



MONTHLY ECONOMIC **JAN** REPORT ON INDIA 2025

The Indian economy shows mixed trends through November-December. **Industrial output rebounds** in November, with **stable power demand** and renewable contribution exceeding seasonal patterns. Multiple indicators reach **peak levels: toll collections, domestic air traffic, tractor registrations, and SIP flows**. Enhanced reservoir levels boost rural sentiment, though **automobile demand slows** after October's festive surge. While **consumer prices moderate** in December, **tight banking liquidity** drives **short-term rates upward**. Robust portfolio inflows enhance balance of payment surplus in Q2FY25; weaker goods export and rising imports widen trade deficit in December. **Dollar strengthening** since December impacts currency markets, with the rupee falling 1.7% in a month (as of 15 January), while forex reserves stay above USD 600 billion. Government capex picks up through October-November versus H1, although overall fiscal deficit under budgeted targets

November – December 2024

Growth

Industrial production **expands** by 5.2% in November, supported by **robust cement output**. Power generation (5.6%) drives coal production higher in December. **Renewable energy** share reaches 12.2% in November, **exceeding seasonal patterns**. **Economic activity remains firm** with e-way bill generation growing 17.6% and composite PMI at 59.2. **Record high toll collection** of INR 54.8 billion in December

Trade

Goods trade deficit widens to USD 22 billion on **higher yoy gold imports**. Services surplus narrows with record-high imports of USD 18 billion in December. Current account deficit at 1.2% of GDP in Q2FY25, while **portfolio flows boost BOP surplus** to 2.0%. **Ports cargo volume declines** 1.6% in December amid rising container rates and falling Baltic Dry Index. **Rail freight growth moderates** to 1.5% in October on weaker commodity movement

Demand

Power demand grows 5.9% in December. **Domestic air passengers** reach **all-time high** of ~15 million in December. **Rural activity improves** with reservoir levels up ~26% and **record monthly tractor registrations** of ~98k. **Automobile registrations** across 2W, 3W, PV, CV show year-over-year **decrease** in December, following October's festive period. **Credit growth** (11.2%) **eases** but continues **above deposit** growth (9.8%)

Foreign Exchange

Currency movement reflect global **USD strength** with DXY at 107.1 in December. **INR depreciates 1.7%** (as of 15 Jan) over **previous month** despite elevated REER at 107.2 in December. **10-year INR trend** shows **stable** 3.2% p.a. depreciation against USD and 0.4% p.a. against JPY, with markets pricing **2.46% depreciation (1-year forward premium)**. **Forex reserves** maintain **USD 600+ billion** level

Inflation

Consumer inflation eases to 5.2% yoy in December, reflecting **softer food prices**. Wholesale inflation picks up to 2.4%, driven by food and fuel prices. Repo rate stands unchanged at 6.50%. Consensus projections (as of December) indicate **75-bps cumulative rate cut** through CY2025. **Crude oil, copper, and gold rise** to USD 83 per bbl and USD 9,053 per tonne, USD 2,678 per troy oz, as of 15 January

Investments

FPIs return in December with INR 259 billion investment. In FYTD2025, net **DII flows** reach **all-time high** of INR 4.2 trillion alongside net FPI flows of INR 886 billion. **Gross FDI inflows** of USD 49 billion in FYTD2025 (till Oct). **Net FDI eases** to USD 2 billion due to **increased repatriation and outward FDI**. AIFs raise INR 275 billion and deploy INR 171 billion in Q2FY25, led by Category II and III

Markets

Banking **liquidity** shifts to **deficit** (0.9% of NDTL) as of 15 Jan, **lifting** 3-month **treasury yields** to 6.6%. **India-US 10-year g-sec yield spread** at a **20-year** low as US yield rises. **SIP flows hit record high** of INR 265 bn in December. **Equity valuations** at 22.3 sit **under 10-year average** of 23.5. Advanced economies show double-digit stock gains, while **returns moderate** to 8.6% in **India amid higher volatility** (VIX: 14.5) in December

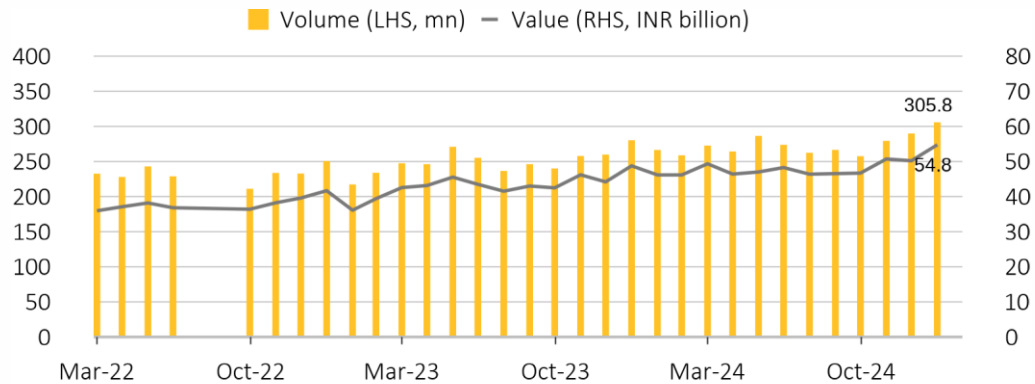
Fiscal

GST collections remain **strong** at INR 1.8 trillion in December, maintaining 6.8% of GDP in CY2024. **Gross tax collections increase** 10.7% yoy through November, aligning with nominal GDP advance estimates. **Fiscal deficit** reaches over half of budget target (52.5%) in FYTD2025 (till November), **decreasing 6.6% yoy**, reflecting **lower capex**, down 12.3% yoy

Key charts

Toll collection hits record INR 54.8 billion with 306 million transactions

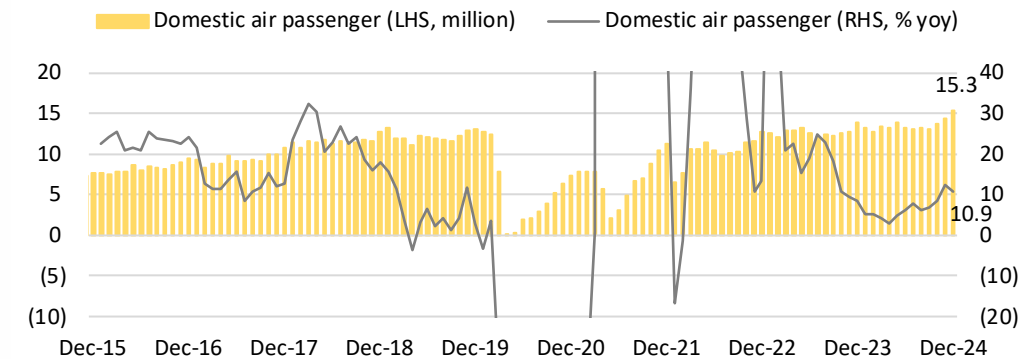
Monthly road toll collection at NHAH tolls, FY2022-FY2025 (Dec '24)



Source: Thurro, IHMCL, NIIF Research
Note: Data for July and August 2022 not available

Domestic air passengers reach record 15 million in December, up 10.9%

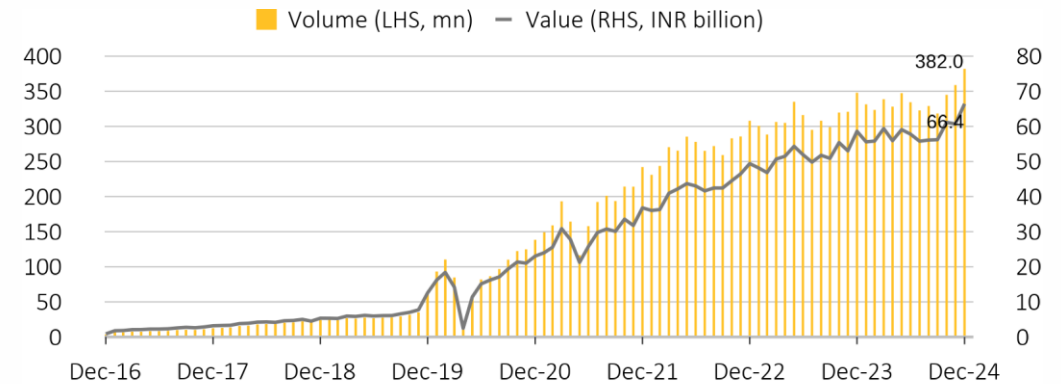
Monthly domestic air passengers, FY2013-FY2025 (Dec '24)



Source: Thurro, DGCA, Ministry of Civil Aviation, NIIF Research
Growth in air passengers between Apr '21 and Oct '21, and May '22 not depicted due to low base effect of Apr '20 to Oct '20, and May '21.

FasTag penetration reaches new peak in December

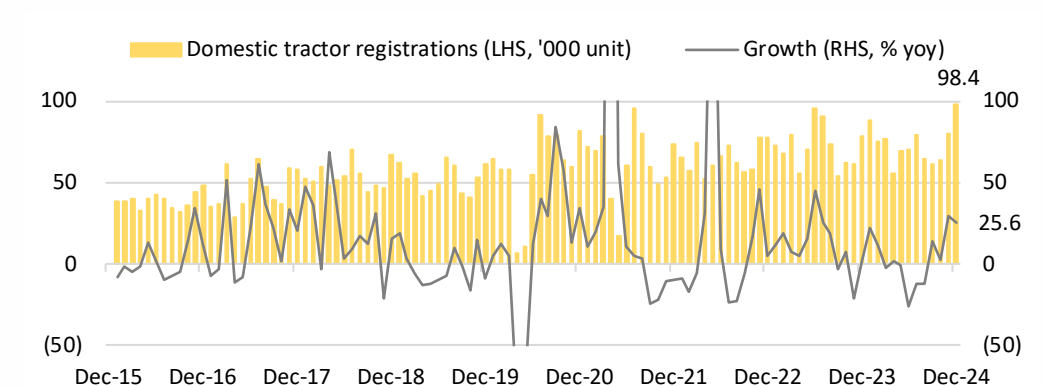
Monthly national electronic road toll collection, FY2017-FY2025 (Dec '24)



Source: Thurro, RBI, NIIF Research
Note: FasTag is primarily used at 800 national and 300 state highways, and at a few parking lots

Tractor registrations surge in December, at an all-time high

Monthly domestic tractor registrations, FY2014-FY2025 (Dec '24)

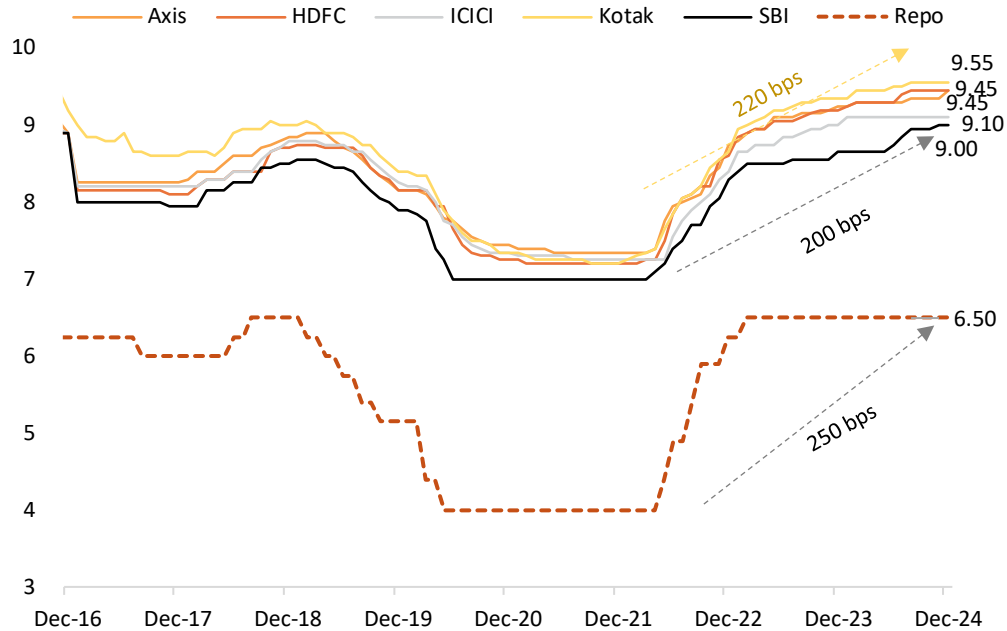


Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research
Note: Growth in tractor sales in March '20 and April '21 not shown above due to base effects

Key charts

Major banks raise MCLR by 200-220 bps over 30 months

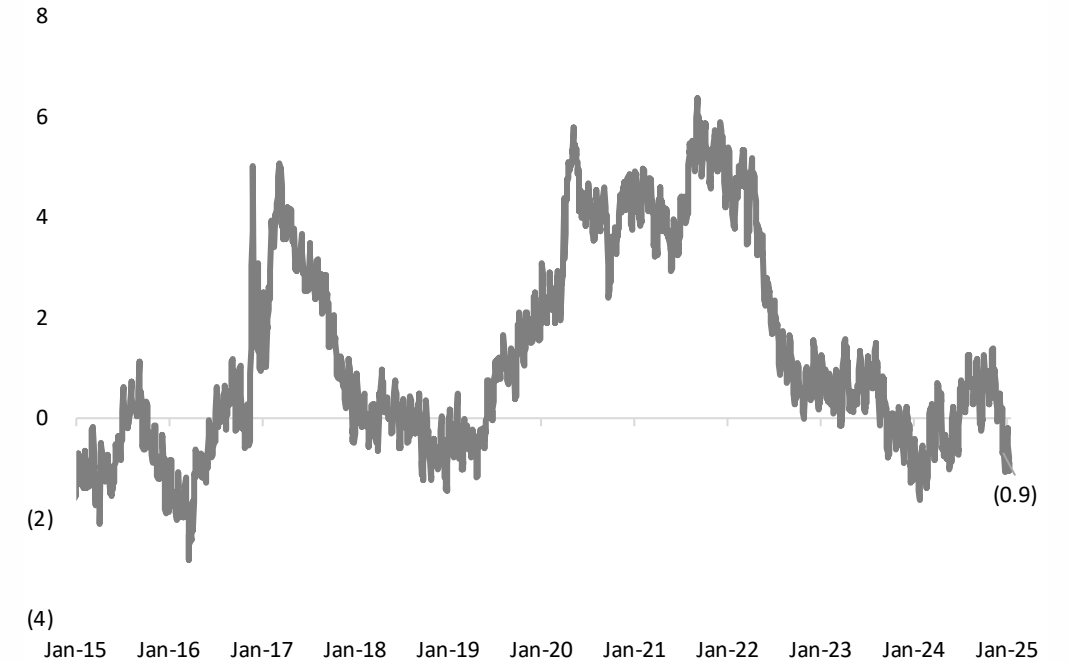
Monthly 1-year marginal cost of fund-based lending rate (%), FY2017-FY2025 (Dec '24)



Source: CEIC, NIIF Research

Banking system liquidity moves into deficit

Surplus liquidity (% of net demand and time liabilities), FY2015-FY2025 (15 Jan '25)



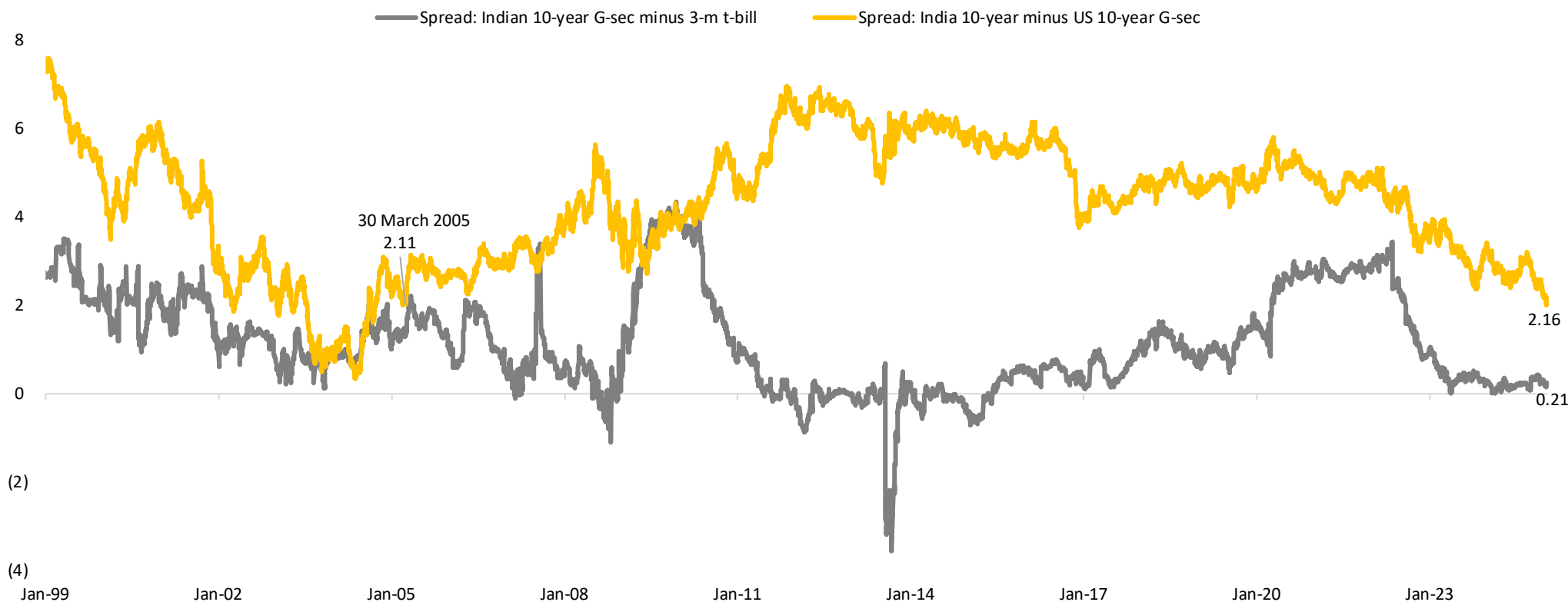
Source: Bloomberg, CEIC, NIIF Research

Note:

1. Liquidity operations by RBI include repo, term-repo, long-term repo operations, open market operations, marginal standing facility, and standing liquidity facilities
2. A positive number indicates liquidity surplus, and a negative number indicates a liquidity deficit

Key charts

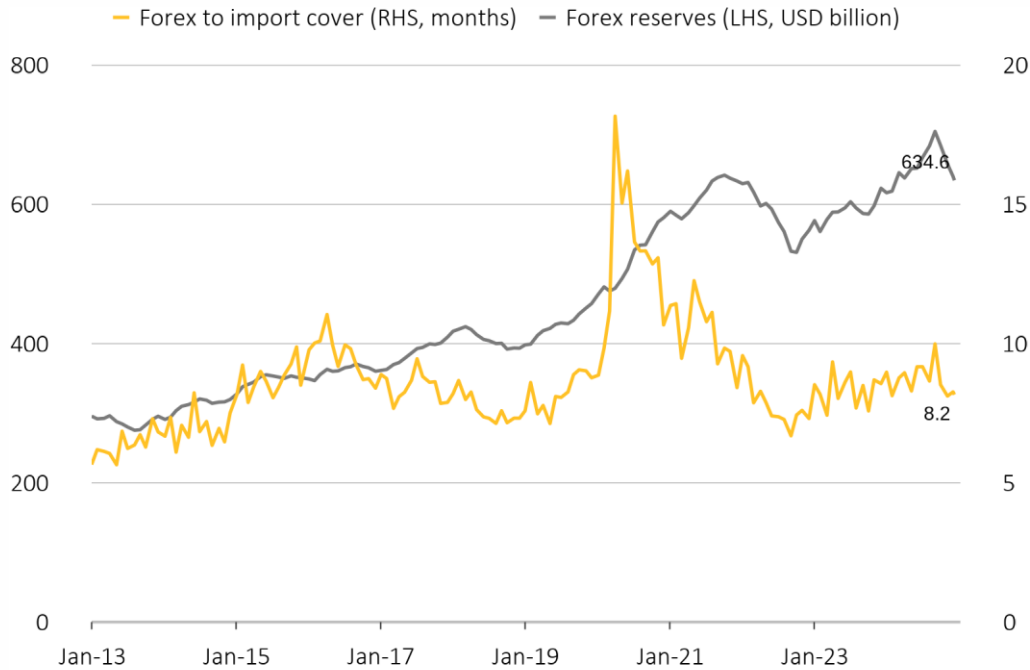
India-US 10Y G-sec spread narrows to a 20-year low amid rising US rates; tight liquidity narrows Indian 10-year and 3-month yield spread
 Daily India G-sec and corporate bond yields (%), FY2015-FY2025 (15 Jan 2025)



Source: Bloomberg, NIIF Research

Key charts

Forex reserves of USD 600+ billion sustain robust 8-month import cover
 Monthly foreign exchange reserves, FY2013-FY2025 (03 Jan '25)

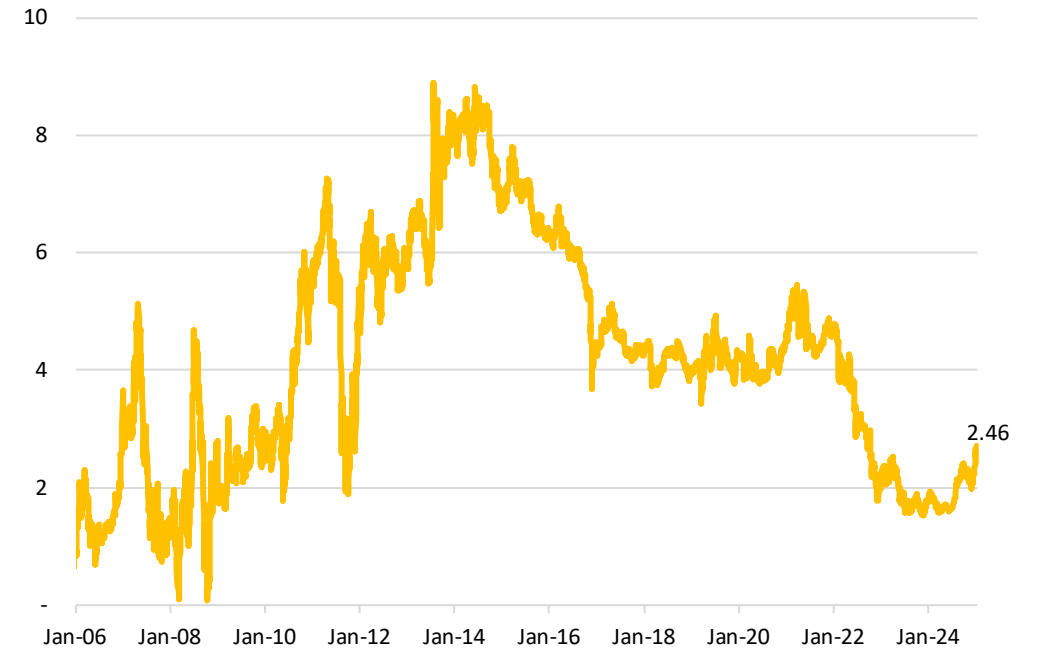


Source: Thurro, RBI, NIIF Research

Note:

1. Import cover calculated on total imports (merchandise plus services)

USD-INR forward premium trends upward
 USD/INR implied 1-year forward risk premium (%), FY2006-FY2025 (15 Jan '25)



Source: Bloomberg, NIIF Research



MONTHLY ECONOMIC REPORT ON INDIA JAN 2025

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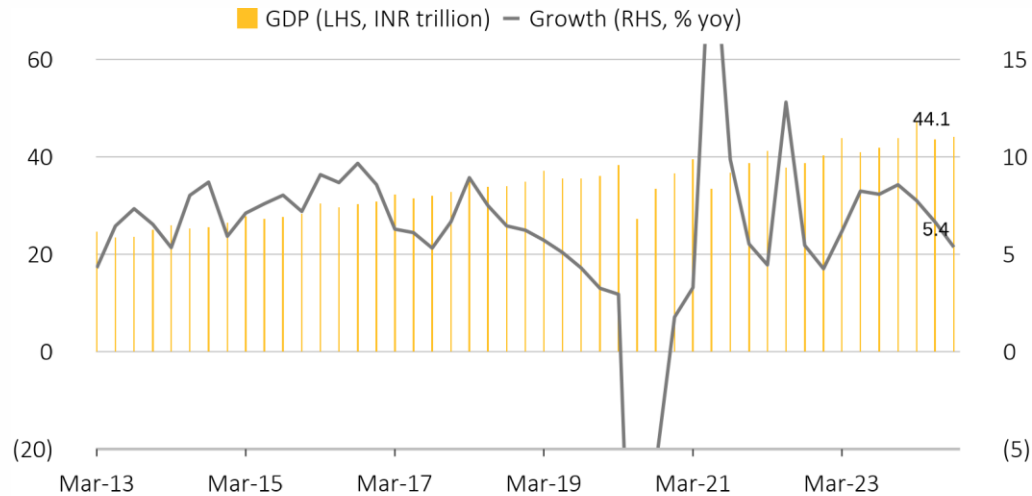
Macroeconomic indicators

- GDP and GVA growth moderated to 5.4% and 5.6% in Q2FY25, driven by private consumption (6%) and services (7.1%). Industrial output rebounds to 5.2% in November, with robust cement production and power demand (5.9%) boosting coal output in December
- Economic activity stays strong with high e-way bills and PMI, despite December weakness in automobile demand across segments. Credit growth eases to 11.2%, exceeding deposit growth (9.8%). UPI transactions reach USD 2.9 trillion over TTM December
- Retail inflation moderates to 5.2% while WPI increases to 2.4% in December on food, non-food and fuel trends. Rural activity improves with higher reservoir levels and peak tractor registrations
- Gross tax collections rise 10.7% through November, tracking nominal GDP projection. Fiscal deficit touches 52.5% of budget target in FYTD2025, down 6.6% yoy, indicating slower capex, down 12.3% yoy

Growth

Real GDP grows by 5.4% yoy in Q2FY25

Quarterly real GDP growth for India, FY2013-FY2025 (Sep '24)

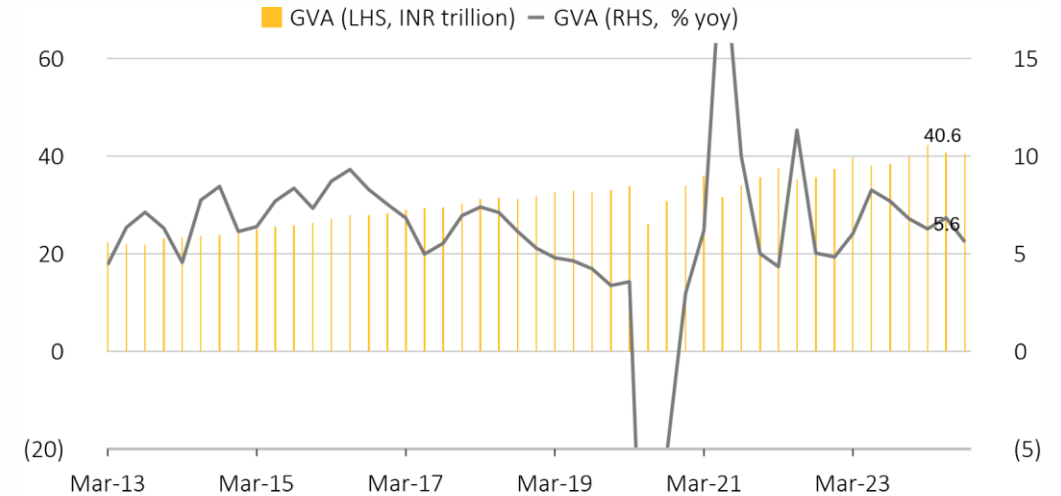


Source: Thurro, MOSPI, NIIF Research

Note: Real GDP growth is based on 2012 prices%

GVA growth rose by 5.6% in Q2FY25

Quarterly real GVA growth (% yoy), FY2013-FY2025 (Sep '24)



Source: Thurro, MOSPI, NIIF Research

Real Gross Domestic Product (GDP) expands 5.4% yoy in Q2FY25 (Jul-Sep)

- Growth pace slowed from 6.7% in Q1FY25 and 8.1% in Q2FY24
- Nominal GDP expanded 8.0% yoy in Q2FY25, decelerating from 9.7% in Q1FY25 and 9.6% in Q2FY24

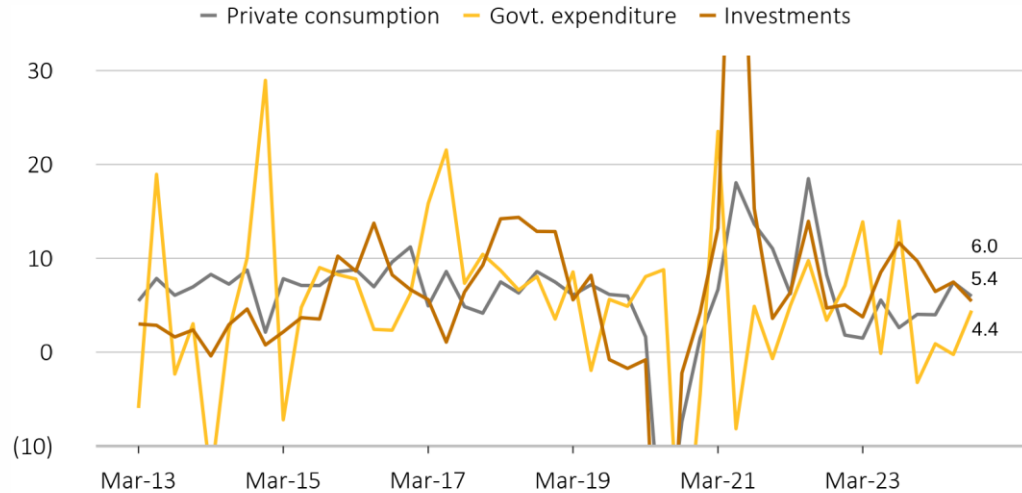
Real Gross Value Added (GVA) rises by 5.6% in Q2FY25, showing softer momentum

- Marks a deceleration from 6.8% in Q1FY25 and 7.7% in Q2FY24
- RBI maintained FY2025 real GDP growth projection at 7.2% (October forecast); Economic Survey (July 2024) estimated 6.5-7.0%, though post-GDP briefing now points to a 6.5% FY2025 projection

Growth

Broad moderation visible across GDP components in Q2FY25

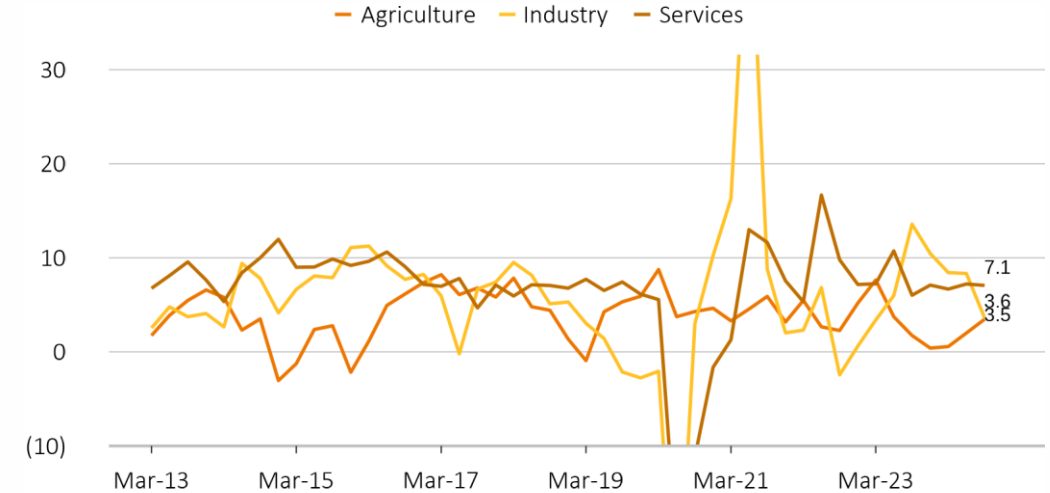
Quarterly real GDP growth by components (% yoy), FY2013-FY2025 (Sep '24)



Source: Thurro, MOSPI, NIIF Research

Services lead GVA growth amid softer agriculture, industrial performance

Quarterly real GVA growth by components (% yoy), FY2013-FY2025 (Sep '24)



Source: Thurro, MOSPI, NIIF Research

Growth momentum softens across private consumption, government expenditure and investments

- Capex expansion eased to 5.4% yoy in Q2FY25, declining from 7.5% in Q1FY25 and a drop from 11.6% in Q2FY24
- Private consumption growth dipped to 6.0%, down from the previous quarter's 7.4%
- Government spending showed signs of revival at 4.4%, rebounding from a 0.2% contraction in Q1FY25

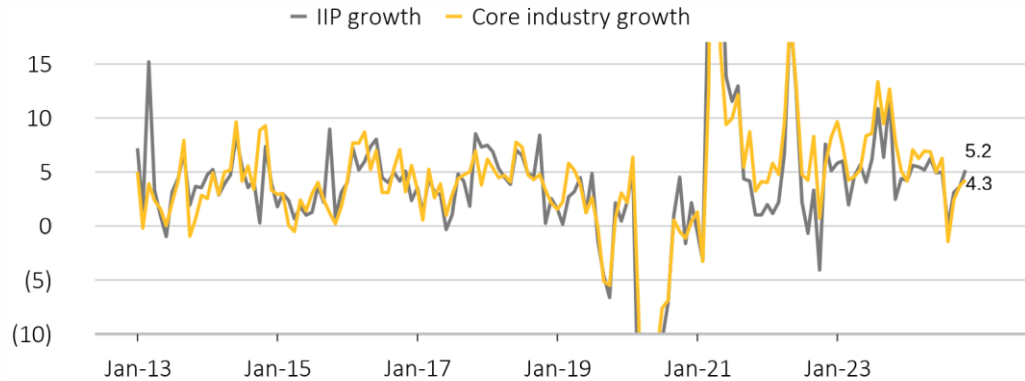
Services sector a key driver of real GVA growth in Q2FY25

- Industrial GVA growth slowed to 3.6% yoy in Q2FY25, with weakening across sectors - mining contracted by 0.1%, manufacturing grew marginally by 2.2%, and electricity expanded modestly by 3.3%. Construction remained robust at 7.7%, though lower than last quarter's 10.5%
- Services GVA expanded 7.1%, mainly driven by 'public administration'; Agriculture output strengthened to 3.5% from 2.0% in Q1, buoyed by strong food production

Core sectors

Industrial growth picks up in November

IIP and output of eight core industries (% yoy), FY2013-FY2025 (Nov '24)

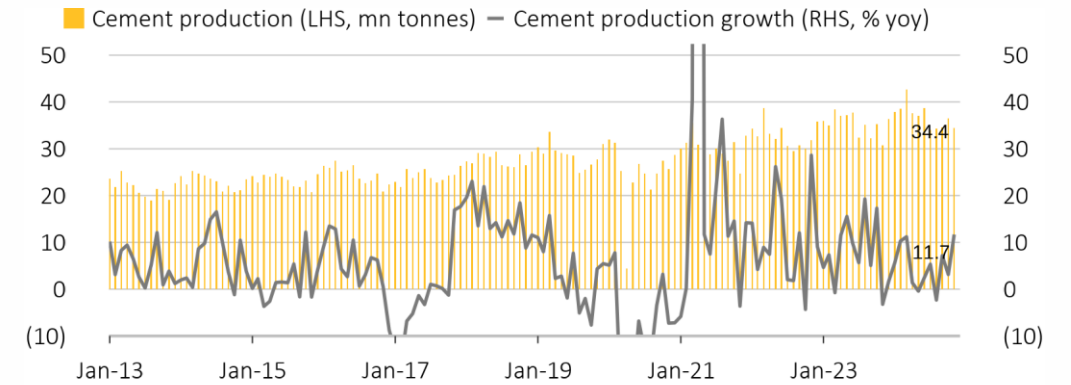


Source: Thurro, Office of the Economic Advisor, NIIF Research

Note: IIP growth for May '20 and Apr '21 not shown due to low base effect

Robust growth in cement production in November

Monthly cement production, FY2013-FY2025 (Nov '24)

