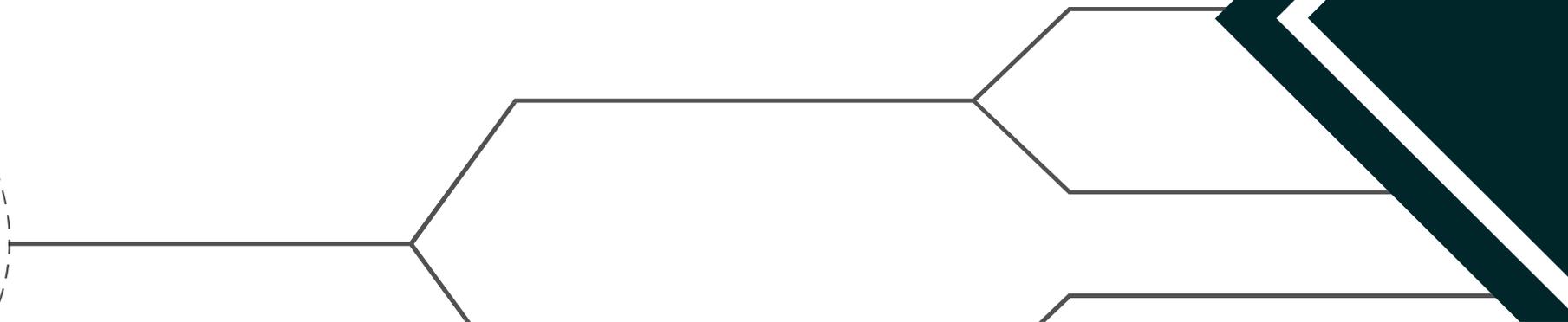
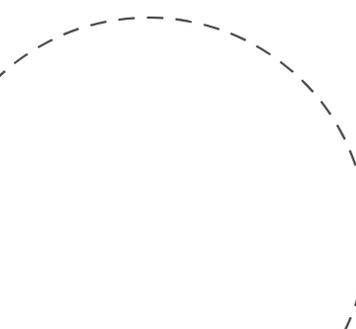




Data Dashboard

September 2022

Economic Affairs and Research Division

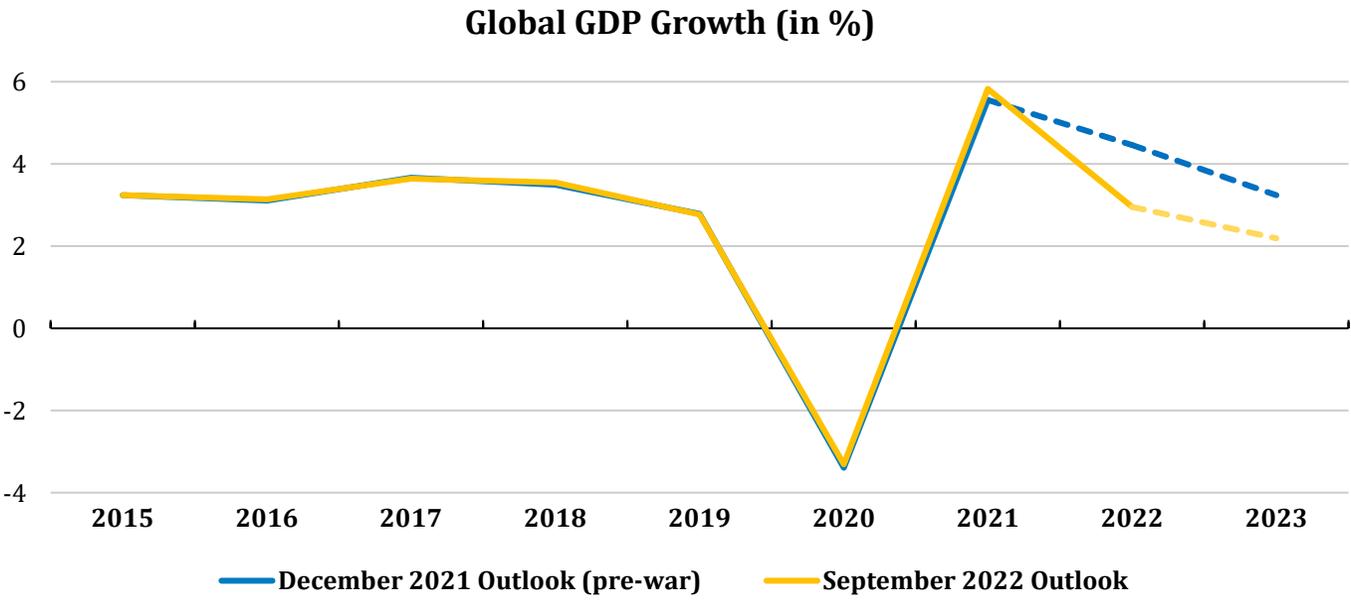


Highlights

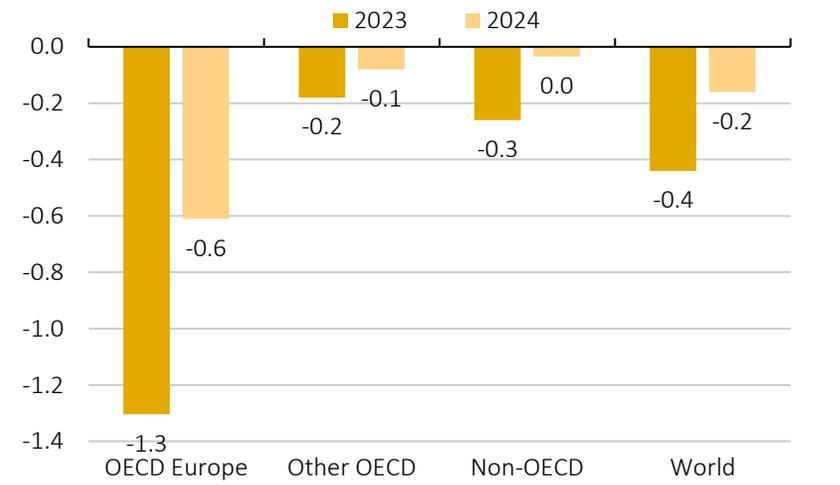
- Geopolitical concerns continue to undermine growth prospects – globally as well as for India. According to OECD's latest Economic Outlook September 2022, the world economy is slowing down more than anticipated. Global growth is expected to fall from 3 percent in 2022 to 2.2 percent in 2023, significantly slower than what was anticipated before the war. In 2023, annual GDP growth is expected to be 1.2 percent in the United States and 1.4 percent in the Euro Area, with the possibility of output decreases in some European economies throughout the winter. In China, GDP is anticipated to slow this year to 3.2 percent due to COVID-19 shutdowns and a sluggish real estate market. The OECD Composite Leading Indicator (CLI) is also showing a slowdown in economic activity in major OECD economies. For India, OECD has retained its GDP growth forecast of 6.9 percent for FY23 and 5.7 percent for FY24. India's predicted slowdown is in part due to softer external demand – even though this still constitutes strong growth for the country in the backdrop of a fragile global economy.
- Further, in many economies, inflation is now pervasive. In 2023, inflation pressures may be contained through tighter monetary policy and easing of supply constraints, however, increasing energy and labour costs are anticipated to moderate the rate of fall. For the G20 economies, OECD projects a headline inflation rate of 8.2 percent for 2022 and 6.6 percent for 2023, which are respectively 0.6 percent and 0.3 percent higher than its projections in the June update.
- Asian Development Bank also released its latest outlook recently according to which India's growth forecast for the current fiscal has been reduced to 7.0 percent from 7.2 percent. According to ADB, India's exports and growth are projected to weaken over the next two years due to sluggish global demand and elevated oil prices. In case of inflation, the forecast for India has been raised to 6.7 per cent for FY23 from its April projection of 5.8 per cent. For the next fiscal year as well, the forecast has been revised upwards to 5.8 per cent from 5.0 per cent in April. Several other rating agencies have also downgraded India's growth forecast on similar lines.
- Retail inflation in the country has once again shot up to 7.0 percent in August 2022 after moderating a tad for the preceding three months. Inflation for the month of July 2022 stood at 6.7 percent on a y-o-y basis. The increase was mostly driven by high food prices. Additionally, inflation for rural India has been consistently higher than for urban India since January 2022. In August 2022, rural inflation was recorded at 7.2 percent, while urban inflation was noted at 6.7 percent. Food inflation has been the major driver of rural inflation in the country. Going ahead, food inflation is expected to remain under pressure, especially since production of all major crops is expected to be below target according to the First Advance Estimates of crop production for the crop year 2022-23, released recently by the Ministry of Agriculture and Farmers' Welfare.
- Concerns on the external front continue to remain on fore. The Indian Rupee has been witnessing rapid deceleration in value against the US Dollar, more so, since the Federal Reserve rate hike on September 21, 2022. The INR closed at 81.94 per U.S. dollar on September 28, 2022, which was a new low for the INR. Analysts believe that the Indian Rupee is expected to depreciate even further on strong dollar, weak Asian peers, and risk aversion in markets. In order to stabilize the Rupee, the RBI has been utilizing its forex reserves - the RBI draw down of foreign exchange reserves this time around has been at a much faster pace than during the taper tantrum of 2013-14 when the RBI had sold a net of USD 14.0 billion in the June-September period of 2013.

