

**Indian Market Research
Weekly Market Summary**

Saturday, 19 November 2011

WEEKLY HIGHLIGHTS

- Sebi to revamp IPO process to check price manipulation
- Gold bull Paulson sells third of bullion holdings
- iGate plans to delist Patni Computer shares
- Rupee at 32-month low, breaches ₹ 51-level
- OMCs at 52-week low on slashing petrol prices
- FII cap in govt, corp debt raised by \$5 bn each

WEEKLY SUMMARY

The market declined for the third consecutive week as weak global stocks continue to spook investors. A weakening trend in global markets on lingering concerns over the euro zone debt crisis dampened the trading sentiment here. Selling was also triggered by poor Q2 September 2011 corporate earnings. Data showing selling by foreign funds recently also concerned investors. The BSE Sensex slumped 821.31 points or 4.78% to 16,371.51 in the week ended Friday, 18 November 2011. The 50-share S&P CNX Nifty fell 263 points or 5.09% to 4,905.80.

Corporate earnings have been weak. The combined net profit of a total of 3,729 companies declined 35.9% to Rs 67529 crore on 20.6% growth in sales to ₹ 11,355 bn in Q2 September 2011 over Q2 September 2010. Infrastructure company Jaiprakash Associates was the biggest Sensex loser last week followed by India's largest power equipment maker by sales Bhel. While Jaiprakash Associates tumbled 18.16% to ₹ 62.20, BHEL dropped 14.86% to ₹ 275.95 due to weak Q2 operating performance. India's largest tractor maker by sales Mahindra & Mahindra (M&M) fell 12% to ₹ 737.80 as net profit fell 2.78% to ₹ 7.37 bn on 34.75% increase in total income. India's largest car maker by sales Maruti Suzuki India fell 11.19% to ₹ 940.70. Maruti had clarified recently that the decision to purchase land in Gujarat is towards building additional capacity. Drug maker Cipla was the top Sensex gainer last week. The stock jumped 9.42% to ₹ 313.75 on good Q2 results. FIIs sold shares worth ₹ 8.7 bn on Friday, November 18, 2011. FIIs were net sellers to the tune of ₹ 16.42 bn for the week ended Friday, November 18, 2011.

EQUITY MARKETS & SECTOR PERFORMANCE

- All sectors lost ground during the week.
- Realty continued its downward trend followed by Capital Goods and Power.

Sector	Average Var. %
Banks	4.92
IT – Software	2.26
Power	9.59
Oil & Natural Gas	6.86
Metal	7.43
Realty	11.19
Teck	2.08
Healthcare	2.12
FMCG	3.77
Capital Goods	9.99

INDUSTRY NEWS & TRENDS

- India invited American business to invest in the burgeoning aviation sector, saying there is a huge potential for investment of up to \$130 billion over the next 10 to 15 years.
- A decline in iron ore exports from India following a crack-down by the government to check illegal mining has prompted China to begin exploring alternate markets to source its requirement of the mineral.
- Fitch Ratings said in a special report released today that the 2012 outlook for most Indian telecommunications operators (telcos) is negative, as the nationally-owned and six private telcos will continue to suffer operating losses.

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

N.B. Shows average trends of the week

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ECONOMIC AND POLITICAL HEADLINES

- Macquarie downgraded its India's growth forecast for the year to March 2013 by 1 percentage point to 6.9% due to a lack of policy reforms and the lagged impact of monetary tightening.
- India is considering a 10% stake sale in state-run explorer OIL India, likely in the next fiscal that begins in April. The government owns 78.4% stake in OIL India.
- The cabinet has approved foreign direct investment of up to 26% in the pension sector, a government source told Reuters on Wednesday, moving forward on a key reform initiative in the financial sector after years of dithering.
- India's services exports fell by 5.6% year-on-year to \$11.22 billion in September, according to the Reserve Bank of India. The country's total receipts from services exported stood at \$11.89 billion in August. Imports of services also fell marginally by 0.8% in September to \$6.80 billion, compared to \$6.86 billion in August.
- India is considering to allow qualified foreign investors to invest in local equities, a finance ministry source said on Thursday, which would pave the way for overseas retail investors to invest in Indian markets. India earlier this year allowed foreign investors to buy up to a cumulative \$10 billion in domestic equity funds, opening the door wider to capital flows into an expanding economy.

