

## COMMENTARY

### INDIA

It was a disappointing end to the week as markets collapsed in late trades owing to heavy selling across the board. Early gainers like metal and PSU stocks too ended in red. The realty, banking and IT stocks turned out to be the major losers on Friday. Globally world markets were down today ahead of the Federal Reserve chairman comments on the world's largest economy. The Sensex ended in red by 1.47 % at 17,998 points and the Nifty lost 69 points, ending at 5,409. Due to profit booking in BSE Midcap and BSE Smallcap, they were down by 0.95 % and 1.30 % respectively.

### GLOBAL MARKETS

US stocks rebounded to post their best gains in nearly four weeks on Friday, overcoming initial nervousness brought on by a revenue warning from Intel and dour comments from Federal Reserve Chairman Ben Bernanke. Short-covering sparked the market's comeback and the tone improved as investors took a more positive view of Bernanke's comments about the economy and the Fed's readiness to act. The Dow Jones industrial average gained 165 points, or 1.65 %, to 10,151. The Standard & Poor's 500 Index jumped 19 points, or 1.76%, to 1,065. The Nasdaq Composite Index climbed 35 points, or 1.65%, to 2,154.

Asian stocks rose on speculation the Bank of Japan will announce measures to weaken the nation's currency and Federal Reserve Chairman Ben S. Bernanke pledged to safeguard the U.S. economic recovery. The Nikkei 225 is up by 3% and the Hang Seng by 1%

INDIAN MARKET	27-Aug	26-Aug	% Change
BSE Sensex	17,998	18,266	(1.47)
NSE Nifty	5,409	5,478	(1.26)
BSE Midcap	7,635	7,708	(0.95)
BSE Smallcap	9,641	9,768	(1.30)
Nifty Junior	11,825	11,946	(1.01)
CNX Midcap	8,758	8,829	(0.81)

GLOBAL MARKETS	27-Aug	26-Aug	% Change
Dow Jones Ind (USA)	10,151	9,986	1.65
Nasdaq Composite (USA)	2,154	2,119	1.65
S&P 500 (USA)	1,065	1,046	1.76
FTSE 100 (UK)	5,202	5,156	0.89
DAX (Germany)	5,951	5,913	0.65
Nikkei 225 (Tokyo)	8,991	8,906	0.95
Hang Seng (Hong Kong)	20,597	20,612	(0.07)
Shanghai Comp (China)	2,611	2,603	0.28
KOSPI (South Korea)	1,730	1,730	(0.01)
STI (Singapore)	2,939	2,926	0.44
MSCI Emerging Market	366	365	0.41
MSCI Frontier Market	517	517	0.09

## CORPORATE/ ECONOMY NEWS

**GMR Infrastructure**, the Bangalore-based infrastructure company with interests in airports, energy and highways, has deferred plans to raise up to Rs 5,000 crore in view of the recent equity infusion in its various arms.

State-owned **Hindustan Petroleum Corporation (HPCL)**, the country's second-biggest oil marketing company, plans to sell a part of its stake in HPCL-Mittal Energy (HMEL) through an initial public offer.

State-owned inland transport services provider **Container Corporation of India** is likely to ink a joint venture (JV) with global shipping majors for catering to exim trade requirements of shippers.

Rubber chemicals-maker **Nocil**, an Arvind Mafatlal Group firm, has firmed up plans to set up a new plant in Dahej with an initial investment of Rs 250 crore to meet growing demand from domestic tyre-makers.

