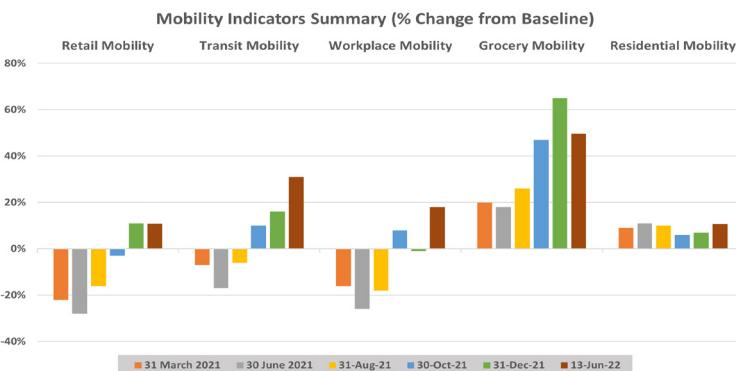


What We Are Tracking

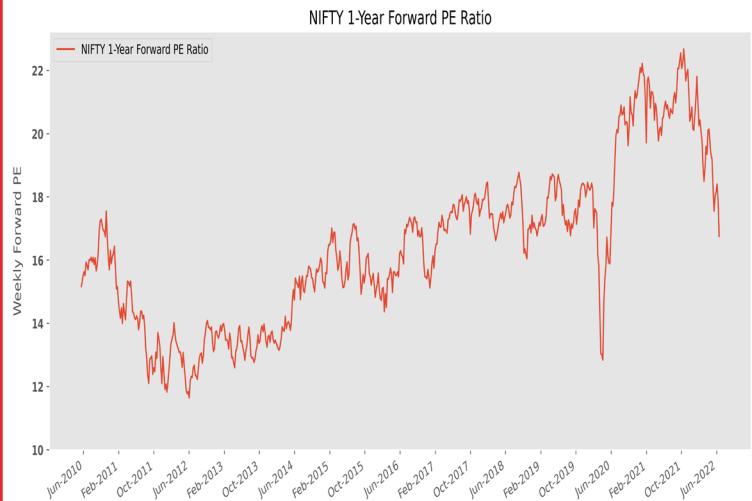
COVID-19 Impact Tracker

Summary of Mobility Indicators (YoY)



Source: Google Mobility

Chart of the Week



Sources: Bloomberg

Summary

- Page 2: Aggregate mobility indicators were mixed WoW across India, with workplace mobility falling over the week.
- Page 3: Traffic congestion in major cities remained stable WoW and stayed significantly below the average of 2019 and 2021 levels.
- Page 4: Domestic Airport footfalls (7DMA) fell to 7.13 lakhs. E-way Bills generated reached 73.6 Million in May.
- Page 5: Weekly Labor force participation rate fell to 38.31% and unemployment rate rose to 7.98% over the week. Consumer sentiment indicators remained flat over the week. UPI Transaction values (7DMA) fell over the week.
- Page 6: May's FasTag collections rose to unprecedented levels, reaching Rs. 4369 Crores. PMIs witnessed strengthening in May, with Manufacturing PMI remaining flat MoM. Petroleum Product Consumption fell 2% in May.
- Page 7: April's railway freight traffic fell 13% MoM. Both steel production and consumption rose in May. Exports fell and Imports rose in May.
- Page 8: May's GST collections fell MoM to Rs.1.41 Lakh Crores. Forex Reserves fell to USD 596 Billion over the week. May's service receipts and payment rose MoM.
- Page 9: %YoY growth of M3 money supply and currency in circulation rose over the week in the last fortnight of May, at a slower pace than earlier weeks.
- Page 10: Continuing its rise from the previous week, WTI Crude reached USD 117 per barrel and India's NSE volatility (VIX) rising to 22.75 INR depreciated against the USD as USD to INR rate stands at 78.09.
- Page 11: India's 10-year G-Sec yield reached 7.62%. 1 year T-bill yield rose to 6.24%.
- Page 12: Global metal prices broadly fell over the week. IMF's food price index rose to 160 in April.
- Page 13: Global daily COVID cases (7DMA) rose to ~0.516 mln. India's daily Covid cases (7DMA) rose to 9k. India's TPR is now at 2.5%, rising over the week. Active cases rose to ~68,000 and from ~22,000 cases the fortnight before.
- Page 14: India has so far administered 196 crore vaccine doses. The 7-day average of daily vaccinations fell to 1.53 million vaccines. Doses per 100 citizens reached 139. 64.95% of the population has received both doses.

Note: May 2021 witnessed a deterioration in economic variables due to the second wave. Hence, there is an unusually low base for MoM comparison for June 2021

Aggregate mobility indicators were flat over the week, with workplace mobility falling. Indian electricity consumption fell over the week. E-Way Bills generated reached 73.6 Million in May. Passenger footfalls at Indian airports fell last fortnight. WTI crude oil fell to USD 117/bbl. India's Petroleum product consumption fell 2% MoM in May. Consumer inflation fell in May, while India's WPI inflation made fresh cyclical high in May. India's money supply (M3) growth decelerated to mere 8.5%YoY. Global metal prices fell sharply over the week, led by aluminum. INR depreciated to 78.09 versus US\$ over the week. India's forex reserves fell marginally over the week to reach the USD 596 Billion mark. Indian equity market volatility remains high as market made fresh 1 year low on global worries. India's 10 year G-Sec yield rose to 7.62%, while the 1 year T-bill yield rose to 6.24%. Global new daily covid cases rose to 0.516 mln. India's daily Covid cases rose to 9k (7DMA). India's TPR rose to 2.5% with active cases rising to 68,000 over the week. India has so far administered 196 crore vaccine doses.

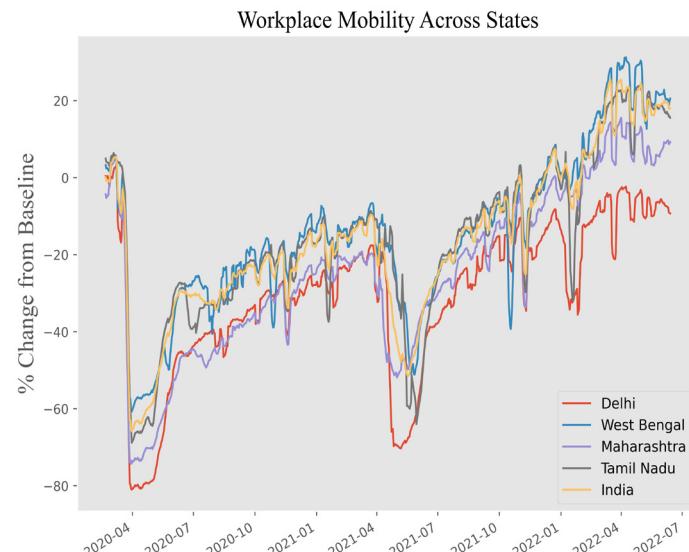
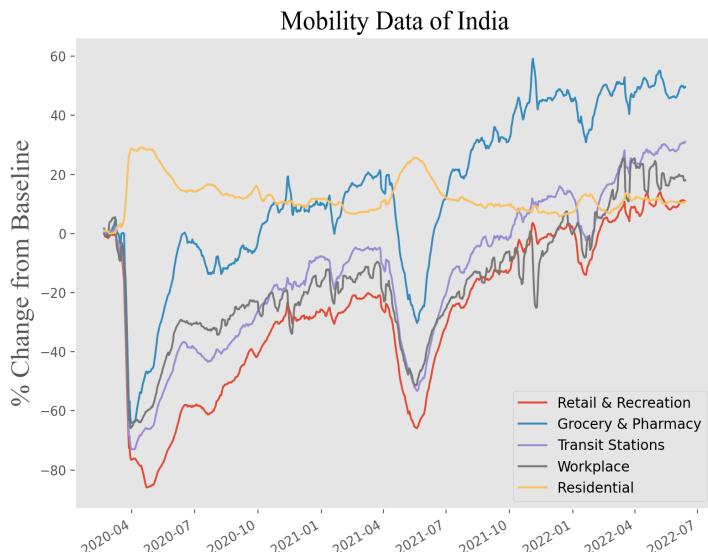
Indian stock market has seen one of the sharpest valuation multiple derating in history. Since Oct 2021 peak made in Nifty, Nifty 12 month forward PE ratio has declined by 26% "or" 5.9 points to 16.76 times. This is mainly due to 18% correction in Nifty since October 2021. Outside 2008 global financial crisis, we have seen such derating only once during Covid shock (March 2020). This valuation multiple derating is very much in line with very sharp global equity market valuation derating. Sharp rise in interest rates have led to equity market valuations correcting to lower than long term averages across markets. Valuations for broader market in India has also corrected sharply. After this correction, valuations are now at much lower than last 5 years average valuations making risk reward for Indian equity market much more favourable versus 6 to 9 months ago levels.

Google Mobility

(7 Day Moving Average Used)

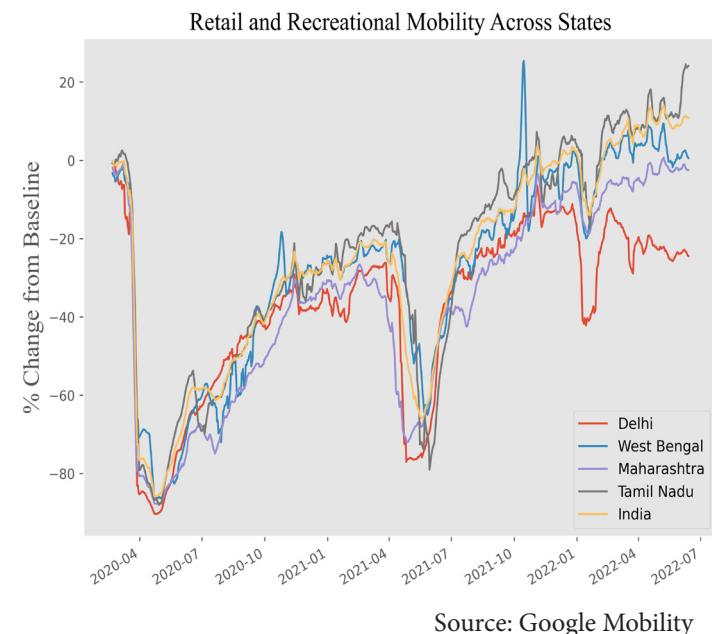
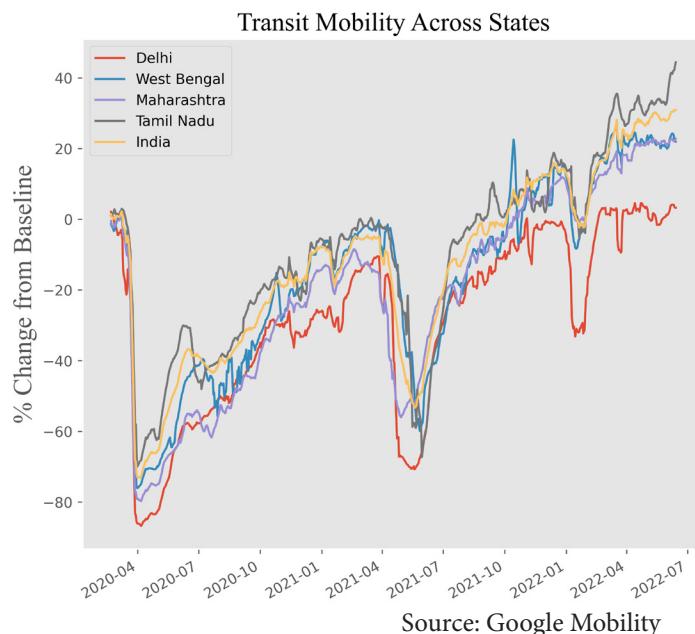
Aggregate Mobility Indicators rose WoW across India, while workplace mobility fell.

