

## Economic recovery loses sheen in Dec'20...

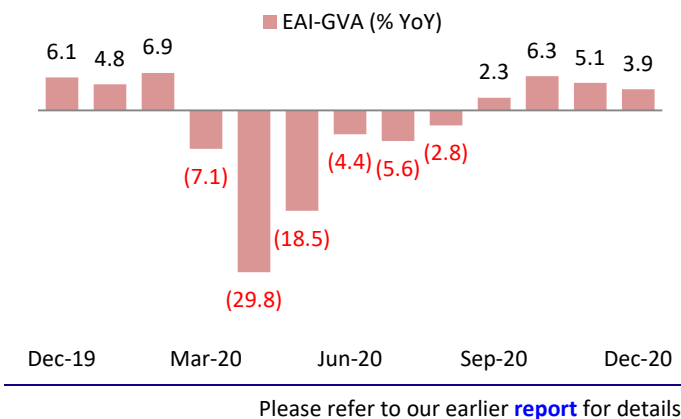
...expect real GDP change between -1% and +1% YoY seen in 3QFY21

- Our in-house Economic Activity Index (EAI) for India's real gross value added (GVA; called EAI-GVA) posted slower growth of 3.9% YoY in Dec'20, v/s 5.1%/6.3% YoY growth in Nov'20/Oct'20. Consequently, EAI-GVA grew 5.1% YoY in 3QFY21 after two consecutive declines of 17.6% and 2.1% YoY in 1QFY21 and 2QFY21, respectively. Slower growth in Dec'20 was due to moderation in the Services and Farm sectors, while industrial activity appears to have performed relatively better.
- The EAI-GDP index (our in-house measure for official GDP) declined at the slowest pace in 10 months – by 3.8% YoY in Dec'20 v/s a 5.8% YoY contraction in Nov – implying EAI-GDP decline of 6% YoY in 3QFY21 (v/s decline of 11.5% YoY in 2QFY21). Excluding fiscal spending, which grew 29.2% YoY in Dec'20, EAI-GDP declined 5% YoY during the month, marking its slowest fall in 10 months. Following a 10-month long streak of contractions, investments grew a marginal 0.5% YoY in Dec'20, led by strong government capex and cargo traffic. IIP for capital goods is also expected to have grown 13.1% YoY in Dec'20.
- Overall, economic recovery was much better during Oct–Nov'20 v/s Dec'20. This may be due to the tapering of pent-up festive demand from previous months. Accordingly, we [believe](#) real GDP growth could be between -1% and +1% YoY in 3QFY21, before higher growth is seen in 4QFY21. Additionally, early indicators such as power generation growth and PMI indices show marginally better growth for Jan'21. In any case, now that the mass rollout of COVID-19 vaccines is imminent, it is only a matter of time before we witness the complete normalization of economic activity.

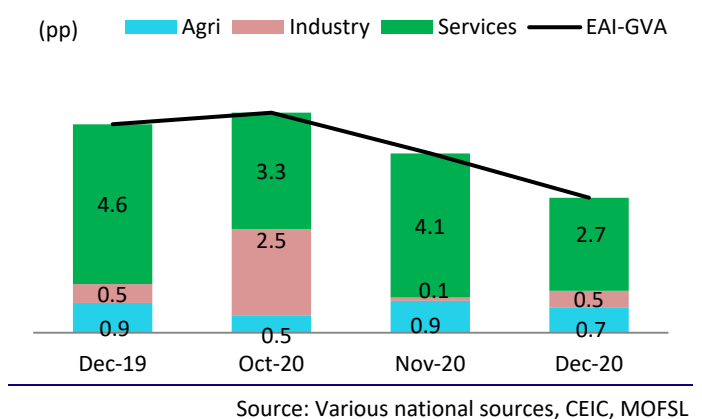
Preliminary estimates reveal India's EAI for GVA posted slower growth of 3.9% YoY in Dec'20 v/s 5.1% YoY and 6.3% YoY growth in Nov'20 and Oct'20, respectively.

- **EAI-GVA grew 3.9% YoY in Dec'20:** Preliminary estimates reveal India's EAI posted slower growth of 3.9% YoY in Dec'20 v/s 5.1% YoY and 6.3% YoY growth in Nov'20 and Oct'20, respectively (*Exhibit 1*). Consequently, EAI-GVA is expected to rebound further – with growth of 5.1% YoY in 3QFY21 after two consecutive declines of 17.6% and 2.1% YoY in 1QFY21 and 2QFY21, respectively. Slower growth in Dec'20 was due to moderation in the Services and Farm sectors, while industrial activity appears to have performed relatively better (*Exhibit 2*).
- **EAI-GDP, however, continued to decline:** The EAI-GDP declined at the slowest pace in 10 months by 3.8% YoY in Dec'20 v/s a contraction of 5.8% YoY in Nov'20 (*Exhibits 3, 4*). This implies EAI-GDP declined much slower at 6% YoY in 3QFY21 v/s decline of 11.5% YoY in 2QFY21. Excluding fiscal spending, however, EAI-GDP declined 5% YoY in Dec'20 (the slowest decline in 10 months) v/s 7.5% YoY in Nov'20.

