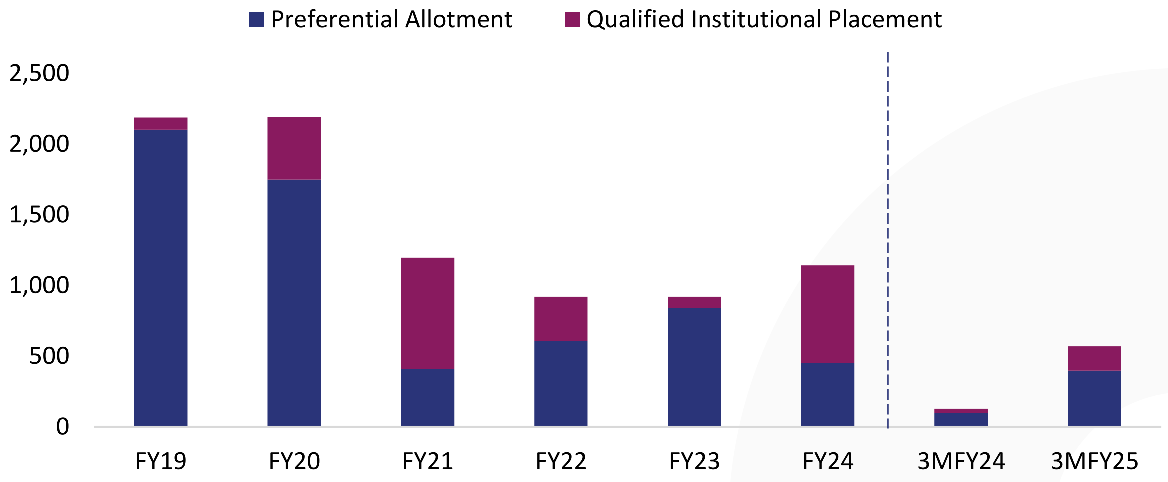
- Bond market issuances have moved from strength to strength in 4MFY25, albeit still lower than a stellar start seen in FY24. NBFCs, public banks and other FIs are the major suppliers of corporate papers
- Notably, higher amount of lower rated papers are being issued in FY25 than any of the previous 5 years

TELECOM DIALS UP EQUITY ISSUANCES IN Q1

PUBLIC ISSUES BY CORPORATES (Rs. bn)



PRIVATE PLACEMENTS BY CORPORATES (Rs. bn)



EQUITY CAPITAL RAISED (Rs. bn)

Sector	FY24	3MFY25
Telecommunication	1.3	222.7
Financial Services	170.2	83.3
Healthcare	111.9	23.7
Consumer Services	87.0	23.4
Capital Goods	121.4	17.7
Others	339.2	41.5
Total	**830.9**	**412.3**

- Public issuances have experienced a significant spike at the start of FY25, driven by large FPO by a big telecom company.
- IPOs too continue to garner much attention as companies enjoy favourable valuations. Notably, pharmaceuticals, healthcare and insurers have seen action
- QIPs maintain their momentum in FY25, after a hefty FY24, due to continued domination by financial services companies

05

GLOBAL SNAPSHOT

GLOBAL SELL-OFF ENSUES AMIDST FEARS OF SLOWDOWN

COMMODITY	%1M CHANGE	%1Y CHANGE
LME Metals Index	-10%	2%
Copper	-11%	4%
Aluminium	-10%	3%
Iron Ore 62% Fe*	-8%	-4%
Gold	3%	27%
Brent Crude	-7%	-10%
Natural Gas	-8%	-27%
Newcastle Coal	8%	2%

CURRENCIES	%1M CHANGE	%1Y CHANGE
DXY Index	-2%	1%
USD/EUR	-1%	1%
USD/JPY	-9%	2%
USD/GBP	0%	0%
USD/CNY	-1%	-1%
USD/INR	1%	1%
USD/RUB	1%	-9%

EQUITY INDICES	%1M CHANGE	%1Y CHANGE
S&P 500	-5%	19%
Nikkei 225	-16%	9%
STOXX Europe 600	-2%	9%
FTSE 100	1%	8%
BSE Sensex 30	-1%	21%
Hang Seng	-2%	-11%
IBOV	1%	9%

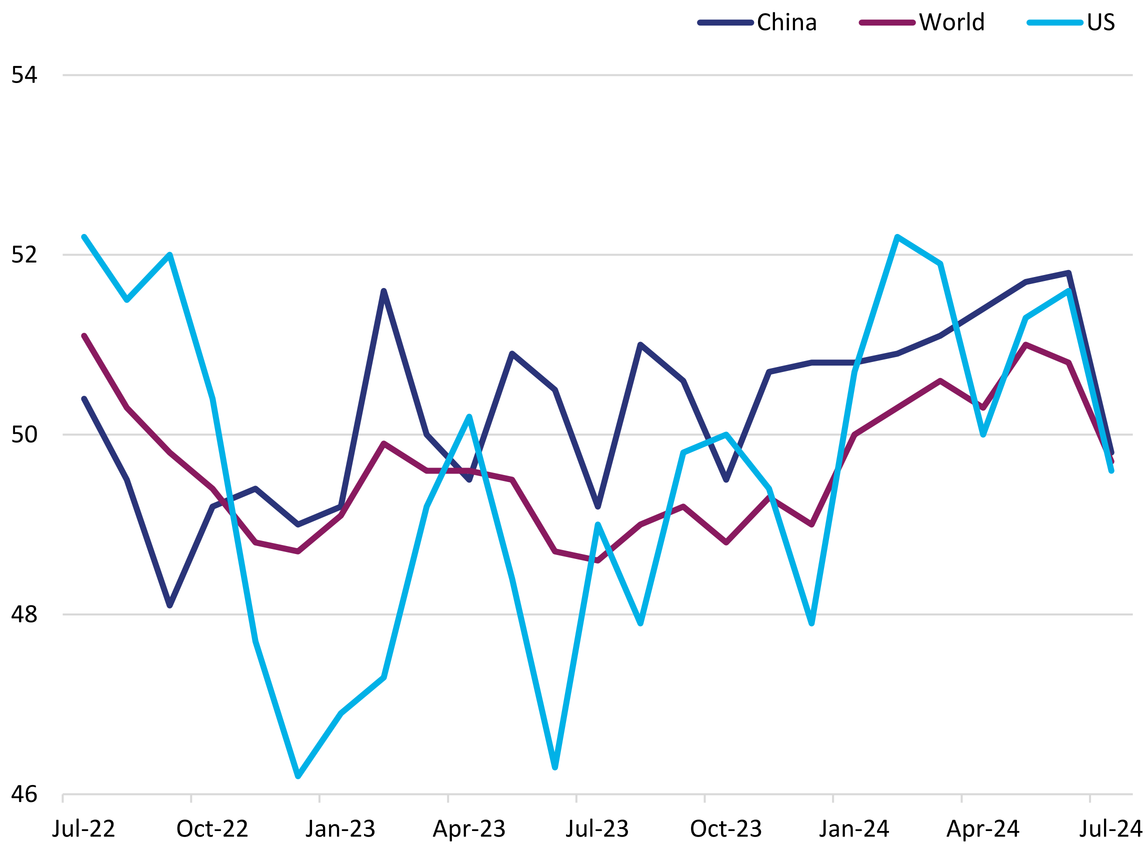
- Based on weak US jobs data and a landmark rate hike from the BoJ, a global sell-off ensued in early Aug'24, with the Nikkei 225 dropping 12% in a single session. All major global stock indices remain in the red
- JPY made ground against the USD after a long period of secular decline. Exceptional volatility was seen across countries. While INR dipped to a record low, it remains relatively unharmed
- Commodity prices also saw volatility on fluctuating estimates of Chinese demand. European natural gas prices reached near old highs in early Aug'24

