



Update on Indian Economy

June 2008

Economic Snapshot

Item	Units	May	April	May	(% Change	
		2008	2008	2007	[1] / [2]	[1] / [3]
		[1]	[2]	[3]	[4]	[5]
WPI -Index*	1993-94=100	228.6	226.6	212.0	0.88	7.8
WPI -Inflation**	Per cent	7.8	7.1	5.4		
	Week ended	(03.05.08)	(05.04.08)	(05.05.07)		
IIP (93-94=100)	2 months lag	297.8	273.9	284.5	8.73	4.67
		(Mar 08)	(Feb 08)	(Mar 07)		
INR / US\$	Month End	42.53	40.46	40.65	5.12	4.62
M3	Rs. '000 Cr.	4060.58	4019.47	3333.17	1.02	21.82
[i] Agg.Deposits	Rs. '000 Cr.	3459.89	3435.65	2822.56	0.71	22.58
[ii] Currency	Rs. '000 Cr.	600.69	583.82	510.61	2.89	17.64
	(Outstanding as on)	(09.05.08)	(11.04.08)	(11.05.07)		
Call Money	% Range	4.75-8.00	1.00-6.50	1.00-7.75	-	-
(Lendings)	Week ended	(16.05.08)	(11.04.08)	(11.05.07)		

Source: RBI Weekly Statistical Supplement May 30, 2008 & Economic & Political Weekly May 24, 2008

*All Commodities. **Over the year.

Editorial

A) Domestic

The fiscal situation (at the Centre) is improving but there are underlying pressures which are not entirely evident in these numbers," Reddy said. The central government's fiscal deficit has declined from 3.7 per cent of gross domestic product in 2006-07 to 3.1 per cent in 2007-08 and is expected to further drop to 2.5 per cent in the current fiscal year. But the deficit figures do not include oil subsidies, future payouts on farm loan waiver and impact of hefty salary hikes recommended by the Sixth Pay Commission.

The central government issued oil bonds worth Rs.35,000 crore to state-run oil companies in 2007-08 and the figure could significantly go up this year. Similarly, implementation of the Pay Commission report and the farm loan waiver would cost the government as much as Rs.51,000 crore, which has not been factored into the 2008-09 budget. These expenditures would contribute to the increase of fiscal deficit from the present level of 2.5 per cent of GDP.

Speaking at a lecture in the Institute of South Asian Studies, Singapore, RBI Governor YV Reddy said on May 20, 2008 the government securities market, forex market and the money market continued to be stable due to strong and sustainable external sector and adequate focus on liquidity management. **"The fundamentals of the Indian economy do not warrant exaggerated bearishness that is being witnessed in some quarters now, just as exaggerated bullishness was not justified during some of the earlier periods, he added."** (Source : Economic Times, May 12, 2008)

B) International - Crude Oil Prices

Crude oil prices internationally which were ruling below US\$ 100 per barrel during the month of January 2008 touched more than US\$ 100 at the end of February 2008. During March, these crossed US\$ 100 and on the last day of April 2008, it touched US\$ 116. The big spurt in the crude oil prices came during the month of May 2008; at one time it touched US\$ 135 per barrel on May 22, 2008. It is apprehended that large institutional investors continued to put money into oil, which was giving better returns than investments in stocks and bonds. But for the low income and oil importing countries, it created problem for policy makers.

But on May 30, 2008 the price declined from the peak to US\$ 126 per barrel. Along with the high crude oil prices translating into high fuel cost, the spurt in food prices led the policy makers to devise strategies to contain inflation. According to IMF Chief Economist Simon Johnson, the high crude oil prices could channel through into core inflation particularly in the emerging market countries. Other implications are:

Firstly, there is much danger that higher energy prices and high food prices will feed through into what's called core inflation. Johnson said, "I don't see that happening right now in the United States. There are some worries about it in the euro zone, but I think mostly it is an issue actually for emerging markets".

Secondly, the larger emerging markets, including India and China – but other countries as well – are increasingly driving growth at the global level. So if there's an inflation problem emerging there, it should be the case that the monetary and fiscal authorities act quickly to keep inflation down – and if they don't, then there's going to be more trouble for the global economy down the road. Right now though it remains to be seen exactly how they're going to play this one.

