



ASSOCHAM Economic Weekly
20th September, 2015



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1. Macroeconomy



1.1 Wholesale Price in India, August 2015

The official Wholesale Price Index for ‘All Commodities’ for the month of August, 2015 declined by 0.5 percent to 176.7 from 177.5 for the previous month.

The annual rate of inflation, based on monthly WPI, stood at -4.95% for the month of August, 2015 (over August, 2014) as compared to -4.05% for the previous month and 3.85% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was 0.34% compared to a build up rate of 3.11% in the corresponding period of the previous year.

The index for ‘Primary Articles’ group rose by 1.7 percent to 251.5 from 247.2 for the previous month.

The index for ‘Food Articles’ group rose by 2.6 percent to 262.3 from 255.7 for the previous month due to higher price of fruits & vegetables (10%), arhar (6%), gram and urad (3% each), bajra, pork and maize (2% each) and masur, ragi, wheat, barley and condiments & spices (1% each). However, the price of poultry chicken (6%), beef & buffalo meat (3%) and moong, tea and jowar (1% each) declined.

The index for ‘Non-Food Articles’ group rose by 0.8 percent to 217.4 from 215.6 for the previous month due to higher price of flowers (29%), copra (coconut) (8%), fodder and niger seed (7% each), safflower (kardi seed) and cotton seed (3% each), castor seed and groundnut seed (2% each) and mesta, sunflower and rape & mustard seed (1% each). However, the price of raw silk (12%), gaur seed (11%), raw rubber (8%), soyabean (6%), gingelly seed (sesamum) (3%) and linseed and raw cotton (2% each) declined.

The index for ‘Minerals’ group declined by 4.4 percent to 244.6 (provisional) from 255.9 (provisional) for the previous month due to lower price of phosphorite (9%), crude petroleum (7%), sillimanite and copper ore (5% each) and iron ore (2 %). However, the price of zinc concentrate (8%) and chromite (2%) moved up.

The index for ‘Fuel & Power’ group declined by 4.5 percent to 178.7 from 187.1 for the previous month due to lower price of furnace oil (12%), aviation turbine fuel (11%), high speed diesel (9%), petrol (3%) and bitumen (1%).

The index for ‘Manufactured Products’ group declined by 0.4 percent to 153.1 from 153.7 for the previous month.

Table 1
Wholesale Price Index and Rates of Inflation (Base Year: 2004-05=100)

Month of August, 2015

	Weight	WPI August, 2015	Latest month over month		Build up from March		Year on year	
			2014- 15	2015- 16	2014-15	2015- 16	2014-15	2015- 16
Primary Articles	20.11815	251.5	1.79	1.74	9.11	5.23	3.69	-3.71
Food Articles	14.33709	262.3	2.55	2.58	13.09	5.21	5.11	-1.13
Non-Food Articles	4.25756	217.4	0.78	0.83	0.55	7.31	4.29	-0.69
Minerals	1.52350	244.6	-1.76	-4.42	-1.24	0.53	-6.19	-28.31
Fuel & Power	14.91021	178.7	-0.28	-4.49	-0.09	-4.95	4.54	-16.50
Manufactured Products	64.97164	153.1	0.06	-0.39	1.23	-0.52	3.65	-1.92
All Commodities	100.00000	176.7	0.49	-0.45	3.11	0.34	3.85	-4.95

Source: Office of Economic Adviser, Ministry of Commerce & Industry

1.2 India’s Merchandise Trade, August 2015

Exports during August, 2015 were valued at US \$21266.31 million (Rs.138384.74 crore) which was 20.66 per cent lower in Dollar terms (15.22 per cent lower in Rupee terms) than the level of US \$26803.48 million (Rs.163220.33 crore) during August, 2014. Cumulative value of exports for the period April-August 2015-16 was US \$111094.47 million (Rs 708933.92 crore) as against US \$132529.64 million (Rs 796013.40 crore) registering a negative growth of 16.17 per cent in Dollar terms and 10.94 per cent in Rupee terms over the same period last year.

Imports during August, 2015 were valued at US \$33744.28 million (Rs. 219581.77 crore) which was 9.95 per cent lower in Dollar terms and 3.77 per cent lower in Rupee terms over the level of imports valued at US \$37472.78 million (Rs. 228191.26 crore) in August, 2014. Cumulative value of imports for the period April-August 2015-16 was US \$168610.56 million (Rs 1076178.14 crore) as against US \$190747.68 million (Rs 1145604.44 crore) registering a negative growth of 11.61 per cent in Dollar terms and 6.06 per cent in Rupee terms over the same period last year.

