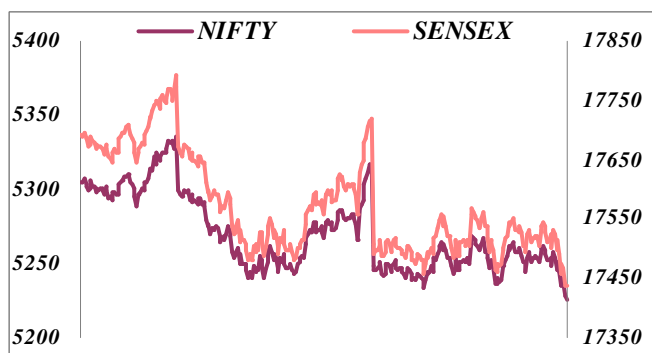


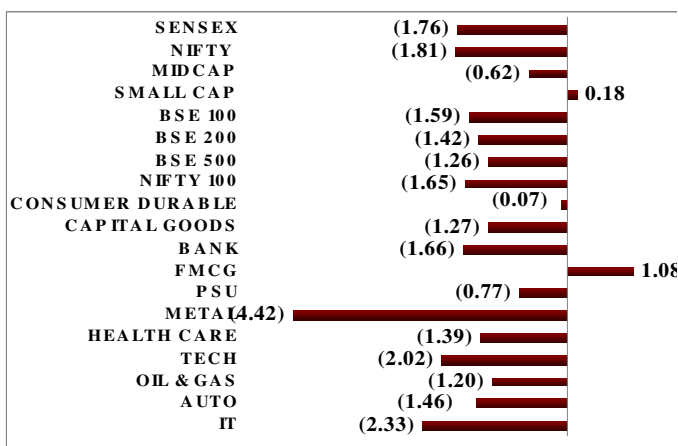
Nifty Vs Sensex



MAJOR INDICES CHANGE

Index	2 <sup>nd</sup> July 10	28 <sup>th</sup> June 10	% Chg	P/E
BSE Sensex	17460.95	17774.26	(1.76)	17.86
S& P Nifty	5237.1	5333.5	(1.81)	18.39
BSE Midcap	7118.43	7163.13	(0.62)	17.79
BSE Small cap	9103.98	9087.8	0.18	13.54
BSE 100	9329.87	9480.25	(1.59)	18.61
BSE 200	2223.59	2255.68	(1.42)	18.22
BSE 500	7023.58	7113.33	(1.26)	18.21
CNX 100	5213.9	5301.45	(1.65)	18.30
BSE CD	4732.48	4735.86	(0.07)	17.05
BSE CG	14494.34	14680.93	(1.27)	25.56
BSE Bankex	10663.61	10843.57	(1.66)	15.42
BSE FMCG	3218.62	3184.32	1.08	31.69
BSE Metal	9445.15	9518.53	(0.77)	15.45
BSE PSU	14382.13	15046.9	(4.42)	18.20
BSE HC	5707.92	5788.53	(1.39)	30.01
BSE Tech	3231.08	3297.56	(2.02)	20.19
Oil & Gas	10716.52	10846.48	(1.20)	14.10
BSE Auto	8184.44	8305.97	(1.46)	14.14
BSE IT	5238.49	5363.7	(2.33)	22.28

Sectoral Indices



Domestic Market & Economy

- The equity market is seen shrugging off the 25 bps hike in policy rates by the central bank in its obsession with the merger of Reliance Natural Resources with Reliance Power. Adding fuel to the excitement was talk that Reliance Industries could pick a 10% stake in the merged entity.
- After market hours, RBI hiked repo and reverse repo rates by 25 basis points each to 5.50% and 4.00%, respectively. Post market hours, Reliance Power in a notice to exchanges said its board will meet Sunday to consider merging RNRL with itself.
- While rate sensitive sectors such as realty and auto company shares may see a perfunctory dip due to the rate hike, the broad sentiment will be influenced by the merger ratio that the two companies are expected to announce at their Sunday board meet.
- Dealers said the move and quantum of hike was anticipated and largely factored into share prices, but the undertone could remain grim given the central bank's concern about inflation.
- A domestic brokerage dealer said, " It is global factors that will determine daily trend (in India). The underlying resilience will be tested by inflation and monsoon...if they don't gel and go their independent ways...you have a problem." Conflicting global economic data will add to fickleness and keep sentiment edgy as investors feel their way around.
- Dealers said the market will watch the Dow Jones index keenly to gauge signs of a technical weakness, as it flirts with a psychologically important level of 9,700 points.
- In an otherwise dreary market, the irony of RNRL's merger with Reliance Power is not lost on traders. It is one company which intended to have gas, merging with one intending to generate power. Its all about intention.
- And it is intention that the market will watch, to gauge the treatment that will be meted to RNRL minority shareholders given that promoters have 84% stake in Reliance Power. We think Anil Ambani is trying to put the infrastructure in place to utilise the gas from RIL. This all started with Reliance Infrastructure transferring the two mega projects to Reliance Power. From stock market point of view this deal will make the gas agreement between the two groups less complicated.
- The deal will be beneficial for RNRL shareholders as fundamentally it is a "zero" company. The shareholders do not have anything to look forward to. But for Reliance Power, the deal may put slight burden on books in the near term. Most market participants expect a share-swap ratio to be in favour of Reliance Power. Even if the share swap ratio is 1:4 or even 1:3, it values RNRL shares at a significant discount. So there will be a huge correction in RNRL shares.
- Today there was enormous short selling in RNRL shares indicating the negative sentiment in the counter. Today Reliance Power was the top gainer on Nifty, ending up 3.4% at 175.30 Rupees. RNRL shares ended down 1.5% at 63.95 rupees.
- Though Monday might be an action-packed session, trade is likely to remain lack-lustre the rest of the week ahead of the Apr-Jun earnings which will start the following week. FIIs may prefer to stay lighter.
- With fuel price deregulation being touted as the reforms in the sector, the government's move to intervene and regulate fuel prices if retailers charge high prices, will further dampen sentiment. Petroleum Minister Murli Deora said the government will not be a mute spectator if retailers charge high prices. Petroleum Secretary S. Sundaresan also said the government will keep a close tab on prices of petroleum products, and if required it may intervene to protect the interests of consumers.

