

**Economic
Division**

Monthly Economic Review

**July
2021**



सत्यमेव जयते

**आर्थिक कार्य विभाग
DEPARTMENT OF
ECONOMIC AFFAIRS**

Abstract

There has been a global resurgence of the highly transmissible Delta variant of COVID-19. The Delta variant accounted for nearly 8 out of every 10 cases of the coronavirus disease in India from May to July. This resurgence is a reminder of how critical it is to continue maintaining the guard against an unpredictable virus. Global trends have shown that vaccination drastically reduces the probability of acquiring a serious illness due to COVID-19 even if it may not stop further transmission. The vaccination drive, therefore, needs to be backed by universal masking, maintaining Covid-appropriate behaviour, and curbs on community engagement.

India's vaccination drive continues to gather speed and breadth with the number of days taken to achieve an additional 10 crore doses reducing significantly from 86 days during the initial phase to 20 days now. As on date, cumulative vaccination doses administered stood at 51.45 crore doses, covering 49.8 per cent of the adult population with first dose and 14.2 per cent fully vaccinated with two doses. The latest sero-survey results indicate that 67.6 per cent of the population above 6 years had anti-bodies; 81 per cent and 89 per cent of individuals who have received 1 dose and 2 doses of the vaccine respectively have the antibodies. Even among those who have not been vaccinated, sero-prevalence is 62.3 per cent. As recent research demonstrates clearly, these trends in immunity lend a ray of hope in reducing severe illness due to pandemic.

The receding of India's second wave along with rapid progress in vaccination has set the stage to further accelerate economic recovery. The movement of high frequency indicators in July clearly point towards a broad based economic revival. PMI Manufacturing sharply rebounded to expansionary zone in July across output and input sub-components of the index. Marking swift economic recovery, GST collection has reclaimed its ₹1 lakh crore plus territory in July signifying increased business and consumer activity. Rail freight at 112.7 MT in July hit a record for the month and registered 18.3 per cent growth (YoY) and 13.2 per cent compared to pre-COVID July 2019. The surge in economic activity in July is further corroborated by trends in Kharif sowing, fertilizer sales, power consumption, vehicle registrations, highway toll collections, e-way bills and digital transactions. Latest available data on growth of eight core industries, auto sales, tractor sales, port traffic, air passenger traffic also indicate sequential improvement from the contraction induced by the second wave.

Inflation has remained above the band of 6 per cent in May and June but these pressures are likely to smoothen out over the coming months with easing of restrictions, progress of south-west monsoon, and recent supply-side policy interventions in pulses and oilseeds market. While systemic liquidity continued to remain in surplus in July, a decline in growth of cash in circulation reflected a shift away from pandemic-induced precautionary savings. Financial markets demonstrated buoyancy in the month with post-second wave revival seen in mutual funds, corporate bonds and insurance markets and volatility in equity markets continuing its downward trajectory. However, G-sec yield curve steepened mildly owing to

inflation pressures. Bank credit growth showed encouraging trends with non-food credit growth crossing the 6.5 per cent mark in the fortnight ending July 16 after remaining muted for nine fortnights. On the sectoral front, credit offtake by agriculture and allied activities, micro, small and medium industries registered accelerated growth in June, demonstrating positive effects of the implementation of AatmaNirbhar Bharat (AB) package.

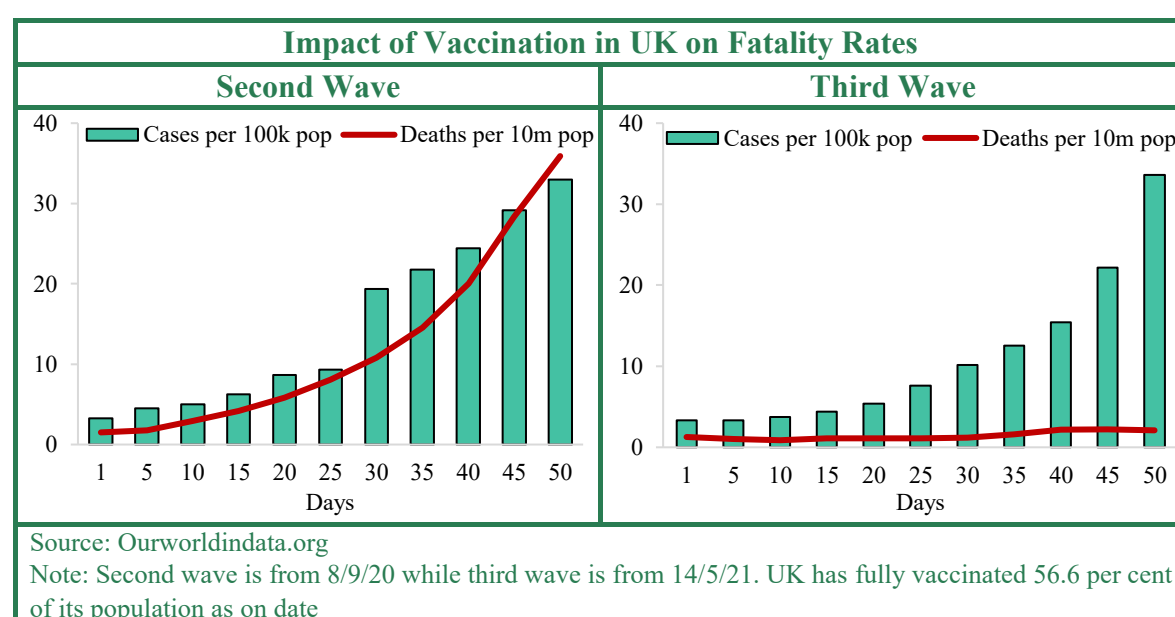
Bright prospects of economic normalization are also evident in the external sector indicators with consumption of petroleum products recovering in June and exports rebounding strongly to their highest ever monthly achievement at USD 35.17 billion in July (47.9 per cent YoY growth). Global investors continue to be upbeat about India's economic prospects as gross FDI inflows more than doubled to USD 18.3 billion in April-May 2021 compared to USD 8.5 billion in the corresponding period of previous year. Foreign exchange reserves reached US\$ 620.1 billion by end July 2021, equivalent to more than 18 months of 2020-21 imports, thereby acting as a critical cushion against possible hot money outflows from Indian markets.

Central Government finances showed an improved performance during Q1 of FY 2021-22 as compared to Q1 of the previous year with buoyant direct and indirect tax collections, continued emphasis on capital expenditure with 26.30 per cent YoY growth during the quarter and re-prioritisation of revenue expenditure. Resultantly, Centre's fiscal deficit in the quarter stood at ₹2.74 lakh crore, 18.2 per cent of BE, much lower than that in the corresponding period of the last year. Centre continues to lend unflinching support to State Governments towards pandemic management and stepping up of their capital expenditure for faster economic revival. Government of India frontloaded the release of assistance under the back-to-back loan facility in lieu of GST Compensation, for the current fiscal year. Almost 50 per cent of the total shortfall for the entire year, i.e., ₹75,000 crore was released in a single instalment to all the eligible States and UTs (with Legislature).

With the second wave abating in most parts of the country, and State Governments lifting the restrictions in phases, there are visible signs of economic rejuvenation since second half of May. This resonates with the economic impact of the second wave expected to be muted. The robust recovery in tax collections cushions the fisc towards meeting the budgeted support to the economy. The recent sero-prevalence results signify that India can reduce the likelihood of severe illness due to covid if India sustain the momentum of the vaccination programme. Having antibodies reduces the probability of acquiring serious illnesses, as is borne by studies. So, any subsequent waves are expected to be mild in terms of severity of disease. However, it is imperative that COVID-appropriate behaviour and due protocol is followed. At this juncture, the economy and society are at a crucial inflection point where sustenance of economic recovery, vaccination progress and COVID-19 appropriate behavioural strategies are needed in close synergy with each other.

Global Emergence of Delta Strain of COVID-19: A Wake-up Call to maintain the guard

1. The pandemic continues to spread globally with the cumulative number of cases reported globally now nearly 20 crore and the number of cumulative deaths exceeding 42.5 lakh. The number of daily cases globally has increased from 3.7 lakh in early July to 5.8 lakh by July end with increase reported in almost every region of the world. This is largely attributed to the spread of the highly contagious Delta variant in 132 countries and territories. The Center for Disease Control and Prevention (CDC), US has released an analysis that each person with Delta infects eight others on an average, making it as transmissible as chickenpox but still less than measles.¹ It has also found that vaccination results in a 10-fold or greater reduction in the risk of severe disease or death, and a 3-fold reduction in the risk of infection. This is also validated by the experience in UK which has vaccinated 56.67 per cent of its population and has witnessed a drastic fall in the death rates during its third wave.



2. The concern, however, is the finding that when vaccinated people get infected, they can transmit the virus as easily as unvaccinated people. CDC has, therefore, advocated tighter guidelines for the use of masks, asking even fully vaccinated citizens to resume wearing facemasks indoors. Considering these findings, WHO has issued a call to take immediate action to expedite vaccination coverage before more dangerous variants emerge. Expanding vaccination while maintaining physical distancing, wearing masks and hand hygiene remains critical to managing the pandemic.

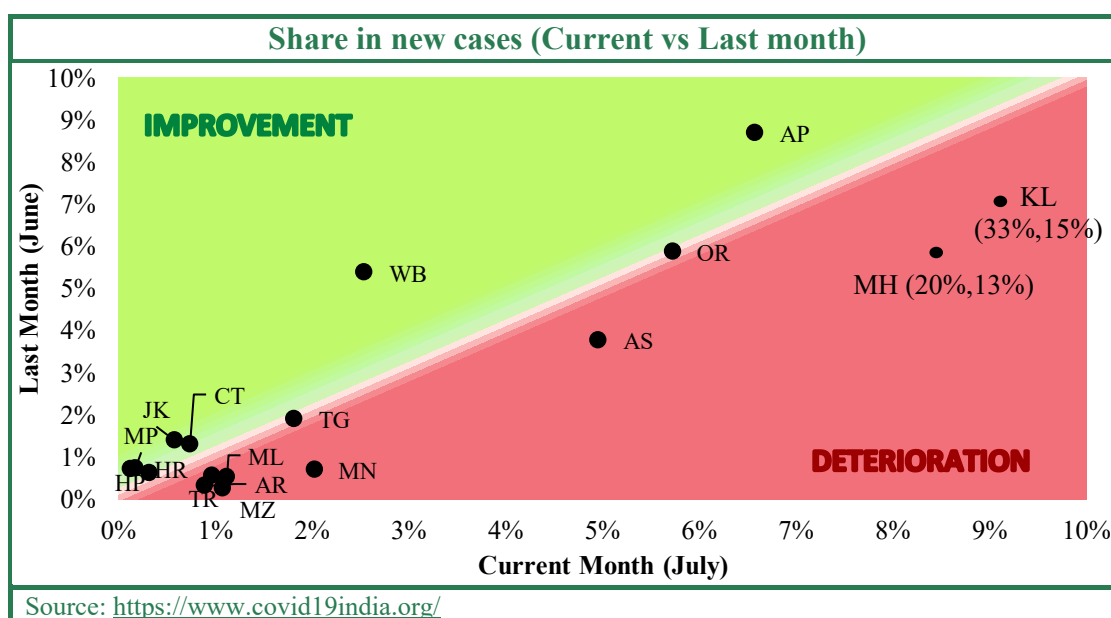
3. Around one-third of the world population has received at least one dose of a COVID-19 vaccine, and around one-sixth is fully vaccinated. Access to vaccine access is a pivotal fault line differentiating countries in the recovery on both economic and health fronts. Close to 40 per cent of the population in advanced economies has been fully vaccinated, compared with less than half that number in emerging market economies and only 1.1 per cent in low-income countries. The highest priority is, therefore, to ensure rapid, worldwide access to vaccines and substantially hasten the timeline of rollout.