1Y & 1M change are as of 8 Aug'24, * CFR China

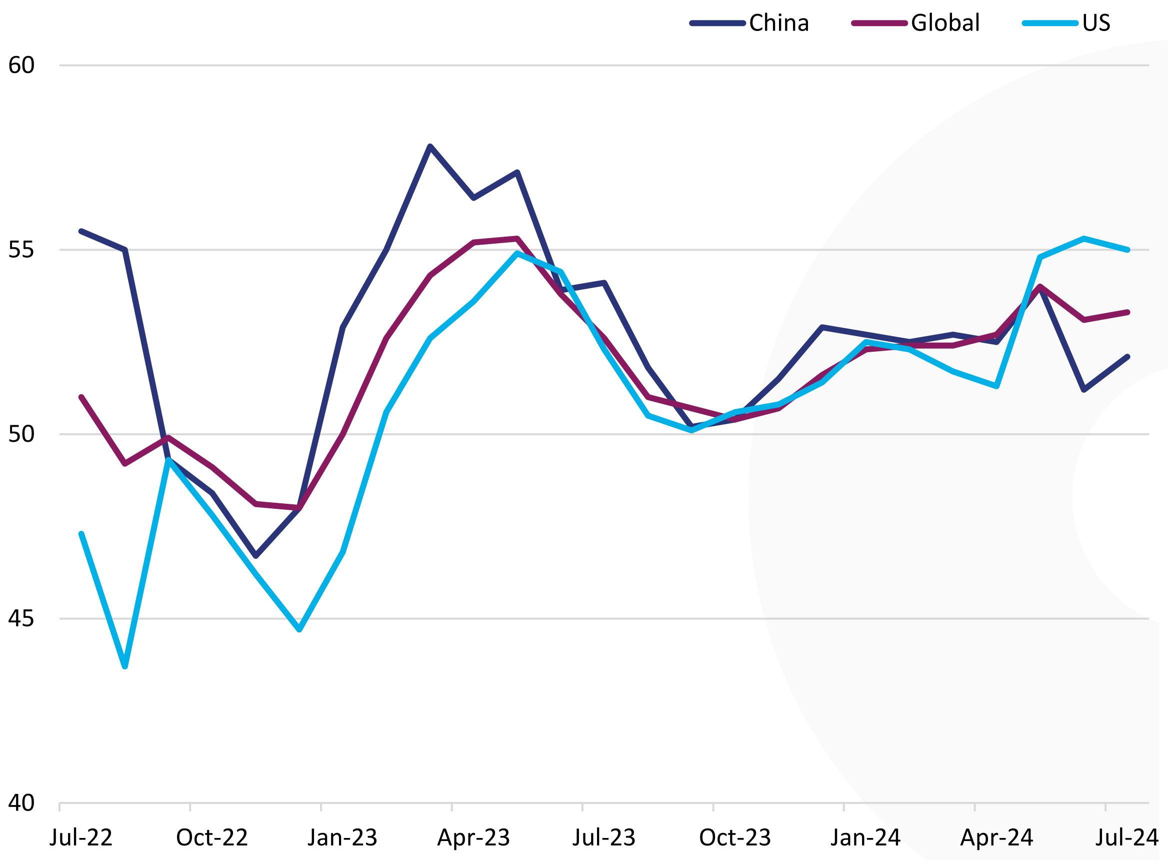
Source: Bloomberg, SBICAPS

GLOBAL MANUFACTURING ENTERS CONTRACTION FOR THE FIRST TIME IN CY24

WORLD PMI- MANUFACTURING



WORLD PMI- SERVICES

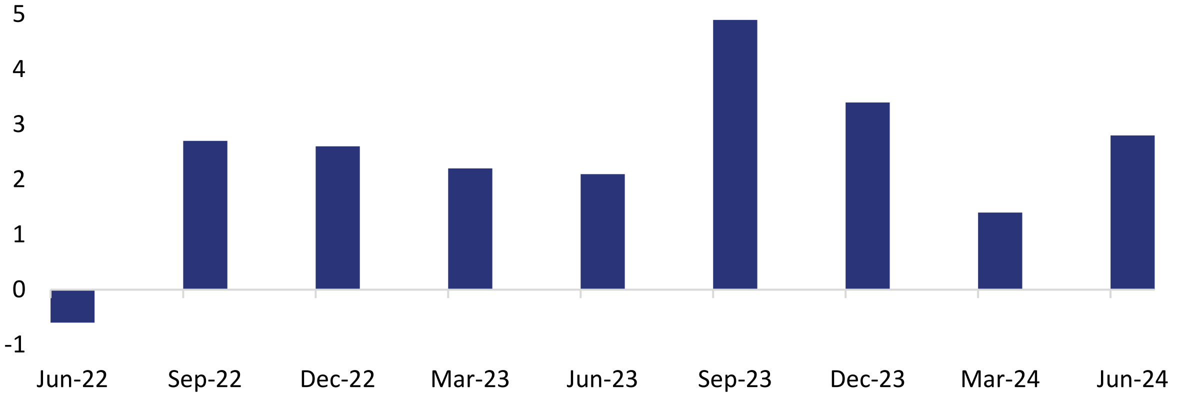


- Global manufacturing plunged into contractionary territoryy with deteriorating new orders and halting trade amidst supply chain disruptions for raw materials, despite considerably lower inflation. A sharp fall in new orders in US caused near-stalling in production. East Asia followed suite, with both China and Japan’s manufacturing contracting
- Services activity remained resilient, despite slumping trade and mild inflation. Rising output and slower demand meant lower outstanding business

