



MARKET NEWS :

A 'Santa Claus' rally took the market to more than 19 months' closing high in a truncated trading week. The Santa Claus rally is traditionally a modest rally that occurs in the last five trading days of December and the first two trading days of January.

Trading for the week began on a weak note, pushing the BSE Sensex near six week closing low. Later, higher advance tax figures by India Inc which suggests better Q3 December 2009 results, triggered a rebound. The market gained in three out of four trading sessions in the week.

But volumes were low ahead of an extended weekend. The market remains closed for four days in a row from Friday, 25 December 2009 to Monday, 28 December 2009. The market remains closed on Friday, 25 December 2009 on account of Christmas. It remains closed on Monday, 28 December 2009 on account of Moharram.

The latest data showed that corporate advance tax payments for the October-December 2009 quarter shot up sharply, suggesting a higher profit growth in corporate sector in the third quarter (October-December) of the current fiscal. Corporate advance tax payments for the quarter were up 44% to Rs 48,300 crore against a 3.7% decline in April-June quarter and a 14.7% increase in July-September quarter. The company-wise break-up of advance tax collection suggests a broad-based recovery with automobiles, cement, metals and consumer goods, doing well.

The government will wait until the February 2010 budget to consider withdrawing some of the fiscal stimulus measures, the Finance Minister said. Growth outlook for the second half of FY 2010 looks better, he added.

The deputy chairman of country's Planning Commission, Montek Singh Ahluwalia, said the economy was well positioned to expand 8% in the 2010/11 fiscal year. The worst monsoon since 1972 and flooding in some parts of the country have pushed up food prices nearly 19% annually in mid-December, while the headline inflation accelerated to 4.78% in November.

Ahluwalia said annual inflation of 5-6 % would be quite reasonable and it was unlikely to cross beyond this range by fiscal year end. Ahluwalia said food supplies need to be boosted to stem price rise and the current acceleration in inflation rate was not due to loose monetary stance.

On Tuesday, the government cut the open sale price of wheat, while ministers have pledged in parliament that the government would import food items that are in short supply to boost local supplies and stem inflation.



India's food-price inflation cannot be tackled through monetary and other policy steps, while inflationary expectations will not stay long, Finance Secretary Ashok Chawla said on Monday. Earlier on Monday, the Prime Minister's economic advisor C Rangarajan said India's central bank may have to raise the cash reserve ratio (CRR) to drain money from the banking system if prices do not decline in December.

The BSE Sensex rose 640.78 points or 3.83% to 17360.61 in the week ended 24 December 2009, its highest closing since 16 May 2008. The S&P CNX Nifty rose 190.70 points or 3.87% to 5,178.40, its highest closing since 5 May 2008.

The BSE Mid-Cap index rose 2.63% and the BSE Small-cap index rose 2.97%. Both these indices underperformed the Sensex.

A deluge of global liquidity has boosted stocks across the globe this year. Governments and central banks around the world have injected trillions of dollars in the past one year to pull the world out of a most severe recession since the 1930s Great Depression. The Sensex is up 7713.30 points or 79.95% in calendar year 2009, as on 24 December 2009. From a 3-year closing low of 8,160.40 on 9 March 2009, the Sensex is up 9200.21 points or 112.74% as on 24 December 2009.

The key benchmark indices drifted lower in a volatile session of trade on Monday, 21 December 2009 despite higher European stocks and US index futures. The BSE Sensex fell 118.63 points or 0.71% to 16601.20, its lowest closing since 10 November 2009 on that day.

The key benchmark indices edged higher on bargain hunting on Tuesday, 22 December 2009 as global stocks rose. Higher advance tax payment by India Inc also underpinned sentiment. The BSE Sensex rose 90.80 points or 0.55% to 16692 on that day.

