

ICRA BUSINESS ACTIVITY MONITOR - AN INDEX OF HIGH FREQUENCY ECONOMIC INDICATORS

Mixed trends in economic activity in April 2026 amid spillover from West Asia conflict

MAY 2026





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ICRA Business Activity Monitor is a composite indicator that comprises:

- Auto production (2Ws and PVs)
- Vehicle registrations
- Mining output
- Power generation
- Cement output
- Non-oil merchandise exports
- Cargo handled at major ports
- Consumption of petrol and diesel
- Finished steel consumption
- Generation of GST e-way bills
- Domestic airline passenger traffic
- Aggregate deposits and non-food credit of SCBs

While the year-on-year (YoY) growth in economic activity, as measured by the ICRA Business Activity Monitor - an Index of high frequency indicators, inched up to 8.3% in April 2026 from 8.0% in March 2026, the uptick was not broad-based and was led by a sharp improvement in select indicators such as non-oil exports (partly owing to higher commodity prices). The growth seen in March-April 2026 is lower than 9-11% expansion during November 2025-February 2026, likely reflecting the adverse impact of the West Asia conflict. Likewise, while the growth in core output rose in April 2026, most constituent indicators witnessed a deterioration, which is likely to reflect in a tepid IIP growth. The early data for May 2026 appear positive, with healthy YoY expansion in electricity demand and a continued double-digit growth in vehicle registrations. However, financial conditions have worsened in early-May 2026 as the stalemate in West Asia has kept global energy prices elevated. ICRA now assumes crude oil prices to average at ~\$95/bbl in FY2027, against our prior estimate of \$85/bbl, given the ongoing stickiness in prices. Consequently, we have pared our baseline forecast for FY2027 GDP growth to 6.2% from the 6.5% expected earlier.

- **Growth in ICRA Business Activity Monitor inched up slightly in April 2026:** The YoY growth in the Index improved marginally to 8.3% in April 2026 from 8.0% in the previous month, partly aided by a favourable base. This was driven by a handful of indicators, like non-oil exports, cement output and auto output, with former mainly boosted by higher commodity prices. However, majority of the indicators (9 out of 16) reported a deterioration in their YoY performance between these months, including diesel and petrol consumption, domestic airline passenger traffic, GST e-way bill generation, mining output, and finished steel consumption.
- **Core output improved slightly in April 2026, although most sectors reported contraction:** The YoY growth in core sector output inched-up slightly to 1.7% in April 2026 from 1.2% in March 2026, while remaining quite subdued despite a favourable base. As many as five of the eight sectors registered a contraction in output in the month, barring steel, cement, and electricity generation, which is likely to reflect in tepid IIP growth in April 2026, for which data will be released on the new base on June 1, 2026.

EXHIBIT: YoY growth of ICRA Business Activity Monitor

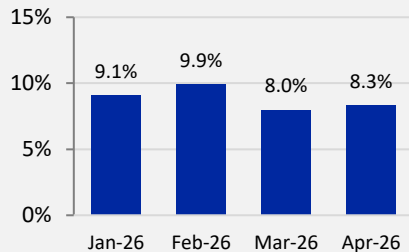
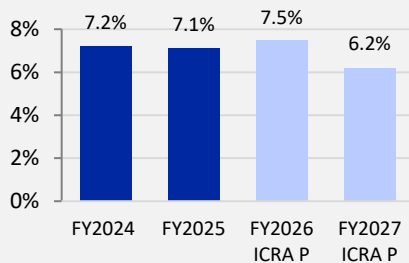


EXHIBIT: Annual growth trends in GDP (at constant 2022-23 prices)



P: Projected; Source: NSO; ICRA Research

- Unemployment rate edged up to 5.2% in April 2026:** Labour market conditions weakened further in April 2026 after having broadly improved between November and February 2026. The all-India unemployment rate (UR) inched up to a six-month high of 5.2% in April 2026 from 5.1% in March 2026, while also printing 10 bps higher than that seen in April 2025. Notably, labor market conditions in rural areas witnessed a pronounced sequential deterioration in April 2026, even as those in urban areas improved between these months.
- Early data for May 2026 positive:** During May 1-21, 2026, the average daily vehicle registrations remained robust, rising by ~23% YoY to 76.6k/units, higher than the 13% expansion seen in the full-month of April 2026. Additionally, the pace of YoY expansion in all-India electricity demand inched up to 8.1% during May 1-21, 2026 from 4.4% in April 2026, supported by higher temperatures as well as a favourable base.
- Financial conditions worsened in early-May 2026 vis-à-vis April 2026:** As many as nine of the 12 indicators pertaining to financial market conditions saw a deterioration in early-May 2026 vis-à-vis April 2026, as the stalemate in West Asia persisted and global energy prices remained elevated. This is reflected in widening spread between WAMMR and repo rate, moderation in systemic liquidity surplus, uptick in the G-sec yield curve, widening credit spreads on corporate bonds, continued depreciation in the USD/INR pair, etc. between these months.
- GDP growth revised to 6.2% for FY2027:** Given the uncertainty around the resolution of the conflict, elevated energy prices for an extended period poses a downside risk to growth in the near term, including muted prospects for investment demand, negative impact on corporate profitability and dampening consumer sentiments. Besides, the potential development of El Nino conditions and weak monsoon forecast for 2026 have dulled the agricultural outlook and rural demand prospects for H2 FY2027. ICRA now assumes crude oil prices to average at ~\$95/bbl in FY2027, against our prior estimate of \$85/bbl, given the ongoing stickiness in prices amid the stalemate in West Asia. This presumes that oil prices will remain elevated in H1 FY2027 before moderating to around \$80/bbl in H2 FY2027. Consequently, we have pared our baseline forecast for the FY2027 GDP growth (at constant 2022-23 prices) to 6.2% from the 6.5% expected earlier.

