



MARKET THIS WEEK

A sell-off in telecom stocks on concerns over declining tariffs and rising competition dragged the market lower last week. A liberal 1:1 bonus issue by Sensex heavyweight Reliance Industries failed to lift investor sentiment.

The BSE 30-share Sensex fell 491.89 points or 2.87% to settle at 16,642.66 in the week ended Friday, 9 October 2009. The S&P CNX Nifty fell 138.2 points or 2.71% to 4945.20 in the week. The BSE Mid-Cap index fell 0.63 points or 0.01% to 6,301.38 and the BSE Small-Cap index fell 215.39 points or 2.84% to 7,371.79. Both the indices outperformed the Sensex.

FII inflow in October 2009 totaled Rs 1939.10 crore (till 7 October 2009). Foreign funds had bought equities worth Rs 17,328 crore in September 2009. FII inflow in the calendar year 2009 totaled Rs 62,076.30 crore (till 7 October 2009).

Inflation based on the wholesale price index (WPI) rose 0.7% in the year through 26 September 2009, lower than a rise of 0.83% in the year through 19 September 2009, data released by the government on Thursday, 8 October 2009, showed. Food article index in the WPI was up sharply at 15.45%. Meanwhile, the government revised upwards inflation for the year through 1 August 2009 to a decline of 0.83% from an estimated fall of 1.74%.

Finance Minister Pranab Mukherjee said on Friday, 9 October 2009, that there is steady expansion in domestic demand and savings and investment rates have picked up. The Finance Minister had on Thursday said the rate of economic expansion in the July-September quarter is not expected to be much faster than the 6.1% pace set in the previous three-month period, but he saw acceleration happening starting next month. But with wholesale price inflation expected to top 5% by the end of the fiscal year March 2010, the finance minister said the pursuit of growth would be balanced with the need to keep inflation under check.

The Reserve Bank of India (RBI) Governor, D Subbarao said on Monday, 5 October 2009, while there was broad agreement that the central bank needs to wind back some of its easy policy stance, there were risks if the move was mistimed. An early exit from the accommodative monetary stance on inflation concerns runs the risk of derailing the fragile growth, while a delayed exit may engender inflation expectations, he said. The central bank has pumped huge liquidity in the system and drastically cut policy rates in the aftermath of the global financial crisis last year.

Meanwhile, the water level in main reservoirs was at 60% of capacity as on Thursday, unchanged from a week ago and about 10% below the 10-year average following a poor monsoon, government data showed on Thursday. Reservoir levels



have been below average this year as monsoon rains in the June-September season were 23% below average, the worst since 1972. Reservoirs start depleting after the June-September monsoon ends as supply of water diminishes after the rainy season.

Reservoirs are important for hydropower, which accounts for a quarter of India's generation capacity. They also provide water to irrigate winter crops like wheat and rapeseed.

Telecom stocks led a setback on the bourses as trading resumed after a long weekend on Monday, 5 October 2009. The market fell as investors priced in a sharp weakness in global markets on Friday, 2 October 2009, when the Indian market was closed for a public holiday. The BSE 30-share Sensex fell 268.14 points or 1.56% to 16,866.41. The S&P CNX Nifty lost 80.20 points or 1.58% to 5003.20.

Late buying demand in FMCG, metal and banking shares helped key benchmark indices register decent gains after a steep intra-day slide on Tuesday, 6 October 2009. Firm global stocks and expectations of strong Q2 September 2009 results aided a strong intraday rebound that day. The BSE 30-share Sensex rose 92.13 points or 0.55% to 16,958.54. The S&P CNX Nifty was up 24.20 points or 0.48% to 5,027.40.

The two key benchmark indices failed to hold higher levels after trading firm at the onset of the day's trading session on Wednesday, 7 October 2009. The BSE 30-share Sensex fell 151.88 points or 0.90% to 16,806.66. The S&P CNX Nifty was down 41.65 points or 0.83% to 4985.75.

The key benchmark indices garnered small gains in a choppy trade on Thursday, 8 October 2009, as global stocks surged. Higher US index futures also aided gains. The BSE 30-share Sensex rose 36.88 points or 0.22% to 16,843.54. The S&P CNX Nifty rose 16.50 points or 0.33% to 5,002.25.

The key benchmark indices lost ground on Friday, 9 October 2009, as lower European stocks and fall in US index futures triggered profit taking. The BSE 30-share Sensex fell 200.88 points or 1.19% to 16,642.66. The S&P CNX Nifty declined 57.05 points or 1.14% to 4945.20.

