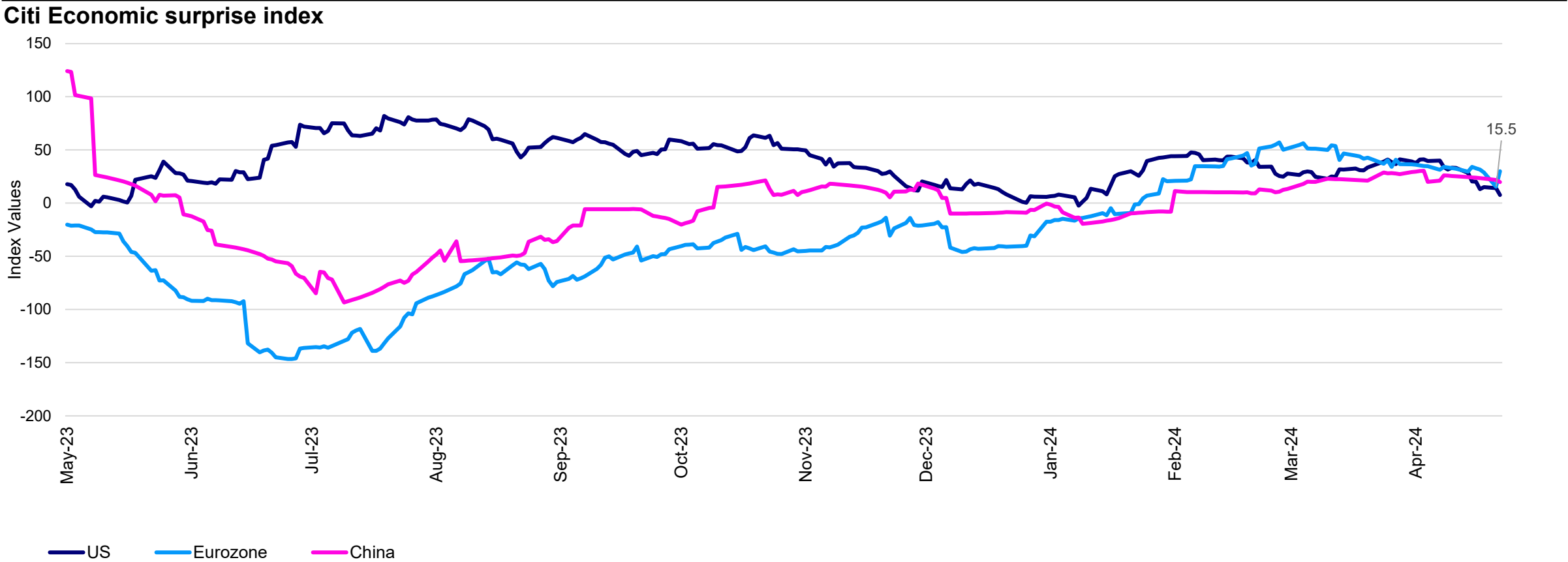


Tug of War!



Global factors – remaining volatile

Economic surprise index remains upbeat for Europe & China. US data surprises starting to come lower.



Source: Bloomberg. Data as at end April 2024
Note: Above 0 is positive for growth and below 0 is negative for growth

PMI's have increased across countries driven largely by manufacturing PMIs

Manufacturing PMIs												
	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23
US	49.2	50.3	47.8	49.1	47.1	46.6	46.9	48.6	47.6	46.5	46.4	46.6
Eurozone	45.7	46.1	46.5	46.6	44.4	44.2	43.1	43.4	43.5	42.7	43.4	44.8
Japan	49.6	48.2	47.2	48.0	47.9	48.3	48.7	48.5	49.6	49.6	49.8	50.6
UK	49.1	50.3	47.5	47.0	46.2	47.2	44.8	44.3	43.0	45.3	46.5	47.1
China	51.4	51.1	50.9	50.8	50.8	50.7	49.5	50.6	51.0	49.2	50.5	50.9
India	58.8	59.1	56.9	56.5	54.9	56.0	55.5	57.5	58.6	57.7	57.8	58.7
Brazil	55.9	53.6	54.1	52.8	48.4	49.4	48.6	49.0	50.1	47.8	46.6	47.1
Indonesia	52.9	54.2	52.7	52.9	52.2	51.7	51.5	52.3	53.9	53.3	52.5	50.3
Mexico	51.0	52.2	52.3	50.2	52.0	52.5	52.1	49.8	51.2	53.2	50.9	50.5

Services PMIs												
	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23
US	49.4	51.4	52.6	53.4	50.5	52.5	51.9	53.4	54.1	52.8	53.6	51.0
Eurozone	53.3	51.5	50.2	48.4	48.8	48.7	47.8	48.7	47.9	50.9	52.0	55.1
Japan	54.3	54.1	52.9	53.1	51.5	50.8	51.6	53.8	54.3	53.8	54.0	55.9
UK	55.0	53.1	53.8	54.3	53.4	50.9	49.5	49.3	49.5	51.5	53.7	55.2
China	52.5	52.7	52.5	52.7	52.9	51.5	50.4	50.2	51.8	54.1	53.9	57.1
India	60.8	61.2	60.6	61.8	59.0	56.9	58.4	61.0	60.1	62.3	58.5	61.2
Brazil	53.7	54.8	54.6	53.1	50.5	51.2	51.0	48.7	50.6	50.2	53.3	54.1

Weak Average Strong

Source: Bloomberg. PMI: Purchasing Managers' Index

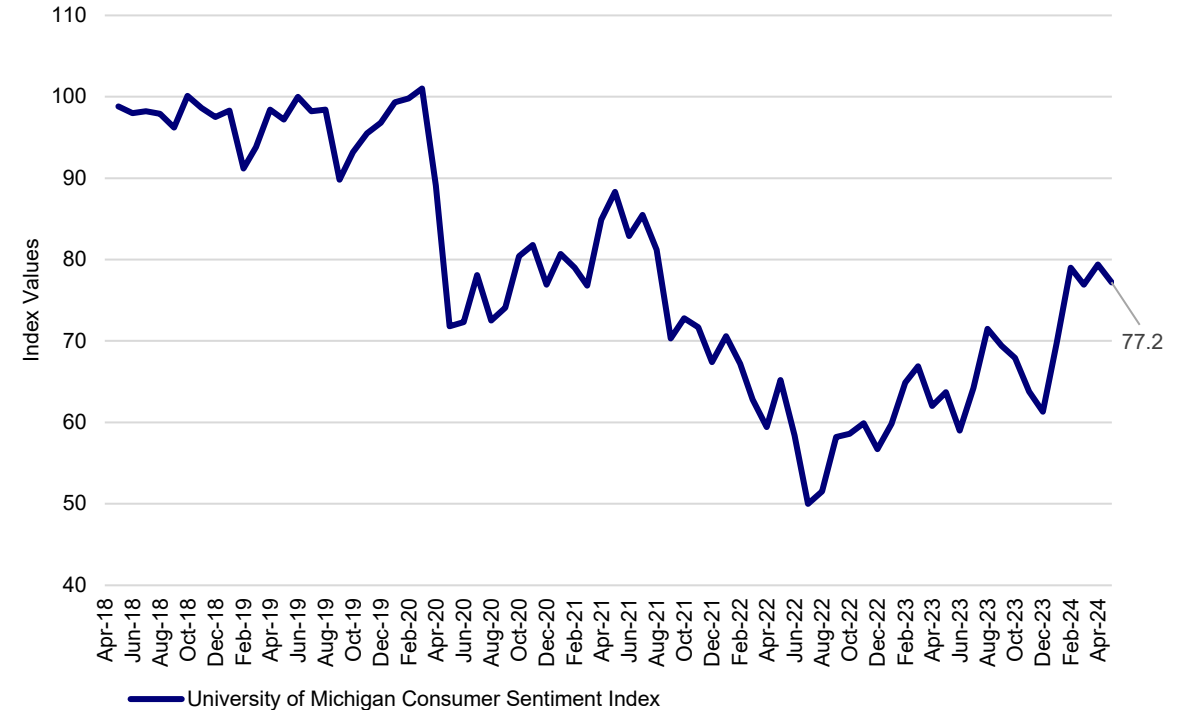
- PMIs for developed countries have rebounded.
- Manufacturing PMIs have reversed from earlier declining trend.
- Services PMIs continue to be resilient.
- China PMIs have also rebounded.
- India PMIs look robust across manufacturing and services.

A dovish FED in December 2023 caused sharp easing in financial conditions. They continue to remain benign. US consumer sentiment remains upbeat and supports spending

Goldman Sachs US financial conditions index



University of Michigan – Consumer sentiment index



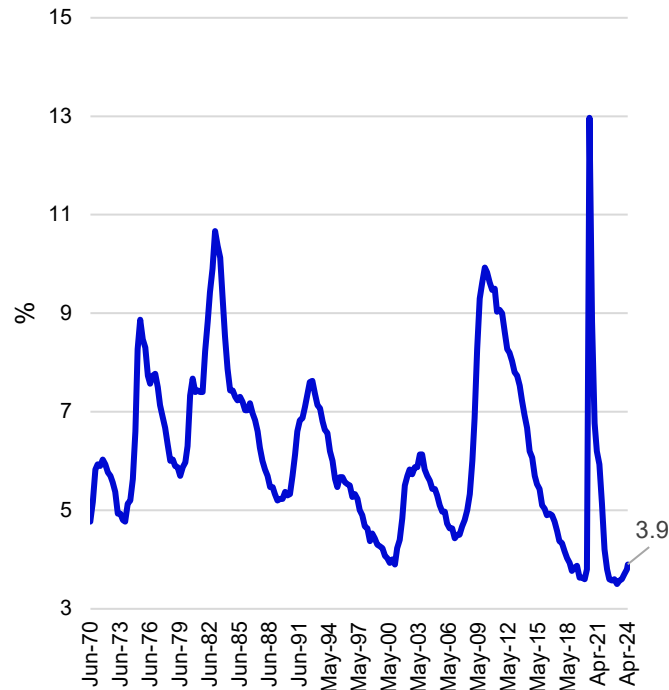
- Risk assets have continued to do well as growth expectations for 2024 have been marked up.

Source: Bloomberg. Data as at end April 2024.

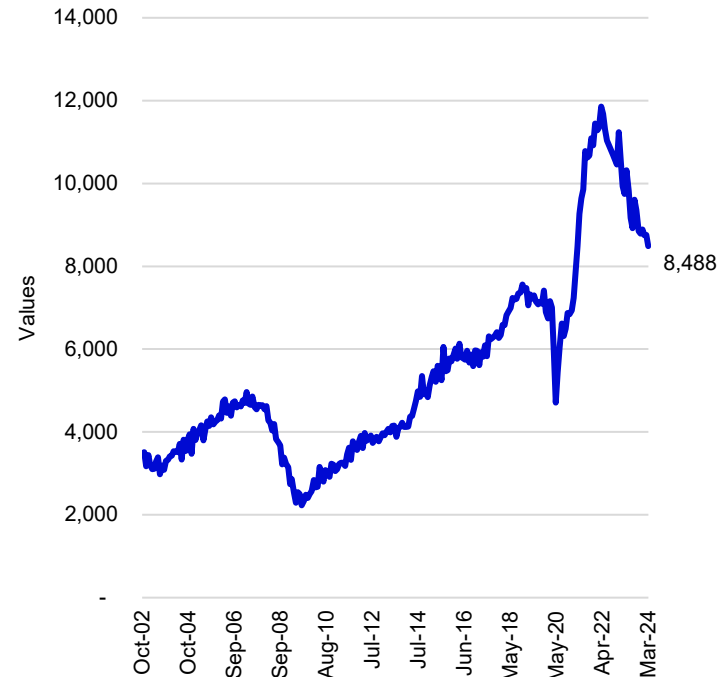
Note: Above 100 is tighter financial conditions and below 100 is looser financial conditions.

US labor market remains healthy with low unemployment, high job openings and healthy wage growth. However recent data points have been pointing towards softening labour market.

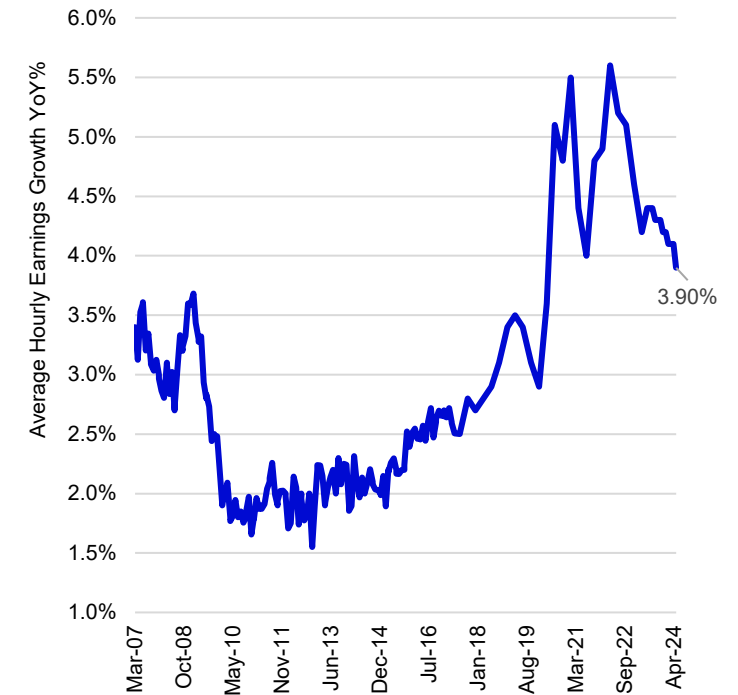
US unemployment rate - %



US job opening in '000



US employee earnings

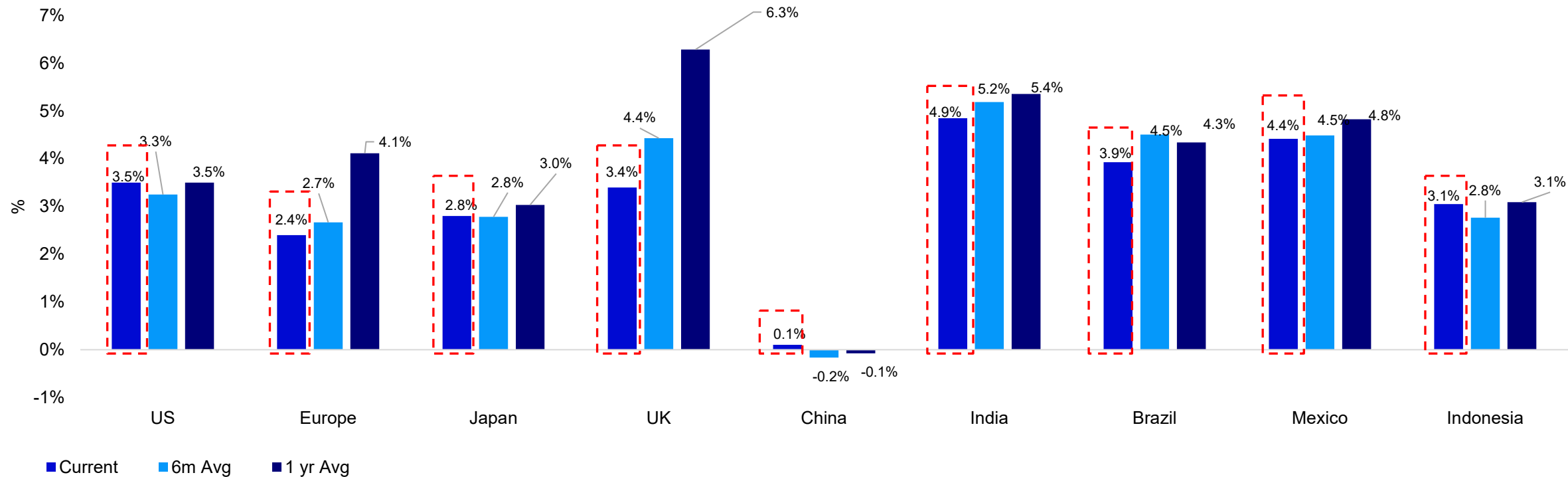


- US labor market remains strong. Despite softening job openings, they remain at multi-year high. Unemployment rate also remains low.
- Employee earnings are increasing at a decent pace compared to last 15 years.
- However April labour market data has been softer across payrolls, job openings, wages as well as unemployment rate.

Source: Bloomberg

Inflation has been moderating across most developed and emerging market economies. US is the only major economy where further softening seems to have stalled as growth remains strong & commodity prices have rebounded. This raises the bar for rate cuts.

