

## COMMENTARY

### INDIA

The markets started the session on a weak note. The US markets had ended in the red in the wake of lower than expected jobs data, and the Asian markets had opened in the negative. As the day progressed, the markets rebounded into the green and went on to touch the day's high of 18,464, up 104 points. However, the markets soon slipped into the red once again, in noon trades, due to the weak European markets. The Sensex finally closed at 18,402 down 0.29% and the Nifty held fort above the crucial 5,500 level at 5,531 down 0.17%. The BSE Midcap ended 0.13% down and BSE Smallcap ended in green up by 0.12%.

The market breadth was negative. Of the 3,071 shares traded on the BSE, 1,602 stocks have declined while 1,353 have advanced.

### GLOBAL MARKETS

With a spate of bad economic news during the week, most stocks continued their fall on Friday with the Dow Jones and S&P 500 closing lower and the Nasdaq ending relatively flat. Higher jobless claims and a slowdown in manufacturing were among the bleak economic reports. The Dow Jones Industrial Average ended the week on week note ending in red down by 0.56%, S&P 500 also ended in red down by 0.37% and Nasdaq ended the week marginally in green by 0.37%.

On the back of weak global cues last week the Asian markets have opened up on a mixed note. Nikkei 225 have opened up marginally in red down about 0.40% whereas Hang Seng is up by 0.1 percent.

| INDIAN MARKET | 20-Aug | 19-Aug | % Change |
|---------------|--------|--------|----------|
| BSE Sensex    | 18,402 | 18,455 | (0.29)   |
| NSE Nifty     | 5,531  | 5,540  | (0.17)   |
| BSE Midcap    | 7,821  | 7,831  | (0.13)   |
| BSE Smallcap  | 9,876  | 9,864  | 0.12     |
| Nifty Junior  | 12,106 | 12,112 | (0.05)   |
| CNX Midcap    | 8,931  | 8,920  | 0.12     |

| GLOBAL MARKETS         | 20-Aug | 19-Aug | % Change |
|------------------------|--------|--------|----------|
| Dow Jones Ind (USA)    | 10,214 | 10,271 | (0.56)   |
| Nasdaq Composite (USA) | 2,180  | 2,179  | 0.03     |
| S&P 500 (USA)          | 1,072  | 1,076  | (0.37)   |
| FTSE 100 (UK)          | 5,195  | 5,211  | (0.31)   |
| DAX (Germany)          | 6,005  | 6,075  | (1.15)   |
| Nikkei 225 (Tokyo)     | 9,179  | 9,363  | (1.96)   |
| Hang Seng (Hong Kong)  | 20,982 | 21,072 | (0.43)   |
| Shanghai Comp (China)  | 2,642  | 2,688  | (1.71)   |
| KOSPI (South Korea)    | 1,776  | 1,780  | (0.20)   |
| STI (Singapore)        | 2,936  | 2,947  | (0.37)   |
| MSCI Emerging Market   | 373    | 375    | (0.61)   |
| MSCI Frontier Market   | 521    | 522.3  | -0.25    |

## CORPORATE/ ECONOMY NEWS

The Andhra Pradesh Power Generation Corporation (APGenCo) will get Rs 9,506 crore financial assistance for two of its projects from the **Power Finance Corporation (PFC)** and **Rural Electrification Corporation (RFC)**. The PFC has sanctioned an advance loan amount of Rs 6,806 crore for setting up the 2x800 Mw coal-based Vadarevu Thermal Power Project (Phase-I) in Prakasam district. The total cost of the project is estimated at Rs 8,507.60 crore.

Riding on the growth of the power sector, state-owned **BHEL** said that it expects to bag orders worth Rs 60,000 crore in the current financial year.

**IVRCL Infrastructure and Projects Ltd** said it plans to raise funds for two subsidiaries — `600 crore through a qualified institutional placement for IVRCL Assets and Holdings Ltd, and a `250 crore QIP for Hindustan Dorr Oliver, its industrial EPC (engineering, procurement and construction) subsidiary.

Delhi-based **Punjab National Bank (PNB)** is expected to float a request for proposal (RFP) seeking appointment of a consultant to advise it on its insurance foray. PNB, which currently has a referral arrangement with LIC, is reportedly looking at three possible routes of entering the insurance sector.

