



India's New Stock Exchange

MCX Stock Exchange Limited

## Market Update - April 2012

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### *Exchange Statistics*

Number of Members:	751
Turnover (₹ in crs)	
Average daily	10,984
Total	197,708
Volume (in lots)	
Average daily	2,080,091
Total	37,441,647
Market share (%)	50.2%

#### *Mail box*

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## *RBI's Annual monetary policy review*

According to the 17<sup>th</sup> April 2012 monetary policy review, the current state of economy, the Indian growth is slowing down amid global macroeconomic conditions that are showing signs of only a modest improvement. The central bank cut the policy rate by 50 bps and thus giving the required impetus for the Indian growth story.

Stance of the current monetary policy announcement has been to:

1. Adjust policy rates to levels consistent with the current growth moderation.
2. Guard against risks of demand-led inflationary pressures re-emerging.
3. Provide a greater liquidity cushion to the financial system.

In line with these objectives, the following measures are taken:

1. Repo rate is cut by 50 bps to 8% from 8.5%
2. Cash reserve ratio (CRR) is maintained at 4.75%
3. Bank rate is cut by 50 bps to 9%
4. Borrowing limit of banks under MSF is raised to 2% from 1%
5. Banks are asked to reduce their regulatory exposure ceiling (from 10% to 7.5% of bank's capital fund) in an NBFC having gold loans which account for more than 50% of its total financial assets
6. Prepayment penalty on home loans taken on floating interest rate basis is abolished

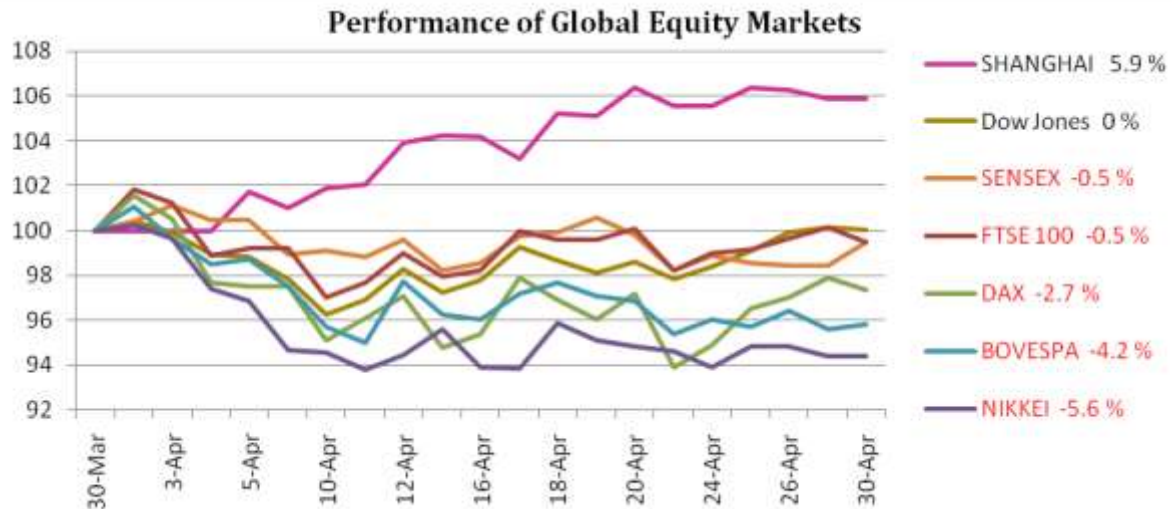
In addition, RBI has proposed to issue the final guidelines on liquidity risk management and Basel III framework on liquidity standards by end-May 2012. RBI has achieved reasonable success in its Financial Inclusion Plans (FIP). A brief analysis shows that the penetration in rural areas has increased in terms of number of branches from 21,475 brick and mortar branches to 1,38,502 outlets and addition of 50 million no frill accounts since April 2010.

