

## Macro Insights

October 2022

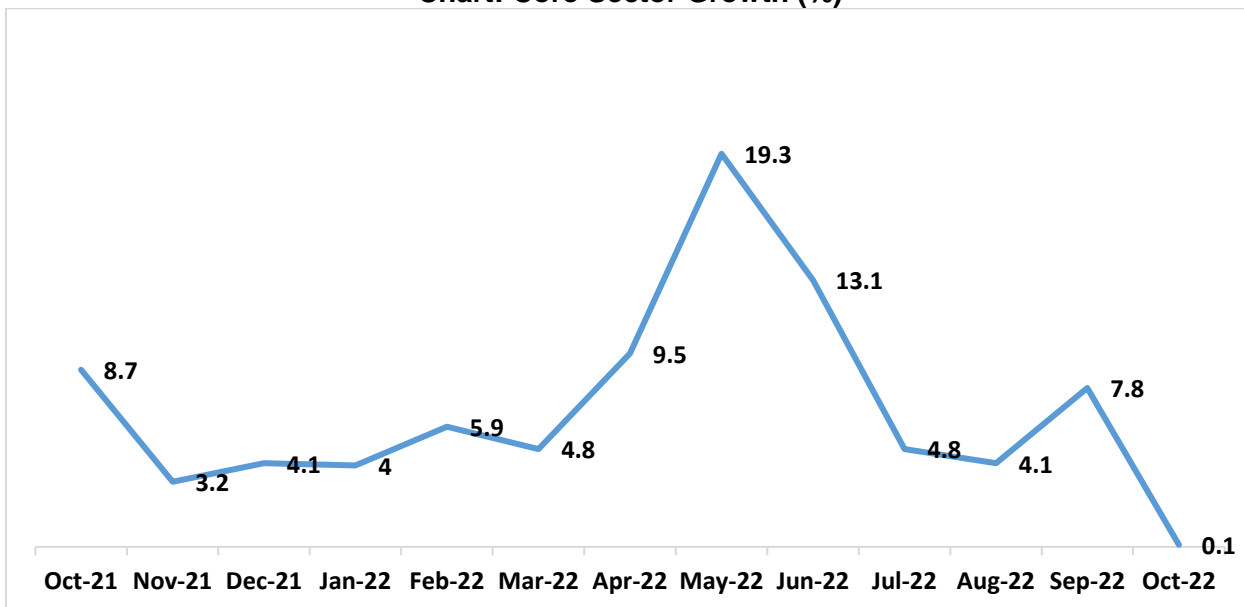
### Core Sector at lowest in 20 months

Core Sector Output has grown by 0.1% in October 2022 as compared to a growth of 7.8% in September 2022 and growth of 8.7% in October 2021 last year.

### Highlights:

- ☞ Coal grew by 3.6% in October 2022. The cumulative index rose by 18.1% from April until October in FY23.
- ☞ Crude oil fell by 2.2% YoY in October 2022. The growth in cumulative index from April until October in FY23 is -1.4%.
- ☞ Natural gas output fell by 4.2% YoY in October 2022, while its cumulative index rose by 0.9% from April to October FY23.
- ☞ Petroleum refineries declined by 3.1% YoY in October 2022 and overall cumulative index climbed 8.1% from April to October FY23.
- ☞ Fertilizer output rose 5.4% YoY in October 2022, and its cumulative index rose 10.5% from April to October FY23.
- ☞ Steel output climbed by 4.0% YoY in October 2022, while its cumulative index jumped by 6.1% from April to October FY23.
- ☞ Cement output declined by 4.3% in October’22, and its cumulative index grew by 8.6% from April to October FY23.
- ☞ Electricity generation jumped by 0.4% in October 2022 while the cumulative index climbed by 9.3% from April to October FY23.

Chart: Core Sector Growth (%)



### Components of Core Sector

Sr No	Sector (Growth %)	Weight	Oct'21	Jul'22	Aug'22	Sept'22	Oct'22
1	Coal	10.33	14.7	11.4	7.7	12.0	3.6
2	Crude Oil	8.98	-2.2	-3.8	-3.3	-2.3	-2.2
3	Natural Gas	6.88	25.8	-0.3	-0.9	-1.7	-4.2
4	Refinery Products	28.04	14.4	6.2	7.0	6.6	-3.1
5	Fertilizers	2.63	0.04	6.2	11.9	11.8	5.4
6	Steel	17.92	5.9	7.5	5.2	5.7	4.0
7	Cement	5.37	14.6	0.7	1.8	12.4	-4.3
8	Electricity	19.85	3.2	2.3	1.4	11.6	0.4
	<b>Overall Core index</b>	<b>100.00</b>	<b>8.7</b>	<b>4.8</b>	<b>4.1</b>	<b>7.8</b>	<b>0.1</b>

### Views:

- Expansion was seen across the following sectors: Coal, Fertilizers, Steel and Electricity.
- The decline in core sector is due to higher base effect and some slowdown in infrastructure sector.
- Another factor attributing to is the slowdown in external environment and the resultant impact on exports.
- Given the slow growth in core sector we expect IIP numbers to remain between 2-3% for October'22.

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