**RBI hikes Repo & Reverse Repo By 25BP each to 5.50% & 4% respectively...**

- *The Reserve Bank of India raised repo and reverse repo rates by 25 basis points each and indicated that this measure came about a fortnight late in view of the prevailing tightness in inter-bank liquidity. RBI warned it will monitor inflation and take further action as warranted. The central bank raised repo rate to 5.50% and reverse repo rate to 4.0%. The mid-cycle policy action has been warranted by the evolving macroeconomic situation. Even as data for real GDP growth and WPI inflation became available by mid-June 2010, it was considered inadvisable to raise the policy rates as the financial system was dealing with liquidity pressures.*
- *RBI said the upward bias it had predicted while forecasting 8.0% GDP growth for 2010-11 (Apr-Mar) has "largely materialised". The central bank noted that inflation has become generalised, and demand side pressures are evident. It also noted that two-thirds of the wholesale price index inflation in May was contributed by non-food items.*
- *RBI said the fuel price increase by the government would have an immediate impact of one percentage point on WPI inflation, and the second round effects would be felt in the months ahead.*
- *Most economists, including top government officials, have indicated that food inflation is likely to ease going forward, and a normal monsoon, as predicted by the India Meteorological Department, will help.*
- *The central bank, noting that liquidity tightness may persist, has extended the ad-hoc liquidity measures that were to end.*
- *RBI will continue to conduct two sets of reverse repo and repo tenders on a daily basis until Jul 16. Also, banks can continue, until Jul 16, to avail waiver on penalty if their Statutory Liquidity Ratio holdings, mandated at 25%, slip up to 24.50%.*
- *Even as the liquidity situation has begun to ease, these measures are being extended since liquidity tightness may persist. Liquidity in the banking system has significantly tightened after over 1 trln rupees, as payment for 3G and broadband spectrum allocation, moved out.*
- *Call money rate hit 6.50% this week due to persistent tightness in liquidity. Rates on short-term money market instruments have also risen sharply owing to the tightness.*

