

**Indian Market Research
Daily Market Summary**

Thursday, 21 January 2010

HIGHLIGHTS

- Patel Airtel bags Rs55 Mn order.
- BHEL Q3 net up 35 pc to Rs10.72 Bn
- Kingfisher Airlines Q3 net loss at Rs4.19 Bn
- Welspun Gujarat Q3 net profit up at Rs1.28 Bn.
- JSW Energy Q3 net profit up 53.9% at Rs2.37 Bn.
- Kotak Mahindra Bank Q3 net profit 153.09% at Rs3.31 Bn.

SUMMARY

Key benchmark indices extended losses for the third straight day on disappointing Q3 results from frontline companies. Markets across the globe were gripped with volatility as bullish economic data from China raised concerns Beijing may tighten policy. European markets were trading mixed after a firm start. Asian markets turned mixed after a weak start. The BSE 30-share Sensex declined 423.35 points or 2.42%. The market breadth was extremely weak as small and mid-cap stocks underwent correction after a recent solid surge. Today's sell-off was wide-based with all the sectoral indices on BSE ending with losses. Shares from sectors related to infrastructure were the worst hit.

INDEX MOVEMENTS

INDEX	Prev. Close	Open	High	Low	Close	Gain / Loss	Gain / Loss %
Sensex	17,474.49	17,474.49	17,474.49	17,025.26	17,051.14	↓ 423.35	(2.42)
S&P CNX Nifty	5,221.70	5,220.20	5,220.35	5,085.45	5,094.15	↓ 127.55	(2.44)
S&P CNX 500	4,453.65	4,436.90	4,445.40	4,336.55	4,343.25	↓ 110.40	(2.48)
CNX Nifty Junior	10,701.95	10,670.25	10,670.25	10,408.85	10,434.90	↓ 267.05	(2.50)
CNX Midcap	7,731.15	7,710.10	7,722.35	7,505.35	7,537.35	↓ 193.80	(2.51)
CNX IT	6,052.40	6,028.45	6,098.65	5,927.15	5,951.90	↓ 100.50	(1.66)
CNX 100	5,159.80	5,141.15	5,148.80	5,025.10	5,033.30	↓ 126.50	(2.45)
BANK Nifty	9,126.35	9,093.00	9,098.10	8,889.05	8,919.30	↓ 207.05	(2.27)

NIFTY GAINERS

Company Name	Curr. Price	Prev. Price	Gain %
M&M	1149.15	1145.45	↑ 0.32

NIFTY LOSERS

Company Name	Curr. Price	Prev. Price	Loss %
LT	1530	1635.95	↓ 6.48
SIEMENS	627.6	667.9	↓ 6.03
TATAPOWER	1354	1421.05	↓ 4.72
BHEL	2295	2397.6	↓ 4.28
SUZLON	82.8	86.2	↓ 3.94

COMMODITY & CURRENCY MARKET

Currency	Curr. Rate
USD	45.9675
EUR	64.7825
100 YEN	50.1775

Commodity (Futures)	Prev. Day	Curr. Day
Brent Crude (USD / bbl)	76.320	76.140
Gold (USD / t. Oz)	1,112.60	1,102.80
Silver (USD / t. Oz)	17.880	17.675

ASIAN MARKETS & INSTITUTIONAL ACTIVITY ON NSE & BSE

Index	Closing	Gain / Loss	Var. %
Hangseng	20,862.67	↓ 423.50	↓ 1.99
Nikkei-225	10,868.41	↑ 130.89	↑ 1.22
Shanghai Composite	3,158.86	↑ 7.01	↑ 0.22
Straits Times	2,850.98	↓ 42.15	↓ 1.46
Taiwan Weighted	8,127.87	↓ 93.06	↓ 1.13

Category	Buy Value	Sell Value	Net Value
FII-20, Jan-10	2,655.82	2,927.15	↓ 271.33
DII-20, Jan-10	1,803.72	1,459.31	↑ 344.41

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OVERVIEW

European shares were trading mixed on Thursday, continuing a choppy week for trading, with miners recouping some sharp losses made in the previous session. Key benchmark indices in Germany and France were up 0.06% and 0.32%. However, UK's FTSE 100 index fell 0.21%. US markets ended sharply lower on Wednesday, 20 January 2010, as earnings and the dollar's gains clipped the market's momentum. In earnings, Bank of America disappointed investors with a loss of \$5.2 billion, which was worse than expected. Among others, Morgan Stanley's earnings fell short of analysts' expectations, but Wells Fargo posted an unexpected profit. The Dow Jones industrial average lost 122.28 points, or 1.1%, to 10,603.15. The S&P 500 index fell 12.19 points, or 1.1%, to 1,138.04, and the Nasdaq Composite Index fell 29.15 points, or 1.3%, to 2,291.25. Trading in US index futures indicated the Dow could fall 28 points at the opening bell on Thursday, 21 January 2010, reversing earlier gains. US stocks futures were firm earlier in the global day. The world economy will expand 2.7% this year after the worst recession since the end of World War II, compared with an estimate in June of a 2% expansion, the Washington-based poverty-reduction agency said today in an annual report. Growth may reach 3.2% in 2011, the world bank said.

ECONOMIC AND POLITICAL HEADLINES

- India may grow 8.5 per cent in 2010-11 on increased infrastructure and rural spending and higher revenue that a proposed improvement of the tax system could generate, Shubhada Rao, chief economist of Yes Bank said.
- India's annual food prices eased in early January for the third week running, but the RBI is still expected to tighten monetary policy by increasing cash reserves held at banks at its January 29 policy review
- Food inflation up 16.81% y-o-y on January 9; was lower than an annual rise of 17.28 percent in the previous week.
- HSBC today said that there is no immediate pressure on lending rates even if the RBI squeezes money supply to contain inflationary expectations.
- FDI inflows increased to \$27 billion in 2008-09 from \$3.2 billion in 2004-05. During the period April-September 2009-10, FDI inflows reached \$15 billion. The government has set a target of achieving \$50 billion annual FDI by 2012 and \$100 billion by 2017.

