Equity Research

Daily Update - 8th July 2010

NVS BROKERAGE PVT LTD.

INDICES

	Today	Prev.	Change
BSE	17471.03	17614.48	-143.45
NSE	5241.10	5289.05	-47.95
DJIA	10018.28	9743.62	274.66
NASDAQ	2159.47	2093.88	65.59
FTSE	5014.82	4965.00	49.82
DAX	5992.86	5940.98	51.88
CAC	3483.44	3423.36	60.08

ACTIVITY INDICATORS

Market Breath (BSE)	
Number of Advance	1316
Number of Declines	1606
Unchanged	88
Total Trades	3010

BSE GAINERS (TOP 5)

Company	Today	Prev.	%Change
IVP	70.60	58.85	19.97
Vaibhav Gems	32.55	27.50	18.36
Ramco System	123.80	106.10	16.68
Hind. Spg & Wg	34.55	30.15	14.59
Celestial Bi	42.00	36.75	14.29

BSE LOSERS (TOP 5)

Company	Today	Prev.	%Change
Dhan Roto Sp	17.5	21.85	-19.91
Nissan Copp	43.1	51.65	-16.55
Choksi Lab.	27	21.9	-9.7
Quantum Index	569	624	-8.81
Filatex Fashn	12.13	13.18	-8.57

INSTITUTIONAL ACTIVITY (Rs in Crs)

	BUY	SELL	NET
FII's (NET)	1461.96	1511.2	-49.24
DII's (NET)	1037.06	902.37	134.69

CURRENCIES & BOND MARKET

	Today	Prev.
Rs/ US $	47.02	46.96
Rs/ Euro	59.20	58.94
Euro/US $	1.2613	1.2592

COMMODITIES

	Today	Prev.
Nymex Oil (US$/bbl)	72.93	73.09
Gold (US$/oz)	1193.9	1201.88

Market News

- **Slippery street, Nifty ends below 5,250**

  Indian stocks slipped on Wednesday, erasing some of the previous session's gains, as equities worldwide turned lower after a weaker than expected service sector report in the US reinforced a growing view that the global recovery is in danger of losing momentum. The Oil & Gas, Metals and the Banking stocks were among the major losers. While, bucking the negative trend were the Consumer Durables and select telecom stocks. The BSE Sensex slipped 143 points to end at 17,471 while the NSE Nifty fell 48 points to end at 5,240.

  Asian stocks were mostly down with the MSCI Asia Pacific Index lower for the first time in three days. The MSCI Asia Pacific Index fell 0.7% to 113.11 as of 5:26 p.m. in Tokyo, following a two-day, 1.9% increase. The gauge has slumped 12% from its high this year on April 15. Two stocks declined for each that rose in the MSCI Asia Pacific Index on Wednesday. The Asian benchmark retreated 3.4% last week, the most since the period ended May 21. Japan's Nikkei Stock Average fell 0.6%, while Australia's S&P/ASX 200 lost 0.5%. South Korea's Kospi shed 0.6% and Taiwan's Taiex slipped 0.2%. Hong Kong's Hang Seng Index sank 1.1%. China's Shanghai Composite Index ended 0.5% higher after enduring a choppy trading session.

World News

- **IMF Raises 2010 Growth Estimate, Sees Greater Risks**

  The International Monetary Fund raised its forecast for global growth this year, reflecting a stronger-than-expected first half, while warning that financial- market turmoil has increased the risks to the recovery. The world economy will expand 4.6 percent in 2010, the biggest gain since 2007, compared with an April projection of 4.2 percent, the Washington-based fund said in revisions yesterday to its World Economic Outlook. Growth next year is projected to be 4.3 percent, unchanged from the April forecast. Canada and the U.S. are leading advanced economies out of the worst recession since World War II, trailed by euro-area countries that need additional measures to boost confidence in their banks. Faster expansions in Brazil, China and India are helping to protect the global recovery as a sovereign-debt crisis weighs on Europe.

- **Aussie lifted by jobs, euro wrestles resistance**

  The euro pushed to a two-month high against the dollar today as short-covering kicked in after strong Australian jobs data sent the Aussie dollar up and helped gains in other currencies against the greenback and yen. Australian employment surged past all expectations, rising 45,900 against forecasts for 17,500, and the unemployment rate eased, reviving talk of a rate hike in the next few months and eroding arguments for a possible cut. The data sent the Aussie up more than half a U.S. cent and more than half a yen to its strongest levels since late June, and helped the euro breach resistance at USD 1.2673, although it quickly faltered at the highs. The Aussie rose 1.1 percent on the day to AUD 0.8726, touching its highest in almost two weeks at AUD 0.8748 and pushing above its 55-day moving average at AUD 0.8664.