Aggregate workplace mobility fell across states WoW, with Maharashtra remaining flat.



Transit fell WoW across states, except in Tamil Nadu, as on 13th June 2022.

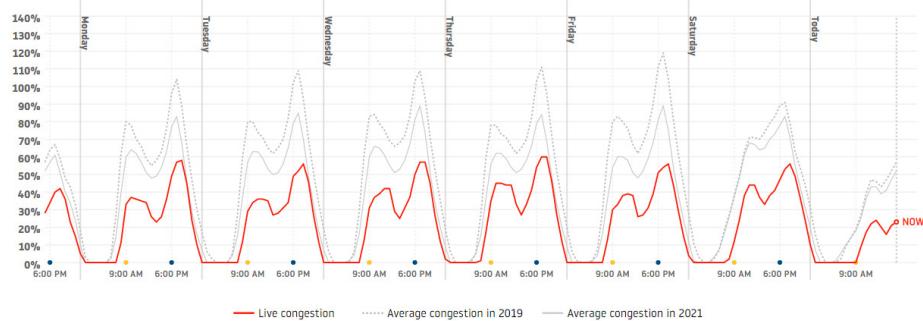
Aggregate Retail mobility fell WoW, with Tamil Nadu witnessing a marked rise over baseline levels.



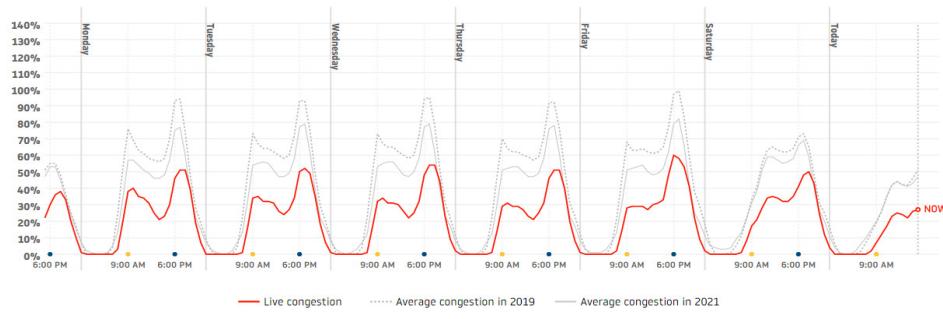
Traffic Congestion

Between 12th June 2022 - 19th June 2022

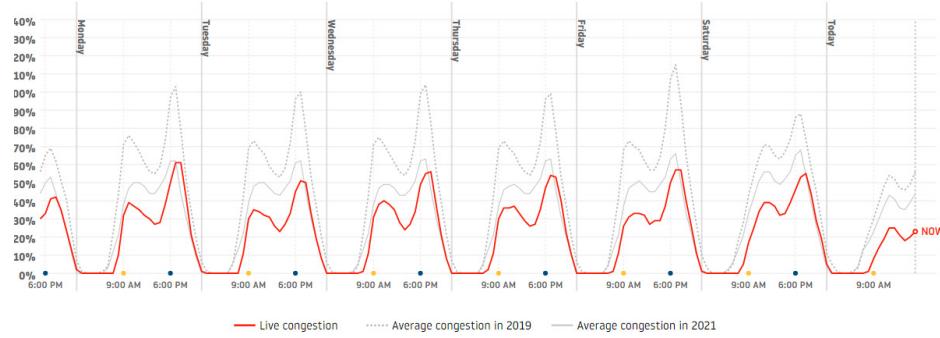
Mumbai



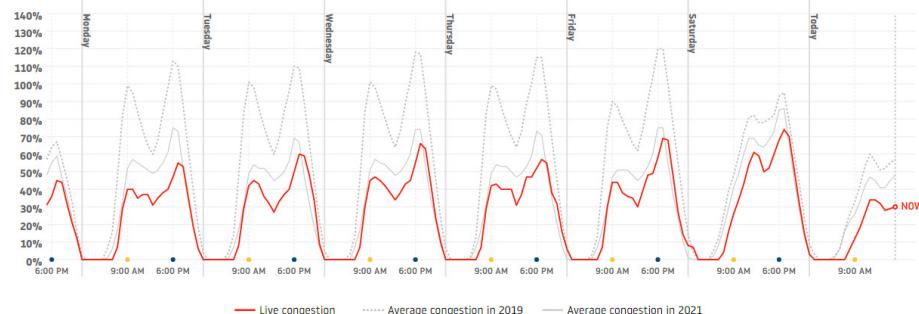
New Delhi



Pune



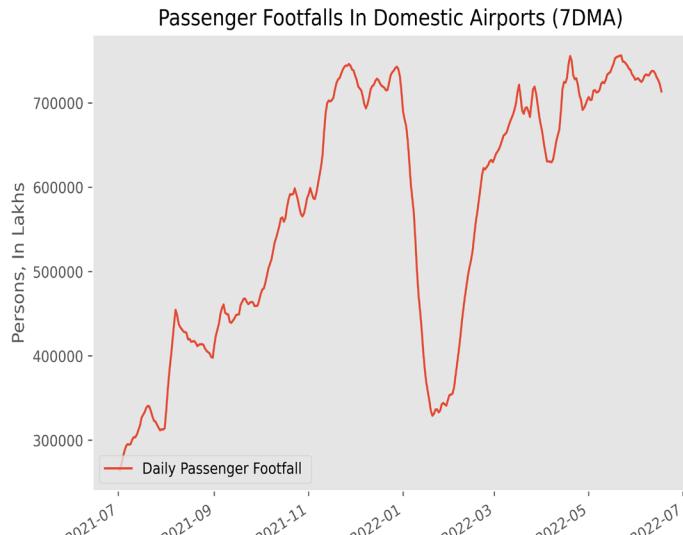
Bengaluru



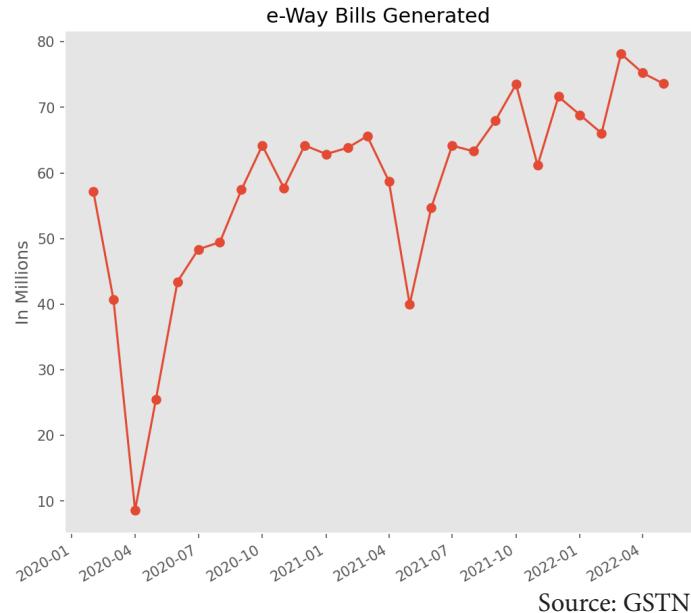
Source: TomTom

Miscellaneous High-Frequency Indicators

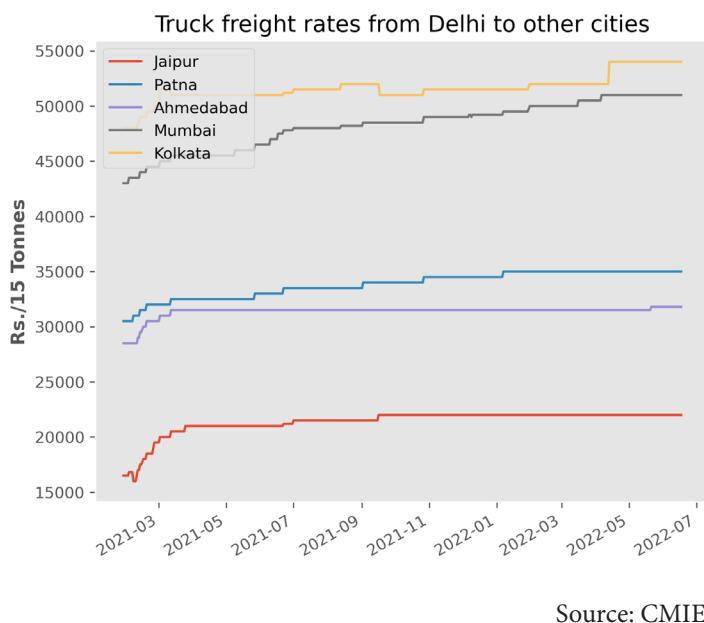
Domestic Airport footfalls (7DMA) fell WoW to 7.13 Lakhs as on 17th June, 2022.



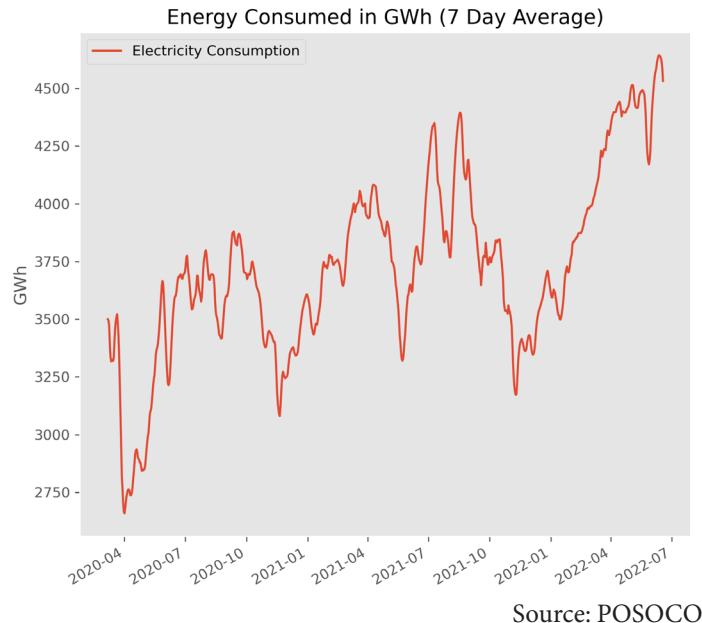
The number of e-Way bills generated in May (as of 31st May) stood at 73.6 Million, falling MoM.



Truck freight rate from Delhi to other cities stayed flat WoW.

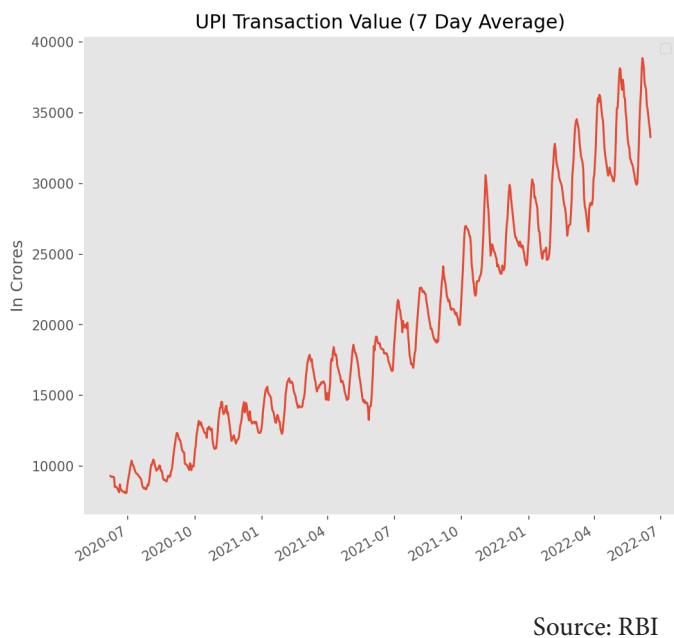


Indian electricity consumption (7DMA) fell over the week, after peaking at unprecedented levels the week before.

