

What is the UFI telling us?

Weekly UFI: ICICI Bank's weekly UFI¹ had a marginal moderation to 111.4 vs. 111.8 the week before. While peak power demand, vehicle registrations and Google Mobility rose during the week, a rise in unemployment rate and fall in rail freight revenues weighed on the overall index. In addition, labour force participation rate also moderated during the week.

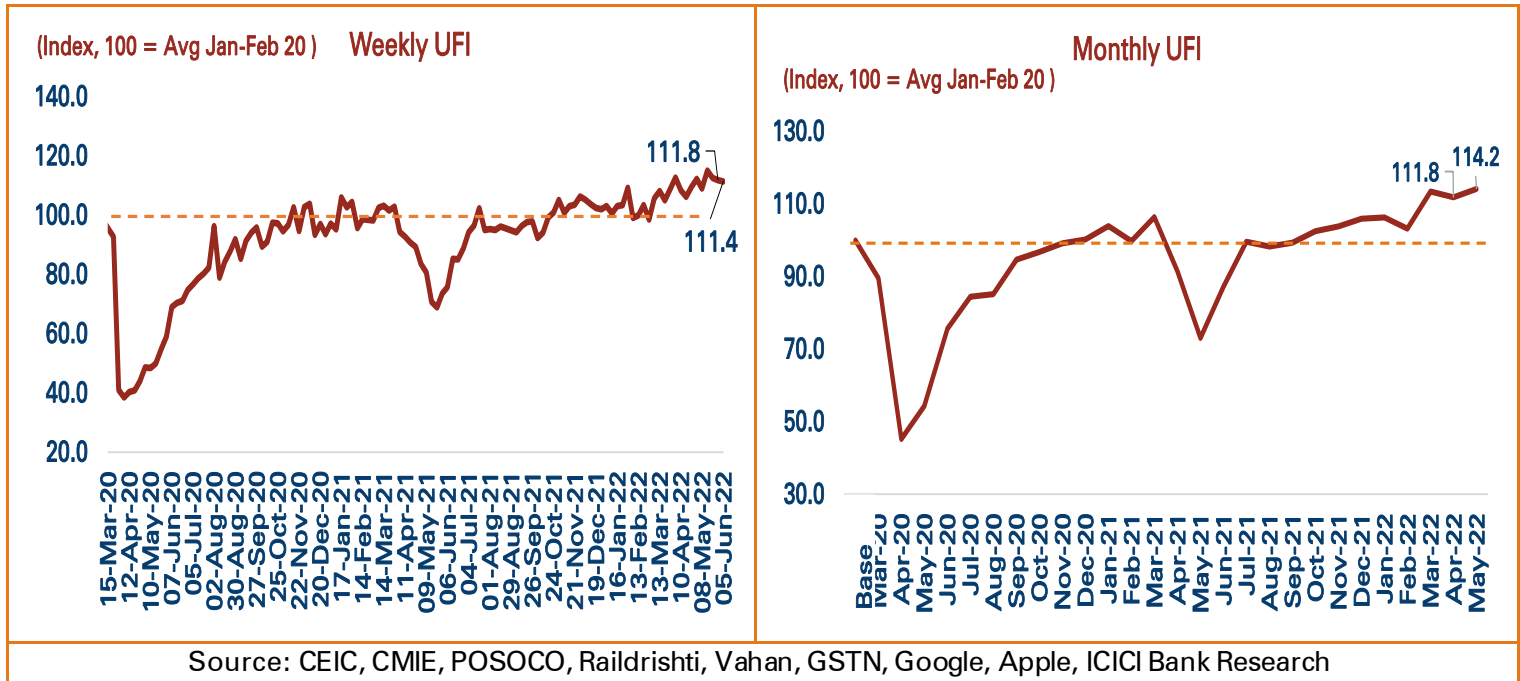
Subdued labour market weighed on index

- Unemployment rate increased on from the previous week led by increase in rural unemployment rate while urban unemployment rate moderated during the week compared with previous week. Labour force participation rate also moderated during the week
- Vehicle registrations inched up during the week from the previous week. Normal monsoon and recovery in contact intensive services bodes well for demand
- Peak power demand index moved up during the week to 119.5 vs 111.7 during the earlier week. However, Rail freight index moderated to 126.6 vs 129.8 the week before
- Google mobility index displayed an uptick to 135.7 vs 134.2 during earlier week, with a broad-based rise in both recreational and workplace mobility.

