

# Daily Newsletter



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## COMMENTARY

### INDIA

With positive cues from the Global Front & Short-covering in the derivatives segment, the markets broke a two-day losing streak and posted modest gains. The Sensex ended at 18226, higher by 46 points or 0.25% and the Nifty ended at 5477, up 15 points or 0.27%. The BSE Midcap index closed at 77087, down by 0.09% and the BSE SmallCap index closed at 9767, up 0.08 %.

The market breadth turned mildly negative at close. Out of 3034 stocks traded on the BSE, there were 1328 advances against 1588 declines.

### GLOBAL MARKETS

U.S. stocks fell, sending the Dow Jones Industrial Average below 10,000 for the first time in seven weeks, as concerns about Spain's fiscal stability and a slowdown in manufacturing wiped out early gains triggered by a drop in jobless claims. The Dow Jones Industrial Average ended the session in red down by 0.74 % at 9986 points, the S&P 500 lost nearly 1% ending the day at 1046, down by 0.86 % and the Nasdaq ended the day at 2119, down by 1.07 %.

Asian markets opened on a negative note as materials and technology stocks retreated ahead of revisions to U.S. economic growth figures, and as the yen continued to rise against all major counterparts.. The Nikkei is down by 0.67 % and the Hang Seng is down by 0.11%

INDIAN MARKET	26-Aug	25-Aug	% Change
BSE Sensex	18,266	18,180	0.48
NSE Nifty	5,478	5,462	0.28
BSE Midcap	7,708	7,715	(0.09)
BSE Smallcap	9,768	9,760	0.08
Nifty Junior	11,946	11,929	0.14
CNX Midcap	8,829	8,835	(0.06)

GLOBAL MARKETS	26-Aug	25-Aug	% Change
Dow Jones Ind (USA)	9,986	10,061	(0.74)
Nasdaq Composite (USA)	2,119	2,142	(1.07)
S&P 500 (USA)	1,046	1,055	(0.86)
FTSE 100 (UK)	5,156	5,109	0.91
DAX (Germany)	5,913	5,900	0.22
Nikkei 225 (Tokyo)	8,906	8,845	0.69
Hang Seng (Hong Kong)	20,612	20,635	(0.11)
Shanghai Comp (China)	2,603	2,597	0.27
KOSPI (South Korea)	1,730	1,735	(0.29)
STI (Singapore)	2,926	2,927	(0.02)
MSCI Emerging Market	365	364	0.35
MSCI Frontier Market	517	516	0.11

## CORPORATE/ ECONOMY NEWS

**Mphasis**, the HP owned IT and BPO services firm posted 18.3% growth in net profit at Rs2.71bn for the quarter ended July 31, compared to the same period last year. Consolidated revenue grew by 15.7% to Rs12.79bn compared to the same period last year.

**Godrej Properties**, a part of the \$2.5 billion **Godrej group**, will raise up to Rs 1,000 crore of debt through qualified institutional placement (QIP) in the next 18 to 24 months.

The Government plans to divest 74% of the 95% stake it holds in **Scooter India**. Major companies like **Mahindra and Mahindra**, **Atul Auto**, **Tata Motors** and **Piaggio** could be in the race to acquire a majority stake in Scooters India.

**Bajaj Auto** hopes to export over a million motorcycles and close to 2,00,000 commercial vehicles, and three-wheelers this year.

**Larsen & Toubro (L&T)**, the country's top engineering and construction company, is looking at opening an office in Brazil to sell products and explore opportunities in the oil and gas sector.

**Reliance MediaWorks** has expanded its global three-dimension capabilities by offering integrated 3D services across the film services value chain.

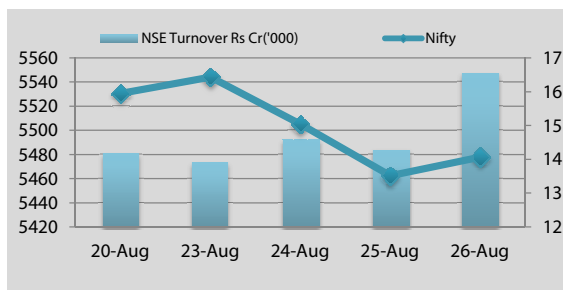
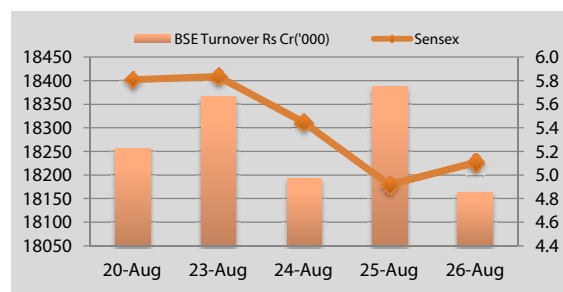
Mid-sized Indian outsourcer **Mphasis** is looking at opportunities to buy companies with annual revenues of \$50-100 million to strengthen its presence in financial, telecom and healthcare services.

**Tata Power Ltd** is in talks to buy a 50 per cent stake in US-based power utility **InterGen NV** for \$1-1.2 billion. Tata Power plans to buy the stake from **GMR Infrastructure**.

