



Update on Indian Economy

October 2006

Economic Snapshot

Contents	Item	Units	September	August	September	(% Change	
			2006	2006	2005	[1] / [2]	[1]/[3]
			[1]	[2]	[3]	[4]	[5]
- Editorial	WPI -Index*	1993-94=100	206.6	204.7	197.5	0.93	4.6
- Capital Market	WPI -Inflation**	Per cent	4.6	4.9	3.5	-	-
- Fuller Capital		Week ended	09.09.06	12.08.06	10.09.05		
- Account Convertibility	IIP (93-94=100)	2 months lag	233.9	234.0	212.1	-0.04	10.28
- Other Markets			(July 06)	(June 06)	(July 05)		
- Important Policy	INR / US\$	Month End	45.96	46.55	43.99	-1.27	4.48
- Pronouncements	M3	Rs. '000 Cr.	2896.32	2880.36	2423.71	0.55	19.50
	[i] Agg. Deposits	Rs. '000 Cr.	2457.89	2441.12	2053.35	0.69	19.70
	[ii] Currency	Rs. '000 Cr.	438.43	439.24	370.36	-0.18	18.38
		(Outstanding as on)	(15.09.06)	(18.08.06)	(16.09.05)		
	Call Money	% Range	5.25-6.50	5.25-6.25	4.00-5.70	-	-
	(Lendings)	Week ended	15.09.06	18.08.06	16.09.05		

Source: RBI Weekly Statistical Supplement Sep.29, 2006/Oct 01, 2005 & Economic & Political Weekly September 23, 2006, *All Commodities. **Over the year.

Editorial

A) Domestic

Indian exports during the first five months (April-August) increased to US\$ 48.1 billion in 2006-07 from US\$ 39.8 billion in the same period of 2005-06 and thereby registered a growth rate of 22.72%. Imports during the same first five months were US\$ 68.3 billion which rose by 17.7% from US\$ 58.0 billion during the same period of 2005-06. However, imports of oil were US\$ 23.6 billion registering a growth of 39.48% from the imports of US\$ 16.9 billion during the same period of 2005-06. Non-oil imports were US\$ 44.7 billion the increase in which was only modest at 8.76%. The trade deficit, thus, worked out to US\$ 20.2 billion in 2006-07 as compared to US\$ 18.2 billion in the corresponding period of 2005-06.

The GDP data for the first quarter of 2006-07 (April-June) released on September 29, 2006 recorded a growth rate of 8.9% which was due to strong growth of the manufacturing sector. The growth rate of manufacturing which has 4/5th of the weight in the index increased from 10.7% to 11.3%. The high GDP growth rate in the first quarter is indicative of the strong performance of manufacturing. However, the growth rate of agriculture was static at 3.4% in the first quarter of this year as also in the preceding year, but the service sector growth rate increased to 10.6% from 10.1% last year. Growth rate of electricity, gas and water supply declined but this sector has a relatively small weight in the index, and therefore did not impact adversely much on the overall growth rate of GDP during the first quarter of 2006-07. If this trend continues in the subsequent quarters

of 2006-07, the growth rate of the Indian Economy could turn out to be in the range of 8.0-8.25%.

	Sector	April-June (Q1) Per cent	
		2005-06	2006-07
I	Agriculture, Forestry & Fishing	3.4	3.4
II	Mining & Quarrying	3.1	3.4
III	Manufacturing	10.7	11.3
IV	Electricity, Gas & Water Supply	7.4	5.4
V	Construction	12.4	9.5
VI	Services		
	6.1 Trade, Hotels, Transport & Communication	11.7	13.2
	6.2 Financing, Insurance, Real Estate & Business services	8.8	8.9
	6.3 Community, Social and Personal Services	7.3	7.4
VII	Overall Gross Domestic Product	8.5	8.9

