



MERCHANTS' CHAMBER OF COMMERCE & INDUSTRY

January
2023

MCCI ECONOMY WATCH



Message from President

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, continued stress on the supply-chain, all weigh heavily on the outlook. There is concern over tightening of monetary policy by USA and Euro Zone which will cause huge financial disruptions in the world economy.

Contrary to this, India's economy is relatively in bright spot. The industrial production rose to a five month high of 7.1 % on the back of better showing by the manufacturing sector. Wholesale price index eases to almost 2 years low at 4.95 % which is reassuring for the economy. Retail inflation also remains within RBI's tolerance band of 2-6 % for two consecutive months. It is on a downward trajectory since October 2022. We would expect that there may a pause by the RBI's MPC in February.

As the new President of this Chamber, I look forward for an exciting journey ahead and I am sure with your blessings and kind support we will grow together with MCCI.

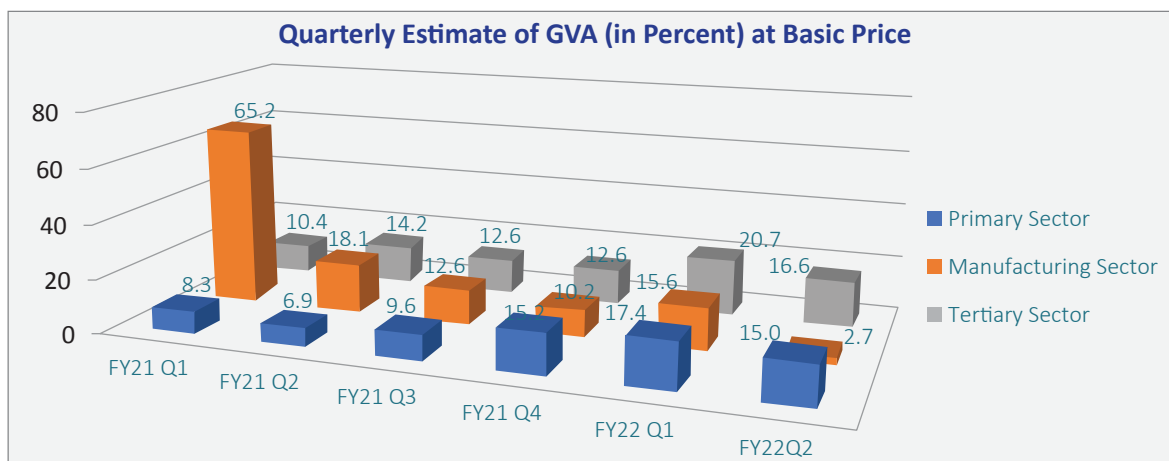
Wish you all a Happy Reading.


Namit Bajoria
President, MCCI

- Purchasing Manager's Index (PMI) in Services was at 58.5 in December 2022, highlighting a sharp expansion since mid-2022
- Power consumption registered 11% growth in December 2022
- As of January 9, 2023, reserve money stood at INR 42,05,216 crore
- As of January 9 2023, currency in circulation (CiC) registered at INR 32,54,713 crore
- India's overall export dipped by 5.25% to US\$ 61.82 billion in December 2022 as against US\$ 65.25 billion in the same month of last year.
- CPI for all consumers increased by 1.53% in December 2022
- In December 2022, Index of Consumer Sentiment in Urban India increased by 1%



