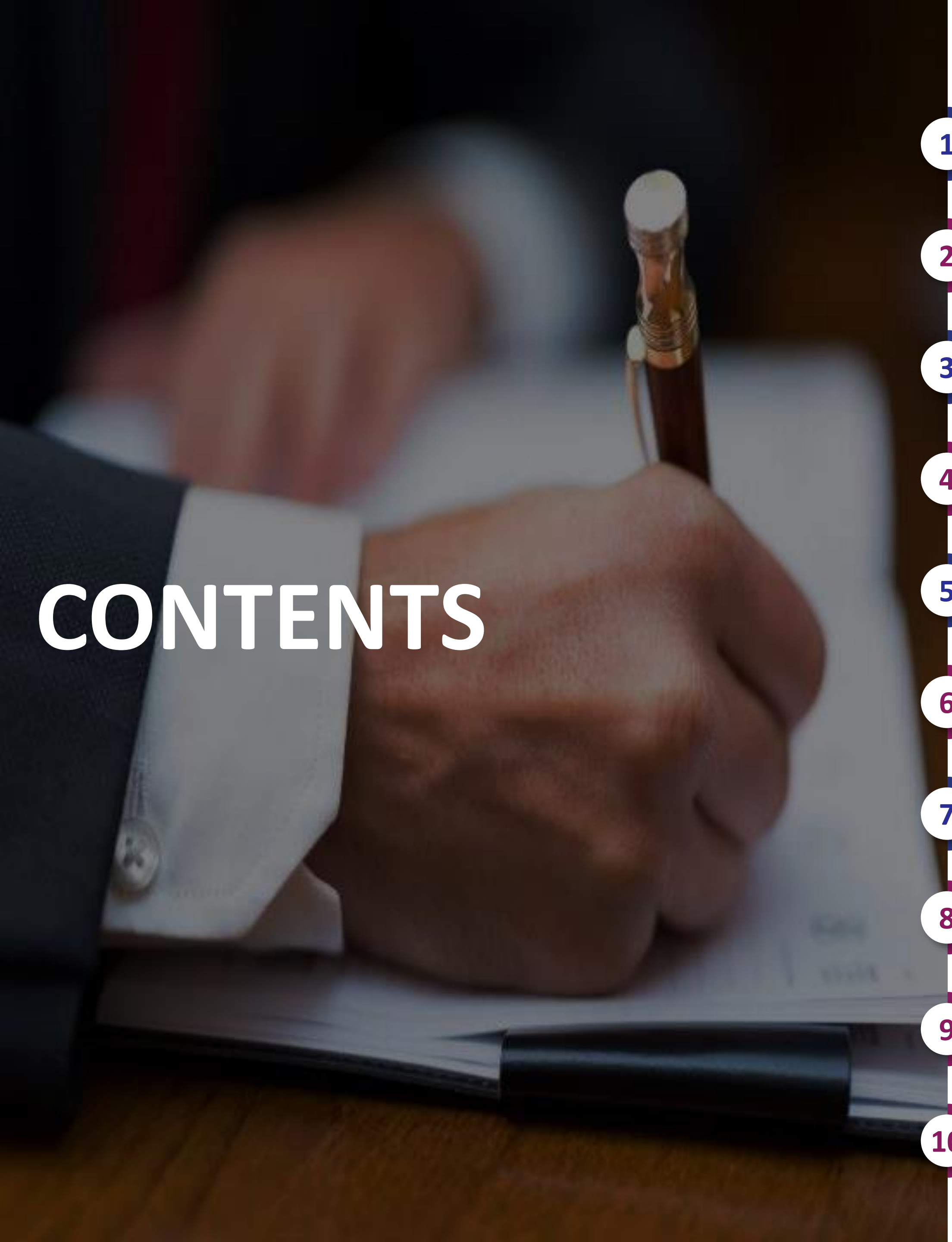
SBICAPS

Complete Investment Banking Solutions

ECOCAPSULE

February 2024



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EXECUTIVE SUMMARY (1/2)

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- Central Banks have undertaken the challenging task of raising rates to historical highs to combat inflation over the past two years. This effort appears to have yielded some success, as inflationary pressures have eased, and there are signs of a potential soft landing for global economic growth. While the projected 3.1% y/y real GDP growth for the world in CY24 may not be dazzling, it exceeds many expectations. The US has demonstrated resilient growth, despite persistently high interest rates, with consumption and the labour market remaining robust. Europe faces a more complex situation but may avoid a significant economic downturn with only minor setbacks

- The decline in inflation has been steady, along with stable economic outlook. Global energy and food prices have significantly retreated from their peaks over the past two years and are expected to stabilize sooner than previously anticipated. Base effects, along with a potential China slowdown, are key drivers of softening inflation. Additionally, the prospect of a prolonged El Niño event could challenge assumptions about food production. Moreover, persistent supply-side disruptions introduce heightened uncertainty, rendering demand-side measures less effective.

- Delving into China's economic trajectory raises more uncertainties than clarifications. Despite upgraded growth forecasts for CY23 and CY24, there is a pervasive sense of tepidity surrounding the growth narrative. While policymakers pledge stimulus measures, their implementation appears inconsistent. PBoC exercises caution in injecting liquidity, given the escalating debt burden in sub-national entities and the real estate sector, which pose systemic risks. Stimulus efforts predominantly benefit large corporations, with smaller entities experiencing capacity underutilisation. Consequently, ***China may diverge markedly from other global economies in CY24, potentially exerting significant influence on commodity markets***

- Currently, with a more tempered inflation trajectory, many Central Banks are signaling forthcoming rate cuts starting from mid-CY24. For instance, US Fed Chair, Mr. Powell, has suggested that rate reductions may occur after the Mar’24 policy meeting. Similar sentiments, albeit expressed with caution, have been observed from the ECB. Yields, meanwhile, remain below their CY23 peaks, while bond issuances are reaching unprecedented heights in both the USA and Europe. In Latin American emerging markets, recent trends indicate a move towards monetary policy easing, with several Central Banks opting to cut interest rates. This shift is aimed at stimulating economic activity and boosting investment in response to global economic uncertainties and domestic challenges.

- In the near term, the impact of elections on the economy can be significant, as political uncertainty often leads to cautious investment and spending decisions among businesses and consumers. Also, high interest rates typically exert their influence on the economy with a lag, affecting various sectors and economic indicators over time. ***We expect higher volatility in global markets from H2CY24.***

EXECUTIVE SUMMARY (2/2)

- The interim Union Budget surprised markets by steadfastly adhering to fiscal consolidation, with projected fiscal deficits of 5.8% in FY24 (0.1 ppt below FY24 budget estimate) and 5.1% in FY25 (of nominal GDP). Importantly, this commitment to fiscal discipline did not come at the expense of capital expenditure, which received a notable boost of 16.9% in FY25 compared to the FY24RE. Key infrastructure sectors like Railways and Roads continued to receive significant allocations, while there was a continued emphasis on transitioning to green technologies and supporting emerging sectors (establishment of a Rs. 1trn innovation fund).

- The growth of revenue expenditures was notably subdued. Leveraging softening natural gas and global food prices, the government positioned itself for a reduced subsidy burden in FY25. Notably, the allocation for the PM-KISAN scheme remained unchanged. MGNREGS program received a generous increase in allocation, reaching Rs. 860bn in FY24 (Rs. 600 bn in FY24BE), a figure maintained for FY25. Furthermore, the government outlined its future priorities, emphasizing support for youth, women, the impoverished, and farmers to realize a Developed India by 2047.

- On the revenue front, the government has opted for a conservative approach, with moderate budgeting reflecting the positive momentum observed in direct tax collections. Additionally, dividends from Central Public Sector Enterprises (CPSEs) and Public Sector Banks (PSBs) are expected to surpass FY25BE. ***We anticipate the government to comfortably exceed its FY25 revenue target by ~Rs.700bn, providing it with ample flexibility.*** It's noteworthy that increased devolution to states, driven by shifts in the gross tax pool composition, and the continuation of concessional capital expenditure loan schemes are favourable developments. This is particularly advantageous given the higher GDP multiplier associated with state capital expenditure compared to that of the Union. Nonetheless, the substantial fiscal space retained by the Union will enable it to maintain reserves to mitigate potential shock

- The RBI has pursued a strategy akin to constructing countercyclical buffers. It has maintained a firm stance on policy, reaffirming its commitment to the 4% y/y CPI mandate. Given the favourable growth projections for FY25 and the inflation trajectory, ***we anticipate that the timing of the initial rate cut may be postponed to Aug'24 or beyond.*** Bond yields have reacted positively to lower fiscal deficit amidst tighter liquidity

- Further aiding yields will be India's inclusion in global bond indices, coupled with significantly reduced government borrowing projections for FY25 (targeting gross borrowing of Rs. 14.13 trn compared to Rs. 15.43 trn in FY24RE). Additionally, the RBI has additional room for maneuvering to lower rates amidst fiscal discipline, potentially ***resulting in a sustained decline in 10-year G-sec yields to below 7% in the near term.*** The yield curve remains flat as short-term rates remains high due to liquidity deficit. ***We expect sharp improvement in liquidity from late Mar'24 which would lead to softening in short term rates***

GLOBAL ASSET-CLASS PERFORMANCE

CRUDE REMAINS VOLATILE ON GEOPOLITICAL UNCERTAINTY

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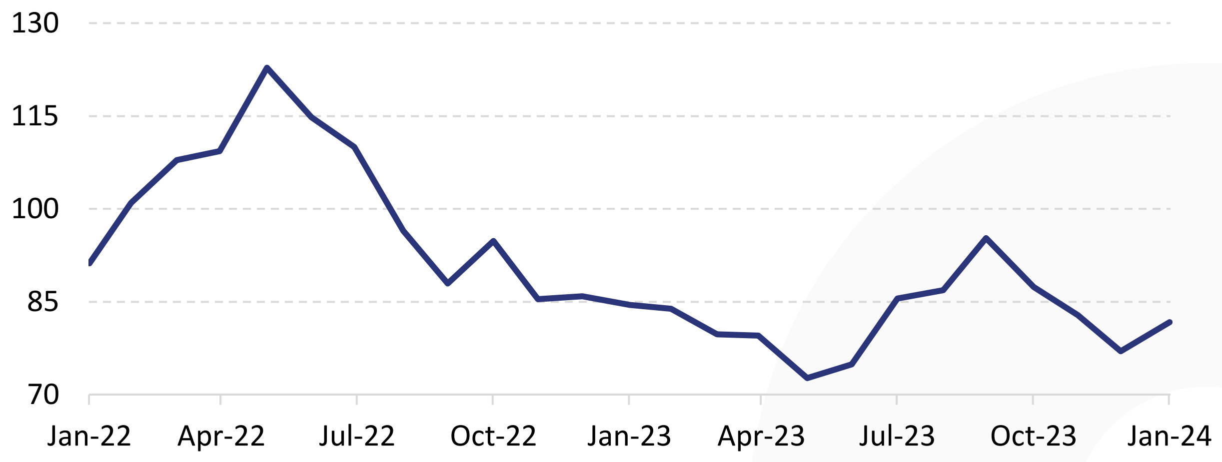
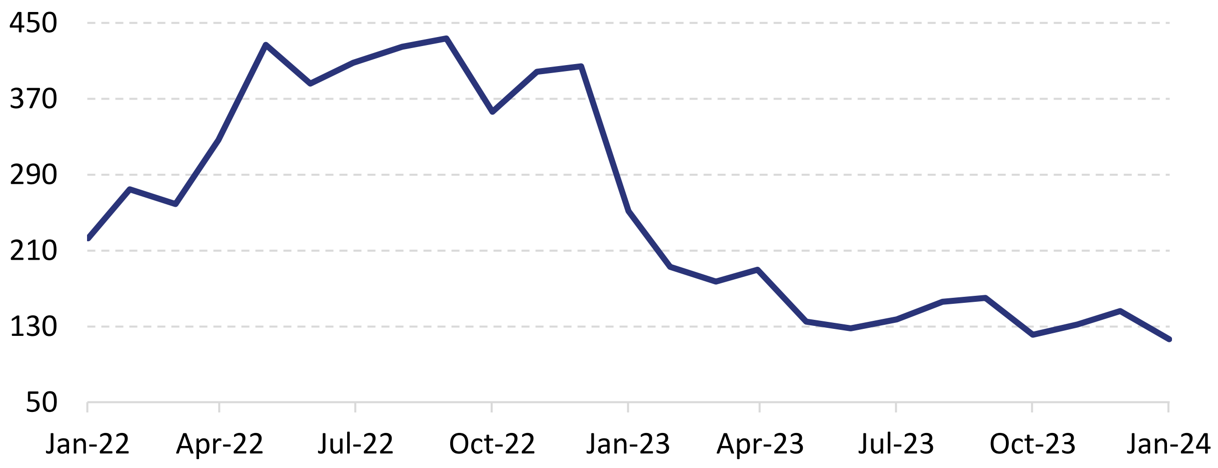
COMMODITY	%1M CHANGE	%1Y CHANGE
LME Metals Index	-1%	-13%
Copper	0%	-8%
Aluminium	-4%	-14%
Iron Ore 62% Fe*	-4%	6%
Gold	-1%	5%
Brent Crude	5%	-2%
Natural Gas	-14%	-13%
Newcastle Coal	-20%	-54%

BRENT CRUDE (USD/BBL)



NEWCASTLE COAL (USD/TONNE)



- Crude prices rose in Jan’24, amidst higher volatility and uncertainty, driven by geopolitical tensions in West Asia, offset by lower demand from China and inventory build up that dampen outlook for oil prices
- Base metals faced drag in Jan’24 as subdued demand from China outweigh any bullish supply side narrative
- Gold reversed course and edged lower, after gaining from a safe haven bid, as US Fed strongly pushed back on rate cut expectations

1Y & 1M change are as of 2 Feb’24, * CFR China

CHINESE EQUITY MARKET CONTINUES TO UNDERPERFORM

EQUITY INDICES	%1M CHANGE	%1Y CHANGE
S&P 500	2%	18%
Nikkei 225	8%	32%
STOXX Europe 600	1%	7%
FTSE 100	-1%	-2%
BSE Sensex 30	-1%	20%
Hang Seng	-8%	-29%
IBOV	-5%	14%

HANG SENG

BSE SENSEX 30

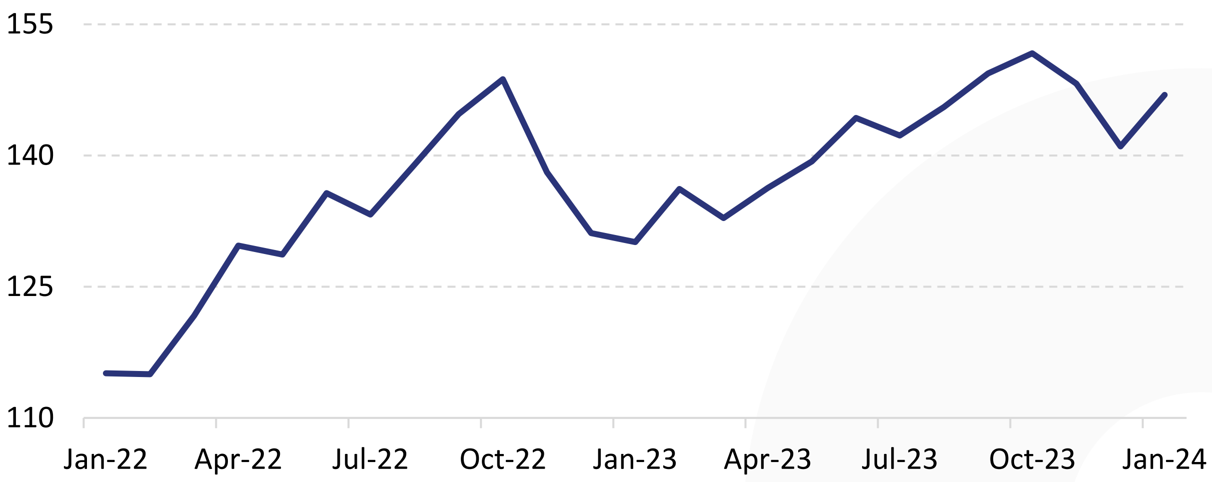
- Chinese equity market faced a sharp decline, prompting authorities to step in and institute measures to stem the same
- Japanese stocks surged to 3-decade highs in Jan'24, ignited by weaker JPY and expectations of interest rates remaining low for longer
- Indian equities consolidated its recent gains as large FII outflows impacted large cap stocks

1Y & 1M change are as of 2 Feb'24,

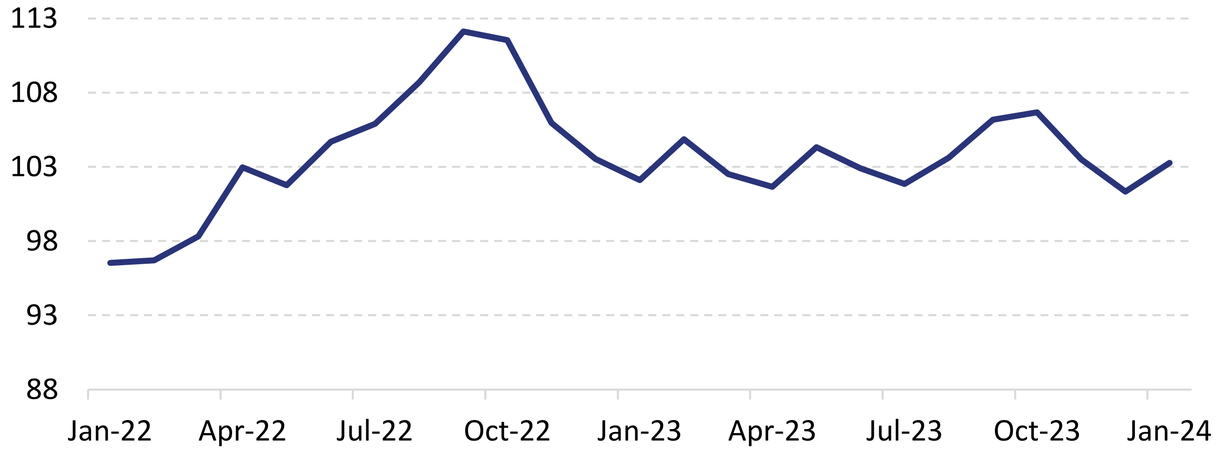
GREENBACK RISES ON US FED PUSH BACK OF RATE CUTS

CURRENCIES	%1M CHANGE	%1Y CHANGE
DXY Index	2%	2%
USD/EUR	2%	2%
USD/JPY	-4%	-12%
USD/GBP	0%	-2%
USD/CNY	-1%	-6%
USD/INR	0%	-1%
USD/RUB	16%	-6%

USD/JPY



DXY INDEX



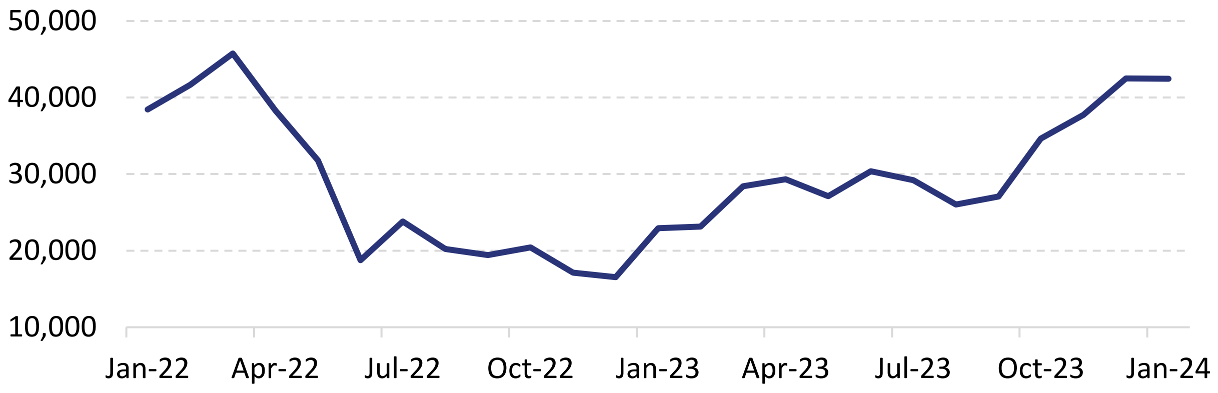
- The robust growth in the dollar index was driven by a neutral US Fed policy with hawkish undertones, pushing back expectations of a rate cut
- Euro strengthened in Jan’24 as falling inflation and commentary by ECB officials allude to rate cuts in the near future
- INR remained steady, despite appreciation of USD against a basket of currencies due to front-running of anticipated flows through bond-inclusion

1Y & 1M change are as of 2 Feb’24,

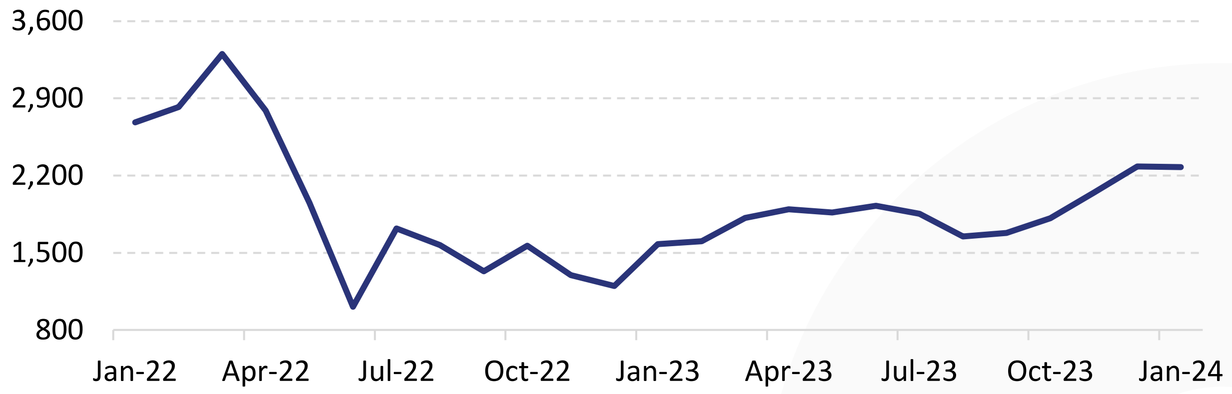
Source: Bloomberg, SBICAPS

BITCOIN VOLUMES SURGE IN JAN'24 ON SPOT ETF APPROVAL

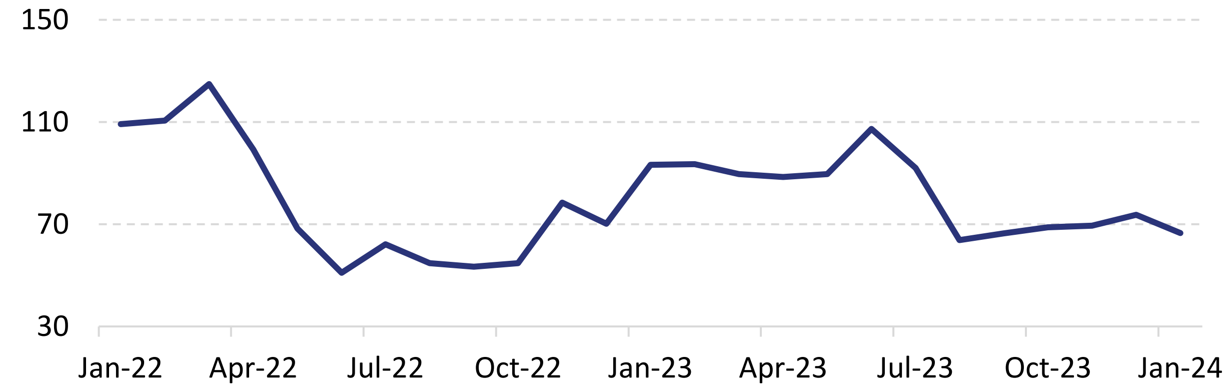
BITCOIN/USD



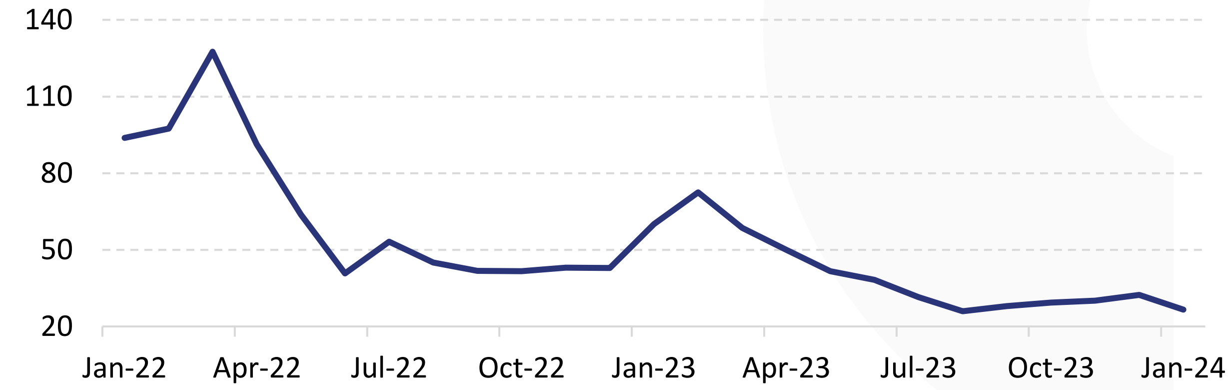
ETHEREUM/USD



LITECOIN/USD



DASH/USD

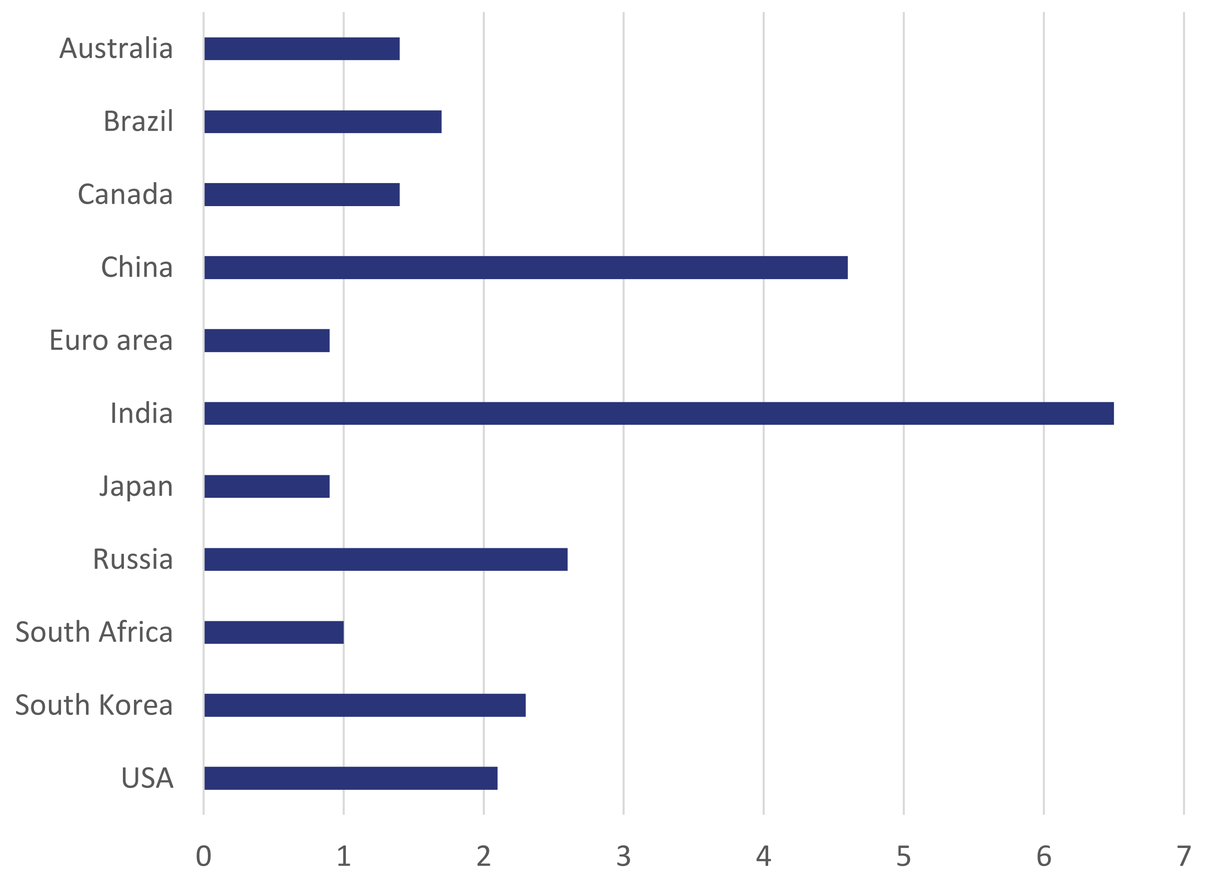


- Bitcoin reversed its gains after a less than dovish tone from US Fed in second half of Jan'24, after surging in value driven by approval of 11 spot ETFs, to end flattish m/m, albeit witnessing highest on-chain volume since Sep'22 of USD 1.21 trn

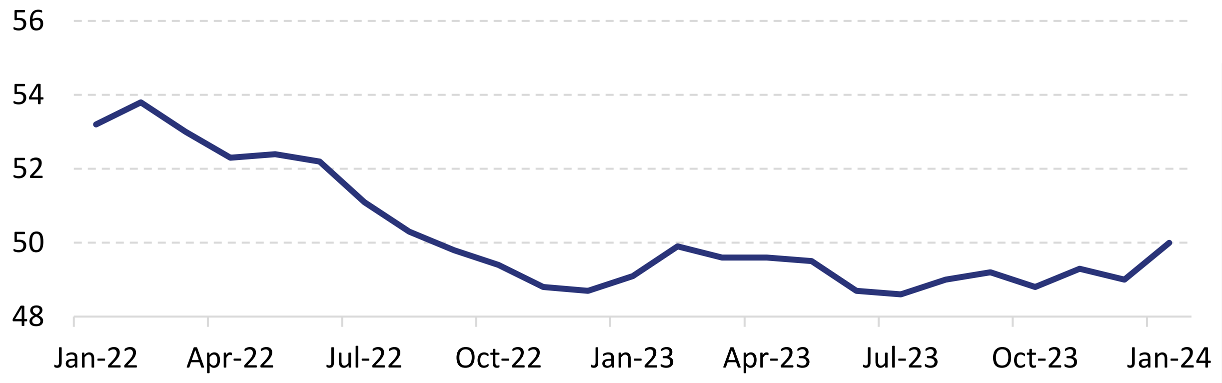
WORLD ECONOMIC INDICATORS

GLOBAL GROWTH PROSPECTS IN CY24 UPPED

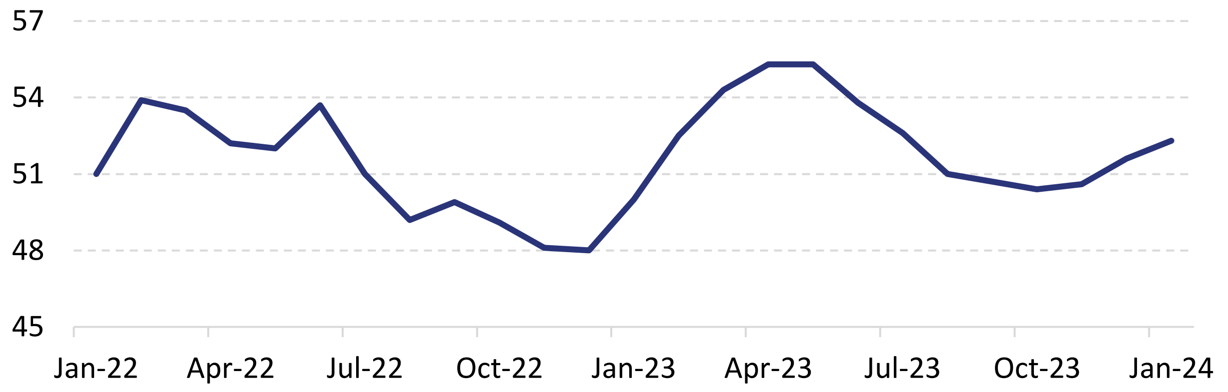
REAL GDP OF MAJOR ECONOMIES (% Y/Y) - CY24P



WORLD PMI- MANUFACTURING



WORLD PMI- SERVICES



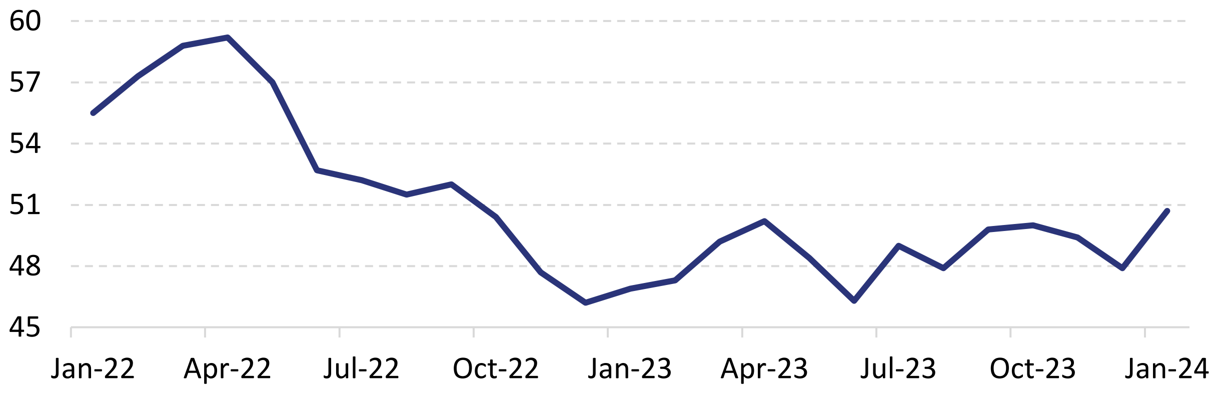
- Resilience of the US economy, strong growth in several emerging markets and fiscal support in China has led to positive revisions in growth forecasts, as soft landing becomes a possibility with risks broadly balanced. CY24 is expected to see slower growth in most of the world, due to the lagged impact of rate increases playing out

- Manufacturing activity became expansionary after 16 months in Jan’24, while services maintained its fair trend, with growth in output in slower decline in new orders

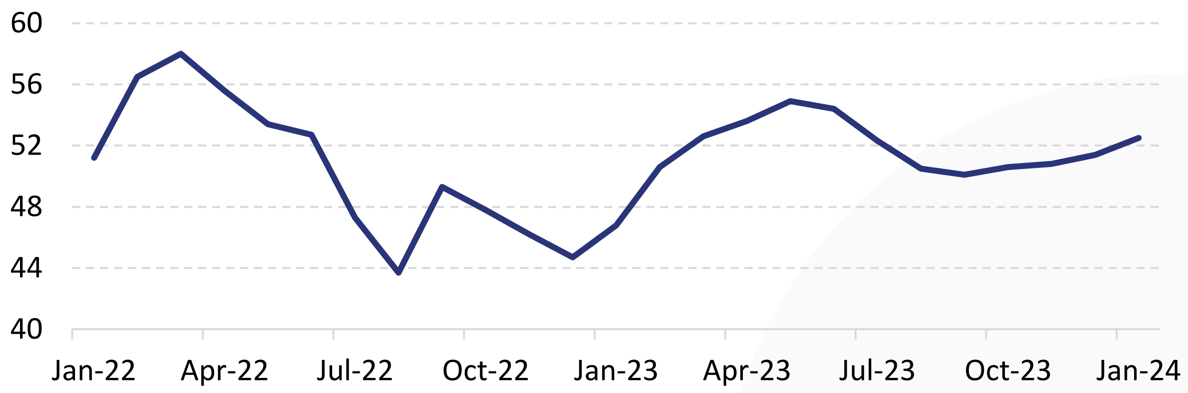
Note: Numbers for India are on FY basis; Source: IMF, S&P Global, SBICAPS

MANUFACTURING ACTIVITY CATCHING UP WITH SERVICES

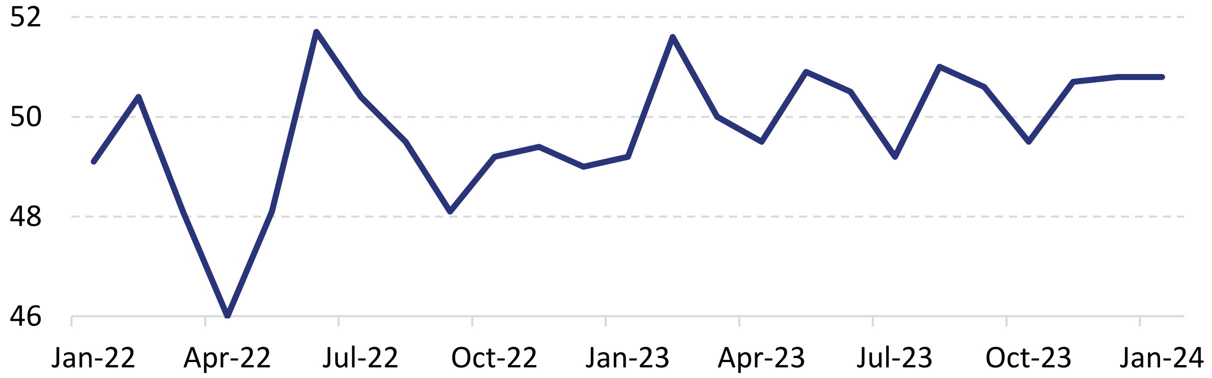
US PMI- MANUFACTURING



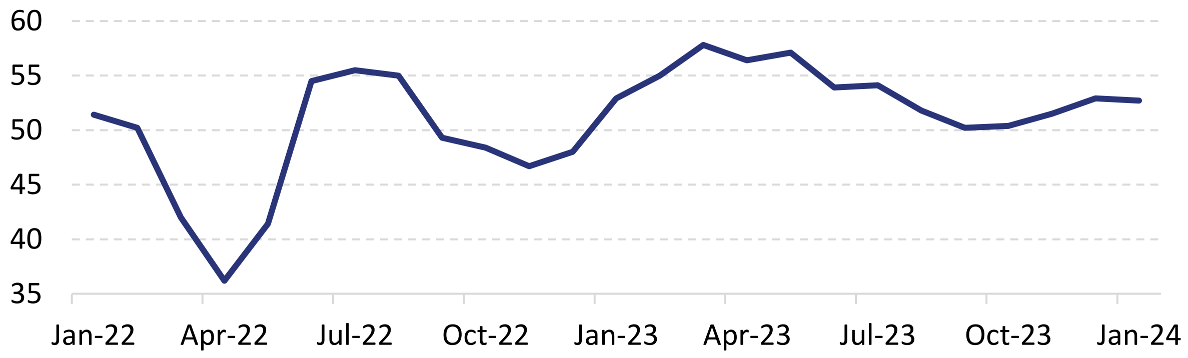
US PMI- SERVICES



CHINA PMI- MANUFACTURING



CHINA PMI- SERVICES



- US manufacturing saw strongest improvement since Sep'22, with strong rise in new orders, offset by rising costs due to supply delays. Sustained divergence in manufacturing in Asia was indicated by a marginal uptick in output in China buoyed by export business
- Improvement in US services activity was aided by strong rise in demand conditions with new orders and hiring activity picking up, offset by capacity concerns due to rising backlogs. Better demand conditions provided renewed vigour to the services activity in Asia, with accumulation of new orders signaling sustained activity in coming months

