

Daily Newsletter



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COMMENTARY

INDIA

The session began well on the back of a bounceback on the Asian front. Asian markets cheered Bernanke's comments about the economy and Fed's willingness to take action to spur an economic revival. Markets across Asia, had a nervous Friday, correcting in the region of 1-2% each, ahead of the Fed comment on the US. The markets gave up most of their early gains to end the session on a quiet note. The Sensex ended at 18032, higher by 34 points and the Nifty ended at 5415, up 7 points. The BSE Midcap index ended at 7640, higher by 5 points or 0.07 % and the BSE Smallcap index ended at 9636, down 5 points or 0.05 %.

The market breadth was weak. Out of 3058 stocks traded on the BSE, there were 1348 advancing stocks as against 1599 declines.

GLOBAL MARKETS

U.S. stocks fell steeply on Monday, with a triple-digit point drop in the Dow Jones Industrial Average adding to August's losses so far, as the latest economic data on personal income and spending fuelled ongoing concerns about the economy. The Dow Jones fell 140.92 points, or 1.4%, to 10,010. The S&P 500 index fell 1.5% to end at 1,048.92, while Nasdaq fell 1.6% to end at 2120.

Asian markets have opened lower, as slower-than-estimated growth in personal incomes in the U.S. heightened concern the economic recovery may slow and the yen strengthened. The Nikkei is down 2.25% while the Hang Seng is down close to 1%

INDIAN MARKET	30-Aug	27-Aug	% Change
BSE Sensex	18,032	17,998	0.19
NSE Nifty	5,415	5,409	0.12
BSE Midcap	7,640	7,635	0.07
BSE Smallcap	9,636	9,641	(0.05)
Nifty Junior	11,829	11,825	0.03
CNX Midcap	8,737	8,758	(0.23)

GLOBAL MARKETS	30-Aug	27-Aug	% Change
Dow Jones Ind (USA)	10,010	10,151	(1.39)
Nasdaq Composite (USA)	2,120	2,154	(1.56)
S&P 500 (USA)	1,049	1,065	(1.47)
FTSE 100 (UK)	5,202	5,157	0.86
DAX (Germany)	5,912	5,951	(0.66)
Nikkei 225 (Tokyo)	9,149	8,991	1.76
Hang Seng (Hong Kong)	20,737	20,597	0.68
Shanghai Comp (China)	2,653	2,611	1.61
KOSPI (South Korea)	1,760	1,730	1.76
STI (Singapore)	2,957	2,939	0.62
MSCI Emerging Market	367	366	0.24
MSCI Frontier Market	517	517	0.00

CORPORATE/ ECONOMY NEWS

Larsen & Toubro plans to list its subsidiary, L&T Finance by December 2010 or Feb 2011.

Punjab National Bank has realigned the rate of interest on Retail Term Deposits with an increase of 25 bps w.e.f. September 01, 2010 in selected maturities of 180 days to 270 days and one to less than two years.

Videcon Industries is planning to sell 26% equity of its mobile business, and it is eyeing a valuation of Rs 15,000 crore from the stake sale.

IndusInd Bank and **Tata Motors Ltd** have entered into an agreement, under which IndusInd Bank will provide financial needs to Tata Motors' prospective car customers.

Ispat Industries Ltd has posted consolidated loss of Rs. 322.67 crore for the year ended June 30, 2010 against a loss of Rs. 689.81 crore for the year ended March 31, 2009. Net sales stood at Rs. 10132.73 crore against Rs. 8131.98 crore for the previous year period.