¹ <https://context-cdn.washingtonpost.com/notes/prod/default/documents/54f57708-a529-4a33-9a44-b66d719070d9/note/753667d6-8c61-495f-b669-5308f2827155>

COVID-19 in India: Facing a Plateau in July

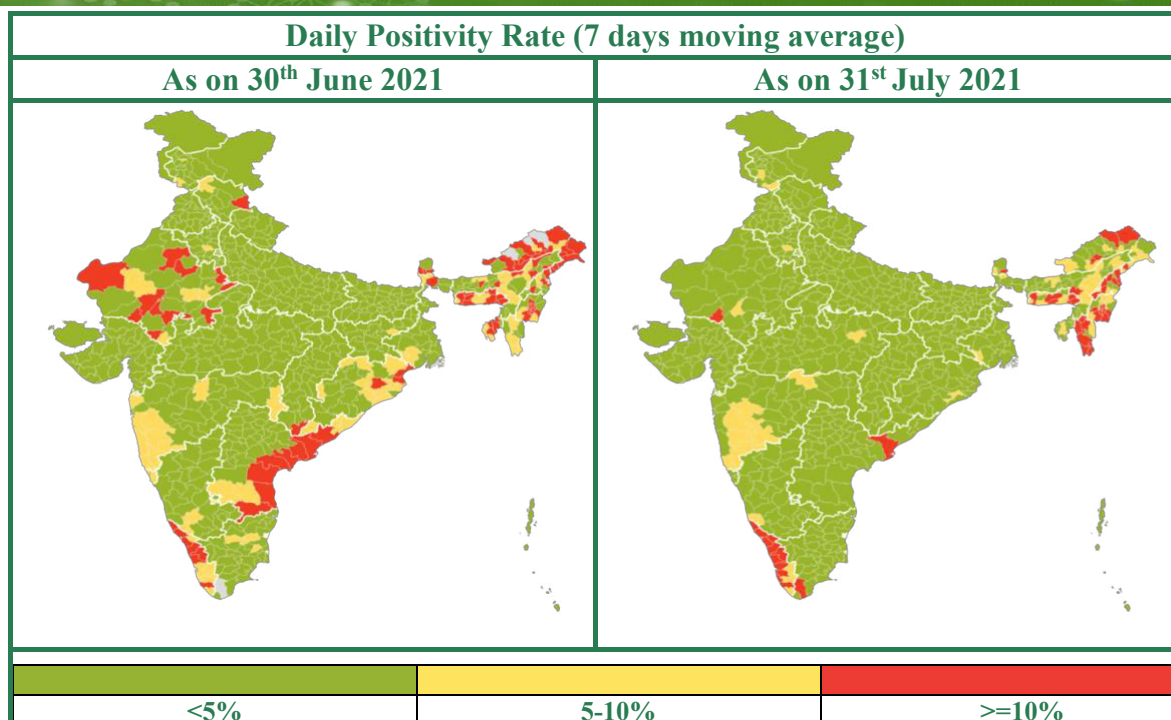
4. The same Delta variant of SARS-CoV-2 accounted for nearly 8 out of every 10 cases of the coronavirus disease in the country from May to July.² India's daily new cases, after witnessing a sharp decline in June, have plateaued in the month of July at the level of 40,000 – 45,000. After declining for 78 days, the daily new cases (7DMA) and active cases (7DMA) have picked up in July end. Average daily testing has shrunk by 16.6 per cent from 21.74 lakh in June to 18.13 lakh in July. The weekly positivity rate has marginally inched up from 2.34 per cent in June to 2.42 per cent in July.

5. While Maharashtra has hit a plateau of daily 8,000 new infections, the situation in Kerala has turned into a worry with the State reporting more than 20,000 cases in the last week of July. Kerala accounts for 40 per cent of the national active cases and Maharashtra the next 20 per cent - both states together accounting for more than 60 per cent of the active cases. The figure below depicts that Kerala, Maharashtra and North-eastern states require prominent and swift action as their share in new cases rose in month of July compared to previous month.



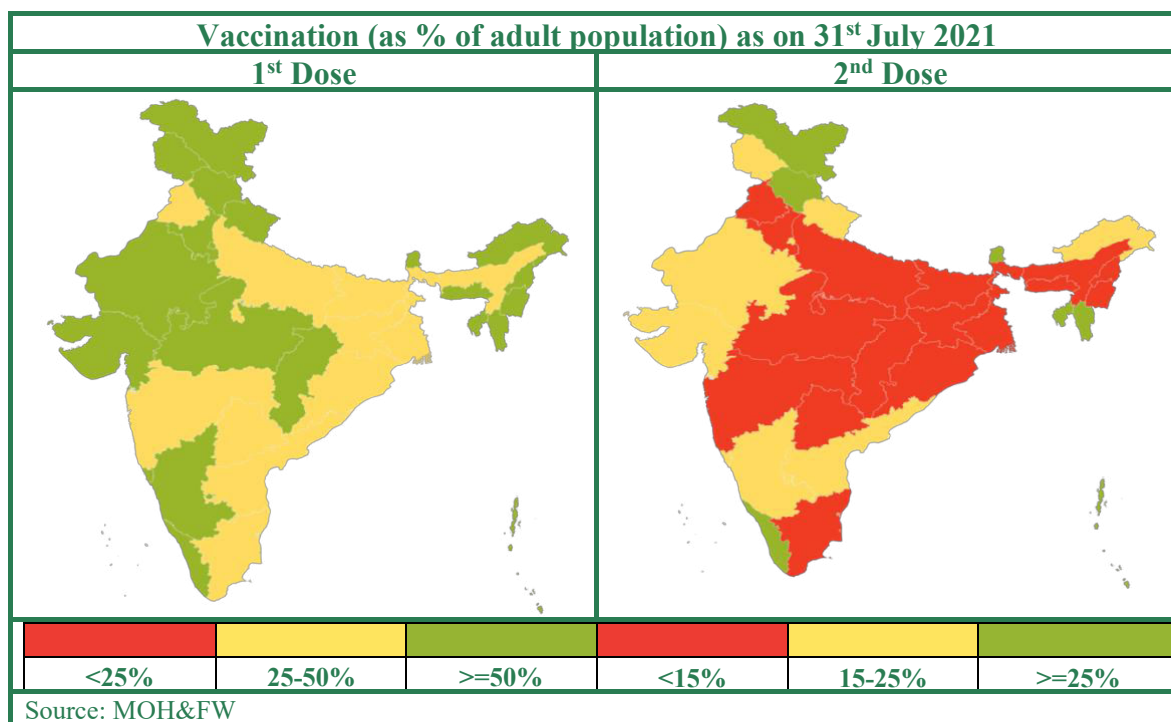
6. As on 31st July, around 46 districts in India reported more than 10 per cent positivity rate – out of these the areas of concern were 28 districts where positivity rate has been persistently above 10 per cent since June end. 53 districts were in the vulnerable zone with their positivity rate hovering between 5 per cent and 10 per cent.

² <http://clingen.igib.res.in/covid19genomes/>



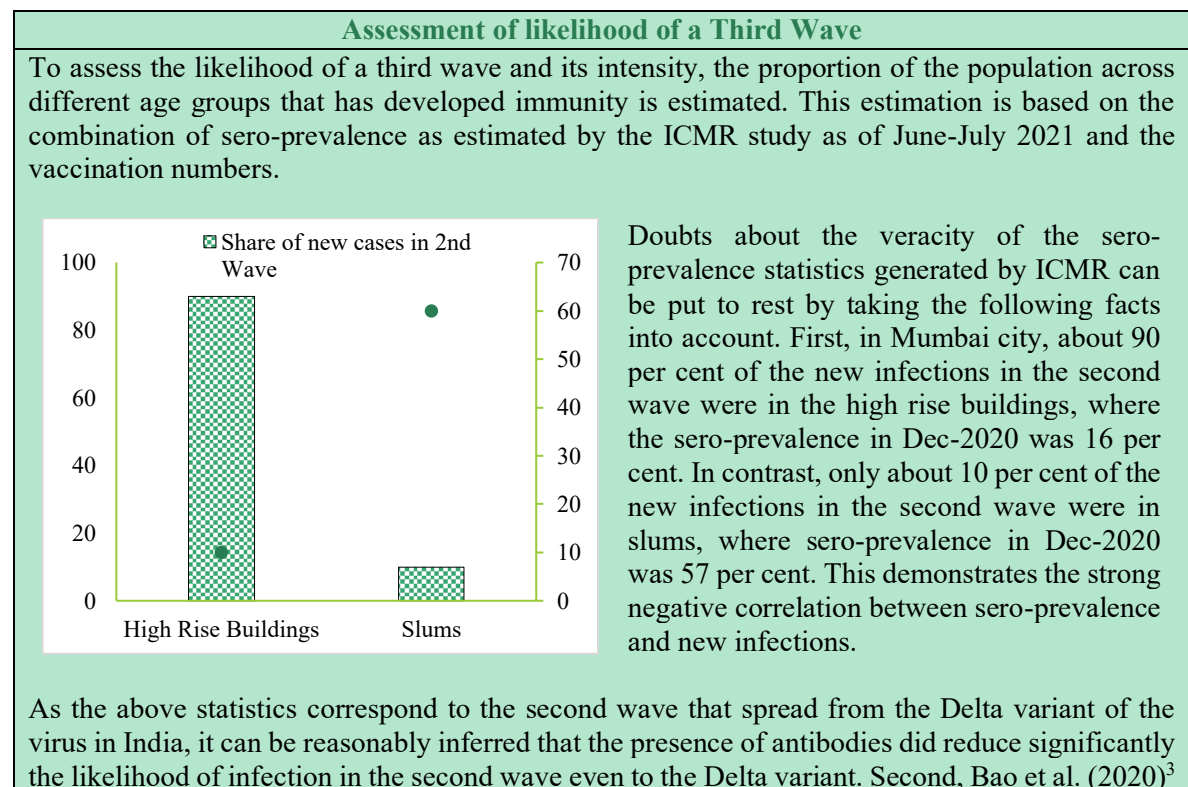
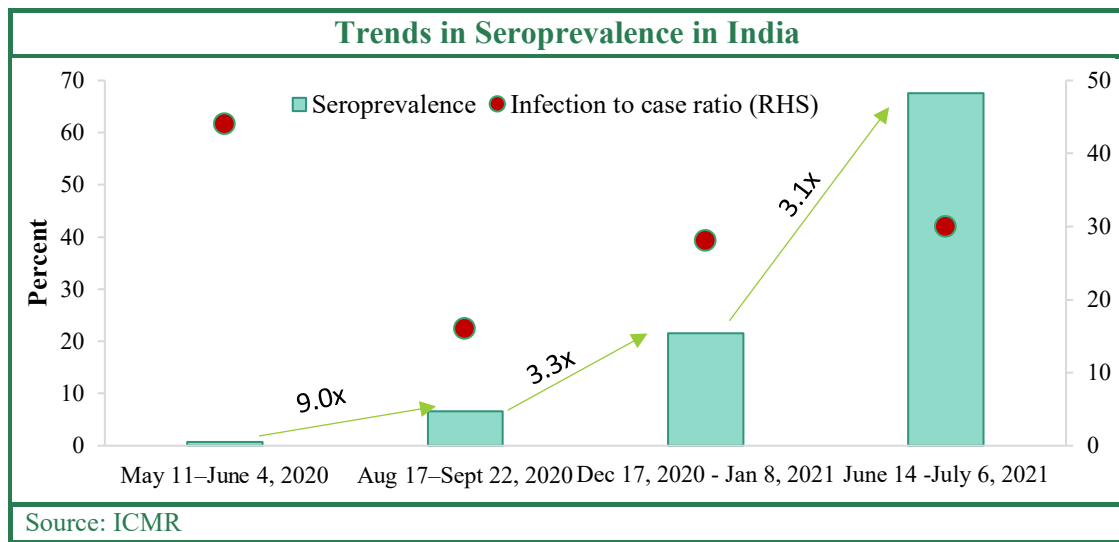
Source: <https://www.covid19india.org/>

7. The vaccination drive continues to gather speed and breadth. The first 10 crore administered doses were given in 86 days, next in 46 days, 28 days, 22 days and 20 days respectively. As on date, cumulative vaccination doses administered stood at 51.45 crore doses, covering 49.8 per cent of the total adult population with first dose and 14.2 per cent with two doses. Average daily vaccination rate has increased slightly from 39.1 lakh doses in June to 42.0 lakh doses in July. Heavily populated States like UP, Bihar, Jharkhand and West Bengal have, however, vaccinated less than 25 per cent of their population with even one dose.



