

	Index Value	Index	P/E	AUTO	CAPITAL GOODS	CONSTRUC TION	Financial	FMCG	Info Tech	LOGISTICS	Metals	Oil & Gas	Pharma	POWER	Telecom
INDIA	4107.70	(3.06)	14.81	(2.18)	(3.24)	(3.85)	(2.66)	(2.11)	0.74	N.A	(1.16)	(2.82)	(1.46)	(3.16)	(2.59)
NIKKEI	9310.81	(0.39)	(92.80)	N.A	N.A	1.93	(0.19)	(0.18)	1.66	N.A	1.52	1.09	(0.46)	0.42	N.A
KOSPI	1372.04	(2.06)	27.58	N.A	(1.89)	(3.02)	(3.23)	(2.04)	N.A	(1.10)	(1.79)	(2.60)	(1.28)	(1.46)	(1.55)
SHANGHAI	2588.58	(0.82)	26.00	N.A	(0.36)	N.A	(1.61)	0.38	1.56	N.A	(1.68)	(3.52)	0.20	(0.58)	0.55
TAIWAN	6683.11	(0.76)	63.18	(2.80)	N.A	(4.96)	(2.84)	(1.61)	(5.26)	(1.65)	2.85	2.68	(1.31)	(2.12)	N.A
HANGSENG	16991.56	(0.76)	15.28	N.A	1.01	1.38	(0.96)	0.11	(2.07)	N.A	N.A	N.A	N.A	(0.85)	(1.24)
CAC	3195.44	(1.26)	11.32	N.A	(1.65)	N.A	(0.15)	(1.52)	(0.42)	N.A	(1.07)	(0.25)	0.18	(0.25)	(0.89)
FTSE	4330.89	(0.79)	27.75	(4.76)	(2.79)	(1.47)	(1.88)	(0.92)	(0.39)	(1.26)	(0.10)	(1.21)	0.15	(0.33)	(0.74)
DAX	4854.39	(1.30)	25.09	(1.90)	(1.90)	(2.53)	(2.48)	(0.35)	(0.60)	(1.41)	(1.90)	(1.65)	(0.46)	(1.65)	0.03
US	8277.32	0.00	20.46	(2.41)	(0.15)	(2.10)	(2.19)	0.65	(0.28)	0.00	0.09	0.22	0.00	0.68	(0.52)
AUSTRALIA	3103.80	1.36	18.96	N.A	2.49	2.75	(0.58)	(0.92)	4.95	3.20	3.21	1.41	(1.38)	N.A	2.17
BRAZIL	50816.24	0.49	21.27	N.A	N.A	N.A	N.A	N.A	0.63	N.A	N.A	N.A	N.A	N.A	0.26
MEXICO	24198.96	0.44	15.76	N.A	2.11	Tim	1.48	N.A	N.A	N.A	Tim	N.A	N.A	N.A	Tim

**Key highlights...**

**Stocks Fall as Dollar, Yen Climb on North Korea...**

Stocks fell, with the MSCI World Index retreating the most in three days, while the yen and the dollar strengthened on concern that risks to economic growth and global political stability are increasing.

**Hong Kong Adds HK\$16.8 Billion of Relief Amid Slump ...**

Hong Kong announced HK\$16.8 billion (\$2.2 billion) of tax cuts, fee waivers and spending to shield people from a recession that's likely to be the worst on record. Financial Secretary John Tsang announced the measures at a briefing in the city. The worst financial crisis since the Great Depression has choked off demand for Chinese goods shipped through Hong Kong, triggering the economy's biggest contraction since at least 1990 Tsang's announcement, including waiving business registration fees, salary tax cuts and suspending two quarters of property rates, takes stimulus and relief spending to HK\$87.6 billion

**Domestic...**

➤ India's federal government aims to sell stakes of 10% to 15% each in 18 state-run companies. The government said earlier it will sell stakes in NHPC Ltd., Oil India Ltd. and Rail India Technical and Economic Services.

➤ **Highlights of Finance Minister Pranab's interview...**

**Growth...**

- See growth picking up from Oct.
- Hope FY09 growth will be closer to CSO's projection of 7.1%.
- Goal is to bring back economy on growth path.

**Fiscal Health...**

- Identified issues that need to be addressed.
- Cannot indulge in fiscal profligacy.
- Want to borrow prudently.
- Have already given priority to growth over fiscal gap.

