

COMMENTARY

INDIA

The Bombay Stock Exchange benchmark Sensex ended the session on Monday flat due to weak Asian markets despite buying by funds and retail investors in selective stocks. The Sensex ended in green gaining 0.04 %. The Nifty also ended a quiet session, up by marginal 13 points at 5,544. The BSE Midcap and BSE Small cap also ended the session marginally in green gaining 0.84 % and 0.93 % respectively.

The market breadth was positive. Of the total 3053 shares traded on the BSE, 1738 shares advanced while 1216 declined.

GLOBAL MARKETS

U.S. stocks fell, sending the Standard & Poor's 500 Index to a five-week low, on concerns that the economy may return to recession. The S&P 500 slipped 0.4 % to 1,067 and the Dow Jones Industrial Average fell 40 points, or 0.38 %, to 10,174. Nasdaq also slipped in red ending the day at 2,160 down by 0.92 %.

Asian stocks have opened lower ahead of an industry report due later today that may show U.S. sales of existing homes plummeted in July providing more evidence that growth in the world's largest economy is faltering. Japan's Nikkei 225 is trading lower by more than 1% at 9,008, while the Hang Seng is down by 0.7% at 20,727.

| INDIAN MARKET | 23-Aug | 20-Aug | % Change |
|---------------|--------|--------|----------|
| BSE Sensex | 18,409 | 18,402 | 0.04 |
| NSE Nifty | 5,544 | 5,531 | 0.23 |
| BSE Midcap | 7,887 | 7,821 | 0.84 |
| BSE Smallcap | 9,968 | 9,876 | 0.93 |
| Nifty Junior | 12,145 | 12,106 | 0.32 |
| CNX Midcap | 9,002 | 8,931 | 0.80 |

| GLOBAL MARKETS | 23-Aug | 20-Aug | % Change |
|------------------------|--------|--------|----------|
| Dow Jones Ind (USA) | 10,174 | 10,214 | (0.38) |
| Nasdaq Composite (USA) | 2,160 | 2,180 | (0.92) |
| S&P 500 (USA) | 1,067 | 1,072 | (0.40) |
| FTSE 100 (UK) | 5,235 | 5,195 | 0.76 |
| DAX (Germany) | 6,011 | 6,005 | 0.10 |
| Nikkei 225 (Tokyo) | 9,117 | 9,179 | (0.68) |
| Hang Seng (Hong Kong) | 20,889 | 20,982 | (0.44) |
| Shanghai Comp (China) | 2,639 | 2,642 | (0.10) |
| KOSPI (South Korea) | 1,768 | 1,776 | (0.47) |
| STI (Singapore) | 2,926 | 2,936 | (0.34) |
| MSCI Emerging Market | 372 | 373 | (0.18) |
| MSCI Frontier Market | 522 | 521 | 0.12 |

CORPORATE/ ECONOMY NEWS

State owned **Indian Oil & Oil India** are in talks with the **Essar** group to pick up 20% each in a gas block in Myanmar that is estimated to have even bigger reserves than **Reliance Industries** KG-D 6 fields as they seek to gain access to oil & gas assets across the world.

The country's largest power producer, **NTPC**, has decided to invite offers from foreign miners who may be on the look out for strategic investors instead of going out and hunting for coal assets.

State-owned **IDBI Bank** plans to open 280 branches across the country in the next 12 months to help increase its retail business.

State-run telecom equipment manufacturer **ITI** has bagged a 267-crore contract from BSNL for supplying telecommunications equipment for 2G and 3G telephony networks of the telco, beating its global rivals.

Bangalore-based **Royal Orchid Hotels** said that it will raise up to Rs 150 crore to fund its new projects. The funds will be raised through a mix of debt and equity. They will be used to double Royal Orchid Hotels' total room capacity to 2,000 by the end of the next fiscal.

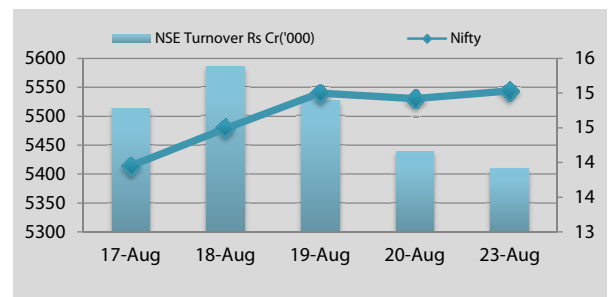
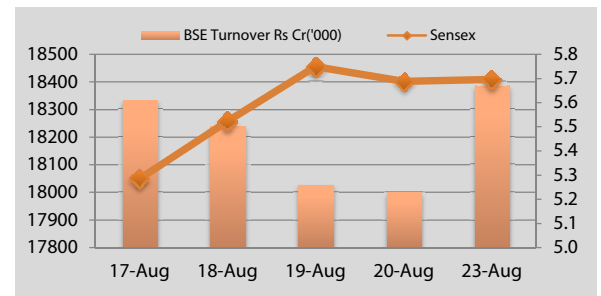
Indian utility vehicles maker **Mahindra & Mahindra (M&M)** and three-wheeler maker **Atul Auto** are separately interested in acquiring a majority stake in state-run **Scooters India**.

