

Economic activity growth recovers in Dec'18

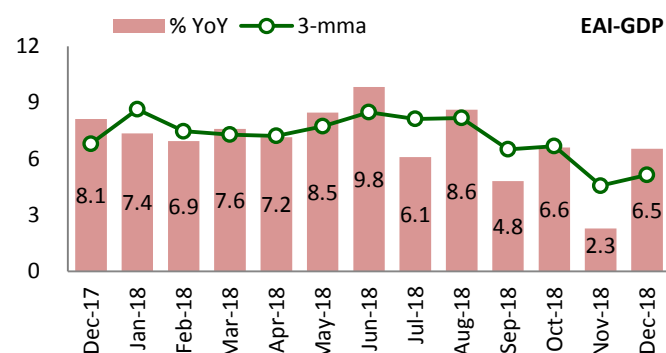
However, expect GDP growth to weaken to ~6.5% in 3QFY19

- Our in-house Economic Activity Index (EAI) for India's real GDP (called EAI-GDP) showed a growth of 6.5% YoY in Dec'18, vis-à-vis 13-month lowest growth of 2.3% YoY in Nov'18. EAI-GDP growth averaged ~5% in 3QFY19, much lower than 6.5% in 2QFY19 and ~8.5% in 1QFY19.
- The month-on-month (MoM) acceleration in our EAI-GDP was almost entirely due to consumption, which was supported by ~21% YoY growth in fiscal spending. Investments, on the other hand, posted sub-1% YoY growth for the second consecutive month in Dec'18.
- EAI-GVA index grew at 14-month lowest pace of 6.5% YoY in Dec'18, broadly unchanged from Nov'18. Weaker GVA growth was led by 8-month lowest growth in the services sector.
- Overall, weaker growth in 3QFY19 was on expected lines as the favorable base has faded. We had [earlier](#) forecasted that real GDP growth will weaken further to ~6.5% in 3QFY19 — implying ~7% growth in FY19 — lower than the market consensus and the RBI's projection of ~7.4%. But, the recently released revised data for FY16-18 has created some uncertainty in our predictions, as the new 1HFY19 data (and quarterly data for FY18) will be published this month-end.

Preliminary estimates reveal that India's Economic Activity Index (EAI) for GDP grew ~6.5% YoY in Dec'18, recovering from 13-month lowest growth of 2.3% YoY in Nov'18

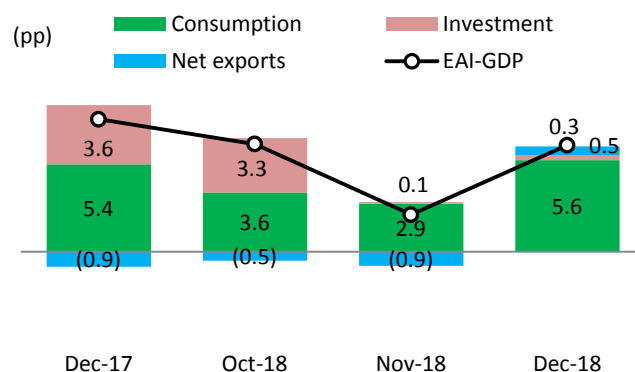
- **EAI-GDP growth weakened sharply in 3QFY19...** Preliminary estimates reveal that India's Economic Activity Index (EAI) for GDP grew ~6.5% YoY in Dec'18, recovering from 13-month lowest growth of 2.3% YoY in Nov'18 (*Exhibit 1*). It implies that EAI-GDP grew 5.1% in 3QFY19, much weaker than 6.4% in 2QFY19 and 8.1% in 1QFY19. Better growth (MoM basis) was almost entirely driven by consumption (which, in turn, was primarily supported by fiscal spending), as investments grew only 1% in Dec'18 (*Exhibit 2*).
- **...and EAI-GVA growth was stable at low rate:** EAI-GVA growth, on the other hand, was unchanged at 14-month lowest pace of 6.5% YoY in Dec'18. It implies 5-quarter lowest growth of 7.5% in 3QFY19 v/s 9% growth in 2QFY19 (*Exhibit 3*). A look at the key components reveals that weaker growth was primarily driven by the services sector, which grew at 7-month lowest pace of 7.4% YoY in Dec'18 (*Exhibit 4*). Agriculture sector growth also slowed down to 3-month lowest pace of 2.7% YoY in Dec'18.

