



**MERCHANTS' CHAMBER
OF COMMERCE & INDUSTRY**

May
2023

MCCI ECONOMY WATCH



Message from President

India's macroeconomic indicators are going strong. WPI is on a downward trajectory for the first time after 3 years. Import has declined and PMI in manufacturing has witnessed a jump in April 2023. However, shrinking exports is a concern due to a slowdown in demand in the global economy. We expect that the impact of a decrease in WPI would take time to affect retail prices. The effect of extreme weather conditions and El Nino and global commodity prices will be the deciding factors for the price situation in the coming months.

Wish you all a Happy Reading.

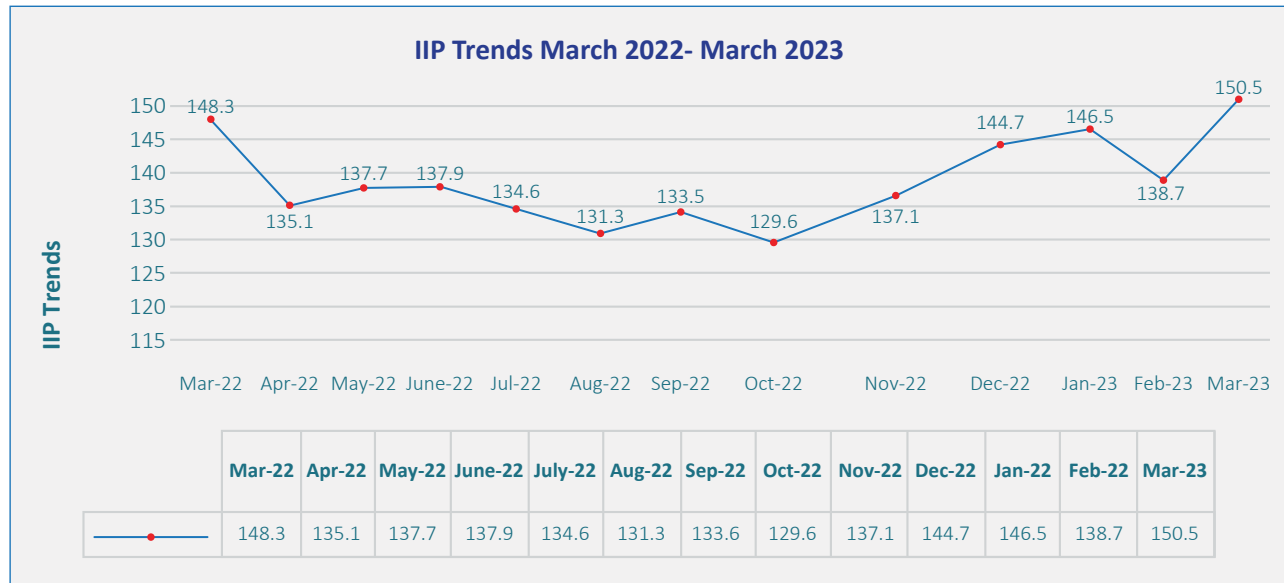

Namit Bajoria
President, MCCI

- Purchasing Manager's Index (PMI) in Services registered at 62.00 in March 2023, highlighting a contraction from the previous month
- Purchasing Managers' Index (PMI) in Manufacturing witnessed a jump to 57.2 in April 2023 from 56.4 in March 2023, the highest in three months
- Power consumption registered 1.1% growth in April 2023
- As of May 5, 2023, reserve money stood at INR 44,42,586 crore
- As of April 21, 2023, currency in circulation (CiC) registered at INR 226,82,193 crores
- India's overall export increased by 1.99% to USD 65.02 billion in April 2023 as against USD 63.75 billion in the same month of last year.
- CPI for all consumers decreased by 0.96% in April 2023

● Index of Industrial Production

1. The Index of Industrial Production (IIP) for March 2023 stood at 150.5 compared to 138.7 in February 2023, thereby registering a positive growth of 1.1% Y-O-Y basis.
2. In the month of March 2023, IIP trends in electricity, manufacturing and mining have registered at 8.9%, 4.5% and 5.8% respectively.

