

1. Kharif sowing continues to be subdued

Lakh hectare

Kharif acreage (in lakh has as on August 25)			
	This year	Last Year	% ch.
Rice	358.28	361.24	-0.82
Pulses	135.96	141.35	-3.82
Arhar	41.75	51.32	-18.66
Uraddbean	41.24	33.62	22.69
Coarse cereals	178.85	182.61	-2.06
Maize	77.99	82.91	-5.93
Bajra	71.24	67.69	5.24
Jowar	17.17	18.98	-9.57
Oilseeds	164.24	178.66	-8.07
Soybean	104.88	113.11	-7.27
Groundnut	39.00	43.76	-11.33
Sugarcane	49.78	45.64	9.07
Jute & mesta	7.05	7.56	-6.72
Cotton	119.67	102.54	16.71
Total	1013.83	1019.60	-0.57

Kharif Crop Sowing dropped to 1013.8 Ihac

- ❖ The shortfall in sowing of oilseeds and pulses has continued to bring down the total area under cultivation during the current kharif season as compared to the previous year.
- ❖ Farmers across the country have so far covered only 1,013.83 lakh hectares (ha) by end of this week as compared to 1,019.6 lakh ha cultivated by same period last year, according to the data released by the Agriculture Ministry on Friday.
- ❖ Water level in reservoirs across the country were far from satisfactory as compared to corresponding period last year.

Source : Ministry of Agriculture, 25 August 2017

2. Money Market : Reference date : 18 August 2017

Bank rate	6.25	Base rate	9.00-9.55
Repo Rate	6.00	S L R	20.00
Reverse Repo Rate	5.75	Term Deposit Rate	6.25 - 6.90 >1 Yr
C R R	4.00	Call Money (wtd.Avg)	5.92
Marginal Standing Facility	6.25	CBLO (Wtd.Avg)	5.99

Source : Reserve Bank of India

Source: global-rates.com	Date>	25 August	1-Week	1-month	6-Month	1-Year
On US \$ (%)	LIBOR>	1.18	1.97	1.23	1.45	1.72

3. Foreign Exchange Rate (Rs) :

Category	21 Aug	22 Aug	23 Aug	24 Aug	25 Aug	% Ch.
US \$	64.03	64.11	64.13	64.07	NA	0.06
Euro	75.21	75.65	75.41	75.58	NA	0.49

Source : RBI

4. Stock Exchange Indices :

Category	21 Aug	22 Aug	23 Aug	24 Aug	25 Aug	% Ch.
BSE	31259	30292	30568	31596	NA	1.08
Nifty	9784	9766	9853	9857	NA	0.75

Source : BSE, NSE

5. Gold & Silver Prices (Rs) :

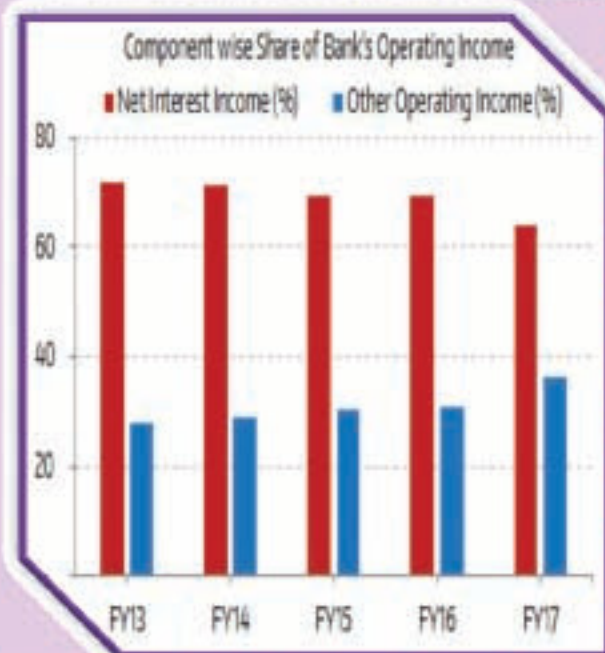
Kolkata Prices	21 Aug	22 Aug	23 Aug	24 Aug	25 Aug	% Ch.
Gold 24 Carrots /10 gms	30904	30525	30455	30455	30429	-1.54
Silver / kg	42600	42600	42600	42600	42600	0.00