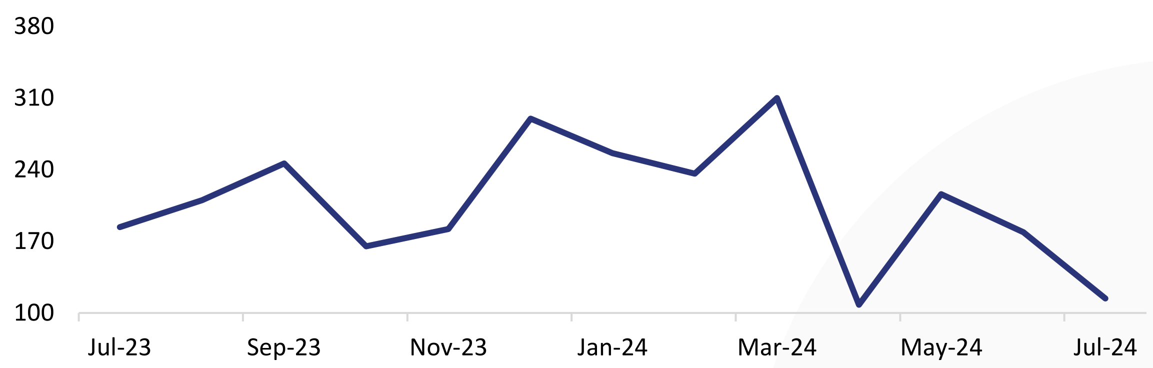
Source: S&P Global, Bloomberg, SBICAPS

US EMPLOYMENT DATA PAINTS A GRIM FUTURE, STOKES RECESSIONARY FEARS

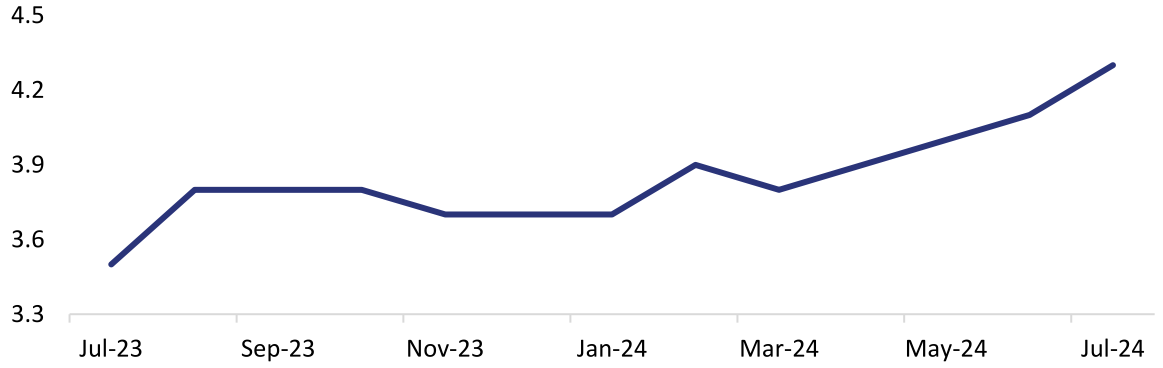
US REAL GDP GROWTH (% Q/Q SAAR)



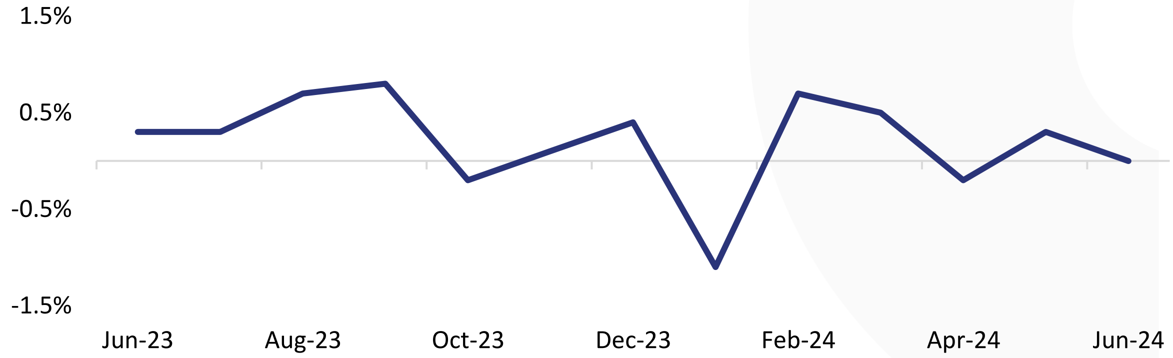
CHANGE IN NON-FARM PAYROLL ('000 M/M)



UNEMPLOYMENT RATE (%)



RETAIL SALES (% M/M)

