

**Around Bombay Markets**

# Boom Prevails

Thursday, Morning

AS anticipated here, the upward trend in equities was accelerated during the last week. Although the Stock Exchange authorities recently Instituted measures to curb unhealthy speculation, bulls have remained convinced of industrial prospects, as evidenced by large disbursement of dividends. Annual accounts of companies that have been published are encouraging. Even the maintenance of the dividend in the case of Indian Iron and Steel Co. had no deterrent effect, as hopes are held for a right issue some time or the other. In the event, equities, on the whole, registered a further spectacular rise, the leadership this time being shared equally between steels and textiles.

Both Tata Steels and Indian Irons ruled firm, the latter giving strength to the former and enabling it, in the process, to advance to the previous official peak level. Actually, in the early part of the week, the rise in Tata Steels was particularly sharp because of the little bearish effect on Indian Iron by the declaration of the same dividend as last year. It may be noted, however, that Bombay is reported to have absorbed about four lakh shares of Indian Iron from Calcutta. Calcutta operators are not unaffected by the comparatively depressed state of the jute market.

Cotton mill shares in general made further headway with prices recording new high levels on active bull support coupled with bear covering. Central India evoked fresh buying on hopes of brighter prospects for the Company. The annual report showed a profit of Rs. 39,632 as against a trading loss of over Rs. 18.51 lakhs in the previous year. Among other scrips, Bombay Dyeing and Century ruled steady. There was reaction in the former on rumours that there might be rationalisation soon. Century witnessed a hectic rise.

There were several bright spots in the miscellaneous section which remained on the whole firm. Persistent speculative buying and covering sharply pushed Bombay Burmah to new peak levels. There was a gain of as much as Rs. 25 compared with the highest level reached in the week before. Sugar shares drew sustenance from hopes of higher dividends. Belapurs which opened the week at Rs. 335 advanced by leaps and

bounds to record the highest for the week at Rs. 375 at which level they have been held. Premier Construction rallied smartly to Rs. 191 while Tata Chemicals moved up to Rs 20. A C C recorded a peak level of Rs 220 to close a shade lower at Rs. 219-8.

**Cotton**

**New Peaks Reached**

THE cotton futures market opened the week on a distinctly bullish note and prices reached new high levels. Two factors combined to bring this about. While reports of damage to the crop following heavy rains in some cotton tracts were an important bullish factor, a more immediate cause was strong manipulation by the bull syndicate. The new crop February contract opened the week firm at Rs. 642 and marched onward to a new peak of Rs. 654-8 before closing the week somewhat lower at Rs. 651-12.

In the Sewri spot market, Vijay was in the limelight on the support of a prominent group of mills who continued to buy this variety on a

fairly large scale. Close on the heels of Vijay came 320F Punjab, about 1000 bales of which have been purchased by a big textile unit at Rs. 125 ON. Vijay also featured prominently in the export section. Shippers were reported to have gone in for this style presumably against their outstanding sales abroad. There were reports of sustained enquiries from Continental countries as also from Hong Kong and Japan but the volume of business that materialised was small.

Meanwhile, the question of U. S. aid cotton is still hanging fire. It may be remembered that this scheme was first proposed as far back as December 1954, and the scheme continues to remain in cold storage. The prolonged delay in the Government making its decision one way or the other is presumably due to the disinclination on the part of traders to comply with the Government's alleged insistence on payment of a deposit of Rs. 1 lakh before they are allowed to import this cotton. Traders are not interested enough to pay deposit for the import of U. S. cot-

