

## Key Data Releases

### Consumer Price Index

- The CPI based retail inflation rate touched an all-time high of almost 7.8 percent y-o-y in April 2022, vis-à-vis 7.0 percent inflation noted in March this year.
- The biggest increase was registered in the segments of food & beverages, fuel & light, and miscellaneous segment. Food inflation itself has risen to 8.4 percent in April 2022, the highest level seen since October 2020, while it was at a mere 2.0 percent in April 2021.

### Index of Industrial Production

- The index registered a y-o-y growth of 1.9 percent in March 2022 vis-à-vis 1.5 percent growth in February 2022.
- According to the economic activity wise classification of the industrial production index, the manufacturing growth improved to 0.9 percent y-o-y in March 2022. The electricity sector also registered an increase in growth from 4.5 percent in February 2022 to 6.1 percent in March 2022. However, the mining & quarrying sector growth moderated by 0.5 percentage points – the mining & quarrying sector y-o-y growth was reported at 4.0 percent in March 2022 as opposed to 4.5 percent in the previous month.

### Foreign Trade

- India's merchandise trade deficit more-than-doubled to USD 20.1 billion in April 2022 from a little below USD 10 billion in the year-ago month.
- Merchandise exports rose year-on-year by 30.7 per cent to USD 40.2 billion in April 2022. POL exports rose by 127.7 per cent to USD 8.2 billion, and non-POL exports rose by 17.8 per cent to USD 31.9 billion in April 2022.
- At USD 60.3 billion in April 2022, India's merchandise imports were 31 per cent higher than the year-ago level. POL imports rose by 87.6 per cent to USD 20.2 billion and non-POL imports rose by 13.7 per cent to USD 40.1 billion in April 2022.

### Forex Reserves

- India's foreign exchange reserves fell by USD 1.8 billion to USD 596 billion during the week ended 6 May 2022.

## Key Sectoral Insights

### Insurance

**Policybazaar:** A survey of 5000 consumers was conducted to understand the behavioral shift in insurance buying trends. The findings reveal a growing level of propensity to buy insurance, especially in tier-2 and 3 cities of India. At 89%, the highest number of respondents willing to renew their health cover belong to tier-2 cities, as compared to 77% from tier-1. Similar trends were observed in term insurance, where 59% of respondents who want to increase their coverage belong to tier-3 cities, as compared to 26% from tier-1 cities. The survey results clearly point towards the sense of urgency spurred by the pandemic with respect to insurance awareness across the country.

### Hospitality

**JLL India:** The revenue per available room (RevPAR) in hotels across six major cities rose by 39.1 per cent year-on-year (YoY) during the January-March quarter with a strong recovery in leisure and business travels. The markets of Delhi, Mumbai, Chennai, Hyderabad, Goa and Bengaluru, witnessed RevPAR growth in Q1 2022 compared to Q1 2021, due to strong recovery in leisure and business travel, post the third wave of the pandemic. The sector witnessed a 15.9 per cent negative growth in RevPAR pan-India during January-March 2022 due to Omicron, compared to the previous quarter.

### Solar Modules

**CEEW Centre for Energy Finance (CEEW-CEF):** Investments worth USD 7.2 billion will be required in the next three to four years to promote integrated manufacturing of solar modules in India. The push to improve local manufacturing could help domestic module manufacturers clock USD 30 billion (Rs 2.3 lakh crore) in revenues by 2030 from selling 150 GW at Rs 15/Wp (Watt peak) and generate employment opportunity for around 41,000 workers, according to the report released by CEEW Centre for Energy Finance (CEEW-CEF).

### Real Estate

**CRISIL:** The momentum in housing demand across India's top six cities is expected to continue this fiscal and grow 5-10% despite rising property prices, interest rates and a high-base effect, according to CRISIL Research. The leverage and credit profiles of real estate developers, which had strengthened on the back of recovery in fiscal 2022, should sustain over the medium term. Affordability, after improving up to 20% between fiscals 2016 and 2021, had started declining from the second half of fiscal 2022. The headwinds now are higher capital values and interest rates, reinstatement of stamp duty, and the high-base effect of fiscal 2021.

