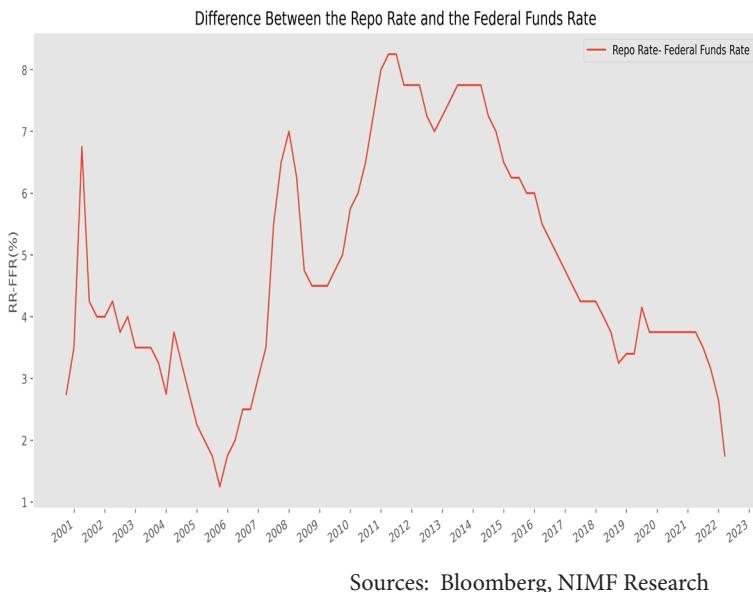


What We Are Tracking

Economy Tracker

Footfalls at domestic airports reached fresh high post Covid to 8.32 Lakhs (7DMA). E-way Bill generated in November rose MoM to 80.69 mn. Exports rose and Imports fell MoM in November to \$31.99 bln and \$51.88 bln respectively. Trade deficit narrowed MoM. India's services trade surplus expanded in November. Truck freight rates from Delhi to some major cities moved higher over the fortnight. Petroleum consumption in November rose by 2.4%, while railway freight traffic rose by 3.5%. The gap between India's bank credit and deposit growth continued to widen even when YoY growth in both accelerated in early December. India's money supply (M3) growth decelerated WoW to 7.4% YoY. India's forex reserves rose for the fifth consecutive week by US\$ 2.9 bln to reach US\$ 564 bln. INR to USD fx rate depreciated WoW to Rs. 82.87. Asian currencies in general remained firm versus US\$. WTI crude oil prices remained subdued at US\$ 74/bbl. Metal prices fell WoW led by Aluminum. India's 10 year G-Sec yield reached to 7.28%, 1 year T-bill yield fell to 6.86%. Equity market volatility continued its decline as India Nifty VIX reached 13.4. Global market volatility though rose over the fortnight on hawkish bias from major Central Banks. Bitcoin fell sharply and gold showed some minor recovery last week.

Chart of the Fortnight



The gap between the RBI's repo rate and Fed funds rate has narrowed to 15 year low. Last week three major Central banks namely the Fed, ECB and BoE hiked their respective policy rates by 50 bps each and maintained their hawkish bias. The worry related to sticky core inflation keep the Fed and other Central banks to persist with monetary tightening despite apparent signs of slowing economy and goods inflation. Given the narrow gap between policy rate of India and the US, it may keep the RBI to also persist with tightening bias on external sector worries, even when CPI inflation has come down under 6%. With domestic liquidity moving from surplus to neutral/deficit lending rates in the economy may continue to tighten more than policy rate in the months to come.

Summary

Page 2: Traffic congestion in major cities rose over the week, but remained below 2019, 2021 average levels.

Page 3: Domestic Airport footfalls (7DMA) rose to 8.32 lakhs. E-Way Bills Generated in November rose MoM to 80.69 Million.

Page 4: Weekly Labor force participation rate rose to 41.26% and unemployment rate rose to 9.5% over the week. Consumer sentiment indicators fell broadly over the week. UPI Transaction values (7DMA) fell over the week, after a previous rise.

Page 5: October's FasTag collections remained rose MoM to a record Rs. 4,452 Crores. Indian Manufacturing PMI rose MoM to 55.7 for November. Services and Composite PMIs also strengthened. Petroleum consumption rose 2.4% MoM in November.

Page 6: November's railway freight traffic rose 3.5% MoM. Exports rose and Imports fell MoM in November to \$31.99 bln and \$51.88 bln respectively.

Page 7: November's GST collections fell MoM to Rs.1.46 Lakh Crores. Forex Reserves rose to USD 564 Billion over the week. November's service receipts rose and payments remained stable MoM. Cargo volume handled at ports rose 0.28% MoM at 61.84 Billion Tonnes for October.

Page 8: October's Tax Receipts fell 41.3% MoM and Central Govt. Expenditure fell 26.2% MoM. Money Supply growth accelerated.

Page 9: WTI Crude reached USD 74 per barrel and India's NSE volatility (VIX) fell WoW to 13.4. INR depreciated WoW against the USD as the spot rate stands at 82.87.

Page 10: India's 10-year G-Sec yield reached 7.28%. 1 year T-bill yield fell to 6.86%.

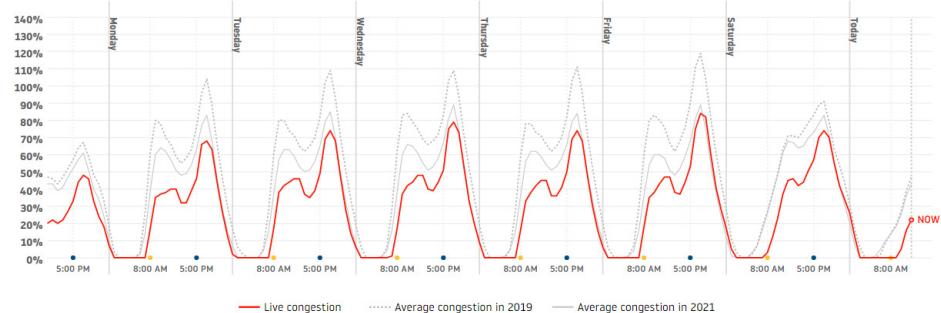
Page 11: Global metal prices broadly fell over the week, led by Aluminum, with the IMF Food Price index rising to 5.2% MoM to 134.84 in October.

Page 12: Global currencies (EM, Asian) weakened marginally WoW against the USD, while the Dollar Index fell. Bitcoin prices reached US\$ 16,700 mark.