Exhibit 1: India's EAI rose by 6.5% YoY in Dec'18...



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

Exhibit 2: ...on account of improvement in consumption



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

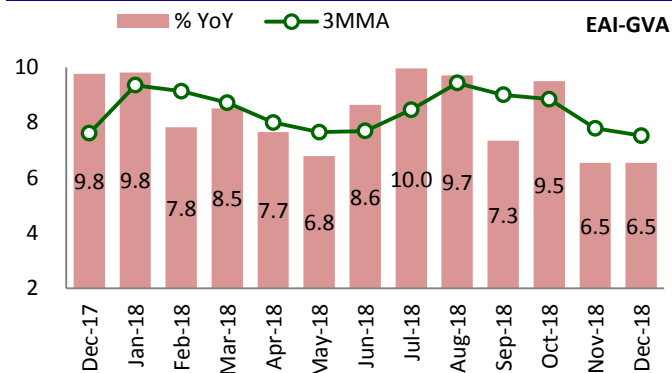
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Investors are advised to refer through important disclosures made at the last page of the Research Report.

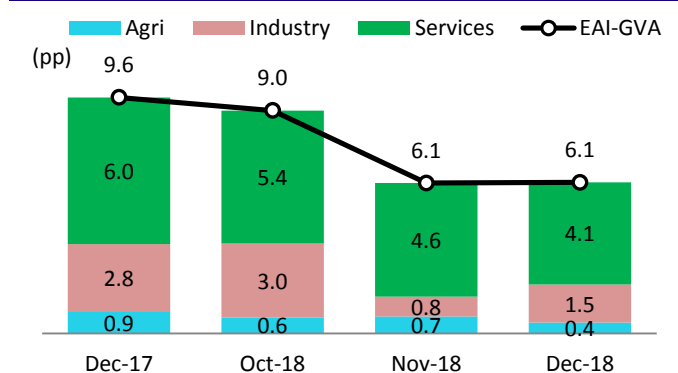
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Exhibit 3: EAI-GVA growth remained unchanged in Dec'18...



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

Exhibit 4: ...non-farm sector growth remained weak



Contribution of different components to EAI-GVA growth
Source: Various national sources, CEIC, MOFSL

After posting 20-month lowest growth of 4% YoY in Nov'18, consumption growth doubled to 8% in Dec'18, supported by fiscal spending

- Strong fiscal spending revived consumption growth in Dec'18...:** After posting 20-month lowest growth of 4% YoY in Nov'18 (*Exhibit 5*), consumption growth doubled to 8% in Dec'18, supported by 21.2% growth in central government's core revenue spending (excluding interest payments). Private consumption spending also grew at a faster pace, even as petrol sales (10% YoY) and passenger traffic (3.3%) grew at a decent pace (*Exhibit 11* for the heat map).
- ...while investments growth remained very weak:** Investment spending, on the other hand, grew only 1% YoY in Dec'18, following 0.4% growth in Nov'18 (*Exhibit 6*). Weak investments were driven by 28-month slowest growth in cargo traffic, the 7-month weakest growth in power generation, and first contraction in commercial auto sales in 18 months (*Exhibit 12* for the heat map). Continuation of strong growth (7.3% YoY) in construction activities, notwithstanding the unfavorable base, was a positive surprise. Moreover, as external trade narrowed in Dec'18, it added 0.5pp to EAI-GDP growth in Dec'18, marking its first addition in seven months.
- Services sector led to moderation in EAI-GVA in Dec'18:** EAI-GVA growth was unchanged at 14-month slowest pace of 6.5% YoY in Dec'18, implying moderation from 9% growth in 2QFY19 to 7.5% in 3QFY19 (*Exhibit 7-8*). The 7-month slowest growth of 7.4% YoY in the services sector was the key driver of moderation in EAI-GVA, led by a decline in auto sales and very weak cargo traffic (*Exhibit 13-14* for the heat map).
- Expect 3QFY19 real GDP to moderate further towards 6.4%:** As expected, with the fading of favorable base from Nov'17, economic activity growth has weakened. Our EAI-GDP grew 5.1% YoY in 3QFY19, much weaker than 6.4% in 2QFY19 and 8.1% in 1QFY19. The last time EAI-GDP posted ~5% growth was in 2QFY18, when official real GDP clocked 6.3% growth. We, thus, continue to believe that real GDP growth could moderate further from 7.1% in 2QFY19 to ~6.4% in 3QFY19. Though there is no one-to-one correlation between our EAI and official GDP/GVA due to **underlying differences**, our composite indices move in sync with the official real GDP (ex-discrepancies) and real GVA estimates (*Exhibit 9-10*). The recently released revised data for FY16-18, however, has created a sense of uncertainty in our predictions, as new 1HFY19 data (and quarterly data for FY18) will be published this month-end.

