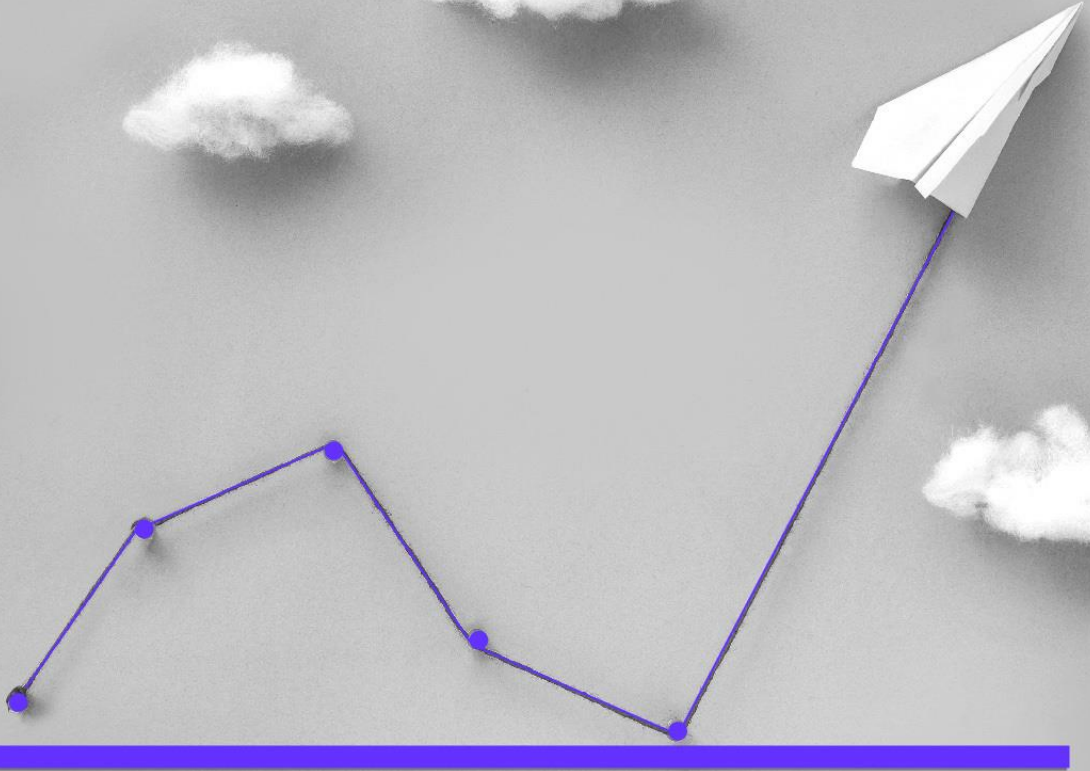


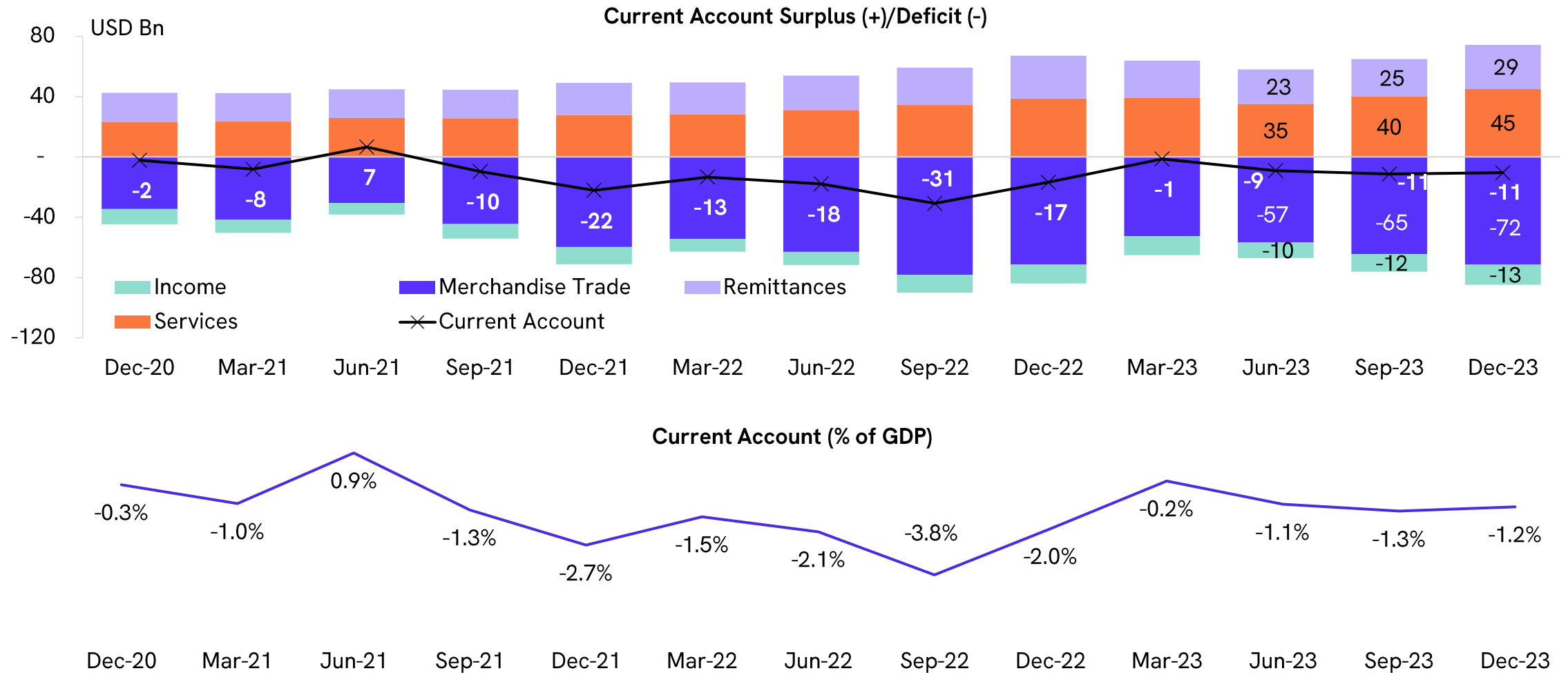
# TRENDS & TIDES

India's current account records a deficit of 1.2% of GDP in Q3FY24, BOP surplus at US\$ 6.0 bn



