ICICI PRUDENTIAL MUTUAL FUND

TARAKKI KAREIN!

Weekly Market Communiqué

January 27, 2012

Global Economy

Global Economy - US

- IMF expects global output to grow by 3.3% in 2012, down from 3.8% in 2011 and from a September forecast of 4%; also expects global output to expand 3.9% in 2013, down from a previous forecast of 4.5%.
- IMF leaves its forecast for US economic growth in 2012 unchanged at 1.8%, but pegs 2012 growth at 2.2%, down from an earlier projection of 2.5%.
- US economy grew 2.8% in the Q4 2011 as compared with 1.8% in Q3 2011
- US President again raises concerns on outsourcing, urging US firms to bring jobs back home; also revives call for higher tax for the rich.
- US Federal Reserve says it will probably keep interest rates low for nearly three years; lowers its estimate of the economy's growth this year to up to 2.7%, compared with up to 2.9% estimated in November.
- US Fed Reserve says starting Jan 25 it will show in a chart four times a year when Fed officials predict they will begin raising the rate.
- US durable goods orders rose 3% in December as compared to a 4.3% rise in November.
- US jobless claims climbed by 21000 to a seasonally adjusted 377000 in the week ended January 21; continuing claims increased by 88000 to a seasonally adjusted 3.55mn in the week ended January 14.
- US Pending Home Sales Index dropped 3.5% to 96.6 in Dec from 100.1 in November.
- US leading economic indicators rose 0.4% in December after climbing 0.2% in November.
- US existing-home sales increased 5.0% on month in December to a seasonally adjusted annual rate of 4.61 mn.

Global Economy - Europe

- IMF expects the euro-zone economy to shrink 0.5% in 2012, followed by growth of 0.8% in 2013; the institution had previously projected growth of 2.1% in 2012 and 1.5% in 2013.
- Euro zone finance ministers reject as insufficient an offer made by private bondholders to help restructure Greece's debts.
- Euro-zone industrial new orders index fell by 1.3% in November, after a rise of 1.5% in October.
- Euro-zone Purchasing Managers' Composite Index (PMI) rose to 50.4 in January from 48.3 in December.
- Eurozone consumer confidence rose to -20.6 in January, from -21.3 in December.
- France and Germany seek a relaxation of global bank capital rules to prevent lending to the real economy being choked off.
- IMF cut its growth forecasts for the UK to 0.6% for 2012 and 2% for 2013, from 1.6% and 2.4% forecasted earlier.
- UK's GDP fell 0.2% in the Q4 after growing by 0.6% in the Q3 of 2011.
- Bank of England, in its minutes of January rate-setting meeting, stated that the Policy Committee sees inflation falling to the target of 2% by the end of 2012 and that it is likely to introduce a further round of quantitative easing next month.
- UK Public sector net borrowing excluding financial interventions, fell to 13.7 bn pound in December from 17.94 bn in November.
- UK retail sales rose 0.6% in December as compared with revised 0.5% fall in November.
- S&P says Greece is likely to default in the first half of this year.

Global Economy - Asia

- Asian Development Bank says the global economic slowdown will affect Asia this year but the region will remain the economic powerhouse of the world, led by China, India and Indonesia.
- IMF expects Japan to rebound from a 0.9% contraction in 2011 to grow 1.7%, down from a September forecast of 2.3%; also forecasts Japan to grow 1.6% in 2012, down from the earlier estimate of 2%.
- Bank of Japan lowers the economic forecast to 2% from an October estimate of 2.2% for fiscal 2012.
- Bank of Japan maintains the target for the overnight call loan rate among commercial banks at zero to 0.1% and also kept the current level of its already large-scale financial asset-buying.
- Japan's government says it will probably miss its goal of balancing the budget by 2020 even with its proposed doubling of the sales tax, underscoring the scale of the nation's fiscal challenges.
- Japan posts a merchandise trade deficit of 496.53bn yen in December, following the downwardly revised 687.6bn yen deficit in November; exports contracted 8.3% on year in December, while imports climbed 5.6%.
- Japan's Core consumer prices declined an annual 0.1% in December, followed by a 0.2% fall in November.
- Japanese retail sales rose 2.5% in December from a year earlier as compared to a fall of 2.2% in November.

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Global Economy - Asia

- IMF expects China’s growth to slow from 9.2% in 2011 to 8.2% in 2012 and resurging to 8.8% in 2013; IMF had previously forecasted growth of 9% in 2012 and 9.5% in 2013.
- China’s HSBC Flash manufacturing Purchasing Managers' Index for January came in at 48.8, up from a final reading of 48.7 last month.
- Singapore's manufacturing output rose 12.6% in December 2011 from a year ago.
- Singapore's consumer price index (CPI) rose 5.5% on-year in December.

Global Economy - Corporate

- Apple reports a Q1 net profit of $13.06bn, compared with a profit of $6bn a year earlier.
- Oil and gas producer Apache Corp plans to buy Cordillera Energy Partners in a $2.85bn deal.
- Caterpillar Inc reported net income of $1.55bn for Q4, up from $968mn in the same quarter last year.
- Nissan Motors to invest $2bn to build a manufacturing plant in Mexico.
- World's largest biotechnology company, Amgen agrees to buy Micromet in a $1.16bn.
- Nokia Siemens Networks raises more than 1.2bn euros from a group of 14 European and US banks as it looks to restructure the business and pay costs.