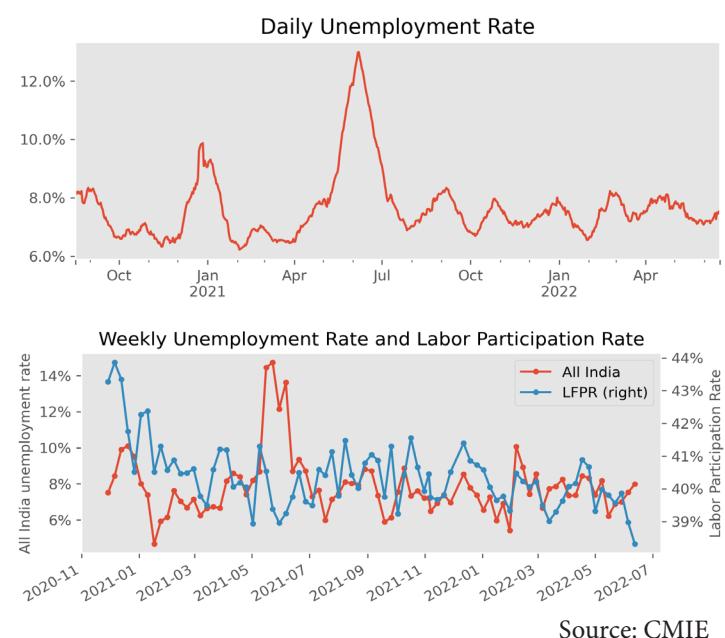


Miscellaneous High-Frequency Indicators

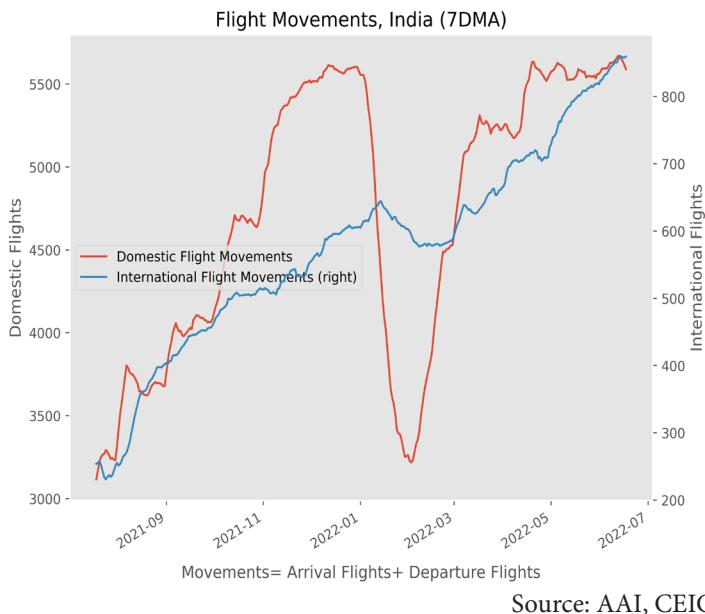
UPI transaction value (7DMA) fell over the past fortnight.



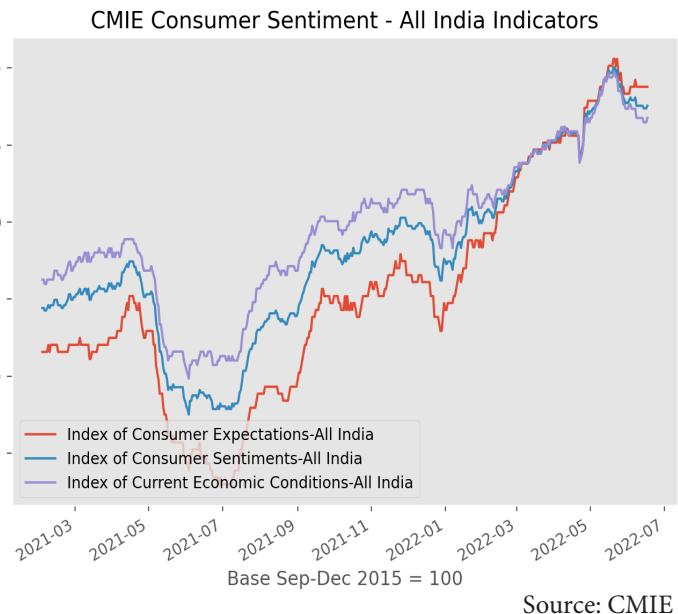
Weekly labor force participation rate fell WoW to 38.31%. Unemployment rates rose over the week to 7.98%.



Domestic Flight movements fell, while International Flight movements (7DMA) rose over the fortnight to June 17th, 2022.

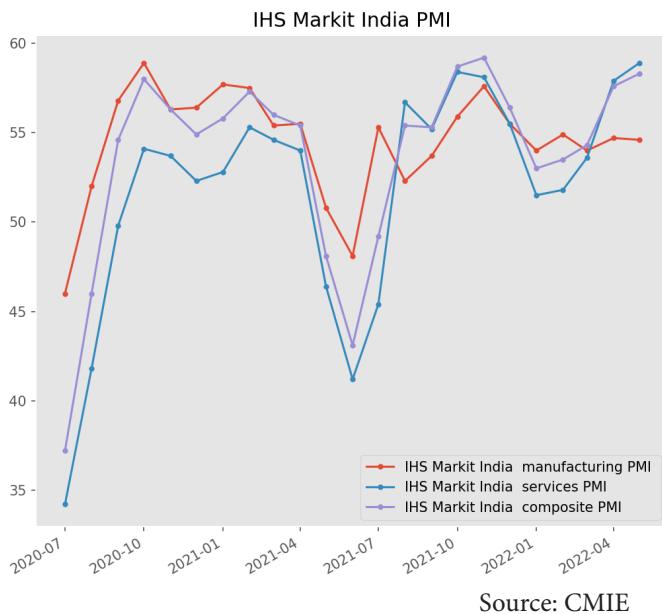


Consumer sentiment indicators remained flat over the week.

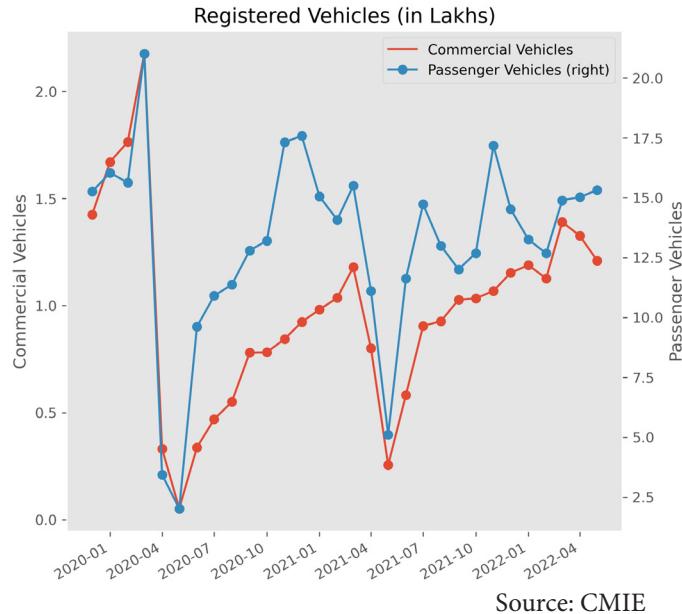


Miscellaneous Medium-Frequency Indicators

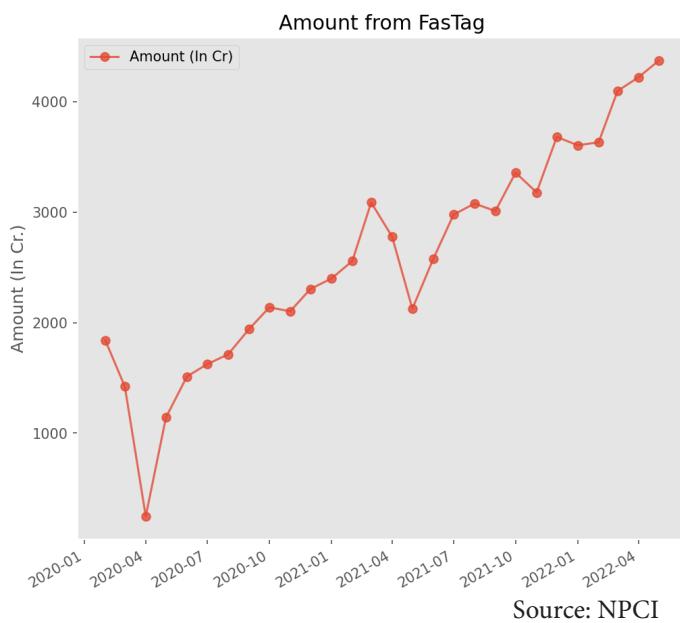
May witnessed broad based strengthening in services and composite PMIs, while manufacturing PMI remained flat.



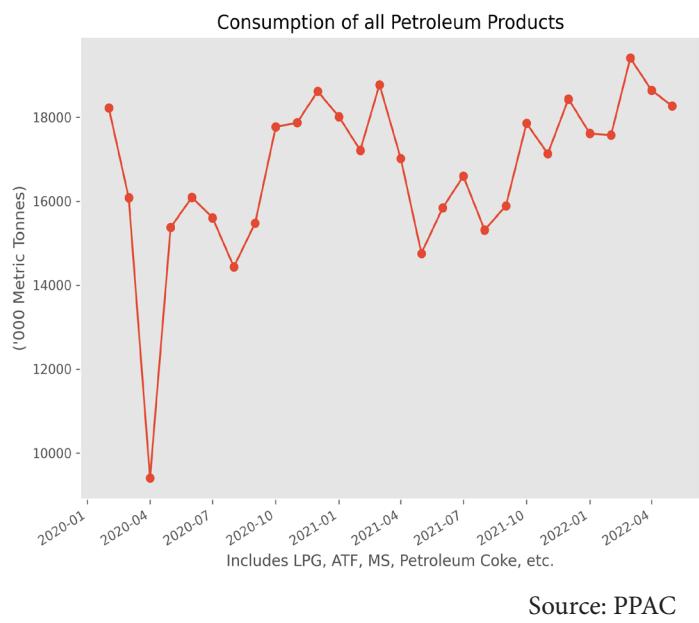
Passenger vehicle registrations rose marginally MoM, while Commercial vehicle registrations declined in May.



May's FasTag collections rose to the higher levels, reaching Rs. 4369.36 Crores.



May's petroleum consumption fell by 2% MoM.



