

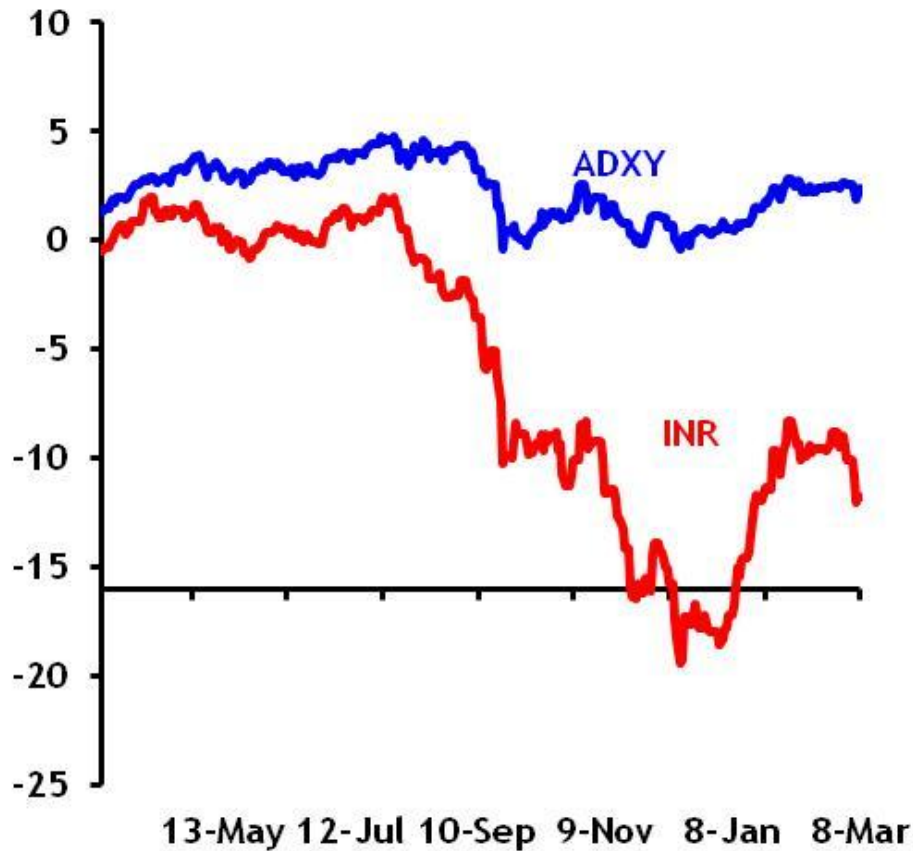
View from the market

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INR: India alpha?