ICRA Business Activity Monitor includes high frequency indicators related to industrial and service sectors

ICRA Business Activity Monitor



SCB: Scheduled Commercial Banks; PV: Passenger Vehicles; 2W: Two-wheelers; Source: ICRA Research

While YoY growth in ICRA Business Activity Monitor inched up to 8.3% in April 2026, uptick was not broad based

EXHIBIT: Level of ICRA Business Activity Monitor (FY2019=100)

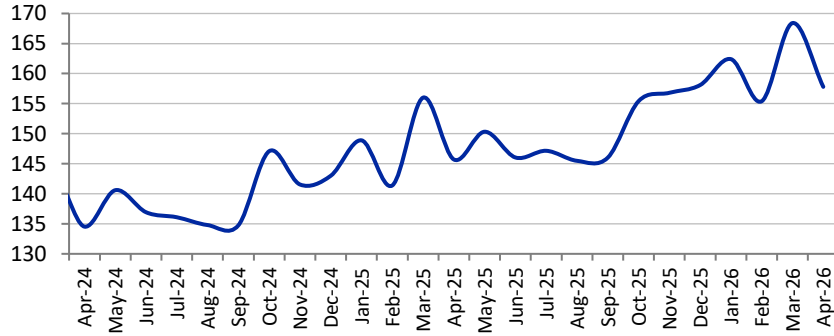
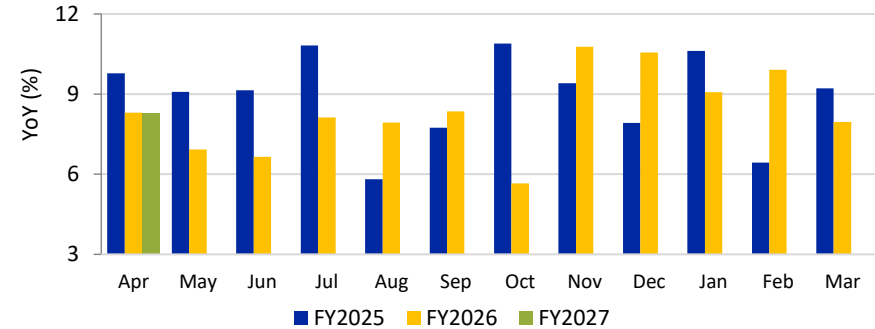


EXHIBIT: YoY growth of ICRA Business Activity Monitor



For details on the construction of the ICRA Business Activity Monitor, please refer to the [Annexure A.1](#); Source: ICRA Research

- The YoY growth in the ICRA Business Activity Monitor inched-up slightly to 8.3% in April 2026 (+8.3% in April 2025) from 8.0% in March 2026 (+9.2% in March 2025), although this was not broad-based, with only six of the 16 constituent indicators witnessing an improvement between these months. After recording strong 9-11% YoY growth during November 2025-February 2026, the YoY growth in the index has moderated in March-April 2026, likely reflecting the economic fallout from the West Asia conflict.
- The auto-related indicators, including PV output (to +12.8% from +9.0%), 2W output (to +28.4% from +21.9%), and vehicle registrations (while easing to +12.8% from +26.2%) reported healthy YoY growth in April 2026 vis-à-vis March 2026, amid tailwinds from improved affordability post the GST rate rationalisation. Besides, port cargo traffic (+2.4% from +0.7%; while remaining tepid) non-oil exports (+9.0% from -9.2%; mainly benefitting from higher commodity prices as well as depreciating USD/INR pair), electricity generation (to +4.1% from +0.8%), and cement output (+9.4% from +4.7%; partly led by a favourable base that more than offset the disruption in construction activity amid surge in bitumen prices) showed higher YoY expansion between these months.
- In contrast, the YoY performance of domestic airline passenger traffic (-1.6% from -0.9%; owing to an increase in airfares given the surge in ATF prices), diesel (+0.3% vs. +8.0%) and petrol consumption (+6.4% vs. +7.6%), GST e-way bill generation (to a 6-month low of +11.8% vs. +12.9%), finished steel consumption (to +8.1% from +14.1%), and mining output (-6.9% vs. -3.1%) deteriorated in April 2026 vis-à-vis March 2026, exerting a drag on the index.

YoY performance of a slim majority of the high frequency indicators (9/16) deteriorated in April 2026 compared to March 2026

EXHIBIT: Heatmap of high frequency indicators

YoY (%)	Auto Output			Vehicle Registration	Mining output	Power generation	Non-oil Exports	Ports Cargo Traffic	GST e-way bills	Finished Steel Consumption	Cement Output	Domestic Airline Passengers	Petrol	Diesel	Bank Deposits#	Non-Food Bank Credit#
	PV output	Scooter output	Motorcycle output													
Jan-26	5.6	25.5	12.2	18.5	0.2	5.2	-0.2	7.6	15.8	8.2	11.3	4.4	6.1	3.3	11.6^	13.5^
Feb-26	9.8	30.4	22.1	26.8	-0.2	2.3	6.4	3.8	18.8	7.9	8.9	0.2	6.1	4.3	12.1^	14.3^
Mar-26	9.0	29.6	18.3	26.2	-3.1	0.8	-9.2	0.7	12.9	14.1	4.7	-0.9	7.6	8.0	13.5^	15.3^
Apr-26	12.8	27.6	28.8	12.8	-6.9	4.1	9.0	2.4	11.8	8.1	9.4	-1.6	6.4	0.3	12.2^	15.3^

YoY growth; sequential pick-up

YoY growth; sequential dip

YoY growth; no sequential change

YoY contraction; sequential pickup

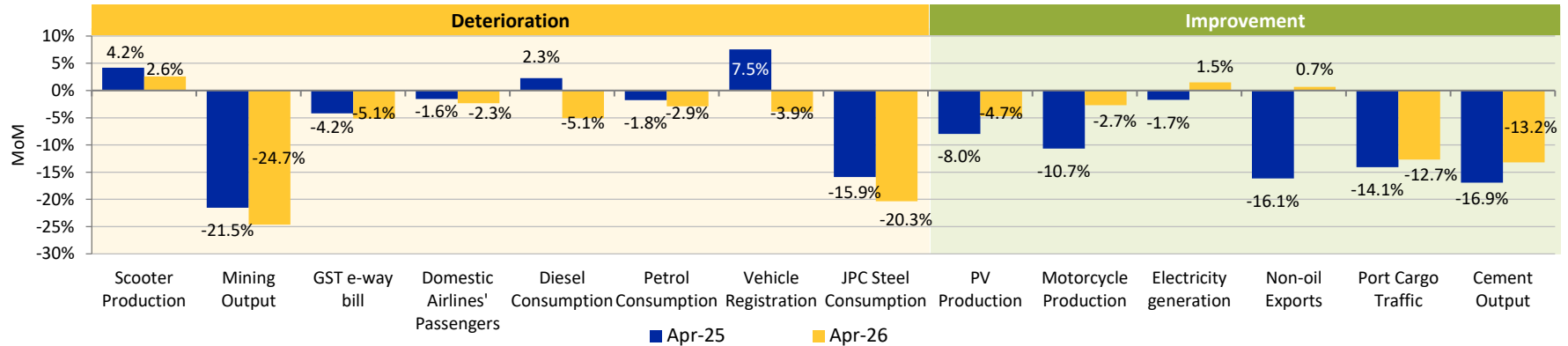
YoY contraction; sequential dip

Majority of the indicators reported deterioration in YoY growth in April 2026 vis-à-vis March 2026, with weakness persisting in mobility/transport-related indicators (like domestic airline passenger traffic, diesel consumption), and mining output.

