



ASSOCHAM Economic Weekly
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1. Macroeconomy



1.1 All-India Consumer Price Index Numbers for Agricultural and Rural Labourers, July 2015

The All-India Consumer Price Index Numbers for Agricultural Labourers and Rural Labourers (Base: 1986-87=100) for July, 2015 increased by 2 points and 3 points to stand at 822 (Eight hundred and twenty two) points and 827 (Eight hundred and twenty seven) points respectively.

The rise/fall in index varied from State to State. In case of Agricultural Labourers, it recorded an increase between 1 to 10 points in 16 States and a decrease between 1 to 11 points in 4 States. Haryana and Karnataka States with 910 points topped the index table whereas Himachal Pradesh with 676 points stood at the bottom.

In case of Rural Labourers, it recorded an increase between 2 to 12 points in 16 States and a decrease of 6 and 11 points in 2 States. The index however remained stationary in 2 States. Haryana with 909 points topped the index table whereas Himachal Pradesh with 715 points stood at the bottom.

The Consumer Price Index Numbers of Tripura & West Bengal States in case of Agricultural Labourers registered the maximum increase of 10 points each and Tripura State in case of Rural Labourers registered the maximum increase of 12 points mainly due to increase in the prices of rice, wheat atta, pulses, mustard oil, fish fresh, onion, chillies green, vegetables & fruits and firewood. On the contrary, Index of Orissa State registered the maximum decrease of 11 points each for Agricultural Labourers and Rural Labourers due to decrease in the prices of rice, chira, pulses, groundnut oil, vegetables & fruits and sugar.

Point to point rate of inflation based on the CPI-AL and CPI-RL decreased from 4.46% and 4.70% in June, 2015 to 2.88% and 3.25% in July, 2015. Inflation based on food index of CPI-AL and CPI-RL is 1.15% and 1.40% respectively during July, 2015.

Table 1
All-India Consumer Price Index Number (General & Group-wise)

	Agricultural Labourers		Rural Labourers	
	June, 2015	July, 2015	June, 2015	July, 2015
General Index	820	822	824	827
Food	790	792	796	797
Pan, Supari, etc.	1210	1211	1222	1223
Fuel & Light	936	937	933	934
Clothing, Bedding & Footwear	818	821	828	832
Miscellaneous	794	800	792	798

Source: Ministry of Labour and Employment, Govt. of India

1.2 4th Advance production estimates of major crops during 2014-15

The Fourth Advance Estimates of production of major crops for 2014-15 is as under:

Ø **Foodgrains** – 252.68 million tonnes

- Rice – 104.80 million tonnes
- Wheat – 88.94 million tonnes
- Coarse Cereals – 41.75 million tonnes
- Maize – 23.67 million tonnes
- Pulses – 17.20 million tonnes
- Tur – 2.78 million tonnes
- Gram – 7.17 million tonnes

Ø **Oilseeds** – 26.68 million tonnes

- Soyabean – 10.53 million tonnes
- Groundnut – 6.56 million tonnes
- Rapeseed & Mustard – 6.31 million tonnes

Ø **Cotton** – 35.48 million bales (of 170 kg each)

Ø **Sugarcane** – 359.33 million tonnes

It may be noted that production of kharif crops during 2014-15 suffered due to bad monsoon. Unseasonal rains/hailstorm during Feb-March 2015 had significant impact on production of rabi crops. As a result of setback in kharif as well as rabi seasons, the production of most of the crops in the country has declined during 2014-15.

As per 4th Advance Estimates for 2014-15, total foodgrains production in the country is estimated at 252.68 million tonnes which is lower by 12.36 million tonnes than the last year's record foodgrains production of 265.04 million tonnes. Total production of rice is estimated at 104.80 million tonnes which is lower by 1.85 million tonnes than the last year's record production of 106.65 million tonnes. Production of wheat estimated at 88.94 million tonnes is lower by 6.91 million tonnes than the record production of 95.85 million tonnes achieved during 2013-14. Total production of Coarse Cereals estimated at 41.75 million tonnes is also lower by 1.54 million tonnes than their production during 2013-14.

Production of pulses estimated at 17.20 million tonnes is lower by 2.05 million tonnes than their production during the last year. With a decrease of 6.07 million tonnes over the last year, total production of oilseeds in the country is estimated at 26.68 million tonnes.

