



**MERCHANTS' CHAMBER
OF COMMERCE & INDUSTRY**

**August
2023**

MCCI ECONOMY WATCH



Message from President

Indian economy grew at a rate of 6.2% in Q4 of the previous fiscal pushing up the annual growth rate to 7.2% for FY23. Rise in GST collection, PMI in manufacturing, and robust core sector growth indicate stronger industrial output. However, merchandise exports dropped 22% in June from a year earlier, weighed down by sluggish global demand. Domestic demand faces headwinds from the uptick in inflation fueled by the acceleration in food prices. Uncertainties owing to weather conditions could impact the recovery in rural demand.

Wish you all a Happy Reading.

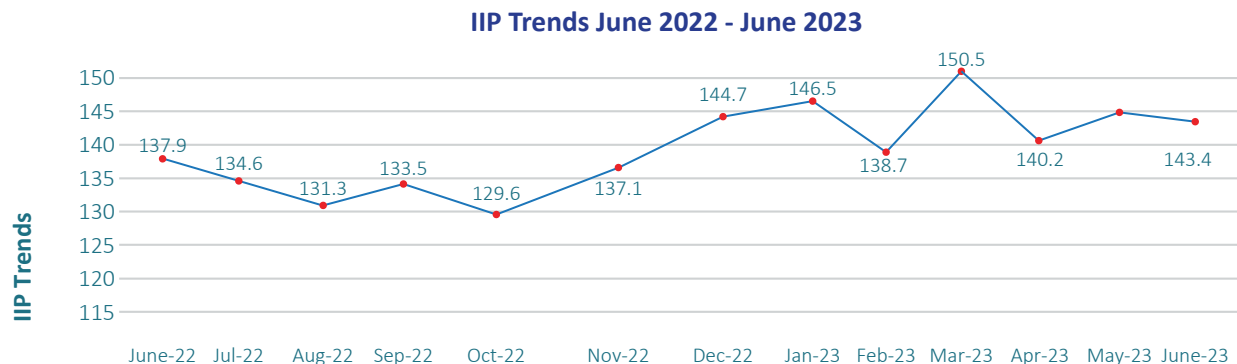

Namit Bajoria
President, MCCI

- Purchasing Manager's Index (PMI) in Services registered at 62.3 in July 2023, highlighting an expansion from the previous month
- Purchasing Managers' Index (PMI) in Manufacturing witnessed a shortfall to 57.7 in July 2023 from 57.8 in June 2023
- As of August 4, 2023, reserve money stood at INR. 43,61,448 crore
- As of August 4, 2023, currency in circulation (CiC) registered at INR 33,28,104 crore
- India's overall export decreased by 5.04% to USD 59.43 billion in July 2023 as against USD 62.59 billion in the same month of last year.
- CPI for all consumers increased by 0.07% in July 2023

● Index of Industrial Production

1. The Index of Industrial Production (IIP) growth rate in June 2023 fell to 3.7 % from 5.3 % in May.
2. Manufacturing grew at 3.1%, its slowest in three months, electricity and mining outperformed, expanding 4.2% and 7.6% respectively.

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



| | June-22 | July-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-22 | Feb-22 | Mar-23 | Apr-23 | May-23 | June-23 |
|------------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| IIP Trends | 137.9 | 134.6 | 131.3 | 133.6 | 129.6 | 137.1 | 144.7 | 146.5 | 138.7 | 150.5 | 140.2 | 145 | 143.4 |

Source: MOSPI

● Inflation

1. India's retail inflation (CPI) increased to 4.87% in July 2023 as compared to 4.81% in June 2023
2. Wholesale Price Index (WPI) stood at (-) 1.36% in July 2023 as compared to (-) 4.12 % in June 2023

● Foreign Trade:

1. India's merchandise exports stood at USD 32.25 billion in July 2023 as compared to USD 38.34 billion in July 2022, registering a negative growth rate of 15.88%
2. India's service export stood at USD 27.17 billion in July 2023, an increase of 11.99% over USD 24.26 billion in July 2022
3. Non-petroleum and non-gems & jewellery exports were USD 25.35 billion in July 2023 as compared to USD 26.89 billion in July 2022, registering a negative growth
4. India's merchandise import stood at USD 52.92 billion in July 2023 with a negative growth rate of 17.014% over USD 63.77 billion in July 2022
5. India's service import stood at USD 14.85 billion in July 2023, an increase of 5.61%, over USD 14.06 billion in July 2022

| Overall Trade (Merchandise & Service) in July 2023 | | | |
|--|-----------------------|-----------|--------|
| | Value in US\$ Billion | | Growth |
| | July 2023 | July 2022 | |
| Export | 59.43 | 62.59 | -5.04 |
| Import | 67.77 | 77.83 | -12.92 |
| Deficit | 8.85 | 15.24 | - |

