HICET BUSINESS SCHOOL
COIMBATORE

BUSINESS
AFFAIRS

HALF YEARLY MAGAZINE
JANUARY - JUNE 2018

Department of Management Science started in the year 2005, in order to transform the students community into business professions by offering two years Business administration master's program with the specializations in Finance, Marketing, Human Resources, Production and Operations, Systems, and Logistics. All the activities of the business school is evolved around the Vision, Mission, Programme Educational Objectives, Programme Outcomes, and Graduate Attribute statements are guided by its core values.

FOUNDER AND CHAIRMAN'S MESSAGE

The management is extremely happy to see the outcome of the MBA Department of our college in bringing out with a department magazine called "BUSINESS AFFAIRS 2018". I hereby extremely happy for the interest shown by the department. Today, business news has an important connotation in the competitive world of business. So, it is an important step in bringing out contents of business in a magazineform for students to deliberate and discuss over, students should become industry readymanagers for future generation. I convey my blessings and good wishes to all members involved dedicatedly for the magazine preparation.

Thiru T.S.R Khannaiyan

MANAGING TRUSTEE'S MESSAGE

I am delighted to note that the department of MBA has come up with a department magazine called "BUSINESS AFFAIRS 2018 ". This type of magazines makes students to explore new business paradigms, I hope and wish this magazine will help our studentsin enhancing their knowledge in various spears of business and help them to succeed intheir career or business ventures. This magazine will also serve as a business knowledge repository for the existing andupcoming batch of students. My regards for MBA department to scale new height in the days to come.

Thirumathi Sarasuwathi Khannaiyan

EXECUTIVE TRUSTEE & SECRETARY'S MESSAGE

It gives me immense pleasure to know that the department of MBA has come up with a department magazine called "BUSINESS AFFAIRS 2018". These kinds of efforts will motivate the students in building their future profile and will give confidence in upbringing their hidden talents. I wish this magazine will help our budding management leaders to develop a sharp intellect in the areas of business affairs and bring out a competitive model of successful businesses in future. My good wishes for MBA department for bringing out this magazine.

Thirumathi. K. Priya Sathish Prabhu

EDITORIAL

I am glad to see the Department of Management Sciences having completed twelve years of its existence and is successfully marching in to the thirteenth year, we got the autonomous status from AICTE and Anna University in July 2016. We are continuing to grow with a committed vision to develop students in leadership capabilities and business oriented learning for success in managerial or entrepreneurial ventures with social responsibility.

In our campus, students are expected to have an enriching and life-turning experience which will enable them to reach new heights in their professional life. We foster sharpening of skills and enhancement of knowledge base in our students through various extra-curricular, co-curricular and curricular activities.

I appreciate all the students, who have contributed to the "Business Affairs 2018" a department magazine, I also wish faculty and student editors for highlighting important debatable topics in the magazine. I wish this magazine to become a treasure of knowledge for debate club members and serve a guiding literature for business students.

I wish you all success.

Dr .K. Samuvel,

Director –MBA .

Chief Editor

Dr.K.Samuvel

Director –MBA .

Editor

Dr.M. Bhuvaneswari

Associate Professor,

Associate Editors

II MBA

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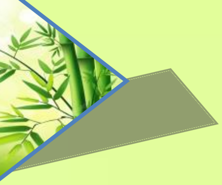

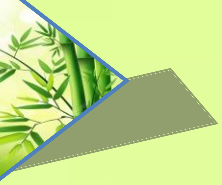

ADVISOR'S MESSAGE

Hindusthan College of Engineering and Technology is an amalgamation of competent teachers, energetic students and with an experienced and efficient administration. The college came into existence with the vision of creating a safe and supportive environment for its students to provide a perfect balance of academics, sports, artistic and social opportunities. Learning should be a joy and we strive for that.

We believe in giving our students strong values along with a set of wings which may carry them far and wide. In turn, our students are equipped to face the challenges of the rapidly changing world. Today's India is an empowered, enlightened and enterprising nation. We wish to make it even more powerful with conscientious, smart and confident citizens who would make us proud by augmenting their multifaceted skills.

It gives me immense pleasure to give my best wishes to HOD and faculty fraternity of management sciences for bringing out the magazine "Business Affairs 2018". The students and faculties of the department are always proactive in taking initiatives in educational, technical, cultural and social events in bringing laurels to the institution. I hope that this magazine will serve the purpose of reflecting all the important information in the recent business trends and it will also inspire many other students who want to aspire for the MBA programme.

Dr .S. Annadurai

Advisor, Hindusthan Group of Institutions, Coimbatore

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PRINCIPAL'S MESSAGE

Hindusthan college of Engineering of Technology primarily intends to nurture the shelved potential in students providing an ideal platform for them to channelize their creative outbursts and lend expression to their thoughts and views on various aspects in serene manner.

Our Institution believes that the purpose of education is to turn mirrors into windows, and as such is focused not only on pure studies but also on providing opportunity to each student to explore his or her own capabilities and their area of interest curricular, co-curricular or extra-curricular.

We fortunately have a committed and supportive management, dedicated teachers and cooperative students which blend harmoniously to create a student centric college. In the MBA Department it is natural to find the intensive use of a variety of thinking activities, strategies and active ideas so that the department has become alive. This edition of the magazine "Business Affairs 2018" is a milestone that marks our growth, and gives life to business thoughts and aspirations.

I congratulate the entire editorial team for their hard work and dedication that has resulted in the publication of this issue of the department magazine. With this I extend my best wishes to you all in your academic journey towards excellence, knowledge and wisdom.

Dr. T. Kannadasam,

Principal, HICET.

Contributing 9% of GDP

India's economy grew at an impressive 8.2 per cent in the first quarter of 2018-19 financial year ending June 30 on the back of a strong core performance and a healthy base.

The Indian government changed the base year for GDP calculation from 2004-05 to 2011-12, by changing the goods and services in the basket to make it more current, in 2015.

Sectors which registered growth of over 7 per cent include 'manufacturing, 'electricity, gas, water supply & other utility services' 'construction' and 'public administration, defence and other services'.

The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'Trade, hotels, transport, communication and services related to broadcasting' and financial, real estate and professional services is estimated to be 5.3 percent, 0.1 percent, 6.7 percent, and 6.5 percent respectively during this period GDP at current prices in Q1 of 2018-19 is estimated at Rs 44.33 lakhs crore, as against Rs 38. Lakhs crore in Q1 of 2017-18, showing a growth rate of 13.8 percent

The world's second largest economy, China, reported a 6.7 per cent growth for June quarter compared with 6.8 per cent in March quarter. India's $2.6 trillion economy surpassed France's in 2017 to be the world's sixth largest, and it was not far before the United Kingdom, according to World Bank data.

benchmark repo rate by a total of 50 basis points at its past two meetings, to 6.5 percent, to tame inflation that has remained above its medium-term target of 4 percent for the last nine months.

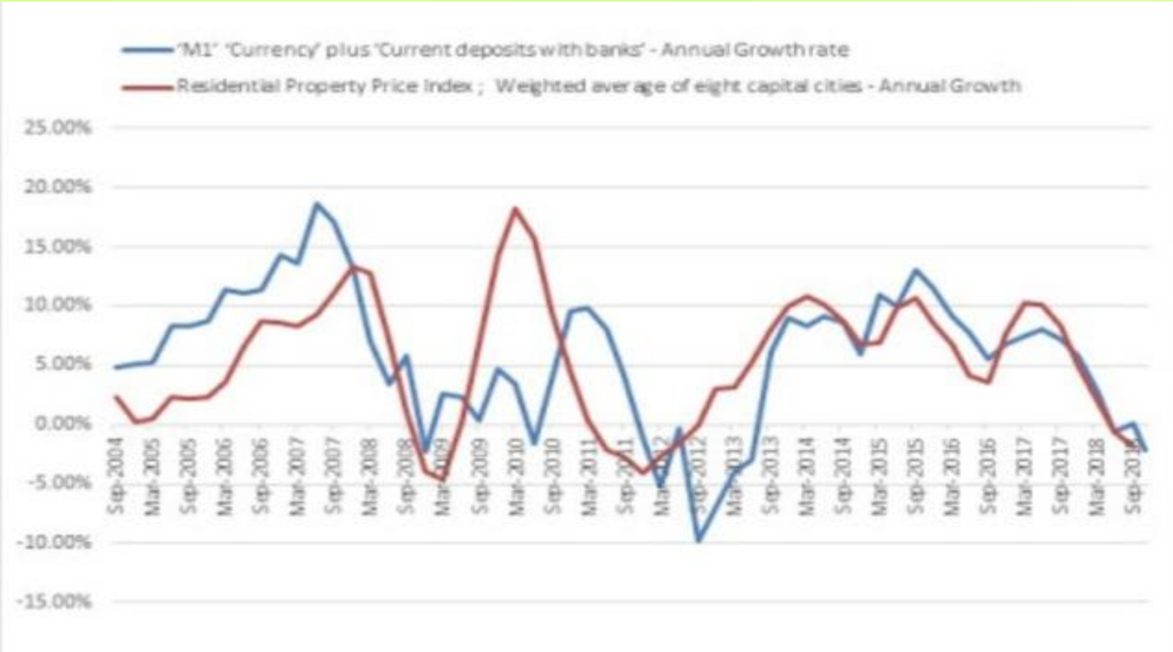
Earlier today, government data showed a fiscal deficit of Rs 5.40 lakh crore for April-July, or 86.5 *percent* of the budgeted target for the current fiscal year compared with 92.4 percent a year earlier.

MONIKA P M

I YEAR MBA

Economic and financial developments of monetary policy

Economic activity increased at a solid pace over the first half of 2018, and the labour market has continued to strengthen. Inflation has moved up, and in May, the most recent period for which data are available, inflation measured on a 12-month basis was a little above the Federal Open Market Committee's (FOMC) longer-run objective of 2 percent, boosted by a sizable increase in energy prices. In this economic environment, the Committee judged that current and prospective economic conditions called for a further gradual removal of monetary policy accommodation. In line with that judgment, the FOMC raised the target for the federal funds rate twice in the first half of 2018, bringing it to a range of 1-3/4 to 2 percent.



Inflation. Consumer price inflation, as measured by the 12-month percentage change in the price index for personal consumption expenditures, moved up from a little below the FOMC's objective of 2 percent at the end of last year to 2.3 percent in May, boosted by a sizable increase in consumer energy prices. The 12-month measure of inflation that excludes food and energy items (so-called core inflation), which historically has been a better indicator of where overall inflation will be in the future than the total

Financial conditions. Domestic financial conditions for businesses and households have generally continued to support economic growth. After rising steadily through 2017, broad measures of equity prices are modestly higher, on balance, from their levels at the end of last year amid some bouts of heightened volatility in financial markets. While long-term Treasury yields, mortgage rates, and yields on corporate bonds have risen so far this year, longer-term interest rates remain low by historical standards, and corporate bond issuance has continued at a moderate pace.