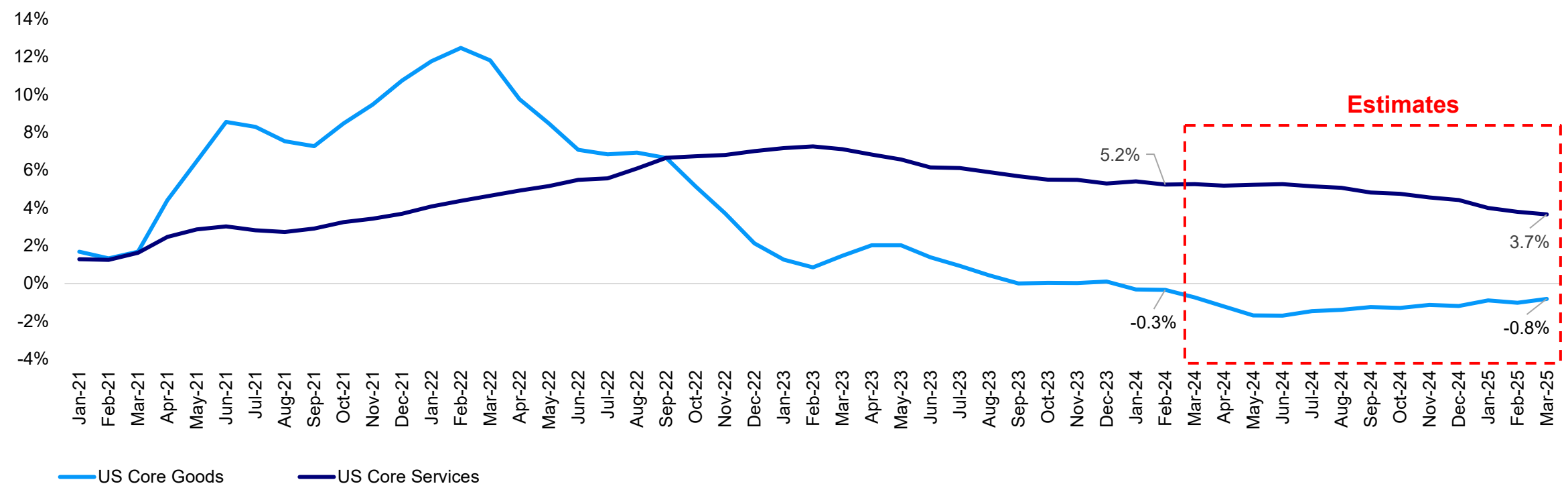
Headline CPI Inflation



- US inflation has moderated as goods inflation drops and core inflation softens. However, services inflations led by shelter inflation remains high.
- Recent increase in commodity prices, specifically oil prices, may cause downward journey of inflation to stall.

Source: Bloomberg. Data as at end March 2024.

US core goods inflation continues to fall but sticky core services inflation, may delay rate cuts towards latter part of 2024/early 2025



Source: Morgan Stanley.

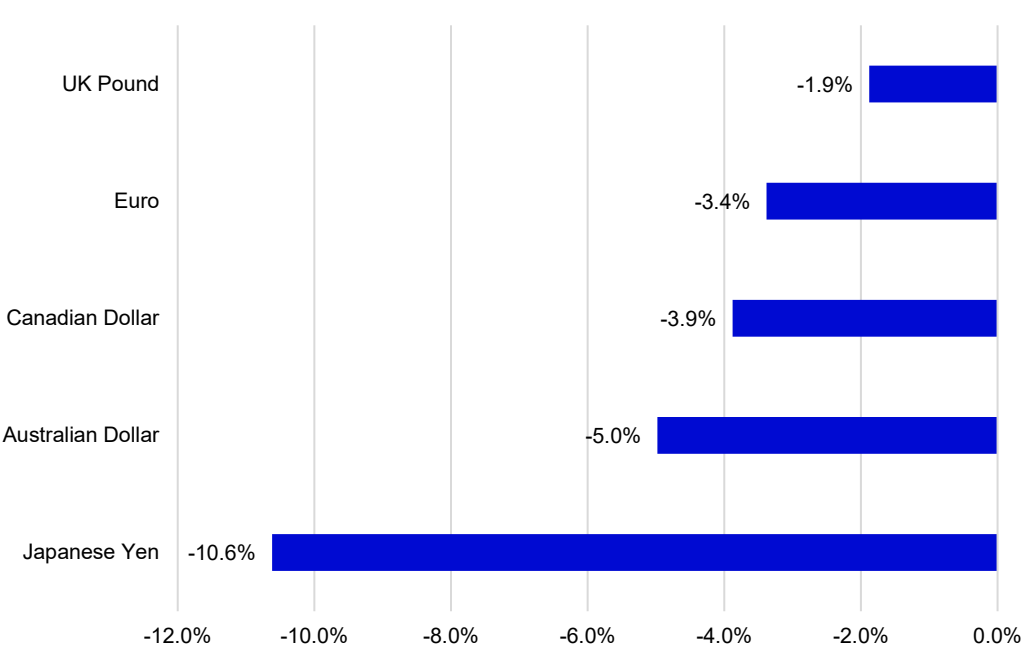
Note: US Core Goods include: Commodities less food and energy commodities, US Core Services include: Services less energy services

Disclaimer: The information provided herein is not sufficient and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party. The estimates expressed herein are based on internal analysis of publicly available information and other sources believed to be reliable.

USD has been strong against most currencies over the last quarter as growth expectations and bond yields have moved up.

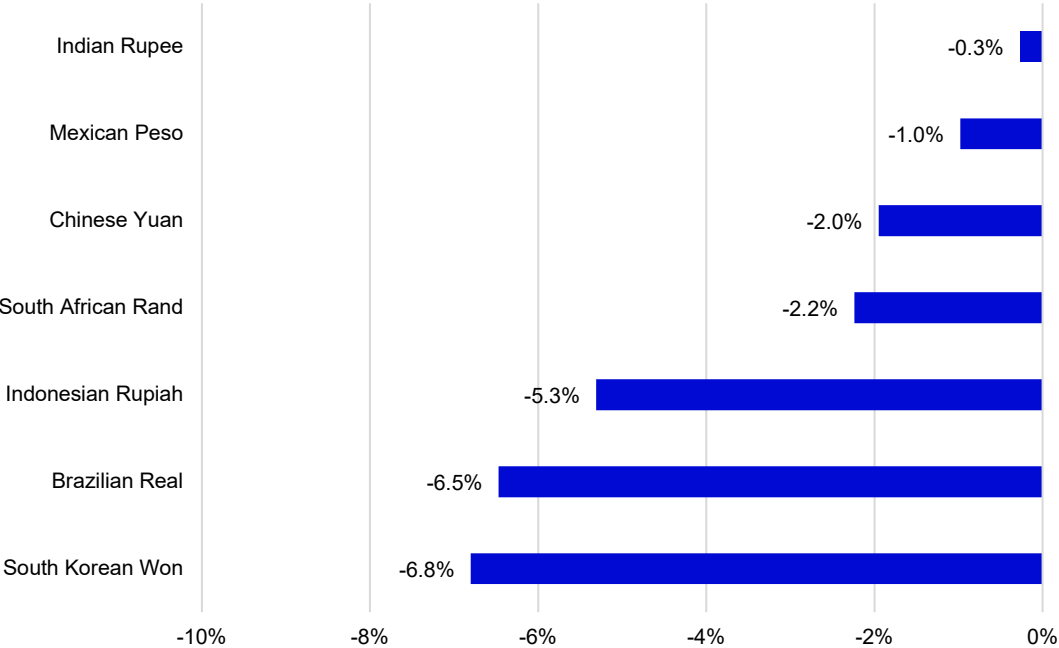
Developed Markets

1 January 2024 – 30 April 2024 % change in select currencies vs USD



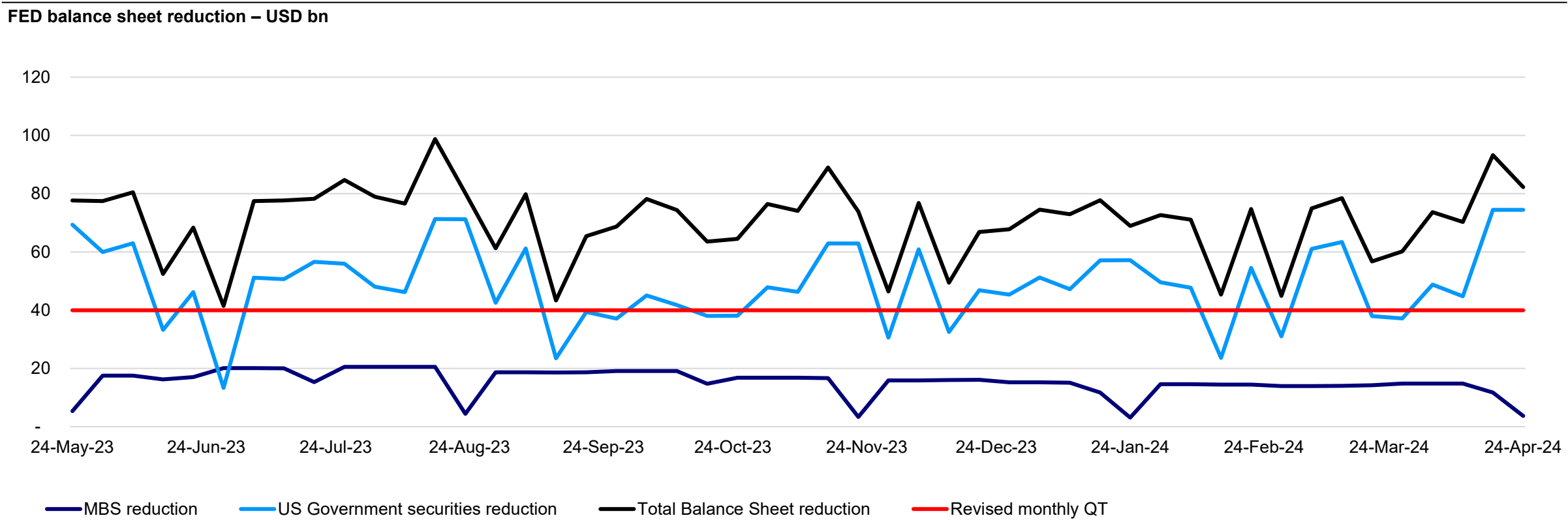
Emerging Markets

1 January 2024 – 30 April 2024 % change in select currencies vs USD



Source: Bloomberg

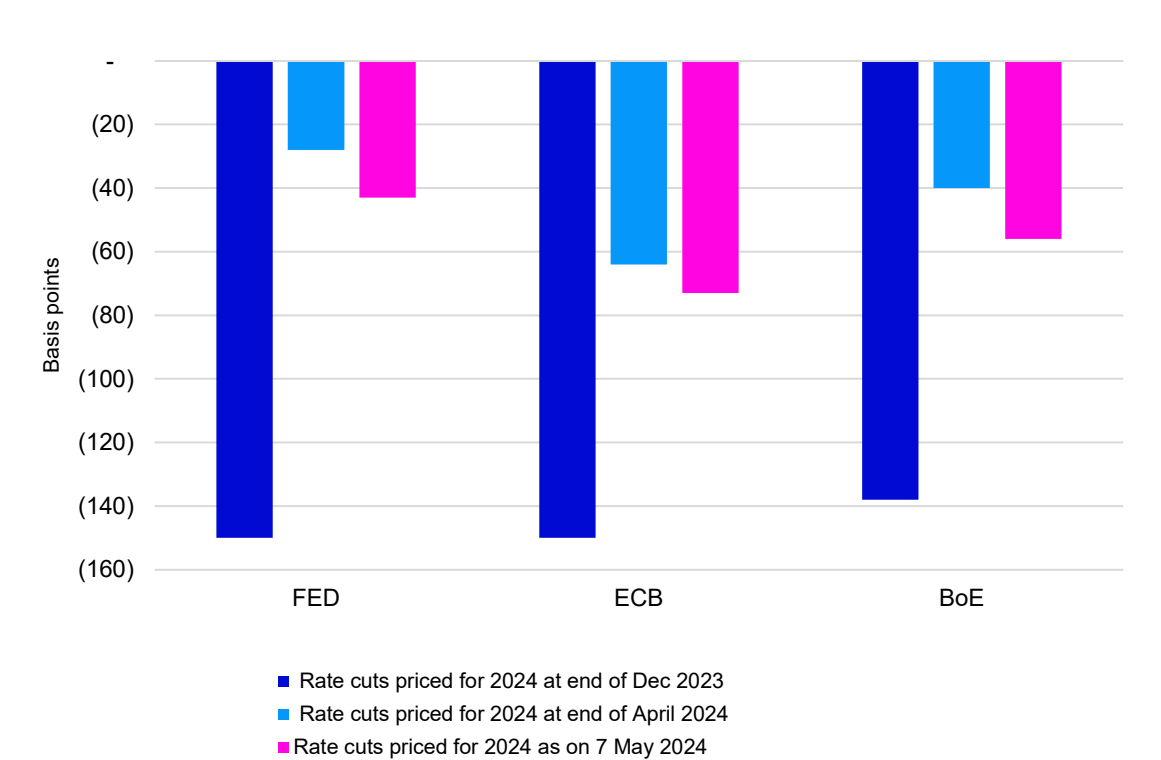
FOMC highlighted reduced pace of QT from June 2024. This will be liquidity positive given significantly lower monthly cap on US government securities.



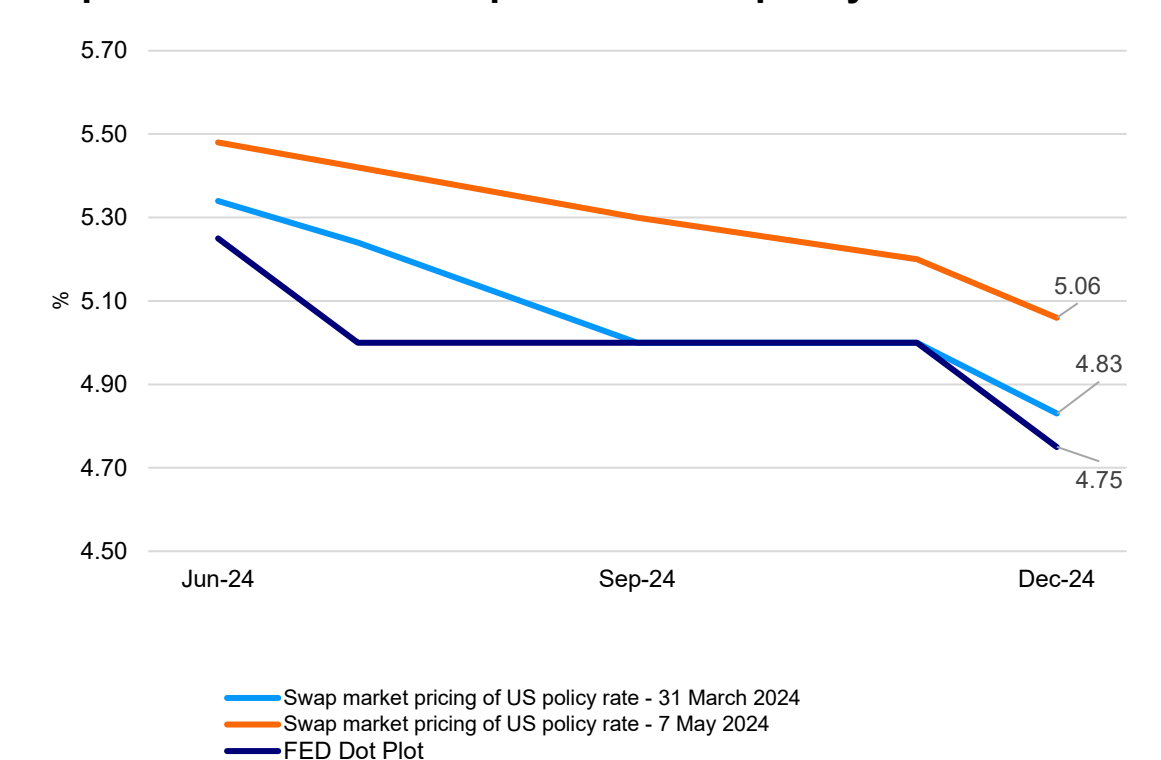
Source: Bloomberg. Data as at end April 2024. FED: US Federal Reserve, QT: Quantitative Tightening; MBS: Mortgage Backed Securities. FOMC: Federal Open Market Committee

Market pricing for rate cuts in 2024 have seen significant volatility as economic data continues to be two paced.

Market pricing of policy rate changes – change in bps



Swap markets and FED expectations on policy rates

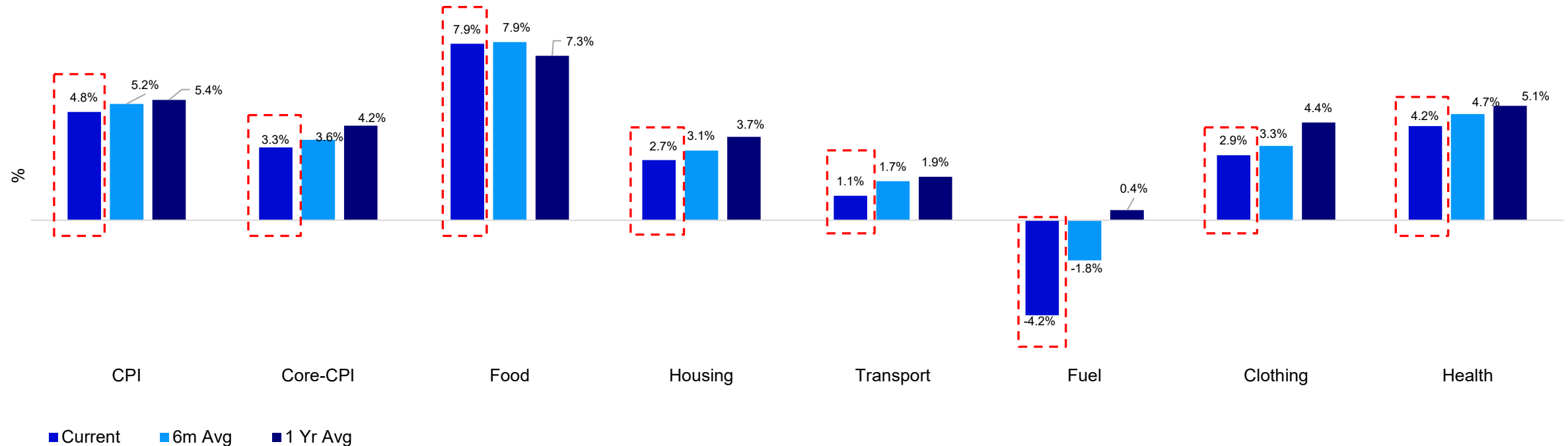


Source: Bloomberg data as at 7 May 2024. FED: US Federal Reserve, ECB: European Central Bank, BoJ: Bank of Japan, BoE: Bank of England. RBA : Reserve Bank of Australia, BoC: Bank of Canada.
Disclaimer: The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

Domestic factors – continue to strengthen

1 Headline inflation has come down with broad-based disinflation. Core inflation has been trending down. Vegetable prices have been high but will likely help to lower headline inflation from second quarter of FY25.

