

FII F&O STATS	BUY	SELL	NET
INDEX FUTURE	1,000.29	975.08	25.21
INDEX OPTION	3,859.73	3,481.99	377.74
STOCK FUTURE	950.01	1,000.42	(50.41)
STOCK OPTION	238.31	62.92	175.39
FII & MF (Rs. Cr.)	BUY	SELL	NET
FII	2,219.55	1,426.76	792.79
DII	1,416.11	1,510.99	(94.88)
MONEY MARKET	LAST	%CH-1D	%CH-5D
INCALL RATE	5.20	(3.35)	(3.70)
G SEC 91 DAYS	5.30	0.00	0.95
G SEC 360 DAYS	5.55	0.00	1.83
CURRENCY	LAST	%CH-1D	%CH-5D
RS/\$	46.21	0.04	(0.12)
YEN/\$	89.09	(0.30)	(1.74)
\$/EURO	1.23	(0.53)	0.10
\$/POUND	1.51	0.32	2.48
CS/\$	1.04	0.16	1.40
\$/AS	0.87	(0.47)	(0.66)
DXI Index	85.71	0.04	(0.48)
PRECIOUS METALS	LAST	%CH-1D	%CH-5D
GOLD SPOT \$/OZ	1238.65	(1.45)	0.31
SILVER SPOT \$/OZ	18.67	(2.35)	(0.12)
3 Month Future	LAST	%CH-1D	%CH-5D
LME ALUMINUM (\$)	2022.00	2.22	1.30
LME COPPER (\$)	6826.00	2.86	2.72
LME ZINC (\$)	1885.00	2.70	4.20
LME NICKEL (\$)	20400.00	4.62	1.97
ENERGY	LAST	%CH-1D	%CH-5D
Generic 1st 'CL' Future	78.07	(0.23)	0.30
Generic 1st 'QW' Future	538.50	(1.03)	2.40
Generic 1st 'NG' Future	4.73	(0.02)	(0.84)
FREIGHT INDEX	LAST	%CH-1D	%CH-5D
BALTIC DRY INDEX	2,482.00	(0.76)	(4.58)
BALTIC DIRTY TANKER	896.00	(2.29)	(4.07)

Yesterday's Major Economic Events			
Country	Data	Actual	Prior
US	Chicago Fed Nat Activity Index	0.21	0.29
US	Personal Income	0.40%	0.40%
US	Personal Spending	0.20%	0.00%
US	PCE Deflator (YoY)	1.90%	2.00%
US	PCE Core (MoM)	0.20%	0.10%
US	PCE Core (YoY)	1.30%	1.20%
US	Dallas Fed Manf. Activity	-4.00%	2.90%

Key Highlights...

Asian Stocks Advance on Buybacks, China-Taiwan Trade Prospects...
Asian stocks rose, driving the MSCI Asia Pacific Index higher for a second straight day, on stock buybacks and prospects of closer economic ties between Taiwan and China.
Japan's Industrial Production Drops, Jobless Rate Increases...
Japan's industrial production and household spending slipped in May and the unemployment rate unexpectedly increased, in signs that the recovery of the world's second-largest economy may slow.
Bond Upgrades Top Cuts for First Time Since '07: Credit Markets...
U.S. credit-rating upgrades are poised to exceed downgrades this quarter for the first time since before credit markets froze as the economic recovery boosts company profits.
U.S. Economy: Income Gains Boost Spending, Savings...
Incomes grew faster than spending in May, making it possible for American households to simultaneously increase savings and support the economic recovery.
Stress Tests on EU Banks Must Assess Sovereign Risk, Draft Says...
Stress tests on European Union banks should assess sovereign-debt risks when calculating how lenders would perform against shocks to the banking system.
G-20 Responds to Europe Debt Crisis With Deficit Goal...
Group of 20 leaders responded to the European debt crisis with deficit-reduction targets and agreed to pursue higher capital requirements for banks once economic recoveries take hold. Advanced G-20 economies will aim to halve deficits by 2013 and start to stabilize their debt-to-output ratios by 2016. Leaders said nations can move at their own pace and also pledged to fulfill existing stimulus plans.
European Loans Growth Accelerated in May, ECB Says...
Loans to households and companies in Europe grew at a faster annual pace in May as economic growth accelerated. Loans to the private sector rose 0.2 percent from a year earlier after increasing 0.1 percent in April.
Treasuries Head for Best Quarter Since 2008 on Safety Demand...
Treasuries headed for their best quarter since the financial crisis in 2008 as economists said a report today will show U.S. consumer confidence fell, fueling speculation the global economy is slowing.
Strauss-Kahn Says Yuan Revaluation Won't Occur 'Very Rapidly'...
The revaluation of China's currency won't happen quickly or fix all the global economy's imbalances, International Monetary Fund Managing Director Dominique Strauss-Kahn said.

Domestic...

