



MARKET NEWS:

Key indices were little changed last week as every rise was seen as an opportunity to book profits. The Reserve Bank of India (RBI) governor D Subbarao's comments on capital inflows perked investor sentiments. However, fear of rising inflation stopped investors from building large positions.

The RBI governor D Subbarao on Thursday, 10 December 2009, said the apex bank is comfortable with capital inflows and there is no plan to curb it at the moment. Net foreign institutional investments in 2009 are estimated at \$24.5 billion, according to the Securities and Exchange Board of India.

India's industrial output jumped 10.3% in October 2009 from a year earlier, helped by stimulus measures and robust domestic demand, data released by the government on Friday, 11 December 2009, showed. Manufacturing production rose 11.1% in October 2009 from a decline of 0.6% a year earlier. September's annual industrial growth rate was revised upward to 9.6% from 9.1% previously. Industrial output rose 2.6% in the 2008/09 fiscal year (April-March), slower than 8.5% in 2007/08.

The current trend in industrial output is likely to continue in the coming months, the trade minister Anand Sharma said on Friday. The deputy chairman of India's planning commission Montek Singh Ahluwalia said on Friday he hoped the momentum in the country's industrial output would be sustained in coming months.

The BSE 30-share Sensex rose 17.49 points or 0.10% to 17,119.03 in the week ended 11 December 2009. The S&P CNX Nifty rose 8.40 points or 0.20% to 5117.30.

The BSE Mid-Cap index underperformed the Sensex, falling 0.40% to 6,574.49, while the BSE Small-cap index outperformed the Sensex, rising 1.48% to 7,968.65.

RBI said after trading hours on Wednesday it would withdraw from 1 January 2010 some concessions on overseas borrowing for Indian firms introduced during the global credit crisis, although it also eased rules for the infrastructure and telecoms sectors. A facility for Indian companies to buy back their foreign currency convertible bonds under the automatic route and approval route would be discontinued from January 2010 due to the improvement in the equity market. The central bank said it would allow non-bank financial companies which are focused on financing infrastructure projects to borrow from overseas markets under the approval route.

It also extended by a year a rule which allowed firms involved in developing integrated townships to borrow overseas. The central bank also allowed telecom



firms to access overseas markets to fund their bids for 3G spectrum, effective immediately. The government plans to auction 3G spectrum in January 2010.

The key benchmark indices fell in volatile trading on Monday, 7 December 2009, on weak European stocks and lower US index futures. The BSE Sensex fell 118.40 points or 0.69% to 16,983.14. The S&P CNX Nifty fell 42.20 points or 0.83% to 5066.70.

The key benchmark indices surged on Tuesday, 8 December 2009, after the government said it will seek parliamentary approval to spend an extra Rs 25725 crore for the fiscal year to end-March 2010. The BSE Sensex rose 244.54 points or 1.44% to 17,227.68. The S&P CNX Nifty rose 81.25 points or 1.6% to 5,147.95.

The key benchmark indices lost ground in choppy trade on Wednesday, 9 December 2009, as weak global stocks weighed on investor sentiment. The BSE Sensex fell 102.46 points or 0.59% to 17,125.22. The S&P CNX Nifty fell 35.95 points or 0.7% to 5112.

The key benchmark indices clocked modest gains on Thursday, 10 December 2009, after Reserve Bank of India (RBI) Governor D Subbarao said capital flows into India are in line with requirement and as of now there is no concern of the flows building asset price bubbles. The BSE Sensex rose 64.09 points or 0.37% to 17,189.31. The S&P CNX Nifty rose 22.65 points or 0.44% to 5,134.65.

The key benchmark indices ended a choppy trading session lower on Friday, 11 December 2009, as industrial production growth for October 2009 only matched estimates while market participants had hoped for a big surprise. The BSE Sensex fell 70.28 points or 0.41% to 17,119.03. The S&P CNX Nifty fell 17.35 points or 0.34% to 5,117.30.

