



India's New Stock Exchange

MCX Stock Exchange Limited

Market Update - May 2012

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Exchange Statistics

Number of Members:	750
Turnover (₹ in crs)	
Average daily	15,348.94
Total	337,676.78
Volume (in lots)	
Average daily	2,776,267
Total	61,077,890
Market share (%)	49.9%

Mail box

*Appreciate your feedback at
yourviews@mcx-sx.com*

Emerging Market Currencies – A Comparative Analysis

Currency Performance and Economic Indicators – Select EM Currencies

Currency Pair	1 M	3M	6M	1Y	GDP growth (2011)	Inflation	Current Acct/ GDP	Govt debt / GDP
USD INR	5.58%	13.74%	10.18%	24.21%	7.10%	7.23%	-3.70%	68.05%
USD ZAR	10.08%	14.67%	6.63%	24.20%	3.20%	6.10%	-3.30%	38.80%
USD BRL	5.79%	16.86%	12.92%	27.22%	2.75%	5.10%	-2.11%	66.20%
USD RUB	12.83%	13.96%	9.36%	18.19%	4.30%	3.60%	5.50%	9.60%
USD MXN	9.49%	11.38%	4.34%	22.64%	4.00%	3.41%	-0.80%	43.80%

- Period of Reference June 1, 2011 – June 1, 2012

Currency Volatility across Markets – Select EM Currencies

Currency Pair	NDF Markets	Local Exchange Traded Market	OTC Market	CME
USD INR	9.37%	8.9%	9.14%	NT
USD ZAR	18.96%	18.37%	18.95%	18.83%
USD BRL	16.86%	15.33%	16.86%	15.63%
USD RUB	11.65%	12.12%	12.06%	12.83%
USD MXN	15.14%	11.21%	15.10%	14.48%

Average Annual Volatility – May 01, 2011 till May 01, 2012

NT – Not Traded

Correlation between Select EM Currency OTC spot rates

Currency Pair	South Africa	Brazil	Russia	Mexico	China
South Africa	1.00	0.89	0.91	0.98	-0.76
Brazil		1.00	0.76	0.86	-0.73
Russia			1.00	0.94	-0.61
Mexico				1.00	-0.72
China					1.00

Correlation between respective EM Currency Pairs - CME Near Month Rates

	South Africa	Brazil	Russia	Mexico	China
South Africa	1	0.85	0.87	0.97	0.46
Brazil		1	0.65	0.83	0.51
Russia			1	0.89	0.47
Mexico				1	0.48
China					1

Emerging Market Currencies – A Comparative Analysis (Cont.)

Intra-Market Correlation in Select Emerging Market Currency Pairs:

USD/ ZAR	NDF	Local Exchange Traded	OTC	CME
NDF	1	99.49%	99.99%	98.07%
Local Exchange traded		1	99.48%	97.62%
OTC			1	98.05%
CME				1

USD/ BRL	NDF	Local Exchange Traded	OTC	CME
NDF	1	99.74%	99.98%	96.93%
Local Exchange traded		1	99.72%	97.03%
OTC			1	96.90%
CME				1