Global Outlook- OECD

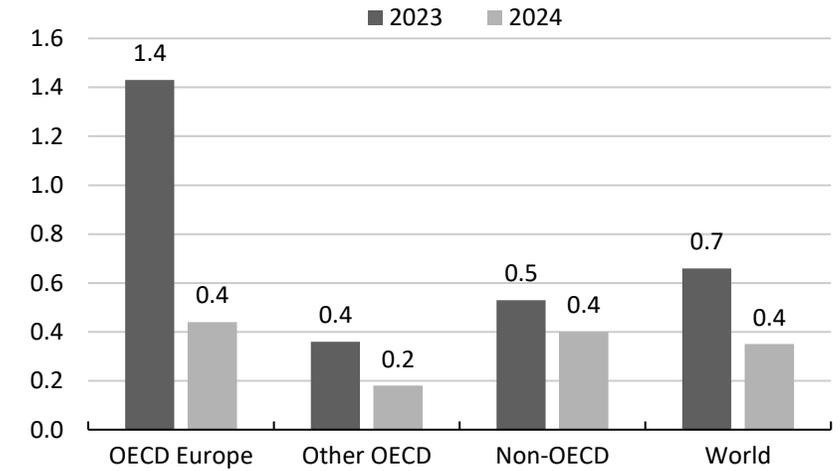
The war in Europe is expected to further weaken global growth prospects



Impact of European Gas shortage on GDP Growth (% points difference from baseline)



Impact of European Gas shortage on Inflation (% points difference from baseline)



According to the OECD, continuous tightening of monetary policy in most major economies in response to higher-than-expected overshoot of inflation targets over the last year is crucial factor restraining global growth. Additionally, the decline in real disposable household incomes, eroding consumer confidence, and the escalating energy prices, particularly of natural gas in Europe is likely to have a detrimental impact on both private consumption and business investments

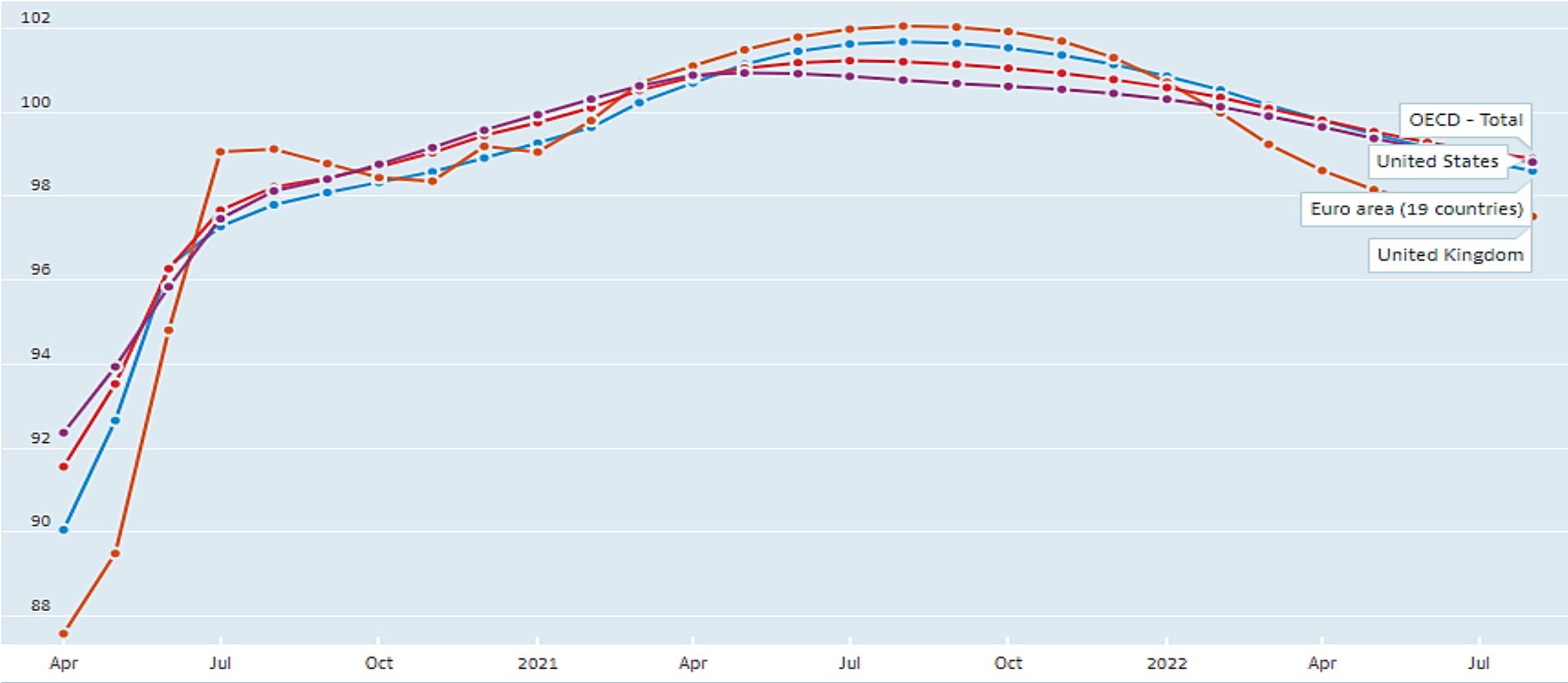
Escalating fertilizer prices this year may have a severe impact on harvests and food security as well, particularly in emerging-market and developing countries. With extreme weather events becoming persistent and droughts occurring in Europe and China, there is greater possibility of further increases in food costs, the global poverty and food security situation more precarious. In order to maintain open agricultural markets, respond to urgent needs, and increase food supply, international collaboration will be imperative

Source: OECD Interim Economic Outlook, September 2022

Global Outlook- OECD

Global Economic Conditions have been witnessing a moderation recently

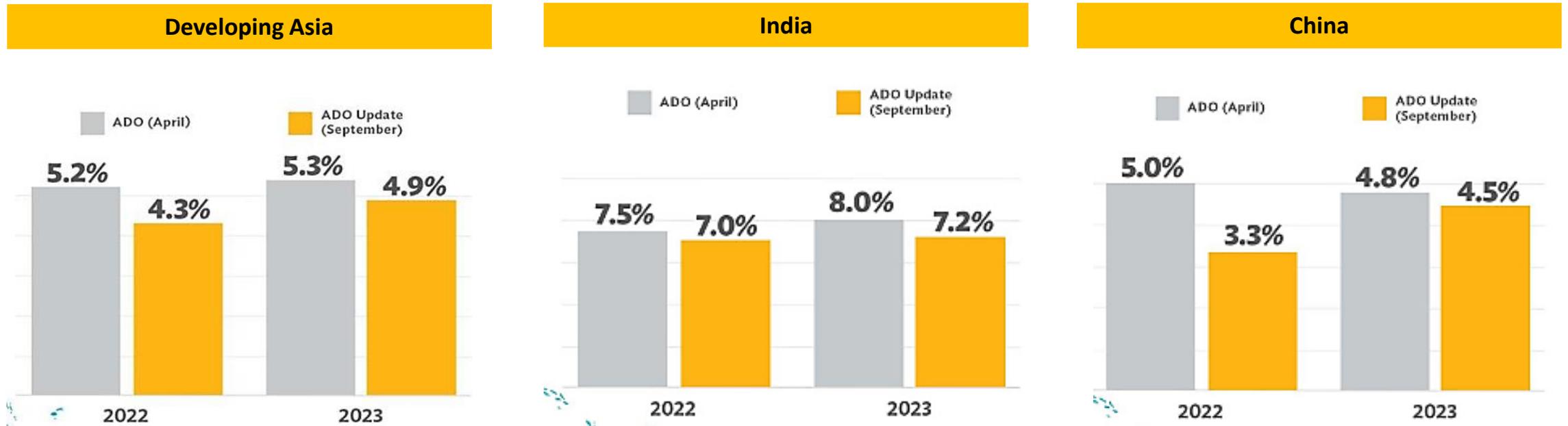
The composite leading indicator (CLI) by OECD provides early signals of fluctuation in economic activity



Source: OECD

Asian Development Bank - Outlook

ADB has downgraded GDP growth forecast for Developing Asian Economies



- According to the latest outlook by Asian Development Bank, although developing economies in Asia are continuing on their recovery path, however geopolitical developments such as the Russia-Ukraine war, aggressive monetary tightening in advanced economies, and strict COVID-19 restrictions in China, have dented future growth prospects for Developing Asia
- Growth forecasts have been revised down for 2022 from 5.2 percent in the April Outlook 2022 to 4.3 percent in the September Outlook, and from 5.3 percent to 4.9 percent for 2023. Further, ADB also pointed out that for the first time in over three decades, the rest of developing Asia will grow faster than China. Excluding China, the rest of developing Asia is projected to grow by 5.3 percent in both 2022 and 2023, down from 5.5 percent and 5.8 percent, respectively predicted in the April Outlook
- Inflationary pressures in developing Asia (while remaining lower than the rest of world) are being driven by higher energy and food prices globally. In the September Outlook, the region's inflation forecast has been raised to 4.5 percent and 4.0 percent for 2022 and 2023, respectively. In the April Outlook, the figures stood at 3.7 percent and 3.1 percent for 2022 and 2023, respectively

Asian Development Bank - Outlook

India Growth Estimate Revised Downwards

	2021	2022		2023	
		April ADO 2022	September Update	April ADO 2022	September Update
South Asia	8.1	7.0	6.5	7.4	6.5
Afghanistan
Bangladesh	6.9	6.9	7.2	7.1	6.6
Bhutan	4.1	4.5	4.5	7.5	4.0
India	8.7	7.5	7.0	8.0	7.2
Maldives	33.7	11.0	8.2	12.0	10.4
Nepal	4.2	3.9	5.8	5.0	4.7
Pakistan	5.7	4.0	6.0	4.5	3.5
Sri Lanka	3.3	2.4	-8.8	2.5	-3.3

	2021	2022		2023	
		April ADO 2022	September Update	April ADO 2022	September Update
Southeast Asia	3.3	4.9	5.1	5.2	5.0
Brunei Darussalam	-1.6	4.2	2.2	3.6	3.6
Cambodia	3.0	5.3	5.3	6.5	6.2
Indonesia	3.7	5.0	5.4	5.2	5.0
Lao People's Democratic Republic	2.3	3.4	2.5	3.7	3.5
Malaysia	3.1	6.0	6.0	5.4	4.7
Myanmar	-5.9	-0.3	2.0	2.6	2.6
Philippines	5.7	6.0	6.5	6.3	6.3
Singapore	7.6	4.3	3.7	3.2	3.0
Thailand	1.5	3.0	2.9	4.5	4.2
Timor-Leste	1.5	2.5	2.3	3.1	3.0
Viet Nam	2.6	6.5	6.5	6.7	6.7

- Downgrades to growth forecasts in South Asia largely reflect downward revisions to India's forecast on higher-than-anticipated inflation and monetary tightening by the RBI, as well as Sri Lanka's sharp economic contraction owing to its sovereign debt and BoP crises
- However, ADB has either upgraded or retained its GDP growth forecasts for Indonesia, Philippines, and Vietnam
- For India, the lower outlook has largely been the result of continued pressure from elevated oil and commodity prices and high domestic inflation that will likely require stricter tightening of monetary policy by the Reserve Bank, which would likely hinder economic growth in the short run. Weaker than expected global demand over the next two years will also adversely affect India's exports. Nonetheless, ADB predicts that the Indian economy is expected to grow strongly over the forecast period, with investment playing a catalytic role

India's Growth Outlook

Several Institutions have further downgraded their earlier projections for India's GDP growth for 2022-23

