

What is the UFI telling us?

Weekly UFI: ICICI Bank's weekly UFI¹ rose to 112.2 vs the previous week's value of 109.5. The index was driven higher by broad based improvement across indicators with traction in domestic economic activity despite global headwinds except labour force participation that moderated on weekly basis.

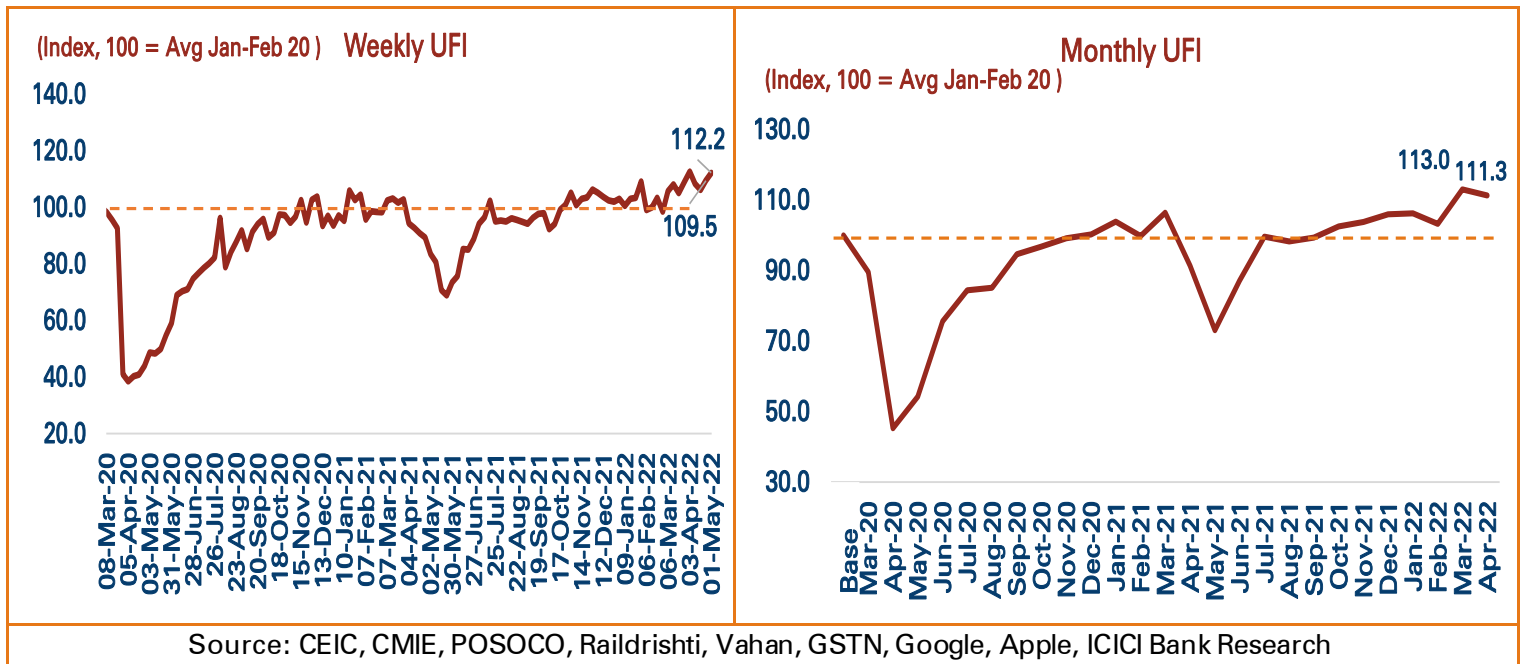
Broad based improvement led the index up

- Unemployment rate dipped to 7.4% during the week vs. 8.3% the week before. Rural unemployment rate fell sharply to 6.4% during the week vs. 8.3% the week before. On the other hand, labour force participation rate index was down to 91.3 in the week vs. 94.4 the week before.
- Vehicle registrations displayed a marginal rise during the week, after a sharp rise seen in the prior week. Shortage of components due to ongoing war and Covid-19 restrictions in China are impacting domestic auto-production.
- Rail freight index inched up to 125.7 vs. 121.6 the week before. The peak power demand index increased to 119.4 vs. 116 the week before. The electricity consumption has been increasing continuously with ebbing impact of Covid-19. It goes to show that domestic economic activity is improving.
- Google mobility index reached its highest value of 135.1 during the week vs. 136.4 the week before led by rise in workplace mobility, while recreational mobility moderated during the week.

