

## ECONOMIC DEVELOPMENTS

- On a y-o-y basis, non-food bank credit increased by 12.8% in Dec'18 as compared with an increase of 10.0% in Dec'17. Credit to agriculture and allied activities increased by 8.4% (Dec'17: 9.5%) while credit to industry rose by 4.4% (Dec'17: 2.1%). Credit to the services sector expanded by 23.2% (Dec'17: 14.7%) and Personal loans increased by 17.0% (Dec'17: 18.9%). (Refer theme)
- According to the First Revised Estimates of National Income, real GDP grew 7.2% during FY18 compared to 8.2% during FY17, with nominal GDP growth of 11.3% in FY18 and 11.5% in FY17. In terms of real GVA, there has been a growth of 6.9% in FY18, as against growth of 7.9% in FY17, with agriculture witnessing 5.0% growth, industry 5.9% growth and services 8.1% in FY18.
- Gross savings to GNDI for FY18 is estimated as 30.1% in FY18 as against 29.9% in FY17. The rate of Gross Capital Formation to GDP increased from 30.9% during FY17 to 32.3% in FY18.
- The combined Index of Eight Core Industries stood at 132.1 in Dec'18, up 2.6% yoy compared to 3.5% yoy growth in Nov'18. Its cumulative growth during Apr-Dec FY18 was 4.8%.
- GST collections have jumped to Rs 1 lakh crore in Jan'19 from Rs 94,726 crore collected in December last year, Finance Ministry said today.
- The Eurozone economy failed to bounce back in the final three months of 2018, with growth remaining at 0.2% in the third and fourth quarters. The euro-area economy looks sluggish heading into 2019 amid a recession in Italy and increasing risks from within and outside the region. For 2018, GDP growth was 1.8%. The euro area unemployment rate for December was 7.9%.
- RBI today launched the Ombudsman Scheme for Digital Transactions (OSDT) for redressal of complaints against System Participants. The Scheme will provide a cost-free and expeditious complaint redressal mechanism relating to deficiency in customer services in digital transactions conducted through non-bank entities regulated by RBI.
- The Ministry of Housing & Urban Affairs has approved the construction of another 4,78,670 more affordable houses for the benefit of urban poor under Pradhan Mantri Awas Yojana (Urban).
- China's Purchasing managers' index (PMI) saw a slight improvement in January, from 49.4 in December to 49.5, but this could not keep the manufacturing sector for contracting for a second successive time with a reading below 50 indicating shrinkage. There is some room for optimism in the over performance of the service sector, with non-manufacturing PMI growing from 53.8 to 54.7.

## MARKET DEVELOPMENTS

- The BSE benchmark Sensex rallied over 665 points to close at 36,256.69 on positive cues from global markets after dovish comments by the US Federal Reserve as it left key policy rates unchanged.
- Rupee appreciated marginally by 4 paise to close at ₹71.09 against the US dollar.
- RBI today absorbed liquidity to the tune of ₹109.77 billion through LAF window.
- The net FII outflow today was \$28.14 million. The equity inflow was \$32.79 million, debt outflow was \$60.92 million and hybrid outflow was \$0.01 million. The total outflow for 2019 stands at \$759 million.

## THEME OF THE DAY: SECTORAL DEPLOYMENT OF GROSS BANK CREDIT

	YoY Growth (%)			YTD Growth (%)		
	FY18 (Dec'17)	FY19 (Dec'18)		FY18 (Apr-Dec'17)	FY19 (Apr-Dec'18)	
Agr. & Allied	9.5	8.4	↓	0.6	5.0	↑
Industry	2.1	4.4	↑	-1.7	1.9	↑
Services	14.7	23.2	↑	0.5	8.9	↑
Personal Loans	18.9	17.0	↓	10.8	10.0	↓
Housing	14.2	17.1	↑	8.8	12.5	↑
Vehicle Loans	9.3	8.8	↓	7.3	5.0	↓