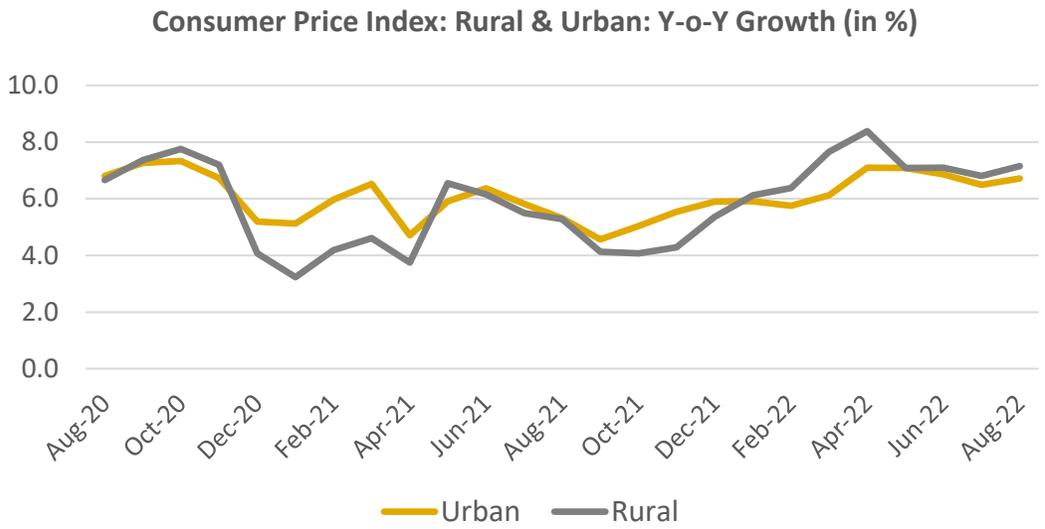
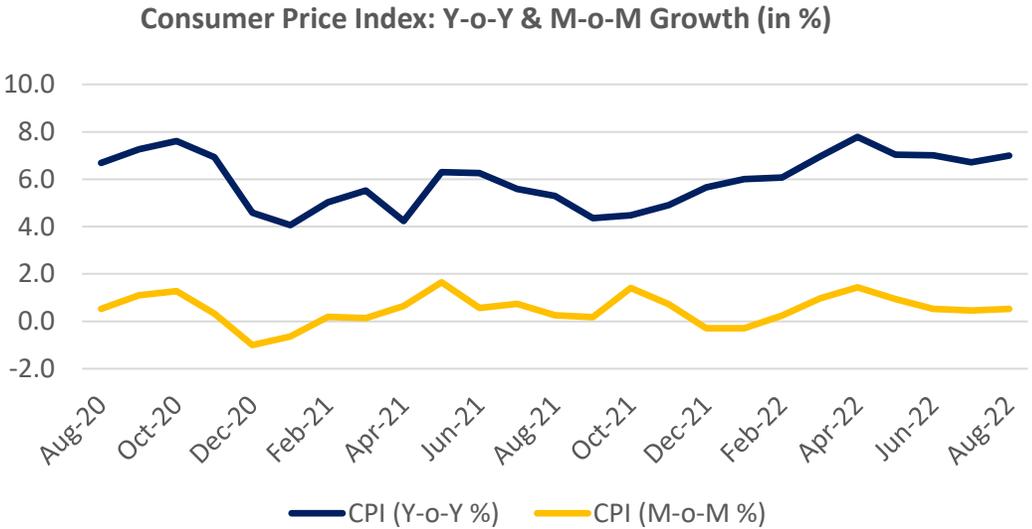
Institution	Annual GDP Growth (in %)	
	Earlier Estimate	Revised Estimate
Citigroup	8.0	6.7
OECD	6.9	6.9
Moody's	8.0	7.7
Goldman Sachs	7.2	7.0
IMF	8.2	7.4
Fitch Ratings	7.8	7.0
S&P	7.3	7.3
India Ratings & Research	7.0	6.9

Reasons for the Downward Revisions

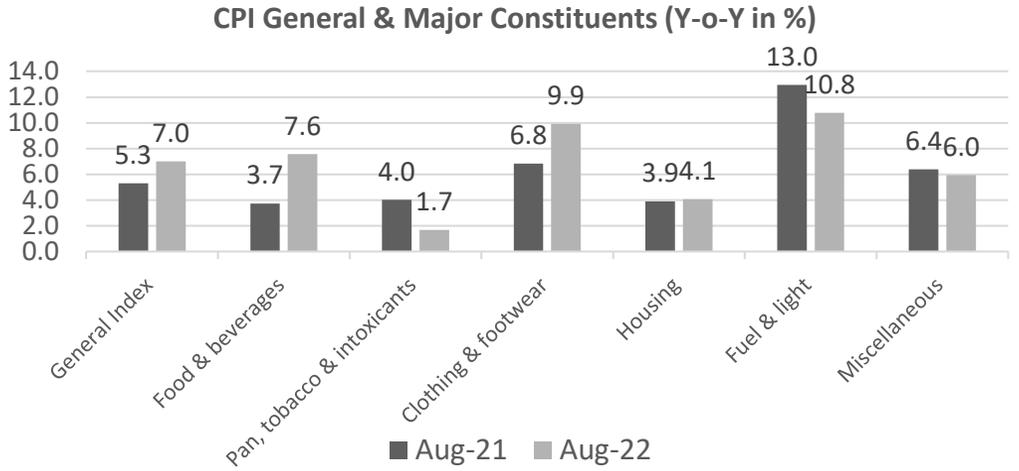
- According to Goldman Sachs, the slightly weaker-than-expected growth in investments and higher drag from net exports contributed to India's GDP falling short of forecasts
- Moody's downgrade came on the back of rising interest rates, uneven monsoon, and slowing global growth which will affect economic growth on a sequential basis. Inflation remains a challenge for the Reserve Bank of India in order to balance it with growth, while also containing the impact of imported inflation from depreciation of rupee
- S&P retained its outlook for India's GDP growth on account of support from domestic demand recovery after the coronavirus pandemic
- While Fitch Ratings acknowledged that domestic activity in the country remains resilient (as indicated by robust performance of lead indicators), however, growth is likely to be hit given the global tensions, elevated inflation, and tighter monetary policy. India's growth at 13.5 percent for the first quarter FY23 was also below its expectation of 18.5 percent

Inflation

CPI inflation spikes once again to 7.0% in August 2022



India's CPI based retail inflation once again increased to the 7.0 percent level in August 2022 after moderating to 6.7 percent in July 2022. The pressure on prices majorly came from the food & beverages, fuel & light and clothing & footwear sub-segments. Food inflation rose to 7.6 percent in August 2022, compared to 6.7 percent in July 2022, and 3.1 percent in August 2021 largely driven by an increase in the prices of cereals, milk & products, fruits, vegetables, pulses and spices.

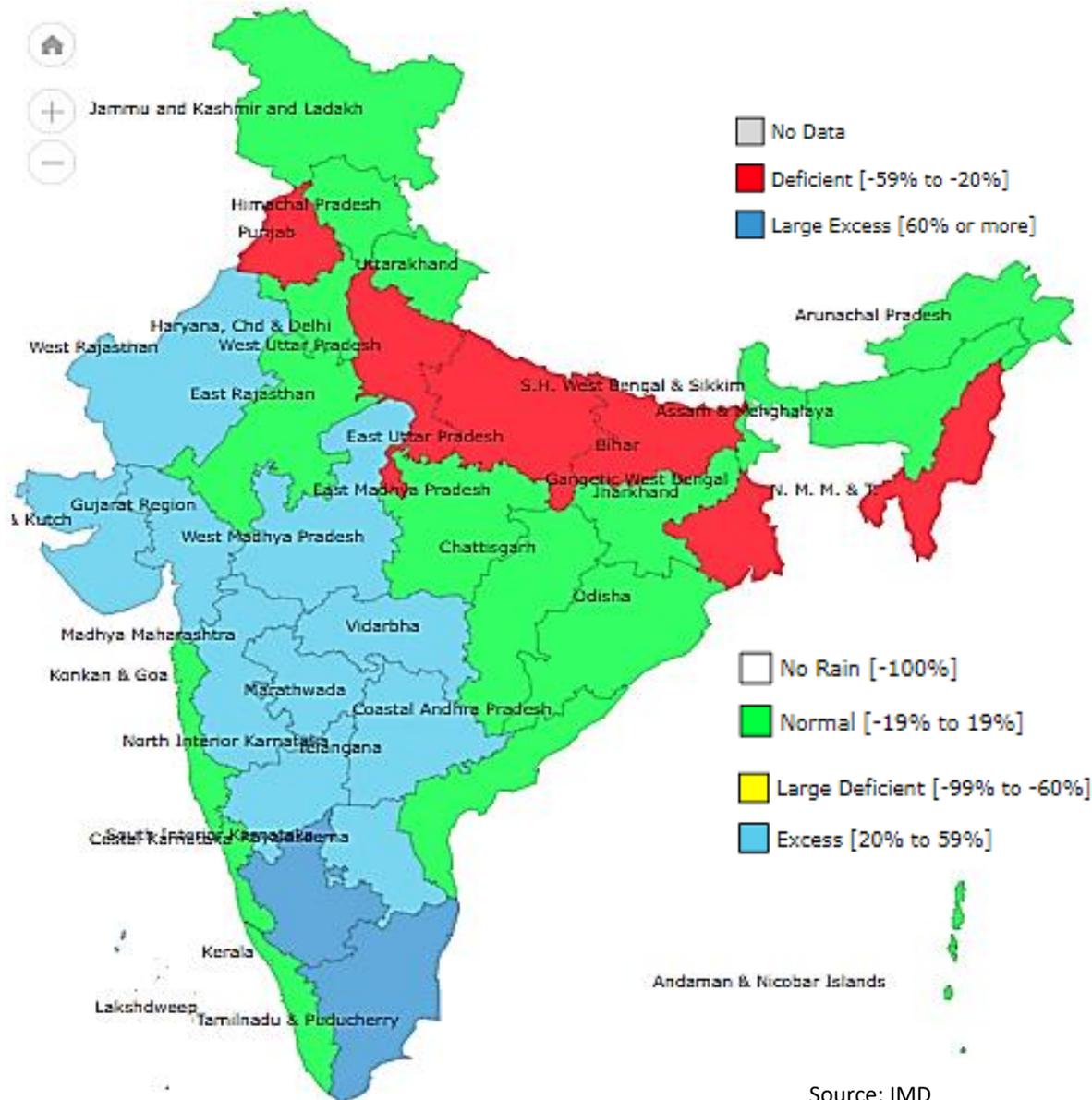


CPI – Key Sub-segment of Food (% Y-o-Y Growth)										
Month	Food	Cereals and products	Egg, fish and meat	Milk and products	Oils and fats	Fruits	Vegetables	Pulses and products	Sugar and condiments	Spices
Weight	39.1	9.7	4.0	6.6	3.6	2.9	6.0	2.4	1.4	2.5
Aug-21	3.1	-1.4	9.9	2.9	33.1	6.7	-11.7	8.8	-0.6	5.1
Jun-22	7.8	5.7	7.3	6.2	9.4	3.1	17.3	-1.0	4.2	11.0
Jul-22	6.7	6.9	2.4	5.8	7.5	6.3	10.9	0.2	4.8	12.9
Aug-22	7.6	9.6	0.5	6.4	4.6	7.4	13.2	2.5	4.5	14.9

