

ECOWRAP

SBI COMPOSITE INDEX IMPROVES IN APRIL

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SBI COMPOSITE INDEX : APRIL 2022

- ◆ The yearly SBI Composite Index has increased to almost last year level of 60.0 (High Growth) in April 2022, compared to 55.8 (High Growth) in March 2022. The monthly index also continued to increase to 54.9 (Moderate Growth) in April from 54.7 (Moderate Growth). The rise in index due to the continued upturn in business activities.
- ◆ **Based on the SBI index, we believe IIP manufacturing may grow in the range of 3.0-3.5% in Mar & April '2022 and IIP may grow in the range of 2.0-2.5 in March and 3.0-3.5% in April 2022.**

P-SEGMENTS LOANS DRIVES THE OVERALL CREDIT GROWTH

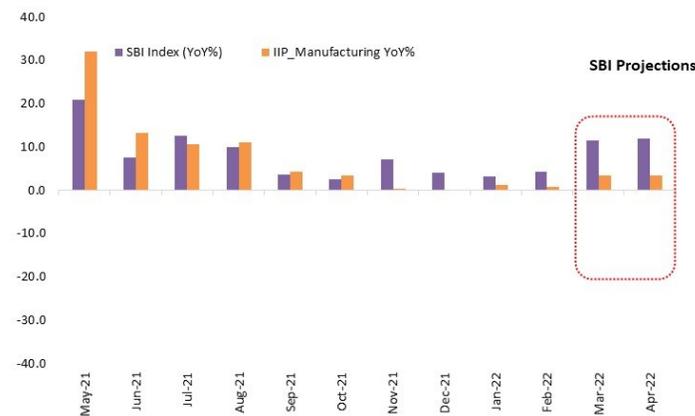
- ◆ During FY22 credit off-take has taken place in almost all major sectors compared to FY21 and the overall credit grew by 9.6% in 2021-22. Interestingly, in 2021-22, retail loans have emerged as the main driver of bank credit and now have the largest share (28.4%) in the outstanding credit of ASCBs, displacing industrial loans (26.7%). While, personal loans holds 35% share in the incremental bank credit for FY22.
- ◆ Under the personal loans segments, the share of 'other personal loans' is increasing and is at 54.7% in incremental credit during FY22. The share of loans to housing has been declining in incremental credit during the last 2-years, may be due to pandemic and uncertainty.
- ◆ Going forward, the outlook on banking sector depends upon the evolving geopolitical situation and its impact on global commodity prices and logistics. The opening of economy has reduced the need for a new stimulus package, and the current momentum can be sustained without large scale disruption. In FY23, we expect both deposits and credit will continue to grow in double digits, despite the interest rate reversal.

SBI Yearly and Monthly Composite Index Trend



Source: SBI Research

SBI Index (YoY) vs IIP Manufacturing (YoY%)



Source: SBI Research

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