B) International

The Annual IMF-World Bank meeting held in Singapore during September 18-19, 2006, India suggested a change in the voting formula on the ground that the world body should consider “comprehensive reforms” instead of “ad-hoc approach”. On this issue India, Brazil, Egypt and Argentina took a united stand indicating that they are not convinced by the proposed two-stage or multi-stage approach including ad-hoc increases in the first stage that could give more voting rights in the IMF specially to the countries like China, South Korea, Mexico and Turkey. Speaking on behalf of India, Bhutan, Bangladesh and Sri Lanka, the Indian Finance Minister, Mr. P. Chidambaram indicated that given the volatility of market exchange rates, the formula should include GDP on purchasing power parity (PPPs) basis. Further, India which does not take loan from IMF any more was also critical of the “one-size-fit-all” approach of the IMF in dealing with the financial sector and capital flows. Many other countries also find that the present quota structure is skewed in favour of US and Europe, which has more than 50% of the votes.

However, with India, Brazil and 21 other countries which voted against the proposal lost their position. Consequently, the revised quota of India and Brazil reflected reduction in percentage share as indicated below :

	Countries	Percentage Share in IMF's Quota (Percent)				Countries	Percentage Share in IMF's Quota (Percent)		
		Earlier	Now Revised				Earlier	Now Revised	
I.	Developing :				II.	Developed:			
1.	India	1.95	1.91	↓	1.	US	17.4	17.1	↓
2.	Brazil	1.43	1.40	↓	2.	Japan	6.24	6.13	↓
3.	China	2.98	3.72	↑	3.	Germany	6.09	5.99	↓
4.	Mexico	1.21	1.45	↑	4.	France	5.03	4.94	↓
5.	South Korea	0.77	1.35	↑	5.	United Kingdom	5.03	4.94	↓
6.	Turkey	0.45	0.55	↑					

Capital Market Review

The movement in the Sensex of BSE indicated that the index which was 11,699.05 on August 31, 2006 rose to 12,454.42 on September 29, 2006, – the last trading day of the month. The increase registered was 755.37 points.

There was a gradual upward movement in the index during the later part of the fortnight of September 2006, but in the earlier weeks the index moved both ways. Underlying the movements were mainly two factors :

Firstly, the fear of increase in the US interest rates was no longer there and that the crude oil prices which touched a two month low of US\$ 70 barrel on August 17, 2006 started easing further. The US Federal reserve decision to hold the interest rates steady at 5.25% contributed to the upward movement of the index even in the wake of Middle East crisis which was brokered by United Nation to reach a Cease-fire Agreement between Israel and Hizbollah guerrillas. Though the cease-fire took effect on August 14, 2006 there were some problems which indirectly put pressure on the index and the sensex started accelerating rather slowly in latter part of the month.

Secondly, refusal of the Government to phase out participatory notes (P-Notes) as suggested by Tarapur Committee II helped in the northward movement of the index, albeit slowly.

Foreign Institutional Investors (FIIs) continued to support the market this month with net purchases at end-September being US\$ 46.93 billion as compared to US\$ 45.61 billion in end-August 2006. There were thus net purchases by FIIs to the extent of US\$ 1.32 billion during the month. The FIIs inflows in September 2006 were higher than in the corresponding month of 2005.

	September 2006	August 2006	September 2005	August 2005	(%) Change		
					[1] / [2]	[1] / [3]	[2] / [4]
	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Major Indices							
BSE Sensex – Close	12454.42 (29.09.06)	11778.02 (31.08.06)	8634.48	7805.43	5.74	44.24	50.90
Monthly High	12454.42 (29.09.06)	11778.02 (31.08.06)	8650.17	7921.39	5.74	43.98	48.69
Monthly Low	11550.69 (11.09.06)	10751.66 (01.08.06)	7876.15	7595.57	7.43	46.65	41.55
S&P CNX Nifty –Close	3588.40	3413.90	2605.40	2384.65	5.11	37.73	43.16
P/E Ratio : BSE – 30	21.34	20.36	17.80	16.25	4.81	19.89	25.29
FII Investments (Equity+ Debt)							
Inflows – Rs. Cr.	34056.7	28395.20	26651.60	28358.6	19.94	27.78	0.13
Outflows – Rs. Cr.	27922.80	22948.00	22193.70	23737.2	21.68	25.81	(3.32)
Net – Rs. Cr.	6133.4	5447.6	4457.90	4621.2	12.59	37.58	17.88
Cum. Net Inv–US\$ Mn. (Month End)	46928.5	45610.6	40348.10	39325.8	2.89	16.31	15.98

