



# CANBANK MUTUAL FUND

## NRI NEWSLETTER

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### Economy

- **CRR hike by 50 bps to 7% from 4 August 2007:** The RBI hiked cash reserve ratio (CRR) by 50 basis points to 7% from 6.5% from 4 August 2007. Repo rate (7.75%), reverse repo rate (6%) and bank rate (6%) have been kept unchanged at. The hike in CRR is due to increase in money supply due to government expenditure and foreign inflow. There is also a risk of rise in inflation due to high oil prices. Global inflationary pressures higher than earlier.
- **GDP to grow close to 10% in 2008-09:** According to Finance Minister P. Chidambaram the economy could grow close to 10% in the next financial year (2008-09). To achieve growth at this level, the pace of economic reforms should be increased.
- **Capital inflows and govt's cash balances affect liquidity:** According to the Reserve Bank of India's (RBI) report on macroeconomic and monetary developments in the April-June 2007 quarter released on Monday (30 July 2007), capital inflows and swings in cash balances of the governments were the main drivers of liquidity conditions in the financial markets, resulting in volatility of overnight interest rates.
- **Business Confidence Index falls in Q1 2007-08:** Business Confidence Index (BCI), a measure of sentiments and expectations of trade and industry, fell 2.7% to 137.9 points in the first quarter (Q1) of 2007-08 from a year earlier according to the National Council for Applied Economic Research (NCAER).
- **IMF revises up growth projections for the global economy:** The International Monetary Fund (IMF) on Wednesday (25 July 2007), revised upwards the World Economic Outlook forecast for global economic growth by 5.2% for both 2007 and 2008, up from a forecast of 4.9%, for both years in April 2007. The growth projections were revised up due to accelerating growth in China, India and Russia, as the US appears to be regaining momentum. China, Russia and India, together, account for more than half of the year's 5.2% growth projection.

### Exchange Rate

- The rupee gained by 10 paise on Tuesday, in response to RBI's first quarter review of the monetary policy. The local currency ended the day at 40.44 level against the dollar, down from the previous close of 40.54 level on Monday.

### Inflation up 4.41%

- The annual inflation stood at 4.27% in the week ending 30 June 2007 compared with 4.13% in the week ending 23 June 2007. The rise in wholesale price index (WPI) is due to an increase in prices of food articles and manufactured items.

### Bullion

- Standard gold (99.5) improved by another Rs 40 to Rs 8,760 per 10 gm in Mumbai. It gained Rs 30 at Rs 8,895 in Kolkata, Rs 25 at Rs 8,780 in Chennai and Rs 10 at Rs 8,860 in Delhi.
- Ready silver (.999) gained Rs 275 at Rs 17,575 per kg in Delhi, Rs 200 at Rs 17,550 in Kolkata, Rs 195 at Rs 17,845 in Mumbai and Rs 190 at Rs 17,570 in Chennai.

### Bullion Price

	UNIT	31-JUL-07	16-JUL-07	VAR(%)
Gold	Rs/10 gm)*	8,760	8,760	0.0
Silver	Rs/Kg)**	17,575	17,533	0.2
* Mumbai	** Delhi			

### Currency Exchange

DATE	US\$	GBP	EURO	YEN
16-07-07	40.37	82.18	55.67	33.13
31-07-07	40.44	82.03	55.42	34.00

### INDEX SUMMARY

COMPANY	31-JUL-07	16-JUL-07	VAR (%)
SENSEX	15550.99	15311.22	1.6
NIFTY	4528.85	4512.15	0.4

### INDIA SECTOR INDEX

	31-JUL-07	16-JUL-07	VAR(%)
BSE - PSU	7159.54	7192.03	-0.5
BSE AUTO	4933.83	5080.79	-2.9
BSE BANKEX	8148.68	8386.65	-2.8
BSE CAP. GOODS	13321.78	13007.01	2.4
BSE CONS DURA	4172.07	4216.75	-1.1
BSE FMCG	1973.16	1846.03	6.9
BSE HEALTHCARE	3718.26	3814.80	-2.5

### The annual wholesale price index

	PER CENT	WEEK-ENDED
Inflation	4.41	Jul-14
Inflation	4.27	Jul-07
Inflation	4.27	Jun-30
Inflation	4.13	Jun-23



