

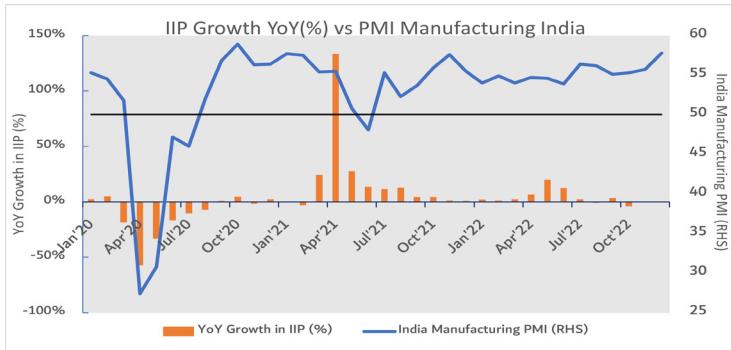
# What We Are Tracking

## Economy Tracker

GST collections rose 15% YoY in December to Rs. 1.49 tn. Truck freight rates from Delhi to some major cities moved higher over the fortnight, albeit at a slower pace. Footfalls at domestic airports fell sequentially to 8.08 Lakhs post the new year (7DMA). Government tax receipts and expenditure fell MoM by 21.5% and 6.57% respectively, in November. Electricity consumption rose sharply over the week to reach multi week high. Cargo volume handled at ports fell 2.12% MoM to 60.57 Billion tonnes for November. December composite PMI witnessed sizeable expansion led by services sector owing to new orders and cooling costs. The gap between India's bank credit and deposit growth continues to widen with deposit growth slowing. India's forex reserves fell for the second consecutive week to reach US\$ 562.8 bln. INR to USD fx rate depreciated marginally WoW to Rs. 82.74. Asian currencies in general weakened versus US\$. WTI crude oil prices remained subdued at US\$ 73.8/bbl. Metal prices remained stable WoW, copper remained strong while aluminum weakened. India's 10 year G-Sec yield reached to 7.37%. 1 year T-bill yield fell to 6.86%. Equity market volatility rose as India Nifty VIX increased last week. Bitcoin remained flat at USD 16,600.

### Chart of the Month

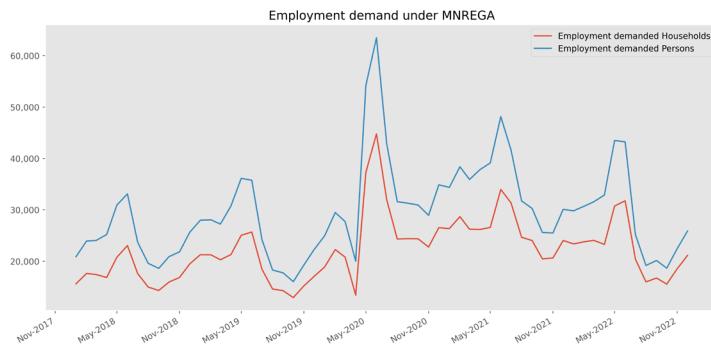
In the last few months, we have seen very wide gap persisting between IIP growth and PMI manufacturing. At one hand, manufacturing PMI remains very strong indicating strong state of Indian manufacturing sector while official industrial production growth remains lackluster. Among main explanations for this anomaly the fact that the less formal economy isn't as strong as large manufacturing companies and perhaps manufacturing PMI is not properly capturing the weakness in smaller businesses. But other high frequency indicators also paint different and much better picture versus what official IIP data has been highlighting. The composition and sectoral weights of IIP index might also be responsible for the disconnect and may require correction in index composition overtime.



Sources: Bloomberg, NIMF Research

### Chart of the Fortnight

Barring some seasonal jump, employment demand under MNREGA is lower than pre covid levels. This indicates lesser stress in rural labour market and also sustained improvement in urban economic activity where excess rural labour is generally deployed. There are other datapoints like tractors sales and outlook for winter crop in India suggesting improvement in rural outlook. The fact that rural economy is in decent shape means that the need to provide any rural stimulus in the upcoming Union Budget for FY24 could be limited.



Sources: CMIE, NIMF Research

### Summary

Page 2: Traffic congestion in major cities remained below 2019, 2021 average levels.

Page 3: Domestic Airport footfalls (7DMA) fell to 8.08 lakhs. E-Way Bills Generated in November rose MoM to 80.69 Million.

Page 4: Weekly Labor force participation rate fell to 39.65% and unemployment rate fell to 7.38% over the week. Consumer sentiment indicators fell broadly over the week. UPI Transaction values (7DMA) rose over the week, after a previous fall.

Page 5: November's FasTag collections remained rose MoM to a record Rs. 4,646 Crores. Indian PMI indices strengthened MoM for December. 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: December's GST collections rose MoM to Rs.1.49 Lakh Crores. Forex Reserves fell to USD 562.8 Billion over the week. November's service receipts payments rose MoM. Cargo volume handled at ports fell 2.12% MoM to 60.57 Billion tonnes for November.

Page 8: November's Tax Receipts fell 21.5% MoM and Central Govt. Expenditure fell 6.6% MoM. Money Supply growth accelerated.

Page 9: WTI Crude reached USD 73.8 per barrel and India's NSE volatility (VIX) rose WoW to 15. INR depreciated marginally WoW against the USD as the spot rate stands at 82.73.

Page 10: India's 10-year G-Sec yield reached 7.37%. 1 year T-bill yield fell to 6.87%.

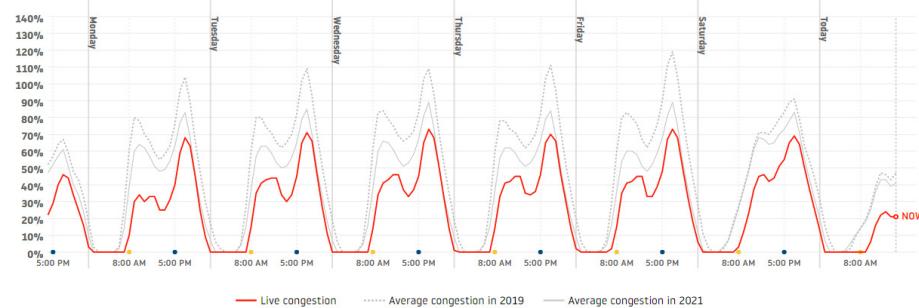
Page 11: Global metal prices broadly remained stable over the week, barring Aluminum, which fell. with the IMF Food Price index rising to 5.2% MoM to 134.84 in October.

Page 12: Global currencies (EM, Asian) weakened marginally WoW against the USD, while the Dollar Index strengthened. Bitcoin prices reached US\$ 16,600 mark.