Financial stability. The U.S. financial system remains substantially more resilient than during the decade before the financial crisis. Asset valuations continue to be elevated despite declines since the end of 2017 in the forward price-to-earnings ratio of equities and the prices of corporate bonds. In the private nonfinancial sector, borrowing among highly levered and lower-rated businesses remains elevated, although the ratio of household debt to

disposable income continues to be moderate. Vulnerabilities stemming from leverage in the financial sector remain low, reflecting in part strong capital positions at banks, whereas some measures of hedge fund leverage have increased. Vulnerabilities associated with maturity and liquidity transformation among banks, insurance companies, money market mutual funds, and asset managers remain below levels that generally prevailed before 2008.

Monetary Policy

Interest rate policy. Over the first half of 2018, the FOMC has continued to gradually increase the target range for the federal funds rate. Specifically, the Committee decided to raise the target range for the federal funds rate at its meetings in March and June, bringing it to the current range of 1 3/4 to 2 percent. The decisions to increase the target range for the federal funds rate reflected the economy's continued progress toward the Committee's objectives of maximum employment and price stability. Even with these policy rate increases, the stance of monetary policy remains accommodative, thereby supporting strong labour market conditions and a sustained return to 2 percent inflation.

on the Committee's assessment of realized and expected economic conditions relative to its maximum-employment objective and its symmetric 2 percent inflation objective.

some continuation of the recent increase in the prime-age LFPR may be possible if labour demand remains strong.

prices should get smaller still as U.S. oil production grows and net oil imports decline further.

Interest on reserves. The payment of interest on reserves--balances held by banks in their accounts at the Federal Reserve--is an essential tool for implementing monetary policy because it helps anchor the federal funds rate within the FOMC's target range.

SHANMUGAPRIYA V

I YEAR MBA

“C” is for crypto currency

Money is one of the most valuable and sought after commodities in the world. Most people interact with money in nearly every facet of their life, whether a person intends to go to the hairdresser, buy groceries or invest in a home, money is necessary in the modern economy for transactions for goods and services. Money has had many forms in human history with the oldest form of money being bartering. Without any official currency people would directly trade one good for another, such as trading a horse for a cow. This form of money however is very inefficient as the odds of finding someone that required a horse for the exact same good that the other person required are quite low. Clearly a medium of exchange needed to be developed. A medium of exchange acts as an intermediary instrument in order to make trading more efficient. During the time of bartering this would include some easily traded goods like weapons or animal skins. It was sometime around 600 that the first official currency was minted. Minted currency used to be made from a mixture of silver and gold which were stamped with a picture to denote the face value of the coin. Fiat money is supplied by a countries central bank which maintains the stability and supply of currency through its monetary policy. With increasing technology and innovation new types of money have been invented.

One of the most controversial new innovations of money are Cryptocurrencies, a form of internet

currency often called digital money or cyber currency. The most important feature of cryptocurrency is that it is not issued by a central bank, nor is it protected by regulations or law, making it impervious to government interference. The most widely known and controversial cryptocurrency is Bitcoin, which was launched in 2009. As Bitcoin is the most widely known and used cryptocurrency in the world, the subject matter of this paper will largely focus on Bitcoin.

Innovations in money have made it possible to make transactions using private digital currency without any interference from any organizations such as a bank.

These digital currencies use peer-to-peer networks and software with freely available source code to redistribute and modify the currency as users see fit. Digital money is similar to the electronic storage of our regular debit card accounts however the real difference lies in how the currency can be transferred without any possibility of interference by banks or other intermediaries. The currency is thus fully decentralized, and unlike fiat money the government cannot affect the value of the currency. The first cryptocurrency created is Bitcoin. Bitcoin was created by a developer, or a team of developers, under the name of “Satoshi Nakamoto”. The currency uses SHA-256, a cryptographic system designed by the U.S. National Security Agency. (Graydon, C.) Bitcoin is currently the most widely used and known type of digital currency with a total value of $3.069 billion and over 13 million total Bitcoins in circulation. Every Bitcoin created has an association to a specific key or address which makes each Bitcoin unique. A Bitcoin transaction is when one Bitcoin moves from one address to another. A public database records every transaction Picture 2: Official Bitcoin logo (Bitcoin, 2015) 9 | P a g e or trade of Bitcoin. The database is called the “block chain.Each individual Bitcoin is added onto the

database through this mining process.

Bitcoin Price vs. USD from March 19th 2014 to March 19th 2015. Shows the extreme volatility in the price of Bitcoin as the price per Bitcoin falls from $511.50 on April 16th, 2014, to $479, 98 on April 18th, only two days later. The price has continued this fluctuation throughout the year but is on a downward spiral. On March 19th 2015 the price of a single Bitcoin is $256, 78 and at the same time last year, March 19th 2014, the price of a single Bitcoin was $609.00

Bitcoin Price vs. USD from January 1st 2015 to 19th March 2015. Bitcoin is still showing signs of volatility to start the year of 2015. The price increases and decreases regularly throughout these 2 and half months. The price falls from $278 on January 10th, 2015 down to $176, 50 on January 14th, 2015.

MONIKA P M

I YEAR MBA

World bank issues warnings on interest rates & inflation

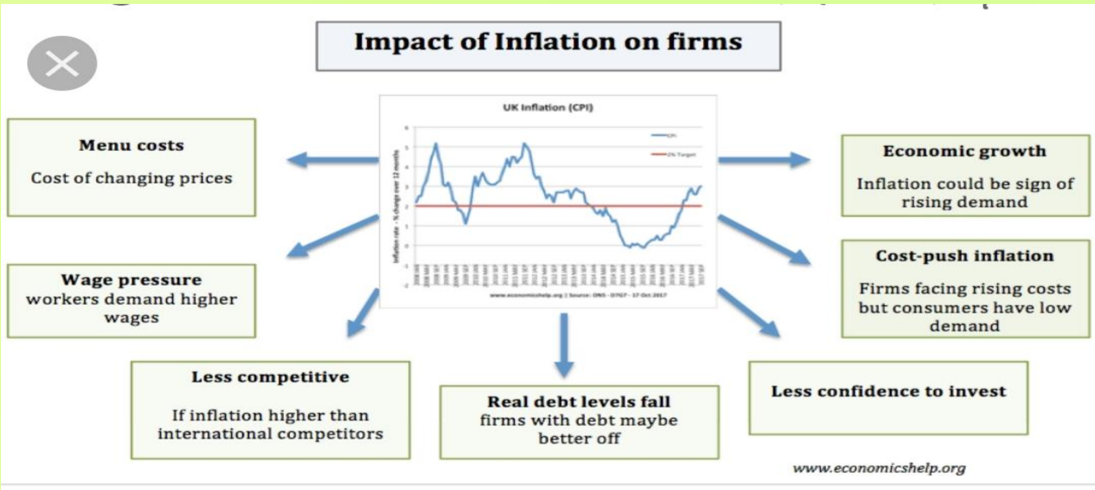
After better than expected growth in the global economy, Bank says financial markets are vulnerable to unforeseen negative news

Financial markets are complacent about the risks of sharply higher interest rates that could be triggered by better than expected growth in the global economy this year, the World Bank has warned.

The Washington-based organisation said that much of the rich west was running at full capacity as a result of a broad-based upswing in activity, but were now vulnerable to a period of rising inflation that would prompt action from central banks.

Launching the Bank's global economic prospects, the lead author Franziska Ohnsorge said: "There could be faster than expected inflation that would mean faster than expected interest rate hikes."But it warned the acceleration in growth would be temporary unless governments implemented structural reforms to raise long-term growth potential.

After a prolonged period in which its forecasts have been too optimistic, the Bank raised its 2017 projection for global growth from 2.7% to 3% and revised up estimates for both 2018 and 2019.



There were smaller growth upgrades for the US - from 2.1% to 2.3% in 2017 and from 2.2% in 2018 - and for Japan, where growth estimates were raised by 0.2 points to 1.7% in 2017 and by 0.3 points to 1.3% in 2018.

Of the leading developing economies, only India performed less strongly than the World Bank anticipated last summer, with growth of 6.7% in 2017 and 7.3% in 2018 representing downgrades of 0.5% and 0.2% respectively.

But China, Russia and Brazil have all been given growth upgrades by the Bank. China's expansion in 2017 is now put at 6.8%, up 0.3% on last June's estimate, with a smaller 0.1 percentage point upward revision to 6.4% this year.

Russia is expected to grow by 1.7% in both 2017 and 2018, an increase of 0.4 and 0.3 points respectively, while Brazil's emergence from recession was stronger than the Bank estimated, with growth upgraded by 0.7 points to 1% in 2107 and by 0.2 points to 2% in 2018.

Although heartened by the near-term growth prospects, the World Bank said its forecasts were still subject to "substantial downside risks".

SHANMUGAPRIYA V

I YEAR MBA

India’s debt lower than best, emerging market economies:

India's debt is lower than the best or emerging market economies in the world, a top IMF official has said as he cautioned that the global debt has reached a new record high of $182 trillion in 2017.

since the end of 2015, 2016 and 2017, there is a slowdown in the process of leveraging, but debt is very high and public debt is a very high as well," Gasper said.

In the last few years in India private debt has declined from almost 60 per cent to 54.5. "So, it's very stable. So, what you do see is that emerging market economies, which is where India is, there's a very fast build up in private debt with a slowdown

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According to Gasper, in emerging market economies private debt has risen much faster than public debt. "Take China, for example. Total debt is 247 per cent of the GDP. But the dividing line between what is public and private debt in China is blurry. This blurriness reflects the very large number of public units and corporations, the complex layers of government, and widespread sub-national off-budget borrowing," he said.

"As a result, estimates of 2017 public debt vary considerably: the official government debt figure is 37 per cent of GDP, while the data reported in the latest World Economic Outlook show it at 47 per cent of GDP, and the 'augmented' debt measure, which includes more off budget borrowing by local governments, stands at 68 per cent of GDP," he said.

India's debt, as a percentage of world gross domestic product (GDP), is lower than the best or emerging market economies, according to Vitor Gasper, International Monetary Fund (IMF)

director of fiscal affairs department, who cautioned that the global debt reached a record high of $182 trillion in 2017. India’s total debt was 125 per cent of its GDP in 2017.

In India, private debt in 2017 was 54.5 per cent of the GDP and the general government debt was 70.4 per cent of the GDP, while the total debt of China was 247 per cent of the GDP, say IMF statistics.

