

Three Months After Unlock

State Bank of India

03 September 2020

GLOBAL COVID

- ❑ In the top 4 most affected countries in Europe, the number of cases has increased by almost 3.0x in August (2.88 lakh) compared to July (0.95 lakh). Does it indicate a Second wave in Europe?
- ❑ Google Mobility and Covid cases have simultaneously increased across countries, including India despite increase in stringency

STATEWISE DIAGNOSIS

- ❑ Some States like Tamil Nadu, Punjab, Jammu & Kashmir, Maharashtra and West Bengal have higher elderly population, and this explains higher fatality rate of Covid. However, certain states Kerala, Himachal Pradesh, Odisha and Andhra Pradesh have been successful in preventing Covid related death and have low fatality rates of Covid, even though these states have a high segment of elderly population
- ❑ 7 days Average growth in top 20 states reveal higher growth of Covid cases in Odisha, Kerala followed by Karnataka and Uttar Pradesh
- ❑ States have resorted to partial lockdowns in July and August. However, the same has resulted in a perverse result of increase in cases as short lockdowns have the undesired impact of large conglomerations before the designated lockdown date
- ❑ Maharashtra is significantly lagging in tests and must ramp up tests significantly to arrest the spread. Chhattisgarh, West Bengal, Madhya Pradesh and Rajasthan also reveal the wide and persistent gap between test positivity and tests per million
- ❑ Some of the worst affected states are poor in respect of Health and Social Infrastructure

STATEWISE DIAGNOSIS

- Daily Covid cases rose from around 50,000 daily in Aug beginning to around 80,000 cases by Aug-end. If the states increase their test capacity to match their test positivity, the total number of cases could hypothetically even increase by upto 50,000 over current levels on a daily basis! This implies the peak is still at least a month away if not more!

RURAL INDIA CONTINUES TO SUFFER

- Among the top 50 worst affected districts in August which are witnessing maximum number of new cases 26 are Rural. Rural areas in Andhra Pradesh worst hit: Maharashtra, Karnataka and Uttar Pradesh are showing increasing rural spread
- Among the rural districts which have less than 50 cases in Apr and where spread has been more in Aug, there are 4 districts which contribute more than 10% to respective GSDP. State-Wise GSDP Loss shows a disproportionate loss in rural areas of states like Andhra Pradesh, Uttar Pradesh, Telangana & even Rajasthan. These states mostly produce cereals, pulses among others
- 8 Districts are identified as hotspots (having more than 1000 daily new cases), with two (East Godavari and Nellore) being rural districts both of Andhra Pradesh. Monsoon pattern indicates that mostly these areas have received normal to excess rainfall, thus boosting prospects, but also resulting in more caseloads! Monsoon is acting as a double whammy!

ECONOMY PICKED UP MOMENTUM IN AUG END

- SBI Business disruption index based on certain high frequency indicators (labour participation rate, Google mobility index (workplace), Apple mobility Index, RTO revenue collection, retail payments and electricity daily maximum consumption as variables), show pick up in August

ECONOMY PICKED UP MOMENTUM IN AUG END

- ❑ However, Labour participation rate, RTO transactions, weekly food arrivals have all declined in Aug'20 compared to Jul'20. The decline in Labour force participation rate is a matter of concern as it indicates a large %age of labour is still wary of returning to work given the spread of pandemic
- ❑ Rail freight earnings have increased after unlock of the economy. Freight Earnings account for around 65% of the gross traffic receipts of Railways with passenger freight accounting for the remaining
- ❑ Segment wise sales of Maruti indicates significant growth in Mini and compact category of cars, hinting at more people avoiding public transport to go to workplace!
- ❑ The combined amount of SGST, Allocated IGST and Cess stands at Rs 1.69 lakh crore for states which is 33% lower than last year's collection in the same period

BANKS & INSURANCE

- ❑ Beginning February, RBI has cut repo rate by 115 basis points. Banks have cut rates on fresh loans by 74 basis points. SBI has cut by an equivalent 115 basis points on its Repo linked product
- ❑ WALR (Fresh Loans) has increased for Private and Foreign Banks in July vis-à-vis June while PSBs has reduced it marginally in July, compared to June 2020
- ❑ There has been a significant increase in credit to all sub-segments of personal loans in the month of July, notably loans to salaried individuals. Going forward, credit to personal loans is expected to increase in the coming months, due to festive season
- ❑ The Banking sector thus has largely been able to insulate itself from the disruption due to greater technology integration and successfully rolling out work from home measures
- ❑ UPI transactions in both value and volume terms have surpassed pre-COVID levels

BANKS AND INSURANCE

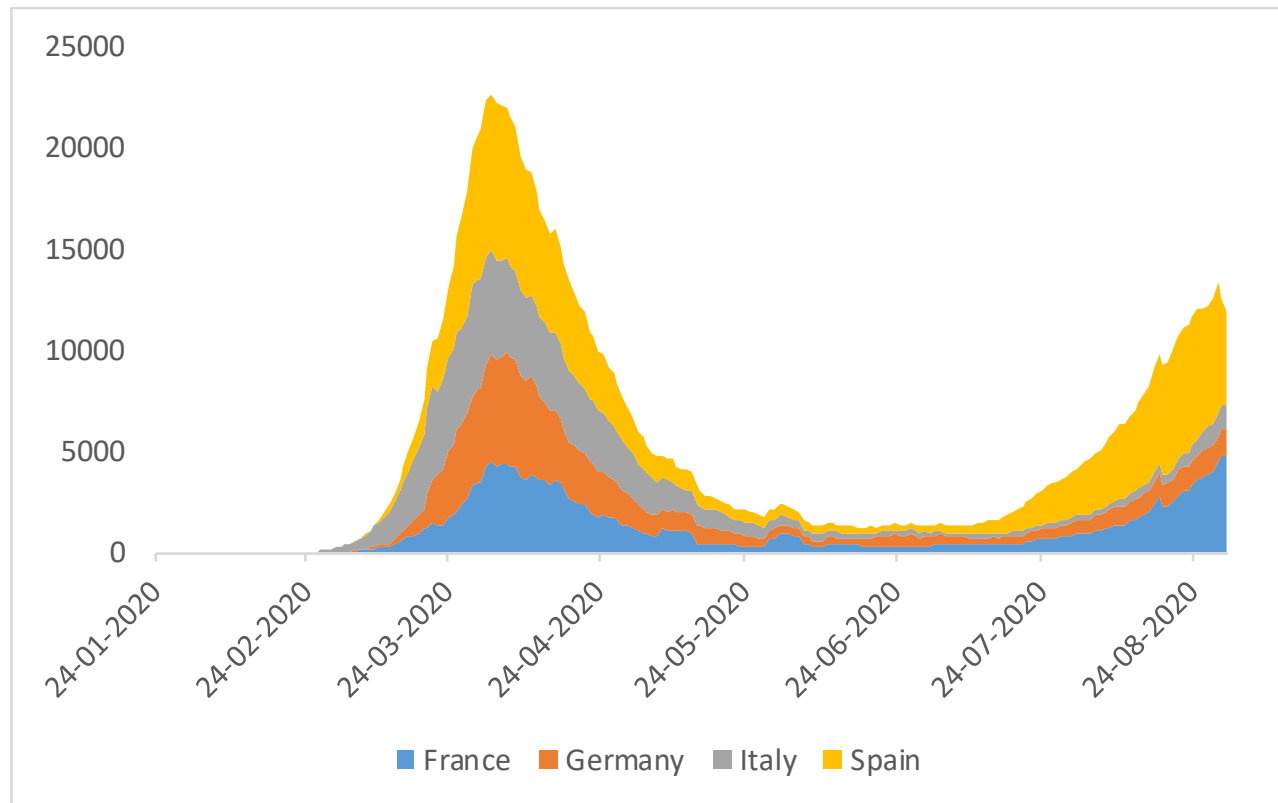
- ❑ Life insurance sector reported a drop in their first-year premium collection as businesses have been severely impacted by the Covid-19 pandemic. E-commerce firms, including Flipkart & Amazon, and payment firms such as Paytm and PhonePe, have started selling insurance on their platforms in a race to boost transactions and create customer stickiness through premium payments
- ❑ Non-life insurance industry registered a mere 1.62% growth till July 2020, however health insurance business increased by 10.4% but motor insurance declined significantly
- ❑ COVID-19 has made the insurance industry from push to demand-based insurance schemes, with more than 15 lakh people already being covered under the recently launched specialised COVID-19 policies

FINANCIAL MARKETS

- ❑ Despite volatility in markets, number of demat accounts has been rising this year, with m-o-m% change rising again after dipping in April
- ❑ Average delivery percentage of Nifty Stocks, which is the delivery volume to total volume has reduced considerably after April indicating increase in speculative activity since the risk in owning shares has increased

COVID-19 Update

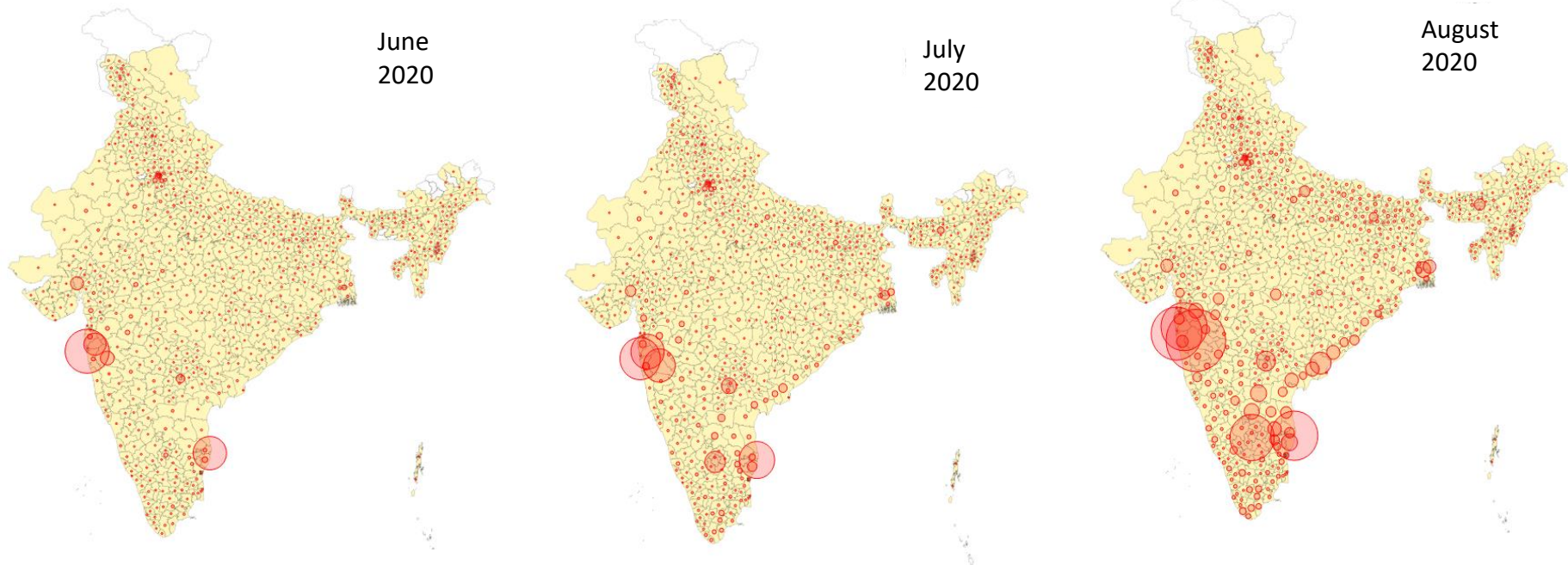
- ❑ In the top 4 most affected countries in Europe, the number of cases has increased by almost 3.0x in August (2.88 lakh) compared to July (0.95 lakh)
- ❑ France recorded 93,000 fresh cases in August compared to 23,000 cases in July, a 4x increase. Italy exhibited 3.1x increase in August compared to July
- ❑ Is this the indication of second wave of pandemic in Europe?



Google Mobility and Covid cases increased across countries, despite increase in stringency in some countries: The futility of self imposed lockdowns

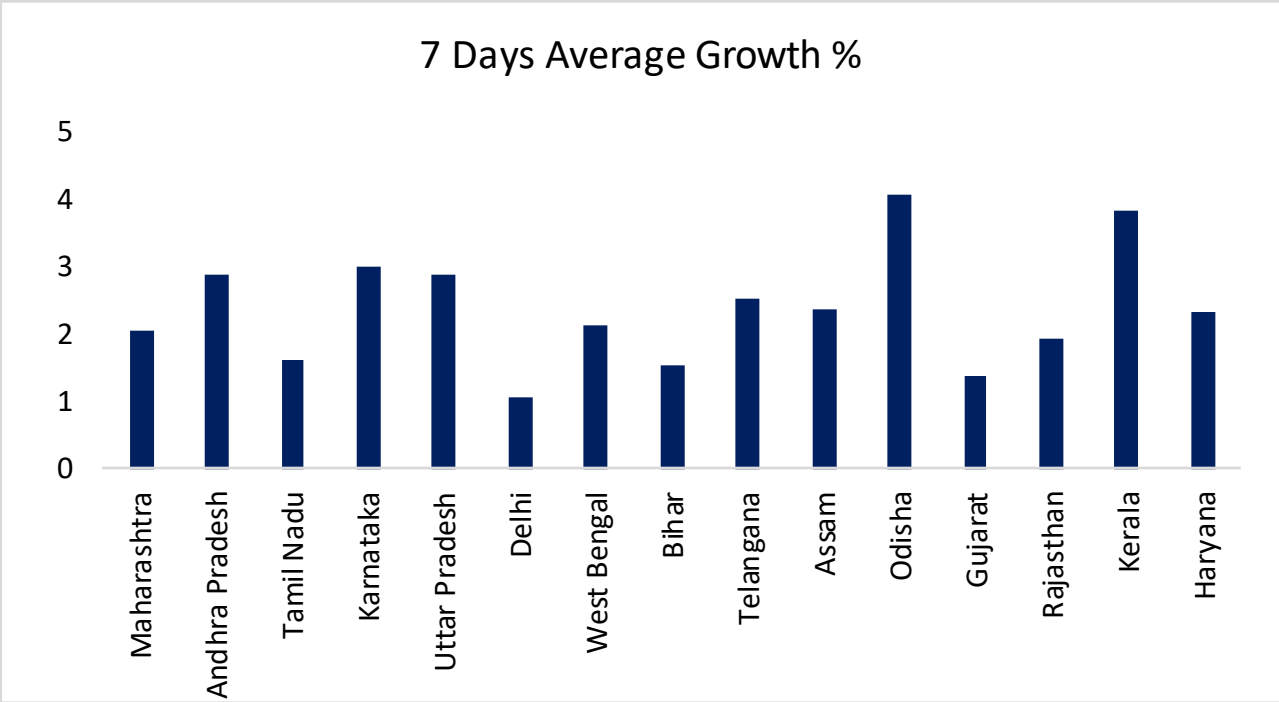
Country Wise Google Mobility, Stringency and Covid Cases													
Country	Date	Retail & recreation	Grocery & pharmacy	Workplaces	Stringency Index	Covid cases	Country	Date	Retail & recreation	Grocery & pharmacy	Workplaces	Stringency Index	Covid cases
Brazil	Apr-20	-48	3	-31	63.8	71886	France	Apr-20	-73	-16	-64	82.7	127066
	May-20	-60	-9	-8	68.9	465166		May-20	-40	5	7	76.3	148436
	Jun-20	-39	2	-22	66.3	1344143		Jun-20	-7	2	-26	60.3	156930
	Jul-20	-30	15	-15	63.1	2552265		Jul-20	-15	-3	-40	54.5	174648
	Aug-20	-14	18	-10	64.3	3910901		Aug-20	-8	-1	-38	43.5	281025
	Change Aug/Jul	16	3	5	1.2	1358636		Change Aug/Jul	7	2	2	-11.0	106377
Chile	Apr-20	-52	-23	-42	69.2	14885	United Kingdom	Apr-20	-74	-28	-66	70.5	167150
	May-20	-67	-44	-30	72.8	94858		May-20	-67	-19	-26	72.4	254394
	Jun-20	-61	-39	-48	78.5	275999		Jun-20	-45	-12	-48	77.6	283545
	Jul-20	-58	-32	-44	84.3	353536		Jul-20	-29	-11	-48	72.8	302305
	Aug-20	-41	-20	-39	83.8	411726		Aug-20	-16	-6	-45	64.3	335873
	Change Aug/Jul	17	12	5	-0.5	58190		Change Aug/Jul	13	5	3	-8.4	33568
Colombia	Apr-20	-69	-45	-60	87.2	5949	India	Apr-20	-84	-43	-61	93.6	33050
	May-20	-70	-45	-24	84.6	26688		May-20	-73	-22	-16	81.7	182143
	Jun-20	-43	-17	-32	84.6	91769		Jun-20	-55	0	-35	77.2	566840
	Jul-20	-55	-28	-40	84.6	276055		Jul-20	-54	0	-34	78.2	1638870
	Aug-20	-37	-15	-30	87.0	615168		Aug-20	-39	2	-31	79.6	3687939
	Change Aug/Jul	18	13	10	2.4	339113		Change Aug/Jul	15	2	3	1.4	2049069
Germany	Apr-20	-34	19	-34	74.4	159119	Mexico	Apr-20	-47	-10	-49	63.5	16752
	May-20	-19	32	8	62.5	181482		May-20	-57	-19	-11	63.5	84627
	Jun-20	0	3	-22	68.9	194259		Jun-20	-37	-7	-37	55.5	216852
	Jul-20	-6	-1	-34	61.2	208698		Jul-20	-34	-7	-33	55.5	408449
	Aug-20	-1	0	-26	59.7	244792		Aug-20	-24	-4	-30	70.8	595841
	Change Aug/Jul	5	1	8	-1.5	36094		Change Aug/Jul	10	3	3	15.4	187392
Spain	Apr-20	-82	-30	-63	78.8	216476	Peru	Apr-20	-78	-56	-71	85.9	31190
	May-20	-57	-26	-16	69.6	239636		May-20	-97	-94	-69	82.7	148285
	Jun-20	-13	-4	-30	49.7	249437		Jun-20	-61	-30	-48	84.0	279419
	Jul-20	-21	-9	-34	67.0	288097		Jul-20	-51	-26	-45	80.8	400683
	Aug-20	-19	-6	-39	62.5	462858		Aug-20	-43	-22	-41	85.2	652037
	Change Aug/Jul	2	3	-5	-4.5	174761		Change Aug/Jul	8	4	4	4.4	251354

