



## GLOBAL INDICES

Index	Last Close	Change (%)
S&P 500	1090.10	+0.91
NASDAQ	2200.01	+1.06
DOW JONES	10320.10	+0.49
FTSE	5371.04	+0.09
DAX	6083.85	-0.00
CAC 40	3631.43	+0.21
NIKKEI	9097.63	+0.38
HANG SENG	20885.04	+0.08
SENSEX	18238.31	+0.20
NIFTY	5486.15	+0.30

## INDIAN ADRs

ADR	Last Close	% Change
HDFC BANK	167.36	+0.55
ICICI BANK	43.10	+0.28
INFOSYS	59.77	+0.12
WIPRO	13.09	-0.08
DR REDDY'S	29.86	+2.30
STERLITE	13.97	+1.53

## U.S. MARKETS BRIEF

Another broad-based buying effort sent stocks through resistance to book their second straight gain ahead of the monthly nonfarm payrolls report. Final nonfarm productivity readings for the second quarter also offered little surprise. Productivity in the quarter fell 1.8%, which is in stride with the 1.7% decline that had been widely forecasted. Unit labor costs for the quarter increased 1.1%, as expected.

Pending home sales for July provided participants with a positive surprise. They posted a 5.2% monthly increase, which contrasts with the call for no change from economists polled by Briefing.com. That data overshadowed news that factory orders for July increased 0.1% instead of 0.3% as had been widely expected.

Stocks were able to garner support, but the S&P 500 struggled in the 1085 zone. That area provided resistance for most of the morning and afternoon, but buyers stepped up their efforts in the afternoon so that stocks settled at session highs.

## GLOBAL NEWS CLIPPINGS

### Japan Said to View U.S. Opposition as Yen Intervention Obstacle

Japan views probable U.S. opposition to intervention in the foreign-exchange market to address the appreciating yen as an obstacle to taking unilateral action, according to three Japanese government officials. Yen sales without U.S. backing would be a challenge, the officials said on condition of anonymity because the government discussions are private. Two of them also said volatility, rather than the current level, would be a more likely trigger for an end to the policy of refraining from sales of the currency, which last week hit a 15-year high against the dollar. Developed economies abroad are weaker than when Japan last intervened, and are themselves looking to boost exports, making it tougher for Japan to go it alone now. Coordinated intervention helped set a floor for the euro in 2000 and the dollar in 1995, while Japan's solo moves in 2003 failed to arrest its appreciation.

### U.S. Pending Home Sales Rise in Sign Market Steady

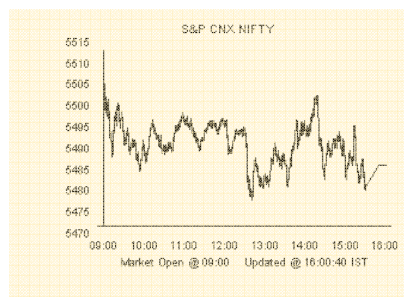
Pending sales of existing houses unexpectedly climbed in July from a record low, indicating the real-estate market is steady following the end of a government tax credit. The index of purchase contracts rose 5.2 percent after a revised 2.8 percent drop the prior month, figures from the National Association of Realtors showed today in Washington. Combined with data showing claims for unemployment benefits dropped and orders to factories increased, the reports allayed concern the economy was tipping back into a recession. "We're growing at a mediocre clip," said Stephen Stanley, chief economist at Pierpont Securities LLC in Stamford, Connecticut. "We just haven't rebounded sufficiently from the severe recession." Today's reports support Federal Reserve Chairman Ben S. Bernanke's scenario for a "modest" pace of expansion in the second half of the year. Figures from the Labor Department tomorrow are projected to show the jobless rate rose in August for the first time in four months, showing the pace of economic growth is not enough to revive employment.

### Thailand Watching Baht's Strength

The Thai government is concerned about the strength of the baht and has asked the central bank to closely monitor its movement, Finance Minister Korn Chatikavanij said Thursday after a high-level emergency meeting to discuss the currency's rise. Mr. Korn told reporters that there has been no speculation detected in the foreign-exchange market, but said the Bank of Thailand already has the necessary tools to cope with such a situation should it arise.

