A Monthly Newsletter of Indian Institute of Banking & Finance (Rs. 40/- per annum)

(ISO 9001 : 2008 CERTIFIED ORGANISATION)

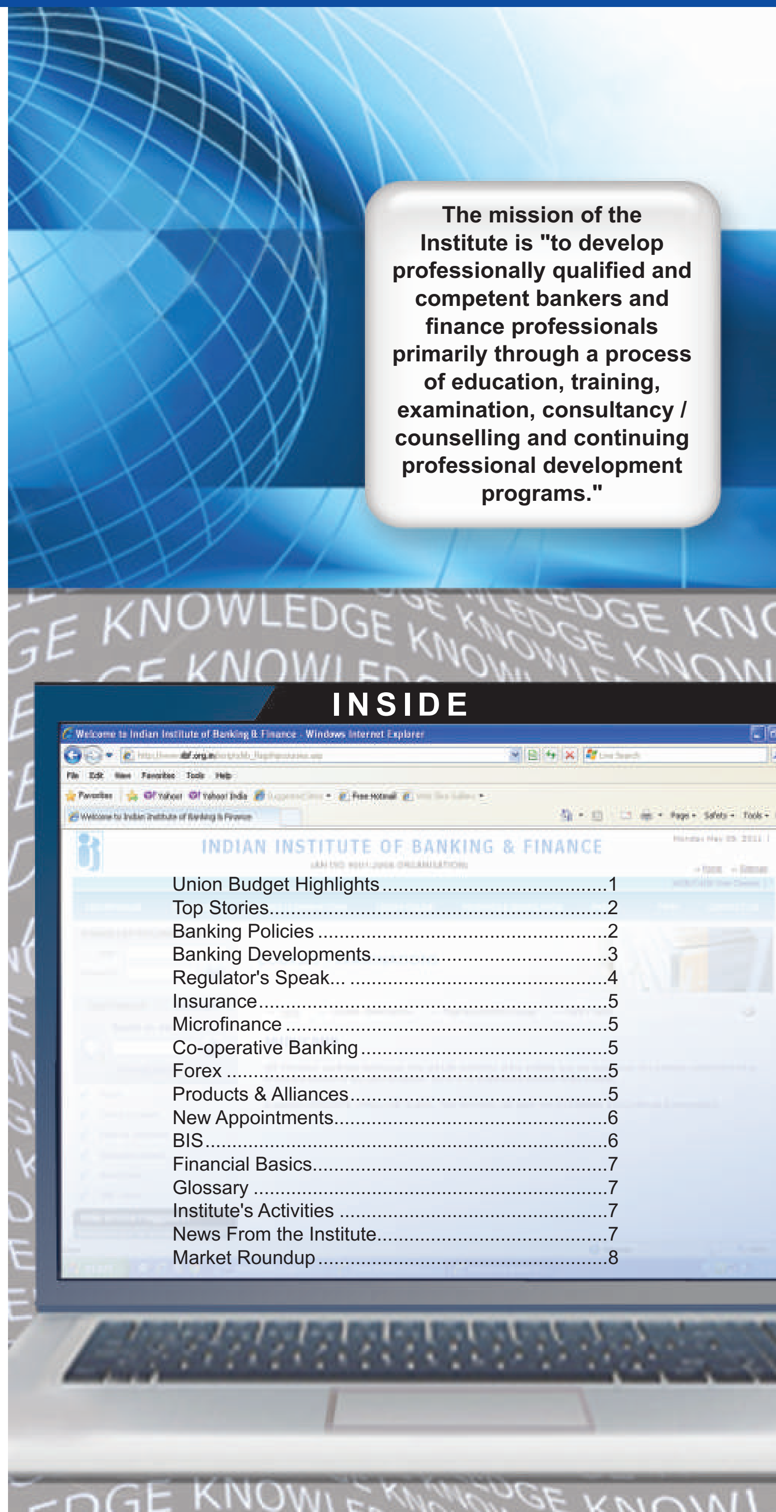
Committed to professional excellence

IIBF VISION

Volume No. : 5 Issue No. : 8 March 2013

Union Budget Highlights : 2013-14

- Compliance of Public Sector Banks with Basel III regulations to be ensured, ₹14,000 crore provided in BE 2013-14 for infusing capital.
- All branches of Public Sector Banks to have ATM by 31.3.2014.
- Proposal to set up India's first Women's Bank as a Public Sector Bank. Provision of ₹1,000 crore as initial capital.
- Foreign investment is imperative in view of the high Current Account Deficit (CAD). FII, FDI and ECB are three main sources of CAD Financing. Foreign investment that is consistent with our economic objectives to be encouraged.
- Interest subvention scheme for short-term crop loans to be continued, scheme extended for crop loans borrowed from private sector scheduled commercial banks.
- Benefits or preferences enjoyed by MSME to continue upto three years after they grow out of this category.
- ₹6,000 crore to Rural Housing Fund in 2013-14.
- National Housing Bank to set up Urban Housing Fund.
- A multi-pronged approach to increase the penetration of insurance, both life and general, in the country. Number of proposals finalised, in consultation with IRDA such as empowering insurance companies to open branches in Tier-II cities and below without prior approval of IRDA, KYC of banks to be sufficient to acquire insurance policies, banks to be permitted to act as insurance brokers, banking correspondent allowed to sell micro-insurance products.
- Rashtriya Swasthya Bima Yojana to be extended to other categories such as rickshaw, auto-rickshaw and taxi drivers, sanitation workers, rag pickers and mine workers.
- A comprehensive social security package to be evolved for unorganised sector by facilitating convergence among different schemes. ₹2,000 crore to be provided to the fund in 2013-14.



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."

INSIDE

- FIIs will be permitted to participate in the exchange traded currency derivative segment to the extent of their Indian rupee exposure in India.
- FIIs will also be permitted to use their investment in corporate bonds and Government securities as collateral to meet their margin requirements.
- Small and medium enterprises to be permitted to list on the SME exchange without being required to make an initial public offer (IPO).