Sas per ICRA's estimate for the month; ^Given the change in reporting dates to 15th and end of every month from earlier practice of alternate Fridays, we have taken the average outstanding non-food bank credit and deposits for the 15th and 31st of the month; #including the impact of merger of HDFC and HDFC bank; SCBs; Scheduled Commercial Banks; petrol and diesel refer to growth in consumption volumes; bank deposits and bank credit refer to growth in O/S volumes; Data on finished steel consumption (non alloy and alloy/stainless) is taken from JPC; Mining output includes coal, crude oil and natural gas indices from the core sector data; Source: Joint Plant Committee; Indian Ports Association; Ministry of Finance; Ministry of Commerce and Industry, GoI; Goods and Services Tax Network; Ministry of Petroleum & Natural Gas; Directorate General of Civil Aviation; PPAC; Reserve Bank of India; Vahan Portal; Ministry of Road Transport and Highways; CMIE; CEIC; ICRA Research

Index reported lower seasonal sequential dip in April 2026 vis-à-vis April 2025

EXHIBIT: MoM performance of non-financial economic indicators in April 2025 and April 2026



Source: CEA; MoRTH; Ministry of Commerce and Industry, GoI; Indian Ports Association; GSTN; DGCA; PPAC; JPC; RBI; CEIC; CMIE; ICRA Research

- The ICRA Business Activity Monitor reported a MoM dip of 6.3% in April 2026, reflecting the typical seasonal slowdown seen in April relative to March, albeit marginally narrower than the 6.6% contraction seen in the corresponding year-ago month.
- However, as many as 8 of the 14 non-financial indicators reported a weaker MoM performance in April 2026 vis-à-vis April 2025, including mining output, finished steel consumption, petrol and diesel consumption, air passenger traffic and GST e-way bill generation, partly reflecting spillovers from the West Asia conflict.
- Notably, while the sequential uptick in scooter production remained positive, albeit lower than corresponding year-ago levels, electricity generation and non-oil exports recorded marginal sequential expansion in April 2026 as against a contraction seen in the year-ago month.

Core output growth improved slightly in April 2026, even as most sectors saw contraction in the month

EXHIBIT: YoY trends in output of core sector

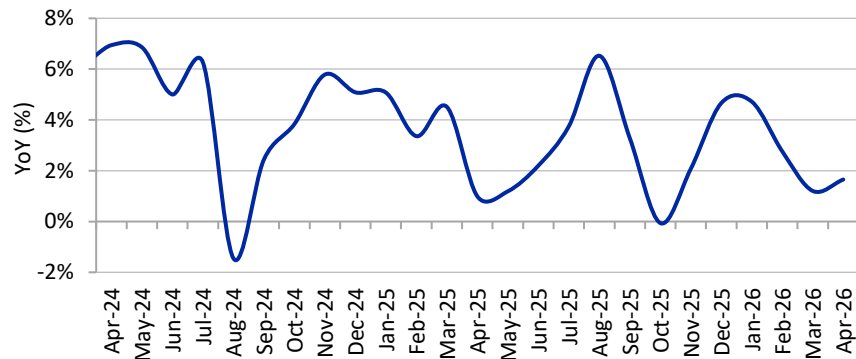
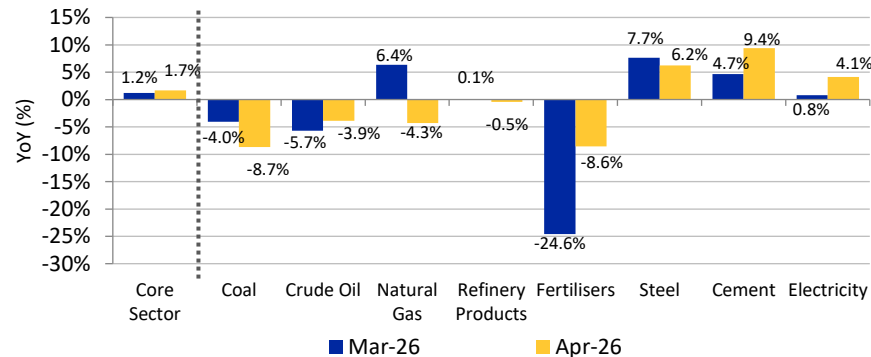


EXHIBIT: YoY performance of core sector and its sub-components

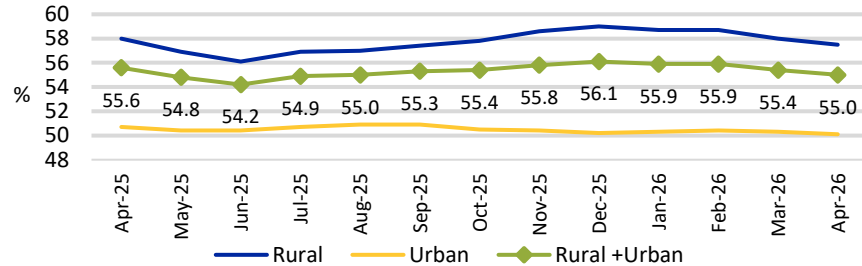


Source: Index of Eight Core Industries, Office of Economic Adviser, Ministry of Commerce and Industry; CEIC; ICRA Research

- The YoY growth in core sector output inched-up to 1.7% in April 2026 (+1.0% in April 2025) from the upward revised 1.2% in March 2026 (+4.5% in March 2025), while remaining quite subdued despite a favourable base.
- The YoY uptick in April 2026 vis-à-vis March 2026, was largely driven by electricity generation (to +4.1% from +0.8%; amid rise in temperature and heatwave conditions across some parts of India), and cement (to +9.4% from +4.7%), as well as a narrower drag from fertilisers (to -8.6% from -24.6%; likely led by pick-up in production amid constrained imports). The improvement in growth across these sectors was also partly driven by a favourable base.
- Notably, as many as five of the eight sectors registered a contraction in output in the month, barring steel, cement, and electricity generation, suggesting that economic activity in some sectors was impacted by the West Asia crisis. This is likely to reflect in tepid IIP growth in April 2026, for which data will be released on the new base on June 1, 2026.