In addition, Mutual Funds are holding large amount of cash and they have started deploying their holdings in a small way with the result shares like **Hindalco, Wipro, Tata Steel refinery** and some auto shares rose subsequent to the softening of the oil

prices. Bank shares also rebounded while cement shares firmed up such as **ACC, Grasim India Cements** and **Ultra Tech Cement** on strong demand. Cement demand is expected to remain strong in the coming months due to increasing government expenditure on infrastructure and also strong housing demand.

Three public sector banks viz Central Bank, United Bank of India and Indian Bank are expected to make Initial public Offers (IPOs) early next year. This will result in the dilution of the Government's stake in these banks by about 8-10%. This was aided by the announcement during the month of strong GDP growth of 8.9% during the first quarter of the current fiscal and increased breath of the market in favour of the bulls in the month. On the whole the markets maintained a firm note and sentiments remained bullish.

Fuller Capital Account Convertibility

I. Introduction :

The Reserve Bank of India (RBI) has recently released the Report on Fuller Capital Account Convertibility (FCAC) which was set up subsequent to the announcement by the Prime Minister on March 18, 2006 to draw a road map leading to Fuller Capital Account Convertibility. The Reserve Bank of India had appointed the Committee in March 2006, in consultation with the Government of India to set out the framework for Fuller Capital Account Convertibility. Shri S.S. Tarapore chaired the Committee which had Shri M.R. Bhide, Dr. R.H. Patil, Dr. Surjit Bhalla, Shri A.V. Rajwade and Dr. Ajit Ranade as its members.

II Convertibility so far

The first Tarapore Committee of 1997 indicated road map which provided confidence building measures among the Indian Corporates. The Fuller Capital Account Convertibility now visualized is designed to open up the avenues for further liberalization in the movement of capital.

First, as a sequel to the earlier Committee, the Reserve Bank of India permitted individuals to invest up to US\$ 25,000 per annum in foreign currency assets but so far very little investment has taken place through this route. **Secondly**, the earlier committee focused on reducing of the fiscal deficit of the Central Government which was then around 8% of GDP, and which till recently has come down marginally to 7.7% in 2005-06. **Thirdly**, the Indian Stock market have seen considerable amount of foreign money flowing into it and a significant proportion of this is coming through registered Foreign Institutional Investors (FIIs). In addition, many categories of Registered Indians entities have been allowed to open foreign currency accounts abroad. **Fourthly**, many Indian companies have been allowed to make overseas acquisitions by using the foreign currency resources. The Fuller Capital Account Convertibility (FCAC) now implies dismantling of further controls on the movement of capital.

A few macroeconomic parameters since the release of the Tarapore Committee (1997) I are indicated below :

	Real GDP growth (in %)	WPI inflation (in %)	Fiscal deficit (as % of GDP)	External debt outstanding (\$ million)	Foreign exchange reserves (\$ billion)
1996-97	7.8	5.4	6.4	93,470	26.4
2005-06	8.4	4.1	7.7#	1,25,181	151.6

* Centre and states combined # Budget Estimates.

