



Update on Indian Economy

January 2007

Economic Snapshot

Contents	Item	Units	December	November	December	(% Change	
			2006	2006	2005	[1] / [2]	[1]/[3]
			[1]	[2]	[3]	[4]	[5]
- Editorial	WPI -Index*	1993-94=100	207.7	208.9	197.2	-0.57	5.3
- Capital Market	WPI -Inflation**	Per cent	5.3	5.3	4.5	-	-
- Country : Italy		Week ended	09.12.06	11.11.06	10.12.05		
- Other Markets	IIP (93-94=100)	2 months lag	237.7 (Oct.06)	242.2 (Sep.06)	221.3 (Oct.05)	-1.86	7.41
- Important Policy Pronouncements	INR / US\$	Month End	44.23	44.76	45.07	-1.18	-1.86
	M3	Rs. '000 Cr.	3029.38	2965.79	2518.62	2.14	20.28
	[i] Agg. Deposits	Rs. '000 Cr.	2568.40	2510.85	2124.89	2.29	20.87
	[ii] Currency	Rs. '000 Cr.	460.98	454.94	393.73	1.33	17.08
		(Outstanding as on)	08.12.06	10.11.06	9.12.05		
	Call Money	% Range	5.00-8.50	5.75-7.70	4.50-6.50	-	-
	(Lendings)	Week ended	15.12.06	17.11.06	16.12.05		

Source: RBI Weekly Statistical Supplement Dec. 29, 2006 / Dec. 30, 2005 & Economic & Political Weekly December 23, 2006, *All Commodities. **Over the year.

Editorial

A) Domestic

According to the data, the overall index of industrial production during April-October (seven-months) of 2006-07 increased by 10.3 per cent as compared to 8.6 per cent in the first seven months of 2005-06; the manufacturing recorded 11.2 per cent rise, power generation increased by 7.1 per cent and mining output went up to 3.4 per cent as against 9.7 per cent, 5.2 per cent and 0.9 per cent, respectively during the corresponding period of 2005-06.

Index of Industrial Production

Sector (weight)		April-June		April-September		April-October	
		2005-06	2006-07	2005-06	2006-07	2005-06	2006-07
1.	Mining (104.73)	4.3	3.5	1.1	3.1	0.9	3.4
2.	Manufacturing (793.58)	11.2	11.2	9.5	12.1	9.7	11.2
3.	Electricity (101.69)	7.7	5.1	4.8	6.6	5.2	7.1
4.	IIP (General) (1993-94=100)	10.4	10.1	8.5	10.9	8.6	10.3

All figures in percentages

The Index of Six core-infrastructure industries having a combined weight of 26.7 per cent registered a growth of 7.5% during April-October of 2006-07 as against 5.2% during the corresponding period of 2005-06.

Six-Core Industries : Production

		Weight (%)	April-Oct 2005-06	April-Oct 2006-07
1.	Crude Petroleum	4.17	-5.3	4.9
2.	Petroleum Refinery Products	2.00	-0.9	13.1
3.	Coal	3.22	6.0	4.7
4.	Electricity	10.17	5.2	7.1
5.	Cement	1.99	11.0	9.9
6.	Finished steel (carbon)	5.13	9.2	7.3
	Overall	26.68	5.2	7.5

Source of data: Concerned Ministries/Departments/Organization(s)

In a recent meet in New Delhi, the Prime Minister, Dr. Manmohan Singh, outlined the challenges that India faces in turning into a developed nation. He enumerated five challenges: (i) Revitalisation of the rural economy, (ii) more efficient delivery of the essential public services, (iii) improved management of urban areas, (iv) more financial inclusion, and (v) a regulatory culture that allows for cost effective private investment in infrastructure. Overcoming these challenges, he said, would enable India to move into the league of developed nations and which would lead to a faster and more sustained economic growth. Inclusive as the list is, it is important to disaggregate the challenges in the light of their impact on growth so that policy becomes more effective by moving beyond rhetoric.

