

**Indian Market Research
Weekly Market Summary**

Saturday, 14 Aug 2010

WEEKLY HIGHLIGHTS

- Cipla Q1 PAT up 6.49 per cent to Rs 2.57 Bn
- Suzlon posts Rs 9.12 Bn loss for April-June quarter
- Finolex Industries June quarter net down at Rs 159 Mn
- Mahindra & Mahindra may pick up 70% stake in Ssangyong
- Indian banks on Friday raised Rs 3.5 Bn via certificates of deposit (CDs)

WEEKLY SUMMARY

Key benchmark indices eked out marginal gains in the week ended Friday, 13 August 2010 as select pivots surged after reporting upbeat earnings. Sustained buying by foreign funds supported the market, as the barometer index BSE Sensex logged gains in three out of the five trading days of the week. The monsoon rains, vital for the economy, were 26% below normal in the week to 12 August 2010 the first weekly fall in three weeks, the weather office said on 12 August 2010. The rains were 16% above normal in the week to 4 August 2010 and 38% above average in the week to 28 July 2010. The first quarter results were a mixed bag. The combined net profit of a total of 2965 companies fell 8.4% to Rs 683.44 Bn on 19.8% rise in sales to Rs 8290.64 Bn in Q1 June 2010 over Q1 June 2009. The industrial output rose 7.1% in June 2010 compared with revised 11.3% rise in May 2010, the latest data showed. Manufacturing grew 7.3%, mining sector grew 9.5%, consumer goods sector rose 8.3%, capital goods sector expanded 9.7% and electricity generation rose 3.5%. The BSE Sensex rose 23.04 points or 0.13% to 18,167.03, in the week ended 13 August 2010. The 50-unit S&P CNX Nifty rose 12.85 points or 0.23% to settle at 5,452.10.

Trading for the week began on buoyant note. Key benchmark indices surged to 2-1/2-year highs on Monday. The BSE 30-share Sensex rose 143.51 points or 0.79% to 18,287.50, its highest closing level since 5 February 2008. The S&P CNX Nifty gained 46.90 points or 0.86% to 5486.15, its highest closing level since 18 January 2008. Weak global stocks triggered profit taking on the domestic bourses on Tuesday. The BSE 30-share Sensex fell 67.51 points or 0.37% to 18,219.99 and the S&P CNX Nifty declined 25.45 points or 0.46% to 5,460.70. Stocks declined for the second day in a row on Wednesday, mirroring weak European equities and a sharp decline in US index futures amid concerns about the pace and sustainability of the global economic recovery. The BSE 30-share Sensex fell 149.80 points or 0.82% to 18,070.19 and the S&P CNX Nifty declined 40.10 points or 0.73% to 5,420.60. Key benchmark indices swung between gains and losses in a highly volatile trading session on Thursday, amid choppy European shares. The BSE 30-share Sensex was up 3.71 points or 0.02% to 18,073.90. The S&P CNX Nifty was down 4.15 points or 0.08% to 5416.45. The market shut shop on a winning streak on Friday, buoyed by better-than-expected earnings from banking giant State Bank of India. The BSE 30-share Sensex was up 93.13 points or 0.52% to 18,167.03 and the S&P CNX Nifty was up 35.65 points or 0.66% to 5452.10.

EQUITY MARKETS & SECTOR PERFORMANCE

- IT stocks pared last week's gains.
- Power, Capital Goods & Energy sector ended flat.
- Realty stood strong; gained maximum for the week.
- Banks stocks gained after better lookout and good results by SBI

Sector	Average Var. %
Banks	3.42
IT – Software	(2.22)
Power Generation	(0.11)
Crude Oil & Natural Gas	0.20
Metal	(0.85)
Realty	6.58
Teck	(1.71)
Healthcare	(1.36)
FMCG	(0.16)
Capital Goods	0.01

INDUSTRY NEWS & TRENDS

- Prices of India's Darjeeling tea, the so-called champagne of teas, have jumped almost 50 percent this year from a year ago as supplies dwindle because of drought, followed by excessive rains, an industry executive said.
- Orissa, a state, has grabbed maximum amount of investments in FY10, thanks largely to capital intensive mining projects coming up.

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

N.B. Shows average trends of the week

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ECONOMIC AND POLITICAL HEADLINES

- RBI said, holding companies and investment firms of large Indian business houses will for the first time come under the regulator's glare..
- Govt will impose a 10 percent import tax on power equipment for big projects within weeks to help level the playing field between domestic and foreign firms jostling in what may soon be the world's biggest market.
- Monsoon rains are likely to remain below normal for another week but are forecast to revive soon, particularly in the soybean-growing central region, the weather office said on Friday.
- In a push to financial inclusion drive, the government may not allow state banks to buy priority sector loans of rural banks sponsored by them
- The government admitted that retail prices of food items like pulses, edible oil, milk and vegetables have been rising in the last six months.

