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The screenshot shows a web browser window with the URL <http://sify.com/finance/fullstory.php?id=14835877>. The page features a navigation bar with categories like Home, Astrology, Food, Business, Movies, News, Games, Shopping, Sports, Videos, Samachar, and Property. Below the navigation bar, there are market data for BSE and NSE, a search bar, and a 'Browse Directory' button. The main content area displays a news article titled 'More banks set to tap bond market to raise capital' by Priya Nair, dated Tuesday, 13 January, 2009, 10:10. The article text discusses the easing of yields and the likelihood of a further fall, leading to a flurry of Tier-II and perpetual debt issuances by banks to raise capital. It also mentions the deadline of March 31, 2009, for the implementation of Basel II norms. The article includes sub-headings like 'Slideshow of the day: General Motors' 2010 Cadillac SRX' and 'More banks get ASBA certification'. The right sidebar contains 'Latest Galleries' with images and captions, 'Most Viewed' news items, and 'Sponsor Ads' for various services like IndiaProperty.com and Nauki.com.

More banks set to tap bond market to raise capital

With the easing of yields and the likelihood of a further fall, there has been a flurry of Tier-II and perpetual debt issuances by banks to raise capital. Most banks will be required to enhance or add up capital as they are likely to expand 25-30 per cent this fiscal.

Slideshow of the day: General Motors' 2010 Cadillac SRX

Also, with the deadline of March 31, 2009 for implementation of Basel II norms approaching, banks are looking to maintain a cushion in their levels of capital adequacy, said analysts.

More banks get ASBA certification

As inflation and interest rates were higher in the first two quarters, there were not many bond issuances. Therefore, the December-January period is seeing hectic activity in the bond market as

banks rush to raise

Some banks that are likely to come out with bond issues in the near future include Bank of India, Canara Bank, State Bank of India, IDBI Bank, Union Bank of India, Corporation Bank, Allahabad Bank and Bank of Baroda.

Banks look to deploy more mobile ATMs

Rajesh Mokashi, Executive Director, Care Ratings, said, “Since Tier-II bonds are long term they have higher coupon rates and banks do not want to lock in at high interest rates. So, they were waiting for interest rates to come down. Now, there is only a three-month window before the end of the fiscal and we are seeing the pent up demand coming in.”

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The issue sizes vary from Rs 500 to 1,000 crore depending on the size and need of the banks.

Banks are also raising funds in anticipation of credit picking up. Borrowers too are afraid of locking in at higher interest rates and could be waiting for rates to ease, said a banking analyst.

But with yields seeing a slight upward movement in January, bond issuances have once again started tapering out, said Ashish Agarwal, Executive Director, A K Capital Services.

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“We are nearing the year-end and banks need to shore up capital by the year-end. If they wait till March there would be bunching up of issues. That is why the October-December period saw a lot of bond issuances by banks. Till January, government securities yields were conducive at around 4.5 per cent. But with rates rising slightly in January, some banks have shown caution in their issuances,” he said.