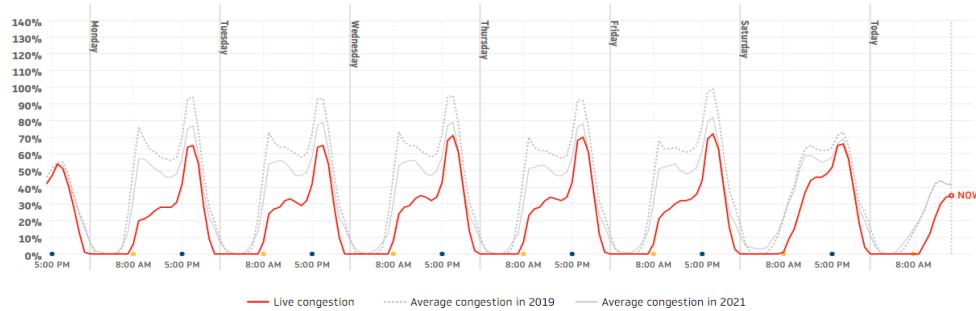
# Traffic Congestion

Between 1st January 2023 - 8th January 2023

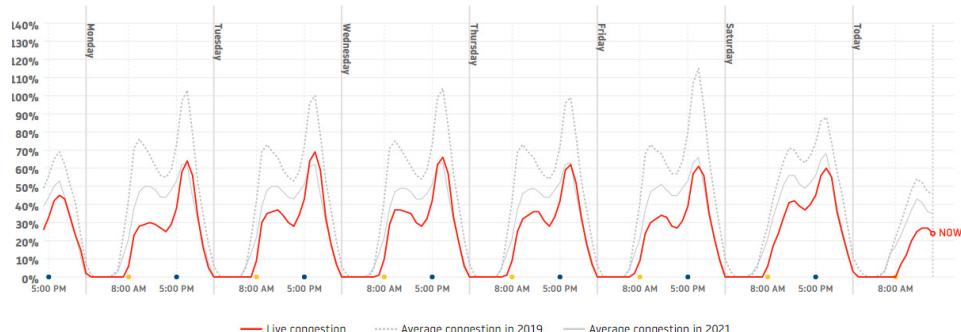
## Mumbai



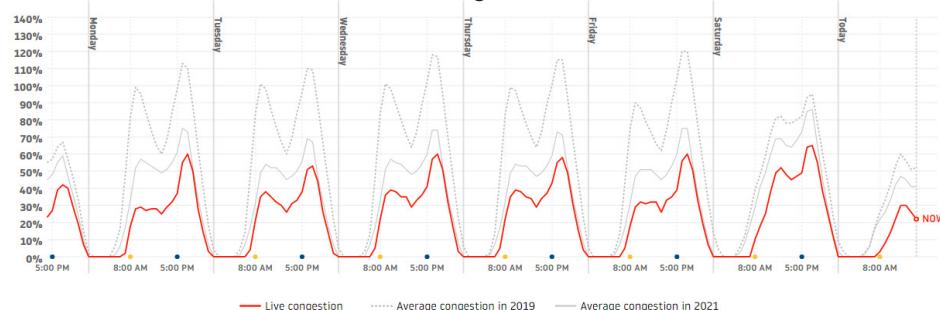
## New Delhi



## Pune



## Bengaluru

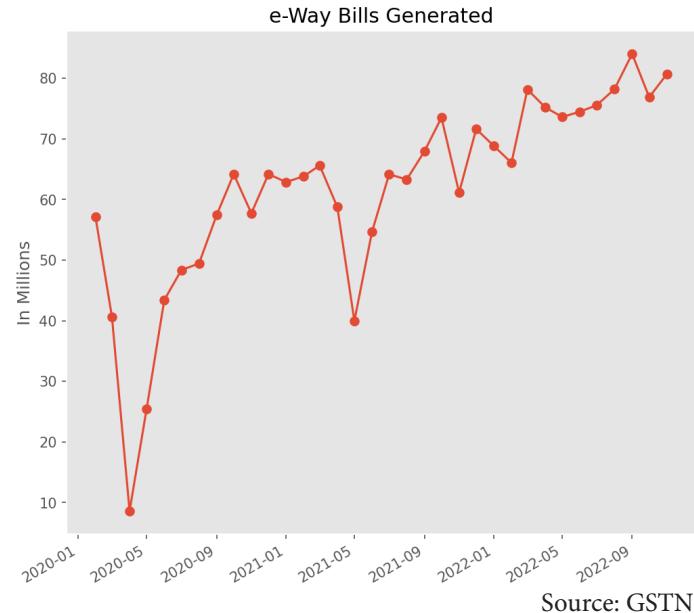
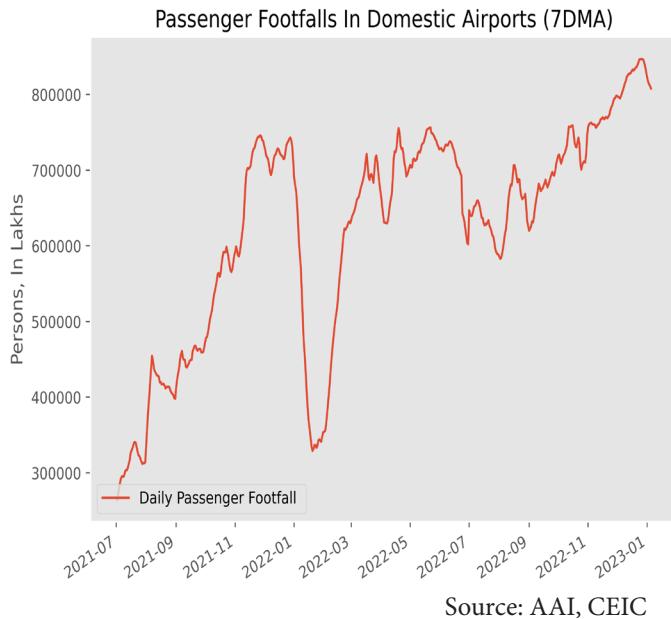


Source: TomTom

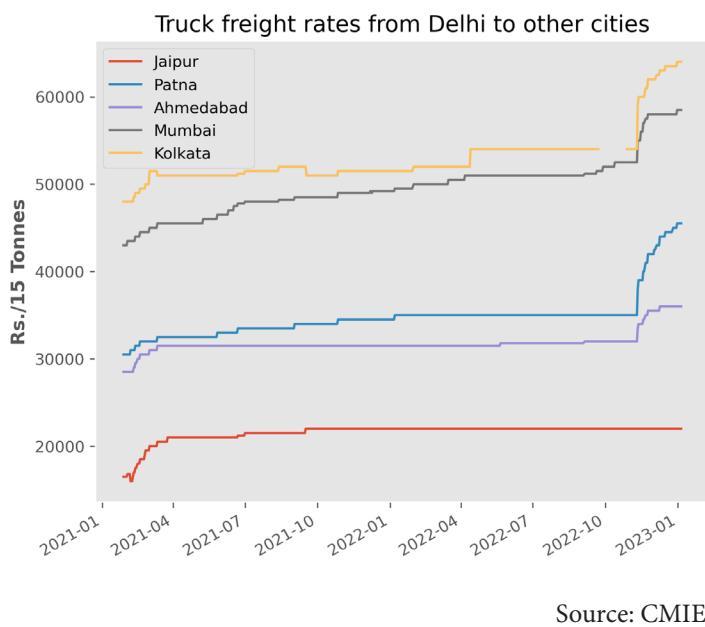
# Miscellaneous High-Frequency Indicators

Domestic Airport footfalls (7DMA) fell WoW to 8.08 Lakhs as on 5th January, 2023.

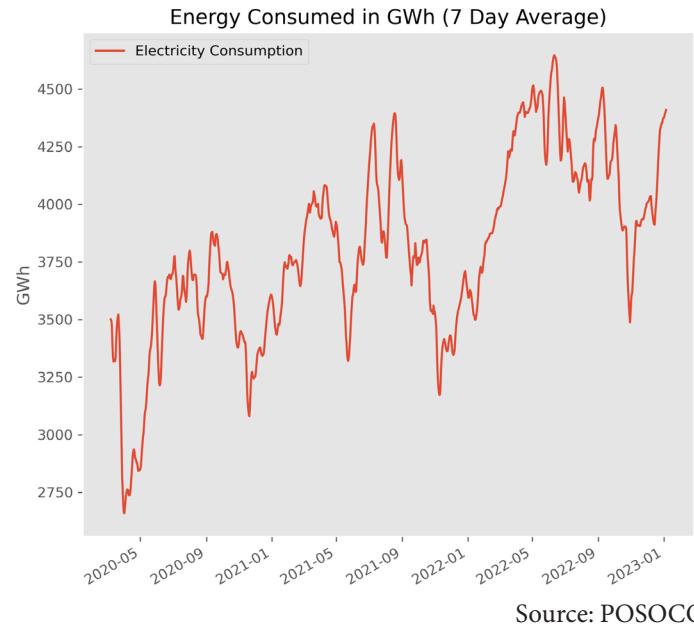
The number of e-Way bills generated in November stood at a 80.69 Million, rising MoM.



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

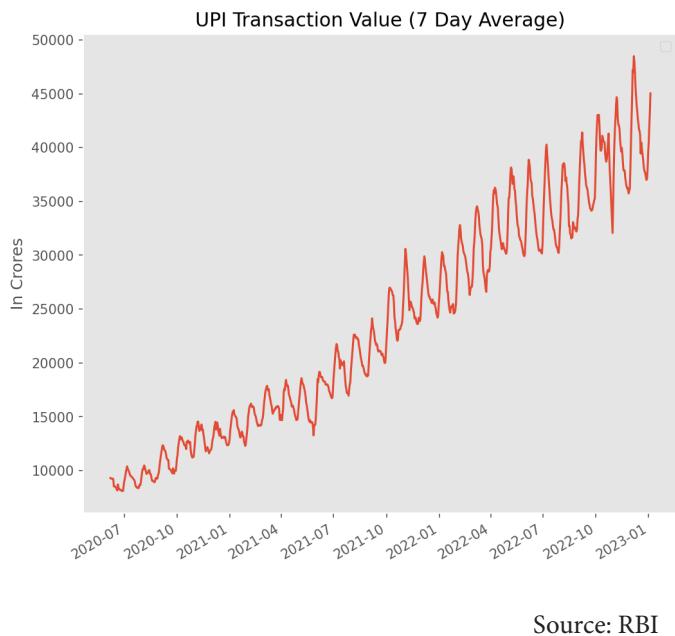


Indian electricity consumption (7DMA) rose sharply over the previous fortnight.

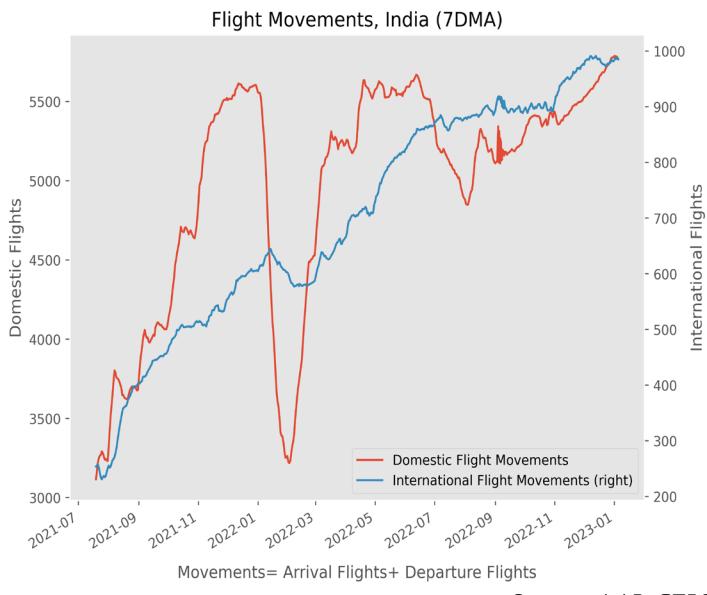


# Miscellaneous High-Frequency Indicators

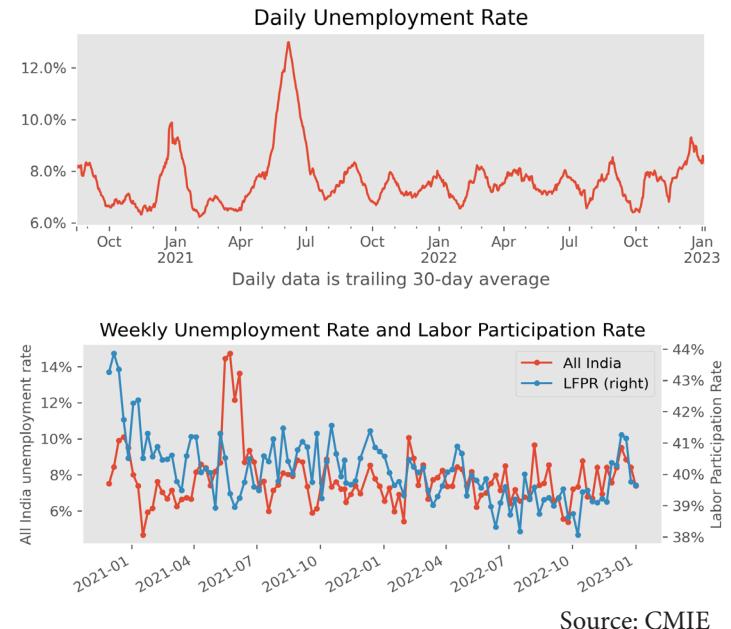
UPI transaction value (7DMA) witnessed a cyclical rise after a fall in the previous week.