CORPORATE NEWS

- **Tata Motors** is exploring synergies with Italian partner Fiat to expand its commercial vehicles business.
- **Welspun Corp** has raised 5 billion rupees via bonds, two sources with knowledge of the matter said on Friday..
- **Patni Computer Systems** soared in Mumbai trading after it announced plans to pay out more than a year's profit in dividends to shareholders including the founding Patni brothers
- **SSTL** gets Rs 130 Bn fund for pan-India expansion, Sistema Shyam TeleServices Ltd (SSTL) is a joint venture between Russia-based Sistema and the Shyam Group of India.
- **Marico Industries**, the maker of Parachute and Saffola brands, has acquired an over-the-counter healthcare brand called Ingwe from South Africa-based company Guideline Trading CC on Friday for an undisclosed amount.
- **Tata Global Beverages** said it has appointed Sanjiv Sarin as the Regional President for the South Asian region with immediate effect
- **Vedanta Resources Plc** is in talks to acquire a majority 51% stake in **Cairn India** for about \$ 8-8.5 billion and the deal may be announced on Sunday evening
- UK-based Hongkong and Shanghai Banking Corporation (**HSBC**) appointed Naina Lal Kidwai Country Head India Operations as a Director of the bank.
- The Gujarat High Court has given its approval to the amalgamation of seven group companies with the **Adani Enterprises Limited**.
- **NMDC** had earlier this week completed the acquisition of 1,788 acres of land for its maiden steel venture at a gross investment of Rs 900 Mn.
- **SPML Infra Ltd.** net sales stood at Rs 3.6 Bn, up 27.7 per cent during the quarter ended June 30, 2010, compared to Rs 2.82 Bn posted during the same period of the last fiscal, the company said in a statement.
- Net sales of **Adhunik Metaliks** was at Rs 4.3 Bn, up 39.16 per cent, compared to Rs 3.08 Bn in Q1 of 2009-10, the company said in a statement.
- **Adani**, which sealed a deal worth about \$3 billion earlier this month with Australia's Linc Energy to buy its coal assets in that country, had posted a Rs 1.28 Bn profit for the same quarter of the last fiscal.

GLOBAL NEWS

- Asian stocks fell, dragging a regional stock index to its first weekly decline in more than a month, as concern intensified that global growth is slowing..
- U.S. stocks fell and the Standard & Poor's 500 Index posted the biggest loss in five weeks on concern that the Federal Reserve's stimulus plan and an increase in jobless claims means the economic recovery is in jeopardy.
- The yen fell for a second day on speculation Japan will take steps to curb gains in the currency that are hindering the nation's economic recovery.
- Hong Kong will tighten mortgage lending rules and increase the supply of land as the government intensifies a campaign to suppress what Financial Secretary John Tsang called a "rare" gain in home prices.



INDICES WEEKLY PERFORMANCE

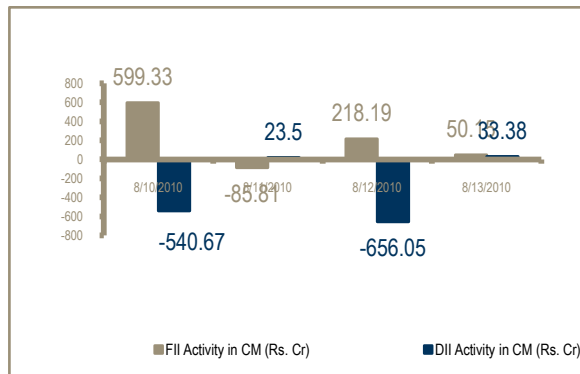
Asian Indices	Weekly Performance		Var. %
	14/8/2010	7/8/2010	
BSE Sensex	18,167.03	18,143.99	↑ 0.13
China Shanghai Comp	2,606.70	2,897.66	↓ 10.04
Hongkong Hangseng	21,071.57	21,678.80	↓ 2.80
Indonesi Jakarta Comp	3,053.01	3,060.59	↓ 0.25
Japan Nikkei 225	9,253.46	9,642.12	↓ 4.03
Malaysia KLCI Comp	1,360.15	1,360.45	↓ 0.02
Pakistan Karachi 100	9,823.37	10,315.20	↓ 4.77
Philippines PSE Comp	3,469.52	3,516.28	↓ 1.33
S. Korea Seoul Comp	1,746.24	1,783.83	↓ 2.11
Singapore Straits Times	2,939.97	2,995.06	↓ 1.84
Srilanka All Share	5,115.79	5,065.07	↑ 1.00
Thailand SET	862.16	875.07	↓ 1.48