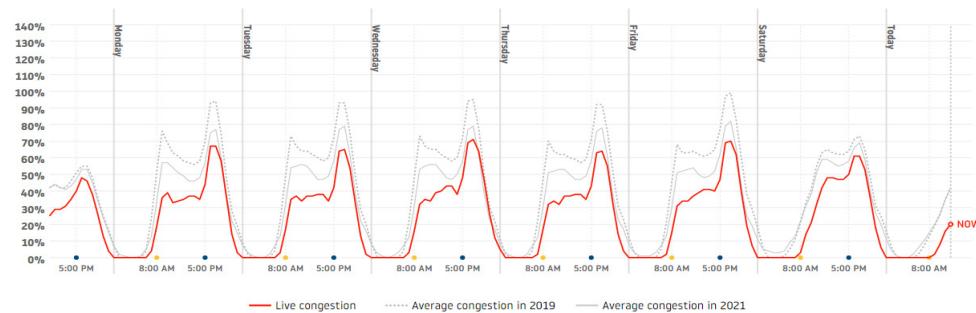
Traffic Congestion

Between 11th December 2022 - 18th December 2022

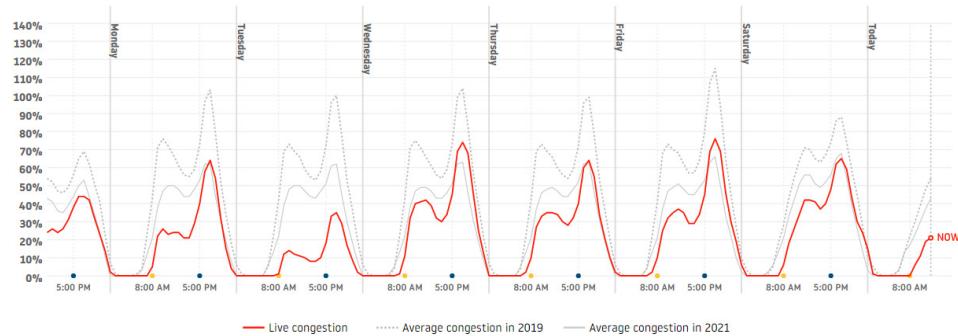
Mumbai



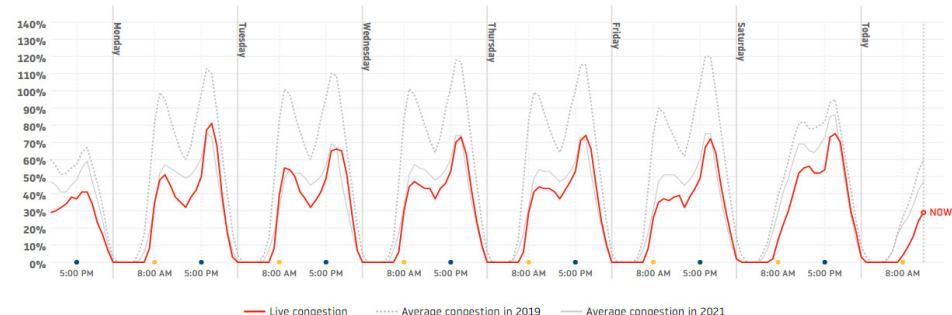
New Delhi



Pune



Bengaluru

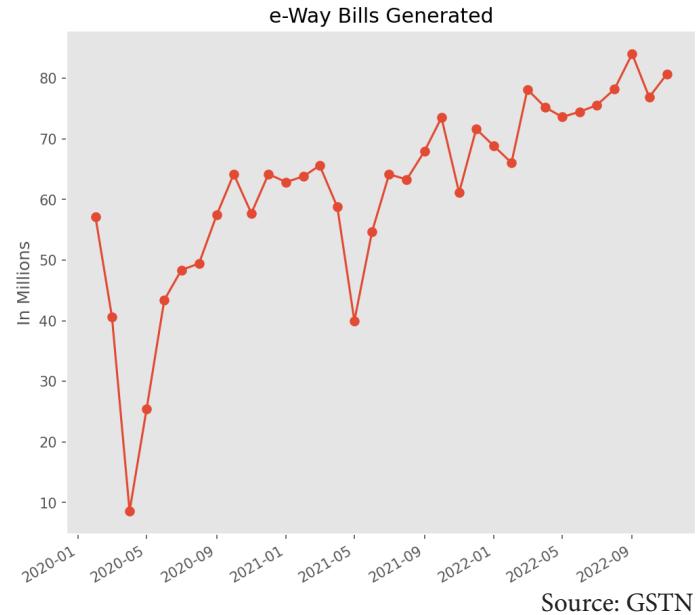
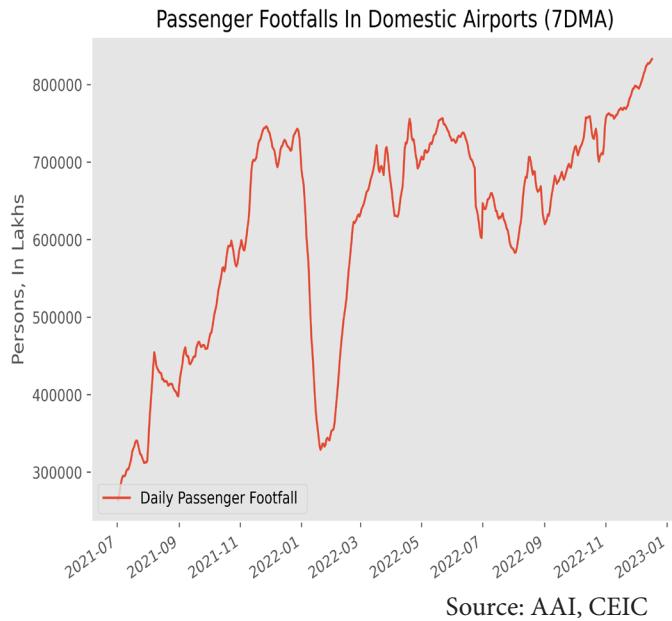


Source: TomTom

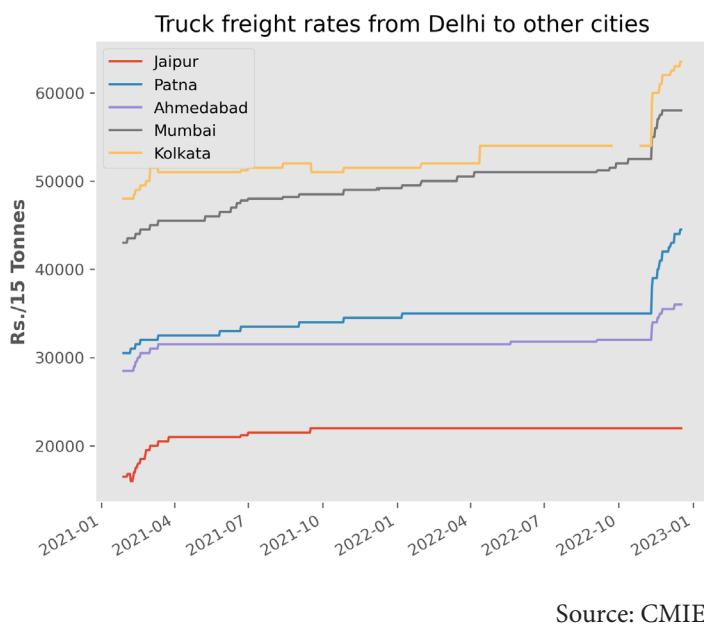
Miscellaneous High-Frequency Indicators

Domestic Airport footfalls (7DMA) rose WoW to 8.32 Lakhs as on 17th December, 2022.

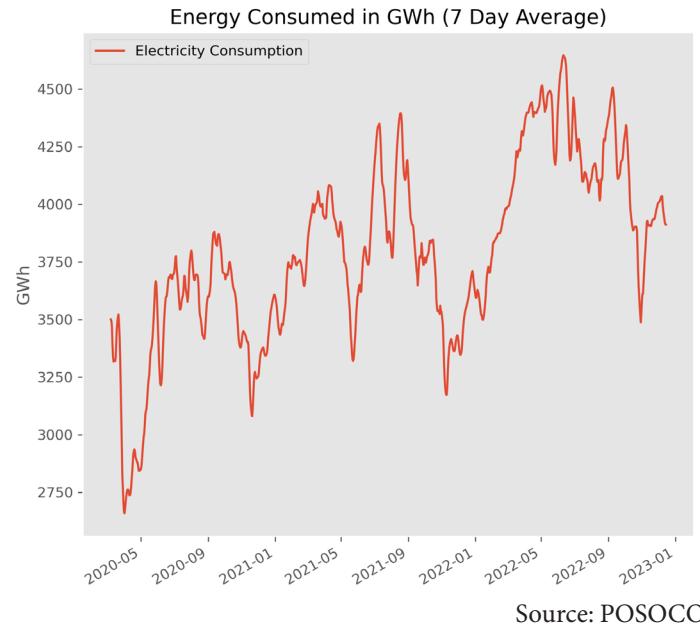
The number of e-Way bills generated in November stood at a 80.69 Million, rising MoM.



Truck freight rates from Delhi to other cities continued to inch upwards over the past fortnight.

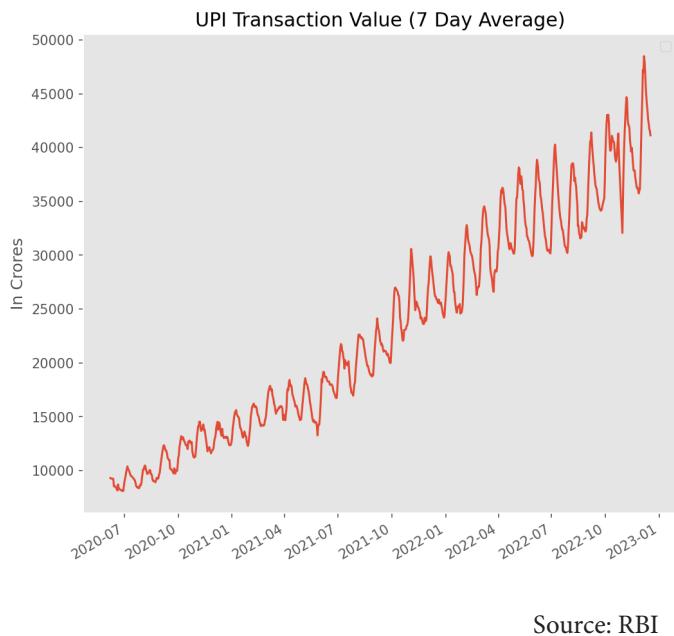


Indian electricity consumption (7DMA) fell over the previous fortnight.

