



**WEEKLY NEWS**

Equities staged a recovery after an earlier steep correction with the barometer index BSE Sensex regaining the psychological 16,000 level. But intraday volatility was immense was immense in the last three trading sessions of the week.

The BSE 30-share Sensex rose 262 points or 1.65% to 16,158.28 in the week ended 6 November 2009. The S&P CNX Nifty rose 84.45 points or 1.79% to 4796.15.

The BSE Mid-Cap index outperformed the Sensex, rising 3.99% to 6,254.36. But the BSE Small-cap index underperformed the Sensex, gaining 1.59% to 7,170.94.

FII outflow in November 2009 totaled Rs 19.50 crore (till 5 November 2009). FII had bought equities worth Rs 8303.80 crore in October 2009. FII inflow in the calendar year 2009 totaled Rs 68,421.60 crore (till 5 November 2009).

With short-term interest rates very low, global traders have turned to borrowing funds cheaply in the US and then reinvesting the proceeds in equities and commodities, looking to lock in higher returns and benefiting from further erosion in the dollar. These so called US dollar carry trades have kept putting pressure on the dollar as investors short the currency to invest elsewhere.

The US Federal Reserve on Wednesday, 4 November 2009, promised again to keep interest rates exceptionally low for an extended period because it expects only a weak recovery. There has been a solid surge in inflows in emerging markets equity funds this year.

Closer home, the Indian government on Thursday mandated more sales of shares by state-run firms and changed the rules on how it can use the proceeds, as it seeks to boost revenues and rein in a widening budget deficit.

The government said all profitable, listed state-run firms must have at least 10% of their shares in public hands, and unlisted firms that had a positive net worth, no accumulated losses and a net profit over the past three years should list.

The government said the funds from the listings would be spent on social schemes for three years. Currently, proceeds are put in a National Investment Fund and only its dividends are used for funding social security schemes. The government also said it was debating the need for changes in tax laws including on saving schemes, capital gains for non-residents and tax pacts with other nations, as part of reforms to boost revenues. The government has said it will maintain fiscal stimulus until the recovery is secure.

The government, on Thursday, 5 November 2009, said it will release monthly wholesale price index (WPI) for October 2009 on 12 November 2009 and there will be no more weekly headline inflation data. It said food article index rose 13.39% and the primary articles index rose 8.94% in the year to 24 October 2009. The fuel price index fell 6.2%.



Chief statistician Pronab said the government aims to start quarterly employment data on trial basis in one year. He said government's move to report wholesale price index (WPI) inflation data on a monthly instead of a weekly basis will remove a source of market volatility.

Key benchmark indices extended losses for sixth straight session on Tuesday, 3 November 2009, as sell-off gripped index pivots in late trade. The BSE 30-share Sensex slumped 491.34 points or 3.09% to 15,404.94, its lowest closing since 3 September 2009. The S&P CNX Nifty slipped 147.80 points or 3.14% to 4,563.90, its lowest closing since 21 August 2009.

Bulls staged a strong return on Wednesday, 4 November 2009, after suffering a sharp setback in previous six trading sessions. Strong buying demand in battered index pivots following six-days of sharp market slide triggered a solid rally on the bourses. The BSE 30-share Sensex surged 507.19 points or 3.29% to 15,912.13. The S&P CNX Nifty galloped 146.90 points or 3.22% to 4710.80.

The key benchmark indices reversed steep intraday losses and ended firm on 5 November 2009, after the US Federal Reserve, on Wednesday, 4 November 2009, promised again to keep interest rates exceptionally low for an extended period because it expects only a weak recovery. The BSE 30-share Sensex rose 151.77 points or 0.95% to 16063.90. The S&P CNX Nifty gained 54.75 points or 1.16% to 4765.55.

The market finished higher for a third consecutive session on Friday, 6 November 2009, powered by banks and metals, as most markets around the world remained firm following encouraging US economic data. The BSE 30-share Sensex rose 94.38 points or 0.59% to 16,158.28. The S&P CNX Nifty gained 30.60 points or 0.64% to 4796.15.

