

**Commodities**

**Cotton Futures Firm**

**A**LTHOUGH fluctuations in cotton futures were rather erratic due to alternate spells of bear selling and bull support, the overall trading pattern suggested that the downward trend which had been in evidence for about a month had been halted. After easing from Rs 672-8 to Rs 665 ICC May recovied to Rs 678-8. Later it reacted to Rs 672 but rallied to Rs 077-8 and ended at Rs 676-4 per candy. After being done at Rs 677-8 the August contract improved to Rs 690 and ended at Rs 688-8 against Rs 684-12 a week ago.

More important that the small rise in prices was the improvement in sentiment. Spot houses and the mills which had been keeping off the market reappeared on the scene. The bulls tightened their hold. The trade was once again talking about the tight statistical position and the cheapness of Indian cottons and prospects of revival of cloth demand alter the Holi festival. The spot market which had been quiet and subdued for some weeks developed considerable activity with the daily turnover rising to around 5,000 bales. Business was mostly in Indian cottons. The premium for Vijay which had declined to around Rs 190 improved to Rs 211. With the export quota, nearly exhausted Bengals were almost neglected. Business in doreign cottons was limited. The trade reported spinner inquiries in American cottons, hut the turnover was poor. There was little demand for East African cottons. Egyptians were neglected because of high prices.

After early hesitancy artificial silk yarn prices rallied on renewed hopes of a relief in excise duty on rayon fabrics. The quotation for 150 D Japan March delivery was down to Rs 762 but. rose to Rs 778 per case of 200 pounds. Spot inquiry was limited, but the bears preferred to cover. Staple fibre yarn (40x2) March delivery eased from Rs 668 to Rs 662 but recovered to Rs 684 per bale of 400 pounds.

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**Bullion Erratic**

**T**RADING in the bullion market was notable mainly for erratic fluctuations in silver. A few prominent bulls controlled the market. They sold on rallies and replaced their positions on set-backs.

borne of the erstwhile bears were said to be accumulating heavy long positions. The off-take of silver was generally satisfactory, but lack of follow-up support clue to possible fall in demand during the Holi festival encouraged bull selling. The beats were in no mood to be aggressive.

After being down to Rs 162-15 silver " Phagan " delivery recovered to Rs 164-2 but eased again to Rs 163-11. Later it rallied to Rs 164-8 but eased to Rs 163-15 before rising to end at Rs 164-14 on Wednesday. The premium for " Chaitra " delivery ranged between six annas and eight annas. Erratic fluctuations after a fairly steep rise are liable to widely different interpretations. It is difficult to say whether the market is trying to consolidate the recent gains or whether the process of ' distribution ' is in progress. Only a break-out above or below the recent resistance and support levels can decide the trend.

Cold was generally steadier due to scarcity of floating stocks and reduced arrivals of smuggled gold, but was subdued by occasional setbacks in silver. Alter being down to Rs 87-12 gold "Phagan" improved to Rs 88-15 but caused to Rs 88-8 and ended at Rs 88-11 against Rs 88-1 a week ago. Shortage of stocks discouraged bear selling, but the bulls also were by no means aggressive due to slack demand which was reflected in the fall in the spot premium to around six annas per tola. The trading pattern of bullion continues indecisive. In view of the likely revival of seasonal demand after the Holt festival the near term outlook can be viewed with optimism.

**Oilseeds Steady**

**S**T E A D Y conditions generally prevailed in the oilseeds market last week. Fluctuations in ens-tor futures were small but erratic. Rising pressure of new crop arrivals and discouraging oil export outlook induced bear selling on every small rally, but the steadiness in ground-nuts and outside markets produced short covering on reactions. Sentiment near the week-end was helped by renewed suggestions of a relief in castor oil export duty and export quota for groundnut oil.

After easing from Rs 104-8 to Rs 102-10 castor May improved to Rs 104-2 but declined again to Rs 102. Later it rallied to end at

Rs 104-12 per candy. The volume of business was generally small. Export business in castor oil was negligible. Europe bought a small quantity and quoted £101 for commercial and £108 per ton for first pressure. Prospects of any marked improvement in overseas demand are considered unencouraging. Brazil was reported to have sold to America first pressure at 11½ cents a pound which is considerably cheaper than Indian oil. The outlook for castor futures continues to hang on oil export duty relief.

Groundnuts reacted after a small early rise but steadied again near the week-end and showed only minor changes from the previous week's levels. Mid-week set-back was caused by up-country selling and reduced export house buying. Out of the export quota of 7,000 tons of HPS kernel, 4,000 tons have already been sold mainly to Canada. Export houses have mostly covered their requirements. With the end of export demand, groundnuts are likely to develop a subdued tendency unless Government allows export of oil. After being done up to Rs 37 groundnut Quality ready reacted to Rs 35-8 hut rallied to around Rs 36-8 per cwt. The quotation for Bold April-May delivery eased from Rs 34-6 to Rs 33-8 and recovered later to around Rs 34. Groundnut was comparatively subdued due to comfortable supply position.

Linseeds followed the trend in groundnuts. North India was reported an occasional buyer in seeds, while Calcutta bought oil near the week-end. Mill demand was limited. Export inquiry was absent. Argentina continues to underquote India in foreign markets. After easing from Rs 23-4 to Rs 22-14 the quotation for April-May delivery recovered to Rs 23-8 per cwt. Linseed oil was up by six annas per quarter at Rs 14. Kardiseeds and nigerseeds maintained a quietly steady tone with small turnover.

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**Mercury Prices Steady**

**M**E R C U R Y prices tended to steady after the previous week's steep fall following Government ban on export of salts. The quotation for " Phagan " delivery which had been marked down to Rs 575 rallied to around Rs. 610 per flask of 75 pounds. Trading had to be suspended from Wednesday following disputes over a transaction of about 2,200 flasks.