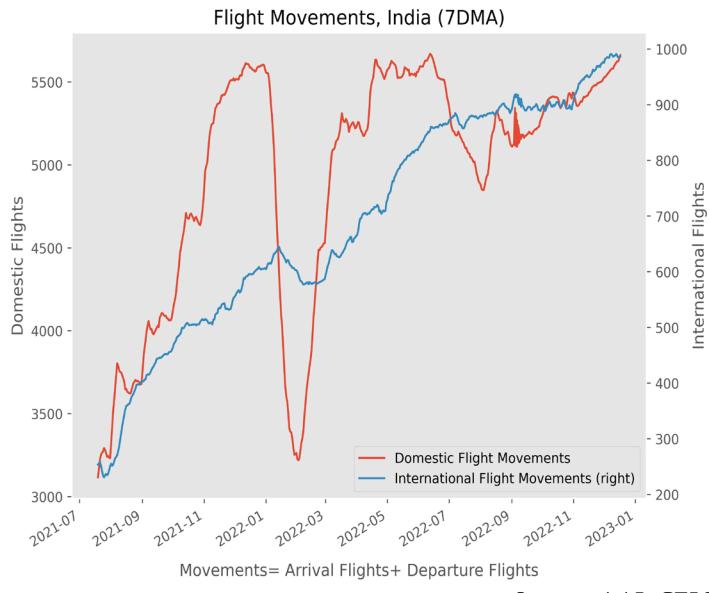


Miscellaneous High-Frequency Indicators

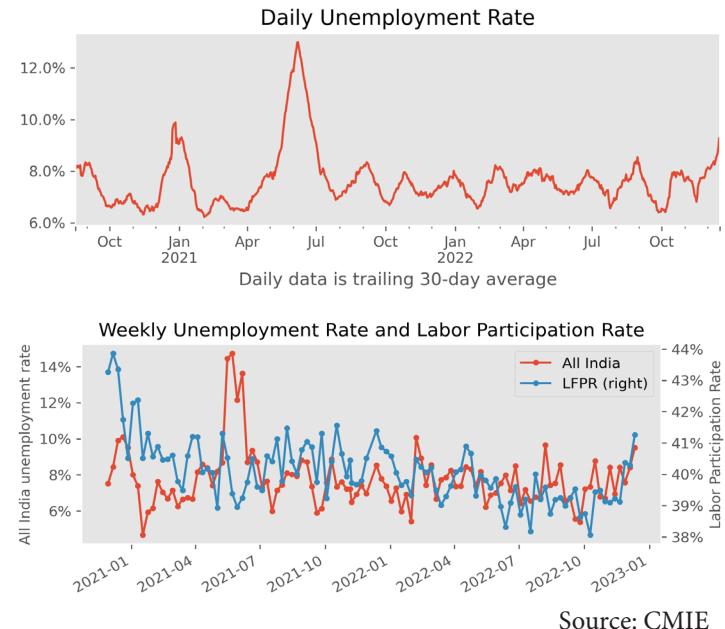
UPI transaction value (7DMA) witnessed a cyclical fall after a rise in the previous week.



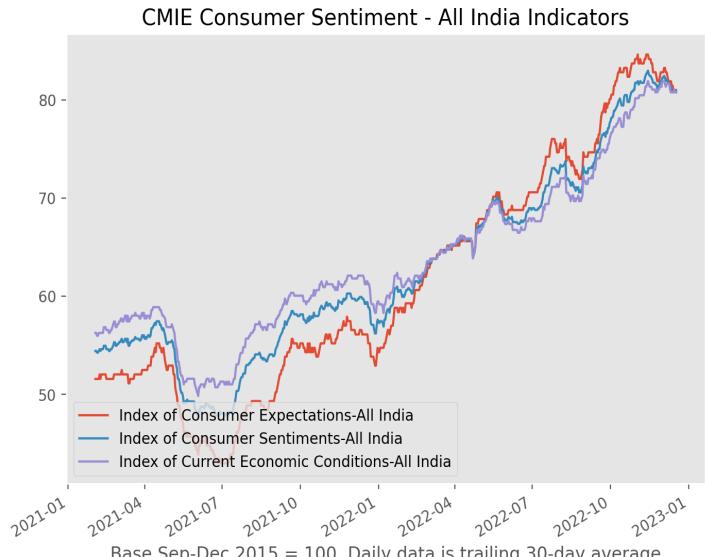
Domestic Flight movements and International Flight movements rose WoW (7DMA) over the fortnight leading to 17th December.



Weekly labor force participation rate rose WoW to 41.26%. Unemployment rates rose over the week to 9.5%, as on 11th December, 2022.

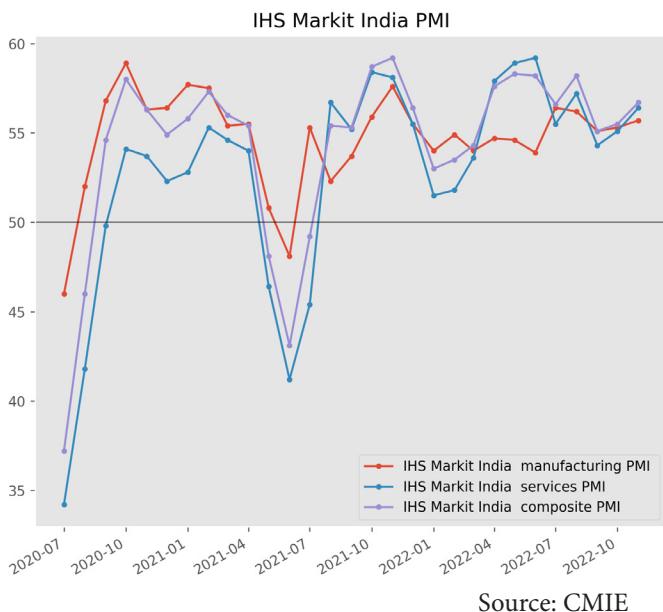


Consumer sentiment broadly declined over the week after rising in the week before.

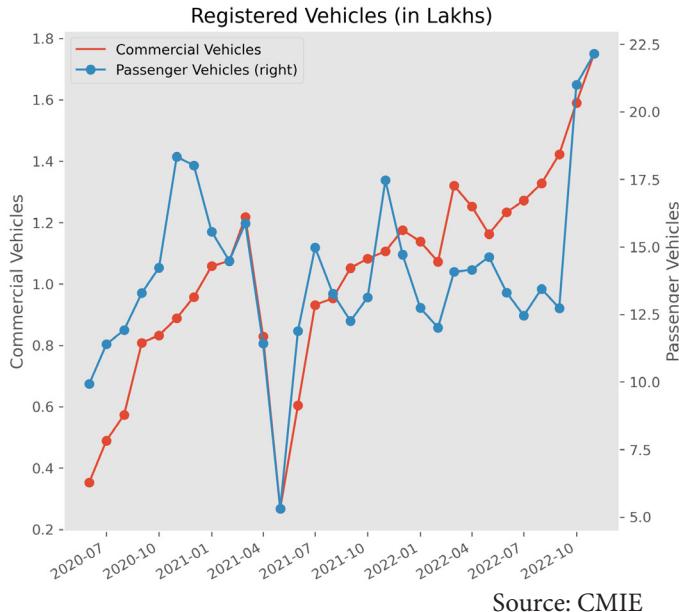


Miscellaneous Medium-Frequency Indicators

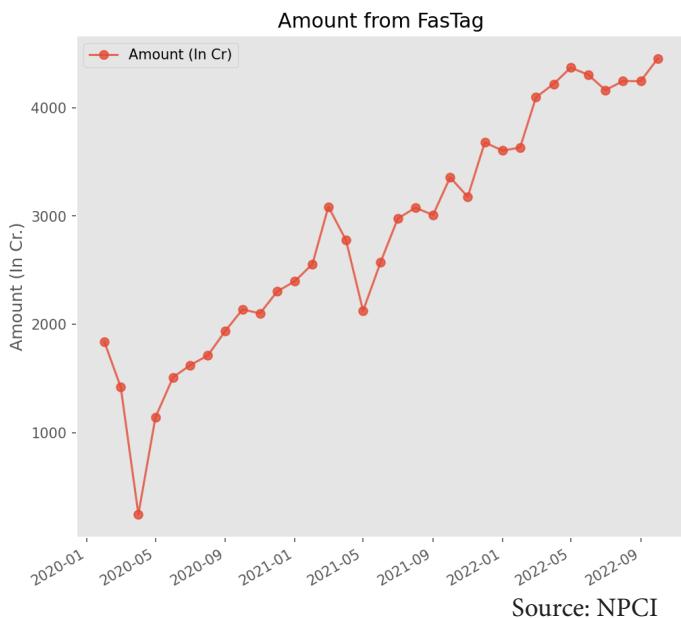
November witnessed an expansion across all three indices, owing to a favorable demand outlook and cooling cost pressures.



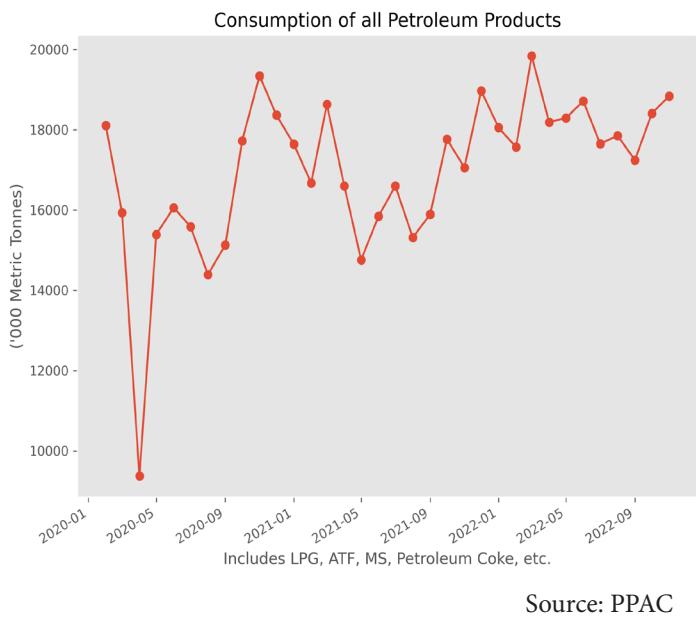
Both Passenger vehicle and Commercial vehicle registrations rose in November.



October's FasTag (NETC) collections rose to record levels at Rs. 4452 Crores.



November's petroleum consumption rose by 2.4% MoM.