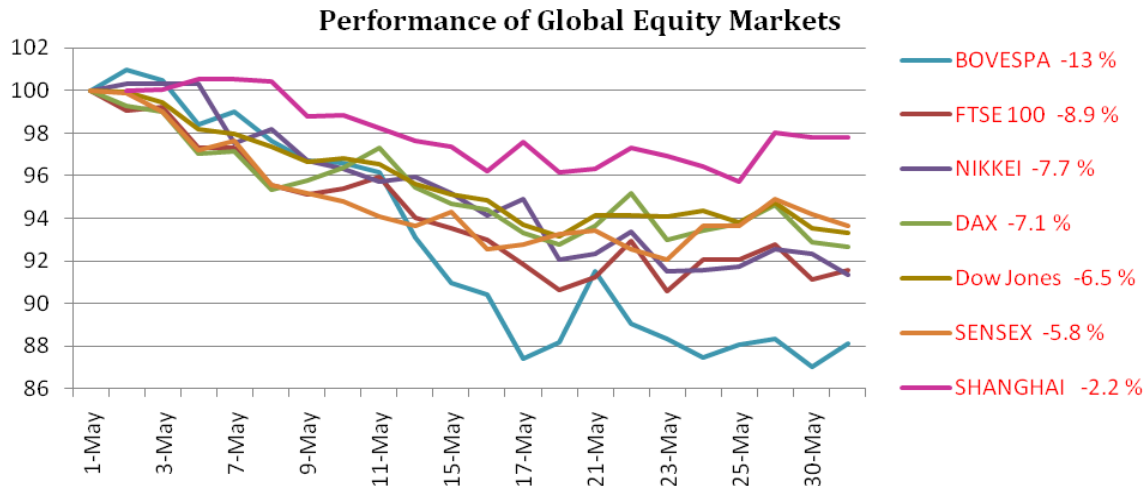
USD/ RUB	NDF	Local Exchange Traded	OTC	CME
NDF	1	99.59%	99.95%	95.84%
Local Exchange traded		1	99.58%	95.56%
OTC			1	95.92%
CME				1

USD/ MXN	NDF	Local Exchange Traded	OTC	CME
NDF	1	99.71%	99.99%	98.64%
Local Exchange traded		1	99.73%	98.18%
OTC			1	98.64%
CME				1

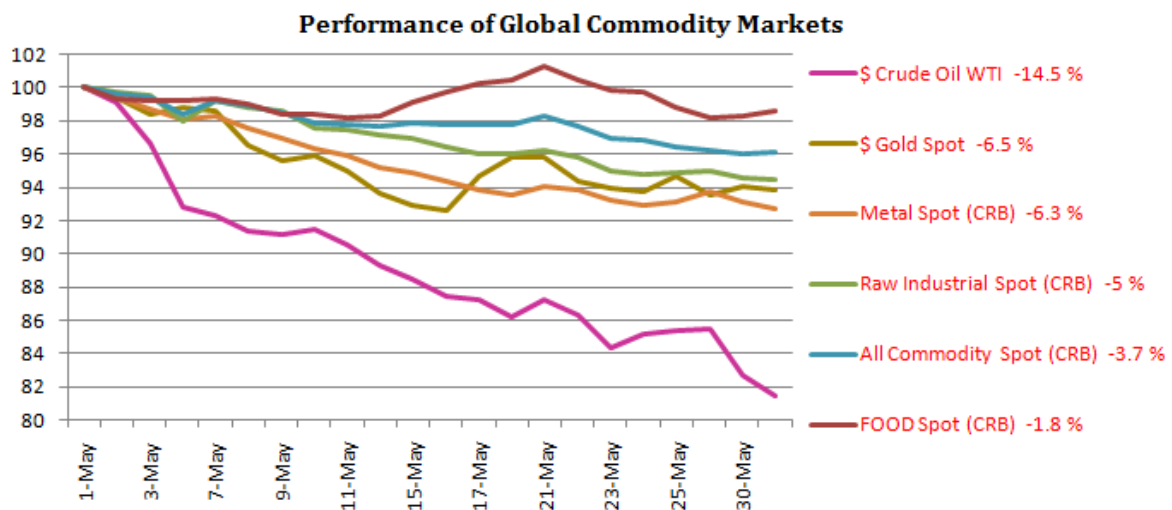
Bid –Ask Spreads in Exchange Traded Markets Vs OTC Markets

	Exchange Traded Market			OTC Market		
	1M	2M	3M	1M	2M	3M
ZAR	0.0214	0.0177	0.0169	0.019	0.0161	0.01587
BRL	0.0116	0.0079	0.0073	0.0017	0.0015	0.0014
RUB	0.0234	0.0206	NA	0.0431	0.0446	0.0467