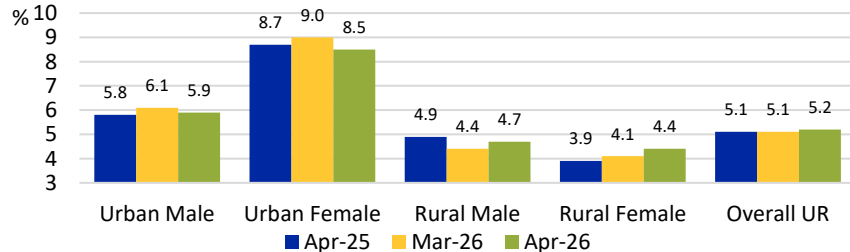
All-India Unemployment rate inched up to 5.2% in April 2026

EXHIBIT: All-India Labour Force Participation Rate (LFPR) moderated to 55.0% in April 2026 from 55.4% in March 2026, amid continued softening across rural and urban areas; it also trailed the year ago level of 55.6% seen in April 2025



LFPR is defined as the percentage of persons in labour force (i.e. working or seeking or available for work) in the population.

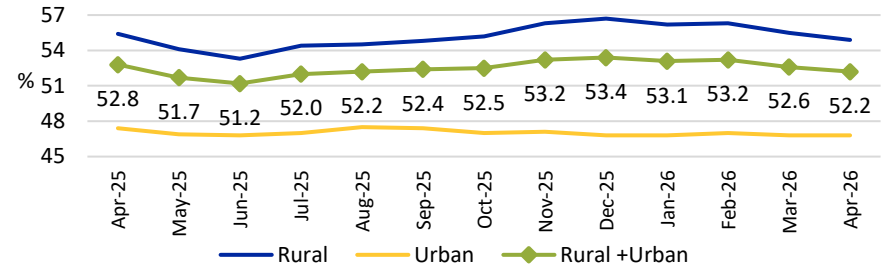
EXHIBIT: The all-India Unemployment Rate (UR) edged up to a 6-month high of 5.2% in April 2026 from 5.1% in March 2026, led by rural areas, even as that in urban areas declined between these months



UR is defined as the percentage of persons unemployed among the persons in the labour force.

Based on CWS for persons of age 15 years and above; Source: PLFS-Monthly Bulletin, MOSPI; ICRA Research

EXHIBIT: The all-India Worker-Population Ratio (WPR) eased to an 8-month low of 52.2% in April 2026 from 52.6% in March 2026, primarily led by rural areas, while also printing 60 bps lower than the year ago levels

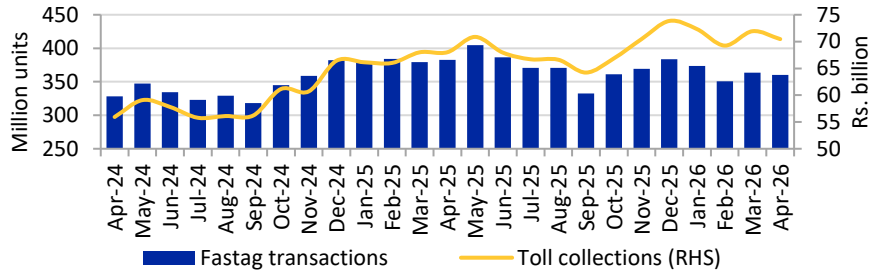


WPR is defined as the percentage of employed persons in the population.

- Rural labor market conditions witnessed a pronounced sequential deterioration in April 2026, led by a sharp dip in the WPR (to 54.9% in April 2026 from 55.5% in March 2026) and a rise in the UR (to a 7-month high 4.6% from 4.3%). In YoY terms, while the WPR was 50 bps lower, the UR was only 10 bps higher.
- In urban areas, labor market conditions improved in April 2026 vis-à-vis March 2026, as an unchanged WPR (at 46.8%) and a marginal decline in LFPR (-20 bps to 50.1% from 50.3%), led to a dip in the UR (-20 bps to 6.6% from 6.8%) between these months. However, on a YoY basis, urban labor conditions were weaker, with both the WPR and LFPR lower by ~60 bps, and UR marginally higher at 6.6% in April 2026 vs. 6.5% in April 2025. Interestingly, the UR for urban females eased to a series-low of 8.5% in April 2026 from 9.0% in March 2026.

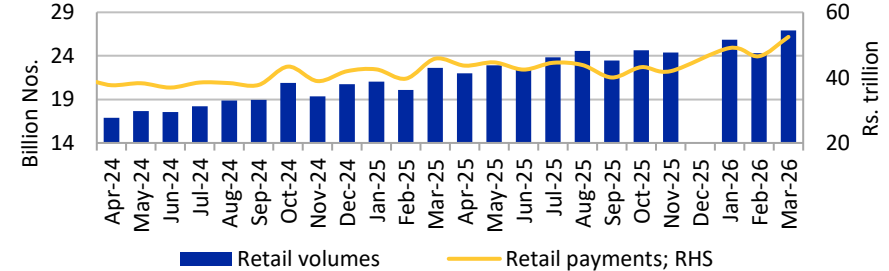
Available data for April 2026 revealed a mixed trend in payment indicators

EXHIBIT: FASTag transactions declined by 5.8% YoY in April 2026, partly dampened by a high base (+14.5%/+21.6% in March/April 2025), even as toll collections were up by 3.6% (the lowest growth print in post-Covid period)



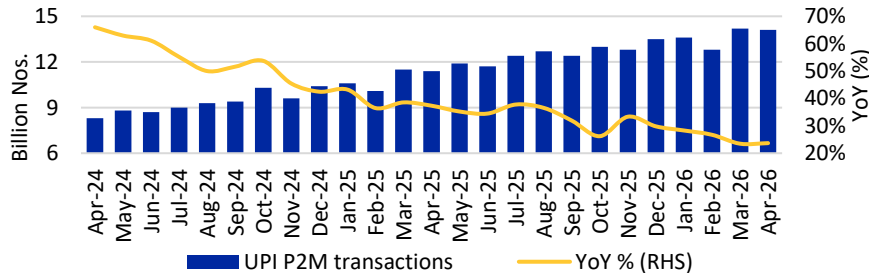
Source: National Payments Corporation of India (NPCI), ICRA Research