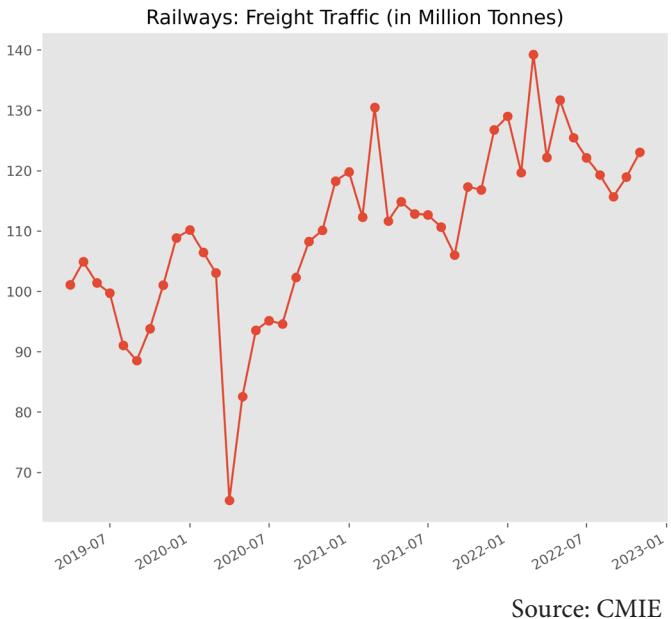


Miscellaneous Medium-Frequency Indicators

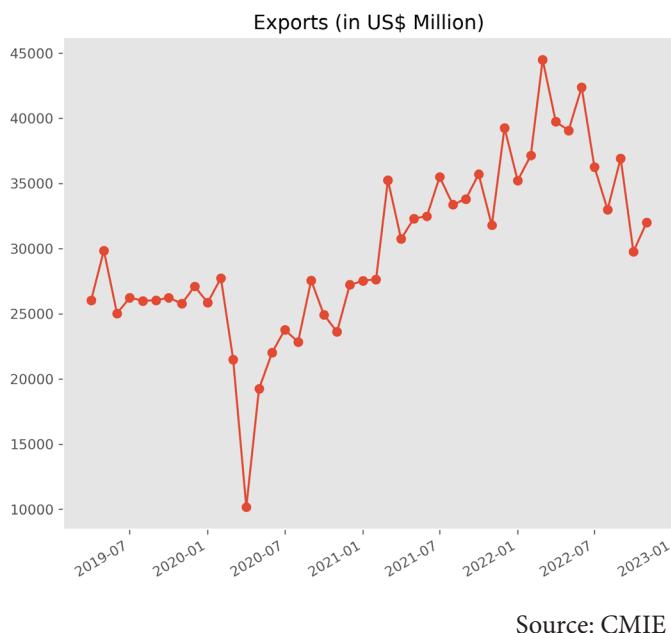
November's steel production and consumption fell MoM.



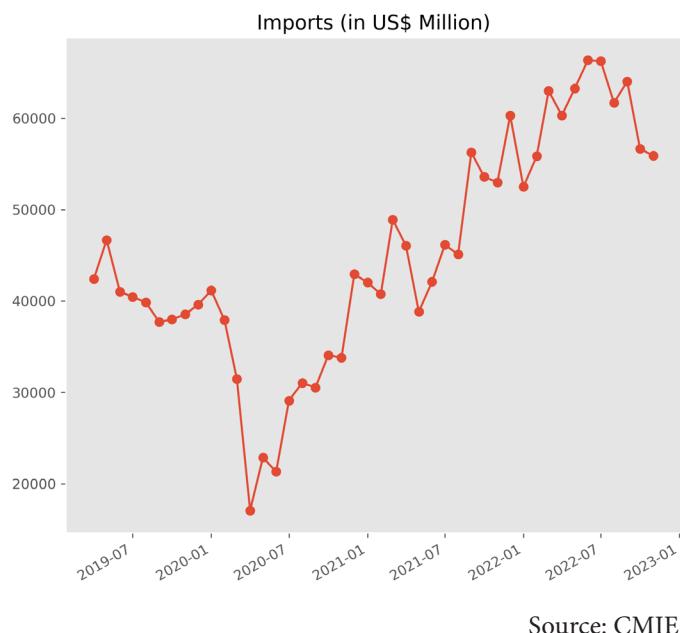
November's railways freight traffic rose by 3.48% MoM.



November's Indian exports rose MoM to USD 31.99 billion.



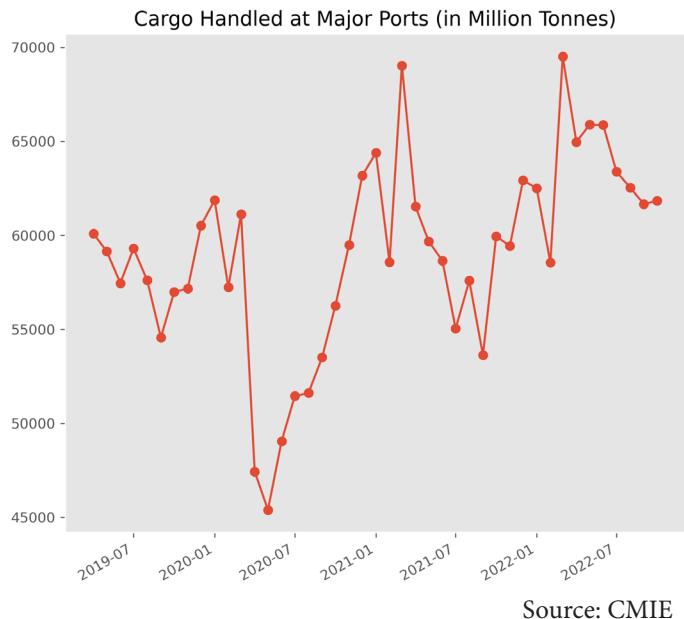
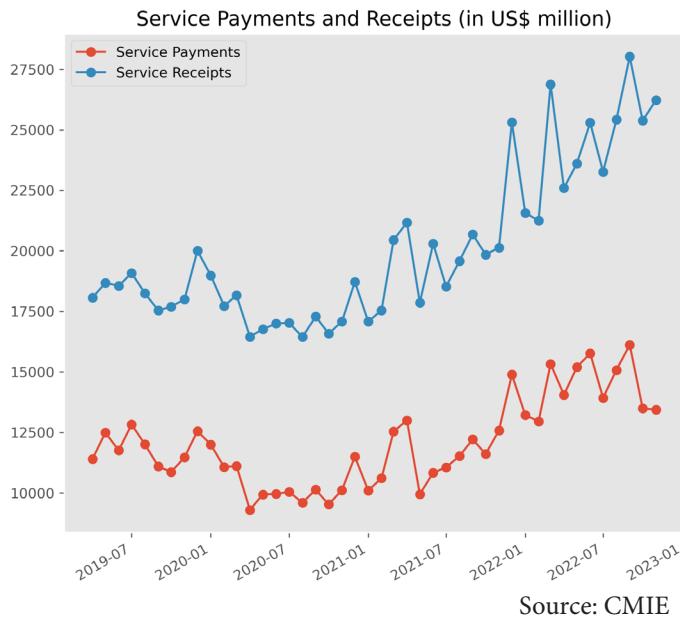
November's imports fell MoM to USD 55.88 billion.



Miscellaneous Medium-Frequency Indicators

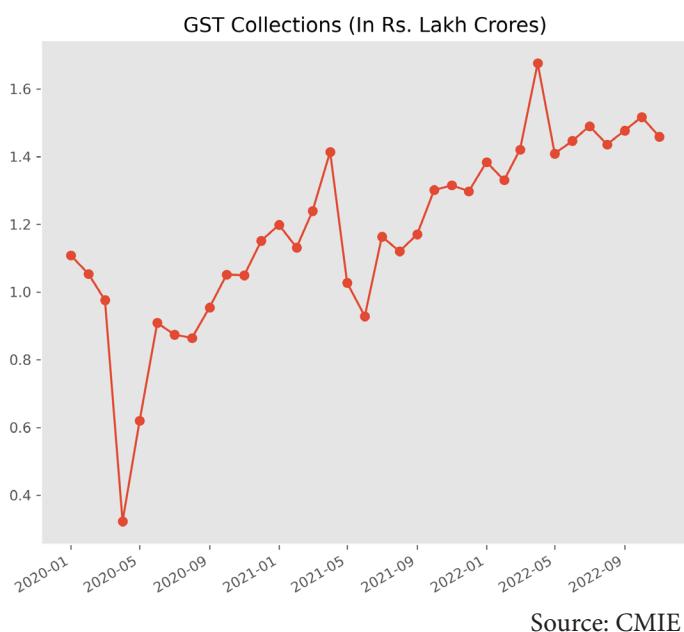
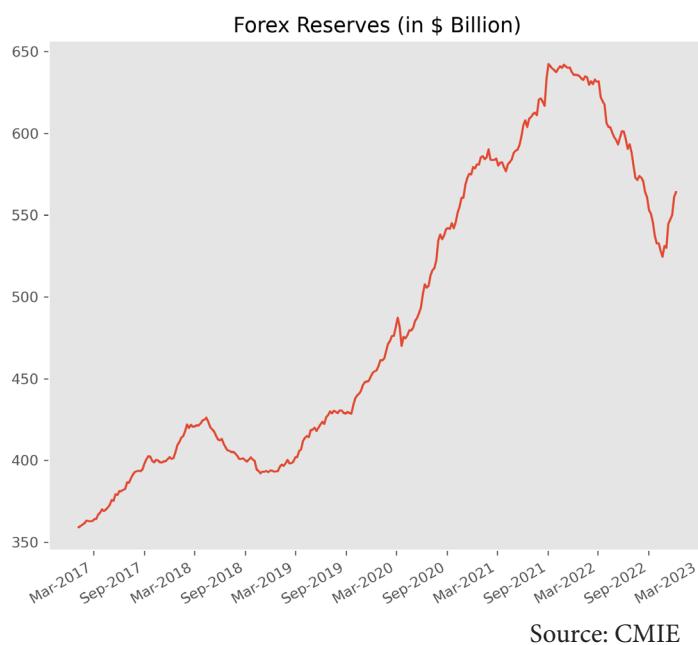
November's service payments remained stable and receipts rose MoM.

