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Committed to professional excellence

IIBF VISION

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2nd Bi-Monthly Monetary Policy 2014-15 - 3rd June 2014

- RBI has reduced the Statutory Liquidity Ratio (SLR) of scheduled commercial banks by 50 basis points from 23.0% to 22.5% of their NDTL with effect from the fortnight beginning June 14, 2014. This measure is expected to release ₹40,000 crores of bank's funds.
- RBI has retained the repo rate under the Liquidity Adjustment Facility (LAF) at 8.0%.
- RBI has retained the Cash Reserve Ratio (CRR) of scheduled banks at 4.0% of Net Demand and Time Liabilities (NDTL).
- The liquidity provided under the Export Credit Refinance (ECR) facility is reduced by RBI from 50% of eligible export credit outstanding to 32% with immediate effect. At the same time, RBI has introduced a special term repo facility of 0.25% of NDTL to compensate fully for the reduction in access to liquidity under the ECR.
- RBI has continued to provide liquidity under 7-day and 14-day term repos of up to 0.75% of NDTL of the banking system.
- RBI has retained the reverse repo rate under the LAF at 7.0%, and the Marginal Standing Facility (MSF) rate and the Bank Rate at 9.0%.
- With a view to improve the depth and liquidity in the domestic foreign exchange market, RBI has decided to allow foreign portfolio investors to participate in the domestic exchange traded currency derivatives market to the extent of their underlying exposures plus an additional US$ 10 million. Further, RBI has decided to permit similar access to the domestic entities to the exchange traded currency derivatives market.
- As a prudential measure, RBI had reduced the eligibility limit for foreign exchange remittances under the Liberalised Remittance Scheme (LRS) to US$ 75,000 in the last year. In view of the recent stability in the foreign exchange market, RBI has enhanced the eligible limit to US$ 1,25,000 without end use restrictions except for prohibited foreign exchange transactions such as margin trading, lottery and the like.

- Currently, only Indian residents are allowed to take Indian currency notes up to ₹10,000 out of the country. Non-residents visiting India are not permitted to take out any Indian currency notes while leaving the country. With a view to facilitating travel requirements of non-residents visiting India, RBI has decided to allow all residents and non-residents except citizens of Pakistan and Bangladesh to take out Indian currency notes up to ₹25,000 while leaving the country.

Top Stories

Savings accounts for minors to promote financial inclusion

RBI has allowed minors aged more than 10 years to open and operate savings bank accounts independently. Taking into account their risk management systems, banks, however, can fix limits vis-à-vis the minimum age and amount to operate the deposit accounts. They can also decide the documents required to open such accounts and can offer additional banking facilities to minors *viz.* internet banking, ATMs / debit cards and cheque book facilities, provided these accounts aren't overdrawn and that the accounts always remain in credit balance. The aim of this move is to help children understand money matters, help them feel empowered and introduce them the banking system at an early age.

All new ATMs to become talking machines

RBI has instructed commercial banks that all new ATMs to be installed from 1st July 2014 should provide audible instructions and Braille keypads to customers. The facility should be reviewed at timely intervals. The directive follows RBI's advice to banks in 2009 to make bank branches and ATMs accessible to disabled people and make atleast 1/3rd of the new ATMs as talking ATMs with Braille keypads. Further, it has also asked banks to make necessary arrangements to provide all existing and future ATMs with ramps so that wheel-chair users / persons with disabilities can easily access them.

Banking Policies

RBI allows banks to reschedule ECBs

Following changes in the drawdown schedule and repayment, RBI has allowed banks to reschedule External Commercial Borrowing (ECB) dues to Indian companies. The facility will be available for ECBs raised under the automatic and approval routes. RBI has delegated power to banks as a step to simplify procedures. Banks can permit reschedulement on certain conditions. Any change in all-in-cost should be only due to change in the average maturity period, after the rescheduling. There should not be any increase in the rate of interest and no additional cost should be involved. The rescheduling will be allowed only once, before the maturity of the ECB. If the lender is a foreign branch of a domestic bank, it should comply with the prudential norms applicable to rescheduling.

