



ASSOCHAM Economic Weekly
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1. Macroeconomy



1.1 Sectoral Deployment of Bank Credit – March 2016

Highlights of the sectoral deployment of bank credit are given below:

- On a year-on-year (y-o-y) basis, non-food bank credit increased by 9.1 per cent in March 2016 as compared with the increase of 8.6 per cent in March 2015.
- Credit to agriculture and allied activities increased by 15.3 per cent in March 2016 as compared with the increase of 15.0 per cent a year ago.
- Credit to industry increased by 2.7 per cent in March 2016 as compared with the increase of 5.6 per cent in March 2015. Credit growth continues to decelerate or decline for most sub-sectors, some of which include petroleum, coal products and nuclear fuels, construction, infrastructure and food processing.
- Credit to the services sector increased by 9.1 per cent in March 2016 as compared with the increase of 5.7 per cent in March 2015.
- Personal loans increased by 19.4 per cent in March 2016, up from the increase of 15.5 per cent in March 2015.

Table 1

Table 1
Deployment of Gross Bank Credit by Major Sectors

Sr. No	Sector	Mar.21, 2014	Mar.20, 2015	Mar.18, 2016	(Rs. billion)	
					Mar.20, 2015 / Mar.21, 2014 (%)	Mar.18, 2016 / Mar.20, 2015 (%)
I	Gross Bank Credit (II + III)	56208	61023	66500	8.6	9.0

II	Food Credit	912	994	1031	8.9	3.7
III	Non-food Credit (1 to 4)	55296	60030	65469	8.6	9.1
1	Agriculture & Allied Activities	6660	7659	8829	15.0	15.3
2	Industry (Micro & Small, Medium and Large)	25165	26576	27307	5.6	2.7
3	Services	13375	14131	15411	5.7	9.1
4	Personal Loans	10097	11663	13922	15.5	19.4
5	Priority Sector	18297	20103	22259	9.9	10.7

Source: RBI

1.2 Government decides to allow States to impose and enforce stock limits to check the price rise in sugar

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its approval to bring “sugar” under the purview of imposing stock holding limits on dealers of sugar, keeping in view the recent upward trend in sugar prices. The Government has noticed that in spite of sufficient availability of sugar stocks with the Sugar Mills, the wholesale and retail prices have shown a spurt.

The Government has taken stock of the availability of sugar and different factors contributing to rise in market prices of sugar across the country. In order to check the inflationary tendencies in sugar and to reduce hoarding by wholesalers and retailers, Government felt an immediate need to bring sugar within the purview of stock limits. The decision will empower State and Central agencies to impose stock limits and regulate supply, distribution, storage and trade of sugar to bring down sugar prices at reasonable level by curbing unscrupulous trading.



2. Corporate Sector

2.1 Mineral Production during February 2016

The index of mineral production of mining and quarrying sector for the month of February (new Series 2004-05=100) 2016 at 136.1, was 5% higher as compared to February 2015. The cumulative growth for the period April- February 2015-16 over the corresponding period of previous year stands at (+) 2.4%.

The total value of mineral production (excluding atomic & minor minerals) in the country during February 2016 was Rs. 19995 crore. The contribution of Coal was the highest at Rs. 8662 crore (43%). Next in the order of importance were: Petroleum (crude) Rs. 5266 crore, Natural gas (utilized) Rs. 2063 crore, Iron ore Rs. 1945 crore, Lignite Rs.705 crore and Limestone Rs. 512 crore. These six minerals together contributed about 96% of the total value of mineral production in February 2016.