• Gross Value Added at Basic Price

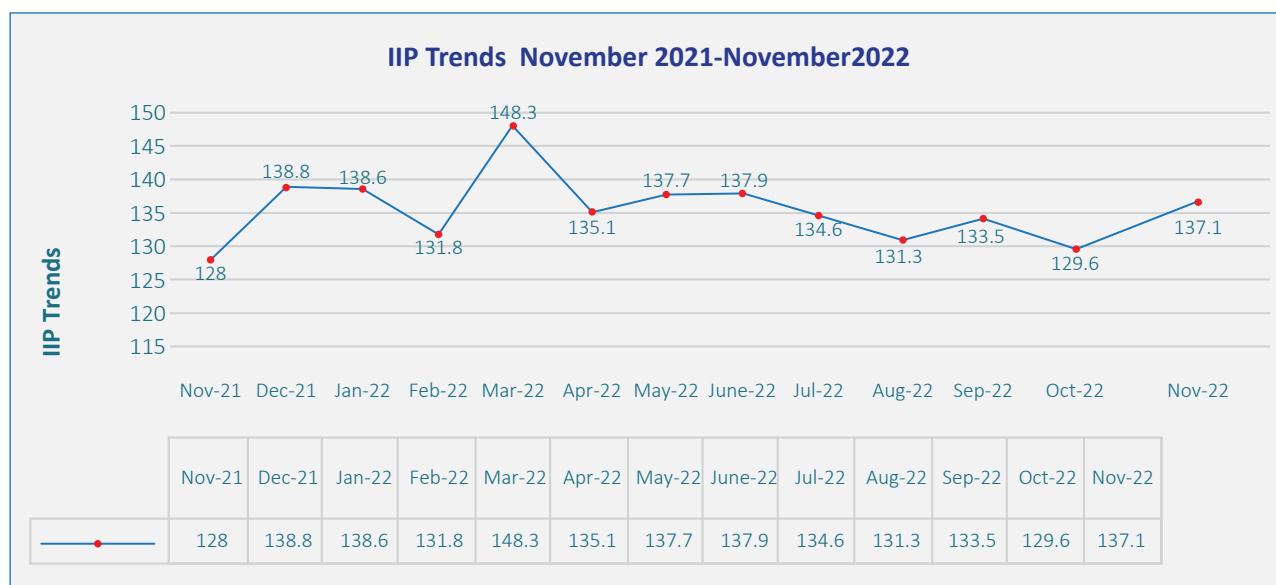


(Source: MOSPI)

• Index of Industrial Production

1. The Index of Industrial Production (IIP) for November 2022 stood at 137.1 compared to 129.6 in October 2022 and 134.0 in September 2022 thereby registering a positive growth of 7.1% in November 2022 as compared to -0.4% in last month
2. In the month of November, IIP trends in electricity, manufacturing and mining have registered at 12.7%, 6.1% and 9.7% respectively. IIP trends have witnessed an upswing in growth rate in these 3 sectors compared to November 2022

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



Source: MOSPI

• Inflation

1. India's retail inflation (CPI) increased to 5.72% in December 2022 as compared to 4.19% in November 2022
2. Wholesale Price Index (WPI) dipped to 4.95% in December 2022 as compared to 5.85% in November 2022

● Foreign Trade:

1. India's merchandise exports stood at US\$ 34.48 billion in December 2022 as compared to US\$ 39.27 billion in December 2021, registering a negative growth rate of 12.19%
2. Non-petroleum and non-gems & jewellery exports 2022 were US\$ 29.54 billion in December 2022 as compared to US\$ 32.52 billion in December 2021, registering a negative growth
3. India's merchandise import stood at US\$ 58.24 billion in December 2022 with a negative growth rate of 3.17% over US\$ 60.33 billion in December 2021
4. India's service export stood at US\$ 27.34 billion in December 2022, an increase of 5.23% over US\$ 25.98 billion in December 2021
5. India's service import stood at US\$ 15.56 billion in December 2022, an increase of 4.14%, over US\$ 14.94 billion in December 2021

Overall Trade (Merchandise & Service) in December 2022			
	Value in US\$ Billion		Growth
	December 2022	December 2021	
Export	61.82	65.25	-5.25
Import	73.80	75.27	-1.95
Deficit	11.98	10.02	-

● Banking & Financial Indicators

a. Banking:

Indicators	Outstanding (in Cr.) as on Dec. 30, 2022	% Variation over Fortnight	% Variation over Year
Total Bank Credit	133,04,393	1.1	9.2
Food Credit	53,972		
Non- Food Credit	132,50,421		
Aggregate Deposit	177,34,124	2.2	10.3
Broad Money (M3)	218,59,358	1.7	6.7
Credit Deposit Ratio	73.30		