● Banking & Financial Indicators

a. Banking:

| Indicators | Outstanding(in Cr.) as of Jul 28, 2023 | % Variation over Fortnight | % Variation over Year |
|-------------------|---|-------------------------------|-----------------------|
| Total Bank Credit | 140, 23,487 | 0.3 | 14.5 |
| Food Credit | 20, 836 | | |
| Non- Food Credit | 147,82,375 | | |
| Aggregate Deposit | 190,16,654 | 0.7 | 9.2 |
| Broad Money (M3) | 232,59,432 | -0.2 | 8.6 |

Source: RBI

b. Banking Rates:

| Indicators | Actual Rates as on Aug 16, 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 Aug 15, 2023 | Change (%) from last closing value |
|----------------------|---|---------------------------------------|
| NYSE: DJIA | 34,946.39 | -1.02 |
| FTSE 100 | 7,389.64 | -1.57 |
| Nikkei 225 | 31,766.82 | -1.46 |
| S & P/ ASX 200 | 7,195.20 | -1.50 |
| KOSPI | 2,523.27 | -1.85 |
| Nasdaq 100 | 13,631.05 | -1.14 |
| S & P 500 | 4,437.86 | -1.16 |
| Hang Seng Index | 18,312.78 | -1.44 |

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 Aug 15, 2023 | Change (%) from the last closing value |
|----------------------|---|---|
| BSE Sensex | 65,277.56 | -0.19 |
| BSE Sensex 50 | 20,335.69 | -0.21 |
| NIFTY 50 | 19,434.55 | -0.25 |
| NIFTY100 | 19,330.80 | -0.25 |

Source: BSE, NSE

c. BSE Sectoral Indices:

BSE Sectoral Indices witnessed mixed trends over the last week.

| BSE Indices | Closing Value (in \$) as on July 15, 2023 | Change (%) from the last closing value |
|-------------------|--|---|
| Auto Index | 34,972.64 | -0.26 |
| Bankex | 49,462.31 | -0.42 |
| Capital Goods | 41,347.43 | 0.20 |
| Consumer Durables | 42,980.48 | -0.93 |
| Energy | 8,369.11 | -0.21 |
| Finance | 9,437.49 | -0.51 |
| FMCG | 18,611.79 | 0.24 |
| Health Care | 27,819.20 | 0.59 |
| Metal Index | 21,480.98 | -1.14 |
| Oil & Gas Index | 18,982.98 | -0.04 |
| Power Index | 4,198.74 | 0.11 |
| Teck Index | 13,969.08 | 0.48 |

Source: BSE

d. Global Stock Exchange Future:

Global Future Indices witnessed positive trends over the last week.

| Future Indices | Closing Value (in \$) as on July 15, 2023 | Change (%) from the last closing value |
|----------------------|--|---|
| Russell 2000 Futures | 1,910.60 | 0.43 |
| Nasdaq Futures | 15,158.00 | 0.34 |
| S & P Futures | 4,465.50 | 0.26 |
| Dow Futures | 35,088.00 | 0.23 |

