TATHYA

July 2025

DSP MUTUAL FUND

There are emerging signs of pressure on the economy's demand profile - be it the moderation in wage growth, or the subdued consumption trend

		Change/Absolute								12MMA		12MMA		Absolute								
Consumption/Demand	Units	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	as of Jun'25	as of Jun'24	as of Jun'25	as of Jun'24	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Units
Personal Loans	% chg, YoY		11.1	11.9	11.6	11.7	11.8	12.0	13.3	12.5	13.6	57.8	51.6		60.6	59.8	59.5	58.8	58.3	57.9	57.3	INR Tr
Retail Payments	% chg, YoY		12.6	19.2	13.9	6.3	16.3	15.5	9.3	15.9	15.9	79.2	68.6		82.0	82.1	93.8	74.5	80.5	79.7	72.3	INR Tr
Rural Wage	% chg, YoY		4.8	6.5	5.9	6.1	5.9	6.0	6.3	5.9	5.8	439	416		443.8	448.5	446.0	443.8	441.8	440.1	438.5	Rs./day
Non-Oil Imports	% chg, YoY	-2.0	10.0	16.3	9.4	-11.2	19.9	6.3	19.7	8.7	8.0	45.3	41.8	40.1	45.9	44.2	44.5	39.1	46.0	44.9	48.0	USD Bn
Passenger cars sales (ex Uvs)	% chg, YoY	-10.3	-10.1	-5.1	-3.7	-4.6	0.6	14.3	-5.5	-8.2	-15.1	113	124	100.7	109.0	105.7	122.1	124.1	140.8	99.7	109.2	000 no's
Passenger cars sales (inc Uvs)	% chg, YoY	-6.1	-0.1	5.0	5.1	2.6	2.6	11.2	5.0	1.8	7.2	349	343	308.5	338.0	341.1	375.7	369.4	391.9	308.6	341.2	000 no's
POL Consumption	% chg, YoY	1.9	1.1	0.2	-3.1	-5.2	3.0	2.0	10.6	1.5	4.5	20.0	19.7	20.3	21.3	20.2	20.9	19.1	20.5	20.7	20.7	Mn Tonnes
Two wheelers	% chg, YoY	-3.4	2.2	-16.7	11.4	-9.0	2.1	-8.8	-1.1	2.4	16.7	1608	1568	1560	1656	1459	1657	1385	1526	1106	1605	000' no's
Consumer Price Inflation	% chg, YoY	2.1	2.8	3.2	3.3	3.6	4.3	5.2	5.5	4.1	5.4	4.1	5.4	5.7	5.6	5.0	4.4	3.7	3.4	3.1	2.7	3MMA
Core CPI (ex food and fuel)	% chg, YoY	4.4	4.3	4.2	4.1	4.0	3.7	3.6	3.7	3.8	3.9	3.8	3.9	3.6	3.6	3.7	3.8	3.9	4.1	4.2	4.3	3MMA

Manufacturing is doing worse by the year, by the month. While some pockets take lead occasionally, but it remains temporary and short-lived.