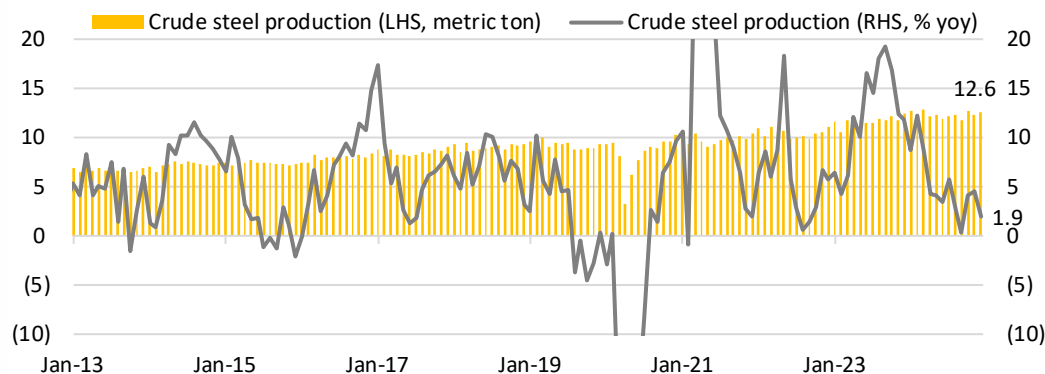


Source: Thurro, EAI, NIIF Research

Note: Growth in cement production in Apr '21 not shown in the chart due to low base effect

Muted crude steel production growth in December

Monthly crude steel production, FY2013-FY2025 (Dec '24)

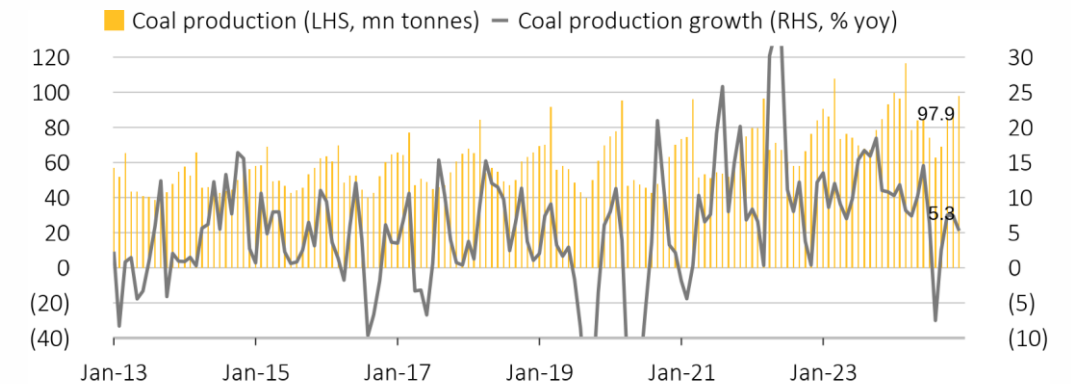


Source: CEIC, Ministry of Steel, JPC, NIIF Research

Note: Growth in steel production in Apr '21 not shown in the chart due to low base effect

Steady growth in coal production, up 5.3% yoy in December

Monthly coal production, FY2013-FY2025 (Dec '24)

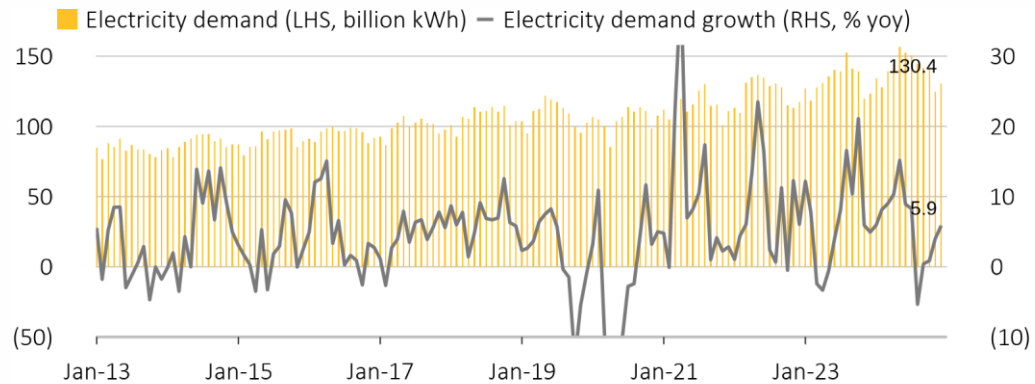


Source: Thurro, Ministry of Coal, NIIF Research

Energy and fuel

Steady 5.9% yoy growth in demand for electricity in December

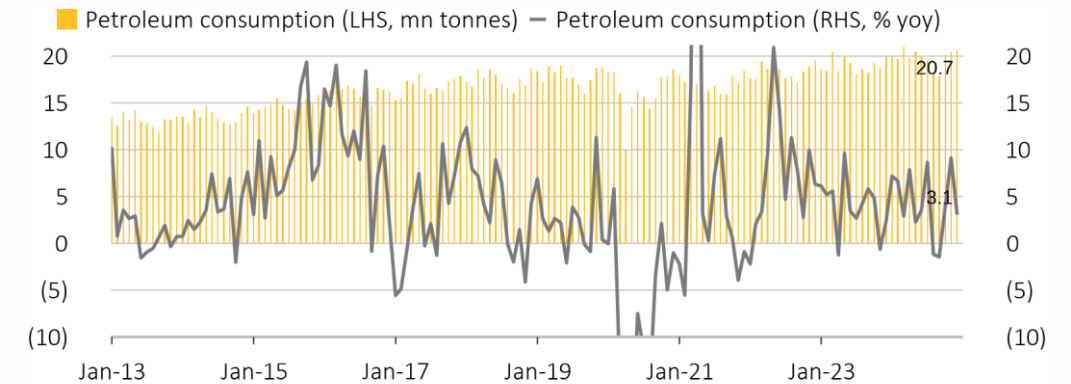
Monthly electricity demand in India, FY2013-FY2025 (Dec '24)



Source: Thurro, POSOCO, NIIF Research

Robust demand for petroleum in December

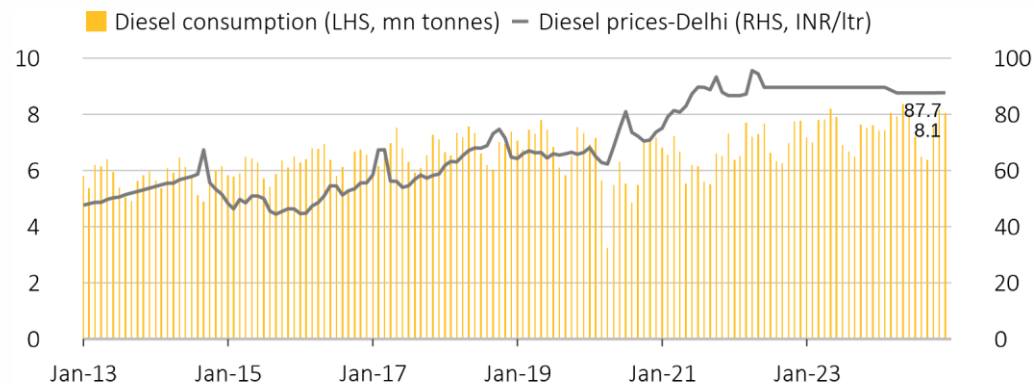
Monthly petroleum consumption in India, FY2013-FY2025 (Dec '24)



Source: Thurro, PPAC, NIIF Research

Diesel consumption remains firm through December

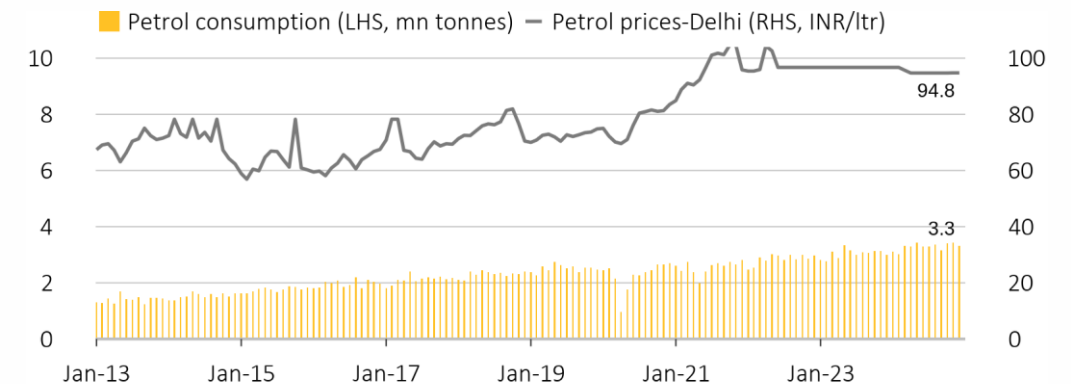
Monthly diesel consumption and prices, FY2013-FY2025 (Dec '24)



Source: Thurro, PPAC, NIIF Research

Steady petrol consumption in December

Monthly petrol consumption and prices, FY2013-FY2025 (Dec '24)

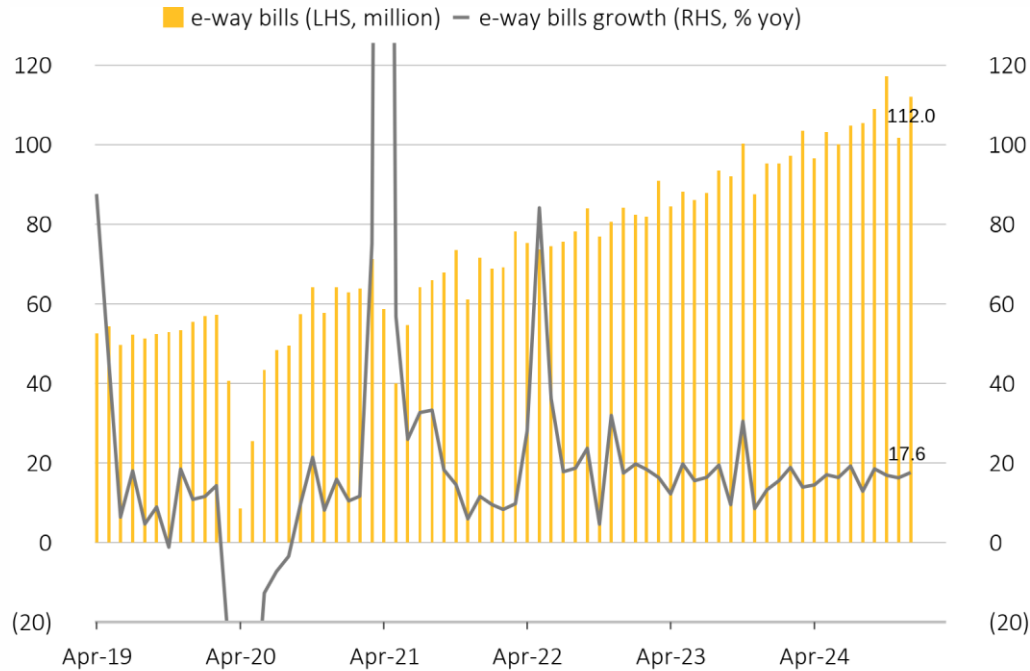


Source: Thurro, PPAC, NIIF Research

Activity levels

E-way bill maintains robust growth in December

Monthly number of e-way bills, FY2020-FY2025 (Dec '24)



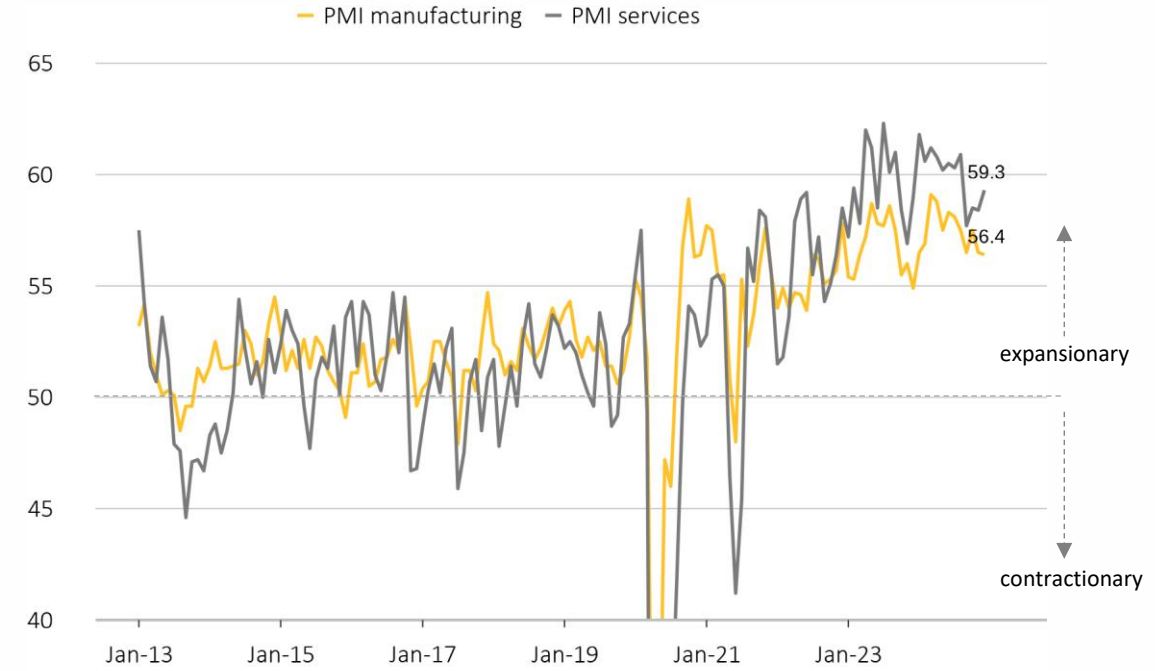
Source: Thurro, GSTN, NIIF Research

Note:

1. Includes all inter-state and intra-state e-way bills
2. e-way bill is a document required to be carried by a person in charge of the conveyance carrying any consignment of goods of value exceeding INR 50,000 under the Goods and Services Tax Act

Services and manufacturing PMI remain in expansionary zone

Monthly India PMI manufacturing and services, FY2013-FY2025 (Dec '24)



Source: Thurro, S&P, NIIF Research

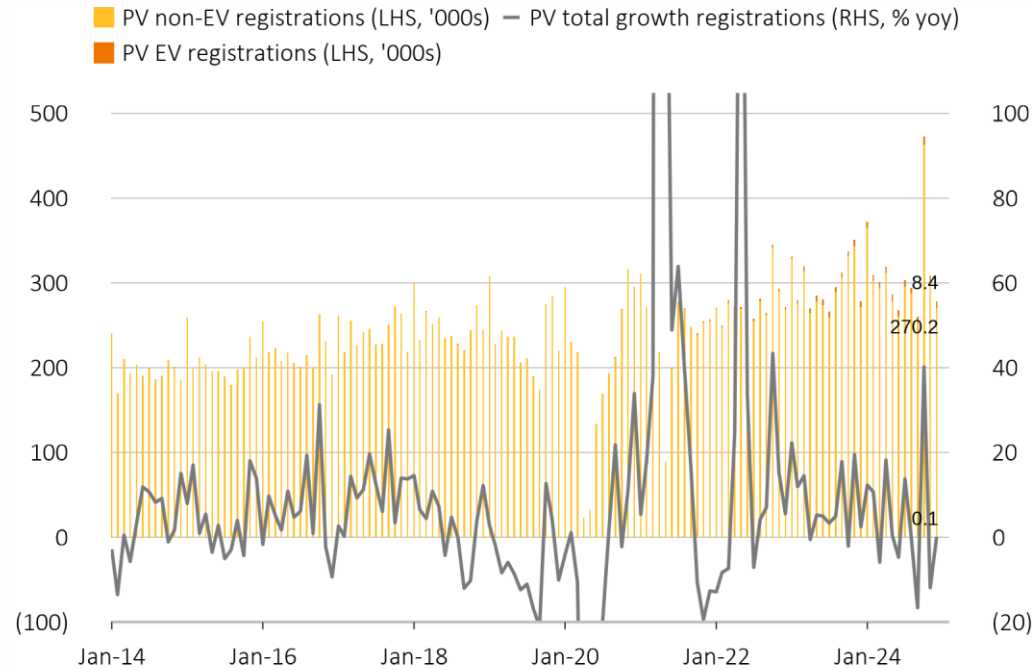
Note:

1. Purchase Managers Index (PMI) is based on a monthly survey of supply chain managers across 19 industries: a number above 50 indicates expansion and below 50 indicates contraction.
2. PMI for manufacturing and services dropped sharply between Apr '20 and Oct'20 due to impact of COVID-19

Automobile sector (1/2)

Muted growth in 4W registrations in December

Monthly passenger vehicle (PV) registrations, FY2014-FY2025 (Dec '24)



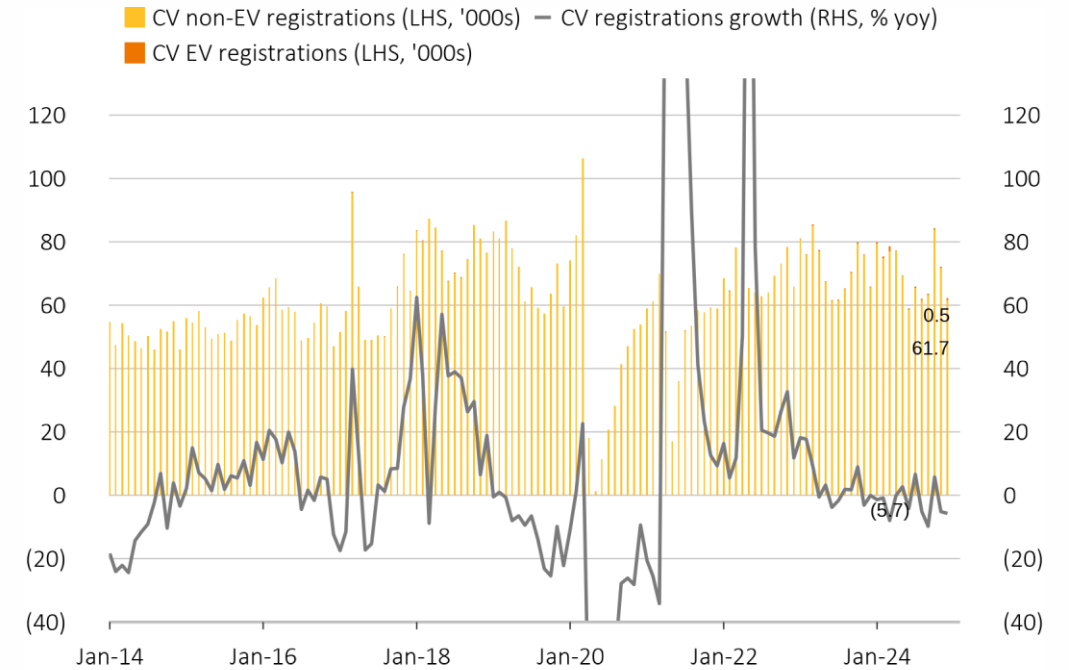
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

Note:

1. Growth in passenger vehicles registration not shown in Jun '21 due to low base effect

Commercial vehicle registrations decline 5.7% yoy in December

Monthly commercial vehicle (CV) registrations, FY2014-FY2025 (Dec '24)



Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

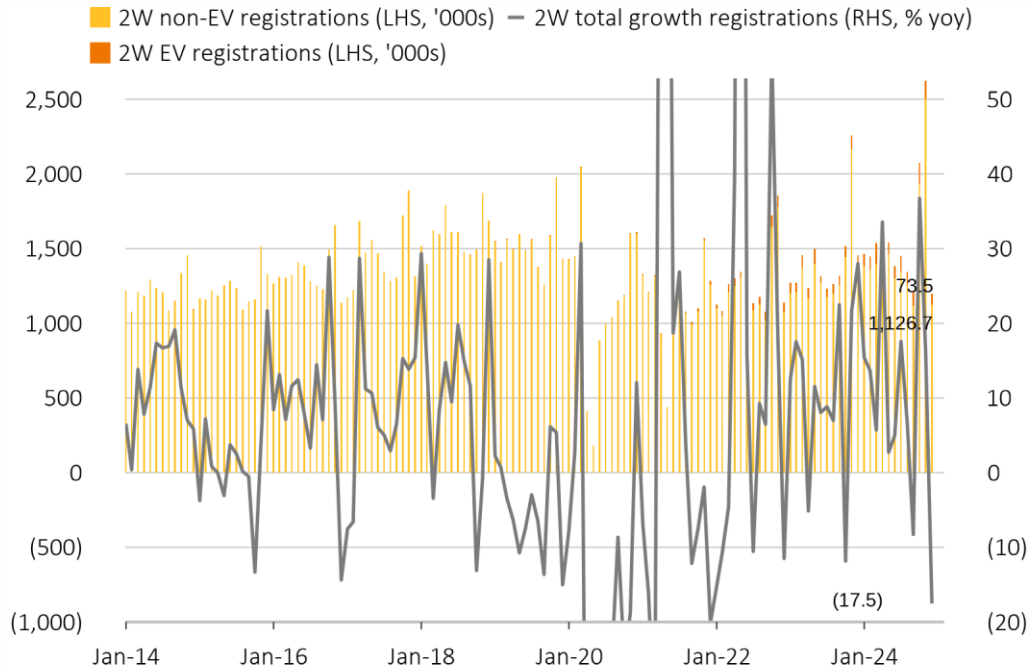
Note:

1. Low commercial vehicle registrations growth in Apr '20 and May '20, due to impact of Covid lockdown, not shown in the chart

Automobile sector (2/2)

Two-wheeler registrations fall in December, down 17.5% yoy

Monthly two-wheeler (2W) registrations, FY2014-FY2025 (Dec '24)



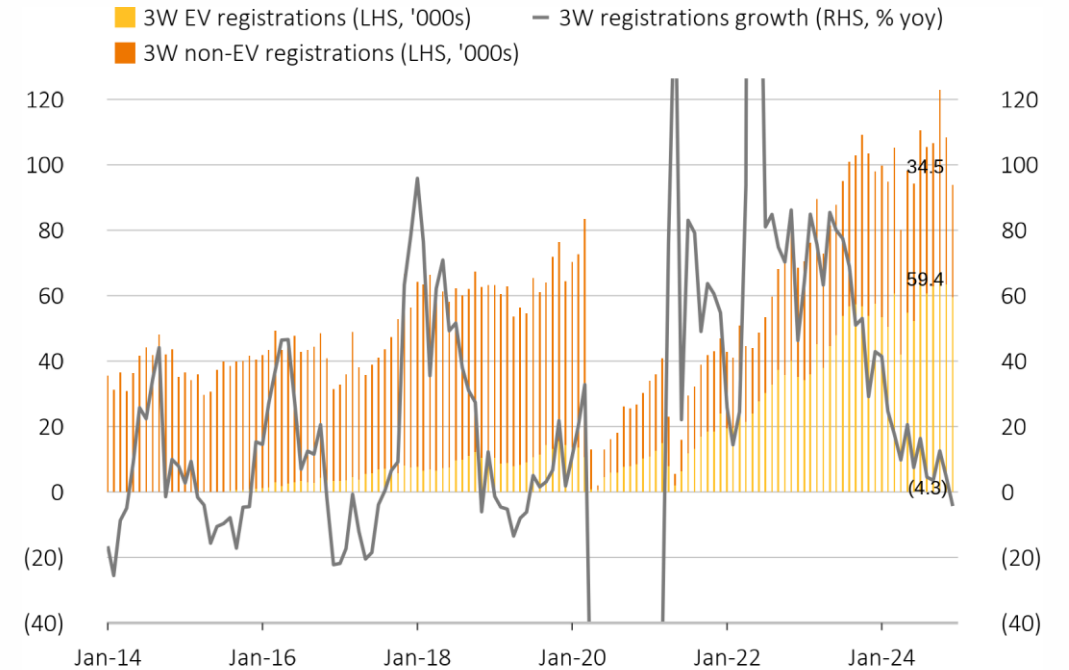
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

Note:

1. Low growth in two-wheeler registration for Apr '20 and May '20, due to the impact of Covid lockdown, not shown in the chart

3W registrations show 4.3% decline in December

Monthly three-wheeler (3W) registrations, FY2014-FY2025 (Dec '24)



Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

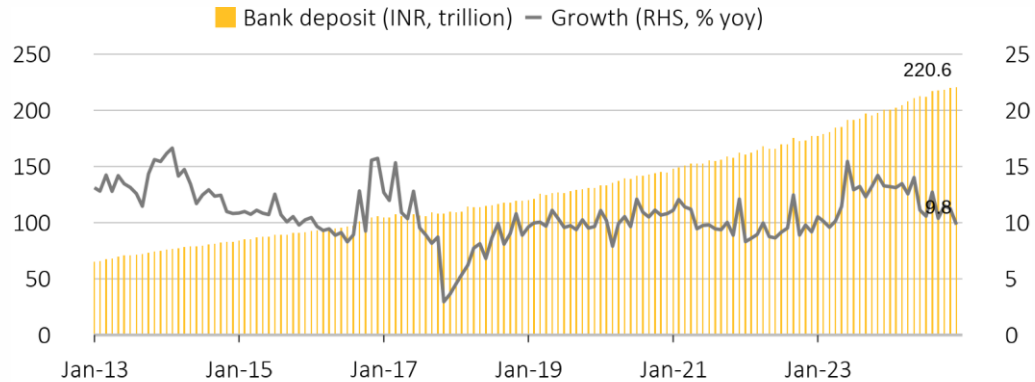
Note:

1. Growth in three-wheeler registrations for Apr '21 and May '21, and May '22 not depicted due to low base effect of Apr '20 and May '20, and May '21 respectively

Banks: credit and deposits

Deposit growth further moderates in December

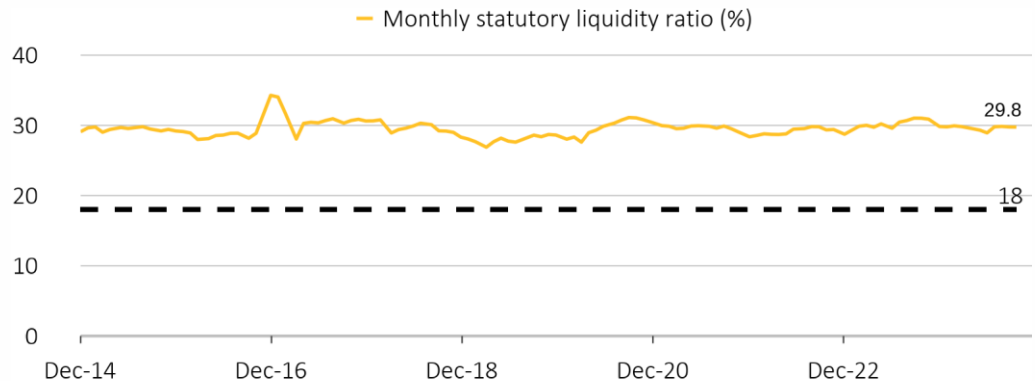
Monthly total bank deposits, FY2013-FY2025 (Dec '24)



Source: Thurro, RBI, NIIF Research
 Note: Total deposits for scheduled commercial banks

Banks SLR holdings steady at 29.8%, above minimum 18% required

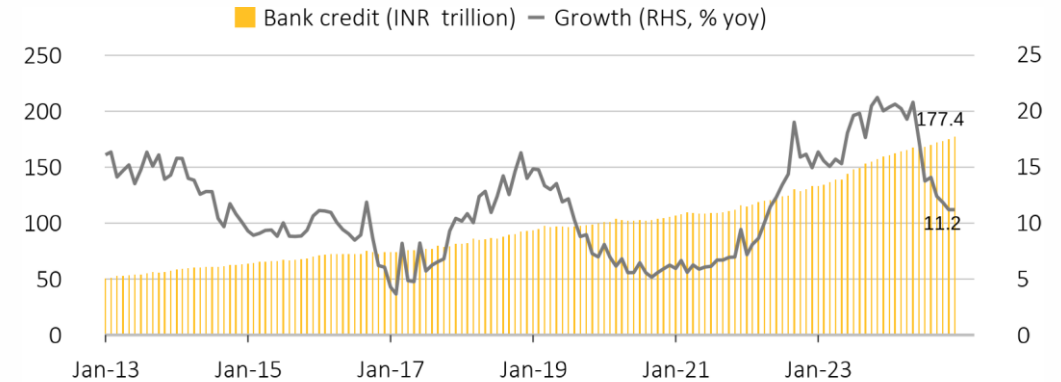
Monthly statutory liquidity ratio (SLR) of banks, FY2015-FY2025 (Oct '24)



Source: Thurro, RBI, NIIF Research
 Note: Banks are required to hold 18% of their net demand and time liabilities as SLR, depicted as the black dotted line above

Credit growth slows on a yoy basis in December compared to last year

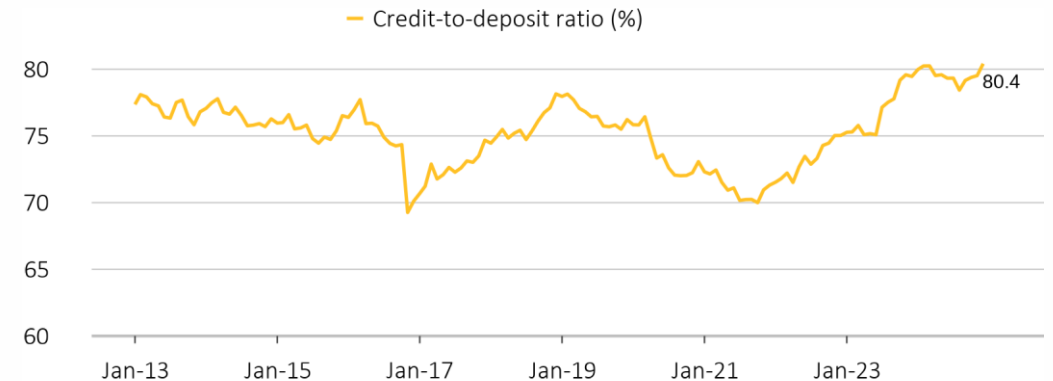
Monthly total credit outstanding, FY2013-FY2025 (Dec '24)



Source: Thurro, RBI, NIIF Research
 Note: Outstanding credit for scheduled commercial banks (SCBs)

Credit-to-deposit ratio remains high at 80.4 in December

Monthly outstanding credit-deposit ratio with SCBs, FY2013-FY2025 (Dec '24)

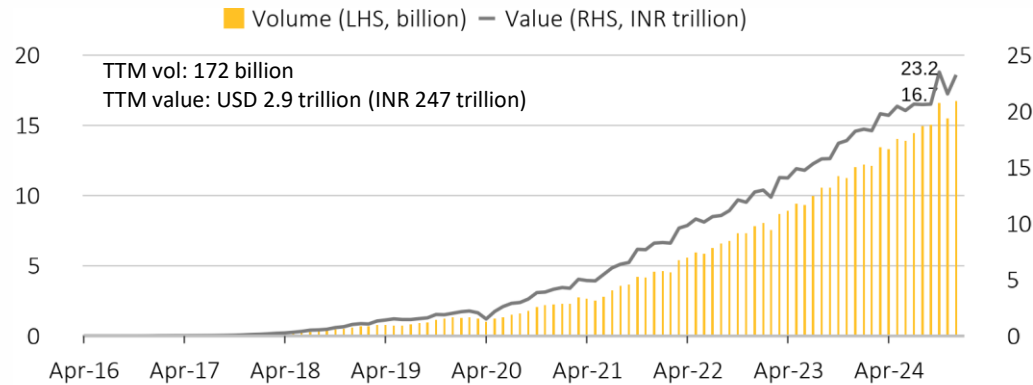


Source: Thurro, RBI, NIIF Research

Currency and transactions

UPI transactions continue to soar in December

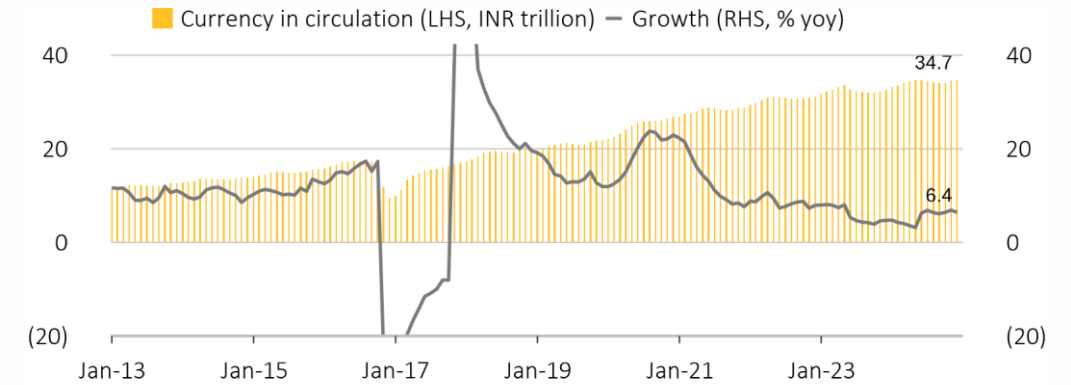
Unified Payment Interface (UPI), FY2017-FY2025 (Dec '24)



Source: Thurro, NPCI, NIIF Research
Note: TTM: trailing twelve months

Currency in circulation maintains a 6+% growth

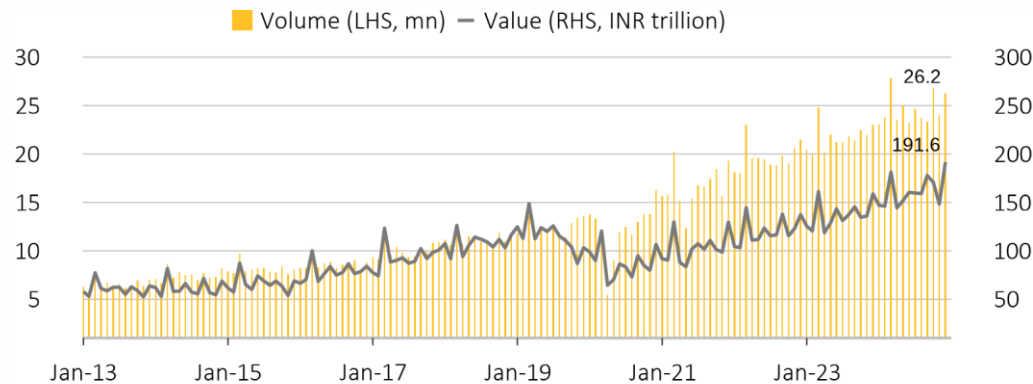
Currency in circulation, FY2013-FY2025 (Dec '24)



Source: Thurro, RBI, NIIF Research

RTGS transactions maintain steady momentum in December

RTGS transactions, FY2013-FY2025 (Dec '24)