Oil imports during August, 2015 were valued at US \$7357.47 million which was 42.59 per cent lower than oil imports valued at US \$12814.77 million in the corresponding period last year. Oil imports during April-August, 2015-16 were valued at US \$41502.37 million which was 38.79 per cent lower than the oil imports of US \$67805.81 million in the corresponding period last year.

Non-oil imports during August, 2015 were estimated at US \$26386.81 million which was 7.01 per cent higher than non-oil imports of US \$24658.01 million in August, 2014. Non-oil imports during April-August, 2015-16 were valued at US \$127108.19 million which was 3.39 per cent higher than the level of such imports valued at US \$122941.87 million in April-August, 2014-15.

The trade deficit for April-August, 2015-16 was estimated at US \$57516.09 million which was lower than the deficit of US \$58218.04 million during April-August, 2014-15.

Table 2
India's Merchandise Trade (US \$ Million)

	AUGUST	APRIL-AUGUST
Exports (including re-exports)		
2014-15	26803.48	132529.64
2015-16	21266.31	111094.47
%Growth2015-16/ 2014-15	-20.66	-16.17
Imports		
2014-15	37472.78	190747.68
2015-16	33744.28	168610.56
%Growth2015-16/ 2014-15	-9.95	-11.61
Trade Balance		
2014-15	-10669.3	-58218.04
2015-16	-12477.97	-57516.09

Source: Ministry of Commerce, Govt. of India



2. Corporate Sector

2.1 Mineral Production during July 2015

The index of mineral production of mining and quarrying sector for the month of July (new Series 2004-05=100) 2015 at 117.7, was 1.3% higher as compared to July 2014. The cumulative growth for the period April- July 2015-16 over the corresponding period of previous year stands at (+) 0.6%.

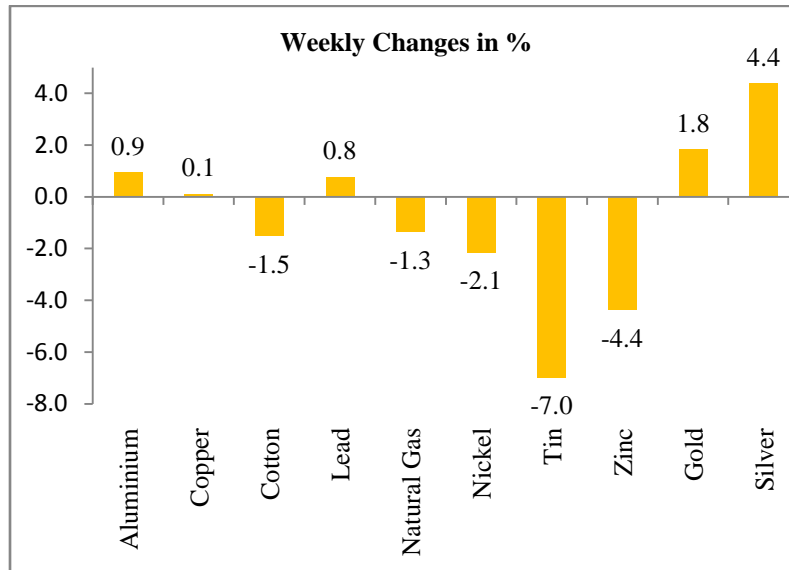
The total value of mineral production (excluding atomic & minor minerals) in the country during July 2015 was Rs. 17564 crore. The contribution of coal was the highest at Rs. 6045 crore (34%). Next in the order of importance were: petroleum (crude) Rs. 5696 crore, natural gas (utilized) Rs. 2070 crore, iron ore Rs. 1989 crore, limestone Rs. 498 crore and lignite Rs. 424. These six minerals together contributed about 95% of the total value of mineral production in July 2015.

Production level of important minerals in July 2015 were: coal 423 lakh tonnes, lignite 31 lakh tonnes, natural gas (utilized) 2503 million cu. m., petroleum (crude) 31 lakh tonnes, bauxite 2521 thousand tonnes, chromite 162 thousand tonnes, copper conc. 11 thousand tonnes, gold 144 kg., iron ore 119 lakh tonnes, lead conc. 21 thousand tonnes, manganese ore 126 thousand tonnes, zinc conc. 130 thousand tonnes, apatite & phosphorite 157 thousand tonnes, limestone 243 lakh tonnes, magnesite 19 thousand tonnes and diamond 3662 carat.