Global Markets

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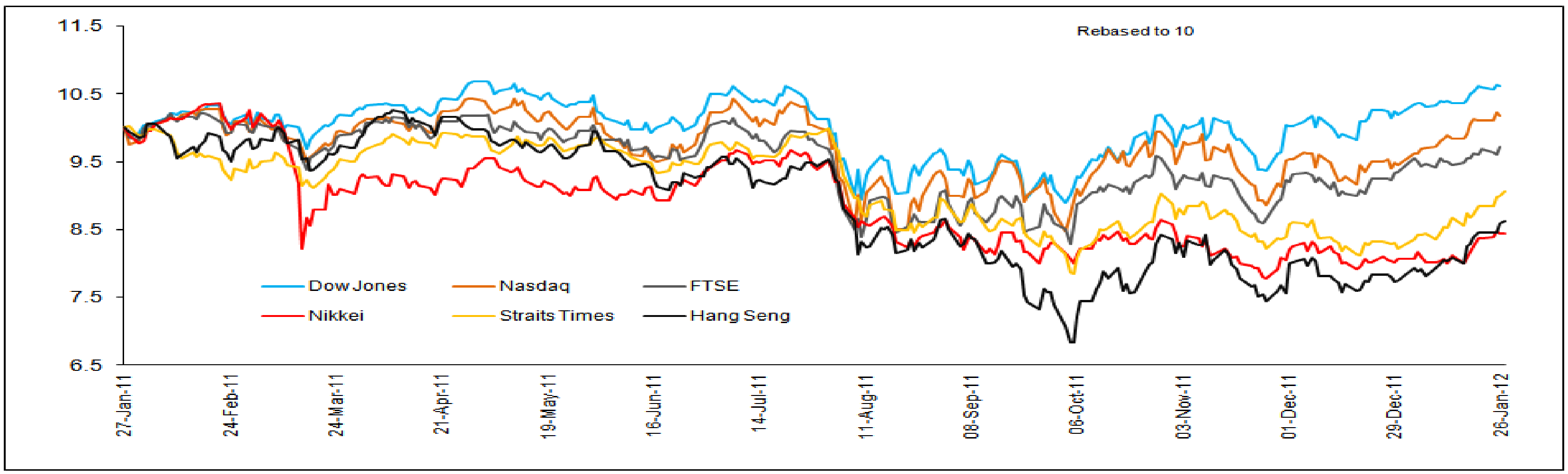
Global Equity Markets

Indices	Jan 27	Jan 20	Change	% Change
DJIA	12734.63*	12720.48	14.15	0.11
Nasdaq Composite	2805.28*	2786.70	18.58	0.67
Nikkei 225 (Japan)	8841.22	8766.36	74.86	0.85
Straits Times (Singapore)	2916.26	2849.38	66.88	2.35
Hang Seng (Hong Kong)	20501.67	20110.37	391.30	1.95
FTSE 100 (London)	5795.20*	5728.55	66.65	1.16

*Data with respect to January 26, 2012.



Source: Yahoo Finance

Key global indices gain on positive global cues

- All key global indices ended positive in the week ended Jan 26/27 with Singapore’s Straits Times index emerging as best performer, up 2.4% while US’ Dow Jones gained the least, up by 0.1%.
- Wall Street benchmark indices rose in the week, primarily supported by US Federal Reserve’s decision to keep interest rates near zero for almost three more years.
- Intermittent positive domestic economic data also added to the gains in the markets.
- Gains were however capped on concerns that a deal to prevent a default by Greece might fall through.
- Britain's FTSE index gained 1.2% in the week mainly on the back of a rally in banks and commodity stocks as fears receded over the potential for a Greek default in Europe's debt crisis.
- The benchmark was down earlier following weak Chinese macro-economic data, disappointing earnings from key US companies and uncertainty over the outcome of Greece's debt negotiations.
- Japan's Nikkei ended nearly 1% higher in the week following US Federal Reserve's announcement that it would keep short-term interest rates "exceptionally low" at least until 2014 strengthened the sentiments further.
- Hong Kong’s Hang Seng index rose around 2% in the holiday shortened week, boosted by the US Federal Reserve's comments that it will likely keep interest rates low until at least late 2014.
- Singapore’s Straits Times index surged 2.4% in the week primarily boosted by US Federal Reserve’s decision to keep rates the lowest for at least two more years.

US indices end marginally higher on strong corporate earnings

- **Wall Street** benchmark indices ended slightly higher in the week, with Dow Jones gaining 0.1% and Nasdaq ending 0.7% higher.
- Markets started on a strong note, supported by gains in shares of Microsoft and IBM, which rose on announcing better than expected results.
- Sentiments were boosted further after the US Federal Reserve said that it expected to keep interest rates near zero for almost three more years.
- Intermittent positive domestic economic data added to the gains in the markets,
  - US durable goods orders rose 3% in December as compared to a 4.3% rise in November.
  - US jobless claims climbed by 21000 to a seasonally adjusted 377000 in the week ended January 21; continuing claims increased by 88000 to a seasonally adjusted 3.55mn in the week ended January 14.
  - US existing-home sales increased 5.0% on month in December to a seasonally adjusted annual rate of 4.61 mn.
- Gains were however capped on concerns that a deal to prevent a default by Greece might fall through.
- More gains were reduced after announcement of weaker-than-expected home sales figures and a group of mixed earnings reports,
  - US Pending Home Sales Index dropped 3.5% to 96.6 in December from 100.1 in November.

