



**MERCHANTS' CHAMBER
OF COMMERCE & INDUSTRY**

**March
2023**

MCCI ECONOMY WATCH



Message from President

India is at a decisive point in its journey toward prosperity. Macroeconomic indicators are looking promising as the manufacturing and service sectors are gaining momentum and inflation appears to be cooling down. However, the tightening of global financial conditions and persistent geopolitical woes continue to be a major hindrance, which is already reflected in India's weak manufacturing exports. Growing geopolitical tensions, tightening global financial conditions and a slowdown in external demand are the downside risks.

Moody's Investors Service raised India's economic growth estimate for 2023 to 5.5 percent from 4.8 percent pegged earlier, on the back of a sharp increase in capital expenditure in the Budget and a resilient economic momentum. There is a vast window of opportunity for the country as it is presiding over the prestigious G20 Leader's Summit this year.

We do hope that India's macroeconomic stability indicators will gradually improve in FY24 owing to a combination of factors like easing in global commodity prices, a more capex-driven policy mix, and fiscal and monetary policy on a consolidating path.

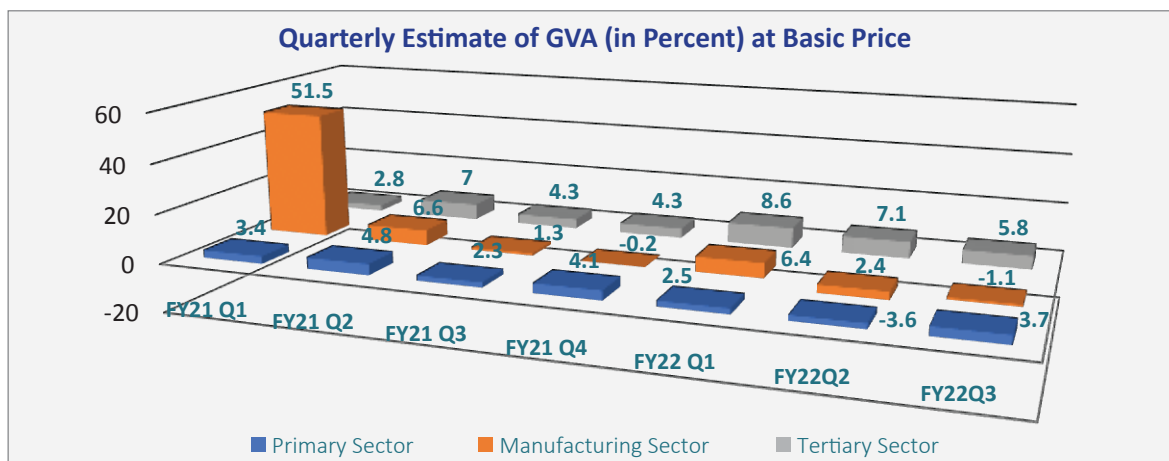
Wish you all a Happy Reading.


Namit Bajoria
President, MCCI

- Purchasing Manager's Index (PMI) in Services was at 59.4 in February 2023, highlighting the highest expansion in the last 12 years
- Power consumption registered 9% growth in February 2023
- As of March 3, 2023, reserve money stood at INR 43,05,663 crore
- As of March 3, 2023, currency in circulation (CiC) registered at INR 33,45,755 crore
- India's overall export increased by 7.23% to USD 63.2 billion in February 2023 as against USD 58.46 billion in the same month of last year.
- CPI for all consumers decreased by 0.45% in February 2023
- In February 2023, the Index of Consumer Sentiment in India increased by 5.1%



