

FII F&O STATS	BUY	SELL	NET
INDEX FUTURE	3,057.53	2,653.53	404.00
INDEX OPTION	2,880.10	2,429.37	450.73
STOCK FUTURE	5,545.20	5,249.45	295.75
STOCK OPTION	21.54	12.68	8.86
FII & MF (Rs. Cr.)	BUY	SELL	NET
FII	2190.65	1505.01	685.64
DII	3957.85	3588.05	369.8
MONEY MARKET	LAST	%CH-1D	%CH-5D
INCALL RATE	3.20	(3.03)	(8.57)
G SEC 91 DAYS	3.20	1.59	(1.54)
G SEC 360 DAYS	3.65	(0.27)	4.58
Company Name(Bulk Deals)	STATUS	QUANTITY	PRICE
ADLABS FILMS	Sell	276780	329.03
ARCHIES	Buy	37552	95.57
BIRLA POWER SOL	Sell	2326965	3.81
EICHER MOTORS	Sell	199823	292.5
MOST DELIVERED	% Delivered	Least Delivered	% Delivered
ABAN	100	HDIL	10.94
ASIANPAINT	97.93	EDUCOMP	11.34
GLAXO	96.4	RIIL	11.71
CONCOR	92.87	BAJAJHIND	13.52
BOSCHLTD	91.84	EVERONN	13.78
CURRENCY	LAST	%CH-1D	%CH-5D
RS/\$	48.06	0.84	(1.47)
YEN/\$	96.01	0.82	(1.03)
\$/EURO	1.38	(0.92)	(0.26)
\$/POUND	1.59	(0.67)	(1.61)
CS/\$	1.12	0.94	1.71
\$/A\$	0.78	(1.13)	(0.68)
DXY Index	80.93	0.20	(0.06)
PRECIOUS METALS	LAST	%CH-1D	%CH-5D
GOLD SPOT \$/OZ	947.05	(0.21)	0.68
SILVER SPOT \$/OZ	14.68	1.21	2.89
3 Month Future	LAST	%CH-1D	%CH-5D
LME ALUMINUM (\$)	1430.50	(0.73)	(6.29)
LME COPPER (\$)	4655.00	2.07	0.50
LME ZINC (\$)	1480.00	0.00	(4.55)
LME NICKEL (\$)	13450.00	5.08	5.28
ENERGY	LAST	%CH-1D	%CH-5D
Generic 1st 'CL' Future	62.91	(0.85)	1.40
Generic 1st 'QW' Future	451.90	0.27	3.69
Generic 1st 'NG' Future	3.61	(0.69)	(11.49)
FREIGHT INDEX	LAST	%CH-1D	%CH-5D
BALTIC DRY INDEX	3,164.00	7.55	18.72
BALTIC DIRTY TANKER	480.00	0.21	(0.83)

### Key Highlights...

#### U.S. Stocks Retreat as Treasury Yields Climb,

U.S. stocks slid as a jump in long-term borrowing costs spurred concern government efforts to reduce interest rates will fail, while Monsanto Co.'s disappointing forecast triggered a drop in commodity producers.

#### Japan's retail sales fell for an eighth month in April...

Japan's retail sales fell for an eighth month in April as worsening job prospects and declining wages deterred shoppers. Sales slid 2.9 percent from a year earlier after decreasing a revised 3.8 percent in March, the Trade Ministry said. Economists surveyed predicted a 3.3 percent drop. The worst postwar recession is spreading to households, whose outlays account for more than half of the economy.

#### Home resale's in the U.S. rose for the second time in three months in April...

Home resale's in the U.S. rose for the second time in three months in April as foreclosure auctions and cheaper prices spurred bargain hunters, buttressing the case for an end to the industry's slump this year. Purchases increased 2.9 percent to an annual rate of 4.68 million, in line with forecasts, from 4.55 million in March, National Association of Realtors figures showed in Washington. The median price slumped 15 percent from a year earlier, the second-biggest drop on record.