Source: RBI

b. Banking Rates:

Indicators	Actual Rates as on December 14, 2022
Cash Reserve Ratio	4.50
Statutory Liquidity Ratio	18.00
Policy Repo Rate	6.25
Fixed Reverse Repo Rate	3.35
Bank Rate	6.50

Source: RBI

● Equity Market

a. Global Stock Indices:

Global Stock Indices witnessed positive trends over the last week. On January 15, 2023, only Hang Seng Index witnessed contraction.

Global Stock Indices	Closing Value (in \$) as on January 15, 2023	Change (%) from last closing value
NYSE: DJIA	34,302.61	0.33
FTSE 100	7,844.07	0.64
Nikkei 225	25,801.40	1.22
S & P/ ASX 200	7,388.20	0.82
KOSPI	2,403.43	0.73
Nasdaq 100	11,079.16	0.71
S & P 500	3,999.09	0.40
Hang Seng Index	21,689.92	-0.22

Source: Yahoo Finance

b. Indian Stock Indices:

Indian Stock Market Indices witnessed negative trends over the past week. On January 14, 2023, NIFTY 100 contracted the most.

Indian Stock Indices	Closing Value (in \$) as on January 15, 2023	Change (%) from the last closing value
BSE Sensex	60,236.10	-0.04
BSE Sensex 50	18,871.69	-0.14
NIFTY NEXT 50	42,051.55	-0.23
NIFTY100	18,083.60	-0.24

Source: BSE, NSE

c. BSE Sectoral Indices:

BSE Sectoral Indices witnessed negative trends over the last week. On January 15, 2023, and Energy and Teck Index expanded only.

BSE Indices	Closing Value (in \$) as on January 15, 2023	Change (%) from the last closing value
Auto Index	29,175.14	-0.84
Bankex	48,095.24	-0.14
Capital Goods	34,065.24	-0.17
Consumer Durables	38,436.95	-0.39
Energy	8,751.83	-0.49
Finance	8,806.16	-0.12
FMCG	15,985.93	-0.01
Health Care	22,971.50	-0.41
Metal Index	21,267.24	-1.00
Oil & Gas Index	20,509.83	-0.53
Power Index	4,442.77	0.32
Teck Index	13,537.22	0.76

Source: BSE



d. Global Stock Exchange Future:

Global Future Indices witnessed negative trends over the last week. On January 15, 2023, Nasdaq Futures spotted highest contraction.

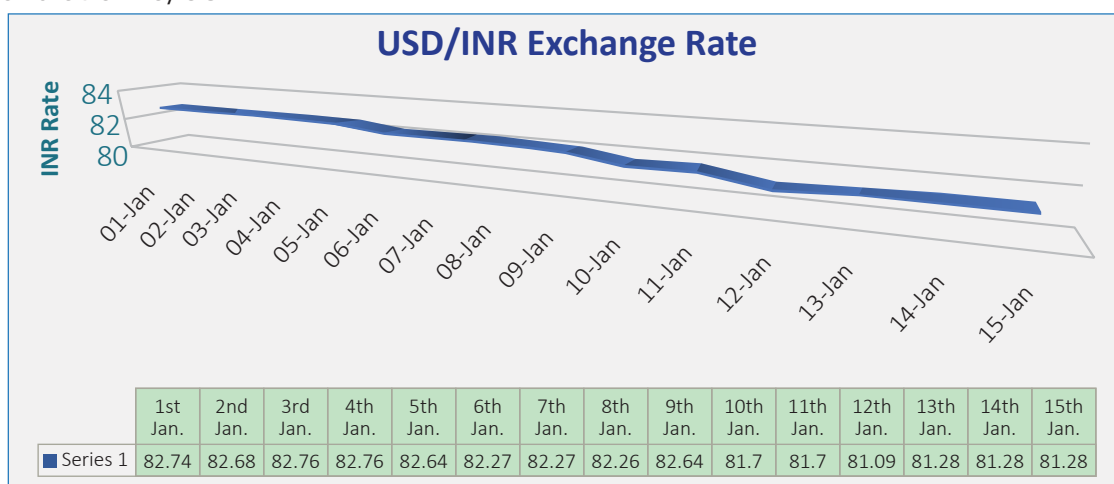
Future Indices	Closing Value (in \$) as on January 15, 2023	Change (%) from the last closing value
Russell 2000 Futures	1,897.30	-0.04
Nasdaq Futures	11,587.25	-0.18
S & P Futures	4,015.75	-0.06
Dow Futures	34,413.00	-0.01

