

India Goes Bullish On Gold, Sees Dim Dollar Future: Forbes

Washington: (IANS) India's purchase of \$6.7 billion worth of gold from the International Monetary Fund (IMF) is a pointer that New Delhi sees a dim future for the dollar and is making a bullish call on the precious metal, according to the Forbes magazine.

"The move is already profitable as the Indians bought their gold at prices averaging around \$1,000 an ounce. Gold closed at a record \$1,085 an ounce Tuesday in New York," Robert Lenzner, National Editor of the leading US business magazine, noted in a commentary Wednesday.

The big buy from India, bulking up its gold reserves by 55 percent, follows months of huge gold accumulation by Chinese authorities as well as hedge fund operators like John Paulson and others amid growing anxiety about the viability of the dollar as the world's reserve currency, he noted.

Comparing history's most successful investor Warren Buffett's \$34 billion bid for the rest of Burlington Northern Santa Fe, Lenzner said: "India, by comparison, is making a direct bullish call on gold, just as China, its major rival in Southeast Asia, did some months ago.

"India's purchase of \$6.7 billion gold from the IMF at prices above \$1,000 an ounce says



plenty about some central banks' preference for gold over dollars," said Lenzner.

"Gold went from \$100 in 1976 to \$850 in 1980. This gold bull began at \$250, suggesting a peak around \$2,125 an ounce before this one's over.

"What's interesting is that the growth part of the world is the buyer," Forbes cites Frank Holmes, CEO of US Global Investors, a mutual company in San Antonio that specializes in natural resource stocks, as saying.

"This is another sign of the wealth shift from the developed toward the developing markets," says Holmes, noting the Indians' "cultural affinity" for gold.

"It's how they store their wealth, and they can wear it as jewelry."

"Could the Indian purchase be the catalyst that finally triggers a massive wave of speculation that drives gold to \$1,200 or \$1,300 an ounce, or even \$2,300, where it would equal the former peak price when adjusted for inflation?" Lenzner wondered.

Reached by Forbes in Toronto, Canadian venture capitalist and mining entrepreneur Frank Giustra, who has been since 2002 recommending investors diversify out of dollars and hedge their portfolios with at least 15 percent in gold, opined: "No one wants US dollars, and this is one way central banks can diversify out."

Pirated Windows 7 Generates \$100,000 In India

Lucknow: (IANS) About 50,000 pirated DVDs of Microsoft Windows 7 are estimated to have been sold here since the official launch on Oct 22, generating unaccounted business of around Rs.50 lakh (nearly \$100,000).

The reason for the allure of the pirated versions: These cost Rs.40-Rs.250 in Naza Market in Hazratganj here, drawing buyers from not only the rest of Uttar Pradesh and neighboring states like Madhya Pradesh, Bihar and Uttarakhand but also Nepal and Bangladesh.

"This is the biggest market in the region," said a shopkeeper in Hazratganj, claiming at least 50,000 DVDs of the pirated Windows 7 have been sold since hitting the local markets within 24 hours of the official launch, fetching sellers about Rs.50 lakh so far.

The legal version of the new operating system launched by Microsoft Corp costs between \$150-\$300 (Rs.7,500-Rs.15,000) in the international markets. The company, however, tagged its prices 20 percent below international rates in India, where it is available in the Rs.6,000-Rs.11,000 range through official channels.

Despite the discounted company rates, buyers are opting for the pirated version.

"Why invest Rs.10,000 when it is available for

Rs.250?" asked Pramod Yadav, a student pursuing a Master of Computer Applications (MCA) course.

Most computer service providers or "regular customers" in Lucknow and elsewhere in India use pirated software, contended Nishant Kumar. According to him, what makes the pirated operating systems more attractive is that cheap pirated anti-virus software is also freely available.

"A lot of anti-virus software, for example Awast, is available on the Internet," Kumar said, adding that it was equally effective and has the same service life.

Those selling pirated Windows 7 deny doing anything illegal. "There are over 200 shops in Naza Market. All have everything you want. We are not doing anything illegal as everything is available on the Internet," said a shopkeeper not willing to be named.