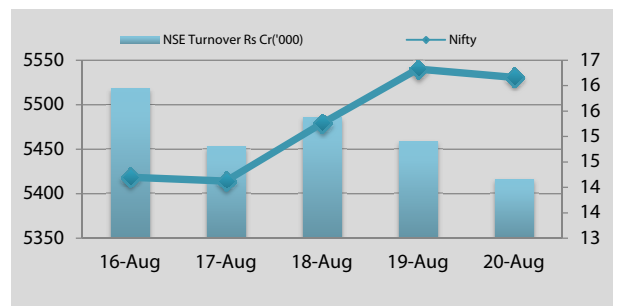
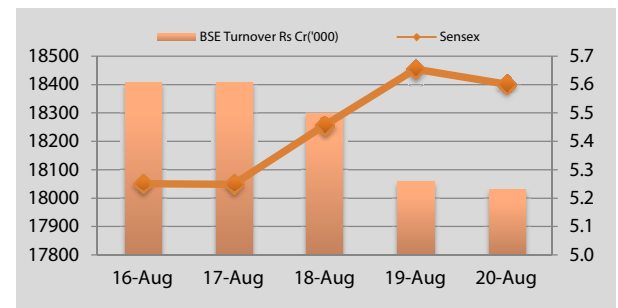
**Elder Health Care**, the FMCG arm of the Rs 800-crore Elder group, is targeting a turnover of Rs 125-crore and has earmarked Rs 40-crore for an advertising blitz aimed at strongly pushing its three top brands — Tiger Balm, Fuel deodorant and FairOne Cream — this fiscal.

**Tata-Quippo** is set to raise up to Rs 5,000 crore through a public issue, partly to fund expansion plans and to provide part exit option to some private equity investors, including IDFC Private Equity.

Auto major **Mahindra & Mahindra (M&M)** said it has received environmental clearance from the US authorities for its diesel pick-up trucks, a step which could bring it closer to launching the vehicle there.

**Aurobindo Pharma Limited** said that the company has received final approvals from the US Food & Drug Administration (USFDA) for 2 ANDAs namely, Ampicillin for Injection USP 125mg, 250mg, 500mg, 1g and 2g per vial and Ampicillin for injection USP 10g (Pharmacy Bulk Pack) per vial.

| BOND MARKETS        | 20-Aug | 19-Aug | Change |
|---------------------|--------|--------|--------|
| 10yr G-Sec Yield    | 7.93   | 7.93   | 0.00   |
| 1yr G-Sec Yield     | 6.42   | 6.42   | 0.00   |
| LIBOR (6m)          | 0.55   | 0.56   | (0.01) |
| LIBOR (1m)          | 0.26   | 0.26   | 0.00   |
| Interbank Call rate | 5.7    | 5.7    | 0.01   |



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## CORPORATE NEWS

**Petronet LNG** will get its first spot cargo of liquefied natural gas (LNG) in 2010 from RasGas next month, slightly later than expected, as it moves to plug a shortfall due to the shutdown of some gas fields.

**Bharat Petroleum Corporation** said that its exploration arm, Bharat PetroResources, has entered into an agreement with Australia's Norwest Energy to pick up a stake in two shale gas blocks in the Perth Basin.

Television **Sun TV Network** expects to announce 2-3 content broadcasting deals in the current fiscal year.

**J K Tyre** said that it will increase prices of its products by 4-5 % by the first week of September to offset rising input costs.

**Titan Industries** said that it is investing Rs 170 crore to open 150 new stores across various formats by the end of this fiscal year.

**Maruti Suzuki India Limited**, the country's leading car manufacturer, today announced the production of a record 5 lakh K-series engines in less than 23 months.

UB Group firm **McDowell Holdings** has posted a net profit of Rs 2.63 crore for the fiscal ended March 31, 2010, against a loss of Rs 1.1 crore in the previous fiscal.

**Bharti Airtel** said confirms that it has won the Series Sponsorship Rights for the period of 2010 till 2013.

Drug maker **Sun Pharmaceutical Industries** reported said it is planning to enter the Japanese generics market, with drugs aimed at treating chronic diseases.

**PVR Pictures**, the movie production and distribution arm of **PVR Cinemas**, is investing over 200 crore for co-production, acquisition and distribution in the next 18 months.

The country's biggest software exporter **Tata Consultancy Services (TCS)** has opened its fifth delivery centre in China to cater to the Asia-Pacific market.

**Dabur India** would bring in a strategic investor in its retail venture christened "newu", once it breaks even in the business. The company has managed to bring down its losses in the venture by half.

**HCC Infrastructure**, wholly-owned subsidiary of **Hindustan Construction Co Ltd (HCC)**, is entering the business of building and operating airports.

A potential tie-up between **Reliance Industries Ltd (RIL)** and **GAIL India** for marketing natural gas has turned out to be a non-starter with the D6 gas allocation going into government hands.

