

Inflation Rate for the week ending 10 th Apr'10		
Categories	Weekly	Annual
Primary articles	0.6	14.14
Fuel, power, light & lubricant	0.1	12.45

Indicators

- Annual **WPI inflation rate for primary articles** for the week ending 10th Apr'10 stood at 14.14% as compared to previous week's level of 13.88%.
- Food inflation rose to 17.65 %** for the week ended April 10 from 17.22% in the previous week. The higher price of rice, sugar, pulses, milk and seasonal vegetables are causes for higher inflation.
- Consumer price index for agricultural labourers moderated to 15.8%** in March 2010 from 16.5% in February 2010. The similar index for rural labourers also decreased to 15.5% in March 2010 from 16.5% in February 2010.
- Foreign Exchange Reserves** as on 16th Apr'10 stood at US \$280.089 billion, up by US\$ 61 million over the previous week. The reserves have risen for the third consecutive week.
- The **call money rates** as on 23rd Apr'10 traded in the range of 2.20 – 3.85 percent.
- One year **LIBOR** for US\$ as on 21st Apr'10 stood at 0.94%.
- At the **Treasury bills auctions** held during the week, the YTM for 91-day T-Bills stood at 4.17%.
- Wheat procurement by centre in the current Rabi season till 20th April 2010 increased by 13.6% to 152.55 lakh Tonne.
- IMF projected Indian economy to grow by 8.75% and 8.5% respectively in 2010 and 2011 riding on strong domestic demand and investment activities.

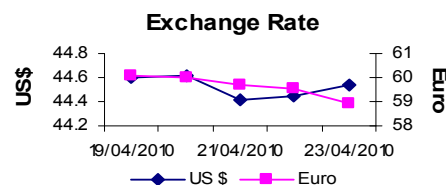
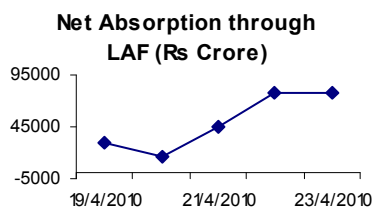
Dear Reader

The RBI delivered a moderate increase in policy rates in its annual monetary policy announcement last week. CII believes that such prudence will be necessary in order to support growth through the availability of funds at a reasonable rate. For 2010-11, the RBI projected 8.0% GDP growth with an upside bias while its baseline projection is for WPI inflation to decline to 5.5% by March 2011. CII believes that even stronger growth is possible if the financial and business environment remains conducive and firms are able to expand capacities at a rapid rate.

Chandrajit Banerjee
Director General
Confederation of Indian Industry

Policy Developments

- RBI in its annual Policy statement for 2010-11 raised the Repo, Reserve-Repo and Cash Reserve Ratio by 25 basis points to 5.25%, 3.75% and 6% respectively.
- In a move to help exporters, importers and commodity traders hedge currency risk, RBI allowed recognized stock exchanges to introduce simple currency options on spot Dollar/Rupee exchange rate.
- RBI has extended the time for realizing the assets acquired by Asset Re-construction Companies (ARCs) from five years to eight years.



Banking Indicators	Rs. Crore	% Variation over	
		Fortnight	Year
Indicators	Outstanding as on 9 th Apr'10		
Total Bank credit	3, 241, 225	-	17.0
Food Credit	48, 149	-0.70	3.0
Non Food Credit	3, 193, 076	0.04	17.3
Aggregate Deposit	4, 530, 074	1.0	16.0
Broad Money (M3)	5, 640, 054	1.0	15.5
Credit Deposit Ratio	71.55		

