A Monthly Newsletter of Indian Institute of Banking & Finance (Rs. 40/- per annum)

(ISO 9001 : 2008 CERTIFIED ORGANISATION)

Committed to professional excellence

IIBF VISION

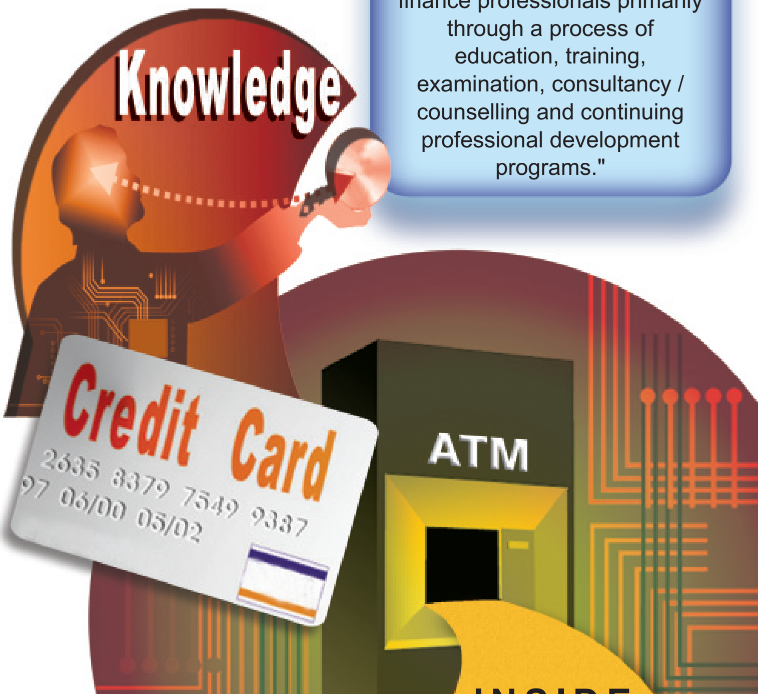
Volume No. : 3 Issue No. : 08 March 2011

Top Stories

The Finance Minister Mr. Pranab Mukherjee announced the Union Budget for 2011-12 on 28th February 2011. Important highlights of the Budget relevant for the Banking sector are :

- Public Sector Bank Recapitalisation - a sum of ₹6,000 crore is provided to recapitalize public sector banks to maintain a minimum Tier-I CRAR at 8%.
- Recapitalisation of Regional Rural Banks - A sum of ₹500 crore is provided to enable the RRBs to maintain a CRAR of atleast 9%.
- Micro Finance Institutions - 'India Microfinance Equity fund' of ₹100 crore to be created with SIDBI to empower women and promote their Self Help Groups(SHGs) and 'Women's SHG's Development Fund' to be created with a corpus of ₹500 crore.
- Public sector banks to achieve a target of 15 per cent as outstanding loans to minority communities under priority sector lending at the earliest.
- Existing scheme of interest subvention of 1 per cent on housing loan further liberalized. Existing housing loan limit enhanced to ₹25 lakh for dwelling units under priority sector lending. Provision under Rural Housing Fund enhanced to ₹3,000 crore.
- Agriculture Credit-Credit flow for farmers raised from ₹3, 75,000 crore to ₹4, 75,000 crore in 2011-12. In view of enhanced target for flow of agriculture credit, capital base of NABARD to be strengthened by ₹3,000 crore in phased manner.
- ₹10,000 crore to be contributed to NABARD's Short-term Rural Credit fund for 2011-12.
- Interest subvention proposed to be enhanced from 2 per cent to 3 per cent for providing short-term crop loans to farmers who repay their crop loan on time.

The mission of the Institute is "to develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy / counselling and continuing professional development programs."



