



MARKET MOVEMENT

| Major Indices | March 10, 2017 | March 17, 2017 | % Change | Change |
|---------------|----------------|----------------|----------|---|
| BSE Sensex | 28,946.23 | 29,648.99 | 2.43 |  |
| NSE Nifty | 8,934.55 | 9,160.05 | 2.52 |  |

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Incentives offered to companies for developing oil & gas blocks
- MoU on renewable energy between India and Portugal approved
- Government approves oil storage pact with ADNOC
- Companies allowed to sell coal bed methane at market prices
- New National Health Policy approved

Incentives offered to companies for developing oil & gas blocks

The government will offer incentives to companies that take lead in developing oil and gas blocks of their choice leading to a government-monitored auction, according to the draft Open Acreage Licensing Policy (OALP). The Directorate General Hydrocarbon (DGH) will administer rounds of awards of blocks carved out by the DGH, for contracting in addition to the option available to investors to make applications under OALP. Investors can apply for a specific area for either reconnaissance contract that permits exploration for two years, or petroleum operations contract for 20 years, including an initial exploration phase of six years.

MoU on renewable energy between India and Portugal approved

An ex-post facto approval has been given by the Cabinet for signing of a Memorandum of Understanding (MoU) on renewable energy between India and Portugal. The MoU will help in strengthening bilateral cooperation between the two countries. Both sides aim to establish the basis for a cooperative institutional relationship to encourage and promote technical bilateral cooperation on new and renewable issues on the basis of mutual benefit equality and reciprocity.

Government approves oil storage pact with ADNOC

An agreement on oil storage and management between Indian Strategic Petroleum Reserve (ISPRL) and Abu Dhabi National Oil Company (ADNOC) of UAE has been approved by the government.

According to the agreement, ADNOC will fill up 0.81 MMT or 5,860,000 million barrels of crude oil at ISPRL storage facility at Mangalore, Karnataka.

Companies allowed to sell coal bed methane at market prices

The Cabinet has allowed pricing and marketing freedom to producers of natural gas from coal seams and also allowed them to sell the fuel to affiliates. The move will help operators like Reliance Industries and Oil and Natural Gas Corporation to quickly put in to production the coal-bed methane blocks they hold and reverse the trend of investors relinquishing coal-seam blocks due to viability issues of current pricing.

New National Health Policy approved

The Union Cabinet has approved the National Health Policy, 2017. The policy aims at achieving a nationwide health coverage and delivering quality health care services to all at affordable cost. This policy, which is patient centric, looks at problems and solutions holistically with private sector as strategic partners. It seeks to promote quality of care, focus is on emerging diseases and investment in promotive and preventive healthcare.

INDUSTRY WATCH

- **Steel exports rise 150 per cent in February, imports down 46 per cent**
- **Jaipur, Srinagar top two best airports globally in small airport category**
- **India beats China in export growth of locally made retail, lifestyle products**
- **Post-demonetisation, some insurers see steep growth**
- **Passenger vehicle sales up 9 per cent in February**

Steel exports rise 150 per cent in February, imports down 46 per cent

Steel exports in February registered a growth of 150 per cent while imports came down by 46 per cent. The quantum jump in exports comes at a time when the government is providing extensive support to the domestic steel industry by way of trade remedial measures, including anti-dumping. The consumption of steel in February increased marginally by 3 per cent over the same month in 2016.

Jaipur, Srinagar top two best airports globally in small airport category

Jaipur and Srinagar airports, managed by Airports Authority of India (AAI) have been ranked amongst the best airports in the category of 2 to 5 million passengers per annum across the world. Jaipur Airport has also been rated as the best airport in the category of “Best Airport by Size and Region” in the traffic volume of 2 to 5 million passengers per year.

India beats China in export growth of locally made retail, lifestyle products

India is outpacing China in export growth of locally made retail and lifestyle products. In the past two to three years, there has been a structural interest in global companies to move sourcing to India as manufacturing in China is becoming expensive. Also, as a way of having contingency and balancing supply chains, they are zeroing in on India. India-based manufacturers are benefiting significantly from access to quality raw materials that are competitively priced.

Post-demonetisation, some insurers see steep growth

With demonetisation severely clamping down on investments into real estate and gold, consumers seem to be putting their money in insurance. ICICI Prudential, the only public insurer, posted a growth as high as 48 per cent year-over-year with premium of USD 132 million for the month of February. Peers such as HDFC Standard Life (14 per cent), Birla Sun Life (26 per cent) and Max Life (12.6 per cent) also saw good growth for the month.

Passenger vehicle sales up 9 per cent in February

Sales of passenger vehicles grew by 9 per cent to 255,359 units in February. While sales of commercial vehicles went up by 7.3 per cent to 66,939 units last month, those of two-wheelers remained flat at 1,362,045 units. Overall, sales of vehicles across categories went up by just under 1 per cent to 1,719,699 units in February.

CORPORATE HIGHLIGHTS

- **Tata Motors, Volkswagen to jointly develop auto parts, vehicle concepts**
- **Canadian pension funds buy 1.5 per cent stake in Kotak Mahindra Bank**
- **Reliance Communications gets BSE, SEBI approval for merger with Aircel**
- **Big data company Infoworks raises USD 15 million**
- **Zee Entertainment to buy 80 per cent stake in tech startup Margo Networks**

Tata Motors, Volkswagen to jointly develop auto parts, vehicle concepts

Germany's Volkswagen Group has signed a memorandum of understanding with Tata Motors Ltd to jointly develop product components and possibly vehicle concepts. VW's Skoda Auto AS will join the project on behalf of the German automobile group. The first step will address topics such as the application of specific market knowledge as well as local development expertise.

Canadian pension funds buy 1.5 per cent stake in Kotak Mahindra Bank

Canadian pension's funds Canada Pension Plan Investment Board (CPPIB) and Caisse de Depot Quebec (CDPQ) have bought a 1.5 per cent stake in Kotak Mahindra bank. CPPIB and CDPQ have bought 9.2 million and 18.4 million shares, respectively, in bulk deals, amounting to USD 336.4 million.

Reliance Communications gets BSE, SEBI approval for merger with Aircel

Markets regulator SEBI and the stock exchanges have cleared the demerger of Reliance communications (RCom) wireless business and the unit's subsequent merger with Aircel. Post-closing, RCom and the present shareholders of Aircel will hold 50 per cent each in Aircel. The merged entity will have the second-largest spectrum holding among all operators. The transaction will reduce RCom's debt by USD 3 billion, while Aircel's debt would go down by USD 597 million on closing in 2017.

Big data company Infoworks raises USD 15 million

Data warehousing company Infoworks.io Inc. has raised USD 15 million in its series B round of investment led by Centerview Capital Technology. Existing investor Nexus Venture Partners also took part in this round. Infoworks will use the new capital to scale up its go-to-market and customer success programmes to meet customer demand.

Zee Entertainment to buy 80 per cent stake in tech startup Margo Networks

Zee Entertainment Enterprises Ltd has decided to acquire an 80 per cent stake in tech startup Margo Networks Pvt. Ltd for USD 11.5 million. The Zee Group-company will subscribe to fresh shares of Margo at a post-issue valuation of USD 14 million. Mumbai-based Margo, founded in August 2016, has developed a technology to set up server and compute infrastructure to enable digital consumption. This has the potential to drive digital consumption higher.