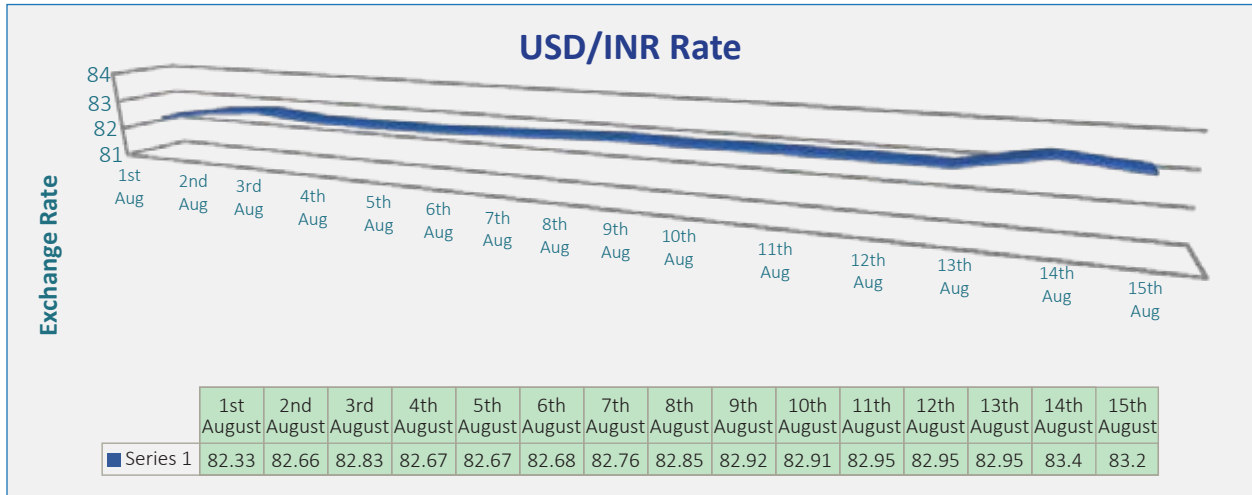
Source: Yahoo Finance



● Currency Market

a. INR Exchange Rate:

1. In the last fortnight of August 2023 INR depreciated against the US dollar by 1.056% to stand at 83.20/USD



Source: RBI

b. Foreign Exchange Reserve:

1. India's foreign exchange reserve decreased by USD 2417 million from USD 603.870 billion to stand at USD 601.453 billion as on August 4, 2023
2. Gold reserve decreased by USD 224 million while SDR decreased marginally as on August 4, 2023, and stands at USD 18.27billion
3. Reserve Position with IMF was USD 5.09 billion on August 4, 2023

| USD Billion | Value as on August 4, 2023 | Variation over | |
|-----------------------------|----------------------------|----------------|--------|
| | | Week | Fiscal |
| Total Reserves | 601.453 | -2.417 | 28.475 |
| Foreign Currency Assets | 533.400 | -1.937 | 23.753 |
| Gold | 44.680 | -0.224 | 4.367 |
| SDRs | 18.274 | -0.171 | 0.243 |
| Reserve Position in the IMF | 5.09 | -0.86 | 0.112 |

Source: RBI

● Commodity Future Indices

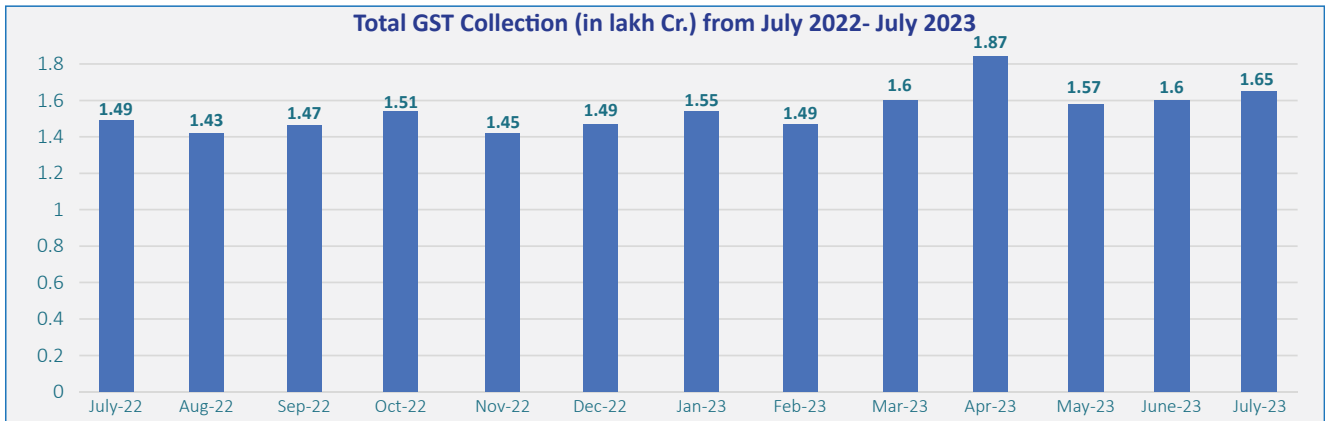
1. MCX commodity composite index contracted by -0.65% and the base metal index contracted by -0.81% from the last closing value

| Commodity Future Indices (MCX ICOMDEX) | Closing Value as on May 16, 2023 | Change from the last closing value (%) |
|--|----------------------------------|--|
| Brent Crude | 6,706.00 | -1.80 |
| Gold | 18,078.00 | -0.19 |
| iCOMDEX Composite | 12,797.62 | -0.65 |
| iCOMDEX Base Metals | 15,625.71 | -0.81 |
| Natural Gas | 1,859.09 | -3.74 |