Monthly UFI: Monthly UFI² for April moderated to 111.3 vs 113.0 the week earlier. Peak power demand index inched up in April from March levels, as the economy continues to open up, along with seasonal demand. E-Way bills contracted by 3.7% MoM even as they rose by 28% YoY. Vehicle registrations inched up marginally in April from March levels indicating some traction in consumption despite supply side constraints. Unemployment rate index showed a moderation, led by a rise in urban unemployment rate. Labour force participation rate displayed a sequential rise in April. Google mobility showed a broad-based increase, with recreational and workplace mobility rising as the economy continues to open up. India's services PMI too rose to 57.6 in April from 54.3 in March implying resumption of services activity.

¹The Weekly UFI index is re-scaled due to non-availability of E-Way bills and Apple Mobility

² Monthly UFI index is re-scaled due to non-availability of Apple Mobility data



States UFI displays mixed results:

- Uttar Pradesh showed broad-based improvement, led by a sharp fall in unemployment rate, followed by rise in vehicle registrations and peak power demand. Gujarat also showed a broad-based improvement, led by peak power demand and vehicle registrations
- Rise in Odisha and Maharashtra’s UFI was led by a substantial fall in unemployment, but recovery was not broad-based, with rail freight revenue and vehicle registration displaying a moderation. Bihar registered a substantial rise in mobility and peak power demand, but the overall rise was limited by an increase in unemployment rate and moderation in vehicle registrations
- West Bengal reported an overall improvement, led by peak power demand and rail freight revenue, although rise in unemployment rate weighed on the index
- Rajasthan and Tamil Nadu’s moderation in UFI was led by a substantial fall in rail freight revenue, although Rajasthan’s moderation was comparatively broad-based, with a decline in peak power demand and rise in unemployment rate
- Kerala and Punjab also reported moderation, led by fall in rail freight revenue and vehicle registrations. Delhi’s UFI moderation was led by rise in unemployment rate and fall in Rail freight revenue, while there was an increase in peak power demand and vehicle registrations.

State-wise UFI heatmap

	Mahar- ashtra	Uttar Pradesh	Tamil Nadu	Karna- taka	Gujarat	West Bengal	Rajasth- an	Kerala	Delhi	Bihar	Punjab	Odisha
Jan20-Feb20 (Base)	100	100	100	100	100	100	100	100	100	100	100	100
Mar-20	96.7	95.2	85.3	92.2	93.2	111.0	97.7	88.0	78.0	107.2	98.7	99.0
Apr-20	41.2	69.7	36.0	41.6	42.4	54.2	42.7	46.8	54.6	48.4	87.3	45.2
May-20	48.2	63.6	56.6	52.0	53.4	49.9	60.4	63.8	60.8	59.1	65.6	58.1
Jun-20	60.1	89.1	69.3	67.2	87.2	77.0	81.6	76.8	86.8	90.1	92.1	79.4
Jul-20	70.9	101.7	68.3	62.9	105.8	87.4	83.9	75.5	92.9	84.3	110.2	84.5
Aug-20	73.3	103.0	83.4	74.8	104.7	86.2	81.9	78.2	102.0	94.9	113.7	93.0
Sep-20	85.3	113.8	84.3	82.2	93.7	102.9	89.4	91.9	105.6	99.2	117.1	95.3
Oct-20	93.1	110.0	87.3	92.2	104.4	101.7	98.6	99.9	114.2	102.4	102.2	105.0
Nov-20	109.5	100.1	93.3	98.7	113.2	95.4	115.7	93.5	112.3	106.6	99.7	108.1
Dec-20	111.0	114.1	105.1	103.7	114.2	108.5	107.3	95.5	110.3	102.0	123.2	111.1
Jan-21	108.4	115.1	91.0	97.4	112.6	102.8	94.8	106.6	105.0	97.8	101.5	100.6
Feb-21	100.1	105.1	90.7	96.2	104.8	97.5	96.1	101.1	102.1	96.6	95.9	101.8
Mar-21	103.9	115.5	98.2	114.3	116.7	107.8	102.5	106.6	107.2	104.9	107.5	113.4
Apr-21	77.8	98.4	95.3	92.1	109.9	99.7	83.1	103.8	69.3	105.9	94.3	101.7
May-21	69.7	90.0	56.8	54.8	95.3	75.1	63.6	57.0	57.3	89.1	85.7	68.2
Jun-21	87.1	120.3	66.9	63.9	118.3	88.1	92.6	69.0	110.3	110.3	113.9	82.9
Jul-21	96.6	120.0	87.7	93.5	124.3	100.1	100.6	88.5	114.4	104.9	125.8	114.2
Aug-21	97.1	111.0	88.2	102.8	126.9	98.9	98.5	97.2	114.0	99.0	132.4	102.6
Sep-21	93.1	115.8	93.5	91.5	133.0	100.1	103.4	102.2	103.0	105.1	118.3	99.9
Oct-21	101.4	113.9	86.7	99.2	119.2	98.6	101.5	100.6	109.0	99.6	107.9	127.0
Nov-21	108.4	118.0	82.5	88.1	140.5	101.6	122.6	96.5	111.6	109.7	114.4	141.5
Dec-21	110.7	127.5	91.7	107.5	137.9	100.4	110.5	109.3	108.4	101.2	115.8	110.4
Jan-22	108.7	126.7	93.9	98.8	140.3	95.8	108.5	109.0	101.2	102.3	103.4	114.8
Feb-22	108.4	131.4	102.8	107.9	118.2	98.5	115.2	111.9	111.0	107.3	106.4	129.1
Mar-22	118.3	134.8	119.0	118.5	137.1	111.7	131.4	128.9	118.6	122.4	122.1	115.1
Apr-22	122.0	150.4	109.1	109.5	146.0	115.2	115.9	117.7	117.1	123.3	117.0	128.3
% contribution to GVA	13.4	8.6	8.5	7.8	7.6	6.0	5.1	4.1	3.9	3.0	2.7	2.5