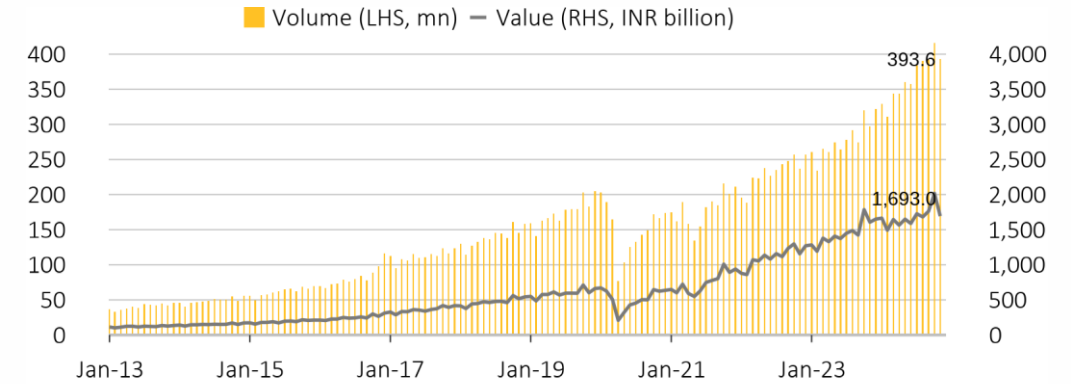


Source: Thurro, RBI, NIIF Research

Note: RTGS stands for Real Time Gross Settlements, that enables payments from one bank to another for a minimum amount of INR 200,000

Credit card transaction value remains high at INR 1.7 trillion in November

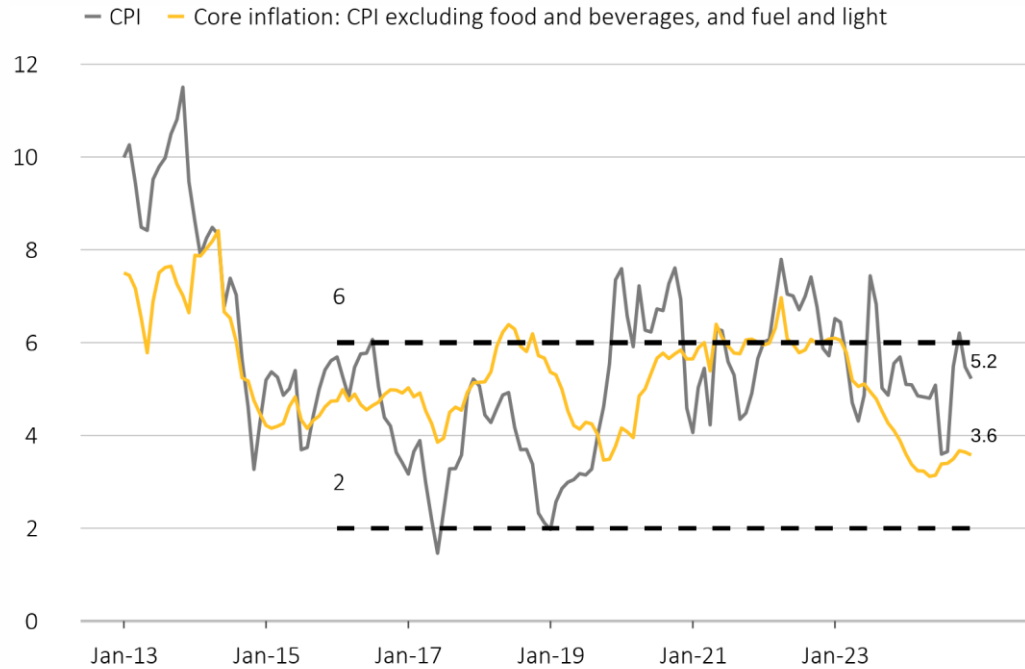
Credit card transactions, FY2013-FY2025 (Nov '24)



Source: Thurro, RBI, NIIF Research

Inflation: India

Consumer inflation moderates further in December; core below 4% Monthly consumer price inflation (% yoy), FY2013-FY2025 (Dec '24)

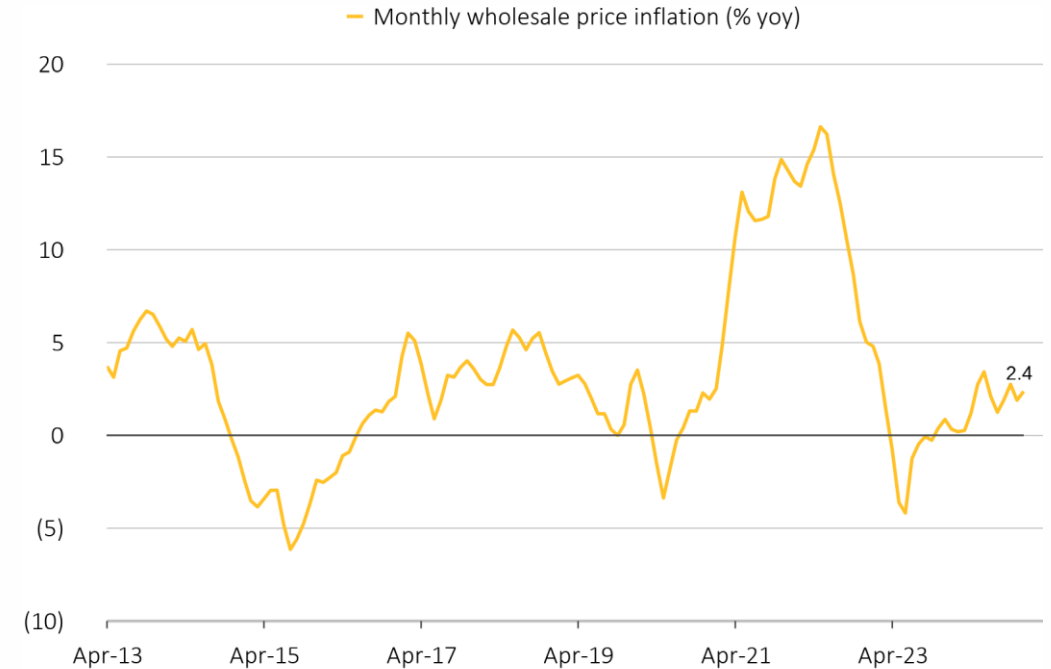


Source: Thurro, MoSPI, NIIF Research

Note:

1. RBI in 2016 adopted flexible inflation target set at 4%, with 6% as upper bound and 2% as lower bound

Wholesale inflation picks up to 2.4% in December Monthly wholesale price inflation (% yoy), FY2014-FY2025 (Dec '24)

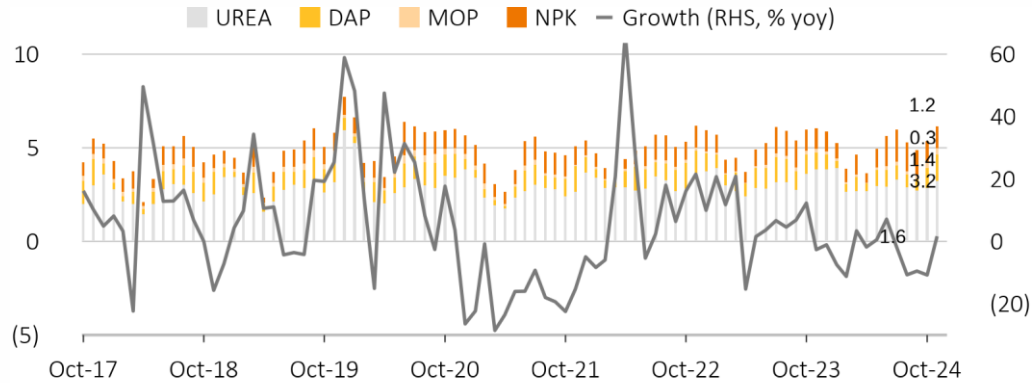


Source: Thurro, Ministry Of Commerce & Industry, NIIF Research

Rural India

Muted growth in fertilizer sales in November

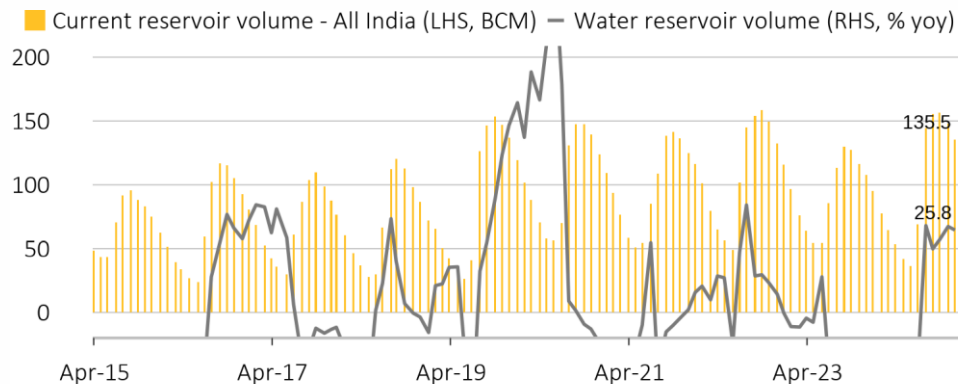
Monthly fertilizer sales, FY2018-FY2025 (Nov '24)



Source: Thurro, Department of Fertilizers, NIIF Research

Reservoir levels rise, up 25.8% yoy in December

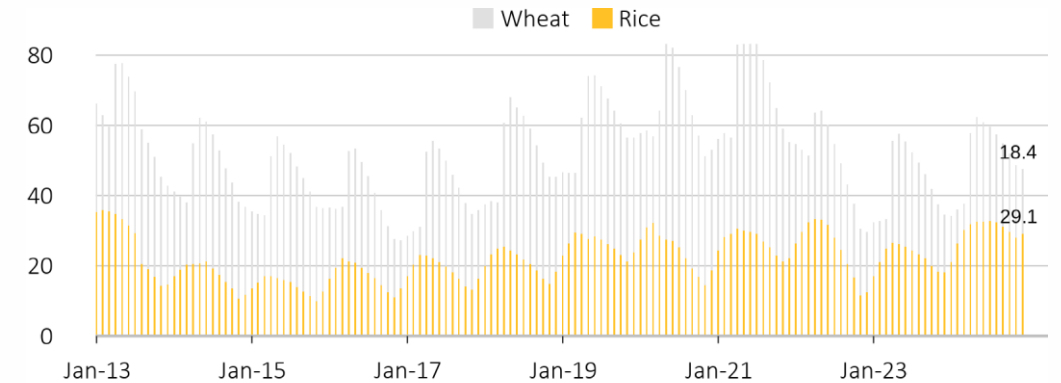
Monthly live water reservoir storage, FY2016-FY2025 (Dec '24)



Source: Thurro, CWC, NIIF Research

Food grain stocks in December above required buffer limits

Monthly food grain stocks with FCI (million tonnes), FY2013-FY2025 (Dec '24)



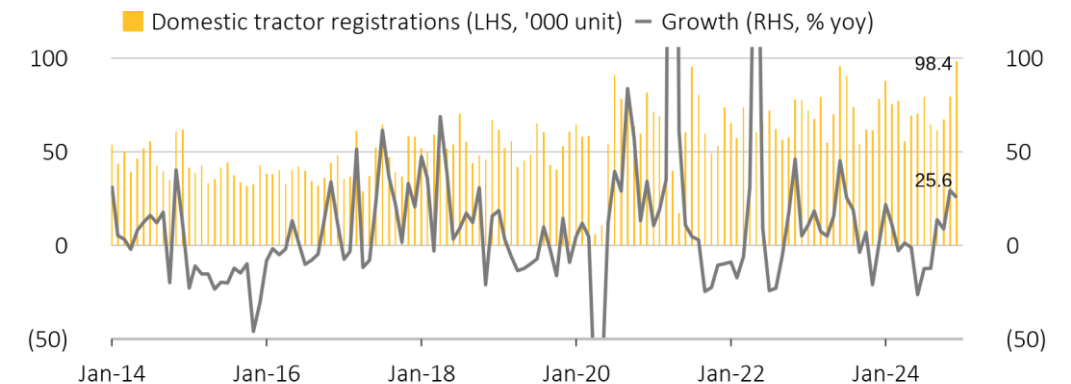
Source: Thurro, FCI, NIIF Research

Note: 1. Rice is excluding paddy

2. Buffer limit required as of Jan 1 for rice is 7.6 mn tons and for wheat is 13.8 mn tons

Tractor registrations surge in December, at an all-time high

Monthly domestic tractor registrations, FY2014-FY2025 (Dec '24)



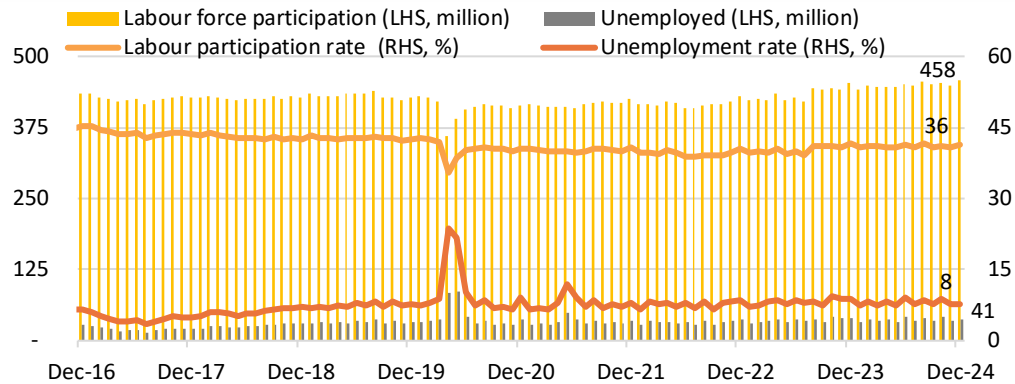
Source: Thurro, VAHAN (Excluding Telangana, Lakshadweep), NIIF Research

Note: Growth in tractor sales in March '20 and April '21 not shown above due to base effects

Employment – all-India and rural

India's unemployment estimate declines to ~8%; 450+ mn labor force

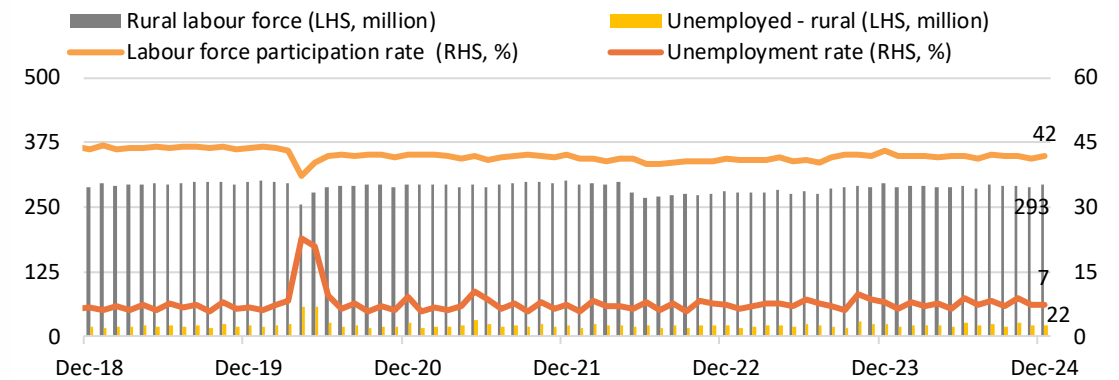
Monthly all-India labour participation and unemployment, FY2017-FY2025 (Dec '24)



Source: CMIE, NIIF Research

Rural unemployment falls to 7% in December; rural labour force at 42%

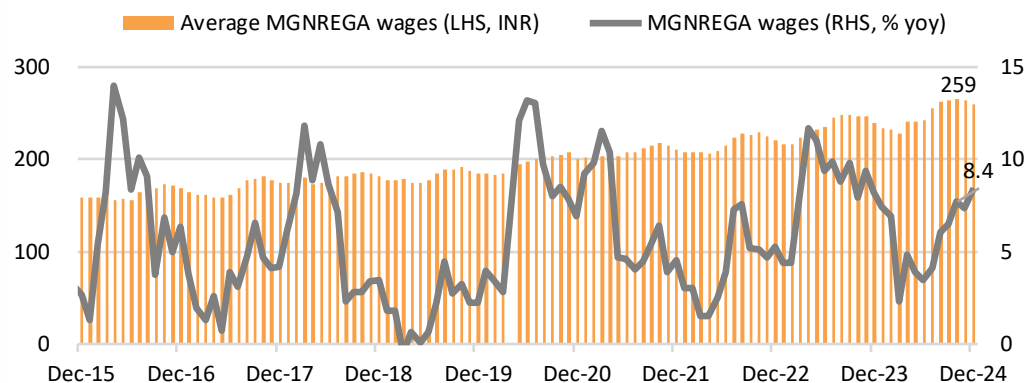
Monthly rural labour participation and unemployment, FY2019-FY2025 (Dec '24)



Source: CMIE, NIIF Research

Steady growth in average MGNREGA wages in December

Daily average MGNREGA wages (INR), FY2016-FY2025 (Dec '24)

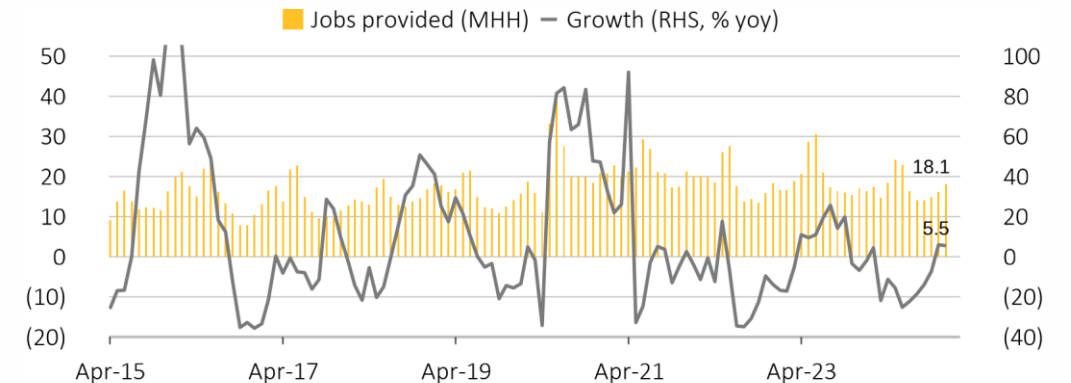


Source: CEIC, NIIF Research

Note: MGNREGA is Mahatma Gandhi National Rural Employment Guarantee Act

MGNREGA employment rises on a yoy basis in November

Monthly MNREGA employment data, FY2016-FY2025 (Nov '24)



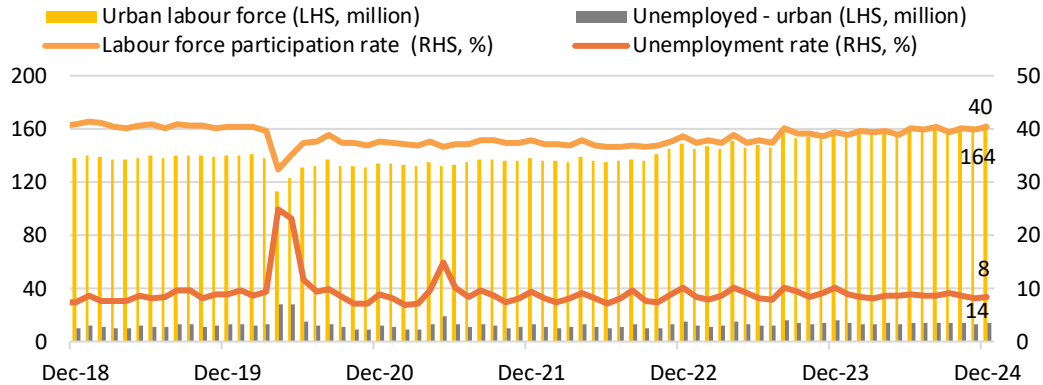
Source: Thurro, MNREGA, NIIF Research

Note: MHH is million households

Employment - urban

CMIE's urban labor force estimate stable at ~40% in December

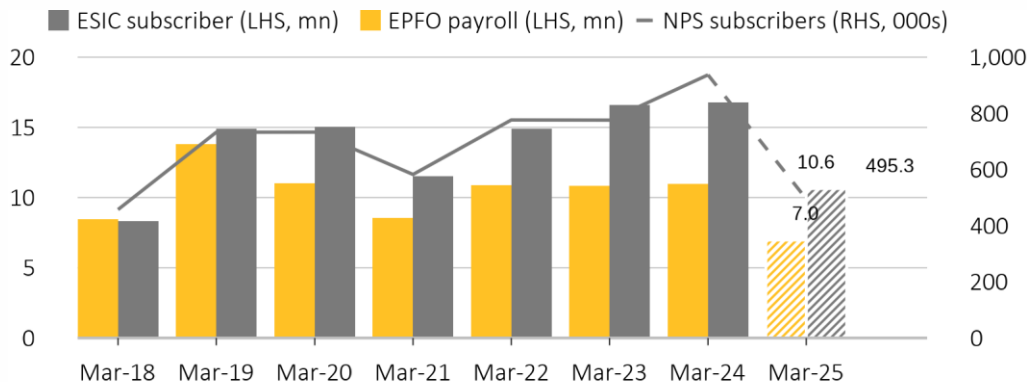
Monthly urban labour participation and unemployment, FY2019-FY2025 (Dec '24)



Source: CMIE, NIIF Research

Subscriber additions maintain momentum in October

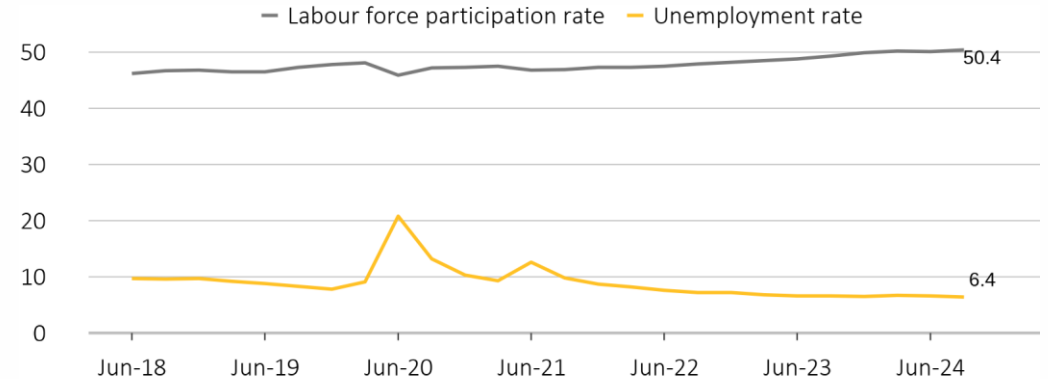
Monthly enrollment numbers, FY2018-FY2025 (Oct '24)



Source: Thurro, EPFO, NIIF Research

Labor force participation rate rises to 50.4% in Q2FY25

Quarterly Periodic Labor Force Survey (urban), FY2019-FY2025 (Sep '24)

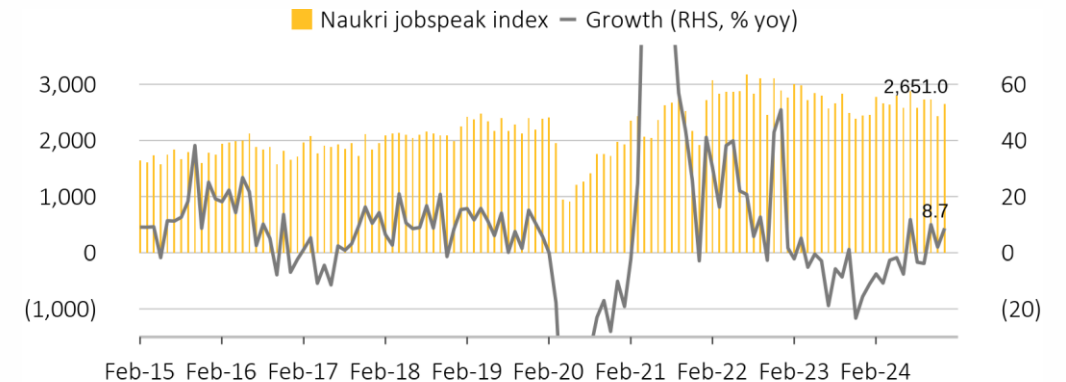


Source: Thurro, MoSPI (Periodic Labour Force Survey), NIIF Research

Note: The quarterly PLFS is conducted by NSSO only for the urban areas

Corporate hiring rises by 8.7% yoy in December

Naukri jobspeak index, FY2015-FY2025 (Dec '24)



Source: Thurro, Naukri, NIIF Research

Note: Naukri Jobspeak Index is calculated based on job listings added Naukri.com on monthly basis. (July 2008 = 1000)

Fiscal position

Tax collections through November align with nominal GDP projections; fiscal deficit tracking under budget target, reflecting slower capex

Monthly snapshot of central government fiscal health (INR trillion), FY2024-FY2025 (Nov '24)

	FY2024		FY2025		% of BE		% yoy
	November	YTD	November	YTD	YTD FY2024	YTD FY2025	Δ YTD
1 Revenue receipts	1.5	17.2	1.7	18.7	65.3	59.8	8.7
1.1 Gross tax revenue	2.1	20.4	2.3	22.6	60.8	58.9	10.7
1.1.1 Direct tax	0.8	10.8	1.0	12.1	59.3	54.9	12.1
1.1.2 Indirect tax	1.3	9.6	1.3	10.5	62.8	64.6	9.2
2 Capital receipts (non-debt)	0.0	0.3	0.1	0.2	30.3	30.7	(5.9)
2.1 Net recovery of loans and advances	0.0	0.2	0.0	0.1	72.2	53.5	(9.8)
2.2 Miscellaneous receipts	0.0	0.1	0.0	0.1	14.5	18.0	1.4
3 Total (non-debt) receipts (1 + 2)	1.5	17.5	1.7	18.9	64.3	59.1	8.5
4 Revenue expenditure	2.2	20.7	2.2	22.3	59.0	60.1	7.8
4.1 Interest payment	0.6	6.1	0.6	6.6	56.3	56.6	8.3
5 Capital expenditure	0.4	5.9	0.5	5.1	58.5	46.2	(12.3)
6 Total expenditure (4 + 5)	2.6	26.5	2.7	27.4	58.9	56.9	3.3
7 Revenue deficit (4 - 1)	0.7	3.5	0.5	3.6	39.8	61.5	3.1
8 Fiscal deficit (6 - 3)	1.0	9.1	1.0	8.5	50.7	52.5	(6.6)
9 Annual Nominal Gross Domestic Product (GDP)	295.4		324.1				

Source: CEIC, NIIF Research

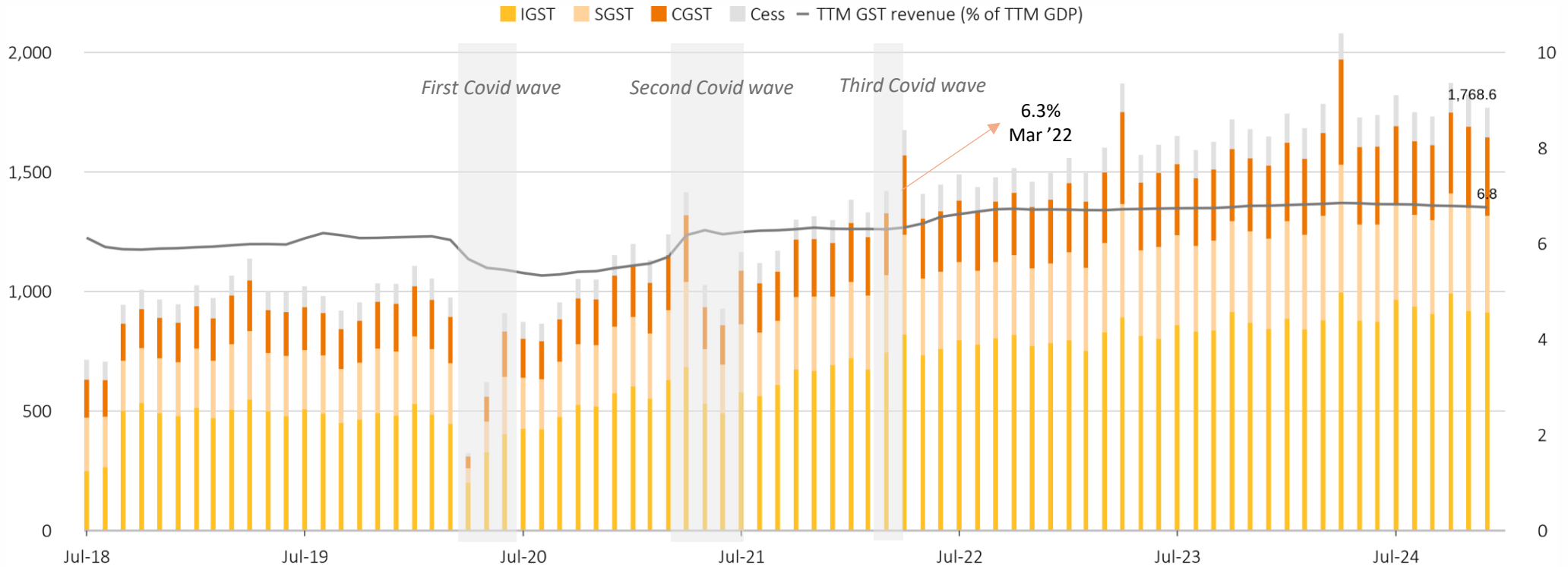
Note:

1. FY2025 is the period between April 2024 and March 2025, similarly for other years. FY2025 GDP is the first advanced estimates by Ministry of Statistics and Programme Implementation
2. YTD refers to financial year to date, i.e., from April onwards
3. BE is the budget estimate for the stated financial year

Fiscal position

GST collection reaches INR 1.8 trillion in December

Monthly composition of GST Revenue (INR billion), FY2019-FY2025 (Dec '24)



Source: Thurro, GST Portal, NIIF Research

Note:

1. TTM is trailing twelve months
2. GST collected for April '20 and May '20 assumed to be entirely CGST
3. Nominal GDP for FY2024 is the provisional estimate by Ministry of Statistics and Programme Implementation of INR 295.4 trillion, and for FY2025 is the budget estimate of INR 326.4 trillion



MONTHLY ECONOMIC REPORT ON INDIA JAN 2025

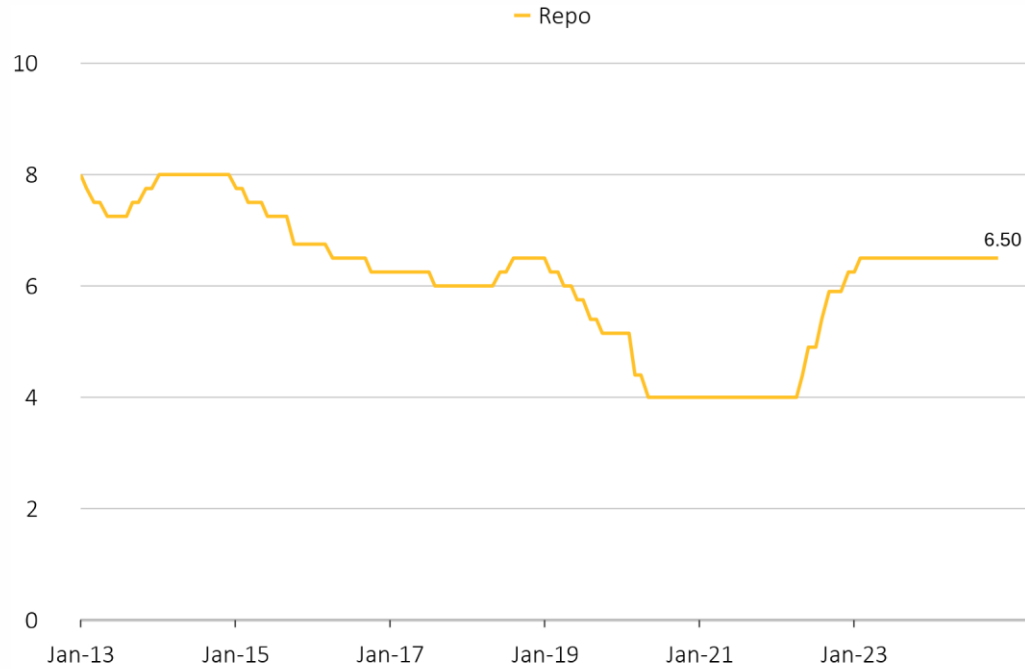
Markets

- Monetary policy holds steady with repo at 6.50%. Banking liquidity shifts to deficit (0.9% of NDTL) as of 15 Jan, lifting 3-month treasury yields to 6.6%. India-US 10-year G-sec yield spread narrows to 216 bps, a 20-year low amid rising US rates, while consensus expects 75 bps cuts through CY2025
- Goods deficit widens to USD 22 billion on higher gold imports, while services surplus narrows with peak imports (USD 18 billion) in December. Steady current account deficit (1.2% of GDP) in Q2FY25, with robust portfolio flows driving capital account (3.3%) and BoP surplus (2.0%)
- Currency moves reflect global USD strength (DXY at 107.1) – INR falls 1.7% (as of 15 January) over last month despite high REER (107.2) in December. Long-term INR trends maintain stability against USD (-3.2% p.a.) and JPY (-0.4%), with markets indicating 2.46% depreciation (1-year forward premium). Forex reserves stay robust at USD 600+ billion
- Equity markets yield 8.5% returns with elevated volatility (VIX: 14.5). NIFTY 50 P/E at 22.3, below 10-year average (23.5). Monthly SIP flows hit record INR 265 billion. Key commodities trend upward as of 15 January – oil (USD 83/bbl), copper (USD 9,053/tonne), gold (USD 2,678/troy oz)

Policy rate and liquidity

Repo rate remains unchanged at 6.50%

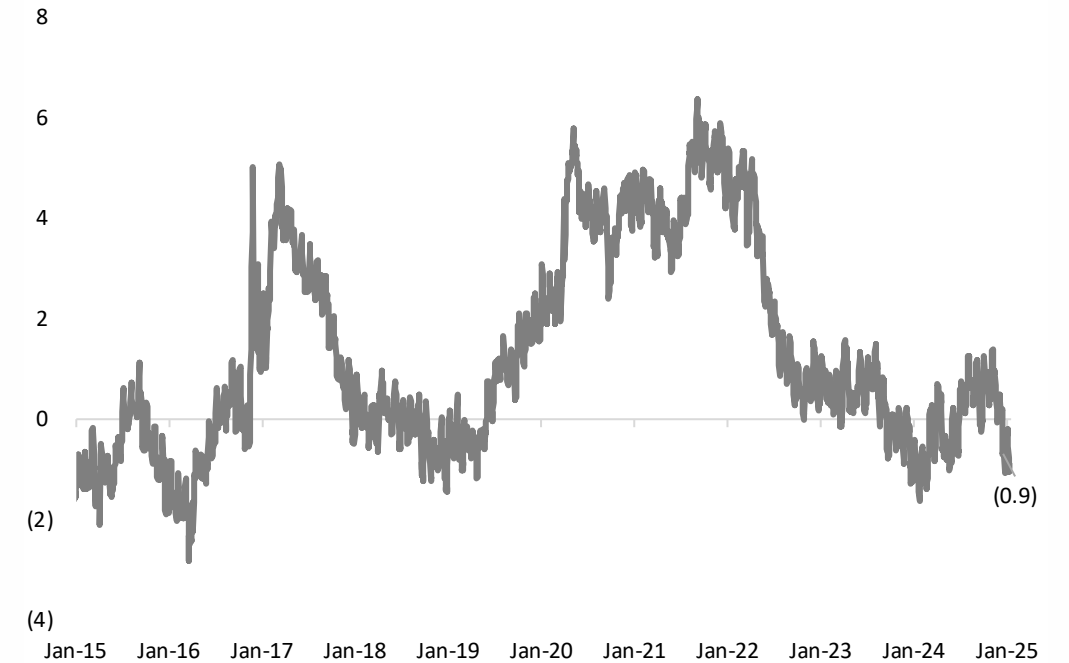
Repo rates (%), FY2013-FY2025 (30 Dec '24)



