



ASSOCHAM Economic Weekly
19th April, 2015



Contents

1. Macroeconomy

1.1 Index Numbers of Wholesale Price in India, March 2015

1.2 Consumer Price Index Numbers for Rural, Urban and Combined, March 2015

1.3 India's Foreign Trade, March 2015

2. Corporate Sector

2.1 Commodity-Wise Freight Revenue Earnings of Railways during fiscal 2014-15

2.2 Mineral Production during February 2015

2.3 Basic Metals and Agriculture Commodities in Spot Market

3. Market Trends

4. Global Developments

4.1 UK Producer Price Inflation, March 2015

4.2 Euro Area annual inflation, March 2015

5. Data Appendix

1. Macroeconomy



1.1 Index Numbers of Wholesale Price in India, March 2015

The official Wholesale Price Index for 'All Commodities' (Base: 2004-05 = 100) for the month of March, 2015 rose by 0.2 percent to 176.1 from 175.8 for the previous month.

The annual rate of inflation, based on monthly WPI, stood at -2.33% for the month of March, 2015 (over March, 2014) as compared to -2.06% for the previous month and 6.00% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was -2.33% compared to a build up rate of 6.00% in the corresponding period of the previous year.

The index for '**Primary Articles**' this major group declined by 1.0 percent to 239.6 from 241.9 for the previous month.

The index for 'Food Articles' group declined by 0.4 percent to 249.4 from 250.5 for the previous month due to lower price of tea and moong (6% each), coffee and egg (4% each), rice and pork (3% each), jowar and barley (2% each) and fish-marine, fruits & vegetables, condiments & spices and beef & buffalo meat (1% each). However, the price of arhar, poultry chicken, mutton, fish-inland and maize (3% each), ragi, bajra and gram (2% each) and masur and milk (1% each) moved up.

The index for 'Non-Food Articles' group declined by 1.8 percent to 202.2 from 206.0 for the previous month due to lower price of flowers (25%), fodder (7%), gingelly seed, guar seed and castor seed (4% each), raw silk (3%), coir fibre (2%) and raw rubber, soyabean and linseed (1%

each). However, the price of niger seed (5%), sunflower (4%), groundnut seed and mesta (3% each) and copra (coconut) (2%) and raw cotton (1%) moved up.

The index for ‘Minerals’ group declined by 3.7 percent to 252.1 from 261.7 for the previous month due to lower price of zinc concentrate (11%), iron ore (9%), copper ore (7%), sillimanite and magnesite (3% each), phosphorite and manganese ore (2% each) and steatite (1%). However, the price of barytes (38%), chromite (5%) and crude petroleum (1%) moved up.

The index for ‘**Fuel & Power**’ group rose by 3.3 percent to 187.3 from 181.3 for the previous month due to higher price of aviation turbine fuel (10%), furnace oil (9%), high speed diesel (7%), petrol (6%), naphtha (4%) and kerosene (1%). However, the price of bitumen (6%) declined.

The index for ‘**Manufactured Products**’ group declined by 0.1 percent to 153.9 from 154.1 for the previous month.

Table 1
Wholesale Price Index and Rates of Inflation

Month of March, 2015

	Weight	WPI Mar, 2015	Latest month over month		Build up from March		Year on year	
			2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
PRIMARY ARTICLES	20.1	239.6	0.38	-0.95	7.31	0.08	7.31	0.08
Food Articles	14.3	249.4	0.90	-0.44	9.57	6.31	9.57	6.31
Non-Food Articles	4.3	202.2	-0.18	-1.84	4.87	-7.12	4.87	-7.12
Minerals	1.5	252.1	-1.73	-3.67	-1.79	-27.03	-1.79	-27.03
FUEL & POWER	14.9	187.3	0.75	3.31	11.80	-12.56	11.80	-12.56
MANUFACTURED PRODUCTS	65.0	153.9	0.39	-0.13	3.70	-0.19	3.70	-0.19
ALL COMMODITIES	100.0	176.1	0.45	0.17	6.00	-2.33	6.00	-2.33

Source: Office of Economic Advisor, Govt. of India

1.2 Consumer Price Index Numbers for Rural, Urban and Combined, March 2015

Consumer Price Index (Rural, Urban, Combined) on Base 2012=100 for the month of March 2015 and in addition to this, Consumer Food Price Index (CFPI) for all India Rural, Urban and Combined are also being released for the month of March 2015.

