

Indian Market Research Daily Market Summary

Tuesday, 18 January, 2011

HIGHLIGHTS

- Audi India to launch A6, A7 & A8.
- MRPL, Mauritius discuss \$2 bn oil refinery.
- Crude costs as much as in '08, petrol 28% more.
- Hitachi to enter washing machine business by year-end.
- Axis Bank's 36% profit jump built on high interest, fee income.
- L&T Q3 net exceeds estimates, may miss FY11 order inflow guidance.

SUMMARY

The key benchmark indices extended gains for the second straight day, tracking firm global stocks. The barometer index BSE Sensex settled above the psychological 19,000 mark, having alternatively moved above and below that level during the day. The 50-unit S&P CNX Nifty surged past 5,700 level. The BSE 30-share Sensex was up 209.80 points or 1.11%, off close to 30 points from the day's high and up close to 160 points from the day's low. IT, metal, FMCG, consumer durables and banking stocks gained. The market breadth was positive. The BSE Mid-Cap and Small-Cap indices underperformed the Sensex. India VIX is calculated based on the S&P CNX Nifty options prices. India VIX is a measure of the market's expectation of volatility over the next 30 calendar days. TCS led rally in early trade after the software giant reported strong Q3 December 2010 results after trading hours on Monday, 17 January 2011. The market trimmed gains after hitting fresh intraday high in morning trade. The market further pared gains in mid-morning trade. The market regained strength in early afternoon trade. The market soon pared gains. The market moved in a range in mid-afternoon trade. The Sensex surged to hit fresh intraday high in late trade

INDEX MOVEMENTS

INDEX	Prev. Close	Open	High	Low	Close	Gain / Loss	Gain / Loss %
Sensex	18,882.25	18,983.20	19,120.62	18,933.47	19,092.05	↑ 209.80	1.11
S&P CNX Nifty	5,654.75	5,682.55	5,730.50	5,671.25	5,724.05	↑ 69.30	1.23
S&P CNX 500	4,553.65	4,568.90	4,604.80	4,568.60	4,598.35	↑ 44.70	0.98
CNX Nifty Junior	11,209.50	11,255.80	11,328.80	11,189.15	11,255.50	↑ 46.00	0.41
CNX Midcap	8,136.70	8,153.50	8,208.45	8,119.30	8,157.40	↑ 20.70	0.25
CNX IT	7,178.20	7,209.55	7,378.05	7,209.55	7,360.85	↑ 182.65	2.54
CNX 100	5,557.80	5,580.85	5,623.75	5,574.30	5,618.85	↑ 61.05	1.10
BANK Nifty	10,471.10	10,534.30	10,677.95	10,520.30	10,618.50	↑ 147.40	1.41

NIFTY GAINERS

Company Name	Curr. Price	Prev. Price	Gain %
TCS	1,196.45	1,137.4	↑ 5.19
STER	177.75	169.75	↑ 4.71
SUNPHARMA	486.90	465.40	↑ 4.62
AMBUJACEM	131.65	125.85	↑ 4.61
RANBAXY	587.40	563.70	↑ 4.20

NIFTY LOSERS

Company Name	Curr. Price	Prev. Price	Loss %
RELINFRA	704.45	734.90	↓ 4.14
BHARTIARTL	343.90	348.50	↓ 1.32
SESAGOA	314.40	318.60	↓ 1.32
GAIL	477.05	481.85	↓ 1.00
HDFC	658.50	663.65	↓ 0.78

COMMODITY & CURRENCY MARKET

Currency	Curr. Rate
USD	45.5275
EUR	60.5975
100 YEN	55.1575

Commodity (Futures)	Prev. Day	Curr. Day
Brent Crude (USD / bbl)	97.430	98.100
Gold (USD / t. Oz)	1,360.50	1,367.80
Silver (USD / t. Oz)	28.320	28.765

ASIAN MARKETS & INSTITUTIONAL ACTIVITY ON NSE & BSE

Index	Closing	Gain / Loss	Var. %
Hangseng	24,154.00	↓ 2.99	↓ 0.01
Nikkei-225	10,519.00	↑ 16.12	↑ 0.15
Shanghai Composite	2,708.98	↑ 2.32	↑ 0.09
Straits Times	3,249.58	↑ 10.95	↑ 0.34
Taiwan TAIEX	8,988.00	↑ 62.91	↑ 0.70