Thirdly, according to IMF First Deputy Managing Director John Lipsky warned in a recent speech that inflation had reemerged as a global challenge, in part reflecting the impact of higher energy and commodity prices. This inflation speed-up must be taken seriously as it creates potentially significant challenges to economic stability that could undermine prospects for restoring the combination of solid growth and low inflation that prevailed earlier in this decade.

Fourthly, higher fuel and food prices were also having an impact in the world's poorest countries, where the poorest sectors of society were being hit the hardest, Johnson pointed out that IMF has been working with the United Nations and other agencies to help relieve the impact of high food prices on low-income countries.

Finally, the oil market continues to be tight and there isn't a lot of additional supply that can come on at every short notice and the market looks like that it's going to remain under pressure for some time.

Capital Market Review

During the month the Sensex (30-share index) which closed at 17287.31 on April 30, 2008 moved erratically during the month with a trend towards a decline. During the week ending on Friday May 23rd, the Sensex declined by 637.67 points or by 3.67 per cent to close at 16649.64; and further on May 30, 2008 the index closed at 16415.57. Thus the month of May 2008 registered a decline of 871.74 points in the index or 5.0 per cent. Several of the Sensex declined and the biggest loser was Jaiprakash Associates. Other stocks in declining category were Reliance Energy, ICICI Bank, HDFC Bank, Ambuja

Cements, State Bank of India, NTPC and DLF. The fall in these stocks ranged between 6 per cent and 12 per cent. The erratic movement in the stocks led to the convergence of Sensex towards close of 16,500 and this was in line with stocks in several Asian markets. The market participants were of a view that this correction is a short term one and can later trigger to a bull market run. The wholesale price index is forecast to have risen to 8.29 percent in the 12 months to May 24, 2008, a level last tested in late August 2004. Given the thrust of the policy makers in India to control inflation and inflationary expectations induced by the high food and fuel prices, the future expectation of the market participants to move into the bull run phase is more uncertain than certain. The three factors that stand out in the movement of the market are:

First, the crude oil prices have been steadily going up and as the crude oil price rise the Sensex declines in line with other Asian markets.

Secondly, the inflation induced by food prices is unlikely to slow down despite the worldwide rise in output; the latest data indicate that world-wide paddy output is estimated by FAO at 666 million tonne, and Indian foodgrains (paddy, wheat and other grains) at 227 million tonne were also at highest. While this will impact negatively on the stock prices and positively on the middle income groups, the advantage of the high food prices is likely to reach the farmers in the agricultural sector which will have little impact on stock prices.

Thirdly, as the inflation is likely to remain stubborn, the Indian rupee which one time touched between Rs.39 and Rs.40 per US\$ is likely to depreciate further apart from supply side policy measures taken by the Government as also by RBI in the monetary policy mainly to control inflation. This is what the signal was given when on May 26, 2008 the leading commercial bank i.e. State Bank of India increased the deposit rate by 50 basis points, - an indication that the interest rate are not likely to fall but would continue to be so till such time the inflation is tamed. In short, while the international capital markets are in the mixed intermediate mode of declining trend, the Indian capital markets are likely to remain subdued and may even moderately decline further before these turn upward.

	May	April	May	April	(%) Change		
	2008	2008	2007	2007	[1] / [2]	[1] / [3]	[2] / [4]
Major Indices	[1]	[2]	[3]	[4]	[5]	[6]	[7]
BSE Sensex – Close	16415.57 (30.05.08)	17287.31 (30.04.08)	14,544.46 (31.05.07)	13872.37 (30.04.07)	(5.04)	12.86	24.62
Monthly High	17600.12 (02.05.08)	17378.46 (29.04.08)	14,544.46 (31.05.07)	14228.88 (26.04.07)	1.28	21.01	22.14
Monthly Low	16275.59 (27.05.08)	15343.12 (04.04.08)	13,765.46 (08.05.07)	12455.37 (02.04.07)	6.08	18.23	23.18
S&P CNX Nifty –Close	4870.10	5165.90	4295.80	4087.90	(5.73)	13.37	26.37
P/E Ratio : BSE – 30	19.80	21.50	21.05	20.71	(7.91)	(5.94)	3.81
FII Investments (Equity+ Debt)							
Inflows – Rs. Cr.	58966.1	62329.1	52127.6	50633.3	(5.40)	13.12	23.10
Outflows – Rs. Cr.	64140.5	62955.8	46808.0	42911.8	1.88	37.03	46.71
Net – Rs. Cr.	(5174.4)	(626.9)	5319.8	7721.5	725.39	(197.27)	(108.12)
Cum. Net Inv–US\$ Mn. (Month End)	66567.3	67850.1	54982.4	53717.7	(1.89)	21.07	26.31