Source: Bloomberg, S&P Global, SBICAPS

US ECONOMIC INDICATORS REMAINS STABLE

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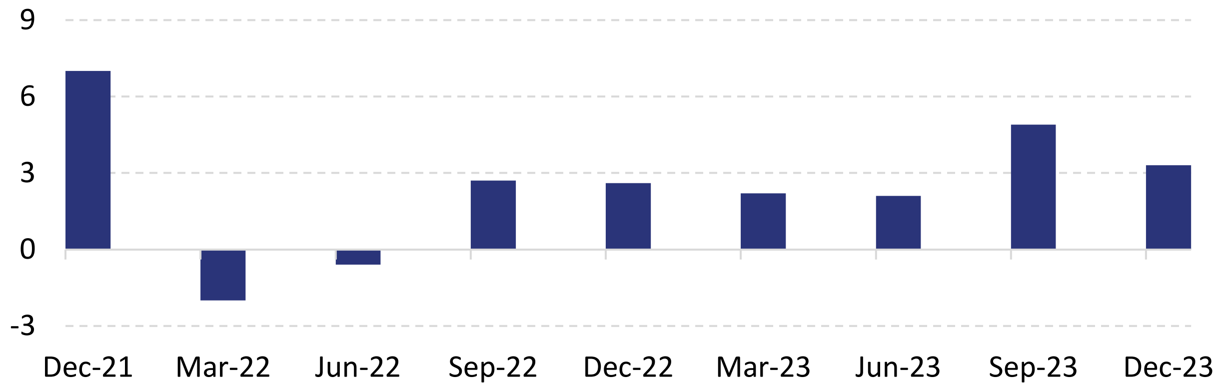
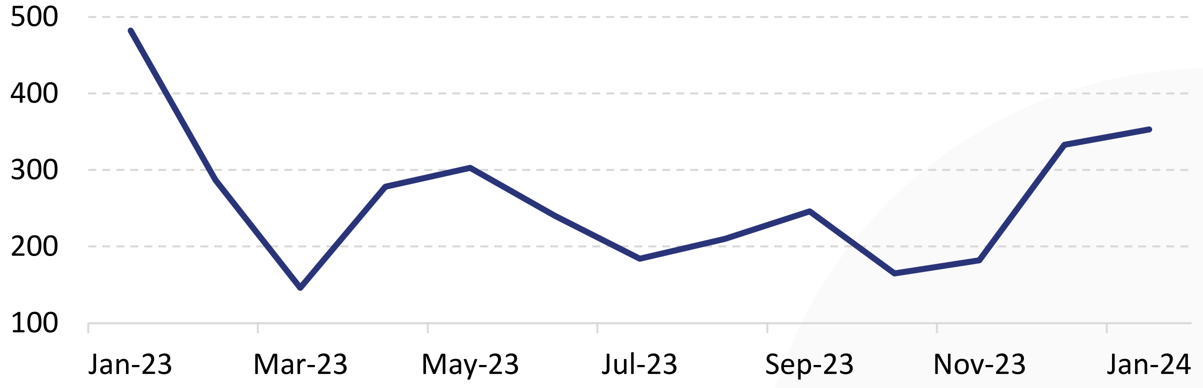
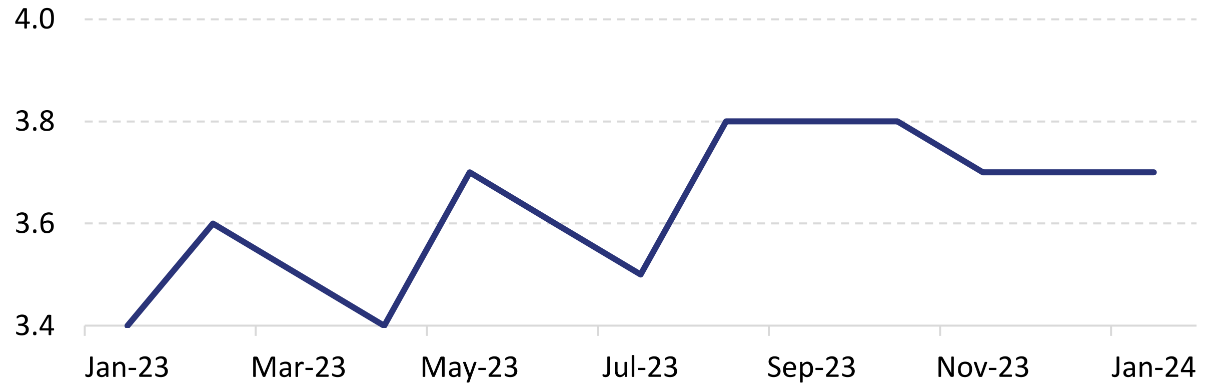
US REAL GDP GROWTH (% Q/Q SAAR)



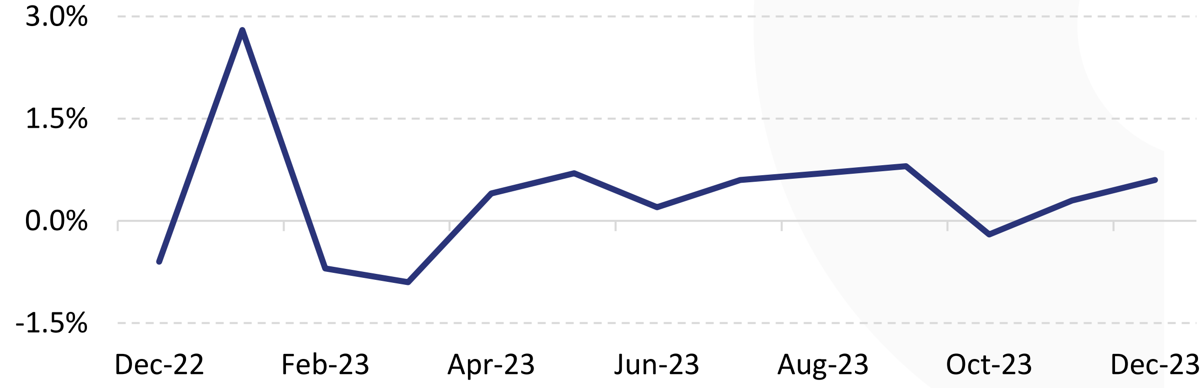
CHANGE IN NON-FARM PAYROLL (IN ‘000 M/M)



UNEMPLOYMENT RATE (IN %)



RETAIL SALES (% M/M)



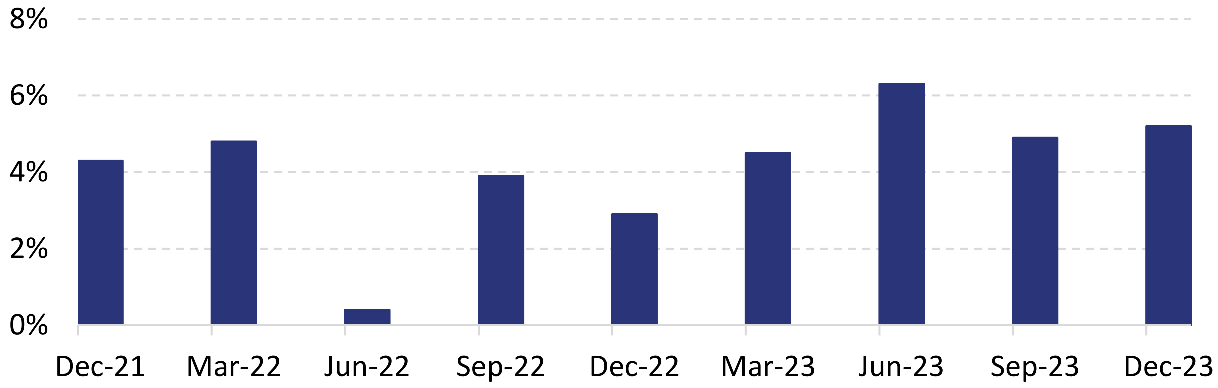
- US GDP grew at a blistering pace of 3.3% q/q saar in Q4CY24 driven by strong pace of consumer and government spending. Surge in retail sales underscores the momentum in the economy.

- Persistence of labour markets could be a welcome sight for the Fed’s dual mandate but have pushed back rate cut expectations driven by sizzling job growth, rising wages and unabating unemployment rates. Further, bar 3 months, CY23 has seen an upward revision in non-farm payrolls for all months

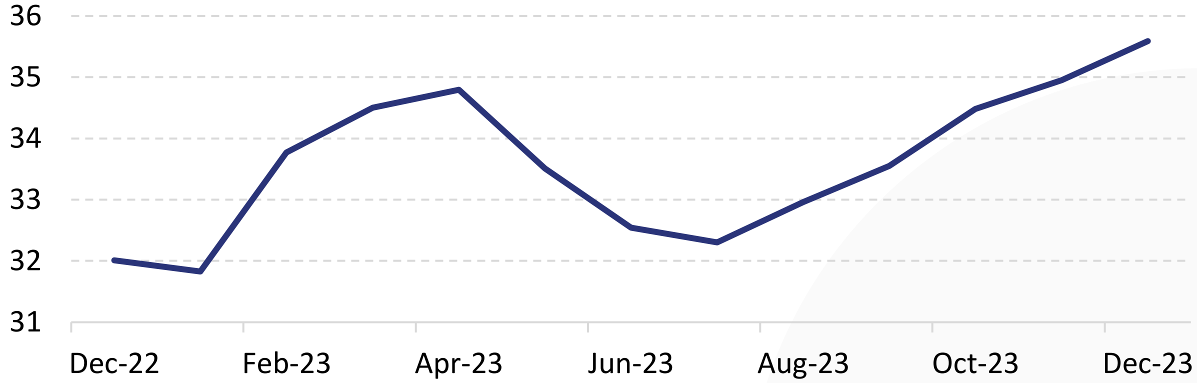
Source: Bloomberg, US BLS, SBICAPS

CHINA LAUNCHES QUICK-FIRE STIMULI TO BOOST ECONOMY

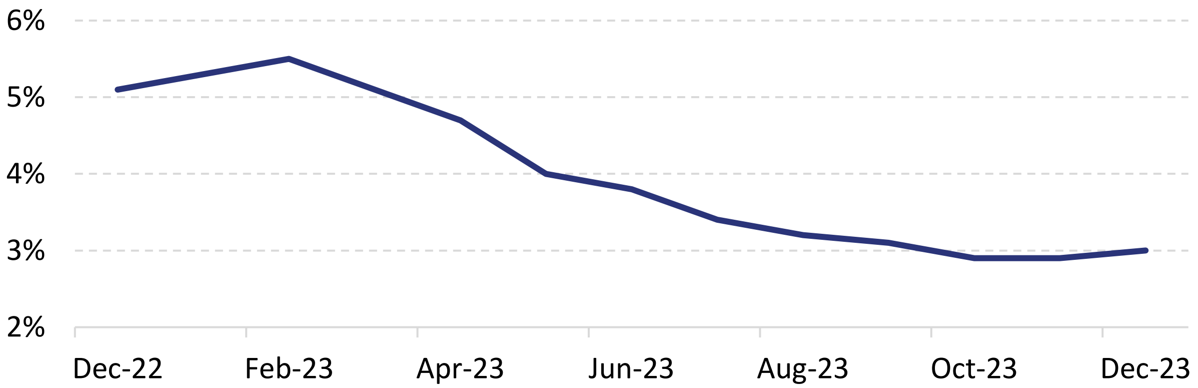
CHINA REAL GDP GROWTH (% Y/Y)



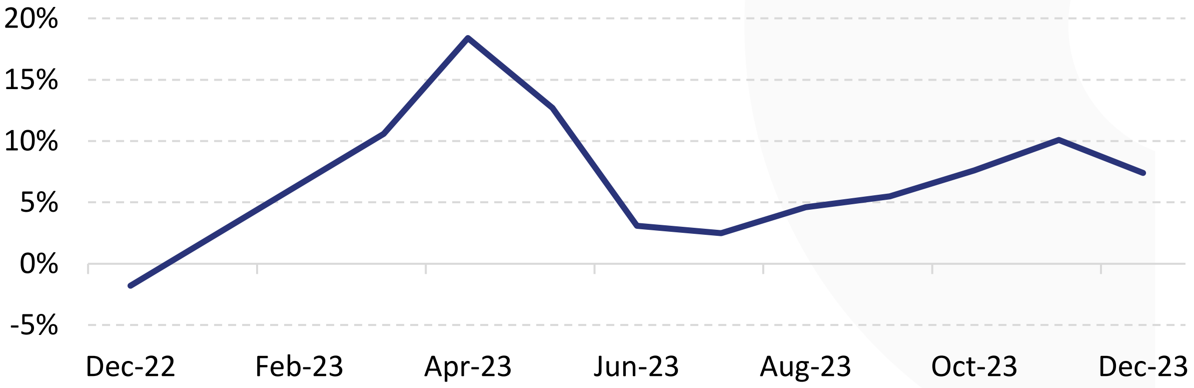
AGGREGATE FINANCING (IN CNY TRN) – 12M CUMULATIVE ROLLING



FIXED ASSET INVESTMENT (% Y/Y)



RETAIL SALES (% Y/Y)

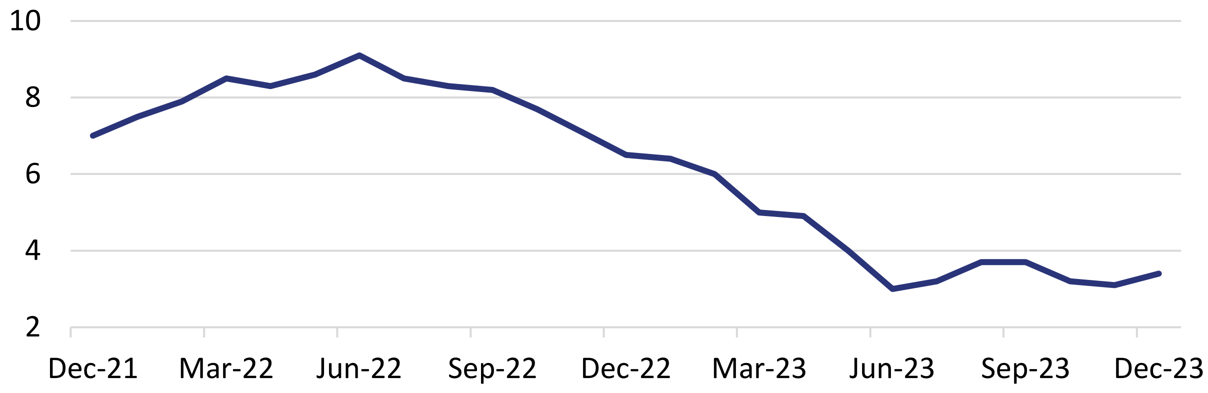


- China's economic growth narrowly missed estimates in Q4CY23, on the back of weaker retail sales, and moderately higher industrial production and investments
- China is ramping up stimulus to the economy with 50 bps cut in reserve requirement ratio and targeted stimuli to guide money to important sectors to boost a faltering economy

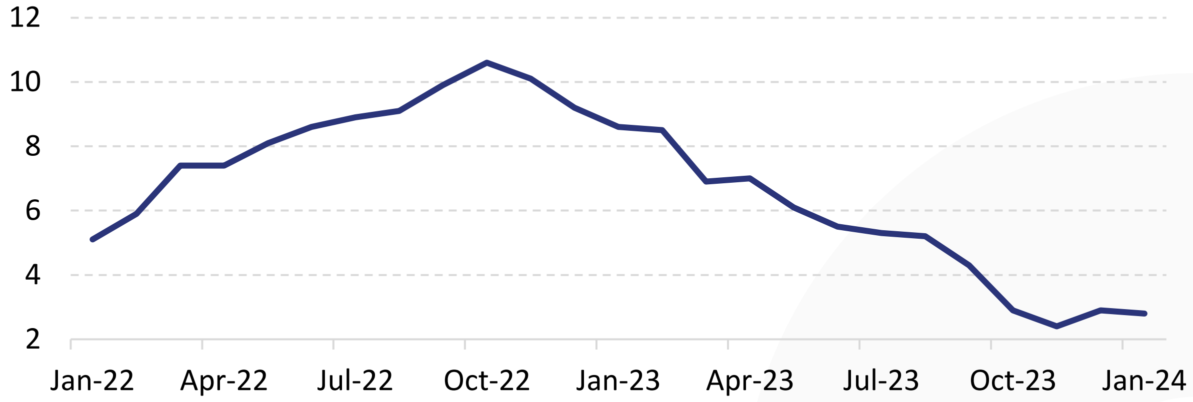
Source: Bloomberg, SBICAPS

GRADUAL SOFTENING IN INFLATION

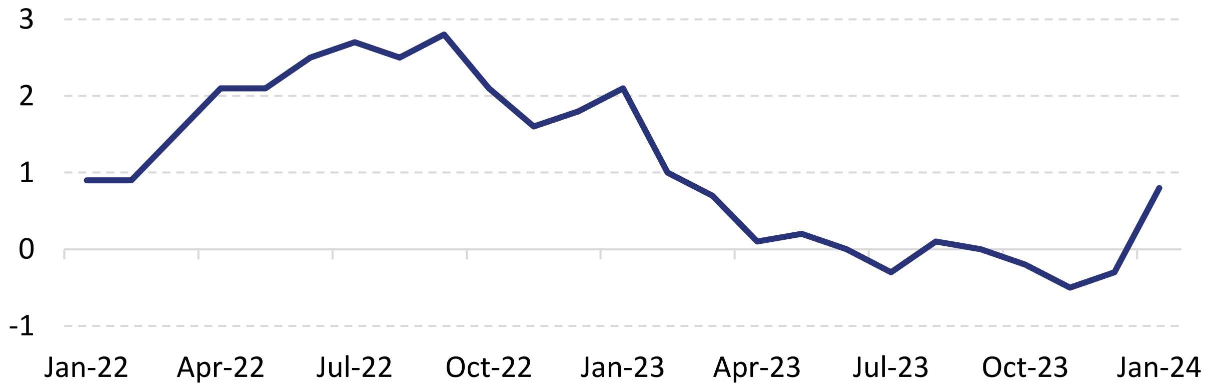
US CPI (% Y/Y)



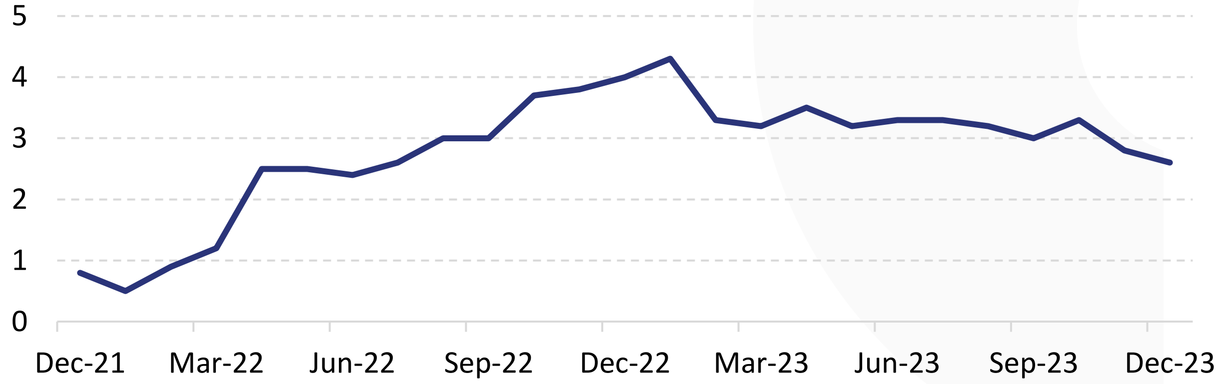
EUROZONE CPI (% Y/Y)



CHINA CPI (% Y/Y)



JAPAN CPI (% Y/Y)

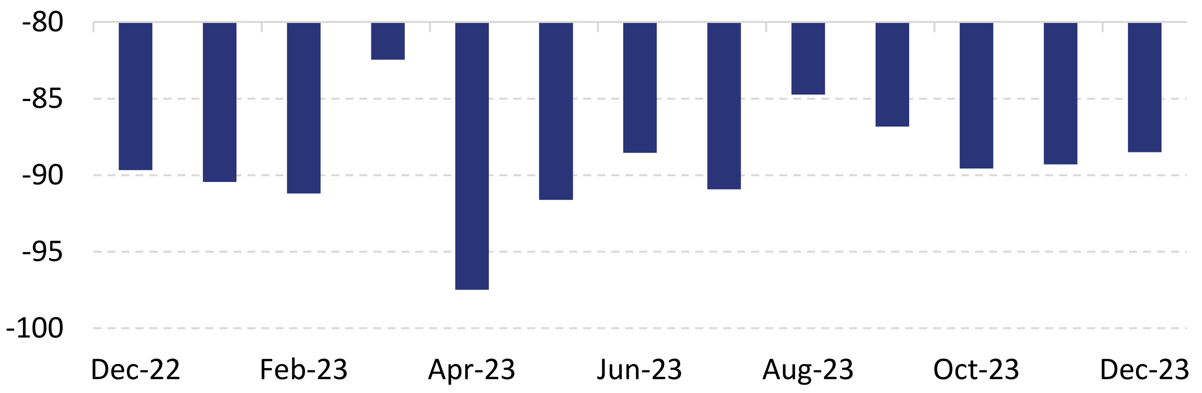


- Despite moderating price pressures, divergence of CPI from target has prevented Central Banks from claiming victory over inflation and pushed back expectations of rate cuts. Higher than expected rise in US CPI in Dec’23, driven yet again by shelter costs and services inflation, has dampened expectations of rate cuts, albeit not by much

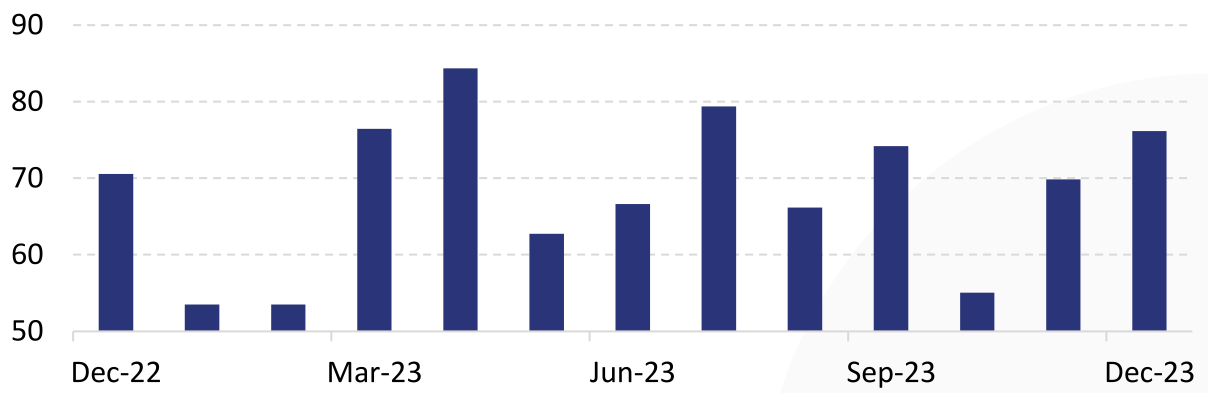
- Meanwhile, China faces persistent deflationary bouts in an economy that struggles to mount a solid recovery

DIMINISHED DEMAND IMPACTS TRADE

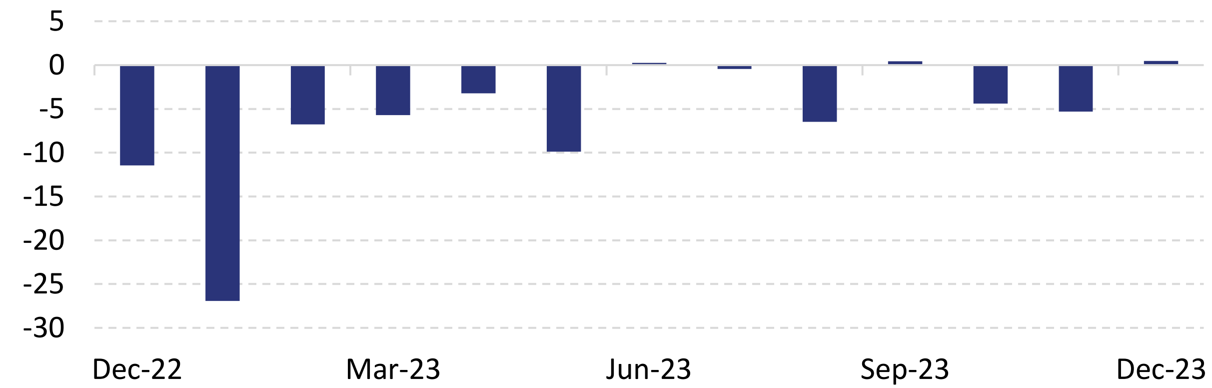
US MERCHANDISE TRADE BALANCE (USD BN)



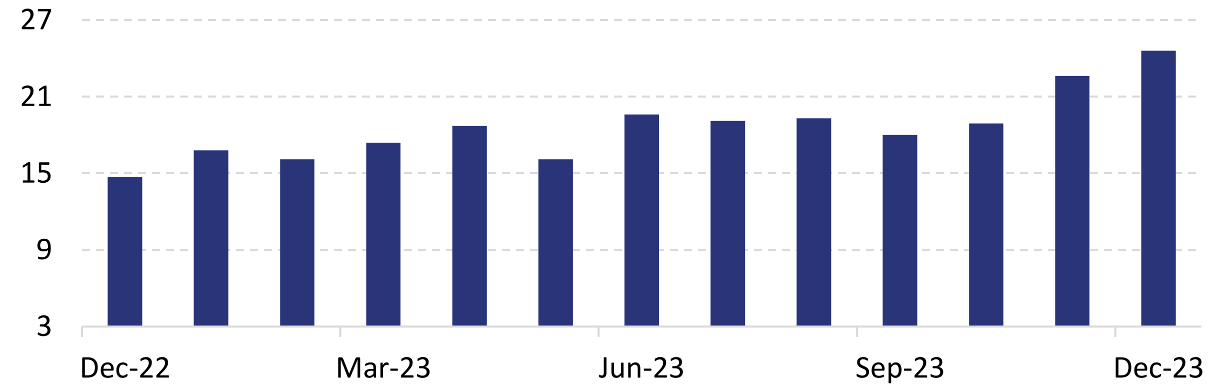
CHINA MERCHANDISE TRADE BALANCE (USD BN)



JAPAN MERCHANDISE TRADE BALANCE (USD BN)



GERMANY MERCHANDISE TRADE BALANCE (USD BN)



- US overall trade deficit chimed in at USD 63 bn in Dec’23, a whiff below estimates. Geopolitical trends and declining interdependence between US and China has led to subdued global trade in CY23

- Japan’s trade was buoyed by weaker JPY and surge in US and China bound shipments. Meanwhile, China saw an unexpected rise in exports, despite overall slumping trade in CY23, amidst shaky overseas demand

Source: Bloomberg, US Census Bureau, SBICAPS

US FED CAUTIOUS ON RATE CUT OUTLOOK

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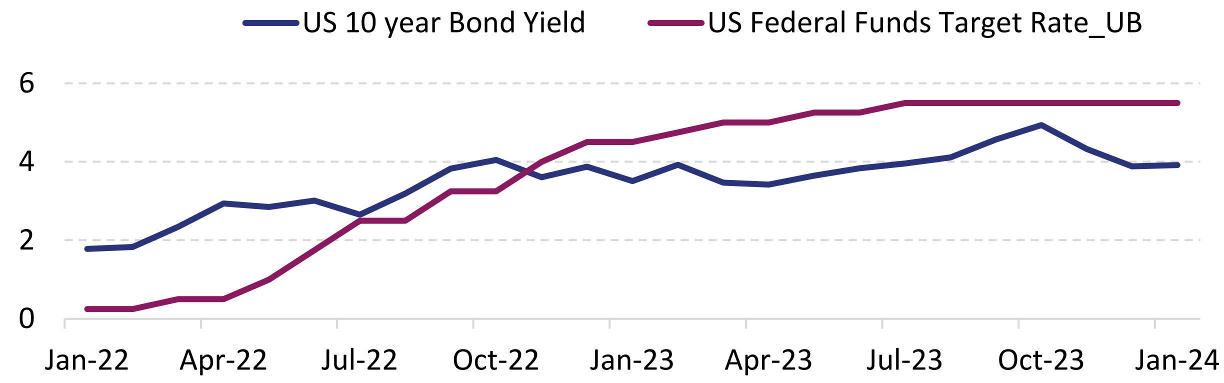
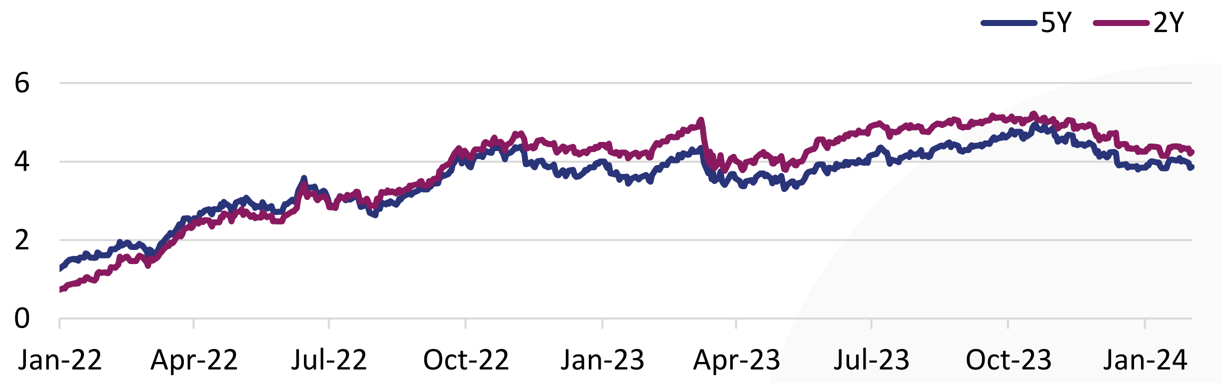
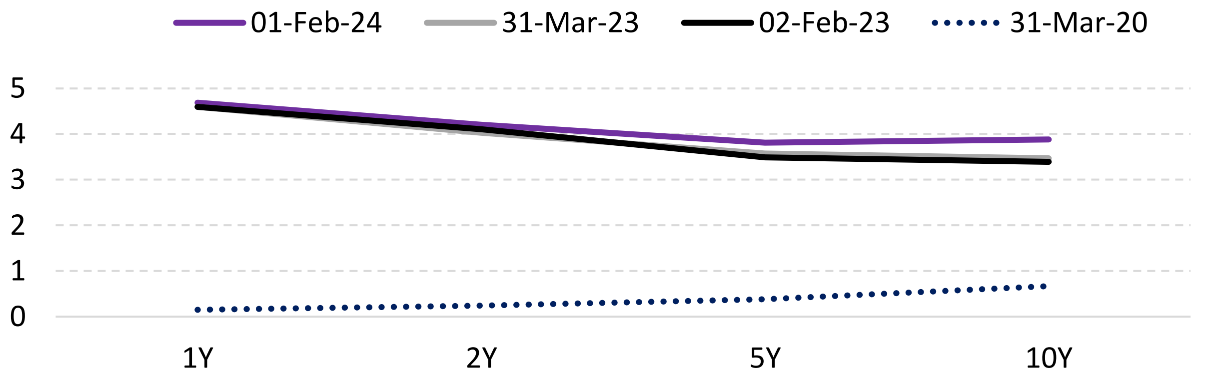
US 10-YEAR G-SEC YIELD VS POLICY RATE (IN %)



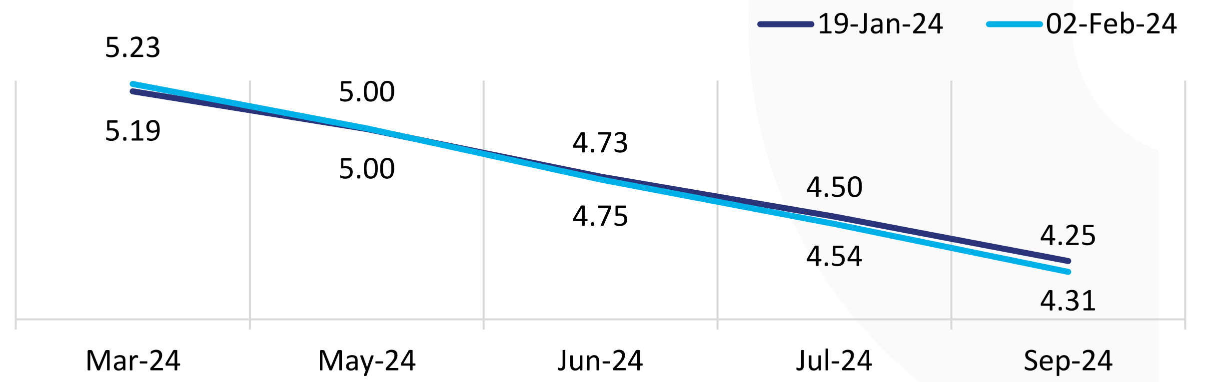
US 2Y AND 5Y G-SEC YIELD (IN %)



YIELD CURVE (IN %)



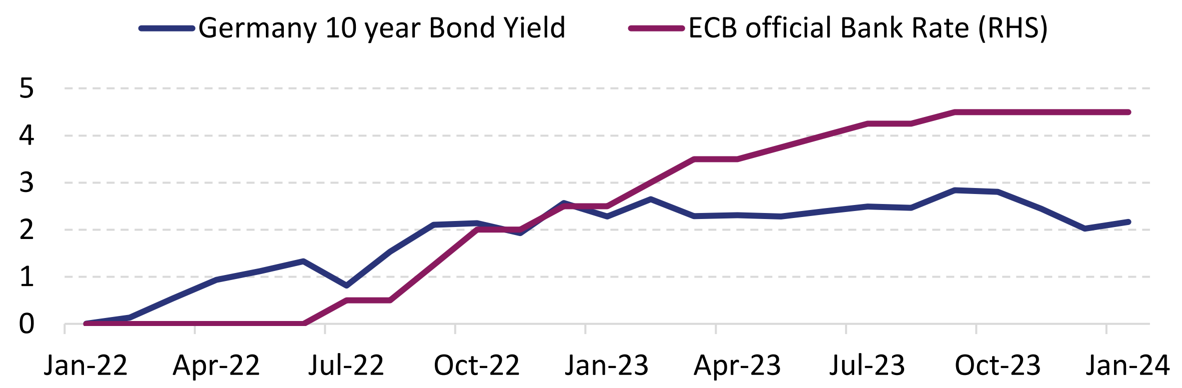
MARKET-IMPLIED PATH OF US FED POLICY RATE (IN %)



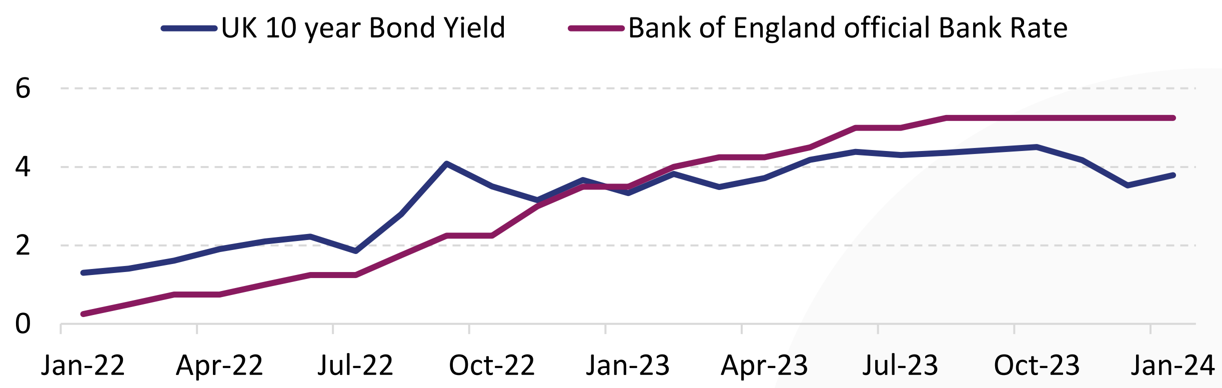
- US FOMC kept the policy rate unchanged with no expectations of rate cuts until inflation aligns with 2% target, despite improving inflation-employment dynamics. Mr. Powell interjected that the Fed would move cautiously with rate cuts, likely slower than what the market expects
- Yet, yields have remained subdued, and expectations of rate cuts are as strong as ever

