

MARKET WATCH

	05-12-2017	% CHANGE
Sensex	32,802	-0.20
US Dollar	64.38	0.01
Gold	30,250	0.16
Brent oil	62.63	-0.39

NIFTY 50

	PRICE	CHANGE
Adani Ports	388.85	0.70
Ambuja Cements	260.45	-0.65
Asian Paints	1115.00	-6.00
Aurobindo Pharma	668.95	-4.45
Axis Bank	533.15	-1.80
Bajaj Auto	3163.90	-34.80
Bajaj Finance	1707.40	31.45
Bharti Airtel	490.65	6.35
Bosch	19894.20	-209.20
BPLCL	500.90	4.70
Cipla	596.45	-0.25
Coal India	265.25	-0.65
Dr Reddys Lab	2209.35	-33.05
Eicher Motors	28928.80	-474.90
GAIL (India)	462.15	-1.00
HCL Tech	848.00	0.05
HDFC	1679.50	-0.90
HDFC Bank	1820.45	-13.65
Hero MotoCorp	3520.55	-80.85
Hindalco	240.05	0.50
HPCL	412.00	-0.40
Hind Unilever	1261.00	-7.60
Indiabulls HFL	1189.15	13.70
ICICI Bank	305.25	1.00
Industial Bank	1665.40	-15.30
Bharti Infratel	378.55	2.05
Infosys	984.35	-1.00
Indian Oil Corp	390.50	-0.05
ITC	253.85	-1.25
Kotak Bank	999.85	1.90
L&T	1209.90	-7.60
Lupin	808.95	-5.50
M&M	1388.20	-12.80
Mauriti Suzuki	8500.40	-0.40
NTPC	177.10	-3.10
ONGC	178.40	-3.20
PowerGrid Corp	200.30	-2.45
Reliance Ind	913.70	12.10
State Bank	319.10	5.50
Sun Pharma	523.15	2.40
Tata Motors	402.25	-1.40
Tata Steel	675.70	-12.10
TCS	2635.55	3.20
Tech Mahindra	465.40	-7.40
UltraTech Cement	4108.30	-1.75
UPL	698.75	-12.30
Vedanta	288.45	-1.60
Wipro	283.45	-6.50
YES Bank	308.70	5.50
Zee Entertainment	568.45	2.25

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on December 05

CURRENCY	TT BUY	TT SELL
US Dollar	64.18	64.50
Euro	76.18	76.58
British Pound	86.02	86.46
Japanese Yen (100)	57.08	57.37
Chinese Yuan	9.71	9.76
Swiss Franc	65.22	65.55
Singapore Dollar	47.70	47.94
Canadian Dollar	50.80	51.05
Malaysian Ringgit	15.78	15.89

Source: Indian Bank

BULLION RATES CHENNAI

December 05 rates in rupees with previous rates in parentheses

Retail Silver (1g)	40.50	(40.60)
22 ct gold (1 g)	2,779	(2,778)

Services PMI shrinks; new orders wane

Cost pressures intensify even as GST woes contribute to sluggish demand, says Nikkei survey

SPECIAL CORRESPONDENT
NEW DELHI

Business activity in the services sector contracted in November, following two months of growth, primarily due to the Goods and Services Tax, according to a private sector survey.

The Nikkei India Services Purchasing Managers' Index fell to 48.5 in November from 51.7 in October. A reading that exceeds 50 implies expansion while one below 50 denotes a contraction.

"The Indian service sector dipped into contraction territory during November, following growth in the previous two months," the report said. "This was matched by a reduction in new work. Panellists widely blamed the deterioration in business performance to the goods and service tax (GST). Meanwhile, cost pressures



Burden too heavy: Prices of food and fuel were reported as increasing, the Nikkei report said. ■ REUTERS

intensified during the latest survey period."

"Underlying data highlighted that service activity fell in response to a drop in new business during November," the report added. "According to anecdotal evidence, July's GST continued

to affect businesses as it led to sluggish demand and lower customer turnout. As with the case with activity, the rate of contraction in new work was modest."

However, with manufacturing activity offsetting the poor performance of the ser-

vices sector, private sector output rose for the third consecutive month in November. The Nikkei Composite Output Index fell from 51.3 in October to a three-month low of 50.3 in November, however remaining in the expansion side.

'Headcount rises'

"The ray of sunshine in the latest PMI dataset was the resilience of the labour market as firms continued to raise their workforce numbers for the third consecutive month, resonating with stronger business sentiment across the service sector," Aashna Dodia, economist at IHS Markit, and author of the report said in her note.

"That said, cost pressures further intensified at service firms [fastest inflation since October 2013], which could in

the near term and reduce any central bank appetite to reduce interest rates," she added.

The poor activity in the services sector is also borne out by official data released by the government. The second quarter GDP data released last week showed that growth in private sector services gross value added (GVA) fell from 7.4% in the June quarter to 6.7% year-on-year.