Global Market Connect

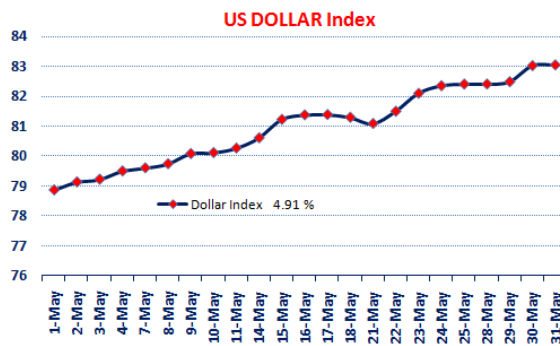


Decline in global equity markets was led by BOVESPA with a monthly decline of 13%, FTSE was down by 8.9%, NIKKEI by 7.7% followed by DAX, Dow Jones, SENSEX and SHANGHAI by 7.1%, 6.5%, 5.8% and 2.2% respectively.

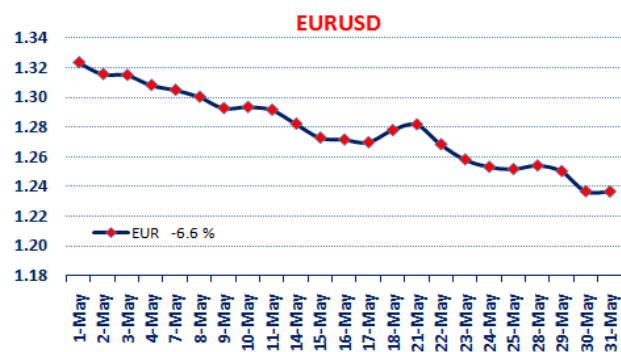


Crude oil declined by 14.5% followed by Gold Spot by 6.5%, Metal prices by 6.3% Raw Industrial Spot (CRB) 5% and Food declined by 1.8% respectively during May 2012. The overall commodity prices witnessed a moderate decline of 3.9% during the same period.

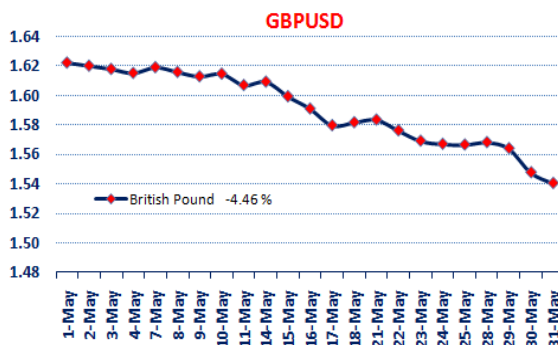
Currency Movements



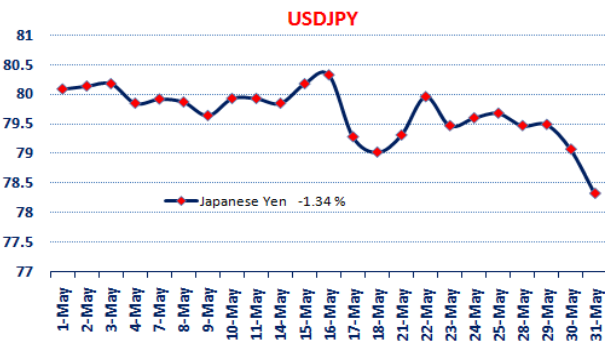
Dollar Index had risen by 4.9% from a closing value of 78.776 on Apr 30, 12 to a closing value of 83.043 on May 31, 12



EUR had depreciated by 6.6% against US Dollar from a closing value of 1.3239 on Apr 30, 12 to a closing value of 1.2365 on May 31, 12



British Pound had depreciated by 4.5% from a closing value of 1.6234 on Apr 30, 12 to a closing value of 1.5405 on May 31, 12



