

## NRI Fortnightly Connect

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## Economy

- **Consumer price index rises 5.51% in October 2007:** The consumer price index rose 5.51% in October 2007 from a year earlier, lower than an annual rise of 6.40% in September 2007 due to a decline in some food prices. Earlier, data showed the wholesale price index rose 3.21% in the 12 months to 17 November 2007, higher than the previous week's rise of 3.01%.
- **GDP grows 8.9% in Q2 September 2007:** The gross domestic product (GDP) rose 8.9% in the second quarter ended 30 September 2007, which was below a robust 9.3% growth recorded in the first quarter ended June 2007. Farm output grew an annual 3.6% and manufacturing sector recorded a growth of 8.6% in the second quarter. The services sector registered a robust 10.2% growth.
- **Govt trims import duties and provides more export incentives:** On Thursday (29 November 2007), Finance Minister Palaniappam Chidambaram informed the Parliament of a cut in import duties on certain textile fibres and offered to undertake a greater share of the interest burden on loans to help exporters squeezed by the appreciating rupee. The customs duty on polyester fibres and intermediaries would be reduced to 5% from the present 7.5%, and that on man-made fibres to 5% from 10%. There will be no change in the customs duty for nylon chips, nylon yarn, rayon grade wood pulp and acrylonitrile.
- **8 million mobile subscribers added in October 2007:** More than 8 million mobile subscribers were added by the mobile operators in October 2007 compared with the addition of 7.80 million in September 2007. Consequently, the teledensity moved up 22.52% in October 2007 from 21.85% in September 2007.

## Exchange Rate

- The rupee on Friday (30 November 2007) closed at 39.66/67 against the dollar, up from Thursday's close of 39.76/77.

## Inflation up 3.21%

- The wholesale price index rose 3.21% in the 12 months to 17 November 2007, above the previous week's rise of 3.01%, government data released 30 November 2007. The annual inflation rate was 5.56% during the corresponding week of the previous year.

## Bullion

- Standard gold (99.5) slumped by Rs.200 per 10 gm to Rs.10,360 in Delhi. Mumbai, the largest gold market in India, saw a fall of Rs.155 per 10 gm at Rs.10,235. In Kolkata, the precious metal lost same margin of Mumbai before finishing the day at Rs.10,420 while it dropped Rs.110 per 10gm at Rs.10,275 in Chennai.
- In Delhi, ready silver (.999) crashed by Rs.600 to Rs.18,600 per kg followed by Mumbai where the metal was down by Rs.330 at Rs.19,100 per kg. In Chennai, silver softened by Rs.280 at Rs.19,000 and in Kolkata it traded Rs.50 lower at Rs.18,850 per kg.

## Bullion price

	Unit	30-Nov-07	16-Nov-07	Var(%)
Gold*	Rs/10 gm	10,235	10,075	1.6
Silver**	Rs/Kg	18,741	18,795	-0.3

\* Mumbai \*\* Delhi

## Currency exchange

DATE	US\$	GBP	EURO	YEN
16-11-07	39.35	80.52	57.56	35.71
30-11-07	39.67	81.78	58.46	35.94

\* INR/100 Jap. YEN

## Index summary

	30-Nov-07	16-Nov-07	VAR(%)
SENSEX	19363.19	19698.36	-1.7
NIFTY	5762.75	5906.85	-2.4

## India sector index

INDEX	30-Nov-07	16-Nov-07	VAR(%)
BSE - PSU	9613.32	10571.00	-9.1
BSE AUTO	5469.50	5284.01	3.5
BSE BANKEX	10870.88	11003.05	-1.2
BSE CAP. GOODS	19637.38	20643.71	-4.9
BSE CONS DURA	5365.83	5202.06	3.1
BSE FMCG	2154.81	2230.69	-3.4
BSE HEALTHCARE	3822.90	3885.03	-1.6

## The annual wholesale price index

	PER CENT	WEEK-ENDED
Inflation	3.21	Nov-17
Inflation	3.01	Nov-10
Inflation	3.11	Nov-03
Inflation	2.97	Oct-27