	Index Value	Index	P/E	AUTO	CAPITAL GOODS	CONSTRUCTION	Financial	FMCG	Info Tech	LOGISTICS	Metals	Oil & Gas	Pharma	POWER	Telecom
INDIA	5237.10	(0.61)	18.39	(0.29)	0.16	(0.44)	(0.99)	0.41	(1.60)	N.A	(3.36)	1.06	(1.07)	1.00	(1.02)
NIKKEI	9203.71	(5.48)	30.85	N.A	N.A	(6.87)	(3.84)	(3.29)	(2.32)	N.A	(5.56)	(1.85)	(0.42)	(1.01)	N.A
KOSPI	1671.82	(3.35)	11.57	N.A	(3.26)	(3.37)	(3.65)	(1.47)	N.A	(2.40)	(5.14)	(4.96)	(3.20)	(4.31)	(1.42)
SHANGHAI	2382.90	(6.66)	17.70	N.A	(7.47)	N.A	(5.18)	(7.86)	(9.25)	N.A	(11.15)	(10.33)	(10.02)	(3.38)	(5.37)
TAIWAN	7330.74	(1.93)	16.86	(3.32)	N.A	(0.82)	1.08	0.03	0.87	3.29	(2.20)	0.84	(0.81)	(3.14)	N.A
HANGSENG	19905.32	(3.99)	14.37	N.A	(5.57)	(4.62)	(4.47)	(6.14)	(3.82)	N.A	N.A	N.A	N.A	(0.61)	(1.60)
CAC	3348.37	(4.87)	12.79	N.A	(3.35)	N.A	(4.99)	(3.16)	(6.93)	N.A	(5.96)	(4.51)	(3.66)	(4.51)	(3.27)
FTSE	4838.09	(4.13)	13.22	(7.10)	(4.99)	(3.57)	(5.81)	(3.31)	(4.97)	(2.82)	(6.76)	(1.72)	(0.40)	(0.66)	(3.64)
DAX	5834.15	(3.90)	14.47	(4.57)	(4.42)	(6.35)	(3.79)	(2.93)	(3.51)	(2.95)	(4.42)	(3.35)	(3.79)	(3.35)	(2.31)
US	9686.48	(4.51)	13.51	(4.93)	(5.03)	(8.18)	(8.41)	(6.53)	(5.25)	(6.78)	(10.03)	(5.46)	(2.85)	(2.34)	(1.32)
AUSTRALI	3471.10	(3.97)	24.48	N.A	(3.44)	(1.46)	(4.03)	(1.96)	(5.01)	(2.91)	(4.63)	(4.34)	(2.08)	N.A	(5.16)
BRAZIL	61429.79	(5.24)	13.52	N.A	N.A	N.A	N.A	N.A	(3.20)	N.A	N.A	N.A	N.A	N.A	(2.74)
MEXICO	31379.67	(3.76)	15.48	N.A	#N/A N/A	#N/A N/A	#N/A N/A	N.A	N.A	N.A	#N/A N/A	N.A	N.A	N.A	#N/A N/A

### Global Economic Outlook

- **U.S. stocks plunged this week**, giving the Dow Jones Industrial Average its first seven-day loss since 2008, after reports showing slower-than-estimated growth in jobs and factory orders and amid concern China's economy has slowed. Alcoa Inc. and Boeing Co. slumped more than 9.9%.
- **U.S. SEC** has asked several financial firms how they market "principal-protected" notes after investors said they lost more than \$1 billion on the securities when Lehman Brothers Holdings Inc. collapsed, according to people familiar with the matter.
- **Asian stocks fell**, dragging the MSCI Asia Pacific Index to its fourth weekly decline in five, as weaker manufacturing growth in the U.S., Europe and China added to signs global economic recovery is faltering.
- **Japanese bonds rose** for a fourth week on signs the global recovery is losing momentum, boosting demand for the relative safety of debt. Benchmark yields reached the lowest level since August 2003 during the week before reports that economists said will show U.S. services activity slowed and Japan's machinery orders declined.
- **Bank of China Ltd.** plans to raise as much as 60 billion yuan (\$8.9 billion) in a rights offer to replenish capital.
- **Technology companies** are suffering some of the U.S. stock market's biggest losses, sending the Nasdaq-100 Index to the longest losing streak in its 25-year history.
- **European unemployment held** at the highest in almost 12 years in May as the debt crisis made companies reluctant to add workers. The jobless rate in the 16-nation euro area remained at 10% the European Union's statistics office in Luxembourg said today. That's the highest since August 1998. The April figure was revised down from a previously reported 10.1%.
- The **U.S. recovery is poised to slow** in the second half of 2010 after smaller-than-forecast growth in private payrolls for June capped a month of data indicating weakness in industries from housing to manufacturing.
- **European stocks fell** for a second week as disappointing economic data from China and the U.S. fanned concern that the global recovery is faltering. Stocks sensitive to economic growth including basic-resources and construction shares sank.
- **General Motors Co.'s** first-half sales in China surpassed those in the U.S. for the first time as the world's fastest-growing major economy propelled global auto demand.
- **American International Group Inc.**, the insurer selling assets to repay a U.S. rescue, may seek buyers for its Japanese life units as Chief Executive Officer Robert Benmosche reshapes the firm.
- **Australia's proposed tax** on mining profits delivers economic reform for the long-term and provides "fair value" to the public in the world's biggest exporter of coal and iron ore, Treasurer Wayne Swan said.
- **Toyota Motor Corp.** plans to recall Lexus models in the U.S. as well as Japan after saying engines in as many as 270,000 vehicles worldwide may have defective valve components that can lead to stalling.
- **BHP Billiton Ltd.** and Rio Tinto Group may join Xstrata Plc in reviving investment plans in Australia after forcing the government to water down a new tax on mining profits in the world's biggest exporter of coal and iron ore.
- **Goldman Sachs Group Inc.** cut its growth forecast for China this year to 10.1% from 11.4% as government restrictions on lending and real estate slow expansion in the world's fastest-growing major economy.

