

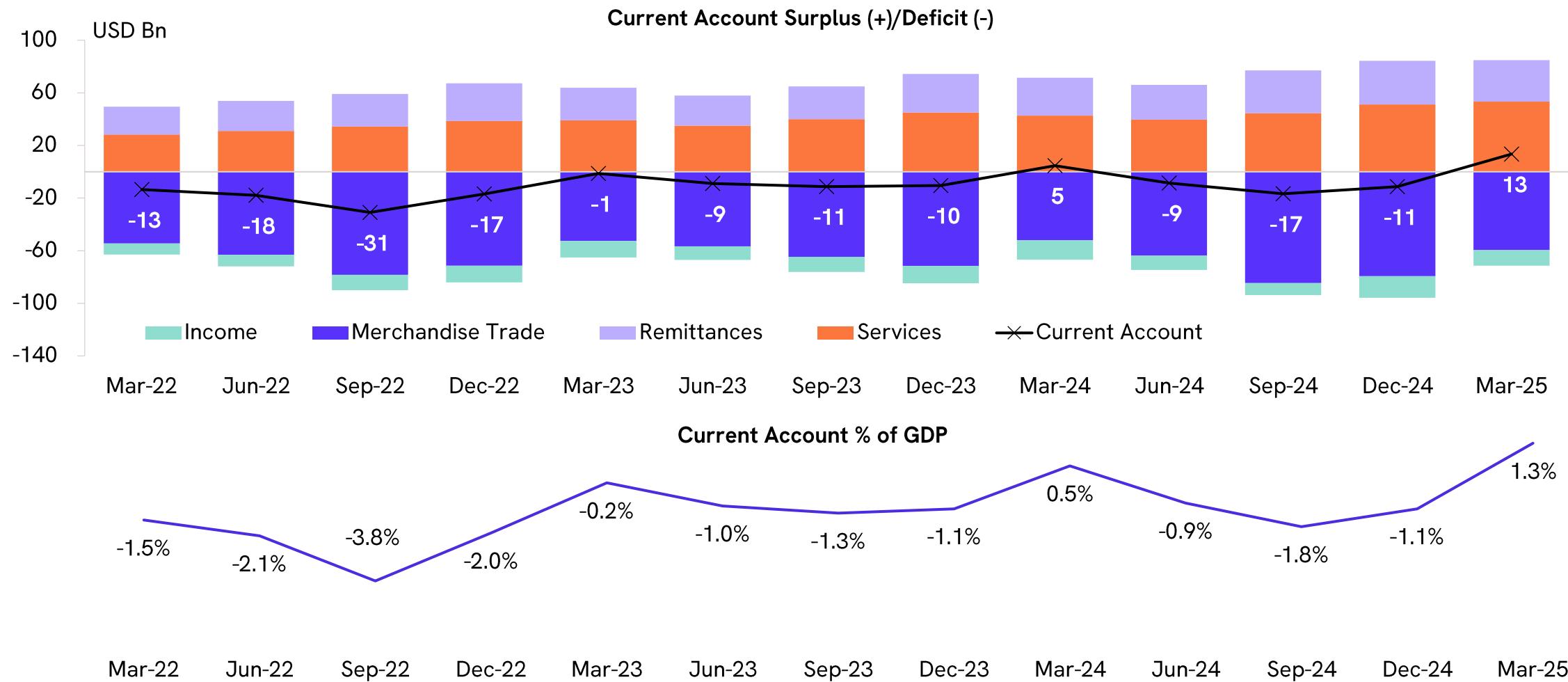
# TRENDS & TIDES

India's current account  
records a surplus of 1.3% of  
GDP in Q4FY25,  
BOP surplus at US\$8.8 bn



