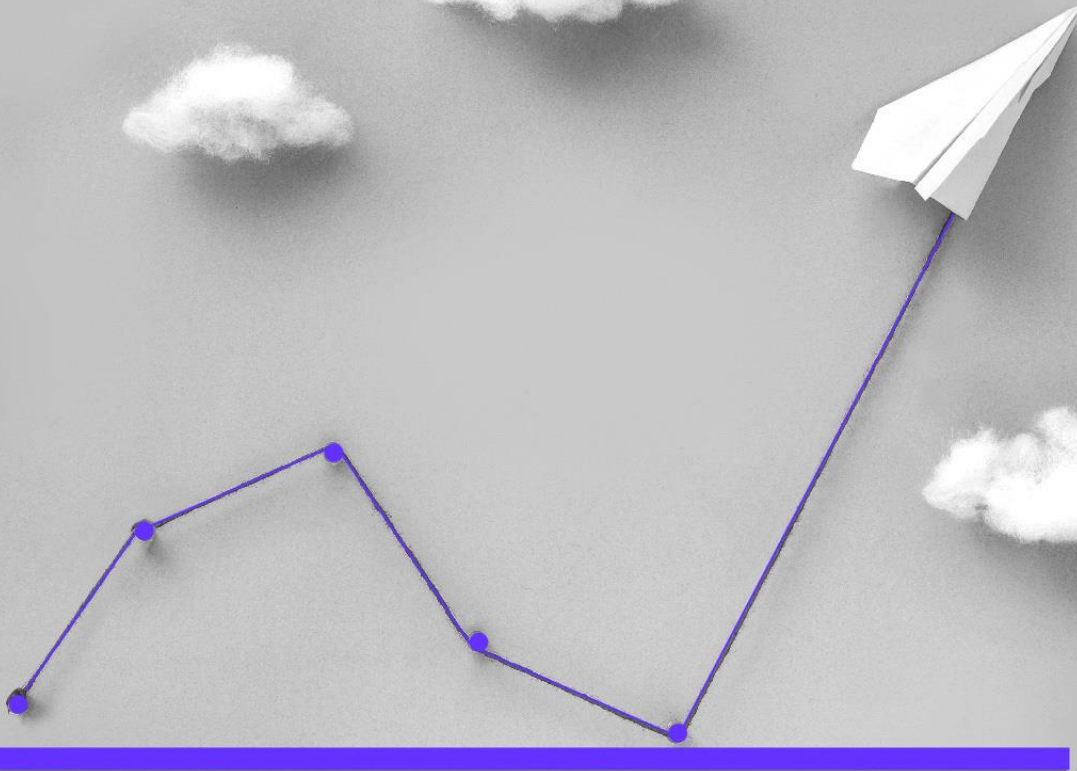


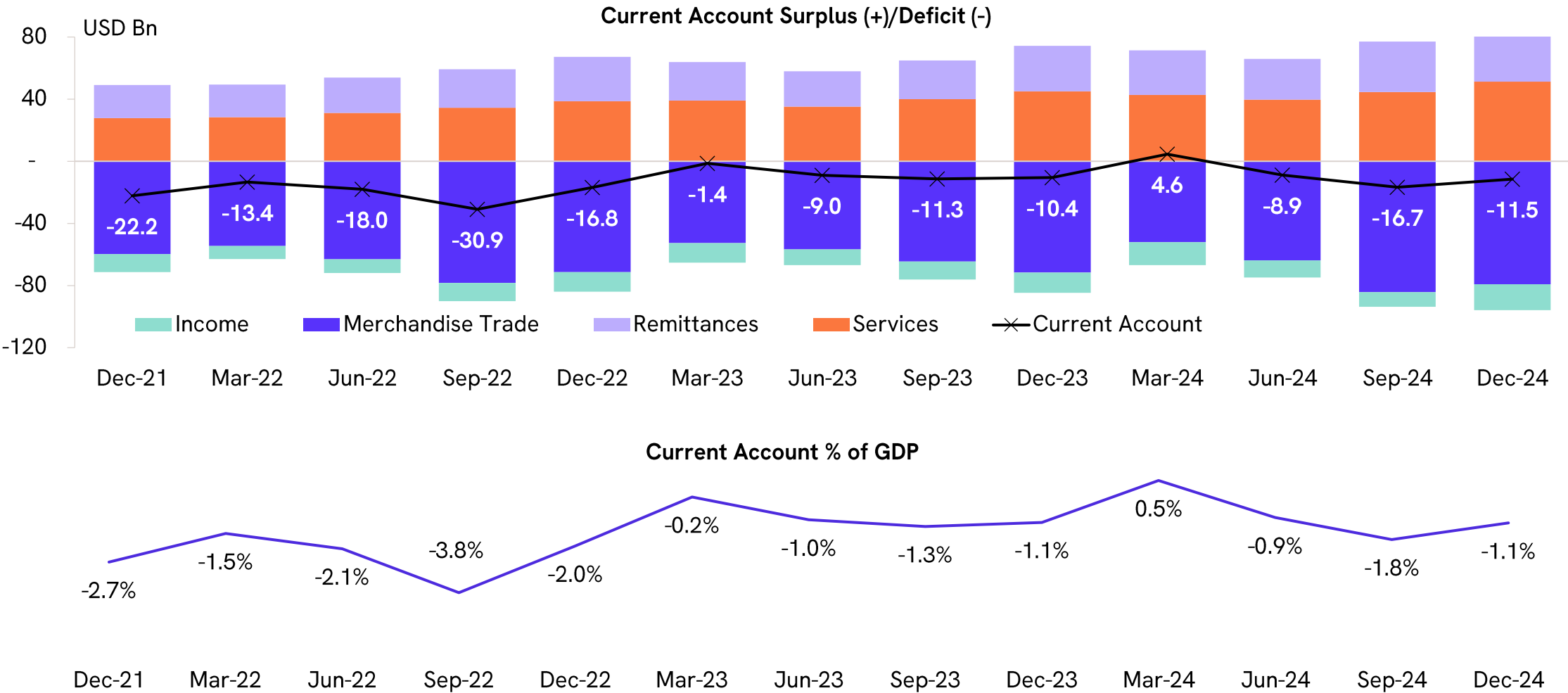
TRENDS & TIDES

India's current account
records a deficit of 1.1% of
GDP in Q3FY25,
BOP deficit at US\$37.7 bn