The net cumulative investment by FIIs declined by US\$ 1.28 billion during May 2008, from US\$ 67.85 billion in end April 2008 to US\$ 66.57 billion in end May 2008. The melt down of the Indian stock market has hit some sectors like metal, oil, sugar, real estate, construction and refinery.

Business Opportunities : Creation of Investment Hubs

With a focus on infrastructure, **Andhra Pradesh, Gujarat, Karnataka, West Bengal, Orissa** and **Tamil Nadu** are creating investment hubs that have the potential to collectively attract Rs 10 lakh crore in investments and create 43 lakh jobs in the next several years.

Each of these investment hubs spans several hundreds of square kilometers of area and will have urban utilities like housing complexes, cinema halls, schools and hospitals and major industries in oil, chemicals, petrochemicals and several downstream industries in their heart. The investments into external infrastructure like roads, sea ports, airports and rail network would be made by the union government while power to these massive industries would be provided by the state government.

Besides their own investments into utilities like hospitals and schools, the state governments will also strike partnership deals with builders and other private players to set up housing complexes and other facilities.

Industrial investments would come from state-run and private firms — domestic as well as global. Chemicals and fertilisers minister Ram Vilas Paswan, whose ministry conceptualised these massive investment hubs, said that the first PCPIR is likely to come up in Andhra Pradesh, followed by one in Gujarat. Sources said the ambitious investment hub in Andhra Pradesh is likely to be notified in a couple of months.

In the Visakhapatnam-Kakinada region in Andhra Pradesh, covering an area of 603.6 sq km petroleum, chemical and petrochemical investment region (PCPIR) the central government would pump in about Rs.5,974 crore to build roads, rail links, rail freight stations, airports and cargo complexes while the state would spend Rs.2,132 crore to provide mainly water and power supply. It is understood that a larger chunk of infrastructure investment of Rs.10,565 crore would come from private investors, as per the proposal prepared by state government.

Gujarat is expected to invest Rs.18,691 crore in infrastructure — including funds from central government and private players. **Karnataka**, which is creating a PCPIR in 250 sq km and anticipating an industrial investment of Rs.2.3 lakh crore, will spend Rs.10,147 crore in infrastructure. This includes contribution from the central government and private developers. **Orissa**, which will create a 284 sq km PCPIR, will get infrastructure investments of about Rs.15,273 crore from all the three sources. The Left-ruled **West Bengal** will have a total infrastructure investment of about Rs.25,750 crore, while Tamil Nadu will pump in Rs.6,189 crore.

The Andhra Pradesh PCPIR has the potential for industrial investments of Rs.3,43,000 crore while Gujarat has an investment commitment from private players as well as central and state governments of Rs.50,000 crore. The West Bengal PCPIR has the potential to attract industrial investment of about Rs.80,000 crore and the one proposed in Tamil Nadu has the potential for Rs.24,178 crore.

In Andhra Pradesh, global majors like Total SA of France, Mittal Energy Investments, GAIL India, Oil India and oil refining and marketing major Hindustan Petroleum Corp (HPCL) are expected to invest Rs.32,000 crore. This consortium will set up a 15 million tonnes a year (mtpa) refining-cum-petrochemical complex. Besides this, HPCL is expected invest another Rs.10,000 crore to double its existing 7.5 mtpa refining capacity in the region.

Public sector refining major Oil & Natural Gas Corp (ONGC) would invest Rs.31,000 crore to set up a refinery and polypropylene unit in Kakinada SEZ. The state government anticipates exports of Rs.58,000 crore a year and tax receipts of Rs.46,500 crore a year from this PCPIR, which is expected to account for 9 per cent of the total value of goods and services produced in the state.

Creating sophisticated infrastructure across the country to facilitate industrial development may take time. The government's idea, therefore, is to select regions in the coastal area, where port connectivity could be provided easily to such industrial hubs in addition to upgradation of other modes of transport. Removing the need for multiple clearances and providing infrastructure would remove the two major hurdles for industrial development.

