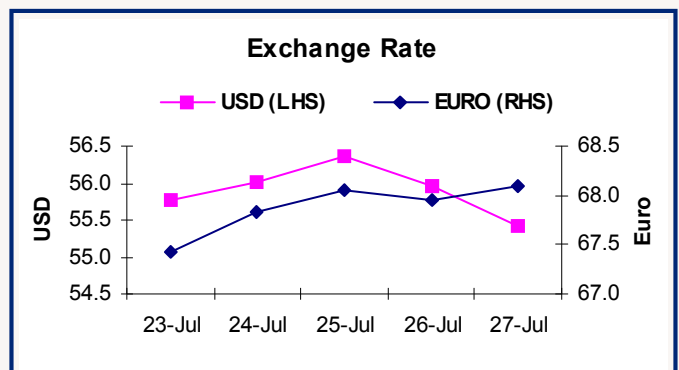
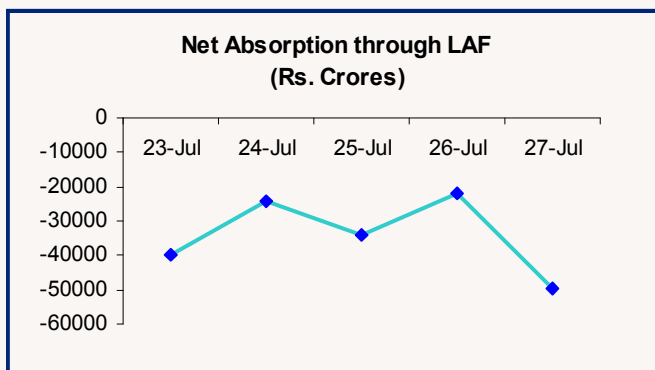


POLICY DEVELOPMENT

- » RBI has relaxed banks from the need of classifying hedging of derivative contracts that are terminated partially or fully as restructured accounts. The move is expected to ease banks' provisioning burden. Further, banks have been permitted to allow payments in installments if the mark-to-market value of the terminated derivative contract, including the foreign exchange forward contract, is not settled in cash. However, banks should permit repayment in installments only if there is a reasonable certainty of repayment by the client and the repayment period should not extend beyond the maturity date of the contract.
- » RBI has made it mandatory for all companies planning to undertake factoring business will now have to register itself as an 'NBFC-Factor' with the RBI and should have a minimum net owned fund of Rs. 5 crore.



BANKING INDICATORS

			<i>Rs. Billion</i>
Indicators	Outstanding as on 13 July, 2012	% Variation over Fortnight	Year
Total Bank Credit	47,244.4	-0.8	17.7
Food Credit	1,027.6	-4.4	34.4
Non Food Credit	46,216.8	-0.7	17.4
Aggregate Deposit	62,217.5	-0.1	14.7
Broad Money (M3)	77,301.2	0.1	14.3
Credit Deposit Ratio	75.9		

Source: RBI

EQUITY MARKETS

- » **Global shares** fell last week on account of weak economic growth in US which grew by mere 1.5% on year on year basis during Q2 2012, lower than the previous quarter growth of 2.0%. This is being impacted by low consumer spending and Euro Zone turmoil.
- » **Indian stocks** continues to rally last week, being influenced by slow down in the world's biggest economy USA. All major BSE indices fell except FMCG which improved marginally by 0.8%.
- » **Total turnover** during the week on BSE stood at Rs. 7,447 crore and on NSE at Rs. 38,456 crore.

Global Stock Indices	Closing Value as on 27 July, 2012	Weekly Change (%)
NYSE: DJIA	12,887.9	-0.4
FTSE 100	5,573.2	-1.4
Nikkei 225	8,566.6	-1.2
Straits Times	2,998.5	-0.6
KOSPI	1,829.2	0.3

Source: Yahoo Finance

Net Institutional Activity

	Equity	Debt
Weekly FII (US \$ Million)	19.2	262.6
Year -to-date FII (US\$ million)	10,019.3	4,590.8
Weekly Mutual Funds# (Rs Crore)	196.6	-3,162.7

