

Around the Markets**Confidence Lacking**

Thursday, Morning

DALAL STREET'S trading pattern last week suggested continued lack of confidence in higher levels for equities. With anxious short covering mostly over, the previous week's rally, induced chiefly by technical Considerations, failed to make any noticeable headway. Equities prices rose but very reluctantly. Optimism about steel retention prices, recovery in bullion- and oilseeds, suggestions of removal of control on production and distribution of cloth induced bear covering and modest replacement buying. But with the tired bulls persistent sellers, and follow-up support completely lacking, higher levels could not be sustained. Closing prices on Wednesday generally showed all round small losses from the previous week's levels.

The volume of business throughout the week was disappointingly small. Interest was extremely selective with activity mostly confined to the popular speculative counters. With outside support lacking the professional operators were in no mood to make new large commitments either way. The continued delay in the announcement about steel retention prices has disappointed the bulls, and conjectures about the impending rise have not been encouraging. Tata Steel Deferred which had been done up to Rs 1,911-4 on Tuesday were down again to Rs 1,872-8 in kerb dealings on the following day. A prominent bull operator who had suffered heavy losses from the slump in cotton futures was reported to be selling his holding of Tata Deferred shares. With a few prominent operators controlling most of the forward markets in India fluctuations in one market produce an exaggerated effect on the other markets. Indian Irons were weak after reports of labour trouble.

Except for a few isolated counters which attracted some influential professional buying Cotton Mill shares generally were subdued on reports of reduced cloth off-take, both domestic and overseas. With the beginning of the monsoon season internal demand is likely to fall further. Hopes of removal of control on production and distribution of cloth and yarn produced considerable bear covering but the bulls were anxious sellers on the rise.

Bank, Insurance and Electric shares maintained a quietly steady tone with little business. Miscellaneous shares were duty and easy. The Gilt-edged market continued subdued due to lack of support. The National Plan Bonds were quoted at one anna below the issue price, The Conversion Loan, was marked down to Rs 81-14 but steadied later at around Rs 82. Business in Government securities has dwindled to negligible proportions.

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Blank Transfers and Income-Tax

A circular from the Central Board of Revenue about income-tax refund on dividends from shares held on blank transfer has caused uneasiness among the Stock Exchange traders. It reads as follows:

"The question of giving credit arises long after the declaration of any payment of dividends. If, at the time of assessment, the assessee claim to be still real owners of the shares, but the shares have not been registered in the names of the assessee even by then in the books of the company, no credit should be allowed.

"In other words, credit in res-

pect of blank transfers may be allowed if the holding of blank transfer is for a short interval only, and there is no reason whatsoever to doubt the bona fides. If an assessee wants to hold shares on blank transfers for long periods without incurring the transfer charges or to suit his own ends, he should take the other consequences also. It is up to the assessee to get the shares registered in his name before the assessment pending or current, if he claims tax credit."

The authorities apparently want to discourage blank transfers which are likely to become more common after the imposition of death duty. Pending clarification of the position regarding shares deposited with banks the implications of the new measure cannot be properly assessed.

Interruption of the major uptrend of the Indian Stock Exchanges has been attributed by many people to anxiety about developments in the American financial markets which were nearly demoralised recently due to a "run for liquidity." But it is not only the money markets that have been acting ominously. Wall Street's trading pattern suggests the probability of an early reversal of the primary bull market. The Dow Jones' Industrial averages have been making a bear market pattern for many months and the index now stands at the lowest level for 1953. The Railroad index.

STOCK EXCHANGE TRENDS — BOMBAY

(In Rupees and Annas)

	Previous Closing 10-6-1953	High	Low	Closing on 17-6-1953	1953	
					High	Low
STEELS:						
Tata Steel Defd.	1897- 8	1911- 4	1882- 8	1886- 4	1945- 0	1687- 8
Tata Steel Ord.	330- 8	332- 4	328- 8	329- 0	338- 0	299-12
Indian Iron	25- 3	25- 5	24-12½	24-13	27- 1	22-12
TEXTILES:						
Bombay Dyeing	385-10	385-10	379- 6	381- 4	413- 2	353-12
Central India	164- 0	164- 0	161- 0	162- 0	179- 0	141- 0
Century	274- 4	279- 8	271- 8	275- 4	290- 0	243- 8
Kohinoor	302- 8	303-12	298-12	301-12	323- 0	259- 0
Svadeshi	250- 8	251- 8	248- 0	248- 8	270- 0	228- 8
MISCELLANEOUS:						
ACC	171- 8	171-12	170- 8	170-12	179-12	166- 4
Belapur	236- 8	235- 8	233- 0	233- 8	245- 0	209- 8
B'bay Burmah Old	373- 2	377- 8	371-14	371-14	407- 8	357- 8
Premier Constn.	82-12	83- 0	80- 0	80- 4	98- 0	81- 8
Scindia	13- 2½	13- 4	12-15	12-15½	15-12	12-15