



**MERCHANTS' CHAMBER  
OF COMMERCE & INDUSTRY**

**February  
2023**

# **MCCI ECONOMY WATCH**



## **Message from President**

Global monetary policy cycle, slowing global growth, and elevated commodity prices showing possibilities of slowdown in the Indian economy. Indian economy has demonstrated to be resilient despite a challenging external environment. Although, food, energy, and other commodity prices may have eased moderately over the past few months, inflation continues to stay high and broad-based in the economy. There is retail inflationary pressure, but the wholesale price inflation has been dipping.

India is in a relatively bright spot among the world's growing major economies due to robust domestic demand which is getting reflected in growing consumer sentiment. Industries are also witnessing positive growth, and service exports have faced outstanding growth in January 2023. The equity market has been facing less volatility, and on the other hand, the crude price has been fluctuating in a narrow range since last week.

From the industry perspective, it is heartening to inform that the Government of India has already identified infrastructure projects worth INR 4.53 lakh crore, to improve urban connectivity in order to assist industries in avoiding logistical challenges.

Wish you all a Happy Reading.

  
**Namit Bajoria**  
President, MCCI

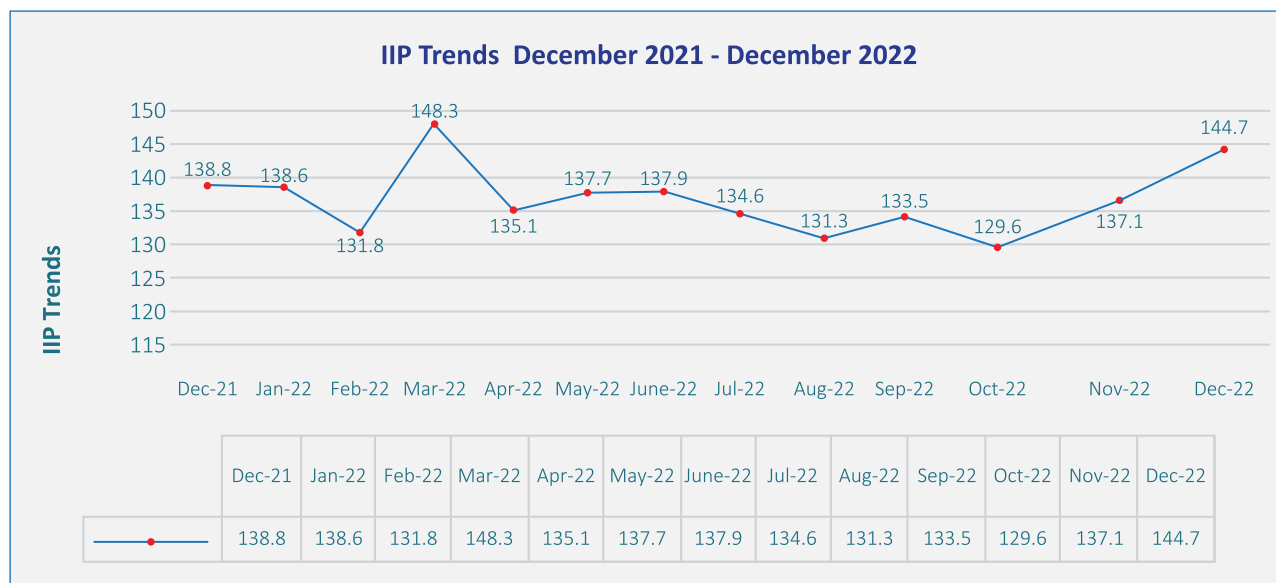
- Purchasing Manager's Index (PMI) in Services was at 55.2 in January 2023, highlighting contraction as compared to December 2022 with the value of 58.5
- Power consumption registered 13.31% growth in January 2023
- As of February 3, 2023, reserve money stood at INR 42,55,037 crore
- As of February 3 2023, currency in circulation (CiC) registered at INR 32,97,737 crore
- India's overall export increased by 5.39% to US\$ 65.15 billion in January 2023 as against US\$ 61.82 billion in the same month of last year.
- CPI for all consumers increased by 0.8% in January 2022
- In January 2023, Index of Consumer Sentiment in India increased by 0.8%