Source: Thurro, RBI, NIIF Research

Banking system liquidity moves into deficit

Surplus liquidity (% of net demand and time liabilities), FY2015-FY2025 (15 Jan '25)



Source: Bloomberg, CEIC, NIIF Research

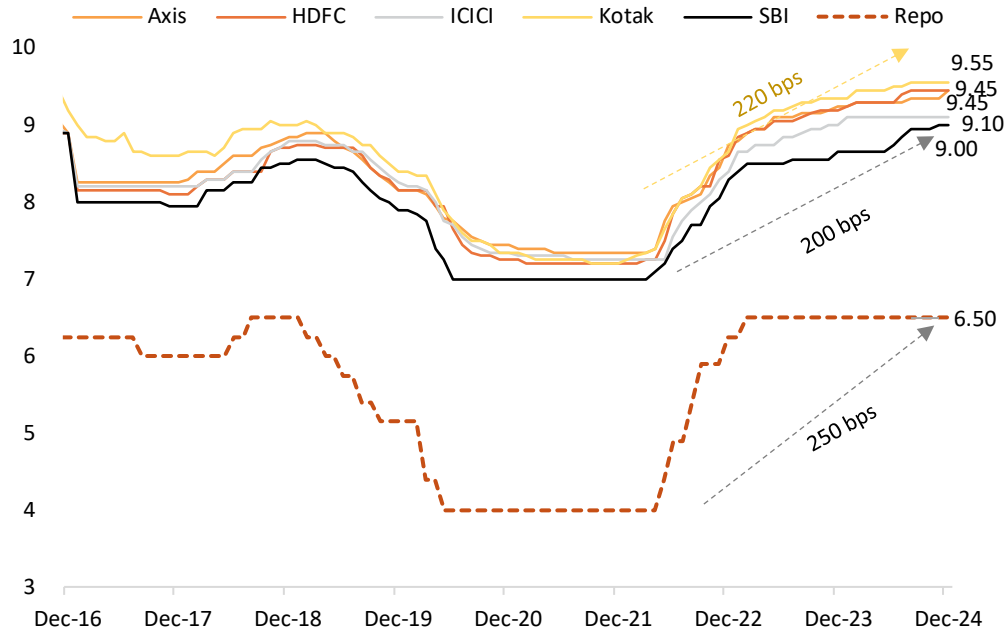
Note:

1. Liquidity operations by RBI include repo, term-repo, long-term repo operations, open market operations, marginal standing facility, and standing liquidity facilities
2. A positive number indicates liquidity surplus, and a negative number indicates a liquidity deficit

Banking and financial institutions

Major banks raise MCLR by 200-220 bps over 30 months

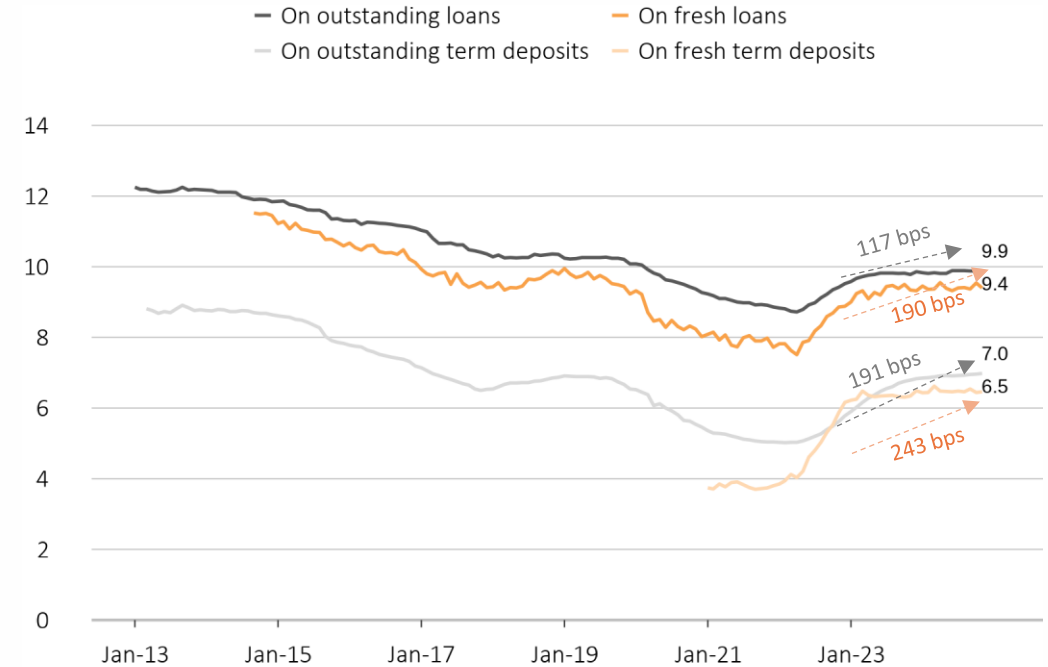
Monthly 1-year marginal cost of fund-based lending rate (%), FY2017-FY2025 (Dec '24)



Source: CEIC, NIIF Research

Banks pass on most of the rate hikes to new loans and deposits

Monthly weighted average lending and deposit rates (%), FY2013-FY2025 (Nov '24)

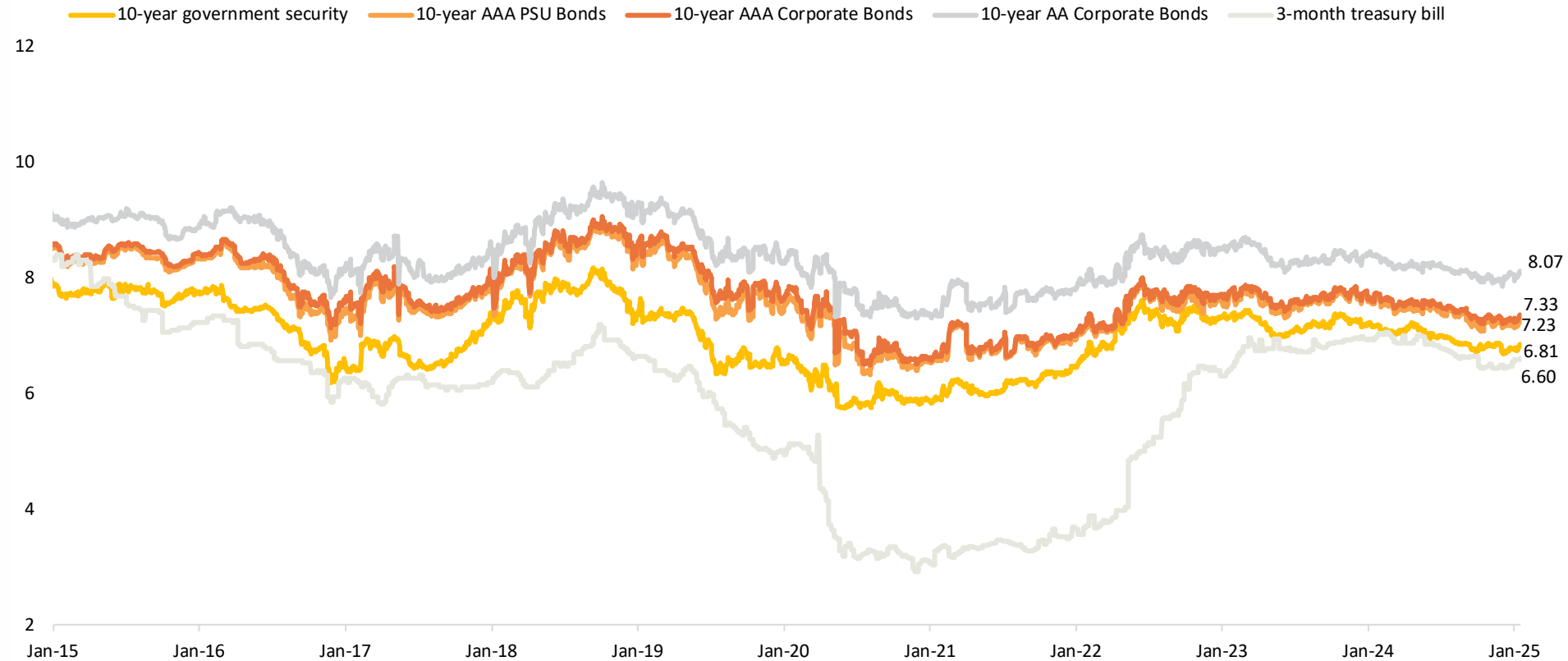


Source: Thurro, RBI, NIIF Research

Debt market

3-month treasury yield rises to 6.60%, narrowing the gap with the 10-year G-Sec yield at 6.81% (as of 15 Jan)

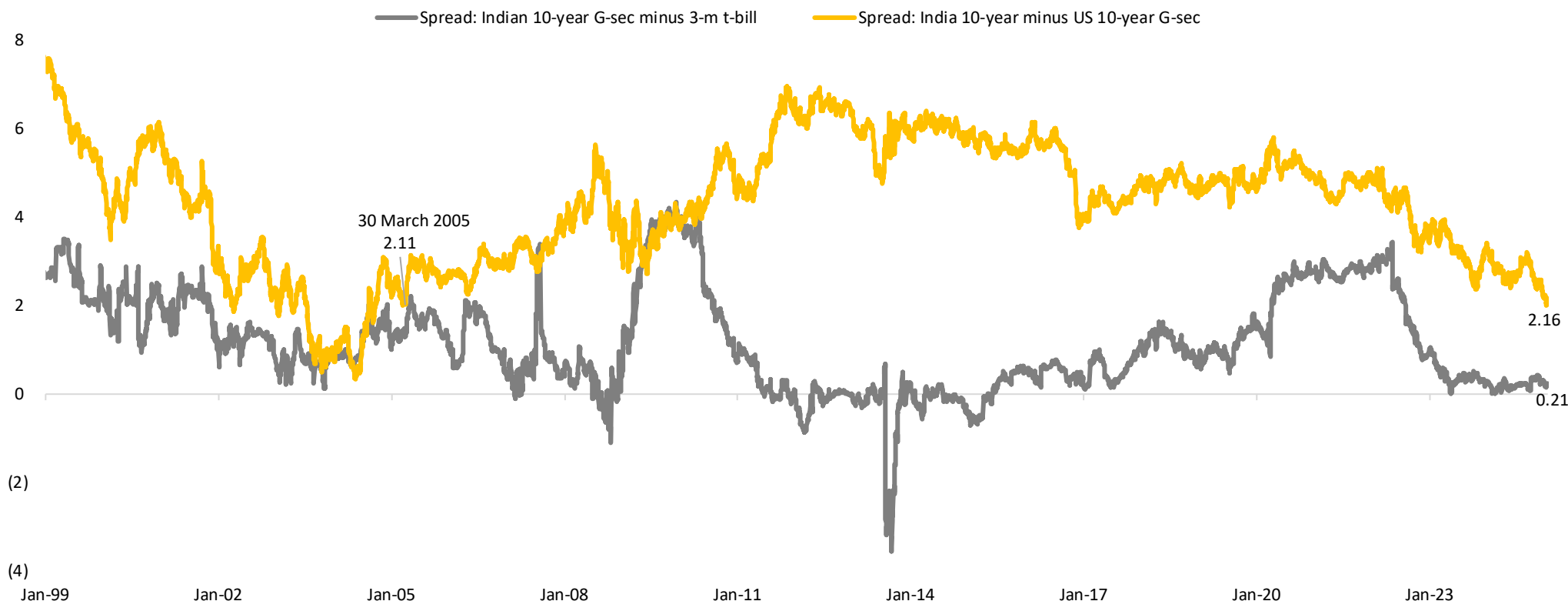
Daily India G-sec and corporate bond yields (%), FY2015-FY2025 (15 Jan 2025)



Source: Bloomberg, NIIF Research

Debt market

India-US 10Y G-sec spread narrows to a 20-year low amid rising US rates; tight liquidity narrows Indian 10-year and 3-month yield spread
 Daily India G-sec and corporate bond yields (%), FY2015-FY2025 (15 Jan 2025)



Source: Bloomberg, NIIF Research

Forecast of policy rates

Markets (as of December) expect cumulative 75bps rate cuts from Q1CY25 onwards

Projections for RBI's benchmark repo rate (%), Q4FY25 to Q4FY26 (15 Jan 2025)

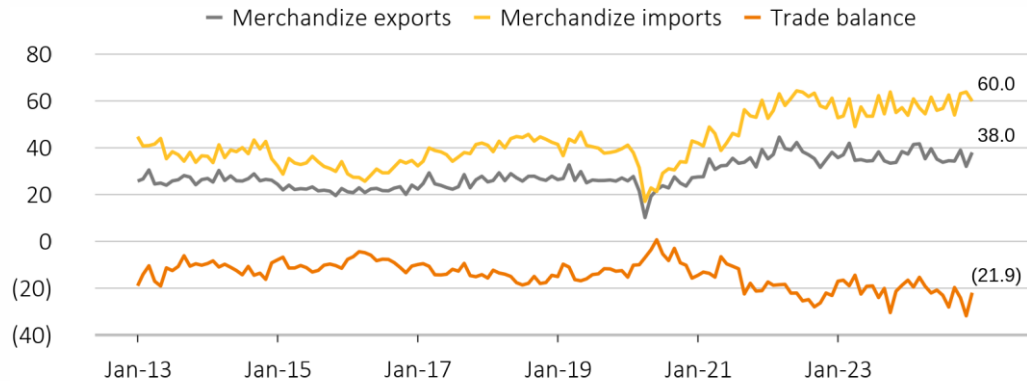
	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
<i>Number of analysts</i>	35	32	31	36	23
High forecast	6.50	6.25	6.00	6.00	6.00
Low forecast	6.00	5.50	5.25	5.00	5.00
Bloomberg average	6.25	5.95	5.85	5.75	5.75
Median forecast	6.25	6.00	5.75	5.75	5.75
Comparing previous survey median forecasts					
Bloomberg Sep '24 survey	6.00	6.00	5.75	5.75	5.75
Bloomberg Mar '24 survey	6.00	5.75	5.75	5.50	5.50

Source: Bloomberg, NIIF Research

Balance of payments

Goods deficit widens year-on-year (yoy) with higher imports

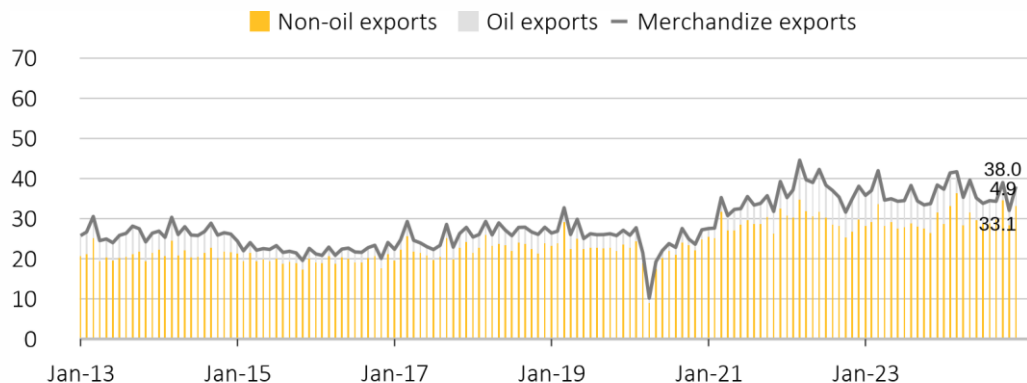
Monthly merchandise trade composition (USD billion), FY2013-FY2025 (Dec '24)



Source: Thurro, RBI, NIIF Research

Oil exports drive decline in merchandise export growth in December

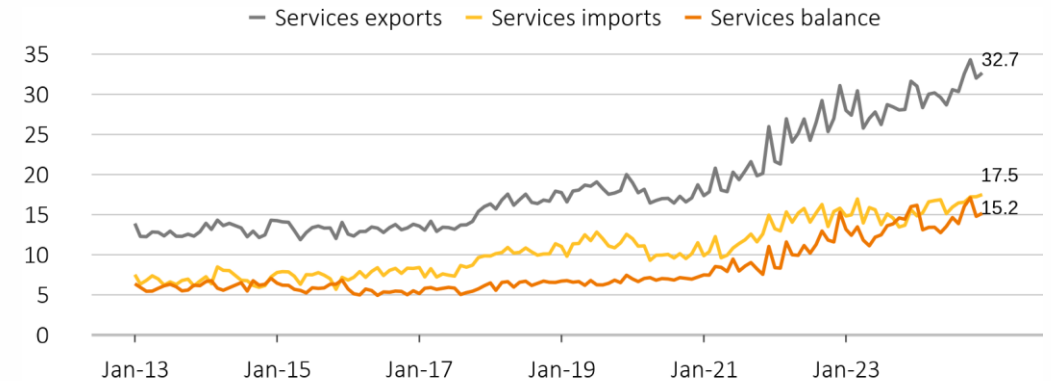
Monthly merchandise exports (USD billion), FY2013-FY2025 (Dec '24)



Source: Thurro, RBI, NIIF Research

Services trade surplus contracts yoy amid record high import levels

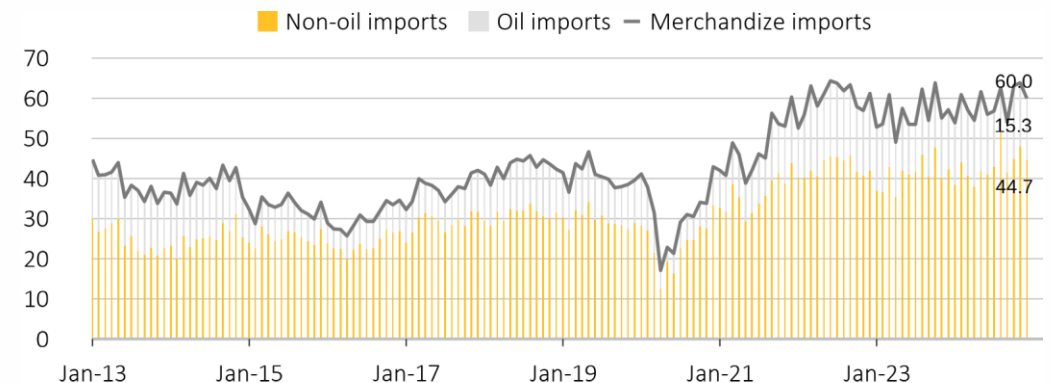
Monthly services trade (USD billion), FY2013-FY2025 (Dec '24)



Source: Thurro, RBI, NIIF Research

Gold leads non-oil import growth, pushing overall imports higher

Monthly merchandise imports (USD billion), FY2013-FY2025 (Dec '24)

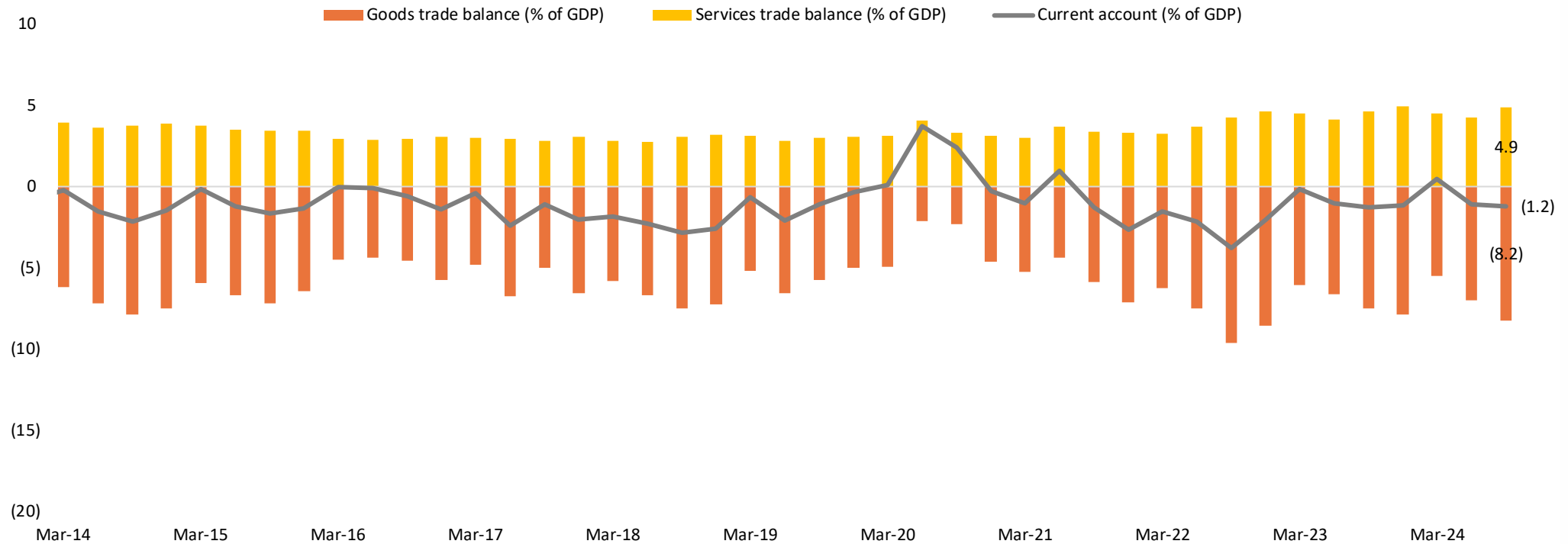


Source: Thurro, RBI, NIIF Research

Balance of payments

Current account balance in deficit at 1.2% of GDP in Q1FY25

Quarterly current account balance (% of GDP), FY2014-FY2025 (Sep '24)



Source: CEIC, NIIF Research

Note:

1. Current account comprises (1) goods trade, (2) services trade, (3) transfers (grants, gifts, remittances, etc.), and (4) income (investment income and compensation of employees)
2. Hence, current account balance as % of GDP would not add up to the balance of goods and services trade that are shown above

Balance of payments

Balance of payment surplus strengthens on healthy capital account surplus and steady current account deficit in Q2FY25

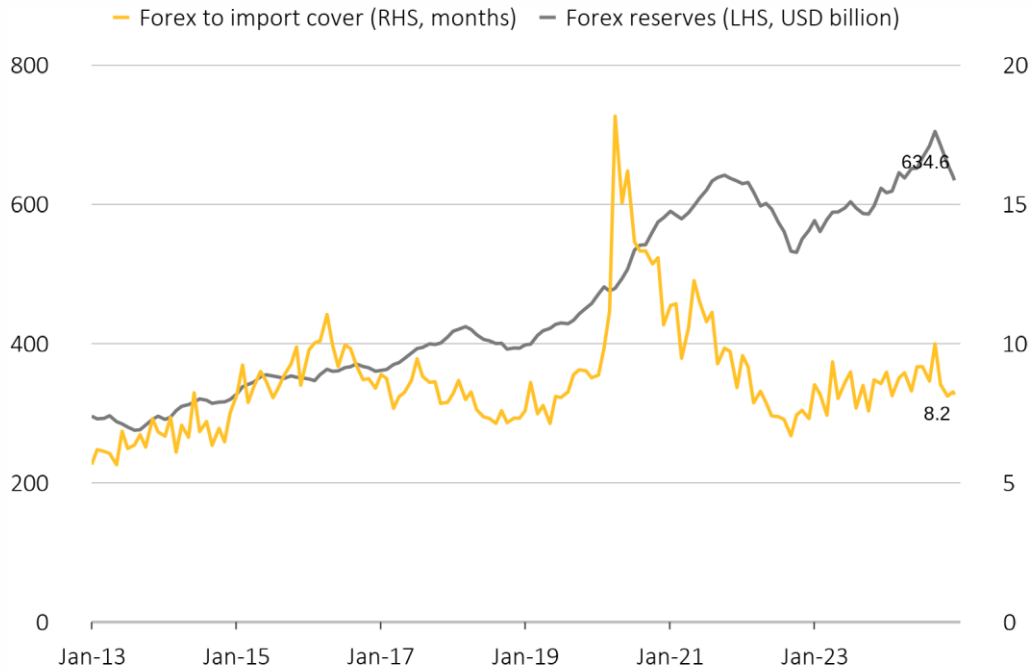
Quarterly balance of payments (USD billion), FY2024-FY2025 (Sep '24)

	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
a. Merchandize trade	(64.5)	(71.6)	(52.0)	(65.1)	(75.3)
<i>(as % of GDP)</i>	<i>(7.5)</i>	<i>(7.9)</i>	<i>(5.5)</i>	<i>(7.0)</i>	<i>(8.2)</i>
b. Exports	108.3	106.6	121.6	111.2	104.0
c. Imports	172.8	178.3	173.6	176.3	179.3
d. Services trade	39.9	45.0	42.7	39.7	44.5
e. Income	(11.6)	(13.1)	(14.8)	(11.1)	(9.5)
f. Transfers	24.9	29.3	28.7	26.4	29.1
g. Current account (a + d + e + f)	(11.3)	(10.4)	4.6	(10.2)	(11.2)
<i>(as % of GDP)</i>	<i>(1.3)</i>	<i>(1.1)</i>	<i>0.5</i>	<i>(1.1)</i>	<i>(1.2)</i>
h. Foreign direct investment	(0.8)	4.0	2.3	6.7	(2.2)
i. Portfolio	4.9	12.0	11.4	0.9	19.9
j. Loans (external assistance, commercial borrowings, short term credit to India)	3.3	(2.8)	3.9	5.9	7.5
k. Banking capital	4.3	16.4	6.9	2.9	6.1
l. Others	1.1	(12.3)	1.1	(1.6)	(0.7)
m. Capital account (h + i + j + k + l)	12.8	17.3	25.6	14.7	30.5
<i>(as % of GDP)</i>	<i>1.5</i>	<i>1.9</i>	<i>2.7</i>	<i>1.6</i>	<i>3.3</i>
n. Net errors and omissions	1.0	(0.9)	0.6	0.8	(0.7)
o. Balance of payment (g + m + n)	2.5	6.0	30.8	5.3	18.6
<i>(as % of GDP)</i>	<i>0.3</i>	<i>0.7</i>	<i>3.3</i>	<i>0.6</i>	<i>2.0</i>

Foreign exchange markets

Forex reserves of USD 600+ billion sustain robust 8-month import cover

Monthly foreign exchange reserves, FY2013-FY2025 (03 Jan '25)



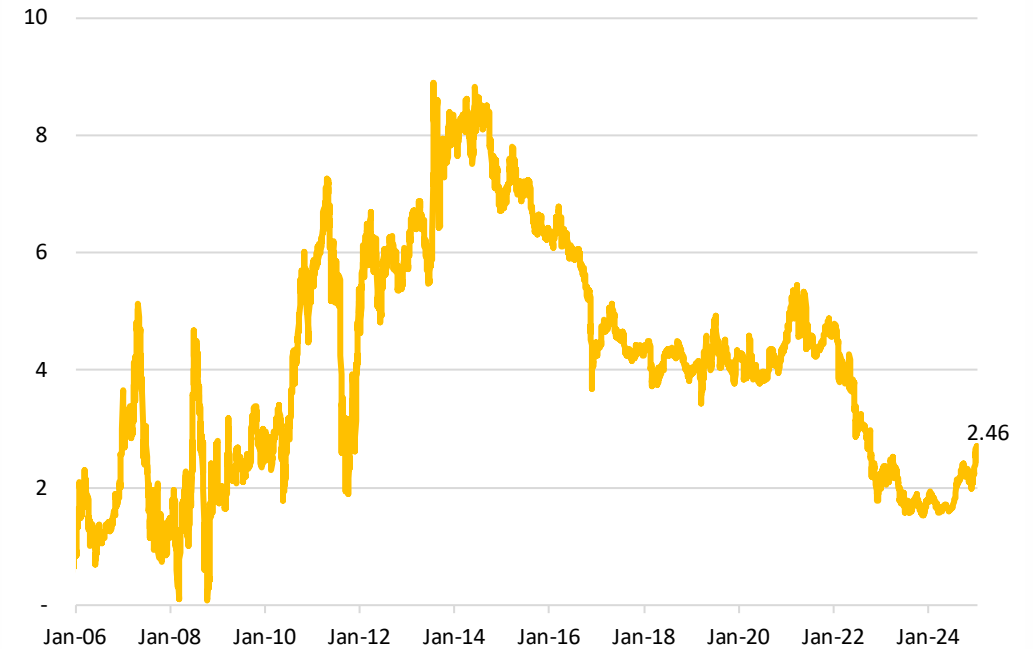
Source: Thurro, RBI, NIIF Research

Note:

1. Import cover calculated on total imports (merchandise plus services)

USD-INR forward premium trends upward

USD/INR implied 1-year forward risk premium (%), FY2006-FY2025 (15 Jan '25)

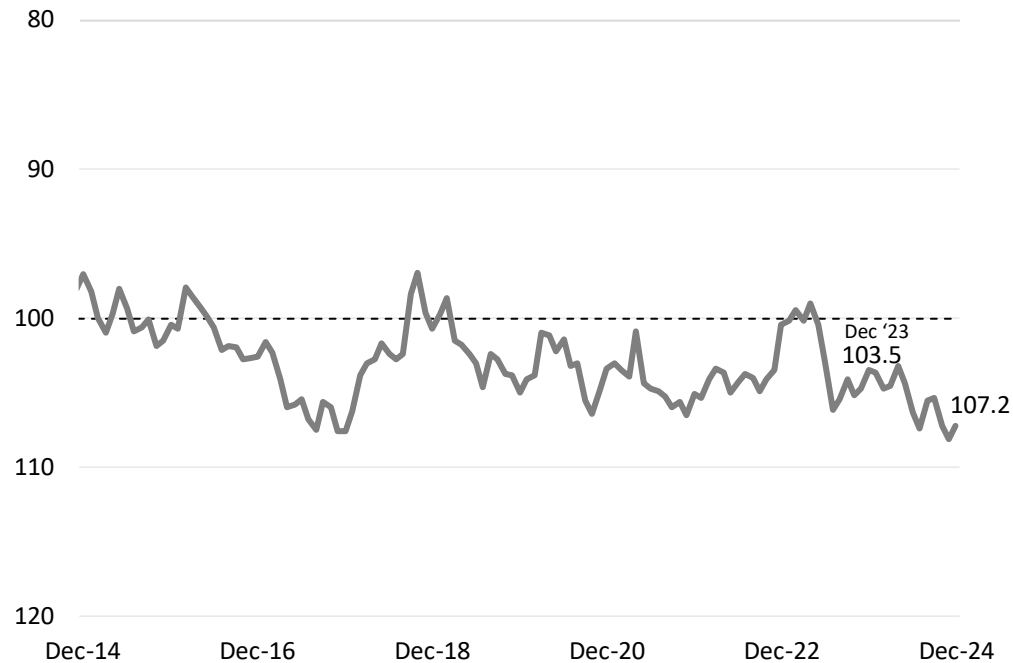


Source: Bloomberg, NIIF Research

Foreign exchange markets

Elevated REER eases in December, signaling depreciation pressure

Monthly 40-currency real effective exchange rate of INR (X), (Dec '24)



Source: CEIC, NIIF Research

Note:

1. Real effective exchange rate (REER) is the weighted average of a country's currency in relation to basket of currencies of its major trading partners.
2. 2015-16 = 100
3. A REER value greater than 100 implies that the currency is overvalued, and undervalued if under 100

DXY index climbs steadily since September, reflecting broad USD strength

Monthly average dollar index (X), FY2013-FY2025 (Dec '24)



Source: Thurro, Yahoo Finance, NIIF Research

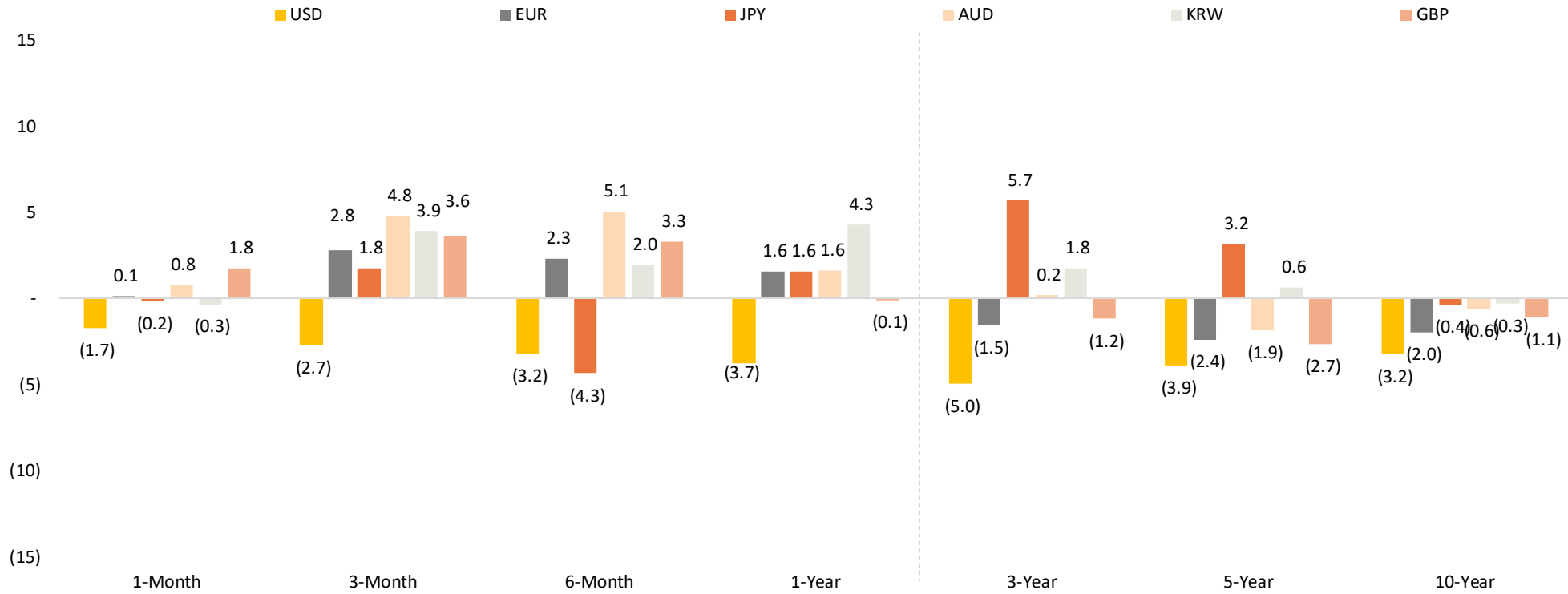
Note:

1. Dollar index measures the relative strength of USD compared to other major currencies (EUR, GBP, JPY, SEK, CAD, CHF). A higher number indicates a stronger USD.

Foreign exchange markets

Recent USD strength affects INR while 10-year depreciation remains at ~3% p.a.

