

30 Jan 2012
A few things

- **Food Inflation:** -1.03% (for the week ended Jan 14)
- **Forex reserves:** \$293.25 bn (as on Jan 20)
- **Brent Crude:** 110.72 USD
- **Sensex:** 17,233.98 (as on Jan 27) Net change: 494.97, or 2.96 %, (from Jan 20)
- **Gold (10 gm):** Rs. 27, 875 (as on Jan 28)
- **Rupee:** 49.32/\$ (as on Jan 28)

Did you know?

- The UID number is a 12-digit number.
- The PMO's Twitter account has more than 12,500 followers.
- The first lady to appear on the U.S. currency was Martha Washington in the year 1886.

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POSITIVE, BUT NOT QUITE ENOUGH

The CRR (or the Cash Reserve Ratio, measuring the amount of cash banks must keep with the RBI) has been lowered by 50 basis points, thereby injecting Rs. 320 bn into the economy.

In spite of this, many in the industry lamented the move as being not quite enough. The Central Bank said it wanted stronger signs of fiscal consolidation before going the distance.

NTPC EYES BIG MONEY

Bangladesh's Power Development Board (PDB) signed a \$ 1.5 bn deal with India's National Thermal Power Corporation (NTPC) to build a 1,320 MW coal-fired power plant, the country's biggest. The PDB is state-owned.

Under the pact, a joint-venture company would be floated to install and operate the plant, while PDB and NTPC would implement the project. This project is being primarily undertaken to address the problem of acute power shortages.

CENTRAL CONCERN OVER BANK SUBSIDIARIES

Worried by their reach and presence in diverse areas such as insurance, broking, mutual funds etc., the Central Bank has sought more power of supervision over bank subsidiaries, by writing to the Finance Ministry. The RBI seeks amendments to the RBI act to enable such regulatory powers.

NETMAGIC SOLUTIONS & THE MESSUNG GROUP

Although not directly related to each other, both of the above were targets of recent acquisitions. A 74 % stake in Netmagic Solutions was bought up by the Japanese communications corporation, NTT, shelling out 10 bn yen for the deal.

Mitsubishi Electric India plans to acquire its long-time distribution partner, Messung Group, for an undisclosed sum.

SHOWN THE DOOR, SOME WITH SEVERANCE

Citi is set to cut around 100 jobs across its businesses in India. The move comes after the financial services firm announced that it will lay-off 4,500 employees or 2 % of its global workforce.

Tata Global Beverages (TBG), although not revealing how many left in the previous quarter, did say that focus was on getting "leaner and fitter". And meaner, perhaps.

BIG FAT GREEK TRAGEDY

Greece's problems are not letting go. Some in the debt-ridden country are even considering the re-entry of the drachma, as apprehensions surrounding its stay in the euro now grows stronger.

Banks have borrowed €43 bn of emergency funds from the Greek central bank, on top of €73 bn of secured loans from the European Central Bank (ECB). The stock market has fallen steeply, with stocks of good companies available for a tuppence.