for the existing loans is scarcely surprising. The speculative Conversion Loan was done down to Rs 82-7, and National Plan Bonds were easier at Rs 98-4½, Seven out of the ten State Governments which floated development loans for about Rs 28 crores achieved their target within the nine-day period in which, they had been kept open. Closing dates for Mysore, Madhya Pradesh and Madhya Bharat loans have been extended to July 28. With influential canvassing, and the terms and conditions more favourable to lenders, the success of the new four per cent 1963 loans was a foregone conclusion.

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Bullion Dull, Steady

SHEIKH MEMON STREET continued to lack excitement. In slow dealings bullion prices drifted idly in a narrow range and showed only minor changes from the previous week's levels. Business continued essentially professional. The seasonal decline in off-take checked new bull support, but the rise in backwardation charges induced considerable short covering. With the floating stock of both gold and silver scarce the trend is likely to remain steady, although in the absence of follow-up support prospects of a sustained and marked recovery are not very encouraging.

After being down to Rs 86-5 gold " Asharh" delivery improved to Rs 87-4 but cased again to Rs 86-9, Later it recovered to end at Rs 87-5, against Rs 86-13½ a week ago. The spread between the " Asharh " and " Shravan " deliveries increased from a rupee to Re 1-4 per tola. Rut with off-take continuing small the premium of spot gold on the forward rate declined to barely four annas. After rising from Rs 153-14 to Rs 154-15 silver " Asharh" receded to Rs 153-10 but rallied again to Rs 154-15. Later it, reacted to Rs 153-14 but recovered to Rs 154-13 before ending at Rs 154-8, against Rs 154-2 a week ago. Backwardation charges rose from Rs 1-8 to Rs 2-5, indicating " bull " grip.

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Cotton Futures Firm

COTTON futures last week recorded a further marked rise on bull manipulation and persistent short covering. After a small early reaction from Rs 692 to Rs 683-8 ICC August advanced to Rs 700-8 and ended at Rs 698-8, against Rs 688-4 a week ago. The bears were frightened by reports that some prominent bull operators were determined to take delivery in the maturing contract. After being down to Rs 661 ICC February 1954 rose to Rs 671. Later it eased to Rs 667-8 and ended at Rs 669-8. The spread between the two deliveries fluctuated between Rs 23 and Rs 29-8 per candy. The rise in the spread near the week-end was due to transfer of short interest from August to February delivery.

The outlook for cotton futures is uncertain. The stock position is not quite easy, but crop reports are encouraging. Consumption continues satisfactory, but recent reports about cloth off-take have not been promising. Some of the prominent bulls are said to be determined to take delivery in the maturing contract, but a good deal must depend on the " room " rates to be fixed on July 25. A further sizeable improvement, particularly in August contract is quite likely if the bulls insist on taking delivery.

The spot cotton market continued firm with business mainly in Indian cottons. There was sustained inquiry in good quality Jarilla, Kalagin, Wagad and Vijay. Foreign styles continued neglected. The extension of the shipment period for the export of unused quotas for Bengal Deshi and Mathias has failed to enthuse the trade. The Government decision has generally been described as belated. Foreign demand is said to have declined in recent weeks.

Artificial silk in yarn market was generally dull throughout the week. July delivery 150 D Japan was bid up to Rs 794 but reacted to Rs 775 on considerable profit-taking. Later it recovered to Rs 790 and ended at Rs 784, against Rs 786 a week ago. Sentiment was influenced by steadier advices from the cotton market, but the easiness in the rayon cloth market induced profit-taking on the rise. Business continued predominantly professional. Outside interest was small. Consumer inquiry was limited.

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Profit-taking in Oilseeds

AFTER the previous week's steep rise the oilseeds market paused for necessary technical adjustment. Prices showed small profit-taking reactions all-round, but the undertone continued firm. Groundnuts Bold August-September eased from Rs 50-10 to Rs 49-14 but ended at Rs 50-4 per cwt. In view of the recent marked rise crushers and vanaspati manufacturers preferred to keep off the market. The subdued tendency in the spot section induced considerable profit-taking in delivery contracts. Sentiment was also affected by reports that the Government might take some measures to check the rise in prices. Suggestions to put coconut oil under Open General Licence, and to reduce import duty, are said to be under consideration. Groundnut oil, up-country ready, was quoted at between Rs 28-12 and Rs 28-6 per quarter.

Linseeds also attracted moderate profit-taking which was well absorbed. August-September delivery eased from Rs 32-8 to Rs 32 and steadied later to around Rs 32-4 per cwt. Linseed oil held firm despite continued absence of foreign demand, Indian prices being higher. The rise in the price of groundnut oil has raised the demand for linseed oil. Kardiseeds maintained a steady tone. August-September delivery was down to Rs 26-2 but improved again to Rs 26-10 per cwt, the highest rate for many weeks. Sentiment was helped by reports that export of kardiseeds and nigerseeds would continue "free". But this should have only a psychological effect because there is scarcely any overseas demand for kardiseeds, foreign prices being lower.

The trade is critical of the Government decision to allow free" export of rapeseed and mustardseed. This is likely to aggravate the rising tendency of oilseeds and oil prices. The trade has been canvassing for liberal import of edible oils to check the rise in groundnut oil. The Government policy in regard to kardi, niger, mustardseed and rapeseed has encouraged hopes about " free " export of castor oil after July. After declining from Rs 155 to Rs 150-12 on persistent bull selling and modest bear pressure castor September rallied again to Rs 154-12 and ended at Rs 154-4 per candy. The new May 1954 contract was quoted at a discount of about Rs 18 per candy below September. Spot castor held firm due to tight stock position. Madras ready moved between Rs 32-8 and and Rs 32 per cwt. Castor oil commercial was slightly easier at Rs 17-12 per quarter.