

Daily Newsletter



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COMMENTARY

INDIA

After a quiet opening for the day, the markets made new lows with almost every passing hour. The cues from the global front were not encouraging either. The Asian markets started in the red and remained so throughout the day. The European markets too opened in the red and all pointers indicated a bleak opening on Wall Street. The markets had a poor session of trade on the back of weak set of cues from the global front. The Sensex ended at 18312, lower by 97 points or 0.53 % and the Nifty ended at 5505, down 39 points or 0.69 %. The BSE Midcap & BSE Smallcap also ended down by 0.70 % and 0.68 % respectively.

Market breadth was negative, 1802 stocks declined while 1122 advanced.

GLOBAL MARKETS

The US markets declined on back of poor home sales numbers dragging the Indices to the days low. The Dow Jones Industrial Average ended 134 points down or 1.32 %, the S&P 500 ended down by 1.45 % and the Nasdaq Composite was down by 1.66 %.

On the back of weak data from the US the Asian markets have opened up on a negative note. Nikkei 225 is down by 0.90 %.

INDIAN MARKET	24-Aug	23-Aug	% Change
BSE Sensex	18,312	18,409	(0.53)
NSE Nifty	5,505	5,544	(0.69)
BSE Midcap	7,832	7,887	(0.70)
BSE Smallcap	9,901	9,968	(0.68)
Nifty Junior	12,063	12,145	(0.68)
CNX Midcap	8,942	9,002	(0.67)

GLOBAL MARKETS	24-Aug	23-Aug	% Change
Dow Jones Ind (USA)	10,040	10,174	(1.32)
Nasdaq Composite (USA)	2,124	2,160	(1.66)
S&P 500 (USA)	1,052	1,067	(1.45)
FTSE 100 (UK)	5,156	5,235	(1.51)
DAX (Germany)	5,935	6,011	(1.26)
Nikkei 225 (Tokyo)	8,995	9,117	(1.33)
Hang Seng (Hong Kong)	20,659	20,889	(1.10)
Shanghai Comp (China)	2,650	2,639	0.42
KOSPI (South Korea)	1,761	1,768	(0.41)
STI (Singapore)	2,923	2,926	(0.11)
MSCI Emerging Market	368	372	(1.28)
MSCI Frontier Market	519	522	(0.46)

CORPORATE/ ECONOMY NEWS

GTL Infrastructure and the tower subsidiary of **Reliance Communications** will convert around Rs 6,000 crore of loans from promoters into equity and issue fresh shares worth \$1 billion, or 4,700 crore, to investors to create a combined tower entity with a manageable level of debt.

Tobacco-to-hospitality conglomerate **ITC Ltd** said it plans to open up to 60 new hotel properties in the next 3-4 years. The company has about 40 hotels at various stages of construction and it will start work on another 15-20 new in the next one year.

Gitanjali Group, the countrys biggest jewellery retailer by volume, plans to open up to 20 large-format Maya by Gitanjali Lifestyle stores by December, with an investment of Rs 100 crore

Hero Honda Motors, plans to boost production about 8.7% in the year ending March 2011 to more than five million motorcycles and scooters compared with a 23% increase last fiscal year.

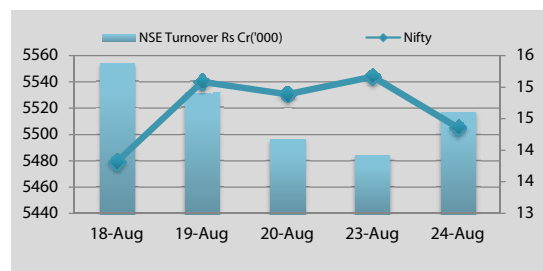
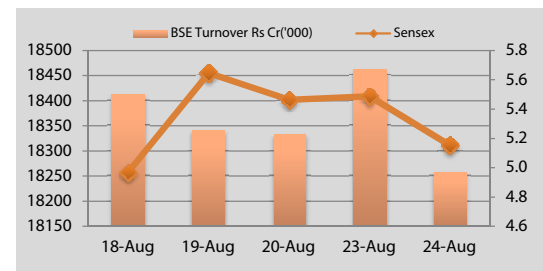
Realty major **Ansal Properties & Infrastructure** is planning to raise up to 400 crore through institutional placement of shares within the next 15-20 days, mainly to reduce its debt.

M&M plans to source automotive components worth \$4-5 billion (Rs 19,000-23,000 crore) over several years from global markets for Ssangyong and itself. A substantial portion on this would come from India, where M&M has built a network of about 200-odd component vendors.

Agrochemical major **Punjab Chemicals and Crop Protection Ltd** plans to make a foray into contract manufacturing space by producing herbicides for two global companies. The company targets a business of Rs 140 crore in the next two years from this segment.

Auto major **M&M** eyes stake in Vayugrid a US based business, its core area of business is contract framing, it also has its presence in alternative energy.