Economy News

- **India sugar mills cancel import contracts**

  Indian sugar millers are cancelling import contracts due to a drop in domestic prices and are unlikely to sign new deals on expectations of a surge in local output. The contracts had been signed late last year and early this year when domestic sugar prices rose to a record and the production outlook was lower. Since then the price has fallen by a third and the output estimate has risen by about the same. The world's biggest consumer is likely to produce 24-25 Mn Tns in 2010/11, higher than the local demand of 23 Mn Tns India is likely to produce 18.7 Mn Tns of sugar in 2009/10, according to ISMA, significantly higher than its initial estimates of 14-15 Mn Tns, reducing the country's overseas purchases.

  In Maharashtra, the top sugar producing state, spot prices have fallen to Rs 2,600 (USD 55.3) per 100 kg from the record 3,972.3 rupees on January 7, forcing millers to ask the government to impose an import duty on the sweetener.

- **Inflation impact on fuel price hike below 1%**

  On the rising inflation and oil price hike, Finance Minister Pranab Mukherjee has said that WPI inflation impact on fuel price hike is seen just below 1%. He elaborated that the fuel prices hike has been made based on the recommendations by Parikh Panel Report. Speaking further the FM said that the government’s key objective is to meet credit need of farmers and government’s credit flow to agriculture stands at Rs 3,66,000 Crs this year. However he said that farm credit flow has exceeded this year. Mukherjee and RBI are planning to meet on July 23 as usual ahead of the central bank's monetary policy review on July 27.

Corporate News

- **Network18 board okays restructuring of group businesses**

  Consolidating all broadcast operations into one company, the board of media major Network yesterday approved a re-organization plan to create a simplified two listed entity structure for the group. The new TV18 entity consolidates all TV businesses of the group and owns CNBC-TV18, CNN-IBN, IBN7, and CNBC-Awaaz along with the group's 50% stake in Colours, MTV, Nick, VH1 and IBN Lokmat.

  The New Network18 will hold a controlling interest in New TV18 and will be the operating company for the group's digital, publishing, sports and event management businesses. New Network18 will also hold all group investments in HomeShop 18, Newswire 18, DEN, Yatra and Capital 18. The new structure will offer shareholders the choice of investing in either the entire Network 18 Group or only in the broadcast TV business. Post consolidation, TV18 shareholders will get 68 IBN18 and Network18 shares for every 100 shares. Infomedia18 on the other hand would transfer yellow pages and magazines to Network18 but will retain all printing press operations. The shareholders of Network18 would retain existing shares in the company. However, they would also get additional 14 shares of Network18 for every 100 shares.

- **Escorts wins USD 40 Mn order**

  Escorts Limited, India’s leading tractor manufacturer, today set a new benchmark by winning Indian tractor industry’s largest ever order for tractors valued at USD 40 Mn (about Rs. 185 Crs). The prestigious order has been awarded to Escorts by the Government of the United Republic of Tanzania.

  Escorts has been chosen to supply 1430 units of its premium range of powerful Farmtrac tractors to Tanzania which is implementing a national “Food Sufficiency Programs” aimed at making it a Food surplus country. Escorts will commence the supply of tractors in July. Escorts will supply the tractors in SKD (semi knocked down) form and assist the Government organizations in Tanzania to assemble these tractors into CBU (completely built-up units). Escorts’ Farmtrac range comprises from 34HP to 75 HP and has powerful features that provide maximum productivity and efficiency to the farmers.

- **Hindustan Media IPO gets strong investor response**

  Subscription for newspaper publisher Hindustan Media Ventures Ltd's (HMVL) initial public offering ended on a high note on Wednesday as investors bet on growth prospects of the regional player. The publisher received 73.8 Mn bids, mostly towards the lower end of the price band, and the offering was subscribed 5.34 times. HMVL, a part of HT Media is looking to raise about Rs 270 Crs through the IPO. The price band was set at Rs 162-175 a share. Last week, HMVL raised about Rs 46.1 Crs from anchor investors, selling 2.8 Mn shares at Rs 166 apiece. The biggest investors were Reliance Capital and Birla Sun Life, who bought 843,360 shares each. Birla Sun Life bought the shares through five of its entities. Edelweiss Capital and Kotak Mahindra Capital are book running lead managers for the issue.

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