Cases continue to spread during August across the entire geographical spread of India!



Size of bubble= no of cases

- 7 days Average growth in top 20 states reveal higher growth of Covid cases in Odisha, Kerala, followed by Karnataka and Uttar Pradesh



- Some States like Tamil Nadu, Punjab, Jammu & Kashmir, Maharashtra and West Bengal have higher elderly population, and therefore explains higher fatality rate of Covid. However, certain states Kerala, Himachal Pradesh, Odisha and Andhra Pradesh have been successful in preventing Covid related death even with an elderly population and have low fatality rates of Covid

State-wise Age group & Fatality Rate						
States/UTs	Age Group % 2018			Crude Death Rate % (2018)	Fatality Rate % (Covid)	Recovery Rate %
	0-14	15-59	60 & above			
Kerala	21.2	65.8	12.9	6.9	0.4	65.5
Himachal Pradesh	21.9	67.1	11.0	6.9	0.6	72.9
Tamil Nadu	20.4	68.6	11.0	6.5	1.7	85.3
Odisha	23.6	66.4	10.0	7.3	0.5	69.0
Punjab	20.7	69.3	10.0	6.6	2.6	64.7
Andhra Pradesh	19.8	70.8	9.4	6.7	0.9	75.1
Jammu and Kashmir	21.2	69.7	9.1	4.9	1.9	76.1
Maharashtra	24.0	67	9.0	5.5	3.2	72.5
West Bengal	22.6	68.8	8.6	5.6	2.0	80.3
Uttarakhand	29.0	62.5	8.5	6.2	1.3	68.2
Gujarat	24.9	66.7	8.4	5.9	3.2	80.6
Karnataka	23.2	68.7	8.1	6.3	1.7	70.9
Telangana	20.8	71.1	8.1	6.3	0.7	74.7
Haryana	26.1	66.7	7.2	5.9	1.1	82.1
Rajasthan	29.0	63.8	7.2	5.9	1.3	79.4
Madhya Pradesh	29.6	63.3	7.1	6.7	2.2	76.4
Chhattisgarh	28.3	64.8	6.9	8	0.9	56.2
Uttar Pradesh	28.8	64.4	6.8	6.6	1.5	73.4
Assam	27.7	65.9	6.5	6.4	0.3	80.3
Delhi	23.7	69.9	6.5	3.3	2.6	89.5
Jharkhand	29.7	63.9	6.4	5.4	1.1	66.7
Bihar	34.2	59.6	6.3	5.8	0.5	85.1
All India	25.9	66.0	8.1	6.2	1.8	76.2

Partial Lockdown didn't lead to lower Covid cases, but actually a jump!

- ❑ States have resorted to partial lock downs in July and August. However, the same has not led to lower number of Covid Cases
- ❑ The 7 days moving average of new cases increased by Aug-end in all those states when compared with 7 days moving average before the lock down was announced
- ❑ States must move out of self imposed lock down mentality

State Lockdown and Covid Cases				
State	Lock Down Date	7days MA New cases Before Lock down	7days MA New Cases as on 28.08.2020	Change
West Bengal	23-Jul	2234	3056	821
Uttar Pradesh	10-Jul	1129	5226	4097
Punjab	22-Jul	357	1436	1078
Haryana	23-Jul	710	1210	499
Chandigarh	24-Jul	23	156	133
Mizoram	31-Jul	8	15	8
Hingoli district (Maharashtra)	06-Aug	20	38	18

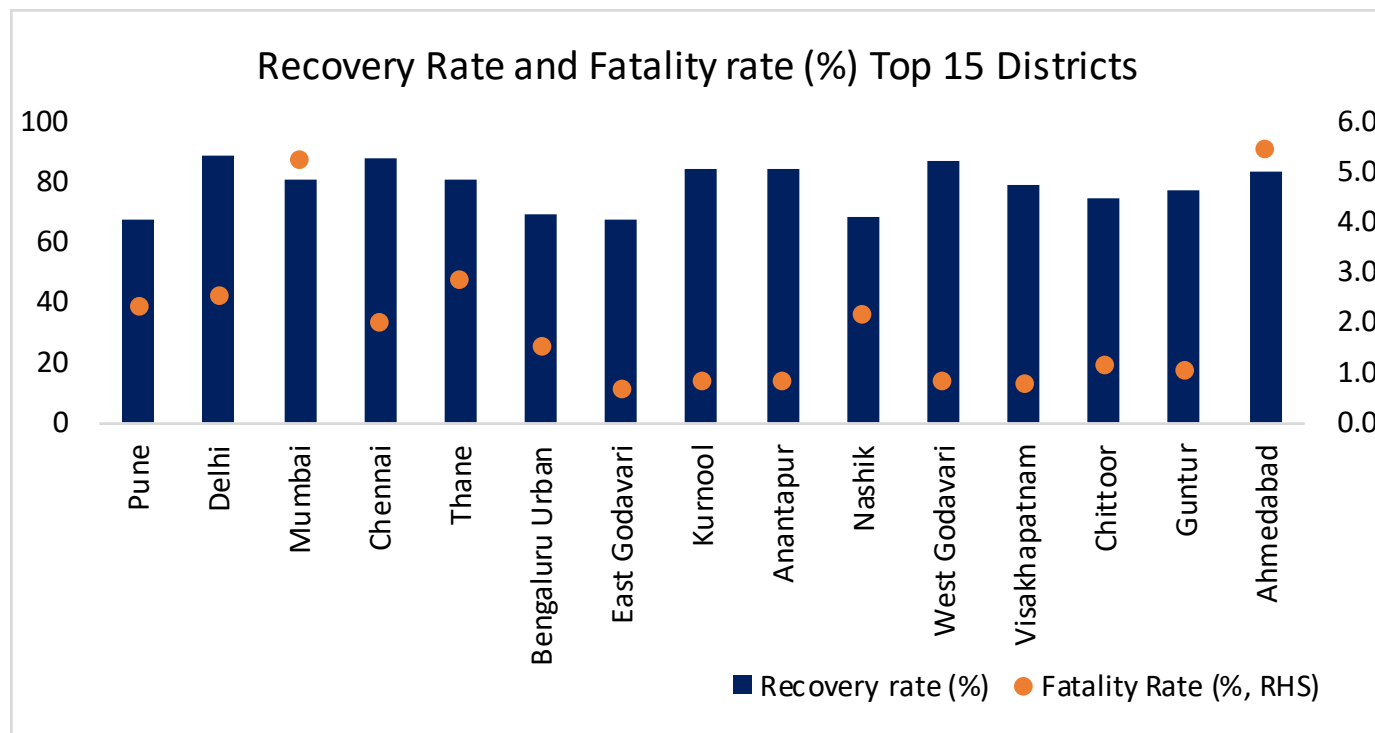
Maharashtra is still significantly lagging in tests: Massive Test Ramp up is a sine qua non to get a grip on spread

- Maharashtra, Chhattisgarh, West Bengal, Madhya Pradesh and Rajasthan reveal the wide and persistent gap between test positivity and tests per million

Expected Status of COVID-19 Cases State wise			
State	Test positivity Rate(%) as on 31.08.2020	Tests per Million as on 31.08.2020	Expected Test doubling status to match positivity
Maharashtra	17.4	558	4.2x
Tamil Nadu	7.8	1013	1.25x
Andhra Pradesh	16.3	1177	2x
Karnataka	10.3	960	1.5x
Uttar Pradesh	3.5	605	1x
West Bengal	7.2	429	2.75x
Telangana	3.3	1526	1x
Odisha	4.3	1393	1x
Gujarat	1.7	1078	1x
Rajasthan	5.8	328	2.2x
Kerala	4.5	971	1x
Haryana	6.1	832	1x
Madhya Pradesh	6.2	302	2.5x
Punjab	7.2	684	1.4x
Jharkhand	6.8	1271	1x
Chhattisgarh	11.2	440	3.5x

- Delhi has higher number of overall tests however, its RTPCR tests percentage is low
- On the other hand, Karnataka, Chhattisgarh and north-Eastern states of Nagaland, Manipur, Mizoram have higher share of RTPCR which are more accurate

Break up of Tests as on 31.08.2020				
State	RT PCR Tests	Antigen Tests	Total Tested	RTPCR %
Delhi	724585	858900	1583485	45.8
Karnataka	2054852	840955	2895807	71.0
Kerala	918166	689806	1685203	54.5
Manipur	121836	33380	155216	78.5
Mizoram	30253	10544	40797	74.2
Nagaland	60148	717	60865	98.8
Sikkim	31862	9408	41270	77.2
Chhattisgarh	413710	168830	582540	71.0



State-wise GSDP Loss shows a disproportionate loss in rural areas of states like Andhra Pradesh, Uttar Pradesh, Telangana & even Rajasthan



State-wise Nominal GSDP Loss in FY21 with Rural and Urban Share				
	Total Loss (Rs Crore)	Urban Loss Share	Rural Loss Share	Major Crops
Maharashtra	539344	70%	30%	-
Tamil Nadu	351140	78%	22%	-
Uttar Pradesh	311850	31%	69%	Rice, Wheat, Sugarcane, Potato
Gujarat	307041	61%	39%	-
Karnataka	254029	61%	39%	-
Andhra Pradesh	253925	29%	71%	Rice, Chickpea, Groundnut
Telangana	253512	29%	71%	Rice, Maize, Soyabean
West Bengal	184819	43%	57%	-
Rajasthan	184406	25%	75%	Coarse Cereals
Delhi	166977	100%	0%	-
Kerala	155745	74%	26%	-
Haryana	146985	41%	59%	-
Madhya Pradesh	132876	29%	71%	Rice, Wheat, Coarse Cereals
Punjab	106718	42%	58%	-
Bihar	98017	14%	86%	Rice, Wheat, Maize
Odisha	68306	16%	84%	Rice, Pulses
Jharkhand	47485	50%	50%	-
Uttarakhand	36680	21%	79%	Rice, Wheat, Maize
Chhattisgarh	36232	0%	100%	-
Assam	34952	8%	92%	-
J&K	30553	28%	72%	-
Himachal Pradesh	25349	0%	100%	-
Goa	16518	100%	0%	-
Chandigarh	9258	100%	0%	-

Source: SBI Research

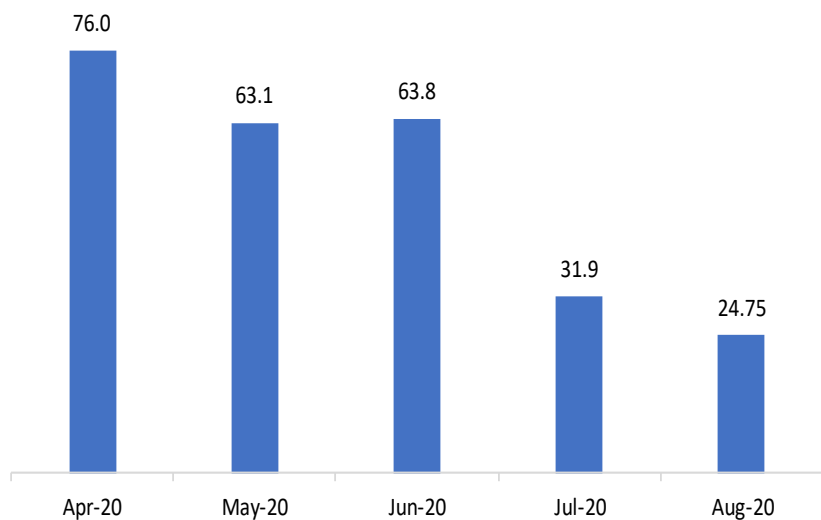
- Some of the worst affected states are poor in respect of Health and Social Infrastructure

Mortality Rate (per 1000) for Most Affected States						
States	Current Mortality Rate (2018)	Current Covid-19 Mortality Rate	Change in Mortality rate due to 10% decline in NSDP	Overall Mortality rate Post Covid-19	Number of Isolation Beds per 1 lakh Population	HDI Index (Rank)
	BASELINE MORTALITY RATE / A	LIVES LOST BECAUSE OF COVID / B	LIVES THAT COULD BE LOST BECAUSE OF GDP CONTRACTION / C	A+B+C	HEALTH INFRASTRUCTURE	SOCIAL INFRASTRUCTURE
Maharashtra	5.50	0.34	1.28	7.12	250	0.696 (15)
Tamil Nadu	6.50	0.17	0.81	7.48	29	0.708 (13)
Andhra Pradesh	6.70	0.09	0.47	7.26	77	0.65 (27)
Karnataka	6.30	0.18	0.75	7.23	298	0.682 (19)
Delhi	3.30	0.28	2.14	5.72	129	0.746 (5)
Uttar Pradesh	6.60	0.16	3.41	10.17	45	0.596 (35)
West Bengal	5.60	0.21	0.62	6.43	12	0.641 (28)
Bihar	5.80	0.05	1.88	7.73	6	0.576 (36)
Gujarat	5.90	0.36	1.21	7.47	51	0.672 (21)
Assam	6.40	0.02	2.37	8.79	12	0.614 (30)
Rajasthan	6.00	0.15	1.86	8.01	33	0.629 (29)
Odisha	7.30	0.07	1.73	9.10	13	0.606 (33)
Haryana	5.90	0.11	0.85	6.86	122	0.708 (12)
Madhya Pradesh	6.70	0.25	1.71	8.66	44	0.606 (32)