Although 60 per cent of the population depends on agriculture, the sector contributes only 20 per cent to GDP with the ever-present danger that its share may decline to 15 per cent. It is therefore, necessary that the sector should be given encouragement. The Prime Minister has rightly called for a “revitalization” of the rural economy.

B) International

The World Bank’s Global Economic Prospects reiterates what many other think tanks have said before: we are in the midst of an unparalleled economic boom. Though the pace of expansion may be slow over the next two years, global economic growth will be faster in the next 25 years than in the previous quarter century. More important, this growth will be powered increasingly by developing countries whose per capita incomes will rise 3.1% a year, up a whole percentage point from the earlier period. In absolute terms, this will take the per capita incomes in the developing world to \$11,000 by 2030, which is now comparable with the per capita incomes in the Czech and Slovak republics. Not surprisingly, poverty will decline with numbers below the \$1 a-day poverty line halving to 550 million, despite the increase in population over the period.

Capital Market Review

During the month of December 2006, the Sensex reflected high volatility. It moved from 13,696.31 on November 30 and closed at 13,786.91 on December 29, 2006 which was the last trading day of the month. In terms of movement the index registered a small rise of 90.6 points.

	December	November	December	November	(% Change		
	2006	2006	2005	2005	[1] / [2]	[1] / [3]	[2] / [4]
	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Major Indices							
BSE Sensex – Close	13786.91 (29.12.06)	13696.31 (30.11.06)	9323.25 (29.12.05)	8788.81	0.66	47.88	55.84
Monthly High	13972.03 (07.12.06)	13773.59 (27.11.06)	9442.98 (23.12.05)	9033.99	1.44	47.96	52.46
Monthly Low	12995.02 (12.12.06)	13033.04 (01.11.06)	8815.53 (06.12.05)	8768.80	(0.29)	47.41	48.63
S&P CNX Nifty –Close	3966.40	3954.50	2821.95	2652.25	0.30	40.56	49.10
P/E Ratio : BSE – 30	22.76	22.69	18.51	17.23	0.31	22.96	31.69
FII Investments (Equity+ Debt)							
Inflows – Rs. Cr.	44207.1	54858.80	33,548.00	23499.90	(19.42)	31.77	133.44
Outflows – Rs. Cr.	46972.9	44672.60	25,187.40	21625.90	5.15	86.49	106.57
Net – Rs. Cr.	(2766)	10186.5	8,360.60	1874.20	(127.15)	(133.08)	443.51
Cum. Net Inv–US\$ Mn. (Month End)	50420.6	51019.7	41,545.70	39714.30	(1.17)	21.36	28.47

During the month, the net cumulative investment by the FIIs declined by US\$ 0.6 billion but compared to the position at the end of December 2005 i.e. last year the net cumulative investment by the FIIs increased by US\$ 8.9 billion.

The Indian stock market was hammered down in line with other Asian emerging markets mainly due to Thailand making a move to curb sharp rise of its local currency (baht) against the dollar by prescribing a one year lock-in for investment. This resulted in the BSE sensex coming down by 349.08 points i.e. within 2.4% at 13,382 on December 19, 2006. At one time during the intra-day trading the index plunged down to almost 500 points before recouping some of the losses. However, the Indian markets recovered on Wednesday December 20, 2006. The one year lock-in for forex inflows was mainly to reign in appreciation of baht against US dollar.

Before the year 2006 and 2007 closes two of the Indian banks in public sector are likely to come to the market through their IPOs. Further, the Government decided to limit the size of IPOs of four State run power corporations, viz, Power Finance Corporation (PFC), National Hydroelectric Power Corporation (NHPC), Rural Electrification Corporation (REC) and Power Grid Corporation of India (PGCIL) to 10% of their post-issue capital in the first phase and this process of raising resources through IPOs by these four Corporations is likely to be completed by March 2007.

Also, Infosys Technology floated the second sponsored ADR issue to transfer yet big chunk of domestic ownership to financial investors. Infosys Technology Ltd., the only listed Company from India, is being included in NASDAQ-100 Index with effect from December 18, 2006. This is the proud moment for the Indian company as well as India as the companies that are leaders in diverse range of industries globally only get included in this prestigious index.