No fine if minimum balance is not kept in dormant account

In line with a suggestion in the monetary policy, RBI has instructed banks not to levy penal charges for non-maintenance of minimum balance in an in-operative account. Instead, banks should limit services on such accounts to those available to basic savings bank deposit accounts and restore them when the balances improve to the minimum required level.

RBI puts curbs on Rupee-loan refinancing via ECB route

RBI has barred Indian companies from raising money through External Commercial Borrowings (ECBs) from subsidiaries of Indian banks overseas to refinance rupee loans. Indian companies in manufacturing, infrastructure and hotel industries were earlier allowed to raise a maximum of $10 billion. The maximum permissible ECB that could be availed of by an individual company was 75% of the average annual export earnings realized during the past three financial years.

No penalty for pre-paying home loans

RBI has directed banks not to levy any penalty on individual borrowers pre-paying their floating rate term loans (home loans). Banks will not be permitted to charge foreclosure charges / pre-payment penalties on all floating rate term loans sanctioned to individual borrowers with immediate effect.

Foreign branches of Indian bank can sell derivatives abroad

RBI has allowed branches and overseas subsidiaries of Indian banks to sell structured financial and derivative products in established financial centres like New York, London, Singapore, Hong Kong, Frankfurt, Dubai, etc. even if these products are not permitted in India. In December 2009, banks were mandated to obtain RBI's prior approval by furnishing full particulars of the products, including their regulatory treatment prescribed by the host-country regulators. In other centres (other than those mentioned above), banks may offer only those products that are specifically permitted in India.

RBI extends exporters' loan tenure to 10 years

Easing its earlier rules, RBI has allowed exporters to get long-term advances for up to 10 years to service export contracts, instead of the earlier one year. However, only the exporters with a satisfactory track record of three years and the payments adjusted against future exports will be eligible for such advances. These advances cannot be used to repay rupee loans categorized as NPAs. Banks may, in turn, offer guarantees and stand-by letters of credit, if required. Interest rates, if any, cannot exceed 200 bps over LIBOR. Double financing for working capital for execution of export orders will also be discouraged. In addition to this, exporters who receive loans of $100 million or above need to report the transaction immediately to RBI.

Common registration form for various NBFCs

RBI has simplified the registration process for Non-Banking Financial Companies (NBFCs) by introducing a common application form for various types of NBFCs *viz.* Micro Finance Institutions (NBFC-MFIs); NBFC-Factors; and Infrastructure Development Finance-Non-Banking Financial Companies (IDF-NBFCs). However, as per existing norms, the documentation required for registration differs as the businesses of the various types of NBFCs vary. Also, the application form for Core Investment Companies (CICs) has been redesigned with two checklists of documents.

RBI allows LLPs to undertake financial commitment abroad

RBI has allowed Limited Liability Partnership (LLP) firms to carry out financial commitment to / on behalf of Joint Ventures (JVs) or Wholly-owned Subsidiaries (WoS) of the Indian companies abroad. It has been decided to notify a LLP as an 'Indian party'. An Indian Party means a company incorporated in India making investment in a JV or WoS abroad and includes any other entity in India as may be notified by RBI.

RBI norms on takeover of NBFCs

To ensure fit and proper management of NBFCs, RBI has mandated that any takeover or acquisition control (via shares or otherwise) of a NBFC will now require its prior approval in writing. Also, any merger or amalgamation of a NBFC with another entity or vice versa, that would give the acquirer / other entity control of the NBFC would require RBI's permission. Further, any move that would result in acquisition / transfer of shareholding in excess of 10% of the paid-up capital of the NBFC would also need RBI approval.

Operational Guidelines for Depositor Education and Awareness Fund

The Government of India had notified the Depositor Education and Awareness Fund Scheme, 2014 in the official Gazette on May 24, 2014. In this connection, RBI has advised banks on the operational guidelines of the Scheme. As per the scheme, Banks will have to calculate the cumulative balances in all inoperative accounts and balances remaining unclaimed for 10 years along with accrued interest a day prior to effective date (i.e., May 23, 2014) and transfer such amount to the Depositor Education and Awareness Fund on June 30, 2014. Subsequently, banks will have to transfer the amounts becoming due in each calendar month (i.e., proceeds of the inoperative accounts and balances remaining unclaimed for 10 years or more) as specified in the Scheme and the interest accrued thereon on the last working day of the subsequent month.