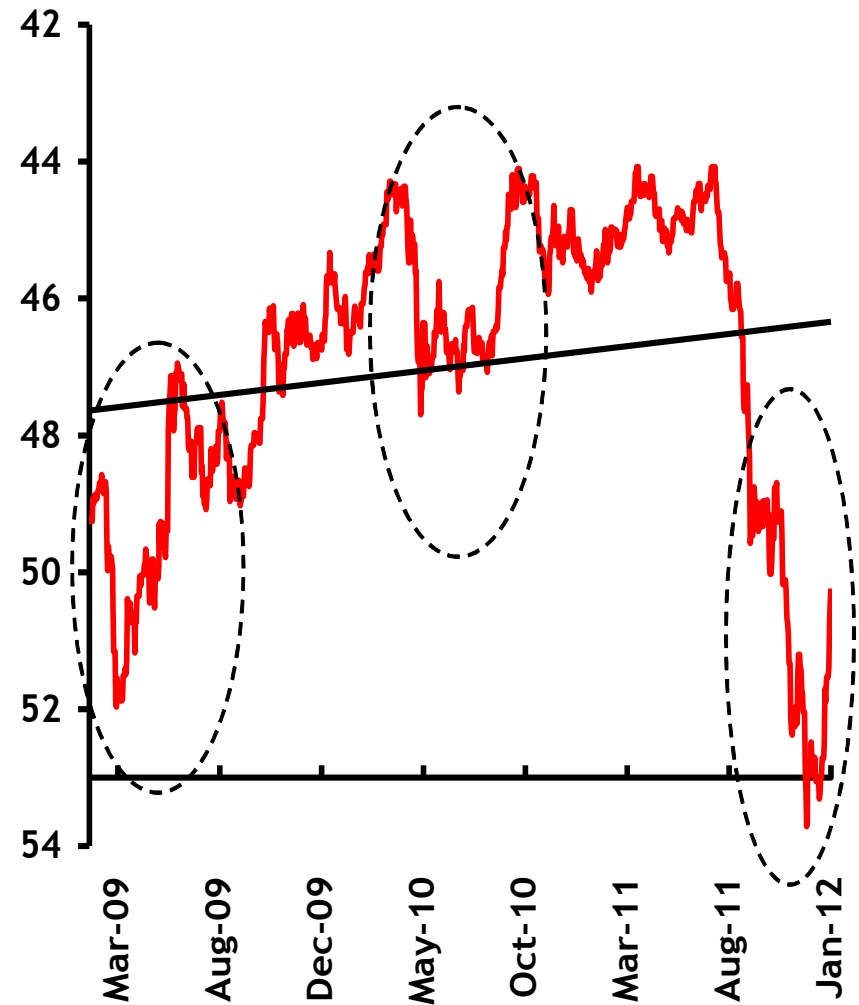
INR and Asian currencies

% += appreciation since April 2011



Tantalizing signs of "crash" reversing

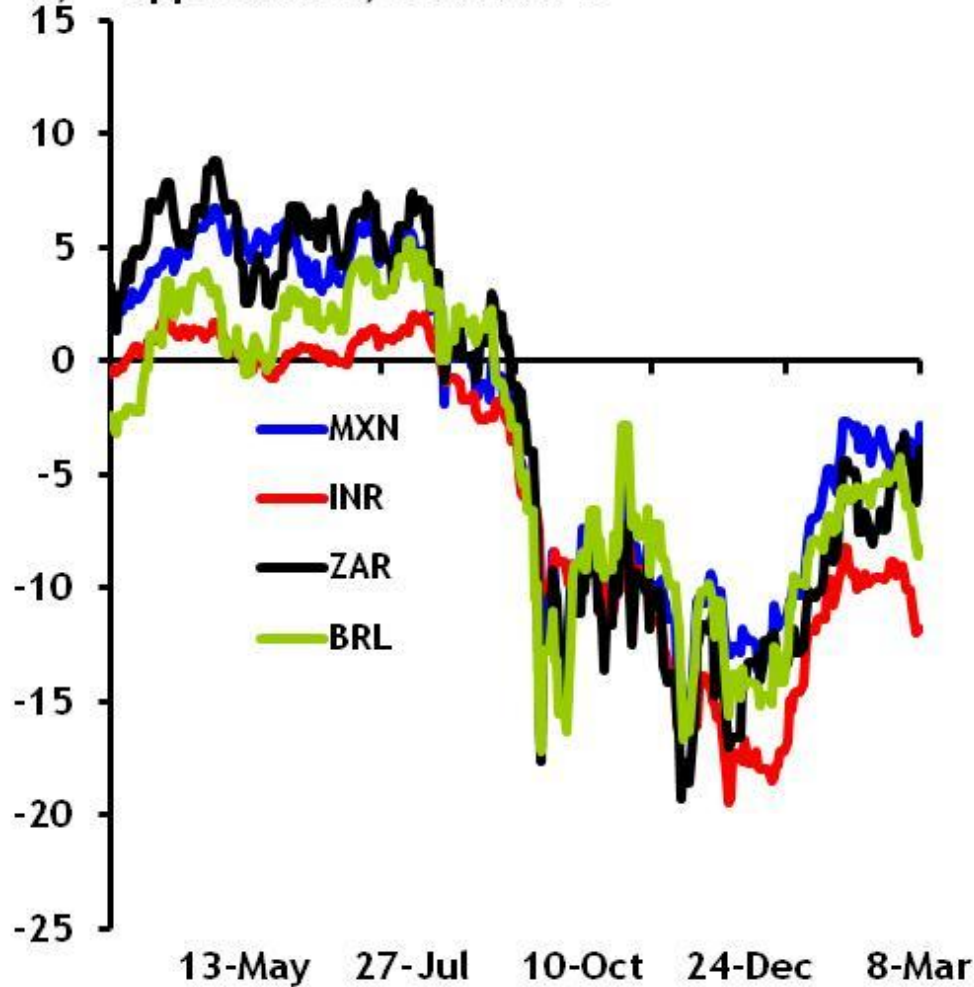
USD/INR, reverse scale



Or just EM beta?