Indian Main Indices	Weekly Performance		Var. %
	14/8/2010	7/8/2010	
BSE Sensex	18,167.03	18,143.99	↑ 0.13
S&P CNX Nifty	5,452.10	5,439.25	↑ 0.24
BSE 100	9,713.90	9,674.09	↑ 0.41
BSE 200	2,323.67	2,311.27	↑ 0.54
BSE Smallcap	9,710.28	9,584.21	↑ 1.32
CNX Midcap	8,710.55	8,546.30	↑ 1.92

Sectoral Indices	Weekly Performance		Var. %
	14/8/2010	7/8/2010	
BSE Auto	8,776.41	8,532.78	↑ 2.86
BSE Bank	12,196.08	11,792.64	↑ 3.42
BSE Consumer Durable	5,705.88	5,463.30	↑ 4.44
BSE Capital Goods	14,689.79	14,687.79	↑ 0.01
BSE FMCG	3,279.41	3,284.59	↓ 0.16
BSE Healthcare	5,516.65	5,592.95	↓ 1.36
BSE IT	5,514.02	5,639.33	↓ 2.22
BSE Metal	15,338.02	15,470.08	↓ 0.85
BSE Oil & Gas	10,137.67	10,117.40	↑ 0.20
BSE Power	3,122.06	3,125.53	↓ 0.11
BSE PSU	9,675.39	9,573.55	↑ 1.06
BSE Realty	3,675.30	3,448.43	↑ 6.58
BSE Teck	3,441.83	3,501.76	↓ 1.71

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FII / MF ACTIVITY OVER THE WEEK



FII's started with a significant buying on the first session of the week. The numbers for fourth session showed a lack of sentiments by FII's though numbers remained on buying side only. Trading for the week started with the good note led by strong auto sales in July 2010 and after data showed manufacturing activity picked up pace in the month just gone by. FII's were quite receptive for the day & stood as net buyer for the day. Next day, market eked out a small gains backed by rise in banking stocks on Tuesday. FII's were quite positive & remained on buying side. Third day saw a significant buying on strong services sector data and on revival of monsoon rains. A likely increase in interest rates by the Reserve Bank of India (RBI) at a mid-quarter policy review on 16 September 2010 triggered profit taking on fourth day led to skepticism from the FII's side & ended up with minimal buying from them. On last day investors chose to book some profits ahead of the weekend and in view of US payroll data. This led to slight fall in the market on last trading session though FII's stood as net buyer for the day with significant numbers. Continued with the trend FII's stood bullish on Indian bourses for the week and made a significant buying of ₹27.62 Bn as against the last week's net buying of around ₹15.6 Bn. Investors would closely have a look on results of the corporate, such as BF Utilities, Reliance Capital, Tulip Tele etc as well as US Federal Reserve monetary policy meeting on Tuesday, 10 August 2010.

SENSEX GAINERS & LOSERS

BSE 30	Date		Var. %
	14/8/2010	7/8/2010	
TATA MOTORS	1017	843.15	↑ 20.6
SBI	2849.4	2595	↑ 9.80
JINDAL STEEL	663.1	623.9	↑ 6.28
DLF LIMITED	322.45	311	↑ 3.68
ACC LIMITED	842.9	815	↑ 3.42
STERLITE INDUS.	160.7	178.5	↓ 9.97
REL. INFRA	1083.55	1140	↓ 4.95
M&M	627.65	658	↓ 4.61
RELIANCE COMM	168.1	175	↓ 3.94
RELIANCE IND.	979.05	1014.7	↓ 3.51

NIFTY GAINERS & LOSERS

NIFTY 50	Date		Var. %
	14/8/2010	7/8/2010	
TATA MOTORS	1013.4	846	↑ 19.79
SBI	2850.25	2600	↑ 9.63
UNITECH	88.1	82.4	↑ 6.92
JINDAL STEEL	662.5	624.8	↑ 6.03
ONGC	1277.55	1227.85	↑ 4.05
STERLITE INDUS.	160.65	178	↓ 9.75
REL. INFRA	1083.75	1145	↓ 5.35
M&M	627.45	659.8	↓ 4.90
RELIANCE COMM	168.1	176	↓ 4.49
IDFC	181.25	189	↓ 4.10

IMPORTANT DATES

- **Aug 13:** Result- Acruti City, Adani Enter, CIPLA, Deccan Chronicle, Finolex Ind, Gammon India, Geodesic, Jupiter Bios, Koutons, Patel Engr, Rajesh Export, Reliance Comm, Saregama India, Shiv Vani Oil, Simbhaoli Sug, Suzlon, Tanla, Wockhardt
- **Aug 14** Result- ABGshipyard, Asaam Co, Gammon Inida, Lanco Infra, LML, Himachal Futur, National Alum, Shree Cement, Unitec.
- **Aug 16** Result- FIEM Inds, GDL Leasing, GS Auto, Krypton Inds, Mewat Zinc, PVP Vent, Shree Ganesh Forg, Sika Interplant, Telephoto Ent.

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