**Policy...**

- Will give policy support to needy sectors.
- Previous fiscal stimulus packages started to make an impact.
- Need to inject money to push growth.
- Pranab on freeing oil price: "Let me see".

**Industry, Market...**

- RBI has ensured adequate liquidity.
- Fall in manufacturing disturbing. Manufacturing sector not doing well.
- Hope to see more participation from foreign investors.
- To review resources, delivery system for core sector.
- Need massive investment in infrastructure to spur growth.
- Proposed Bharti-MTN deal a welcome move.

**Budget...**

- Budget will be presented in July first week.
- Budget to address most concerns of economy.
- Hope to get Budget passed by end July.

**Government Formation...**

- Confident can convince party, allies on reforms.
- Separate divestment ministry speculative talk, nothing on table yet on divestment ministry.
- Several balancing jobs to be done in govt formation.
- Poll results to lend stability, address issues of common man.

**Company...**

- **HCC Ltd** has accorded approval to raising long term funds by way of issuance of equity shares/ GDRs/FCCBs and / or such other securities for an amount not exceeding Rs.1500 crore through Qualified Institutional Placement/ GDR Offering/ FCCB offering.
- **Bank of Baroda** consolidated net profit jumped 54 per cent to Rs 2,384.08 crore in the financial year ended March 31. The consolidated total income of the state-run firm rose to Rs 18,297.91 crore during FY09 from Rs 14,306.67 crore in FY08.
- **Pantaloon Retail** has received shareholders' approval for restructuring the company into three separate entities catering to FMCG, retail and fashion, and rechristening the group as Future Markets & Consumer Group.
- **PTC India** has raised Rs 499.99 crore by issuing shares to qualified institutional buyers. The company has raised Rs 499.99 crore by issuing over 6.66 crore equity shares through QIP.
- **PNB** plans to sell its entire 30% stake in Principal Mutual Fund for around 1.5 bln rupees.
- **Opto Circuits India** board will consider raising funds on Jun 3. The company said it will mull various fund raising options: issue of shares or equity-linked instruments on a preferential basis or through a qualified institutional placement or private placement.
- **Dolphin Offshore Enterprises (India) Ltd.** talks with U.S.-based Deep Marine Technology Inc. for an equally owned joint venture "are still in the preliminary stage."
- **Oil India Ltd.** has started talks with bankers for an initial sale of shares. The state-run oil and gas explorer had postponed its share sale last year as the global economic crisis had hurt investor appetite.
- **Ansal Properties & Infrastructure Ltd** will launch 30 new projects spread over 24.89 mln sq ft in its various townships in 2009-10 (Apr-Mar).

PRECIOUS METALS (SPOT PRICES)			
Name	Last Trade	% CHG 1D	% CHG 5D
<b>GOLD</b>	944.56	(1.09)	2.47
<b>SILVER</b>	14.45	(1.74)	3.59
<b>PLATINUM</b>	1134.00	(1.78)	(0.35)

ENERGY			
Name	Last Trade	% CHG 1D	% CHG 5D
<b>CRUDE OIL</b>	59.83	(2.92)	0.66
<b>NATURAL GAS</b>	3.44	(2.28)	(17.01)

BASE METALS			
Name	Last Trade	% CHG 1D	% CHG 5D
<b>Copper</b>	4510	(2.17)	(0.22)
<b>Aluminum</b>	1440	(0.14)	(5.26)
<b>Nickel</b>	12575	(1.68)	1.82
<b>Lead</b>	1409	(2.08)	(5.44)
<b>Zinc</b>	1480	(2.36)	(2.40)

LME INVENTORY (metric tonnes)			
Name	Inventory	% CHG 1D	% CHG 5D
<b>Copper</b>	326575	(2.04)	(7.63)
<b>Aluminum</b>	4202275	0.25	6.74
<b>Nickel</b>	109596	(0.16)	(0.54)
<b>Lead</b>	75100	0.77	1.59
<b>Zinc</b>	322775	1.58	0.65

CURRENCY			
Name	Last Trade	% CHG 1D	% CHG 5D
<b>RS/\$</b>	47.80	(1.01)	0.08
<b>\$/€</b>	1.39	0.71	(2.42)
<b>DOLLER INDEX</b>	80.63	0.76	(2.99)
<b>¥/\$</b>	95.02	0.04	1.35

