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# IIBF VISION

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## RBI Policy Review : December 2010

### A) Monetary Measures

1. Retain the repo rate at 6.25% and the reverse repo rate at 5.25% under the RBI's liquidity adjustment facility (LAF); Retain the cash reserve ratio (CRR) at 6.0% of net demand and time liabilities (NDTL) of scheduled banks.

### B) Liquidity Measures

1. Reduce the statutory liquidity ratio (SLR) of scheduled commercial banks (SCBs) from 25% of their NDTL to 24% w.e.f December 18, 2010;
2. Conduct open market operation (OMO) auctions for purchase of government securities (G-secs) for an aggregate amount of ₹48,000 crore in the next one month. These two measures are expected to inject liquidity on an enduring basis.

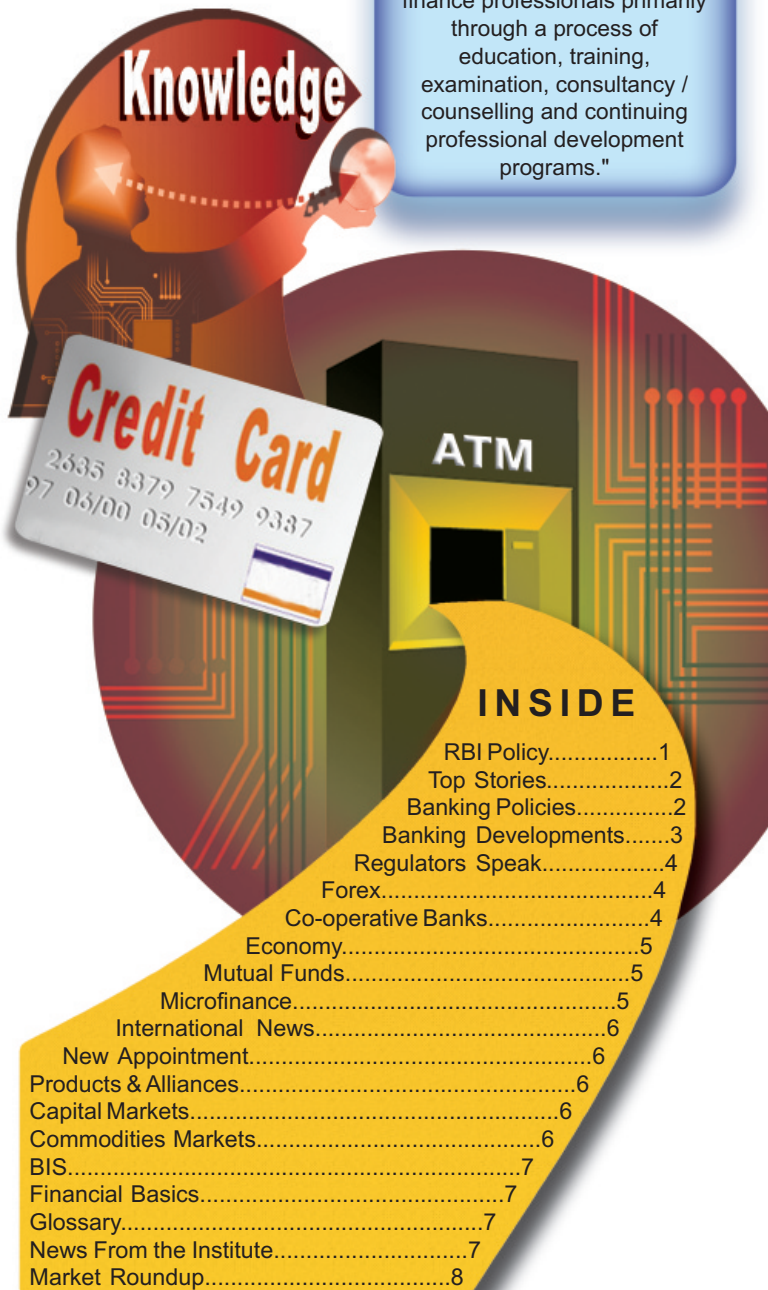
Given the permanent reduction in SLR by 1% of NDTL, the additional liquidity support under the LAF announced by the Reserve Bank of India (RBI) on November 29, 2010 is now available up to 1% (instead of 2%) of the NDTL of SCBs from December 18, 2010 to January 28, 2011.

