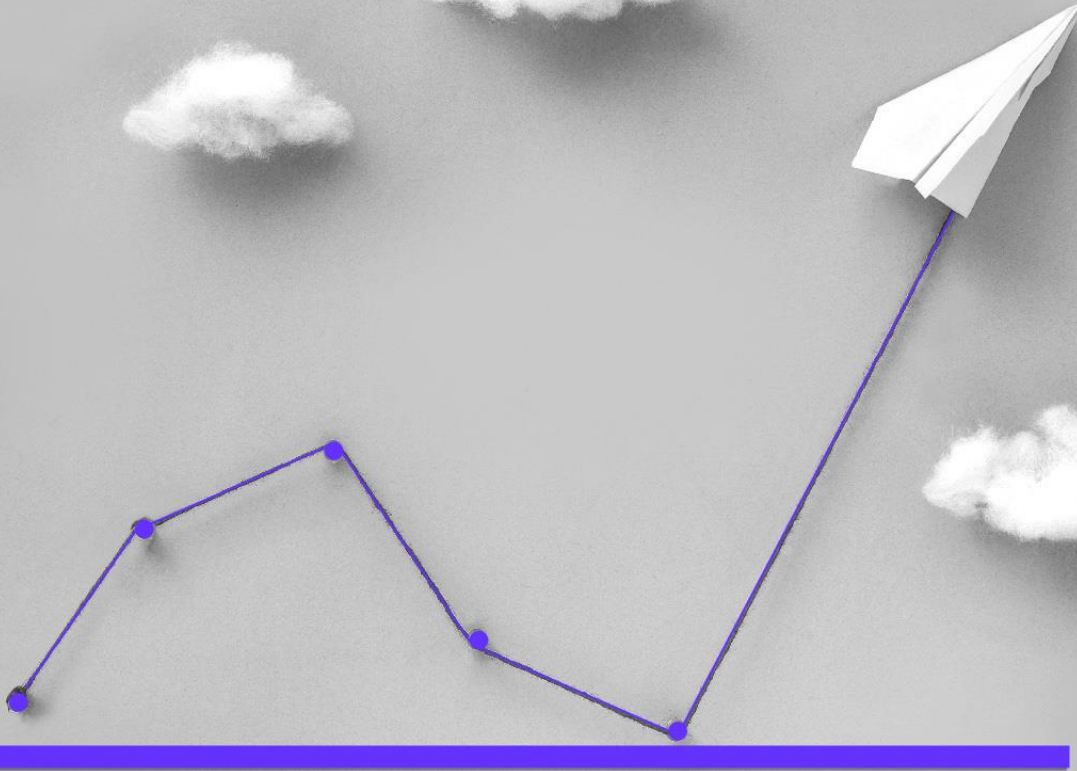


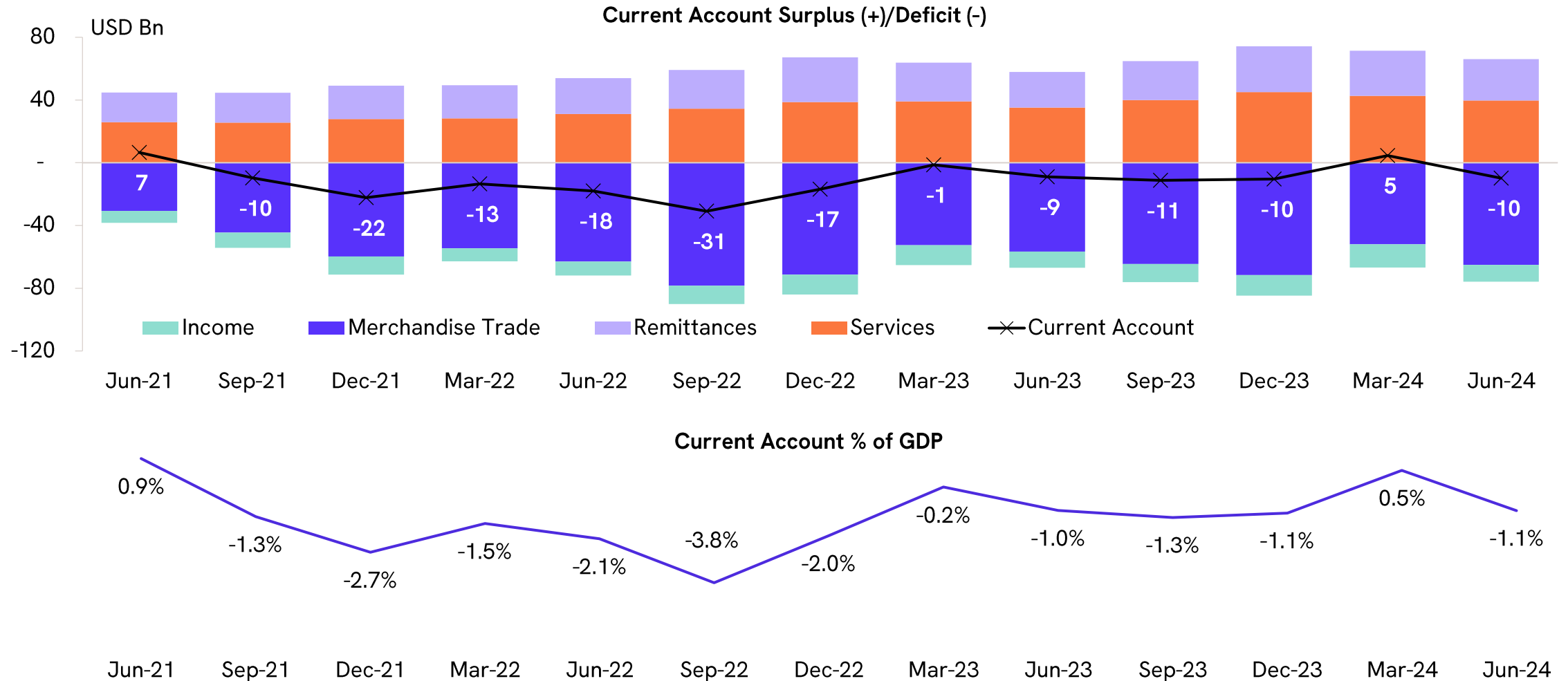
TRENDS & TIDES

India's current account
records a deficit of 1.1% of
GDP in Q1FY25,
BOP surplus at US\$5.2 bn



