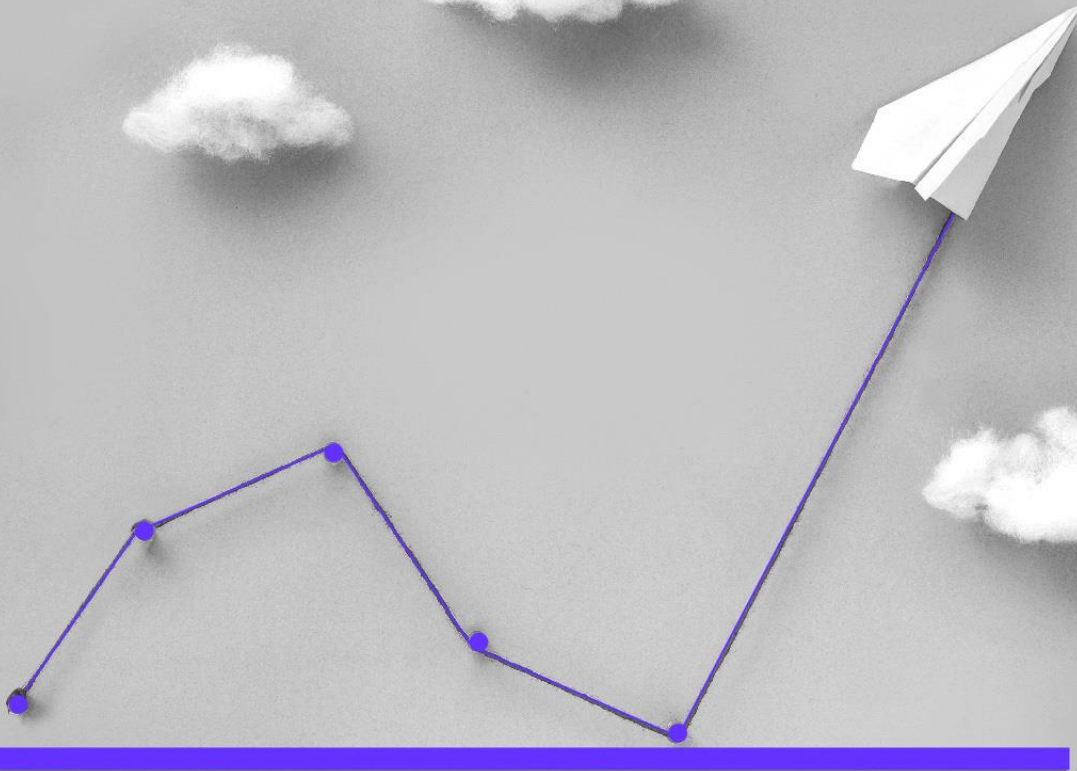


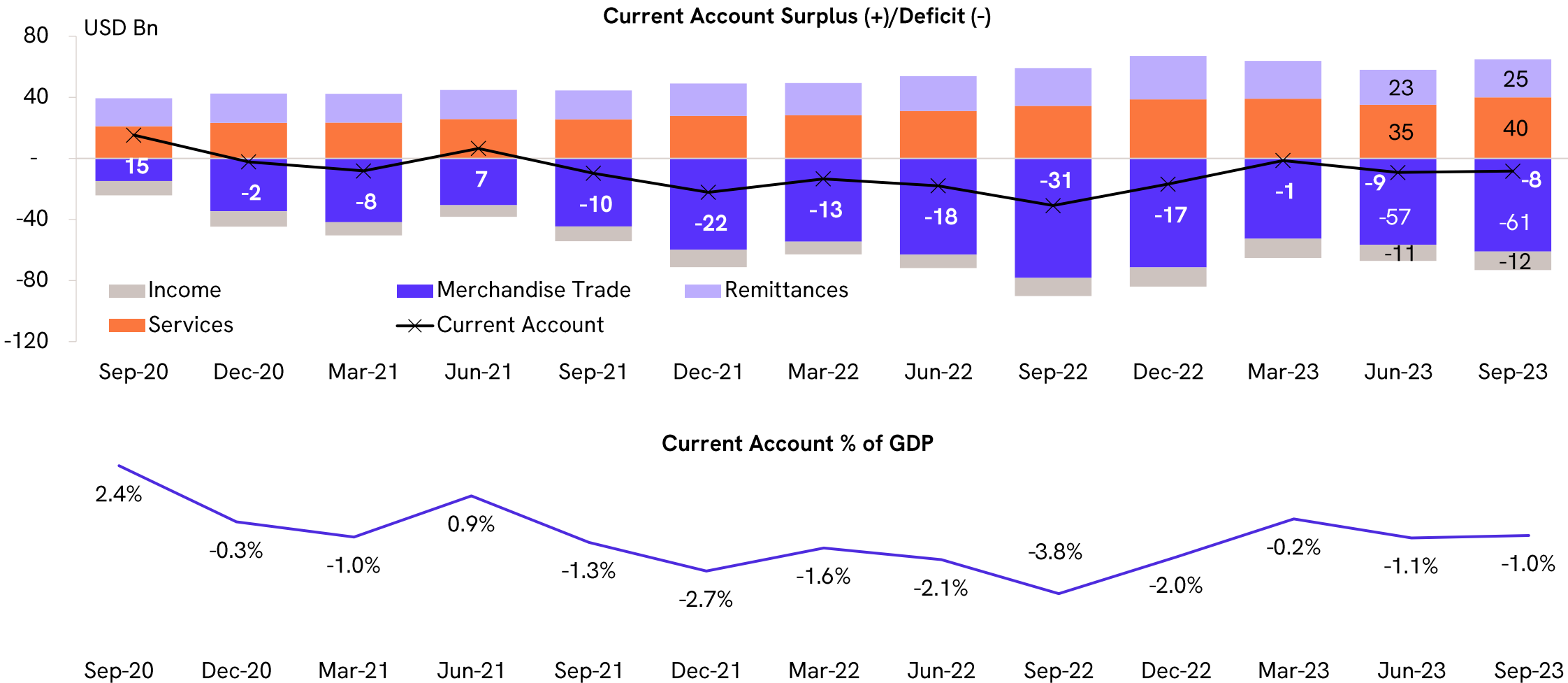
# TRENDS & TIDES

**India's current account  
records a deficit of 1.0% of  
GDP in Q2FY24,  
BOP surplus at US\$ 2.5 bn**