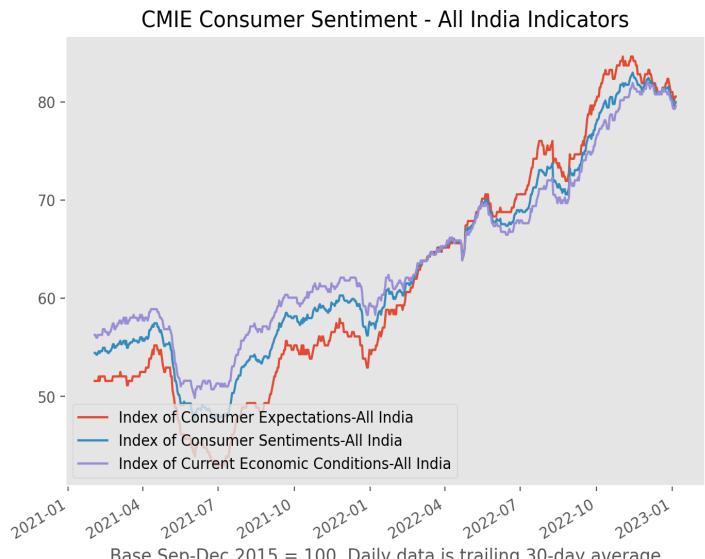
Domestic Flight movements and International Flight movements rose WoW (7DMA) over the fortnight leading to 5th January.



Weekly labor force participation rate fell WoW to 39.65%. Unemployment rates fell over the week to 7.38%, as on 1st January, 2023.

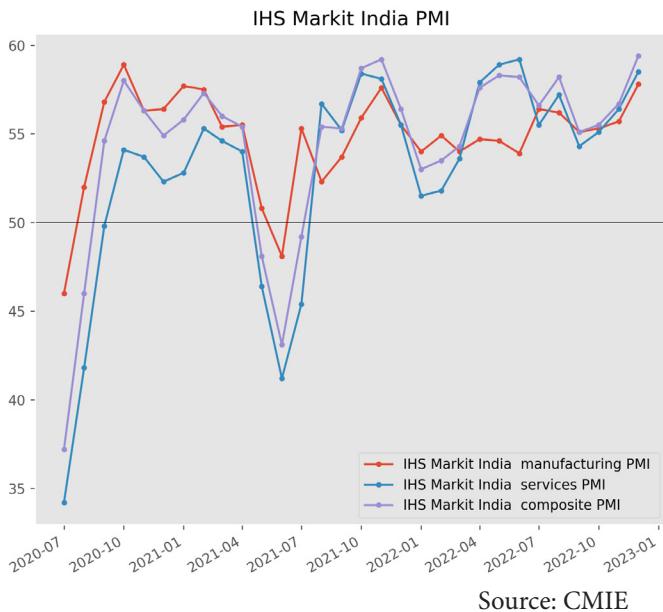


Consumer sentiment broadly declined over the week.

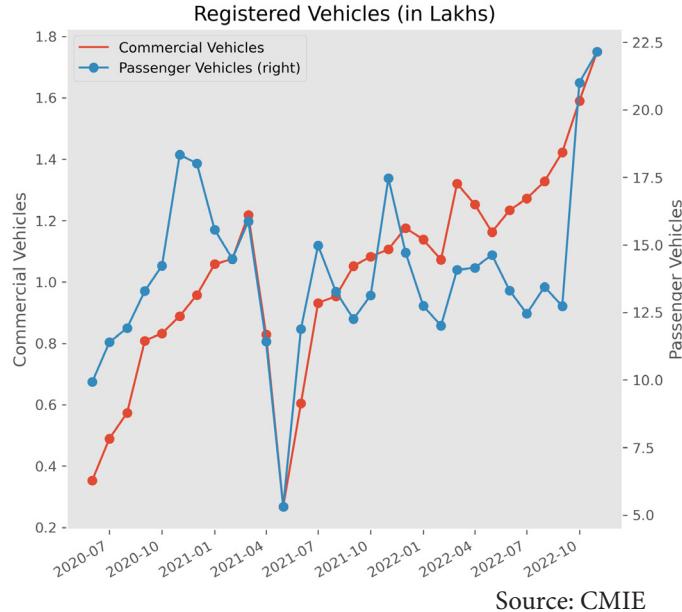


# Miscellaneous Medium-Frequency Indicators

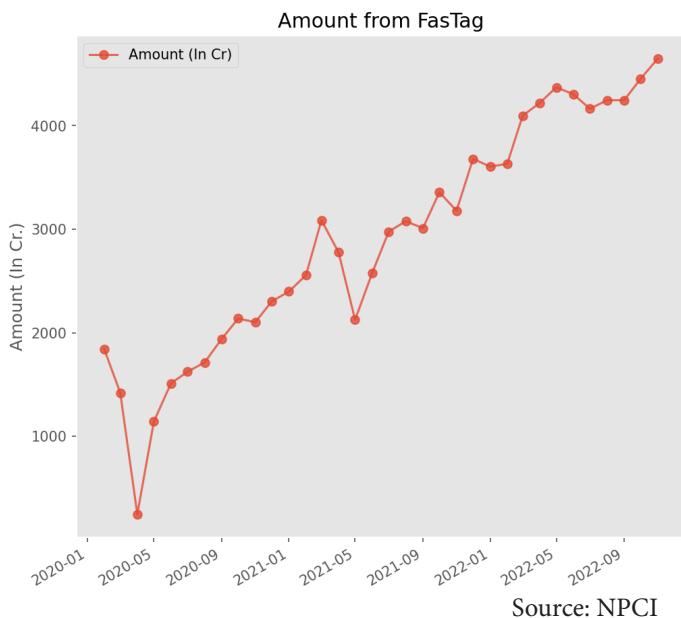
December witnessed an expansion across all three indices, owing to a favorable demand outlook and new order growth.



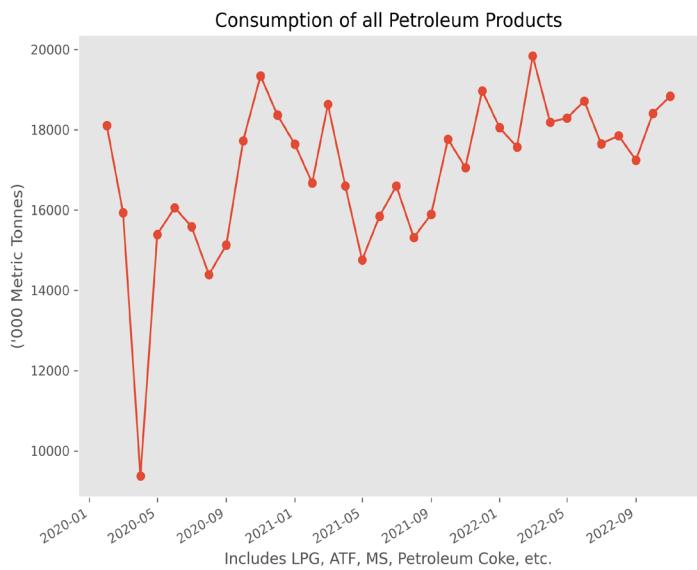
Both Passenger vehicle and Commercial vehicle registrations rose in November.



November's FasTag (NETC) collections rose to record levels at Rs. 4,646 Crores.

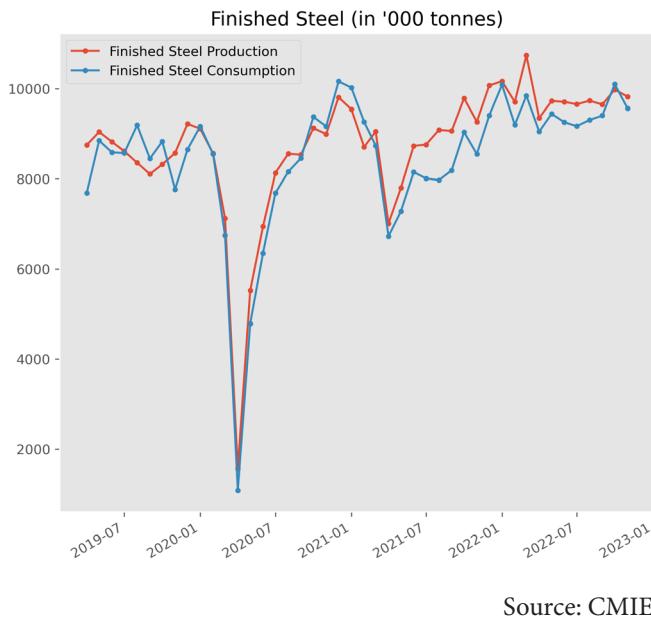


November's petroleum consumption rose by 2.4% MoM.