III. Tarapore Committee Report II

The Report is expected to throw up new challenges for the Reserve Bank and the Indian banking sector. The Report submitted by the Tarapore Committee II has recommended that the central bank relook at some of its prudential guidelines with regard to granting banking licences, capital adequacy, exposure norms to sensitive sectors and further strengthen risk management systems among others. Highlights of Tarapore Report II are :

a) Outflows :

- Raise annual limit on remittances by individuals from \$25,000 to \$50,000 this year and to \$200,000 by March 2011.
- Bar individual investments in foreign stock exchanges, but raise limit for investments by Mutual Funds (MFs) from US\$ 2 billion to US\$ 3 billion this year, US\$ 5 billion by 2011. Allow investments to be routed through portfolio managers.
- Allow foreign corporates to raise rupee bonds in India from this year, with option of converting these to foreign currency.
- Simplify FDI procedures.

b) Inflows :

- Ban fresh participatory notes (P-Notes) – used by FIIs to protect identity of foreign investors. Phase out existing P-Notes in a year.
- Ease caps on FII investment in corporate debt.
- Gradually raise cap on corporate borrowings abroad from next year. Remove end-use restrictions this year.
- Review tax benefits on NRI bank deposits.

But, if policy makers have their way, resident Indians in five years, will freely remit as much as \$200,000 abroad and open bank accounts anywhere in the world. Like-wise, foreign individuals will invest in Indian stock market, local corporates and banks, and will take large foreign loans, and overseas companies under the control of foreign ownership will undertake rupee borrowings from India. Moreover, Corporate India is currently on an overseas acquisition binge, and will become more ambitious and aggressive.

However, the current liberalization will come with conditions. The most dramatic of this is the ban on Participatory Notes (P-Notes) and the use of it as a tax haven. It may be mentioned that P-Notes are instruments that overseas entities which are not registered with Securities and Exchange Board of India (SEBI), buy from foreign security houses to invest in

India. Next, Non-resident Indians (NRIs) will enjoy tax exemptions on the interest in bank deposits. Besides, banks must consolidate, RBI must build a war chest of securities and cease to become the government's merchant banker, while the Centre as well as states will have to rein in their liabilities.

Tarapore Committee Report II -Fuller Capital Account Convertibility

For Individuals	For Business	Conditions
Indians can freely remit \$50,000 in the first phase and \$2,00,000 in the final phase.	Companies can raise ECBs up to \$1 bn in phase III without permission	Ban on participatory notes (PNs)
MFs can invest \$3 bn in phase I and \$5 bn in phase III in overseas markets	No ceiling on long-term or rupee-denominated ECBs.	Mauritius will no longer be a tax haven
Portfolio Management Schemes (PMS) to be allowed to invest overseas	Cos can invest upto four times their capital in overseas subsidiaries / JVs	NRIs will not enjoy tax exemptions on deposits.
Indians can have foreign currency accounts in overseas banks	Banks can eventually raise up to 100% of their capital through overseas borrowing in phase III	FIIs to set aside reserves in volatile times
Foreign individuals can invest in stocks through PMS and MFs	Foreign companies can raise rupee loans, bonds in India.	Banks must consolidate; government & PSUs to rein in borrowings
Phase I : 2006-7	Phase II : 2007-9	Phase III : 2009-11

IV. Dissenting Members :

Two committee members A.V. Rajwade and Surjit S. Bhalla have raised objection to some recommendations.

A.V. Rajwade, as against the committee recommendation, is in favour of free foreign institutional investment (FII) in rupee bonds, both government securities (G-Sec) and corporate bonds.

He is also not in agreement of increasing the limit of facilities for residents to transfer capital from the current limit of US\$ 25,000 a year, for any purpose. The committee also wants P-Notes to be phased out.

V. Implications :

When the Fuller Capital Account Convertibility (FCAC) is put in place the domestic assets such as real estate, shares of the company could be sold to foreigners against the payment received without requiring clearance from regulatory authorities. Similarly, there will also be corresponding facilities for foreigners and not just NRIs to make investment in India.

