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NVS BROKERAGE PVT LTD.

INDICES

	Today	Prev.	Change
BSE	17117.69	16863.06	254.63
NSE	5135.50	5066.55	68.95
DJIA	9931.97	10136.63	-204.66
NASDAQ	2219.17	2277.68	-58.51
FTSE	5126	5195.17	-69.17
DAX	5938.88	5946.18	-7.3
CAC	3455.61	3515.06	-59.45

ACTIVITY INDICATORS

Market Breath (BSE)	
Number of Advance	1400
Number of Declines	1415
Unchanged	124
Total Trades	2939

BSE GAINERS (TOP 5)

Company	Today	Prev.	%Change
Amal	12	10.00	20
Karur KCP	49.4	41.20	19.9
Virat Crane	10.6	8.85	19.77
Sri Adhikari	33.25	27.90	19.18
ANG Auto	53.5	45.95	16.43

BSE LOSERS (TOP 5)

Company	Today	Prev.	%Change
Brilliant Sec	20	22.20	-9.91
Indag Rubber	101	111.90	-9.74
Country Cond	3.4	3.76	-9.57
Excel Glasses	5.38	5.92	-9.12
Jyoti Resins	6.86	7.54	-9.02

INSTITUTIONAL ACTIVITY (Rs in Crs)

	BUY	SELL	NET
FII's (NET)	10396.83	9996.16	400.67
DII's (NET)	5461.01	5206.57	254.44

CURRENCIES & BOND MARKET

	Today	Prev.
Rs/ US $	46.85	46.54
Rs/ Euro	56.50	57.08
Euro/US $	1.2062	1.2200

COMMODITIES

	Today	Prev.
Nymex Oil (US$/bbl)	72.87	74.44
Gold (US$/oz)	1205.45	1208.25

Market News

- **Bulls back on winning streak...Nifty, Sensex add 1.5% each**

It was a choppy start for the week with indices falling below their 200-DMA. A freak trade in Reliance and a crash in the overall market on Tuesday had the bulls bruised. Fortunately the remaining days saw some pull back though with the usual intra-day gyrations. Monsoon arrived in Kerala, but uncertainty persists over its progress, which are adding to the market's woes. India grew faster than expected in fiscal year 2010, March quarter GDP growth came in at 8.6%. Impressive monthly auto sales numbers boosted the auto stocks. FMCG stocks attracted buying interest following positive news flow across the sector. HUL and Colgate were among the notable gainers. Volatility in the markets drove investor's attention towards defensive pharma space. Finally, the NSE Nifty was up by 1.4% and BSE Sensex was up 1.5%.

- **Wall Street tumbles as Euro weakens below $1.20 for First Time Since 2006 on Debt Crisis Concern**

Stocks slumped on Friday after a government report showed employers added fewer jobs than expected last month and the **euro** plunged to a new 4-year low. The Dow Jones lost 324 points, or 3.2% to 9931.97, while S&P 500 index was down by 38 points, or 3.4% to 1064.88. The Nasdaq composite slid 84 points, or 3.6% to 2219.17. Europe markets tumbled on Hungary's comments and after the EU reported European growth in the first quarter was just 0.2%. Asian markets were mixed, while Japan's Nikkei lost 0.1% and Hong Kong's Hang Seng was little changed. The dollar fell 1% against the yen. U.S. light crude oil for July delivery fell $3.10 to settle at US$71.51 a barrel on the New York Mercantile Exchange.

The euro tumbled for a second week against the dollar, falling to its lowest level in more than four years as concern that Europe's debt crisis is spreading pushed investors to the safest currencies. Europe's shared currency plunged below $1.20 for the first time since March 2006 and dropped for a sixth straight week versus the yen. The euro dropped 2.5 percent to $1.1967 in New York, from $1.2273 on May 28. It touched $1.1956, the lowest level since March 2006.

Industry News

- **Payrolls in U.S. Increased Less Than Forecast In May; Jobless Rate at 9.7%**

Employment by American companies rose less than forecast in May and workers dropped out of the labor force, signaling the world's largest economy is still reliant on government assistance to boost growth. Private payrolls rose by 41,000, Labor Department figures showed in Washington, trailing the 180,000 gain forecast by economists. Including government workers, employment rose by 431,000, boosted by a jump in hiring of temporary census workers. The jobless rate fell to 9.7 % from 9.9 %.