Source: CMIE

Crop Production & Monsoon Progress

Cumulative Rainfall Activity (1-06-2022 to 21-09-2022)



First Advance Estimates of Crop Production (Million Tonnes)

Crops	2022-23		Fourth Advance Estimates (2021-22)	2020-21
	Target	First Advance Estimates		
Rice	112.0	104.99	130.29	124.37
Coarse Cereals	40.60	36.56	50.90	51.32
Total Cereals	152.60	141.55	288.03	285.28
Total pulses	10.55	8.37	27.69	25.46
Total Foodgrains	163.15	149.92	315.72	310.74
Total Oilseeds	268.9	235.73	376.96	359.46
Sugarcane	4150.00	4650.49	431.81	405.39
Cotton	370.0	341.90	31.20	35.24
Jute & Mesta	105.0	100.90	10.31	9.35

Source: Ministry of Agriculture & Farmers Welfare

Weekly Area Coverage Under Kharif Crops As On 23-Sept-2022

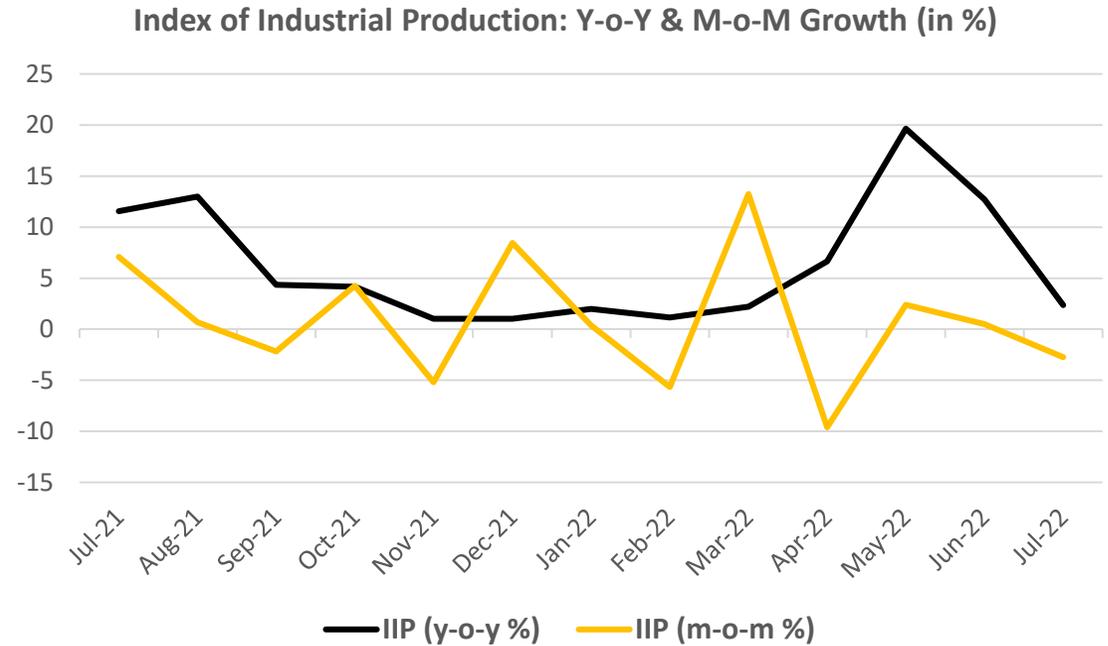
Crops	Area Sown (Lakh Ha)		Difference in Area Coverage Over 2021	% change over 2021
	2021	2022		
Total Foodgrains	732.7	713.3	-19.4	-2.7
Total Cereals	594.4	580.5	-13.9	-2.4
Rice	420.4	399.0	-21.3	-5.1
Coarse cereals	174.0	181.4	7.4	4.2
Total Pulses	138.3	132.8	-5.5	-4.0
Sugarcane	55.2	55.7	0.4	0.8
Total Oilseeds	193.3	191.7	-1.5	-0.8
Cotton	118.6	127.4	8.8	7.5
Jute & Mesta	7.00	6.96	-0.05	-0.66

Source: CMIE

Industry Performance (IIP)

Industrial Performance – Segment wise- Growth (% YoY)

	Weight	Jul-21	Mar-22	Apr-22	May-22	Jun-22	Jul-22
IIP	100	11.5	2.2	6.7	19.6	12.7	2.4
Economic Activity Classification							
Mining & quarrying	14.4	19.5	3.9	8.4	11.2	7.8	-3.4
Manufacturing	77.6	10.6	1.4	5.6	20.6	13.0	3.2
Electricity	8.0	11.1	6.1	11.8	23.5	16.4	2.3
Use Based Classification							
Primary goods	34.1	12.4	5.7	10.3	17.8	13.8	2.5
Capital goods	8.2	30.3	2.4	12.0	54.4	29.1	5.8
Intermediate goods	17.2	14.6	1.8	7.1	17.5	10.5	3.6
Infra/constn goods	12.3	12.3	6.7	4.0	18.2	9.3	4.0
Consumer goods	28.2	5.5	-3.9	2.4	18.6	10.7	-0.2
Durables	12.8	19.4	-3.1	7.2	58.4	25.1	2.4
Non-durables	15.3	-2.3	-4.4	-0.8	1.0	3.0	-2.0



The y-o-y growth in industrial production reported a conspicuous moderation in the month of July 2022 as compared to June 2022 and July 2021. The index grew at 2.4 percent during the month of July 2022 vis-à-vis 12.7 percent y-o-y growth registered in June 2022 and 11.5 percent in July 2021

According to the economic activity wise classification of the industrial production index, the manufacturing and electricity sectors showed growth, while output in the mining & quarrying sector witnessed a contraction in July 2022

As per the use-based classification as well, growth numbers were quite moderate as compared to the figures for the month of June 2022 and July 2021. The slowdown is primarily due to base normalization, heavy rainfall in few areas, and the shift in discretionary spending towards contact-intensive services sector

Lead Indicators: Industry

	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
PMI Manufacturing (Index numbers)	52.3	53.7	55.9	57.6	55.5	54.0	54.9	54.0	54.7	54.6	53.9	56.4	56.2
PMI Services (Index numbers)	56.7	55.2	58.4	58.1	55.5	51.5	51.8	53.6	57.9	58.9	59.2	55.5	57.2
Aggregate New Orders (% Y-o-Y)	-37.8	33.4	37.1	-66.6	6.9	-43.1	-63.2	18.6	27.7	510.0	35.8	-29.0	4.3
Fuel Consumption (Y-o-Y in %)	6.4	5.0	0.2	-11.8	3.3	2.3	5.4	6.5	9.6	23.7	17.9	6.1	16.3
Non-food Credit Growth (% Y-o-Y)	6.7	6.8	7.0	7.1	9.6	7.3	8.2	8.7	10.3	11.9	12.8	13.9	-
GST Collections (in Rs. Billion)	1120.2	1170.1	1301.3	1315.3	1297.8	1383.9	1330.3	1421.0	1675.4	1408.9	1446.2	1490.0	1436.1
E-way Bills (Number in Million)	65.9	67.9	73.5	61.2	71.6	68.8	69.1	78.2	75.2	73.6	74.5	75.6	78.2

Lead Indicators: Sectoral

	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
Passenger car Sales (Y-o-Y in %)	-5.2	-46.4	-38.5	-25.0	-18.2	-14.8	-6.3	-2.4	-14.2	164.5	8.5	8.6	16.4
Two-wheelers Sales (Y-o-Y in %)	-6.2	-13.7	-21.0	-26.9	-8.3	-17.2	-21.1	-17.1	9.0	124.3	20.2	5.2	7.7
Steel production (Y-o-Y in %)	9.2	6.2	7.1	2.6	1.6	6.2	6.1	6.1	2.8	17.1	7.8	9.0	4.0
Tractor Sales (Y-o-Y in %)	-9.8	-9.5	3.2	-16.7	-22.5	-27.8	-26.4	-11.6	38.1	47.7	-10.9	-12.3	-1.0
Fertilizer Sales (Y-o-Y in %)	1.6	1.1	-7.7	3.2	5.3	-5.6	-4.6	-1.2	32.6	4.9	-21.1	-14.3	-2.8

Lead Indicators: Transport/ Infrastructure

	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
Air cargo handled (Y-o-Y in %)	29.5	14.9	16.5	6.2	6.9	0.5	-2.8	0.3	2.4	13.8	14.0	6.1	-
Revenue Earning Freight Traffic of Major Commodities: Quantity (Y-o-Y in %)	16.9	3.6	8.4	6.1	7.2	7.7	6.6	6.7	9.4	14.6	11.3	8.3	7.9
Cargo Traffic at Major Ports (Y-o-Y in %)	11.4	0.1	6.5	-0.2	-0.6	-3.1	-0.1	0.6	5.5	10.2	12.2	15.1	-
Electricity Generation: Conventional: Utilities (Y-o-Y in %)	17.3	-1.8	3.1	1.8	2.2	-0.6	2.8	4.3	10.0	20.6	16.9	2.6	0.4