INSIDE

- Financial Inclusion - Target of providing banking facilities to all 73,000 habitations having a population of over 2,000 to be completed during 2011-2012.
- ₹5,000 crore to be provided to SIDBI for refinancing incremental lending by banks to Micro Small and Medium Enterprises.
- ₹3,000 crore to be provided to NABARD to provide support to handloom weaver co-operative societies which have become financially unviable due to non-repayment of debt by handloom weavers facing economic stress.

Rural Post Offices to host ATMs

In order to strengthen the role of India Post in financial inclusion, the government may allow post offices to set up Automated Teller Machines (ATMs), at rural areas. India Post is working on major improvements in the payment process for social sector schemes like NREGA; and will set up ATM networks in select areas to give people access to online banking services. The move will put them at par with banks and other financial institutions working in this space and thus strengthen their case for a banking reference.

Extra security layer added to Phone Banking

From 1st of February, credit card usage over phone has acquired an additional security layer with Reserve Bank of India (RBI) making it mandatory for customers to get a One-Time Password (OTP) from banks for every transaction. Customers will be declined any credit card related telephonic transaction in absence of an OTP.

Basel-III norms to be fully implemented within agreed timeline

G20 Finance Ministers have agreed to fully implement the Basel-III norms within the agreed timeline. Basel-III standards written by the Bank of International Settlements' (BIS') Committee on Banking Supervision (BCBS) spell out new capital rules for banks in keeping with their risk profile. Also, the Financial Stability Board's (FSB) recommendations on over-the-counter (OTC) derivatives and on reducing reliance on credit rating agencies' ratings will now be implemented in an internationally consistent and non-discriminatory way.

Banking Policies

Banks get breather on pension liabilities

RBI has given banks a breather on prudential regulatory treatment of liabilities arising from giving new pension option and enhancement in gratuity limits. Public sector banks (PSBs) can amortise over five years the additional liability on account of re-opening of pension option for existing employees who had not opted for pension earlier; as well as the enhancement in gratuity limits beginning with the financial year ending March 31, 2011 subject to a minimum of 1/5th of the total amount involved every year.

Capital ratio floor raised for NBFCs

RBI has raised the capital adequacy ratio (CAR) requirement for all deposit taking NBFCs to 15% (from the earlier) 12% from March 2012. RBI has already stipulated that all systemically important non-deposit taking NBFCs (NBFC-ND-SI) have to maintain a minimum capital ratio at 15% by March 31, 2011.

RBI directive to trigger revamp of gold loan business

NBFCs engaged in gold loan business may overhaul their business models - especially the fund-raising pattern. This follows a RBI directive that bank credit to NBFCs for giving loans against gold jewellery will not be treated as exposure to the agricultural sector. Since regular loans are costlier than priority sector ones, the regulation will certainly affect the borrowing cost of these NBFCs, which account for more than 32% of the ₹80,000 crore gold loan market.

RBI takes another step on long road to transparency

RBI has taken one more step in becoming more 'open and transparent' by releasing the minutes of its Technical Advisory Committee on Monetary Policy for the first time ever. From now on, the minutes will be put up on RBI's official website one month after each meeting. This move aims to bring greater transparency in monetary policy formulation.

Banking Developments

Banks bet big on mobile transfer

Internet mobile payment service is becoming the new buzzword in the banking industry with more and more lenders gearing up to join the bandwagon. The idea of real time fund transfer through hand-phone has been fast catching the fancy of the banking industry, thanks to the initiatives of National Payment Corporation of India (NPCI). Shedding the initial inertia to go seamlessly high-tech, a clutch of banks have lined up their plans to go live with internet mobile payment service (IMPS) in next three months.

Securitisation volumes fall by 1/3rd in Apr-Dec 2010

Hit by a slump in single corporate loan sell downs, securitisation volumes shrank in April-December 2010 to ₹18,800 crore from ₹28,200 crore in the year-ago period, according to ratings agency ICRA. Securitisation is the process of converting existing assets of future cash flows into marketable securities. Typically, loans in segments such as vehicle, home and corporate are pooled and packaged into securities. The repayments from borrowers are assigned to investors in securities. RBI has proposed stringent norms for securitisation, hardening interest rates. According to ICRA, business in the asset-backed securities (car, consumer loans) market was flat. Banks and financial institutions parcelled loans worth ₹10,600 crore, as against ₹10,800 crore in April-December 2009.