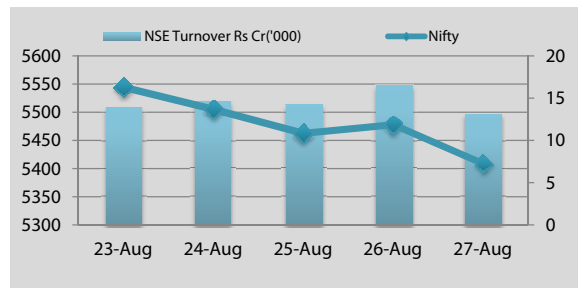
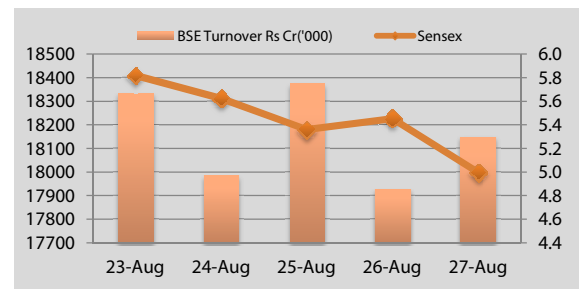
**Pantaloon Retail (India)**, the country's largest publicly-traded retailer, has recorded a 170% jump in net profit to 98.9 crore in the quarter ended June 2010 compared with the year-ago period due to increased sales followed by a revival in the economy. The company has posted a consolidated annual profit of 76.4 crore for financial year(FY) 2009-10, against a loss of 7.5 crore in the previous year.

Public sector mining firms **NMDC** and **Coal India** are forming a joint venture with West Bengal Mineral Development and Trading Company to acquire one of the largest coal blocks in the country having reserves of around 19 billion tonnes.

The government may cut the size of a rights issue sought by the country's largest lender, **State Bank of India (SBI)**, for raising Rs 20,000 crore to fund its business growth, as there is huge demand from the social sector on its resources.

Iron-ore mining company **Sesa Goa** has finalised a blueprint to diversify into steelmaking with an investment of Rs 6,000-9,000 crore in Orissa and Jharkand.

BOND MARKETS	27-Aug	26-Aug	Change
10yr G-Sec Yield	7.97	8.00	(0.03)
1yr G-Sec Yield	6.53	6.53	0.00
LIBOR (6m)	0.50	0.51	(0.01)
LIBOR (1m)	0.26	0.26	0.00
Interbank Call rate	4.5	4.5	0.00



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# Daily Newsletter

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## CORPORATE NEWS

The Kishore Biyani-run **Future Group** is eyeing around Rs. 10,000 crore revenue from its food business over the next 3-4 years and a 40% growth this fiscal.

Utility vehicle maker **Mahindra & Mahindra** is planning to pump in Rs 400- 500 crore in the auto components arm of the Mahindra group Systech. The funding for the investment will come from private equity players.

**Corus**, the Tata Steel owned company has signed a memorandum of understanding to sell its Teesside cast products steelmaking facility in the UK to Thailand's Sahaviriya Steel Industries for approximately \$500 million.

**Housing Development and Infrastructure (HDIL)** is planning to enter the south Mumbai market by launching up to five projects.

**Power Finance Corporation** has proposed disinvestment in the company by way of up to 20 per cent public issue. Going by the current market capitalisation of the company, which stands at about Rs 38,909 crore, PFC may raise over Rs 7,700 crore

Wagon manufacturer **Titagarh Wagons Ltd (TWL)** will shortly float a joint venture with a Japanese company for manufacturing steel bridges

Auto component maker **Sona Koyo Steering Systems** said that it is exploring possibilities to supply its products to heavy commercial vehicle (CV) makers as it looks to increase its sale by around 30 % in this fiscal.

Auto components maker **Jamna Auto** said that it will invest Rs 200 crore to set up new facilities and expand the existing ones to enhance its capacity by over 70 % in the next two years.

DTH major **Dish TV** said it aims to add three million subscribers this fiscal to take its subscriber base to 10 million by March 2011.

**Sundaram Finance's** subsidiary company Sundaram Finance Distribution has sold its holdings in rating agency **Credit Analysis & Research Ltd** for Rs 67.48 crore.