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



Source: MOSPI

● Inflation

1. India's retail inflation (CPI) reduced to 4.70% in April 2023 as compared to 5.66% in March 2023
2. Wholesale Price Index (WPI) dipped to (-) 0.92% in April 2023 as compared to 1.34% in March 2023

● Foreign Trade:

1. India's merchandise exports stood at USD 34.66 billion in April 2023 as compared to USD 39.70 billion in April 2022, registering a negative growth rate of 12.70%
2. India's service export stood at USD 30.36 billion in April 2023, an increase of 25.75% over USD 24.05 billion in April 2022
3. Non-petroleum and non-gems & jewellery exports were USD 28.19 billion in April 2023 as compared to USD 31.84 billion in April 2022, registering a negative growth
4. India's merchandise import stood at USD 49.90 billion in April 2023 with a negative growth rate of 14.05% over USD 58.06 billion in April 2022
5. India's service import stood at USD 16.50 billion in April 2023, a decrease of 17.35%, over USD 14.06 billion in April 2022

Overall Trade (Merchandise & Service) in April 2023			
	Value in US\$ Billion		Growth
	April 2023	April 2022	
Export	65.02	63.75	1.99
Import	66.40	72.11	-7.91
Deficit	1.38	8.37	-

● Banking & Financial Indicators

a. Banking:

Indicators	Outstanding (in Cr.) as on April 21, 2023	% Variation over Fortnight	% Variation over Year
Total Bank Credit	138,57,671	0.5	11.2
Food Credit	21,292		
Non- Food Credit	138,36,379		
Aggregate Deposit	183,11,580	-0.7	9.8
Broad Money (M3)	226,82,193	-0.4	9.5

Source: RBI

b. Banking Rates:

Indicators	Actual Rates as on May 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.

Global Stock Indices	Closing Value (in \$) as on May 15, 2023	Change (%) from last closing value
NYSE: DJIA	33,348.60	0.14
FTSE 100	7,777.70	0.30
Nikkei 225	29,872.85	0.83
S & P/ ASX 200	7,241.70	-0.35
KOSPI	2,480.74	0.06
Nasdaq 100	12,365.21	0.66
S & P 500	4,136.28	0.30
Hang Seng Index	20,049.34	0.39

Source: Yahoo Finance

b. Indian Stock Indices:

Indian Stock Market Indices witnessed mixed trends over the past week.

Indian Stock Indices	Closing Value (in \$) as on May 15, 2023	Change (%) from the last closing value
BSE Sensex	62,297.84	-0.08
BSE Sensex 50	19,331.34	-0.02
NIFTY 50	18,398.85	-1.03
NIFTY100	18,258.10	0.03

Source: BSE, NSE

c. BSE Sectoral Indices:

BSE Sectoral Indices witnessed mixed trends over the last week.

BSE Indices	Closing Value (in \$) as on May 15, 2023	Change (%) from the last closing value
Auto Index	32,236.70	-0.02
Bankex	50,062.90	0.04
Capital Goods	36,876.47	0.22
Consumer Durables	39,856.46	0.35
Energy	7,964.43	0.35
Finance	9,163.53	-0.01
FMCG	17,791.96	0.06
Health Care	23,323.50	0.36
Metal Index	19,825.57	0.10
Oil & Gas Index	18,447.28	0.36
Power Index	3,809.83	0.35
Teck Index	12,753.17	0.55

Source: BSE

d. Global Stock Exchange Future:

Global Future Indices witnessed mixed trends over the last week.

Future Indices	Closing Value (in \$) as on April 17, 2023	Change (%) from the last closing value
Russell 2000 Futures	1,761.90	-0.32
Nasdaq Futures	13,450.00	-0.13
S & P Futures	4,140.75	-0.22
Dow Futures	33,319.00	-0.24

