

Fortnightly statistics of Banking sector as on 21st Nov released on 5th Dec,08:

Aggregate credit:

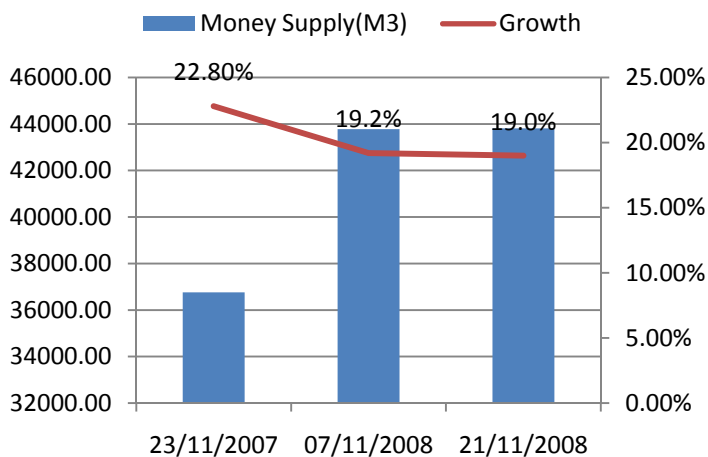
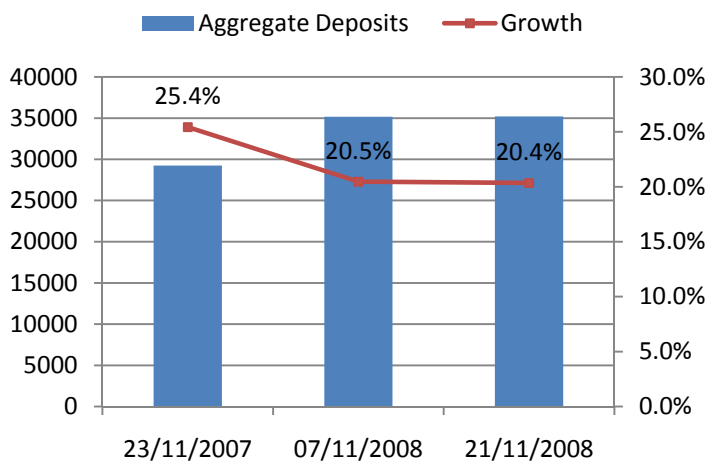
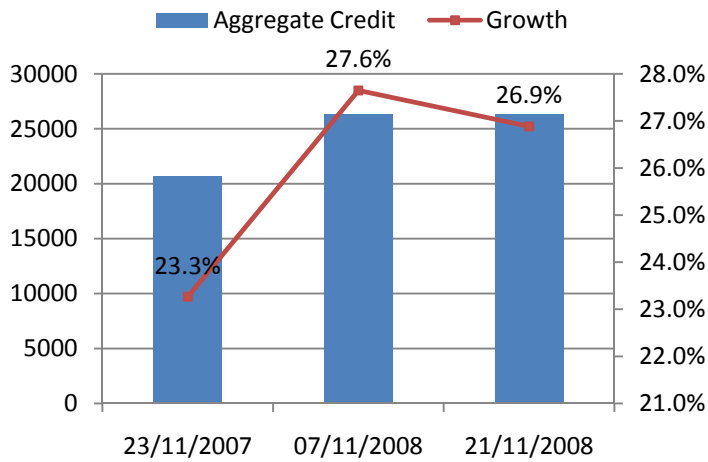
Aggregate credit as on 21st November, 2008 was Rs.26,327bln with a year on year (YoY) growth of 26.9% as compared to Rs.20,749bln with YoY growth of 23.3% as on 23rd November, 2007. On year to date (YTD) basis credit growth is 11.5% for period ended 21st November, 2008 as compared to 7.3% growth during corresponding period last year.

Aggregate Deposits:

Aggregate deposits held by scheduled commercial banks stood at Rs35,196bln with YoY growth rate of 20.5% as on 21st November, 2008 as compared to Rs.29,243bln with YoY growth of 25.3% as on 23rd November, 2007. On YTD basis deposits growth was 10.1% for the period ending on 21st November, 2008 as compared to 11.9% YTD growth during corresponding period previous year.

Money supply:

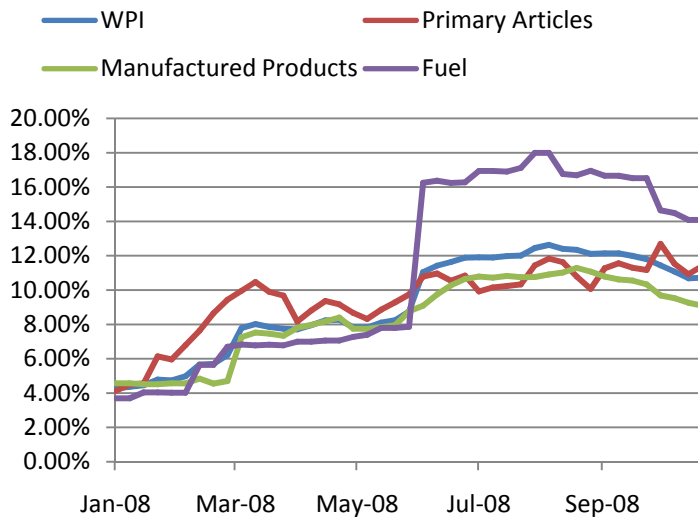
Money supply as on 21st November, 2008 was at Rs.43,809bln with a YoY increase of 19% as compared to Rs.36,761bln with a YoY of 22.8% as on 23rd November, 2007. On YTD basis money supply growth is 9.3% for period ended 21st November, 2008 as compared to 11% YTD growth during corresponding period last year.



Inflation Trend

	01 Nov 08	08 Nov 08	15 Nov 08	22 Nov 08
WPI Inflation	8.98%	8.90%	8.84%	8.40%
WPI	235.50	235.00	235.10	233.70
Primary article inflation	11.01%	11.66%	11.90%	11.98%
Primary article index	249	250	250.2	250.5
Manufactured Products inflation	8.06%	8.02%	8.01%	33.39%
Manufactured products index	203.8	203.4	203.5	250.5
Fuel group inflation	9.22%	8.21%	7.81%	5.28%
Fuel group index	356.6	353.3	353.3	345

Source: Cental Statistical Organisation (CSO), NB Research



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Inflation at 8.40% :

Inflation based on Wholesale Price Index for the week ended 22/11/2008 was 8.40% as compared to previous week figure of 8.84%. WPI declined 60bps when compared to last week. Primary article index increased by 10bps compared to last week. Index of fuel group declined by 2.3% on account of lower prices of furnace oil, ATF, and bitumen. Manufactured products group declined by 20bps WoW.

RBI's Growth Stimulus

RBI took the following measures to stimulate growth :

- Reduced Repo rate by 100bps to 6.5% and Reverse Repo rate by 100bps to 5%
- Will provide refinance facility to SIDBI against incremental lending to Micro and Small Enterprises(MSEs) to the extent of Rs.7,000 crore. This facility is available till March, 2010.
- Will provide refinance facility to National Housing Bank (NHB) to the extent of Rs.4000 crore
- Restructured loans to real estate sector, capital markets sector and personal loans which were not eligible to be included in standard portfolio of banks earlier are allowed to be treated as standard assets
- Loans restructured twice due to temporary cash flow problems will also be treated as standard assets

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