

**INDICES**

	Today	Prev.	Change
BSE	17833.54	17460.95	372.59
NSE	5352.45	5237.10	115.35
DJIA	10198.03	9686.48	511.55
NASDAQ	2196.45	2091.79	104.66
FTSE	5132.94	4838.09	294.85
DAX	6065.24	5834.15	231.09
CAC	3554.48	3348.37	206.11

ACTIVITY INDICATORS**Market Breath (BSE)**

Number of Advance	1575
Number of Declines	1323
Unchanged	120
Total Trades	3018

BSE GAINERS (TOP 5)

Company	Today	Prev.	%Change
Amrit Corp	261.45	217.9	19.99
Creative Eye	11.24	9.37	19.96
VAX Housing	10.65	8.88	19.93
Nagreeka Expo	30.4	25.35	19.92
Amforge Inds	6.34	5.29	19.85

BSE LOSERS (TOP 5)

Company	Today	Prev.	%Change
Accurate Trans	108.8	134.85	-19.32
Entertainment Netw	198.25	234.75	-15.55
Minaxi Textiles	1	1.15	-13.04
Bhilwara Spin	15.01	16.75	-10.39
Sanguine Media	4.67	5.18	-9.85

INSTITUTIONAL ACTIVITY (Rs in Crs)

	BUY	SELL	NET
FII's (NET)	10107.12	7973.42	2133.7
DII's (NET)	5020.72	5253.32	-232.6

CURRENCIES & BOND MARKET

	Today	Prev.
Rs/ US \$	46.67	46.76
Rs/ Euro	58.90	58.59
Euro/US \$	1.2622	1.2591

COMMODITIES

	Today	Prev.
Nymex Oil (US\$/bbl)	75.51	72.55
Gold (US\$/oz)	1208.95	1202.85

Market News➤ **Sensex, Nifty gain 2% each on global rally**

Indian indices shrugged off last week's rate hike by the RBI, as the markets had already discounted an inter-meeting move by the central bank. Moreover, the International Monetary Fund raised India's growth forecast for 2010 to 9.5%. The impact of the Bharat Bandh by the BJP was visible on Monday as volumes were sluggish. However, firm global cues boosted the local indices as Nifty advanced by 2.2% and Sensex added 2.1% during the week. The BSE Sensex hit an intra-week high of 17,857 and low of 17,397 while, the NSE Nifty hit an intra-week high of 5,359 and low of 5,225. The top gainers in the Sensex were Bharti Airtel (up 16.6%), Infosys (up 5.4%), DLF (up 4.8%), HDFC Bank (up 4.7%) and SBI (up 4.6%). The top losers in the Sensex were ACC (down 3.5%), Hindustan Unilever (down 2.2%), NTPC (down 2.1%), Reliance Infra (down 2%) and Ambuja Cements (down 1.3%).

➤ **Wall St up ahead of earnings; Google lifts Nasdaq**

US stocks edged higher on Friday, headed for their best week in a year, as investors looked forward to the start of the earnings season after weeks of selling. Google Inc helped lift the Nasdaq, rising 1.9 percent to \$465.15 after Beijing gave the company the green light to continue operating its China Internet search page. US-listed shares of rival Baidu Inc fell 2.6 percent to \$70.57. Wall Street saw a solid rebound this week, but the low trading volume and volatile swings in the session suggested investors still harbor doubts about the economy, fed by dismal data that raised fears of a double-dip recession. The Dow Jones industrial average was up 8.67 points, or 0.09 percent, at 10,147.66. The Standard & Poor's 500 Index was up 2.78 points, or 0.26 percent, at 1,073.03. The Nasdaq Composite Index was up 7.38 points, or 0.34 percent, at 2,182.78. The S&P 500 has risen 4.8 percent so far this week and could notch a fourth straight day of gains on Friday. But the index is still down about 12 percent from its most recent closing high in late April and down about 4 percent so far this year.