The states that have moved PCPIR proposals have to create bodies similar to Noida set up by the Uttar Pradesh government, the final administrative step before investments could come in. The ministry of environment and forests is also understood to be working with the pollution control boards in these six states to ensure that environmental disturbance because of large scale industrialisation is kept to a minimum.

To give a big boost to India's \$8.8-billion petrochem industry, the government also came out with a policy that aims at encouraging local production, consumption and export of petrochemicals and plastics. Neighbouring China has a strong presence in plastics and enjoys a substantial share of the global footwear and toys market.

The government intends to promote use of plastics in areas like agriculture storage and water conveyance, and facilitate research on waste management technologies. The policy envisages steps to attract more investments in the sector and to enable the country to capture a larger slice of the Asian demand for polymers. To achieve this goal, the government would strive to provide natural gas — the feedstock — at globally competitive prices, create infrastructure and further rationalise tariffs and taxes

The government also intends to assist modernising the downstream plastic processing industry to enhance its capacity and competitiveness. By 2011, the per capita consumption of plastic products and synthetic fibre is expected go up three-fold from the current 4 kg and 1.6 kg, respectively. A petrochemical technology upgradation fund, a plastic development council and a task force on petrochemical feedstock to suggest measures to ensure the availability of petrochemical feedstock at internationally competitive prices are in the making. (Source : Economic Times (Mumbai); May 29, 2008)

Other Markets

Debt Market

Unlike in the earlier months, the banks remained absent from the primary issuances market in April 2008 but there were a few issues from the corporate segment. The largest issuer was Indian Oil Corporation Ltd. with Rs.2,277 crore worth special bonds. Tata Power Company Ltd. with Rs.300 crore and Punjab State Electricity Board with Rs.250 crore were other major issuers.

	Name of the Issuer	Rate % per annum	Duration	Rating	Amount (Rs. Crore)	Type of Instrument
i)	Indian Oil Corporation Ltd.	7.33,8.13, 8.20&8.40	1yr, 13 yrs 15 yrs & 18 yrs	-	2,277	Special Bonds
ii)	Tata Power Company Ltd	10-10.10 [@]	10 yrs	AA	300+GS	Bonds
iii)	NABARD	9.25-9.45 [#]	3 yrs	AAA	200+GS	Bonds
iv)	ICICI Home Finance Ltd.	9.50	18 mths	AAA	100	Bonds
v)	LIC Housing Finance Ltd.	9.70	5 years	AAA	150 ^a	Bonds
vi)	Punjab State Electricity Board	9.40	10 years	A-(SO)& BBB+(SO)	250 ^b	Bonds
vii)	Kotak Mahindra Prime Ltd.	10.40%	10-1/2 years	AA	25	Bonds
viii)	Infrastructure Development Finance Company Ltd.	9.30% & 202 bps over MIBOR	2 years	AAA	185+GS	Bonds

[@] thru book building.

[#] Put/Call at the end of 2nd year.

^b - with a greenshoe option of Rs.250 crore.

(Source : Credit Analysis & Research Ltd., May 2008)

GS - Greenshoe option.

^a - with a greenshoe option of Rs.100 crore.

MIBOR – Mumbai Inter-Bank Offer Rate

Call Money Market

The call money market rate on May 16, 2008 in respect of borrowings ranged between 4.75% and 8.00% as compared to the rates of 3.00% - 9.50% on May 18, 2007 (i.e. a year ago) reflecting that there was moderate hardening of the interest rates. The average daily turnover in the call money market was Rs.11,490 crore for the week ending May 16, 2008 and this daily turnover declined to Rs.6,514 crore in the week ending May 23, 2008.

Foreign Exchange Market

The exchange rate (RBI reference rate) on May 23, 2008 was Rs.42.84 per US dollar as compared to Rs.42.67 per US dollar on May 20, 2008, that is, a week ago; this reflected a nominal depreciation of the rupee vis-a-vis US dollar. Further, the six month forward premia was 1.87% on May 23, 2008 as compared to a premium of 1.50% on May 20, 2008 (a week ago), and this reflects that supply of dollars is likely to become relatively tight in the forthcoming weeks. The foreign currency assets were US\$ 306.2 billion on May 23, 2008, and inclusive of gold and SDRs and the reserve position in the Fund, the foreign exchange reserves aggregated to US\$ 316.17 billion. From end-March 2008, the foreign exchange reserves registered a rise of US\$ 6.45 billion upto May 23, 2008. The market rate (buying) was Rs.42.53 per US dollar on May 30, 2008.

