

1. Good monsoon brings record production of Foodgrains:

- ❖ Record production of rice, pulses and coarse cereals coming in the wake of a good monsoon could push up total food crop output this year to a new high of **277.5 million tonnes (mt)**, according to the Second Advance Estimates of production of major crops released by the Agriculture ministry.
- ❖ In comparison, the total **foodgrain output last year was 275 mt**, which itself was a record then.
- ❖ **Rice output rises** : For the first time, rice production breached the 111 mt mark – which was about 2.5 mt more than the target of 108.5 mt set for the year.
- ❖ **Pulses, wheat gain** : Similarly, pulse production would surpass the target by a staggering 1 mt this year to touch 23.95 mt, making it the second consecutive year of bountiful production. Last year it was 23.13 mt.
- ❖ Wheat output, on other hand, is estimated to go up marginally to 96.48 mt (96.30 mt). The production of coarse cereals too is projected to increase by 1.65 million tonnes to 45.42 mt mainly on a boost in maize yield.
- ❖ **Oilseeds fall** : However, a major setback is expected on oilseeds segment, which is projected to fall below 30 mt, as compared to 31.28 mt last year. The target for the year was set at 35.5 mt.
- ❖ Much of the shortfall in oilseeds was due to a slump in the production of soyabean and rapeseed/mustard which came down drastically to 11.4 mt from 13.12 mt (2016-17) and to 7.54 mt from 7.92 mt respectively.
- ❖ Groundnut output, on the other hand, is estimated to go up to 8.22 mt from 7.5 mt last year.

Source : Ministry of Agriculture

2. Money Market : Reference date : 02 March 2018

Bank rate	6.25	Base rate	8.95-9.45
Repo Rate	6.00	S L R	19.5
Reverse Repo Rate	5.75	Term Deposit Rate	6.00 - 6.75 >1 Yr
C R R	4.00	Call Money (wtd.Avg)	5.93
Marginal Standing Facility	6.25	CBLO (Wtd.Avg)	5.84

Source : Reserve Bank of India

Source: global-rates.com On US \$ (%)	Date>	02 March	1-Week	1-month	6-Month	1-Year
	LIBOR>	1.45	1.48	1.69	2.22	2.51

3. Foreign Exchange Rate (Rs) :

Category	26 Feb	27 Feb	28 Feb	01 Mar	02 Mar	% Ch.
US \$	64.66	64.85	65.10	65.23	NA	0.88
Euro	79.70	79.97	79.59	79.50	NA	-0.25

Source : RBI

4. Stock Exchange Indices :

Category	26 Feb	27 Feb	28 Feb	01 Mar	02 Mar	% Ch.
BSE	34446	34346	34184	34047	NA	-1.16
Nifty	10581	10554	10493	10458	NA	-1.16

Source : BSE, NSE

5. Gold & Silver Prices (Rs) :

Kolkata Prices	26 Feb	27 Feb	28 Feb	01 Mar	02 Mar	% Ch.
Gold 24 Carrots /10gms	31635	31633	31696	31442	31459	-0.56
Silver bar / kg	41600	41600	41700	41700	41700	0.24

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6. Crude Oil Price: US\$/Barrel :

Date>	23 Feb	26 Feb	27 Feb	28 Feb	01 Mar	Weekly
Price>	64.15	65.18	64.99	63.97	62.23	NA

Source: OPEC

7. RBI lifts per-borrower loan cap for MSMEs

- ❖ Reserve Bank of India has decided to do away with the per borrower loan limits to Micro/ Small and Medium Enterprises (Services) for classification under priority sector lending.
- ❖ So far, loans to Micro/ Small and Medium Enterprises (Services) up to RS.5 crore and Rs.10 crore, respectively, were classified as priority sector lending (PSL).
- ❖ Since the per borrower loan limits to Micro/ Small and Medium Enterprises (Services) have been removed, all bank loans to MSMEs engaged in providing or rendering services as defined in terms of investment in equipment under the MSMED Act, 2006, will qualify under priority sector without any credit cap, the RBI said in a notification.
- ❖ RBI also said foreign banks with 20 or more branches will have to meet sub-targets for lending to small and marginal farmers and micro enterprises from FY2018-19

8. Overseas borrowing by India Inc falls :Interest rates in offshore markets rise, domestic credit demand recovers

- ❖ India Inc showed less enthusiasm in tapping overseas markets for meeting funding requirements in January this year in the backdrop of rising interest rates in the offshore funding markets and recovery in domestic credit demand.
- ❖ Funds raised by Indian corporates via external commercial borrowings (ECBs) at \$540.464 million in January was about 70 per cent lower compared with the \$1.8 billion mopped up in the same month last year.
- ❖ Bankers attribute this trend of slowdown in demand for ECBs and pick-up in credit from banks to interest rates overseas nudging up vis-à-vis domestic lending rates.
- ❖ The Libor, which is used to price ECBs, has gone up in the last one year or so. For example, the six-months Libor has gone up from 1.31 p.c. on January 2, 2017, to 1.96 p.c. as at January-end 2018, and is currently hovering around 2.20 p.c..Overall ECB funding cost includes a spread over Libor and swap costs.

9. RBI released Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks (SCBs), December 2017.
Highlights

- ❖ Aggregate deposits moderated for the second successive quarter; deposit growth across population groups (rural/semi-urban/urban/metropolitan) ranged between 3.3-5.4 per cent.
- ❖ Among bank groups, deposit accumulation by public sector banks and RRBs was minimal, whereas private sector banks continued to maintain double-digit growth and deposits with foreign banks recorded positive growth after four quarters.
- ❖ Branches/ offices in metropolitan cities accounted for nearly 57 per cent of banking business.
- ❖ Seven states (viz., Maharashtra, National Capital Territory of Delhi, Tamil Nadu, Karnataka, Uttar Pradesh, Gujarat and West Bengal) accounted for over two-thirds of deposits as well as credit.
- ❖ The pick-up in credit growth helped in improving the banking system's credit-deposit (C-D) ratio to 75.1 per cent at end-December 2017 from 73.3 per cent a quarter ago.