- **EGoM meet on June…Will petrol and diesel prices be decontrolled?**

An Empowered Group of Ministers (EGoM) headed by Finance Minister Pranab Mukherjee is scheduled to meet on June 7, to decide on de-controlling the prices of petrol and diesel. Besides freeing petrol and diesel prices from the government control, dealing with the revenue lost on selling domestic LPG and PDS kerosene below cost is also on agenda of the ministerial panel. For petrol and diesel prices to be freed from government control, rates would have to be raised by over Rs 6 a litre. Indian Oil Corp, Hindustan Petroleum and Bharat Petroleum lose crores of rupees by selling fuel below cost.

According to the terms of reference (ToR), the EGoM is reportedly said to consider a pricing policy for petrol and diesel, including decontrol. The Kirit Parikh panel had also recommended an increase of Rs 6 per litre of kerosene and Rs100 per cooking gas cylinder, apart from a Rs80,000 levy on diesel cars. A Rs 20-25 per cylinder increase in LPG price may be approved, reports indicate.

Petrol, diesel may be dearer by Rs3.5/litre from Monday. Hence ONGC, OIL could gain ahead of EGOM meet.

- **India's Q4 GDP grows by 8.6%**

India's economic growth gained traction in the fourth quarter of the fiscal year 2009-10, as the agriculture sector registered a growth even as industry and services witnessed an improvement in their respective output for the January to March period, data released by the Government showed on Monday. There is one flip side to the faster pace of growth though. The RBI may shun reluctance in raising policy rates more aggressively to rein in stubbornly high inflation. Whether the central bank takes the cue from the GDP numbers or not remains to be seen as it also has to contend with the simmering euro-zone debt crisis.

Coming back to the Q4 FY10 data, GDP grew by 8.6% as against 6.5% in the immediately previous quarter and 5.8% in the same quarter last year. The reading more or less matched average consensus estimates. The farm sector growth stood at 0.7% in Q4 versus a contraction of 1.8% in Q3 and a 3.3% growth in the year-ago period. Manufacturing sector output expanded by 16.3% compared to 13.8% in the third quarter and just 0.6% in the same quarter of FY09. Mining sector saw its output grow by 14% in Q4 as against 9.6% in Q3 and -0.3% in the corresponding period last year.

- **25% public holding must for all listed cos: Govt**

The government has raised the threshold for public shareholding in all listed companies to 25%. The Securities Contracts (Regulation) (Amendment) Rules, 2010 have been notified. Companies, where the public holding is less than 25%, will have to reach the minimum level by an annual addition of not less than 5%. If they fail to do that, they will have to restore the 25% public holding in one year.

The move will not impact companies looking to list. Companies with pending initial public offering nod can go ahead without 25% public shareholding. But they will have to later comply with the new norms by increasing public shareholding by at least 5% per annum. The logic given for this by the Finance Ministry is primarily to increase the depth of the market and to prevent manipulation. All waivers have been done away with. There will be no case by case exemption. They do not foresee a flood of issues crowding the market.

Companies are free to choose the best dilution process between a follow-on public offer or qualified institutional placement. Provisions apply to both private and public sector understanding (PSU) companies. The ministry has taken no view on multi-national companies that may seek to delist. Also, inclusion of foreign currency convertible bonds to calculate public shareholding will be taken up later. With this decision, India in effect is moving closer to more developed economies where the minimum public shareholding level is something that is followed and maintained.

Indian Companies May Have to Sell $53 Billion in Shares on Holdings Rule

- **BWA auction may conclude next week**

The all-India bid price at the close of day 10 of the broadband wireless auction (BWA) stands at Rs 9,522 Crs, up 6% from thursday's close. The government's revenue stands at Rs 28,566 Crs.

The Delhi circle is priced the highest at Rs 1,515 Crs followed by Mumbai a tad lower at Rs 1,554 Crs. On the third and fourth slot stand Tamil Nadu and Karnataka at Rs 1,391 Crs and Rs 1,100 Crs. Bids for Maharashtra and Gujarat circle came in at Rs 915.6 Crs and Rs 572.6 Crs, respectively. Eleven bidders are in the race for two slots. These include Bharti, Vodafone, Reliance Communications, Tata, Idea, Aircel, Qualcomm, Augere, HFCL, Spice, and Tikona. Winners will get 20 Mhz of BWA spectrum.

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