India Inflation and its components



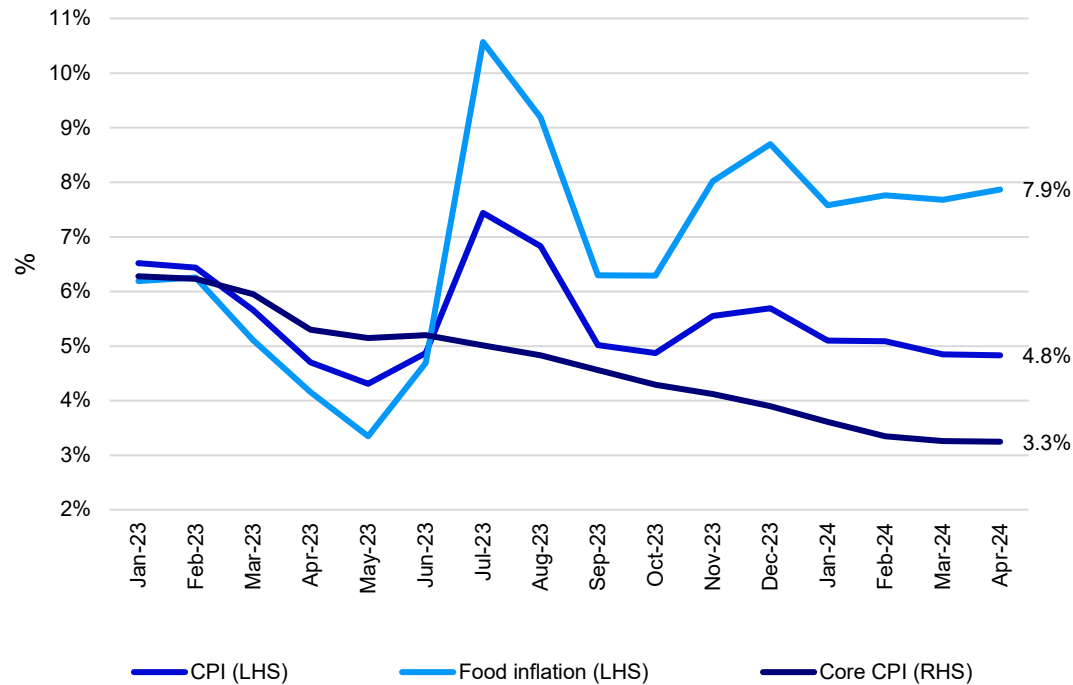
- Headline inflation has been trending down with broad-based disinflation. Food prices have kept headline inflation elevated. Stability in vegetable prices should help to lower headline inflation from second quarter of FY25.
- Core CPI however has continued to moderate and is below 4% YoY for four consecutive months.

Source: Bloomberg. Data as at 30 April 2024.

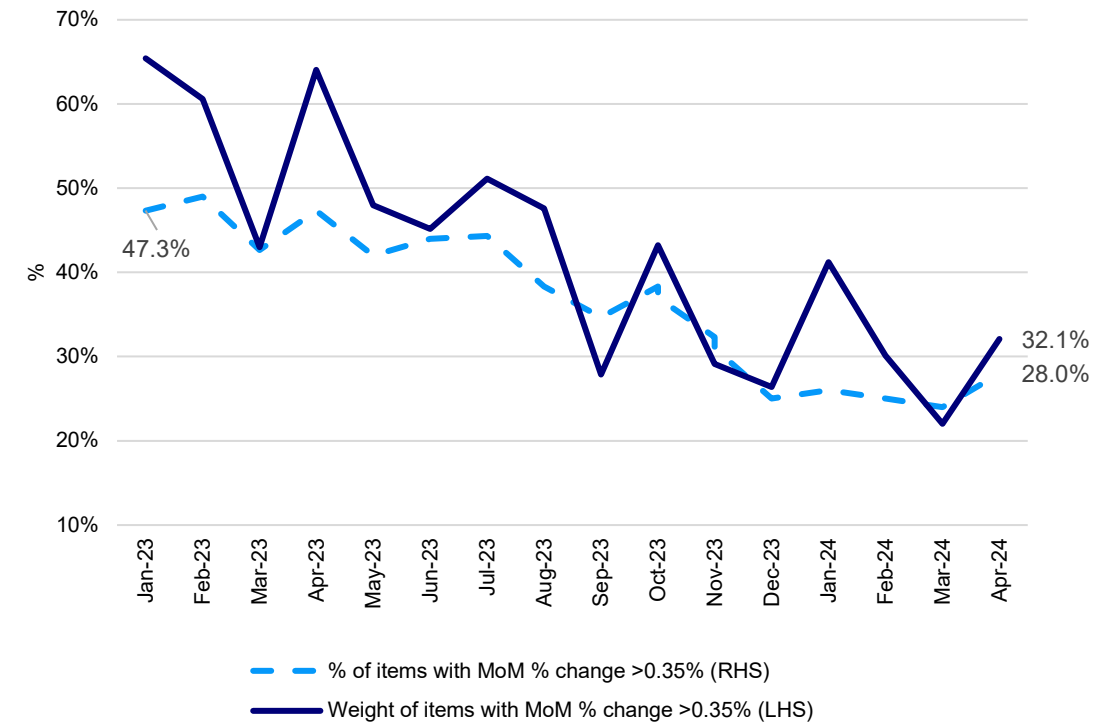
Note: 6 months average is calculated since Nov 2023 and 1 year average is calculated since May 2023.

Sequential momentum in broader CPI (India headline inflation) basket has been slowing down. Core inflation has trended lower. Food inflation has been volatile but managed through proactive government steps. Normal monsoon should help to contain food inflation

CPI, Core CPI and Food inflation



MoM% change in CPI components

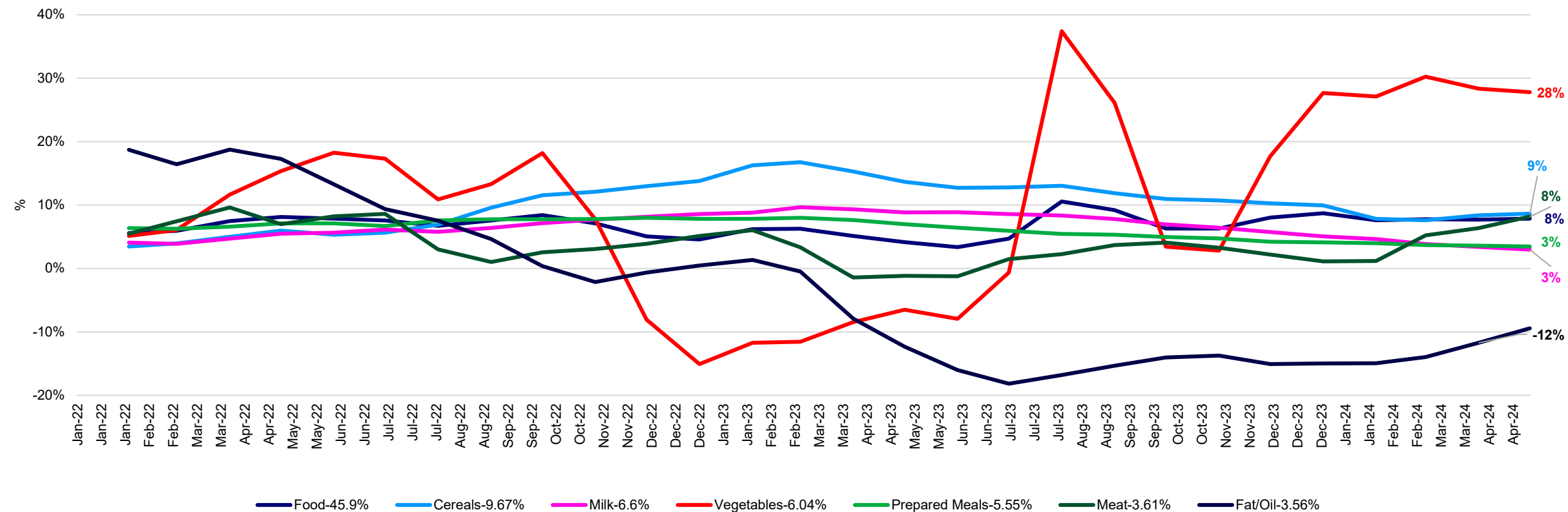


- Core inflation has been trending down for a while highlighting reducing price pressures overall
- % and weight of components which are showing MoM % change >0.35% have come down from the highs in Jan 2023

Source: CMIE. CPI: Consumer Price Index.

Within food inflation, it is the volatile vegetable inflation which has kept overall food inflation elevated. Normal monsoons should help to bring down vegetable inflation

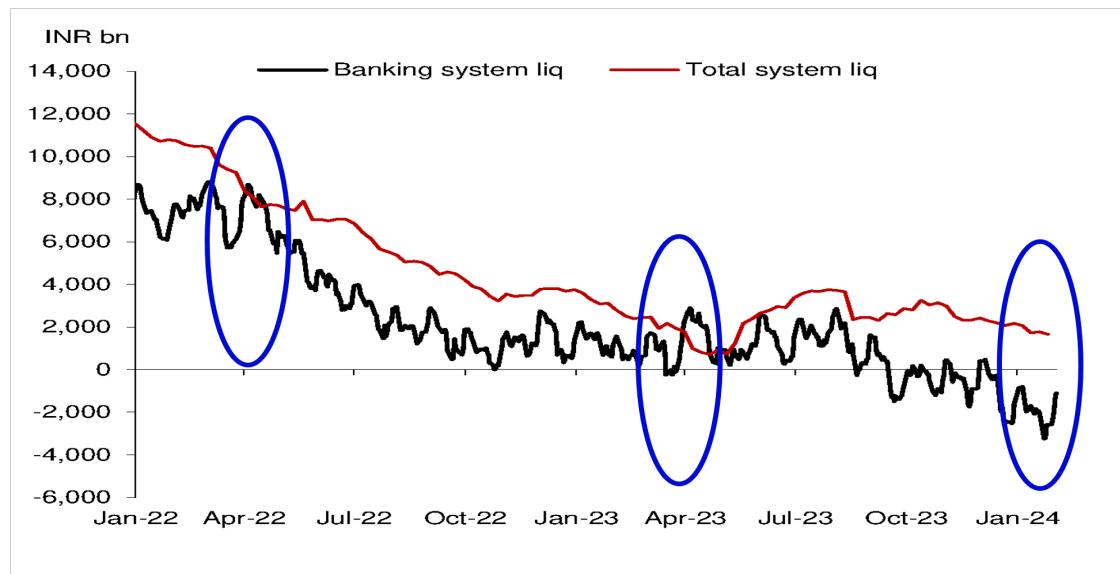
Components of food inflation and their weights in overall inflation basket



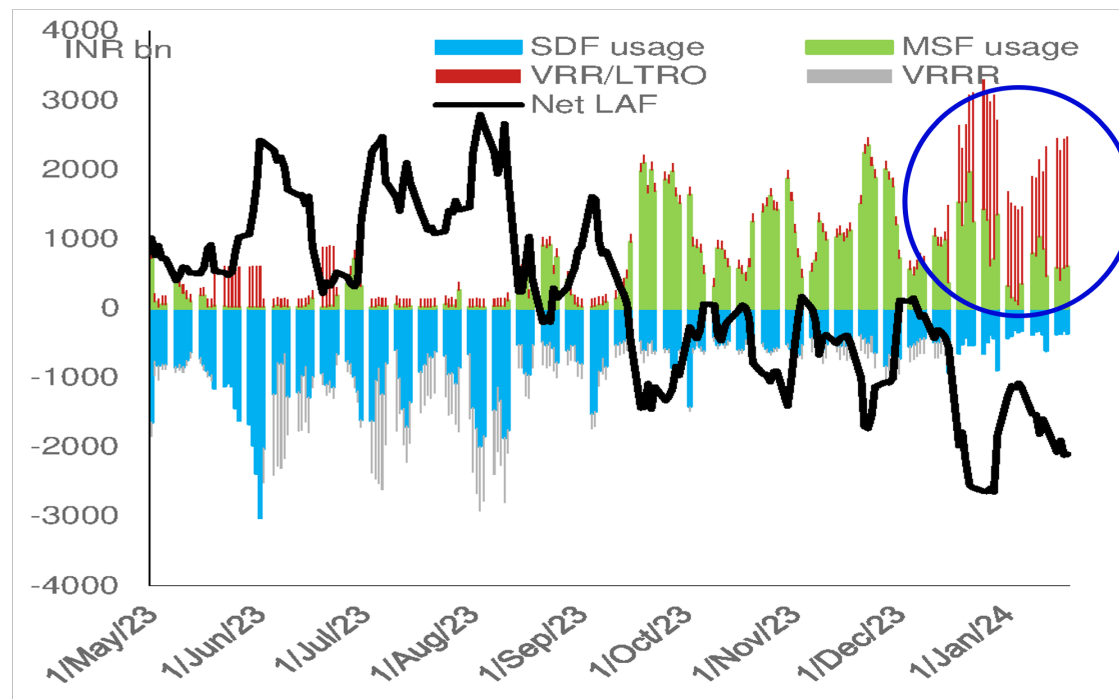
Source: Bloomberg.

Recently, RBI has become more active in providing short term liquidity through VRRs...

Banking system liquidity converges with total system liquidity in April on back of Government spending



RBI has increased liquidity management operations since January 2024

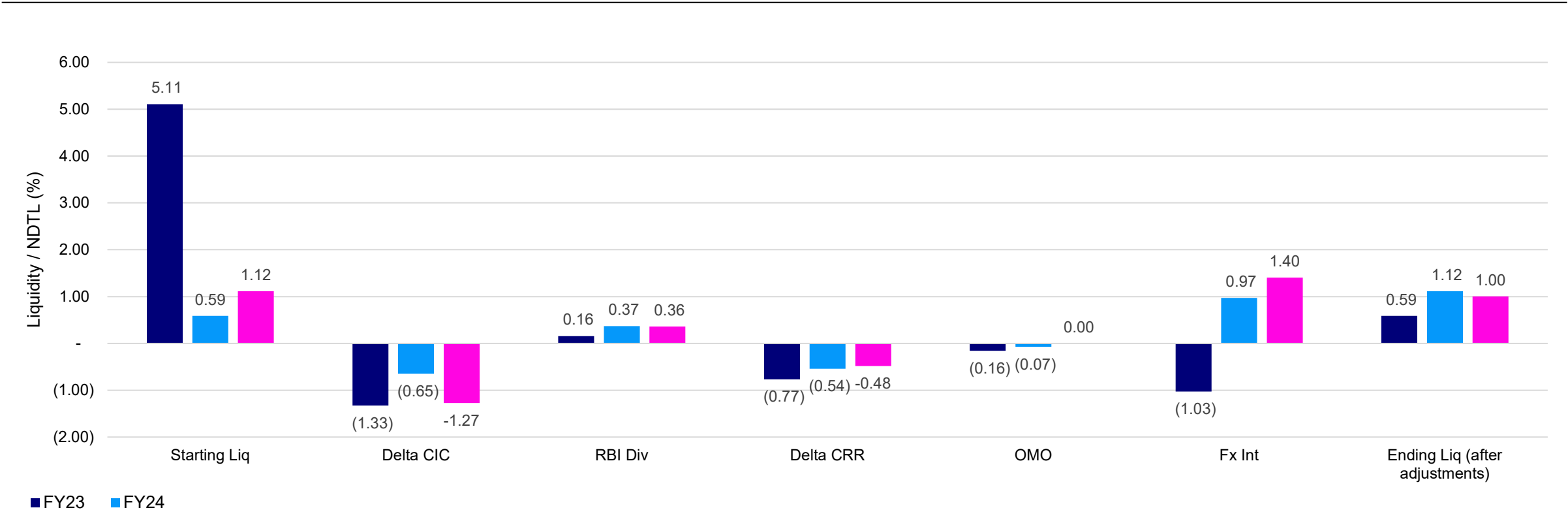


Liq: Liquidity, RBI: Reserve Bank of India, SDF: Standing Deposit Facility, MSF: Marginal Standing Facility, VRR: Variable Rate Repo, VRRR : Variable Rate Reverse Repo, LAF : Liquidity Adjustment Facility, Bn: Billion

Source: Nomura. LTRO: Long Term Repo Operation.