IT bellwether Infosys Technologies fell 6.34% in the week. The company announced higher-than-expected Q2 September 2009 results before trading hours on Friday, 9 October 2009. However, the company said strengthening rupee is a big concern for its earnings. The rupee has risen sharply in the past few days. A stronger rupee negatively impacts operating margins of IT firms as the sector earns a lion's share of revenue from exports.



Infosys raised its earnings and revenue guidance in both dollar and rupee terms for the year ending March 2010 at the time of announcing Q2 September 2009 results before trading hour today, 9 October 2009.

The company has forecast a between 6.7% to 7.1% fall in earnings per American depositary share at between \$2.09 to \$2.10 for FY 2010. At the time of announcing Q1 June 2009 results, Infosys had forecast a between 11.1% to 12.4% fall in earnings per American depositary share.

Infosys has forecast a between 1% to 1.3% fall in revenue in dollar terms at between \$4.60 billion to \$ 4.62 billion for FY 2010. At the time of announcing Q1 June 2009 results, Infosys had forecast a between 3.1% to 4.6% fall in consolidated revenues in dollar terms

The company has forecast 4.4% to 4.8% fall in EPS at between Rs 99.60 to Rs 100 for FY 2010. At the time of announcing Q1 June 2009 results, Infosys had forecast 8.2% to 9.6% fall in FY 2010 EPS

The Bengaluru-based software exporter has forecast 1.2% to 1.7% growth in revenue at between Rs 21961 crore and Rs. 22055 crore for FY 2010. At the time of announcing Q1 June 2009 results, Infosys had forecast a between 0.3% growth to a 1.3% decline in FY 2010 revenue.

Infosys' consolidated net profit rose 0.85% to Rs 1540 crore on 2.06% growth in revenue to Rs 5585 crore in Q2 September 2009 over Q1 June 2009. The operating profit margin rose to 34.6% in Q2 September 2009 from 34.1% in Q1 June 2009

Infosys said pricing has stabilised. The company added 35 new clients in Q2 September 2009. It added a gross 6,069 employees in Q2 September 2009. The net employee addition was 1,548.

India's largest software services exporter Tata Consultancy Services (TCS) fell 11.12%. The company will pursue larger deals and leverage its full service offerings, its newly appointed chief executive and managing director N. Chandrasekaran said early in the week. India's third largest software services exporter Wipro fell 8.91%.

India's largest private sector firm by market capitalisation and oil refiner Reliance Industries (RIL) fell 3.24%. The stock had risen 0.96% on Thursday after the company announced a liberal 1:1 bonus issue after market hours on Wednesday. Reliance, listed in 1978, has so far issued bonus shares thrice in its history - in 1980, 1983, and 1997. The company maintained its dividend for the fiscal year ended March 2009 at Rs 13 a share. Both the bonus and the dividend are applicable to shareholders of the erstwhile Reliance Petroleum, which has been merged with RIL.



Chief Financial Officer Alok Agarwal on Wednesday said the company was on track with the production ramp-up for its KG D6 oil and gas fields off India's east coast, and has the financial flexibility to make further investments. The company has produced 2.7 million tonnes of crude oil and 5 billion cubic metres of gas from the KG D6 field since 1 April 2009, and started 16 of 18 wells needed to achieve maximum capacity, he said.

Meanwhile, Anil Ambani Group firm Reliance Infrastructure has reportedly agreed to pay marketing margin to Reliance Industries in less than a month after it stopped paying the levy and has asked the Mukesh Ambani firm to resume natural gas supplies to its power plant. Reliance Infrastructure fell 1.4%.

The company, which had paid US\$0.135 per million British thermal unit in marketing cost to RIL for over four months without protest, had on 15 September 2009 written to RIL saying it will no longer pay the 'unauthorised and illegal' levy.

Three telecom majors slumped on worries lower tariffs and increased competition would hurt profitability. Reliance Communications (down 21.59% to Rs 249.35), Bharti Airtel (down 21.18% to Rs 343.15), and Idea Cellular (down 15.45% to Rs 62.40), tumbled.

Telecom stocks witnessed sharp selling pressure ever since media reports suggested on Tuesday, 6 October 2009, that the telecom regulator may ask telecom operators to give their customers the option of paying tariff based on usage per second instead of the current per minute pulse.

Under the 'per second' model, a customer speaking for 20 seconds would only be charged 20 paise for the call rather than the full 60 paise charged currently.

However, the telecom regulator later said the telecom operators would be free to offer various tariff plans and there is no plan to make per-second billing mandatory. Telecom Regulatory Authority of India (Trai) chairman J S Sarma said on Thursday, 8 October 2009, that Trai is not looking at mandating per-second billing for the operators. It would float a consultation paper on the issue and decide only if the industry sees benefits in the system. The regulator plans to issue a consultation paper by the end of this year.