RBI keen to avoid encore of 'substantial withdrawal' of foreign banks from credit markets

RBI would like 'systemically important' foreign banks to consolidate their branches in India into 'wholly-owned' subsidiaries, which would be easier to monitor and control. Foreign bank branches would be considered to be systemically important once their assets (including off-balance sheet items) become 0.25% of the total assets of all scheduled commercial banks (SCBs) in India. The balance sheet assets of the 34 foreign banks operating in India through branches dipped from 9.03% of the total assets of all SCBs in March 2009 to 7.2% in March 31, 2010 (10.52% if off balance sheet assets are taken on board); 70% of it accounted for by the top five banks).This fall in market share was because of a 'substantial withdrawal' of foreign banks from credit markets in India over 2009-10; so much so that y-o-y growth of credit was 7.1% (as on July 3, 2009) and 15.9% (as on October 9, 2009). RBI is aware that, the insolvency of a parent or ring fencing of liquidity by the parent's home country regulator can have same effect on subsidiaries as on branches. In some countries, subsidiaries promoted by foreign banks, acquired a large share of the expense of domestic banks in the boom years and then, faced with troubles at home, substantially curtailed or withdrawn their operations in the host country. RBI will therefore ensure that the domestic financial system does not come under the domination of foreign banks.

CD Ratio

The Credit Deposit (C-D) ratio of SCBs stood at 73.6% as on September 24, 2010. Among the states and Union Territories, the highest C-D ratio was observed in Chandigarh (124.3%) followed by Tamil Nadu (113.6%) and Andhra Pradesh (110.5%). At the bank group level, the C-D ratio was above the all-India ratio in respect of State Bank of India (SBI) and its associates (75.6%) and new private sector banks (74.5%). The C-D ratio of old private sector banks (73.5%), nationalised banks (73.2%), foreign banks (73.3%) and RRBs (61.0%)was lower than the all India level. Metropolitan centres have the highest (87.1%) ratio followed distantly by rural centres (59.4%) and urban centres (58.4%).

One–year CD rates hit 24-month high at 10%

Yields on one-year certificate of deposit (CD) have touched a 24-month high of 10% as the RBI raised its key policy rates, thus adding to the re-pricing pressure on banks. Bankers say that the spike in rates is essentially due to re-pricing pressures, as redemption comes up in the month of March.

Liquidity deficit nears RBI comfort level

After hovering around ₹80,000 crore for a month, the liquidity deficit has come down to RBI's comfort level of ₹50,000 crore. Banks borrowed ₹56,085 crore from the two repo windows. Dealers attribute the drop to increase in government spending. According to RBI data, the government's balance with apex bank went up by ₹1,767 crore to ₹68,471 crore at the end of January 28.

Bank credit offtake up 24%; deposits increase 16%

Credit off-take from public and private sector banks in the country grew by over 24% for the one year period ended February 11; indicating an upswing in the industrial activity. In this period, credit off take stood at ₹38.98 lakh crore against ₹31.43 lakh crore a year ago. Similarly, deposits went up to ₹51.87 lakh crore from ₹44.51 lakh crore as on February 12, 2011.

Banks' exposure to infra companies CDS capped

RBI has ruled that banks' exposure to credit default swaps (CDS) of infrastructure companies will be now capped at 10% of their investment portfolio. Investors use CDS to hedge themselves against risk on corporate bonds. Further, in its draft guideline on CDS for corporate bonds, RBI has included Foreign Institutional Investors (FIIs) in the user category. These entities would be permitted to buy credit protection only to hedge their underlying credit risk on corporate bonds.