Category	Buy Value	Sell Value	Net Value
FII-17 Jan -2011	2,569.50	2,742.50	↓ 173.00
DII-17 Jan -2011	1,067.54	707.72	↑ 359.82

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OVERVIEW

European stocks rose on Tuesday, helped by gains for banks and miners, while strong trading updates drove up shares of luxury retailer Burberry Group PLC and beer giant SABMiller PLC. The key benchmark indices in France, Germany and UK rose by 0.92% to 1.03%. Asian shares were slightly higher Tuesday, with markets stuck in a tight range ahead of the reopening of US financial markets. The key benchmark indices in China, Japan, Singapore, Indonesia and Taiwan rose by 0.09% to 1.12%. The key benchmark indices in Hong Kong and South Korea fell by 0.01% to 0.16%. US index futures reversed initial losses. Trading in US index futures indicated that the Dow could gain 34 points at the opening bell on Tuesday, 18 January 2011.

ECONOMIC AND POLITICAL HEADLINES

- Reserve Bank Governor Duvvuri Subbarao today said the country is facing surging inflation and monetary policy needs to be calibrated to manage inflation and support growth, clearly hinting that more drastic measures are needed to rein in runaway prices.
- The Reserve Bank today tightened the prudential norms for non-banking financial companies to protect them from any impact of possible economic downturn, a development that may push up their lending rates
- The Finance Secretary Ashok Chawla on Monday said inflation will come down to around 6.5 per cent by March-end, from 8.43 pc in December.
- The labour ministry has refused to rethink its decision to pay a higher 9.5% interest rate on employees provident fund corpus this year despite objections raised by the finance ministry. "The decision on interest rate has already been taken," labour secretary PC Chaturvedi told ET.
- World Bank arm International Finance Corporation (IFC) has pledged \$300 million for the development of renewable energy projects in India. The investment would be a mix of equity and debt over the next three years, IFC director (infrastructure) Anita George said.

EQUITY MARKETS & SECTOR PERFORMANCE

- Power sector ended flat.
- Most of the sector ended GREEN.
- IT and Metal sector stood amongst other major Gainers.
- Out of 3001 scrips traded over BSE, 1490 advanced & 1342 declined.

ND	Average Var. %
IT	2.60
METAL	2.31
TECK	1.80
HC	1.64
FMCG	1.52
BANKEKX	1.43
CD	1.30
PSU	0.57
AUTO	0.44
REALTY	0.31
CG	0.19
POWER	0.02
OIL&GAS	(0.12)

BONDS, T-BILLS & IPOs

- Current Issues at NSE: C. Mahendra Exports Limited, Midvalley Entertainment Limited.
- Forthcoming issues at NSE: Tata Steel Limited
- Indian cash rates were above the central bank's main lending rate of 6.25 percent on Tuesday as demand was strong.
- Federal bond yields steadied after inching up on Monday amid low volumes in the absence of fresh cues, but caution on imminent rate hikes prevailed.

GLOBAL NEWS

- China's bond market is starting to show renewed inflation concerns before a report that will probably show the economy grew 10.2 percent last year, the fastest pace since 2007.
- Japanese stocks rose, driving up the Topix index for the first time in three days, as fiber makers and property developers advanced after brokerages boosted share-price targets and oil companies gained on the outlook for demand.
- Japan's government bond yields, the lowest in the world, are fueling demand for corporate debt, providing companies from Daikin Industries Ltd. to Asahi Breweries Ltd. with financing for international expansion.
- European stocks rose as euro-area finance ministers pledged to strengthen the safety net for debt-strapped countries. Asian shares climbed, while Nasdaq-100 Index futures fell.
- Asian stocks rose, led by technology companies, on speculation that prices for dynamic random-access memory chips will increase. Steelmakers fell on concern their earnings will disappoint. Elpida Memory Inc. led shares of computer-memory chipmakers higher after the Nikkei newspaper said the Japanese company plans to raise prices.

