



Confederation of Indian Industry
Since 1895

Economy Update

Weekly Newsletter

4-10 April 2011

INDICATORS

Inflation Rate for the week ending 26 March 2011

Categories	Weekly	Annual
Primary articles	0.5	13.0
Fuel, power, light & lubricant	0.0	13.1

- The annual **inflation** in **primary articles** for the week ending 26 March, remained flat at 13.0% from the previous week.
- The annual **inflation** in **food articles** decreased to 9.2% for the week ended 26 March 2011, from 9.5% in the previous week.
- The Index of **Industrial Production** for February stood at 3.6% versus 3.7% in January.
- **Foreign Exchange Reserves** as on 1 April 2011 stood at US \$ 305.5 billion, up by US\$ 2 billion from the previous week.
- The **call money rates** as on 8 March 2010 traded in the range of 2.9 – 8.5%.
- At the **Treasury bills auctions** held during the week, the YTM for 91-day T-Bills stood at 7.1%.



Dear Reader,

Persistently rising crude oil prices in international markets have become a major cause of for heavy oil importing nation like India. Oil prices have exhibited around 30-35 per cent increase in March 2011 over the corresponding month last year. International oil prices surged beyond US\$ 110 per barrel this week. This escalating trend is likely to further put pressure on the already high inflation index in the country. This can also adversely affect the industrial sector which is already registering a sluggish growth. However, on the brighter side, inflow of foreign funds to India remained strong showing a robust growth of 24.3% over the previous week.

Chandrajit Banerjee

Director General, CII

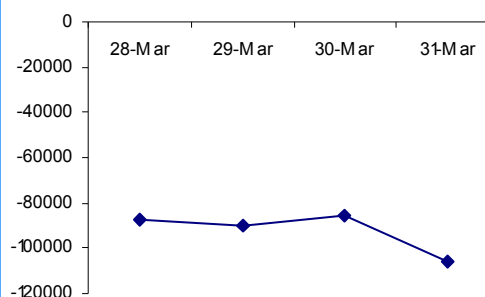
IN THIS ISSUE

- **Markets**
- **Policy Update**
- **Industry News**
- **Global News**

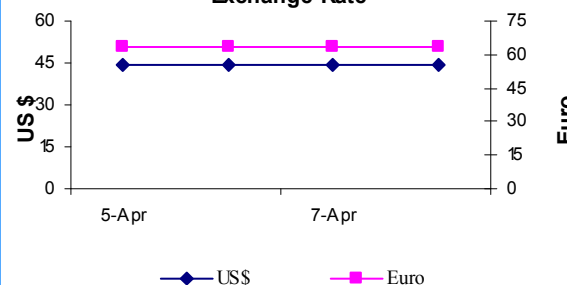
POLICY DEVELOPMENT

- The Government has issued draft of proposed national cyber security policy (NCSP), that identifies indigenous development of IT products essential for curbing threats from imported hi-tech products.
- The Union Government has imposed an excise duty of 10% on jute products .
- The Empowered Group of Ministers (EGoM) is likely to finalize the much-awaited draft of the food security Bill at its meeting on 25 April.

Net Absorption through LAF (Rs Crore)



Exchange Rate



BANKING INDICATORS

Indicators	Outstanding as on 25 March ,2011	% Variation over	
		Fortnight	Year
Total Bank Credit	39,38,659	2.1	21.4
Food Credit	64,283	-2.7	32.6
Non Food Credit	38,74,376	2.3	21.4
Aggregate Deposit	52,04,703	1.3	15.8
Broad Money (M3)	64,32,753	1.2	16.6
Credit Deposit Ratio	75.7		

Source: RBI

EQUITY MARKETS

- Global indices remained almost flat in the week ending 8 April 2011 with crude oil prices surging beyond US\$ 110 per barrel, rising commodity prices, anticipation on ECB's rate hike, continued tension in the Middle East, another Earth quake in Japan measuring 7.1 in the Richter scale and Portugal's bailout coming into focus.
- Indian key benchmark indices also remained sluggish with increasing uncertainties around the globe and growing domestic agitation against corruption. Sector wise analysis shows that except Oil and gas, all other sectors showed a marginal rise. However, on the positive side India saw robust flow of foreign funds.
- Total turnover during the week on BSE stood at Rs 17,335 crore and at NSE at Rs 63,847 crore.

COMMODITY MARKETS

- NYMEX **light sweet Crude Oil** for May delivery stood at US \$ 112.8 per barrel on 8 April 2011, up by US\$ 4.9 per barrel from the previous week.
- New York **spot price for Gold** was US \$ 1,473.1 per ounce as on 8 April 2011, up by US\$ 45.9 per ounce.

