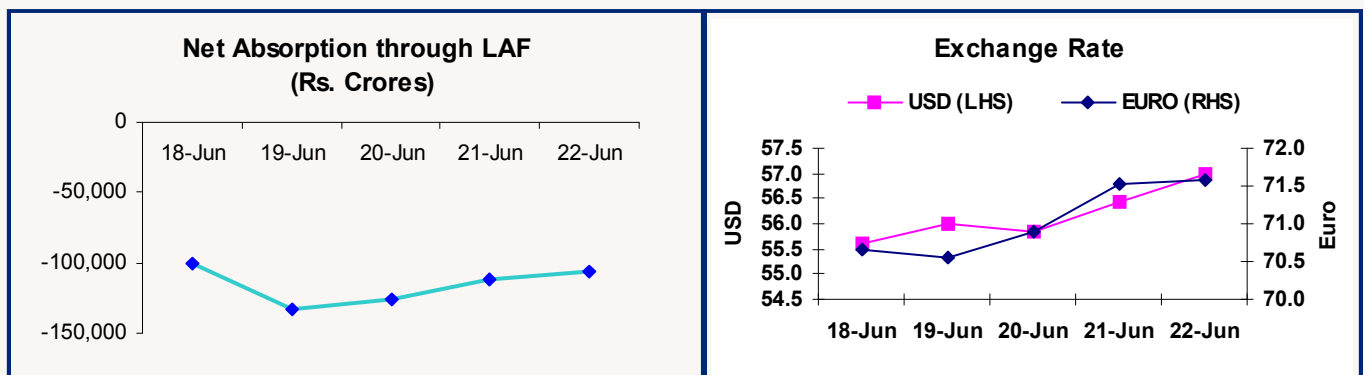




## POLICY DEVELOPMENT

- » The government is likely to announce **incentives to promote IT-related export hubs** in small towns as part of its effort to woo back investors to special economic zones. The commerce ministry is **amending the rules for special economic zones (SEZs)**, which have become unattractive to investors following imposition of minimum alternative tax (MAT) and dividend distribution tax (DDT).
- » At the recently concluded G20 Summit, the Prime Minister announced **India's contribution of \$10 billion to IMF Bailout Fund** for global recovery. To pacify global economic players, he reiterated the government's commitment to kick start growth in the economy by devising stable, transparent policies to provide a level playing field to domestic as well as foreign players. Moreover, he expressed the aim of the government to focus heavily on **infrastructure investment** in the time to come.



## BANKING INDICATORS

			Rs. Billion
Indicators	Outstanding as on 1 June, 2012	% Variation over Fortnight	Year
Total Bank Credit	47,121.9	1.4	18.3
Food Credit	1,120.5	6.5	25.3
Non Food Credit	46,001.4	1.3	13
Aggregate Deposit	61,377.7	1.3	14.4
Broad Money (M3)	76,284.2	0.9	13.7
Credit Deposit Ratio	76.7		

Source: RBI

## EQUITY MARKETS

- » **Global shares fell** on Friday and the safe-haven dollar stayed near its highest in a week-and-a-half as fears about global growth rose following a round of **bank downgrades** and weak manufacturing data from the United States, Europe and China.
- » **Indian stocks gained** for the third straight week Friday as continuing weakness in crude-oil prices eased pressure on energy subsidies and fueled hopes that the Reserve Bank of India will cut interest rates to boost waning growth. However, **delay in the monsoon** and a renewed decline in the rupee continue to keep the markets on the edge.
- » **Total turnover** during the week on BSE stood at Rs. 9,396 crore and on NSE at Rs. 27,639 crore.

Global Stock Indices	Closing Value as on 22 June, 2012	Weekly Change (%)
NYSE: DJIA	12,640.78	-1.0
FTSE 100	5,513.69	0.6
Nikkei 225	8,798.35	2.7
Straits Times	2,828.09	0.6
KOSPI	1,847.39	-0.6

Source: Yahoo Finance

Net Institutional Activity		
	Equity	Debt
Weekly FII (US \$ Million)	8.1	143.3
Year -to-date FII (US\$ million)	8547.40	4074.80
Weekly Mutual Funds# (Rs Crore)	116.7	15,772

Source: SEBI #as on 21 June, 2012

Indian Equity Indices	Closing Value as on 22 June, 2012	Week's % Change
BSE SENSEX	16,972.51	0.1
BSE 500	6,513.78	0.4
S&P CNX NIFTY	5,146.05	0.1
S&P CNX 500	4,063.75	0.4

Source: NSE, BSE

## COMMODITY MARKETS

- » **NYMEX West Texas Intermediate Crude Oil** for July delivery closed down at \$79.76 per barrel, up by \$1.56
- » **New York spot price for Gold** was US\$ 1,565.8 per ounce as on June 22, 2012, down by US\$ 61.4 per ounce from the previous week.