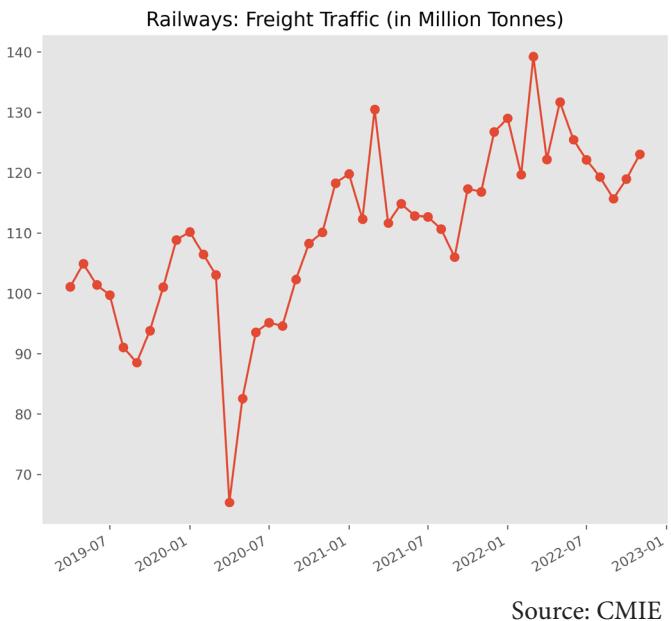


# Miscellaneous Medium-Frequency Indicators

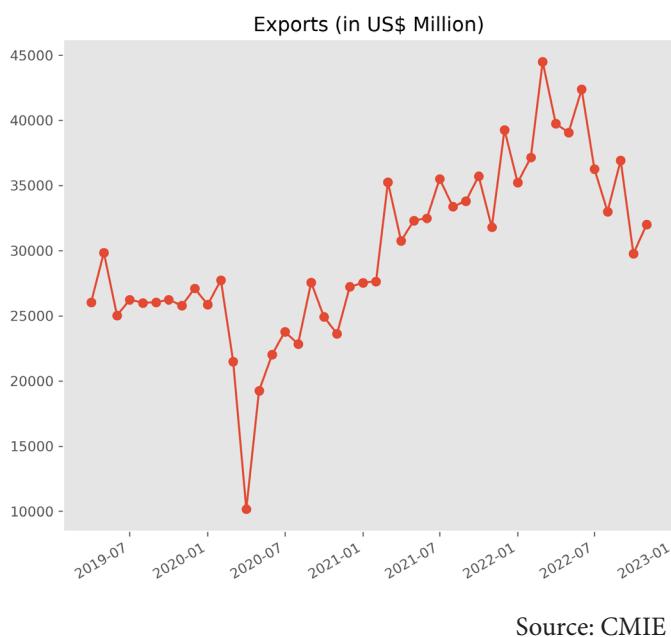
November's steel production and consumption fell MoM.



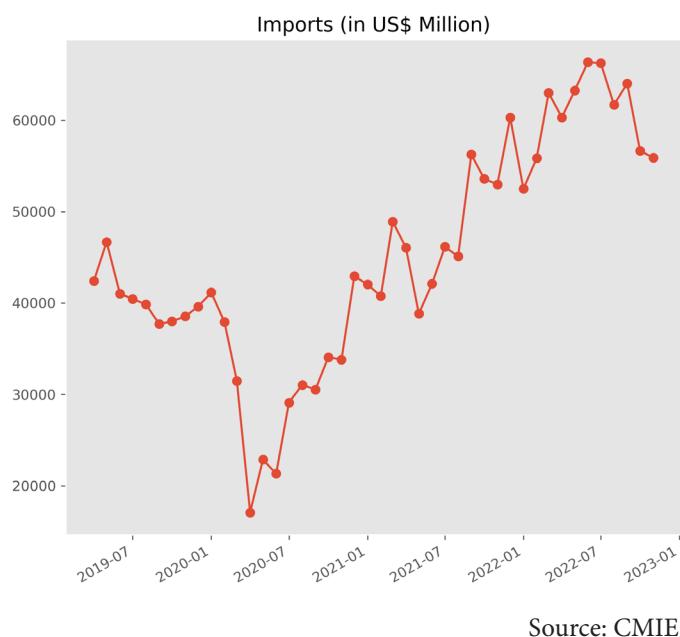
November's railways freight traffic rose by 3.48% MoM.



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



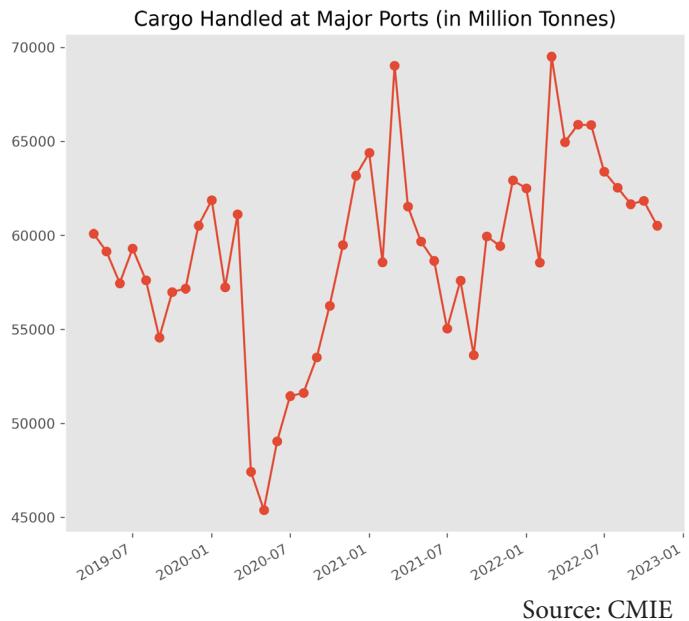
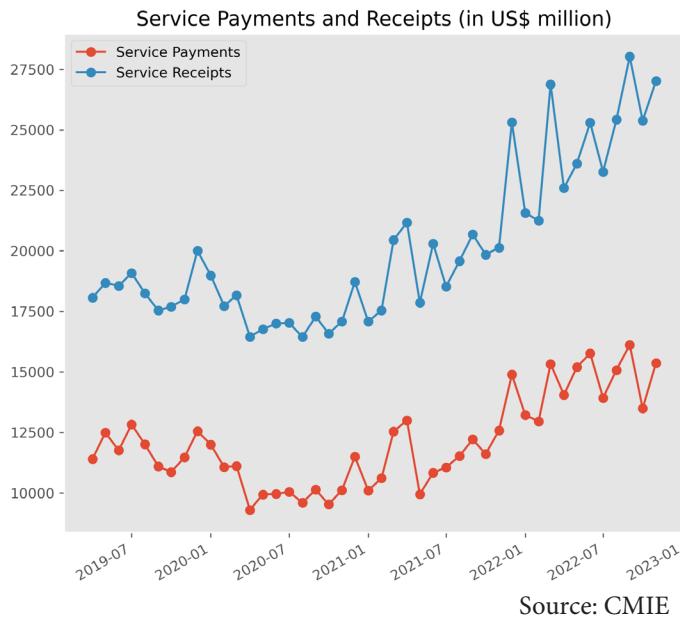
November's imports fell MoM to USD 55.88 billion.



# Miscellaneous Medium-Frequency Indicators

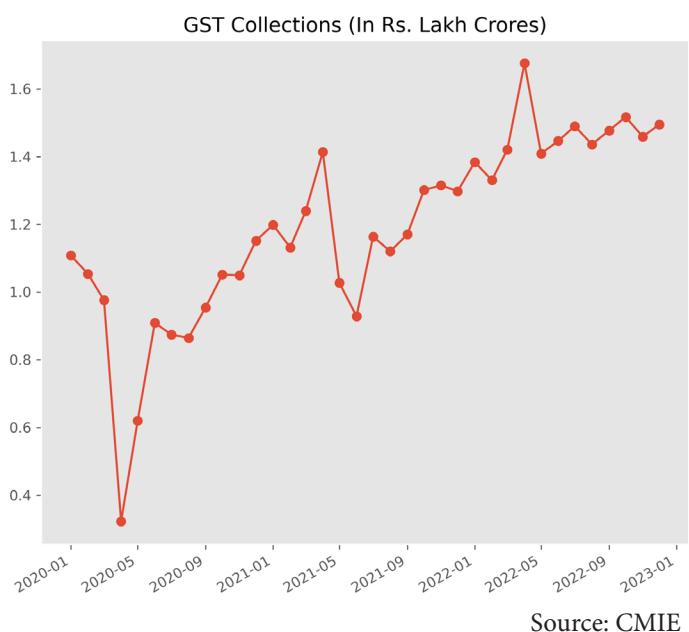
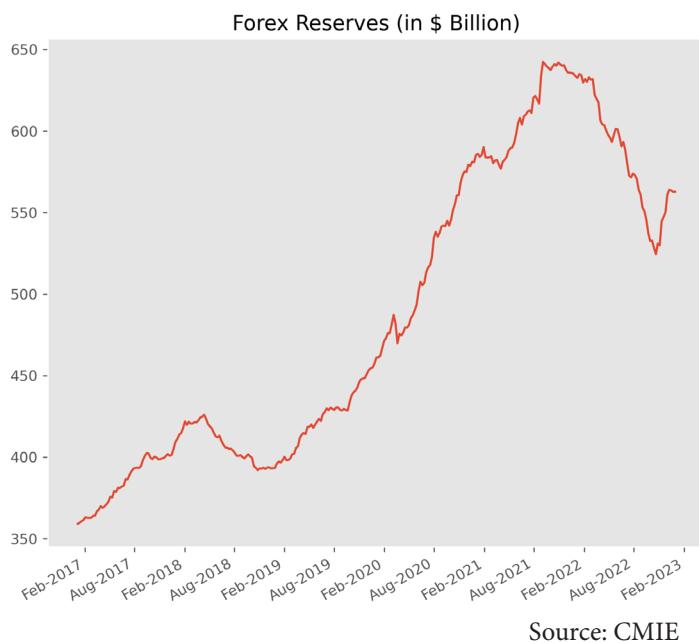
November's service payments remained stable and receipts rose MoM.

