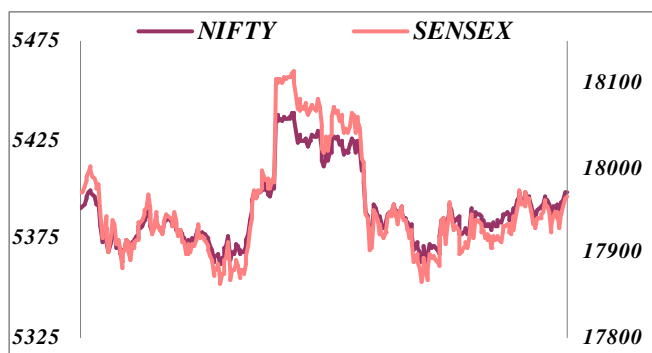


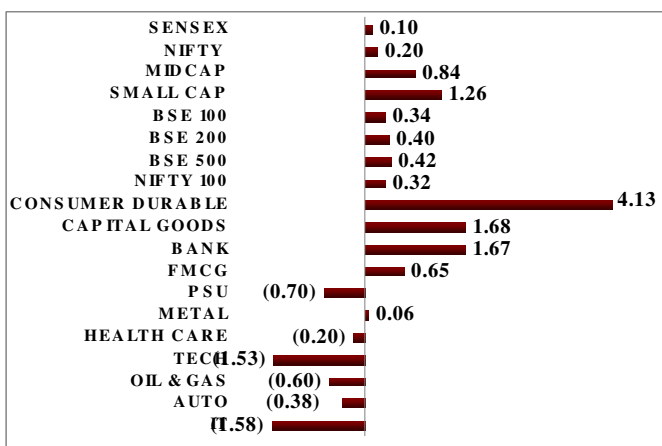
Nifty Vs Sensex



MAJOR INDICES CHANGE

Index	16 <sup>th</sup> July 10	12 <sup>th</sup> July 10	% Chg	P/E
BSE Sensex	17955.82	17937.2	0.10	18.35
S & P Nifty	5393.9	5383	0.20	18.93
BSE Midcap	7397.78	7336.47	0.84	17.61
BSE Small cap	9443.41	9326.28	1.26	13.74
BSE 100	9586.39	9554.34	0.34	19.09
BSE 200	2287.54	2278.45	0.40	18.72
BSE 500	7223.77	7193.79	0.42	18.48
CNX 100	5366.9	5349.7	0.32	18.80
BSE CD	5182.83	4977.1	4.13	18.46
BSE CG	15009.95	14761.57	1.68	26.48
BSE Bankex	11395.74	11209.04	1.67	16.48
BSE FMCG	3224.6	3203.64	0.65	31.75
BSE Metal	9389.23	9455.43	(0.70)	15.35
BSE PSU	14910.06	14900.54	0.06	18.87
BSE HC	5729.3	5740.96	(0.20)	30.77
BSE Tech	3394.33	3447.13	(1.53)	21.09
Oil & Gas	10523.09	10587.1	(0.60)	13.85
BSE Auto	8336.87	8368.77	(0.38)	13.74
BSE IT	5459.44	5546.86	(1.58)	23.03

Sectoral Indices



Domestic Market & Economy

- The official Wholesale Price Index for 'All Commodities' (Base: 1993-94 = 100) for the month of June, 2010 rose by 0.7% to 259.8 (Provisional) from 258.1 (Provisional) for the previous month. The annual rate of inflation, based on monthly WPI, stood at **10.55%** (Provisional) for the month of June, 2010 (over June, 2009) as compared to **10.16%** (Provisional) for the previous month and -1.01% during the corresponding month of the previous year. Build up inflation in the financial year so far was 2.53% compared to a build up of 2.98% in the corresponding period of the previous year.
- The Quick Estimates of Index of Industrial Production (IIP) with base 1993-94 for the month of May 2010 have been released by the Central Statistics Office of the Ministry of Statistics and Programme Implementation. The General Index stands at 312.6, which is 11.5% higher as compared to the level in the month of May 2009.
- Bank shares are likely to eye Apr-Jun earnings and track cues from global markets ahead of Reserve Bank of India's policy review on Jul 27. Most market participants expect RBI to raise key policy rates by 25 basis points at the upcoming policy due to double-digit inflation prevailing in the country. Investors will closely eye monetary policy as most market participants are expecting another 25 basis points hike in interest rates at the policy review on Jul 27.
- The Congress-led government, which is under pressure on rising inflation and an increase in fuel prices, has swung into damage control. Taking a cue from the petroleum ministry, at least two Congress-ruled states — Delhi and Goa — have decided to lower state levies on petroleum products. The Delhi government rolled back the hike in value added tax (Vat) on diesel, bringing down the consumer price by Rs 2.50 a litre. In the process, it has reversed the decision it had taken in April to increase Vat. Following the reduction in the levy, the price of diesel will be Rs 37.60 with effect from July 20, lower than the Rs 38.10 that prevailed before the recent increase of June 25.
- Buoyed by the government's decision to deregulate petrol prices, **Reliance Industries Ltd** now plans to push sale of the fuel through its retail network, which was so far mostly selling diesel. Two dealers operating Reliance Industries' outlets told that the company has already sounded out its dealers that it wants to start selling petrol via its outlets by the end of this month.
- Share indices are likely to remain choppy next week but stock-specific action will dominate as most corporate majors detail their Apr-Jun earnings.**
- Nifty companies such as ACC, Ambuja Cements, Bharat Heavy Electricals, Idea Cellular, ITC, HDFC Bank, Kotak Mahindra Bank, Punjab National Bank, Wipro, and Jaiprakash Associates will detail quarterly earnings next week.**
- Overseas market trends will also be key determinants of trade in local indices. US futures were slightly down as most banking majors like Citigroup, Bank of America and General Electric posted lower-than-expected revenue for the June quarter.**
- Nifty has been struggling to hold on to 5400 as most traders are booking profits around that level. Nifty will move in narrow band of 5300-5430 until the earnings season ends.**
- Earnings have so far been a mixed bag and there is no clear indication. But overall, there should be a slight softness in earnings due to cost and margins pressure. Institutional traders, particularly foreign players, may continue to remain cautious as earnings of some companies like Reliance industries, and those in the auto and metals sector are still pending, which will give clear indication of economic growth trajectory. Shares of technology companies may extend gains driven by robust earnings of Tata Consultancy Services.**

