

Indian Market Research Daily Market Summary

Monday, 23 August, 2010

HIGHLIGHTS

- Tata-Quippo plans Rs 50 Bn IPO
- Larsen & Toubro gets \$256.4 mn order from ONGC
- Trade minister announces some export incentives
- Fuel supply uncertainty may hit power sector profitability
- Air India to shift Mumbai hub to Delhi's T3, cut costs by a third.
- NTPC to be compensated for cancellation of 600 MW project
- Mahindra & Mahindra Agrees to Buy Controlling Stake in Korea's Ssangyong

SUMMARY

The key benchmark saw divergent trend with the BSE Sensex provisionally ending marginally lower while the S&P CNX Nifty logged small gains. Volatility was high as traders rolled over positions in derivatives segment from the August 2010 series to the September 2010 series ahead of the expiry of the near-month August 2010 contracts this Thursday, 26 August 2010. European stocks rose while Asian stocks ended lower. The market was volatile. The market lost ground soon after a positive start. The Sensex regained positive zone in early trade. The market once again slipped into the red later. The Sensex regained positive zone in morning trade. The market moved in a narrow range in mid-morning trade. Fresh buying in select pivots pushed the market to day's high in early afternoon trade. The market once again slipped into the red in early afternoon trade. The Sensex regained positive zone later. The Sensex once again slipped into the red at the fag end of the trading session.

INDEX MOVEMENTS

INDEX	Prev. Close	Open	High	Low	Close	Gain / Loss	Gain / Loss %
Sensex	18,401.82	18,400.33	18,454.38	18,371.02	18,409.35	↑ 7.53	0.04
S&P CNX Nifty	5,530.65	5,531.15	5,549.80	5,519.40	5,543.50	↑ 12.85	0.23
S&P CNX 500	4,629.55	4,641.70	4,661.65	4,630.55	4,655.75	↑ 26.20	0.57
CNX Nifty Junior	12,105.70	12,115.75	12,170.20	12,115.75	12,145.00	↑ 39.30	0.32
CNX Midcap	8,930.85	8,965.65	9,007.60	8,935.70	9,002.35	↑ 71.50	0.80
CNX IT	6,128.60	6,131.55	6,190.85	6,123.90	6,178.95	↑ 50.35	0.82
CNX 100	5,524.25	5,527.70	5,544.55	5,516.20	5,537.95	↑ 13.70	0.25
BANK Nifty	11,033.75	11,024.50	11,115.55	10,971.70	11,095.50	↑ 61.75	0.56

NIFTY GAINERS

Company Name	Curr. Price	Prev. Price	Gain %
BPCL	778.5	698.7	↑ 11.42
JINDALSTEL	708.5	689.35	↑ 2.78
CIPLA	317.85	310.2	↑ 2.47
BHARTIARTL	317	310.3	↑ 2.16
ONGC	1283.05	1259.05	↑ 1.91

NIFTY LOSERS

Company Name	Curr. Price	Prev. Price	Loss %
JPASSOCIAT	120.65	123.65	↓ 2.43
RELINFRA	1046	1070.3	↓ 2.27
HDFCBANK	2183	2231.3	↓ 2.16
ITC	159.5	162.7	↓ 1.97
HDFC	628.8	639.95	↓ 1.74

COMMODITY & CURRENCY MARKET

Currency	Curr. Rate
USD	46.5900
EUR	59.2200
100 YEN	54.5675

Commodity (Futures)	Prev. Day	Curr. Day
Brent Crude (USD / bbl)	74.260	74.660
Gold (USD / t. Oz)	1,228.800	1228.600
Silver (USD / t. Oz)	18.041	17.995

ASIAN MARKETS & INSTITUTIONAL ACTIVITY ON NSE & BSE

Index	Closing	Gain / Loss	Var. %
Hangseng	20,889.01	↓92.81	↓0.44
Nikkei-225	9,116.69	↓62.69	↓0.68
Shanghai Composite	2,639.37	↓2.94	↓0.11
Straits Times	2,925.99	↓10.49	↓0.36
Taiwan TAIEX	7,975.93	↑ 48.62	↑ 0.61

Category	Buy Value	Sell Value	Net Value
FII-20 Aug -2010	2,611.15	1,948.29	↑ 662.86
DII-20 Aug -2010	1,121.91	1,224.07	↓102.16

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OVERVIEW

European shares rose on Monday, 23 August 2010, with miners up on hopes that the election results in Australia would end plans for a new mining tax, while Old Mutual gained after HSBC said it will buy a stake in Nedbank. The key benchmark indices in France, UK and Germany rose by between 0.24% to 0.91%. Meanwhile, ratings agency Moody's Investors Service in its semi-annual European Sovereign Outlook released today said that economic growth in Europe is likely to be lower than the rest of the world due to the need to cut budget deficits and pay down debt. US markets ended on a mixed note on Friday, 20 August 2010, as traders remained concerned over the pace of recovery of the economy after weak data. The Dow Jones Industrial Average shed 57.59 points or 0.56% at 10,213.62. The S&P 500 index lost 3.94 points or 0.37% to 1,071.69. But, the Nasdaq composite index, gaining 0.81 points or 0.04% to 2,179.76. Trading in US index futures indicated that the Dow could rise 22 points at the opening bell on Monday, 23 August 2010. US index futures swung between gains and losses.

