



# INDIA REPORT

Celebrating 23 years

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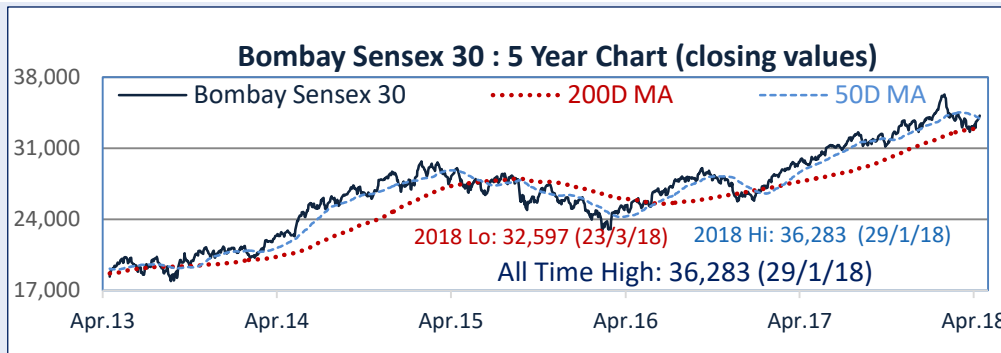


LALCAP

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London, 16 April 2018



Source: chart & tables: Bloomberg

Close:	Level	Index	PE	5 Year PE		
16 Apr		Pts Chg- Day	2018/19	Avg	High	Low
SENSEX 30	34,329	+137	19.6x	20.0x	25.4x	16.1x
NIFTY 50	10,531	+51	18.4x	19.7x	24.6x	14.7x

## Other Markets: Level & YTD

ASIA: CHINA Shanghai: 3,110 (-6%)

JAPAN Nikkei 225: 21,836 (-4%)

EUROPE: UK FTSE: 7,248 (-6%)

GERMANY DAX: 12,466 (-4%)

USA: Dow Jones: 24,360 (-2%)

GOLD: \$1,344.42 (+3%)

SILVER: \$16.61 (-2%)

BRENT OIL: 72.55 (+8%)

## Indian Currency:

INR ₹ / USD    \$1=    Rs65.39 (-2.4%)

INR ₹ / GBP    £1=    Rs93.48 (-8.4%)

INR ₹ / EUR    €1=    Rs80.84 (-5.6%)

⇒ **This week the UK will host the Commonwealth Heads of Government Meeting (CHOGM 2018) where leaders will gather in London and Windsor to address the shared global challenges nations face, and agree actions on how to create a better future for all.** The summit's theme is: 'Towards a common future'. Leaders will attend a dinner hosted by Her Majesty The Queen at Buckingham Palace and gather at Windsor Castle for the Leaders' Retreat to engage in frank dialogue and set the course for future Commonwealth co-operation. The week of CHOGM begins with four forum events – Business, People, Youth and Women – bringing together representatives from the worlds of business, civil society and government. **The week will also see the UK succeed Malta as 'Chair-In-Office' of the Commonwealth until 2020.**

⇒ **India is part of the Commonwealth of 53 countries and PM Modi is re-visiting Britain.** India accounts for 25% of the combined GDP, about 50% of the population and 21% of the land mass of the Commonwealth. Today the Commonwealth continues to play an important social and political role in the world. It is home to nearly one billion of the world's young people, half of its top 20 emerging cities, almost half of the UN peacekeeping contributions and consistently ranks third in the global 'Index of Economic Freedom'. Taken together, the Commonwealth's common legal systems, language and administrative systems mean that intra-Commonwealth trade benefits from what some have called a 'Commonwealth Advantage', with trade and investment flows increased by up to 20% and the cost of doing business reduced by up to 19%. However, this grouping of nations needs to be revitalised if the regular summits are not to be regarded just as a "talking shop". **This is an opportunity for India, with about 50% of the population and 25% of the GDP of the Commonwealth to step into a leadership role - if other countries agree.**

⇒ **Many readers have asked about the Commonwealth before – so here is some background.** The origins of the Commonwealth lie in Britain's former colonial empire. The Commonwealth is a voluntary association of 53 independent and very diverse countries across all continents, almost all of which were formerly under British rule. The term 'Commonwealth' was first used by British Liberal politician Lord Rosebery in Adelaide, Australia, in 1884. During a famous speech, he referred to the British Empire as 'a Commonwealth of

Nations'. The Commonwealth is a remarkable international organisation, spanning every geographical region, religion and culture. All members have an equal say, regardless of size or economic stature. The combined population is 2.3 billion people, almost a third of the world population, of which 1.26 billion live in India, and 94% live in Asia and Africa combined. After India, the next six largest Commonwealth countries by population are Pakistan (180 million), Nigeria (170 million), Bangladesh (156 million), the U.K. (65 million), South Africa (55 million) and Canada (36 million). Tuvalu is the smallest member, with about 10,000 people. The land area of the Commonwealth nations is about 21% of the total world land area. The three largest Commonwealth nations by area are Canada, Australia and India. **In 2016, the Commonwealth members had a combined gross domestic product of over \$9 trillion, 78% of which is accounted for by the four largest economies: U.K. (\$2.6 trillion), India (\$2.3 trillion), Canada (\$1.5 trillion), and Australia (\$1.3 trillion). India's GDP may well overtake that of the U.K. this year.**

⇒ **Until 1949, the member states of today's Commonwealth were united through common allegiance to the British Crown.** After the Second World War, many countries sought their independence. Soon after attaining independence in 1947, India declared that it wished to adopt a republican constitution, but also wanted to remain within the Commonwealth. This was accepted in the London Declaration agreed at the Commonwealth Heads of Government Meeting in 1949. Over the next two decades, the sun set on British rule in many parts of Africa, Asia, the Caribbean, the Mediterranean and the Pacific. The London Declaration made it possible for the Asian and African states of the former Empire, most of which wished to become republics, to remain within the Commonwealth upon attaining independence. **This has led to the development of the contemporary Commonwealth.**