Debt in advanced economies, since the global financial crisis, has increased substantially while the private sector has been very gradually leveraging, Gasper

India is one of the emerging markets in the world. The country is currently witnessing an economic slowdown owing to a rise in crude prices which has ballooned its current account deficit for fiscal 2018 to touch a staggering $187.8 billion. Added to this the diminishing value of Indian currency has further shadowed the economic growth parameters. The recent report from IMF has bought in much-needed relief to the country

. Vitor Gasper, the Director of the Fiscal Affairs Department in IMF stated that India's debt was substantially less when compared to the global debt as a percentage of world Gross Domestic Product (GDP). '. He also added that India's debt is below the average of advanced economies and below the average of emerging market economies. economies or emerging market economies, the level of debt in India is lower."

SUSMITHA M

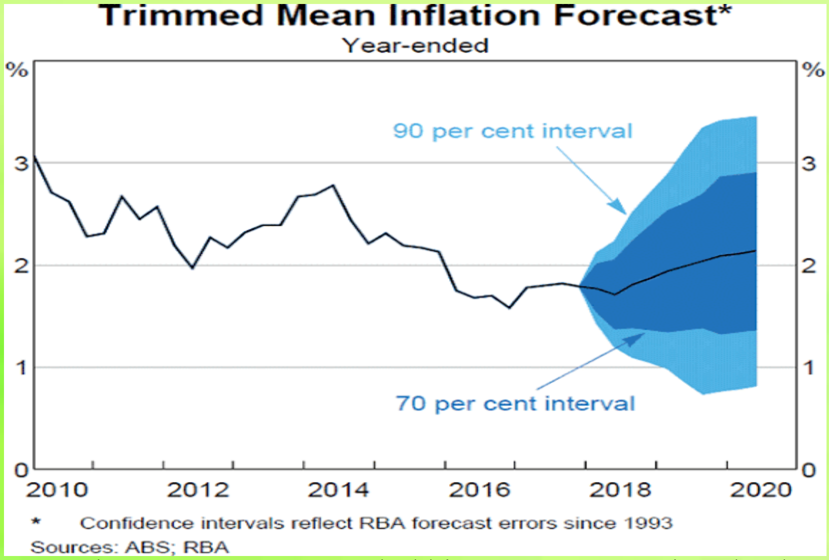
FIRST YEAR MBA 18

The RBA does not look like its in a rush to lift interest rates

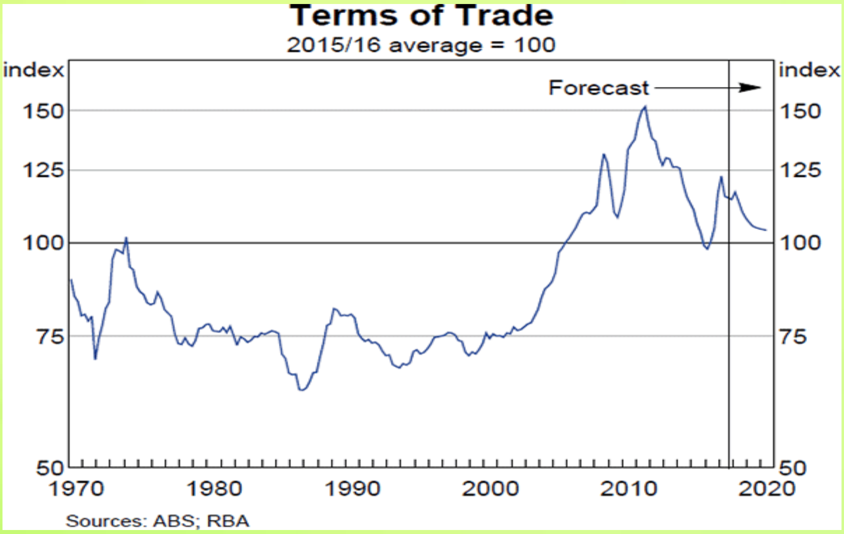
The Reserve Bank of Australia (RBA) left interest rates unchanged at 1.5% at the conclusion of its February monetary policy meeting, an outcome that was widely expected by financial markets.

“The low level of interest rates is continuing to support the Australian economy,” the bank said in the key final paragraph of the statement.reflecting low growth in labour costs and strong competition in retailing”.Despite the headwinds created by weak wage growth and intense competition in the retail sector, it said “a gradual pick-up in inflation is… expected as the economy strengthens”.It added that it expects “CPI inflation to be a bit above 2% in 2018”.In its forecasts offered in November, the RBA had headline CPI rising to 2.25% by the end of the year. That suggests there’s unlikely to be any major changes in its new forecasts when they are released in its quarterly Statement on Monetary Policy (SoMP).

Despite recent strength in the Australian dollar — something that puts downward pressure on import prices — the RBA refrained from talking down the currency, noting that the Aussie “remains within the range that it has been in over the past two years”.



“One continuing source of uncertainty is the outlook for household consumption,” it said, repeating the line from its December statement. “Household incomes are growing slowly and debt levels are high."Like its assessment for the broader economy, its views on Australia's labour and housing markets was similar to that communicated two months ago. "Significant" was added from the December statement, suggesting that strong growth in the size of Australia's labour force may created headwinds for lowering the Following recent upgrades to growth from the IMF and other forecasters, the bank offered a glowing assessment on the current state of the



global economy."There was a broad-based pick-up in the global economy in 2017," it said. "A number of advanced economies are growing at an above-trend rate and unemployment rates are low. Growth has also picked up in the Asian economies, partly supported by increased international trade."On China, Australia's largest trading partner, it described growth as "solid", acknowledging that "authorities [are] paying increased attention to the risks in the Linked to the outlook for inflation, it expressed little concern about the recent spike in financial market volatility. "Long-term bond yields have risen but are still low," it said. "As conditions have improved in the global economy, a number of central banks have withdrawn some monetary stimulus. "Financial conditions remain expansionary, with credit spreads narrow."There has been very little reaction in markets to the release of the February statement, underlining that much of the commentary was similar to that offered two months ago. The RBA thinks that Australian inflationary pressures are likely to build, but unless that occurs faster than what it currently expects, there's little need to deliver a pre-emptive .

SUSMITHA

FIRST YEAR MBA 18

Fannie mae forecasts 2.7% real gdp growth 2018

Fannie Mae announced it is forecasting strong economic growth with 2.7% real gross domestic product growth in 2018, unchanged from its previous forecast.

Long-term Treasury yields are hitting multi-year highs in February and equities are experiencing a sudden repricing, bringing downside risks to the forecast, particularly if the recent stock market declines are sustained and prove contagious to other markets, the Fannie Mae Economic and Strategic Research Group's February 2018 Economic and Housing Outlook points out.

"Fiscal Policy and the Fed: Stimulus/Response – our 2018 theme – will be paramount in the months ahead as the economy navigates newfound turbulence and heightened inflationary concerns," Fannie Mae Chief Economist Doug Duncan said. "While our 2018 growth forecast remains unchanged, upside and downside risks are emerging that are contingent on.

The company explained strength in economic fundamentals continues to support the current forecast, including recent momentum in domestic demand and a historically healthy labor market.

Consumer spending surged in the fourth quarter due to unsustainably strong replacement demand for vehicles damaged by the hurricanes, according to the report. Once that demand dies off, spending growth should moderate in coming quarters but remain the primary driver of headline growth, in part due to increased disposable income from the tax cut.

The GSE predicts recently passed tax reform will create strong growth in capital expenditures throughout the year.

"Legislatively, stimulus from tax reform and the recently passed budget could add to growth," Duncan said. "However, if additional growth is accompanied by signs – or even fears – of inflationary pressure, it

could complicate the Fed's attempt at a 'soft landing' and may require more aggressive monetary action."

And Fannie Mae says the first rate hike of 2018 will occur at the March Fed meeting, a move fully priced in by the market.

"On housing, we upped this year's 30-year fixed mortgage rate forecast by 30 basis points to an average of 4.4% during the fourth quarter as a result of the unexpected spike in long-term interest rates at the start of the year," Duncan said.

"However, we don't expect rates to play much of a role in total home sales, especially with anticipated stronger disposable household income growth," he said. "The ongoing inventory shortages should continue to constrain sales despite otherwise ripe home buying conditions."

RADHA RUKMANI M

FIRST YEAR MBA 18

Raising US oil supplies and the liquidation of speculative longs is likely to keep oil prices under pressure

Crude oil market update

ICE Brent has slipped as much as 11% from its recent high, with bearish data from the EIA weighing on the market. The oil market has also been unable to escape the increased volatility in broader financial markets.

Drilling activity in the US continues to pick-up. The latest data from Baker Hughes shows that the number of active rigs increased by 26 over the last reporting week, to total 791, levels not seen since April 2015. With NYMEX WTI having averaged almost US$58/bbl since the start of 4Q17, it is hardly surprising to see this pick-up in activity.

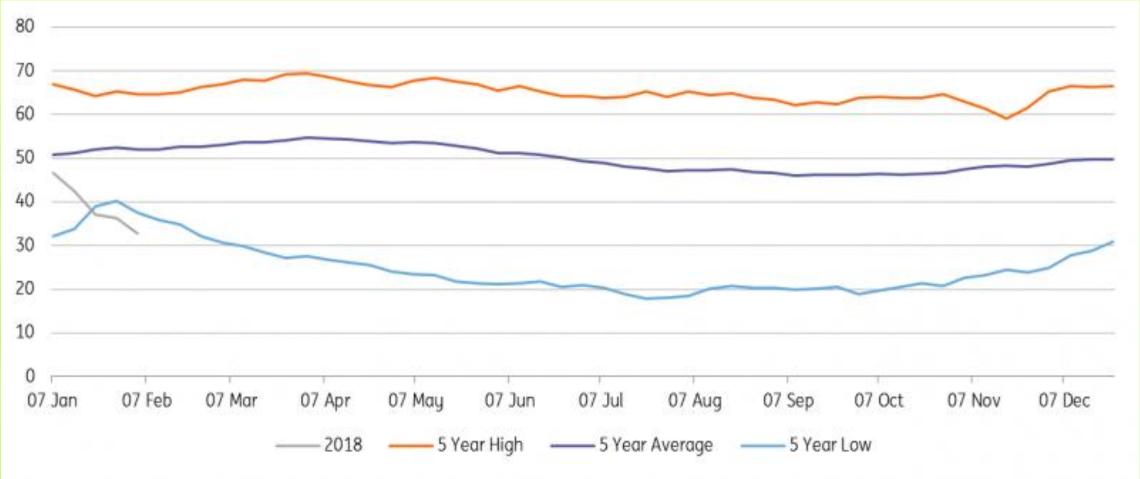
Furthermore, the EIA continues to increase its production estimates for 2018 and 2019. In its last Short Term Energy Outlook, the EIA raised its 2018 US production estimate from 10.3MMbbls/d to 10.6MMbbls/d, while its 2019 forecast was increased from 10.8MMbbls/d to 11.2MMbbls/d. Adding to this, producers appear to be more efficient than they were mid last year. In Eagle Ford and the Permian region, there has been a recovery in production per rig, and the EIA expects this trend to continue at least through to March, as highlighted in the latest Drilling Productivity Report.

