

Average export auction prices remain well above expectations. Floods in Assam are causing delay in arrivals of tea because of disruption of communication. Statistics confirm that the scheme for voluntary restriction of output is being more rigidly implemented. These are arguments not for a rise in Tea shares, but for a more realistic appraisal of the nearby outlook.

#### **Jute Shares Irregular**

Jute dividends for the last half-year may not be unpromising. Developments for the current half-year may not be less adverse than those in the preceding six months. Despite expectations that last half-year's dividend payments will, at least, be

maintained, Jute shares remain neglected. This is the only group which refuses to look up either on dividend buying or on selective support to sound scrips within this group. This is an ugly feature of recent price movements on the local stock market. If Jute, Coal and Tea Shares remain depressed, can Clive Street experience any sustained spurt?

As in Jute shares, so in raw jute and jute goods. With the realisation that there may not be any glut in raw jute this season, the prices have ceased to fall. But raw jute is not moving up. Neither are jute goods. Data relating to stocks at the end

of June showed a sizable decrease in the stocks of sackings and almost a proportionate increase in the stocks of hessian. But the improvement in B. Twills has not been sustained, though hessian prices are not appreciably lower. These movements in parities may not be favourable to Jute shares. But there is reason to believe that the demand for sackings is consistent. Hessian stocks also may be lifted as and when shipments to Argentina against that country's orders are made according to schedule. These are possible developments which do not seem to justify any unduly "bearish" outlook on Jute shares.

#### **Around Bombay Markets**

## **Dalal Street in High Spirit**

Thursday, morning

THE stock market remained in high spirits. Prices made further headway on bull operations and covering on behalf of shorts. Fears, doubts and suspicions engendered by various official policies and pronouncements have given way, for the time being, to a feeling of optimism. That the Government's policy with regard to nationalisation is likely to undergo a change or that economic policy would be more practical, ensuring accelerated industrial production, is also mentioned as a cause for this marked change in sentiment. But the real reason is different—brighter dividend prospects. The fear that Government may tax bonus share issues has induced many concerns to follow a somewhat liberal dividend policy. And this has given a fillip to the stock markets. Hopes that Tatas as well as Martin Burns would fall in line with the rest have brought support to Tata Steel and Indian Iron. After the recent steep and sensational gains, Dalai Street is likely to pause on its onward march and naturally there is also an inclination to await the Prime Minister's impressions of Russia. Market commentators consider it significant that on his return to Delhi, Pandit Nehru made the observation that foodgrains in Russia were cheap but clothes and other consumer goods were rather costly. This is regarded by some as a hopeful pointer.

In view of the fact that cloth prices are relatively high and have not reflected the decline in raw cotton prices, the impression is gaining ground that the cotton textile industry would fare well during the current year. That is why textile shares have been up. Mention may be made particularly of Kohinoor and Century, Central India, however, is subdued in view of the unfavourable dividend prospects for the year just ended.

Tata Steel as well as Indian Iron forged ahead to new high levels. Profit taking sales have been well absorbed. The market has now an eye on Tata dividend which is to be announced next week. The majority expectation is for a dividend of Rs 11 as against Rs 10-8 last year.

Bombay Burmah has boomed on expectations that the final dividend may come to Rs 25 as against the interim one of Rs 11-4. A C C met with resistance at the higher level. Belapur Sugar has received fair support in view of the fact that the Daccan factories are able to realise a better price in view of the booking difficulties from UP and Bihar. National Rayon met with fair inquiry but as some of the holders were inclined to realise profits, the upward trend did not proceed much further.

Scindias continued to be in dol-drum, and in sympathy, Premier

Construction has lagged behind. There was no business in Great Eastern Shipping.

Among engineerings, Alcock advanced by Rs 25 on some influential buying. Tata Locomotive moved up to Rs 140 while Hindustan Motors at Rs 10-1 and Premier Automobiles at Rs 82-8 have remained steady.

The gilt-edged market is ruling quiet, while in Banks, Insurance and Electrics, business has been sporadic with the undertone slightly easier.

#### **Trading in Bullion Suspended**

TRADING on the bullion market has been officially suspended in view of the recurrent squeezes in silver attempted by the bull operators. A move is already well advanced for declaration of an emergency so that outstanding business in Shraavan delivery can be either squared up by fixing rates or within the limits that may be determined by the Board in concurrence with the Government. The contract is to be amended so that sellers may have to pay minimum penalty for non-delivery in future. It will take some days before the scheme is finalised.

The nominal rates for silver and gold are reported at Rs 160-14 and Rs 92-9 respectively.

**Cotton Reacts**

COTTON prices have reacted sharply from the highest level recorded during the previous week. This decline is mainly to be attributed to large-scale unloading by prominent bull operators as well as the nearness of the commencement of business in the new crop contract which is based on fine Jerilla of 13|16" staple length. There will be only one contract and delivery months as usual will be February, May and August. Some changes, however, have been made with regard to deliveries. All tenderable varieties under the new contract will be tenderable only up to 2|32" 'on' and 1|32" 'off' for staple. As 3|4" Jarilla will also be tenderable as at present, it has been decided to split Jarilla into two categories 'A' and 'B.' Under 'B,' 3|4" Jarilla would be tenderable without tolerance and without any 'on' balance for staple.

