



Inflation Rate for the week ending 1 st May'10		
Categories	Weekly	Annual
Primary articles	2.85	16.76
Fuel, power, light & lubricant	0.05	12.33

Indicators

- WPI for April'10 declined to 9.59% from 9.90% in the previous month.
- WPI inflation rate for primary articles for the week ending 1st May'10 increased to 16.76% as compared to previous week's level of 13.93%.
- Food inflation increased to 16.44% for the week ended May 1st 2010 from 16.04% in the previous week.
- IIP rose strongly at a double-digit rate for the sixth straight month in March 2010 to 13.5%, compared to mere 0.3% in March 2009.
- Passenger car sales surged by 39.5% in April 2010, the highest in a decade. Sales of commercial vehicles and two-wheelers also recorded growth of 64.5% and 22.1% during the period.
- India's Steel consumption rose 9.6% to 4.14 million tones in April 2010, on account of steady demand. Production during the period rose by 5.3% to 4.9 million tones.
- Union Agriculture ministry estimated 218.19 million tones of food grain production in 2009-10, which is almost 7% lower than in the previous year.
- Foreign Exchange Reserves as on 7th May'10 stood at US \$276.24 billion, down by US\$ 3.4 billion over the previous week.
- The call money rates as on 14th May'10 traded in the range of 2.30 – 3.90 percent.
- One year LIBOR for US\$ as on 12th May'10 stood at 1.13%.
- At the Treasury bills auctions held during the week, the YTM for 91-day T-Bills stood at 4.1743%.

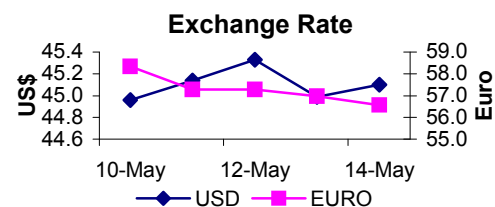
Dear Reader

Even as the turmoil in Europe continues to affect global markets, the news on the domestic front has largely been positive. Industrial growth in March 2010 was strong at 13.5%, although the growth rate has been moderating since the December peak of 17.7%. The monthly inflation rate moderated a bit from 9.9% in March to 9.6% in April 2010. Positive news for the government also came from the 3G telecom auctions which yielded a revenue windfall. Bond markets rallied at the news, as the government may not need to borrow as much as the budgeted amount

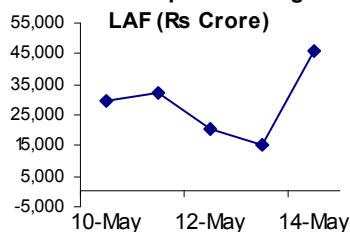
Chandrajit Banerjee
Director General
Confederation of Indian Industry

Policy Developments

- Department of Industrial Policy and Promotion (DIPP) notified its decision to ban FDI in manufacturing of cigars, cigarette, cheroots and cigarillos.
- RBI doubled the limit for collateral-free loan to Rs. 10 lakh to micro and small enterprises, proving a major boost to their funding requirement.
- SEBI asked mutual fund houses to disclose details of investor complaints on its website, as well as in annual reports, to enable clients to take informed decisions.



Net Absorption through LAF (Rs Crore)



Banking Indicators	Rs. Crore		
	Outstanding as on 23 rd Apr'10	% Variation over	
Indicators		Fortnight	Year
Total Bank credit	32,14,742	-0.5	17.1
Food Credit	47,979	-0.4	-2.0
Non Food Credit	31,66,763	-0.8	17.5
Aggregate Deposit	45,06,747	-0.5	15.0
Broad Money (M3)	56,22,402	-0.3	14.7
Credit Deposit Ratio	71.3		

