

**9th Jan, 2012****Few Little Things...**

- **Food Inflation:** -3.36% (for the week ended Dec 24)
- **Forex reserves:** \$296.68 bn.
- **Brent Crude:** 111.92 USD
- **WTI Crude:** 100.61 USD

**Contact Us:****Mail Us At**[finstreet.simsr@gmail.com](mailto:finstreet.simsr@gmail.com)**Visit Us At**<http://finstreet.weebly.com>**Like Us At**<https://www.facebook.com/TeamFinstreet>**NOT SO ROSY ON WALL STREET**

Analysts have predicted lower fourth-quarter earnings for Goldman Sachs, Morgan Stanley, Citi Group, Bank of America and even JPMorgan Chase. The envy of their neighbors at Wall Street, Goldman Sachs reported a loss of \$428 million in the third quarter.

As a fallout of the above, the compensation for employees could fall as much as 30% from last year.

**CRISIS? NEVER MIND!**

The International Monetary Fund (IMF) said that Asia has the capacity to respond to any new crises, in spite of the spill-over effects from the west. Credit Suisse even noted that the worst is over for the Indian economy.

Asia's heavy reliance on trade is likely to make 2012 a difficult year, suggest economists from the IMF. Asia is largely trade-dependent, exporting everything from commodities such as metals and rice to sophisticated electronic products and cars.

**INTEREST RATES NOT TO BE INFLATED ANYMORE**

Much to the relief of businesses, RBI Governor D. Subbarao has indicated that there would an easing-up on monetary tightening, with the intention of taming inflation. Although effective on that front, growth has suffered, falling to 6.9% in the second quarter from 7.7% in the first.

**THE PRICE THEY HAD TO PAY**

The rising interest rates and declining operating profits has affected companies interest paying ability, said Crisil in a research. The interest paying ability of companies in the S&P CNX 500 Index except BFSI and public sector oil marketing companies, totalling to 420 companies has dipped to a five-year low.

**DIP IN FOREIGN EXCHANGE RESERVES**

India's forex reserves stood at \$296.688 billion as of Dec. 30, down from \$300.863 billion in the previous week. Changes in foreign currency assets, expressed in dollar terms, include the effect of appreciation or depreciation of other currencies held in its reserves, the central bank said.

**FOOD INFLATION SUB-ZERO**

For the first time in at least five-and-a-half years, India witnessed food deflation. Wholesale price-based food inflation fell to -3.36% during the week ended December 24, partly due to a high base (20.84% a year ago). A number of items witnessed a decline in prices, whereas the price rise of others decelerated.