➤ **Nikkei posts best weekly rise in 7 months**

Japan's Nikkei average booked its best weekly rise in seven months on Friday and market players said more gains may be in store after it moved further away from a seven-month low and held above a key retracement support. The Nikkei rose 0.5% on the day, and gained 4.1% this week, its best weekly performance since December, as pessimism about the outlook for the global economy receded. The Nikkei has been mostly stuck in bearish trend since April, hurt by weeks of dismal economic reports, including US jobs data last week and a further strengthening in the yen, but some market players said Nikkei seems to have sunk far enough.

Economy News**➤ June power output up 3.43% YoY**

India's power output grew an annual 3.43% in June, the lowest increase since last November, with thermal generation constrained by limited availability of coal, the Central Electricity Authority said. Coal-based power generation growth slowed to an annual 2% in the month, mainly due to a 12% shortfall in supplies, it said in a report. India has 10% of the world's coal reserves, the biggest after the United States, Russia and China, but its coal imports have grown rapidly from almost zilch five years ago to an estimated 70 Mn tonnes in the fiscal year ended March. Twelve power producers had coal stocks sufficient for less than four days' generation, the data showed. Thermal electricity, which accounts for about two-thirds of India's power generation and includes using coal, gas and liquid fuel, grew at an annual 2.47% in June. In May, coal-based power generation had risen about 3%. India aims to import 35 Mn tonnes of coal for power generation in current fiscal year.

➤ India's service sector growth hits 2-year high

Growth in India's manufacturing and agriculture sectors may have slowed lately but its service sector seems to be doing just fine if the results of the latest survey by HSBC and Market is any indication. A key benchmark tracked by the private survey expanded at its fastest pace in two years in June, led by increases in business expectations and new orders, according to a HSBC statement. After a marginal drop in May, the HSBC Market Business Activity Index, rose to 64.0 in June from 58.2 last month. Any figure above 50 indicates expansion. The Indian service sector companies also raised their charges for the seventh consecutive month but the inflation rate linked to that charge was still weaker than the 20-month peak in April.

➤ India's GDP to grow at 9.4% in 2010: IMF

The International Monetary Fund (IMF) has raised its forecast for GDP growth in India to 9.4% from 8.8% in April but expects growth to decline slightly to 8.4% next year, even as it increased the growth forecast for the overall emerging markets to 6.8%, from 6.3% in April. China's economy will grow the fastest at 10.5%, while that of Brazil will expand by 7.1%, the fund said. Brazil's forecast had the biggest revision higher in today's report, from a 5.5% prediction in April, the IMF report showed. Mexico's economy will grow by 4.5% this year, more than the 4.2% expansion seen in April, the IMF said. Inflation in the emerging economies is expected to accelerate to 6.25% this year before slowing to 5% in 2011, the IMF said. Raising rates in countries with excessive external surpluses should be accompanied by a stronger exchange rate, the fund said. Countries should also be ready to a swift policy reversal if risks materialize, it said.

➤ Government plans sugar import tax in 2010/11: Pawar

The government plans to impose a tax on white sugar imports in the new season that starts in October, but it will wait until it gets a clear picture of the cane crop in the next two months, Farm Minister Sharad Pawar said. India allowed tax-free imports of sugar last year to calm soaring prices and overcome a domestic shortfall as farmers had reduced cane planting and the crop was damaged by a severe drought. However, sugar prices have fallen and Indian millers say imports would be cheaper than local output unless the government levies a tax again. The June-September monsoon rains are a key influence on cane output, particularly in Uttar Pradesh. Rainfall was 16% below normal in June, but has revived sharply in the past week. The total picture on cane will be clear in August-September. The government is also considering reversing its earlier decision to increase the amount of sugar millers are forced to sell to official agencies at low state-set prices for welfare schemes.

World News**➤ U.K. Producer Prices Slip 0.3% In June**

U.K. producer prices fell 0.3% in June, mainly reflecting price falls in petroleum products, other manufactured products and food products, the National Statistics Office said. From June 2009, prices were up 5.1%. Input prices slipped 0.2% on a monthly basis. The statistics office also said the seasonally adjusted deficit on trade in goods was £8.1 Bn in May, compared with the deficit of £7.4 Bn in April.