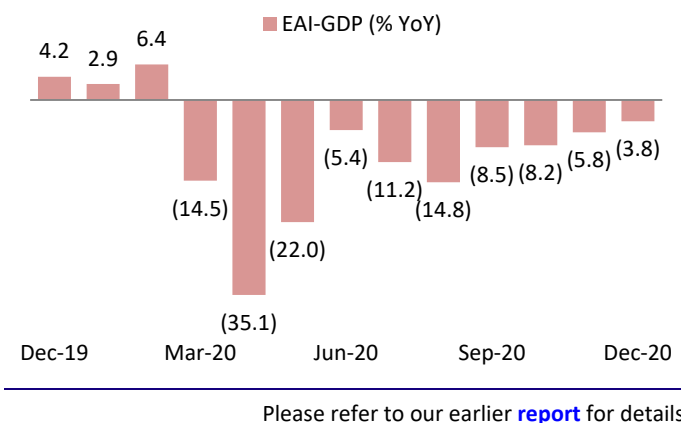
**Exhibit 1: India's EAI-GVA grew only 3.9% YoY in Dec'20...**



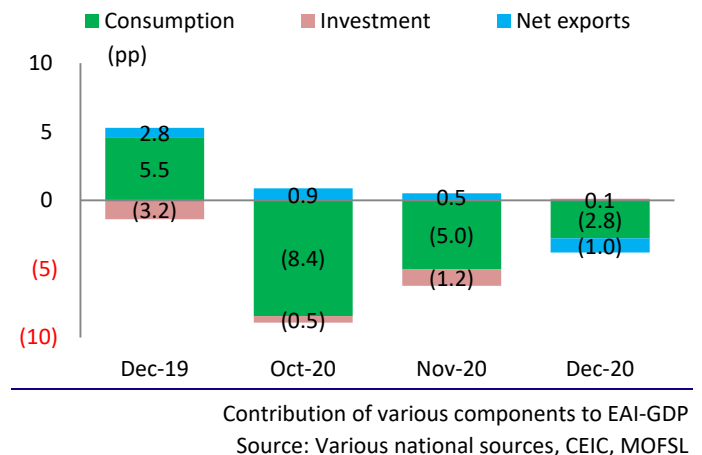
**Exhibit 2: ...on slower growth in Services and Farm sectors**



**Exhibit 3: EAI-GDP declined at slowest pace in 10 months...**



**Exhibit 4: ...due to first growth in investment in 11 months**



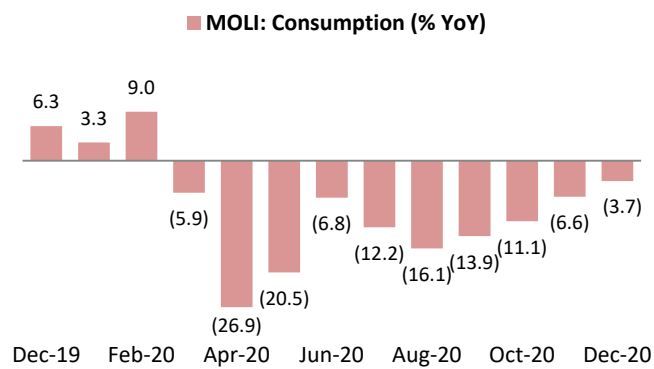
Following a 10-month long streak of contractions, investments grew by a marginal 0.5% YoY in Dec'20 v/s decline of 5.6% YoY in Nov'20.

- Fiscal spending held up overall growth in Dec'20...**: According to our estimates, total consumption spending (personal and government) declined 3.7% YoY in Dec'20 v/s decline of 6.6% YoY in Nov'20 (*Exhibit 5*). Notably, since growth in fiscal spending was slower at 29.2% YoY in Dec'20 (v/s 47% YoY in Nov'20), personal consumption expenditure declined 5.5% during the month. While auto sales growth moderated, that of petrol sales increased sharply in Dec'20 (*Exhibit 13*).
- ...and investments grew for the first time in 11 months:** Following a 10-month long streak of contractions, investments grew by a marginal 0.5% YoY in Dec'20 vis-à-vis decline of 5.6% YoY in Nov'20 (*Exhibit 6*). Investment growth in Dec'20 was largely led by strong fiscal capex and improved cargo traffic growth. We have also estimated high growth of 13.1% YoY in IIP for capital goods in Dec'20. However, decline in cement production and industrial credit growth is concerning (*Exhibit 14*). As for the external sector, real imports grew faster at 9.8% YoY v/s 2.3% YoY growth in exports in Dec'20.
- Weak Services sector drove EAI-GVA in Dec'20:** Details of EAI-GVA suggest that while growth in the Farm sector eased to 6.2% YoY in Dec'20 (from 7.3% YoY in Nov'20), industrial activity grew faster at 2% YoY (against 0.5% YoY growth in Nov'20) (*Exhibit 7*). The major drag came from the Services sector, which expanded just 4.9% YoY in Dec'20 – after reporting strong growth of 7.5% YoY in Nov'20 (*Exhibit 8*). While Financial Services did fairly, slower growth in total auto sales and core fiscal spending largely led to deceleration in overall services (*Exhibits 15, 16*).

