

NRI Fortnightly Connect

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Economy

- India urges China to relax policy on cooking coal:** Indian Trade Minister Kamal Nath on Monday, 14 January 2008, urged China to relax its policy on coking coal exports, which he said was putting India's steel industry at an unfair disadvantage. Nath said India was exporting iron ore to China at an export duty realisation of just 1%, have lowered this duty at China's request and it is now for the Chinese side to reciprocate in the area of coking coal.
- RBI to hold its next monetary policy review on 29 January 2008:** The Reserve Bank of India (RBI) is scheduled to hold its next monetary policy review on 29 January 2008. It is expected that the central bank will keep its key policy rates unchanged as headline inflation remains below its comfort level of 5% for 2007-08.
- India to witness healthy growth in 2008:** On 10 January 2008, a report by the United Nations stated that India will continue to witness dynamic growth in 2008, on account of investment in the manufacturing and service sectors, and will be largely insulated from weakness in the global economy. The report observed the Asian region will experience healthy growth and the region's resilience will be marked by strong growth in India and China and high commodity prices. The region's main strength lies in healthy macroeconomic fundamentals.

Exchange Rate

- The rupee gained moderately to end at 39.26/27 against the US currency after moving in a narrow range as the central bank attempted to absorb the capital inflows into primary market and bloc the local currency's surge.

Inflation down 3.45%

- Annual inflation, based on the wholesale price index (WPI), remained unchanged at 3.5% in the week ended 29 December 2007 compared with the week ended 22 December 2007.

Bullion

- In Delhi, standard gold surged by another Rs 90 at Rs 11,710 per 10 gm on sustained support from stockists. In Mumbai, the metal came under some correction at the higher level and ended Rs 50 lower at Rs 11,525 per 10 gm. So did Kolkata market and slipped to Rs 11,740, down Rs 60 over the previous close. Meanwhile, Chnnai bullion market remained closed for Makar Sankranti festival.

Bullion price

	Unit	15-Jan-08	01-Jan-08	Var(%)
Gold	Rs/10 gm)*	11,525	10,650	8.2
Silver	Rs/Kg)**	20,419	19,112	6.8

* Mumbai ** Delhi

Currency exchange

DATE	US\$	GBP	EURO	YEN
01-01-08	39.42	78.26	57.51	35.29
15-01-08	39.27	76.88	58.40	36.43

* INR/100 Jap. YEN

Index summary

	15-Jan-08	01-Jan-08	VARI(%)
SENSEX	20251.09	20300.71	-0.2
NIFTY	6074.25	6144.35	-1.1

India sector index

	15-Jan-08	01-Jan-08	VAR(%)
BSE - PSU	10304.30	10633.48	-3.1
BSE AUTO	5335.30	5716.49	-6.7
BSE BANKEX	12258.42	11510.31	6.5
BSE CAP. GOODS	19146.91	19747.80	-3.0
BSE CONS DURA	6095.68	6897.19	-11.6
BSE FMCG	2354.16	2375.07	-0.9
BSE HEALTHCARE	4165.04	4411.54	-5.6

The annual wholesale price index

	PER CENT	WEEK-ENDED
Inflation	3.50	Dec-29
Inflation	3.50	Dec-22
Inflation	3.45	Dec-15
Inflation	3.65	Dec-08

- Ready silver (.999) declined by Rs 130 in Mumbai before ending the business at Rs 20,720 per kg. In Delhi, the metal dropped Rs 50 to close at Rs 20,650 per kg. However, the metal continued to rule higher in Kolkata on some support at the existing level and ended Rs 50 higher at Rs 20,150 per kg.

Capital Market

- The 30-share BSE Sensex declined 35.9 points or 0.17% to 20,251.09 in the fortnight ended 15 January 2008. It hit all-time high of 21,206.77 on 10 January 2008. S&P CNX Nifty declined 64.35 points or 1.04% to 6,074.25. It hit all-time high of 6,357.10 on 8 January 2008. The BSE Small-Cap index slumped 593.08 points or 4.44% to 12,755.29. It hit all-time high of 14,239.24 on 8 January 2008. The BSE Mid-Cap index declined 357.60 points or 3.65% to 9,431.89. It hit all-time high of 10,245.81 on 8 January 2008.
- **Nigeria, Slovenia outperform Indian markets in 2007:** It might be a little difficult to believe but the west African nation of Nigeria has emerged as the best performing stock market in the world in 2007, leaving Slovenia and India behind at the second and third places. Nigeria was the best performing market with gains of 115 per cent, followed by Slovenia with 87.62 per cent and India with 80 per cent, a study by Standard & Poors revealed.
- **Apollo Tyres to set up radial tyres manufacturing facility at Chennai:** The board of Apollo Tyres has approved the proposal for setting up a radial tyres manufacturing facility at Chennai with a estimated cost of Rs 220 crore. The project is to be financed out of internal accruals and is scheduled to be completed in 18 Months by June 2009.

Real Estate

- **Israel firm Enters into Indian Real Estate venture:** India seems to be the hottest destination for Israel Real Estate Developers. BSR Engineering and Development Ltd, a firm from Israel ha signed a memorandum of association with Lehman Brothers Real Estate Partners to set up a joint venture to buy land in India for the development of residential and commercial projects. A BSR Engineering subsidiary will build projects with Lehman Brothers financing.
- **Real Estate Major AIG Plans Entry into India:** One of the largest real estate developers of the world AIG group is planning its entry into the Indian Real Estate Market. AIG Investments is setting up a portfolio management service (PMS) through which it will invest in the Indian real estate market. AIG possesses core expertise in the real estate sector, since the last 14 months a small team is already investing in Indian real estate market and now they are all set to wrap it up into a fund and invest through PMS route.

REALTY RATES

LOCATION	Capital Values Rs./sq.ft.
Cuffe Parade	13500-25000
Marine Lines	10000-17000
Churchgate	10000-16500
Malbar Hill/Walkeshwar	28000-42000
Worli	19000-30000
Prabhadevi/Parel	15000-25000
Wadala	5000-7500
Sion	4500-6500
Powai	5500-11000
Chembur/Ghatkopar	4500-7000
Mulund	5000-7500
Thane	4500-6500
Bandra-E	9500-15000
Bandra-W	12500-22000
Khar/Santacruz-E	6500-9000
Khar/Santacruz-W	9500-15500
Vile Parle-E	5500-7500
Juhu	9000-15000
Andheri-E	5000-6500
Andheri-W	6500-9500
Goregaon-E	5000-6500
Malad-E	5000-7500
Malad-W	4500-5500
Kandivali-E	5000-7500
Kandivali-W	4500-6500
Borivali-E	4000-5300
Borivali-W	4200-5500
Mira Road	1800-2700
Vasai	1500-2100
Vashi	3500-5500

Source: DNA

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