All-India provisional General (all- groups), Group and Sub-group level CPI and CFPI numbers of March, 2015 for Rural, Urban and Combined are 121.0, 119.1 and 120.1, respectively. The CFPI for Rural, Urban and Combined for the same month are 122.6, 123.1 and 122.8 respectively. Inflation rates (*on point to point basis i.e. March, 2015 over March 2014*), based on General Indices and CFPIs are given as follows:

Table 2
Inflation rates based on CPI (General) and CFPI

Indices	March 2015 (Prov.)			February 2015 (Final)			March 2014 (Final)		
	Rural	Urban	Comb.	Rural	Urban	Comb.	Rural	Urban	Comb.
CPI (General)	5.58	4.75	5.17	5.79	4.95	5.37	8.11	8.29	8.25
CFPI	5.69	6.76	6.14	6.43	7.52	6.88	9.02	7.96	8.64

Source: MOPSI, Govt. of India

Note: Prov. – Provisional, Comb. – Combined

Table 3
All India annual inflation rates (%)

Group Code	Sub-group Code	Description	Rural			Urban			Combined		
			Mar.14 Index (Final)	Mar.15 Index (Prov.)	Inflation Rate (%)	Mar.14 Index (Final)	Mar.15 Index (Prov.)	Inflation Rate (%)	Mar.14 Index (Final)	Mar.15 Index (Prov.)	Inflation Rate (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	1.1.01	Cereals and products	120.1	123.3	2.66	122.1	124.0	1.56	120.7	123.5	2.32
	1.1.02	Meat and fish	118.1	124.7	5.59	121.4	126.7	4.37	119.3	125.4	5.11
	1.1.03	Egg	120.7	118.9	-1.49	121.5	113.5	-6.58	121.0	116.8	-3.47
	1.1.04	Milk and products	116.1	125.8	8.35	116.2	125.9	8.35	116.1	125.8	8.35
	1.1.05	Oils and fats	109.3	111.7	2.20	102.8	104.8	1.95	106.9	109.2	2.15
	1.1.06	Fruits	119.6	130.8	9.36	117.7	123.7	5.10	118.7	127.5	7.41
	1.1.07	Vegetables	117.9	128.3	8.82	113.3	131.4	15.98	116.3	129.4	11.26
	1.1.08	Pulses and products	110.2	119.9	8.80	108.9	127.2	16.80	109.8	122.4	11.48
	1.1.09	Sugar and Confectionery	101.2	98.9	-2.27	96.3	93.2	-3.22	99.6	97.0	-2.61
	1.1.10	Spices	110.7	119.2	7.68	114.1	127.4	11.66	111.8	121.9	9.03
	1.2.1	Non-alcoholic	113.0	118.8	5.13	112.2	117.0	4.28	112.7	118.0	4.70

	1	beverages									
	1.1.1 2	Prepared meals, snacks, sweets etc.	118.3	127.6	7.86	120.5	129.2	7.22	119.3	128.3	7.54
1		Food and beverages	116.2	123.0	5.85	116.0	123.8	6.72	116.1	123.3	6.20
2		Pan, tobacco and intoxicants	114.6	124.7	8.81	116.7	128.8	10.37	115.2	125.8	9.20
	3.1.0 1	Clothing	117.5	125.9	7.15	115.8	121.6	5.01	116.8	124.2	6.34
	3.1.0 2	Footwear	114.9	122.8	6.88	112.1	116.9	4.28	113.7	120.3	5.80
3		Clothing and footwear	117.2	125.5	7.08	115.2	120.9	4.95	116.4	123.7	6.27
4		Housing	-	-	-	113.2	118.6	4.77	113.2	118.6	4.77
5		Fuel and light	113.4	120.5	6.26	110.9	114.4	3.16	112.5	118.2	5.07
	6.1.0 1	Household goods and services	113.4	120.1	5.91	113.0	118.0	4.42	113.2	119.1	5.21
	6.1.0 2	Health	111.4	118.2	6.10	110.8	114.3	3.16	111.2	116.7	4.95
	6.1.0 3	Transport and communication	111.2	111.5	0.27	111.6	108.4	-2.87	111.4	109.9	-1.35
	6.1.0 4	Recreation and amusement	110.2	115.2	4.54	110.9	115.4	4.06	110.6	115.3	4.25
	6.1.0 5	Education	112.4	119.4	6.23	111.8	120.6	7.87	112.0	120.1	7.23
	6.1.0 6	Personal care and effects	108.9	110.7	1.65	109.2	111.3	1.92	109.0	110.9	1.74
6		Miscellaneous	111.3	115.4	3.68	111.4	113.8	2.15	111.3	114.6	2.96
General Index (All Groups)			114.6	121.0	5.58	113.7	119.1	4.75	114.2	120.1	5.17
Consumer Food Price Index			116.0	122.6	5.69	115.3	123.1	6.76	115.7	122.8	6.14