Finance Ministry calls on PSBs to scrap housing loan foreclosure fees

In a major relief for home loan borrowers, the government has suggested that the PSBs stop levying pre-payment penalty or foreclosure charges on home loans. Banks impose penalty of over 2% of outstanding principal on borrowers who repay in totality or a portion of their home loan ahead of tenure. Now, the finance ministry has advised lending institutions to scrap this penalty in case a borrower pre-pays the home loan from his / her own funds. Some PSBs, like the SBI, have already implemented this suggestion.

Liquidity situation improves as bank deposits grow 17%

Bank deposits have grown by 17% in the year upto February 2011, indicating an improved liquidity scenario for banks on the back of increased deposit rates. Loan off-take also remained robust, growing 24% on-year. Banks mobilised around ₹58,000 crore in the fortnight to February 11; whereas in the previous fortnight, deposit accretion was around ₹38,000 crore. RBI had projected deposit growth of 18% for this financial year.

Marked Fall in customer complaints regarding DSAs and DRAs :

Nature of complaints	Complaints Received During		
	2007-08	2008-09	2009-10
Deposit Accounts	5,612	6,706	3,681
Remittances	5,213	5,335	5,708
Credit Cards	10,129	17,648	18,810
Loans and Advances	6,054	8,174	6,612
Charges Without Notice	3,740	4,794	4,764
Pension	1,582	2,916	4,831
Failure to Meet Commitments	6,388	11,824	11,569
DSAs and Recovery Agents	3,128	3,018	1,609
Notes and Coins	141	113	158
Others	5,900	8,589	18,840
Out of Subject	-	-	2,684
Total	**47,887**	**69,117**	**79,266**

Regulators Speak...

Norms for banks' forex business tightened

Tightening the guidelines around banks' foreign exchange business, the RBI has asked them to conduct an adequate background check of personnel recruited as dealers from other banks. According to the norms, banks will also have to introduce a compulsory annual two week continuous break for dealers such that no dealer remains at the job continuously. RBI says that the revision in guidelines was needed to ensure that banks maintain the required standard in their foreign exchange business. RBI adds that "The need for effective control over dealing operations is of great importance as possibilities exist for manipulation of exchange rates, dealing positions and mismatches."

Residents cannot trade in forex

RBI has clarified that Indian residents cannot trade in foreign exchange in domestic or overseas markets, under the Foreign Exchange Management Act (FEMA). More so, remittance in any form towards overseas foreign exchange trading through electronic or Internet trading is also not permitted under FEMA. Residents are, however, permitted to trade in currency futures and options contracts, traded on the stock exchanges recognised by SEBI, subject to the conditions specified by RBI.

Managing volatile capital flow to get tough

Managing volatile capital flows may get trickier for the RBI as the redemption of convertible bonds in the next five years get set to add to the pressure. Ms. Shyamala Gopinath, Deputy Governor, RBI opines that "The redemption pressures on account of FCCBs (foreign currency convertible bonds) will start building up from 2010-11 and peak in the next couple of years till 2012-13. The enhanced exposure to external liabilities is reflected in the sharp increase in the ratio of external debt to foreign exchange reserves from 89.1% of GDP in 2008-09 to 99.1% as on end June 2010."

Forex

Benchmark Rates for FCNR (B) / NRE Deposits applicable for the month of March 2011

LIBOR / SWAP For NRE Deposits					
Currency	LIBOR	SWAPS			
	1 Year	2 Years	3 Years		
USD	0.79025	0.9100	1.4400		
LIBOR / SWAP For FCNR(B) Deposits					
	LIBOR	SWAPS			
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.79025	0.910	1.440	1.935	2.360
GBP	1.57625	1.8920	2.3380	2.6980	2.9770
EUR	1.69500	2.111	2.407	2.638	2.828
JPY	0.56875	0.440	0.517	0.605	0.710
CAD	1.93500	1.911	2.248	2.542	2.780
AUD	5.65000	5.263	5.385	5.633	5.758