The volume of cargo handled at major ports rose MoM by 0.28% at 61,840 Million Tonnes in October.



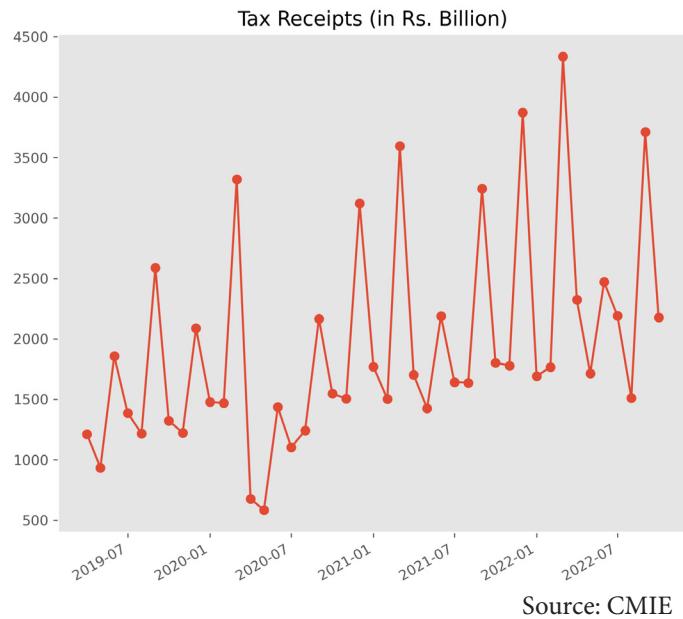
Forex reserves in USD terms continued to climb higher to USD 564 Billion over the week leading to 9th December, 2022.

October's GST collections fell 4% MoM to Rs. 1.46 Trillion, up 11% YoY.

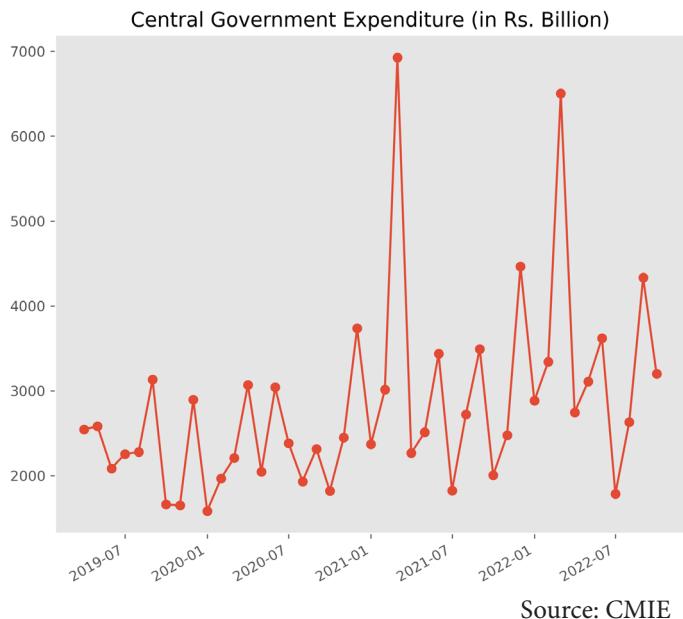


Miscellaneous Medium-Frequency Indicators

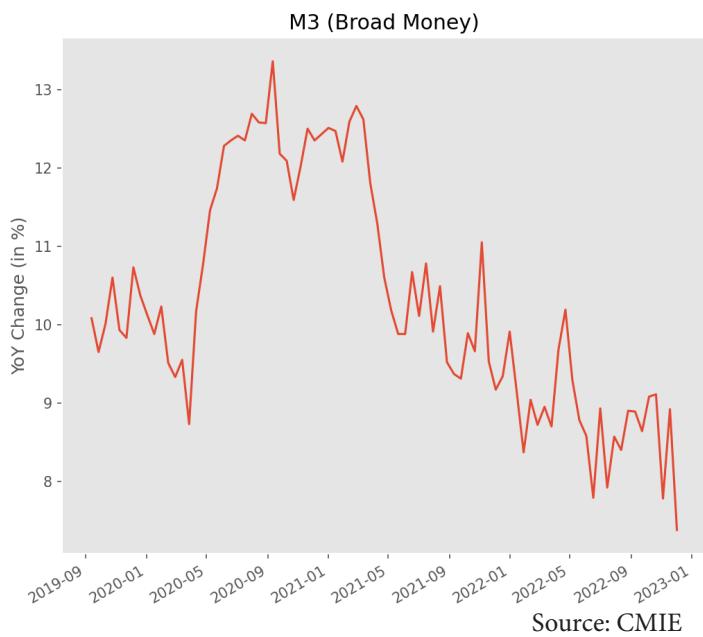
October's total tax receipts fell by 41.3% of September's levels, to Rs. 2,177.9 Billion.



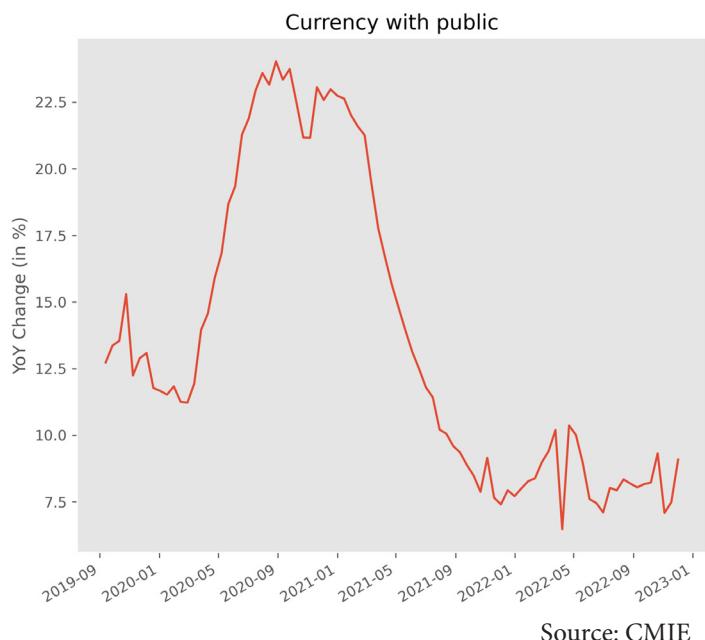
October's Central Government expenditure fell by 26.2% of September's levels, to Rs. 3,201.1 Billion.



%YoY growth of M3 money supply rose over the fortnight of 18th November to 2nd December, standing at 7.38% YoY change, with growth decelerating compared to previous weeks.

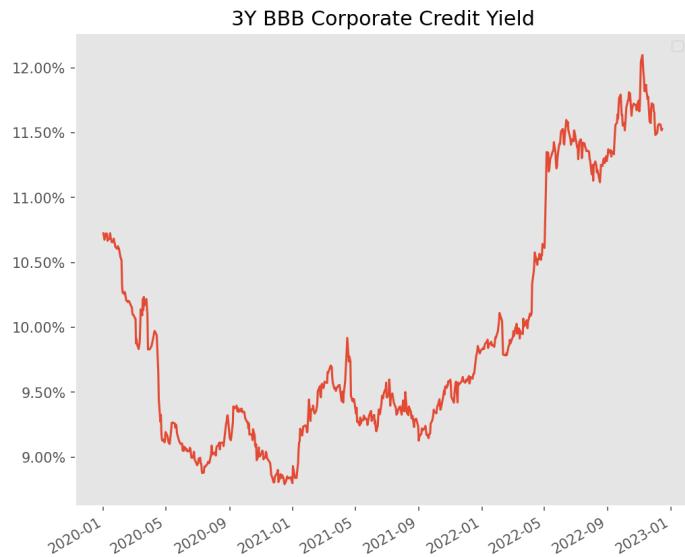


%YoY growth of currency in circulation continued to rise over the fortnight of 18th November to 2nd December, standing at 9.08% YoY, with growth accelerating WoW.



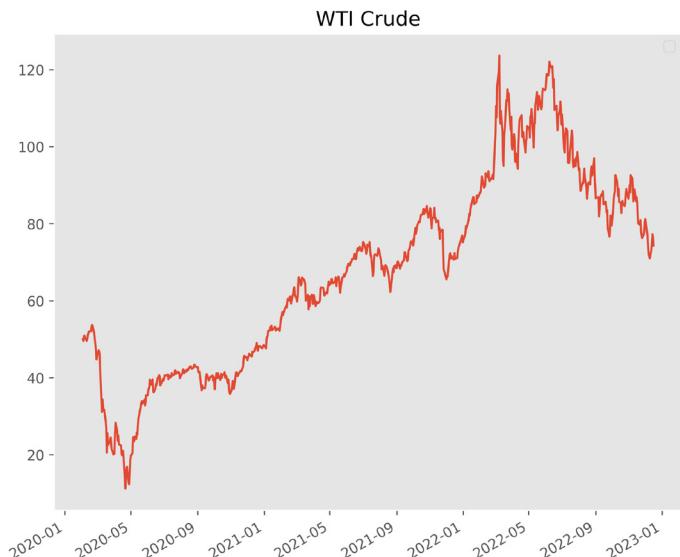
Capital and Commodity Market Indicators

Three-year BBB corporate credit yield fell to 11.53%.