Source: RBI

Equity Markets

- Global stocks locked their biggest gain in over a year on Monday after EU and IMF agreed 1 trillion bailout packages to stem the sovereign debt crisis. However, that move and fresh severity measure by Spain and Portugal were not enough to sustain the momentum. Finally, The US markets closed up with the Dow Industrials surged by 2.3% with high volatility in the index.
- Indian market ended in green after the announcement of multi-billion bailout for the troubled euro-one nation. However the market remained volatile owing to lower than expected IIP number, fear of delayed monsoon and persistent worries over the fate of the debt-sicken Euro-zone. Finally BSE Sensex closed the week higher by 1.3% and Nifty was up 1.5%.
- Fall in metal prices globally, resulted decline in metal stock (-0.4%) on Dalal Street. Capital goods sector (-0.2%) also decline last week after lower than expected growth in IIP for March 2010. BSE realty and BSE auto index were the top performer in last week with weekly gain of 4.1% and 3.7% respectively.
- Dr. Reddy's Lab, Tata Motors and M&M were the top gainer in BSE Sensex. Bharti Airtel and R Comm were the top loser in the index.
- Total turnover during the week on BSE stood at Rs 20, 234 crore and at NSE Rs 65, 552 crore.

Commodity Market

- NYMEX light sweet Crude Oil for June delivery closed at US \$ 71.61 per barrel on 14th May'10, down by \$3.5 per barrel over the previous week.
- New York spot price for **Gold** was US \$ 1231.9 per ounce as on 14th May'10, up by US \$ 23.4 per ounce over the week.

Indian Equity Indices	Closing Value on 14 th May'10	Week's % Change
BSE SENSEX	16, 994.6	1.3
BSE 500	6,819.0	1.5
S&P CNX NIFTY	5,093.5	1.5
S&P CNX 500	4,236.7	1.3

Source: NSE, BSE

Commodity Spot Indices	Closing Value as on 14 th May'10	Week's % Change
MCX AGRI	2, 099.3	-0.4
MCX METAL	3, 287.7	0.6
MCX ENERGY	2, 349.7	-4.4
MCX COMDEX	2, 561.1	-1.4

Source: MCX, NCDEX

Global Stock Indices	Closing Value as on 14 th May'10	Weekly Change (%)
NYSE: DJIA	10, 620.2	2.3
FTSE 100	5, 262.9	2.7
Nikkei 225	10, 462.5	0.9
Straits Times	2, 855.2	1.2
KOSPI	1, 695.6	2.9

Source: Yahoo Finance

Net Institutional Activity		
	Equity	Debt
Weekly FII (US \$ Million)	-178.4	-275.6
Year -to-date FII (US\$ million)	6148.0	5215.2
Weekly Mutual Funds# (Rs Crore)	-8.3	2950.8

Source:SEBI #For weekending 13th May'10

Global Development

US

- The US trade deficit widened for the second consecutive months to US\$ 40.5 billion in March 2010, highest since December 2008.
- According to the U.S. Labor Department, initial jobless claims fell for the fourth time in a row to 444,000 in the week ending 8th May, down 4,000 from the previous week's revised figure of 448,000.

Europe

- The Eurozone economy grew by 0.2% in the first quarter of 2010, compared with the previous three months. On year-on-year basis the growth rate was 0.5% in first quarter of 2010.
- Germany, Europe's largest economy expanded 0.2% in first quarter of 2010 over fourth quarter of 2009. Fourth quarter growth was also revised upwards to 0.2%, after being previously reported flat. Year-on-year, the economy grew by 1.7% in the first quarter.
- Spain announced cuts in public sector salaries and some social benefits to calm concern about the Greek economic crisis spreading to the country.

Asia

- Consumer price index in China rose 2.8% in April 2010 from a year earlier, the fastest pace in 18 months, and property prices jumped 12.8%.
- China recorded US\$ 1.7 billion trade surplus in April 2010, after deficit of US\$ 7.2 billion in March 2010. Export and Import rose by 30.5% and 49.7% during the period.

Disclaimer

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Confederation of Indian Industry

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