### Measures taken by RBI since April 2010

- April 21 : Repo rate hiked by 25 bps to 5.25%. Reverse repo rate goes up 25 bps to 3.75%, CRR up by 25 bps to 6%.
- July 2 : Repo rate hiked by 25 bps to 5.50%. Reverse repo rate up 25 bps to 4%. Extend 2<sup>nd</sup> set of reverse repo, repo tenders till July 16. Extra liquidity support to banks worth 0.5% of NDTL. Banks can seek waiver of penal interest on short- fall of SLR, till July 16.
- July 27 : 1<sup>st</sup> Quarterly Review: Repo rate hiked by 25 bps to 5.75%, Reverse repo hiked by 50 bps to 4.50%.
- September 16 : Mid quarter policy review : Repo rate hiked by 25 bps to 6%. Reverse repo hiked by 50 bps to 5%.
- November 2 : 2<sup>nd</sup> Quarter Review : Repo rate hiked by 25 bps to 6.25%. Reverse repo hiked by 25 bps to 5.25%.
- November 9 : Special LAF till December 16. Banks can avail of additional liquidity support up to 1% of

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readers a very happy  
and prosperous  
New Year - 2011

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."



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NDTL. Banks can seek waiver of penal interest on short-fall of SLR from November 9 to December 16.

- November 29 : Special LAF extended to January 28. Additional liquidity support hiked to 2% of NDTL of banks. Banks can seek waiver of penal interest on short-fall of SLR, on fortnightly basis.

### **RBI cuts SLR for RRBs by 100 bps to 24%**

RBI has reduced the SLR requirement for lenders to keep a portion of deposits in G-secs, cash and gold, by 1 percentage point to 24% for RRBs. This is in line with similar cut announced in the recent monetary review for banks as part of RBI's efforts to bring more liquidity into the system. The SLR for RRBs has been reduced from 25% of their NDTL to 24% w.e.f December 18. The new measure implies that RRBs can now keep less of investment securities and have more lendable resources for credit needs.



## Top Stories

### **Bank on 'Aadhaar' to open an account**

The finance ministry has recognised the 'Aadhaar' number issued by the Unique Identification Authority of India (UIDAI) as an "officially valid document" to satisfy the Know Your Customer (KYC) norms for opening bank accounts. This move is expected to increase the financial inclusion of the hitherto-unincluded by enabling them to easily establish their identity. The UIDAI is facilitating opening of bank accounts for residents at the time of enrolment for 'Aadhaar' through partner banks; during which, the acceptance of 'Aadhaar' as a valid KYC will make the process seamless.

### **The New-Age piggy Bank**

Children are the new focus group for private banks. From colourful debit cards and discounts at fast-food joints to special sessions in nursery schools, private banks are hard-selling savings accounts to children; albeit with a number of safeguards. An empowerment tool and early introduction to financial planning and independence, the debit card allows parents to decide the monthly limits on ATM withdrawals, and also for shopping at point of sales (POS). There are three options of spending-limits for parents, ranging from ₹500 to ₹3,000 for ATMs; and ₹1,000 to ₹5,000 at POS. The quarterly average balance prescribed for this account is ₹2,500/-. The debit card comes loaded with offers on books, toys, fast food and many such other child-happy purchases.

### **Pan-India common test for aspiring bankers**

Aspiring bankers will not need to give separate tests for every recruiting PSB. The upcoming need for thousands of banking professionals has prompted these banks to join forces and work out a plan to hold a pan-India common test. Upon clearing the common test, which will be administered by the Institute of Banking Personnel Selection (IBPS) on behalf of the PSBs, the candidates will simply have to respond to the individual bank's advertisements to appear for an interview. 20 PSBs will be part of this joint exercise which will enable them tap the pool of candidates who have been successful in the common test, for recruitment. While the pan-India common test for the clerical cadre will be conducted four times a year; it'll be held twice for probationary officers. The scorecard issued to successful candidates is likely to be valid for 1 to 1½ years.

