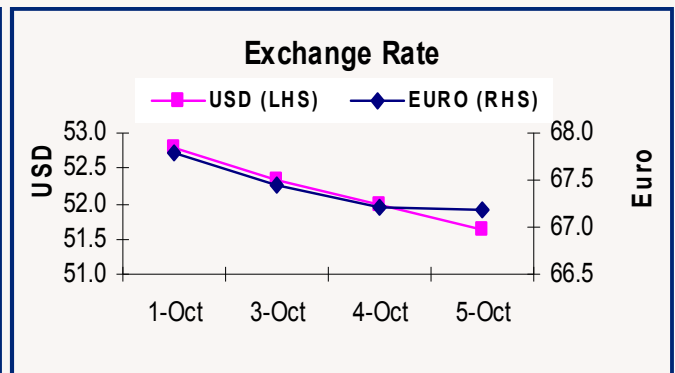
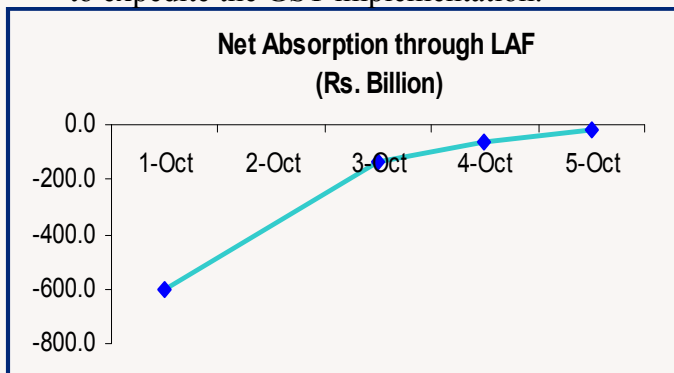


POLICY DEVELOPMENT

- » Union Cabinet Committee has cleared the proposal of raising FDI cap in insurance from 26% to 49%. In pension sector, it would be either 26% or 49%. Besides, it has accepted amendments in the Companies Bill 2011, making spending on Corporate Social Responsibility (CSR) a mandatory provision for companies above a certain threshold.
- » The Cabinet has also accepted amendments in Companies Act, which will bring M&A in all sectors under the purview of Competition Commission of India.
- » Cabinet committee on infrastructure has approved a tripartite model agreement between lenders, the project authority and the concessionaire to operationalise infrastructure debt funds. This is expected to boost infrastructure sector.
- » Government may enter into separate agreements with the states to implement GST. This is likely to expedite the GST implementation.



BANKING INDICATORS

Indicators	Rs. Billion		
	Outstanding as on 21 September, 2012	% Variation over Fortnight	Year
Total Bank Credit	47,664.9	0.4	16.4
Food Credit	925.8	-2.2	35.7
Non Food Credit	46,739.1	0.4	16.1
Aggregate Deposit	62,908.7	-0.5	13.7
Broad Money (M3)	77,993.8	-0.4	13.4
Credit Deposit Ratio	75.8		

Source: RBI

EQUITY MARKETS

» **Global share market**, in general, recorded an improvement during the last week in response to the decline in unemployment rate in the US for September 2012. The unemployment rate shrunk from 8.1% in August 2012 to 7.8% in September 2012, lowest since January 2009.

» **Indian stocks too** gained marginally last week, owing primarily to the Union Cabinet's approval to raise FDI in insurance and pension sector. Pick-up was noticed in almost all BSE Indices.

Global Stock Indices	Closing Value as on 5 October, 2012	Weekly Change (%)
NYSE: DJIA	13,575.4	0.7
FTSE 100	5,827.8	1.5
Nikkei 225	8,824.6	-0.5
Straits Times	3,107.9	1.6
KOSPI	1,995.2	0.3

Source: Yahoo Finance

Net Institutional Activity

	Equity	Debt
Weekly FII (US \$ Million)	645.1	263.3
Year -to-date FII (US\$ million)	16,503.8	5,062.8
Weekly Mutual Funds# (Rs Crore)	-735.0	13,838.1

Source: SEBI

#as on 4 October, 2012

Indian Equity Indices	Closing Value as on 5 October, 2012	Weekly Change (%)
BSE SENSEX	18,938.5	0.9
BSE 500	7,279.2	1.0
S&P CNX NIFTY	5,747.0	0.8
S&P CNX 500	4,547.9	1.0

Source: NSE, BSE

COMMODITY MARKETS

» **NYMEX West Texas Intermediate Crude Oil** on 5 October 2012 was US\$89.9 per barrel, down by US\$2.3 per barrel from the previous week.