The production of important minerals showing positive growth during July 2015 over July 2014 include 'apatite & phosphorite' (88.0%), 'bauxite' (65.2%), 'chromite' (49.7%), 'gold' (28.6%), 'lead conc.' (28.5%), 'iron ore' (25.6%), 'copper conc.' (6.6%), 'zinc conc.' (5.8%), 'limestone' (3.1%), 'coal' (0.4%) and 'lignite' (0.2%). The production of other important minerals showing negative growth are: 'petroleum (crude)' [(-) 0.4%], 'diamond' [(-) 2.7%], 'natural gas (utilized)' [(-) 5.5%], 'manganese ore' [(-) 23.1%] and 'magnesite' [(-) 37.9%].

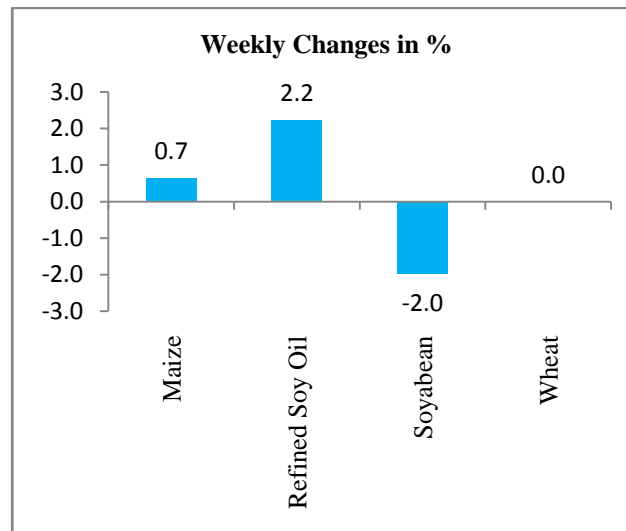
2.2 Basic Metals and Agriculture Commodities in Spot Market

Performance of Metals Market Spot Prices



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

Performance Agri Commodities Market Spot Prices

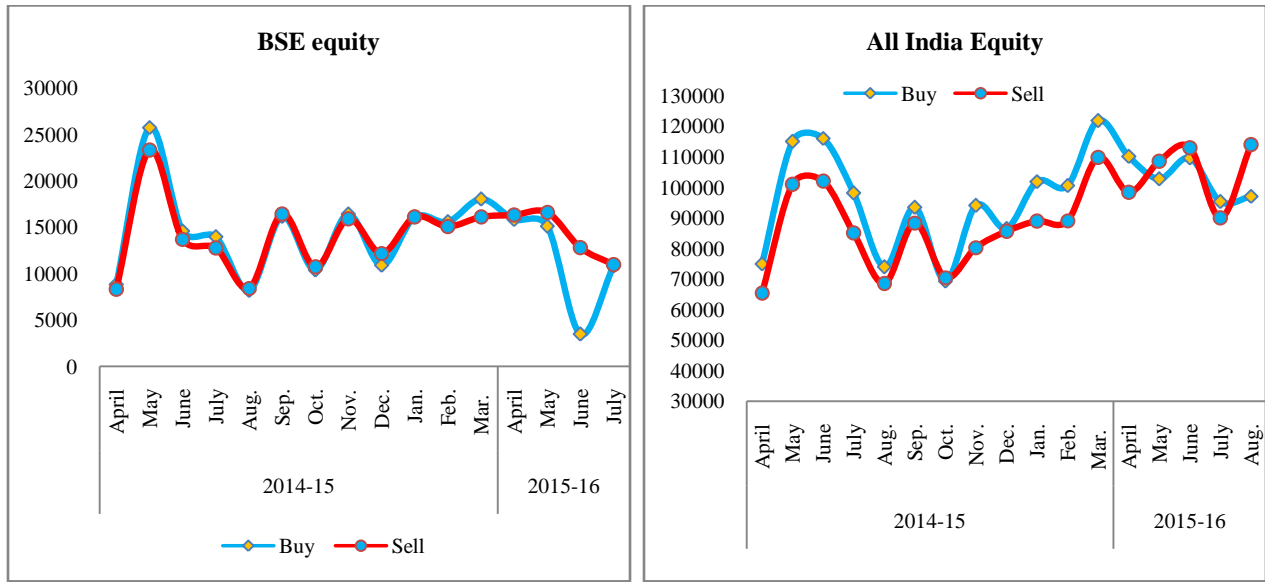


Source: MCX, ASSOCHAM Economic Research Bureau
 Note: For details please refer appendix

