



 **TruBoard Partners**

 **TruQuest**

MACRO WATCH
UPDATE ON DATA TRENDS

September 2022

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Macro Heat Map

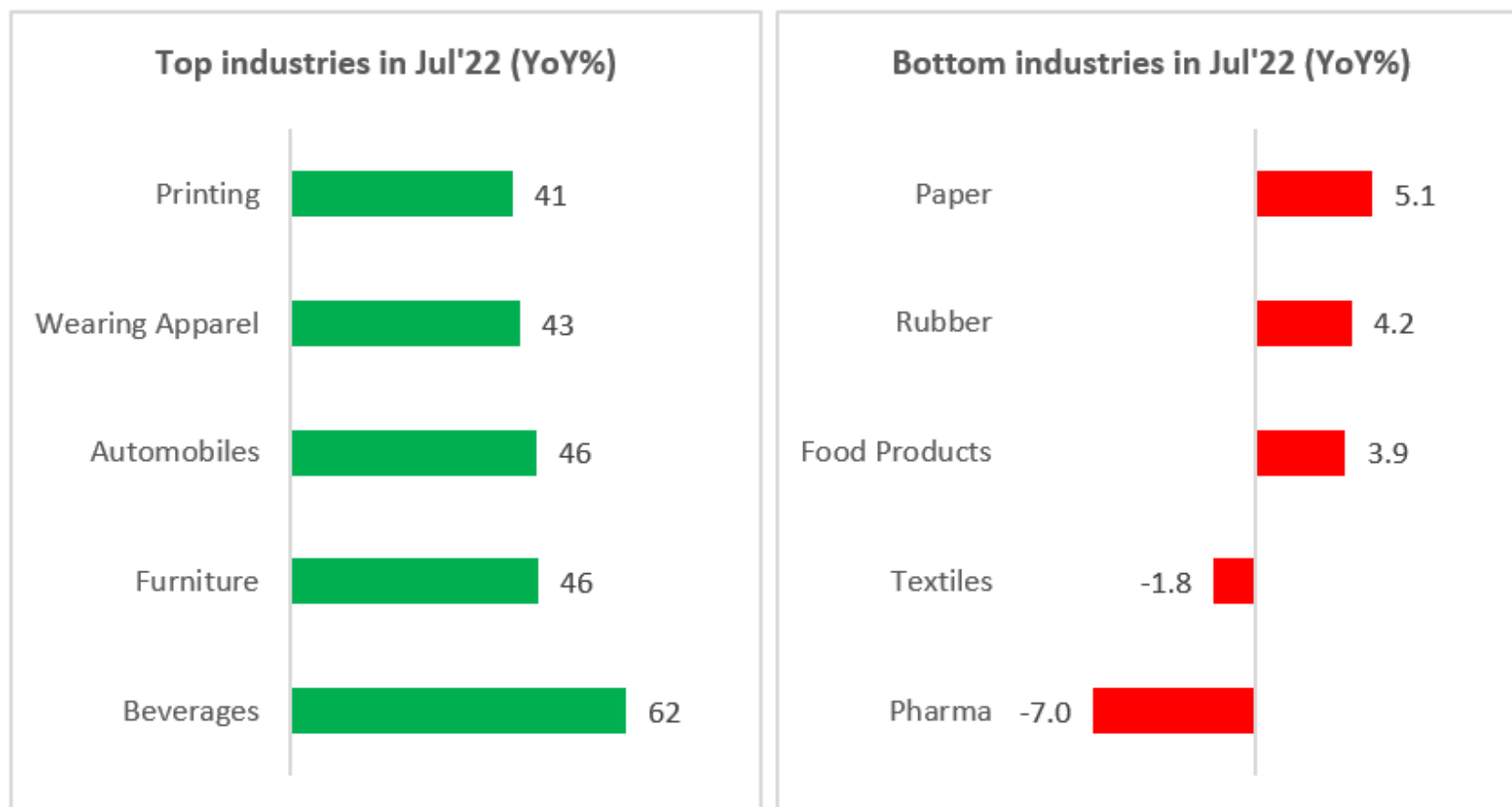
		Aug'21	vs Month	vs Quarter	vs Year	vs Pre Covid
Real Economy	CPI (YoY%)	7.0	Red	Green	Red	Red
	IIP (YoY%)	2.4	Red	Red	Red	Green
	IIP Cap Goods (YoY%)	5.8	Red	Red	Red	Green
	IIP Core (YoY%)	4.5	Red	Red	Red	Green
	Nifty Realty (Index)	463.2	Green	Green	Green	Green
	PMI M (Index)	56.2	Red	Green	Green	Green
	PMI S (Index)	57.2	Green	Red	Green	Green
	Rating Ratio	0.2	Green	Green	Green	Green
Non Food Credit (YoY%)	12.8	Green	Green	Green	Green	
Consumption	2 Whlr Sales (YoY%)	7.7	Green	Red	Green	Green
	Grad Unemployment (YoY%)	20.0	Red	Red	Red	Red
	Import Consumer Electronics (YoY%)	80.7	Green	Green	Green	Green
	Personal Loan (YoY%)	18.8	Green	Green	Green	Green
	Nifty Consumption (Index)	7952.8	Green	Green	Green	Green
Extnl	USDINR	79.6	Red	Green	Green	Green
Cap Mkt	Nifty50 (Index)	17759.3	Green	Green	Green	Green
	Broad Money (YoY%)	8.9	Green	Red	Red	Red
	AAA 3Y	7.3	Green	Red	Red	Red
	AA 3Y	9.1	Green	Green	Red	Red
	Call Money-Rev Repo (pp)	1.6	Red	Red	Red	Red

