



**MARKET NEWS :**

Key benchmark indices logged marginal gains after swinging sharply either ways in what was a highly volatile trading session. The BSE 30-share Sensex rose 19.96 points or 0.13%, up close to 285 points from the day's low and off close to 125 points from the day's high. The barometer index BSE Sensex had raced above the psychological 16,000 mark in mid-afternoon trade boosted by upbeat start from European markets but ultimately settled below that level.

Metal pivotals remained subdued as metal prices fell on the London Metal Exchange on Friday, 5 February 2010. Telecom stocks advanced on bargain hunting. Auto stocks were mixed. Index heavyweight Reliance Industries staged a sharp recovery on bargain hunting. The market breadth was negative. Fast food chain operator Jubilant FoodWorks surged on its debut. The stock settled at Rs 229, a 57.93% premium over an issue price of Rs 145 a piece.

Rising fears of possibility that the government may start to unwind its fiscal stimulus in the forthcoming budget triggered a sell-off on the bourses earlier in the day. Moreover, the recent European fiscal woes, rising US jobless claims and China holding back the bank lending also played the spoilsport.

While fears over possible sovereign defaults in Greece, Portugal and Spain gripped global markets, the possibility of a contagion to other European economies causing a double-dip recession worsened the mood. Credit default swaps in several European countries are on the rise, indicating a certain lack of reliability on government debt.

Back home, equities have been in a tailspin recently following unwinding of dollar carry trade, muted expectations in the run-up to the Union budget 2010-11 and concerns over valuations.

Government today forecast its economic growth for the fiscal year ended March 2010 at 7.2%, as against 6.7% achieved in the previous fiscal, raising fears of possibility that the government may start to unwind its fiscal stimulus in the forthcoming budget. The advance estimates of the country's gross domestic product released by the Central Statistical Organisation (CSO) today forecasts a growth of 9.9% in services and 8.9% in manufacturing, the highest among the eight broader economic activities.

Mining and quarrying comes next with an 8.7% expansion followed by 8.3% for trade, hotels, transport and communications, and 8.2% each for energy and water, and social and community services.



Earlier, Reserve Bank of India Governor Duvvuri Subbarao on 29 January 2010 raised India's growth forecast to 7.5% in the year ending March 2010 and said the central bank will target inflation in the next few months. He estimated inflation to accelerate to 8.5% from 6.5% forecast earlier.

The government will announce the industrial output data for the month of December 2009 on Friday, 12 February 2010. The industrial output rose 11.7% in November 2009. Also inflation numbers in the week ended 30 January 2010 will be out on Thursday. Stock markets remains shut on Friday on account of Mahashivratri.

US markets had closed slightly higher on Friday, 5 February 2010 as US unemployment rate surprisingly fell to a five-month low. The Dow Jones Industrial Average staged a sharp pullback in late trade to erase a 167-point drop in the final hour of trading on speculation the European Union may propose a solution for Greece's budget deficit. The Dow Jones Industrial Average gained 10.05 points, or 0.1%, to 10012.23. The Nasdaq Composite Index was up 15.69 points, or 0.74%, to 2141.12. The Standard & Poor's 500 Index was up 3.08 points, or 0.29%, to 1066.19.

The US unemployment rate surprisingly fell to a five-month low of 9.7% in January 2010 and factory payrolls grew for the first time since 2007, hinting at a labour market recovery even though the economy lost 20,000 jobs.

European equities rebounded on Monday from three-month lows in the previous session, with stronger commodity prices boosting energy and mining shares. Key benchmark indices in Germany, France, UK were up by between 0.07% and 0.38%.

Asian stocks declined in volatile trade today, 8 February 2010, with Japanese Nikkei hitting a 2-month low weighed by exporters. The key benchmark indices in China, Japan, Indonesia, Hong Kong, and South Korea were down by between 0.14% to 1.72%. Indices in Taiwan and Singapore rose 0.04% and 0.37% respectively.

The BSE 30-share Sensex rose 19.96 points or 0.13% to 15,935.61. The Sensex lost 263.66 points at the day's low of 15,651.99 in mid-morning trade. The index rose 145.76 points at day's high of 16,061.41 in mid-afternoon trade.

The S&P CNX Nifty rose 3.15 points or 0.07% to 4760.40. Nifty February 2010 futures were at 4,766.90, at a premium of 6.50 points as compared to the spot closing of 4,760.40. Turnover in NSE's futures & options (F&O) segment increased to Rs 93,132.53 crore from Rs 90,464.62 crore on Friday, 5 February 2010.

Jubilant FoodWorks clocked highest volume of 3.17 crore shares on BSE. Cals Refineries (2.55 crore shares), IFCI (0.87 crore shares), Hindalco Industries (0.77 crore shares) and Suzlo Energy (0.72 crore shares) were the other volume toppers in that order.





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