Source: Yahoo Finance

● Currency Market

a. INR Exchange Rate:

1. In the last fortnight of January, 2023 INR appreciated against the US dollar by 1.76% to stand at 81.28/USD



Source: RBI

b. Foreign Exchange Reserve:

1. India's foreign exchange reserve decreased by US\$1268 million from \$562.85 billion to stand at US\$ 561.58 billion
2. Gold reserve increased by US \$461 million while SDR increased marginally by US\$35 million from previous value \$18.18 billion, and as on January 6, 2023, stands at US\$ 18.22 billion
3. Reserve Position with IMF was US\$ 5.14 billion in January 6, 2023 which contracted by US\$ 18 million from previous value

USD Billion	Value as on January 6, 2023	Variation over	
		Week	Fiscal
Total Reserves	561.58	-1.27	-71.15
Foreign Currency Assets	496.44	-1.75	-72.95
Gold	41.78	0.46	2.74
SDRs	18.22	0.04	-0.88
Reserve Position in the IMF	5.14	-0.08	-0.06

Source: RBI

Commodity Future Indices

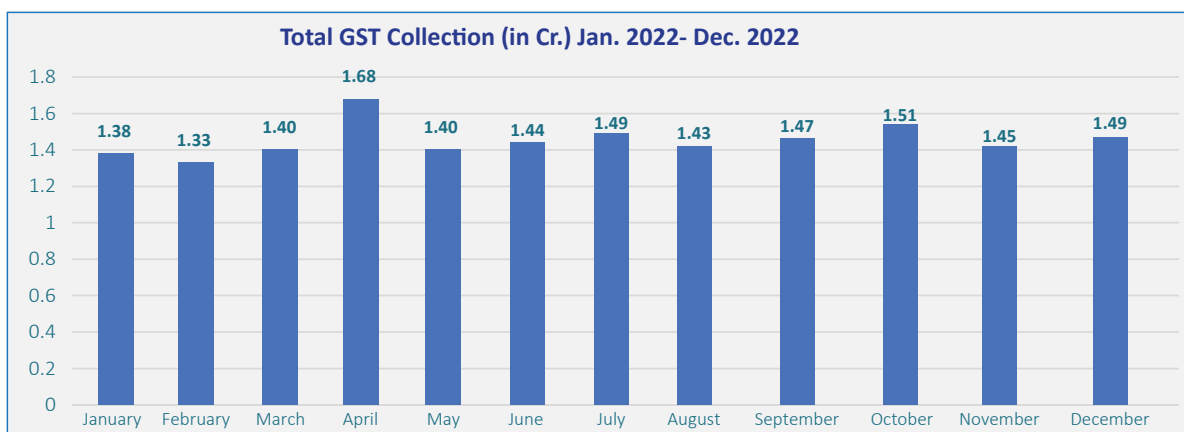
- Spot price for Brent Crude oil stood at US\$ 79.37 per barrel while London spot price for Gold was at US\$ 1,916.00 per ounce as on January 15, 2023
- MCX commodity composite index expanded by 0.10% and the base metal index contracted by 0.17% from the last closing value

Commodity Future Indices	Closing Value as on December 14, 2022	Change (%) from the last closing value
Brent Crude (\$/Barrel)	79.37	-0.79
London Spot Gold (\$/Ounce)	1,916.00	-0.07
iCOMDEX Composite	13,600.54	0.10
iCOMDEX Base Metals	18,772.79	-0.17
Coal (\$/Ton)	170.00	0.59
Cotton (\$/lb)	0.82	0.61