Banking Developments

FM for tightening banks' exposure limits

The Union Finance Ministry has proposed tightening banks' exposure limits because, high lending to one company / group could put small PSBs at risk, especially with the rising levels of stressed assets. The limit might also be tightened for certain stressed sectors where the risk is higher. According to RBI's current prudential credit norms, a bank can't give loans in excess of 15% of capital funds to a single borrower and 40% for the borrower group. RBI's Financial Stability Report in December had said that banks' exposure limits to corporate and business groups were far in excess of best global practices (25%for a group). This could put the banking system at a major risk in case of a loan default.

RBI switches 30 banks to risk-based supervision

Scrapping its age-old practice of CAMELS inspection, RBI has switched 30 banks to risk-based supervision, indicating a beginning of micro management of banks. The CAMELS (Capital Adequacy, Asset Quality, Management, Earnings, Liquidity and System & Control) framework was developed in the early 1970s by the US Federal Reserve to assess a bank's health. CAMELS rated a bank largely on financial parameters and performance. Post the 2008 global crisis, regulators across the world have begun shifting to risk-based supervision to ensure that banks do not take undue risks to maximize profits and boost performance.

Change in Shut period to improve liquidity

In a move expected to improve market liquidity, dealers will be allowed to trade bonds even when RBI is making coupon payments for that debt on those days. Under the previous rule, bonds whose coupon payments were due were placed in a one-day 'shut period'. Traders were not allowed to trade them on the day before the coupon payment to avoid any change in ownership of those securities during the process.

Single-window payment for all bills

As the new system of bill payment mooted by RBI goes on stream, users will be able to pay bills of all kinds by the click of a button or anywhere through other third-party vendors. RBI is setting up an Indian Bill Payment System, a centralized payment gateway to make all kinds of bill payments smooth. The payments process will be instituted through a GIRO (Government Internal Revenue Order)-based system, where all the billers such as utility payments, taxes, university fees, examination fees and insurance premiums etc. come on a common platform that will enable payers to make payments directly to billers. RBI has set up a committee called the GIRO Advisory Group. GIRO Advisory Group has proposed setting up two organizations *viz.* the 'Bharat Bill Payment Services' and the 'Bharat Bill Payment Operating Units'. The new system will allow all bills to be listed at one location, where one can go and pay. This is a part of RBI's ongoing effort to improve the payment and settlement systems as laid out in the Payment Systems Vision (2012-15). RBI wants to develop this system because a lot of bills are paid through cash or cheques at billers' locations, while bill payment centres are not easily available in rural areas. There is also no single website where all bills can be accessed and paid. The new system will help customers and the billers to keep things electronically safe and reduce hassles.

Easy to offload NPAs after RBI tweaks norms

A sudden rush to sell distressed assets to Asset Reconstruction Companies (ARCs) in Q4 could be attributed to RBI allowing banks to write back the excess provisions made over the book value when the Non-Performing Loan (NPL) is sold. Earlier, if the sale was for a value higher than the Net Book Value (NBV), the excess provision was not allowed to be reversed. Banks were to utilize it to meet the loss from the sale of other financial assets to ARCs. This revert to the early 2000 when the gross NPLs were at similar levels and there was no concept of restructured loans. Thus, for loans that are problematic to resolve by any bank individually, many banks have now offered it to ARCs for more efficient resolution as ARCs have dedicated resources to follow up and recover these loans.

More customers seeking data on credit worthiness

The Credit Information Bureau (India) Ltd has seen a 20% increase in credit applications over the last three years, with 60% of new credit applications coming in from applicants aged below 40. However, not all applicants are eligible borrowers. Only those with a credit score of 700+ have a higher chance of getting loans and credit cards. Banks and financial institutions today consider the score to be a crucial parameter before sanctioning any new loan. The Bureau has a database of over 33 crore consumers and 1.7 crore businesses across the country. Credit Institutions check on the applicant's CIBIL report before making lending decisions.