Commodity Spot Indices	Closing Value as on 23 June, 2012	Week's % Change
MCX AGRI	3547.05	2.3
MCX METAL	4886.52	-1.5
MCX ENERGY	3018.58	-3.7
MCX COMDEX	3706.87	-1.5

Source: MCX, NCDEX

## INDUSTRY NEWS

### Telecom

» According to data released by the Cellular Operators Association of India (COAI), GSM telecommunication companies **added 7.27 million users in May**, with Bharti Airtel adding nearly 2 million of the 7.27 million subscribers followed by Vodafone which added 1.44 million subscribers.

### Cement

» The competition regulator has imposed a **penalty of Rs 6,307 crore** on 11 cement makers, including the Indian arms of global leaders Holcim and Lafarge, holding them guilty of **manipulating supplies and prices** to post huge profits at the cost of consumers and the economy, though these charges have been denied by the companies fined.

### Energy

» **Coal India Ltd**, the primary coal producer in the country, under flak for **failing to meet its commitments** on coal supplies. The meeting will deliberate on a 9 point agenda including a moratorium on the penalty, pooling of prices of imported and domestic coal, compensation clause for failure in supplies of coal, production schedule among others.

BSE Indices	Closing Value as on 22 June, 2012	Week's % Change
AUTO INDEX	9,338.41	1.4
BANKEX	11,561.05	-0.2
BSE CAPITAL GOODS	9,737.67	2.2
BSE CONSUMER DURABLE	6,175.39	0.9
BSE FMCG	4,875.32	0.8
BSE HEALTHCARE	6,709.57	2.0
BSE INFOTECH	5,663.69	-1.8
BSE MID CAP	6,010.21	0.9
BSE SMALL CAP	6,407.50	0.9
BSE TECK INDEX	3,293.54	-1.5
METAL INDEX	10,344.99	-0.5
OIL & GAS INDEX	7,895.03	0.9

Source: BSE

CNX Segment Indices	Closing Value as on 22 June, 2012	Week's % Change
CNX NIFTY Junior	9780.7	0.6
CNX MIDCAP	7133.35	1.4
BANK NIFTY	10038.35	-0.3
CNX IT	6028.55	-1.7
CNX Realty	217.55	0.6
CNX Infrastructure	2347.45	1.5

Source: NSE

## GLOBAL NEWS

### USA

» In the week ending June 16, the advance figure for seasonally adjusted initial **claims of unemployment insurance** was 387,000, a decrease of 2,000 from the previous week's revised figure of 389,000. The 4-week moving average was 386,250, an increase of 3,500 from the previous week's revised average of 382,750.

» The advance seasonally adjusted **insured unemployment rate** was 2.6 percent for the week ending June 9, unchanged from the prior week's unrevised rate.

### Europe

» **Production in construction** fell by 2.7% in the Euro area (EU17) and by 6.6% in the EU27 in April, as compared to that of March 2012, whereas the production shrank by 5% for the euro area, and by 5.1% in the EU27 as compared to April 2011.

### China

» The **total retail sales** of consumer goods for the month of May are 16, 71 billion yuan, which is 13.8% higher than what was recorded in May, 2011.

## DISCLAIMER

Copyright © 2011 by Confederation of Indian Industry (CII), All rights reserved.

No part of this publication may be reproduced, stored in, or introduced into a retrieval system, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise), without the prior written permission of the copyright owner. CII has made every effort to ensure the accuracy of information presented in this document. However, neither CII nor any of its office bearers or analysts or employees can be held responsible for any financial consequences arising out of the use of information provided herein.

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



Confederation of Indian Industry

The Mantosh Sondhi Centre  
23, Institutional Area, Lodi Road, New Delhi – 110 003 (India)  
T: 91 11 24629994-7 • F: 91 11 24626149 • E: [ecoresearch@cii.in](mailto:ecoresearch@cii.in) • W: [www.cii.in](http://www.cii.in)  
**Reach us via our Membership Helpline: 00-91-11-435 46244 / 00-91-99104 46244**  
**CII Helpline Toll free No: 1800-103-1244**