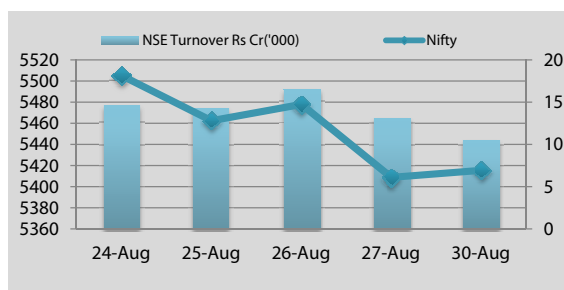
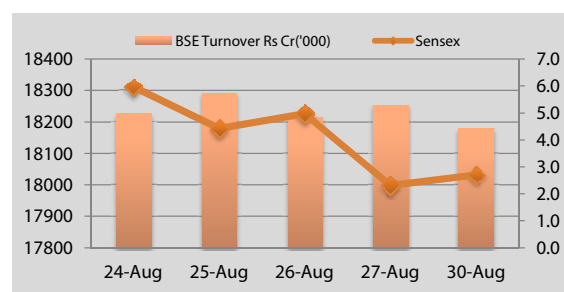
Mukesh Ambani promoted, **Reliance Industries Ltd** announced that it has acquired a 14.12 per cent stake in EIH Ltd. The acquisition was made through Reliance Industries Investment and Holding Pvt Ltd, a wholly owned subsidiary of RIL. It bought the shares from Oberoi Hotels Pvt Ltd and certain other promoters of EIH Ltd, at a total cost of about Rs 1,021 crores approximately.

Jindal Steel and Power plans to rebid for a controlling stake in Zimbabwe Iron and Steel Company, or Zisco, more than two months after the African company rejected the Delhi based firms earlier bid.

Gitanjali Gems, the country's largest integrated diamond and jewellery manufacturer and retailer, plans to acquire a leading Italian jewellery house by the end of next month.

Rio Tinto will be investing 370 crore, for exploration and mining of diamonds in Madhya Pradesh's Bunder town, over the next three years.

BOND MARKETS	30-Aug	27-Aug	Change
10yr G-Sec Yield	7.98	7.97	0.01
1yr G-Sec Yield	6.53	6.53	0.00
LIBOR (6m)	0.50	0.50	0.00
LIBOR (1m)	0.25	0.26	(0.01)
Interbank Call rate	5.1	4.5	0.55



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CORPORATE NEWS

NTPC may offer upto 49 % equity stake to Qatar Petroleum in its gas-based project at Kerala, to secure fuel supply for its power plant.

State-owned **NTPC** is likely to pick up stake in two coal mines in Indonesia East Kalimantan and Sumatra, to help the company secure its raw material requirement. The company's coal requirement is likely touch 165 million tonnes in 2011-12, of which it may import 12-15 MT.

Kingfisher Airlines Ltd may consider raising funds through various means including an issue of shares or preference shares and global depository receipts (GDRs).

Core Projects & Technologies Limited (CPTL) has announced a business plan to enter the lucrative School Management business in India.

Pharmacy, a New Zealand Government drug funder, will fully fund a brand of Quetiapine drug made by Indian company **Dr Reddy's Laboratories**.

Drugmaker **Jubilant Organosys** said that it has signed a long-term contract worth \$33 million with a US life sciences company for its custom research and manufacturing services (CRAMS) business.

Mundra Port and Special Economic Zone Ltd (MPSEZ) has commenced the operations of its 20-million-tonne dry bulk cargo port at Dahej.

The Maharashtra State Road Development Corporation or MSRDC has opened financial bids for a water transport project. A consortium led by **Pratibha Industries**, which emerged as the sole bidder has submitted its bids. The consortium is likely to bag the deal.

Radico Khaitan is targeting 50 % growth in its net profit in FY 11 from last fiscal's Rs 41.54 crore on the back of higher sales from its premium brand offerings.

Glenmark Pharmaceuticals said that it has discovered a new drug molecule, which could be used for treating pain and respiratory disorders. The new drug molecule, has completed pre-clinical trials (animal tests) and will move into clinical trials (tests on humans) in the first quarter of 2011.

Usher Agro was granted approval to raise Rs 100 crore by its shareholders at an extraordinary general meeting (EGM).

Leading hydro-mechanical engineering company, **Om Metals Infraprojects Ltd**, said that it has purchased around five acres of property at Jaipur for Rs 158 crore, to develop high-end apartments.