Real GDP Growth

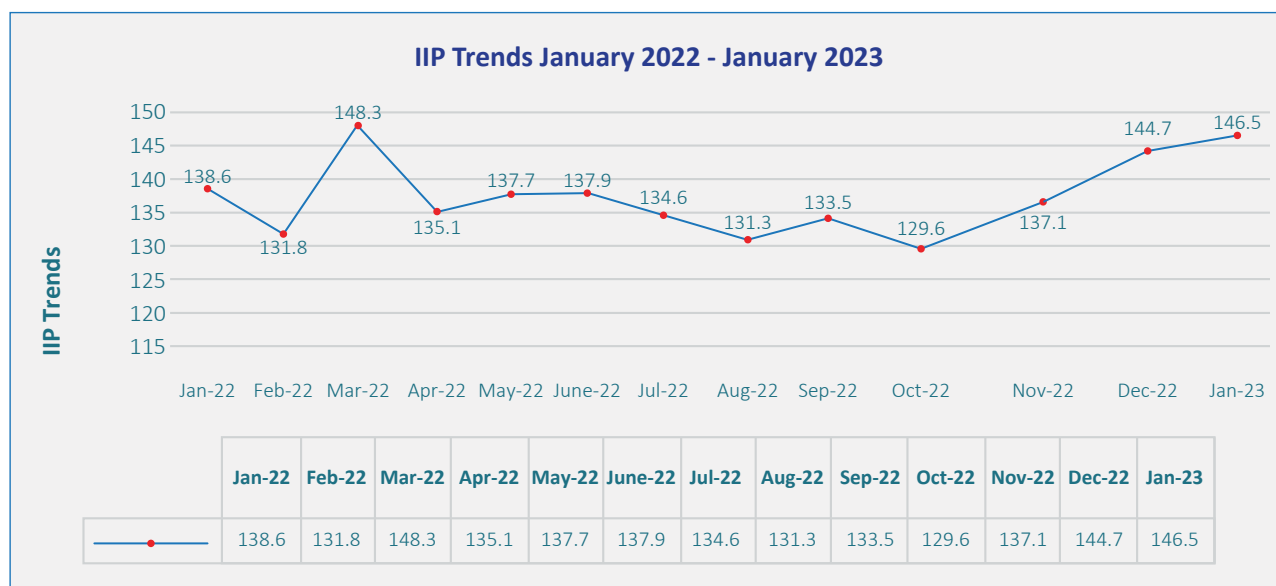


(Source: MOSPI)

Index of Industrial Production

1. The Index of Industrial Production (IIP) for January 2023 stood at 146.5 compared to 144.7 in December 2022 and 137.4 in November 2022 thereby registering a positive growth of 5.2% in January 2023
2. In the month of January 2023, IIP trends in electricity, manufacturing and mining have registered at 10.1%, 4.8% and 5.8% respectively.

IIP trends from January 2022 to January 2023 are given in the following figure:



Source: MOSPI

Inflation

1. India's retail inflation (CPI) reduced to 6.07% in February 2023 as compared to 6.52% in January 2023
2. Wholesale Price Index (WPI) dipped to 3.85% in February 2023 as compared to 4.73% in January 2023

● Foreign Trade:

1. India's merchandise exports stood at USD 33.88 billion in February 2023 as compared to USD 37.15 billion in February 2022, registering a negative growth rate of 8.80%
2. Non-petroleum and non-gems & jewellery exports were USD 25.36 billion in February 2023 as compared to USD 27.09 billion in February 2022, registering a negative growth
3. India's merchandise import stood at USD 51.31 billion in February 2023 with a negative growth rate of 8.21% over USD 55.90 billion in February 2022
4. India's service export stood at USD 29.15 billion in February 2023, an increase of 26.92% over USD 21.30 billion in February 2022
5. India's service import stood at USD 14.55 billion in February 2023, an increase of 10.86%, over USD 12.97 billion in February 2022

Overall Trade (Merchandise & Service) in February 2023			
	Value in US\$ Billion		Growth
	February 2023	February 2022	
Export	63.02	58.46	7.23
Import	65.85	68.87	-4.58
Deficit	2.83	10.41	-