Investment guru, Mr. George Soros has expressed that India need not immediately make the rupee fully convertible and that the capital controls presently in place are considered sufficient to avert any financial crises.

The Securities and Exchange Board of India (SEBI) has set the deadline for demat account holders to submit PAN card details by December 31, 2006. NSDL has around 77 lakh demat accounts registered with it. Out of this, about 28 lakh accounts are yet to submit (PAN) details. The same is the case with CDSL. There is, therefore, a need for SEBI to extend this dead line to march 31, 2007 to enable the demat account holders to comply with this requirement.

Country - Italy

I. Introduction

Italy which is at the forefront of the European Economic and political unification joined the Economic and Monetary Union in 1999. It is a charter member of NATO and the European Economic Community (EEC), which has a population of 58 million estimated in July 2006. It has working population in the age group of 15-64 years is 66.5%, and the dependent population of 0-14 years is 13.8%. The population of Senior Citizen of 65 years and over is 19.7% i.e. close to 1/5th of the total population. Life expectancy at birth is 79.8 years and total fertility is 1.28 children born per woman despite the fact that 90% of the population is Roman Catholic.

II. Italian Economy : Overview

Italy has a diverse industrial economy with its GDP at purchasing power parity (PPP) of US\$ 1,667 billion and its GDP per capita again on PPP basis is estimated at US\$ 28,700. Sectorwise GDP originating in industries 29.1%, agriculture 2.1% and the remaining 68.8% is accounted for by services. Its commodities exports during 2005 on FOB basis is US\$ 372 billion and commodities imports on FOB basis is US\$ 369 billion with the result the country enjoys a near trade surplus of just about 3 billion. Its main partners in exports are Germany, France, US, Spain and UK and its import partners are Germany, France, Netherlands, China, Belgium and Spain.

Because the country is member of the European Monetary Union its common currency is euro effective from on 1 January 1999 which is to be used by Financial Institutions among the member countries and effective 1 January 2002, the euro became the sole currency for everyday transactions within the member countries.

III. India-Italy Trade :

Indian exports to Italy were US\$ 1.1 billion in 1999-2000 which constituted 3.04% of total Indian export of US\$ 36.8 billion. In 2002-03, Indian exports to Italy rose to US\$ 1.4 billion but its share in relation to total export of US\$ 52.7 billion declined to 2.6%. Subsequently, while exports has risen to US\$ 2.5 billion in 2005-06 i.e. by 78.6 % in four years but in terms of the share it declined to 2.42% in 2005-06.

Table : India's Trade with Italy : Exports & Imports

(US\$ Million)

Year (April- March)	India's Exports		India's Imports		Share (percent) of total Indian		Total Trade with Italy (1+3)	India's Total Trade (2+4)
	to Italy (US \$ mn)	Total (US \$ mn)	from Italy (US \$ mn)	Total (US \$ mn)	Exports to Italy	Imports from Italy		
	1	2	3	4	5	6	7	8
1999-00	1120	36,822	735	49,671	3.04	1.48	1855	86,493
2000-01	1309	44,560	724	50,537	2.94	1.43	2033	95,097
2001-02	1267	43,827	705	51,413	2.75	1.37	1912	95,240
2002-03	1357	52,719	812	61,412	2.57	1.32	2169	114,131
2003-04	1729	63,843	1071	78,149	2.71	1.37	2800	141,992
2004-05	2286	83,536	1373	111,517	2.74	1.23	3659	195,053
2005-06	2490	102,725	1829	142,416	2.42	1.28	4319	245,141

Source: RBI: Handbook of Statistics on the Indian Economy, 2005-06

Imports from Italy were just US\$0.7 billion in 1999-2000, and these continued to remain less than US\$ 1 billion till 2002-03. It was in 2003-04 when imports from Italy crossed US\$ 1 billion mark. In 2005-06, imports from Italy were US\$ 1.8 billion, the share of imports from Italy to Indian total imports which was 1.48% in 1999-2000 steadily declined to 1.23% in 2004-05 but rose nominally to 1.28% in 2005-06. India's total trade with Italy has been gradually rising from US\$ 1.9 billion in 1999-2000 to US\$ 4.3 billion in 2005-06. As Italy's total trade (export plus imports) is US\$ 741 billion India's trade of just US\$ 4 billion with Italy works out to about 0.5%, and therefore there is a greater scope for trade growth with that country in future.

