Market Review
Yearly Update 2024

Macroeconomic Update

The global economy remained resilient in 2024 primarily driven by robust growth in the US. The strength of the U.S. economy was supported by high government fiscal deficit, a thriving services sector, a strong labor market, high real wages, and solid household finances. However, the manufacturing and real estate sectors lagged. In contrast, Europe, including the UK, faced softer growth due to the ongoing war, elevated energy prices, and widespread slowdown in manufacturing and services. Among emerging markets (EMs), China underperformed, with lower-than-expected economic stimulus and a weakening real estate sector. Industrial activity also remained weak as domestic demand and exports declined, though growth was supported by steady investments in infrastructure and manufacturing.

Inflation in most advanced economies (AEs) fell significantly from its 2023 peak, driven by corrections in food, energy, and commodity prices. While core inflation trended downward, it remained relatively high, and progress toward central bank targets was slower than anticipated. China's inflation also remained subdued during the entire year.

Major central banks began easing monetary policies as risks to growth and inflation became more balanced. The U.S. Federal Reserve and the European Central Bank (ECB) each cut policy rates by 100 basis points in quick succession, while the Bank of England reduced rates by 50 basis points. Although monetary policy is expected to remain accommodative, the pace of rate cuts could slow and become more data-driven in 2025. The notable exception was the Bank of Japan, where robust growth and inflation suggest a higher likelihood of rate hikes in the coming year.

India's growth momentum softens as government spending moderates sharply: India's GDP growth in the first nine months of CY24 slowed down, driven by multiple cyclical factors. A sharp deceleration in government spending was a key contributor, as elections delayed public expenditure. On the private sector front, corporate investments remained subdued while the real estate sector demonstrated resilience, supported by sustained demand for housing. Consumption showed signs of recovery, particularly in rural areas, benefiting from a low base. Urban demand moderated, reflecting the impact of the RBI's macroprudential tightening and consumption fatigue stemming from a high base in previous years. On the external front, growth in exports outpaced imports, primarily due to robust performance in services exports.

On the Gross Value Added (GVA) side, agricultural output slowed in the first half but improved sequentially. Manufacturing growth witnessed a sharp plunge, as demand slowdown, constrained pricing power, and elevated input costs eroded profitability. Construction activity also moderated due to delays in government capex. The services sector, too, experienced a deceleration as weakness in urban demand weighed on segments such as retail, hospitality, and financial services.

YoY, %	9MCY23	9MCY24		9MCY23	9MCY24
GDP	7.5	6.6	GVA	7.3	6.2
Private consumption	3.2	5.8	Agriculture and ancillary	4.7	1.8
Government consumption	9.0	1.6	Industry	7.4	6.8
Gross Capital Formation	7.1	7.0	Manufacturing	6.4	6.1
Gross Fixed Capital Formation	7.8	6.5	Construction	9.6	9.0
			Services	7.9	7.0
Exports of goods and services	3.5	6.5	Trade, hotels, transport, etc.	6.9	5.6
Imports of goods and services	8.8	3.0	PADO	6.9	8.8
GDP growth ex GFCE	7.3	7.2	Core GVA	7.9	6.6

Source: CMIE, MoSPI, Ambit Capital research. Note – PADO: Public Administration, Defence & Other Services

Looking ahead, the overall growth outlook could remain contingent on a revival in government capex and sustained rural recovery. There are reasons to be optimistic over the rural sector in view of robust growth expected in Kharif crops, progress in rabi crops and improvement in wages. However, a revival in government capex and targeted policy measures to incentivize private investment as well as consumption will be crucial for reinvigorating growth.

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Macroeconomic Update (contd...)

Economic activity shows rural and urban divergence: India's high-frequency indicators present a mixed picture, reflecting divergent trends across sectors. On the positive side, rural indicators such as two-wheeler and tractor sales are performing well, signalling a steady recovery in the rural economy. Additionally, manufacturing and services PMIs remain healthy, although they have eased from their recent peaks, and power demand has picked up, indicating resilience in economic activity. The CMIE unemployment survey suggests rangebound unemployment, providing indicating stability to the labour market.

