

15TH FEBRUARY 2015

## THE WEEKLY BUSINESS DIGEST

| Name                            | Weekly Close | Change | % Chg |
|---------------------------------|--------------|--------|-------|
| <b>US Markets</b>               |              |        |       |
| S&P 500                         | 2,096.99     | 50.25  | 2.46  |
| DJIA                            | 18,019.35    | 290.14 | 1.64  |
| Nasdaq                          | 4,384.03     | 167.94 | 3.98  |
| Russell 2000                    | 1,524.56     | 23.48  | 1.56  |
| <b>European Markets</b>         |              |        |       |
| FTSE 100                        | 6,873.52     | 36.37  | 0.53  |
| CAC 40                          | 4,759.36     | 108.28 | 2.33  |
| DAX                             | 10,963.40    | 299.89 | 2.81  |
| <b>Asian Markets (ex-India)</b> |              |        |       |
| Nikkei 225                      | 17,913.36    | 201.43 | 1.14  |
| Straits Times                   | 3,426.22     | 8.20   | 0.24  |
| Hang Seng                       | 24,682.54    | 161.54 | 0.66  |
| Taiwan Weighted                 | 9,529.51     | 108.01 | 1.15  |
| KOSPI                           | 1,957.50     | 10.50  | 0.54  |
| SET Composite                   | 1,615.89     | 14.12  | 0.88  |
| Jakarta Composite               | 5,374.17     | 25.69  | 0.48  |
| Shanghai Composite              | 3,203.83     | 108.70 | 3.51  |
| <b>Indian Markets</b>           |              |        |       |
| Sensex                          | 29,094.93    | 867.54 | 3.07  |
| Nifty                           | 8,805.50     | 279.15 | 3.27  |
| Bank Nifty                      | 19,369.70    | 965.85 | 5.25  |
| CNX IT                          | 12,464.95    | 215.65 | 1.76  |
| CNX Auto                        | 8,759.00     | 464.55 | 5.60  |
| CNX Midcap                      | 13,100.80    | 569.05 | 4.54  |
| CNX Small-cap                   | 5,550.00     | 221.20 | 4.15  |

### STORY OF THE WEEK

#### [THE SWISS BANK DETAILS LEAK: HSBC IN TROUBLE](#)

The results of an international project to investigate a leaked list of Swiss account-holders were made public on Monday, doubling the number of known Indian names. The project, run by the International Consortium of Investigative Journalists (partnered in India by The Indian Express) had obtained a list, dating from 2006-07, of those with accounts in a Geneva branch of the private bank HSBC. Overall, 100,000 people had accounts there, from 203 countries, holding over \$100 billion. Indians hold about Rs 25,420 crore, all of which may not be 'black' - having a Swiss bank account is not illegal and many are held for legitimate purposes.

Source: Reuters



### WORLD ECONOMY

#### [ARGENTINE EURO DENOMINATED BONDS SURGE](#)

Defaulted Argentine bonds issued in Europe rallied on speculation a decision by a London judge may lead to the disbursing of frozen interest payments on the securities. While the London judge didn't issue an order compelling bond trustee Bank of New York Mellon Corp. to disburse the funds, he said the bank or euro-bond holders can submit his decision to U.S. District Judge Thomas Griesa, whose orders are currently blocking the bond payments. Argentina is banned by Griesa from making payments on its overseas bonds until holdout creditors from its default in 2001 are paid in full. The dispute stems from Argentina's \$95 billion default in 2001. While 92 percent of creditors accepted losses of 70 percent in 2005 and 2010 restructurings, hedge funds including billionaire Paul Singer's NML Capital sued for better terms, eventually winning a ruling from Griesa to be paid in full.

Source: Bloomberg

#### [EURO ZONE ACCELERATES; GREECE DEAL TALKS ON MONDAY](#)

Euro zone economic growth accelerated unexpectedly in the final quarter of 2014 as the bloc's largest member, Germany, expanded at more than twice the expected rate. The euro zone's biggest economy, Germany was a clear outperformer, growing by 0.7 percent in the quarter, far surpassing expectations of a 0.3 percent rise. On a related note, Euro group President Jeroen Dijsselbloem said on Friday he was "very pessimistic" about the chances that a meeting he will chair on Monday of euro zone finance ministers would reach a debt deal with Greece. The left-wing government of Alexis Tsipras won an election last month on promises of ending the belt-tightening reforms in exchange for which Greece received almost 240 billion euros.

