



Committed to
professional excellence

IIBF VISION

Volume No. : 5

Issue No. : 11

June 2013



Top Stories

Online portal for bank e-auctions launched

C1 India, an e-procurement and e-sourcing solutions provider, has launched an online portal called www.bankeauctions.com, to enable banks to auction their stressed assets. With this portal, banks will be able to create and publish events in a few easy steps and monitor the entire process online. The system automates the complete auction process from creation of an event to conducting the auction. It supports both Debt Recovery Tribunal (DRT) and SARFAESI events. Since its recent soft launch, the portal has seen property auctions to the tune of ₹ 2,800 crore through nearly 3,000 events. Mostly, PSBs have signed up with the portal to use the e-auction services. Last year, the Finance Ministry had asked banks to undertake e-auctions of their stressed assets under DRT / SARFAESI law.

RBI to act as HFC regulator

Mr. R.V. Verma, CMD, National Housing Bank (NHB) has stated that the Parliament's approval to the National Housing Bank (Amendment) Bill, 2012, would transfer the tasks of registration and regulation of Housing Finance Companies (HFCs) from NHB to RBI. This would render a sole regulator for housing loans. At present, RBI is the regulator for housing loans given by banks and NHB regulates similar loans advanced by HFCs. Most rules, including those on the prudential norms, risk weightage, provisioning as well as NPA determination, are same for banks and HFCs; albeit, banks have an advantage due to the lower capital adequacy ratio (9%, vis-à-vis 12% for HFCs).

Banking Policies

RBI to banks : Don't staple notes

RBI has directed banks to do away with stapling of

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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note packets. They should instead secure the note packets with paper bands and should sort notes into re-issuables and non-issuables, and issue only clean currency notes to the public. It has also asked banks to stop writing of any kind on the watermark window of bank notes.

Disclose details of capital issuance

RBI has directed banks to disclose details of all capital instruments issued on their balance sheets. The new rule, issued to conform to Basel - III banking capital reforms, will be applicable from July 1 and lenders will have to report the details on their September-end balance sheets. This is expected to improve transparency of regulatory capital and enhance market discipline.

RBI restricts gold import by banks

RBI has notified its proposal to restrict import of bullion by banks only on a consignment basis to meet the genuine needs of exporters of gold jewellery. This has been proposed to moderate the demand for gold for domestic use; and will come into force with immediate effect. The three sources of demand for gold are consumption, investment and speculative. If prices come down, consumption demand might go up but investment and speculative demand might moderate. RBI is concerned because of the CAD management, financial stability management and larger consumer protection. One measure in this policy is prohibiting banks from importing gold on consignment basis unless it is meant for export.

Banking Developments

Sectoral credit growth falls to 8%

Banks' credit to the priority sector (including small ticket loans towards housing, agriculture and weaker sections) grew only 8.6% in 2012-13 to an outstanding of ₹15, 45,448 crore as on March 22, 2013 according to RBI's data on sectoral deployment of credit. This was far less than the 12.1% growth in the previous financial year. Within the sector, housing loans were stagnant and loans to agriculture & allied activities grew slowest at 8.1%. Micro-credit got revived by 3% in 2012-13, after contracting in 2011-12. RBI has been stepping up financial inclusion and has asked banks to set up branches in the hinterlands or reach it through business correspondents. Banks have also been told to have 25% of their branch network in un-banked areas.

Banks cannot lend against gold ETFs

To curb gold imports, RBI has barred banks from lending against gold Exchange Traded Funds (ETFs)

and gold mutual funds (MFs). It has also barred NBFCs from lending against gold in any form. RBI's monetary policy statement for 2013-14 (April-March) stated that no advances will be granted by banks for purchase of gold in any form viz. primary gold, gold bullion, gold jewellery, gold coins, units of gold ETFs, and units of gold MFs. RBI has also capped bank loans against specially-minted gold coins to 50 gm / customer. This is expected to underscore the difference between bullion and jewellery in lending against the yellow metal. Currently, banks can grant loans against gold ornaments and specially-minted gold coins sold by banks, but cannot make any advances for purchase of gold in any form.