Current account turns to a deficit of 1.1% of GDP in Q1FY25

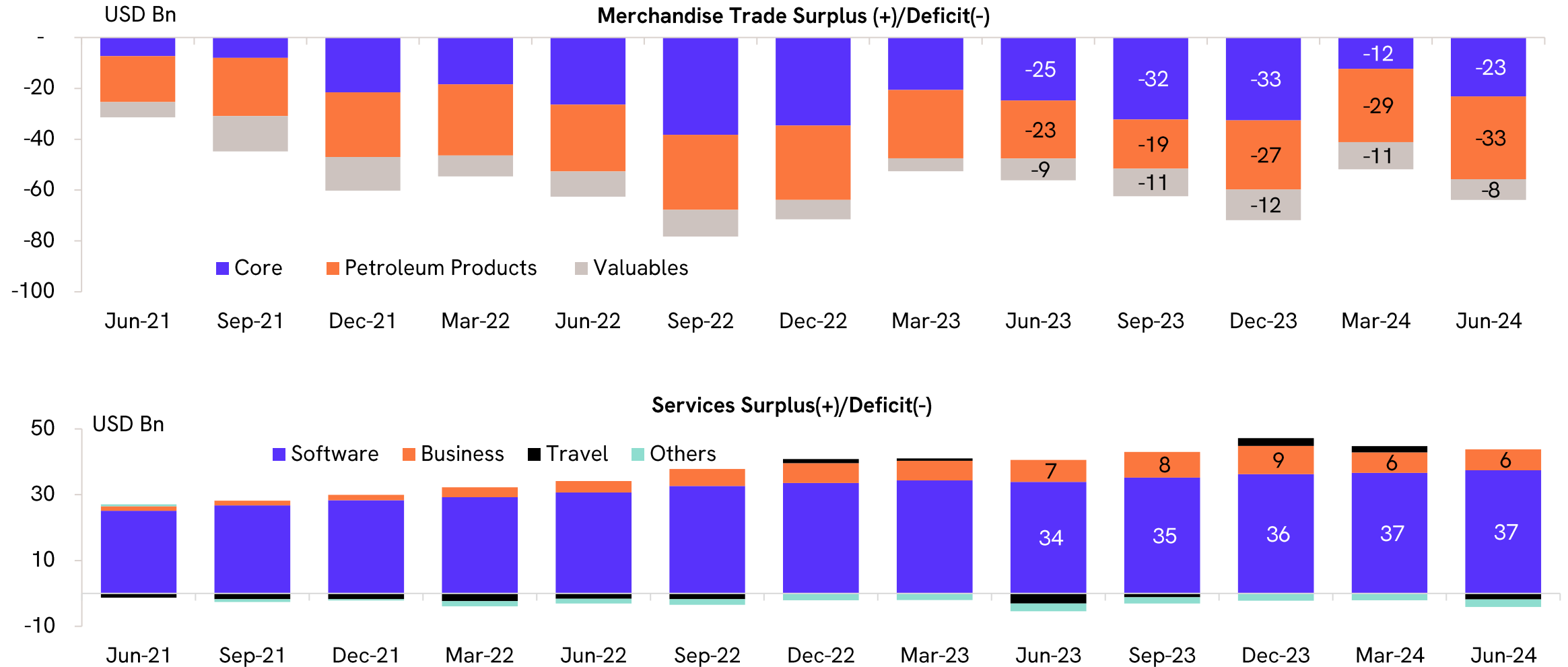
A steep increase in the merchandise trade deficit and a moderation in services and remittances lead to the deficit