CENTRAL BANKS PONDER OVER RATE CUT TIMELINES

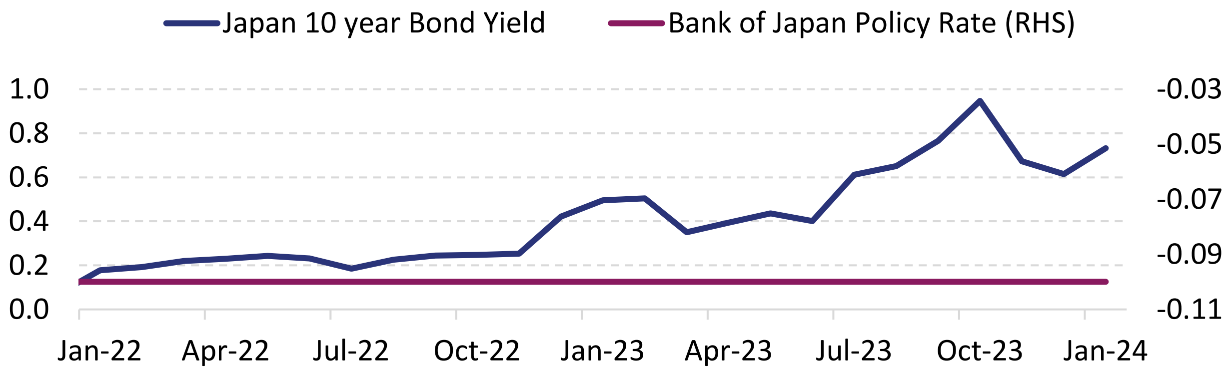
EUROZONE 10-YEAR BOND YIELD VS POLICY RATE (IN %)



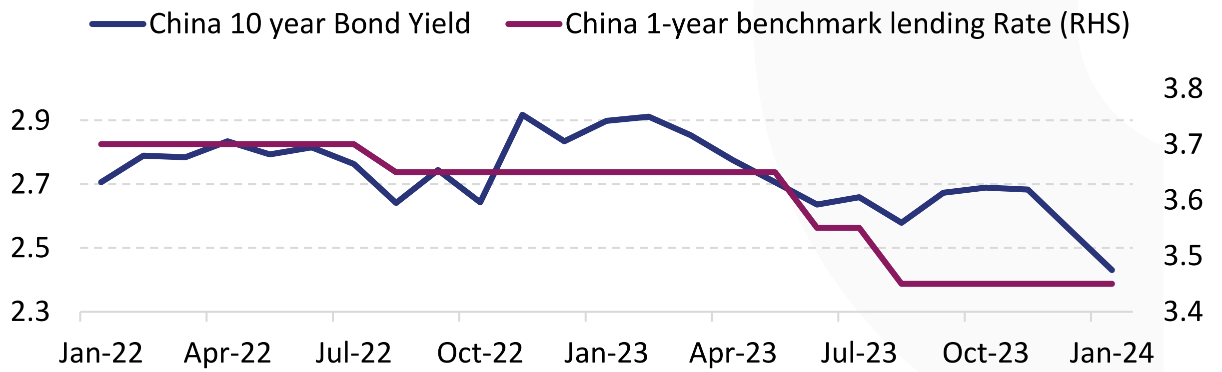
UK 10-YEAR BOND YIELD VS POLICY RATE (IN %)



JAPAN 10-YEAR BOND YIELD VS POLICY RATE (IN %)



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

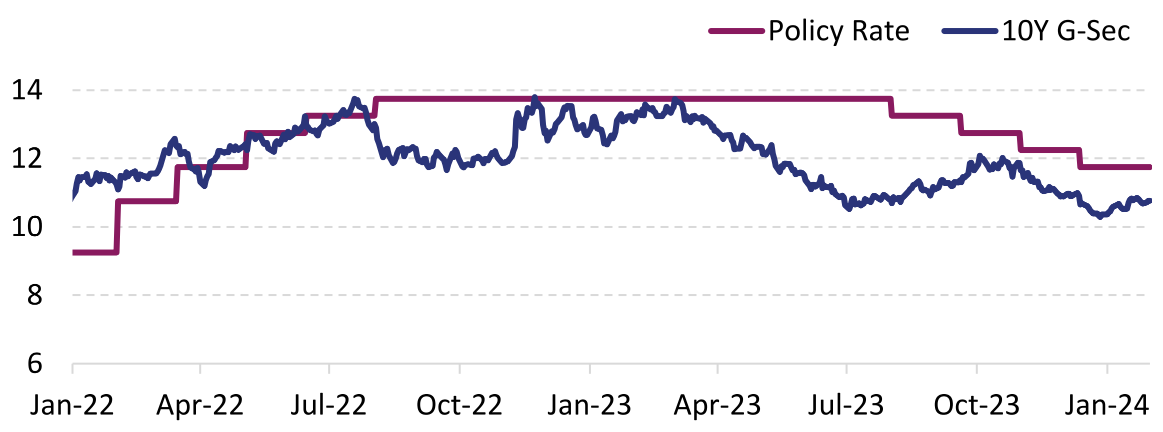


- Ebbing inflationary pressures have probed Central Banks to consider easing interest rates which are at decadal highs
- Central Bankers have alluded to rate cuts, although being unsure on the timelines as price pressures have not been fully extinguished and wage negotiations yet to be concluded

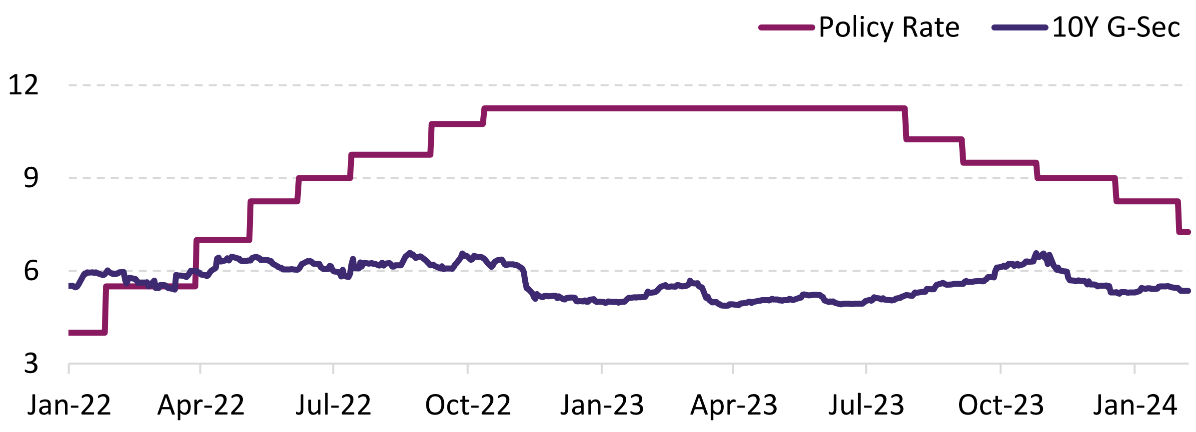
Source: Bloomberg, SBICAPS

EMS CUT RATES ON ABATING INFLATION

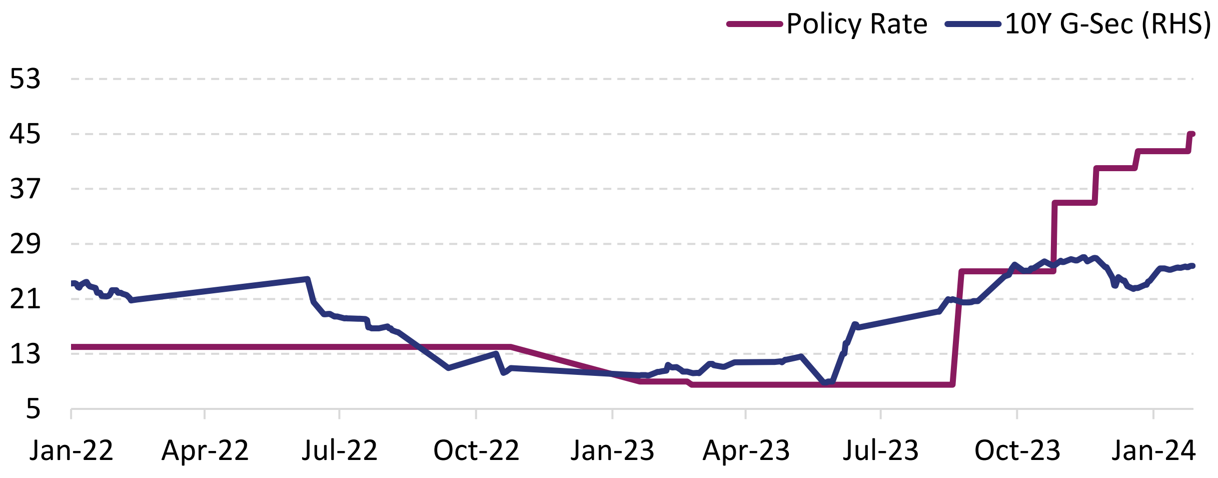
BRAZIL – POLICY RATE VS. 10Y G-SEC (IN %)



CHILE – POLICY RATE VS. 10Y G-SEC (IN %)



TURKEY – POLICY RATE VS 10Y G-SEC (IN %)



- Turkey raised its policy rates by 250 bps to 45% to combat runaway inflation, claiming that the required monetary tightness for disinflation is achieved
- Brazil cut its policy rate by 50 bps to 11.25%, underscoring a benign inflation scenario would lead to similar pace of reductions
- Chile cut its benchmark interest rates by 100 bps to 7.25% as inflation converges with the target at a faster than expected rate

Source: Bloomberg, SBICAPS

INDIAN ECONOMY OVERVIEW

SHARP UPGRADES TO INDIA'S GDP GROWTH ESTIMATES

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REAL GVA SECTORAL BREAK UP

Change (% y/y)	Q2FY24	Q1FY24	Q4FY23	Q3FY23	Q2FY23	Q1FY23	Q4FY22	Q3FY22	Q2FY22
GVA	7.4	7.8	6.5	4.7	5.4	11.9	3.9	4.7	9.3
Agriculture and allied	**1.2**	**3.5**	**5.5**	**4.7**	**2.5**	**2.4**	**4.1**	**2.3**	**4.8**
Industry	**13.2**	**5.5**	**6.3**	**2.3**	**-0.5**	**9.4**	**2.3**	**1.6**	**8.1**
Mining and quarrying	10.0	5.8	4.3	4.1	-0.1	9.5	2.3	5.4	10.6
Manufacturing	13.9	4.7	4.5	-1.4	-3.8	6.1	0.6	1.3	6.6
Electricity, gas & water supply	10.1	2.9	6.9	8.2	6.0	14.9	6.7	6.0	10.8
Construction	13.3	7.9	10.4	8.3	5.7	16.0	4.9	0.2	10.8
Services	**5.8**	**10.3**	**6.9**	**6.1**	**9.4**	**16.3**	**4.9**	**7.6**	**11.1**
Trade, hotel, transport & comm.	4.3	9.2	9.1	9.6	15.6	25.7	5.0	9.2	13.1
Finance, real estate and prof serv.	6.0	12.2	7.1	5.7	7.1	8.5	4.6	4.3	7.0
Public admin., defence & Other svcs	7.6	7.9	3.1	2.0	5.6	21.3	5.2	10.6	16.8

REAL EXPENDITURE COMPONENTS

Change (% y/y)	Q2FY24	Q1FY24	Q4FY23	Q3FY23	Q2FY23	Q1FY23	Q4FY22	Q3FY22	Q2FY22
GDP	7.6	7.8	6.1	4.5	6.2	13.1	4.0	5.2	9.1
Private final consumption exp. (PFCE)	**3.1**	**6.0**	**2.8**	**2.2**	**8.3**	**19.8**	**4.7**	**10.8**	**14.2**
Govt. final consumption exp. (GFCE)	**12.4**	**-0.7**	**2.3**	**-0.6**	**-4.1**	**1.8**	**11.8**	**5.8**	**11.7**
Gross capital formation (GCF)	**9.9**	**7.1**	**7.8**	**5.2**	**6.5**	**20.8**	**3.0**	**5.1**	**21.4**
Gross fixed capital formation (GFCF)	11.0	8.0	8.9	8.0	9.6	20.4	4.9	1.2	12.4
Exports	**4.3**	**-7.7**	**11.9**	**11.1**	**12.2**	**19.6**	**22.4**	**27.8**	**25.1**
Imports	**16.7**	**10.1**	**4.9**	**10.7**	**23.1**	**33.6**	**6.7**	**19.7**	**26.6**

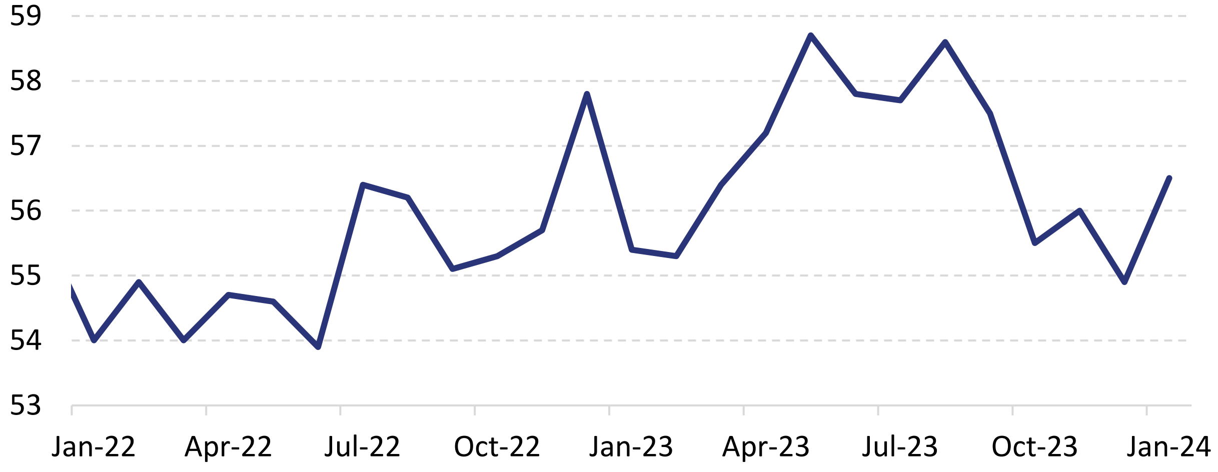
- Industry GVA showed a strong performance at 13.2% y/y, largely propelled by manufacturing, which expanded by 13.9% as compared to 4.7% in Q1FY24. Moreover, every other component experienced double-digit growth

- The RBI has projected 7% y/y real GDP growth in FY25

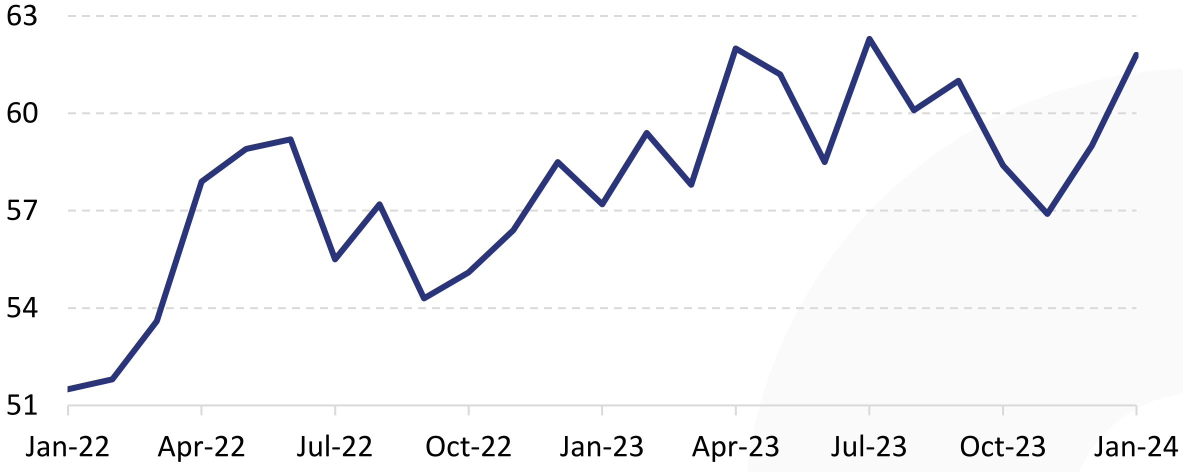
Source: CEIC, SBICAPS

ECONOMIC ACTIVITY ENTERS CY24 ON STRONG FOOTING

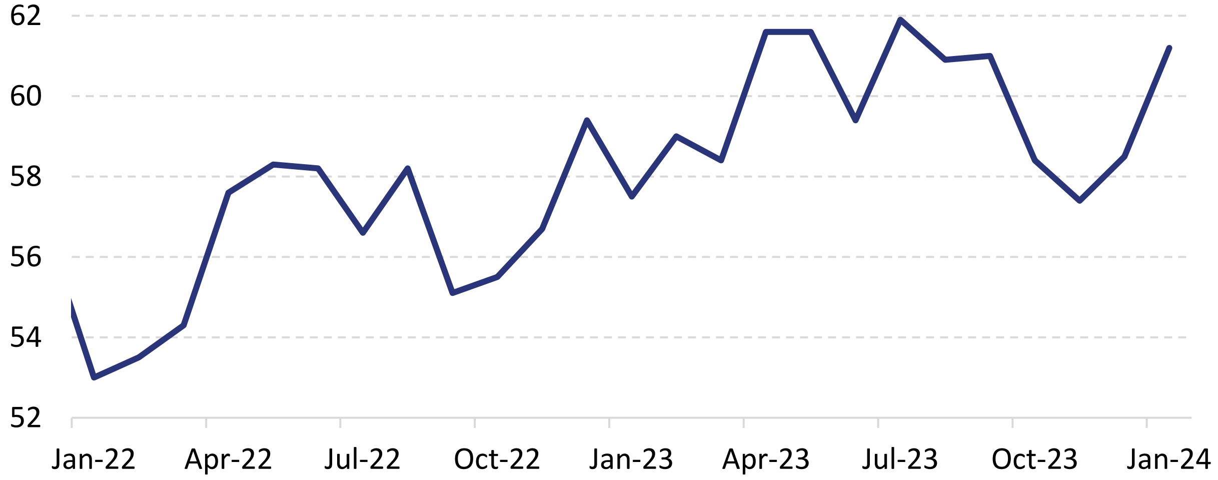
MANUFACTURING PURCHASING MANAGERS' INDEX (PMI)



SERVICES PURCHASING MANAGERS' INDEX (PMI)



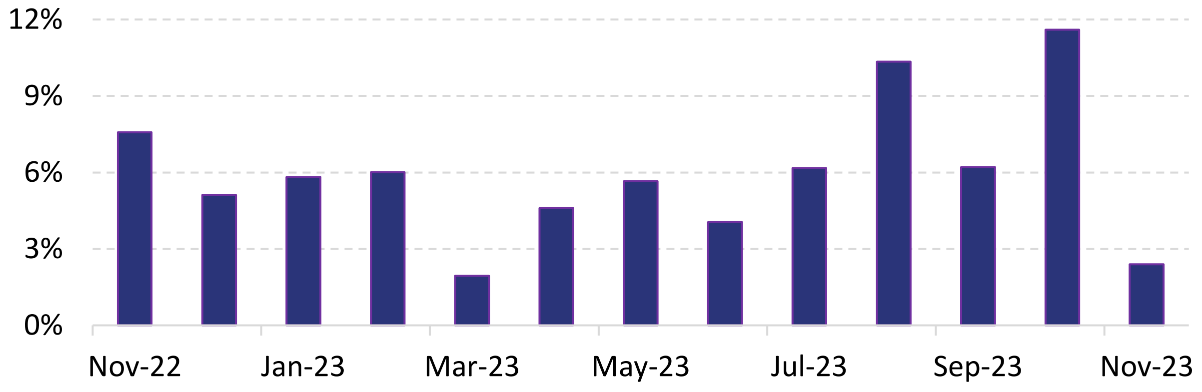
COMPOSITE PURCHASING MANAGERS' INDEX (PMI)



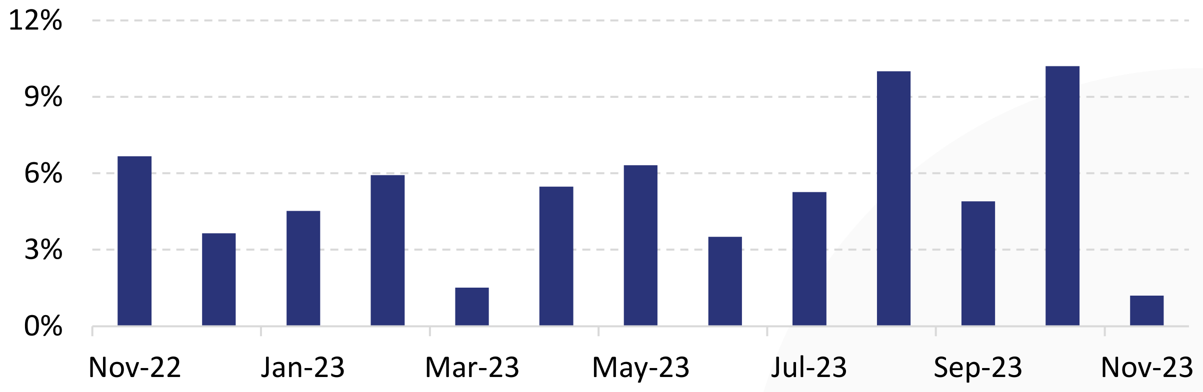
- Manufacturing PMI rebounded to 56.5 in Jan'24 from 54.9 in Dec'23, with health of sector underpinned by sharp rise in new orders and export orders, amidst mild cost price inflation.
- Services sector expanded at the fastest pace in 6-months in Jan'24, spurred by demand buoyancy, productivity gains and rising intake of new work. Notably, strong upturn in export orders signals robust demand for services export.

IIP GROWTH FALTERS IN NOV'23 DUE TO SEASONALITY

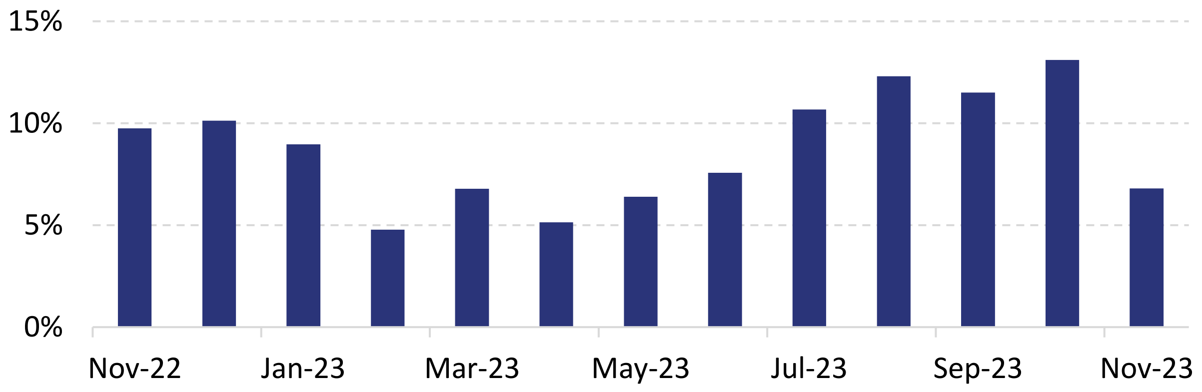
INDEX OF INDUSTRIAL PRODUCTION (IIP) (% Y/Y)



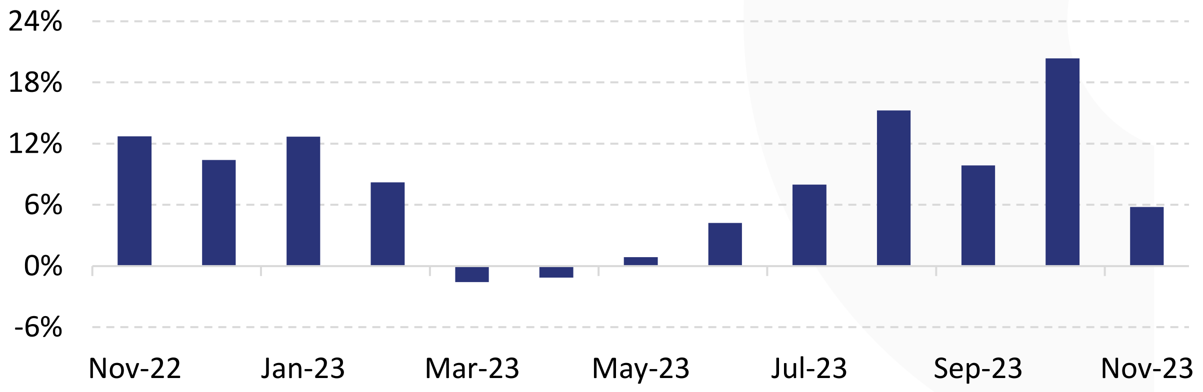
IIP: MANUFACTURING (% y/y)



IIP: MINING (% Y/Y)



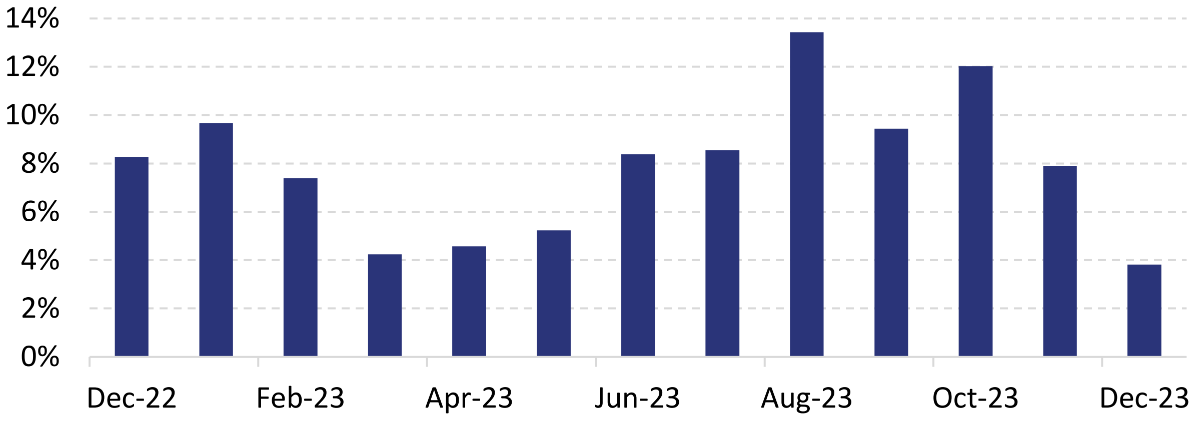
IIP: ELECTRICITY (% y/y)



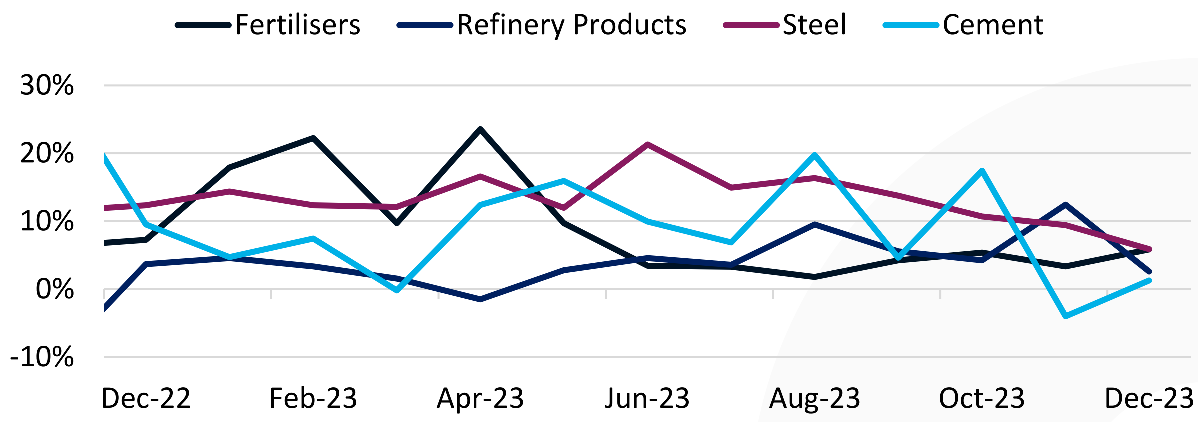
- IIP dropped sharply to 2.4% y/y in Nov'23, after surging 11.7% y/y in Oct'23, with considerable fall in pace of growth across sectors, as base effects diminish. Notably, IIP dropped 2.4% m/m in Nov'23
- Based on end-use, maximum traction was seen in primary goods, while capital goods and consumer durables contracted y/y.

COAL PROVES PIVOTAL IN CORE SECTOR GROWTH

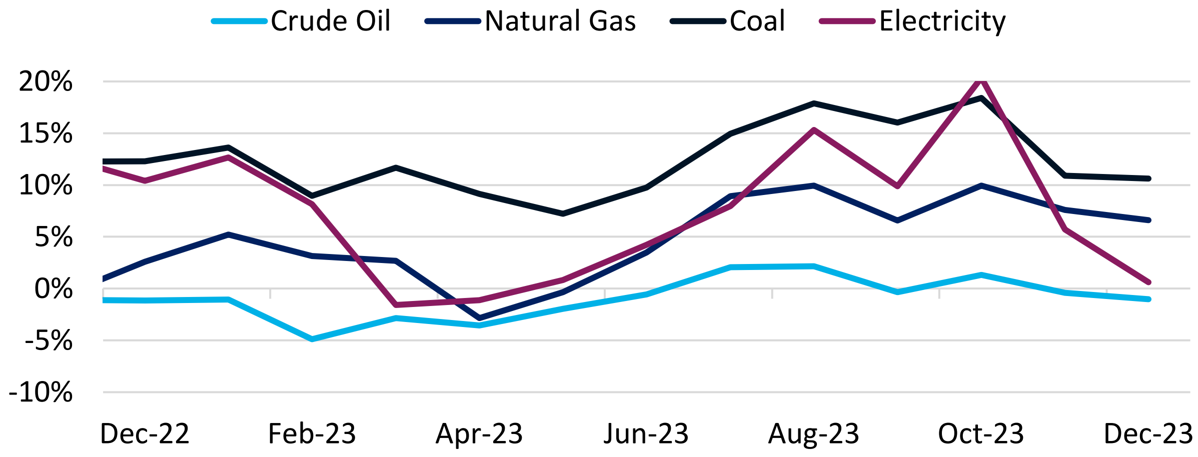
EIGHT CORE INDUSTRIES (Y/Y)



COMPONENTS: MANUFACTURING-BASED INDUSTRIES (Y/Y)



COMPONENTS: ENERGY-BASED INDUSTRIES (Y/Y)



- The Index of Eight Core Industries grew by 3.8% y/y in Dec'23, lower as compared to ~8% in Nov'23, albeit reflecting a 9-month peak in output levels.
- Highest growth was seen in natural gas (6.6% y/y) and coal (10.6% y/y), while electricity saw a modest increase of 0.6% y/y in Dec'23. Crude oil fell by ~1% y/y in Dec'23.

DOMESTIC STEEL DEMAND REMAINS STRONG

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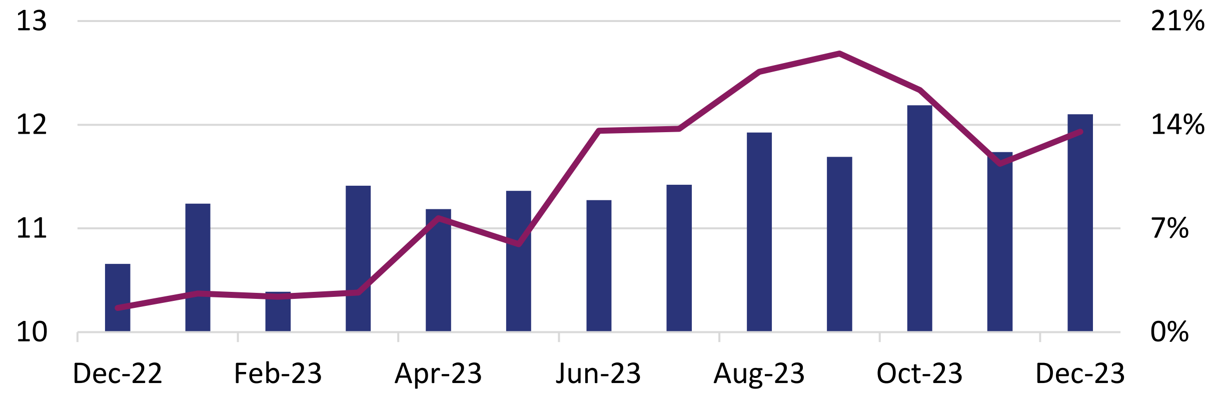
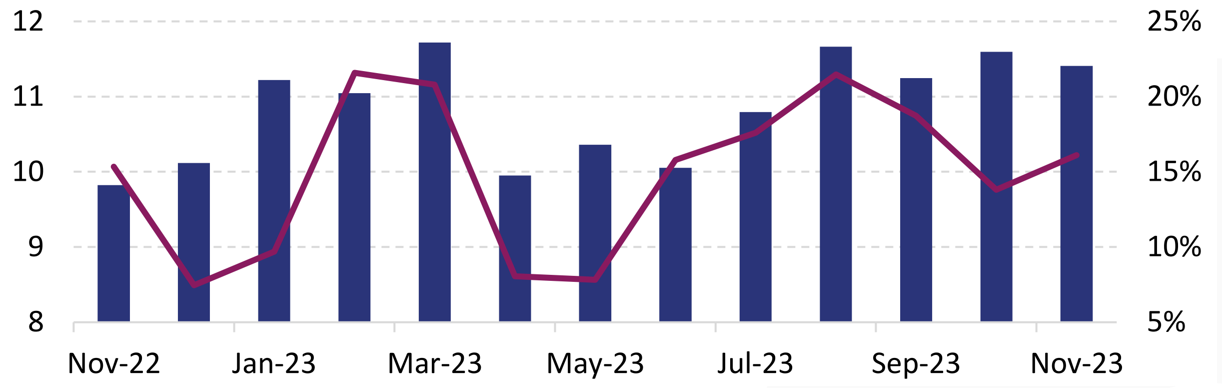
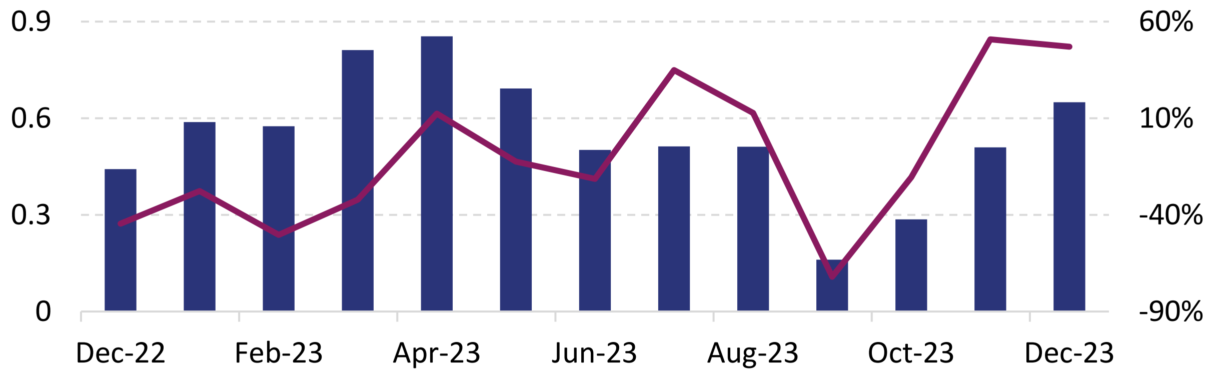
CRUDE STEEL PRODUCTION (MN TONNES)



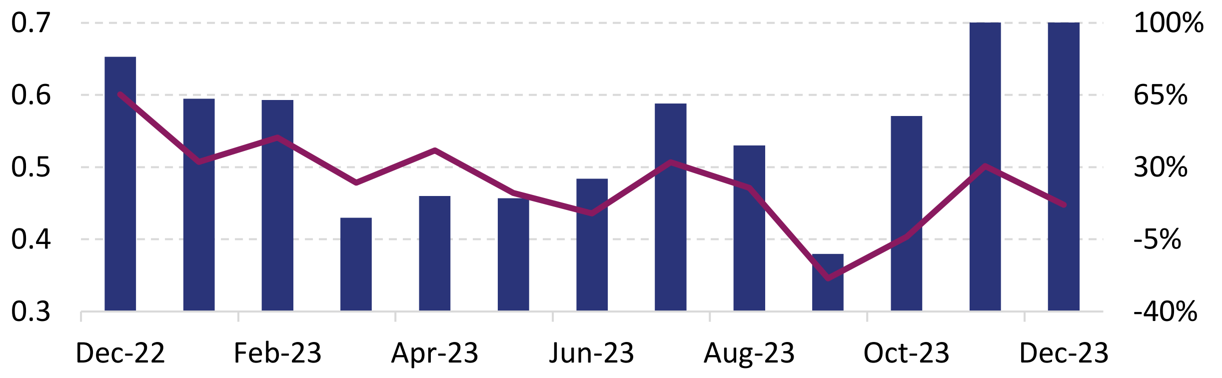
FINISHED STEEL CONSUMPTION (MN TONNES)



FINISHED STEEL EXPORTS (MN TONNES)



FINISHED STEEL IMPORTS (MN TONNES)

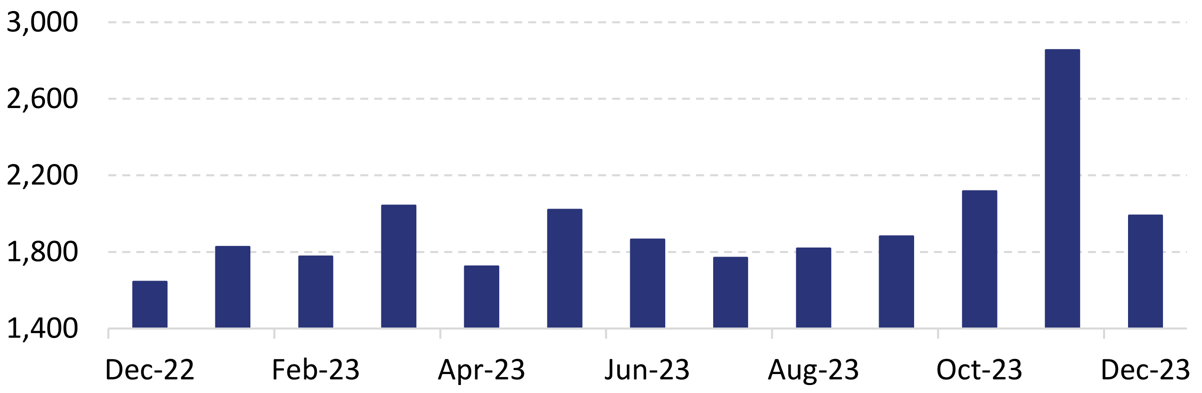


- Steel consumption in India jumped 14.8% y/y in 9MFY24 to 6-year highs, reflecting buoyant demand due to spurt in economic growth.
- Imports rose 26% y/y in 9MFY24 to 5.6 mn tonnes, while exports dipped ~2% y/y to 4.7 mn tonnes.

