

Daily Newsletter



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COMMENTARY

INDIA

The Sensex ended moderately higher by over 32 points on Thursday, driven by a firming global trend and reports of increased taxes paid by corporates. The market was in a bullish mood following reports of a firming Asian trend and a better opening in Europe, influenced by better-than expected US factory data, indicating that the global economy is in good shape. The Sensex, which gained nearly 150 points in the early trade, fell on profit-booking and closed 32 points higher or 0.18 % at 18,238. The broad-based National Stock Exchange index Nifty rose 14 points or 0.26 % to 5,486. The BSE Midcap and BSE Smallcap outperformed the broader market rising 0.78 % and 1.11 % respectively.

The market breadth was positive. Out of 3055 stocks traded on the BSE, there were 1847 advances against 1080 declines.

GLOBAL MARKETS

The US markets were supported by better-than-expected sales from major U.S. retailers and an increase in pending home sales. But the tone was relatively subdued following a big rally on Wednesday and ahead of the government's monthly jobs report on Friday. The Dow Jones industrial average gained 51 points, or 0.49%. The S&P 500 gained 10 points, or 0.9%, and the Nasdaq composite rose 23 points, or 1.06%.

The Asian markets have opened up on a positive note. The Nikkei is up by 0.75 % and the hang Seng is marginally up.

INDIAN MARKET	02-Sep	01-Sep	% Change
BSE Sensex	18,238	18,206	0.18
NSE Nifty	5,486	5,472	0.26
BSE Midcap	7,784	7,724	0.78
BSE Smallcap	9,821	9,713	1.11
Nifty Junior	12,039	11,983	0.47
CNX Midcap	8,861	8,783	0.89

GLOBAL MARKETS	02-Sep	01-Sep	% Change
Dow Jones Ind (USA)	10,320	10,269	0.49
Nasdaq Composite (USA)	2,200	2,177	1.06
S&P 500 (USA)	1,090	1,080	0.90
FTSE 100 (UK)	5,371	5,366	0.09
DAX (Germany)	6,084	6,084	0.00
Nikkei 225 (Tokyo)	9,063	8,927	1.52
Hang Seng (Hong Kong)	20,869	20,624	1.19
Shanghai Comp (China)	2,656	2,623	1.25
KOSPI (South Korea)	1,776	1,765	0.63
STI (Singapore)	2,987	2,983	0.13
MSCI Emerging Market	376	372	1.11
MSCI Frontier Market	525	522	0.64

CORPORATE/ ECONOMY NEWS

Ashok Leyland's total vehicle sales during August'10 is at 7,480 vehicles, up 56%; domestic sales up 58% at 6,705 vehicles; exports up 41% at 775 vehicles. Cumulative vehicle sales between April and Aug'10 was up 115%, at 35,627 vehicles.

Tata Teleservices said that it has given China's Huawei Technologies a contract to roll out the company's third-generation mobile network.

Auto major **Mahindra and Mahindra** would launch a passenger vehicle variant under the Maxximo platform over the next 12 months from its Chakan plant near Pune and has already invested close to Rs 300 crore for this.

DLF, India's largest real estate company, has put on hold its plan to sell its non-core assets including ultra luxury hotel chain Aman Resorts and wind energy business for the next three quarters.

Imperial Auto Industries (IAI), manufacturers of tubing for the automotive sector, have formed a 49:51 joint venture with the French company, Allevard Rejna Auto suspensions.

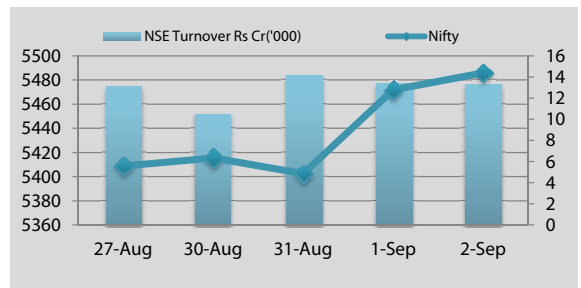
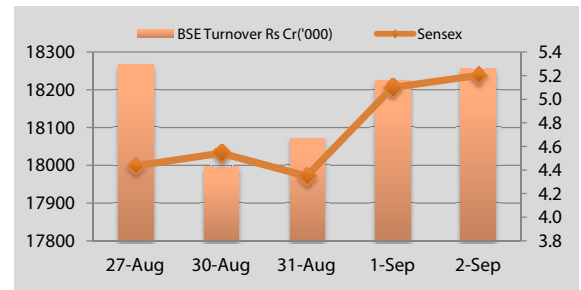
Shriram Transport Finance Company (STFC) plans to raise funds from venture capital and private equity firms for a new property development and management company. The properties developed by this company would be used to house Shriram Automall STFCs second-hand and refurbished truck/LCV business.

A consortium of **Tata Power**, Australian energy major **Orion Energy** and PT Supraco Indonesia has won the Sorik Marapi geothermal project in the Northern Sumatra region of Indonesia. The consortium will develop approximately 240 megawatts (Mw) of geothermal energy. Tata Power and Orion Energy own 47.5 per cent each in the consortium.