## Banking Policies

### **Banks told to cap cash deposit charges at ₹5**

RBI has asked banks not to charge more than ₹5 for any cash deposit made at a non-home branch (other than the one where the customer has the account). Some banks charge as much as ₹110 for such cash deposits.

### **RBI home loan ceiling**

Most borrowers can now get a bank-loan upto 80% of the home's value; following the RBI's regulatory ceiling of the loan-to-value (LTV). In case of priority sector advances (housing loan upto ₹20 lakh) the LTV ratio can go upto 90%.

### **RBI unveils OTC forex derivatives, overseas hedging of commodity price and freight risks**

RBI has introduced six products that will allow participants in the over the counter (OTC) foreign exchange derivatives market, commodity markets and those with an exposure to freight, to hedge their currency risks. The new guidelines will be effective from February 1, 2011. These six products are forward foreign exchange contracts, cross currency options (not involving the rupee), foreign currency-rupee options, foreign currency-rupee swaps, cost reduction structures. **Cross currency swap**, Interest rate swap, Coupon swap, Interest rate cap or collar (purchases), Forward rate agreement.

### **RBI clarifies on NCD issue rule**

RBI has clarified that a certificate from a single bank would now suffice on the quality of assets of a non-convertible debenture (NCD) issuer who was maintaining multi-banking facilities. The NCD issuer would have to give an undertaking that its accounts at the other banks

and financial institutions were classified as standard assets. Also, while raising funds through issuance of NCDs in multiple tranches based on a single rating for the consolidated amount, each tranche need not be separately certified by the auditor. However, where the issuer obtains a separate / fresh rating for an issuance, such issuance must be backed by an auditors certificate, confirming the issuer's compliance with the eligibility criteria for issuance. The borrowal account of the corporate is classified as a Standard Asset by the financing bank/s or institution/s. A corporate entity is eligible to issue NCDs if it has a minimum net worth of ₹4 crore and the company has been sanctioned a working capital limit or term loan by a bank.

## Banking Developments

### Banks to add extra security layer for phone banking

W.e.f January 1, 2011, banks will ask for an additional password from their credit card customers for any transactions conducted over phone; subsequent to a RBI missive for making phone banking more secure. According to the guidelines, banks must decline any telephonic banking transactions, including the automated IVR (Interactive Voice Response) services, where the customers do not have a one-time password (OTP) for such services.

### Fund starved banks offer 9.2% on 1-year paper

Fund starved commercial banks are raising 1-year money at rates higher than the returns on 10-year public sector bonds; thus causing a market aberration called '**inverted yield curve**'. With deposits from households and businesses yet to pick up, banks are forced to mop up bulk money to plug mismatches and tide over the liquidity crunch. The banks are betting that the problem is temporary. No one wants to lock in high-cost funds for a long period.

### Credit off-take from banks picking up

Credit off-take from banks appears to be gathering steam. In the fortnight ended December 3, the off-take was higher at ₹36,500 crore as compared with ₹27,270 crore in the preceding fortnight ended November 11. Demand for loans is seen coming from the infrastructure and housing segments. Bank deposits, however, came down by ₹11,700 crore in the aforementioned fortnight as against a jump of ₹39,378 crore in the preceding fortnight. Banks are making up for the fall in deposits by raising resources from other routes such as overseas borrowing and the call money market.

### Loans grow faster than deposits

Bank deposits are lagging behind loans in terms of growth. While loans have grown 11% so far this

year; deposits stood at a mere 8%. Bank loans grew to ₹35,94,559.26 crore as on December 3, up ₹36,499.11 crore from the previous fortnight. This also represents a y-o-y growth of 23% - way above RBI's comfort level. However, a high annual growth could also reflect the base effect as loans grew at a slower pace a year ago. Much of the growth is from various segments of the infrastructure sector; as also loans to corporate houses, as investments are gradually picking up. Bank deposits, on the other hand, stood at ₹48,37,905.88 crore, down ₹11,699.6 crore in the latest fortnight ending Dec.03. This also represents an annual growth rate of 15%.