- An ambitious IT driven project to modernise the postal network at a cost of ₹4,909 crore. Post offices to become part of the core banking solution and offer real time banking services.

Top Stories

Reserve Bank of India issues final guidelines for new bank licences. A brief look at the new norms :

Eligible promoters

- Companies, NBFCs and public sector entities.
- Broking and real estate firms.
- Promoters need to be financially sound with a track record of 10 years.
- Positive feedback from other regulators and investigative agencies crucial.

Ring fenced structure

- Promoters must set up banks through wholly owned non-operative financial holding companies.
- Holding company and bank not permitted to lend or invest in any entity belonging to the promoter group.
- Shares of holding companies cannot be transferred to entities outside the promoter group.

Shareholding in the bank

- Holding company to hold 40% stake in bank for 5 years.
- Holding company to reduce stake in the bank to 20% in 10 years, 15% in 12 years.
- Foreign shareholding capped at 49% for 5 years.

Other conditions

- At least 25% of new branches must be in unbanked rural centres.
- At least 50% of the directors of holding company must be independent directors.
- The bank's board must have a majority of independent directors.

Application process

- Applications for banking licences need to be sent by July 1.
- RBI to issue in-principle approval after considering recommendations from a high-level advisory committee.
- The in-principle approval will be valid for a year.

RBI's financial literacy guide

Reserve Bank of India (RBI) has prepared a comprehensive financial literacy guide to help in creating financial awareness and educate common people on the management of money, the importance of saving with banks, benefits of borrowing from banks and the facilities provided by them. The guide also contains notes for trainers and operational guidelines & material for conducting financial literacy camps.

Banking Policies

RBI proposes stricter restructuring norms

RBI has proposed tough restructuring norms for banks, recommending an increase in the provision for restructured standard accounts and in the personal guarantee of promoters. Corporate guarantees will be accepted in cases where the promoters of a company are not individuals but other corporate bodies; or where the individual promoters cannot be clearly identified.

