

	Index	P/E	AUTO	CAPITAL GOODS	CONSTRUCTION	Financial	FMCG	Info Tech	LOGISTICS	Metals	Oil & Gas	Pharma	POWER	Telecom
INDIA	4583.40 (1.17)	16.72	(2.41)	(2.27)	(2.49)	(2.32)	(1.16)	(1.53)	N.A	1.93	1.38	(1.36)	(1.62)	(2.40)
NIKKEI	10135.82 1.55	(100.73)	N.A	N.A	1.86	0.88	1.29	2.00	N.A	(1.34)	(0.40)	1.00	1.12	N.A
KOSPI	1428.59 0.65	30.21	N.A	0.55	(0.54)	0.43	0.48	N.A	(0.23)	3.29	0.67	2.24	0.24	1.25
SHANGHAI	2743.76 (1.91)	27.67	N.A	(2.00)	N.A	(1.40)	(2.27)	(2.99)	N.A	(2.47)	(1.67)	(1.74)	(2.27)	(1.80)
TAIWAN	6448.23 (1.81)	60.52	(1.36)	N.A	1.38	(2.91)	(0.33)	(1.56)	(2.06)	(0.04)	(3.04)	2.58	(0.56)	N.A
HANGSENG	18889.68 0.52	16.90	N.A	(0.38)	0.78	1.68	1.60	(0.84)	N.A	N.A	N.A	N.A	(1.13)	(1.83)
CAC	3329.19 (0.17)	11.77	N.A	(0.14)	N.A	(0.32)	(0.45)	0.00	N.A	(0.95)	0.71	(0.04)	0.71	(0.37)
FTSE	4456.96 (0.11)	31.89	4.70	(1.68)	(1.02)	(0.22)	(0.44)	(0.87)	(1.13)	0.41	(0.99)	4.19	0.32	3.92
DAX	5082.63 (0.48)	27.18	(0.53)	(0.23)	0.93	(0.47)	0.20	(1.12)	(0.29)	(0.23)	(0.14)	1.52	(0.14)	1.48
US	8770.92 0.37	11.59	(1.07)	0.61	(2.05)	1.25	(1.17)	0.31	(0.24)	2.01	1.77	1.40	2.00	1.68
AUSTRALIA	3321.60 0.37	20.76	N.A	1.12	1.28	1.15	1.47	0.17	(0.10)	1.05	(0.29)	(0.20)	N.A	0.92
BRAZIL	53410.93 0.48	21.52	N.A	N.A	N.A	N.A	N.A	0.23	N.A	N.A	N.A	N.A	N.A	(1.22)
MEXICO	25372.85 0.75	16.39	N.A	1.48	#N/A RI Tim	0.04	N.A	N.A	N.A	N.A	N.A	N.A	N.A	#N/A RI Tim

KEY HIGHLIGHTS...

China Stocks Fall Most Share Sale Speculation and declare of he first influenza pandemic since 1968...

China's benchmark stock index fell the most in almost two months after the 21st Century Business Herald reported the securities regulator will approve initial public offerings as early as this weekend. Airlines declined on concern travel demand will wane after the World Health Organization declared the first influenza pandemic since 1968.

European April Industrial Production Declines by Record 21.6%...

European industrial production dropped by the most on record in April as the worldwide recession ravaged demand for goods. Production in the euro region plunged 21.6 percent from a year earlier, the most since the data series started in 1986, Economists expected a 19.8 percent decline, according to the median of 14 estimates in a Bloomberg News survey. From March, output declined 1.9 percent.

Yosano Says Japan's Trust in Treasuries 'Unshakable'...

Japanese Finance Minister Kaoru Yosano said his government is confident about the outlook for U.S. Treasuries, signaling the second-biggest foreign holder of the securities will keep buying them amid record sales.

Confidence among U.S. consumers probably rose...

Confidence among U.S. consumers probably rose for a fourth straight month in June, reflecting signs that the worst recession in at least five decades may end this year, economists said before a private report. The Reuters/University of Michigan preliminary index of consumer sentiment increased to 69.5, the highest level in nine months, according to the median estimate of 62 economists in a Bloomberg News survey. The final reading for May was 68.7.

DOMESTIC...

➤ Giving early signs of economic recovery, industrial production grew 1.4 per cent in April after contraction for months together since September when global financial crisis deepened.

SECTOR...

➤ Textiles Minister said efforts will be made to provide fiscal relief, including service tax exemption, to textile exporters reeling under waning global demand. As a part of the short-term strategy, the government will strive to rationalize fiscal structure, exempt service tax, reduce interest rates on pre- and post-shipment credit, and facilitate faster clearance of arrears of terminal excise duties and central sales tax.