Source: MOH&FW

8. A ray of hope has emerged from the results of the fourth round of the sero-survey recently conducted in 70 districts across 21 states covering 28,975 general population and 7,252 healthcare workers (HCWs). These are the same districts where three earlier rounds have been conducted during May-June (2020); August-September (2020); and December-January (2020-2021). For the first time children aged 6-17 years were included in the survey. Overall sero-prevalence in the country was 67.6 per cent in June and July, which is higher than the sero-prevalence rate recorded during the three earlier surveys – 0.7 per cent during May-June (2020); 7.1 per cent during August-September (2020); and 24.1 per cent during December-January (2020-2021).



³ <https://www.biorxiv.org/content/10.1101/2020.03.13.990226v1>

and Ota (2020)⁴ show that the likelihood of reinfection once an individual is already infected is extremely low. Third, recent research clearly shows that antibodies developed from infection remain active for at least six months (Fergie et al. (2021)⁵, Perez-Saez, et al. (2021)⁶, Dan, et al. (2020)⁷, Pradenas, et al. (2021)⁸). Therefore, even if the sero-prevalence was measured in June, the antibodies developed should remain active till at least the end of this calendar year. By the end of the calendar year, India has targeted to vaccinate its adult population. Fourth, the importance of immunity against the pandemic is shown by disproportionately lower deaths in UK in the third wave while the number of infections in the first 50 days have been almost identical in the second and third waves. Fifth, and most importantly, Dan et al. (2020) show durable immune responses in the majority of people infected with Covid, which is an important finding in the search for immunity against the Covid infection. Finally, Nasreen et al. (2021)⁹ estimate the effectiveness of 1 dose of the ChAdOx1 vaccine and find that its effectiveness against the delta variant was similar to that against alpha: “Against Delta, vaccine effectiveness after partial vaccination tended to be lower compared to Alpha for mRNA-1273 (72% vs. 83%) and BNT162b2 (56% vs. 66%) but was similar to Alpha for ChAdOx1 (67% vs. 64%).”

To estimate the proportion of the population with immunity across age groups as of Jul-21, we use the estimate from the ICMR survey that 81% of the individuals that have received 1 dose already have the antibodies. Similarly, 89% of the individuals that have received 2 doses already have the antibodies. These estimates are required to avoid any double counting. The table above shows that 85% of the 45+ population has acquired immunity against severe illness due to Covid. As 90% of deaths have occurred in the 45+ population, they are unlikely to be vulnerable to a third wave. It is pertinent to note here that Burki (2021)¹⁰ estimate the threshold for herd immunity to be 85% based on the assessment that R_0 for the delta variant is equal to 7.

| Age group: | 18-44 | 45-59 | 60+ | All adults |
|--|-------|-------|-------|------------|
| Total Population (cr)* | 59.7 | 20.9 | 13.8 | 94.4 |
| Dose 1 # (cr) on 31-Jul-21 | 18.5 | 10.5 | 7.1 | 36.1 |
| Dose 1 % on 31-Jul-21 | 30.9% | 50.3% | 51.6% | 38.2% |
| Dose 2 # (cr) on 31-Jul-21 | 2.4 | 4.2 | 3.4 | 10.1 |
| Dose 2 % on 31-Jul-21 | 4.1% | 20.3% | 24.8% | 10.7% |
| Sero-prevalence (ICMR Survey June-July 21) | 66.7% | 77.6% | 76.7% | 67% |
| % Population with immunity # | 70.7% | 85.1% | 84.7% | 72.4% |
| * Source: Census projections of mid-year population for 2020-21 | | | | |
| # Using Vaccine effectiveness of 67% for 2 doses and 64% for 1 dose against delta variant. | | | | |
| 81% sero-prevalence in individuals who have 1 dose and 89% for 2 doses | | | | |

Moreover, the IIT-Kanpur SUTRA model predicts that the third wave is unlikely to be as devastating as the second one with infections and hospitalizations expected to be much lower than that in the second wave.

⁴ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7186928/>

⁵ <https://pubmed.ncbi.nlm.nih.gov/33815415/>

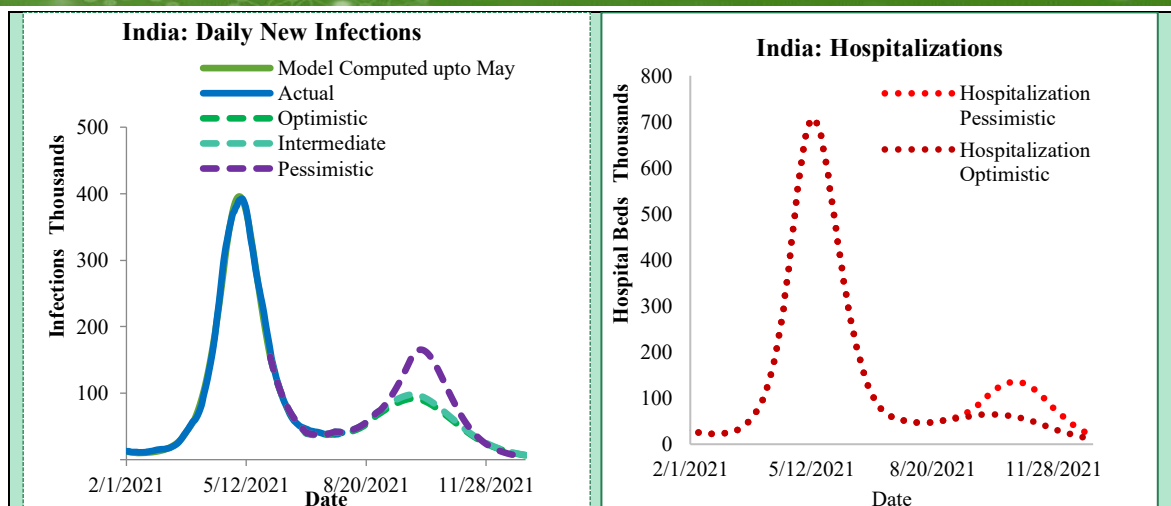
⁶ <https://www.medrxiv.org/content/10.1101/2021.03.16.21253710v1>

⁷ <https://science.sciencemag.org/content/371/6529/eabf4063>

⁸ <https://pubmed.ncbi.nlm.nih.gov/33554155/>

⁹ <https://www.medrxiv.org/content/10.1101/2021.06.28.21259420v1>

¹⁰ [https://www.thelancet.com/journals/lanres/article/PIIS2213-2600\(21\)00328-3/fulltext](https://www.thelancet.com/journals/lanres/article/PIIS2213-2600(21)00328-3/fulltext)



Source: SUTRA Model

In sum, as 85 per cent of the most vulnerable 45+ population has developed immunity against severe illness due to Covid, the impact of subsequent waves on hospitalisations and deaths may be limited even though these waves may cause increase in infections. The attention must therefore now be directed to similarly enhancing immunity among the children and adults in the 18-44 age groups. Till 85 per cent of this section of the population develops immunity, the necessary precautions and Covid appropriate behaviour must accompany normal economic activities. Also, state governments must take the initiative in conducting district-level sero-prevalence surveys so that they can direct their vaccination efforts optimally.

9. 62.3 per cent of the unvaccinated population above the age of six have SARS-CoV-2 antibodies and 85.2 per cent of the surveyed health care workers had antibodies against SARS-CoV-2. The effectiveness of the vaccine was corroborated by the finding that the antibody prevalence was 89.8 per cent for people who had received both shots and 81 per cent who received the first dose. This compares well with the other vaccines such as mRNA-1273 and BNT162b2 which were found to be 83 per cent and 66 per cent effective against Delta variant.¹¹ However, it is also inferred that around 40 crore people are still vulnerable to COVID-19 infection i.e. they are neither vaccinated nor have they developed natural immunity against the virus. As can be seen from international experience, vaccination reduces the risk of serious illness substantially. The emphasis on expanding vaccination and maintaining vigil with adherence to Covid-19 protocol, therefore, needs to be sustained.

Global Overview – strong, but divergent and moderating recovery

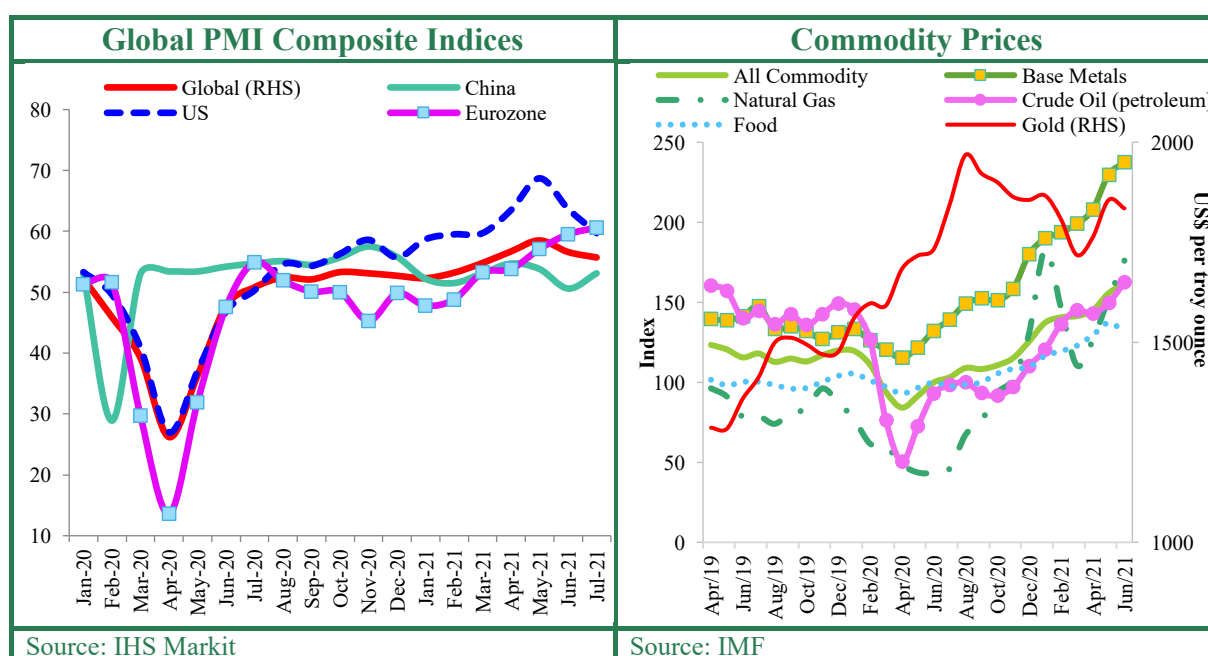
10. Global economic growth, though strong, showed signs of moderation in July, with the concerns about the contagion of the delta variant and supply-side issues lingering. Resurging COVID in East Asia, Pacific, and sub-Saharan Africa, thwarted EMDEs' recovery. A continued pick up in global commercial flight activity was witnessed in July, and global port activity carried on at a softer pace in June, strained by capacity pressures in containers. According to the World Trade Organization (WTO), global merchandise trade accelerated sequentially in Q2:2021, consistent with its forecast of a growth rate of 8.0 per cent for 2021. At 109.7 in May 2021, the WTO's Goods Barometer Index is the highest recorded in last one decade - nearly 10 points above the baseline value of 100 and about 22

¹¹ <https://www.medrxiv.org/content/10.1101/2021.06.28.21259420v1>

points higher than a year ago. This reflects the strength of the current recovery from the pandemic-induced deep shock last year. Global supply disruptions, however, continue to co-exist with the Baltic dry index at its highest level in more than a decade.