RBI wants to discourage the use of cheques

In a bid to discourage the use of cheques, RBI has made some suggestions as follows :

- Free cheque books be kept to a minimum number on a per annum basis.
- Banks may consider applying amount / value limit for cheques issued by individuals.
- Post-dated cheques be stopped and only electronic repayments be allowed on fresh loans.
- Credit card dues be paid electronically.
- Banks may levy processing charge when cheque is deposited for collection for individuals who have invested in shares / debentures / bonds, etc.
- High (both in amount and frequency) cash withdrawals and deposits of cash by individuals may also be charged.
- Access to cheque books be made costlier for corporate / institutional customers.
- Corporate/s and institutional customers should make payments only through electronic means.
- Banks may levy charges when they deposit cheques in their current accounts for collection.

- Steep charges be levied on cash deposits / withdrawals by current account holders.

RBI's open market purchase of ₹10, 000 - crore gilts

To ease the liquidity pressure, RBI recently announced open market purchase of gilts up to ₹10,000 crore. Daily average LAF borrowing was ₹94,477 crore. To ease liquidity, RBI in its Q3 policy review had slashed the CRR by 25 bps to 4% of banks' Net Demand and Time Liabilities (NDTL). Despite that, LAF borrowing continues to be high. But, the OMO may not give much comfort to the liquidity condition. “The deficit is ₹1 lakh crore, so one OMO of ₹10,000 crore may not be sufficient. I am expecting more OMOs till the government starts spending” said Mr. Ashutosh Khajuria, President (Treasury), Federal Bank.

RBI tweaks gold deposit scheme of banks

Seeking to unfreeze idle gold, RBI has made the gold deposit scheme of banks more attractive by lowering the investment time period and allowing Mutual Funds (MFs) to participate in the scheme. The maturity period has been changed to six months to seven years, from the earlier three to seven years. RBI committee has estimated that around 20,000 tonnes of idle gold is lying with the people. RBI wants to channel this idle gold for productive purposes and also check the demand for imports. Further, SEBI registered MFs and Exchange Traded Funds (ETFs) may deposit under the scheme. RBI has stated that banks would not be required to obtain its prior approval for introducing the scheme. However, they would need to inform RBI about the details of the scheme, including name of branches operating the scheme.

Banking Developments

Scores to check credit card frauds

In view of the recent spate of credit card frauds, the National Payments Corporation (NPC) backed by RBI, is prodding banks to sign up for a software that would map customer spending and would throw up alerts. The software generates scores based on the historical spending habits of a customer, *viz.* the amount, the variety of outlets and the frequency etc.

Deposit growth lags while credit grows in line with RBI projection

Bank loans grew 16.04% in line with RBI's projection for credit growth this year while deposits continued to lag behind at 13.08%. According to RBI data, banks disbursed fresh loans worth ₹8,500 crore in the fortnight ended January 15, while deposits came down by about ₹11,500 crore. Deposit growth has consistently been falling this financial year and is yet to touch RBI's 15% projection for this financial year.

New provisioning norms to impact bank profits

The banking system could take a collective hit of around ₹13,000 crore on bottom-line in the next two years if RBI puts in place fresh provisioning norms for restructured loans. To begin with, banks will need to step up provisioning on the existing portfolio of restructured loans - expected to touch ₹3.25 lakh crore at the end of March this year - from 2.75% to 5% by March 2015. This could cost them an estimated ₹7,300 crore. Moreover, assuming the recasts continue at a pace of ₹5,000 crore a month, it would take the portfolio to roughly ₹4.5 lakh crore by 2015. That could result in additional provisioning requirement of around ₹6,000 crore.

CP rates increase on tight liquidity

The rates of Commercial Papers (CPs) have been on a rise - due to the liquidity deficit in the system remaining above ₹1 lakh crore daily. In recent times, CP rates have gone up by 50-80 bps, as the daily average liquidity deficit in the system has been close to ₹95,000 crore. The rates are expected to tighten further.