## INDIAN MARKET STATISTICS

Sensex	18238.31	+32.44
Nifty	5486.15	+14.30



## INDEX AGGREGATES

	P/E	P/B	Div Yield
Sensex	21.68	3.45	1.15
Nifty	23.08	3.59	1.10

## ADVANCES & DECLINES

Index	Advances	Declines	No Chng	A/D Ratio
NSE	896	475	33	1.89
BSE A	133	69	2	1.93
BSE B2	1217	746	72	1.63

## BSE SECTORAL INDICES

Name	Prev-Close	Close	% Change
BSE 100	9759.42	9785.18	0.26
BSE 200	2335.14	2342.89	0.33
BSE 500	7394.14	7423.16	0.39
BSE Bankex	12351.08	12448.52	0.79
BSE Cons. Durable	5756.40	5819.92	1.10
BSE Capital Goods	14663.00	14732.17	0.47
BSE FMCG	3425.39	3452.58	0.79
BSE Healthcare	5583.45	5597.79	0.26
BSE IT	5483.34	5446.72	-0.67
BSE PSU	9799.82	9771.77	-0.29
BSE TECK	3450.80	3428.60	-0.64
BSE Auto	8838.05	8890.06	0.59
BSE Metal	15429.53	15515.00	0.55
BSE Oil & Gas	10072.00	10036.86	-0.35
BSE Realty	3430.91	3444.94	0.41
Dollex-30	3192.10	3200.35	0.26

## INDIAN MARKETS BRIEF

Extending yesterday's gain, the key Indian bourses closed the day's trade with marginal gain. The buying interest emerged across CD, FMCG and Bankex space while IT and Teck exhibited selling pressure. After a positive opening, the key benchmark indices traded firm amid strength in the Asian bourses and on the back of splendid upsurge in the overnight U.S markets. During the opening trade, the BSE Sensex marked the day's high and touched 18,355.84 while the NSE Nifty hit 5,513.95. However, profit booking at higher level across the bourses led the key benchmark indices to come off the days high. Yesterday, the BSE Sensex moved in a narrow range and slipped in early afternoon trade as European stocks declined in early trade. The market continued its firm note to close the session with marginal gains. The overall market breadth was positive, as 9 out of the 13 indices ended in green. The BSE Sensex closed above 18,235 mark and NSE Nifty ended above 5,485 level.

Yesterday, the domestic markets opened the session with firm note tracking positive global cues. In the global markets, the Asian stocks belled the session with modest gains, after Wall Street soared on encouraging manufacturing data. U.S market closed higher on overnight trade as better than expected growth in the country's manufacturing supported confidence in global economic growth. The Dow Jones Industrial Average rose 254.75 points or 2.54% to 10,269.47, its biggest one-day gain since 7 July 2010 and its fifth-largest one-day gain this year.

## TOP NIFTY GAINERS & LOSERS

Company	LTP	% Change
SUZLONENERGY	52.55	12.77
H C L TECH	402.95	4.36
STERLITE (I)	160.70	2.68
HERO HONDA	1690.55	-4.21
GAIL	459.10	-2.33
KOTAK BANK	812.60	-2.10

## MACRO

- ✓ **The production of natural rubber (NR) increased sharply in April-August** as against a fall in consumption. Production increased 8.5 per cent, while consumption was up 3.4 per cent. Total output increased to 297,750 tonnes as against 274,325 tonnes in April-August 2009. Consumption increased to 390,350 tonnes as against 377,600 tonnes in the year-ago period. The Rubber Board said the rise in production was due to increased use of rain guards in plantations, favourable weather and higher prices. The rise in production, coupled with the announcement of import of 25,000 tonnes at lower duty, is leading to a sharp fall in prices. The RSS-4 grade was quoted at Rs 165 a kg. It was Rs 185 a couple of weeks ago.