Monthly UFI: Monthly UFI² for May rose to 114.2 vs 111.8 in April led by rail freight index which increased to 128.9 in May vs. 118.8 in April. Vehicle registration index also inched up to 94.1 in May vs. 93.0 in April. Google mobility index came-in higher at 134.9 in May vs. 133.9 in April as the economy moves towards normalisation. Both recreational and transit mobility moved up in May. Labour market improved with unemployment rate in May at 7.12% vs. 7.83% in April with both rural and urban unemployment rates witnessing moderation. This bodes well for consumption. On the other hand, labour force participation rate came down a bit in May on MoM basis. E-Way Bills moderated on MoM basis in May which will reflect in the monthly GST numbers. Peak power demand too came down sequentially in May.

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



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

States UFI displays mixed results:

- Bihar showed a substantial, broad-based improvement in May, led by a fall in unemployment rate and rise in vehicle registrations and Google mobility. Apart from a rise in unemployment rate, Punjab also reported a relatively broad based improvement in May
- Uttar Pradesh also reported an overall improvement, led by Vehicle registrations and peak power demand. For Kerala and Tamil Nadu, improvement in the indices were led by rail freight revenue and Google mobility, while peak power demand and vehicle registrations moderated. Delhi’s UFI reported a marginal rise led by a substantial rise in peak power demand and rail freight revenue. However, other indicators limited the index’s rise
- Gujarat and Karnataka reported decline in monthly UFI, led by unemployment rate, peak power demand and vehicle registrations
- Moderation in the indices of Odisha and Maharashtra were driven by rise in unemployment rate and lower vehicle registrations
- West Bengal’s UFI index fell led by peak power demand and vehicle registrations, although unemployment rate declined and rail freight revenue witnessed an uptick. Rajasthan’s monthly UFI moderated mainly due to decline in rail freight revenue, although peak power demand rose and unemployment rate fell which limited the index’s decline.

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
May-22	117.9	155.0	111.6	100.2	136.7	113.2	114.9	120.8	117.4	138.6	121.4	122.5
% 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

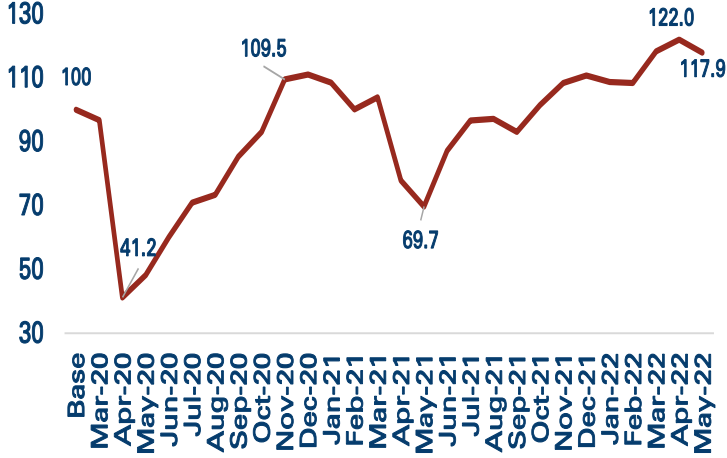
State-wise UFI is updated monthly

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

State-wise UFI charts

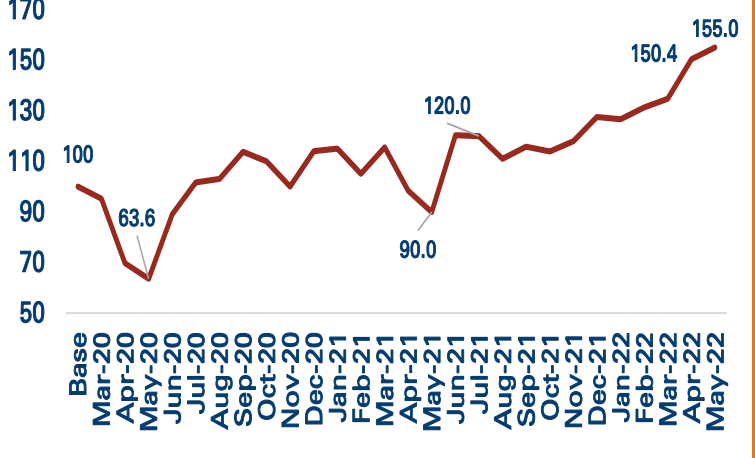
Maharashtra

(Index, 100 = Avg Jan-Feb 20)



