



MERCHANTS' CHAMBER OF COMMERCE & INDUSTRY

December
2023

MCCI ECONOMY WATCH



Message from President

The performance of India's macro-economic indicators looks promising with a sharp rise in industrial production to a 16-month record of 11.7% in October and robust GST revenue collections. The government's impetus on capital investment is also rightly focused amidst IMF's projection of India being the star performer, growing at a robust rate due to prudent macroeconomic policies and economic reforms in key sectors like digitisation and infrastructure. Although there is a fall in core inflation, a sharp rise in food inflation may push RBI to keep interest rates on hold and ease it in the next fiscal year.

As we near the end of 2023, the key developments shaping India's growth story and keeping it poised for rapid growth in 2024 are the successful moon mission and hosting the G20 Summit.

Wish you all a Happy Reading!

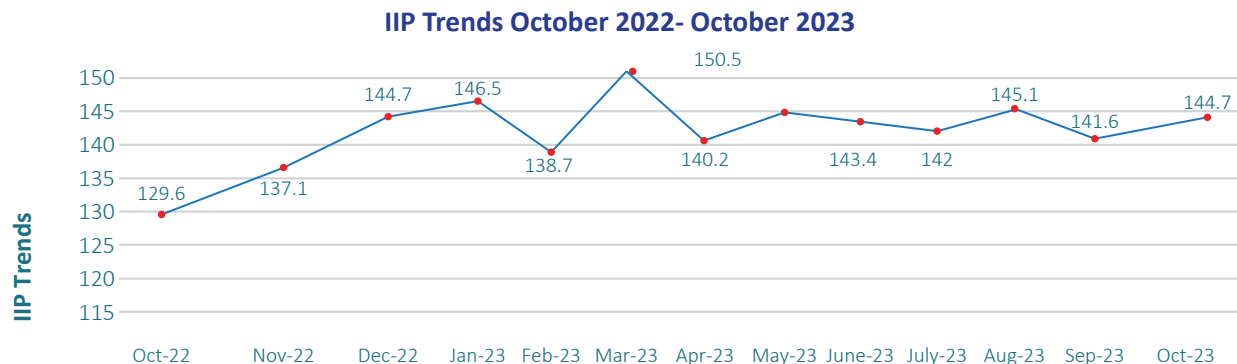

Namit Bajoria
President, MCCI

- Purchasing Manager's Index (PMI) in Services registered at 56.9 in November 2023, highlighting a contraction from 58.40 registered in October 2023
- Purchasing Managers' Index (PMI) in Manufacturing witnessed an expansion to 56 in November 2023 from 55.50 in October 2023
- As of December 8, 2023, reserve money stood at INR. 44,00,720 crores
- As of December 8, 2023, currency in circulation (CiC) registered at INR 33,70,397 crores
- India's overall export decreased by 2.84% to USD 33.90 billion in November 2023 as against USD 34.89 billion in the same month of last year.
- CPI for all consumers increased by 4.10% in October 2023

● Index of Industrial Production

1. The Index of Industrial Production (IIP) growth rate in October 2023 increased to 11.7% from 5.8 % in September 2023.
2. Manufacturing increased 6.4% in October 2023 compared to 5.7% degrowth registered in September 2023. Electricity and mining witnessed growth at 8.0% and 9.4% respectively compared to the previous month.

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



	Oct-22	Nov-22	Dec-22	Jan-22	Feb-22	Mar-23	Apr-23	May-23	June-23	July-23	Aug-23	Sep-23	Oct-23
IIP Trends	129.6	137.1	144.7	146.5	138.7	150.5	140.2	145	143.4	142.0	145.1	141.6	144.7

Source: MOSPI

● Inflation

1. India's retail inflation (CPI) stood at 5.55% in November 2023 as compared to 0.65% in October 2023
2. Wholesale Price Index (WPI) stood at 0.26% in November 2023 as compared to (-)0.52% in October 2023

● Foreign Trade:

