



**MARKET NEWS :**

The key benchmark surged as firm Asian stocks and gains in US index futures boosted sentiment. The government's decision to ease foreign investment rules also underpinned sentiment. The BSE 30-share Sensex rose 230.42 points or 1.45%, up close to 225 from the day's low and off close to 50 points from the day's high. The barometer index regained the psychological 16000 mark. Metal, realty, auto and banking stocks vaulted. The market breadth was strong.

The market pared gains in early afternoon trade after a rousing start triggered by firm Asian stocks. However, buying at lower levels once again propelled stocks higher in afternoon trade. The Sensex hit a fresh intraday high in late trade. The stock market remains closed on Friday, 12 February 2010, on account of Mahashivratri.

Exports in January rose 11.5% to \$14.3 billion, Trade Minister Anand Sharma said today. He also said foreign direct investment in December went up an annual 13% to \$1.5 billion.

The Union Cabinet today eased foreign investment rules. Foreign Investment promotion Board (FIPB) can approve investments of up to Rs 1200 crore, Home Minister P. Chidambaram told reporters after a cabinet meeting. Earlier, the FIPB, an arm of the finance ministry, had power to approve foreign investments of up to Rs 600 crore.

Meanwhile, the data released by the government today showed that annual food inflation rose for the third straight week. The food price index rose 17.94% in the 12 months to 30 January 2010, higher than an annual rise of 17.56% in the previous week. The fuel price index rose 10.44 % and primary articles price index rose 15.75 %.

Reserve Bank of India Deputy Governor Subir Gokarn said on Thursday there would be no policy decision until April 2010 unless situation demands it. Gokarn also said there is no proposal to bring down interest rates on saving accounts.

European shares reversed early gains ahead of a key EU summit which could lay the groundwork for a rescue package of debt-stricken Greece. The key benchmark indices in France, Germany fell by between 0.13% to 0.47%. But UK's FTSE 100 rose 0.39%.

Asian stocks rose for the third day in a row on Thursday, powered by strong economic data from Australia and China, and ahead of a key summit that could lay out a rescue plan for debt-stricken Greece. The key benchmark indices in China, Indonesia, Hong Kong, South Korea and Singapore and were up by between 0.1% to 1.85%. Markets in Japan and Taiwan were shut for a public holiday.



South Korea's central bank kept the benchmark interest rate at a record low at 2% after unemployment surged to a 10-year high, increasing political pressure on the bank to support a recovery.

Trading in US index futures indicated Dow could gain 38 points at the opening bell on Thursday, 11 February 2010.

Wall Street ended in the negative zone but off intra-day lows on Wednesday, 10 February 2010. Traders mulled a possible bailout of Greece. Reports suggest that France and Germany are expected to present a bailout plan at an EU summit today. Speculation about the Federal Reserve's exit strategy after comments from Fed Chief Ben Bernanke also weighed on the market. The Dow Jones industrial average was down 20.26 points, or 0.20%, at 10,038.38. The Standard & Poor's 500 Index was down 2.39 points, or 0.22%, at 1,068.13. The Nasdaq Composite Index was down 3.00 points, or 0.14%, at 2,147.87

Federal Reserve Chairman Ben Bernanke on Wednesday detailed how the US central bank will begin to wean the economy off its extraordinary monetary stimulus, even as he stressed it was not yet time to do so. Bernanke said the Fed would likely begin tightening monetary policy by removing some of the cash from the financial system before it turns to raise benchmark short-term interest rates.

The US financial system averted a meltdown but it is not yet back up to full strength, US Treasury Secretary Timothy Geithner said on Wednesday.

European Union leaders will lay the groundwork for a financial rescue of Greece at a summit on Thursday, but any support is likely to require a big commitment from Athens on getting its economy in order. Germany and possibly France are expected to take the lead in any aid package the EU draws up to help Greece weather its mounting debt and deficit crisis, although the structure, size, nature and any conditions attached to a deal remain unclear.

Greece's ballooning deficit and debt have reverberated across financial markets in recent months, hitting the euro, regional banking stocks and some government bonds, and prompting many investors to pull back from riskier assets worldwide.

Closer home, government's gross market borrowing in the fiscal year 2010/11 may reportedly be within the current year's target, allaying market fears of higher borrowing. The government has completed record gross borrowing of Rs 451000 crore (\$97 billion) for the current fiscal year to fund a 16-year high fiscal deficit of 6.8% of gross domestic product (GDP). Earlier this month, Reserve Bank of India (RBI) Governor Duvvuri Subbarao said the government's gross market borrowing in the fiscal year to end-March 2011 might be slightly higher than the current fiscal year because of the redemptions. The government has said it hopes to return to the path of fiscal consolidation and intends to bring down the deficit to 5.5 percent of the GDP.



