







Recovery in fits and starts, highlighting persistent challenges

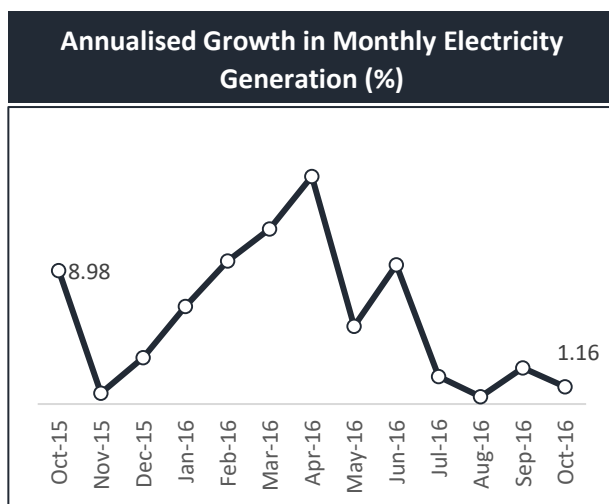
Snapshot					
Indicator	Oct 2016	YoY Change	Oct 2015	YoY Change	Growth Trend
Electricity Generation (<i>million units</i>)	99,780	1.16%	98,631	8.98%	
Coal Offtake (<i>million tonnes</i>)	43.04	(3.08) %	44.41	13.80%	
Railway Freight (<i>million tonnes</i>)	90.68	(2.61) %	93.11	4.36%	
Diesel Consumption (<i>'000 metric tonnes</i>)	6,673	5.20%	6,343	16.30%	
Non-oil Import (<i>USD million</i>)	26,532	9.28%	24,280	(9.93) %	
Bank Credit (<i>INR billion</i>)	67,055	(1.70) %	63,022	8.10%	

Highlights and Analysis

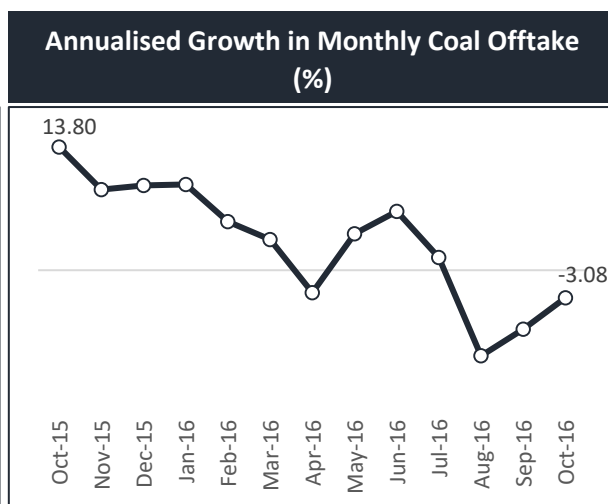
- Core sector performance indicators present mixed signals. Weak industrial demand has led to a persistent slide in growth in electricity generation since April 2016. With existing generation capabilities geared towards coal, this has also resulted in a decline in coal offtake as well, which has been trending in negative territory since August this year.
- Railway freight volumes have continued to contract on annualised basis, partly owing to weak industrial performance as well as increase in freight rates, which has led to decline in tonnage of key commodities such as coal, cement, foodgrains and fertilisers.
- Positive developments amidst this gloom has been the sharp increase in diesel consumption as well continued growth in non-oil imports, the latter breaking into positive territory for the first since February 2016. This is somewhat indicative of improved industrial activity and aggregate demand, and substantiates our view that economic recovery is still a work-in-progress and there are mixed signals emanating from the economy as such.
- Monthly bank credit registered a sharp decline, entering negative territory for the first time in the last 12 months which is a matter of serious concern. Protracted weakness in the industrial sector, as evidenced from credit contraction to sub-sectors such as infrastructure, food processing, gems and jewellery and basic metal and metal products is a key driver behind this trend.
- Mixed signals from various indicators underscore the various persistent challenges within the economy which have undermined expectations of a sustainable economic recovery.