Current account deficit narrows to US\$11.5 bn (1.1% of GDP) in Q3FY25

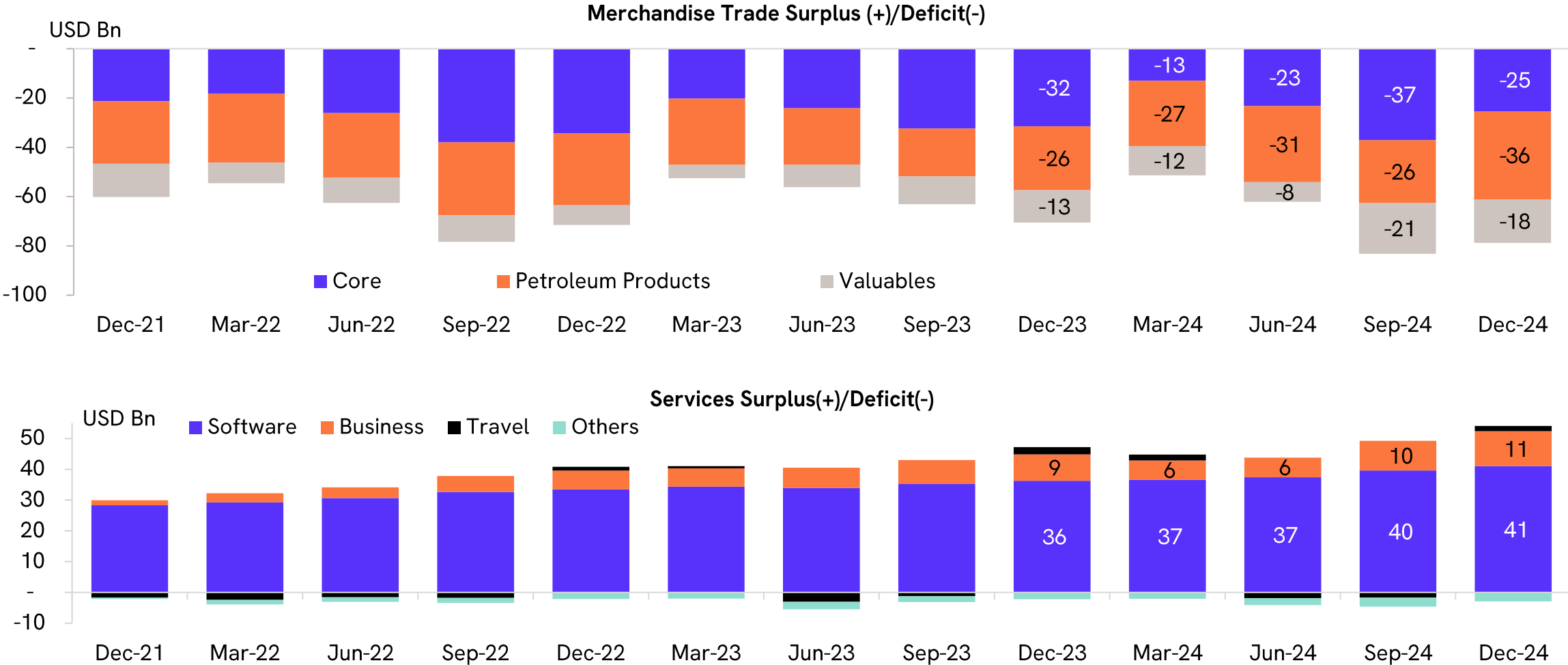
A lower merchandise deficit and a higher services surplus drive improvement in the current account