The last time EAI-GDP posted ~5% growth was in 2QFY18, when official real GDP clocked 6.3% growth

Exhibit 5: Our consumption index grew 8% YoY in Dec'18...

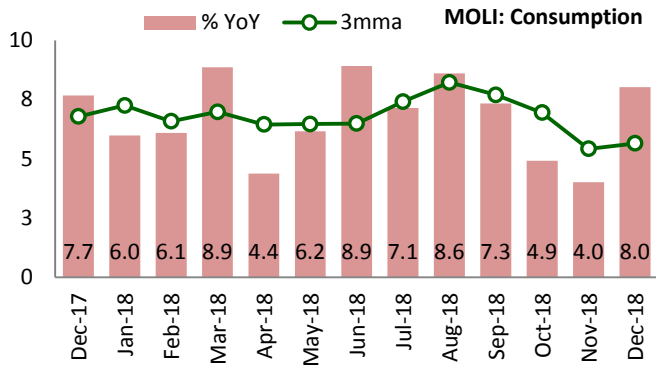


Exhibit 6: ...and investments rose by just 1% in the month

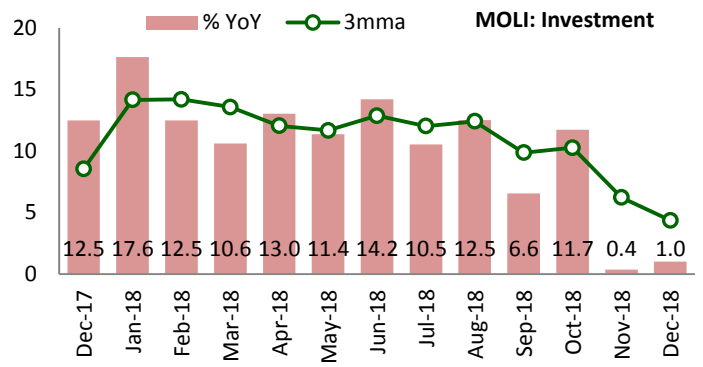
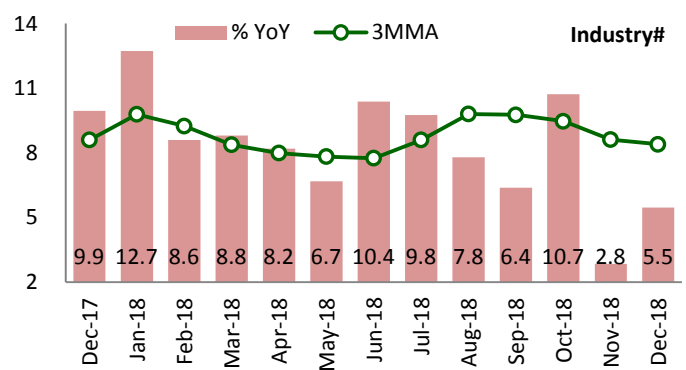
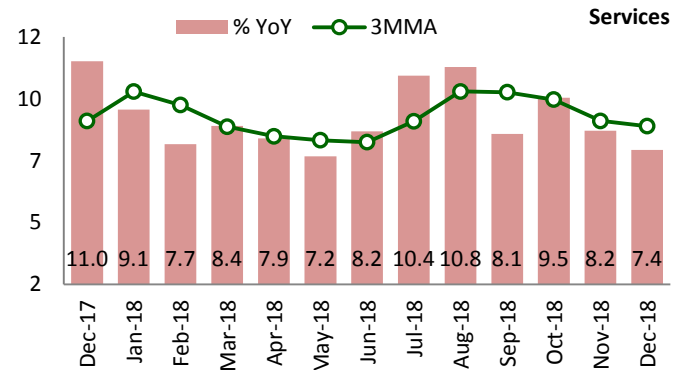


Exhibit 7: Industrial activity rose by 5.5% in Dec'18...



