

27th feb, 2012

Few Little Things...

- **Food Inflation:** -1.03% (for the week ended Jan 19)
- **Forex reserves:** \$293.93 bn.
- **Brent Crude:** 116.63 USD
- **WTI Crude:** 98.61 USD
- **Sensex:** 17923.57 (as on feb 26) net change of -154.93 or -0.86%
- **Gold (10 gm):** 28670 (as on 26 feb)
- **Rupee:** 48.93/\$ (as on feb 26)

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Buffett Is 'On the Prowl'

Berkshire's cash hoard increased to \$37.3 billion on Dec. 31 from \$34.8 billion three months earlier, the Omaha, Nebraska-based company said yesterday in its annual report. Fourth-quarter net income declined 30 percent to \$3.05 billion on smaller gains from Buffett's derivative bets. Berkshire is seeking "to purchase some large operations that will give us a further boost," the billionaire said in his annual letter to shareholders included in the report. "

NEW HOME SALES TO STABILISE MARKET

Purchases of new homes in the U.S. exceeded forecasts in Jan after climbing a month earlier to a one-year high, more evidence the housing market is stabilizing. Sales, tabulated when contracts are signed, fell 0.9 percent to a 321,000 annual pace from a 324,000 rate in Dec that was stronger than previously reported, figures from the Commerce Department showed today in Washington. The median estimate of 77 economists surveyed by Bloomberg News called for a rise to 315,000. The number of homes for sale dropped to a record low.

INDIA TO PROPOSE BANK FOR BRICKS

India has proposed setting up a multilateral bank that would be exclusively funded by developing nations and finance projects in those countries. India's suggestion of a BRICS bank comes as emerging nations strive for greater influence in the International Monetary Fund and other multilateral bodies to match their rising economic heft. Their efforts to end the practice of naming World Bank presidents from the U.S. and the head of the IMF from Europe have so far been rebuffed, stoking frustration.

OIL PRICE SURGE MAY PUSH INFLATION

South Korea's Bahk Says Oil Price Surge May Push Inflation Above Target. Oil capped its longest rally since Jan 2010 last week as escalating tension with Iran threatens supplies, with a barrel for April delivery reaching \$109.77 on the NY Mercantile Exchange. South Korea's economy, Asia's fourth-largest, grew the least in two years last quarter as a faltering global expansion and Europe's debt crisis hurt exports. Oil prices are likely to have a far-reaching impact on the overall economy.

U.S. TREASURIES HALT 3-WEEK DOWNTURN

U.S. Treasuries Halt Three-Week Downturn on European Debt Crisis Concerns. Treasuries rose, with 30-year bonds halting a three-week slide, amid concern Europe's rescue package for Greece won't fully resolve the region's sovereign-debt crisis. U.S. 10-year yields reached the lowest in a week yesterday as Fitch Ratings lowered Greece's credit rating and said a default is highly likely, fueling refuge demand. The U.S. sold \$99 billion in notes while the Federal Reserve bought \$3.8 billion in longer-term Treasuries. The difference between the yields on 10-year notes and inflation-indexed securities was close to the highest since August