The Power Ministry has favoured allocation of the bulk of new natural gas output from fields like those of **Reliance Industries** to Anil Ambani-run **Reliance Power's** Samalkot expansion unit in Andhra Pradesh.

ACIL Cotton Industries Ltd gets an additional 173 acres agriculture land for new unique business model of Organic Contract Farming at Surendranagar, Gujarat. The Company holds 322 acres land Cultivation of various crops and has started farming in 149 acres of land.

COMMODITY / CURRENCY NEWS

Light Sweet Crude Oil closed down on Monday by 1.42 % at \$74.2 per barrel. Gold closed up by 0.40 % at 18,939.00 and Silver closed up by 0.48 % at 30,415.00.

The Indian Rupee closed higher against dollar by 0.06 % at 46.96 as the Indian equity benchmarks ended on a positive note.

SECTOR	30-Aug	27-Aug	% Change
Metal	15,128	14,911	1.46
Consumer Durables	5,804	5,772	0.54
Auto	8,741	8,710	0.36
Realty	3,390	3,380	0.29
Oil & Gas	10,118	10,092	0.26
Healthcare	5,550	5,536	0.24
PSU	9,717	9,695	0.23
Bankex	12,225	12,216	0.07
Power	3,060	3,060	(0.01)
Teck	3,375	3,380	(0.17)
Capital Goods	14,632	14,723	(0.62)
IT	5,374	5,408	(0.64)
FMCG	3,332	3,355	(0.67)

BSE Upper Circuit Breakers

Company Name	30-Aug	27-Aug	% Change
Nilchem Capital	72.0	60.00	20.00
Chesind Textiles	18.2	15.15	20.00
Jindal Worldwide	263.9	240.0	10.00
Inca Finlease	258.3	246.0	5.00
Federal Mogul	152.3	145.0	5.00

BSE Lower Circuit Breakers

Company Name	30-Aug	27-Aug	% Change
Maharashtra Apex	26.4	29.3	(10.00)
Shree Ganesh Forgings	9.4	10.4	(10.00)
Victoria Mills	5431.2	5717.1	(5.00)
Kaycee Industries	5220.6	5495.3	(5.00)
Symphony Comfort	579.6	610.1	(5.00)

COMMODITY	30-Aug	27-Aug	% Change
Crude Oil (USD/bbl)	74.2	75.3	(1.42)
Gold (Rs/10gm)	18,939.0	18,863.0	0.40
Silver (Rs/kg)	30,415.0	30,271.0	0.48

CURRENCY	30-Aug	27-Aug	% Change
INR / USD	46.91	46.88	0.06
USD / Euro	1.26	1.27	(0.79)
Yen / USD	84.51	85.22	(0.83)

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ECONOMY / POLICY NEWS

The **Direct Tax Code Bill, which was cleared by the Cabinet**, last week, was tabled in the Parliament. The effective date has been moved a year ahead to April 1, 2012. Personal Income Tax slabs have been widened and Corporate Tax is sought to be fixed at 30%, lower than the 33% currently. The increase in MAT from 18% to 20% is a negative.

India will soon implement the free trade agreement in goods with two more Asean countries – Indonesia, Cambodia – by slashing duties on hundreds of products including seafood, chemicals, apparel and tyres. In turn the two countries will also slash import duties on hundreds of Indian goods. The agreement, operationalised with ASEAN on January 1, 2010 is already functional with four members - Singapore, Thailand, Malaysia and Vietnam.

India will explore opportunities for a comprehensive market opening trade pact with South Africa as the two nations are likely to touch the \$10 billion bilateral commerce this year. Trade between the countries has increased from \$7.49 billion in 2008—09 to \$7.7 billion in the last fiscal.

Asian Development Bank plans to enter the Indian debt market early next year to raise funds through rupee bonds to finance private sector infrastructure projects.

Event to Watch out for :

The April-June quarter of FY11 gross domestic product (GDP) numbers will come out today. A survey indicates that the economy probably grew by 8.9% in Q1FY11, up from the 6% YoY and better than the 8.6% GDP growth in Q4 FY10.

