

Macro Insights

29th September 2023

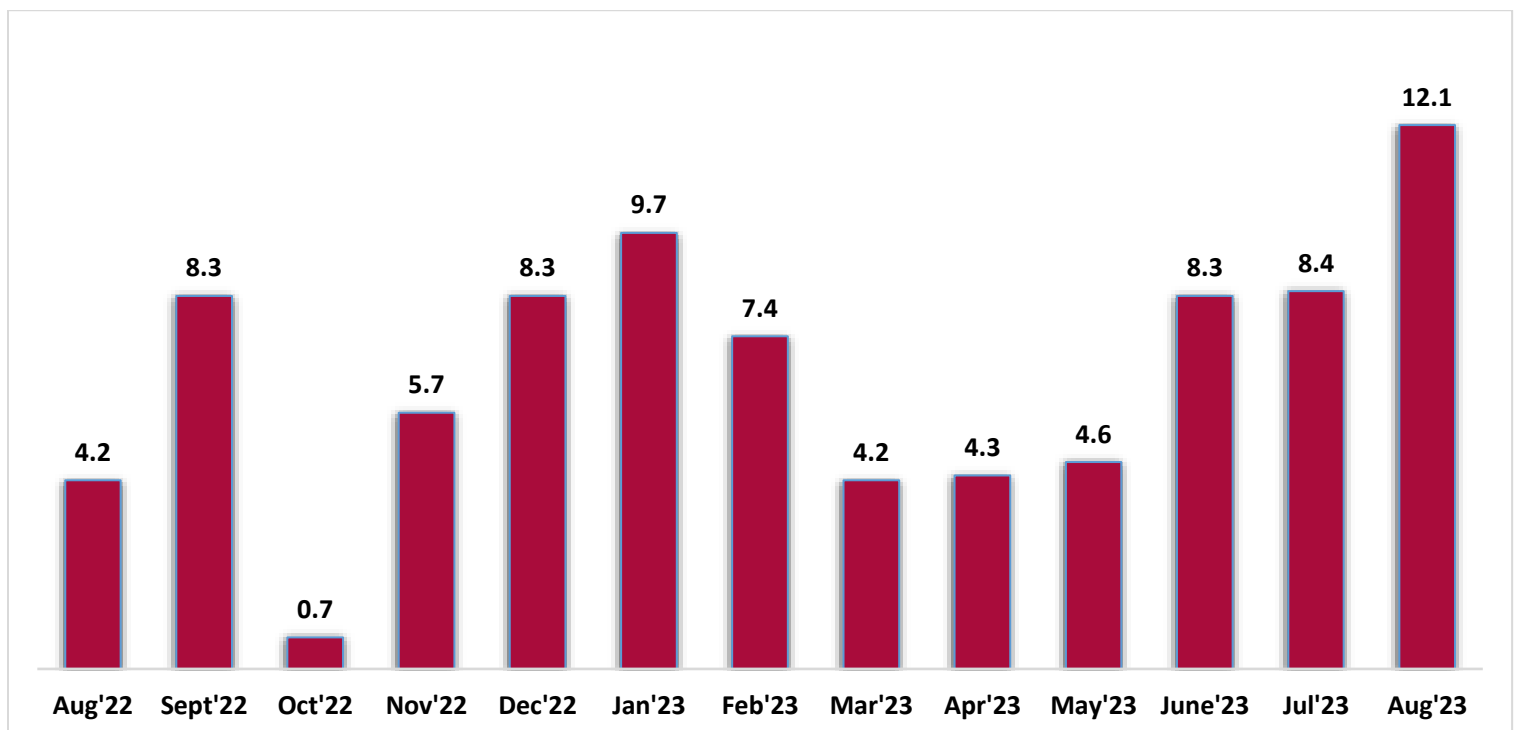
Highlights:

Index of 8 Core Industries rises

Core Sector growth rises to 12.1 per cent. It is the highest growth recorded since last June'22.

- ☛ The growth was mainly driven by double digit growth in 5 Core sector.
- ☛ The highest growth was observed in Cement followed by Coal Industry.
- ☛ Least growth was observed in Fertilizers industry followed by Crude Oil Industry.
- ☛ The growth of 8 Core Sector during April-August 23 was 7.7 per cent which is lower than 10.0 per cent during the same period last year.

Chart: Eight Core Industries Growth – Aug'23



Source: https://eaindustry.nic.in/eight_core_infra/eight_infra.pdf

Table: Components of Eight Core Industries

Sr. No	Sector	Weight	Aug22	June'23	Jul'23	Aug'23
1	Coal	10.33	7.7	9.8	14.9	17.9
2	Crude Oil	8.98	-3.3	-0.6	2.1	2.1
3	Natural gas	6.88	-0.9	3.5	8.9	10.0
4	Refinery Products	28.04	7.0	4.6	3.6	9.5
5	Fertilizers	2.63	11.9	3.4	3.3	1.8
6	Steel	17.92	5.8	20.8	14.2	10.9
7	Cement	5.37	2.1	9.9	6.9	18.9
8	Electricity	19.85	1.4	4.2	8.0	14.9
	Overall Index	100.00	4.2	8.3	8.4	12.1

Our View and Outlook:

- The solid growth in cement and electricity sectors was supported by the below average monsoon spells. The output in these sectors is impacted by monsoon rainfall which puts a break on construction activity and reduces the demand for power. The uptick in cement and steel sectors is getting sustained support from government capex.
- With the positive outlook on economic front and upcoming festival season, we may see further hike in the numbers going forward.

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