Source: MOSPI, Govt. of India

Note: Prov.: Provisional

1.3 India's Foreign Trade, March 2015

Merchandise Trade

EXPORTS (including re-exports) Exports during March, 2015 were valued at US \$ 23951.16 million (Rs.149574.53 crore) which was 21.06 per cent lower in Dollar terms (19.20 per cent lower in Rupee terms) than the level of US \$ 30341.04 million (Rs. 185122.83 crore) during March, 2014.

Cumulative value of exports for the period April-March 2014-15 was US \$ 310533.87 million (Rs 1897025.85 crore) as against US \$ 314415.73 million (Rs. 1905011.08 crore) registering a growth of -1.23 per cent in Dollar terms and growth of -0.42 per cent in Rupee terms over the same period last year.

IMPORTS Imports during March, 2015 were valued at US \$ 35744.68 (Rs.223224.83 crore) which was 13.44 per cent lower in Dollar terms and 11.40 per cent lower in Rupee terms over the level of imports valued at US \$ 41294.41 million (Rs. 251953.73 crore) in March, 2014. Cumulative value of imports for the period April-March 2014-15 was US \$ 447548.33 million (Rs. 2734049.06 crore) as against US \$ 450213.63 million (Rs 2715433.89 crore) registering a growth of -0.59 per cent in Dollar terms and growth of 0.69 per cent in Rupee terms over the same period last year.

CRUDE OIL AND NON-OIL IMPORTS: Oil imports during March, 2015 were valued at US \$ 7413.30 million which was 52.68 per cent lower than oil imports valued at US \$ 15667.12 million in the corresponding period last year. Oil imports during April-March, 2014-15 were valued at US \$ 138261.66 million which was 16.09 per cent lower than the oil imports of US \$ 164770.33 million in the corresponding period last year. Non-oil imports during March, 2015 were estimated at US \$ 28331.38 million which was 10.55 per cent higher than non-oil imports of US \$ 25627.29 million in March, 2014. Non-oil imports during April-March, 2014-15 were valued at US \$ 309286.67 million which was 8.35 per cent higher than the level of such imports valued at US \$ 285443.30 million in April-March, 2013-14.

TRADE BALANCE The trade deficit for April-March, 2014-15 was estimated at US \$ 137014.46 million which was higher than the deficit of US \$ 135797.90 million during April-March, 2013-14.

INDIA'S FOREIGN TRADE (SERVICES): FEBRUARY, 2015

EXPORTS (Receipts) Exports during February, 2015 were valued at US \$ 14099 Million (Rs. 87466.81 Crore).**B. IMPORTS (Payments)** Imports during February, 2015 were valued at US \$

7896 Million (Rs. 48984.89 Crore). C. The trade balance in Services (i.e. net export of Services) for February, 2015 was estimated at US \$ 6203 Million.

2. Corporate Sector



2.1 Commodity-Wise Freight Revenue Earnings of Railways during fiscal 2014-15

The Indian Railways has generated Rs. 105312.09 crore of revenue earnings from commodity-wise freight traffic during the financial year 2014-15 i.e. from 1st April 2014 to 31st March 2015 as compared to Rs. 93471.59 crore during the corresponding period last year, registering an increase of 12.67 per cent. Railways carried 1097.57 million tonnes of commodity-wise freight traffic during fiscal 2014-15 as compared to 1053.56 million tonnes carried during the corresponding period last year, registering an increase of 4.18 per cent.

