

**Indian Market Research
Daily Market Summary**

Thursday, 19 January 2012

HIGHLIGHTS

- Markets end at 6-week closing highs ; gain on IMF's initiative
- Hero MotoCorp Q3 net up 43% to ₹ 6.13 bn
- Nippon Life to invest ₹ 14.5 bn in Reliance Capital
- Bajaj Auto Q3 net up 19% to ₹ 7.95 bn
- HDFC Bank Q3 net up 31% to ₹ 14.3 bn
- Tata Steel wins mega deal from Siemens wind towers
- Food inflation dips, but RBI may not cut key rates

SUMMARY

Key benchmark indices held firm in late trade as private sector bank HDFC Bank and two-wheeler makers -- Hero MotoCorp and Bajaj Auto reported strong Q3 results. The 50-unit S&P CNX Nifty hit fresh intraday high above the psychological 5,000 level. The market breadth was strong. Data showing substantial purchases of Indian stocks by foreign funds over the past few days boosted investor sentiment. HDFC Bank rose after strong Q3 December 2011 earnings. Two-wheeler makers -- Bajaj Auto and Hero MotoCorp rose after strong Q3 December 2011 earnings. Software shares declined as the rupee hovered at 2-month high against the dollar. Telecom services provider Bharti Airtel dropped on a tax demand ₹ 10.67 bn from income tax department. Metal stocks were in demand after strong Chinese economic data announced early this week. Tata Steel edged higher after winning a major contract from Siemens Wind Power to supply 25,000 tonnes of high quality profiled steel plates for wind towers. Capital goods pivots saw divergent trend.

INDEX MOVEMENTS

INDEX	Prev. Close	Open	High	Low	Close	Gain / Loss	Gain / Loss %
Sensex	16,451.47	16,573.87	16,662.06	16,572.10	16,643.74	↑ 192.27	1.17
S&P CNX Nifty	4,955.80	4,995.00	5,023.80	4,991.40	5,018.40	↑ 62.60	1.26
S&P CNX 500	3,881.80	3,903.45	3,934.55	3,903.45	3,931.95	↑ 50.15	1.29
CNX Nifty Junior	9,192.30	9,197.30	9,353.05	9,197.30	9,342.70	↑ 150.40	1.64
CNX Midcap	6,647.50	6,648.35	6,754.90	6,648.35	6,746.05	↑ 98.55	1.48
CNX IT	5,912.00	5,935.60	5,951.35	5,858.00	5,893.20	↓ 18.80	(0.32)
CNX 100	4,819.40	4,852.05	4,887.65	4,852.05	4,883.00	↑ 63.60	1.32
BANK Nifty	9,023.40	9,106.80	9,212.85	9,106.80	9,199.40	↑ 176.00	1.95

NIFTY GAINERS

Company Name	Curr. Price	Prev. Price	Gain %
RELINFRA	489.00	442.70	↑ 10.46
TATAPOWER	104.25	97.85	↑ 6.54
STER	114.80	108.00	↑ 6.30
JPASSOCIAT	66.50	62.70	↑ 6.06
NTPC	172.50	164.50	↑ 4.86

NIFTY LOSERS

Company Name	Curr. Price	Prev. Price	Loss %
BHEL	265.80	273.15	↓ 2.69
M&M	674.00	684.05	↓ 1.47
BHARTIARTL	340.85	345.45	↓ 1.33
SIEMENS	739.10	745.70	↓ 0.89
INFY	2,590.00	2,612.05	↓ 0.84

COMMODITY & CURRENCY MARKET

Currency	Curr. Rate
USD	50.3175
EUR	64.6575
100 YEN	65.5425

Commodity (Futures)	Prev. Day	Curr. Day
Brent Crude (USD / bbl)	110.660	111.520
Gold (USD / t. Oz)	1,659.900	1,664.600
Silver (USD / t. Oz)	30.543	30.815

ASIAN MARKETS & INSTITUTIONAL ACTIVITY ON NSE & BSE

Index	Closing	Gain / Loss	Var. %
Hangseng	19942.90	↑ 256.03	↑ 1.30
Nikkei-225	8639.68	↑ 89.10	↑ 1.04
Shanghai Composite	2296.07	↑ 29.69	↑ 1.31
Straits Times	2811.20	↑ 15.80	↑ 0.57
Taiwan TAIEX	7233.69	↑ 0.00	↑ 0.00

Category	Buy Value (₹ bn)	Sell Value (₹ bn)	Net Value (₹ bn)
FII-19-Jan-2012	27.96	21.70	6.26
DII-19-Jan-2012	10.87	13.33	2.46

* Shows Trends for last two trading sessions & current day
**Based on spread between spot and near future prices of commodities

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Thursday, 19 January 2012

OVERVIEW

- European markets turned positive encouraged by Greece's latest negotiations with its bondholders, which boosted the banking sector. The key benchmark indices in UK, Germany and France were up by between 0.06% to 0.40%. Asian stocks surged on Thursday, 19 January 2012, after a capital injection by the Chinese central bank into money markets and after the International Monetary Fund unveiled a plan to boost its lending resources. Key benchmark indices in Hong Kong, Indonesia, Singapore, China and South Korea and Japan were up by between 0.57% to 1.31%. The stock market in Taiwan is closed from today, 19 January 2012 for Lunar New Year holidays for 11 days and will re-open on 30 January 2012.