CCTV coverage of cash operations in currency chests

RBI wants banks to carry out CCTV coverage of all cash-handling operations in currency chests, including packing of soiled note remittance, to avoid any mischief or irregularity. It was brought to RBI's notice that the work of packing of soiled note remittance by a currency chest was undertaken outside the strong room / vault, thus not allowing the CCTV to capture operations of packing of remittance.

Give up control in state banks- Nayak panel

A RBI panel, headed by Mr. P. J. Nayak, former Chairman, Axis Bank has recommended radical reforms for Indian banks. It has suggested that the government transfer all its stake and powers in Public Sector Banks (PSBs) to a separate entity *viz.* 'Bank Investment Company' (BIC). It has also recommended that the Government cut its stake in PSBs to less than 50% so that there is a level playing field for these banks in matters of vigilance enforcement, employee compensation and applicability of the Right to Information. For private banks, a special category of investors called Authorized Bank Investors (ABIs) has been recommended. This segment would have diversified investors and be discretionally managed by fit and proper fund managers. ABIs could hold up to 20% stake in a bank without prior approval, and 15% with voting rights. Promoters should be allowed to hold 25%, *vis-à-vis* 15% under the new bank licence norms. For PSBs, a three-phased approach has been proposed for board-level appointments.

Regulator's Speak...

Interest rate RBI's best tool to control inflation

Dr. Raghuram Rajan, Governor, RBI states that interest rate is the best tool available with the central bank to control price rise. “The government too has tools like increasing agricultural production and improving supply; both of which need to work together. We were expecting some increase in the CPI number because of the seasonal effects from vegetable prices, but it came more than anticipated by the consensus forecast. We will study them in detail. It suggests that inflation is high as far as food prices go. However, core inflation has been coming down but very gently."

RBI to banks : Open 'small accounts' sans required documents

In order to increase access to banking services, RBI has advised banks to open small accounts without asking for the mandatory documents. Presently, over 50% of Indians have no access to formal banking channels. Mr. R. Gandhi, Deputy Governor, RBI has stated that a small account can be opened by merely filling up a form, signing it before a bank officer, and submitting a self-attested photograph certified by the bank officer. However, the facility comes with some restrictions. The small accounts will have limitations on credit / debit balances; will be available only at core banking solution-enabled branches; no foreign remittances will be permitted; will be available only for 12 months (further extension on application for officially valid document); the aggregate of all credits in a financial year cannot exceed ₹1 lakh; the aggregate of all withdrawals and transfers in a month cannot exceed ₹10,000 and the balance at any point in time should not exceed ₹50,000.

Banks responsible for inferior products, services

RBI has directed banks to refrain from providing products of inferior quality and to take responsibility for the products. Dr. Deepali Pant Joshi, Executive Director, RBI stated that banks would have to move from the principle of caveat emptor (let the buyer beware). Caveat venditor vests the burden of proving that the deficiency of service was absent on the seller of the product. It is a counter to caveat emptor and suggests that the seller can also be deceived in a market transaction. This forces the seller to take responsibility for the product and discourages sellers from purveying products of inferior quality. Dr. Joshi said banks should be fair, transparent, sell suitable products to customers, set up grievance redressal process, simplify products and inform customers about changes in the products. Further, banks should clearly specify who - bank or customers - would be liable if things went wrong.

Monitor customer transactions to reduce frauds

Mr. R. Gandhi, Deputy Governor, RBI avers that banks need to regularly monitor customer transactions to mitigate risk of fraud. He says "Building transaction-based customer profiles in line with existing KYC norms would be significant. Money laundering and terrorism-financing through fraudulent transactions have to be curbed with proper KYC procedures. KYC norms are critical for protecting financial systems and honouring international financial commitments."