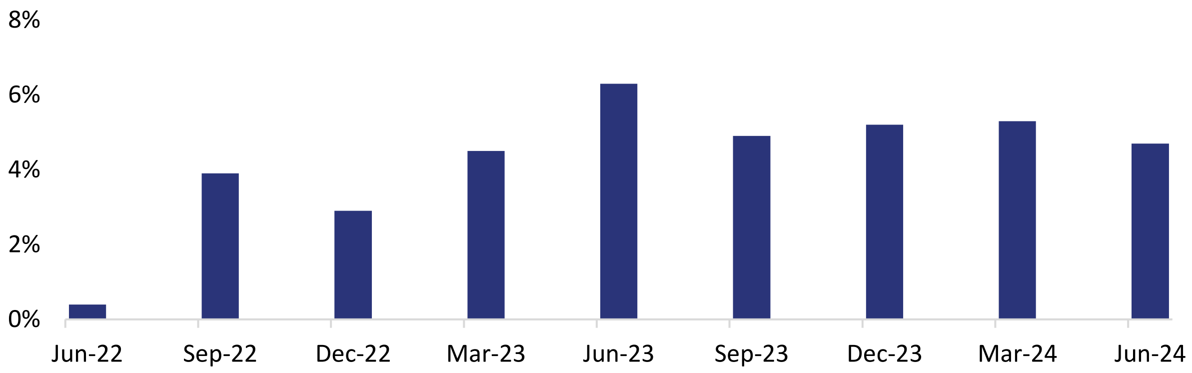


- US real GDP growth stood at 2.8% q/q saar in Q2CY24, beating market expectations, on the back of robust consumer spending, business investments and subsiding inflationary woes. However, regressing housing market growth and widening trade deficit act as a drag.
- US labour market is exemplified by an abrupt slowdown in hiring, with non-farm payroll additions of 114k underwhelming the markets. Surge in unemployment rate to 4.3% in Jul'24 has had the market in a rout as the triggering of the SAHM rule implies imminent recession

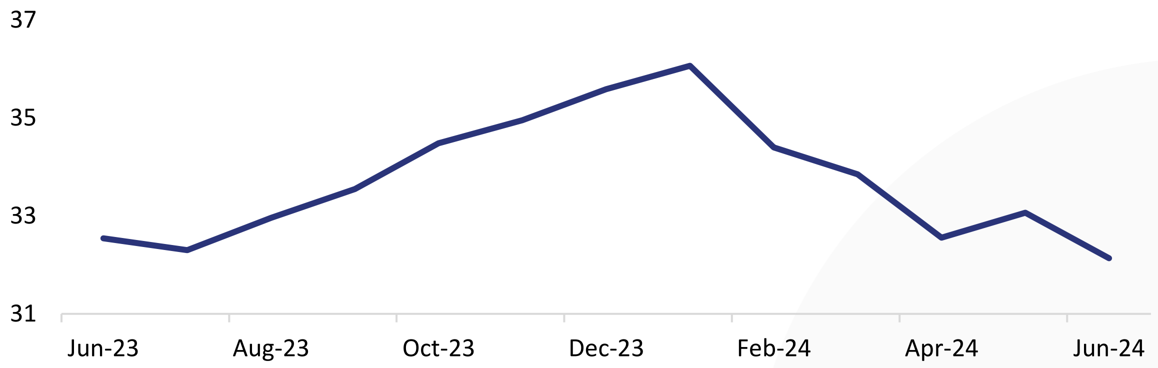
Source: Bloomberg, US BLS, SBICAPS

WOBBLY CHINESE RECOVERY BEGS FOR MORE STIMULUS

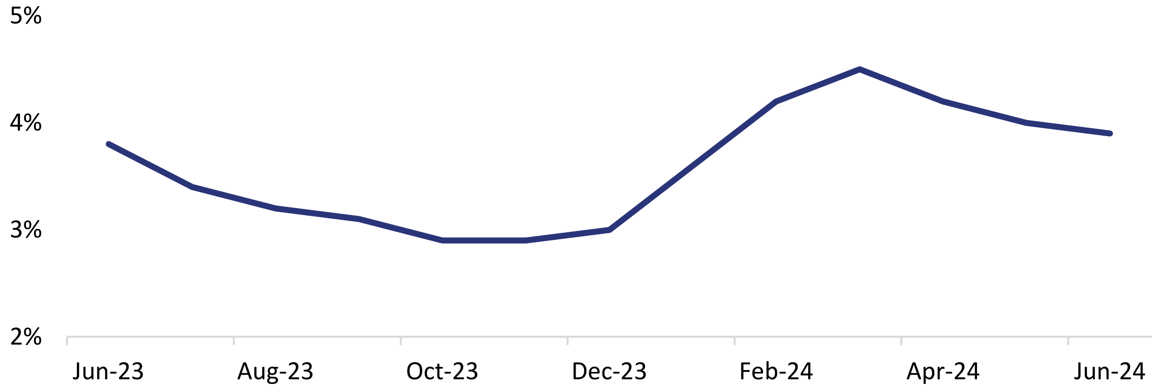
CHINA REAL GDP GROWTH (% Y/Y)



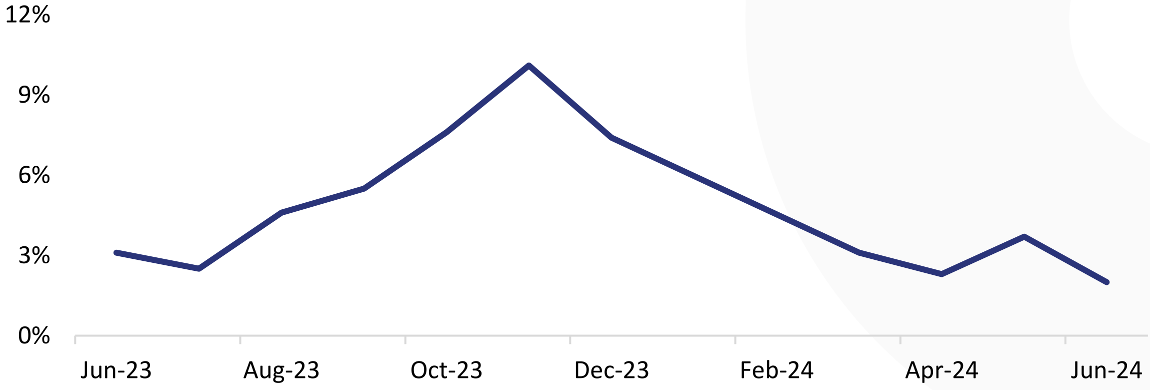
AGGREGATE FINANCING (CNY TRN) – 12M CUMULATIVE ROLLING



FIXED ASSET INVESTMENT (% Y/Y)



RETAIL SALES (% Y/Y)