India's largest private sector firm by market capitalisation Reliance Industries (RIL) fell 1.85%. With an aim to rope in a strategic partner for its Haryana special economic zone (SEZ) project, corporate giant Reliance Industries is reportedly in talks with IL&FS and a couple of other players for part-sale of its stake in Haryana SEZ.

Amid reports that Reliance Industries was mobilising funds for its acquisition, global petrochemical major LyondellBasell has said it has not yet received a final bid. RIL said on Wednesday it has no plans to buy any debt of LyondellBasell.

FMCG shares were mostly higher on defensive buying. Hindustan Unilever (up 0.22%), Dabur India (up 0.15%), United Spirits (up 0.65%), fell. However, ITC fell 1.54%.

India's largest engineering and construction firm by sales Larsen & Toubro rose 4.19%. The company said on Tuesday 8 December 2009, that it got orders worth Rs 844 crore. State-run Bharat Heavy Electricals (Bhel) rose 7.02% According to



reports, Bhel is planning to invest Rs 235 crore over the next two to three years in Bharat Heavy Plates and Vessels (BHPV), which it acquired last year. The investment will mainly go into modernizing the plant and infusion of working capital.

Software shares advanced on encouraging US job data. Infosys Technologies rose 3.03%. Wipro (up 1.10%), TCS (up 1.24%), and HCL Technologies (up 2.10%), rose. US employers cut less jobs than expected in the month of November 2009, which showed signs of improvement in the economy. US employers cut only 11,000 jobs in November 2009, the smallest decline since the recession started in December 2007. November unemployment rate also declined to 10% as against 10.2% in the month of October.

Realty stocks slipped on profit taking. Omaxe (down 0.51%), Indiabulls Real Estate (down 3.42%), Unitech (down 1.81%), Housing Development and Infrastructure (HDIL) (down 2.43%), and Sobha Developers (down 7.01%), declined.

However, India's largest realty player by market capitalization DLF rose 0.55%. New York-based hedge fund DE Shaw on Thursday sold a 36% stake in DLF Asset (DAL) to the promoters of DLF for \$500 million, retaining only a four per cent stake which it intends to sell as and when the firm lists in Singapore. DLF Assets was set up as a real estate investment trust to put money into SEZs, infotech parks as well as to buy commercial property assets from group company DLF.

Banking shares fell on a likely monetary tightening of the monetary policy by the RBI. India's largest private sector bank by net profit ICICI Bank fell 0.93%. ICICI Bank has launched a home-loan scheme under which 8.25% interest rate will be fixed for the first two years. The floating rates will apply after 2 years. These rates will be applicable to loans sanctioned between December 2009 and January 2010.

India's second largest private sector bank by net profit HDFC Bank was flat at Rs 1783.35.

India's largest bank by net profit and branch network State Bank of India fell 2.66%. The UPA government last week cleared the introduction of State Bank of India (Amendment) Bill in the current session of Parliament. The Bill seeks to bring the government's holding in the country's largest public sector bank on a par with other public sector banks at 51 %. Currently, the Union government holds 59% stake in SBI. At present, the stake of the promoter, that is Government of India, cannot fall below 55 %.

India's largest mortgage lender by total income Housing Development Finance Corporation (HDFC) fell 1.19% triggered by investor worry a dual interest rate scheme on home loans introduced by the company would hit margins.

HDFC, last week, announced a dual-rate loan scheme under which a borrower will be charged a fixed rate up to March 2012 and a floating rate thereafter. For a 20-year loan of Rs 30 lakh, a borrower will pay a fixed rate of 8.25% up to March



2012 and then a floating rate that's 500 basis points below the prime lending rate (PLR) - the institution's benchmark rate. Currently, the PLR is 13.75%.