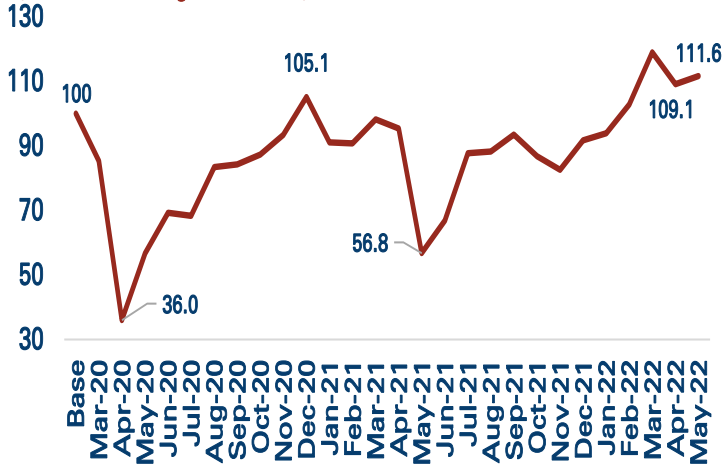
Uttar Pradesh

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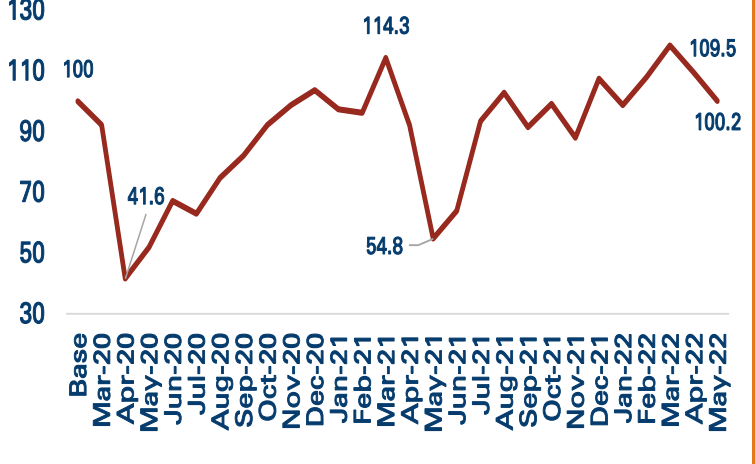
Tamil Nadu

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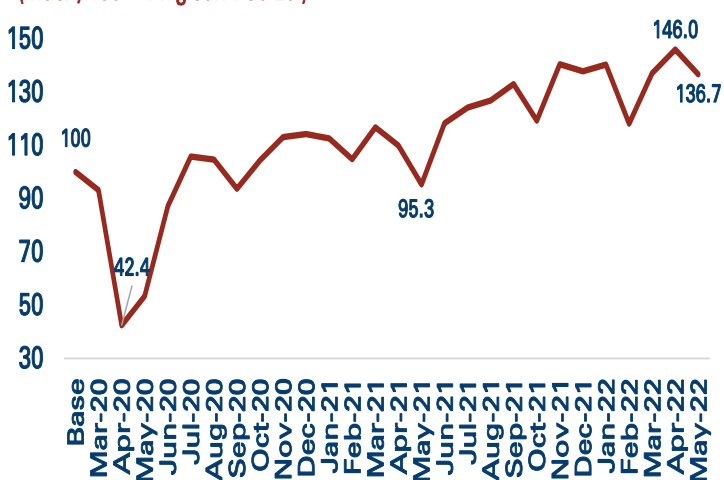
Karnataka