Source : FEDAI

Foreign Exchange Reserves

Item	As on Feb. 18, 2011	As on Feb. 18, 2011
	₹Crore	US $ Mn.
Total Reserves	13,59,924	300,628
a) Foreign Currency Assets	1,22,25,796	271,314
b) Gold	1,00,739	21,924
c) SDRs	23,210	5,137
d) Reserve Position in the IMF	10,179	2,253

Source : RBI

Microfinance

MFI to have 24% rate cap from April 1

Dr. K. C. Chakrabarty, Deputy Governor, RBI has said that the Malegam panel's suggestion of capping lending rate at 24% for Micro Finance Institutions

(MFI) will be implemented from 1st April, 2011. Meanwhile, the apex bank has started discussions with all stake holders regarding implementation of the other recommendations of the Malegam Committee report.

Banks to form consortium for lending to MFIs

MFIs are set to finally get some respite, with banks adopting a consortium-based approach for lending to MFIs and the RBI allowing banks to restructure MFI loans. The restructuring of accounts is hoped to accord the much needed liquidity to some MFIs at least. MFIs require an emergency funding of an estimated ₹2,000 crore, of which for-profit MFIs require ₹1,200 crore and not-for-profit MFIs need around ₹800 crore. Moreover, loans to the tune of ₹1,500 crore will need to be restructured by the banking industry. RBI had granted a one-time waiver to banks for restructuring MFI loans. Accordingly, these unsecured loans, restructured before March 2011, would be treated as standard assets.

Economy

Farm sector to push up growth to 8.6% this fiscal

The Indian economy is expected to grow 8.6% during 2010-11 against 8% in the previous fiscal. The higher growth rate - according to the advance estimates of national income - is mainly due to a better agricultural performance on the back of continued buoyancy in industry and services. The overall positive story on growth is, however, tempered by concerns over inflation. This is partly reflected in the huge difference between growth in Gross Domestic Product (GDP) at current market prices (18.3%) and that at constant prices (8.6%). Net national income is estimated at ₹64,66,860 crore, which, for a population of 118.6 crore, translates into a 'per capita income' of ₹54,527.

PM's panel for tighter policy regime to tame inflation

The Prime Minister's Economic Advisory Council (PMEAC) has projected the economy to grow at 8.6% in 2010-11 and 9% in 2011-2012. It also feels that monetary and fiscal policies need to be "appropriately tightened" to protect the economy from inflation. Further, in order to "get back to the fiscal consolidation," the PMEAC has also called for withdrawing some stimulant measures that were accorded to the industry to tide over the global financial crisis.

Capital Markets

IEX launches trading in energy certificates

The Indian Energy Exchange (IEX), India's leading electricity exchange, has launched trading in renewable energy certificate (REC). The company received a total buy bid of 125 non-solar REC and 11 solar REC was received in the first trading session. Five portfolios participated in the first bid. This is a milestone in the history of renewable energy in India and is bound to create new opportunities for renewable and co-generation power plants.

Insurance

Health insurance policy portability from July 1

In a big relief to dissatisfied health insurance policy holders, sectoral regulator Insurance and Development Authority of India (IRDA) has allowed them portability - i.e. shifting policies from one insurer to another on same terms - from July 1 2011. The portability facility will allow policy holders to switch over to another insurance company with the same conditions. The accepting insurer shall provide cover, at least up to the sum assured in the previous insurance policy. The new facility will also help those policy holders who stick to one insurer throughout life for fear of losing the cover for pre-existing diseases (PED). "It is essential to protect the policy-holders against discontinuity and consequent loss of PED cover by making the health insurance plans portable across the insurance companies" says IRDA.

IRDA releases norms for merger of general insurance companies

More than 10 years after opening up of the insurance sector, the IRDA has proposed to allow mergers and acquisitions (M&As) in the general insurance business that requires consolidation among the 24 industry players, most of which are loss-making. IRDA has stated that to protect the interest of policy holders, they must be given right to exit from the insurer, which is on the block for acquisition.