**MARKET LEADERS DURING THE WEEK**

	Oct. 25 1955	Week's Range		Oct. 19 1955
		High	Low	
<b>Steel Shares :</b>				
Tata Ordinary	263- 4	263-12	258-12	256-12
Indian Iron	39-14	39-15	39- 6½	38-13½
<b>Textile Shares :</b>				
Bombay Dyeing	576- 4	585- 0	566-14	560- 0
Century	470- 4	472- 8	450- 8	449- 8
Kohinoor	359- 8	361- 0	348- 4	349- 8
Simplex	212- 4	215- 0	207- 0	206- 4
Swadeshi	243- 8	244- 0	238- 0	234-12
<b>Miscellaneous Shares :</b>				
Associated Cement	219- 8	220- 0	212- 8	211- 4
Belapur	375- 0	375- 0	355- 0	353- 8
Burma Old	687- 8	695- 0	655- 0	654- 4
National Rayon	245-12	246- 8	241- 8	241- 8
Premier Const.	190- 0	190- 0	183- 0	186- 4
Scindia	18-14	19- 0	18- 4	18- 6
Tata Chemical	19-13½	20- 0	18-14	19- 1
New India Assc.	49- 0	50- 0	47-12	49- 8

**OILS AND OILSEEDS**

	Oct. 25 1955	Week's Range		Oct. 25 1955
		High	Low	
<b>Seeds :</b>				
Castor May 1955 (per candy)	100- 4	101- 4	75-10	95- 2
Groundnut Dec.-Jan. (per cwt.)	22-14	22-15	22-10	22-13
Linseed Feb.-Mar	23-12	23-12	23- 8	23- 4
Kardi Ready	13- 6	13-12	13- 8	13- 8
Nigerseed Ready	22-12	23- 0	22- 8	22-12
<b>Oils :</b>				
Castor Oil Com. (per quarter)	10-10	10-12	10- 8	10- 5
Groundnut Oil R. R. ( " )	12- 4	12- 6	12- 2	11-14
Linseed Oil ( " )	14-12	14-12	14- 5½	14- 5

ton. They feel comparable varieties of long staple cotton—and what is more, with a price advantage—could be had from East Africa or Egypt.

### Oils and Oilseeds

#### Castor May Crosses Rs. 100

A NOTABLE event in the oilseeds market during the week under review was the sharp rise in the price of Castor futures which, for the first time in several months, crossed the Rs 100-mark. In keeping with the firm trend in this section, other sections also displayed a perceptible undercurrent of firmness. Towards the close of the week, there was a shift in favour of linseeds causing a little reaction in groundnuts, castor and kardi and nigar.

Sentiment in general was influenced by three factors. In the first place, fears of crop damage owing to the recent heavy rains aggravated the sense of scarcity due to paucity of floating stocks. Secondly, arrivals from Khandesh were halting and uncertain owing to transport difficulties, a necessary concomitant of heavy rains, particularly with regard to country roads. Thirdly there was increased demand from shippers and millers. This apart, during the early part of the week on expectation of a fresh export quota for established shippers, both Vanaspati dealers and speculators were inclined to go long in both groundnut delivery and oil. On foreign account good business is reported to have been done for about 1000 tons during the week. Before the close of the week, however, the expected announcement of the export quota was released although the actual quantum of the quota has not been mentioned. Groundnut oil R/R found regular buyers and improved from Rs 11-12 to Rs. 12-6 during the the week to be placed at the close at Rs. 12-4.

In the case of Castor May, a new peak level was established at Rs. 101-4 on Tuesday. Favourable advices from the spot section and prospects of increased purchases by the U. S. A. at higher prices led speculators to cover their short sales in futures. As a result, the early easiness was replaced by a firm undertone and May contract closed the week distinctly firm at Rs. 100-4.

The unusual firmness in linseed and linseed oil was due mainly to paucity of stocks and good oversea demand particularly from Australia which accounted for about 50 tons. This led to Punjab going in for linseed ready and delivery and its

oil. Ready linseed improved by a rupee a cwt. from Rs. 24 to Rs. 25. Delivery improved from Rs. 23-8 to Rs. 23-14 and closed the week on a firm note at Rs. 23-12. Linseed oil ready quoted as. 6 higher at Rs. 14-12 at the close as compared to the opening at Rs. 14-6.

### Bullion

#### Futures Trading Resumed

AFTER a period of suspension extending well over three months, forward trading in bullion was at last resumed on Monday (October 24, 1955).