The country's largest thermal power generator, **NTPC** may set up a thermal power project at Gadgarwara, in Madhya Pradesh

**RIL** has raised to \$1 billion of loans from various banks.

BOND MARKETS	26-Aug	25-Aug	Change
10yr G-Sec Yield	8.00	7.99	0.01
1yr G-Sec Yield	6.53	6.53	0.00
LIBOR (6m)	0.51	0.51	0.00
LIBOR (1m)	0.26	0.30	(0.04)
Interbank Call rate	4.5	4.5	0.01



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**Fullerton**  
Securities

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## CORPORATE NEWS

Indian power utility **NTPC Ltd** has got four bids from consortiums including French, Japanese and Italian firms in its multi-billion dollar tender to buy boilers for five projects.

**Tata Motors** could raise up to \$1 billion through a mix of instruments like shares, bonds, debentures and other equity-linked instruments to cut debt and grow its business.

**Sona Koyo Steering Systems Ltd** plans to spend Rs 80 crore by January for capacity expansion of its steering products. The auto parts maker expects FY11 sales to rise 20 % as demand for components rise in a buoyant auto industry.

**JSW Steel Ltd**, India's third largest steel producer, expects to commission the first unit at its new plant at Vijaynagar, Karnataka in September. The company expects the 3.2 million tonnes per annum unit to be fully operational in February. After completion, JSW Steel's overall capacity would rise to 10 million tonnes per year.

Motorcycle maker **TVS Motor Company** said that it will invest Rs 200 crore by April next year to increase its production capacity to 28 lakh units. The company also said it will set up a design centre in Indonesia where it has a manufacturing facility.

**Infosys Technologies Ltd**, announced the launch of **Finacle analyz**, a comprehensive solution that empowers bank staff to make faster, insight-based decisions to strengthen customer relationships and improve profitability.

**Maruti Suzuki India Ltd.** is reportedly contemplating setting up a third plant at Manesar at an estimated investment of about Rs17bn. According to reports, the company is considering an additional plant that will have an annual capacity of 2.5 lakh vehicles per year.

**Reliance BIG TV (RBTv)** the leading **Direct-to-Home (DTH)** service provider in the country has signed a corporate alliance with leading television manufacture Samsung India Electronics Pvt. Ltd.

**ICICI Bank** has allotted its shares to the shareholders of **Bank of Rajasthan (BoR)** following the amalgamation of the two private lenders. 25 shares of ICICI Bank were allotted for 118 shares of BoR.

The US Eximbank has sanctioned \$917 million (nearly Rs 4,300 crore) in loan guarantee — the largest such support to any Indian company — towards equipment for Anil Ambani **Reliance Power** of Rs 20,000-crore power project in Madhya Pradesh.

In the fast growing telecom sector, footwear major **Liberty group** has tied up with Israel-based Runcom Technologies to offer WiMax mobile broadband and communication services.

**Mahindra & Mahindra** has said that it is looking to enhance the production of its two-wheelers within the next 2-3 years.

Two-wheeler major **Hero Honda** said that the company will finalise the setting up its fourth plant in the country in a month's time.

SECTOR	26-Aug	25-Aug	% Change
FMCG	3,389	3,350	1.16
Power	3,097	3,070	0.89
Capital Goods	14,890	14,793	0.66
PSU	9,726	9,675	0.52
Bankex	12,475	12,416	0.48
Auto	8,784	8,766	0.21
Teck	3,433	3,428	0.15
IT	5,509	5,511	(0.02)
Metal	14,991	14,995	(0.02)
Healthcare	5,579	5,581	(0.04)
Consumer Durables	5,846	5,871	(0.43)
Realty	3,473	3,490	(0.50)
Oil & Gas	10,056	10,118	(0.61)

## BSE Upper Circuit Breakers

Company Name	26-Aug	25-Aug	% Change
Asian Hotels (East)	419.4	349.50	20.00
Pearl Polymers	21.6	18.00	20.00
Jindal Poly Films	840.7	764.3	10.00
Scope Industries	105.7	100.6	5.00
JPT Securities	90.4	86.1	5.00

## BSE Lower Circuit Breakers

Company Name	26-Aug	25-Aug	% Change
State Bank Of Mysore	1171.5	1301.6	(10.00)
Orissa Minerals	40437.3	42565.6	(5.00)
Oregon Commercials	313.6	330.1	(5.00)
Mahalaxmi Rubtech	172.0	181.1	(5.00)
CMI	30.1	31.7	(5.00)

## COMMODITY / CURRENCY NEWS

Light Sweet Crude Oil closed up on Thursday by 0.29 % at \$73.00 per barrel. Gold closed down by 0.37 % at 18,890.00 and Silver closed down by 0.05 % at 30,174.00.

The Indian Rupee closed higher against dollar by 0.13 % at 46.84 as the Indian equity benchmarks ended on a positive note.