## COMPANY

- ✓ **Tata Power Company** announced that the consortium comprising of Tata Power (47.50%), Origin Energy (47.50%) and PT Supraco Indonesia (5%) were declared as the successful bidder for the Sorik Marapi geothermal project in Northern Sumatra, Indonesia. The Sorik Marapi project is estimated to support the development of nearly 240 MW of geothermal generation capacity. The project will be developed by PT Sorik Marapi Geothermal Power, a Special Purpose Vehicle formed by the Consortium. The Consortium would undertake a detailed exploration programme over the next 18 months. The expected commercial operation date (COD) for the project is June 2015.
- ✓ Mumbai-based, **Cinemax India**, a Kanakia Group company said that it is launching the three screens multiplex 'Shiv-Cinemax' situated at Ashram Road, Ahmedabad. Shiv was a very popular single screen theatre on Ashram Road, a landmark property which is now converted in three screen multiplex with state of the art ambience and facilities. The multiplex is having capacity of 657 seats including 75 recliner seats. It will also offer patrons to enjoy a personalized cafe service while enjoying their favorite movies.
- ✓ **Welspun Corp** (Welspun), the flagship company of the USD 3 billion Welspun Group and the second largest line pipe company in the world has won new pipe orders worth Rs 7 billion (nearly 120,000 tons) from domestic and international markets. These orders are likely to be executed in the current financial year. With the addition of these orders, the current order book of the company stands at Rs 57 billion (nearly 800,000 tons) without excluding the orders being executed in the current quarter.
- ✓ IT services provider, **FCS Software Solutions** said that it is going to raise funds to the extent of Rs 1 billion by way of preferential allotment of shares, warrants. The company has also decided to set up an investment committee to search and acquire company (ies) and discharge purchase consideration by way of cash, share swap or kind. The company has also decided to increase its authorized share capital from Rs 1.25 billion to Rs 1.50 billion.
- ✓ **UltraTech's cement** production for the period April-August 2010 has moved up by 4.18% at 15.81 million mt as against 15.17 million mt during April-August 2009. Dispatches rose by 4.45% at 15.76 million mt in April-August 2010 vis-à-vis 15.09 million mt in the corresponding period last year. Production for August 2010 is higher by 0.81% at 2.95 million mt, and dispatches, at 2.96 million mt by 2.40% over August 2009.
- ✓ Ranbaxy (South Africa), a wholly owned subsidiary of **Ranbaxy Laboratories**, launched its new state-of-the-art manufacturing facility, Be-Tabs Pharmaceuticals Manufacturing Plant, at Roodepoort, Johannesburg, South Africa. This will be Ranbaxy's second manufacturing facility in South Africa and the third in the African continent. The new facility, built with an investment of US\$30 million will manufacture Analgesics, Cold, Cough and Flu preparations, Anti-Histamines, Anti-Hypertensives, CNS Drugs, Vitamins and Minerals as well as a comprehensive range of over-the-counter medication. The products manufactured will comprise tablets and hard gelatin capsules that will be supplied to current registered regions.
- ✓ **Videocon Telecommunications Ltd** (VTL) plans to invest Rs 450-500 crore in telecom infrastructure creation in Tamil Nadu over the next 16 months till end-2011. According to Aravind Santhanam, chief operating officer (Tamil Nadu circle), VTL, the company has so far invested around Rs 500 crore and will invest another Rs 450-500 crore to increase its tower strength to 5,000 from the current 3,250. We are also looking at using infrastructure of other companies to increase penetration," he said, after launching new international call rates for its Tamil Nadu subscribers.
- ✓ **Tata Chemicals** said that it intended to set up a second unit for manufacturing its water purifiers, sold under the Tata Swach brand that was launched late last year, with a likely investment of ' 50 crore. The company already has a facility at Haldia, where it currently manufactures 1 million units of the purifier per annum. "We are yet to finalise the location of the new plant. But rice husk is a key raw material for the purifier, so it (new facility) should be close to a rice-producing belt," Tata Chemicals managing director R Mukundan said at the product's launch in Eastern India, adding that the proposed facility would have a capacity of 500,000 units annually.
- ✓ Diligenta, the UK subsidiary of India's largest information technology services company, **Tata Consultancy Services** (TCS), acquired Unisys Insurance Services (UISL) from Unisys Corporation, in lieu of which the company received business worth £250 million (Rs 1,800 crore) for the next six years. With the acquisition, Diligenta won business from Phoenix Group (earlier know as Pearl Group) and Old Mutual International. TCS will take over UISL's operations in Liverpool and Bournemouth. The total employees at both centres are 1,000.

