

**Indian Market Research
Daily Market Summary**

Friday, 20 January 2012

HIGHLIGHTS

- Markets end higher led by ICICI Bank
- RIL Q3 net down 14% at ₹ 44.4 bn ; okays ₹ 104 bn share buyback
- Aircraft maker ATR cancels Kingfisher's 38-plane order
- Tata Sons buys ₹ 7.13 bn additional shares in Tata Steel
- Vodafone wins \$2 bn tax case in Supreme Court ; affirms faith in India after SC ruling
- JSW Steel Q3 net down 56% at ₹ 1.68 bn
- Axis Bank Q3 net up 24% to ₹ 11.02 bn

SUMMARY

Key benchmark indices reached their highest closing level in more than six weeks on data showing heavy buying of Indian stocks over the past few days by foreign funds. Intraday volatility was high. The market breadth was negative. Cigarette major ITC dropped on profit taking after reporting strong Q3 results. IT major Wipro rose after strong Q3 results. The Sensex has jumped 1,284.09 points or 8.3% so far in this month. From a 52-week high of 19,811.14 on 6 April 2011, the Sensex has lost 3,072.13 points or 15.50%. From a 52-week low of 15,135.86 on 20 December 2011, the Sensex has risen 1,603.15 points or 10.59%. Axis Bank as well as bike makers -- Bajaj Auto and Hero MotoCorp rose after posting strong Q3 result during market hours on Thursday, 19 January 2012. Index heavyweight Reliance Industries (RIL) reversed intraday losses in volatile trade ahead of its board meeting today, 20 January 2012 to consider a proposal for buyback of equity shares along with Q3 December 2011 earnings.

INDEX MOVEMENTS

INDEX	Prev. Close	Open	High	Low	Close	Gain / Loss	Gain / Loss %
Sensex	16,643.74	16,745.01	16,788.48	16,611.71	16,739.01	↑ 95.27	0.57
S&P CNX Nifty	5,018.40	5,044.85	5,064.15	5,004.30	5,048.60	↑ 30.20	0.60
S&P CNX 500	3,931.95	3,946.45	3,963.10	3,922.50	3,952.70	↑ 20.75	0.53
CNX Nifty Junior	9,342.70	9,344.25	9,454.10	9,336.05	9,414.35	↑ 71.65	0.77
CNX Midcap	6,746.05	6,746.35	6,833.05	6,746.35	6,803.15	↑ 57.10	0.85
CNX IT	5,893.20	5,916.75	5,947.35	5,882.70	5,897.95	↑ 4.75	0.08
CNX 100	4,883.00	4,904.90	4,927.60	4,871.10	4,913.65	↑ 30.65	0.63
BANK Nifty	9,199.40	9,291.15	9,560.15	9,268.50	9,516.85	↑ 317.45	3.45

NIFTY GAINERS

Company Name	Curr. Price	Prev. Price	Gain %
BAJAJ-AUTO	1,565.00	1,467.75	↑ 6.63
AXISBANK	1,018.00	955.05	↑ 6.59
ICICIBANK	847.00	797.20	↑ 6.25
KOTAKBANK	495.00	474.30	↑ 4.36
BHEL	276.35	265.25	↑ 4.18

NIFTY LOSERS

Company Name	Curr. Price	Prev. Price	Loss %
ITC	200.00	209.20	↓ 4.40
DRREDDY	1,641.20	1,700.30	↓ 3.48
RPOWER	91.35	93.65	↓ 2.46
RELIINFRA	473.95	485.60	↓ 2.40
MARUTI	1,105.20	1,129.95	↓ 2.19

COMMODITY & CURRENCY MARKET

Currency	Curr. Rate
USD	50.3300
EUR	65.2325
100 YEN	65.2200

Commodity (Futures)	Prev. Day	Curr. Day
Brent Crude (USD / bbl)	111.550	111.410
Gold (USD / t. Oz)	1,654.500	1,646.400
Silver (USD / t. Oz)	30.509	30.375

ASIAN MARKETS & INSTITUTIONAL ACTIVITY ON NSE & BSE

Index	Closing	Gain / Loss	Var. %
Hangseng	20110.40	↑ 167.42	↑ 0.84
Nikkei-225	8766.36	↑ 126.68	↑ 1.47
Shanghai Composite	2319.12	↑ 23.04	↑ 1.00
Straits Times	2849.38	↑ 38.18	↑ 1.36
Taiwan TAIEX	7233.69	↑ 0.00	↑ 0.00