11. High consumer price inflation in Advanced Economies continued with demand heating and supply bottlenecks persisting. Upswing in commodity prices persisted as the IMF All Commodities index grew by 62 per cent year-on-year in June, with firm growth in crude oil prices fuelled by optimism regarding solid demand growth, and steep rise in natural gas and coal prices, coupled with slight softening in metal and food prices. Rising spread of Delta variant also weighed upon global stock markets, as uncertainty over economic recovery and duration of easy monetary policy kept stock markets choppy. Financing conditions were broadly accommodative in advanced economies, while EMDEs witnessed further tightening and rise in borrowing costs. While dollar strengthened, currencies in emerging economies depreciated with capital outflows amid growth concerns.

12. Global PMI for July moderated to a 4-month low of 55.7, while staying strong, as new orders rose for thirteenth consecutive month. US and Eurozone continued to remain the bright spots in contrast with the subdued Asian region. US Composite PMI, at 59.7 in July 2021, stayed strong with record expansion in manufacturing activity and sobered services activity, amid labour and material shortages and rising cost burdens percolating to steepening selling prices inflation. Eurozone Composite PMI in July climbed to a 21-year high, marking fourth consecutive month of acceleration in business activity, with continued reopening consisting of a strong services expansion and cooling in manufacturing growth due to supply chain snags.



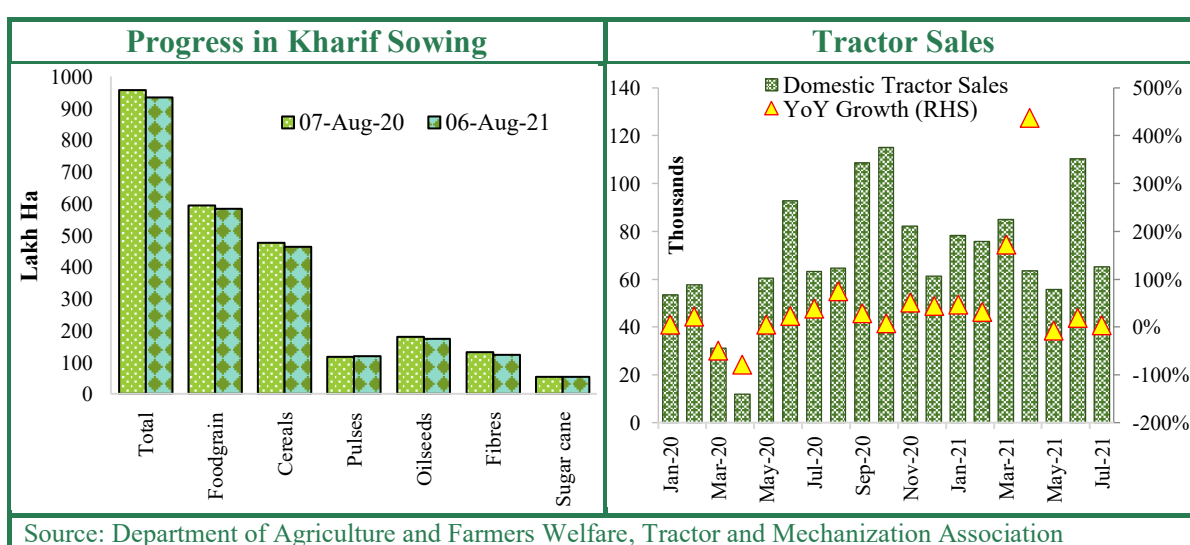
13. The Asian Development Outlook Supplement, July 2021, owing to new waves of infections, revised the growth projection for Asia for 2021 slightly downwards from the earlier 7.3 per cent to 7.2 per cent. Further, the growth rate for 2022 has been revised upwards to 5.4 per cent. Upgrades for Central and East Asia were partly offset by downgrades for

South Asia, Southeast Asia, and the Pacific with further COVID outbreaks being biggest risks to the outlook. On the brighter side, Asian trade continued to outperform global trade.

14. IMF's World Economic Outlook Update, July 2021 kept global growth projections for 2021 unchanged at 6.0 per cent, albeit with upward revision for advanced economies neutralizing downward revision for EMDEs. IMF has revised its GDP projections for India to 9.5 per cent. Recent inflationary tendencies have been recognized as transitory and expected to gravitate to pre-pandemic levels by 2022. The Outlook underlines rising divergences in economic prospects between advanced economies and others, in which vaccine access is a pivotal fault line. Emphasizing the role of multilateral action in decreasing divergences, the Outlook calls out for equitable vaccine access. It advocates clear communication from central banks on the outlook for monetary policy to shape inflation expectations and safeguard against premature tightening of financial conditions.

Agricultural Sector

15. Agricultural sector is picking up momentum with the revival in monsoon and kharif sowing. The Southwest Monsoon covered the entire country on July 13, according to India Meteorological Department (IMD), five days late from the normal date of July 8. For the country, cumulative rainfall during this year's Southwest Monsoon season till 9th August 2021 has been deficient by about 5 per cent as compared to Long Period Average (LPA). Around 67 per cent of the country's area has received normal or excess rains. As on 5th August 2021, total live storage in 130 important reservoirs is nearly 130 per cent of the last year's storage and 120 per cent of the average of last ten years. The availability of surplus water in reservoirs is spread across the Southern Region and Western Region. As on 5th August 2021, farmers have sown 933.9 lakh hectares, 2.4 per cent lower than corresponding period of last year but 1.2 per cent higher than the 'average of the last five years. Fertilizer monthly sales are picking up with 79.83 LMT in July 2021 as compared to 65.87 LMT in June 2021, though they are lower than 92.31 LMT in July 2020. Tractor domestic sales improved by 3.3 per cent in July 2021 as compared to the corresponding month last year.



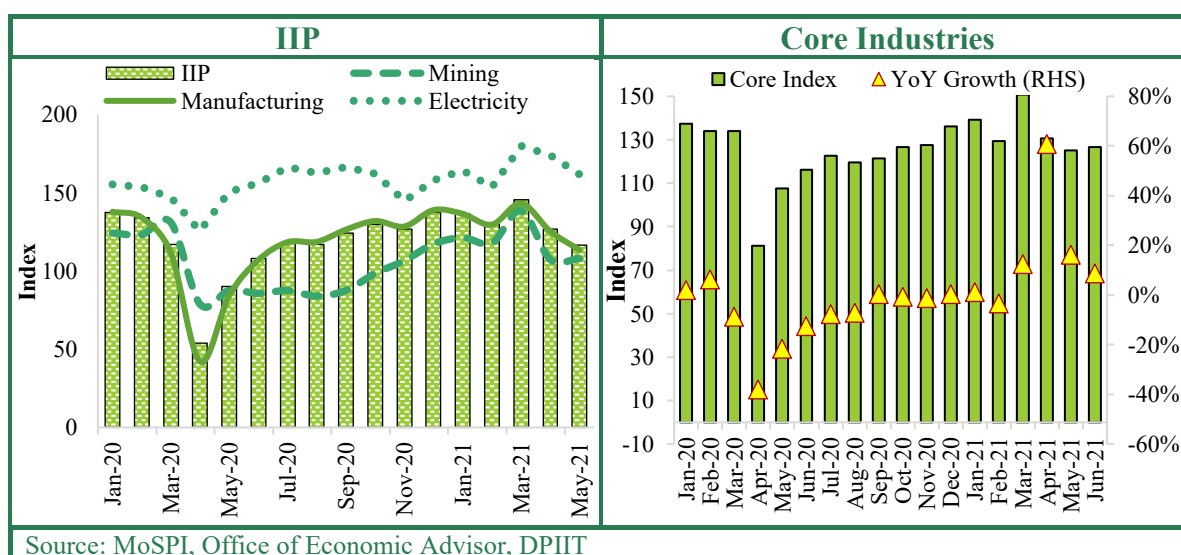
16. Under “Pradhan Mantri Garib Kalyan Anna Yojana” (PM-GKAY) (May – November 2021), a total allocation of over 278 LMT of food grains at an estimated expenditure of about

₹93,869 crore has been made for the period of seven months. Out of this, 127.8 LMT has been allocated and 95.82 LMT has already been distributed by 31st July 2021. MGNREGS continues to be a critical support in providing rural employment, though with the start of the kharif season the demand of work by 4.25 crore persons in July 2021 was lower by 1.0 per cent than during the corresponding month last year. A total of 3,91,112 households completed 100 days of work under MGNREGS in the months of April- June, 2021, 22.8 per cent higher than last year.

Industry

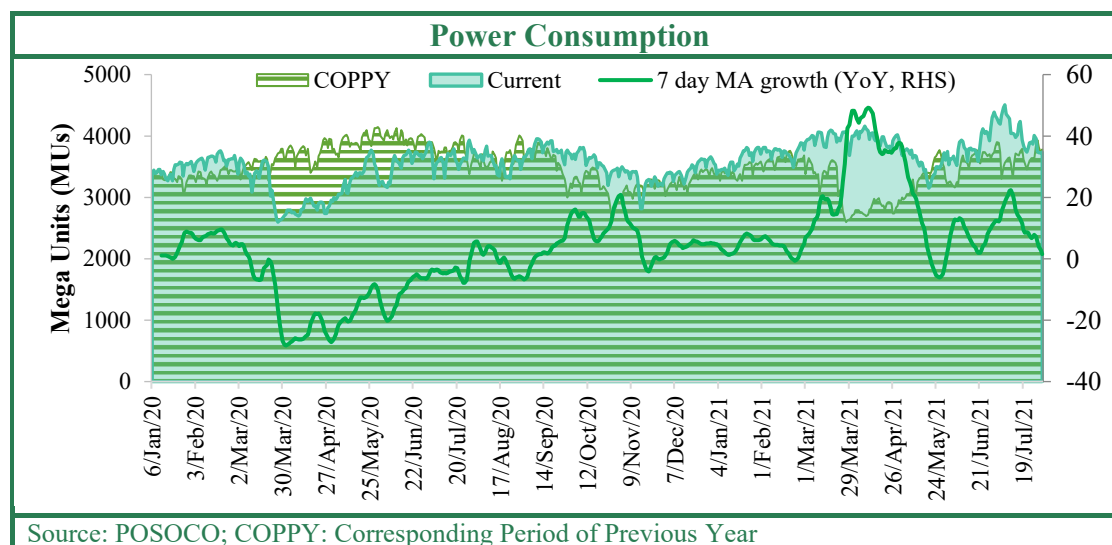
17. IIP scaled up on a YoY basis by 29.3 per cent in May 2021 primarily driven by base-effect, which has resulted in a broad-based growth across all sectors and use-based classification of the IIP basket. The index remains lower than the May 2019 level by 13.9 per cent. A MoM contraction of 8 per cent was witnessed over April 2021, led by manufacturing (-9.5 per cent) and electricity (-7.0 per cent), with only mining showing a mild growth of 0.6 per cent. In MoM terms, the output of all the six use-based categories witnessed a decline in May 2021, with consumer durables category registering the sharpest decline of 27.7 per cent, followed by capital goods at (-)18.0 per cent. The subsiding second wave of coronavirus and subsequent easing of lockdown restrictions in June is expected to aid in strengthening the industrial performance over the coming months.

18. Core Sector output increased by 8.9 per cent in June 2021 against a contraction of 12.4 per cent in June 2020. On a sequential basis, it registered a marginal growth of 1.1 per cent in June compared with May which indicates that the impact of the second wave may have been restricted to April-May. During April-June period this fiscal, the eight sectors grew by 25.3 per cent against a contraction of 23.8 per cent in the same period last year. Of the eight sectors, all except crude oil registered positive growth in June on yearly basis.