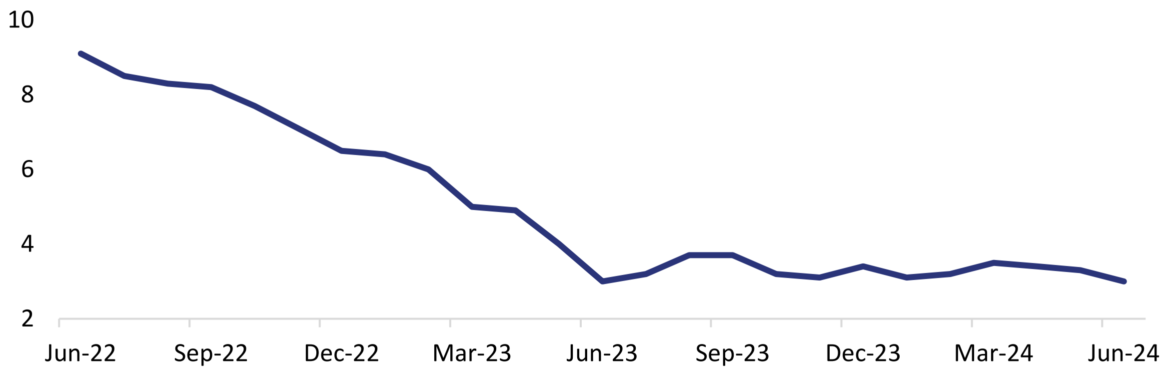


- Sluggish domestic demand weighs on a patchy Chinese recovery with slowing industrial output and underwhelming retail sales.
- Weak demand translated into credit with bank loans jumping less than expected and aggregate financing at its record lowest. Weak property sector and low-income growth continues to hurt household credit demand and consumer confidence.

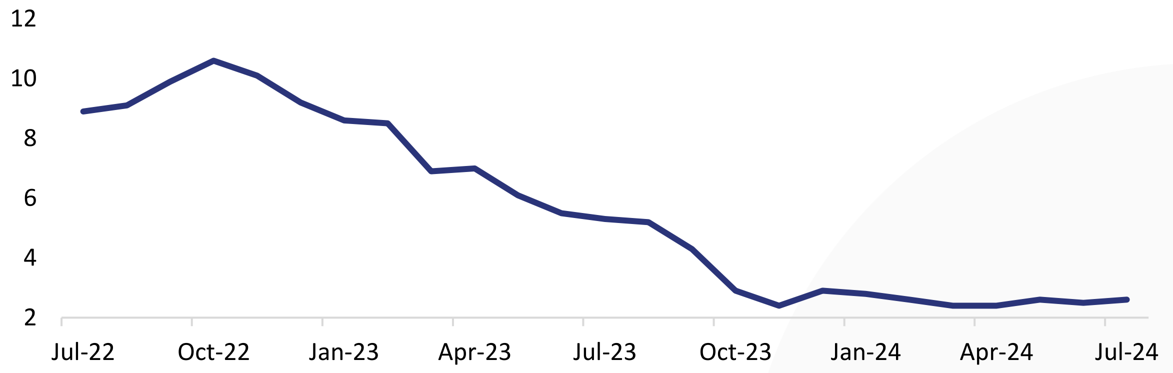
Source: Bloomberg, SBICAPS

INFLATION IS NOT YET IN THE REAR-VIEW MIRROR

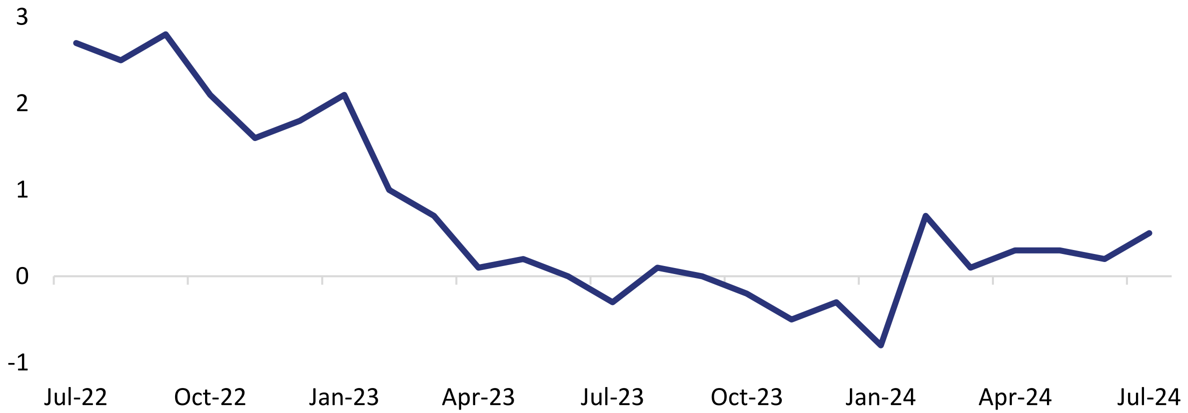
US CPI (% Y/Y)



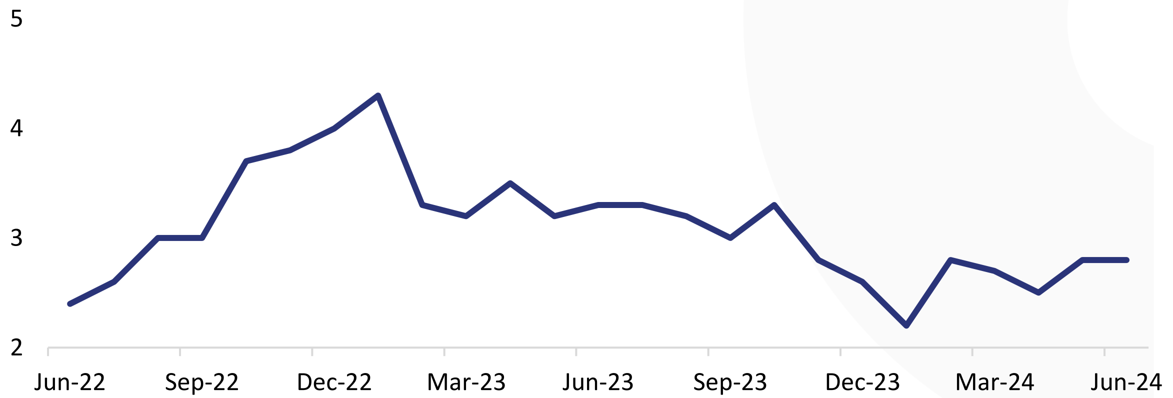
EUROZONE CPI (% Y/Y)