# Current account turns to a surplus of US\$13.5 bn (1.3% of GDP) in Q4FY25

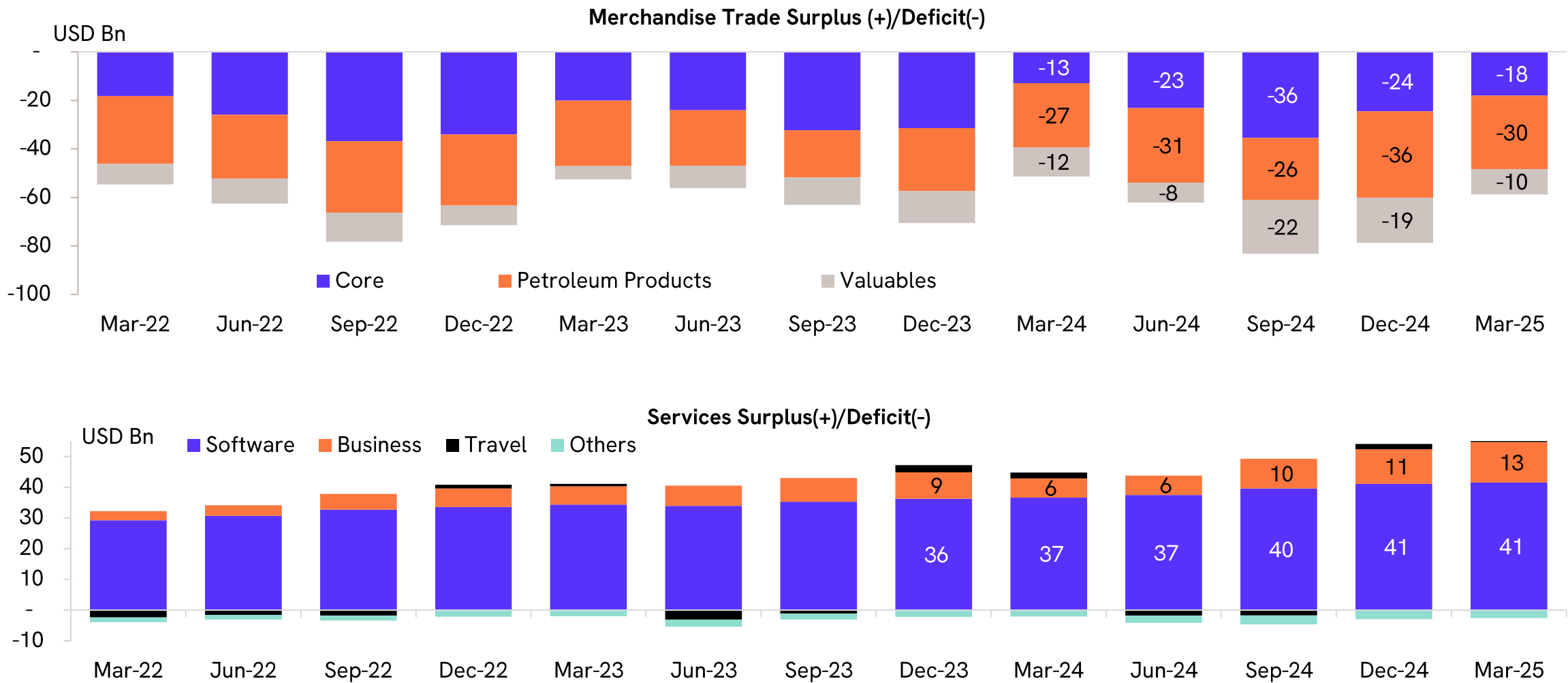
A steep fall in the merchandise deficit in Q4 (seasonal in nature) led to a surplus in the current account



