



**MARKET THAT WAS**

**Small-cap, mid-cap stocks hammered as the market undergoes correction**

The market fell in each of the five days of the week on concerns interest rates may rise sooner-than-expected after the Reserve Bank of India sharply **raised inflation** in its monetary policy review on 27 October 2009. **Telecoms, realty and banking stocks led the fall.** The **BSE Sensex** fell below the psychological **16,000 mark**. A hectic stock-specific activity was witnessed as the second quarter earnings reporting season was at its peak.

Volatility surged as traders rolled over positions in the derivatives segment from **October 2009** series to **November 2009** series ahead of the expiry of **October 2009 futures & options (F&O) contracts** expiry on Thursday, **29 October 2009**.

The BSE 30-share **Sensex fell 914.53 points or 5.44%** to **15896.28** in the week ended **30 October 2009**. The S&P CNX **Nifty declined 285.35 points or 5.71%** to **4,711.70**. The **BSE Mid-Cap index fell 7.63%** and the **BSE Small-Cap index shed 8.01%**. Both the indices underperformed the Sensex.

Yet, with **foreign funds making heavy purchases**, the **Sensex is up 6248.97 points or 64.77%** in calendar year 2009, as on **30 October 2009**. From a **3-year closing low of 8,160.40 on 9 March 2009**, the Sensex is up **7735.88 points or 94.79%**, as on **30 October 2009**. FII inflow in **October 2009** totaled **Rs 9,162.70 crore (till 28 October 2009)**.

**Exports declined by 13.8% to \$13.6 billion in September 2009 over September 2008, preliminary data showed on 29 October 2009.** The fall in exports in September 2009 was the lowest in the current financial year, showing gradual signs of recovery in the country's export sector

The key benchmark indices fell in choppy trade on Monday, 26 October 2009 as caution prevailed ahead of the **quarterly monetary policy review by the central bank on Tuesday, 27 October 2009**. The BSE 30-share **Sensex fell 70.31 points or 0.42%** to **16740.50 on that day**.

The key benchmark indices tumbled on Tuesday, 27 October 2009 after the Reserve Bank of India withdrew emergency liquidity support measures that were implemented in the aftermath of the global financial crisis. The BSE 30-share **Sensex shed 387.10 points or 2.31%** to **16,352.40 on that day**.

The key benchmark indices drifted lower in choppy trade on Wednesday, 28 October 2009 after **US consumer confidence data dampened investor appetite for riskier assets like equities and high-yielding and growth-related**



currencies. The BSE 30-share Sensex fell 69.91 points or 0.43% to 16,283.49 on that day.

**Volatility** was the order of the day in the second half of the trading session as the market lost ground after a strong intraday rebound on **Thursday, 29 October 2009**. The BSE 30-share **Sensex fell 230.77 points or 1.42% to 16,052.72 on that day**.

The Key benchmark indices extended losses for the fifth day in a row on **Friday 30 October 2009 as telecom stocks and index heavyweight Reliance Industries tumbled**. The BSE 30-share Sensex **lost 156.44 points or 0.97% to 15,896.28**.

**. Realty stocks fell after the central bank's decision on Tuesday, 27 October 2009** to raise the provisioning requirement for banks' advances to the commercial real estate sector classified as 'standard assets' from the present level of **0.40% from 1%**. This will raise the borrowing costs for realty firms which depend heavily on borrowing. **Indiabulls Real Estate, Omaxe, Unitech, fell by between 9.59% to 20.46%**.

**India's largest realty player by sales DLF fell 18.63%**. The company announced on **29 October 2009 its net profit fell 94.7% to Rs 33.78 crore on 70.8% fall in sales to Rs 314.19 crore in Q2 September 2009 over Q2 September 2009**.

**Bank stocks fell as the RBI did not relax mark-to-market rules for bank's debt holdings at a quarterly policy review on Tuesday 27 October 2009**. The market was been agog with talks over the past few days of the central bank hiking the ceiling on the portion of government securities that banks can park in **held-to-maturity (HTM)**.

Another trigger for the sharp slide in banking stocks was the central banks' decision to streamline provisioning requirement on non-performing assets. The RBI asked banks to ensure by September 2010 that the total provisioning coverage against non-performing or bad loans aren't less than 70% of the outstanding amount.

**India's largest private sector bank by operating income ICICI Bank fell 12.67%**. The company announced on Friday, 30 October 2009 its **net profit rose 2.6% to Rs 1040.13 crore on a 12.7% decline in total income to Rs 8480.73 crore in Q2 September 2009 over Q2 September 2008**.

**India's second largest private sector bank by net profit HDFC Bank fell 4.02%**. The bank's net profit rose **30.2% to Rs 687.46 crore in Q2 September 2009 over Q2 September 2008**. The results were more or less in line with market expectations.