INR performance vis-a-vis major currencies (%), FY2015-FY2025 (15 Jan '25)



Source: Bloomberg, NIIF Research

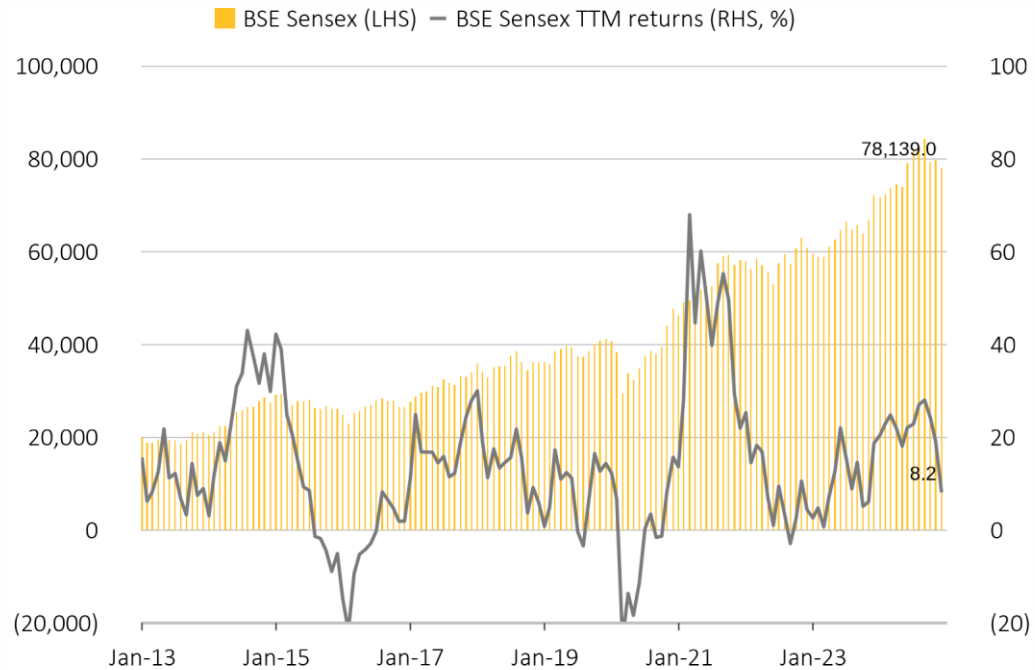
Note:

1. Numbers are annualized for periods above 1 year
2. Positive return indicates appreciation of INR and negative means depreciation of INR vis-a-vis respective currency

Equity markets

BSE Sensex moderates to 8.2% TTM return, down from recent highs

Monthly BSE Sensex performance, FY2013-FY2025 (Dec '24)



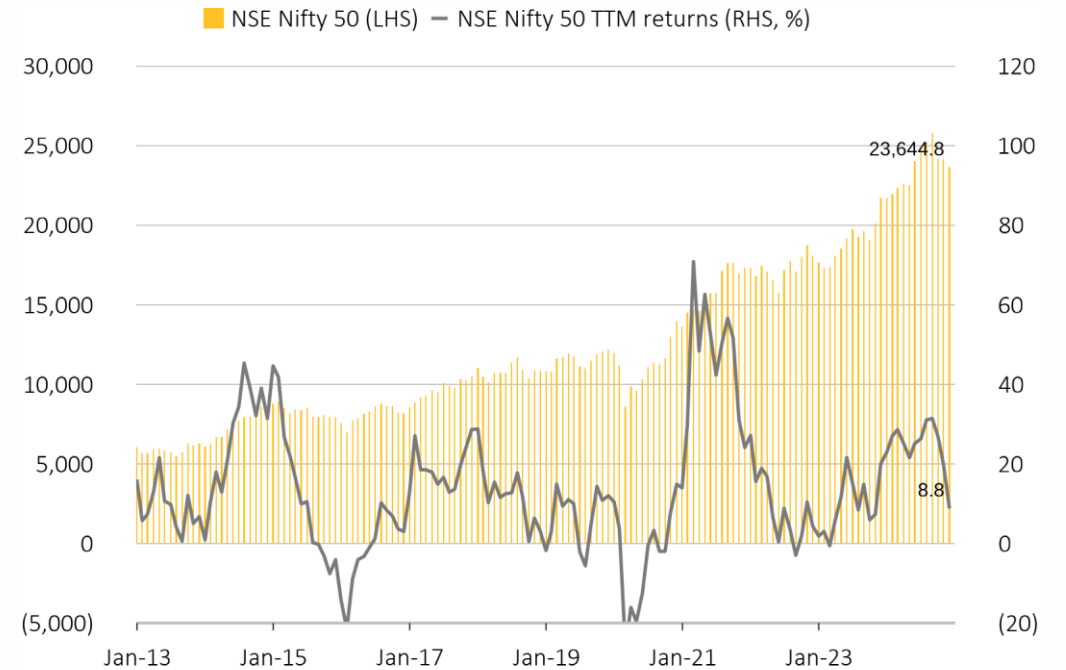
Source: Thurro, BSE, NIIF Research

Note:

1. TTM: trailing twelve months
2. Monthly data for stock indices is as on end of the month
3. Returns do not take into account any dividend payouts and stock buybacks, if any

NIFTY 50 eases to 8.8% TTM return after stronger previous months

Monthly NSE Nifty performance, FY2013-FY2025 (Dec '24)



Source: Thurro, NSE, NIIF Research

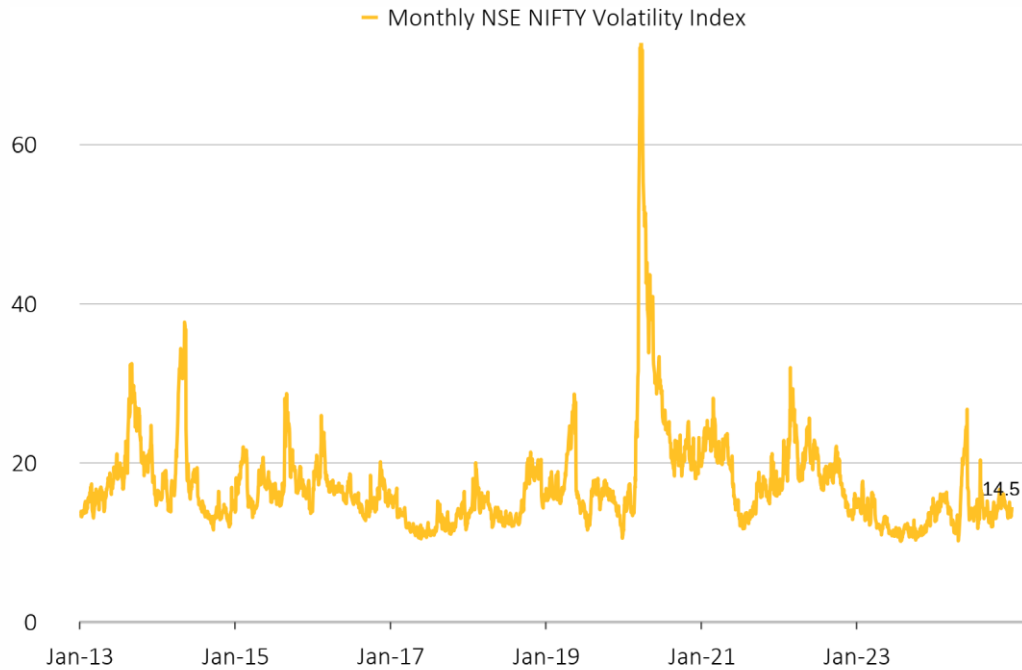
Note:

1. Monthly data for stock indices is as on end of the month
2. Returns do not take into account any dividend payouts and stock buybacks, if any

Equity markets

Volatility in Indian stock markets rises marginally in December

Daily NSE NIFTY Volatility Index (X), FY2013-FY2025 (Dec '24)



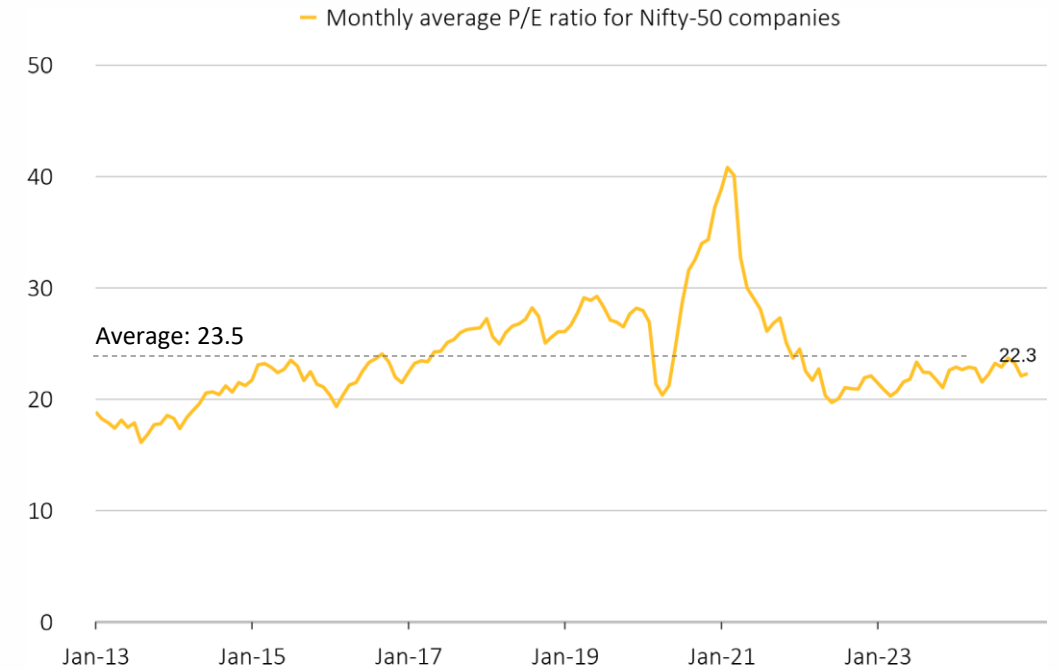
Source: Thurro, NSE, NIIF Research

Note:

- Volatility Index (VIX) represents the market's expectations of volatility over the next 30 days. India VIX is based on the NIFTY Index Option prices

NIFTY 50 P/E ratio in December remains below 10-year average

Monthly average P/E ratio for Nifty-50 companies, FY2013-FY2025 (Dec '24)



Source: Thurro, NSE, NIIF Research

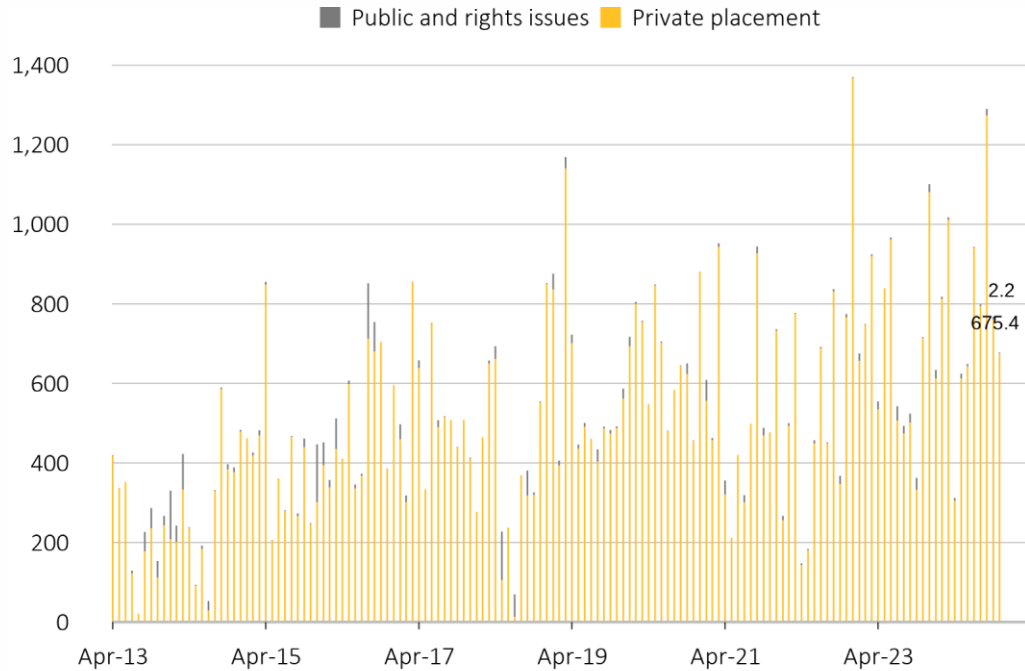
Note:

- Earnings assumed for P/E ratios are trailing 4-quarter earnings

Debt and equity markets: Issuance

Capital raised through debt at INR 678 billion in November

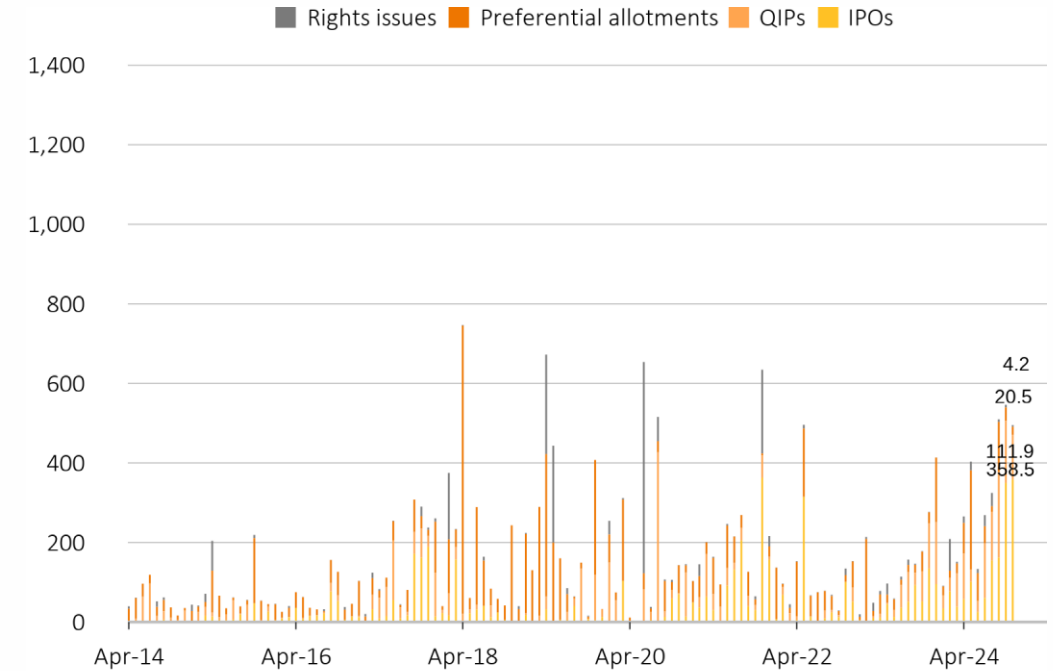
Monthly debt fund raising by corporate sector (INR billion), FY2014-FY2025 (Nov '24)



Source: Thurro, SEBI, NIIF Research

Capital raised through equity at INR 495 billion in November

Monthly equity fund raising by corporate sector (INR billion), FY2015-FY2025 (Nov '24)



Source: Thurro, SEBI, NIIF Research

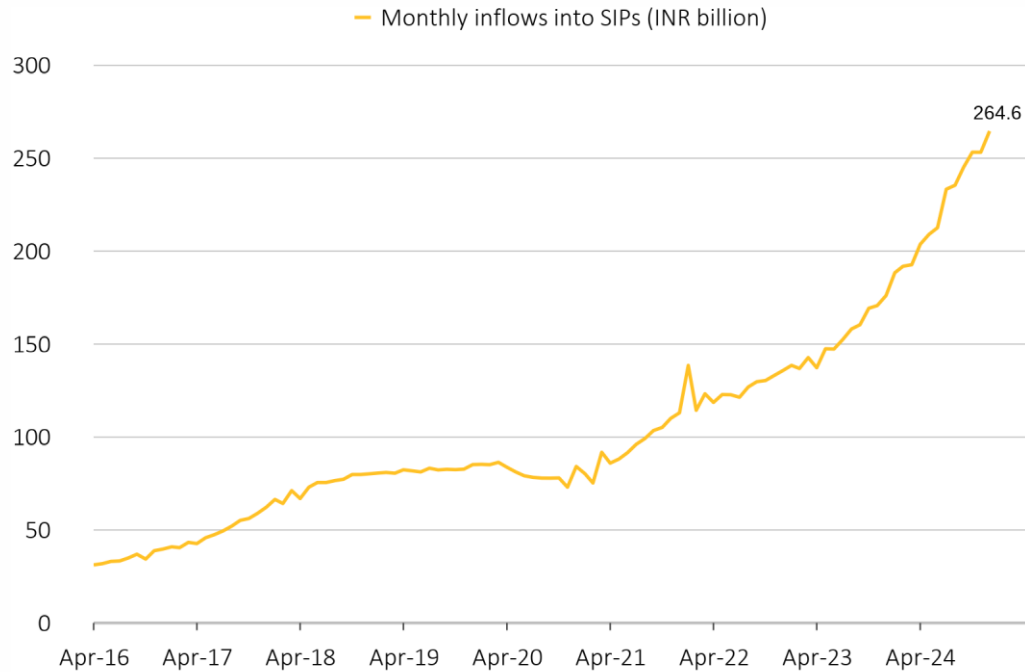
Note:

1. IPO here includes only fresh issuances, does not include OFS or secondary sales

Debt and equity markets: Mutual funds

Monthly SIP inflows reach record highs in December, at INR 265 billion

Monthly inflows into SIPs, FY2017-FY2025 (Dec '24)



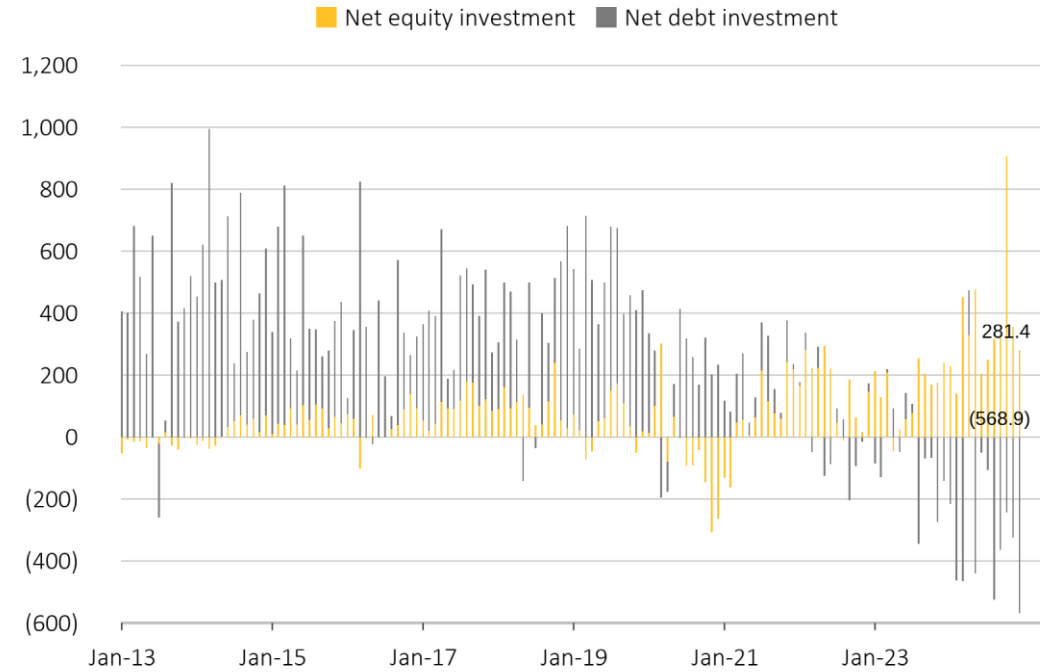
Source: Thurro, AMFI, NIIF Research

Note:

1. SIP stands for Systematic Investment Plans, an investment route offered by mutual funds wherein one can invest a fixed amount in a Mutual Fund scheme at regular intervals

Mutual funds record net outflow of ~INR 288 billion in December

Monthly net inflows into mutual funds (INR billion), FY2013-FY2025 (Dec '24)

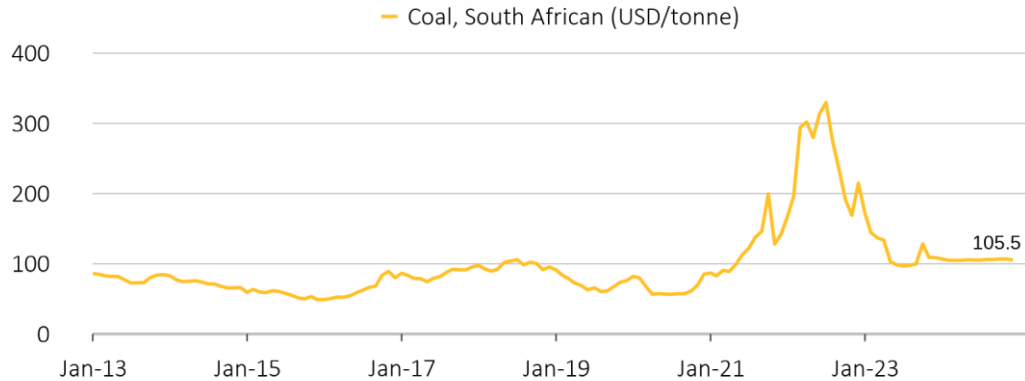


Source: Thurro, SEBI, NIIF Research

Commodity markets

Coal prices hold steady in December

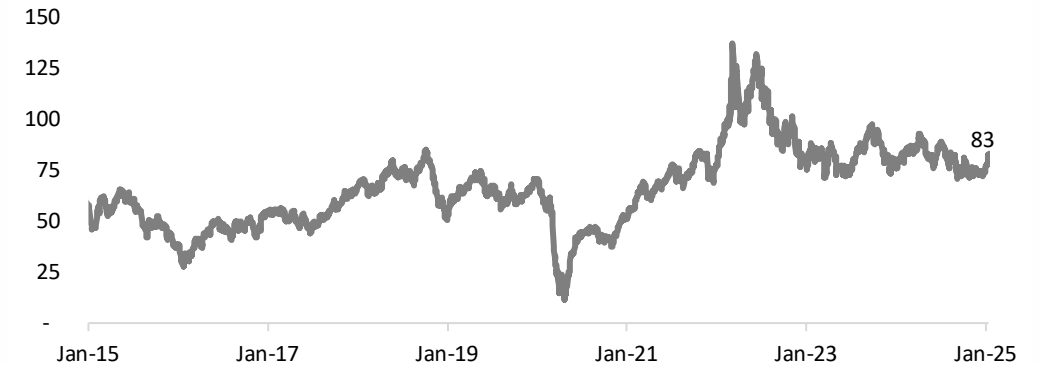
Monthly coal (South African) prices, FY2013-FY2025 (Dec '24)



Source: Thurro, World Bank Commodity Price Data (The Pink Sheet), NIIF Research

Brent crude oil price rebounds to USD 83 per bbl by mid-January

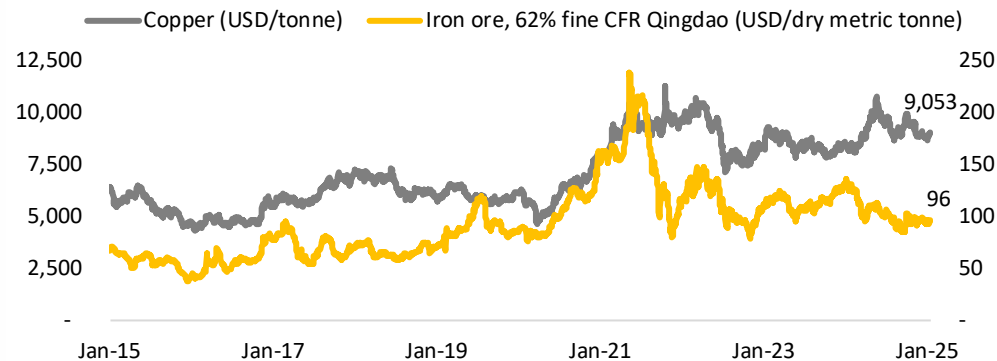
Daily Brent crude oil prices (USD per bbl), FY2015-FY2025 (15 Jan '25)



Source: Bloomberg, NIIF Research

Copper trends upward while iron ore stays stable

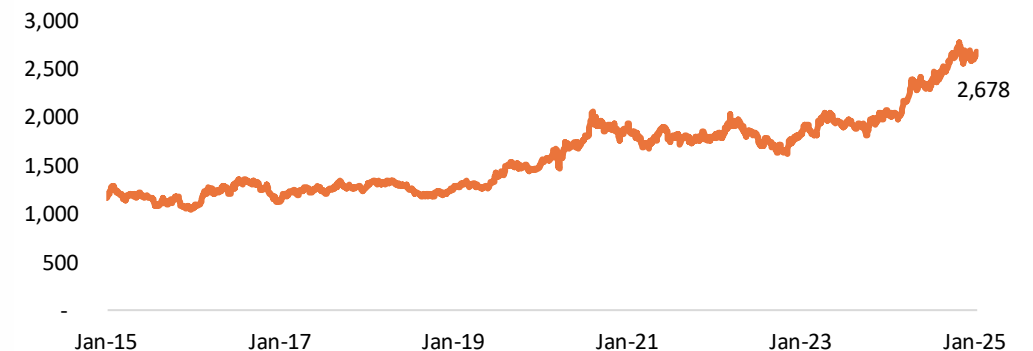
Daily copper and iron ore prices, FY2015-FY2025 (15 Jan '25)



Source: Bloomberg, NIIF Research

Gold maintains upward trajectory through mid-January

Daily gold prices (USD per troy oz), FY2014-FY2025 (15 Jan '25)



Source: Bloomberg, NIIF Research



MONTHLY ECONOMIC REPORT ON INDIA JAN 2025

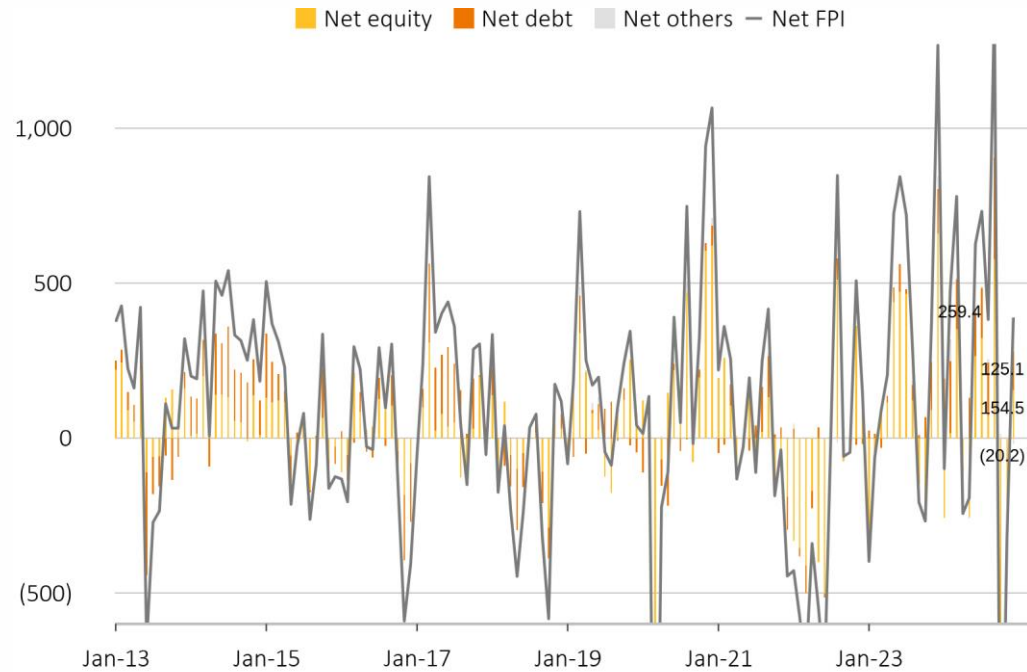
Investments

- Foreign Portfolio Investors (FPIs) return in December investing INR 259 billion. Domestic institutional investors (DIIs) maintain momentum with net inflows of INR 342 billion. DII inflows reach record INR 4.2 trillion in FYTD2025 (till December) offsetting moderate net FPI flows of INR 886 billion
- FDI flows into India slow, showing net outflow of USD 1.3 billion in October. However, gross FDI inflows sustain at USD 49 billion in FYTD2025 (till October). Net investment eases to USD 2 billion amid higher repatriation and outward FDI
- Alternative Investment Funds (AIFs) demonstrate strong activity in Q2FY25 - Category II and III lead total fund raising of ~INR 275 billion in Q2FY25, and net investments of INR 171 billion, with Category III leading investments

Flows: Portfolio

FPIs reverse to INR 259 billion inflow in December

Monthly net FPI investments in India (INR billion), FY2013-FY2025 (Dec '24)



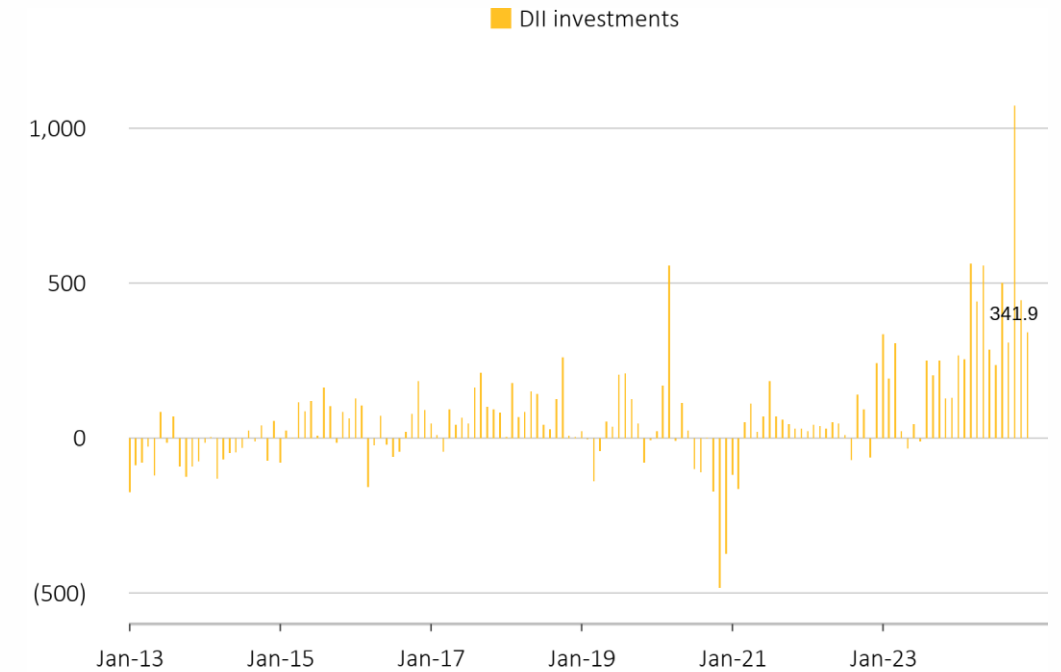
Source: Thurro, NSDL, NIIF Research

Note:

- Others comprise of hybrid, mutual funds and AIFs. Hybrid include investments in InvITs and REITs. Debt includes investments under Debt-VRR, Debt-FAR and Debt-General limit. Debt-VRR (voluntary retention route) allows FPIs to participate in repo transactions and also invest in exchange traded funds that invest in debt instruments.

Domestic investors maintain strong momentum with INR 342 billion

Monthly net DII investments in India (INR billion), FY2013-FY2025 (Dec '24)



Source: Thurro, NSE, BSE, NIIF Research

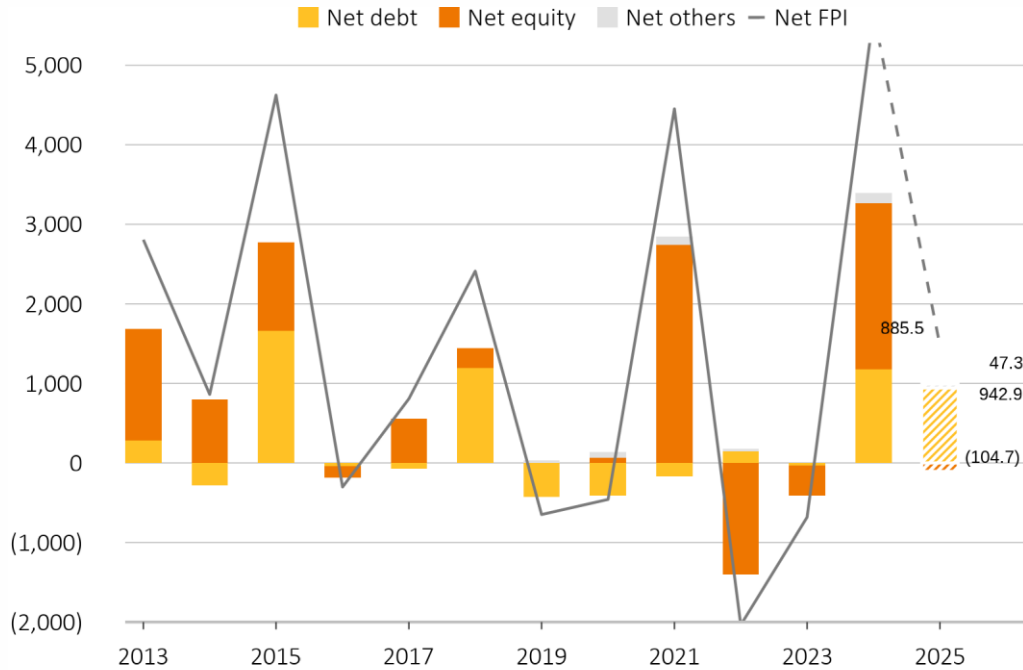
Note:

- Domestic institutional investors (DII) are those institutional investors who undertake investment in securities and other financial assets (debt, AIFs, etc.) within India. These include insurance companies, banks, DFIs, mutual funds, NPS, EPFO.

Flows: Portfolio

FPIs contribute ~INR 886 billion inflow in FYTD25 (Apr-Dec)

Annual net FPI investments in India (INR billion), FY2013-FY2025 (Dec '24)



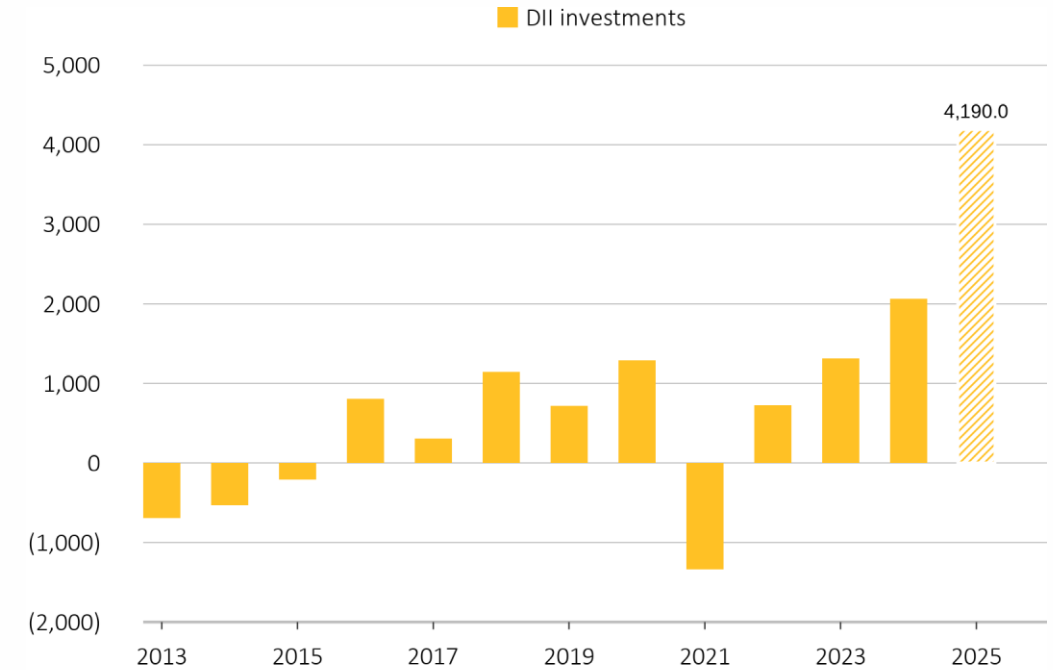
Source: Thurro, NSDL, NIIF Research

Note:

- Others comprise of hybrid, mutual funds and AIFs. Hybrid include investments in InvITs and REITs. Debt includes investments under Debt-VRR, Debt-FAR and Debt-General limit. Debt-VRR (voluntary retention route) allows FPIs to participate in repo transactions and also invest in exchange traded funds that invest in debt instruments.