Source: RBI, 360 ONE Asset Research

Lower merchandise core and valuables deficit offset higher petro deficit

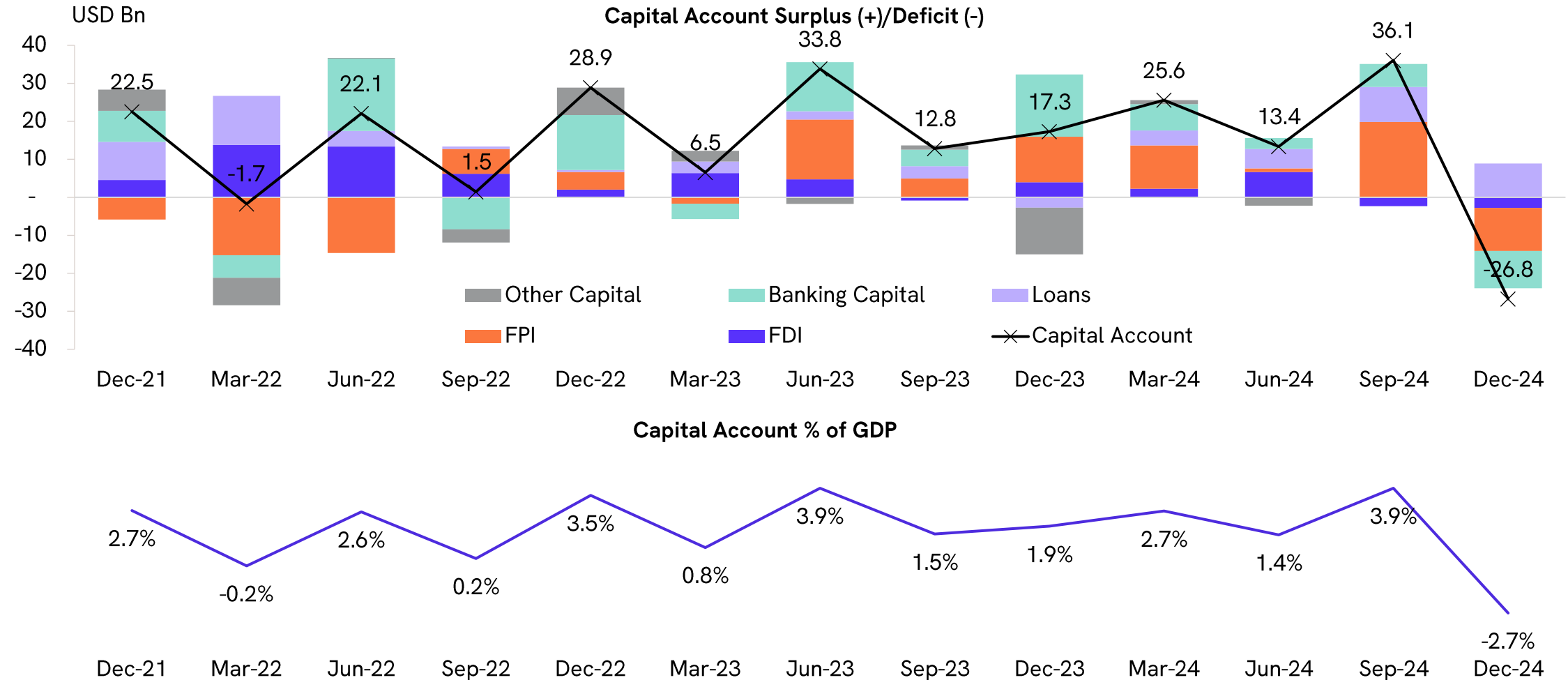
Services witness broad-based improvement across software, business, and travel services