RBI's forecast for major economic parameters has been as follows:

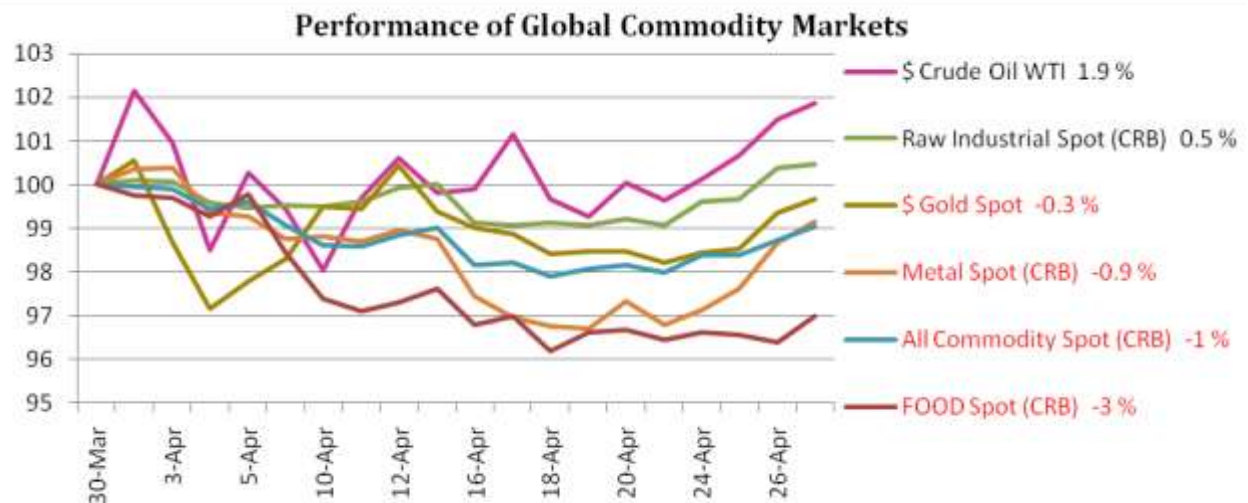
1. Baseline FY13 GDP growth is forecasted at 7.3%
2. Baseline wholesale price index inflation is projected for March 2013 at 6.5%
3. Money supply growth is projected at 15% in 2012-13
4. Credit growth is pegged at 17% and deposits at 16% in 2012-13

RBI has indicated that although the inflation has moderated, it remained above the tolerance level and could well prove to be a threat to domestic economy. Current inflationary conditions can be attributed to uncertain global macroeconomic situation such as recent surge in crude oil prices, fiscal slippages and rupee depreciation. Thus, the challenge for monetary policy is to balance inflation while being sensitive to risks to growth.

## Global Market Connect



Growth in global equity markets was led by SHANGHAI with a monthly growth of 5.9 %, whereas NIKKEI was down by 5.6% followed by BOVESPA, DAX and FTSE by 4.2%, 2.7% and 0.5% respectively.



Crude oil rose by 1.9% followed by Raw Industrial Spot (CRB) 0.5%, whereas Food and Metal prices declined by 3% and 0.9% respectively during April 2012. The overall commodity prices witnessed a moderate decline of 1% during the same period.

## Currency Movements



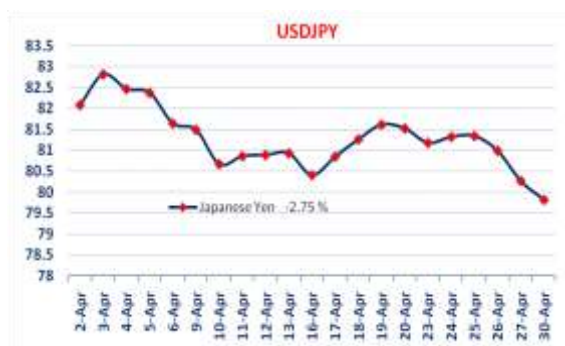
Dollar Index had fallen by 0.06% from a closing value of 79.004 on Mar 30, 12 to a closing value of 78.776 on Apr 30, 12