		Change/Absolute								12MMA		12MMA			Absolute							
Industry/Manufacturing	Units	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	as of Jun'25	as of Jun'24	as of Jun'25	as of Jun'24	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Units
Credit To Industry	% chg, YoY		4.8	6.6	7.8	7.1	8.0	7.2	8.0	7.8	7.3	38.4	35.7		38.8	39.0	39.4	38.8	38.7	38.5	38.1	INR Tr
Cement Production	% chg, YoY	4.9	9.2	6.3	12.2	10.7	14.3	10.3	13.1	7.9	5.9	200.7	186.0	208.2	208.2	204.5	246.2	215.1	219.7	211.7	177.0	Index
Coal Production	% chg, YoY		2.8	3.5	1.6	1.7	4.6	5.3	7.5	3.3	12.7	193.2	187.1	189.8	189.8	179.3	260.2	215.6	229.8	215.1	199.6	Index
Steel Production	% chg, YoY	9.7	6.7	4.4	8.7	6.9	4.7	7.3	10.5	6.5	10.7	217.7	204.5	223.8	223.8	219.2	238.9	216.8	228.1	221.8	212.9	Index
Eight Core Industry	% chg, YoY	3.5	0.7	1.0	4.5	3.4	5.1	5.1	5.8	3.3	7.8	165.6	160.3	169.4	169.4	163.3	182.9	163.0	173.8	169.4	159.1	Index
IIP Electricity	% chg, YoY		-5.8	1.7	7.5	3.6	2.4	6.2	4.4	2.4	9.6	206.5	203.7		216.0	215.7	219.5	194.0	201.9	192.8	184.1	Index
IIP Mining	% chg, YoY		-0.1	-0.2	1.2	1.6	4.4	2.7	1.9	1.1	8.2	132.6	131.3		136.3	130.7	158.1	141.9	150.7	143.2	133.8	Index
IIP Manufacturing	% chg, YoY		2.6	3.1	4.0	2.8	5.8	3.7	5.5	3.8	5.3	151.7	146.2		154.3	149.1	162.4	148.4	159.5	157.2	147.0	Index
IIP Capital Goods	% chg, YoY		14.1	14.0	3.6	8.2	10.2	10.5	8.9	7.9	6.0	115.3	107.4		120.1	108.3	136.3	115.4	119.3	114.7	106.7	Index
IIP Infrastructure/Construction	% chg, YoY		6.3	4.7	9.9	6.8	7.3	8.4	8.0	6.2	8.6	190.4	179.8		198.1	192.9	214.6	191.7	200.2	195.4	177.3	Index
IIP consumer goods	% chg, YoY		-1.7	0.9	0.5	0.2	2.8	-1.8	5.4	1.3	4.3	141.0	139.1		140.7	137.8	144.4	137.4	149.1	147.3	141.4	Index
Manufacturing PMI	abs	58.4	57.6	58.2	58.1	56.3	57.7	56.4	56.5	57.4	57.3	57.4	57.3	58.4	57.6	58.2	58.1	56.3	57.7	56.4	56.5	Index
Wholesale Price Index	% chg, YoY	-0.13	0.39	0.85	2.25	2.45	2.51	2.57	2.16	1.8	0.6	1.8	0.6	-0.13	0.39	0.85	2.25	2.45	2.51	2.57	0.37	3MMA

Market participants have been cautious about taking on fresh borrowing, which has kept a lid on broader consumption activity. While there are sporadic signs of momentum in parts of the economy, the overall trend remains fairly subdued.

Services	Units	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	as of Jun'25	as of Jun'24	as of Jun'25	as of Jun'24	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Units
Services PMI	abs	60.4	58.8	58.7	58.5	59.0	56.5	59.3	58.4	58.9	60.2	58.9	60.2	60.4	58.8	58.7	58.5	59.0	56.5	59.3	58.4	Index
Credit to Services	% chg, YoY		8.7	10.5	12.4	12.0	12.5	11.7	13.0	12.3	23.5	49.1	44.0		50.9	50.9	51.6	50.6	50.1	49.6	48.5	INR Tr
Housing loans	% chg, YoY		9.0	9.8	10.7	11.1	11.0	11.1	12.2	11.4	36.6	29.3	26.4		30.4	30.1	30.1	29.8	29.5	29.3	29.1	INR Tr
Airport Passenger Traffic	% chg, YoY		3.0	10.3	9.3	11.2	13.5	10.5	13.2	9.5	12.0	34.8	31.9		35.4	35.7	36.1	34.9	37.1	37.5	35.5	Mn no's
Railway Freight Traffic	% chg, YoY		3.0	3.6	2.3	-2.3	1.6	1.7	1.4	1.1	6.2	135.5	134.2		143.2	133.2	161.3	132.5	145.1	141.4	130.2	Mn Tonnes
E-toll collections	% chg, YoY	17.5	20.0	21.6	14.5	18.3	19.0	13.3	14.5	15.0	19.4	63.6	55.3	67.9	70.9	68.0	68.0	66.0	66.1	66.4	60.7	INR Bn

5 4 3 1 -1 Improving---------> Worsening

YTDA= Year to Date Average, Avg= Average

FY24 Avg: Average considered for the same period in FY24 as for FY25

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Increase in liquidity is one thing, but its transmission to increased money supply is where the demand recovery resides, and until that happens, monetary impulse remains a policy choice yet to come into completion.