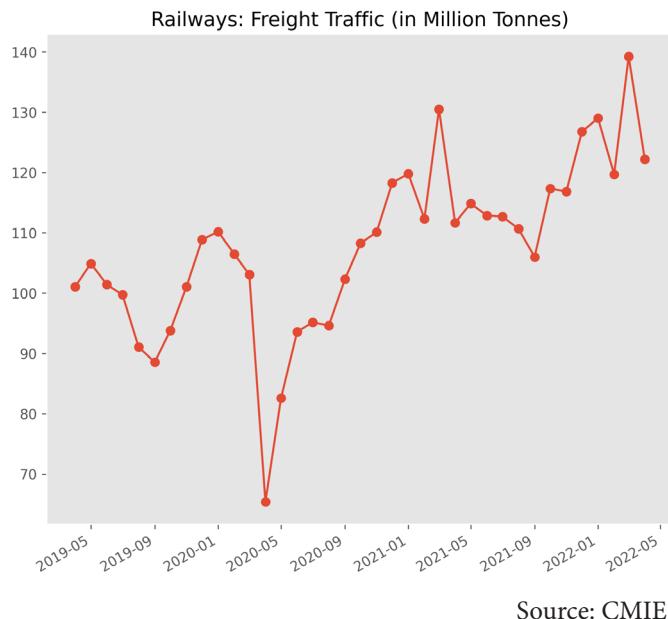
Miscellaneous Medium-Frequency Indicators

Both May's steel production and consumption rose MoM.



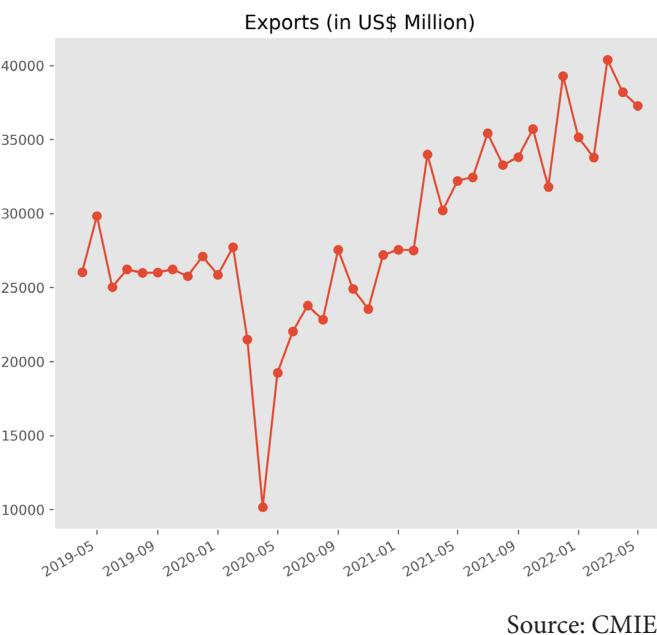
Source: CMIE

April's railway's freight traffic fell by 13% MoM.



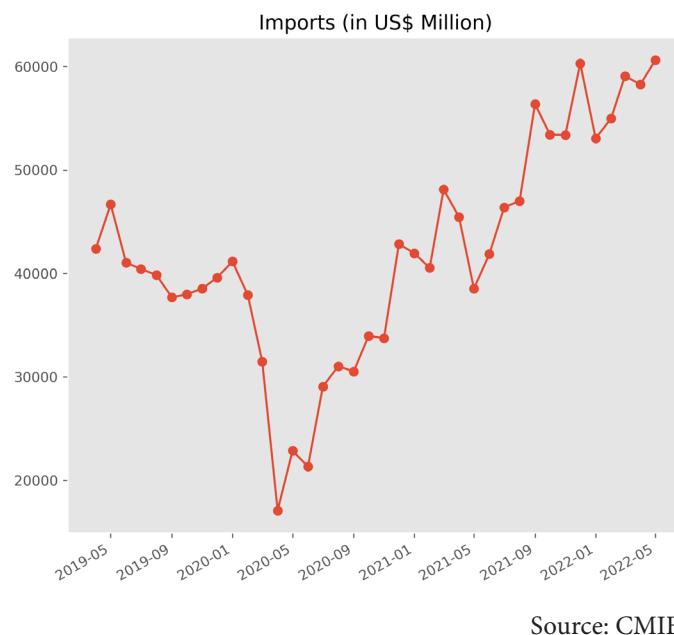
Source: CMIE

May's Indian exports fell MoM to USD 37.2 billion.



Source: CMIE

May's imports rose MoM to USD 60.62 billion.

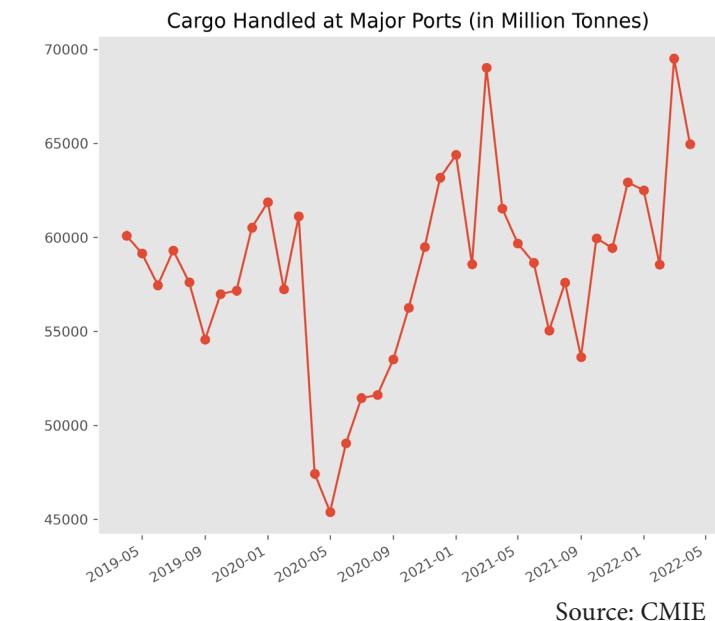
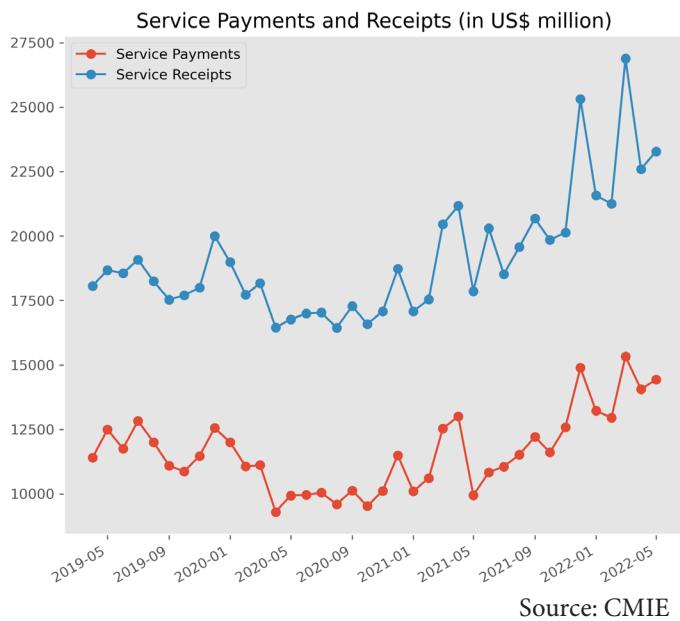


Source: CMIE

Miscellaneous Medium-Frequency Indicators

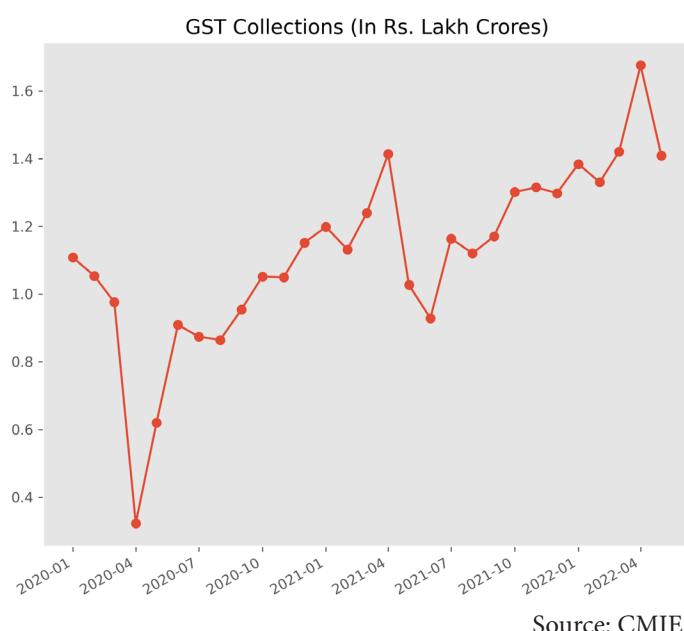
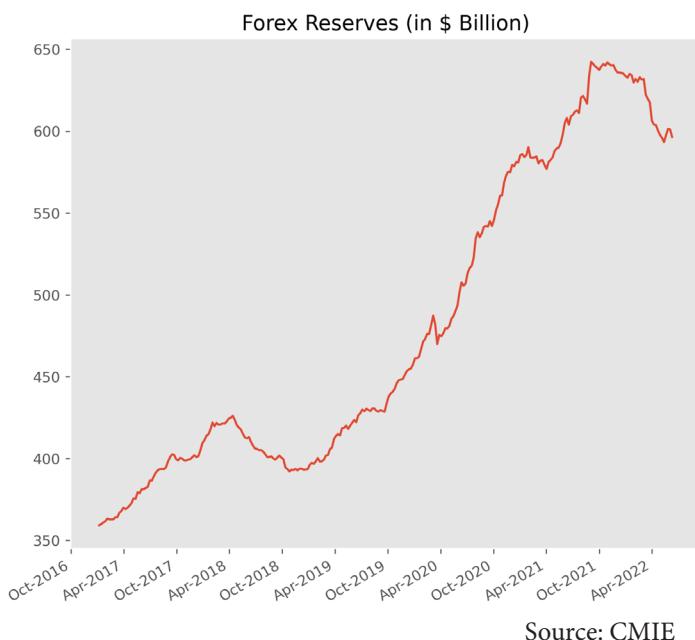
May's service payments and receipts rose MoM.

The volume of cargo handled at major ports fell to 64960 Million Tonnes in April.



Forex reserves in USD terms fell marginally to USD 496 Billion over the week leading to 10th June, 2022.