IV. Issues in Italian Economy :

The Italian economy has changed dramatically since the end of World War II. From an agriculturally based economy, it has developed into an industrial state ranked as the world's sixth-largest market economy. Italy belongs to the Group of Eight (G-8) industrialized nations; it is a member of the European Union and the Organization for Economic Cooperation and Development (OECD).

- Italy has few natural resources. With much land unsuited for farming, Italy is a net food importer. There are no substantial deposits of iron, coal, or oil. Proven natural gas reserves, mainly in the Po Valley and offshore Adriatic, constitute the country's most important mineral resource. Most raw materials needed for manufacturing and more than 80% of the country's energy sources are imported. Italy's economic strength is in the processing and the manufacturing of goods, primarily in small and medium-sized family-owned firms. Its major industries are precision machinery, motor vehicles, chemicals, pharmaceuticals, electric goods, and fashion and clothing.
- Italy is in the midst of a slow economic recovery from the aftermath of September 11, 2001, and the global economy's tailspin. While Italy's economic growth averaged only 0.66% for the last five years, 2006 GDP growth should reach 1.5%, largely due to growth in the Euro zone area.

- Italy continues to grapple with excessive budget deficits and high public debt--4.3% and 108% of GDP expected in 2006, respectively. Italy joined the European Monetary Union in 1998 by signing the Stability and Growth Pact, and as a condition of this Euro Zone membership, Italy must keep its budget deficit beneath a 3% ceiling. In June 2006, the European Commission warned Italy it must bring the deficit down to that level by 2007. Italy must either cut its spending dramatically and/or raise new revenue; most such measures will require real political will and buy-in from the Italian public. The rise in public debt has also caused some credit rating agencies to lower Italy's sovereign debt rating.
- Italy's closest trade ties are with the other countries of the European Union, with whom it conducts about 54.4% of its total trade (2002 data). Italy's largest EU trade partners, in order of market share, are Germany (15.5%), France (11.6%), and the United Kingdom (5.9%). Italy continues to grapple with the effects of globalization, where certain countries (notably China) have eroded the Italian lower-end industrial product sector.
- The Italian economy is also affected by a large underground economy--worth some 27% of Italy's GDP. This production is not subject, of course, to taxation and thus remains a source of lost revenue to the local and central government.

Table : Italy - Important Macro-Economic Indicators

	(Percentage growth)					
	2001	2002	2003	2004	2005	2006
I. Real Sector (change in percent)						
1. Real GDP	1.8	0.4	0.3	1.2	0.1	1.5
2. CPI (average)	2.3	2.6	2.8	2.3	2.3	2.3
3. Gross National Saving (in percent of GDP)	19.6	19.2	18.1	18.9	18.5	19.2
4. Gross domestic investment (in percent of GDP)	19.7	20.0	19.5	19.8	20.4	21.1
II Interest rates (in percent)						
5. 6-month interbank rate 4/	4.3	3.3	2.3	2.1	2.2	-
6. Government bond rate, 10 year 5/	5.2	5.0	4.2	4.3	3.7	-
III Balance of payments (in percent of GDP, unless otherwise noted)						
7. Trade balance	1.4	1.1	0.8	0.7	-0.3	-0.4
8. Exports of goods and services	24.8	24.8	28.4	32.3	33.2	32.8
9. Imports of goods and services	23.6	24.0	27.8	31.3	33.7	33.4
IV Exchange rate regime	Member of EMU					
10. Euro per U.S.dollar (21.12.05)	0.85					
11. Nominal effective rate (2000=100) 5/	100.4	101.6	105.8	107.2	106.4	-
12 Real effective rate (2000=100) 5/ 6/	101.1	104.2	111.4	113.7	110.2	-

Source : Italian authorities; IMF International Financial Statistics ; World Bank, World Development Indicators; Bloomberg; Eurostat; and Fund staff estimates and projections.