CDR cell admits loans of ₹5,848 crore in April

Loans worth ₹5,848 crore have been admitted for restructuring by the Corporate Debt Restructuring (CDR) cell in April vis-a-vis ₹12,655 crore worth cases in March. In the April-June period last year, the CDR cell had admitted 17 cases worth ₹17,957 crore. In addition, five cases worth ₹4,747 crore were referred to the CDR cell in April as against 18 cases worth ₹22,692 crore referred in March 2013.

PSBs to send SMS alerts to borrowers

Borrowers of PSBs may soon start getting regular SMS and phone alerts about the loan repayment dates and warnings on their loans turning into Non-Performing Assets (NPAs). This follows the finance ministry's directive to PSBs to be proactive and intensify the timely recovery of loans by continuously assessing the borrowers' cash flow position and sending them regular reminders about the due date, rather than wait for the prescribed 90 days to expire and treat the account as NPA.

Govt bond yields soften as inflation eases

With the headline inflation in April dipping to 4.89 %, the benchmark 10-year government security's (G-sec's) yield softened by 13 bps in two days to 7.45% even as its price jumped by 85 paise. Yields and prices of G-secs are inversely co-related. The latest inflation reading, which compares favourably with RBI's medium term comfort level of 5%, has kindled hopes among market players that the apex bank may cut the repo rate by 25 bps at its upcoming review in June.

Banks plan more checks on e-transfer of funds

Electronic fund transfer amidst accounts; and opening of current accounts may soon become a little more difficult. In a bid to curb frauds, banks are set to introduce a new set of security measures on current account

operation. Even savings bank account holders may face the heat as banks plan to add more security checks on the Electronic Fund Transfer (EFT) or Real Time Gross Settlement (RTGS) channel.

Borrowing to get costly

RBI's move to revise dynamic loan loss provisions and increase risk weights & provisions for un-hedged foreign exposures of companies may hit banks' profitability and capitalization. Dynamic provisioning allows banks to build up loan loss provisions when their profits are growing, to draw on these provisions during an economic downturn. The principle is that amounts should be set aside in line with estimates of long-run or through-the-cycle expected losses. Banks are prone to business cycles. In good times, demand for credit goes up and banks tend to become aggressive with some easing of credit standards. Borrowers service the loans in time. Loan loss rates are below the long-run average, and the need for loan loss provisions is less. The provisions are usually under-funded during a boom period. When the business cycle turns and economic conditions deteriorate, borrowers' credit quality tends to worsen. There is an increase in defaults (in servicing interest and principal payment). Some loans become NPAs. Banks' profits go down, but they have to make higher loan loss provisions for bad loans.

Banks prodding student borrowers to furnish PAN

To prevent student borrowers from disappearing after completing higher education, banks are encouraging them to apply for Permanent Account Number (PAN) at the time of taking loans. The PAN will help banks to track down the defaulters on loan repayments. Though PAN is not mandatory for student borrowers, bankers feel they should get one before completion of their course and inform the bank. As on February 22, 2013, banks, mainly PSBs, had an education loan portfolio aggregating ₹55,100 crore (against ₹50,000 crore as on February 24, 2012).

Export credit in priority sector lending

An internal committee of RBI has recommended that export credit be included in priority sector lending for all banks to boost the export sector. At present, only foreign banks are required to disburse 12% of their total credit under priority sector to export companies. For all other banks, export finance is outside the 40% priority sector mandate.

New guidelines for banks doing insurance broking

Banks wishing to become insurance brokers might have to segregate a broking arm, which would be an

independent accountable unit. The report of Insurance Regulatory and Development Authority's committee on insurance broking says the bank broking unit shall have at least two persons with the requisite qualifications, mandatory theoretical and practical training and having passed the examinations required by the examining body. The remaining staff shall meet with the training requirements specified under a clause of the code of conduct, along with participating in relevant insurance seminars, workshops and continuing education programmes organised by the broking association and other stakeholders in the insurance sector. Banks acting as brokers would enable utilization of the entire network of branches and increase insurance penetration, plus adding to competition in rendering services.