	Index Value	Index	P/E	AUTO	CAPITAL GOODS	CONSTRUCTION	FINANCIAL	FMCG	Info Tech	LOGISTICS	Metals	Oil & Gas	Pharma	POWER	Telecom
INDIA	5393.90	0.77	18.93	(0.38)	2.44	6.04	3.09	0.51	(0.34)	N.A	0.49	(1.03)	(0.35)	0.87	(0.67)
NIKKEI	9408.36	(1.85)	33.49	N.A	N.A	(3.49)	(4.66)	(2.13)	(2.47)	N.A	(0.47)	(4.28)	(3.33)	(2.70)	N.A
KOSPI	1738.45	0.90	11.11	N.A	2.80	4.29	0.21	2.24	N.A	0.55	(1.30)	(1.78)	0.08	0.39	(2.52)
SHANGHAI	2424.27	(1.89)	18.03	N.A	(1.39)	N.A	(1.20)	(0.05)	(0.52)	N.A	(2.01)	(0.81)	(2.25)	(0.08)	(2.22)
TAIWAN	7664.57	0.23	17.29	(0.75)	N.A	0.50	3.21	0.04	(0.96)	1.06	(0.96)	1.03	4.66	1.13	N.A
HANGSENG	20250.16	(0.63)	15.53	N.A	(0.45)	0.60	0.14	(0.85)	(1.19)	N.A	N.A	N.A	N.A	(1.60)	(2.40)
CAC	3500.16	(1.53)	12.89	N.A	(4.39)	N.A	(3.67)	(0.27)	0.52	N.A	(1.45)	(0.69)	0.58	(0.69)	(1.44)
FTSE	5158.85	0.50	15.34	1.00	0.99	1.96	(1.90)	2.39	3.54	1.49	(2.61)	4.18	2.04	0.14	(1.20)
DAX	6040.27	(0.41)	14.99	4.65	0.34	(3.03)	(2.86)	(1.57)	0.44	(1.07)	0.34	(4.39)	0.03	(4.39)	0.73
US	10097.90	(0.98)	14.20	2.40	(1.21)	(1.35)	(4.35)	(3.31)	(0.31)	(0.96)	(6.19)	(1.82)	(1.61)	(0.30)	(0.21)
AUSTRALI	3622.00	0.57	25.78	N.A	1.07	0.35	1.48	0.67	(2.22)	4.58	0.71	(0.07)	(1.34)	N.A	1.17
BRAZIL	62339.27	(1.79)	13.37	N.A	N.A	N.A	N.A	N.A	(0.78)	N.A	N.A	N.A	N.A	N.A	(3.18)
MEXICO	31783.39	(0.69)	15.58	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** fell, ending the Dow Jones Industrial Average's longest winning streak in two months, following worse-than-estimated sales at Bank of America Corp., Citigroup Inc. and General Electric Co. and consumer confidence that sank to the lowest level in a year.
- **European stocks** fell this week as economic reports in China and the U.S. signaled the global recovery may falter and as Bank of America Corp. and Citigroup Inc. reported sales that trailed analysts' estimates.
- **Asian stocks** rose for a second week as record sales at Intel Corp. and unprecedented economic growth in Singapore overshadowed weak U.S. factory reports and a slowdown in China.
- **Australian Prime Minister** Julia Gillard called a general election less than a month after she became the nation's first female leader and settled a dispute with mining companies that propelled her to office.
- **U.K. economy** probably doubled its pace of growth in the second quarter as manufacturing gathered strength, a survey of economists showed.
- **Hong Kong lawmakers** approved the territory's first minimum wage, which may increase costs for employers including Dairy Farm International Holdings Ltd. and Sun Hung Kai Properties Ltd.
- **Japanese bonds** rose the most this week since November as signs the global economy is slowing boosted demand for the relative safety of government debt.
- **BP Plc** said seismic tests of its sealed Macondo well in the Gulf of Mexico show no evidence of hidden leaks and pressure readings may show a reduction of the amount of oil in the reservoir.
- **Treasury** two-year note yields fell to a record low as reports showed that consumer confidence plunged to the lowest level in a year and retail sales declined, heightening concern the economic recovery is stalling.
- **Kinder Morgan Inc.**, the Houston-based pipeline company taken private in a \$22 billion leveraged buyout three years ago, is proceeding with plans for an initial public offering, said three people with knowledge of the matter.
- **Vodafone Group Plc's** Indian partner Essar Group is considering an initial public offering for a stake in the companies' Indian venture, according to three people familiar with the matter.
- **Goldtrail Travel Ltd.** has ceased trading, the Civil Aviation Authority said on its web site today.
- **Burberry Group Plc**, the U.K.'s largest luxury retailer, will take control of its franchised stores in China for 70 million pounds (\$108 million) in a transaction that may boost earnings by almost 10%.
- **Electricite de France SA**, Europe's biggest power producer, was offered more than 5 billion pounds for its U.K. distribution network, a person with knowledge of the matter said.
- **Deutsche Bank AG** is closing a three-person operation in Japan after a probe of erroneous sell orders made in June that caused the Nikkei 225 Stock Average to plunge, three people with knowledge of the matter said.
- **Toyota Motor Corp.** and Tesla Motors Inc., the electric-car maker, agreed to develop a battery-powered version of the RAV4 compact sport-utility vehicle that may go on sale in 2012.
- **Agricultural Bank of China Ltd.** rose 2.2 % on its debut in Hong Kong, after posting the smallest first-day gain among major rivals in Shanghai yesterday following a \$19.2 billion initial stock sale.
- **Komatsu Ltd.**, the world's second-largest construction-equipment maker, plans to double production this financial year to meet demand from China and Indonesia.

