

## NRI Fortnightly Connect

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### Economy

- **Govt reduces MEP of onions by US\$ 50-US\$ 200 per tonne:** On 31 December 2007, the government reduced the minimum export price (MEP) of onion by US\$ 50-US\$ 200 per tonne effective from 1 January 2008. The managing director, National Agricultural Cooperative Marketing Federation (Nafed) Alok Ranjan explained arrivals are heavy and prices have come down in all mandis. The cut has been taken to provide support to the falling domestic prices. Onion exports slumped 40% to 475,711 tonnes in April-November 2007 compared with 8,02,504 tonnes in the corresponding period in the previous year.
- **Finance ministry rules out raising interest subsidy:** On 30 December 2007, the Finance Ministry ruled out raising interest subsidy beyond 2% for short term crop loans. Earlier, the minister of state for agriculture Kanti Lal Bhuria had said that his ministry was trying to ensure that farmers get short-term crop loans at 5%. Moreover, the Standing Committee on Finance observed that the 2% subsidy is inadequate, considering the requirements of the farming community.

### Exchange Rate

- In the forex market, RBI was seen maintaining the rupee at 39.41/42 levels against the dollar. It ended a tad higher than the previous close of 39.42/43 on Friday last week.

### Inflation down 3.45%

- Annual inflation, based on the Wholesale Price Index (WPI), dipped 3.45% in the week ended 15 December 2007 from 3.65% in the week ended 8 December 2007. The market estimate stood at 3.65%.

### Bullion

- Standard gold jumped by Rs 40 to Rs 10,820 per 10 gm in Delhi, while Chennai recorded a gain of Rs 25 before finishing the business at Rs 10,695 per 10 gm. Mumbai, the largest market for gold in India, however, stayed away from the party as the prices dipped by Rs 20 at Rs 10,695. Kolkata also became cheaper by Rs 50 at Rs 10,875 per 10 gm.
- In Mumbai, ready silver (.999) closed with a handsome gain of Rs 105 at Rs 19,560 per kg, followed by Delhi, where it was up Rs 80 at Rs 19,280 per kg. In

### Bullion price

|        | Unit       | 31-Dec-07 | 17-Dec-07 | Var(%) |
|--------|------------|-----------|-----------|--------|
| Gold   | Rs/10 gm)* | 10,695    | 10,110    | 5.8    |
| Silver | Rs/Kg)**   | 19,157    | 18,167    | 5.4    |

\* Mumbai \*\* Delhi

### Currency exchange

| DATE     | US\$  | GBP   | EURO  | YEN   |
|----------|-------|-------|-------|-------|
| 17-12-07 | 39.37 | 79.47 | 56.83 | 34.82 |
| 31-12-07 | 39.41 | 78.74 | 58.12 | 35.21 |

\* INR/100 Jap. YEN

### Index summary

|        | 31-Dec-07 | 17-Dec-07 | VARI(%) |
|--------|-----------|-----------|---------|
| SENSEX | 20286.99  | 19261.35  | 5.3     |
| NIFTY  | 6138.60   | 5777.00   | 6.3     |

### India sector index

|                | 31-Dec-07 | 17-Dec-07 | VAR(%) |
|----------------|-----------|-----------|--------|
| BSE - PSU      | 10468.14  | 9511.13   | 10.1   |
| BSE AUTO       | 5667.45   | 5569.24   | 1.8    |
| BSE BANKEX     | 11418.00  | 10919.22  | 4.6    |
| BSE CAP. GOODS | 19755.39  | 19129.14  | 3.3    |
| BSE CONS DURA  | 6956.79   | 5992.76   | 16.1   |
| BSE FMCG       | 2319.92   | 2211.07   | 4.9    |
| BSE HEALTHCARE | 4418.65   | 4198.20   | 5.3    |

### The annual wholesale price index

|           | PER CENT | WEEK-ENDED |
|-----------|----------|------------|
| Inflation | 3.45     | Dec-15     |
| Inflation | 3.65     | Dec-08     |
| Inflation | 3.75     | Dec-01     |
| Inflation | 3.01     | Nov-24     |

Chennai, the metal recorded a fresh gain of Rs 30 before closing at Rs 19,675 per kg while in Kolkata it was offered on Saturday's closing level of Rs 19,000 per kg.

## Capital Market

- The BSE Sensex jumped 256.16 points or 1.27% to 20,286.99 from its close of 20030.83 on 14 December 2007. The S&P CNX Nifty surged 90.90 points or 1.50% to 6138.60 from its close of 6047.70 on 14 December 2007. The BSE Mid-Cap index rose 317.55 points or 3.35% to 9,789.49. The BSE Small-Cap index gained 1152.87 points or 9.45% to 13,348.37 in the fortnight. The 30-share BSE Sensex slumped 769.48 points or 3.84% to 19,261.35 on 17 December 2007. The market witnessed major correction as Sensex tumbled more than 850 points at one point of time in late trade tracking weak global markets.
- **Market may nudge higher:** The market is expected to gain ground as foreign institutional investors (FIIs) may resort to buying to shore their net asset values, for the calendar year 2007. Mutual funds, too, may lend support to prop up their net assets value for the quarter ending December 2007.
- **eClerx Services, Brigade Enterprises to see action on debut:** eClerx Services will list on the stock exchanges, 31 December 2007. The stock will be placed in the B1 group on BSE. The company had fixed the IPO price at the top end of the Rs 270-315 price band.

## Real Estate

- **Reliance Retail Launches Reliance Super in Amritsar:** Reliance Retail Ltd. announced the launch of a new format "Reliance Super" at Suraj chand tara cinema , Ground floor , Plot number 2 , City Centre , Amritsar. After the successful launch of the various formats - Reliance Fresh, Reliance Mart, Reliance Digital, Reliance Trendz, Reliance Footprint, Reliance Wellness, Reliance Jewels and Reliance Timeout, this is the Ninth format of stores from Reliance Retail to be launched in India.
- **Pride Hotel gears up for expansion of Rs. 340 Crores:** Pride Hotels announced, that it has received a significant investment from Kotak India Real Estate Fund towards part financing of its Rs. 340 crore expansion-cum-renovation plan. The Group aims to utilize the funds towards setting up new hotels in Mumbai, Goa, Bangalore and Alibaug. Pride Hotels has recently acquired 4.5 acres land at Alibaug, where it proposes to set up a resort cum spa. The company has also acquired property at Mumbai for construction of 200 rooms Hotel. The Bangalore Hotel is nearly on completion which will open by June 2008.

## RESIDENTIAL PROPERTY RATES IN PUNE

| PUNE                 | Capital Values/ Rs./sq.ft. |
|----------------------|----------------------------|
| Koregaon Park        | 4500-6500                  |
| Boat Club Road       | 5000-7000                  |
| Deccan Gymkhana      | 4000-6000                  |
| Sopan Baug/Uday Baug | 3500-4500                  |
| Kalyani Nagar        | 4000-6500                  |
| Aundh                | 2500-3800                  |
| Hadapsar             | 2900-4600                  |
| Koregaon Park Annexe | 2500-3800                  |
| Kothrud              | 2500-3500                  |
| Viman Nagar          | 2500-3500                  |
| Wanorie              | 2900-3900                  |
| Kondwa-Undri         | 2400-3500                  |
| Pashan/Bhavdhan      | 1500-1900                  |

Source: DNA

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