COMMODITY	26-Aug	25-Aug	% Change
Crude Oil (USD/bbl)	73.0	72.8	0.29
Gold (Rs/10gm)	18,890.0	18,961.0	(0.37)
Silver (Rs/kg)	30,174.0	30,190.0	(0.05)

CURRENCY	26-Aug	25-Aug	% Change
INR / USD	46.84	46.90	(0.13)
USD / Euro	1.27	1.26	0.79
Yen / USD	84.39	84.73	(0.40)

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## ECONOMY / POLICY NEWS

**Availability of natural gas, including imported LNG, is likely to increase in the country by over 52 % to 271.92 million cubic meters a day by 2013-14.**

India's key monsoon rains were **29 % above normal** in the week to August. 25, compared with 6 % below normal rainfall in the previous week.

**Food inflation in India declined further in the middle of this month** even as prices of fuels remained steady. Inflation in the Food Articles group stood at 10.05% in the week ended August 14 versus 10.35% in the previous week. It was at 13.45% in the comparable week last year. The index for Food Articles group declined by 0.2% to 297.9 in the week ended August 14.

**Tyre makers' plea to bring down import duty on natural rubber to 7.5 % from 20 %** at present has been turned down by the commerce ministry.

FUTURES PREMIUM/DISC	Cash	Futures	P/D%
Tata Tele Maharashtra	23.7	23.8	0.21
Container Corporation	1312.5	1314.8	0.18
Jain Irrigation	1269.9	1271.9	0.16
Hexaware	71.0	71.1	0.14
RNRL	37.5	37.5	0.13
GTL Infrastructure	46.4	46.5	0.11
GMDC	120.6	120.1	(0.37)
NHPC	31.0	30.9	(0.16)
JP Power	65.1	65.0	(0.15)
Reliance Media Works	197.4	197.1	(0.15)
Noida Toll Bridge	34.7	34.6	(0.14)
Jindal South West Holdings	1776.3	1774.0	(0.13)

INSTITUTIONAL ACTIVITY (Rs Cr)	23-Aug	20-Aug	YTD
FII Cash Net	903	714	55,154
FII Stock Futures	88	(133)	581
FII Index Futures	(610)	(781)	(7,807)
Mutual Fund	(4)	(247)	(14,391)

VALUATIONS	P/E	P/B	DIV YLD
BSE	21.7	3.45	1.15
NSE	23.1	3.6	1.1
BSE500 Mcap/GDP Ratio	0.60		

## MOVERS & SHAKERS

### TOP 5 FRONTLINE GAINERS

Name	Rs	▲ %
NTPC	197.9	2.22
DLF	318.1	2.14
ITC	163.2	1.68
SBI	2,865.1	1.47
HDFC	627.6	1.30

### TOP 5 MIDCAP GAINERS

Name	Rs	▲ %
Eicher Motors	1,199.9	13.37
Essar Ship Ports	98.6	4.95
Indusind Bank	226.4	3.81
Astrazeneca Phar	1,229.0	3.69
FDC	94.5	3.56

### TOP 5 SMALLCAP GAINERS

Name	Rs	▲ %
AGC Networks	253.1	19.98
Sujana Towers	63.6	19.34
Jagatjit Industries	106.0	11.52
Pennar Industries	49.1	10.21
Shristi Infrastructure	279.0	10.21

### TOP 5 FRONTLINE LOSERS

Name	Rs	▼ %
Reliance Communications	159.9	-2.35
Sterlite Industries	152.1	-1.23
RIL	956.7	-1.18
Hindustan Unilever	264.9	-1.08
Jaiprakash Associates	114.7	-0.91

### TOP 5 MIDCAP LOSERS

Name	Rs	▼ %
State Bank Mysore	1,172.1	-9.95
State Bank Travancore	870.2	-9.30
State Bank Bikaner	725.3	-6.29
MVL	87.8	-4.88
Wockhardt	226.7	-4.67

### TOP 5 SMALLCAP LOSERS

Name	Rs	▼ %
Resurgere Mines	74.6	-9.90
Subhkam Capital	796.9	-5.00
Maharashtra Elektros melt	416.2	-4.99
Sterling Holiday Resorts	84.0	-4.98
Atco Corp	121.1	-4.95

## BULK DEALS

SCRIPT NAME	CLIENT NAME	TYPE	QTY %	PRICE
<b>NSE</b>				
Aurobindo Pharma	Deutsche Securities Mauritius	BUY	0.67%	1037.5
Hanung Toys and Textiles	Crosseas Capital Services	BUY	0.87%	284.2
Jindal Photo	Genuine Stock Brokers	BUY	0.99%	278.2
Resurgere Mines & Mineral	Birmi Devi	SELL	0.72%	75.6
MSP Steel & Power	Shree Vinay Finvest	SELL	0.52%	52.8
<b>BSE</b>				
Piramal Health	PHL Holdings	BUY	4.78%	501.0
Jindal Photo	Genuine Stock Brokers	BUY	1.81%	277.9
Sanco Trans	Shri Digipal	BUY	0.59%	283.8
CCL International	Lalit C Vyas	SELL	1.33%	141.7
Keltech Energies	Chanchal Devi Lodha	SELL	1.29%	301.7

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