● Banking & Financial Indicators

a. Banking:

Indicators	Outstanding (in Cr.) as on Feb 24, 2023	% Variation over Fortnight	% Variation over Year
Total Bank Credit	134,50,706	0.2	9.1
Food Credit	35,276		
Non- Food Credit	134,15,430		
Aggregate Deposit	178,61,770	0.5	8.6
Broad Money (M3)	221,01,519	0.5	8.7
Credit Deposit Ratio	73.30		

Source: RBI

b. Banking Rates:

Indicators	Actual Rates as on March 15, 2023
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 March 14, 2023, Nasdaq 100 Index witnessed the highest expansion.

Global Stock Indices	Closing Value (in \$) as on March 14, 2023	Change (%) from last closing value
NYSE: DJIA	32,155.40	1.06
FTSE 100	7,637.11	1.17
Nikkei 225	27,253.00	0.11
S & P/ ASX 200	7,062.60	0.77
KOSPI	2,384.45	1.51
Nasdaq 100	11,428.15	2.14
S & P 500	3,919.29	1.65
Hang Seng Index	19,490.35	1.26

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 March 15, 2023	Change (%) from the last closing value
BSE Sensex	58,117.16	0.37
BSE Sensex 50	17,993.85	0.40
NIFTY 50	17,111.35	0.53
NIFTY100	16,949.25	0.37

Source: BSE, NSE

c. BSE Sectoral Indices:

BSE Sectoral Indices witnessed mixed trends over the last week.

BSE Indices	Closing Value (in \$) as on March 14, 2023	Change (%) from the last closing value
Auto Index	28,568.57	0.41
Bankex	44,763.54	0.35
Capital Goods	34,613.53	1.66
Consumer Durables	37,218.15	1.10
Energy	7,468.96	-0.12
Finance	8,259.95	0.36
FMCG	16,093.66	-0.15
Health Care	21,651.37	0.88
Metal Index	19,665.21	1.47
Oil & Gas Index	17,452.88	0.05
Power Index	3,557.30	0.22
Teck Index	13,059.72	0.16

Source: BSE



d. Global Stock Exchange Future:

Global Future Indices witnessed mixed trends over the last week.

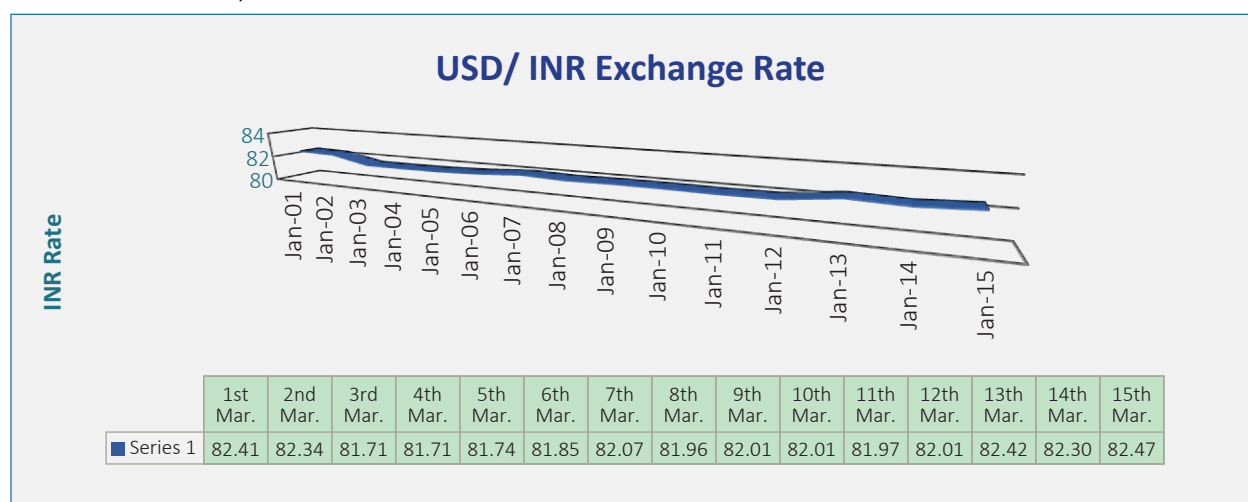
Future Indices	Closing Value (in \$) as on March 14, 2023	Change (%) from the last closing value
Russell 2000 Futures	1,797.80	0.18
Nasdaq Futures	12,206.50	-0.00
S & P Futures	3,922.00	0.04
Dow Futures	32,148.00	-0.04