Energy giant Reliance Industries rose 1.32%. The Supreme Court on Thursday, 5 November 2009, resumed its hearing on a gas dispute between the Ambani brothers after one of the judges on Wednesday, 4 November 2009, withdrew from the hearing on the case citing potential conflict of interest. Reliance Industries' counsel Harish Salve recapitulated the arguments made by him in the past six days and asserted that the company had no choice but to follow the government's gas utilization policy.

RIL's price for the gas from the K-G basin discovered and operated by it was subject to government approval and it cannot be a private arrangement between the two brothers, the counsel told the bench now consisting of Chief Justice K G Balakrishnan and Justices B Sudershan Reddy and P Sathasivam.

The High Court ordered RIL to supply gas to Reliance Natural Resources (RNRL) at a price lower than that fixed by the government. Both Ambani brothers approached the Supreme Court, aggrieved by diverse parts of the judgment. The government also entered the fray, adding to the complexity.

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).



The empowered group of ministers (eGoM) also made some allotments for Reliance's petrochemical plants and refineries.

Rate sensitive realty shares rose on bargain hunting. Unitech (up 6.02%), Omaxe (up 0.82%), and DLF (up 2.76%), rose.

Realty stocks had declined sharply recently after the RBI raised the provisioning requirements for loans to commercial real estate from 0.4% to 1% in its monetary policy review meet on 27 October 2009.

National Aluminium Company surged 4.10%, after the company hiked the prices of aluminium products by Rs 1000 a tonne reflecting the recent uptrend in prices on the London Metal Exchange.

Steel stocks rose after major steel producers posted strong sales volumes for the month of October 2009. Steel Authority of India (Sail) rose 0.79 %. Sail has posted 28% growth in saleable steel volumes to 0.85 million tonnes in October 2009 over October 2008.

Tata Steel, the world's eighth largest steelmaker by output rose 5.96% after company said on Friday steel sales at its Indian operations rose 38% to 462,000 tonnes in October 2009 over October 2008.

JSW Steel inched up 0.62%. JSW steel's sales doubled to 0.4 million tonnes in October 2009 over October 2009.

Demand for steel remains strong auto, rural construction and infrastructure sectors. Also demand for construction grade steel has improved post monsoon season, and has resulted into higher sales. Another reason for the surge in sales in October 2009 was lower base effect, as last year demand dropped significantly owing to economic downturn. Most steel companies had cut production in October last year due to the global economic crisis and steep fall in demand.

India's largest private sector bank by net profit ICICI Bank rose 7.49%. The bank's 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. The result was announced during trading hours on 30 October 2009.

India's second largest private sector bank by net profit HDFC Bank rose 1.15%.

India's largest bank by net profit State Bank of India (SBI) rose 0.60%. The bank's consolidated net profit rose 28.29% to Rs 3,133.16 crore on 22% rise in consolidated income to Rs 33,101.65 crore in Q2 September 2009 over Q2 September 2008. The results were announced on 31 October 2009.

Among other PSU banks, Bank of India (up 9.65%), Bank of Baroda (up 2.87 %), rose. However, Union Bank of India fell 2.35%.



Last week, the Reserve Bank of India (RBI) did not relax mark-to-market rules for bank's debt holdings at a quarterly policy review on 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).

The central bank also decided 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.

FMCG pivots fell on profit taking. ITC (down 2.59%), Hindustan Unilever (down 3.52%), declined.

Auto stocks also rose after encouraging Q2 September 2009 earnings. Low interest rates and attractive benefits offered by companies pushed up sales of the industry in October 2009. The auto sales figures were announced on 2 November 2009.

India's largest small car marker by sales Maruti Suzuki India fell 5.01%. The company's total sales grew 32.4% to 85415 units in October 2009, compared with 64,490 units posted in the same month a year ago.

India's largest truck marker by sales Tata Motors rose 0.81%. Its total sales grew 18% to 20,011 units last month against 17,014 units in the same period last year.

India's second largest bike marker by sales Bajaj Auto rose 4.01% The company reported 51.06% rise in total two-wheeler sales to 2,49,974 units in October 2009 as compared with 1,65,477 units in the same period a year ago.

