



GUINNESS

Redefining Services

EVENING NOTE

Wednesday, 10 June 2009

MARKET SUMMARY

MARKET AT A GLANCE

	Close	% Chg	
SENSEX	15466.81	2.25	▲
S&P CNX NIFTY	4655.25	2.29	▲
MIDCAP	5359.50	1.59	▲
METAL	11644.89	2.14	▲
BANKEX	8240.65	2.49	▲
REALTY	3786.47	1.14	▼
POWER	3069.45	3.62	▲
OIL&GAS	10539.83	2.07	▲
IT	3392.92	1.06	▲
CNX MIDCAP	5674.20	1.85	▲
BANK NIFTY	7338.95	2.13	▲
CNX IT	3642.80	1.67	▲
CNX 100	4480.35	2.23	▲
CNX NIFTY JUNIOR	8012.00	2.35	▲
MARKET TURNOVER	107313.5	Cr	

Advances/ Declines (BSE)

	A	B	S	Total
Advances	135	684	175	994
Declines	65	924	238	1227
AD Ratios	2.08	0.74	0.73	0.81

FOREX

Rs/\$	47.27
Rs/Euro	66.71

DII / FII position

FII (10/06)(PROV)	738.09	(+)
DII (10/06)(PROV)	589.88	(+)



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Indian Markets today extended their recent strong gains on a view that ample global liquidity and a return of risk appetite will help India Inc help raise funds for expansion which in turn will boost corporate profits. India Inc has already raised almost Rs 5,000 crore from three qualified institutional placements (QIPs) so far in 2009 and announced plans to raise another Rs 20,000 crore. Firm global markets and higher US index futures also helped Indian stocks register strong gains today. The 30-share BSE SENSEX closed 339.81 points or 2.25% higher at 15,466.81, after seeing an intraday high of 15,580.81. The 50-share NSE Nifty went up 2.25% or 104.30 points, to settle at 4,655.25, after hitting a high of 4688.95. BSE clocked a turnover of Rs 8,302 crore higher than Rs 8,002.02 crore on Tuesday, 9 June 2009.

On the back of heavy buying by foreign funds, the Sensex has jumped 5,819.50 points or 60.32% in calendar year 2009. From a 3-year closing low of 8,160.40 on 9 March 2009, the Sensex has risen 7,306.41 points or 89.53%.

Coming back to today's trade, the market breadth, indicating the overall health of the market turned negative in contrast to a strong breadth seen earlier in the day. On BSE, 1,212 shares rose as compared with 1,549 that declined. A total of 55 shares remained unchanged.

From the 30 share Sensex pack 23 rose while the rest fell.

Oil stocks rose as crude oil raced towards \$71 a barrel on Wednesday, after settling above \$70 on Tuesday for the first time in seven months on a larger-than-expected fall in crude oil stocks and a forecast that falling oil demand may have bottomed. India's largest state-run oil exploration firm by sales ONGC rose 2.93%. Cairn India rose 4.82%. US light crude for July delivery rose 84 cents to \$70.85 a barrel on Tuesday. The rise in crude oil prices would result in higher realizations from crude sales for oil exploration firms.

Foreign funds are aggressively buying Indian stocks. FII inflow in June 2009 totaled Rs 4,718.80 crore (till 9 June 2009). FII inflow in calendar year 2009 totaled Rs 25,192.30 crore (till 9 June 2009). Net inflows into domestic equity mutual funds rose to Rs 1,930 crore in May 2009, the highest in 14 months, and more than twice the amount in the first four months of 2009, according to data from the Association of Mutual Funds in India.

Finance Minister Pranab Mukherjee today said banks should provide credit at reasonable rates to spur growth, saying cuts in official rates by the Reserve Bank of India had not been passed on. He said banks have agreed to explore the possibility of reducing rates after a meeting with chiefs of state-run banks. Interest rates in India are falling thanks to ample liquidity in the banking system, low headline inflation and a loose monetary policy stance of the Reserve Bank of India. However, inflation may rise if oil and metal prices which have risen sharply in 2009 continue to rally.

A change in the Reserve Bank of India's current loose monetary policy stance if and when it takes place may weigh on equities. Investors have been betting that falling interest rates in India may help sustain strong domestic demand and also support a larger capital expenditure programme of India Inc. Late last week, India's biggest private sector bank by net profit ICICI Bank cut prime lending rate by 50 basis points. Rising metal prices is a cause of concerns for manufacturing companies as their raw material costs may shoot up.

The government's oil subsidy bill may remain high and it could continue to put pressure on the already high fiscal deficit if the government does not resort to decontrol of oil prices. However, the surging rupee against the dollar may mitigate the impact to some extent as India is a major importer of crude.

Any disappointment on reforms may weigh on the stock market at a time when many equity analysts have been raising earnings forecasts of India Inc on hopes that the new government will push economic reforms to boost growth.

Prime Minister Manmohan Singh on Tuesday said India will achieve an economic growth of at least 7% this fiscal and promised more resources for areas like infrastructure and public services. He said India will be able a growth rate of 8-9%, even when the world grows at a lower rate. The Prime Minister said the reason behind his optimism was that India's savings rate, which determines the money that can be deployed for development projects, was still high at 35% of gross domestic product (GDP). According to the Prime Minister, fiscal deficit had increased sharply but even then India had enough resources to spend on flagship programmes thanks to the average annual growth of 8.6% achieved during the past five years. He also said that his government was deeply committed to the agenda listed in the President's address, adding flagship programmes will be further strengthened and public delivery system made more transparent.



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NSE TOP GAINERS

Scripts	Today's Close	Previous Close	Change (%)
EVERONN	447.95	349.90	28.02
ASIANHOTEL	361.35	301.10	20.01
ORIENTABRA	39.55	33.10	19.49
SOLARINDS	303.35	256.05	18.47
REISIXTEN	1279.45	1100.10	16.30
PRISMCEM	45.75	39.35	16.26
LITL	442.95	387.80	14.22
NIITLTD	64.80	57.90	11.92
FSL	29.75	26.70	11.42
INDIACEM	177.50	160.25	10.76

NSE TOP LOSERS

Scripts	Today's Close	Previous Close	Change (%)
PRITHVI	73.00	80.85	9.71
IVP	29.00	31.35	7.50
LAKPRE	33.80	36.35	7.02
WABCO-TVS	225.15	239.70	6.07
SURANATELE	31.80	33.85	6.06
SHIVAMAUTO	56.10	59.60	5.87
IOLN	47.40	50.35	5.86
SUNFLAG	21.90	23.25	5.81
HDIL	267.20	283.65	5.80
KAJARIACER	34.55	36.55	5.47

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