ECONOMIC AND POLITICAL HEADLINES

- The Indian economy saw banks' credit growth slowing down to 17.8 per cent in 2008-09 as against 24.1 per cent in the previous fiscal.
- Foreign direct investment (FDI) in India's booming real estate and housing market jumped 80 times between 2005 and 2010.
- Government extended sops worth Rs 10.5 Bn to exporters, particularly for the labour-intensive textile, handicrafts and leather sectors.
- There is a debt funding gap of over Rs 1.6 Trillion in infrastructure financing for the current 11th Five Year Plan.
- In a bid to placate MP's demanding higher pay packages, government agreed to further hike their monthly allowances by Rs.10,000.

GLOBAL NEWS

- Most China stocks rose as investors speculated machinery makers will sustain earnings growth as the government expands investment to poorer regions. Developers and oil companies declined.
- The yen rose to a seven-week high against the euro as signs the global economy is slowing boosted demand for Japan's currency as a refuge.
- Japan's stocks fell, dragging the Nikkei 225 Stock Average to its lowest this year, after a European Central Bank official said emergency lending should be extended, indicating the region's debt crisis may take longer to solve.
- Crude oil rose as European equity markets advanced and the dollar weakened against the euro.



EQUITY MARKETS & SECTOR PERFORMANCE

- Consumer Durables, PSU, Teck were major gainers.
- Health Care, Power, IT, Bank, CG & Auto were moderate gainers.
- FMCG was in red.
- Out of 3053 scrip traded over BSE, 1738 advanced & 1216 declined.

Sector	Average Var. %
CD	4.37
PSU	1.10
TECK	0.75
HC	0.65
POWER	0.60
IT	0.56
BANKEK	0.56
CG	0.52
AUTO	0.46
METAL	0.36
OIL&GAS	0.21
REALTY	0.16
FMCG	(1.04)

INDUSTRY NEWS & TRENDS

- Indian engineering and construction firm Larsen & Toubro said on Monday it received an order worth 11.95 billion rupees (\$256.4 million) from state-run explorer Oil and Natural Gas Corp.
- The power sector has recorded a subdued performance in the June 2010 quarter with marginal growth in profits despite reasonable revenue growth.

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

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

BONDS, T-BILLS & IPOs

- Current Issues at NSE : Gujarat Pipavav Port Ltd..
- Forthcoming issues at NSE : Currently No issues available.
- Indian federal bond yields stayed up on Monday as traders grew wary of taking long positions on concerns cash conditions may further tighten in September.

COMMODITIES

- Wholesale gold demand retreated on Monday afternoon as stockists awaited a fall in prices and eyed the rupee for direction.
- Crude oil prices rose by Rs 12, or 0.35 per cent, to Rs 3,482 per barrel in futures trade today, as speculators enlarged their positions on the back of firm global cues.

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CORPORATE ANNOUNCEMENTS

- **Indian Overseas Bank** said its board has approved raising the BPLR by 50 basis points to 12.50 percent.
- Anil Ambani Group company **Reliance Life Insurance** will infuse Rs 2.5 Bn to fund business expansion plans in FY'11, out of which Rs 0.7 Bn was pumped in during the first quarter itself.
- **Tata Global Beverages**, previously known as Tata Tea, may diversify into food business, Tata group chairman Ratan Tata said.
- **Adani Power** plans to expand its power generation capacity to 16,000 megawatts by 2014.
- **Sun Pharmaceutical Industries** said it is planning to enter the Japanese generics market, with drugs aimed at treating chronic diseases.
- **HSBC** agrees five-year partnership with Dubai International and Sharjah International Airport.
- **Aegis Ltd**, an outsourcing unit of India's Essar Group, will pursue acquisitions in the Middle East, Europe, Latin America and Africa during the next two years
- Footwear major **Liberty group** today announced its entry into telecom sector and has tied up with Israel-based Runcom Technologies to offer WiMax mobile broadband and communication solutions
- Ahmedabad-based drugmaker **Zydus Cadila** is in talks with Bayer Schering Pharma AG to market the German firm's products in Indian retail market and expand an existing alliance.
- **Varun Shipping Ltd.**, India's largest owner of liquefied petroleum gas tankers, plans to boost its focus on deepwater offshore support operations as oil companies increase exploration because of rising domestic energy use

IMPORTANT DATES

- **Aug 24:** Best & Crompton, Dynacons Sys., Ikab Securities, Mukesh Steel, Mukesh Strips, Niyati Inds, Oasis Sec, Pochiraju Inds, Super Forgings, TRC Fin Serv.
- **Aug 25:** Alumeco India, Binny, BLB, Chennai Meena, Grauer & Well, GSL Securities, Ispat Inds, ITL Inds, Kaushalya Infra, Keynote Corp, KND Engineering, Mphasis, Nila Infra, Nova Iron, Oscar Invest, Panoramic Univ, Patel Integ, Relic Tech, Royale Manor, S & S Power, Sikozy Real, Sobhagya Merc, Softpro Sys, Uniworth, Uniworth Intl, Uniworth Sec, Uniworth Tex, Upper Ganges, Vama Inds, Vasta Music.
- **Aug 26:** Bajaj Corp, Beckons Inds, Bombay Swad, Database Fin, Jay Ushin, Lords Chloro, Medicaps, Nettlelinx, Pasari Spin, Surya Fun City, VB Desai, Viceroy Hotels, Vimal Oil.

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