		Change/Absolute								12MMA		12MMA			Absolute							
Monetary	Units	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	as of Jun'25	as of Jun'24	as of Jun'25	as of Jun'24	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Units
M3	% chg, YoY	9.6	9.5	9.6	9.6	9.6	9.6	9.3	11.1	10.0	10.9	267.3	243.0	281.8	279.3	275.7	272.3	268.5	266.3	265.1	264.5	INR Tr
M3/M0	Ratio	5.72	5.63	5.67	5.64	5.70	5.72	5.69	5.58	5.6	5.4	5.6	5.4	5.72	5.63	5.67	5.64	5.70	5.72	5.69	5.58	Ratio
Gsec 10 Year Yield	%	6.33	6.31	6.40	6.66	6.69	6.75	6.73	6.84	6.7	7.2	6.7	7.2	6.3	6.3	6.4	6.7	6.7	6.8	6.7	6.8	%
5-Year AAA Yield	%	7.09	6.82	7.22	7.55	7.42	7.45	7.45	7.54	7.4	7.7	7.4	7.7	7.1	6.8	7.2	7.6	7.4	7.5	7.5	7.5	%
5-Year AA Yield	%	9.48	8.22	9.75	9.84	9.89	9.31	9.65	9.30	9.3	9.0	9.3	9.0	9.5	8.2	9.8	9.8	9.9	9.3	9.7	9.3	%
Credit to Deposit Ratio	Ratio		80.4	79.8	80.8	80.4	80.3	80.4	79.5	79.8	79.2	79.8	79.2		80.4	79.8	80.8	80.4	80.3	80.4	79.5	Ratio

Expenditure has picked up at a better pace than last year, but receipts are still lagging. However, it's still early in the year – the picture could improve as we move forward.

		Change/Absolute								12MMA		12MMA			Absolute							
Fiscal	Units	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	as of Jun'25	as of Jun'24	as of Jun'25	as of Jun'24	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Units
Total Expenditure	% chg, YoY		40.3	10.0	9.5	-17.7	12.4	22.1	3.6	12.3	5.5	4.0	3.6		2.81	4.66	7.62	3.23	3.38	4.91	2.67	INR Tr
Capital Expenditure	% chg, YoY		38.7	61.0	67.2	-35.4	51.4	95.3	21.3	33.3	28.9	1.0	0.7		0.62	1.60	2.40	0.55	0.72	1.72	0.47	INR Tr
Revenue Expenditure	% chg, YoY		40.7	-5.7	-5.5	-12.8	5.1	1.7	0.5	8.1	6.0	3.0	2.9		2.19	3.06	5.22	2.69	2.66	3.19	2.20	INR Tr
E-Way Bills	% chg, YoY	19.3	18.9	23.4	20.2	14.7	23.1	17.6	16.3	18.4	16.2	113.8	96.1	119.5	122.7	119.3	124.5	111.6	118.1	112.0	101.8	Mn no's
GST	% chg, YoY	6.2	16.4	12.6	9.9	9.1	12.3	7.3	8.5	9.8	11.4	1.9	1.7	1.85	2.01	2.37	1.96	1.84	1.96	1.77	1.82	INR Tr
Total Receipts	% chg, YoY		25.4	10.9	5.5		-54.1	31.1	7.4	-3.5	40.3	2.6	2.6		4.5	2.3	5.2	1.3	0.8	4.2	1.6	INR Tr

Despite subdued import growth and soft domestic demand, risks to the CAD/GDP ratio remain tilted to the upside, given the potential drag on exports

		Change/Absolute								12MMA		12MMA		Absolute								
External	Units	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	as of Jun'25	as of Jun'24	as of Jun'25	as of Jun'24	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Units
Indian Rupee	INR/USD	85.9	85.2	85.6	86.6	87.1	86.3	85.0	84.4	85.1	83.1	85.1	83.1	85.9	85.2	85.6	86.6	87.1	86.3	85.0	84.4	INR/USD
REER 40 currency	Index	104.8	101.1	100.8	101.5	102.5	104.8	107.1	108.1	104.7	104.6	104.7	104.6	104.8	101.1	100.8	101.5	102.5	104.8	107.1	108.1	Index
6M fwd premium on USD	%	1.75	1.83	2.28	2.28	2.20	2.30	2.90	2.18	2.1	1.4	2.1	1.4	1.75	1.83	2.28	2.28	2.20	2.30	2.90	2.18	%
FX Reserves	% chg, YoY	7.8	6.1	7.9	3.1	3.2	2.2	2.7	10.1	8.8	9.1	671.4	618.0	702.8	691.5	688.1	665.4	638.7	630.6	640.3	658.1	USD Bn
Trade Balance	USD Bn	-18.8	-21.9	-26.6	-21.5	-14.1	-23.1	-20.7	-32.0	-24.0	-20.6	-24.0	-20.6	-18.8	-21.9	-26.6	-21.5	-14.1	-23.1	-20.7	-32.0	USD Bn
Oil Balance	% chg, YoY	-4.0	-23.0	43.2	29.1	-28.8	44.2	10.4	64.0	23.4	-2.0	-10.3	-8.6	-9.2	-9.1	-13.5	-14.1	-6.2	-10.0	-8.9	-12.4	USD Bn
Non-oil Non-gold Balance	% chg, YoY	-13.4	34.0	46.7	37.8	75.6	31.7	-11.7	-5.7	15.8	-16.7	-8.5	-7.9	-7.5	-9.7	-9.8	-2.8	-5.2	-9.5	-6.7	-9.3	USD Bn
Services Surplus	% chg, YoY	12.8	23.8	18.7	35.3	30.8	11.5	19.8	3.0	17.4	14.1	16.3	13.9	15.3	15.8	15.9	18.1	17.1	18.0	19.2	14.9	USD Bn
Crude Indian Basket	% chg, YoY	-15.5	-23.4	-23.7	-14.2	-5.1	1.4	-5.3	-12.5	-11.7	-0.5	74.2	84.3	69.8	64.0	68.2	72.5	77.4	80.2	73.3	73.1	$/barrel
Current Account Bal	% of GDP				1.3			-1.1		-0.5	-0.7	-0.5	-0.7				1.3			-1.1		