New Appointments

Mr. S. Karuppasamy is RBI ED

RBI appointed Mr. S. Karuppasamy as its new Executive Director. Mr. Karuppasamy will look after the department of expenditure and budgetary control, department of information technology, legal department and urban banks department.

Mr. U. K. Sinha is SEBI chief

The government has appointed UTI AMC's chief Mr. U. K. Sinha as the Chairman of SEBI. Mr. Sinha has taken charge on February 18, succeeding Mr. C. B. Bhave.

Mr. Shashi Kant Sharma is Financial Services Secretary

Mr. Shashi Kant Sharma, a 1976 batch Indian Administrative Service (IAS) Officer of Bihar cadre, has assumed charge as Secretary in the Department of Financial Services in the Finance Ministry.

Mr. Milind Barve appointed as AMFI Chairman

The Managing Director of HDFC AMC, Mr. Milind Barve has been appointed as the Chairman of Association of Mutual Funds in India (AMFI); while Reliance MF CEO Mr. Sundeep Sikka has been appointed as the Vice Chairman.

Products & Alliances

Organisation	Organisation tied up with	Purpose
ICICI Bank	Indian Army	For extending the modern banking products and services to the army personnel. With this MoU, the Army personnel will be able to access the wide range of products and services offered by the Bank through an extensive network of 5800 ATM's and 2510 branches.
ICICI Bank	Aircel	To drive financial inclusion. Under the MoU, ICICI Bank in partnership with Aircel, will offer various financial products including savings accounts, pre-paid instruments and credit products, from the bank. ICICI Bank will leverage the distribution strength of Aircel and target the un-banked and under-banked population.
Indian Bank	TVS Motor	For Strengthening its retail loan book further, for financing three wheelers and commercial vehicles manufactured by the latter. The MoU will help to bring 3 wheeler drivers into the fold of structured banking.
Punjab National Bank	Weizmann Forex	For handling foreign Inward Remittances

Bank for International Settlement (BIS)

History of the Basel Committee and its Membership

The Basel Committee, established by the Central-Bank Governors of the group of ten countries at the end of 1974, meets regularly four times a year. It has four main working groups which also meet regularly.

The Committee's members come from Argentina, Australia, Belgium, Brazil, Canada, China, France, Germany, Hong Kong SAR, India, Indonesia, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. Countries are represented by their Central Bank and also by the authority with formal responsibility for the prudential supervision of banking business where there is no Central Bank. The present Chairman of the Committee is Mr. Nout Wellink, President of the Netherlands Bank, who succeeded Mr. Jaime Caruana on July 1st, 2006.

The Committee does not possess any formal supranational supervisory authority, and its conclusions do not have legal force. Rather, it formulates broad supervisory standards & guidelines and recommends statements of best practice in the expectation that individual authorities will take steps to implement them through detailed arrangements - statutory or otherwise - which are best suited to their own national systems. In this way, the Committee encourages convergence towards common approaches and common standards without attempting detailed harmonization of member countries' supervisory techniques.

The Committee reports to the Central Bank Governors and Heads of Supervision of its member countries. It seeks their endorsement for its major initiatives. These decisions cover a wide range of financial issues. An important objective of the Committee's work has been to seal the gaps in international supervisory coverage in pursuit of two basic principles : that no foreign banking establishment should escape supervision; and that supervision should be adequate. To achieve this, the Committee has issued a series of documents since 1975.

Financial Basics

Inflation -Linked Certificates of Deposit

Federally insured debt securities that are similar to regular certificates of deposit (CDs), but provide investors with inflationary protection via annually variable interest rates that increase or decrease with changes in the consumer price index, a measure of inflation. Because they pose little inflationary risk to the investor, this type of CD offers slightly lower interest rates than regular CDs. This inflation protection together with the regular low default risk of CDs makes for very safe investments. An investor will never realize huge gains with these securities, but they may play a role in a diversified portfolio or serve as an ideal investment for risk-averse investors.