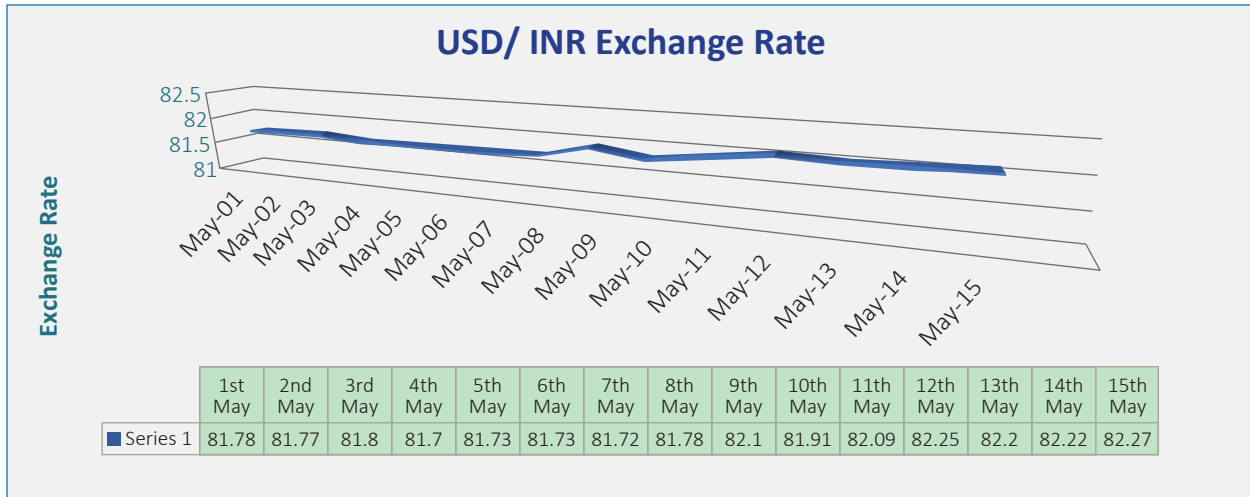
Source: Yahoo Finance



● Currency Market

a. INR Exchange Rate:

1. In the last fortnight of May 2023 INR depreciated against the US dollar by 0.59% to stand at 82.27/USD



Source: RBI

b. Foreign Exchange Reserve:

1. India's foreign exchange reserve increased by USD 7196 million from USD 588.78 billion to stand at USD 595.98 billion as on May 5, 2023
2. Gold reserve increased by USD 659 million while SDR decreased marginally as on May 5, 2023, and stands at USD 18.45 billion
3. Reserve Position with IMF was USD 5.19 billion on May 5, 2023

USD Billion	Value as on May 5, 2023	Variation over	
		Week	Fiscal
Total Reserves	595.98	7.19	0.022
Foreign Currency Assets	526.02	65.36	-4.83
Gold	46.31	0.65	4.58
SDRs	18.45	-0.019	0.077
Reserve Position in the IMF	5.19	0.020	0.202

Source: RBI

● Commodity Future Indices

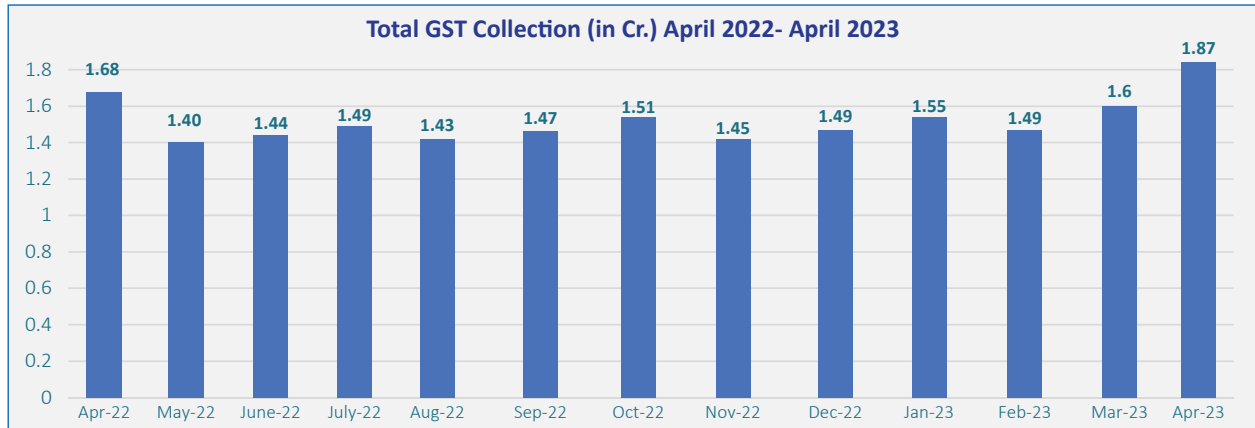
1. MCX commodity composite index contracted by 0.47% and the base metal index contracted by 0.87% from the last closing value

Commodity Future Indices (MCX ICOMDEX)	Closing Value as on April 17, 2023	Change from the last closing value (%)
Brent Crude	5,880.00	-0.07
Gold	18,891.69	-0.30
iCOMDEX Composite	12,962.40	-0.47
iCOMDEX Base Metals	16,389.95	-0.87
Natural Gas	1,812.48	0.14

Source: MCX

● Goods and Services Tax (GST)