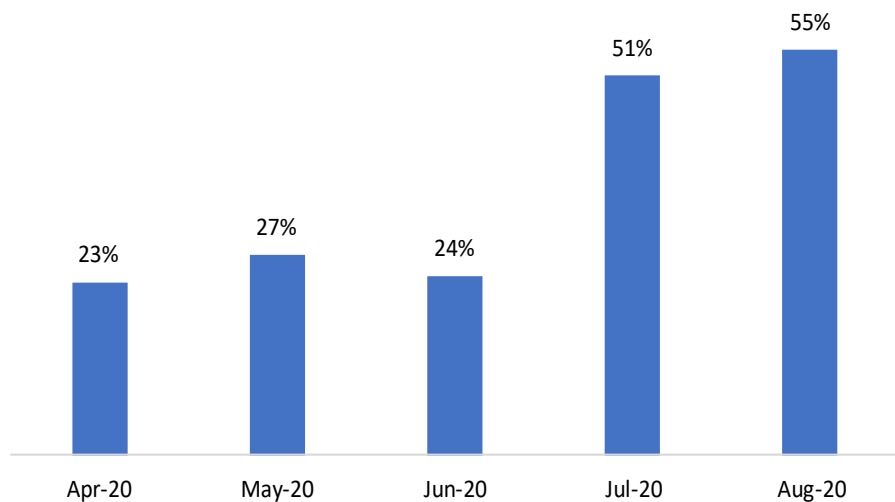
Source: SBI Research, Mortality Rate is regressed as a function of State GDP for arriving at C

District-wise Analysis

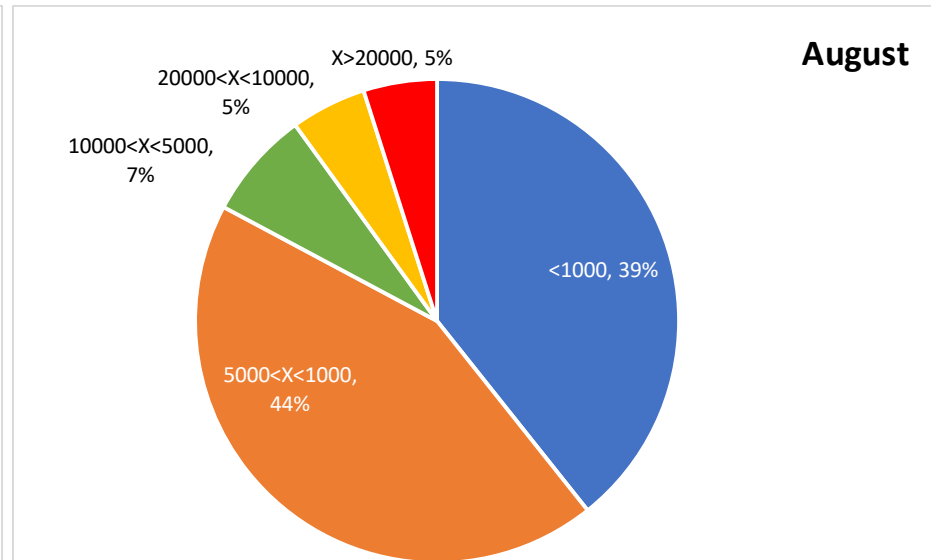
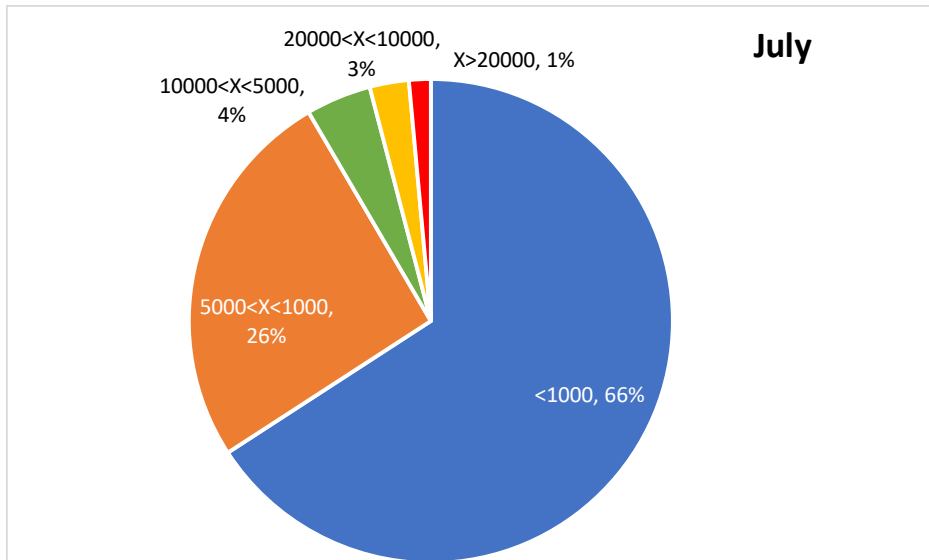
Top 15 Districts % Share to New cases



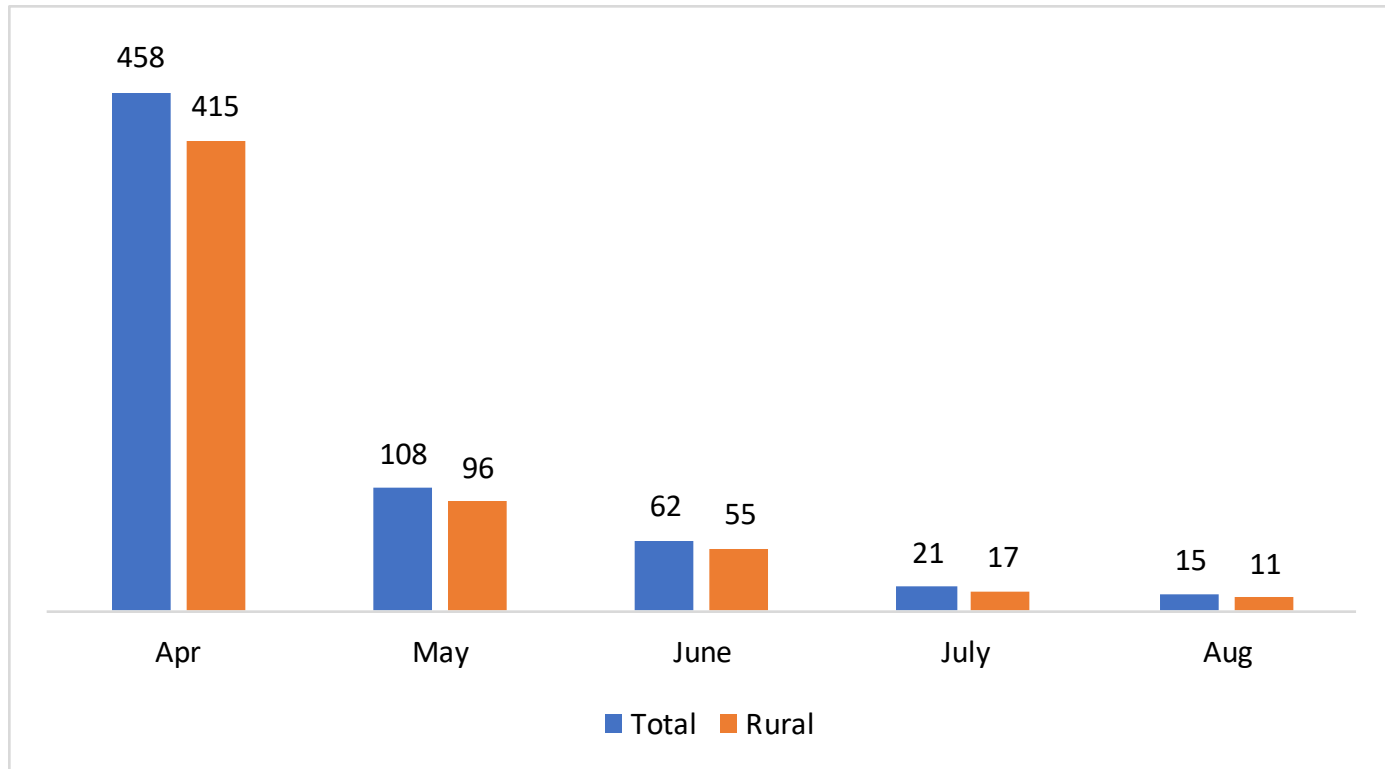
% of Rural Districts in New Cases

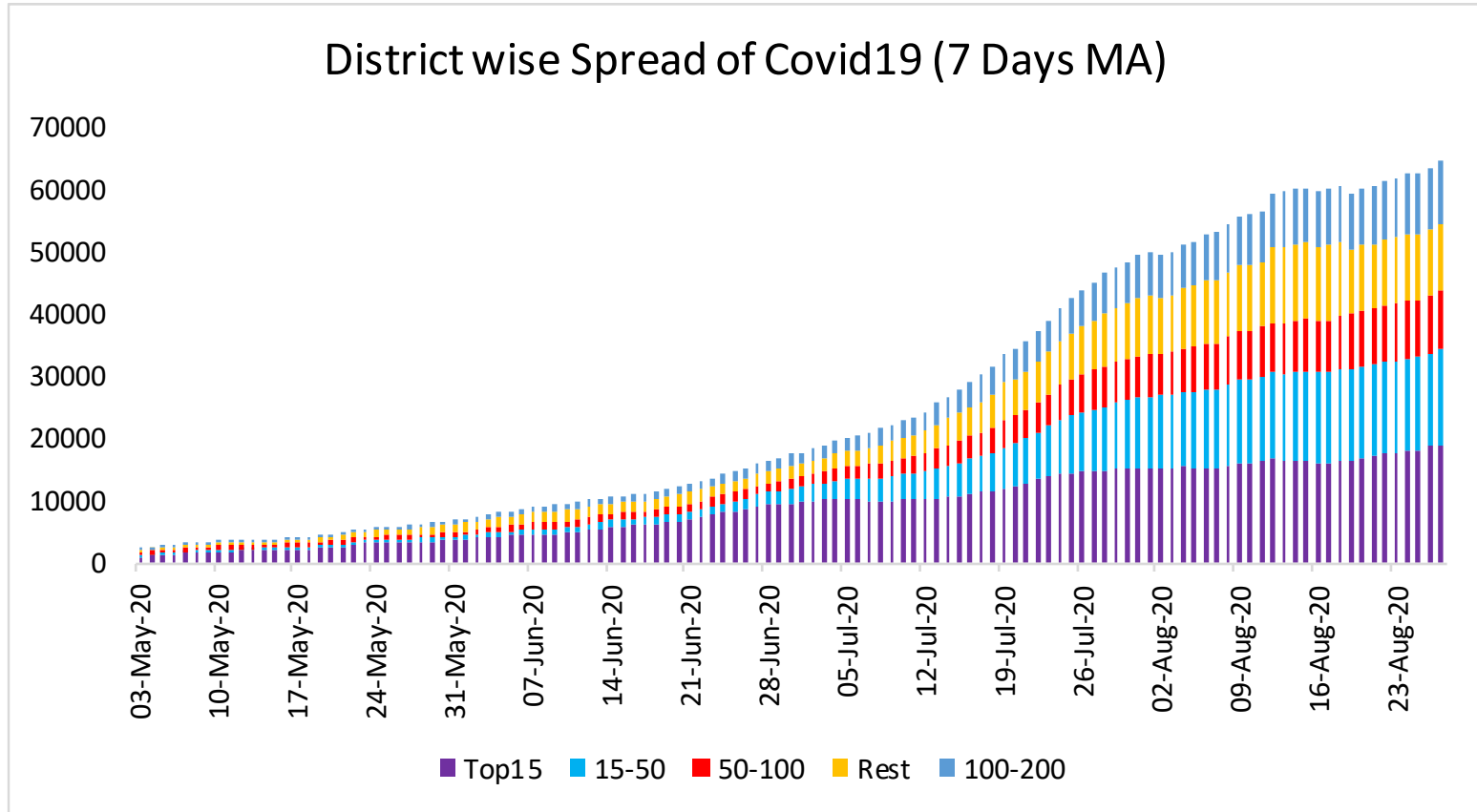


- ❑ The number of districts with overall cases less than 1000 have reduced in August and that between 5000 and 10,000 cases have increased compared to July
- ❑ There are 6 districts now with number of cases greater than 1 lakh (namely, Delhi, Pune, Mumbai, Chennai, Bengaluru, and Thane) and only 1 has cases between 50,000 and 1 lakh (East Garo Hills)

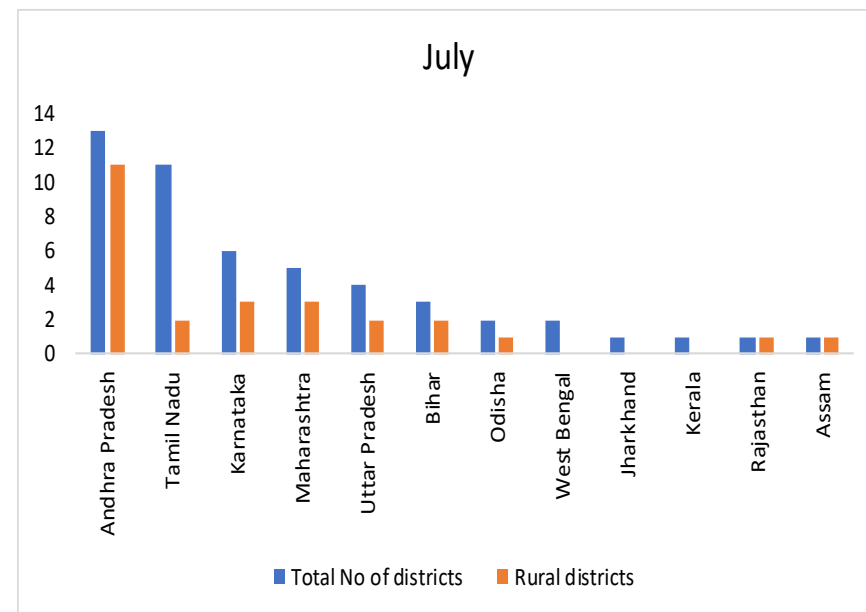
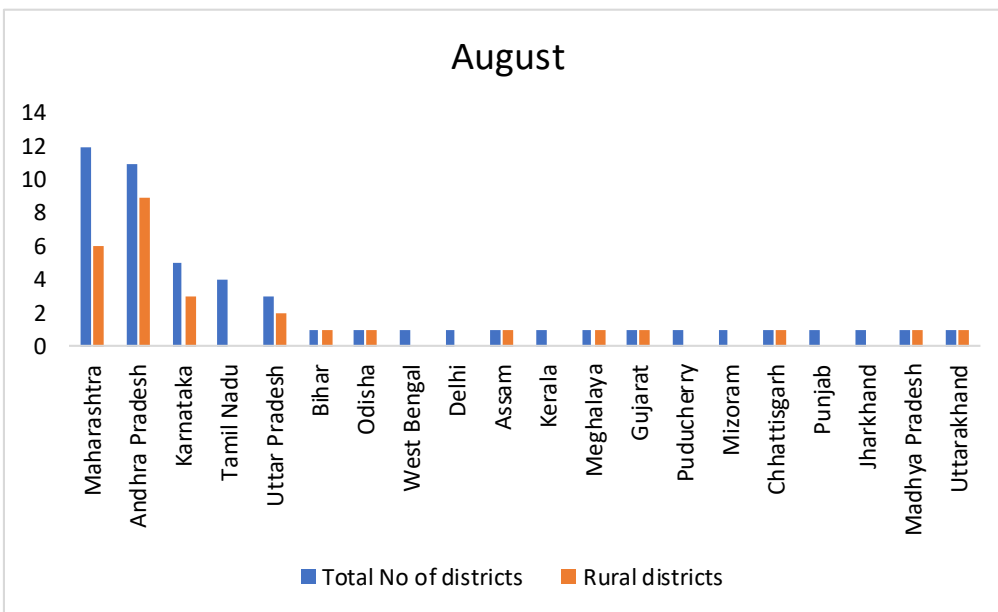