Today's Major Economic Events			
IST	Data	Expected	Prior
18:30	CaseShiller Home Price Ind	- -	143.17
18:30	S&P/CS Composite-20 YoY	-18.40%	-18.63%
18:30	S&P/Case-Shiller US HPI	140.7	139.1
18:30	Case-Shiller US HPI YOY%	-18.70%	-18.20%
19:30	Consumer Confidence	42.6	39.2
19:30	Richmond Fed Manfact. Index	-6	-9
20:00	Dallas Fed Manf. Activity	-22.10%	-31.60%

**COMMODITY & CURRENCY...**

- **Gold fell for the first time in six days** as the dollar strengthened, reducing the metal's appeal as an alternative investment. The U.S. Dollar Index, which measures the currency against the euro and five other monies, gained for a second day after last week slipping 3.7 percent to the lowest this year. The precious metal, which typically moves inversely to the dollar, rose 2.7 percent last week. Markets seem to be focused on the direction of the dollar. If the dollar is unsuccessful in holding recent gains against the basket of currencies, gold may remain firm. Bullion for immediate delivery fell \$8.50, or 0.9 percent, to \$950.30 an ounce by 9:27 a.m. local time. June futures lost \$8.40, or 0.9 percent, to \$950.50 on the New York Mercantile Exchange's Comex division. The metal didn't trade in the U.S. yesterday because of a public holiday.
- **Crude oil fell to the lowest in a week on speculation that OPEC** will maintain production targets this week even as the global recession curbs fuel demand. OPEC is unlikely to change output quotas at its May 28 meeting, and talk of overly high inventories is exaggerated, said a Persian Gulf oil official with knowledge of the matter. German exports and company spending plunged in the first quarter, dragging Europe's largest economy into its deepest slump on record. The fundamental situation is very weak; demand in the U.S. is just collapsing. The market is already pricing in a no-change scenario" with regard to OPEC. Crude oil for July delivery fell as much as \$2.14, or 3.5 percent, to \$59.53 a barrel on the New York Mercantile Exchange, and was at \$59.71 at 10:15 a.m. in London.
- **Copper declined on concern that a delayed recovery in the global economy** may curb demand for the metal used in pipes and wires. The slump in the U.S. housing market may bottom next month without any prospect of a rebound for another year. Home builders are the biggest user of copper in the U.S., the world's largest consumer of the metal after China. The market is deliberating on the direction of the U.S. and world economy. Copper for three-month delivery on the London Metal Exchange rose as much as 1.3 percent to \$4,670 a metric ton before declining 0.7 percent to \$4,577 at 2:58 p.m. Singapore time. Copper for July delivery in New York gained as much as 1.4 percent to \$2.1295 a pound before trading at \$2.085.
- **The U.K. pound slipped from near the highest level** since November against the dollar as renewed concern banks may need to raise more capital to weather the financial crisis pushed stock markets lower. The pound dropped for a second day versus its U.S. and Japanese counterparts after Britain's Telegraph newspaper cited a German banking regulator as saying debt at the nation's biggest lenders may increase. U.K. government bonds advanced as the FTSE 350 Banks Index, a benchmark for lenders in Europe's second-largest economy, fell 1.5 percent. We are very, very bearish on the pound. The pound weakened 0.5 percent to \$1.5832 and 0.6 percent to 149.92 yen by 9:08 a.m. in London. It appreciated 0.2 percent to 87.91 pence per euro.
- **The euro is unlikely to extend its gains against the dollar** without a revival in global demand, according to UBS AG, the world's second-largest currency trader. The European Union and the European Central Bank desperately need global demand to rebound soon, even as the domestic economy is getting less help from fiscal and monetary stimulus than most other economies, to take the pressure off the economy and the currency. Else, the euro is merely feeding on the weaker dollar and may soon find a cap without significant domestic drivers.
- **South Korea's won slumped, leading losses in Asian currencies**, on concern nuclear arms tests by North Korea pose a threat to peace and stability in the region. The won recorded its biggest drop in almost two weeks, having yesterday weakened after the North held its first test since October 2006. North Korea test-fired three short-range missiles today, the Yonhap News agency and Agence France-Presse reported today. Malaysia's ringgit and Indonesia's rupiah declined and regional stocks slumped as investors favored the perceived safety of dollar assets. There is some unrest linked to the North's nuclear tests," said Park Sang Bae, a currency dealer with Industrial Bank of Korea in Seoul. "But it's unlikely to raise the country risk immediately and the market is still a bit heavy with dollars.

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