Source: Yahoo Finance

● Currency Market

a. INR Exchange Rate:

1. In the last fortnight of March, 2023 INR depreciated against the US dollar by 0.07% to stand at 82.47/USD



Source: RBI

b. Foreign Exchange Reserve:

1. India's foreign exchange reserve increased by USD 1458 million from USD 560.94 billion to stand at USD 562.40 billion as on March 3, 2023
2. Gold reserve increased by USD 282 million while SDR decreased marginally as on March 3, 2023, stands at USD 18.17 billion
3. Reserve Position with IMF was USD 5.10 billion in March 3, 2023

USD Billion	Value as on March 3, 2023	Variation over	
		Week	Fiscal
Total Reserves	562.40	1.46	-69.52
Foreign Currency Assets	497.09	1.18	-68.38
Gold	42.03	0.82	-0.87
SDRs	18.17	-0.013	-0.80
Reserve Position in the IMF	5.10	0.008	-0.047

Source: RBI

Commodity Future Indices

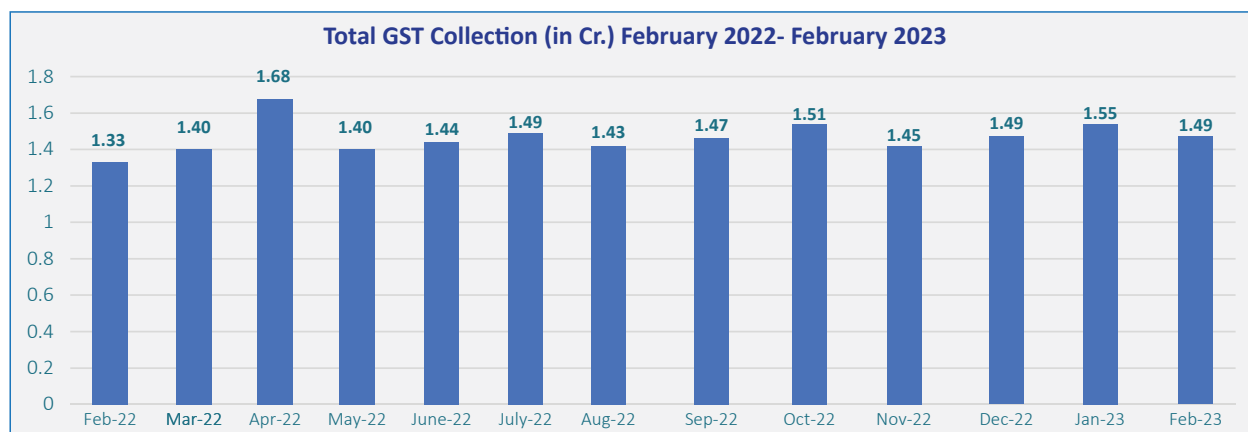
- MCX commodity composite index contracted by 0.13% and the base metal index expanded by 0.14% from the last closing value

Commodity Future Indices (MCX ICOMDEX)	Closing Value as on March 14, 2022	Change from the last closing value (%)
Brent Crude	7,534.43	-0.46
Gold	18,053.30	-0.11
iCOMDEX Composite	12,996.50	-0.13
iCOMDEX Base Metals	17,606.22	0.14
Natural Gas	2,285.04	0.54

