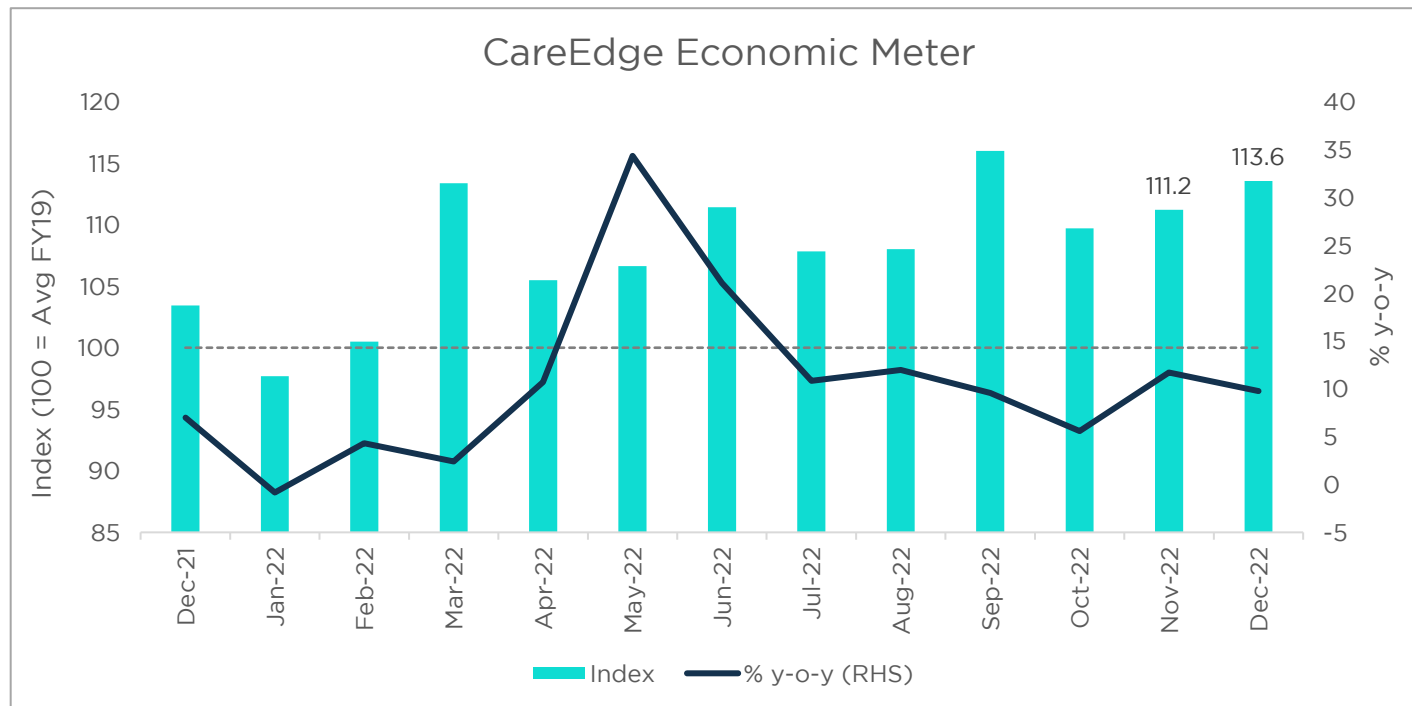


CareEdge Economic Meter

January 2023

CEM Extends Gain for Second Straight Month



Source: CareEdge; (100 = Average FY19); Note: High growth in Q1 FY23 is led by base effect

- **CareEdge Economic Meter (CEM)** inched higher to 113.6 in December from 111.2 a month ago. On a y-o-y basis, the index of economic activity was 9.8% higher.
- Positive contributions came from manufacturing and services PMIs, GST collections, e-way bill registrations, credit offtake, corporate debt issuances, power and petroleum consumption, and railways freight traffic.
- Sequential decline in automobile sales (including PVs, 2-3 wheelers and tractors) and higher unemployment rate weighed on the overall index.

Note: CareEdge Economic Meter (CEM) is a composite index covering 18 high-frequency economic indicators to track the state of the economy on a real-time basis. We have considered FY19 as our base year to facilitate relative comparisons. Also, to discount for the impact of inflation on nominal variables such as GST collections, credit, exports, imports etc. we have deflated the series using CPI index.

What Moved the CEM?

Indicators that Led the Index Higher

- India's **manufacturing PMI** rose to 57.8, the highest in over 2 years as demand gained strength whereas, the **services PMI** surged to a 6-month high of 58.5 in December owing to strong growth in new businesses.
- **GST collections** grew 15% (y-o-y) to Rs 1.49 lakh crore boosted by robust economic activity during the holiday season. **E-way bill issuances** jumped to 8.4 crore in December, the highest since its inception.
- **Credit offtake** rose by 14.9% (y-o-y), for the fortnight ended December 30, 2022, driven by a healthy rise in credit to NBFCs, retail credit, and working capital demand.
- **Petroleum consumption** climbed to a nine-month high in December while **power consumption** grew 10% (y-o-y) indicating sustained economic activities during the month.
- **Corporate bond issuances** more than doubled to Rs 1.24 lakh crore in December from a year ago level of Rs 0.61 lakh crore.

