



 TruBoard Partners

 TruQuest

## MACRO WATCH

UPDATE ON DATA TRENDS

November 2022

## Macro Heat Map

		Oct'22	vs Month	vs Quarter	vs Year	vs Pre Covid
Real Economy	CPI (YoY%)	6.8	Green	Red	Red	Green
	IIP (YoY%)	3.1	Green	Red	Red	Green
	IIP Cap Goods (YoY%)	10.3	Green	Red	Red	Green
	IIP Core (YoY%)	7.9	Green	Red	Green	Green
	Nifty Realty (Index)	438.7	Green	Red	Red	Green
	PMI M (Index)	55.3	Green	Red	Red	Red
	PMI S (Index)	55.1	Green	Red	Red	Green
	Rating Ratio	0.2	Green	Green	Green	Green
	Non Food Credit (YoY%)	14.8	Green	Green	Green	Green
Consumption	2 Whlr Sales (YoY%)	-4.0	Red	Red	Green	Red
	Grad Unemployment (YoY%)	19.2	Red	Red	Green	Green
	Import Consumer Electronics (YoY%)	9.1	Red	Red	Red	Green
	Personal Loan (YoY%)	19.6	Green	Green	Red	Green
	Nifty Consumption (Index)	7965.1	Green	Green	Green	Green
Extnl	USDINR	82.4	Red	Red	Red	Red
Cap Mkt	Nifty50 (Index)	18012.2	Green	Green	Green	Green
	Broad Money (YoY%)	9.1	Red	Green	Red	Red
	AAA 3Y	7.6	Red	Red	Red	Red
	AA 3Y	11.0	Red	Red	Red	Red
	Call Money-Rev Repo (pp)	2.6	Red	Red	Red	Red

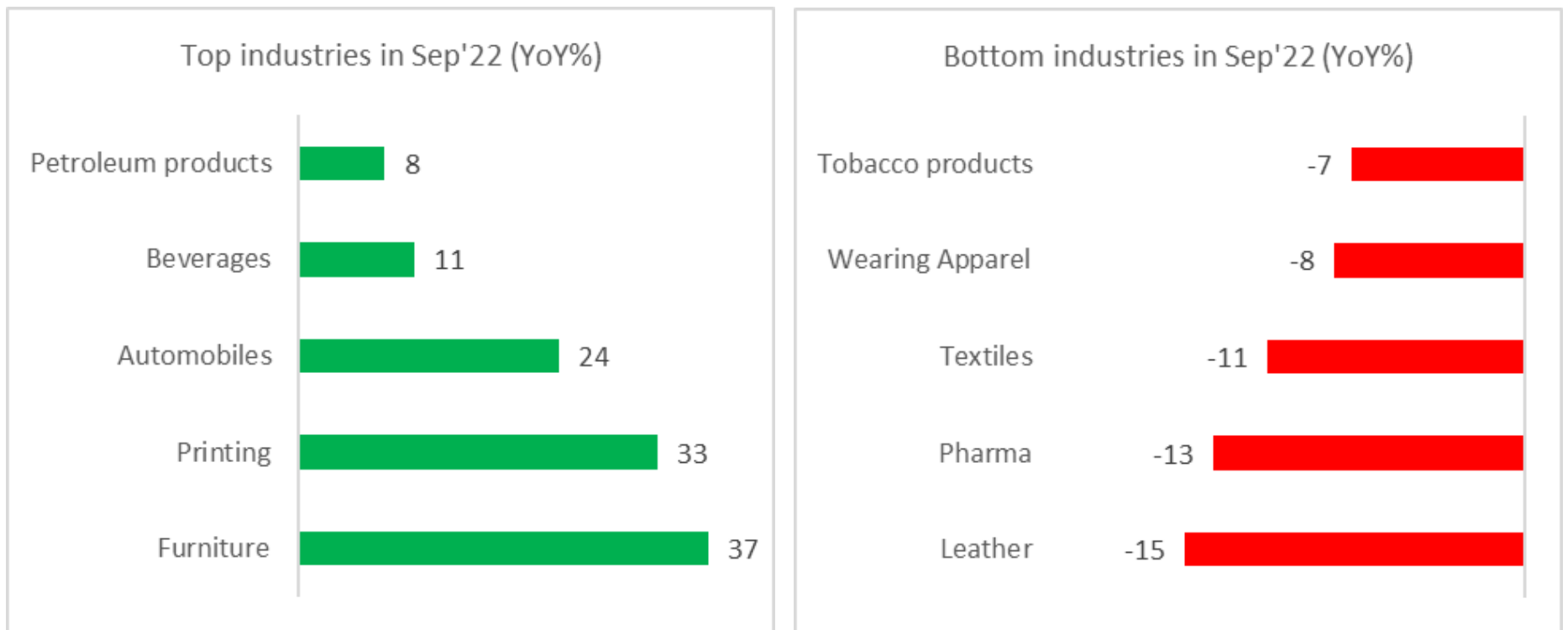
### Indian economy stays resilient amidst global pressures

Retail inflation, as measured by the Consumer Price Index, eased to 6.8% on-year in October. Given the rising commodity prices during the same period last year, CPI is likely to moderate in the coming months.

Revival in business sentiment, as indicated by Purchasing Managers' Index (PMI-Services and Manufacturing), reflected in the robust offtake in bank credit, which grew 17% on-year in September'22. Credit disbursed to services and industrial sectors too, witnessed a double-digit growth reaching 20% and 13% respectively. Banks' exposure towards corporate credit is likely to stay elevated as corporates move away from bond markets due to rising yields.