EUR had depreciated by 0.78% against US Dollar from a closing value of 1.3343 on Mar 30, 12 to a closing value of 1.3239 on Apr 30, 12



British Pound had appreciated by 1.31% from a closing value of 1.6008 on Mar 30, 12 to a closing value of 1.6234 on Apr 30, 12



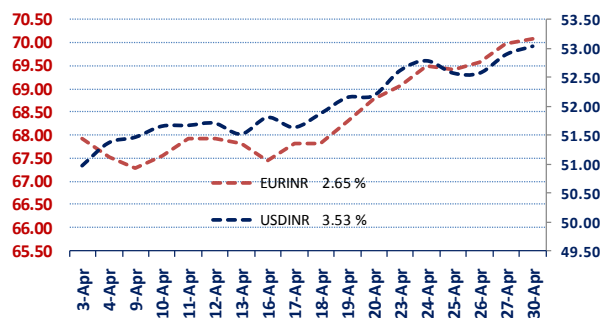
Japanese Yen had appreciated by 2.75% from a closing value of 82.87 on Mar 30, 12 to a closing value of 79.82 on Apr 30, 12

### US Dollar index has weakened during April 2012

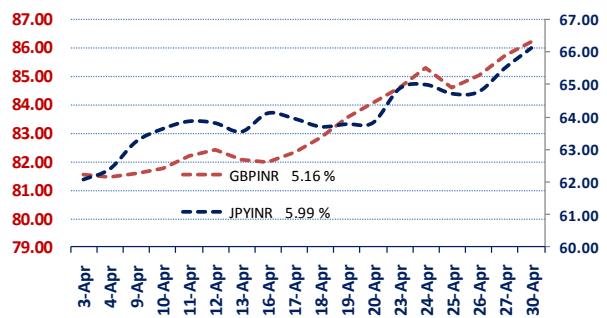
	Weightage to the Index	Month- April 2012		Percentage change	Dollar Strength/weakness
		April 02, Close	April 30, Close		
EUR	57.6%	1.3321	1.3239	-0.62%	Strong
Japanese Yen	13.6%	82.0800	79.8200	-2.75%	Weak
Pound Sterling	11.9%	1.6024	1.6234	1.31%	Weak
Canadian Dollar	9.1%	0.9906	0.9872	-0.34%	Weak
Swedish Krona	4.2%	6.6052	6.7232	1.79%	Strong
Swiss Franc	3.6%	0.9037	0.9075	0.42%	Strong

## Exchange Corner

The Rupee depreciated against the Dollar, with the close price of USDINR for April 2012 moving from Rs. 51.2225 to Rs. 53.0325 during the period, experiencing a high of Rs. 53.0325 and a low of Rs. 50.965