CHINA CPI (% Y/Y)



JAPAN CPI (% Y/Y)

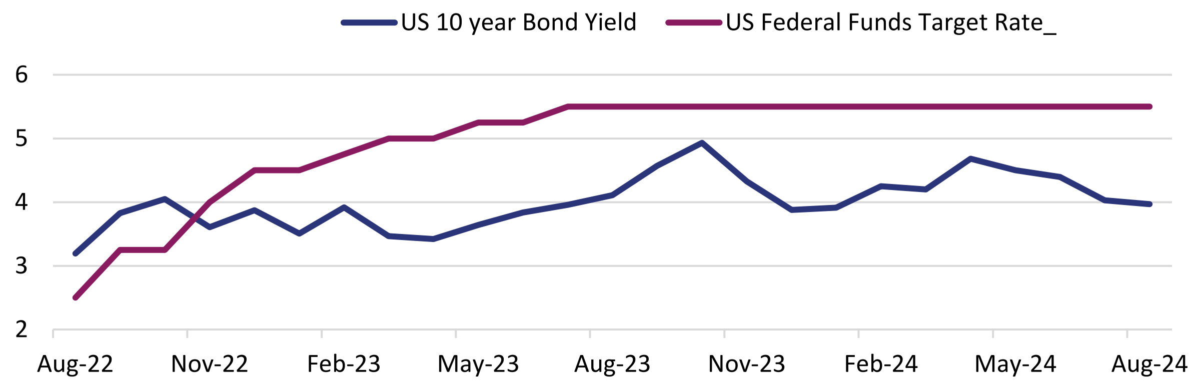


- Sustained inflation and rising real wages led BoJ to a hawkish tilt. On the other hand, rate cuts and stimulus in China has led to slight recovery of inflation in Jul’24
- US CPI hovers around its lowest levels in about 3 years led by sliding prices of gasoline and consumer staples, providing boost to household consumption. Mr. Powell has commented on the changing nature of disinflation with a noticeable slowdown in prices of services and housing providing relief to the FOMC

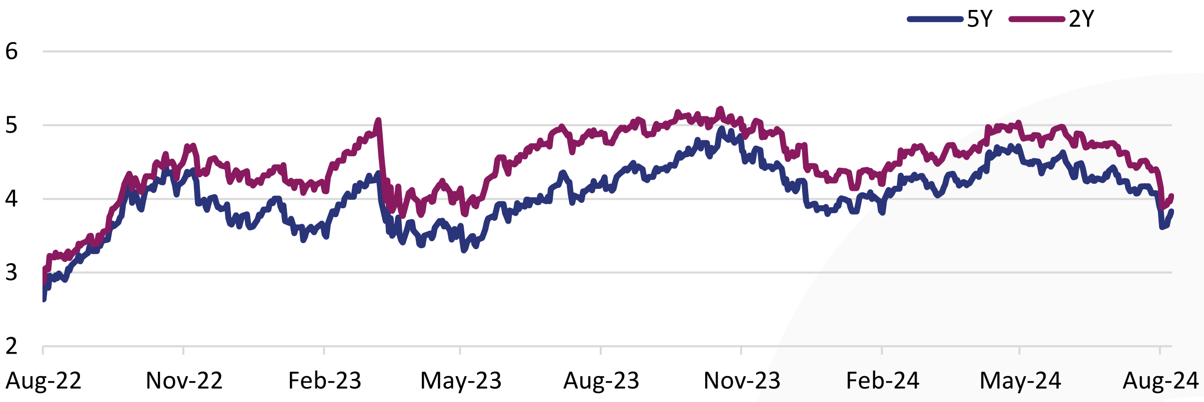
Source: Bloomberg, SBICAPS

US FED RATE CUTS COULD BE SOONER RATHER THAN LATER

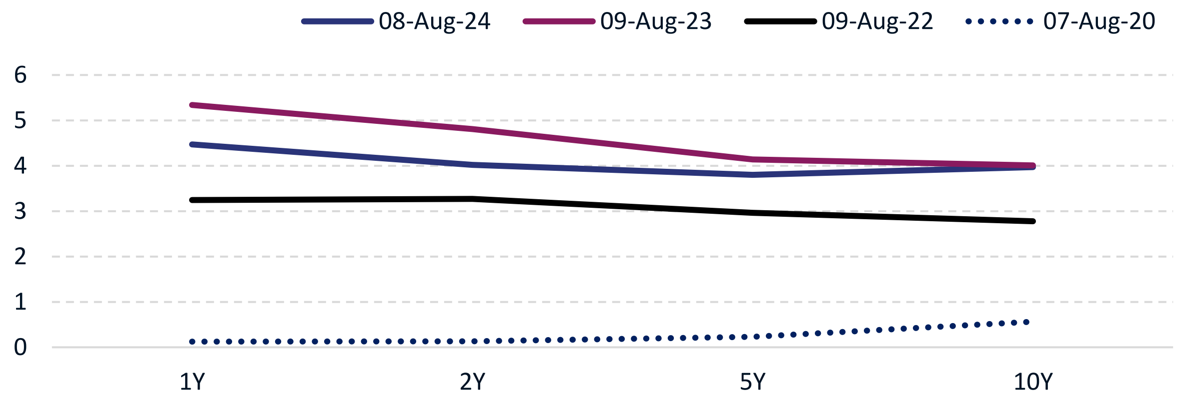
US 10-YEAR G-SEC YIELD VS POLICY RATE (%)