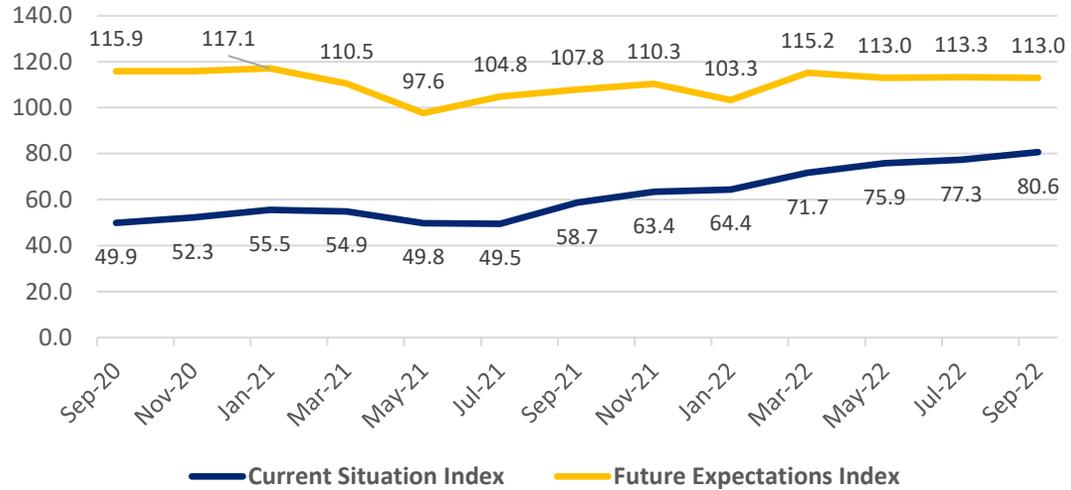
Core Performance

Performance of Eight Core Industries : Base Year 2011-12 (Y-o-Y change in %)									
Month	Overall index	Coal	Crude oil	Natural gas	Refinery products	Fertilizers	Steel	Cement	Electricity
Weight	100.0	10.3	9.0	6.9	28.0	2.6	17.9	5.4	19.9
Aug-21	12.1	20.6	-2.2	20.8	9.1	-3.2	6.9	36.4	16.0
Sep-21	5.4	7.8	-1.7	27.5	6.0	0.1	7.1	11.3	0.9
Oct-21	8.8	14.7	-2.1	25.9	14.4	0.1	5.8	14.6	3.1
Nov-21	3.2	8.2	-2.2	23.6	4.3	2.5	0.9	-3.6	2.1
Dec-21	4.1	5.2	-1.7	19.6	5.9	3.5	-0.6	14.2	2.9
Jan-22	4.0	8.2	-2.5	11.6	3.7	-2.0	3.8	14.1	0.9
Feb-22	5.8	6.6	-2.2	12.5	8.8	-1.4	5.6	4.2	4.5
Mar-22	4.8	0.2	-3.4	7.6	6.0	15.3	4.1	8.9	6.1
Apr-22	9.6	30.1	-0.9	6.3	9.2	8.8	2.5	7.5	11.8
May-22	19.3	33.5	4.6	7.0	16.7	22.9	15.1	26.2	23.5
Jun-22	13.2	32.0	-1.7	1.3	15.1	8.1	3.7	19.7	16.4
Jul-22	4.5	11.3	-3.7	-0.3	6.2	6.2	6.1	0.5	2.3
Aug-22	3.3	7.7	-3.4	-1.0	7.0	11.9	2.2	1.8	0.9

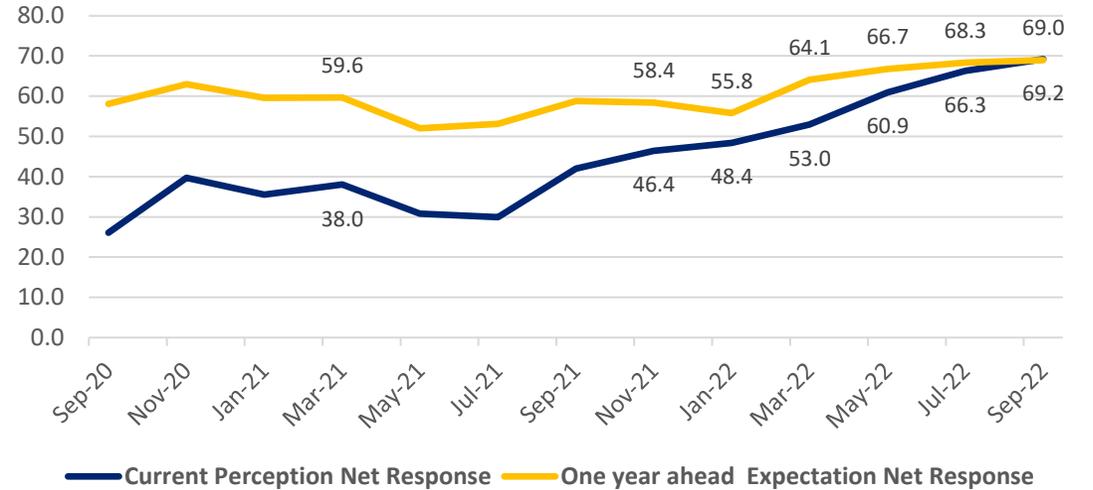
The index of eight core industries rose by 3.3 per cent on a y-o-y basis in August 2022, compared to 4.5 percent growth registered in the month of July 2022 and 12.1 percent in August 2021. This was the lowest growth in the index registered since November 2021. Six of the eight sectors reported a rise in production, while two reported a fall in August 2022. Coal and fertilizer sectors grew at a faster pace of 7.7 per cent and 11.9 percent, respectively, compared to the other sectors. Among other energy sources, output of crude oil fell by 3.4 per cent and that of natural gas by 1.0 per cent. Refinery products industry reported a 7.0 per cent rise in production in August 2022. Steel production grew by 2.2 per cent and cement production grew by 1.8 per cent. Electricity generation rose by 0.9 per cent in August 2022

Consumer Confidence Index: RBI

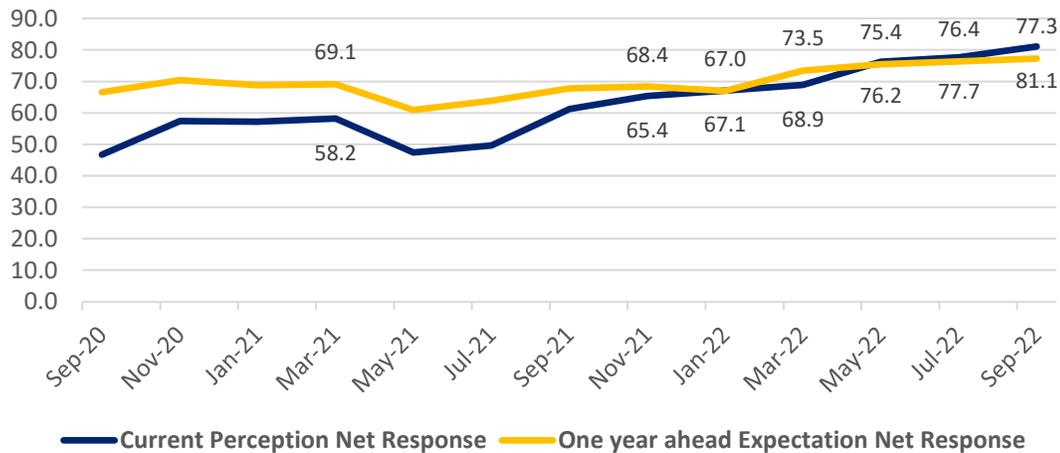
Consumer Confidence Indices



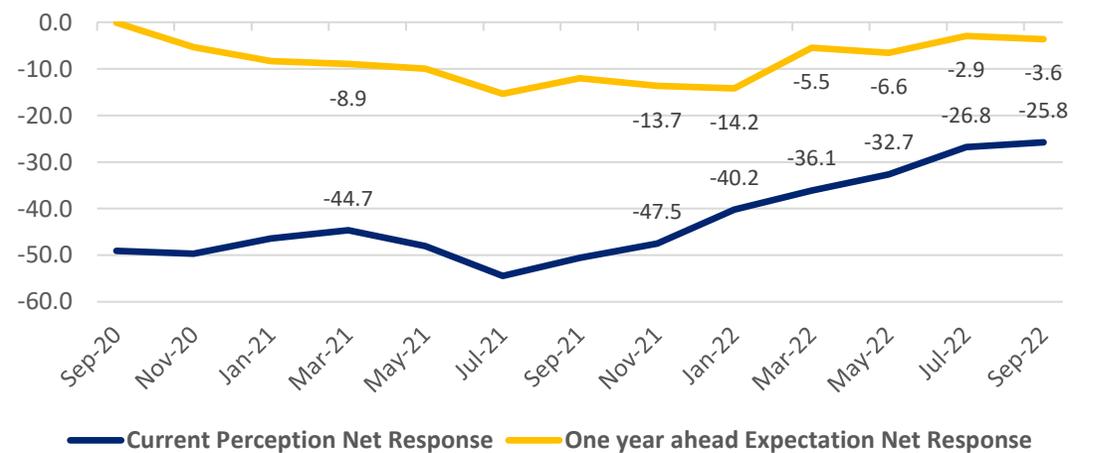
Perceptions and Expectations on Spending (% of respondents)



Perceptions and Expectations on Non-Discretionary Spending (% of respondents)



Perceptions and Expectations on Discretionary Spending (% of respondents)

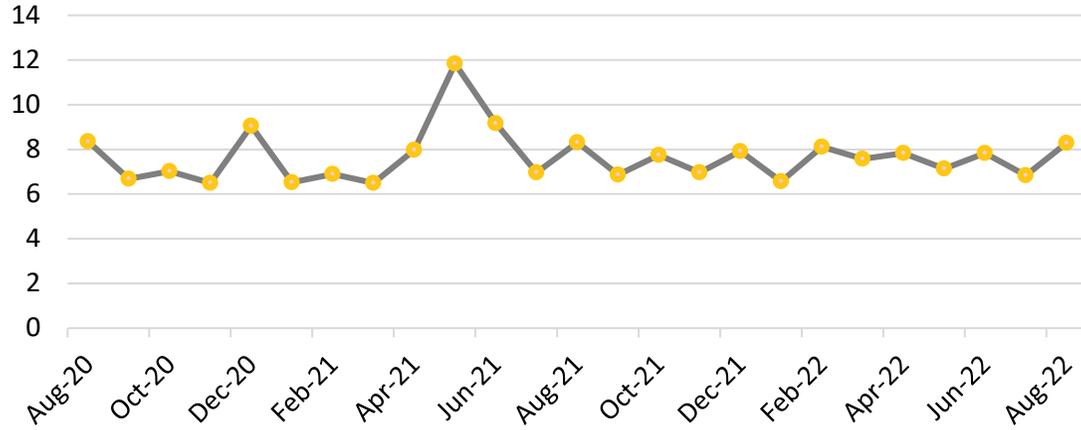


Net response is the difference between positive and negative perceptions

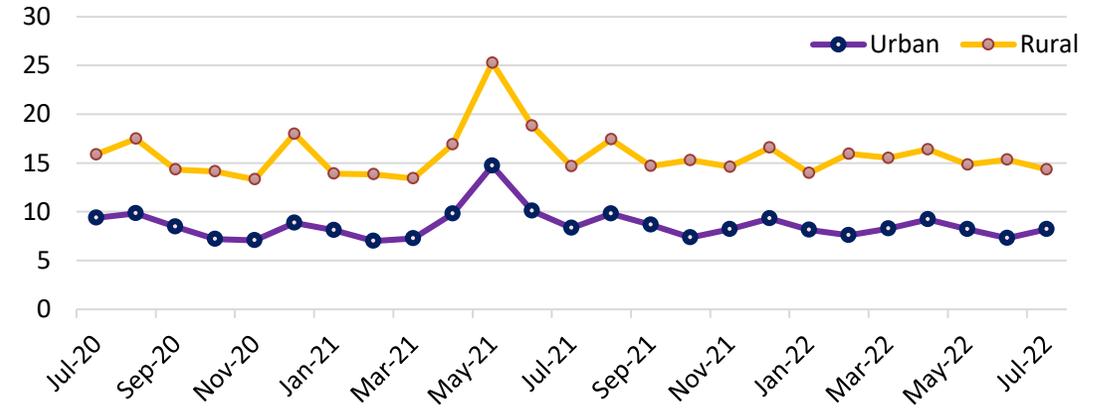
Source: Consumer Confidence Survey, Reserve Bank of India, September 2022