FUTURES PREMIUM/DISC

	Cash	Futures	P/D%
Noida Toll Bridge	35.2	35.7	1.42
Hexaware Technologies	70.0	70.8	1.07
Hotel Leela	51.7	52.2	1.06
Bosch	5999.7	6061.0	1.02
Orbit Corporation	122.9	124.1	1.02
Sterling BioTech	105.9	106.9	0.99
Indian Oil Corporation	411.6	399.7	(2.89)
Shipping Corporation Of India	161.5	157.7	(2.35)
GMDC	120.5	118.7	(1.54)
Hindustan Petroleum	533.5	525.8	(1.44)
National Aluminium	402.0	396.6	(1.33)
Idea Cellular	70.8	69.9	(1.27)

INSTITUTIONAL ACTIVITY (Rs Cr)

	25-Aug	24-Aug	YTD
FII Cash Net	157	(290)	55,020
FII Stock Futures	288	(218)	364
FII Index Futures	(888)	(1,160)	(7,187)
Mutual Fund	(419)	(716)	(14,909)

VALUATIONS

	P/E	P/B	DIV YLD
BSE	21.5	3.43	1.16
NSE	22.78	3.55	1.12
BSE500 Mcap/GDP Ratio	0.59		

MOVERS & SHAKERS

TOP 5 FRONTLINE GAINERS

Name	Rs	▲ %
Tata Steel	528.0	3.49
Bharti Airtel	322.9	2.12
ONGC	1,344.5	2.03
Hindalco Industries	166.8	1.96
Reliance Infra	998.1	1.64

TOP 5 MIDCAP GAINERS

Name	Rs	▲ %
EIH	150.7	11.46
KGN Industries	252.5	7.08
PIPAVAVSHIP	108.3	5.92
Bajaj Elect	292.4	5.69
Aurobindo Pharma	1,051.4	3.86

TOP 5 SMALLCAP GAINERS

Name	Rs	▲ %
Dynamic Tech	1150.9	17.45
Hercules Hoist	299.0	16.16
EIH Associated	164.4	15.69
HBL Power	26.2	14.69
Greenply Industries	222.6	13.69

TOP 5 FRONTLINE LOSERS

Name	Rs	▼ %
ITC	159.3	-1.24
BHEL	2441.9	-1.14
TCS	846.7	-1.06
L&T	1818.5	-0.75
Infosys	2696.0	-0.47

TOP 5 MIDCAP LOSERS

Name	Rs	▼ %
Pfizer	1,086.1	-4.46
HCL Infosystems	118.2	-4.02
FDC	100.8	-3.82
MVL	80.2	-3.78
State Bank Travancore	849.9	-3.40

TOP 5 SMALLCAP LOSERS

Name	Rs	▼ %
Bartronics	106.2	-9.89
Consolid Construction	79.7	-5.74
Murli Industries	100.4	-5.15
Subhkam Capital	719.2	-5.00
Symphony Comfort Systems	579.6	-5.00

BULK DEALS

SCRIPT NAME	CLIENT NAME	TYPE	QTY %	PRICE
NSE				
Sujana Tower Limited	Ajmera Shares Trading Pvt Ltd	BUY	1.18%	62.4
Camlin Ltd.	Ravi Shankaran	BUY	0.51%	50.5
Sadbhav Engineering Limit	Sadbhav Fin Stock Private Limited	BUY	1.81%	1515.0
Aqua Logistics Ltd	Crosseas Capital Services Pvt. Ltd.	SELL	0.71%	618.8
Consolidated Construction	Eif-Coinvest III	SELL	0.60%	80.5
BSE				
Anand Credit	Rameshbhai Laherchand Shah	BUY	2.50%	54.0
BMB Music	Vinay Jain	BUY	1.87%	18.5
IT People	India Max Investment Fund Limited	SELL	0.64%	32.5
Jindal Photo	Crosseas Capital Services Private Limited	SELL	0.89%	269.2
Vertex Sec	Man Mohan Damani	SELL	0.78%	241.56

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