



**MERCHANTS' CHAMBER  
OF COMMERCE & INDUSTRY**

**June  
2023**

# **MCCI ECONOMY WATCH**



## **Message from President**

India's economy remains upbeat; on account of healthy macroeconomic indicators. Industrial output as well as PMI in manufacturing have shown positive growth in April. WPI inflation deepened further to a nearly eight-year low of 3.5 percent. However, merchandise exports contracted for the fourth month in a row as demand for key developed markets remained tepid. On the agriculture front, the rabi harvest remains largely immune to adverse weather conditions, which may lead to an unfavorable inflation outlook in the coming days.

Wish you all a Happy Reading.

  
**Namit Bajaria**  
President, MCCI

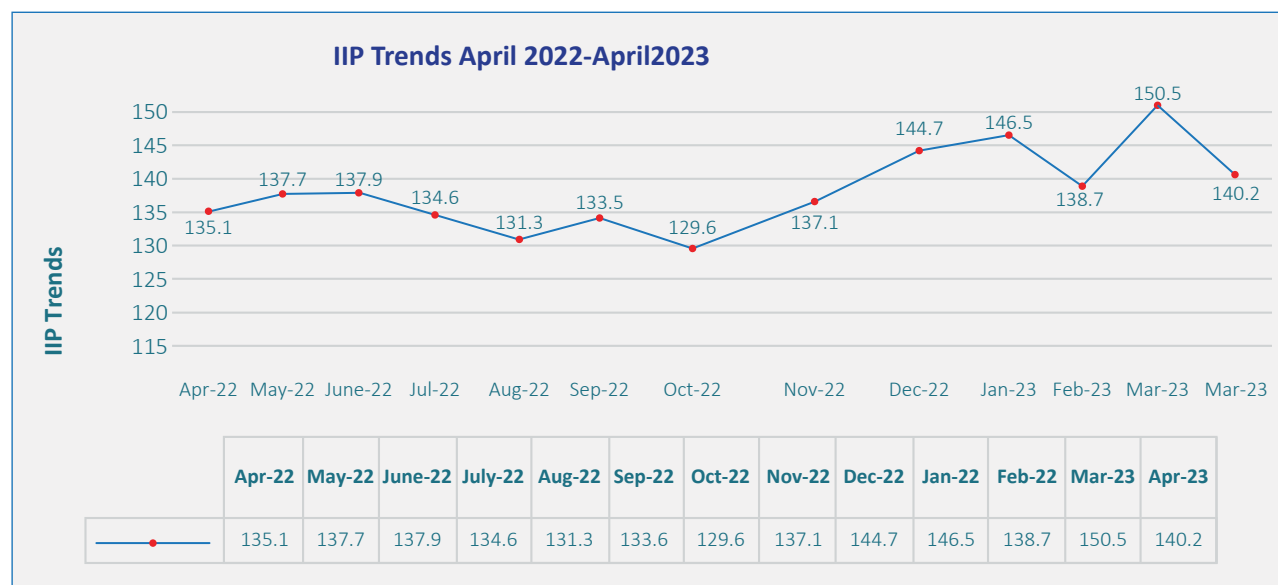
- Purchasing Manager's Index (PMI) in Services registered at 61.2 in May 2023, highlighting a contraction from the previous month
- Purchasing Managers' Index (PMI) in Manufacturing witnessed a jump to 58.7 in May 2023 from 57.2 in April 2023, the highest in three months
- As of June 9, 2023, reserve money stood at INR. 43, 85,101 cr.
- As of April 21, 2023, currency in circulation (CiC) registered at INR 230,13,127 crore
- India's overall export decreased by 5.48% to USD 120.87 billion in May 2023 as against USD 127.88 billion in the same month of last year.
- CPI for all consumers decreased by 0.45% in May 2023
- In May 2023, the Index of Consumer Sentiment in India increased by 0.9%



## ● Index of Industrial Production

1. The Index of Industrial Production (IIP) for April 2023 stood at 140.2 compared to 150.5 in March 2023, thereby registering a positive growth of 4.2% in April 2023
2. In the month of April 2023, IIP trends in electricity, manufacturing and mining have registered growth at 8.9%, 4.7% and 5.8% respectively.