EXHIBIT: The YoY growth in retail transactions slowed to 4-month low of 19.2% in March 2026 from >20% levels in each of the prior three months; retail payments surged to all-time high Rs. 52.5 trillion, up by ~15% YoY in Apr 2026



Data for Dec 2025 is unavailable; Source: NPCI, ICRA Research

EXHIBIT: The all-India UPI P2M transactions were up by a robust 24.3% YoY in April 2026, albeit slightly lower than March 2026 level (~1%)



*P2M refers to Person to Merchant transactions; Source: NPCI; ICRA Research

- The retail transactions on the NPCI rose to an all-time high of 26.9 billion in March 2026, reflecting year-end jump in transactions, even as the YoY growth slowed to a 4-month low 19.2%. In value terms, the growth stood at 14.6% in March 2026.
- Subsequently, the FASTag transactions within the retail basket moderated by ~6% YoY in April 2026, while national electronic toll collections were up by a muted 3.6% in the month, the lowest growth print in last 6 years.
- On the contrary, the pan-India UPI transactions for Person to Merchant (P2M) transactions remained robust in April 2026, with volumes up by 24.3% YoY to 14.1 billion (vs. +23.7% YoY in March 2026), and values rising by 28.3% YoY to Rs. 8.5 trillion (vs. +28.5% YoY in March 2026). However, on a sequential basis, there has been a slight seasonal easing in both UPI P2M volumes and values, down ~1% each in April 2026.

Financial conditions have worsened in early-May 2026 vis-à-vis April 2026

EXHIBIT: Heatmap of high frequency indicators pertaining to financial conditions

Financial Indicators*	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
WAMMR spread (bps)	-27	-30	-18	-17	-11	-10	-23	-7	-4	-53	-14	-28	-17
Net LAF/NDTL (%)	0.7	1.2	1.3	1.2	0.6	0.4	0.7	0.3	0.2	1.0	0.7	1.4	0.9
Yield curve level (%)	6.15	6.11	6.12	6.27	6.31	6.23	6.25	6.31	6.39	6.38	6.44	6.58	6.65
Yield curve slope (bps)	52	93	102	105	111	110	113	129	129	140	141	170	170
3Y AAA spread (bps)	109	101	95	80	91	100	100	103	111	109	118	106	117
5Y AAA spread (bps)	103	99	111	91	92	102	88	92	96	103	103	98	103
BSE Sensex return (%)	1.5	2.6	-2.9	-1.7	0.6	4.6	2.1	-0.6	-3.5	-1.2	-11.5	6.9	-2.2
PE level vs. 2YMA	96.5	98.5	100.8	96.7	96.5	98.6	99.5	101.0	100.1	99.7	92.0	93.5	91.9
India VIX	1,799	1,821	1,847	1,809	1,834	1,846	1,874	1,876	1,867	1,863	1,744	1,743	1,772
India-US yield differential (bps)	185	196	201	232	251	249	249	253	253	264	257	269	256
INR return (%)	-1.1	-0.2	-2.1	-0.7	-0.8	0.1	-0.7	-0.6	-2.0	0.7	-3.5	-0.6	-1.7
1M forward premia (%/annum)	2.33	1.52	1.61	1.72	1.90	1.95	1.91	3.93	2.81	1.83	4.00	3.57	2.67

Easier financial conditions

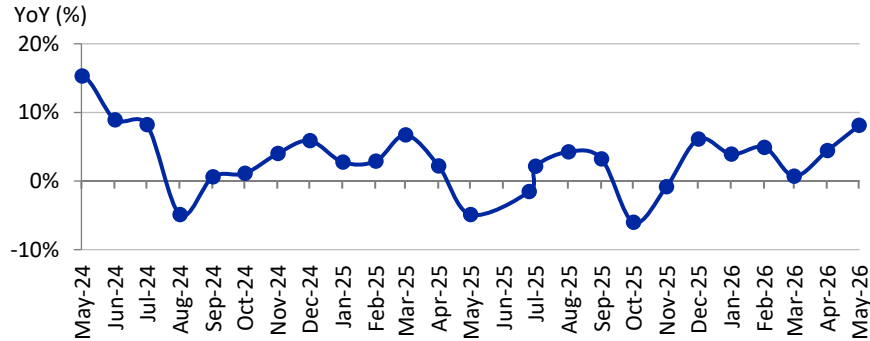
Neutral

Tighter financial conditions

As many as nine of the 12 indicators pertaining to financial market conditions saw a deterioration in early-May 2026 vis-à-vis April 2026, as the stalemate in West Asia persisted and global energy prices remained elevated, which transmitted to higher yields.

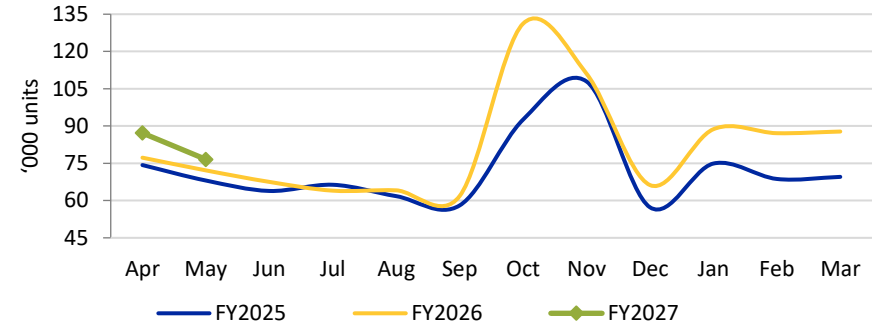
Data for May 2026 is up to May 19, 2026; WAMMR: Weighted average money market rate; LAF: Liquidity adjustment facility, NDTL: Net Time and Demand Liabilities, VIX: Volatility Index; 2YMA: 2 Year Moving Average; PE: Price to earnings ratio; *Refer to [Annexure C](#) for the detailed explanation on indicators; Source: CMIE, RBI, BSE, CEIC, ICRA Research