CORPORATE NEWS

- Drug maker **Sun Pharmaceutical Industries** reported 19% growth in net profit to ₹ 5.98 bn for the quarter ended September 30, on account of robust performance across its businesses.
- Auto major **Mahindra & Mahindra** reported 3.18% rise in its consolidated profit after tax for the quarter ended September 30 at ₹ 7.61 bn on account of contributions from its subsidiary -- Mahindra Vehicle Manufacturers (MVML).
- City-based infrastructure major **IRCL Limited** said its mining and water division has bagged two separate orders with a combined value of ₹ 18.67 bn.
- Battling financial crisis, **Kingfisher Airlines** Chairman Vijay Mallya said he has not asked for a bailout from the government but wants the lenders to help with ₹ 7-8 bn working capital as short-term need and interest concessions.
- Tata Motors** on Monday said its profit for the second quarter of the current fiscal fell 16% at Rs 1,877, compared to ₹ 22.33 bn in the year ago period. Lagging market estimates hit by higher costs and foreign exchange losses have been cited for the main reasons for the dismal quarterly results.
- Realty major **Unitech** said the company has sold 3.71 million sq ft of area worth ₹ 20.88 bn and reduced its debt by nearly ₹ 4 bn in the first half of this fiscal. The company had a consolidated net debt of ₹ 51.44 bn as of September 30.
- Zee Group** announced creation of a \$250-million fund content development, production, co-production and acquisition fund for its US subsidiary -- Veria Living.
- The head of **Vodafone's India** operations said the firm will start preparing for a possible initial public offering, but a listing was unlikely to happen soon. Marten Pieters, managing director and chief executive of Vodafone India, also said he expects consolidation in a sector crowded with more than a dozen players in the next 12 to 24 months.

GLOBAL NEWS

- Financial markets on Monday greeted the appointments of technocratic leaders in euro zone debt hot spots Italy and Greece with cautious optimism, boosting stocks.
- The 17-nation euro zone economy grew a modest 0.2% in the third quarter from the second, the EU said on Tuesday, lifted by France and Germany, but slowing export growth and stagnating consumer demand point to a likely contraction soon.
- A European Union plan to impose tougher rules on credit rating agencies is "dangerous" as it is bound to limit the "quality and independence" of the rating process, the president and chief operating officer of Moody's Investor Services told Le Figaro newspaper.
- Chinese demand for jewellery surpassed that in India -- the world's largest consumer of bullion -- for the first time since early 2009, the World Gold Council, an industry group, said in its quarterly Gold Demand Trends.
- Swiss authorities are about to charge Alstom with bribery as part of a corruption probe, French daily Le Monde reported.



INDICES WEEKLY PERFORMANCE

Asian Indices	Weekly Performance		Var. %
	18-11-2011	11-11-2011	
BSE Sensex	16,371.51	17,192.82	↓ 4.78
China Shanghai Comp	2,416.56	2,481.08	↓ 2.60
Hongkong Hangseng	18,491.20	19,137.20	↓ 3.38
Indonesia Jakarta Comp	3,754.50	3,778.89	↓ 0.65
Japan Nikkei 225	8,374.91	8,514.47	↓ 1.64
Malaysia KLCI Comp	1,454.40	1,468.75	↓ 0.98
Pakistan Karachi 100	11,937.80	12,019.30	↓ 0.68
Philippines PSEi	4,302.43	4,312.96	↓ 0.24
S. Korea Kospi	1,839.17	1,863.45	↓ 1.30
Singapore Straits Times	2,730.34	2,790.94	↓ 2.17
Sri Lanka All Share	6,140.52	6,332.47	↓ 3.03
Thailand SET	688.80	683.01	↑ 0.85