## ● Index of Industrial Production

1. The Index of Industrial Production (IIP) for December 2022 stood at 144.7 compared to 137.4 in November 2022 and 129.3 in October 2022 thereby registering a positive growth of 4.3% in December 2022, however the IIP growth rate in December is lower than the previous month which was 7.1%
2. In the month of December, IIP trends in electricity, manufacturing and mining have registered at 10.4%, 2.6% and 9.8% respectively.

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



Source: MOSPI

## ● Inflation

1. India's retail inflation (CPI) increased to 6.52% in January 2023 as compared to 5.72% in December 2022
2. Wholesale Price Index (WPI) dipped to 4.73% in January 2023 as compared to 4.95% in December 2022

## ● Foreign Trade:

1. India's merchandise exports stood at US\$ 32.91 billion in January 2023 as compared to US\$ 35.23 billion in January 2022, registering a negative growth rate of 6.59%
2. Non-petroleum and non-gems & jewellery exports were US\$ 25.35 billion in January 2023 as compared to US\$ 27.41 billion in January 2022, registering a negative growth
3. India's merchandise import stood at US\$ 50.66 billion in January 2023 with a negative growth rate of 3.63% over US\$ 52.57 billion in January 2022
4. India's service export stood at US\$ 32.24 billion in January 2023, an increase of 49.05% over US\$ 21.63 billion in January 2022
5. India's service import stood at US\$ 15.76 billion in January 2023, an increase of 19.03%, over US\$ 13.24 billion in January 2022

Overall Trade (Merchandise & Service) in January 2023			
	Value in US\$ Billion		Growth
	January 2023	January 2022	
Export	65.15	56.86	14.58
Import	66.42	65.80	0.94
Deficit	1.27	8.95	-

## ● Banking & Financial Indicators

### a. Banking:

Indicators	Outstanding (in Cr.) as on Jan 27, 2023	% Variation over Fortnight	% Variation over Year
Total Bank Credit	133,41,662	0.5	8.2
Food Credit	50,165		
Non- Food Credit	132,91,496		
Aggregate Deposit	177,18,901	0.2	8.3
Broad Money (M3)	218,94,248	0.2	8.4
Credit Deposit Ratio	73.30		

Source: RBI

### b. Banking Rates:

Indicators	Actual Rates as on February 15, 2022
Cash Reserve Ratio	4.50
Statutory Liquidity Ratio	18.00
Policy Repo Rate	6.50
Fixed Reverse Repo Rate	3.35
Bank Rate	6.75

Source: RBI

## ● Equity Market

### a. Global Stock Indices:

**Global Stock Indices** witnessed positive trends over the last week. On February 15, 2023, Hang Seng Index witnessed highest expansion.

Global Stock Indices	Closing Value (in \$) as on Feb 15, 2023	Change (%) from last closing value
NYSE: DJIA	34,128.05	0.11
FTSE 100	7,997.83	0.55
Nikkei 225	27,693.88	0.70
S & P/ ASX 200	7,408.90	0.77
KOSPI	2,470.28	1.75
Nasdaq 100	12,070.59	0.92
S & P 500	4,147.60	0.28
Hang Seng Index	21,292.14	2.31

Source: Yahoo Finance

#### b. Indian Stock Indices:

**Indian Stock Market Indices** witnessed positive trends over the past week.

Indian Stock Indices	Closing Value (in \$) as on February 15, 2023	Change (%) from the last closing value
BSE Sensex	61,576.66	0.47
BSE Sensex 50	19,039.53	0.52
NIFTY 50	18,110.05	0.53
NIFTY100	17,880.55	0.52

Source: BSE, NSE

#### c. BSE Sectoral Indices:

**BSE Sectoral Indices** witnessed positive trends over the last week.

BSE Indices	Closing Value (in \$) as on February 15, 2023	Change (%) from the last closing value
Auto Index	30,489.10	0.19
Bankex	47,321.69	0.32
Capital Goods	34,670.10	0.55
Consumer Durables	38,885.43	0.20
Energy	7,627.98	0.57
Finance	8,758.04	0.27
FMCG	16,530.74	0.22
Health Care	22,425.90	0.74
Metal Index	20,422.39	0.82
Oil & Gas Index	17,582.19	0.46
Power Index	3,428.68	0.63
Teck Index	14,255.81	1.05

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.

