



**MERCHANTS' CHAMBER
OF COMMERCE & INDUSTRY**

September
2023

MCCI ECONOMY WATCH



Message from President

India is riding high on the success in building consensus at the G20 Summit. Moreover, the country's macroeconomic indicators continue to keep pace with rising GST revenue collection, growth in IIP, and a slowdown in retail inflation. India's GDP growth accelerated to 7.8% in the first quarter of the current fiscal. We are hopeful about the manufacturing recovery ahead of the festive season, and lower vegetable prices although uneven monsoon poses a risk to food inflation.

Wish you all a Happy Reading.

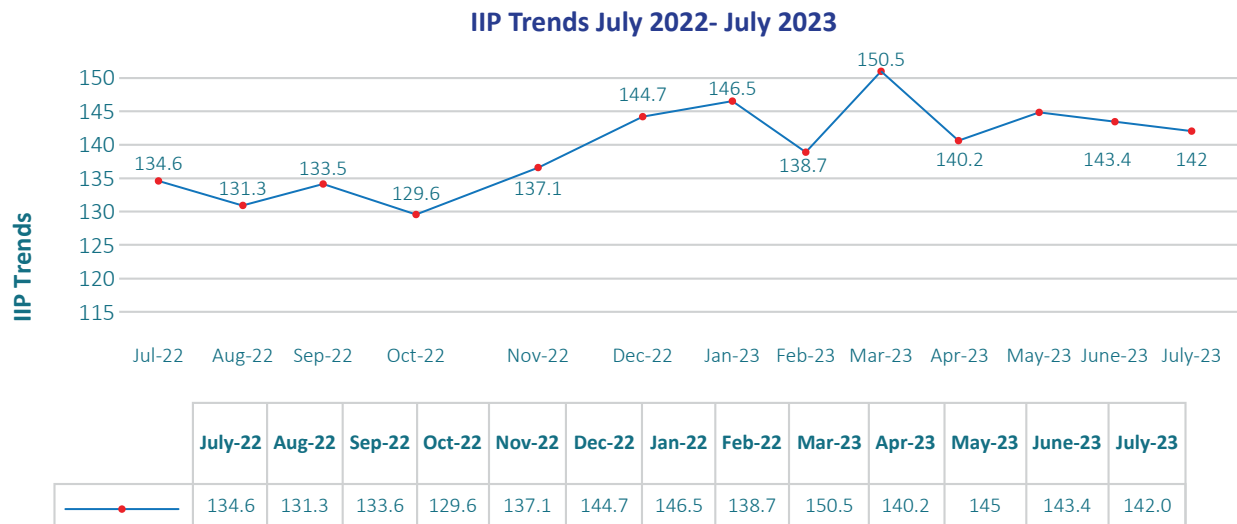

Namit Bajoria
President, MCCI

- Purchasing Manager's Index (PMI) in Services registered at 60.1 in August 2023, highlighting a contraction from the previous month
- Purchasing Managers' Index (PMI) in Manufacturing witnessed an expansion to 58.6 in August 2023 from 57.7 in July 2023
- As of September 8, 2023, reserve money stood at INR. 44,47,370 crore
- As of September 8, 2023, currency in circulation (CiC) registered at INR 33,20,138 crore
- India's overall export decreased by 4.17% to USD 60.87 billion in August 2023 as against USD 63.52 billion in the same month of last year.
- CPI for all consumers decreased by 4.92% in July 2023

● Index of Industrial Production

1. The Index of Industrial Production (IIP) growth rate in July 2023 increased to 5.7 % from 3.7 % in June 2023.
2. Manufacturing grew at 4.8% in July 2023 compared to the previous month whereas electricity and mining witnessed lesser growth at 2.9% and 7.3% respectively, than the previous month.

