

TATA CAPITAL WEALTH

Macro-Economic Dashboard – January 2023

Parameters	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
Currency & Banking														
Currency in Circulation	7.8	8.0	8.6	9.7	10.1	8.6	8.0	8.1	8.1	8.2	9.0	7.9	8.2	8.0
M3	11.4	8.4	8.7	8.7	10.2	8.8	7.8	8.6	8.9	8.6	9.1	8.9	8.7	9.7
Bank Non-Food Credit	9.3	8.3	8.0	9.7	11.3	11.5	12.6	13.9	14.8	15.7	17.1	16.4	14.3	15.9
Credit to Industry	7.6	6.4	6.5	6.4	8.1	9.7	10.5	12.6	13.0	14.5	15.3	15.0		
Credit to Services	10.8	7.3	5.6	8.2	11.1	18.4	18.1	22.1	21.8	25.3	27.6	26.2		
Personal Credit	14.3	11.6	12.3	12.8	14.7	24.4	26.3	25.7	26.1	26.8	27.6	27.3		
Industry														
IIP	1.0	2.0	1.2	2.2	6.7	19.7	12.6	2.2	(0.7)	3.5	(4.0)	7.1		
PMI-Comp Index	56.4	53.0	53.5	54.3	57.6	58.3	58.2	56.6	58.2	55.1	55.5	56.7	59.4	
Manufacturing Index	55.5	54.0	54.9	54.0	54.7	54.6	53.9	56.4	56.2	55.1	55.3	55.7	57.8	55.4
Services Index	55.5	51.5	51.8	53.6	57.9	58.9	59.2	55.5	57.2	54.3	55.1	56.4	58.5	
Inflation														
CPI	5.7	6.0	6.1	7.0	7.8	7.0	7.0	6.7	7.0	7.4	6.8	5.9	5.7	
WPI	14.3	13.7	13.4	14.6	15.4	16.6	16.2	14.1	12.5	10.6	8.7	5.8	5.0	
Fiscal														
GST Collection (Rs. Lakh Cr.)	1.3	1.4	1.3	1.4	1.7	1.4	1.4	1.5	1.4	1.5	1.5	1.5	1.5	1.6
Foreign Trade & Reserve														
Export Growth	44.3	27.9	34.5	26.4	29.1	20.8	30.2	8.1	11.1	4.8	(12.0)	0.6	(12.2)	
Import Growth	40.5	25.1	37.2	29.0	26.1	57.5	53.4	43.8	41.7	14.9	10.0	5.4	(3.5)	
Forex Reserve (\$ Bn)	634	630	632	618	598	601	593	574	561	533	531	550	563	574
Consumer														
Petroleum Consumption	(0.4)	(0.1)	5.4	4.2	9.8	24.0	18.2	6.4	16.6	8.6	3.6	10.5	7.2	
Freight Air Traffic	6.9	0.5	(2.8)	0.3	2.3	13.8	13.9	6.1	(1.2)	(0.5)	(15.1)	(2.3)	(5.9)	
Electricity Generation	2.5	(0.4)	2.8	4.3	10.1	20.4	16.7	2.5	0.4	10.9	(1.1)	11.9	8.9	

Source: RBI, Various Govt 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, has peaked out. Growth in Foreign trade has slowed down on the back of demand slowdown leading to high inventories, rising inflation and high volatility in currencies.

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

Since June '22, the credit to Industry & Services is showing significant growth. Meanwhile, since May '22 even as the RBI started tightening, nevertheless the same is not much 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. Sep '22 IIP showed recovery; however, it slipped in Oct '22 and then gained back to the positive territory in Nov '22.

The Dec '22 WPI eased to the lowest in 22 months, whereas CPI too eased to a 12-month low to come within the RBI upper tolerance level.

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

Exports in Nov '22 grew at a tepid pace and fell back to the negative territory in Dec'22 and imports registered a single digit growth in Nov '22 and slipped to the negative territory in Dec '22 as global trade conditions toughened. The forex reserve in the Jan '22 rose MoM.

High single digit growth was displayed in Petroleum Consumption and Electricity Generation while Freight Air Traffic and reported negative growth.

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