There are mainly a few issues which need to be considered. The **first** is whether the Fuller Capital Account Convertibility (FCAC) is sustainable against the present and evolving combined fiscal deficit of the Central and the State Government, which now stands at around 8-9% of GDP. In this connection, it may be noted that admitting new members to the European Union was strictly restricted by the norms enshrined in the Maastricht Treaty, which stipulated a fiscal deficit of not more than 3 per cent of GDP. It is desirable that the

same principle should be applied to India both in the short-term and medium-term. This will require drastic reduction in the state components of fiscal deficit and need stringent measures to accomplish this hard task within a span of 3-5 years. **Secondly**, in regard to the investment in real estate, it is well known that the prices of real estate have been soaring in cities like Mumbai and Delhi which means that wealthy foreigners who have nothing much to do in India will further push up the real estate prices to such an extent to earn higher returns that houses and flats in India will become out of reach for resident Indians. Perhaps one could draw on the position prevailing in Singapore where people are not allowed to make money on real estates, because they have to resell their flats or houses only to Government agency.

Thirdly, monetary and fiscal surveillance of the economy which till now was guided by the national exigencies will face additional hurdles in view of the newly achieved mobility of capital both domestic and international.

Fourthly, the tools of monetary management developed nationally over the years like the Market Stabilization Scheme (MSM) and the Liquidity Adjustment Facility (LAF) by RBI would become ineffective against in an environment where the Fuller Capital Account Convertibility is adopted, and there is no wonder that it could lead to run on the exchange rate up or down and which may become out of the control of Central Bank.

Other Markets

Debt Market

Name of the Issuer	Rate %	Duration	Rating	Amount Rs. Crore	Type of Instrument
I. BANKS					
Bank of Baroda	8.95	116 months	AAA	500@	Lower Tier II Bonds
Federal Bank Ltd.	7.93	9 months	P1+	395	Certificate of Deposit
ICICI Bank Ltd.	9.98^	Perpetual**	AAA	300***	Perpetual Tier I Bonds
Indian Overseas Bank	9.24#	15 years**	AA+	500a	Upper Tier II Bonds
National Bank for Agriculture And Rural Development	7.85-8.00b	36 months d	AAA	200***	Unsecured debentures
Punjab National Bank	9.15	116 months	AAA	115	Tier II Bonds
State Bank of Bikaner & Jaipur	9.15	10 years	AAA	500	Lower Tier II Bonds
United Bank of India	9.25^	10 years	AA	200e	Tier II Bonds as Subordinated debt
II. OTHERS					
Konkan Railway Corporation Ltd.	8.50-8.60^b	5 years	AAA	100c	Secured debentures
	8.90-9.00^b	10 years			

@ With a greenshoe option of Rs.500 crore

^ Payable semi-annually

* 10.98% if call option not exercised in 10th year.

** With a call option in the 10th year.

***with an unspecified greenshoe option.

With a markup of 50 basis points after the 10th year

a Including a greenshoe option of Rs.100 crore

b Book building range.

c With an option to retain over-subscription

d With a put/call option after 12 months

e Including a greenshoe option of Rs.50 crore

Source : Credit Analysis & Research Ltd. September 2006.

Call Money Market

The call money market rate on September 15, 2006 in respect of borrowings ranged between 5.25% and 6.50% as compared to the rates of 4.00% - 5.70% on September 16, 2005 (i.e. a year ago) reflecting that there was a hardening of the rate during the year. The average daily turnover in the call money market was Rs.11,485 crore for the week ending September 15, 2006 and this daily turnover nominally rose to Rs.11,723 crore in the week ending September 22, 2006.

