

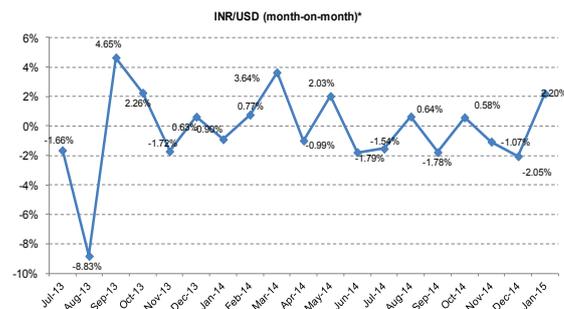
### 1-year BRICs performance comparison\*

India's SENSEX emerged 2nd amongst the BRICs (1-year)



In descending order (from 31st Jan 2014 to 31st Jan 2015): **SHCOMP** (Shanghai Stock Exchange Index), **BSE Sensex** (Bombay Stock Exchange), **MICEX** (Moscow Stock Exchange Index) and **IBOVESPA** (Brazil Sao Paulo Stock Exchange Index)

### INR/USD chart (from July 2013 to January 2015)\*\*



\* Source: Bloomberg

\*\* S&P

### FII at new highs of USD5.45 billion in January 2015

Foreign institutional investors (FIIs) pumped in a staggering US\$5.45 billion (Rs 33,688 crore) in capital markets in January.

### Sensex ended Jan 15 lower than record highs & Nifty was up in January 2015

Sensex closed at 29,183, down 6.1% and Nifty was up at 6.4% when it closed at 8,809.

### Summary of Obama's visit to India

- A new 10-year defense cooperation agreement between the two countries was announced - which may have far-reaching consequences for both sides on sharing intelligence and military education.
- Both countries had reached an agreement on climate change. India will expand its use of renewable energy and move toward joining an international deal on global warming that cap emissions.
- Both countries promised increased trade and investment opportunities. They both affirmed their shared commitment to facilitating increased bilateral investment flows and fostering an open and predictable climate for investment, which can help boost bilateral trade from its current level of around US\$100 billion a year to US\$500 billion by 2025
- The U.S.-India Defense Technology and Trade Initiative (DTTI) is poised to increase co-production, co-development and partnership in U.S.-India military-industrial matters. The Indian government plans to increase India's defense self-sufficiency and increase the share of India's military hardware that is manufactured on Indian soil.
- President Obama reiterated his support for Prime Minister Modi's vision to transform India, and recognized that India's focus on its development priorities presented substantial opportunities for forging stronger India-U.S. economic ties and greater people-to-people contacts. Reaffirming that India's rise is also in the interest of the United States, regional and global stability, and global economic growth, President Obama reiterated the United States' readiness to partner with India in this transformation.

### Poland wants to expand economic ties with India

Ambassador of Poland in India, Tomasz Lukaszuk has said that Poland wants to be part of 'Make in India' mission that focuses on expanding manufacturing base in Asia's third largest economy by growing trade volume from current US\$2 billion to US\$20 billion in the next few years.

### PM Modi to hard-sell "Make in India" plan to Indian envoys

Prime Minister Narendra Modi utilise the opportunity to brief 160 New Delhi's envoys in over 160 countries about his government's foreign policy priority and immediate focus on restoring confidence of foreign investors and augment foreign capital inflow to increase growth in manufacturing sector.

### Government eyes \$2 billion in foreign funds for expansion of major ports

The Indian government is planning to raise \$2 billion (about Rs 12,400 crore) in overseas funding for expansion of major ports in the country as well as to execute rail and road projects to connect them to the hinterland.

### CPI & Inflation

CPI inflation in December increased to 5% yoy versus ~4.4% in November, mainly on the account of base effects. The CPI has reduced by ~500bps over the last 12 months. The disinflation process should continue into FY16 as well, as the cascading impact of lower oil and commodity prices feeds through the economy. Core CPI was reported at 5.4% in Dec'14 vs. 5.6% in Nov'14 and 8.1% in Dec'13. The WPI remained at a low level of 0.1%; the current easing of inflation is not just on account of the base effect, but actual collapse of prices across many categories. Core WPI remained low at 1.6% vs. 2.2% previous month and 3.2% last December. Breakup of WPI shows that Primary articles inflation was 2.2%, fuel inflation declined almost 8% and manufactured goods inflation was 1.6%.

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