Unemployment

CMIE Unemployment Rate: Total (in %)



CMIE Unemployment Rate: Rural-Urban (in %)

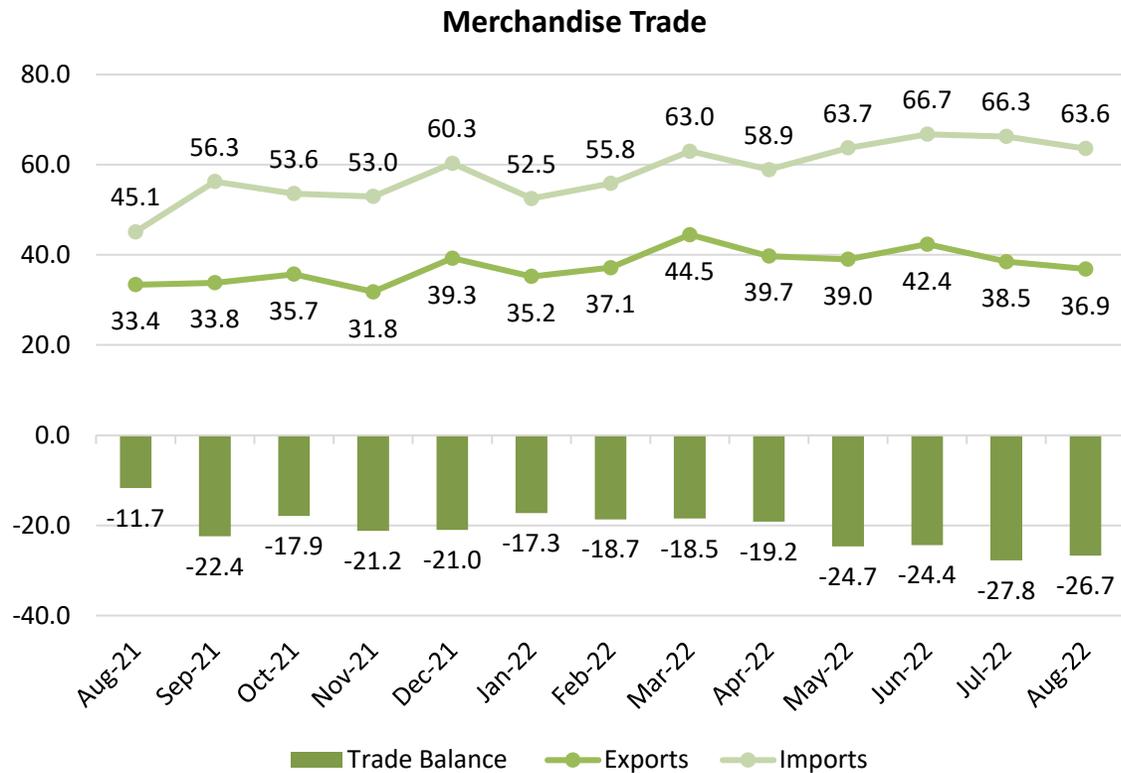


Naukri Job Index : Sector wise: M-o-M Growth in %

Month	Accounting & taxation	Advertising	Agriculture	Auto & auto ancillary	Banking & financial services	Capital goods	Chemicals	Construction & engineering	Consumer durables	FMCG, food & beverages	Gems & jewellery	Healthcare	Hospitality	IT-Hardware & Networking	Oil & gas	Pharma & biotech	Real estate	Retailing	Semiconductors & electronics	Telecom	Textiles
Aug-21	-13.7	10.9	-7.2	18.8	6.7	0.6	5.0	3.8	-16.9	-7.8	12.8	2.0	10.2	9.0	35.8	3.6	3.0	0.3	4.4	12.1	9.4
Jan-22	24.6	31.7	37.4	26.2	33.3	26.6	19.2	23.6	28.4	16.5	3.3	31.9	0.7	38.8	25.2	24.2	25.8	35.2	23.3	61.0	27.8
Feb-22	40.7	11.6	37.1	25.4	20.0	17.0	23.8	20.5	15.7	16.5	16.5	25.3	41.2	17.4	20.6	12.0	17.3	14.0	31.5	3.2	14.7
Mar-22	-11.6	4.7	-21.7	-10.5	-8.6	-0.3	-5.5	-6.9	-18.3	-9.0	0.0	-5.2	18.6	13.3	-12.0	-12.8	-4.0	-10.4	-3.8	-9.3	-4.3
Apr-22	9.9	9.9	12.6	10.4	6.7	11.8	5.2	8.6	16.5	8.4	18.5	1.2	-5.2	-23.2	16.3	-0.4	4.6	11.0	20.8	7.8	8.9
May-22	19.9	-7.3	-1.9	0.5	-1.5	-4.3	16.2	-3.0	-2.9	-1.8	0.5	1.3	-0.4	1.8	-1.0	-1.4	-4.1	3.2	-11.1	10.2	6.7
Jun-22	-3.7	3.6	-10.2	-4.0	-0.6	-0.6	-11.0	-3.7	0.6	0.8	-12.8	-6.6	-8.4	-27.6	-5.0	-8.2	-3.1	-0.6	23.1	-7.0	-17.6
Jul-22	48.4	-0.5	-13.5	7.0	13.8	1.6	2.6	4.2	-11.1	11.5	-1.6	7.0	1.3	21.9	18.3	9.1	5.8	-8.7	-7.1	19.1	1.0
Aug-22	-24.3	0.2	-0.7	14.6	-4.3	-8.9	-14.4	-9.1	0.7	-10.3	16.5	2.0	2.5	-7.3	-5.2	-9.7	3.5	-13.3	-25.9	-10.7	-9.3

External Sector: Trade

India's Merchandise Trade (USD billion)

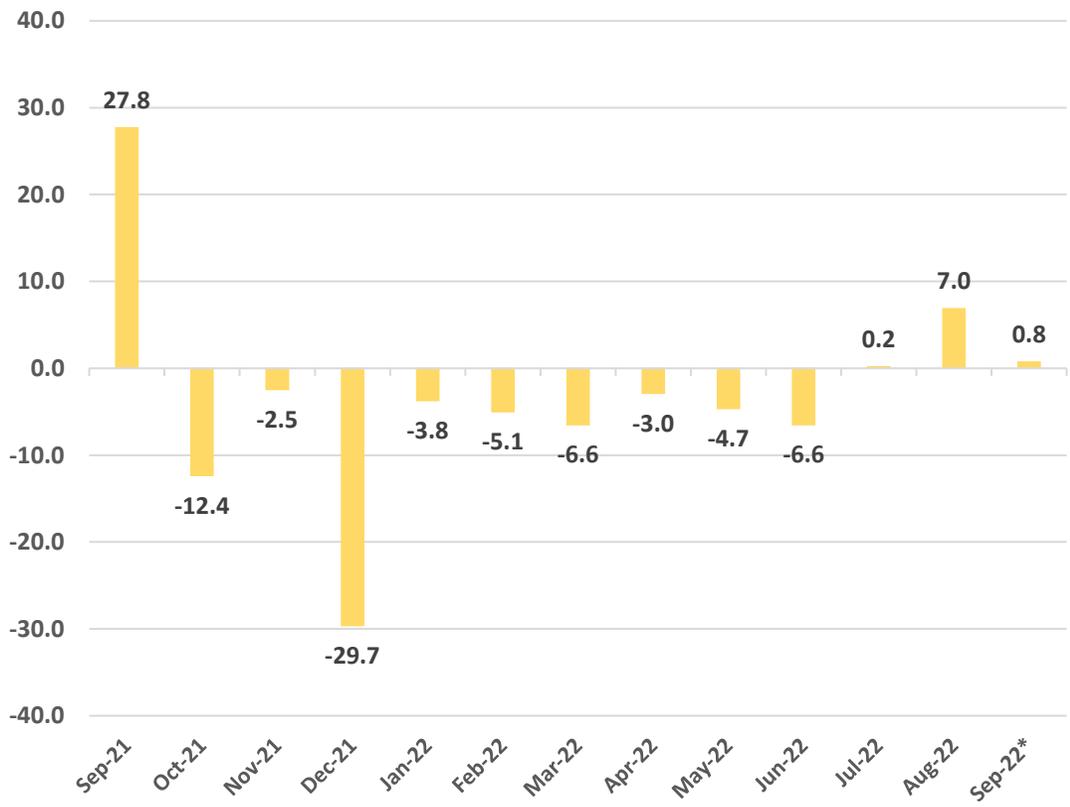


Month	Exports		Imports	
	Petroleum products	Non-petroleum products	Crude oil and petroleum products	Non-crude oil and petroleum products
Aug-21	4.7	28.7	9.4	35.7
Sep-21	5.2	28.6	16.8	39.5
Oct-21	5.4	30.4	12.3	41.3
Nov-21	5.5	26.3	14.2	38.7
Dec-21	6.8	32.5	16.5	43.8
Jan-22	4.6	30.6	12.4	40.1
Feb-22	6.9	30.3	15.8	40.1
Mar-22	9.8	34.7	21.1	41.8
Apr-22	7.9	31.9	18.4	40.5
May-22	8.5	30.5	19.2	44.5
Jun-22	10.7	31.7	21.3	45.4
Jul-22	8.3	30.2	21.1	45.1
Aug-22	8.5	28.4	19.3	44.2