However, several weak spots persist. GST collections have decelerated and PV sales weakened, reflecting softer consumption. Railway goods movement remains subdued, and commercial vehicle (CV) sales continue to contract year-on-year, pointing to subdued industrial activity.

Indicators	Units	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Retail registration - Auto@										
2W	YoY, %	33.7	2.8	5.1	17.7	6.8	-8.1	37.6	16.4	-17.4
PV		20.0	3.1	-3.1	14.4	-0.3	-15.3	42.0	-10.3	0.3
MHCV		-4.7	-3.1	-4.3	10.5	-7.7	-11.0	-3.0	-8.4	-4.7
LCV		-1.5	1.9	-8.0	2.2	-6.5	-10.7	11.2	-3.0	-6.8
Tractors		2.4	-1.1	-27.5	-13.6	-12.4	16.6	3.4	33.9	28.7
Gross GST Collection		12.4	10.0	7.6	10.3	10.0	6.5	8.9	8.5	7.3
Average E-Way bill		14.5	17.0	16.3	19.2	12.9	18.5	16.9	16.3	17.6
Power demand		10.5	15.3	8.9	8.5	-4.9	0.6	1.1	4.0	5.9
Digital Spending (UPI + IMPS)&		32.6	31.6	32.1	29.9	26.2	26.0	32.2	19.3	22.3
Railway Freight Tonnage		1.5	3.7	10.1	4.6	0.02	-5.8	1.5	1.4	
Manufacturing PMI^	Index	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5	56.4
Services PMI^	Index	60.8	60.2	60.5	60.3	60.9	57.7	58.5	58.4	59.3
Unemployment	%	8.1	7.3	9.0	7.7	8.5	7.7	8.9	7.7	7.8

Source: www.gstn.org.in, www.icegate.gov.in, CMIE, PIB, RBI, https://vahan.parivahan.gov.in, https://posoco.in
^Number >50 reflects expansions and number <50 reflects contraction compared to previous month. @ - figures are preliminary data and are subject to revision.
&- Sum of UPI+IMPS spending

Government finances in a comfortable position: On a fiscal year-to-date (FYTD) basis, the deficit remains lower year-on-year, supported by robust personal tax collections and a substantial dividend from the RBI. Corporate tax collections grew modestly at ~1%, reflecting subdued corporate profit growth, while indirect tax collections, particularly GST, performed relatively better. On the expenditure side, both revenue and capex spending has picked up in recent months, but capital expenditure (capex) remains relatively weak and is down YoY. While the capex spending is expected to accelerate in rest of the year, it may still fall short of budgeted estimates.

While the fiscal deficit has been low, recent monthly data indicates that the government is stepping up spending and it may sustain for rest of the FY25. However, in view of the high ask rate of capex spending for the rest of the year and buoyant personal tax collections, deficit might undershoot the FY25 budgeted estimates (4.9% of GDP).

FYTD ending (INR billion)	Nov-23	Nov-24	Change (YoY)
Gross tax revenue	20,420	22,610	10.7%
Total Direct Tax	10,818	12,124	12.1%
Total Indirect Tax	9,602	10,486	9.2%
Less: Share of States & others	6,063	8,175	34.8%
Net Tax collection	14,358	14,434	0.5%
Non-Tax Revenue	2,844	4,270	50.2%
Total Revenue Receipts	17,201	18,705	8.7%
Total Capital Receipts	255	240	-5.9%
Total Receipts	**17,456**	**18,944**	**8.5%**
Total Revenue Expenditures	20,665	22,275	7.8%
Total Capital Expenditures	5,856	5,135	-12.3%
Total Expenditures	**26,522**	**27,410**	**3.3%**
Gross Fiscal Deficit	**-9,066**	**-8,466**	**-6.6%**
Fiscal Deficit as % of GDP	**-3.2%**	**-2.7%**	

Source: CMIE

Retail inflation cools down but remains elevated: Consumer Price Index (CPI) witnessed a moderation in average inflation across most categories in the first 11 months of CY24 compared to CY23, with CPI easing from 5.7% to 4.9%, driven largely by declines in non-food components. Fuel and light inflation saw the steepest drop, from 4.1% in CY23 to -2.9% in 11MCY24, reflecting lower energy costs and cut in LPG prices. Housing inflation also moderated significantly, declining by 1.6 percentage points, while transportation and communication inflation eased marginally. Core CPI dropped sharply from 5.9% to 4.0%, signaling a broad-based reduction in underlying inflationary pressures. However, food inflation bucked the trend, driven by broad based rise in prices in key categories including vegetables, cereals and pulses.

