



MARKET MOVEMENT

Major Indices	August 10, 2018	August 17, 2018	% Change	Change
BSE Sensex	37,869.23	37,947.88	0.20	
NSE Nifty	11,429.50	11,470.75	0.36	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **Cabinet approves MoU between India and Indonesia on Health cooperations**
- **Government bans 12 pesticides with immediate effect**
- **Approval for signing of MoU between India and Canada**
- **Government announces USD 1.43 billion connectivity plan for NE states**
- **Cabinet approves MoU between India and Korea on Trade Remedy Cooperation**

Cabinet approves MoU between India and Indonesia on Health cooperation

Cabinet has approved the signing the Memorandum of Understanding (MoU) between India and Indonesia on health cooperation. MoU covers areas of cooperation like research and development, Active Pharmaceutical Ingredients (API) and IT-based medical equipment, human resource development and health services. A working group will be set up to further elaborate the details of cooperation and to oversee the implementation of this MoU.

Government bans 12 pesticides with immediate effect

Centre has banned use of 12 pesticides with immediate effect and issued orders for banning six others from December 31, 2020 as their use is hazardous for humans and animals. Action would be taken under the Insecticides Act, 1968 against any person who fails to return “certificate of registration” for manufacture, import, formulate, transport and sell these pesticides within three months. In case of six others, issuing new certificate of registration for manufacturing is stopped with immediate effect and decided to disallow their import, manufacture and formulation from January 1 next year.

Approval for signing of MoU between India and Canada

Ex-post facto approval of the Memorandum of Understanding (MoU) signed in 2011 and approval for signing of MoU between Institute of Chartered Accountants of India (ICAI), India and CPA, Canada

providing arrangements for reciprocal membership is given that will apply to the respective members of both the Institutes subject to specified criteria. Both has collaborated on the definition, learning, and evaluation of professional qualities and skills and competencies of entry-level Chartered Accountants. ICAI members can expand their professional horizon and simultaneously ICAI will become an entity to aid strengthen brand building of local nations.

Government announces USD 1.43 billion connectivity plan for NE states

Government has announced a mega investment and connectivity programme for the northeastern (NE) states that entails inflow of USD 1.43 billion through 400 programmes in the next four years. Investments will focus on enhancing telecom infrastructure, setting up BPOs, boosting electronics manufacturing and promoting digital payments, start-ups and cyber security. USD 1.11 billion will be invested in enhancing towers, optic fibre and other connectivity initiatives.

Cabinet approves MoU between India and Korea on Trade Remedy Cooperation

Cabinet gave its ex-post facto approval to the Memorandum of Understanding (MoU) between India and Korea on Trade Remedy Cooperation. MoU will promote cooperation between the two countries in the area of trade remedies viz. anti-dumping, subsidy and countervailing and safeguard measures, which will enhance the bilateral trade relations.

INDUSTRY WATCH

- **Smartphone market grows 20% in Q2 2018**
- **Exports increases 14.32% in July**
- **Vehicle sales rise 7% in July**
- **Fuel demand increases 7.3% in July**
- **Industrial output rises 7% in June**

Smartphone market grows 20% in Q2 2018

Smartphone shipments grew 20% to 33.5 million units in the June quarter 2018 compared to the year-ago period. Feature phone market rose 29% with shipments of 44 million units in June quarter 2018 compared to same period last year. Growth is driven by online exclusive launches and strong shipments by offline heavy vendors on the back of high decibel promotional activities and channel scheme.

Exports increases 14.32% in July

Exports rose by 14.32% to USD 25.77 billion in July 2018 from USD 22.54 billion in July 2017. Growth is mainly due to 25.62% growth in exports of gems and jewellery sector to USD 3.18 billion and 30% increase in petroleum products to USD 3.9 billion. Imports during period grew 28.81% to USD 43.79 billion compared to USD 33.99 billion in the year ago period. 57% increase in oil import bill (USD 12.35 billion) and 41% increase in gold imports to USD 2.96 billion during July have contributed in growth of imports.