Economy

FY14 current account gap narrows to 1.7% of GDP

Helped by a sharp moderation in imports, (especially of gold) India's Current Account Deficit (CAD) sharply narrowed to 1.7% of GDP, or $32.4 billion, in FY'14 from 4.7% in FY13. During FY 2013-14, contribution of services in the Balance of Payments (BoP) increased to 12.3% at $73 billion, up from the $64.9 billion. In the final quarter of FY14, gold imports were down by nearly 2/3[rds] to $5.3 billion, down from $15.8 billion in the previous fiscal. Trade deficit for the quarter narrowed by about 1/3[rd] to $30.7 billion from $45.6 billion in the year-ago period. Ever since special measures were introduced by RBI in tandem with ministries of finance and commerce, the rupee has reclaimed a significant portion of the lost ground against US dollar.

Forex

Benchmark Rates for FCNR(B) Deposits applicable for the month of June 2014

LIBOR/SWAP For FCNR(B) Deposits					
	LIBOR	SWAPS			
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.53440	0.519	0.914	1.288	1.615
GBP	0.93888	1.1261	1.4810	1.7630	1.9860
EUR	0.52029	0.378	0.477	0.608	0.771
JPY	0.33714	0.199	0.219	0.259	0.318
CAD	1.49000	1.376	1.555	1.743	1.927
AUD	2.69000	2.803	2.965	3.210	3.382
CHF	0.18040	0.077	0.123	0.212	0.338
DKK	0.53100	0.5658	0.6890	0.8490	1.0252
NZD	3.71500	3.973	4.153	4.288	4.395
SEK	0.79800	0.890	1.086	1.329	1.485
SGD	0.32000	0.587	0.944	1.284	1.587
HKD	0.46000	0.700	1.080	1.430	1.720
MYR	3.66000	3.740	3.850	3.960	4.040

Source : FEDAI

Foreign Exchange Reserves		
Item	As on 23rd May 2014	
	₹Bn.	US$ Mn.
	1	2
Total Reserves	18,324.0	3,12,656.3
(a) Foreign Currency Assets	16,700.5	2,85,560.9
(b) Gold	1,265.0	20,965.8
(c) SDRs	260.4	4,452.6
(d) Reserve Position in the IMF	98.1	1,677.0

Source : Reserve Bank of India (RBI)

Rural Banking

Outstanding deposits under RIDF get priority lending status

RBI has stated that banks' outstanding deposits under the Rural Infrastructure Development Fund (RIDF) and certain other funds with NABARD would be treated as Priority Sector Lending (PSL) under indirect agriculture category. Accordingly, the outstanding deposits as on March 31st of the current year (2014) under RIDF, Warehouse Infrastructure Fund, Short Term Co-operative Rural Credit Refinance Fund and Short Term RRB Fund with NABARD will be treated as part of indirect agriculture and will count towards overall priority sector target achievement. The outstanding deposits under the above funds with NABARD as on proceeding March 31st will form part of Adjusted Net Bank Credit.

Products & Alliances

Organisation	Organisation tied up with	Purpose
State Bank of India (SBI)	Reliance Money Infrastructure Ltd.,	The latter will act as a Business Correspondent (BC) to SBI.
State Bank of India (SBI)	Sir Dorabji Tata Trust & The Allied Trusts	For poverty alleviation and rural development in a sustainable way. Bank will take care of the need based credit support by providing working capital.

Basel III - Capital Regulations (Continued...)

Capital charge for Market Risk

Market Risk relates to risk of losses in on-balance sheet and off-balance sheet positions arising on account of movement in market prices. The market risk positions subject to capital charge requirement are risks pertaining to interest rate related instruments in trading books and equities and Foreign Exchange risk (including gold and other precious metals) in both trading and banking books.

Trading book for the purpose of capital adequacy will include :

a) Securities included under the Held for Trading (HFT) category
b) Securities included under the Available for Sale (AFS) category
c) Open gold position limits
d) Open foreign exchange position limits
e) Trading positions in derivatives, and
f) Derivatives entered into for hedging trading book exposures.

Banks are required to manage the market risks in their books on an ongoing basis and ensure that the capital requirements for market risks are being maintained on a continuous basis, i.e. at the close of each business day. Banks are also required to maintain strict risk management systems to monitor and control intra-day exposures to market risks.

Capital for market risk would not be relevant for securities which have already matured and remain unpaid. These securities will attract capital only for credit risk. On completion of 90 days delinquency, these will be treated on par with NPAs for deciding the appropriate risk weights for credit risk.