Source: MCX

Goods and Services Tax (GST)

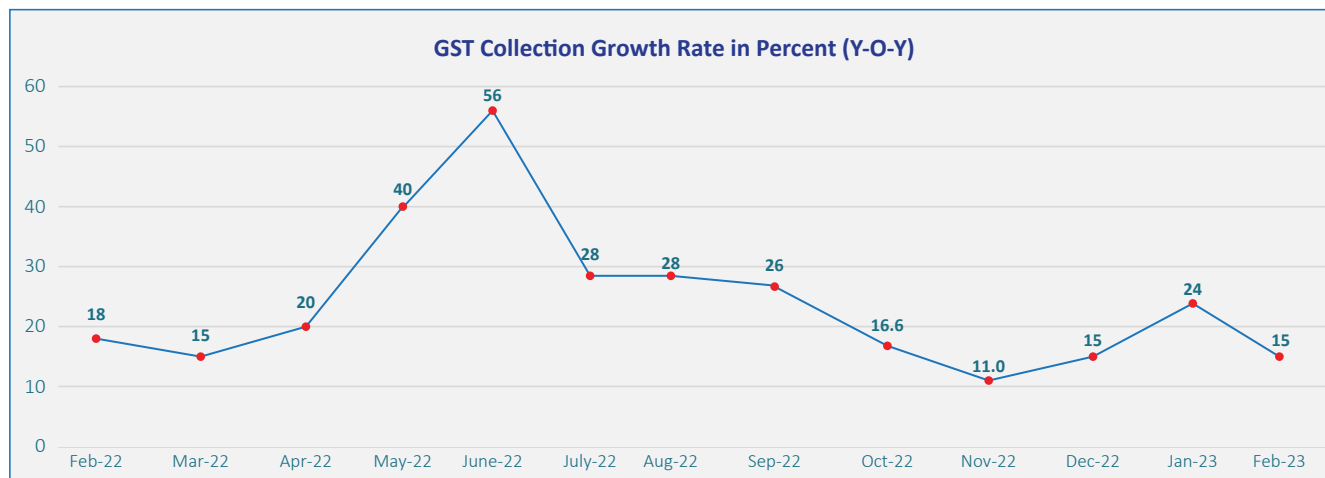
- The gross GST revenue collected in the month of February, 2023 was INR 1,49,577 crore of which CGST is INR 27,662 crore, SGST is INR 34,915 crore, IGST is INR 79,069 crore



Source: CGA, Govt. of India)

- The GST revenues for the month of February 2023 are 15% higher than the GST revenues in the same month last year of INR 1,33,026 crore

GST Collection Growth Rate in Percentage (Y-O-Y) with respect to corresponding months of 2022 and 2023.

