

**Indian Market Research  
Weekly Market Summary**

Saturday, 03 December 2011

**WEEKLY HIGHLIGHTS**

- FIs cut exposure in 19 Sensex cos in Jul-Sept qtr including RIL, Tata Motors and SBI
- Mounting pressure on all EU sovereign ratings: Moody's
- Q2 GDP slips to 6.9%, Pranab pegs FY12 growth at 7.3%
- China cuts bank reserve ratio by 50 bps
- SBI expects 18-19% credit growth in FY12
- India to see highest foreign remittances in 2011: World Bank
- Govt talks to rating agencies for upgrading India

**WEEKLY SUMMARY**

Despite the weak GDP numbers for Q2FY12, the market surged handsomely during the week ended 2nd December 2011. Firm global cues besides expectation that the Reserve Bank of India (RBI) may pause its aggressive monetary stance to prop up growth, helped the domestic bourses. Action by US Fed and several other central bankers in Europe to ease dollar liquidity and alleviate debt crisis primarily helped the domestic bourses. However one thing should be noted that the index rise came at a very low volume in the cash segment. The benchmark S&P nifty rose 340 points during the week under review to close at 5050. The market surged in four of the last five trading days; however the average volume during the week was low at ₹ 1025 bn.

The market appears to have moved up during the previous week due to correction from the oversold position and the low volume in the cash segment is a concern. The week ahead is a truncated one as the stock market remains closed on Tuesday, 6 December 2011 on account of Moharum. The pace of reforms from the UPA-II will be closely watched as both the houses of Parliament were adjourned till Wednesday, 7 December 2011 with Monday, 5 December 2011 and Tuesday, 6 December 2011 being holidays. World stocks saw action after the U.S. Federal Reserve, the European Central Bank and the central banks of Canada, Britain, Japan and Switzerland said on 30 November 2011 they would lower the cost of existing dollar swap lines by 50 basis points from 5 December 2011, and arrange bilateral swaps to provide liquidity for other currencies. Investor focus has moved to a key European meeting on 9 December 2011 to see whether euro zone policymakers will follow through.

**EQUITY MARKETS & SECTOR PERFORMANCE**

- All sectors gained during the week.
- Metal and Banks led the rally while defensive bets Healthcare and FMCG were laggards.

Sector	Var. %
Banks	8.00
IT – Software	5.98
Power	6.23
Oil & Natural Gas	6.47
Metal	10.52
Realty	4.91
Teck	5.58
Healthcare	3.25
FMCG	5.43
Capital Goods	4.20

**INDUSTRY NEWS & TRENDS**

- The era of analog transmission in Indian cable television is on the way out with the government introducing a Bill in the Lok Sabha to make changes in the Cable TV Networks (Regulation) Act making digitisation mandatory.
- Foreign funds withdrew over ₹ 32 bn from the Indian securities market in the month of November amid concerns over the worsening debt crisis in the euro zone.
- Capital markets regulator Sebi ruled out a ban on algorithmic trading products, even though it said is "worried" by the rapid adoption of these tools and called for appropriate risk management systems to be put in place by market players using them.

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

N.B. Shows average trends of the week

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# HINDUJA BANK (SWITZERLAND) LTD

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## ECONOMIC AND POLITICAL HEADLINES

- Confirming a slowdown, India's economic growth rate slipped to 6.9% in the second quarter this fiscal, the lowest in nine quarters, prompting the government to lower its full-year growth projection to 7.3%. Economic growth during the July-September period of FY12 fell mainly due to poor manufacturing performance and declining output of the mining industry.
- In a huge relief to DMK MP Kanimozhi and four others who have been in Tihar jail for over six months for their alleged role in the 2G case, the Delhi High Court granted them bail treating them on par with five others released by the Supreme Court last week.
- The Parliamentary Standing Committee going into the Lok Pal Bill has recommended keeping out judiciary and MPs' conduct in House out of its purview and rejected the demand for hiving off the prosecution wing of CBI to come under its jurisdiction. Team Anna criticised the exclusion of judiciary from the ambit of the ombudsman while opposing inclusion of NGOs and media in it.
- Ruling out any roll-back of the policy to allow foreign investment in multi-brand retail in the country, the government said it would issue the guidelines in due course.
- In signs of deterioration of the country's financial situation, the government's fiscal deficit has risen to ₹ 3070 bn, or 74% of the Budget estimates, in the first seven months of 2011-12.