Currency management operations

Following concerns over high volume of banknotes being printed, the Finance Ministry has asked banks to improve their currency management operations. A committee set up by the ministry has recommended that cash should not exceed 25% of any bank's Vault Holding Limit (VHL). Bin occupancy in many cases was found to be as high as 90% of the VHL. This results in currency lying idle; thus spawning the need for printing more currency. The committee noted that keeping such high volume of currency in chests adversely impacts the efficiency of the banks' currency management operations. It has asked banks to review the bin occupancy in their currency chests and establish an effective management information system for cash management. The committee has suggested that bin occupancy in rural areas should be limited to 40% of the VHL.

Banks eye high arbitrage profits

With ₹1 lakh crore of Certificates of Deposit (CDs) due for renewal in March, banks are gearing up for arbitrage by borrowing from RBI's repo window and lending in the short-term deposit market. Banks can borrow from RBI's LAF window at 7.75%. Rates on three-month CDs are around 9%. If RBI cuts the repo rate by 25 bps (as expected by market participants), and short-term rates rise, banks would record higher arbitrage profits. Typically, at the end of a financial year, short-term rates tend to rise as banks scramble for funds to meet annual targets.

Mobile banking will grow exponentially in emerging markets

Mobile banking will be the front-runner among various trends and technologies in the emerging markets' banking landscape. India has around 675 million active mobile telephone connections; and mobile banking is set to witness explosive growth that will change the entire banking scenario. Mobile devices have recorded a penetration of more than 50% in countries with per capita GDP as low as $550 - due to their reach, ease and capabilities. A majority of mobile subscribers around the globe are located in emerging markets.

Value of currency note has not kept pace with inflation

According to RBI's empirical study on modelling currency demand, the average value of a currency note has not kept pace with inflation in the past four decades. The study referred to the significant change in the composition of currency circulation across denominations during this time. The average value of a currency note (for denominations of ₹10 and above) has increased nearly eight-fold while there was an 18-fold rise in the price level. The evolving denominational distribution of currency notes, even with the introduction of higher denomination notes (₹500 and ₹1000) was not commensurate with the underlying demand for the various denominations necessitated by the inflation path. The implication is that a consumer would need to carry a much larger number of currency notes (than earlier) to purchase the same volume of goods and services. Since inflation rate exceeded the growth in the average value of a note, there has been a decline in the average real value of a currency note of ₹10 and above (Base : 1971-72) from ₹21.6 in 1971-72 to ₹5.8 in 1997-98 before a modest rise to ₹8.9 in 2008-09.

CASA deposit growth sluggish in FY13

The growth of Current Account and Savings Accounts (CASA) deposits in the banking system, which are a source of cheap funds for banks, has remained sluggish this year. Between April 2012 and January end, the demand deposits in the banking system have shrunk 7%. RBI data suggests that overall deposit growth has been weak at 6.78% in the same period, compared with 10.8% in the corresponding period last year. Time deposits have fared better than CASA deposits having grown by 9%, as compared with 10% in the corresponding period last year. Time deposits are those that are locked in with the bank for a certain fixed tenure and banks pay a higher interest on them than on demand deposits, which can be withdrawn anytime.

Regulator's Speak...

Customer service must be primary focus for banks

Making banking services accessible and transactions affordable has reduced to being a regulatory agenda. The touchstone of any successful business lies in the edict that "customer is king". Dr. K. C. Chakrabarty, Deputy Governor, RBI says "Serving the customer is essentially the prime reason for the existence of banks. But over the years, the customer has become rather peripheral in the banks' scheme of things. Banks need to place premium on customer service."

Room for monetary easing limited

Dr. D. Subbarao, Governor, RBI has revealed a limited scope for easing of monetary policy over the next few months, as there is a risk of inflation escalation, along with concerns over fiscal and current account deficits. RBI will also consider the fiscal consolidation measures and deficit projections revealed in the Budget, to decide on the monetary policy action. Dr. Subbarao says "Fiscal adjustment done by the government is an important variable for monetary policy calibration. We will look at the headline fiscal deficit number, and also look at the quality of the fiscal adjustment."