Important Policy Pronouncements

A. The data on the gross domestic product (GDP) released on May 30, 2008, sprang a surprise that the agriculture and allied activities grew by 4.5 per cent as compared to the earlier forecast of 2.6 per cent. The manufacturing growth decelerated to 8.8 per cent from the earlier projection of 9 per cent, and as a result the GDP growth rate during 2007-08 turned out to be 9.03 per cent as compared to the earlier forecast of 8.7 per cent. While this is heartening the inflation rate for the week ending May 15th, 2008 stood at 7.8 per cent up over the year when the index was 212.4 on May 12, 2007. This has become worrisome for the Government despite the fact that the Government has taken series of steps including scraping of import duties on key steel inputs, like metallurgical coke, zinc and edible oil, and coerced steel and cement companies to cut their prices.

Government also impose curbs on future trade but the price level of both food and fuel has been steadily rising; the fuel is due to continual increase in international prices of crude oil which touched the peak at US\$ 135 per barrel on May 22nd, 2008. Pressure is mounting on the Government to revise retail prices of petrol, diesel and LPG on the top of the expected rise in the fiscal deficit. The per capita income at constant prices (1999-2000 prices), is revised, and the estimated income grew by 7.8 per cent to Rs.24,321.

With the upward revision in the GDP when calculated at current prices yielded per capita income of Rs.33,299 which reflected an increase of 12.3 per cent from the preceding year. As far as 2008-09 is concerned, given the slow down in manufacturing growth one would expect GDP growth rate of lower than 9 per cent, - may be in the range of 8.75 – 9.0 per cent.

B. According the latest information, agriculture has registered a growth rate of 4.5 per cent during 2007-08 from 2.6 per cent projected earlier. While this has been factored in calculation of GDP, production of important agriculture commodities during 2007-08 is given below:

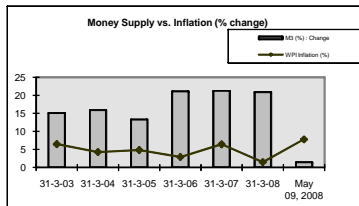
(Million Tonne)		
Crops	2003-04	2007-08
Foodgrains	213.19	227.32
Rice	88.53	95.68
Wheat	75.15	76.78
Maize	14.98	18.54
Tur	2.36	3.03
Cotton (Million bales)	13.73	23.19

Source : Times of India, May 31st, 2008

C. Index of Industrial Production – Sectoral and Use-Based Classification of Industries

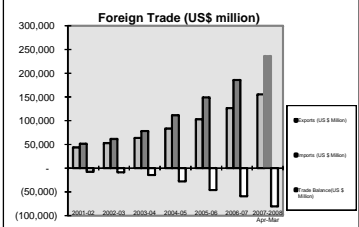
Industry Group	Weight in IIP	Growth rate (percentage)			
		March		April-March	
		2006-07	2007-08	2006-07	2007-08
Sectoral					
Mining	104.73	8.0	3.8	5.4	5.0
Manufacturing	793.58	16.0	2.9	12.5	8.6
Electricity	101.69	7.9	3.7	7.2	6.4
General	1000.00	14.8	3.0	11.6	8.1
Use-Based					
Basic goods	355.65	11.9	3.1	10.3	6.9
Capital goods	92.57	18.1	8.6	18.2	16.5
Intermediate goods	265.14	15.3	3.5	12.0	8.7
Consumer goods(a+b)	286.64	15.8	-0.1	10.1	5.7
a) Consumer durables	53.65	3.8	-2.1	9.2	-1.0
b) Consumer non durables	232.99	20.2	0.6	10.4	8.1
General	1000.00	14.8	3.0	11.6	8.1

According to the data released for March 2008 for the Index of Industrial Production (base 1993-94=100) the general index grew by only 3 per cent as compared to the level of March 2007. As a result the cumulative growth during 2007-08 (April-March registered a growth rate of 8.1 per cent over the preceding year of 2006-07). The growth rate for mining was 5.0 per cent, manufacturing 8.6 per cent and electricity 6.4 per cent out of the 17 industrial groups (two digit) 12 groups showed a positive growth.