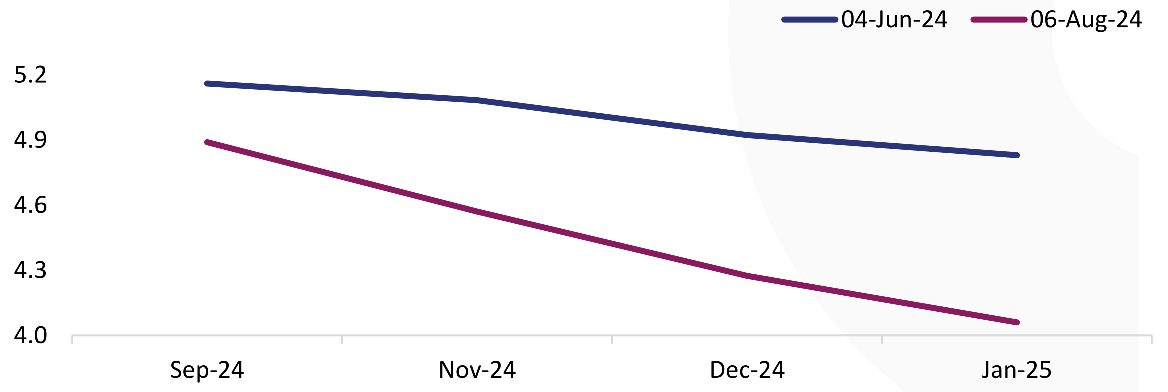
US 2Y AND 5Y G-SEC YIELD (%)



YIELD CURVE (%)



MARKET-IMPLIED PATH OF US FED POLICY RATE (%)

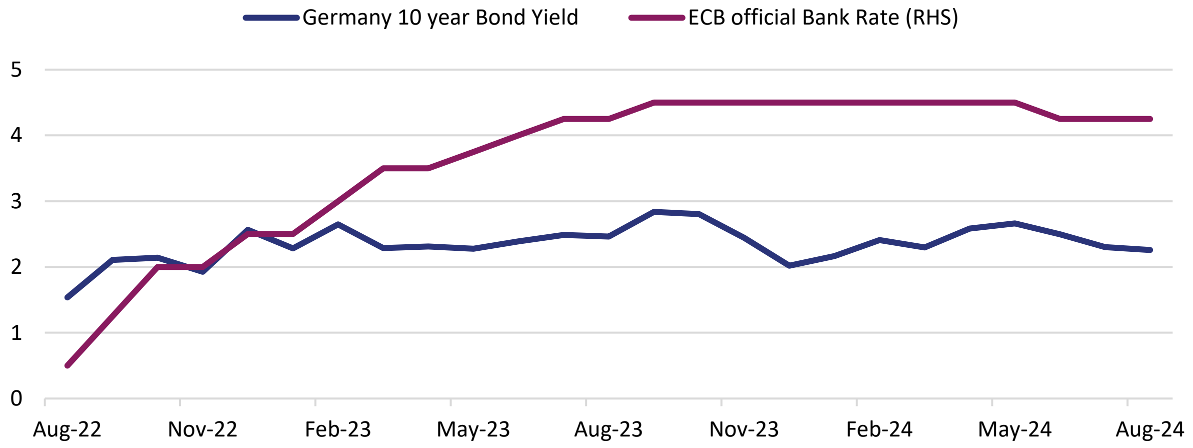


- US yields dipped sharply post weak non-farm payroll data, with both US 10Y and US 2Y venturing into sub 4% territory for some time. Curiously, owing to anchoring of short-term rates to policy, US 2Y dipped more starkly, leading to a brief non-inversion of the yield curve
- Expectations for Sep'24 rate cut are stronger than before with some participants pencilling in two cuts by then, including an emergency rate cut to breathe fire into the economy

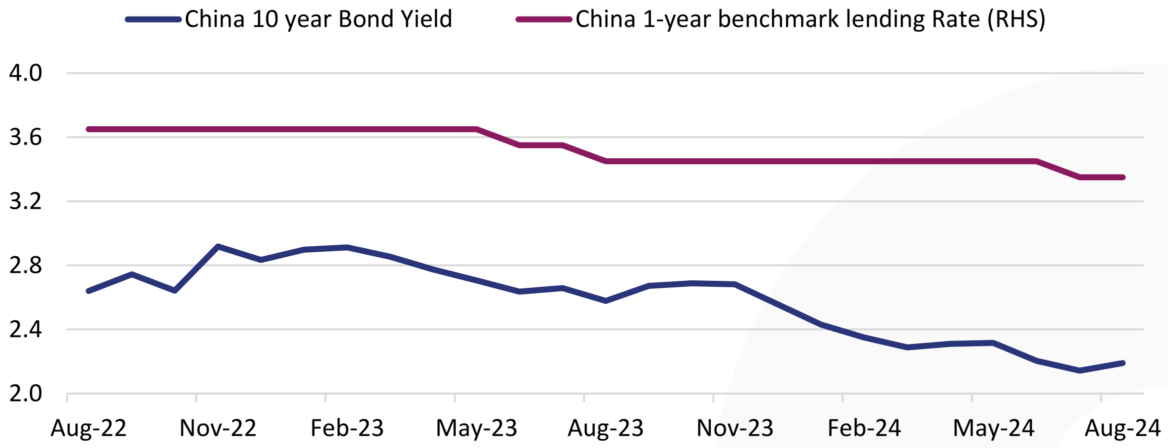
Source: Bloomberg, SBICAPS

CENTRAL BANKS RETHINK ON IMPACT OF HIGH RATES, WARY ON PRICES STILL

EUROZONE 10-YEAR BOND YIELD VS POLICY RATE (%)



CHINA 10-YEAR BOND YIELD VS POLICY RATE (%)



POLICY RATE OF OTHER MAJOR CENTRAL BANKS

REGION	FEB'20	MAR'21	MAR'22	MAR'23	CURRENT
England	0.75%	0.10%	0.75%	4.25%	5.00%
Japan	-0.10%	-0.10%	-0.10%	-0.10%	0.25%
Brazil	4.25%	2.75%	11.75%	13.75%	10.50%
Australia	0.75%	0.10%	0.10%	3.60%	4.35%
Canada	2.00%	0.50%	0.75%	4.50%	4.50%
S. Korea	1.25%	0.50%	1.25%	3.50%	3.50%
S. Africa	6.25%	3.50%	4.25%	7.75%	8.25%
Russia	6.00%	4.50%	20.00%	7.50%	18.00%

- Bank of England started rolling back on 16-year high interest rates with a narrow vote of 5-4 leading to 25 bps cut to 5%, as inflation stays near target.
- BoJ raised rates again by 15 bps to 0.25% and unveiled a detailed plan to slow its massive bond buying program in an attempt to phase out decades long stimulus program
- Bank of Canada further cut rates by 25 bps to 4.5%, meanwhile trimming GDP forecasts, stating reduced borrowing costs could spur the economy.