Recalling the causes which led to the closure of trading in forward bullion, the President of the Bombay Bullion Association drew the attention of the members to what the Bombay market had been able to save "by locating and remedying in proper time the malicious squeeze." He added: "We had an outstanding business of about 7000 bars of silver which would have been normally carried to the levels when we would have lost round about Rs. 20 lakhs

because the market has since risen by Rs. 11".

Referring to the Government's conditions in respect of the amended bye-laws he said "we have no alternative but to run the market in terms of the bye-laws imposed on us and accordingly we are starting trading in terms of the new bye-laws."

When futures trading started, it was on a buoyant note. In the absence of sizable selling, both the metals forged ahead, activities being confined to professionals and spot houses with scarcely any outside interest.

Arrivals in the local market as well as in upcountry centres were unexpectedly heavy and there was perceptible shrinkage in demand for the spot metal with the result that there was considerable selling by spot houses and the earlier gains were almost erased as a result.

Gold was comparatively firm although hedge selling at higher levels occasioned a small reaction here too. At the close silver quoted Rs. 170-9 and gold Rs. 95-3.

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# Let's look at PROGRESS- Stanvac Quiz No 1

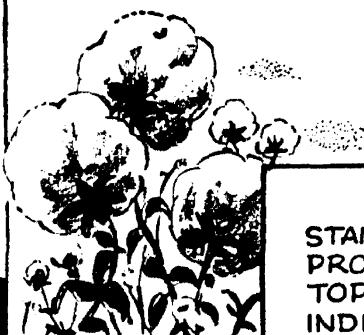
YOU KNOW THAT INDIA'S 5-YEAR PLANS MEAN A BETTER LIFE FOR ALL. BUT DO YOU REALISE THE PROGRESS **ALREADY MADE** UNDER THE FIRST 5-YEAR PLAN? TEST YOUR KNOWLEDGE AGAINST THE QUESTIONS AND ANSWERS BELOW.

**1** IN 1953-54 INDIA ACTUALLY **GREW MORE RICE** THAN THE PLAN CALLED FOR. IN THREE YEARS HER RICE PRODUCTION HAS INCREASED BY:  
 A) 1,460,000 TONS  
 B) 4,250,000 TONS  
 C) 637,000 TONS



**3** THE PLAN INCLUDES PROJECTS FOR MAKING INDIA SELF-SUFFICIENT, AND ALSO FOR EARNING FOREIGN CURRENCY. IN 1954-55 **EXPORTED INDIAN GLASSWARE** EARNED:  
 A) 6 LAKHS  
 B) 12 LAKHS  
 C) 20.4 LAKHS OF RUPEES

**2** COTTON IS ONE OF INDIA'S MOST IMPORTANT CROPS. BY 1954-55, THE **AREA OF LAND UNDER COTTON** HAD INCREASED BY:  
 A) 1,252,000 ACRES  
 B) 3,746,000 ACRES  
 C) 624,000 ACRES



STANDARD-VACUUM ARE PROUD TO PRESENT THIS TOPICAL INFORMATION ON INDIA'S PROGRESS- AND PROUD THAT OUR THREEFOLD ACTIVITIES OF **PRODUCING, REFINING AND MARKETING** OF PETROLEUM PRODUCTS ARE CONTRIBUTING TOWARDS IT.



**4** IN INDUSTRY, TOO, INDIA'S OUTPUT HAS RISEN STEADILY. IN 1954-55, THE **NUMBER OF BICYCLES** MADE WAS:  
 A) 372,365  
 B) 60,260  
 C) 124,120

**1** 4,250,000 TONS-AN EXTRA **25½ LB.** OF RICE FOR EVERY MAN, WOMAN AND CHILD IN THE COUNTRY!

**2** 3,746,000 ACRES-AN EXTRA **ACRE** OF COTTON-GROWING LAND FOR EVERY FOUR AT THE BEGINNING OF THE PLAN!

**3** OVER 20.4 LAKHS OF RUPEES WERE EARNED BY THE EXPORT OF INDIAN GLASS- VALUABLE FOREIGN CURRENCY TO BUY VITAL IMPORTS!

**4** 372,365 BICYCLES - MORE THAN **THREE TIMES** THE NUMBER MADE FOUR YEARS AGO!

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