



**MERCHANTS'
CHAMBER
OF COMMERCE
& INDUSTRY**

**November
2022**

MCCI ECONOMY WATCH



Message from President

Industrial production has regained momentum, grown at 3.1% in September boosted by manufacturing, mining and power sectors with a moderate easing of Inflation. India's merchandise exports dropped to 16.7% this month, dragged down by a fall in shipments of engineering goods, textiles and petroleum products amid a deepening global slowdown. Though the unending saga of global uncertainties has started negatively impacting India's main drivers of growth, INR's depreciation against the US dollar is more due to the appreciation of the latter owing to the flight to safety among global investors amid global uncertainties. It is actually appreciating against the euro, pound, and yen, suggesting that the macroeconomic fundamentals of the Indian economy has remained strong.

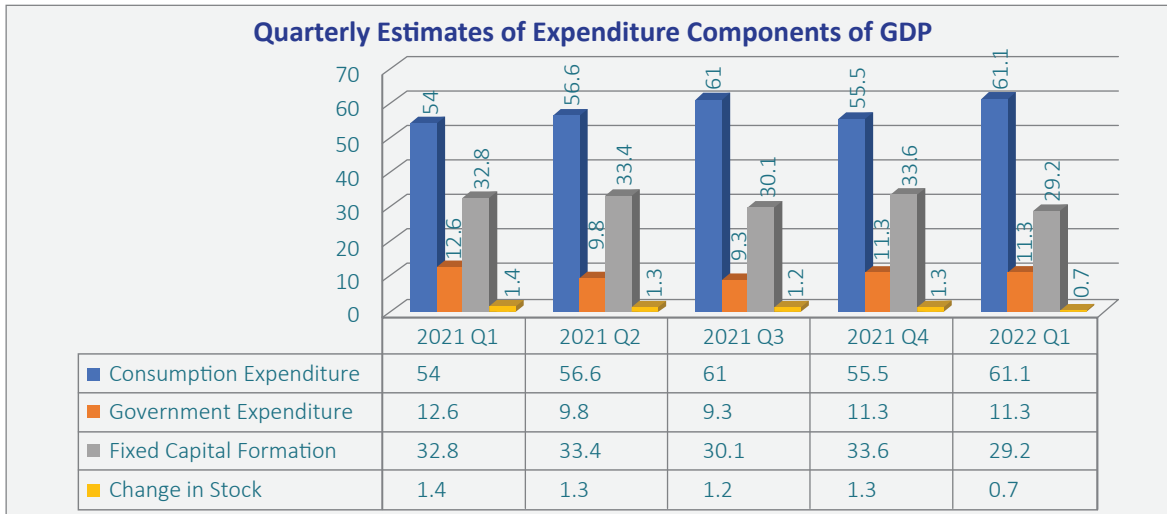
According to the Global Outlook released by Morgan Stanley, India's GDP could more than double from \$3.5 trillion currently to surpass \$7.5 trillion by 2031. Its share of global exports could also double over that period. We are hopeful that a sharp fall in Consumer Price Index and an expectation that prices have eased from their peak level might make the Reserve Bank of India to limit its interest rate increase. Against this background, presenting to you the November edition of MCCI Economy Watch.

Happy Reading!

Rishabh C Kothari
President, MCCI

- Purchasing Manager's Index (PMI) in Services was at 55.4 in October 2022, marginally up from the previous months
- Power consumption registered 1.64% growth in October 2022
- As of November 4, 2022, reserve money stood at INR 41,40,432 crore
- As of November 4, 2022, currency in circulation (CiC) registered at INR 32,12,560 crore
- Trade deficit in October 2022 registered at US\$ 14.63 billion as compared to almost double of US\$9.18 billion in October 2021
- CPI for all consumers reduced by 0.37% in September 2022
- In September 2022, Index of Consumer Sentiment increased by 1.05%