India's largest tractor maker by sales Mahindra & Mahindra rose 5.29%. The company's overall sales climbed 32% in October this year to 18,410 units against 13,935 units in the same month last year. Mahindra and Mahindra (M&M) reportedly plans to launch a motorcycle next year. The company is also looking at acquisitions in the electronic scooter space. The auto major had entered the two-wheeler market market by acquiring the assets of Pune-based scooter manufacturer Kinetic Motor in 2008.

India's largest bike marker by sales Hero Honda Motors fell 2.29%. The company reported a marginal increase in October sales at 354,156 units as against 352,449 units in the same month last year

Telecom shares edged higher on bargain hunting after they witnessed massive sell-off in the past few weeks. Bharti Airtel (up 9.50%), Reliance Communication (up 1.17%), Spice Communications (up 15.96%), soared. Idea Cellular, however, fell 2.88% to Rs 51.35 after a leading foreign brokerage cut its price estimate on the stock to Rs 43 from Rs 71, while keeping underweight rating on the stock.



**WEEKLY REPORT**

**Weekly Sensex/Nifty**

**Market Breadth**

INDICES	Closing	Change	Change(%)		Advances	Declines	Unchanged
Sensex	16158.20	262.00	1.64	BSE	1944	780	63
Nifty	4796.15	84.00	1.79	NSE	1021	263	24

**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
City Union Bank	1:4 Ratio	12-Nov-09			

**Board Meeting**

Company Name	Date	Purpose	Company Name	Date	Purpose
Sakthi Sugars	7-Nov-09	To issue & allotment of Eq Sh	Saarc Net	10-Nov-09	Quarterly Results
Titan Secu	7-Nov-09	Allotment of Equity Shares	Sarla Gems	10-Nov-09	Change Object Clo of MoA
Super Syncotex	7-Nov-09	Allotment of Equity Shares	Hanjer Fibres	10-Nov-09	Quarterly Results
Dhampur Sug	9-Nov-09	Audited Results,Dividend & oth	TeleCanor Globa	11-Nov-09	Others
Assoc Stone	9-Nov-09	Interim Dividend	Falcon Typres	12-Nov-09	Audited Results
National Plastic	9-Nov-09	Quarterly Results	Garware Poly	12-Nov-09	Audited Results & Dividend
REIL Electrical	9-Nov-09	Quarterly Results	Mafatlal Ind	12-Nov-09	Allotment of Equity Shares
Nissan Copper	9-Nov-09	To consider Investment in Sh	Agro Dutch Ind	13-Nov-09	Quarterly Results
Allcargo Global	9-Nov-09	Interim Dividend & others	Dairyfield	14-Nov-09	Quarterly Results
Simbhaoli Sug	10-Nov-09	Audited Results			

**Stock Splits**

Company Name	Old FV	New FV	Ex-Date	Company Name	Old FV	New FV	Ex-Date
Allied Digital	10	5	11-Nov-09	Hind Nat Glass	10	2	12-Nov-09

**dividends**

Company Name	Purpose	%percent	Ex-Date	Company Name	Purpose	%percent	Ex-Date
Shriram TransFi	Interim	20.00	9-Nov-09	Financial Tech	Interim	100.00	11-Nov-09
HCL Info	Final	150.00	9-Nov-09	Oriental Carbo	Interim	15.00	11-Nov-09
Grauer and Well	Final	4.00	9-Nov-09	Jagran Prakash	Interim	100.00	11-Nov-09
Gabriel india	Interim	30.00	10-Nov-09	JK Cements	Interim	25.00	11-Nov-09
Shriram City	Interim	20.00	10-Nov-09	Firstobject Tec	Interim	1.00	11-Nov-09
Sasken Comm	Interim	20.00	10-Nov-09	Helios and Mat	Interim	15.00	11-Nov-09
Navneet	Interim	50.00	10-Nov-09	DCM Shriram Ind	Interim	15.00	11-Nov-09
Nagarjuna Agri	Interim	20.00	10-Nov-09	SRF	Interim	70.00	12-Nov-09



Orbit Corp	Interim	10.00	10-Nov-09	Lumax Auto Tec	Interim	10.00	12-Nov-09
JK Laks Cem	Interim	25.00	10-Nov-09	Godrejconsumer	Interim	100.00	13-Nov-09
eClrx Serv	Interim	75.00	10-Nov-09	Rolta	Final	30.00	13-Nov-09

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