More than a recent sudden fall in foreign investment flows, there has been a gradual long-term decline, which could reverse when valuations align

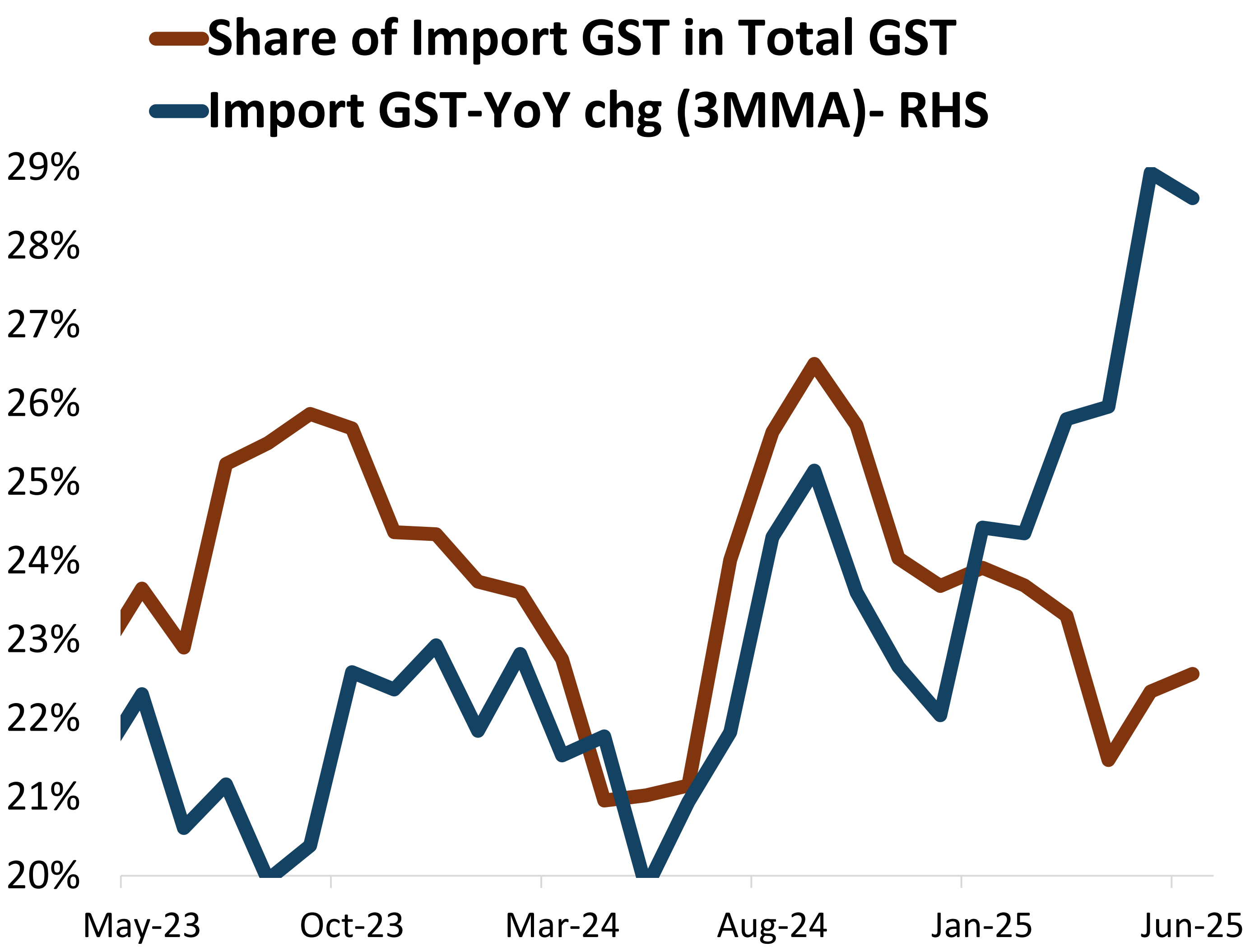
		Change/Absolute								12MMA		12MMA		Absolute								
Flows	Units	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	as of Jun'25	as of Jun'24	as of Jun'25	as of Jun'24	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Units
FII Net Debt*	YoY chg of 12MA	-22	25	31	23	17	60	130	273	155.5	32.3	0.9	1.2	-1.89	1.20	-2.18	4.15	1.11	0.55	1.62	-0.36	USD Bn
FII Net Equity*	YoY chg of 12MA	-	-	-	-	-	-	-	-65	-239	49248	-0.8	1.0	1.69	2.34	0.51	-0.91	-3.42	-9.04	2.04	-2.56	USD Bn
Net FDI Flows*	YoY chg of 12MA	-98	-76	-53	-77	-89	-85	-73	-80	154.6	-36.6	0.03	1.0		0.71	3.95	-0.44	-0.81	1.98	-0.15	-2.68	USD Bn
Private Transfers	% chg, YoY				9.7%			13.3%		32.4	27.3	32.4	27.3				31.5			33.2		USD Bn
ECB	% chg, YoY		175	-31	43	27	29	92	136	122.0	29.1	5.8	3.2		11.0	2.9	11.0	2.8	4.0	9.5	2.7	USD Bn
MFs Net Equity	% chg, YoY	-41.9	-45.2	28.3	10.8	9.1	82.2	142.1	131.3	87	228	325	217	236	190	243	251	293	397	412	359	INR Bn
SIP Flows	% chg, YoY	28.3	27.7	30.7	34.5	35.5	40.1	50.2	48.3	41.6	44.9	256	182	272.7	266.9	266.3	259.3	260.0	264.0	264.6	253.2	INR Bn