EQUITY MARKETS & SECTOR PERFORMANCE

- Consumer goods sector lost maximum on BSE.
- NSE Energy lost 2.47%; Tata Power lost max-4.72%.
- Out of over 2,962 scrips traded, over 2,357 logged loss.
- Construction was the highest looser on NSE; L&T lost max-6.5%.

Sector	Average Var. %
AUTO	(1.42)
IT	(1.42)
FMCG	(1.43)
TECK	(1.66)
CONSUMER DURABLES	(1.75)
OIL&GAS	(2.19)
BANKEX	(2.35)
METAL	(2.45)
HEALTH CARE	(2.65)
REALTY	(2.78)
PUBLIC SECTOR	(2.98)
POWER	(3.47)
CONSUMER GOODS	(5.15)

BONDS, T-BILLS & IPOs

- Bond yields eased to 5-week lows on Thursday tracking a fall in U.S. yields with easing supplies lending further support, but trading was cautious ahead of the central bank's policy review next week.
- Third-party logistics provider, Aqua Logistics Ltd, will raise up to 1.5 billion rupees via initial public offering (IPO), with a price band of Rs 220-230 a share, it said in a regulatory filing.
- Aegis, part of the Essar group and one of the country's top BPO Co's is planning its initial public offering (IPO) to raise about Rs7 Bn.

GLOBAL NEWS

- President Barack Obama will offer proposals to limit financial institutions' size and trading activities as a way to reduce risk-taking, an administration official said.
- China's growth accelerated to the fastest pace since 2007 in the fourth quarter, capping Premier Wen Jiabao's success in shielding the nation from the global recession and adding pressure to rein in a surge in credit.
- Expansion in Europe's service and manufacturing industries unexpectedly slowed in January, adding to signs the pace of the economy's recovery may weaken
- Japanese demand for bank loans dropped the most in more than five years as companies cut spending, a central bank survey showed today.
- North Korea will set up its first state development bank to lend money from abroad to state projects as a way to prop up the economy.



INDUSTRY NEWS & TRENDS

- Indian automakers are under growing pressure to scale up spends by 25-30% on R&D and new product launches.
- The banking sector led declines ahead of leading private bank ICICI Bank's quarterly results and given the general market weakness.
- Capacity glut, slowing demand and low product prices could likely together affect cement companies' growth in the December quarter, say industry executives.

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

N.B. Shows Trends for last trading session & current day

COMMODITIES

- Oil was steady below \$78 on Thursday after China's fourth-quarter growth came in in-line with expectations and the World Bank said global economic recovery may run out of steam.
- Gold futures extended losses on Thursday morning tracking a stronger dollar overseas, which dims the yellow metal's appeal as an alternative investment.
- Gold declined for a second day in London, falling to the lowest in more than two weeks.

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CORPORATE ANNOUNCEMENTS

- **Nagarjuna Fert** Q3 net profit up at Rs 12.1 cr.
- **ICICI Bank** may report an increase in its fee income in coming months, a top official at the bank said on Thursday.
- **Oil and Natural Gas** Corp and its partner steel baron Lakshmi N Mittal have exited an oil block in Turkmenistan after exploratory failure, leaving the once high profile joint venture with oil properties in just two countries.
- **Mercedes** ended 2009 with 38% of the pie against **BMW's** 40% with the third German luxury carmaker Audi claiming the rest
- Rising credit growth has helped **Yes Bank** to counter lower treasury income and report a 19% rise in net profits for the third quarter ended December 31, 2009.
- **Shipping Corp. of India Ltd.**, the nation's largest sea carrier, and Dredging Corp., the biggest dredger of ports, slumped the most in three months after the government said it isn't planning a share sale in the companies.
- Drug maker **Lupin** has received clearance from the US drug regulator for its plant at Mandideep in Madhya Pradesh, allowing the Mumbai-based company to start selling new products made at the plant to the world's largest drug market
- Low-cost airline **easyJet** reported a 10.5 per cent rise in first-quarter revenues, boosting hopes that budget air travel is recovering from the slump caused by the global recession.
- Brokerage firm **India Infoline** reported that its Quarterly net profit stood at Rs 595 Mn, up 100% year-on-year and up 2.6% quarter-on-quarter.
- **Bharti Airtel** said on Thursday it was partnering with US-based Limelight Networks Inc for content delivery network (CDN) services in India.

IMPORTANT DATES

- **January 22:** Result: 3i Infotech, Aegis, Allahabad Bank, Asian Paints, Bharti Airtel, Birla Corp, Cals Ref, Ceat, CESC, Container Corp, Corporation Bank, Edelweiss, Electrosteel Casting, Essar Oil, Geometric, Grasim, Hind Zinc, Ispat Inds, ITC, Merck, Mirc Elect, Neyveli Lignite, Punj Lloyd, RIL, Tech Mahindra, United Brew, United Brew Hldg
- **January 23:** Result: Andhra Sugars, Asian Hotels, Bharat Forge, Chambal Fert, Dhanalkshmi Bank, Era Infra, Godrej Cons, Gujarat Fluoro, Indian Bank, Indo Rama Syn, Indra Medco, Maruti, NIIT, NMDC, Orient Cerm, Sun Pharma Adv, Vijaya Bank
- **January 24:** Result: Gujarat NRE Coke, HCL Tech, Sundaram Brake

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