## Sectoral Outlook

### Auto Stocks Outlook

- The temporary correction in some of the frontline automobile shares is likely to continue next week after the Reserve Bank of India hiked key lending rates.
- The move would raise cost of funds for banks and temper demand for loans, and in turn impact consumer spending.
- The RBI raised short-term lending and borrowing rates by 25 basis points each with immediate effect. Post rate hike, the new repo rate would be 5.50% and reverse repo rate at 4.0%.
- The move comes three weeks ahead of the scheduled policy review by RBI and a day after the government said food inflation fell to around 13% from about 16% a week ago. Overall wholesale price-based inflation also is in double digits.
- The analyst said the rate hike became imminent after the government deregulated auto fuel prices last week.
- RBI in its statement said the fuel price increase by the government would have an immediate impact of one percentage point on WPI inflation, and the second round effects would be felt in the months ahead.
- There is a lot of momentum in automobile sales. The rate hike would only have a temporary impact.
- Most automobile companies have announced good sales figures for June.
- While Tata Motors' sales in the month rose 49% on year, Maruti Suzuki's sales were up 17%. Sales of Bajaj Auto and Hero Honda increased 63% and 16%, respectively.

### Bank Stocks Outlook

- Bank shares are likely to fall next week after the Reserve Bank of India caught the market unawares with a 25-basis-point hike in Repo and Reverse Repo rates each.
- RBI raised reverse repo to 4.00% and repo rate to 5.50% due to a rise in wholesale price index inflation to 10.2% for May. In April, the WPI inflation was at 9.6%.
- There has been some moderation in food price inflation, but the price index of food articles continues to increase. More importantly, the prices of non-food manufactured goods and fuel items have accelerated in recent months.
- Most bankers view the mid-cycle rate hike as an indication that government bond yields, deposit, and lending rates will have an upward bias.
- The hike will exert pressures on deposit rates in the system, and depending on liquidity pressures, it may have an impact on lending rates with a lag.
- If banks raise deposit rates, there is a possibility of change in Base Rate, which came into effect a day ago. Most banks have set their Base Rate at 7.00-8.50%.
- We will wait for the RBI policy on Jul 27 to decide on both lending and deposit rates. I think most bankers will also review their Base Rate after the policy," said Corporation Bank Executive Director Asit Pal. The RBI will review first quarter monetary policy on Jul 27.
- Apart from interest rate hike, the RBI also extended liquidity management measures as liquidity is currently in deficit.
- Treasurers and bankers expect the liquidity deficit to continue till July-end, and ease once government spending starts. Government bond yields are also expected to rise sharply till July-end.
- Rise in government securities yield may result in mark-to-market losses for the banks' treasury income. Treasury income is the major contributor to the banks' net profit.
- Traders may also take cues from global equity markets next week for further movement in banking shares.

### Capital Goods Stocks Outlook

- Shares of capital goods and engineering companies may see some recovery next week as institutional investors are likely to pick up shares after they were severely battered over the last few weeks.
- However, the upside is likely to remain capped ahead of the Jan-Mar earnings of sector major Larsen & Toubro Ltd, due May 17. Moreover, concerns over likely credit crunch in other parts of Europe besides Greece may be a dampener.
- Most of the capital goods and engineering shares are oversold and are due to move up. BHEL and L&T are looking good and may see buying interest coming in. Even ABB has corrected a lot and may see some value buying.
- ABB shares have been on a downward journey ever since the company disappointed the street with poor Jan-Mar performance.
- Higher order backlog and improved industrial outlook drive management optimism on volume growth. However, margin may take longer to recover due to competition, execution risks in large orders and further exit costs of rural electrification business.
- Investors will watch out for sales execution in the Jan-Mar quarter and guidance on sales and orders for 2010-11 (Apr-Mar) from companies in the sector.
- Capital goods and engineering companies detailing their Jan-Mar earnings next week include Crompton Greaves, Elecon Engineering Co, and Vascon Engineers.
- Brokerage Motilal Oswal sees Crompton Greaves reporting standalone revenue of 15 bln rupees, up 15% on year and net profit of 1.8 bln rupees, up 40%. Analysts expect performance of international subsidiaries to weigh on the earnings of Crompton Greaves.

### Steel Stocks Outlook

- The decline in steel shares may continue next week as the increase in policy rates by the central bank may put cold water on prospects of improving prices.
- The Reserve Bank of India increased Repo and Reverse Repo Rates-- rates at which banks borrow from and lend to the central bank, respectively-- by 25 bps each, paving the way for higher bank lending rates.
- Although it was expected, as inflation was going out of hand, it will have a negative bearing on sentiment. But for this, steel shares would have had some cheerful time.
- Last month, China made two successive decisions that promise better days for India's steel industry. One, it unhooked its currency, which means its exports will not be as competitive if the yuan appreciates. The second measure was to withdraw rebates on exports of some commodities, including some steel products.
- The measures, announced just before the G20 meeting, came as a result of intense pressure from the international community that blamed China for unfairly subsidizing its exports.