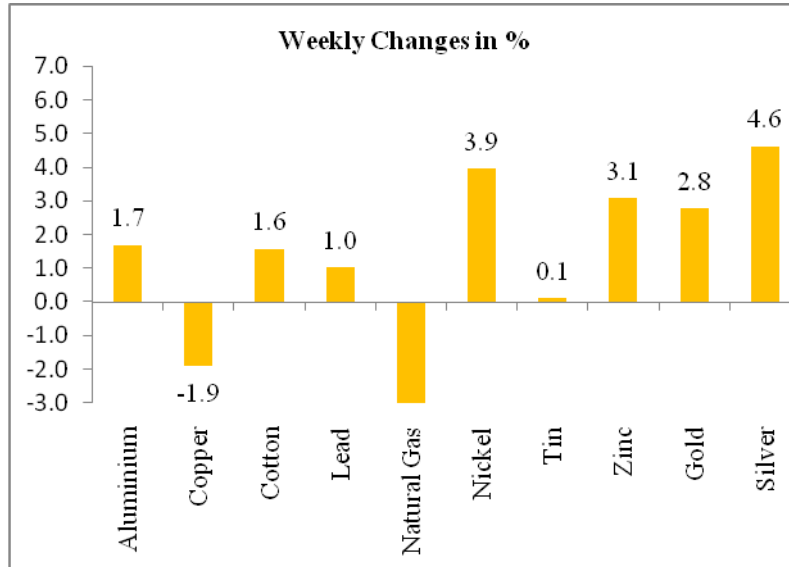
Production level of important minerals in February 2016 were: Coal 601 lakh tonnes, Lignite 51 lakh tonnes, Natural gas (utilized) 2495 million cu. m., Petroleum (crude) 29 lakh tonnes, Bauxite 1827 thousand tonnes, Chromite 350 thousand tonnes, Copper conc. 12 thousand tonnes, Gold 101 kg., Iron ore 164 lakh tonnes, Lead conc. 21 thousand tonnes, Manganese ore 171 thousand tonnes, Zinc conc. 90 thousand tonnes, Apatite & Phosphorite 57 thousand tonnes, Limestone 260 lakh tonnes, Magnesite 22 thousand tonnes and Diamond 4153 carat.

The production of important minerals showing positive growth during February 2016 over February 2015 include ‘Iron ore’ (54.8%), ‘Chromite’ (43.9%), ‘Diamond’ (41.0%), ‘Bauxite’ (37.4%), ‘Copper conc.’ (20.2%), ‘Lignite’ (9.2%), ‘Lead conc. (9.0%), ‘Magnesite’ (8.6%), ‘Limestone’ (7.0%), ‘Coal’ (3.7%), ‘Natural gas (utilized)’ (1.7%), and ‘Petroleum (crude)’ (0.8%).

The production of other important minerals showing negative growth are: ‘Apatite & Phosphorite’ [(-) 78.5%], ‘Zinc conc.’ [(-) 34.4%], ‘Gold’ [(-) 24.6%], and ‘Manganese ore’ [(-) 20.8%].

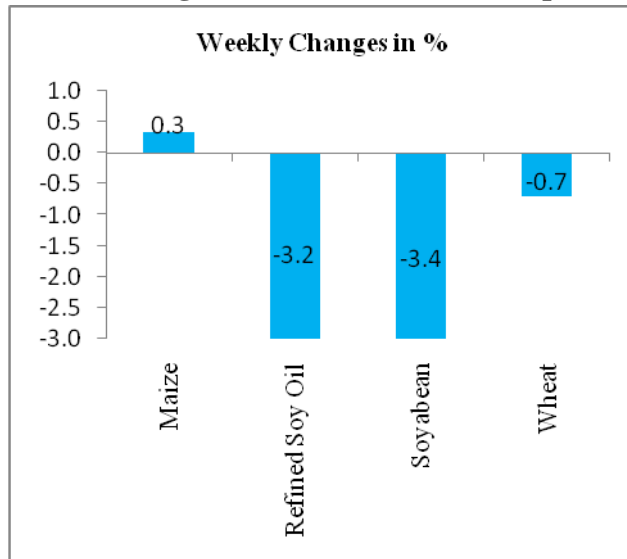
2.2 Basic Metals and Agriculture Commodities in Spot Market

Performance of Metals Market Spot Prices



Source: MCX, ASSOCHAM Economic Research Bureau
 Note: For details please refer appendix

Performance Agri Commodities Market Spot Prices



Source: MCX, ASSOCHAM Economic Research Bureau
 Note: For details please refer appendix



3. Market Trends

BSE: The BSE Sensex decreased by 1.1 per cent and closed at 25,606.62

Nifty 50: Nifty 50 decreased by 0.6 per cent during the week and closed at 7849.8

Dollar: The value of Rupee appreciated by Rs. 0.17 against the US dollar during the week and closed at Rs 66.51 per dollar.

Euro: The value of Rupee depreciated by Rs. 0.78 against the Euro and closed at Rs. 75.73 per euro.

Forex Reserves: India's Foreign Exchange reserves increased by USD 1.35 billion to USD 361.60 billion during the week-ended April 22, 2016.



4. Global Developments

4.1 Euro area unemployment down to 10.2%, EU28 at 8.8%

As per the Eurostat, The euro area (EA19) seasonally-adjusted unemployment rate was 10.2% in March 2016, down from 10.4% in February 2016, and from 11.2% in March 2015. This is the lowest rate recorded in the euro area since August 2011. The EU28 unemployment rate was 8.8% in March 2016, down from 8.9% in February 2016, and from 9.7% in March 2015. This is the lowest rate recorded in the EU28 for seven years, since April 2009.