### Delayed Basel rules a boon for banks

Basel bank regulators say that rules on capital requirements would have cost financial institutions €602 billion (\$797 billion) had they been in place at the end of the past year. Banks also would have had shortfalls, including a €2.89-trillion gap in "stable funding", necessary to meet separate liquidity requirements, the Basel Committee on Banking Supervision said. The committee agreed in July to phase in the capital and liquidity rules by 2019 in order to mitigate their effect on lenders emerging from the biggest crisis since the Great Depression.

### Banks borrow ₹1,331 crore, CP rates rise

With close to ₹50,000 crore having moved out of the system on account of advance tax payments, banks continued to scramble for money. Banks borrowed ₹1.33 lakh crore from the RBI's special repo windows compared with ₹1.48 lakh crore.

### Banking Act to be amended

Finance Minister Shri Pranab Mukherjee has stated that the Government plans to amend the Banking Regulation Act for creating depositor education and awareness fund from unclaimed amounts. RBI data as on December 31, 2009, shows that scheduled commercial banks (SCBs) had unclaimed deposits worth ₹1,360 crore. The Government, along with the RBI, proposes to use deposits that remain unclaimed for more than 10 years towards the aforementioned fund.

### Rising credit quality takes SBI ahead of China, Russia rivals

The cost of protecting the SBI's debt from default fell for 11 straight days - the longest stretch of declines since 2004 - as lenders' willingness to extend loans underscores an improving economy. Credit-default swaps on SBI dropped 55 bps in the past six months to 155 on December 16. Bank of China contracts fell 24 bps to 118 while those for OAO Sherbank, Russia's largest lender,



declined 11 bps to 188. The perceived creditworthiness of India's biggest bank improved faster than for lenders in the other largest emerging markets as companies step up borrowing for construction projects.

### Merchant banking in India

Although indigenous merchant bankers have been around since the 19<sup>th</sup> century, the present structure of investment banking in India is fairly recent. The first merchant banking licence was granted by the RBI to Grindlays Bank, which later on became ANZ Grindlays, before being taken over by Standard Chartered. The licensing was done by RBI as Securities and Exchange Board of India (SEBI) came into existence only two decades later.

## Regulators Speak...

### Banks urged to reduce margins

RBI has urged banks to reduce intermediation costs to increase efficiency, helping them cut lending rates, pay more on deposits and foster inclusive & higher economic growth. The net interest margins (NIMs) of Indian banks are high compared to their counterparts in other emerging markets, even after accounting for social sector obligations.

### No plan to cap MFIs' interest rate

Dr. D. Subbarao, Governor, RBI has confirmed that RBI is not planning to cap the interest rates charged by microfinance institutions (MFIs). However, he confirms that "it is an issue on the agenda. We will look at it after the Malegam committee submits its report. We should not regulate rates but rather instil some methods by which MFI interest rates get a bit disciplined."

### Government spending not on scale to ease liquidity position

RBI is deeply conscious of the liquidity situation and will take measures to ease funds flow as and when required, asserts Dr. D. Subbarao, Governor, RBI, adding that "The current liquidity tightness was on account of both, structural and frictional factors. The structural factor is that credit expansion has been faster than deposit growth. The situation is improving, but has not improved substantially to ease the liquidity. The frictional factor is the build-up in government cash balances because of higher-than-anticipated receipts from 3G auctions, dis-investment and indirect tax collections".

### RBI focus on bond market to fund infra projects

Dr. Subir Gokarn, Deputy Governor, Reserve Bank of India said the central bank is focusing on developing a strong corporate bond market to fund infrastructure development that will require an estimated \$1 trillion

during the 12<sup>th</sup> plan period. "We are focusing on developing long-term corporate bond market to support banks in financing infrastructure projects," he stated.