- The number of districts with less than 10 cases declined rapidly, of which mostly were rural thereby indicating widespread rural spread

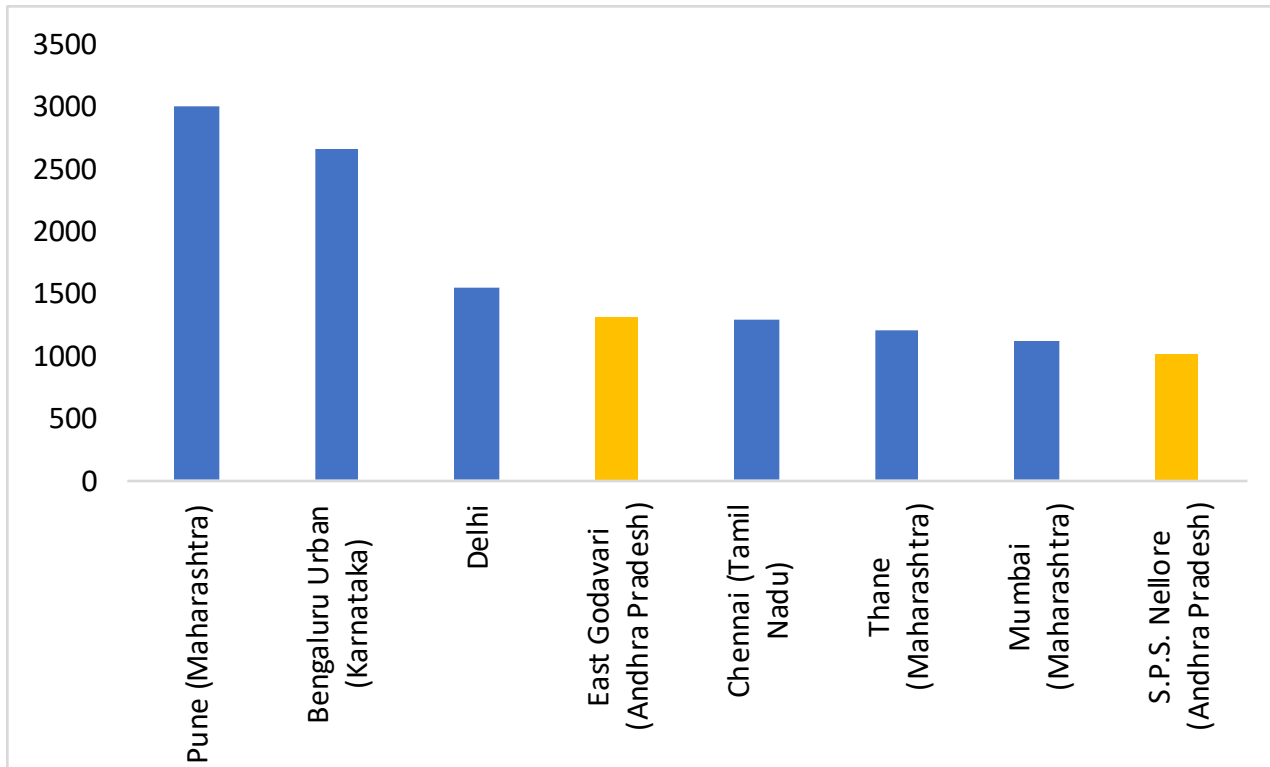




- ❑ Among the top 50 worst affected districts in August which are witnessing maximum number of new cases 26 are Rural
- ❑ Rural areas in Andhra Pradesh worst hit: Maharashtra, Karnataka and Uttar Pradesh are showing increasing rural spread
- ❑ Tamil Nadu also has higher number of districts getting affected, though all urban districts



- 8 Districts are identified as hotspots (having more than 1000 daily new cases)
- Among these two (East Godavari and Nellore) are rural districts both of Andhra Pradesh



- Among the rural districts where spread has been more in Aug, there are 4 districts which contribute more than 10% to respective GSDP
- Monsoon pattern indicates that mostly these areas have received normal to excess rainfall

Top Rural Districts as per new cases in Aug with <50 cases in Apr				
State	Districts	Population	Share in GSDP	Rainfall
Meghalaya	East Garo Hills	317917	6.6%	132%
Madhya Pradesh	Guna	1241519	1.2%	-5%
Andhra Pradesh	Srikakulam	2703114	4.0%	-23%
Uttar Pradesh	Jalaun	1689974	0.9%	-36%
Maharashtra	Ahmednagar	4543159	3.1%	85%
Gujarat	Kheda	2299885	2.1%	8%
Maharashtra	Kolhapur	3876001	3.3%	21%
Andhra Pradesh	Vizianagaram	2344474	3.4%	-7%
Karnataka	Ballari	2452595	16.2%	43%
Maharashtra	Satara	3003741	2.1%	6%
Maharashtra	Sangli	2822143	2.1%	27%
Chhattisgarh	Raipur	4063872	22.2%	14%
Odisha	Cuttack	2624470	7.2%	4%
Assam	Kamrup	1517542	4.9%	16%
Karnataka	Davanagere	1945497	10.0%	16%
Uttar Pradesh	Prayagraj	5954391	3.3%	-1%
Uttarakhand	Haridwar	1890422	22.8%	-6%

Green-normal, Dark Blue-large excess, light blue-excess, Red-deficient

Economic Momentum in Unlock 3

- With the pandemic raging on output growth numbers are being minutely scrutinized. In India the conventional way to look at growth numbers is by comparing a quarter's numbers over same quarter's numbers in the previous year, meaning comparison of Q1 (Apr-Jun) FY21 with the Q1 FY20.
- In US the most widely cited number is the growth of one quarter over the preceding quarter, meaning comparison of Q2 2020 with the preceding quarter, Q1 2020. Many other countries also focus on this quarterly GDP growth numbers.
- **If we look at the numbers published by India, i.e. -23.9% growth in Q1 FY21, it is comparable to -9.1% growth of USA and not -31.7% (sa), which is the decline from the previous quarter. For India, this number stands at -29.3% (not sa).** The consensus among economic statisticians is that the y-o-y growth rate is most appropriate for international comparison as it is objective and transparent

GDP Growth/Decline of Major Economies During Q2 2020 (%)					
Country	Q-o-Q	Y-o-Y	Country	Q-o-Q	Y-o-Y
Singapore	-42.9	-13.2	Bulgaria	-9.8	-8.2
United States	-31.7	-9.1	Germany	-9.7	-11.3
India (Q1 FY21)	-29.3	-23.9	Brazil	-9.7	-11.4
Japan	-27.8	-9.9	Thailand	-9.7	-12.2
Peru	-27.2	-30.2	Slovenia	-9.6	-13.0
Tunisia	-20.4	-21.6	Serbia	-9.2	-6.4
United Kingdom	-20.4	-21.7	Iceland	-9.1	-9.3
Spain	-18.5	-22.1	Poland	-8.9	-8.2
Mexico	-17.1	-18.7	Czech Republic	-8.7	-11.0
Malaysia	-16.5	-17.1	Netherlands	-8.5	-9.3
Philippines	-15.2	-16.5	Sweden	-8.3	-7.7
Croatia	-14.9	-15.1	Slovakia	-8.3	-12.1
Colombia	-14.9	-15.7	Switzerland	-8.2	-9.3
Hungary	-14.5	-13.6	Israel	-8.1	-7.8
Portugal	-13.9	-16.3	Australia	-7.0	-6.3
France	-13.8	-18.9	Denmark	-6.9	-8.2
Chile	-13.2	-14.1	Latvia	-6.5	-8.9
Italy	-12.8	-17.7	Estonia	-5.6	-6.9
Romania	-12.3	-10.5	Lithuania	-5.5	-4.2
Belgium	-12.1	-14.4	Norway	-5.1	-4.7
Euro Area	-12.1	-15.0	Finland	-4.5	-6.4
Cyprus	-11.6	-11.9	Indonesia	-4.2	-5.3
Canada	-11.5	-13.0	South Korea	-3.2	-2.7
Turkey	-11.0	-9.9	Taiwan	-1.4	-0.6
Austria	-10.4	-12.5	Hong Kong	-0.1	-9.0
Ukraine	-9.9	-11.4	China	11.5	3.2

Source: SBI Research

Growth in key parameters (select sectors) Q1FY21 vis-à-vis Q1FY20						
Sector	No of Cos.	Net Sales	Total Expenditure	Employee Expenses	EBIDTA	PAT
IT - Software	88	3	2	6	10	-5
Finance	190	4	19	-10	0	0
Pharmaceuticals	91	8	0	8	33	43
Steel	50	-37	-33	-4	-53	-70
FMCG	42	-6	-7	13	-3	6
Automobile	12	-71	-65	-16	-112	-131
Cement	25	-33	-34	-8	-31	-32
Chemicals	90	-33	-31	-4	-44	-49
Non Ferrous Metals	13	-26	-24	4	-34	-28
Fertilizers	15	5	2	3	47	156
Capital Goods - Electrical Equipment	31	-38	-35	-8	-61	-72
Textiles	100	-55	-49	-27	-90	-170
Auto Ancillaries	57	-65	-57	-28	-118	-153
Consumer Durables	28	-51	-46	-8	-86	-104
Capital Goods-Non Electrical Equipment	62	-49	-41	-12	-104	-114
Construction	28	-47	-45	-18	-66	-293
Entertainment	18	-42	-30	-8	-63	-64
Plastic products	33	-46	-44	-12	-63	-87
Plantation & Plantation Products	17	-7	-10	-10	7	11
Paper	16	-48	-41	-3	-74	-108
Realty	40	-59	-58	-25	-62	-97
Healthcare	18	-11	-8	-4	-31	-80
Castings, Forgings & Fastners	18	-63	-56	-20	-91	-117
Diamond, Gems and Jewellery	9	-74	-55	-12	-142	-175
Media - Print/Television/Radio	14	-60	-50	-11	-106	-121
Readymade Garments/ Apparells	6	-40	-40	-32	-44	-63
Overall	1617	-26	-26	6	-19	-57

Source: Cline, listed entities; SBI Research

Daily indicators reveal higher mobility but other economic indicators lost momentum in Aug

- ❑ Google mobility index improved across all categories in Aug'20 compared to Jul'20
- ❑ Even apple mobility index shows higher mobility in Aug
- ❑ **However, Labour participation rate RTO transactions, weekly food arrivals, electricity consumption have all declined in Aug'20 compared to Jul'20**
- ❑ Retail food prices continues to increase compared to their pre-lockdown values

Changes from Pre-Lockdown Peak							
Indicators	Lockdown 1	Lockdown 2	Lockdown 3	Lockdown 4	Unlock 1.0	Unlock 2.0	Unlock.3
Google Mobility Index (%)							
Retail & recreation	-76	-85	-77	-70	-56	-55	-40
Grocery & pharmacy	-67	-47	-26	-16	2	-4	-2
Parks	-51	-61	-57	-59	-49	-48	-46
Transit stations	-73	-64	-52	-44	-35	-37	-33
Workplaces	-71	-64	-51	-32	-17	-23	-18
Residential	28	28	22	16	16	17	15
Apple Mobility Index (%)	-95	-96	-88	-79	-61	-58	-39
Labour Participation Rate (Change in bps)	-343	-646	-380	-397	-66	-92	-202
AQI (7 City Average)	-60	-61	-52	-45	-65	-76	-87
No of Transactions at RTO('000)	-182	-292	-251	-219	-48	-97	-94
Revenue Collections at RTO(Rs Cr)	-108	-183	-205	-184	-66	-116	-89
Electricity (Daily max consumption, MW)	-38487	-35470	-19827	-3746	-5224	375	-2671
Weekly Food arrival in Tonnes							
Cereals	-149018	1009301	772254	412179	227119	-69797	-129543
Pulses	-1611	1362	2951	6683	5175	-370	47
Vegetables	-18252	-10348	-6037	-3432	1765	-7797	-13868
Fruits	-6543	4715	11685	19610	24773	24703	4431
Retail Food Prices (Modal) (Rs/Kg)							
Vegetables	2.2	-0.4	-4.4	-1.8	-1.1	6.8	8.2
Cereals	-0.3	-3.5	-4.8	-0.4	-1.7	-3.0	-1.1
Pulses	5.9	5.6	5.7	9.8	5.7	4.7	6.8
Oil & Fat	42.0	47.7	48.0	47.2	47.8	48.8	51.4

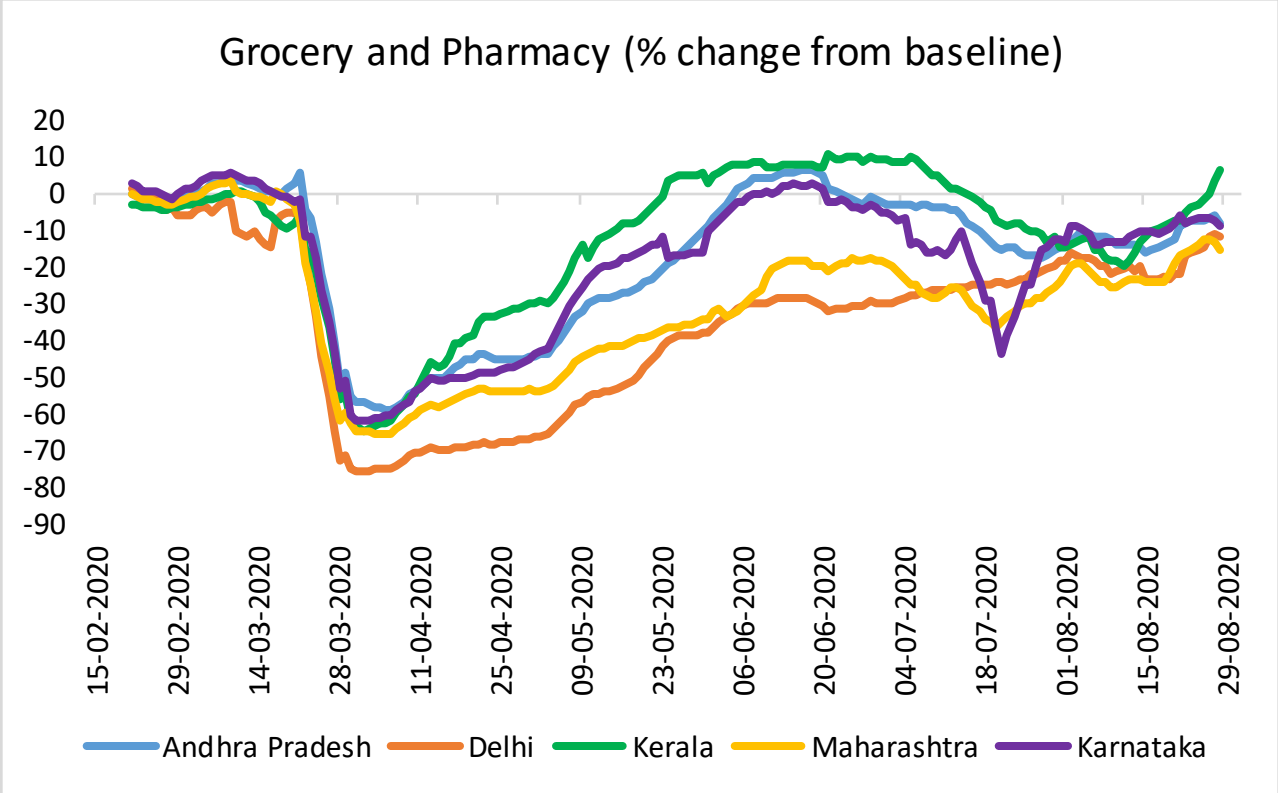
- ❑ All the indicators remain far away from the last year peak
- ❑ Week arrival of food at Mandis in August indicating supply side disruptions across states continue to manifest in price increases. August could see increase in food prices