India's overall exports and imports in the month of August 2022 were recorded at USD 36.9 billion and 63.6 billion, respectively. Exports exhibited a y-o-y growth of 10.4 percent over August 2021, whereas imports grew at 41.0 percent y-o-y vis-à-vis August last year. Exports have been driven by commodities including silver, raw cotton, Coal, Coke & Briquettes, petroleum & crude products and textile yarn fabrics, whereas in case of imports, silver, cotton raw & waste, coal, coke & briquettes, and petroleum & crude products have been witnessing accelerated growth. Surging international oil prices continue to impact on the country's trade deficit. Trade deficit for the month of August 2022 amounted to USD 26.7 billion, slightly declining from USD 27.8 billion in July 2022

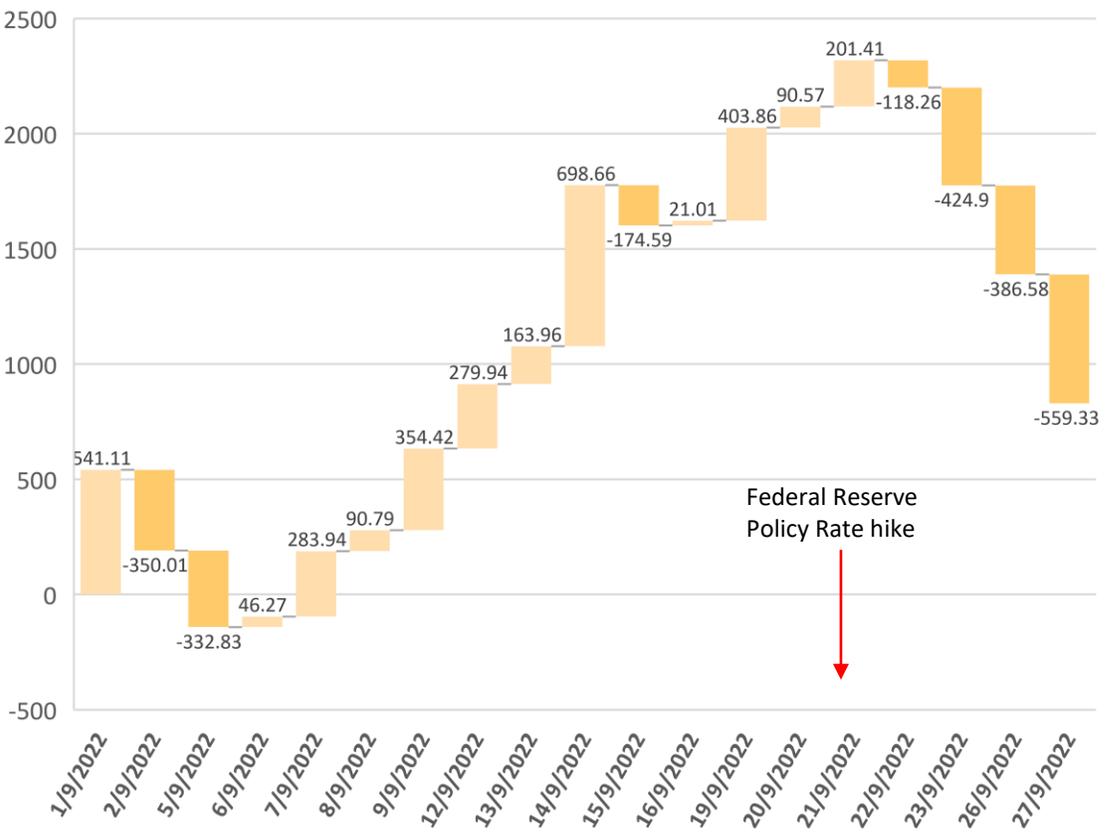
External Sector: FPIs

Net Foreign Portfolio Investments: Monthly (in USD Billion)



*Upto September 27, 2022
Source: NSDL

Net Foreign Portfolio Investments: September (in USD million)



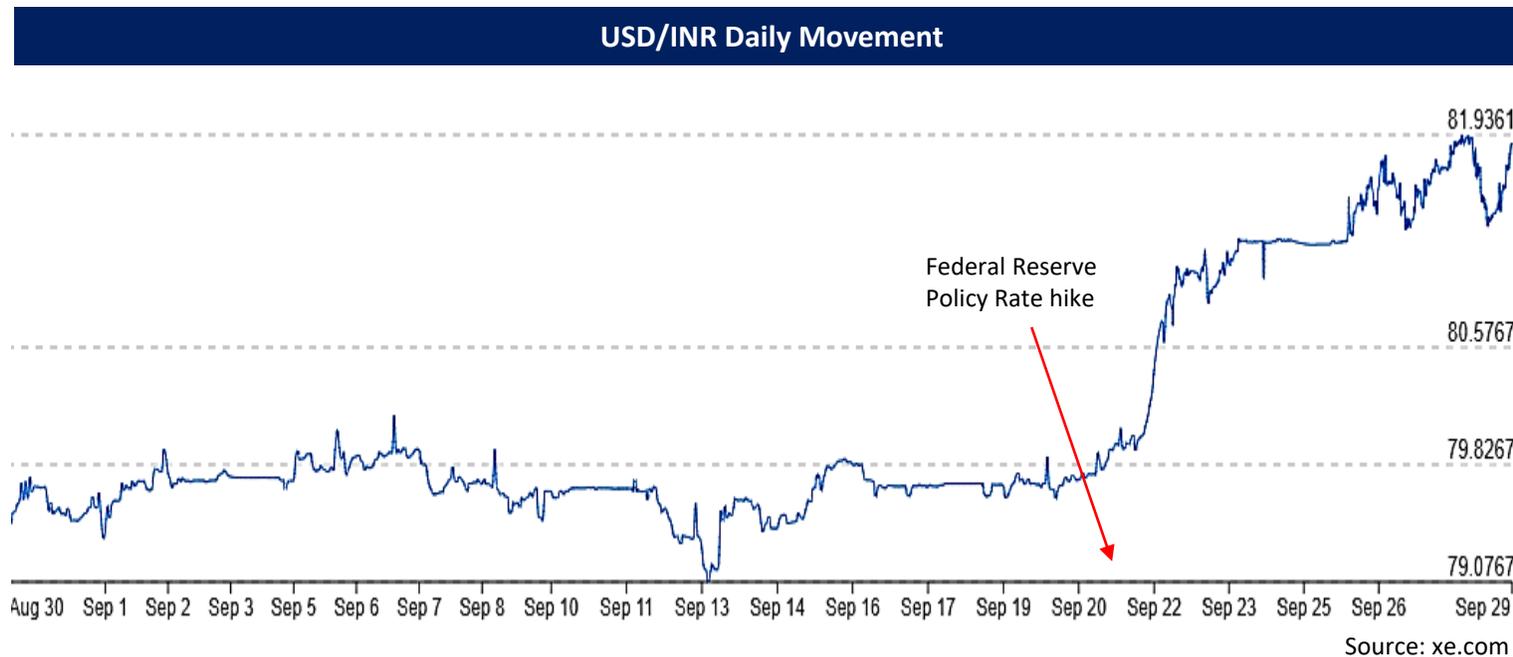
Federal Reserve
Policy Rate hike

Source: NSDL

India was performing relatively better on account of net foreign portfolio investments from the month of July 2022 – when the country started witnessing net inflows of FPIs for the first time since October 2021

However, studying the daily FPI movement, it can be noted that In September 2022, India’s FPIs once again started declining after the Federal Reserve delivered yet another hike in the policy interest rates on September 21, 2022

Rupee movement & Forex Reserves



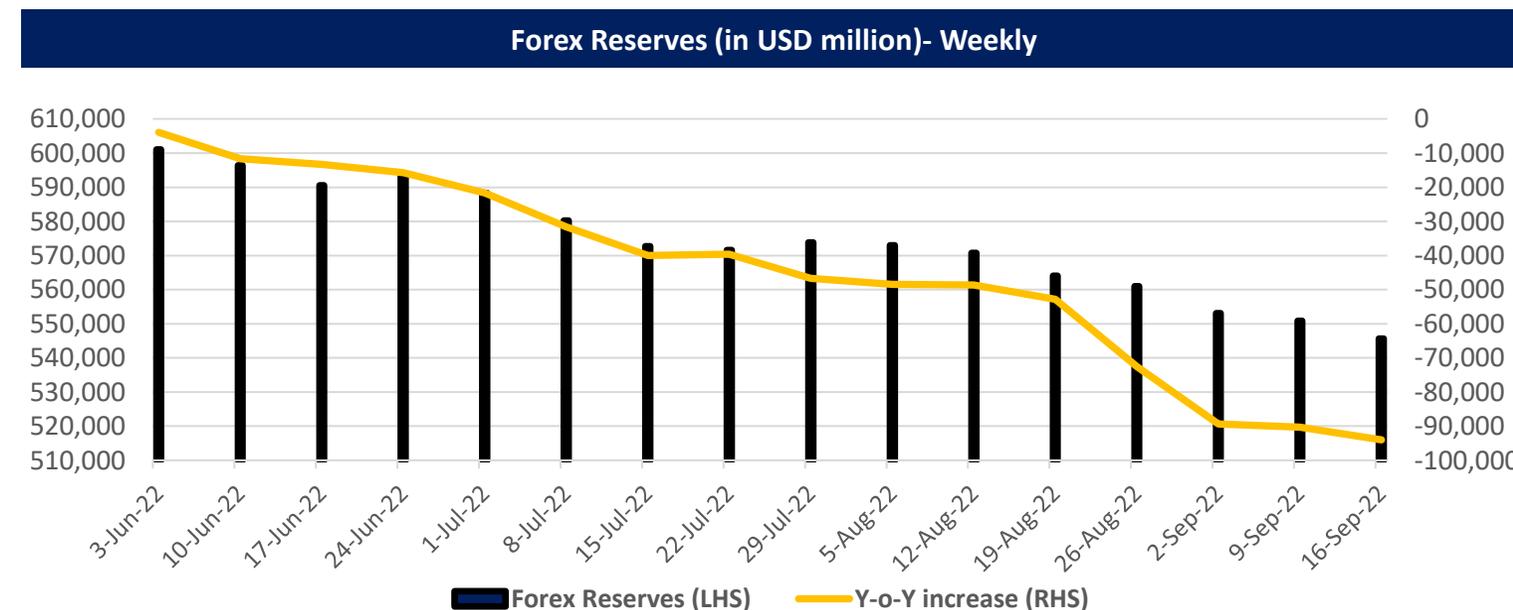
The Indian Rupee has been trading at new lows amid the latest interest rate hike delivered by the Federal Reserve on September 21, 2022.

The USD/INR exchange rate touched its new record low of 81.9 on September 28, 2022.