# Current account deficit marginally better at 1% of GDP in Q2FY24

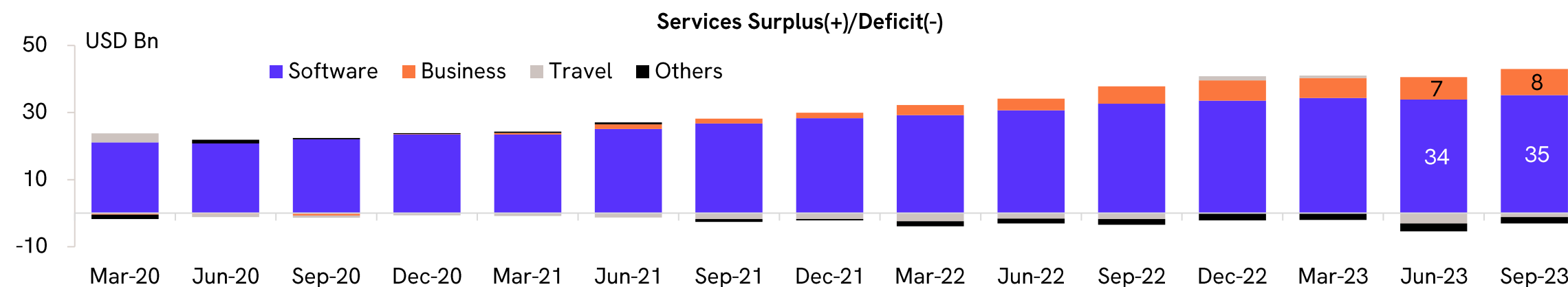
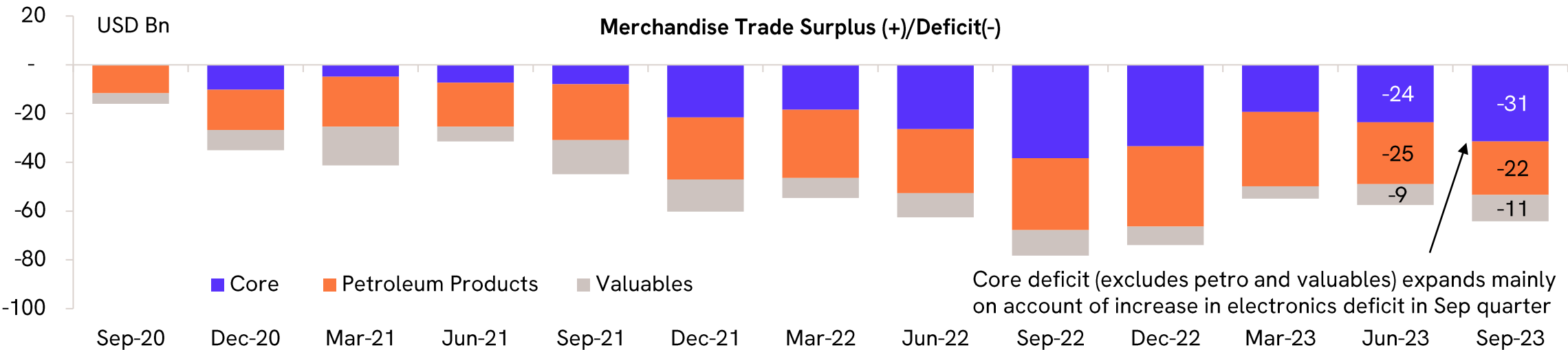
Current account holds steady as higher services exports offset an increase in the merchandise trade deficit