➤ China's Trade Has Recovered to Pre-Crisis Levels, Customs Official Says

China's foreign trade has recovered to pre-crisis levels, Zheng Yuesheng, head of the statistics department of the customs bureau, said in an interview on state television today after the release of June export data. The decline in the trade surplus in the first half of the year shows that the country is moving towards more balanced international payments, he said on CCTV's noon news bulletin.

Corporate News**➤ Glodyne Tech bags 2 large deals worth \$200-300m**

Mid-sized technology firm Glodyne Technoserve has bagged two large deals worth USD 200-300 Mn each. And that's just the tip of iceberg, reports CNBC-TV18's Kritika Saxena. Mumbai based Glodyne Technoserve is eyeing the BFSI and the government sector to give it a push in FY11. Boasting a revenue base of USD 160 Mn, it has acquired a USD 200 Mn US company called Decision One, for USD 104 Mn. The focus now is to win large scale contracts in the US and India. It has already won two deals worth USD 200-300 Mn each from two PSU banks. The company is also expanding its back office operations in India. It is also planning to shift some of its operations to SEZ units in FY11.

➤ Citigroup expands Asia energy business

Citigroup's Asia energy-trading team is expanding by hiring at least another five staff, including two traders, and has also ventured into physical oil trading in the past 12 months, industry sources said on Friday. Its plans in the region's growing energy and commodities markets are consistent with moves by banks such as Credit Suisse, Societe Generale, Macquarie and Australia and New Zealand Banking Group Ltd. Citigroup Inc has already hired a leader for its Asia oil products team, Rob Biro, a long-serving trader with Goldman Sachs' unit, J'Aron, in Singapore for about 10 years. It is also looking to hire a distillates trader and a fuel oil trader, in addition to its current team of two oil traders -- a trading manager and a naphtha trader.

➤ Google gets its licence back in China

Looks like **Google** and **China** have buried their differences over the controversial issue of censoring Internet search results. Google said on Friday that the Chinese government has renewed its licence after the company submitted a revised application to meet regulations in the world's biggest Internet market by users. Shares of Google rose in pre-market trading while that of its main Chinese rival Baidu.com slumped. In January, Google had warned that it might cease operating in China as it was not ready to censor users' search results. Two months later, Google began directing users of the China web site to its Hong Kong site, where they could access uncensored results. Google ended that redirection last week after the Chinese government objected to that practice. China had more than 384 Mn Web users at the end of 2009, according to government data. That is more than the population of the US.

➤ Idea Cellular leads gainers in 'A' group

Idea Cellular galloped 13.31% to Rs 66.85 and topped the gainers in BSE's 'A' group. Bharti Airtel jumped 9.70% to Rs 308.10 and was the second biggest gainer in 'A' group. Telecom stocks spurted after a foreign brokerage upgraded Bharti Airtel and Idea Cellular stock ratings to 'outperform' citing an improvement in the competitive environment.

➤ Court summons RIL execs in call routing case

Chennai court has issued summons for Reliance Industries' (RIL) executives in call routing case, reports CNBC-TV18's Siddarth Zarabi. CBI has filed charge sheet under Sec 120-B, Indian Penal Code at Chennai Court on June 25. The RIL executives include Manoj Modi, Shankar Adawal, Pankaj Pawar, BD Khurana, KR Raja and Akhil Gupta. Sources say that the court has sought presence of the accused on 3 August. However RIL has declined to comment. CBI sources say that all the accused will have to appear and seek bail from the court. CBI has alleged that accused are entered into criminal conspiracy. The FIR against the case was filed on August 30, 2006 while the CBI took four years to file the charge sheet. The international call scandal came to light in 2004 when the then Reliance Infocomm had offered home country direct service. According to Department of Telecom (DoT), the service is not legal and stated that Reliance Infocomm evaded access charges of Rs 32 Crs. CBI has alleged that the software was used to alter ID of incoming international calls.

Our views on Indian Equity Markets

We expect the market to continue its upward movement in the next week. Investors can expect 18200 indices in this week. First Quarter results of Corporate India are expected to be announced in the next week. First Quarter results will decide the market direction.

Happy Investing!!!

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