Disclaimer: The purpose of above charts is only to explain the current liquidity scenario and the expectation that going ahead the liquidity may ease due to government spending. The chart on the right shows the liquidity operations conducted by RBI which may also aid in softening of yields going ahead. This information alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as an investment advice to any party. The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

System liquidity to stay at similar levels in FY25 as FY24



Adjustments include valuation changes, hair cut on operations, adjustment for increase in NDTL during the year

*FY24 – Fx Intervention – Numbers till Feb 2024

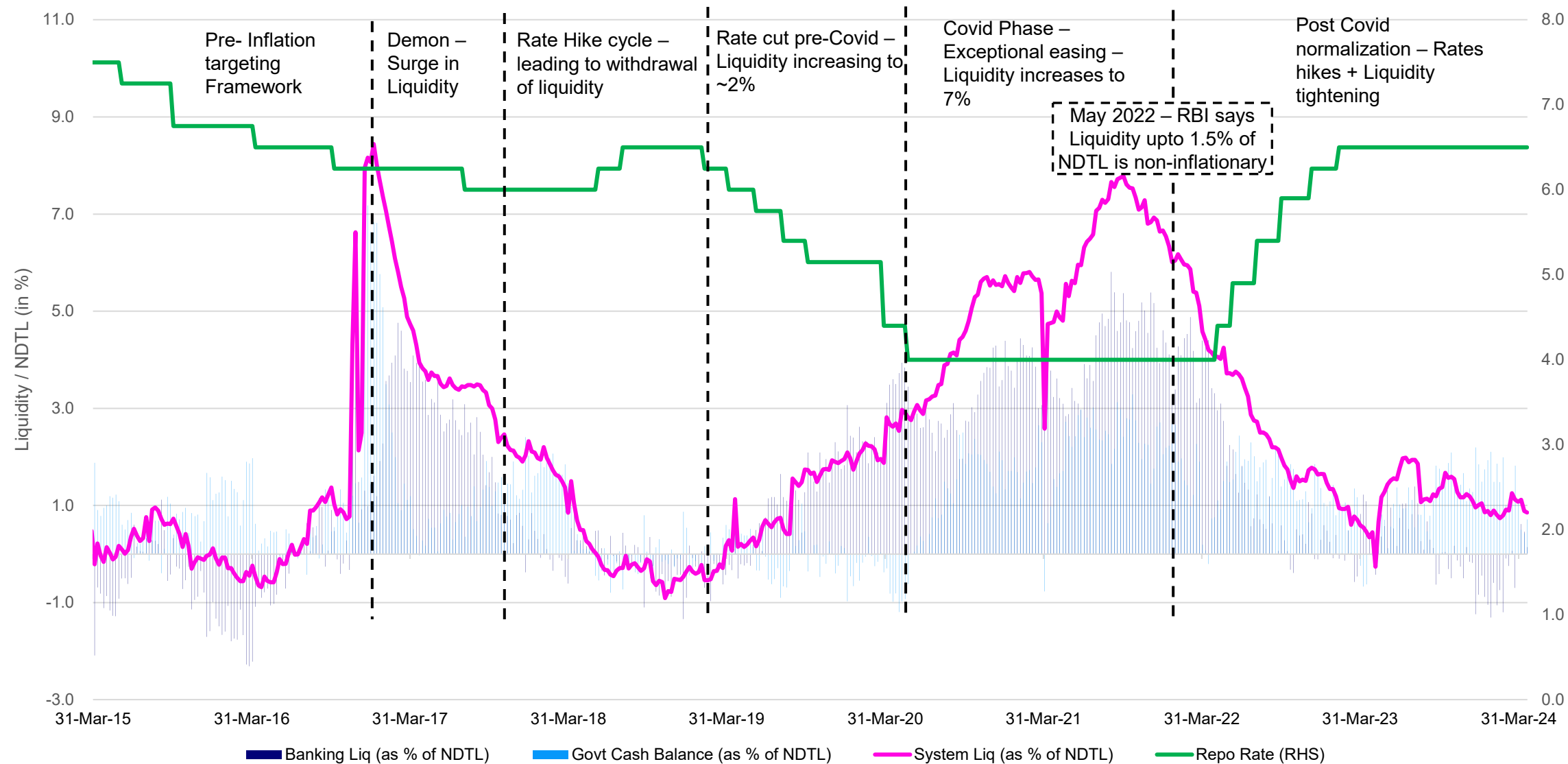
FY25 : BoP assumed at USD 50 bn and 80% absorption by RBI

Source: Bloomberg. OMO: Open Market Operation. CRR: Cash Reserve Ratio. CIC: Currency in circulation. BoP: Balance of Payment. NDTL: Net demand and time liabilities.

FY25P: FY25 Provisional

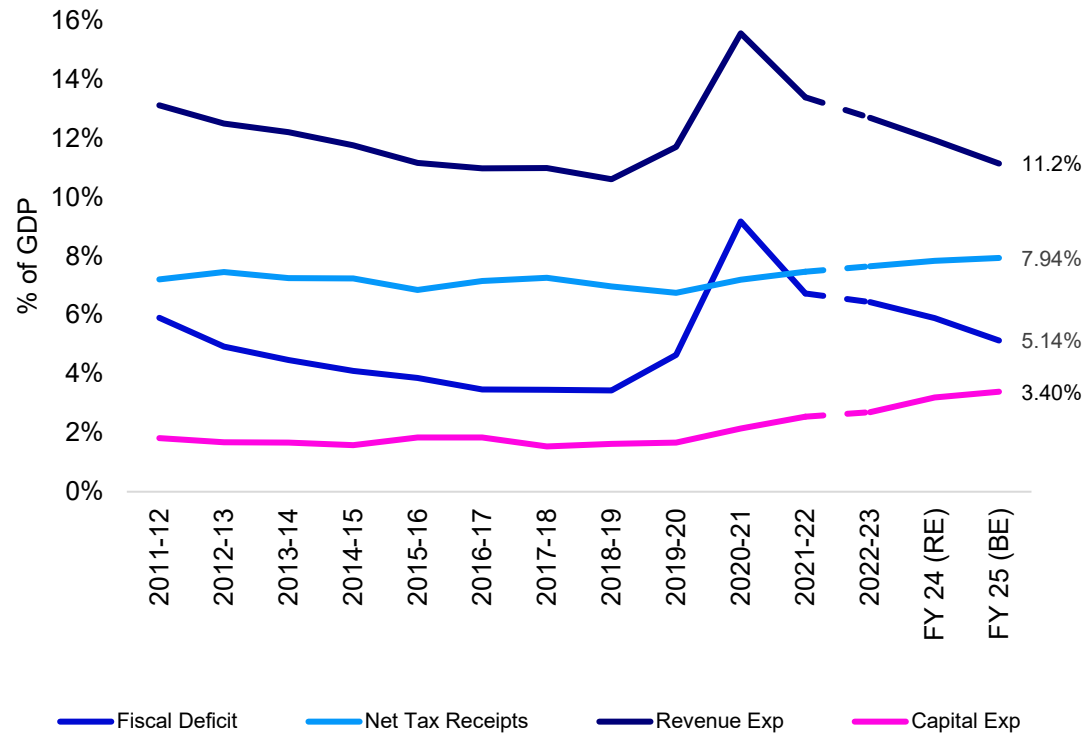
Disclaimer: The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

Rate easing cycle coincides with improvement in liquidity

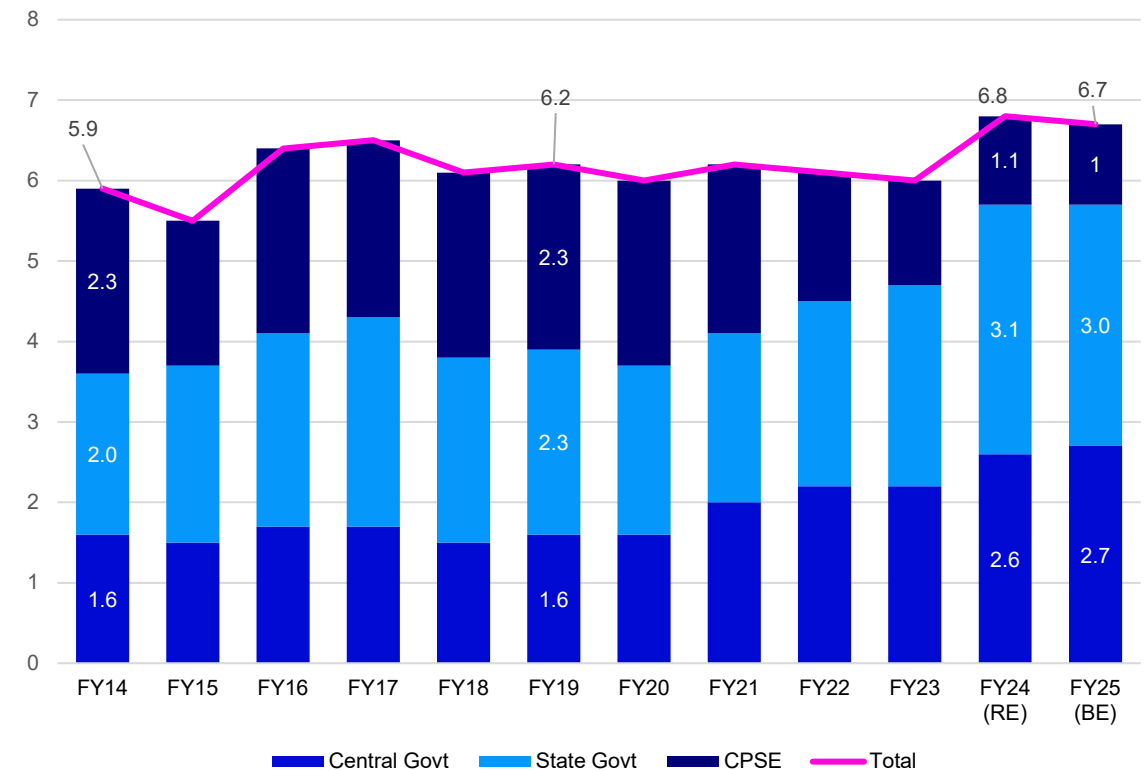


2 : Clear gliding path for Fiscal consolidation over next 2 years; better quality of fiscal spend...

Fiscal Deficit



Capex as % of GDP: Centre + State + CPSE



- FY24 fiscal deficit target looks achievable as robust tax collections support expense over-run on subsidies
- Capex spending thrust from government to continue ensuring continuity from previous two years

Source: CMIE; Invesco Asset Management (India). CPSE = Central Public Sector Enterprise. BE: Budget Estimates.

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G-Sec borrowing calendar for 1HFY25

Half yearly split of G-Sec borrowing calendar-

% of Total Borrowing	H1	H2
FY19	50.44%	49.56%
FY20	62.25%	37.75%
FY21	55.73%	44.27%
FY22	62.22%	37.78%
FY23	59.00%	41.00%
FY24	57.55%	42.45%
FY25	53.08%	46.92%

Gross 1HFY borrowing: down by ~15.5%

Maturity Bucket	H1FY24 (Rs lac Cr)	H1FY25 (Rs Lac Cr)	Absolute Change (Rs Lac cr)	% Change
2-7 Years	2.51	1.74	-0.77	-30.7%
10Y	1.82	1.8	-0.02	-1.1%
14Y / 15 Y	1.56	1.04	-0.52	-33.3%
30Yr and above	2.99	2.8	-0.19	-6.4%
Green Bonds	0	0.12	0.12	
Total	8.88	7.5	-1.38	-15.5%

Source: Bloomberg. Data as at 15 May 2024.

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G-Sec borrowing calendar for 1HFY25

Gross 1HFY net borrowing: down by ~21%

G-Sec (Rs)	1HFY24	1HFY25	% Change
Gross borrowing	8,88,000	7,50,000	-15.54%
G-Sec Maturity	1,58,764	1,74,103	9.66%
Net Borrowing	7,29,236	5,75,897	-21.03%

Month wise net G-Sec borrowing : hardly any supply in June/July

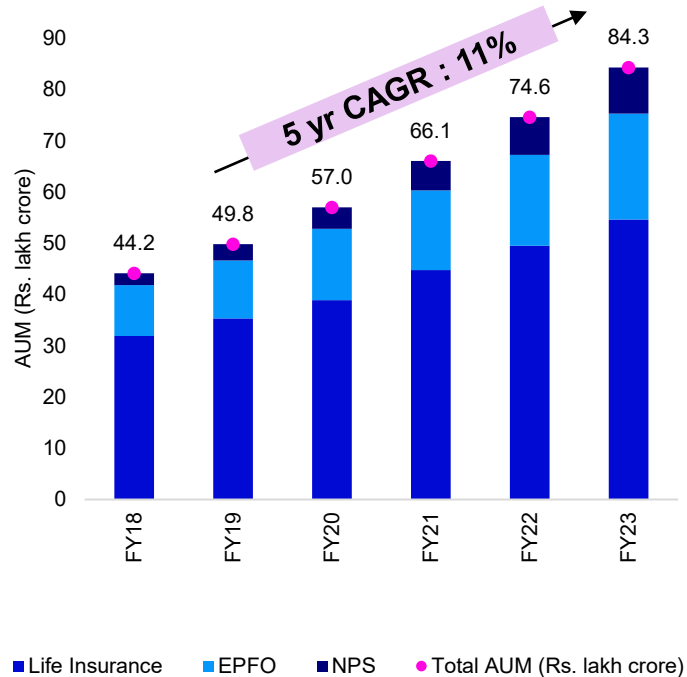
Month	Gross Borrowing (Cr)	Maturities (Cr)	Net Borrowing (Cr)
Apr-24	1,24,000	-	1,24,000
May-24	1,37,000	-	1,37,000
Jun-24	1,17,000	1,07,838	9,162
Jul-24	1,16,000	66,265	49,735
Aug-24	1,40,000	-	1,40,000
Sep-24	1,16,000	-	1,16,000
Total	7,50,000	1,74,103	5,75,897

Source: Bloomberg.

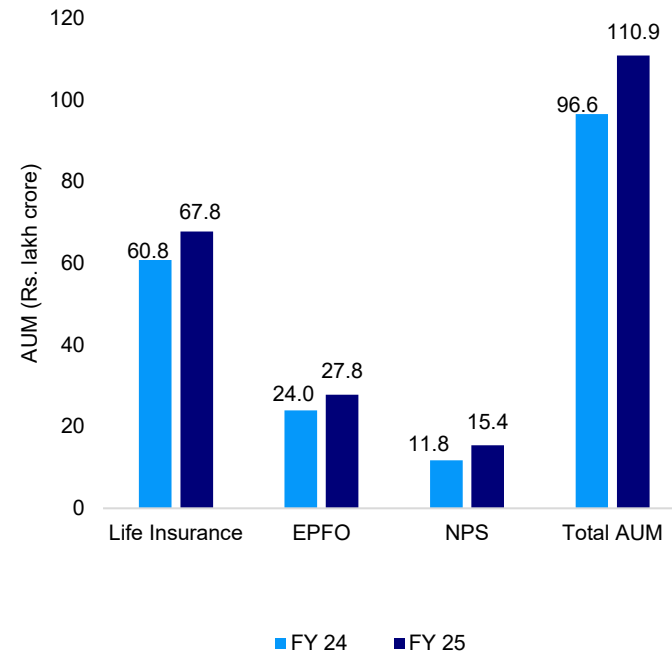
Disclaimer: The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

3 : Growing AUM of Life insurance, EPFO and NPS (long investors) is positive for incremental demand for long dated G-secs

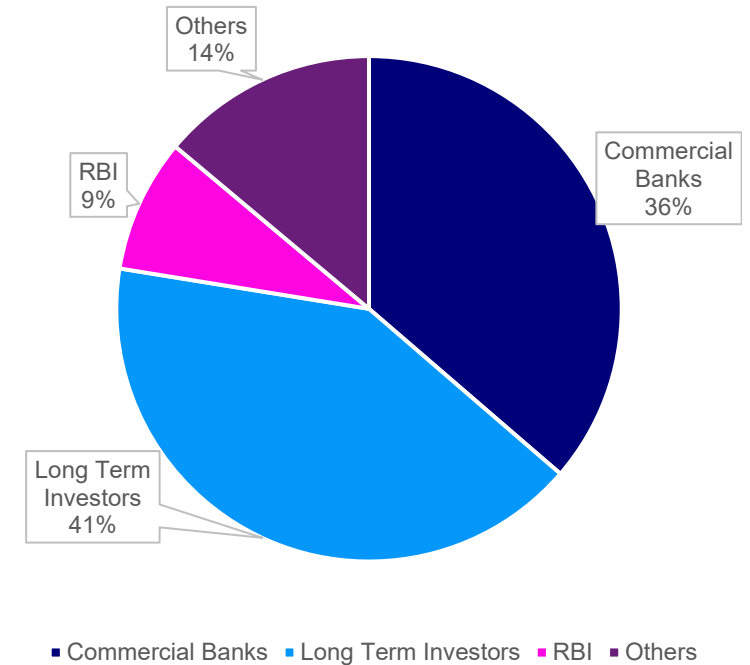
AUM of Life insurance, EPFO and NPS (Rs. lakh crore)



Estimated AUM growth in FY24 & FY25 (Rs. lakh crore)
– AUM is assumed to grow at last 5 year CAGR