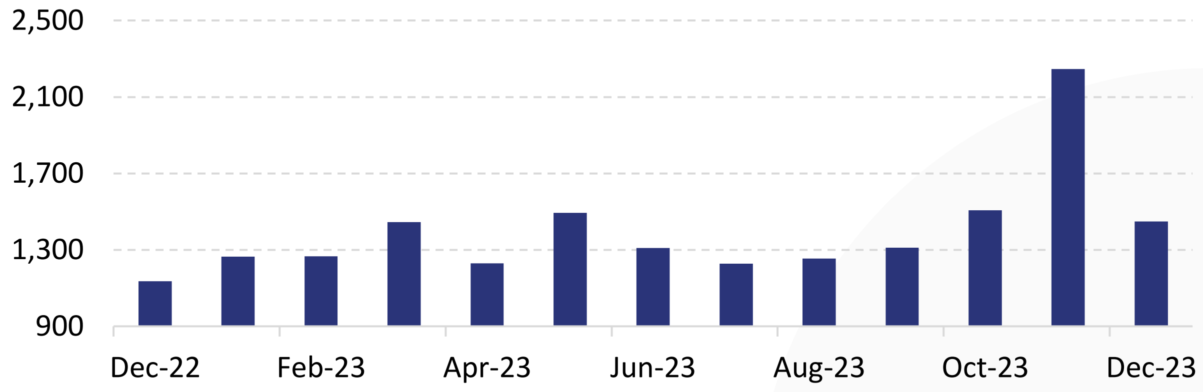
Source: CEIC, SBICAPS

RETAIL AUTO SALES SEE A STRONG CY23

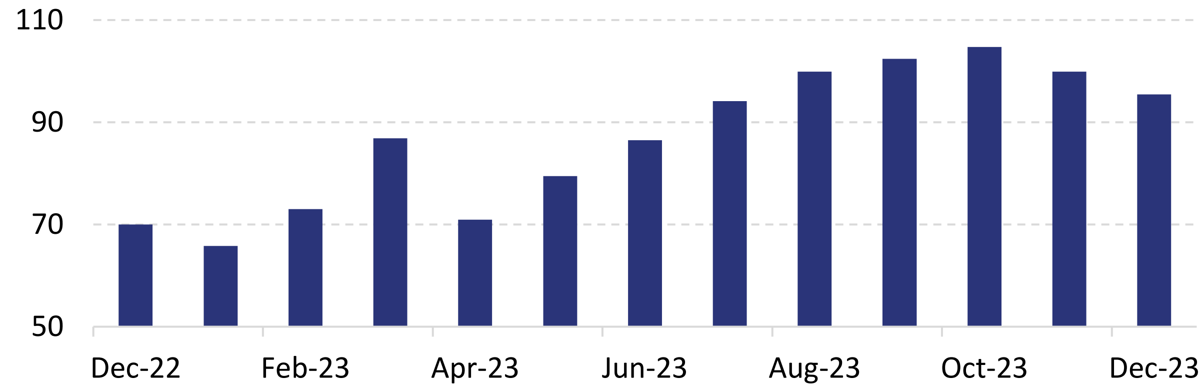
TOTAL VEHICLE SALES (IN ‘000 UNITS)



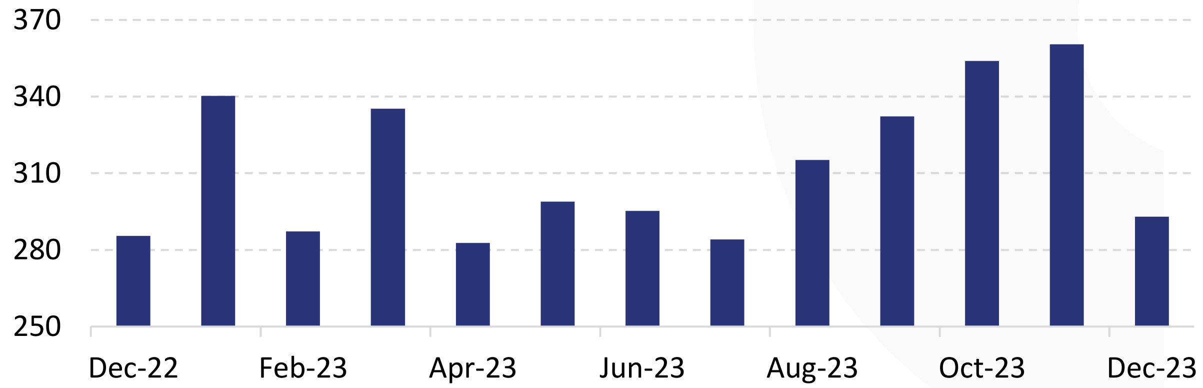
2-WHEELER SALES (IN ‘000 UNITS)



3-WHEELER SALES (IN ‘000 UNITS)



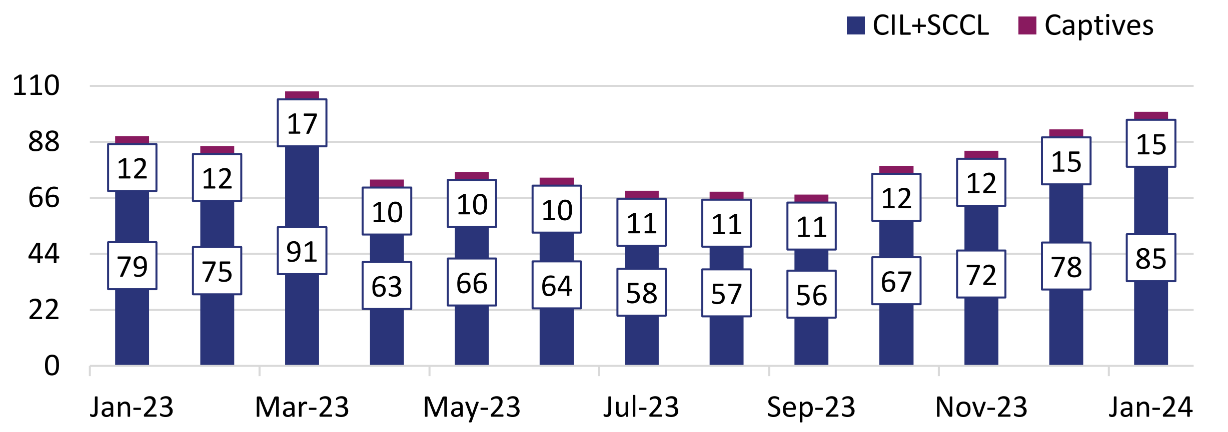
PV SALES (IN ‘000 UNITS)



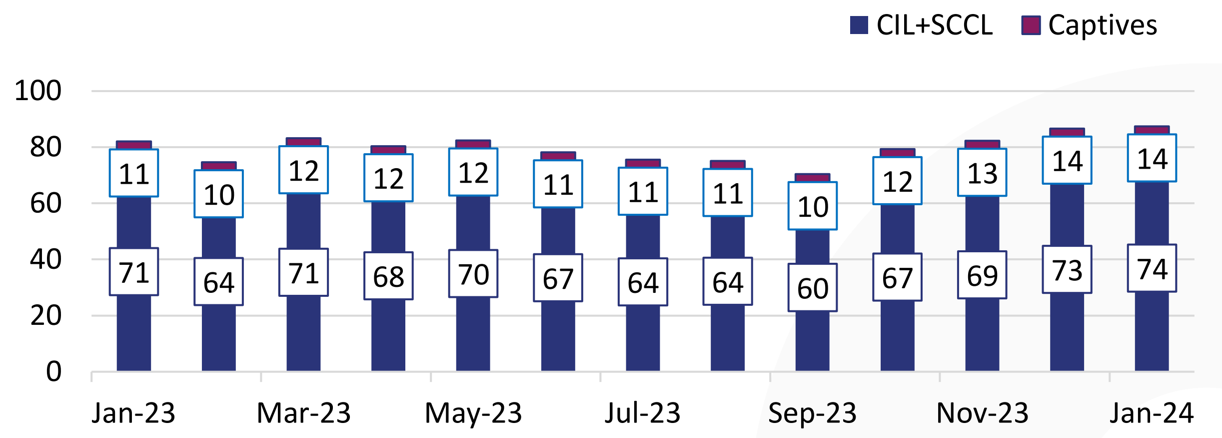
- Retail auto sales jumped 21% y/y in Dec'23 to ~2mn units with all categories reporting positive growth, driven by 28% y/y increase in 2W sales to 1.45 mn units buoyed by robust liquidity in rural areas from crop sales
- Notably, PV sales rose 11% y/y in CY23 to 3.86 mn units, driven by new product launches in the SUV segment indicating premiumization of auto sales

ROBUST GROWTH IN COAL PRODUCTION IN JAN'24

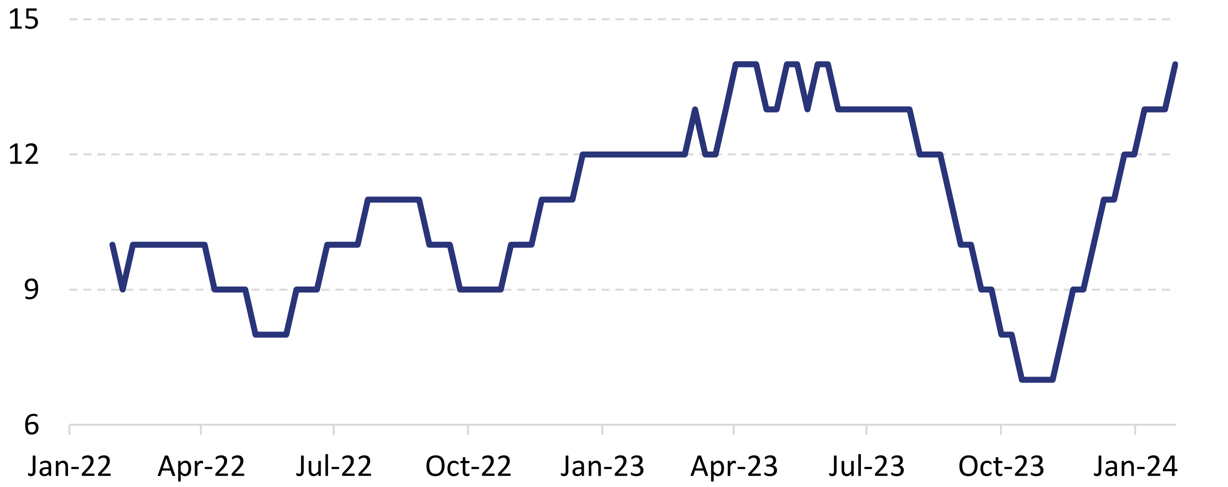
COAL PRODUCTION (MN TONNES)



COAL OFFTAKE (MN TONNES)



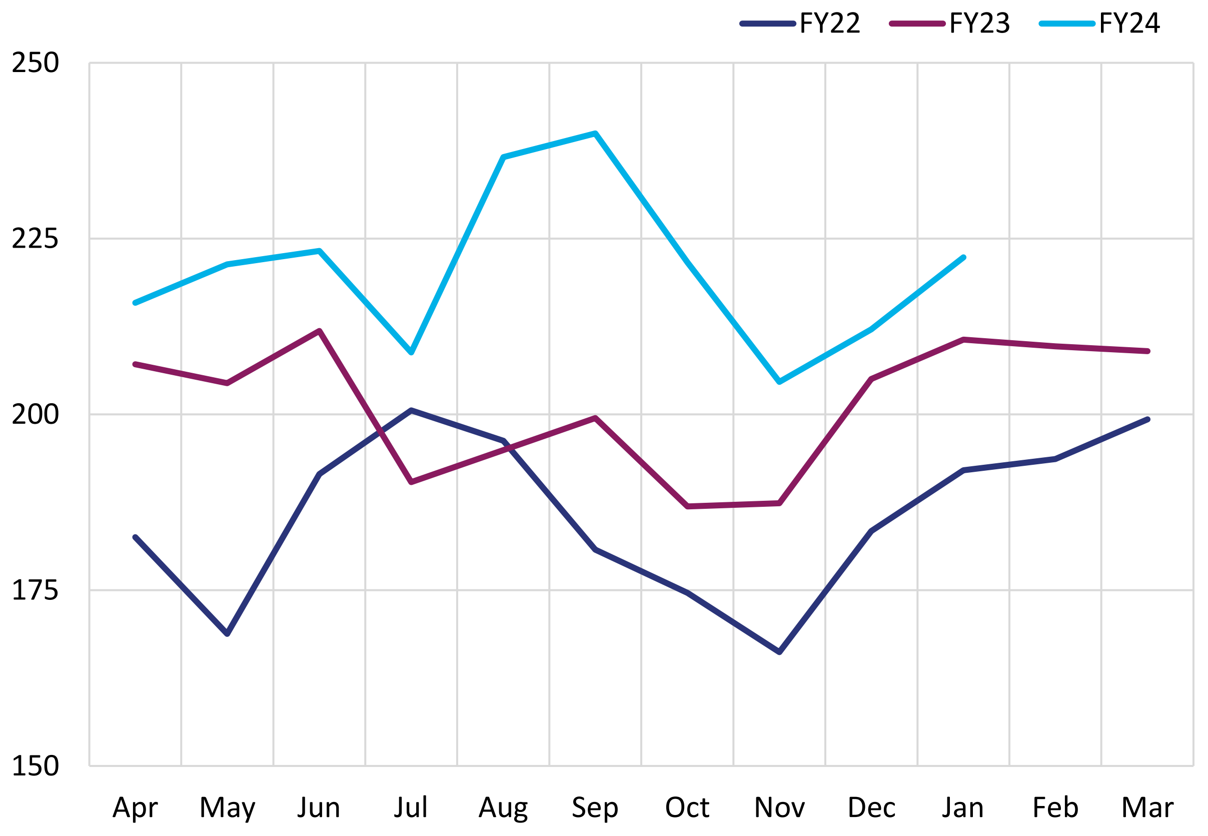
COAL STOCKS WITH POWER SECTOR (NUMBER OF DAYS)



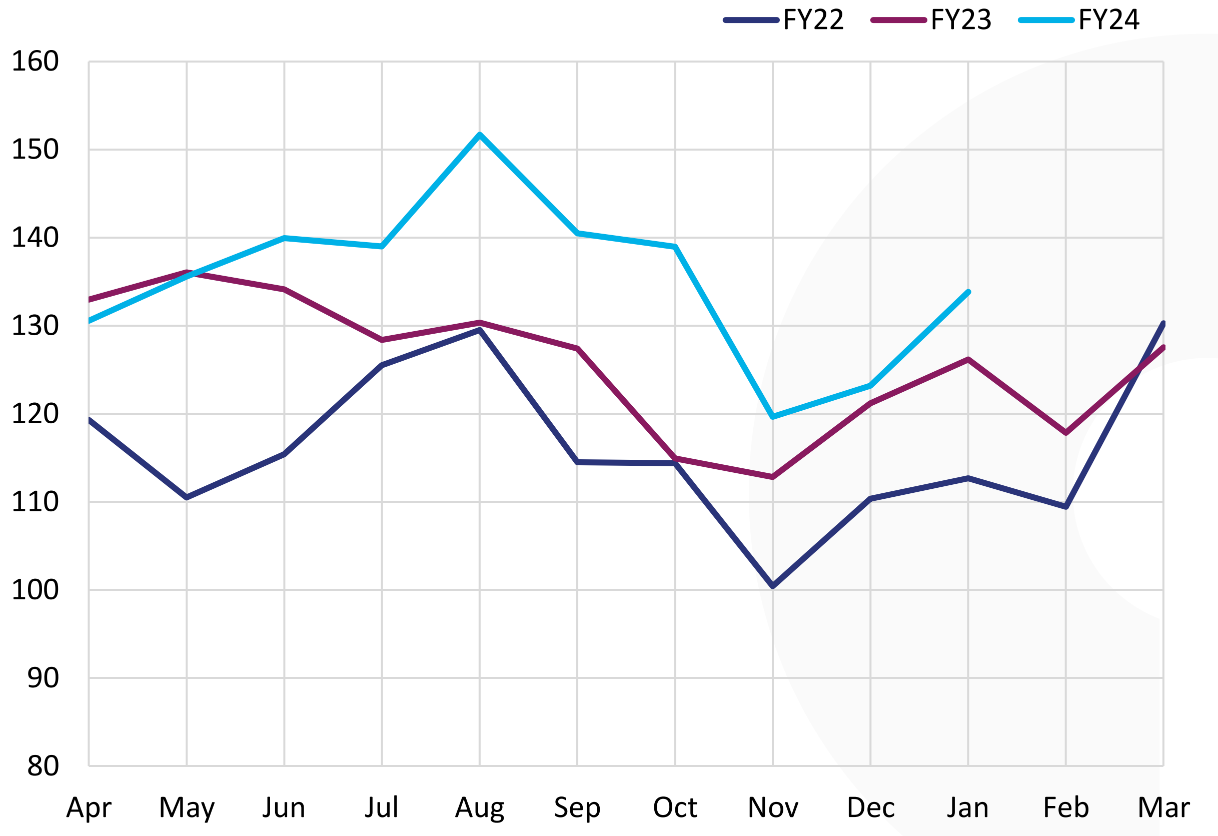
- Coal production displayed robust growth of 10.3% y/y in Jan'24, with strong growth in production from CIL.
- Yet coal stock at thermal plants remains low – at 14-days, vis-à-vis normative of ~21 days
- Coal miners are expected to attain their targets for FY24. Aggressive targets have been set for FY25

POWER DEMAND RISES IN JAN'24

MONTH-WISE PEAK POWER DEMAND IN PAST 3 FISCAL YEARS (GW)



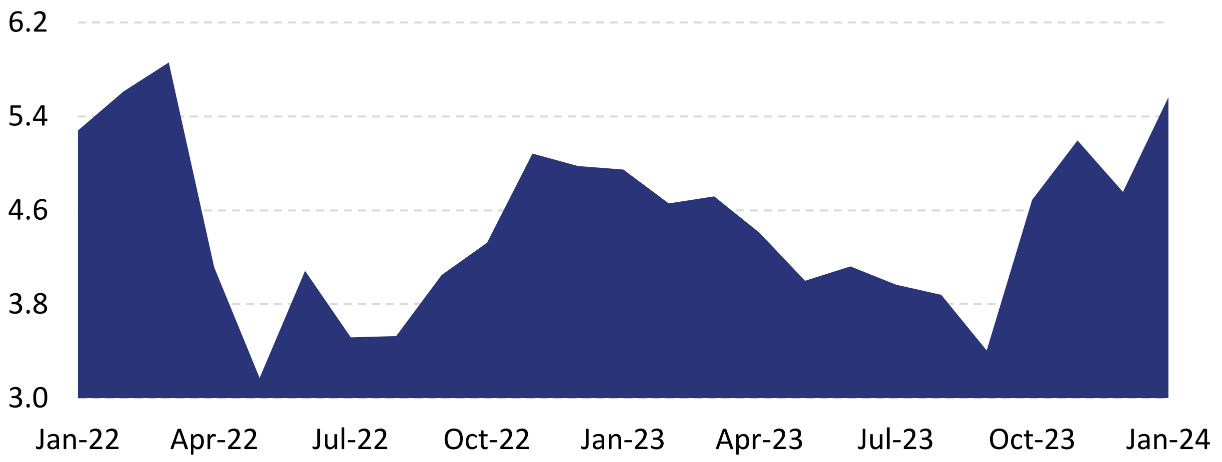
MONTH-WISE POWER SUPPLY IN PAST 3 FISCAL YEARS (IN BU)



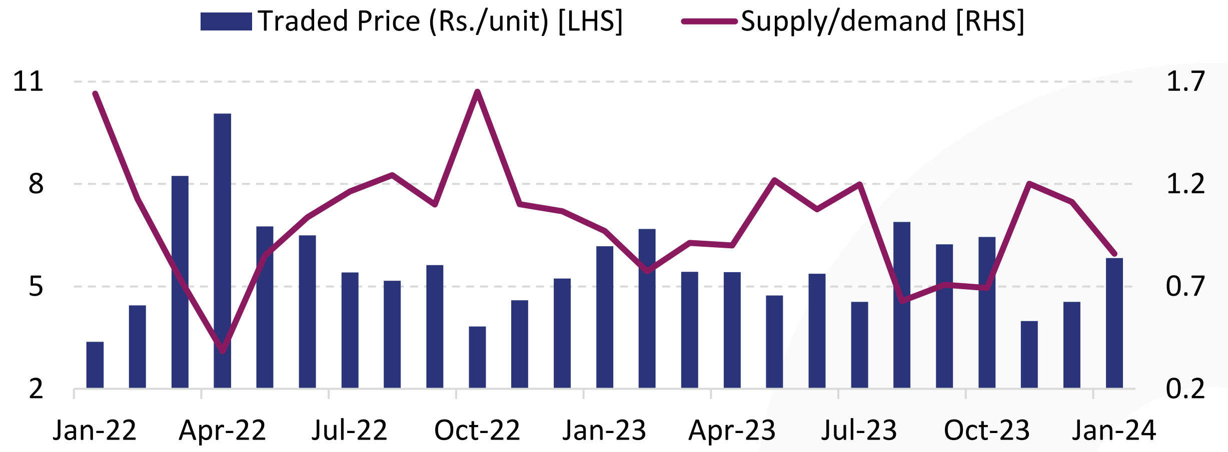
- Power supply in Jan'24 increased considerably on y-y basis, as drop in temperature levels led to heightened usage of heating equipment in North India
- Peak demand met rose sharply to 222.32 GW in Jan'24 from 213.62 in Dec'23

DAM VOLUMES IN UPTREND

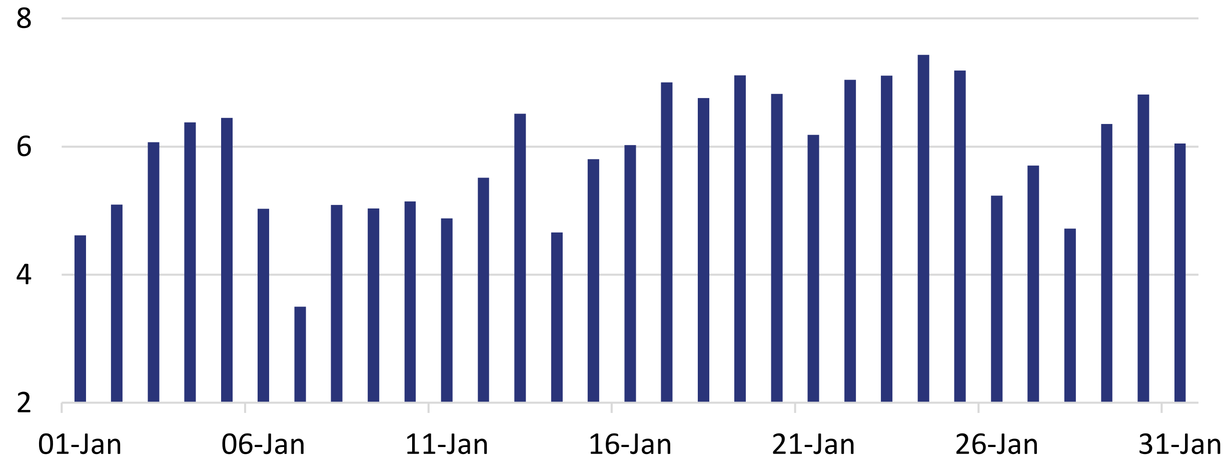
VOLUME IN DAY AHEAD MARKET (DAM) (TWH)



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



SPOT PRICE (RS./UNIT) IN REAL TIME MARKET



- Market clearing price in the Day Ahead Market fell by ~6% y/y at Rs. 5.83/unit, with prices expected to fall moving forward due to improved sell side liquidity on the exchange.
- DAM volume on power exchange increased by 13.2% y/y to ~4.54 TWh in Jan’24. With supply lagging demand, the situation will remain dicey

PETROLEUM CONSUMPTION SURGES IN JAN'24

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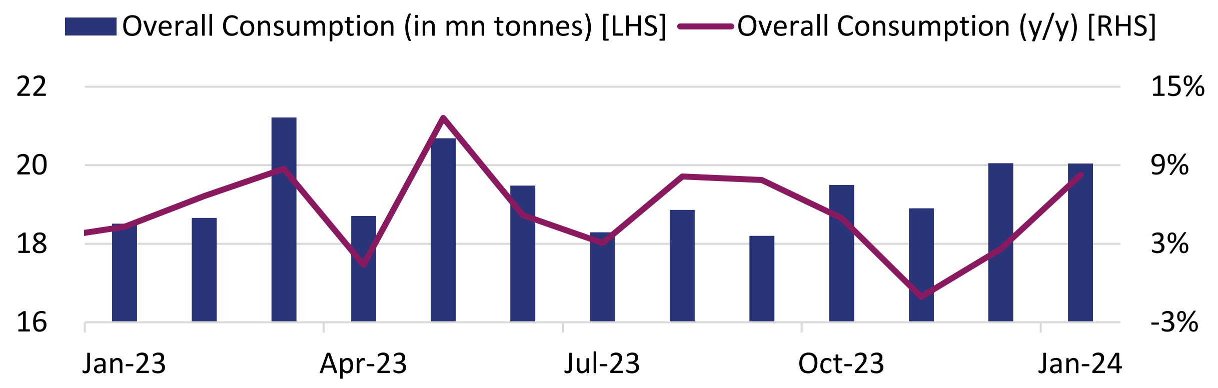
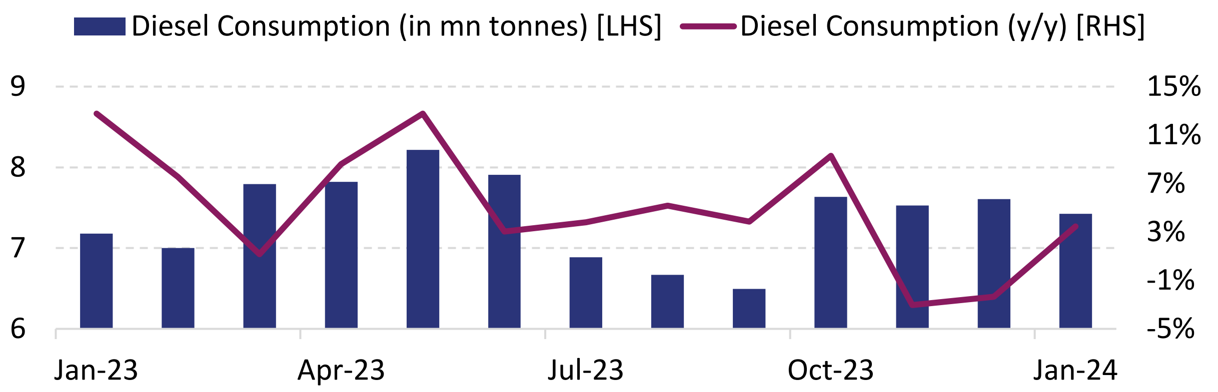
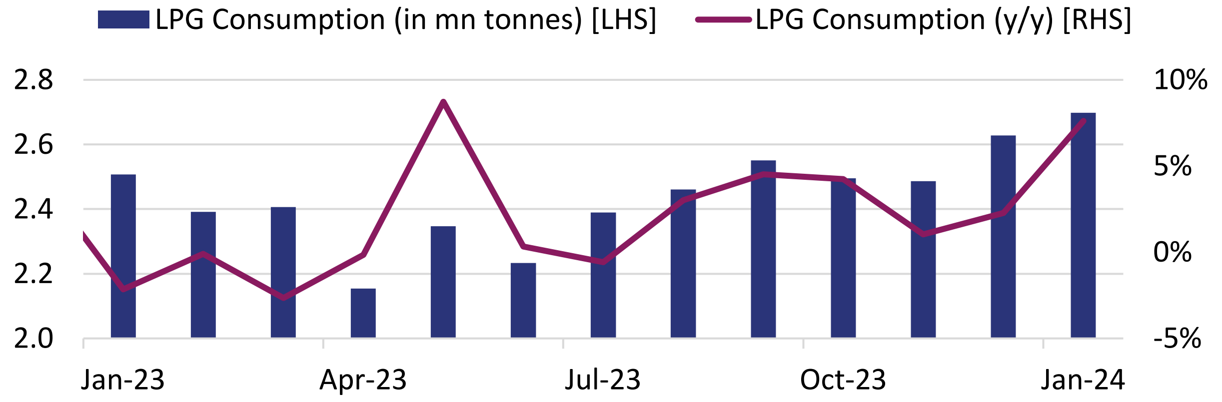
OVERALL PETROLEUM CONSUMPTION



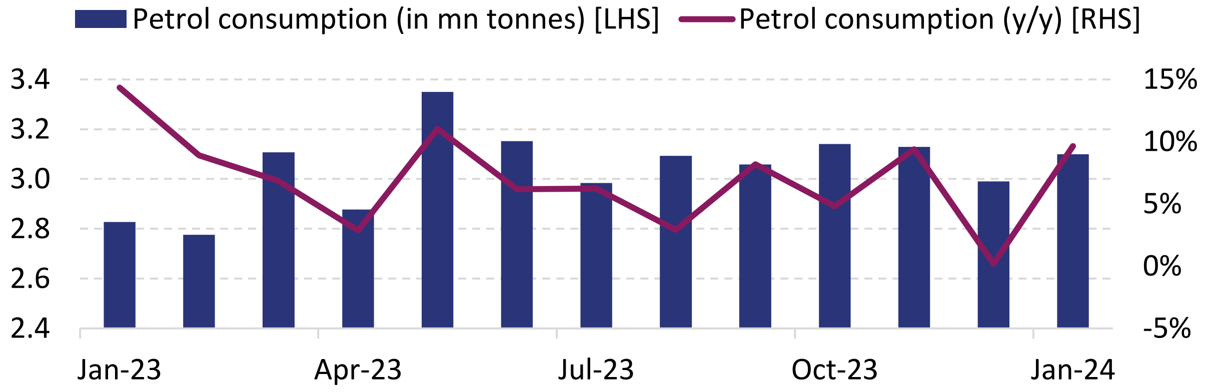
DIESEL CONSUMPTION



LPG CONSUMPTION



PETROL CONSUMPTION



- Total fuel consumption rose by 8.2% y/y in Jan'24 to 20.04 mn tonnes from 18.51 mn tonnes in Jan'23. Consumption of diesel rose by 3.5% y/y to 7.43 mn while gasoline increased by 9.6% y/y to 3.10 mn tonnes. LPG consumption rose by 7.6% to 2.70 mn tonnes in Jan'24

IRON ORE BUOYS CARGO TRAFFIC GROWTH IN JAN'24

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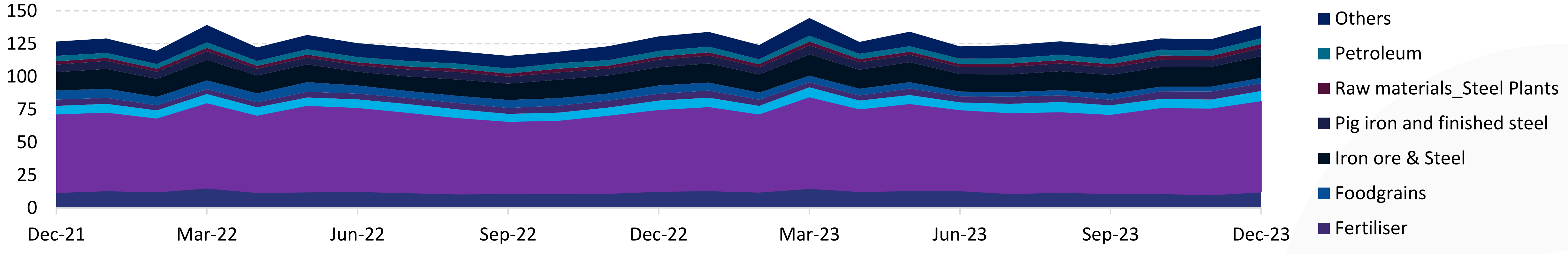
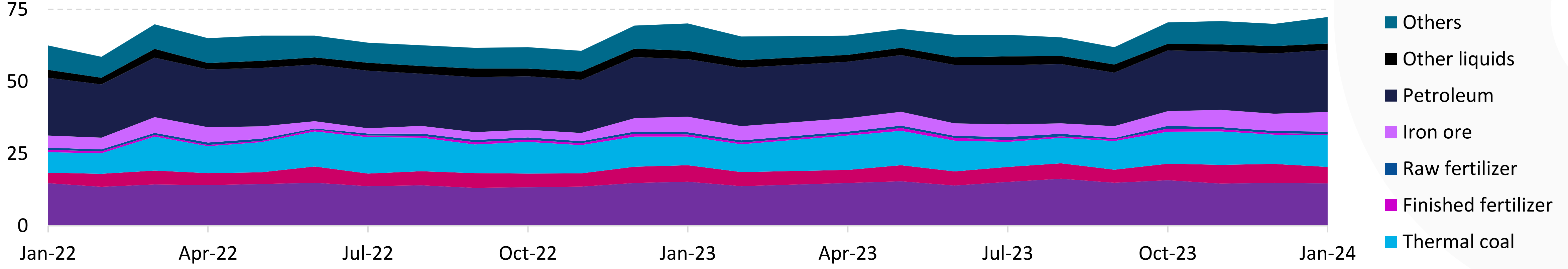
RAILWAY FREIGHT TRAFFIC COMPOSITION (IN MN TONNES)



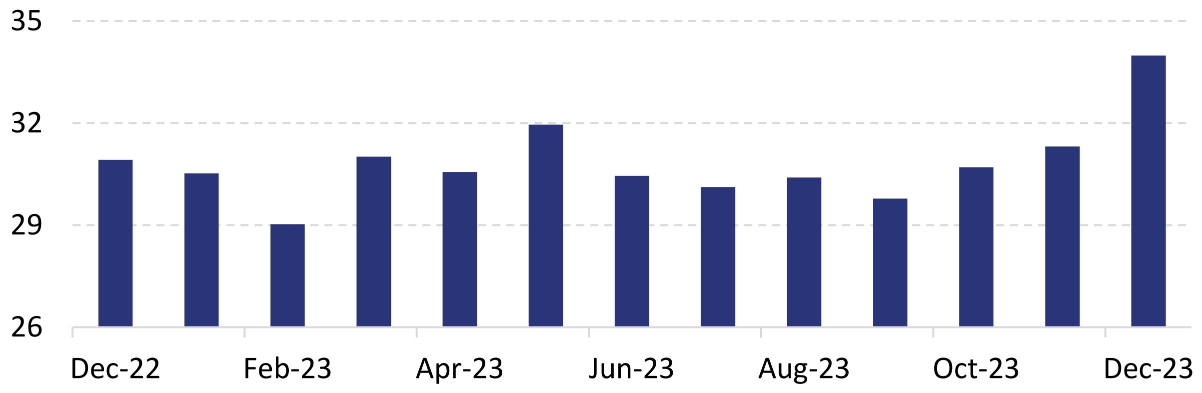
CARGO TRAFFIC BY PRODUCT (IN MN TONNES) - WATERWAYS



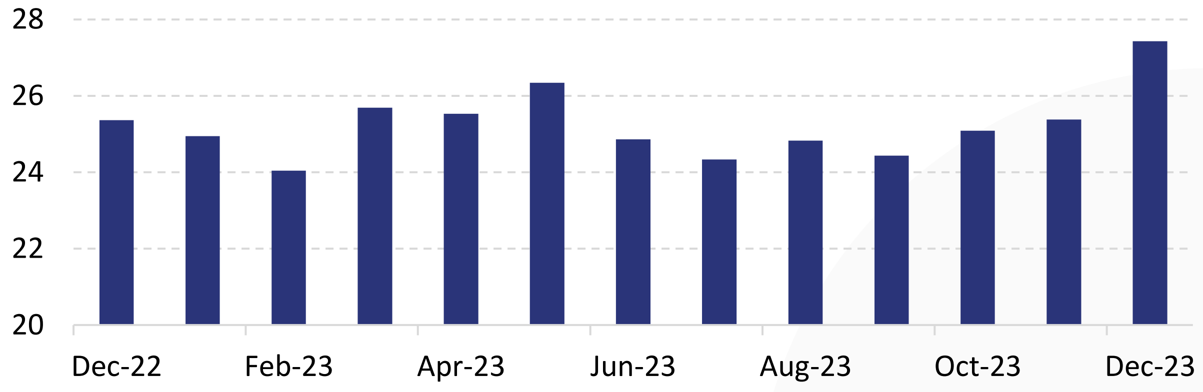
- Railways achieved freight loading growth of 6.37% y/y in Dec'23, buoyed by growth in loading of iron ore and pig iron
- Increase in cargo loading of iron ore (~26% y/y), thermal coal (~12% y/y) and petroleum products (~8% y/y) is indicative of robust domestic economic activity, with Paradip port recording the highest ever monthly cargo throughput of 14.32 mn tonnes in Jan'24