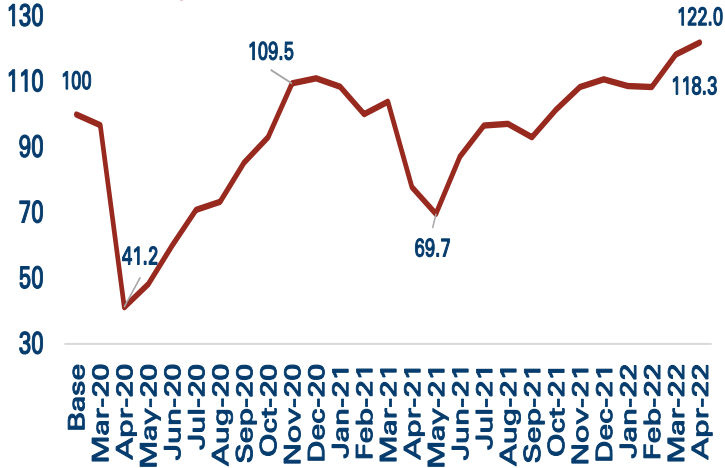
State-wise UFI is updated monthly

Source: CEIC, CMIE, POSOCO, Raildrishti, Vahan, GSTN, Google, Apple, ICICI Bank Research

State-wise UFI charts

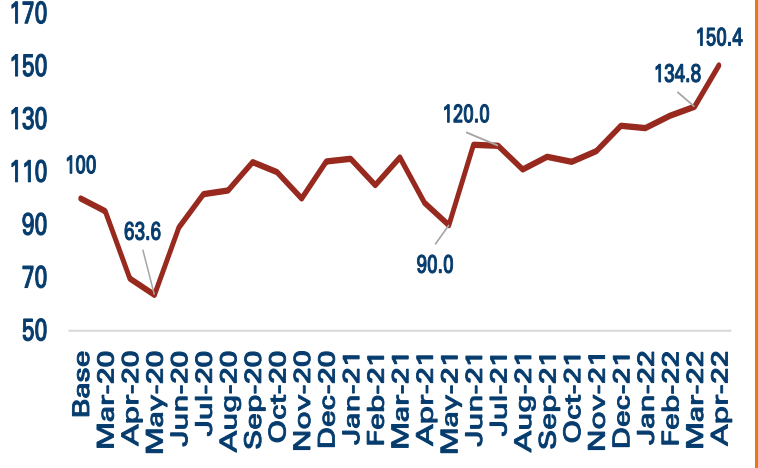
Maharashtra

(Index, 100 = Avg Jan-Feb 20)