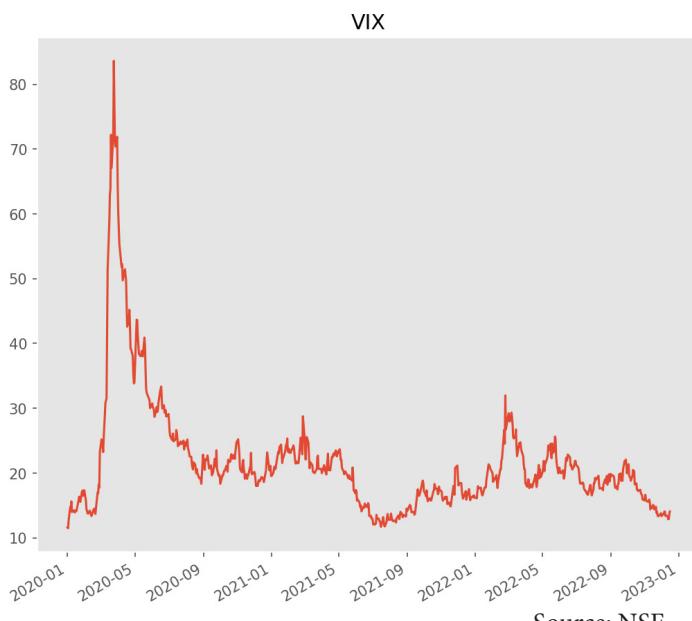
Source: Bloomberg

WTI Crude reached USD 74.3/bbl, from USD 71/bbl the week before as on 16th December, 2022.



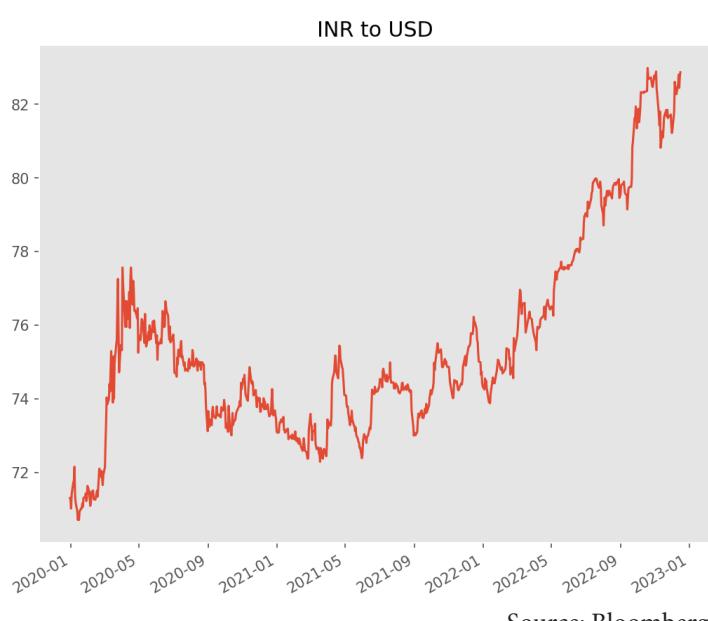
Source: Bloomberg

India's NSE volatility (VIX) continued its decline and stands at 13.4.



Source: NSE

INR depreciated over the week as the nominal USD-INR spot rate stands at 82.87 as on 16th December, 2022, from 82.28 a week ago.

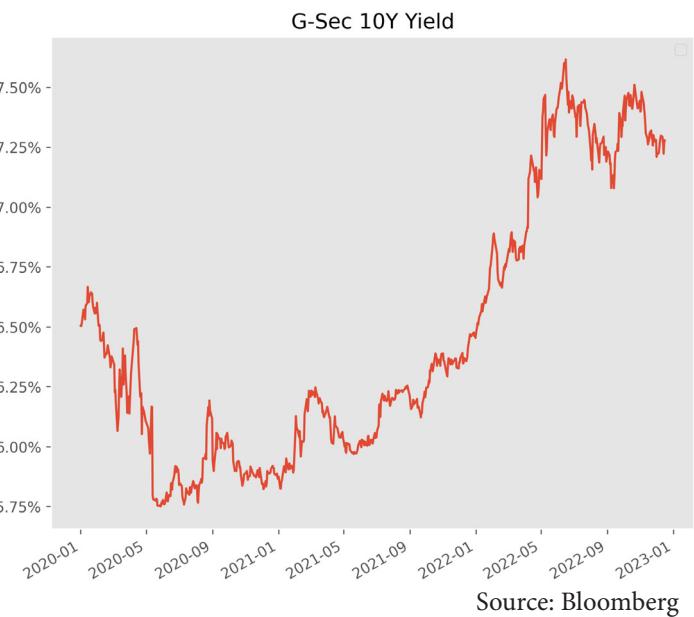
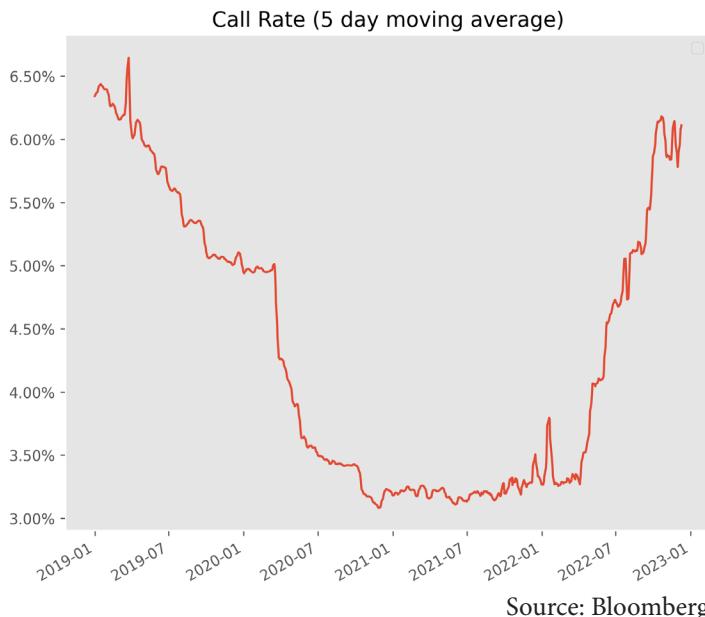


Source: Bloomberg

Money Market and Banking Sector Indicators

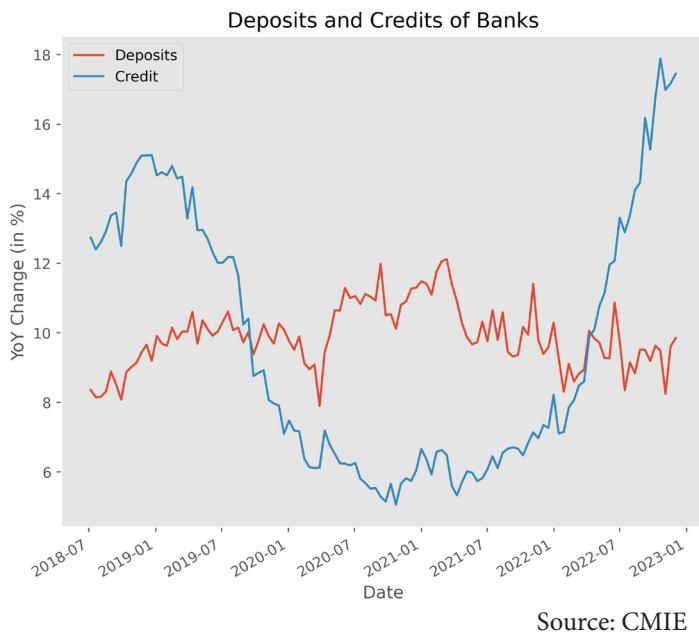
Call rate (5DMA) rose over the week to reach 6.11% (as on 15th December, 2022).

India's 10-year G-Sec yield fell marginally WoW to 7.28% as on 15th December 2022.



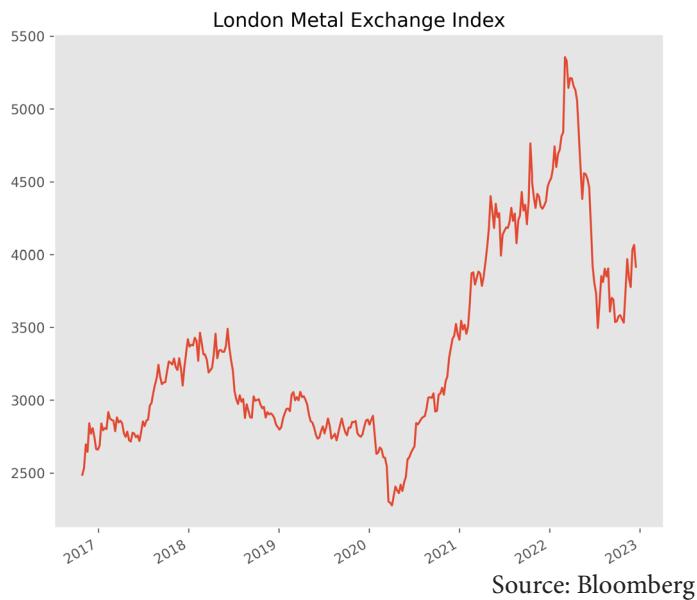
%YoY growth of bank deposits accelerated WoW to 9.85% and %YoY growth of credit accelerated to 17.45% as of 2nd December, 2022.