# Current account deficit marginally better at 1.2% of GDP in Q3FY24

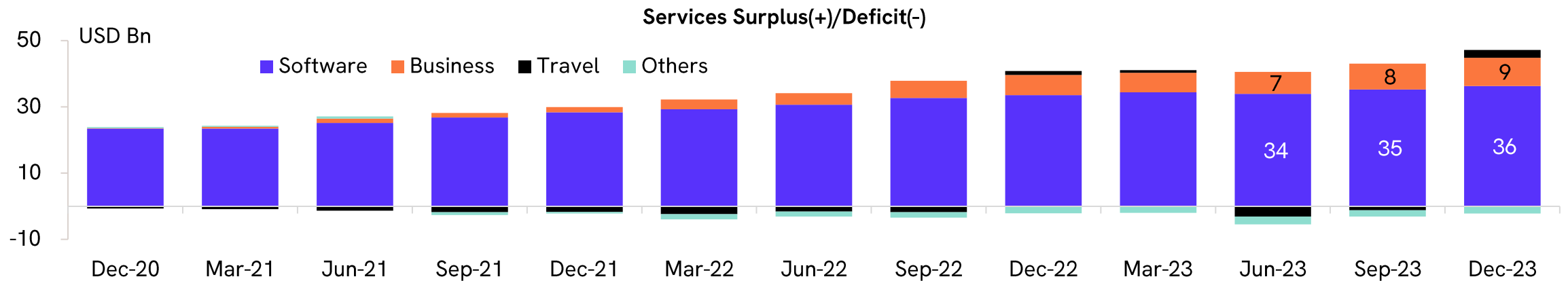
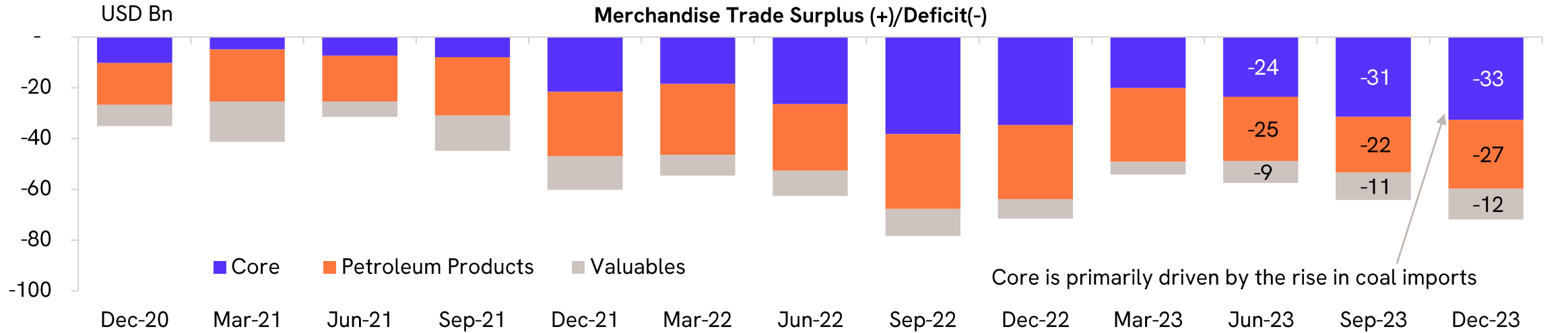
The rise in services exports and inward remittances offsets the higher merchandise deficit in the Dec 2023 quarter