The volume of cargo handled at major ports fell MoM by 2.12% at 60,527 Million Tonnes in November.



Forex reserves in USD terms declined to USD 562.8 Billion over the week leading to 30th December, 2022.

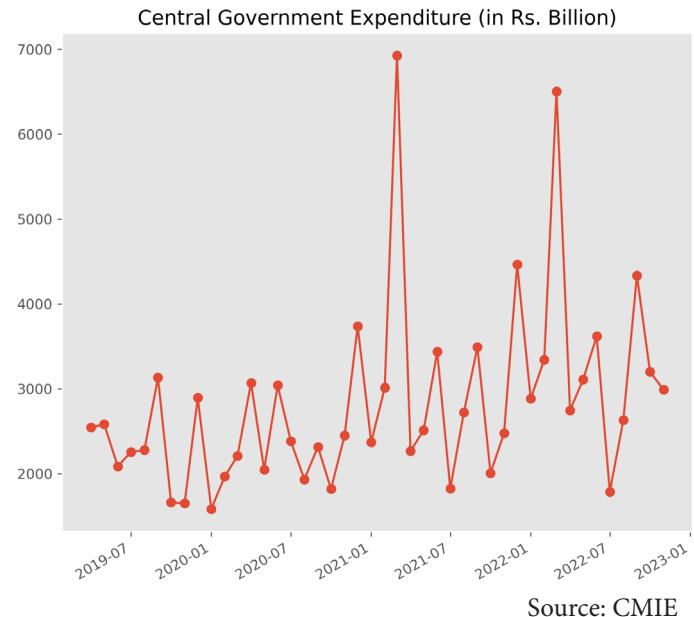
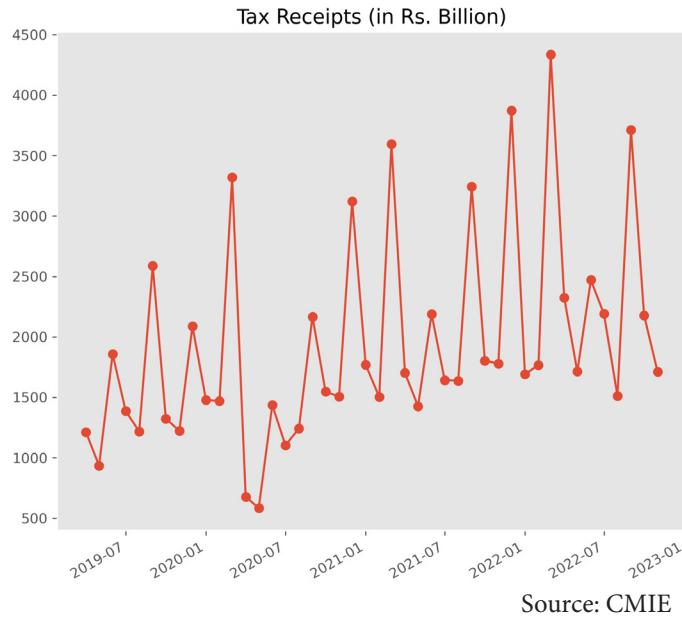
December's GST collections rose MoM to Rs. 1.49 Trillion, up 15% YoY.



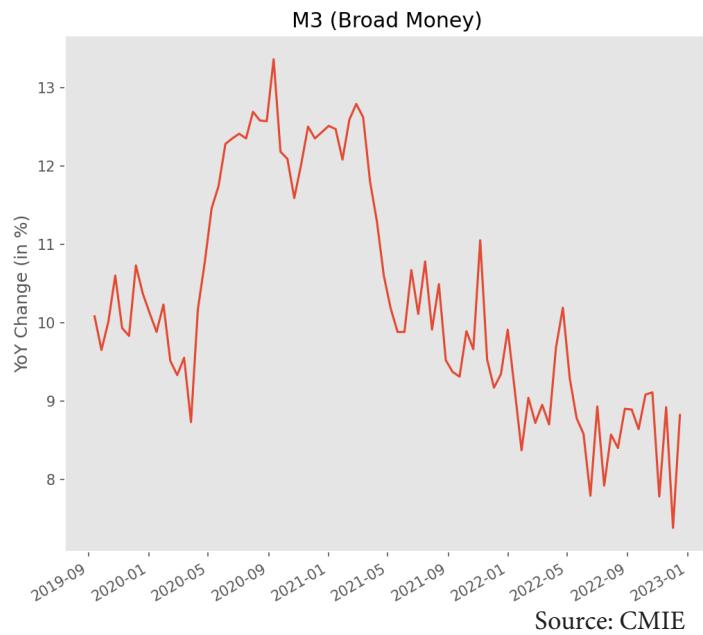
# Miscellaneous Medium-Frequency Indicators

November's total Tax receipts fell by 21.5% of October's levels, to Rs. 1,710.4 Billion.

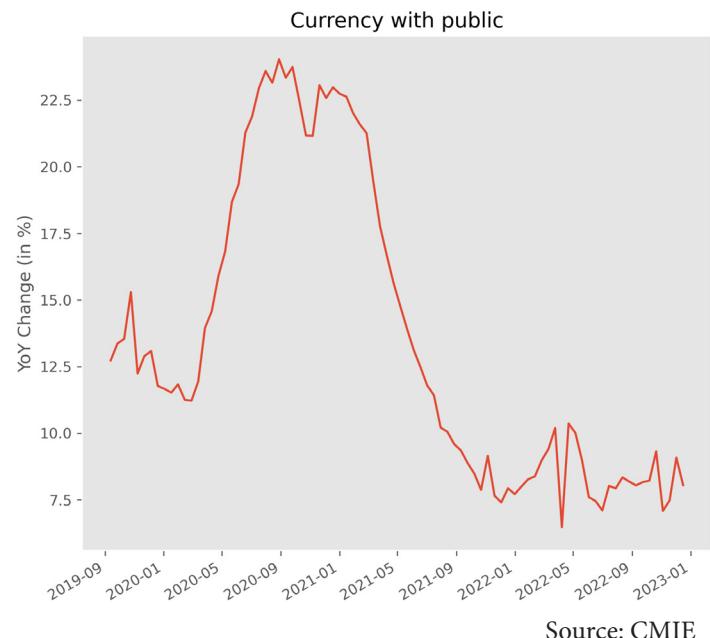
November's Central Government expenditure fell by 6.6% of October's levels, to Rs. 2,990.8 Billion.



%YoY growth of M3 money supply rose over the fortnight of 2nd December to 16th December, standing at 8.82% YoY change, with growth accelerating compared to previous weeks.

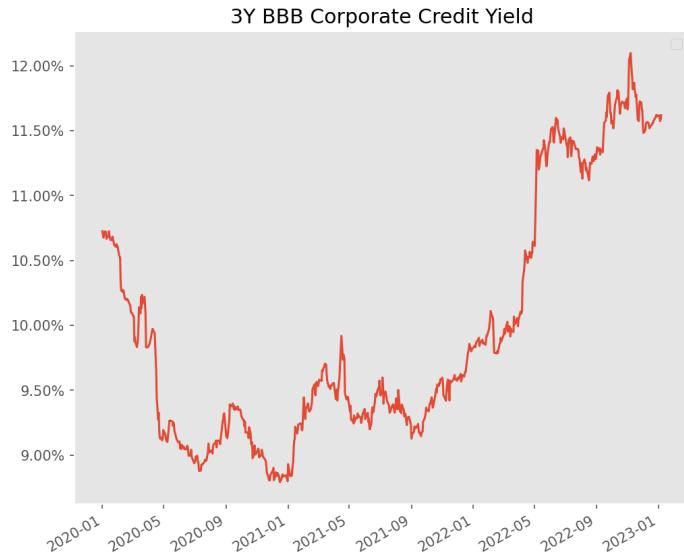


%YoY growth of currency in circulation continued to rise over the fortnight of 2nd December to 16th December, standing at 8.05% YoY, with growth decelerating WoW.