Source: EIA, KITCO, MCX

Goods and Services Tax (GST)

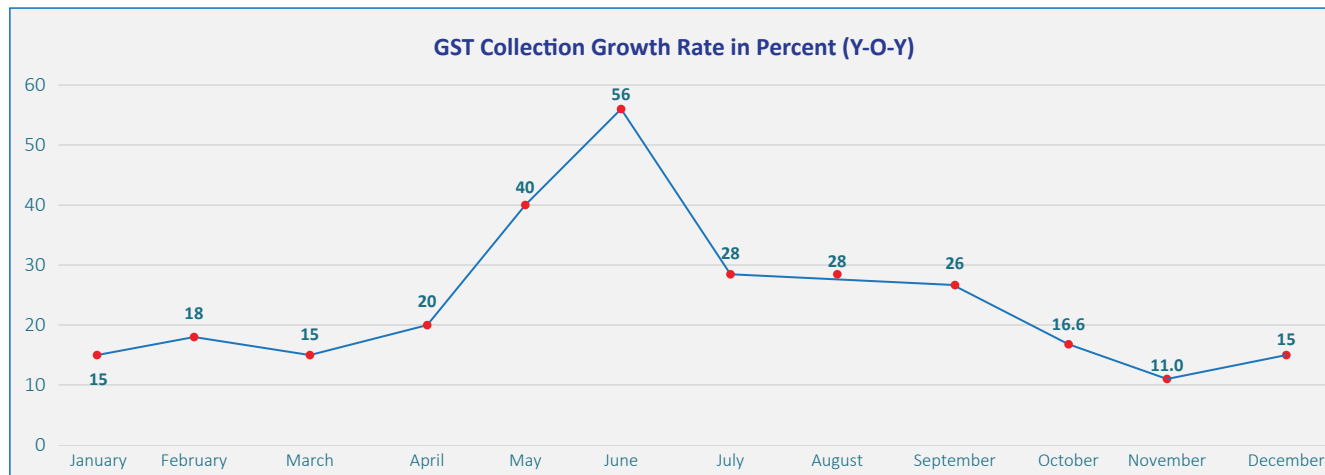
- The gross GST revenue collected in the month of December, 2022 is INR 1,49,507 crore of which CGST is INR 26,771 crore, SGST is INR 33,357 crore, IGST is INR 78,434 crore



Source: CGA, Govt. of India)

- The GST revenues for the month of November December 2022 are 15% higher than the GST revenues in the same month last year of INR 1,29,780 crore