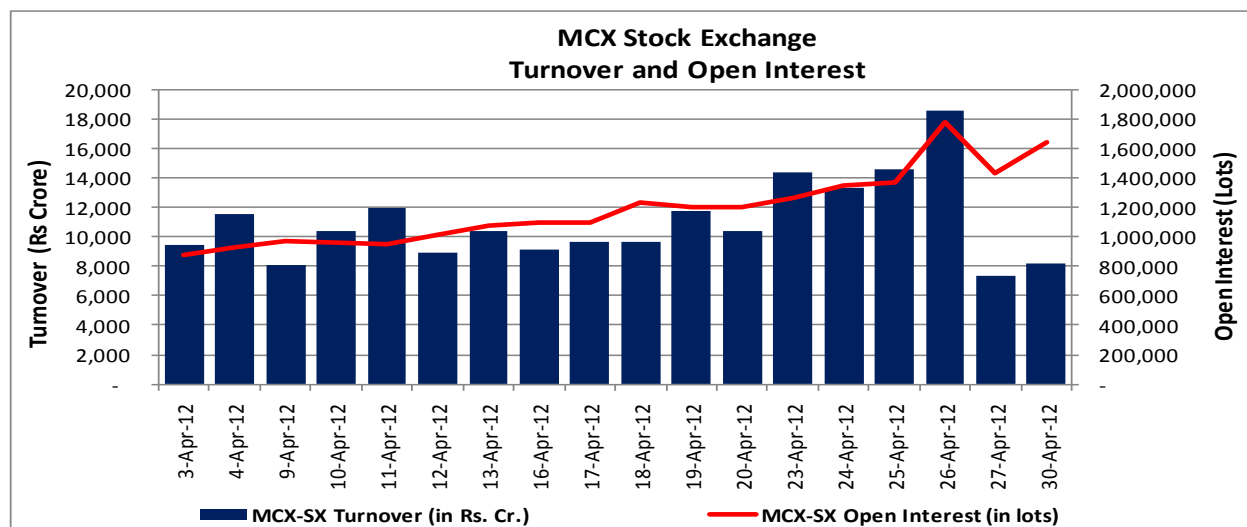


The Rupee depreciated against the British Pound, with the close price of GBPINR for April 2012 moving from Rs. 81.965 to Rs. 86.195 during the period, experiencing a high of Rs. 86.195 and a low of Rs. 81.455



The Rupee depreciated against the EURO, with the close price of EURINR for April 2012 moving from Rs. 68.275 to Rs. 70.0875 during the period, experiencing a high of Rs. 70.0875 and a low of Rs. 67.2875

The Rupee depreciated against the Japanese Yen, with the close price of JPYINR for April 2012 moving from Rs. 62.365 to Rs. 66.1025 during the period, experiencing a high of Rs. 66.1025 and a low of Rs. 62.09



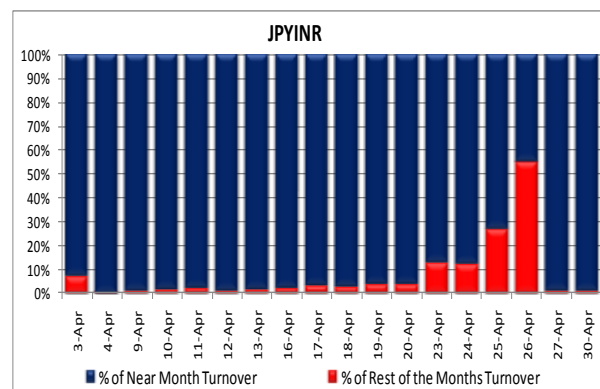
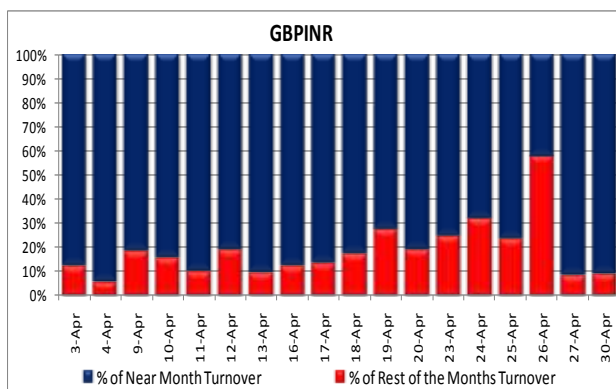
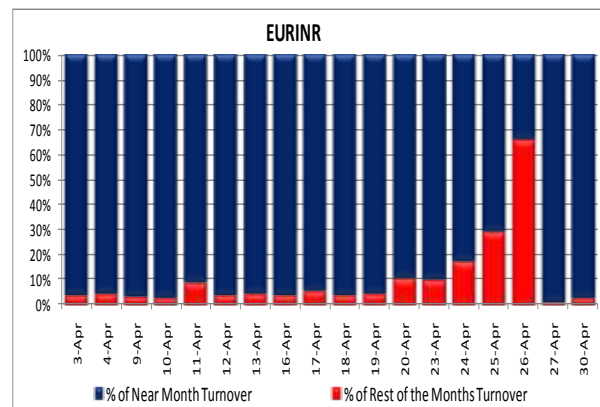
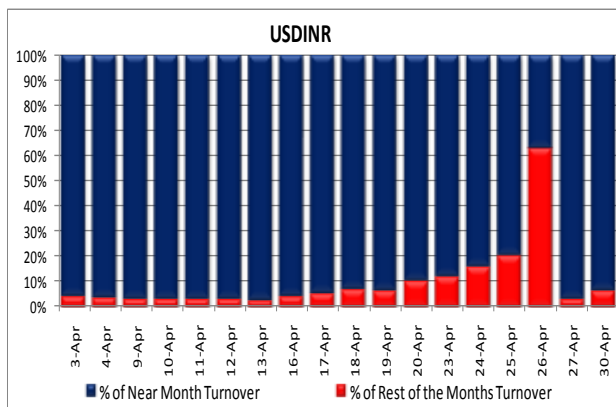
During April 2012, the market share of the Exchange stood at 50.2% in the Currency Futures market. The average traded daily turnover in MCX-SX was ₹10,984 Crores with average daily volume of 2,080,647 lots.