3. Market Trends

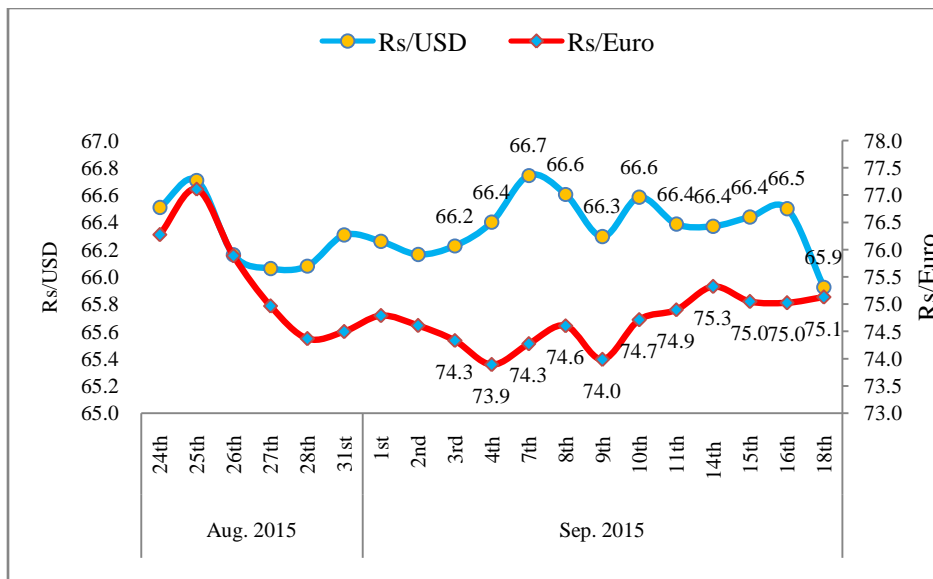


FII Equity Flows Equity (Rs. Crore)

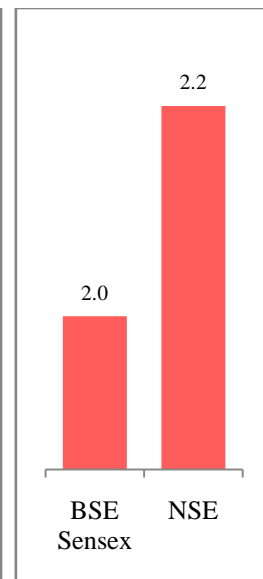


Source: BSE and ASSOCHAM Economic Research Bureau

Exchange Rate



Market Variation



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



4. Global Developments

4.1 UK Labour Market, September 2015

- There were 31.09 million people in work, 42,000 more than for February to April 2015 and 413,000 more than for a year earlier.
- There were 22.74 million people working full-time, 361,000 more than for a year earlier. There were 8.36 million people working part-time, 52,000 more than for a year earlier.
- The employment rate (the proportion of people aged from 16 to 64 who were in work) was 73.5%, little changed compared with February to April 2015 but higher than for a year earlier (72.8%).
- There were 1.82 million unemployed people (people not in work but seeking and available to work), 10,000 more than for February to April 2015 but 198,000 fewer than for a year earlier.
- The unemployment rate was 5.5%, unchanged compared with February to April 2015 but lower than for a year earlier (6.2%). The unemployment rate is the proportion of the labour force (those in work plus those unemployed) who were unemployed.
- There were 8.99 million people aged from 16 to 64 who were economically inactive (not working and not seeking or available to work), 24,000 fewer than for February to April 2015 and 65,000 fewer than for a year earlier.
- The inactivity rate (the proportion of people aged from 16 to 64 who were economically inactive) was 22.1%, little changed compared with February to April 2015 but down slightly from a year earlier (22.3%).
- Comparing May to July 2015 with a year earlier, both total pay (including bonuses) and regular pay (excluding bonuses) for employees in Great Britain increased by 2.9%.

Table 3
UK labour market statistics for May to July 2015

	Number (thousands)	Change on Feb to Apr 2015	Change on May to Jul 2014	Headline Rate (%)	Change on Feb to Apr 2015	Change on May to Jul 2014
Employed	31,095	42	413			
Aged 16 to 64	29,930	43	361	73.5	0.1	0.7
Aged 65 and over	1,165	0	52			
Unemployed	1,823	10	-198	5.5	0	-0.6
Aged 16 to 64	1,799	6	-200			
Aged 65 and over	24	4	2			
Inactive	19,049	31	117			
Aged 16 to 64	8,993	-24	-65	22.1	-0.1	-0.2
Aged 65 and over	10,057	55	182			

Source: UK Office for National Statistics

4.2 First Estimates of EU28 current account Situation, July 2015

According to the statistical office of the European Union, EU28 seasonally adjusted external current account recorded a surplus of €12.0 billion in July 2015, compared with a surplus of €14.6 bn in June 2015 and a surplus of €4.6 bn in July 2014.

