

1. NITI Aayog begins discussions on MSP model; comes out with 3 options

- ❖ In our country, MSP for 24 agricultural commodities of Kharif and Rabi season are announced by the Government based on the recommendations of the Commission for Agriculture Cost and Prices (CACP). The NITI-Aayog has initiated discussions on putting in place a system to fix minimum support price (MSP) for different crops and is considering three options.

Three options :-

- ❖ **Market Assurance Scheme:** The market assurance scheme proposes procurement by States and compensation of losses up to certain extent of MSP after the procurement and price realisation out of sale of the procured produce
- ❖ **Price-deficiency Procurement Scheme :** under the price deficiency procurement scheme, if the sale price is below a modal price then the farmers may be compensated to the difference between MSP and actual price subject, which would not exceed 25 per cent of the MSP
- ❖ **Private Procurement and Stockist Scheme.** Under the third option, procurement would be done by private entrepreneurs at MSP and the government would provide some policy and tax incentives to these entrepreneurs. "The private procurement and stockist scheme offers great promise as it reduces the fiscal implications for the government, involves private entities as partners in agriculture marketing and improves the competition in the market," said the release, adding that it would also limit the government's liabilities for storage and post procurement management and disposal are also avoided.
- ❖ "However, all the three options may not be implemented for the same crop," the release said,

Source : NITI Aayog

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)	5.88
Marginal Standing Facility	6.25	CBLO (Wtd.Avg)	5.86

Source : Reserve Bank of India

Source: global-rates.com On US \$ (%)	Date>	02 March	1-Week	1-month	6-Month	1-Year
	LIBOR>	1.44	1.48	1.74	2.26	2.53

3. Foreign Exchange Rate (Rs) :

Category	05 Mar	06 Mar	07 Mar	08 Mar	09 Mar	% Ch.
US \$	65.05	64.99	64.96	64.92	65.08	0.05
Euro	80.03	80.21	80.75	80.54	80.16	0.16

Source : RBI

4. Stock Exchange Indices :

Category	05 Mar	06 Mar	07 Mar	08 Mar	09 Mar	% Ch.
BSE	33747	33317	33033	33352	33307	-1.30
Nifty	10359	10249	10154	10243	10227	1.27

Source : BSE, NSE

5. Gold & Silver Prices (Rs) :

Kolkata Prices	05 Mar	06 Mar	07 Mar	08 Mar	09 Mar	% Ch.
Gold 24 Carrots /10gms	32814	32175	32171	32290	32150	-2.02
Silver bar / kg	41700	41700	41900	41500	41500	-0.48

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

Date>	02 Mar	05 Mar	06 Mar	07 Mar	08 Mar	Weekly
Price>	61.57	62.87	63.24	62.68	61.85	NA

Source: OPEC

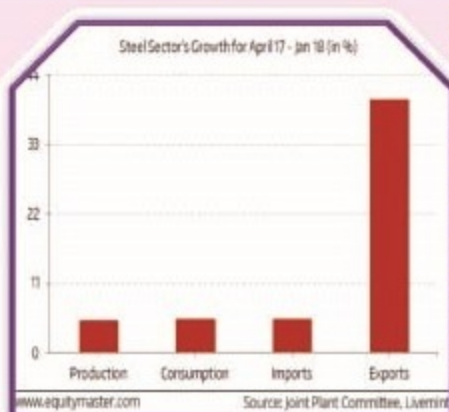
7. Direct Tax collections show growth of 19.5% up to February, 2018

- ❖ The provisional figures of Direct Tax collections up to February, 2018 show that net collections are at **Rs.7.44 lakh crore** which is **19.5%** higher than the net collections for the corresponding period of last year.
- ❖ The net Direct Tax collections represent **74.3%** of the **Revised Estimates** of Direct Taxes for F.Y. 2017-18 (Rs. 10.05 lakh crore). Gross collections (before adjusting for refunds) have increased by **14.5%** to **Rs.8.83 lakh crore** during April 2017 to February 2018.
- ❖ Refunds amounting to **Rs.1.39 lakh crore** have been issued during April 2017 to February 2018. The growth rate for **net** collections for Corporate Income Tax (CIT) is **19.7%** and for Personal Income Tax (PIT) is **18.6%**.

8. With State elections coming, banks may face 'deposit Leakage'- SBI Report

- ❖ The banking system could face 'deposit leakage' due to State elections scheduled for this year and recapitalisation bonds that the government will issue to public sector banks, according to a State Bank of India research report.
- ❖ After the initial spike in deposits due to demonetisation, deposits growth started moderating from April 2017. From a peak of 15.6 per cent year-on-year growth in the fortnight ending November 25, 2016, the growth came down to 10.9 per cent in April 2017. This has further reduced to 5.9 per cent for the fortnight ended February 16, 2018.
- ❖ Meanwhile, the currency in circulation has increased rapidly in the past two months. On a monthly basis, growth has been Rs.0.45 lakh crore and Rs.0.51 lakh crore in January 2018 and February 2018, respectively, compared to an average of Rs.0.1 lakh crore and Rs.0.2 lakh crore, respectively, in these two months in previous years (except 2017).

9. Is the Steel Sector's Recovery Under Threat?



- ❖ India's steel industry was just coming out of a rough patch.
- ❖ Demand was picking up. Steel prices were on the rise. Buyers were lining up to pick up stressed assets. With the expected pick up in the investment cycle, the sector was on the upswing.
- ❖ India's Steel exports were on a roll.
- ❖ The US government plans to impose a 25% tariff on steel and a 10% tariff on aluminium appears to spoil the party.
- ❖ India produces a lot of both commodities but internationally, we are not a big player. The US imports only 2.4% of steel and 2% aluminium from India.
- ❖ But it's not so simple. With the new US tariffs, major exporters like South Korea will look to sell in other countries. This would lead to a glut, with the pressure to lower prices and could threaten the nascent recovery in the industry. Let us wait and watch