INDUSTRY NEWS & TRENDS

- Oil firms to give \$1.14 bn in retail discount: State-run upstream firms are expected to give a total discount of \$1.14 billion to retailers on fuel sales in the Oct-Dec 2010 quarter, up from a year ago, an industry source said on Tuesday.
- The Index of Industrial Production (IIP) may show the consumer durables industry to be slowing, but the industry continues to be upbeat with most players bullish about maintaining 15-20 per cent growth. The overall industrial growth rate plummeted to 2.7 per cent during November 2010.-BS

Auto	↗↘↗↗↗
BFSI	↗↘↗↗↗
Construction	↘↘↘↘↘
Consumer goods	↗↘↗↗↗
Energy	↗↘↘↘↗
Ind. Manufacturing	↗↘↘↘↗
IT	↗↘↗↗↗
Metals	↗↘↘↘↗
Telecom	↗↘↘↘↗

N.B. Shows Trends for last trading sessions & current day chronologically

COMMODITIES

- Gold futures extended gains for a third day on Tuesday afternoon, touching a level seen late last week.
- Silver futures prices rose by Rs 160 to Rs 43,870 per kg in futures trade today as speculators enlarged their position on the back of firming global trend
- Copper regained strength to trade 0.50 per cent higher in futures trade today in tandem with gains at the London Metal Exchange.

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CORPORATE ANNOUNCEMENTS

- **Bajaj Finance** posted a net profit of Rs 764 Mn for the third quarter ended as compared to the profit of Rs 273 Mn in the same period a year ago.
- Anil Ambani-led **Reliance Communications** today said it has raised \$255 million by way of external commercial borrowing to partly refinance payment made for acquiring 3G spectrum.
- Edible oil maker **Ruchi Soya Industries** has said it will invest Rs 6 Bn to expand refinery capacity by 1.1 million tonnes (MT) by next fiscal.
- In a bid to cash in on the Cricket World Cup, global soft drink and snacks major **PepsiCo** today unveiled six new flavours of its Lay's potato chips, inspired by the top teams participating in the tournament
- **State-run Indian Oil Corp** (IOC) has completely put out a fire at its Taloja depot, its chairman B.M. Bansal said on Tuesday.
- **POSCO** is likely to resume construction of a new steel plant with capacity of 1.8 million tonnes per year in February and start operations late in the month, a company official said on Tuesday.
- **Tata Teleservices** will invest for third generation mobile phone services and for expanding the physical infrastructure, including base towers.
- Malaysian telecommunications provider **Axiata Group** will decide on whether it will impair its holding value in Indian mobile operator Idea Cellular at a board meeting in February, its chief executive said.
- **Tulip Telecom** has acquired a data center facility in Bangalore by purchasing 100 per cent shares of SADA IT Parks Private Ltd for Rs 2.30 Bn. The company said that the move will further strengthen its end to end data services offering.
- The Mittal brothers, Promod and Vinod Mittal, the promoter directors of Ispat Industries would continue on the board even after majority interest in the company goes to **JSW Steel**
- **Tata Group** is setting up three joint venture projects in the Aerospace Special Economic Zone at Adibhatla near Hyderabad with an outlay of Rs 10 Bn.
- Drug firm **Strides Arcolab** today said it has received approval from the US health regulator for additional package size of Adenosine injection used for treating cardiac problems
- **Pearson**, a global publishing major, on Tuesday announced that it has acquired majority control of 76 per cent in Bangalore-based education company TutorVista, for a consideration of Rs 5.77 Bn.

IMPORTANT DATES

- Jan 19 : Results- Aditya Birla Money, Agro Tech Foods, Aptech, Bajaj Auto, HCL Tech, LIC Housing Fin, Reliance Indl Infra, TTK Prestige, Wipro
 - Jan 20 : Results- JSW ENERGY, Kotak Mah Bank, Mahindra Compo, SRF, TVS Motor, United Bank, South Indian Bank, Yes Bank, Zee News.
 - Jan 21 : Results- Bank of India, Bank of Maharashtra, BHEL, Corporation Bank, NIIT, PNB, PUNJABNSIND, Raymond, Tech Mahindra, Zuari Inds.
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