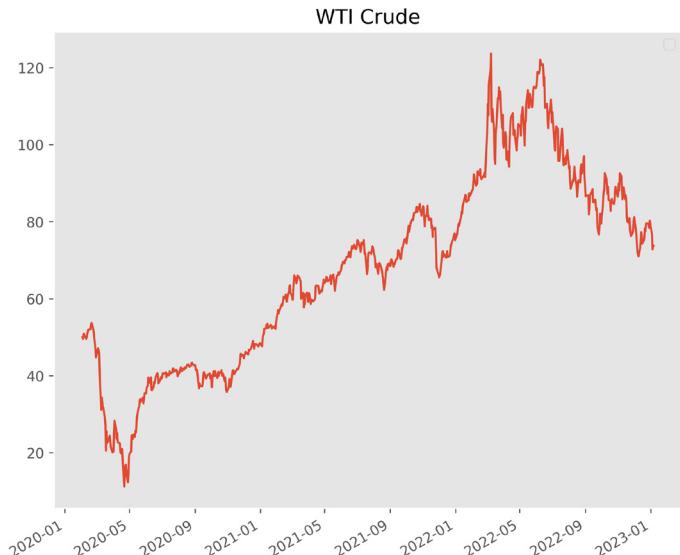
# Capital and Commodity Market Indicators

Three-year BBB corporate credit yield reached 11.62%.



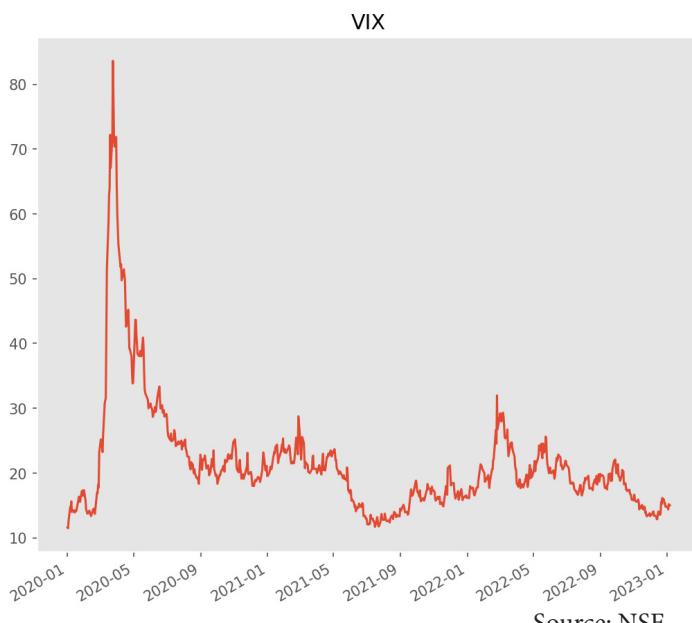
Source: Bloomberg

WTI Crude reached USD 73.77/bbl, from USD 80.26/bbl the week before as on 6th January, 2023.



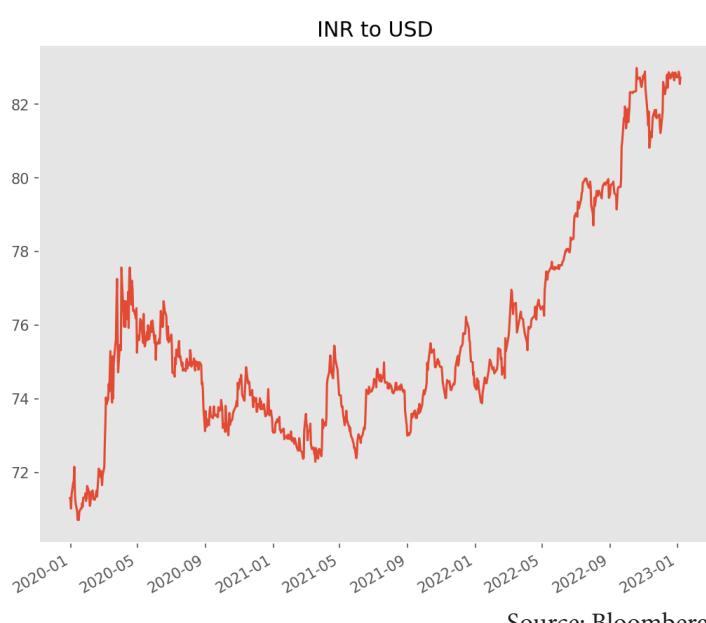
Source: Bloomberg

India's NSE volatility (VIX) halted its decline and rose to 15.



Source: NSE

INR depreciated over the week as the nominal USD-INR spot rate stands at 82.73 as on 6th January, 2023, from 82.74 a week ago.

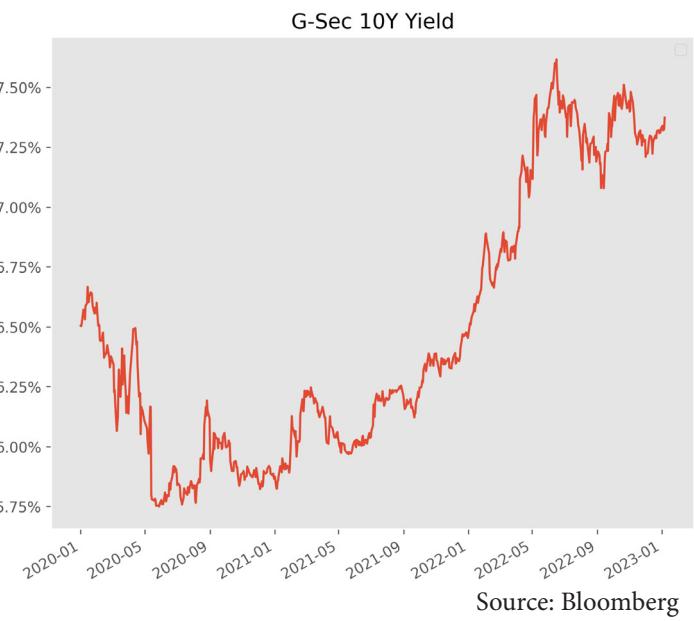
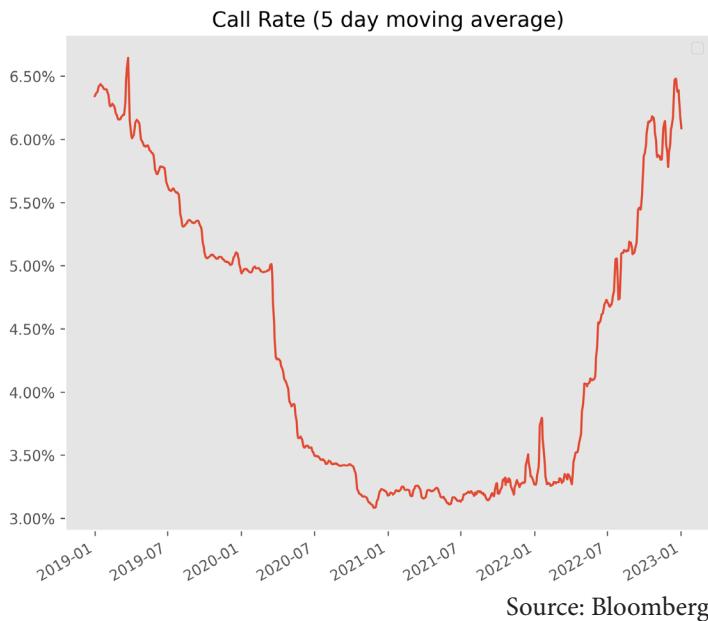


Source: Bloomberg

# Money Market and Banking Sector Indicators

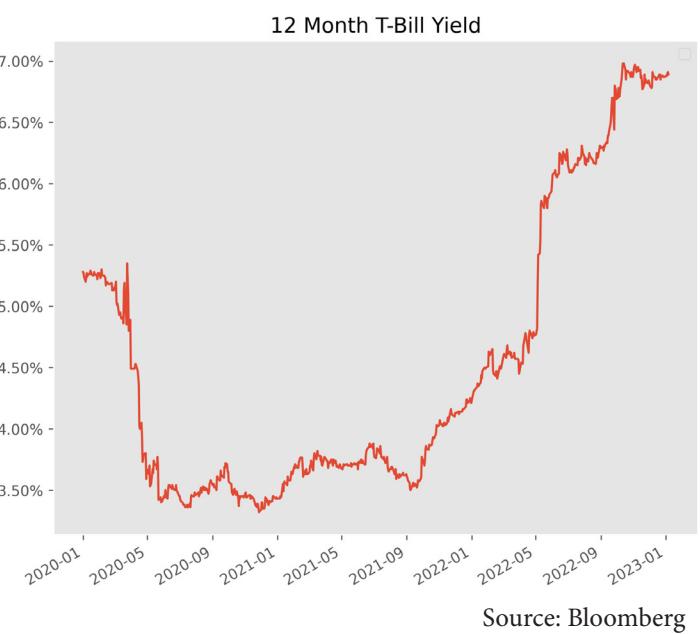
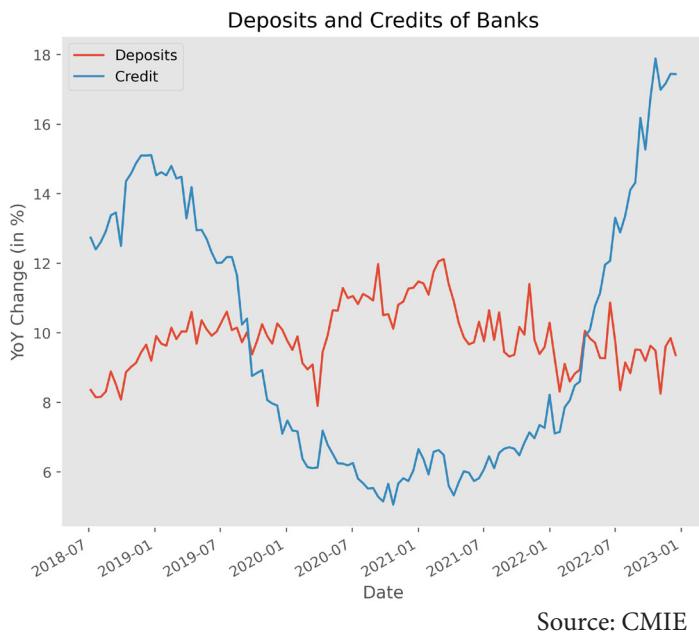
Call rate (5DMA) reached 6.06% (as on 6th January, 2023).