Average (YoY, %)	CY23	11MCY24	Change in %
CPI	5.7	4.9	-0.7
Food & Beverages	6.6	7.6	1.0
Fuel and Light	4.1	-2.9	-7.0
Housing	4.4	2.8	-1.6
Transportation & Communication	2.6	2.0	-0.6
Core CPI@	5.9	4.0	-1.9

Source: CMIE; @-CPI excluding food, fuel, transportation & housing

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Macroeconomic Update (contd...)

In recent months, vegetable prices have remained elevated, with seasonal price corrections occurring gradually. However, the anticipated arrival of new crop supplies is expected to ease food inflation. Combined with the subdued momentum in core CPI, this is likely to bring overall CPI closer to the RBI's target of 4% in 2025.

Current account deficit narrows significantly, likely to remain in manageable range: India's current account remained in a comfortable position during the first nine months of 2024 (9MCY24). The increase in gold and silver prices, along with reduction in import duties and weak jewellery exports, led to a sharp rise in net gold imports. Additionally, the net oil deficit widened due to a decline in oil exports, partially offset by lower oil prices. The non-oil, non-gold (NONG) trade deficit narrowed slightly, supported by strong exports of electronics, automobiles, machinery, and chemicals, though this was largely counterbalanced by higher imports of electronic components and engineering goods. The overall increase in the merchandise trade deficit was more than offset by a sustained rise in services exports, driven by higher IT services exports, a growing number of global capability centres, and robust remittances from non-resident Indians (NRIs).

Capital flows remained strong, driven by an increase in foreign portfolio investment (FPI) inflows, both in debt (boosted by inclusion in the JP Morgan Emerging Market Bond Index) and equity. Furthermore, NRI deposits and external borrowings saw a sharp rise. However, foreign direct investment (FDI) flows were weak, as a record number of IPOs in 2024 led many foreign investors and promoters to withdraw their funds from India.

Overall, the balance of payments remained healthy, with a manageable current account deficit (CAD) and strong foreign exchange reserves. Looking ahead, the current account is expected to remain within manageable levels, supported by the resilience of services exports and a stable merchandise trade deficit. The capital account is likely to stabilize, with potential improvements in FDI flows.

India's external situation (USD billion)	9MCY23	9MCY24	Change
Trade (Deficit) / Surplus	**-173.8**	**-192.5**	**-18.6**
Net Oil Imports	-69.4	-80.0	-10.6
Net Gold Imports^	-24.4	-35.7	-11.3
Trade deficit ex oil & gold (NONG)	-80.0	-76.8	3.3
Net Invisibles exports Surplus / (Deficit)	**152.3**	**175.7**	**23..4**
Current account deficit	**-21.5**	**-16.8**	**4.8**
% of GDP	**-0.8**	**-0.6**	**0.2**
Capital Account Surplus / (Deficit)	**54.1**	**71.4**	**17.3**
FDI	10.2	6.7	-3.5
FII	19.0	32.2	13.2
NRI deposits	9.0	15.6	6.6
Trade credits, ECB's, etc.	4.6	11.8	7.2
Banking capital	4.1	-1.1	-5.1
Others	7.2	6.2	-1.0
Balance of Payments	**32.5**	**54.6**	**22.1**

Source: CMIE, Ministry of Commerce; NM – Not meaningful. ^ Net Gold includes gold, silver and pearls precious & semiprecious stones adjusted for gems and jewellery exports. NONG refers to Non-Oil Non Gold (as defined above) imports/exports