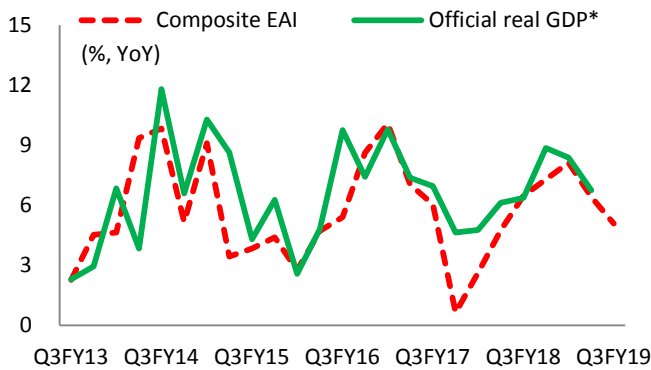
including construction

Exhibit 8: ...while services' sector posted slower growth



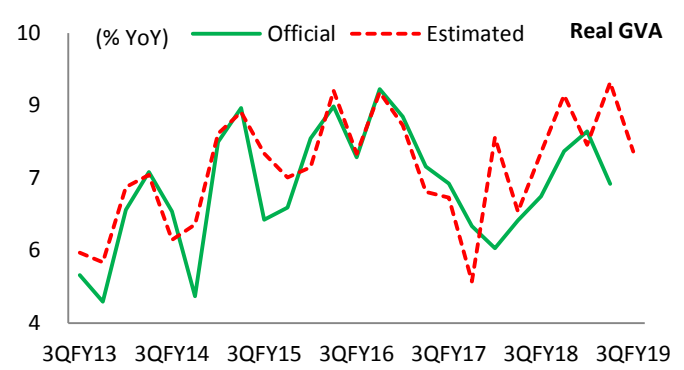
Contribution of different components to EAI's growth

Exhibit 9: Our composite EAI-GDP shares a very strong correlation with official real GDP* growth (% YoY)



* Excluding discrepancies

Exhibit 10: Our composite EAI-GVA shares a very strong correlation with official real GVA growth (% YoY)



