



CANBANK MUTUAL FUND

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Economy

- Govt approves rise in cost of living allowance of its staff:** The Indian government on Thursday (30 August 2007) approved a rise in a cost of living allowance for government employees and pensioners. It will cost the government Rs 2190 crore in FY 2008. The cost of living allowance has been raised by 6% to 41% of basic salary from 35% effective from 1 July 2007.
- GDP rises 9.3% in the April-June 2007 quarter:** Gross domestic product (GDP) rose 9.3% in the quarter ended June 2007 (Q1 of FY 2008) as against 9.6% in Q1 of FY 2007. Manufacturing slowed down 11.9% in Q1 of FY 2008 as against a growth of 12.3% in Q1 of FY 2007. Agriculture moved up 3.8% in Q1 of FY 2008 from 2.8% in Q1 of FY 2007. The construction segment edged up 10.7% in the April-June quarter from 10.5% in the corresponding quarter last year. The mining sector decelerated 3.2% in Q1 of FY 2008 as against 3.7% in Q1 of FY 2007.
- Inflationary pressures can persist:** According to the Reserve Bank of India (RBI) inflationary pressures could lurk due to hardening of global commodity prices, particularly oil prices, and capital flows, and maintaining financial stability may play a greater role in policy in the coming months. The central bank on Thursday (30 August 2007) cautioned that a continuous vigil supported by appropriate policy actions would be needed to keep price pressures in check.
- India & China to drive global economic growth:** International Monetary Fund (IMF) is expecting India and China to drive the world economic growth with near-double digit growth in FY 2008. Global expansion is not powered by US consumption alone. Major emerging markets like China and India will grow at close to or above double digit level thereby driving global economic growth. IMF has projected the world economy to grow at about 5% in 2007 and 2008.

Exchange Rate

- The rupee ended the day at 41.16/17 against the dollar, weaker by 6-7 paise compared to its previous close. The local currency rose to 40.96 levels against the dollar.

Inflation dipped 3.94%

- Inflation dipped 3.94% in the week ending 18 August 2007 as against 4.10% in the week ending 11 August 2007.

Bullion

- Standard gold (99.5) improved by Rs.10 in Mumbai before finishing the business at Rs.8,905 per 10 gm. It did so in Delhi and added another Rs.10 at Rs.9,020 per 10 gm.
- Ready silver (.999) also gained in line with gold and closed Rs.60 higher at Rs.16,915 per kg in Mumbai.

Capital Market

- The 30-share BSE Sensex vaulted 1177.08 points or 8.3% to settle at

Bullion Price

	UNIT	31-AUG-07	16-AUG-07	VAR(%)
Gold	Rs/10 gm)*	8,905	8,895	0.1
Silver	Rs/Kg)**	16,523	16,335	1.2

* Mumbai ** Delhi

Currency Exchange

DATE	US\$	GBP	EURO	YEN
16-08-07	41.09	81.46	55.16	35.46
31-08-07	40.96	82.55	55.96	35.23

INDEX SUMMARY

COMPANY	31-AUG-07	16-AUG-07	VAR (%)
SENSEX	15318.60	14358.21	6.7
NIFTY	4464.00	4178.60	6.8

INDIA SECTOR INDEX

	31-AUG-07	16-AUG-07	VAR(%)
BSE - PSU	7095.44	6729.50	5.4
BSE AUTO	4878.05	4662.17	4.6
BSE BANKEX	7858.79	7421.33	5.9
BSE CAP. GOODS	13424.74	12214.56	9.9
BSE CONS DURA	4299.00	4097.92	4.9
BSE FMCG	1973.93	1855.10	6.4
BSE HEALTHCARE	3572.82	3526.95	1.3

The annual wholesale price index

	PER CENT	WEEK-ENDED
Inflation	3.94	Aug-18
Inflation	4.10	Aug-11
Inflation	4.05	Aug-04
Inflation	4.45	Jul-28



15,318.60 in the fortnight ended 31 August 2007. The S&P CNX Nifty rose 355.95 points or 8.6% to 4,464 in the fortnight. The BSE Small-Cap index rose 365.72 points or 4.75% to 8,060.52 in the fortnight, while the BSE Mid-Cap index gained 348.95 points or 5.57% to 6608.42.