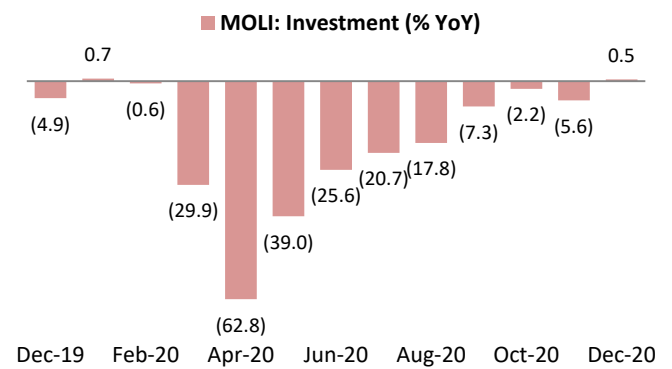
We believe real GDP growth could be between -1% and +1% YoY in 3QFY21, before higher growth is seen in 4QFY21

■ **Expect real GDP change between -1% and +1% YoY in 3QFY21:** Overall, as we had pointed out [earlier](#), economic recovery was much better than expected over Aug–Sep’20 and peaked in Oct’20. Conversely, economic activity growth weakened over Nov–Dec’20. This may be due to the tapering of pent-up festive demand from the previous months. Although there is no one-on-one correlation between our EAls and the official GDP/GVA due to [underlying differences](#), our composite indices move in sync with the official real GDP (ex-discrepancies) and real GVA estimates (*Exhibits 9, 10*). Accordingly, we [believe](#) real GDP growth could be between -1% and +1% YoY in 3QFY21, before higher growth is seen in 4QFY21. Additionally, early indicators such as power generation growth and PMI indices show marginally better growth for Jan’21 (*Exhibits 9, 10*). In any case, now that the mass rollout of COVID-19 vaccines is imminent, it is only a matter of time before we witness the complete normalization of economic activity.

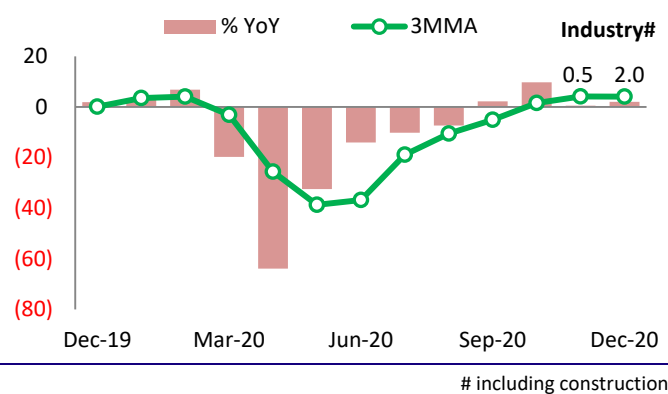
**Exhibit 5: Consumption declined at slowest pace in 10 months...**



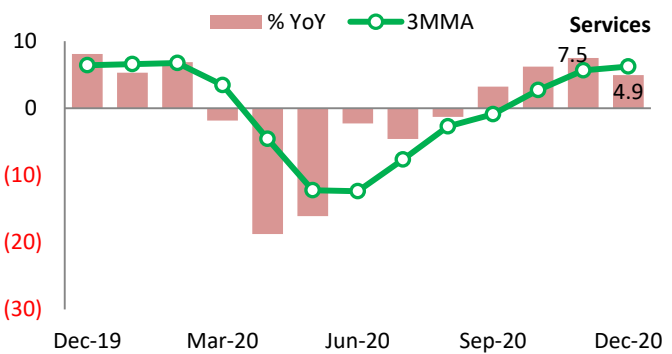
**Exhibit 6: ...while investments posted marginal growth of 0.5% YoY in Dec’20 after 10 months of decline**



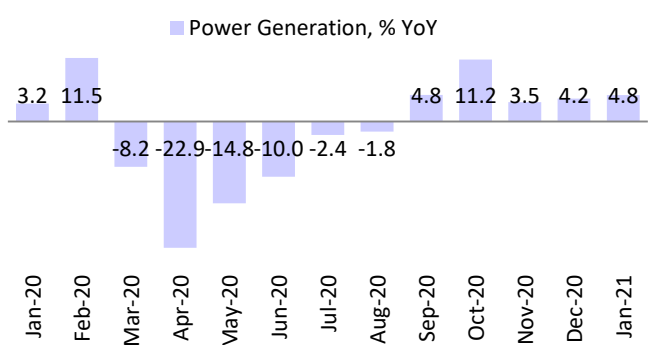
**Exhibit 7: Industrial activity grew 2% YoY in Dec’20...**