| WEEKLY REPORT | | | | | | | |
|--|-----------|---------------------------------------|-----------------------|-----------------------|-------------------------------|----------|-----------|
| <i>Weekly Sensex/Nifty</i> | | | | <i>Market Breadth</i> | | | |
| INDICES | 11-Dec-09 | 4-Dec-09 | Change(%) | | Advances | Declines | Unchanged |
| Sensex | 17119.03 | 17101.54 | 0.10 | BSE | 1084 | 1754 | 74 |
| Nifty | 5117.30 | 5108.90 | 0.16 | NSE | 407 | 896 | 26 |
| <i>Corporate Announcements</i> | | | | | | | |
| <i>Bonus/Rights/Stock Split/Dividend</i> | | | | | | | |
| Bonus | | | | | | | |
| Company Name | Ratio | Ex-Date | Company Name | Ratio | Ex-Date | | |
| Diamond Cables | 1:3 Ratio | 16-Dec-09 | Jaiprakash Associates | 1:2 Ratio | 17-Dec-09 | | |
| CNI Research | 1:1 Ratio | 17-Dec-09 | | | | | |
| Rights | | | | | | | |
| Company Name | Ratio | Ex-Date | Company Name | Ratio | Ex-Date | | |
| Infomedia 18 | 3:2 Ratio | 18-Dec-09 | | | | | |
| <i>Board Meeting</i> | | | | | | | |
| Company Name | Date | Purpose | Company Name | Date | Purpose | | |
| Hazoor | 14-Dec-09 | Quarterly Results | Givo | 15-Dec-09 | Others | | |
| Lesha Energy | 14-Dec-09 | Issue of shares/Debentures/Warr | EngineersInd | 15-Dec-09 | Interim Dividend | | |
| Choice Financia | 14-Dec-09 | Incorporation of Companies &othe | Signet Fincom | 15-Dec-09 | Allotment of Equity Shares | | |
| Entergra | 14-Dec-09 | Others | Shiva Cement | 16-Dec-09 | Increas in Authorised Capital | | |
| Multifarious Tr | 14-Dec-09 | Allotment Of Equity Shares | Gail | 16-Dec-09 | Interim Dividend | | |
| Bajaj Hind | 15-Dec-09 | Audited Results & Dividend | Aarey Drugs | 17-Dec-09 | Others | | |
| Pratappur Sugar | 15-Dec-09 | Audited Results & Dividend | KRBL | 17-Dec-09 | StockSpilt | | |
| Godrej Consumer | 15-Dec-09 | To consider raising additional fin | ONGC | 18-Dec-09 | Interim Dividend | | |
| CMI | 15-Dec-09 | Preferential Issue of Shares & Others | Ashirwad Capital | 18-Dec-09 | Interim Dividend | | |
| <i>Stock Splits</i> | | | | | | | |
| Company Name | Old FV | New FV | Ex-Date | Company Name | Old FV | New FV | Ex-Date |
| JK Lakshmi Cem | 10 | 5 | 17-Dec-09 | NU Tek India | 10 | 5 | 23-Dec-09 |
| <i>dividends</i> | | | | | | | |
| Company Name | Purpose | %percent | Ex-Date | Company Name | Purpose | %percent | Ex-Date |
| Esab India | Interim | 200.00 | 14-Dec-09 | Symphony Conf | Final | 10.00 | 17-Dec-09 |
| Cummins | Interim | 300.00 | 14-Dec-09 | Falcon Tyres | Final | 15.00 | 17-Dec-09 |
| Shakti Pumps | Final | 10.00 | 16-Dec-09 | C and C Const | Final | 27.50 | 17-Dec-09 |
| Garware Poly | Final | 10.00 | 16-Dec-09 | Amar Remedies | Final | 10.00 | 17-Dec-09 |
| Aurobindo Pharma | Final | 30.00 | 16-Dec-09 | Gareware Marine | Final | 5.00 | 18-Dec-09 |
| Upper Gages Su | Final | 12.00 | 17-Dec-09 | | | | |



| IPO UPDATES | | | | | | |
|----------------|------------------------|------------|--------|--------|-------------|--|
| Company Name | Issue Size | FACE VALUE | Opens | Close | Offer Price | |
| DBCORP LIMITED | 18175000 Equity Shares | 10 | 11-Dec | 15-Dec | 185-212 | |

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