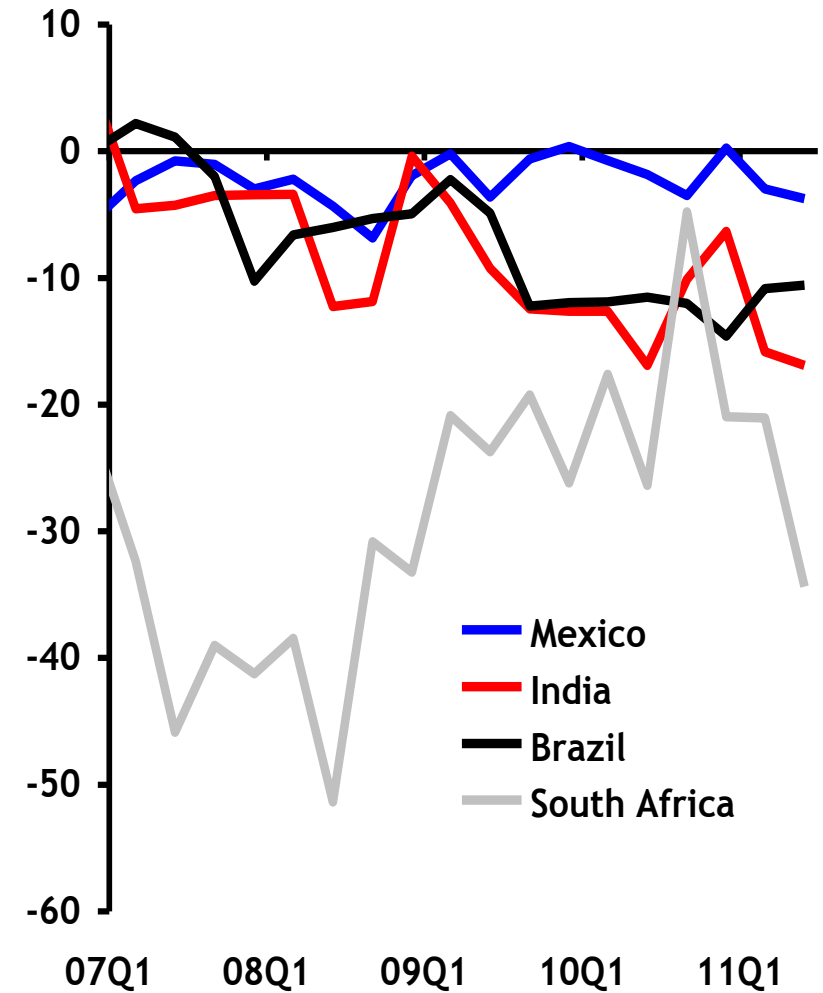
INR and other EMs

%, +=appreciation, 08/11/11=0



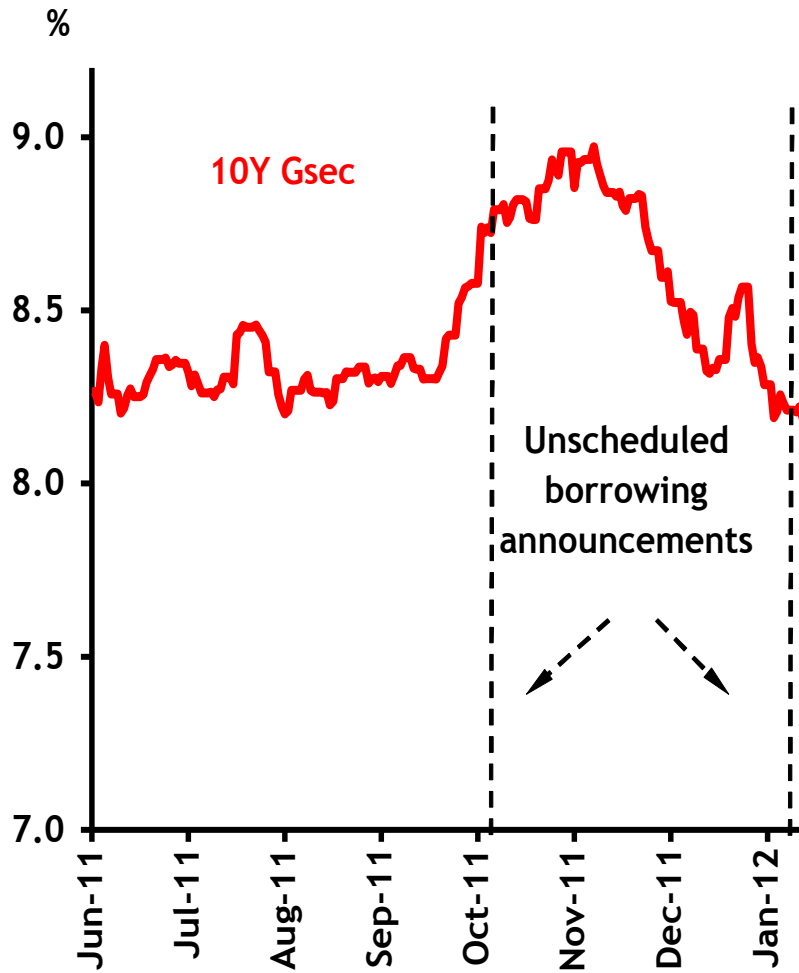
All EMs with CADs

\$bn



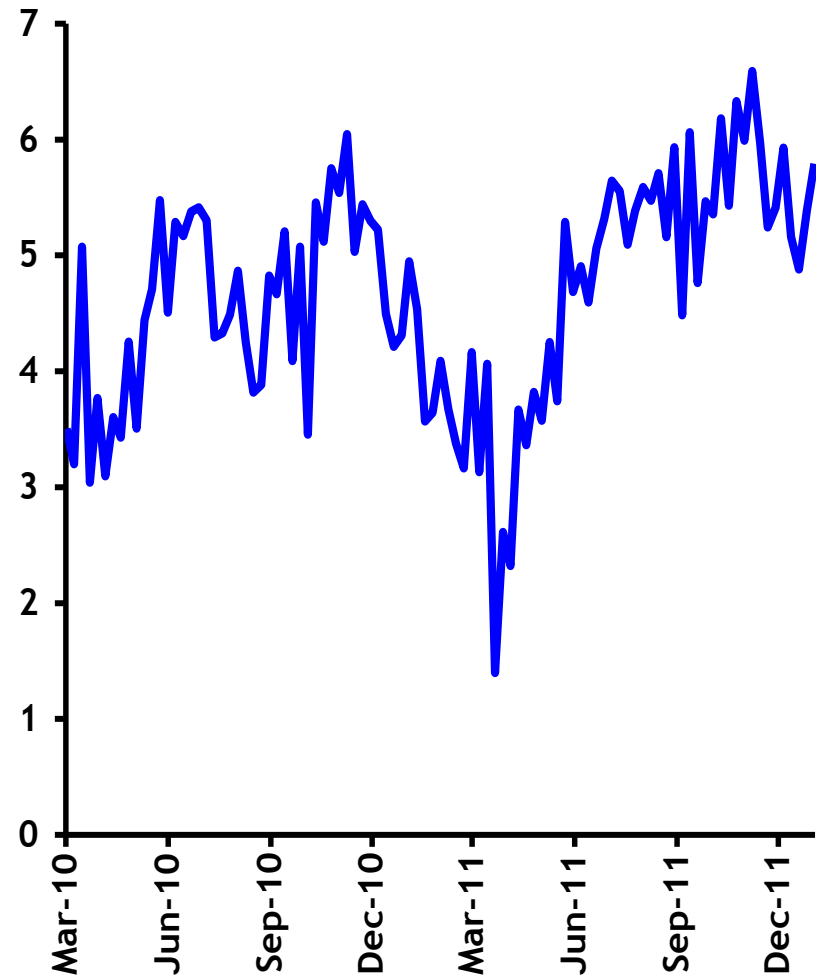