Changes from Peak Value during March 2019 to March 2020							
Indicators	Lockdown 1	Lockdown 2	Lockdown 3	Lockdown 4	Unlock 1.0	Unlock 2.0	Unlock.3
Labour Participation Rate (Change in bps)	-474	-777	-511	-528	-197	-223	-333
AQI(7 City Average)	-127	-128	-118	-112	-132	-143	-154
No of Transactions at RTO('000)	-412	-522	-481	-450	-279	-328	-324
Revenue Collections at RTO(Rs Cr)	-188	-262	-284	-264	-145	-196	-169
Electricity Demand(MW)	-50927	-47910	-32267	-16186	-17664	-12065	-15111
Weekly Food arrival in Tonnes							
Cereals	-2573289	-1414971	-1652017	-2012092	-2197152	-2494069	-2553815
Pulses	-9128	-6155	-4566	-834	-2342	-7887	-7470
Vegetables	-56658	-48754	-44442	-41838	-36641	-46203	-52274
Fruits	-53124	-41866	-34896	-26971	-21808	-21877	-42150
Retail Food Prices (Modal) (Rs/Kg)							
Vegetables	-33.8	-36.4	-40.5	-37.8	-37.1	-29.3	-29.3
Cereals	-3.2	-6.4	-7.7	-3.3	-4.6	-5.9	-4.0
Pulses	-3.0	-3.3	-3.2	0.9	-3.2	-4.2	-2.1
Oil & Fat	39.0	44.7	44.9	44.2	44.8	45.7	46.9

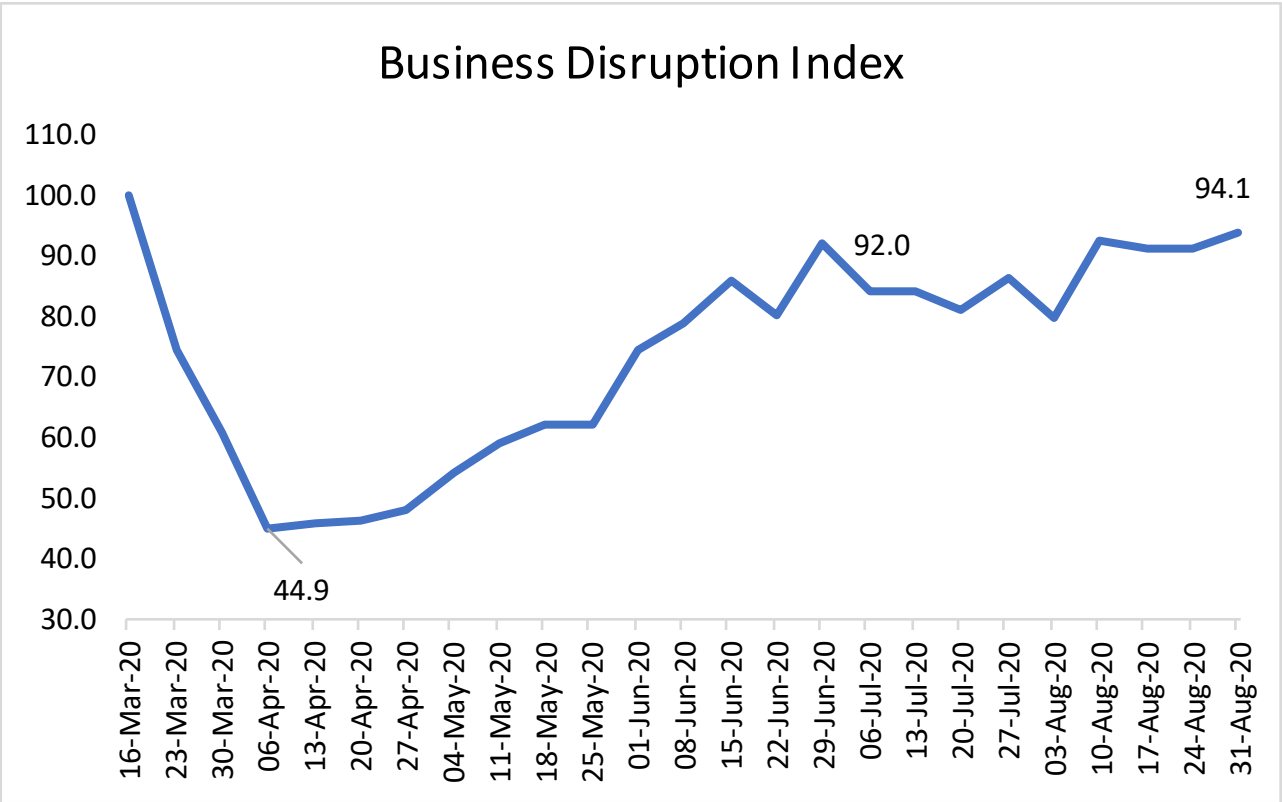
- Overall Google Mobility reveals improvement in average mobility across states in Aug'20
- However, certain states including Madhya Pradesh, Maharashtra, Mizoram, Puducherry, Punjab, Rajasthan and Uttarakhand show decline in mobility. However, the same have witnessed increase in Covid cases
- Thus the partial lockdown/restrictions imposed have not helped in curbing the spread of virus

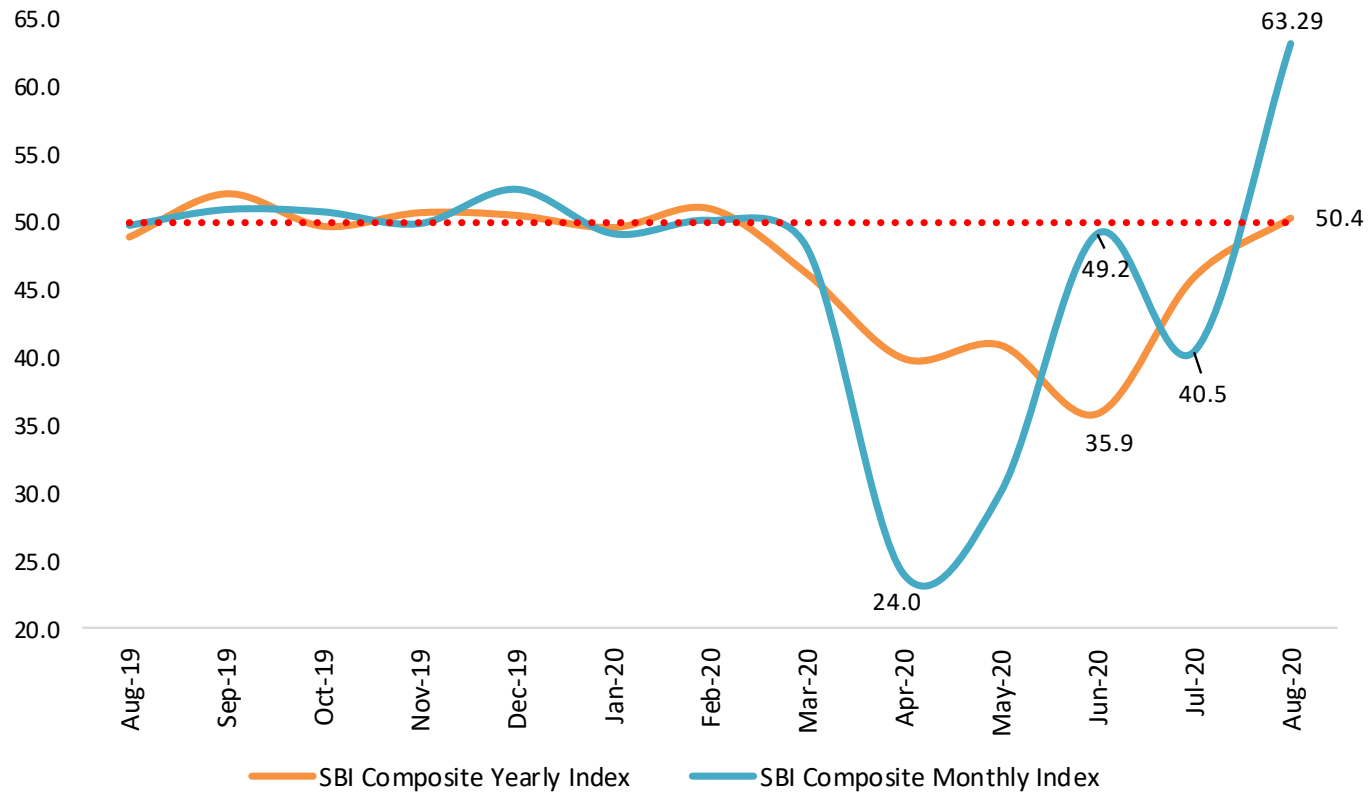
Average Google Mobility and Confirmed covid cases							
States/UTI	31-Jul-20	28-Aug-20	Change	Till 31 July	Till 31 Aug	Change	% to Total
Andhra Pradesh	-29.3	-22.0	7.3	140933	434771	293838	67.6
Arunachal Pradesh	-26.5	-13.2	13.3	1591	4112	2521	61.3
Assam	-17.3	-12.8	4.5	40270	109041	68771	63.1
Bihar	-17.0	-4.2	12.8	50987	136337	85350	62.6
Chandigarh	-39.3	-38.2	1.2	1051	4346	3295	75.8
Chhattisgarh	-32.7	-26.5	6.2	9192	31503	22311	70.8
Delhi	-35.5	-32.2	3.3	135598	174748	39150	22.4
Goa	-39.0	-38.2	0.8	5913	17418	11505	66.1
Gujarat	-25.0	-23.8	1.2	61438	96435	34997	36.3
Haryana	-28.2	-23.5	4.7	34965	64732	29767	46.0
Himachal Pradesh	-11.8	-9.7	2.2	2564	6116	3552	58.1
Jharkhand	-21.2	-16.5	4.7	11314	41656	30342	72.8
Karnataka	-32.0	-25.5	6.5	124115	342423	218308	63.8
Kerala	-28.3	-10.7	17.7	23614	75385	51771	68.7
Madhya Pradesh	-22.2	-22.5	-0.3	31806	63965	32159	50.3
Maharashtra	-36.2	-36.8	-0.7	422118	792541	370423	46.7
Manipur	-34.7	-24.7	10.0	2621	6252	3631	58.1
Meghalaya	-24.2	-18.3	5.8	823	2368	1545	65.2
Mizoram	-8.3	-28.2	-19.8	408	1012	604	59.7
Nagaland	-49.8	-35.0	14.8	1693	3950	2257	57.1
Odisha	-29.5	-17.2	12.3	31877	106561	74684	70.1
Puducherry	-25.2	-28.3	-3.2	3472	14411	10939	75.9
Punjab	-21.5	-23.0	-1.5	16119	53992	37873	70.1
Rajasthan	-17.0	-18.7	-1.7	42083	82363	40280	48.9
Sikkim	-49.0	-30.2	18.8	639	1652	1013	61.3
Tamil Nadu	-23.7	-18.7	5.0	245859	428041	182182	42.6
Telangana	-31.2	-26.7	4.5	62703	127697	64994	50.9
Tripura	-30.5	-12.8	17.7	4996	12153	7157	58.9
Uttar Pradesh	-13.2	-13.2	0.0	85461	230414	144953	62.9
Uttarakhand	-14.8	-16.2	-1.3	7183	19827	12644	63.8
West Bengal	-24.2	-18.7	5.5	70188	162778	92590	56.9

- Grocery and Pharmacy mobility index shows higher mobility in top States affected by Covid in August after a blip witnessed by Jul-end
- Significant increase in mobility in Kerala may be related to Onam shopping



- Our disruption index based on certain high frequency indicators (labour participation rate, Google mobility index (workplace), Apple mobility Index, RTO revenue collection, retail payments and electricity daily maximum consumption as variables), show pick up in August





Rail Freight Earnings indicate increased freight movements in Aug: Good for Railways



- Rail freight earnings have increased after unlock of the economy. Freight Earnings account for around 65% of the gross traffic receipts of Railways with passenger freight accounting for the remaining
- The momentum has continued in case of Cement, Chemical Manures, foodgrains, iron and steel and mineral ores

Rail Freight Earnings (% YoY)					
Commodity	Apr-20	May-20	Jun-20	Jul-20	Aug-20
CEMENT AND CLINKER	-86.5	-33.7	12.4	6.5	4.2
CHEMICAL MANURES	-46.7	-27.7	-12.9	15.8	38.4
COAL AND COKE	-50.0	-47.6	-34.1	-31.4	-18.7
CONTAINER	-31.6	-30.2	-13.4	-14.6	-16.8
FOODGRAINS, FLOURS AND PULSES	63.0	51.6	24.6	61.1	86.9
IRON OR STEEL	-62.5	-55.6	-33.8	-2.7	9.5
MINERALS AND ORES	-46.9	-32.0	-0.8	6.7	4.7
OTHERS*	-43.3	-34.9	26.5	19.6	12.7
PETROLEUM PRODUCTS AND GASES	-5.0	-22.1	-0.9	-3.4	-11.7
Total	-43.8	-36.5	-17.1	-10.8	-1.8

... But vehicle registration growth continue to decelerate in Aug but at lower rate, only positive growth in tractors

- ❑ Vehicle registration though remained negative in Aug but the pace of deceleration has reduced
- ❑ Registration growth of tractors remained positive, but the growth rate declined

Vehicle Registration YoY%						
Category	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20
Two wheeler	30.4	-76.2	-88.7	-40.7	-36.7	-30.0
Three Wheelers	35.8	-78.3	-96.3	-75.3	-74.1	-69.8
PV(Light and Medium)	-6.6	-89.4	-85.1	-32.6	-14.1	-4.4
Trucks	2.5	-87.8	-99.7	-96.7	-91.8	-84.3
Bus	228.9	-18.7	-100.0	-99.8	-99.4	-97.9
Tractors	9.5	-84.8	-74.1	11.7	34.5	25.3

Vehicle Sales increased in Aug; Mini and Compact segment showing higher growth

- Auto sales data reveal higher growth in Aug compared to last month. Even yoy growth remained robust for key players
- Segment wise sales of Maruti indicates significant growth in Mini and compact category of cars, hinting at more people avoiding public transport to go to workplace

