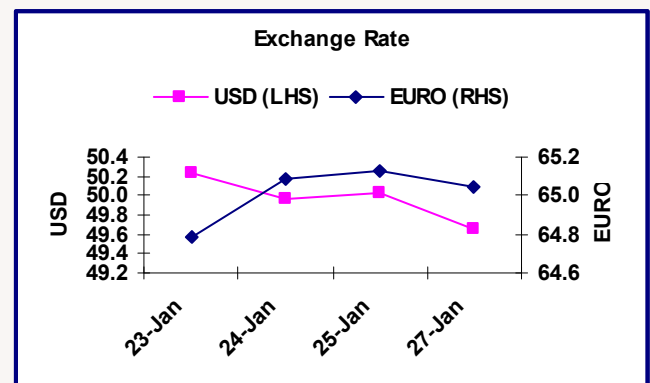
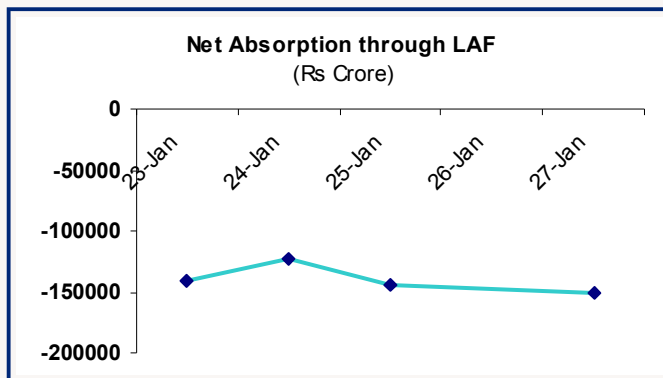


POLICY DEVELOPMENT

- » In the Third quarter review of Monetary Policy 2011-12, RBI cut the cash reserve ratio (CRR) of scheduled banks by 50 basis points from 6.0% to 5.5% of their net demand and time liabilities (NDTL). This reduction in the CRR will inject around Rs 320 billion of primary liquidity into the system.
- » In a move that could lift investor sentiment, boost equity volumes and potentially raise the government's tax revenue, the finance ministry is planning to reduce securities transaction tax (STT) and extend its scope to assets other than equities, such as commodities.



BANKING INDICATORS

			<i>Rs. Billion</i>
Indicators	Outstanding as on 13 January 2012	% Variation over Fortnight	Year
Total Bank Credit	43,544.8	-0.3	17.0
Food Credit	863.9	2.2	35.1
Non Food Credit	42,680.8	-0.3	16.7
Aggregate Deposit	57,987.0	-0.5	17.2
Broad Money (M3)	71,925.7	-0.1	15.8
Credit Deposit Ratio	75.1		

Source: RBI

EQUITY MARKETS

- » World stock markets remained subdued as no deal emerged between Greece and its private creditors, only increasing the skittishness of investors.
- » US stocks ended in red despite a 2.8% GDP growth in Q4 2011, a sharp acceleration from 1.8% in Q3 . This was primarily because the GDP growth rate was less than expectations.
- » Indian markets continued to rise to a 11 week high, tracking a rally in Asian stocks triggered by Federal Reserves' pledge to keep US interest rate at an ultra-low level until late 2014 .
- » Total turnover during the week on BSE stood at Rs. 15,333 crore and on NSE at Rs. 67,147 crore.

Global Stock Indices	Closing Value as on 27 January 2012	Weekly Change (%)
NYSE: DJIA	12,660.5	-0.5
FTSE 100	5,733.5	0.1
Nikkei 225	8,841.2	0.7
Straits Times	2,916.3	2.3
KOSPI	1,964.8	2.6

Source: Yahoo Finance

Net Institutional Activity

	Equity	Debt
Weekly FII (US \$ Million)	611.9	171.6
Year -to-date FII (US\$ million)	1,778.5	3,215.6
Weekly Mutual Funds# (Rs Crore)	-268.3	2,814.5

Source: SEBI

#as on 19 January, 2012

Indian Equity Indices	Closing Value on 27 January 2012	Week's % Change
BSE SENSEX	17,234.0	3.0
BSE 500	6,554.6	3.3
S&P CNX NIFTY	5,204.7	3.1
S&P CNX 500	4,085.4	3.4

Source: NSE, BSE

COMMODITY MARKETS

- » NYMEX West Texas Intermediate Crude Oil for March delivery stood at US\$ 99.6 per barrel on 27 January 2012, down by US\$ 0.8 per barrel from the previous week.
- » New York spot price for Gold was US\$ 1,732.2 per ounce as on 27 January 2012, up by US\$ 68.2 per ounce from the previous week.

Commodity Spot Indices	Closing Value as on 28 January 2012	Week's % Change
MCX AGRI	3,245.7	-0.8
MCX METAL	4,764.4	3.9
MCX ENERGY	3,294.0	1.3
MCX COMDEX	3,779.1	2.2

Source: MCX, NCDEX

INDUSTRY NEWS

IT

- » Cisco Systems (USA), which designs and sells networks and communication technology, will develop new low-cost products and services for emerging markets like Brazil, Russia, India and China. The company plans to use skills from its innovation centre in India joining multinational technology firms Dell and IBM.

Port

- » Traffic growth at India's 13 major ports remained almost flat in April and December 2011 compared to the same period last year, signaling a slowdown in the shipments of iron ore, petroleum, oil and lubricants. These ports, which include Mumbai, Kandla, JNPT and Visakhapatnam, handled 418.2 million tones of cargo between April and December, a 0.3% rise compared to 415.6 MT a year ago.

BSE Indices	Closing Value on 27 January 2012	Week's % Change
AUTO INDEX	9,197.3	4.3
BANKEX	11,282.3	3.4
BSE CAPITAL GOODS	10,360.2	5.6
BSE CONSUMER DURABLE	6,000.5	3.4
BSE FMCG	4,063.9	0.7
BSE HEALTHCARE	6,261.2	1.5
BSE INFOTECH	5,721.7	4.0
BSE MID CAP	5,872.4	3.4
BSE SMALL CAP	6,491.7	3.4
BSE TECK INDEX	3,463.8	5.2
METAL INDEX	11,576.3	3.4
OIL & GAS INDEX	8,541.4	2.6

Source: BSE

CNX Segment Indices	Closing Value on 27 January 2012	Week's % Change
CNX NIFTY Junior	9,811.1	4.2
CNX MIDCAP	7,089.7	4.2
BANK NIFTY	9,813.7	3.1
CNX IT	6,136.3	4.0
CNX Realty	230.3	-0.6
CNX Infrastructure	2,599.1	5.4

Source: NSE

GLOBAL NEWS

USA



In the week ending 21 January, the advance figure for seasonally adjusted initial claims was 377,000, an increase of 21,000 from the previous week's figure of 356,000.



Advanced estimates for US real GDP for the fourth quarter of 2011 showed an increase at an annual rate of 2.8% as compared to 1.8% growth in the third quarter.

Europe

In November 2011 compared with October



2011, the euro area industrial new orders index fell by 1.3%, after a rise of 1.5% in

October.

Asia



South Korea's current account surplus narrowed to a three-month low in December to US\$ 3.96 billion, compared with a revised US\$ 4.56 billion in November. The surplus shrank on account of slowing exports and a jump in energy imports.

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