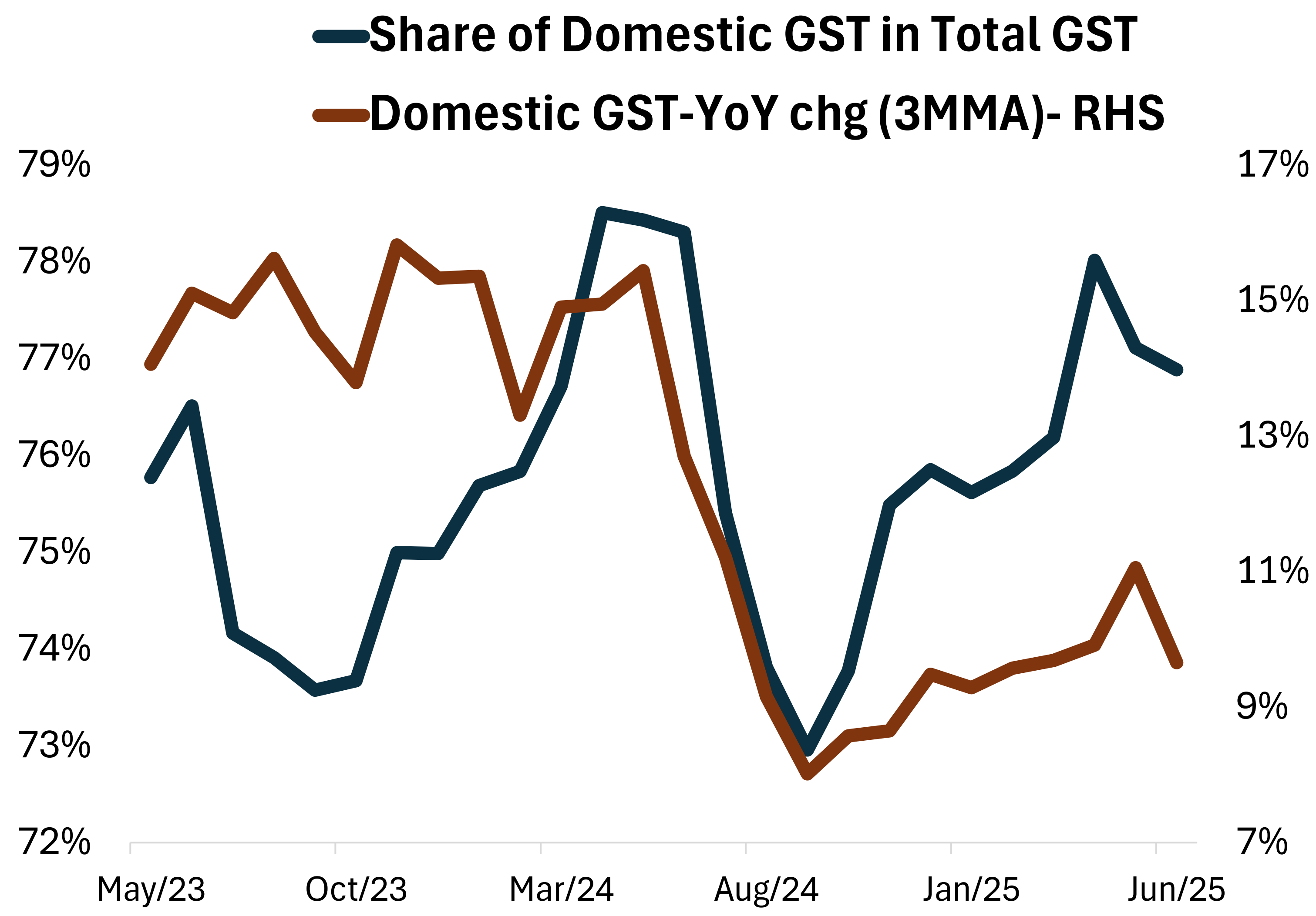
Improving---------> Worsening

*** If either the base figure, the current month figure, or both are negative, the year-on-year change can't be meaningfully calculated.***

12MA- 12 Months Average