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



Source: MOSPI

● Inflation

1. India's retail inflation (CPI) stood at (-)0.05% in August 2023 as compared to 4.87% in July 2023
2. Wholesale Price Index (WPI) stood at (-) 0.52% in August 2023 as compared to (-)1.36 % in July 2023

● Foreign Trade:

1. India's merchandise exports stood at USD 34.48 billion in August 2023 as compared to USD 37.02 billion in August 2022, registering a negative growth rate of 6.86%
2. India's service export stood at USD 26.39 billion in August 2023, decrease of 0.41% over USD 26.50 billion in August 2022
3. Non-petroleum and non-gems & jewellery exports were USD 26.00 billion in August 2023 as compared to USD 25.20 billion in June 2022, registering a positive growth
4. India's merchandise import stood at USD 58.64 billion in August 2023 with a negative growth rate of 5.23% over USD 61.88 billion in August 2022
5. India's service import stood at USD 13.86 billion in August 2023, a decrease of 8.94%, over USD 15.22 billion in August 2022

Overall Trade (Merchandise & Service) in August 2023			
	Value in US\$ Billion		Growth
	August 2023	August 2022	
Export	60.87	63.52	-4.17
Import	72.50	77.10	-5.97
Deficit	11.63	13.58	-

● Banking & Financial Indicators

a. Banking:

Indicators	Outstanding(in Cr.) as of Aug 25, 2023	% Variation over Fortnight	% Variation over Year
Total Bank Credit	149, 20,147	0.4	15.5
Food Credit	19,355		
Non- Food Credit	149,00,791		
Aggregate Deposit	192,32,174	0.0	9.5
Broad Money (M3)	233,16,865	-0.1	10

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 mixed trends over the last week.

Global Stock Indices	Closing Value (in \$) as on September 15, 2023	Change (%) from last closing value
NYSE: DJIA	34,618.24	-0.83
FTSE 100	7,711.38	0.00
Nikkei 225	33,533.09	1.10
S & P/ ASX 200	7,230.40	-0.67
KOSPI	2,574.72	-1.02
Nasdaq 100	13,708.33	-1.56
S & P 500	4,450.32	-1.22
Hang Seng Index	17,999.26	-1.01

Source: Yahoo Finance

b. Indian Stock Indices:

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

Indian Stock Indices	Closing Value (in \$) as on September 18, 2023	Change (%) from the last closing value
BSE Sensex	67,733.30	-0.16
BSE Sensex 50	21,146.41	-0.12
NIFTY 50	20,172.60	-0.10
NIFTY100	20,093.55	-0.07

Source: BSE, NSE

c. BSE Sectoral Indices:

BSE Sectoral Indices witnessed mixed trends over the last week.

BSE Indices	Closing Value (in \$) as on Sep 15, 2023	Change (%) from the last closing value
Auto Index	37,161.01	1.01
Bankex	51,844.91	-0.24
Capital Goods	47,045.67	0.19
Consumer Durables	46,264.35	0.83
Energy	8,529.29	0.21
Finance	9,907.76	-0.27
FMCG	18,797.96	0.44
Health Care	28,682.65	-0.39
Metal Index	23,480.18	-0.44
Oil & Gas Index	19,259.72	0.33
Power Index	4,623.86	0.48
Teck Index	15,024.28	-0.52

Source: BSE

d. Global Stock Exchange Future:

Global Future Indices witnessed positive trends over the last week.

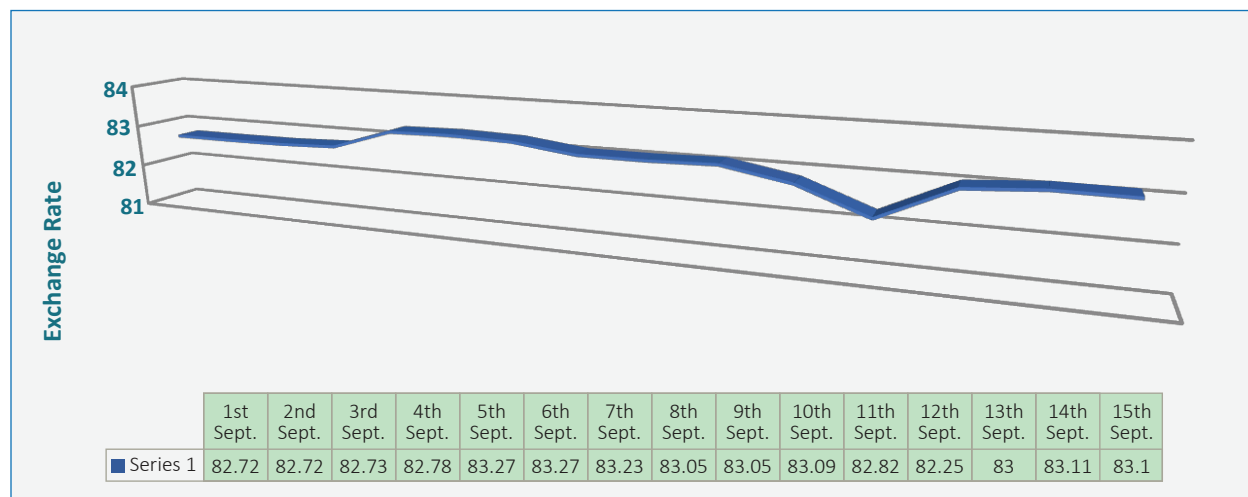
Future Indices	Closing Value (in \$) as on Sep 15, 2023	Change (%) from the last closing value
Russell 2000 Futures	1,867.30	0.12
Nasdaq Futures	15,408.00	0.10
S & P Futures	4,502.75	0.11
Dow Futures	34,952.00	0.07

