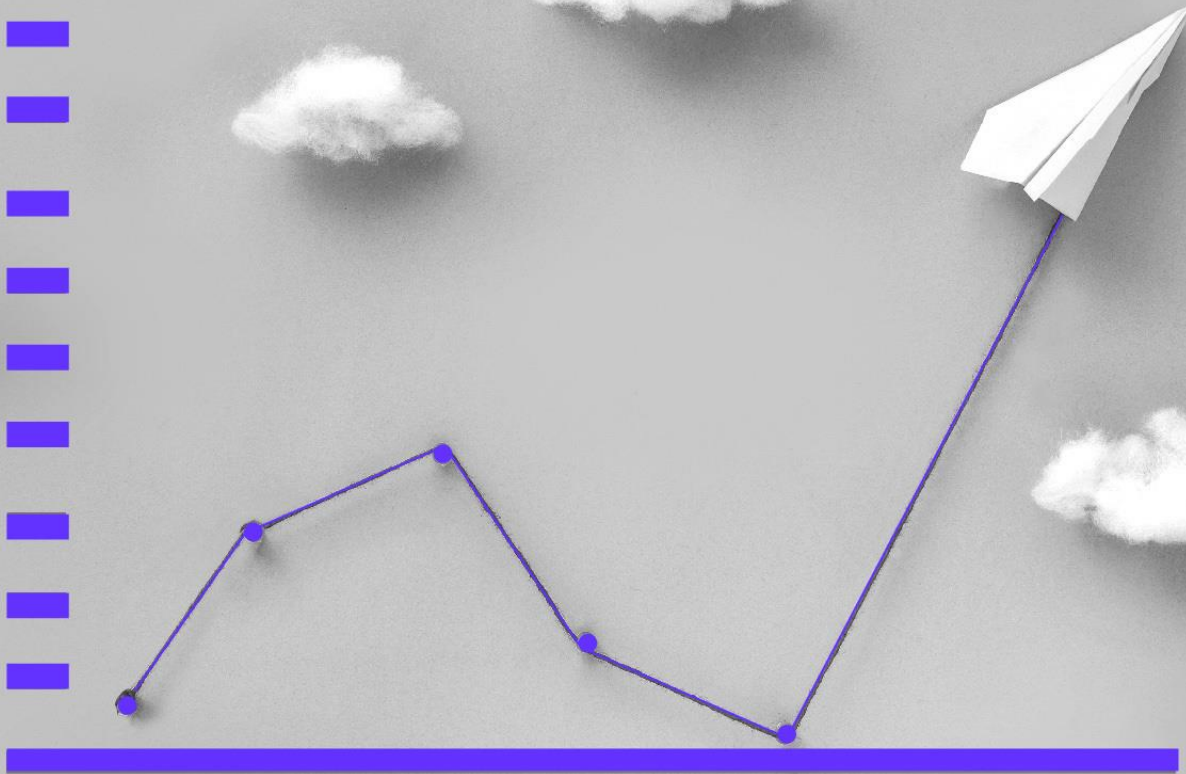


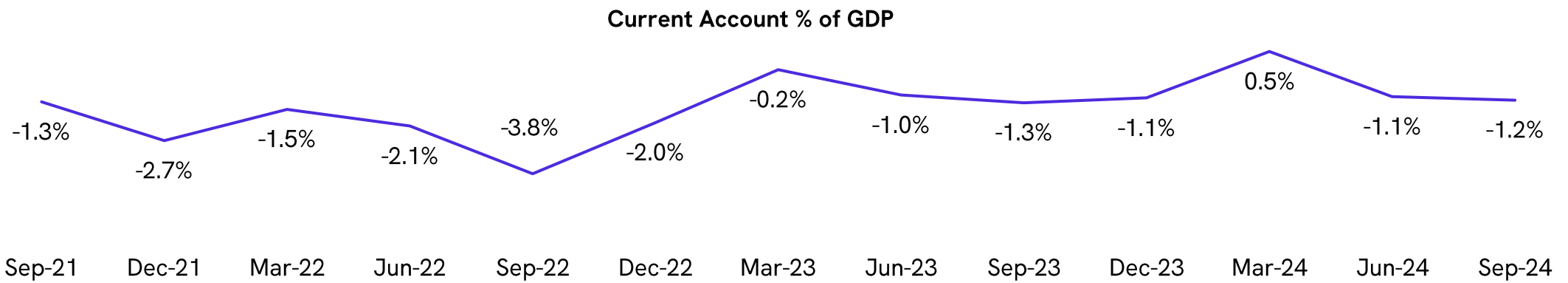
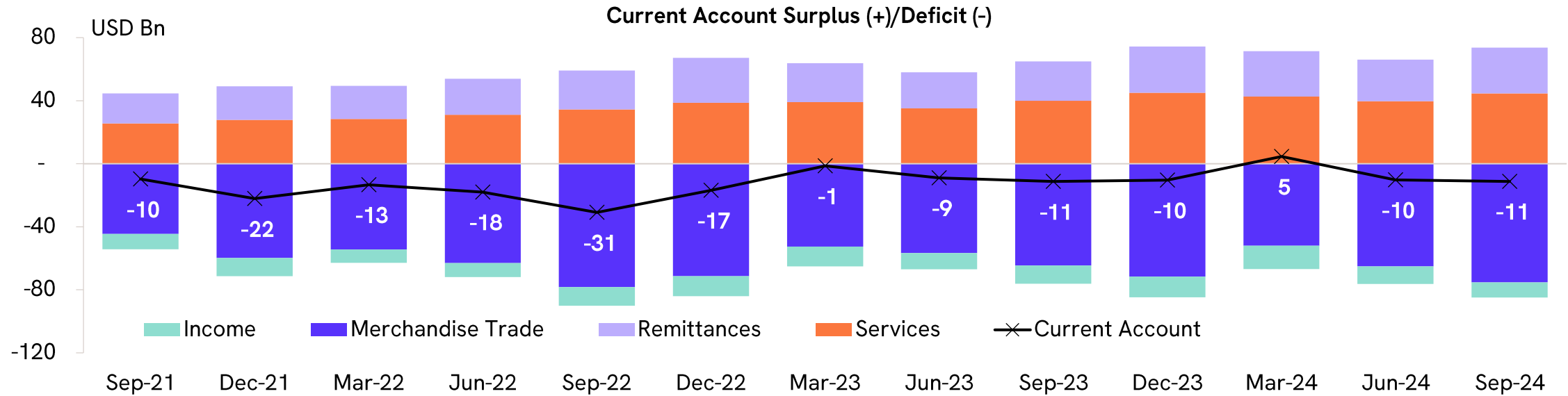
TRENDS & TIDES

India's current account records a deficit of 1.2% of GDP in Q2FY25, BOP surplus at US\$18.6 bn