Source: RBI, 360 ONE Asset Research

# Broad-based decline in merchandise trade deficit in Q4FY25

Improvement in business services drives the services trade surplus higher in Q4

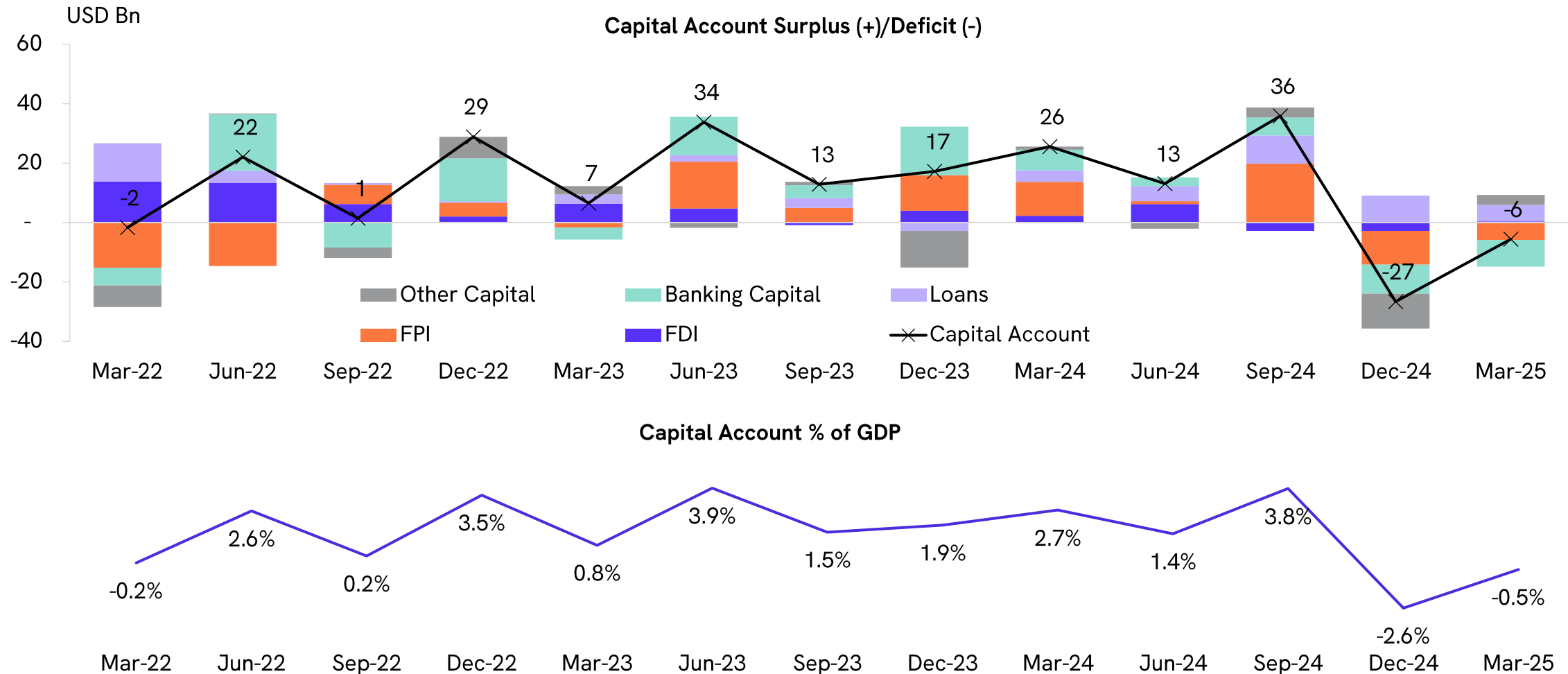


Source: Ministry of Commerce, RBI, 360 ONE Asset Research

asset  
360  
ONE

# Capital account deficit falls to US\$5.6 bn in Q4FY25 from US\$26.6 bn in Q3

Increased FPI debt inflows partially offset the rise in FPI equity outflows, leading to an improvement in the capital account