## DAILY TRACKER

Variable	Unit	31-Jan-19	30-Jan-19	31-Jan-18
Call Rate	%	6.38	6.39	5.92
10 yr G-sec	%	7.48	7.55	6.41
LAF	₹ Bn	109.77	775.53	516.98
10 yr Corp. Spread	bps	132	132	65
₹ / \$	₹	71.09	71.13	63.59
₹ / €	₹	81.65	81.30	79.19
1 yr NDF	₹	74.32	74.36	70.50
Sensex	-	36257	35591	35965
Nifty	-	10831	10652	11028
SBI Share Price	₹	293	288	313
Net FII	\$ Mn	-28.14	-28.36	163.57
3m LIBOR	%	2.736	2.744*	1.773*
Brent crude	\$/barrel	62.1	61.9	68.70
Gold	\$/oz	1323	1314	1343
US 10yr G-sec	%	2.665	2.719	2.705
Dollar Index	-	95.30	95.80	89.13

## WEEKLY/FORTNIGHTLY TRACKER

Variable	Unit	04-Jan-19	21-Dec-18	05-Jan-18
Forex Reserve	\$ Bn	396.7 <sup>18 Jan</sup>	393.3	414.8
M3	% YTD	5.8	4.2	4.4
ASCB Deposits	% YTD	5.3	3.4	1.8
ASCB Credit	% YTD	8.3	7.7	4.0
Incremental C-D Ratio	%	117.3	169.7	153.1
CIC	% YTD	12.7 <sup>25 Jan</sup>	12.9 <sup>18 Jan</sup>	30.2 <sup>24 Jan'18</sup>

## MONTHLY TRACKER

Variable	Unit	Dec-18	Nov-18	Dec-17
Repo Rate	%	6.50	6.50	6.00
Market Borrowings	₹ Bn (YTD)	4390 <sup>18 Jan</sup>	3910 <sup>21 Dec</sup>	5550
SBI 1-Yr MCLR	%	8.55 <sup>Dec'18</sup>	8.50 <sup>Nov'18</sup>	7.95
CPI-Combined	% YoY	2.19	2.33	5.1
Core CPI	% YoY	5.73	5.72	5.21
WPI	% YoY	3.80	4.64	3.0
Core WPI	% YoY	4.25	4.87	3.7
IIP	% YoY	0.5 <sup>Nov'18</sup>	8.1 <sup>Oct'18</sup>	7.5
SBI Composite Index	-	49.7 <sup>Jan'19</sup>	52.4 <sup>Dec'18</sup>	53.1
Exports	\$ Bn	27.9	26.5	27.8
	% YoY	0.3	0.8	9.1
Imports	\$ Bn	41.0	43.2	42.0
	% YoY	-2.4	4.3	26.1
Trade Balance	\$ Bn	-13.1	-16.7	-14.2
FDI (Net)	\$ Mn	855 <sup>Nov'18</sup>	3717 <sup>Oct'18</sup>	1817
Life Insu. Pre. (New)	% YTD	2.74	2.86	10.61
AUM of MFs	₹ Bn	22859	24031	21267
US Non-Farm Payroll	'000	312	176	175

## QUARTERLY TRACKER

Variable	Unit	Q2 FY19	Q1 FY19	Q2 FY18
GDP Growth	%	7.1	8.2	6.3
CAD (% of GDP)	-	2.9	2.4	1.1
OMOs	₹ Bn	300 (Pur)	200 (Pur)	600 (Sale)
Capacity Utilisation	%	73.8 <sup>Jun'18</sup>	75.2 <sup>Mar'18</sup>	71.2 <sup>Jun'17</sup>
Gross NPA	%	10.8	11.5	10.2
CRAR	%	13.7	13.8	13.9

## ANNUAL TRACKER

Variable	Unit	FY19 (AE)	FY18	FY17
GDP (2011-12 base)	% YoY	7.2	7.2	8.2
Agri. & Allied	% YoY	3.8	5.0	6.3
Industry	% YoY	7.8	5.9	7.7
Services	% YoY	7.3	8.1	8.4
CAD (% of GDP)	-	2.6 (SBI)	1.9	0.7
Fiscal Deficit (% of GDP)	-	3.3	3.5	3.5
Global Growth (IMF)	% YoY	3.5	3.7	3.8
EMEs (IMF)	% YoY	4.5	4.6	4.7