Production of sugarcane is estimated at 359.33 million tonnes which is higher by 7.19 million tonnes as compared to last year. Total production of cotton estimated at 35.48 million bales (of 170 kgs each) is marginally lower than last year but higher by 3.01 million bales than the average production of last 5 years. Production of jute & mesta is estimated at 11.45 million bales (of 180 kg each) which is marginally lower than their production during the last year.



2. Corporate Sector

2.1 Mineral Production during June 2015

The index of mineral production of mining and quarrying sector for the month of June (new Series 2004-05=100) 2015 at 121.7, was 0.3% lower as compared to June 2014. The cumulative growth for the period April- June 2015-16 over the corresponding period of previous year stands at (+) 0.7%.

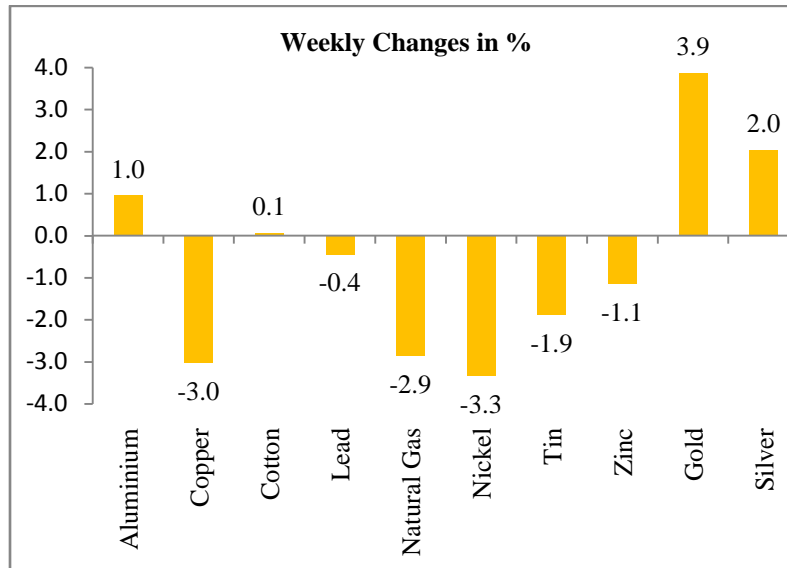
The total value of mineral production (excluding atomic & minor minerals) in the country during June 2015 was Rs. 18194 crore. The contribution of coal was the highest at Rs. 6662 crore (37%). Next in the order of importance were: petroleum (crude) Rs. 5636 crore, iron ore Rs. 1847 crore, natural gas (utilized) Rs. 2164 crore, lignite Rs. 516 crore and limestone Rs. 490 crore. These six minerals together contributed about 95% of the total value of mineral production in June 2015.

Production level of important minerals in June 2015 were: coal 465 lakh tonnes, lignite 39 lakh tonnes, natural gas (utilized) 2617 million cu. m., petroleum (crude) 31 lakh tonnes, bauxite 1524 thousand tonnes, chromite 220 thousand tonnes, copper conc. 10 thousand tonnes, gold 100 kg., iron ore 106 lakh tonnes, lead conc. 21 thousand tonnes, manganese ore 173 thousand tonnes, zinc conc. 130 thousand tonnes, apatite & phosphorite 171 thousand tonnes, limestone 249 lakh tonnes, magnesite 18 thousand tonnes and diamond 2678 carat.

The production of important minerals showing positive growth during June 2015 over June 2014 include 'apatite & phosphorite' (205.6%), 'chromite' (43.6%), 'lead conc.' (41.3%), 'zinc conc.' (27.5%), 'copper conc.' (13.7%), 'limestone' (3.4%) and 'coal' (2.2%). The production of other important minerals showing negative growth are: 'petroleum (crude)' [(-) 0.8%], 'iron ore' [(-) 5.9%], 'natural gas (utilized)' [(-) 7.4%], 'lignite' [(-) 8.7%], 'bauxite' [(-) 10.0%], 'manganese ore' [(-) 13.8%], 'magnesite' [(-) 24.7%], 'gold' [(-) 27.5%] and 'diamond' [(-) 31.9%].