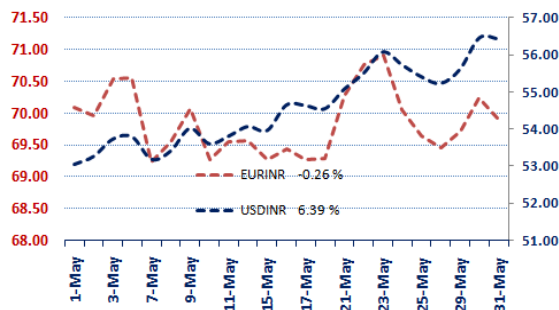
Japanese Yen had appreciated by 1.3% from a closing value of 79.82 on Apr 30, 12 to a closing value of 78.32 on May 31, 12

US Dollar index has risen during May 2012

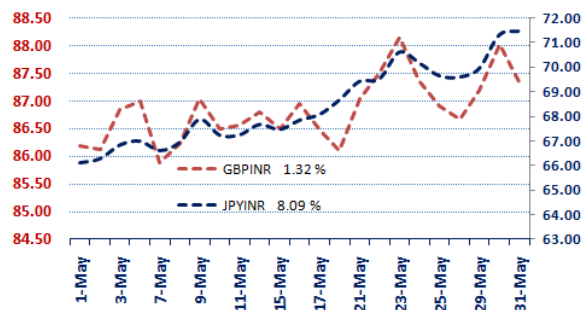
	Weightage to the Index	Month May,2012		Percentage Change	Dollar Strength / Weakness
		April 30 Close	May 31 Close		
EURO	57.60%	1.3239	1.2365	-6.60%	Strong
Japanese Yen	13.60%	79.82	78.32	-1.88%	Weak
Pound Sterling	11.90%	1.6234	1.5405	-5.11%	Strong
Canadian Dollar	9.10%	0.9872	1.0328	4.62%	Strong
Swedish Krona	4.20%	6.7232	7.2684	8.11%	Strong
Swiss Franc	3.60%	0.9075	0.9713	7.03%	Strong

Exchange Corner

The Rupee depreciated against the Dollar, with the close price of USDINR for May 2012 moving from Rs. 53.0325 to Rs. 56.42 during the period, experiencing a high of Rs. 56.4475 and a low of Rs. 53.0325

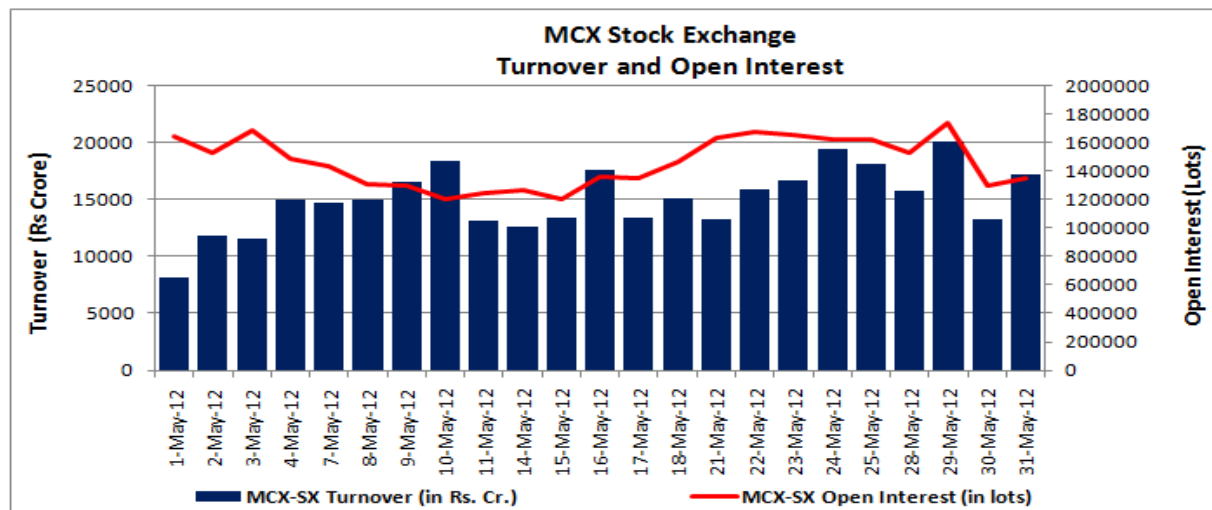


The Rupee depreciated against the British Pound, with the close price of GBPINR for May 2012 moving from Rs. 86.195 to Rs. 87.335 during the period, experiencing a high of Rs. 88.1425 and a low of Rs. 85.8925