Source: RBI, 360 ONE Asset Research

Merchandise deficit rises on account of higher core and petro deficit

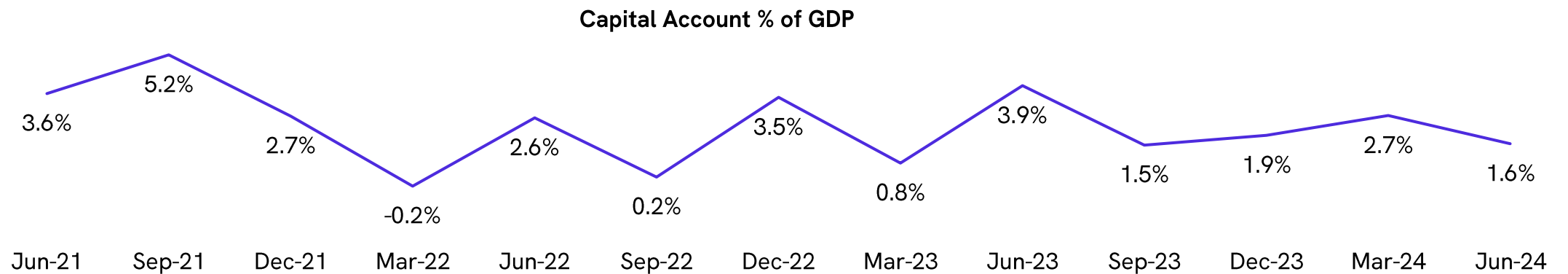
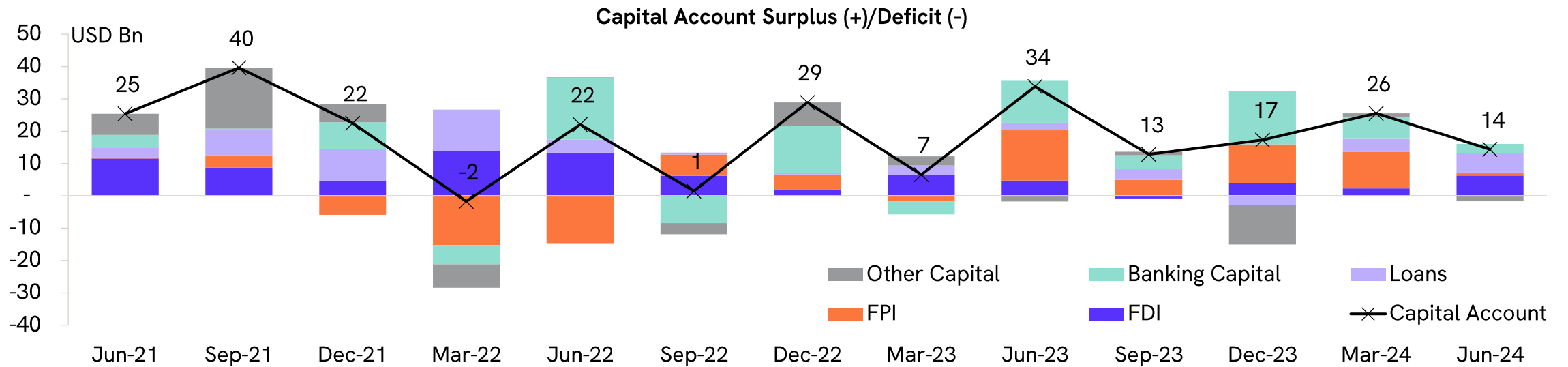
The services surplus declines in Q1 due to net travel outflows, compared to net inflows in Q4FY24



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

Capital account surplus falls to US\$14.4 bn in Q1FY25

Lower FPI inflows offset the improvement in FDI, resulting in a decline in the capital account surplus