FESTIVE TRAVEL SPURS DOMESTIC AIR PASSENGER TRAFFIC

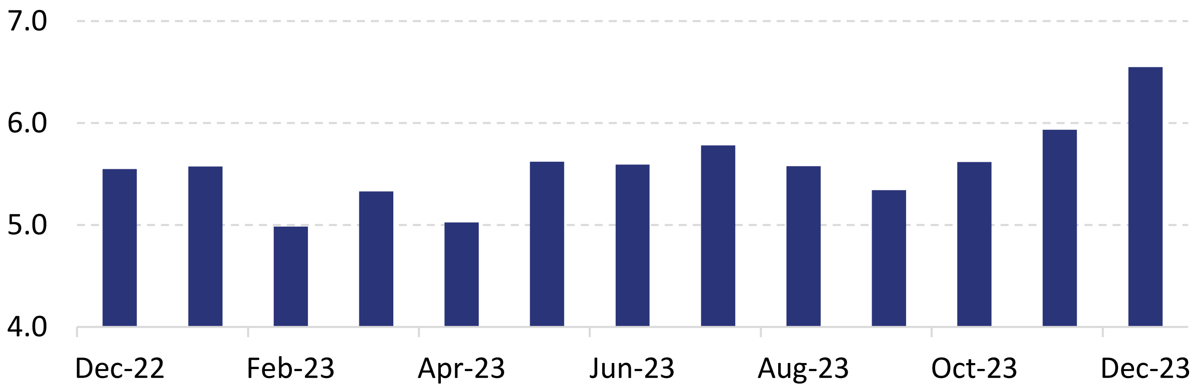
PASSENGER TRAFFIC AT AIRPORTS (IN MN)



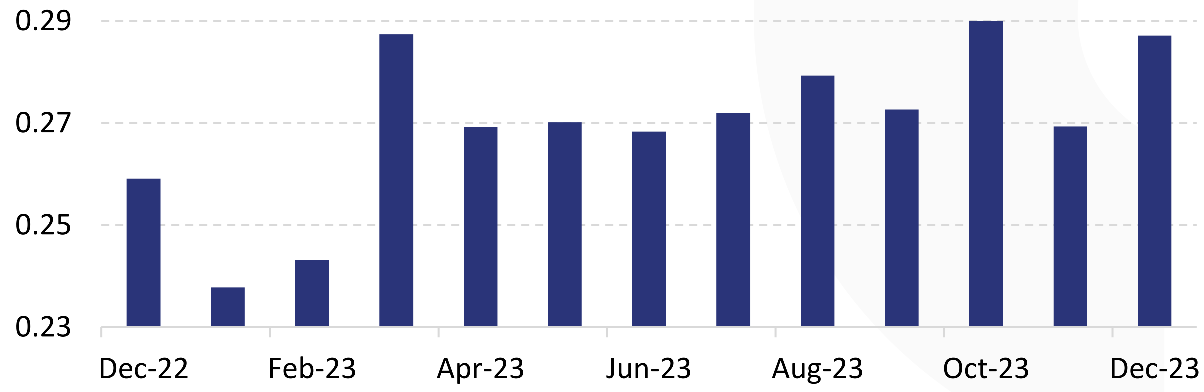
DOMESTIC PASSENGER TRAFFIC AT AIRPORTS (IN MN)



INTERNATIONAL PASSENGER TRAFFIC AT AIRPORTS (IN MN)



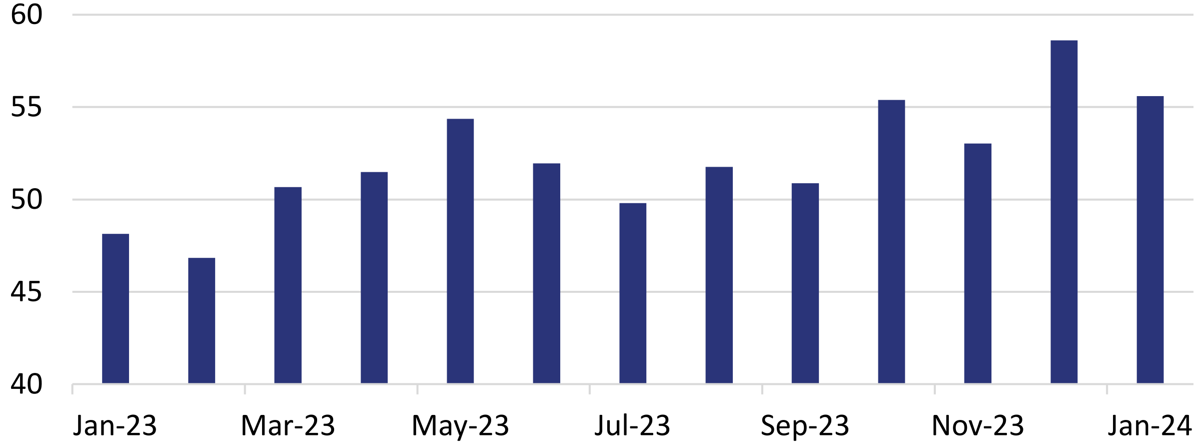
CARGO TRAFFIC (IN MN TONNES)



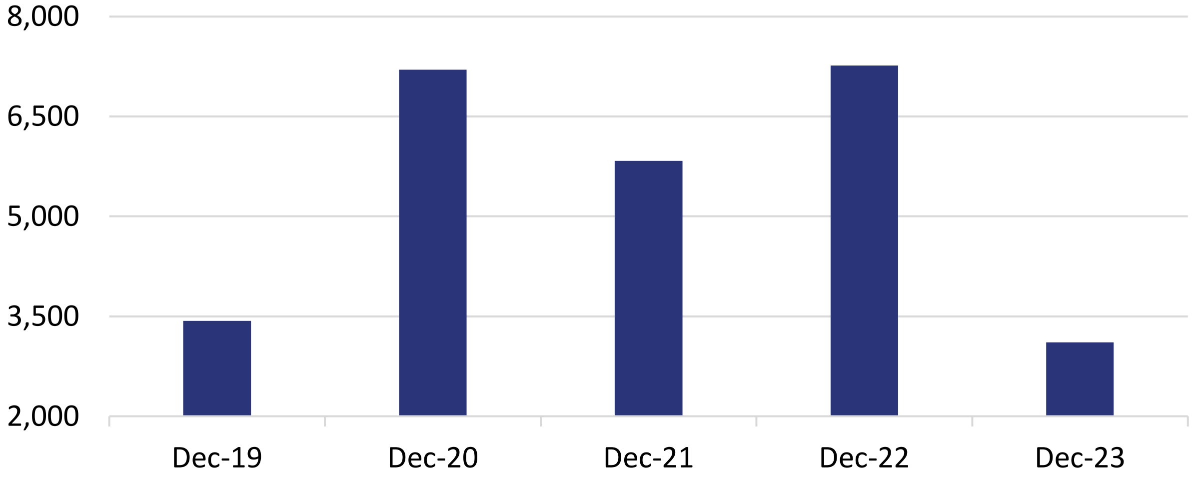
- Domestic air passenger traffic grew ~23% y/y in Dec’23 to 13.7 mn passengers, highest in a single month, on the back of festive season travel
- The average daily passenger traffic jumped 4.9% m/m to 445k in Dec’23, despite lower number of flights being operated

TOLL REVENUES MAINTAIN MOMENTUM

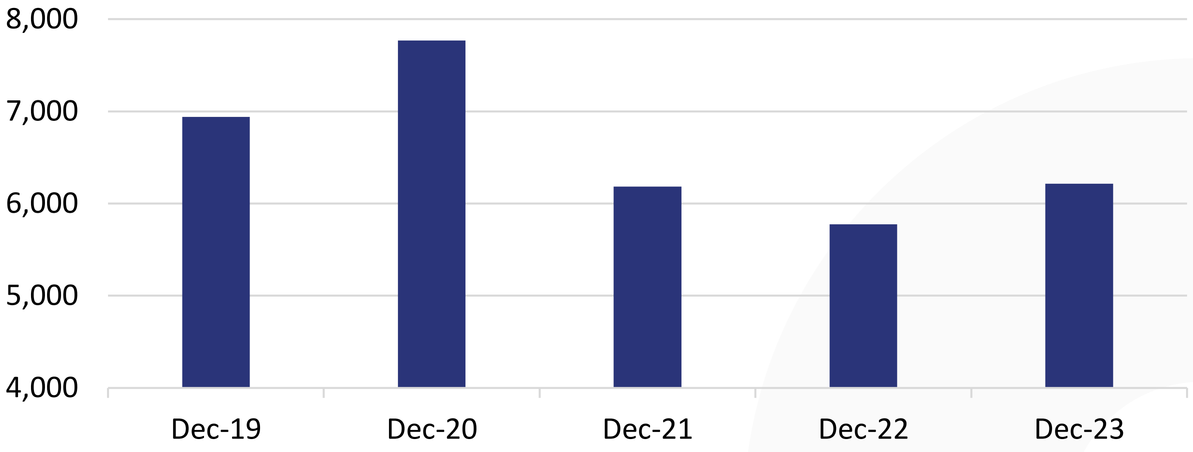
FASTAG REVENUE (IN RS. BN)



NATIONAL HIGHWAY AWARDING (YTDFY IN KM)



NATIONAL HIGHWAY CONSTRUCTION (YTDFY IN KM)



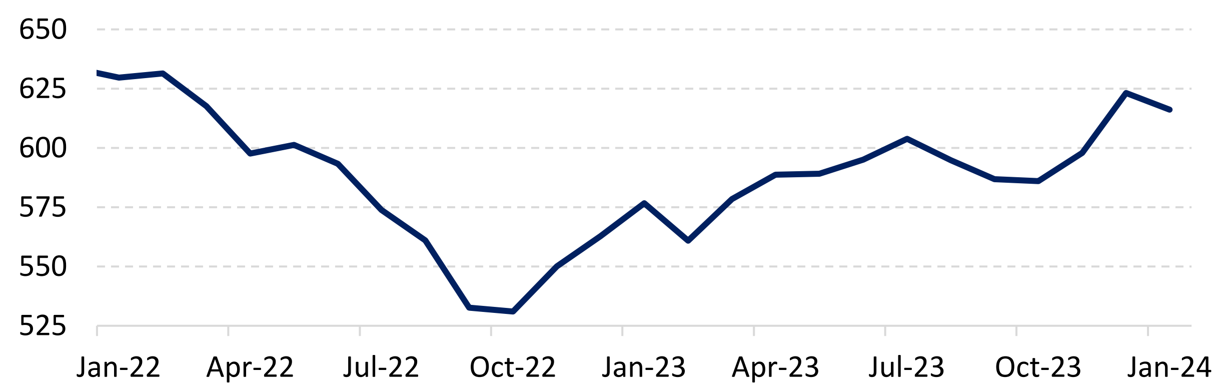
- Awards have slowed in 9MFY24 and a new Roads programme could be in the offing. Construction pace remains fair.
- Fastag revenues remain especially buoyant, jumping 148% in 10MFY24 over pre-COVID 10MFY20.
- Third round of assets were monetized using the InvIT route in Feb’24 by NHAI’s InvIT

04

EXTERNAL POSITION

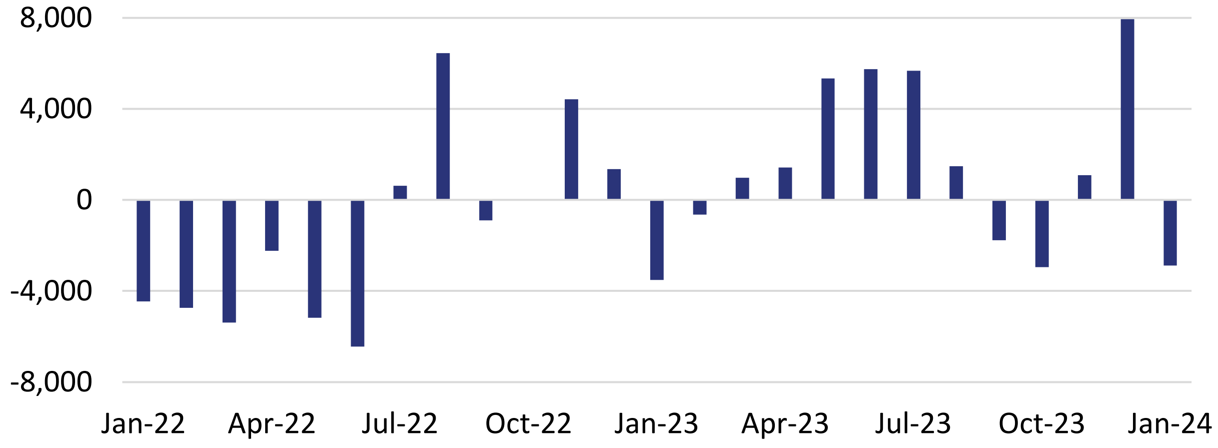
FII FLOWS DIVERGENCE BETWEEN EQUITY AND DEBT IN JAN’24

FOREX RESERVE (IN USD BN)

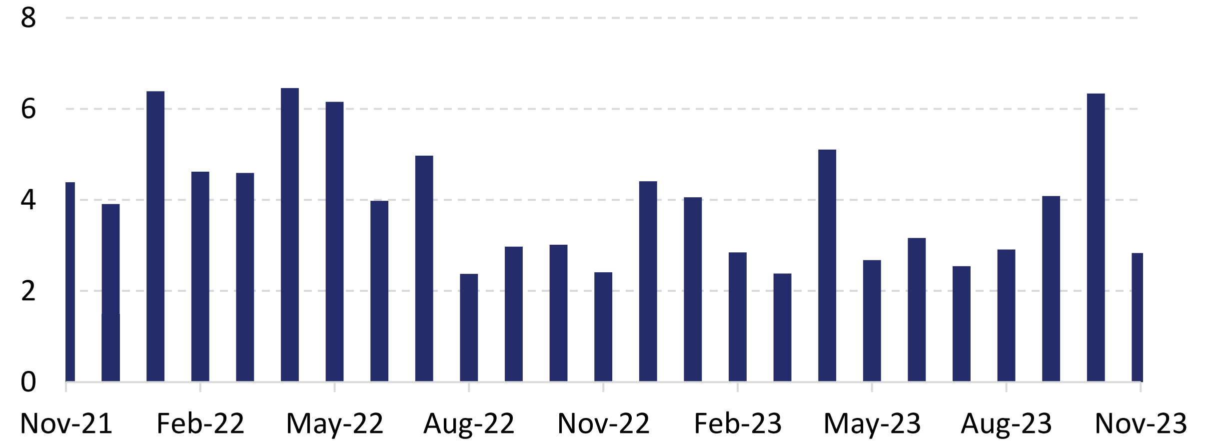


USD/INR EXCHANGE RATE (IN RS. PER USD)

FII FLOW INTO EQUITIES (USD MN)



FDI INFLOWS (IN USD BN)



- FPIs reversed their buying streak in domestic equities in the second half of Jan’24 on hardening of US yields and low earnings growth

SHARP IMPROVEMENT IN CURRENT ACCOUNT

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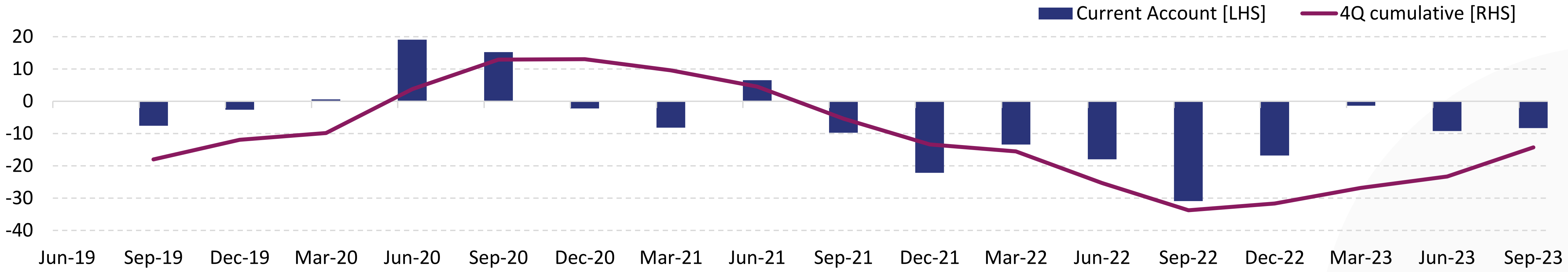
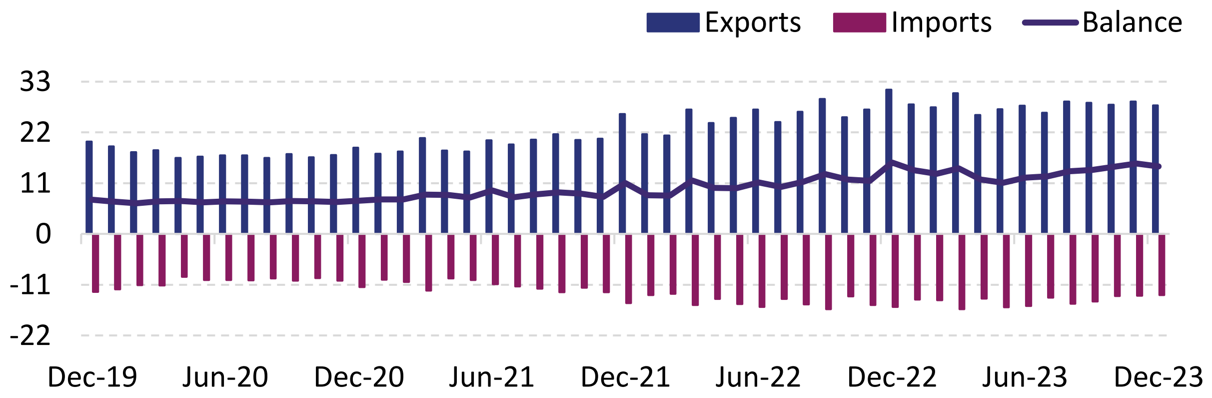
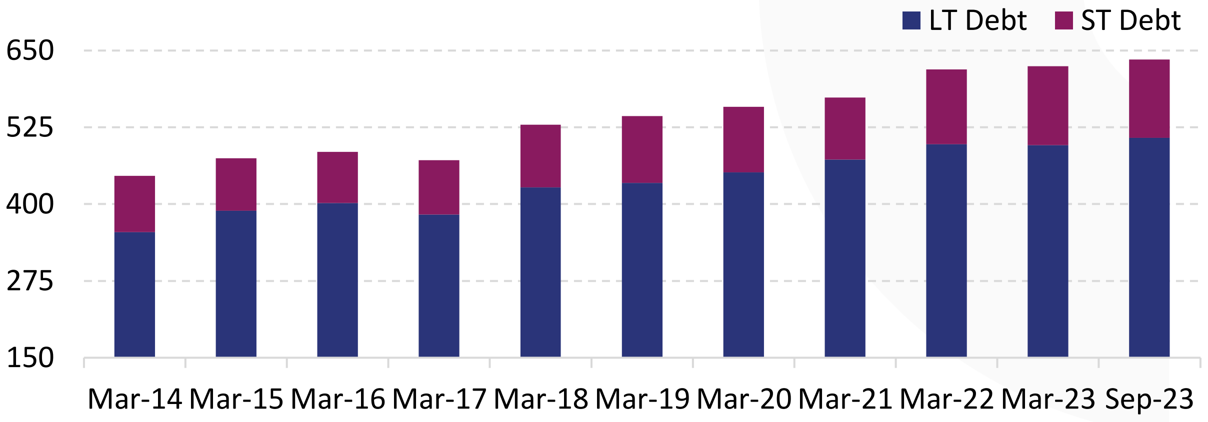
CURRENT ACCOUNT BALANCE (IN USD BN)



SERVICES TRADE (IN USD BN)



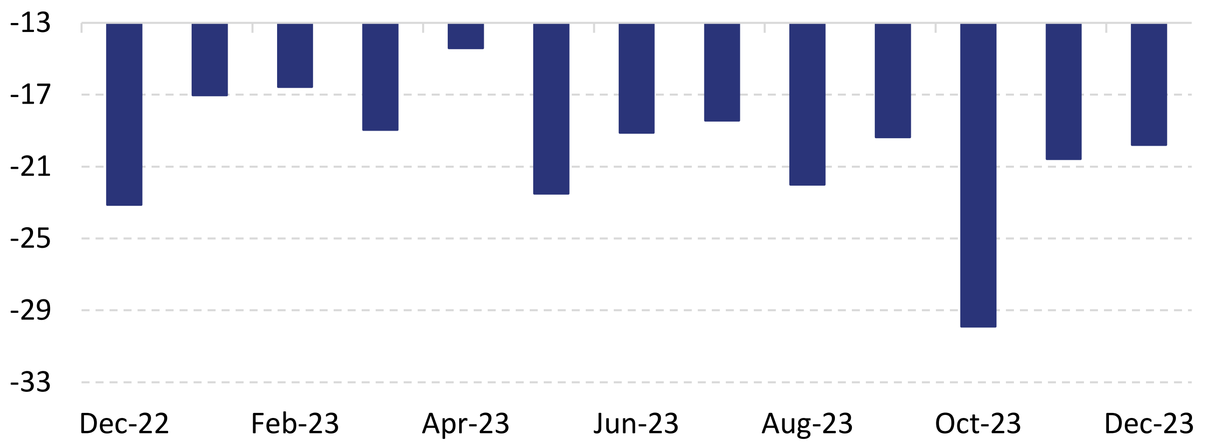
EXTERNAL DEBT POSITION (IN USD BN)



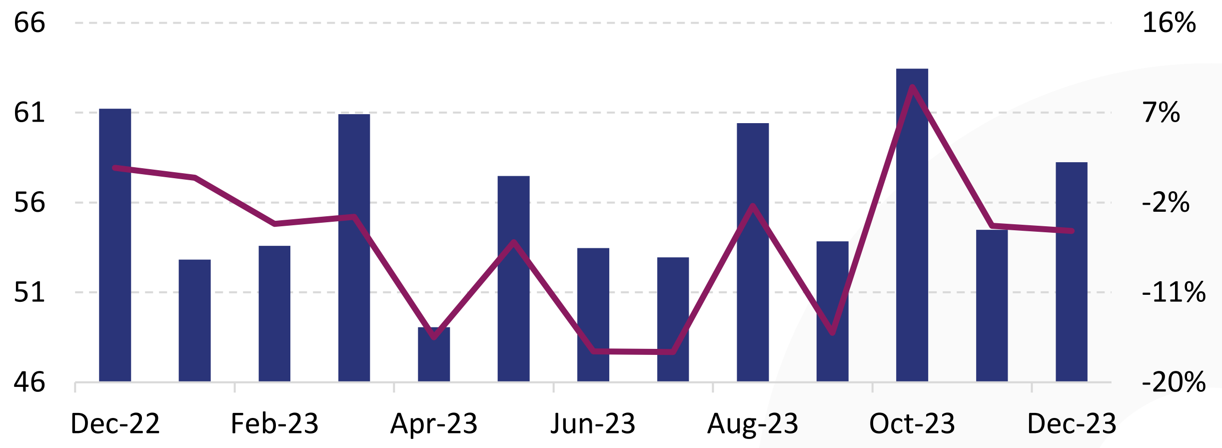
- ***For FY24, we expect CAD to close at ~1% of GDP, which is eminently manageable***

TRADE BALANCE IMPROVES ON LOWER IMPORTS

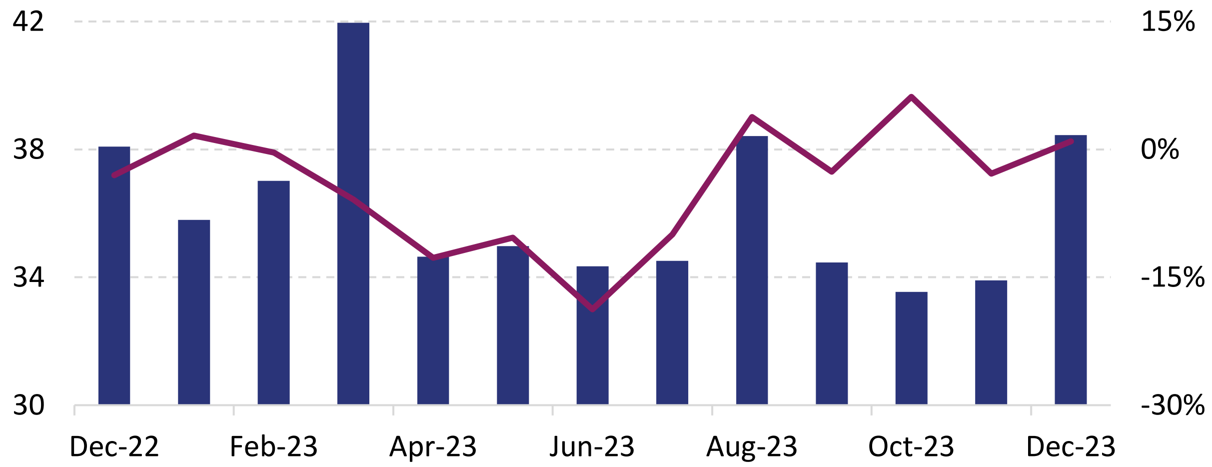
MERCHANDISE TRADE BALANCE (IN USD BN)



MERCHANDISE IMPORTS (IN USD BN)



MERCHANDISE EXPORTS (IN USD BN)



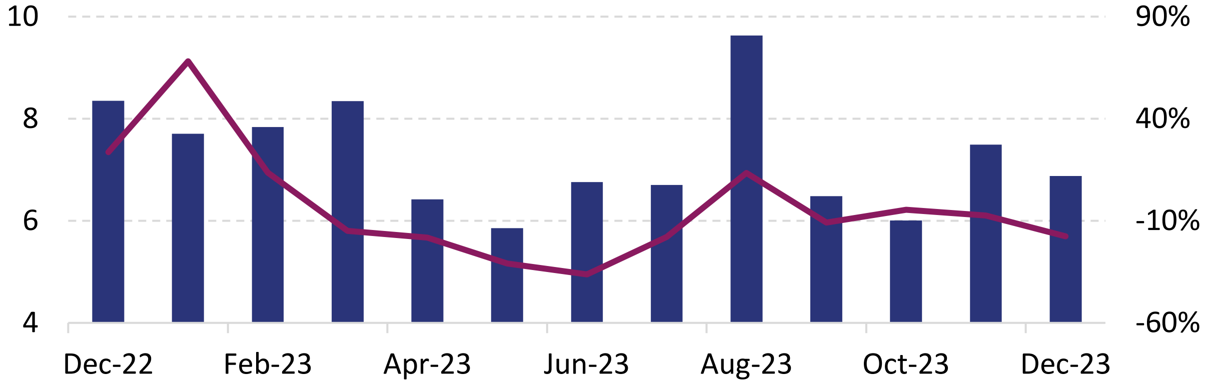
- Major export items to see a rise y/y were iron ore, fruits and dairy products, while petroleum products and jute saw significant declines
- Major import items to see a rise y/y were pulses, electronic goods and gold, while a decline was seen in vegetable oil, chemicals and pearls

Note: Grey line is y/y and on RHS;

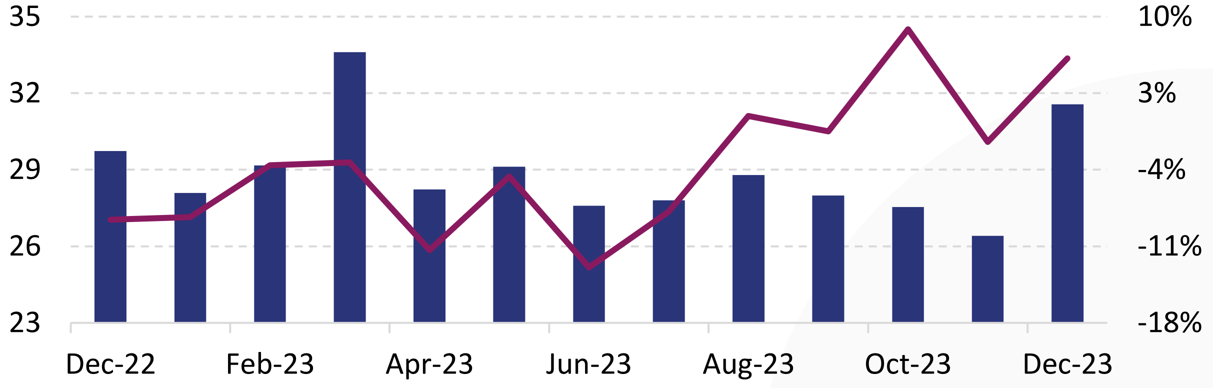
Source: CEIC, PIB, SBICAPS

OIL TRADE WORSENS IN DEC'23

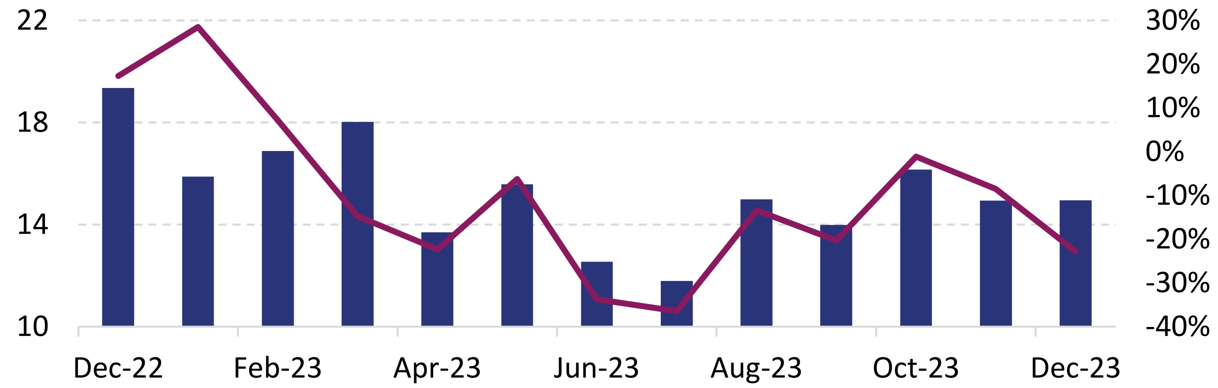
OIL EXPORTS (IN USD BN)



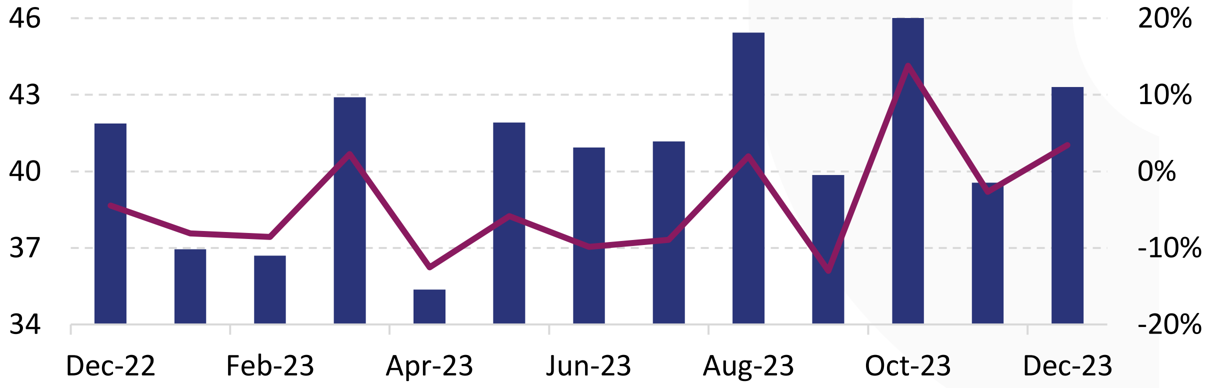
NON-OIL EXPORTS (IN USD BN)



OIL IMPORTS (IN USD BN)



NON-OIL IMPORTS (IN USD BN)



- Trade performance is impeded by the high base of last year, in the face of global slowdown

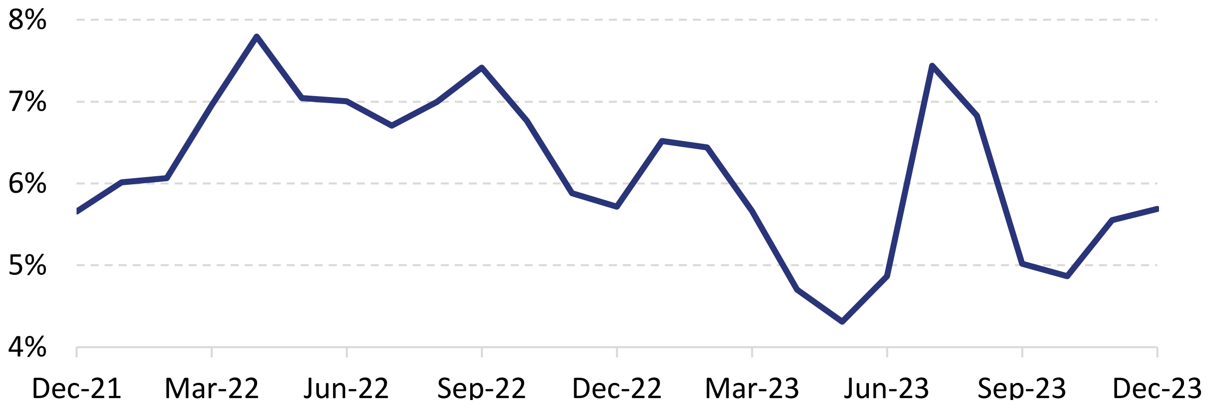
Note: Grey line is y/y and on RHS;

Source: CEIC, PIB, SBICAPS

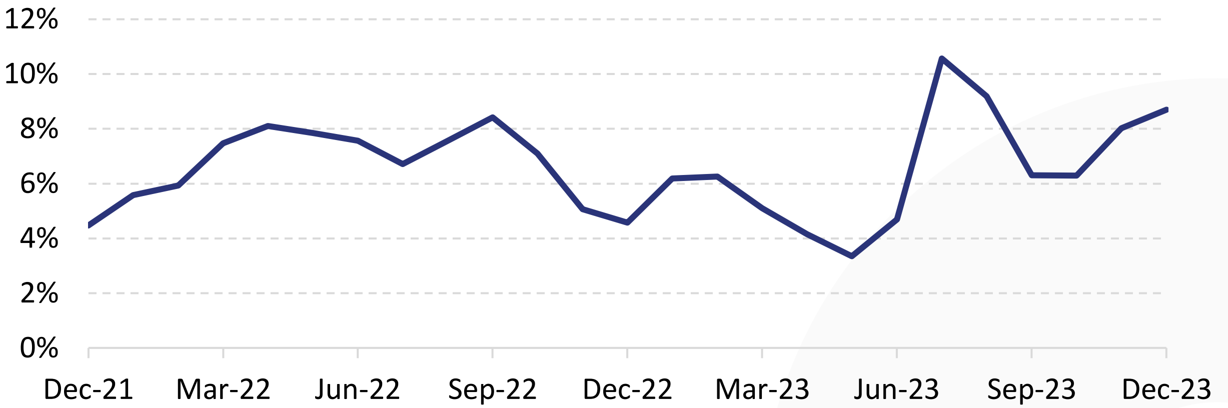
05 INFLATION

CORE INFLATION GRADUALLY COMING DOWN

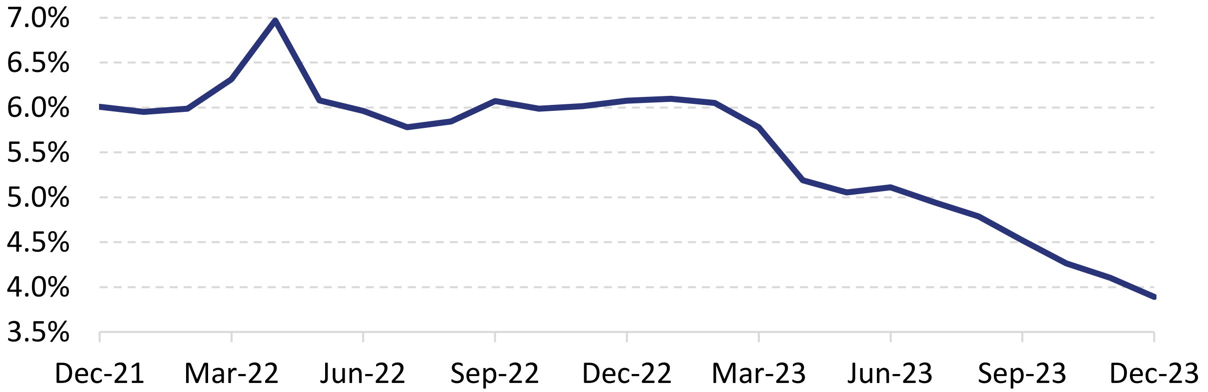
CONSUMER PRICE INDEX (CPI) (% Y/Y CHANGE)



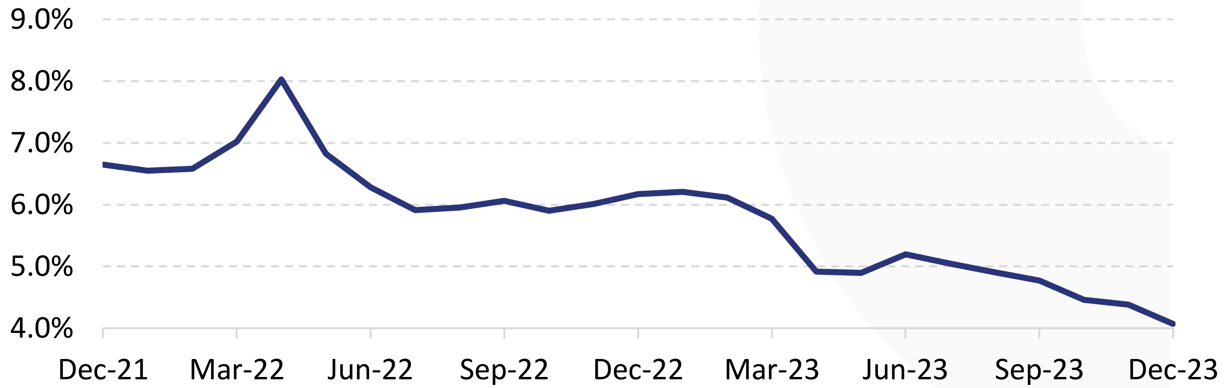
CPI: FOOD AND BEVERAGES (% Y/Y CHANGE)



CORE INFLATION (% Y/Y CHANGE)



CPI: MISCELLANEOUS (% Y/Y CHANGE)