⇒ **Member countries of the Commonwealth can therefore have different constitutions:** a republic with a president as Head of State (eg, India and South Africa), an indigenous monarchy (eg, Lesotho, Malaysia, Swaziland and Tonga), a sultanate (Brunei), an elected Paramount Chieftaincy (Western Samoa), or a realm recognising The Queen as Sovereign (eg, the U.K., Canada, Australia and Barbados). **Whichever form their constitution takes, member countries all recognise The Queen as Head of the Commonwealth.**



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## EXCHANGE RATE OF THE INDIAN RUPEE VIS-A-VIS US\$, GB£, DM/EURO & JAPANESE YEN FINANCIAL YEAR TO 31 MARCH : ANNUAL AVERAGE & FINANCIAL YEAR END RATES

Source: Reserve Bank of India (Central Bank)

Year	US Dollar		Pound Sterling		Deutsche Mark/Euro		Japanese Yen	
	Average	End-year	Average	End-year	Average	End-year	Average	End-year
1984-85	11.8886	12.4300	14.8668	15.4500	3.9877	4.0190	4.8700	4.9000
1985-86	12.2349	12.3061	16.8467	18.2500	4.5553	5.3020	5.6200	6.8000
1986-87	12.7782	12.8882	19.0722	20.7490	6.2970	7.1620	8.0200	8.9000
1987-88	12.9658	13.0318	22.0872	24.3510	7.4004	7.8070	9.4100	10.3000
1988-89	14.4817	15.6630	25.5959	26.3990	8.0494	8.2590	11.3000	11.8000
1989-90	16.6492	17.3248	26.9179	28.3010	9.0922	10.1670	11.6600	11.0000
1990-91	17.9428	19.6429	33.1930	34.0500	11.4351	11.4270	12.7900	13.9000
1991-92	24.4737	31.2256	42.5151	53.6913	14.6248	18.3501	18.4400	23.2800
1992-93	30.6488	31.2354	51.6858	46.6200	19.5877	19.2864	24.5900	26.9900
1993-94	31.3655	31.3725	47.2064	46.5200	18.7403	18.7575	29.1100	35.5200
1994-95	31.3986	31.4950	48.8211	50.5650	20.2017	22.3600	31.6341	35.2888
1995-96	33.4498	34.3500	52.3526	52.4300	23.3993	23.3038	34.8425	32.2975
1996-97	35.4999	35.9150	56.3646	58.6938	22.9244	21.3863	31.5879	28.9463
1997-98	37.1648	39.4950	61.0240	66.1638	20.9613	21.3350	30.2990	29.7813
1998-99	42.0706	42.4350	69.5505	68.3588	24.1792	23.2863	33.1341	35.3263
1999-00	43.3327	43.6050	69.8510	69.5100	44.7909	41.7975	39.0606	41.4825
2000-01	45.6844	46.6400	67.5522	66.5788	41.4832	41.0113	41.4052	37.4338
2001-02	47.6919	48.8000	68.3189	69.5863	42.1811	42.6438	38.1790	36.8063
2002-03	48.3953	47.5050	74.8193	74.9225	48.0901	51.4925	39.7363	39.8925
2003-04	45.9516	43.4450	77.7389	79.6813	53.9896	53.1725	40.7077	41.6725
2004-05	44.9315	43.7550	82.8644	82.1125	56.5523	56.5863	41.8046	40.8075
2005-06	44.2735	44.6050	79.0472	77.7963	53.9124	54.1875	39.1438	38.0188
2006-07	45.2849	43.5950	85.7274	85.5938	58.1110	58.1513	38.7975	37.0338
2007-08	40.2410	39.9850	80.8016	79.5138	56.9906	63.0963	35.2896	40.0650
2008-09	45.9170	50.9450	78.4485	72.8575	65.1345	67.4713	46.0521	51.8900
2009-10	47.4166	45.1350	75.8861	68.0188	67.0843	60.5913	51.1261	48.4338
2010-11	45.5768	44.6450	70.8853	71.9163	60.2181	63.2350	53.2963	54.0175
2011-12	47.9229	51.1600	76.3912	81.7975	65.8939	68.3550	60.7484	62.4250
2012-13	54.4091	54.3893	85.9713	82.3209	70.0693	69.5438	65.8530	57.7600
2013-14	60.5019	60.0998	96.3058	99.8498	81.1745	82.5765	60.4026	58.8300
2014-15	61.1436	62.5908	98.5731	92.4591	77.5209	67.5104	55.8266	52.1100
2015-16	N/A	66.3329	N/A	95.0882	N/A	75.0955	N/A	59.0600
2016-17	N/A	64.8386	N/A	80.8797	N/A	69.2476	N/A	57.9600
2017-18	N/A	65.0441	N/A	92.2846	N/A	80.6222	N/A	61.5400

**In the 5 years to 31 March 2018 the Rupee has fallen 20% against the US\$, 12% against the GB£ and 16% against the Euro.**

Note: 1. Exchange rate for JPY is per 100 Yen. 2. The YE rate for 1998-99 pertains to March 26, 1999 of Deutsche Mark rate. 3. Data from 1971 to 1991-92 based on official exchange rates. 4. Data from 1992-93 onwards based on FEDAI (Foreign Exchange Dealers' Association of India) indicative rates. 5. Data from 1971 to 1972-73 for the DM and the JPY Yen are cross rates with the US Dollar. 6. The Euro replaced the Deutsche Mark w.e.f. January 1, 1999.



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