*Data available as on Aug'22

Retail inflation slips back to 7%, 100 bps above RBI's upper tolerance. Monetary Policy Committee will remain compelled to continue raising policy rates.

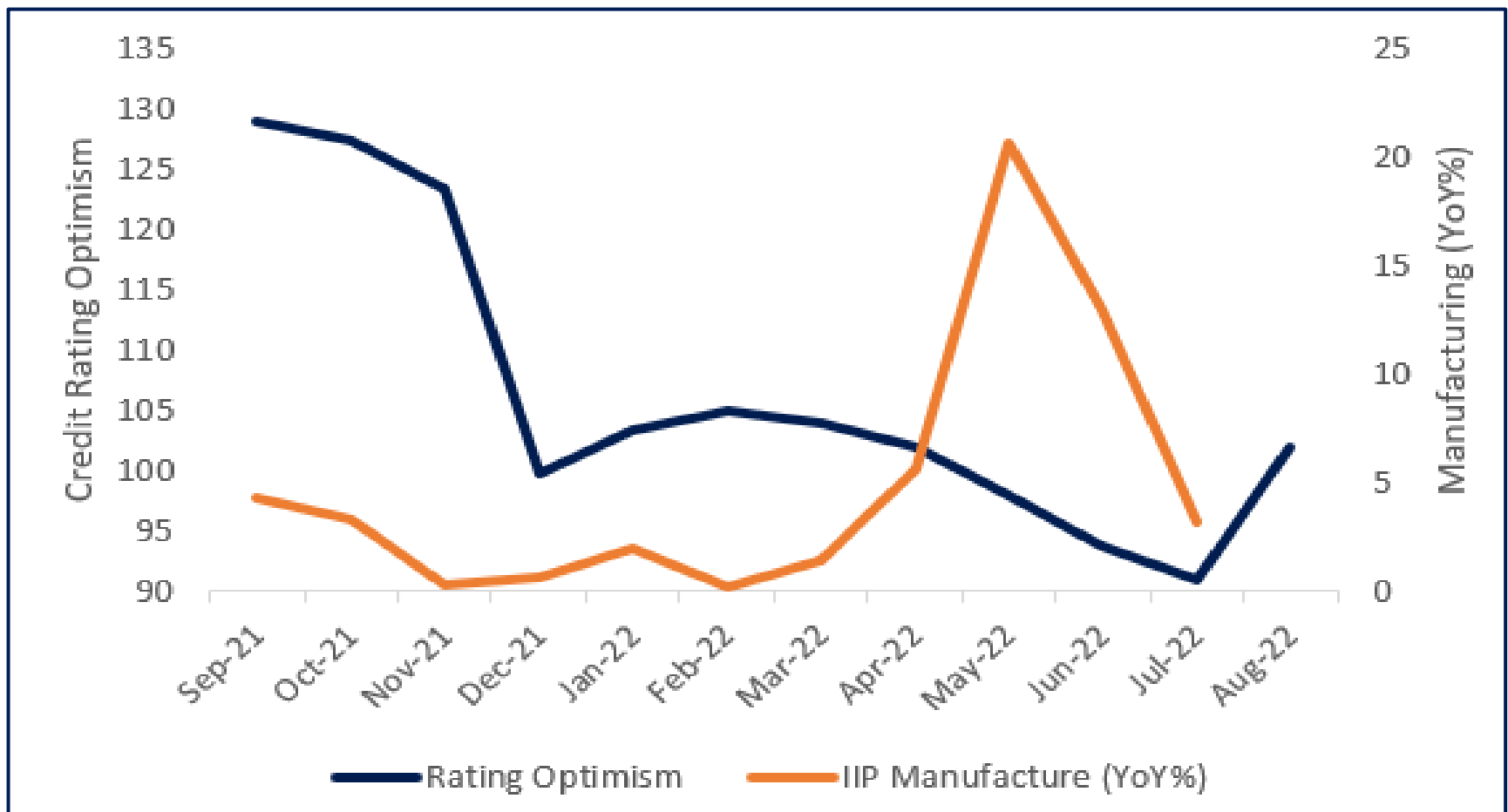
- CPI-based retail inflation grew 7% in Aug'22, compared to 6.7% in the previous month. The rise is mainly on account of food inflation, which grew 7.5% from 6.7% the month before. Current CPI levels are a full percentage point above the central bank's upper tolerance limit, suggesting further lending rate hikes.
- Led by sticky inflation levels in FY23, MPC raised policy repo rate by 140 basis points so far. Recovering economic activity and increased government spending however led to stronger credit offtake, despite higher rates. Non-food credit for the month of June witnessed a growth of 12.76% in comparison to the same month last year.
- Foreign Portfolio Investors (FPIs) are showing renewed interest in India's capital markets as equity and debt prices remain buoyant. FPI inflows in August stood at Rs. 56,521 crores, witnessing a month-on-month growth of 96%. Although the rupee depreciated in comparison to last month, return of FPI's along with the RBI's measures are expected to lend further support to the rupee.

Industrial Activity



- Manufacturing output, having the highest weighted share in the overall index of industrial production, suffered a sharp decline, recording a growth rate of 3.2% in July from 12.95% the month before.
- End-user industries like automobiles, clothing and beverages witnessed higher growth as compared to intermediate goods.

Credit Rating Optimism Index



- From its peak in May'22, IIP has witnessed a sharp decline in July with IIP manufacturing growing at a mere 3.2%, compared to 12.9% in Jun'22
- An uptick in the credit rating optimism index for the month of August suggests some expected improvements in manufacturing activity. However, risks owing to a subdued global demand on account of recession fears might push the manufacturing output down further. ***For August 2022, the consumer confidence survey, conducted by OECD, dropped to 93 and 96 for U.S and U.K respectively. A score below 100 indicates pessimism about the general economic situation, unemployment and capability of savings.***



TruQuest is a knowledge series launched by TruBoard Partners providing succinct updates and views on:

- Liquidity Outlook
- India's macro-economic view
- Trends within the Infrastructure, Real Estate and Renewable Energy sectors
- Impact analysis of new regulations and policies on lending and capital flow



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Website:

www.truboardpartners.com

Email Id:

research@truboardpartners.com

Author:

Debopam Chaudhuri, Head of Research and Ratings

Ria Rattanpal, Research Associate

Komal Chavan, Marketing Associate

+91-9819239926, dc@truboardpartners.com

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