RBI panel proposes centralised system for bill payments

A committee set up by Reserve Bank of India (RBI) has proposed setting up an Indian Bill Payment System (IBPS) to act as a centralized infrastructure connecting billers through the aggregators and customers through the customer service points, for management of all bill payments. The Committee, headed by Mr. G. Padmanabhan, Executive Director, RBI, was set up to study the feasibility of the implementation of GIRO-based payment systems in India. GIRO payment is a credit push transaction initiated by the payer and may involve the presence of three banks – the collecting bank, the payer bank and the payee bank. A customer can access any payment channel through banks/non-bank entity under the proposed GIRO system. The committee feels the need for developing an electronic bill payment system based on a GIRO model for payment of dues of essential services, insurance premia, utility payments, taxes, university fees, examination fees, and school fees.

Securitization to turn costlier for banks

Securitisation, a key route for private and foreign banks to meet priority sector commitments, will turn costlier for them with the government imposing an additional tax on investors from June this year. Non-Banking Finance Companies (NBFCs) which raise funds by securitizing their loan portfolio in favour of these banks may have to shell out a higher interest rate as banks will try to pass on the additional tax burden on the issuer. If banks want to transfer the entire burden onto the issuers, they have to invest at an interest rate higher than about 270 bps.

Monetary policy effect on markets asymmetrical

RBI has stated that developed and integrated financial markets are a pre-requisite for effective and credible transmission of monetary policy impulses. A research

report by RBI says “The transmission of monetary policy works well in the call money rate, as it is impacted immediately with robustness. As for the other financial market variables (except stock market) the study could find evidence of transmission from the monetary policy shocks.” The Indian banking system has seen the lowest growth in deposits in more than a decade, at least till January. Savings rate fell to 31% of the Gross Domestic Product (GDP) in FY12, from a high of 37% in FY08. Monetary policy transmission to financial markets in India is asymmetrical - it is faster and persistent when the monetary system is in deficit mode than when in the expansionary phase.

RBI cuts time to bring back export earnings

In a bid to attract dollars into the country in face of the rising CAD, RBI has brought down the realization period of sale proceeds for exporters from 12 months to nine months from the date of export, with immediate effect. For exporters, the enhanced period of one year for realization and repatriation to India, of the amount representing the full value of goods or software exported from the date of export was available till March 31, 2013.

Regulator's Speak...

We will utilize all options to tackle cash crunch

Dr. D. Subbarao, Governor, RBI has cautioned that “the assumption that Open Market Operations (OMOs) will be the preferred tool is wrong. We will use all options available to us, depending on how we assess the liquidity situation to be. It could be OMOs, or Cash Reserve Ratio (CRR) or anything else.” To relieve banks from the excessive fund shortage caused mostly due to sluggish government spending, RBI has bought ₹1.3 lakh crore of bonds through its OMOs in FY 2012-13 that ended in March. Many economists project the number at around ₹1.5-1.6 lakh crore in the current fiscal year.

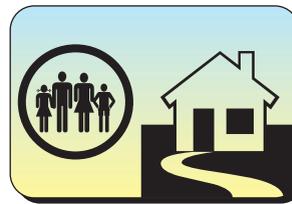
ECB route for low-cost housing extended by two years

RBI has eased foreign borrowing norms to allow companies access cheaper funds for key infrastructure sectors. Mr. H. R. Khan, Deputy Governor, RBI has stated that “RBI has extended the ECB relaxation for affordable housing which was there for one year to two more years (now) and aviation for a few more months.” However, there has been no overall change in the ECB limit of \$40 billion; the apex bank will soon be coming out with a uniform definition for infrastructure companies. In December last year, RBI had allowed real estate developers and HFCs to raise up to \$1 billion through ECBs in the last financial year to promote

low-cost housing projects. The funds raised through ECBs could be used for developing low-cost housing projects or for providing loans up to ₹25 lakh to individuals for buying units with a price tag of ₹30 lakh or less.