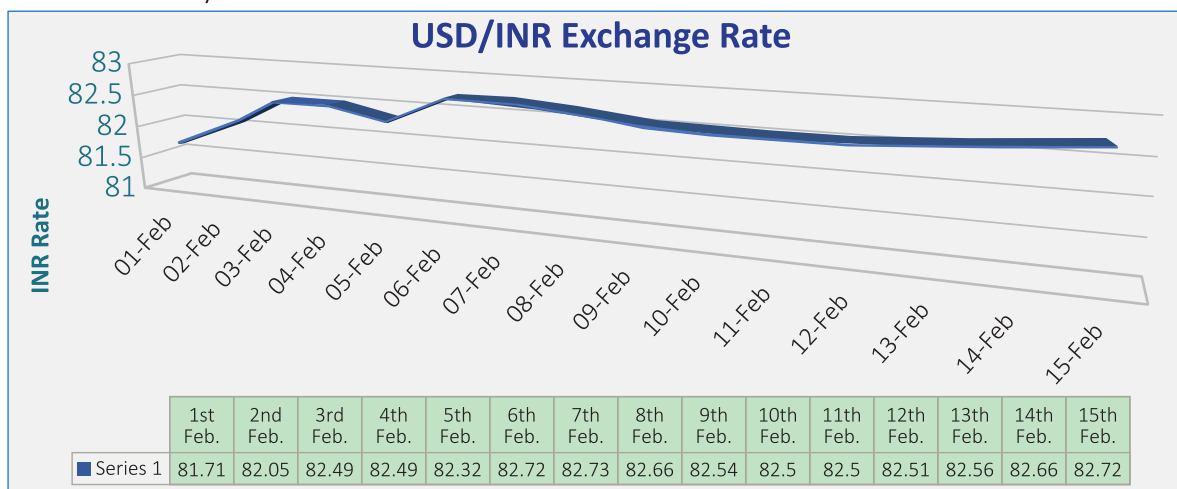
Future Indices	Closing Value (in \$) as on February 15, 2023	Change (%) from the last closing value
Russell 2000 Futures	1,968.80	0.17
Nasdaq Futures	12,776.00	0.36
S & P Futures	4,164.75	0.16
Dow Futures	34,184.00	0.03

Source: Yahoo Finance

## ● Currency Market

### a. INR Exchange Rate:

1. In the last fortnight of February, 2023 INR depreciated against the US dollar by 1.23% to stand at 82.72/USD



Source: RBI

### b. Foreign Exchange Reserve:

1. India's foreign exchange reserve decreased by US\$1494 million from \$ 576.76 billion to stand at US\$ 575.27 billion as on February 3, 2023
2. Gold reserve decreased by US \$246 million while SDR increased marginally as on February 3, 2023, stands at US\$ 18.54 billion
3. Reserve Position with IMF was US\$ 5.24 billion in February 3, 2023 which contracted by US\$ 9 million from previous value

USD Billion	Value as on Feb 3, 2023	Variation over	
		Week	Fiscal
Total Reserves	575.27	-1.49	-11.51
Foreign Currency Assets	507.70	-1.32	-60.63
Gold	43.78	-0.24	4.50
SDRs	18.54	0.06	-0.56
Reserve Position in the IMF	5.24	-0.009	-0.014

Source: RBI

## ● Commodity Future Indices

1. Spot price for Brent Crude oil stood at INR 6,591.00 per barrel while Gold price was at INR 56,074.00 per 10 GRMS as on February 15, 2023
2. MCX commodity composite index expanded by 0.17% and the base metal index contracted by 0.17% from the last closing value