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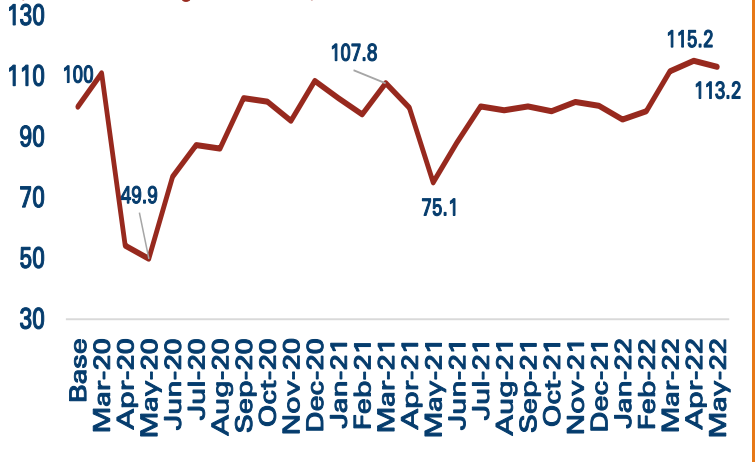
Gujarat

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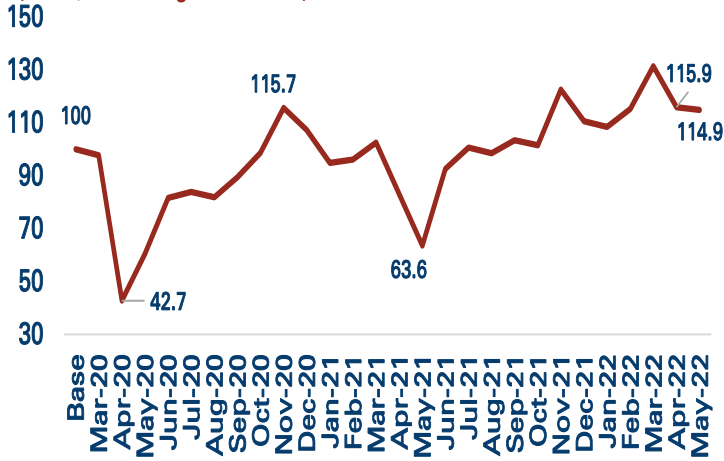
West Bengal

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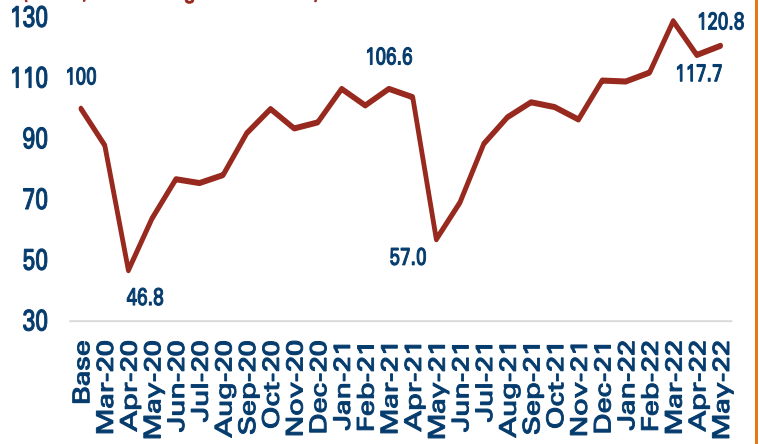
Rajasthan

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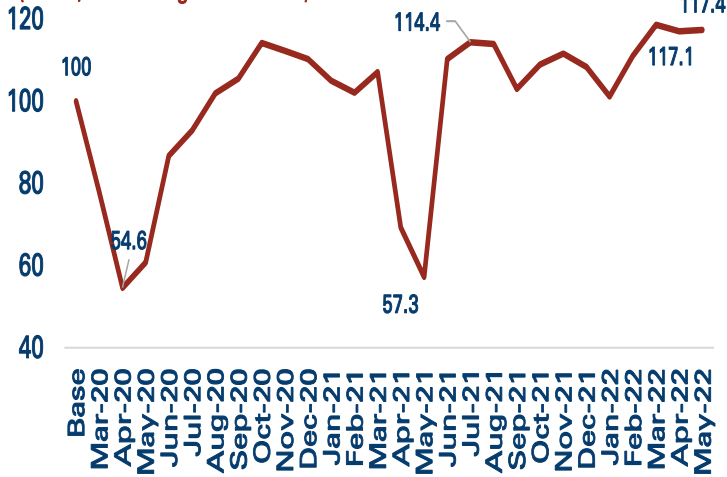
Kerala