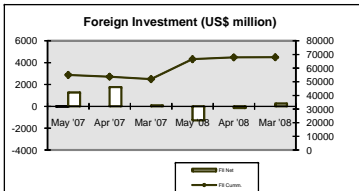
	31-3-03	31-3-04	31-3-05	31-3-06	31-3-07	31-3-08	May 09, 2008
M3 (Rs. Crore)	17,25,222	20,03,102	22,53,938	27,29,535	33,10,278	40,02,189	40,60,578
M3 (%): Change	15.14	15.95	13.30	21.10	21.27	20.90	1.46
WPI (Index) All Commodities	172.30	180.30	189	196.6	209.3	212.4	229.0
WPI Inflation (%)	6.49	4.29	4.83	2.91	6.46	1.48	7.81

Source: RBI Bulletin May 2008; WSS: May 30, 2008
 \$S1993-94=100; year/month-end; * March 03, 2007 ** May 12, 2007 *** May 10, 2008



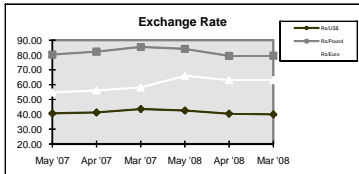
During the Year	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-2008 Apr-Mar
Exports (US \$ Million)	43,827	52,719	63,843	83,536	103,091	126,414	155,512
Imports (US \$ Million)	51,413	61,412	78,149	111,517	149,166	185,735	235,911
Trade Balance (US \$ Million)	(7,586)	(8,693)	(14,306)	(27,981)	(46,075)	(59,321)	(80,398)

Source: RBI Bulletin, May 2008 : Revised figures for 2001-02 to 2006-07 (April-March)
 *DGCi&S data for April 2006 to March 2007 (Provisional)



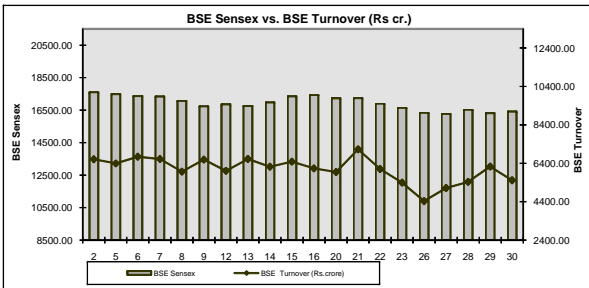
	2007-08 (US\$ million)			2008-09 (US\$ million)		
	May '07	Apr '07	Mar '07	May '08	Apr '08	Mar '08
FII Net	1,285.0	1,752.0	81.5	(1,282.8)	(155.2)	250.3
FII Cumul.	5492.4	53717.7	51965.7	66,567.30	67,850.10	68,005.40

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



	2007-08			2008-09		
	May '07	Apr '07	Mar '07	May '08	Apr '08	Mar '08
Rs/US\$	40.73	41.29	43.59	42.59	40.46	39.97
Rs/Pound	80.43	82.30	85.53	84.16	79.50	79.53
Rs/Euro	54.74	56.20	58.14	65.99	63.09	63.09

Figures are for month-end



May 2008	BSE Sensex Close	BSE Turnover (Rs crore)
30-Apr-08	17287.31	6910.00
2	17600.12	6606.00
5	17490.90	6394.00
6	17373.01	6742.00
7	17339.31	6622.00
8	17080.65	5966.00
9	16737.07	6595.00
12	16860.90	6008.00
13	16752.86	6623.00
14	16978.35	6219.00
15	17353.54	6485.00
16	17434.94	6137.00
20	17230.18	5940.00
21	17243.16	7126.00
22	16907.11	6106.00
23	16649.64	5390.00
26	16348.50	4427.00
27	16275.59	5109.00
28	16525.37	5432.00
29	16316.26	6230.00
30	16415.57	5514.00



