

# Daily Newsletter

## COMMENTARY

### INDIA

On the back of weak set of cues from the global front and with the nervousness worldwide showing no signs of abating, it was another bad day for the markets. The attempted pullback midway through the noon session didn't sustain. The Sensex ended at 18180, lower by 132 points and Nifty ended at 5462, down 43 points, with realty, metal and auto stocks doing the major damage. The BSE Midcap and BSE Smallcap indices weakened by 1.49% and 1.42% at 7714 and 9759 respectively.

The market breadth was weak. Out of 3063 stocks traded on the BSE, there were 839 advances against 2109 declines.

### GLOBAL MARKETS

U.S. stocks rose, with the Dow Jones Industrial Average recovering from an early 102-point slide, as investors speculated that recent declines in equities overshot the potential damage from a slowdown in the economy. The S&P500 index ended with marginal gains at 1055 points, up by 0.33 % and the Dow Jones also gained ending the day at 10,061, up by 0.29 %. The Nasdaq too ended in green up by 0.84 %.

The Asian markets have opened on a mixed note. The Nikkei is marginally up by 0.15%, Straits Times by 0.19% while the Hang Seng is down by 0.2%.

INDIAN MARKET	25-Aug	24-Aug	% Change
BSE Sensex	18,180	18,312	(0.72)
NSE Nifty	5,462	5,505	(0.78)
BSE Midcap	7,715	7,832	(1.49)
BSE Smallcap	9,760	9,901	(1.42)
Nifty Junior	11,929	12,063	(1.10)
CNX Midcap	8,835	8,942	(1.20)

GLOBAL MARKETS	25-Aug	24-Aug	% Change
Dow Jones Ind (USA)	10,061	10,040	0.20
Nasdaq Composite (USA)	2,142	2,124	0.84
S&P 500 (USA)	1,055	1,052	0.33
FTSE 100 (UK)	5,109	5,156	(0.90)
DAX (Germany)	5,900	5,935	(0.61)
Nikkei 225 (Tokyo)	8,845	8,995	(1.66)
Hang Seng (Hong Kong)	20,635	20,659	(0.11)
Shanghai Comp (China)	2,597	2,650	(2.03)
KOSPI (South Korea)	1,735	1,761	(1.46)
STI (Singapore)	2,927	2,923	0.13
MSCI Emerging Market	364	368	(1.11)
MSCI Frontier Market	516	519	-0.60

## CORPORATE/ ECONOMY NEWS

Indian utility vehicles and tractor maker **Mahindra & Mahindra** expects to complete the acquisition of South Korean automaker SsangYong Motor in four months.

Kolkata-based **Maithan Alloys** will be investing Rs 250 crore in setting up a ferro alloys plant in Vishakhapatnam. The project, which will come up in a special economic zone, will double the total capacity to 240,000 tonnes.

Diversified retail company **Titan Industries** will open 20 more outlets of its speciality eyewear chain "Titan Eye+" by the end of this fiscal as part of a plan to make it a Rs 500 crore brand in three years.

Mukesh Ambani, chairman and promoter of **Reliance Industries (RIL)**, has restructured his shareholding in India's most valuable company by transferring his 34% stake to a set of investment firms, which include a large number of limited liability partnerships (LLPs).

After bagging the contracts to develop five non-metro airports in Maharashtra, **Reliance Infrastructure** is gearing up to bid for new international airports in Navi Mumbai, Pune, Noida and Goethe total cost of these projects is pegged at 24,000 crore.

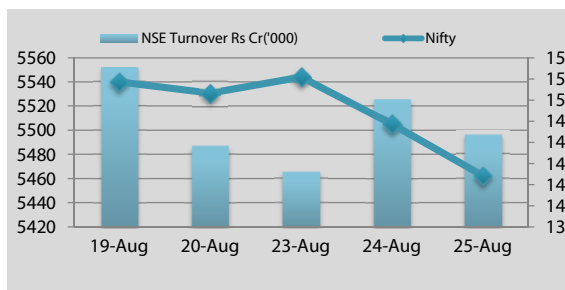
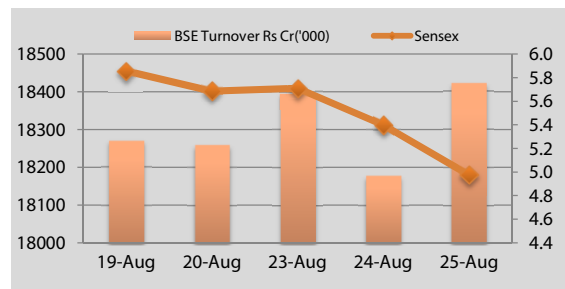
DAIICHI Sankyo-owned **Ranbaxy Laboratories** has settled its patent dispute with Swiss major Roche for the latter's drug Valganciclovir sold under the brand Valcyte.

FMCG player **Marico** is looking at increasing the prices of its flagship brands Parachute and Saffola to offset rising input costs & is currently reviewing prices of its other brands as well.