SKIL Infrastructure is raising 2,500 crore by selling less than 20% stake in two phases that includes a private placement to overseas funds besides a public issue.

Petronet LNG Ltd (PLL) plans to invest Rs2,300 crore to install two more storage tanks at its LNG receiving and regasification terminal at Dahej in Gujarat.

BOND MARKETS	02-Sep	01-Sep	Change
10yr G-Sec Yield	7.97	7.96	0.01
1yr G-Sec Yield	6.53	6.53	0.00
LIBOR (6m)	0.49	0.50	(0.01)
LIBOR (1m)	0.25	0.26	(0.01)
Interbank Call rate	4.6	4.9	(0.28)



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CORPORATE NEWS

Apollo Hospitals Enterprise Ltd plans to invest Rs 1,800 crore to set up 11 hospitals in the country over the next two years.

Asian Hotels (West) Ltd said that it acquired 16.38 per cent stake in Inovia Hotels and Resorts Ltd. It plans to acquire an additional 34.11 per cent in Inovia during the current fiscal following which the latter would become its subsidiary.

State-owned **Steel Authority of India Ltd (SAIL)** has raised Rs 300 crore by selling a short-term commercial paper to State Bank of India to meet temporary cash needs.

Leading polyester filament yarn company **Nakoda** said that it will start a wind power project in Madhya Pradesh by March next year. The company will invest Rs 32.92 crore in the project. It will be funded by debt of Rs 23 crore, while the rest will come from internal resources.

GVK Power and Infra plans to raise funds for its airports business by December via stake sale to private equity firms.

Indian outsourcing firm **Mahindra Satyam** said that the company had won a multi-million dollar technology services deal from a large health insurer..

Pharmaceutical firm **Zenox Lifesciences** would raise Rs six crore through "private placements" over the next few months. This would be utilised for new business opportunities, expanding our presence in the country.

IRB Infrastructure Developers Ltd said that its unit has entered into a pact with Indian Hotels Co Ltd to construct and operate a Gateway Hotel for the latter at Kolhapur in Maharashtra. Aryan Hospitality Pvt Ltd, IRB's unit, will build the 100-125 room hotel within three years.

Pipe manufacturer **Welspun Corporation** said that it has bagged orders worth Rs 700 crore from domestic and international markets. The company is likely to execute the new orders of about 1,20,000 tonnes in the current financial year.

Bajaj Auto has clocked an all-time high monthly sales of 3,29,364 units in August, a 55 per cent jump over 2,13,072 units sold in the same month last year.

State run **Hindustan Petroleum Corp (HPCL)** plans to invest about Rs 15,000 crore in setting up a 9 million tonnes a year refinery on the west coast.

Steel Strips Wheels Ltd has reported that the company has achieved the highest-ever sales of Rs 5,865 lakh in August 2010 compared with Rs 3,167 lakh last year, recording a growth of 85 per cent.

IT and Internet service provider **Zylog Systems** said that it will raise up to Rs 250 crore in the domestic and international markets to fund the company's growth plans.

Adani Power Ltd has been shortlisted to bid for a 1,238-megawatt thermal power project and coal-mining rights in Kosovo.

SECTOR	02-Sep	01-Sep	% Change
Consumer Durables	5,820	5756.4	1.10
FMCG	3,453	3425.39	0.79
Bankex	12,449	12351.08	0.79
Auto	8,890	8838.05	0.59
Metal	15,515	15429.53	0.55
Capital Goods	14,732	14663	0.47
Realty	3,445	3,431	0.41
Healthcare	5,598	5,583	0.26
Power	3,067	3,063	0.12
PSU	9,772	9,800	(0.29)
Oil & Gas	10,037	10,072	(0.35)
Teck	3,429	3,451	(0.64)
IT	5,447	5,483	(0.67)

BSE Upper Circuit Breakers			
Company Name	02-Sep	01-Sep	% Change
Shristi Infrastructure	389.1	324.25	20.00
Vindhya Telelinks	348.4	290.30	20.00
Nilchem Capital	95.8	87.1	10.00
Polyplex Corporation	552.1	525.8	5.00
JVL Agro Industries	398.4	379.5	5.00

BSE Lower Circuit Breakers			
Company Name	02-Sep	01-Sep	% Change
Orissa Minerals	31531.5	33190.4	(5.00)
Kemp & Company	251.8	265.0	(5.00)
Shah Foods	57.4	60.4	(5.00)
Compuage Infocom	207.8	218.7	(5.00)
Subuthi Finance	147.3	155.1	(5.00)

COMMODITY / CURRENCY NEWS

Light Sweet Crude Oil closed up on Thursday by 1.45 % at \$74.9 per barrel. Gold closed up by 0.27 % at 19,440.00 and Silver closed up by 1.25 % at 31,161.00.

The Indian Rupee closed higher against dollar by 0.21 % at 46.71 as the Indian equity benchmarks ended on positive note.