EXHIBIT: YoY trends in electricity demand at all-India level



Data for May 2026 is till May 21; Source: POSOCO; CEIC; ICRA Research

EXHIBIT: Average daily vehicle registrations at all-India level



Data for May 2026 is till May 21; Source: Vahan, MoRTH; ICRA Research

- The pace of YoY expansion in the all-India electricity demand improved up to 8.1% during May 1-21, 2026 from 4.4% in April 2026, supported by rising temperatures (average electricity demand at 5.2 BU/day in May 2026 so far vs. 5.1 BU/day in April 2026) as well as a favourable base (-4.9%/+2.2% in May 2025/April 2025). However, the average spot power tariffs in the day-ahead-market (DAM) softened to Rs. 4.6/unit during May 1-22, 2026 from Rs. 5.3/unit in April 2026, amid ample supply (solar energy, during solar hours).
- The average daily vehicle registrations were robust in May 2026 so far (May 1-21), rising by ~23% YoY to 76.6k/units, higher than the growth of 13% YoY seen in April 2026. However, on a MoM basis, these were lower by ~4% relative to the levels seen during April 1-21, 2026. Overall, the YoY increase in vehicle registrations has remained fairly strong since October 2025, primarily supported by the demand boost following the GST rate reductions.

The ICRA Business Activity Monitor - an Index of high frequency economic indicators, is a composite tool that gauges economic activity each month. While several high frequency indicators are released every month, each of these provides insights on the performance of a select segment of the economy. It is possible to appraise trends in each of these indicators and provide a qualitative assessment of the overall state of the economy. However, such an evaluation is fraught with challenges, especially when indicators display contradictory trends or point to multi-speed expansions/contractions. The Business Activity Monitor aims to overcome this contention by providing a summary measure of the state of the economy by integrating multiple high frequency indicators into a single index.

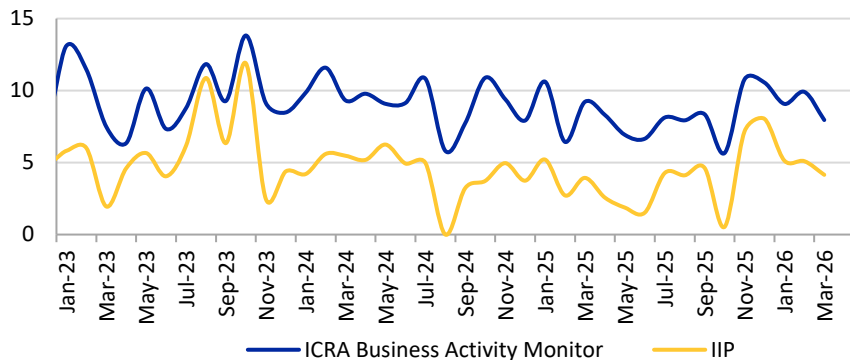
The ICRA Business Activity Monitor is constructed using 18 monthly high frequency indicators – auto production (comprising passenger vehicle, motorcycle and scooter production), mining output (weighted average of the coal, crude and natural gas indices based on the core output data), electricity generation, non-oil merchandise exports, ports cargo traffic, non-food bank credit of scheduled commercial banks, bank deposits, vehicle registrations, generation of GST e-way bills, domestic airlines' passenger traffic, petrol consumption, diesel consumption, cement output and finished steel consumption. Each of these indicators are indexed in a way that the average index value for the base year FY2019 amounts to 100. The index is computed by taking the mean of the index values of these indicators.

The ICRA Business Activity Monitor gives us the net direction of the 18 high frequency indicators and can be used to assess economic conditions across time periods. For instance, a deceleration in the YoY growth of the Index to 8.0% in March 2026 from 9.9% in February 2026, signifies a slowdown in economic activity momentum between these months.

While summary measures of economic activity such as the GDP and the Index of Industrial Production (IIP) are released by the Government, these are available with relatively longer lags. The GDP data is available for a quarterly or higher frequency and is released with a lag of two months post the end of the quarter. Although IIP data is available on a monthly basis, it is released with a lag of around four weeks post the end of the month (Eg. IIP for March 2026 was released on April 28, 2026). Moreover, the IIP by design excludes the services sector. Since the ICRA Business Activity Monitor is based on a variety of high frequency indicators, it is usually released with a lag of around three weeks (E.g. the ICRA Business Activity Monitor for March 2026 was available by April 22, 2026), thereby enabling a faster assessment of economic activity in the immediately preceding month.

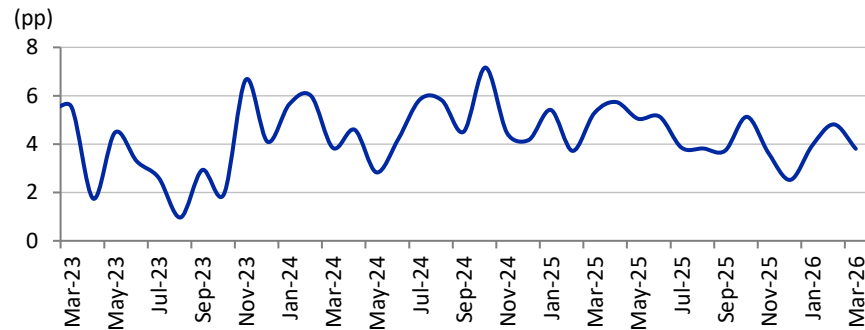
Annexure A.2: ICRA Business Activity Monitor

EXHIBIT: Correlation between YoY trends in ICRA Business Activity Monitor and IIP