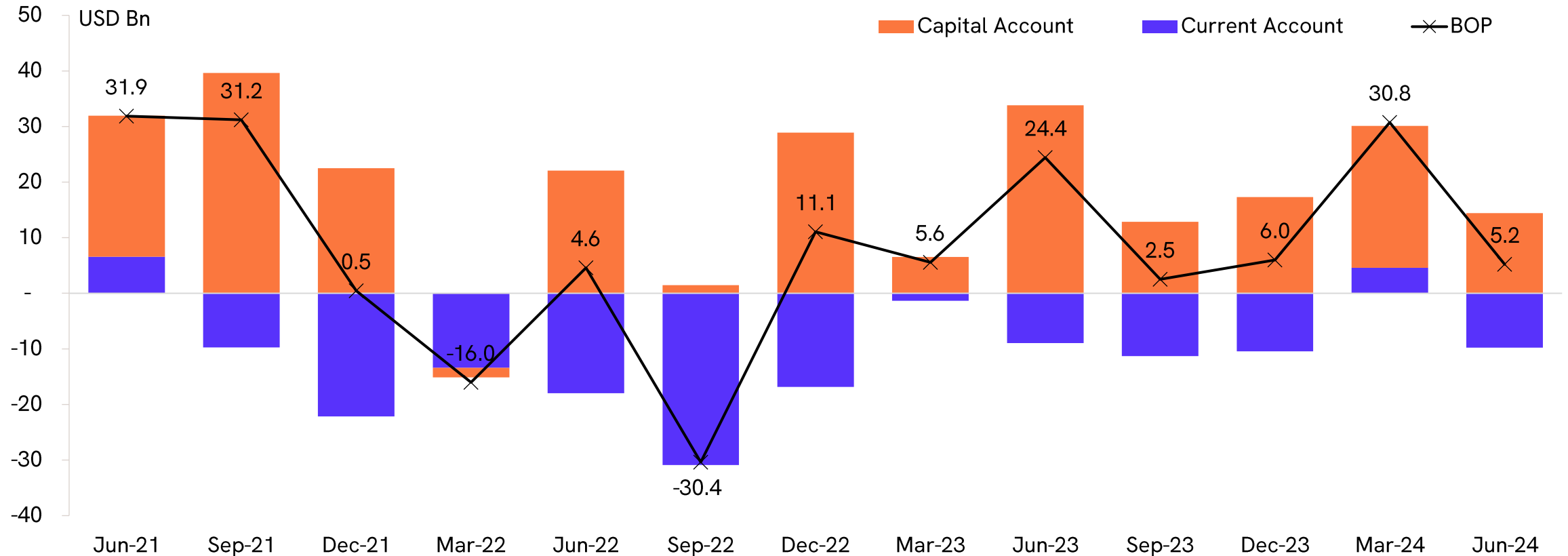


Source: RBI, 360 ONE Asset Research

BoP surplus significantly down at US\$5.2 bn in Q1FY25

India's forex reserves, however, increased by US\$5.6 bn in Q1 on account of a US\$0.4 bn valuation gain

Balance of Payments (BoP)