Indicators that Restricted the Upside

- **Unemployment rate** increased to 8.3% in December, highest in 16 months. This was particularly due to the rise in urban unemployment amid the ongoing layoffs in the technology sector.
- **Sales of passenger vehicles** and **tractors** fell sequentially in December reflecting a post-festive-season slowdown. However, on a y-o-y basis, both segments witnessed double-digit growth. **Two-three-wheeler sales** contracted sequentially as well as annually.

Indicators At a Glance - Monthly Trend

| Index | 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 |
|-------------------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| PMI – Manufacturing | 105.2 | 102.3 | 104.0 | 102.3 | 103.7 | 103.5 | 102.1 | 106.9 | 106.5 | 104.4 | 104.8 | 105.6 | 109.5 |
| PMI – Services | 106.4 | 98.7 | 99.3 | 102.7 | 111.0 | 112.9 | 113.5 | 106.4 | 109.6 | 104.1 | 105.6 | 108.1 | 112.1 |
| E-way Bill Issuances | 154.1 | 148.1 | 148.8 | 168.2 | 161.9 | 158.4 | 160.2 | 162.6 | 168.3 | 180.8 | 165.4 | 173.6 | 181.0 |
| GST Collections | 111.1 | 118.8 | 113.9 | 120.6 | 140.1 | 116.7 | 119.2 | 122.3 | 117.2 | 119.9 | 122.2 | 117.6 | 121.1 |
| Exports* | 129.3 | 114.9 | 121.8 | 147.1 | 129.1 | 127.5 | 138.9 | 127.9 | 122.7 | 117.7 | 106.9 | 117.3 | 117.5 |
| Imports* | 127.5 | 110.1 | 117.7 | 133.7 | 121.2 | 128.3 | 136.0 | 136.9 | 135.9 | 138.0 | 128.2 | 125.8 | 127.4 |
| Credit Outstanding | 100.1 | 99.4 | 100.7 | 101.9 | 101.0 | 100.7 | 101.1 | 102.5 | 102.7 | 103.5 | 104.8 | 105.4 | 108.8 |
| Commercial Paper Issued | 96.7 | 52.9 | 42.2 | 44.5 | 41.2 | 43.9 | 45.9 | 35.2 | 55.8 | 51.0 | 26.9 | 44.7 | 44.2 |
| Debt issuances | 97.3 | 48.7 | 92.0 | 128.7 | 25.8 | 47.7 | 79.4 | 91.4 | 84.7 | 125.0 | 68.3 | 155.9 | 186.3 |
| Power Consumption | 102.8 | 105.0 | 102.0 | 121.4 | 123.9 | 126.8 | 125.0 | 119.7 | 121.5 | 118.7 | 107.1 | 105.1 | 113.0 |
| Petroleum Consumption | 107.0 | 101.8 | 99.1 | 111.9 | 102.6 | 103.0 | 105.4 | 99.4 | 100.5 | 97.1 | 103.6 | 106.1 | 110.3 |
| PV Sales | 81.2 | 87.4 | 93.0 | 100.9 | 88.3 | 91.2 | 98.4 | 103.0 | 99.4 | 106.2 | 100.3 | 97.7 | 89.8 |
| 2-3 Wheeler Sales | 67.3 | 73.1 | 68.9 | 74.9 | 75.1 | 77.3 | 81.3 | 84.3 | 90.7 | 98.6 | 91.1 | 74.6 | 64.5 |
| Tractor Sales | 76.5 | 87.0 | 85.8 | 115.8 | 137.5 | 128.7 | 147.7 | 92.2 | 89.2 | 172.0 | 182.2 | 107.1 | 91.2 |
| Rail Passenger Traffic | 56.9 | 49.1 | 58.9 | 68.9 | 64.9 | 71.3 | 71.3 | 73.4 | 76.8 | 78.0 | 78.6 | 81.1 | 80.1 |
| Rail Freight Traffic | 124.4 | 126.6 | 117.4 | 136.6 | 119.9 | 129.2 | 123.1 | 119.8 | 117.1 | 113.5 | 116.7 | 120.8 | 128.2 |
| Currency in Circulation | 126.0 | 128.3 | 130.1 | 131.0 | 132.3 | 131.8 | 131.1 | 128.8 | 128.1 | 126.7 | 127.7 | 127.9 | 129.0 |
| Unemployment Rate | 98.3 | 99.8 | 98.1 | 98.7 | 98.4 | 99.1 | 98.4 | 99.5 | 97.9 | 99.9 | 98.3 | 98.2 | 97.9 |
| Composite CEM | 103.4 | 97.7 | 100.5 | 113.4 | 105.5 | 106.6 | 111.4 | 107.8 | 108.0 | 116.0 | 109.7 | 111.2 | 113.6 |

Source: CEIC, CMIE, Prime database, CareEdge; *refers to merchandise exports and imports

Note: All indicators have been indexed to average of FY19 (100 = Average 2018-19); #PMI numbers have also been re-indexed to the average of FY19; Nominal indicators have been deflated using CPI index

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