Source: CEIC, Various official sources, MOSL

Exhibit 11: Key leading indicators for consumption

% YoY	Passenger traffic ¹	Revenue spending ²	Petrol sales	Rural wages ³	Consumer durable: IIP	Currency	Auto sales ⁴	Imports ⁵	Foreign tourists arrival ⁶	Personal credit	Services PMI
Jan-18	1.3	(11.3)	16.2	1.9	7.6	75.5	28.9	4.9	8.7	20.0	50.9
Feb-18	1.3	1.4	10.1	2.5	7.5	57.1	21.2	5.7	13.1	20.4	51.7
Mar-18	2.5	26.1	14.2	2.5	6.2	37.0	16.4	7.4	15.8	17.8	50.3
Apr-18	1.5	(17.0)	9.3	2.2	3.9	32.9	15.6	2.6	4.4	19.1	51.4
May-18	(0.9)	21.6	2.0	2.3	6.7	29.8	10.5	9.6	(2.6)	18.6	49.6
Jun-18	0.3	25.7	14.9	2.7	13.6	27.7	24.0	7.7	2.7	17.9	52.6
Jul-18	1.2	17.7	7.9	2.2	14.1	25.1	6.5	9.6	3.5	16.7	54.2
Aug-18	4.8	32.7	7.8	3.0	5.5	22.7	2.2	9.6	9.1	18.2	51.5
Sep-18	4.7	25.6	4.2	2.4	5.2	21.2	2.8	(4.8)	(0.1)	15.1	50.9
Oct-18	2.3	6.7	4.7	3.5	18.0	20.0	15.1	14.6	1.7	16.8	52.2
Nov-18	3.2	(23.7)	8.8	3.8 ⁷	(0.9)	21.1	5.5	(2.9)	1.4	17.2	53.7
Dec-18	3.3	21.2	10.0	3.7 ⁷	7.3 ⁷	19.6	(1.9)	1.6	2.0	17.0	53.2
On quarterly basis											
4QFY15	(4.0)	1.4	16.3	2.5	2.2	11.3	0.4	(12.1)	3.5	15.5	53.0
1QFY16	(8.4)	1.4	12.3	2.5	2.7	10.2	1.4	(9.3)	4.1	17.1	47.7
2QFY16	2.8	1.2	16.1	3.5	0.8	11.6	(0.3)	(8.7)	7.1	18.0	51.3
3QFY16	1.3	(1.7)	14.4	0.4	5.9	13.0	5.9	(9.5)	4.0	18.5	53.6
4QFY16	2.2	11.5	15.4	0.4	3.9	14.9	7.7	(4.2)	9.7	19.4	54.3
1QFY17	0.2	27.9	10.0	0.0	7.9	15.7	13.2	(0.5)	6.6	18.5	50.3
2QFY17	0.9	5.8	11.7	(0.3)	5.9	15.2	20.2	(2.0)	12.6	19.7	52.0
3QFY17	1.7	18.7	12.0	2.3	0.9	(39.9)	(3.6)	1.6	9.5	13.5	46.8
4QFY17	1.2	(8.5)	1.9	2.8	(2.4)	(19.7)	(0.3)	8.9	11.1	16.4	51.5
1QFY18	2.5	26.8	10.9	3.6	(1.2)	(11.6)	7.3	9.4	20.2	14.1	53.1
2QFY18	(0.4)	0.8	9.2	3.9	(0.8)	(8.1)	12.5	11.5	11.2	16.8	50.7
3QFY18	0.8	9.8	7.2	2.1	(1.5)	80.0	14.2	9.8	14.8	18.9	50.9
4QFY18	1.7	4.9	13.5	2.3	7.0	37.0	21.9	6.1	12.4	17.8	50.3
1QFY19	0.3	6.0	8.4	2.4	8.0	27.7	16.4	6.6	1.6	17.9	51.4
2QFY19	3.6	25.1	6.6	2.6	8.1	21.2	3.7	4.5	4.1	15.1	49.6
3QFY19	2.9	0.5	7.8	3.7 ⁷	8.0 ⁷	19.6	7.0	3.8	1.7	17.0	52.6

¹ Railways and aviation ² Excluding interest payments (only for central government)

³ Real rural wages; deflated by CPI for rural workers ⁴ Includes passenger vehicles and two-wheelers

⁵ Imports of agricultural items, leather products, newsprint and electronic goods, textiles (excluding gold, silver, precious metals)

⁶ In persons unit ⁷ Our estimates/forecasts

Source: Various National Sources, CEIC, MoSL

	Worse than previous month and a year ago
	Worse than the previous month but better than a year ago
	Better than the previous month but worse than a year ago
	Better than previous month and a year ago