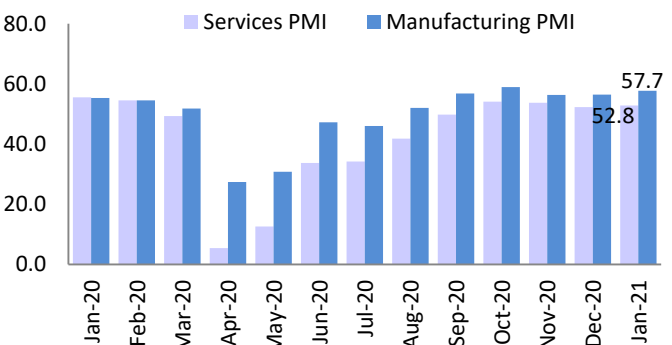
**Exhibit 8: ...and Services sector moderated during the month**



**Exhibit 9: Power generation grew marginally (% YoY)...**

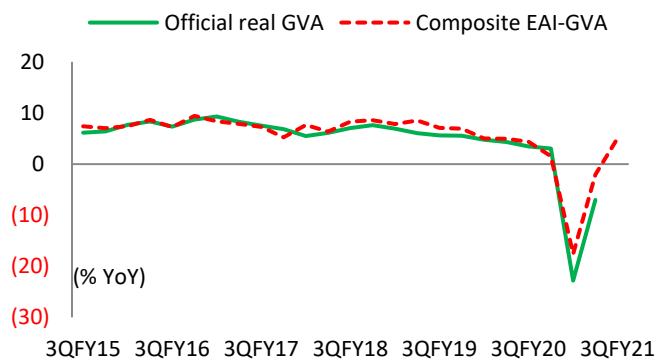


**Exhibit 10: ...and PMI\* indices appear stronger for Jan’21**



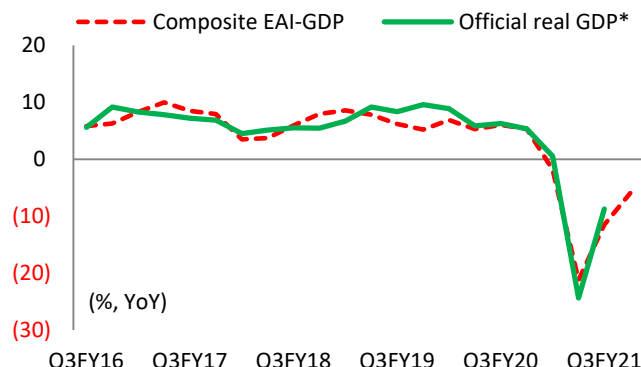
\*Purchasing Managers’ Index

**Exhibit 11: EAI-GVA moves in line with official real GVA...**



Source: CEIC, Various official sources, MOSL

**Exhibit 12: ...and is linked to official real GDP\* growth**



\*Excluding discrepancies

**Exhibit 13: Key leading indicators for consumption**

% YoY	Passenger traffic <sup>1</sup>	Revenue spending <sup>2</sup>	Petrol sales	Rural wages <sup>3</sup>	Consumer durable: IIP	Currency	Auto sales <sup>4</sup>	Imports <sup>5</sup>	Foreign tourists arrival	Personal credit	Services PMI
Dec-19	(1.3)	49.1	3.3	(6.0)	(3.2)	11.9	(15.0)	(5.2)	2.9	15.9	53.3
Jan-20	(1.6)	(8.1)	3.5	(5.6)	(0.6)	11.9	(14.6)	(3.6)	0.6	16.9	55.5
Feb-20	4.6	36.0	11.3	(4.8)	(0.3)	11.5	(18.1)	1.3	(6.9)	17.0	54.5
Mar-20	(38.1)	45.7	(16.4)	(4.1)	(22.3)	14.5	(41.7)	(28.5)	(66.4)	15.0	49.3
Apr-20	(101.1)	50.6	(60.4)	(1.3)	(48.1)	15.7	(100.0)	(47.5)	(100.0)	12.1	5.4
May-20	(100.6)	(32.8)	(35.3)	1.1	(9.7)	18.4	(84.0)	(31.9)	(100.0)	10.6	12.6
Jun-20	(99.2)	98.7	(13.5)	2.4	6.9	20.6	(39.8)	(36.4)	(100.0)	10.5	33.7
Jul-20	(97.7)	24.5	(10.4)	1.9	1.8	22.2	(14.0)	(16.9)	(100.0)	11.2	34.2
Aug-20	(96.4)	(26.9)	(7.5)	0.3	(3.0)	23.2	4.2	(24.5)	(100.0)	10.6	41.8
Sep-20	(93.9)	(43.0)	3.3	(1.2)	2.4	22.7	13.3	(5.2)	(100.0)	9.2	49.8
Oct-20	(90.6)	(19.0)	4.5	(1.8)	7.1	19.7	16.5	0.9	(100.0)	9.3	54.1
Nov-20	(82.1)	47.0	5.1	(0.9) <sup>6</sup>	(0.7)	22.2	12.1	6.5	(100.0)	10.0	53.7
Dec-20	(72.1)	29.2	9.3	(0.4) <sup>6</sup>	6.3 <sup>6</sup>	22.2	8.5	25.7	(100.0)	9.5	52.3
% YoY	Passenger traffic <sup>1</sup>	Revenue spending <sup>2</sup>	Petrol sales	Rural wages <sup>3</sup>	Consumer durable: IIP	Currency	Auto sales <sup>4</sup>	Imports <sup>5</sup>	Foreign tourists arrival	Personal credit	Services PMI
3QFY19	2.9	(7.6)	7.8	3.4	4.8	19.6	7.0	1.0	2.0	17.0	53.2
4QFY19	1.1	(6.9)	9.4	1.1	3.4	16.8	(8.0)	(1.1)	2.1	16.4	52.0
1QFY20	(0.5)	1.8	10.1	(1.1)	7.0	12.7	(13.0)	(1.2)	4.0	16.6	49.6
2QFY20	(1.8)	34.4	8.1	(1.9)	3.4	13.6	(22.0)	(2.3)	2.5	16.6	48.7
3QFY20	(1.1)	38.8	7.1	(4.7)	(1.9)	11.9	(13.6)	(5.0)	5.5	15.9	53.3
4QFY20	(12.2)	23.7	(1.2)	(4.9)	(7.7)	14.5	(24.3)	(11.0)	(22.6)	15.0	49.3
1QFY21	(100.3)	30.4	(35.9)	0.7	(16.9)	20.6	(74.9)	(38.3)	(100.0)	10.5	33.7
2QFY21	(96.0)	(19.8)	(5.1)	0.3	0.4	22.7	1.6	(15.6)	(100.0)	9.2	49.8
3QFY21	(81.7)	18.1	6.3	(1.1) <sup>6</sup>	4.2 <sup>6</sup>	22.2	13.0	10.5	(100.0)	9.5	52.3