India Monthly Economic Barometer – October 2016

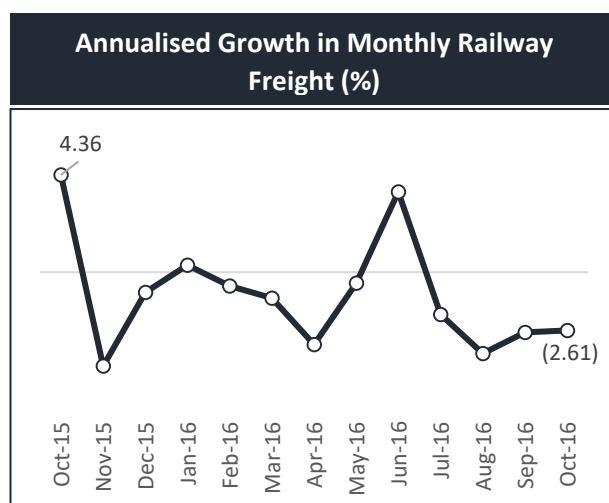
Trend Charts



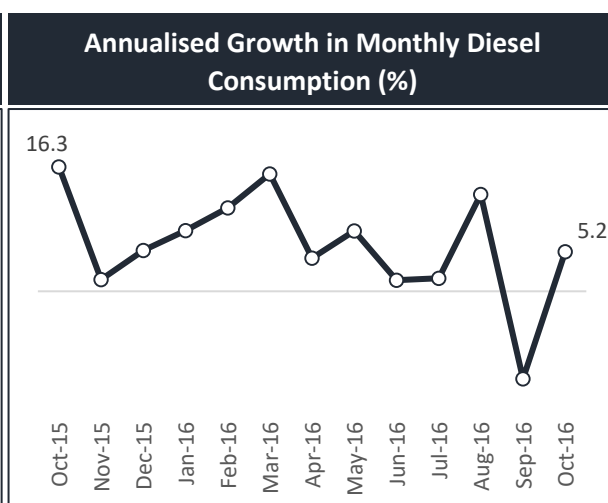
Electricity generation again declined after a brief surge in September



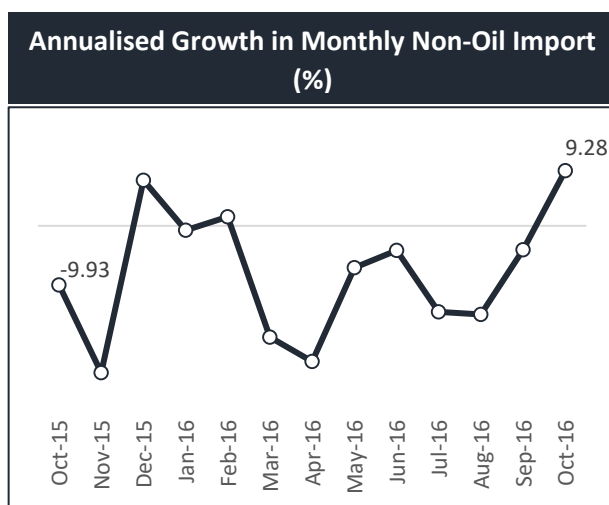
Even though in the negative territory, coal offtake spiked for 3 months in a row



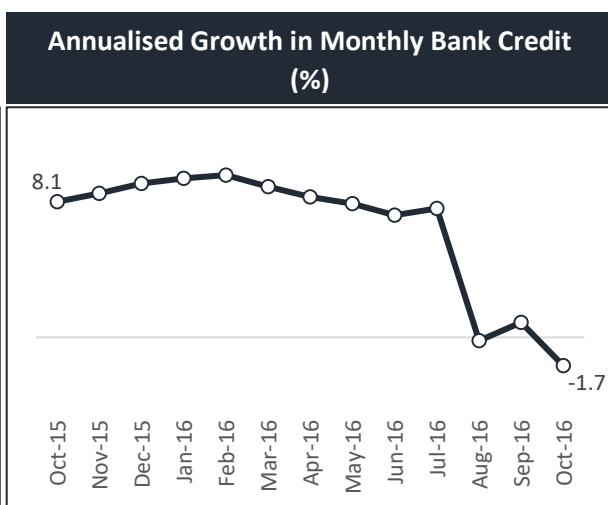
Railway freight volume continued to hover in the negative zone for the fourth month in a row



After a record low in September, diesel consumption rebounded sharply in October



Non-oil imports continued to recover entering the positive zone; first time in 7 months



Monthly bank credit contracted to enter the negative zone