Foreign Exchange Market

The exchange rate (RBI reference rate) on September 22, 2006 was Rs.45.90 per US dollar as compared to Rs.46.12 per US dollar on September 18, 2006, that is, a week ago; this reflected a nominal appreciation of the rupee vis-a-vis US dollar. Further, the six month forward premia was 1.20% on September 22, 2006 as compared to a premium of 1.32% on September 18, 2006 (a week ago), and this reflects that supply of dollars is likely to become relatively easy in the forthcoming months. The foreign currency asset were US \$ 159.18 billion on September 22, 2006, and inclusive of gold and SDRs and the reserve position in the Fund, the foreign exchange reserves aggregated to US\$ 166.48 billion. From end-March 2006, the foreign exchange reserves registered a rise of US\$ 14.86 billion. The market rate (buying) was Rs.45.93 per US dollar on September 29, 2006.

Important Policy Pronouncements

I. According to the RBI notification of August 2006, banks have now been allowed to accept Fixed Deposits which are eligible for tax rebate under Section 80C of the Income Tax Act, 1961. In this scheme investors are entitled to invest upto Rs.1 lac every year which will be eligible for tax rebate. However, this new scheme comes with two conditions first the minimum lock-in period for this scheme is five years, second no loans can be availed of against such deposits. The scheme is now becoming popular with banks and many banks are introducing this scheme to augment their deposit base. The scheme will, however, make a dent on the savings mobilized by post office through instruments like National Saving Certificates.

II. Banks' Exposure to entities setting up SEZs

The Reserve Bank has advised all commercial banks (excluding regional rural banks) that their exposure to entities setting up Special Economic Zones (SEZs) or acquiring units in SEZs which includes real estate, would be treated as exposure to commercial real estate sector with immediate effect. Banks would have to make provisions as also assign appropriate risk weights for such exposures as per the existing guidelines.

III. Purchase of Immovable Property by NRIs / PIOs

The Reserve Bank has clarified that the payment made by non-resident Indians (NRIs)/ persons of Indian origin (PIOs) for purchasing immovable property in India other than agricultural property, plantation or a farm house, should be made out of –

- i) funds received in India through normal banking channels by way of inward remittance from any place outside India, or

- ii) funds held in any non-resident account maintained in accordance with the provisions of the Foreign Exchange Management Act, 1999 and the regulations made by the Reserve Bank.

Accordingly, such payment cannot be made either by traveller's cheque or by foreign currency notes or by any other modes besides those specified above.

IV ODI by Regulated Entities in the Financial Sector

The Reserve Bank has advised that now regulated entities in financial sector in India investing overseas in any activity will also have to comply with the conditions stipulated in Regulation 7 of FEMA notification of July 7, 2004. The conditions are indicated below, and that the Indian party :

- i) should have earned net profit during the preceding three financial years from the financial services activities;
- ii) is registered with the regulatory authority in India for conducting the financial services activities;
- iii) has obtained approval from the concerned regulatory authorities both in India and abroad for venturing into such financial sector activity; and
- iv) has fulfilled the prudential norms relating to capital adequacy as prescribed by the concerned regulatory authority in India.

Earlier, entities engaged in financial services activities in India making investment in non-financial services activities overseas were not required to comply with the above conditions.

V. FIIs Tier-II Exposure

The Securities and Exchange Board of India (SEBI) and investments by foreign institutional investors (FIIs) in upper Tier II instruments (bond issues eligible for capital adequacy purposes) raised in Indian rupees shall be outside the limit for investment in corporate debt instruments where there is a cap of \$ 1.5 billion. However, investment by FIIs in these instruments will be subject to a separate ceiling of \$500 million.

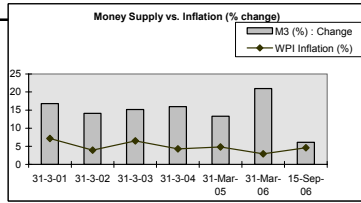
VI. Branch Details in Pass Books / Statement of Accounts

In order to improve the quality of service available to customers in branches, banks have been advised to ensure that the full address / telephone number of the branch is invariably mentioned in the pass books / statement of accounts issued to account holders.