Exhibit 12: Key leading indicators for investment

% YoY	Cargo traffic ¹	Electricity	Auto sales ²	Diesel sales	Capital goods' imports ³	Cement Production	IIP: Non-metallic products	IIP: Capital goods	Industrial credit	Govt capex ⁴	Manufacturing PMI
Jan-18	8.4	7.7	60.0	14.7	18.4	19.6	17.8	12.4	1.1	22.3	52.4
Feb-18	5.9	4.6	46.9	6.2	(9.1)	23.0	15.2	16.6	1.0	189.8	52.1
Mar-18	3.5	6.0	43.5	8.0	28.0	13.5	9.2	(3.1)	0.7	(146.7)	51.0
Apr-18	5.8	2.1	66.4	2.7	15.3	21.9	13.9	9.8	1.0	62.8	51.6
May-18	5.0	4.1	46.7	0.3	30.3	13.0	10.2	6.4	1.4	(28.3)	51.2
Jun-18	5.7	8.4	47.3	7.7	23.6	14.2	12.5	9.7	0.9	46.9	53.1
Jul-18	4.4	6.7	36.5	4.9	27.8	11.2	5.6	2.3	0.3	(9.1)	52.3
Aug-18	6.7	7.6	26.6	4.2	26.2	14.6	9.6	10.3	1.9	43.8	51.7
Sep-18	4.2	8.2	18.6	(0.8)	(5.8)	11.8	11.2	6.5	2.3	(17.2)	52.2
Oct-18	8.4	10.9	19.2	6.8	(1.0)	18.4	14.1	17.0	3.7	(11.8)	53.1
Nov-18	3.8	5.1	(2.2)	(4.8)	(0.5)	8.8	4.2	(3.4)	4.0	(32.8)	54.0
Dec-18	0.6	4.0	(14.2)	3.6	2.7	11.6	2.4 ⁵	2.2 ⁵	4.4	(61.1)	53.2
On quarterly basis											
4QFY15	2.5	9.2	3.0	2.2	2.8	(0.5)	(3.4)	0.2	6.0	92.2	52.1
1QFY16	2.8	2.7	(0.6)	3.6	6.9	0.1	(2.9)	(3.5)	5.3	17.6	51.3
2QFY16	2.3	6.6	(1.8)	8.0	0.5	1.6	(1.4)	0.1	4.9	41.1	51.2
3QFY16	0.3	4.3	9.6	7.5	(9.6)	4.8	2.8	10.0	4.8	43.3	49.1
4QFY16	2.2	9.2	20.3	11.4	2.8	11.8	9.6	5.3	4.6	16.5	52.4
1QFY17	1.9	10.0	17.5	4.7	(10.1)	5.8	5.7	13.0	0.6	(16.4)	51.7
2QFY17	(0.1)	3.1	2.4	0.8	1.0	3.4	4.1	0.1	0.4	23.5	52.1
3QFY17	4.8	6.1	(9.1)	5.5	24.4	(0.8)	(1.6)	(2.0)	(3.1)	(23.1)	49.6
4QFY17	4.2	4.2	(6.5)	(3.6)	0.7	(11.9)	(9.2)	2.6	(4.1)	62.0	52.5
1QFY18	4.3	5.3	(16.2)	5.9	12.9	(3.3)	(3.2)	(4.2)	(1.5)	39.5	50.9
2QFY18	4.4	6.1	13.1	6.7	8.3	0.6	(2.2)	4.9	(0.3)	(9.2)	51.2
3QFY18	4.3	3.8	41.0	4.8	(2.2)	10.6	7.0	7.5	1.0	96.3	54.7
4QFY18	5.9	6.1	49.3	9.4	11.4	18.5	13.9	7.5	0.9	(74.3)	51.0
1QFY19	5.5	4.8	52.6	3.5	22.8	16.3	12.2	8.6	1.1	27.3	51.6
2QFY19	5.1	7.5	26.2	2.8	15.0	12.5	8.8	6.4	1.5	(3.1)	51.2
3QFY19	4.2	6.7	0.7	1.7	0.4	12.9	6.8 ⁵	5.0 ⁵	4.0	(45.5)	53.1

¹ Includes railways and waterways ² Include commercial vehicles and three-wheelers

³ Capital spending by central government ⁴ Machinery & equipment, transport equipment, machine tools and project goods

⁵ Our forecasts

Source: Various National Sources, CEIC, MoSL

	Worse than previous month and a year ago
	Worse than the previous month but better than a year ago
	Better than the previous month but worse than a year ago
	Better than previous month and a year ago