Auto Sale in August						Maruti Suzuki: August 2020 Sales						
Manufacturer	Aug-20	Aug-19	Jul-20	MoM%	YoY%	Category Segments	Jun-20	Jul-20	Aug-20	Aug-19	% YoY	% MoM
Maruti Suzuki	113000	91173	97678	16	24	Mini (Alto, S-Presso, Old WagonR)	10458	17,258	19709	10123	94.7	14.2
Hyundai	45809	38205	38200	20	20	Compact (Swift, Celerio, Dzire, Baleno, Ignis, new Wagon R)	26696	51529	61956	54274	14.2	20.2
Tata Motors	18583	7316	15012	24	154	Mid-size (Ciaz)	553	1,303	1223	1596	-23.4	-6.1
Mahindra	13651	13147	10904	25	4	UVs (Gypsy, Ertiga, S- Cross, Vitara Brezza, XL6)	9764	19177	21030	18522	13.5	9.7
Kia Motors India	10853	6236	8502	28	74	Vans (Omni, Eeco)	3803	8,501	9115	8658	5.3	7.2
Renault	8060	5704	6422	26	41	LCV (Super Carry)	1026	2232	2292	1555	47.4	2.7
Honda	7509	8291	5383	39	-9	Domestic Sales (Maruti Suzuki)	52,300	1,00,000	1,15,323	94,728	21.7	15.3
Toyota	5555	10701	5386	3	-48	Sales to other OEM: Compact	839	1307	1379	2333	-40.9	5.5
Ford	4731	5517	3937	20	-14	Total domestic sales	53,139	1,01,307	116,704	97,061	20.2	15.2
MG Motor India	2851	2018	2105	35	41	Exports	4289	6757	7920	9352	-15.3	17.2
Volkswagen India	1470	2306	1887	-22	-36	Overall Sales	57,428	1,08,064	124,624	106,413	17.1	15.3
Skoda Auto India	1003	1164	922	9	-14							
Nissan India	800	1413	784	2	-43							
FCA	468	609	400	17	-23							

Electricity Demand shows increase in major states in Aug: Advanced states like Maharashtra, Karnataka still lower than April

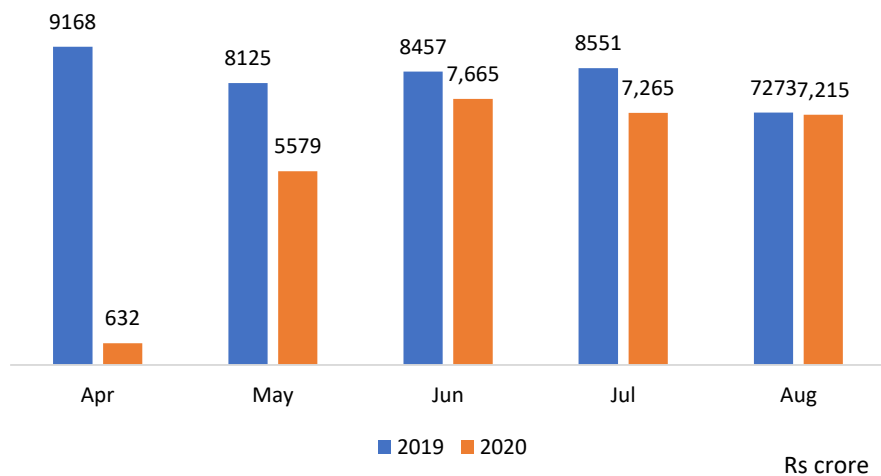
Electricity Peak Demand Met in MW						
States/UT	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Change Aug/Jul
UTTAR PRADESH	16889	21331	22110	23419	22891	-528
MAHARASHTRA	18675	21463	19422	17792	18111	319
GUJARAT	13508	15578	15924	15741	14829	-912
TAMIL NADU	11398	14021	14591	13284	14491	1207
PUNJAB	5113	8201	12719	13148	12729	-419
RAJASTHAN	9304	12050	12755	13079	12137	-942
TELANGANA	10014	9114	8723	11177	12908	1731
HARYANA	6422	8011	10308	10982	10060	-922
MADHYA PRADESH	9139	10173	9013	10169	9926	-243
KARNATAKA	11516	10999	10670	9400	10562	1162
ANDHRA PRADESH	8595	10101	9423	8500	8892	392
WEST BENGAL	7109	7553	8056	8357	9161	804
NCT OF DELHI	3362	5464	6314	6310	5722	-588
BIHAR	4725	5332	5777	5865	6123	258
ODISHA	3636	4024	4401	4659	4733	74
CHHATTISGARH	3473	3736	3676	4569	4477	-92
KERALA	3775	3701	3292	3192	3538	346
JAMMU AND KASHMIR	2352	2346	2267	2427	2291	-136
UTTARAKHAND	1233	1797	1942	2030	1997	-33
ASSAM	1419	1663	1798	1758	1960	202
JHARKHAND	1291	1396	1437	1532	1552	20
HIMACHAL PRADESH	900	1312	1423	1479	1456	-23

Weekly variation shows pick up in Electricity Demand during last week of Aug

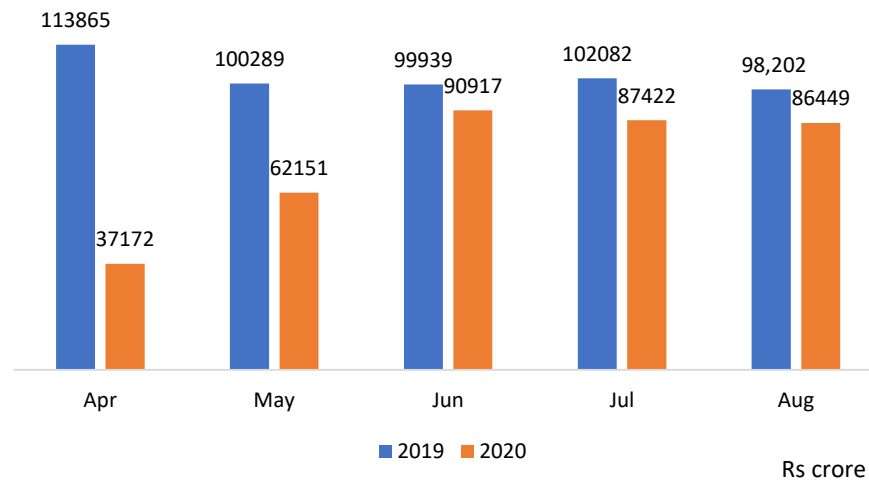
Weekly Variation in Electricity Peak Demand Met(MW)								
States/UT	Jul-20				Aug-20			
	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4
UTTAR PRADESH	-397	1954	-3502	1963	2071	-2503	-1430	2866
Telangana	594	-198	1591	829	2061	-4711	157	2280
Karnataka	-157	-533	-409	669	-376	107	61	1907
Maharashtra	500	157	818	-283	-72	-2205	1269	1694
West Bengal	-693	318	-263	914	-580	-55	-854	1470
MADHYA PRADESH	555	498	-3	417	-1191	-490	-1059	1069
Punjab	-2528	713	-2370	2559	2087	-1489	-2177	691
Odisha	-392	28	121	529	-83	-266	20	260
Jharkhand	-35	75	20	2	61	-96	-80	152
Chhattisgarh	257	-412	188	531	-427	-11	-487	131
Haryana	-2101	1207	-2923	3286	-248	-238	-790	77
Assam	-12	72	-46	66	118	-31	13	75
Bihar	-391	335	-311	75	-1398	1095	634	45
NCT OF DELHI	-1064	836	-1860	2072	-342	-273	-494	37
JAMMU & KASHMIR	-128	54	-135	175	301	-90	25	37
Puducherry	-12	7	18	-15	23	-42	25	33
Dadar Nagar Haveli	38	20	-27	58	-73	80	18	31
Andhra Pradesh	1066	-2061	1015	500	-1308	977	322	22
HIMACHAL PRADESH	-166	100	1	-44	133	-63	18	17

- ❑ GST Collections have remained depressed this fiscal. For Apr-Aug'20 the total GST Collection was Rs 3.64 lakh crore which is 29% less than last year's collection in the same period
- ❑ In this the Cess collection has been Rs 28,356 crore which is 32% less than last year's collection in the same period

Cess Collection



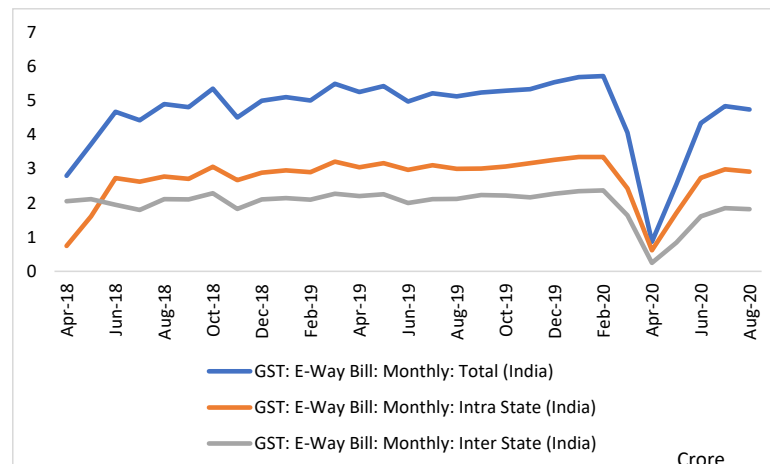
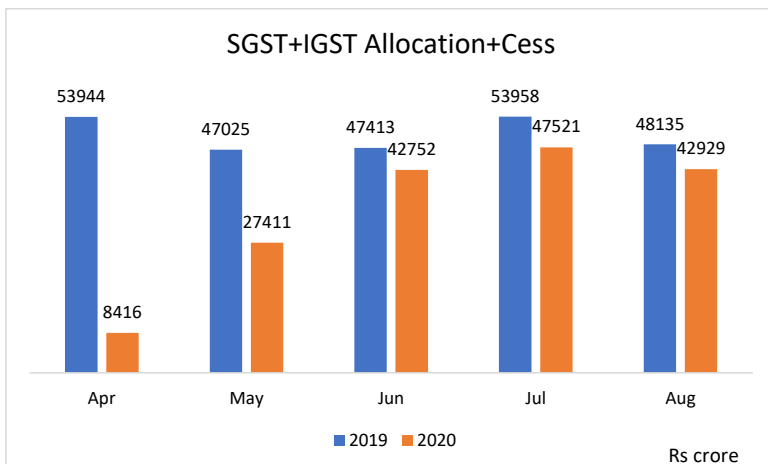
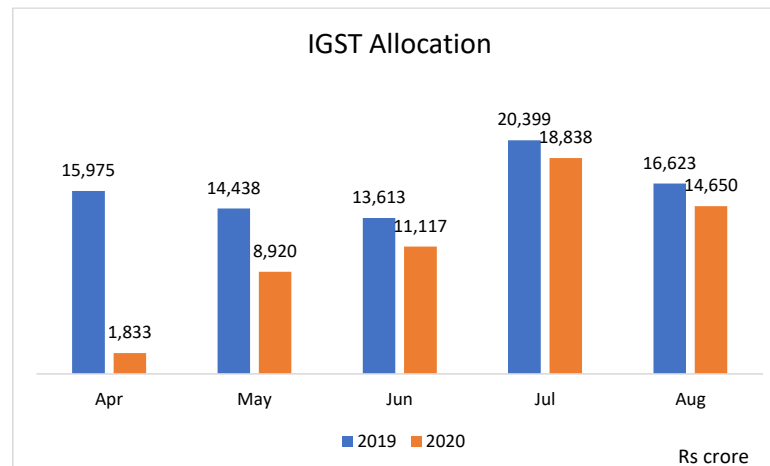
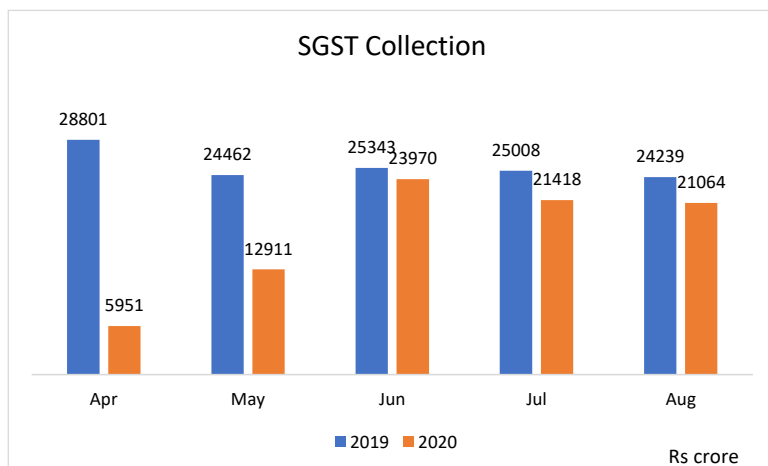
Overall GST Collection



- ❑ The Government has estimated that for this fiscal it will be able to distribute only Rs 68,700 crore cess
- ❑ Centre has also come up with an estimate of Revenue Gap based on the protected state GST revenue of Rs 6,38,339 crore and the projected revenue of Rs 4,73,161 crore @10% growth rate, which amounts to Rs 1,65,178 crore. Thus as per Centre the states will be short of Rs 96,477 crore
- ❑ Overall the shortfall in GST revenue for states is expected at Rs 3 lakh crore, with the Centre differentiating between the shortfall accruing to GST implementation and COVID related stress
- ❑ Government has given two options to finance the gap – Under option 1 the states can raise Rs 97,000 crore through RBI and secure their GST shortfall, while also borrowing 0.5% extra under FRBM limits. So, overall state fiscal deficit financing can reach maximum 5.5% of GDP (3% standard + 1% unconditional + 1% conditional + 0.5% for compensation cess) under this option
- ❑ Under Option 2, states can raise the entire GST shortfall of Rs 2.35 lakh crore (1.3% of GDP) from the market. So, in this option the state fiscal deficit financing can reach maximum 5.3% of GDP (3% basic eligibility + 1% conditional + 1.2% for compensation cess)

Centre's Cess Estimates	
Item	Rs Crore
1. Protected Revenue (Apr-Jan)	6,38,339
2. 2019-20 SGST (Apr-Jan)	4,30,147
3. 2020-21 SGST (Apr-Jan projected) [10% over (2)]	4,73,161
4. Revenue Gap [(1)-(3)]	1,65,178
5. Estimated Compensation Cess available in 2020-21[(a)+(b)]	68,700
(a) Balance as on 31.07.2020	11,438
(b) Estimated collections till March	57,266
6. Estimated Compensation Shortfall [(4)-(5)]	96,477
7. Option 1 Borrowing (97000 crore+ 0.5% of GSDP)	1,97,000
8. Total GST Shortfall	3,00,000
9. COVID Impact shortfall	1,34,822
Option 2 Borrowing (COVID Impact shortfall+ GST Compensation shortfall)	2,35,000