**Tata Consultancy Services (TCS)** has signed a Rs 130 crore e-governance contract with the Madhya Pradesh government.

The country's largest insurance firm **Life Insurance Corporation** has hiked its holding in **Tata Steel** to 14.02 per cent by buying additional 5.16 lakh shares through open market transactions.

Automotive glass maker **Asahi India** said that it will invest about Rs 140 crore in expanding its laminated glass capacity up to 5.3 million units per annum within the next one year

**Punjab & Sind Bank**, the only unlisted state-owned lender, said that it has filed draft papers with market regulator SEBI for its initial public offer (IPO) through which it plans to raise about Rs 600 crore.

SECTOR	27-Aug	26-Aug	% Change
Oil & Gas	10,092	10,056	0.36
PSU	9,695	9,726	(0.32)
Metal	14,911	14,991	(0.54)
Healthcare	5,536	5,579	(0.76)
Auto	8,710	8,784	(0.84)
FMCG	3,355	3,389	(1.02)
Consumer Goods	14,723	14,890	(1.12)
Power	3,060	3,097	(1.19)
Consumer Durables	5,772	5,846	(1.26)
Teck	3,380	3,433	(1.54)
IT	5,408	5,509	(1.84)
Bankex	12,216	12,475	(2.07)
Realty	3,380	3,473	(2.67)

BSE Upper Circuit Breakers			
Company Name	27-Aug	26-Aug	% Change
Nilchem Capital	60.0	50.00	20.00
IST	228.3	207.55	10.00
Jagson Airlines	19.6	17.8	10.00
Refinol Resins & Chemicals	18.1	16.4	10.00
Borosil Glass Works	780.0	742.9	5.00

BSE Lower Circuit Breakers			
Company Name	27-Aug	26-Aug	% Change
Milkfood	192.0	202.0	(5.00)
Anand Credit	54.3	57.2	(5.00)
JVL Agro Industries	388.6	409.1	(5.00)
JPT Securities	85.9	90.4	(5.00)
Kaycee Industries	5495.3	5784.5	(5.00)

## COMMODITY / CURRENCY NEWS

Light Sweet Crude Oil closed up on Friday by 3.17 % at \$75.30 per barrel. Gold closed down by 0.14 % at 18,863.00 and Silver closed up by 0.32 % at 30,271.00.

The Indian Rupee closed lower against dollar by 0.09 % at 46.88 as the Indian equity benchmarks ended on a negative note.

COMMODITY	27-Aug	26-Aug	% Change
Crude Oil (USD/bbl)	75.3	73.0	3.17
Gold (Rs/10gm)	18,863.0	18,890.0	(0.14)
Silver (Rs/kg)	30,271.0	30,174.0	0.32

CURRENCY	27-Aug	26-Aug	% Change
INR / USD	46.88	46.84	0.09
USD / Euro	1.27	1.27	-
Yen / USD	85.22	84.39	0.98

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# Daily Newsletter



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## ECONOMY / POLICY NEWS

**Growth in India's six key infrastructure sectors, forming 26.7 % of the IIP increased by 3.9% in July from the previous month, as robust output of Crude Oil, Refinery Products and Coal was offset by weak performance by Cement and Steel.**

**Tea imports to India fell by 10.85 % to 9.2 million kg** in the first six months of the current year. The country imported 10.32 million kg of tea in the April-June period last year.

**India's apparel exports declined for the third successive month in July, showing a 22.5 % annual drop** in contrast to recovery in the country's overall exports which went up by 13.2% in the same month. The garments exports fell to \$816 million in July on lesser demand from the US and European markets.

**India was the World Bank's favourite last fiscal when it came to extending financial aid in the form of loans, both among developing countries and the world's poorest nations.** The World Bank, through its lending arms IBRD and IDA, committed \$9.3 billion in financial assistance to India in the 2009-10 fiscal, more than the aid committed by the US and the European Union.