Expenditure Components of GDP

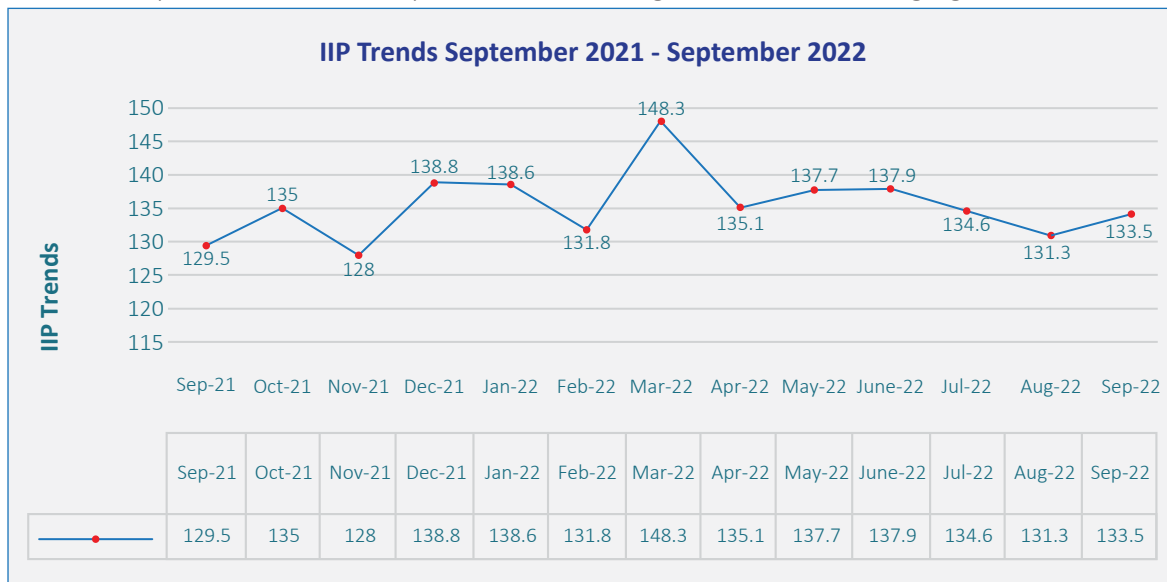


(Source: MOSPI)

Index of Industrial Production

1. The Index of Industrial Production (IIP) for September 2022 stood at 133.5 compared to 131.3 in August 2022 and 134.4 in July 2022 there by registering a positive growth of 3.1% in August 2022 as compared to -0.8% seen in the previous month
2. In the month of September, IIP growth trends in electricity, manufacturing and mining have registered at 11.6%, 1.8% and 4.6% respectively. IIP growth rate has increased in these 3 sectors from previous month and 3 sectors witnessed positive growth rate

IIP trends from September 2021 to September 2022 are given in the following figure:



Source: MOSPI

Inflation

1. India's retail inflation (CPI) fell to 6.77% in October 2022 from 7.41% in September 2022
2. Food Inflation which accounts for nearly half of the CPI basket, stood at 7.04% YoY in October 2022, compared to 8.14% in the previous month
3. Wholesale Price Index (WPI) dipped to 8.39% in October 2022 as compared to 10.70% in September 2022 .41% in August 2022

● Foreign Trade:

1. India's merchandise exports stood at US\$ 29.78 billion in October 2022, registering at negative growth of 16.65 % over US\$ 35.73 billion in October 2021
2. Non-petroleum and non-gems & jewellery exports 2022 were US\$ 21.72 billion in October, registering a negative growth of 16.94% compared to October 2021
3. India's merchandise import stood at US\$ 56.69 billion in October 2022 with a growth rate of 5.68% over US\$ 53.64 billion in October 2021
4. India's service export stood at US\$ 28.58 billion in October 2022, an increase of 38.94% over US\$ 20.37 billion in October 2021
5. India's service import stood at US\$ 16.30 billion in October 2022, an increase of 40.03%, over US\$ 11.84 billion in October 2021

Overall Trade (Merchandise & Service) in October 2022			
	Value in US\$ Billion		Growth
	October 2022	October 2021	
Export	58.36	56.10	4.02
Import	73.00	65.28	11.82
Deficit	14.63	9.18	-

● Banking & Financial Indicators

a. Banking:

Indicators	Outstanding (in Cr.) as on Oct. 21, 2022	% Variation over Fortnight	% Variation over Year
Total Bank Credit	128,89,117	0.2	6.8
Food Credit	25,655		
Non- Food Credit	128,63,462		
Aggregate Deposit	172,03,536	-0.3	9.9
Broad Money (M3)	213,01,561	-0.2	9.7
Credit Deposit Ratio	73.30		

Source: RBI

b. Banking Rates:

Indicators	Actual Rates as on Nov. 14, 2022
Cash Reserve Ratio	4.50
Statutory Liquidity Ratio	18.00
Policy Repo Rate	5.90
Fixed Reverse Repo Rate	3.35
Bank Rate	6.15

Source: RBI

Equity Market

a. Global Stock Indices:

Global Stock Indices witnessed the mixed trends over the last week. On November 14, 2022, the highest expansion was witnessed by Hang Seng Index and the highest contraction was witnessed by Nasdaq 100 Index.