Britain's FTSE rose mirroring gains in global markets

- **Britain's FTSE** index ended 1.2% higher in the week on tracking positive global cues.
- The benchmark fell earlier following weak Chinese macro-economic data, disappointing earnings from key US companies and uncertainty over the outcome of Greece's debt negotiations.
- A fall in domestic economic growth added to the woes of the market,
  - UK's GDP fell 0.2% in the Q4 after growing by 0.6% in the Q3 of 2011.
- Intermittent profit booking pulled down the market further.
- Losses were however wiped off after banks and commodity stocks surged as fears receded over the potential for a Greek default in Europe's debt crisis.
- Sentiments brightened further after the French FM said that a deal with private sector investors about resolving Greece's debt crisis was taking shape.
- Market got more thrust after the US Federal Reserve pledged to support economic growth, thereby boosting miners and other cyclical stocks.

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Asian indices gain on firm inernational triggers

- **Singapore's Straits Times** index surged 2.35% in the week ended January 27 and also emerged as the biggest gainer among major indices analysed.
- Market sentiments were bolstered following strong earnings from Apple, stabilising European money markets and falling euro zone debt yields.
- More gains were seen following a pledge by the US Federal Reserve to keep rates the lowest for at least two more years
- **Japan's Nikkei** ended nearly 1% higher in the week ended January 27 following intermittent strong global cues and a weaker yen.
- Market sentiments were strong earlier amid hopes that Greece will reach an agreement with its private creditors.
- US Federal Reserve's announcement that it would keep short-term interest rates "exceptionally low" at least until 2014 strengthened the sentiments further.
- More gains were seen following Apple's robust earnings results and a weaker yen.
- Some gains were however reduced on profit-taking following some disappointing US corporate earnings releases and China's growth-related jitters.
- More gains were capped on the back of forecasts of big annual losses from NEC Corp, Nintendo Co Ltd and Nippon Steel Corp.

Asian indices gain on firm inernational triggers

- **Hong Kong's Hang Seng** index rose around 2% in the holiday shortened week and ended at its highest level in more than four months.
- Sentiments were boosted by the US Federal Reserve's comments that it will likely keep interest rates low until at least late 2014.
- Market gained further as the city's exports increased for a third month in December and shares of solar panel makers rallied.

US debt prices end higher on Fed Reserve's pledge

- US Treasury prices rose amid volatility during the week ended January 26, mainly on Federal Reserve's pledge to keep borrowing rates low and consider additional asset purchases.
- Federal Reserve said it would keep interest rates at exceptionally low levels through late 2014 – more than a year longer than it had previously stated.
- The yield on 10 year benchmark bond ended down at 1.93% on January 26 as compared to 1.97% on January 19.
- Prices rose further amid uncertainty about a deal to reduce Greece's debt, spurring demand for the safe haven assets.
- Further gains were however capped following positive economic cues resonating from US, resulting in increase in investors' appetite for risky assets.
- Meanwhile, US Treasury completed $99 bn of securities auctions this week, by selling $35bn in 2-year notes, $35bn in 5-year notes and $29bn in 7-year notes.
- On weekly holding front, foreign central banks investment in US treasuries and agency debt at the Federal Reserve rose in the week ended January 25.
- Treasuries held by overseas central banks at the Fed rose by $2.072bn to $2.679 trillion.
- Holdings of securities issued or guaranteed by Fannie Mae and Freddie Mac rose by $1.64bn to $728.2bn.
- The resultant combined holdings of Treasuries and agency securities by foreign central banks at the Fed rose by $3.71bn to stand at $3.407 trillion.

Domestic Economic News

Highlights of RBI's Third Quarter Review of Monetary Policy– January 2012

- RBI reduced the cash reserve ratio (CRR) of scheduled banks by 50bps to 5.5% of their net demand and time liabilities (NDTL) effective the fortnight beginning January 28, 2012
  - As a result of the reduction in the CRR, around Rs 32,000 cr of primary liquidity will be injected into the banking system.
- The central bank cut CRR to ease liquidity which continued to remain in deficit and has deteriorated further with banks borrowing over Rs 1 lakh cr daily from the RBI's Repo tender.
  - The central bank conducted Open Market Operations (OMOs) aggregating over Rs 70,000 cr during the November 2011-Mid January 2012 period to ease the pressure.
- Repo rate kept unchanged at 8.50%, consequently, the Reverse Repo rate and the Marginal Standing Facility rate remains unchanged at 7.5% and 9.5% respectively.
- RBI revised downwards the domestic economy GDP growth projection for FY12 to 7.0% from 7.6%; expects global growth during 2012 to be lower than the IMF's September 2011 projection of 4.0%.
- The central bank however said that the domestic economy will exhibit a modest recovery in next fiscal, with growth being slightly faster than that during the current year.
  - The central bank retained its March-end inflation projection at 7% as it sees the moderating food inflation to be offset by lower than expected fall in manufactured inflation and high fuel inflation.
  - Rising fiscal deficit gap is also expected to add to inflationary pressure; gross borrowings of the central government rose to Rs 5.10 lakh cr from projection of Rs 4.17 lakh cr for the year.