Source: Yahoo Finance

● Currency Market

a. INR Exchange Rate:

1. During the first 15 days of September 2023 INR depreciated against the US dollar by 0.31% to stand at 83.10USD



Source: RBI

b. Foreign Exchange Reserve:

1. India's foreign exchange reserve decreased by USD 4492 million from USD 598.90 billion to stand at USD 593.90 billion as on September 8, 2023
2. Gold reserve decreased by USD 554 million while SDR decreased marginally as on September 8, 2023, and stands at USD 18.06 billion
3. Reserve Position with IMF was USD 5.03 billion on September 8, 2023

USD Billion	Value as on Sep 8, 2023	Variation over	
		Week	Fiscal
Total Reserves	593.904	-4.992	43.033
Foreign Currency Assets	526.426	-4.265	36.82
Gold	44.38	-0.554	5.741
SDRs	18.06	-0.134	0.342
Reserve Position in the IMF	5.03	-0.039	0.124

Source: RBI

● Commodity Future Indices

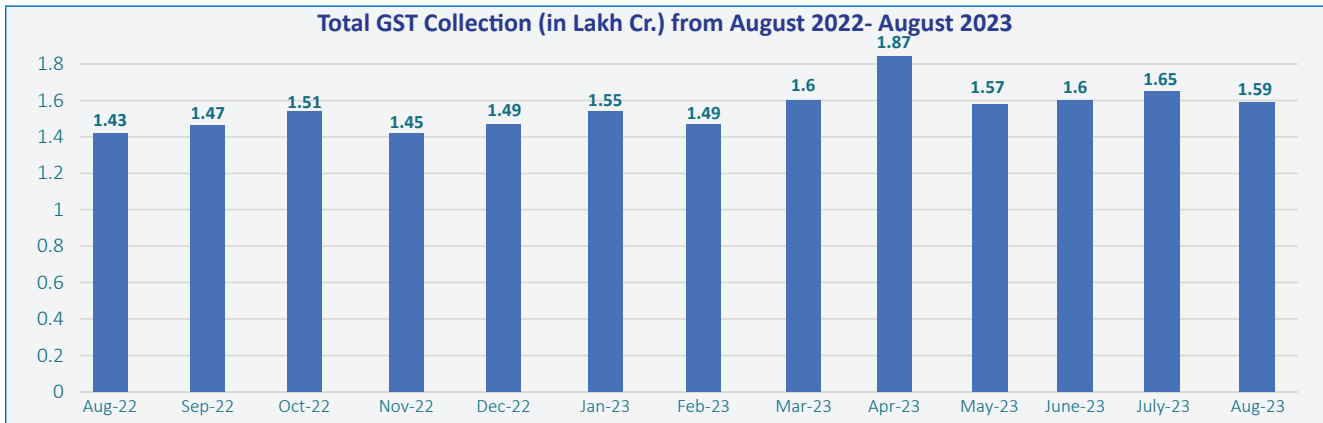
1. MCX commodity composite index expanded by 0.45% and the base metal index expanded by 0.37% from the last closing value

Commodity Future Indices (MCX ICOMDEX)	Closing Value as on Sep 15, 2023	Change from the last closing value (%)
Brent Crude	9318.98	1.02
Gold	18118.24	0.25
iCOMDEX Composite	13176.79	0.45
iCOMDEX Base Metals	16050.58	0.37
Natural Gas	1735.01	-0.37

Source: MCX

● Goods and Services Tax (GST)