Source: RBI, 360 ONE Asset Research

# Merchandise deficit rises on higher core and valuables deficit

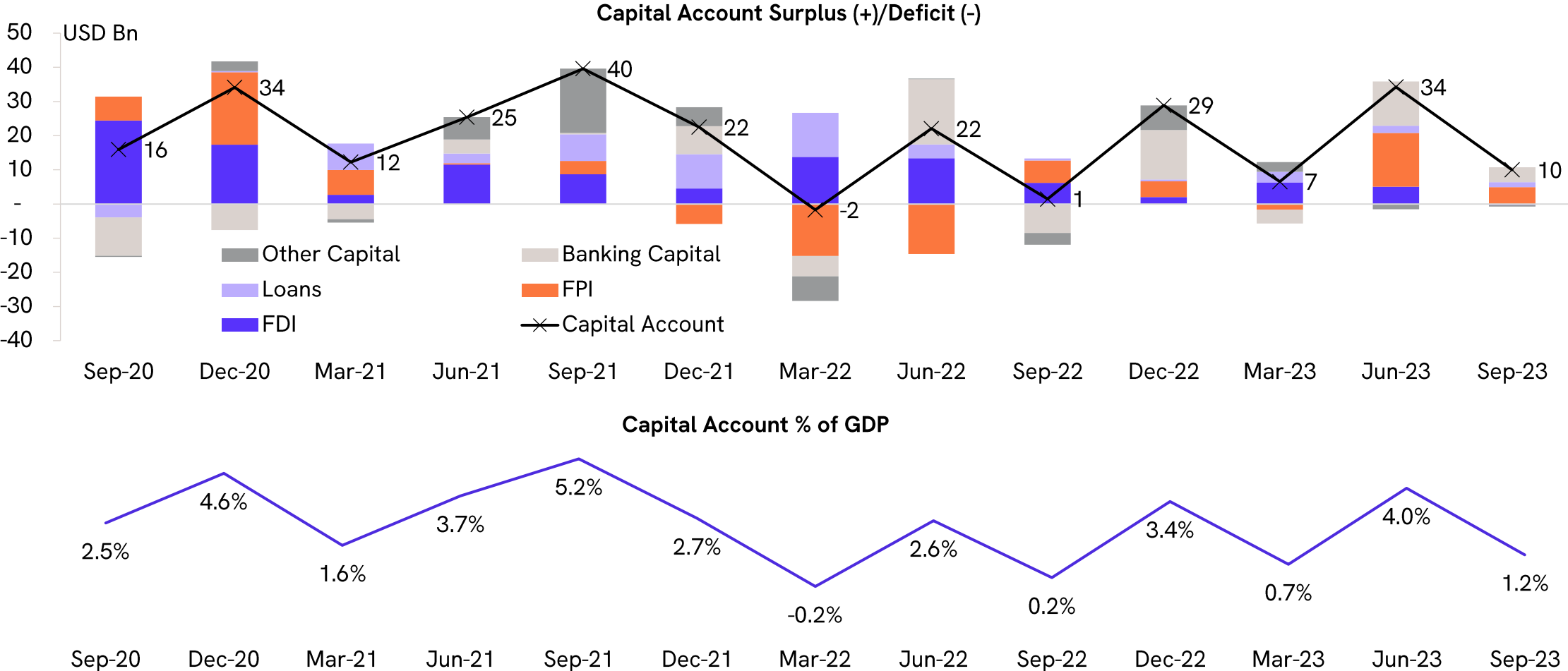
Services surplus picks up across software, business, and travel in Sep'23 quarter