**Last 5 Sessions FII Investment Figures**

Date	Purchase ( Rs Crore )	Sale ( Rs Crore )	Investment ( Rs Crore)
02-Sep-2010	2730.00	2203.20	526.80
01-Sep-2010	3180.30	2641.90	538.40
31-Aug-2010	1417.20	1144.60	272.70
30-Aug-2010	1803.10	1835.90	-32.80
27-Aug-2010	3652.30	3495.60	156.60

**Last 5 Sessions Mutual Fund Figures**

Date	Purchase ( Rs Crore )	Sale ( Rs Crore )	Investment ( Rs Crore)
01-Sep-2010	675.40	514.40	161.00
31-Aug-2010	446.60	798.70	-352.10
30-Aug-2010	339.10	334.10	5.00
27-Aug-2010	498.80	433.10	65.70
26-Aug-2010	713.50	736.70	-23.20

**12 Months Trailing NSE Gainers**

Company	Latest Close	Compared To	Absolute Change	% Change
TATA MOTORS	1016.95	510.30	506.65	99.28
P N B	1212.50	678.40	534.10	78.73
HINDALCO	173.65	103.00	70.65	68.59
RANBAXY LAB.	504.00	315.65	188.35	59.67
TCS	844.10	533.65	310.45	58.17

**12 Months Trailing NSE Losers**

Company	Latest Close	Compared To	Absolute Change	% Change
SUZLONENERGY	51.30	100.15	-48.85	-48.78
REL COM	162.80	291.40	-128.60	-44.13
VIDESH SANCH	346.90	488.05	-141.15	-28.92
DLF LTD	311.85	412.85	-101.00	-24.46

## Tata Chemicals

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"We are yet to finalise the location of the new plant. But rice husk is a key raw material for the purifier, so it (new facility) should be close to a rice-producing belt," Tata Chemicals managing director R Mukundan said at the product's launch in Eastern India, adding that the proposed facility would have a capacity of 500,000 units annually.

Tata Swach, which uses a combination of low-cost ingredients such as rice husk with nano-technology, is available in three variants across Maharashtra, Karnataka, apart from the Northern and Eastern markets. The pan-India roll-out of the product is expected to be completed by this fiscal, subsequent to which the company could look at eventually establishing 3-4 facilities nationwide to service each region better.

This fiscal, the firm expects to sell about 1 million units of the purifier, with revenues of about Rs 75 crore. But the numbers are expected to grow significantly. "Less than 10 per cent of households in India use purifiers. So the potential is very large. We are already selling 50,000 units per month," he said. Tata Chemicals is also working on a blueprint for an international roll-out. "There are lots of enquiries and interest coming from Africa and other parts of Asia. We will reach out there very soon," Mukundan added. **Accumulate.**

## TCS

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Phoenix Group is an existing customer for Diligenta. The new deal the company won extends the contract by an additional six years, till 2018. In 2005, TCS acquired the life and pensions operations from Pearl Group, under a £486-million business process outsourcing (BPO) deal. Diligenta was selected the preferred bidder following a rigorous process by UISL's largest client, Phoenix Group.

"TCS set up Diligenta to specialise in the provision of business process outsourcing services for the UK life & pensions industry. These new wins further cement the company's position amongst the largest providers of such services in the UK market. Diligenta has grown from strength to strength since it was set up in 2006 and today marks a further major milestone as we cross the five-million mark for policies under administration," said Phiroz Vandrevala, chairman, Diligenta, and executive firector, TCS. Diligenta now becomes one of the leading providers within the UK's life & pensions BPO market. The number of policies it administers will rise from 3.6 million to over five million. **Accumulate.**