Weekly EIA data has also been bearish, with US crude oil inventories increasing by 10.5MMbbls over the last 3 weeks, driven by domestic production, which is up 393Mbbls/d over the same time period. US crude oil production over the last week stood at a record 10.27MMbbls/d. Meanwhile, there have been significant builds in gasoline and distillate fuel oil inventories, which has weighed somewhat on cracks.

Crude oil production per rig (bbls/d)

While US data is pointing towards growing US production and stock builds, the one place where things are looking tighter is Cushing, Oklahoma. Crude oil inventories at the WTI delivery hub have only gone in one direction since November, and that is down. Cushing inventories stand at 32.67MMbbls, down from a little under 65MMbbls in early November. This has left stocks in the hub below the five year average for this time of year. The drawdown in inventory has been supportive for WTI, with the Brent-WTI spread narrowing from almost US$7/bbl at the end of December to around US$3.20/bbl currently.

The recent relative strength in WTI however, does bring the risk of further stock builds in the US. A narrowing in the spread, should reduce the incentive for US exports. In fact, exports have trended lower from the record levels seen over the last quarter of 2017. In late October, US crude oil exports hit a high of 2.13MMbbls/d, and averaged 1.47MMbbls/d over the whole of 4Q17, so far this quarter they have averaged 1.36MMbbls/d. As a result, we believe that further weakness in the spread is limited.



Cushing crude oil inventories (MMbbls)

OPEC compliance reached a high of 137% in January, with Venezuelan output continuing to edge lower. However the strength of the OPEC deal will be tested as we move into 2H18, with the startup of the Kaombo oil field in Angola and the Engina field in Nigeria. These two fields will have a combined capacity of 430Mbbls/d, equal to around a third of the total OPEC cut deal. Then there is also a question mark around how dedicated Iraq is to the deal, their compliance has been poor, standing at an average of around 57%, and in January the country exported a record 3.55MMbbls/d from Basra.

The idea that the global oil market will be largely balanced over 2018 assumes that OPEC production will be largely unchanged YoY, however plans for increased output from a handful of OPEC members suggests that the market could slip deeper into surplus over the year.

Refined products market update

US refinery cracks have been under pressure recently, with growing product inventories. While across the Atlantic, lower inflows into Europe from the Middle East, and larger outflows to West Africa could offer some respite to the weakness in margins recently.

The previous week’s EIA report surprised the market with an increase in refinery utilisation rates, having increased from 88.1% to 92.5% WoW. This increase suggested an early end to refinery maintenance, however, the data point was nothing more than a red herring. The latest data from the EIA showed an easing in utilisation rates, with them falling back to

89.1%, much more aligned with the seasonal average.

However, refined product inventories have seen quite the build since the start of the year, with gasoline, distillate fuel oil and jet/kerosene inventories increasing by a combined 21.19MMbbls. The bulk of this build has been in gasoline, with stocks increasing by 15.89MMbbls.

The impact on gasoil cracks from lower flows from the Middle East is likely to be limited, given the comfortable level of inventory. The latest data from PJK International shows that stocks in the ARA region stand at almost 3.1mt, up more than 1mt since the end of 2017, and the highest gasoil stocks have been since May 2017.

Natural gas market update

Increasing temperatures and returning supply pushed NYMEX Henry Hub back down towards US$2.50/MMBtu; and we expect it to remain under pressure as the shoulder demand season approaches. In Europe, TTF traded flat at €18/MWh, though sufficient inventories mean the outlook remains bearish for now.

NYMEX Henry Hub saw a busy trading week with rising temperatures and returning production seeing money managers liquidate their longs. Aggregate open interest in NYMEX Henry Hub fell from 1.42m lots at the end of January to 1.37m lots currently. Meanwhile, the managed money net long fell 32,406 lots week-on-week to 186,974 lots as of 6 February. Given the pressure on prices, and the decline in open interest, Friday’s data is likely to show a further decline in the speculative net long position.

However, the latest EIA data for the last week showed an inventory withdrawal of 194Bcf, 40Bcf higher than the five-year average. Looking ahead, NOAA forecasts warmer than usual weather for the Southern US, while other regions should see a return to more normal weather. This should see lower inventory withdrawals in the coming weeks.

Dutch gas output

The Dutch Mining Regulator has recommended that natural gas output at the Groningen gas field be cut by 44% to 12Bcm, following an earthquake in the region earlier in the year. This recommendation is nonbinding, and the government is still expected to come to a decision by the end of March. Output at the gas field has been gradually reduced over the years, and production for the current year is capped at 21.6Bcm, down from 24Bcm last year. The dilemma for the Dutch government is trying to find a balance between safety and security in supply. The Groningen field supplies nearly 5% of European gas and any sharp cut in output could mean a tighter gas market over the next winter.

RADHA RUKMANI M

FIRST YEAR MBA 18

Top 5 factors behind rise in crude oil prices in 2018

"Rising geopolitical tensions put oil prices under check. Growing concerns over US relation with major oil producers like Iran and Venezuela threatens the market," said Haressh V, Research Head - Commodities at Geojit Financial Services"

All eyes are on crude oil again. After pausing inside USD 40-55 a barrel for a quite long time, U.S. WTI light crude prices rallied to USD 66 a barrel in late January.

Though a mild correction was seen thereon, the recent geopolitical threat to crude oil output lift prices higher and currently placed near a two-month high.

Oil continued its uptick even after worries about the trade stand-off between US and China which lead global stocks and commodities tumbling down.

Rumours of US moving closer to putting sanctions on Venezuelan oil industry, the world's largest oil reserves, also aggravate the volatile sector.

As per the latest report from IEA (International Energy Agency), oil output from Venezuela has slid to 1.5 million barrels a day in February, down 60,000 barrels month-on-month and a decline of 540,000 barrels a day against the previous year.

The sharp decline in production is in the wake of the nation's economic crisis. The country suffers world's highest inflation. The agency also hinted that without any compensatory output change from other oil producers, the ongoing Venezuelan supply crisis would deepen that dips the oil market into a deficit.

Tensions between Saudi Arabia and Iran:

Increased instability in the Middle East alarming the global oil market. Tensions between Saudi Arabia and Iran have emerged again recently after the Saudi Crown Prince visiting US President considers ending the Iranian Nuclear deal. Intensifying Libyan conflicts also aided to the sentiment.

The recent hawkish comments from the Saudi Arabian Energy minister raising worries over supply from major global producers.

The Saudi minister stated that the OPEC and Non-OPEC countries including Russia need to cooperate together and extend the production cut till 2019 to reduce the global supply glut.

Global oil producers limiting supply:

With a view to rein global excess supply and lift prices, OPEC and other top oil producers including Russia have been limiting daily crude production by 1.8 million barrels since last year.

US Oil Production:

US oil production has been rising for the last several months. Steadily rising oil prices encouraged US shale oil producers to increase output, driving US oil production to record levels.

Burgeoning US production which surpassed 10 million barrels per day, the first time in nearly 50 years recently had hit global oil prices earlier. Starting the year off, US oil production was at 9.5 million barrels per day which rallied to 10.3 million barrels in early March.

Meanwhile, last week's unexpected drop in US oil inventories raising fears over US production. As per the latest EIA weekly report, crude, gasoline and distillate stocks declined surprisingly as imports dropped and refining rates jumped.

Weak Dollar & Fed:

A weak dollar and reports of higher demand had an impact on oil. Commodity prices weigh on when the dollar strengthens against other currencies. US Federal Reserve recently hiked their rates and hinted two more cuts in the current year. As per IEA forecast, global oil demand would grow this year. The key consumer US is in transition to summer which kicks gasoline demand into a higher gear in the coming months.

At the same time rising number of US rigs drilling for oil sway prices. The latest report shows that US rig count is at three-year highs, inferring a further increase in production which has already tested 10 million barrels per day.

Looking Ahead:

Looking ahead, the ongoing positive outlook is less likely to prevail unless the looming geopolitical tensions continued. Drop in supply due to restricted production from OPEC and Russia is likely to be balanced by higher US production.

In the meantime, factors like developments on trade war between US and China, intensifying tension in Middle-East and global demand-supply imbalances would set a direction for the oil market later.

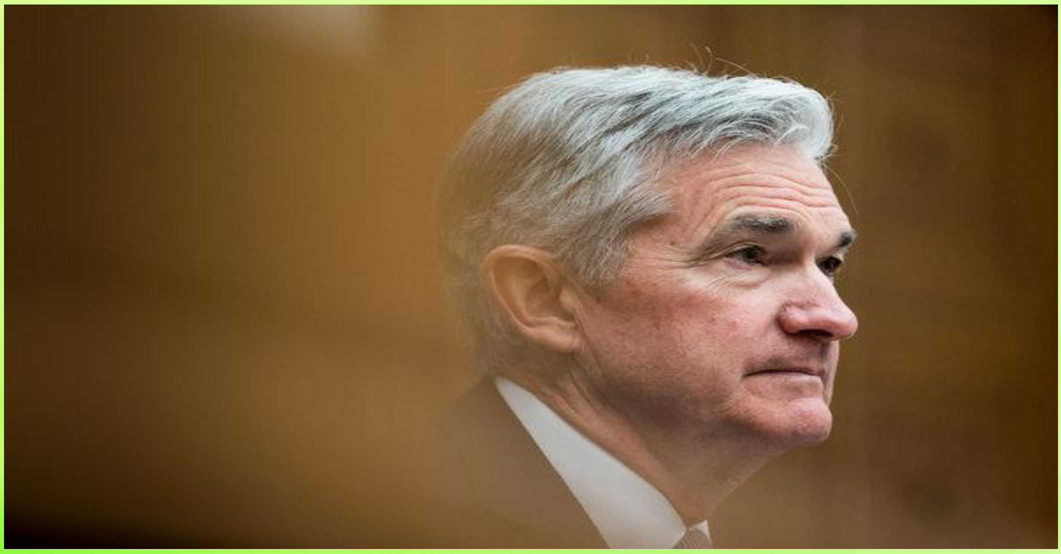
On the price side, a choppy trade inside USD 72-55 a barrel is expected in US WTI in the immediate run and breaking either side would suggest a fresh course of action in the commodity.

ABINAYA S

I YEAR MBA 2017

Fed Raises Interest Rates for Sixth Time Since Financial Crisis

■ The Fed said at the conclusion of a two day policy meeting that the economy continues to strengthen and that it expects to increase rates another two times this year as it pursues a return to more normal interest rate levels. Officials also increased their expectations for economic growth this year in the United States, declaring that “the economic outlook has strengthened in recent months.” They said they expect to raise interest rates three times next year, an increase from the two increases in 2019 that they forecast in December.