Global Stock Indices	Closing Value (in \$) as on November 14, 2022	Change (%) from last closing value
NYSE: DJIA	33,536.70	-0.63
FTSE 100	7,385.17	0.92
Nikki 225	28,010.31	0.17
S & P/ ASX 200	7,141.60	-0.07
KOSPI	2,476.36	0.07
Nasdaq 100	11,196.22	-1.12
S & P 500	3,957.25	-0.89
Hang Seng Index	18,327.47	4.02

Source: Yahoo Finance

b. Indian Stock Indices:

Indian Stock Market Indices witnessed negative trends over the past week. On November 14, 2022, BSE Sensex contracted the most.

Indian Stock Indices	Closing Value (in \$) as on November 14, 2022	Change (%) from the last closing value
BSE Sensex	61,480.09	-0.24
BSE Mid Cap	25,445.79	-0.13
NIFTY 50	18,298.35	-0.17
NIFTY 100	18,534.10	-0.18

Source: BSE, NSE

c. BSE Sectoral Indices:

BSE Sectoral Indices witnessed mixed trends over the last week. On November 14, 2022, Bankex expanded the most while Metal Index highly contracted.

BSE Indices	Closing Value (in \$) as on November 14, 2022	Change (%) from the last closing value
Auto Index	30,121.15	0.73
Bankex	48,122.16	1.13
Capital Goods	33,047.81	-0.42
Consumer Durables	41,819.66	0.57
Energy	8,789.85	-0.56
Finance	8,859.60	0.02
FMCG	15,920.61	-0.49
Health Care	23,722.39	-0.28
Metal Index	20,175.37	-1.31
Oil & Gas Index	20,006.99	0.20
Power Index	4,834.27	0.21
Teck Index	13,932.26	-0.31

Source: BSE



d. Global Stock Exchange Future:

Global Future Indices witnessed positive trends over the last week. On November 14, 2022, Nasdaq Futures spotted highest expansion.

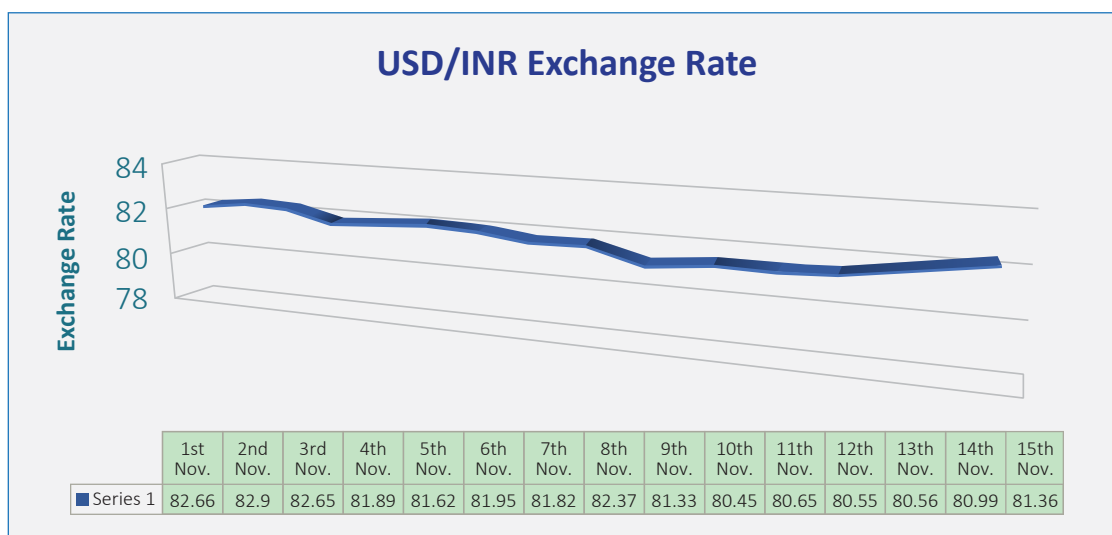
Future Indices	Closing Value (in \$) as on November 14, 2022	Change (%) from the last closing value
Russell 2000 Futures	1,876.60	0.57
Nasdaq Futures	11,824.00	0.76
S & P Futures	3,985.50	0.49
Dow Futures	33,685.00	0.37