Banking stocks fell on profit taking after recent strong gains. India's largest private sector bank by net profit ICICI Bank fell 2.50%. The bank reduced auto loan rates by 50 basis points. The auto loans from the ICICI Bank will now cost 10.75% to 11%.

India's largest bank by net profit and branch network State Bank of India fell 6.51%. As per recent reports, the state-run bank is planning to raise \$1 billion by bond issuance as a part of the bank's Medium Term Note program or MTN, a tool that allows raising funds through various products including floating rate notes or on a fixed rate, subject to necessary regulatory approvals.



However, India's second largest private sector bank by net profit HDFC Bank rose 1.86% as the bank is seen reporting good Q2 results next week on the back of strong growth in fee income. A total of seven brokerages expect 16.3% to 31.5% growth in HDFC Bank Bank's net profit at between Rs 614.10 crore to Rs 694.10 crore in Q2 September 2009 over Q2 September 2008. HDFC Bank unveils Q2 results on 14 October 2009.

Auto stocks fell on profit taking. Auto stocks are seen reporting strong Q2 results on higher volumes and increase in profit margins.

India's largest truck maker by sales Tata Motors fell 5.48%. The stock witnessed major correction on Friday, 9 October 2009, on equity dilution concerns after the company said during market hours it has raised \$750 million through an issue of global depository receipts (GDRs) and convertible bonds. The company said it will use the funds to repay debt taken for acquisition of Jaguar Land Rover (JLR)

Tata Motors said the GDRs were issued at \$12.54 each -- a 1.5% discount to Thursday's closing price of Rs 589.25 on NSE. The convertible notes were issued at a 7.5% conversion premium over the GDR price with a yield to maturity of 5.5%.

India's top small car maker by sales Maruti Suzuki India fell 10.67%. The company's total sales rose 17.3% to 83,306 vehicles in September 2009 over September 2008. The figures were released during trading hours on 1 October 2009.

India's largest tractor maker by sales Mahindra & Mahindra fell 0.12%. Its total sales rose 10.94% to 28434 vehicles in September 2009 over September 2008. The company unveiled the sales figures during trading hours on 1 October 2009.

India's largest bike maker by sales Hero Honda Motors rose 0.67%. The firm's total sales rose 4.16% to 4,01,290 units in September 2009 over September 2008.

IPO UPDATES						
Company Name	Issue Size	FACE VALUE	Opens	Close	Offer Price	
Indiabulls Power Limited	339,800,000 Equity shares	10	12-Oct	15-Oct	40 - 45	



WEEKLY REPORT

<i>Economic Data</i>				<i>Market Breadth</i>			
<i>Inflation</i>		<i>Whole Sale Price Index</i>		<i>Advances</i>	<i>Declines</i>	<i>Unchanged</i>	
<i>Week End</i>				BSE	968	1792	71
26-Sep-09	19-Sep-09	26-Sep-09	19-Sep-09	NSE	370	898	32
0.70%	0.83%	243	243.3				

**Corporate Announcements
Bonus/Rights/Stock Split/Dividend**

Bonus							
Company Name		Ratio	Ex-Date	Company Name		Ratio	Ex-Date
Anil Modi Oil		1:1 Bonus	14-10-2009	Numeric Power		1:1 Bonus	14-10-2009

Rights							
Company Name		Ratio	Ex-Date	Company Name		Ratio	Ex-Date
No Upcoming Rights				No Upcoming Rights			

Board Meeting						
Company Name	Date	Purpose	Company Name	Date	Purpose	
South Ind Bk	11-Oct-09	Quarterly Results	Jindal Hotels	13-Oct-09	Quarterly Results & Others	
Exide Industrie	12-Oct-09	Interim Dividend	Mah Scooters	14-Oct-09	Quarterly Results	
Jay BharatMarut	12-Oct-09	Quarterly Results	Banco Products	14-Oct-09	Quarterly Results	
Sanwaria Agro	12-Oct-09	Quarterly Results	Bharat Seats	14-Oct-09	Quarterly Results	
GM Breweries	12-Oct-09	Quarterly Results	REI Six Ten	14-Oct-09	Fix Record date for Stock Spilt	
Indo Green	12-Oct-09	Quarterly Results	Zyodus Wellness	14-Oct-09	Quarterly Results	
Super Crop Safe	12-Oct-09	Quarterly Results	KCP Sugar	14-Oct-09	Quarterly Results	
TTK Prestige	12-Oct-09	Quarterly Results	Deco light Ceram	14-Oct-09	Quarterly Results	
Ashco Niulab	12-Oct-09	Audit, Quarterly Res,Others	Parsvnath	14-Oct-09	Quarterly Results	
Astra Microwave	12-Oct-09	Quarterly Results	Dujodwala Prod	14-Oct-09	Quarterly Results	
Comp-u-learn	12-Oct-09	Acquisition of substantial Sh	Eskay Knit	14-Oct-09	Quarterly Results	
Praj industries	12-Oct-09	Quarterly Results	Nikamal	14-Oct-09	Quarterly Results	
MCS	12-Oct-09	Quarterly Results	Hester Bio	14-Oct-09	Quarterly Results	
Axis Bank	12-Oct-09	Quarterly Results	Sonate	14-Oct-09	Quarterly & interim Dividend	
DCB	12-Oct-09	Quarterly Results	Cybermate Info	14-Oct-09	Quarterly Results	
Innd Inv Trust	12-Oct-09	Quarterly Results	SJ Corporation	14-Oct-09	Quarterly Results	
Geojit BNP	12-Oct-09	Quarterly Results	Infotech Enter	14-Oct-09	Quarterly Results	