### Corporate...

- **Cairn India** on consolidated basis posted a fall of 83.96% to Rs 186.80 million as compared with a loss of Rs 1164.30 million for the quarter ended Mar. 31, 2008. Total Income declined to 20.63% to Rs 2679.70 million. The company reported the loss for the quarter ended March 2009 has widened. During the quarter, the loss of the company increased to Rs 169 million compared with a loss of Rs 87.37 million in the same quarter last year.
- **Bharat Heavy Electricals** on consolidated basis posted a net profit of Rs 31,151.70 million for the year ended Mar. 31, 2009. Total income is Rs 279,287.50 million for the year ended Mar. 31, 2009. The company disclosed a good increase in standalone net profit for the quarter ended March 2009. During the quarter, the profit of the company rose 21.30% to Rs 13,474.70 million from Rs 11,108.70 million in the same quarter previous year. Net sales for the quarter surged 50.65% to Rs 108,500.50 million, while total income for the quarter jumped 44.86% to Rs 110,472.40 million, when compared YOY.
- **Corporation Bank** would raise Rs 5 billion from bonds to increase its capital adequacy ratio. The fund would be raised from unsecured non-convertible subordinated upper tier II bonds to be issued on May 28.
- **Jet Airways and Kingfisher Airlines** will soon launch code-share flights on select routes. Code-sharing is an agreement between two airlines by which both can sell seats to customers on the same flight.
- **Cairn India** is all set to start production from its Rajasthan fields next week. The company said that it is close to an agreement with the government on the formula for the pricing of its Barmer crude oil.
- **Reliance Industries** has explored two more gas reserves which are close to D-6 in the Krishna-Godavari basin, with estimates putting the natural gas reserves at 20 trillion cubic feet.
- **UCO Bank** has put on hold its plans for a FPO to raise around Rs 4.50 billion. The bank said that they have decided to wait till the market situations improve further prior to launching the FPO. The government had committed Rs 12 billion capital infusion to UCO Bank, out of which the lender has already received Rs 4.50 billion.
- **Mangalore Refinery and Petrochemicals** is close to striking a deal to buy crude oil from productive Rajasthan fields after operator **Cairn India** agreed to give discounts on waxy crude. Indian Oil Corp has reached pricing agreement with Cairn to buy 1.9 million tons at a discount of about 11% to current Nigerian Bonny Light crude oil price.
- **Jindal Steel** reported 2.4 times growth in consolidated net profit to Rs 30,071.50 million for the year ended Mar. 31, 2009 as compared to Rs 12,495.90 million for the year ended Mar. 31, 2008. Total income grew 97.04% from Rs 55,387.30 million for the year ended Mar. 31, 2008 to Rs 109,133.70 million for the year ended Mar. 31, 2009. The Company has recommended dividend of Rs 5.50 per share.
- **Gammon Infrastructure Projects** has approved the issue of further capital of upto Rs 5 billion to Qualified Institutional Buyers.
- **Dena Bank** has raised Tier- I capital funds as perpetual bonds for an amount of Rs 1,250 million, to augment long term resources of the Bank and to meet its future capital adequacy ratio requirements, in the nature of promissory notes on private placement basis.
- **Maytas Infra** has asked the government not to hastily withdraw projects awarded to it. Maytas Infra has written to the Corporate Affairs Ministry requesting for support from government agencies that have allotted various projects to it.
- **Sistema Shyam Teleservices Ltd.**, a joint venture between Russia's Sistema and the Shyam Group, is close to inking an IT operations outsourcing deal with Essar group-owned Aegis BPO.
- DE Shaw reconsidering exiting investment in **DLF Assets Ltd.** DE Shaw's put option to sell stake to DAL lapsed on May 22; management declines to comment.
- **Novartis** revise open offer price to Rs 450/sh. Novartis original open offer price was Rs 351/sh.
- **Tata Motors** World Truck to be launched today. Tata Motors completes refinancing of the JLR debt.
- SA's COSATU says unlikely to block **Bharti-MTN Deal**. Bharti-MTN deal will trigger open offer clause.
- **Britannia Industries** board approves issue of bonus debentures by drawing upon the general reserves (Rs 406 crore). Bonus debentures at a face value of Rs 170. Debentures considered as deemed dividend, Britannia would bear DDT of 16.995% (Rs 69 crore from general reserve).
- Unique subsidy sharing formula to rescue **HPCL** from sinking into red, may report a marginal profit of Rs 200 crore in 08-09.
- **Infosys** eyes \$250 million British Petroleum deal.
- **Parsvanath Developers** EGM on June 30th to consider raising funds and increase in FII limit from 24% to 40%.