## CORPORATE NEWS

- Adani Power** said it expects to increase its capacity to 5,500 MW from present 3,300 MW by March next year. "We are working at 3,300 MW. By March. We will have close to 5,500 MW and our plan is that by March 2013 we should have 10,000 MW," Adani Power CEO Ravi Sharma.
- Tyre major **MRF** has reported 73% jump in consolidated net profit to ₹ 6.18 bn for the year ended September 30. The consolidated net sales of the company for the year ending September 30, 2011 stood at ₹ 97.44 bn, as against ₹ 74.59 bn in the corresponding period a year ago, MRF said in a filing to the BSE.
- Consumer food products marketer **Agro Tech Foods (ATFL)** said US-based processed food major ConAgra Foods had increased its stake in the company by 3.67% for ₹ 518.2 mn.
- The long wait for **Tata Steel Europe** to get its own coal is set to get over with its Mozambique mines, owned jointly with Rio Tinto, scheduled to start production in March. Karl Ulrich Kohler, managing director and CEO, Tata Steel Europe said, "It (Mozambique mines) starts production in March and it will be relevant for us immediately. That is what we are building upon."
- Kingfisher Airlines** Chairman Vijay Mallya said on Friday that he was still in talks with an Indian investor to raise funds. Kingfisher, India's third largest carrier, has cancelled hundreds of flights in November as its net worth has eroded, and is struggling to raise funds to continue operations.
- The country's second largest two-wheeler maker **Bajaj Auto** reported 25% increase in its motorcycle sales at 331,967 units in November.
- The country's largest two-wheeler maker **Hero MotoCorp** reported its highest-ever sales for November at 536,772 units, registering a jump of 27.39% over the same month last year.
- Tata Motors** reported a 40.64% increase in its total vehicle sales during November, 2011, at 76,823 units.
- The country's largest car-maker **Maruti Suzuki India** witnessed its sales drop for the sixth consecutive month in November, with the firm reporting a 18.46% decline in sales to 91,772 units.
- Auto-maker **Mahindra & Mahindra** reported a 52.71% rise in vehicle sales to 40,722 units in November, 2011. Its Farm Equipment Sector (FES) division reported a 2.59% fall in tractor sales to 17,527 units in November.

## GLOBAL NEWS

- Moody's Investors Service said on Monday the rapid escalation of the euro zone sovereign and banking crisis is threatening the credit standing of all European sovereigns.
- Credit rating agency Standard & Poor's could change the outlook for France's triple-A rating to negative within the next 10 days, a French newspaper reported on Monday, citing several sources. Such a move would signal a possible downgrade.
- China's central bank cut the reserve requirement ratio (RRR) for its banks on Wednesday by 50-basis-points for the first time in nearly three years to ease credit strains and shore up activity in the world's second largest economy. With its manufacturing sector shrinking in November for the first time in nearly three years, in a fresh sign of a further economic slowdown that may prompt it to loosen its monetary policy.
- The U.S. Federal Reserve, the European Central Bank and the central banks of Canada, Britain, Japan and Switzerland said on Wednesday they would lower the cost of existing dollar swap lines by 50 basis points from 5 December 2011 and arrange bilateral swaps to provide liquidity for other currencies.