Source: Ministry of Commerce, 360 ONE Asset Research

# Capital account surplus falls to US\$ 10 bn from US\$34 bn in Q1

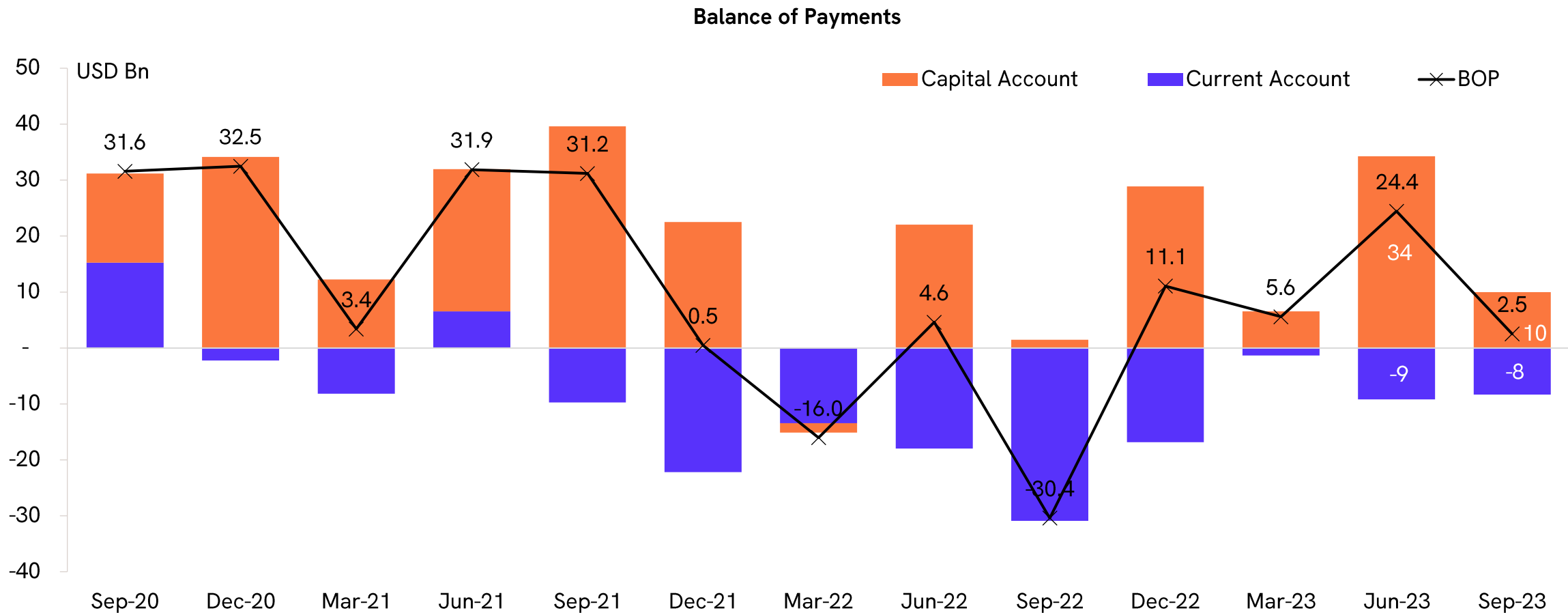
Capital account surplus falls on account of lower FPI equity, FDI and banking capital inflows