During the financial year 2014-15 i.e. from 1st April 2014 to 31st March 2015 Railways generated Rs. 48372.81 crore from transportation of 545.63 million tonnes of coal, followed by Rs. 9181.64 crore from 110.17 million tonnes of cement, Rs. 7913.73 crore from 112.78 million tonnes of iron ore for exports, steel plants and for other domestic user, Rs. 8550.37 crore from 54.99 million tonnes of food grains, Rs. 5705.75 crore from 42.73 million tonnes of petroleum oil and lubricant (POL), Rs. 6404.99 crore from 39.97 million tonnes of Pig iron and finished steel from steel plants and other points, Rs. 5431.12 crore from 47.45 million tonnes of fertilizers, Rs. 1951.38 crore from 19.19 million tonnes of raw material for steel plants except iron ore, Rs. 4868.92 crore from 48.83 million tonnes by container service and Rs. 6931.38 crore from 75.83 million tonnes of other goods.

2.2 Mineral Production during February 2015

The index of mineral production of mining and quarrying sector for the month of February (new Series 2004-05=100) 2015 at 130.7, was 2.5% higher as compared to February 2014. The cumulative growth for the period April- February 2014-15 over the corresponding period of previous year stands at (+) 1.5%.

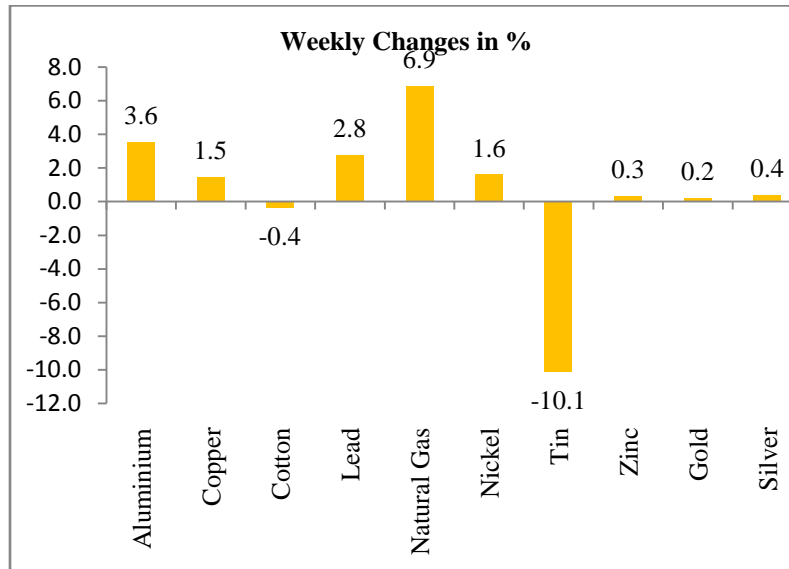
The total value of mineral production (excluding atomic & minor minerals) in the country during February 2015 was Rs. 19785 crore. The contribution of: coal was the highest at Rs. 7865 crore (40%). Next in the order of importance were: petroleum (crude) Rs. 5226 crore, iron ore Rs. 2686 crore, natural gas (utilized) Rs. 2030 crore, lignite Rs. 561 crore and limestone Rs. 427 crore. These six minerals together contributed about 95% of the total value of mineral production in February 2015.

Production level of important minerals in February 2015 were: coal 583 lakh tonnes, lignite 47 lakh tonnes, natural gas (utilized) 2455 million cu. m., petroleum (crude) 29 lakh tonnes, bauxite 1651 thousand tonnes, chromite 241 thousand tonnes, copper conc. 9 thousand tonnes, gold 135 kg., iron ore 122 lakh tonnes, lead conc. 19 thousand tonnes, manganese ore 171 thousand tonnes, zinc conc. 138 thousand tonnes, apatite & phosphorite 100 thousand tonnes, dolomite 494 thousand tonnes, limestone 234 lakh tonnes, magnesite 23 thousand tonnes and diamond 2946 carat.