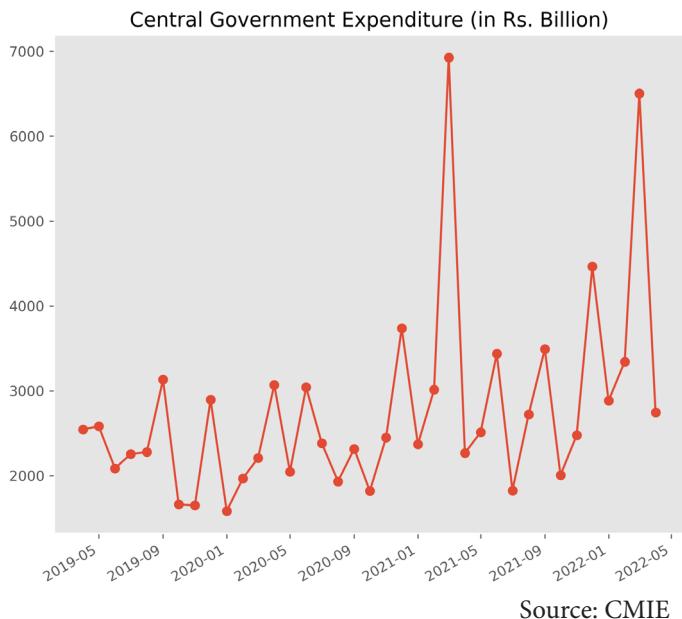
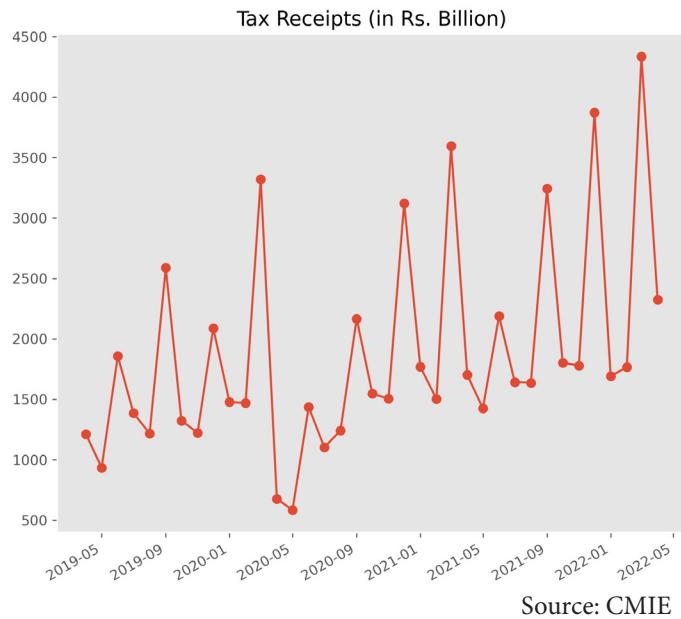
May's GST collections fell MoM to 1.41 Lakh Crore Rs.



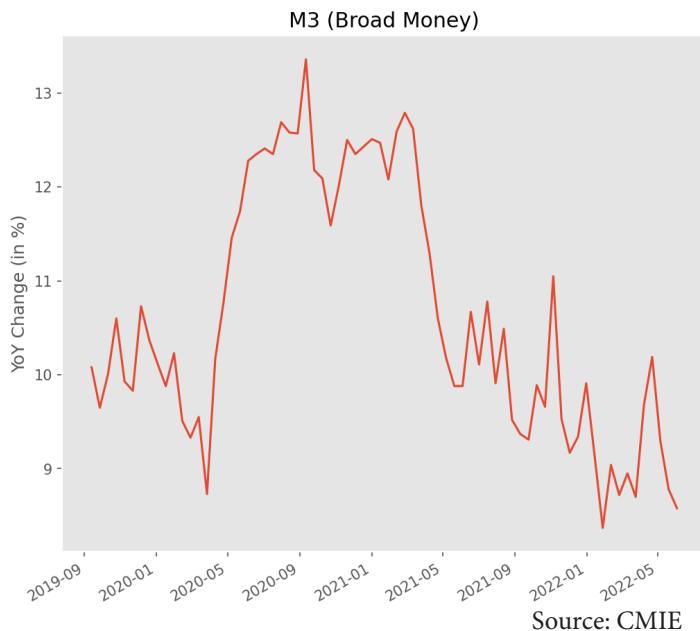
Miscellaneous Medium-Frequency Indicators

April's total tax receipts fell to 53% of March's levels, as well as MoM, to 2322.66 Billion Rs..

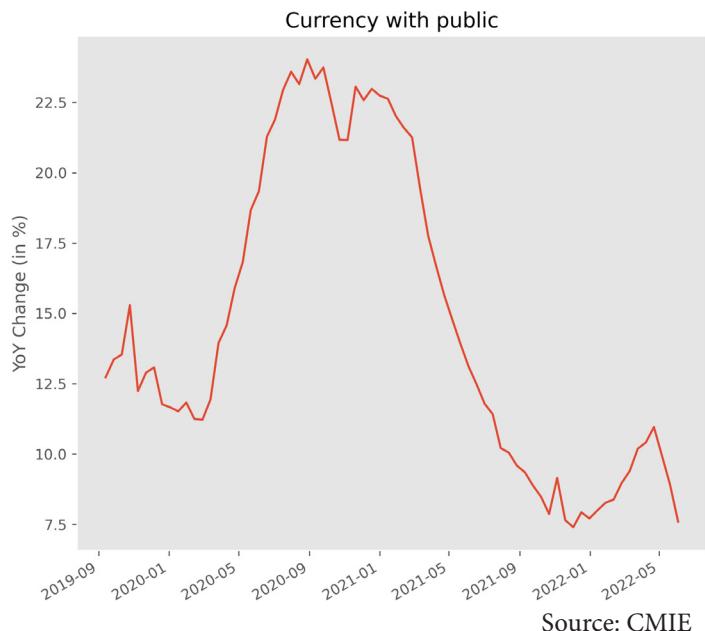
April's Central Government expenditure fell to 42% of March's levels, as well as MoM to 2748.290 Billion Rs.



%YoY growth of M3 money supply rose over the fortnight of 20th May to 3rd June, standing at 8.58% YoY change, at a slower pace to previous weeks.

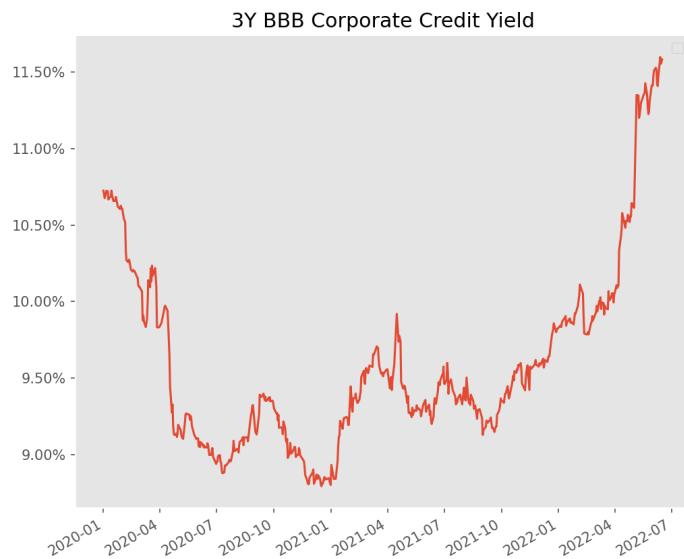


%YoY growth of currency in circulation continued to rise over the fortnight of 20th May to 3rd June, standing at 7.60% YoY change, at a slower pace to previous weeks.



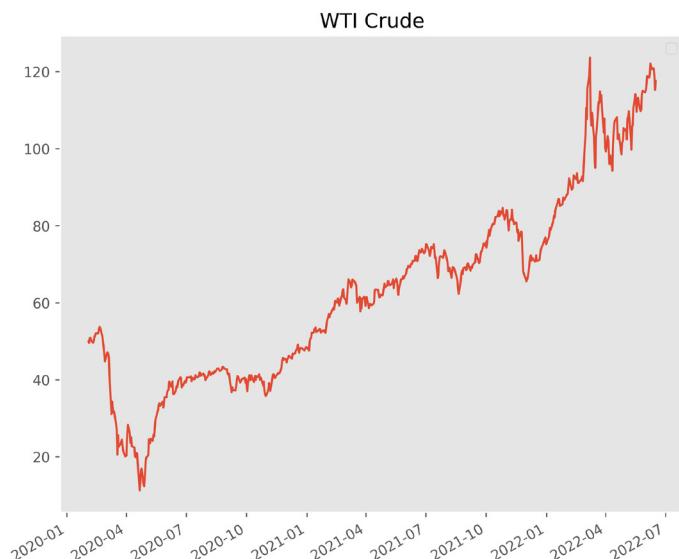
Capital and Commodity Market Indicators

Three-year BBB corporate credit yield rose over the week to reach 11.52%.



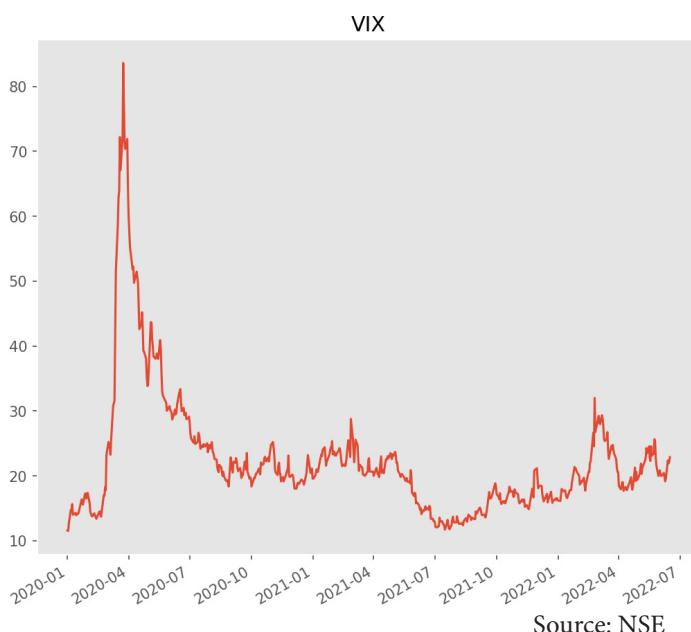
Source: Bloomberg

WTI Crude reached USD 117/bbl, from USD 121/bbl the week before.



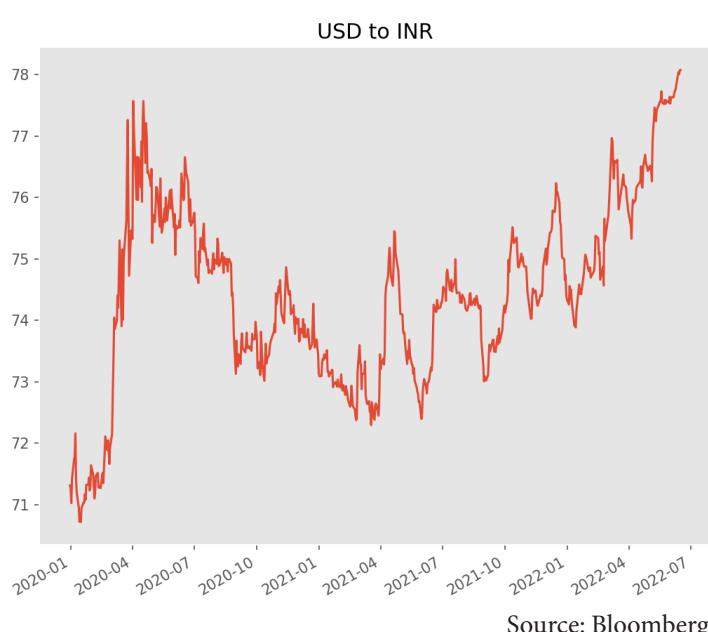
Source: Bloomberg

India's NSE volatility (VIX) stands at 22.75, with volatility rising WoW.



Source: NSE

INR depreciated over the week as the USD-INR rate stands at 78.09 as on 17th June, 2022.