**Religare Enterprises** founders Malvinder and Shivinder Singh made an open offer to the company shareholders at 457 a share, which will increase their stake further by 20%. Under the offer, the Singh brothers propose to acquire over 2.8 crore shares for a 20% stake in the financial services provider. On its successful completion, their stake in the company would go up to 85.1%.

**Reliance Industries (RIL)** is seen as a likely partner for Chesapeake Energy Corp's Eagle Ford shale acreage.

BOND MARKETS	25-Aug	24-Aug	Change
10yr G-Sec Yield	7.99	7.97	0.02
1yr G-Sec Yield	6.53	6.42	0.11
LIBOR (6m)	0.51	0.52	(0.01)
LIBOR (1m)	0.30	0.26	0.04
Interbank Call rate	4.5	4.7	(0.14)



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## CORPORATE NEWS

The **Adani Group** plans to invest in a \$1.6 billion coal railway project in Indonesia's South Sumatra province.

IT major, **Patni**, said that it has secured two contracts— a seven-figure, three-year contract from Scandinavia's The Codan Group and another from Serco Learning, a provider of innovative, 21st century educational technology solutions.

**Rural Electrification Corporation** expects loan disbursement of about Rs 28,000 in FY11.

**Info Edge**, owner of leading job portal naukri.com, said that it plans to invest Rs 4.7 crore in an online food guide and directory, Foodiebay. It lists menus, prices and contact details of restaurants and also offers discount coupons to diners.

Japanese automaker **Suzuki** announced an investment of Rs 500 crore to more than double its production capacity in India, to 5.4 lakh units per annum by 2012.

Engine maker **Cummins India Ltd** plans to invest up to Rs 750 crore over the next two years to expand capacity at their site in Maharashtra. It plans to set up at least six manufacturing facilities in Phaltan in Satara district of Maharashtra.

**Bharat Heavy Electricals Ltd** has commissioned a captive gas-based power station at a refinery in Oman. The 26-MW gas turbine generator was put on stream at the Oman refinery and petrochemical plant in Muscat.

**Cipla Ltd** has announced that the Board of Directors of the Company has approved the acquisition of **Meditab Specialties Pvt. Ltd.** for an aggregate consideration of Rs. 1.33bn.

Realtor **Brigade Enterprises Ltd** expects to begin selling shares to institutions early next year. The company is in talks with 2-3 private equity players for a proposed stake sale in its two projects and expects to raise \$100-200 million.

**Maruti Suzuki India (MSIL)** is looking at manufacturing cars for other vehicle makers, both foreign and domestic, on the lines of its arrangement with Nissan.

**Mahindra & Mahindra (M&M)** said that it will set up a new tractor facility by 2012-13 fiscal with a production capacity of up to 1 lakh units per annum, for which it is looking at South India, including Tamil Nadu.

State-owned power finance companies -- **Rural Electrification Corporation** and **Power Finance Corporation** -- are contemplating a foray into banking to access cheaper funds.

Healthcare major **Apollo Hospitals** said that it plans to invest nearly Rs 2,400 crore during the 2012-14 period to increase its capacity by about 3,000 beds.

The government may give **Rashtriya Chemicals and Fertilizers (RCF)** natural gas from **Oil and Natural Gas Corp's (ONGC)** western offshore C-Series fields in place of cheaper KG-D6 gas it currently gets from **Reliance Industries (RIL)**.

SECTOR	25-Aug	24-Aug	% Change
IT	5,511	5,510	0.01
FMCG	3,350	3,351	(0.02)
Teck	3,428	3,441	(0.38)
Capital Goods	14,793	14,871	(0.52)
Oil & Gas	10,118	10,175	(0.56)
PSU	9,675	9,737	(0.64)
Power	3,070	3,091	(0.68)
Bankex	12,416	12,538	(0.97)
Metal	14,995	15,181	(1.23)
Healthcare	5,581	5,655	(1.31)
Auto	8,766	8,894	(1.44)
Consumer Durables	5,871	5,969	(1.63)
Realty	3,490	3,604	(3.16)

## BSE Upper Circuit Breakers

Company Name	25-Aug	24-Aug	% Change
Oscar Investments	435.5	362.95	20.00
Maharashtra Apex Corp	30.9	25.72	20.00
Borosil Glass Work	764.1	727.8	5.00
Orissa Minerals	42565.6	40538.7	5.00
Scope Industries	100.6	95.8	5.00

## BSE Lower Circuit Breakers

Company Name	25-Aug	24-Aug	% Change
Shakti Pumps	229.6	241.6	(5.00)
Coral Newsprints	9.5	10.0	(5.00)
Ratnabali Capital Markets	115.5	121.6	(5.00)
Himachal Futuristic	11.3	11.9	(5.00)
Mahalaxmi Rubtech	181.1	190.6	(5.00)

## COMMODITY / CURRENCY NEWS

Light Sweet Crude Oil closed up on Wednesday by 1.42% at \$72.8 per barrel. Gold closed up by 0.70% at 18961.00 and Silver closed up by 2.40% at 30,190.00.

The Indian Rupee closed higher against dollar by 0.02% at 46.90 as the Indian equity benchmarks ended on a positive note.