COMMODITY	02-Sep	01-Sep	% Change
Crude Oil (USD/bbl)	74.9	73.8	1.45
Gold (Rs/10gm)	19,044.0	18,993.0	0.27
Silver (Rs/kg)	31,161.0	30,775.0	1.25

CURRENCY	02-Sep	01-Sep	% Change
INR / USD	46.71	46.81	(0.21)
USD / Euro	1.28	1.28	-
Yen / USD	84.37	84.37	-

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ECONOMY / POLICY NEWS

Apparel exporters are apprehensive about achieving the target of \$12 billion for 2010—11, as overseas shipments declined for three months in a row, with little signs of improvement in the coming months.

The Indian organic industry is aiming to up its total turnover, including exports, from Rs 675 crore to Rs 4,000 crore by 2012.

After expanding at the fastest pace in two years in June, the services sector growth decelerated in July, as the flow of new business orders slowed. The index slipped to 61.7 in July from a 23-month high of 64 in the previous month.

The crucial monsoon has brought bountiful rains across the country, but left most parts of Central India dry.

FUTURES PREMIUM/DISC	Cash	Futures	P/D%
Shri Ramtransport Finance	747.0	755.9	1.18
Areva T&D	294.7	297.85	1.07
Punjilloyd	108.9	110	1.06
Oracle Financial Services	2051.8	2073.35	1.05
Praj Industries	76.7	77.5	1.04
RNRL	38.5	38.85	1.04
Indian Oil Corporation	424.3	413.5	(2.56)
Shipping Corporation Of India	164.5	161.2	(2.04)
H P C L	529.7	519.8	(1.88)
Reliance Capital	774.8	762.5	(1.58)
B P C L	779.0	767.6	(1.46)
GMDC	122.0	120.4	(1.31)

INSTITUTIONAL ACTIVITY (Rs Cr)	30-Aug	27-Aug	YTD
FII Cash Net	273	(33)	55,260
FII Stock Futures	307	(87)	584
FII Index Futures	420	(222)	(6,989)
Mutual Fund	8	66	(14,834)

VALUATIONS	P/E	P/B	DIV YLD
BSE	21.7	3.45	1.15
NSE	23.08	3.59	1.1
BSE500 Mcap/GDP Ratio	0.6		

MOVERS & SHAKERS

TOP 5 FRONTLINE GAINERS

Name	Rs	▲ %
Jaiprakash Associates	114.7	4.32
Sterlite Industries	160.6	2.59
Tata Power	1,258.7	1.67
HDFC	632.1	1.53
HDFC Bank	2,181.3	1.46

TOP 5 MIDCAP GAINERS

Name	Rs	▲ %
Apollo Tyres	82.3	11.74
Gujarat NRE Coke	60.9	7.60
Bayer Crop	1,121.0	6.59
IOB	133.8	6.53
Ispat Industries	20.0	6.10

TOP 5 SMALLCAP GAINERS

Name	Rs	▲ %
Shristi Infrastructure	389.1	20.00
Vindhya Telecom	348.4	20.00
Hercules Hoist	340.2	14.95
Venkys India	800.2	12.94
Jagatjit Industries	114.2	12.13

TOP 5 FRONTLINE LOSERS

Name	Rs	▼ %
Hero Honda	1699.8	-3.35
TCS	843.6	-1.59
BHEL	2397.3	-1.07
Bharti Airtel	334.1	-0.96
Infosys	2750.7	-0.90

TOP 5 MIDCAP LOSERS

Name	Rs	▼ %
Sterlite Tech	94.1	-5.10
KGN Industries	255.1	-4.83
State Bank Bikanare	729.8	-4.44
Dredging Corp	563.3	-4.09
MVL	80.6	-3.93

TOP 5 SMALLCAP LOSERS

Name	Rs	▼ %
Resurgere Mines	68.7	-5.18
Tourism Fin Corp	32.3	-4.58
Shree Digvijay	14.8	-4.21
Modern India	109.1	-4.01
Subhkam Capital	625.0	-3.71

BULK DEALS

SCRIPT NAME	CLIENT NAME	TYPE	QTY %	PRICE
NSE				
Shree Ashtavinayak Cine Vision	AVR Overseas	BUY	0.32%	21.0
Rana Sugars	Indravarun Trade Impex	BUY	0.98%	10.2
Jindal Poly Films	Crosseas Capital Services	BUY	0.57%	979.8
Hercules Hoists	Genuine Stock Brokers	SELL	0.43%	335.9
Varun Industries	Swati Rajesh Shah	SELL	0.89%	174.3
BSE				
Birla Shloka	Man Mohan Damani	BUY	1.46%	37.18
Crew Bos	Sahar Vyapar	BUY	0.64%	118.9
EIH Associated	OPG Securities	SELL	0.79%	205.1
IFL Promoters	Saroj Gupta	SELL	0.88%	14.1
Oregon Commercials	Jimish J Soni	SELL	0.91%	275.03

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