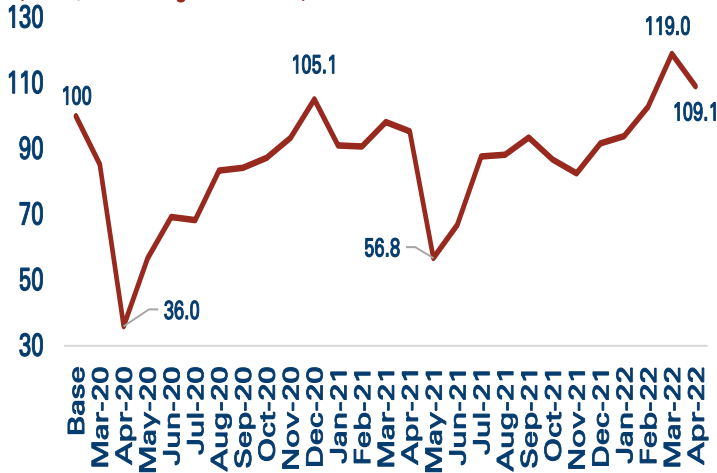
Uttar Pradesh

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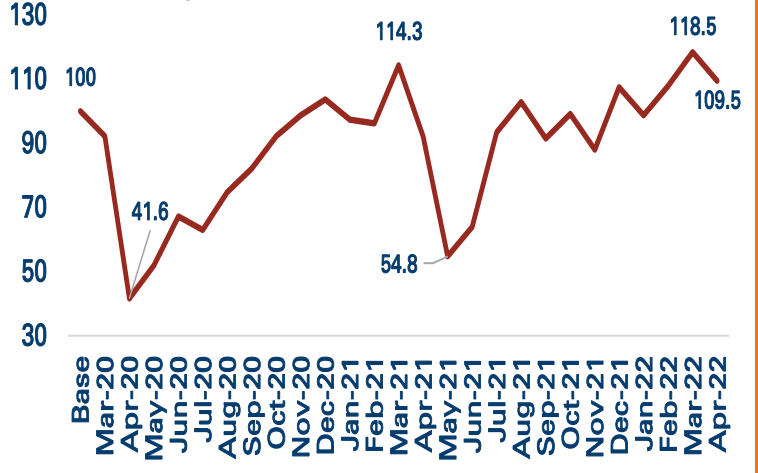
Tamil Nadu

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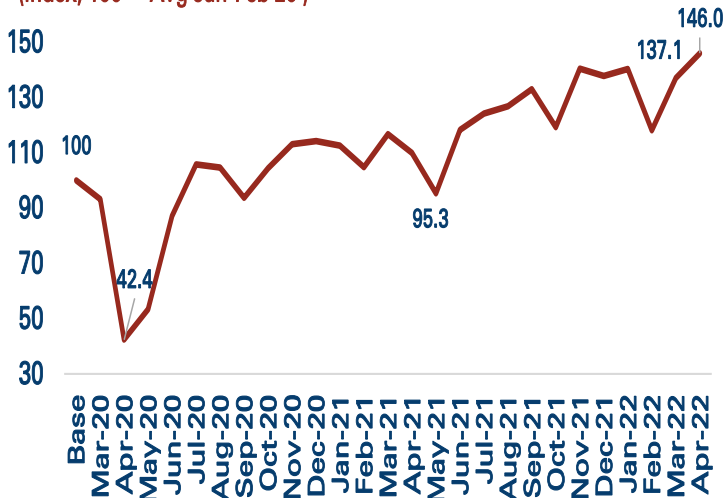
Karnataka

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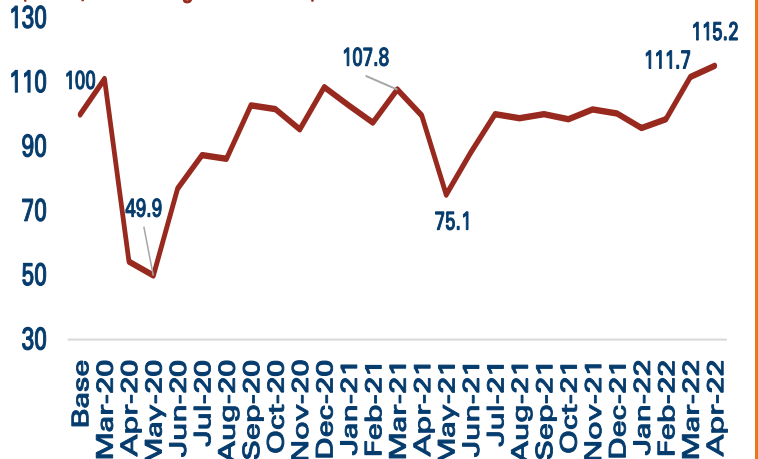
Gujarat