■ **Jerome H. Powell**, the new Fed chairman, expressed optimism about the current economic picture and said officials were trying to strike a balance between raising rates too slowly or too quickly.

The Fed, under Ms. Yellen, pursued gradual rate increases and a highly choreographed sell-off of the portfolio of bonds it bought to help prop up the economy after the 2008 financial crisis. Mr. Powell was among the governors who voted for that approach, and the announcement on Wednesday signaled he will maintain it, particularly if economic growth continues to accelerate and unemployment remains at or below the 4.1 percent level it reached in February.

The announcement underscores the Fed's gathering confidence in the economy as well as its focus on the potential for inflation, which has remained persistently muted throughout the expansion. Officials raised their median estimates for economic growth this year to 2.7 percent, up from 2.5 percent in December. They raised their estimate for growth in 2019 to 2.4 percent, up from 2.1 percent. They now expect the unemployment rate to fall to 3.8 percent this year and 3.6 percent in 2019, a low level by historical standards. In December, officials said they expected unemployment to be 3.9 percent both this year and next.

Officials' growing optimism tracks with the expectations of many Wall Street analysts. "We think Fed officials will view the growth and inflation data in recent months as encouraging," analysts at Goldman Sachs wrote in a research note ahead of the meeting, "particularly with tax cuts now implemented and with an additional fiscal boost from federal spending arriving this year."

Three Increases Fed officials indicated they are likely to raise rates a total of three times in 2018, in keeping with their projections in December. But officials were divided, with slightly less than half indicating they expect to raise rates at least four times this year. By a slim margin, officials said they expect an additional rate increase to come in 2019, for a total of three increases that year.

In his news conference, Mr. Powell left the door open to more or fewer than three increases this year, depending on economic conditions. Some analysts say a short-term economic stimulus from Congress in the form of a $1.5 trillion tax cut and federal spending increases could eventually push the Fed to add a fourth rate move.

A portion of the voting membership of the committee rotates every year among the Fed's regional bank presidents. The new members tend to worry more about inflation than those they replaced. Even some members who have fretted more about growth than inflation appear to be shifting their calculus.

LaelBrainard, a Fed governor who has been less hawkish than many of her colleagues, said in a speech this month that in many ways, "today is the mirror image of the environment we confronted a couple of years ago."

"In the earlier period, strong headwinds sapped the momentum of the recovery and weighed down the path of policy," she added. "Today, with headwinds shifting to tailwinds, the reverse could hold true.

Bullish on growth

Fed officials signalled in several ways that they see the economy strengthening. Along with raising their growth forecasts, they declared in a statement that "economic activity has been rising at a moderate rate" and that "job gains have been strong in recent months." In January, officials described both economic activity and job growth as "solid."

The statement also declared, in a change from January, that "the economic outlook has strengthened in recent months." It said officials expect the inflation rate to move up "in coming months." In January, officials said they expected inflation to increase "this year."

That increased optimism appears to downplay lingering uncertainties in the recovery, including structural issues like a ballooning debt load and trade barriers that could turn the economy's tailwinds back into headwinds. Recent data suggest that economic growth is falling short of expectations for the first quarter. Wage growth appears to be improving, but the signs are mixed. Markets have been rattled in recent weeks by Mr. Trump's tariff plans and embrace of a potential trade war.

Mr. Powell emphasized the strength of the economy in the opening remarks of his news conference, while largely steering clear of topics such as President Trump's pending tariffs and tax cuts.

The new chairman highlighted strong recent monthly jobs gains, the low unemployment rate, improving labor-force participation and a fiscal boost from federal tax cuts and spending increases. He said "there's no sense in the data that we're on the cusp of a sudden acceleration in inflation."

He was asked repeatedly about trade, including about Mr. Trump's coming tariffs on imported steel and aluminum and a pending administration decision to target China with a new set of tariffs and other trade actions. He said trade policy was emerging as an point of concern among business leaders who speak to Fed officials, but he downplayed the administration's actions as an immediate threat to growth.

"There's no thought that changes in trade policy should have an effect on the current outlook," Mr. Powell said, though he later added that officials could grow more concerned if the dispute escalates and other countries retaliate with tariffs of their own.

He declined to discuss any actions related to China, whose trade practices have come under mounting criticism from the Trump administration. "We don't do trade policy here at the Fed," Mr. Powell said, "and I would be reluctant to comment on any particular policy with any particular country."

ABINAYA S

I YEAR MBA 2017

India gets first US LNG shipment at Dabhol under long-term deal:

New Delhi, Mar 30 (PTI) India today received its first LNG cargo from the US under a long-term supply deal when a ship carrying super-cooled natural gas arrived at Dabhol in Maharashtra.

A charter ship, MV Meridian Spirit, arrived at Dabhol after 25 days voyage from Louisiana, state-owned gas utility GAIL India Ltd said in a press statement.

GAIL India has contracted 3.5 million tonnes per annum of liquefied natural gas (LNG) from US energy firm Cheniere Energys Sabine Pass liquefaction facility in Louisiana. The first cargo from the project arrived at Dabhol, the cite of Indias biggest gas-fired power plant.

It has also contracted long-term volumes for another 2.3 million tonnes at Dominion Energys Cove Point liquefaction plant.

"GAIL is one of the early movers to contract US LNG and has 5.8 million tonnes per annum of US LNG in its portfolio. GAIL shall be receiving around 90 cargoes per annum from Sabine Pass and Cove Point LNG terminals," the statement said.

The LNG, he said, is indexed to US Henry Hub gas index as well as crude oil. "GAIL will have an optimum portfolio mix of LNG indexed to Henry Hub (HH) and crude oil and the customers will benefit from such a unique price blend," it said.

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The vessel arrived close on the heels of Dabhol power plant and the adjoining LNG receipt terminal being split into two separate companies. While state-owned electricity generator NTPC is the lead for the power block, GAIL is the majority owner of Konkan LNG Pvt Ltd, the firm which will run the 5 million tonnes a year LNG receipt facility.Last October, India imported its first shipment of crude oil from the US. It had stopped oil exports in 1975, but this ban was lifted by former US President Barack Obama in 2015. In a statement, the US Embassy in India said United States Minister Counselor for Commercial Affairs Patrick Santillo and Consul General to Kolkata Craig Hall joined Oil Minister. GAIL signed two 20-year LNG supply agreements potentially worth USD 32 billion for US LNG exports from the Dominion Cove Point project in Maryland and the Sabine Pass project in Louisiana. "Today's shipment is the first of the contracted loads under the agreement," .

"The United States continues to partner with India across the broad range of energy collaboration, whether through traditional energy sources like oil the first crude oil shipment from the United States to India arrived in October 2017 in Odisha or LNG, or through other sources like coal and renewable energy," said Santillo The shipment sets the stage for the upcoming April visit to India of US Secretary of Energy Rick Perry for the US-India Strategic Partnership, the statement said.GAIL had signed a sale and purchase agreement (SPA) with the US LNG exporter Cheniere Energy in December 2011. The SPA went into effect March 1. Under terms of the agreement, Cheniere will sell and make available for delivery to GAIL about 3.5 million. Cheniere's LNG is based on natural gas sourced from the US market, which provides access to abundant and low-cost gas resources. GAIL said India's trade with the USA, which stood at USD 126.1 billion in 2017, is expected to increase owing to large-scale imports of LNG and crude oil in coming years. "GAIL alone would be procuring approximately USD 2 billion worth of LNG.

Cheniere Energy Inc is the leading exporter of US LNG. It is currently operating and constructing its Sabine Pass LNG facility in Louisiana and is constructing a second liquefactiofacility near Corpus Christi, Texas. When both projects are complete, it is expected to be a top-5 global supplier of LNG.

VISHNUPRIYA P

I YEAR MBA 2017

Tata Sons head Chandrasekaran elected IISc President

Tata Sons Chairman N Chandrasekaran was elected President of the court of the Indian Institute of Science (IISc) for three years, the institute announced on Friday.

"Chandrasekaran has been elected as the 8th President of the institute for the period 2018-21 and takes over from K. Kasturirangan," said the city-based institute in a statement here.

The court is the apex body of the autonomous and deemed university, comprising its senior academics, officials of the central and Karnataka governments, industry and civil society.

Sir M. Visvesvaraya, J.R.D. Tata and Ratan Tata were among those who occupied the distinguished post of the 109-year-old institute in the past.

Kasturirangan is the former Chairman of the Indian Space Research Organisation, a former member of the now defunct Planning Commission and a former Rajya Sabha member.

Set up in 1909 by renowned industrialist Jamsetji Nusserwanji Tata and then Maharaja of Mysore Krishnaraja Wodeyar, IISc is a primary institute for advanced scientific and technological research and education in the country.

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VISHNUPRIYA P

I YEAR MBA 2017

Commodity prices to rise more than expected in 2018:

World BankOil prices to average $65 a barrel in 2018 on strong demand, producer restraint

WASHINGTON, April 24 - Oil prices are forecast to average $65 a barrel over 2018, up from an average of $53 a barrel in 2017, on strong demand from consumers and restraint by oil producers, while metals prices are expected to rise 9 percent this year, also on a pickup in demand and supply constraints, the World Bank said on Tuesday.

Prices for energy commodities – which include oil, natural gas, and coal -- are forecast to jump 20 percent in 2018, a 16 percentage point upward revision from October's outlook, the World Bank said in its April Commodity Markets Outlook. The metals index is expected to rise as an 9 percent drop in iron ore prices is offset by increases in all base metals prices, led by nickel, which is forecast to rise 30 percent.

Agricultural commodities, including food commodities and raw materials, are anticipated to see a price rise of over 2 percent this year on diminished planting prospects. Weather disruptions are expected to be minimal.Oil prices are expected to average $65/bbl over 2019 as well. Although prices are projected to decline from April 2018 levels, they should be supported by continued production restraint by OPEC and non-OPEC producers and strong demand. Upside risks to the forecast include constraints to U.S. shale oil output, geopolitical risks in several producing countries, and concerns the United States may not waive sanctions against Iran. Downside risks include weaker compliance with the oil producers' agreement to restrain output or outright termination of the accord, rising output from Libya and Nigeria, and a quicker-than-expected rise in shale oil output.Oil exporters with flexible currency regimes, relatively large fiscal buffers, and more diversified economies have fared better than others since the oil price collapse

INDHUMATHI R

I YEAR MBA 2018

India becomes second largest manufacturer of crude steel

According to Steel Users Federation of India (SUFI), India has overtaken Japan to become world's second largest producer of crude steel in February 2018. China is the largest producer of crude steel in the world, accounting for more than 50% of the production. Earlier in 2015, India had overtaken US to become third largest producer of crude steel.