Source: RBI, 360 ONE Asset Research

# Increase in petro products deficit drives merchandise deficit higher

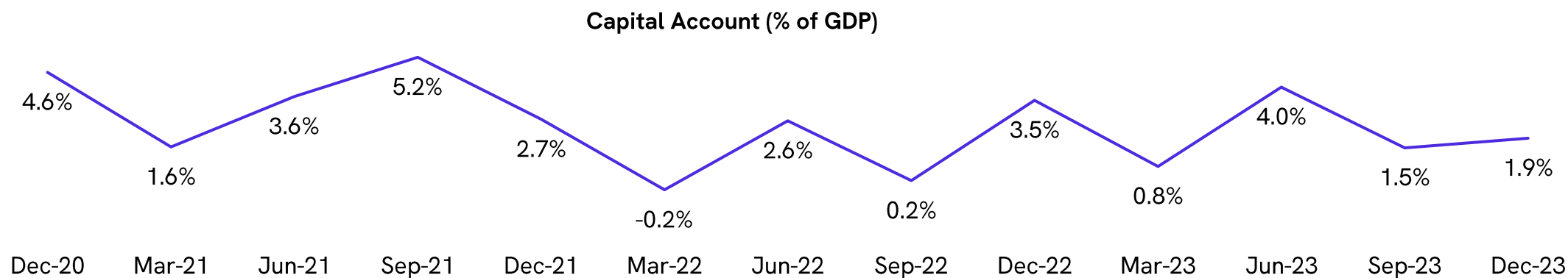
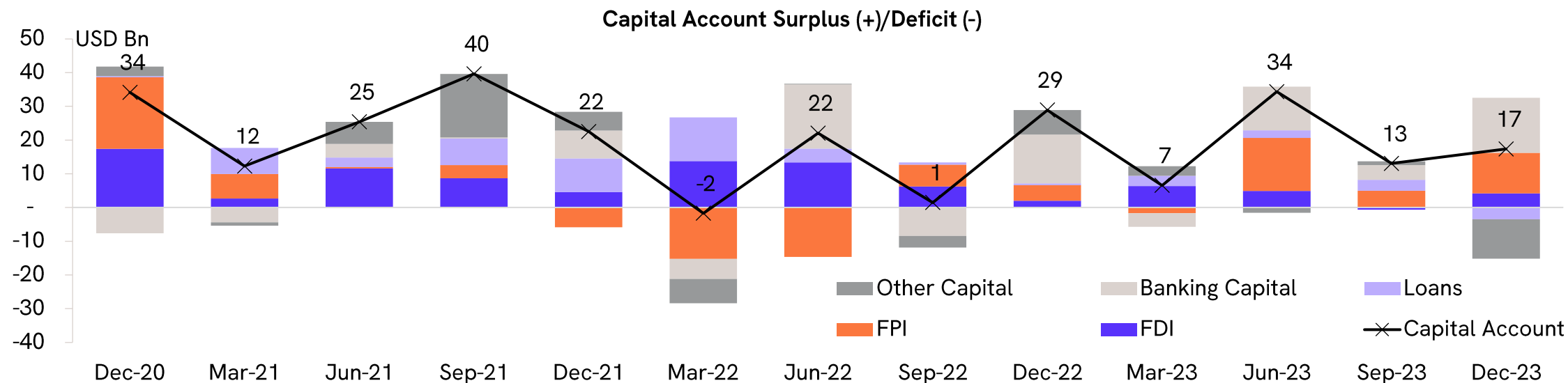
Services surplus picks up across software, business, and travel in the December quarter



