

**Indian Market Research
Daily Market Summary**

Wednesday, 25 August, 2010

HIGHLIGHTS

- No plans to raise lending rates: SBI chief
- Mahindra & Mahindra inks MoU with Shriram Automall
- PSUs not to make counter bid for Cairn India: Report
- Suzuki Motorcycles to invest Rs 5 Bn to increase production
- LG goes for an image makeover to target premium segment
- Videocon direct-to-home offers maximum number of channels in country

SUMMARY

The BSE 30-share Sensex was provisionally down 144.46 points or 0.79%, off 145.30 points from the day's high and up 11.13 points from the day's low. All the sectoral indices on BSE declined. The market breadth was weak. Metal stocks declined for second running day. Telecom pivotals declined, reversing Tuesday's gains, on profit booking. Realty shares declined with the sentiment taking a hit on worries about the global economic recovery. The market edged lower at the onset of the trading session, as Asian markets fell. The Sensex hit a fresh intraday low in morning trade as the market extended initial losses. A strong intraday rebound was witnessed in afternoon trade. The market came off the higher level later. A sharp slide in late trade pushed the key benchmark indices to the day's lows at the fag end of the trading session.

INDEX MOVEMENTS

INDEX	Prev. Close	Open	High	Low	Close	Gain / Loss	Gain / Loss %
Sensex	18,311.59	18,308.51	18,312.43	18,156.00	18,179.64	↓ 131.95	(0.72)
S&P CNX Nifty	5,505.10	5,505.30	5,506.15	5,452.55	5,462.35	↓ 42.75	(0.78)
S&P CNX 500	4,624.85	4,617.80	4,625.75	4,576.45	4,582.00	↓ 42.85	(0.93)
CNX Nifty Junior	12,062.55	12,076.45	12,076.45	11,902.95	11,929.45	↓ 133.10	(1.10)
CNX Midcap	8,942.20	8,926.90	8,939.50	8,810.25	8,834.55	↓ 107.65	(1.20)
CNX IT	6,117.60	6,116.05	6,151.20	6,098.95	6,109.95	↓ 7.65	(0.13)
CNX 100	5,499.75	5,491.85	5,499.85	5,444.70	5,453.95	↓ 45.80	(0.83)
BANK Nifty	11,043.00	10,993.00	11,029.25	10,917.10	10,937.85	↓ 105.15	(0.95)

NIFTY GAINERS

Company Name	Curr. Price	Prev. Price	Gain %
IDEA	70.85	67.8	↑ 4.50
STER	153.85	152.15	↑ 1.12
PNB	1197	1187.85	↑ 0.77
RPOWER	154.45	153.65	↑ 0.52
JINDALSTEL	700	697.8	↑ 0.32

NIFTY LOSERS

Company Name	Curr. Price	Prev. Price	Loss %
UNITECH	80.35	83.55	↓ 3.83
DLF	310.65	322.1	↓ 3.55
TATASTEEL	496	513.75	↓ 3.45
CIPLA	307	316.7	↓ 3.06
HINDALCO	163.5	168.5	↓ 2.97

COMMODITY & CURRENCY MARKET

Currency	Curr. Rate
USD	46.9350
EUR	59.3300
100 YEN	55.6500

Commodity (Futures)	Prev. Day	Curr. Day
Brent Crude (USD / bbl)	72.380	72.420
Gold (USD / t. Oz)	1,233.400	1236.900
Silver (USD / t. Oz)	18.428	18.635

ASIAN MARKETS & INSTITUTIONAL ACTIVITY ON NSE & BSE

Index	Closing	Gain / Loss	Var. %
Hangseng	20,634.98	↓23.73	↓0.11
Nikkei-225	8,845.39	↓149.75	↓1.66
Shanghai Composite	2,596.58	↓53.73	↓2.03
Straits Times	2,926.55	↑ 3.70	↑ 0.13
Taiwan TAIEX	7,736.98	↓203.66	↓2.56

Category	Buy Value	Sell Value	Net Value
FII-24 Aug -2010	2,509.54	2,318.49	↑ 191.05
DII-24 Aug -2010	1,065.24	1,754.78	↓689.54

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OVERVIEW

European stocks were trading with losses on Wednesday, 25 August 2010, as worries about the pace of global economic recovery resurfaced. The key benchmark indices in France, Germany and UK declined by between 0.32% to 0.57%. US markets closed sharply lower on Tuesday, 24 August 2010, after another disappointing report on housing renewed worries about the economy. The Dow Jones industrial average fell 133.96 to 10,040.45. The Dow dipped below the psychological 10,000 for the first time in seven weeks in intraday trade, but ended the day above that mark. The S&P 500 index lost 15.49 points to 1,051.87 and the Nasdaq Composite index declined 35.87 points to 2,123.76. Trading in US index futures indicated that the Dow could slide 10 points at the opening bell on Wednesday, 25 August 2010. US index futures swung between gains and losses.

ECONOMIC AND POLITICAL HEADLINES

- India is taking proactive measures to conclude bilateral trade agreements with the European Union, Japan and Malaysia.
- The Planning Commission today said that Rs 500 Mn Infra Debt Fund for financing infrastructure projects will become operational by beginning of next fiscal.
- Good rainfall over the past week in north and south India has enhanced the water storage position in India's reservoirs to 49%, according to the Central Water Commission.
- India's central bank said controlling inflation is its top priority, a stance that may fuel speculation it will raise interest rates for the fifth time since mid-March.