New banks must meet PSL norms from the beginning

Dr. K. C. Chakrabarty, Deputy Governor, RBI has stated that real estate and broking firms can get banking licences if they meet the eligibility criteria outlined by RBI. "These are legitimate business and if they satisfy all the requirements and concerns, we will give them the licenses." He further says "New banks will have to put in efforts to meet the Priority Sector Lending (PSL) requirements from day 1 itself. PSL includes giving loans to segments such as agriculture, small-scale industry, small businesses, education and housing. Lending to agriculture must get the prime priority over other businesses."

Avoid arbitrary pricing of banking products & services

Dr. K. C. Chakrabarty, Deputy Governor, RBI has stated that the apex bank is prodding banks to pursue the twin objectives of enhancing financial literacy and achieving financial inclusion. This will help bring the marginalized sections of society into the mainstream. "Banking services have to be made available in a transparent manner, close to where the individual needs them and at prices he can afford, and in a transparent manner. Arbitrary pricing of banking products and services must be avoided, so that these become accessible to the common man. Employee associations have a pivotal role in instilling a sense of commitment and help make banking services available at customers' doorsteps."

Insurance

IRDA to lower solvency margin obligation

Insurance Regulation and Development Authority (IRDA) has proposed scaling down the solvency margin requirement to 145% against the existing 150% from next fiscal, subject to adequate provision for risky investments. Solvency margin is an indicator of claim settlement capability of insurers. An expert committee constituted to draw up the road map for Solvency-II norms, is in the process of deliberations.

More micro-insurance sellers possible

IRDA plans to allow District Central Co-operative Banks, Regional Rural Banks (RRBs), Primary Agricultural Co-operative Societies and individuals i.e. shopkeepers, medical store owners and petrol pump owners and public telephone operators to peddle micro-insurance in rural and semi-urban areas. This aims to increase the penetration of life, non-life and medical insurance in the hinterland. The micro-insurance regulations are tailored to encourage insurers to offer affordable insurance products to the rural and semi-urban population with low distribution costs.

Microfinance

Microfinance takes root outside Andhra Pradesh

Even as Andhra Pradesh - the one-time hub of micro finance in the country - continues to see a slump in business; emerging centres have begun to breathe fresh life into the sector. Compared to a 15% fall in the industry's Gross Loan Portfolio (GLP) to ₹15,433 crore in 2011-12, the first nine months of this fiscal saw the GLP outstanding shoring up to ₹18,639 crore. This growth was led by states like Tamil Nadu, West Bengal, Karnataka and Bihar, as lenders have almost stopped lending in AP.

MFI loan disbursals rise 22% in October-December

MFIs reported a healthy loan demand in the October-December period. They disbursed loans aggregating ₹6,194 crore - up 22 %, against ₹5,089 crore in the preceding quarter (July-September). According to a report by Microfinance Institutions Network (MFIN), MFIs outside Andhra Pradesh accounted for 70% of the total loan disbursements in the reporting quarter.

Co-operative Banking

Co-op banks not to lend money to buy gold

RBI has directed state and central co-operative banks not to grant loans for purchase of gold in any form including primary gold, gold bullion, gold jewellery, gold coins, units of gold Exchange Traded Funds (ETF) and units of gold Mutual Funds. This is in order to check the significant rise in import of the precious metal in recent years.

Forex

Benchmark Rates for FCNR(B) Deposits applicable for the month of March 2013

LIBOR/SWAP For FCNR(B) Deposits					
	LIBOR	SWAPS			
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.75150	0.395	0.508	0.692	0.924
GBP	0.93250	0.6283	0.7230	0.8824	1.0761
EUR	0.44571	0.484	0.620	0.780	0.964
JPY	0.45643	0.224	0.229	0.250	0.300
CAD	1.82400	1.295	1.401	1.536	1.676
AUD	3.54600	2.883	3.053	3.268	3.414
CHF	0.26840	0.141	0.215	0.330	0.476
DKK	0.70250	0.6950	0.8210	0.9830	1.1590
NZD	3.33400	3.010	3.200	3.373	3.533
SEK	1.73500	1.384	1.541	1.683	1.831
SGD	0.50000	0.535	0.630	0.790	0.975
HKD	0.44000	0.470	0.570	0.690	0.880
MYR	3.23000	3.250	3.290	3.350	3.430