DII set new record with INR 4.2 trillion investment in FYTD25

Annual net DII investments in India (INR billion), FY2013-FY2025 (Dec '24)



Source: Thurro, NSE, BSE, NIIF Research

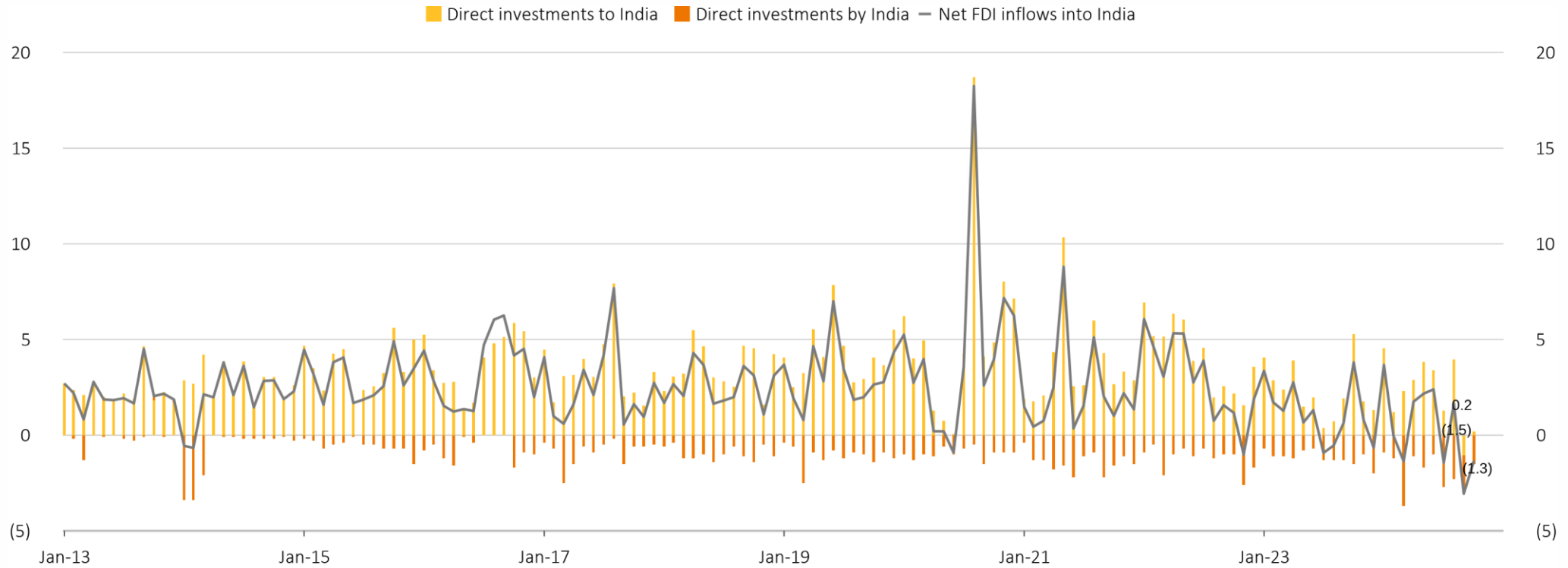
Note:

- Domestic institutional investors (DII) are those institutional investors who undertake investment in securities and other financial assets (debt, AIFs, etc.) within India. These include insurance companies, banks, DFIs, mutual funds, NPS, EPFO.

Flows: FDI

FDI records a net outflow in October to the tune of USD 1.3 billion

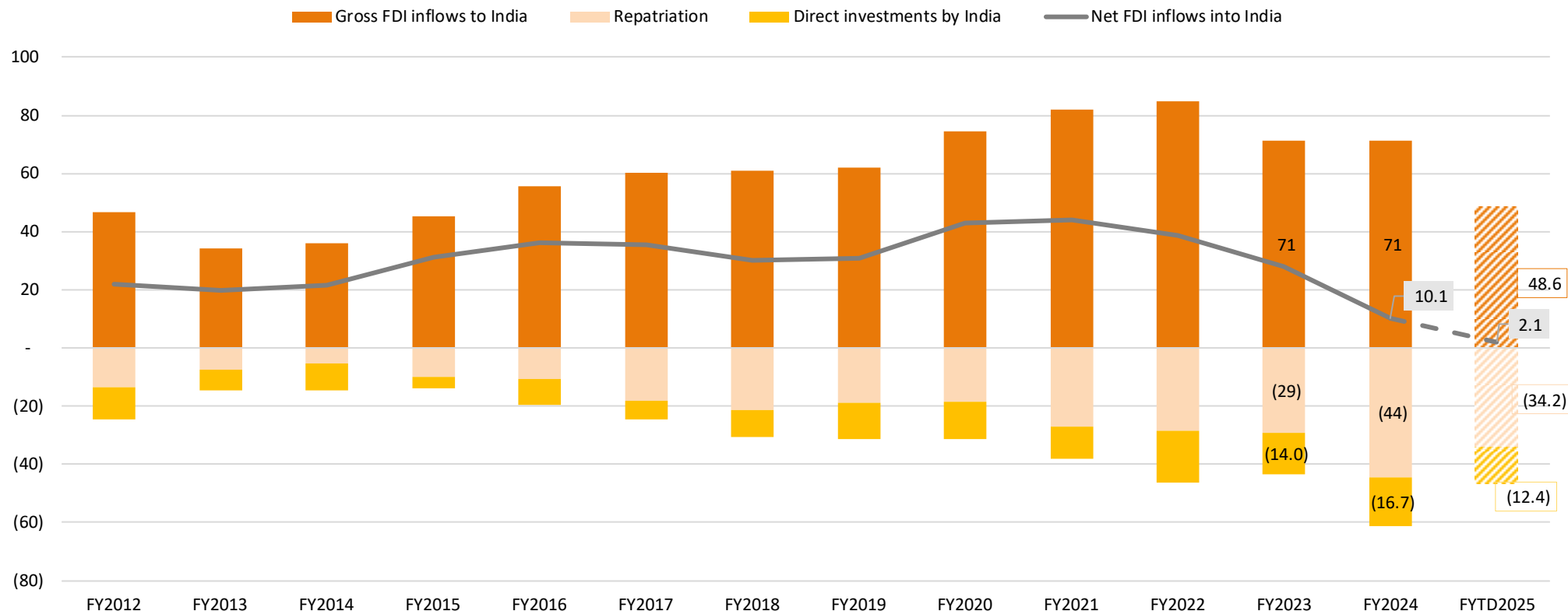
Monthly foreign direct investments (USD billion), FY2013-FY2025 (Oct '24)



Source: Thurro, RBI, NIIF Research

Flows: FDI

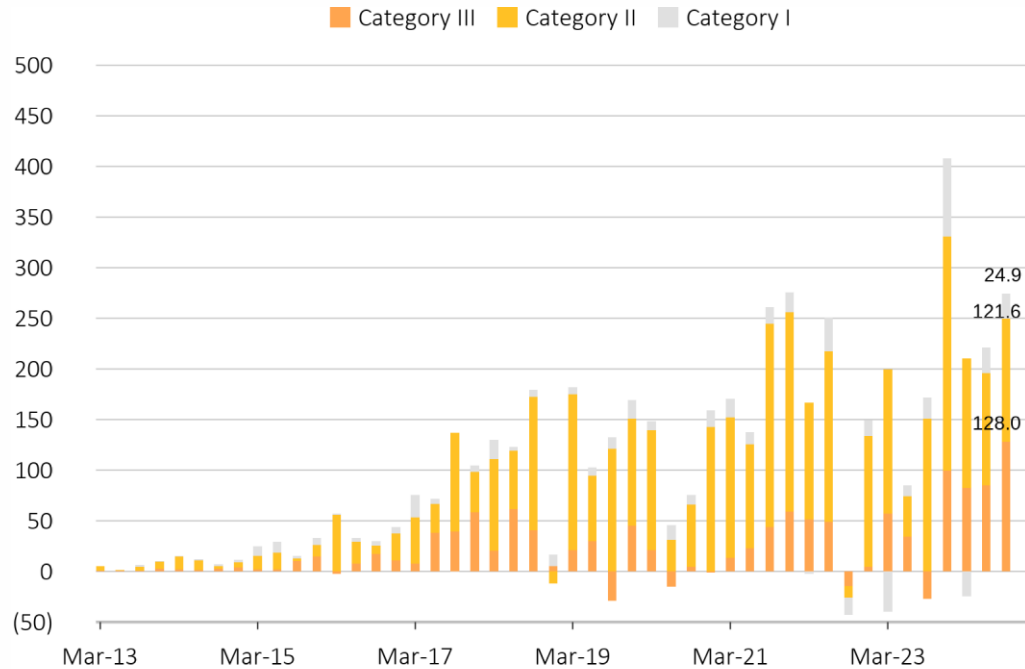
Gross FDI holds at USD 49 billion while net inflows moderate to USD 2 billion in FYTD2025 (till Oct) on repatriation and outward FDI
 Annual foreign direct investments (USD billion), FY2012-FY2025 (Oct '24)



Source: CEIC, NIIF Research

Alternative investments

AIFs raise ~INR 275 billion in Q2FY25, driven by Category II and III
 Quarterly AIF net fundraises (INR billion), FY2013-FY2025 (Sep '24)

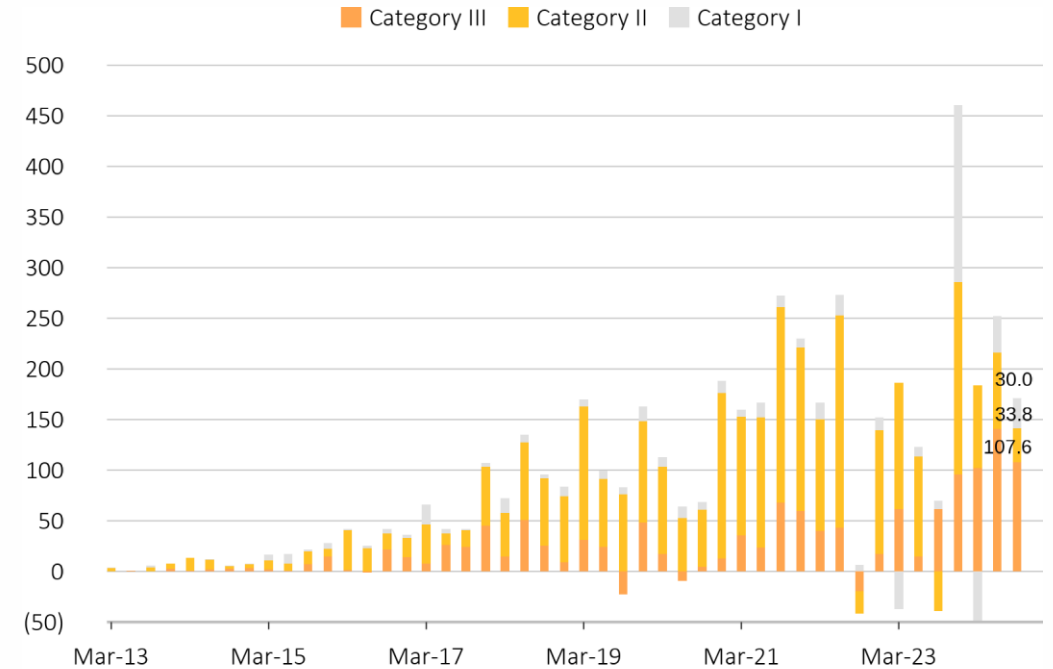


Source: Thurro, SEBI, NIIF Research

Note:

1. Category I Alternative Investment Funds (AIFs) invest in startup or early-stage ventures or social ventures, SMEs, infrastructure, or other sectors which the government or regulators consider as socially or economically desirable
2. Category II AIFs are those that do not fall in Category I and III and which do not undertake leverage other than to meet day-to-day operational requirements, such as real estate funds, private equity funds, etc.
3. Category III AIFs employ diverse trading strategies and may employ leverage including through investment in listed or unlisted derivatives such as hedge funds, PIPE funds, etc.

AIFs net investments at INR 171 billion in Q2FY25, led by Category III
 Quarterly AIF net investments (INR billion), FY2013-FY2025 (Sep '24)



Source: Thurro, SEBI, NIIF Research

Note:

1. SEBI publishes quarterly data on Alternative Investment Funds (AIFs) related to cumulative commitments raised, funds raised, and investments made up to a quarter-end. Therefore, the chart above shows AIF activity in a quarter by subtracting the cumulative numbers provided by SEBI for current quarter from the previous quarter to get a flow number.



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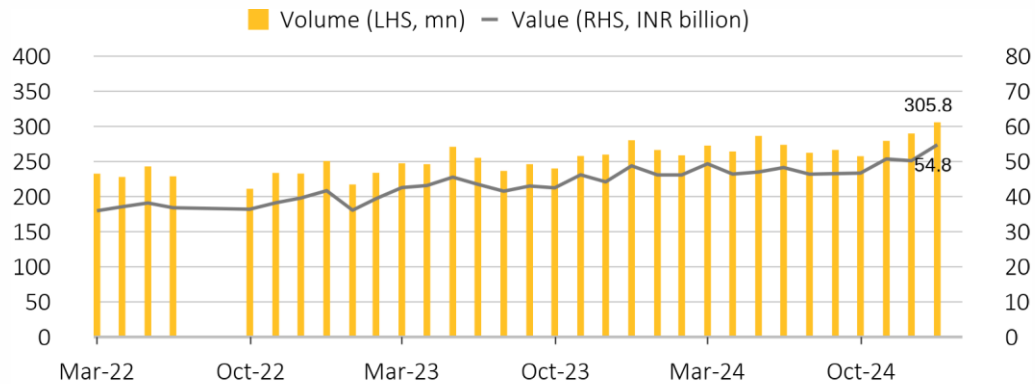
Infrastructure

- Toll collections achieve record INR 54.8 billion across 306 million vehicles in December. FasTag hits new peak of INR 66.4 billion across 382 million swipes. Road construction and awarding slow to 3,337 km and 1,445 km in H1FY25
- Port cargo falls 1.6% in December amid rising container rates (USD 3,986 per FEU) and declining Baltic Dry Index (1,063), as of 15 January. Rail freight growth moderates to 1.5% yoy in October, supported by coal (4.2%) and container (7.7%) segments. Commodities including iron ore, cement, steel rail freight show yoy decline
- Air transport remains robust with record domestic air passengers of 15 million, up 10.9%, in December and cargo growth of 8.4% in November
- Power sector shows stability with minimal unmet demand (0.3%) and steady generation growth (5.3%) in December. Renewables contribute 12.2% to overall generation in November, exceeding seasonal trends. Polysilicon prices stay at multi-year low of USD 4 per kg, and silver costs remain high at USD 29 per troy oz

Roads

Toll collection hits record INR 54.8 billion with 306 million transactions

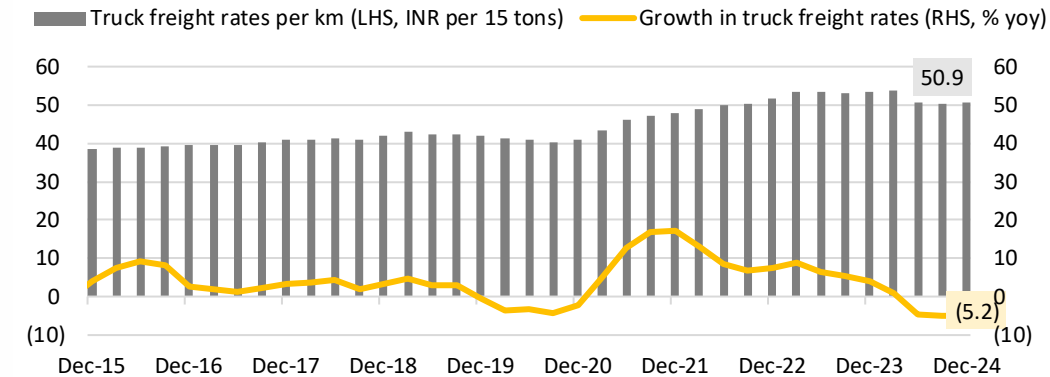
Monthly road toll collection at NHA1 tolls, FY2022-FY2025 (Dec '24)



Source: Thurro, IHMCL, NIIF Research
Note: Data for July and August 2022 not available

Truck freight rates decline 5% in Q3FY25

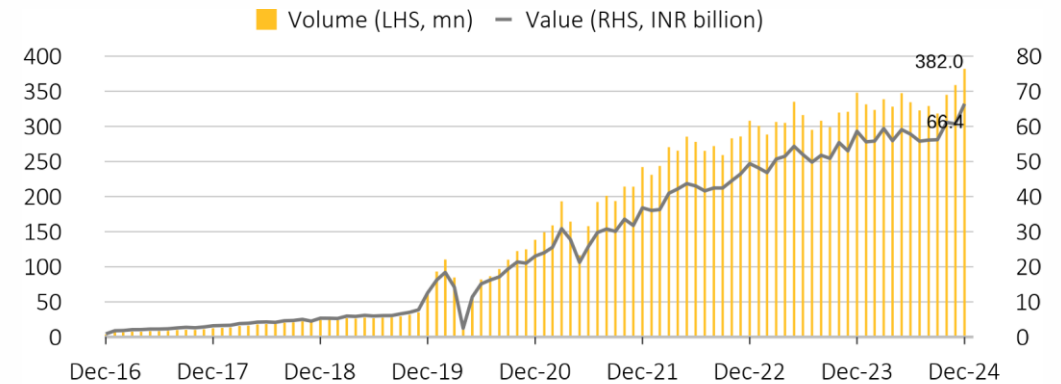
Quarterly average all-India truck freight rates, FY2015-FY2025 (Dec '24)



Source: CMIE, NIIF Research
Note: 1. Freight rates are from Delhi to 15 cities - Jaipur, Sirsa, Patna, Lucknow, Dehradun, Bhopal, Ahmedabad, Mumbai, Bangalore, Hyderabad, Chennai, Trivandrum, Guwahati, Bhuvaneshwar, and Kolkata
2. All-India rates calculated by averaging freight rates across each route

FasTag penetration reaches new peak in December

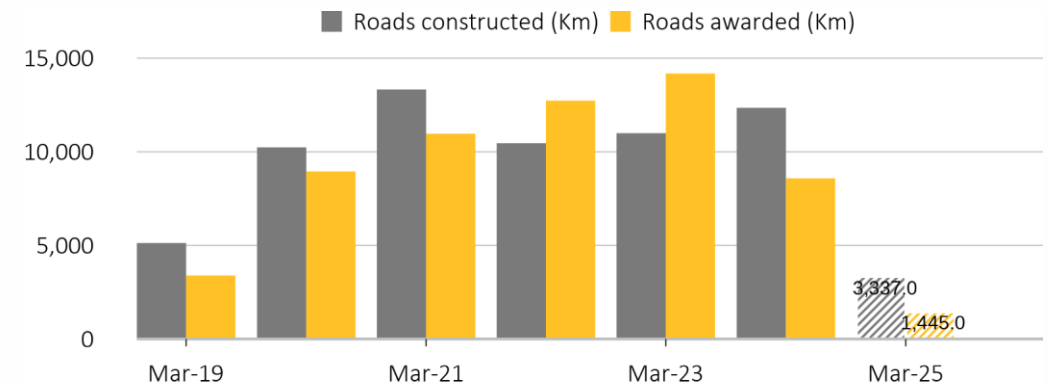
Monthly national electronic road toll collection, FY2017-FY2025 (Dec '24)



Source: Thurro, RBI, NIIF Research
Note: FasTag is primarily used at 800 national and 300 state highways, and at a few parking lots

Road construction and awards pace moderates in H1FY25

Monthly road construction in India, FY2019-FY2025 (Sep '24)

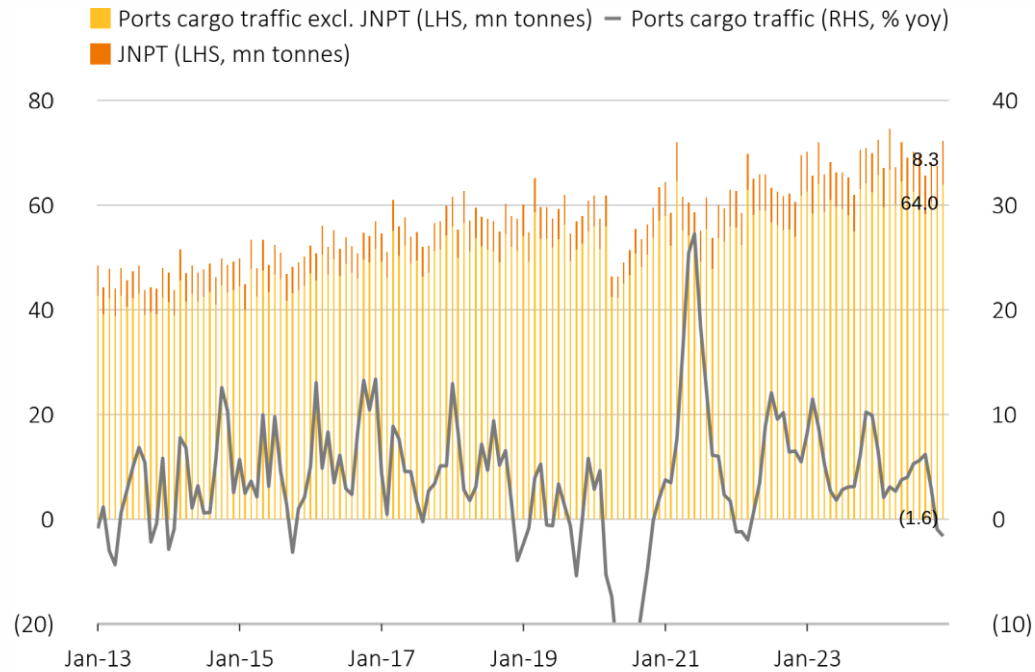


Source: Thurro, MoRTH, NIIF Research

Ports

Cargo traffic at major ports dips 1.6% yoy in December

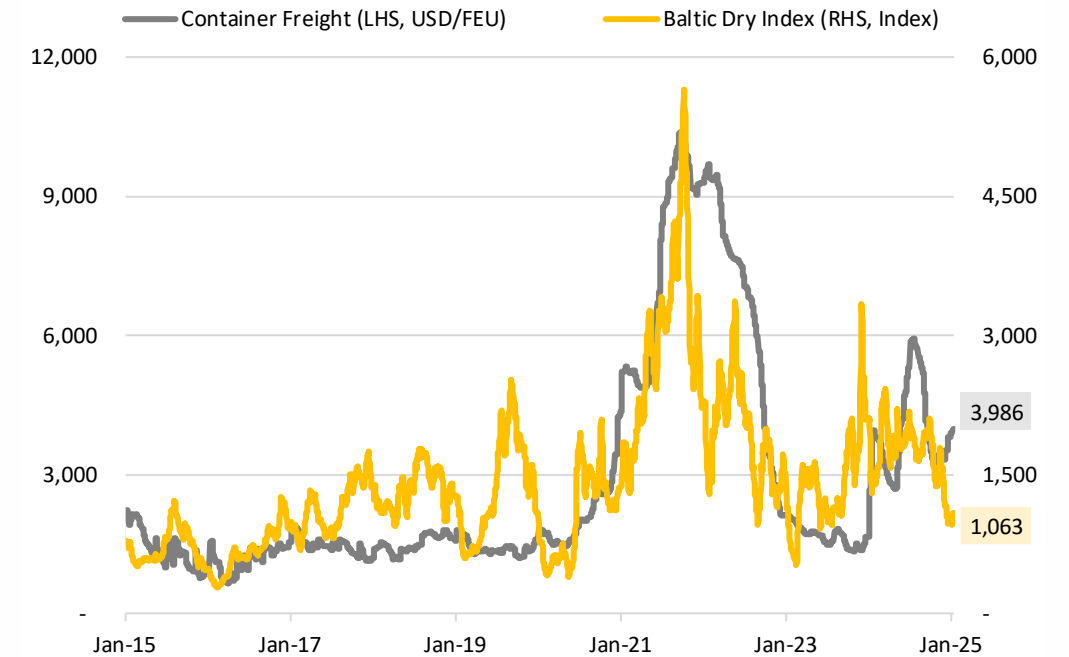
Monthly cargo traffic at major ports, FY2013-FY2025 (Dec '24)



Source: Thurro, Indian Ports Association, NIIF Research

Container rates surge amid Red Sea disruption while bulk rates decline

Daily shipping freight indices, FY2015-FY2025 (15 Jan 2025)



Source: Bloomberg, NIIF Research

Note:

1. Baltic Indices represent average shipping freights across 12 major international routes Index units measured in points. (January 4, 1985 = 1,000).
2. Baltic Dry Index measures freight rates for ships carrying bulk commodities like coal, iron ore, food grains, bauxite and alumina, steel and fertilizers.
3. Container freight measures actual spot freight rates in USD for 40-foot containers for 8 major east-west trade routes compiled as World Container Index (WCI).

Railways

Rail cargo grows modest 1.5% YoY in October, led by coal and containers growth

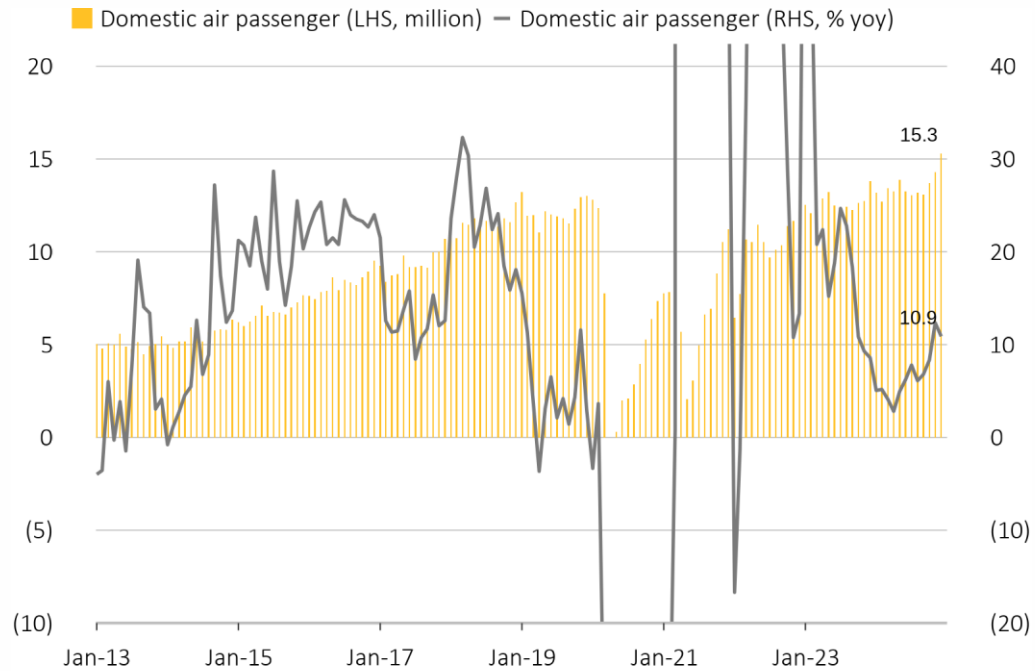
Monthly railway freight (mn tonnes), Oct '23 – Oct '24

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Growth (% yoy)
Coal	64.8	65.5	69.0	71.5	68.5	77.1	66.4	72.0	69.1	66.7	61.1	59.7	67.6	4.2
Iron ore	14.8	15.0	16.6	17.0	15.1	17.3	14.9	14.6	15.1	13.8	14.0	14.3	14.6	(1.6)
Cement and clinker	11.1	10.2	12.3	13.4	13.0	16.9	11.5	12.9	12.9	10.4	10.4	11.5	10.9	(1.5)
Container service	7.2	6.9	7.7	7.0	7.1	7.6	6.6	6.9	7.0	7.4	7.4	7.3	7.7	7.7
Pig iron and finished steel	5.7	5.3	6.0	6.1	5.7	6.9	5.2	5.4	5.4	5.6	5.3	5.8	5.3	(7.5)
Fertilizers	5.7	6.0	5.8	5.3	4.0	4.1	4.0	5.0	5.3	5.1	4.6	4.2	5.1	(10.5)
Foodgrains	3.6	3.8	4.3	4.5	5.1	4.4	3.9	4.8	4.2	4.0	3.9	4.6	3.4	(5.3)
Mineral oil	4.4	4.2	4.3	4.3	4.1	4.7	4.2	4.4	4.2	4.5	4.0	4.0	4.3	(0.7)
Raw material for steel plants (except iron ore)	3.2	3.0	3.3	3.4	3.4	3.6	2.1	2.5	2.3	2.7	2.3	2.4	2.5	(22.8)
Others	8.6	8.6	9.8	10.2	10.7	14.1	9.6	10.8	10.1	9.5	9.8	9.7	9.5	11.3
Total	129.0	128.4	139.0	142.7	136.6	156.6	128.3	139.2	135.5	129.7	122.8	123.5	130.9	1.5

Source: Thurro, Indian Railways, NIIF Research

Aviation

Domestic air passengers reach record 15 million in December, up 10.9% Monthly domestic air passengers, FY2013-FY2025 (Dec '24)

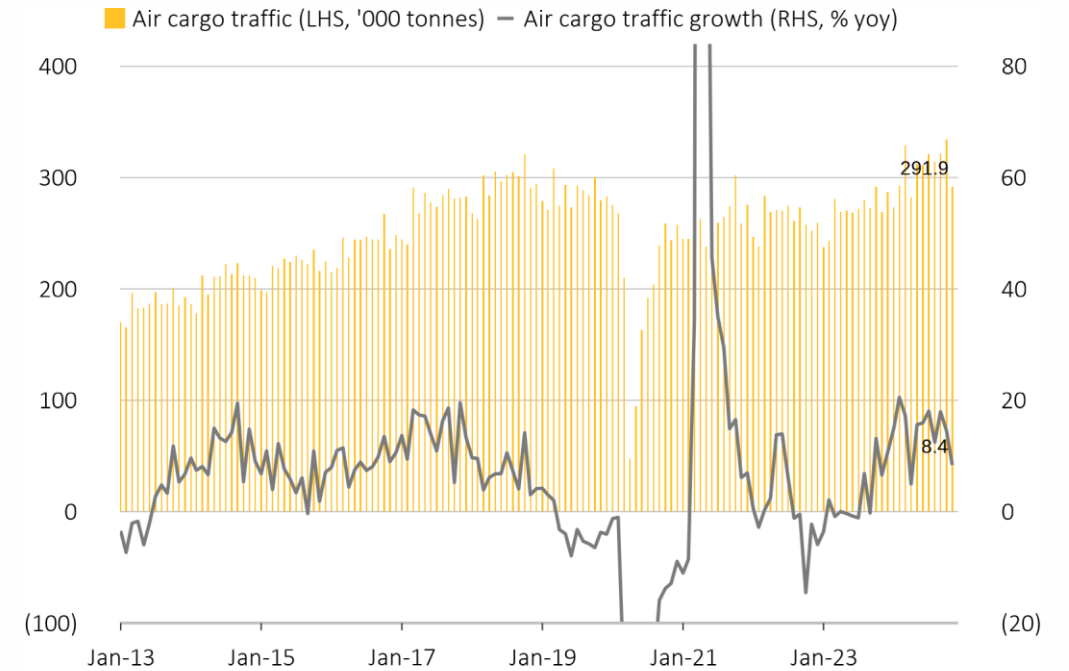


Source: Thurro, DGCA, Ministry of Civil Aviation, NIIF Research

Note:

- Growth in air passengers between Apr '21 and Oct '21, and May '22 not depicted due to low base effect of Apr '20 to Oct '20, and May '21.

Air cargo sustains strong growth momentum at 8.4% yoy in November Monthly air cargo traffic, FY2013-FY2025 (Nov '24)



Source: Thurro, AAI, NIIF Research

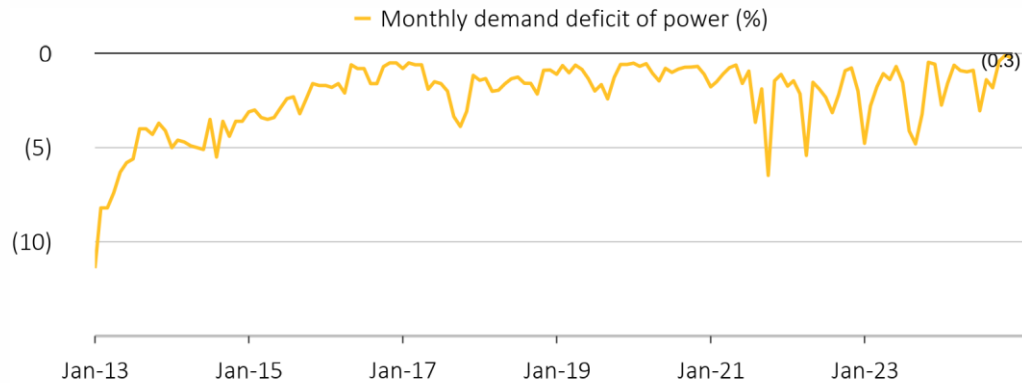
Note:

- Growth in air cargo traffic between Apr '21 and Jun '21 not depicted due to low base effect of Apr '20 to Jun '20.