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

% YoY	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Agriculture and allied activities												
IIP: Fertilizer	-1.6	5.2	3.2	4.6	8.4	1.0	1.3	-5.3	2.5	-11.5	-8.1	-2.4
Domestic tractor sales	33.1	33.3	50.7	21.8	20.1	34.7	16.9	12.7	-10.5	23.6	24.5	4.8
Real rural wages ¹	1.9	2.5	2.5	2.2	2.3	2.7	2.2	3.0	2.4	3.5	3.8	3.7 ⁸
Water reservoir	-9.4	-11.6	-12.4	-13.1	-21.1	0.3	8.9	29.4	18.5	2.5	-0.2	1.4
Agriculture sector	4.9	5.3	6.9	4.0	3.7	5.8	4.3	4.6	2.1	4.1	4.3	2.7
Industrial sector												
Coal	3.8	1.3	9.1	15.2	12.0	11.5	9.8	2.4	6.4	11.3	3.7	0.9
Crude oil	-3.2	-2.4	-1.6	-0.8	-2.9	-3.4	-5.4	-3.7	-4.2	-5.0	-3.5	-4.3
Natural gas	-1.2	-1.8	1.0	5.7	-1.4	-2.7	-5.2	1.0	-1.7	-0.9	0.5	4.2
IIP: Mining	0.3	-0.4	3.1	3.8	5.8	6.5	3.4	-0.6	0.1	7.2	2.7	5.8 ⁸
Mining	3.0	1.7	9.9	16.0	11.5	10.8	6.5	1.2	4.2	9.0	3.3	0.7
Electricity												
IIP: Mfg	8.7	8.4	5.7	4.9	3.6	6.9	7.0	5.2	4.6	8.2	-0.4	3.4 ⁸
Credit growth ²	-1.9	-1.7	-2.0	-2.5	-3.2	-4.5	-4.7	-2.5	-2.8	-1.7	-0.6	0.6
Fuel consumption	16.1	3.5	6.5	3.2	-0.2	8.7	11.2	4.9	-1.4	6.6	-3.5	4.6
Manufacturing	16.2	10.6	10.2	8.3	6.0	11.7	12.8	9.2	6.1	11.9	2.3	8.2
Steel prod	1.7	5.0	4.7	3.0	-0.1	4.2	6.9	4.0	3.2	2.6	5.8	13.2
Cement	19.6	23.0	13.5	21.9	13.0	14.2	11.2	14.6	11.8	18.4	8.8	11.6
IIP: NMMP ³	17.8	15.2	9.2	13.9	10.2	12.5	5.6	9.6	11.2	14.1	4.2	2.4 ⁸
Construction	9.5	7.3	5.6	7.3	7.3	7.1	3.7	5.8	7.0	7.8	3.6	0.7
Industry	12.7	8.6	8.8	8.2	6.7	10.4	9.8	7.8	6.4	10.7	2.8	5.5
Services sector												
Auto sales	30.7	22.8	18.2	17.4	12.1	25.2	8.0	3.4	3.7	15.3	5.0	-3.0
Trade credit ⁴	12.5	10.7	6.2	9.7	10.2	9.0	8.3	10.9	5.3	6.6	5.9	6.3
Foreign tourist arrivals	8.7	13.1	15.8	4.4	-2.6	2.7	3.5	9.1	-0.1	1.7	1.4	2.0
Freight traffic ⁵	8.4	5.9	3.5	5.8	5.0	5.7	4.4	6.7	4.2	8.4	3.8	0.6
Passengers traffic ⁵	1.6	1.6	2.8	1.9	-0.7	0.6	1.5	5.0	4.9	2.4	3.3	3.4
MFs AUMs	25.2	20.8	18.5	16.5	13.3	14.1	9.7	17.0	2.7	-1.6	0.8	3.0
Real CG spending ⁶	-13.9	-1.3	22.7	-19.9	16.1	19.0	11.8	26.8	19.4	1.1	-27.1	16.8
Real deposits ⁷	1.5	2.5	3.4	4.0	3.2	1.1	3.2	5.1	2.7	3.3	5.9	3.9
Telecom subscribers	9.1	10.3	13.9	12.7	4.4	5.2	6.4	8.2	8.4	6.7	4.5	3.7 ⁸
PMI: Services	6.2	-5.0	-2.3	2.4	-5.0	-0.9	18.1	8.4	0.4	1.0	10.7	4.5
Services sector	9.1	7.7	8.4	7.9	7.2	8.2	10.4	10.8	8.1	9.5	8.2	7.4
Aggregates												
Real GVA	9.8	7.8	8.5	7.7	6.8	8.6	10.0	9.7	7.3	9.5	6.5	6.5
Non-farm GVA	10.3	8.0	8.5	7.9	6.9	8.8	10.2	9.9	7.6	9.9	6.4	6.8

¹ Real rural wages; deflated by CPI for rural workers ² Real industrial credit growth; deflated by WPI

³ Non-metallic mineral products ⁴ Real non-food trade credit; deflated by WPI

⁵ Railways and aviation ⁶ Excluding interest payments (only for central government) ⁷ Real deposits; deflated by WPI ⁸ Our forecasts

Source: Various National Sources, CEIC, MoSL

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	Worse than the previous month but better than a year ago
	Better than the previous month but worse than a year ago
	Better than previous month and a year ago