Source: Yahoo Finance

● Currency Market

a. INR Exchange Rate:

- In the last fortnight INR appreciated against the US dollar by 0.031% to stand at 81.36/USD



Source: RBI

b. Foreign Exchange Reserve:

- India's foreign exchange reserve decreased by US\$1087 million to stand at US\$ 529.99 billion
- Gold reserve decreased marginally while SDR reduced by US\$ 235 million, and as on November 4, 2022, stands at US\$ 17.39 billion
- Reserve Position with IMF was US\$ 4.82 billion in November 4, 2022 which contracted by US\$ 27 million from previous value

USD Billion	Value as on Nov. 4, 2022	Variation over	
		Week	Fiscal
Total Reserves	529.99	-1.08	-110.88
Foreign Currency Assets	470.72	-0.12	-106.85
Gold	37.05	-0.70	-1.72
SDRs	17.39	-0.24	-1.89
Reserve Position in the IMF	4.82	-0.027	-0.408

Source: RBI

Commodity Future Indices

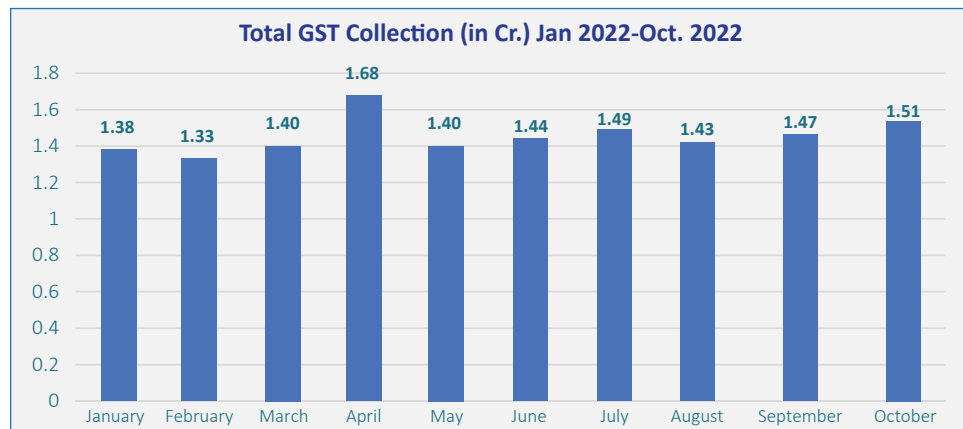
- Spot price for Brent Crude oil stood at US\$ 92.77 per barrel while London spot price for Gold was at US\$ 1,491.77 per ounce as on November 14, 2022
- MCX commodity composite index and the base metal index expanded by 0.47% and 0.53% respectively from the last closing value

Commodity Future Indices	Closing Value as on November 14, 2022	Change (%) from the last closing value
Brent Crude (\$/Barrel)	92.77	0.29
London Spot Gold (\$/Ounce)	1,491.77	-0.37
iCOMDEX Composite	13,395.55	0.47
iCOMDEX Base Metals	17,938.97	0.53
Coal (\$/Ton)	205.00	-6.82
Cotton (\$/lb)	0.86	1.18