The production of important minerals showing positive growth during February 2015 over February 2014 include 'magnesite' (55.9%), 'zinc conc.' (47.0%), 'lead conc.' (21.1%), 'lignite' (18.8%) and 'coal' (11.6%). The production of other important minerals showing negative growth are: 'limestone.' [(-) 1.5%], 'petroleum (crude)' [(-)1.9%], 'bauxite' [(-) 4.2%], 'diamond' [(-) 7.9%], 'natural gas (utilized)' [(-) 8.2%], 'apatite & phosphorite' [(-) 11.7%], 'iron ore' [(-) 13.4%], 'gold' [(-) 14.6%], 'copper conc.' [(-) 21.1%], 'chromite' [(-) 24.9%], 'manganese ore' [(-) 27.1%] and 'dolomite' [(-) 28.2%].

2.3 Basic Metals and Agriculture Commodities in Spot Market

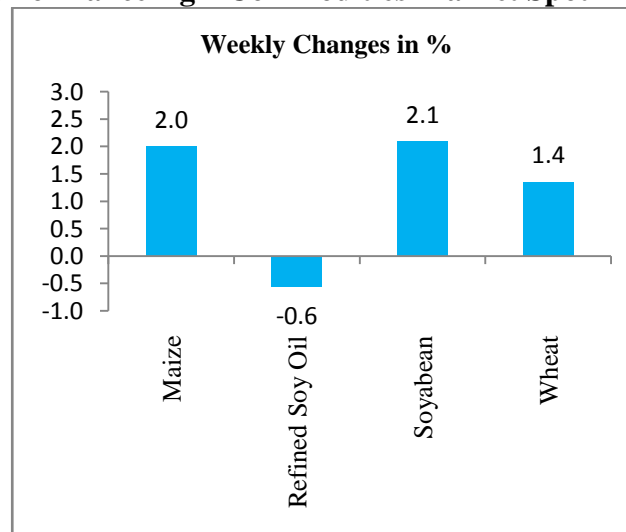
Performance of Metals Market Spot Prices



Source: MCX, ASSOCHAM Economic Research Bureau

Note: For details please refer appendix

Performance Agri Commodities Market Spot Prices



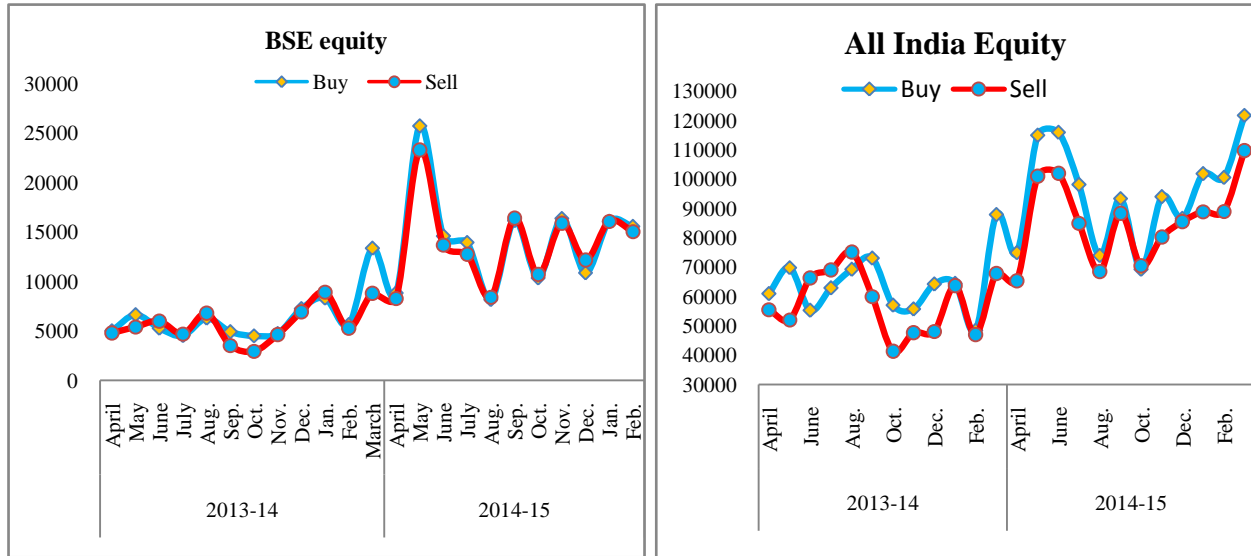
Source: MCX, ASSOCHAM Economic Research Bureau