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



Source: MOSPI

## ● Inflation

1. India's retail inflation (CPI) reduced to 4.25% in May 2023 as compared to 4.70% in April 2023
2. Wholesale Price Index (WPI) dipped to (-)3.48% in May 2023 as compared to (-)0.92% in April 2023

## ● Foreign Trade:

1. India's merchandise exports stood at USD 34.98 billion in May 2023 as compared to USD 39.00 billion in May 2022, registering a negative growth rate of 11.49%
2. India's service export stood at USD 25.30 billion in May 2023, an increase of 0.68% over USD 25.13 billion in May 2022
3. Non-petroleum and non-gems & jewellery exports were USD 26.22 billion in May 2023 as compared to USD 27.30 billion in May 2022, registering a negative growth
4. India's merchandise import stood at USD 106.99 billion in May 2023 with a negative growth rate of 10.29% over USD 119.18 billion in May 2022
5. India's service import stood at USD 27.16 billion in May 2023, a decrease of 7.14%, over USD 29.25 billion in May 2022



Overall Trade (Merchandise & Service) in May 2023			
	Value in US\$ Billion		Growth
	May 2023	May 2022	
Export	120.87	127.88	-5.48
Import	134.15	148.44	-9.62
Deficit	13.28	20.56	-

## ● Banking & Financial Indicators

### a. Banking:

Indicators	Outstanding(in Cr.) as of May 19, 2023	% Variation over Fortnight	% Variation over Year
Total Bank Credit	138,93,871	-0.0	12.2
Food Credit	36,350		
Non- Food Credit	138,57,522		
Aggregate Deposit	183,74,455	-0.3	9.3
Broad Money (M3)	227,64,913	-0.2	8.8

Source: RBI

### b. Banking Rates:

Indicators	Actual Rates as on June 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 June 15, 2023	Change (%) from last closing value
NYSE: DJIA	34,408.06	1.26
FTSE 100	7,643.81	0.20
Nikkei 225	33,706.08	0.66
S & P/ ASX 200	7,251.20	1.06
KOSPI	2,625.79	0.66
Nasdaq 100	13,782.82	1.15
S & P 500	4,425.84	1.22
Hang Seng Index	20,084.75	1.29

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 June 16, 2023	Change (%) from the last closing value
BSE Sensex	63,128.68	0.34
BSE Sensex 50	19,697.35	0.39
NIFTY 50	18,761.65	0.39
NIFTY100	18,739.90	0.46

Source: BSE, NSE

#### c. BSE Sectoral Indices:

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

BSE Indices	Closing Value (in \$) as on June 15, 2023	Change (%) from the last closing value
Auto Index	33,945.11	0.21
Bankex	49,174.88	0.72
Capital Goods	39,527.51	0.85
Consumer Durables	42,558.81	0.50
Energy	7,961.13	0.14
Finance	9,106.65	0.95
FMCG	18,620.80	0.49
Health Care	24,898.23	0.59
Metal Index	20,506.68	0.55
Oil & Gas Index	18,361.24	-0.19
Power Index	3,986.71	0.22
Teck Index	13,022.25	-0.54

Source: BSE

#### d. Global Stock Exchange Future:

**Global Future Indices** witnessed positive trends over the last week.

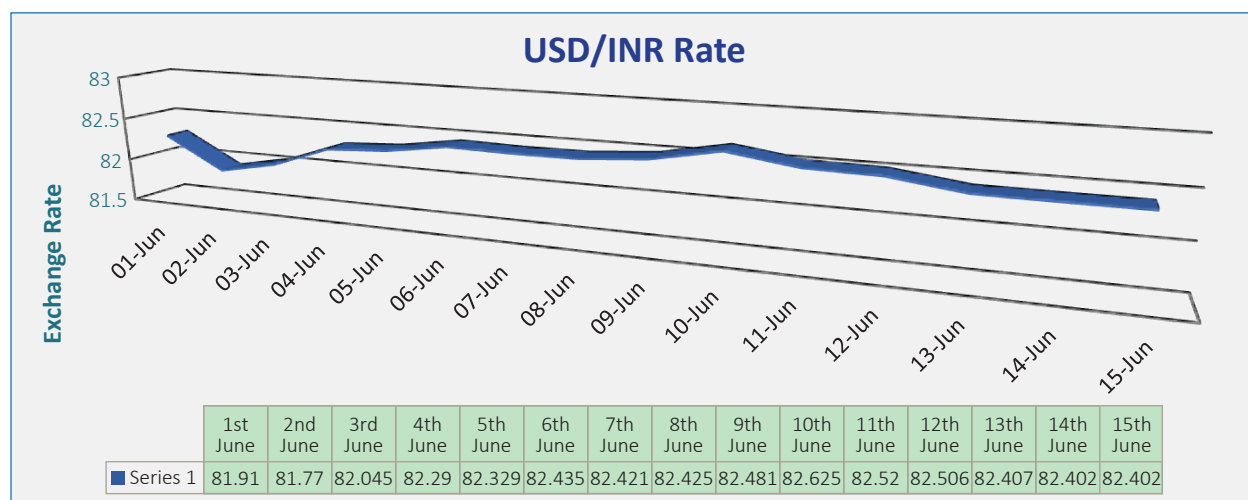
Future Indices	Closing Value (in \$) as on June 15, 2023	Change (%) from the last closing value
Russell 2000 Futures	1,912.30	0.17
Nasdaq Futures	15,214.75	0.18
S & P Futures	4,432.25	0.13
Dow Futures	34,442.00	0.06