Source: ICRA Research

EXHIBIT: Deviation in YoY growth between ICRA Business Activity Monitor and IIP

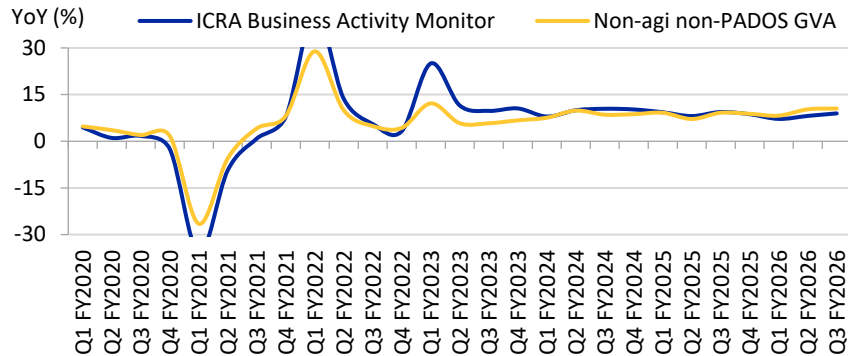


Source: ICRA Research

- The IIP is a measure of industrial activity and does not cover the agriculture and services sectors. The ICRA Business Activity Monitor is a broader measure than the IIP as it also covers some high frequency indicators related to the services sector (measures of mobility such as airlines passenger traffic and petrol consumption and financial services such as non-bank food credit and bank deposits).
- We have observed some degree of co-relation between the two (in both absolute and YoY growth terms). The deviation between the growth of the ICRA Business Activity Monitor and the IIP stood at +/-2% and +/-5% in 11 and 48, respectively, of the 84 months between April 2019 and March 2026.
- Further, the ICRA Business Activity Monitor correctly predicted the YoY growth accelerations and decelerations in the IIP on 62 of the 84 occasions during this period. The deviations in the YoY growth between the ICRA Business Activity Monitor and the IIP were positive/negative in 73/11 of the 84 months.

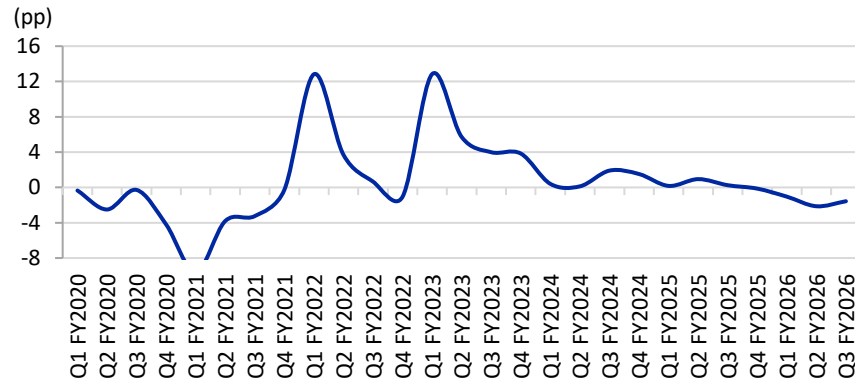
Annexure A.3: ICRA Business Activity Monitor

EXHIBIT: Correlation between YoY trends in ICRA Business Activity Monitor and non-agri non-PADOS GVA



Note: YoY growth for non-agri non-PADOS GVA from Q1 FY2024 onwards is as per the new GDP series (2022-23) Source: ICRA Research

EXHIBIT: Deviation in YoY growth between ICRA Business Activity Monitor and non-agri non-PADOS GVA

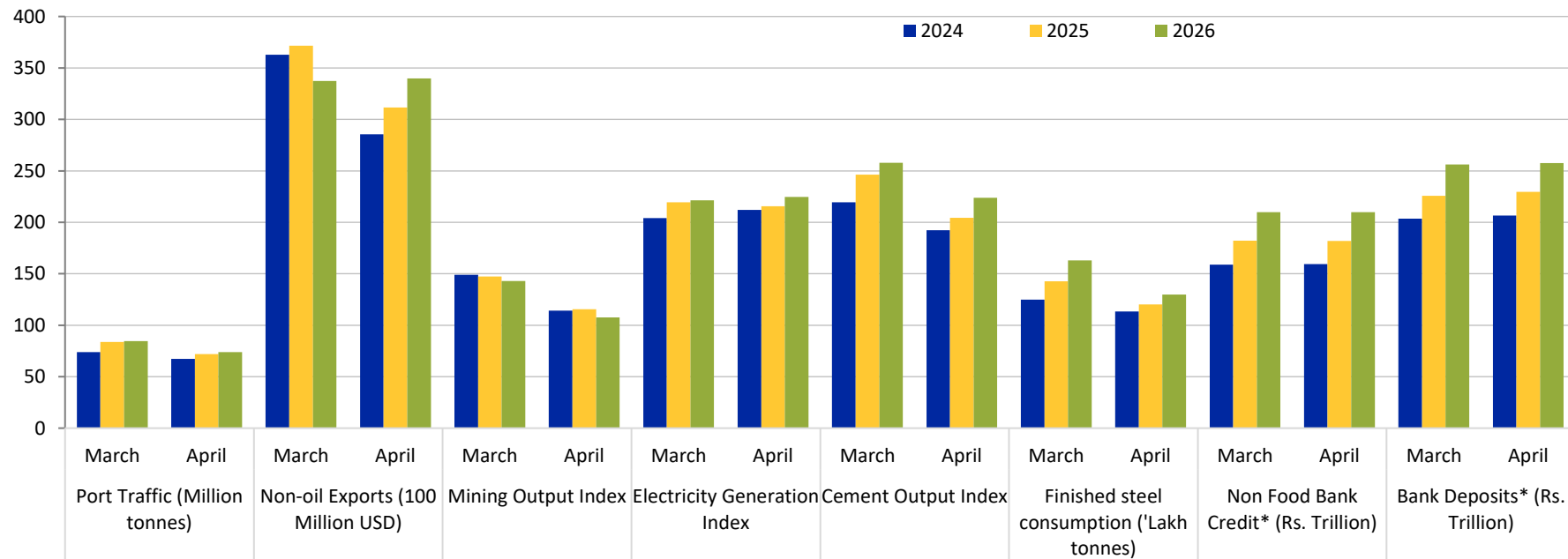


Source: ICRA Research

- On the other hand, notwithstanding some coverage of the services sector, the ICRA Business Activity Monitor is a relatively narrower measure of economic activity compared to the GDP or the Gross Value Added (GVA), which is much more comprehensive in its scope. While the ICRA Business Activity Monitor provides a good gauge of the direction of growth in non-agri non-public administration, defence and other services (PADOS) GVA, the deviation in the growth rates exceeded +/-1% in 16 of the 27 quarters between Q1 FY2020 and Q3 FY2026.
- Interestingly, in the period when growth was slowing down (up to Q1 FY2021), there was a negative deviation between the ICRA Business Activity Monitor and the non-PADOS GVA growth, indicating that the former predicted the downturn but magnified its extent. The opposite is true for the period from Q4 FY2021 onwards.
- Since the GVA is a measure of value addition, this could lead to a difference in the magnitude and/or direction of changes between the growth in the GVA and the ICRA Business Activity Monitor, as the former would be affected by changes in margins of businesses following rising/falling commodity prices or cost cutting measures.