Source: RBI

Equity Markets

- The Dow Jones pulled off an eighth straight week of gains. U.S. equities took their cue from Europe as investors responded positively to Greece seeking aid from the IMF and European Union.
- In Asia Chinese stocks fell sharply and Shanghai Index declined by 4.7%, as the government continued its effort to cool down the over-heated property market. Japan's Nikkei 225 Stock Average fell by 1.7%, its biggest weekly retreat in almost three months, on concern swelling government debt will derail the economic recovery.
- In India, the key indices drifted in a narrow range this week, pulling back from the recent two-year high. A spate of important quarterly results, RBI's annual monetary policy, Goldman Sachs fraud case and Greek debt issue kept the bulls on tenterhooks. Finally the BSE Sensex added 0.6% and NSE Nifty rose by 0.8%.
- The less aggressive RBI policy helped boost banking sector stocks especially the public sector banks. Shares of infrastructure companies shot up after RBI announced a couple of measure designed to boost lending to the crucial sector. Among sectors, BSE Bank index gained 4.9% during the week. BSE-Auto and BSE Realty Index moved up by 2.4% and 1.4% during the week. BSE top five gainers include SBI, Tata Motors, JP Associate, ICICI Bank, and HUL. During last week BSE Metal and BSE IT index declined by 3.1% and 2.2% respectively.
- Total turnover during the week on BSE stood at Rs 22,976 crore and at NSE Rs 69,016 crore.

Global Stock Indices	Closing Value as on 23 rd Apr'10	Weekly Change (%)
NYSE: DJIA	11, 204	1.7
FTSE 100	5, 724	-0.3
Nikkei 225	10, 915	-1.7
Straits Times	2, 989	-0.6
KOSPI	1, 737	0.1

Source: Yahoo Finance

Indian Equity Indices	Closing Value on 23 rd Apr'10	Week's % Change
BSE SENSEX	17, 694	0.6
BSE 500	7, 050	0.9
S&P CNX NIFTY	5, 304	0.8
S&P CNX 500	4, 369	0.6

Source: NSE, BSE

Commodity Spot Indices	Closing Value as on 23 rd Apr'10	Week's % Change
MCX AGRI	2, 124	0.3
MCX METAL	3, 257	-2.3
MCX ENERGY	2, 613	-1.2
MCX COMDEX	2, 655	-1.5

Source: MCX, NCDEX

Net Institutional Activity		
	Equity	Debt
Weekly FII (US \$ Million)	435	133
Year -to-date FII (US\$ million)	6, 115	4, 918
Weekly Mutual Funds# (Rs Crore)	215	8, 181

Source:SEBI *For the week ending 22nd Apr'10

Commodity Market

- NYMEX light sweet Crude Oil for May delivery closed at US \$ 85.12 per barrel on 23rd April'10, down by \$1.92 per barrel over the previous week.
- New York spot price for **Gold** was US \$ 1158 per ounce as on 23rd Apr'10, up by US \$ 20.7 per ounce over the week.

Global Development

US

- According to the U.S. Labor Department, The number of US workers filing new applications for unemployment insurance dropped 24,000 to a seasonally adjusted 456,000 in the week ended April 17th 2010.
- According to the Labor Department, inflation increased 0.7% in March 2010 following a 0.6% drop in February on strong food and gasoline costs. 70% of the increase in wholesale prices in March was due to a 2.4% jump in consumer foods, the largest rise since January 1984. Gasoline prices rose 2.1% from a 7.4% fall in February.

Europe

- UK economy grew at a slower pace than expected at 0.2% in the first three months of this year, as the harshest winter weather in 30 years hit retail and industrial production. Distribution, hotels and restaurants — which include retail — contracted by 0.7%, the biggest drop since the first quarter of last year.

Asia

- According to Chinese Academy of Social Sciences (CASS) China's economy is expected to grow by about 9.9% in 2010, with consumer inflation coming in at 3.5%. The economy expanded 8.7% in 2009.
- The International Monetary Fund revised upward its forecast for China's 2011 economic growth to 9.9% from 9.7% earlier, and suggested Beijing could use exchange rate appreciation to deal with excess demand pressures.

Disclaimer

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