1. India's merchandise exports stood at USD 33.90 billion in November 2023 as compared to USD 34.89 billion in November 2022, registering a negative growth rate of 2.84 %
2. India's service export stood at USD 28.69 billion in November 2023, an increase of 6.54% over USD 26.93 billion in November 2022
3. Non-petroleum and non-gems & jewellery exports were USD 23.61 billion in November 2023 as compared to USD 24.30 billion in November 2022, registering a negative growth rate of 2.84 %
4. India's merchandise import stood at USD 54.48 billion in November 2023 with a negative growth rate of 4.34 % over USD 56.95 billion in November 2022
5. India's service import stood at USD 13.40 billion in November 2023, a decrease of 12.93 %, over USD 15.39 billion in November 2022

Overall Trade (Merchandise & Service) in November 2023			
	Value in US\$ Billion		Growth
	November 2023	November 2022	
Export	62.58	61.82	1.22
Import	67.88	72.34	-6.16
Deficit	5.30	10.52	

● Banking & Financial Indicators

a. Banking:

Indicators	Outstanding (in Cr.) as of December 1, 2023	% Variation over Fortnight	% Variation over Year
Total Bank Credit	158,29,769	1.3	17.5
Food Credit	41,693		
Non- Food Credit	157,88,076		
Aggregate Deposit	198,80,901	1.2	9.9
Broad Money (M3)	240,33,687	1.0	9.1

Source: RBI

b. Banking Rates:

Indicators	Actual Rates as on December 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 December 15, 2023	Change (%) from last closing value
NYSE: DJIA	37,305.16	0.15
FTSE 100	7,576.36	-0.95
Nikkei 225	32,970.55	0.87
S & P/ ASX 200	7,442.70	0.88
KOSPI	2,563.56	0.76
Nasdaq 100	14,813.92	0.35
S & P 500	4,719.19	-0.01
Hang Seng Index	16,792.19	2.38

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 December 16, 2023	Change (%) from the last closing value
BSE Sensex	71,483.75	1.37
BSE Sensex 50	71,483.75	1.09
NIFTY 50	21,456.65	1.29
NIFTY100	21,595.50	1.08

Source: BSE, NSE

c. BSE Sectoral Indices:

BSE Sectoral Indices witnessed mixed trends over the last week.

BSE Indices	Closing Value (in \$) as on December 15, 2023	Change (%) from the last closing value
Auto Index	41,131.38	-0.02
Bankex	53,911.18	0.79
Capital Goods	53,925.83	1.05
Consumer Durables	48,497.32	0.12
Energy	9,550.41	1.15
Finance	10,444.99	0.37
FMCG	19,635.60	-0.32
Health Care	30,401.42	0.05
Metal Index	25,394.73	1.78
Oil & Gas Index	22,024.04	1.43
Power Index	5,722.13	1.04
Teck Index	15,450.20	3.64

Source: BSE

d. Global Stock Exchange Future:

Global Future Indices witnessed mixed trends over the last week.

Future Indices	Closing Value (in \$) as on December 14, 2023	Change (%) from the last closing value
Russell 2000 Futures	1,985.13	-0.77
Nasdaq Futures	14,813.92	0.35
S & P Futures	4,719.19	-0.01
Dow Futures	37,305.16	0.15