## Exchange Corner



Market share across all Currency Futures

### Daily Contract-wise distribution of Turnover



Across the currency pairs, the trading depth is seen across contracts in addition to the most liquid near month contract



## Regulatory Updates

### SEBI Circulars

Allocation of debt limits to FIIs

**Ref. No. CIR/IMD/FIIC/10/2012. Dated Apr 12, 2012**

Guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR)

**Ref. No. CIR/MRD/DMS/ 12 /2012 Dated Apr 13, 2012**

Uploading of the existing clients' KYC details in KRA system by the intermediaries

**Ref. No. MIRSD/ Cir-5 /2012 Dated Apr 13, 2012**

Processing of investor complaints against listed companies in SEBI Complaints Redress System (SCORES): Intimation to Stock Exchanges.

**Ref. No. CIR/CFD/DIL/3/ 2012 Dated Apr 13, 2012**

Amendments to the Equity Listing Agreement-Formats for Disclosure of Financial Results.

**Ref. No. CIR/CFD/DIL/4/2012 Dated Apr 16, 2012**

Processing of investor complaints against companies applying for listing of debt securities in SEBI SCORES system

**Ref. No. CIR/IMD-DoF-1/11/2012 Dated Apr 16, 2012**

Establishment of Connectivity with both depositories NSDL and CDSL-Companies eligible for shifting from Trade for Trade Settlement (TFTS) to normal Rolling Settlement

**Ref. No. CIR/MRD/DP/ 13 /2012 Dated Apr 23, 2012**

Auction calendar for allocation of FII debt limit.

**Ref. No. CIR/IMD/FIIC/12/2012 Dated April 27, 2012**

### RBI Circulars

Overseas Direct Investments – Liberalisation / Rationalisation.

**Ref. No. RBI/2011-2012/481 Dated Apr 02, 2012**

Data on import of Gold – Statements – Modification.

**Ref. No. RBI/2011-2012/484 Dated Apr 03, 2012.**

Authorised Dealer Category II – Permission for additional activity and opening of Nostro account.

**Ref. No. RBI/2011-2012/488 Dated Apr 04, 2012**

Exim Bank's Line of Credit of USD 150 million to the Ecowas Bank for Investment and Development (EBID).

**Ref. No. RBI/2011-2012/495 Dated Apr 12, 2012.**

Liquidity Adjustment Facility – Repo and Reverse Repo and Marginal Standing Facility Rates.

**Ref. No. RBI/2011-2012/503 Dated Apr 17, 2012.**

Monetary Policy Statement 2012-13 **Dated Apr 17, 2012**

Anti-Money Laundering (AML) / Combating the Financing of Terrorism (CFT) Standards - Money changing activities.