EQUITY MARKETS & SECTOR PERFORMANCE

- Realty, CD, Auto, Health Care & Metal were major losers.
- Oil, Banks, Teck, PSU, Power stocks declined.
- IT turned slightly positive.
- Out of 3,063 scrip traded over BSE 842 advanced & 2,111 declined.

Sector	Average Var. %
IT	0.01
FMCG	(0.02)
TECK	(0.38)
CG	(0.52)
OIL&GAS	(0.56)
PSU	(0.64)
POWER	(0.68)
BANKEK	(0.97)
METAL	(1.23)
HC	(1.31)
AUTO	(1.44)
CD	(1.63)
REALTY	(3.16)

BONDS, T-BILLS & IPOs

- Current Issues at NSE : Gujarat Pipavav Port Ltd.
- Forthcoming issues at NSE : No issues available.
- Bond yields rose as a RBI report said inflation management may be given precedence over other policy objectives.

GLOBAL NEWS

- The yen retreated from a 15-year high versus the dollar on speculation Japanese authorities will act to stem gains that risk derailing the nation's recovery.
- China's stocks fell, with the benchmark index dropping the most in two weeks, on signs the global recovery is slowing and as investors speculated the government will introduce a property tax.
- Japanese stocks fell, dragging the Nikkei 225 Stock Average to a 16-month low, as a record plunge in U.S. home sales added to evidence the global economy is faltering.
- Crude oil rose for the first time in six days as forecasts for a decline in U.S. gasoline supplies spurred bets that its slide to an 11-week low was exaggerated.
- U.S. stock-index futures fluctuated after the Standard & Poor's 500 Index fell to a seven-week low, as investors awaited economic reports that may provide more evidence about the resilience of the recovery.



INDUSTRY NEWS & TRENDS

- Japanese automaker Suzuki today announced an investment of Rs 5 Bn to more than double its production capacity in India, to 0.54 Mn units per annum by 2012.
- Hoteliers are planning to increase room tariffs 10-15% from September as they expect occupancies to improve with the onset of the key winter season and hope it will help them recover from the slowdown that hit Indian hotels two years ago.
- Domestic operators want to raise incoming international call charge by 33% to 60 paise a minute.

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

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

COMMODITIES

- Extending the gains for the 11th straight day, Gold rose by Rs 145 to trade at Rs 19,110 per ten gram, a level last seen on July 1.
- Oil recovered in Asian trade Wednesday but prices remained under 72 dollars amid worries about the fragile US economy.

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CORPORATE ANNOUNCEMENTS

- **Zain Kenya** plans to invest more than \$308.1 mn in the next 18 months in a bid to gain mobile market leadership in the country
- **Videocon d2h**, a leading direct-to-home service provider, today said that it now offers the maximum number of channels and services in the country at around 266 channels and services overall.
- **Hero Honda Motors Ltd.** maker of about half the motorcycles sold in India, said demand will grow more slowly this year as the central bank raises interest rates to pare inflation
- **ADE**, a defence laboratory that comes under the country's nodal Defence Research and Development Organisation (DRDO), is confident that it will be ready with its first micro air vehicle (MAV) by end of the year.
- **Corporate America** said that Us' biggest technology brands would not have become what they had but for immigration of high skilled professionals.
- **GTL Infrastructure** and tower subsidiary of **RCOM** will convert around Rs 6,000 crore of loans from promoters into equity and issue fresh shares worth \$1 bn to investors to create a combined tower entity.
- Low-fare airline, **SpiceJet** announced the addition of Madurai as its 20th destination, thereby increasing its presence in the southern region.
- Diversified group **Welspun** said its US-based unit, Welspun USA Inc has appointed J Barry Leonard as President and CEO, with effect from September 6.
- **National Textiles Corp** has fixed reserve prices for properties in Bangalore and Indore and hopes to begin the auctions in two months.
- **Commonwealth Bank of Australia** opened its first Indian branch in Mumbai and became the only Australian bank to operate a full Indian banking licence.

IMPORTANT DATES

- **Aug 26:** Bajaj Corp, Beckons Inds, Bombay Swad, Database Fin, Jay Ushin, Lords Chloro, Medicaps, Nettlinx, Pasari Spin, Surya Fun City, VB Desai, Viceroy Hotels, Vimal Oil.
- **Aug 27:** Aarey Drugs, Amforge Inds, Associated Alco, BCL Forging, C&C Constructiuons, Dhanprayog, Geodesic, Havells India, HCL Infosystems, IMP Powers, Infodrive, Jagjanani Tex, James Hotels, Kemrock Inds, KGN Inds, Mukesh Babu Fin, Oudh Sugar, Phaarmasia, Pioneer Embr, Prime Focus, Sagar Systech, SMS Pharma, Solid Stone, Spanco, Sri Nachammai, Sterling Hol Res, Symphony Comf, Vatsa Edu.
- **Aug 28:** Allied Resins, Amar Remedies, BLS Info, Blue Coast, BWL, Centrum Cap, Channel Guide, Computer Point, Eastern Sugar, Elpro Intl, Financial Eyes, Gujarat Carb, Ispat Inds, KDDL, Kitex Garments, KLK Electric, Lumax Automotive, Master Trust, Pantaloon Retl, Prime Inds, Refex Refr, Ruchi Soya, Rungta Irr, Samtex Fashions, Shree Narmada, Vatsa Corp.

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