Commodity Future Indices	Closing Value as on Feb 15, 2022	Change (%) from the last closing value
Brent Crude (INR/1BBL)	6,591.00	1.00
Gold (INR/10 GRMS)	56,074.00	-0.09
iCOMDEX Composite	13,188.51	0.17
iCOMDEX Base Metals	18,126.27	0.17
Coal	213.75	0.40
Cotton (in INR)	64,000	-0.31

Source: MCX

## ● Goods and Services Tax (GST)

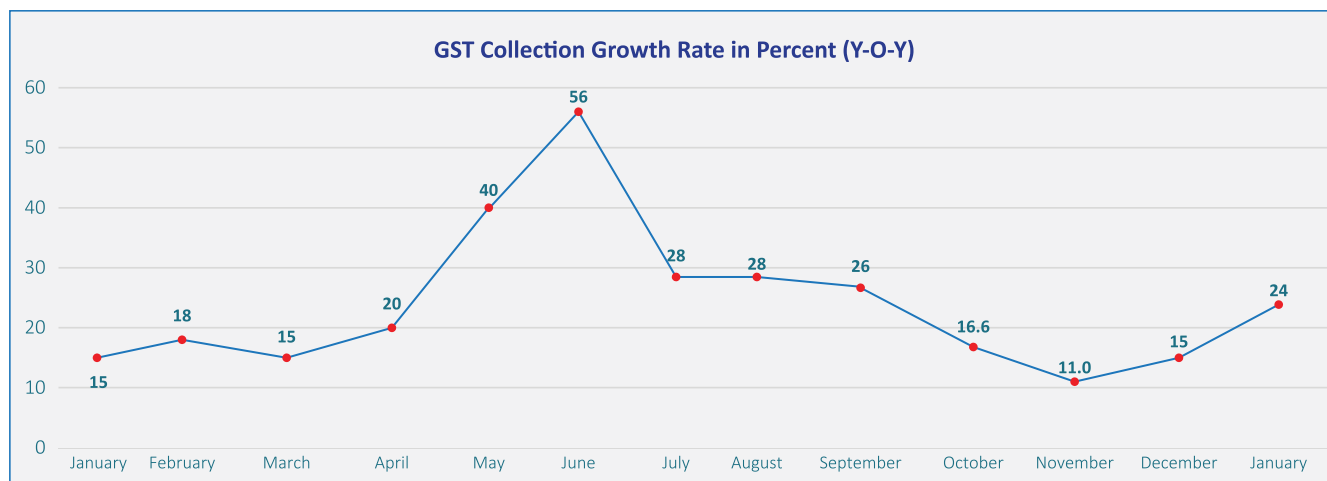
1. The gross GST revenue collected in the month of January, 2023 was INR 1,55,922 crore of which CGST is INR 28,963 crore, SGST is INR 36,730 crore, IGST is INR 79,599 crore



Source: CGA, Govt. of India)

2. The GST revenues for the month of January 2023 are 24% higher than the GST revenues in the same month last year of INR 1,40,986 crore