Dated SLR holding pattern as on Dec 2023



EPFO – Employee Provident Fund Organization, NPS – National Pension Fund, CAGR – Compounded annual growth rate, ALM – Asset Liability Mismatch, SLR – Statutory Liquidity Ratio

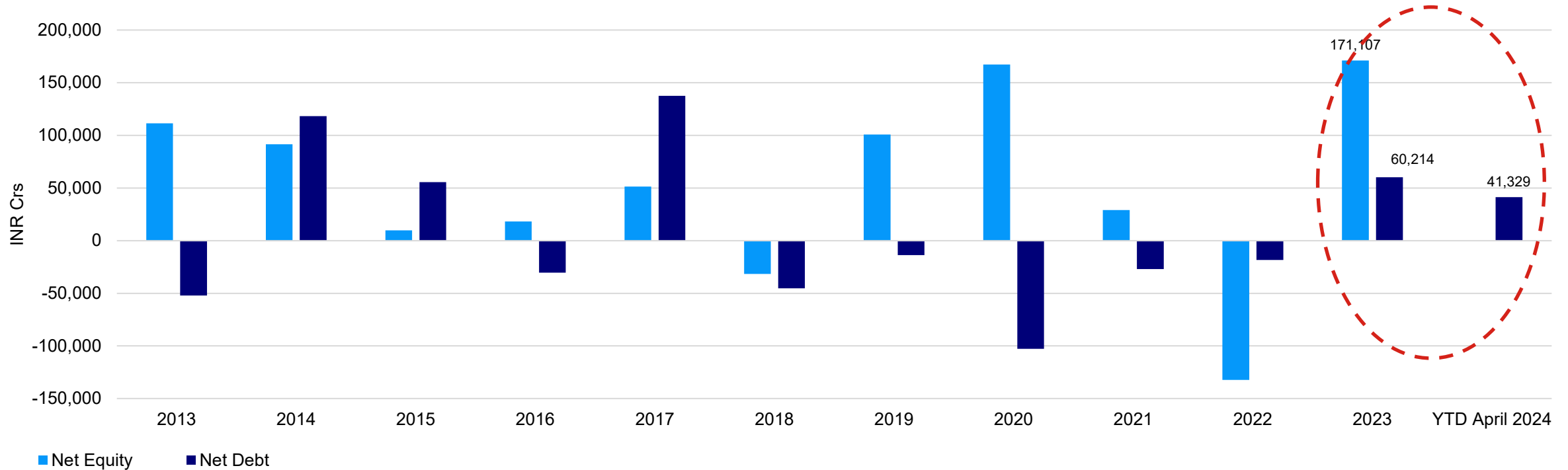
Past performance may or may not be sustained in future

Source - RBI, IDFC bank research

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4 : FPI flows in Debt continue to be strong for 2024 as strong macro and bond index inclusion story remains intact

Annual FPI flows



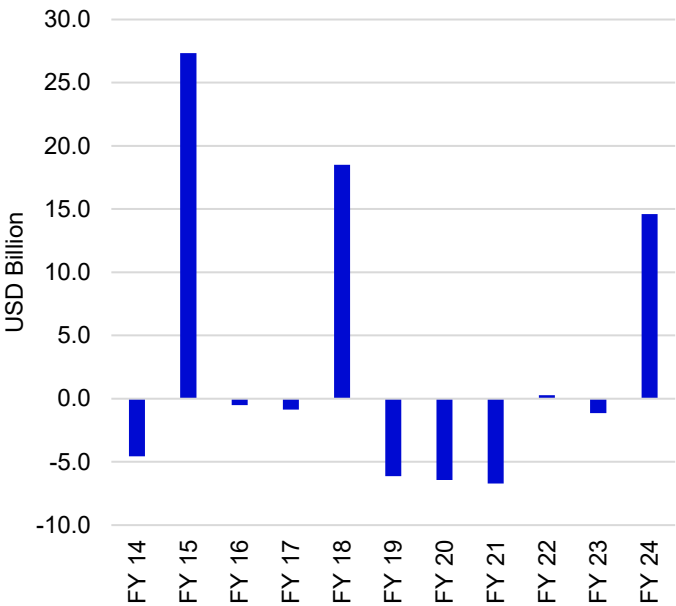
- Equity flows have moderated after a very strong 2023.

Source: HSBC India. YTD: Year to date.

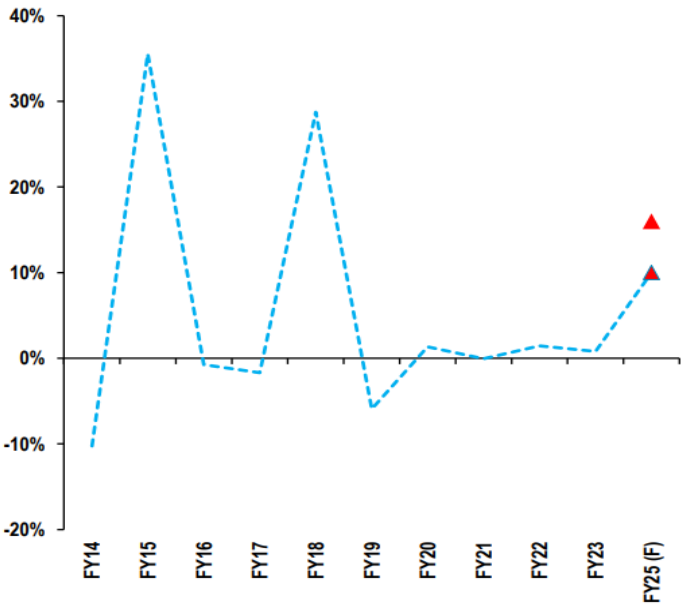
Inclusion in JP Morgan debt index

Inflow of ~USD 20-25 bn expected in FY25 which can absorb close to 15% of fiscal supply in FY25

FPI flows in debt (USD Billion)



% of central government market borrowing funded by FPIs - FPI flows could fund 10-15% of FY25 borrowing



Estimate of Fully Accessible Route (FAR) securities entering Index

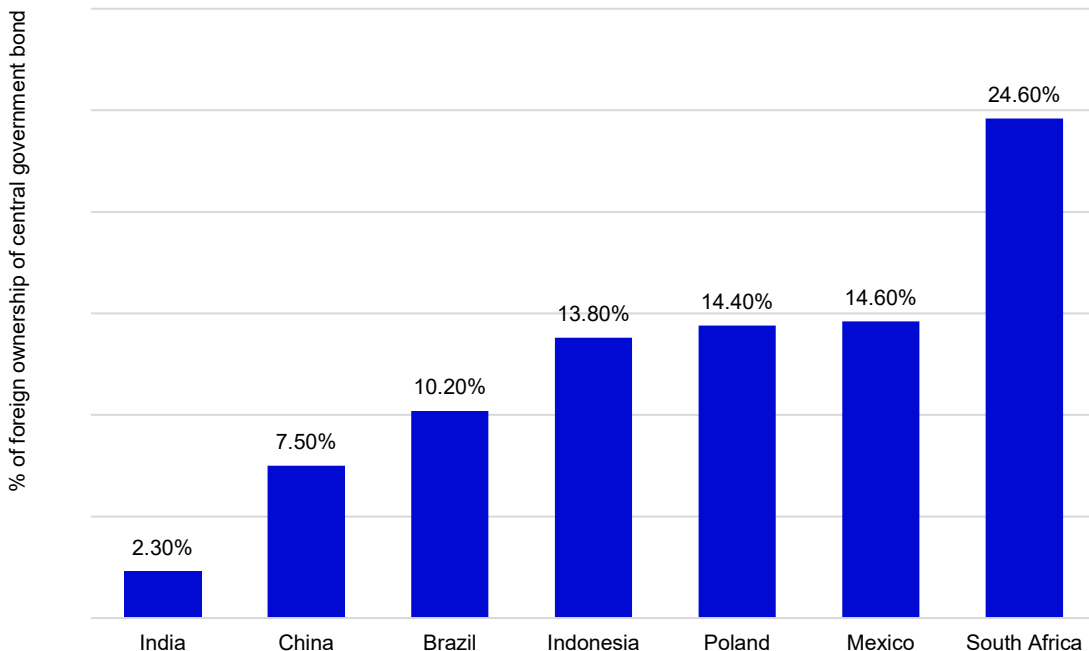
Maturity	Estimated Index Weights
Upto 7 Years	39%
7 to 15 Years	35%
More than 15 Years	26%

Source - NSDL, Standard Chartered research

Disclaimer: The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

Indian bonds remain under-owned by foreign investors. Bond index inclusion to be a meaningful positive catalyst

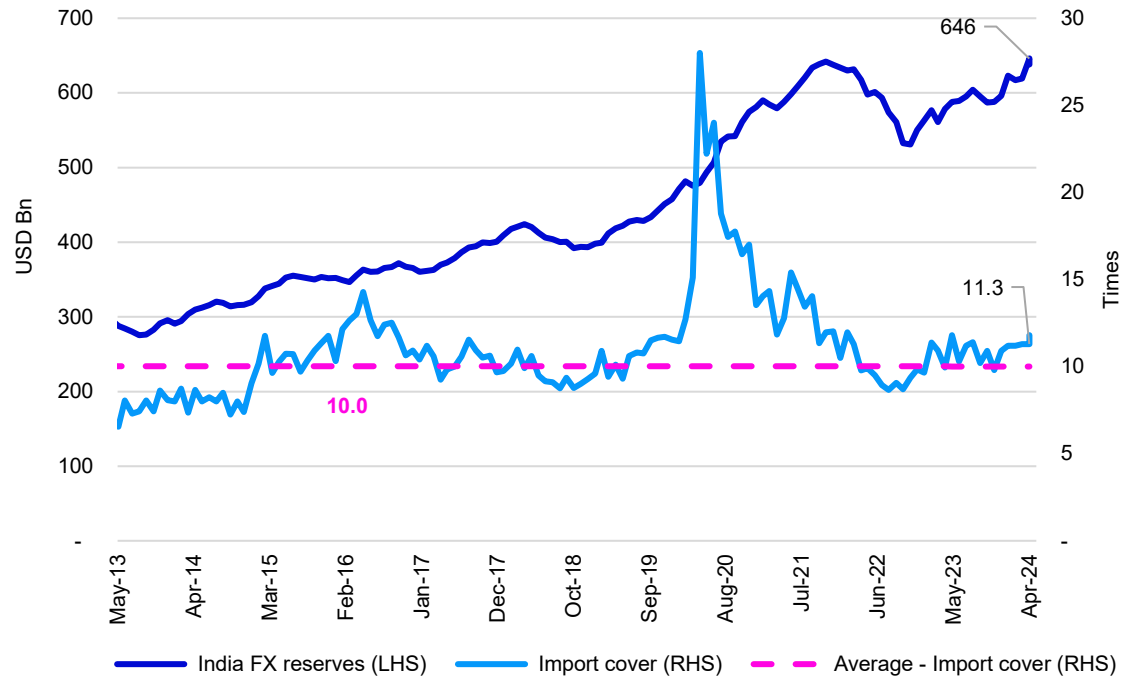
Foreign ownership of central government bonds



- JP Morgan Global bond indices to include India bonds from June 2024. Overall weightage will be 10% of the index with gradual 1% per month addition starting June 2024.
- Based on AuM tracking this index, estimated inflows in Indian government bonds due to index inclusion are minimum of ~ USD 20-25 bn. This can meet ~14% - 16% of FY25 fiscal deficit related bond issuance by Government of India.
- Indian sovereign bonds (FAR securities) will also get added to Bloomberg's Emerging Market Local Currency Index from September 2025. This has potential to add around \$2-3bn in cumulative flows.
- The above two index inclusions increase the chances of India's inclusion in Bloomberg Global Aggregate Index. Based on the AuM tracking this index, it could result in additional inflows of ~USD 10-15 bn.
- Such large size forex inflows adds to INR stability and strengthens the external financial stability. Overall cost of borrowing may see a reduction on structural basis as this inclusion is expected to provide steady inflows. Along with the lowering of sovereign yield curve, high credit quality corporate bonds will also get the benefit of lower yields with lesser net sovereign bonds supply in the domestic markets.

5 : Foreign exchange reserves continue to strengthen on back of strong services exports and capital flows

FX Reserves (USD bn) and Import Cover (times)

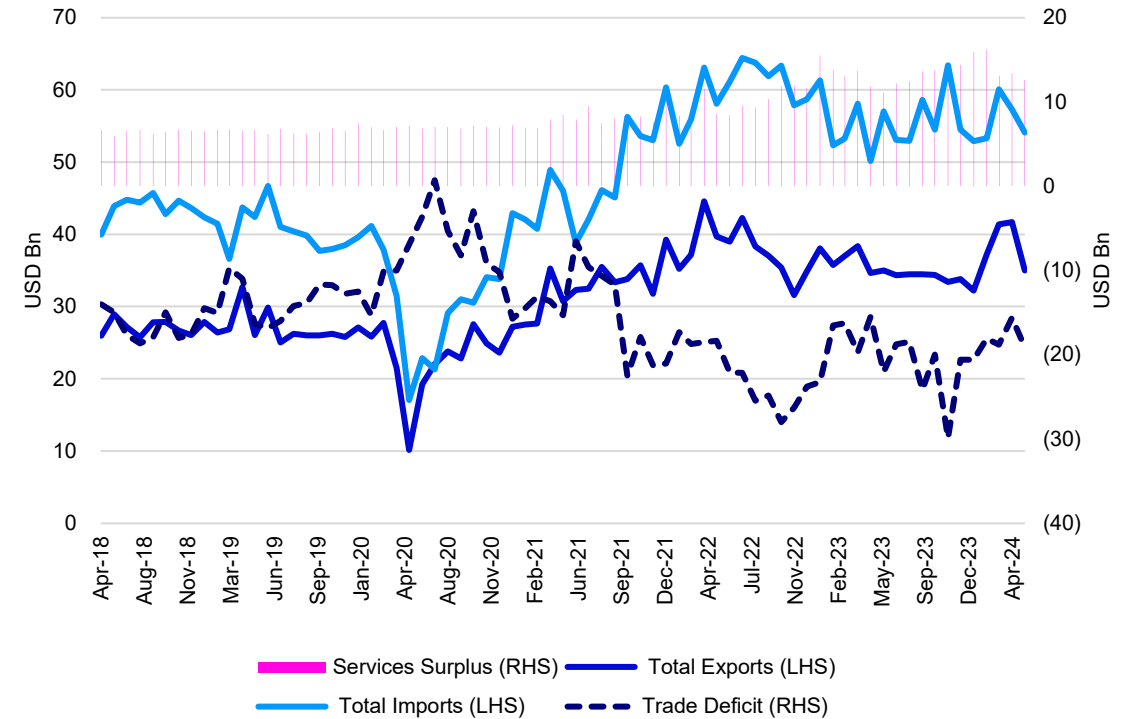


Note: Average is for period between March 2013 to March 2020

- FX reserves have surged to new highs on back of strong capital flows and robust services exports. Import cover is above pre-Covid average
- Services exports have shown remarkable robustness and are at multi-year highs (FY24 net inflows ~4.3% of GDP)

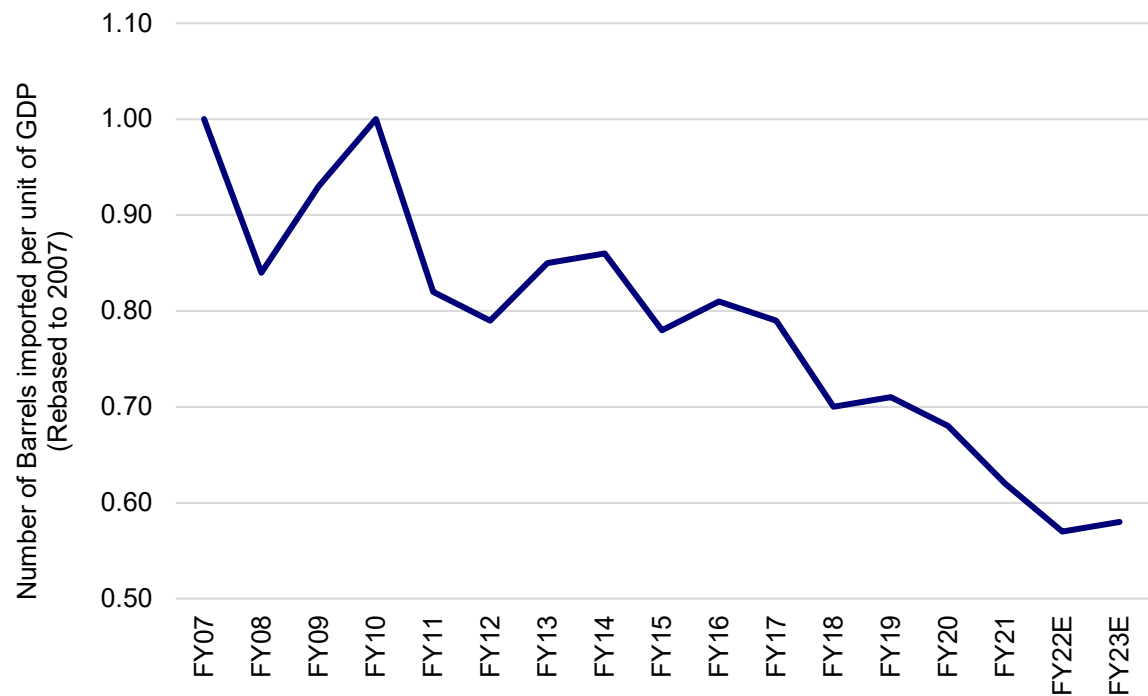
Source: Bloomberg.