Source: SEBI

#as on 26 July, 2012

Indian Equity Indices	Closing Value as on 27 July, 2012	Week's % Change
BSE SENSEX	16,839.2	-1.9
BSE 500	6,450.8	-2.7
S&P CNX NIFTY	5,099.9	-2.0
S&P CNX 500	4,028.3	-2.6

Source: NSE, BSE

COMMODITY MARKETS

- » **NYMEX West Texas Intermediate Crude Oil** on 27 July 2012 was US\$ 90.1 per barrel, down by US\$ 1.7 per barrel from the previous week.
- » **New York spot price for Gold** was US\$ 1,617.4 per ounce as on 27 July 2012, up by US\$ 34.6 per ounce from the previous week.

Commodity Spot Indices	Closing Value as on 27 July, 2012	Week's % Change
MCX AGRI	3827.5	-1.8
MCX METAL	4875.8	0.8
MCX ENERGY	3408.2	-0.5
MCX COMDEX	3905.7	-0.1

Source: MCX, NCDEX

INDUSTRY NEWS

Agriculture

- » Maharashtra government to provide crop loans of Rs. 24,700 crore during 2012-13. Of which, 48% would be provided by co-operative banks while 52% would come from nationalized banks.

Leather

- » AP government to revive the leather industry by promoting seven leather clusters. It will provide basic infrastructure for artisans and small and medium enterprises, starting this year at the estimated cost of Rs. 165 crore for next 5 years. Besides, government is seeking Centre's help in the development of this sector.

Power

- » Odisha and Kerala are planning to tie up for setting up a 1,000 MW pit-head coal-fired power plant near to the Baitarani west coal block under Talcher coalfields in Angul district. The power project is estimated to cost Rs. 4,500 - Rs 5000 crore. The Baitarani west coal block with reserve of 600 million tonnes has been jointly allocated to Odisha Hydro Power Corporation (OHPC), Gujarat Power Corporation (GPC) and Kerala State Electricity Board (KSEB).

BSE Indices	Closing Value as on 27 July, 2012	Week's % Change
AUTO INDEX	8,877.9	-3.1
BANKEX	11,633.2	-3.4
BSE CAPITAL GOODS	9,300.4	-6.5
BSE CONSUMER DURABLE	6,256.1	-2.1
BSE FMCG	4,978.5	0.8
BSE HEALTHCARE	6,976.8	-0.2
BSE INFOTECH	5,224.3	-1.8
BSE MID CAP	5,887.5	-4.8
BSE SMALL CAP	6,357.6	-4.8
BSE TECK INDEX	3,108.7	-2.0
METAL INDEX	10,193.8	-4.5
OIL & GAS INDEX	7,910.9	-1.4

Source: BSE

CNX Segment Indices	Closing Value as on 27 July, 2012	Week's % Change
CNX NIFTY Junior	9,783.8	-3.4
CNX MIDCAP	7,023.8	-4.5
BANK NIFTY	10,140.6	-3.3
CNX IT	5,562.0	-2.0
CNX Realty	208.3	-7.4
CNX Infrastructure	2,289.0	-4.8

Source: NSE

GLOBAL NEWS

USA

- » In the week ending July 21, the advance figure for seasonally adjusted initial claims of unemployment benefits was 353,000 a decrease of 35,000 from the previous week's revised figure of 388,000. The 4-week moving average was 367,250, a decrease of 8,750 from the previous week's revised average of 376,000.
- » US GDP grew at an annual rate of 1.5% during the second quarter of 2012 as compared to 2.0% GDP growth in the previous quarter. This is due to the weak consumer spending which grew by just 1.5% as against 2.4% in the previous quarter.

Europe

- » British economic output has shrunk for the third time in row. GDP fell by 0.7% on quarterly basis in the second quarter after contracting by 0.3% in the first quarter of 2012; on account of contraction in construction sector, production and services sector. Record rainfall and the Jubilee holiday added to already stressed out economy from austerity cuts and the Euro Zone debt crisis. This shrink has been far more than the expected contraction of 0.2%.

Hong-Kong

- » In June 2012, both exports and imports of goods declined by 4.8% and 2.9% respectively on a year-on-year basis.

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