seed are to be converted at the ratio of 100 to 37. Castor oil quotas are subject to the condition that those shippers whose quota from all ports in India amount to 50 tons or more, should export a minimum of 20 per cent of their quota to Australia. There is, of course, no objection to such shippers shipping a larger percentage of their quota to that country.

Established exporters of linseed oil have been given quota at the rate of 25 per cent of the exports of linseed oil effected during the basic year. 'Established exporters of linseed have been given quotas of linseed oil on the basis of their past exports of linseed at the rate of 25 per cent of their basic year exports of linseed, which is to be converted into oils in ratio of 3 to 1,

Stock Exchange

Reversal of Trend

SENTIMENT has changed, and that all of a sudden. The spirit of jubilation has given way to despondency. Early in the week under review, several industrial shares were bid up to the highest levels since the uptrend started in December last. but the selling wave that swept the' market on Wednesday and Thursday washed off most of the gains accumulated gradually in the last four weeks.

The slump is attributed to fears of an early announcement about a further rise in the Bank Rate. There have also been talks of a new Central Government loan at 4 per cent. Informed sources discount the possibility of either of these. Probably, speculators have taken the cue from Mr C. D. Deshmukh's observation on talks at the Commonwealth Finance Ministers' Conference which included tighter credit control.

Early advance in industrial shares was mainly in sympathy with Tata Steels which were pushed up on renewed suggestions of a further handsome increase in retention prices. Following an all-round increase in railway freights, and coal and coke prices since last-August, a further substantial rise in retention prices in steel is expected soon. And the corning increases are expected to be bigger than last August. Tat as are said to have asked the Government to allow an increase of about Rs 100 per ton in retention prices, the benefit to be used exclusively to finance expansion plans.

There were also reports that the Tata Steel Company proposed to sell a substantial part of its stock of ingot mould scrap to relieve the acute shortage of pig iron in the foundry industry. The scrap is said to be more than 2 lakh tons. The Company was said to have completed the deal with the United States for the sale of about 30,000 tons of scrap iron. Another 70,000 tons would also be sold soon. All this would yield considerable additional revenue to the Company.

Amidst these convincingly bullish reports, professional operators, who had been accumulating huge positions for long, began gradually to unload their holdings. But bears would not allow them to Jiave their own way. They had been looking for an opportunity since long and they had it now. Technical considerations were overwhelmingly in their favour. Budla rates on February I had indicated an overbought position in most of the scrips and the high carry-forward charges on February 14 showed that the technical position had become' even more vulnerable.

For a time bull liquidation was well absorbed by tired bear covering. But when anxious short covering was over, prices began to crack. One after the other various scrips began to give way under selling pressure. Certain levels which had offered great resistance to the uptrend were penetrated on the downside with increasing volume of business.

The behaviour of Cotton Mill shares, the basic outlook for which had often been doubted, was extremely discouraging. Most of the shares broke through their trading areas on the downside and touched the lowest levels for many weeks. What had appeared to be consolidation patterns till the previous week have turned out to be distribution patterns.

Some of the prominent professional bulls on the Stock Exchange are said to have had huge long positions in commodity markets also. They have been unnerved by the heavy losses following the slump in commodities. Besides, they have been finding it difficult and expensive to carry-forward their purchases for long.

The carry-forward charges which buyers had to pay on February 14, for some of the important scrips were as follows: Tata Steel Deferreds Rs 5/10, Indian Iron 1-¾ annas, Scindia I-¼ annas and A.C.C. 12 annas. 'Budla' rate in Kohinoor had been against the seller for many settlements, but it was against the buyer this time.

Considerable nervousness prevailed in Dalai Street on Thursday evening after the 'budla' session had revealed an all-round over bought position in the market. Tata Steel Deferreds and Indian Iron, the market leaders of Bombay and Calcutta, were pushed down to Rs 1,915 and Rs 28, respectively.

Technical students are now busy studying their charts to interpret the market pattern. The intermediate uptrend which had been in evidence since December has not only come to a halt, but is thought to have been reversed. Opinion about the major trend, however, can Be given only after watching the magnitude and duration of the recession and the subsequent rally.

The basic trend in Cotton Mill shares is seriously doubted because only a few scrips had been able to penetrate through the last intermediate tops of the six-month old bear market. Anyhow since textile shares have started declining after about four weeks of steady distribution, the fall might be considerable and it would not be advisable to stick on to one's holdings.

However, it is difficult to reconcile with the possibility of a resumption of the bear market in Steels. The decline which threatens to proceed quite far might be considered a major technical correction of the intermediate uptrend. Purchases should be made only when the market begins to show distinct signs of stability at lower levels.

Yet another week has passed and the progress of bill market is still confined to official papers even though demand for funds is on the increase. The Reserve Bank of India returns for the week to February 8 show a further fall of about Rs 4 crores in the deposits of scheduled banks which are now at a record low of Rs 41.2 crores.

In the absence of facilities for the rediscount of trade bills, scheduled banks have had to meet demand for funds by drawing on their cash balances and by borrowing from the Reserve Bank. " Other loans and advances" have increased further by Rs 4.3 crores to Rs 45.6 crores. Scheduled banks' loans and advances showed a further rise of about Rs 14 crores in the week ending February 1, at Rs 583.29 crores, and this is only about Rs 2 crores less than the record level of Rs 585.6 crores last May.