States' role crucial in inflation control

According to Dr. D. Subbarao, Governor, RBI managing the debt issuance of states and the centre will be a challenge due to the increased size of borrowing, inflation risk; bank's holding excess G-secs and expected pickup in demand for private credit in later part of the year. The Governor observes that States have a critical role to play in inflation management as they are important stakeholders in eliminating supply constraints in the economy. They could address the supply constraints by increasing productivity in agriculture, improving infrastructure especially rural infrastructure, streamlining public distribution system and addressing governance concerns to create enabling environment for investment. Dr. Subbarao has also stressed on co-ordination between the State Governments and all other stakeholders for increased surveillance at the ground level in matters relating to financial inclusion, chit funds, ponzi schemes and multi-level marketing schemes.



Insurance

Life insurers' premium growth to face challenge in FY14

As per IRDA data, the ongoing financial year is expected to be challenging for life insurers, given the slow-down in economy and change in traditional product norms. The life insurance sector saw a 6.3% drop in new business premiums for FY 2012-13. Life insurers collected new premiums of ₹1,07,010.68 crore for the year ended March 31 against ₹1,14,232.72 crore collected in corresponding period of the previous financial years. IRDA has recently issued new guidelines on traditional product structure, which requires that almost 70-75% of the product portfolio of life insurers be re-filed to conform to the regulations.

Economy

CAD to be below 5% this year

Dr. Raghuram G Rajan, Chief Economic Advisor has stated that the Centre's CAD in Q4 (January-March) of 2012-13 would be below 4% of the Gross

Domestic Product (GDP); helped by softening gold and crude oil prices. He said that the CAD is likely to be 5% in 2013-14. "First, it will come below 5% this year. We have to bring it to below 4% next year, and even lower in the coming years." The CAD touched an all-time high of 6.7% during the Q3 of 2012-13. It stood at 5.4%, or \$71.7 billion, in the first nine months of the year.

World Bank cuts FY14 growth forecast to 6.1%

In its latest India development update, the World Bank has scaled down its growth projection for India for the current financial year from 7% to 6.1%. The update said that India's economy was regaining growth momentum, and growth is expected to recover gradually to its high long-term growth potential. Although the CAD was at a record high in the FY 2013, it is likely to narrow in the medium term. The World Bank also said that though the fiscal deficit had declined, fiscal produce was increasingly important in reducing debt-to-GDP ratios.



Products & Alliances

Organisation	Organisation tied up with	Purpose
State Bank of India (SBI)	Industrial Bank of Korea	The MOU would assist Korean companies in meeting their financial requirements from SBI.
	Harvel Agua India Pvt. Ltd.,	Entered into national level tie-up and is engaged in manufacturing and selling of Micro Irrigation Systems, Crop Management services and Green Houses (Protected Cultivation) through its own production and outsourcing.
	Spanish bank Banco Bilbao Vizcaya Argentaria, SA (BBVA)	To develop business operations in Latin America and Spain.
Karur Vysya Bank	Lulu International Exchange, Abu Dhabi and GCC Exchange House, Dubai	Under the speed remittance arrangement, the proceeds will be credited to the beneficiaries account electronically, on the same day itself.
Federal Bank	Tata Consultancy Services	For setting up ATMs at Passport Seva Kendras
Hong-Kong based	Infrastructure Leasing &	For providing infrastructure project development services,

Industrial and Commercial Bank of China	Financial Services	including related financial services, trade, corporate banking investment banking and treasury related services, debt raising, advisory and other form of permissible economic co-operation for such projects in the region.
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New Appointments

Name	Designation / Organisation
Dr. J. Sadakkadulla	Regional Director(RD) of RBI for Tamil Nadu and Puducherry
Dr. Nachiket M. Mor	Director on Central Board of RBI

Rural Banking

RBI allows banks to front-load rural foray

RBI has stated that banks which exceed the target of opening branches in rural areas in a year will be allowed to carry forward the additional number to the next fiscal. As per the existing branch expansion norms, banks have to open 25% of new branches in unbanked rural areas. Those which cross the 25% annual target will be allowed to carry forward the excess number of branches to the next two years plan. Banks are advised to front-load the opening of branches in unbanked rural centres over a three-year cycle co-terminus with the financial inclusion plan.