Monnet Power Company (MPCL), a subsidiary of **Monnet Ispat & Energy**, has financially closed its 1,050 megawatts (Mw) power project at Angul, Orissa with the signing of about Rs 3,800 crore loan agreement with a consortium of lenders led by Infrastructure Development Finance Company (IDFC).

Auto major **Mahindra & Mahindra** has entered into an agreement to acquire a majority stake in beleaguered South Korean vehicle manufacturer **SsangYong Motor Company**.

Media firm **NDTV** reported that it has entered into an exclusive distribution deal with international kids' TV channel KidsCo, under which it will represent the channel in India. KidsCo has partnered with NDTV to distribute the channel across all digital platforms in the country.

| BOND MARKETS | 23-Aug | 20-Aug | Change |
|---------------------|--------|--------|--------|
| 10yr G-Sec Yield | 8.00 | 7.93 | 0.07 |
| 1yr G-Sec Yield | 6.42 | 6.42 | 0.00 |
| LIBOR (6m) | 0.53 | 0.55 | (0.02) |
| LIBOR (1m) | 0.26 | 0.26 | 0.00 |
| Interbank Call rate | 5.5 | 5.7 | (0.14) |



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CORPORATE NEWS

Auto major **Mahindra & Mahindra** said that it has entered into an agreement to acquire a majority stake in beleaguered South Korean vehicle maker SsangYong Motor Company.

Larsen and Toubro (L&T) has bagged two projects worth Rs 1,195 crore from **ONGC** to set up additional processing units in its gas processing complexes at Hazira and Uran.

Astec Lifesciences Ltd has acquired land in MIDC Mahad area admeasuring 40,000 sq. metres (10 acres) with a view to set up additional manufacturing facilities on the new site.

HSBC will buy up to 70 % of South Africa's **Nedbank**, in a potential \$6.8 billion deal that would give Europe's largest lender a bigger presence in Africa's top economy and a gateway to the fast-growing continent.

Adani Power plans to expand its power generation capacity to 16,000 megawatts by 2014.

ARSS Infrastructure Projects said that it has bagged an order worth Rs 103.65 crore from the National Highways, Orissa. Earlier this month, the Orissa-based firm had received two contracts worth Rs 153.91 crore and Rs 36.31 crore from Parlakhemundi and Steel Authority of India, Rourkela, respectively.

As part of its Rs 70,000-crore expansion programme, state-owned **SAIL** commissioned a unit procured from Italy-based Danieli at its Rourkela Steel Plant.

Jubilant Organosys has signed a long term contract in CRAMS business with a leading US life sciences company. The total contract is valued at \$51 million.

IT firm **Polaris Software Lab** said the company through its Ireland-based subsidiary has acquired 2.5 per cent stake in Tyfone Inc for Rs 2.33 crore.

Tata Global Beverages, formerly Tata Tea Ltd, is considering restructuring the company's operations at various levels and aiming to launch a new nutrition-based beverage.

SIS Security Services, a leading player in Indian private security industry, is planning to raise \$100 million (Rs 450 crore) through private equity (PE) route by December 2010. The funds will be primarily used acquire companies in India, Middle East and Southeast Asia.

Cipla Ltd has informed that a meeting of the board of directors of the company will be held on August 25 to consider special interim dividend for the financial year 2010-2011 to commemorate 75th anniversary of the company.

Four Soft has won a new deal from Alba Wheels Up International, Inc to implement its order management system 4S Visilog, global freight forwarding application 4S eTrans and global customs compliance solution 4S eCustoms across multiple locations in US and Hong Kong.

NTPC would be duly compensated for the cancellation of its 600 MW hydro-power project at Loharinag Pala in Uttarakhand.