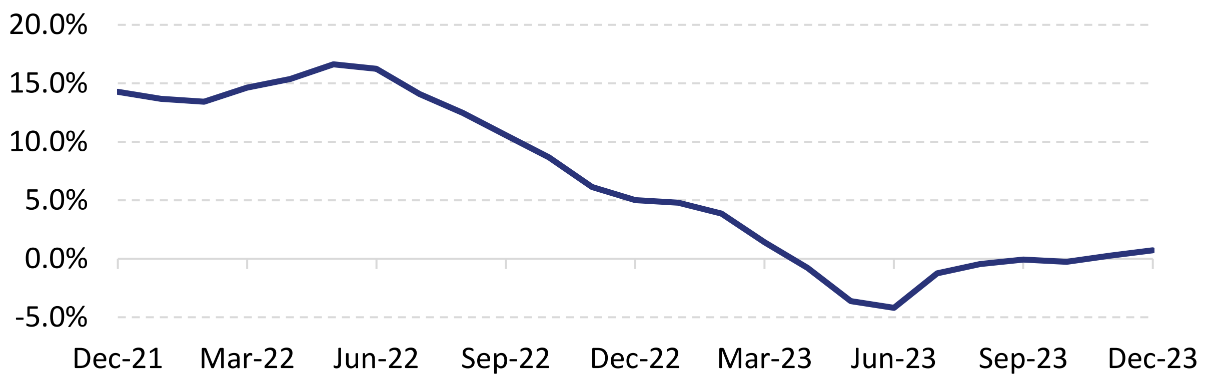


- CPI spiked to a 4-month high of 5.69% y/y in Dec'23, veering away from RBI's medium term 4% target, with another spike in food prices, amidst downside risk concerning upcoming kharif yield and the El Nino phenomenon. Continued downward trajectory of core inflation remains a positive for the MPC

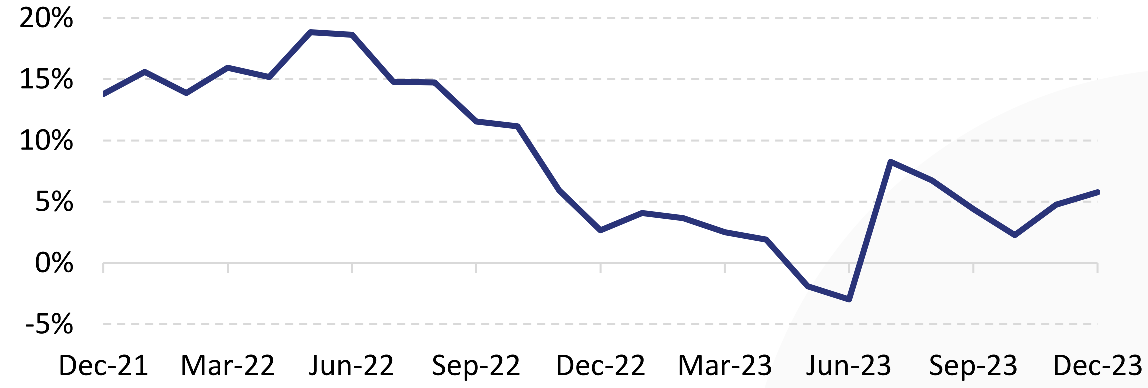
- ***We expect CPI to be 5.4% for FY24 with risks evenly balanced***

WPI TO INCREASE DUE TO BASE EFFECT

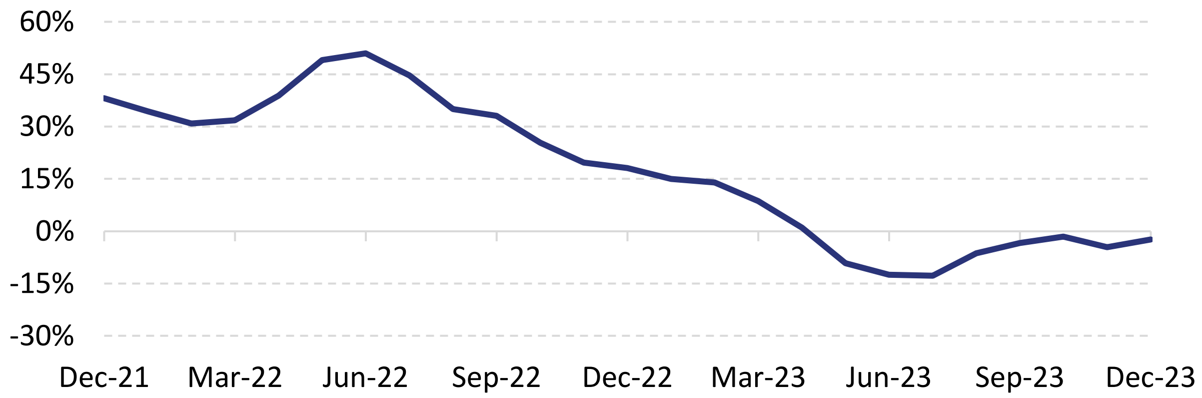
WHOLESALE PRICE INDEX (WPI) (% Y/Y CHANGE)



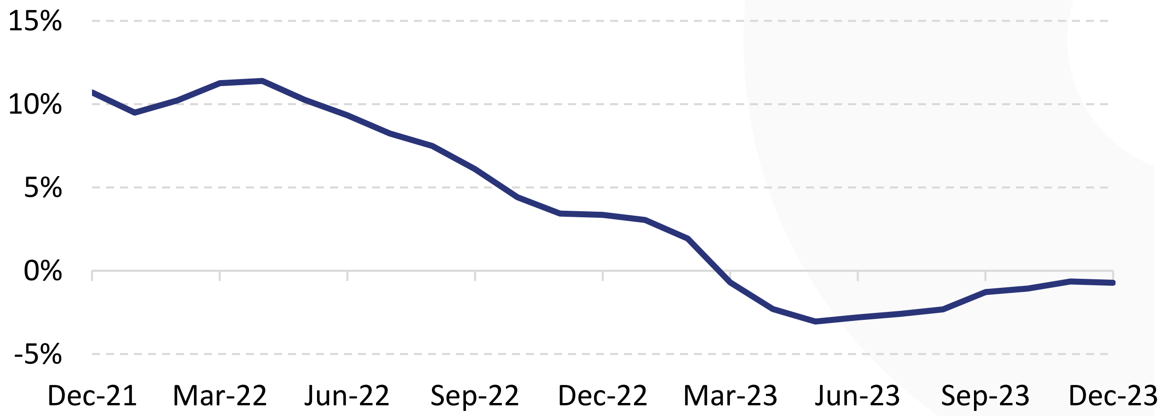
WPI: PRIMARY ARTICLES (% Y/Y CHANGE)



WPI: FUEL AND POWER (% Y/Y CHANGE)



WPI: MANUFACTURED PRODUCTS (% Y/Y CHANGE)



- Wholesale inflation rose by 0.73% y/y in Dec’23, higher than 0.26% y/y in Nov’23, due to higher food prices and few other primary articles, while fuel and power and manufactured products prices continue to dip
- Notably, food index rose by 5.39% y/y in Dec’23, spiking from 4.69% y/y in Nov’23, due to sharp rise in prices of pulses and onions.

Source: CEIC, SBICAPS

FINANCIAL SECTOR

INDUSTRY CREDIT GROWTH ON THE UPTICK

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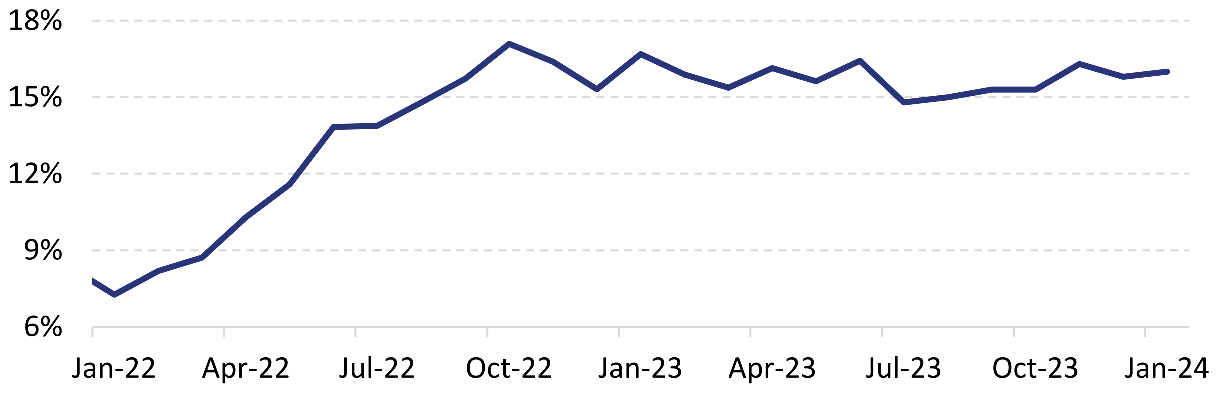
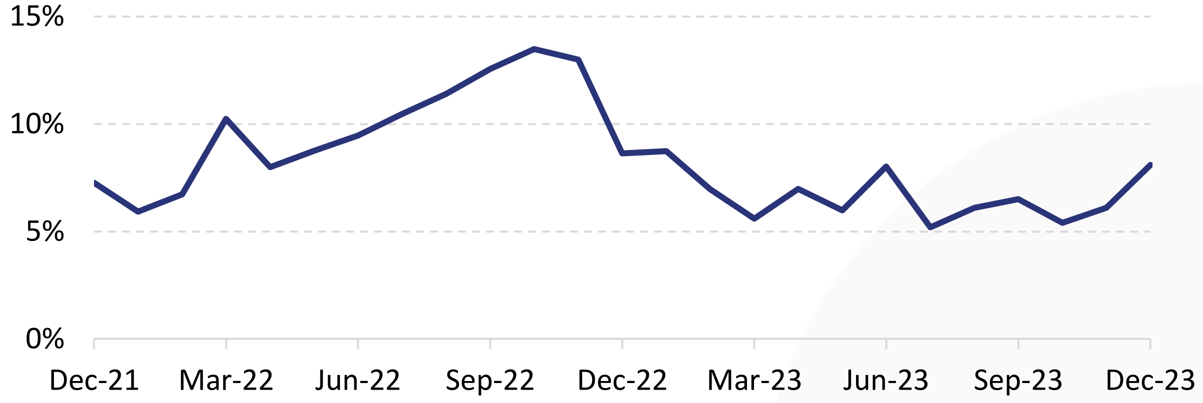
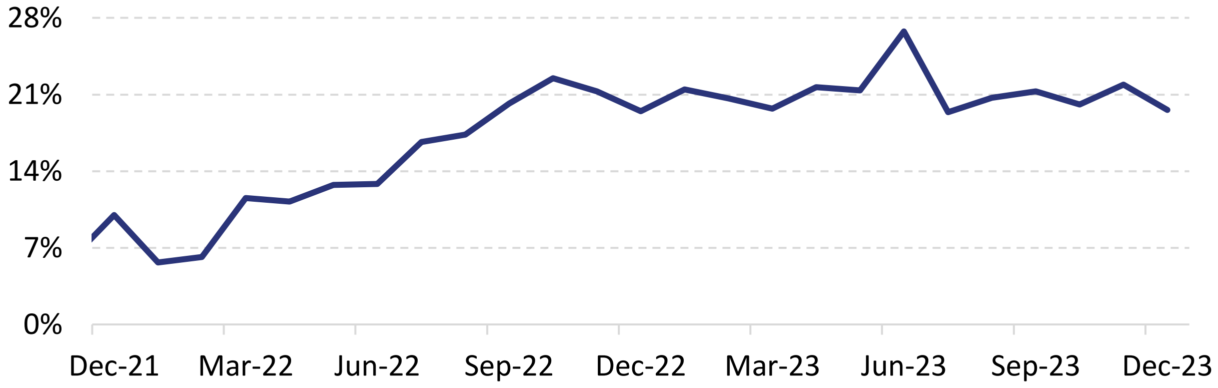
NON-FOOD CREDIT GROWTH* (% Y/Y)



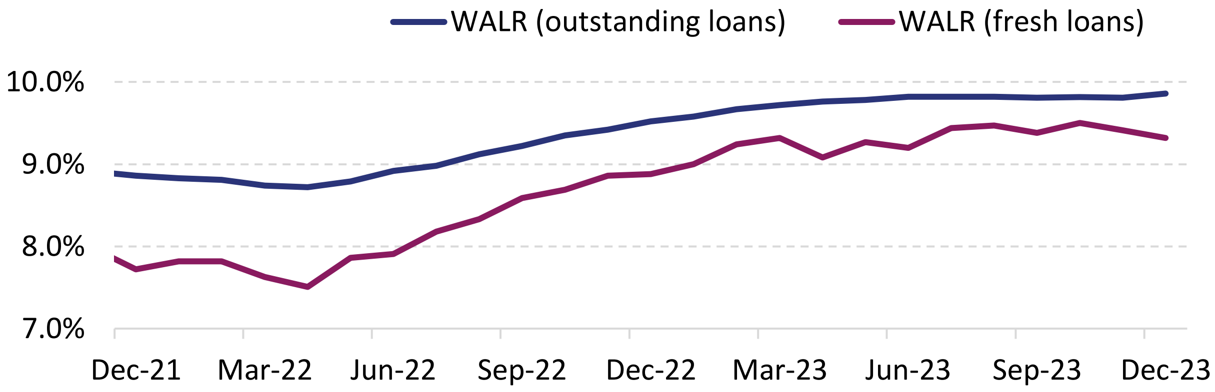
INDUSTRY CREDIT GROWTH (% Y/Y)



SERVICE CREDIT GROWTH (% Y/Y)



WEIGHTED AVERAGE LENDING RATES (WALR) (%)

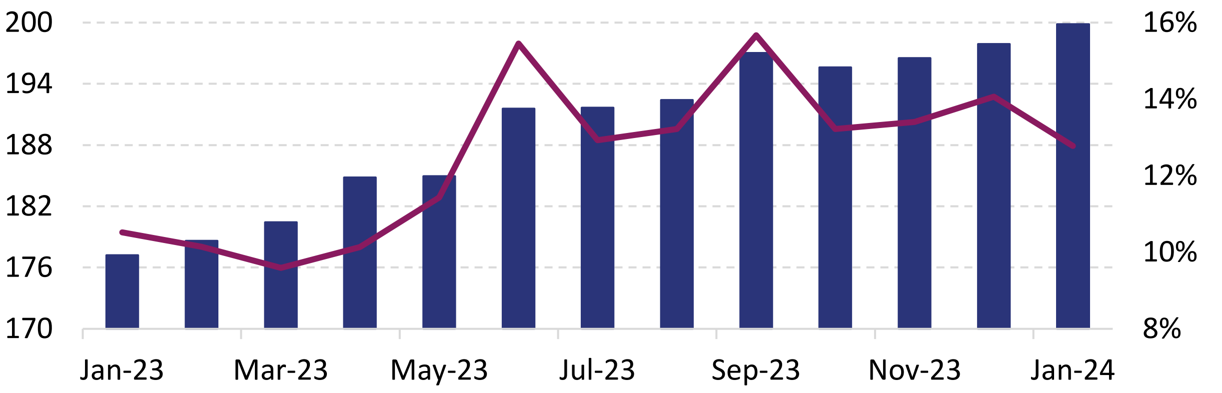


- Industrial credit growth saw substantial uptick in Dec’23. Credit to services sector moderates somewhat amidst lower rated NBFCs seeking bank credit
- WALR on fresh rupee loans dipped further to 9.32% in Dec’23, as the rate hike cycle transmission stands almost fully complete. 1-year MCLR edged upwards to 8.8%

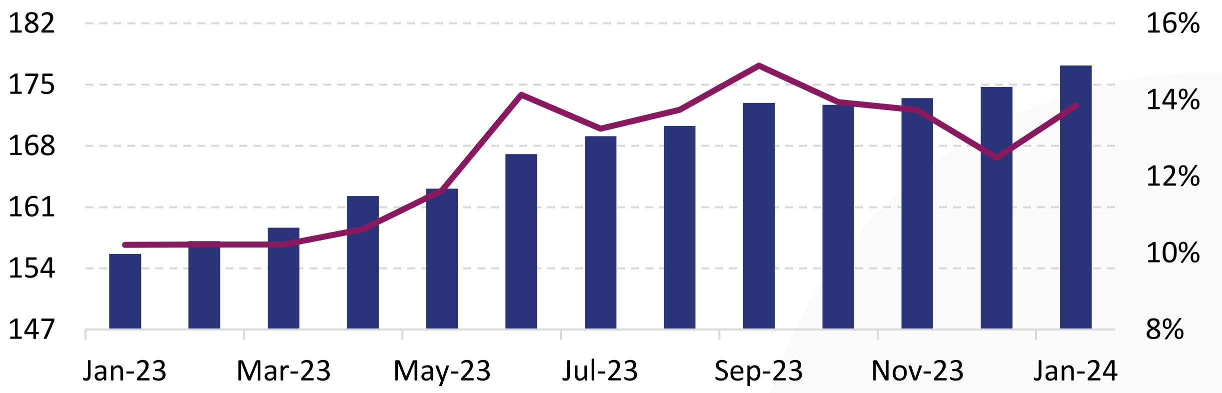
Source: CEIC, RBI, SBICAPS, *Note: Data excludes impact of merger of an HFC into a bank

MODERATE DEPOSIT GROWTH LAGS CREDIT

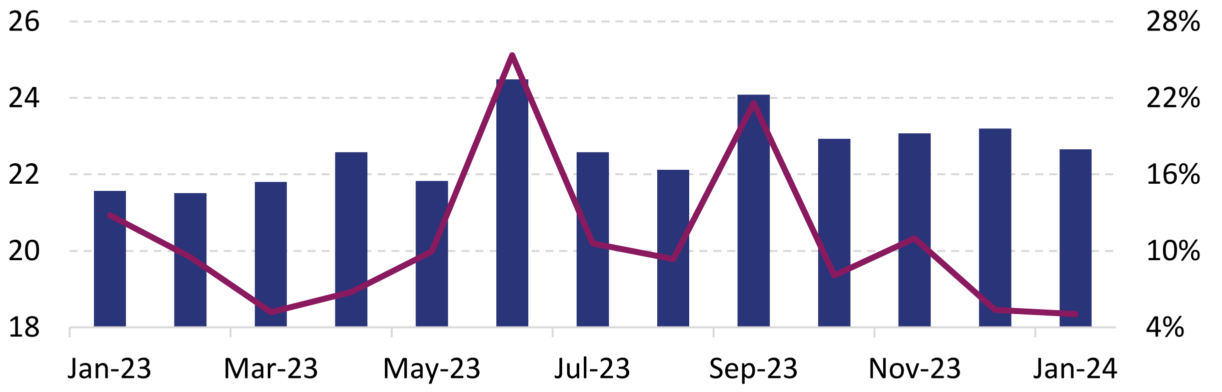
TOTAL DEPOSIT (RS TRN)



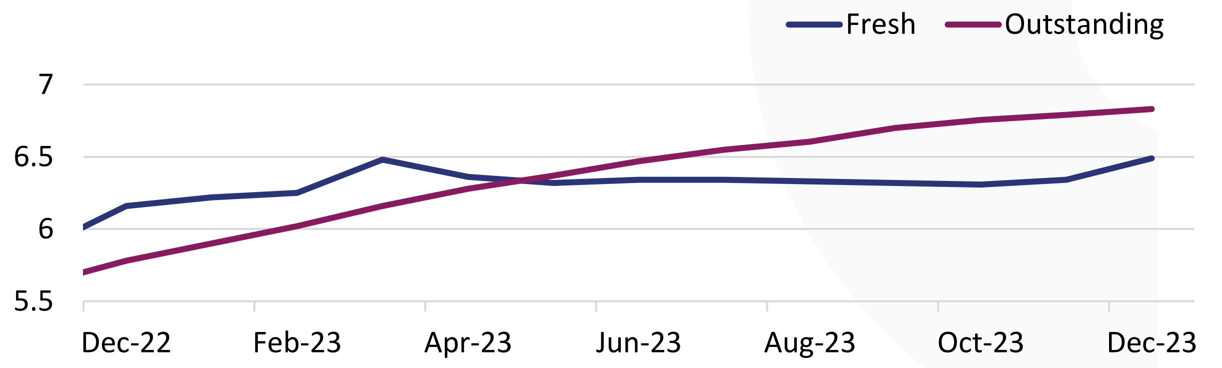
TIME DEPOSIT (RS TRN)



DEMAND DEPOSIT (RS TRN)



WEIGHTED AVERAGE TERM DEPOSIT RATES (WADTDR) (%)



- Deposit growth retains momentum with demand deposit growth lagging time deposit growth
- Rates have been escalated for retail deposits slower than overall, indicating focus on chunky wholesale deposits to fund credit growth

Grey line denotes y/y% change;

RBI REMAINS NIMBLE IN LIQUIDITY MANAGEMENT

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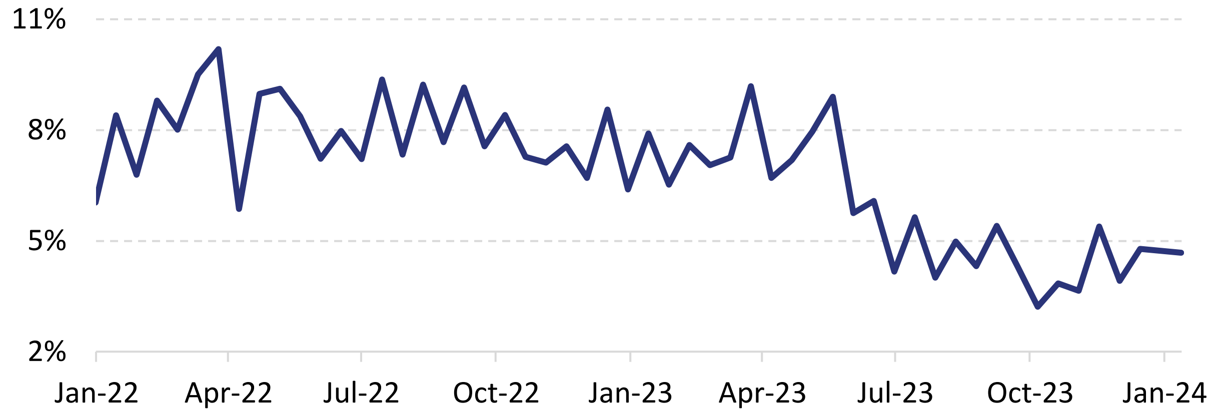
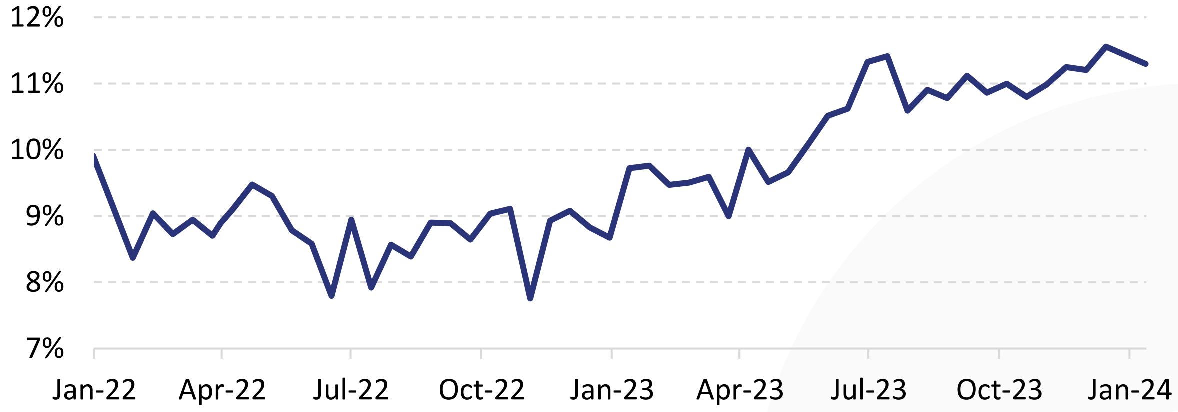
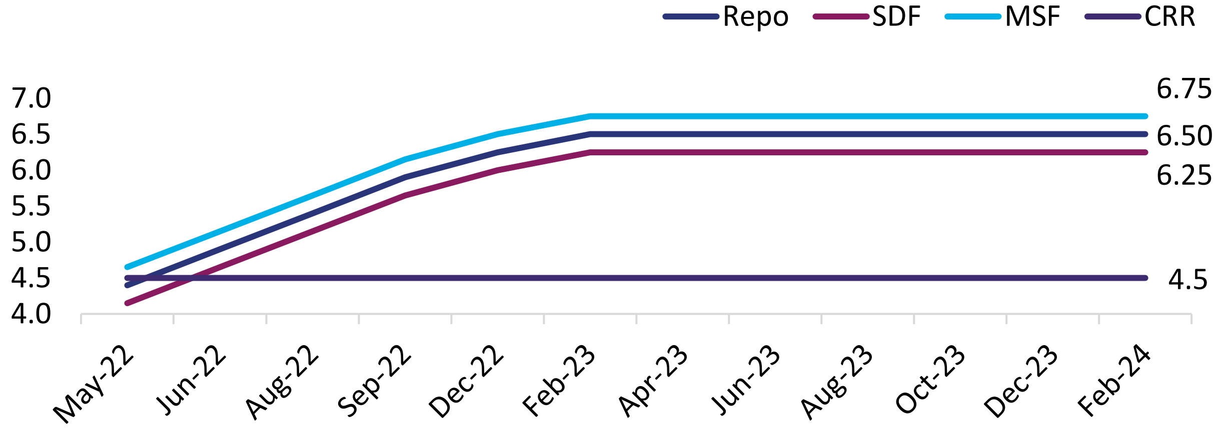
CURRENCY WITH PUBLIC (% Y/Y)



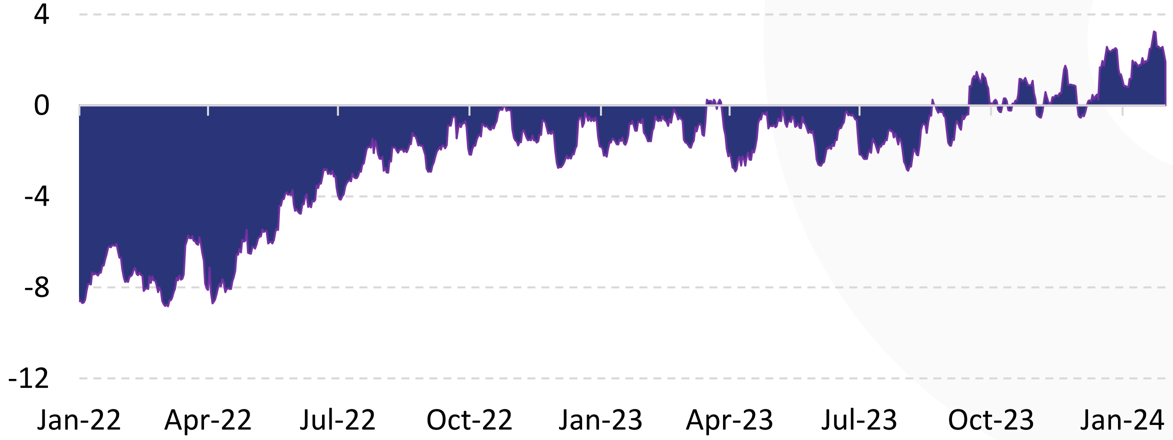
MONEY STOCK M3 (% Y/Y)



RBI POLICY RATES (%)



BLOOMBERG INDIA LIQUIDITY INDICATOR (RS. TRN)



- To ensure smoother liquidity operations, RBI has allowed settlement of MSF and SDF on holidays and weekends as well
- RBI has been conducting VRR and VRRR auctions in a bid to manage liquidity efficiently

DIGITAL PAYMENTS CREATE NEW HIGHS

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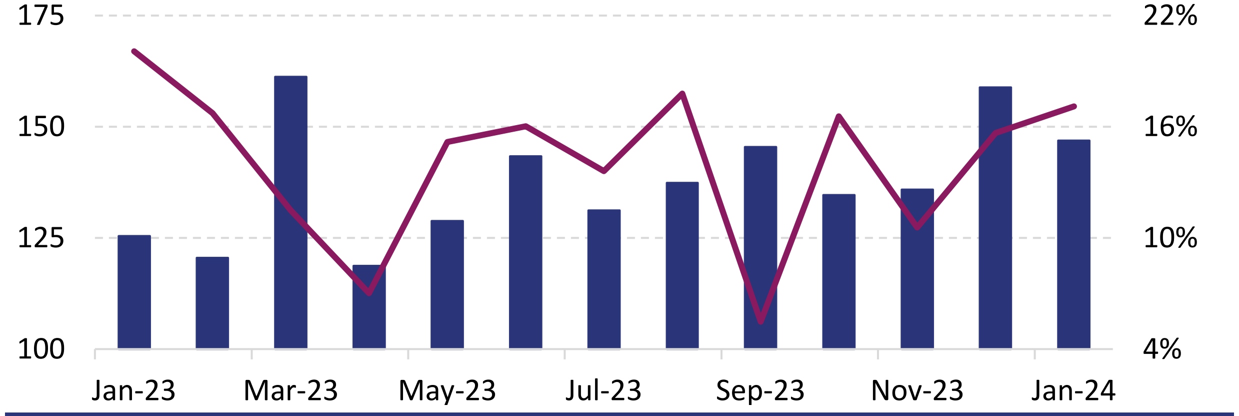
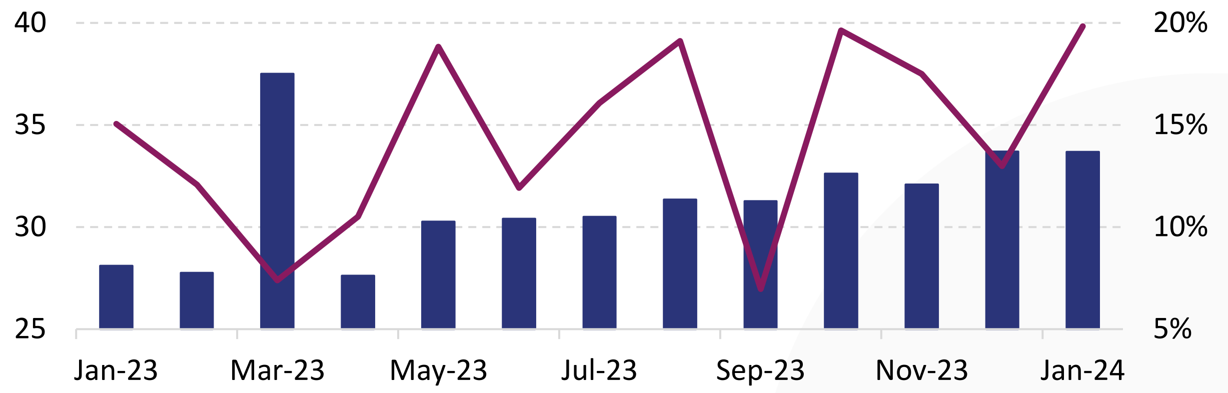
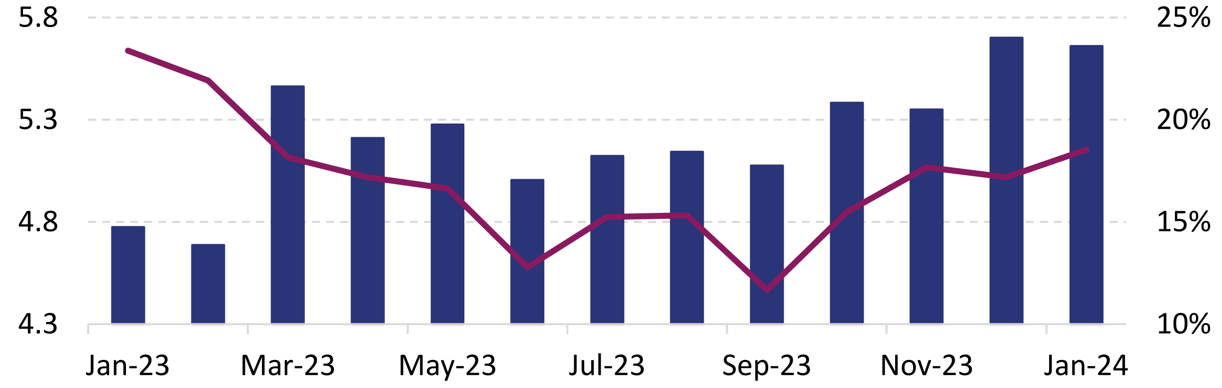
RTGS TRANSACTION (IN RS. TRN)



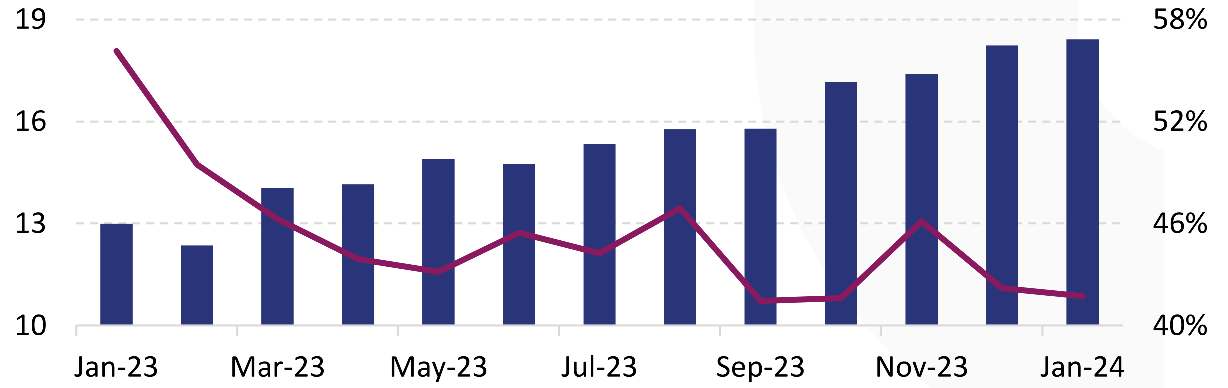
NEFT TRANSACTION (IN RS. TRN)



IMPS TRANSACTION (IN RS. TRN)



UPI TRANSACTION (IN RS. TRN)



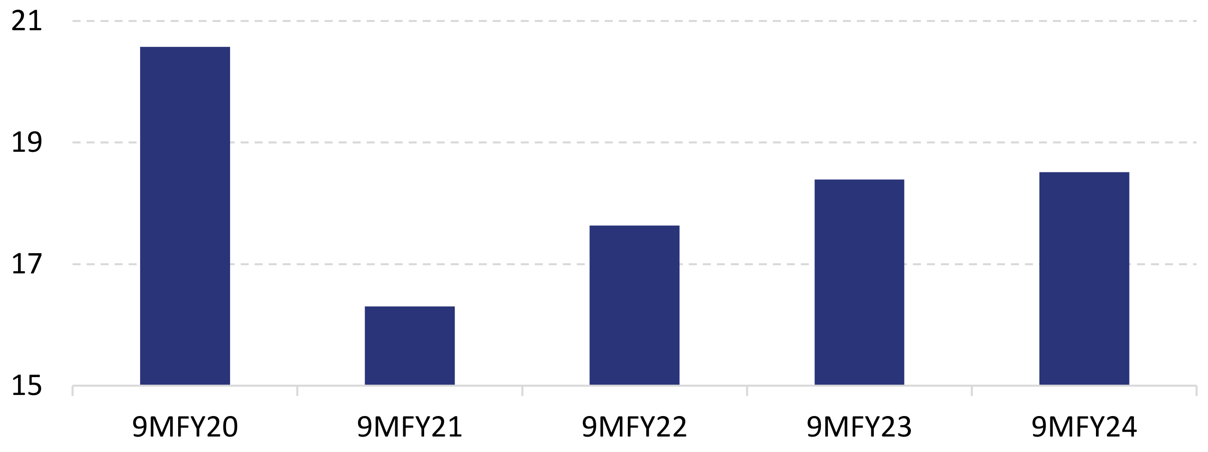
- UPI transactions have been creating all-time highs every month, growing by 42% y/y in Jan’24

Maroon line denotes y/y% change;

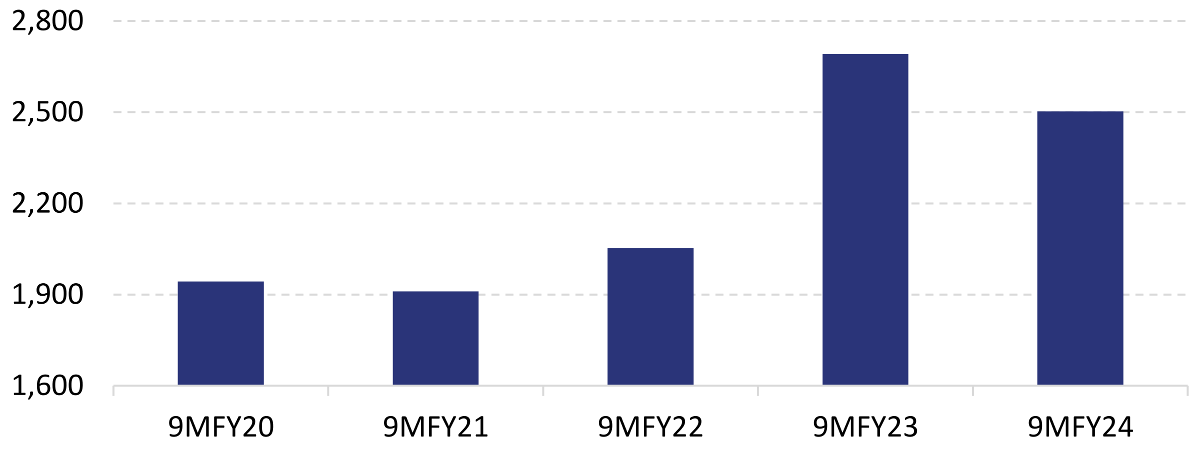
Source: CEIC, SBICAPS

NON-LIFE INSURERS PREMIUM GROWTH LEAD LIFE INSURERS IN 9MFY24

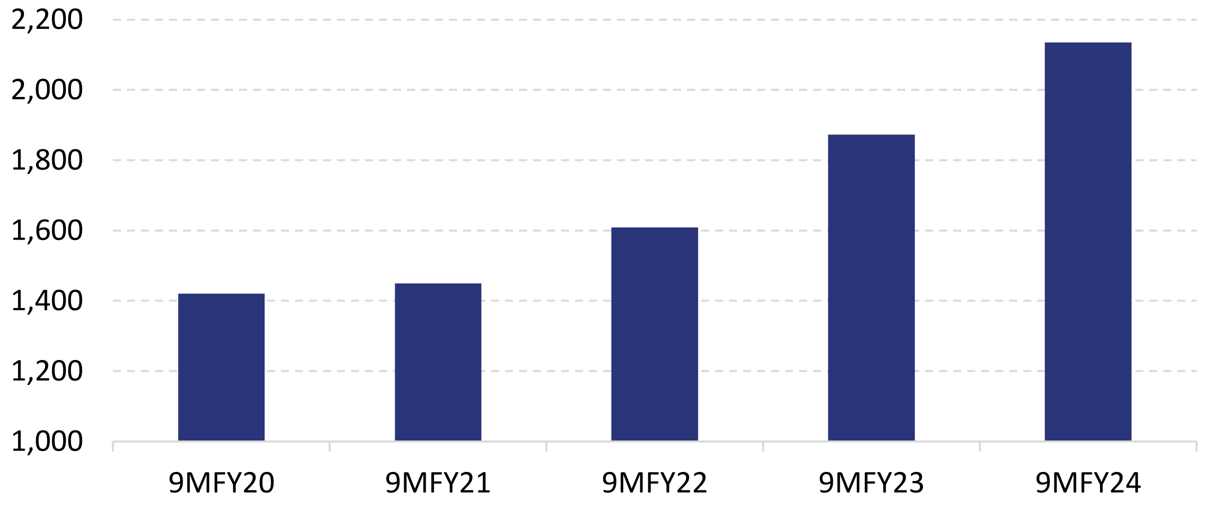
NEW LIFE INSURANCE POLICIES (IN MN UNITS)