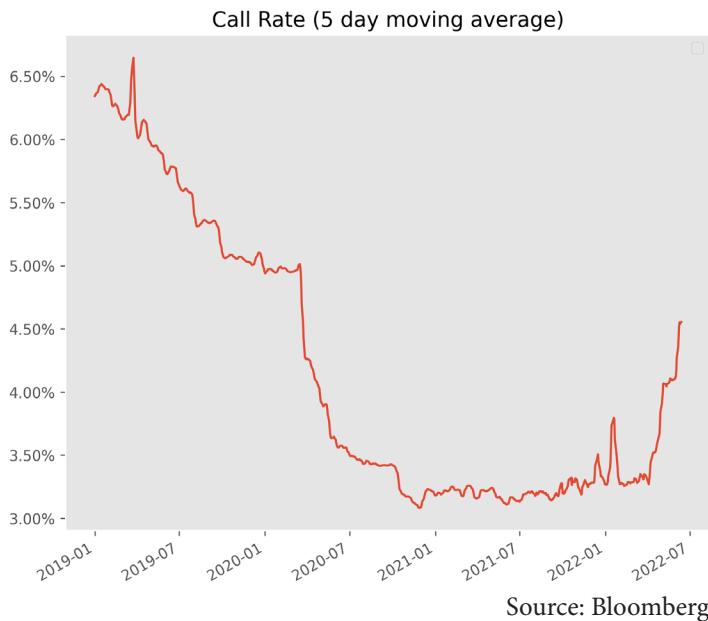


Source: Bloomberg

Money Market and Banking Sector Indicators

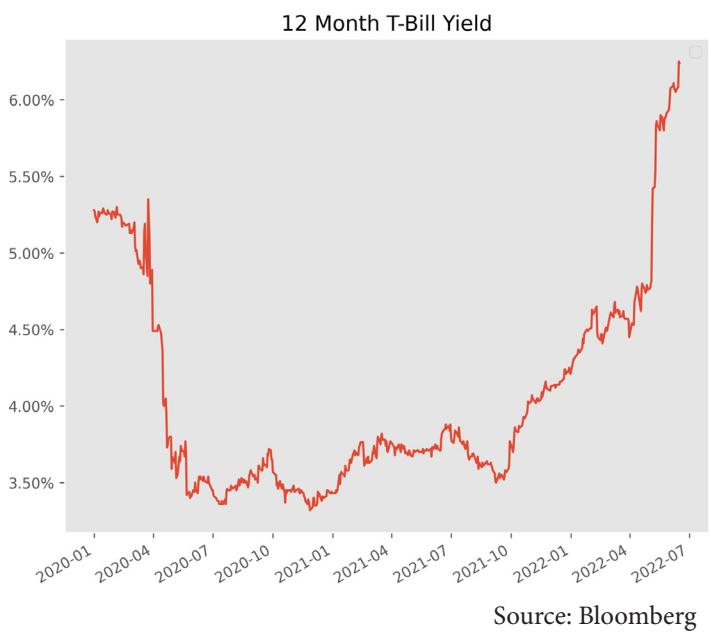
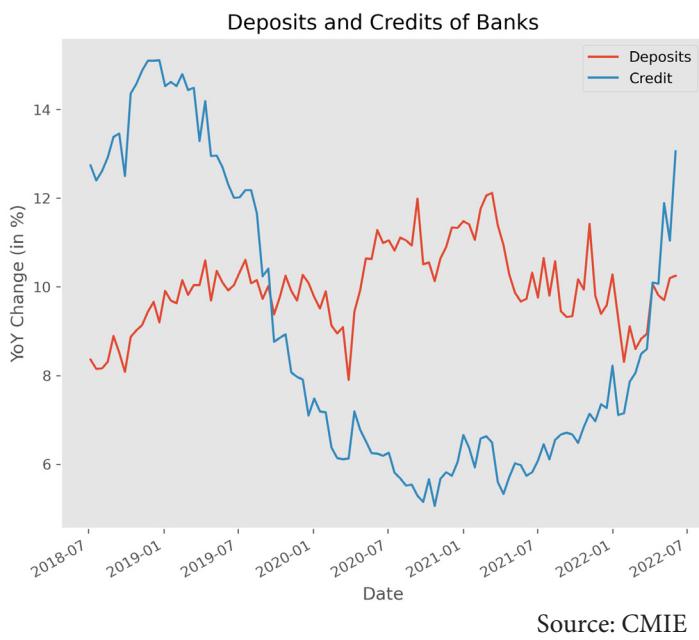
Call rate (5 day moving average) rose over the week to 4.62% (13th June to 17 June).

India's 10-year G-Sec yield reached 7.62% on 17th June, 2022.



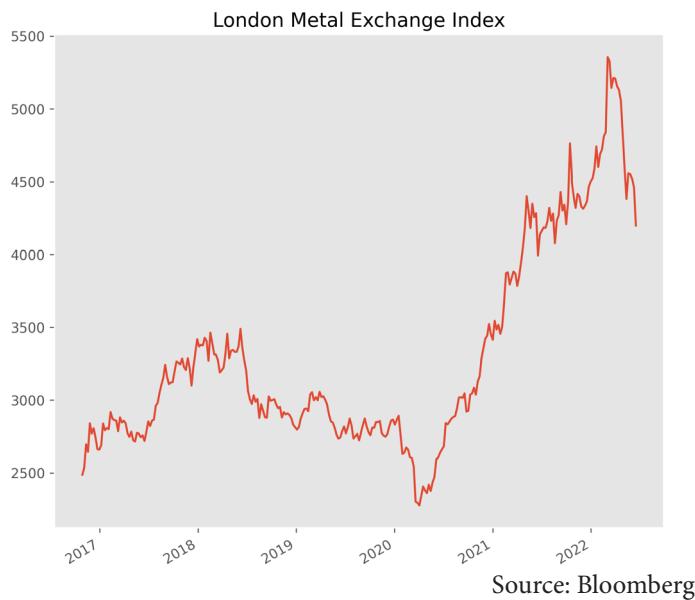
%YoY growth of bank deposits rose WoW by 10.25% while %YoY growth of credit rose by 13.06% as of 3rd June, 2022.

1 year T-bill yield rose to 6.24% (17th June), from 6.08% the previous week.

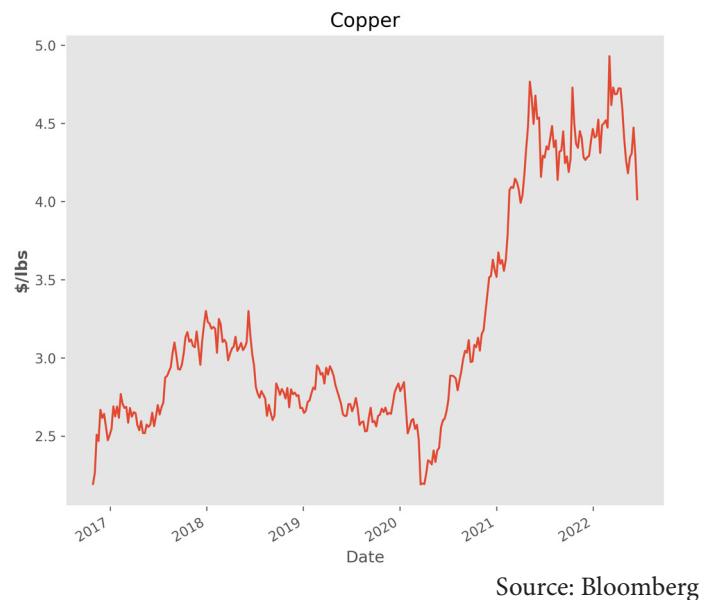


Ex-Crude Oil Commodity Prices

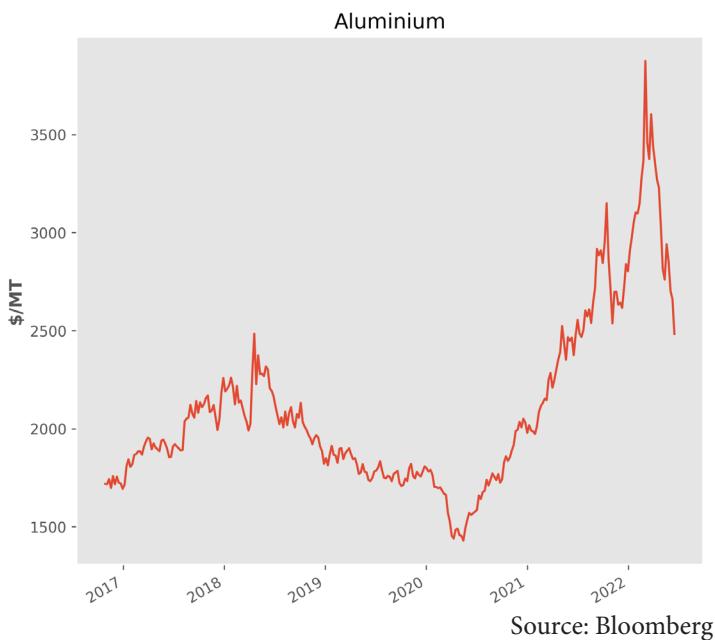
The LME index fell over the week to 4199.9.



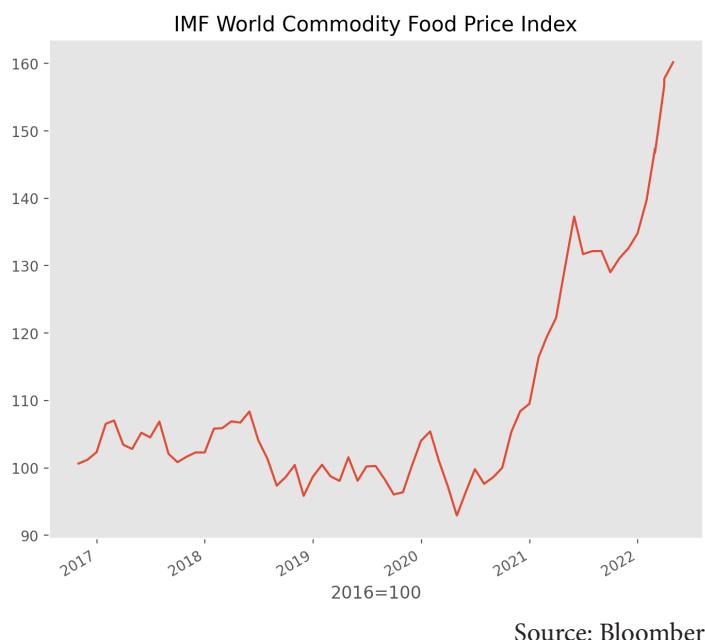
Copper fell WoW to USD 4.01 per pound from USD 4.29 per pound the week before.



Aluminium end of week rates fell by ~7% to USD 2483/MT as on 17th June, from USD 2661/MT the week before.

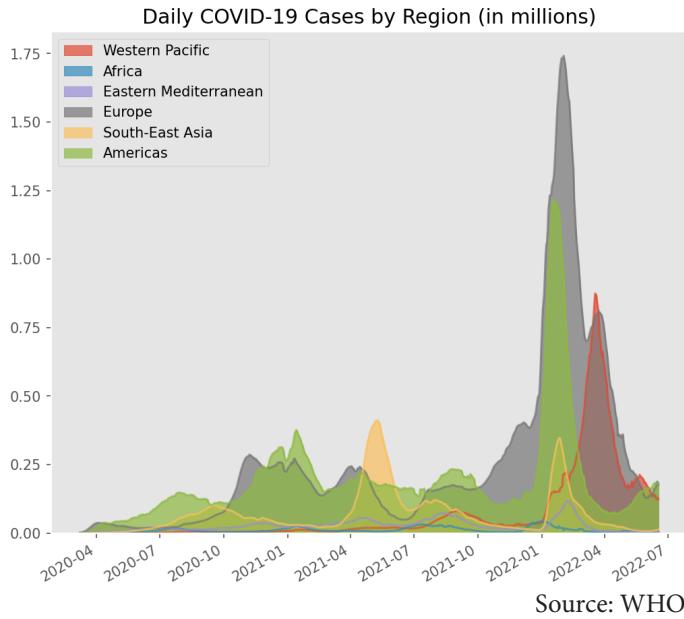


IMF World commodity food price index for April rose MoM to 160.

