

Finstreet's Weekly Newsletter

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K. J. Somaiya Institute of Management Studies and Research

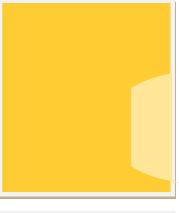
26th Dec '11

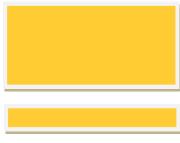
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### The little things

- Food inflation: 1,81% (for the week ended Dec 10)
- \* Brent crude: \$ 109.25

WTI crude: \$ 99.63 (23 Dec)





# LG's big plans

LG plans to increase its investment in India in 2012 by 20% to around Rs. 1,800 cr., to enhance its manufacturing capacities and marketing activities. The company is also aiming for a 20 per cent jump in sales in 2012.

## Growing retail chains

Seeking private aid

A slowdown in sales and rising costs is not deterring retail biggies from expanding their chains. They view the current downturn as temporary. For instance, the Future group has added an average of one store every third day in the current quarter.

# Shrinking bond yields

Yields on government bonds are expected to continue falling as the market expects relief from continuous weekly auctions. Sources say that yields would continue declining to 8.30-8.35 %. It closed at 8.37% on Friday.

# More trucks from Tata Motors

Tata Motors will increase output of light commercial trucks by up to 90,000 vehicles per year from early 2012, said Ravi Pisharody, president of the automaker's commercial vehicles unit. The production rise will take the plant's annual output to around 450,000 vehicles. Sales of commercial vehicles, a key indicator of the country's economic activity, rose 35 percent in November, data from an industry body showed.

## The Moody's good

The rating agency Moody's has upgraded India's sovereign debt ratings from speculative to investment grade.

Going through sluggish growth periods and a melancholy atmosphere for the economy, this upgrade couldn't have come at a better time.

### Bracing up for worse

Banks in Europe are setting up contingency plans, preparing for the collapse of the Euro by installing back-up systems for trading in older currencies, even as the ECB president, Mario Draghi observed that such fears were "morbid".



## Ranbaxy swallows bitter pill

The Indian pharmaceutical giant Ranbaxy has decided to pay out \$ 500 million to settle its threeyear long legal dispute with the US Food and Drugs Regulator, which will ensure that it is cleared of a variety of charges, including that of obtaining marketing approval by furnishing false data.

In a related development, Daiichi Sankyo has cut executive and director pay after slashing profit forecasts. The Ranbaxy settlement has a linked yen charge.

Cash-strapped Indian Railways is seeking private

participation in rail connectivity and accelerated

construction of fixed rail infrastructure.

It has been saddled with losses of around Rs 14,000 cr., and has come now out with a compre-

hensive draft policy containing six models for

different specific categories of projects.