VII. Payment of Interest / Principal of Relief / Savings Bonds

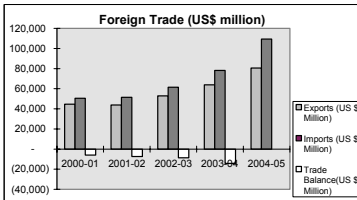
With a view to further improving customer service to outstation investors of relief / savings bonds, it has been decided that in cases where the payment of principal / interest on relief / savings bonds is to be made payable at a centre other than the one at which the investment is held, banks should either issue a demand draft, free of cost, or an 'at par' cheque payable at all their branches.

(Source : RBI: CIR, September 2006)



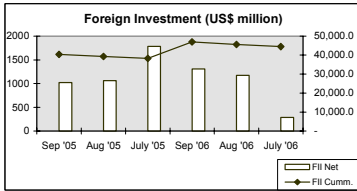
	31-3-01	31-3-02	31-3-03	31-3-04	31-Mar-05	31-Mar-06	15-Sep-06
M3 (Rs. Crore)	13,13,220	14,98,355	17,25,222	20,03,102	22,53,938	27,29,535	28,96,317
M3 (%) Change	16.82	14.1	15.14	15.95	13.30	21.00	6.11
WPI (Index) All Commodities#	155.7	161.8	172.30	180.30	189	197.5*	206.6
WPI Inflation (%)	7.16	3.92	6.49	4.29	4.83	2.91	4.61

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



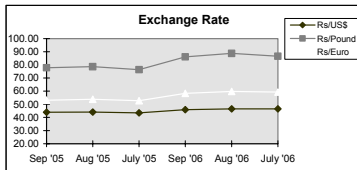
During the Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06*	2006-07*
Exports (US \$ Million)	44,560	43,827	52,719	63,843	80,540	100,607	48,089
Imports (US \$ Million)	50,537	51,413	61,412	78,149	109,173	140,238	68,294
Trade Balance (US \$ Million)	(5,977)	(7,586)	(8,693)	(14,306)	(28,633)	(39,631)	(20,205)

Source: RBI Bulletin, June 2006; Revised figures for 2000-01 to 2004-05 *DGI&S data for April to August 2006 (Press Release)



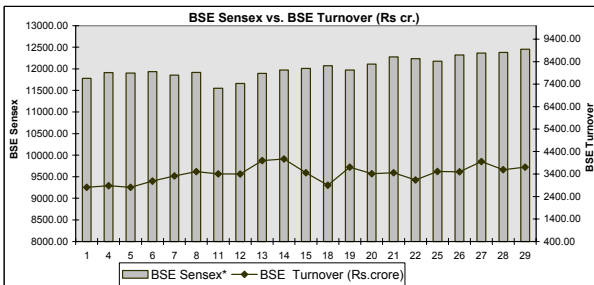
	2005-06 (US\$ million)			2006-07 (US\$ million)		
	Sep '05	Aug '05	July '05	Sep '06	Aug '06	July '06
FII Net	1,022.2	1,062.3	1,783.8	1,308.5	1,172.6	285.4
FII Cum.	40,348.1	39,325.8	38,263.5	46,918.8	45,610.6	44,438.2

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



	2005-06			2006-07		
	Sep '05	Aug '05	July '05	Sep '06	Aug '06	July '06
Rs/US\$	43.99	44.04	43.49	45.96	46.55	46.51
Rs/Pound	77.78	78.58	76.34	86.09	88.72	86.65
Rs/Euro	53.09	53.80	52.73	58.33	59.71	59.31