The economy will grow faster in 2009/10 than the government has forecast, the finance minister Pranab Mukherjee said on Wednesday, adding to expectations that a strong recovery would lead to tighter fiscal and monetary policy.

A top economic adviser C Rangarajan said plans for an exit from stimulus policies may be in the national budget on 26 February 2010, and the deputy governor of the Reserve Bank of India (RBI) Subir Gokarn said reforms were needed to sustain growth in a weaker global environment.

Mukherjee said the economy would grow 7.75% in 2009/10, slightly above the central bank's view and higher than a forecast of 7.2 % issued by the government's statistical office on Monday. Earlier this month, the International Monetary Fund forecast growth in 2009/10 of 6.75%. Asia's third-largest economy has been picking up momentum since mid-2009, and data on Friday 12 February 2010 is expected to show industrial output grew an annual 12 % in December. At a policy review last month, the RBI increased banks' reserve requirements but held key interest rates steady.

A first step towards withdrawing the post-crisis fiscal stimulus may reportedly be taken in the Union Budget for 2010-11, with an increase in the Cenvat (Central value added tax) rate for excise duty by 2 percentage points. Encouraged by signs of growth revival and desperate to reduce the fiscal deficit, Union Finance Minister Pranab Mukherjee is expected to take this step when he presents his Budget to parliament on 26 February 2010. The government had reduced the Cenvat rate for excise duty from 14 to 8% - in two rounds, by four percentage points in December 2008 and two percentage points in February 2009.

The BSE 30-share Sensex rose 230.42 points or 1.45% to 16,152.59. The Sensex gained 280.70 points at the day's high of 16202.87 in late trade. The Sensex rose 6.11 points at the day's low of 15,928.28 in early trade.

The S&P CNX Nifty rose 69.65 points or 1.46% to 4826.85.

BSE clocked turnover of Rs 3951 crore, sharply lower than Rs 5123.04 crore on Wednesday, 10 February 2010.

The BSE Mid-Cap index rose 0.78% and the BSE Small-Cap index rose 0.82%. Both the indices underperformed the Sensex.

The BSE Auto index (up 2.14%), BSE Oil & Gas index (up 2.06%), BSE Realty index (up 1.98%) and BSE Metal index (up 1.59%), outperformed the Sensex.

The BSE HealthCare index (up 0.24%), PSU index (up 0.38%), BSE Power index (up 0.46%), BSE Capital Goods index (up 0.62%), BSE Teck index (up 0.9%), BSE Consumer Durables index (up 1.06%), BSE FMCG index (up 1.17%), BSE IT index (up 1.17%), BSE Bankex (up 1.31%), underperformed the Sensex.



The market breadth, indicating the overall health of the market was strong. On BSE, 1593 shares advanced as compared with 1191 that declined. A total of 97 shares remained unchanged.

From the 30-member Sensex pack, 28 rose and two fell.

Index heavyweight Reliance Industries (RIL) rose 2.98%. RIL recently submitted a \$2 billion expression of interest for Value Creation Inc, a Canada-based private firm which holds oil sands assets.

Oil exploration firms rose, after the crude oil prices gained more than 1% on the New York Mercantile Exchange, on Wednesday, 10 February 2010. India's biggest state-run oil exploration firm by revenue Oil & Natural Gas Corporation (ONGC) rose 1.14%. Cairn India advanced 1.23%. But, India's second biggest oil and gas exploration firm by revenue, Oil India, fell 0.27%.

Rise in crude oil prices would result in higher realizations from crude sales for oil exploration firms. Light, sweet crude oil gained 77 cents, or 1.04%, to \$74.52 a barrel on the New York Mercantile Exchange on Wednesday, 10 February 2010 lifted by an upbeat global oil demand growth estimate for this year and hopes of a rescue plan for Greece.

PSU OMCs fell after a senior government official said finance and oil ministers will meet on 14 February 2010 to discuss fuel pricing and subsidies. BPCL and Indian Oil Corporation fell by between 0.79% to 1.29%. But HPCL rose 0.09%.

Rate sensitive banking shares rose after the central bank said on Wednesday it will introduce from 1 April 2010 a new base rate to price credit more transparently, replacing the existing benchmark prime lending rate (BPLR). The Reserve Bank of India said the base rate will be the new reference rate for determining lending rates.