India monthly Exports / Imports – USD bn

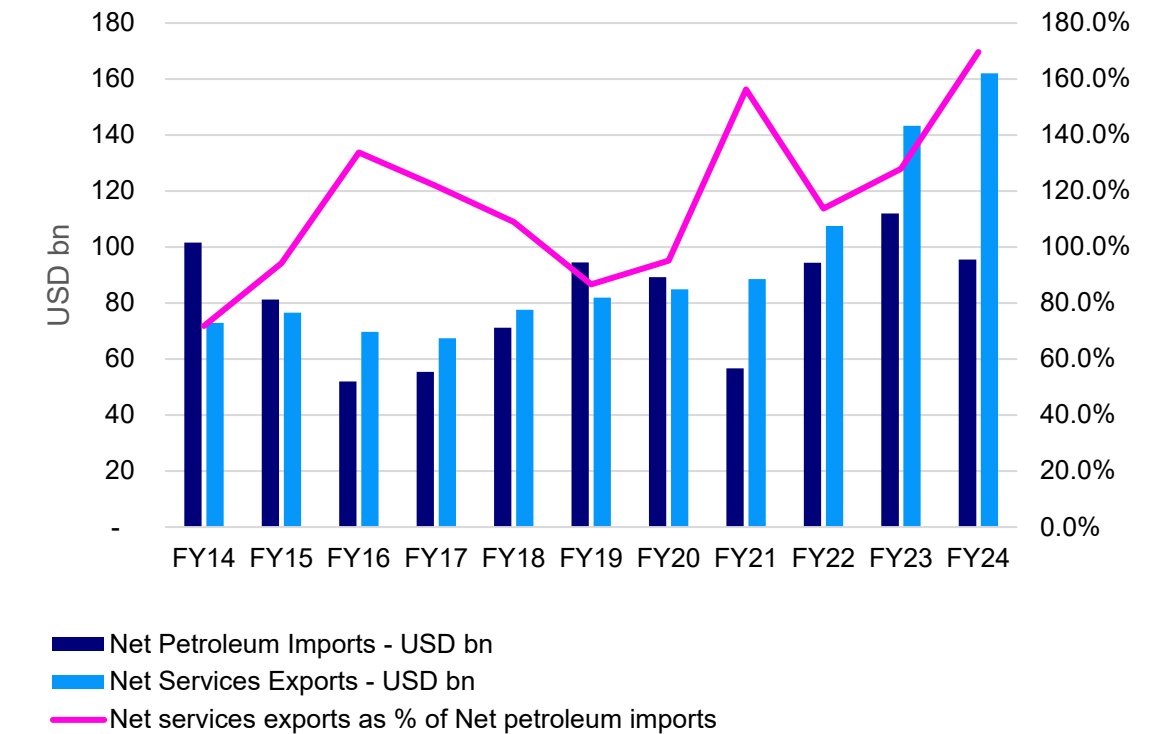


Crude Oil prices impact cushioned by reduced oil intensity in Indian GDP & increasing service exports...

India's declining oil intensity



India's net service exports vs net petroleum imports – increased post Covid

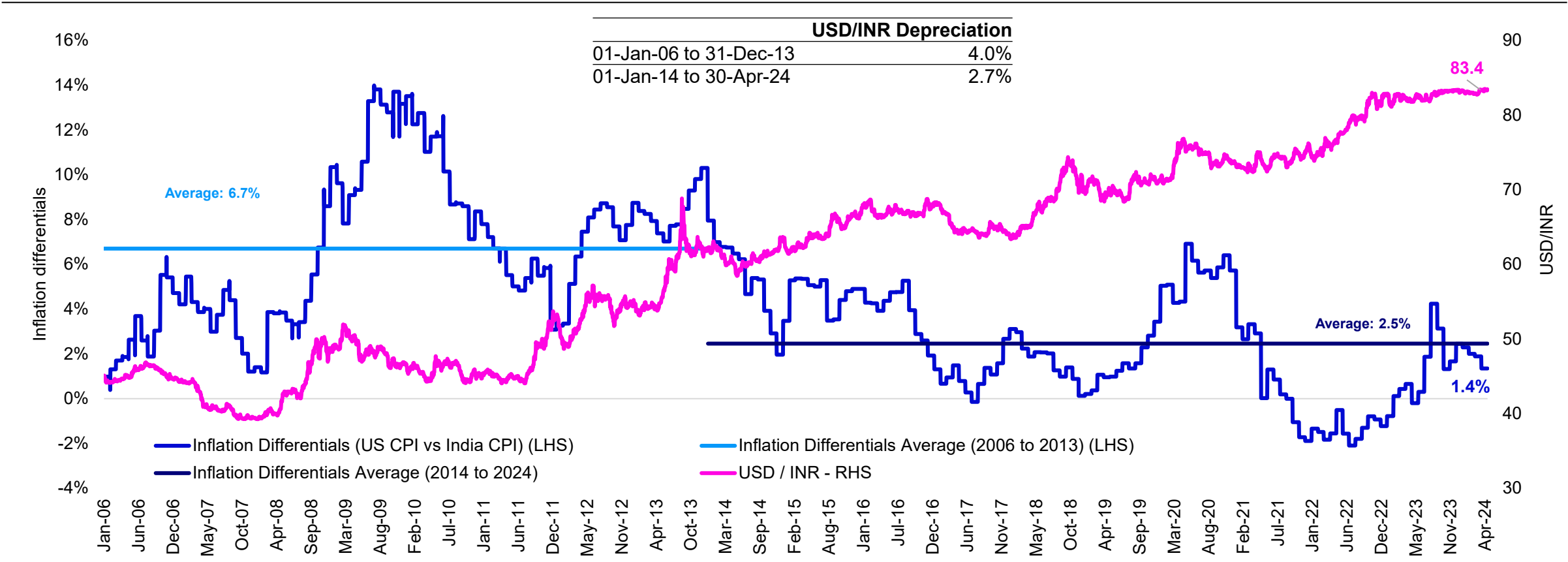


Source: Bloomberg, Morgan Stanley. Data as at 29 April 2024

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Stable INR compared to earlier years instills confidence in foreign investors

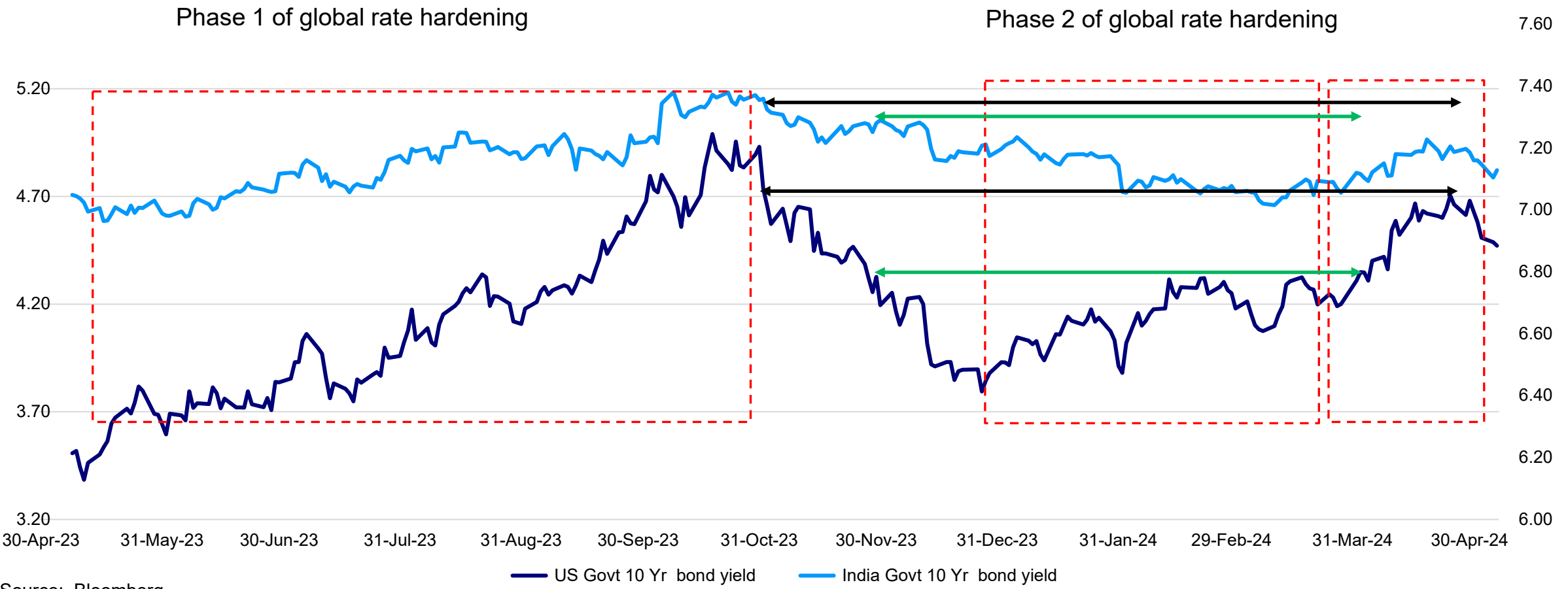
Reduced inflation differential between USA and India offers stability to INR vs USD



Source: Bloomberg. Data as at 30 April 2024.

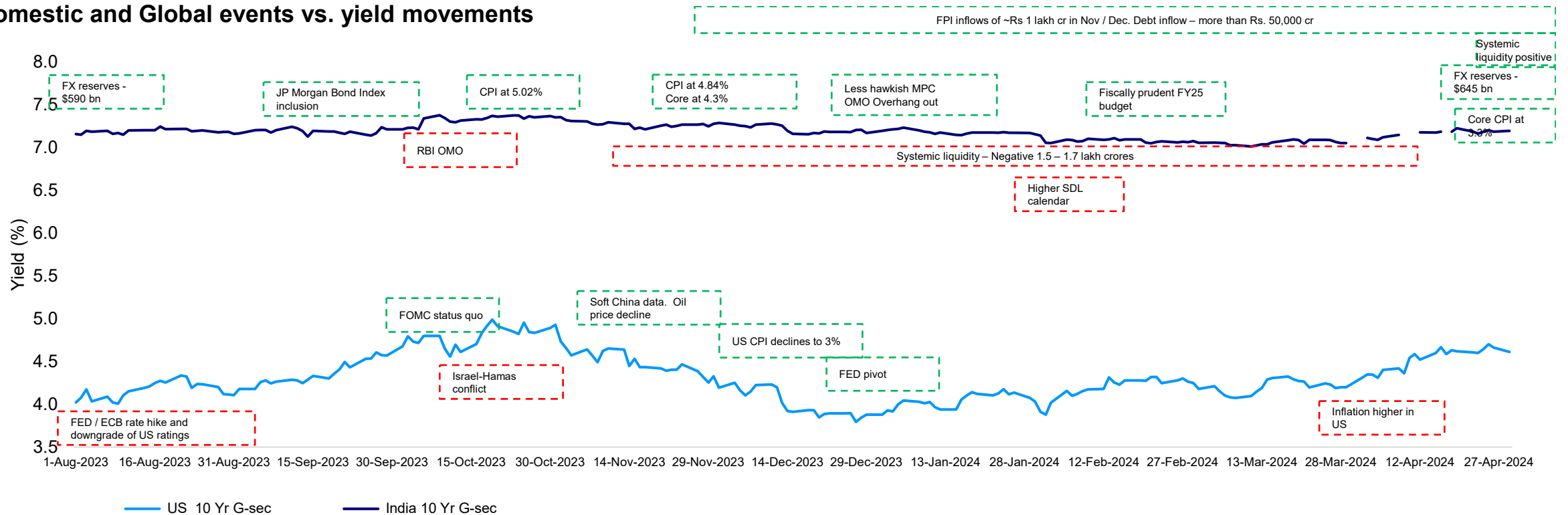
Impact on Domestic market...

India G-sec yields showing lower sensitivity to increasing US yields since early December 2023.



Indian bond yields less volatile and sensitive to US bond yields

Domestic and Global events vs. yield movements



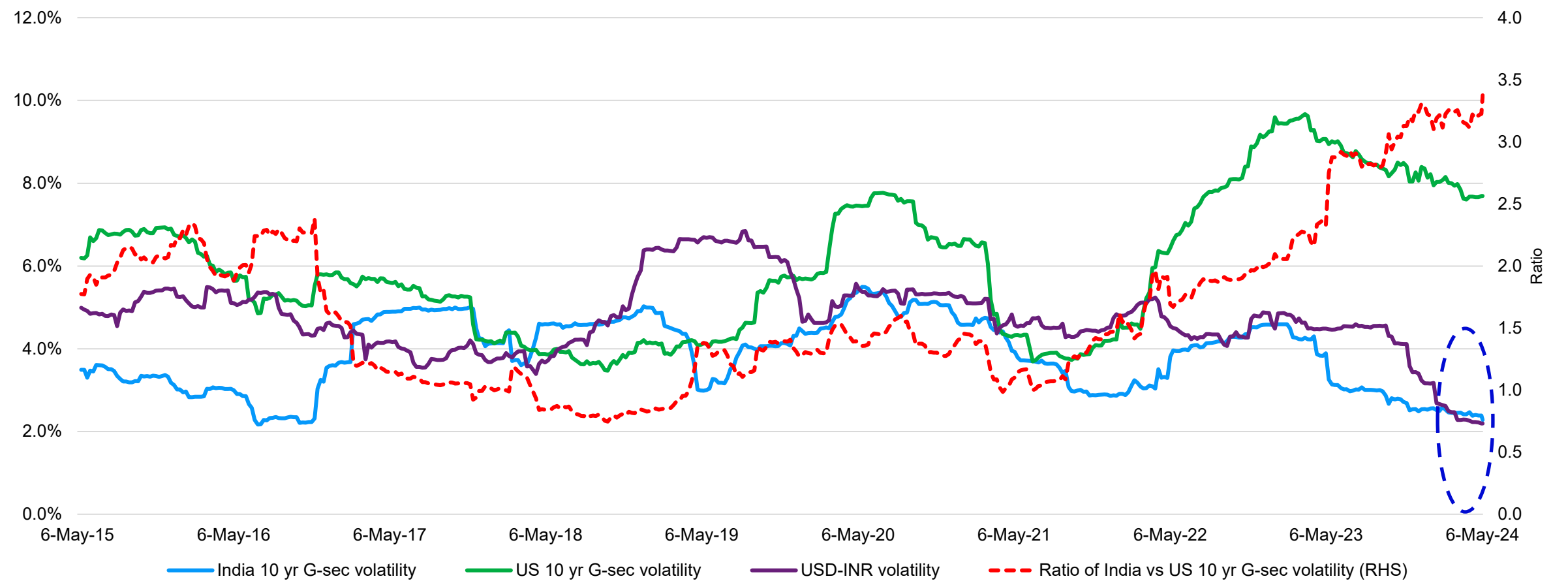
Source - Bloomberg

Note - In the above chart, news above the line represents positive new flow for rates & news below the line indicates overhang. The US yield curve has been volatile and has reacted more to positive & negative developments during the aforesaid time periods. However, Indian yield curve has been flat and not responded much to the positive & negative factors.

Fx- Foreign exchange, CPI - Consumer Price Index, OMO - Open Market Operations, RBI - reserve Bank of India, FOMC - Federal Open Market Committee, ECB - European Central Bank, FPI - Foreign portfolio investment, FED - US Federal Reserve, SDL - State Development Loans

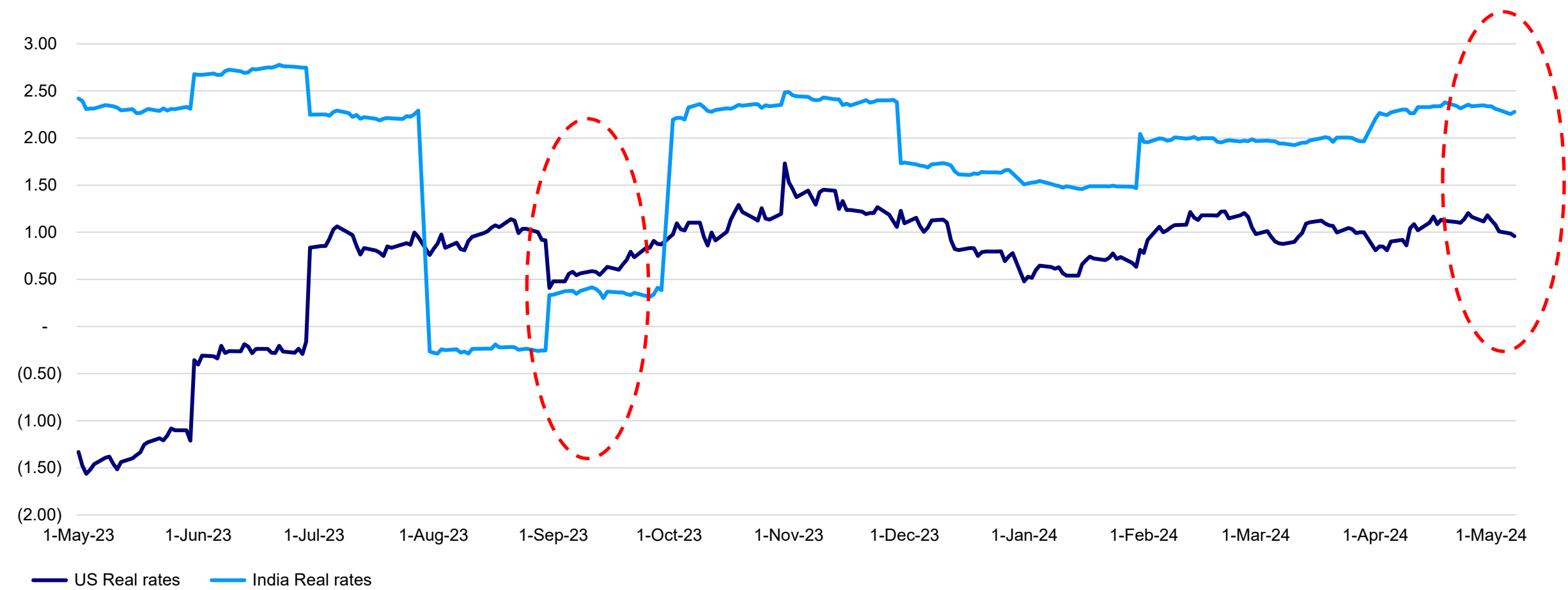
Disclaimer - The purpose of the above chart is to explain yield curve movement during the aforesaid period (i.e. 1 August 23 to 30 April 24). The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

India's government bond volatility and FX volatility much lower compared to US government bond volatility.