COMMODITY	25-Aug	24-Aug	% Change
Crude Oil (USD/bbl)	72.8	71.7	1.42
Gold (Rs/10gm)	18,961.0	18,829.0	0.70
Silver (Rs/kg)	30,190.0	29,482.0	2.40

CURRENCY	25-Aug	24-Aug	% Change
INR / USD	46.90	46.91	(0.02)
USD / Euro	1.26	1.26	-
Yen / USD	84.73	84.34	0.46

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## ECONOMY / POLICY NEWS

**India's gold demand in the quarter to end June inched up to 164.5 tonnes from 164.2 tonnes a year ago**, data from the World Gold Council showed. Jewellery demand fell to 123 tonnes from 125.3 tonnes, while investment demand climbed to 41.5 tonnes from 38.9 tonnes a year ago.

**India's top state-run infrastructure finance company Infrastructure Finance Company Ltd (IIFCL) will start guaranteeing all infrastructure bonds** from next month, helping generate long-term funds for the sector which could remove an impediment to stronger economic growth.

**The Planning Commission said that Rs 50,000-crore Infra Debt Fund** for financing infrastructure projects will become operational by beginning of next fiscal.

**Nuclear Power Corporation Ltd (NPCIL) has proposed a comprehensive rehabilitation package of Rs 650 crore for the proposed 10,000-Mw project in Maharashtra.** The package, which awaits the state rehabilitation authority's approval, envisages compensation of Rs 48,000 to Rs 1.60 lakh per acre of land with an assurance that NPCIL is open to increase the same taking into consideration the market trend.

FUTURES PREMIUM/DISC	Cash	Futures	P/D%
Shipping Corporation Of India	162.1	163.0	0.52
Jindal South West Holdings	1787.4	1795.5	0.46
Mundra Port	795.7	799.0	0.42
India Infoline	97.1	97.5	0.41
Aditya Birla Nuvo	817.9	821.2	0.41
Shri Ram Transport Finance	752.8	755.8	0.40
Idea Cellular	70.6	69.4	(1.63)
United Phosphorus	193.4	190.6	(1.45)
Patni Computers	540.8	538.9	(0.35)
PTC	119.6	119.3	(0.25)
Bombay Rayon Fashion	255.0	254.5	(0.22)
Crompton Greaves	289.1	288.5	(0.21)

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	21.6	3.44	1.15
NSE	23.0	3.6	1.1
BSE500 Mcap/GDP Ratio	0.60		

## MOVERS & SHAKERS

### TOP 5 FRONTLINE GAINERS

Name	Rs	▲ %
Sterlite Industries	154.0	1.05
ONGC	1,277.5	0.39
ITC	160.5	0.31
TCS	871.0	0.24
Infosys	2,771.9	0.23

### TOP 5 MIDCAP GAINERS

Name	Rs	▲ %
FDC	91.2	7.11
Ruchi Soya	127.0	4.31
Brigade Enterprise	146.9	2.98
Oriental Bank	435.6	2.68
BASF India	527.0	2.49

### TOP 5 SMALLCAP GAINERS

Name	Rs	▲ %
Oscar Investments	435.5	19.99
Resurgere Mines	82.8	9.96
Ankur Drugs	133.3	9.94
Shristi Infrastructure	254.9	6.92
Hinduja Ventures	461.7	6.48

### TOP 5 FRONTLINE LOSERS

Name	Rs	▼ %
DLF	311.5	-3.35
Tata Steel	497.3	-3.22
Hindalco Industries	163.5	-2.97
Cipla	308.9	-2.63
Hero Honda	1845.1	-2.32

### TOP 5 MIDCAP LOSERS

Name	Rs	▼ %
BF Utilities	1,014.9	-10.29
State Bank Travancore	959.5	-8.88
EIH	135.6	-6.48
State Bank Bikanare	774.0	-5.94
IBN18 Broad	119.1	-5.93

### TOP 5 SMALLCAP LOSERS

Name	Rs	▼ %
Vascon Engineering	166.1	-7.67
Voltamp Transformers	1028.0	-7.45
Hindustan Organic Chemicals	39.5	-6.52
Jindal Poly	764.3	-6.48
Asian Hotels	429.0	-6.33

## BULK DEALS

SCRIPT NAME	CLIENT NAME	TYPE	QTY %	PRICE
<b>NSE</b>				
Ispat Industries Limited	Jaypee Capital Services	BUY	0.56%	18.1
Ind-Swift Labs Ltd.	Heena Vora	BUY	0.79%	121.1
Usha Martin Edu & Sol Ltd	Kanchan Chhabra	BUY	0.71%	52.0
MSP Steel & Power Limited	Swagat Treexim	SELL	0.52%	48.6
Goldstone Infratech Ltd.	Bull Investment Madras	SELL	0.63%	24.0
<b>BSE</b>				
Piramal Health	Paramount Pharma	BUY	4.78%	525.0
SPEL Semiconductor	Sushil Kumar Agarwal	BUY	1.54%	19.5
Dhanuka Agritech	JMP Securities	SELL	0.55%	434.3
GSS America Infotech	Madhukar Chimanlal Sheth	SELL	0.53%	316.9
Surya Pharma	OPG Securities	SELL	0.68%	300.9

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