1 year T-bill yield reached 6.86% (15th December, 2022), from 6.87% the previous week.

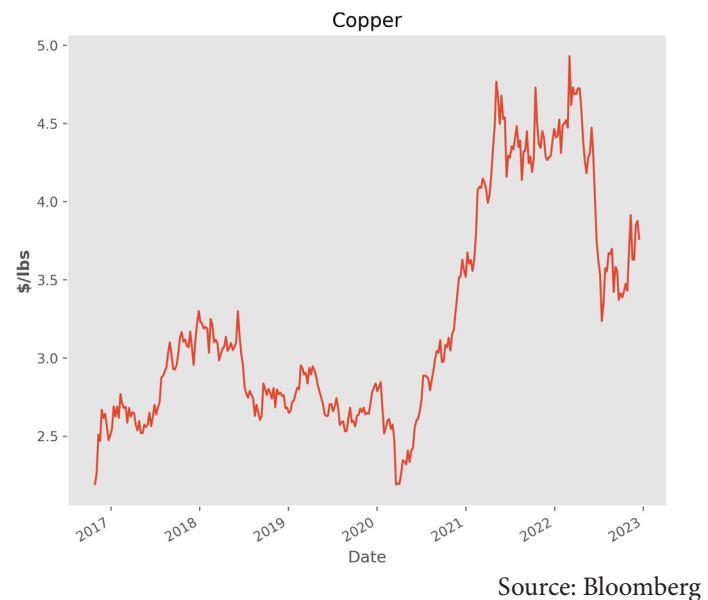


Ex-Crude Oil Commodity Prices

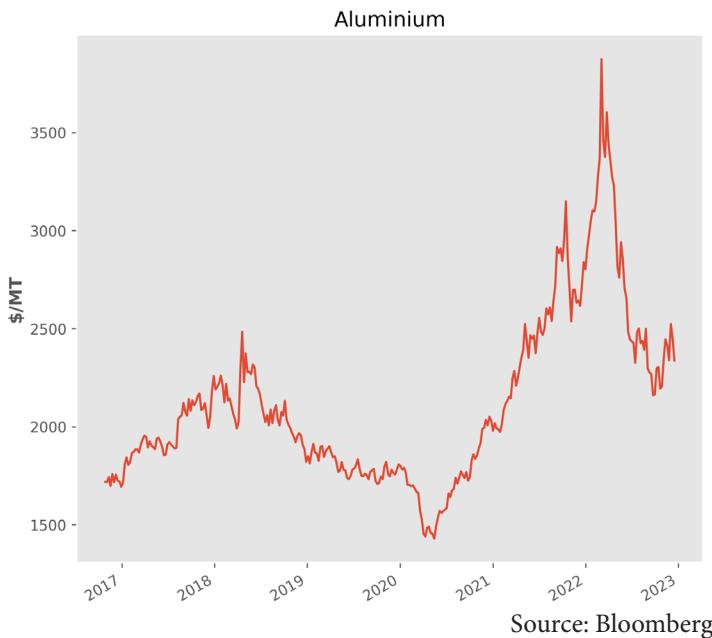
The LME index fell over the week to reach 3915.



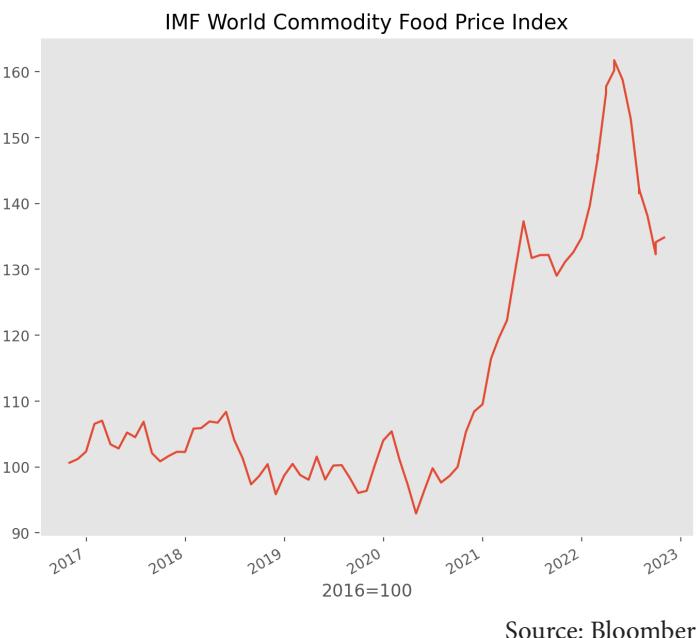
Copper rose WoW to USD 3.76 per pound from USD 3.87 per pound the week before.



Aluminium end of week rates fell by 4.6% to USD 2337/MT as on 16th December, from USD 2451/MT the week before.

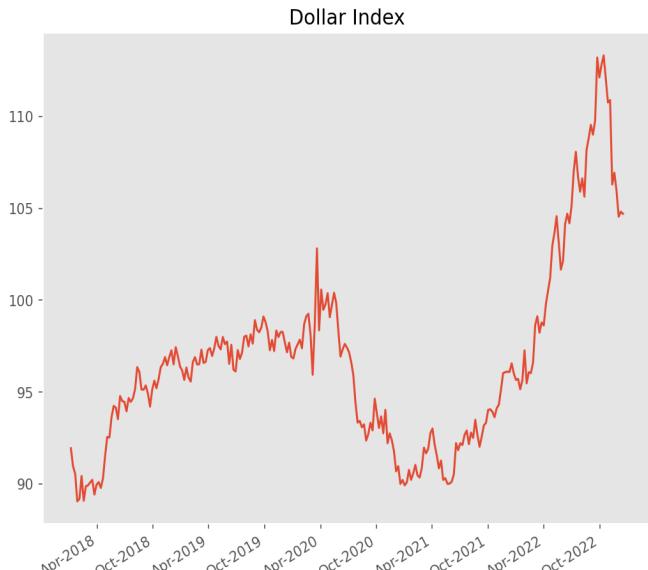


IMF World commodity food price index for October rose by ~5.2% MoM to 134.84.

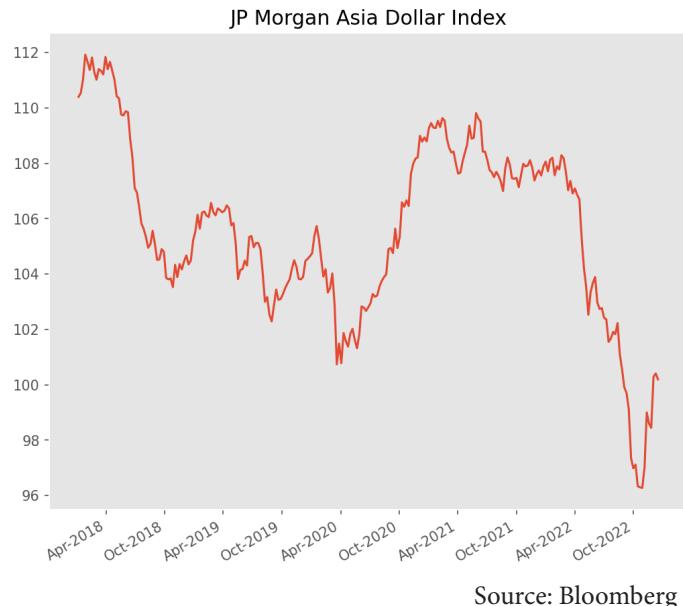


Global Currency Indices

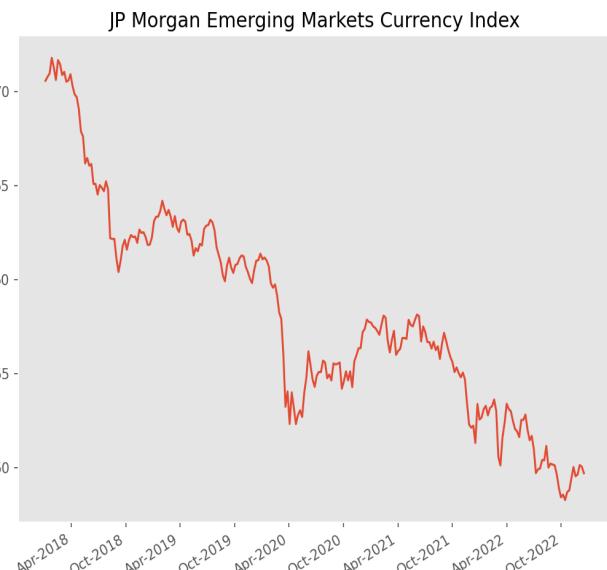
The US\$ fell over the week versus major currencies.