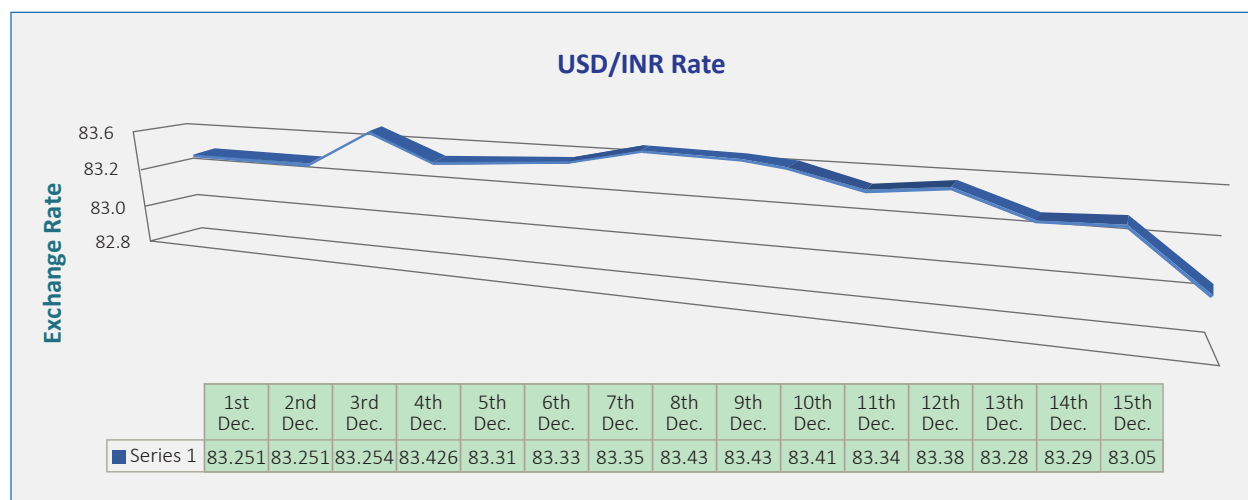
Source: Yahoo Finance



● Currency Market

a. INR Exchange Rate:

- In the period of the first 15 days of December 2023 INR depreciated against the US dollar by 0.24% to stand at 83.05 USD



Source: RBI

b. Foreign Exchange Reserve:

- India's foreign exchange reserve increased by USD 2816 million from USD 604.042 billion to stand at USD 606.859 billion as of December 8, 2023
- Gold reserve decreased by USD 199 million while SDR decreased marginally as of December 8, 2023, and stands at USD 18.188 billion
- Reserve Position with IMF was USD 4.842 billion on December 8, 2023

USD Billion	Value as on December 8, 2023	Variation over	
		Week	Fiscal
Total Reserves	606.859	2.816	42.789
Foreign Currency Assets	536.699	3.089	36.575
Gold	47.130	-0.19	6.401
SDRs	18.188	-0.063	0.82
Reserve Position in the IMF	4.842	-0.011	-0.268

Source: RBI

● Commodity Future Indices

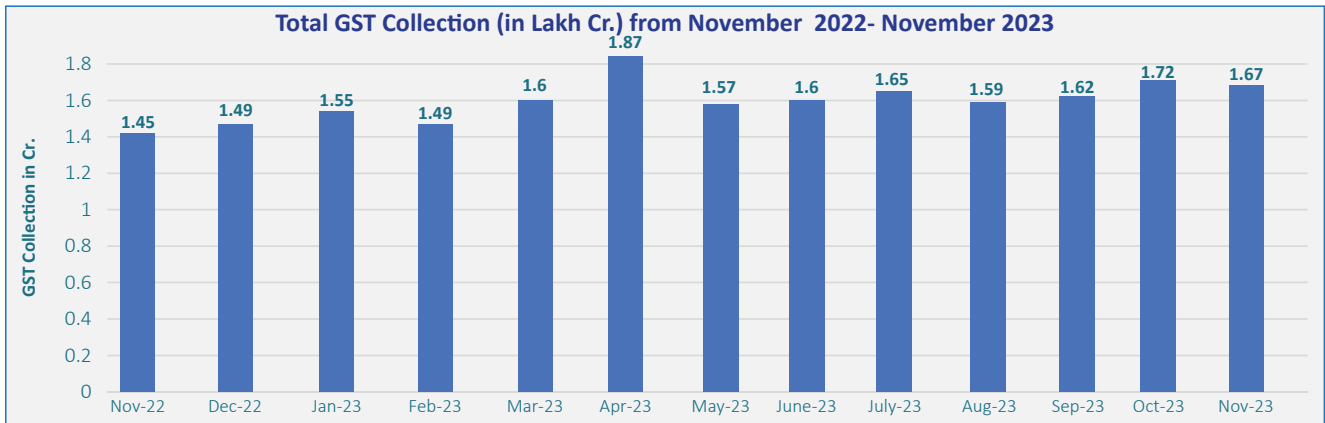
- MCX commodity composite index contracted by 0.32% and the base metal index expanded by 0.38 % from the last closing value

Commodity Future Indices (MCX ICOMDEX)	Closing Value as on December 14, 2023	Change from the last closing value (%)
Brent Crude	7,537.22	-0.97
Gold	18,801.67	0.60
iCOMDEX Composite	12,725.63	-0.32
iCOMDEX Base Metals	15,626.44	0.38
Natural Gas	1,253.75	5.77

Source: MCX

● Goods and Services Tax (GST)