**Axis Bank** is looking to raise up to \$500 million via foreign currency bonds by the end of the 2010-11 financial year which ends in March

| SECTOR            | 20-Aug | 19-Aug | % Change |
|-------------------|--------|--------|----------|
| Realty            | 3,695  | 3,629  | 1.81     |
| Capital Goods     | 14,888 | 14,687 | 1.37     |
| Oil & Gas         | 10,209 | 10,126 | 0.82     |
| Healthcare        | 5,611  | 5,569  | 0.75     |
| Metal             | 15,426 | 15,441 | (0.09)   |
| Auto              | 8,875  | 8,892  | (0.20)   |
| PSU               | 9,707  | 9,730  | (0.23)   |
| Power             | 3,096  | 3,105  | (0.28)   |
| Consumer Durables | 5,692  | 5,728  | (0.64)   |
| Bankex            | 12,527 | 12,627 | (0.79)   |
| Teck              | 3,430  | 3,459  | (0.82)   |
| IT                | 5,517  | 5,569  | (0.94)   |
| FMCG              | 3,375  | 3,410  | (1.02)   |

## BSE Upper Circuit Breakers

| Company Name          | 20-Aug | 19-Aug | % Change |
|-----------------------|--------|--------|----------|
| Elder Health Care     | 153.0  | 127.50 | 20.00    |
| Scope Industries      | 79.2   | 72.00  | 10.00    |
| Rasoya Protiens       | 81.7   | 74.3   | 10.00    |
| Sri Adhikari Brothers | 40.0   | 38.1   | 5.00     |
| Berly Drugs           | 36.9   | 35.1   | 5.00     |

## BSE Lower Circuit Breakers

| Company Name        | 20-Aug | 19-Aug | % Change |
|---------------------|--------|--------|----------|
| Ajel Infotech       | 28.6   | 30.1   | (5.00)   |
| Gujarat Cotex       | 13.9   | 14.6   | (5.00)   |
| Subhkam Capital     | 937.9  | 987.2  | (5.00)   |
| Borosil Glass Works | 776.5  | 817.4  | (5.00)   |
| Jumbo Bag           | 54.3   | 57.1   | (5.00)   |

## COMMODITY / CURRENCY NEWS

Light Sweet Crude Oil closed down on Friday by 1.38 % at \$73.5 per barrel. Gold down by 0.36 % at 18714.00 and Silver closed down by 1.47 % at 28,860.00

The Indian Rupee closed lower against dollar by 0.26 % at 46.67 as against the US dollar, the Indian equity benchmarks ended negative note.

| COMMODITY           | 20-Aug   | 19-Aug   | % Change |
|---------------------|----------|----------|----------|
| Crude Oil (USD/bbl) | 73.5     | 74.5     | (1.38)   |
| Gold (Rs/10gm)      | 18,714.0 | 18,782.0 | (0.36)   |
| Silver (Rs/kg)      | 28,860.0 | 29,291.0 | (1.47)   |

| CURRENCY   | 20-Aug | 19-Aug | % Change |
|------------|--------|--------|----------|
| INR / USD  | 46.67  | 46.55  | 0.26     |
| USD / Euro | 1.27   | 1.28   | (0.78)   |
| Yen / USD  | 85.61  | 85.36  | 0.29     |

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# Daily Newsletter

**Fullerton**  
Securities

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## ECONOMY / POLICY NEWS

**The government is planning to bring out a policy to attract investments in the chemical sector.**

There is a **debt funding gap of over Rs 1.62 lakh crore** in infrastructure financing for the current 11th Year Plan but the government has no plans to channelise foreign savings in the sector.

**India's engineering exports jumped about 26 %** to \$3.21 billion in July year-on-year, mainly due to revival in the US demand.

Hit by the global financial crisis, the **Indian economy saw banks' credit growth slowing down to 17.8 per cent in 2008-09** as against 24.1 per cent in the previous fiscal. According to the latest report by the Reserve Bank of India (RBI), banks' total outstanding credit rose by 17.8 per cent to Rs 28,47,713.12 crore during 2008-09, with over two-thirds of this loan amount accounted for by metropolitan areas

The **cabinet has cleared the draft Nuclear Liability Bill** that is aimed at opening up India's civilian nuclear power industry to private investment. The Bill, which will now be sent to parliament, is part of a landmark deal done with the United States in 2008 that granted India access to foreign nuclear technology. The draft law finalised by a parliamentary panel proposes tripling the compensation cap in the event of a nuclear accident to USD 322 million

| FUTURES PREMIUM/DISC              | Cash   | Futures | P/D%   |
|-----------------------------------|--------|---------|--------|
| Aban Offshore                     | 833.4  | 840.6   | 0.86   |
| Triveni Engineering               | 104.6  | 105.3   | 0.72   |
| KS Oils                           | 54.5   | 54.9    | 0.64   |
| TTML                              | 24.0   | 24.2    | 0.62   |
| Jindal South West Holdings        | 1737.7 | 1748.3  | 0.61   |
| Alstrom Projects                  | 741.1  | 745.6   | 0.61   |
| Ultractech Cements                | 949.1  | 934.4   | (1.55) |
| Rural Electrification Corporation | 327.9  | 323.4   | (1.37) |
| Ambuja Cement                     | 122.0  | 120.6   | (1.15) |
| United Phosphorus                 | 195.5  | 193.4   | (1.10) |
| Hindalco Industries               | 178.6  | 176.6   | (1.09) |
| Idea Cellular                     | 69.9   | 69.2    | (1.07) |