**The domestic hoteliers are expected to increase tariffs by 10-15 per cent from September.**

FUTURES PREMIUM/DISC	Cash	Futures	P/D%
Aditya Birla Nuvo	801.4	810.2	1.10
Welspun Corp	235.6	238.2	1.08
GMR Infrastructure	58.1	58.7	1.03
GTL Infrastructure	45.8	46.3	0.98
Patel Engineering	372.3	376.0	0.98
Rollta	165.7	167.3	0.97
Hero Honda	1785.8	1735.5	(2.81)
Shipping Corporation Of India	160.6	156.4	(2.58)
Indian Oil Corporation	410.3	399.7	(2.58)
Patni Computers	542.3	528.6	(2.53)
Ambuja Cement	120.6	118.0	(2.12)
Reliance Capital	762.3	749.6	(1.67)

INSTITUTIONAL ACTIVITY (Rs Cr)	24-Aug	23-Aug	YTD
FII Cash Net	(290)	903	55,020
FII Stock Futures	(218)	88	364
FII Index Futures	(1,160)	(610)	(7,187)
Mutual Fund	(716)	(4)	(14,907)

VALUATIONS	P/E	P/B	DIV YLD
BSE	21.5	3.42	1.16
NSE	22.76	3.54	1.12
BSE500 Mcap/GDP Ratio	0.6		

## MOVERS & SHAKERS

### TOP 5 FRONTLINE GAINERS

Name	Rs	▲ %
ONGC	1,317.7	2.87
Tata Steel	510.2	1.65
Reliance Communication	160.6	0.41
ACC	870.6	0.29

### TOP 5 MIDCAP GAINERS

Name	Rs	▲ %
FDC	104.8	10.96
Ispat Industries	18.7	4.47
Eicher Motors	1,245.3	3.78
Havells India	813.7	3.48
Escorts	195.9	3.11

### TOP 5 SMALLCAP GAINERS

Name	Rs	▲ %
Shristi Infra	300.0	13.94
Natco Pharma	261.0	11.56
Sundaram Clayton	220.9	10.18
Assam Company	21.5	8.61
Venus Remedies	304.7	8.51

### TOP 5 FRONTLINE LOSERS

Name	Rs	▼ %
DLF	307.6	3.30
Hero Honda	1785.0	3.18
ICICI Bank	958.1	2.84
Tata Power	1236.2	2.55
JP Associates	111.9	2.40

### TOP 5 MIDCAP LOSERS

Name	Rs	▼ %
J&K Bank	789.8	-6.95
Jubliant Food Works	482.9	-6.22
Great Offshore	371.5	-5.84
Puravankara Projects	111.0	-5.17
MVL	83.4	-5.00

### TOP 5 SMALLCAP LOSERS

Name	Rs	▼ %
FCS Software	2.3	-10.00
Zenotech Lab	86.3	-7.61
Entertainment Network	241.7	-7.07
Oscar Investment	440.0	-6.95
Essel Propack	47.7	-6.74

## BULK DEALS

SCRIPT NAME	CLIENT NAME	TYPE	QTY %	PRICE
<b>NSE</b>				
Usha Martin	Kanchan Chhabra	SELL	0.60%	49.8
Rama Newsprint	Tmt Viniyogan	SELL	0.65%	16.5
Tricom India Limited	Vinod Biyani	BUY	0.68%	18.0
Camlin Ltd.	Ravi Shankaran	BUY	0.88%	55.3
ECE Industries Limited	Jay Shree Tea & Industries	BUY	22.05%	140.0
<b>BSE</b>				
Piramal Health	Paramount Pharma	BUY	39.29%	499.0
Ruchi Soya	Dhananjaya Money Management Services	BUY	0.67%	129.7
Great Offshore	Eleventh Land Developers	SELL	4.67%	371.1
Nimbus Foods	Balaji Resources & Trading Ltd	SELL	3.49%	7.2
Jagson Airlines	Sushil Kumar Agarwal	BUY	1.86%	19.2

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