Highlights of RBI's Third Quarter Review of Monetary Policy– January 2012

- The Central Government has also announced an increase in the borrowing through net issuances of Treasury Bills by `Rs 1.025 trillion over the budgeted amount of Rs 15,000 cr for FY12.

- RBI retained its money supply projection for FY12 at 15.5% but scales down its forecast for non-food credit to 16% from 18% projected earlier.
- RBI said that the balance of policy stance has shifted to growth, while ensuring inflationary pressures remain contained.
- The central bank said that it will manage liquidity to ensure that it remains in moderate deficit, and it will also respond effectively to increasing downside risks to growth.

Economy

- IMF lowers India's economic growth rate forecast for 2011 to 7.4% from 7.8% earlier; lowers the growth forecast to 7% for 2012, 0.5% lower than its previous projection; for 2013, the IMF revises the growth forecast to 7.3%, 0.8% lower than its earlier forecast.
- Indian President says that India needs to improve infrastructure to grow into a developed economy.
- RBI Governor says that the central bank may not conduct more open market operations now, and it would like to watch the situation following cut in banks' cash reserve ratio.
- RBI suggests that the government should endeavour to contain high fiscal deficit, which has been restraining the central bank from lowering interest rates.
- FICCI says that the Indian economy could grow at a slower pace of 6.9% in the current fiscal, as against 8.5% in the previous year.
- Fitch revises its growth forecast for the Indian economy this fiscal downward to 7% from the earlier estimate of 7.5% on account of the high interest rate regime and global slowdown.
- India's primary articles inflation rate for the week to Jan 14 fell to 1.89% from 2.47% a week ago; food articles inflation rate continued to stay in the negative territory and fell further to
  (-)1.03% from (-)0.42% a week ago.
- India’s forex reserves rose by $732mn to $293.26 bn as of week ended January 20.

Government

- India signs a multi-lateral agreement with more than 31 nations, including economic powers like France and Germany to check both tax evasion and avoidance.
- Government halts the release of weekly inflation data, while the headline number based on the WPI will continue to be disseminated on a monthly basis.
- Government decides to launch service price index soon.
- Government has no plans to borrow more via cash management bill as its cash position is comfortable now.
- Government is contemplating incorporation of provisions on taxation of overseas deals from the stalled DTC Bill in the Budget for 2012-13, in order to avoid disputes like the Vodafone tax case in future.
- Finance ministry asks for a change in norms to allow spectrum to be used as collateral by lenders of telecom companies, saying this will ease the stress on the banking sector.
- Iran agrees to settle all the dues to Indian exporters in rupees through any bank willing to facilitate the payment.
- Government plans to bring the revised IRDA Bill before the Cabinet by mid-February with foreign direct investment limit on private insurers still at 26%.
- Government is considering more than doubling the investment limit in infrastructure bonds eligible for tax rebates as part of a strategy to provide a funding boost to a vital sector.
- Government approves disinvestment of 10% of its stake in Rashtriya Ispat Nigam Ltd through an IPO.

Government

- A Commerce Ministry official says disinvestment in MMTC may not be possible in the immediate future, as stock market conditions are not appropriate for fixing the price band of the thinly traded shares of the company.
- Government plans to come out with IPOs of RINL and NBCC to raise about Rs.3000cr in the current fiscal itself.
- Finance Ministry clears national legislation to govern micro finance institutions.
- Finance ministry opposes the interim pension regulator's plan to relax appointment norms for NPS fund managers and up their fees.
- Civil aviation ministry asks for Rs.19911cr as budgetary support from the government for Air India in the 12th Plan (2012-17).
- Government gave final approval to London-based mining group Vedanta Resources Plc's acquisition of a majority stake in Cairn India for $8.48 bn.
- Deputy Chairman of the Planning Commission says that India must try to curtail growth of subsidies if it wishes to achieve its targeted 9% growth in the 12th Five Year Plan.
- Government says that the onus for compliance of legal provisions lies on entrepreneurs even in industries which are exempted from licensing.
- Government plans to set up a new body that will oversee telecom and cyber security to avoid overlap between various ministries and intelligence agencies that are currently handling this issue.
- Asian Development Bank to tie up with India and China for ASEAN Infrastructure Fund.
- Government says gas output from Reliance's D6 block off India's east coast could fall below current levels of 38-39 mmscmd.

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Government

- SC gives Sahara group companies three weeks’ time to secure the investments made by the public in the OFCD scheme.
- Disinvestment Department is awaiting SEBI guidelines on the revised buyback and institutional placement norms for formulating new strategy to sale government stake in PSUs to move towards its Rs 40,000 cr divestment target.
- Government clears four foreign direct investment proposals in pharmaceutical space.
- EGoMs on allocation of natural gas is likely to meet on February 14 to discuss the distribution of gas to priority sectors like power producers in the wake of declining output from RIL’s eastern offshore KG D6 block.