» **New York spot price for Gold** was US\$ 1,780.9 per ounce as on 5 October 2012, up by US\$7.0 per ounce from the previous week.

Commodity Spot Indices	Closing Value as on 6 October, 2012	Weekly Change (%)
MCX AGRI	3,287.9	-4.5
MCX METAL	5,227.1	-1.5
MCX ENERGY	3,239.8	-2.6
MCX COMDEX	3,872.4	-2.4

Source: MCX, NCDEX

INDUSTRY NEWS

Power

» Bihar government is planning to introduce smart grids in an attempt to curb rising transmission and distribution (T&D) losses. It has found a partner in state-run transmission utility Power Grid Corporation, which recently submitted a proposal for the pilot project. Currently, Bihar has one of the largest T&D losses in the country, about 43% of the installed capacity gets lost in transmission. By introducing smart grids, more than 4,000 MW will be available for the state by 2015-16.

Chemical

» Chemicals and fertilizers Ministry is to set up a national chemical centre to formulate environment and human-friendly policies and contain risks posed by chemicals. The centre would provide necessary regulatory framework, trade practices, duty structure and maintain an inventory of the chemical sector containing data on production, consumption, imports, exports and toxicological properties. It is also expected to set up a Chemical Standard Development Organisation under its jurisdiction to facilitate the industry to comply with international standards.

Coffee

» As per International Coffee organization, India's ranking in world coffee production has slipped to 7th position from 6th a year ago despite achieving a record production of 5.33 million bags of 60 kg each (314,000 tonnes) in 2011. With 4% share in world output, India is ranked below Ethiopia (5th rank) and Peru. Brazil, Vietnam and Indonesia are top three with 33%, 15.2% & 6.3% share respectively.

BSE Indices	Closing Value as on 5 October, 2012	Weekly Change (%)
AUTO INDEX	10,492.9	0.8
BANKEX	13,212.1	0.6
BSE CAPITAL GOODS	11,339.5	3.5
BSE CONSUMER DURABLE	7,160.6	3.2
BSE FMCG	5,639.7	2.4
BSE HEALTHCARE	7,427.2	-1.3
BSE INFOTECH	5,910.9	-0.2
BSE MID CAP	6,678.8	1.1
BSE SMALL CAP	7,145.7	1.8
BSE TECK INDEX	3,413.9	-0.1
METAL INDEX	10,606.4	0.7
OIL & GAS INDEX	8,852.2	2.2

Source: BSE

CNX Segment Indices	Closing Value as on 5 October, 2012	Weekly Change (%)
CNX NIFTY Junior	11,221.0	1.6
CNX MIDCAP	7,934.4	1.2
BANK NIFTY	11,511.4	0.5
CNX IT	6,292.5	-0.3
CNX Realty	260.7	6.2
CNX Infrastructure	2,577.7	2.0

Source: NSE

GLOBAL NEWS

USA

» In the week ending September 29, the advance figure for seasonally adjusted initial claims of unemployment benefits were 367,000, a increase of 4,000 from the previous week's revised figure of 363,000. The 4-week moving average was 375,000, unchanged from the previous week's revised average.

» The US Manufacturing Purchasing Managers' Index (PMI) plunged from 51.5 in August 2012 to 51.1 in September 2012, lowest in three years. It, however, showed a

modest growth in the manufacturing output.

Europe

» Spain is likely to borrow 207.2 billion euro (US\$266.5 billion) next year. Pressure is mounting on the Prime Minister to tap the European rescue fund instead of financial markets. With this, the Spain's debt may widen to 90.5% of GDP by the end of 2013.

Thailand

» Thailand's economy is expected to grow in the range of 5.5-5.7% for the current year despite weak growth in exports. The growth is expected to be supported by other sectors. Further, the government believes that its rice intervention scheme would boost farmers' income and help in spurring spending.

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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 • W: 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