- Both these measures will curtail Chinese imports of steel in the country and boost domestic prices. Flat steel makers may gain more as demand for these products remains firm. However, demand may wane if credit gets costlier. Much of flat steel is used in cars and appliances, whose sales are often financed via bank loans.
- But the interest rate increase will be a double knock for makers of long steel, which is used in construction and real estate. The onset of the monsoon, which slows down construction activity, is usually a bad time for long steel sales. Plus, higher interest rates will hamper demand as higher monthly installment payments may lead to lower home sales.

### FMCG Stocks Outlook

- Most fast moving consumer goods companies' shares are likely to outshine the broad market, which may decline slightly due to the Reserve Bank of India's rate hike move.
- RBI announced a 25 basis points increase in the reverse repo and repo rates, respectively. While a rate hike was anticipated and imminent, some thought it would come only with the policy later this month. FMCG stocks' defensive play to come to the fore next week. Among specific stocks, Godrej Consumer will be in focus in the wake of its recent fund raising.
- The company Thursday said it has raised 5.31 bln rupees via qualified institutional placement of shares, which would be used to repay a bridge loan availed from a domestic bank to finance one of its recent acquisitions.
- Post the QIP issue, the company's debt-equity ratio is expected to ease to 1:1, which analysts said is a positive trigger for the stock. This was reflected in the stock's firm trend amid a weak market.
- In an interview with NewsWire18 this week, the company's newly appointed Managing Director A. Mahendran said his immediate vision for the company is to double its consolidated turnover to over 80 bln rupees in the next three to four years.
- A new spree of acquisitions will contribute 35% of its total targeted turnover in three to four years from 15-20% now.

### Telecom Stocks Outlook

- Telecom shares are seen subdued next week as all the positives have now been factored in and further upside is likely to be capped in the near-term.
- Despite an expanding user base, companies' average revenue per user is low because of the tariff wars being played out amid intense competition.
- Adding to this, heavy payout towards licence fee would increase balance sheet pressure on telecom companies.
- Moreover, analysts now say that subscriber growth may now slow down for the next two to three quarters, and companies would now focus more on enterprise services broadband and other areas for revenue growth.
- Fundamental outlook on the sector in the near-term remains cautious-to-negative as analysts say the growth in subscriber base may not necessarily lead to growth in companies' top-lines.
- Reliance Communications, however, seems to be an exception. The stock will continue to get support from its deal to sell its tower assets housed in arm Reliance Infratel to independent tower company GTL infrastructure Ltd in a cash-cum-stock deal valued at 500 bln rupees.

### Oil Stocks Outlook

- Shares of oil marketing companies are seen tracking broad market which is likely to fall next week after the Reserve Bank of India hiked repo and reverse repo rates by 25 basis points each.
- The RBI rate hike, intended at curbing demand side inflationary pressures, is likely to weigh on investor sentiment. Expressing concern over the global economic outlook.
- At the global level, the recovery is strengthening. However, the outlook continues to be clouded by uncertainty in the Euro area.
- Lack of clarity over the government's fuel price de-regulation timeline could also weigh on prices. Last week, the government partially accepted the recommendations of the Parikh Committee on de-regulating petrol and diesel prices.
- Petrol prices will now be linked to international crude movements, effectively leading to a 3.50 rupees per L. Diesel prices have been hiked by 2 rupees. The government also increased prices of kerosene and cooking gas by 3 rupees per L and 35 rupees per 14.2 kg cylinder, respectively.
- While the empowered group of ministers has deregulated petrol prices, we believe the key event to watch out for going ahead will be the timeframe to deregulate diesel prices...thus, the timeframe regarding the deregulation of diesel must be known for better clarity.
- The government's move to free fuel prices is expected to reduce losses for state-owned oil marketing companies by 25-26%.
- Traders will also closely watch out for await details of the government's fuel subsidy sharing mechanism.
- In 2009-10 (Apr-Mar), the government paid cash compensation for most of the revenue losses incurred on cooking fuels, whereas state-owned upstream companies shouldered the entire burden on account of petrol and diesel.

### Pharma Stocks Outlook

- Pharmaceuticals shares may show some strength next week amid a weak broad market germinating from dampened sentiment following the hike in repo and reverse repo rates by the Reserve Bank of India post market hours.
- RBI increased reverse repo and repo rates by 25 basis points each to 4.00% and 5.50%, respectively. Rate sensitive shares, like those of banks, auto and real estate will remain weak and reasonably stable sectors like pharma may be preferred by the buyers.
- Overall, the broad market will continue to be dictated by global events and there is expected to be some volatility through the week. The terms of merger of Reliance Natural Resources Ltd with Reliance Power Ltd that will be considered on Sunday, will also dictate broad market movement during the beginning of the week.
- Pharma is seen relatively stable and may even gain to some extent on defensive buying. Indian pharma companies have been witnessing a good environment, both in the domestic market where sales have been growing around 17%, as well as in exports because of increasing generics sales in regulated markets.
- Brokerage IIFL said in a recent report that it expects compounded annual growth of over 20% in revenues and significant margin expansion for Indian generics players in the US over the next five years.
- Indian generic companies accounted for 14.2% market share in US in April, with smaller ones like Torrent Pharma, Cadila Healthcare, and Glenmark showing strong growth. Sun Pharma, which launched the generic version of dementia drug Exelon in the US this week, will also be keenly watched in the near term because of the shared exclusivity for the drug.