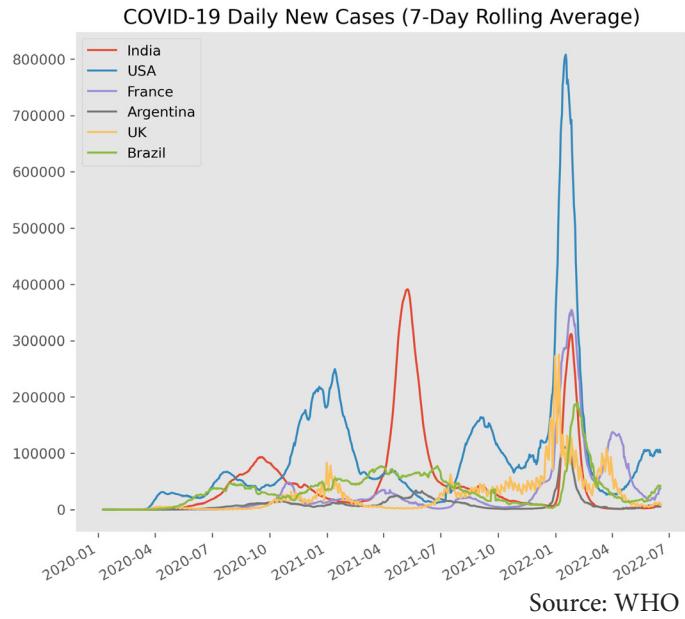


COVID-19 Statistics Around the World

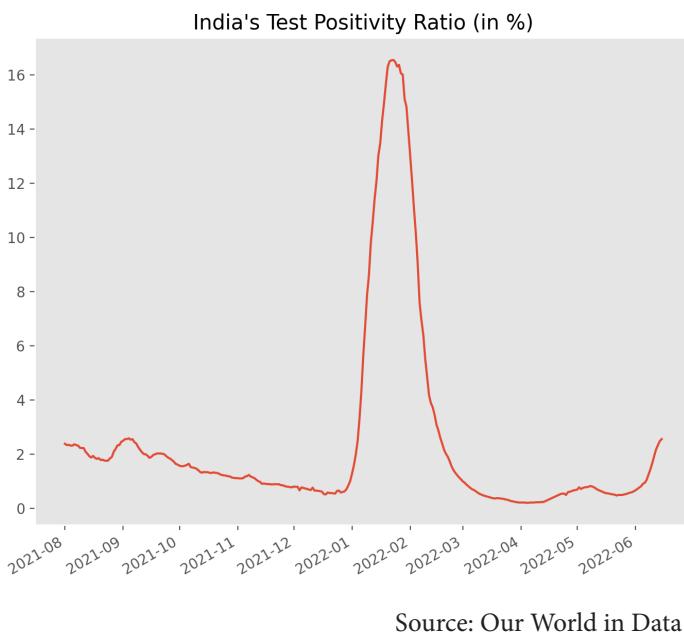
Global daily COVID cases (7DMA) rose WoW to 0.516 mln from 0.487 mln in the previous week.



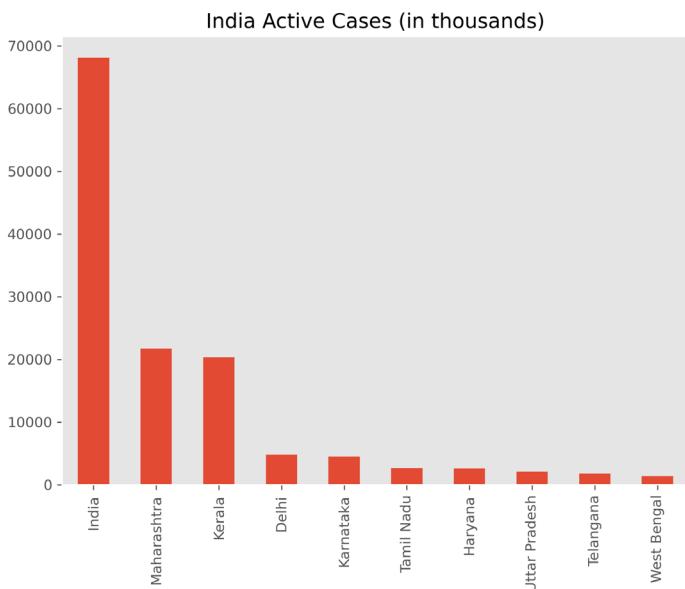
India's daily Covid cases rose over the week, with the 7DMA at ~9k. Daily cases globally rose on a 7DMA basis WoW.



India's TPR rose over the past fortnight, from 0.72% to 2.5% on 15th June, 2022.

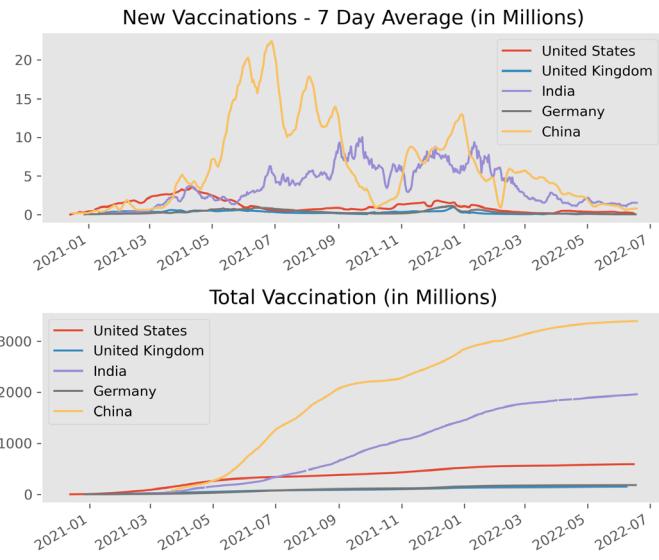


Active cases continued to rise, reaching 68k cases as of 17th June, 2022, from the ~22k cases a fortnight ago.

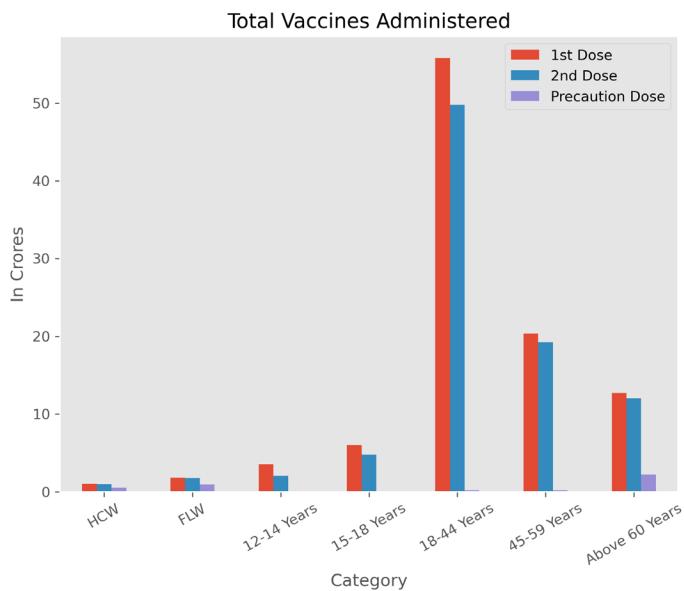


COVID-19 Vaccinations

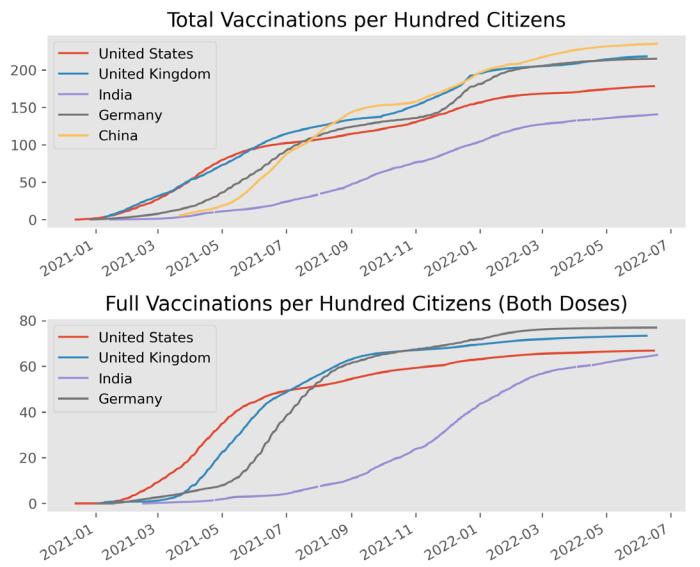
The 7 day average of daily vaccination in India rose to 1.53 million as on 18th June, from 1.21 million a fortnight ago.



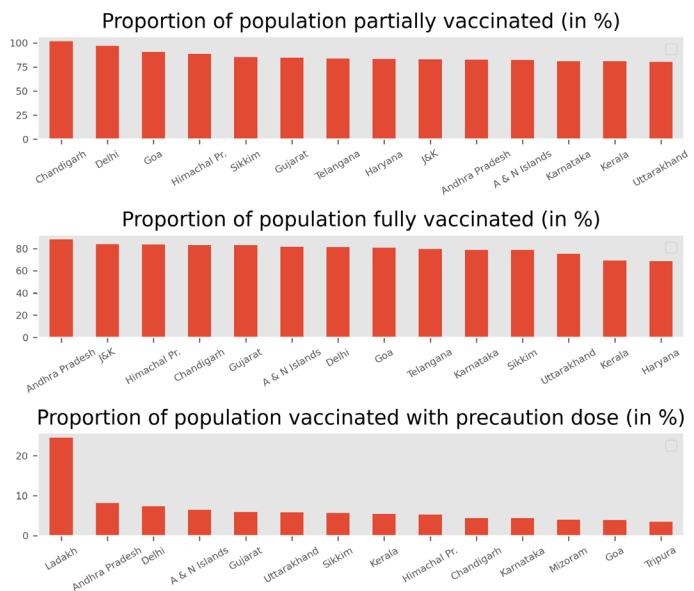
India has administered 196 crore cumulative vaccines as on June 17th, 2022. Precaution dose are being administered to HCW, FLW and citizens at and over the age of 60. The second phase of vaccinations began for the age group of 12-14 years.



India's count of vaccinating its citizens reached ~140 doses per hundred citizens. The proportion of full vaccinations rose to 64.95% for India



Chandigarh has the highest proportion of its citizens partially vaccinated in India. Andhra Pradesh has the highest proportion of its citizens fully vaccinated, at 88%.



