

**Indian Market Research
Daily Market Summary**

Monday, 28 June, 2010

HIGHLIGHTS

- RCOM merges tower biz with GTL Infra
- SBI likely to fix base rate at around 7.75%
- TVS to double scooter sales revenue in 2010-11
- Reliance Industries finds more oil in Cambay basin
- Essar acquires Servosteel in its first-ever UK buyout
- Blackstone may buy 12% in Monnet Power for Rs 3 Bn
- Piramal charts global acquisition plan to grow contract research biz

SUMMARY

The key benchmark indices snapped last two days' losses on firm global stocks. The market breadth was strong. Oil & gas stocks extended Friday's (25 June 2010) sharp gains after the government freed petrol pricing and raised prices of other fuels. Metal, auto, sugar and realty stocks also gained. The BSE 30-share Sensex rose 199.73 points or 1.14%. The market opened on a firm note, as a partial decontrol of fuel prices on Friday, 25 June 2010, and expectations of good monsoon rains this year, boosted sentiments. Stocks extended gains in morning trade. The market pared gains in mid-morning trade. The market regained strength in early afternoon trade. The market pared gains soon after hitting fresh intraday high in afternoon trade. The market once again regained strength to hit fresh intraday high in mid-afternoon trade as European stocks rose. The market extended gains to hit fresh intraday high in late trade.

INDEX MOVEMENTS

INDEX	Prev. Close	Open	High	Low	Close	Gain / Loss	Gain / Loss %
Sensex	17,574.53	17,577.66	17,794.80	17,571.85	17,774.26	↑ 199.73	1.14
S&P CNX Nifty	5,269.05	5,271.10	5,339.45	5,270.75	5,333.50	↑ 64.45	1.22
S&P CNX 500	4,365.85	4,387.65	4,432.45	4,383.10	4,429.25	↑ 63.40	1.45
CNX Nifty Junior	11,180.30	11,190.95	11,347.40	11,173.35	11,335.75	↑ 155.45	1.39
CNX Midcap	8,061.70	8,078.50	8,166.35	8,078.50	8,158.50	↑ 96.80	1.20
CNX IT	5,921.75	5,929.50	5,990.45	5,929.50	5,979.60	↑ 57.85	0.98
CNX 100	5,236.00	5,250.70	5,306.70	5,250.70	5,301.45	↑ 65.45	1.25
BANK Nifty	9,451.10	9,456.10	9,551.90	9,436.75	9,542.20	↑ 91.10	0.96

NIFTY GAINERS

Company Name	Curr. Price	Prev. Price	Gain %
RCOM	201.25	192.3	↑ 4.65
RELINFRA	1219.4	1167.2	↑ 4.47
TATAPOWER	1359	1309.9	↑ 3.75
IDEA	58.5	56.55	↑ 3.45
RPOWER	173.7	167.95	↑ 3.42

NIFTY LOSERS

Company Name	Curr. Price	Prev. Price	Loss %
GAIL	471.95	484.15	↓ 2.52
ITC	297.35	301.45	↓ 1.36
ABB	862	873.35	↓ 1.30
HEROHONDA	2042.5	2056.1	↓ 0.66
JINDALSTEL	638.5	641.6	↓ 0.48

COMMODITY & CURRENCY MARKET

Currency	Curr. Rate
USD	46.1725
EUR	57.1650
100 YEN	51.6525

Commodity (Futures)	Prev. Day	Curr. Day
Brent Crude (USD / bbl)	78.120	77.520
Gold (USD / t. Oz)	1,256.20	1,256.50
Silver (USD / t. Oz)	19.152	19.110

ASIAN MARKETS & INSTITUTIONAL ACTIVITY ON NSE & BSE

Index	Closing	Gain / Loss	Var. %
Hangseng	20,726.68	↑ 35.89	↑0.17
Nikkei-225	9,693.94	↓ 43.54	↓0.45
Shanghai Composite	2,535.28	↓ 17.54	↓0.69
Straits Times	2,869.99	↑ 18.35	↑0.64
Taiwan TAIEX	7,500.79	↑ 26.08	↑0.35

Category	Buy Value	Sell Value	Net Value
FII-25 June -2010	1,297.86	1,605.48	↓ 307.62
DII-25 June -2010	1,185.32	1,631.52	↓ 446.20

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OVERVIEW

European shares extended gains on Monday, led higher by the banking sector as the G20 adopted a more flexible timeline for banks to build up higher levels of capital and liquidity. The key benchmark indices in France, Germany and UK, were up by between 0.23% to 0.93%. Trading in US index futures indicated that the Dow could gain 19 points at the opening bell on Monday, 28 June 2010. US index futures moved between gains and losses. In US market action on Friday, the Nasdaq and S&P 500 rose modestly on relief that the financial regulation bill wouldn't crimp Wall Street profits as badly as feared and as Oracle's strong results revived hopes about business spending. The Dow Jones industrial average was down 8.99 points, or 0.09% at 10,143.81. The Standard & Poor's 500 Index was up 3.07 points, or 0.29% at 1,076.76. The Nasdaq Composite Index was up 6.06 points, or 0.27% at 2,223.48. In US economic news, a survey showed that consumer sentiment rose more than expected while a government report showed first-quarter gross domestic product was slower than previously estimated.