BOND MARKETS	24-Aug	23-Aug	Change
10yr G-Sec Yield	7.97	8.00	(0.03)
1yr G-Sec Yield	6.42	6.42	0.00
LIBOR (6m)	0.52	0.53	(0.01)
LIBOR (1m)	0.26	0.26	0.00
Interbank Call rate	4.7	5.5	(0.87)



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CORPORATE NEWS

DQ Entertainment said that it has signed an agreement with footwear maker Off Road Ltd to manufacture a collection based on DQ Entertainment's animation series 'The Jungle Book'.

State-owned **National Fertilisers Ltd (NFL)** said that it has tied up with banks for financing its Rs 3,850 crore urea expansions plan.

Nissan Copper Ltd has informed that the upcoming facility in Khanvel, Silvassa to manufacture copper tubes for air-conditioning, refrigeration and plumbing applications with the latest cast and roll technology, will start trial partial production of first phase within the next 15 days.

Indian Bank plans to raise around Rs 1,000 crore in December 2010. The proposed fund raising would help the bank to increase its credit portfolio by Rs 8,000 crore

Hotel chain **EIH Ltd** plans to invest Rs 150 crore over the next two years on new projects.

Power utility **Reliance Power** is considering investing as much as \$5 billion in Indonesia.

Bharti Airtel plans to invest (\$308.1 million) during the next 18 months in Kenya in a bid to gain market leadership in the nation of 20 million mobile phone users.

Mangalam Cement Ltd has announced its merger with Mangalam Timber Products Ltd (MTPL).

The country's largest gold financing firm **Muthoot Finance** announced that it has raised Rs 43 crore in the second round of institutional funding from Kotak India Private Equity Fund (KIPEF) for a minority stake.

Tata Motors, which acquired JLR, will start the assembly of the Land Rover Freelander 2 at the Chikhli facility in Maharashtra from November 2010.

All branches of **State Bank of Indore** will function as those of **State Bank of India (SBI)**, with the merger between the two taking place effective August 27.

PricewaterhouseCoopers LLP said it agreed to buy **Diamond Management & Technology Consultants Inc** for USD 378 million to expand its advisory business.

Private equity firm **Milestone Religare Investment Advisors** has acquired about 5% stake in rating agency **Credit Analysis & Research (CARE)** from some existing investors for around 75 crore.

The only unlisted state-owned lender **Punjab & Sind Bank** is likely to file draft prospectus with Sebi by the end of this month to raise about 600 crore from its initial public offer (IPO).

SECTOR	24-Aug	23-Aug	% Change
Consumer Durables	5,969	5,941	0.47
FMCG	3,351	3,340	0.33
Healthcare	5,655	5,647	0.14
Auto	8,894	8,915	(0.24)
Teck	3,441	3,456	(0.43)
Bankex	12,538	12,598	(0.48)
Oil & Gas	10,175	10,230	(0.55)
Capital Goods	14,871	14,965	(0.63)
IT	5,510	5,548	(0.67)
Power	3,091	3,115	(0.78)
PSU	9,737	9,814	(0.79)
Metal	15,181	15,482	(1.94)
Realty	3,604	3,701	(2.62)

BSE Upper Circuit Breakers

Company Name	24-Aug	23-Aug	% Change
State Bank Of Mysore	1,327.1	1105.95	20.00
State bank Of Bikaner	822.8	685.70	20.00
Escorts Finance	9.4	8.5	10.00
Poly Medicare	231.6	210.6	10.00
Orissa Minerals	40538.7	38608.3	5.00

BSE Lower Circuit Breakers

Company Name	24-Aug	23-Aug	% Change
Oregon Commercial	347.5	386.1	(10.00)
Phyto Chem	8.2	8.6	(5.00)
Vadilal Enterprises	132.8	139.8	(5.00)
Spectra Industries	10.3	10.9	(5.00)
Mobile Telecomm	6.5	6.8	(5.00)

COMMODITY / CURRENCY NEWS

Light Sweet Crude Oil closed down on Tuesday by 1.52% at \$71.7 per barrel. Gold closed up by 0.67% at 18829.00 and Silver closed up by 2.08% at 29,482.00

The Indian Rupee closed lower against dollar by 0.58% at 46.91 as the Indian equity benchmarks ended on a negative note.

COMMODITY	24-Aug	23-Aug	% Change
Crude Oil (USD/bbl)	71.7	72.8	(1.52)
Gold (Rs/10gm)	18,829.0	18,704.0	0.67
Silver (Rs/kg)	29,482.0	28,882.0	2.08

CURRENCY	24-Aug	23-Aug	% Change
INR / USD	46.91	46.64	0.58
USD / Euro	1.26	1.26	-
Yen / USD	84.34	85.11	(0.90)

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ECONOMY / POLICY NEWS

India's trade deficit for the current fiscal year that ends in March 2011 is expected to be at least \$120 billion.