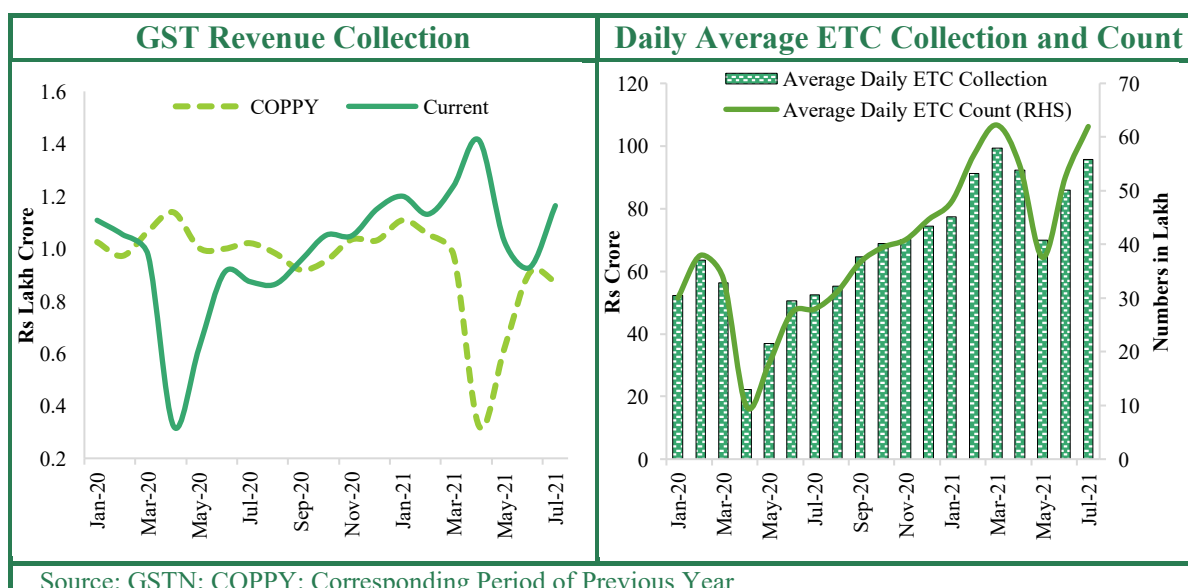


19. India's PMI-Manufacturing rebounded to expansionary zone to 55.3 in July 2021 from 48.1 in June - pointing to the strongest rate of growth in three months. Output, new orders, exports, quantity of purchases and input stocks all returned to expansion territory. India's power consumption rose further in July, increasing by 10.6 per cent over July 2020

and 7.5 per cent over July 2019, indicating resumption in commercial activity with the ebbing of the second wave.



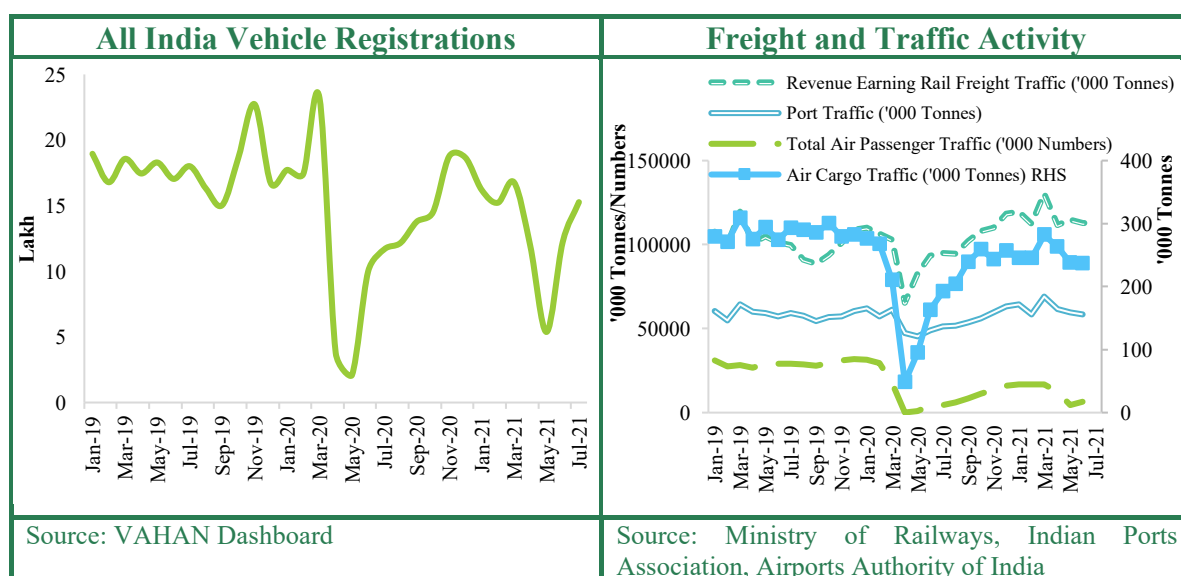
20. E-way bills data, strong and leading indicator of revenue collections, supply chain corrections and logistics growth, signaled continuing recovery in July after peaking of second wave in mid-May, as localized movement restrictions affecting inter and intra state goods movement were eased. Total e-way bills generated stood at 6.42 crore in July 2021, with 32.7 per cent YoY growth over July 2020, 23.2 per cent growth over July 2019, and 17.4 per cent growth compared to June 2021. In terms of value, e-way bills generated reached ₹16.1 lakh crore in July 2021, seeing a 6.2 per cent decline over previous month, 17.8 per cent growth over July 2020, and 10.4 per cent gain over July 2019. July's GST collections, reflecting transactions done in June 2021, rebounded to ₹1.16 lakh crore, resonating with other indicators of economic activity. It had dipped below ₹1 lakh in June after being above that level for eight months. Overall, GST collection in April-July, FY 2021-22 is up 66.3 per cent this year, aided by a favourable base as GST collection had contracted by 34.5 per cent in April-July, FY 2020-21.



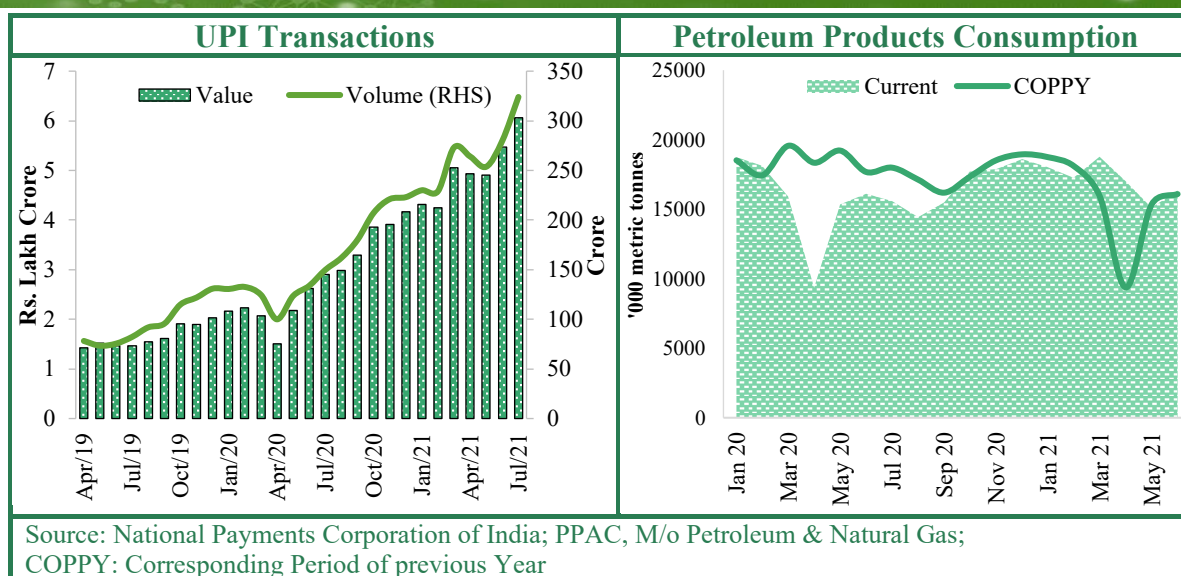
Services

21. With resumption of commercial activity, Electronic Toll Collection (ETC) in highways rose further in terms of value and volume, edging close to the record March levels, with substantial growth over last month (11 per cent in count and 17 per cent in value) and July last year (83 per cent in count and 122 per cent in value). June's automobile sales, a key indicator of economy's performance, echoed the reassuring vehicle registrations numbers available earlier. After a sharp fall in May, passenger vehicles sales wheeled towards recovery in June 2021 with 2.3 lakh sales, compared to 0.9 lakh in previous month, 1 lakh in June 2020, and 2.1 lakh in June 2019, however, still lower than the April 2021 figure of 2.6 lakh. More recent numbers from vehicle registrations depict further strengthening of vehicle sales in July.

22. Air and port Freight and Traffic Activity indicators exhibited easing of momentum in June, while rail freight remained steady in June and July. Recovery in port traffic at major ports softened slightly to 58.63 million tonnes in June 2021, compared to 59.76 million tonnes in May 2021, while remaining above the June 2020 and June 2019 figures. Rail freight in July 2021 stood at 112.7 MT – a record for the month and registering a growth of 18.3 per cent over July 2020 and 13.2 per cent compared to July 2019. Air cargo growth declined slightly in June 2021 over May 2021, while air passenger traffic witnessed sequential expansion.



23. With ebbing of the second wave and consequent unlocking, coupled with widening coverage of vaccination, PMI Services recovered in July to 45.4 from 41.2 in June while remaining in contractionary zone. UPI transactions attained further record highs in July 2021, with more than 100 per cent growth in both value and volume of transactions over July last year. Value of total transactions in July 2021 climbed up to ₹6.06 lakh crore from previous record high of ₹5.47 lakh crore in June 2021, and transactions volume further firmed up to 324 crore in July 2021 from 280 crore in June 2021. The steady uptick in UPI transactions corroborates a resumption of activity, and rising popularity of digital modes of payment.



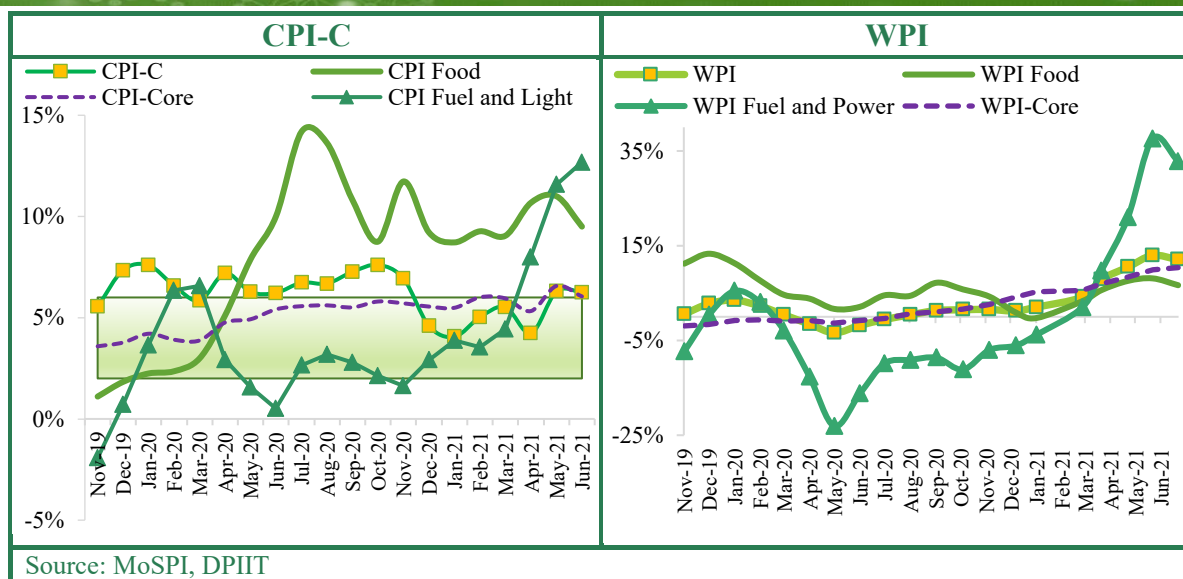
24. Indian basket of crude oil prices rose further to 73.5 USD/bbl in July 2021 from 71.6 USD/bbl in June 2021 and 43.3 USD/bbl in July 2020- driven by continuing optimism and demand build-up amid moderating global recovery. Domestic consumption of petroleum products recovered by 8 per cent in June 2021 compared to May 2021.

25. As per RBI's latest July 2021 Consumer Confidence Survey, the future expectations index (FEI) returned to optimistic territory owing to strong improvement in general economic outlook and employment scenario after the receding of COVID-19 second wave. FEI increased from 96.4 in May 2021 to 104.0 in July 2021 with survey respondents placing higher confidence on household income going forward.