## Forex

### Benchmark Rates for FCNR (B) / NRE Deposits for the month of January 2011

LIBOR / SWAP For NRE Deposits					
Currency	LIBOR		SWAPS		
	1 Year	2 Years	3 Years		
USD	0.78094	0.8540	1.3350		
LIBOR / SWAP For FCNR(B) Deposits					
Currency	LIBOR		SWAPS		
	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.78094	0.854	1.335	1.787	2.217
GBP	1.50938	1.5100	1.9430	2.3390	2.6540
EUR	1.47250	1.573	1.917	2.220	2.520
JPY	0.56625	0.385	0.430	0.483	0.570
CAD	1.89833	1.853	2.126	2.401	2.631
AUD	5.67750	5.395	5.515	5.760	5.870

Source : Fedai

### Foreign Exchange Reserves

Item	As on	As on
	Dec. 24, 2010	Dec. 24, 2010
	₹Crore	US \$ Mn.
1	2	3
Total Reserves	13,36,212	295,031
a) Foreign Currency Assets	12,02,687	265,905
b) Gold	1,01,857	22,124
c) SDRs	22,808	5,043
d) Reserve Position in the IMF	8,860	1,959

Source : RBI

### Forex reserves down \$911 million on currency revaluation

The country's foreign exchange reserves decreased by \$911 million to \$295.419 billion for the week ended December 10. The fall in reserves was mainly on account of currency revaluation. In the earlier week ended December 3, forex reserves had increased by \$2.441 billion to \$296.390 billion.

## Co-operative Banks

### RBI asks co-op banks to follow KYC norms

RBI has asked co-operative banks to strictly follow 'know your customer' (KYC) norms to prevent possible misuse by criminal elements for money-laundering or terrorist financing activities. RBI states that "We've noticed that 'Money Mules' can be used to launder the proceeds of fraud schemes (e.g. Phishing and identity theft) by criminals, who gain illegal access to deposit accounts by recruiting

third parties". The operations of mule accounts can be minimized if banks diligently follow the guidelines on KYC norms, anti-money laundering (AML), and combating of financing terrorism (CFT) obligation of banks.

#### **Urban co-ops with 3-year profit can engage BCs / BF**

The RBI has stated that urban co-operative banks (UCBs) having uninterrupted net profits over the last three years are eligible to engage business correspondents (BCs) to promote financial inclusion - subject to due approval from their board. RBI has also made it mandatory for atleast two elected professional directors to be on UCB's board and net NPAs of the bank to be less than 5%.

## Economy

#### **Risk to inflation projection is on upside, says RBI**

The RBI has struck a cautious note on the inflation front. Its Mid-quarter Monetary Review Policy says that the risk to the inflation projection of 5.5% by March 2011 is on the upside due to persistent domestic demand and higher global commodity prices. Though there has been a moderation in inflation - with the Wholesale Price Index (WPI) inflation declining to 7.5% in November from 8.58% in October - the pace of decline in food price inflation has been slower than expected; largely due to structural factors. "There is a risk that rising international commodity prices will spill over into domestic inflation. Going forward, rising domestic input costs for the manufacturing sector combined with aggregate demand pressures could weigh on domestic inflation," says RBI.

#### **RBI to pump ₹12,000 crore extra cash into market to ease liquidity**

Continuing its effort to ease liquidity, the RBI announced OMOs through which it will purchase G-secs for an aggregate amount of ₹12,000 crore. The securities were bought by RBI through auctions using a multiple price method on December 15. Under the fresh OMO, the three G-secs which will be bought back by RBI are 7.02% GS 2016, 7.99% GS 2017 and 8.13% GS 2022. In a recent similar exercise, the central bank had pumped ₹10,000 crore liquidity into the system. The RBI had earlier stated that it would purchase G-secs to pump liquidity into the system, as and when considered necessary. Furthermore, as a temporary measure, in order to help banks tide over the shortage of liquidity, the RBI has allowed them to hold only 23% of their NDTL in the form of G-secs or SLR. Since October 29, 2010, banks have been maintaining an SLR of 24%. Moreover, banks can also access the second LAF window till January 28, 2011, rather than December

16, 2010, announced earlier. Collectively, 2% of the NDTL would amount to around ₹95,000 crore. That's close to the average amount of ₹1 lakh crore that banks have been borrowing.

#### **Price stability should be main objective of central banks'**

Price stability must be the prime objective of the central banks in developing countries, said Dr. C. Rangarajan, Chairman of Prime Minister's Economic Advisory Council; adding that interventions by monetary authorities to stabilize exchange rates should be exceptional cases.