Regulatory

- RBI says that the government should deregulate diesel prices in order to contain the trade deficit, which is expected to widen to $160bn during the current fiscal.
- RBI writes to the Finance Ministry seeking power to regulate all subsidiaries of banks.
- RBI empowers banks to make changes in the end-use of money raised through ECBs, without routing the request through the regulator.
- RBI says interest rates on domestic savings deposit will be determined on the basis of end-of-day balance in the account of a customer.
- RBI Governor says banks should have a board approved policy on hedging of forex exposure.
- RBI tells the Finance Ministry there is no advantage to customers or to banks from savings account portability.
- RBI opposes a government plan under which public sector banks will lend money to a new asset management company, which, in turn will buy stakes in state-owned enterprises to support the divestment programme.
- RBI is examining the possibility of laying down guidelines for banks when dealing with loan arrangers.
- RBI rules out statutory liquidity ratio status for loans to Air India.
- SEBI says that all scrips will have a circuit limit from the day of listing on exchanges based on a one-hour pre-open trade, a move aimed at protecting retail investors from artificial pricing of shares.

Regulatory

- SEBI directs the stock exchanges to constitute special committees for redressal of investor grievances, a move intended to facilitate early resolution of complaints.
- SEBI is planning to tighten the valuation norms for liquid funds.
- SEBI may not relax the 'know your customer' (KYC) norms for qualified foreign investors (QFIs) for investing in domestic mutual fund industry.
- SEBI plans to come with a first-of-its kind advertising campaign next month for spreading investor awareness.
- SEBI is considering some deeper reforms, including complete overhaul of the IPO process, in order to improving investor confidence and attracting more funds into capital markets.
- SEBI plans to seek details of the source of funds flowing through preferential allotment of shares.
- SEBI to soon modify IPO process for broader retail play.
- AMFI is exploring the possibility of redrafting the disclaimer 'mutual fund investments are subject to market risks'.
- IRDA plans to ban loans by life insurance companies against ULIPs.
- IRDA Chairman asks health insurance companies to devise products to cover daycare expenses.
- IRDA asks Union Health Ministry to come up with standard protocols for treatment of various ailments.
- According to IRDA data, new business premium income for life insurers fell by 17% to Rs.71953cr during April-December, 2011, from Rs.86698cr a year ago.

Regulatory

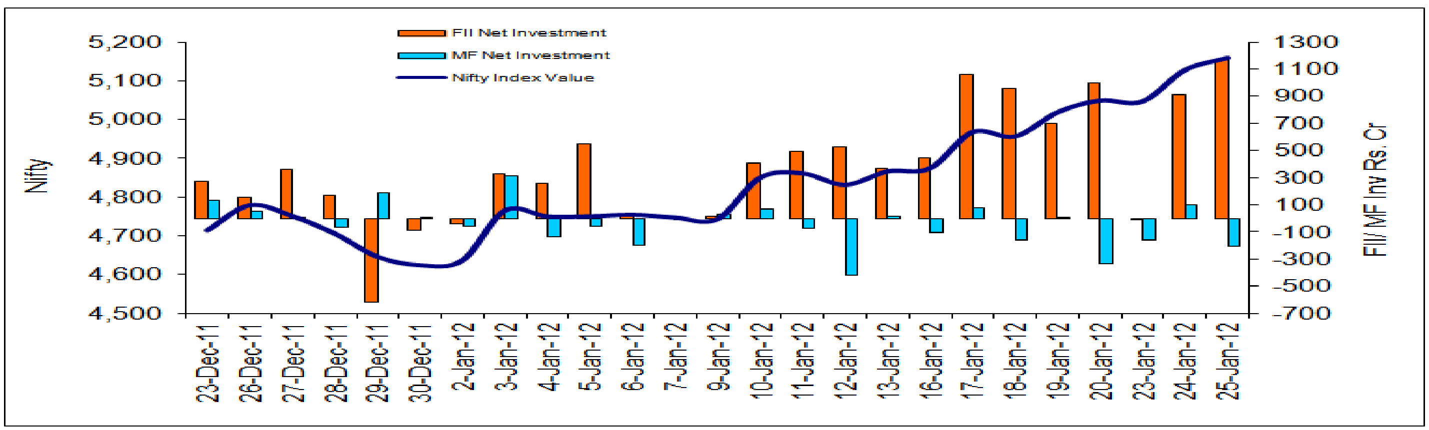
- TDSAT dismisses government's plea challenging its jurisdiction to decide on 3G roaming dispute, but directed operators to submit copies of their agreements to DoT.
- TRAI exempts text messages generated by or sent to technical systems and computers from the daily SMS cap it had put in place to stop pesky telemarketers.

Commodities

- Crude oil prices ended a volatile week slightly higher, with prices falling earlier as Greece's debt negotiations sparked new concerns about Europe's financial problems; prices recovered later on after Iran again threatened to block shipments of crude from the Persian Gulf, and on upbeat US jobs and manufacturing data; prices ended at $100.50 a barrel on the NYMEX on January 26 as compared to $100.39 a barrel on January 19.
- Indian gold prices rose in the week to close at Rs. 27,880 per 10 grams on January 27 compared with Rs 27,250 on January 20, in tandem with international prices after the US Federal Reserve signaled a continuation of its ultra-loose monetary policy.
- Domestic silver prices soared during the week to end at Rs 56,300 per kg on January 27 compared with Rs 53,000 per kg on January 20 on brisk buying by stockists for the marriage season as well as industrial support triggered by buoyant overseas cues.
- The World Gold Council says that gold purchases by global central banks may have been at record high in 2011.
- FMC asks members of all commodity exchanges to take prior approval for any change in ownership pattern.
- FMC suspends membership of two Rajasthan-based brokers for irregularities in guar seed and guar gum trade.