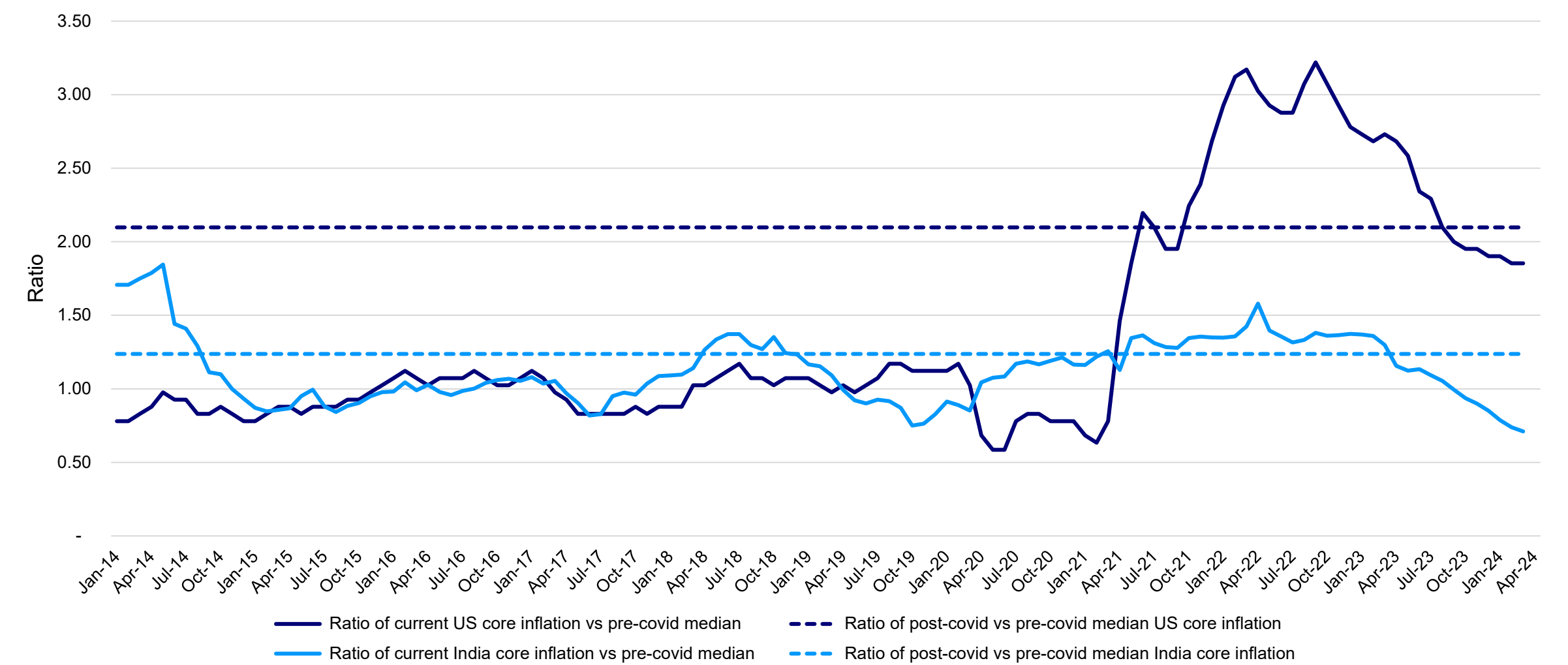
Source: Bloomberg; IAMI. Volatility is calculated as annual volatility of monthly total returns.

India's real rates have remained high over last 12 months and provide cushion to RBI in the next rate cut cycle.



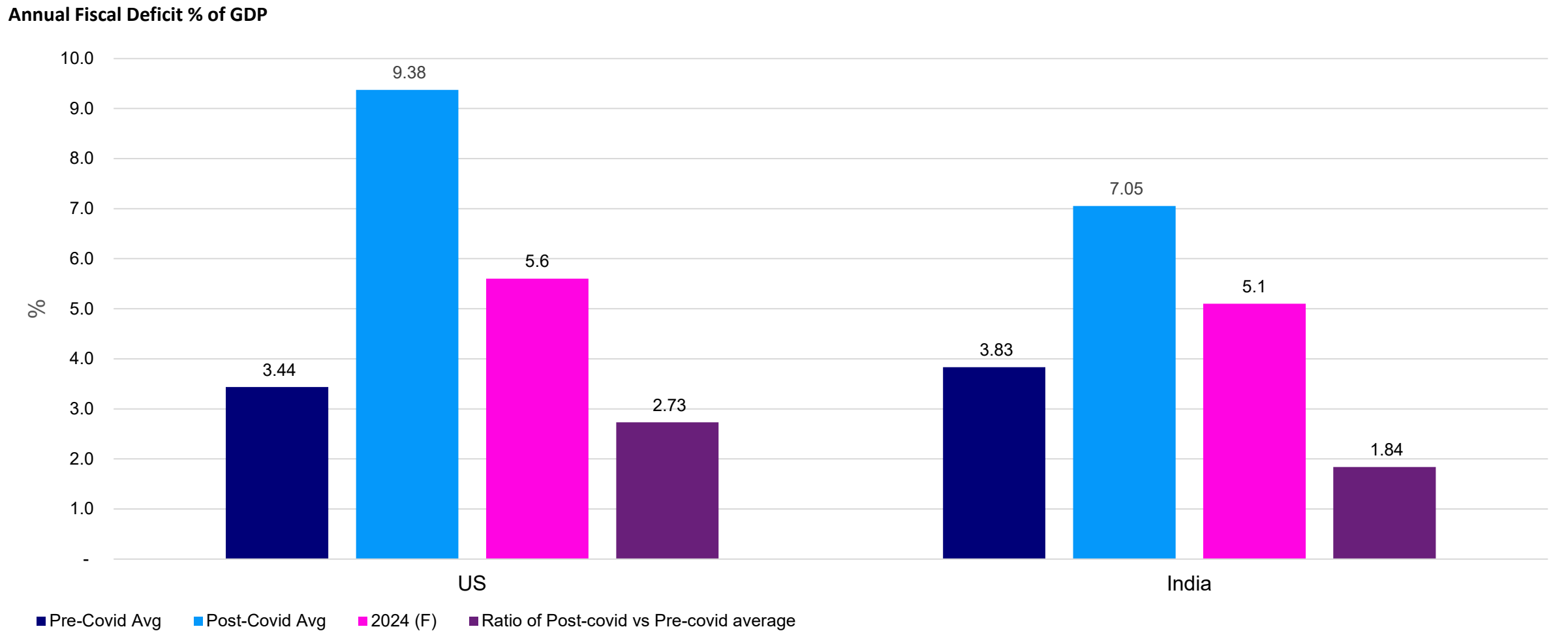
Source: Bloomberg; IAMI. Real rates = 10 year government bond yield (-) headline consumer price index.

Core inflation in US at a higher level post covid. India core inflation at lower level.



Source: Bloomberg. IAMI

Fiscal deficit in US running high vs pre-covid average. India fiscal deficit post covid increased at a lower rate compared to US.



Source: Bloomberg; IAMI

India's fundamental situation looks better despite volatility and increase in US bond yields and oil prices.

Macro indicators	Oct-23	Dec-23	March / April 2024
US 10 year bond yields	4.93%	3.88%	4.60%
India 10 year bond yields	7.35%	7.17%	7.19%
Brent Oil price (USD / barrel)	87	77	87
Fiscal Deficit	FY24 – 5.8%	FY24 – 5.8%	FY25 – 5.1%
3 month average headline CPI	6.40%	5.37%	5.01%
3 month average Core CPI	4.80%	4.10%	3.40%
Systemic Liquidity (INR trillion)	-0.56	-1.36	0.62
FX Reserves (\$bn)	585	623	643
3 month average trade deficit (\$bn)	-7.7	-8.5	-2.8
3 month cumulative FPI debt inflows (INR '000 cr)	6.8	12.8	52.5

Source: Bloomberg / CMIE

Indian Fixed Income Market is in a Sweet spot



Domestic Inflation trajectory

- FY 2025 inflation to moderate further to 4.5% from ~5.4% in FY2024 on the back of broad-based decline in core inflation basket.
- Higher food inflation is expected to come down as decent monsoon and government measures help.
- Inflation decline has been broad-based with higher number of items increasing by <0.35% on month-on-month basis.



Monetary Policy

- As FY25 inflation recedes to ~4.5%, current policy rate at 6.5% leaves the positive real policy rates at an elevated 200 bps.
- This should give sufficient room to MPC to cut down the policy rates towards end of 2024.



Fiscal demand-supply

- Fiscal consolidation to continue with FY25 fiscal deficit ~ 5.1% down from ~5.8% in FY24.
- Stable political landscape will help the government to stay focused on reforms & capex-oriented budget.
- Inclusion in JP Morgan global debt index - an icing on the cake with expected inflow of ~USD 20-25 bn in FY25 which can absorb close to 15% of fiscal supply in FY25.



External factors

- FDI / FPI inflow are expected to remain healthy in FY25 with robust domestic fundamentals.
- Healthy foreign exchange reserves of ~USD 645 bn¹ provide meaningful cover to absorb global volatilities.



Risk factors

- Global energy prices (read as crude prices) led by geo-political risk or further cuts in oil production by OPEC+.
- Supply side disruptions again caused by geo-political risks which can change the expected course of inflation moderation and thus the monetary cycles.
- Strong US growth and high fiscal deficit in election year may delay US rate cuts.

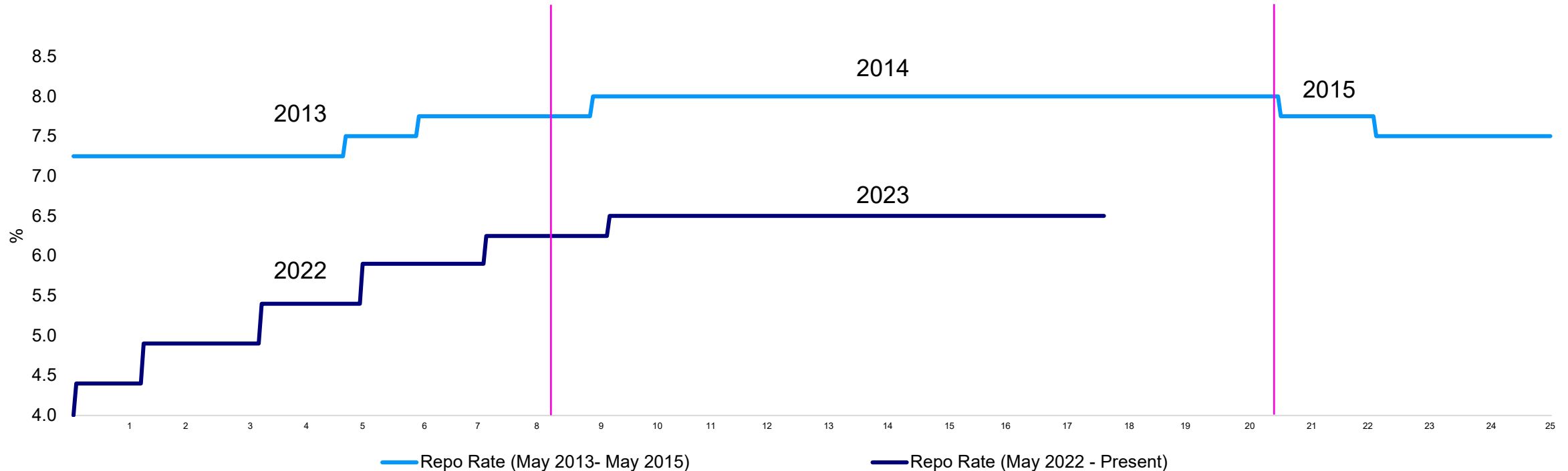
FY – Financial Year, MPC – Monetary Policy Committee, Bps – Basis Point, FOMC - Federal Open Market Committee, FDI - Foreign Direct Investment, FPI - Foreign portfolio investment, Fx – Foreign Exchange, BoJ – Bank of Japan, OPEC+ It is a group of 23 oil exporting countries which meets regularly to decide how much crude oil to sell on the world market. At the core of this group are the 13 members of OPEC (Organization of the Petroleum Exporting Countries), which are mainly Middle Eastern and African nations.

¹Foreign exchange data is as on 31 March 2024

India is expected to embark upon the rate cuts, possibly in 2HCY24

Period of 2022 – 2023 – 2024 is turning out to be like 2013 – 2014 – 2015 for fixed income market

Policy rate cycle



Note – On X-axis, 1 represents month of May, 2 represents June & so on for the period under analysis. In the above chart we are showing the repo rate movement in the aforementioned periods. In 2013, there were steep rate hikes by RBI in response to global taper tantrums followed by year of consolidation in 2014 with only one early rate hike and then rate cuts in 2015. In a similar way, 2022 saw steep rate hikes by RBI in line with global rate hikes, 2023 was a year of consolidation with only one early rate hike and now 2024 is expected to see the start of the rate cut cycle.

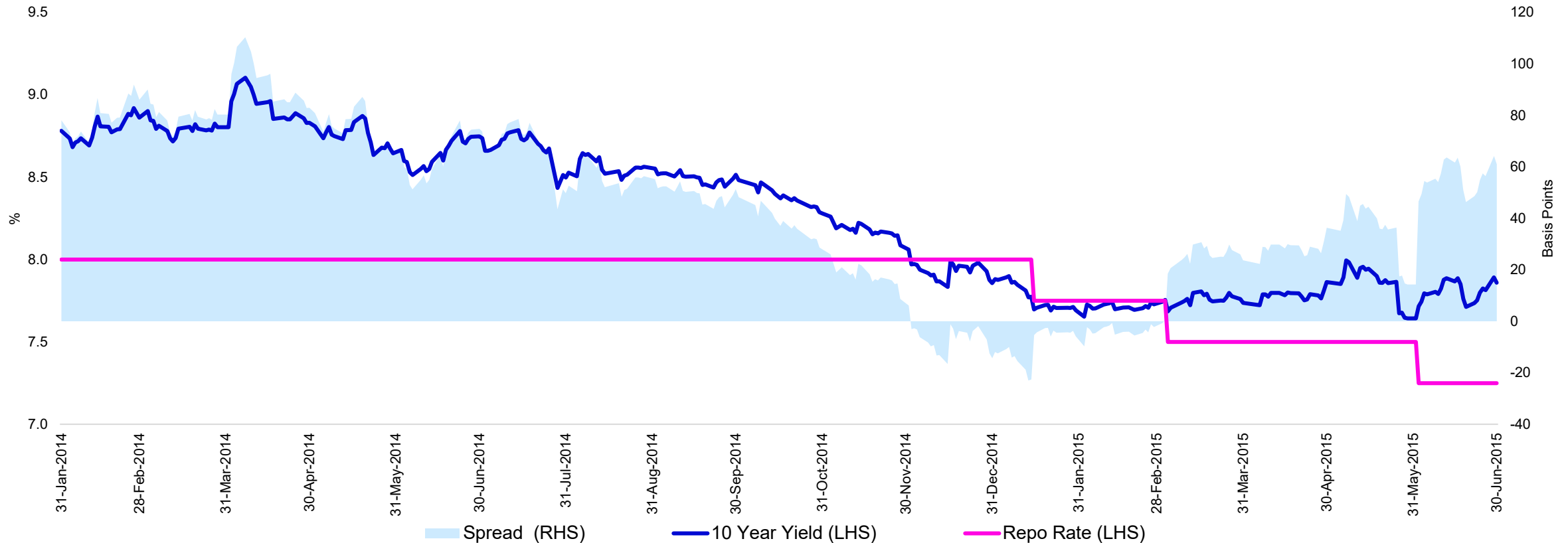
Source – Bloomberg.

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What happened in previous rate cut cycle?