### NBFCs

**Northern Arc Capital and TransUnion Cibil:** Impact nbfc, or mostly non-MFI nbfc, are increasing penetration in tier-3 and tier-4 geographies, according to a survey by the India Impact Investor Council (IIC), in collaboration with Northern Arc Capital and TransUnion Cibil. These nbfc are those that focus on segments such as micro, small and medium enterprise (MSME) loans, vehicle loans and similar such lending areas. There were 351 impact nbfc including 85 nbfc-MFIs and 266 non-MFI nbfc. More than half of their portfolios fund customers in semi urban and rural areas. They have more than 40 per cent growth in their rural and semi-urban outstanding portfolio, according to the report. They have a low rate of defaults on their borrowings with their non-performing asset (NPA) 2 levels remaining moderately low.

**Upsides**

**Downsides**

Improving business sentiment has boosted the overall hiring demand which witnessed a 15 per cent year-on-year growth in April, led by banking, financial services and insurance sector as well as recovery in the retail sector. India has registered an overall growth of 15 per cent year-on-year and 4 per cent month-on-month in hiring demand as a result of increased positive business sentiment, said the Monster Employment Index (MEI).

India M&A activity in April 2022 saw the highest monthly total on record with transactions amounting to \$68.1 billion. This deal activity value was a four times increase over the deal value of \$14.78 billion in April 2021, and a seven-fold jump from March 2022 levels of \$9.18 billion.

Small-ticket affordable housing loans in tier-1 and tier-2 cities and rural areas have seen an uptick, as banks focus on retail loans in these areas to drive credit growth. Housing loans, including priority sector loans, grew 6.4% year-on-year in March, according to the latest government data.

The Centre’s flagship life insurance scheme — Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), and accidental insurance scheme, Pradhan Mantri Suraksha Bima Yojana (PMSBY) — have seen enrollments rise to 128 million and 284 million, respectively, in seven years of inception. Atal Pension scheme, has seen its subscribers increase to 40 million in the last seven years.

Life insurance companies logged 84 per cent growth in their cumulative new business premium at Rs 17,940 crore in April 2022, primarily helped by LIC, Irdai data showed. All 24 life insurers had collected Rs 9,739 crore as new business premium during the same month a year ago. The rest of the private sector players witnessed over 27 per cent jump in their combined new business premium at Rs 6,223 crore. Their collective first year premium was Rs 4,882 crore in April 2021.

Public procurement portal Government eMarketplace (GeM) has hit another milestone of 1 crore total orders processed so far, around a month after its seller base crossed the 40-lakh count. The number of orders almost doubled from 55.74 lakh orders processed as of January 2021, indicating four-and-a-half years the portal took to achieve that mark while the remaining orders came in following around 16 months only.

Domestic tractor sales reported a rebound during the first month of this fiscal with a month-on-month increase of 22 per cent and a year-on-year increase of 41 per cent, supported by progress on the rabi harvesting and better price realisations for farmers’ produce. The rebound comes after five consecutive months of y-o-y decline in domestic sales.

Sales of passenger vehicles declined last month, despite strong demand in the local market, due to the global shortage of semi-conductors which restricted production at some of the country’s leading automakers. According to data released by industry body Society of Indian Automobile Manufacturers (SIAM), passenger vehicle sales last month declined by about 4% to 251,581 units.

India's distributed coal stocks remain critically low as the country struggles to produce and transport enough fuel to meet surging demand from power generators. Power generators' inventories are equivalent to just eight days worth of consumption compared with 16 days at the same point last year and before the pandemic.

India's smartphone shipments fell for the third quarter in a row, reaching 37 million smartphone units in first quarter of 2022, down five per cent year-on-year (y-o-y), as per Worldwide Quarterly Mobile Phone Tracker of International Data Corporation (IDC). The first quarter of 2022 was slow as compared to first quarter of 2021 due to the impact of the third wave of Covid-19 pandemic, restricted supplies, especially for the low-end price segments, and rising inflation leading to increasing end consumer costs.

Cargo traffic at India's major ports in March 2022 remained almost at the same level as it was in the year-ago month. Major ports handled 69.5 million tonnes of cargo during the month. Total cargo unloaded rose by 4.9 per cent in March 2022. Cargo loaded fell by 7.2 per cent during the month.