Source: Yahoo Finance

## ● Currency Market

### a. INR Exchange Rate:

1. In the last fortnight of June, 2023 INR depreciated against the US dollar by 0.14% to stand at 82.408/USD



Source: RBI

### b. Foreign Exchange Reserve:

1. India's foreign exchange reserve increased by USD 5929 million from USD 589.13 billion to stand at USD 595.07 billion as on June 2, 2023
2. Gold reserve increased by USD 655 million while SDR decreased marginally as on June 2, 2023, and stands at USD 18.18 billion
3. Reserve Position with IMF was USD 5.12 billion on June 2, 2023

USD Billion	Value as on June 2, 2023	Variation over	
		Week	Fiscal
Total Reserves	595.07	5.92	-5.99
Foreign Currency Assets	526.20	5.27	-10.58
Gold	45.56	0.65	4.71
SDRs	18.18	-0.006	-0.22
Reserve Position in the IMF	5.12	0.010	0.098

Source: RBI

## ● Commodity Future Indices

1. MCX commodity composite index expanded by 0.30% and the base metal index expanded by 0.57% from the last closing value

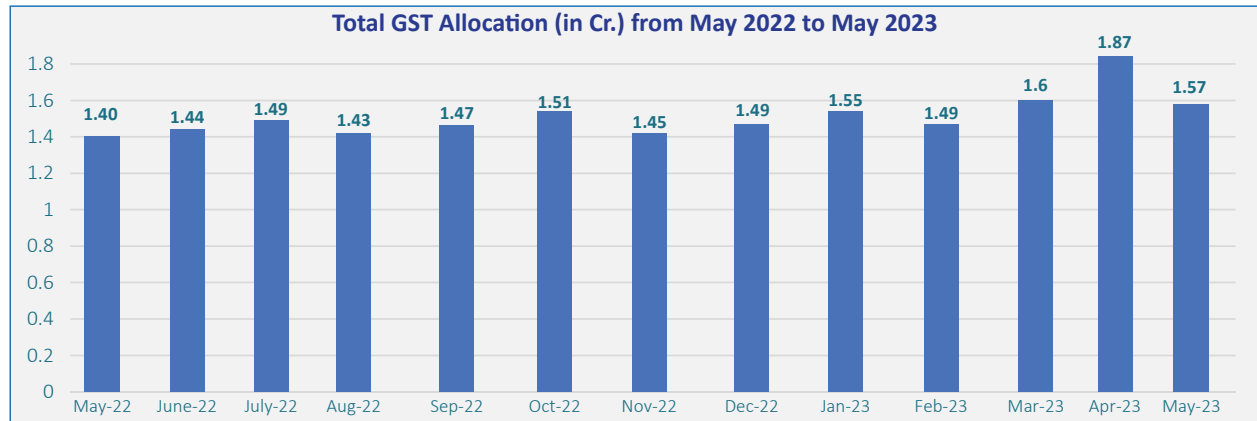
Commodity Future Indices (MCX ICOMDEX)	Closing Value as on June 15, 2023	Change from the last closing value (%)
Brent Crude	5,833.00	-0.03
Gold	18,381.59	0.07
iCOMDEX Composite	12,802.70	0.30
iCOMDEX Base Metals	16,398.25	0.57
Natural Gas	1,794.05	0.56