Economic Activity Heatmap

	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	
Currency in circulation (% YoY)	22.2	21.4	20.8	17.2	15.2	13.5	12.3	10.3	9.8	9.0	8.5	7.9	7.6	8.0	8.6	9.9	10.4	8.8	
M3 (% YoY)	12.4	12.5	12.8	12.6	10.6	10.3	10.7	9.9	9.5	9.3	9.7	9.5	11.4	8.4	8.7	8.7	9.5	8.8	
Rural wage (% YoY)	6.5	5.3	5.8	7.0	n.a.	4.4	4.7	5.7	7.0	6.7	5.4	5.3	4.9	5.1	4.7				
Urban unemployment (%)	8.8	8.1	7.0	7.2	9.8	14.7	10.1	8.3	9.8	8.6	7.4	8.2	9.3	4.9	5.1	4.7			
Rural unemployment (%)	9.2	5.8	6.9	6.2	7.1	10.6	8.8	6.3	7.6	6.1	7.9	6.4	7.3	5.8	8.4	7.3	7.2	6.6	
Naukri job speak index (% YoY)	(10.0)	(19.0)	(2.4)	25.0	117.9	124.9	94.9	106.9	89.2	56.9	43.4	25.8	(2.9)	41.1	30.5	16.3	38.2	39.9	
Consumer durable production (% YoY)	5.7	(0.2)	6.6	55.0	1880.0	91.9	27.9	19.4	8.2	(1.9)	(3.6)	(5.4)	(2.6)	(3.6)	(8.7)	(2.6)	8.5		
Consumer non-durable production (% YoY)	0.5	(5.4)	(4.5)	31.2	94.9	14	(4.3)	(2.1)	5.6	0.2	0.9	0.5	(0.1)	2.1	(5.8)	(4.6)	0.3		
Motorvehicle sales (%YoY)	0.7	0.4	6.3	74.5	5523630	40.0	14.7	4.0	(11.4)	(19.8)	(24.7)	(31.8)	(10.7)	(18.8)	(23.5)	(17.8)	(6.7)		
Passenger vehicle (% YoY)	13.6	11.1	17.9	115.2	n.a.	162.5	119.3	44.7	7.6	(41.2)	(27.1)	(18.6)	(13.3)	(8.1)	(6.5)	(3.9)	(3.8)	185.1	
Commercial vehicle (% YoY)	0.8	(10.7)	7.8	543.5	n.a.	(9.3)	86.4	64.2	18.3	4.3	4.4	(2.6)	3.7	12.5	25.6	16.9	66.9		
Two wheeler (% YoY)	7.4	6.6	10.2	72.7	n.a.	26.1	4.0	(2.1)	(14.6)	(17.4)	(24.9)	(34.4)	(10.8)	(21.1)	(27.3)	(20.9)	15.4	255.3	
Tractor sales	43.1	46.7	31.1	172.4	436.2	(8.0)	18.9	3.3	(17.0)	(14.8)	0.4	(22.5)	(27.5)	(32.6)	(31.3)	(14.3)	40.6	47.4	
Petrol consumption (% YoY)	9.4	6.3	(3.0)	27.1	145.1	12.5	5.6	16.3	13.0	6.0	3.6	(0.7)	4.1	(5.3)	3.5	6.2	17.3	51.5	
Diesel consumption (% YoY)	(2.7)	(2.2)	(8.5)	27.6	105.3	0.8	(1.6)	11.4	15.6	0.4	(5.5)	(7.7)	1.6	(6.5)	(0.7)	6.7	7.9	31.7	
Cement production (% YoY)	(7.2)	(5.8)	(5.5)	32.5	582.7	8.3	7.5	21.7	36.3	11.3	14.5	(3.6)	13.9	14.3	5.0	9.0	8.0		
Steel production (% YoY)	2.6	6.2	(1.8)	22.9	472.7	55.3	8.2	9.4	3.9	2.8	0.9	1.4	(0.7)	3.7	5.9	5.0	(0.7)		
IIP (%YoY)	1.6	(0.9)	(3.4)	24.1	134.6	28.6	13.6	11.5	12.0	3.3	4.0	1.3	0.7	1.5	1.5	2.2	7.1		
Mining (% YoY)	(4.2)	(2.5)	(4.4)	5.9	36.3	23.3	23.1	19.5	23.6	8.6	11.5	4.9	2.6	2.8	4.5	3.9	7.8		
Manufacturing (% YoY)	2.1	(1.3)	(3.7)	28.3	197.9	33.5	13.0	10.5	9.9	3.0	3.1	0.8	0.2	1.3	0.5	1.4	6.3		
Electricity (%YoY)	5.1	5.5	0.1	22.5	38.5	7.5	8.3	11.1	16.0	0.9	3.1	2.1	2.8	0.9	4.5	6.1	11.8		
Capital goods production (%YoY)	1.5	(9.0)	(3.8)	48.3	1042.9	78.2	26.6	30.5	19.9	1.3	(15)	(20)	(3.8)	1.4	2.0	2.0	14.7		
Capital goods imports (%YoY)	2.1	(7.4)	(5.3)	55.0	112.7	34.1	76.9	22.9	37.9	40.9	33.5	29.4	20.7	18.8	15.5	(0.5)	11.3	5.3	
PMI Manufacturing Index	56.4	57.7	57.5	55.4	55.5	50.8	48.1	55.3	52.3	53.7	55.9	57.6	55.5	54.0	54.9	54.0	54.7	54.6	
PMI Services Index	52.3	52.8	55.3	54.6	54.0	46.4	41.2	45.4	56.7	55.2	58.4	58.1	55.8	51.5	51.8	53.6	57.9	58.9	
PMI Composite Index	54.9	55.8	57.3	56.0	55.4	48.1	43.1	49.2	55.4	55.3	58.7	59.2	56.4	53.0	53.5	54.3	57.6	58.3	
Rail freight traffic (% YoY)	8.7	8.7	5.5	26.6	70.7	39.1	20.5	18.4	16.9	3.6	8.4	6.1	7.2	7.7	6.6	6.7	9.4	14.6	
Air traffic (% YoY)	(43.6)	(39.3)	(36.5)	1.1	n.a.	659.7	53.0	132.9	131.6	74.9	70.5	65.8	53.3	(16.8)	(1.3)	37.3	92.7		
Major port traffic (% YoY)	4.4	4.0	1.9	16.4	29.5	33.0	19.5	6.7	11.4	0.4	6.5	(0.2)	(0.6)	(2.8)	(4.5)	1.2	5.5	8.9	
Foreign tourist arrivals (%YoY)	(92.6)	(92.5)	(90.2)	(62.5)	2362.5	253.5	242.2	410.2	329.9	278.8	337.0	255.0	235.5	140.4					
Export growth (% YoY)	0.1	6.2	0.7	58.2	202.7	68.3	47.9	49.7	46.3	22.7	43.4	34.6	44.4	27.6	25.1	19.8	30.7	154.	
Import growth (% YoY)	7.6	2.0	7.0	52.9	169.5	69.9	97.4	62.2	52.9	85.6	58.1	57.9	40.5	26.2	36.1	24.2	31.0	56.1	
Non-oil, non-gold imports (%YoY)	8.0	7.5	15.6	46.3	29.0	28.7	30.4	29.5	28.9	34.4	36.2	34.5	39.1	37.5	35.5	41.0	38.4	36.7	
E-way bills generated (%YoY)	15.9	10.5	11.6	75.2	582.5	56.8	25.9	32.7	33.3	18.3	14.5	5.9	11.6	9.5	8.3	9.7	28.0	84.1	
Bank non-food credit growth (%YoY)	6.2	5.9	6.6	5.5	6.0	5.8	6.1	6.2	6.7	6.8	6.4	6.7	9.5	7.3	8.2	8.7	10.0	11.5	
Personal credit (%YoY)	9.5	9.1	9.6	10.2	12.6	12.4	11.9	11.2	12.5	12.1	11.7	11.6	14.3	11.6	12.3	12.4	14.7		
Credit to industry (%YoY)	(1.2)	(1.3)	(0.2)	0.4	0.4	0.8	(0.3)	1.0	2.3	2.5	4.1	3.8	7.6	6.4	6.5	7.1	8.1		
Credit to services (%YoY)	8.8	8.4	9.3	1.4	1.2	1.9	2.9	2.7	3.5	0.8	2.9	3.6	10.8	7.3	5.6	8.9	11.1		
Deposit growth (%YoY)	10.8	11.1	12.1	11.4	11.2	9.5	9.8	9.8	9.5	9.3	9.0	8.8	12.1	8.3	8.6	8.9	8.9	8.6	
Commercial Paper issuance (%YoY)	(12.0)	(2.7)	(2.3)	5.8	(10.2)	(8.7)	(3.9)	10.72	5.1	2.4	(0.2)	4.1	(4.1)	(3.6)	(6.7)	(3.3)	(2.6)	(1.1)	
Central Government expenditure (%YoY)	29.1	49.5	52.9	212.6	(28.2)	22.7	13.0	(23.3)	40.7	50.7	10.3	12	19.44	21.57	11.0	(6.1)	21.2		
Indirect tax (%YoY)	51.8	34.8	35.9	65.8	416.5	110.3	20.7	25.78	33.21	33.40	23.21	14.48	(5.8)	(7.4)	(7.1)	0.32	6.2		
CPI (%YoY)	4.59	4.06	5.03	5.52	4.29	6.3	6.3	5.59	5.30	4.35	4.48	4.91	5.7	6.0	6.1	7.0	7.8	7.04	
Core CPI (%YoY)	5.69	5.65	5.88	5.96	5.43	6.4	6.2	5.94	5.77	5.75	6.06	6.13	6.0	5.95	5.95	6.4	7.0	6.09	
WPI (%YoY)	1.22	2.03	4.19	7.39	10.74	13.11	12.07	11.57	11.64	11.80	13.83	14.87	14.27	12.96	13.11	14.55	15.10	15.88	
10 year G-Sec yields (%)	5.87	5.90	6.23	6.15	6.03	6.02	6.05	6.20	6.22	6.22	6.39	6.33	6.45	6.68	6.77	6.84	7.14	7.41	
Credit to deposit ratio (%)	73.1	72.3	72.2	72.5	71.5	70.4	70.9	70.2	70.2	70.3	70.7	71.3	71.5	71.8	72.2	71.9	72.6		
Weighted average deposit rate of banks (%)	5.57	5.46	5.39	5.38	5.26	5.21	5.17	5.14	5.10	5.07	5.07	5.04	5.06	5.03	5.02	5.03	5.03		
Weighted average lending rate of banks (%)	9.38	9.34	9.29	9.21	9.10	9.05	9.00	8.98	8.98	8.92	8.93	8.91	8.86	8.83	8.74	8.72	8.72		
Median MCLR (%)	7.30	7.30	7.30	7.30	7.28	7.20	7.25	7.25	7.25	7.20	7.25	7.20	7.25	7.20	7.25	7.25	7.25		

Source: Nirmal Bang

Glossary

Google Mobility Data show movement trends by region, across different categories of places. The mobility trends are aggregated and anonymized; they display changes of mobility of individuals from a baseline.

TomTom Traffic Index provides detailed insights on road congestion levels in cities around the world.

E-Way Bill is a unique document/bill, which is electronically generated for the specific consignment/movement of goods from one place to another, either inter-state or intra-state and of value more than INR 50,000, required under the current GST regime.

GSTR-1 measures the return filing trend of the Goods and Services Tax.

FASTag is an electronic toll collection system, operated by the NHAI. Based on radio frequency identification (RFID) technology, FASTag is affixed on the windscreen of vehicles. In other words, FASTags are prepaid rechargeable tags for toll collection.

3Y BBB Corporate Spread is the yield on a 3 year BBB rated bond, where bonds are rated from AAA (safest) to BBB- (riskiest).

WTI Crude or West Texas Intermediate Crude is a crude oil category that serves as one of the main global oil benchmarks. It is also the underlying commodity for the NYMEX's oil futures contract.

VIX or Volatility Index is a measure of the market's expectation of volatility over the near term, where volatility is defined as the rate and magnitude of changes in prices.

Term Premium is the difference between the yields of the 10-year Government Bond Yield and the 1-year (12 Month) Treasury Bill.

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