FIRST YEAR PREMIUM- LIFE INSURANCE (IN RS. BN)



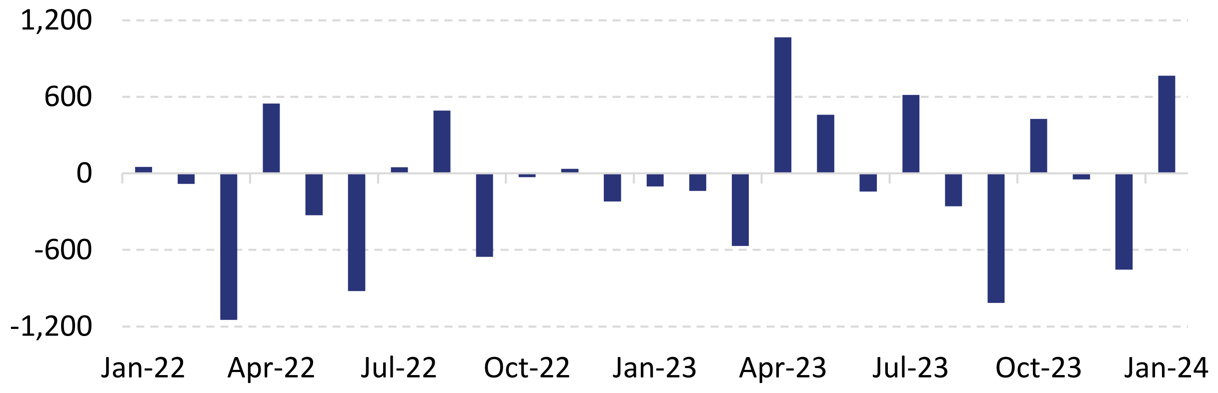
GROSS DIRECT PREMIUM- NON- LIFE INSURANCE (IN RS. BN)



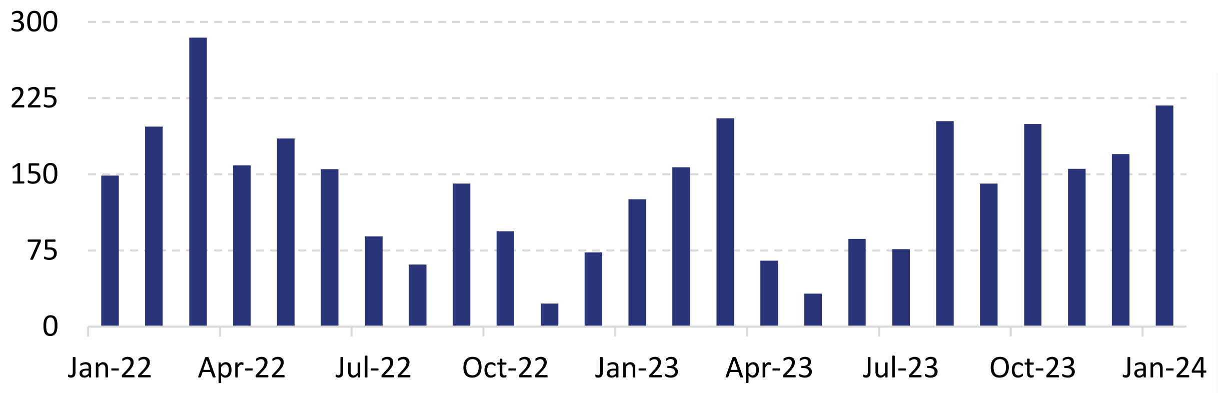
- Life insurers earned new business premia worth Rs. 386 bn in Dec'23, posting a robust 43.76% y/y increase
- This was driven by a 93.8% y/y increase in public sector premia to Rs. 230 bn on the back of growth in group business. Private insurers' premia grew by 4.2% y/y to Rs. 156 bn

MF AUM CROSSES A HISTORIC RS. 50 TRN

OPEN ENDED SCHEME: INCOME/DEBT MF NET INFLOW (RS. BN)

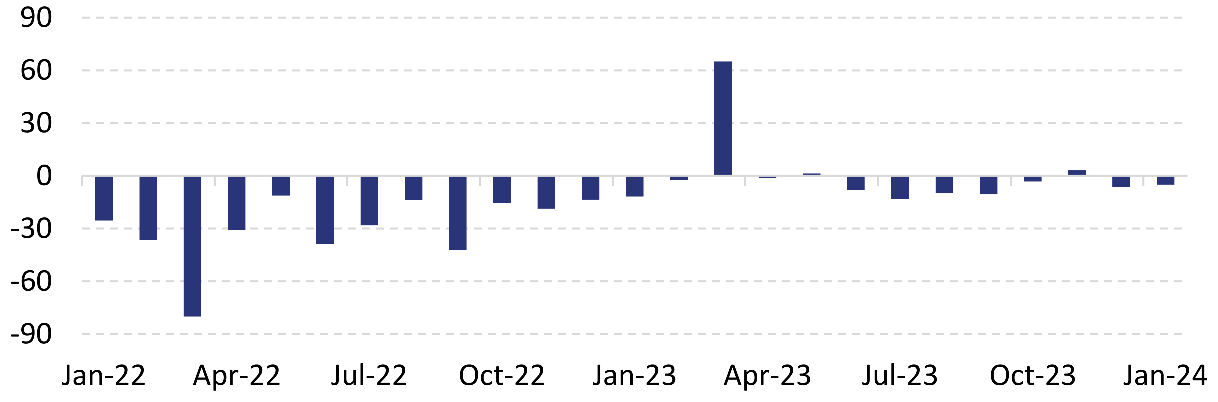


OPEN ENDED SCHEME: EQUITY MF NET INFLOW (RS. BN)



CORPORATE BOND NET INFLOW (RS. BN)

BANKING AND PSU FUND NET INFLOW (RS. BN)



- Equity mutual funds saw inflows of Rs 217.8 bn for Jan’24, 28% higher m/m (Dec’23: Rs. 169.97 bn) led by strong inflows in sectoral funds to the tune of Rs 48.04 bn, while small caps witnessed inflows of Rs 32.57 bn
- Debt funds saw inflows of Rs 764.69 bn (Dec’23: Rs 755.60 bn outflow) with liquid funds receiving majority of the inflows at Rs 494.67 bn. Corporate bond funds witnessed net inflows of Rs 13.01 bn

07

FISCAL POSITION

FISCAL DEFICIT TO CONTRACT IN FY25BE VS. FY24RE

ITEM (RS BN)	FY23A	FY24BE	FY24RE	FY25BE	GROWTH FY24RE/FY23A	GROWTH FY25BE/FY24RE	9MFY24	9MFY24/FY24 RE
Corporation Tax	8,258	9,227	9,227	10,428	11.7%	13.0%	7,217	78%
Income Tax	8,333	9,006	10,223	11,560	22.7%	13.1%	6,856	67%
Customs Duty	2,134	2,331	2,187	2,313	2.5%	5.8%	1,582	72%
Excise Duty	3,190	3,390	3,081	3,235	-3.4%	5.0%	2,025	66%
Service Tax	4	5	5	1	16.0%	-80.0%	4	79%
GST	8,491	9,566	9,566	10,677	12.7%	11.6%	6,867	72%
Other Taxes	132	84	83	94	-36.9%	13.1%	274	
Gross tax revenue	**30,542**	**33,609**	**34,372**	**38,308**	**12.5%**	**11.5%**	**24,825**	**72%**
(-) Transfer to States, UTs	9,484	10,214	11,045	12,198	16.5%	10.4%	7,473	68%
Net tax revenue	**20,978**	**23,306**	**23,239**	**26,016**	**10.8%**	**11.9%**	**17,299**	**74%**
Non-Tax Revenue	**2,854**	**3,017**	**3,758**	**3,997**	**31.7%**	**6.4%**	**3,124**	**83%**
Non-debt Capital Receipts	**722**	**840**	**560**	**790**	**-22.4%**	**41.1%**	**297**	**53%**
Total Receipts	**24,554**	**27,163**	**27,557**	**30,803**	**12.2%**	**11.8%**	**20,719**	**75%**
Revenue Expenditure	34,531	35,021	35,402	36,547	2.5%	3.2%	23,806	67%
Capital Expenditure	7,400	10,010	9,502	11,111	28.4%	16.9%	6,736	71%
Total Expenditure	**41,932**	**45,031**	**44,905**	**47,658**	**7.1%**	**6.1%**	**30,542**	**68%**
Revenue Deficit	**10,699**	**8,699**	**11,105**	**6,534**	**3.8%**	**-41.2%**	**3,383**	**30%**
Fiscal Deficit	**17,378**	**17,868**	**17,348**	**16,855**	**1.0%**	**-4.0%**	**9,823**	**56%**
Nominal GDP	**2,72,410**	**3,01,750**	**2,96,577**	**3,27,718**	**8.9%**	**10.5%**		

- Government has put a focus on reaching towards the goal of 5.1% fiscal deficit in FY25BE. This would be buttressed on a growth in total receipts (ex-borrowing by 12%, while total expenditures have only inched by 6% (both figures are FY25BE vs. FY24RE)

Source: Union Budget Documents, CGA, SBICAPS

ROBUST GROWTH IN TAX REVENUE IN DEC'23

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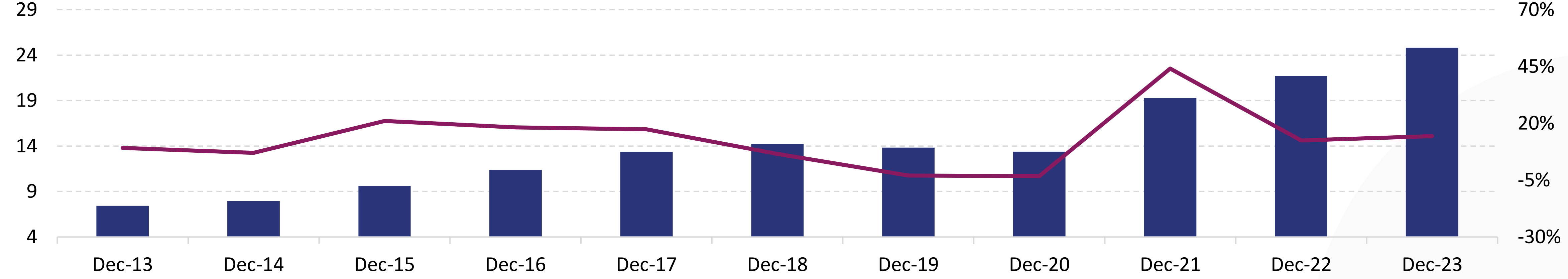
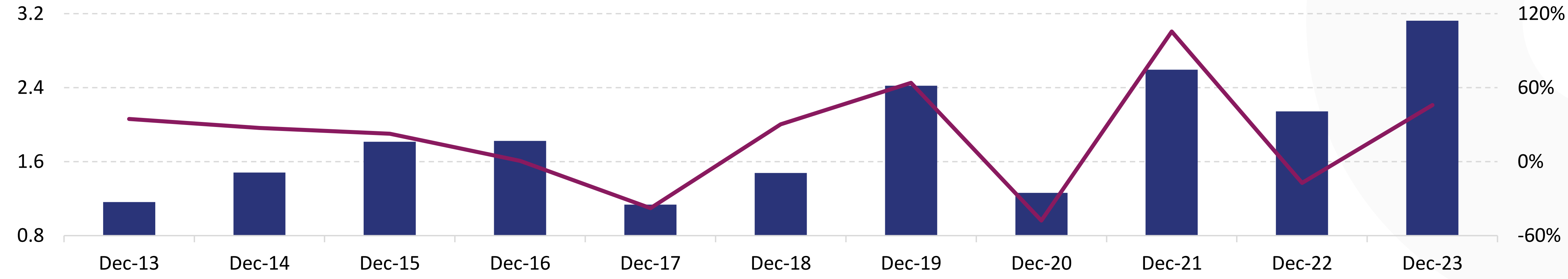
GROSS TAX REVENUE (RS TRN) - YTDFY



GROSS NON-TAX REVENUE (RS TRN) - YTDFY



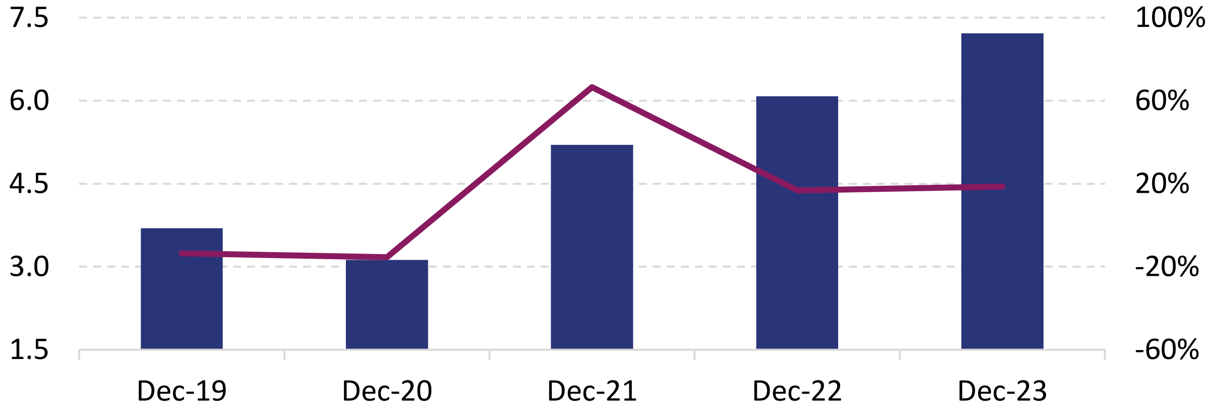
- Net direct tax collection stood at Rs. 15.60 trn as of 10 Feb'24, reaching 80% of FY24RE at Rs. 19.45 trn. The gross collections till 10 Feb'24 increased by 17.3% y/y to Rs. 18.38 trn
- Non-tax revenues raised overall receipts, buoyed by a large dividend from the RBI to the Union. Dividends from CPSEs and PSU banks could beat estimates

Note: Maroon line is y/y and on RHS;

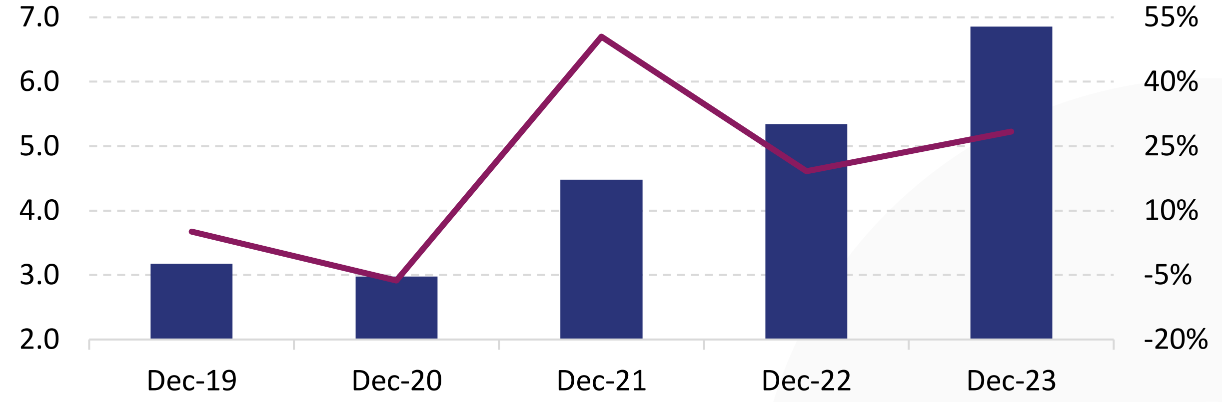
Source: CEIC, SBICAPS

INCOME TAX COLLECTION BUOYS REVENUES IN 9MFY24

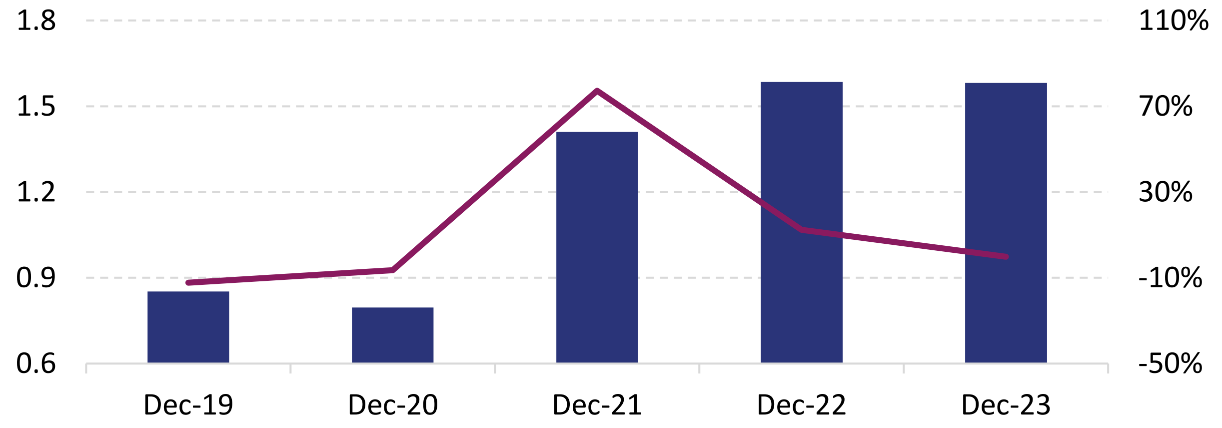
CORPORATE TAX (RS TRN) - YTDFY



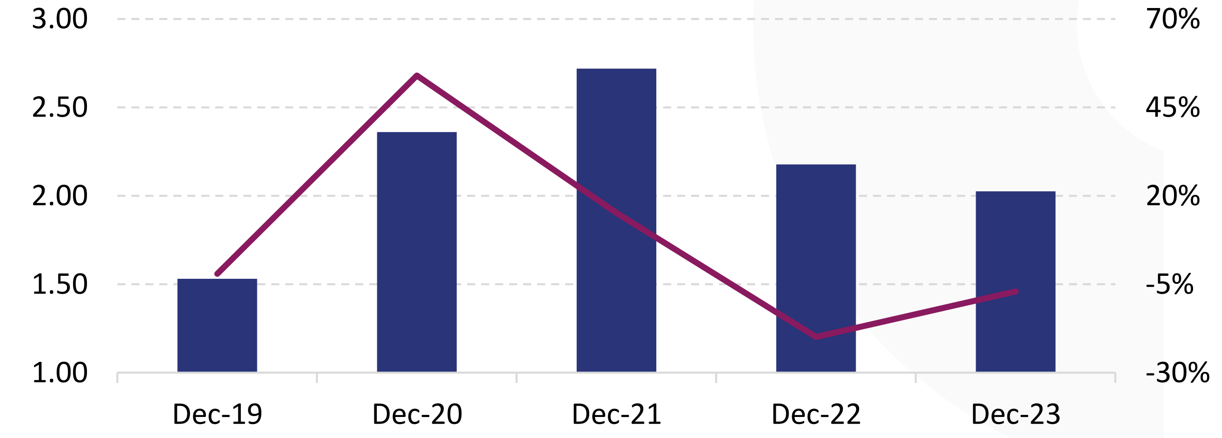
INCOME TAX (RS TRN) - YTDFY



CUSTOMS (RS TRN) - YTDFY



UNION EXCISE DUTIES (RS TRN) - YTDFY

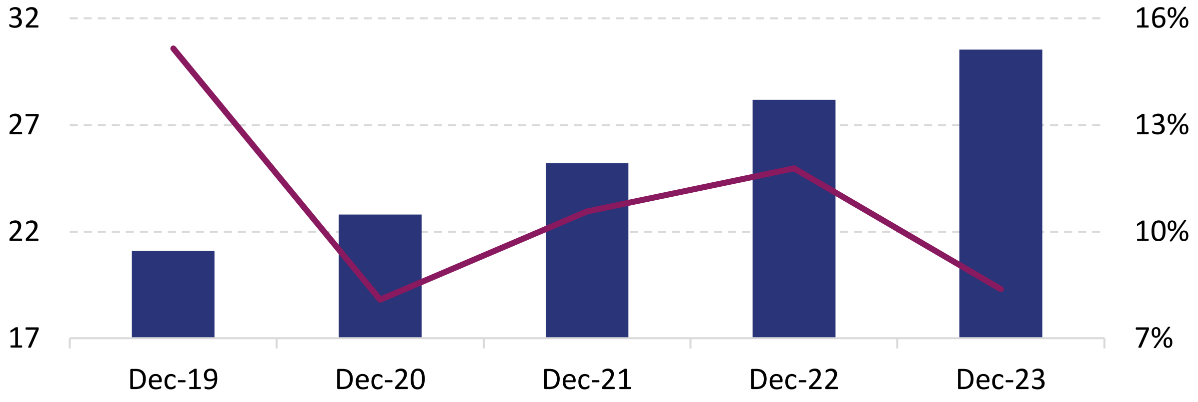


- Surge in corporation tax collections underscores vitality of business sector, while income tax registered healthy growth, taking collections higher in 9MFY24
- Government has kept itself ample headroom in FY24RE considering the momentum being seen in direct tax collections

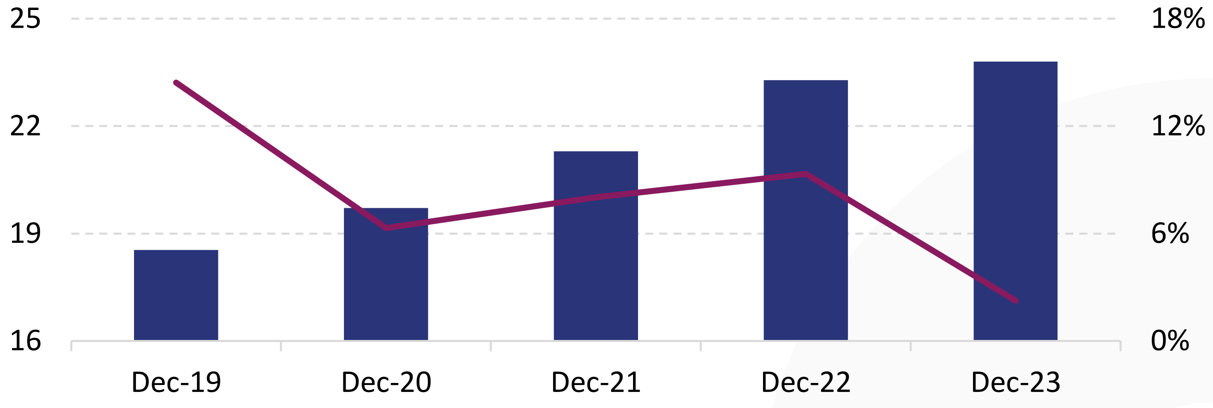
Note: Maroon line is y/y and on RHS;

CAPEX RETAINS ITS STRONG PACE

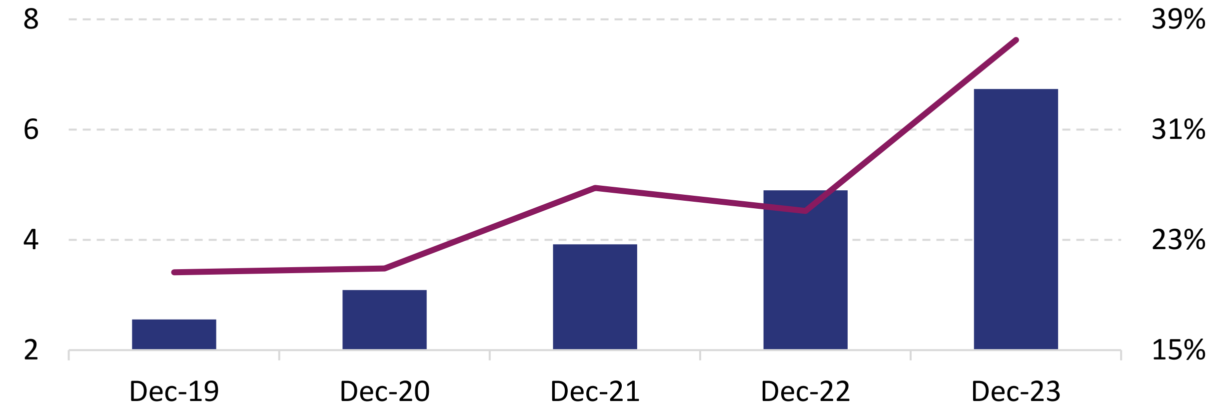
OVERALL EXPENDITURE (RS TRN) - YTDFY



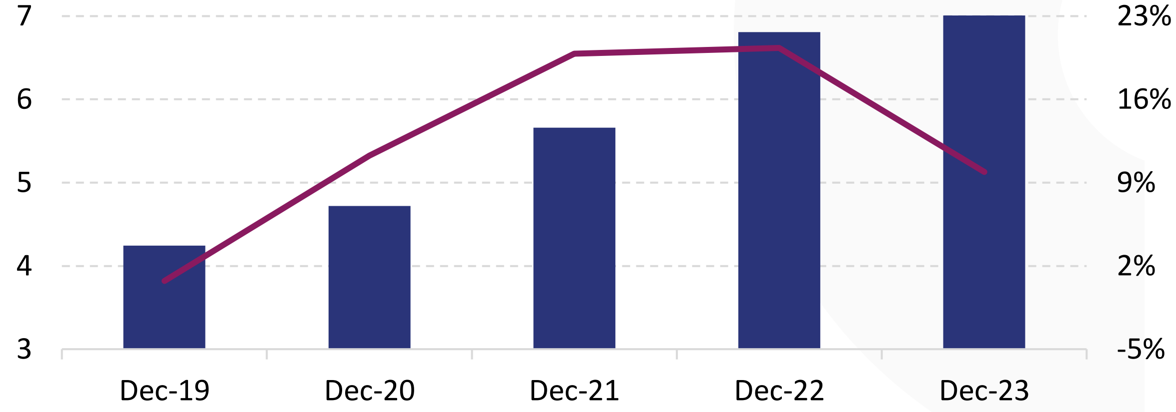
REVENUE EXPENDITURE (RS TRN) - YTDFY



CAPITAL EXPENDITURE (RS TRN) - YTDFY



INTEREST PAYMENTS (RS TRN) - YTDFY



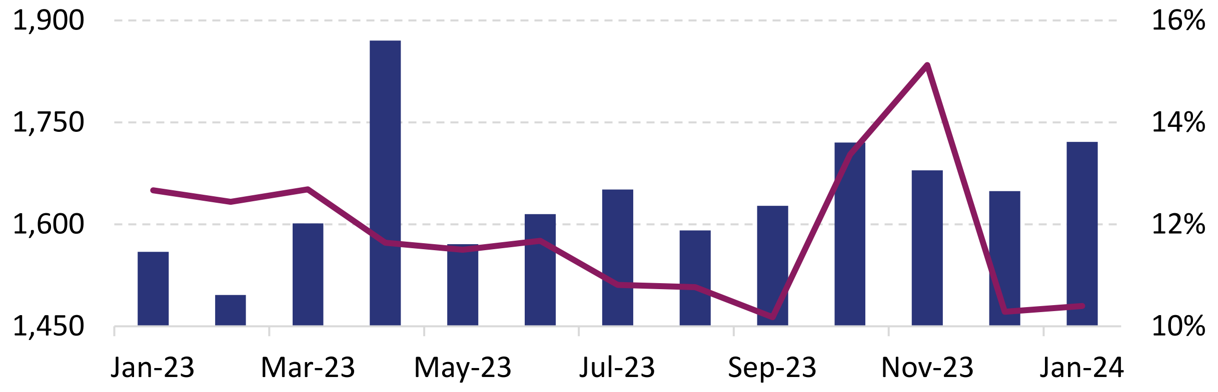
- Capital expenditure maintained its strong growth trajectory, with Roads and Railways seeing steady growth. Large CPSEs reached 83% of their combined capex target in 10MFY24
- Supplementary demand for grants saw an incremental net outlay of <Rs. 600 bn as the Union favoured fiscal prudence

Note: Maroon line is y/y and on RHS;

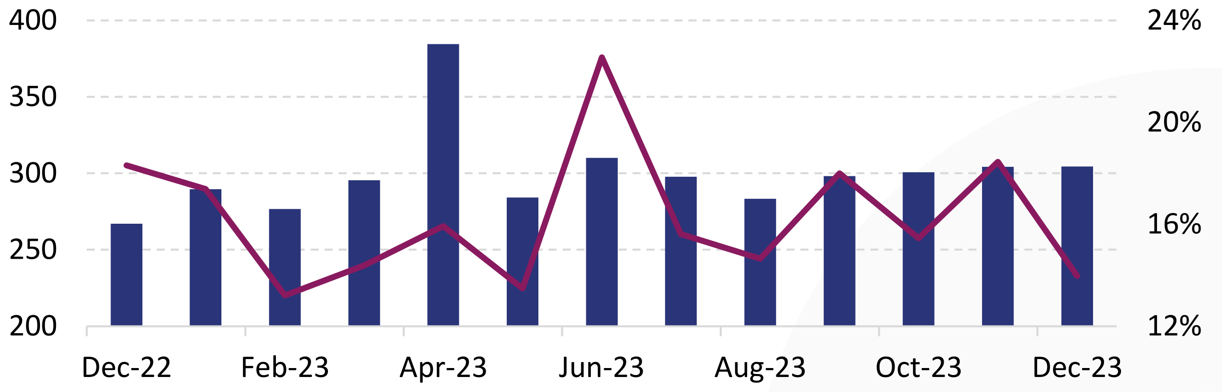
Source: CEIC, SBICAPS

GST COLLECTIONS PICKS UP A BIT IN JAN'24

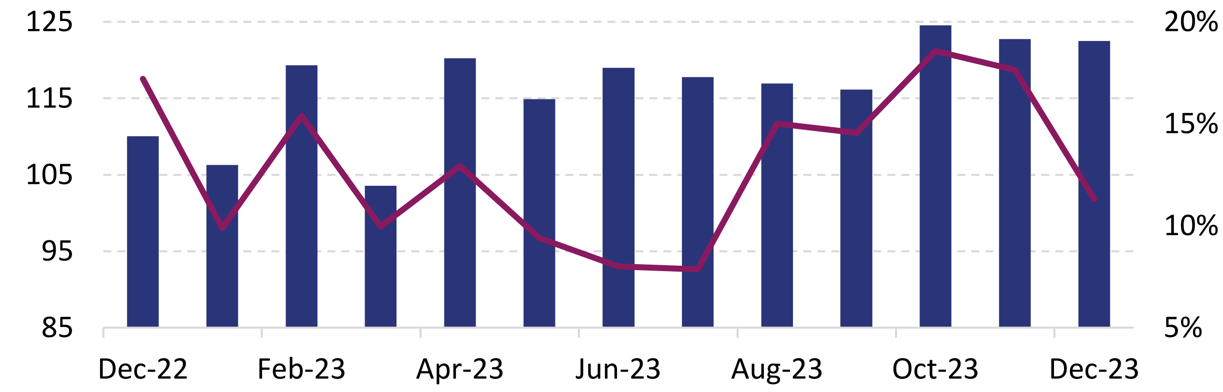
GST REVENUE (IN RS. BN)



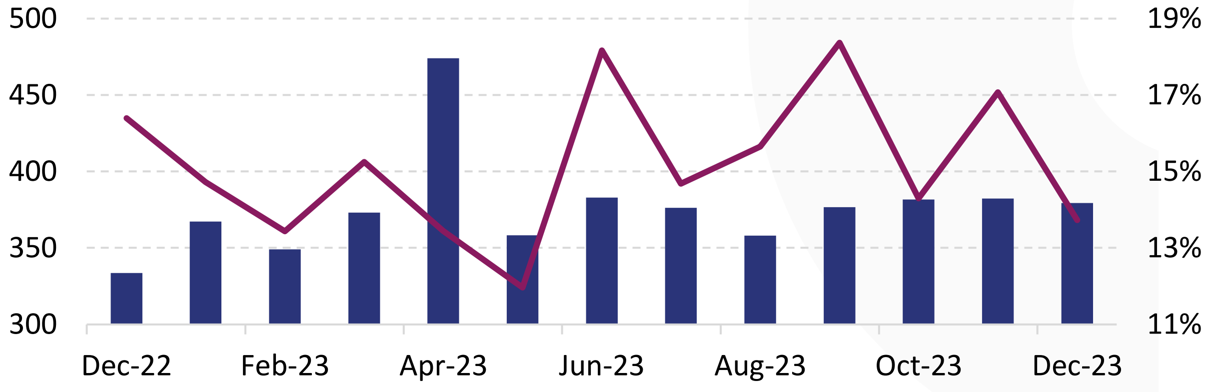
CGST COLLECTIONS (IN RS. BN)



IGST COLLECTIONS (IN RS. BN)



SGST COLLECTIONS (IN RS. BN)

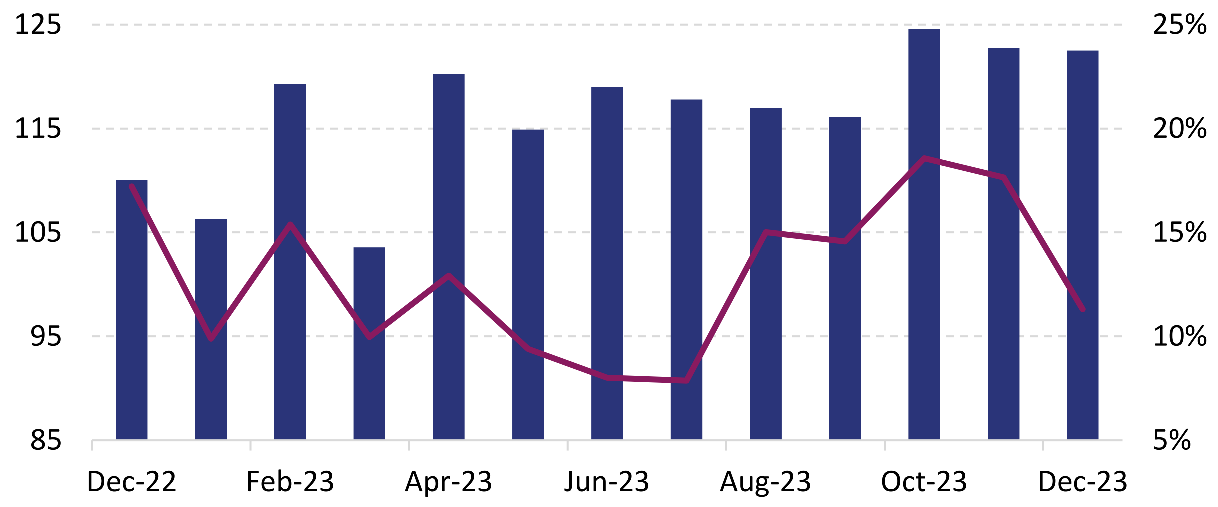


- GST revenue collection grew at 10.4% y/y in Jan'24 to ~Rs. 1.72 trn, crossing the Rs. 1.6 trn mark for the 8th time in FY24
- Union has settled Rs. 435 bn for CGST and Rs. 372 trn for SGST from IGST collections in Jan'24

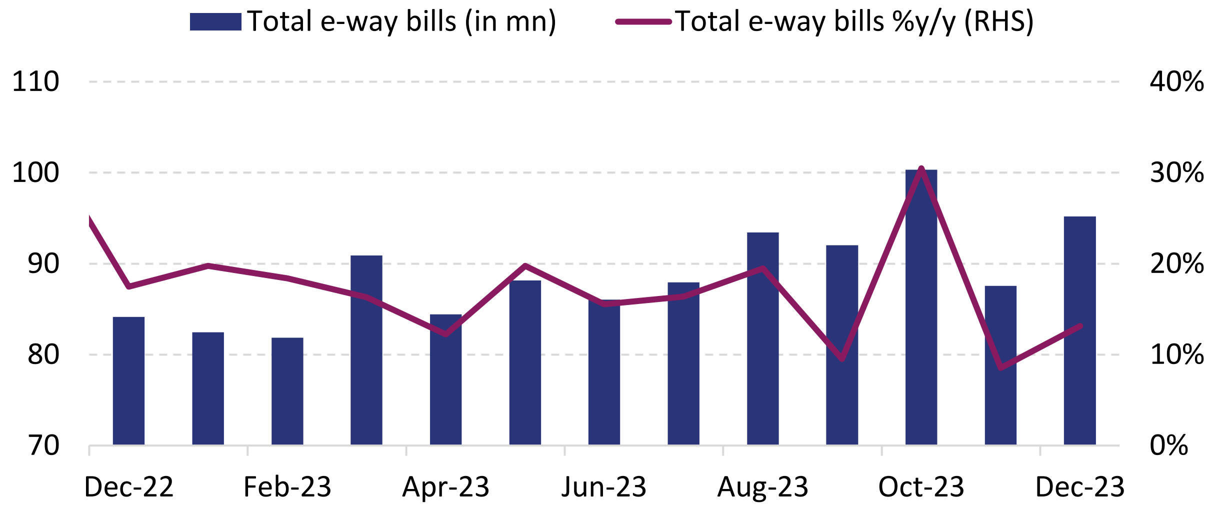
Note: Maroon line is y/y and on RHS;