## Mutual Funds

#### **PAN mandatory for all MF investments**

All new as well as existing mutual fund (MF) investors will now need to mandatorily furnish their Permanent Account Number (PAN) details from January 1, 2011 irrespective of the size of their investment. Hitherto resident individual investors were allowed to invest upto ₹50,000/- without quoting the PAN details.

## Microfinance

#### **MFIs under stress**

MFIs are under some stress and banks are finding it difficult to justify lending to them, says Dr. Subir Gokarn, Deputy Governor, RBI who has termed MFIs as a very important component of India's inclusive strategy. "The community will have to operate in ways consistent with the overall inclusion agenda of the central bank" says Dr. Gokarn, adding that "The last mile that the MFIs have been able to achieve has not been achieved by the formal sector,".

#### **Andhra Pradesh passes Microfin Bill**

The Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Bill, 2010, brought in to regulate MFIs, was debated in the Assembly and was passed without any amendments. While the Microfinance Institutions Network (MFIN), the lobby organization for MFIs, had voiced its concerns and had demanded for weekly collections, the government has made monthly collection mandatory. Also while MFIN wanted any public place to be collection centre, the government wanted the Panchayat office to be the sole collection point. Thirdly, MFIN wanted a centralized registration system, whereas the government wanted all branches in districts to be registered.

## International News

### Swiss banks not safe haven for dirty money

“Swiss banks are not in the business of hiding money. They have certain due diligence obligations in verifying where the money came from. Switzerland today is the last place where criminals should try and launder money” asserts Mr. James Nason, Head of International Communications, and Swiss Bankers' Association (SBA). SBA is the main professional trade association that lobbies on behalf of the Swiss banking industry in Switzerland and abroad. It is a self-regulatory body with almost all banks of Switzerland being its members. Mr. Nason breaks some popular myths associated with Swiss banking saying “You cannot have an anonymous account in a Swiss bank. They are forbidden by law; Banks are obliged by law to verify your identity; Banks are also obliged to find out who is the beneficial owner of the assets.”

### Higher levy on UK banks to cut deficit

The UK government will tax banks balance sheets at a higher rate than first proposed, raising almost 9 billion pounds (\$14 billion) over the next four years. Starting January 1, the government has begun charging 0.05% instead of the 0.04% announced in June 2010.

### China extends rise in reserves for top 6 banks

China's central bank has told six of the country's biggest lenders that a special increase in required reserves will be extended as the latest step to quell inflation. By locking up a chunk of cash that banks would otherwise have been able to lend, the move helps absorb some of the liquidity that drove inflation in November to a 28-month peak - 5.1% higher than expected.

### US recovery paces up as industry rebounds

Industrial production rebounded in November in its biggest gain since July, pointing to an acceleration in the pace of the recovery during Q4. However, consumer prices barely increased last month, a reminder of the still-abundant slack in the economy, making it certain that the Federal Reserve will complete its controversial \$600 billion government bond-buying programme to further help the economy.

## New Appointments

Shri. V. Kannan has assumed charge as ED of Oriental Bank of Commerce. Prior to this, he was GM of Bank of Maharashtra (BoM).



## Products & Alliances

Organisation	Organisation Tied up with	Purpose
Allahabad Bank	Hyundai Motor India Ltd	To promote the banks financing for purchase of vehicle for personal use
Yes Bank	National Collateral Management Services Ltd	For collateral management and warehousing services to assist industries, traders & farmers in financing their capital requirement
Metlife	MOU with United Bank	For extending credit insurance coverage to MSME customers of United Bank
PNB	Atul Auto	To provide auto financing to all products of Atul Auto across the country
Axis Bank	MOU with IDEA Cellular	IDEA to be BC of Axis Bank to provide Axis bank's financial product and services through its retail outlets
Union Bank	MOU with BSNL, MTNL	Union bank has tied up as a preferred partner to enable BSNL & MTNL to provide the full gamut of telecom services
Exim Bank	MOU with China Development Bank	For supporting trade & investment between both the countries
Dhanlaxmi Bank	Doha Bank	For providing online fund remittance facility for its NRI customers
Cosmos Co-operative Bank	Western Union	For providing Western Union Money Transfer Services to customers up to \$2,500 or equivalent