' Balances held abroad are' down by about Rs 13.6 crores, which, after allowing Rs 10 crores transferred to the Issue Department to expand currency, reflect an adverse, balance of trade. A further rise of Rs 12.3 crores in notes in circulation has been of little help in easing stringency in the money market.

Reluctance of borrowers to reveal their names is said to be the main hurdle in the progress of the bill market. The Indian Banks' Association has suggested that the procedure could be simplified by enabling banks to tender original documents with a letter from the constituent, signifying his willingness to use them.

Despite monetary stringency, and in spite of the slump in industrial shares, the gilt-edged market has kept remarkably steady throughout the last week. The three per cent Conversion Loan has improved to around Rs 80-8. This might appear rather intriguing to the uninitiated.

The slightly steadier sentiment in Government securities and a small rise in the quotation for the Conversion Loan are due mainly to lack of selling owing to the proximity of interest payments on loans and they do not show any revival of confidence. Business in Government securities continues to be nominal.

The Bombay Municipal Corporation is reported to have been successful in raising Rs 50 lakhs through the 3¾ per cent 1966 loan at around Rs 99-8, including brokerage of 4 annas. The loan is said to have sold through considerable persuasion. The amount of the loan being small, it has little significance for the gilt-edged market.

STOCK EXCHANGE TRENDS – BOMBAY

(In Rupees and annas)

	Closing on 6-2-1952	High	Low	Closing on 13-2-1952	1952 High	1952 Low	1951 Lowest
Steels							
Tata Steel Defd.	1936-4	1976-4	1931-4	1936-4	1976-4	1752-8	1717-8
Tata Steel Ordy.	352	358-8	349	349	358-8	317	308
Bengal Steel	22-1	22-7	21-7	21-7	22-7	18-4	19
Indian Iron	26-13½	29-6½	28-9	28-10	29-6½	26-11	27-8½
Textiles							
Bombay Dyeing	440	450	433-12	435	450	416-4	395
Central India	231	232-8	228-8	228-8	235-8	222	218-8
Century	322-12	323-12	314-8	316	324	308-8	299
Kohinoor	336	339-8	327-8	329	339-8	323	304
Simplex	182	182-8	179	179	278(CR)	180(XR)	242(CR)
Svadeshi	292	296	286-8	287-8	296	258	247
Banks, Insurance, Electrics							
Central	71-4	71-4	70-8	70-8	72	65-8	66-12
Imperial	1762-8	1762-8	1751-4	1755	1795	1751-4	1705
India	172	172	170-8	170-8	176-8	169	164-12
New India Ins.	46-8	47	46-8	46-8	47-12	43-8	44-8
Tata Hydro	148	148	146	146	148	142-8	148
Tata Power	1497-8	1512-8	1497-8	1500	1512-8	1455	1470
Miscellaneous							
A.C.C.	179	180-12	178-8	178-8	190-8	178	160-4
Belapur	261-8	263-8	257-8	258-8	268	249	249
Bombay Burmah Old	540	553-2	529-6	529-6	553-2	516-14	441-4
Premier Construction	105-4	107	100-8	101-8	107	88-8	84
Scindia	16-3½	17-1	16-4	16-7½	17-1	14-1	12-15½

C R. = Cum rights X.R. = Ex rights

Company Notes

RALIS INDIA, LIMITED

EXCELLENT progress has been made in the working of Ralis India Limited for the year ending August 31, 1951. During the year, the company has earned a profit of Rs 75.84 lakhs out of which Rs 34 lakhs has been appropriated to income tax and super-tax. Transfers to General Reserve and Contingencies Reserve amount to Rs 10.25 lakhs and Rs 5 lakhs respectively. The dividend on Rs 100 paid up ordinary shares has been increased to 9 per cent, free of income tax.

The Net Block of the company stands at Rs 136.72 lakhs after providing Rs 27 lakhs for depreciation upto the end of the year. The actual turnover exceeded Rs 50 crores. Expenses on purchases and charges amounted to Rs 48.19 crores and establishment charges to Rs 1.06 crores.

The balance sheet reveals a very sound position. Current assets *exceed* current liabilities by over Rs 188 lakhs. The constituent liabilities as at the end of the year are shown at Rs 50 lakhs. These were mostly on account of Bills of exchange under discount amounting to Rs 48.5 lakhs which must have been realised by now.

During the year, the company had sold the ordinary shares of Rs 100 each, which were held by Rallis Brothers, Ltd., to the public at Rs. 115 per share. These shares at the current quotation at Rs 117 cum-dividend give a very attractive yield at 7.7 per cent.

The Deccan Sugar & Abkari Co., Ltd.

The publication of the statement of accounts of The Deccan Sugar & Abkari Company Limited was delayed on account of the change in the date of the year from December 31 to May 31. This change has been made to cover crushing season. Normally, the season begins by Novernber and ends by May. As a result, the report this time covers a period of 17 months.

Despite the longer period covered by the accounts, profits have fallen from Rs 3.27 lakhs to Rs 2.37 lakhs. This fall has been attributed to severe competition from jaggery at both the factories, resulting in a reduction in the quantity of cane offered for crushing at the company's mills. The dividend on ordinary shares, after usual payment on preference shares, has been fixed at 11¼ per cent, free of income tax.