Note: For details please refer appendix



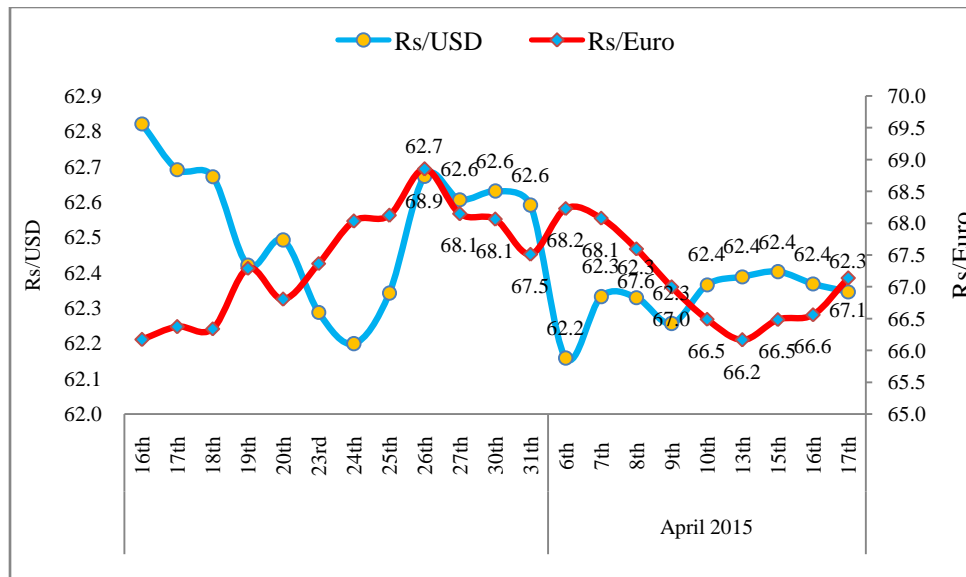
3. Market Trends

FII Equity Flows Equity (Rs. Crore)

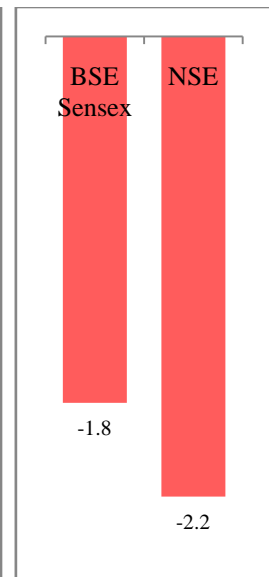


Source: BSE and ASSOCHAM Economic Research Bureau

Exchange Rate



Market Variation



Source: RBI, BSE, NSE and ASSOCHAM Economic Research Bureau



4. Global Developments

4.1 UK Producer Price Inflation, March 2015

- The price of goods bought and sold by UK manufacturers, as estimated by the Producer Price Index, continued to fall in the year to March 2015.
- The output price index for goods produced by UK manufacturers (factory gate prices) fell 1.7% in the year to March 2015, unchanged from last month.
- Factory gate prices rose 0.2% between February and March 2015, unchanged from last month.
- Core factory gate prices, which exclude the more volatile food, beverages, tobacco and petroleum products, rose 0.1% in the year to March 2015, down from a rise of 0.3% in the year to February 2015.
- The overall price of materials and fuels bought by UK manufacturers for processing (total input prices) fell 13.0% in the year to March 2015, up from a fall of 13.5% in the year to February 2015.
- Total input prices rose 0.3% between February and March 2015, compared with a rise of 0.1% between January and February 2015.

Table 4
Output prices (home sales) (Percent Change)

		All manufactured products		Excluding food, beverages, tobacco and petroleum		All manufactured products excluding duty	
		1 month	12 months	1 month	12 months	1 month	12 months
2014	Oct	-0.6	-0.7	-0.2	0.6	-0.5	-0.5
	Nov	-0.1	-0.6	0.2	0.9	-0.1	-0.5
	Dec	-0.5	-1.1	0	0.8	-0.5	-0.8
2015	Jan	-0.5	-1.8	0.2	0.5	-0.3	-1.4

	Feb	0.2	-1.7	0	0.3	0.1	-1.4
	Mar	0.2	-1.7	0.0	0.1	0.3	-1.4

Source: Office for National Statistics

4.2 Euro Area annual inflation, March 2015

According to the statistical office of the European Union, Euro area annual inflation was -0.1% in March 2015, up from -0.3% in February. In March 2014 the rate was 0.5%. European Union1 annual inflation was also -0.1% in March 2015, up from -0.3% in February. A year earlier the rate was 0.6%.

