

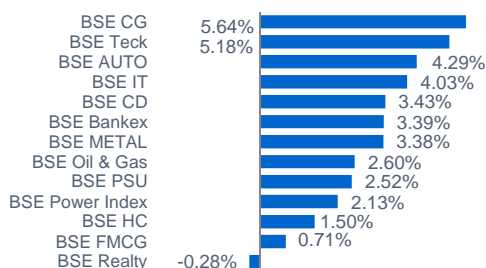
International Indices			
	27-Jan-12	20-Jan-12	% change
DJIA*	12,735	12,720	0.11
Nasdaq*	2,805	2,787	0.67
FTSE**	5,772	5,729	0.75
Nikkei	8,841	8,766	0.85
Hang Seng	20,502	20,110	1.95
SSE Composite #	2,319	2,319	0.00
Strait Times	2,916	2,849	2.35

*Thursday Closing **At 18:00 #As on 20/01/2012

Domestic Indices			
	27-Jan-12	20-Jan-12	% change
BSE Sensex	17,234	16,739	2.96
CNX Nifty	5,205	5,049	3.09
BSE Midcap	5,872	5,680	3.39
BSE Smallcap	6,492	6,277	3.42
Average Cash Vol (NSE) Rs.Cr.	13,363	11,839	12.88
Average F&O Vol (NSE) Rs.Cr.	144,717	116,004	24.75

Institutional Flows (Equity)				
	Pur (Rs.Cr.)	Sales (Rs.Cr.)	Net (Rs.Cr.)	YTD (Rs.Cr.)
FII Flows*	12,001	8,934	3,066	9,160
MF Flows#	2,418	3,019	-601	-1,335

* Upto 27th January 2012, # Upto 26th January 2012



Fixed Income			
	27-Jan-12	20-Jan-12	% change
Call Rate	9.09	9.21	-1.30
91 Days T-Bill	8.65	8.63	0.23
364 Days T- Bill	8.36	8.40	-0.51
CBLO	8.69	8.52	2.00
Repo	8.50	8.50	0.00
Reverse Repo	7.50	7.50	0.00
10 Yr Gsec	8.35	8.18	2.10
1 Yr CD	9.95	9.90	0.51
G-sec Vol (Rs.Cr.)	83,410	109,325	-23.70
US 10 Yr Bond	1.96	2.01	-2.20

Currency Movement			
	27-Jan-12	20-Jan-12	% change
INR/USD	49.65	50.33	-1.35
INR/GBP	77.80	77.97	-0.22
INR/EUR	65.05	65.31	-0.39
INR/Yes	64.45	65.27	-1.26

Commodity Price Movement			
	27-Jan-12	20-Jan-12	% change
Brent (\$/bbl)	111.11	111.11	0.00
Gold (\$/ounce)	1722.36	1652.16	4.25
Silver (\$/ounce)	33.52	30.50	9.90

Global Markets Overview

- US stocks moved into the negative territory due to concerns over the Greek debt swap deals. This was aggravated by the lack-luster corporate earnings and weaker-than-expected housing data. However, strong earnings report from Apple and announcement by Federal Reserve to keep interest rates low till 2014 pushed the stocks above the low witnessed in the earlier part of the week.
- European stocks remained volatile rising in the beginning of the week, led by banking and cyclical stocks. The huge demand at the sale of one-year German debt issues also contributed to the gains. After declining due to lack of conclusion in the Greek debt negotiation and slowdown in Britain's fourth-quarter GDP in the middle of the week, the stocks rose to higher levels as soon as Fed announced its pledge to maintain ultra low rates till 2014.
- Asian shares ended flat on the first day of the week as concerns over meeting of Euro zone finance ministers dented sentiment. Chinese policy easing announcement during weekend and growing hopes for an agreement on debt relief for Greece supported the market.

Domestic Equity Market Overview

- The market gained for the fourth consecutive week led by the improving Europe and US situations and sharp appreciation in the Indian rupee. The key benchmark index, Nifty surged 3% W-o-W to close above psychological 5200 mark, for the first time since November 14, 2011.
- The central bank's move to keep the key lending rate unchanged and the cut in cash reserve ratio (CRR) requirement for banks by 50 basis points at a quarterly policy review on Tuesday 24, 2012 was cheered by the investors. Moreover, the weekly food inflation data which remained in the negative territory for the fourth straight week also provided some support to market.
- In the interim, high degree of volatility was witnessed on Wednesday as traders rolled over positions in futures & options (F&O) segment from the near month January 2012 series to February 2012 series.
- US Federal Reserve's announcement to keep US interest rate at ultra-low levels until late 2014 coupled with hopes of some headway in the Greece debt negotiation accounted for majority of gains on Friday.
- Barring Reality sector all the BSE sectoral indices ended in positive terrain. Capital Goods, Teck and interest rate sensitive Auto sector were the top three gainers.

Domestic Fixed Income Overview

- Bonds yields were steady in the beginning of the week but rose after the comments from RBIs chief that they would watch the impact of the CRR on liquidity over next one month before buying back any security through open market operations (OMO).
- In the third quarter monetary policy review, RBI kept the repo rate unchanged at 8.50% but lowered the cash reserve ratio (CRR) by 50 bps. The 10 year benchmark bond yields rose 17 bps and closed at 8.35% compared to 8.18% a week earlier.
- Food inflation rate fell for the fourth successive week in the week ended on January 14 as it fell by 1.03% compared to 0.42% drop in the previous week. The fuel price remained unchanged at 14.45%, whereas the primary articles rate declined to 1.89% as compared to 2.47% a week earlier.
- Liquidity deficit remained high in the banking system as banks average daily borrowing stood above Rs 1,40,000 crore under Liquidity Adjustment Facility (LAF). Banks also borrowed Rs 1,050 crore under the Marginal Standing Facility (MSF) at 9.50%.

Currency & Commodity Overview

- The shift in RBI's policy towards supporting growth helped INR, during the week, as it boosted expectations of foreign fund inflows. INR strengthened for the fourth week gaining support from robust dollar inflows and positive local shares, which outweighed the pressure exerted by dollar demand from oil importers. It ended at 49.3050/3150 to the dollar after touching a high of 49.2975 during the day.
- After the initial volatility, Gold prices rose above \$1,725 per ounce to post its highest weekly performance since early December. Prices moved up after the Federal Reserve indicated to keep the US borrowing costs low. In addition, weakening of dollar also supported the rise.
- Brent crude oil slipped to \$110 during the week as investors looked away from tension between Iran and the West and focused on unsuccessful talks over the reformation of Greece's debt. Though, Brent crude rose above \$111 on worries about the ongoing tension between EU and Iran. The positive data from the US also supported the price as it indicated rebound in the future business investment.

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