Industrial output, as measured by the Index of Industrial Production (IIP), witnessed a growth of 3.1% in September, led by power sector, which grew 11.6% .

## Manufacturing output exceeds pre-pandemic levels

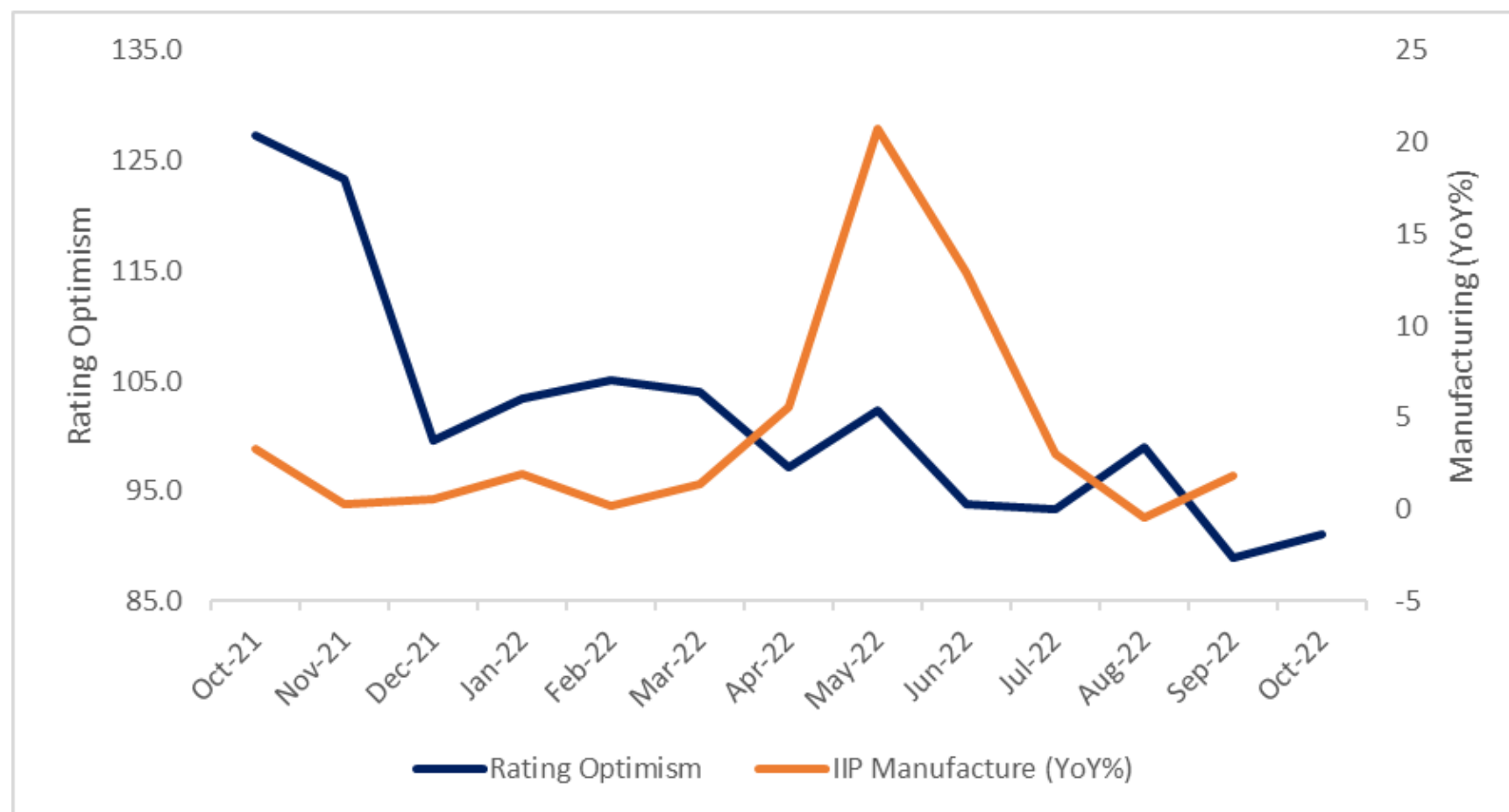


Manufacturing activity in September grew 6.6% when compared to pre-pandemic levels.

Owing to a strong festive season demand, the automobile sector recorded a double-digit growth reaching 24% in September.

High inflation is impacting the demand for consumer durables, which witnessed an overall de-growth of 4.5%.

## Uptick in rating optimism suggests sustained recovery



A rising rating optimism for October suggests a sustained recovery of manufacturing output. However, even as manufacturing activity slowly treads on a path to recovery, inflationary risks are likely to keep corporate margins under pressure.

### Course Ahead

Easing of global inflation as well as Wholesale Price Index (WPI) are comforting factors. However, inflation staying 80 basis points above the central bank's tolerance limit suggests another rate hike of 35-50 basis points in the upcoming MPC meeting in December.



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](http://www.truboardpartners.com)

**Email Id:**

[research@truboardpartners.com](mailto:research@truboardpartners.com)

**Author:**

**Nandkumar Surti, Co-founder**

**Ria Rattanpal, Research Associate**

**Komal Chavan, Marketing Associate**

**+91-9819239926, [dc@truboardpartners.com](mailto:dc@truboardpartners.com)**

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