Source : FEDAI

Foreign Exchange Reserves

Item	As on February 22, 2013	
	₹Bn.	US$ Mn.
	1	2
Total Reserves	15,857.4	2,91,916.0
(a) Foreign Currency Assets	14,054.6	2,58,228.9
(b) Gold	1,437.5	26,974.9
(c) SDRs	238.2	4,376.4
(d) Reserve Position in the IMF	127.1	2,335.8

Source : Reserve Bank of India (RBI)

Products & Alliances

Organisation	Organisation tied up with	Purpose
Syndicate Bank	Maruti Suzuki	For financing cars under SyndVahan Scheme.

Organisation	Organisation tied up with	Purpose
IDBI Bank Ltd.	Exim Bank	To co-finance, co-arrange syndicate rupee and foreign currency loans; jointly finance export oriented projects in India; and provide & avail refinance facility in Indian rupees and foreign currency for extending short-term export credit and long-term Capex loans to eligible export-oriented companies, particularly in the SME sector.
HDFC Bank	Times Internet	Launched a co-branded credit card that will enable customers to enjoy discounts as high as 25% in restaurants and movie halls.
ICICI Bank	Aircel &VISA	To offer mobile banking service for its customers across the country.

New Appointments

Mr. T. S. Vijayan becomes IRDA Chairman

Mr. T. S. Vijayan took over as the Chairman of the Insurance Regulatory and Development Authority (IRDA).

Bank for International Settlements (Continued...)

Continuing our discussion on 'Stress Testing', in this issue we try to understand the second principle.

2. A bank should operate a stress testing programme that promotes risk identification and control; provides a complementary risk perspective to other risk management tools; improves capital and liquidity management; and enhances internal and external communication.

A stress testing programme is an integrated strategy for meeting a range of purposes (described below) by means of the origination, development, execution and application of a suitable range of stress tests. The range of purposes requires the use of a range of techniques since stress testing is not a one-size-fits-all approach.

To promote risk identification and control, stress testing should be included in risk management activities at various levels. This includes the use of stress testing for the risk management of individual or groups of borrowers and transactions, for portfolio risk management, as well as for adjusting a bank's business strategy. In particular, it should be used to address existing or potential firm-wide risk concentrations.

Stress testing should provide a complementary and independent risk perspective to other risk management tools such as value-at-risk (VaR) and economic capital. Stress tests should complement risk management approaches that are based on complex, quantitative models using backward looking data and estimated statistical relationships. In particular, stress testing outcomes for a particular portfolio can provide insights about the validity of statistical models at high confidence intervals, for example those used to determine VaR.

Importantly, as stress testing allows for the simulation of shocks which have not previously occurred, it should be used to assess the robustness of models to possible changes in the economic and financial environment. In particular, appropriate stress tests should challenge the projected risk characteristics of new products where limited historical data are available and which have not been subject to periods of stress. Users should also simulate stress scenarios in which the model-embedded statistical relationships break down as has been observed during the recent market crisis. Use of these various stress tests should help to detect vulnerabilities such as unidentified risk concentrations or potential interactions between types of risk that could threaten the viability of the bank, but may be concealed when relying purely on statistical risk management tools based on historical data.

Stress testing should form an integral part of the internal capital adequacy assessment process (ICAAP), which requires banks to undertake rigorous, forward-looking stress testing that identifies severe events or changes in market conditions that could adversely impact the bank. Stress testing should also be a central tool in identifying, measuring and controlling funding liquidity risks, in particular for assessing the bank's liquidity profile and the adequacy of liquidity buffers in case of both bank-specific and market-wide stress events.