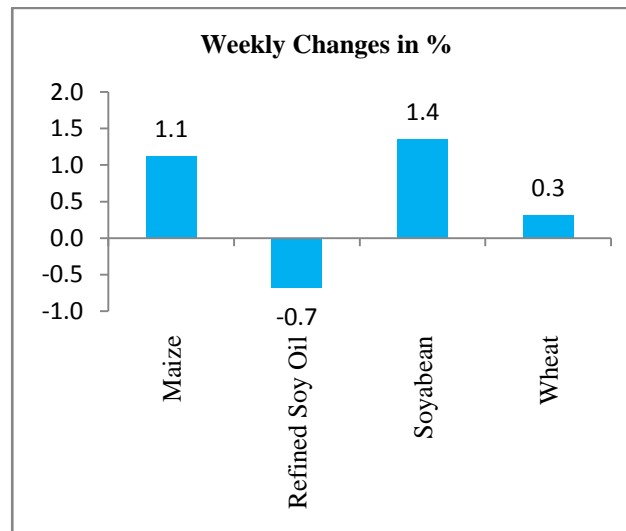
2.2 Basic Metals and Agriculture Commodities in Spot Market

Performance of Metals Market Spot Prices



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

Performance Agri Commodities Market Spot Prices

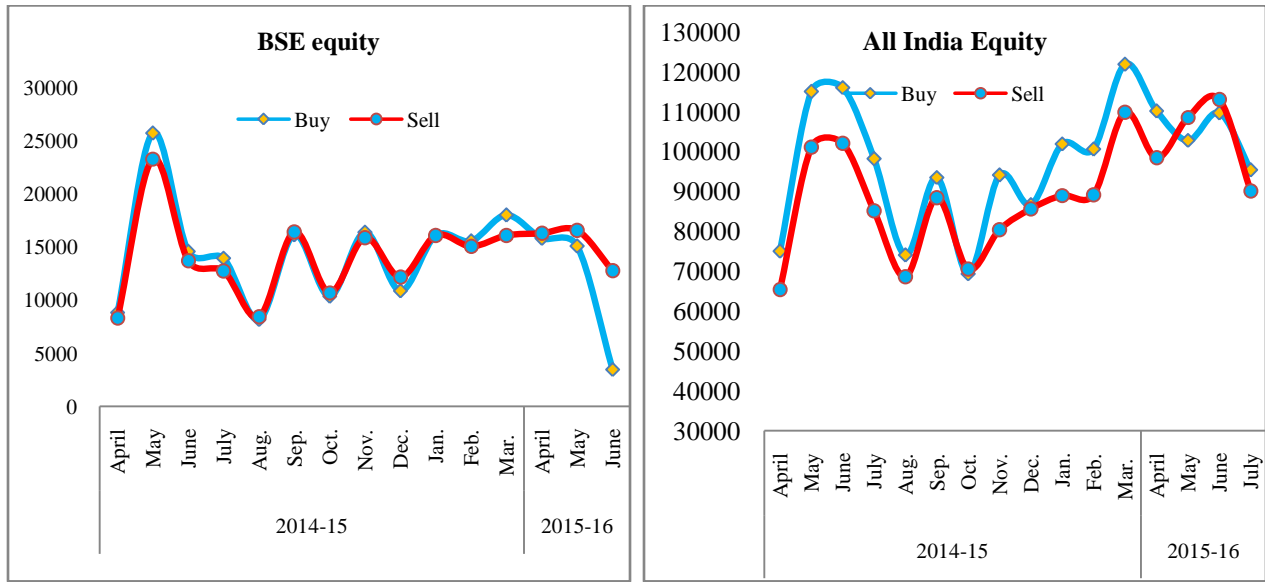


Source: MCX, ASSOCHAM Economic Research Bureau
 Note: For details please refer appendix