	Index	P/E	AUTO	CAPITAL GOODS	CONSTRUCTION	FINANCIAL	FMCG	Info Tech	LOGISTICS	Metals	Oil & Gas	Pharma	POWER	Telecom
INDIA	4276.05	15.38	2.59	4.24	6.09	5.31	0.27	3.17	N.A	4.67	3.46	2.31	4.89	2.82
NIKKEI	9429.16	(93.98)	N.A	N.A	(0.98)	(1.04)	(1.59)	(0.43)	N.A	1.56	(0.06)	(0.61)	(0.08)	N.A
KOSPI	1350.63	27.14	N.A	(2.37)	(1.50)	(1.82)	(1.16)	N.A	(0.40)	(0.11)	(2.67)	(2.80)	1.51	0.47
SHANGHAI	2632.93	26.72	N.A	0.76	N.A	2.61	0.65	(0.81)	N.A	1.41	1.06	0.74	(0.59)	0.17
TAIWAN	6890.44	64.56	3.81	N.A	4.75	5.36	2.63	2.57	4.73	2.01	(0.63)	1.06	3.16	N.A
HANGSENG	17885.27	16.08	N.A	1.69	4.69	5.19	2.06	4.27	N.A	N.A	N.A	N.A	1.27	4.84
CAC	3294.86	11.67	N.A	(0.08)	N.A	0.96	0.10	1.49	N.A	2.26	0.64	(1.33)	0.64	0.06
FTSE	4416.23	28.64	1.49	1.34	0.55	1.24	(0.49)	1.91	(1.01)	3.53	(0.63)	(1.00)	0.04	0.06
DAX	5000.77	25.89	0.00	1.25	2.68	1.39	3.00	(0.09)	2.26	1.25	(0.08)	(0.29)	(0.08)	(1.13)
US	8300.02	20.52	(3.19)	(1.90)	(3.88)	(5.25)	(1.41)	(1.01)	(3.54)	(1.29)	(1.34)	(1.37)	(1.98)	(1.81)
AUSTRALIA	3064.70	18.77	N.A	1.47	2.52	(0.29)	1.23	1.27	1.97	1.94	0.95	0.75	N.A	(1.48)
BRAZIL	51791.61	21.68	N.A	N.A	N.A	N.A	N.A	0.23	N.A	N.A	N.A	N.A	N.A	1.15
MEXICO	24507.81	15.94	N.A	(1.19)	Tim	1.13	N.A	N.A	N.A	Tim	N.A	N.A	N.A	Tim

- **Grasim Industries** has suspended production at its Nagda plant in Madhya Pradesh due to requisition of water from one of its reservoirs by district administration following shortage of water in the area.
- **Godrej Industries** reported an 83 per cent dip in its net profit of Rs 18.08 crore for the year ended March 31, 2009, as against Rs 108.81 crore in FY08, mainly due to slump in chemical business. For the entire year, sales from operations rose 11 per cent to Rs 816.24 crore. Total income stood at Rs 880.97 crore. The board of directors has recommended a final dividend of Rs 1.25 per share.