"Input prices faced by Indian service providers continued to rise in November. In fact, input cost inflation accelerated to the fastest since October 2013," according to the report.

"Food and fuel were reported by panellists as increasing in price over the month. Moreover, higher taxation led to an increase in overall input prices."



Asking for more: Currently, the incentives cover about 8,000 of the approximately 12,000 tariff lines.

'Extend trade policy sops to all exporters'

Numerous challenges in sector: FIEO

SPECIAL CORRESPONDENT
NEW DELHI

The Federation of Indian Export Organisations (FIEO), the apex body for exporters in the country, on Tuesday suggested that the government should extend incentives announced under the Foreign Trade Policy (FTP) to all the goods exports sectors. Currently, the incentives cover about 8,000 of the approximately 12,000 tariff lines. The Merchandise Exports from India Scheme (MEIS) should gradually be extended to other sectors of exports since they are also facing numerous challenges in exports, FIEO president G.K. Gupta said in a statement.

He, however, added that the 2% increase in the MEIS rates granted in the FTP mid-term review to labour intensive sectors would provide the much-needed respite to these sectors.

One-time relaxation

He suggested that "a one-time relaxation to meet export obligation norms may be provided to the industry so that they can escape the penal provisions (applicable on those not meeting those norms)," adding that such a move would help increase

exports and employment generation. The two-pronged strategy adopted by the government in its FTP mid-term review to promote new and sunrise sectors along with employment-intensive segments would help create more jobs as well as enter new areas of exports, Mr. Gupta said.

"We welcome the trust-based approach as reflected in the new self-ratification scheme for duty-free import of raw materials. It will greatly help in expediting export of a number of important products such as engineering, pharmaceuticals, chemicals, textiles and high-tech products," said FICCI secretary general Sanjaya Baru in a statement.

Aditya Singhania, deputy general manager, Taxmann, said, "The trust based self-ratification scheme is certainly going to scale up the capacity to cater to global demand. This is a strategic step the government has come up with, which will significantly reduce the time taken in getting clearances from the Norms Committee for duty free procurement. With this step, the exporters can self-certify the requirement of duty free inputs and take DGTFT authorisation."

ADB commits \$580 million to RPower's Dhaka plant

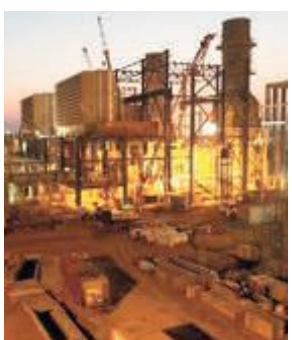
Debt to cover power facility and LNG terminal

SPECIAL CORRESPONDENT
MUMBAI

The board of directors of Asian Development Bank (ADB) approved debt financing and partial risk guarantees totalling \$583 million to help develop the Reliance Bangladesh Liquefied Natural Gas (LNG) and Power Project, Reliance Power said in a statement.

ADB's financing package includes loans and partial risk guarantees for the power generation facility, as well as for the LNG terminal, being set up for \$1 billion.

"ADB's partnership with Reliance Power will help Bangladesh scale up its ener-



Funding from ADB will allow RPower to mobilise long-term debt, a statement said.

gy infrastructure to sustain and support the country's economic growth," said Michael Barrow, director gen-

eral of ADB's private sector operations department, in a statement, adding that the bank's role as a direct lender and guarantee provider will enable Reliance Power to mobilise long-term debt financing.

Access to global markets
New LNG import facilities will enable the country's existing gas infrastructure to remain viable while opening up access to global markets for natural gas.

ADB's support will help Reliance Power develop approximately 750 MW of gross power generation capacity initially, the statement said.

Arun Jaitley begins pre-Budget talks

Meets farmer groups and trade unions

SPECIAL CORRESPONDENT
NEW DELHI

Finance Minister Arun Jaitley on Tuesday began his pre-Budget consultative meeting process by separately meeting representatives of agriculture groups and trade union groups.

"Mr. Arun Jaitley said that there is a need to conserve water, incentivise agro processing and promote balanced use of fertilisers in order to ensure higher agricultural productivity," the Ministry said in a release. "The Finance Minister said that in order to achieve the goal of doubling the farmer's income by 2022, there is need for better storage and

marketing facilities for the farmers' produce so that they get better prices for their produce."

The agricultural groups made several suggestions, including the need to reduce the pressure on land by creating off-farm jobs.

The major demands made by the trade union groups included increased budgetary allocations for social sectors including health and education, necessary financial resources to be raised internally by taxing the rich, effective measures against deliberate tax and loan repayment defaults, and minimum wages for all workers.

LIC invests ₹44,000 cr. in equities

PRESS TRUST OF INDIA
MUMBAI

Life Insurance Corporation of India (LIC) on Tuesday said it had invested ₹44,000 crore in the equity markets between April-November this year, a rise of 52% over the year-earlier period.

It had invested about ₹29,000 crore in the same period in the previous fiscal.