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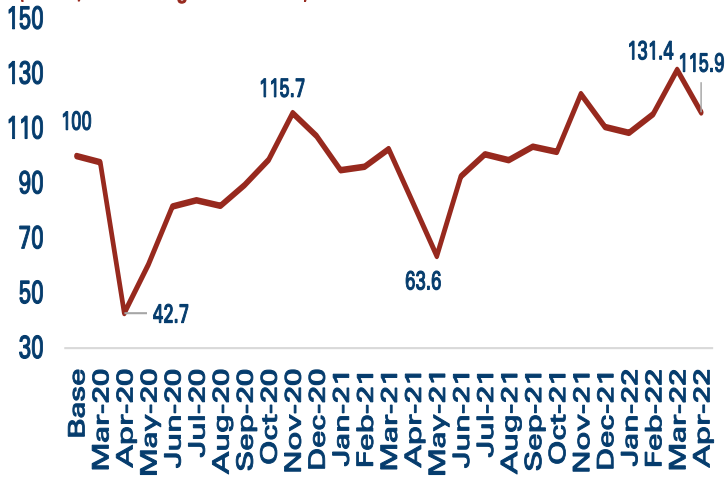
West Bengal

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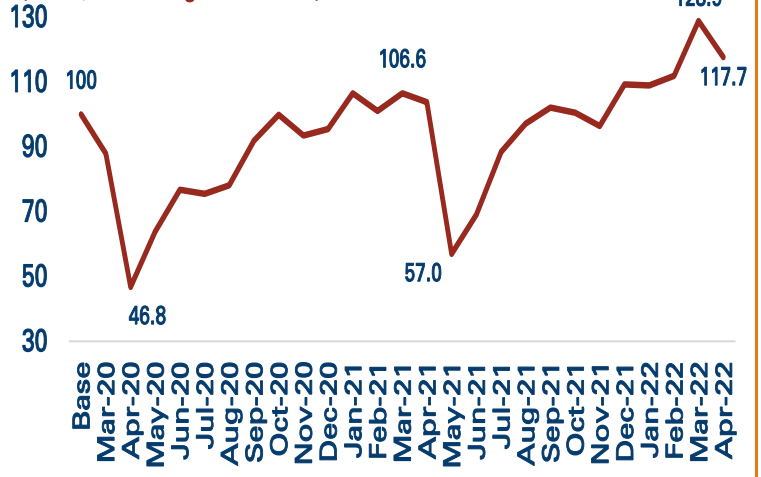
Rajasthan

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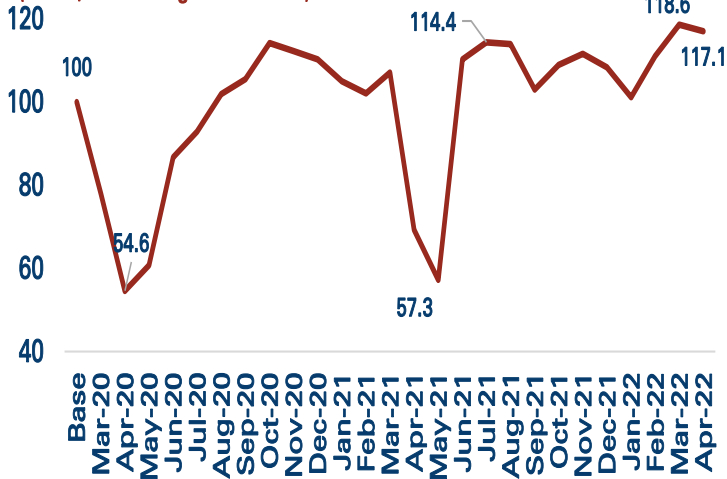
Kerala

