



MARKET MOVEMENT

Major Indices	February 10, 2017	February 17, 2017	% Change	Change
BSE Sensex	28,334.25	28,468.75	0.47	
NSE Nifty	8,793.55	8,821.70	0.32	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Civil aviation agreement between India & Rwanda approved
- Government approves merger of SBI and its five associate banks
- Union Cabinet apprised of India-Vietnam space agreement
- DoT gets USD 1.9 billion from Government for BharatNet, NFS
- Airbus signs MoU with Telangana Government, NSDC

Civil aviation agreement between India & Rwanda approved

The Union Cabinet has approved the signing of an Air Services Agreement between India and Rwanda. The agreement will spur greater trade, investment, tourism and cultural exchange between India and Rwanda. It will provide enabling environment for enhanced and seamless connectivity while providing commercial opportunities to the carriers of both the sides ensuring greater safety and security.

Government approves merger of SBI and its five associate banks

Government has approved the acquisition by the State Bank of India (SBI) of its subsidiary banks namely State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore. The merger is likely to result in recurring savings, estimated at more than USD 147 million in the first year, through a combination of enhanced operational efficiency and reduced cost of funds.

Union Cabinet apprised of India-Vietnam space agreement

The Union Cabinet has been apprised of the framework agreement between India and Vietnam on cooperation in the exploration and uses of outer space for peaceful purposes. The framework agreement will enable pursuing the potential interest areas of cooperation such as space science, technology and applications including remote sensing of the earth; satellite communication and satellite-based navigation; space science and planetary exploration; use of spacecraft and space systems and ground system; and application of space technology.

DoT gets USD 1.9 billion from Government for BharatNet, NFS

Government has allocated USD 1.9 billion to the Department of Telecom (DoT) to roll out broadband network across gram panchayats and building alternate communications network for defence, as per the Output-Outcome Framework for Schemes 2017 issued. USD 1.5 billion has been assigned to roll out optical fiber-based broadband network across 150,000 gram panchayats in 2017-18.

Airbus signs MoU with Telangana Government, NSDC

European aviation giant Airbus has inked a Memorandum of Understanding (MoU) with the Telangana government, National Skill Development Corporation (NSDC) and Aerocampus France to set up a centre of excellence (CoE) for aerospace skill development in Hyderabad. The CoE will come up at Begumpet airport and will offer training on aircraft manufacturing, logistics, maintenance, repair and overhaul, ground handling and special aviation processes.

INDUSTRY WATCH

- Wholesale prices up 5.25 per cent year-on-year in January
- Exports rise for fifth month in a row, up 4.3 per cent in January
- Indirect tax revenue grows 24 per cent in April-January; direct tax up 10.79 per cent
- Vegetable oil imports drop 19 per cent in January 2017
- India's forex reserves increase USD 1.6 billion

Wholesale prices up 5.25 per cent year-on-year in January

India's wholesale inflation saw a sharp rise in January owing to costlier fuel and power even as food items continued to remain cheaper. Wholesale Price Index (WPI) inflation at 5.25 per cent compared with 3.39 per cent in December. Fuel and power inflation rose 18.14 per cent in January from 8.65 per cent in December. WPI inflation in manufactured products, which has a 64.97 per cent weight in the index increased to 3.99 per cent from 3.6 per cent in the previous month.

Exports rise for fifth month in a row, up 4.3 per cent in January

Improved demand from the United States, European Union and Japan helped increase India's exports for the fifth month in a row in January, indicating that demonetisation has not hit exports as much as feared. Exports went up 4.3 per cent in January from a year ago to USD 22 billion.

Indirect tax revenue grows 24 per cent in April-January; direct tax up 10.79 per cent

Government's revenue collection from indirect tax grew by an impressive 23.9 per cent during the April-January period, while that from direct tax rose by 10.79 per cent. Total direct and indirect tax collections at the end of January stood at USD 189 billion, 76 per cent of the USD 250 billion target, as per revised estimate for 2016-17.

Vegetable oil imports drop 19 per cent in January 2017

India's vegetable oil imports have declined by 19 per cent to 1.02 million tonnes for the month of January 2017 as against 1.24 tonnes in the corresponding month last year. Import has reduced due to good kharif oilseeds crop and thus better domestic availability of edible oils and utilization of stock. Also, currency crunch due to demonetization has slowed down the purchases by end consumers also affected the demand and import to some extent.

India's forex reserves increase USD 1.6 billion

India's foreign exchange reserves rose USD 1.6 billion to reach USD 363 billion in February. This rise comes on the back of small pick-ups in the foreign exchange reserves over the last few weeks of January and February. Foreign investors pumped in USD 857 million into the Indian equities and debt markets over the two weeks of February.

CORPORATE HIGHLIGHTS

- **Bookmyshow picks up 75 per cent stake in Townscript**
- **ZestMoney raises USD 6.5 million**
- **Japan's JERA acquires 10 per cent stake in ReNew Power**
- **GVK wins rights to build Navi Mumbai airport**
- **Reliance Defence signs pact with US Navy**

Bookmyshow picks up 75 per cent stake in Townscript

Bigtree Entertainment Pvt. Ltd, which runs ticket booking platform Bookmyshow.com, has bought a 75 per cent stake in Pune-based Townscript for an undisclosed amount. The investment will primarily be utilised towards building and improving the product offering to technology solutions that address all pain points of registration-based events right from school annual days, expos and conventions, to free-to-host charity, spirituality and fashion events.

ZestMoney raises USD 6.5 million

Bengaluru-based fintech company ZestMoney has raised USD 6.5 million in a series A round of funding led by Naspers-owned PayU. Existing investors, US-based Ribbit Capital and Omidyar Network, also participated in the round along with individual investors. ZestMoney, owned by Camden Town Technologies Pvt. Ltd, will invest the funds in technology and product development.

Japan's JERA acquires 10 per cent stake in ReNew Power

As part of Japan's attempt to engage with India's green energy space, JERA Co., Inc. (JERA) has become an anchor investor in ReNew Power Ventures Pvt. Ltd before the proposed initial public offer of the firm backed by Goldman Sachs and the Abu Dhabi Investment Authority. JERA has acquired 10 per cent stake in ReNew Power for USD 200 million valuing the company at USD 2 billion.

GVK wins rights to build Navi Mumbai airport

GVK Power & Infrastructure Ltd, which runs the Mumbai and Bengaluru airports, has won the right to build Mumbai's second airport in Navi Mumbai, beating arch rival GMR Infrastructure Ltd. GVK, through Mumbai International Airport Ltd, which runs the Mumbai airport, offered to share 12.60 per cent of the revenue of the new airport with City and Industrial Development Corp. of Maharashtra.

Reliance Defence signs pact with US Navy

Reliance Defence and Engineering Ltd. has announced an agreement with the American Navy for repair and alteration services for warships of the largest forward- deployed Seventh Fleet operating in the region which includes Western Pacific and Indian Ocean. At any given time there are roughly 50 - 70 ships and submarines, 140 aircraft and approximately 20,000 sailors under its command.