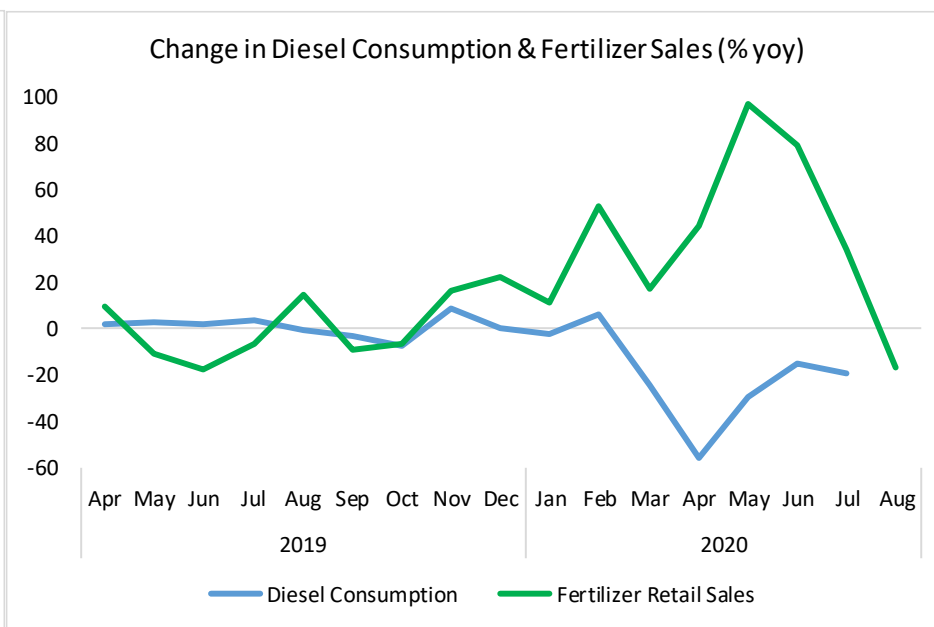
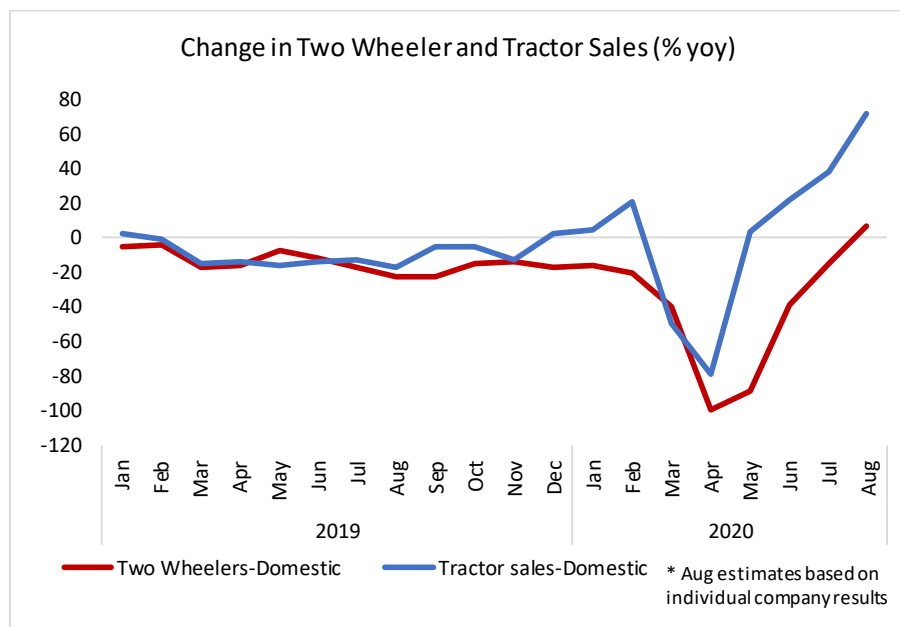
- ❑ The SGST collection for states is 33% lower at Rs 85,314 crore in Apr-Aug'20. The Allocated IGST is also 32% lower at Rs 55,358 crore
- ❑ The combined amount of SGST, Allocated IGST and Cess stands at Rs 1.69 lakh crore, which is 33% lower than last year's collection in the same period



Market Borrowing of States (Rs crore)			
States	FY21 Till 01 Sep	FY20 Till 03 Sep	% Change
Karnataka	21000	4000	425%
Nagaland	350	100	250%
Maharashtra	34500	12500	176%
Tamil Nadu	46000	20615	123%
Sikkim	467	213	119%
Uttarakhand	3500	1600	119%
Madhya Pradesh	9000	5000	80%
Manipur	700	403	74%
Andhra Pradesh	27250	17078	60%
Odisha	3000	2000	50%
Rajasthan	24450	17382	41%
Haryana	14000	10001	40%
Telangana	19961	14300	40%
Chhattisgarh	1300	1000	30%
Mizoram	310	258	20%
Kerala	13930	12282	13%
West Bengal	15500	14010	11%
Gujarat	15780	14300	10%
Goa	1100	1000	10%
Jammu & Kashmir	3300	3149	5%
Meghalaya	350	350	0%
Assam	1600	1700	-6%
Arunachal Pradesh	428	472	-9%
Punjab	8910	10820	-18%
Bihar	7000	8600	-19%
Uttar Pradesh	7500	13000	-42%
Himachal Pradesh	500	1600	-69%
Total	281686	189682	49%

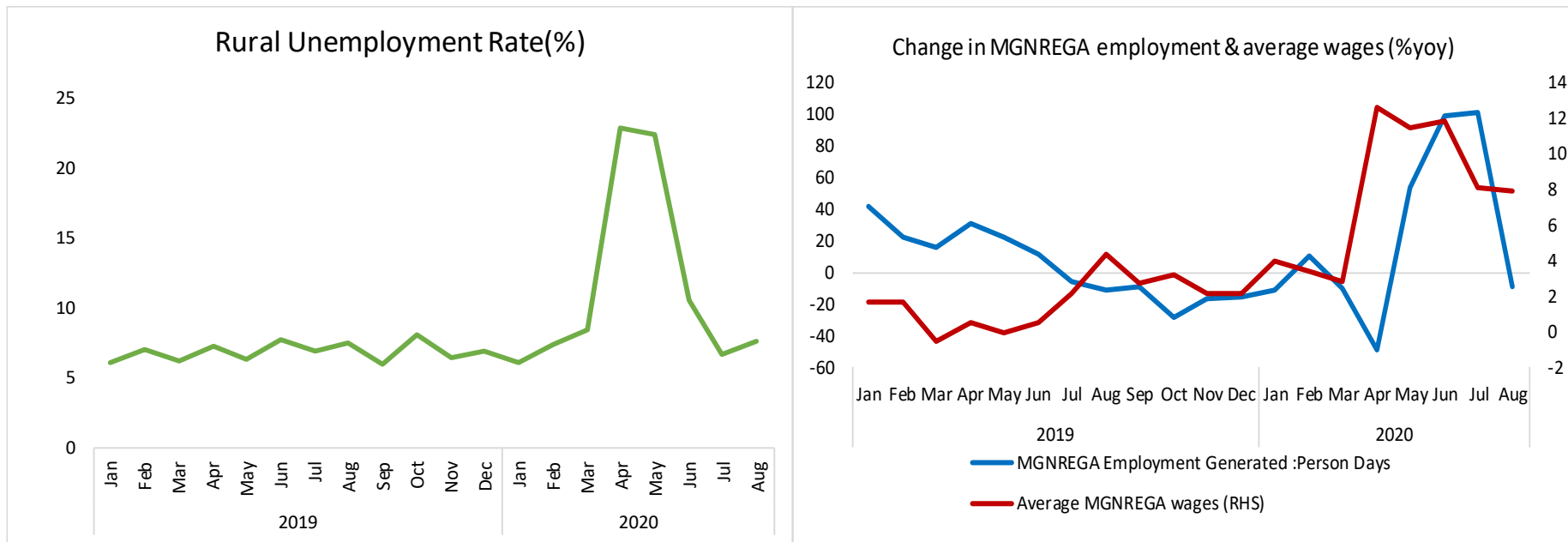
Rural Economy

- ❑ Tractor sales, two wheeler sales increased in Jul and Aug
- ❑ However, fertilizer sales and diesel consumption declined in recent months



Unemployment & NREGA wages shows Rural Economy losing momentum in Aug

- ❑ Rural Unemployment rate has again increased moderately in Aug
- ❑ Employment created under MGNREGA as well as average wages has declined in Aug



- Overall monsoon is normal at 9% above LPA, with only North-West India having deficient rains so far

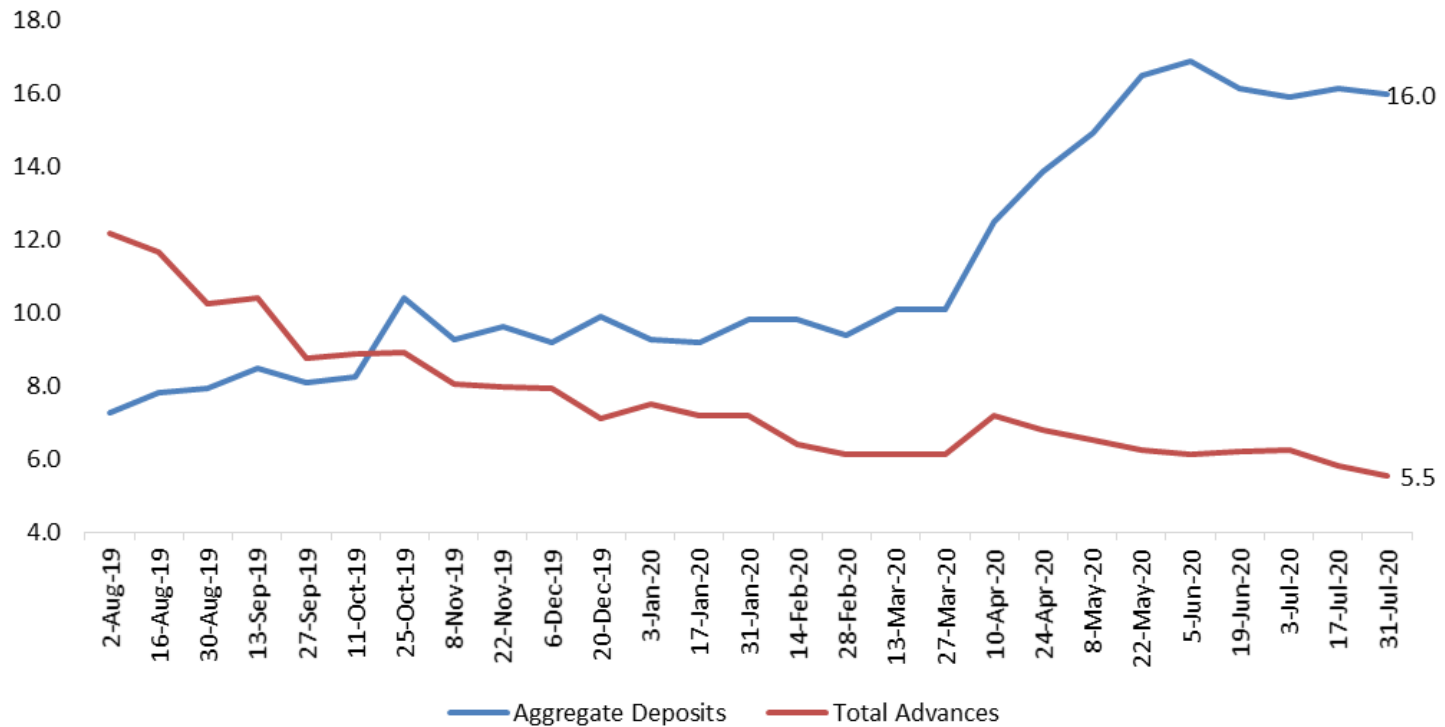
Monsoon Update (1 Jun'20-1 Sep'20)			
State	Actual	Normal	% Dep.
East And North East India	1162	1134	2%
West Bengal	1162.1	1108.3	5%
Jharkhand	752.9	829	-9%
Bihar	952.3	808.6	18%
North West India	451	495	-9%
Uttar Pradesh	567	629	-10%
Haryana	781	708	10%
Punjab	370	390	-5%
Rajasthan	381	355	7%
Central India	970	807	20%
Odisha	988	936	6%
Madhya Pradesh	868	772	12%
Gujarat	992	589	68%
Maharashtra	964	832	16%
Chhattisgarh	1068	942	13%
South Peninsula	685.4	571	20%
Andhra Pradesh	500	366	37%
Telangana	845	594	42%
Tamil Nadu	306	228	35%
Karnataka	790	685	15%
Kerala	1630	1799	-9%
All India	749	830	9%

Banking & Financial Industry

- ❑ Growth in deposits declined during the unlock phase 3, after increasing in July
- ❑ Advances also declined in August after increasing in July

Deposits and Advances - Sum of Daily Variation(Rs Cr)							
Products	Lockdown.1	Lockdown.2	Lockdown.3	Lockdown.4	Unlock.1	Unlock.2	Unlock.3
Savings Bank	499606	244679	-89720	119898	-90915	45211	28907
Current Account	-62757	24616	-53002	56909	64684	-3659	-23283
Term Deposits	175812	146583	22845	61061	27921	79864	20996
TOTAL DEPOSITS	612661	415878	-119877	237868	1690	121416	26621
CC, DL, Overdrafts etc.	-9190	-114170	-38735	67690	-74020	12510	-108015
Term Loans	62304	4565	-16440	53789	64584	77962	81782
TOTAL ADVANCES	55503	-125491	-60588	126822	-6467	97818	-20966

ASCBs Deposits & Credit Growth (YoY %)

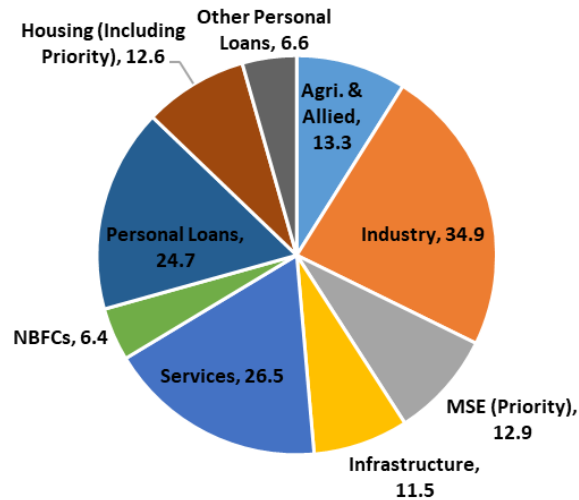


- Credit to personal loans has bounced back to the Pre-Covid period
- There has been a significant increase in credit to all sub-segments of personal loans in the month of July, notably loans to salaried individuals. Going forward, credit to personal loans is expected to increase in the coming months, due to festive season

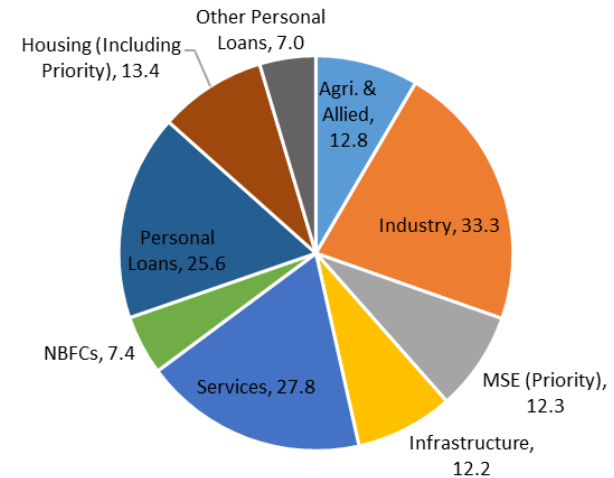
Sector-Wise Credit Flow (Rs bn): July 2020											
Sectors	YTD (Apr-Jul, FY20)		Monthly Growth (Rs bn)					YTD % (Apr-Jul, FY21)		% YoY	
	Rs bn	%	Mar'20	Apr'20	May'20	Jun-20	Jul-20	Rs bn	%	Jul'19	Jul'20
Agri. & Allied	-23	-0.2	18	-65	-51	67	163	115	1.0	6.8	5.4
Industry	-874	-3.0	1123	-208	-228	136	-539	-838	-2.9	6.1	0.8
MSE (Priority)	-197	-1.8	542	-486	-231	46	182	-488	-4.2	7.8	5.1
Infrastructure	-212	-2.0	352	13	0	139	-146	7	0.1	14.0	1.9
Services	-1027	-4.3	1611	-208	-311	-146	187	-477	-1.8	15.2	10.1
NBFCs	-45	-0.7	1037	50	-81	-58	-51	-139	-1.7	34.5	24.6
Personal Loans	548	2.5	216	-629	-119	115	409	-224	-0.9	17.0	11.2
Housing (Including Priority)	397	3.4	100	-83	-16	68	117	86	0.6	19.2	12.3
Other Personal Loans	301	5.0	88	-269	10	9	205	-45	-0.6	24.3	13.3
Gross Bank Credit	-1133	-1.3	2830	-1100	-442	271	121	-1151	-1.2	11.5	6.9