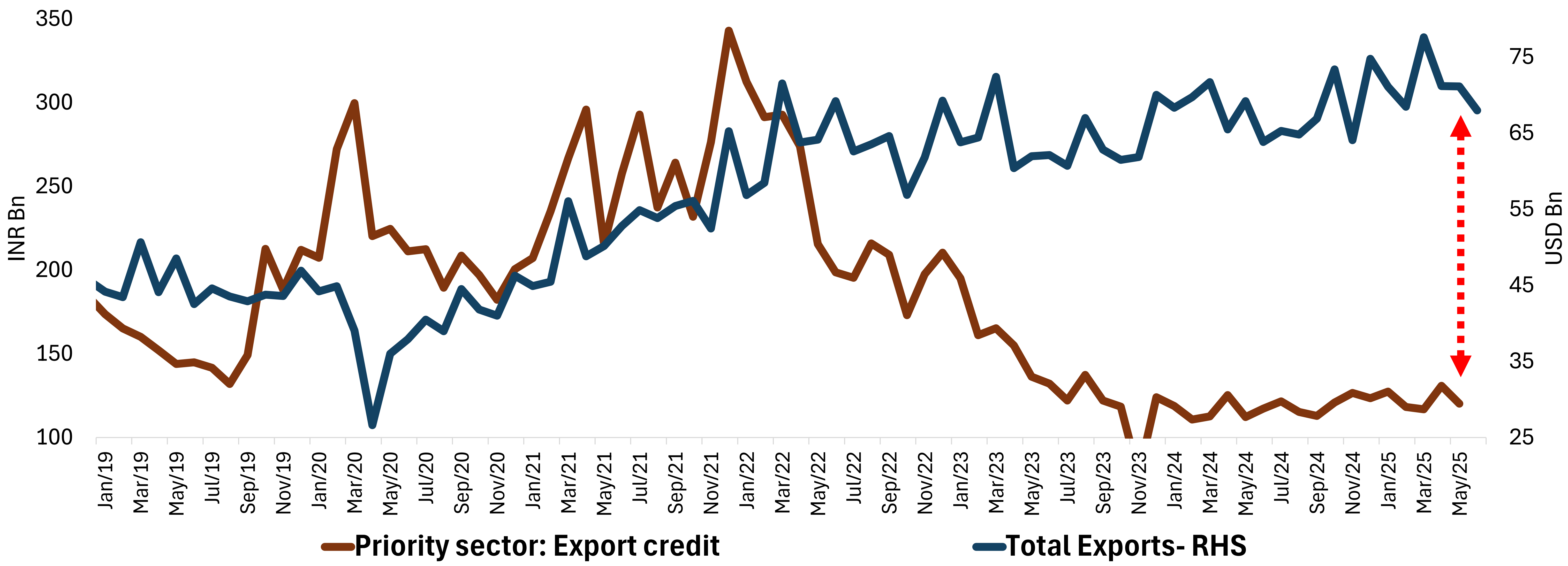
Exhibit 1&2: Import GST has picked up in growth but contributes a smaller share, while domestic GST has gained share despite slower growth. This shift may help explain the softer overall GST growth.