On Wednesday, 23 December 2009, a 'Santa Claus' rally took the BSE Sensex up by 539 points to 17,231, mainly on the back of a Rs 770-crore net buying by foreign funds. Higher advance tax payment by India Inc and firm global stocks, also underpinned sentiment. The BSE Sensex rose 539.11 points or 3.23% to 17231.11, its highest closing since 17 October 2009 on that day.

The key benchmark indices extended gains on Thursday, 24 December 2009 on firm global equities. The BSE Sensex rose 129.50 points or 0.75% to 17360.61.

India's largest realty player by market capitalization DLF gained 3.39% in the week. DLF recently announced a merger of its commercial realty arm DLF Assets (DAL) with itself, a move aimed at repaying some of DAL's debt. The new structure involves the merger of DLF subsidiary DLF Cyber City Developers with Caraf Builders and Constructions, which is the holding company of DAL. The valuation ratio approved by the board for Cyber City and Caraf is in the ratio of 60:40.



IT stocks rose on some positive economic data in the US. US is the biggest market for Indian IT firms. India's largest IT exporter by sales Tata Consultancy Services rose 2.91%. The company's Q3 advance tax surged 37.21% to Rs 177 crore. India's third largest IT exporter by sales Wipro rose 2.82%.

India's second largest software services exporter Infosys Technologies rose 2.52%. The company's Q3 advance tax surged 166.7% to Rs 400 crore. Infosys Technologies expects revenue growth in the fiscal year starting in April to be better than 2009/10 as a recovery in the global economy spurs investments by its clients, Subhash Dhar, senior vice-president and head of global sales and marketing said recently.

Auto stocks rose on strong sales in the month of November 2009 and higher advance tax payment in the third quarter. India's largest small car maker by sales Maruti Suzuki India rose 1.06%. The company's Chief General Manager, Marketing, Shashank Srivastava said Maruti will launch a new multi-purpose vehicle EECO on 7 January 2010. The vehicle, available in 5-seater and 7-seater versions, is expected to initially sell 40,000 units annually, he said. Maruti's Q3 advance tax rose 196.3% to Rs 400 crore.

Maruti's total vehicle sales spurted 66.60% to 87,807 units in November 2009 over November 2008. Domestic sales spurted 60.10% to 76,359 units, while exports surged 128.60% to 11,448 units in November 2009 over November 2008.

India's second largest bike maker by sales Bajaj Auto rose 0.24%. Bajaj Auto on 9 December 2009 launched a 135 cc Pulsar, pushing the Pulsar brand into the mass segment. Bajaj expects a sell a minimum 30,000 units per month of the new Pulsar model. The automaker had recently refreshed the entire Pulsar lineup and expects total Pulsar sales to cross 80,000 units per month.

The company's total vehicle sales rose 73% to 2.76 lakh units in November 2009 over November 2008. Motorcycles sales jumped 84% to 2.42 lakh units.

India's largest motorcycle maker by sales Hero Honda Motors rose 3.53%. The company's Q3 advance tax rose 44.1% to Rs 213 crore. The company's total vehicle sales jumped 32% to 3.81 lakh units in November 2009 over November 2008.

India's top truck maker by sales Tata Motors rose 6.44%. The company on Thursday reported a 62% jump in its total global sales in November 2009 to 75,775 units. The company paid Rs 100 crore as advance tax in third quarter versus Nil same quarter last year.

India's top tractor maker by sales Mahindra & Mahindra (M&M) rose 0.73%. M&M on Monday 21 December 2009 signed a joint venture agreement with Yueda Group, China's second largest tractor producer, to set up a tractor company with a combined investment of Rs 175 crore. The new company, Mahindra Yueda



(Yancheng) Tractor Company (MYYTCL) will be a 51:49 joint venture, where M&M will hold the majority. Investments by both companies will be in the ratio of their stakes in the venture. The plant will be operational in the next 12-15 months.