## Capital Markets

### Sebi wants i-banks to list past show in IPO filings

Publication of 3-year performance of share sales arranged by investment banks may be mandated in documents of initial public offering (IPO) to provide investors an instant insight into due diligence that banks do in choosing clients and pricing. Track record of past share sales in a IPO offer document could help investors avoid share issues managed by those bankers where stock prices performed poorly, or had corporate governance issues. It is proposed that all merchant bankers be directed to disclose the track record.

## Commodities Markets

### MCX to develop market derivatives

The Multi Commodity Exchange (MCX) will be developing commodity derivatives markets along with

Taiwan's Futures Exchange (TAIFEX) in both the countries, by sharing information, technology and other areas of mutual interest. "The MoU will provide an opportunity to understand one another's markets and share expertise and best practices" affirms Mr. Lamon Rutten, MD and CEO, TAIFEX. MCX offers commodity futures contracts in bullion, base metals, energy agricultural and other commodities whereas TAIFEX offers both equity and commodity derivatives products.

## Bank for International Settlement (BIS)

### Establishment of the BIS

The *Bank for International Settlements* was established on 17<sup>th</sup> May 1930, the BIS is the world's oldest international financial organization and remains the principal centre for international central bank cooperation.

The *BIS* was established in the context of the Young Plan (1930), which dealt with the issue of the reparation payments imposed on Germany by the Treaty of Versailles following the First World War. The new bank was to take over the functions previously performed by the Agent General for Reparations in Berlin : collection, administration and distribution of the annuities payable as reparations. The Bank's name is derived from this original role. The BIS was also created to act as a trustee for the Dawes and Young Loans (international loans issued to finance reparations) and to promote central bank cooperation in general.

The reparations issue quickly faded, focusing the Bank's activities entirely on cooperation among central banks and, increasingly, other agencies in pursuit of monetary and financial stability.

The *Bank for International Settlements (BIS)* is an international organization which fosters international monetary and financial cooperation and serves as a bank for central banks.

The BIS fulfils this mandate by acting as :

- a forum to promote discussion and policy analysis among central banks and within the international financial community
- a centre for economic and monetary research
- a prime counterparty for central banks in their financial transactions
- agent or trustee in connection with international financial operations

The head office is in Basel, Switzerland and there are two representative offices : in the Hong Kong Special

Administrative Region of the People's Republic of China and in Mexico City.

As its customers are central banks and international organizations, the BIS does not accept deposits from, or provide financial services to, private individuals or corporate entities. The BIS strongly advises caution against fraudulent schemes.

## Financial Basics

### Incremental Capital Output Ratio - ICOR

A metric that assesses the marginal amount of investment capital necessary for an entity to generate the next unit of production. Overall, a higher ICOR value is not preferred because it indicates that the entity's production is inefficient. The measure is used predominantly in determining a country's level of production efficiency.

ICOR is calculated as :

$$\text{ICOR} = \frac{\text{Annual Investment}}{\text{Annual Increase in GDP}}$$

## Glossary

### Cross Currency Swap

An agreement between two parties to exchange interest payments and principal on loans denominated in two different currencies. In a cross currency swap, a loan's interest payments and principal in one currency would be exchanged for an equal valued loan and interest payments in a different currency.

### Inverted Yield Curve

An interest rate environment in which long-term debt instruments have a lower yield than short-term debt instruments of the same credit quality. This type of yield curve is the rarest of the three main curve types and is considered to be a predictor of economic recession. Partial inversion occurs when only some of the short-term Treasuries (5 or 10 years) have higher yields than the 30-year Treasuries do. An inverted yield curve is sometimes referred to as a "negative yield curve".

## News From the Institute

### Advanced Wealth Management Course

Post Graduate Diploma in Financial Advising has been rechristened as Advanced Wealth Management Course with effect from the ensuing examination.