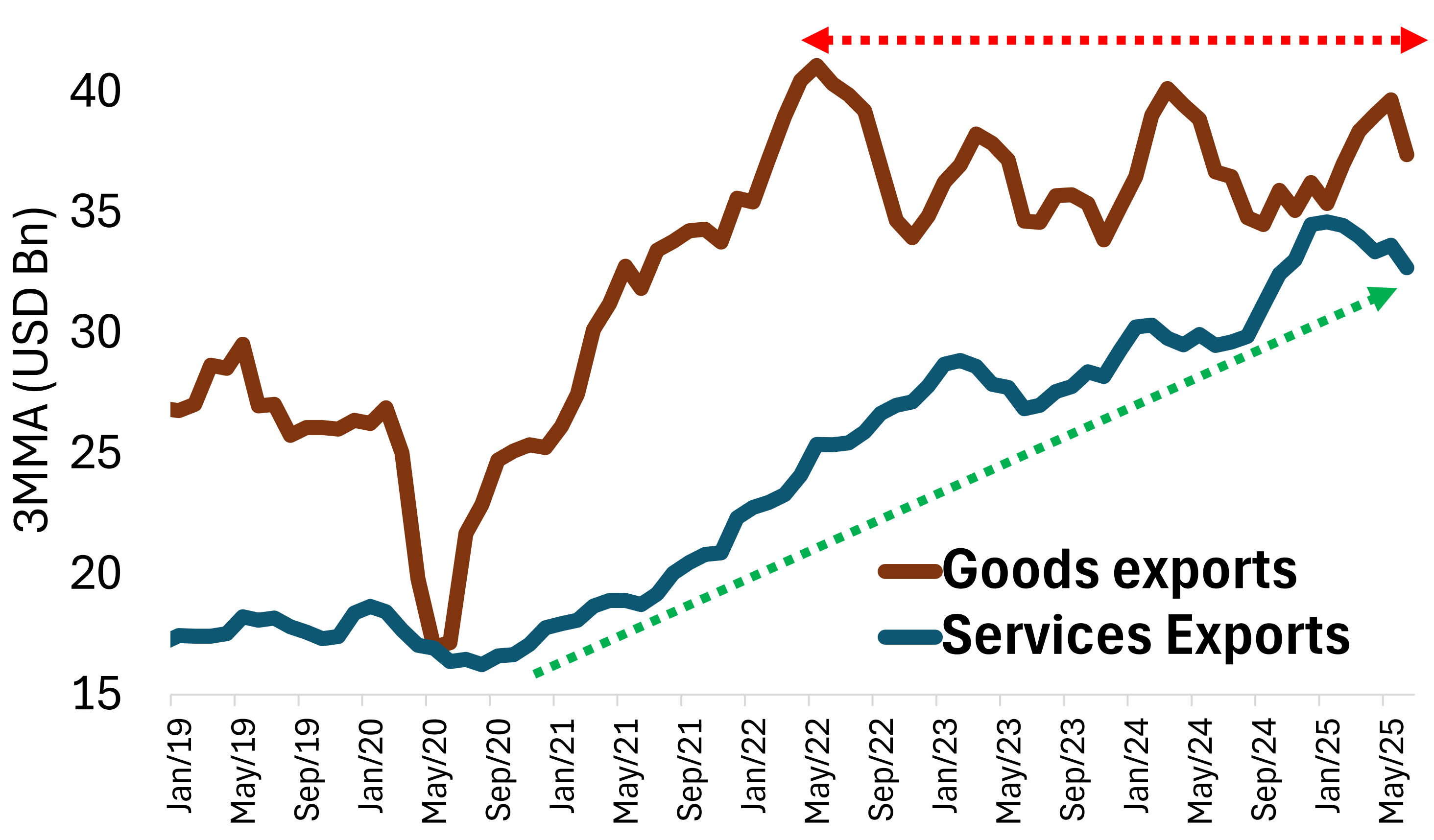
Source: CMIE

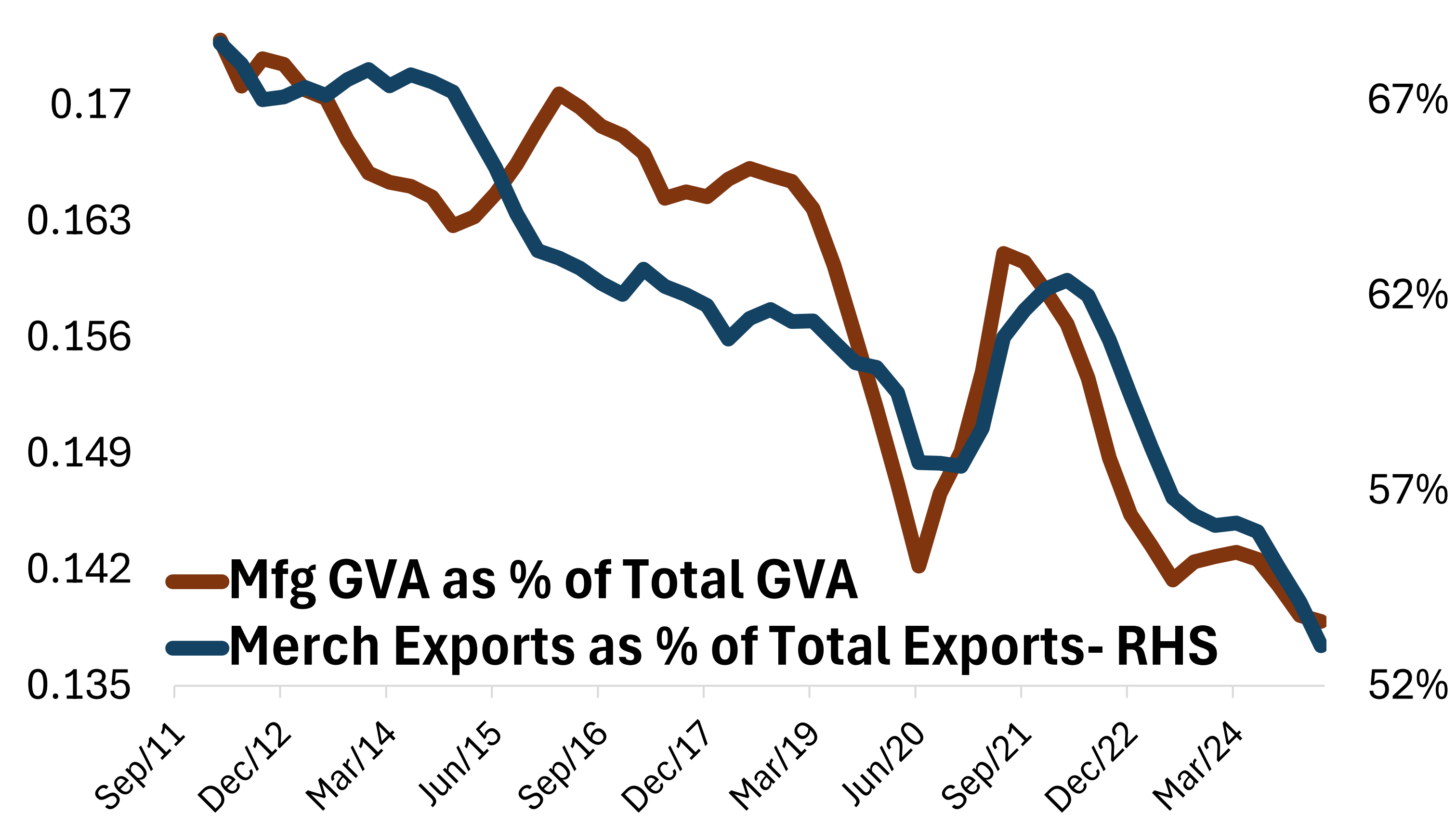
Exhibit 3: Export credit, after a sharp post-covid decline, has struggled to recover and remains weak.



Source: CMIE

Exhibit 4&5: The steady export trend has largely been driven by services, while merchandise exports have barely held up.





Source: CMIE

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