Source: MCX



## ● Goods and Services Tax (GST)

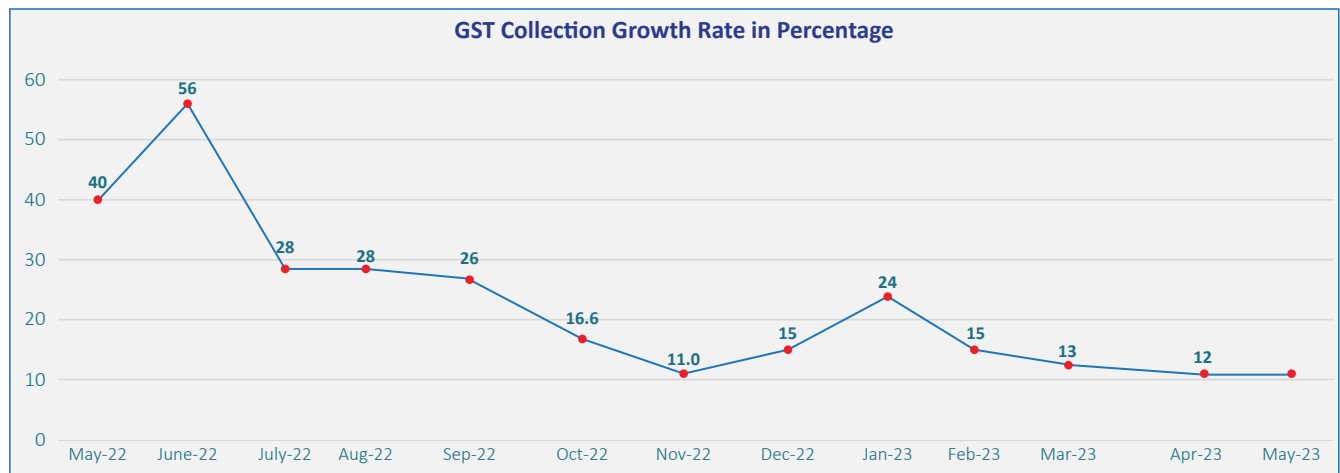
1. The gross GST revenue collected in the month of May, 2023 was INR 1,57,090 crore of which CGST is INR 28,411 crore, SGST is INR 35,828 crore, IGST is INR 81,363 crore



Source: CGA, Govt. of India)

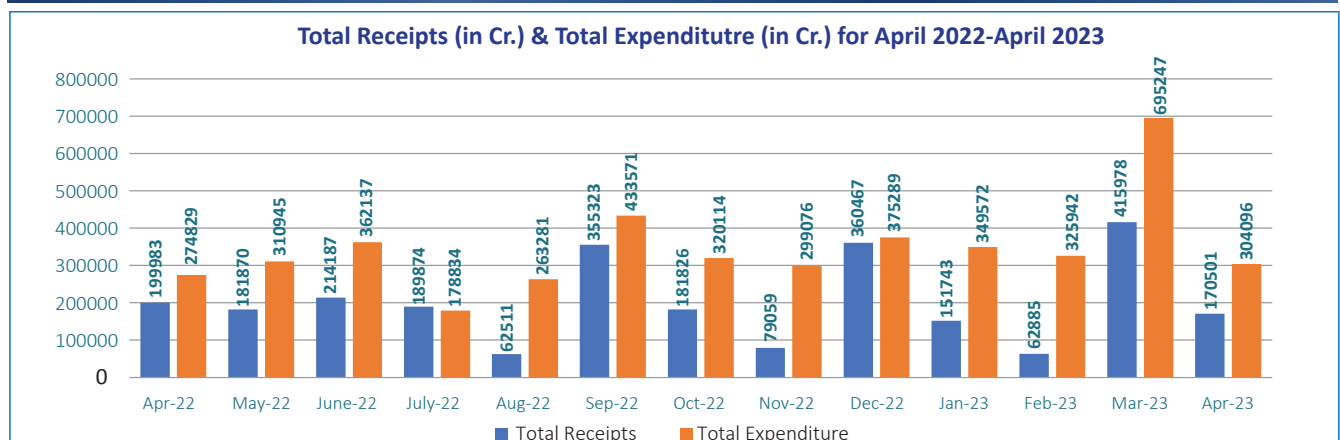
2. The GST revenues for the month of April 2023 are 12% higher than the GST revenues in the same month last year of INR 1,40,885 crore

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



Source: GST Council, Govt. of India

## ● Total Revenue Receipt and Total Expenditure



(Source: CGA)

## 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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