In July 2015, compared with June 2015, based on seasonally adjusted data, the surplus of the goods account decreased (+€8.7 bn compared with +€11.3 bn), as did the surplus of the services account (+€12.4 bn compared with +€14.1 bn). The deficit of the primary income account fell (-€2.4 bn compared with -€4.0 bn), while the deficit of the secondary income account remained nearly stable (-€6.7 bn compared with -€6.8 bn).

The 12-month cumulated current account for the period ending in July 2015 recorded a surplus of €138.4 billion, compared with €84.7 billion for the 12 months to July 2014. The surplus of the goods account grew (+€91.6 bn compared with +€25.0 bn) as did the surplus of the services account (+€156.8 bn compared with +€151.4 bn). The deficit of the primary income account grew (-€34.9 bn compared with -€14.7 bn), while the deficit of the secondary income account fell slightly (-€75.1 bn compared with -€77.0 bn).

Table 4
Balance of payments euro-indicators for the EU - monthly data, seasonally adjusted (bn €)

	2014						2015						
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Jul
EU28 current account balance	4.6	4.9	12.1	10.2	9.7	8.7	13.6	14.6	13	11.1	13.7	14.6	12
Balance of trade in goods	0.3	0.6	6.5	6.5	6.8	6.1	8.8	8.6	6.1	12	9.5	11.3	8.7
Balance of trade in services	12.2	12.3	12.9	12.9	12.7	13.3	14	15.2	14.8	8.1	14.2	14.1	12.4
Balance of primary income	1.9	-2.1	-1.8	-3.6	-4.6	-5	-2.6	-2.6	-0.7	-2.3	-3.3	-4	-2.4
Balance of secondary income	5.9	-5.9	-5.5	-5.5	-5.3	-5.7	-6.6	-6.6	-7.1	-6.7	-6.7	-6.8	-6.7

Source: The statistical office of the European Union

5. Data Appendix

Table 5
Latest Available Financial Information

Item	Sep. 04, 2015	Sep. 11, 2015	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,671.27	3,608.07	-1.72
Foreign Currency Assets of RBI (Rs. Billion)	21,859.71	22,009.44	0.68
Advances of RBI to the Central Government (Rs. Billion)	359.27	----	--
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	93.84	160.67	71.22
Foreign Exchange Reserves (US\$ Billion)	349.0	351.4	0.68

Source: RBI, Govt. of India

Table 6
BSE Sensex and NSE Nifty Index

Index	Sep.14, 2015	Sep. 18, 2015	Percentage Change
BSE SENSEX	25,706.9	26,218.9	2.0
S & P CNX NIFTY	7,811.1	7,981.9	2.2

Source: BSE India and NSE India

Table 7
Metals Market Spot Prices Index (Rs.)

		September 2015					Weekly Changes in %
		14 th	15 th	16 th	17 th	18 th	
Aluminium	1 KGS	106.1	106.3	106.3	106.8	107.1	0.9
Copper	1 KGS	359.1	352.0	355.4	359.5	359.5	0.1
Cotton	1 BALES	16710.0	16610.0	16520.0	0.0	16460.0	-1.5
Lead	1 KGS	110.6	110.5	112.6	113.1	111.4	0.8
Natural Gas	1 mmBtu	178.8	183.1	181.2	176.9	176.4	-1.3
Nickel	1 KGS	657.2	654.3	672.1	657.5	643.1	-2.1
Tin	1 KGS	1064.8	1038.0	1055.8	1035.8	990.5	-7.0
Zinc	1 KGS	117.1	112.6	113.2	112.7	112.0	-4.4
Gold	10 GRMS	25902.0	25859.0	25971.0	0.0	26377.0	1.8
Silver	1 KGS	34247.0	33995.0	34445.0	0.0	35746.0	4.4

Source: MCX

Table 8
Agri Commodities Market Spot Prices (Rs.)

		September 2015					Weekly Changes in %
		14 th	15 th	16 th	17 th	18 th	
Maize	100 KGS	1530.0	1540.0	1540.0	0.0	1540.0	0.7
Refined Soy Oil	10 KGS	588.6	593.3	595.9	0.0	601.7	2.2
Soyabean	100 KGS	3315.0	3310.0	3250.0	0.0	3250.0	-2.0
Wheat	100 KGS	1650.0	1650.0	1640.0	0.0	1650.0	0.0

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.

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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.

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.