In the first half of the current fiscal, the life insurance major had more than doubled its investment in equities to ₹39,224 crore from ₹18,000 crore in the same period last fiscal.

"This year, the government's disinvestment programme has picked up in the first half and, we, being long-term investors, have invested there," Chairman V.K. Sharma told reporters.

Godrej Aero gets new BrahMos contract

Hands over 100th set of earlier order

SPECIAL CORRESPONDENT
MUMBAI

Godrej Aerospace, a unit of Godrej & Boyce Mfg. Co. Ltd., has won an order for an additional 100 units of airframes for the air launched version of BrahMos missile. The company on Tuesday handed over the 100th set of airframe assemblies to BrahMos Aerospace Pvt. Ltd. (BAPL) for use in its missile systems.

"It gives me great pleasure to hand over the completion document for the 100th set of airframe assemblies to Dr. Mishra. This is a proud moment for Godrej, Brahmos and India, and an assertion of our commitment to serve our country through technologically driven solutions and indigenous manufacturing," said Godrej & Boyce CMD Jam-



shyd N. Godrej, handing over the completion documents of the 100th BrahMos airframe to Dr. Sudhir Mishra, Director General (BrahMos), and CEO BAPL.

"I am confident our partnership will continue to set new benchmarks and serve as an inspirational role model for indigenous development and production of sophisticated weapon systems," said Mr. Mishra.

More aid for Darjeeling tea industry?

SPECIAL CORRESPONDENT
KOLKATA

The Union Commerce Ministry has sought additional finance assistance from the Department of Expenditure to support the Darjeeling tea industry.

This was indicated by Santosh Sarangi, Joint Secretary (plantations), Union Commerce Ministry, while addressing the 134th Annual General Meeting of the Indian Tea Association. "We have received proposals from ITA and Darjeeling Tea Association and the Tea Board has collated this," he said, adding that assistance had been sought to find a mechanism to support the industry.

ITA chairman Azam Momen said the closure in Darjeeling had caused a ₹500 crore loss and a 70% crop loss by volume.

China's coffee market beckons

Starbucks opens first overseas 'Reserve Roastery'

REUTERS
SHANGHAI / LOS ANGELES

In Wu Qiong's small cafe in downtown Shanghai, coffee beans nestle in glass jars on the bar while various brews bubble away behind the counter.

The cafe - one of thousands of trendy, artisan coffee shops in the city - reflects a growing cafe culture in China that's driving growth for chains like Starbucks Corp. and attracting more competition.

"There are many more choices for consumers in the coffee market here now," said Ms. Wu, 35, who set up the store with her boyfriend this year, the couple's second outlet. "People can choose chains or go for specialist coffee stores."

Starbucks dominates in China and is growing fast in the market, while in the U.S. it comes under pressure



from a 'third wave' of boutique coffee sellers and cheaper rivals.

'Bigger than in U.S.'

Executive chairman Howard Schultz, speaking at the launch of Starbucks' first overseas 'Reserve Roastery' - an opulent flagship store with gourmet coffee and a bakery - said China was on track to be "bigger, more powerful and more significant" than the firm's U.S. business.

"With the rising middle class and the opportunity in China, the market is going to be much larger here," he said, adding Starbucks was looking to hit 10,000 outlets in China within a decade.

The firm held a 54.8% share of China's 25.2 billion yuan (\$3.81 billion) specialist coffee shop market last year, far ahead of rivals like McDonald's Corp.'s McCafe and Whitbread Plc's Costa Coffee, Euromonitor data show.

Unlike in the U.S., Starbucks' challenge in China has been winning over traditional tea drinkers to coffee, rather than fending off local rivals. That could be changing.

"We notice an increasing number of small brands and independent coffee shops. They are registering explosive growth rates," according to Euromonitor analyst Yu Limin.

RBI cautions public again on bitcoin

PRESS TRUST OF INDIA
MUMBAI

Even as bitcoin touches new highs, fuelling investor interest, the Reserve Bank of India on Tuesday warned the public of the risks of virtual currencies (VCs).

Citing its earlier warnings on the subject, the central bank said, "in the wake of significant spurt in the valuation of many VCs and rapid growth in Initial Coin Offerings (ICOs), RBI reiterates the concerns."

It may be noted that the price of a single bitcoin, which is not regulated by any monetary authority, had skyrocketed to up to \$11,000 last week in a rally which puzzled watchers.

"There is no underlying or backing of any asset for VCs," the bank had said in a December 24, 2013 note.

Let your children capture the beauty of nature in a creative way.

ZENTANGLE ART WORKSHOP FOR KIDS

Sign your kids up for a captivating Zentangles workshop and boost their creative minds.

Date: December 08, 2017 (Friday)

Venue: Starmark Bookstore, 2nd Floor, Express Avenue Mall

Juniors: 05:30 PM - 06:45 PM | **Seniors:** 07:30 PM - 08:45 PM

Venue and Event Partners:

Visit www.youngworldclub.com/chennaizentangles to register.