India's largest private sector bank by net profit ICICI Bank rose 3.22%. Its ADR fell 0.54% on Wednesday. India's largest bank by net profit and branch network State Bank of India rose 0.43%. India's second largest private sector bank by net profit HDFC Bank rose 0.07%. Its ADR rose 1.25% on Wednesday.

According to draft guidelines, the RBI has proposed that the actual lending rate charged to borrowers would be the base rate plus borrower-specific charges including product-specific operating cost, credit-risk premium and tenure premium said. The base rate will be applicable for all new loans as well as for old loans that come for renewal. Existing borrowers who want to switch to the new system before the expiry of their contracts should agree on the revised rate structure with the banker, it said. The base rate could also serve as the reference benchmark rate for floating rate loan products, apart from the other external market benchmark rates, it said.



Rate sensitive realty shares rose on bargain hunting after a recent fall. India's largest realty firm by sales DLF rose 1.74%. Among other realty stocks, Indiabulls Real Estate, Peninsula Land and Housing Development and Infrastructure rose by between 0.81% to 4.67%.

Unitech rose 3.67%, extending gains for the second consecutive day, after Telenor bought a further 7.15% stake in telecom joint venture Unitech Wireless by pumping in additional Rs 2022 crore of fresh equity.

Rate sensitive auto stocks rose on strong vehicle sales in the month of January 2010. India's largest commercial vehicle maker by sales Tata Motors rose 2.67%. India's top small car manufacturer by sales Maruti Suzuki India rose 1.54%. As per reports the company expects a 20% growth in sales and hopes to double its exports to around 1.6 lakh units this fiscal ended March 2010. India's biggest tractor maker by sales Mahindra & Mahindra (M&M) rose 3.17%.

Two wheeler stocks rose. Hero Honda Motors, TVS Motor Company and Bajaj Auto rose by between 0.65% to 4.13%.

Metal stocks rose on strong domestic demand. Hindalco Industries rose 1.28% on reports the company hopes to complete raising Rs 4900 crore of debt in the next two weeks to achieve financial closure for Utkal Alumina Refinery, a 15 lakh tonne per annum project in Orissa.

JSW Steel rose 2.66% on reports the company is close to buying two coal mines in the US

Among other metal stocks, Steel Authority of India, Tata Steel, National Aluminum Company, Hindustan Zinc, Jindal Steel & Power rose by between 0.28% to 2.85%.

Shares of firms whose fortunes are linked to orders from Indian Railways rose, following a strong response to the initial public offer of ARSS Infrastructure Projects. Container Corporation of India, BEML, Kalindev Rail Nirman, Stone India, Texmaco and Titagarh Wagons rose by between 2.27% to 16.19%. The initial public offer (IPO) ARSS Infrastructure Projects was subscribed nearly 46.34 times by 16:00 IST on the last day of the issue today, 11 February 2010.

India's largest drug maker by sales Ranbaxy Laboratories rose 1.75%. Daiichi Sankyo said it will launch new innovative products in Mexico through the marketing division of Ranbaxy's Mexican subsidiary Ranbaxy Mexico.

Among other healthcare stocks, Fortis HealthCare, Sun Pharmaceutical Industries, Dr Reddy's Laboratories, Wockhardt rose by between 0.16% to 5.75%.

India's largest power utility firm by sales NTPC rose 1.07% on bargain hunting after recent fall. The company's follow on public offer managed to scrape through with the issue getting subscribed 1.2 times. The issue, through which the government is divesting 5% of its stake, at a floor price of Rs 201 a share, opened on 3 February



2010 and closed on 5 February 2010. At the floor price, the follow-on-public offer (FPO) is valued at Rs 8,286 crore.

Among other power stocks, Torrent Power, Reliance Infrastructure, Reliance Power rose by between 0.36% to 0.79%.

Consumer durables stocks rose on hopes of higher consumer spending as disposable income increases. Rajesh Exports, Titan Industries, Videocon Industries, Gitanjali Gems rose by between 0.48% to 4.08%.

Infrastructure stocks rose on recent reports the government is considering new guidelines for private equity investment in infrastructure companies in an attempt to open new sources of equity funding for the sector. The move comes in the backdrop of the poor response from private companies and banks in financing projects, especially those in sectors like highways and urban transport and infrastructure. Gayatri Projects, Nagarjuna Construction Company, Valecha Engineering and Hindustan Construction Company rose by between 0.16% to 3.83%.

IT stocks rose on a possible financial rescue plan for debt ridden Greece's economy. Europe is the second largest market for Indian IT firms. India's second largest IT exporter by sales Infosys rose 1.05%. Its ADR fell 0.28% on Wednesday.