Source: RBI, 360 ONE Asset Research

# BoP surplus falls to US\$ 2.5 bn on weak capital account inflows

India's forex reserves, however, decreased by US\$ 7.3 bn in Q2 on account of a US\$ 9.9 bn valuation loss

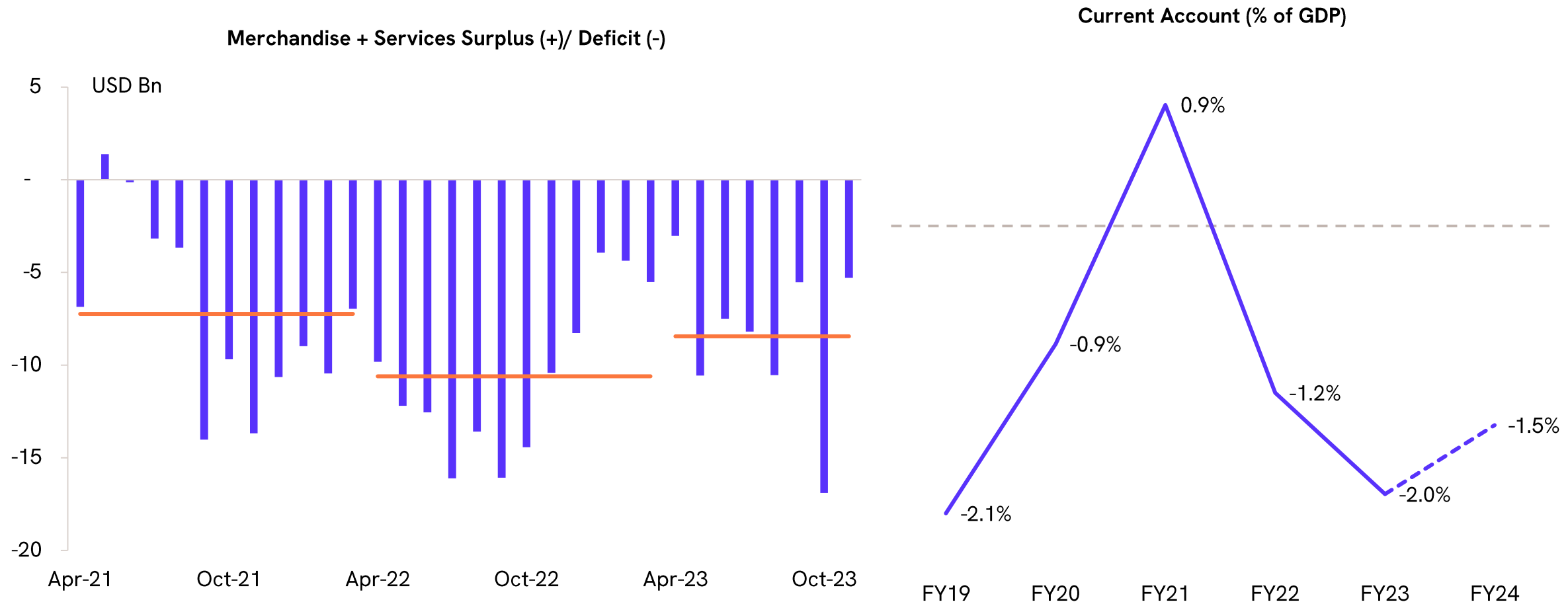


Source: RBI, 360 ONE Asset Research

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

# Outlook: CAD expected to be around 1.5% of GDP in FY24

A weak external environment and geopolitical conflicts pose risks to the outlook



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

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