1/ Staff estimates and projections, unless otherwise noted

2/ Twelve-month credit growth, adjusted for securitization. Data for 2005 refer to April

3/ Excludes currency in circulation held by non-bank private sector. 2005 data refers to July.

4/ Data for 2005 refer to October; 5/ Data for 2005 refer to November; 6/ Based on CPI.

V. India-Italy : Economic Relations :

The Indo-Italy relationship is growing from time to time. The Indo-Italian Cooperation meeting was held on 5 June 1996. Initially, the Italian side committed 100 billion Italian Lire for two projects as under :

(a) Credit Line to NSIC

50 billion Lire of the committee sum of Lire 100 billion was given for establishing an open credit line for financing supplies of capital goods and related technical assistance for the development of the Indian Small and Medium Enterprises and was provided to National Small Industries Corporation Ltd. (NSIC).

(b) Water Supply and Solid Waste Management Project in West Bengal:

Lire 50 billion is used for financing for which DEA has exchanged a Note Verbale on 5 February 2003 with Embassy of Italy.

Further, the amount of GDI inflows from Italy have reached at US\$ 485 Million from August 1991 to December 2005.

- Minister of Commerce and Industry, Shri Kamal Nath paid an official visit to Italy from 5-8 November 2006, and called on the President of Italy, Mr. Giorgio Napolitano and he called on the Italian Minister for International Trade Mrs. Emma Bonino and the President of the Confederation of Italian Industry (Confindustria) Mr. Luca Cordeo di Montezemolo wherein 10 CEOs of top Indian companies were also present.
- Indian Minister mentioned that positive economic scenario exist in India and there are opportunities for deepening bilateral economic relations between the two countries and particularly an existence on the scope for investments in Small and Medium Enterprises (SMEs). In a major initiative, the 17th session of the India-Italy Joint Commission for Economic Cooperation, it was agreed to focus efforts at building stronger commercial links in the sectors such as textiles, garments, leather goods, auto components, gems & jewellery sectors, combining Italian strengths in design and technology with India's manufacturing competencies and human resource skills.
- It was also decided to set up a Joint Working Group (JWG) on Infrastructure in the first meeting of the JWG schedule in January 2007. After meeting of the group the Italian Prime Minister Prodi, is scheduled to lead business delegation to visit India in February 2007.

Other Markets

Debt Market

During the month of November 2006 issues in the primary debt market were largely from banks, and another large issue of Rs.600 crore in the form of unsecured debentures was from Power Finance Corporation Ltd. as per the table below :

Name of the Issuer	Rate %	Duration	Rating	Amount Rs. Crore	Type of Instrument
(a) Banks :					
Federal Bank Ltd.	9.25	10 years	AA	200a	Lower Tier-II bonds
Industrial Development Bank of India Ltd.	8.85	10 years	AA+	350e	Lower Tier-II bonds
Oriental Bank of Commerce	9.40g	Perpetual	AA+	250	Perpetual bonds
UTI Bank Ltd.	9.35g	15 years h	AA	200h	Upper Tier II bonds
(b) Others					
Housing and Urban Development Corporation Ltd	9.05-8.65d 8.75c	10 years d	AA.	200d	Unsecured debentures
Infrastructure Development Finance Co. Ltd.	8.60	5 years	AAA	200f	Bonds
Power Finance Corporation Ltd.	8.38	3 years	AAA	150i	Unsecured debentures
	8.78	10 years		300e	

<i>a With a greenshoe option for an additional Rs.250 crore</i>	<i>f With option to retain unspecified amount.</i>
<i>b 10-year with a 3-year put/call option</i>	<i>g With a 50 basis points increase after the 10th year</i>
<i>c 10-year with a 5-year put/call option</i>	<i>h With a call option at the end of the 10th year.</i>
<i>d With and without put/call options</i>	<i>i With greenshoe option to retain an additionalRs150 crore</i>
<i>e With an unspecified greenshoe option</i>	

(Source : Credit Analysis & Research Ltd. December 2006)

Call Money Market

The call money market rate on December 15, 2006 in respect of borrowings ranged between 5.00% and 8.50% as compared to the rates of 4.50% - 6.50% on December 16, 2005 (i.e. a year ago) reflecting that there was a hardening of the interest rate during the year. The average daily turnover in the call money market was Rs.14,095 crore for the week ending December 15, 2006 and this daily turnover declined to Rs.12,048 crore in the week ending December 22, 2006.