Glossary

Ring Fencing

When a regulated public utility business financially separates itself from a parent company that engages in non-regulated business. This is done mainly to protect consumers of essential services such as power, water and basic telecommunications from financial instability or bankruptcy in the parent company resulting from losses in their open market activites. Ringfencing also keeps customer information within the public utility business private from the for-profit efforts of the parent company's other business.

Activities of IIBF

Micro / Macro Research

Research is an important aspect of education. Research studies help the institutions to understand the past trend and shape of things to come such that the programmes can be appropriately modified and sharpened. Research further helps the organizations to understand the problems to explore, the appropriate steps to be initiated. With this in view, in 2003 the institute had started an initiative to fund research studies on selected areas in banking and finance. The initiative has been known as the 'Macro Research', the term macro suggesting the scope of the research and to distinguish it from the other research initiative of the Institute namely the 'Micro Research' which is a sort of an essay competition for members of the Institute (bankers) on areas of their interest. The details of the research undertaken is available on the Institute's website www.iibf.org.in.

CPD for CAIIB Holders

In order to address the need for Continuing Professional Development of its members the Institute has decided to allow the members who have completed / passed the CAIIB the opportunity to appear for the electives of their choice, irrespective of the fact as to when they have passed this examination. Accordingly candidates, who have already passed CAIIB can appear for any one of the electives, at a time by applying for the examination. Currently there are eleven electives. Keeping in view the nature of specialization expected, the candidate will be allowed to appear for only one elective at a time. On passing the examination for the electives, the candidate will be given a separate certificate citing the elective passed as a post CAIIB qualification. A candidate can, in due course appear for various electives, which will be counted for their CPD certification offered by the Institute. For details visit www.iibf.org.in.

News From the Institute

Notice to new members taking ordinary Life Membership and non-members applying for exams / courses of IIBF

Institute has decided to introduce KYC norms from 1st April 2011 onwards for new members taking up ordinary life membership of the Institute and non-members applying for exams / courses of the Institute. All the eligible employees taking up the ordinary life membership of the Institute henceforth will have to submit a copy of any one of the following documents along with their ordinary membership application form as proof of their identity for verification by the Institute.

1. Employer's Photo i/card or
2. PAN Card or
3. Driving License or
4. Election Voter's i/card or
5. Passport

For details visit www.iibf.org.in.

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Collaboration with Zambia Institute of Banking & Financial Services (ZIBFS)

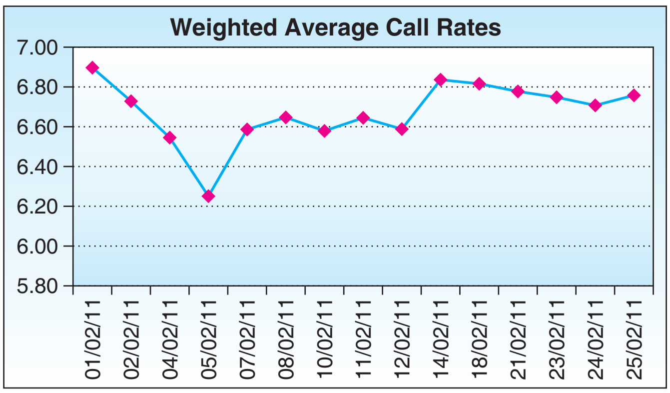
The Institute has finalised a collaboration arrangement with ZIBFS, under which the JAIIB examination of the Institute has been customised to meet Zambian requirements and offered as Professional Diploma in Banking & Financial Services (PDBFS). The PDBFA course was officially launched on 18th February 2011 at Lusaka by Dr. Tukiya Kankasa Mabula, Deputy Governor, Bank of Zambia. The Institute also conducted a Train the Trainer programme workshop for the faculty members, who would be associating with the Tutorial classes to be conducted by the Zambian Institute. This was attended by 40 trainers during 13th to 17th February 2011. The first PDBFS examination is expected to be held in June 2011.