Indian Equity

Indices	Jan 27	Jan 20	Change	% Change
BSE Sensex	17233.98	16739.01	494.97	2.96
S&P CNX Nifty	5204.70	5048.60	156.10	3.09
BSE Capital Goods Index	10360.24	9806.95	553.29	5.64
BSE Auto Index	9197.33	8818.88	378.45	4.29
BSE IT Index	5721.74	5499.91	221.83	4.03
BSE Small Cap Index	6491.69	6277.27	214.42	3.42
BSE Bankex	11282.33	10912.15	370.18	3.39
BSE MIDCAP Index	5872.36	5680.07	192.29	3.39
BSE Metal Index	11576.33	11197.64	378.69	3.38
BSE Oil & Gas Index	8541.42	8325.02	216.40	2.60
BSE Power Index	2122.03	2077.69	44.34	2.13
BSE Healthcare Index	6261.23	6168.70	92.53	1.50
BSE FMCG Index	4063.87	4035.07	28.80	0.71
BSE Realty Index	1702.98	1707.79	-4.81	-0.28



Source: BSE, NSE, SEBI

Indian Equity

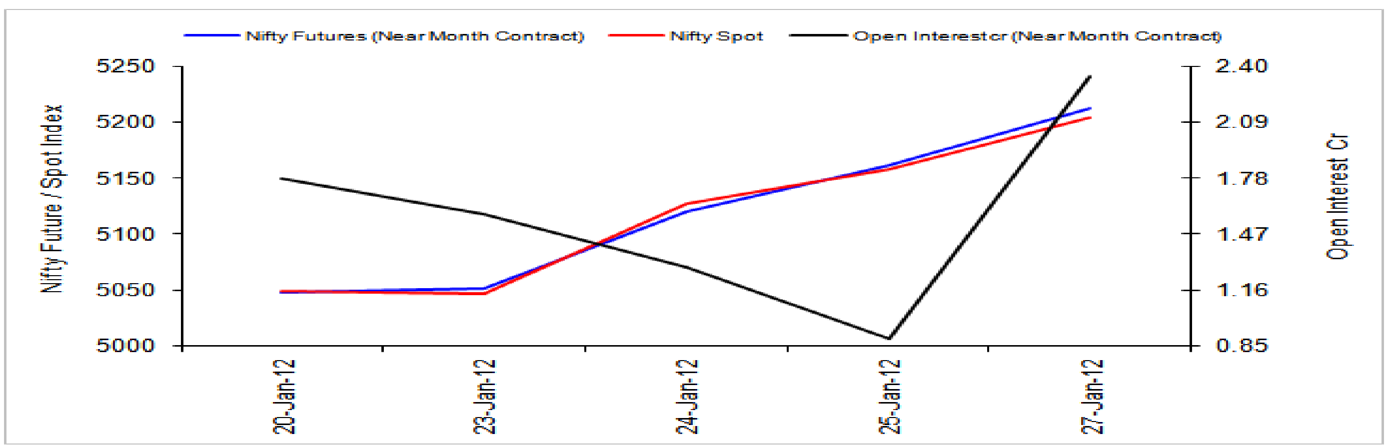
- Indian equity indices surged 3% in the week primarily after RBI signalled a policy shift towards reviving economic growth.
- Gains were also witnessed on the back of aggressive FII buying, short covering and long rollovers amid settlement of monthly derivatives contracts.
- Reports that the finance ministry would discuss import duty on power equipment also helped markets as the move would benefit domestic manufacturers.
- A rally in sugar shares later in the week on news that Prime Minister has constituted an expert committee to look into issues relating to decontrol of the sugar sector, also contributed to the gains in the market.
- Stock specific gains, especially in the mid and small cap segments as a result of corporate earnings releases, added to the rise in the markets.
- Some gains were however capped after index heavyweight RIL posted dismal quarterly results.
- All BSE sectoral indices ended in the positive territory except BSE Realty which fell 0.3% on stock specific selling.
- BSE Capital Goods was the top performing index, boosted by robust earnings from heavyweights including L&T.
- Interest rate sensitive sectors including BSE Auto index also soared after RBI reviewed its monetary policy by cutting CRR; Maruti Suzuki rose 10% on both benchmark indices.

Domestic F&O Update

Domestic F&O Update

Nifty Futures

- The week saw the near month contract changing from January 25, 2012 to February 23, 2012 on January 27, 2012.
- The new Nifty near month contract (expiry February 23) ended up with 8 point premium to the spot index on January 27, 2012.
- Over the week ended January 27, the Nifty spot index surged about 3% primarily after RBI signaled a policy shift towards reviving economic growth.
- The open interest in the near-month contract rose from 1.78 cr on Jan 20 to 2.35 cr on Jan 27.
- The other Nifty future contracts, viz., March contract ended at at 5237 points (up 139 points over the week) while the April contract ended at 5258 points.
- Overall, Nifty futures saw a weekly trading volume of Rs 44,516 cr arising out of 17 lakhs contracts with an open interest of 255 lakhs.