Global Stock Indices	Closing Value as on 8 April 2011	Weekly Change (%)
NYSE: DJIA	12,380.1	0.0
FTSE 100	6,055.8	0.8
Nikkei 225	9,768.1	0.6
Straits Times	3,187.3	2.1
KOSPI	2,128.0	0.3

Source: Yahoo Finance

Indian Equity Indices	Closing Value on 8 April 2011	Week's % Change
BSE SENSEX	19,451.5	0.2
BSE 500	7,538.2	1.0
S&P CNX NIFTY	5,842.0	0.3
S&P CNX 500	4,684.5	1.0

Source: NSE, BSE

Net Institutional Activity

	Equity	Debt
Weekly FII (US \$ Million)	1,429.0	99.1
Year -to-date FII (US\$ million)	995.9	-791.9
Weekly Mutual Funds# (Rs Crore)	-610.4	44,714.5

Source: SEBI

#as on 7 April, 2011

Commodity Spot Indices	Closing Value as on 8 April 2011	Week's % Change
MCX AGRI	2,701.4	-0.5
MCX METAL	4,574.4	3.1
MCX ENERGY	3,369.2	1.3
MCX COMDEX	3,559.6	1.9

Source: MCX, NCDEX

INDUSTRY NEWS

Automobile

- Domestic sales of automobiles increased by 26.2% while exports increased by 29.6% in the period April-March 2011.
- Passenger Vehicles recorded a growth of 29.1% from 1,951,33 units in April-March 2010 to 2,520,421 units in 2011 for the same period.
- Domestic Sales of Commercial Vehicles recorded a growth of 27% from 532,721 units in April-March 2010 to 676,408 units in the same period in 2011. Exports of commercial vehicles showed a robust growth of 69.5%.

BSE Indices	Closing Value on 8 April 2011	Week's % Change
AUTO INDEX	9,397.1	0.4
BANKEX	13,299.2	0.8
BSE CAPITAL GOODS	13,741.8	3.0
BSE CONSUMER DURABLE	6,427.1	2.3
BSE FMCG	3,637.4	0.7
BSE HEALTHCARE	6,123.2	1.1
BSE INFOTECH	6,558.0	0.6
BSE MID CAP	7,173.5	2.7
BSE SMALL CAP	8,772.6	5.0
BSE TECK INDEX	3,871.0	0.7
METAL INDEX	16,460.4	0.7
OIL & GAS INDEX	10,088.4	-0.9

Source: BSE

Technology

- India plans to spend Rs 500 crore in developing a series of specialized vessels capable of scoring deep ocean floors for minerals, metals and gas hydrates.

Hotel

- Berggruen Hotels, a mid market business hotel chain funded by the US based Berggruen Holdings Inc., Plans to invest around US\$ 227 million to set up 43 hotels under brand "Keys" in India by 2014.

CNX Segment Indices	Closing Value on 8 April 2011	Week's % Change
CNX NIFTY Junior	11,544.4	1.6
CNX MIDCAP	8,288.3	2.0
BANK NIFTY	11,673.3	0.7
CNX IT	7,168.8	0.8
CNX Realty	329.3	2.3
CNX Infrastructure	3,139.8	1.4

Source: NSE

GLOBAL NEWS

USA

- In the week ending April 2 2011, the advanced figures for seasonally adjusted initial claims was 382,000, a decrease of 10,000 from the previous week's revised average of 392,000.

Europe

- Portugal has joined Greece and Ireland on the casualty list of Europe's debtors after its prime minister said a bailout of 70-80 billion euros is needed to keep the economy afloat.
- In February 2011, compared with January 2011, the volume of retail trade fell by 0.1% in both the Euro Area and the EU 27.

Latin America

- Argentina's GDP expanded by 9.2% in the fourth quarter of 2010 as compared to the same period of 2009 and grew by 2.5% from the third quarter, showing a sustained rebound in Latin America's No 3 economy.

Asia

- Asia's largest economy-China, recorded the first trade deficit in seven years of US\$ 1.02 billion in the first three months of the year compared with a surplus of US\$ 13.9 billion a year ago. Imports jumped 32,6% to a quarterly record of US\$ 400.7 billion, helped by stronger domestic demand and higher global commodity prices.

Disclaimer

The data used here are from various published and electronically available primary and secondary sources. We have taken care to verify and cross-check the accuracy of such data. However, despite due diligence, the source data may contain occasional errors. In such instances, CII is not responsible for such errors.

CII Economy Update is a weekly report prepared by the **CII Economic Research Group**.
Reach us at: ecopolicy@cii.in



Confederation of Indian Industry
Since 1895

249-F, Sector 18, Udyog Vihar, Phase IV, Gurgaon - 122 015, Haryana, INDIA
Tel: +91-124-401 4060-67 • Fax: +91-124-401 4080 • Email: ecopolicy@cii.in • Website: www.cii.in