WEEKLY REPORT							
<i>Weekly Sensex/Nifty</i>				<i>Market Breadth</i>			
INDICES	24-Dec-09	17-Dec-09	Change(%)		Advances	Declines	Unchanged
Sensex	17360.61	16894.25	2.76	BSE	1598	1253	77
Nifty	5178.40	5041.75	2.71	NSE	722	556	51
<i>Corporate Announcements</i>							
<i>Bonus/Rights/Stock Split/Dividend</i>							
Bonus							
Company Name	Ratio	Ex-Date	Company Name	Ratio	Ex-Date		
Websol Energy	1:1Ratio	29-Dec-09					
Rights							
Company Name	Ratio	Ex-Date	Company Name	Ratio	Ex-Date		
NO UPCOMING RIGHTS			NO UPCOMING RIGHTS				
<i>Board Meeting</i>							
Company Name	Date	Purpose	Company Name	Date	Purpose		
Escorts	27-Dec-09	Audited Results& dividend	BFUtilities	29-Dec-09	Audited Results		
comp-u-learn	27-Dec-09	Conversion of warrants & others	sujana Towers	29-Dec-09	Audited Results		
Arihant Found	28-Dec-09	Audited Results& dividend	Zee Entertain	29-Dec-09	Scheme of Arrangement		
Compuage Info	28-Dec-09	Acqision of Stake	LML	30-Dec-09	Audited Results		
Incap	28-Dec-09	Issue of Equity	Foods and Inns	30-Dec-09	Audited Results		
Axon Infotech	28-Dec-09	Shares/Warrants	Rural Elector Cor	30-Dec-09	Interim Dividend		
Ras Extrusion	28-Dec-09	Preferential Issue of Shares	Sujana Metals	30-Dec-09	Audited Results		
Ras Propack Lam	28-Dec-09	Audited Results	Siddhartha Tube	30-Dec-09	Quarterly Results		
Deccan Chronicle	28-Dec-09	consider and approve the Merger	Prime Textiles	30-Dec-09	Scheme of Arrangement		
Sarasind	29-Dec-09	Audited Results & Dividend	Websol Energy	30-Dec-09	Allotment of Bonus		
Info Drive Soft	29-Dec-09	Increase In Share Capital	Shreyas Interme	31-Dec-09	Shares		
ETC Networks	29-Dec-09	Scheme of Arrangement	Guj StateFin	31-Dec-09	Audited Results		
Sujana Uni	29-Dec-09	Audited Results	Lloyds Steel	31-Dec-09	Quarterly Results		
					Issue of Equity		
					Shares/Warr		
<i>Stock Splits</i>							
Company Name	Old FV	New FV	Ex-Date	Company Name	Old FV	New FV	Ex-Date
Rujul Finance	2	10	31-Dec-09				
<i>dividends</i>							
Company Name	Purpose	%percent	Ex-Date	Company Name	Purpose	%percent	Ex-Date
NELCO	Final	6.00	31-Dec-09				



CIL SECURITIES LIMITED

Registered Office

214-Raghava Ratna Towers
Chirag Ali Lane, Abids
Hyderabad-500 001
Andhra Pradesh
Phone: 040-23203155
Fax: : 040-23203028
Email: advisors @cilsecurities.com.

Corporate Office

Great Western Building
20, 2nd Floor, 130/132
Apollo Street, Opp. Lion Gate
Mumbai - 400 023.
Phone: 022-22885177 / 78
Fax: 022-22885176

Disclaimer: This document is for private circulation only. Neither the information nor any opinion expressed constitutes an offer, or any invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities. The information and views contained herein are believed to be reliable but no responsibility or liability is accepted for errors of fact or opinion. Editors may or may not have trading or investment positions in the securities mentioned herein. CIL Securities Ltd or any of its associates or employees does not accept any liability whatsoever direct or indirect that may arise from the use of the information herein.

To unsubscribesend a mail to research@cilsecurities.com with blank subject and only “unsubscribe CIL NEWS LETTER” in the message body.