Source: NSE

Domestic F&O Update

Nifty Options

- Nifty 5200 call witnessed the highest open interest of 65 lakhs on Jan 27; it also garnered the highest number of contracts over the week at 24 lakhs
- Nifty 5300 call witnessed the highest increase in open interest of over 15 lakhs over the week.
- For put options, Nifty 5000 put witnessed the highest open interest of around 73 lakhs on Jan 27; while Nifty 5200 put witnessed the highest increase in open interest of 21 lakhs over the week.
- Nifty 5100 put garnered the highest number of contracts over the week at around 25 lakhs.
- Overall, options saw 151 lakh contracts getting traded at a notional value of Rs 3,85,498 cr during the week.

Domestic F&O Update

Stock Futures and Options–

- NSE witnessed 40 lakh contracts in stock futures valued at Rs 1.06 lakh cr while stock options saw volumes of around 9.2 lakh contracts valued at Rs 24,459 cr during the week ended Jan 27, 2012.

NSE F&O Turnover –

- Overall turnover on NSE's derivatives segment stood at Rs 5.7 lakh cr (226 lakh contracts) in the week ended January 27, 2012 vs., Rs 5.8 lakh cr (234 lakh contracts) in the previous week.
- Put Call ratio rose to 1.21 on Jan 27 from 1.18 on Jan 20.

Week Ended Jan 27, 2012	Turnover Rs. Cr.	% to Total
Index Futures	58,387	10.09
Index Options	389,735	67.33
Stock Futures	106,287	18.36
Stock Options	24,459	4.23
Total	**578,869**	**100.00**
Put Call Ratio	1.21 (Jan 27)	1.18 (Jan 20)

Source: NSE

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Domestic F&O Update

FII Segment

- On January 25 (last available SEBI data), foreign institutional investors' open interest stood at Rs 64,112 cr (24 lakh contracts).
- The details of FII derivatives trades for the period Jan 20 – 25, 2012 are as follows: -

Week Ended January 25, 2012	Buy		Sell		Buy %		Sell %	
	No. of contracts	Amt in Rs Cr	No. of contracts	Amt in Rs Cr	No. of contracts	Amt in Rs Cr	No. of contracts	Amt in Rs Cr
Index Futures	638285	16161	598495	15129	14.14	14.06	13.63	13.51
Index Options	2684545	67523	2653202	66775	59.49	58.75	60.41	59.64
Stock Futures	1069411	28175	1020532	27001	23.70	24.52	23.24	24.12
Stock Options	120452	3064	119655	3053	2.67	2.67	2.72	2.73
Total	**4512693**	**114923.72**	**4391884**	**111958**	**100.00**	**100.00**	**100.00**	**100.00**

Source: SEBI

Indian Debt

Indian Debt

- Indian call money rate ended lower in the holiday curtailed week at 8.00-8.60% on Jan 27 as compared with 8.75-9.00% on Jan 20 as most banks had met their reporting fortnight requirement early in the week.
- The RBI in its Q3 review of monetary policy held on Jan 24 reduced the cash reserve ratio (CRR) of scheduled banks by 50bps to 5.5% of their net demand and time liabilities (NDTL) effective the fortnight beginning January 28, 2012.
- The reduction in the CRR, which aimed to ease tight liquidity situation, will infuse Rs 32,000 cr in the banking system.
- Indian government bonds fell sharply during the week on fear that RBI may not continue with open market purchases and also due to partial devolvement at the weekly auction.
- The yield on the 10 year benchmark 8.79%, 2021 bond rose sharply to 8.35% on Jan 27 vs., 8.18% on Jan 20.
- Sentiments were hurt after the RBI governor commented that the central bank may not conduct more open market operations now, and it would like to watch the situation following cut in banks' cash reserve ratio.
- Some selling was also seen ahead of fresh supply of Rs 13,000 cr of gilts at weekly auction.
- Losses were further deepened after the central bank devolved Rs 775 cr out of the Rs 4,000 cr auction of the 8.19%, 2020 bond.reflecting the lack of demand for bonds.
- However further fall in the bond prices was capped by value buying and after data showed fall in the week inflation.
- After market hours on Jan 27, the RBI announced the auction of T-bills worth Rs 13,000 cr on Feb 1.