## Commodity Outlook

### LME Prices

Particular	2 <sup>nd</sup> July 10	Chg % 5D	Chg % 1M
LME ALUMINIUM 3MO (\$)	1936.50	(3.03)	(2.39)
LME COPPER 3MO (\$)	6410.00	(5.32)	(3.87)
LME ZINC 3MO (\$)	1780.00	(4.97)	(1.22)
LME LEAD 3MO (\$)	1753.00	(3.42)	3.36
LME NICKEL 3MO (\$)	18800.00	(4.81)	(4.33)

### LME Inventory

Particular	2 <sup>nd</sup> July 10	Chg % 5D	Chg % 1M
LME ALUMINUM	4416875.00	(0.66)	(2.89)
LME COPPER	447300.00	(1.53)	(5.88)
LME ZINC	616825.00	0.04	(0.32)
LME LEAD	189700.00	0.48	(1.31)
LME NICKEL	123420.00	(2.29)	(10.20)

NAME	2 <sup>nd</sup> July 10	Chg % 5D	Chg % 1M
Gold Spot \$/OZ	1211.60	(3.50)	(0.97)
Gold Index	18508.00	(1.92)	0.09
Silver Spot \$/OZ	17.86	(6.42)	(2.70)
MCX Silver	28675.00	(4.10)	(1.43)
NYMEX Crude	72.14	(8.52)	(0.99)
Crude Oil Index	3367.00	(6.71)	(1.00)
Baltic dry index	2280.00	(8.84)	(43.58)
Baltic clean tanker ix	809.00	8.01	24.46
Baltic dirty tanker ix	831.00	(9.38)	(9.77)

### Crude

**Crude oil** dropped for a fifth day after a U.S. government report showed that employment slipped in June for the first time this year and factory orders declined more than forecast. Oil fell 1.1 percent after the Labor Department said payrolls decreased by 125,000 last month as the government cut 225,000 temporary census workers. The 1.4 % reduction in bookings with manufacturers was the biggest since March 2009, the Commerce Department said. Economists in a Bloomberg News survey projected a 0.5 % drop.

### Precious Metals

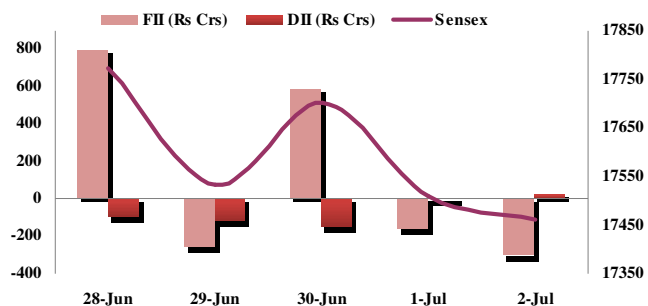
**Gold** climbed from a five-week low on demand for a store of value amid economic concerns in the U.S. and Europe. U.S. employment fell in June for the first time this year, signaling a sluggish job-market recovery. Europe risks falling back into recession as nations such as Germany and the U.K. cut budgets sooner than expected, said Pacific Investment Management Co., which runs the world's largest bond fund.

### Base Metals

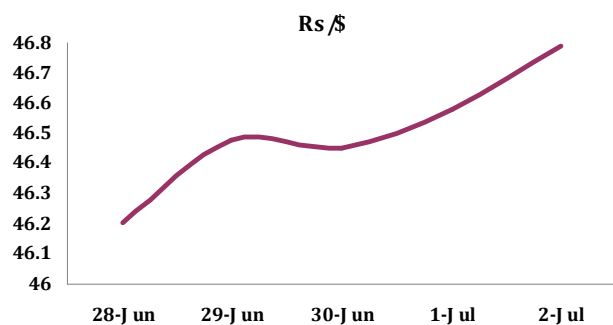
**Copper** prices rose the most in a week after U.S. unemployment declined, easing economic concerns. The jobless rate dropped to 9.5 percent in June from 9.7 % the prior month, the Labor Department said. Economists surveyed by Bloomberg had forecast the rate would rise to 9.8 % the median of 81 estimates. Copper fell 17 % last quarter on concern that the global recovery is slowing. "A lot of the economic news has been pretty bad lately, so we're getting some support with the decent jobs numbers today," said Donald Selkin, the chief market strategist at National Securities Corp. in New York.