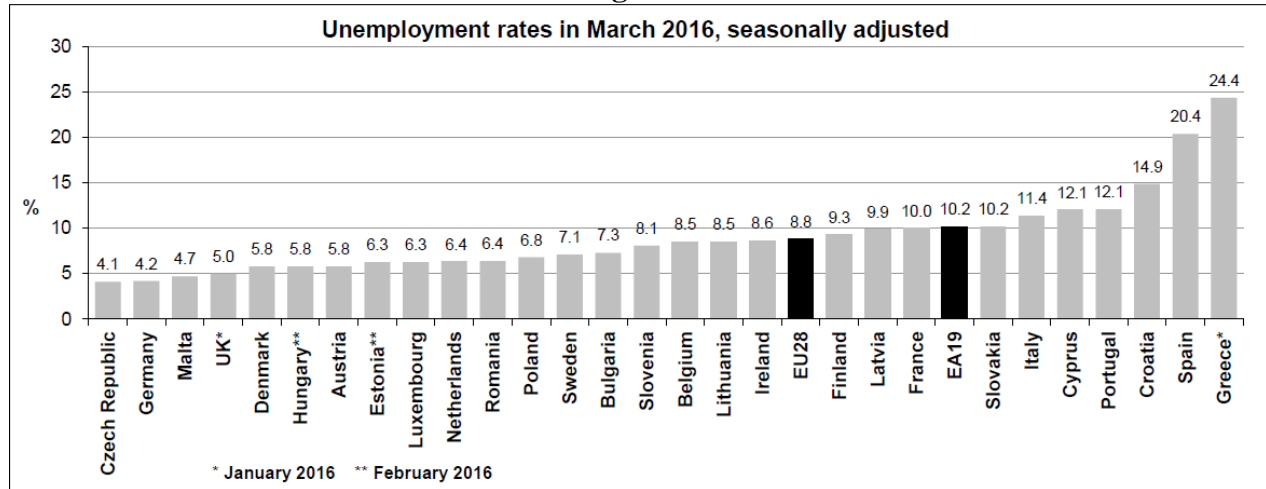
Eurostat estimates that 21.419 million men and women in the EU28, of whom 16.437 million were in the euro area, were unemployed in March 2016. Compared with February 2016, the number of persons unemployed decreased by 250 000 in the EU28 and by 226 000 in the euro area. Compared with March 2015, unemployment fell by 2.091 million in the EU28 and by 1.477 million in the euro area.

Among the Member States, the lowest unemployment rates in March 2016 were recorded in the Czech Republic (4.1%) and Germany (4.2%). The highest unemployment rates were observed in Greece (24.4% in January 2016) and Spain (20.4%).

Compared with a year ago, the unemployment rate in March 2016 fell in twenty-five Member States and increased in Austria (from 5.6% to 5.8%), Latvia (from 9.8% to 9.9%) and Finland (from 9.2% to 9.3%). The largest decreases were registered in Cyprus (from 16.2% to 12.1%), Bulgaria (from 10.0% to 7.3%) and Spain (from 23.0% to 20.4%).

In March 2016, the unemployment rate in the United States was 5.0%, up from 4.9% in February 2016, and down from 5.5% in March 2015. Figure 1

Figure 1



Source: Eurostat

In March 2016, 4.287 million young persons (under 25) were unemployed in the EU28, of whom 2.936 million were in the euro area. Compared with March 2015, youth unemployment decreased by 498000 in the EU28 and by 286000 in the euro area. In March 2016, the youth unemployment rate was 19.1% in the EU28 and 21.2% in the euro area, compared with 20.9% and 22.7% respectively in March 2015.

In March 2016, the lowest rates were observed in Germany (6.9%), the Czech Republic and Malta (both 9.8%), and the highest in Greece (51.9% in January 2016), Spain (45.5%), Croatia (39.0% in the first quarter 2016) and Italy (36.7%).

5. Data Appendix

Table 2
Latest Available Financial Information

Item	April 15, 2016	April 22, 2016	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,895.20	4,048.89	3.9
Foreign Currency Assets of RBI (Rs. Billion)	22,538.14	22,647.82	0.5
Advances of RBI to the Central Government (Rs. Billion)	–	–	
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	939.95	964.16	2.6

Source: RBI, Govt. of India

Table 3
BSE Sensex and NIFTY 50 Index

Index	April 25, 2016	April 29, 2016	Percentage Change
BSE SENSEX	25,891.03	25,606.62	-1.1
NIFTY 50	7894.8	7849.8	-0.6

Source: BSE India and NSE India

Table 4
Metals Market Spot Prices Index (Rs.)