Forex

Benchmark Rates for FCNR(B) Deposits applicable for the month of June 2013					
LIBOR / SWAP For FCNR(B) Deposits					
	LIBOR	SWAPS			
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.68920	0.448	0.636	0.898	1.161
GBP	0.88313	0.6795	0.7840	0.9620	1.1473
EUR	0.39071	0.430	0.574	0.740	0.925
JPY	0.43643	0.290	0.360	0.433	0.543
CAD	1.78650	1.432	1.551	1.704	1.854
AUD	3.33800	2.740	2.930	3.160	3.320
CHF	0.24550	0.150	0.235	0.368	0.520
DKK	0.49600	0.5960	0.7300	0.9080	1.0960
NZD	2.77000	2.985	3.185	3.360	3.525
SEK	1.20750	1.312	1.462	1.613	1.773
SGD	0.47000	0.560	0.745	0.965	1.180
HKD	0.46000	0.560	0.730	0.890	1.130
MYR	3.24000	3.250	3.320	3.390	3.490

Source : FEDAI

Foreign Exchange Reserves		
Item	As on March 24, 2013	
	₹Bn.	US\$ Mn.
	1	2
Total Reserves	16,208.3	292,076.1
(a) Foreign Currency Assets	14,545.0	261,565.8
(b) Gold	1,299.9	23,974.1
(c) SDRs	240.0	4,316.5
(d) Reserve Position in the IMF	123.4	2,219.7

Source : Reserve Bank of India (RBI)

RBI buying dollars to shore up forex reserves

RBI has started shoring up its sliding forex reserves as it bought the US dollars from the market for the first time in 28 months (in March) as overseas investors poured in seeking higher returns. RBI, which had declared that it would not intervene in the currency market to target a level for the currency, has bought \$820 million in March. It also purchased dollars in the forward market as outstanding forward sales dipped to \$11 billion in March, from \$12 billion a month earlier.

Financial Inclusion

BCs take banking to over 2 lakh villages

More than 2.11 lakh villages which did not have banking facilities three years back, are now being served by 1.52 lakh Business Correspondents (BCs). Dr. Deepali Pant Joshi, Executive Director, RBI has stated that the Financial Inclusion Plan (FIP) 2010-13, which was introduced by various banks in April 2010, has so far provided banking services to 2.11 lakh villages. Before this, the number of villages having banking facility was 67,694. The number of BCs, which was 34,532 before the implementation of FIP, went up to 1.52 lakh as at end-December 2012; and various banks opened 5,694 rural branches.

Money lenders rule in rural India

According to a RBI paper, non-institutional credit formed 39% of the total debt of cultivators in 2002 out of which money lenders had a share of 27%. Although the share of money lenders has fallen from a peak of 70% in 1951, resurgence in their lending was seen after 1981. From 1991 to 2002, the share of professional moneylenders in the loans to farmers doubled to 20% and that of commercial banks fell from 30% to 24%. The key reason for informal sources of credit to thrive has been the ease at which loans can be accessed and the absence of a regular repayment. This easy access prompts farmers to approach moneylenders despite the latter charging higher interest rates.

Microfinance

25 lakh women SHGs to get loans at low interest rates

Low interest loans will be provided to over 25 lakh women Self-Help Groups (SHGs) across the country under a central government programme launched to wipe out absolute poverty from the villages through women empowerment. Pursuant to the announcement made by Finance Minister Mr. P. Chidambaram in the 2012-13 Budget, the Union Cabinet has approved the provision of interest subvention to women SHGs, operating under National Rural Livelihood Mission (NRLM), enabling them to avail loans up to ₹3 lakh at an interest rate of 7% a year. The women SHGs that repay loans in time will get an additional 3%.

Bank for International Settlements (Continued...)

Continuing the discussion on 'Stress Testing', we will understand the sixth and seventh principles.

6. A bank should regularly maintain and update its stress testing framework. The effectiveness of the stress testing programme, as well as the robustness of major individual components, should be assessed regularly and independently.

The effectiveness and robustness of stress tests should be assessed qualitatively as well as quantitatively, given the importance of judgments and the severity of shocks considered. Areas for assessment should include:

- The effectiveness of the programme in meeting its intended purposes;
 - Documentation;
 - Development work;
 - System implementation;
 - Management oversight;
 - Data quality; and
 - Assumptions used.