Current account deficit rises marginally to US\$11 bn (1.2% of GDP) in Q2

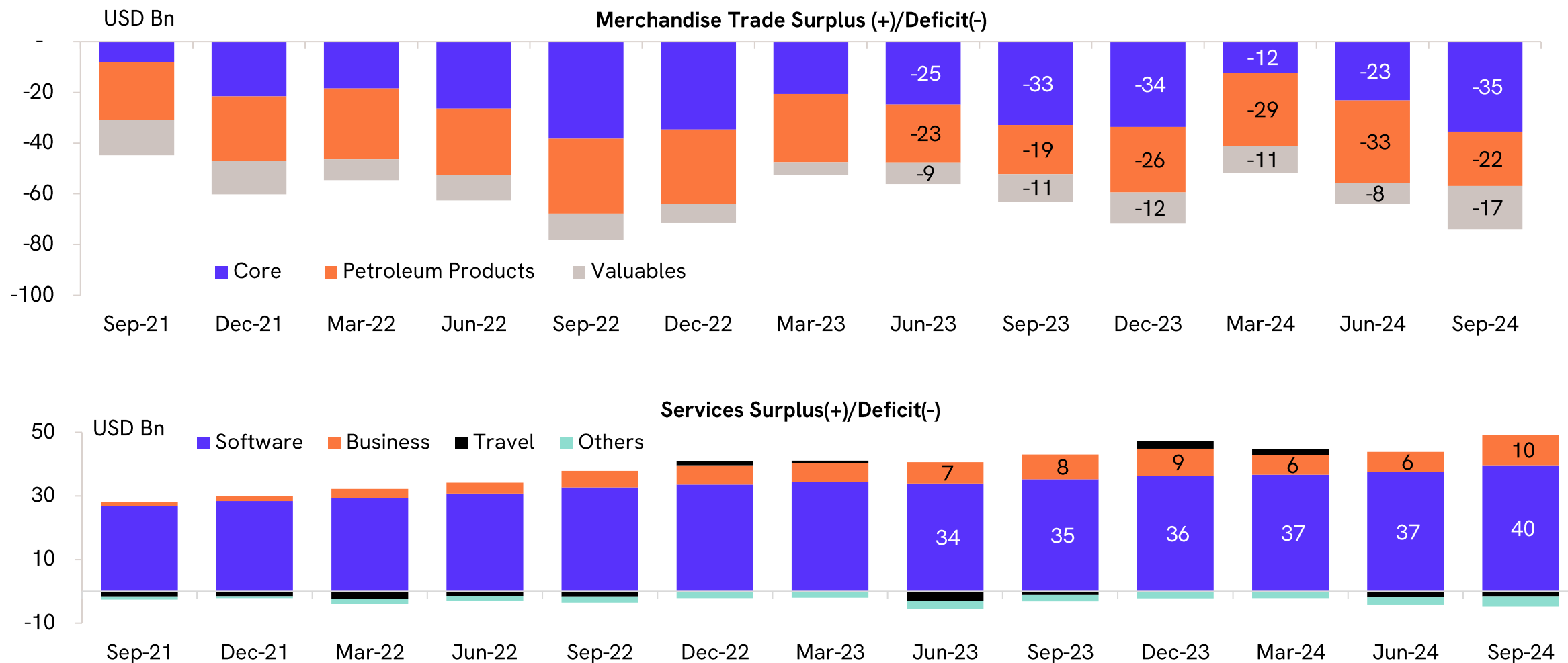
The increase in the services surplus and remittances offset a higher merchandise trade deficit