## Capital Market

- The 30-share BSE Sensex rose 239.77 points or 1.5% to 15,550.99 in the fortnight ended 31 July 2007. The S&P CNX Nifty rose 16.70 points or 0.37% in the fortnight. Profit taking pulled down small-cap and mid-cap shares. BSE Small-Cap index lost 209.95 points or 2.5% to 8,070.63 in the fortnight. BSE Mid-Cap index lost 116.47 points or 1.7% to 6,718.08 in the fortnight.
- **Uflex to set up a green field project at Mexico:** The board of Uflex has approved the company's proposal for setting up a green field project at Mexico for manufacturing of polyester film to meet the growing demand of its product. This was approved at the board meeting held on 31 July 2007.
- **Suashish Diamonds to invest in its subsidiary:** The board of Suashish Diamonds has decided to invest about US \$ 1.50 million in Suashish Diamonds (Botswana)(Proprietary), a wholly owned subsidiary of the company by way of preference capital for financing capital expenditure requirements of WOS. The board has decided to grant working capital loan amounting to US \$ 5 million to Suashish Diamonds (Botswana)(Proprietary), WOS, at 8% per annum for maximum period of 5 years.
- **Allsoft Corporation to allot equity shares:** The board of Allsoft Corporation has approved the allotment of 30,00,000 equity shares at Rs 10 each on preferential basis. This was approved at the board meeting held on 31 July 2007.
- **Logix Microsystems acquires ReckonUp:** Logix Microsystems has announced the acquisition of ReckonUp, a CRM product from Prize Corporation. The acquisition is an all cash deal of US \$ 4.00 million for the assets of the CRM product which include an experienced team, wide customer base and a strong technology platform. With this acquisition, the company has further strengthened izmoCRM, the CRM offering of the company in the U.S. market.
- **Vipul Dye Chem to raise fund:** The board of Vipul Dye Chem has decided to raise funds / resources up to Rs 2.25 crore for the business and proposed expansion plans / programme of the company by issue of warrants through preferential allotment to the promoters and others. The board also decided to increase the Authorised share capital from Rs 4 crore to Rs 6 crore.

## Real Estate

- **Reliance, Hiranandani, DLF in race for HUL's Brookefields:** Mukesh Ambani-led Reliance Retail is vying for Hindustan Unilever's (HUL) real estate assets in Bangalore, which is on the block. Also in the race are real estate majors DLF, Hiranandani and Nitesh Estates.
- **After AIM, realty cos turn to Dubai to raise funds:** India's leading real estate developers are now 'aim'ing for new shores. After raising funds from UK's Alternate Investment Market (AIM), they are now flocking to the Dubai International Financial Exchange (DIFX) and the Singapore Stock Exchange to float Real Estate Investment Trusts (Reits) as an alternate strategy to raise funds.
- **Hirco in \$264 mn Mumbai property development deal:** London-listed Indian property investment company Hirco plc said on Thursday that it was investing 128.4 million pounds (\$263.5 million) in a mixed-use development in the Panvel area of greater Mumbai.
- **Rs 6,000-cr project pushes DLF share up 4%:** DLF shares surged nearly 4% on the company bagging a project worth Rs 6,000 crore for the design, development and operation of an international convention centre at Dwarka from Delhi Development Authority. The shares were also up ahead of Apr-Jun results Thursday.
- **DTZ sees benefits from takeover of Dolandsons:** Property advisor DTZ India on Thursday said the acquisition of British realty consultant Donaldsons by its parent company will enhance its service offering in retail real estate in India.
- **HDIL finds place in BSE realty index:** Real estate firm Housing Development and Infrastructure Ltd has been inducted in the newly launched realty index on the Bombay Stock Exchange, which includes the likes of DLF, Unitech and Indiabulls. HDIL would be included in the BSE realty index, comprising of 11 stocks currently from August 1, a BSE circular said.

RESIDENTIAL PROPERTY RATES	
LOCATION	CAPITAL VALUES/RS./SQ.FT.
<b>WESTERN SUBURBS</b>	<b>Rs./sq.ft.</b>
Bandra (E)	6,000-9,500
Bandra (W)	11,000-24,000
Khar(E)	5,000-9,000
Khar(W)	10,000-16,000
Santacruz(E)	5,500-9,000
Santacruz(W)	8,500-14,000
Ville Parle(E)	5,000-9,000
Ville Parle(W)	7,000-16,000
Andheri(E)	4,000-6,500
Andheri(W)	5,000-10,000
Jogeshwari	3,000-6,000
Goregaon(E)	3,000-6,500
Goregaon(W)	3,000-6,000
Malad(E)	3,000-5,000
Malad(W)	3,000-6,000
Kandivli(E)	3,000-5,000
Kandivli(W)	3,000-5,000
Borivli(E)	2,800-4,500
Borivli(W)	3,000-5,000
Mira Road(E)	1,200-2,500
Vasai(E)	1,100-1,700
Vasai(W)	1,100-1,700
Virar(E)	1,000-1,600
Virar(W)	1,000-1,600

Source: The Times of India

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