SBI INDEX FOR JUN’18

The yearly SBI Composite Index for Jun’18 rose slightly to 52.9 (Moderate Growth), from 52.1 (Moderate Growth) in May’18. While, the M-o-M index decreased to 49.9 (Low Decline) in Jun’18, from 51.8 (Low Growth) in May’18.

The SBI Composite Index, a leading indicator for manufacturing activities in the Indian Economy aims to foresee the periods of contraction and expansion. The Composite Index has mainly two indices i.e. SBI Monthly Composite Index and SBI Yearly Composite Index.

With the robust growth in the SBI Composite Index, we believe IIP Manufacturing should continue to moderate in May’18 (4%) but may increase marginally in Jun’18.

Meanwhile, new investments announced fell by around 15% year on year to Rs 12.15 lakh crore in FY18 owing to the fall in new projects in sectors such as Railways, Electronic Machinery, Service Utilities etc.

Overall share of Government, in new investments announcement, declined by 19% where as share of private sector decrees by 4% in FY18.

Sectors which have recorded growth in new projects announcement includes Rubber and Rubber Products, Aluminium, Automobile and Auto Ancillaries, Roadways, Shipping Infrastructure, Real Estate, LNG Storage and Distribution.
SBI COMPOSITE INDEX: JUNE 2018

- The yearly SBI Composite Index for Jun’18 rose slightly to 52.9 (Moderate Growth), from 52.1 (Moderate Growth) in May’18. While, the M-o-M index decreased to 49.9 (Low Decline) in Jun’18, from 51.8 (Low Growth) in May’18.
- The SBI Composite Index, a leading indicator for manufacturing activities in the Indian Economy aims to foresee the periods of contraction and expansion. The Composite Index has mainly two indices i.e. SBI Monthly Composite Index and SBI Yearly Composite Index.
- With the robust growth in the SBI Composite Index, we believe IIP Manufacturing should continue to be moderate in May’18 (4%) but may increase further to around 5% in Jun’18.

CORPORATE SECTOR - NEW PROJECT ANNOUNCEMENT

- New investments announced fell by around 15% year on year to Rs 12.15 lakh crore in FY18 owing to the fall in new projects in sectors such as Railways, Electronic Machinery, Service Utilities etc.
- It is pertinent to mention that share of Indian Private Sector in new investment announcement increase to 26.33% from 13.97% to Rs 3.20 lakh crore in FY18 from Rs 0.57 crore in FY17 reflecting positive corporate sentiment. Overall share of Government, in new investments announcement, decreased by 19% where as share of private sector decrees by 4% in FY18.
- Sectors which have recorded growth in new projects announcement includes Rubber and Rubber Products, Aluminium, Automobile and Auto Ancillaries, Roadways, Shipping Infrastructure, Real Estate and LNG Storage and Distribution.
ABOUT US

The Economic Research Department (ERD) in SBI Corporate Centre is the successor to the Economic and Statistical Research Department (E&SRD). The latter came into being in 1956, immediately after the State Bank of India was formed, with the objective of “tendering technical advice to the management on economic and financial problems in which the Bank has interest and which required expert analysis”.

After the first reorganization of the Bank, when specialized departments like Management Science, Management Information Systems, Planning and Market Segment Departments took over the statistical work of E&SRD, the Department was renamed as ERD.

However, with the ERD team now taking on multidimensional functionalities in the area of risk management, corporate analytics, strategy and so on, who knows, the time may have come to rename it again!

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CONTACT DETAILS

Dr. Soumya Kanti Ghosh
Group Chief Economic Adviser
State Bank of India
Corporate Centre
Madam Cama Road
Nariman Point
Mumbai - 400021

Email: soumya.ghosh@sbi.co.in
gcea.erd@sbi.co.in
Phone: 022-22742440

: @kantisoumya