Upside pressures on Inflation

26. CPI-C based inflation seems to have plateaued at 6.26 per cent in June 2021 as compared to 6.30 per cent in May 2021 but increased from 6.23 per cent in June 2020. Increase in inflation is observed in major groups viz., 'food and beverage', 'clothing and footwear', 'fuel and light' and miscellaneous inflation. Inflation in urban areas at 6.37 per cent is higher than in rural areas at 6.16 per cent in June 2021. Food inflation based on Consumer Food Price Index (CFPI) increased to 5.15 per cent in June 2021 as compared to 5.01 per cent in May 2021, mainly on account of increase in inflation of egg, 'milk & products', 'oil & fats', vegetables, 'pulses & products' and sugar. CPI Core inflation decreased to 6.05 per cent in June 2021 as compared to 6.57 per cent in May 2021.

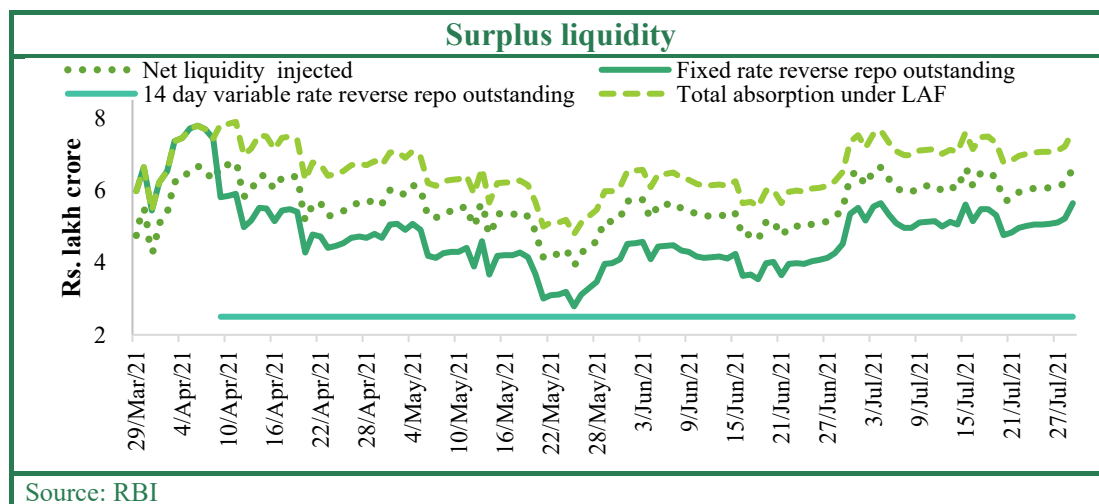
27. During the month of June 2021, WPI inflation, though remaining high due to base effects, moderated mildly to 12.07 per cent as compared to 12.94 per cent in May 2021 on account of decrease in inflation of Primary articles and Fuel & power. WPI food inflation (primary food + manufactured food) declined to 6.66 per cent in June 2021 as compared to 8.11 per cent in the previous month, on account of decrease in inflation of cereals, pulses, fruits, milk, egg, meat and fish, edible oils and sugar. WPI inflation for Manufactured Products has been continuously rising since June 2020 and recorded 10.88 per cent in June 2021.



28. Inflation ruled above 6 per cent for a period of 5 consecutive months during June-November 2020 and has again re-entered this territory in May and June 2021. As per RBI's latest July 2021 Inflation Expectations Survey round, households' median inflation perception for the current period remained elevated at 10.3 per cent with median inflation expectations for three months and one year ahead period hardening by 50 basis points and 60 basis points respectively. The recent pick-up in inflation is driven largely by adverse supply shocks due to disruptions caused by the pandemic, elevated international commodity prices and inflationary pressures in edible oils and pulses. With easing of restrictions, progress of south-west monsoon, recent supply side interventions in pulses and oilseeds market, the inflationary pressures in coming months may be mitigated. RBI has recently revised its projection for CPI inflation at 5.7 per cent during 2021-22 from its earlier projection of 5.1 per cent.

Liquidity continues to remain in surplus

29. System liquidity continues to remain in surplus in July 2021 with average daily net absorption under LAF at ₹6.8 lakh crore compared to ₹5.7 lakh crore in June 2021. While RBI's first auction under G-SAP 2.0 on July 8 injected durable liquidity of ₹20,000 crore, RBI injected system-level liquidity amounting to ₹40,000 crore via GSAP 1.0 via the third tranche of purchases.



30. Overnight money market rates also traded below repo rate levels amid comfortable systemic liquidity. The weighted average call rate (WACR) and the tri-party repo trailed below the reverse repo rate by 23 bps and 15 bps, respectively, on average in July 2021 compared to 26 bps and 24 bps in June 2021. As for term money market rates, 3-month T-Bill rate continued to trade at 3.40 per cent in July 2021 as in June. 3-month certificates of deposit (CD) rate stood at 3.54 per cent on average in July compared to 3.49 per cent during June. During the fortnight ending July 16, 2021, fresh issuances of CDs stood at ₹271 crore compared to ₹8818 crore in the fortnight ending July 2, 2021. Fresh issuances of Commercial Papers (CPs) stood at ₹1.49 lakh crore in the fortnight ending July 31, 2021 compared to ₹1.17 lakh crore in the previous fortnight.

31. Reserve money expanded by 16.8 per cent on a YoY basis as on July 30, 2021 compared to 17.91 per cent in June 2021, driven primarily by increase in bankers' deposits with the RBI following the roll back of the cash reserve ratio (CRR) reduction last year. Currency in circulation, the largest component of reserve money witnessed easing of YoY growth at 10.25 per cent as on July 30, 2021 compared to 12.32 per cent in June 2021 and 22.17 per cent in July 2020.

32. Broad money (M3) grew by 10.78 per cent in the fortnight ending July 16, 2021 compared to 10.67 per cent in June 2021 and 12.35 per cent in the corresponding period of previous year. Growth in currency with public, demand deposits and time deposits stood at 11.42 per cent, 23.07 per cent and 9.11 per cent respectively in the fortnight as compared to respective component growths of 12.43 per cent, 19.98 per cent and 9.15 per cent in June 2021 and 22.94 per cent, 11.99 per cent and 10.55 per cent in the corresponding period of previous year. Increase in deposits growth bodes well for revival in savings.

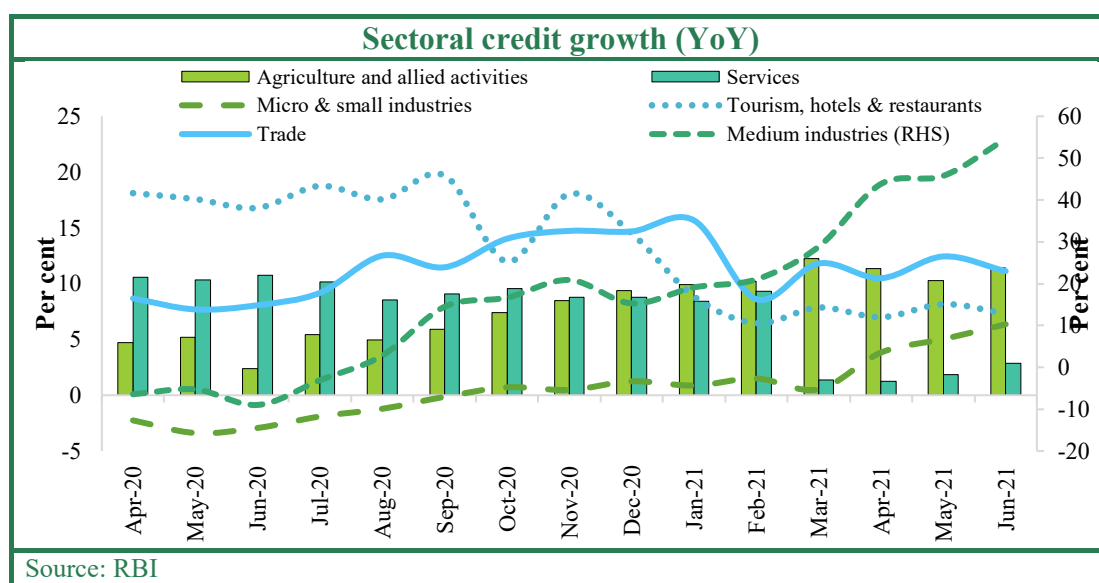
33. RBI in its latest Monetary Policy Statement, 2021-22 (August 4-6) kept the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 4.0 per cent. Consequently, the reverse repo rate under the LAF remains unchanged at 3.35 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 4.25 per cent. The MPC also decided to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.

Encouraging Trends in Bank credit growth

34. Overall bank credit growth inched up to 6.45 per cent (YoY) in the fortnight ending July 16, 2021 compared to 6.08 per cent in the previous fortnight and 5.81 per cent in the corresponding period of previous year. Non-food credit growth stood increased to 6.51 per cent (YoY) in the fortnight ending July 18, 2021 compared to 6.16 per cent in the previous fortnight and 5.63 per cent in the corresponding period of previous year.

35. On the sectoral front, credit offtake by agriculture and allied activities registered an accelerated growth of 11.4 per cent in June 2021 as compared to 2.4 per cent in June 2020. Credit growth to industry contracted by 0.3 per cent in June 2021 from 2.2 per cent growth in June 2020. On the basis of size, credit to medium industries registered a robust growth of 54.6 per cent in June 2021 as compared to a contraction of 9.0 per cent a year ago. Credit

growth to micro and small industries accelerated to 6.4 per cent in June 2021 as compared to a contraction of 2.9 per cent a year ago. Within industry, credit to food processing, gems & jewellery, glass & glassware, leather & leather products, mining & quarrying, paper & paper products, rubber, plastic & their products and textiles registered an accelerated growth in June 2021 as compared to the corresponding month of the previous year. Credit growth to the services sector decelerated to 2.9 per cent in June 2021 from 10.7 per cent in June 2020, mainly due to deceleration in credit growth to commercial real estate, NBFCs and tourism, hotels & restaurants. However, credit to trade segment continued to perform well, registering accelerated growth of 11.1 per cent in June 2021 as compared to 8.1 per cent a year ago. Personal loans registered an accelerated growth of 11.9 per cent in June 2021 as compared to 10.4 per cent a year ago.

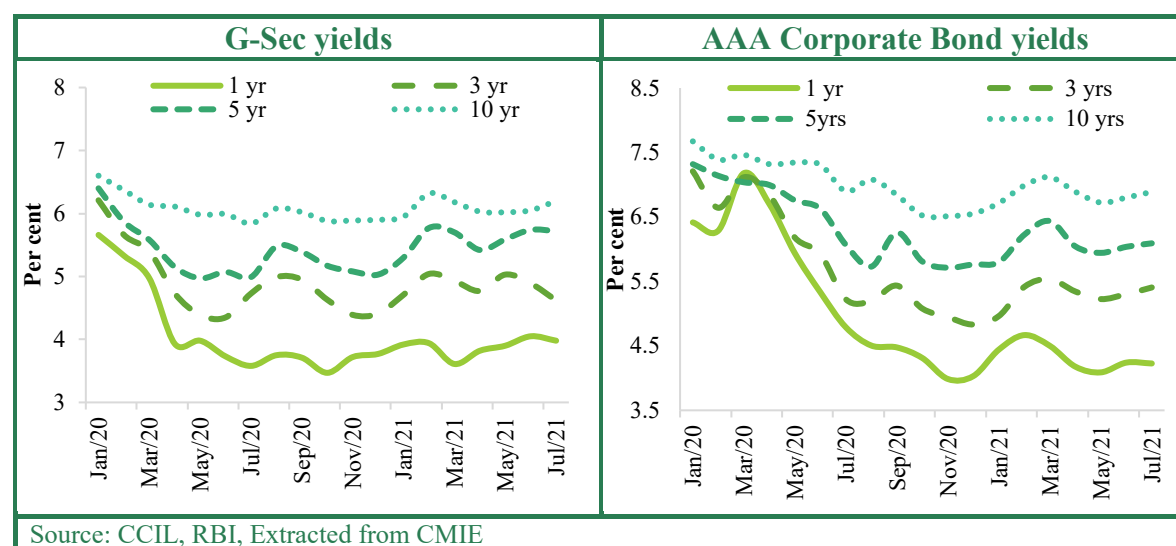


36. The credit deposit ratio stood at 70.12 per cent in the fortnight ending July 16, 2021 compared to 70.73 per cent a fortnight ago and 72.89 per cent in the corresponding period of previous year. Incremental credit-deposit ratio, the portion of deposits used to extend loans stood at (-)17.70 compared to (-)6.24 per cent a fortnight ago and (-)33.42 per cent in the corresponding period of previous year. Comparing investments in government securities and other approved securities with respect to total deposits, the incremental investment deposit ratio stood at 48.79 compared to 60.70 per cent a fortnight ago and 97.12 per cent in the corresponding period of previous year. These bode well for expansion of credit in subsequent months.