In order to avert large decline in the INR, the Reserve Bank of India has been utilizing its forex reserves. In fact, the Reserve Bank has been drawing down its foreign exchange reserves at a much faster pace than it did during the taper tantrum of 2013-14.

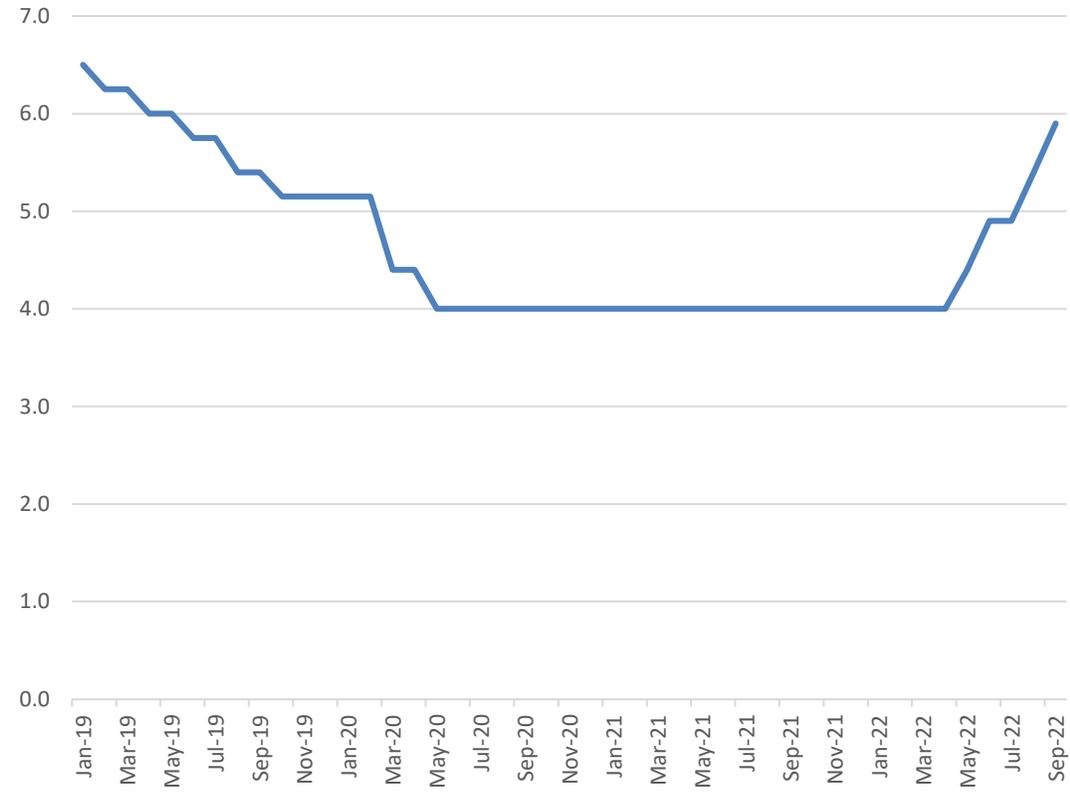
Approximately USD 12.8 billion worth of reserves were sold in August 2022 alone while USD 19.4 billion were sold in July 2022. In contrast, the RBI had sold a net of USD 14.0 billion in the June-September period in 2013.

Nonetheless, India is in a better position in terms of the pool of foreign currency reserves than it was during the time of taper tantrum in 2013



Monetary Tightening

Reserve Bank of India: Repo Rate Movement



The Reserve Bank of India (RBI) hiked policy repo rate by 50 basis points to 5.9 per cent in its latest announcement made on September 30, 2022. This marks a fourth consecutive hike in repo rate by the RBI. In all, the RBI has hiked rates by 190 basis points since May this year -policy repo rate has gone up from 4 per cent at end-March to 5.9 per cent. It is now at a more than 3-year high

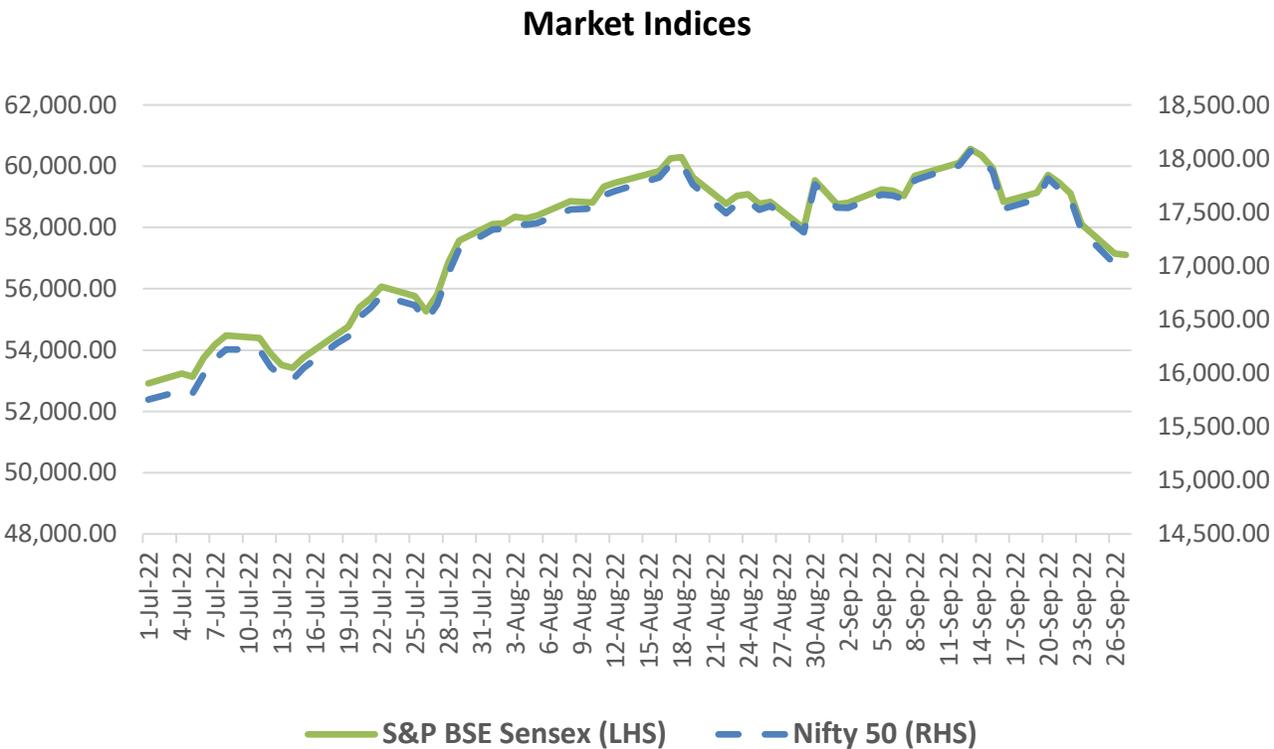
Interest rates (in %)

Month	Repo Rate	WACR	G Sec with residual maturity		
			1 year	5 year	10 year
Aug 2021	4.00	3.14	3.94	5.71	6.23
Sept 2021	4.00	3.12	3.91	5.62	6.17
Oct 2021	4.00	3.22	4.16	5.70	6.32
Nov 2021	4.00	3.27	4.26	5.72	6.34
Dec 2021	4.00	3.32	4.34	5.77	6.41
Jan 2022	4.00	3.40	4.70	6.03	6.62
Feb 2022	4.00	3.24	4.40	6.00	6.78
Mar 2022	4.00	3.27	4.77	6.11	6.83
Apr 2022	4.00	3.44	4.89	6.57	7.11
May 2022	4.40	3.96	5.94	7.09	7.34
June 2022	4.90	4.42	6.38	7.23	7.49
July 2022	4.90	4.69	6.27	7.12	7.38
Aug 2022	5.40	4.92	6.17	6.97	7.25
Sept 2022	5.90	5.15	6.42	7.17	7.26

Source: CMIE

Financial Markets

Performance of Benchmark Indices



The Indian stock market fell in September 2022 after rising for two successive months. The benchmark indices Nifty 50 and S & P BSE Sensex declined by more than 3 per cent each in September 2022. This fall is in sharp contrast to the 3.5 per cent rise in August 2022 and an impressive 8 per cent rise in July 2022.

Month	Nifty 50		S&P BSE Sensex	
	Index Returns (%)	Index P/E (times)	Index Returns (%)	Index P/E (times)
Aug-21	8.7	26.3	9.4	30.3
Sep-21	2.8	27.0	2.7	30.8
Oct-21	0.3	25.7	0.3	29.6
Nov-21	-3.9	23.4	-3.8	26.8
Dec-21	2.2	24.1	2.1	27.9
Jan-22	-0.1	23.4	-0.4	26.9
Feb-22	-3.1	21.6	-3.1	24.7
Mar-22	4.0	22.9	4.1	25.8
Apr-22	-2.1	22.0	-2.6	24.6
May-22	-3.0	20.4	-2.6	22.5
Jun-22	-4.8	19.5	-4.6	21.6
Jul-22	8.7	20.7	8.6	22.7
Aug-22	3.5	21.2	3.4	23.2

Public Finance

Trend in Revenue and Expenditure				
	Budget Estimates 2022-23	Actuals Up to August 2022	% of Actuals to Budget Estimates	
	Rs. Crore	Rs. Crore	Current	Corresponding period previous year
Revenue Receipts	22,04,422	8,16,898	37.10%	44.40%
Tax Revenue (Net)	19,34,771	7,00,094	36.20%	41.70%
Non-Tax Revenue	2,69,651	1,16,804	43.30%	61.20%
Total Receipts	22,83,713	8,48,425	37.20%	40.90%
Revenue Expenditure	31,95,257	11,37,698	35.60%	37.70%
Capital Expenditure	7,49,652	2,52,328	33.70%	31.00%
Total Expenditure	39,44,909	13,90,026	35.20%	36.70%
Fiscal Deficit	16,61,196	5,41,601	32.60%	31.10%

In absolute terms, Central Government's gross fiscal deficit in the April-August 2022 period amounted to Rs.5.4 trillion, which was at 32.6 percent of its annual budgeted target. Corresponding figure for the previous year stood at 31.1 percent.

On the revenue side, net tax collections rose to Rs. 7.0 trillion during April-August 2022 – with the Centre garnering 36.2 percent of its budgeted allocation. Tax revenue of the Central government grew by almost 8.6 percent y-o-y in the April-August 2022 period.

Capital expenditure of the Centre remained healthy and witnessed a growth of almost 46.8 percent y-o-y during the period April-August 2022.



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