Key Facts India's crude steel production stood at 93.11 million tonnes (MT) for period April 2017 to February 2018 and was up 4.4% as compared with April 2016-February 2017 period. This helped to overtake Japan and become second largest producer of crude steel in the world

initiatives like Make in India and implement GST and infrastructure projects, to encourage the domestic market.In a major achievement, India has overtaken Japan to become the world's second largest producer of crude steel in February, according to the Steel Users Federation of India (Sufi). At present, China is the largest producer of crude steel in the world, accounting for more than 50 per cent of the production.

India's crude steel production was up 4.4 per cent and stood at 93.11 million tonnes (mt) for the period April 2017 to February 2018, compared with April 2016 to February 2017, which has helped India to overtake Japan and becomes the second largest producer of crude steel in the world, the federation.

SANJAAI S S

I YEAR MBA 2018

Provisional direct tax collection number of income tax return

the number of new income-tax filers increased nearly a crore in 2017-18, taking the total income tax returns filed to 6.84 crore, up 26% from 5.43 crore in the previous year. the higher filings allowed the government to meet the direct tax collections target for the financial year and almost reach the slightly higher revised numbers for the year.

“the increase in total returns filed and new returns filed during fy 2017-18 is a result of sustained efforts made by the income tax department in following up with potential non-filers through email, sms, statutory notices, outreach programmes, etc. as well as through structural changes made in law and the government’s emphasis on widening of tax net,” the central board of direct taxes (cbdt) said in a statement. the number of new income tax filers

increased 99.49 lakh in 2017-18, 16.3% more than 85.52 lakh added in the previous fiscal.

"the impact of demonetisation and gst implementation has resulted into higher

formalisation of economy. this is further **substantiated by filing of more than 1 crore it returns by tax payers during fy 2017-18 (6.84 cr itrs) in comparison to fy 2016-17 (5.43 cr itrs)," jaitley said in a tweet on tuesday.according to a central board direct tax official about 9 lakh companies had filed returns this year as against 7 lakh earlier even though government had cancelled registration of 2 lakh shell companies.**

RAJA PRIYADHARSHINI R

FIRST YEAR MBA 18

RBI eases External borrowing norms to enable cheaper fund

The Reserve Bank of India (RBI) has further liberalized External Commercial Borrowings (ECB) Policy by including more sectors in the window in a bid to facilitate cheaper access of overseas funds to Indian companies.

RBI has stipulated uniform, all-in cost ceiling of 450 basis points (bps) over benchmark rate, which, in most cases, is six-month London Interbank Offered Rate (LIBOR). The benchmark rate for rupee-denominated bonds will be prevailing yield of government bonds of corresponding maturity. RBI has decided to increase ECB Liability to Equity Ratio for ECB raised from direct foreign equity holder under automatic route to 7:1. This ratio will not be applicable if total of all ECBs raised by entity is up to $5 million or equivalent. Earlier, ratio exceeding 4:1 was required the RBI's approval. RBI also has allowed all housing finance companies regulated by National Housing Bank and Port Trusts to raise ECB under all tracks. Such entities shall have board-approved risk management policy and shall keep their ECB exposure hedged 100% at all times for ECBs

External Commercial Borrowing External Commercial Borrowing provides an additional source of funds for public sector undertakings and private corporates to finance new investments as well as expansion of the existing capacity when domestic sources fail to meet some of the requirements of funds for such purpose. Domestic corporates also take into account the advantages of interest rate differentials between domestic and international markets and opt for foreign borrowings accordingly. On the part of the lenders, interest rate differentials as well as the associated market risks and the need for diversification of portfolios play important roles in extending such debt funds to other countries

RAJA PRIYADHARSHINI R FIRST YEAR MBA 18

Airtel's acquisition of Telenor India: DoT moves Supreme Court against TDSAT order

Airtel had already filed a caveat in the apex court, anticipating the department's move, to ensure that it is allowed to become a party to the case once the hearing starts.

The Department of Telecommunications has moved the Supreme Court challenging a telecom tribunal order that directed the government to clear Bharti Airtel's acquisition of Telenor India without insisting on a bank guarantee for almost Rs 1,700 crore. Sunil Mittal-led Airtel had already filed a caveat in the apex court, anticipating the department's move, to ensure that it is allowed to become a party to the case once the hearing starts. The case may come up for hearing next week, lawyers aware of the development told ET. The latest legal rumblings may further delay DoT approval for the Airtel-Telenor deal, said a person tracking the developments. ET first reported DoT would file an appeal in the Supreme Court in its April 24 edition. DoT had asked Airtel to furnish the bank guarantee before clearing the acquisition to cover a Rs 1,499 crore component for one-time spectrum charges for airwaves allocated to Airtel and over Rs 200 crore for spectrum payments, which Telenor needs to make. The issue of one-time spectrum charges is in court.

Airtel challenged the telecom department's demand by moving the Telecom Disputes Settlement & Appellate Tribunal, which ordered the government to clear the deal without demanding a bank guarantee. The delay is said to be pushing Telenor's India arm to consider filing for bankruptcy. Telenor India has reportedly been racking up losses of Rs 4 crore a day from operations in six circles, adding to its present debt of about Rs 6,000 crore.

Airtel plans to buy Telenor India in a no-cash deal and take over its outstanding spectrum payments of Rs 1,650 crore. The deal will help it narrow the revenue market share gap with the emerging Vodafone India-Idea Cellular combine, which will become the country's largest phone company after their merger.

Airtel will get Telenor India's 4G airwaves in Andhra Pradesh, Bihar,Maharashtra, Gujarat, Uttar Pradesh (East and West) and Assam, besides operational contracts, tower leases and about 40 million subscribers as of January.

Telenor hasn't started operations in Assam. The Competition Commission of India, Securities & Exchange Board of India, the stock exchanges and National Company Law Tribunal have already approved the acquisition, and only the DoT needs to clear it.

Telenor hasn't started operations in Assam. The Competition Commission of India, Securities & Exchange Board of India, the stock exchanges and National Company Law Tribunal have already approved the acquisition, and only the DoT needs to clear it.

The telecom department is allowed to insist on bank guarantees from telcos for their one-time spectrum charges in the run up to any merger, even if the matter is in court.

PRITHIVI RAAGUL.K

FIRST YEAR MBA 18

India's Growth Rate is fast

India became a sovereign state in 1947. There was a history of exploitation during colonial rule. Our first Prime Minister Pd. Jawahar Lal Nehru adopted the concept of mix economy. This was the time, when Indian industry wanted a safeguard from government. So the PERMIT RAJ and imposition of heavy tax on import was introduced.

As we know that the East India Company was a trade organization , but they captured this country. The government and common people were not able to accept any foreign company in India again. In 1950, a non-constitutional agency 'Planning Commission' was formed under the chairmanship of Prime Minister. This commission made five years plan for economic development. First, Second and Third five years plans were very successful. International experts of economics said that during Nehru era Indian government done all round development not only in agriculture but health, education, industry, poverty eradication, infrastructure development were done.

In 2019, India is the world's sixth largest economy by nominal GDP and the third largest by purchasing power parity. The country's ranks 139th in per capita GDP (nominal). In 1991, India adopted new concept of economic development. Finance Minister Dr. Manmohan Sing adopted strategy of free market, liberalization, privatization and economic reforms. After 1991 India achieved 6-7% average GDP growth rate since 2014. In 2016, demonetization policy of Modi government reduced 2% GDP, though India's economy has been the

world's fastest growing major economy surpassing China.

The long-term growth prospective of the Indian economy is positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. India topped the World Bank's growth outlook for the first time in fiscal year 2015–16, during which the economy grew 7.6%. Despite previous reforms,).

economic growth is still significantly slowed by bureaucracy, poor infrastructure, and inflexible laborlaws (especially the inability to lay off workers in a business slowdown)

India has one of the fastest growing service sectors in the world with an annual growth rate above 9% since 2001, which contributed to 57% of GDP in 2012–13. India has become a major exporter of IT services, Business Process Outsourcing (BPO) services, and software services with $154 billion revenue in FY 2017. This is the fastest-growing part of the economy. The IT industry continues to be the largest private-sector employer in India. India is the third-largest start-up hub in the world with over 3,100 technology start-ups in 2014–15.[The agricultural sector is the largest employer in India's economy but contributes to a declining share of its GDP (17% in 2013–14). India ranks second worldwide in farm output. The industry (manufacturing) sector has held a steady share of its economic contribution (26% of GDP in 2013–14). The Indian automobil

Industry is one of the largest in the world with an annual production of 21.48 million vehicles (mostly two and three-wheelers) in 2013–14.India had $600 billion worth of retail market in 2015 and one of world's fastest growing e-commerce markets

Compare with China, US, Pakistan, UK -The World Bank has predicted that India's GDP will grow at 7.3 per cent during 2018-19. In comparison, China is expected to register a much lower growth rate of 6.3 per cent this fiscal. The World Bank has forecast that India will continue to remain the fastest growing major economy in the world in 2018-19. In a report that was released on Tuesday (January 8) the World Bank said India's Gross domestic Product (GDP) will grow at 7.3 per cent during the ongoing financial year. In comparison, China is expected to register a much lower growth rate of 6.3 per cent in 2018-19. In this article, we have compared the economies of India and Pakistan on the basis of Economic parameters like Gross Domestic Product, Per Capita Income, foreign debt and defense budget etc. Here you will read that Pakistan is like a tiny lamb in front of a giant elephant.

India vs Uk-

According to the World Bank's latest estimates, the Indian economy was $15 billion bigger than the French economy in 2017. India is now behind United States of America (USA), China, Japan, Germany and United Kingdom (UK) in terms of economy size. Both the US and China are multi-trillion dollar economies whereas India is now a $2.6 trillion economy. The UK's economy as of date is just about $25 billion bigger than India's. In the post-financial crisis years from 2010 to 2017, UK's economy has grown by a little under 2 per cent on average. India's economy has grown by 7.3 per cent on an average during the same period

NANCY MALIK

FIRST YEAR MBA 18

India at 6th spot in business optimism

With business sentiment at the "weakest" in four years, India slipped to the 6th position globally in the business optimism index for the first quarter of this year, says a survey. Business optimism is however at an "all-time high" globally with the index at net 61 per cent, the highest figure recorded in 15 years of research, as per Grant Thornton's quarterly global business survey released today. Noting that business sentiment in India has been the weakest since 2014 in the first quarter, the advisory firm said the confidence has been shaken since the third quarter of 017 with weakening currency and a surge in oil prices.