India's top-listed biotechnology firm **Biocon** expects revenue growth of 15% over the next two years each, while seeking partnerships with global drug makers for experimental drugs.

| SECTOR | 23-Aug | 20-Aug | % Change |
|-------------------|--------|--------|----------|
| Consumer Durables | 5,941 | 5,692 | 4.37 |
| PSU | 9,814 | 9,707 | 1.10 |
| Teck | 3,456 | 3,430 | 0.75 |
| Healthcare | 5,647 | 5,611 | 0.65 |
| Power | 3,115 | 3,096 | 0.60 |
| Bankex | 12,598 | 12,527 | 0.56 |
| IT | 5,548 | 5,517 | 0.56 |
| Capital Goods | 14,965 | 14,888 | 0.52 |
| Auto | 8,915 | 8,875 | 0.46 |
| Metal | 15,482 | 15,426 | 0.36 |
| Oil & Gas | 10,230 | 10,209 | 0.21 |
| Realty | 3,701 | 3,695 | 0.16 |
| FMCG | 3,340 | 3,375 | (1.04) |

BSE Upper Circuit Breakers

| Company Name | 23-Aug | 20-Aug | % Change |
|-------------------------|---------|---------|----------|
| GSL Nova Petrochemicals | 8.1 | 6.75 | 20.00 |
| Jindal Poly Films | 762.7 | 635.60 | 20.00 |
| Mount Everest Mineral | 89.3 | 81.2 | 10.00 |
| Orissa Minerals | 38608.3 | 36769.8 | 5.00 |
| JVL Agro Industries | 425.8 | 405.5 | 5.00 |

BSE Lower Circuit Breakers

| Company Name | 23-Aug | 20-Aug | % Change |
|---------------------|--------|--------|----------|
| Oregon Commercial | 386.1 | 428.9 | (10.00) |
| Global Capital | 86.6 | 91.1 | (5.00) |
| Finaventure Capital | 114.7 | 120.7 | (5.00) |
| Spectra Industries | 10.9 | 11.4 | (5.00) |
| Visagar Polytex | 131.2 | 138.1 | (5.00) |

COMMODITY / CURRENCY NEWS

Light Sweet Crude Oil closed down on Monday by 0.83% at \$72.8 per barrel. Gold closed down by 0.05 % at 18704.00 and Silver closed up by 0.08 % at 28,882.00

The Indian Rupee closed higher against dollar by 0.06% at 46.64 as the Indian equity benchmarks ended on a positive note.

| COMMODITY | 23-Aug | 20-Aug | % Change |
|---------------------|----------|----------|----------|
| Crude Oil (USD/bbl) | 72.8 | 73.5 | (0.83) |
| Gold (Rs/10gm) | 18,704.0 | 18,714.0 | (0.05) |
| Silver (Rs/kg) | 28,882.0 | 28,860.0 | 0.08 |

| CURRENCY | 23-Aug | 20-Aug | % Change |
|------------|--------|--------|----------|
| INR / USD | 46.64 | 46.67 | (0.06) |
| USD / Euro | 1.26 | 1.27 | (0.79) |
| Yen / USD | 85.11 | 85.61 | (0.58) |

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ECONOMY / POLICY NEWS

The government extended sops worth Rs 1,052 crore to exporters, particularly for the labour-intensive textile, handicrafts and leather sectors, to help them see through the fragile economic recovery globally.

Portraying a strong rebound in their deal-making confidence, **emerging markets led by India saw 25 % rise in merger and acquisitions deals** targeted towards developed markets in the past six months. According to the latest Emerging Markets International Acquisition Tracker (EMIAT) report, 243 Emerging-to-Developed (E2D) deals were recorded in the first half of 2010, compared to 194 in the second half of 2009.

Chinese Imports of iron ore from India plummeted for a second straight month, falling 21 % in July to 6.547 million tonnes with heavy monsoons disrupting transport, customs data showed on Monday.

India's exports grew by 32% in the first three months of the current fiscal year from a year earlier.

Following are some highlights of the annual Foreign Trade Policy review

- 1) Government confident of \$200 billion exports this fiscal.
- 2) Zero duty Export Promotion Capital Goods (EPCG) scheme extended by one year to March 31, 2012; more products added.
- 3) Duty Entitlement Passbook (DEPB) scheme extended by six months till June 30, 2011.