Stress tests should play an important role in the communication of risk within the bank. In contrast to purely statistical models, plausible forward-looking scenarios are more easily grasped and thereby assist in the assessment of vulnerabilities and evaluation of the feasibility and effectiveness of potential counter actions. Stress tests should also play an important role in external communication with supervisors to provide support for internal and regulatory capital adequacy assessments. A bank may also want to voluntarily disclose its stress test results more broadly to enable the market to better understand its risk profile and management. If a bank does voluntarily disclose its stress test results, it may also wish to provide relevant supporting information in order to ensure that informed judgments of the results can be made by third-parties. This supporting information could include any major stress test limitations, underlying assumptions, the methodologies used and an evaluation of the impact of the stress test.

Financial Basics

Federal Discount Rate

The interest rate set by the Federal Reserve that is offered to eligible commercial banks or other depository institutions in an attempt to reduce liquidity problems and the pressures of reserve requirements. The discount rate allows the federal reserve to control the supply of money and is used to assure stability in the financial markets. A decrease in the discount rate makes it cheaper for commercial banks to borrow money, which results in an increase in the supply of money in the economy. Conversely, a raised discount rate will make it more expensive for the banks to borrow, and would thereby decrease the money supply. Funds borrowed from the fed are processed through the discount window and the rate is reviewed every 14 days.

Glossary

Priority Sector Lending

Some areas or fields in a country depending on its economic condition or government interest are prioritized and are called priority sectors i.e industry, agriculture. these may further be sub divided. Banks are directed by the Central bank of the country that loans must be given on reduced interest rates with discounts to promote these fields. It means Lending to Priority sector in such a way to ensure maximum credit flow to remotest and farthest person of the country by setting up a strong network and series of financial channels. The main objective of Priority lending is providing finance to all those sectors which are deprived of easy access to finance and credit. It also includes facilitation of growth via development of healthy financial system as well as high living standards of poor living below poverty line.

Institute's Activities

Training activities completed during the month of February & March 2013

Sr. No.	Programme	Date
1.	Programme on risk based supervision and audit for Abhyudaya Co-op. Bank Ltd.	11th to 13th February 2013
2.	Credit Appraisal (Industrial and Commercial Advances)	25th Feb. to 1st March 2013
3.	Programme on Housing Finance	4th to 6th March 2013

Training Program Schedule for the month of April 2013

Sr. No.	Program	Date
1.	2nd Programme on KYC / AML / CFT	15th to 17th April 2013
2.	1st Executive Development programme jointly by IDRBT, IIBF and NIBM	22nd to 27th April 2013
3.	2nd One day workshop on IT security and Cyber crimes	22nd April 2013

News From the Institute

Banking Unmukh Hindi (Banking Oriented Hindi) Book

Revised edition of the book 'Banking Unmukh Hindi' (Banking Oriented Hindi) Book is now available with Taxmann Outlets.

Inclusive Growth through BC / BF in Oriya language

The book on 'Inclusive Growth through BC / BF' in Oriya language has been released at SLBC meeting held in Bhubaneswar on 27/02/2013. The book is available with the Taxmann outlets.

Additional Reading Material for IIBF examinations

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.

Web-classes & E-learning for JAIIB / DB&F & CAIIB

The Institute continues its web-classes and E-learning for all the candidates of JAIIB / DB&F & CAIIB. For more details, visit www.iibf.org.in.

IIBF Vision via mail

The Institute has started sending IIBF Vision via e-mail to all the e-mail addresses registered with the Institute. Candidates who have not registered their e-mail ids are requested to register the same with the Institute at the earliest. IIBF Vision is also available for download in the portal of the Institute.

Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship

The last date for receiving applications for the Diamond

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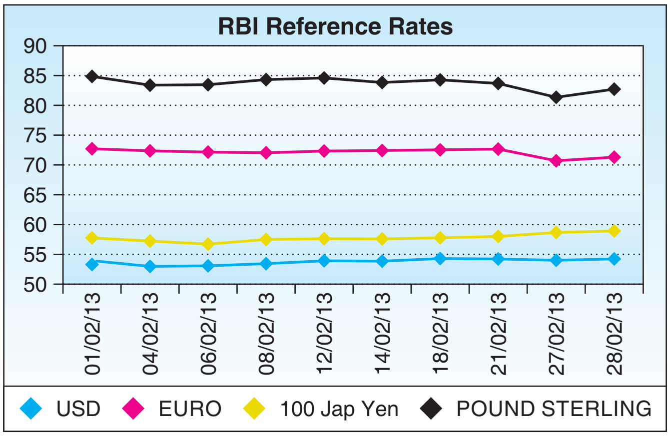
Jubilee and CH Bhabha Banking Overseas Research Fellowship for the year 2012- 13 has been extended to 31st March 2013.

Final Certificates

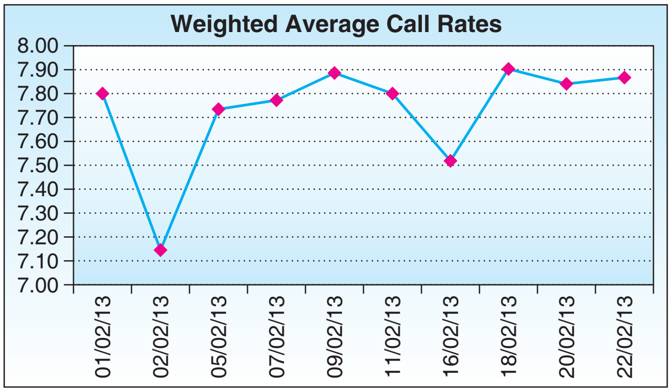
List of candidates whose Final Certificates were returned to the Institute by the Postal Authorities will be available on the Institute's web site shortly, Candidates whose names are there in the list may contact the Corporate Office at Mumbai / send the mail with their latest address to banc@iibf.org.in.

Market Roundup



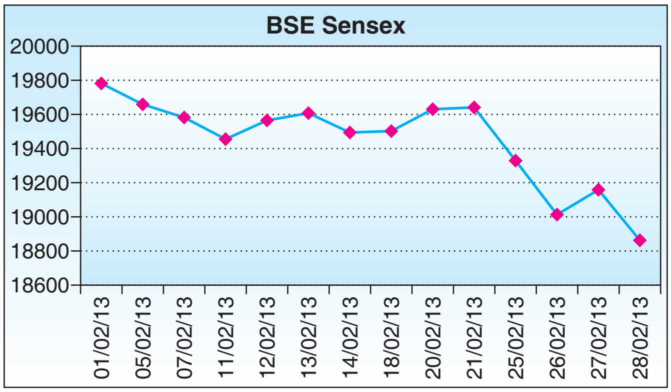
Source : Reserve Bank of India (RBI)

- On the last day of the previous month, Rupee was up by 8 paise to close at 53.23 to a dollar.
- The Rupee strengthened to its highest closing level in three-and-half months on 4th helped by foreign inflows ahead of the government stake sale in NTPC. The Rupee closed at 53.14 / 15 to a dollar, its strongest closing since October 7th.
- On 11th, Rupee weakened for a fourth day after US reported the small trade deficit in three years, helping improve demand for the dollar. It declined 0.7% to 53.8550 per dollar, the biggest drop since January 4th.
- The Rupee gained its most in two weeks on 20th, largely aided by inflows related to a debt auction. The Rupee closed at 54.075 / 085 per dollar versus its previous close of 54.185 / 195.
- During the rest of the month, Rupee exhibited mixed swings.
- During the month, Rupee appreciated slightly against $ and EUR and depreciated against £ and JPY.



Source : CCIL Newsletter for February 2013

- Call rates ended lower due to lack of demand at 7.80% from 7.85% on 4th.
- Call rates remained largely range bound between 7% and 8%.
- During the first week and third week, easy liquidity conditions prevailed.



Source : Reserve Bank of India (RBI)

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