Foreign Exchange Market

The exchange rate (RBI reference rate) on December 22, 2006 was Rs.44.59 per US dollar as compared to Rs.44.79 per US dollar on December 18, 2006, that is, a week ago; this reflected slight appreciation of the rupee vis-a-vis US dollar. Further, the six month forward premia was 3.66% on December 22, 2006 as compared to a premium of 2.95% on December 18, 2006 (a week ago), and this reflects that supply of dollars is likely to remain relatively tight in the forthcoming weeks. The foreign currency asset were US \$ 169.19 billion on December 22, 2006, and inclusive of gold and SDRs and the reserve position in the Fund, the foreign exchange reserves aggregated to US\$ 176.23 billion. From end-March 2006, the foreign exchange reserves registered a rise of US\$ 24.61 billion. The market rate (buying) was Rs.44.30 per US dollar on December 29, 2006.

Important Policy Pronouncements

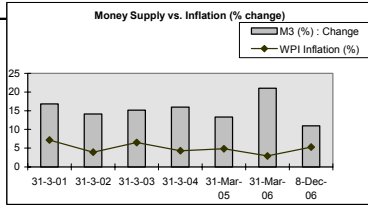
The Reserve Bank of India has come out with guidelines whereunder resident individuals can now remit up to US\$ 50,000 per financial year (April-March) as against the earlier limit of US\$ 25,000 announced in the Mid-Term Review of Annual Policy Statement, 2006-07 in October 2006. The remittance covers any current or capital account transactions or a combination of both which includes remittances towards gift and donations by a resident individual, investment by resident individuals in overseas companies.

1. The Union Finance Minister, Shri P. Chidambaram has said that the Government is considering a proposal to allow a deduction on investments up to Rs.1 lakh in bank deposits with a tenure of three years under Section 80C of the Income Tax Act instead of 5 years announced in August 2006.
2. Besides, the Government is also likely to raise the ceiling for tax deduction at source (TDS) on interest income from fixed deposits in state-owned banks to Rs.10,000/- from Rs.5,000/-.

Immediately after the announcement of the Monetary Policy Statement on 31st October 2006, the Reserve Bank of India announced increase in the Cash Reserve Ratio (CRR) for banks from 5% to 5.50% mainly to moderate the credit growth by the banking system. The announcement on December 8th, 2006 indicated that CRR would go up by 50 basis points to 5.5% in two stages and would absorb Rs.13,500 crore of bank fund from the banking system. As per the announcement CRR would go up from 5% to 5.25% effective December 23, 2006 and then another by 25 basis points from 5.25% to 5.5% from January 6, 2007.

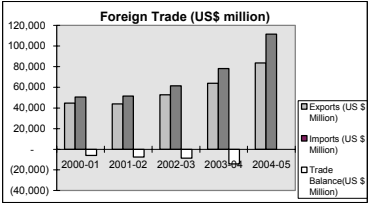
The increase in CRR impacted especially on the stocks of banks leading to sharp fall in the sensex from 13,799.49 on December 8, 2006 and 13,399.43 on December 11, 2006 to 12,995.02 on December 12, 2006. Underlying the increase in CRR was the view that recent increase in inflation was due to rapid credit growth and rise in prices of primary products.

The Textile Ministry has mooted establishment of 24 new textile parks, increasing the total number of such parks to 50. The 24 new parks would require an estimated investment of over Rs.1,000 crores. The proposal is part of the draft plan to raise the Country's share of global textiles trade to 10% by 2015 from the current level of 4%. A medium term target of 7% has been set for 2012. The textile ministry has already approved 26 textile parks under the Scheme for Integrated Textile Parks (SITP). Many of the parks are at various stages of implementation.