YoY Change	Market price (USD)*	CY23 (%)	CY24 (%)
Brent Crude (per barrel)	75	-10.3	-3.1
Gold (per ounce)	2,625	13.1	27.2
Steel (per tonne)	490	-3.4	-13.3
Zinc (per tonne)	2,974	-12.7	12.6
Copper (per tonne)	8,706	1.1	2.7
Aluminium (per tonne)	2,527	-0.2	7.7
Lead (per tonne)	1,922	-13.0	-5.4

Source: Bloomberg; *Market prices as on December 31, 2024

Commodity prices mixed trend: 2024 witnessed a strong performance in precious metals, subdued energy prices, and mixed momentum in industrial commodities. Brent crude prices declined modestly, indicating softer global energy demand. Gold emerged as a standout performer with significant gains, driven by safe-haven demand and economic uncertainties, surging 27.2% in CY24 after a strong 13.1% increase in CY23. Industrial metals showed mixed performance—while copper, zinc and aluminium posted moderate gains in CY24, steel and lead prices experienced steep declines.

Summary and Conclusion:

In 2024, global economic growth moderated but still surpassed expectations, primarily driven by the United States. However, China's growth fell short of expectations, hindered by structural issues in its real estate sector. While inflation retreated from its peak, it remained stickier than anticipated, and central banks globally reduced policy rates in response to easing inflation and moderating growth. Despite this, it appears that the first phase of monetary easing has concluded, with central banks now likely to adopt a more data-dependent approach going forward. The outlook for 2025 has become increasingly uncertain, with factors such as changes in the U.S. government, rising policy uncertainty, and unclear inflation trajectories contributing to the unpredictability. However, fundamental growth drivers remain resilient, and growth is expected to remain relatively steady.

In India, growth momentum remained robust in the first half of 2024, buoyed by strong economic activity. However, the pace slowed sequentially due to a reduction in government spending and subdued corporate profitability. On the positive side, a pick-up in consumption and household real estate activity helped offset some of the negative impact. The external sector remained resilient, supported by robust growth in services exports, remittances, and foreign portfolio investment (FPI) inflows, along with healthy foreign exchange reserves. Persistent inflation, mainly driven by rising food prices, kept the Reserve Bank of India (RBI) on hold throughout the year, although it reduced the cash reserve ratio (CRR) to ease liquidity and revised its policy stance to neutral.

Looking ahead, India's economic growth is expected to stabilize, supported by a recovery in consumption, increased government spending, and continued strength in household real estate activity. However, several risks could affect the outlook, including the escalation of geopolitical tensions, a resurgence in inflation, potential policy changes that could negatively impact global trade, a return to tightening measures by major central banks, and a sharp rise in energy prices.

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Equity Market Update

Indian equity markets sustained their positive run in 2024, concluding the year with NIFTY / BSE Sensex registering ~8-9% gain. This marked the 9th consecutive year of positive returns for equity indices. The Midcap and Smallcap indices notably outperformed the large-cap benchmarks. Key drivers / events during the year included US growth surprising on the upside, synchronized monetary easing by central banks in Advanced Economies (AEs), volatility in US and European yields, disappointment in China's growth, sequential momentum moderating in domestic growth, weaker than expected mandate for incumbent NDA government, and weak government capex spending. Most sector indices ended the year with gains, and Healthcare, Auto, Capital Goods, IT and Power emerged as the key outperforming sectors.

Globally, equity indices across major Advanced Economies (AEs) and Emerging Markets (EMs) experienced gains, except for France and South Korea. The following tables provide details on the performance of key domestic and global indices.:

% Change in Indices	CY23	CY24
BSE India Auto	46.0	22.3
BSE India Bankex	11.2	6.2
BSE India Capital Goods	66.9	21.8
BSE India FMCG	27.3	1.5
BSE India Healthcare	37.0	43.5
BSE India Metal	29.4	7.0
BSE India Power	32.8	19.7
BSE India Oil & Gas	12.8	13.2
BSE India IT	25.6	19.9
BSE SENSEX	**18.7**	**8.2**
NIFTY 50	**20.0**	**8.8**
NIFTY Midcap 100	**46.6**	**23.9**
NIFTY Smallcap	**55.6**	**23.9**

