



## **MARKETS THIS WEEK**

Concerns over scanty rains and worries that the the initial public offer of NHPC may suck out liquidity from the secondary market triggered a correction on the bourses in the first week of August 2009. Weakness in Chinese stocks on talks that the Chinese central bank may rein in lending also weighed on investor sentiment.

Monsoon rains were 64% below the average in the week ended 5 August 2009. The cumulative deficit between 1 June 2009 and 5 August 2009 period widened to 25% from 19% a week earlier.

The June-September rains are the main source of irrigation for farms and are crucial for Asia's third-largest economy as more than two-thirds of the people live in villages and 60% of the farm land depends on the annual rains.

The BSE Sensex fell 510.07 points or 3.26% to 15,160.24 in the week ended 7 August 2009. The S&P CNX Nifty declined 155.05 points or 3.34% to 4481.40 in the week.

The BSE Mid-Cap index fell 137.77 points or 2.47% to 5,433.25 and the BSE Small-Cap index fell 12.07 points or 0.19% to 6,193.76.

Trading for the week began on an upbeat note as key benchmarks surged to a 14-month closing high on Monday, 3 August 2009. Sign of recovery in the Indian economy, better-than-expected Q1 June 2009 results from India Inc which just got over and buying by foreign funds underpinned sentiment. The BSE 30-share Sensex jumped 253.92 points or 1.62% to 15,924.23, its highest closing since 3 June 2008. The S&P CNX Nifty was up 74.95 points or 1.62% to 4,711.40, its highest closing since 3 June 2008.

Key benchmark indices edged lower on Tuesday, 4 August 2009, reversing gains in the preceding three trading sessions, as lower European stocks and US index futures triggered profit taking. The BSE 30-share Sensex fell 93.25 points or 0.59% to 15,830.98. The S&P CNX Nifty fell 30.90 points or 0.66% to 4,680.50.

A recovery in European stocks helped Indian equities score gains in what was a choppy trading session on Wednesday, 5 August 2009. Sustained buying by foreign funds and an expected economic recovery in India underpinned sentiment. The BSE 30-share Sensex rose 72.85 points or 0.46% to 15,903.83. The S&P CNX Nifty gained 13.65 points or 0.29% to 4,694.15.

The Key benchmark indices nosedived in the fag end of the trading session on Thursday, 6 August 2009, led by fall in auto, metal, realty and FMCG stocks. The sharp slide materialised after television reports said that the monsoon rains were 66% below normal the week to 5 August 2009. The BSE 30-share Sensex fell



389.80 points or 2.45% to 15,514.03. The S&P CNX Nifty fell 108.65 points or 2.31% to 4,585.50.

The key benchmark indices tumbled on Friday, 7 August 2009, posting second straight day of losses, as weak global stocks and below normal rains weighed on investor sentiment. Strong response to the initial public offer (IPO) of NHPC raised concerns it will suck out liquidity from the secondary market. The BSE 30-share Sensex fell 353.79 points or 2.28% to 15,160.24. The S&P CNX Nifty fell 104.10 points or 2.27% to 4481.40.

India's largest private sector firm by market capitalisation and oil refiner Reliance Industries (RIL) rose 1.98% in the week. Petroleum minister Murli Deora in Parliament on Thursday, 6 August 2009 said that the price approved by the empowered group of ministers (eGoM) for RIL gas from the KG D6 field was lower than the price it had approved for some of the other operators in the country.

Deora said the price of \$4.2 was lower than the price of \$5.5 charged for gas from the Panna-Mukta-Tapti (PMT) field by a group consisting RIL, ONGC and British Gas. The Anil Ambani group (ADAG) had called the price of \$4.2 exorbitant, pointing out that most of the natural gas in the country is being sold at \$1.8 to \$2.4 per unit.

The Ambani brothers have been at loggerheads since the death of their father in 2002, and a 2005 settlement saw the Reliance group split into two. The Supreme Court on 30 July 2009 said, it will give a date on 1 September 2009 to expedite the decision.

Shares of three public sector oil marketing companies advanced as a hike in retail fuel prices in early July 2009 may boost Q2 September 2009 results. Hindustan Petroleum Corporation (HPCL) (up 5.74%), Bharat Petroleum Corporation (BPCL) (up 10.52%) and Indian Oil Corporation (IOC) (up 1.76%), rose. On 1 July 2009, the government had hiked petrol price by Rs 4 per litre and diesel by Rs 2 per litre.

The three public sector oil marketing firms reported strong Q1 June 2009 results as they incurred negligible underrecoveries on domestic sale of fuel at controlled prices. The strong performance was despite lack of any oil bonds from the government.