Source: Ministry of Commerce, 360 ONE Asset Research

# Capital account surplus rises to US\$ 17 bn from US\$ 13 bn

Capital account surplus rises on account of higher FPI, FDI and banking capital net inflows

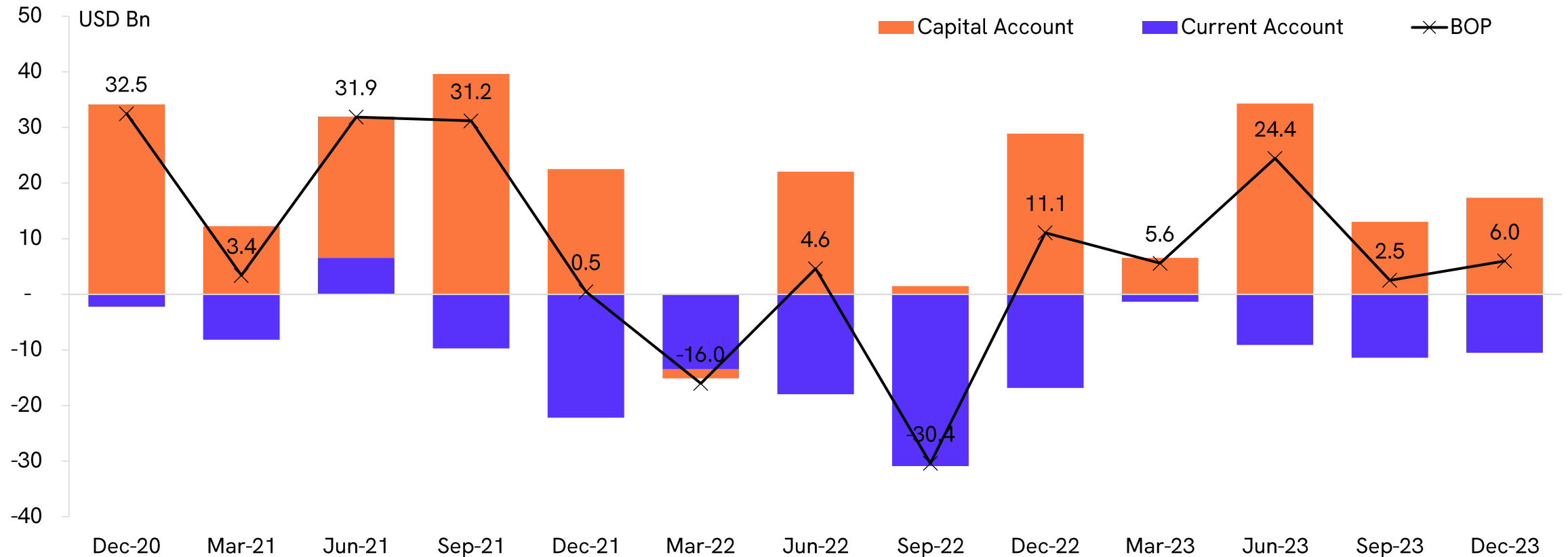


Source: RBI, 360 ONE Asset Research

# BoP surplus rises to US\$ 6.0 bn on higher capital account surplus

India's forex reserves, however, increased by US\$ 35 bn in Q3 on account of a US\$ 29 bn valuation gain