| FUTURES PREMIUM/DISC | Cash | Futures | P/D% |
|-----------------------------------|--------|---------|--------|
| GlaxoSmithKline Pharma | 1971.8 | 1986.8 | 0.76 |
| KS Oils | 54.2 | 54.6 | 0.74 |
| GTL Industries | 418.2 | 421.2 | 0.73 |
| Container Corporation Of India | 1328.1 | 1336.0 | 0.60 |
| Jindal South West Holdongs | 1865.1 | 1876.2 | 0.60 |
| Colgate Pamolive | 818.4 | 823.1 | 0.57 |
| Rural Electrification Corporation | 338.6 | 333.8 | (1.42) |
| Ultratech Cement | 936.9 | 926.0 | (1.16) |
| Idea Cellular | 70.6 | 70.0 | (0.85) |
| Hindalco | 175.6 | 174.4 | (0.68) |
| Reliance Capital | 788.7 | 784.2 | (0.58) |
| Educomp Solutions | 581.7 | 578.3 | (0.58) |

| INSTITUTIONAL ACTIVITY (Rs Cr) | 19-Aug | 18-Aug | YTD |
|--------------------------------|--------|--------|----------|
| FII Cash Net | 2,655 | - | 54,598 |
| FII Stock Futures | 321 | 194 | 1,131 |
| FII Index Futures | 433 | 517 | (4,368) |
| Mutual Fund | 19 | (68) | (13,499) |

| VALUATIONS | P/E | P/B | DIV YLD |
|-----------------------|------|------|---------|
| BSE | 21.9 | 3.48 | 1.14 |
| NSE | 23.3 | 3.6 | 1.1 |
| BSE500 Mcap/GDP Ratio | 0.61 | | |

MOVERS & SHAKERS

TOP 5 FRONTLINE GAINERS

| Name | Rs | ▲% |
|---------------|---------|------|
| Jindal Steel | 708.4 | 2.85 |
| Cipla | 317.3 | 2.22 |
| Bharti Airtel | 316.9 | 2.16 |
| ONGC | 1,282.9 | 1.97 |
| ICICI Bank | 1,010.2 | 1.57 |

TOP 5 MIDCAP GAINERS

| Name | Rs | ▲% |
|-----------------------|---------|-------|
| State Bank Mysore | 1,106.0 | 20.00 |
| State Bank Bikaner | 685.7 | 19.99 |
| State Bank Travancore | 902.3 | 19.99 |
| Radico Khaitan | 149.9 | 10.02 |
| Videocon Industries | 263.9 | 8.51 |

TOP 5 SMALLCAP GAINERS

| Name | Rs | ▲% |
|-------------------|-------|-------|
| Jindal Poly Films | 762.7 | 20.00 |
| Jindal Drill | 601.2 | 16.84 |
| SEL Mfg Company | 47.2 | 14.30 |
| Rico Auto | 30.5 | 12.96 |
| Goenka Diamond | 98.8 | 12.28 |

TOP 5 FRONTLINE LOSERS

| Name | Rs | ▼% |
|-----------------------|--------|-------|
| Reliance Infra | 1044.4 | -2.36 |
| ITC | 159.4 | -2.09 |
| Jaiprakash Associates | 120.8 | -2.03 |
| HDFC | 628.7 | -1.73 |
| HDFC Bank | 2196.4 | -1.55 |

TOP 5 MIDCAP LOSERS

| Name | Rs | ▼% |
|--------------------|---------|-------|
| Sigrun Holdings | 13.0 | -4.76 |
| Shriram City Union | 562.1 | -4.46 |
| Shree Cement | 1,835.0 | -4.08 |
| Karnataka Bank | 171.7 | -3.21 |
| FDC | 85.7 | -3.11 |

TOP 5 SMALLCAP LOSERS

| Name | Rs | ▼% |
|--------------------------|-------|-------|
| Cals Refineries | 0.3 | -6.06 |
| Swaraj Mazda | 299.1 | -5.12 |
| Maharashtra Elektrosmetl | 441.8 | -4.99 |
| Tatia Global | 24.5 | -4.85 |
| Well Pack Papers | 61.8 | -4.78 |

BULK DEALS

| SCRIPT NAME | CLIENT NAME | TYPE | QTY % | PRICE |
|------------------------|--------------------------------|------|--------|-------|
| NSE | | | | |
| Bank Of Rajasthan | Deutsche Securities MAU | BUY | 0.52% | 210.7 |
| Mangalam Cement | Kesoram Industries | BUY | 3.07% | 165.4 |
| Amar Remedies | Ashoka Finstock | SELL | 1.07% | 103.0 |
| Omnitech Infosolutions | Rajyog Share And Stock Brokers | SELL | 0.71% | 256.0 |
| Jindal Poly Films | Crosseas Capital Services | SELL | 0.63% | 693.7 |
| BSE | | | | |
| Asian Hotels | Yans Enterprises (HK) | BUY | 25.06% | 450.0 |
| Nimbus Foods | Elcon Investments | BUY | 1.09% | 5.9 |
| Lakshmi Vilas Bank | Transglobal Securities | BUY | 0.14% | 129.8 |
| Jindal Photo | OPG Securities | SELL | 1.23% | 242.2 |
| Setco Automotive | Sneha H Sheth | SELL | 2.27% | 122.0 |

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