

	Index Value	Index	P/E	AUTO	CAPITAL GOODS	CONSTRUCTION	Financial	FMCG	Info Tech	LOGISTICS	Metals	Oil & Gas	Pharma	POWER	Telecom
INDIA	3684.35	3.65	13.46	1.63	2.69	3.84	4.71	1.16	5.21	N.A	1.96	4.33	1.24	3.09	5.22
NIKKEI	9298.61	(1.62)	130.48	N.A	N.A	(2.97)	(4.61)	(0.76)	(0.75)	N.A	(0.76)	(1.63)	(2.16)	(0.63)	N.A
KOSPI	1403.51	(0.82)	19.70	N.A	(2.17)	(3.24)	(2.72)	0.32	N.A	(0.82)	(1.45)	0.15	(0.81)	(0.28)	1.13
SHANGHAI	2618.17	1.49	26.34	N.A	1.75	N.A	2.45	1.08	1.82	N.A	2.38	2.78	0.51	1.67	(0.57)
TAIWAN	6432.55	(3.23)	60.42	(2.16)	N.A	0.44	(5.49)	(4.20)	(3.83)	(4.96)	(2.77)	(0.22)	(1.96)	(4.23)	N.A
HANGSENG	17153.64	0.38	15.40	N.A	(2.11)	(0.43)	0.66	(1.70)	0.44	N.A	N.A	N.A	N.A	0.84	0.98
CAC	3253.89	0.16	11.36	N.A	0.19	N.A	(1.53)	(0.75)	(0.44)	N.A	(1.93)	(0.74)	0.41	(0.74)	0.03
FTSE	4439.17	0.08	21.88	(1.68)	1.46	1.76	(1.52)	0.19	(0.02)	2.07	0.52	0.01	1.77	1.72	1.57
DAX	4904.81	0.78	24.22	(0.55)	0.59	0.22	0.00	(0.56)	1.08	(0.30)	0.59	0.19	(0.09)	0.19	2.97
US	8418.77	(1.82)	20.79	(4.24)	(2.15)	(4.90)	(6.83)	(3.53)	0.18	(3.65)	(2.52)	(3.16)	(0.74)	(0.64)	0.30
AUSTRALIA	3177.60	(1.22)	19.08	N.A	(0.04)	(0.23)	(1.15)	(0.79)	(1.11)	(2.83)	(1.80)	(0.70)	(1.41)	N.A	(0.79)
BRAZIL	50976.39	(0.82)	18.61	N.A	N.A	N.A	N.A	N.A	(1.37)	N.A	N.A	N.A	N.A	N.A	(1.04)
MEXICO	23943.02	(0.59)	15.60	N.A	(0.49)	Tim	(1.19)	N.A	N.A	N.A	Tim	N.A	N.A	N.A	Tim

KEY HIGHLIGHTS...

European Stocks, U.S. Futures Gain...

European stocks and U.S. index futures climbed and commodities rose as Chinese investment in factories and copper imports signaled that government stimulus measures are blunting the recession. The Dow Jones Stoxx 600 Index of European stocks added 0.5 percent at 10:01 a.m. in London, after the biggest one-day drop this month, as Renault SA led a rally in companies whose earnings are tied to the pace of economic growth. Futures on the Standard & Poor's 500 Index increased 0.3 percent.

Economists Downgrade U.S. Recovery Outlook...

Economists downgraded their projections for a recovery from the deepest U.S. recession in half a century, now seeing the jobless rate exceeding 8 percent through 2011. Unemployment will average 8.5 percent in 2011 after a 9.6 percent rate next year, higher than previously expected, according to the median forecast in the survey taken from May 4 to May 11. The economy may expand 2.8 percent in 2011, less than estimated last month, after a 1.9 percent rise in 2010.

U.K. Manufacturing Drops at Weakest Pace in 13 Months...

U.K. manufacturing fell less than economists forecasts in March in the smallest contraction for more than a year, evidence the recession may be easing. Output slipped 0.1 percent from February. Economists predicted a 0.8 percent drop, according to the median of 23 forecasts. The decline was the smallest since the manufacturing slump started 13 months ago. The Bank of England last week extended by two thirds its program to fight the threat of deflation by printing money and said that there are "promising" signs that the recession is moderating. Manufacturing contracted at the slowest pace in eight months in April, and an index of services industries jumped the most since 1999.

DOMESTIC...