<sup>1</sup> Railways and aviation

<sup>2</sup> Revenue spending less interest payments of central government

<sup>3</sup> Real rural wages, deflated by CPI for rural workers

<sup>4</sup> Includes passenger vehicles and two-wheelers

<sup>5</sup> Import of agricultural items, leather products, newsprint and electronic goods, textiles (excluding gold, silver, precious metals)

<sup>6</sup> Our forecasts

	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 14: Key leading indicators for investment on monthly/quarterly basis

% YoY	Cargo traffic <sup>1</sup>	Electricity	Auto sales <sup>2,**</sup>	Diesel sales	Capital goods' imports <sup>3</sup>	Cement Production	IIP: Non-metallic products	IIP: Capital goods	Industrial credit	Govt capex <sup>4</sup>	Manufacturing PMI
Dec-19	4.8	(0.0)	0.7	(0.0)	(16.5)	5.5	2.1	(18.3)	1.6	104.4	52.7
Jan-20	2.9	3.2	(3.8)	(1.8)	6.6	5.1	4.2	(4.4)	2.5	(31.8)	55.3
Feb-20	5.7	11.5	(32.1)	6.2	14.1	7.8	9.5	(9.6)	0.7	(15.7)	54.5
Mar-20	(10.8)	(8.2)	(76.8)	(24.2)	(16.5)	(25.1)	(23.7)	(38.8)	0.7	(4.4)	51.8
Apr-20	(30.0)	(22.9)	(100.0)	(55.6)	(54.2)	(85.2)	(86.6)	(92.7)	1.7	(7.5)	27.4
May-20	(22.0)	(14.8)	(86.4)	(29.5)	(33.6)	(21.4)	(27.3)	(65.9)	1.7	57.2	30.8
Jun-20	(10.2)	(10.0)	(67.4)	(15.5)	(42.1)	(6.8)	(10.0)	(37.4)	2.2	116.2	47.2
Jul-20	(7.8)	(2.4)	(55.9)	(19.6)	(37.7)	(13.5)	(14.5)	(22.8)	0.8	(47.1)	46.0
Aug-20	(1.6)	(1.8)	(45.7)	(20.8)	(42.0)	(14.5)	(12.5)	(14.4)	0.5	(20.9)	52.0
Sep-20	8.9	4.8	(34.1)	(5.9)	(29.2)	(3.4)	(7.4)	(1.3)	(0.0)	(38.9)	56.8
Oct-20	9.1	11.2	(33.7)	7.5	(23.8)	3.2	3.5	3.5	(1.7)	129.5	58.9
Nov-20	6.7	3.5	(23.5)	(6.9)	(10.0)	(7.3)	(3.6)	(7.1)	(0.7)	248.5	56.3
Dec-20	7.1	4.2	(18.7)	(2.8)	0.6	(9.7)	(3.7) <sup>5</sup>	13.1 <sup>5</sup>	(1.2)	62.7	56.4

