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

J.P.Morgan
Or just EM beta?

INR and other EMs

% appreciation, 08/11/11=0

All EMs with CADs

$bn

INDIA: CAUGHT IN A SQUALL
Bonds have rallied despite higher borrowing.

Bank’s excess holding of bonds has risen.

10Y bond

- Bonds have rallied despite higher borrowing.
- Bank’s excess holding of bonds has risen.

Graphs showing:
- 10Y Gsec with marked unscheduled borrowing announcements.
- Percentage of deposit chart.
Market view of monetary policy

Liquidity, policy and call rates

OIS overestimating rate cuts

Policy rate

Liquidity

Call money

Policy

Rs tn

%
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