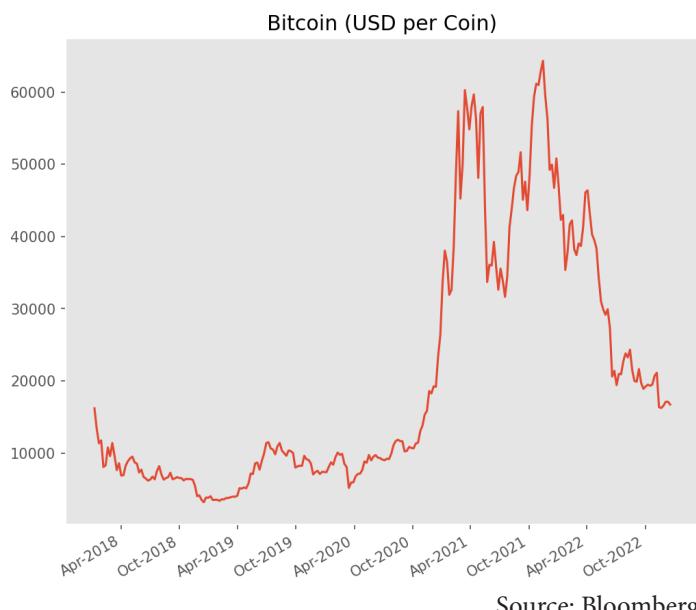
Asian Currencies ended the week stable versus the US\$.



Emerging Market currencies weakened marginally versus the US\$, WoW.



Bitcoin fell and reached December 2020 levels, at US\$ 16700.



Economic Activity Heatmap

	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
Currency in circulation (%MoM)	(0.1)	1.5	1.6	1.8	2.4	0.5	0.0	(1.3)	(0.0)	(0.5)	1.6	(0.0)
M3 (% MoM)	2.4	(0.8)	1.2	1.5	1.7	(0.1)	(0.1)	1.8	0.1	0.1	1.1	0.5
Rural wage (% MoM)	0.5	0.1	1.1	1.0	0.8	0.5	0.5	0.6	0.4	0.5		
Urban unemployment (%)	9.3	8.2	7.6	8.3	9.2	8.2	7.3	8.2	9.6	7.7	7.2	9.0
Rural unemployment (%)	7.3	5.8	8.4	7.3	7.2	6.6	8.0	6.1	7.7	5.8	8.0	7.6
Naukri job speak index (%MoM)	(11.9)	18.8	13.2	(7.9)	1.1	0.0	0.5	10.1	(10.8)	9.7	(20.9)	26.5
Consumer durable production (%MoM)	13.8	(1.7)	(4.5)	13.5	(14.4)	2.4	10.4	(3.0)	(2.3)	6.9		(13.5)
Consumer non-durable production (% MoM)	7.4	(4.9)	(9.2)	7.8	(7.1)	(1.4)	6.6	(2.9)	(5.4)	2.8		(6.1)
Motorvehicle sales (%MoM)	6.9	12.2	(5.6)	12.6	(10.6)	8.0	5.4	5.2	9.2	11.2		(8.5)
Passenger vehicle (% MoM)	1.8	15.9	3.4	6.3	(10.0)	(0.2)	9.9	6.6	(4.3)	9.3		(5.1)
Commercial vehicle (% MoM)	13.8	9.2	4.8	22.3	(33.9)	10.5	6.7	(4.8)	(3.6)	12.7		(7.2)
Two wheeler (%MoM)	(4.2)	12.1	(8.0)	14.1	(3.0)	9.1	4.4	5.5	12.8	11.4		(9.1)
Tractor sales (%MoM)	17.3	18.8	(1.5)	40.3	22.4	(8.1)	15.3	(41.6)	(4.6)	115.8		8.7
Petrol consumption (% MoM)	6.4	(12.2)	3.1	14.0	(3.8)	7.8	(1.6)	(5.4)	7.0	(6.0)	5.9	(4.4)
Diesel consumption (%MoM)	12.3	(12.8)	2.2	18.3	(6.5)	1.1	5.4	(13.5)	(4.5)	(1.3)	11.6	11.2
Cement production (%MoM)	32.3	4.5	(4.9)	18.5	(14.1)	(3.2)	7.2	(12.6)	(2.5)	4.8		(2.4)
Steel production (% MoM)	7.9	1.9	(2.9)	18.7	1.8	4.7	(7.7)	4.0	1.7	0.1	2.8	
IIP (%MoM)	7.8	0.1	(4.9)	12.9	(9.5)	2.4	0.4	(2.9)	(2.2)	1.9		(3.3)
Mining (% MoM)	7.6	3.7	(1.2)	17.2	(19.5)	3.3	(5.6)	(11.1)	(1.5)	0.4		12.5
Manufacturing (%MoM)	7.6	(0.6)	(5.8)	11.4	(9.3)	2.2	1.7	(1.5)	(2.7)	2.7		(4.5)
Electricity (%MoM)	9.9	1.9	(2.9)	18.8	1.8	2.8	(1.5)	(4.1)	1.3	(2.0)		(9.7)
Capital goods production (%MoM)	(2.5)	2.5	0.7	17.0	(19.7)	8.0	10.4	(6.8)	(2.2)	9.4		(15.6)
Capital goods imports (%MoM)	17.3	5.4	(9.0)	(6.7)	(1.3)	(4.5)	14.8	3.8	(2.3)	(3.5)		(2.1)
PMI Manufacturing Index	55.5	54.0	54.9	54.0	54.7	54.6	53.9	56.4	56.2	55.1	55.3	55.7
PMI Services Index	55.8	51.5	51.8	53.6	57.9	58.9	59.2	55.5	57.2	54.3	55.1	56.4
PMI Composite Index	56.4	53.0	53.5	54.3	57.6	58.3	58.2	56.6	58.2	55.1	55.5	56.7
Rail freight traffic (% MoM)	8.5	1.8	(7.2)	16.3	(12.2)	7.8	(4.7)	(2.7)	(2.3)	(3.1)	2.8	3.5
Air traffic (% MoM)	6.5	(42.8)	20.1	39.0	1.7	15.0	(8.4)	(7.7)	4.2	2.4	10.2	
Major port traffic (%MoM)	5.9	(0.4)	(6.7)	19.4	(6.6)	1.4	(0.0)	(3.8)	(1.3)	(1.4)	0.8	(2.5)
Foreign tourist arrivals (%MoM)	20.6	(33.7)	19.5	42.1	14.8	7.8	23.4	22.6	(22.3)			
Export growth (%MoM)	23.6	(10.6)	(1.7)	22.1	(9.6)	(2.1)	3.1	(9.3)	(11.8)	(3.8)		(16.0)
Import growth (% MoM)	12.9	(12.0)	4.5	9.5	(3.9)	5.0	4.9	(0.1)	(6.6)	(3.8)		(7.3)
Non-oil, non-gold imports (%MoM)	13.4	(4.1)	(5.4)	15.7	(5.4)	(0.9)	11.2	1.1	(5.0)	1.9		(10.3)
E-way bills generated (%MoM)	17.1	(3.9)	0.4	13.0	(3.7)	(2.2)	1.2	1.5	3.5	7.4	(8.5)	5.0
Bank non-food credit growth (%MoM)	3.4	(0.9)	1.7	2.3	0.9	0.3	1.1	1.5	0.8	1.4	2.0	0.5
Personal credit (%MoM)	3.4	3.0	4.0	2.1	1.7	0.7	1.5	2.1	1.5	1.5	1.8	
Credit to industry (%MoM)	4.2	2.1	2.9	1.2	(0.0)	0.4	0.1	0.4	0.4	1.4		1.5
Credit to services (%MoM)	8.4	2.0	2.1	2.3	0.1	0.8	0.9	3.3	(0.3)	1.9		3.1
Deposit growth (%MoM)	2.9	(1.3)	1.2	1.5	1.9	(1.2)	(0.0)	2.3	0.1	0.2	1.0	0.1
Commercial Paper issuance (%MoM)	(9.9)	13.09	(7.9)	(3.4)	3.6	(4.5)	(3.1)	0.5	9.6	(2.2)	(6.9)	(3.0)
Central Government expenditure (%MoM)	80.11	(35.4)	16.0	94.4	(57.7)	13.1	16.5	(50.6)	47.2	64.7		(26.2)
Indirect tax (%MoM)	(5.2)	(1.9)	(3.0)	57.9	(45.5)	19.8	2.5	(2.2)	1.7	7.5		17.4
CPI (%MoM)	(0.3)	(0.3)	0.2	0.96	1.43	0.9	0.5	0.5	0.5	0.6	0.8	-0.11
Core CPI (%MoM)	0.2	0.5	0.5	0.6	1.15	0.5	0.0	0.6	0.5	0.4	0.6	0.4
WPI (%MoM)	(0.3)	(0.3)	1.4	2.7	2.1	1.4	0.0	-0.13	-0.46	-0.65	-0.53	-0.26
10 year G-Sec yields (%)	6.45	6.68	6.77	6.84	7.14	7.41	7.45	7.32	7.19	7.4	7.45	7.28
Credit to deposit ratio (%)	71.3	71.5	71.8	72.2	71.9	72.6	73.3	72.9	73.3	74.2	74.9	74.9
Weighted average deposit rate of banks (%)	5.06	5.03	5.02	5.03	5.03	5.07	5.13	5.22	5.29	5.38	5.49	
Weighted average lending rate of banks (%)	8.86	8.83	8.81	8.74	8.72	8.79	8.93	9.01	9.13	9.23	9.35	
Median MCLR (%)	7.25	7.25	7.20	7.25	7.25	7.25	7.40	7.55	7.65	7.75	7.90	8.05

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.

Disclaimer

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