% YoY	Cargo traffic <sup>1</sup>	Electricity	Auto sales <sup>2</sup>	Diesel sales	Capital goods' imports <sup>3</sup>	Cement Production	IIP: Non-metallic products	IIP: Capital goods	Industrial credit	Govt capex <sup>4</sup>	Manufacturing PMI
3QFY19	4.2	6.9	0.7	2.0	16.0	12.9	8.1	5.4	4.0	(45.5)	53.2
4QFY19	3.0	1.4	(3.2)	3.5	0.1	11.7	5.2	(7.5)	5.9	268.1	52.6
1QFY20	2.3	7.3	(8.6)	2.2	(6.1)	1.0	(1.2)	(3.6)	6.6	(27.6)	52.1
2QFY20	(1.8)	0.6	(22.6)	(0.1)	(11.8)	0.2	(0.0)	(16.6)	4.2	64.6	51.4
3QFY20	(0.6)	(5.9)	(7.6)	0.5	(15.0)	0.6	(2.0)	(16.9)	2.4	38.2	52.7
4QFY20	(1.2)	1.7	(40.4)	(7.1)	0.8	(5.0)	(4.2)	(18.3)	1.3	(14.7)	51.8
1QFY21	(20.8)	(15.8)	(84.2)	(33.3)	(43.0)	(38.3)	(41.6)	(64.8)	1.9	40.1	47.2
2QFY21	(0.5)	0.1	(44.8)	(15.8)	(36.4)	(10.6)	(11.6)	(12.8)	0.4	(37.7)	56.8
3QFY21	7.6	6.3	(25.6)	(1.1)	(10.8)	(4.9)	(1.4)	3.2	(1.2)	110.5	56.4

<sup>1</sup> Railways and waterways<sup>2</sup> Includes commercial vehicles and three-wheelers<sup>3</sup> Machinery and equipment, transport equipment, machine tools and project goods<sup>4</sup> Capital spending of the central government<sup>5</sup> Our forecasts

\*\* - Data for total CV sales derived using CV sales of Ashok Leyland, Eicher Motors Ltd., and Mahindra &amp; Mahindra Ltd.; the three account for ~50% of all CV sales

	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 15: Key indicators used in the creation of EAI-GVA on a monthly basis