"While entering the last year of the current regime, the business optimism in India has deteriorated with the country ranking 6th globally on the optimism index in the first quarter of 2018

Though the initial years of the Narendra Modi-led government saw India on top of the chart, the confidence has shaken since Q3 2017 with a weakening currency and a surge in oil prices, the report said, adding that the business optimism is at an all-time high of 61 per cent, the highest in 15 years, globally.The report was prepared based on the results of a survey of 2,500 businesses in 37 economies. "The reversal in sentiment amongst mid-sized businesses in India in the last three quarters is startling. With oil climbing, and India firmly in an election year, we ought to brace for a volatile economic environment in the days ahead. Export oriented businesses should see better days, finally," said Vishesh C Chandiok, CEO, Grant Thornton India LLP

Pessimism across most parameters

The report claims the underlying pessimism is reflected in other parameters as well, including revenue, selling prices, profitability, employment, and exports expectations. Revenue expectations have been slipping from the top position in Q2 2017 to 14th in fourth quarter of FY18. The country's ranking on expectation for higher selling prices dropped from 6th in Q1 2017 to 7th in the first quarter of the current financial year. Employment expectation wasalso ranked 6th in the first quarter. India's profitability has also been ranked 13th in the first quarter. In terms of export expectation, India was ranked 9th in the first quarter of current fiscal from 18th spot in last quarter of 2017, said the report.While Indian businesses have shown interest in investing in new buildings in recent years, they haven't given much impetus to investment in plant and machinery, said the report.

The businesses in India have been citing regulations and red tape, availability of skilled workforce, lack of ICT infrastructure, and shortage of finance as the biggest growth constraints claimed the report. "Even after India's significant jump in World Bank's Ease of Doing Business ranking, the country still continues to rank first or second in quoting these reasons as the key hurdles for growth," said the study.. The strongest they have been since the financial crisis. GDP growth in most regions is growing. We are seeing a broad-based and inclusive spell of economic growth across markets."

NANCY MALIK

FIRST YEAR MBA 18

India Slips To 6th Spot In Grant Thornton's Business Optimism Index

India has slipped to the sixth position globally in the business optimism index for the first quarter of 2018, says a survey by Grant Thornton.

As per Grant Thornton's International Business Report (IBR), business sentiment in India in this period was the "weakest" in four years, with weakening currency and a surge in oil prices. However, business optimism worldwide is at an "all-time high", with the index at net 61 per cent, the highest figure recorded in 15 years of research, the report said.

"While entering the last year of the current regime, the business optimism in India has deteriorated with the country ranking 6th globally on the optimism index in the first quarter of 2018... India has been topping the chart since the new government came into power in 2014," the advisory firm said.

Austria topped the index followed by Finland, Indonesia, the Netherlands and the US.

The report was prepared on a quarterly global business survey of 2,500 businesses in 37 economies."The reversal in sentiment amongst mid-sized businesses in India in the last three quarters is startling. With oil climbing, and India firmly in an election year, we ought to brace for a volatile economic environment in the days ahead. Export oriented businesses should see better days, finally," said Vishesh C Chandiok, CEO, Grant Thornton India LLP.

With regard to India, Grant Thornton said the underlying pessimism is reflected in other parameters as well including revenue, selling prices, profitability, employment and exports expectations. Indian businesses have been citing regulations and red tape, availability of skilled workforce, lack of ICT infrastructure and shortage of finance as the biggest growth constraints, the advisory firm said. India slips to 6th spot in biz optimism index; sentiment weakest since 2014: Thornton

New Delhi, May 8 (PTI) With business sentiment at the "weakest" in four years, India slipped to the 6th position globally in the business optimism index for the first quarter of this year, says a survey.

Business optimism is however at an "all-time high" globally with the index at net 61 per cent, the highest figure recorded in 15 years of research, as per Grant Thornton?s quarterly global business survey released today.Noting that business sentiment in India has been the weakest since 2014 in the first quarter, the advisory firm said the confidence has been shaken since the third quarter of 2017 with weakening currency and a surge in oil prices.

"While entering the last year of the current regime, the business optimism in India has deteriorated with the country ranking 6th globally on the optimism index in the first quarter of 2018... India has been topping the chart since the new government came into power in 2014," Grant Thorntons International Business Report said.With a score of 89, India is at the sixth place in the index. The top five nations are Austria, Finland, Indonesia, the Netherlands and the US.

The conclusions are based on a quarterly global business survey of 2,500 businesses in 37 economies.

With regard to India, Grant Thornton said the underlying pessimism is reflected in other parameters as well including revenue, selling prices, profitability, employment and exports expectations.

Indian businesses have been citing regulations and red tape, availability of skilled workforce, lack of ICT infrastructure and shortage of finance as the biggest growth constraints.Even after Indias significant jump in World Banks Ease of Doing Business ranking, the country still continues to rank 1st or 2nd in quoting these reasons as the key hurdles for growth, it noted.

Prime Minister NarendraModi-led NDA government came to power in May 2014.

Grant Thornton India LLP CEO Vishesh C Chandiok said the reversal in sentiment amongst mid- sized business in India in the last three quarters is startling and hoped that policy makers would sit up and take note.

"With oil climbing, and India firmly in an election year, we ought to brace for a volatile economic environment in the days ahead. Export oriented businesses should see better days, finally.

RATHINA PANDIAN S

FIRST YEAR MBA 18

June inflation rate up to 2.5%, highest in six years

According to calculations by Global News, a driver logging 6,500 km this summer would spend $113 more in the average compact car, $186 more in a typical SUV and nearly $200 more at the wheel of a gas-fuelled pickup truck.

The federal agency’s latest inflation number received a boost from higher energy prices, especially gasoline, fuel oil and other fuels. It followed a 2.2 per cent reading for May. Other big contributors behind last month’s stronger inflation figure were pricier airline tickets, restaurants and mortgage interest costs.

The June pace lifted inflation to its highest point since February 2012 when it was 2.6 per cent. It also moved the number farther away from the two per cent mid-point of the Bank of Canada’s target range.

Other ‘oil currencies’ are also slumping

Canada is not alone, said Greg Anderson, global head of foreign exchange strategy at BMO. The currencies of other big oil exporters, like Russia and Norway, aren’t getting a big boost from the recent oil price gains, either.

CIBC expects the Canadian dollar to weaken further to $0.74 U.S. cents by the end of the year. But things could get worse if Washington were to implement U.S. auto tariffs against Canada.

The flip side, Anderson said, is that the U.S. president “changes lanes very quickly.”

If he switched his mind about auto tariffs next week, the Canadian dollar would see an immediate benefit.

“You should see that as a two-way risk.”

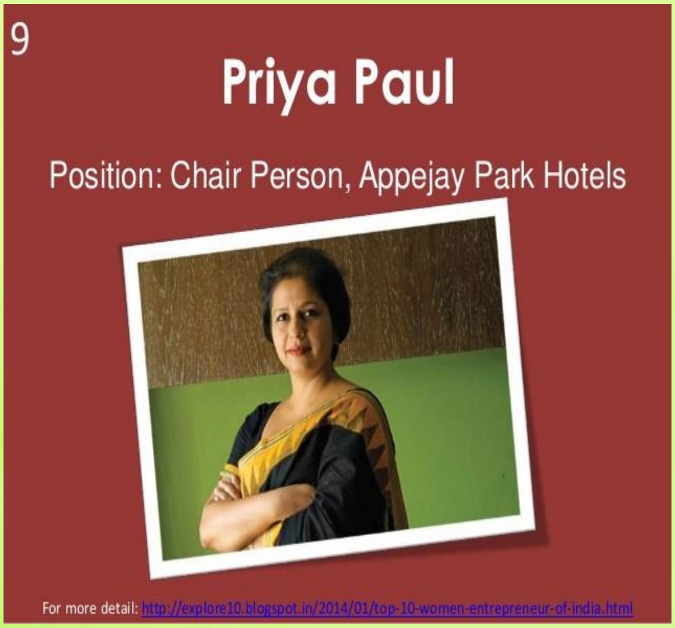
MOHAMED SUHAIL S R

FIRST YEAR MBA 18

Women Entrepreneurs Platform

NITI Aayog signs SoI with Financial Institutions & Social Organisations

NITI Aayog's Women Entrepreneurs Platform (WEP) today signed five separate Statement of Intent (SoIs) with Shri Mahila Sewa Sahakari Bank Limited, Indiabulls Housing Finance Limited, SREI Infrastructure Finance Limited, Sreemanta Sankar Mission and the Self Employed Women's Association (SEWA).



The WEP was established on the occasion of International Women's' Day in March 2018 to substantially increase the number of women entrepreneurs who will create and empower a dynamic New India.

New Delhi ,Jun 27 Niti Aayog's Women Entrepreneurs Platform (WEP) today signed statement of intent (SoI) with financial institutions & social organisations with an aim to increase the number of women entrepreneurs.

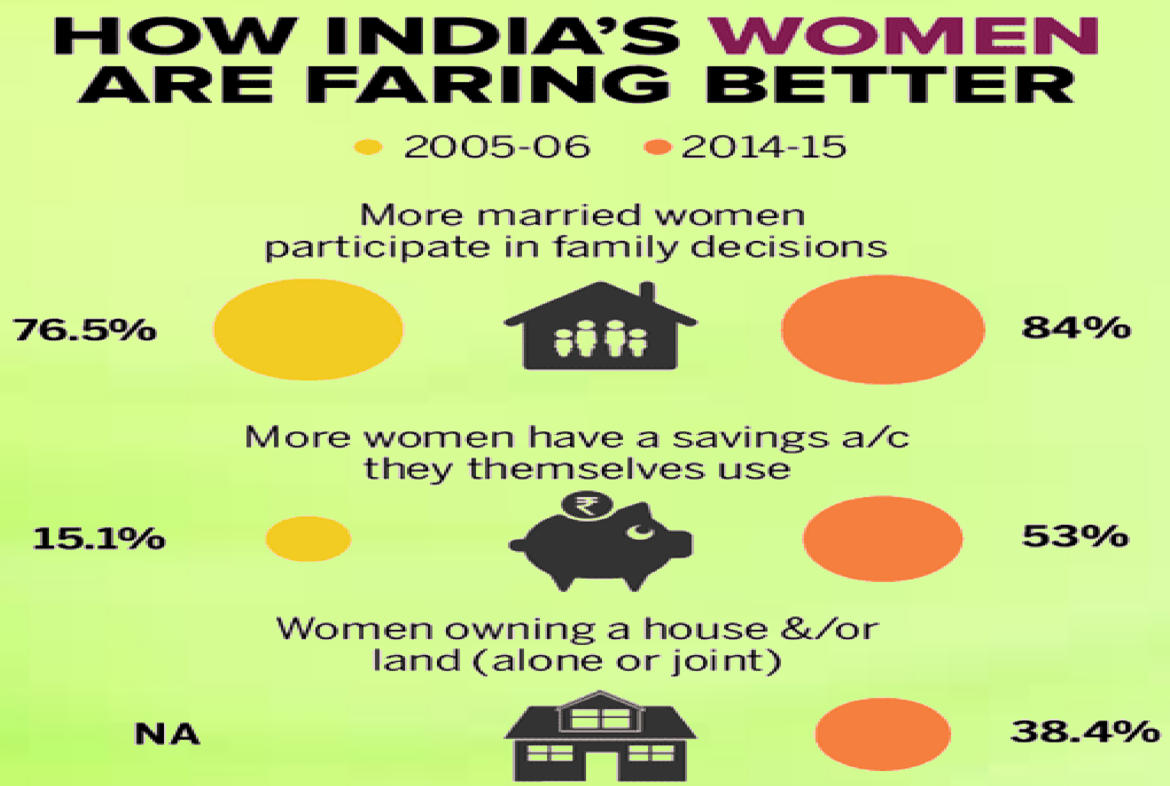
New Delhi, Jun 27 Niti Aayog's Women Entrepreneurs Platform (WEP) today signed statement of intent (SoI) with financial institutions & social organisations with an aim to increase the number of women entrepreneurs.