- **ULIPs structure:** Lock-in period increased to five years from 3 years. This includes top-up premiums. All ULIP premiums shall have uniform premiums. Additional premiums treated as single premium. Charges on ULIPs to be evenly distributed during lock-in period.
- India's infrastructure sector output grew 5% in May from a year earlier, lower than an upwardly revised annual growth of 5.4% in April. During April-May, output rose 5.1% from 3.5% a year ago. The infrastructure sector accounts for 26.7% of India's industrial output.

Sector...

- **SBI, PNB** to announce base rate today. SBI may announce base rate at 8%, others may follow up. ICICI Bank to announce base rate tomorrow.

Corporate...

- **Sulzer India** parent makes delisting offer, floor price of Rs 855/share.
- **Essar Steel** acquires UK-based steel processor company Servosteel.
- **Samruddhi Cement** to list on exchanges today (Listing expected at Rs 520/share).
- **Power Grid** plans to invest Rs 58,000 crore to build nine high capacity corridors. Power Grid expects funding for this project from the World Bank and the Asian Development Bank and accruals from its follow on public offer.
- **Reliance Communications** hived off its tower business and merged it with GTL Infrastructure in a deal valued at a whopping Rs 50,000 crore. The combined company would own more than 80,000 towers, with more than 125,000 tenancies from 10 operators.
- **Reliance Industries** has discovered more oil on the western coast, raising the potential of exploratory blocks it has been drilling.
- **HCL Tech:** Array Networks appoints HCL as the System Integrator across India and SAARC countries.
- **IL&FS Transport** bags NHAI order worth Rs 2519 crore.
- **Board Meet Today: Alembic** on restructuring of Business.
- **Godrej Consumer** to raise USD 87 million with option to upsize to USD 130 million. Godrej Consumer QIP issue floor price at Rs 345/sh.
- **Tata Motors** to raise USD 1 billion via equity, equity-linked instruments. To raise funds via issue of shares, bonds, warrants. To use funds on expansion, reduce debt. Ups borrowing limit to Rs 30,000 crore versus Rs 20,000 crore.
- **IDFC** launches QIP of approximately 13.7 crore shares. IDFC QIP size of USD 500 million with upsize of USD 75 million. IDFC QIP priced at Rs 168.25/share. Pre-issue dilution of around 10.54%. Proceeds to be used to enhance Tier I capital, lending.

Global...

U.S

- **Fannie Mae and Freddie Mac**, the housing-finance companies supported by U.S. taxpayers, should take advantage of demand for government-backed mortgage debt and sell their holdings, according to Pacific Investment Management Co.
- **Noble Corp.**, the world's second- largest offshore oil driller based on fleet size, agreed to buy FDR Holdings Ltd. from a private equity fund managed by the Carlyle Group and Riverstone Holdings LLC, valuing the drilling company at \$2.16 billion.
- **U.S. Supreme Court** left intact the centerpiece of the Sarbanes-Oxley Act while ruling that the executive branch should have more authority over members of the Public Company Accounting Oversight Board.

EUROPE

- **Cie. de Saint-Gobain** Europe's biggest supplier of building materials agreed to sell its advanced ceramics business to CoorsTek Inc. for \$245 million. The shares added 2.5 % to 32.70 euros.
- **Colruyt NV Belgium's** biggest discount food retailer said fiscal full-year net income rose 8.3 % to 329.6 million euros (\$404.5 million) and raised its dividend by 11%. Analysts had estimated profit of 329.3 million euros, the average of 13 estimates compiled by Bloomberg.
- **Ferrovial** The owner of Heathrow airport near London holds its annual shareholders' meeting. The shares rose 3.3 % to 5.62 euros.
- **Iberdrola** Spain's biggest power company was downgraded to "hold" from "buy" at Independent Research GmbH by equity analyst Sven Diermeier. The 6-month share price estimate is 5.50 euros. The shares rose 0.2 % to 4.95 euros

ASIA

- **Beijing North Star Co.** The property arm of Beijing's city government said it won the rights to land for residential development in the Chinese capital, bidding 1.26 billion yuan (\$185 million) in a June 25 auction for the 104,804 square meter plot. The stock fell 1% to 3.94 yuan.
- **China Citic Bank Corp**The bank and Banco Bilbao Vizcaya Argentaria SA agreed to set up an independent private banking business cooperation unit, according to a filing to the Hong Kong stock exchange. The shares advanced 2.3 % to 5.82 yuan.
- **China Southern Airlines Co.** Two more China Southern Airlines Co. executives have been detained for questioning, following the detention of seven on June 9, the China Business News reported, without saying where it obtained the information. The stock dropped 3.6 % to 6.80 yuan.
- **Xie Bing, company** spokesman at China Southern Airlines, didn't answer calls made to his office and mobile phone.

Currency...