% YoY	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
<b>Agriculture and allied activities</b>													
IIP: Fertiliser	10.2	(0.1)	2.9	(11.9)	(4.5)	7.5	4.2	6.9	7.3	(0.3)	6.3	1.6	(2.9)
Domestic tractor sales	4.0	3.3	19.6	(50.2)	(80.1)	0.5	20.2	35.9	64.8	26.7	9.0	48.3	41.2
Real rural wages <sup>1</sup>	(6.0)	(5.6)	(4.8)	(4.1)	(1.3)	1.1	2.4	1.9	0.3	(1.2)	(1.7)	(0.9) <sup>8</sup>	(0.4) <sup>8</sup>
Reservoir levels	58.7	65.6	55.5	75.2	65.9	83.1	115.7	71.5	3.6	1.4	(3.6)	(6.9)	(9.6)
<b>Agriculture sector</b>	6.0	5.8	7.2	(0.1)	(3.4)	7.1	10.8	10.4	10.0	5.3	3.3	7.3	6.2
<b>Industrial sector</b>													
Coal	6.1	8.0	11.3	4.0	(15.5)	(14.0)	(15.5)	(5.7)	3.6	21.0	11.7	3.3	2.2
Crude oil	(7.4)	(5.3)	(6.4)	(5.5)	(6.4)	(7.1)	(6.0)	(4.9)	(6.3)	(6.0)	(6.2)	(4.9)	(3.6)
Natural gas	(9.2)	(9.0)	(9.6)	(15.1)	(19.9)	(16.8)	(12.0)	(10.2)	(9.5)	(10.6)	(8.6)	(9.3)	(7.2)
IIP: Mining	5.7	4.4	9.6	(1.3)	(26.9)	(20.4)	(19.5)	(12.7)	(8.7)	1.4	(1.3)	(7.3)	(2.6) <sup>8</sup>
<b>Mining</b>	1.7	3.1	5.0	(1.7)	(18.0)	(14.7)	(12.6)	(6.7)	(4.3)	2.9	0.6	(2.6)	0.8
<b>Electricity</b>	(0.0)	3.2	11.5	(8.2)	(22.9)	(14.8)	(10.0)	(2.4)	(1.8)	4.8	11.2	3.5	4.2
IIP: Manufacturing	(0.3)	1.8	3.8	(22.8)	(66.6)	(37.8)	(17.0)	(11.4)	(7.6)	(0.2)	4.1	(1.7)	3.1 <sup>8</sup>
Credit growth <sup>2</sup>	(1.1)	(1.0)	(1.6)	0.3	3.4	5.2	4.1	1.1	0.1	(1.3)	(3.0)	(2.2)	(2.4)
Fuel consumption	(0.0)	1.8	5.3	(19.1)	(49.6)	(24.1)	(9.8)	(16.7)	(18.7)	(3.9)	9.2	(3.5)	(2.3)
<b>Manufacturing</b>	2.8	5.2	8.3	(22.3)	(67.9)	(34.9)	(13.2)	(12.9)	(11.2)	1.0	10.2	0.0	4.0
Steel production	8.7	1.6	2.9	(21.9)	(82.8)	(40.4)	(23.2)	(6.5)	0.5	6.2	4.0	(0.5)	(2.7)
Cement output	5.5	5.1	7.8	(25.1)	(85.2)	(21.4)	(6.8)	(13.5)	(14.5)	(3.4)	3.2	(7.3)	(9.7)
IIP: NMMP <sup>3</sup>	2.1	4.2	9.5	(23.7)	(86.6)	(27.3)	(10.0)	(14.5)	(12.5)	(7.4)	3.5	(3.6)	(3.7) <sup>8</sup>
IIP: Construction	0.2	(0.3)	2.8	(24.3)	(85.0)	(39.0)	(18.3)	(8.2)	0.0	2.5	9.9	0.7	(4.7) <sup>8</sup>
<b>Construction</b>	0.2	(0.3)	2.8	(24.3)	(85.0)	(39.0)	(18.3)	(8.2)	0.0	2.5	9.9	0.7	(4.7) <sup>8</sup>
<b>Industry</b>	1.9	3.5	6.8	(19.8)	(63.9)	(32.4)	(14.1)	(10.2)	(7.3)	2.2	9.8	0.5	2.0
<b>Services sector</b>													
Auto sales#	(13.9)	(13.8)	(19.1)	(45.0)	(100.0)	(84.1)	(41.5)	(16.6)	1.2	10.4	13.4	9.7	6.1
Trade credit <sup>4</sup>	2.9	1.2	4.4	4.2	9.2	9.8	8.1	9.4	12.0	10.0	12.6	13.0	13.3
Foreign tourist arrivals	2.9	0.6	(6.9)	(66.4)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Freight traffic <sup>5</sup>	4.8	2.9	5.7	(10.8)	(30.0)	(22.0)	(10.2)	(7.8)	(1.6)	8.9	9.1	6.7	7.1
Passengers traffic <sup>5</sup>	(1.4)	(1.7)	4.5	(38.1)	(101.2)	(100.6)	(99.4)	(98.0)	(96.8)	(94.3)	(91.2)	(82.6)	(72.6)
MFs AUMs	13.0	15.1	15.0	(6.8)	(1.9)	(2.0)	7.0	10.8	7.5	8.2	5.8	9.3	15.5
Fiscal Spending <sup>6</sup>	54.4	(14.9)	16.1	31.3	42.1	(20.3)	105.0	5.5	(26.2)	(42.9)	(4.3)	86.1	49.2
Real deposits <sup>7</sup>	6.7	7.3	7.8	7.5	11.7	14.4	11.7	12.4	10.5	9.1	9.7	8.8	9.4
Telecom subscribers	(2.1)	(2.2)	(2.0)	(0.5)	(1.2)	(1.6)	(2.2)	(2.1)	(2.0)	(2.2)	(2.7)	(0.1)	(0.2) <sup>8</sup>
PMI: Services	0.2	6.3	9.5	(5.2)	(89.4)	(74.9)	(32.1)	(36.4)	(20.2)	2.3	10.0	1.9	(1.9)
<b>Services sector</b>	8.1	5.3	6.9	(1.8)	(18.8)	(16.1)	(2.3)	(4.6)	(1.3)	3.2	6.2	7.5	4.9
<b>Aggregates</b>													
<b>EAI-GVA</b>	6.1	4.8	6.9	(7.1)	(29.8)	(18.5)	(4.4)	(5.6)	(2.8)	2.3	6.3	5.1	3.9
<b>Non-farm EAI-GVA</b>	6.1	4.8	7.0	(7.9)	(32.6)	(21.2)	(6.0)	(6.7)	(3.6)	2.4	7.1	5.0	3.8

<sup>1</sup> Rural wages; deflated by CPI for rural workers<sup>2</sup> Banks' industrial credit growth; deflated by WPI<sup>3</sup> Non-metallic minerals products (NMMP)<sup>4</sup> Bank's non-food trade credit; deflated by WPI<sup>5</sup> Railways and aviation<sup>6</sup> Total non-interest spending by the central government; deflated by WPI<sup>7</sup> Bank deposits; deflated by WPI<sup>8</sup> Our forecasts

# Sale of commercial vehicles within total auto Sales has been derived using CV sales of Ashok Leyland, Eicher Motors Ltd., and Mahindra & Mahindra Ltd.; the three account for ~50% of all CV sales

Source: Various National Sources, CEIC, MOFSL

	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 16: Key indicators used in the creation of EAI-GVA on a quarterly basis