**Ref. No. RBI/2011-2012/507 Dated Apr 17, 2012.**

Anti-Money Laundering (AML) / Combating the Financing of Terrorism (CFT) Standards - Cross Border Inward Remittance under Money Transfer Service Scheme.

**Ref. No. RBI/2011-2012/508 Dated Apr 17, 2012.**

Exim Bank's Line of Credit of USD 15 million to the Government of the Republic of Togo.

**Ref. No. RBI/2011-2012/518 Dated Apr 20, 2012.**

External Commercial Borrowings (ECB) Policy – Liberalisation and Rationalisation.

**Ref. No. RBI/2011-2012/519 Dated Apr 20, 2012.**

## MCX-SX Circulars

List of G-Sec, T- Bills, Shares and Exchange Traded Funds accepted as Collaterals  
Ref. No. MCX-SX/C&S/742/2012 Dated Apr 02, 2012

### Regular Updates

Broad Guidelines for Algorithmic Trading  
Ref. No. MCX-SX/CTCL/743/2012 Dated Apr 03, 2012

Settlement Schedule for May 2012  
Ref. No. MCX-SX/C&S/752/2012 Dated Apr 11, 2012

FATF identified jurisdictions that have strategic AML/CFT deficiencies.  
Ref. No. MCX-SX/ID/754/2012 Dated Apr 12, 2012

Uploading of the existing clients' KYC details in the KRA system by the intermediaries  
Ref. No. MCX-SX/INSP/756/2012 Dated Apr 16, 2012

Algorithmic Trading (Algo) guidelines  
Ref. No. MCX-SX/CTCL/762/2012 Dated Apr 30, 2012

## Data Corner - India

Economic Data		
Particulars	Data	Percentage Change
Exports -		
February 2012	US \$24.62 bn	16.5%
March 2012	US \$28.68 bn	
Imports -		
February 2012	US \$39.78 bn	7.1%
March 2012	US \$42.59 bn	
International reserves as on April 20, 2012	US\$ 294.60bn	
<b>Policy Rates</b>		
Bank Rate	9.00%	
Repo Rate	8.00%	
Reverse Repo Rate	7.00%	
<b>Lending/Deposit Rates</b>		
Base Rate	10.00% - 10.75%	
Deposit Rate	8.50-9.25%	



## Economic Calendar

Economic Calendar – May 2012				
Monday	Tuesday	Wednesday	Thursday	Friday
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
	US: Vehicle Sales EMU:PMI Mfg Index GB:CIPS/PMI Mfg Index US:ICSC-Goldman Store Sales US:ISM Mfg Index	GB:M4 Money Supply EMU: Unemployment Rate US:Challenger Job-Cut Report US:ADP Empl. Report US:Factory Orders	US:Chain Store Sales EMU:PPI EMU:ECB Announcement US:Export Sales US:Jobless Claims US:ISM Non-Mfg Index	US:Fed Balance Sheet US:Money Supply US:Monster Employment Index EMU:Retail Sales US:Employment Situation
<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>
JP:BoJ MPB Minutes US:Export Inspections	US:Consumer Credit US:Crop Progress US:NFIB Small Business Optimism Index US:Redbook	US:Wholesale Trade US:EIA Petroleum Status Report	GB:Industrial Production GB:Merchandise Trade GB:BOE Announcement US:International Trade US:Jobless Claims	US:Treasury Budget US:Fed Balance Sheet GB:Producer Price Index US:Producer Price Index
<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>
JP:CGPI (PPI) EMU:Industrial Production US:Export Inspections	EMU:GDP US:Consumer Price Index US:Retail Sales US:Business Inventories US:Housing Market Index	JP:Tertiary Index EMU:HICP EMU:Merchandise Trade GB:BoE Inflation Report US:Housing Starts US:Ind. Production	US:FOMC Minutes JP:GDP US:Export Sales US:Jobless Claims US:Leading Indicators	US:Fed Balance Sheet US:Money Supply
<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>
JP:All Industry Index US:Export Inspections	JP:BoJ Announcement GB:CPI US:ICSC-Goldman Store Sales US:Existing Home Sales	JP:Merchandise Trade GB:BoE MPC Minutes CA:Retail Sales US:New Home Sales	GB:GDP GB:Retail Sales US:Durable Goods Orders US:Export Sales US:Jobless Claims	US:Fed Balance Sheet US:Money Supply JP:CPI US:Consumer Sentiment
<b>28</b>	<b>29</b>	<b>30</b>	<b>31</b>	
JP:BoJ MPB Minutes	JP:Unemployment Rate US:S&P Case-Shiller HPI US:Consumer Confidence	EMU:M3 Money Supply GB:M4 Money Supply EMU:EC Economic Sentiment US:Pending Home Sales Index	JP:Industrial Production EMU:HICP Flash US:ADP Employment Report US:Corporate Profits US:GDP US:Jobless Claims	