Source: RBI, 360 ONE Asset Research

Merchandise deficit rises on account of higher core and valuables deficits

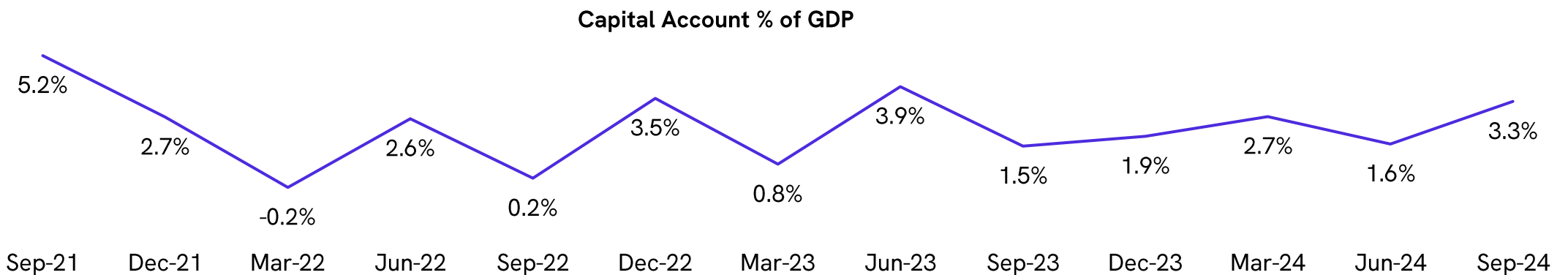
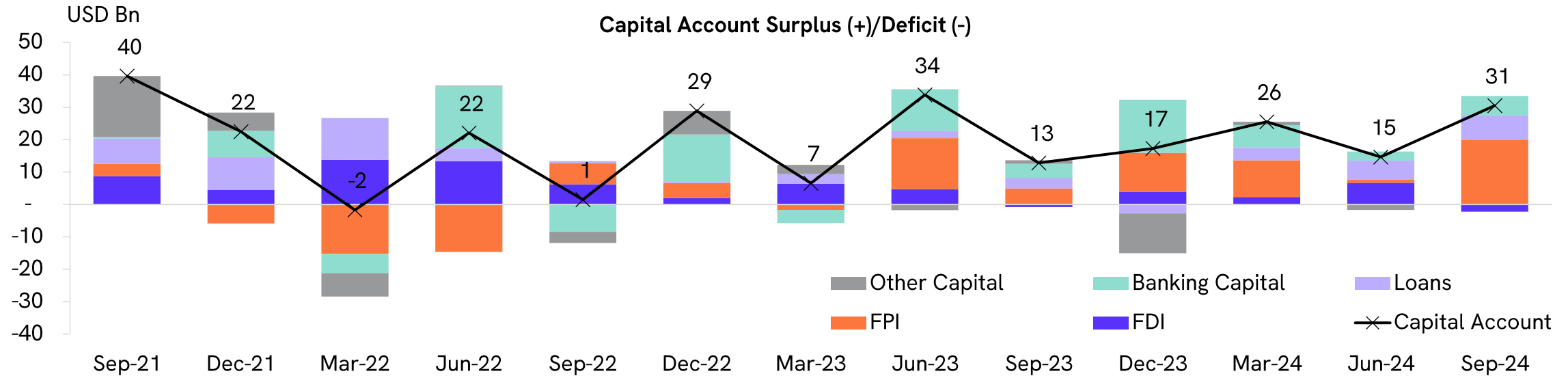
The services surplus improves on account of higher software and business services exports



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

Capital account surplus increases to US\$31 bn in Q2FY25

The capital account surplus increases on account of a sharp pick up in FPI inflows, offsetting net outflows in FDI