Source: SBI Research

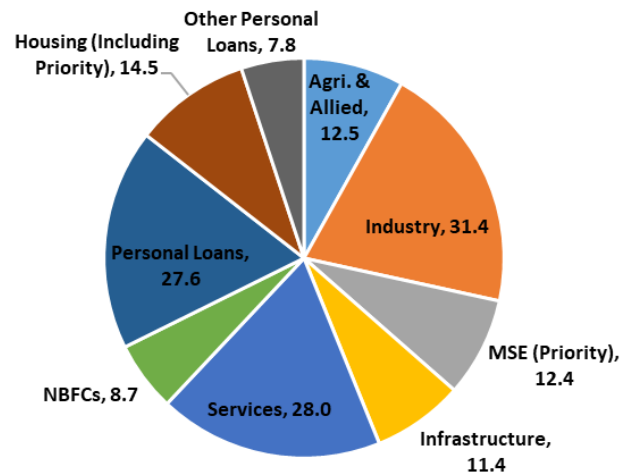
Sectoral Credit Distribution (%): FY18



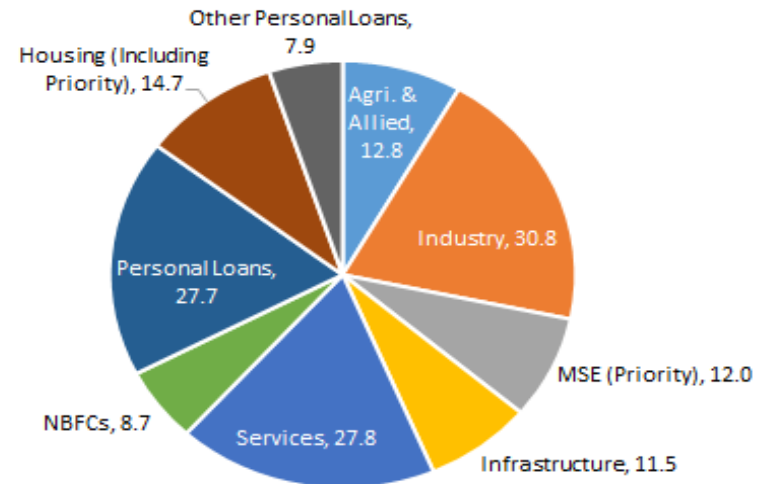
Sectoral Credit Distribution (%): FY19



Sectoral Credit Distribution (%): FY20



Sectoral Credit Distribution (%): July 2020



- Beginning February, RBI has cut repo rate by 115 basis points. Banks have cut rates on fresh loans by 74 basis points. SBI has cut by an equivalent 115 basis points on its Repo linked product
- WALR (Fresh Loans) has increased for Private and Foreign Banks in July while PSBs has reduced it by 2 bps to 8.16% in July, compared to June 2020**
- As per the latest available data, the WADTDR, and 1yr MCLR have reached the lowest level of 5.96%, 8.35% and 7.45% in July 2020

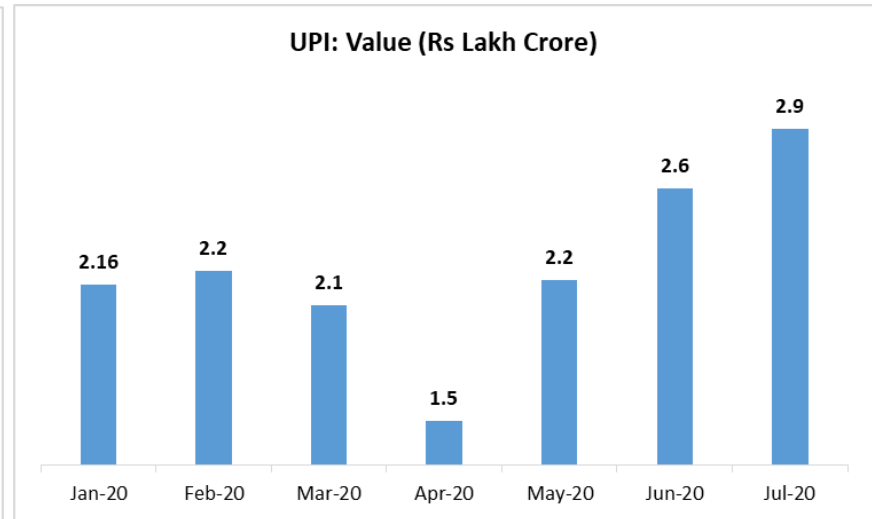
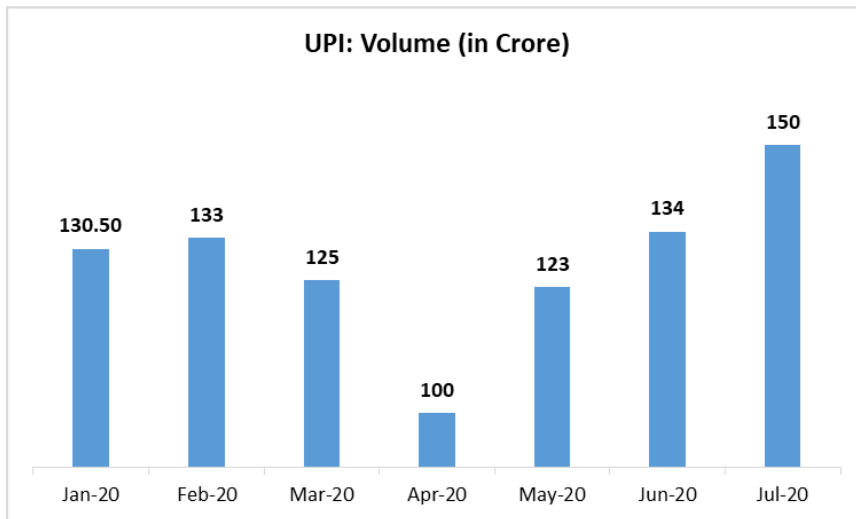
Transmission of Policy Rate			
	February	Latest	Change (in bps)
Repo Rate	5.15	4.00	-115
Wt Avg. Lending Rate (WALR) on O/S Rupee Loans	10.11	9.71	-40
WALR on Fresh Rupee Loans	9.26	8.52	-74
Wt Avg. Domestic Term Deposits (WADTDR) on O/S Deposits	6.45	5.96	-49
ASCB-MCLR (1 Year)	8.21	7.45	-76
SBI EBLR	7.80	6.65	-115
SBI MCLR –6 Months	7.80	6.95	-85
SBI MCLR –1 Year	7.85	7.00	-85

Source: RBI, SBI Research

Bank Group wise Weighted Average Lending Rates (WALR) (On Fresh Rupee Loans Sanctioned)				
Month	PSBs	Pvt Banks	FBs	ASCBs
Feb-2020	8.85	10.19	8.58	9.36
Feb-2020	8.64	10.27	8.42	9.26
Mar-2020	8.64	9.29	8.28	8.82
Apr-2020	8.44	8.91	7.73	8.52
May-2020	8.21	9.21	7.19	8.54
June-2020	8.18	8.74	7.20	8.35
July-2020	8.16	9.12	7.22	8.52
Change (March 2020 onwards:bps)	-48 (-52:SBI)	-115	-120	-74

Per Credit and Debit Card Transaction						
Month	Credit Cards			Debit Cards		
	Number of Cards (Lakh)	Total Transaction (Rs Crore)	Per Card Transaction (Rs)	Number of Cards (Lakh)	Total Transaction (Rs Crore)	Per Card Transaction (Rs)
Nov-19	544	60130	11051	8308	77577	934
Dec-19	553	65736	11880	8053	83953	1042
Jan-20	561	66573	11863	8164	84575	1036
Feb-20	572	62148	10873	8230	80146	974
Mar-20	577	50574	8758	8286	65303	788
Apr-20	574	20765	3620	8294	29043	350
May-20	572	32225	5636	8353	48049	575
Jun-20	573	42773	7466	8454	62494	739

Source: RBI; SBI Research



- ❑ The life insurance sector reported a drop in their first-year premium collection as businesses have been severely impacted by the Covid-19 pandemic
- ❑ Growth could potentially return in the second or third quarter of 2020-21. Distribution channels could see significant realignment with a gain in digital channels
- ❑ E-commerce firms, including Flipkart & Amazon, and payment firms such as Paytm and PhonePe, have started selling insurance on their platforms in a race to boost transactions and create customer stickiness through premium payments

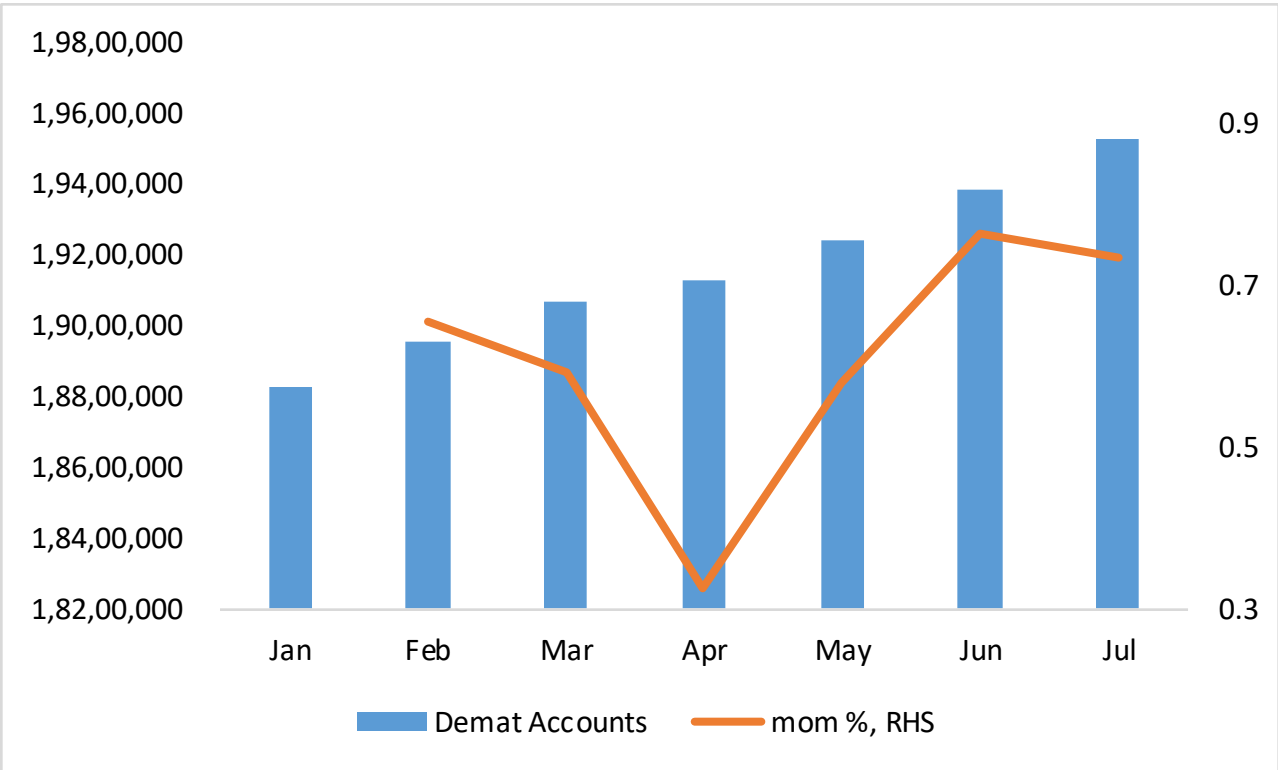
New Business Performance of Life Insurers: Apr-July 2020		
	Premium (YTD %)	No of Policies (YTD %)
Individual Single Premium	15.21%	-21.55%
Individual Non Single Premium	-13.96%	-30.22%
Group Single Premium	20.36%	-58.71%
Group Non Single Premium	-83.36%	64.42%
Group Yearly Renewable Premium	-3.24%	-23.64%
Grand Total	-11.96%	-29.81%

- Non-life insurance industry registered a mere 1.62% growth till July 2020, however health insurance business increased by 10.4% but motor insurance declined significantly
- COVID-19 has made the insurance industry from **push** to **demand-based** insurance schemes, with more than 15 lakh people already being covered under the recently launched specialised COVID-19 policies

Gross Direct Premium Income Underwritten By Non-life Insurers Within: Apr-Jul 2020 (Rs. In Crs.)

Insurers	Fire	Marine Total	Engineering	Motor Total	Health	Aviation	Grand Total
General Insurers	9126	1164	938	17049	13734	164	49530
Previous Year Sub Total	6696	1363	924	21090	12965	189	50212
% Growth	36.3%	-14.6%	1.6%	-19.2%	5.9%	-13.3%	-1.4%
Stand-alone Health Insurers					4681.01		4806.45
Previous Year Sub Total					3709.69	-	3909.16
% Growth					26.18%		22.95%
Industry Total	9126	1164	938	17049	18416	164	56342
Previous Year Sub Total	6696	1363	924	21090	16675	189	55442
% Growth	36.3%	-14.6%	1.6%	-19.2%	10.4%	-13.3%	1.62%
% Market Share	16.2%	2.1%	1.7%	30.3%	32.7%	0.3%	
Previous Year Market Share	12.1%	2.5%	1.7%	38.0%	30.1%	0.3%	

- Despite volatility in markets, number of demat accounts has been rising this year, with mom% change rising again after dipping in April



- Average delivery percentage of Nifty Stocks, which is the delivery volume to total volume has declined considerably after April indicating possible increase in speculative activity
- The delivery percentage continues to decline in Aug in sectors namely, power, fertilisers, cement, services, pharma, automobiles and entertainment

Average Delivery % of Nifty Stocks-Sector Wise								
Sectors	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20
IT	46.6	54.5	52.9	45.1	40.4	40.5	32.5	39.9
CONSUMER GOODS	48.9	48.1	48.0	36.5	38.8	38.4	38.2	39.5
POWER	48.4	53.8	52.0	48.4	46.5	39.5	38.7	34.6
TELECOM	33.0	32.4	40.2	43.1	24.1	33.0	30.5	33.3
CONSTRUCTION	50.1	58.2	56.2	42.9	36.2	32.5	34.3	34.4
FERTILISERS & PESTICIDES	35.2	31.8	38.6	30.2	22.3	28.9	33.8	29.7
CEMENT & CEMENT PRODUCTS	33.3	40.6	45.8	37.5	28.6	28.2	31.7	29.7
FINANCIAL SERVICES	40.1	42.6	40.5	30.3	28.6	24.1	24.5	29.4
OIL & GAS	40.2	42.0	39.4	29.9	31.9	32.2	27.1	27.4
SERVICES	28.1	37.0	44.5	33.6	33.0	34.2	28.8	25.0
METALS	23.3	22.2	28.2	23.0	21.7	22.4	23.8	26.2
PHARMA	36.5	37.3	37.8	24.6	24.9	26.5	28.3	21.9
AUTOMOBILE	28.4	31.2	34.1	29.2	21.0	21.2	20.6	19.1
MEDIA & ENTERTAINMENT	19.7	25.5	25.4	18.3	13.8	15.8	22.4	16.4



Thank you

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