### Global...

#### U.S

- **General Motors Corp.** bankruptcy filing became almost certain after the 100-year-old automaker failed to persuade enough bondholders to take equity in a streamlined company in exchange for \$27 billion of debt.
- **Bank of America Corp.** has raised almost \$26 billion in response to U.S. stress tests, about 76 percent of the goal, including a \$5.9 billion accord to convert privately held preferred shares into common stock
- **General Motors Corp.**, facing a potential bankruptcy filing, asked for an additional 300 million euros (\$415 million) for its Opel unit, stalling talks with Fiat SpA and Magna International Inc.

#### EUROPE

- **European stocks rose**, pushing the Dow Index higher for a third day, as speculation the worst of the global recession is over overshadowed concern banks may need to raise additional capital.
- **European Aeronautic, Defence & Space Co.** repeated its forecast for lower earnings this year as the global recession restrains demand for aircraft. Company expects earnings before interest and taxes to decline from the 2.8 billion euros (\$3.91 billion).
- **Bradford & Bingley Plc**, the U.K. mortgage lender taken over by the government, said it won't make interest payments on 325 million pounds (\$520 million) of subordinated bonds.

#### ASIA

- **Asian stocks fell** led by banks and mining companies, after Australia & New Zealand Banking Group Ltd. sold shares and metal prices declined.
- **Nomura Holdings Inc.**, Japan's biggest brokerage, had its credit rating cut two levels to Baa2 by Moody's Investors Service, citing the damage done to its earnings by the global credit crisis.
- **Mitsubishi UFJ Financial Group Inc.** surpassed Norway's DnB NOR ASA as the world's biggest lender to the shipping industry in the first quarter as banks slashed credit amid plunging demand for transporting commodities and consumer goods.

### Others...

- **The Philippine economy grew** at a slower pace last quarter, adding pressure on policy makers to cut interest rates and boost public spending. Gross domestic product increased 0.4 percent from a year earlier. That was worse than the 2.4 percent median estimate of 14 economists.

### Currency...

- **The yen fell toward a two-week low** against the euro and weakened versus the dollar as Asian stocks trimmed losses, reviving demand for higher-yielding assets.
- **The pound may rise against the euro** because its decline during the financial crisis wasn't justified when considering differences in interest rates.
- **South Korea's won led** losses among Asian currencies on concern North Korea's threat of military strikes will deter investment in the nation's assets.

### Commodity...

- **Oil fell in New York**, snapping two days of gains, after Saudi Arabia's oil minister said OPEC doesn't need to cut output and U.S. stocks slumped because of concern higher borrowing costs may hinder an economic recovery.
- **Gold prices were little** changed in New York, paring an earlier gain, after demand for the metal as a store of value eased as the dollar rose. Silver advanced.
- **Copper fell in New York** for the first time since May 21 as a stronger dollar curbed demand for the metal used in pipes and wires.

### Events Today...

INDIA	
11:45	Dhanalakshmi Bank & Bajaj Allianz holds Press Conference
	Earnings Expected: L&T, Tata Power, SAIL, M&M, GMDC, Others
13:30	SAIL organizes Press Conference to Announce Earnings
14:15	M&M organizes Press Conference to Announce Earnings
14:15	L&T organizes Press Conference to Announce Earnings
14:45	Tata Chemicals organizes Press Conference to Announce Earnings
16:30	PHD Chamber organizes a Meet on Agenda for New Government
18:00	Tata Power organizes Press Conference to Announce Earnings

### Our View...

US shares ended lower as higher bond yields raised concerns that borrowing costs would remain high for businesses and consumers, which would consequently impede an economic recovery. Financial shares also were among major laggards, with JPMorgan Chase & Co and American Express falling 5% and 4%, respectively. General Motors slid 20% as it moved closer to filing for bankruptcy after not many bondholders agreed to swap their debt for shares. Our market may open on a flatish note amid weak overseas cues but expiry of May futures contract may keep trade volatile today. Investors may even watch for the inflation data for the week ended May 16.

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

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.**