The quantitative processes should include benchmarking with other stress tests within and outside the bank. Since the stress test development and maintenance processes often imply judgmental and expert decisions (eg assumptions to be tested, calibration of the stress, etc.), the independent control functions such as risk management and internal audit should also play a key role in the process.

7. Stress testing methodology and scenario selection
Stress tests should cover a range of risks and business areas, including at the firm-wide level. A bank should be able to integrate effectively, in a meaningful fashion,

across the range of its stress testing activities to deliver a complete picture of firm-wide risk.

A stress testing programme should consistently and comprehensively cover product -, business - and entity-specific views. Using a level of granularity appropriate to the purpose of the stress test, stress testing programmes should examine the effect of shocks across all relevant risk factors, taking into account interrelations among them. A bank should also use stress tests to identify, monitor and control risk concentrations.

In order to adequately address risk concentrations, the scenario should be firm-wide and comprehensive, covering balance sheet and off-balance sheet assets, contingent and non-contingent risks, independent of their contractual nature. Further, stress tests should identify and address potential changes in market conditions that could adversely impact a bank's exposure to risk concentrations.

The impact of stress tests is usually evaluated against one or more measures. The particular measures used will depend on the specific purpose of the stress test, the risks and portfolios being analyzed and the particular issue under examination. A range of measures may need to be considered to convey an adequate impression of the impact.

Typical measures used are:

- Asset values;
- Accounting profit and loss;
- Economic profit and loss;
- Regulatory capital or risk weighted assets;
- Economic capital requirements; and
- Liquidity and funding gaps.

Developing coherent stress testing scenarios on a firm wide basis is a difficult task as risk factors for different portfolios differ widely and horizons vary. For example, deriving a coherent scenario for market and credit risk is not straightforward as market risk materializes quickly whereas credit risk will need a longer time horizon to feed through the system. However, in order to effectively challenge the business model and support the decision making process, the scenarios have to assess the nature of linked risks across portfolios and across time. A relevant aspect in this regard is the role played by liquidity conditions for determining the ultimate impact of a stress test.

Financial Basics

Definition of 'Incoterms'

Trade terms published by the International Chamber of Commerce (ICC) that are commonly used in both

international and domestic trade contracts. Incoterms, short for "International Commercial Terms," are used to make international trade easier by helping traders in different countries understand one another. Incoterms were first developed in 1936 and are updated from time to time, in order to conform to current trade practices. Because of these updates, contracts should specify which version of Incoterms they are using (e.g., Incoterms 2010).

Glossary

Corporate Debt Restructuring

Corporate Debt Restructuring means the reorganization of a company's outstanding obligations, often achieved by reducing the burden of the debts on the company by decreasing the rates paid and increasing the time the company has to pay the obligation back. This allows a company to increase its ability to meet the obligations. Also, some of the debt may be forgiven by creditors in exchange for an equity position in the company.

Institute's Activities

Training Program Schedule for the month of June 2013

Sr. No.	Programme	Date
1.	3 rd Programme on Marketing and Customer Care	3 rd to 7 th June 2013
2.	2 nd Programme on Trade Finance	10 th to 14 th June 2013
3.	TOPSIM- Balance Sheet Simulation	17 th to 18 th June 2013
4.	8 th Leadership Programme - PDI 9 th house	17 th to 19 th June 2013

Training activities completed during the month of May 2013

Sr. No.	Programme	Date
1.	5 th Credit Appraisal (Industrial and Commercial Advances)	6 th to 10 th May 2013
2.	2 nd Programme on Housing Finance	13 th to 15 th May 2013
3.	4 th Programme SME financing	27 th to 31 st May 2013

News From the Institute

Seminar on "Customer Service and Banking Codes and Standards"

The Institute had organized the 8th seminar on "Customer Service and Banking Codes and Standards" in association with BCSBI on 10th June 2013 at IIBM, Guwahati. The keynote address was delivered by Mr. A. C. Mahajan, Chairman, BCSBI and valedictory address was given by

- Registered with Registrar of Newspapers under RNI No. : 69228 / 98
- Postal Registration No. : MH / MR / North East / 295 / 2013 - 15
- Published on 25th of every month.