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

Capital account turns to a deficit of US\$26.8 bn in Q3FY25

Capital account witnesses heavy FPI equity outflows during the December quarter, along with banking capital outflows

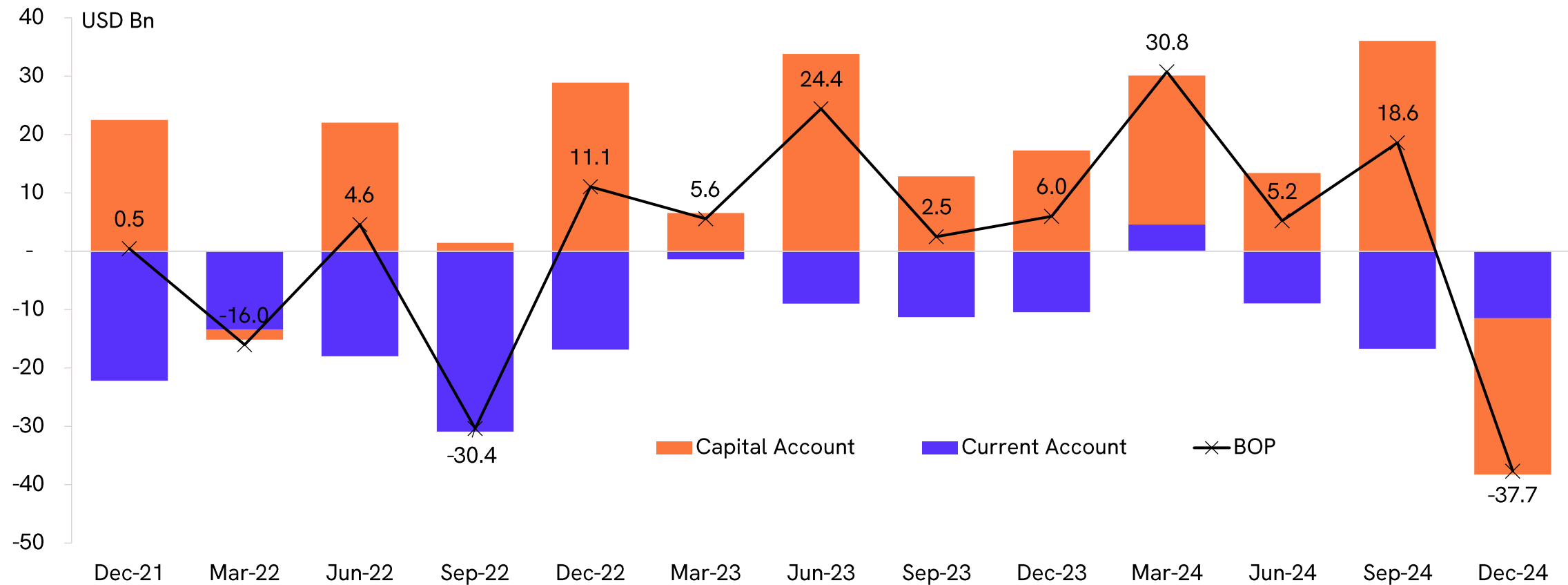


Source: RBI, 360 ONE Asset Research

BoP records a deficit of US\$37.7 bn in Q3FY25

However, India's forex reserves decreased by US\$70.1 bn in Q3 on account of an additional US\$32.4 bn valuation loss

