



NEWS ALERT

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FD Rates Likely To Go Up

Though the Reserve Bank of India (RBI's) recent credit policy didn't have much for the markets to cheer, there are indications of a rising interest rate regime which should be good news for those relying on fixed deposits. The central bank has indicated that rates could tighten up in the coming days and the real impact could be felt in the first quarter of the next year. The year 2009 has been one of the interesting years in interest rate cycles with the rates coming under central banks' scrutiny throughout the year. While the stimulus packages for the revival of financial markets pushed down the rates to near zero levels in most economies, the rate fall was not significant in the case of the domestic market. In fact, the domestic deposit rates fell only by a couple of percentage points during the first half of the current year. The government's aggressive borrowing has to a great extent stalled the fall and this is reflected in the poor performance of income funds.

Banking Reforms Dominate G-20 Talks

Differences over exiting economic stimuli, reforming banking system and fighting climate change are threatening to derail efforts of Finance Minister Pranab Mukherjee and his G-20 counterparts as they met on Saturday in Scotland to pursue an agenda of sustainable economic growth.

Host Britain, still in the grip of recession, is keen to continue global effort to support recovery. Others, including the US, Japan and Germany, want to debate ending the massive government spending, low interest rates and expansion of the money supply measures employed to boost growth.

Addressing the finance ministers and central bankers from the 20 rich and developing nations, Britain's Chancellor of Exchequer Alistair Darling wanted them to agree on a financial package to help poorer nations develop green industries.



- State Bank of India, the country's largest lender, said on Monday it had entered into an agreement with **T Rowe Price** to sell a 6.5 per cent holding each in UTI Asset Management Company and UTI Trustee Company.
- India's financial hub Mumbai and political capital Delhi are likely to witness a significant jump in economic growth along with other emerging markets and make it to the league of the world's wealthiest cities by 2025, a report by PwC says. The league table of the world's great cities is going to change radically between now and 2025, thanks to the economic growth of many cities in the emerging world, which is likely to be much stronger than that in many developed economies.
- Global banking behemoth Standard Chartered plans to hire 3,000 employees in India by the end of 2010, a year that would also see the British firm listing its shares on the bourses. The bank intends to add close to 2,500 employees to its payroll in India during 2010, while it is hiring a staff of 500 in the last two months of 2009, StanChart's Regional Head for Human Resources Madhavi Lall said.

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