- **August sales volume down 6% for Bajaj Auto:** Bajaj Auto, the country's second largest two wheeler manufacturer reported 6% fall in overall sales volume for the month of Aug '07 to 195707 vehicles. The sales volume of two wheelers consisting of motorcycles and scooters declined by 6% yoy to 170203 vehicles with sales of motorcycles was down by 7% yoy at 167483 vehicles. Product fatigue in 100 CC motorcycle segment continue to plague the overall motorcycle volumes of the company. The sales of three-wheeler for the month was 25504 vehicles, down by 2% yoy. However on the positive side the exports volume was up by sharp 75% to 56452 vehicles for the month August'07.
- **Gitanjali Gems receives in-principle approval to establish SEZ:** Gitanjali Gems has received in-principle approval from ministry of commerce, board of approvals for establishing 1000 hectares SEZ at Nagpur for multi products and 50 hectares SEZ at Aurangabad for Gems & Jewellery.
- **IOL Broadband's equity shareholders approves scheme of amalgamation:** The shareholders of IOL Broadband have approved the scheme of amalgamation of Exatt Technologies with the company.
- **Tezpare Tea Company to sell its assets:** The board of Tezpare Tea Company has decided to sell or otherwise dispose of the whole of land, building, plant & machinery and other assets of Merry View Tea Estate of the company situated at P.O: Hatighisa, District: Darjeeling, West Bengal.
- **Vikas Profin to raise funds:** The board of Vikas Profin has decided to raise funds through preferential allotment of 20,00,000 convertible warrants of Rs 10 each at a premium of Rs 10 each (Rs 20 per convertible warrant to persons).
- **Cheslind Textiles becomes subsidiary of RSWM:** RSWM has announced that subsequent to the public announcement made on 22 March 2007 with respect to acquisition of equity shares of Cheslind Textiles, the company has acquired 1,11,24,354 equity shares from promoters and 42,24,123 under open offer made to the shareholders of Cheslind Textiles, which aggregate to 1,53,48,477 shares (66.46%). Accordingly Cheslind Textiles has become subsidiary of the company.

Real Estate

- **Suryajyoti Infotech acquires equity shares:** The fragmented real estate business is set to witness consolidation with many small real estate firms willing to sell their land banks to large real estate developers.
- **Parsvnath Developers bags redevelopment project for Mahim Bus Terminus, Mumbai:** Parsvnath Developers Ltd has announced that the Company has won another project from BEST, Mumbai to develop a plot of land at Mahim Bus Station, Mumbai for commercial and residential utilization along with remodeling of existing bus station.
- **HDFC raises \$800 mn int'l realty fund for India:** HDFC on Thursday announced closing of its first-sponsored HDFC International Real Estate Fund (HIREF) at \$800 million that would be invested in FDI-compliant Indian realty projects.
- **Israeli firm to invest in Indian real estate:** Israel's Gazit Globe Ltd has decided to invest \$110 million in an Indian real estate investment fund.
- **US realty firm Hines to invest \$300 m here:** The US-based real estate developer Hines has drawn up plans to invest up to \$300 million in India over the next two-three years to develop real estate projects worth over \$1 billion.
- **DLF to invest Rs 3,500 cr in Rajasthan:** DLF plans to develop convention centres, hotels and retail space and hotel management institutes in Rajasthan.
- **Builders to strike gold with FSI in IT parks:** The changes in FSI rules for IT/ITeS parks will enable builders to make a much more profitable use of 100% extra floor space index granted to them.
- **Indiareit raises Rs 400 cr through first retail fund:** Ajay Piramal-promoted real estate fund Indiareit has raised Rs 400 crore through its first retail focused fund - Indiareit Fund Scheme III. The minimum investment size of the fund was Rs 25 lakh.

RESIDENTIAL PROPERTY RATES

LOCATION	CAPITAL VALUES/ RS./SQ.FT.
WESTERN SUBURBS	Rs./sq.ft.
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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