According to an official statement, the Aayog singed SoIs with financial institutions such as the Mahila Sewa Sahakari Bank, Indiabulls Housing Finance, Sreemanta Sankar Mission, Self Employed Women's Association (SEWA) and SREI Infrastructure Finance.

Through its partner organisations, WEP aims to create opportunities and support women in order to help them realise their entrepreneurial aspirations, scale up innovative initiatives, it added.

The WEP is an initiative under the Niti Aayog which was launched on March 8, 2018 on the occasion of the International Women's Day.

The UN India Business Forum and the Women Entrepreneurial Platform of NITI Aayog on Thursday formed a consortium to reduce gender disparities in start-up investments by providing mentorship and networking opportunities and accelerating financial and market linkages for women entrepreneurs.UN India-NITI Aayog Investor Consortium for Women Entrepreneurs will bring together key ecosystem stakeholders, including venture capitalists and impact investors, international donor and funding agencies, private sector partners and state governments, according to a joint statement



SANGEERTHANA M

FIRST YEAR MBA 18

Us president donald trump is to impose 25% tariffson $50bn worth of chinese goods, accusing beijing of intellectual copyright theft.

The US had earlier warned that it will impose even more tariffs should China retaliate.

What is a trade war and why should I worry?

China vows fast response to US tariffs

G7 summit ends in disarray over tariffs

US tariffs a dangerous game, says EU

Mr Trump said the tariffs were "essential to preventing further unfair transfers of American technology and intellectual property to China, which will protect American jobs."The Chinese product lines that have been hit range from aircraft tyres to turbines and commercial dishwashers.

In response, China announced tariffs on $34bn of US goods including agricultural products, cars and marine products which will also take effect from 6 July. Stock markets dropped in Europe and the US after the announcements with investors concerned about a possible trade war

'Counter-productive'

The US wants China to stop practices that allegedly encourage transfer of intellectual property - design and product ideas - to Chinese companies, such as requirements that foreign firms share ownership with local partners to access the Chinese market .However many economists and businesses in the US say the tariffs are likely to hurt some of the sectors the administration is trying to protect, which depend on China for parts or assembly .Farmers are also worried about harm caused by retaliation .'Right on target' The US announced plans for tariffs this spring, after an investigation into China's intellectual property practices. It published a draft list of about 1,300 Chinese products slated for tariffs in April. The list released Friday incorporates feedback and criticism received in the ensuing weeks.

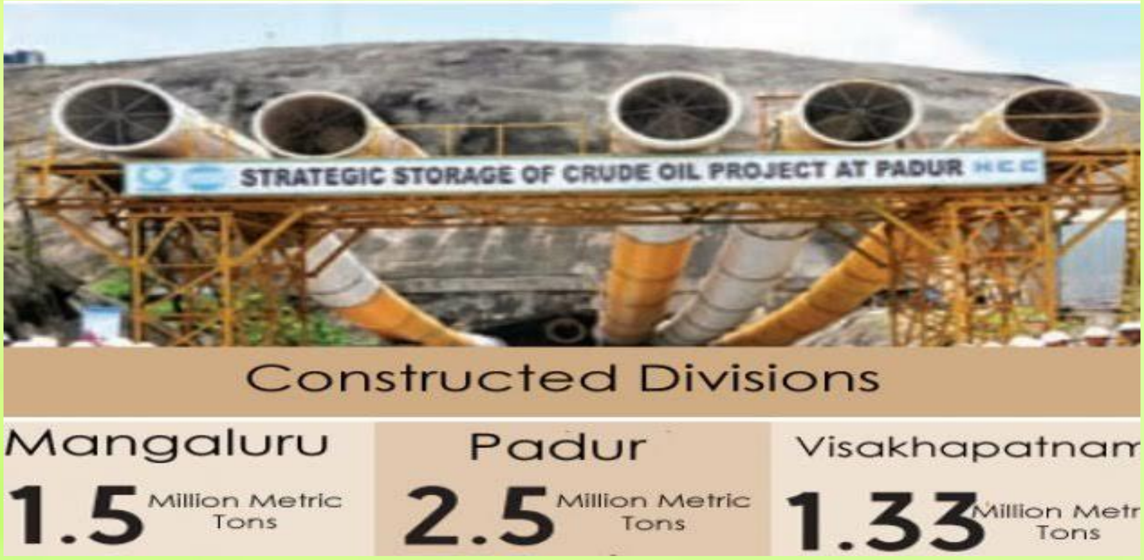
PRITHIVI RAAGUL K

FIRST YEAR MBA 18

Cabinet approve strategic petroleum reserves at chandikal and padur

About Strategic Petroleum Reserves

Strategic petroleum reserves are essentially huge stockpiles of crude oil to keep the wheels of the country running in crunch situations.



The Indian Strategic Petroleum Reserves Ltd. (ISPRL) has constructed and commissioned underground rock caverns for storage of total 5.33 MMT of crude oil at three locations namely Vishakhapatnam (1.33 MMT), Mangalore (1.5 MMT) and Padur (2.5 MMT).

Additional 6.5MMT Strategic Petroleum Reserves at Chandikhol in Odisha and at Padur, Karnataka

The Union Cabinet has approved establishment of additional 6.5 Million Metric Tonne (MMT) Strategic Petroleum Reserve (SPR) facilities at two locations, i.e. Chandikhol in Odisha and Padur in Karnataka, including construction of dedicated SPMs (Single Point Mooring) for the two SPRs.

The SPR facilities at Chandikhol and Padur will be underground rock caverns and will have capacities of 4 MMT and 2.5 MMT respectively.

Strategic Petroleum Reserve Programme

The Indian Strategic Petroleum Reserve (ISPR) is an emergency fuel store.

Strategic crude oil storages are at 3 underground locations in Mangalore, Visakhapatnam and Padur (near Udupi).

All these are located on the east and west coasts of India which are readily accessible to the refineries. These strategic storages are in addition to the existing storages of crude oil and petroleum products with the oil companies and serve in response to external supply disruptions.

FM Arun Jaitley in his 2017-18 budget speech has announced that two more such caverns will be set up Chandikhole in Jajpur district of Odisha and Bikaner in Rajasthan as part of the second phase.

Cabinet nod to foreign companies for storing oil at Padur storage

The Cabinet approved filling up of the underground strategic oil storage at Padur in Karnataka by foreign oil companies, who could use it as a storage for trading in the region but will have to part with the oil in case of an emergency in India.

India has build 5.33 million tonnes of emergency storage in underground rock caverns in Mangalore and Padur in Karnataka and Visakhapatnam in Andhra Pradesh.

While a third of the Visakhapatnam facility has been hired by Hindustan Petroleum Corp Ltd (HPCL), Abu Dhabi National Oil Co (ADNOC) and government of India has filled the storage at Mangalore. The 2.5 million tonnes Padur facility remains empty.

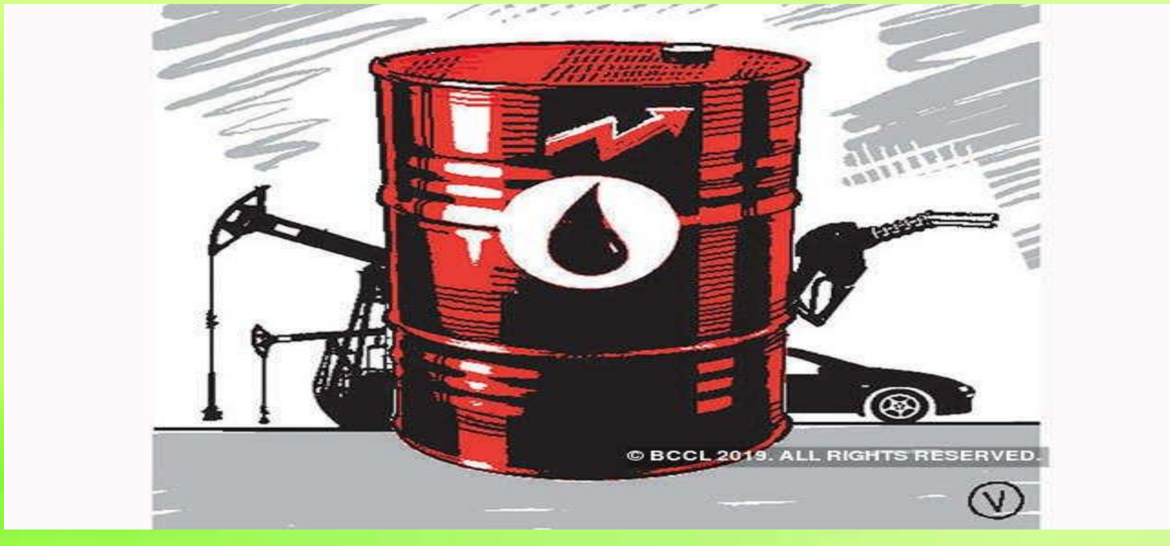
The Union Cabinet headed by Prime Minister Narendra Modi approved the filling of Padur storage by overseas national oil companies, Law and IT Minister Ravi Shankar Prasad told reporters here.

"The filling of the strategic petroleum reserves (SPR) under public-private-partnership model is being undertaken to reduce budgetary support of government of India," an official statement issued after the meeting said.

The total 5.33 million tonnes capacity under Phase-I of the SPR programme is currently estimated to supply about 9.5 days of India's crude requirement.

In the Phase-II, India plans to build an additional 6.5 million tonnes facilities at Chandikhol in Odisha and Padur in Karnataka, which is expected to augment the emergency cover against any supply disruption by another 11.5 days.Oil traders and producers could use the Padur storage to stock their oil and sell it to refineries in the region on commercial terms.

India, which meets 83 per cent of its oil needs through imports, will have the right of first refusal to buy the crude oil stored the facilities in case of an emergency, he said



SANGEERTHANA M

FIRST YEAR MBA 18

Published By

Department of Management Science,
Hindusthan College of Engineering and Technology,
Othakkalmandapam,
Coimbatore - 641032.

+91 4222930216, 2611833, 2611844

hicetmbahod@hindusthan.net

Hindusthan Business School