

Inflation Rate for the week ending 17 th Apr'10		
Categories	Weekly	Annual
Primary articles	0.1	13.55
Fuel, power, light & lubricant	0.5	12.69

Indicators

- **Food inflation declined to 16.61 %** for the week ended April 17 from 17.65% in the previous week. The lower price of masur, jowar, fruits and vegetables and wheat brought down the inflation figure.
- **Six core infrastructure industries grew by 7.2% in March 2010** against 3.3% in the year-ago period. The growth rate was 4.7% in February 2010.
- **The total number of mobile subscribers in India reached 621.28 million at the end of March 2010** from 600.98 million in February. The total tele-density in India has reached 52.74%.
- **The cumulative gold import from April 2009-March 2010 stood at 301.3 tonne**, up by over 13% compared to 346.8 tonne in the same period last fiscal.
- **Indian general insurance industry collected gross premium of Rs. 34, 627 crore in 2009-10 up 13.4%** from year ago level, riding on the recovery in Auto sales and retail health segment.
- **Foreign Exchange Reserves** as on 23rd Apr'10 stood at US \$279.5 billion, down by US\$ 613 million over the previous week.
- The **call money rates** as on 30th Apr'10 traded in the range of 2.43 – 3.95 percent.
- One year **LIBOR** for US\$ as on 30th Apr'10 stood at 0.98%.
- At the **Treasury bills auctions** held during the week, the YTM for 91-day T-Bills stood at 4.17%.



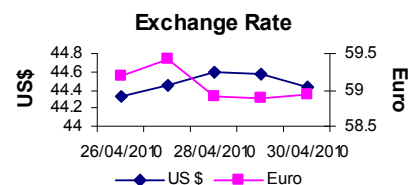
Dear Reader

The Greek fiscal crisis dominated market sentiment across the globe last week. The euro has been losing value, with the Greek crisis calling into question the stability of the entire euro zone. The dollar continued to strengthen against the euro, a trend that has set in since December 2009. Meanwhile, the Chinese central bank increased reserve requirements for banks by 50 basis points for the third time this year, in order to curb record lending and prevent asset bubbles.

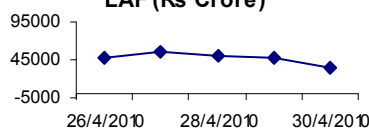
Chandrajit Banerjee
Director General
Confederation of Indian Industry

Policy Developments

1. **RBI has removed the ceiling on export loan rate from July 1st 2010.** Presently the interest rates charged on export finance by banks were capped at 250 basis points below the bank's prime lending rate.
2. **Government exempted Low-cost housing for the urban poor** under the Jawahar Lal Nehru National Urban Renewal Mission and under Rajiv Awas Yojna **from the service tax net.**
3. **Finance minister announced a hike in abatement provided for property to 75% from 67%**, thus bringing down the effective value of property to be taxed at 25% from 33% earlier.



Net Absorption through LAF (Rs Crore)



Banking Indicators	Rs. Crore		
	Outstanding as on 9 th Apr'10	% Variation over	
Indicators		Fortnight	Year
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

- Major world indicators came under pressure amid concern that the financial mess in PIGS (Portugal, Ireland, Greece, Spain) could spread to more European nations. Other concerns also include the Goldman Sacks fraud case and more tightening in China. Dow Jones industrial Average snapped its 8-week winning streak and lost 1.3% during the week ending 30th April 2010. The S&P 500 index also slumped by 2.6% and the NASDAQ tumbled by 2.8% during the week.
- Worsening debt turmoil in Europe had its effect on Indian markets this week. Moreover, the F&O April series expiry and mixed results from some of the top corporates kept the market on tenterhooks. The BSE Sensex closed lower by 0.8% and NSE Nifty by 0.5% during the week ended 30th April 2010.
- During the week BSE metal index took the maximum hit and fell by 3.1%. BSE-IT index was also down by 2.2% during the week. Interest sensitive realty sector was the biggest casualty but withdrawal of service tax on low cost housing provided some support to the downside. Like last week, BSE bank index outperformed the market and grew by 4.8% in the week.
- Dr. Reddy's, ONGC, Tata Motors, HDFC and HDFC Bank were the biggest gainers in the BSE Sensex. On the other hand index heavy weights like DLF, JP Associate, RIL, Maruti, and Tata Steel dragged down the index.
- Total turnover during the week on BSE stood at Rs 21,971 crore and at NSE Rs 67,522 crore.

Commodity Market

- NYMEX light sweet Crude Oil for June delivery closed at US \$ 86.15 per barrel on 30th April'10, up by \$1.03 per barrel over the previous week.
- New York spot price for **Gold** was US \$ 1179.8 per ounce as on 30th Apr'10, down by US \$ 21.8 per ounce over the week.

Global Stock Indices	Closing Value as on 30 th Apr'10	Weekly Change (%)
NYSE: DJIA	11,057.4	-1.3
FTSE 100	5,553.3	-3.0
Nikkei 225	11,057.40	1.3
Straits Times	2,974.6	-0.5
KOSPI	1,741.6	0.3

Source: Yahoo Finance

Commodity Spot Indices	Closing Value as on 30 th Apr'10	Week's % Change
MCX AGRI	2,102.3	-1.0
MCX METAL	3,260.6	0.1
MCX ENERGY	2,697.8	3.2
MCX COMDEX	2,684.6	1.1

Source: MCX, NCDEX

Indian Equity Indices	Closing Value on 30 th Apr'10	Week's % Change
BSE SENSEX	17,558.7	-0.8
BSE 500	7,042.7	-0.1
S&P CNX NIFTY	5,278.0	-0.5
S&P CNX 500	4368.1	0.0

Source: NSE, BSE

Net Institutional Activity		
	Equity	Debt
Weekly FII (US \$ Million)	531.5	479.0
Year -to-date FII (US\$ million)	6646.4	5396.8
Weekly Mutual Funds# (Rs Crore)	-106.0	5293.8

Source: SEBI *For the week ending 29th Apr'10

Global Development

US

- According to the U.S. Labor Department, The number of US workers filing new applications for unemployment insurance dropped 11,000 to 448,000 in the week ended April 24th 2010. It was the second consecutive weekly drop and lowest level in four weeks
- The US economy grew by 3.2% January-March 2010 quarter, weaker than the 5.6% growth in previous October-December 2009 quarter.

Europe

- According to the European Commission, the index of executive and consumer sentiment in the 16 euro nations rose to 100.6 in April 2010, highest in more than two years from a revised 97.9 in March 2010.
- According to German Federal Labor Agency, German unemployment fell at the fastest pace in more than two years in April 2010, by a seasonally adjusted 68,000 to 3.29 million.

Asia

- South Korea, the fourth largest economy of Asia recorded a ninth straight month growth in industrial production to 22.1% in March 2010 from a revised 18.8% in February 2010.
- According to Japan's statistics bureau, consumer spending of Japan has increased by 4.4% in March 2010 from a year earlier, the biggest gain since May 2004. But the consumer prices tumbled for a 13th straight month and Consumer prices excluding fresh food slid 1.2% from a year earlier.

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.

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