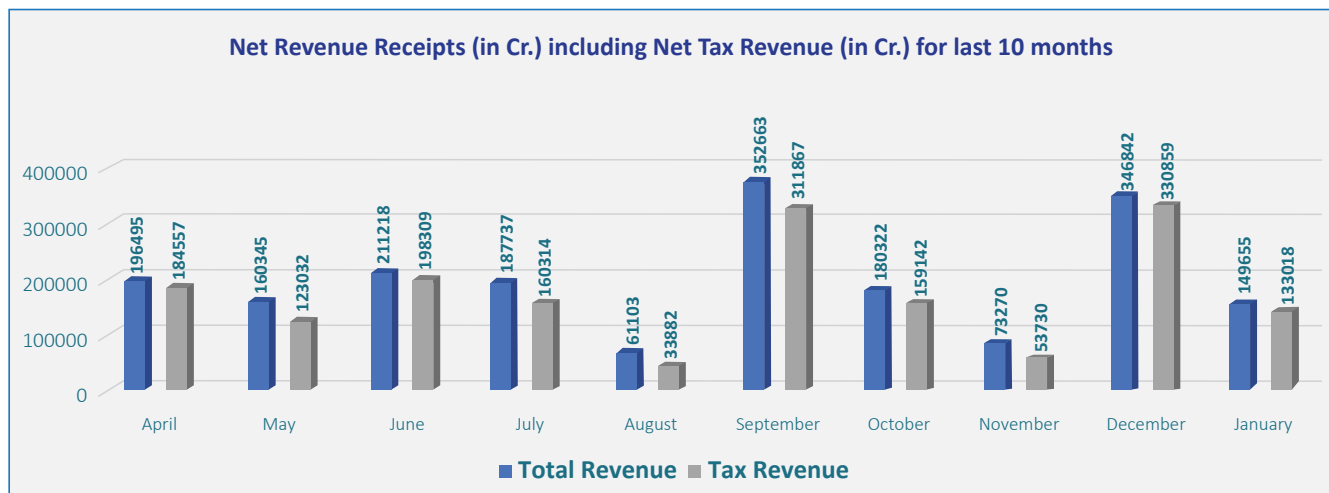


Source: GST Council, Govt. of India



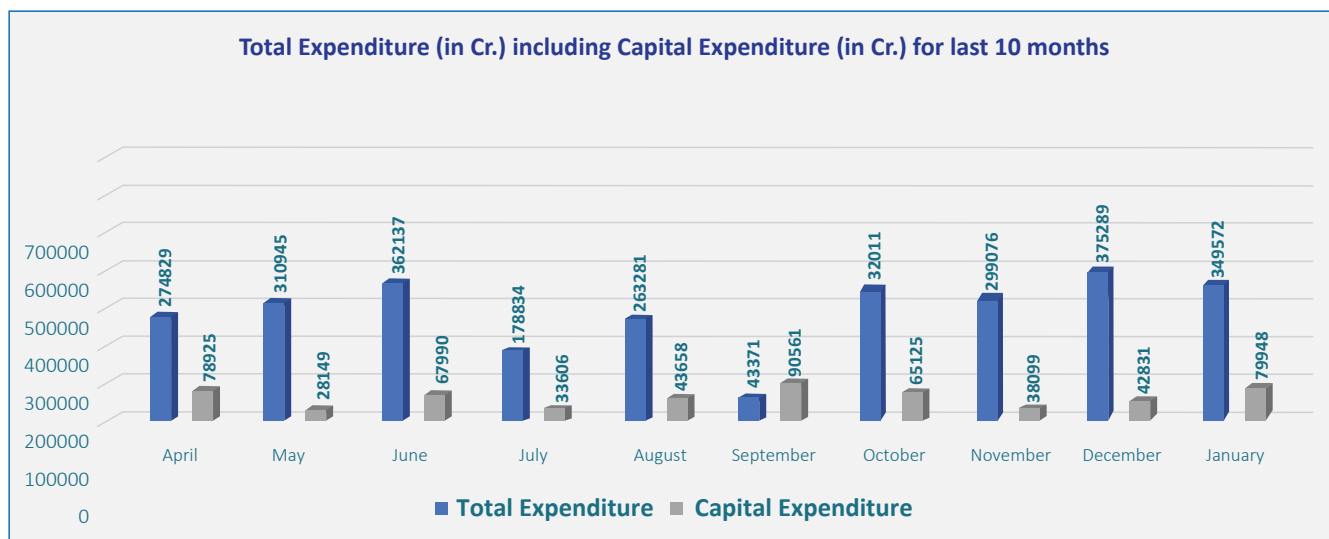
● Revenue & Expenditure

1. In the month of January 2023, the Net Revenue Receipts registered at INR 1,49,655 crore of which Net Tax Revenue was INR 1,33,018 crore



(Source: CGA, Govt. of India)

2. In the month of January 2023, the Net Expenditure registered at INR 3,49,572 crore of which Net Capital Expenditure was INR 79,948 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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