Certificate Course in Project Finance

Institute is organising the 14th Certificate Course in Project Finance in collaboration with IFMR, Chennai. The campus training for the batch is from 2nd May to 7th May 2011.

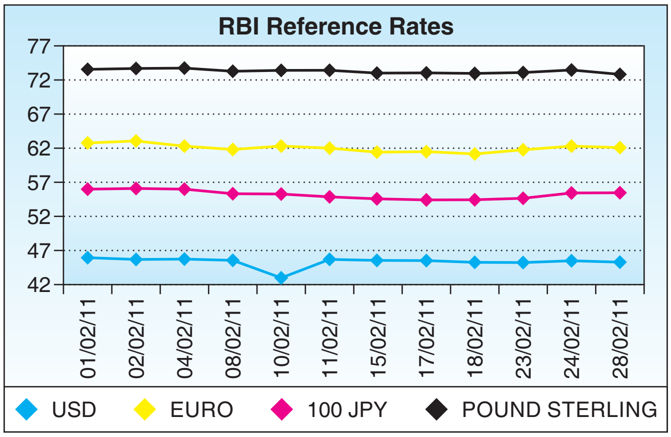
For details visit www.iibf.org.in.

Market Roundup



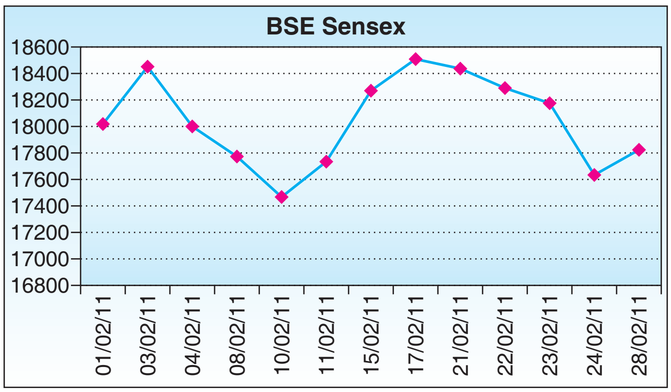
Source : CCIL Newsletters, February 2011

- Call markets remained range bound and hovered between 6.25 and 6.90.



Source : Reserve Bank of India (RBI)

- Rupee strengthens on strong economic outlook. The Rupee advanced 0.2% to 45.485 on 7th February. The currency is likely to appreciate to 44.80 by the end of March'11.
- Re up for the sixth day. The currency rose the most after foreign funds increased their holdings of Government bonds by $2.4 bn in January, 2011.
- Re weakens as investors dump stocks - The Rupee declined by 0.4% to ₹45.4875 snapping a six-day gain on concerns overseas investors will pull more funds from the country's shares.
- Rupee advances on Asset-Sale talk. The rupee appreciated 0.5% to 44.99 per dollar, the strongest since 5th January, 2011.
- The Rupee is being dragged down by oil prices and the weakness in stocks. The Rupee weakened 0.8% to 45.4775 per dollar.
- Offshore forwards indicate the Rupee will trade at 46.32to the dollar in three months.
- Across the board, Rupee registered slight appreciation against USD, EUR, GBP and JPY.



Source : Reserve Bank of India (RBI)

Printed by Shri R. Bhaskaran, **published by** Shri R. Bhaskaran on behalf of Indian Institute of Banking & Finance, and **printed at** Quality Printers (I), 6-B, Mohatta Bhavan, 3rd Floor, Dr. E. Moses Road, Worli, Mumbai-400 018 and **published from** Indian Institute of Banking & Finance, 'The Arcade', World Trade Center, 2nd Floor, East Wing, Cuffe Parade, Mumbai - 400 005.

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