Power

Peak power deficit improves to multi-year highs, at 0.3% in December

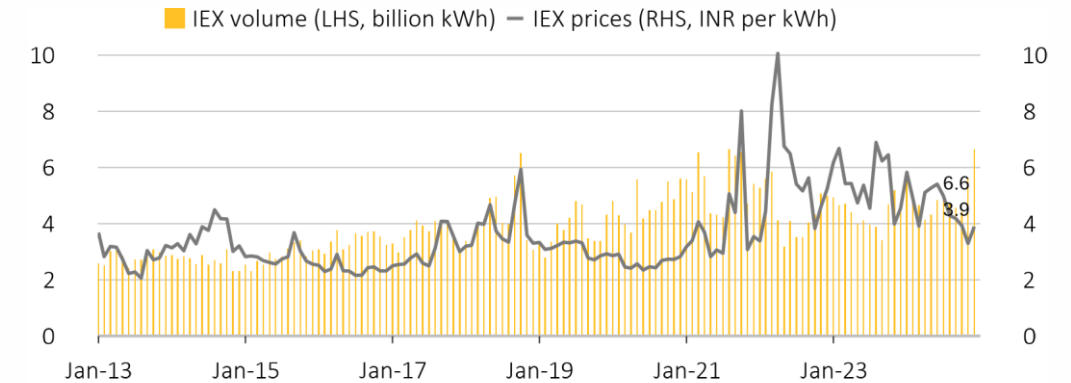
Monthly peak demand deficit of power (%), FY2013-FY2025 (Dec '24)



Source: Thurro, POSOCO, NIIF Research

Power trading rates maintain lower levels through December

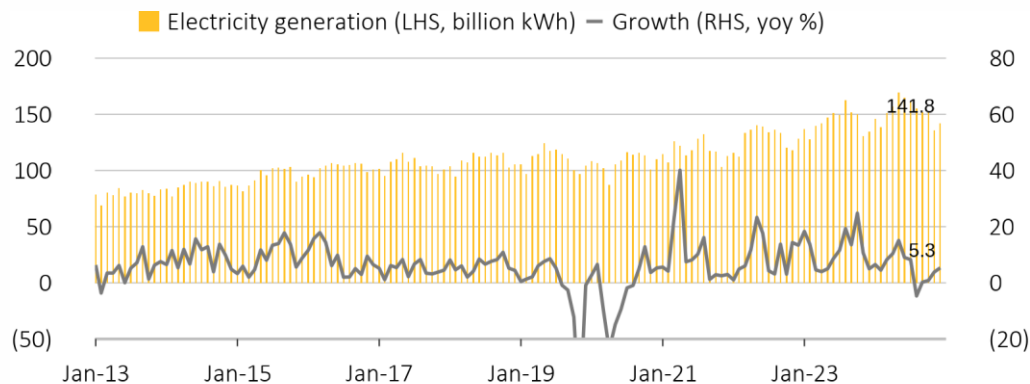
Monthly clearance prices on IEX DAM (INR/kWh), FY2013-FY2025 (Dec '24)



Source: Thurro, IEX, NIIF Research

Steady growth in electricity generation in December, up 5.3% yoy

Monthly electricity generation, FY2013-FY2025 (Dec '24)

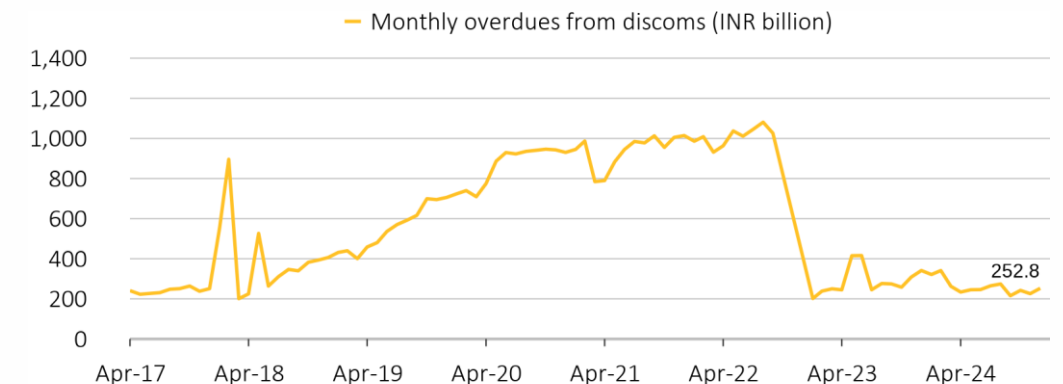


Source: Thurro, POSOCO, NIIF Research

Note: The residual difference between units of electricity generated and demanded is auxiliary consumption to run the power plants

DISCOMS' outstanding dues to power generators remain steady

Monthly outstanding dues of discoms, FY2018-FY2025 (Dec '24)

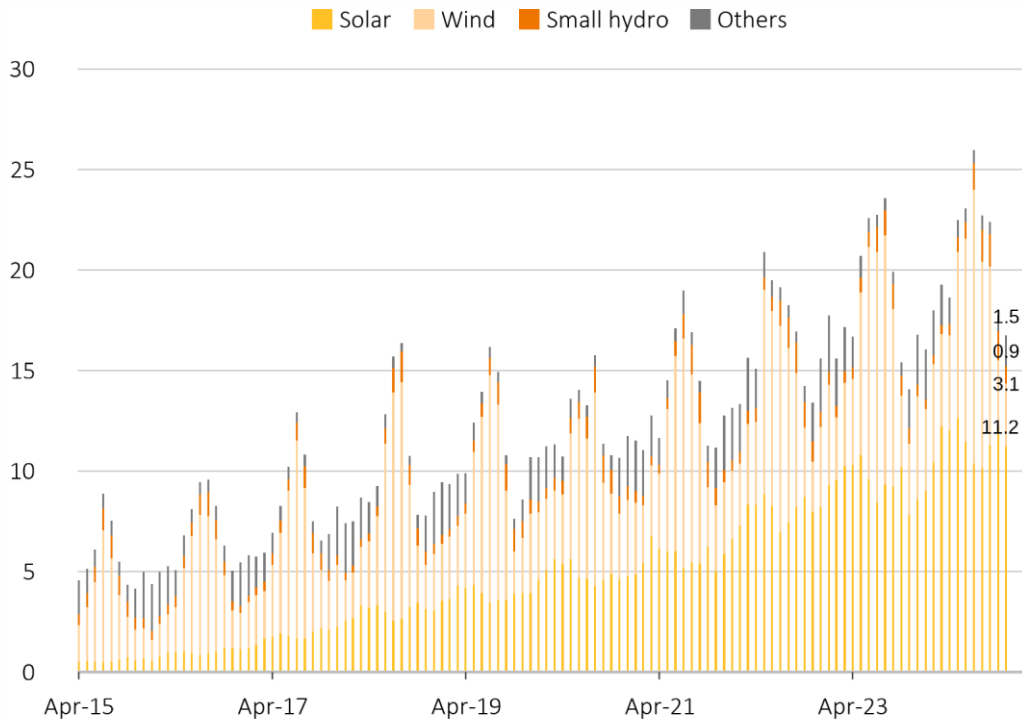


Source: Thurro, PRAAPTI, NIIF Research

Renewables

Renewables generate 16.7 billion kWh electricity in November

Monthly generation from renewables (billion kWh), FY2016-FY2025 (Nov '24)



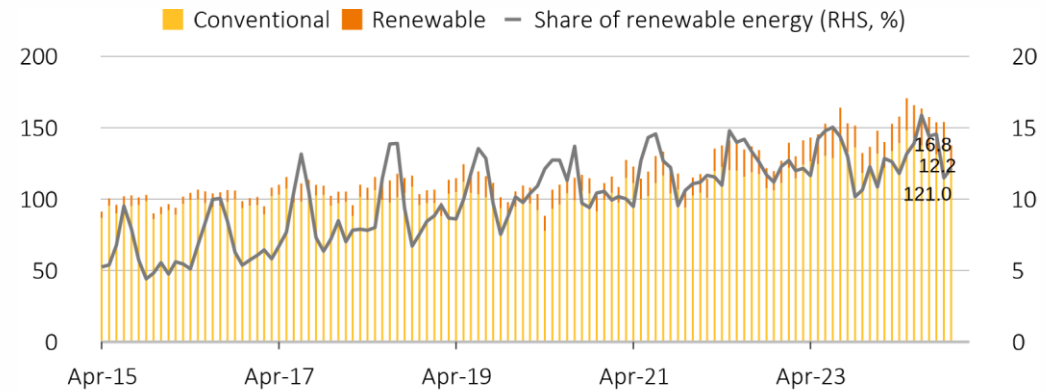
Source: Thurro, CEA, NIIF Research

Note:

- Others include bagasse-based energy and biomass other than bagasse, among other sources

Renewables' share resilient at 12.2% in November, above seasonal trends

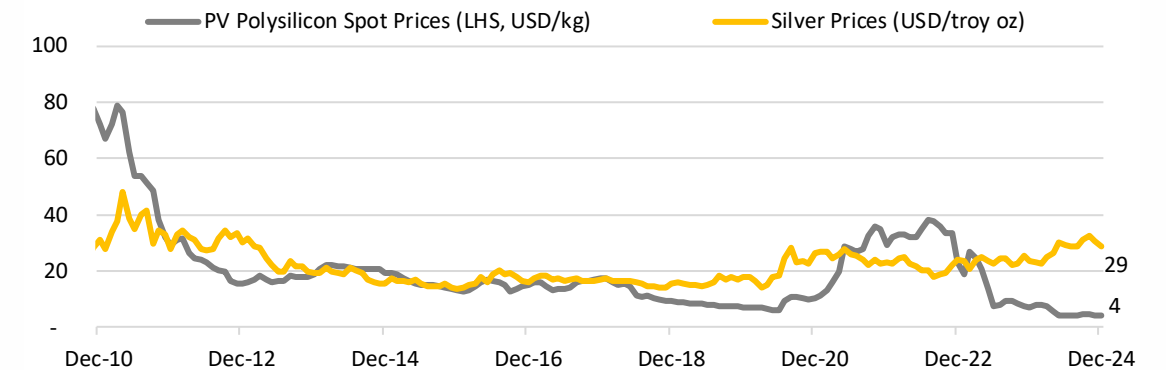
Monthly generation from energy sources (billion kWh), FY2016-FY2025 (Nov '24)



Source: Thurro, POSOCO, CEA, NIIF Research

Polysilicon prices at multi-year low, silver costs remains elevated

Monthly average silicon prices, FY2011-FY2025 (Dec '24)



Source: Bloomberg, NIIF Research



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Global

- IMF revises India's FY2025 growth forecast to 6.5%, aligning with official estimates. India (6.5%) projected to lead global growth (3.3%) in 2026, followed by China (4.5%). Key agencies' median forecasts revised down to 6.7% for FY2025
- Global growth shows varied performance in quarter-ended September - India's real GDP growth moderates to 5.4%, US holds at 2.7%, while China improves to 5.4% in December quarter
- India's composite PMI outpaces other countries at 59.2 in December, showing strong expansion in both manufacturing and services sectors. This contrasts with Germany's 48.0 and France's 47.5. US economic activity improves with PMI rising to 55.4
- Global headline consumer inflation continues to ease in December – US at 2.9%, UK at 2.6%, and India at 5.2%, while China prices remain flat at 0.1%. Global equities show mixed performance with major advanced economies posting double-digit returns, while India's ~8.6% returns moderate in December

Global economy

IMF revises India's FY2025 growth estimate to align with official estimates

IMF nominal GDP (USD trillion) and real GDP growth projections (%), FY2024 to FY2027

	Nominal GDP (USD trillion)	Real GDP growth (% yoy)		
	Actual	Actual	Estimate	Projection
	2023	2023	2024	2026
World	105.7	3.3	3.2	3.3
Advanced Economies	62.1	1.7	1.7	1.8
United States	27.7	2.9	2.8	2.1
European Union	18.6	0.6	1.0	1.7
Germany	4.5	(0.3)	(0.2)	1.1
Japan	4.2	1.5	(0.2)	0.8
United Kingdom	3.4	0.3	0.9	1.5
Canada	2.1	1.5	1.3	2.0
Emerging markets and developing economies	43.6	4.4	4.3	4.3
China	17.8	5.2	4.8	4.5
India	3.6	8.2	6.5	6.5
Russia	2.0	3.6	3.8	1.2
Brazil	2.2	3.2	3.7	2.2
South Africa	0.4	0.7	0.8	1.6

Source: IMF World Economic Outlook (January 2025), NIIF Research

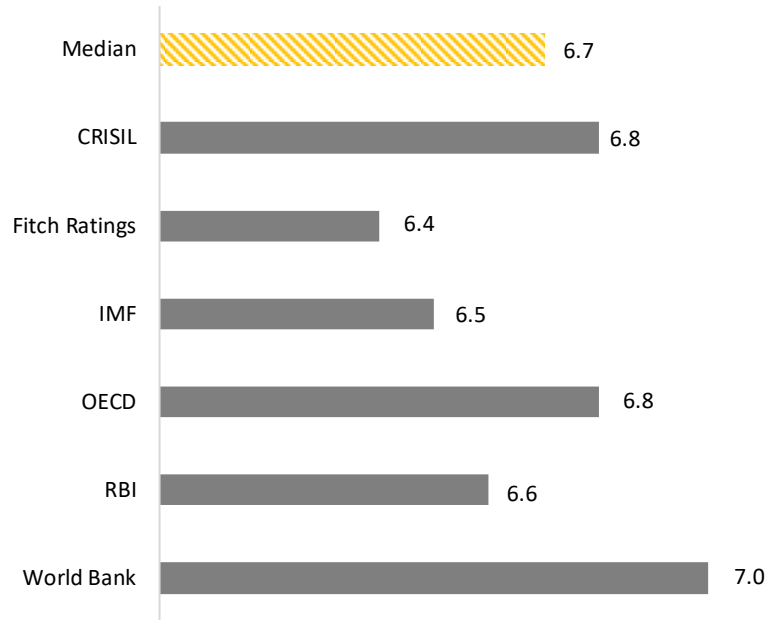
Note:

1. For India, data and forecasts are presented on a fiscal year basis (Apr-Mar)
2. FY stands for financial year with the period starting Apr 1 and ending on Mar 31
3. The 6.5% GDP growth for India under the 2024 column is estimated for FY2024-25. India's growth projections by IMF are 6.8% for 2025 and 6.5% for 2026 based on calendar year

Growth

Real GDP growth (median) projected to be 6.7% in FY2025

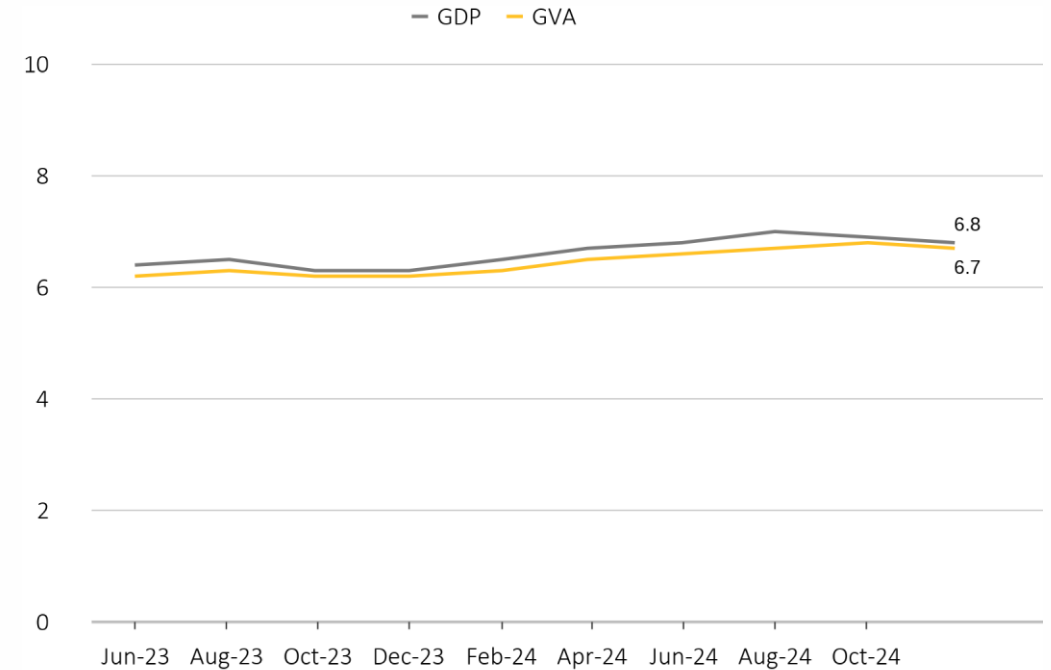
Projections for real GDP growth in FY2025 (% yoy), Sep '24 to Jan '25



Source: CMIE, NIIF Research

GDP growth forecasted at 6.8% for FY2025 as per RBI survey

Bi-monthly median real GDP projections for FY2025 by RBI (% yoy), (Dec '24)



Source: Thurro, RBI, NIIF Research

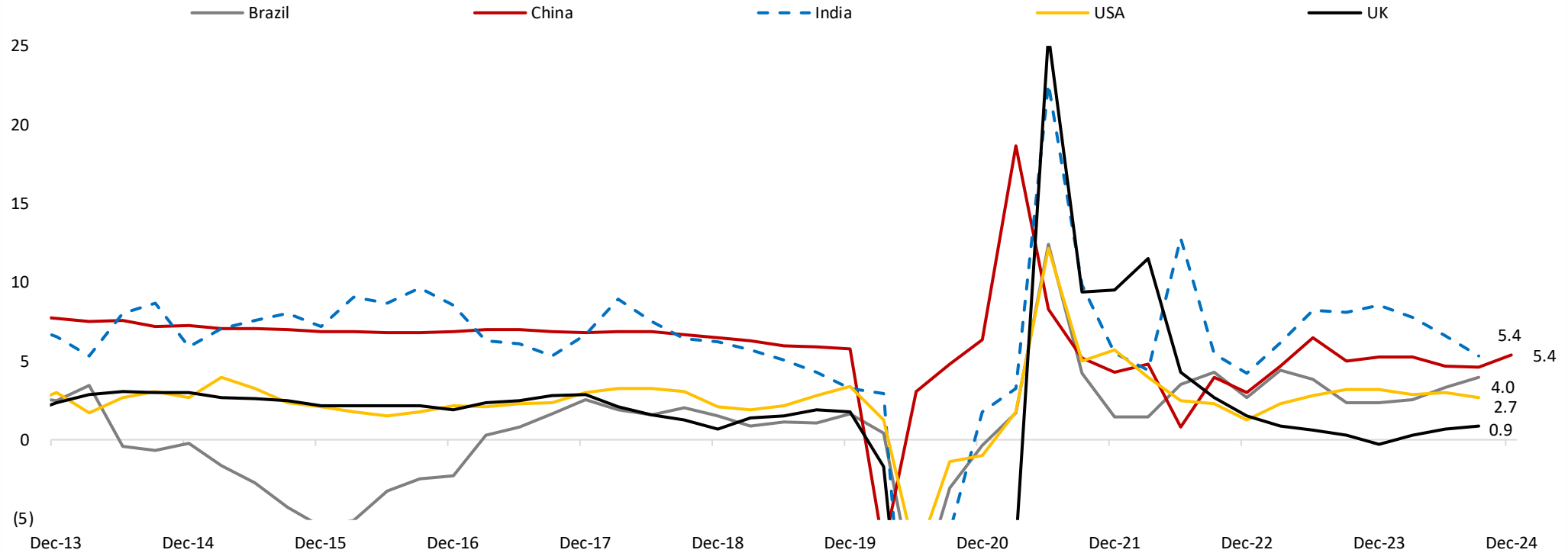
Note:

1. RBI's Professional Forecasters' Survey presents short to medium term economic development on GDP growth, among other macroeconomic indicators. In every round of survey, questionnaires are shared with 30 to 40 selected forecasters.

Growth

India's GDP growth eases to 5.4% in September quarter, US stable at 2.7%; China shows recovery in December quarter

Quarterly real GDP growth across countries (% yoy), FY2014-FY2025 (Dec '24)



Source: Bloomberg, NIIF Research

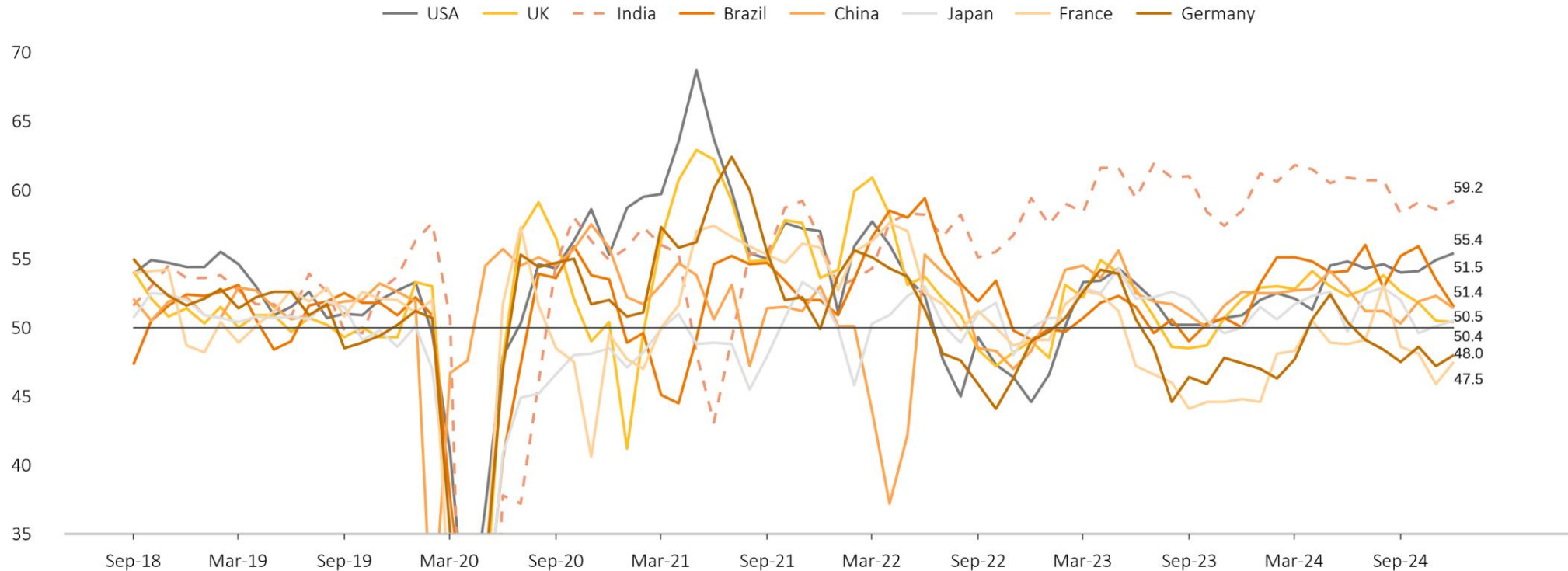
Note:

1. Contraction in growth for four quarters between March 2020 to March 2021 not shown due to the impact of Covid-19 lockdown on the economy
2. GDP growth as of quarter-ended Dec '24 for China; for others as of quarter-ended Sep '24

Purchasing managers' index: Global

India's composite PMI strong at 59.2 in December; US economic activity picks up while Germany and France contract

Monthly PMI composite indices across major economies, FY2019-FY2025 (Dec '24)



Source: Thurro, S&P, NIIF Research

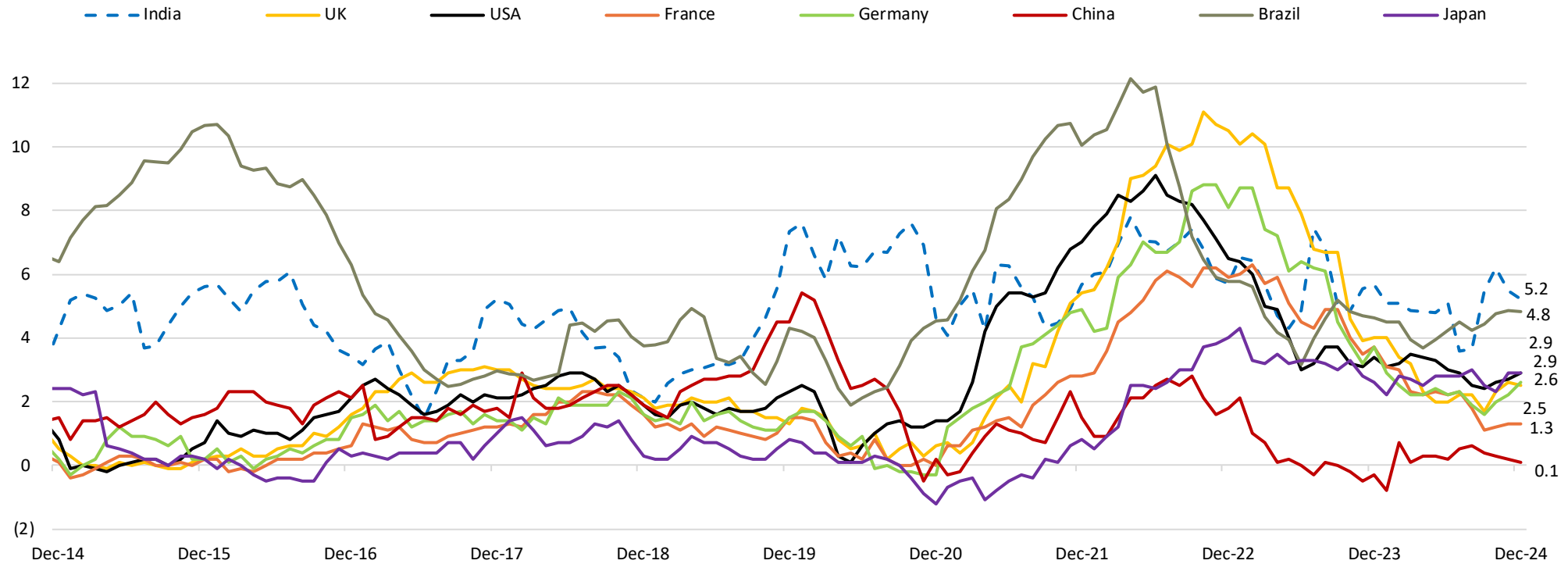
Note:

1. Impact of Covid on economic activity seen across countries for months between Feb '20 and May '20 and hence not shown in the chart.
2. The headline PMI Composite (Output) Index is a weighted average of the headline PMI Services Index and the Manufacturing Output Index (not the headline PMI manufacturing). Hence, a simple average of PMI Services and Manufacturing indices may not reflect in the PMI Composite.

Inflation: Global

Major economies see moderation in inflation pressures in December

Monthly consumer price inflation (% yoy), FY2015-FY2025 (Dec '24)

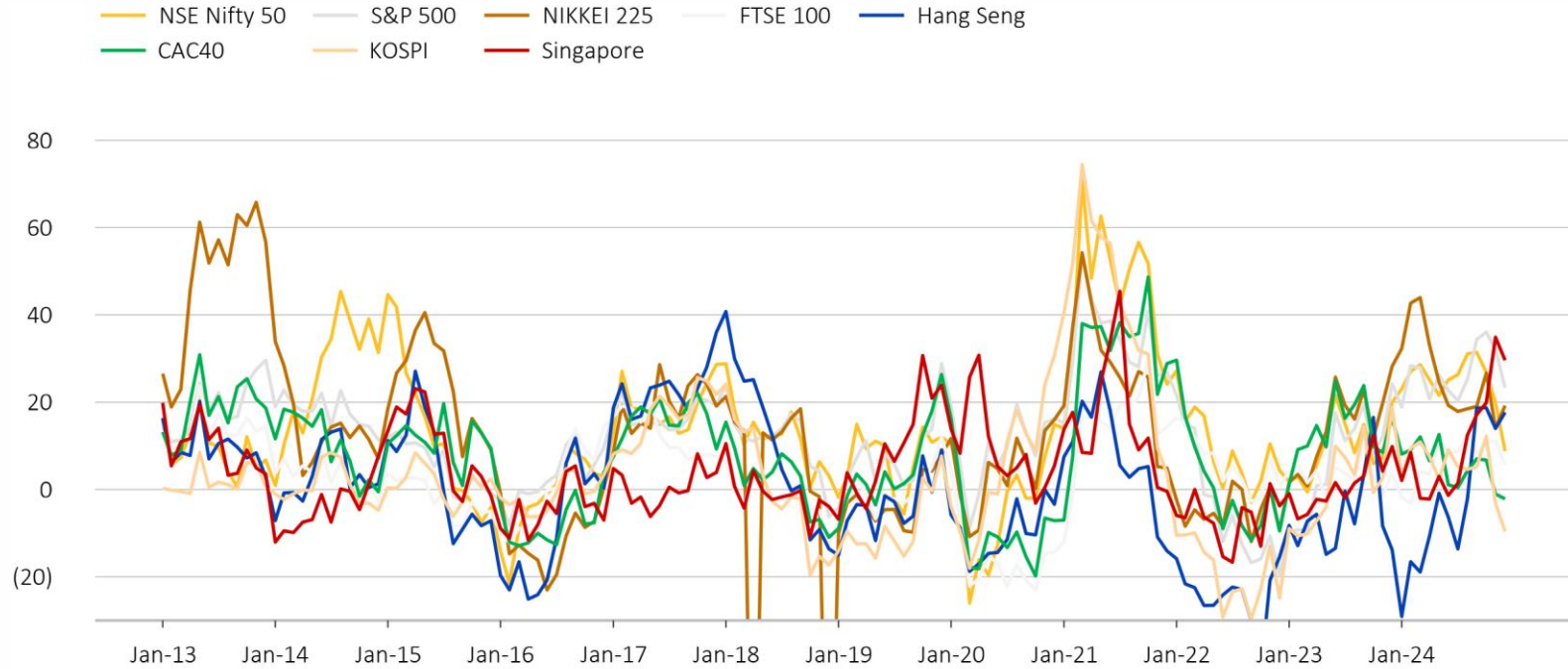


Source: Bloomberg, NIIF Research

Equity markets: Global

Advanced economies post double-digit returns, India generates ~8.6% average, while France and Korea see declines

Monthly performance of Nifty-50, Sensex and other global indices, returns in local currency (% yoy), FY2013-FY2025 (Dec '24)



Returns as on December 31, 2024 (% yoy)

Singapore	29.6
S&P 500	23.3
NIKKEI 225	19.2
Hang Seng	17.7
Dow Jones	12.9
NSE Nifty 50	8.8
BSE Sensex	8.2
FTSE 100	5.7
CAC40	(2.2)
KOSPI	(9.6)

Source: Thurro, BSE, NIIF Research

Note:

1. Return is calculated as on month end



Annexures

MONTHLY ECONOMIC REPORT ON INDIA JAN 2025

High frequency indicators (1/2)

Export growth slows down and port traffic moderates in December; Recovery in industrial output across IIP, power, cement, coal

Change in major economic indicators (% yoy), Nov '23 – Dec '24

	Units	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Fiscal															
Central government expenditure	% yoy	(13.8)	7.1	(14.0)	20.4	(0.6)	39.3	(37.9)	(18.4)	0.1	20.9	2.6	31.7	3.6	
Gross tax revenue	% yoy	21.3	12.9	16.5	(0.5)	13.5	16.9	14.4	35.0	14.0	(15.8)	11.9	1.6	10.0	
GST collection	% yoy	15.1	10.3	11.8	12.5	11.5	12.4	10.0	7.6	10.3	10.0	6.5	8.9	8.5	7.3
Industry															
Index of industrial production	% yoy	2.5	4.4	4.2	5.6	5.5	5.2	6.3	4.9	5.0	0.0	3.1	3.7	5.2	
Index of eight core industries	% yoy	7.9	5.1	4.2	7.1	6.3	6.9	6.9	5.0	6.3	(1.5)	2.4	3.7	4.3	
Electricity generation	% yoy	10.6	5.0	6.5	4.5	8.3	10.4	15.1	9.0	8.3	(4.7)	0.2	0.8	3.8	5.3
Steel production	% yoy	12.5	11.9	8.7	12.3	8.6	4.2	4.1	3.4	5.8	2.6	0.3	4.2	4.5	1.9
Cement production	% yoy	(3.2)	1.7	5.6	10.3	11.2	1.4	(0.4)	2.4	5.4	(2.3)	7.2	3.1	11.7	
Coal production	% yoy	11.0	10.8	10.3	11.8	8.2	7.4	10.2	14.6	6.4	(7.5)	2.5	7.5	7.4	5.3
Wholesale price index	% yoy	0.4	0.9	0.3	0.2	0.3	1.2	2.7	3.4	2.1	1.2	1.9	2.8	1.9	2.4
Logistics															
Rail freight	% yoy	4.3	6.4	11.7	10.1	8.3	1.5	3.7	10.1	4.5	(3.3)	0.0	1.5		
Port cargo	% yoy	10.2	9.9	6.6	2.1	3.1	2.7	3.8	4.0	5.3	5.6	6.2	2.9	(1.0)	(1.6)
Air cargo	% yoy	6.6	10.8	15.0	20.5	17.3	5.0	15.6	15.9	18.1	12.5	18.0	14.5	8.4	
E-way bills (volume)	% yoy	8.5	13.2	15.6	18.9	13.9	14.5	17.0	16.3	19.2	12.9	18.5	16.9	16.3	17.6
Trade															
Merchandise exports	% yoy	(3.3)	0.8	4.3	11.9	(0.6)	2.0	13.3	2.4	(2.0)	(9.9)	(0.3)	16.7	(5.1)	(1.0)
Merchandise imports	% yoy	(3.3)	(6.6)	2.0	13.7	(6.4)	11.1	7.2	4.6	6.3	0.4	(0.9)	(1.2)	16.0	4.9
Non-oil merchandise exports	% yoy	(1.7)	5.9	2.2	13.8	7.9	0.2	8.2	7.6	3.1	0.1	6.6	25.6	7.7	5.0
Non-oil merchandise imports	% yoy	(1.2)	0.8	3.8	20.0	(5.2)	7.5	(0.5)	0.0	3.1	12.1	2.6	(6.0)	19.5	5.8
Services exports	% yoy	4.2	1.7	10.8	3.4	(1.4)	17.1	9.7	3.2	16.6	5.7	14.6	22.3	13.9	3.3
Services imports	% yoy	(11.1)	(1.0)	0.1	1.7	(2.1)	20.0	6.2	(3.1)	16.0	9.1	13.5	27.9	26.0	12.0

Source: Thurro, CGA, Ministry of Finance, MoSPI, EAI, POSOCO, Indian Railways, Indian Ports Association, AAI, GSTN, RBI, NPCI, NIIF Research

Note:

1. Conditional formatting based on absolute values with respect to zero, with the largest negative values represented by dark red and largest positive values represented by dark green for each variable

High frequency indicators (2/2)

Record air travel and tolls contrast with auto slowdown, amid energy rebound and cooling inflation in December

Change in major economic indicators (% yoy), Nov '23 – Dec '24

	Units	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Energy															
Electricity demand	% yoy	5.9	4.9	5.9	8.1	9.0	10.3	15.2	8.9	8.3	(5.3)	0.4	0.9	4.0	5.9
Petrol consumption	% yoy	9.4	0.2	9.8	8.9	7.0	14.2	2.4	4.6	10.4	8.6	3.0	8.7	9.6	10.8
Automobile registrations															
Passenger vehicles	% yoy	19.5	2.5	12.3	10.7	(5.9)	18.2	0.4	(4.7)	13.8	(0.3)	(16.6)	40.2	(11.9)	0.6
Three-wheeler	% yoy	29.2	42.9	41.5	24.7	17.6	9.8	20.6	7.5	16.4	4.6	3.6	12.6	4.7	(4.3)
Two-wheeler	% yoy	21.7	28.0	15.4	13.7	5.7	33.6	2.7	5.0	17.6	6.7	(8.3)	36.8	16.3	(17.5)
Commercial vehicles	% yoy	(3.1)	0.0	(1.4)	(0.8)	(8.0)	(0.1)	2.7	(4.2)	6.6	(5.1)	(9.8)	5.8	(5.2)	(5.6)
Passenger vehicles-electric	% yoy	100.9	141.0	136.4	56.7	8.8	39.8	8.6	(5.2)	8.8	(3.0)	(5.1)	63.2	21.4	21.0
Three-wheeler-electric	% yoy	34.0	63.2	56.3	40.6	34.4	10.6	22.7	8.9	18.5	7.0	9.5	18.1	17.9	3.3
Two-wheeler-electric	% yoy	19.9	17.4	26.9	25.1	62.5	(2.0)	(26.8)	73.6	97.2	41.9	41.4	86.6	30.2	(3.0)
Commercial vehicles-electric	% yoy	244.2	128.8	202.2	214.0	393.9	(5.6)	43.3	61.3	49.6	46.9	49.3	32.5	34.1	88.5
Services															
Air passenger (domestic)	% yoy	9.3	8.6	5.1	5.2	4.1	2.8	5.0	6.2	7.8	6.1	6.8	8.3	12.4	10.9
Air passenger (international)	% yoy	21.4	18.2	20.7	17.5	14.7	14.6	14.9	13.5	9.7	10.4	11.0	9.0	10.4	10.1
FASTag collection (volume)	% yoy	12.3	13.0	10.2	8.3	10.6	7.6	3.7	5.8	9.4	6.8	6.5	7.9	11.9	9.8
FASTag collection (value)	% yoy	14.1	18.6	15.5	15.1	17.2	8.6	8.7	11.2	12.0	8.4	10.4	10.4	14.5	13.3
UPI transactions (volume)	% yoy	53.7	53.5	51.8	60.6	54.7	49.5	49.1	48.7	44.9	41.3	42.5	45.4	37.8	39.2
UPI transactions (value)	% yoy	46.1	42.2	41.8	47.9	40.3	39.6	37.3	36.0	34.6	30.7	30.7	37.0	23.9	27.5
Consumer price index	% yoy	5.6	5.7	5.1	5.1	4.9	4.8	4.8	5.1	3.6	3.7	5.5	6.2	5.5	5.2
Banking															
Aggregate deposits	% yoy	14.2	13.3	13.2	13.1	13.5	12.6	14.0	11.1	10.6	12.7	10.4	11.5	11.2	9.8
Outstanding credit	% yoy	21.1	20.0	20.3	20.5	20.2	19.2	20.7	17.4	13.7	14.0	12.3	11.8	11.2	11.2