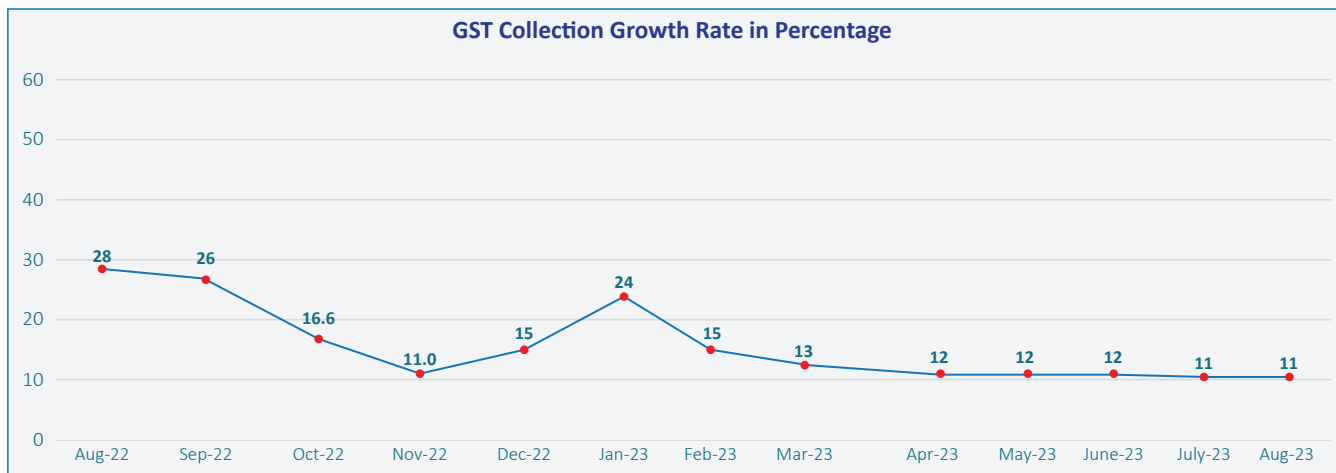
1. The gross GST revenue collected in the month of August 2023 was INR ₹1,59,069 crore of which CGST is INR 28,328 crore, SGST is INR 35,794 crore, IGST is INR 83,251 crore



Source: CGA, Govt. of India)

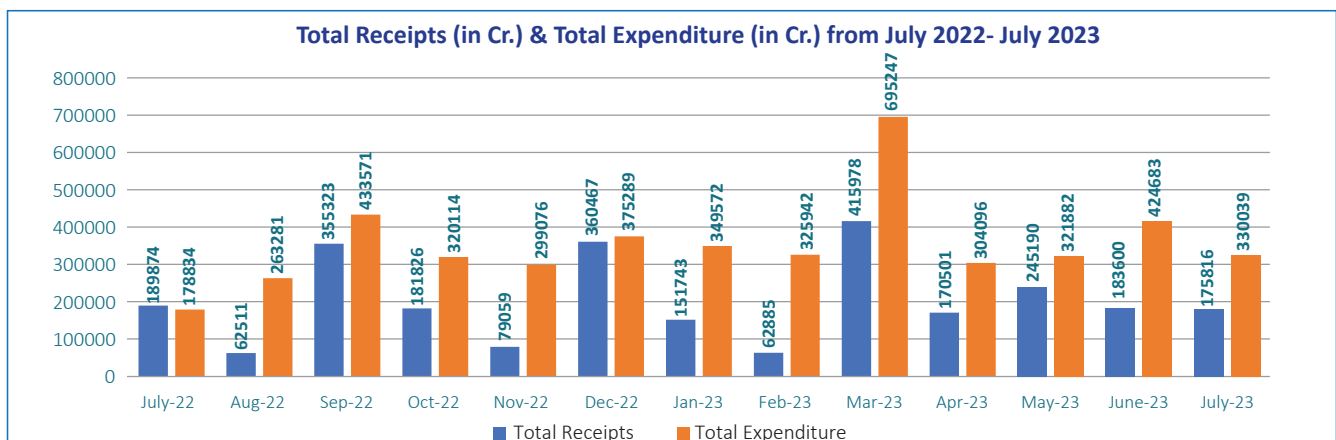
2. The GST revenues for the month of August 2023 are 11% higher than the GST revenues in the same month last year of INR 1,43,612 crore

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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