- Posted at Mumbai Patrika Channel Sorting Office, Mumbai - 1
- Posting Date : 25th to 30th of every month.

Mr. P. K. Jena, Regional Director, RBI. The seminar was attended by 76 participants

Additional Reading Material for Institute's examination

The Institute has put on its portal additional reading material for the candidates taking various examinations culled out from the Master Circulars of RBI. These are important from examination view point. For more details, visit www.iibf.org.in.

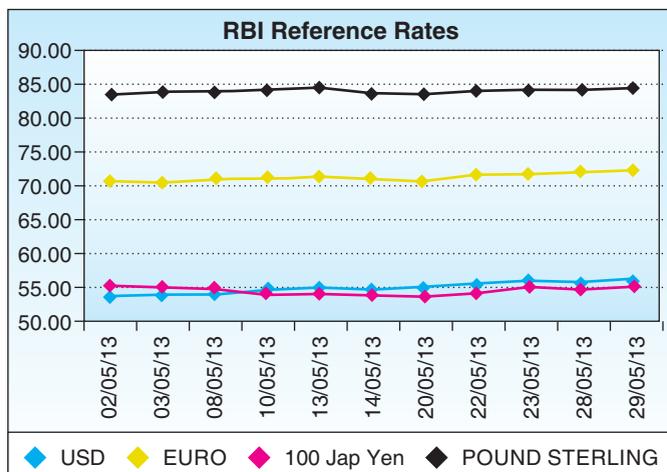
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haunt the investors and the demand for the greenback from the oil importers remained strong.

- The Indian rupee, on 21st, fell 0.5% to 55.41 to US dollar, the levels last seen in November last, from the previous close of 55.11. The Indian rupee plunged to a six-month low to the US dollar amid fears that capital flows could taper off if Federal Reserve Chairman, Mr. Ben Bernanke this week hints at ending easy monetary policy as the US economy begins to mend.
- Rupee depreciated mildly across board against all major currencies.

Market Roundup



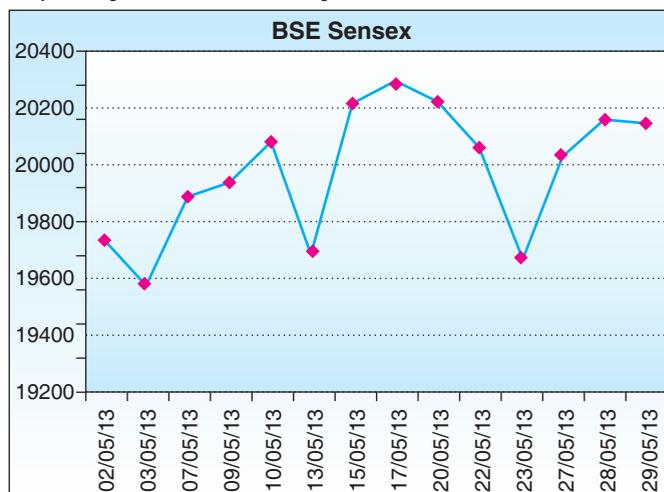
Source : Reserve Bank of India (RBI)

- On 2nd, Rupee down by 14 paise and closes at 54.82 to a dollar.
- The Rupee on 13th, briefly breached the psychological 55 to the US dollar mark, a level not seen since January 8, as demand for greenback is seen rising given soaring demand for gold and oil amid sluggish exports growth. But it recovered to close at 54.74 up from 54.80 on 10th.
- The Indian Rupee fell on 20th to a five-and-half month low to close below 55.11 to the US dollar as the threat of Standard & Poors downgrade returned to



Source : CCL Newsletter for May 2013

- Call rates ruled at 7.55% in the beginning of the month and closed at 7.3% at the month-end.
- With liquidity improving, the rates remained at 7% on 4th, 11th and 18th.
- By and large, the rates remained range-bound



Source : Reserve Bank of India (RBI)

Printed by Dr. R. Bhaskaran, published by Dr. 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, Kohinoor City, Commercial-II, Tower-I, 2nd Floor, Kirol Road, Kurla (W), Mumbai - 400 070.
Editor : Dr. R. Bhaskaran.

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