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### Book for BC / BF Course

#### Marathi Version :

The Marathi version of the book “Inclusive Growth through Business Correspondents / Business Facilitators” was released by Shri A. S. Bhattacharya, CMD, Bank of Maharashtra in the State Level Bankers Committee meet on 23<sup>rd</sup> December 2010 at Mumbai.

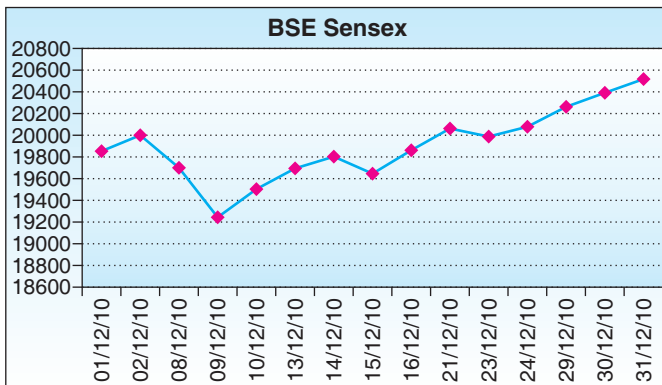
#### Bengali Version :

The Bengali version of the book “Inclusive Growth through Business Correspondents / Business Facilitators” was released by Dr. Asim Kumar Dasgupta, Finance Minister of West Bengal on 28<sup>th</sup> December 2010 at Kolkota during the State Level Bankers Committee meet.

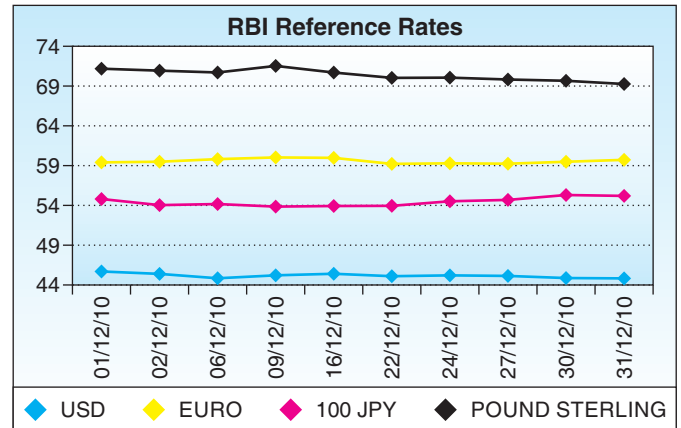
### Certificate course in Project Finance

Institute is organising the 13<sup>th</sup> Certificate Course in Project Finance in collaboration with IFMR, Chennai. The campus training for the batch commences from 21<sup>st</sup> February to 26<sup>th</sup> February 2011.

## Market Roundup

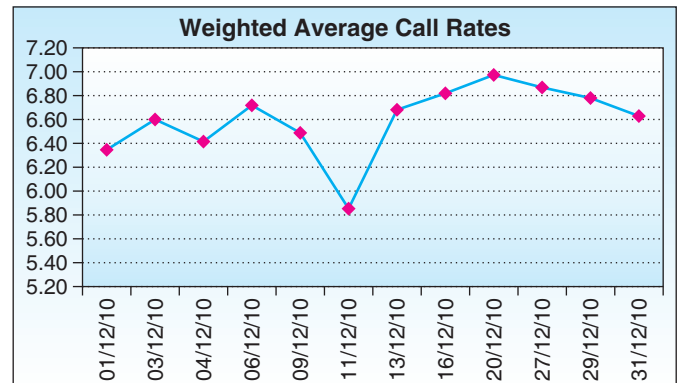


Source : Reserve Bank of India (RBI)



Source : Reserve Bank of India (RBI)

- USD remained range bound.
- Rupee moved between 44.81 and 45.70.
- Rupee appreciated by 1.95% during the month.
- Sterling remained erratic.
- Sterling moved 3.06%.
- Against Euro, rupee depreciated by 0.47%.



Source : CCIL Newsletters, December 2010

- Call rates moved between 5.85 and 6.97.
- Easy liquidity conditions and rates range bound.
- Slight liquidity squeeze on Dec 20 till 23<sup>rd</sup>.

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