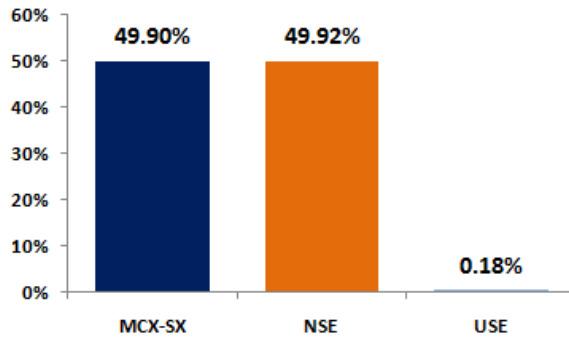
The Rupee appreciated against the EURO, with the close price of EURINR for May 2012 moving from Rs. 70.0875 to Rs. 69.9075 during the period, experiencing a high of Rs. 70.915 and a low of Rs. 69.235

The Rupee depreciated against the Japanese Yen, with the close price of JPYINR for May 2012 moving from Rs. 66.1025 to Rs. 71.4475 during the period, experiencing a high of Rs. 71.4475 and a low of Rs. 66.1025



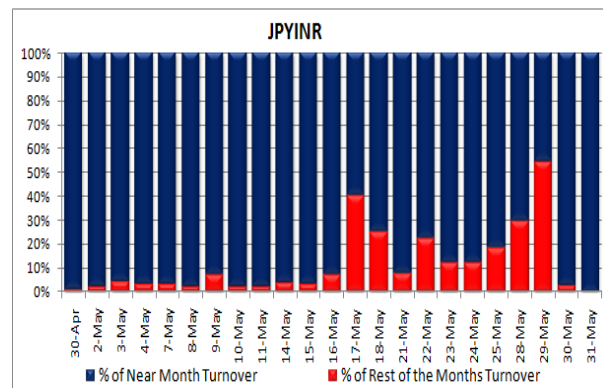
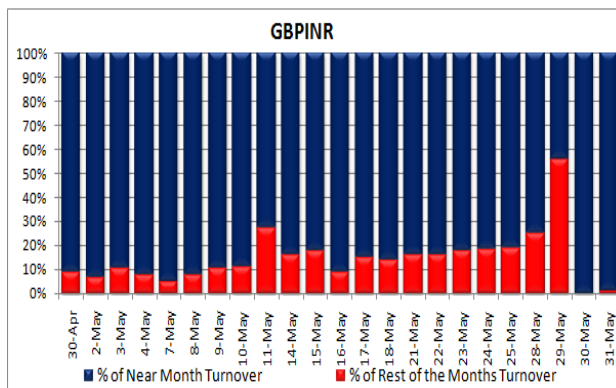
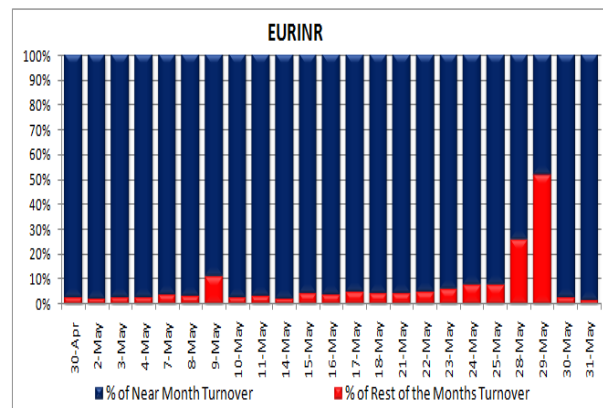
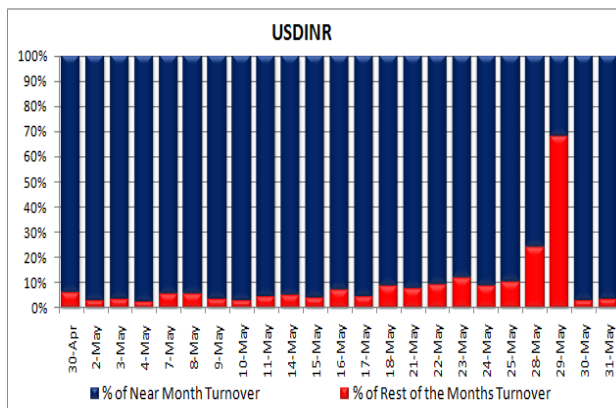
During May 2012, the market share of the Exchange stood at 49.9% in the Currency Futures market. The average traded daily turnover in MCX-SX was 15,348.94 Cr with average daily volume of 2,776,267 lots.