## *Economic News –April 2012*



**US: ISM Mfg Index, April 2, 2012:** The composite index rose one full point to 53.4, a bit above of 50 to indicate monthly growth and slightly above February to indicate an increasing rate of growth.

**US: Employment Situation, April 6, 2012:** The US unemployment rate dipped to 8.2 percent. Payroll jobs in March advanced a modest 120,000, following increases of 240,000 in February (originally 227,000) and 275,000 in January (prior estimate up 284,000).

**US: Housing Market Index, April 16, 2012:** After seven months of straight gains, the home builders' housing market index fell back, down three points to 25.

**US: Retail Sales, April 16, 2012:** Retail sales in March advanced 0.8 percent after increasing 1.0 percent the prior month (originally up 1.1 percent). The median market forecast was for a 0.3 % rise.

**US: Housing Starts, April 17, 2012:** Housing starts dipped 5.8 percent in March after decreasing 2.8 percent in February.

**US: GDP, April 27, 2012:** GDP growth eased to 2.2 percent from 3.0 percent in the fourth quarter. The advance estimate came in lower than market expectations for a 2.5 percent gain.



**EMU: PMI Manufacturing Index, April 2, 2012:** With a final headline reading of just 47.7, unchanged from the flash estimate but down 1.3 points from February

**EMU: Industrial Production, April 12, 2012:** EMU Industrial Production statistics increased from 0.2% in the prior month to 0.5% in the current month.

**EMU: M3 Money Supply, April 30, 2012:** At a 3.2 percent annual rate, the pace of M3 expansion was up 0.4 percentage points from mid-quarter and saw the ECB's preferred 3-month moving average measure gain fully 0.5 percentage points to 2.8 percent.



**GB: CIPS/PMI Manufacturing Index, April 2, 2012:** At 52.1, the end of quarter PMI was up 0.6 points from a higher revised February level to achieve its best reading in some ten months.

**GB: GDP, April 25, 2012:** GDP fell 0.2 percent on the quarter just ended and in so doing put the economy back in technical recession. Annual growth remained unchanged.



**JP: Retail Sales, April 26, 2012:** Retail sales measure the total receipts at stores that sell durable and nondurable goods increased from 3.5% to 10.3% year over year.

**JP: Industrial Production, April 26, 2012:** Physical output of the nation's factories, mines and utilities was 10.3% as compared to -3.9% in the previous period, year over year.



**CA: Labour Force Survey, April 5, 2012:** An 82,300 jump was several times market expectations and strong enough to shave 0.2 percentage points off the jobless rate which now stands at 7.2 percent, its lowest level since last September.

**CA: GDP, April 30, 2012:** GDP growth reduced to -0.2% from 0.5 percent in the fourth quarter.

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## Sources

[www.rbi.org.in](http://www.rbi.org.in); [www.sebi.gov.in](http://www.sebi.gov.in); [www.commerce.nic.in](http://www.commerce.nic.in);  
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