

**Indian Market Research
Daily Market Summary**

Thursday, 19 August, 2010

HIGHLIGHTS

- Food inflation eases to 10.35%
- Essar Energy H1 net profit drops 28 pct
- Anil Ambani eyes stake in commodity bourse
- NTPC, PowerGrid pull out of CWG sponsorship
- P&G Q4 net profit falls 80%, stock down 3.24%
- Aban Offshore in pact with Cairn India for deploying rig
- Tata Motors Said to Hire Citigroup, Credit Suisse to Help Raise \$1 Billion

SUMMARY

Bulls were in commend as the key benchmark indices struck 2-1/2-year highs, extending Wednesday's (18 August 2010) gains, as the latest data showed easing of food and fuel inflation in early August 2010, which may reduce the pressure on the central bank for further monetary action to rein in inflation. The BSE 30-share Sensex was provisionally up 185.34 points or 1.02%, up 165.96 points from the day's low and off 32.81 points from the day's high. Data showing sustained buying by foreign funds, underpinned sentiments. European stocks were trading mixed while Asian markets ended on a firm note. The market opened on a firm note, with the key benchmark indices hitting 2-1/2-year highs. Stocks extended gains in morning trade on firm Asian equities. The market pared gains in afternoon trade as European stocks slipped into the red, soon after a firm opening. Stocks held firm in late trade.

INDEX MOVEMENTS

INDEX	Prev. Close	Open	High	Low	Close	Gain / Loss	Gain / Loss %
Sensex	18,257.12	18,276.50	18,475.27	18,276.50	18,454.94	↑ 197.82	1.08
S&P CNX Nifty	5,479.15	5,478.25	5,544.70	5,478.10	5,540.20	↑ 61.05	1.11
S&P CNX 500	4,600.55	4,617.30	4,634.60	4,611.25	4,631.85	↑ 31.30	0.68
CNX Nifty Junior	12,002.65	12,039.65	12,124.75	12,039.65	12,112.30	↑ 109.65	0.91
CNX Midcap	8,832.85	8,860.40	8,927.95	8,842.40	8,920.00	↑ 87.15	0.99
CNX IT	6,184.40	6,208.90	6,216.55	6,159.85	6,183.90	↓ 0.50	(0.01)
CNX 100	5,473.55	5,492.30	5,536.60	5,487.15	5,532.70	↑ 59.15	1.08
BANK Nifty	10,894.05	10,920.40	11,126.95	10,895.85	11,110.50	↑ 216.45	1.99

NIFTY GAINERS

Company Name	Curr. Price	Prev. Price	Gain %
AMBUJACEM	127	114.75	↑ 10.68
ACC	884.5	840.1	↑ 5.29
ICICIBANK	1013.9	967.9	↑ 4.75
HDFC	642.35	621.2	↑ 3.40
JPASSOCIAT	123.3	119.35	↑ 3.31

NIFTY LOSERS

Company Name	Curr. Price	Prev. Price	Loss %
UNITECH	83.7	84.95	↓ 1.47
ONGC	1266.7	1284.1	↓ 1.36
TATAPOWER	1296.85	1313.95	↓ 1.30
TATAMOTORS	1039	1048.3	↓ 0.89
RCOM	163.1	164.35	↓ 0.76

COMMODITY & CURRENCY MARKET

Currency	Curr. Rate
USD	46.6700
EUR	59.9100
100 YEN	54.6050

Commodity (Futures)	Prev. Day	Curr. Day
Brent Crude (USD / bbl)	76.470	76.740
Gold (USD / t. Oz)	1,231.400	1,231.400
Silver (USD / t. Oz)	18.452	18.520

ASIAN MARKETS & INSTITUTIONAL ACTIVITY ON NSE & BSE

Index	Closing	Gain / Loss	Var. %
Hangseng	21,072.46	↑ 49.73	↑ 0.24
Nikkei-225	9,362.68	↑ 122.14	↑ 1.32
Shanghai Composite	2,687.98	↑ 21.68	↑ 0.81
Straits Times	2,946.77	↑ 27.40	↑ 0.94
Taiwan TAIEX	7,928.94	↑ 4.84	↑ 0.06

Category	Buy Value	Sell Value	Net Value
FII-18 Aug -2010	3,118.91	2,444.39	↑ 674.52
DII-18 Aug -2010	1,579.43	1,692.94	↓ 113.51

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OVERVIEW

European stocks were trading on a mixed note in volatile trade on Thursday. France's CAC 40 gained 0.69%. Germany's DAX was unchanged. UK's FTSE 100 was down 0.09%. US stocks ended little-changed on Wednesday, 18 August 2010, as investors looked in vain for clear economic and corporate signs amid a flagging economic recovery. The Dow Jones Industrial Average ended 1.14 points, or 0.01%, lower at 10,302.01. The Nasdaq Composite gained 0.39% to 2181.87, while the Standard & Poor's 500-stock index inched up 0.13 point to 1079.38. In economic data, US mortgage applications soared last week on the strongest demand for home refinancing loans in 15 months. Meanwhile, the US government data showed crude inventories rose to the highest level since weekly records began in 1990. The data follows Tuesday's report from the American Petroleum Institute, which showed a surprisingly large build in supplies. US index futures pared initial gains. Trading in US index futures indicated Dow could rise 15 points at the opening bell on Thursday, 19 August 2010.