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

Filing Offer Documents under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

Ref. No. CIR/CFD/DIL/5/2012 Dated May 3, 2012

Review of Regulatory Compliance and Periodic Reporting

Ref. No. CIR/MIRSD/6/2012 Dated May 14, 2012

Revised Position Limits for Trading Member (Banks) in Exchange Traded USD:INR derivative contracts

Ref. No. CIR/DNPD/2/2012 Dated May 23, 2012

Amendment to the Consent Circular dated 20th April 2007.

Ref. No. CIR/EFD/1/2012 Dated May 25, 2012

Exit Policy for De-recognized/ Non-operational Stock Exchanges.

Ref. No. CIR/MRD/DSA/14/2012 Dated May 30, 2012

RBI Circulars

Deregulation of Interest Rates on Export Credit in Foreign Currency

Ref. No. RBI/2011-2012/534 Dated May 4, 2012

Interest Rates on FCNR(B) Deposits

Ref. No. RBI/2011-12/535 Dated May 4, 2012

Release of Foreign Exchange for Miscellaneous Remittances.

Ref. No. RBI/2011-12/537 Dated May 07, 2012

External Commercial Borrowings (ECB) Policy - Utilization of ECB proceeds for Rupee expenditure

Ref. No. RBI/2011-12/539 Dated May 7, 2012

Foreign Direct Investment (FDI) in India - Issue of equity shares under the FDI scheme allowed under the Government route

Ref. No. RBI/2011-12/541 Dated May 7, 2012

Risk Management and Inter Bank Dealings

Ref. No. RBI/2011-12/545 Dated May 9, 2012

Exchange Earner's Foreign Currency (EEFC) Account

Ref. No. RBI/2011-12/564 Dated May 16, 2012

Interest Rates on FCNR (B) Deposits

Ref. No. RBI/2011-12/565 RBI/2011-12/543 Dated May 17, 2012

Risk Management and Inter Bank Dealings

Ref. No. RBI/2011-12/569 Dated May 21, 2012

Overseas Direct Investments by Indian Party- Online Reporting of Overseas Direct Investment in Form ODI

Ref. No. RBI/2011-2012/585 Dated May 31, 2012

MCX-SX Circulars

List of Government of India Securities, Treasury Bills, Equity Shares and Exchange Traded Funds accepted as Collaterals

Ref. No. MCX-SXCCL/CD/94/2012 Dated May 02, 2012

Regular Updates

Settlement Schedule for June 2012

Ref. No. MCX-SXCCL/CD/95/2012 Dated May 07, 2012

Members Indemnity Insurance Policy

Ref. No. MCX-SX/ID/754/2012 Dated May 23, 2012

Launch of MY>EXCHANGE Electronic Interface for its Members

Ref. No. MCX-SX/CSQ/782/2012 Dated May 23, 2012

Revised Position Limits for Trading Member (Banks) in Exchange Traded

Ref. No. MCX-SX/SURV/783/2012 Dated May 24, 2012

Introduction of Additional Spread Contracts for USDINR

Ref. No. MCX-SX/TRD/784/2012 Dated May 24, 2012

Mandatory Updation of Corporate Identity Number (CIN) for Body corporate in the UCC database

