

FIN11

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The little things

- * Food inflation: 10.63% (for the week ended Nov 5)
- * Industrial growth: 1.9% (for the month of September)
- * Brent crude: \$ 107.58
- WTI crude: \$ 97.41 (Nov, Monday 21)

Rupee breaches Rs. 51 per dollar-mark

The Indian rupee lost Rs 0.30 to Rs 51.20 per US dollar in early trade on Friday, falling past the Rs 51 per dollar-level last seen on March 31, 2009, on persisting demand for the American currency from banks and importers.

The rupee resumed lower at Rs 51.05/06 per dollar on the Interbank Foreign Exchange, as against its previous close of Rs 50.90/91 per dollar before dropping further.

Sticking to targets: FM

Global equity markets have been on a downslide, over fears of the crises in the Euro zone as well as in the US. SAIL and Hindustan Copper have deferred planned fresh equity

External Careless Borrowing

Borrowing cheaply through ECBs came with inherent exchange-rate volatility risks. And sadly for companies which did so, such fears were realized in the last three months, with the Rupee depreciating steadily and with nothing done to hedge the risk.

Sticking to targets: FM

The government is sticking to its Rs. 400 billion Disinvestment target for the 2011-12 financial year.

The proposed sales of stakes in PSUs, such as ONGC, BHEL, RINL, Hindustan Aeronautics and NBFC, have been put off due to volatile market conditions.



In safe hands?

Ghosts of taxes past

Due to the deficit in the collection of Direct Taxes in the current fiscal (planned: Rs. 5850 billion, collected till Oct: Rs. 2190 billion), the taxman is planning to use Transfer Pricing adjustments, expecting to raise Rs. 800 billion through such a measure.

China's date with destiny Spain's pain

Goldman Sach's Jim O'Neil has now predicted that the Chinese economy could overpower the US economy as early as in the year 2027, or even sooner, even with the GDP falling to 9.2% and the trade surplus expected to see negative in the coming years.

Peripheral bonds in Spain fetched a return of 7%, with many speculating that it was the effect of ECB buying in the secondary market. Yields need to fall to indicate the end of crisis and fillip investor confidence.

LIC's stake in KF

The Govt. has suggested the insurance giant, LIC to buy a 10% stake in the debt-ridden Kingfisher Airlines. The latter's share prices languish at a mere Rs. 24.95 a share (on Friday, 18th Nov) as compared to Rs. 66.05 on Apr 1.