

TATA CAPITAL WEALTH

Macro-Economic Dashboard - November 2022

Parameters	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
Currency & Banking														
Currency in Circulation	8.5	7.7	7.8	8.0	8.6	9.7	10.1	8.6	8.0	8.1	8.1	8.2	9.0	7.7
M3	9.7	9.5	11.4	8.4	8.7	8.7	10.2	8.8	7.8	8.6	8.9	8.6	9.1	7.8
Bank Non-Food Credit	6.9	7.1	9.3	8.3	8.0	9.7	11.3	11.5	12.6	13.9	14.8	15.7	17.1	16.2
Credit to Industry	4.1	3.8	7.6	6.4	6.5	6.4	8.1	9.7	10.5	12.6	13.0	14.5		
Credit to Services	2.9	3.6	10.8	7.3	5.6	8.2	11.1	18.4	18.1	22.1	21.8	25.3		
Personal Credit	11.7	11.6	14.3	11.6	12.3	12.8	14.7	24.4	26.3	25.7	26.1	26.8		
Industry														
IIP	4.2	1.0	1.0	2.0	1.2	2.2	6.7	19.7	12.7	2.2	(0.8)	3.1		
PMI-Comp Index	58.7	59.2	56.4	53.0	53.5	54.3	57.6	58.3	58.2	56.6	58.2	55.1	55.5	
Manufacturing Index	55.9	57.6	55.5	54.0	54.9	54.0	54.7	54.6	53.9	56.4	56.2	55.1	55.3	
Services Index	58.4	58.1	55.5	51.5	51.8	53.6	57.9	58.9	59.2	55.5	57.2	54.3	55.1	
Inflation														
CPI	4.5	4.9	5.7	6.0	6.1	7.0	7.8	7.0	7.0	6.7	7.0	7.4	6.8	
WPI	13.8	14.9	14.3	13.7	13.4	14.6	15.5	16.6	16.2	14.1	12.4	10.7	8.4	
Fiscal														
GST Collection (Rs. Lakh Cr.)	1.3	1.3	1.3	1.4	1.3	1.4	1.7	1.4	1.4	1.5	1.4	1.5	1.5	
Foreign Trade & Reserve														
Export Growth	43.4	34.6	44.3	27.9	34.5	26.4	29.1	20.8	30.2	8.3	11.0	4.8	(0.8)	
Import Growth	57.4	56.8	40.5	25.1	37.2	29.0	26.1	58.3	58.5	43.5	41.0	13.7	5.7	
Forex Reserve (\$ Bn)	642	638	634	630	632	618	598	601	593	574	561	533	531	547
Consumer														
Petroleum Consumption	0.2	(11.8)	(0.4)	(0.1)	5.4	4.2	9.6	23.7	17.9	6.1	16.3	8.3	3.4	
Freight Air Traffic	16.5	6.2	6.9	0.5	(2.8)	0.3	2.3	13.8	13.9	6.1	(1.2)	(0.5)	(15.1)	
Electricity Generation	2.8	1.6	2.5	(0.4)	2.8	4.3	10.1	20.4	16.7	2.5	0.4	10.9	(1.1)	

Source: RBI, Various GoI Ministries, News Articles

Summary:

The Indian economy is on the recovery path and has reached the pre-Covid levels on all the parameters. The non-food credit has started to pick up; PMI has also been in the expansion zone and the GST collections have been on the upswing. However, inflation which was consistently showing increasing trend, may also have peaked out. Growth in Foreign trade has slowed down on the back of demand slowdown leading to high inventories, rising inflation, high volatility in currencies and geopolitical tensions.

Note:

All the number's year-on-year percentage growth numbers unless otherwise mentioned – GST collection (Rs. Lakhs Cr.), Forex Reserve (\$ Bn) and PMI which is the Index figure.

Currency in Circulation: It is the amount of money that has been issued by monetary authorities minus currency that has been removed from an economy.

M3: M1 (Demand deposits with the banking system + 'Other' deposits with the RBI) + Time deposits with the banking system

IIP: Index for Industrial Production

PMI: Purchasing Managers Index

WPI: Wholesale price Index

CPI: Consumer Price Index

Since Dec '21, the credit to Industry & Services is showing significant growth. However, since May '22 as the RBI started tightening, the same is reflected in currency in circulation and M3.

PMI has remained in the expansion zone since the past year, which is reflecting steadily in the industrial production. Jul & Aug '22 IIP was subdued on account of unfavourable base effect, however it recovered in Sep '22.

The Oct '22 WPI eased to the lowest since Mar '21, whereas CPI remained above the upper threshold limit of the RBI for the 10th consecutive month in Oct '22.

GST collection have been touching all time high on the back of collection efficiencies & pick up in business activity.

In Oct '22, export growth slipped to the negative territory and imports registered a single digit growth as global trade conditions toughened. While, the forex reserve in the beginning of Nov '22 rose MoM helped by RBIs dollar buying in sync with renewed overseas inflows which offsets dollar outflow.

Marginal growth was displayed in Petroleum Consumption; while Freight Air Traffic and Electricity Generation reported negative growth.

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