India's third largest software services exporter Wipro rose 1.2%. Its ADR rose 0.1% on Wednesday. As per recent reports, Wipro Consumer Care and Lighting, the FMCG arm of Wipro, is in advanced talks to buy Nigeria-based skincare company, Tura International. India's largest IT exporter by sales Tata Consultancy Services rose 1.44%. Reportedly TCS' Passport Seva Project, which aims to issue passports in flat three days, is all set to be launched in a week or two.

India's largest power equipment maker by sales Bharat Heavy Electricals rose 0.76%. The company on Monday secured a contract for the electro-mechanical equipment package for a 1,200 megawatt hydroelectric project in Bhutan valued at Rs 1,016 crore.

India's largest engineering and construction firm by sales Larsen & Toubro rose 0.82%. The company said on Tuesday it won orders worth Rs 582 crore.

FMCG stocks rose on bargain hunting. ITC, Hindustan Unilever, Tata Tea rose by between 1.37% to 2.24%.

## IPO UPDATES

Company Name	Issue Size	FACE VALUE	Opens	Close	Offer Price
Texmo Pipes & Products Ltd.	5000000 Equity Shares	10	Feb16,2010	Feb19,2010	Rs.85 - Rs.90



**WEEKLY REPORT**

<i>Weekly Sensex/Nifty</i>				<i>Market Breadth</i>			
INDICES	11-Feb-10	04-Feb-10	Change(%)		Advances	Declines	Unchanged
<b>Sensex</b>	16152.59	16224.95	-0.45	<b>BSE</b>	1617	1194	95
<b>Nifty</b>	4826.85	4845.35	-0.38	<b>NSE</b>	823	473	54

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

**Bonus**

Company Name	Ratio	Ex-Date	Company Name	Ratio	Ex-Date
<b>No Upcoming Bonus</b>			<b>No Upcoming Bonus</b>		

**Rights**

Company Name	Ratio	Ex-Date	Company Name	Ratio	Ex-Date
JayShree Chem	9:2 Rights	17-Feb-10			

**Board Meeting**

Company Name	Date	Purpose	Company Name	Date	Purpose
Coastal Trawler	15-Feb-10	Issuance of Redm.Pref Shares	Nivedilta Mercan	16-Feb-10	Raising of Additional Capital
GlaxoSmithKline	15-Feb-10	Audited Results & Dividend	Lakshmi Energy	16-Feb-10	Audited Results & Dividend
Videocon Inds	15-Feb-10	Audited Results & Dividend	Prajay Engineer	17-Feb-10	Increase In Authorised Capital
Jyoti Structure	15-Feb-10	Issue of Non-Convertible Deben	Hexaware Tech	17-Feb-10	Audited Results & Dividend
Adhunik Metalik	15-Feb-10	Consolidated Quarterly Results	Casatrol	18-Feb-10	Audited Results & Dividend
Elantas Beck	16-Feb-10	Audited Results & Dividend	CRISIL	18-Feb-10	Audited Results & Dividend
Golden Tobacco	16-Feb-10	Others	Sterling Tools	18-Feb-10	Interim Dividend
Rural Elect Cor	16-Feb-10	Others	Nestle	19-Feb-10	Interim Dividend
Timken	16-Feb-10	Audited Results	Wyeth	19-Feb-10	Audited Results & Dividend
Kalpena Ind	16-Feb-10	To consider the Merger	Comp-U-Learn	19-Feb-10	Issue of Equity Shares/Warra
Tatasteel	16-Feb-10	Consolidated Quarterly Results	SKF India	19-Feb-10	Audited Results & Dividend
Vapi Paper	16-Feb-10	Quarterly Results	Winsome Yarns	19-Feb-10	Allotment of Convertible War
Global Boards	16-Feb-10	Others	Clariant	19-Feb-10	Audited Results & Dividend

**Stock Splits**

Company Name	Old FV	New FV	Ex-Date	Company Name	Old FV	New FV	Ex-Date
Assoc Stone	10	5	18-Feb-10				

**dividends**

Company Name	Purpose	%percent	Ex-Date	Company Name	Purpose	%percent	Ex-Date
Ind Motors Parts	Interim	140.00	15-Feb-10	OM Metals Infra	Interim	20.00	17-Feb-10
TVS Srichakra	Interim	0.00	15-Feb-10	Ambuja Cements	Final	60.00	18-Feb-10
Thiru Arooran	Final	40.00	16-Feb-10	CHL	Interim	15.00	18-Feb-10
STC India	Interim	25.00	16-Feb-10	AIA Engineering	Interim	40.00	18-Feb-10
Solar Ind	Interim	35.00	17-Feb-10	Riga Sugar	Final	10.00	19-Feb-10



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