

the monsoon season. The near-term outlook for gold depends essentially on spot demand.

Fluctuations in silver were small and erratic. Bull manipulation has scared the outside public. Business continues professional. After rising from Rs 153-3 to Rs 154-7 silver "Asharh" delivery receded to Rs 153-4, but improved again to Rs 154-15. Later it eased again to end at Rs 153-8. With follow-up support lacking, and spot inquiry limited, higher levels, attracted bull selling and some bear pressure. But the bulls supported the market on the decline. Since most of the floating stock of silver is in one hand bears were reluctant to sell at lower levels.

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New Crop Trading Allowed

Friday, Morning

UNCERTAINTY about hedge trading in the 1953-54 cotton crop has ended. Business in February contract will begin at 8-55 a.m. on Friday, July 17. The "floor" and "ceiling" prices are to remain unchanged. Fear of a reduction in the staple length of tenderable cotton has proved baseless. Some minor adjustments are expected in the schedules which have not yet been settled. ICG February opened at Rs 665-4 and eased to end at Rs 661-8. The August contract (1953) was done up to Rs 692 and finished at Rs 688-8.

After a small early setback cotton futures staged an impressive recovery on heavy short covering and sustained bull support. The August contract, which had been marked down from Rs 679-8 to Rs 670-8, recovered to Rs 688-8. Later it reacted to Rs 682-8 but improved again to Rs 691 and ended at Rs 688-4, against Rs 677-8 a week ago. Sentiment was helped by the continued firmness in the spot market, reflecting tight supply. There were talks about a bull syndicate to take delivery of cotton at the maturity of the contract. Decontrol of cloth and yarn, and the reduction of cotton acreage in America had a steadying effect.

The spot market continued firm with good demand for superior varieties. Stockholders were reluctant sellers. Business was mainly in Indian styles. In the absence of export demand Bengal Deshi was slightly subdued. Export policy for cotton yarn for the half year to

December has not yet been announced. The Government wants to watch the situation following the lecontrol of prices and distribution of yarn. Artificial silk yarn prices recovered after a small early setback. July delivery 150 D Japan was marked down from Rs 766 to Rs 759 but improved to Rs 793 and ended at Rs 786 per case of 200 pounds. Business was generally small. Prices rose in sympathy with the firmness in cotton futures.

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Oilseeds Rise Further

OILSEEDS and oil prices recorded further all-round handsome improvement, with groundnuts continuing to lead. Groundnuts and groundnut oil rose to the highest levels for a long time due to a scarcity of stocks and persistent buying by crushers and vanaspati manufacturers. Bold August-September delivery improved from Rs 48-10 to Rs 50-10 per cwt on heavy short covering and speculative buying induced by the remarkable strength in ready. Outstanding positions in June-July are estimated around 3,000 tons, and with stocks scarce bears are being compelled to cover. Up-country oil ready has risen further from Rs 27 to Rs 28-12. Perturbed by the rising trend in groundnuts various trade associations have asked the Government to allow 'free' import of edible oils like coconut oil, palm oil, cottonseed oil and soyabean oil. Stock position of groundnuts being very tight ban on export of groundnut oil and reduction in the import duty on copra have failed to check the rising trend.

The shortage of groundnuts and the steep rise in their prices have led to increased demand for linseeds and kardiseeds for crushing. Kardi oils are being increasingly used for mixing with groundnut oil. Despite continued absence of export demand for linseed oil and kardiseeds, prices have showed a rising tendency on sustained speculative buying caused by the firmness in groundnuts. Linseeds August-September improved gradually from Rs 30-14 to Rs 32-8 and oil was up by Rs 1-4 at Rs 17-12 per quarter. Kardiseeds August-September rose by a rupee to Rs 26-10.

After fluctuating erratically on alternate spells of bull selling and short covering castor futures developed a distinctly firm tendency. The September contract eased from

Rs 150 to Rs 147-8 but rallied to Rs 155-12 and ended at Rs 155 per candy. Spot castor Madras; variety was up by a rupee at Rs 32-12 per cwt. Sentiment was influenced by the firmness in other oilseeds, but later recovery was induced by the reduction in oil freight to America and reports of foreign inquiry. Australia was said to have bought nearly 150 tons of commercial at £148 per ton. Europe made small purchases at around £146 per ton. The West Coast of India-Pakistan-USA Conference has announced a cash discount of 25 per cent to shippers exporting cargo to these countries. New York reports indicate that Indian fear of Brazilian dumping of castor oil in America is baseless. There is good demand for oil but not at current price levels. The trade is anxiously awaiting Government announcement of castor oil export policy after July.

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Tin Weak, Lead Firm

NON-FERROUS metals continued to make a mixed showing. Copper, which had been subdued for some time, developed a slightly steadier tendency on short covering and modest revival in consumer inquiry. Zinc maintained a steady tone. Lead recorded a rise of about Rs 3 per cwt. Tin continued depressed and reached the lowest level for a long time due to persistently weak foreign advices. The heavy fall in prices led to the enforcement of special clearing in both "Asharh" and "Shravan" deliveries. "Asharh" contract lost nearly Rs 7 at Rs 99-12 per quarter. The mercury market was dull and quietly steady with "Asharh" delivery fluctuating around Rs 425 per flask of 75 pounds.

Black pepper prices recorded sizable recovery on short covering and renewed speculative support due to revived American inquiry, and higher up-country advices. August delivery improved from Rs 2,280 to Rs 2,400 per candy. Cloves suffered a farther heavy fall from Rs 607 to Rs 535 per Bengal maund, "Asharh" delivery, due to weak Zanzibar advices. Cinnamon held quietly steady around Rs 52-8 per Bengal maund, "Asharh" delivery. Sugar steadied after a small early reaction. The quotation for "Shravan" delivery was marked down to Rs 86-12 but recovered later to Rs 88 and ended the week at around Rs 87-10 per bag.