ECONOMIC AND POLITICAL HEADLINES

- Oil fell towards \$78 a barrel on Monday, after earlier touching the highest in almost eight weeks, as concern eased about the impact on supply from tropical storm Alex.
- The Reserve Bank may wait for a few weeks before raising policy rates to contain inflation in view of tight liquidity in the system as well as global economic uncertainty, said a Citigroup report.
- The government is believed to be in the final stages of formulating a gas allocation policy, which is likely to give preference to new power plants over expansion projects.
- India and the US have agreed to set up four working groups to advance cooperation and establish common goals between two countries in health sector.
- The United Arab Emirates (UAE) has asked Indian companies to invest in the Gulf region, while lauding the Indian community for being a major contributor to the comprehensive development of the UAE.

GLOBAL NEWS

- The Bank of Japan's Tankan survey this week will probably show that companies' reluctance to deploy record stockpiles of cash is diminishing as they become less pessimistic about the economic outlook.
- Agricultural Bank of China Ltd. set a price range for the Shanghai part of its initial public offering that will allow it to raise as much as \$20.1 billion, according to three people with knowledge of the matter.
- President Barack Obama welcomed the deficit-cutting goal set by the Group of 20 nations even as he warned against acting too quickly to pull back on measures to stimulate economic growth.
- China's efforts to contain the risks from a surge in local-government debt may hurt growth in the world's third-biggest economy, investment bank China International Capital Corp. said.
- Japan's retail sales rose at the slowest pace since January, a sign that government incentives to purchase cars and household appliances are fading.

EQUITY MARKETS & SECTOR PERFORMANCE

- FMCG was the only sector to end in red; **-0.66%**.
- Consumer Durables stood strong; gained maximum **+2.83%**.
- Energy, Realty & Power sectors stood amongst other major gainers.
- Out of 2985 scrips traded over BSE, 1767 advanced & 1078 declined.

Sector	Average Var. %
CD	2.83
OIL&GAS	2.29
REALTY	2.15
POWER	1.94
PSU	1.78
CG	1.45
AUTO	1.19
METAL	1.10
TECK	1.02
BANKEX	0.84
IT	0.75
HC	0.33
FMCG	(0.66)

INDUSTRY NEWS & TRENDS

- The All India Gems and Jewellery Trade Federation, the national body of the jewellery trade and apex industry body Gems and Jewellery Industry have opposed the proposed Direct Tax Code.
- The six core infrastructure industries grew 5 per cent in May against 3.2 per cent in the same month last year.
- The government today said the country's total vehicle export is likely to increase by up to 15 per cent in the current fiscal, as demand from Europe is expected to rise

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

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

BONDS, T-BILLS & IPOs

- Current Issues at NSE : Aster Silicates Ltd
- Forthcoming issues at NSE : Technofab engineering Ltd
- Federal bond yields were down on Monday supported by lower U.S. yields and dealers said some buying was also triggered off after the sharp rise in yields on Friday.
- Indian Bank is selling 5 billion rupees of lower tier 2 bonds of 10-year maturity

COMMODITIES

- Gold extended gains for a sixth session in a row on Monday nearing the 19,000 rupees-mark, and traders were unwilling to place orders at an elevated price level in a lean demand period, dealers said.
- Iron ore spot price, which had fallen to around \$95 per metric tonne six months ago, is currently trading at \$153 and expected to go up.

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CORPORATE ANNOUNCEMENTS

- German auto major Daimler Group firm **Mercedes-Benz** today said it will hire about 250 engineers for its research and development centre in Bangalore during this year to support its global facility.
- Global auto component major **Cummins** today said it will invest USD 300 million to set up four facilities, including an engine manufacturing unit, in India over the next five years
- Auto major **M&M** will launch a new variant of the Logan, which will be below four metres and ready within 18 months
- **Tata Power**, India's No. 1 private-sector power producer, said on Monday it was in the process of acquiring 20.95 megawatts (MW) operating wind assets in the western state of Maharashtra from Niskalp Energy Ltd.
- Central transmission utility **PowerGrid Corp** would invest Rs 580 Bn for setting up network to facilitate evacuation of electricity from power surplus states to others.
- State-owned Mexican oil company **Pemex** and India's **Reliance Industries** may soon forge a partnership to develop a large-capacity greenfield refinery in Mexico
- Water scarcity in Madhya Pradesh due to delayed rains have hit the production of **Aditya Birla Group's Nagda chemical plant** (Grasim), where capacity utilisation currently stands at just 20 per cent.
- **Sun Pharmaceutical Industries** will stop selling generic version of Sanofi-Aventis' cancer drug Eloxatin in the United States after June 30 following a court order, the Indian drugmaker said.
- Pharma powerhouse **Cipla** has started talks with the government to share knowledge on making cancer drugs, which, if successful, could radically lower the prices of a class of medicines that remain largely unaffordable.
- **Mahindra Aerospace** will become the first Indian private firm to manufacture smaller civil aircraft for the Indian aviation market

IMPORTANT DATES

- **June 29:** Result- Abbott India, Anna Infra, E Com Inf, Kinetic Trust, MMTC, Shree Rama Mult, Shri Bajrang, Shyam Star Gem, SJ Cor, Uttam Sugar
- **June 30:** Result- Aditya Gears, Gateway Distr, Ashapura Mine, Aurionpro Sol, Bampsl Sec, Empire Inds, Gillander Arb, Harig Crank, Incon Engineers, India Home, Interface Fin, Jai Mata Glass, Mac Charles, Neogem India, Prima Agro, Prima Inds, Resonance Specialities, Rids Securities, Royal Cushion, Shamrock Indl, SJVN, SQL Star, Venlon Enter, Woolite Merc
- **July 02:** Result- Flex Food, Kohinoor Broad, Subuthi Finance