Vehicle sales rise 7% in July

Total vehicle sales increased 7% to 2,244,875 units in July, against a year ago, due to the high base in the corresponding quarter and inventory pile-up by vehicles manufacturers ahead of the festival season beginning August. Light commercial vehicle sales also increased 32.88% to 48,198 units. Motorcycle sales also grew 9.67% to 1,150,995 units on the back of a revival in demand in rural markets. Medium and heavy commercial vehicles increased 24.5% to 28,299 units.

Fuel demand increases 7.3% in July

Fuel consumption rose 7.3% to 17.05 million tonnes in July 2018 as compared to 15.88 million tonnes in the same month last year. Growth in petrol sales was 7.8% at 2.3 million tonnes and diesel consumption 4.8% to 6.6 million tonnes. Jet fuel or aviation turbine fuel (ATF) sale grew 12.7% at 672,000 tonne. Naphtha sales rose 6% at 1.14 million tonnes, while consumption of petroleum coke surged almost 2% to 2.2 million tonnes.

Industrial output rises 7% in June

Industrial output rose 7% in June to a five-month high due to 6.9% growth in manufacturing sector compared to 2.8% growth in May 2018. Manufacturing contributes 77.6% of index and supported by industries like electronics, auto, pharma, food, metals, non-metallic products etc. Mining output rose 6.6% in June, sensitive capital goods segment output increased by 9.6%. Electricity generation recorded 8.5% growth against 4.2% in May.

CORPORATE HIGHLIGHTS

- **Ashok Leyland receives order for 300 buses from Bangladesh**
- **CCI gives nod to Adani Wilmar's acquisition of Ruchi Soya**
- **IFFCO forms JV with Spain firm for USD 46.6 million plant**
- **REC inks pact with German bank for USD 228.15 million loan**
- **BPCL gets green nod for USD 107 million ethanol project in Odisha**

Ashok Leyland receives order for 300 buses from Bangladesh

Ashok Leyland has received an order from Bangladesh Road Transport Corporation (BRTC) for supply of 300 buses for an undisclosed sum. Order is for double-decker buses to decongest the busy roads of Dhaka and it is procured against a tender under Indian Line of Credit (LoC). Delivery will take place within eight months.

CCI gives nod to Adani Wilmar's acquisition of Ruchi Soya

Competition Commission has approved the acquisition of Ruchi Soya by Adani Wilmar. Mergers and acquisitions beyond a certain threshold require the approval of the Competition Commission of India (CCI). In December 2017, Ruchi Soya Industries entered into the Corporate Insolvency Resolution Process. Company has many manufacturing plants and its leading brands include Nutrela, Mahakosh, Sunrich, Ruchi Star and Ruchi Gold.

IFFCO forms JV with Spain firm for USD 46.6 million plant

Indian Farmers Fertiliser Cooperative Limited (IFFCO) has announced Joint Venture (JV) with Spain's Congelados De Navarra to set up a food processing plant at Ludhiana in Punjab with an investment of USD 46.6 million. IFFCO will have 30% stake while Congelados De Navarra will have the remaining 70% stake. Congelados De Navarra is USD 220 million company that has pioneered the individually quick frozen (IQF) technology.

REC inks pact with German bank for USD 228.15 million loan

Rural Electrification Corporation (REC) Limited has signed USD 228.15 million loan with the German bank KfW in Frankfurt to finance renewable energy projects in India. REC will fund renewable energy project developers in the form of low-interest loans. In the last financial year, the renewable energy segment received USD 0.51 billion from the REC.

BPCL gets green nod for USD 107 million ethanol project in Odisha

Bharat Petroleum Corp Ltd (BPCL) has been given green nod for setting up a second generation ethanol plant that would entail an investment of USD 107 million. Ethanol bio-refinery with a capacity of 100 kilo litre per day (KLPD) will be set up at Baulsingha village in Bargarh district in an area of 58.44 acres. Lignocelluloses biomass will be used as fuel and project is in line with the government's national bio-fuel policy, which mandates 5% blending of ethanol with petrol.