Figures are for month-end



Sep 2006	BSE Sensex* Close	BSE Turnover (Rs.crore)
31-Aug	11,699.05	2774.00
1	11778.02	2812.00
4	11914.21	2880.00
5	11904.60	2811.00
6	11933.21	3084.00
7	11853.85	3313.00
8	11918.65	3503.00
11	11530.69	3407.00
12	11660.79	3401.00
13	11893.79	3999.00
14	11973.02	4069.00
15	12099.59	3460.00
18	12071.30	2899.00
19	11970.47	3707.00
20	12109.14	3418.00
21	12274.27	3454.00
22	12236.78	3140.00
25	12173.91	3513.00
26	12321.19	3501.00
27	12366.91	3956.00
28	12380.74	3595.00
29	12454.42	3706.00



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
	27.09.06				27.09.06		% of GDP 2005	(1-3)	27.09.06
	1	2	3	4	5	6	7	8	9
Euro-11	3.38	2.15	2.30	2.20	0.79	0.83	-2.30	1.08	1.00
			Aug						
U. S. A.	5.21	3.85	3.80	3.60	1.00	1.00	-3.60	1.41	1.27
			Aug						
Britain	5.02	4.56	2.50	2.40	0.53	0.57	-3.40	2.52	0.67
			Aug						
Japan	0.34	0.02	0.30	-0.30	117.00	113.00	-5.20	0.04	149.00
			Jul						
Sweden	2.55	1.46	1.60	0.60	7.30	7.82	1.70	0.95	9.28
			Aug						
Switzerland	1.78	0.77	1.40	1.00	1.24	1.30	-0.20	0.38	1.58
			Aug						
India*	6.52 ^{AA}	5.46 ^{AAA}	5.71	4.59	46.48	46.56	-3.80	0.81	59.59
	(September 22, 06)	(August 12, 05)	(July 06 over July 05)	(2005-06 over 2004-05)	(August 18, 06)	(August 14, 06)	(2006-07)		

Source: The Economist London: September 30th - October 6th, 2006

For India, RBI Bulletin, August 2006

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

CPI - (IUNW) June 2006 over June 2005 (RBI Bulletin, August 2006)

AA Implicit yield 91 day 7 BS on date of issue (September 22, 2006)

AAA Implicit yield 91 day 7 BS on date of issue (August 12, 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 \$ Billion
	1	2	3	4	5	27.09.06	a year ago	27.09.06	9	10
China	11.3	15.7	1.3	2.95	941.1	7.90	8.09	10.00	135.9	160.8
	Q2	Aug	Aug		Jun				Aug	2005
Hongkong	5.2	5.3	2.5	4.20	128.9	7.79	7.76	9.86	-14.9	18.6
	Q2	Q2	Aug		Aug				Aug	Q2
India	9.3	12.4	6.7	6.50	158.0	45.90	44.00	58.10	-41.8	-10.6
	Q1	Jul	Jul		Aug				Aug	Q1
Indonesia	5.2	1.0	14.9	11.52	40.4	9210.0	10375.0	11658.23	34.7	3.8
	Q2	Jun	Aug		Aug				Jul	Q1
Malaysia	5.9	7.3	3.3	3.85	78.8	3.68	3.77	4.66	28.0	19.5
	Q2	Jul	Aug		Jul				Jul	Q1
Singapore	8.1	5.5	0.7	3.44	130.7	1.59	1.69	2.01	32.6	38.3
	Q2	Aug	Aug		Aug				Aug	Q2
South Korea	5.3	10.6	2.9	4.63	227.0	944.0	1038.0	1194.94	16.0	5.8
	Q2	Aug	Aug		Aug				Aug	Aug
Taiwan	4.6	4.8	-0.6	1.81	261.0	33.00	33.30	41.77	19.4	20.6
	Q2	Aug	Aug		Aug				Aug	Q2
Thailand	4.9	6.1	3.8	5.40	57.1	37.50	41.20	47.47	-2.3	2.8
	Q2	Jul	Aug		Jul				Jul	Jul

Source: The Economist London: September 30th - October 6th, 2006

For India, RBI WSS, September 29, 2006

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

*Excluding Gold and SDRs

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