### Agri

**Raw sugar** rose to a 10-week high on speculation that Russian purchases will increase next month after the nation lowered its import tax. Russia reduced the duty on raw sugar by 15 % to \$203 a metric ton for August, the nation's sugar producers union said today. Prices surged 13 % last month, halting a four-month slide, on higher demand.



Name	2 <sup>nd</sup> July 10	28 <sup>th</sup> June 10	% Chg
Indian rupee spot	46.79	46.69	0.22
Japanese yen spot	87.75	88.61	(0.97)
Euro spot	1.26	1.47	(14.46)
British pound spot	1.52	1.60	(4.85)
Eur-Gbp x-rate	0.83	0.92	(10.13)
Aud-Jpy x-rate	73.85	78.96	(6.47)



### Currency Outlook

- **Yen** strengthened for a fourth week against the dollar, the longest rally since November, as investors sought a haven on speculation that the economic recovery is slowing. The Japanese currency gained versus 15 of its 16 major peers as U.S. payrolls fell the first time this year and data showed manufacturing weakened in Europe, China and the U.S.
- **Euro** rose after the European Central Bank said it would lend the region's banks less money than economists forecast, fueling optimism the firms are stronger than expected. U.S. service industries likely slipped in June.
- **Dollar** rose against most major counterparts after a report showed U.S. payrolls shed jobs for the first time this year, signaling the world's largest economy may be slow to recover and damping investors' risk appetite.
- **Canada's dollar** weakened versus its U.S. counterpart as traders trimmed bets the nation's central bank will raise interest rates at its meeting this month amid signs the North American recovery may be faltering.
- **Brazil's real** rose for a third straight day as lower-than-forecast gains in U.S. private sector payrolls and average hourly earnings weakened the dollar against the currency of Latin America's largest economy.
- **Mexico's peso** is headed to its biggest weekly drop since May as private hiring in the U.S., the nation's largest trading partner, grew less than forecast.
- **Ruble bonds** are outperforming Russia's international debt by the widest margin since at least 2005, paying investors almost 5 percentage points more profit in a signal of increased confidence in the currency's stability.
- **The Swiss franc** declined against its major peers as rising stocks reduced demand for the currency as a haven and some investors bet that the central bank may judge its gains over the past two weeks as too fast.
- **Australia's dollar** climbed against most of its 16 major counterparts after Prime Minister Julia Gillard reached an agreement with mining companies on a new resources tax, boosting demand for the nation's assets.
- There is an "elevated probability" that the **Bank of Japan** will intervene in the currency markets to sell the yen, according to Morgan Stanley.
- **Yuan** forwards completed a fourth weekly gain as the euro rallied against the dollar after Spain successfully sold bonds at an auction yesterday.
- **South Korea's won** and India's rupee declined the most among Asian currencies this week on concern China's economic slowdown and Europe's debt crisis will deter investors from buying emerging-market assets.