Source: Thurro, CGA, Ministry of Finance, MoSPI, EAI, POSOCO, Indian Railways, Indian Ports Association, AAI, GSTN, RBI, NPCI, NIIF Research

Note:

1. Conditional formatting based on absolute values with respect to zero, with the largest negative values represented by dark red and largest positive values represented by dark green for each variable

High frequency indicators (1/2)

Export growth slows down and port traffic moderates in December; Recovery in industrial output across IIP, power, cement, coal

Major economic indicators (absolute values), Nov '23 – Dec '24

	Units	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Fiscal															
Central government expenditure	INR trillion	2.6	4.0	3.0	3.9	7.0	4.2	2.0	3.5	3.3	3.5	4.6	3.6	2.7	
Gross tax revenue	INR trillion	2.1	4.4	2.2	1.8	5.7	2.6	2.0	3.7	2.5	2.5	4.8	2.2	2.3	
GST collection	INR trillion	1.7	1.6	1.7	1.7	1.8	2.1	1.7	1.7	1.8	1.7	1.7	1.9	1.8	1.8
Industry															
Index of industrial production	Index	141.1	152.3	153.6	147.1	160.0	148.0	154.7	151.0	149.8	145.8	146.7	150.2	148.4	
Index of eight core industries	Index	150.4	161.2	165.4	157.7	175.0	161.7	168.2	163.7	162.8	156.3	155.3	162.2	156.8	
Electricity generation	billion kWh	130.5	134.6	145.9	138.6	151.3	156.6	169.3	164.7	161.8	155.0	151.9	151.6	135.5	141.8
Steel production	mn tonnes	11.8	12.1	12.5	11.8	12.7	12.1	12.2	12.3	12.3	12.2	11.8			
Cement production	mn tonnes	30.8	36.4	37.9	38.6	42.7	37.6	37.0	38.6	34.1	34.3	34.6	36.4	34.4	
Coal production	mn tonnes	84.6	93.0	99.7	96.6	116.6	78.7	83.9	84.7	74.0	62.7	69.0	84.5	90.8	97.9
Wholesale price index	Index	153.1	151.8	151.2	151.2	151.4	152.9	153.5	154.0	155.3	154.4	154.7	156.7	156.0	155.4
Logistics															
Rail freight	mn tonnes	128.4	139.0	142.7	136.6	156.6	128.3	139.2	135.5	129.7	122.8	123.5	130.9		
Port cargo	mn tonnes	70.9	70.0	72.5	67.1	74.6	67.3	72.0	69.1	70.2	69.6	65.7	68.2	67.5	72.3
Air cargo	'000 ton	269.3	287.0	273.3	293.0	329.3	282.7	312.4	311.1	321.1	314.1	321.6	334.3	291.9	
E-way bills (volume)	million	87.6	95.3	95.3	97.3	103.5	96.7	103.2	100.1	104.9	105.5	109.1	117.3	101.8	112.0
Trade															
Merchandise exports	USD billion	33.7	38.4	37.3	41.4	41.7	35.3	39.6	35.2	33.8	34.5	34.3	39.0	32.0	38.0
Merchandise imports	USD billion	55.1	57.2	53.9	60.9	57.0	54.5	61.6	56.0	56.8	62.6	54.0	63.1	63.9	60.0
Non-oil merchandise exports	USD billion	26.4	31.5	28.7	33.2	36.3	28.3	31.5	29.7	28.6	28.8	29.8	34.6	28.4	33.1
Non-oil merchandise imports	USD billion	40.1	42.2	38.4	44.0	40.7	38.0	41.7	40.9	43.0	51.6	41.5	44.8	48.0	44.7
Services exports	USD billion	28.1	31.6	31.0	28.3	30.0	30.2	29.6	28.7	30.6	30.3	32.6	34.3	32.0	32.7
Services imports	USD billion	13.7	15.6	14.8	15.2	16.6	16.7	16.9	15.1	15.9	16.5	16.5	17.2	17.2	17.5

High frequency indicators (2/2)

Record air travel and tolls contrast with auto slowdown, amid energy rebound and cooling inflation in December

Major economic indicators (absolute values), Nov '23 – Dec '24

	Units	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Energy															
Electricity demand	billion kWh	119.7	123.2	134.3	128.0	139.2	144.4	156.4	152.6	150.7	144.3	141.5	140.5	124.5	130.4
Petrol consumption	mn tonnes	3.1	3.0	3.1	3.0	3.3	3.3	3.4	3.3	3.3	3.4	3.1	3.4	3.4	3.3
Automobile registrations															
Passenger vehicles	'000s	350.7	278.3	372.0	309.6	301.1	319.0	286.5	267.5	303.2	294.4	260.4	473.2	309.1	280.0
Three-wheeler	'000s	103.5	98.1	99.9	94.9	105.3	80.1	98.3	94.3	110.5	105.5	106.5	122.9	108.4	93.9
Two-wheeler	'000s	2,258.5	1,455.2	1,465.3	1,446.5	1,537.8	1,650.5	1,540.5	1,381.6	1,450.7	1,345.0	1,209.2	2,075.2	2,625.6	1,201.1
Commercial vehicles	'000s	76.0	65.9	79.9	75.4	78.7	77.3	69.4	59.1	65.9	62.0	63.6	84.4	72.1	62.2
Passenger vehicles-electric	'000s	7.1	7.0	7.0	6.8	7.8	7.6	7.4	6.6	7.5	6.1	5.5	10.5	8.6	8.5
Three-wheeler-electric	'000s	53.8	57.5	53.4	50.6	60.8	42.0	54.7	52.3	63.7	60.7	62.9	67.2	63.4	59.4
Two-wheeler-electric	'000s	92.0	75.8	82.0	82.6	140.3	65.5	77.3	80.0	107.6	89.1	90.5	140.1	119.8	73.5
Commercial vehicles-electric	'000s	0.3	0.3	0.4	0.5	1.7	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.4	0.5
Services															
Air passenger (domestic)	million	12.7	13.8	13.2	12.7	13.4	13.3	13.9	13.3	13.0	13.2	13.1	13.7	14.3	15.3
Air passenger (international)	million	6.2	6.5	6.6	6.4	6.2	6.1	6.4	6.4	6.2	6.2	6.1	6.2	6.8	7.2
FASTag collection (volume)	million	320.8	348.0	331.4	323.4	338.7	328.1	347.4	334.4	322.7	329.0	318.4	345.0	358.8	382.0
FASTag collection (value)	INR billion	53.0	58.6	55.6	55.8	59.4	55.9	59.1	57.8	55.8	56.1	56.2	61.1	60.7	66.4
UPI transactions (volume)	billion	11.2	12.0	12.2	12.1	13.4	13.3	14.0	13.9	14.4	15.0	15.0	16.6	15.5	16.7
UPI transactions (value)	INR trillion	17.4	18.2	18.4	18.3	19.8	19.6	20.4	20.1	20.6	20.6	20.6	23.5	21.6	23.2
Consumer price index	Index	186.3	185.7	185.5	185.8	185.8	186.7	187.7	190.2	193.0	193.0	194.2	196.8	196.5	195.4
Banking															
Aggregate deposits	INR trillion	197.9	200.9	200.6	202.0	204.8	208.0	210.9	212.9	211.9	216.9	217.5	218.1	220.2	220.6
Outstanding credit	INR trillion	157.5	159.6	160.4	162.1	164.3	165.5	167.8	168.9	168.1	170.1	172.2	173.2	175.1	177.4

Source: Thurro, CGA, Ministry of Finance, MoSPI, EAI, POSOCO, Indian Railways, Indian Ports Association, AAI, GSTN, RBI, NPCI, NIIF Research

Core sectors

Manufacturing powers IIP growth to 5.2%, supported by consumer durables, infrastructure, and capital goods

Monthly index of industrial production (% yoy), Nov '23 – Nov '24

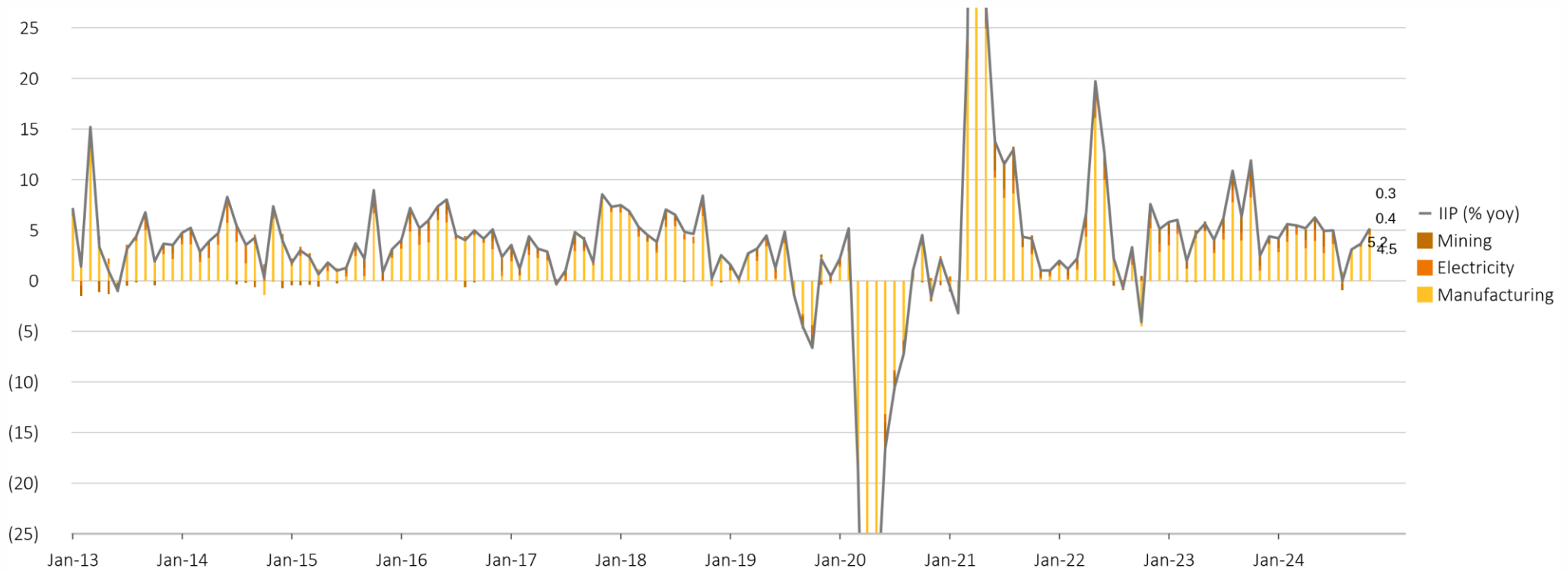
	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
IIP	2.5	4.4	4.2	5.6	5.5	5.2	6.3	4.9	5.0	0.0	3.1	3.7	5.2
Sector-based classification													
Mining	7.0	5.2	6.0	8.1	1.3	6.8	6.6	10.3	3.8	(4.3)	0.2	0.9	1.9
Manufacturing	1.3	4.6	3.6	4.9	5.9	4.2	5.1	3.5	4.7	1.2	3.9	4.4	5.8
Electricity	5.8	1.2	5.6	7.6	8.6	10.2	13.7	8.6	7.9	(3.7)	0.5	2.0	4.4
Use-based classification													
Primary goods	8.4	4.8	2.9	5.9	3.0	7.0	7.3	6.3	5.9	(2.6)	1.8	2.5	2.7
Capital goods	(1.1)	3.7	3.2	1.7	7.0	2.8	2.6	3.6	11.7	0.0	3.6	3.1	9.0
Intermediate goods	3.4	3.7	5.3	8.6	6.1	3.8	3.5	3.2	7.0	3.1	3.6	4.6	5.0
Infrastructure and construction goods	1.5	5.5	5.5	8.3	7.4	8.5	7.6	8.2	5.5	2.7	3.2	4.8	10.0
Consumer durable goods	(4.8)	5.2	11.6	12.6	9.5	10.5	12.6	8.8	8.2	5.4	6.5	5.7	13.1
Consumer non-durable goods	(3.4)	3.0	0.3	(3.2)	5.2	(2.5)	2.8	(1.0)	(4.2)	(4.4)	2.2	2.6	0.6

Source: Thurro, MOSPI, NIIF Research

Core sectors

Manufacturing contributes 4.5pp to the 5.2% IIP growth in November

Contribution from key components of index of industrial production-sector-based classification (% yoy/pp), FY2013-FY2025 (Nov '24)



Source: Thurro, MOSPI, NIIF Research

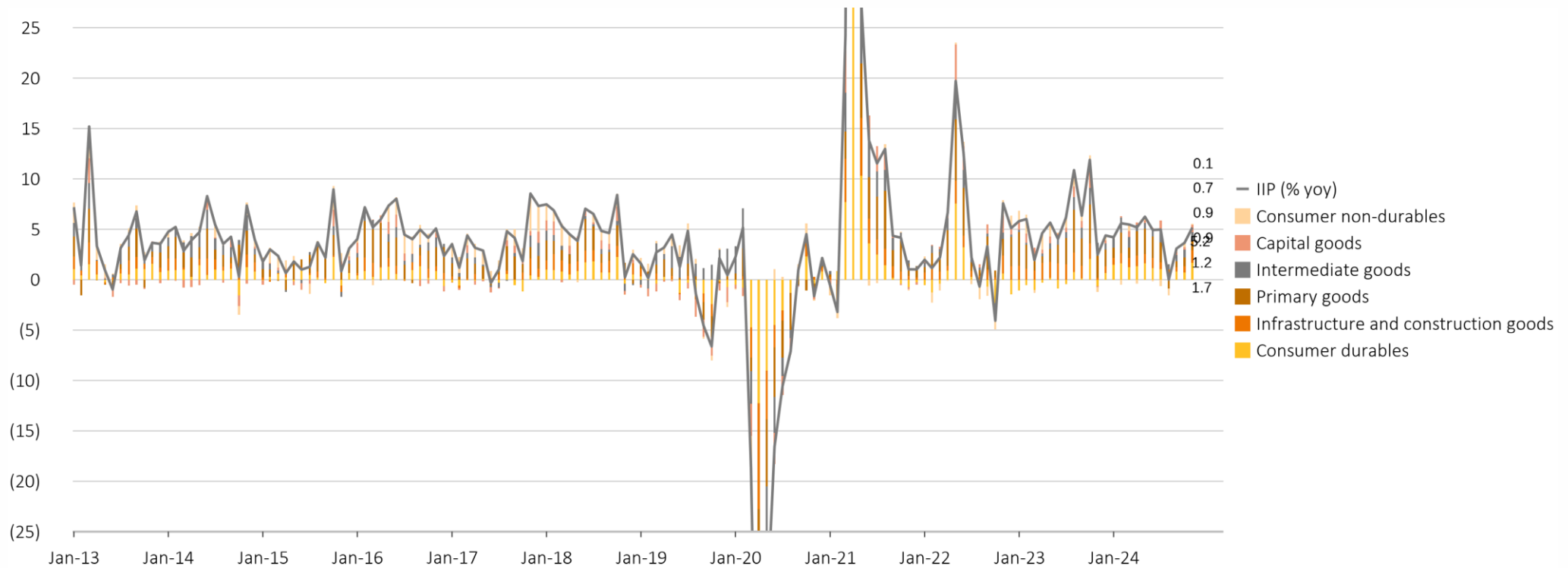
Note:

1. Mining accounts for ~14.37%, manufacturing 77.63%, and electricity 7.99% weight in the Index of Industrial Production

Core sectors

Consumer durables and infrastructure goods contribute (1.7)pp and (1.2)pp respectively to November's 5.2% IIP growth

Contribution from key components of index of industrial production-use-based classification (% yoy/pp), FY2013-FY2025 (Nov '24)



Source: Thurro, MOSPI, NIIF Research

Note:

1. Primary goods account for ~34.05%, capital goods 8.22%, intermediate 17.22%, infrastructure and construction goods 12.34%, consumer durables 12.84%, and consumer non-durable goods 15.33% weight in the Index of Industrial Production

Bank: credit and deposits

Agriculture, services (trade, commercial real estate), and retail drives overall credit growth of 12.1% in November

Monthly total credit outstanding by sector (INR trillion), Nov '23 – Nov '24

	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Growth (% yoy)
Agriculture	19.3	19.9	20.1	20.4	20.7	21.1	21.4	21.6	21.6	21.6	21.7	22.1	22.2	15.1
Industry	36.0	36.6	36.5	36.7	36.8	36.6	37.0	37.3	37.2	37.6	38.0	37.7	38.1	5.9
Construction	1.3	1.4	1.4	1.4	1.4	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	8.1
Infrastructure	12.8	12.9	12.8	12.8	12.8	13.2	13.4	13.2	13.0	13.1	13.0	13.0	13.1	2.5
Power	6.3	6.5	6.4	6.5	6.5	6.5	6.6	6.5	6.4	6.4	6.4	6.5	6.5	3.1
Telecom	1.5	1.4	1.4	1.3	1.4	1.4	1.3	1.3	1.3	1.3	1.2	1.2	1.2	(15.9)
Roads	3.1	3.1	3.1	3.1	3.0	3.3	3.4	3.4	3.3	3.3	3.3	3.3	3.3	8.9
Services	42.6	44.1	44.2	44.9	45.9	45.9	46.8	47.1	46.0	46.4	47.4	47.8	48.5	13.8
Services - NBFC	14.9	15.2	15.0	15.1	15.5	15.5	15.7	15.6	15.3	15.2	15.3	15.4	15.8	5.5
Services - Trade	9.1	9.4	9.6	10.1	10.2	10.2	10.5	10.6	10.4	10.5	10.7	10.8	10.8	18.7
Services - Commercial Real Estate	4.3	4.4	4.4	4.4	4.5	4.5	4.8	4.8	4.8	4.9	5.0	5.1	5.1	20.1
Retail loans	50.6	51.8	52.2	52.7	53.4	53.6	54.6	54.9	55.3	55.6	56.0	56.5	57.3	13.4
Other non-food loans	7.3	6.8	6.9	7.0	7.3	7.5	7.6	7.7	7.7	8.0	8.0	8.1	8.3	14.5
Non-food credit	155.8	159.2	160.0	161.7	164.1	164.8	167.4	168.5	167.9	169.2	171.1	172.2	174.6	12.1
Total credit outstanding	156.2	159.6	160.4	162.1	164.3	164.9	167.8	168.8	168.1	169.5	171.3	172.4	175.1	12.1

Source: Thurro, RBI, NIIF Research

Bank: credit and deposits

Personal loans moderate to 13.4% in November, with gold and credit cards showing strong growth

Monthly retail loans (INR trillion), Nov '23 – Nov '24

	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Growth (% yoy)
Personal loans	50.6	51.8	52.2	52.7	53.4	53.6	54.6	54.9	55.3	55.6	56.0	56.5	57.3	13.4
Housing	25.9	26.4	26.6	26.8	27.2	27.4	27.9	28.0	28.1	28.3	28.5	28.7	29.1	12.2
Vehicle loans	5.5	5.8	5.8	5.8	5.7	5.9	6.0	6.0	6.2	6.1	6.2	6.2	6.1	10.3
Credit card outstanding	2.4	2.5	2.6	2.6	2.6	2.6	2.7	2.7	2.8	2.8	2.7	2.8	2.9	18.1
Loans against gold jewellery	1.0	1.0	1.0	1.0	1.0	1.0	1.2	1.2	1.3	1.4	1.5	1.5	1.6	66.1
Advances against fixed deposits	1.1	1.2	1.2	1.2	1.3	1.2	1.2	1.3	1.2	1.2	1.3	1.3	1.3	15.2
Education	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	17.5
Consumer durables	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	4.8
Others	13.2	13.3	13.5	13.7	14.0	13.9	14.0	14.0	14.2	14.1	14.3	14.3	14.7	11.6

Source: Thurro, RBI, NIIF Research

Inflation

Consumer price inflation declines to 5.2% in December, led by food price moderation

Monthly consumer price inflation (% yoy), Dec '23 – Dec '24

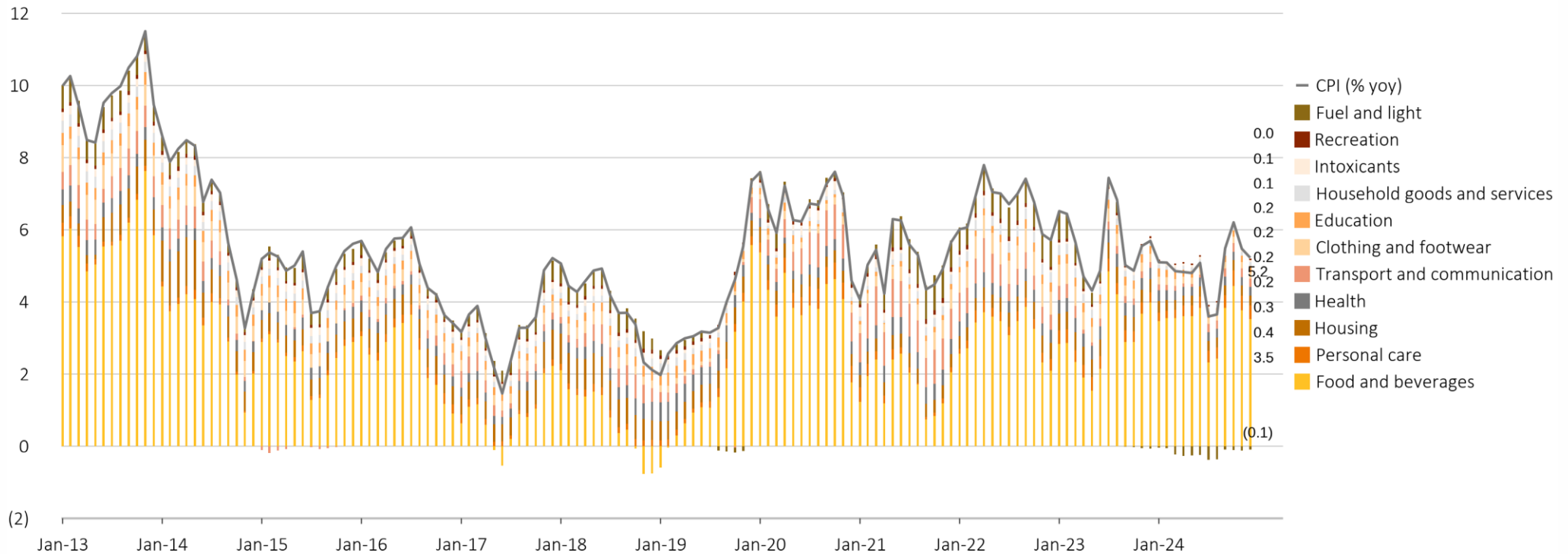
	Weights	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Consumer Price Index	100.0	5.7	5.1	5.1	4.9	4.8	4.8	5.1	3.6	3.7	5.5	6.2	5.5	5.2
Consumer Price Index - Core	47.3	3.9	3.6	3.4	3.2	3.2	3.1	3.1	3.4	3.4	3.5	3.7	3.6	3.6
Food and beverages	45.9	8.7	7.6	7.8	7.7	7.9	7.9	8.4	5.1	5.3	8.4	9.7	8.2	7.7
Pan, tobacco and intoxicants	2.4	3.6	3.3	3.1	3.1	3.0	3.0	3.1	3.0	2.7	2.5	2.5	2.3	2.5
Clothing and footwear	6.5	3.6	3.4	3.1	3.0	2.9	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Housing	10.1	3.6	3.2	2.9	2.7	2.7	2.6	2.7	2.7	2.7	2.7	2.8	2.9	2.7
Fuel and light	6.8	(1.0)	(0.6)	(0.8)	(3.4)	(4.0)	(3.7)	(3.6)	(5.5)	(5.3)	(1.3)	(1.7)	(1.8)	(1.4)
Miscellaneous	28.3	4.1	3.8	3.6	3.5	3.5	3.4	3.4	3.8	3.9	4.0	4.3	4.3	4.2
Household goods and services	3.8	3.4	3.1	2.8	2.7	2.7	2.5	2.4	2.3	2.4	2.5	2.7	2.8	2.8
Health	5.9	5.1	4.9	4.5	4.3	4.3	4.2	4.1	4.1	4.1	4.1	4.0	4.0	4.0
Transportation and communication	8.6	2.0	2.0	1.8	1.5	1.1	1.0	1.0	2.6	2.7	2.7	2.8	2.7	2.6
Recreation and amusement	1.7	3.1	2.9	2.7	2.8	2.6	2.6	2.3	2.2	2.4	2.4	2.4	2.6	2.7
Education	4.5	4.8	4.9	4.8	4.7	4.2	4.1	3.6	3.5	3.9	3.8	3.9	3.9	3.9
Personal Care and effects	3.9	7.3	5.9	5.2	6.0	7.4	7.7	8.2	8.4	8.0	9.0	11.0	10.4	9.7

Source: Thurro, MoSPI, NIIF Research

Inflation

Food and beverages contribute 3.5pp to December's 5.2% CPI inflation, followed by personal care at 0.4pp

Contribution of key components to consumer price index (CPI) inflation (% yoy/pp), FY2013-FY2025 (Dec '24)



Source: Thurro, MoSPI, NIIF Research

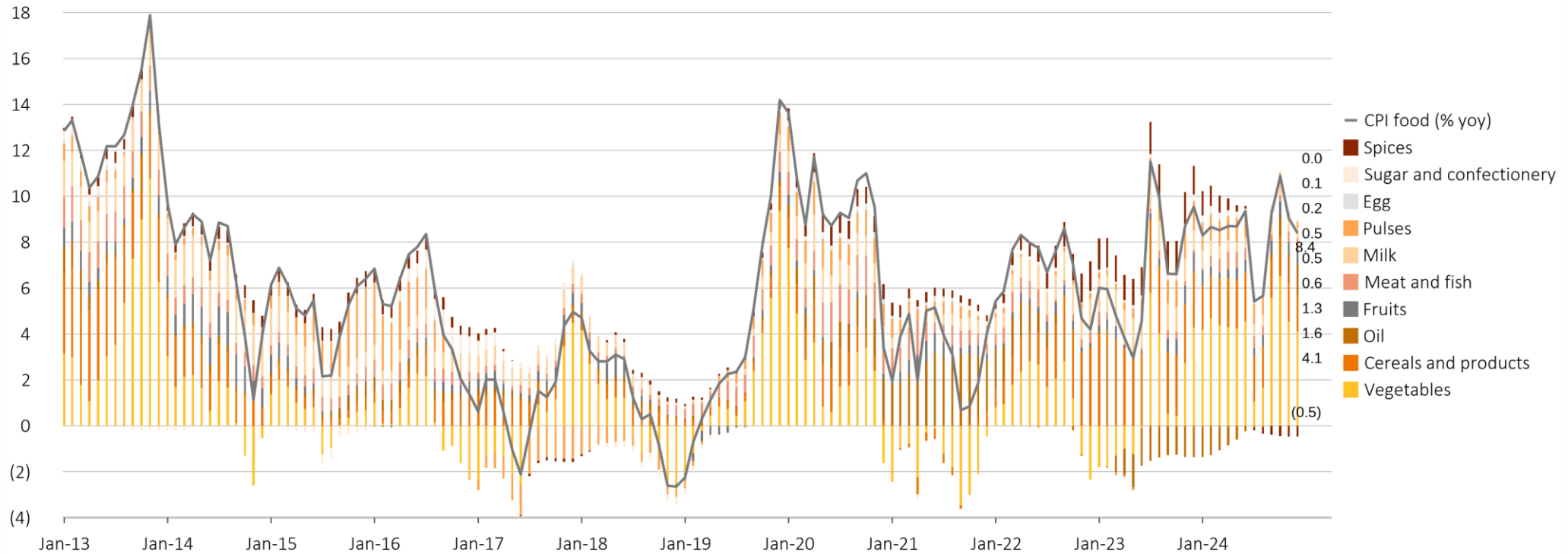
Note:

- Food and beverages account for ~45.86%, intoxicants 2.38%, clothing and footwear 6.53%, housing 10.07%, fuel and light 6.84%, and household goods and services 3.8%, health 5.89%, transport and communication 8.59%, recreation 1.68%, education 4.46%, and personal care 3.89% weight in the headline consumer price index inflation

Inflation

Vegetables contribute 4.1pp to the overall 8.4% food inflation in December, followed by cereals and oil at 1.6pp and 1.3pp respectively

Contribution of key components to consumer food price inflation (CPI food) (% yoy/pp), FY2013-FY2025 (Dec '24)



Source: Thurro, MoSPI, NIIF Research

Note:

1. Cereals account for ~9.67%, meat and fish 3.61%, egg 0.43%, milk 6.61%, oils 3.56%, fruits 2.89%, vegetables 6.04%, pulses 2.38%, sugar and confectionery 1.36%, and spices 2.5% weight in the consumer food price index inflation

Inflation

WPI inflation rises to 2.4% in December as non-food articles prices rise and fuel and power deflation slows

Monthly wholesale price inflation (% yoy), Dec '23 – Dec '24

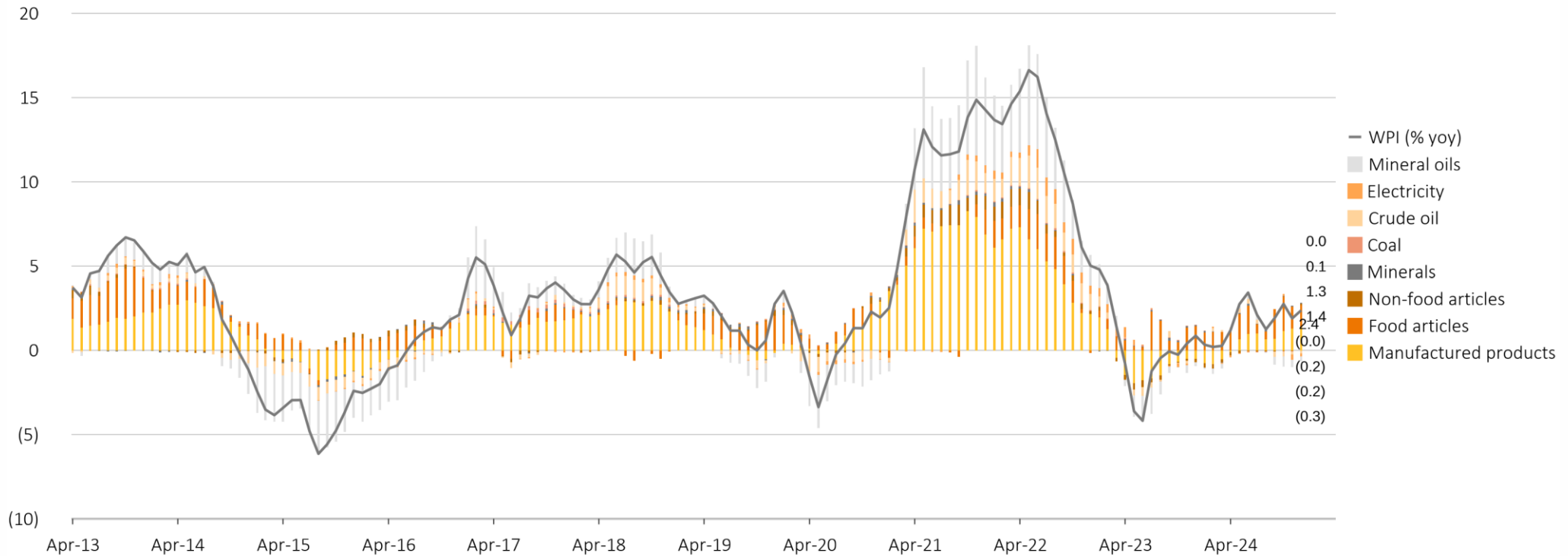
	<i>Weights</i>	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
WPI	100.0	0.9	0.3	0.2	0.3	1.2	2.7	3.4	2.1	1.2	1.9	2.8	1.9	2.4
Primary articles	22.6	5.7	4.1	4.6	4.6	5.2	7.4	9.2	3.2	2.5	6.5	8.3	5.5	6.0
Food articles	15.3	9.3	6.9	7.1	7.0	8.1	9.9	11.1	3.5	3.1	11.5	13.5	8.6	8.5
Non-food articles	4.1	(5.2)	(6.4)	(6.5)	(4.2)	(4.8)	(3.9)	(1.0)	(1.9)	(1.8)	(1.5)	(1.3)	(1.0)	2.5
Minerals	0.8	6.8	10.6	3.4	(0.4)	(0.3)	5.7	10.7	5.2	10.8	1.0	4.5	5.9	5.5
Crude oil, petroleum and natural gas	2.4	(0.1)	0.2	8.2	4.9	5.0	9.8	12.6	9.1	1.8	(13.0)	(11.8)	(8.1)	(6.8)
Fuel and power	13.2	(1.4)	(0.4)	(1.7)	(2.7)	(0.9)	1.0	0.5	1.9	(0.5)	(3.9)	(4.3)	(5.8)	(3.8)
Coal	2.1	1.8	1.4	0.3	0.5	0.3	1.2	(1.3)	(1.5)	(1.5)	(0.8)	(0.9)	(0.9)	(0.8)
Mineral oils	7.9	(2.7)	(1.1)	(3.8)	(3.5)	(0.1)	2.0	1.9	3.7	(0.4)	(5.7)	(7.6)	(5.2)	(3.8)
Electricity	3.1	0.4	0.3	3.0	(2.6)	(3.9)	(2.0)	(2.4)	(1.0)	(0.2)	(0.2)	3.4	(10.4)	(5.7)
Manufactured products	64.2	(0.8)	(1.2)	(1.3)	(0.8)	(0.1)	1.0	1.5	1.6	1.0	1.1	1.8	2.0	2.1

Source: Thurro, EAI, NIIF Research

Inflation

Manufactured products contribute 1.4pp of December's 2.4% WPI inflation, followed by food at 1.3pp

Contribution of key components to wholesale price inflation (WPI) (% yoy/pp), FY2014-FY2025 (Dec '24)



Source: Thurro, Office of the Economic Advisor, NIIF Research

Note:

1. Food articles account for ~15.26%, non-food 4.12%, mineral 0.83%, crude oil 2.41%, coal 2.14%, mineral oils 7.95%, electricity 3.06%, and manufactured products 64.23% weight in the wholesale price index inflation

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