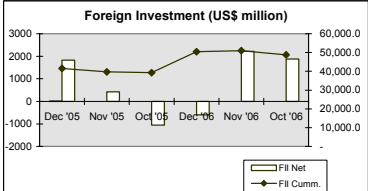
	31-3-01	31-3-02	31-3-03	31-3-04	31-Mar-05	31-Mar-06	8-Dec-06
M3 (Rs. Crore)	13,13,220	14,98,355	17,25,222	20,03,102	22,53,938	27,29,535	30,29,376
M3 (%) : Change	16.82	14.1	15.14	15.95	13.30	21.00	10.99
WPI (Index) All Commodities#@	155.7	161.8	172.30	180.30	189	197.2*	207.7*
WPI Inflation (%)	7.16	3.92	6.49	4.29	4.83	2.91	5.32

Source: RBI Bulletin December 2006; WSS: December 29, 2006 #1993-94=100@year/month-end. *December 10,2005 **December 09, 2006



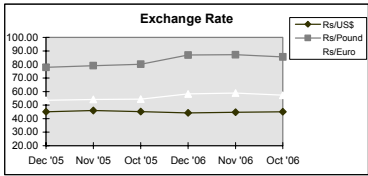
During the Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	April-Nov 2006*
Exports (US \$ Million)	44,560	43,827	52,719	63,843	83,536	103,091	79,587
Imports (US \$ Million)	50,537	51,413	61,412	78,149	111,517	149,166	115,631
Trade Balance (US \$ Million)	(5,977)	(7,586)	(8,693)	(14,306)	(27,981)	(46,075)	(36,044)

Source: RBI Bulletin, November 2006 : Revised figures for 2000-01 to 2005-06 (April-March)
*DGC&S data for April to November 2006



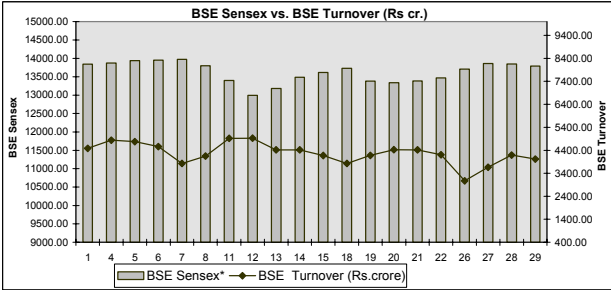
	2005-06 (US\$ million)			2006-07 (US\$ million)		
	Dec '05	Nov '05	Oct '05	Dec '06	Nov '06	Oct '06
FII Net	1,831.0	419.8	(1,053.8)	(599.2)	2,213.1	1,878.5
FII Cum.	41,545.7	39,714.3	39,294.6	50,420.6	51,019.7	48,806.8

Source: SEBI - Diff. in total figures are due to rounding off.



	2005-06			2006-07		
	Dec '05	Nov '05	Oct '05	Dec '06	Nov '06	Oct '06
Ra/US\$	45.07	45.94	45.11	44.23	44.76	45.02
Ra/Pound	77.89	79.07	80.09	86.91	87.21	85.56
Ra/Euro	53.55	54.16	54.43	58.26	58.93	57.24

Figures are for month-end



Dec 2006	BSE Sensex* Close	BSE Turnover (Rs. crore)
1	13844.78	4485.00
4	13874.33	4842.00
5	13937.65	4779.00
6	13949.00	4564.00
7	13972.03	3824.00
8	13799.49	4148.00
11	13399.43	4920.00
12	12995.02	4931.00
13	13181.34	4421.00
14	13487.16	4415.00
15	13614.52	4174.00
18	13731.09	3829.00
19	13382.01	4183.00
20	13340.21	4424.00
21	13384.86	4417.00
22	13471.74	4210.00
26	13708.34	3073.00
27	13859.69	3664.00
28	13846.34	4193.00
29	13786.91	4015.00



Annexure 1 : Select International Economic Indicators for Developed Industrialised Countries And India