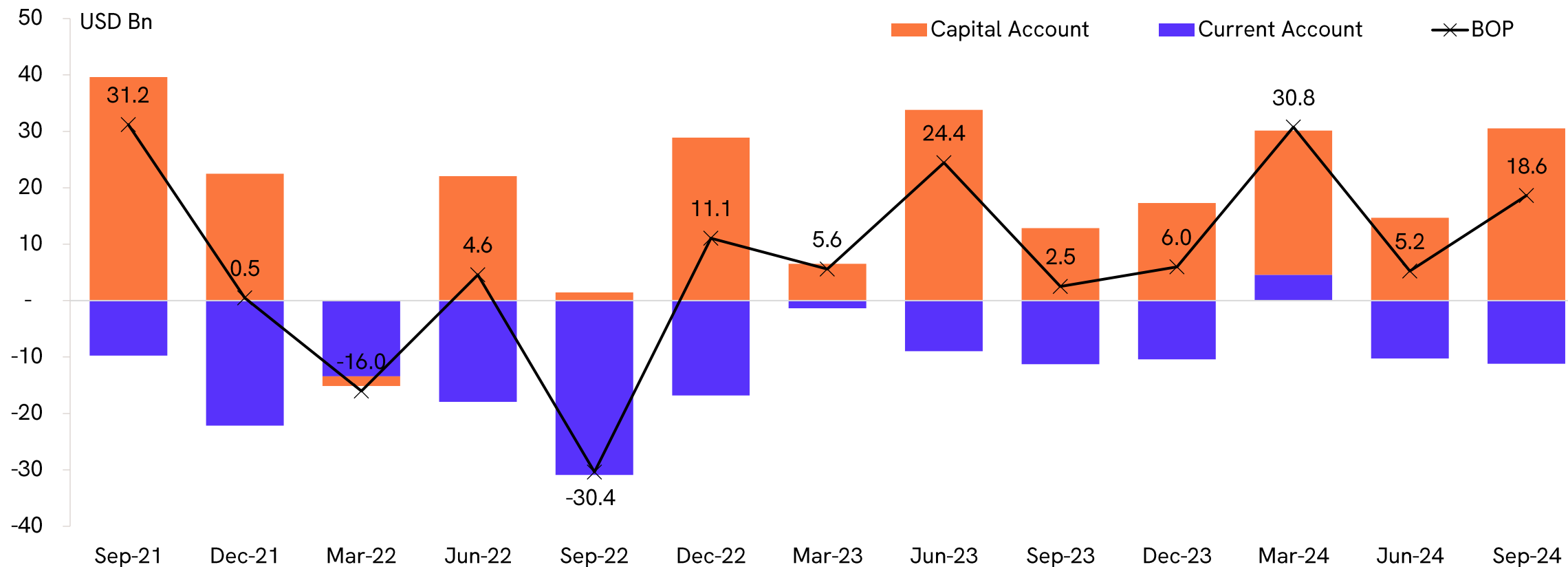


Source: RBI, 360 ONE Asset Research

BoP surplus increases to US\$18.6 bn in Q2FY25

India's forex reserves, however, increased by US\$53.8 bn in Q2 on account of a US\$35.1 bn valuation gain

Balance of Payments (BoP)