YEAR END FERVOUR PUSHES UP E-WAY BILLS

GST COMPENSATION CESS (IN RS. BN)



E-WAY BILL GENERATION (IN MN)

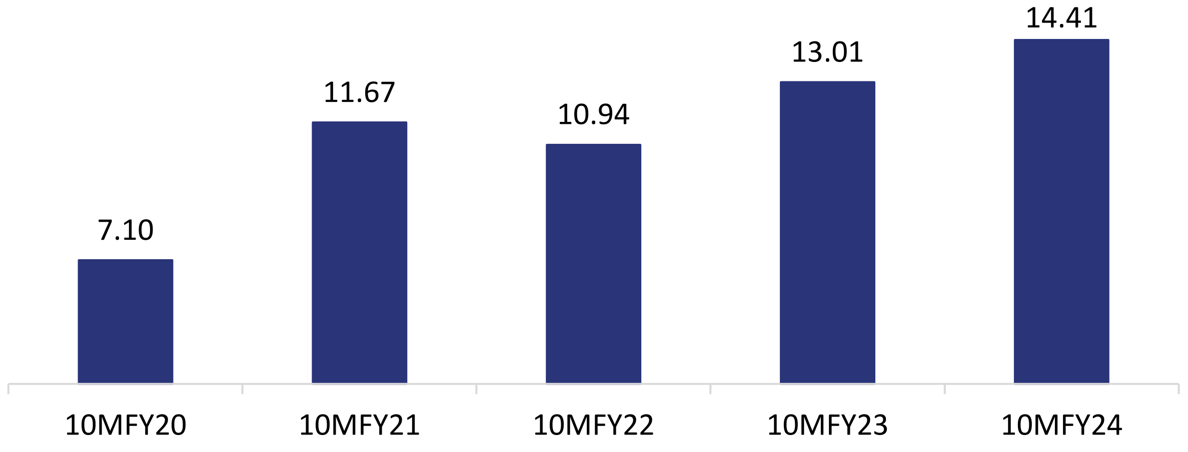


- Pick-up in e-way bills for Dec’23 could be attributed to year-end discounts being given on automobiles, electronic goods, and garments, as they seek to liquidate their stocks before the New Year

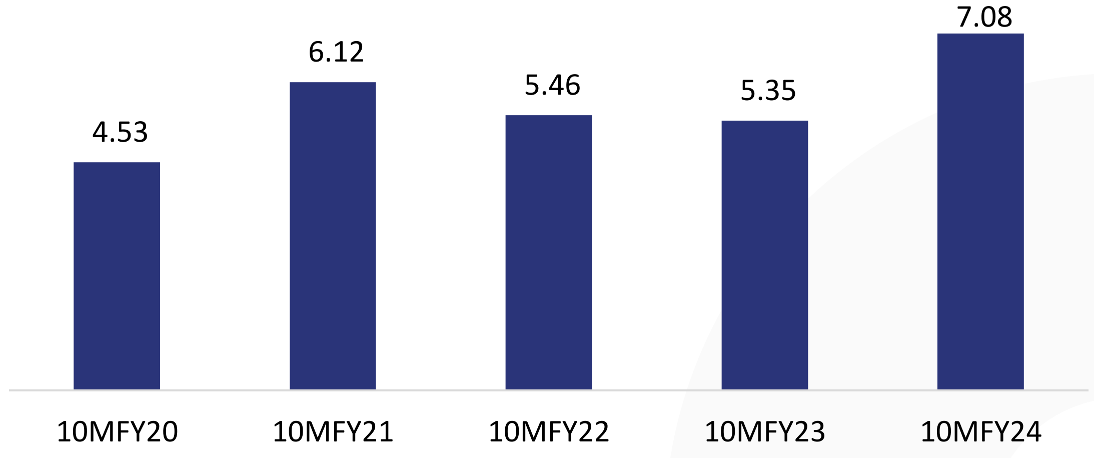
Source: CEIC, The Hindu Businessline, SBICAPS

UNION SETS SLIMMER BORROWING TARGET FOR FY25

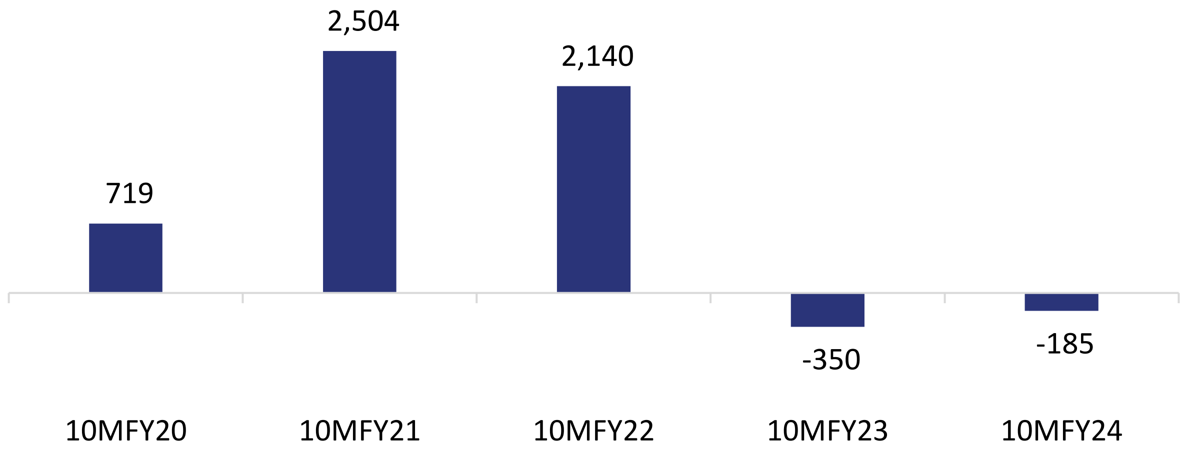
G-SEC: GROSS AMOUNT RAISED YTD (RS TRN)



SGS BIDS ACCEPTED YTD (RS TRN)



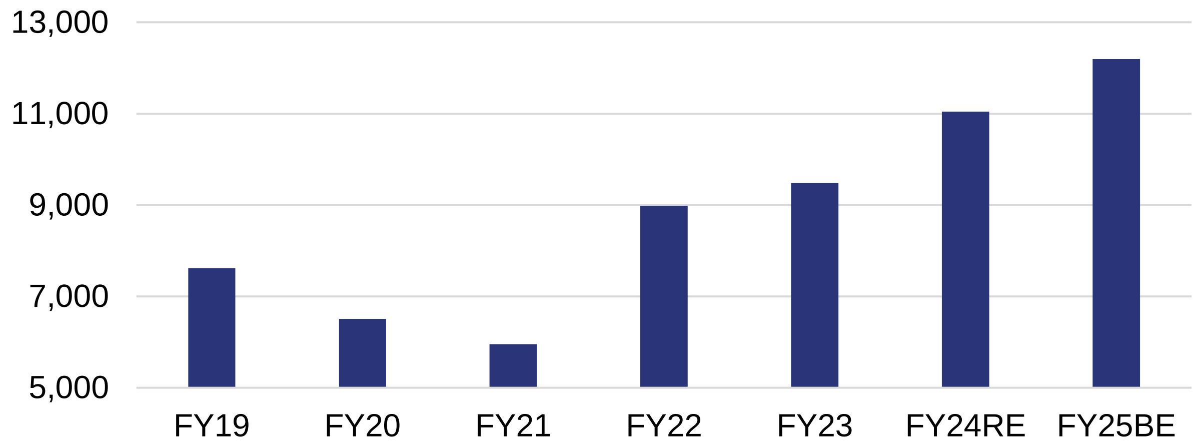
CUMULATIVE NET OMOS (RS BN)



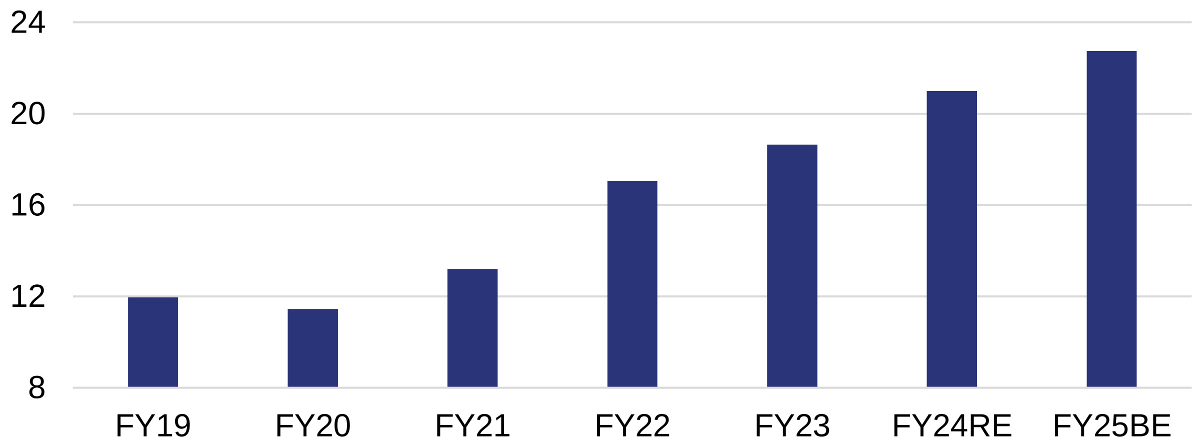
- Union is expected to meet its borrowing target for FY24, meeting the fiscal trajectory
- For FY25, the Union has curbed its gross and net borrowing from FY24 levels, strictly sticking to fiscal consolidation

TRANSFER TO STATES KEEPS BURGEONING

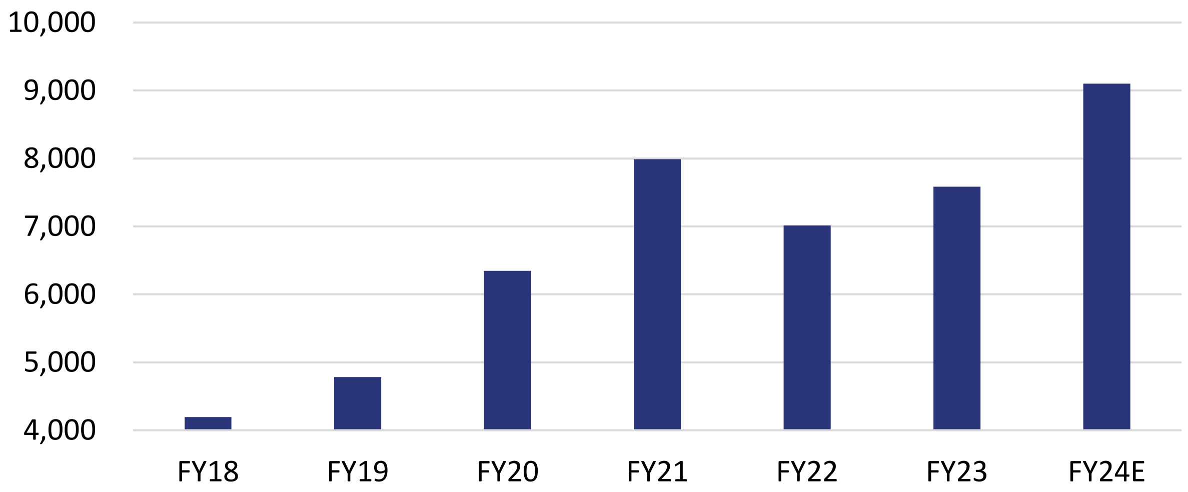
STATES SHARE IN UNION TAXES (RS BN)



TOTAL TRANSFER TO STATES AND UTS (RS TRN)



GROSS MARKET BORROWING BY STATES (RS BN)



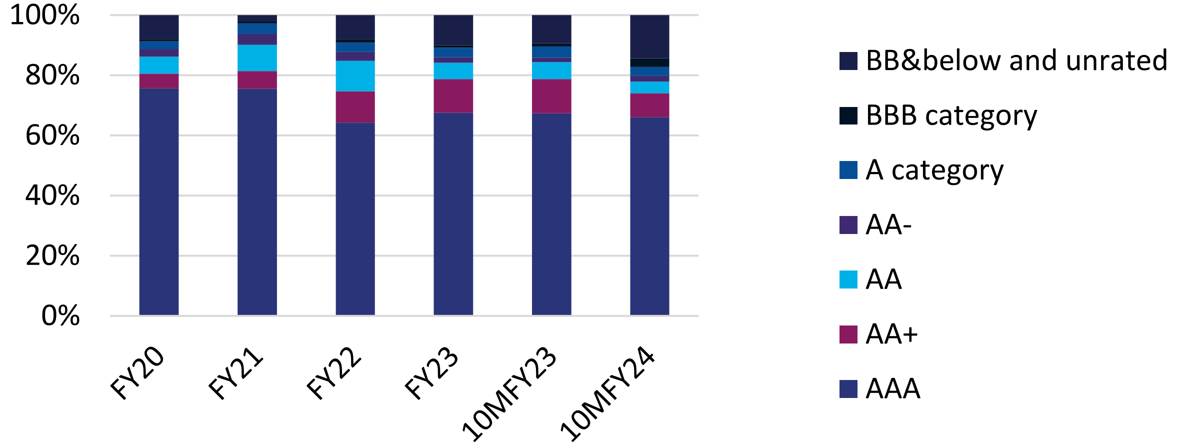
- The share of states in gross tax revenues has increased in recent years and growth witnessed in shared components is much greater than others such as excise
- *We estimate gross SGS issuance of ~Rs. 9.1 trn in FY24 compared to Rs. 7.58 trn in FY23*

Source: CEIC, Budget documents, SBICAPS

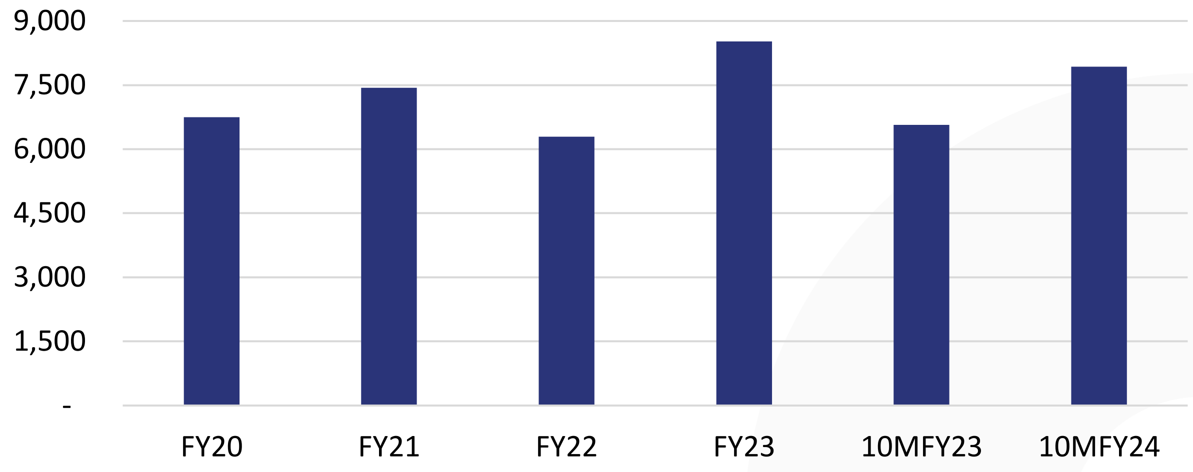
DEBT MARKET

CORPORATE BOND ISSUANCES REMAIN HIGHER IN FY24

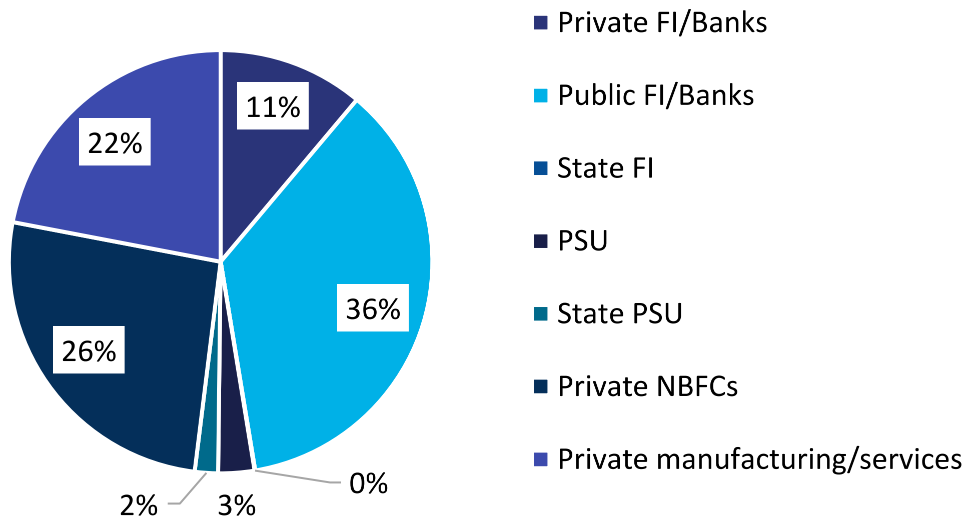
ISSUANCE (RS. BN.) WITH RATING SPLIT (%)



YEAR -WISE GROSS ISSUANCES (RS. BN.)



ISSUER TYPE WISE ISSUANCES BY AMOUNT (AS % OF TOTAL) – 9MFY



- Total issuances in 10MFY24 are ~21% higher y/y, with healthy issuance momentum from banks and NBFCs in Q1
- Corporate bond issuances were at their highest since Jun'23 in Dec'23 due to easing of bond yields, increased costs of bank borrowings and stable market conditions
- Union's decision to lower borrowings in FY25BE has opened window of opportunity for corporate bond issuances.

LIQUIDITY DEFICIT LEADS TO FURTHER HARDENING OF CP RATES

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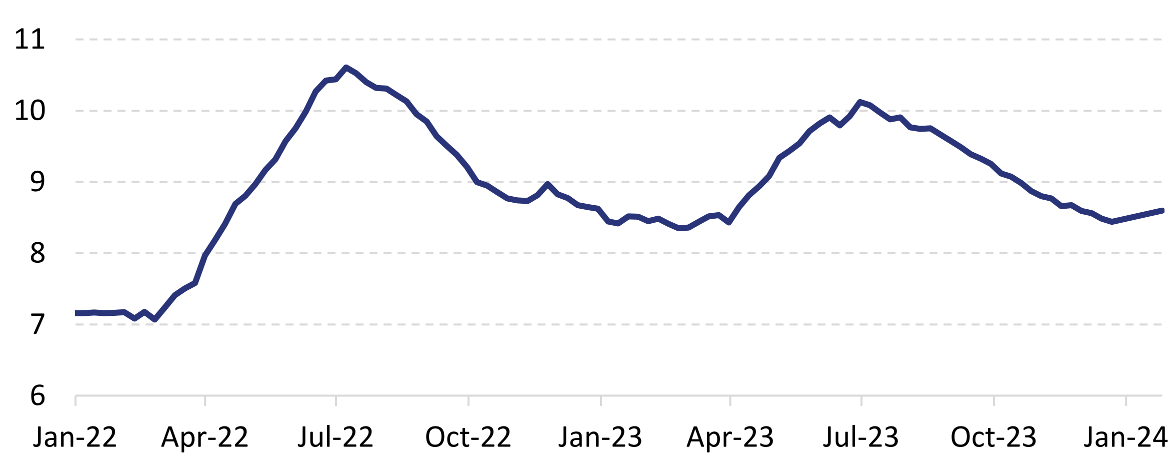
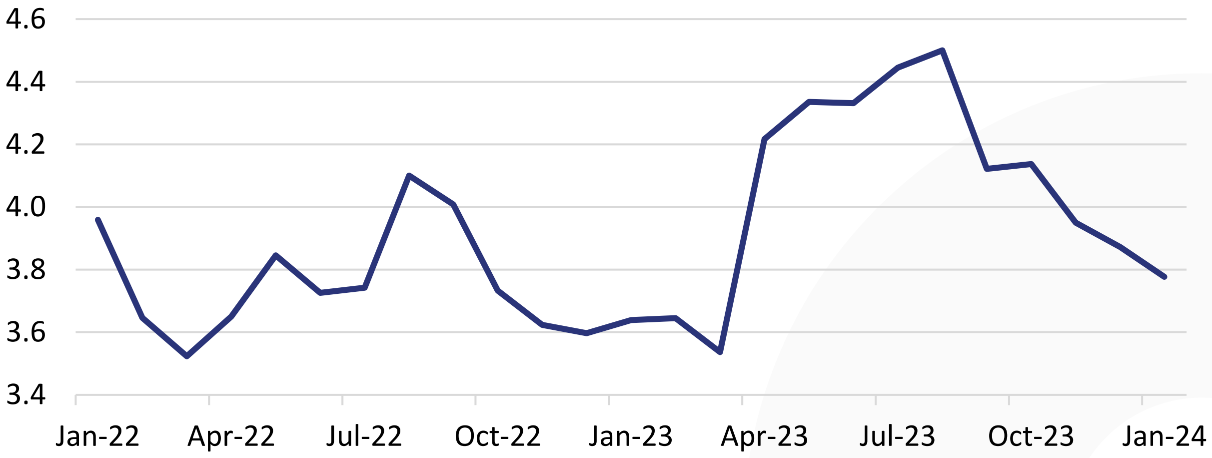
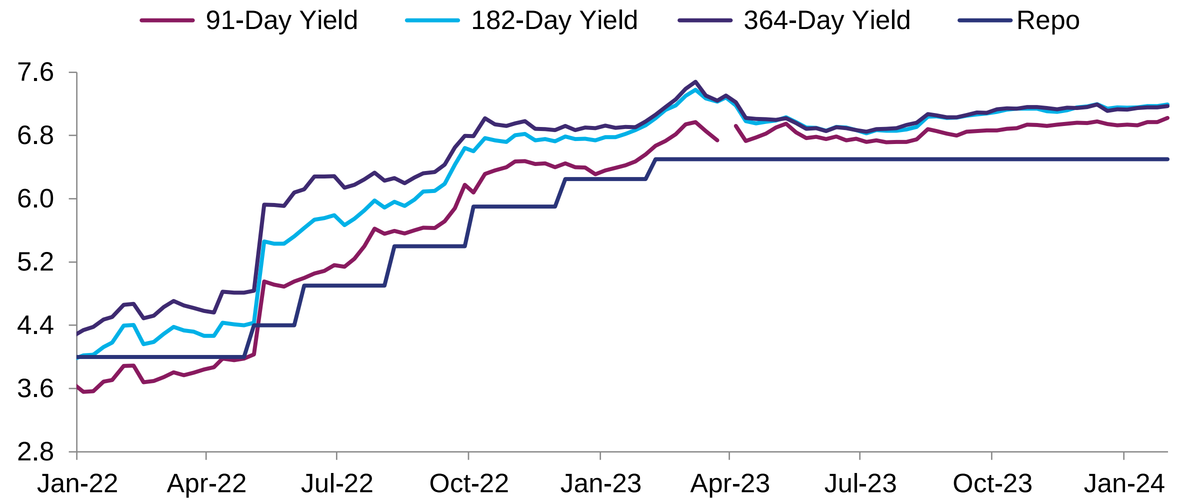
T-BILL OUTSTANDING (RS TRN)



COMMERCIAL PAPER OUTSTANDING (RS TRN)



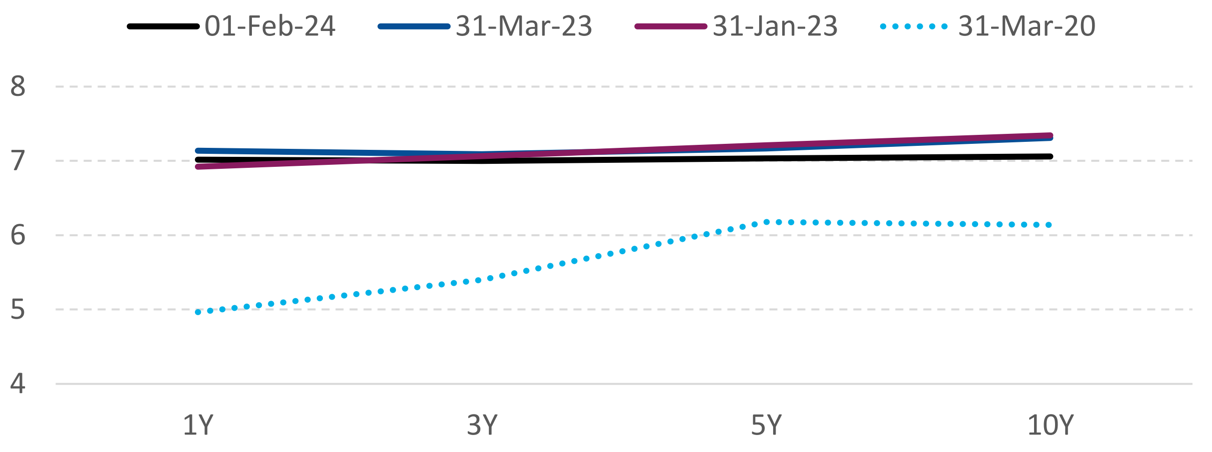
T-BILL PRIMARY YIELDS & REPO (%)



- Yield on commercial papers have further hardened by 10-25 bps in Jan'24, as liquidity deficit widens and increase in risk weights on bank loans force NBFCs to raise short-term money at higher rates.
- T-bill yields are rising too, with both 182-day and 364-day auction yields hovering around 7.1%

DOMESTIC YIELDS DROP ON FISCAL PRUDENCE

YIELD CURVE (IN %)



G-SEC YIELD (10 YEARS) (IN %)

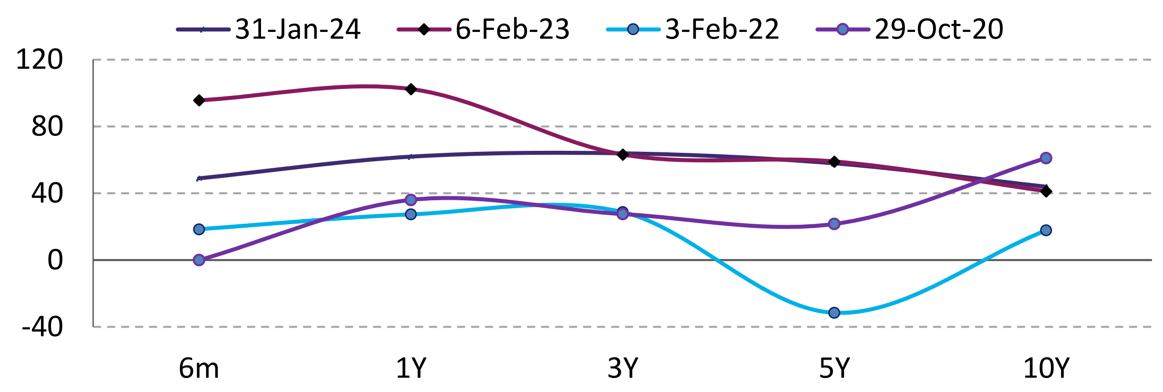
G-SEC YIELD (5 YEARS) (IN %)

- Domestic yields dropped sharply, in tandem with US yields, displaying low volatility as markets lauded a fiscally-prudent Union Budget
- Yield curve display signs of steepening, as uncertainties of transitionary inflationary pressures are alleviated.
- Flattish supply levels and increased demand for G-Sec due to bond indices inclusion bodes well for domestic yields moving forward.

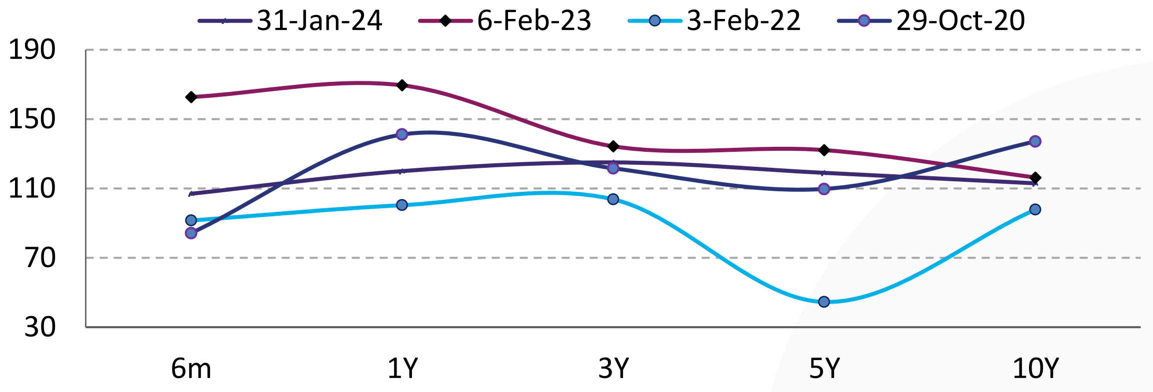
Source: Bloomberg, SBICAPS

MARKETS REMAIN CAUTIOUSLY HOPEFUL ON POLICY RATES

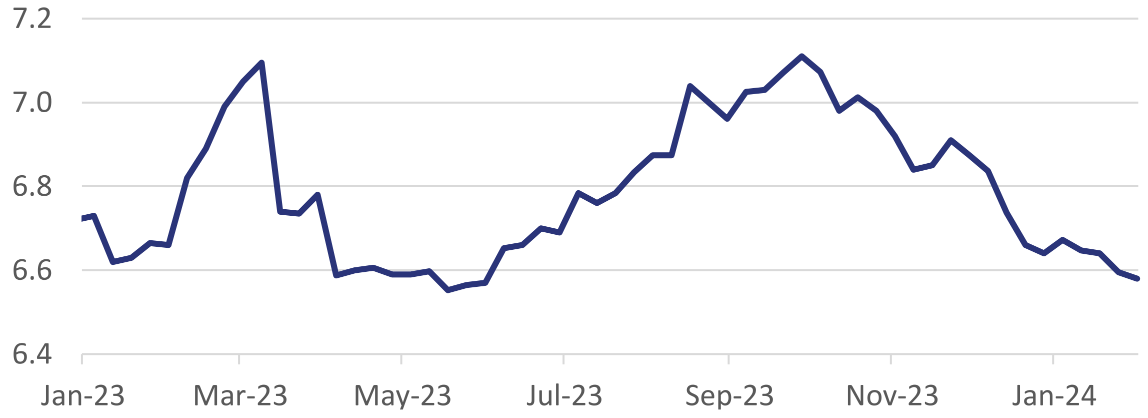
FIMMDA CORPORATE AAA SPREAD OVER GILT CURVE (IN BPS)



FIMMDA CORPORATE AA SPREAD OVER GILT CURVE (IN BPS)



OIS 1- YEAR (IN %)

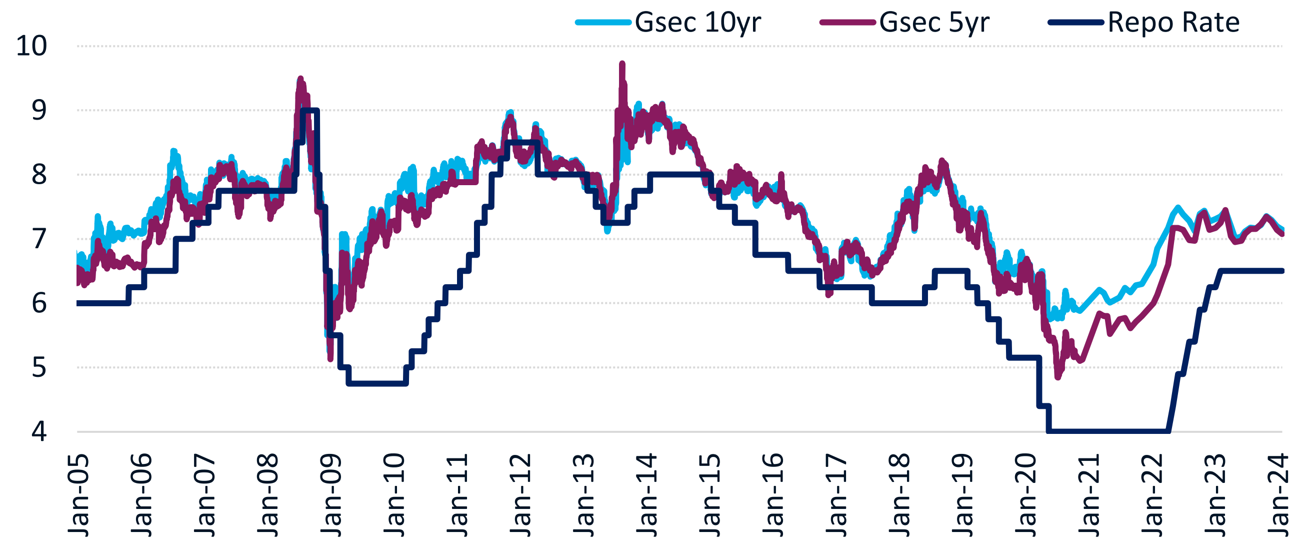


OIS 5 –YEAR (IN %)

- OIS rates have fallen off their peak of yester months, but remain higher than repo rate, with markets hinting at guarded optimism rather than quick rate cuts in CY24

YIELD OUTLOOK

Key rates (in %)



- We expect headline inflation (CPI) to average 5.4% in FY24 with evenly balanced risks
- We expect general govt. (Union + State) fiscal deficit ~8.5% of GDP in FY24
- We expect 10Y G-Sec yields to fall 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, CEIC, SBICAPS

ECONOMIC CALENDAR

GLOBAL ECONOMIC CALENDAR – (09 FEB – 22 FEB)

Date	Area	Event	Period
9	MX	Overnight Rate	Feb
9	GE	CPI YoY	Jan F
9	TU	Industrial Production YoY	Dec
9	CH	New Yuan Loans CNY	Jan
9	CH	Aggregate Financing CNY	Jan
11	GE	Wholesale Price Index YoY	Jan
11	CH	FDI YTD YoY CNY	Jan
12	**IN**	**Industrial Production YoY**	**Dec**
12	**IN**	**CPI YoY**	**Jan**
13	JN	PPI YoY	Jan
13	UK	ILO Unemployment Rate 3Mths	Dec
13	EC	ZEW Survey Expectations	Feb
13	US	CPI YoY	Jan
13	US	Real Avg Weekly Earnings YoY	Jan
13	**IN**	**Trade Balance**	**Jan**
14	**IN**	**Wholesale Prices YoY**	**Jan**
14	UK	CPI YoY	Jan
14	EC	GDP SA YoY	4Q P
14	RU	CPI YoY	Jan
15	AR	National CPI YoY	Jan
15	JN	GDP SA QoQ	4Q P
15	JN	Industrial Production MoM	Dec F
15	UK	Monthly GDP (MoM)	Dec
15	UK	Industrial Production MoM	Dec
15	UK	Trade Balance GBP/Mn	Dec
15	UK	GDP YoY	4Q P

Date	Area	Event	Period
15	PH	BSP Overnight Borrowing Rate	Feb
15	SP	CPI YoY	Jan F
15	PD	CPI YoY	Jan
15	EC	Trade Balance SA	Dec
15	US	Retail Sales Advance MoM	Jan
15	US	Industrial Production MoM	Jan
15	US	NAHB Housing Market Index	Feb
16	UK	Retail Sales Inc Auto Fuel MoM	Jan
16	FR	CPI YoY	Jan F
16	RU	Key Rate	Feb
16	US	Building Permits	Jan
16	US	PPI Final Demand MoM	Jan
18	CH	1-Yr Medium-Term Lending Facility Rate	Feb
19	JN	Core Machine Orders MoM	Dec
19	PY	Monetary Policy Rate	Feb
20	CH	5-Year Loan Prime Rate	Feb
20	CA	CPI YoY	Jan
21	JN	Trade Balance	Jan
21	ID	BI-Rate	Feb
21	SA	CPI YoY	Jan
21	EC	Consumer Confidence	Feb P
21	RU	PPI YoY	Jan
22	NZ	Trade Balance NZD	Jan
22	EC	CPI YoY	Jan F
22	TU	One-Week Repo Rate	Feb
22	US	Existing Home Sales	Jan

GLOBAL ECONOMIC CALENDAR – (23 FEB – 29 FEB)

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Date	Area	Event	Period
23	UK	GfK Consumer Confidence	Feb
23	GE	IFO Business Climate	Feb
25	VN	CPI YoY	Feb
26	SP	PPI YoY	Jan
26	US	New Home Sales	Jan
27	JN	Natl CPI YoY	Jan
27	GE	GfK Consumer Confidence	Mar
27	FR	Consumer Confidence	Feb
27	HU	Central Bank Rate Decision	Feb
27	US	Conf. Board Consumer Confidence	Feb
27	NG	Central Bank Interest Rate	Feb
27	GE	Retail Sales MoM	Jan
28	AU	CPI YoY	Jan
28	US	GDP Annualized QoQ	4Q S
28	US	Core PCE Price Index QoQ	4Q S
28	US	Advance Goods Trade Balance	Jan
28	RU	Industrial Production YoY	Jan
29	JN	Retail Sales YoY	Jan
29	AU	Retail Sales MoM	Jan
29	CH	Manufacturing PMI	Feb
29	FR	PPI YoY	Jan
29	**IN**	**Fiscal Deficit INR Crore**	**Jan**
29	**IN**	**Eight Infrastructure Industries**	**Jan**
29	CA	GDP YoY	Dec
29	US	Personal Spending	Jan
29	US	Pending Home Sales MoM	Jan

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