Forthcoming Economic Indicators

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Day	Event
Monday, Jan 30	· US Personal Income / Spending, December · Euro-Zone Consumer Confidence, January · Japan's Jobless Rate, December · Japan's Industrial Production, December · Japan's Nomura/JMMA Manufacturing Purchasing Manager Index, January
Tuesday, Jan 31	· US Consumer Confidence, January · US Employment Cost Index, Q4 · S&P Case-Shiller Home Price Index, November · Chicago Purchasing Mangers' Index, January · Euro-Zone Unemployment Rate, December · UK GfK Consumer Confidence Survey, January · UK Net Consumer Credit, December · India's Government finances, December · India's CPI for industrial workers, December
Wednesday, Feb 1	· ADP Employment Report, January · Institute of Supply Management (ISM) Manufacturing Index, January · US Construction Spending, December · US Crude Oil Inventories, January 28 · Euro-Zone Purchasing Manager Index Manufacturing, January · Euro-Zone Consumer Price Index Estimate, January · UK Purchasing Manager Index Manufacturing, January · UK Nationwide House Prices, January · China's Manufacturing PMI, January · China's HSBC Manufacturing PMI, January · India's Trade data, December · India's HSBC Manufacturing PMI, January
Thursday, Feb 2	· US Productivity and Costs, Q4 · US Initial Jobless Claims, January 28 · Euro-Zone Producer Price Index, December · UK Purchasing Manager Index Construction, January · India's primary articles inflation, week ended January 21
Friday, Feb 3	· US Nonfarm Payrolls, January · US Unemployment Rate, January · US Factory Orders, December · Euro-Zone Purchasing Manager Index Composite, January · Euro-Zone Retail Sales, December · China's Non-manufacturing PMI, January · China's HSBC Services PMI, January · Institute of Supply Management (ISM) Services Index, January · India's HSBC Services PMI and composite PMI, January · India's Forex Reserves, week ended January 27

Debt Quants

	Average Maturity	YTM	Modified Duration
ICICI Prudential Regular Savings Fund	1.50 Years	10.41%	1.29 Years
ICICI Prudential Short Term Plan	2.00 Years	10.06%	1.64 Years
ICICI Prudential Long Term Plan	1.41 Years	9.99%	1.22 Years

Data as on 31st December 2011

Statutory Disclaimers and Risk Factors

Statutory Details: Settlor of ICICI Prudential Mutual Fund (IPMF): ICICI Bank Ltd. and Prudential plc; IPMF was set up as a Trust sponsored by the settlor in accordance with the provisions of Indian Trust Act, 1882. **Trustee:** ICICI Prudential Trust Ltd. (IPTL); **Investment Manager:** ICICI Prudential Asset Management Co. Ltd. (IPAMCL); IPTL & IPAMCL are incorporated under Companies Act, 1956. **Liability:** Liability of IPMF/Sponsors/IPTL/IPAMCL is limited to Rs. 22.2 lacs collectively. Past performance of the Sponsors, AMC, Fund, and Trustee has no bearing on the expected performance of the mutual fund or any of its schemes. **Risk Factors: All investments in Mutual Fund and securities are subject to market risks and the NAV of the Schemes may go up or down, depending upon the factors and forces affecting the securities markets and there can be no assurance that the fund's objectives will be achieved.**

ICICI Prudential Short Term Plan (An open-ended Income Fund. is an additional Plan under the existing ICICI Prudential Income Plan with characteristics similar to ICICI Prudential Income Plan. The objective of the Plan is to generate income through investments in a range of debt and money market instruments of various maturities with a view to maximizing income while maintaining the optimum balance of yield, safety and liquidity, Exit Load: (i) If the amount, sought to be redeemed or switched out is invested for a period of upto 6 month from the date of allotment – 0.75% of applicable Net Asset Value; (ii) If the amount, sought to be redeemed or switched out is invested for a period of more than 6 months from the date of allotment – Nil

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Statutory Disclaimers and Risk Factors

ICICI Prudential Long Term Plan (An open-ended Income Fund. Objective is to generate income through investments in a range of debt and money market instruments of various maturities with a view to maximising income while maintaining the optimum balance of yield, safety and liquidity. Exit load: (i) If the amount, sought to be redeemed or switched out is invested for a period of upto one year from the date of allotment – 0.75% of applicable Net Asset Value; (ii) If the amount, sought to be redeemed or switched out is invested for a period of more than one year from the date of allotment – Nil.

ICICI Prudential Regular Savings Fund (IPRSF) is an open-ended income fund that intends to provide reasonable returns, by maintaining an optimum balance of safety, liquidity and yield, through investments in a basket of debt and money market instruments with a view to delivering consistent performance. However, there can be no assurance that the investment objective of the Scheme will be realized. Exit load: (i) If the amount, sought to be redeemed or switched out is invested for a period of upto 15 months from the date of allotment – 2% of applicable Net Asset Value; (ii) If the amount, sought to be redeemed or switched out is invested for a period of more than 1 Year from the date of allotment – Nil.

Investments in the Plans under the Scheme may be affected by risks relating to trading volumes, settlement periods, interest rate, liquidity or marketability, credit, reinvestment, regulatory, investment in unlisted securities, default risk including the possible loss of principal, investment in securitised instruments and risk of co-mingling etc.

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However, there is no assurance or guarantee that the objectives of the abovementioned Schemes will be achieved.

The aforesaid are only the names of the schemes and do not in any manner indicate either the quality of the Schemes or their future prospects and returns. Mutual Fund investments are subject to market risks. Please read the Statement of Additional Information and Scheme Information Document carefully before investing

The stock (s)/sectors mentioned in this presentation do not constitute any recommendation of the same and the schemes of the Fund may or may not have any future position in these stock's)/sectors. In the preparation of the material contained in this document. All figures, indicative yields, tax rates, returns, indexation cost and other data assumed in the preparation of this document is dated. The same may or may not be relevant at a future date Prospective investors are therefore advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implication or consequence of subscribing to the units of the schemes of the Fund.

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Thank you