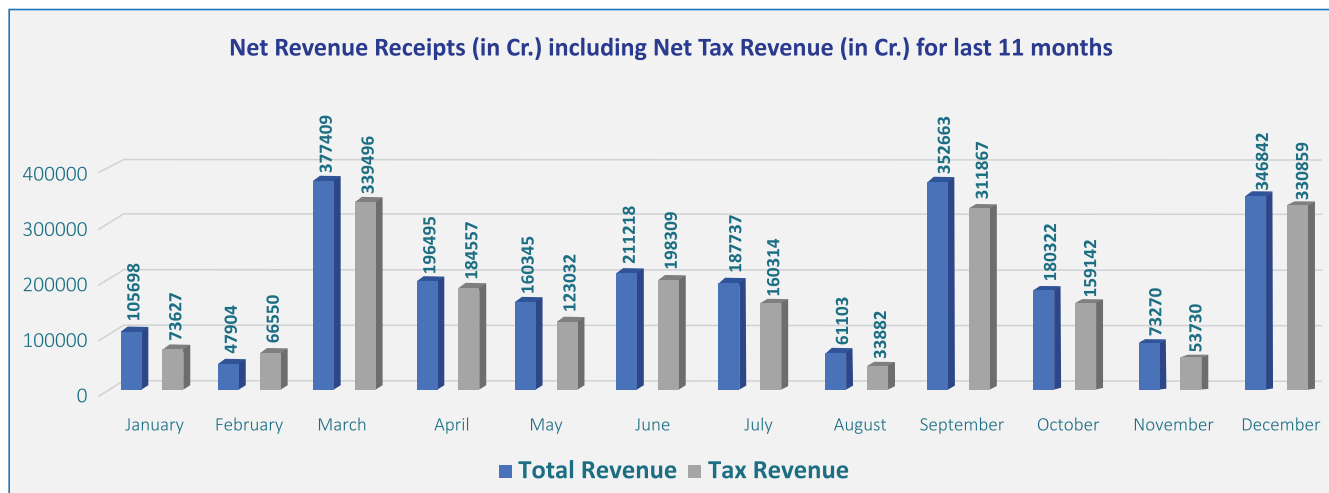
GST Collection Growth Rate in Percentage (Y-O-Y) with respect to corresponding months of 2021 and 2022.



Source: GST Council, Govt. of India

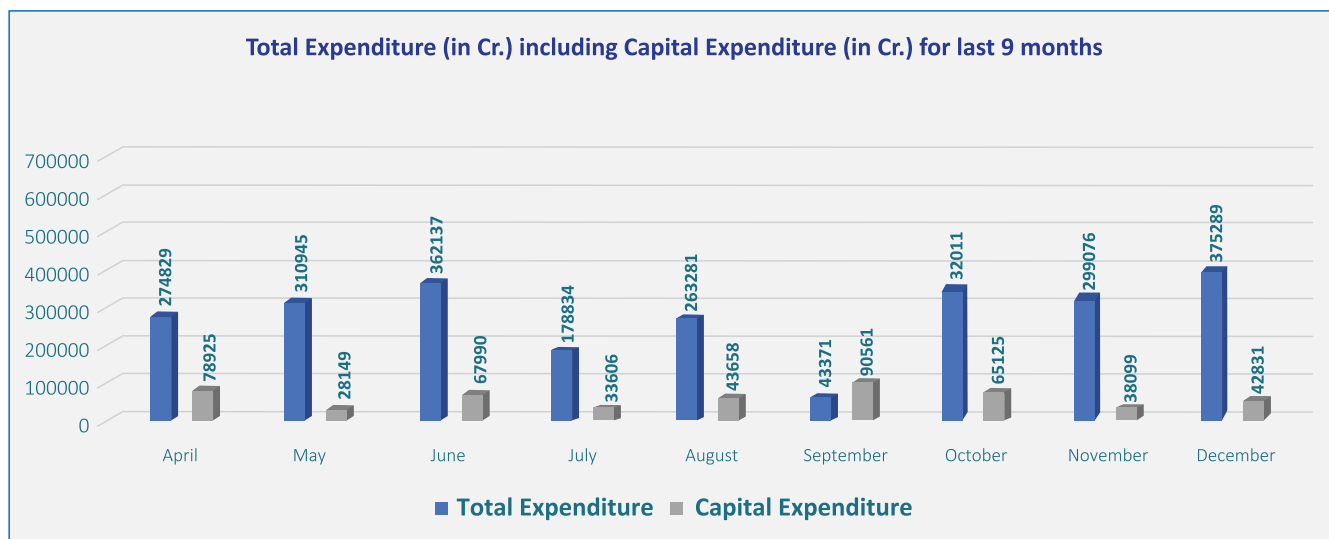
## Revenue & Expenditure

1. In the month of December 2022, the Net Revenue Receipts registered at INR 3,46,842 crore of which Net Tax Revenue was INR 3,30,859 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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