- **Yen** strengthened on speculation the global economic recovery will slow. Japan's currency traded at 109.51 per euro at 11:36 a.m. in Tokyo, from 109.72 in New York yesterday. It was at 89.23 per dollar from 89.37.
- **John Taylor**, who heads the world's largest hedge fund dedicated to currencies, predicted in March that the dollar would appreciate to \$1.20 per euro from about \$1.35 at the time. He was proven right two months later.
- **Pound** rose to its highest level against the dollar in seven weeks as Group of 20 leaders endorsed budget-deficit targets, said they'll focus on nurturing growth and avoided taxing banks.

Commodity...

- **Gold** may rebound from the biggest decline in a week on speculation that the global economic recovery may be faltering, spurring demand for safer assets.
- **Crude oil** traded near \$78 a barrel in New York after declining on concerns slower economic growth may curb energy demand and skepticism that production from Gulf of Mexico wells will be disrupted by a tropical storm.
- **Copper** prices fell for the first time in three sessions as the dollar's advance curbed demand for the metal as an alternative investment

Events Today...

Time	Event
10:30	Subir Gokarn to Inaugurate fourth Statistics Day Conference
17:00	Finance Minsiter Pranab Mukherjee to release book
18:00	M. Damodaran Speaks at BMA Business School Awards
USA	
JUN	American Diabetes Association Scientific Sessions
21:30	Treasury Economist Krueger Speaks in Charlotte, North Carolina

Our View...

US markets started the week on a flat note. Stocks ended lower as investors digested some mixed consumer data, a drop in oil prices and news that the Supreme Court struck down a key part of the sarbanes-oxley law, which regulates corporate accounting. Trading volume was light, with under a billion shares changing hands on the New York Stock Exchange. Consumer staples, telecoms and utilities were among the day's best performers, while materials and energy stocks were among the biggest decliners. Banking stocks were mixed as the death of Senator Robert Byrd, the longest-serving member in the chamber, threatened the passage of the financial reform bill. Asian markets were trading firm.

	Index Value	Index	P/E	AUTO	CAPITAL GOODS	CONSTRUCTION	Financial	FMCG	Info Tech	LOGISTICS	Metals	Oil & Gas	Pharma	POWER	Telecom
INDIA	5333.50	0.00	18.73	1.19	1.45	2.15	0.00	(0.66)	0.75	N.A	1.10	2.29	0.33	1.94	1.02
NIKKEI	9749.76	0.58	32.78	0.30	1.05	0.56	0.40	(0.07)	1.37	0.30	(1.65)	0.54	(0.28)	(0.25)	1.32
KOSPI	1733.74	0.10	12.08	(0.12)	0.81	(0.08)	(0.39)	0.50	0.44	1.34	(1.19)	(0.35)	(0.49)	0.34	(0.09)
SHANGHAI	2511.96	(0.92)	18.67	N.A	(1.27)	N.A	(0.90)	(0.12)	(1.29)	N.A	(1.27)	(0.22)	(1.33)	0.14	(0.40)
TAIWAN	7495.22	(0.07)	17.49	0.14	0.43	0.03	(0.30)	(0.63)	(0.36)	(1.65)	0.16	0.23	(0.89)	0.01	0.63
HANGSENG	20515.98	(1.02)	14.86	N.A	0.48	0.27	0.09	(0.59)	(0.40)	(0.45)	(0.77)	(0.21)	N.A	0.37	0.37
CAC	3576.45	1.61	13.60	N.A	0.13	N.A	2.01	2.29	0.49	N.A	2.18	0.75	1.55	0.75	0.71
FTSE	5071.68	0.50	13.82	1.24	0.83	(0.22)	(0.16)	0.40	(0.20)	1.20	0.26	0.85	(0.14)	0.88	0.20
DAX	6157.22	1.43	15.27	2.50	1.76	2.02	1.78	0.90	0.61	0.82	1.76	0.13	0.59	0.13	1.59
US	10138.52	(0.05)	14.16	(2.02)	(0.20)	(1.56)	(0.45)	(0.39)	(0.21)	(0.61)	(2.05)	(1.28)	0.10	0.68	0.99
AUSTRALIA	3590.90	(0.05)	25.54	N.A	(1.28)	(0.68)	(0.70)	(0.83)	(0.50)	(0.25)	(0.66)	(0.39)	(0.17)	(1.73)	(0.50)
BRAZIL	64225.22	(0.92)	13.80	N.A	N.A	N.A	N.A	N.A	(0.39)	N.A	N.A	N.A	N.A	N.A	(0.63)
MEXICO	32568.19	(0.12)	16.69	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

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research@lohiasecurities.com

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Our Research Analysts-

Name	Email -ID
Nandita Jaiswal	nandita.jaiswal@lohiasecurities.com
Uday Dubey	uday.dubey@lohiasecurities.com
Basanti Gourisaria	basanti.gourisaria@lohiasecurities.com

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