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

Country	Interest rates, (%)		CPI (percentage change)		Currency unit per US \$		Union Budget (+) / (-) % of GDP 2008	Real Rate (Short-term) (1-3)	Currency unit per Euro 21.05.08	Balance Latest :12 months		Col 11 as Percentage of GDP 2008
	3-month latest	10-year gov't bonds latest	Latest	A Year ago	As on 21.05.08	A Year ago				Trade Account (US\$ bn)	Current Account (US\$ bn)	
	1	2	3	4	5	6	7	8	9	10	11	12
Euro-11	4.86	4.26	3.30	1.90	0.63	0.74	-0.80	1.56	1.00	14.1	25.3	-0.1
			Apr							Mar	Feb	
U. S. A.	2.00	3.82	3.90	2.60	1.00	1.00	-2.40	-1.90	1.59	-823.8	-738.6	-4.6
			Apr							Mar	Q4	
Britain	5.84	4.87	3.00*	2.80	0.51	0.50	-3.20	2.84	0.81	-173.7	-115.4	-4.0
			Apr							Mar	Q4	
Japan	0.75	1.61	1.20	-0.10	103.00	121.00	-2.90	-0.45	163.49	102.8	216.6	4.7
			Mar							Mar	Mar	
Sweden	4.01	4.20	3.40	1.90	5.91	6.82	2.40	0.61	9.38	19.3	38.1	7.2
			Apr							Mar	Q4	
Switzerland	2.78	3.01	2.30	0.50	1.03	1.23	0.90	0.48	1.63	12.5	71.1	14.9
			Apr							Mar	Q4	
India	7.37	8.33	7.90	6.70	42.80	40.60	-3.20	-0.53	67.94	-77.7	-12.8	-2.4
			Mar							Mar	Q4	

Source: The Economist London: May 24th-30th, 2008
**RPI Inflation rate 4.2% in Apr

Figures in Column 9 are derived.

Annexure 2 : Important Economic Indicators for Select Emerging Market Countries

Country	Interest rates, (%)		CPI (percentage change)		Currency unit per US \$		Union Budget (+) / (-) % of GDP 2008	Real Rate (Short-term) (1-3)	Currency unit per Euro 21.05.08	Balance Latest :12 months		Col 11 as Percentage of GDP 2008
	3-month latest	10-year gov't bonds latest	Latest	A Year ago	As on 21.05.08	A Year ago				Trade Account (US\$ bn)	Current Account (US\$ bn)	
	1	2	3	4	5	6	7	8	9	10	11	12
China	4.49	4.41	8.5	3.0	6.96	7.65	0.5	-4.01	11.05	256.5	249.9	10.5
			Apr							Apr	2006	
Hongkong	1.86	2.72	5.4	1.3	7.80	7.82	2.9	-3.54	12.38	-25.0	28.0	9.1
			Apr							Mar	Q4	
Indonesia	8.48	6.96	9.0	6.3	9292.00	8710.00	-2.1	-0.52	14749.21	39.8	11.0	2.3
			Apr							Mar	Q4	
Malaysia	3.62	4.02	3.0	1.5	3.22	3.39	-3.1	0.62	5.11	31.5	28.9	12.5
			Apr							Mar	Q4	
Singapore	1.25	2.42	6.7	0.7	1.36	1.53	1.00	-5.45	2.16	30.5	39.1	24.4
			Mar							Apr	Q4	
South Korea	5.36	5.52	4.1	2.5	1042.00	932.00	0.2	1.26	1653.97	6.0	2.5	0.3
			Apr							Apr	Mar	
Taiwan	2.70	2.59	3.9	0.7	30.50	33.40	-1.8	-1.20	48.41	13.1	32.2	5.3
			Apr							Apr	Q1	
Thailand	3.30	4.40	6.2	1.8	31.90	34.60	-3.1	-2.90	50.63	8.8	13.3	3.2
			Apr							Mar	Mar	
Brazil	11.64	6.16	5.0	3.0	1.65	1.94	-1.8	6.64	2.62	31.7	-9.5	-0.8
			Apr							Apr	Mar	
Venezuela	17.10	6.55	29.3	19.4	3.30	4.23	nil	-12.20	5.24	23.7	20.0	7.0
			Apr							Q4	Q4	
India	7.37	8.33	7.90	6.70	42.80	40.60	-3.20	-0.53	67.94	-77.7	-12.8	-2.4
			Mar							Mar	Q4	

Source: The Economist London: May 24th-30th, 2008

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