Source: EIA, KITCO, MCX

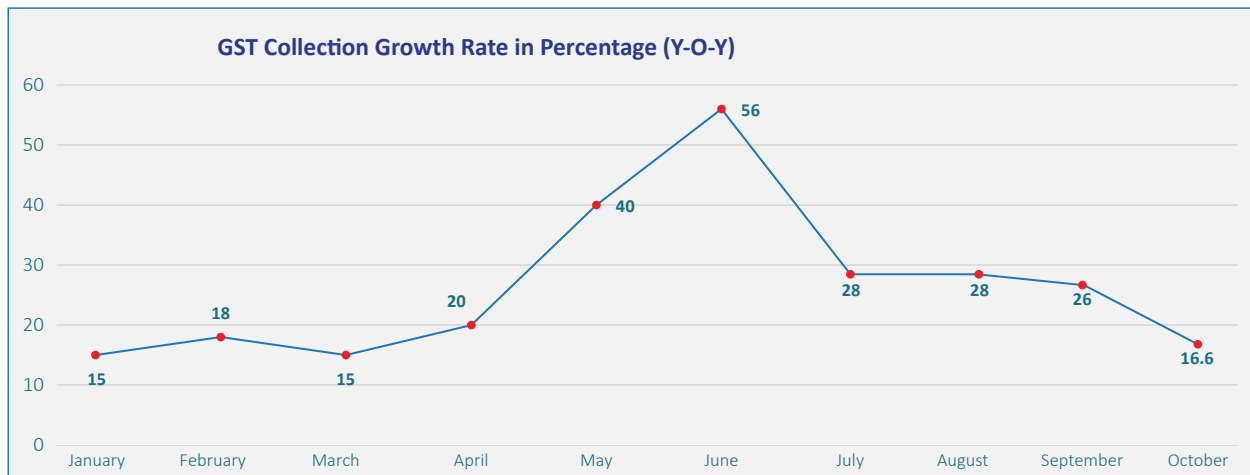
Goods and Services Tax (GST)

- The gross GST revenue collected in the month of October 2022 is INR 1,51,718 crore of which CGST is INR 26,039 crore, SGST is INR 33,396 crore, IGST is INR 81,778 crore
- The GST revenues for the month of September 2022 are 16.6% higher than the GST revenues in the same month last year of INR 1,30,127 crore



Source: CGA, Govt. of India)

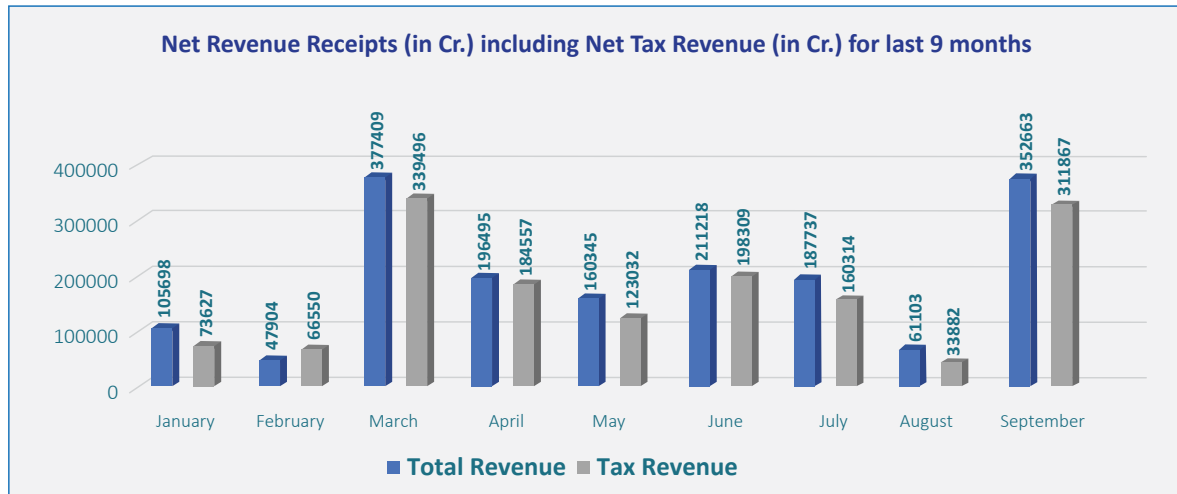
GST Collection Growth Rate in Percentage (Y-O-Y) with respect to corresponding months of 2021.