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

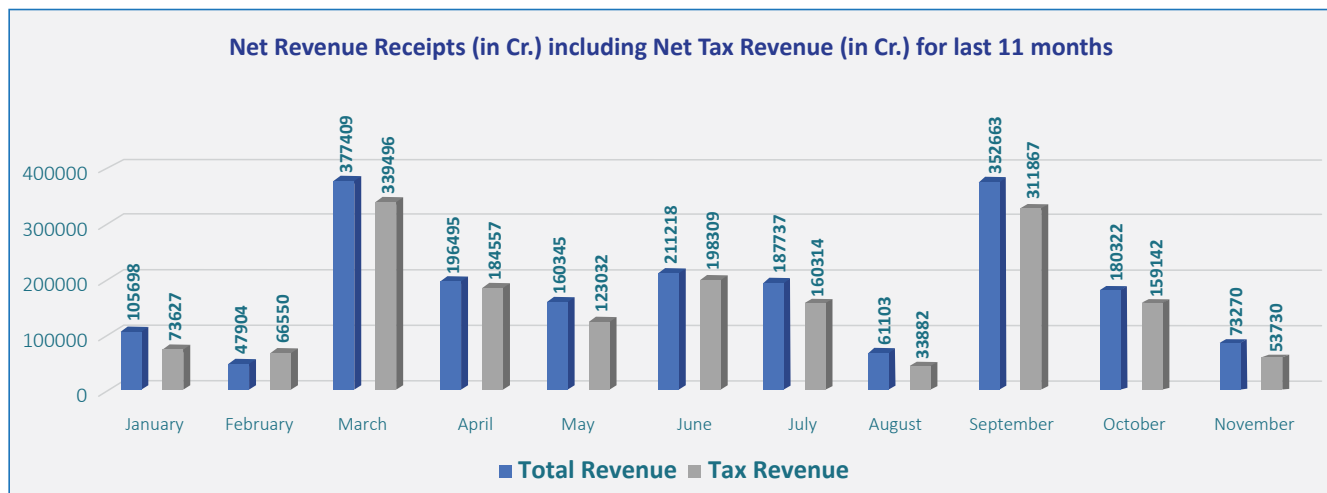


Source: GST Council, Govt. of India



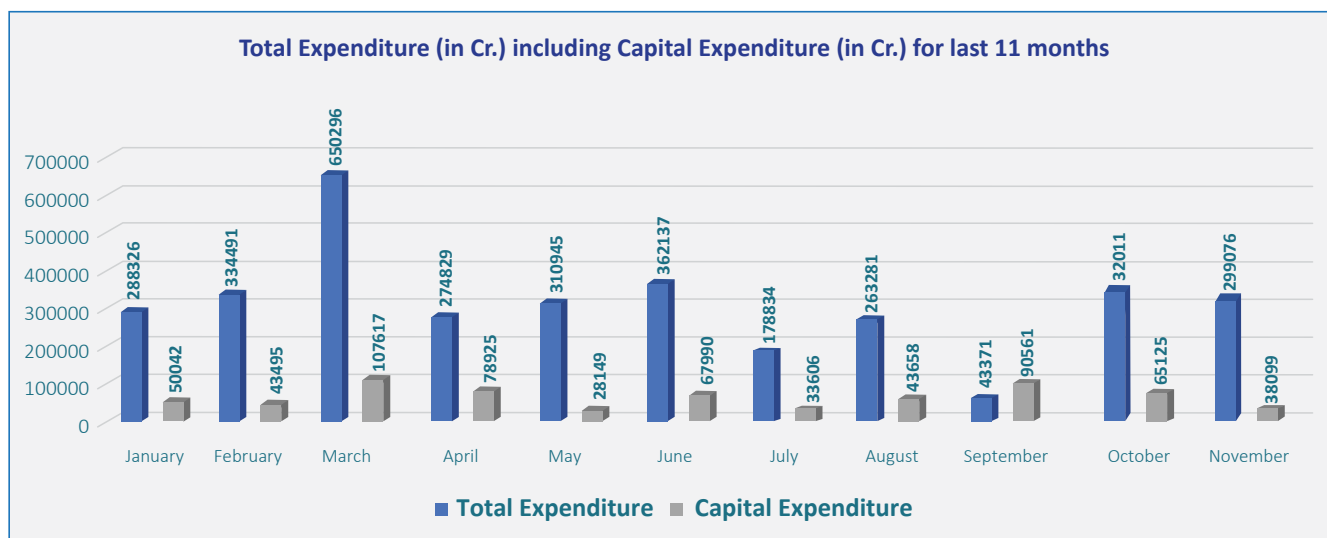
● Revenue & Expenditure

1. In the month of November, the Net Revenue Receipts registered at INR 73,270 crore of which Net Tax Revenue was INR 53,730 crore



(Source: CGA, Govt. of India)

2. In the month of November, the Net Expenditure registered at INR 2,99,076 crore of which Net Capital Expenditure was INR 38,099 crore



(Source: CGA, Govt. of India)

ABOUT MCCI

MCCI is a 122 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, trade and services besides, 10 Associations of Industry & Trade are also affiliated to MCCI.

MCCI addresses various aspects of the industry, trade and service 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 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 Councils 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.



Merchants' Chamber of Commerce & Industry

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