**India's largest bank by branch network State Bank of India fell 6.92%**. State Bank of India (SBI) announced on 24 October 2009 that it has concluded the issue of \$750 million fixed rate senior notes having a maturity of 5 years at a coupon of



4.50% under the Medium Term Notes (MTN) Programme in the form of Regulation S Global Note. The bonds have been issued through the bank's London branch as of 23 October 2009.

**Telecom stocks fell on continued concerns about price war in the sector.** Idea Cellular's Managing Director Sanjeev Aga, said on 26 October 2009 the price war in the telecom sector which he described as a '**bloodbath**' would cut local call charges, currently at 40 paise a minute, to '**unsustainable**' levels.

**India's largest wireless operator by sales Bharti Airtel fell 11.76%.** The company announced on Friday, 30 October 2009 **its net profit rose 43.10% to Rs 2296.94 crore on a 7.5% increase in total income to Rs 8927.10 crore in Q2 September 2009 over Q2 September 2008.**

India's second- largest wireless operator by **sales Reliance Communications fell 23.33%.** The company said it does not have to pay any additional licence or spectrum fee to the government nor had it inflated its revenues. The statement came after the company said it had completed a "**preliminary review**" of a report issued by a government-appointed auditor which had accused it of various malpractices.

**India's largest firm by market capitalisation and oil refiner Reliance Industries (RIL) dropped 5.67%.** The company reported a **fourth straight decline in quarterly profits in Q2 September 2009 on shrinking refining margins and reduced exports due to a global economic downturn.** The company posted a **6.4% fall in net profit at Rs 3,852 crore despite 6% rise in total income to Rs 47,476 crore in Q2 September 2009 over Q2 September 2008.** Refining margins more than halved to **\$6 a barrel from \$13.3 a barrel a year earlier.** The results were announced after market hours on Thursday, 29 October 2009

The government on 27 October 2009 allocated additional 50 million cubic metres a day (mmscmd) of gas from Reliance Industries-operated east coast block D6. Power plants and refineries will get the bulk of Reliance Industries' gas from the Krishna-Godavari basin beyond the previously allotted 40 million metric standard cubic metres per day (mmscmd) .

**India's largest steel maker by sales Tata Steel fell 11.19%. The company's net profit fell 49.5% to Rs 902.94 crore on 16.3% fall in sales to Rs 5629.85 crore in Q2 September 2009 over Q2 September 2008.** The company announced the result on **27 October 2009.**

**India's largest tractor maker by sales Mahindra & Mahindra fell 0.39% and outperformed Sensex on robust Q2 September result.** The company's **net profit rose 185% to Rs 702.94 crore on 35.1% rise in sales to Rs 4465 crore in Q2 September 2009 over Q2 September 2008.** The company announced the result on 29 October 2009.



**WEEKLY REPORT**

**Economic Data**

**Market Breadth**

Inflation		Whole Sale Price Index		Advances Declines Unchanged			
Week End				BSE			
17-Oct-09	10-Oct-09	17-Oct-09	10-Oct-09				
1.51%	1.21%	242.2	242.2	NSE	504	756	38

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

**Bonus**

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

**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
Parsoli CapandF	2-Nov-09	Others	Maestros	2-Nov-09	Quarterly Results
Alcobex Metals	2-Nov-09	Quarterly Results	Genus Commun	2-Nov-09	Quarterly Results
Pyramid Saimira	2-Nov-09	Quarterly Results	Ipca Labs	3-Nov-09	Others
Greaves Cotton	3-Nov-09	First Interim Dividend	Atharv Ent	3-Nov-09	Quarterly Results
Parsoli CapandF	3-Nov-09	Audited Results	Alcobex Metals	3-Nov-09	Quarterly Results
Nijer Agro	4-Nov-09	Quarterly Results	Telecanor Global	4-Nov-09	Others
IFB Industries	4-Nov-09	Quarterly Results	Ganesh Forgings	5-Nov-09	Quarterly Results
Vijayeswari Tex	6-Nov-09	Quarterly Results	Super Syntcotex	7-Nov-09	Allotment of Equity Shares

**Stock Splits**

Company Name	Old FV	New FV	Ex-Date	Company Name	Old FV	New FV	Ex-Date
Shri Ganesh Spi	10	1	4-Nov-09	Madhucon Projects	2	1	5-Nov-09

**dividends**

Company Name	Purpose	%percent	Ex-Date	Company Name	Purpose	%percent	Ex-Date
Visaka Ind	Interim	15	5-Nov-09	Rei Agro	Interim	10	5-Nov-09
MRF	Interim	30	5-Nov-09	MindTree	Interim	10	5-Nov-09
KSB Pumps	Interim	20	5-Nov-09	DCM Shriram Con	Interim	20	5-Nov-09
Birla Corp	Interim	25	5-Nov-09				

**IPO UPDATES**

Company Name	Issue Size	FACE VALUE	Opens	Close	Offer Price
ASTEC LIFESCIENCES LTD	7500000 Equity Shares	10	29-Oct	4-Nov	Rs.77 - Rs. 82



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