Indian Main Indices	Weekly Performance		Var. %
	18-11-2011	11-11-2011	
BSE Sensex	16,371.51	17,192.82	↓ 4.78
S&P CNX Nifty	4,905.80	5,168.85	↓ 5.09
BSE 100	8,466.45	8,943.68	↓ 5.34
BSE 200	1,982.36	2,098.63	↓ 5.54
BSE Smallcap	6,182.31	6,764.72	↓ 8.61
CNX Midcap	6,639.45	7,124.25	↓ 6.80

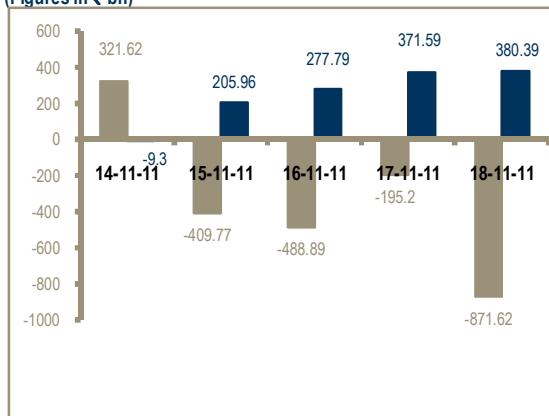
Sectoral Indices	Weekly Performance		Var. %
	18-11-2011	11-11-2011	
BSE Auto	8,538.32	9,138.10	↓ 6.56
BSE Bank	10,161.29	10,686.97	↓ 4.92
BSE Consumer Durable	6,076.09	6,388.09	↓ 4.88
BSE Capital Goods	9,551.01	10,610.96	↓ 9.99
BSE FMCG	4,075.02	4,234.61	↓ 3.77
BSE Healthcare	5,918.53	6,046.84	↓ 2.12
BSE IT	5,614.13	5,744.13	↓ 2.26
BSE Metal	10,433.49	11,270.38	↓ 7.43
BSE Oil & Gas	8,298.89	8,910.59	↓ 6.86
BSE Power	1,966.44	2,175.03	↓ 9.59
BSE PSU	6,833.90	7,333.36	↓ 6.81
BSE Realty	1,607.07	1,809.53	↓ 11.19
BSE Teck	3,418.76	3,491.31	↓ 2.08

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FII / MF ACTIVITY OVER THE WEEK

(Figures in ₹ bn)



SENSEX GAINERS & LOSERS

BSE 30	Date		Var. %
	18-11-2011	11-11-2011	
CIPLA	314	285	↑ 10.01
HERO MOTOCORP	2184	2130	↑ 2.55
SUN PHARMA	498	486	↑ 2.40
BHARTI AIRTEL	398	391	↑ 1.71
HIND. UNILEVER	391	389	↑ 0.40
JAIPRAKASH ASSO.	62	78	↓ 19.74
BHEL	276	328	↓ 15.84
MARUTI SUZUKI	941	1075	↓ 12.49
DLF LIMITED	204	230	↓ 11.00
ICICI BANK	770	853	↓ 9.71

NIFTY GAINERS & LOSERS

NIFTY 50	Date		Var. %
	18-11-2011	11-11-2011	
CIPLA	314	287	↑ 9.61
INFOSYS LTD.	2,741	2,611	↑ 4.98
HERO MOTOCORP	2,193	2,120	↑ 3.46
BHARTI AIRTEL	398	390	↑ 1.92
SUN PHARMA	499	490	↑ 1.70
JAIPRAKASH ASSO.	62	78	↓ 20.29
BHEL	275	328	↓ 16.28
MARUTI SUZUKI	941	1,084	↓ 13.23
RELIANCE COMM	73	84	↓ 12.98
AXIS BANK	964	1,103	↓ 12.58

IMPORTANT DATES

- November 22 : Results – Siemens

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