10Y bond

Bonds have rallied despite higher borrowing



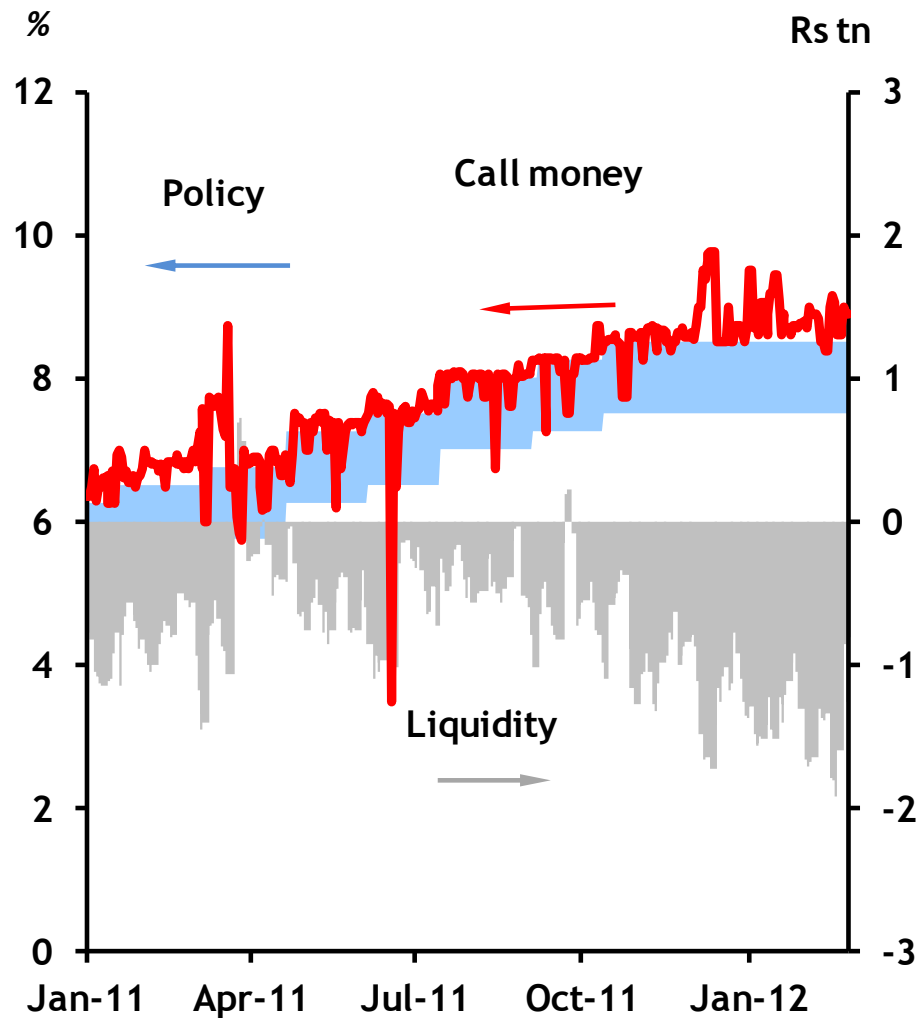
Bank's excess holding of bonds has

% of deposit

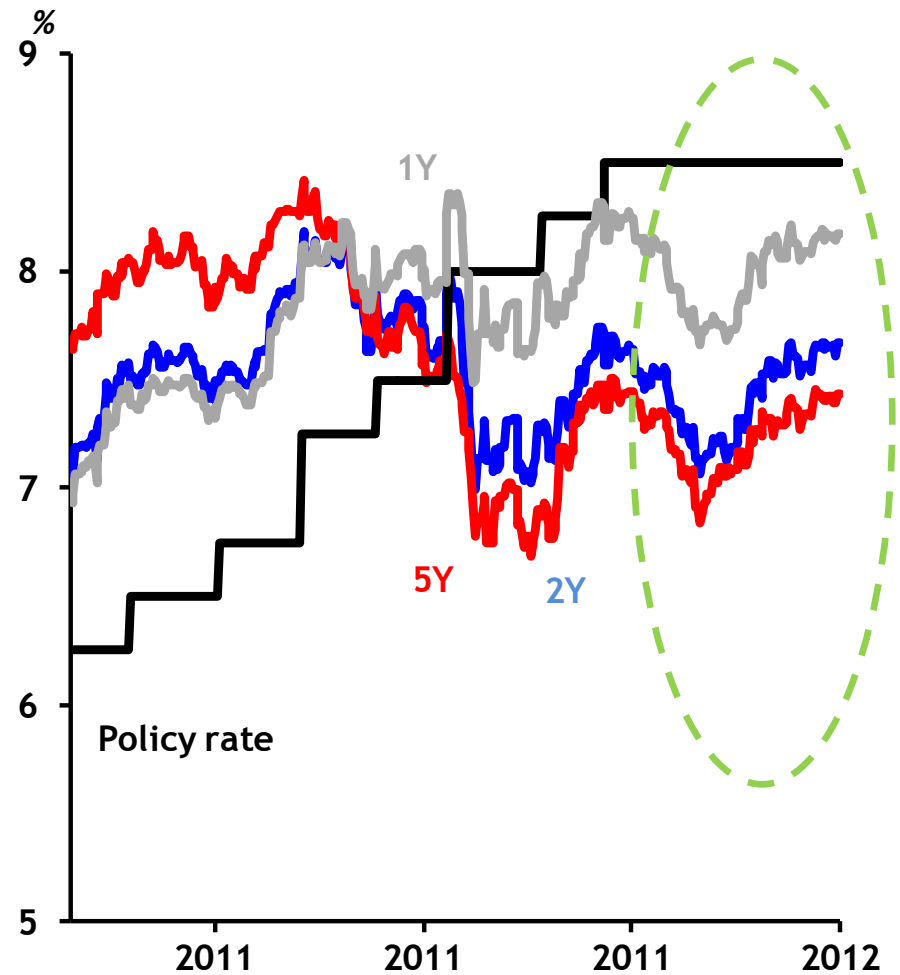


Market view of monetary policy

Liquidity, policy and call rates



OIS overestimating rate cuts



INDIA: CAUGHT IN A SQUALL

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