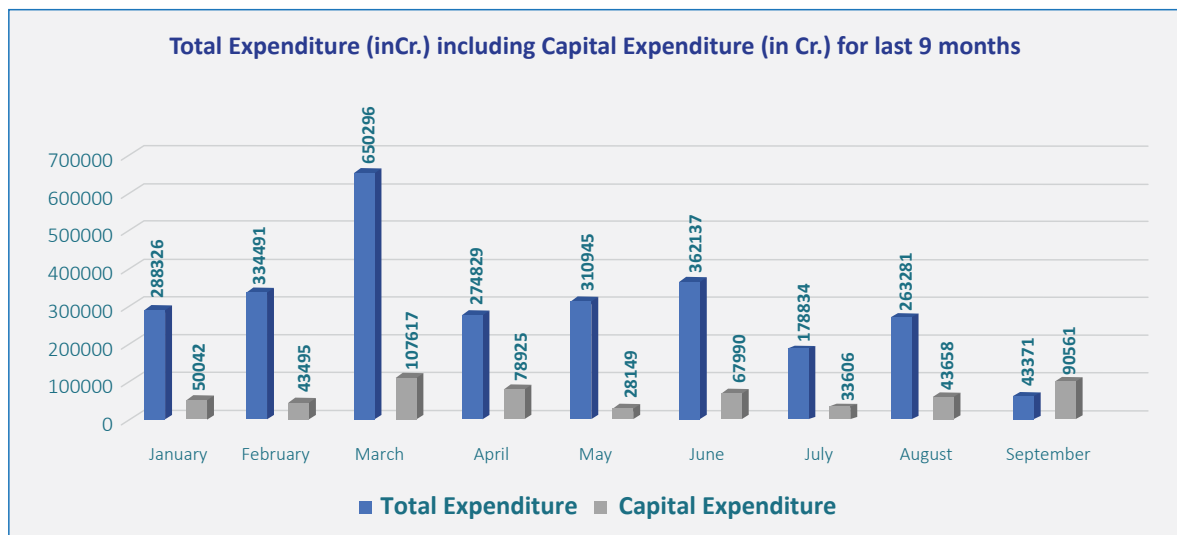
Source: GST Council, Govt. of India

● Revenue & Expenditure

1. In the month of September, the Net Revenue Receipts registered at INR 3,52,663 Cr. of which Net Tax Revenue was INR 3,11,867 Cr.
2. In the month of September, the Net Expenditure registered at INR 4,33,571 Cr. of which Net Capital Expenditure was INR 90,561 Cr.



(Source: CGA, Govt. of India)



(Source: CGA, Govt. of India)

ABOUT MCCI

MCCI is a 121 years old non-government, not-for-profit, industry-led and industry-managed organization, with 700 direct members and 15,000 indirect members covering a wide cross-section of small, medium & large industries, trades and services besides, 10 Associations of Industry & Trade are also affiliated to MCCI.

MCCI addresses various aspects of the industry, trade and services sectors, their issues & Challenges and through several learning and best practices forums, guide them to the future. MCCI also helps members to explore international business opportunities through its international connect initiatives.

MCCI has been working on the development of an indigenous vibrant industrial base in the country, especially in the Eastern India. The indomitable spirit and quest to build an institution to safeguard the interests of the indigenous business community led to the birth of Vaishya Sabha and with the changing times, now it stands as MCCI. MCCI has evolved to reinvent itself to address the challenges in this era of new normal.

MCCI works as a bridge between businesses and the policy makers to create a conducive economic environment for the industry to prosper and flourish while benefitting all the stakeholders in the economy. The Executive Committee, which has 30 Standing Committees reporting to it, is the principal facilitating structure of the Chamber.

We are one of the leading Chambers of Eastern India relentlessly working for the betterment of MSMEs through several initiatives. MSME Helpdesk, IP facilitation, connecting with Banking and Financial institutions, technology for MSMEs, besides taking up members issues at the appropriate level. Several Business meets are organized for the benefit of the members.

For the year 2022, MCCI is prepared to provide opportunities for growth and development to its members through 4E's ~ Explore, Educate, Empower and Enable to help the members achieve the 5th E ~ Excellence in all spheres.

MCCI is presently working on the specific theme of **"Bouncing Back"**, working closely with the State and Central Government on policy matters and building bridges through international connect initiatives.



Merchants' Chamber of Commerce & Industry

15B, Hemanta Basu Sarani, Kolkata – 700 001 • Ph : 2262-5070 to 74 (5 lines)
E-mail : mcciorg@mcciorg.com • Website : www.mcciorg.com

Edited & Published by:

Dr. Saugat Mukherjee, Director General, **MCCI**
E-mail: dg@mcciorg.com / mcciorg@mcciorg.com