Source: Bloomberg

% Change in Indices	CY23	CY24
S&P 500	24.2	23.3
Nasdaq	43.4	28.6
FTSE	3.8	5.7
DAX	20.3	18.8
CAC	16.5	(2.2)
Nikkei	28.2	19.2
Hang Seng	(13.8)	17.7
Shanghai	(3.7)	12.7
KOSPI	18.7	(9.6)
MSCI Emerging Market	7.0	5.1

Source: Bloomberg

In 2024, Foreign Portfolio Investors (FPIs) sold equity worth USD 2.0 billion, after buying USD 21.4 billion in CY23. On the contrary, Domestic Institutional Investors (DIIs) stayed net buyers and purchased equities worth USD 50.1 billion in 2024, mainly driven by strong flows into mutual funds. (2023: net purchase of USD 22.3 billion).Flows into mutual funds (MF) more than doubled in 2024, reaching approximately INR 4,90,000 crore in 11MCY24 compared with ~INR 2,24,000 crores in the same period a year before (2023).

Outlook

As on December 31, 2024, NIFTY 50 was trading at ~20x FY26E price to earnings multiple. Further, Market cap-to-GDP stood at ~120% (based on CY25 GDP estimates) and the gap between 10Y G-sec yield and 1Y-Forward NIFTY 50 earnings yield* remained at an elevated level [*Earnings yield = 1/ (one year forward P/E)*]. Current valuation multiples are at premium to their historical averages.

Chart 1

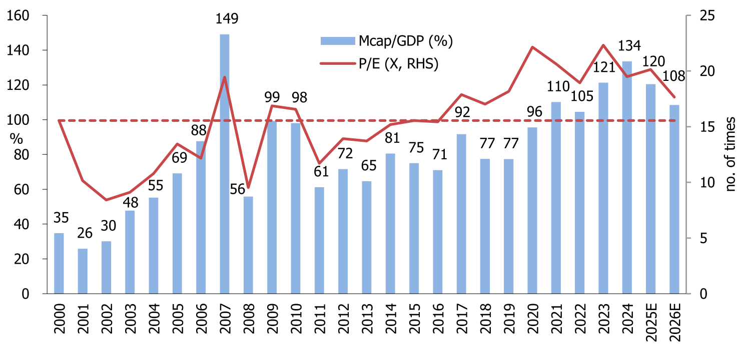
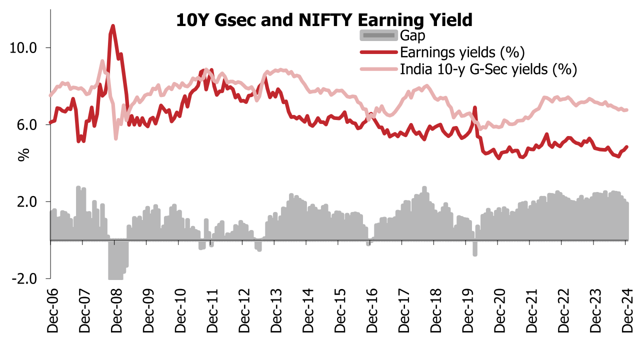


Chart 2



Source: Kotak Institutional Equities; For 2025 and 2026, the market cap as on December 31, 2024 is taken and divided by GDP estimates for CY25 and CY26

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Equity Market Update (contd...)

Valuations for most major sectors are higher than their long-term averages as shown in the table below:

	12 months forward Price to Earnings		
	31-Dec-24	LTA	Discount / Premium^
Industrials	36.4	26.7	36.5
IT Services	27.1	20.8	30.2
Pharma	29.8	24.2	23.4
PSU Banks@	1.3	1.1	15.0
Consumer Discretionary	58.8	54.0	8.8
Oil and gas	13.1	12.4	6.0
Consumer staples	37.5	35.7	5.2
Metals	10.4	10.1	2.7
Auto	19.4	19.9	-2.5
Private Banks@	2.3	2.6	-8.3

Source: Kotak Institutional Equities. Stocks are part of Kotak Institutional Equities universe.
LTA – 10 Years average. Cells in green are sectors which are trading at premium. All figures are calculated based on 12 months forward estimates. ^to Long term (LT) average, @-Price to Book value

While the markets have witnessed some correction in Q4CY24, the broad-based rally seen during past couple of years continued in 2024. This has resulted in small cap and mid cap sticks significantly outperforming and are now trading at a noteworthy premium to their long-term average valuation. Given the aggregate valuation being higher than historical average, the importance of stock selection increases even more.