% YoY	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21
<b>Agriculture and allied activities</b>									
IIP: Fertiliser	(7.4)	5.8	(1.1)	3.3	11.8	(3.1)	2.8	4.6	1.6
Domestic tractor sales	19.5	(5.8)	(15.6)	(7.9)	(5.7)	(12.6)	(15.8)	38.2	26.9
Real rural wages <sup>1</sup>	3.4	1.1	(1.1)	(1.9)	(4.7)	(4.9)	0.7	0.3	(1.0) <sup>8</sup>
Reservoir levels	0.4	4.5	6.2	4.2	47.0	64.7	84.3	11.4	(6.6)
<b>Agriculture sector</b>	4.3	2.3	0.8	1.7	4.5	3.9	5.1	7.3	5.0
<b>Industrial sector</b>									
Coal	5.1	6.4	2.6	(10.3)	(4.7)	7.4	(15.0)	5.4	5.2
Crude oil	(4.3)	(5.5)	(6.8)	(5.1)	(6.2)	(5.7)	(6.5)	(5.7)	(4.9)
Natural gas	1.3	3.8	(1.0)	(3.1)	(7.1)	(11.3)	(16.2)	(10.1)	(8.4)
IIP: Mining	2.8	2.2	3.0	(1.2)	(0.0)	3.9	(22.3)	(7.0)	(3.8) <sup>8</sup>
<b>Mining</b>	5.1	4.7	2.3	(0.8)	(1.1)	1.9	(15.1)	(3.0)	(0.6)
<b>Electricity</b>	6.9	1.4	7.3	0.6	(5.9)	1.7	(15.8)	0.1	6.3
IIP: Manufacturing	3.4	1.4	2.4	(0.4)	(1.1)	(6.3)	(40.3)	(6.5)	1.8 <sup>8</sup>
Credit growth <sup>2</sup>	(0.4)	2.9	3.8	3.3	1.3	(0.8)	4.2	(0.0)	(2.5)
Fuel consumption	2.7	3.4	(0.6)	1.4	(0.4)	(4.4)	(27.7)	(13.4)	0.8
<b>Manufacturing</b>	6.8	6.1	5.0	3.9	2.3	(3.5)	(38.4)	(7.9)	4.6
Steel production	5.9	7.4	12.4	3.5	5.1	(6.5)	(48.6)	(0.1)	0.2
Cement output	12.9	11.7	1.0	0.2	0.6	(5.0)	(38.3)	(10.6)	(4.9)
IIP: NMMP <sup>3</sup>	8.1	5.2	(1.2)	(0.0)	(2.0)	(4.2)	(41.6)	(11.6)	(1.4) <sup>8</sup>
<b>Construction</b>	7.6	4.5	0.4	(3.3)	(3.4)	(7.3)	(35.5)	(49.4)	(47.4) <sup>8</sup>
<b>Industry</b>	7.0	5.2	3.8	1.5	(0.1)	(3.2)	(36.6)	(5.3)	4.0
<b>Services sector</b>									
Auto sales <sup>#</sup>	6.6	(7.6)	(12.8)	(22.0)	(13.2)	(25.6)	(75.4)	(1.3)	10.3
Trade credit <sup>4</sup>	6.4	8.9	5.9	6.6	4.0	3.3	9.0	10.5	12.9
Foreign tourist arrivals	2.0	2.1	4.0	2.5	5.5	(22.6)	(100.0)	(100.0)	(100.0)
Freight traffic <sup>5</sup>	4.2	3.0	2.3	(1.8)	(0.6)	(1.2)	(20.8)	(0.5)	7.6
Passengers traffic <sup>5</sup>	2.7	1.0	(0.5)	(1.9)	(1.2)	(12.2)	(100.4)	(96.4)	(82.2)
MFs AUMs	1.1	3.6	6.3	5.0	14.3	7.7	0.9	8.8	10.2
Real CG spending <sup>6</sup>	(20.4)	12.4	(6.5)	38.8	36.9	11.6	34.6	(24.0)	41.9
Real deposits <sup>7</sup>	4.9	6.8	7.5	8.6	8.6	7.5	12.6	10.6	9.3
Telecom subscribers	0.1	0.9	2.4	0.5	(0.8)	(1.6)	(1.7)	(2.1)	(1.0) <sup>8</sup>
PMI: Services	5.3	4.6	(1.8)	(1.1)	(2.5)	3.6	(65.7)	(18.8)	3.2
<b>Services sector</b>	7.5	8.1	6.2	6.6	6.5	3.5	(12.7)	(1.1)	6.1
<b>Aggregates</b>									
<b>Real GVA</b>	7.1	6.9	5.0	4.9	4.4	1.5	(17.6)	(2.1)	5.1
<b>Non-farm GVA</b>	7.4	7.4	5.4	5.3	4.3	1.3	(20.0)	(2.7)	5.3

<sup>1</sup> Rural wages; deflated by CPI for rural workers<sup>2</sup> Banks' industrial credit growth; deflated by WPI<sup>3</sup> Non-metallic minerals products (NMMP)<sup>4</sup> Bank's non-food trade credit; deflated by WPI<sup>5</sup> Railways and aviation<sup>6</sup> Total non-interest spending by the central government; deflated by WPI<sup>7</sup> Bank deposits; deflated by WPI<sup>8</sup> Our forecasts # Sale of commercial vehicles within total auto Sales has been derived using CV sales of Ashok Leyland, Eicher Motors Ltd., and Mahindra & Mahindra Ltd.; the three account for ~50% of all CV sales

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

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