Balance of Payments (BoP)

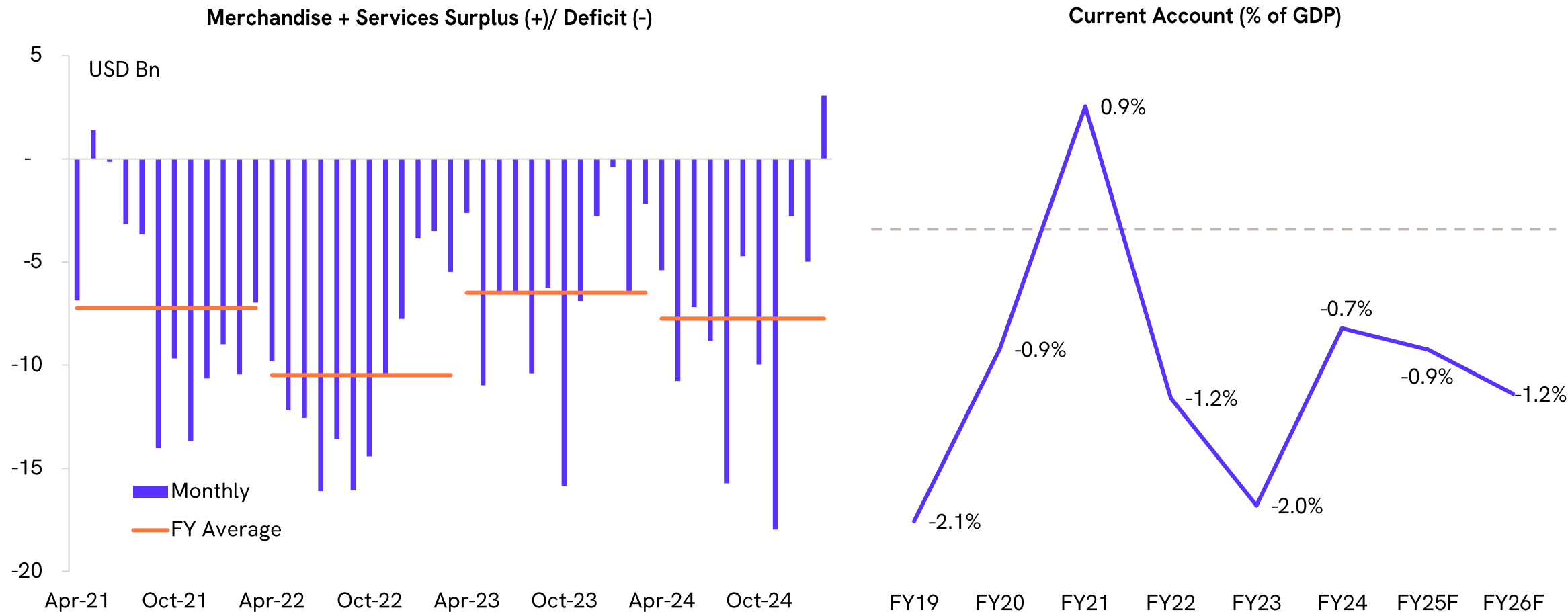


Source: RBI, 360 ONE Asset Research

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

Outlook: Current account expected to be around -0.9% of GDP in FY25

We expect a current account deficit of 1.2% of GDP in FY26, but trade disputes pose a significant risk to the outlook



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

Note: F - Forecast

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