#1 Interest rate rally happened much earlier than the beginning of rate cut cycle

10 Year G-sec vs. Repo rate - Spread



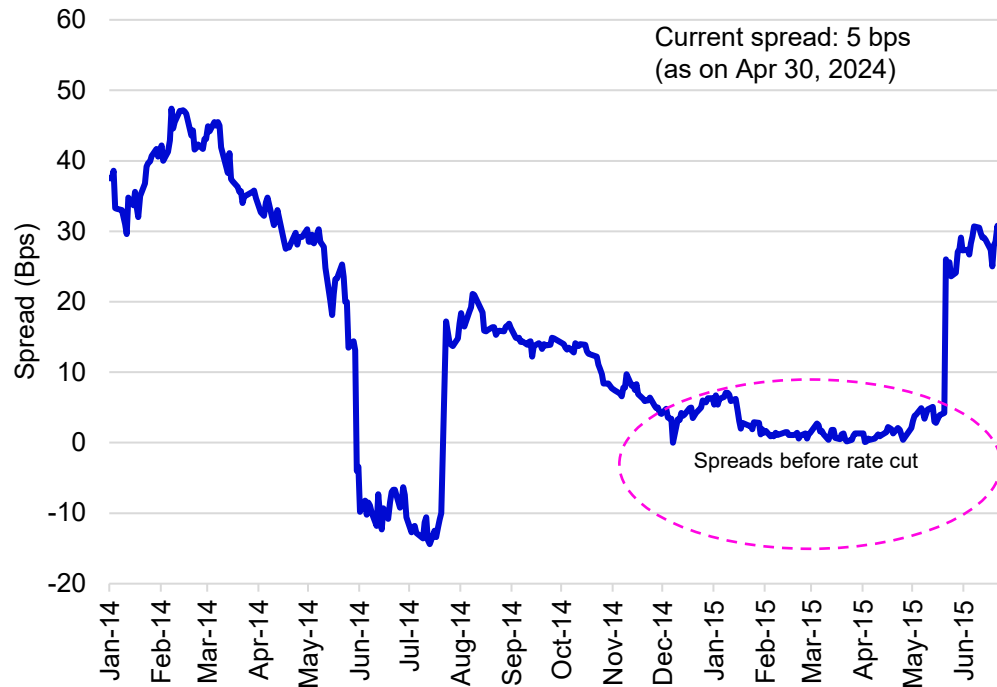
Source – Bloomberg

Note – The above chart shows the movement of 10 year G-sec, repo rate and the spread between them during 2014 & 2015.

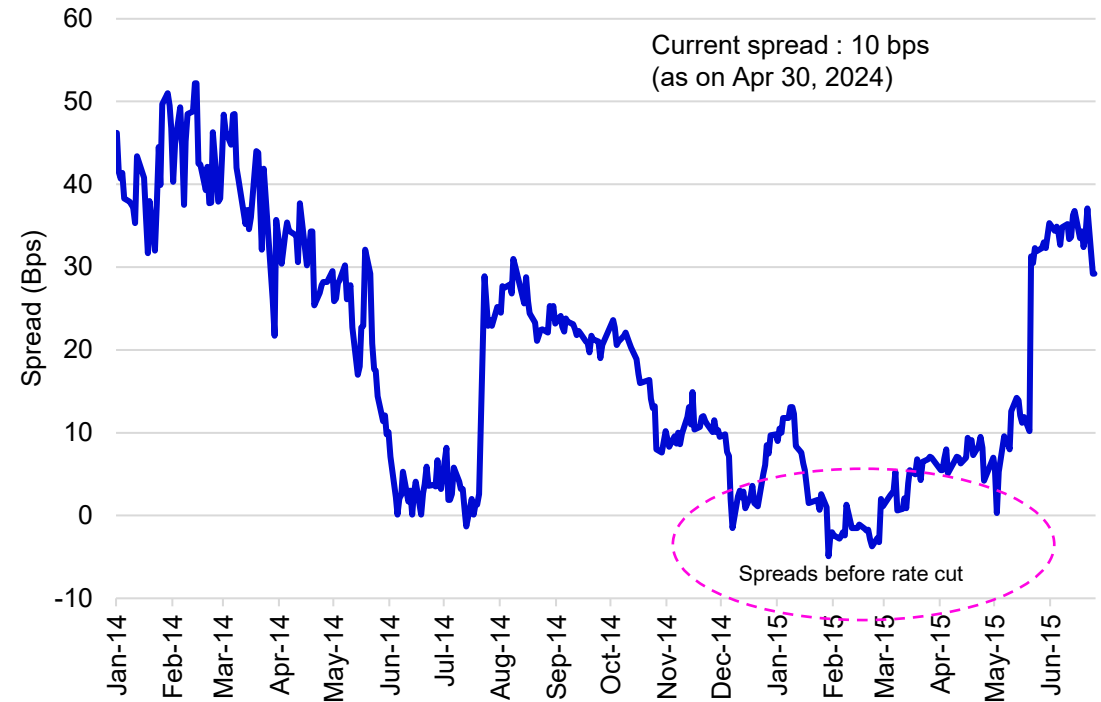
What happened in previous rate cut cycle?

#2 G-sec yield curve saw higher spread compression in the longer end before the rate cut

Spread between 10 years & 14 years G-sec



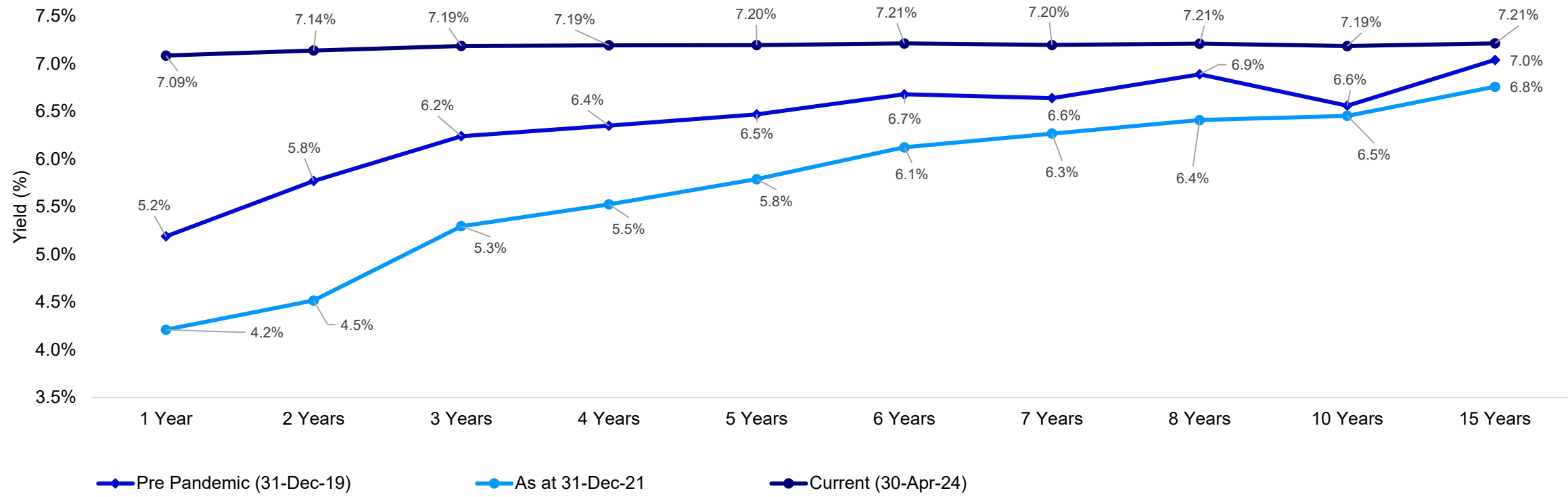
Spread between 10 years & 30 years G-sec



Source - Bloomberg

Note – The above chart shows the spreads between 10 year & 14 year G-sec and 10 year & 30 year G-sec.

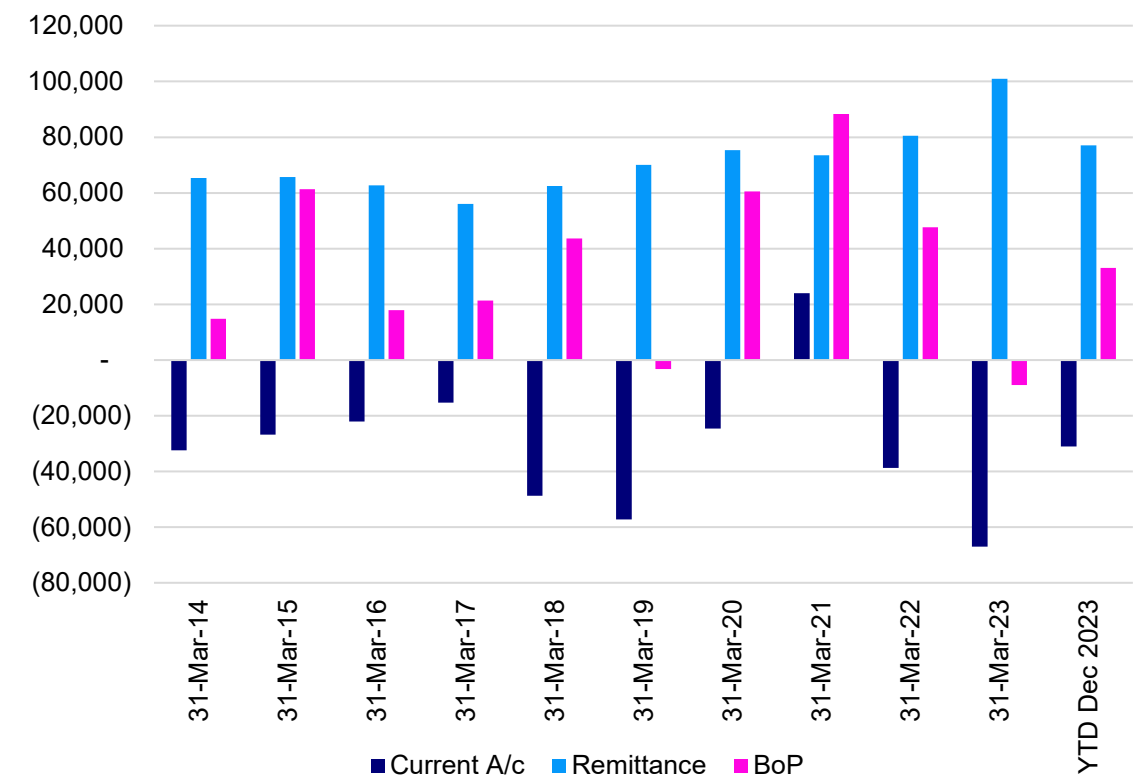
G-sec yield curve remains flat upto 10 years but steepens after that



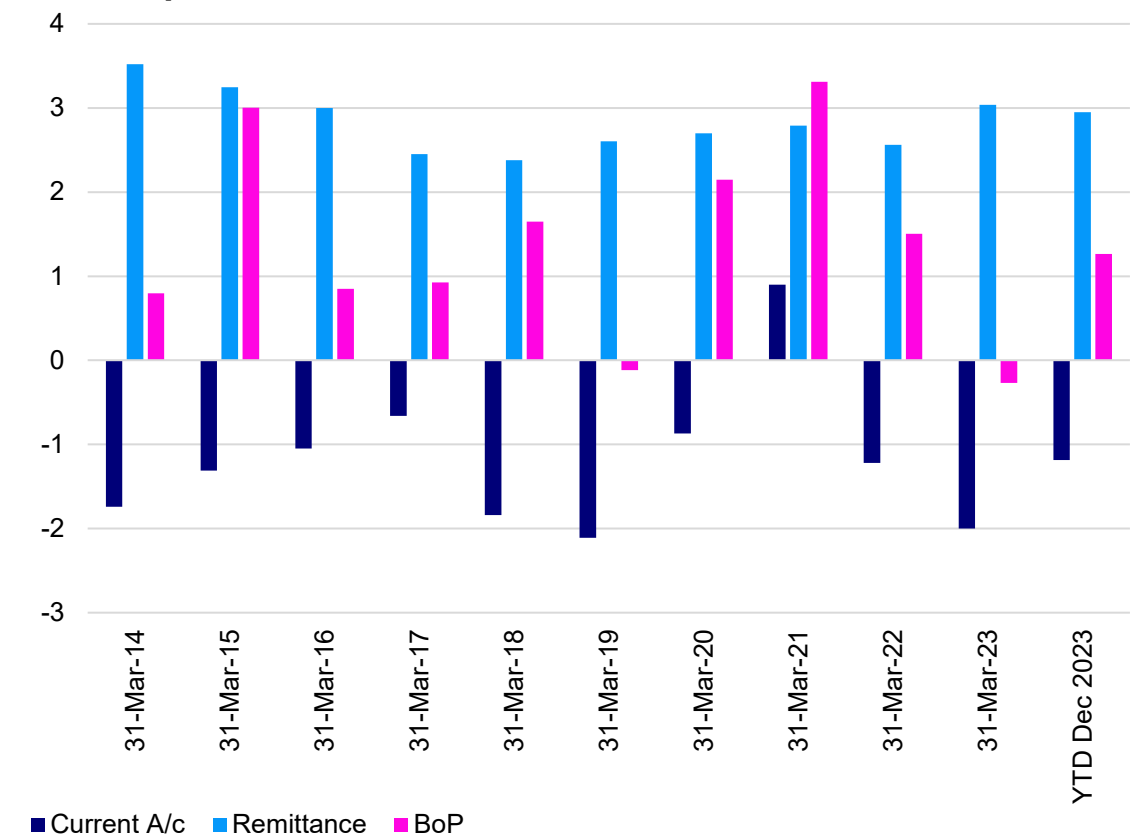
Annexures

Current Account balance in reasonable shape. Balance of Payments remains strong due to remittances and foreign direct investments.

BoP components in USD mm



BoP components % of GDP



Source: CMIE; IAMI. BoP = Balance of Payment. GDP = Gross Domestic Product.

Key Drivers of Liquidity

Sr No	Driver of Liquidity	Impact on Liquidity
1	Cash in Circulation (CIC)	CIC is currency outflow from banks. Increase in CIC leads to reduction in banking system liquidity.
2	RBI Dividend	Dividend from RBI to government adds to the government cash balance, and therefore increases the system liquidity.
3	Change in CRR	<ul style="list-style-type: none">• RBI mandates banks to maintain CRR as a % of NDTL.• Decrease in CRR rate leads to release of liquidity for the banking system (+ve driver of banking liquidity).• NDTL goes up every year (proxy to deposit growth in banking system) and leads to outflow of banking liquidity.
4	Open Market Operations (OMO)	<ul style="list-style-type: none">• OMO purchases leads to liquidity infusion in the banking system.• OMO sales leads to liquidity withdrawal from the banking system.
5	Forex Intervention	<ul style="list-style-type: none">• Forex purchases by Central Bank (typically at the time of inflow of forex into the country) leads to infusion of liquidity into the banking system.• Forex sales by Central bank (typically at the time of forex outflows from the country) leads to withdrawal of liquidity from the banking system.

Source: Invesco Asset Management (India), CRR: Cash Reserve Ratios. NDTL: Net Demand and Time Liabilities. OMO: Open Market Operations

Inherent drivers to remain supportive of liquidity in FY25

CIC outflows have been lower despite election season

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		Full year
2012		-18920	-12630	-37090	-16010	4730	15380	-1500	7950	-21320	-23420	-1550		-104,380
2013	-16530	-19900	-14020	-33610	-2270	10770	11360	2560	1100	-30810	-28310	-6750		-126,410
2014	-3140	-16710	-12470	-41320	-23570	6440	10440	9920	4440	-32690	-2300	-20410		-121,370
2015	-15410	-20370	-20250	-46380	-19380	14250	22180	-3269	-13731	-23820	-38647	-15183		-180,010
2016	-14270	-36810	-52170	-46960	-13350	350	9200	-8580	4612	-49652	589120	250030		631,520
2017	-78540	-147560	-170786	-96847	-55886	-43630	-9530	-24310	-23262	-45999	-25287	-33249		-754,887
2018	-45316	-43716	-47772	-73577	-27108	-12374	20631	-5134	2390	-36019	-34637	-29139		-331,772
2019	-36741	-45643	-32182	-40376	-17343	7839	13948	-846	-9764	-70989	260	-13468		-245,305
2020	-40630	-37264	-91069	-83661	-93571	-43939	-12081	-7988	-2409	-32308	-55508	-7365		-507,794
2021	-28653	-29886	-21963	-56217	-48204	-16969	33380	2703	18838	-20022	-38165	-3606		-208,763
2022	-45466	-48135	-55148	-74831	-8948	1826	32889	1497	24897	-52626	-6901	-14804		-245,751
2023	-59130	-39830	-46909	-76565	13099	81803	35845	14526	20897	-14614	-51621	-7512		-130,011
2024	-56253	-37237	-59378	-50791										

CIC updated till April 19, 2024

High Fx flows due to index inclusion to support liquidity

Year	RBI Fx Intervention (INR bn)	BOP (INR bn)	% intervention
FY24	2,295 (Till Feb 2024)	3,690 (Est)	62%
FY23	(2,173)	(736)	295%
FY22	1,346	3,504	38%
FY21	5,105	6,443	79%
FY20	3,120	4,281	73%
FY19	(1,119)	(230)	488%
FY18	2,228	2,822	79%

- RBI has absorbed 70-80% of Fx inflows during years with large BOP surplus.
- Similar absorption expected in FY25 with BOP expected at ~USD 50bn on the back of index inclusion – supportive of liquidity

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