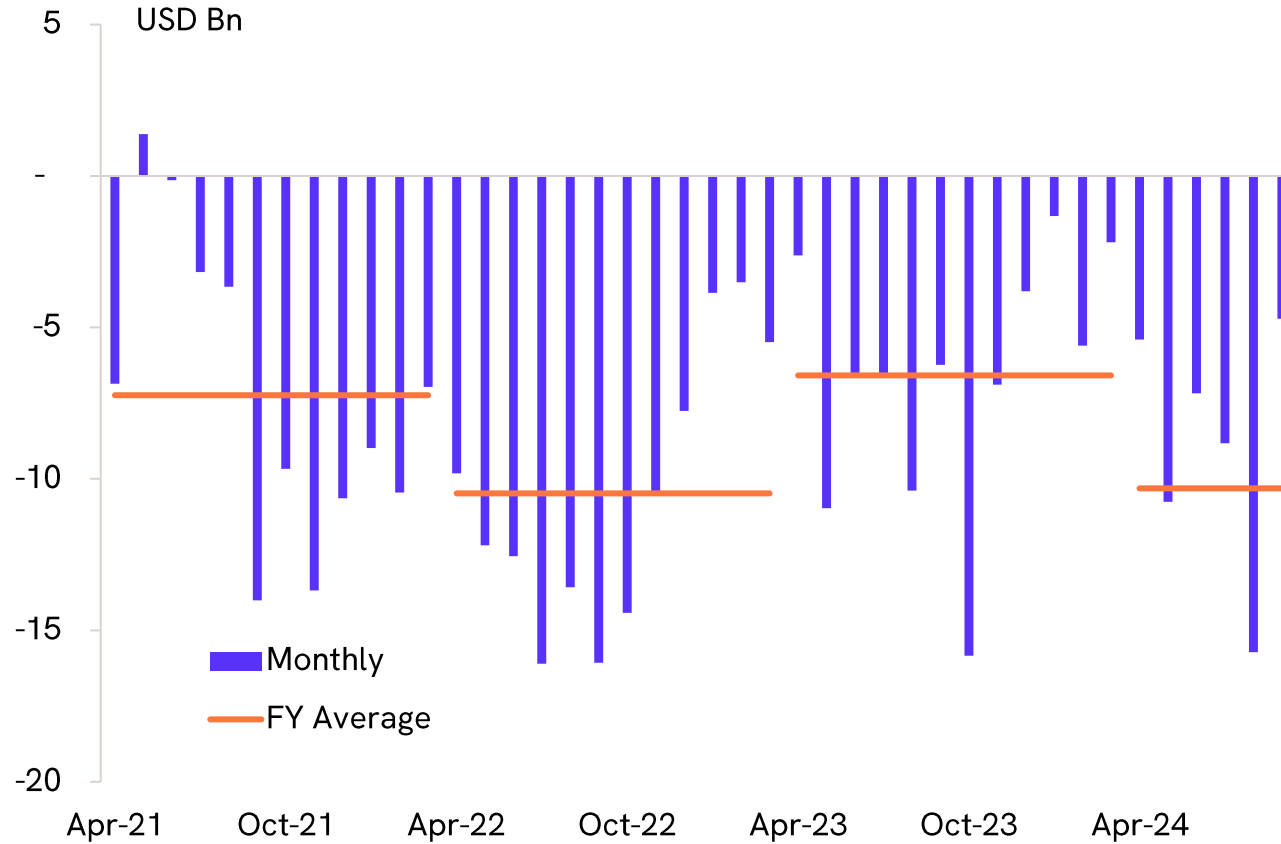
Source: RBI, 360 ONE Asset Research

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

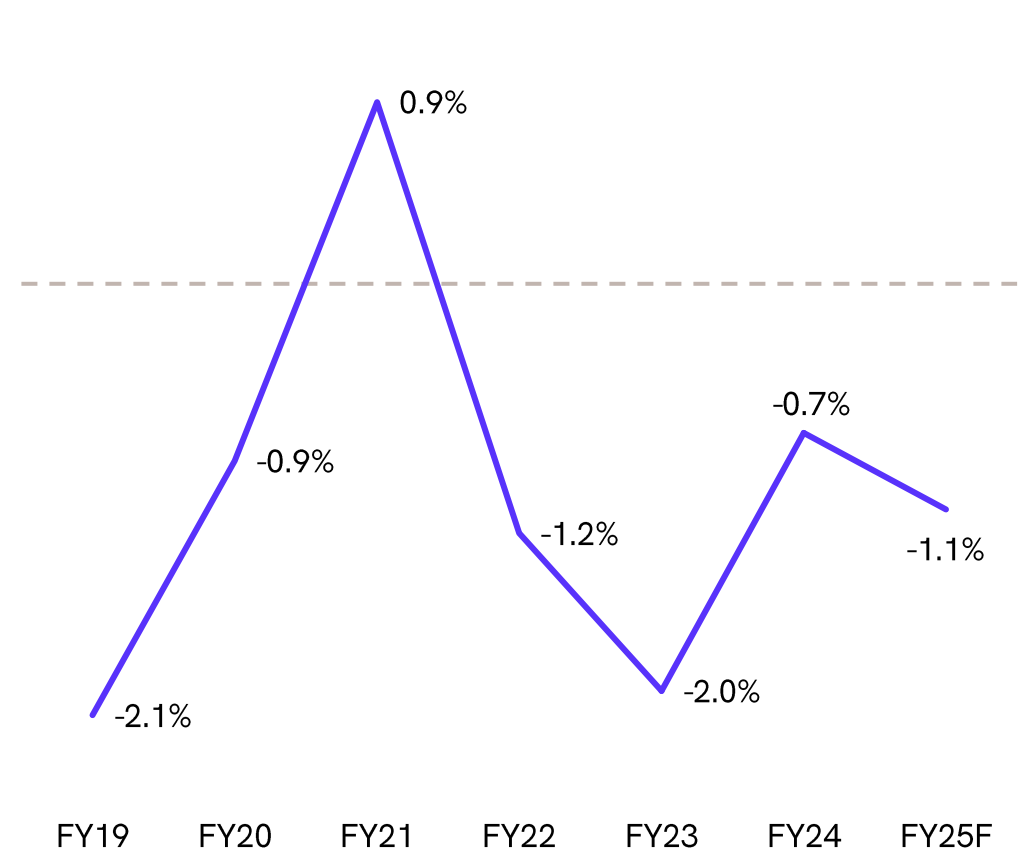
Outlook: Current account expected to be around -1.1% of GDP in FY25

We expect the RBI to limit excessive volatility in the INR and permit a gradual depreciation

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



Current Account (% of GDP)



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

Note: F - Forecast

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