We remain positive on equities over the medium-to-long-term considering the structurally robust domestic growth outlook, healthy corporate profitability and pro-growth policies. A sharp slowdown in growth, risk of trade and geopolitical tensions, and re-acceleration in inflation globally or locally are material near-term risks.

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Debt Market Update

CY24 witnessed divergent trend global fixed income markets. The yields in AEs, which fell in end 2023 on Fed Pivot in December 2023, trended higher as US growth surprised significantly on the upside and rate cut expectations were dialled back. Volatility in the yields continued during the year driven by tug of war between growth (along with sustained high fiscal deficit) and inflation (along with rate cut expectations). The yields marched higher in the run up to the US elections and remained at an elevated levels post the Republican win as expectations of fiscal deficit, growth and inflation likely to remain high, rose. The US and European yields rose despite policy rate cuts by respective central banks. On the contrary, China yields trended lower and 10Y yield was trading near all-time low as inflation and growth remained under pressure and PBoC continuing to follow accommodative monetary policies.

Indian Government Securities (Gsec) yields, which were trading within a narrow range in first half of the year, trended lower for rest of the year with relatively low volatility. The movement in yield curve was driven by comfortable fiscal deficit, below expectations Gsec supply, robust FPI flows due to inclusion in JP Morgan global Emerging Market bond indices, stable currency, moderating growth, etc. However, the impact of aforesaid were offset by elevated inflation, primarily driven by food prices and draining of interbank liquidity by the RBI. Longer-end Gsec outperformed the shorter end driven by depleting liquidity. The 10-year Gsec yields concluded the year at 6.76%, 41 basis points lower than prior year end. Corporate bond spreads were largely stable. The table below gives a summary view of movement of key rates and liquidity:

	31-12-2023	31-12-2024	Change (%)
MIBOR Overnight Rate (%)	6.90	7.15	0.25
3M Gsec yield (%)	6.93	6.55	-0.38
10Yr Benchmark G-Sec Yield^ (%)	7.17	6.76	-0.41
AAA 10Year Corporate Bond Yields#,& (%)	7.64	7.20	-0.44
AAA 10Y Corporate bond spread against 10Y benchmark@ (bps)	47	45	-0.02
Average net liquidity absorbed/infused by RBI* (INR billion) during the year	342	-21	NA

NM – not meaningful. ^-bi-annual yield; #-annualised yield; & - Bloomberg AAA corporate bond index is used. @ - Spreads calculated by subtracting non-annualised Gsec yields from annualised corporate bond yields. *Average net daily liquidity infused / absorbed through Liquidity Adjustment Facility, exports refinance, marginal standing facility, standing deposit facility and term repos/reverse repos. Source: Bloomberg, RBI

During the year, the average interbank liquidity experienced a significant decline, primarily driven by higher government balances for most part of the year and forex interventions by RBI.

Foreign Portfolio Investors (FPIs), including those under the Voluntary Retention Route, made debt investments totalling USD 18.3 billion in 2024, after buying USD 7.4 billion. Post the announcement of inclusion of Indian Gsec in JP Morgan Global Emerging Market indices in September 2023, FPI has cumulatively bought ~USD 23 billion.

RBI maintained a hawkish tone throughout the year, as inflation remained far from target. However, it revised its stance to neutral during the last quarter and reduced the CRR by 50 bps to 4%, thus injecting liquidity of ~INR 1.2 trillion in the system. A slowdown in growth momentum, moderating inflation and change at the helm of RBI has raised rate cut expectations in 2025.