| INSTITUTIONAL ACTIVITY (Rs Cr) | 18-Aug | 17-Aug | YTD      |
|--------------------------------|--------|--------|----------|
| FII Cash Net                   | -      | (170)  | 51,257   |
| FII Stock Futures              | 194    | (126)  | 810      |
| FII Index Futures              | 517    | 161    | (4,801)  |
| Mutual Fund                    | (68)   | 516    | (13,517) |

| VALUATIONS            | P/E  | P/B  | DIV YLD |
|-----------------------|------|------|---------|
| BSE                   | 21.8 | 3.47 | 1.14    |
| NSE                   | 23.2 | 3.6  | 1.1     |
| BSE500 Mcap/GDP Ratio | 0.60 |      |         |

## MOVERS & SHAKERS

### TOP 5 FRONTLINE GAINERS

| Name                | Rs      | ▲%   |
|---------------------|---------|------|
| DLF                 | 332.7   | 3.55 |
| L&T                 | 1,869.0 | 2.81 |
| Cipla               | 310.4   | 1.90 |
| Reliance Industries | 988.2   | 1.16 |
| Hero Honda          | 1,916.4 | 0.64 |

### TOP 5 MIDCAP GAINERS

| Name                | Rs      | ▲%   |
|---------------------|---------|------|
| Wockhardt           | 246.3   | 9.98 |
| Jubilant Food Works | 539.7   | 9.17 |
| BF Utilities        | 1,087.1 | 8.25 |
| Gammon India        | 216.0   | 7.79 |
| Brigade Enter       | 143.7   | 6.92 |

### TOP 5 SMALLCAP GAINERS

| Name                  | Rs    | ▲%    |
|-----------------------|-------|-------|
| Jindal Poly           | 635.6 | 13.15 |
| SPML Infra            | 235.0 | 13.12 |
| Gujarat Sidhee Cement | 16.4  | 10.62 |
| Varun Industries      | 158.6 | 10.33 |
| Nelco                 | 119.6 | 8.93  |

### TOP 5 FRONTLINE LOSERS

| Name               | Rs     | ▼%    |
|--------------------|--------|-------|
| Tata Motors        | 1015.0 | -2.41 |
| ICICI Bank         | 994.5  | -1.78 |
| Wipro              | 411.7  | -1.77 |
| Hindustan Unilever | 269.0  | -1.74 |
| ITC                | 162.8  | -1.36 |

### TOP 5 MIDCAP LOSERS

| Name                     | Rs    | ▼%    |
|--------------------------|-------|-------|
| Chennai Petro            | 264.4 | -6.79 |
| MVL                      | 104.1 | -4.97 |
| Gujarat State Fertilizer | 292.0 | -4.58 |
| Hindustan Const          | 64.4  | -3.96 |
| Hindustan Oil            | 246.6 | -3.82 |

### TOP 5 SMALLCAP LOSERS

| Name                | Rs    | ▼%    |
|---------------------|-------|-------|
| Oricon Enterprises  | 374.0 | -6.54 |
| Maharashtra Poly    | 145.5 | -5.43 |
| Borosil Glass Works | 776.5 | -5.00 |
| Subhkam Capital     | 937.9 | -5.00 |
| Tatia Global        | 25.8  | -4.98 |

## BULK DEALS

| SCRIPT NAME                 | CLIENT NAME                  | TYPE | QTY % | PRICE |
|-----------------------------|------------------------------|------|-------|-------|
| <b>NSE</b>                  |                              |      |       |       |
| Gammon India                | Warhol Limited               | BUY  | 1.26% | 195.0 |
| Jubilant Foodworks          | Quantam (M) Ltd              | BUY  | 0.64% | 509.3 |
| Saregama India              | Blue Peacock Securities      | BUY  | 0.72% | 159.0 |
| Ajanta Pharma               | Crosseas Capital Services    | SELL | 0.96% | 238.6 |
| Kohinoor Foods              | Preeti Agarwal               | SELL | 0.66% | 51.9  |
| <b>BSE</b>                  |                              |      |       |       |
| Lakshmi Vilas Bank          | Transglobal Securities       | BUY  | 0.23% | 122.9 |
| Seax Global                 | Venkatesh Narsaiah Addagatla | BUY  | 1.13% | 44.0  |
| Priyadarshini Spining Mills | Jag Par Securities           | BUY  | 0.53% | 77.0  |
| CCL Intl                    | Gaurav Purohit               | SELL | 1.20% | 156.6 |
| Raj Packaging               | Paresh B Shah                | SELL | 0.50% | 60.0  |

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