Measurement of capital charge for Interest Rate Risk

The capital charge for interest rate related instruments would apply to current market value of the instruments in bank's trading book and banks are required to maintain capital for market risks on an ongoing basis by mark to market their trading positions on a daily basis. The minimum capital requirement is measured / expressed in two ways *viz.* (i) Specific Risk charge and (ii) General Market Risk (dealt separately).

In view of possible longer holding period and higher risk thereto in respect of debt securities held under AFS category, banks are required to hold capital charge for market risk equal to or greater of the Specific Risk Capital charge or Alternative Total Capital Charge.

(a) Specific Market Risk

The capital charge for specific risk is designed to protect against an adverse movement in the price of an individual security owing to factors related to the individual issuer both short (short position is not allowed in India except in derivatives) and long positions. The specific risk charges and Alternative Total Capital Charge for various kinds of exposures are detailed in Tabular Form in the RBI Circular.

(Source : Reserve Bank of India)

Financial Basics

Loss Asset

A loss asset is one where loss has been identified by the bank or internal or external auditors or the RBI inspection but the amount has not been written off wholly. In other words, such an asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value.

Glossary

Principle of Caveat Emptor

Under the principle of caveat emptor, the buyer could not recover damages from the seller for defects on the property that rendered the property unfit for ordinary purposes. The only exception was if the seller actively concealed latent defects or otherwise made material misrepresentations amounting to fraud.

Caveat Venditor

A maxim, or rule, casting the responsibility for defects or deficiencies upon the seller of goods, and expressing the exact opposite of the common law rule of caveat emptor.

Institute's Training Activities

Training Programme Schedule for the month of June 2014

Sr. No.	Programme	Date
1.	7th Programme on SME Financing	9th to 13th June 2014

Training activities completed during the month of May 2014

Sr. No.	Programme	Date
1.	Customised training for PO's of TJSB	2nd to 8th May 2014
2.	Train the Trainers Programme	5th to 9th May 2014
3.	Customised training for DRO's of UCO bank	19th to 31st May 2014

News From the Institute

APABI Conference 2014

The Asia Pacific Association of Banking Institutes (APABI) is a semi formal structure of Banking Institutes in the Asia Pacific Region. It was established in 1986 by 11 founding members. This Association has an important role in bringing together financial industry training institutes that share a common goal to equip banks and financial institutions with the capacity to deal with the transformational developments that are shaping the financial sector-by supporting the continued renewal of its most valuable asset, human capital. Currently, there are 17 member institutes in APABI.

The members of APABI meet once in two years along with a conference in one of the member countries. Indian Institute of Banking & Finance (IIBF) will be the host Institute for APABI for the years 2014 and 2015. The Institute will be hosting the International Conference and the Executive Meeting of APABI on 25th & 26th September, 2014 at Hotel Trident, BKC, Mumbai. The main theme for Conference is "Talent Management in Banks" For details visit www.iibf.org.in.

Video lectures & E-learning

The Institute has started providing (i) video lectures for JAIIB and 2 compulsory subjects of CAIIB and (ii) E- learning for elective subjects of CAIIB also. For details, visit www.iibf.org.in.

Cut-off Date of Guidelines

Candidates may note that in respect of the exams to be conducted by the Institute during November / December and May / June of a particular year, instructions / guidelines issued by the regulator(s) and important developments in banking and finance up to 31st July and 31st January respectively of that year will only be considered for the purpose of inclusion in the question papers.

Additional Reading Material for Institute's examination

The Institute has put on its web site additional reading material, for various examinations, culled out from the Master Circulars of RBI and other sources. These are important from examination view point. For details visit web site.

IIBF Vision via mail

The Institute is emailing IIBF Vision to all the e-mail addresses registered with the Institute. Members, who have not registered their e-mail ids, are requested to register the same with the Institute at the earliest. IIBF Vision is also available for download from the Institute's web site.