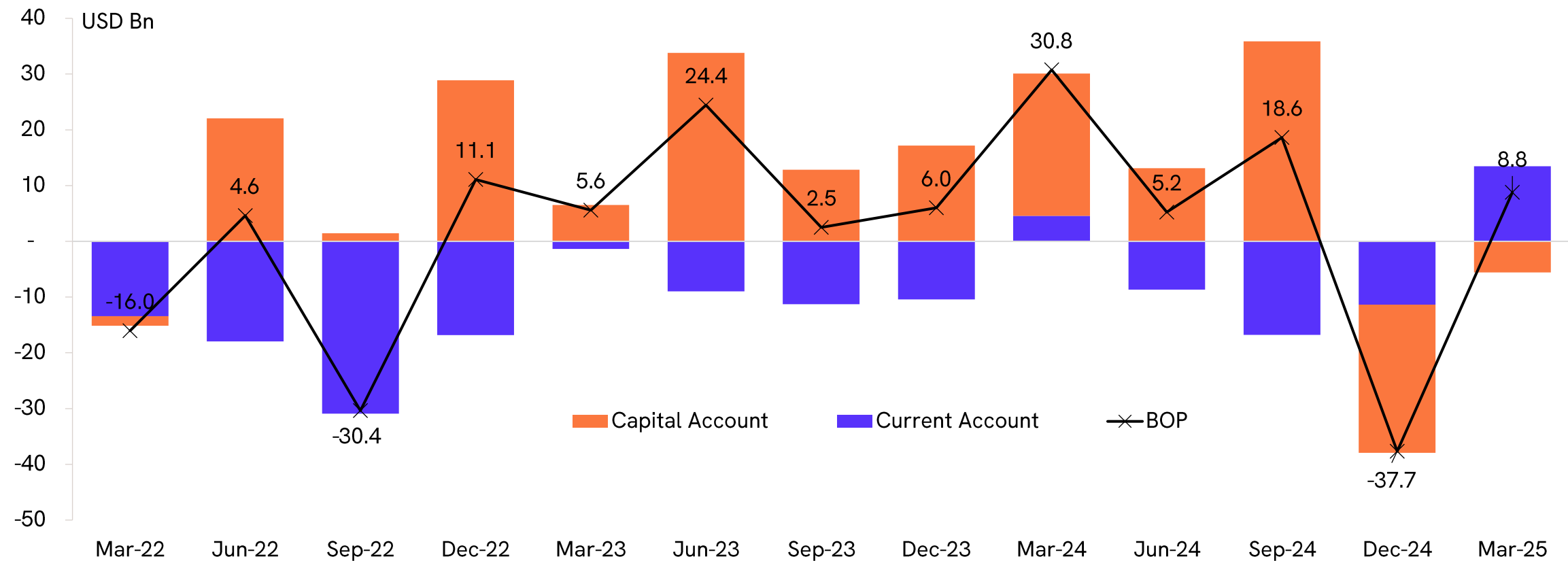


Source: RBI, 360 ONE Asset Research

# BoP records a surplus of US\$8.8 bn in Q4FY25

However, India's forex reserves increased by US\$32.6 bn in Q4 on account of a US\$23.8 bn valuation gain

Balance of Payments (BoP)

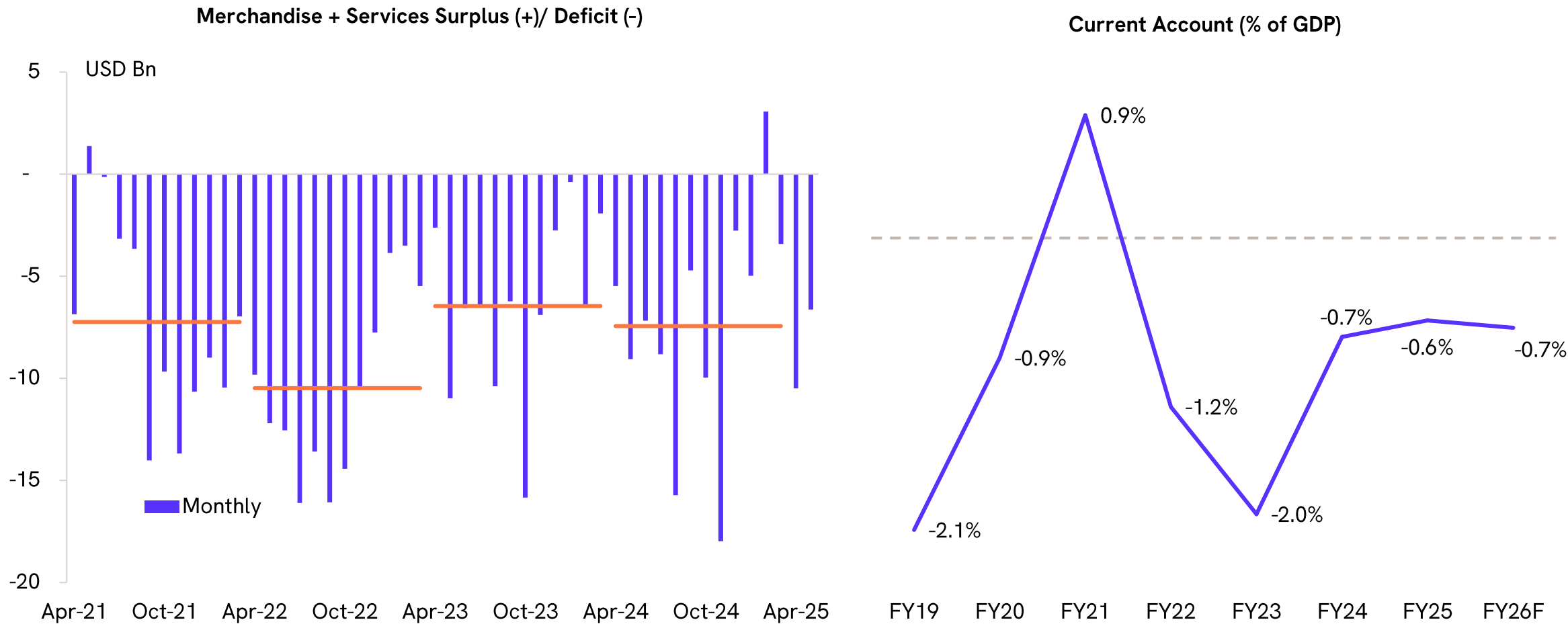


Source: RBI, 360 ONE Asset Research

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

# Outlook: Current account expected to be around -0.7% of GDP in FY26

However, high economic uncertainty, trade disputes, and geopolitical flare-ups pose significant risks to the outlook



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

Note: F - Forecast

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