

# TATA CAPITAL WEALTH

## Macro Economic Dashboard – June 2022

| Parameters                         | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Currency &amp; Banking</b>      |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Currency with the Public           | 13.9   | 12.4   | 10.2   | 9.6    | 8.9    | 7.9    | 7.7    | 7.4    | 8.3    | 9.0    | 10.2   | 11.0   | 8.9    | 7.5    |
| M3                                 | 10.3   | 10.7   | 9.9    | 9.5    | 9.3    | 9.7    | 9.5    | 11.4   | 8.4    | 8.7    | 8.7    | 10.2   | 8.8    | 7.8    |
| Bank Non-Food Credit               | 5.9    | 5.9    | 6.2    | 6.7    | 6.8    | 6.9    | 7.1    | 9.3    | 8.3    | 8.0    | 9.7    | 11.3   | 11.5   | 12.1   |
| Credit to Industry                 | 0.8    | (0.3)  | 1.0    | 2.5    | 2.5    | 4.1    | 3.8    | 7.6    | 6.4    | 6.5    | 6.4    | 8.1    |        |        |
| Credit to Services                 | 1.9    | 2.9    | 2.7    | 2.3    | 0.8    | 2.9    | 3.6    | 10.8   | 7.3    | 5.6    | 8.2    | 11.1   |        |        |
| Personal Credit                    | 12.4   | 11.9   | 11.2   | 12.1   | 12.1   | 11.7   | 11.6   | 14.3   | 11.6   | 12.3   | 12.8   | 14.7   |        |        |
| <b>Industry</b>                    |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| IIP                                | 27.6   | 13.8   | 11.5   | 13.0   | 4.4    | 4.2    | 1.0    | 1.0    | 1.5    | 1.5    | 1.9    | 7.1    |        |        |
| PMI-Comp Index                     | 48.1   | 43.1   | 49.2   | 55.4   | 55.3   | 58.7   | 59.2   | 56.4   | 53.0   | 53.5   | 54.3   | 57.6   | 58.3   | 58.2   |
| Manufacturing Index                | 50.8   | 48.1   | 55.3   | 52.3   | 53.7   | 55.9   | 57.6   | 55.5   | 54.0   | 54.9   | 54.0   | 54.7   | 54.6   | 53.9   |
| Services Index                     | 46.4   | 41.2   | 45.4   | 56.7   | 55.2   | 58.4   | 58.1   | 55.5   | 51.5   | 51.8   | 53.6   | 57.9   | 58.9   | 59.2   |
| <b>Inflation</b>                   |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| CPI                                | 6.3    | 6.3    | 5.6    | 5.3    | 4.3    | 4.5    | 4.9    | 5.7    | 6.0    | 6.1    | 7.0    | 7.8    | 7.0    |        |
| WPI                                | 13.1   | 12.1   | 11.6   | 11.6   | 11.8   | 13.8   | 14.9   | 14.3   | 13.7   | 13.4   | 14.5   | 15.1   | 15.9   |        |
| <b>Fiscal</b>                      |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| GST Collection (Rs. Lakh Cr.)      | 1.0    | 0.9    | 1.2    | 1.1    | 1.2    | 1.3    | 1.3    | 1.3    | 1.4    | 1.3    | 1.4    | 1.7    | 1.4    | 1.4    |
| <b>Foreign Trade &amp; Reserve</b> |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Export Growth                      | 69.5   | 48.3   | 50.3   | 46.4   | 22.7   | 43.4   | 34.6   | 44.3   | 27.9   | 34.4   | 19.8   | 29.4   | 20.6   | 16.8   |
| Import Growth                      | 74.9   | 99.3   | 61.7   | 45.3   | 85.1   | 58.1   | 58.0   | 40.4   | 24.3   | 39.9   | 24.2   | 30.7   | 62.8   | 51.1   |
| Forex Reserve (\$ Bn)              | 598    | 609    | 621    | 634    | 639    | 642    | 638    | 634    | 630    | 632    | 618    | 598    | 601    | 593    |
| <b>Consumer</b>                    |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Petroleum Consumption              | (4.1)  | (1.3)  | 6.5    | 6.4    | 5.0    | 0.2    | (11.8) | (0.4)  | (0.1)  | 5.4    | 4.2    | 9.6    | 23.8   |        |
| Freight Air Traffic                | 150.9  | 45.6   | 35.2   | 29.5   | 14.9   | 16.5   | 6.2    | 6.9    | 0.5    | (2.8)  | 0.3    | 2.3    | 13.8   |        |
| Electricity Generation             | 7.6    | 6.3    | 6.8    | 17.1   | (1.7)  | 2.8    | 1.6    | 2.5    | (0.4)  | 2.8    | 4.3    | 10.1   | 20.4   |        |

The RBI has on its part since the beginning of the pandemic has increased the liquidity in the economy significantly by keeping the interest rates at an all-time low level. This has increased the currency with the public substantially and credit especially to retail sector has improved and now since the past couple of months the credit to Industry & Services is also showing growth. However, since May as the RBI started tightening and the same is reflected in currency with public.

The PMI has largely remained in the expansion zone since the past year, which is reflecting steadily in the industrial production.

While WPI remained in the double digit since the past 14 consecutive month; CPI remained above the upper threshold limit of RBI for the fifth consecutive month in May.

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

In June both exports and imports grew at a steady pace even as trade deficit widened. Further the forex reserve has also depleted as RBI continued to support the currency.

Double digit growth was displayed in Petroleum consumption, electricity generation and freight air traffic

Source: RBI, Various GoI Ministries, News Articles

### Summary:

The Indian economy is on the recovery path and has reached the pre-Covid levels on most of 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, both CPI and WPI Inflation has started showing increasing trend due to high commodity prices.

### Note:

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

Currency with the Public: Currency with the public is arrived at after deducting cash with banks from total currency in circulation.

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

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