Balance of Payments



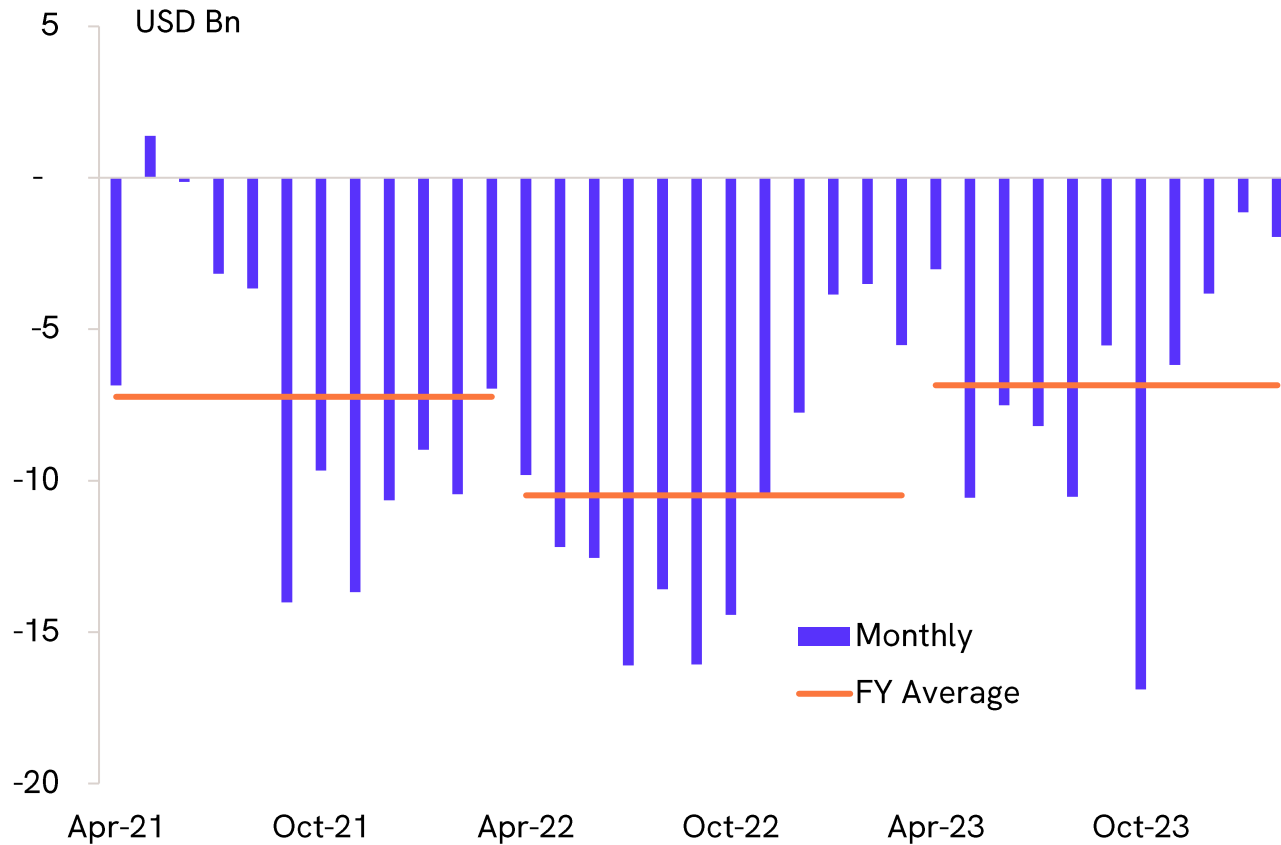
Source: RBI, 360 ONE Asset Research

Note: Change in Forex reserves = BoP + Valuation Effect, BoP = Balance of Payments

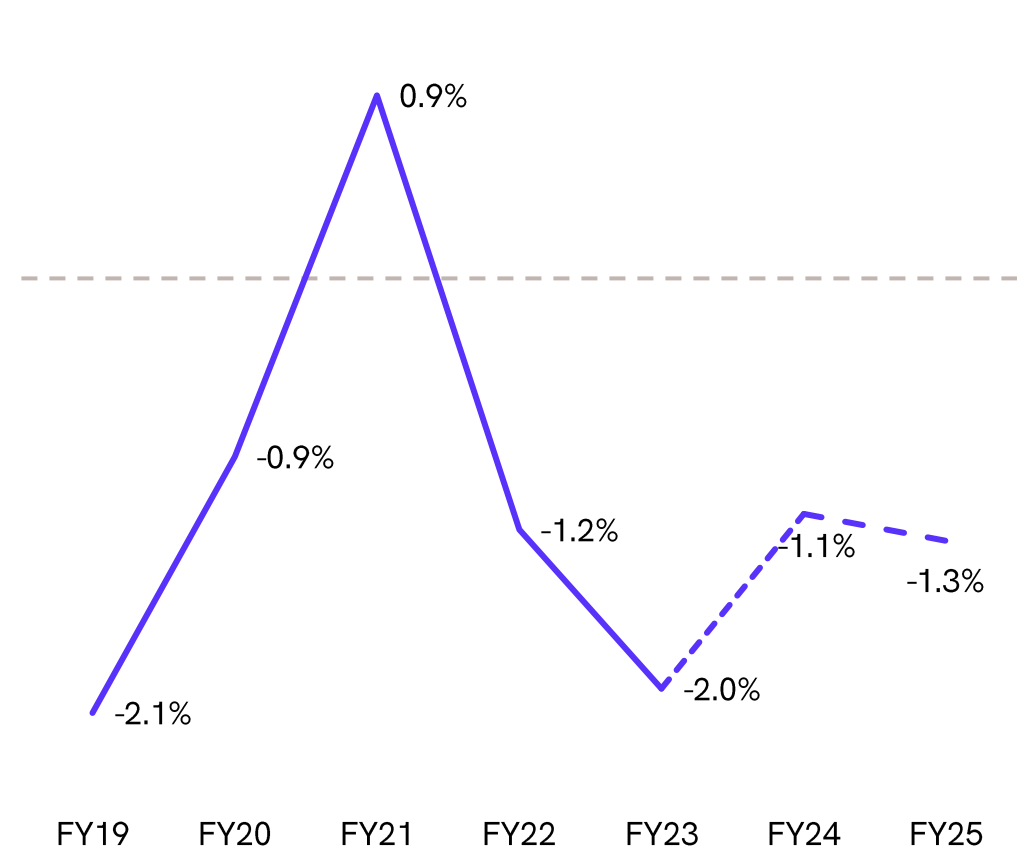
# Outlook: CAD expected to be around 1.3% of GDP in FY25

Weak external environment and geopolitical conflicts pose risks to the outlook

Merchandise + Services Surplus (+)/ Deficit (-)



Current Account (% of GDP)



Source: Ministry of Commerce, RBI, 360 ONE Asset Research

Note: FY24 and FY25 current account (% of GDP) internal forecasts

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