Category	Buy Value (₹ bn)	Sell Value (₹ bn)	Net Value (₹ bn)
FII-20-Jan-2012	35.09	26.89	8.19
DII-20-Jan-2012	12.21	18.36	6.14

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

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Friday, 20 January 2012

OVERVIEW

- European markets were mixed on Friday, 20 January 2012, with focus on ongoing debt talks between Greece and its private creditors. Key benchmark indices in Germany and France were down 0.50% and 0.53%. UK's FTSE 100 rose 0.03%. Asian stocks rose on Friday, 20 January 2012, as strong earnings and positive jobs data out of the US added to hopes that the economic recovery in the world's largest economy is for real. Key benchmark indices in Hong Kong, Singapore, China, South Korea and Japan were up by between 0.84% to 1.82%. Indonesia's Jakarta Composite shed 0.36%. The stock market in Taiwan remains closed for Lunar New Year holidays. The market re-opens directly on 30 January 2012.

ECONOMIC AND POLITICAL HEADLINES

- India's economy will grow at its slowest pace in two years this fiscal year, as tight monetary policy and a logjam in government policy making stifles investment, a Reuters poll showed.
- UK-based Vodafone Group Plc, the parent company of Vodafone Essar, today hailed Supreme Court's ruling to set aside the Bombay High Court judgment asking the company to pay income tax of ₹ 110 bn. Vodafone which is the second largest telecom operator in India, said the judgment underpins its confidence in the country.
- In a significant policy change, the government plans to reserve 27% of new petrol pumps and LPG agencies for Other Backward Classes (OBCs). Currently, 25% of the sites for new petrol pumps are reserved for Scheduled Caste (SC) and Scheduled Tribe (ST) persons.
- IT czar Azim Premji today said the government has realised it is slowing down economic growth rate and he expected it to get into policy initiatives action post assembly polls in five States, irrespective of results.
- An Indian tourist visiting America in 2010 spent at an average more than ₹ 200,000 during their stay here, thus contributing an estimated whopping \$2.86 billion to the US economy.

EQUITY MARKETS & SECTOR PERFORMANCE

- Banks led gains on the back of strong quarterly results.
- FMCG lost ground.
- Out of 2956 scrips traded over BSE, 1363 advanced & 1481 declined.

	Average Var. %
BANKEX	3.51
CD	2.31
POWER	1.04
OIL&GAS	1.04
AUTO	0.72
REALTY	0.70
CG	0.67
PSU	0.64
IT	0.07
TECK	(0.08)
METAL	(0.32)
HC	(0.37)
FMCG	(2.01)

BONDS, T-BILLS & IPOs

- After a dull 2011, IPO market in the country is likely to be better in the current calendar year on the back of an easing interest rate environment.
- IL&FS today tapped the private placement market to raise 10 year bond for 9.82%. The company plans to raise ₹ 2 bn, money market deals said.
- IRFC will launch its tax-free bond issue, offering up to 8.3% to retail investors and 25 bps lower to institutions, in an attempt to lure retail bids.
- Tata Capital, which raised funds at steep rates after the 2008 credit crisis, is slicing coupon on retail bonds sold in 2009 by as much as 1.5 percentage points.

GLOBAL NEWS

- GM reclaimed its title as the world's top selling automaker for the first time since 2007, after sales of more than 9 million vehicles globally in 2011. That places Toyota in the No. 3 slot in 2011 worldwide sales, just behind Volkswagen AG, which sold 8.16 million vehicles last year.
- A strong outlook from IBM and decent results from Intel Corp and Microsoft Corp suggest that corporate decision makers are shaking off nervousness about economic growth and boosting spending on technology.
- Samsung Electronics Co said on Friday a German court ruled against it in a patent lawsuit versus Apple over mobile technologies, part of a global legal battle the technology giants are waging.
- Software major Microsoft Corp has reported a negligible decline in net income to \$6.62 billion for the October-December quarter of 2011, even though demand for software and services remained high.



INDUSTRY NEWS & TRENDS

- GSM operators added 7.55 million new subscribers in December, taking the total GSM user base to 639.64 million in the country, according to the COAI data released today.

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

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

COMMODITIES

- Gold extended losses for the second straight day by losing ₹ 100 to ₹ 27,790 per 10 grams in the bullion market here today, while silver continued to rise for the fifth day in row and gained ₹ 50 to ₹ 53,550 per kg.
- Oil hovered above \$100 a barrel Friday in Asia as signs of economic improvement in the U.S. and Europe were tempered by a rise in gasoline stocks.