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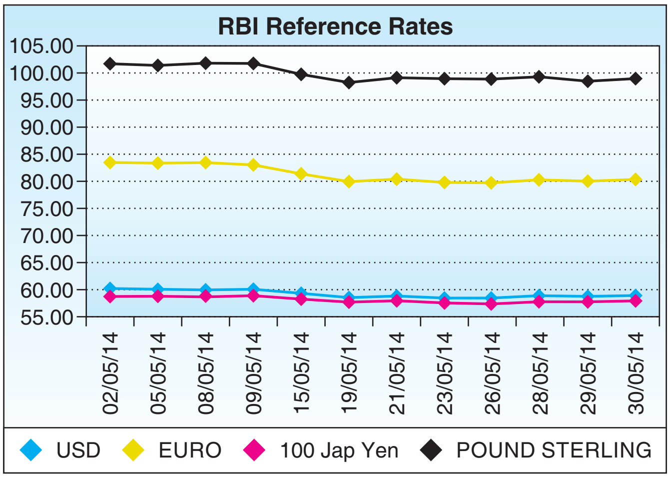
Green Initiative

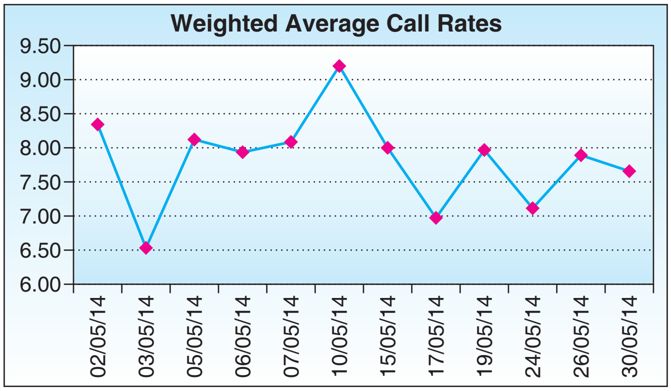
Members are requested to update their email address with the Institute and send their consent to receive the Annual Report via email in future.

Market Roundup



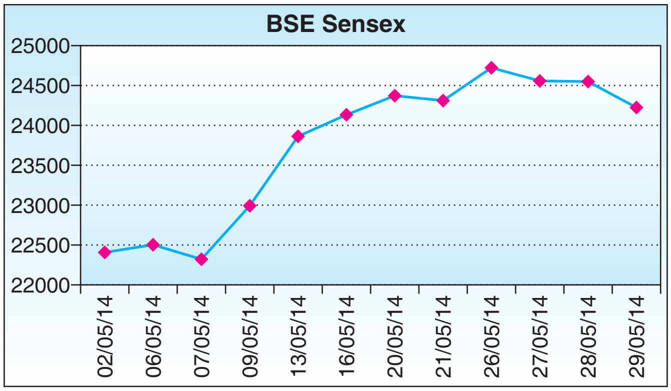
Source : Reserve Bank of India (RBI)

- Rupee closes at 60.23 on 5th to a dollar slowly strengthening as the general elections move to the last phase.
- Rupee closes at 60.14 to a dollar on 7th showing strength.
- Sentiment got a boost after the rupee hit of a ten-month of 59.51 in intra-day trading on the back of strong dollar inflows from foreign investors on 12th. But reports of RBI intervention resulted in the currency surrendering its early gains and closing at 60.05.
- Ahead of announcement of election results, Rupee was pushed to 59.10 against USD in intraday trade on 15th but suspected RBI intervention capped gains and Indian currency ended at a ten-month closing high of 59.29 compared to previous close of 59.66.
- In tandem with rise in stocks, Rupee gained for the 4th day and closed at a fresh 11-month high of 58.59 on 19th against US dollar on sustained inflows.
- The Rupee rose by 30 paise on 22nd its biggest single-day gain in a week at an over 11-month peak of 58.47 against the dollar following renewed selling of US currency by exporters and a recovery in equities.
- During the month, Rupee appreciated across the board by a high of 3.64% against Euro, a low of 1.14% against JPY and by 1.98% against USD.



Source : CCIL Newsletter, May 2014

- Rates remained largely range bound.
- Call rates moved between a high of 9.19% and a low of 6.53%.
- Liquidity remained tight around 10th.



Source : Bombay Stock Exchange (BSE)

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