3. Market Trends

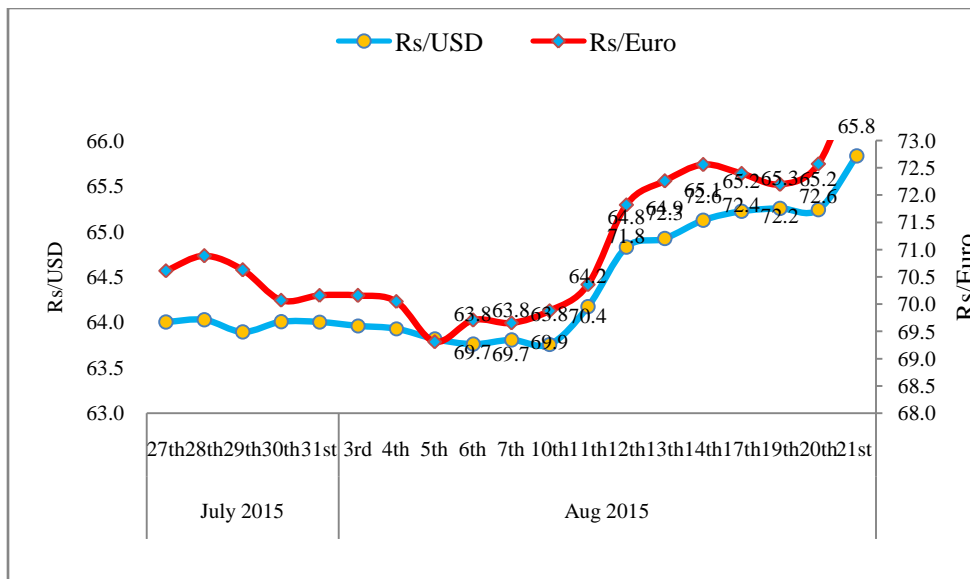


FII Equity Flows Equity (Rs. Crore)

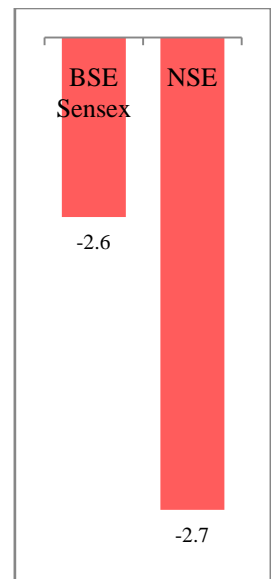


Source: BSE and ASSOCHAM Economic Research Bureau

Exchange Rate



Market Variation



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



4. Global Developments

4.1 EU28 Current Account Situation

The EU28 seasonally adjusted external current account recorded a surplus of €12.3 billion in June 2015, compared with a surplus of €13.3 bn in May 2015 and a deficit of €2.4 bn in June 2014, according to the statistical office of the European Union.

In June 2015, compared with May 2015, the surplus of the goods fell (+€7.9 bn compared with +€8.3 bn) and the deficit of the primary income account increased (-€2.9 bn compared with -€2.0 bn). The surplus of the services account slightly increased (+€14.5 bn compared with +€14.3 bn) and the deficit of the secondary income account slightly decreased (-€7.2 bn compared with -€7.3 bn).

The 12-month cumulated current account for the period ending in June 2015 recorded a surplus of €130.3 billion, compared with €87.5 billion for the 12 months to June 2014. The surplus of the goods account grew (+€77.0 bn compared with +€22.6 bn) and the surplus of the services account rose slightly (+€155.9 bn compared with +€153.4 bn). The deficit of the secondary income account fell slightly (-€75.5 bn compared with -€77.5 bn), while the deficit of the primary income account grew (-€27.0 bn compared with -€11.0 bn).

Table 2
Balance of payments euro-indicators for the EU
seasonally adjusted (bn €)

	EU28 current account balance	Balance of trade in goods	Balance of trade in services	Balance of primary income	Balance of secondary income
Jun 2014	2.4	2.6	13	2	10.8
Jul 2014	3.8	1.3	10.9	-2.3	-6.2
Aug 2014	6.1	2.5	12.3	-2.7	-5.9

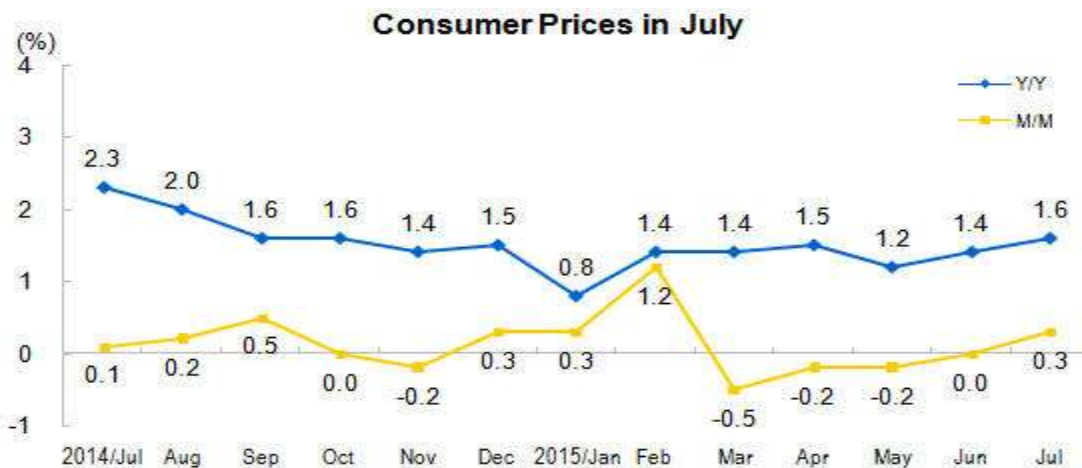
Sep 2014	9.5	5.7	12.8	-3.2	-5.8
Oct 2014	11.1	6.6	12.8	-3.6	-4.8
Nov 2014	10.8	7.5	12.8	-4.9	-4.7
Dec 2014	9.1	5.7	13.3	-5	-4.8
Jan 2015	18.8	11.8	14	0.1	-7.1
Feb 2015	17.3	9.1	15.2	0	-7
Mar 2015	8.7	0.8	14.8	0.6	-7.4
April 2015	9.5	9.8	8.2	-1.2	-7.2
May 2015	13.3	8.3	14.3	-2	-7.3
Jun 2015	12.3	7.9	14.5	-2.9	-7.2