ICC August which was recently taken up to Rs 613 declined to Rs 591 to be placed at Rs 593. Several cotton growing areas are still in need of rains. The market outlook is not bearish in view of the dearth of tenderable varieties. But the uncertainty of the fixation of tenderable differences and tenders has undermined confidence. Moreover, business against fresh export quotas has been moderate and this has failed to sustain bullish fervour.

**Oilseeds Slightly Lower**

AFTER the recent rise the oilseeds market was in a subdued mood as buyers were reserved at higher levels. The Government of India is not expected to issue any fresh export quota in groundnut oil in the very near future, at least not until the monsoon has progressed. This has led to some selling in groundnut oil. Reports of rains in Saurashtra have also been a contributory factor.

Castor seeds fluctuated irregularly. With the commencement of business in new crop for 1956 May delivery, the bullish fervour was dampened in September delivery which came down to Rs 97 from Rs 105, to recover to Rs 102 and to be placed finally at Rs 99 while May delivery was at a discount of Rs 10 to Rs 8. Castor oil commercial has reacted to Rs 10-12 from Rs. 11-2 per quarter.

Ground-nuts bold ready were sold down to Rs 23-10 from Rs 24-12 while August delivery came down to Rs 23-8 from Rs 24-14. The new crop December-January delivery opening at Rs. 21-15 improved to Rs. 23-8, finally closing around Rs 22-12. Groundnut oil prices have receded to Rs 12-11 from Rs 13-4.

In the absence of fresh business in linseed oil, linseed was quiet. Bold ready turned lower at Rs 26 while August-September eased off to Rs 25-10 from Rs 26-4. Business in linseed oil was done at Rs 16-2 to Rs 15-13,

**HANDLOOM FABRICS MAKE NEWS**

ALTHOUGH handloom fabrics enjoy official encouragement, they make news on account of the marketing difficulties they encounter. However handloom products hope to survive mill competition, provided necessary marketing facilities are assured to them.

The All-India Handloom Board is now actively handling marketing of

handloom products both in India and abroad. It has set up show rooms and emporia and grants rebate on retail and wholesale sales, as well as on sales for export. There is already a Central Marketing organisation and an All-India Handloom Fabrics Marketing Co-operative Society has been proposed to be set up.

The Board's external marketing Scheme looks after sales for exports, under which four marketing officers

posted abroad supply information regarding foreign market for Indian handloom fabrics. The Union Government has provided financial assistance to the Board amounting to Rs. 6,10 lakhs as at the end of December 1954. A latest measure taken by the Government is the appointment of a Deputy Textile Commissioner (Handloom) to attend to the problems of handloom cloth first in the South and then in the North,

**MARKET LEADERS DURING THE WEEK**

	July 13,	Week's range		July 6,
	1955	High	Low	1955.
<b>Steel Shares</b>				
Tata Ordinary	249-4	249-12	244-4	241-8
Indian Iron	36-11½	36-11½	35-15	35-6½
<b>Textile Shares</b>				
Bombay Dyeing	505-0	505-0	491-14	485-0
Century	414-8	415-0	403-0	395-0
Kohinoor	349-0	350-0	338-12	336-8
Simplex	162 x d	169-0	164-0	164-0
Swadeshi	210-8	210-8	205-0	205-0
<b>Miscellaneous Shares</b>				
Associated Cements	189-8	190-0	188-0	187-4
Belapur	319-8	321-0	316-8	312-0
Burma Old	548-12	550-0	531-14	496-14
National Rayon	211-8	212-0	209-12	201-0
Premier Const.	155-0	155-8	152-12	152-0
Scindia	14-15	15-4	14-12½	14-11
Tata Chemical	15-10½	15-11	14-15½	14-12
Bank of India	146-8	147-0	146-0	145-4
New India Assc.	46-0	46-8	45-8	46-8

**MARKET LEADERS DURING 1955**

	High	Low
<b>Steel Shares</b>		
Tata Ordinary	255-8	222-8
Indian Iron	36-13	32-1
<b>Textile Shares</b>		
Bombay Dyeing	505	452-8
Century	415	348
Kohinoor	350	307
Simplex	174	146
Swadeshi	240	190
<b>Miscellaneous</b>		
Associated Cements	194	167
Belapur	336-8	299
Burma Old	550	436 4
National Rayon	222	189
Premier Const.	165	143 12
Scindia	18	14 6
Tata Chemical	18-8	13
Bank of India	155	145-4
New India Assc.	66	45-8

**INDIAN SEEDS AND OILS**

Seeds	July 13,	Week's range		July 6,
	1955	High	Low	1955
Caster Sept 1955	100-8	102-0	96-12	105-0
May 1956	92-12	95-0*	88-0	—
Groundnut				
Aug-Sept	23-9	24-10	23-8	24-13
Linseed Aug-Sept	25-10	25-14	25-4	26-4
Kardf Ready	15-6	15-4	14-12	14-14
Nigerseed	23-12	23-12	23-6	23-8
<b>Oils</b>				
Castor oil Com.	10-13	11-4	10-13	11-8
Groundnut Oil R R	12-12	13-4	12-12	13-7
Linseed Oil	15-14	16-8	15-14	16-13

\* Trading started at Rs. 95 on July 8.