➤ India's textile industry is aiming for a 7-8% growth in exports in the current financial year that ends Mar 31. India's textile exports were around \$11 bln in 2008-09, unchanged from a year ago as demand from major markets like US, UK, and Japan fell due to the global economic slowdown even as a weak dollar made exports costlier.

➤ Steel ministry has recommended imposition of 15% export duty on all grades of iron ore to help conserve the resources. The recommendation submitted to the finance ministry also includes a proposal to raise import duty on hot rolled coils to up to 15% from the current 5%.

➤ The heavy industries ministry is in favour of continuing with the current excise duty regime to help a struggling automobile industry tide over the demand slowdown. The government had in December cut ad valorem central excise duty by four percentage points across the board, except for petroleum products, in a bid to stem the downturn in the economy.

➤ TRAI head says growth in DTH svc dependent on quality, pricing.

➤ Oil minister says worried about crude prices going up.

COMPANY...

➤ **Hindustan Construction** leased out Vikhroli Complex space at a 17% discount to the market rate. The company launched the complex at 90 rupees a share per sq ft per month.

➤ **Bharat Heavy Electricals** wins Hindalco order for Orissa power unit.

➤ **Kingfisher Airlines** flies most passengers May; Jet mkt shr 16%.

➤ **Bharat Electronics** plans to execute 52-bl-rupee orders FY10.

➤ **GMR Infrastructure Ltd** has not cut the price of its 50-bl-rupee qualified institutional placement of shares to 140 rupees a share.

➤ **McNally Bharat Engineering** has won a 3-bl-rupee order from Hindustan Zinc. The order is to be executed in 18 months. It is a big order for a company like McNally but is in line with what the management had indicated in a Jan-Mar earnings conference call.

➤ **JSW Steel** may not suspend operations at its US plate mill amid revival in demand and order inflows. The company's US mill has received orders worth 5,000 tn and is in the final stages to get orders worth another 25,000 tn.

➤ **DLF** is likely to receive over 2.50 bln rupees by offloading its stake in the joint venture with UK-based construction company Laing O'Rourke. However, the rise is seen restricted as these reports have been floating around for last five-six months.

➤ **Vedanta Resources Plc** plans to raise its stake in Indian subsidiary **Sesa Goa Ltd** to 55.0% from 53.1% now through preferential allotment of shares.

➤ **Reliance Infratel** is looking to raise about Rs 5,000 crore through sale of shares, for which it is in talks with a number of private equity firms. Reliance Infratel is looking to dilute 10-15 per cent stake in a private placement of shares with the PE firms.

➤ **Mahindra & Mahindra Limited** announced that it has transferred its land systems business, which was part of the Mahindra Defence Systems division, to Mahindra Defence Land Systems Private Limited, its wholly-owned subsidiary.

➤ **Novartis AG** has successfully produced a first batch of swine flu vaccine weeks ahead of expectations.



PRECIOUS METALS (SPOT PRICES)			
Name	Last Trade	% CHG 1D	% CHG 5D
GOLD	949.27	(0.31)	(2.79)
SILVER	15.14	0.02	(3.28)
PLATINUM	1255.25	(0.85)	(2.61)

ENERGY			
Name	Last Trade	% CHG 1D	% CHG 5D
CRUDE OIL	71.41	(1.77)	4.31
NATURAL GAS	3.88	(1.45)	0.21

BASE METALS			
Name	Last Trade	% CHG 1D	% CHG 5D
Copper	5260	(2.21)	5.57
Aluminum	1677	(1.00)	6.68
Nickel	15500	(1.90)	6.16
Lead	1785	(1.65)	6.87
Zinc	1691	(1.69)	8.05

LME INVENTORY (metric tonnes)			
Name	Inventory	% CHG 1D	% CHG 5D
Copper	290275	(0.99)	(3.23)
Aluminum	4269850	(0.07)	0.77
Nickel	108948	0.31	0.25
Lead	82125	0.46	1.17
Zinc	329975	0.27	1.60

CURRENCY			
Name	Last Trade	% CHG 1D	% CHG 5D
RS/\$	47.59	(0.04)	(0.94)
\$/€	1.40	(0.23)	1.00
DOLLER INDEX	80.02	0.61	(0.81)
¥/\$	98.19	(0.11)	(1.36)

Today's Major Economic Events			
IST	Data	Expected	Prior
18:00	Import Price Index (MoM)	1.40%	1.60%
18:00	Import Price Index (YoY)	-17.50%	-16.30%
19:30	U. of Michigan Confidence	69.5	68.7

COMMODITY & CURRENCY...