India's 10-year G-Sec yield rose marginally WoW to 7.37% as on 6th January, 2023.



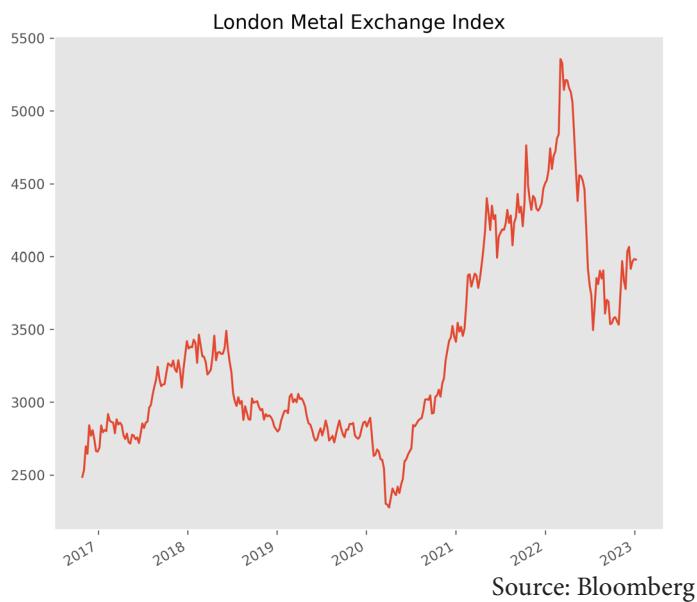
%YoY growth of bank deposits decelerated WoW to 9.36% and %YoY growth of credit remained at 17.44% as of 16th December, 2022.

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

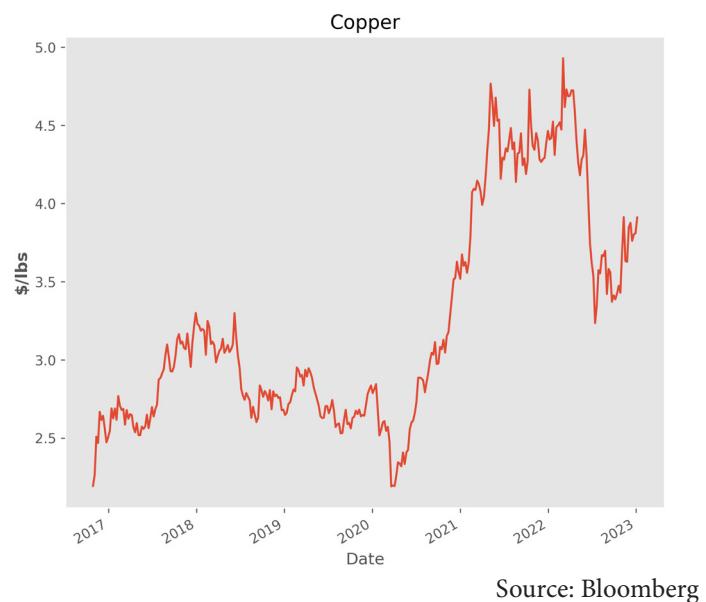


# Ex-Crude Oil Commodity Prices

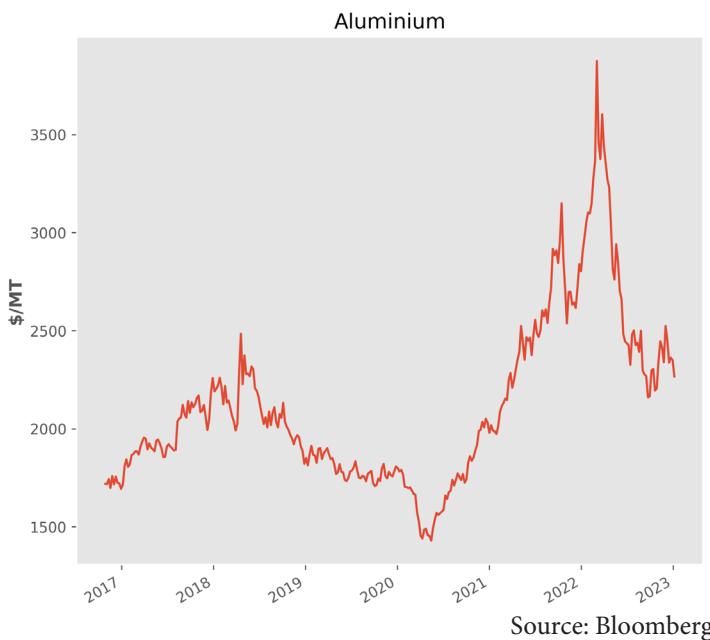
The LME index remained stable over the week at 3979.



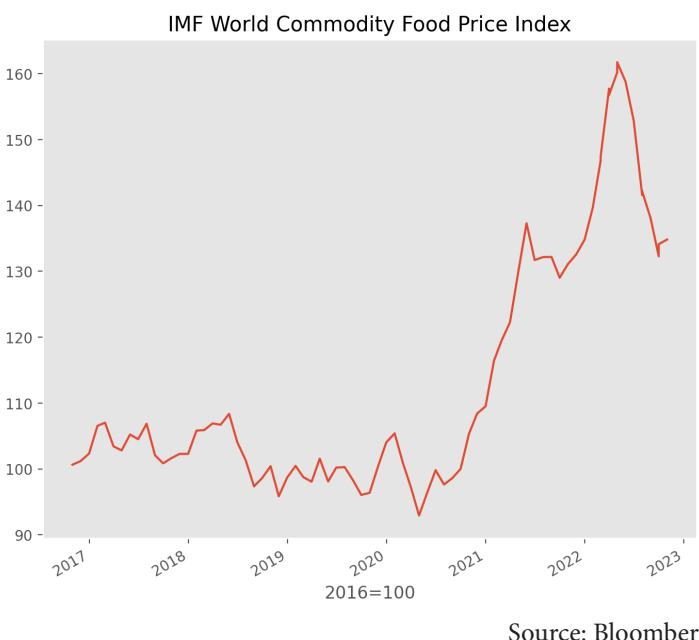
Copper rose WoW to USD 3.91 per pound from USD 3.81 per pound the week before.



Aluminium end of week rates fell by 3.5% to USD 2,266/MT as on 6th January, from USD 2,349/MT the week before.

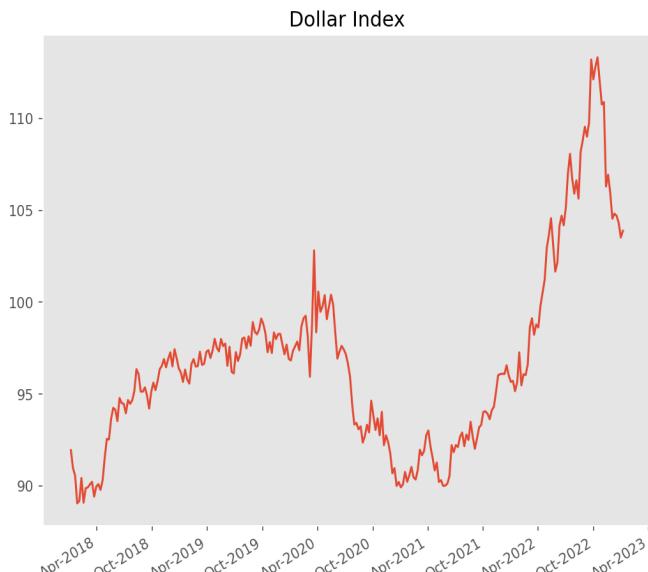


IMF World commodity food price index for October rose by ~5.2% MoM to 134.84.