## INDICES WEEKLY PERFORMANCE

Asian Indices	Weekly Performance		Var. %
	02-12-2011	25-11-2011	
BSE Sensex	16,846.83	15,695.43	↑ 7.34
China Shanghai Comp	2,360.66	2,380.22	↓ 0.82
Hongkong Hangseng	19,040.40	17,689.48	↑ 7.64
Indonesia Jakarta Comp	3,779.84	3,637.19	↑ 3.92
Japan Nikkei 225	8,643.75	8,160.01	↑ 5.93
Malaysia KLCI Comp	1,489.02	1,431.55	↑ 4.01
Pakistan Karachi 100	11,372.20	11,648.14	↓ 2.37
Philippines PSEi	4,290.92	4,261.59	↑ 0.69
S. Korea Kospi	1,916.04	1,776.40	↑ 7.86
Singapore Straits Times	2,773.36	2,643.93	↑ 4.90
Sri Lanka All Share	6,087.86	5,805.76	↑ 4.86
Thailand SET	724.23	675.60	↑ 7.20

Indian Main Indices	Weekly Performance		Var. %
	02-12-2011	25-11-2011	
BSE Sensex	16,846.83	15,695.43	↑ 7.34
S&P CNX Nifty	5,050.15	4,710.05	↑ 7.22
BSE 100	8,696.00	8,157.03	↑ 6.61
BSE 200	2,034.30	1,914.89	↑ 6.24
BSE Smallcap	6,190.03	6,049.39	↑ 2.32
CNX Midcap	6,819.35	6,597.70	↑ 3.36

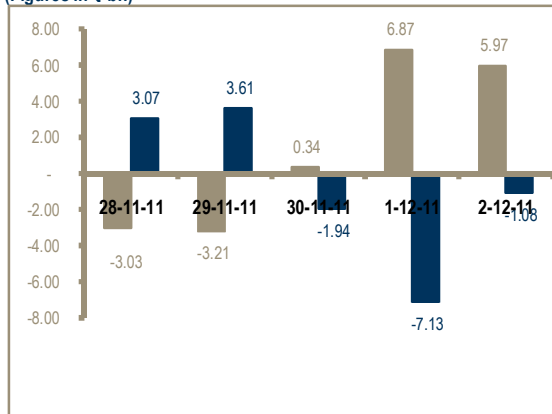
Sectoral Indices	Weekly Performance		Var. %
	02-12-2011	25-11-2011	
BSE Auto	8,819.88	8,362.86	↑ 5.46
BSE Bank	10,550.45	9,768.70	↑ 8.00
BSE Consumer Durable	5,883.24	5,777.90	↑ 1.82
BSE Capital Goods	9,933.46	9,533.52	↑ 4.20
BSE FMCG	4,111.20	3,899.57	↑ 5.43
BSE Healthcare	6,124.78	5,932.02	↑ 3.25
BSE IT	5,726.93	5,403.55	↑ 5.98
BSE Metal	10,913.57	9,874.97	↑ 10.52
BSE Oil & Gas	8,410.57	7,899.64	↑ 6.47
BSE Power	2,011.99	1,894.01	↑ 6.23
BSE PSU	7,077.47	6,692.29	↑ 5.76
BSE Realty	1,656.91	1,579.30	↑ 4.91
BSE Teck	3,469.61	3,286.11	↑ 5.58

# HINDUJA BANK (SWITZERLAND) LTD

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## FII / MF ACTIVITY OVER THE WEEK

(Figures in ₹ bn)



## SENSEX GAINERS & LOSERS

BSE 30	Date		Var. %
	02-12-2011	25-11-2011	
HINDALCO	135	117	↑ 15.39
SBI	1887	1648	↑ 14.49
DLF LIMITED	223	196	↑ 14.15
TATA MOTORS	191	170	↑ 12.83
JAIPRAKASH ASSO.	67	61	↑ 10.69
HERO MOTOCORP	2084	2095	↓ 0.55
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

## NIFTY GAINERS & LOSERS

NIFTY 50	Date		Var. %
	02-12-2011	25-11-2011	
HINDALCO	135	117	↑ 15.33
SBI	1,887	1,649	↑ 14.42
DLF LIMITED	223	196	↑ 13.95
TATA MOTORS	192	170	↑ 13.18
KOTAK BANK	496	441	↑ 12.44
HERO MOTOCORP	2,081	2,090	↓ 0.43
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

## IMPORTANT DATES

- December 9 : EU leaders meet for their next big summit in Brussels

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