The cyclone Asani is likely to hit rabi maize harvest in parts of Bihar and West Bengal. As a result, market arrivals of maize are expected to be lower as Bihar is a main producer of rabi maize. Prices of maize, which reportedly eased to around Rs.2,150 per quintal in Gulabghat, Bihar in April 2022 are currently hovering around Rs.2,250 per quintal due to fears of bad weather.

Total outstanding dues of electricity distribution companies to power producers rose by 4.04 per cent year-on-year to Rs 1,21,765 crore (Rs 1.21 trillion) in May 2022, according to the official data. On a sequential basis too, total dues in May 2022 increased from Rs 1,20,954 crore in April 2022.

Prices of home appliances and consumer electronics, such as TV, washing machines, and refrigerators, are expected to rise by three to five per cent from the end of May 2022 or the first week of June 2022 as manufacturers pass on the impact of rising input cost to consumers, according to industry participants. Furthermore, the weakening of the Indian rupee against the United States (US) dollar has made imported components more expensive thus adding pressure on manufacturers, with the industry relying heavily on imports for key components.

### Key Policy Announcements/ Notifications

**Sebi notifies changes to the framework to enable verification of upfront collection of margins from clients in cash and derivatives segments**

[https://www.sebi.gov.in/legal/circulars/may-2022/changes-to-the-framework-to-enable-verification-of-upfront-collection-of-margins-from-clients-in-cash-and-derivatives-segments\\_58843.html](https://www.sebi.gov.in/legal/circulars/may-2022/changes-to-the-framework-to-enable-verification-of-upfront-collection-of-margins-from-clients-in-cash-and-derivatives-segments_58843.html)

**Sebi notifies rules to strengthen regulatory framework for CIS**

[https://www.sebi.gov.in/legal/regulations/may-2022/securities-and-exchange-board-of-india-collective-investment-schemes-amendment-regulations-2022\\_58854.html](https://www.sebi.gov.in/legal/regulations/may-2022/securities-and-exchange-board-of-india-collective-investment-schemes-amendment-regulations-2022_58854.html)

**CBDT makes PAN or Aadhaar mandatory for cash deposits or withdrawals above Rs 20 lakh**

<https://incometaxindia.gov.in/news/notification-no-53-2022.pdf>

### Reports

**Monthly Economic Review, April 2022, Ministry of Finance**

A 40 basis points hike in the repo rate by the RBI accompanied by an increase in the Cash Reserve Ratio requirement for banks and a 50 basis points increase in the benchmark interest rate by the US Federal Reserve were among the most visible measures in the beginning of May central banks have taken to rein in inflation. Markets, as the rising bond yields show, have already priced in the increase in policy rates including the ones expected later in the year, besides absorption of excess liquidity. Global growth watchers, as their slowing growth projections reflect, have also factored in monetary tightening the world over to calm down global inflation.

[https://dea.gov.in/sites/default/files/April%20MER\\_Final\\_1.pdf](https://dea.gov.in/sites/default/files/April%20MER_Final_1.pdf)

**Half Yearly Report on Management of Foreign Exchange Reserves: October 2021 - March 2022- Reserve Bank of India**

The report highlights the management of foreign exchange reserves to enhance the transparency and levels of disclosure. It is with reference to the position as at end-March 2022. It contains the developments regarding movement of foreign exchange reserves, information on the external liabilities vis-à-vis the reserves, adequacy of reserves, etc., during the half-year under review.

<https://m.rbi.org.in/SCRIPTS/PublicationsView.aspx?id=21046>

### Forthcoming Data Releases

Foreign Exchange Reserves, Reserve Bank of India, May 20, 2022

Wholesale Price Index, Ministry of Statistics Programme & Implementation, May 14, 2022

Consumer Price Index – Agricultural/Rural Laborers, Labor Bureau, May 20, 2022\*

\*Expected

#### Sources:

Various Press Articles, CMIE, MOSPI, RBI, SEBI, PIB

**For previous editions / other data products and fact sheets please write to**

**Anshuman Khanna – [anshuman.khanna@ficci.com](mailto:anshuman.khanna@ficci.com) / Sakshi Arora – [sakshi.arora@ficci.com](mailto:sakshi.arora@ficci.com)**