Source: MCX

● Goods and Services Tax (GST)

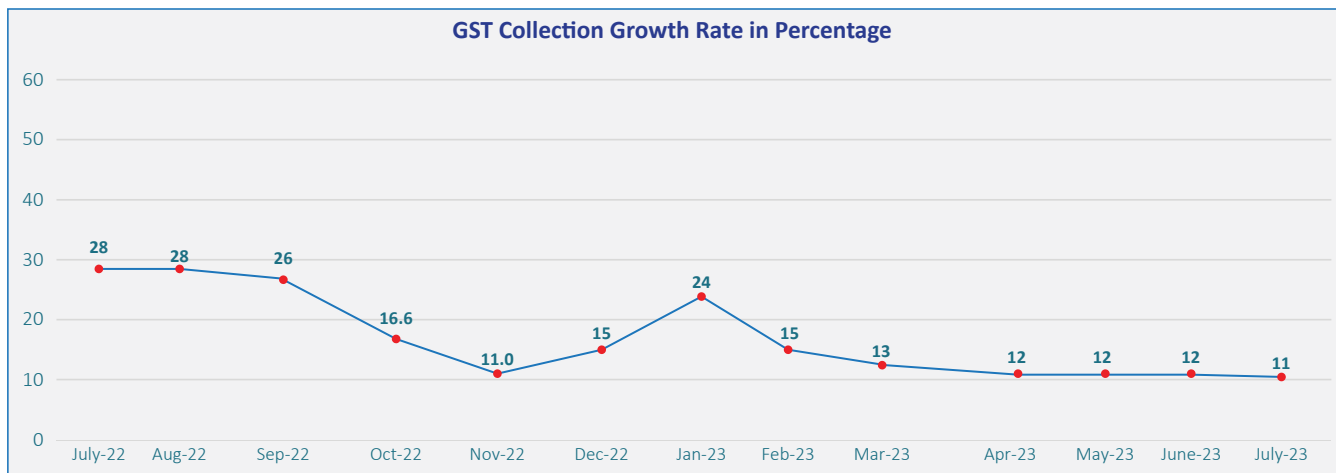
1. The gross GST revenue collected in the month of July, 2023 was INR 1,65,105 crore of which CGST is INR 29,773 crore, SGST is INR 37,623 crore, IGST is INR 85,930 crore



Source: CGA, Govt. of India)

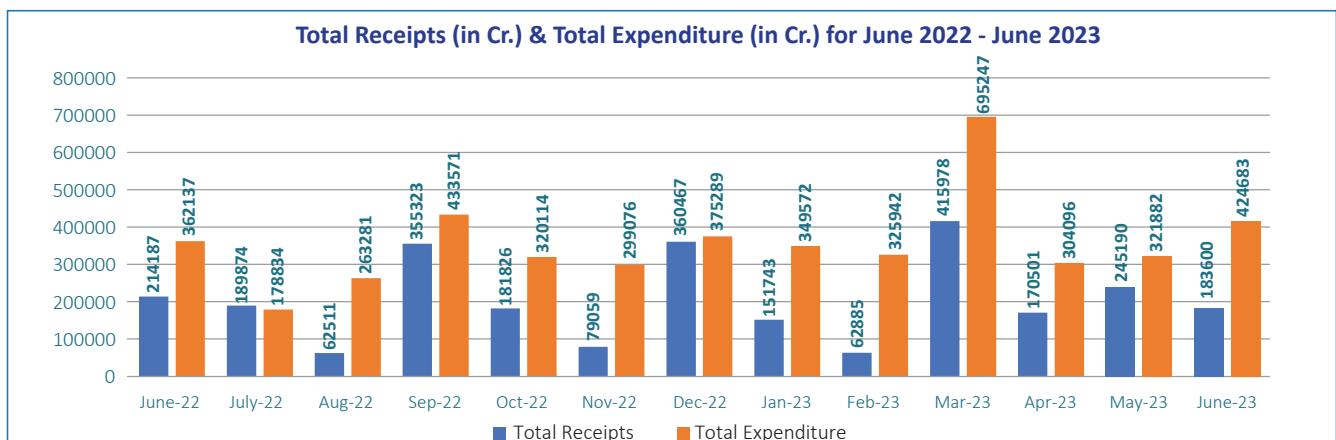
2. The GST revenues for the month of July 2023 INR 1, 65, 105 are 11% higher than the GST revenues in the same month last year of INR 1,48,995 crore

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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