ECONOMIC AND POLITICAL HEADLINES

- The falling cost of vegetables like potatoes and onions has put a lid on price rise, with food inflation confined to the negative zone for the third consecutive week at (-)0.42% during the seven-day period to Jan 7. However, experts feel that the decline in prices of food articles will not be enough to prompt the Reserve Bank to cut key interest rates at its forthcoming monetary policy review on Jan 24.
- India's merchandise trade is on way to touch \$750 billion in the current fiscal, accounting for 68% of the country's \$1.1 trillion economy which is fast integrating with the rest of the world.
- The government could announce more measures to ensure flow of funds to infrastructure sector in the budget for the next financial year, finance minister Pranab Mukherjee hinted in a speech on Wednesday. The government was committed to prudent fiscal management, hastening the reform process and ushering in a more inclusive growth regime, he said at the annual general meeting of industry body FICCI on Wednesday.
- The foreign institutional investments in debt shot up to \$4.65 billion in the third quarter from \$0.87 billion, led by compelling yields on the long term bonds and reduced entry restrictions.

EQUITY MARKETS & SECTOR PERFORMANCE

- Realty and Metal led the gainers pack.
- IT continued to lose ground over poor guidance.
- Out of 2924 scrips traded over BSE, 1809 advanced & 982 declined.

	Average Var. %
REALTY	3.54
METAL	2.81
POWER	2.43
BANKEX	1.85
PSU	1.51
HC	1.43
AUTO	1.15
OIL&GAS	1.11
CG	1.03
CD	0.54
FMCG	(0.02)
TECk	(0.29)
IT	(0.32)

BONDS, T-BILLS & IPOs

- Bond yields were stuck in a range on Thursday, ahead of a scheduled debt auction and the Reserve Bank of India's bond buyback on Friday.
- Lakshmi Vilas Bank (LVB) has entered the bond market to raise ₹ 2.5 bn to boost its capital adequacy ratio.

GLOBAL NEWS

- BP is likely to agree to pay the US Department of Justice \$20-\$25 billion to settle all charges around the Gulf of Mexico oil spill, according to a leading analyst, a prediction that is at least twice what the company has set aside.
- Eastman Kodak Co filed for bankruptcy on Thursday in a bid to survive a liquidity crisis after years of falling sales related to the decline of its namesake film business.
- Asia's economic growth may be settling into a middle pace that is too slow to provide significant global support but too fast to warrant aggressive policy easing.
- The proportion of China's population that is of working age fell last year for the first time since 2002, the National Bureau of Statistics said.
- Credit rating giant S&P's said it expects an increase in the corporate debt default rate in 2012 as a result of a "shallow recession."



INDUSTRY NEWS & TRENDS

- The Petroleum Ministry has asked the oil regulator to look into the marketing margin charged by not just Reliance Industries, but also state-owned GAIL India Ltd on the sale of domestic gas and imported LNG.

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 rose by ₹ 39 to ₹ 27,514 per 10 grams today as speculators created fresh positions on the back of a firming trend overseas and rising demand in the domestic spot market.
- Oil rose above \$101 a barrel Thursday in Asia after the IMF promised to raise lending to mitigate a worsening financial crisis in Europe.

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CORPORATE ANNOUNCEMENTS

- **HDFC Bank**, country's third largest lender by assets, posted a 31% rise in net profit for the third quarter ended December, 2011, at ₹ 14.29 bn as compared to ₹ 10.87 bn for the same quarter last year.
- Riding on good sales of bike models like Pulsar and Discover, **Bajaj Auto** today posted 19.19% rise in net profit to ₹ 7.95 bn for the third quarter ended December 31, 2011, as compared with the same period of the previous fiscal.
- **Hero MotoCorp**, the company that recently separated from Honda group after a 26-year old joint venture, posted a 43% rise in net profit for the third quarter ended December 31, 2011, at ₹ 6.13 bn.
- Internet company **Info Edge (India)**, which runs popular job site Naukri.Com, today reported a 31% growth in profit after tax to ₹ 288 mn for the third quarter ended December 31, 2011.
- **Hindustan Media Ventures (HMVL)** today posted 7.20% decline in net profit at ₹ 108.2 mn for the quarter ended December 31, 2011. During the corresponding quarter ended December 31, 2010, the company's net profit was ₹ 116.6 mn, it said in a filing to the BSE.
- **Godrej Properties** today posted a 85.63% year-on-year increase in consolidated net profit to ₹ 288 mn for the quarter ended December 31, 2011. The company, which posted a net profit of ₹ 155 mn for the corresponding quarter last fiscal, also announced the appointment of Pirojsha Godrej as its Managing Director with effect from April 1, 2012.
- **Tata Steel** has secured a major contract from Siemens Wind Power to supply 25,000 tonne of high-quality profiled steel plate for wind towers. The order, according to the company's press release filed with the Bombay Stock Exchange (BSE), is the largest to date for the steel company's dedicated wind tower hub in Scunthorpe, England.
- **Disth TV** today posted net loss for the third quarter ended December, 2011 at ₹ 430 mn. The company posted a net loss of ₹ 490 mn in the previous quarter.

IMPORTANT DATES

- **December 20** : Results – Axis Bank, Bank of Maharashtra, Exide Ind, HCC, Hindustan Zinc, ITC, Jet Air India, JSW Steel, NIIT, Polaris Fin Tech, Praj Ind, RIL, Syndicate Bank, United Spirits, Wipro
 - **December 21** : Results – Asian Paints, Godrej Consumer, JSW Energy, Karnataka Bank, M&M Fin, Patel Eng, Sobha Dev, Torrent Power, Ultratech Cem, Zee Ent
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