Source: Bloomberg, Bank of Canada, SBICAPS

ECONOMIC CALENDAR

GLOBAL ECONOMIC CALENDAR – (09 AUG – 16 AUG)

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Date	Area	Event	Period
9	MX	Overnight Rate	Aug
9	CH	PPI YoY	Jul
9	CH	CPI YoY	Jul
9	TU	Industrial Production YoY	Jun
9	IT	CPI EU Harmonized YoY	Jul F
9	BZ	IBGE Inflation IPCA YoY	Jul
9	RU	GDP YoY	2Q A
9	RU	CPI YoY	Jul
11	GE	Wholesale Price Index YoY	Jul
11	CH	FDI YTD YoY CNY	Jul
12	**IN**	**CPI YoY**	**Jul**
12	**IN**	**Industrial Production YoY**	**Jun**
12	**IN**	**Trade Balance**	**Jul**
13	JN	PPI YoY	Jul
13	UK	ILO Unemployment Rate 3Mths	Jun
13	EC	ZEW Survey Expectations	Aug
13	US	PPI Final Demand YoY	Jul
14	UK	CPI YoY	Jul
14	**IN**	**Wholesale Prices YoY**	**Jul**
14	FR	CPI YoY	Jul F
14	EC	GDP SA YoY	2Q P
14	US	CPI YoY	Jul

Date	Area	Event	Period
14	US	Real Avg Weekly Earnings YoY	Jul
15	AR	National CPI YoY	Jul
15	JN	GDP SA QoQ	2Q P
15	CH	1-Yr Medium-Term Lending Facility Rate	Aug
15	CH	Industrial Production YoY	Jul
15	CH	Retail Sales YoY	Jul
15	CH	Fixed Assets Ex Rural YTD YoY	Jul
15	CH	Property Investment YTD YoY	Jul
15	CH	Surveyed Jobless Rate	Jul
15	JN	Industrial Production YoY	Jun F
15	UK	GDP YoY	2Q P
15	UK	Industrial Production YoY	Jun
15	UK	Trade Balance GBP/Mn	Jun
15	PH	BSP Overnight Borrowing Rate	Aug
15	NO	Deposit Rates	Aug
15	US	Retail Sales Advance MoM	Jul
15	US	Industrial Production MoM	Jul
15	US	NAHB Housing Market Index	Aug
16	UK	Retail Sales Inc Auto Fuel YoY	Jul
16	EC	Trade Balance SA	Jun
16	US	Building Permits	Jul
16	US	Housing Starts	Jul

GLOBAL ECONOMIC CALENDAR – (16 AUG – 31 AUG)

Date	Area	Event	Period
16	US	U. of Mich. Sentiment	Aug P
19	JN	Core Machine Orders YoY	Jun
20	NZ	Trade Balance NZD	Jul
20	CH	5-Year Loan Prime Rate	Aug
20	GE	PPI YoY	Jul
20	SW	Riksbank Policy Rate	Aug
20	EC	CPI YoY	Jul F
20	TU	One-Week Repo Rate	Aug
20	CA	CPI YoY	Jul
21	JN	Trade Balance	Jul
21	TH	BoT Benchmark Interest Rate	Aug
21	ID	BI-Rate	Aug
21	SA	CPI YoY	Jul
21	RU	PPI YoY	Jul
22	EC	Consumer Confidence	Aug P
22	US	Existing Home Sales	Jul
22	PY	Monetary Policy Rate	Aug
23	UK	GfK Consumer Confidence	Aug
23	JN	Natl CPI YoY	Jul
23	US	New Home Sales	Jul
25	VN	CPI YoY	Aug
26	SP	PPI YoY	Jul

Date	Area	Event	Period
26	GE	IFO Business Climate	Aug
27	CH	Industrial Profits YTD YoY	Jul
27	HU	Central Bank Rate Decision	Aug
27	US	Conf. Board Consumer Confidence	Aug
28	AU	CPI YoY	Jul
28	GE	GfK Consumer Confidence	Sep
28	FR	Consumer Confidence	Aug
28	RU	Industrial Production YoY	Jul
29	SA	PPI YoY	Jul
29	US	GDP Annualized QoQ	2Q S
29	US	Advance Goods Trade Balance	Jul
29	US	Core PCE Price Index QoQ	2Q S
29	US	Pending Home Sales MoM	Jul
29	GE	Retail Sales MoM	May
30	JN	Jobless Rate	Jul
30	JN	Retail Sales YoY	Jul
30	FR	PPI YoY	Jul
30	CZ	GDP YoY	2Q P
30	IN	Eight Infrastructure Industries	Jul
30	CA	GDP YoY	Jun
30	US	Personal Spending	Jul
31	CH	Manufacturing PMI	Aug

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ANCHORING POLICY CLOSE TO DOMESTIC SHORES IN TURBULENT GLOBAL WATERS

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BROAD-BASING DEVELOPMENT AND A NOD TO STABILITY

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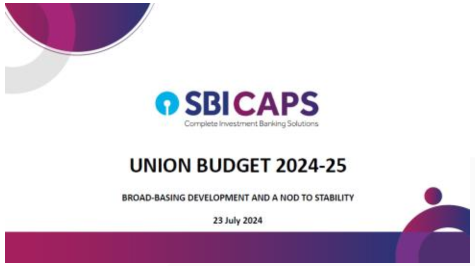

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INDIAN ECONOMY: MAINTAINING MOMENTUM ON A DETERIORATING GLOBAL PITCH

July 2024

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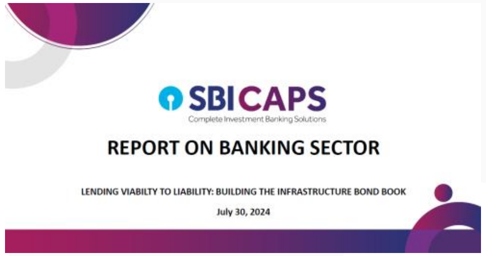

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