

# Macro Insights

January 2023

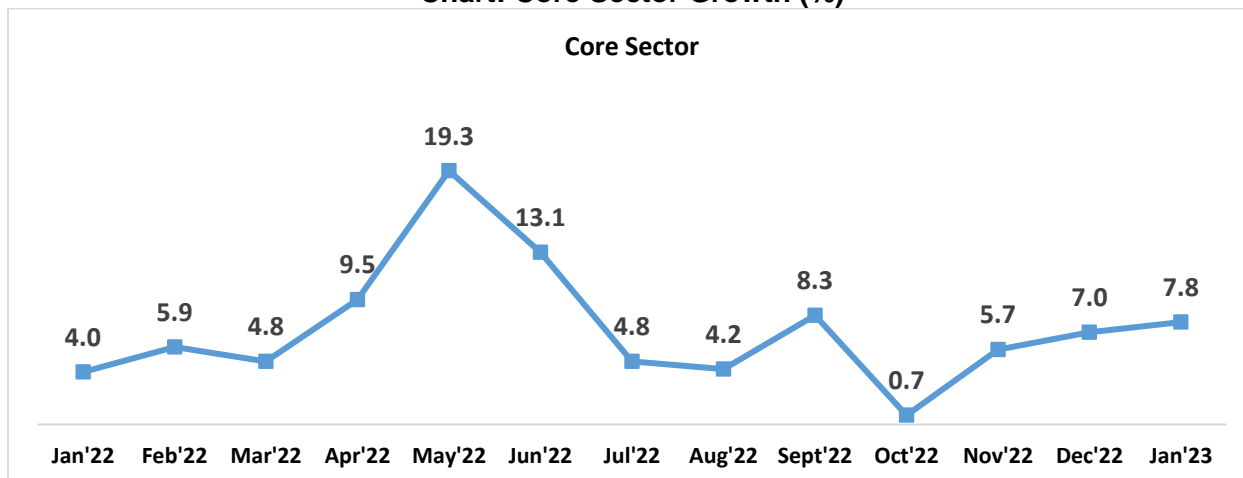
## Core Sector

Core Sector Output grew to 4 month high of 7.8% in Jan'23 as compared to a growth of 7.0% in Dec'22 and growth of 4.0% in Jan'22 last year.

### Highlights:

- ☞ Coal grew by 13.4% in Jan'23. The cumulative index rose by 16.1% from April until Jan FY23.
- ☞ Crude oil fell by 1.1% YoY in Jan'23. The growth in cumulative index from April until Jan FY23 is -1.3%.
- ☞ Natural gas output grew by 5.3% YoY in Jan'23, while its cumulative index rose by 1.4% from April to Jan FY23.
- ☞ Petroleum refineries increased by 4.5% YoY in Jan'23 and overall cumulative index climbed 5.4% from April to Jan FY23 over the same period in the previous year.
- ☞ Fertilizer output rose 17.9% YoY in Jan'23, and its cumulative index rose 10.5% from April to Jan FY23 compared to the same period the year before.
- ☞ Steel output climbed by 6.2% YoY in Jan'23, while its cumulative index jumped by 7.1% from April to Jan FY23.
- ☞ Cement output increased by 4.6% in Jan'23, and its cumulative index grew by 10.0% from April to Jan FY23.
- ☞ Electricity generation jumped by 12.0% in Jan'23 while the cumulative index climbed by 10.1% from April to Jan FY23.

Chart: Core Sector Growth (%)



**Components of Core Sector**

Sr No	Sector (Growth %)	Weight	Jan'22	Oct'22	Nov'22	Dec'22	Jan'23
1	Coal	10.33	8.2	3.8	12.2	12.2	13.4
2	Crude Oil	8.98	-2.4	-2.2	-1.1	-1.2	-1.1
3	Natural Gas	6.88	11.7	-4.2	-0.7	2.6	5.3
4	Refinery Products	28.04	3.7	-3.1	-9.3	3.7	4.5
5	Fertilizers	2.63	-2.0	5.4	6.4	7.3	17.9
6	Steel	17.92	3.8	5.8	11.7	6.3	6.2
7	Cement	5.37	14.1	-4.2	29.0	9.5	4.6
8	Electricity	19.85	0.9	1.2	12.7	10.4	12.0
	<b>Overall Core index</b>	<b>100</b>	<b>4.0</b>	<b>0.7</b>	<b>5.7</b>	<b>7.0</b>	<b>7.8</b>

**Views:**

- Barring crude oil, seven of the eight infrastructure industries recorded expansion for a second straight month in January, indicating that a broad-based industrial recovery is probably underway.
- Given that these core sectors have a combined weight of 40.3% in the index of industrial production (IIP), we expect IIP growth in the month to be at a robust 5% to 6% as against 4.3% growth in December.

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