Source: The statistical office of the European Union

4.2 China's Consumer Prices for July 2015

In July, the consumer price index (CPI) went up by 1.6 percent year-on-year. The prices grew by 1.7 percent in cities and 1.5 percent in rural areas. The food prices went up by 2.7 percent, and the non-food prices increased 1.1 percent. The prices of consumer goods went up by 1.4 percent and the prices of services grew by 2.2 percent. On average from January to July, the overall consumer prices were up by 1.3 percent over the same period of the previous year.

In July, the consumer prices went up by 0.3 percent month-on-month. Of which, prices increased 0.3 percent in cities and 0.3 percent in rural areas. The food prices went up by 0.7 percent, and the non-food prices went up by 0.1 percent. The prices of consumer goods increased 0.2 percent, and the prices of services increased 0.5 percent.



Source: National Statistical Bureau of China

5. Data Appendix

Table 3
Latest Available Financial Information

Item	Aug. 07, 2015	Aug. 14, 2015	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,684.10	3,608.57	-2.05
Foreign Currency Assets of RBI (Rs. Billion)	21,262.17	21,736.05	2.23
Advances of RBI to the Central Government (Rs. Billion)			
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	278.33	297.58	6.92
Foreign Exchange Reserves (US\$ Billion)	353.3	354.4	0.31

Source: RBI, Govt. of India

Table 4
BSE Sensex and NSE Nifty Index

Index	Aug. 17, 2015	Aug.21, 2015	Percentage Change
BSE SENSEX	28,093.5	27,366.1	-2.6
S & P CNX NIFTY	8,530.5	8,300.0	-2.7

Source: BSE India and NSE India

Table 5
Metals Market Spot Prices Index (Rs.)

Products	Unit	August 2015					Weekly Changes in %
		17 th	18 th	19 th	20 th	21 st	
Aluminium	1 KGS	99.4	99.9	99.3	100.7	100.3	1.0
Copper	1 KGS	337.6	333.8	328.9	327.4	327.4	-3.0
Cotton	1 BALES	16130.0	16090.0	16050.0	16070.0	16140.0	0.1
Lead	1 KGS	111.9	109.4	110.5	111.3	111.4	-0.4
Natural Gas	1 mmBtu	182.4	177.9	176.4	177.2	177.2	-2.9
Nickel	1 KGS	688.4	671.9	673.9	677.7	665.4	-3.3
Tin	1 KGS	1019.0	1059.8	1022.8	1026.0	999.8	-1.9
Zinc	1 KGS	118.0	115.7	115.9	118.3	116.6	-1.1
Gold	10 GRMS	25804.0	25919.0	25853.0	26351.0	26802.0	3.9
Silver	1 KGS	35504.0	35529.0	34751.0	35918.0	36229.0	2.0

Source: MCX

Table 6
Agri Commodities Market Spot Prices (Rs.)

Products	Unit	August 2015					Weekly Changes in %
		17 th	18 th	19 th	20 th	21 st	
Maize	100 KGS	1424.0	1425.0	1430.0	1425.0	1440.0	1.1
Refined Soy Oil	10 KGS	619.5	614.2	613.8	613.6	615.3	-0.7
Soyabean	100 KGS	3310.0	3343.5	3365.0	3360.0	3355.0	1.4
Wheat	100 KGS	1580.0	1580.0	1580.0	1585.0	1585.0	0.3

Source: MCX

ASSOCHAM Economic Research Bureau

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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

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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.