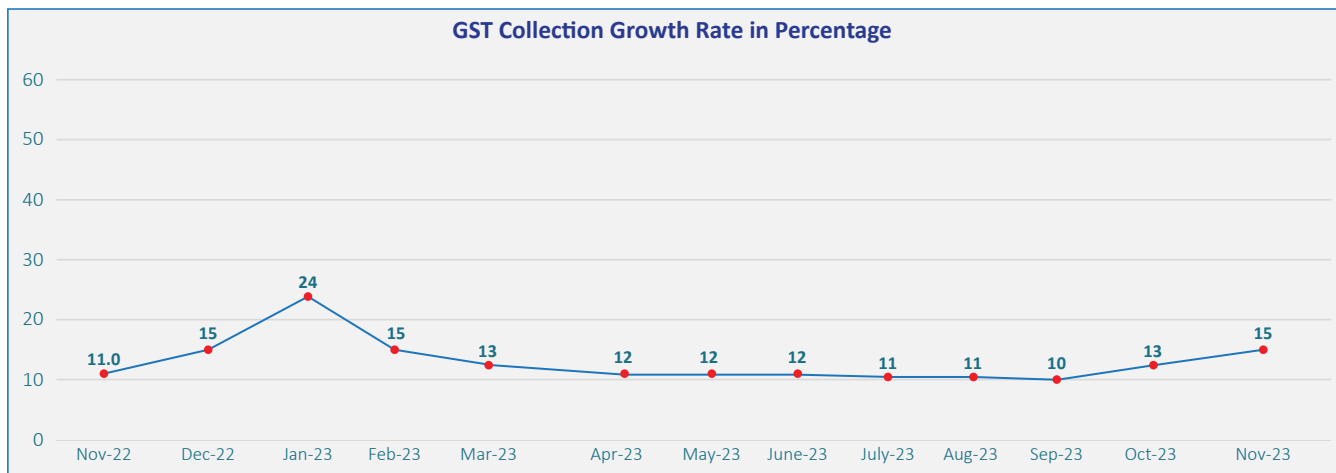
1. The gross GST revenue collected in November 2023 was INR 1,67,929 crore of which CGST is INR 30,420 crore, SGST is INR 38,226 crore, IGST is INR 87,009 crore



Source: CGA, Govt. of India)

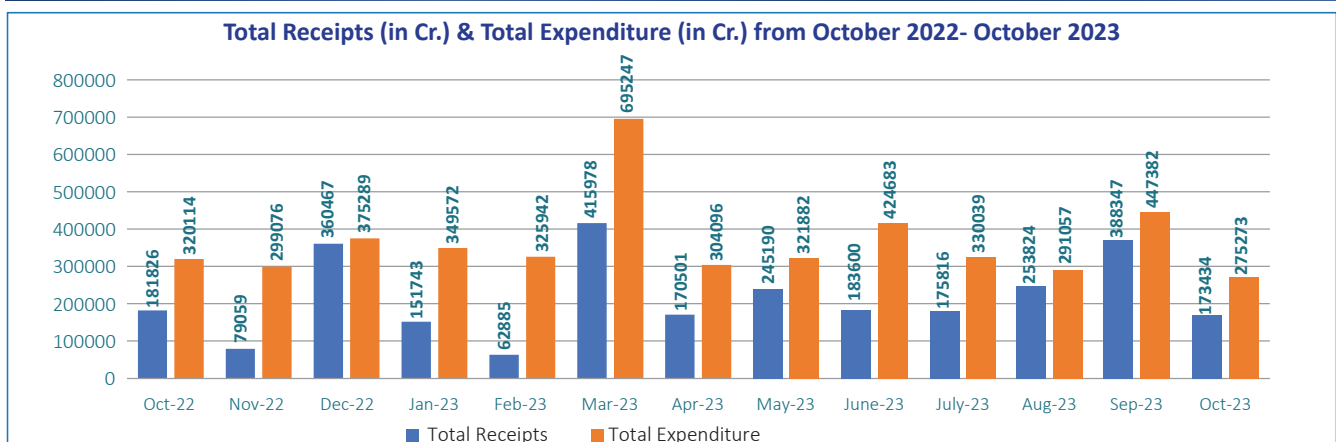
2. The GST revenues for November 2023 are 15% higher than the GST revenues in the same month last year of INR 1,45,867 crore

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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