In March 2015, negative annual rates were observed in twelve Member States. The lowest annual rates were registered in Greece (-1.9%), Cyprus (-1.4%), Poland (-1.2%), Bulgaria and Lithuania (both -1.1%). The highest annual rates were recorded in Austria (0.9%), Romania (0.8%) and Sweden (0.7%). Compared with February 2015, annual inflation fell in three Member States, remained stable in three and rose in twenty-two.

The largest upward impacts to euro area annual inflation came from restaurants & cafés (+0.11 percentage points), rents (+0.09 pp) and tobacco (+0.07 pp), while fuels for transport (-0.44 pp), heating oil (-0.16 pp) and telecommunications (-0.06 pp) had the biggest downward impacts.

Table 5
Euro Area and EU Inflation rates (%)

	March 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	March 2015
Euro area	0.5	0.4	0.3	-0.2	-0.6	-0.3	-0.1p
EU	0.6	0.5	0.3	-0.1	-0.5	-0.3r	-0.1p

Source: The statistical office of the European Union

5. Data Appendix

Table 6
Latest Available Financial Information

Item	April. 03, 2015	April. 10, 2015	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,681.98	3,521.07	-4.37
Foreign Currency Assets of RBI (Rs. Billion)	20,164.85	19,940.17	-1.11
Advances of RBI to the Central Government (Rs. Billion)			
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	2,198.45	711.79	-67.62
Foreign Exchange Reserves (US\$ Billion)	343.0	340.4	-0.76

Source: RBI, Govt. of India

Table 7
BSE Sensex and NSE Nifty Index

Index	April. 13, 2015	April.17, 2015	Percentage Change
BSE SENSEX	28,955.1	28,442.1	-1.8
S & P CNX NIFTY	8,801.8	8,606.0	-2.2

Source: BSE India and NSE India

Table 8
Metals Market Spot Prices Index (Rs.)

		April 2015					Weekly Changes in %
		13 th	14 th	15 th	16 th	17 th	
Aluminium	1 KGS	111.2	110.5	113.0	115.8	115.1	3.6
Copper	1 KGS	375.9	374.0	371.4	373.2	381.4	1.5
Cotton	1 BALES	16090.0	NA	16080.0	16060.0	16030.0	-0.4
Lead	1 KGS	123.9	122.5	123.4	127.2	127.3	2.8
Natural Gas	1 mmBtu	156.6	156.7	157.8	162.9	167.4	6.9
Nickel	1 KGS	780.8	764.7	780.8	803.8	793.5	1.6
Tin	1 KGS	1023.8	1006.0	989.8	982.5	920.0	-10.1
Zinc	1 KGS	138.3	135.8	136.1	139.0	138.8	0.3
Gold	10 GRMS	26544.0	NA	26378.0	26654.0	26605.0	0.2
Silver	1 KGS	36486.0	NA	36138.0	36650.0	36632.0	0.4

Source: MCX

Table 9
Agri. Commodities Market Spot Prices (Rs.)

		April 2015					Weekly Changes in %
		13 th	14 th	15 th	16 th	17 th	
Maize	100 KGS	1250.0	0.0	1265.0	1285.0	1275.0	2.0
Refined Soy Oil	10 KGS	633.5	0.0	631.8	631.1	630.0	-0.6
Soyabean	100 KGS	3595.0	0.0	3648.5	3670.0	3670.0	2.1
Wheat	100 KGS	1480.0	0.0	1510.0	1500.0	1500.0	1.4

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.

ASSOCHAM Investment Meter (AIM) keeps the track of the investment announcements by the private sector in different sectors and across the various states and cities.

ASSOCHAM Placement Pattern (APP) is based on the sample data that is tracked on a daily basis for the vacancies posted by companies via job portals and advertisements in the national and regional dailies, journals and newspaper. Data is tracked for 60 cities and 30 sectors that are offering job opportunities in India.

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.

Email: research@assocham.com

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.

VISION

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.