ECONOMIC AND POLITICAL HEADLINES

- Asian Development Bank said it is likely to revise upwards India's growth and inflation forecast, which is 8.2 per cent and 5 per cent respectively for the current fiscal.
- India's wholesale prices in July rose at a slower-than-expected pace, rising an annual 9.97 percent, the slowest in last six months.
- Finance Minister Pranab Mukherjee has said there may be 30 per cent gap in infrastructure funding requirement, targeted at Rs 41 Trillion, in the 12th Five Year Plan (2012-2017).
- The government said that the National Highways Authority of India (NHA) has spent over Rs 530 Bn on road projects during the last three financial years.

EQUITY MARKETS & SECTOR PERFORMANCE

- Banks, FMCG, Metals, Consumer Good stood strong.
- PSU, Realty slipped into red.
- Health Care, Oil Gas, Consumer Durable, Power & Auto were major gainers.
- Out of 3,071 scrip traded over BSE, 1,650 advanced & 1,297 declined.

Sector	Average Var. %
BANKEX	1.92
FMCG	1.63
METAL	0.97
CG	0.85
HC	0.68
OIL&GAS	0.52
CD	0.47
POWER	0.32
AUTO	0.21
TECK	0.04
IT	0.03
PSU	(0.05)
REALTY	(0.67)

BONDS, T-BILLS & IPOs

- Current Issues at NSE : Prakash Steelage Ltd
- Forthcoming issues at NSE : Currently No issues available.
- Bonds fell, driving 10-year yields to the highest level in 3 months, as inflation deters investors.

GLOBAL NEWS

- Stocks rebounded and U.S. index futures gained after Germany's central bank raised its forecast for economic growth and the U.K.'s deficit narrowed. The Malaysian ringgit appreciated to a 13-year high.
- China's stocks rose to a three-month high on speculation resource companies will benefit as inflation quickens, with gains for gold and coal producers overshadowing declines by property developers.
- Japanese stocks rose for a second day, on speculation policy makers will introduce measures to stimulate the economy and as chip-related companies gained after Applied Materials Inc. forecast better-than-estimated profit.
- The index of U.S. leading indicators probably climbed in July for the second time in four months, extending a see-saw pattern that indicates slower growth through the end of the year.



INDUSTRY NEWS & TRENDS

- Indian automotive component makers plan to invest \$30 billion by 2020 to ramp up production capacity as they try to keep pace with a fast growing auto market.
- State Bank of Indore increased its lending rate by 50 basis points in line with the industry trend.
- State-run National Aluminium Co Ltd (NALCO) has issued a tender to export 3,000 tonnes of aluminium ingots.

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

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

COMMODITIES

- Gold prices today rose by Rs 50 to trade at nearly seven-week high of Rs 18,950 per 10 gram in the bullion market.
- Aluminium traded higher by Rs 0.05, or 0.35 per cent, at Rs 99.55 per kg in futures trade today as traders enlarged their positions, driven by better demand for the metal at spot markets.

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CORPORATE ANNOUNCEMENTS

- The \$7.1 bn **Mahindra Group**, one of India's leading business houses revealed its plans to launch new models to augment its presence in the automobile market in Sri Lanka.
- **Essar Energy** said net profit fell 28 per cent in the first half of 2010, compared with the same period last year, due to lower non-cash gains.
- Gujarat Co-operative Milk Marketing Federation (GCMMF), which markets dairy products under brand **Amul**, said it has posted a growth of 19.3 per cent to clock a turnover of Rs 80 Bn in 2009-2010.
- South-based **Karur Vysya Bank (KVB)** will be applying for 100 new branches in the next fiscal (FY 12) to meet its total business target of Rs 500 Bn by then from the present Rs 350 Bn.
- Global financial major **Deutsche Bank** said it has appointed Ajay Kapur as a Managing Director and Head of Asian Equity Strategy.
- **Sadbhav Engineering Ltd** said its unit entered into a binding agreement to secure 4 billion rupees from Norwest Venture Partners and The Xander Group Inc.
- **Sun Pharmaceuticals Industries Ltd** has received USFDA's approval to market a generic version of Venlafaxine Hydrochloride Extended Release tablets.
- **Celio**, one of the largest French apparel brands, will cut down imports to the Indian market as it plans to increase local sourcing by six times and double its store count by January.
- Budget carrier **GoAir India Pvt Ltd** expects sales in 2010/11 to rise by up to 75 per cent as growing air traffic boosts seat factors

IMPORTANT DATES

- **Aug 20:** Acknit Inds, Atlas Cycle, Blue Blend India, Ishita Drugs, McDowell Hold, Oswal Yarns, Photoquip India, Twilight Litaka, United Brew Hold.
- **Aug 21:** Eldeco Hous, Hanila Era Tex, Jog Engineering, Madhucon Proj, Mangalam Vent, Odyssey Tecgh, Precision Cont, Sankhya Info, Shamken Cotsyn, Shamken Multi, Shamken Spin, VAS Infra, Yashraj Cont.
- **Aug 22:** Sonal Adhsv.

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