- India industrial production contracts 2.3% in March against contracted 1.2% in the month of February.
- Govt pegs 2008-09 food grain output 229.85 mln tn vs 230.78 mln.

SECTOR...

- IATA head sees aviation industry recovering slightly 2009-end.
- Government decides not to impose safeguard duty on hot-rolled coil imports due to lack of sufficient evidence. If the safeguard duty is imposed, it will curb imports from China and other Asian countries. It will push volumes higher and will prevent domestic prices from falling further.

COMPANY...

- **Reliance Industries** steady rise in gas output from the company's deepwater D6 Block in Krishna-Godavari Basin and enhanced potential for gas in the block. Canada's Niko Resources, a partner of Reliance Industries in the block, has said average gas production from D6 has risen to 25 mcmd from around 20 mcmd in the past seven days. Niko said that gas output is likely to near peak output of 80 mcmd before end of December.
- **Reliance Infrastructure Ltd.** has qualified to bid for three power transmission projects worth a total of INR56.50 billion. The bids are likely to be submitted in September or October. Rural Electrification Corp. will conduct the bidding for the North Karanpura and Talcher projects, while Power Finance Corp. will auction the third project.
- **Biocon Ltd** has informed that Kiran Mazumdar Shaw has been awarded the prestigious 'Nikkei Asia Prize' 2009 for Regional Growth".
- **JSW Steel Ltd** denied a newspaper report that it was planning to sell steel pipe-making units in the US as demand in that region remained sluggish.
- **KEC International** has bagged orders worth 1.11 bln rupees from West Asia, Australia, and India. Order wins are always positive as they provide revenue visibility. Two of the orders for transmission lines--one each from Abu Dhabi's TRANSCO and West Bengal State Electricity Transmission Co--are likely to be executed in 18 months. The third 260-mln-rupee tower supply order is from Australia.
- **Nucleus Software Exports** won an order from Bank of Bahrain and Kuwait to provide cash management solutions. It is difficult to predict how the order will augur for the company given that the value of the deal is unknown but orders from the Middle East are usually small.
- **Areva T&D** to invest 3.5 bln rupees on expansion by Dec.
- **Reliance Power** Transmission qualifies for 3 transmission projects.
- Component orders show **Maruti** sees 75,000 unit Ritz sales in a year.
- **Patni Computer Systems Ltd** has announced that its iCAPA Solution 2.0 for Life Sciences has achieved SAP certification as powered by the SAP NetWeaver technology platform. The solution has been proven to integrate with SAP solutions, providing customers with access to Corrective and Preventive Action platform to meet regulatory compliance requirements for Quality Systems and drive new levels of product quality and operational efficiency.
- **Consolidated Construction Consortium Ltd** has received orders worth Rs 306.74 crore till date during this financial year. The major orders being construction of RCC / pre-stressed concrete bridge across the river Adyar for aircraft movement in Chennai Airport and construction of a township for Vedanta at Jharsuguda, Orissa.
- **Morepen Laboratories Ltd** has informed that the securities of the company have been de-listed from Ludhiana Stock Exchange, with effect from April 25, 2009.
- **NALCO** resumes full-scale bauxite mining operations at Damanjodi.
- Daiichi posts record annual loss on fall in **Ranbaxy** stake value.
- **Dr Reddy's**, Australia partner to share Arixtra generic sales.
- **Chettinad Cement** to set up 2 mln tn unit in Tamil Nadu.

PRECIOUS METALS (SPOT PRICES)			
Name	Last Trade	% CHG 1D	% CHG 5D
GOLD	919.05	0.59	1.83
SILVER	14.23	2.30	8.89
PLATINUM	1130.00	(0.86)	0.20

ENERGY			
Name	Last Trade	% CHG 1D	% CHG 5D
CRUDE OIL	59.25	1.54	10.33
NATURAL GAS	4.37	1.51	20.80

BASE METALS			
Name	Last Trade	% CHG 1D	% CHG 5D
Copper	4663	2.15	2.94
Aluminum	1547	0.52	0.19
Nickel	13400	3.68	11.67
Lead	1467	2.88	4.41
Zinc	1568	1.75	2.55

LME INVENTORY (metric tonnes)			
Name	Inventory	% CHG 1D	% CHG 5D
Copper	379025	(1.60)	(4.03)
Aluminum	3874750	0.29	2.04
Nickel	111972	(0.30)	(1.39)
Lead	73400	0.41	1.59
Zinc	323325	(0.34)	(1.55)

CURRENCY			
Name	Last Trade	% CHG 1D	% CHG 5D
RS/\$	49.32	0.14	0.25
\$/€	1.37	(0.50)	(1.91)
DOLLER INDEX	82.36	(0.37)	(2.12)
¥/\$	97.64	0.28	1.49

Today's Major Economic Events			
IST	Data	Expected	Prior
18:00	Trade Balance	-\$29.0B	-\$26.0B
19:30	IBD/TIPP Economic Optimism	51	49.1
23:30	Monthly Budget Statement	-\$20.0B	\$159.3B

COMMODITY & CURRENCY...

