



## THE ECO BULLETIN

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# LATEST ECONOMIC UPDATES

## THE GOODS AND SERVICES TAX (GST)

- GST is a single indirect tax which will subsume most of the state and central levies like VAT, Excise Duty, Central Sales Tax etc.
- GST Council headed by the Finance Minister and comprising of representatives of all 29 states has been approved. The Council will decide tax rates, threshold and exemption rates.



## INCREASE IN PRICE OF STEEL FORECASTED

- Rise in price of major inputs used in the production of steel- iron ore and coking coal.
- Iron ore prices have increased from \$42/tonne to \$61/tonne and coking coal prices have increased from \$100/tonne to \$127/tonne since January 2016.
- Rising railway freight charges contributing to further increase in price of final product by up to Rs. 2500/tonne.

## MASALA BONDS

- Masala bonds are rupee-denominated bonds through which Indian entities can raise funds by accessing overseas capital markets while bond holders bear the currency risk.
- HDFC has raised a corpus of Rupees 4500 crore by issuing these bonds to overseas investors which helps to place the Indian Rupee in the international market.



# HISTORY SNIPPET

## Buttonwood Agreement

- The **Buttonwood Agreement**, which took place on May 17, 1792, started the New York Stock & Exchange Board now called the New York Stock Exchange.
- This agreement was signed by 24 stockbrokers outside of 68 Wall Street New York under a buttonwood tree. The organization drafted its constitution on March 8, 1817.
- The brokers based the U.S. system upon existing European trading systems. In fact, the Spanish practice of dividing the silver dollar into eighths was largely responsible for the prevalence of fractions when describing stock values.



**Buttonwood Agreement**

## DID YOU KNOW?



The phrase 'Blue Chip Shares' was coined by Oliver Gingold, an employee of Dow Jones, in 1923.

## DID YOU KNOW?

	Sensex	Nifty
Base Value	100	1000
Launch Date	Jan 1 1986	Apr 1 1996
No. of Constituents	30	50

Data Source: [www.bseindia.com](http://www.bseindia.com)  
[www.nseindia.com](http://www.nseindia.com)

# KNOW AN ECONOMIST

## ***Friedrich August Hayek***

(1899-1992)

Born in Austria, F. A. Hayek, a very influential economist in the 20<sup>th</sup> century, was one of the leading proponents of Austrian Economics.

Hayek got a British citizenship in 1938, where he taught at London School of Economics.

He was a contemporary of J. M. Keynes and their opposing views on Keynes's General Theory are very popular, which are in the form of letters written to each other. Hayek's major work was on

the premise that an uninterrupted Free Market is an ideal economic system. He supported his opinions explaining 'Mal-investments' and the disruptions they cause in the Business Cycle due to government intervention.

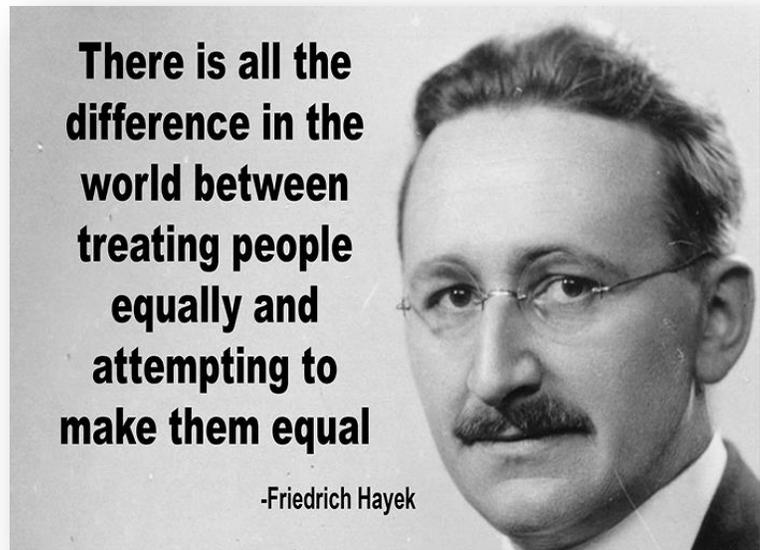
**Famous books:** *The Road to Serfdom, A Fatal Conceit*

### References:

<http://www.econlib.org/library/Enc/bios/Hayek.html>

[http://www.business-standard.com/article/pti-stories/hdfc-rakes-in-rs-4-500-cr-via-masala-bonds-till-date-116091201153\\_1.html](http://www.business-standard.com/article/pti-stories/hdfc-rakes-in-rs-4-500-cr-via-masala-bonds-till-date-116091201153_1.html)

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**"Inflation is always and everywhere a monetary phenomenon."**

— Milton Friedman

**THANK YOU**