

## Macro Insights

29<sup>th</sup> December 2023

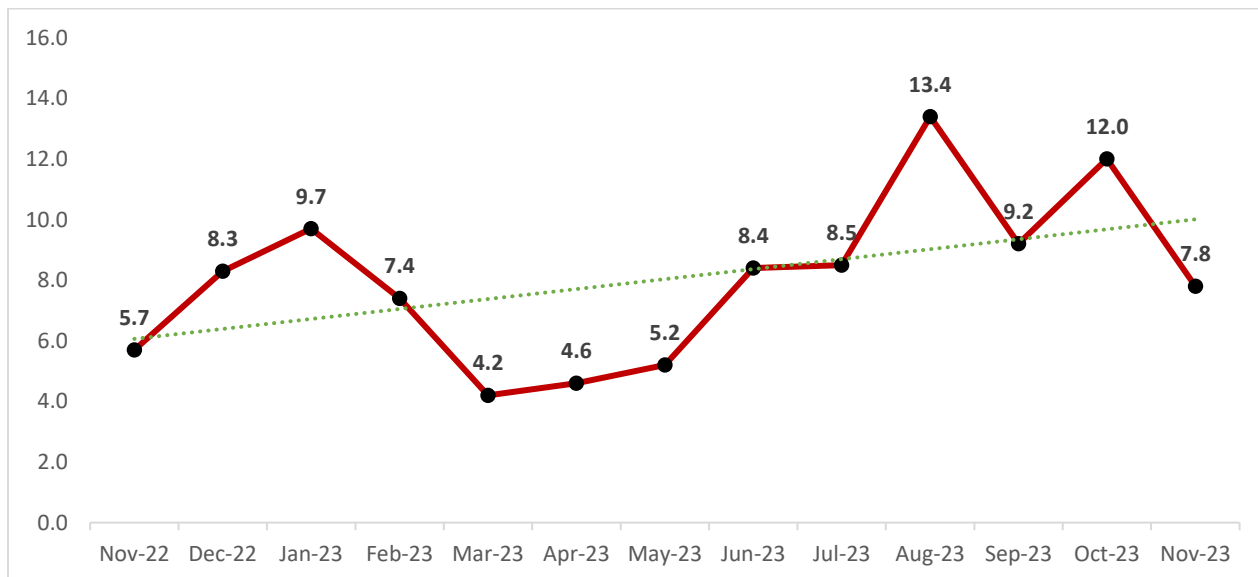
### Core Sector grows 7.8% in November 2023.

The Index of Eight Core Industries increased by 7.8% y-o-y in November 2023 vis-à-vis 5.7% in the same month last year.

### Highlights:

- ☞ The sectors of coal (10.9%) and refinery products (12.4%) recorded double-digit growth in November 2023.
- ☞ Output in the crude oil sector contracted 0.4% y-o-y in November 2023, while that of cement contracted by 3.6% y-o-y.
- ☞ Sectors of natural gas (7.6%), steel (9.1%) and electricity (5.6%) also witnessed healthy growth in November.

**Eight Core Industries– November'23 (YoY Growth in %)**



Source: Office of Economic Adviser

### Components of Eight Core Sector (YoY Growth in %)

Sr. No	Sector	Weight	Nov-22	Sep-23	Oct-23	Nov-23
1	Coal	10.33	12.3	16	18.4	10.9
2	Crude Oil	8.98	-1.1	-0.4	1.3	-0.4
3	Natural gas	6.88	-0.7	6.6	9.9	7.6
4	Refinery Products	28.04	-9.3	5.5	4.2	12.4
5	Fertilizers	2.63	6.4	4.2	5.3	3.4
6	Steel	17.92	11.5	13.8	10.7	9.1
7	Cement	5.37	29.1	4.6	17.4	-3.6
8	Electricity	19.85	12.7	9.9	20.3	5.6
	<b>Overall Index</b>	<b>100.00</b>	<b>5.7</b>	<b>9.2</b>	<b>12.0</b>	<b>7.8</b>

Source: Office of Economic Adviser

### Our Views:

- Components of the index exhibited mixed performance in November-with some registering robust growth and others recording a decline in production.
- Electricity, steel, and coal sectors witnessed growth on a high base, while output for refinery products grew on a low base.
- The coal sector has been witnessing robust growth over the past months on a y-o-y basis as electricity demand in the country is increasingly being met by thermal power generation. India is also making efforts to reduce its reliance on imports of coal; thereby augmenting domestic production of coal.
- Domestic cement prices are witnessing a decline recently- which may have dented cement production in November 2023.

**Disclaimer:** The opinion/information expressed/compiled in this note is of Bank's Research team and does not reflect opinion of the Bank or its Management or any of its subsidiaries. The contents can be reproduced with proper acknowledgement to the original source/authorities publishing such information. Bank does not take any responsibility for the facts/ figures represented in the note and shall not be held liable for the same in any manner whatsoever.

**For any feedback or valuable suggestions:** Reach us at [eicsmead@pnb.co.in](mailto:eicsmead@pnb.co.in)

Follow our Official Page

[www.pnbindia.in](http://www.pnbindia.in)