## MOST ACTIVE STOCKS PIVOTAL GUIDANCE

	Lower 2	Lower 1	Axis	Higher 1	Higher 2
<b>BANK NIFTY</b>	10334.65	10655.02	<b>10975.38</b>	11295.75	11616.12
<b>RELIANCE</b>	884.05	911.46	<b>938.86</b>	966.27	993.67
<b>RCOM</b>	153.46	158.22	<b>162.98</b>	167.73	172.49
<b>RELCAPITAL</b>	728.53	751.11	<b>773.70</b>	796.28	818.86
<b>REL</b>	959.66	989.41	<b>1019.15</b>	1048.90	1078.65
<b>LT</b>	1735.66	1789.47	<b>1843.27</b>	1897.07	1950.88
<b>STER</b>	151.19	155.87	<b>160.56</b>	165.25	169.93
<b>ICICIBANK</b>	944.90	974.19	<b>1003.48</b>	1032.77	1062.06
<b>SBIN</b>	2604.96	2685.71	<b>2766.46</b>	2847.21	2927.96
<b>TATASTEEL</b>	512.41	528.30	<b>544.18</b>	560.07	575.95
<b>RNRL</b>	36.20	37.33	<b>38.45</b>	39.57	40.69
<b>TATAPOWER</b>	1185.46	1222.21	<b>1258.96</b>	1295.71	1332.46
<b>INFOSYSTCH</b>	2595.13	2675.58	<b>2756.02</b>	2836.47	2916.92
<b>BHEL</b>	2262.52	2332.66	<b>2402.79</b>	2472.93	2543.06
<b>ONGC</b>	1250.72	1289.49	<b>1328.26</b>	1367.03	1405.80
<b>ACC</b>	843.39	869.54	<b>895.68</b>	921.82	947.97
<b>PUNJLLOYD</b>	102.16	105.32	<b>108.49</b>	111.66	114.82
<b>HDFCBANK</b>	2058.73	2122.55	<b>2186.37</b>	2250.18	2314.00
<b>MARUTI</b>	1206.00	1243.38	<b>1280.77</b>	1318.15	1355.54
<b>AXISBANK</b>	1304.34	1344.77	<b>1385.21</b>	1425.64	1466.08
<b>DLF</b>	293.45	302.55	<b>311.64</b>	320.74	329.84

### BULLISH ON SHORT TERM.....

**BAJAJ-AUTO** TAKE DELIVERY FOR BTST/T+2 WITH TARGETS OF 2800-2810-2820 SL 2770

**BAJAJHIND** TAKE DELIVERY FOR BTST/T+2 WITH TARGETS OF 125-127-130 SL 118

## DERIVATIVES NOTES

- ✓ Markets moved up further yesterday. The Nifty Sept Fut finally closed 6.2pts or 0.11% higher at 5484.15. The Nifty Sept Fut closed at a discount of 2.0pts as against a premium of 4.15pts on Wednesday. Total turnover in the F&O segment was lower at Rs.84,089crs. Vs. Rs.92, 166crs. On Wednesday.
- ✓ The biggest gainers in the F&O segment were Apollo Tyre, Suzlon, IOB, Ispat Ind and Exide Ind. The biggest losers were Hero Honda, Adani Power, Hind Zinc, Adani Ent and McDowell. The most active stock fut contracts (In terms of value) were of Tata Motors, Tata Steel, SBI, UCO Bank and Apollo Tyre.

### Institutional Investment Trends (in Crores) SEPT 2

	Buy	Sell	OI EoD
<b>Index Futures</b>	1843.15	1175.67	15794.99
<b>Index Options</b>	4295.44	4534.61	64811.65
<b>Stock Futures</b>	1395.74	1135.53	35338.57
<b>Stock Options</b>	153.03	158.83	648.23

### Put Call Ratio

Symbol	Expiry Date	Put	Call	Ratio
RELINFRA	28-Oct-10	2250	500	4.50
SAIL	28-Oct-10	12000	4000	3.00
ONGC	28-Oct-10	1500	500	3.00
NIFTY	27-Dec-12	331900	126350	2.63
BHARTIARTL	28-Oct-10	56000	22000	2.55
BANKNIFTY	30-Sep-10	311500	133225	2.34
DCHL	30-Sep-10	4000	2000	2.00
TATACHEM	30-Sep-10	2000	1000	2.00
SRTRANSFIN	30-Sep-10	2000	1000	2.00
ICICIBANK	28-Oct-10	40000	22250	1.80
DLF	28-Oct-10	73000	42000	1.74
NIFTY	30-Jun-11	7689500	4474400	1.72
NIFTY	30-Sep-10	64693900	41701300	1.55
NIFTY	28-Oct-10	14230000	9709400	1.47
INFOSYSTCH	28-Oct-10	2250	1625	1.38
MINIFTY	28-Oct-10	80	60	1.33
RELINFRA	28-Oct-10	2250	500	4.50