Products	Unit	April 25, 2016	April 26, 2016	April 27, 2016	April 28, 2016	April 29, 2016	Weekly Changes in %
Aluminium	1 KGS	109.40	108.90	109.30	109.50	111.25	1.7
Copper	1 KGS	331.95	331.15	329.85	325.20	325.65	-1.9
Cotton	1 BALES	16500.00	16700.00	16710.00	16750.00	16760.00	1.6
Lead	1 KGS	118.20	115.65	116.10	115.20	119.40	1.0
Natural Gas	1 mmBtu	142.30	137.60	135.60	143.30	138.00	-3.0
Nickel	1 KGS	605.20	604.40	611.90	607.40	629.10	3.9
Tin	1 KGS	1157.25	1158.75	1147.00	1133.75	1158.50	0.1
Zinc	1 KGS	125.35	124.80	125.15	124.75	129.20	3.1
Gold	10 GRMS	29110.00	29062.00	29304.00	29501.00	29918.00	2.8
Silver	1 KGS	39643.00	39810.00	40506.00	40493.00	41476.00	4.6

Source: MCX

Table 5
Agri Commodities Market Spot Prices (Rs.)

Products	Unit	April 25, 2016	April 26, 2016	April 27, 2016	April 28, 2016	April 29, 2016	Weekly Changes in %
Maize	100 KGS	1455.00	1450.00	1440.00	1457.50	1460.00	0.3
Refined Soy Oil	10 KGS	691.80	683.65	677.25	672.25	669.40	-3.2
Soyabean	100 KGS	4165.00	4056.50	4075.00	4016.50	4025.00	-3.4
Wheat	100 KGS	1640.8	1638.0	1635.0	1628.3	1629.2	-0.7

Source: MCX

ASSOCHAM Economic Research Bureau

ASSOCHAM Economic Research Bureau (AERB) is the research division of the Associated Chambers of Commerce and Industry of India. The Research Bureau undertakes studies on various economic issues, policy matters, financial markets, international trade, social development, sector wise performance and monitoring global economy dynamics.

The main banners of the Bureau are:

ASSOCHAM Eco Pulse (AEP) studies are based on the data provided by various institutions like Reserve Bank of India, World Bank, IMF, WTO, CSO, Finance Ministry, Commerce Ministry, CMIE etc.

ASSOCHAM Business Barometer (ABB) are based on the surveys conducted by the Research Team to take note of the opinion of leading CEOs, MDs, CFOs, economists and experts in various fields.

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ASSOCHAM Financial Pulse (AFP) as an analytical tool tracks quarterly financial performance of India Inc; forming strong inter-linkages with the real economy and presents sectoral insights and outlook based on financial indicators, demand signals and corporate dividend activity.

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THE KNOWLEDGE CHAMBER

Evolution of Value Creator ASSOCHAM initiated its endeavor of value creation for Indian industry in 1920. It has witnessed upswings as well as upheaval of Indian Economy and contributed significantly by playing a catalytic role in shaping up the Trade, Commerce and Industrial environment of the country.

ASSOCHAM derives its strength from the following Promoter Chambers: Bombay Chamber of Commerce and Industry, Mumbai; Cochin Chamber of Commerce and Industry, Cochin; Indian Merchant's Chamber, Mumbai; The Madras Chamber of Commerce and Industry, Chennai; PHD Chamber of Commerce and Industry, New Delhi.

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Empower Indian enterprise by inculcating knowledge that will be the catalyst of growth in the barrier less technology driven global market and help them upscale, align and emerge as formidable player in respective business segment

MISSION

As representative organ of Corporate India, ASSOCHAM articulates the genuine, legitimate needs and interests of its members. Its mission is to impact the policy and legislative environment so as to foster balanced economic industrial and social development. We believe education, health, agriculture and environment to be the critical success factors.

GOALS

To ensure that the voice and concerns of ASSOCHAM are taken note of by policy makers and legislators. To be proactive on policy initiatives those are in consonance with our mission. To strengthen the network of relationships of national and international levels/forums. To develop learning organization, sensitive to the development needs and concerns of its members. To broad-base membership. Knowledge sets the pace for growth by exceeding the expectation, and blends the wisdom of the old with the needs of the present.