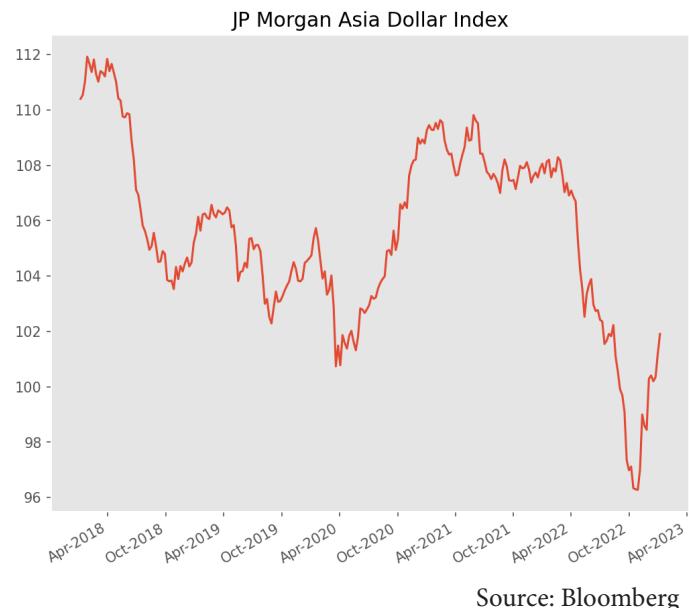


# Global Currency Indices

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

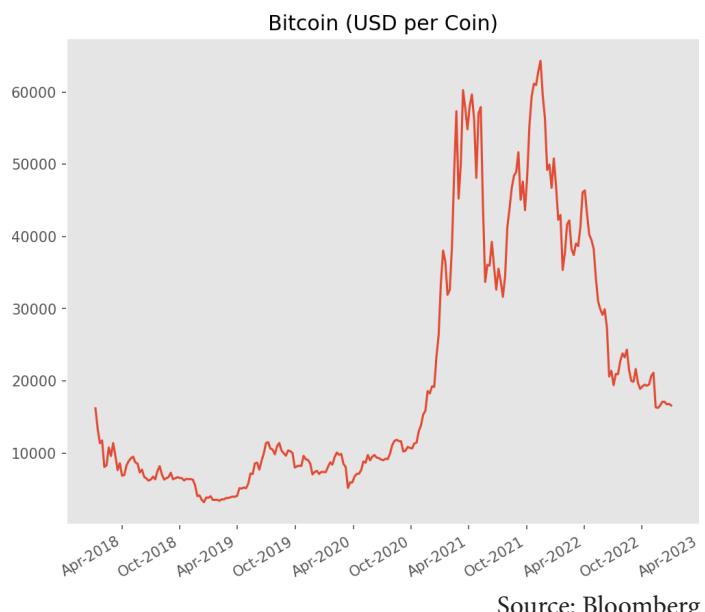
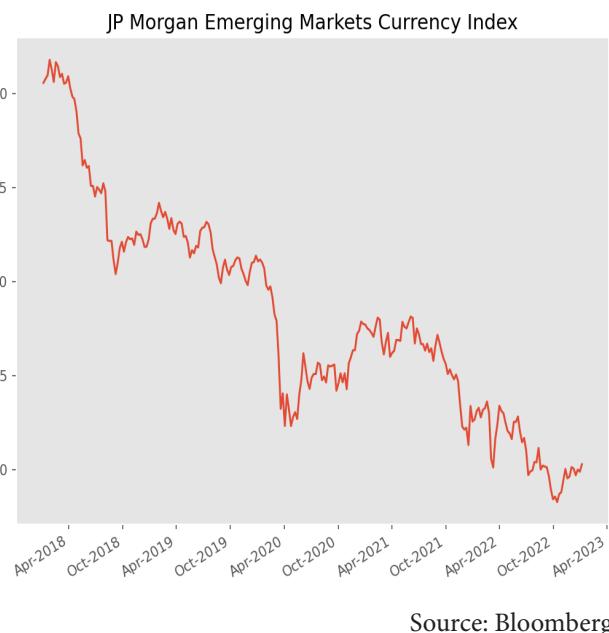


Asian Currencies ended the week weaker versus the US\$.



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

Bitocioin fell remained stable at US\$ 16,602.



# 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	Dec-22
Currency in circulation (% YoY)	7.6	8.0	8.6	9.9	10.4	8.8	8.0	8.1	8.1	8.3	9.3	7.7	
M3 (% YoY)	11.4	8.4	8.7	8.7	9.5	8.8	7.8	8.6	8.9	8.6	9.1	8.9	
Rural wage (% YoY)	5.3	4.9	5.1	4.7	5.0	5.4	5.5	5.5	5.8	5.8	6.7		
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	10.1
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	7.4
Naukri job speak index (%YoY)	(2.9)	41.1	30.5	16.3	38.2	39.9	22.0	20.8	5.8	12.7	(2.7)	42.9	
Consumer durable production (% YoY)	(2.6)	(3.6)	(8.7)	(2.6)	7.4	58.4	25.1	2.3	(2.5)	(3.2)	(15.3)		
Consumer non-durable production (% YoY)	(0.1)	2.1	(5.8)	(4.6)	(0.6)	1.0	3.0	(2.8)	(9.5)	(6.3)	(13.4)		
Motorvehicle sales (%YoY)	(10.7)	(18.8)	(23.5)	(17.8)	5.2	256.3	28.0	13.7	20.2	23.4	7.9	22.5	
Passenger vehicle (%YoY)	(13.3)	(8.1)	(6.5)	(3.9)	(3.8)	185.1	19.1	11.1	21.1	92.0	28.6	28.1	
Commercial vehicle (% YoY)	3.7	12.5	25.6	16.9	62.1	249.1	87.3	28.8	28.8	44.5	43.0	16.7	
Two wheeler (% YoY)	(10.8)	(21.1)	(27.3)	(20.9)	15.4	255.3	24.0	10.2	17.0	13.5	2.3	17.7	
Tractor sales	(27.5)	(32.6)	(31.3)	(14.3)	40.6	47.4	(14.4)	(15.3)	(1.9)	23.0	6.8	6.5	
Petrol consumption (% YoY)	4.1	(5.3)	3.5	6.2	17.3	51.5	23.2	6.8	11.6	8.8	8.8	8.1	
Diesel consumption (%YoY)	1.6	(6.5)	(0.7)	6.7	7.9	31.7	23.9	8.2	13.0	13.4	5.5	19.2	
Cement production (% YoY)	13.9	14.1	4.2	9.0	7.4	26.2	19.7	6.0	1.8	12.5	(4.3)	28.6	
Steel production (% YoY)	(0.7)	3.8	5.6	4.1	2.2	14.6	3.7	2.3	5.2	5.7	6.5	10.8	
IIP (%YoY)	0.7	1.5	1.5	2.2	6.7	19.6	12.7	2.2	(0.7)	3.5	(4.0)		
Mining (% YoY)	2.6	2.8	4.5	3.9	8.0	11.2	7.8	(3.3)	(3.9)	5.2	2.5		
Manufacturing (%YoY)	0.2	1.3	0.5	1.4	5.8	20.6	13.0	3.0	(0.5)	2.2	(5.6)		
Electricity (%YoY)	2.8	0.9	4.5	6.1	11.8	23.5	16.4	2.3	1.4	11.6	1.2		
Capital goods production (%YoY)	(3.8)	1.4	2.0	2.0	13.3	54.4	29.1	5.7	4.3	11.4	(2.3)		
Capital goods imports (%YoY)	20.7	18.8	15.5	(0.5)	11.3	5.3	16.8	38.5	32.3	12.2	2.0	15.4	
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	57.8
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	58.5
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	59.4
Rail freight traffic (% YoY)	7.2	7.7	6.6	6.7	9.4	14.6	11.3	8.3	7.9	9.1	1.4	5.2	
Air traffic (% YoY)	53.3	(16.8)	(1.3)	37.3	92.7	493.0	247.1	98.2	54.6	50.2	29.9	11.5	
Major port traffic (%YoY)	(0.6)	(2.8)	(4.5)	1.2	5.5	8.9	13.5	15.1	8.0	14.9	3.6	2.0	
Foreign tourist arrivals (%YoY)	235.5	140.4	141.8	177.9	399.2	2043.7	1349.2	783.9	437.3	363.7	243.2		
Export growth (% YoY)	44.4	27.6	25.1	19.8	29.1	20.8	30.2	8.1	10.9	4.8	(12.1)	0.6	
Import growth (% YoY)	40.5	26.2	36.1	24.2	26.1	57.5	53.4	43.8	41.7	14.9	10.0	5.4	
Non-oil, non-gold imports (%YoY)	39.1	37.5	35.5	41.0	32.2	32.5	42.3	44.7	40.6	20.5	2.4	6.8	
E-way bills generated (%YoY)	11.6	9.5	8.3	9.7	28.0	84.1	36.2	17.8	18.7	23.7	4.6	32.0	
Bank non-food credit growth (%YoY)	9.5	7.3	8.2	8.7	10.3	11.6	12.4	15.1	16.0	15.7	16.3	16.0	16.7
Personal credit (%YoY)	14.3	11.6	12.3	12.4	14.7	16.4	18.1	18.8	19.5	19.6	20.2	21.3	
Credit to industry (%YoY)	7.6	6.4	6.5	7.1	8.1	8.7	9.5	10.5	11.4	12.6	13.6	13.1	
Credit to services (%YoY)	10.8	7.3	5.6	8.9	11.1	12.9	12.8	16.5	17.2	20.0	22.5	19.7	
Deposit growth (%YoY)	12.1	8.3	8.6	8.9	10.0	8.8	8.6	9.2	9.5	9.2	8.4	9.6	9.4
Commercial Paper issuance (%YoY)	(4.1)	(3.6)	(6.7)	(3.3)	(2.6)	(1.1)	(1.0)	(9.8)	4.7	8.1	(1.6)	(6.7)	
Central Government expenditure (%YoY)	19.44	21.57	11.0	(6.1)	21.2	23.7	5.4	(2.2)	(3.3)	24.1	59.5	20.7	
Indirect tax (%YoY)	(5.8)	(7.4)	(7.1)	0.32	6.2	14.5	25.5	2.3	(1.0)	8.8	18.7	(4.0)	
CPI (%YoY)	5.7	6.0	6.1	7.0	7.8	7.04	7.01	6.71	7.00	7.4	6.77	5.88	

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

**Disclaimer:** The information herein is meant only for general reading purposes and the views being expressed only constitute opinions and therefore cannot be considered as guidelines, recommendations or as a professional guide for the readers. Certain factual and statistical information (historical as well as projected) pertaining to Industry and markets have been obtained from independent third party sources, which are deemed to be reliable. It may be noted that since Nippon Life India Asset Management Limited (NAM India) (formerly known as Reliance Nippon Life Asset Management Limited) has not independently verified the accuracy or authenticity of such information or data, or for that matter the reasonableness of the assumptions upon which such data and information has been processed or arrived at. NAM India does not in any manner assures the accuracy or authenticity of such data and information. Some of the statements assertions contained in these materials may reflect NAM Indian's views or opinions, which in turn may have been formed on the basis of such data or information.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.