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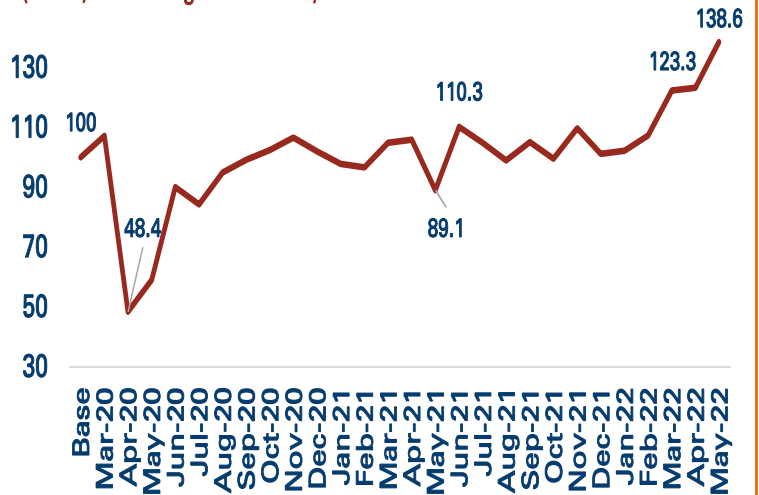
Delhi

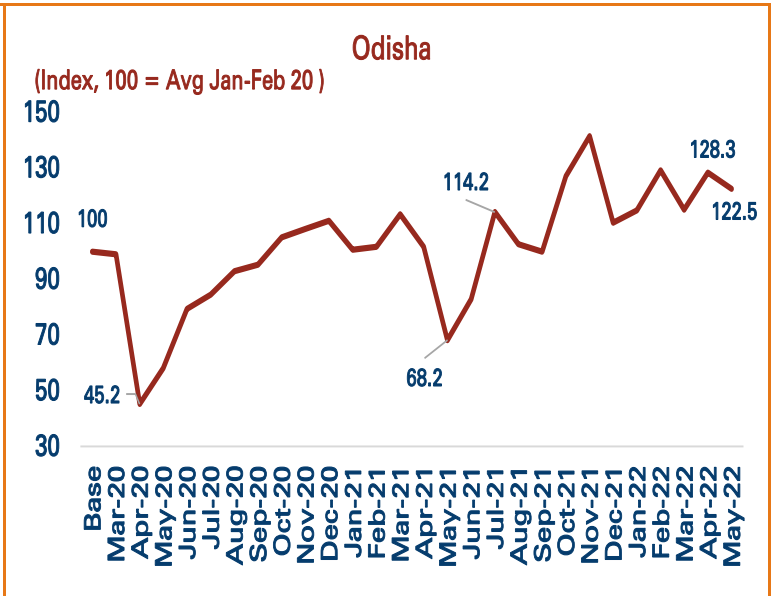
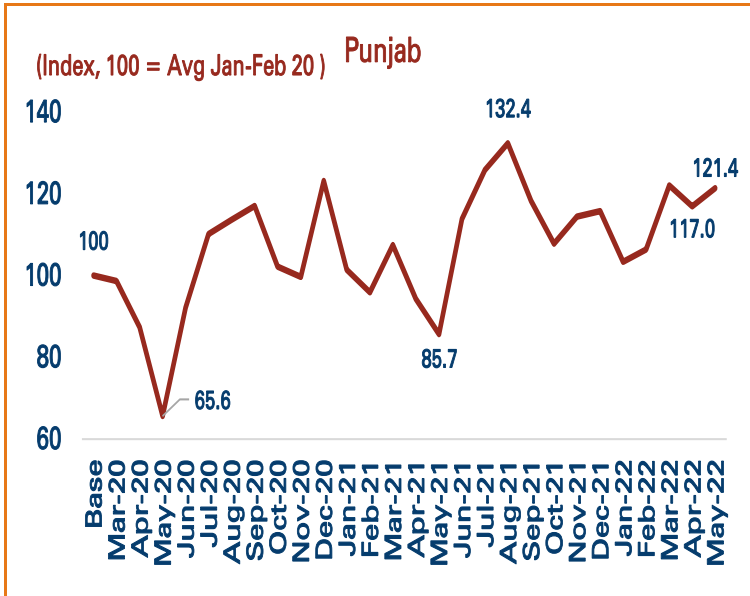
(Index, 100 = Avg Jan-Feb 20)



Bihar

(Index, 100 = Avg Jan-Feb 20)





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

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