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

Date>	18 Aug	21 Aug	22 Aug	23 Aug	24 Aug	% Ch.
Price>	48.86	49.80	49.50	49.49	49.76	49.64

Source: OPEC

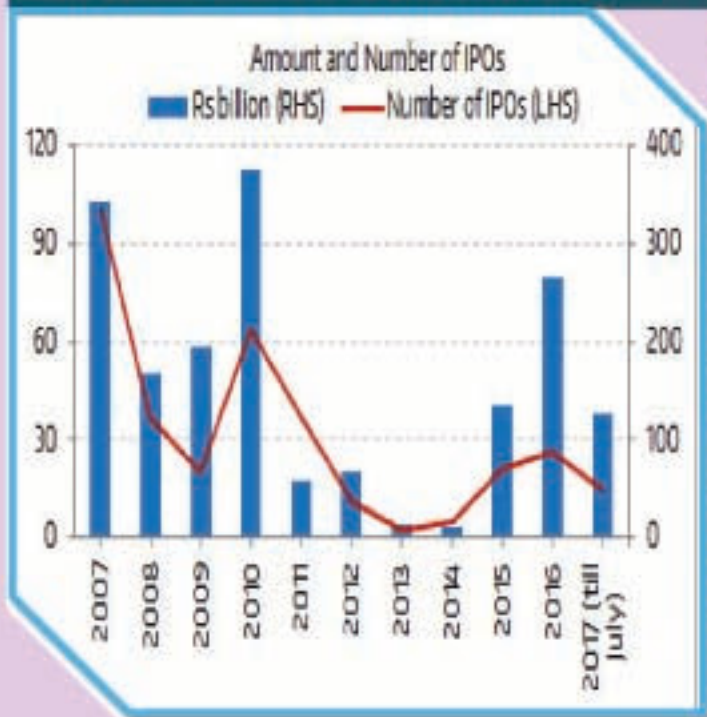
7. Slow Credit Growth Impairs Core Income Driver for Banks



- ❖ When the times were good, banks made money on treasuries and stayed away from lending. Later, rising bad loans made banks wary of extending more corporate loans. So after dwindling to single-digits in the past 3 years, bank credit growth slowed down to a multi-decade low of 4.4% in FY17, which curtailed Net Interest Income, the core source of income for banks.
- ❖ The share of Net Interest Income in the bank's total operating income fell from 72% in FY 13 to 64% in FY17. And despite treasury gains, banks' average shareholder's returns slipped from over 10% last year to below 5% during this period.
- ❖ As per RBI data, the incremental investment-deposit ratio has been on a steady decline. This shows that as huge deposits garnered by public sector banks post notebandi are stabilising, lending is slowly gaining traction.

Data Source: RBI, Financial Stability Report June 2017

8. 2017 Set to be Record Year for IPOs



- ❖ Fundraising through initial public offerings (IPOs) is set to hit a record high this calendar year, as fifteen companies have already raised more than Rs 125 billion (till July), with much bigger offerings in the pipeline.
- ❖ Five insurance company offerings are expected to raise a whopping Rs 400 billion collectively by the end of the year. Similar offerings from SBI Life Insurance, ICICI Lombard General Insurance, and HDFC Standard Life Insurance are set to raise around Rs 70 billion, Rs 50 billion, and Rs 75 billion, respectively.
- ❖ While all of this seems exciting to say the least, remember that in a euphoria-filled market such as this one, a rising tide lifts all boats. Only when the euphoria and optimism recede will the real victor emerge.