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CORPORATE ANNOUNCEMENTS

- Reduced earnings in the refining and petrochemicals business made **Reliance Industries (RIL)** post a drop of 13.6% in its net profit for the third quarter of this financial year. For the quarter, the company's net profit stood at ₹ 44.4 bn as against ₹ 51.36 bn during the corresponding quarter of last fiscal. The company also said its board approved spending up to ₹ 104.4 bn to buy back shares. RIL, the country's biggest company by market value, said it would buy back up to 120 million equity shares from the open market at a maximum price of ₹ 870 each, in its first share buyback since 2005.
- **ITC Ltd**, the largest cigarette maker in India, posted a larger-than-expected 22% rise in quarterly profit, aided by price increases, but its shares slipped 2% on concerns about moderating volume growth. ITC, which has a market value of about of \$30 billion, sixth-largest in India, said net profit rose to ₹ 17 bn in the third quarter ended December 31 from ₹ 13.89 bn a year earlier.
- Private air carrier **Jet Airways** today posted a net loss of ₹ 1.01 bn for the third quarter ended December, 2011 on higher fuel prices and weak rupee during the quarter. The company's loss was down 86% quarter-on-quarter from a net loss of ₹ 3 bn in the September quarter.
- **Wipro**, India's third-largest software services exporter has reported a 10.4% rise in consolidated net profit at ₹ 14.56 bn in the quarter ended December 31, 2011. The net profit in the corresponding quarter of the previous year stood at ₹ 13.19 bn.
- Tata Sons, the holding company of the group, has hiked stake in **Tata Steel** by converting 1.2 crore warrants into equal number of shares for ₹ 7.13 bn. "Tata Sons vide their letter dated January 20, 2012 has exercised the option to convert 1.2 crore warrants into ordinary shares of the company at a price of ₹ 594 per share," Tata Steel said in a regulatory filing to the BSE.
- **Axis Bank**, country's third largest private sector lender, posted 24% increase in net profit at ₹ 11.02 bn for the third quarter ended December, 2011. Net profit in the corresponding quarter a year ago stood at ₹ 8.91 bn, according to a release filed with the Bombay Stock Exchange (BSE).
- **HT Media** today posted marginal increase in its consolidated net profit for the quarter ended December 31, 2011 at ₹ 482 mn, compared to the same period of previous fiscal.
- **JSW Steel** has posted staggering loss of 56% at ₹ 1.68 bn in the third quarter of FY12 compared to ₹ 3.82 bn in the corresponding quarter last year. The Steel major's total income, however, has increased to ₹ 78.77 bn in the quarter under review from ₹ 58.15 bn in the year ago period.
- IT training company **NIIT Ltd** today reported a net profit of ₹ 407.5 mn for the third quarter ended December 31, 2011. "The figures are not comparable as the company has divested its US-based subsidiary element K," NIIT said in a statement.
- **Glenmark Pharmaceuticals** today said it has received final approval from the US health regulator for its generic two oral contraceptives tablets. The approval has been granted by the United States Food and Drug Administration (USFDA) to the company's US arm Glenmark Generics Inc, a subsidiary of Glenmark Generics Ltd, Glenmark Pharmaceuticals said in a statement.
- **Hindustan Construction Company (HCC)** today announced net loss for the third quarter ended December, 2011 at ₹ 1.3 bn. The net loss narrowed down from ₹ 4.05 bn in the previous quarter.
- **Praj Industries** today posted growth of 50% in net profit for the third quarter ended December, 2011 at ₹ 210 mn.
- **Exide Industries Ltd** today reported 16.17% decline in net profit for the third quarter ended December 31, 2011 at ₹ 1.04 bn, while announcing a technical collaboration with US-based East Penn Manufacturing Co for making a range of batteries.

IMPORTANT DATES

- **December 21** : Results – Asian Paints, Godrej Consumer, JSW Energy, Karnataka Bank, M&M Fin, Patel Eng, Sobha Dev, Torrent Power, Ultratech Cem, Zee Ent
 - **December 22** : Results – Colgate Palmolive, Coromandel Int, Electrosteel Cast, Federal Bank, Gail India, Geometric, Idea Cellular, Kotak Mah Bank, L&T, LMW, Maruti Suzuki, Shree Cement, Torrent Pharma, Vardhaman Tex
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