Ref. No. MCX-SX/ID/787/2012 Dated May 31, 2012

Data Corner - India

Economic Data		
Particulars	Data	Percentage Change
Exports -		
March 2012	US \$28.68 bn	-14.57%
April 2012	US \$24.50 bn	
Imports -		
March 2012	US \$42.59 bn	-11.01%
April 2012	US \$37.90 bn	
International reserves as on May 25, 2012	US\$ 288.26bn	
Policy Rates		
Bank Rate	9.00%	
Repo Rate	8.00%	
Reverse Repo Rate	7.00%	
Lending/Deposit Rates		
Base Rate	10.00% - 10.50%	
Deposit Rate	8.00-9.25%	

Economic Calendar

Economic Calendar – June 2012				
Monday	Tuesday	Wednesday	Thursday	Friday
				1
				US:Fed Balance Sheet US:Money Supply US:Monster Employment Index EMU:Retail Sales US:Employment Situation EMU:Unemployment Rate
4	5	6	7	8
EMU:PPI US:Factory Orders US:Export Inspections	US:Crop US:Redbook US:ISM Non-Mfg Index EMU:Retail Sales	EMU:GDP US:Productivity and Costs US:EIA Petroleum Status Report EMU:ECB Announcement	FR:ILO Unemployment Rate GB:CIPS/PMI Services Index US:Export Sales US:Jobless Claims	US:Consumer Credit US:Fed Balance Sheet US:Money Supply JP:GDP US:International Trade
11	12	13	14	15
FR:Industrial Production IT:GDP US:Export Inspections	US:Crop Production US:Import and Export Prices US:USDA Supply/Demand US:Redbook	US:Treasury Budget EMU:Industrial Production US:Producer Price Index US:Retail Sales	EMU:HICP US:Consumer Price Index US:Current Account US:Export Sales US:Jobless Claims	US:Fed Balance Sheet US:Money Supply US:Industrial Production US:Consumer Sentiment
18	19	20	21	22
US:Housing Market Index US:Export Inspections	US:FOMC Meeting Begins GB:CPI US:Redbook	JP:Merchandise Trade JP:All Industry Index GB:Labour Market Report DE:PPI	US:Export Sales US:Jobless Claims US:Leading Indicators EMU:PMI Manufacturing Index Flash	US:Fed Balance Sheet US:Money Supply CA:CPI
25	26	27	28	29
US:Chicago Fed National Activity Index US:New Home Sales US:Export Inspections	US:Redbook US:S&P Case-Shiller HPI US:Consumer Confidence	DE:CPI US:Durable Goods Orders US:Pending Home Sales Index US:EIA Petroleum Status Report	DE:Unemployment Rate GB:GDP EMU:EC Economic Sentiment US:GDP US:Jobless Claims	US:Fed Balance Sheet US:Money Supply JP:CPI FR:GDP EMU:M3 Money Supply

Economic News –April 2012



US: ISM Mfg Index, May 1, 2012: The composite index rose one 1.4 points to 54.8. This was better than expected and it indicates an increasing rate of growth.

US: Employment Situation, May 2, 2012: ADP private payroll employment for March posted a gain of 209,000. This compares to BLS estimates of 121,000 for private payrolls and 120,000 for total payrolls.

US: Retail Sales, May 15, 2012: Retail sales slowed sharply in April but from a still strong March. Retail sales in April rose 0.1 percent, following a 0.7 percent increase the month before (originally up 0.8 percent).

US: Consumer Confidence, May 29, 2012: The index fell nearly four points to 64.9 vs. a downwardly revised 68.7 in April. This decline is in direct contrast to the consumer sentiment index which, in data released on Friday by Reuters/University of Michigan, broke out to new recovery highs.

US: GDP, May 31, 2012: Real GDP grew a modest 1.9 %, compared to the initial estimate of 2.2 % and fourth quarter pace of 3.0 %, annualized.