CIL SECURITIES LIMITED

Sudal Industries	12-Oct-09	Quarterly Results	Net 4 India	14-Oct-09	Consider issue of Equity Shares
Arotech	12-Oct-09	Quarterly Results	Skylines Millars	14-Oct-09	Quarterly Results
Elango Ind	12-Oct-09	Quarterly Results	Motilal Oswal F	14-Oct-09	Quarterly Results
Asahi Fibres	12-Oct-09	Quarterly Results	Bajaj Finserv	14-Oct-09	Quarterly Results
Rosekamal Textile	12-Oct-09	Quarterly Results	IndusInd Bank	14-Oct-09	Quarterly Results
Jarigold Textile	12-Oct-09	Quarterly Results	HDFC Bank	14-Oct-09	Quarterly Results
Wheel & Axle Te	12-Oct-09	Quarterly Results	Bajaj Auto Fin	14-Oct-09	Quarterly Results
Bajaj Electricals	12-Oct-09	Sub Division of Equity Shares	BN Rathi Sec	14-Oct-09	Quarterly Results
Sintes /ndia	12-Oct-09	Quarterly Results	UV Boards	14-Oct-09	Others
Informedia 18	12-Oct-09	Quarterly Results	Sumeru Ind	14-Oct-09	Quarterly Results
Dhruv Estates Radhe	13-Oct-09	Quarterly Results	Key Corporation	14-Oct-09	Quarterly Results
Developers	13-Oct-09	Increase in Authorised Cap Capital	Can Fin Homes	14-Oct-09	Quarterly Results
Finolex Ind	13-Oct-09	Quarterly Results	GRUH Finance	14-Oct-09	Quarterly Results
Astral Poly Tec	13-Oct-09	Quarterly Results	Shyam Star	14-Oct-09	Quarterly Results
RS Software	13-Oct-09	Quarterly Results	Gems	14-Oct-09	Quarterly Results
Logix Micro	13-Oct-09	Quarterly Results	Chase Bright	14-Oct-09	Quarterly Results
HDFC	13-Oct-09	Quarterly Results	Indian Bright S	14-Oct-09	Quarterly Results
IL&FS	13-Oct-09	Quarterly Results	Gandhi Spl Tube	14-Oct-09	Quarterly Results
Indag Rubber	13-Oct-09	Interim Dividend	Rallis India	14-Oct-09	Quarterly Results
Surana Telecom	13-Oct-09	Others	Container Corp	14-Oct-09	Quarterly Results
Mysore Paper	13-Oct-09	Quarterly Results	Camlin	14-Oct-09	Quarterly Results
			Aditya Birla	14-Oct-09	Quarterly Results

Stock Splits

Company Name	Old FV	New FV	Ex-Date	Company Name	Old FV	New FV	Ex-Date
Comfort	10	1	14-Oct-09	FCS Software	10	1	15-Oct-09
Gokul Refoils	10	2	14-Oct-09	Trimurthi Drugs	10	1	15-Oct-09
Marsons	2	10	14-Oct-09				

dividends

Company Name	Purpose	%percent	Ex-Date	Company Name	Purpose	%percent	Ex-Date
Gillete India	Final	125	15-Oct-09	Nakoda Textiles	Final	7	16-Oct-09



CIL SECURITIES LIMITED

Registered Office

214-Raghava Ratna Towers
Chirag Ali Lane, Abids
Hyderabad-500 001
Andhra Pradesh
Phone: 040-23203155
Fax: : 040-23203028
Email: advisors @cilsecurities.com.

Corporate Office

Great Western Building
20, 2nd Floor, 130/132
Apollo Street, Opp. Lion Gate
Mumbai - 400 023.
Phone: 022-22885177 / 78
Fax: 022-22885176

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