Outlook

In CY23, the Indian fixed income markets demonstrated relative stability, particularly in contrast to the high volatility witnessed in the debt markets of the US and other advanced economies. This resilience can be attributed to several factors, including a low risk of fiscal slippage, consistent demand from long-term buyers such as insurance and provident funds, easing core inflation, a correction in commodity prices, and a comfortable external sector characterized by ample forex reserves and a manageable current account.

In our view, medium term outlook on Indian fixed income market remains favourable, considering:

- Global growth is expected to remain steady, and inflation is expected to drift lower towards target in most advanced economies. Thus, AE central banks are likely to continue with their accommodative monetary policy.
- Central government fiscal deficit has risk of undershooting the budget target (FY25:4.9%) and FY26 fiscal deficit is also likely to be below 4.5%. This along with expectations that elevated RBI dividend in FY26 is likely to keep market borrowings within manageable levels.
- Core CPI momentum remains subdued on back of moderating urban consumption. Further, headline CPI is likely to trend towards RBI's target (4%) as pressure from food inflation dissipates in view of expectations of good crop productions.
- External sector could remain comfortable in view of steady growth in services exports, rangebound oil prices and adequate foreign exchange reserves.
- Draft circular released by RBI on Liquidity Coverage Ratio (LCR) which, if implemented, could aid demand for SLR securities by banks.
- Revision of India's sovereign rating outlook to positive (Rating unchanged at 'BBB-') from stable by S&P enhances prospects of sovereign rating upgrade for India.

Key risks to the favourable outlook:

- USD strengthens further, thus putting pressure on INR which can delay rate cuts by RBI.
- Regular food price shocks keeping headline CPI at an elevated level.
- Delay / deferment of implementation of LCR guidelines by RBI.
- Significant rise in commodity prices especially oil driven by escalation of geopolitical tensions.

Overall, in our view, yields are likely to remain rangebound with a downward bias. We believe that RBI decision on the policy rate is delayed, not denied and RBI is expected to reduce policy rate in H1CY25 when inflation is expected to align durably to the target. Thus, as highlighted in our recently released note (Rethinking Fixed Income: Delayed not denied), investors with a relatively longer investment horizon, could continue to increase allocation to longer duration funds in line with individual risk appetite. Further, in view of convergence of elevated short-term rates, attractive corporate bonds spreads (over Gsec), expectations of rate cuts and improved liquidity in near term, one may also consider investment in medium duration categories especially corporate bonds focussed funds.

Source for various data points: Bloomberg, NSDL, CMIE, RBI, Kotak Institutional Research, World Bank, Daily valuation provided by ICRA/CRISIL.

Glossary

AE	Advanced Economies
BoE	Bank of England
BoJ	Bank of Japan
BoP	Balance of Payment
bps	Basis points
CAGR	Compound Annual Growth Rate
CMIE	Centre for Monitoring Indian Economy
CPI	Consumer Price Index
CRR	Cash Reserve Ratio
CV	Commercial Vehicle
DIIs	Domestic Institutional Investors
EA	Euro Area
ECB	European Central Bank
FOMC	Federal Open Market Committee
FPI	Foreign Portfolio Investment
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
IMD	India Meteorological Department
INR	Indian Rupee
IMF	International Monetary Fund
IMPS	Immediate Payment System
JGB	Japanese Government Bonds
LCV	Light Commercial Vehicle

Mbpd	Million Barrels Per Day
MHCV	Medium and Heavy Commercial Vehicle
MIBOR	Mumbai Interbank Offered Rate
M-o-M	Month on Month
MPC	Monetary Policy Committee
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non-Banking Financial Company
NONG	Non-Oil Non-Gold
OMO	Open Market Operation
PBoC	People Bank of China
PIB	Press Information Bureau
PLI	Production Linked Incentive
PMI	Purchasing Managers' Index
PSU	Public Sector Undertaking
PV	Passenger Vehicle
RBI	Reserve bank of India
RE	Revised Estimates
SLR	Statutory Liquidity Ratio
UPI	United Payments Interface
US	United States of America
USD	United States Dollar
UST	US Treasuries
YoY	Year on Year