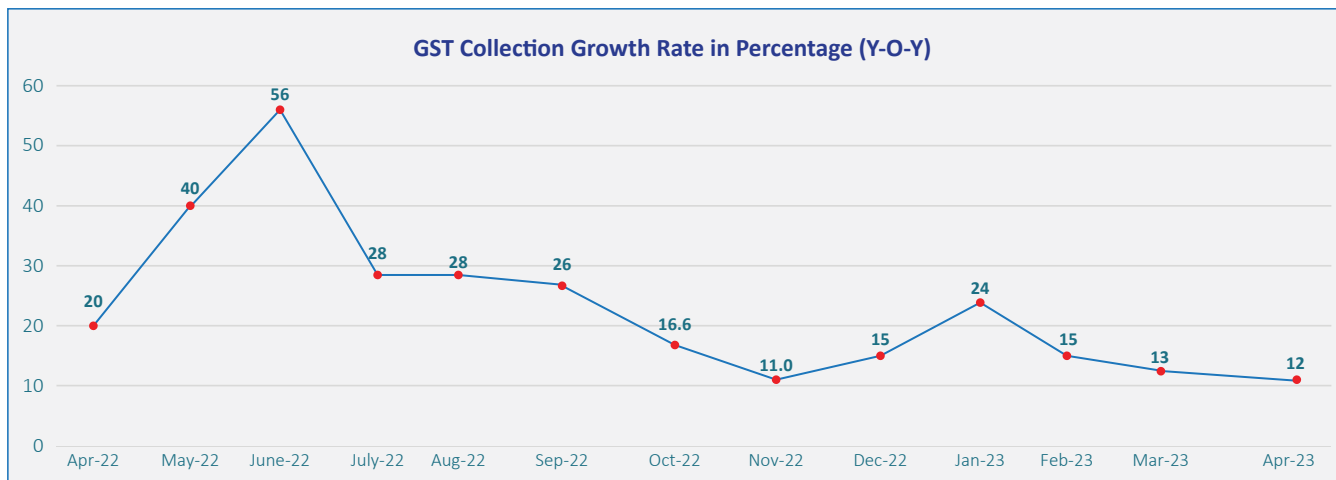
- The gross GST revenue collected in the month of April 2023 was INR 1,87,035 crore of which CGST is INR 38,440 crore, SGST is INR 47,412 crore, IGST is INR 89,158 crore



Source: CGA, Govt. of India)

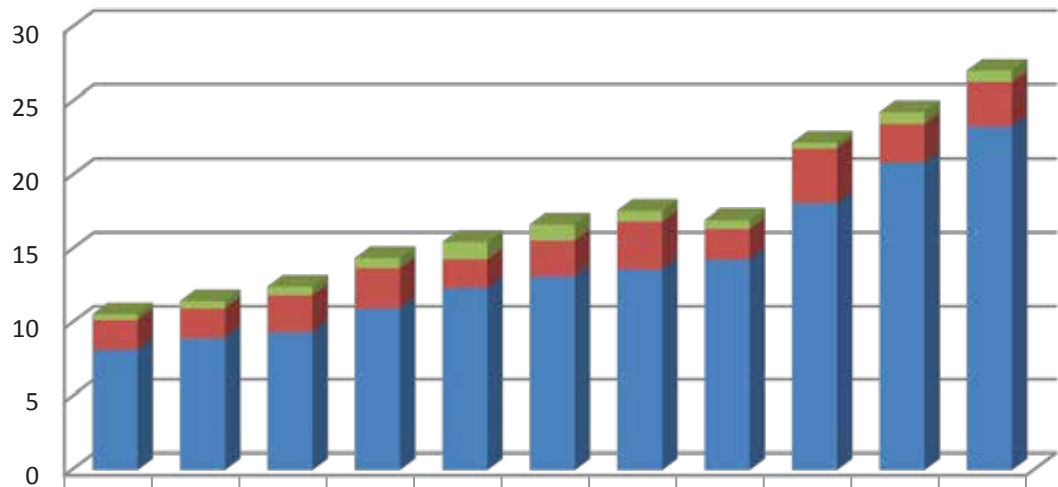
- The GST revenues for the month of March 2023 are 12% higher than the GST revenues in the same month last year of INR 1,67,540 crore

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



Source: GST Council, Govt. of India

Trend in Net Receipt of the Centre



	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Non Debt Capital Receipt	0.4	0.5	0.6	0.7	1.2	1.1	0.7	0.6	0.4	0.8	0.8
Non Tax Revenue	2	2	2.5	2.7	1.9	2.4	3.3	2.1	3.7	2.6	3
Net-Centre's Tax Revenue	8.2	9	9.4	11	12.4	13.2	13.6	14.3	18.1	20.9	23.3

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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