Financial Markets

37. Pressure of high inflation prints continued to prevail on G-Sec yields in July 2021. 10 year G-Sec yield reached 6.2 per cent at end-July 2021 as compared to 6.05 per cent at end-June. The yield curve became steeper with weighted average yields on 7 year, 10 year and 15 year tenors stiffening by 13 bps, 15 bps and 21 bps respectively in July as compared to June. On the short end, weighted average yields hardened month-on-month in July by a relatively lower 7 bps and 10 bps for 3 year and 5 year tenor government securities. Tracking the movement in 10 year G-sec yield, while 10 year AAA rated corporate bond yields rose

by 9 bps in July over June to reach 6.88 per cent, 3-year and 5-year AAA yields hardened by 10 bps and 5 bps respectively.



38. Owing to post-second wave recovery, primary corporate bond market issuances on NSE and BSE rebounded sequentially to reach closer to pre-COVID levels at ₹0.42 lakh crore in June 2021 as compared to ₹0.21 lakh crore in May 2021, ₹0.7 lakh crore in June 2020 and ₹0.49 lakh crore in June 2019. Total outstanding corporate debt at the end of Q1:2021-22 stood at ₹36.28 lakh crore with corporate bond issues worth ₹1.43 lakh crore in the quarter as compared to issues worth ₹2.50 lakh crore in the previous quarter, ₹2.39 lakh crore in Q1: 2020-21 and ₹1.51 lakh crore in Q1: 2019-20.

39. Net assets under management (AUM) of mutual funds increased to an all-time high of ₹33.67 lakh crore by end June 2021 from ₹33.06 lakh crore by end May 2021. Flows into mutual funds reversed from a net outflow of ₹0.38 lakh crore in May 2021 to a net inflow of ₹0.15 lakh crore in June, owing to rebound in flows into debt-oriented schemes and stable flows in equity-oriented schemes. Insurance sector also saw a month-on-month rise in premium collections of life insurers (131.25 per cent) and non-life insurance companies (20.24 per cent) in June 2021 over May.

40. BSE Sensex and Nifty 50 remained rangebound in July 2021 and rose by 0.2 per cent and 0.26 per cent over June-end to close at 52586.84 and 15763.05 respectively on 30th July 2021. Market volatility continued its downward trajectory with India VIX index reaching 12.80 by July-end as compared to 13.04 by May-end.

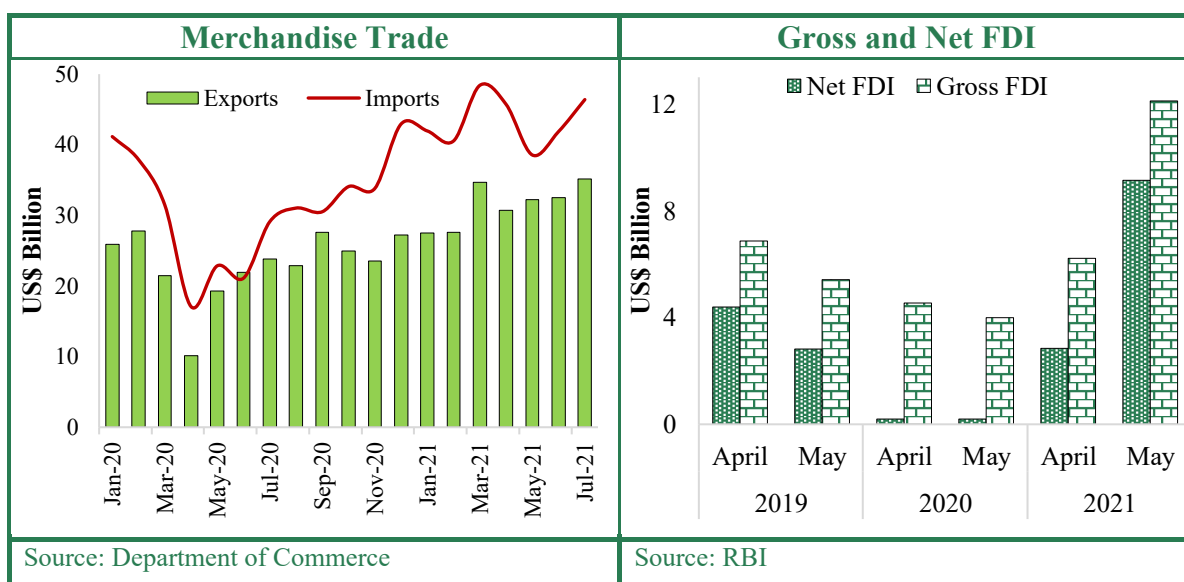
External Sector

41. At US\$ 35.2 billion, India's merchandise exports recorded highest ever monthly exports in July 2021, after registering a growth of 47.9 per cent over US\$ 23.8 billion in July 2020 and 34.1 per cent over US\$ 26.2 billion in July 2019. India's merchandise imports also grew at 59.4 per cent to US\$ 46.4 billion in July 2021 over US\$ 29.1 billion in July 2020 and 14.8 per cent over US\$ 40.4 billion in July 2019. In July 2021, the value of non-petroleum exports increased by 34.4 per cent and 30.0 per cent to US\$ 29.6 billion, as against US\$ 22.0 billion in July 2020 and US\$ 22.8 billion in July 2019 respectively. The value of non-

petroleum and non-gems and jewellery exports in July 2021 was US\$ 26.1 billion, after registering a growth of 27.4 per cent over US\$ 20.5 billion in July 2020 and 32.3 per cent over US\$ 19.8 billion in July 2019.

42. In July 2021, POL imports witnessed a growth of 97.2 per cent to US\$ 12.9 billion, vis-à-vis US\$ 6.5 billion in July 2020 and 32.3 per cent compared to US\$ 9.8 billion in June 2019. Non-oil imports in July 2021 grew by 48.5 per cent and 9.2 per cent to US\$ 33.5 billion, compared to US\$ 22.6 billion in July 2020 and US\$ 30.7 billion in July 2019 respectively. Non-oil, non-GJ (Gold, Silver & Precious Metals) imports were US\$ 26.7 billion in July 2021, after recording a growth of 35.1 per cent over US\$ 19.7 billion in July 2020 and a negative growth of 0.2 per cent over US\$ 26.7 billion in July 2019.

43. After June witnessed net FPI inflow of USD 0.99 billion, there were net outflows of USD 0.49 billion in July offering downward bias to the rupee. India, however, attracted healthy FDI inflow of USD 12.1 billion during May 2021, higher than USD 6.24 billion in April and USD 4 billion during May 2020. FDI Equity inflows amounted to a strong USD 10.57 billion in May.



44. Foreign exchange reserves reached US\$ 620.1 billion by end July 2021, equivalent to more than 18 months of 2020-21 imports, thereby acting as a critical cushion against possible US stimulus exit driven hot money outflows from Indian markets. These developments were reflected in the foreign exchange market with INR depreciating by 1.32 per cent vis-à-vis US dollar in July as compared to June and reached USD 74.42 as on 30th July 2021 owing to Delta Coronavirus strain denting risk appetite, strengthening of US dollar and Brent crude prices firming up from 73.2 USD/Barrel in June to 75.2 USD /barrel in July. RBI also made net spot purchase of USD 9.09 billion dollars in July 2021 as compared to USD 7.14 billion dollars in June 2021.

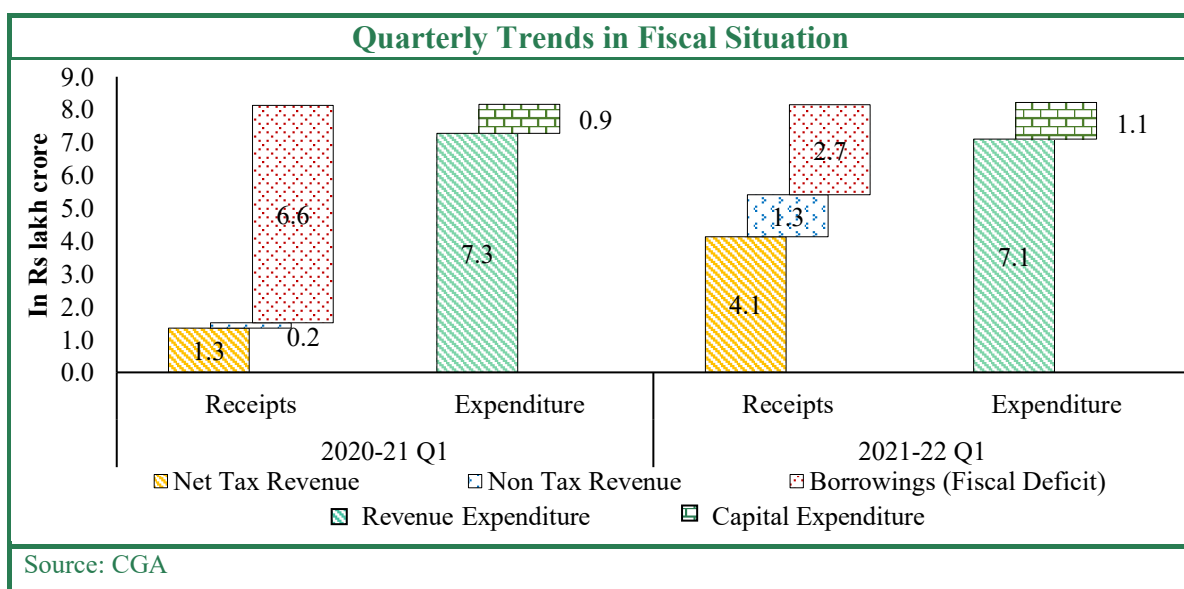
45. While rise in domestic headline inflation vis-à-vis major trading partners induced appreciation pressures on 40-currency real effective exchange rate (REER) of the INR in June, nominal depreciation of the rupee moderated it. 40-currency trade-weighted REER

reached 104.46 in June as compared to 104.02 in May. The forward premia after staying elevated in the 5.5 per cent plus territory across tenors in April and May 2021 dipped sharply in June 2021 and remained stable in July.

Fiscal Developments for 2021-22 Q1 (April 2021- June 2021)

46. The Central Government finances showed an improved performance during Q1 of FY 2021-22 as compared to Q1 of the previous year. During April-June 2021, the Centre's fiscal deficit stood at ₹2.74 lakh crore, which is 18.2 per cent of BE, much lower than that in the corresponding period of the last year (83.2 per cent of BE and 36.4 per cent of FY 2020-21 actuals). Both the direct and indirect taxes have shown a significant YoY growth in 2021-22 Q1. This may be due to the revival of economic activities and positive sentiments among taxpayers leading to increased income estimates and higher advance tax payments in the first quarter of the FY 2021-22 as compared to the corresponding period of FY 2020-21. The corporation tax registered a YoY growth of 128 per cent and the Personal Income Tax showed a YoY growth of 97.5 per cent. The Net Tax Revenue to the Centre stood at ₹4.13 lakh crore in Q1 of 2021-22, relative to ₹1.35 lakh crore in Q1 of 2020-21. The Non-tax Revenue during Q1 of 2021-22 increased by 738.4 per cent over the same period last year after accounting for RBI's surplus transfer of ₹0.99 lakh crore to the Government.