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

% YoY	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19
Agriculture and allied activities									
IIP: Fertilizer	0.6	-2.7	-1.3	-2.7	2.1	2.2	4.5	-0.6	-7.4
Domestic tractor sales	15.8	11.8	8.0	32.2	8.2	40.2	25.9	1.4	19.5
Real rural wages ¹	2.3	2.8	3.6	3.9	2.1	2.3	2.4	2.6	3.7
Water reservoir	28.6	31.9	26.8	-10.0	-5.5	-10.9	-12.0	19.9	1.3
Agriculture sector	5.1	4.7	4.3	4.9	2.8	5.8	4.5	3.2	3.9
Industrial sector									
Coal	2.8	7.0	-4.4	8.5	1.6	5.0	12.9	6.2	5.0
Crude oil	-3.1	-0.3	0.2	-0.7	-0.8	-2.4	-2.4	-4.4	-4.3
Natural gas	-1.3	6.3	4.4	5.7	2.1	-0.7	0.4	-2.0	1.3
IIP: Mining	6.7	7.9	1.1	7.1	0.8	1.1	5.4	0.9	5.2
Mining	3.7	10.5	0.0	11.2	3.8	5.1	12.7	4.0	4.1
Electricity	6.1	4.2	5.3	6.1	3.8	6.1	4.8	7.5	6.7
IIP: Mfg	3.1	2.2	1.6	2.5	7.0	7.5	5.1	5.6	3.7
Credit growth ²	-4.8	-8.6	-3.8	-3.0	-2.7	-1.8	-3.4	-3.3	-0.6
Fuel consumption	5.7	-5.1	2.3	2.6	4.1	8.5	3.8	4.8	2.5
Manufacturing	8.0	2.5	5.7	6.5	10.0	12.2	8.6	9.3	7.4
Steel prod	12.9	10.3	6.2	4.9	7.5	3.8	2.3	4.7	7.1
Cement	-0.8	-11.9	-3.3	0.6	10.6	18.5	16.3	12.5	12.9
IIP: NMMP ³	-1.6	-9.2	-3.2	-2.2	7.0	13.9	12.2	8.8	6.8
Construction	0.2	-1.4	1.4	1.8	4.2	7.4	7.2	5.5	4.0
Industry	5.9	2.5	4.1	6.0	7.6	10.0	8.4	7.9	6.4
Services sector									
Auto sales	-4.0	-0.7	6.0	12.5	15.7	23.6	18.0	4.9	6.6
Trade credit ⁴	3.9	2.8	3.2	2.6	9.5	9.7	9.6	8.1	6.3
Foreign tourist arrivals	9.5	11.1	20.2	11.2	14.8	12.4	1.6	4.1	1.7
Freight traffic ⁵	4.9	4.2	4.3	4.5	4.4	5.9	5.5	5.1	4.2
Passengers traffic ⁵	2.0	1.4	2.7	-0.2	1.0	2.0	0.6	3.8	3.0
MFs AUMs	24.3	33.5	33.7	27.3	28.3	21.5	14.6	9.8	0.7
Real CG spending ⁶	16.6	-12.9	23.9	-2.0	5.8	2.0	1.3	19.1	-3.9
Real deposits ⁷	11.6	8.0	8.8	5.9	1.2	2.5	2.7	3.7	4.4
Telecom subscribers	8.2	20.0	22.3	21.6	22.3	11.1	7.4	7.7	4.9
PMI: Services	-5.7	-5.9	0.3	-9.1	2.1	-0.5	-1.2	8.7	5.3
Services sector	7.7	5.7	9.2	6.3	8.2	8.3	7.6	9.7	8.3
Aggregates									
Real GVA	6.6	4.9	7.8	6.3	7.5	8.7	7.7	9.0	7.5
Non-farm GVA	7.1	4.9	8.0	6.3	8.2	8.9	7.8	9.2	7.7

¹ Real rural wages; deflated by CPI for rural workers² Real industrial credit growth; deflated by WPI

³ Non-metallic mineral products⁴ Real non-food trade credit; deflated by WPI

⁵ Railways and aviation⁶ Excluding interest payments (only for central government)⁷ Real deposits; deflated by WPI⁸ Our forecasts Source: Various National Sources, CEIC, MoSL

	Worse than previous month and a year ago
	Worse than the previous month but better than a year ago
	Better than the previous month but worse than a year ago
	Better than previous month and a year ago

NOTES

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Investment Rating	Expected return (over 12-month)
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SELL	< - 10%
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