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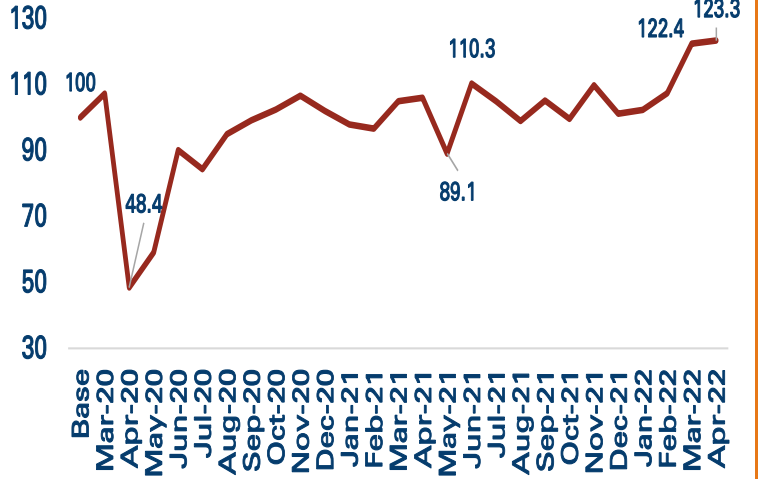
Delhi

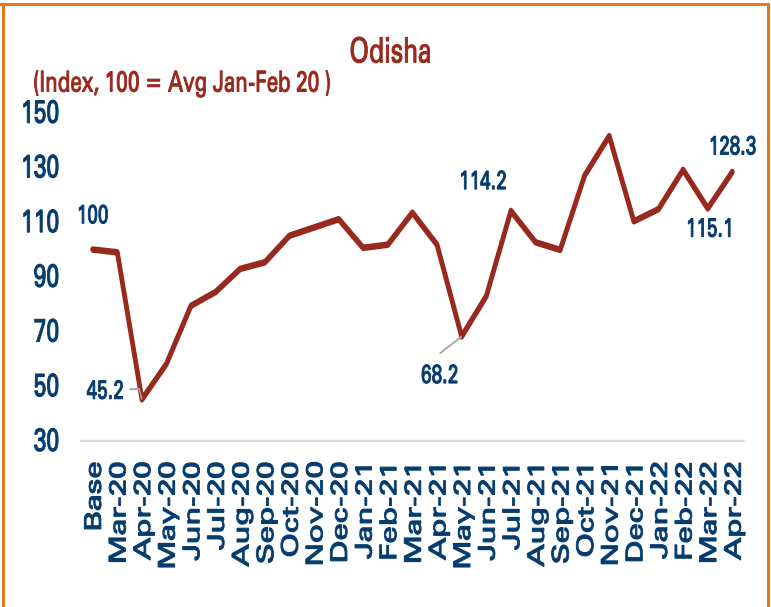
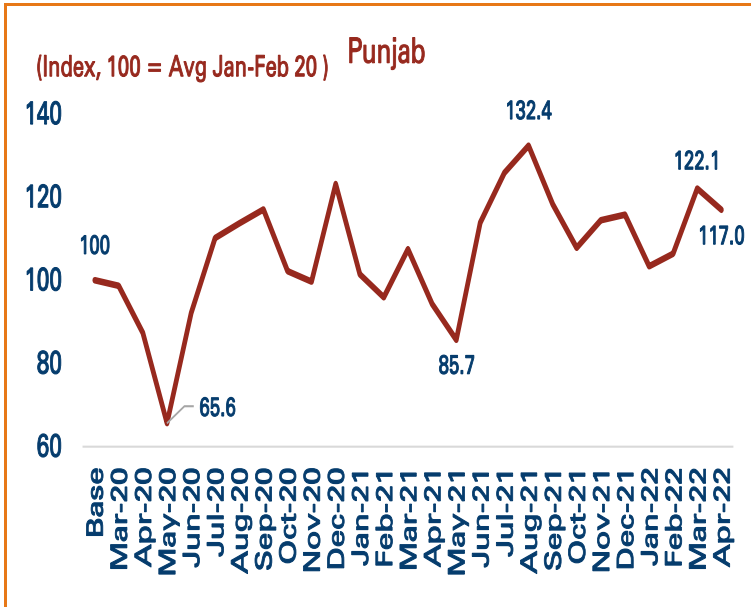
(Index, 100 = Avg Jan-Feb 20)



Bihar

(Index, 100 = Avg Jan-Feb 20)





Source: CEIC, CMIE, POSOCO, Raildrishti, Vahan, GSTN, Google, Apple, ICICI Bank Research

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