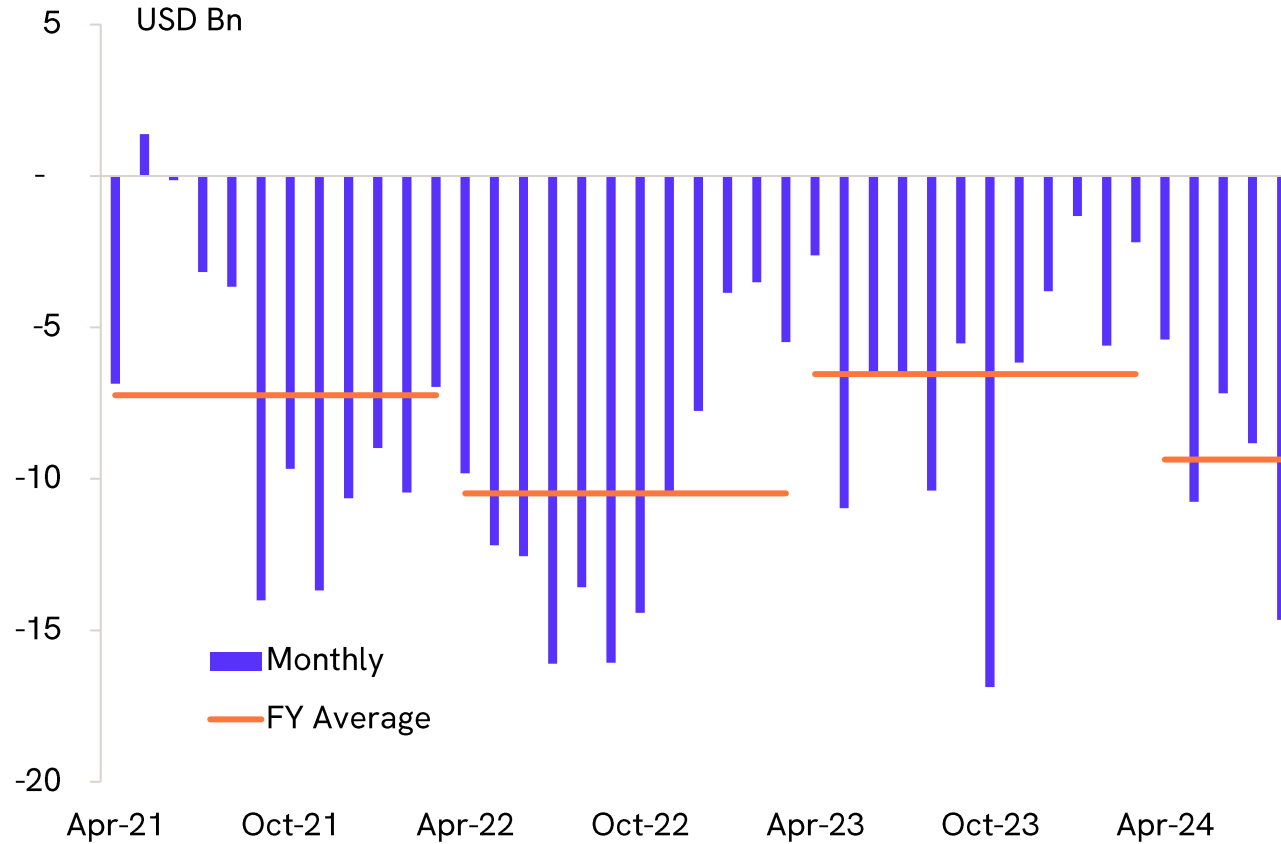
Source: RBI, 360 ONE Asset Research

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

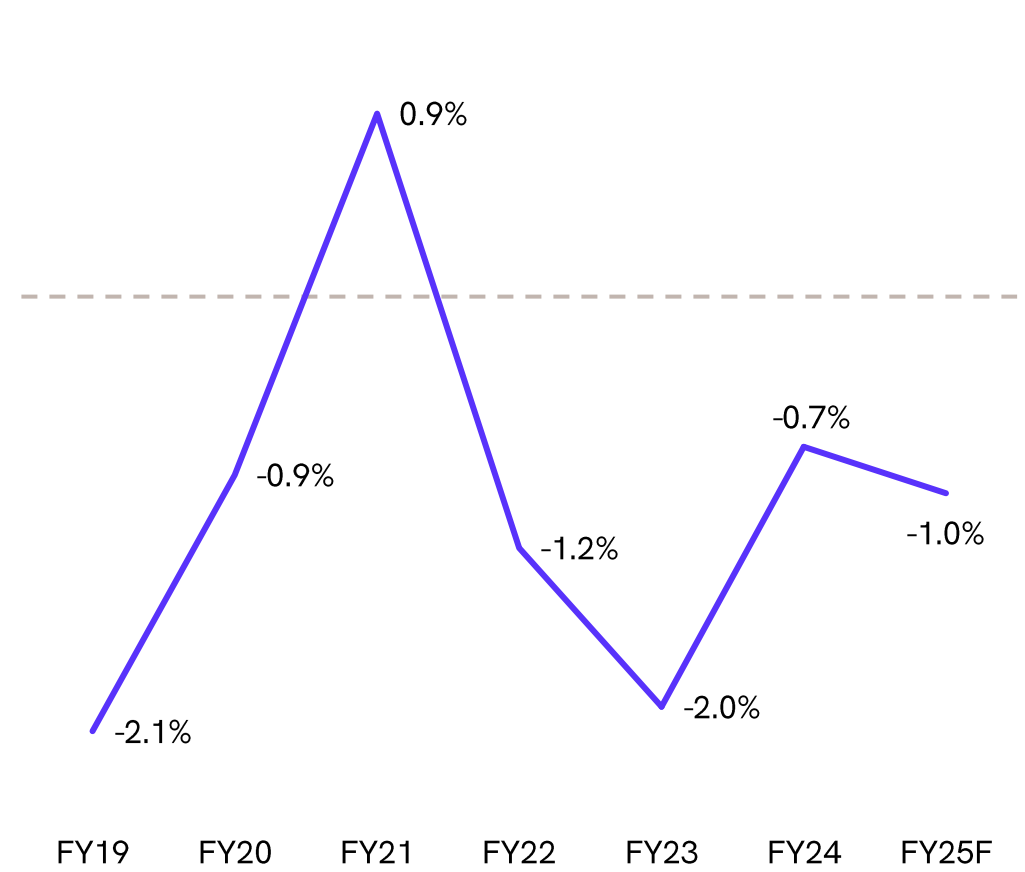
Outlook: Current account expected to be around -1.0% of GDP in FY25

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: F - Forecast

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