- **Oil fell for a second day** as the drop in equities signaled the global economy and fuel consumption may not recover anytime soon, pushing crude stockpiles higher. Crude followed equity markets lower, reversing gains made last week after the U.S. economy lost fewer jobs than expected. The Standard & Poor's 500 Index declined 2.2 percent while the Dow Jones Industrial Average dropped 1.8 percent. U.S. oil inventories probably gained for a 10th week. The correlation with the U.S. equity markets is very high at the moment the market is a little ahead of itself and it's no surprise to see a bit of a pullback.
- **Gold rose in London** as a weaker dollar and higher oil spurred demand for the metal as a hedge against further declines in the currency and faster inflation. The Dollar Index, a measure against six other currencies, fell as much as 0.4 percent. Gold and the index have had a negative correlation of 0.52 in the past year. A figure of 1 would mean they move in lockstep. Crude oil rebounded as much as 1.7 percent in New York trading. "The dollar does play a role in the gold market" and costlier oil is also buoying bullion prices. We have seen some inflation-related hedging over the last couple of weeks. Gold for immediate delivery rose \$4.42, or 0.5 percent, to \$917.75 an ounce at 9:56 a.m. in London. Futures for June rose \$4.90, or 0.5 percent, to \$918.40 an ounce on the Comex.
- **China, the world's biggest iron ore buyer, boosted imports to a record in April** for a third month. Imports jumped 33 percent from a year earlier to 57 million metric tons, the customs office said today on its Web site. March shipments reached 52.1 million tons. Purchases of iron ore and metals have increased as China's government begun to spend 4 trillion yuan (\$586 billion) on housing, transportation infrastructure and other projects. Imports may slow in the coming months as steelmakers are still struggling, the China Metallurgical Mining Enterprise Association said last month.
- **Copper and aluminum** erased declines in London after a report showed increased imports last month into China, the largest user. Shipments of copper advanced 7 percent from March to 399,833 metric tons and aluminum imports more than doubled to 439,902 tons, the Beijing-based customs office said today. Copper climbed 9.7 percent last month on the London Metal Exchange and aluminum advanced 7.3 percent. They've been buying a lot of both metals for their strategic reserves. in London. As for aluminum, they've got to be careful they don't keep producers open longer than is needed. They still need cutbacks.
- **The dollar declined against the euro** and the pound on speculation the U.S. trade deficit widened in March and an economic recovery in the world's biggest economy will be sluggish. The dollar weakened against 12 of its 16 most-actively traded counterparts after a Chinese government report showed urban fixed-asset investment rose at the fastest pace in more than two years, spurring demand for higher-yielding assets. The euro gained as investors bet the European Central Bank will refrain from cutting interest rates further after reducing its benchmark rate to an all-time low last week, maintaining the allure of assets in the 16-nation region.
- **The pound rose to its highest level** in four months against the dollar after reports on manufacturing, house prices and retail sales added to evidence the economy is past the worst of the slump. The British currency also advanced against the euro as the Office for National Statistics said industrial production dropped at the weakest pace in 13 months. The Royal Institution of Chartered Surveyors said the number of real-estate agents and surveyors saying prices fell exceeded those reporting gains by the least since January 2008. The British Retail Consortium reported store sales climbed in April from a year earlier. The numbers were better than expected and there's some relief in the market that things aren't getting worse.
- **Asian currencies declined**, led by the South Korean won and the Philippine peso, as a drop in global stocks curbed investors' enthusiasm for riskier assets. Seven of the 10 most-active currencies in the region outside Japan weakened against the dollar as some investors judged a six-day rally in the MSCI Asia Pacific Index of shares was excessive given the outlook for economic growth. China's export slump worsened in April and the Philippines reported its sixth monthly drop in shipments, while General Motors Corp. yesterday said a bankruptcy was "more probable" than previously thought.

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