Country	3-Month Money Mkt		CPI		Currency unit per US \$		Union Budget	Real Rate	Currency
	As on	A Year ago	3- Month	A Year ago	As on	A Year ago	(+) / (-)	(Short-term)	unit per Euro
	18.12.06				18.12.06		% of GDP 2005	(1-3)	18.12.06
	1	2	3	4	5	6	7	8	9
Euro-11	3.70	2.48	1.90	2.30	0.76	0.85	-2.10	1.80	1.00
			Nov						
U. S. A.	5.25	4.23	2.00	3.50	1.00	1.00	-2.30	3.25	1.32
			Nov						
Britain	5.27	4.59	2.70	2.10	0.51	0.58	-3.00	2.57	0.67
			Nov						
Japan	0.44	0.02	0.40	-0.80	117.00	117.00	-4.60	0.04	155.00
			Oct						
Sweden	2.94	1.68	1.70	0.80	6.81	7.98	2.90	1.24	9.02
			Nov						
Switzerland	2.04	0.99	0.50	1.00	1.20	1.32	0.20	1.54	1.59
			Nov						
India*	7.10 ^{^^}	6.03 ^{^^^}	#7.17	#4.59	45.01	44.90	-3.80	-0.07	57.35
	(December 22, 06)	(December 23, 05)	(October 06 over October 05)	(2005-06 over 2004-05)	(November 17, 06)	(November 13, 06)	(2006-07)		

Source: The Economist London: December 23rd, 2006 - January 5th, 2007

For India, RBI Weekly Statistical Supplement, (WSS), December 29, 2006 and Union Budget 2006-07

For India, RBI Bulletin, November 2006; ⁱⁱ CPI - (IUNW)

^{^^} Implicit yield 91 day 7 BS on date of issue (December 22, 2006)

^{^^^} Implicit yield 91 day 7 BS on date of issue (December 23, 2005)

Annexure 2 : Important Indicators for Select Emerging Market Countries

Country	GDP	Industrial Production	Consumer Prices	Short-term Interest Rates	Foreign Exchange Reserves*	Exchange Rate			Trade Balance	Current Account
	% change on earlier year			% p. a.	US \$ Billion	per US\$		per Euro	Latest 12 Months	
	1	2	3	4	5	6	7	8	9	10
	18.12.06	18.12.06	18.12.06	18.12.06	18.12.06	a year ago	18.12.06		\$ Billion	
China	10.4	14.9	1.9	2.88	987.9	7.82	8.07	10.29	168.3	160.8
	Q3	Nov	Nov		Sept				Nov	2005
Hongkong	6.8	-0.6	2.0	3.97	132.7	7.77	7.75	10.22	-16.7	18.6
	Q3	Q3	Oct		Nov				Oct	Q2
India	9.2	6.2	7.3	6.63	168.4	44.70	45.00	58.82	-45.0	-13.2
	Q3	Oct	Oct		Nov				Oct	Q2
Indonesia	5.5	6.3	5.3	9.82	40.1	9087.0	9855.0	11956.58	38.3	4.1
	Q3	Sept	Nov		Nov				Oct	Q2
Malaysia	5.9	-0.8	3.1	3.73	79.3	3.56	3.78	4.68	28.4	20.0
	Q3	Oct	Oct		Oct				Oct	Q2
Singapore	7.2	1.5	0.4	3.44	135.3	1.55	1.66	2.04	35.2	39.0
	Q3	Oct	Oct		Nov				Nov	Q3
South Korea	4.6	4.6	2.2	4.73	234.3	927.0	1016.0	1219.74	16.7	4.0
	Q3	Oct	Nov		Nov				Nov	Oct
Taiwan	5.0	1.1	0.2	1.84	265.1	32.60	33.20	42.89	22.0	26.3
	Q3	Oct	Nov		Nov				Nov	Q3
Thailand	4.7	5.4	3.5	5.20	60.7	35.90	41.00	47.24	-0.1	2.0
	Q3	Oct	Nov		Oct				Oct	Oct

Source: The Economist London: December 23rd, 2006 - January 5th, 2007

@For India, RBI WSS: December 29, 2006

Note: Quotes for currency units per Euro in Col 8 are derived one.

*Excluding Gold and SDRs

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