EMU: PMI Manufacturing Index, May 2, 2012: The PMI Manufacturing index was weaker at 45.9 against 47.7 and indicates of another difficult quarter for Eurozone economic activity.

EMU: Industrial Production, May 14, 2012: EMU Industrial Production in March dropped 0.3 % and was well short of the market median call.

EMU: M3 Money Supply, May 30, 2012: The M3 Money Supply declined marginally from 2.8% to 2.7%.



GB: CIPS/PMI Manufacturing Index, May 1, 2012: At 50.5, the end of quarter PMI was down 1.6 points showing ominous signs for the economy.

GB: GDP, May 22, 2012: GDP fell 0.3 % quarter on quarter and in so doing put the economy back in technical recession. Annual growth also declined 0.1 %.



JP: Retail Sales, May 29, 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, May 31, 2012: Physical output of the nation's factories, mines and utilities was 13.43% as compared to 10.3%% in the previous period, year over year.



CA: CPI, May 17, 2012: The Consumer Price Index rose to 2.0% as compared to 1.9% year on year.

CA: Retail Sales, May 23, 2012: Retail sales grew 0.4% month over month as compared to a growth of -0.2% in the previous month.

Offices

HEAD OFFICE

Exchange Square,
Suren Road, Chakala,
Andheri (E),
Mumbai 400 093

Tel: +91 22 6731 9000
Mobile: +91 99302 68748
Fax: +91 22 6731 9004
E-mail: info@mcx-sx.com
Url: www.mcx-sx.com

Contact person: Mr. Arvind Sharma

Ahmedabad

401, 4th Floor,
Sakar - 1,
Opp Nehru Bridge, Ashram Road
Ahmedabad - 380 009

Mr. Jay Deliwala
Mobile: +91 99241 23996
Tel: +91 79- 66615888/66619888

Bangalore

No: 206, 2nd Floor,
Money Chambers, No: 6,
Bangalore – 560027

Mr. B Sreenivasulu
Mobile: +91 99164 62299
Tel: +91 80- 32962066
Fax: +91 80- 41673707

Chennai

Flat No: 1A & B,
1st Floor, Doshi Towers, Periyar,
Chennai – 600010

Mr. M Aravind
Tel: +91 44- 43950850
Mobile: +91 91766 86200
Fax No: +91 44- 43950899

Hyderabad

Flat No.201,
Meridian Plaza, Ameerpet,
Hyderabad - 500 016.

Mr. Ramesh Varakhedkar
Mobile: +91 88864 40619
Tele/Fax: +91 40 4007 5037

Indore

403 Corporate House
A Wing, Near DAVV University,
Indore (MP) – 452001

Mr. Aditya Chopra
Mobile: +91 99811 57676
Tel: +91 731- 3209427,
Fax: +91 731- 2524206

Jaipur

212 Shekhawati Comp,
2nd Floor, Station Road,
Jaipur - 302 001

Mr. Ravi Bhattar
Mobile: +91 9799354321
Tel: +91 141 4011930
Fax: +91 141- 4011930

Kolkata

BNCCI House,
23 R.N.Mukherjee Road,
Kolkata 700 001

Mr. Arindam Saha
Mobile: +91 90514 98807
Tel: +91 33-22317253 /54
Fax: +91 33- 22317254

Kanpur

1st floor, 7/43, D-2,
Tilak Nagar, Near SBI,
Kanpur- 208002.

Mr. Sanjeev Kumar
Mobile: +91 99354 84871
Tel: +91 0512 – 2533079

Ludhiana

501, LSE Building,
Feroze Gandhi Market,
Ludhiana – 141001

Mr. Amit Mishra
Mobile: +91 99199 02111
Tel: +91-161-3206 872

New Delhi

404-407, Mercantile House
K. G. Marg, C.P.
New Delhi -110001

Mr. K S Mahesh
Mobile: +91 96541 25166
Tel: +91 11- 43003000

Sources

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www.mospi.gov.in; www.tickerplantindia.com; www.finmin.nic.in;
www.bls.gov; www.reuters.com; www.cmegroup.com;
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