- **Gold declined in London** as a stronger dollar reduced demand for the metal as an alternative investment. The U.S. Dollar Index, a six-currency gauge of the greenback's value, rose 0.4 percent today. Gold typically moves inversely to the U.S. currency. to continue to weaken." Bullion for immediate delivery lost \$3.49, or 0.4 percent, to \$950.45 an ounce by 9:39 a.m. in London. August gold futures slipped 1.1 percent to \$951.30 an ounce on the New York Mercantile Exchange's Comex division. Mercantile Exchange's Comex division. Investment in the SPDR Gold Trust, the biggest exchange- traded fund backed by bullion, was unchanged for a fourth day at 1,132.15 metric tons yesterday, the company's Web site showed.
- **Oil fell** for the first day in four as a record plunge in European industrial production prompted speculation that hopes for an economic recovery are premature. Oil declined as the U.S. dollar strengthened, undermining investors' need to use commodities as an inflation hedge. The relative strength index for New York oil futures, a measure of how rapidly prices have advanced or dropped during a specific period, indicates prices may fall. U.S. crude inventories remain 11 percent above their five-year average, according to the Energy Department.
- **Copper fell** for the first time in a week in London and aluminum also dropped as the dollar advanced and investors sold commodities after recent gains. The S&P GSCI Index of 24 raw materials dropped 0.7 percent in London, led by declines in silver, gold and energy. Even with today's decline, copper has jumped 6 percent this week on record imports in China, the world's largest buyer, and aluminum reached a six-month high two days ago. Metal prices "are following the general direction of commodities and the dollar is stronger. anything to be alarmed about yet." Copper for delivery in three months dropped \$96, or 1.8 percent, to \$5,280 a metric ton on the London Metal Exchange and aluminum fell \$16, or 0.9 percent, to \$1,678 a ton. The July copper futures contract on the Comex division of the New York Mercantile Exchange declined 1.6 percent to \$2.407 a pound (\$5,307 a ton).
- **The dollar advanced against the euro** and the yen before a Group of Eight meeting of finance ministers at which Treasury Secretary Timothy Geithner may say the U.S. favors a strong dollar. The U.S. currency pared a weekly decline after the Wall Street Journal reported the Federal Reserve will resist pressure to increase bond purchases, avoiding adding to the supply of dollars. The pound declined against the euro, eroding the biggest weekly gain since the five days ending Jan. 30 as bank stocks fell for the first time in three days.
- **Asian currencies declined** this week, led by Indonesia's rupiah and the Philippine peso, as signs the global recession is easing reduced investor demand for emerging- market assets. The rupiah posted its biggest weekly loss in almost four months on speculation companies took advantage of the currency's rally to a seven-month high to buy dollars more cheaply. The peso weakened after the government cut its economic growth estimate and raised the budget deficit target. The ringgit dropped after Fitch Ratings cut the country's local-currency rating, citing deteriorating finances.
- **The yen declined** against higher- yielding currencies, extending its weekly loss, as Asian stocks rose and China said industrial output rebounded in May, spurring demand for riskier assets. The Swedish krona, New Zealand dollar and British pound, rose the most against the yen this week of the 16 most-traded currencies before reports today that economists said will show the decline in European industrial output slowed and U.S. consumer confidence improved. The dollar rose against 13 of the 16 most-traded currencies today after the Wall Street Journal reported the Federal Reserve will resist pressure to increase bond purchases, avoiding adding to the supply of U.S. currency.
- **India's rupee** was set for its worst week since March on concern crude oil prices near an eight-month high will boost import costs. The currency has retreated 1.6 percent since touching a seven-month high on June 3 as a 62 percent rally in the commodity in New York this year threatened to widen the nation's trade deficit. Asia's third-largest economy depends on imports to meet about 75 percent of its annual energy requirement. Offshore contracts indicate bets the rupee will trade at 47.68 to the dollar in a month, compared with expectations for a rate of 47.20 at the end of last week.

For suggestions, clarifications & your valuable feedback write back to us at

research@lohiasecurities.com

To access Lohia Research on Bloomberg type **LSEC<GO>**

We are also available at **Thomson Reuters** and **Reuters Contributor**.

Our Research Analysts-

Name	Email -ID
Nandita Jaiswal -CFA , MS (Finance)	nandita_cfa@yahoo.co.in
Neeraj Toshniwal -CFA , MS (Finance)	neeraj_toshniwal@yahoo.co.in
Rina Sanghavi -CFA , MS (Finance)	rinasanghavi2005@yahoo.co.in
Rohit Bangani -CFA , MS (Finance)	rohit_bangani@yahoo.co.in
Tarun Taparia -CFA , MS (Finance)	tarun_taparia2005@yahoo.co.in
Uday Dubey -CFA	udaydubeyster@gmail.com

DISCLAIMER: The information and opinions contained herein have been compiled or arrived at, based upon information obtained from reliable sources. Such information has not been independently verified and no guarantee, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. LSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report. LSL and its directors, associates, employees may or may not have any positions in any of the stocks dealt in the report. **This report is only for PRIVATE CIRCULATION.**