Sources: Bloomberg, Reuters

#### [OPEC CUTS OIL PRICES TO ASIA](#)

Iraq, Kuwait and Iran joined Saudi Arabia in cutting their March crude prices for Asia, signaling the battle for a share of OPEC's largest market is intensifying. Iraq's Basrah Light crude will sell at \$4.10 a barrel below Middle East benchmarks, the deepest discount since at least August 2003. The cuts come after Saudi Arabia, the largest crude exporter, reduced pricing to Asia last week to the lowest in at least 14 years. This comes after a significant increase in the oil output from all major OPEC countries last month. Brent crude, or 1.3 percent, to \$55.71 on the London-based ICE Futures.

Sources: Bloomberg, Reuters



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| <b>Commodities</b>     |              |         |       |
| CRB Commodity Index    | 229.19       | 1.28    | 0.56  |
| BRENT Crude (\$/bbl)   | 61.52        | 3.18    | 5.45  |
| WTI Crude (\$/bbl)     | 52.78        | -0.08   | -0.15 |
| Comex Gold (\$/oz)     | 1,226.50     | -14.30  | -1.15 |
| MCX Gold (INR/10g)     | 27,069.00    | -274.00 | -1.00 |
| Natural Gas (\$/mmBtu) | 2.80         | 0.21    | 7.97  |
| LME Copper (c/pounds)  | 5,731.00     | 65.00   | 1.15  |
| <b>Interest Rates</b>  |              |         |       |
| US 10 year             | 2.18         | 0.06    | 2.83  |
| German 10 year         | 0.70         | -0.01   | -1.27 |
| Japan 10 Year          | 0.60         | 0.04    | 6.97  |
| India 10 Year          | 6.92         | -0.04   | -0.50 |
| Eurodollar             | 99.58        | 0.00    | 0.01  |
| <b>Currency</b>        |              |         |       |
| USD                    | 62.20        | 0.03    | 0.04  |
| EUR                    | 71.00        | 0.73    | 1.03  |
| GBP                    | 95.72        | 1.13    | 1.19  |
| JPY                    | 0.52         | 0.00    | -0.19 |
| Dollar Index           | 94.20        | -0.25   | -0.26 |
| Euro FX                | 1.14         | 0.01    | 0.61  |

### WORD OF THE WEEK

**BACKTESTING:** The process of testing a trading strategy on prior time periods. A trader can do a simulation of his or her trading strategy on relevant past data in order to gauge the its effectiveness.

### INDIAN ECONOMY

#### MAKE IN INDIA RECEIVES 21000 CRORES ALREADY

India has received proposals worth Rs.21,000 crore from companies under the Union government's Make in India program. Rs.6,000 crore of proposals have already been cleared, Prasad told the annual summit in Mumbai of industry lobby NASSCOM. The government has been trying to attract foreign manufacturers to "come, make in India," in the words of PM Narendra Modi, as part of attempts to boost manufacturing's share of economic output from the 15% level at which it has stagnated for decades.

**Source:** LiveMint



#### COAL BLOCK ALLOCATIONS: RECENT DEVELOPMENTS

134 companies cleared the initial stages of coal auction for 21 blocks put up by the government. After clearing the technical bidding stage, entities from Reliance, Adani, Essar, GMR, Vedanta and Aditya Birla groups became eligible to bid or two blocks—one in Odisha and the other one in Madhya Pradesh. Auction for two coal blocks began on Saturday with Reliance Cement Co. Pvt. Ltd winning the Sial Ghogri coal mine in Madhya Pradesh. On the second day of coal auction, Hindalco Industries Ltd walked away with a coal mine in Jharkhand.

**Source:** LiveMint



#### DATA ON THE INFLATION AND IIP FOR JANUARY

The index of industrial production (IIP) rose by just 1.17% in December against 3.9% growth in the previous month, data released by the central statistics office showed. Manufacturing, which has a 75% weight in IIP, grew by just 2.1% in December. The first nine months of the fiscal saw 2.1% growth in industrial production compared with just 0.1% in the corresponding period last year. The advance estimate of GDP showed manufacturing is set to grow 6.8% in real terms. Also, the January inflation data, the CPI is at 5.11%.

**Source:** Business Standard, Mint

#### ONE-RUPEE NOTES ARE BACK: RBI

After a gap of about two decades, the RBI will again put in circulation rupee one notes soon. Printing of one rupee note was discontinued about 20 years ago. Unlike other currency notes which the bear signature of RBI Governor, the one rupee note will have signature of the Finance Secretary. The reason for this move by RBI is unclear.

**Source:** ET



### QUIZ OF THE WEEK Who's the first Indian Finance Minister?