NAME	FV	last trade	% Chg WoW	Avg vol 5d	P/E	P/B	EV/EBIDTA	ROE (%)	ROA (%)	52 Week High	52 Week Low
<b>Automobiles</b>											
Ashok Leyland Ltd	1	62.55	0.08	2128332	19.67	2.40	17.67	6.76	2.84	70.6	28.5
Hero Honda	2	2020.95	-1.71	164302.2	18.08	10.62	N/A	37.77	22.97	2070	1261.394
Maruti Suzuki	5	1415.9	1.367	521574.2	15.59	4.28	9.58	13.49	9.18	1737.3	991.5
M&M	5	602.35	-1.793	1281194	13.36	3.35	8.72	28.77	7.40	645	322.05
Tata motors ltd	10	766.4	-0.325	2716536	8.42	6.63	22.46	(34.23)	(4.62)	882.7	254.1
<b>Banking</b>											
Bank of India	10	357	3.674	720183.8	10.49	1.30	N/A	12.72	0.71	474	296.1
ICICI bank ltd	10	840.05	-1.926	3290871	20.03	1.83	N/A	9.52	0.96	1009.7	606.15
Kotak Mahindra	10	759.45	1.277	1007781	20.16	3.32	N/A	17.93	2.74	879.8	529.3
State bank of India	10	2265.05	-1.554	1173285	12.26	1.73	N/A	15.09	0.85	2630.1	1510.6
Yes bank ltd	10	267.8	-1.635	1374176	17.11	2.94	N/A	20.27	1.61	299.4	121
<b>Oil &amp; Gas</b>											
Aban Offshore	2	834.3	10.694	3629599	11.67	1.66	9.42	17.28	1.67	1682	631
BPCL	10	666.75	7.419	5477569	14.77	1.81	15.65	4.83	1.25	677.8	427.9
HPCL	10	475.2	18.15	12707100	10.91	1.44	8.79	6.91	1.64	484.7	292
ONGC	10	1306.3	3.396	2292472	14.40	2.76	5.74	20.04	12.05	1346.9	934.25
RIL	10	1068.95	0.564	4415492	12.99	2.26	12.64	18.69	9.69	1149.9	858.55
<b>Capital Goods &amp; Engineering</b>											
ABB Ltd.	2	861.45	-1.363	167655.2	51.47	7.53	33.45	15.61	6.45	900	642
BHEL	10	2391.9	-2.447	369323.8	27.06	7.37	17.08	30.03	9.58	2585	1922.7
Larsen & Toubro	2	1786	1.529	885109.4	19.73	7.48	18.72	30.54	7.83	1843	1305.4
Punj Lloyd Ltd	2	133.5	3.609	4160030	N/A	1.63	N/A	(8.62)	(2.38)	298.8	112.85
Suzlon energy ltd	2	58.5	1.211	12637860	N/A	1.38	21.65	(12.90)	(2.93)	110.55	52.1
<b>Pharmaceuticals</b>											
Biocon Ltd.	5	317.05	-1.246	442559.2	21.03	3.61	N/A	17.94	10.70	331.2	194
Cipla ltd	2	336.8	-2.967	652158.2	24.60	4.58	19.90	21.11	15.28	363.5	243.15
Sun pharmaceutical	5	1755.8	-1.946	115027.2	26.93	5.16	24.99	30.20	25.35	1853	1102.6
Dr. Reddy's lab	5	1435.8	-2.477	330535.4	68.91	6.42	16.94	9.63	4.79	1517	728.05
Ranbaxy laboratories	5	456.05	1.053	708776	64.66	4.41	23.38	6.86	2.33	538.45	236
<b>Power</b>											
NTPC Ltd.	10	202.45	3.291	1955615	18.89	2.67	13.01	14.73	7.59	241.35	188.5
Power grid	10	103.55	2.171	1084086	21.35	2.73	12.73	13.35	3.46	121.45	95.05
Reliance power ltd	10	175.3	4.376	5844870	61.51	3.05	N/A	1.79	1.62	181.7	133
Siemens india ltd	2	719.25	-1.432	247883.4	34.42	8.72	21.93	27.86	8.75	765.9	376
Tata power co ltd	10	1310.5	0.046	514062.2	15.81	3.37	11.75	14.98	4.47	1517.7	999.6
<b>FMCG</b>											
Dabur India Ltd.	1	201.65	0.373	540270	34.65	21.30	26.79	54.37	23.18	211.4	107.9
Hindustan unilever	1	268.4	0.808	1596767	27.14	21.94	20.27	92.69	26.37	306.7	218
ITC ltd	1	302.55	0.365	2309701	27.47	7.99	17.24	29.26	18.97	307.9	183.2684
Colgate ndiaive (ndia)	1	839.9	-0.938	70741.4	26.31	34.59	22.49	159.16	51.58	863	567
Tata tea ltd	1	120.8	2.49	1642503	19.14	2.06	17.20	19.89	8.14	123.8	70
<b>Realty</b>											
DLF Ltd.	2	282.35	-1.328	4087348	27.71	2.11	18.57	21.54	10.10	519.9	254.5
HCC	1	117.55	1.336	1323273	705.59	2.71	15.52	0.44	0.06	162.2	88.6
IVRCL infras	2	186.95	1.825	1335390	66.77	2.00	16.14	9.04	3.16	212.5	143
Reliance infrae	10	1197	2.553	2057968	17.75	1.60	22.50	8.14	4.44	1404.5	950.1
Unitech ltd	2	72.6	-1.157	15137230	24.44	2.28	16.05	27.28	4.82	116.65	61.4
<b>Metal</b>											
Hindalco Ind. Ltd.	1	143.75	-3.199	11662830	7.01	1.28	5.24	20.99	5.87	193	68.15
Jindal steel & power	1	615.2	-4.115	1653677	15.75	8.10	11.11	55.86	18.68	753.9	390.2167
Sesa goa ltd	1	346.9	-4.695	5068417	10.70	3.64	7.61	41.62	31.60	495	175.05
SAIL	10	190.05	-2.663	2773307	11.56	2.77	6.87	24.24	12.76	267	139.05
Tata steel ltd	10	474.95	-3.081	5448130	N/A	1.84	11.11	(8.91)	(1.74)	739	330.1
<b>Information Technology</b>											
Infosys Tech Ltd.	5	2727.5	-1.807	851847.6	24.83	6.79	18.26	30.34	25.11	2870	1665
Rolta India ltd	10	166.05	-1.454	520626.4	9.10	1.85	N/A	22.38	11.82	210.4	103
Financial techn	2	1355.45	0.122	64748.2	44.44	3.65	N/A	15.34	10.11	1723	1011.2
Tata consultancy	1	743.8	-1.938	1343560	20.85	7.93	16.47	41.12	27.92	835.06	363.53
Wipro ltd	2	385.6	-0.95	1353855	20.23	5.17	15.34	29.06	15.32	453.50	219.3

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