The Central Electricity Authority (CEA), responsible for monitoring power projects, **said the power deficit during peak hours would substantially come down from the present level of 12 % by fiscal-end.**

The government may soon allow foreigners to set up limited liability partnerships in sectors where 100% foreign investment is allowed, taking a decisive step after much flip-flop over funding guidelines for this form of business organisation.

Indias total spices exports for the first four months of fiscal year 2010 rose 12% to 193,875 tonnes from 172,510 tonnes led by garlic, ginger and chilli. Spices Board data showed Chilli exports during April-July rose 24% to 77,750 tonnes while garlic exports were up by 1,184% at 10,975 tonnes. Pepper exports rose 2% to 6,750 tonnes during the period

FUTURES PREMIUM/DISC	Cash	Futures	P/D%
Great Offshore	394.4	396.7	0.60
Aditya Birla Nuvo	852.0	857.0	0.59
Cummins India	698.1	701.9	0.55
JP Power	66.8	67.2	0.52
Dabur	209.9	210.9	0.48
KS Oils	52.8	53.0	0.47
UltraTech Cements	944.5	935.1	(1.00)
United Phosphorus	195.6	193.7	(0.95)
Rural Electrification Corporation	332.5	330.5	(0.60)
Core Project	258.7	257.5	(0.48)
Reliance Capital	778.4	775.7	(0.35)
State Bank Of India	2845.8	2836.1	(0.34)

INSTITUTIONAL ACTIVITY (Rs Cr)	20-Aug	19-Aug	YTD
FII Cash Net	714	2,655	54,250
FII Stock Futures	(133)	321	998
FII Index Futures	(781)	433	(5,149)
Mutual Fund	-	19	(13,499)

VALUATIONS	P/E	P/B	DIV YLD
BSE	21.8	3.46	1.15
NSE	23.1	3.6	1.1
BSE500 Mcap/GDP Ratio	0.60		

MOVERS & SHAKERS

TOP 5 FRONTLINE GAINERS

Name	Rs	▲%
Bharti Airtel	322.1	1.64
Reliance Communications	166.0	1.22
SBI	2,847.0	0.86
HDFC Bank	2,207.1	0.49
Hindustan Unilever	269.1	0.43

TOP 5 MIDCAP GAINERS

Name	Rs	▲%
State Bank Mysore	1,327.1	20.00
State Bank Bikanare	822.8	19.99
State Bank Travancore	1,053.0	16.70
KGN Industries	245.6	11.08
Religare Enterprises	500.8	8.42

TOP 5 SMALLCAP GAINERS

Name	Rs	▲%
Surya Pharma	289.2	17.56
Voltamp Transformers	1110.8	13.63
MSP Steel	44.8	11.72
REISIX TENR	95.0	11.44
Mount Everest Minerals	98.2	9.97

TOP 5 FRONTLINE LOSERS

Name	Rs	▼%
Sterlite Industries	152.4	-3.97
Hindalco Industries	168.5	-3.96
DLF	322.3	-2.60
Jaiprakash Associates	118.3	-2.07
Reliance Infra	1023.1	-2.04

TOP 5 MIDCAP LOSERS

Name	Rs	▼%
Jai Corp	276.1	-5.80
Central Bank	176.0	-5.45
MVL	95.7	-5.39
Ispat Industries	18.4	-4.92
Bombay Dyeing	625.5	-4.47

TOP 5 SMALLCAP LOSERS

Name	Rs	▼%
GMR Industries	108.3	-5.71
Resurgere Mines	75.3	-5.46
Bombay Burmah	578.8	-5.23
Maharashtra Elektrosmetl	419.8	-4.99
Confidence Petro	13.6	-4.98

BULK DEALS

SCRIPT NAME

CLIENT NAME

TYPE

QTY %

PRICE

SCRIPT NAME	CLIENT NAME	TYPE	QTY %	PRICE
NSE				
Ispat Industries Limited	Jaypee Capital Services	BUY	0.70%	18.6
Religare Enterprises Limi	Whyteleaf Investments	BUY	6.11%	457.0
SEL Manufacturing Company	Mbl & Company	BUY	0.58%	47.5
Hanung Toys and Textiles	Crosseas Capital Services	SELL	1.05%	281.3
Jindal Photo Limited	Om Investments	SELL	1.46%	290.0
BSE				
SPEL Semiconductor	Sushil Kumar Agarwal	BUY	14.27%	21.1
Aishwarya Telecom	Vipul Hiralal Shah	BUY	1.41%	31.2
Jindal Drilling & Industries	Crosseas Capital Services	BUY	0.98%	637.5
Nimbus Foods	Elcon Investment	SELL	1.09%	6.6
Uni Abex Alloy	Ashok Kumar Bilgaiyan	SELL	0.64%	206.3

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