Power stocks fell even as the NHPC IPO received a robust response from investors. Reliance Infrastructure (down 4.85%), Tata Power Company (down 5.89%), CESC (down 2.73%), Torrent Power (down 2.88%) and Reliance Power (down 4.74%), declined.

The IPO of NHPC, which opened for subscription on 7 August 2009, was subscribed 3.22 times by 15:00 IST that day. The IPO received bids for 540.25 crore shares compared to the issue size of 167.7 crore shares. NHPC is planning to raise Rs 6,040 crore at the upper end of the issue price band of Rs 36. The government kickstarts the divestment process by selling shares in NHPC.



Bank stocks fell as state-run banks remained shut for two days in a row on Thursday and Friday following a nationwide strike by their employees demanding higher wages and pensions. India's biggest bank in terms of branch network State Bank of India (SBI) fell 3.98%

Other PSU stocks, Bank of India (down 1.03%), Indian Overseas Bank (down 5.94%), Bank of Baroda (down 2.55%), Union Bank of India (down 2.61%), declined.

Among the private sector lenders, India's largest private sector bank by net profit ICICI Bank fell 2.77%. India's second largest private sector bank by net profit HDFC Bank fell 7.14%.

Auto stocks fell on profit taking after recent surge triggered by healthy monthly sales figures for July 2009 and good Q1 June 2009 results. Weak monsoon also triggered profit taking as auto firms derive substantial revenue from rural India. Mahindra & Mahindra (down 2.64%), Bajaj Auto (down 4.02%), Hero Honda Motors (down 7.74%), and Maruti Suzuki India (down 8.63%), TVS Motor Company (down 9.92%), fell.

Rate sensitive realty shares declined on profit booking after recent strong gains triggered by of the government's thrust on housing sector in the Union Budget 2009-2010. Unitech (down 4.55%), Omaxe (down 4.92%), DLF (down 6.99%), Anant Raj Industries (down 9.93%), Ackruti City (down 6.28%), fell.

**STOCKSPLIT AS ON 08/08/2009**

COMPANY	OLD FACE VALUE	NEW FACE VALUE	RATIO	Split Date
NIL	-----	-----	-----	-----
NIL	-----	-----	-----	-----

**RIGHT ISSUES AS ON 08/08/2009**

COMPANY	RECORD DATE	EX RIGHT DATE	RATIO
NIL	-----	-----	-----

**BONUS AS ON 08/08/2009**

COMPANY	RECORD DATE	EX BONUS DATE	RATIO
Orient Abrassives	13/08/2009	12/082/2009	1:1

**DIVIDEND AS ON 08/08/2009**

<b>COMPANY</b>	<b>Type</b>	<b>DIVIDEND%</b>	<b>Ex-Dividend</b>
Aekta	Final	10	10-Aug-09
BASF	Final	70	10-Aug-09
Cipla	Final	100	10-Aug-09
Wyeth	Final	325	10-Aug-09
PNB Gilts	Final	8	10-Aug-09
Guj Borosil	Final	5	11-Aug-09
Maxwell Ind	Final	20	11-Aug-09
Polyspin Export	Final	8	11-Aug-09
Pudumjee Pulp	Final	12.5	11-Aug-09
Camlin Fine	Final	15	12-Aug-09
Havells India	Final	50	12-Aug-09
Ingersoll Rand	Final	30	12-Aug-09
India Securitie	Final	7.5	12-Aug-09
JagranPrakashan	Final	100	12-Aug-09
Kaira Can Co	Final	10	12-Aug-09
Arex Industries	Final	9	13-Aug-09
Bliss GVS	Final	15	13-Aug-09
Bk Of Rajasthan	Final	2	13-Aug-09
ETC Networks	Final	25	13-Aug-09
CIL Securities	Final	10	13-Aug-09
Coastal Roadway	Final	5	13-Aug-09
Emco	Final	70	13-Aug-09
Gloster Jute	Final	50	13-Aug-09
Hester Bio	Final	25	13-Aug-09
KLG Systel	Final	27.5	13-Aug-09
KPR Mill	Final	20	13-Aug-09
Spice Island	Final	10	13-Aug-09
South Ind Bk	Final	30	13-Aug-09
Sukhjit Starch	Final	40	13-Aug-09
Tata Tea	Final	175	13-Aug-09
West Coast Pape	Final	100	13-Aug-09
DCW	Final	15	14-Aug-09
ELF Trading And	Final	20	14-Aug-09
Hotel Leela	Final	20	14-Aug-09
Int Travel Hous	Final	30	14-Aug-09
Jayshree Chem	Final	15	14-Aug-09
Modison Metals	Final	40	14-Aug-09
Schablona India	Final	15	14-Aug-09
TTK Healthcare	Final	30	14-Aug-09
TV TodayNetwork	Final	15	14-Aug-09
Ultramarine	Final	100	14-Aug-09



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