Annexure B.1: Volume of 14 of the 16 indicators rose in April 2026 vs. April 2025, barring mining output and domestic airline passenger traffic

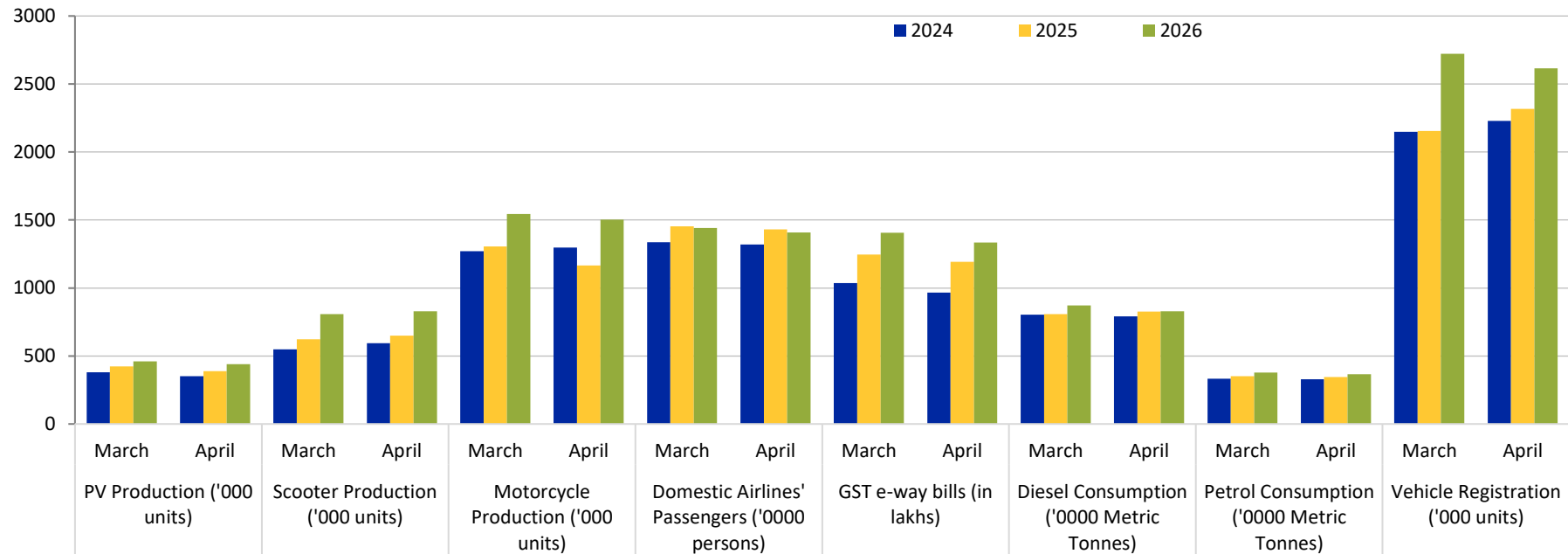
EXHIBIT: Trends in Volumes for Last Three Years in March and April (Part - I)



*Given the change in reporting dates to 15th and end of every month from earlier practice of alternate Fridays, we have taken the average outstanding non-food bank credit and deposits for the 15th and 31st of March 2026 and April 2026; Source: Ministry of Commerce and Industry, GoI; Indian Ports Association; JPC; RBI; CEIC; CMIE; ICRA Research

Annexure B.2: Volume of 14 of the 16 indicators rose in April 2026 vs. April 2025, barring mining output and domestic airline passenger traffic

EXHIBIT: Trends in Volumes for Last Three Years in March and April (Part - II)



Source: PPAC; GSTN; DGCA; Ministry of Road Transport and Highways; CEIC; CMIE; ICRA Research

To gauge financial conditions in the Indian economy, ICRA has assessed the performance of 12 high frequency indicators across the money, G-sec, Corporate Bond, forex and equity markets. These include:

- **Weighted Average Money Market Rate (WAMMR) spread:** The WAMMR captures the cost of overnight funds for banks and non-banks. A higher (lower) spread between the WAMMR and the repo rate is typically associated with tighter (easier) financial conditions in the money market.
- **Net LAF/NDTL:** Liquidity conditions are determined by net balances under the liquidity adjustment facility (LAF) as a proportion of net demand and time liabilities (NDTL). A negative (positive) value depicts liquidity deficit (surplus) in the banking system, implying tighter (easier) financial conditions.
- **Yield curve level:** This is computed by averaging the yields of 91-day T-bill, and 3, 5, 10 and 30-year dated securities. A higher level of the yield curve is led by an increase in interest rates which implies an increase in financing costs, thus reflecting a tightening in financial conditions.
- **Yield curve slope:** It is the term spread, captured as the difference between the 10Y G-sec yield and 91-day T-bill yield. A higher slope largely reflects low short-term rates, hence, easier financial conditions.
- **3Y/5Y AAA bond spread:** It is the credit spread, computed as the difference between the AAA Corporate Bond yield and G-sec yield of same maturity. An increase (decrease) in the spread reflects tighter (easier) financial conditions.
- **BSE Sensex Return:** Higher returns attract greater FII inflows, which affect valuations and have a positive impact on market sentiment, implying easier financial conditions. The data at the last working day of the month vis-à-vis the previous month-end data is used to compute the monthly returns.
- **PE level vs. 2YMA:** It is the PE ratio relative to the 2-year moving average. A decline (rise) in this ratio is associated with tighter (easier) financial conditions.
- **India VIX:** The India Volatility Index measures the market's anticipation of volatility/fluctuations in near term. A higher (lower) value depicts more volatility and tighter (easier) financial conditions.
- **INR Return:** This is the MoM change in USD/INR rate [appreciation (+)/depreciation (-)]. A depreciation leads to an increase in debt servicing cost, thus leading to tighter financial conditions.
- **India-US yield differential:** An increase in yield differential reflects relatively higher domestic interest rate, and is associated with tighter financial conditions.
- **1M Forward Premia:** A forward premium in currency exchange occurs when the price of a currency for future delivery (forward rate) is higher than its current price (spot rate). Increase in 1M forward premia is usually linked to tighter financial conditions.



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