Those selling authentic software are unhappy. "Be it software or encyclopaedia, everything is available in pirated form within 24 hours. We do not get the expected business," Amit Mishra of Newgen Technologies, the authorised distributor of Compaq, HP, Microsoft and Lenovo in Hazratganj, told IANS.

The police express helplessness in combating piracy. "We need a formal complaint to act or else you (the media) will come down on us," police spokesperson A.K. Pathak told IANS.



Fed Keeps Interest Rates At Record Low

Washington: (DPA) The US Federal Reserve recently kept interest rates at their historic low of near 0 percent as the world's largest economy embarks on a slow recovery from recession.

The central bank's board said economic conditions had "continued to pick up" since its last meeting in September, but were likely to "remain weak for a time."

Government figures last week showed the US economy grew an annualized 3.5 percent in the third quarter, marking the first quarterly growth in a year and likely ending the country's worst recession in seven decades.

The Fed's benchmark federal funds rate has been sitting at a record low of 0-0.25 percent since December 2008, part of an unprecedented effort by the central bank to revive the economy and stabilize the financial system.

The Fed said it would continue keeping rates at the record low for "an extended period."

Buffett Makes Record Rail Investment



New York: (DPA) Legendary US investor Warren Buffett has spent a record \$44 billion buying an American rail freight company, in the largest transaction in the history of his Berkshire Hathaway holding company.

The purchase of the Burlington Northern Santa Fe Corp was agreed upon at \$100 a share, paid for in both cash and stock. The purchase price includes \$10 billion of outstanding debt.

"Its an all-in wager on the economic future of the United States," Buffett said in the statement. Buffett added that the rising costs of oil would make rail freight more profitable against the rival truck-based freight.

Berkshire Hathaway already owned a fifth of the rail company, which is one of the few to have a nationwide network. That network was itself created by mergers. Berkshire Hathaway is based in Omaha, Nebraska, and largely concentrates on insurance and the financial sector under the leadership of the 79-year old Buffett.

Berkshire Hathaway stock is priced currently at around \$100,000 a share - the most expensive on the New York Stock Exchange.

Sudha Murthy Sells 1.6 Mn Infosys Shares



Bangalore: (IANS) Sudha Murthy, wife of Infosys Technologies co-founder N.R. Narayana Murthy, sold 1.6 million shares of her holding in the IT bellwether for over Rs.430 crore (Rs.4.3 billion/\$91.5 million), the company said Thursday.

In a regulatory filing to the stock exchanges, the global software major said post-sale, her holding in the company declined to 7,714,600 shares from 9,314,660 shares.

In a related development, Infosys' co-founder and chief executive S. Gopalakrishnan purchased 400,000 shares for around Rs.86.6 crore (Rs.866 million/\$18.4 million) from the market.

"Post-purchase, Gopalakrishnan's holds 6,656,726 shares," the company said.

The blue chip company's share of Rs.5 on par ended at Rs.2,218 on the Bombay Stock Exchange. Infosys chief mentor Narayana Murthy sold 800,000 shares Oct 22 from his holding in the company for Rs.177 crore (Rs.1.77 billion/\$37.9 million) to set up a venture capital fund in India.

As one of the co-founders of the global software major, Murthy's holding in the company post-selling is 2.38 million shares.

India Can Be Brand For Tea, Spices: Scindia



Kolkata: (IANS) India can emerge as a brand for commodities like tea and spices in the international market, according to Minister of State for Commerce and Industry Jyotiraditya M. Scindia.

"The two areas in which India can emerge as brand are tea and spices. We have to reposition ourselves. That requires hard work and strategy," Scindia said here.

"Out of the 980 million kilograms of tea produced in this country every year, we export 200 million kilograms, which is mostly CTC (crush, tear, curl)," the minister said at a seminar organised by Bharat Chamber of Commerce here.

"The major market abroad is for orthodox (tea). We require product diversification, moving away from CTC to orthodox. There is need to produce quality tea for export markets, which is why rejuvenation and replantation work is important in the gardens."

Scindia also emphasised that the tea sector needed to focus on value-added products like tea bags to be competitive in the global market. "We need to integrate the back-end and front-end of the tea industry. The front-end comprises packagers and marketers and the back-end is the producers," he said, adding: "There is no synergy between them."

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