47. On the expenditure side, the total expenditure registered YoY increase of less than 1 per cent during Q1 of 2021-22 and stood at 23.6 per cent of BE. The revenue expenditure during this period saw a YoY decline of 2.4 per cent despite a 26.75 per cent YoY increase in major subsidies, indicating re-prioritisation of revenue expenditure to meet the fiscal targets. The emphasis on capital expenditure continued as it registered a 26.30 per cent YoY growth during April-June 2021.



48. During the first six months of the year 2021-22, the Centre has planned to borrow 60 per cent of the annual target of net market borrowings of ₹12.05 lakh crore. As on 30th July 2021, the Central Government has raised ₹4.39 lakh crore as gross market borrowings i.e., 60.6 per cent of the scheduled borrowing of ₹7.24 lakh crore for H1:2021-22 and 8.7 per cent lower than the borrowings in the corresponding period last year. Net Borrowings of ₹3.01

lakh crore were completed as on 30th July 2021 as compared to ₹3.51 lakh crore in the corresponding period last year. As on 30th July 2021, state governments raised ₹1.94 lakh crore as gross market borrowings, which is 9.8 per cent lower than the corresponding period in FY 2020-21. Net market borrowings raised by States stood at ₹1.47 lakh crore, 17.4 per cent lower than the corresponding period in FY 2020-21. As per Reserve Bank of India, in consultation with the State Governments/Union Territories (UTs), the quantum of total market borrowings by the State Governments/UTs for the quarter July - September 2021, is expected to be ₹1.92 lakh crore.


49. To assist the States/UTs in management of the pandemic and in stepping up their capital expenditure, Government of India frontloaded the release of assistance under the back-to-back loan facility in lieu of GST Compensation, for the current fiscal year. Almost 50 per cent of the total shortfall for the entire year, i.e., ₹75,000 crore was released in a single instalment to all the eligible States and UTs (with Legislatures). In addition, the Centre also released the 4th monthly instalment of Post Devolution Revenue Deficit (PDRD) Grant of ₹9,871 crore to the 17 States recommended by the Fifteenth Finance Commission.

Outlook

50. With the second wave abating in most parts of the country and State Governments lifting the restrictions in phases, there are visible signs of economic rejuvenation since second half of May. This resonates with the expectation that the impact of the second wave will be muted. The swift rebound in economic indicators and the muted impact of the second wave is corroborated by upward revision of RBI estimates for real GDP growth in Q1: 2021-22 to 21.4 per cent from its June estimation of 18.5 per cent. The robust recovery in tax collections cushions the fisc towards meeting the budgeted support to the economy. The recent sero-prevalence results signify that India can soon limit hospitalizations and deaths due to the covid infection if we sustain the momentum of the vaccination programme. Having antibodies reduces the probability of acquiring serious illnesses, as is borne by studies. So, any subsequent waves are expected to be mild in their impact on hospitalisations and deaths. However, it is imperative that COVID-appropriate behaviour and due protocol is followed. At this juncture, the economy and society are at a crucial inflection point where sustenance of economic recovery, vaccination progress and COVID-19 appropriate behavioural strategies are needed in close synergy with each other.

For any queries, you may contact the team:

1. Ms. Surbhi Jain, Economic Adviser (E-mail: surbhi.jain@nic.in)
2. Ms. Tulsipriya Rajkumari, Deputy Director (E-mail: tulsipriya.rk@nic.in)
3. Ms. Sanjana Kadyan, Deputy Director (E-mail: sanjana.kadyan@gov.in)
4. Ms. Deeksha Supyaal Bisht, Assistant Director (E-mail: deeksha.bisht@gov.in)
5. Ms. Sonali Chowdhry, Consultant (E-mail: sonali.chowdhry@nic.in)
6. Shri Narendra Jena, Economic Officer (E-mail: jena.narendra@nic.in)

| | | | |
|------------|---|---|------|
| Scale |  | | |
| YoY growth | -205 | 0 | 7762 |

| Movement in India's high frequency indicators | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|
| Indicator | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21* | Apr-21* | May-21* | Jun-21* | Jul-21* |
| Agriculture | | | | | | | | | | | |
| Tractor sales (Numbers) | 31232 | 92888 | 108585 | 61249 | 78345 | 75645 | 85076 | 63422 | 55609 | 110399 | |
| Fertilisers sales (Lakh MT) | 29 | 69 | 47.3 | 74.5 | 61 | 46.1 | 41.6 | 20.1 | 31.2 | 65.9 | 79.8 |
| Industry | | | | | | | | | | | |
| 8-Core Industries (Index) | 134 | 116.3 | 121.4 | 136.1 | 139.2 | 129.6 | 149.2 | 130.7 | 125.2 | 126.6 | |
| IIP-Consumer Durable goods | 83.2 | 78.2 | 129.0 | 124.9 | 123.9 | 125.0 | 128.9 | 141.7 | 136.4 | | |
| IIP-Consumer Non-Durable goods | 121.7 | 147.5 | 147.4 | 161.1 | 149.8 | 147.6 | 155.2 | 1.2 | -8.9 | | |
| Domestic Auto sales# (Lakh) | 10.4 | 11.3 | 21.4 | 14.0 | 17.3 | 17.4 | 18 | 12.7 | 4.4 | 13.0 | |
| Passenger vehicles sales (Lakh) | 1.4 | 1.1 | 2.7 | 2.5 | 2.8 | 2.8 | 2.9 | 2.6 | 0.9 | 2.3 | |
| PMI Manufacturing (Index) | 51.8 | 47.2 | 56.8 | 56.4 | 57.7 | 57.5 | 55.4 | 55.5 | 50.8 | 48.1 | 55.3 |
| Power Consumption (Mega Units) | 107.4 | 114.2 | 121.6 | 115.4 | 111.4 | 104.7 | 123 | 119.3 | 110.5 | 115.4 | 125.5 |
| Natural gas production (Mn. Cu. Mt) | 2327 | 2324 | 2228 | 2355 | 2478 | 2235 | 2612 | 2583 | 2740 | 2777 | |
| Cement production ('000 Tonnes) | 24818 | 26358 | 24244 | 28266 | 29563 | 29038 | 32874 | 29391 | 24222 | | |
| Steel consumption ('000 Tonnes) | 6742 | 6350 | 8179 | 10163 | 10025 | 9515 | 9354 | 8558 | 8130 | 8160 | |
| Services | | | | | | | | | | | |
| Domestic air passenger traffic (Lakh) | 149.6 | 38.6 | 77.9 | 144.4 | 152.3 | 154.4 | 153 | 110.9 | 39.6 | 59.9 | |
| Port cargo traffic (Million Tonnes) | 61.1 | 49.1 | 53.5 | 63.2 | 64.4 | 58.5 | 72 | 61.5 | 59.7 | 58.6 | |
| Rail freight traffic (Tonnes) | 103070 | 93580 | 102300 | 118290 | 119790 | 112330 | 122190 | 111470 | 114800 | 112780 | 112720 |
| PMI Services (Index) | 49.3 | 33.7 | 49.8 | 52.3 | 52.8 | 55.3 | 54.6 | 54.0 | 46.4 | 41.2 | 45.4 |
| Fuel consumption (Lakh MT) | 159 | 161 | 155 | 186 | 180 | 173 | 18775 | 170 | 151 | 163 | |
| UPI Digital Payments (Rs Lakh Crore) | 2.1 | 2.6 | 3.3 | 4.2 | 4.3 | 4.3 | 5.0 | 4.9 | 4.9 | 5.5 | 6.1 |
| UPI Digital Payments (Crore) | 125 | 134 | 180 | 223 | 230 | 229 | 273 | 264 | 254 | 280 | 324 |

| Indicator | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21* | Apr-21* | May-21* | Jun-21* | Jul-21* |
|--|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|
| Inflation | | | | | | | | | | | |
| WPI (Base 2012=100) | 120.4 | 119.3 | 122.9 | 125.4 | 126.5 | 127.3 | 129.3 | 131.7 | 132.7 | 133.7 | |
| CPI (Base 2012=100) | 148.6 | 151.8 | 156.4 | 157.3 | 156.3 | 156.6 | 156.8 | 157.8 | 160.4 | 161.3 | |
| CPI food (Base 2012=100) | 147.8 | 153.4 | 161.6 | 160.6 | 156.4 | 155.5 | 155.1 | 156.4 | 159.4 | 161.3 | |
| Crude price Brent Dubai WTI (USD/ Barrel) | 32.2 | 39.5 | 40.6 | 48.7 | 53.6 | 60.5 | 63.8 | 63.0 | 66.4 | 71.8 | 73.3 |
| Crude oil Indian basket (USD/ Barrel) | 33.3 | 40.6 | 41.4 | 49.9 | 54.6 | 61.2 | 64.7 | 63.3 | 67.0 | 71.6 | 73.5 |
| External Sector | | | | | | | | | | | |
| Merch Exports (USD Billion) | 21.5 | 22.0 | 27.6 | 27.1 | 27.4 | 27.9 | 34.5 | 30.2 | 32.3 | 32.5 | 35.2 |
| Non-oil exports (USD Billion) | 19.0 | 20.1 | 24.0 | 24.8 | 25.3 | 25.2 | 30.8 | 27.1 | 26.9 | 28.5 | 29.6 |
| Non-oil non gold imports (USD Bn) | 20.2 | 15.7 | 24.1 | 28.5 | 28.5 | 26.3 | 29.6 | 28.6 | 28.4 | 27.6 | 26.7 |
| Baltic Dry Index | 601 | 1146 | 1399 | 1244 | 1658 | 1500 | 2018 | 2475 | 2965 | 2932 | 3257 |
| Exchange Rate (INR/USD) | 74.4 | 75.7 | 73.5 | 73.6 | 73.1 | 72.7 | 72.8 | 74.5 | 73.3 | 73.4 | 74.4 |
| NEER (40 currency, trade based, 2015-16=100) | 95.2 | 93.1 | 94.8 | 93.0 | 93.7 | 94.2 | 95 | 92.8 | 93.8 | 93.6 | |
| Net FDI (USD Billion) | 4.0 | -0.8 | 2.9 | 6.5 | 3.5 | -2.9 | 2.0 | 2.8 | 9.1 | | |
| Net FPI (USD Billion) | -15.2 | 3.1 | -0.3 | 8.6 | 1.2 | 2.7 | 2.3 | -1.7 | 0.9 | 1.0 | -1.1 |
| Fiscal | | | | | | | | | | | |
| Gross tax revenue of Central Govt (Rs. Lakh crore) | 3.3 | 1.4 | 2.2 | 3.1 | 1.8 | 1.5 | 3.6 | 1.7 | 1.4 | 2.2 | |
| Capital Expenditure (Rs. Thousand Crore) | 32.1 | 33.1 | 31.4 | 67.8 | 53.1 | 43.2 | 19.6 | 47.1 | 15.8 | 48.5 | |
| GST collection (Rs. Lakh Crore) | 1.0 | 0.9 | 1.0 | 1.2 | 1.2 | 1.1 | 1.2 | 1.4 | 1.0 | 0.9 | 1.2 |
| Monetary and Financial Markets | | | | | | | | | | | |
| M3 (Rs. Lakh crore) | 168.0 | 173.2 | 177.4 | 180.6 | 184.0 | 185.6 | 187.7 | 188.4 | 189.3 | 191.7 | 193.7 |
| Non-food credit (Rs. Lakh crore) | 103.2 | 101.6 | 102.1 | 105.0 | 106.2 | 107.0 | 107.3 | 108.0 | 107.4 | 107.5 | 107.9 |
| Sensex (Index) | 29468 | 34916 | 38068 | 477251 | 46286 | 49100 | 49509 | 48782 | 51937 | 52483 | 52587 |
| Nifty 50 (Index) | 8598 | 10302 | 11248 | 13982 | 13635 | 14529 | 14691 | 14631 | 15583 | 15722 | 15763 |

Note: * Growth calculated over 2019 value.