## Capital Market

- The 30-share BSE Sensex declined 421.70 points or 2.13% to 19,363.19 while the S&P CNX Nifty slipped 149.35 points or 2.52% to 5,762.75 in the fortnight ended Friday, 30 November 2007. The BSE Mid-Cap index rose 139.47 points or 1.65% to 8,553.56 while the BSE Small-Cap index gained 298.36 points or 2.91% to 10,526.02. Both these indices outperformed the Sensex.
- **Genesys International Corporation to issue & allot equity shares & convertible warrants:** The board of Genesys International Corporation has approved the issuance and allotment of 57,84,378 equity shares of Rs 10 each and 16,77,500 warrants convertible into 16,77,500 equity shares of Rs 10 each to the shareholders / warrant holders of the demerged company. This was approved at the board meeting held on 30 November 2007.
- **Power Grid Corporation of India's board grants investment approval:** The board of Power Grid Corporation of India has granted investment approval to Eastern Region System Strengthening Scheme - II at an estimated cost of Rs 227.52 crore. The transmission system is scheduled to be commissioned within 30 months from the date of investment approval.
- **Tata Steel enters into joint venture with Riversdale Mining:** Tata Steel has announced that Riversdale Mining and the company have signed an agreement to establish a special purpose joint venture vehicle to develop a hard coking and thermal coal project at key coal exploration tenements held by Riversdale in Mozambique. Under the terms of the agreement, Tata will pay AUD100 million (approximately US \$ 88.2 million) to acquire a 35% Project Interest. For this consideration, Tata secures a key position in the joint venture formed to develop the Mozambique coal project, as well as a 40% share of the off-take for coking coal.

## Real Estate

- **Kolkata office and retail real estate on growth path:** Kolkata has all the ingredients for high growth in its real estate market, according to real estate services firm Jones Lang LaSalle Meghraj (JLLM). One of the oldest urban agglomerations in the country, Kolkata lost its position as the erstwhile commercial capital of India to Mumbai due to the socialist manifesto adopted by the West Bengal government post-independence. Now JLLM believes the state is witnessing a resurgence driven by government policy and support for the service industry and infrastructure development that is once again attracting industry and capital to the city.
- **Land plots to be auctioned in Visakhapatnam:** On behalf of the District Collector, Visakhapatnam, VUDA invites bids to dispose off Bulk Land Plots ranging from 3.00 Acres to 10.00 Acres in Madhurawada area and 27.00 Acres Plot in Paradesipalem in the limits of Greater Visakhapatnam Municipal Corporation (GVMC) through OPEN AUCTION cum SEALED TENDERS at VUDA Children Theatre (A/c Auditorium), Visakhapatnam from 10.00 A.M onwards on 5th December 2007.
- **London, Mumbai top list of world's most expensive office markets:** London's West End, Mumbai, the City of London and Moscow are the top four most expensive office markets in the world, according to CB Richard Ellis Research's semi-annual Global Market Rents survey. The report tracks the world's most expensive markets as well as markets with the fastest growing rents over the past 12 months.
- **DLF invites Private Equity players to its middle income homes business:** DLF Ltd has announced that the Company has attracted participation of private equity real estate funds in its township projects by diluting 49% equity stake at a premium, in seven residential projects to a Merrill Lynch & Co entity for a consideration of Rs 1481 crore. The mid-income housing projects, located in Chennai, Bangalore, Kochi and Indore would get fully developed in about 7 - 8 years time frame.

## RESIDENTIAL PROPERTY

SOUTH MUMBAI	Rs./sq.ft.
Cuffe Parade	25000 - 30000
Churchgate	25000 - 40000
Marine Lines	20000 - 25000
Malabar Hill	25000 - 30000
Nepeansea Road	30000 - 35000
Worli	35000 - 40000
Prabhadevi	30000 - 40000
Mahim	9000 - 13000

NAVI MUMBAI	Rs./sq.ft.
Vashi	4000 - 7000
Airoli	4000 - 7000
Kopar Khairane	4000 - 7000
Sanpada	4000 - 7000
Nerul	4000 - 7000
CBD Belapur / Konkan Bhavan	4000 - 7000
Kharghar	4000 - 7000
Kalamboli	3000 - 5000

Source: magicbricks.com

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