## Sectoral Outlook

### Auto Stocks Outlook

- Automobile stocks are likely to take cue from Apr-Jun earnings next week as three big names declare their results. Maruti Suzuki India, Bajaj Auto and TVS Motor will declare their first quarter results next week.
- The action for automobile companies starts next week. Investors would take fresh calls depending on the first quarter numbers.
- General expectation is that rising cost of funds and raw materials will slow profit gains in the Apr-Jun quarter despite healthy growth in sales volumes.
- According to various brokerage reports, Bajaj Auto and TVS Motors are likely to outperform the motorcycle leader Hero Honda with healthy growth in sales and profit.
- Maruti Suzuki, on the other hand, is expected to show 25-30% growth in sales and profit. On the margins front, the company is likely to be impacted by the adverse foreign currency movements, with the yen appreciating 8% and the euro depreciating 6% during the quarter.
- Margins are expected to be flat year on year, while growth in net profit is expected to be modest at around 15%.
- Bajaj Auto is lined for another good quarter with a 200-basis point increase in margins.

### Bank Stocks Outlook

- Bank shares are likely to eye Apr-Jun earnings and track cues from global markets ahead of Reserve Bank of India's policy review on Jul 27.
- Most market participants expect RBI to raise key policy rates by 25 basis points at the upcoming policy due to double-digit inflation prevailing in the country.
- Investors will closely eye monetary policy as most market participants are expecting another 25 basis points hike in interest rates at the policy review on Jul 27.
- The RBI had caught market participants unawares when it raised reverse repo and repo rates on Jul 2 because there was a strong view in the market that the central bank would not opt for an inter-policy rate hike.
- RBI raised reverse repo and repo rates by 25 basis points each to 4.00% and 5.50%, respectively, due to a rise in wholesale price index inflation to 10.2% for May. In April, the WPI inflation was at 9.6%.
- Bank shares are likely to receive a boost after RBI extended its liquidity easing measures, which will help the lenders to continue to provide credit to borrowers.
- Most banks are expected to report healthy credit growth in Apr-Jun because many telecommunication companies had taken loans in May and June to pay fees for 3G and broadband spectrum. Telecom companies paid around 1 trln rupees to the government for 3G and broadband spectrum allotment.
- Following good credit pick up in the first quarter, most banks have been raising funds through domestic and overseas bond issuances this month on views yields may rise later if RBI hikes rates again.
- State Bank of India has begun road shows for its dollar bond issue, and is looking to raise \$750 mln-\$800 mln. The road show will end on Wednesday. However, analysts said they will wait for individual banks' results, growth in industrial output and inflation movement for more cues on the stocks.
- Loan growth of 39% in Apr-Jun helped Axis Bank post 32% net profit growth in the quarter, and analysts expect the bank to maintain its strong performance going forward.

### Cement Stocks Outlook

- Shares of cement companies are likely to extend fall next week as investors may continue to trim exposure to these shares ahead of Apr-Jun earnings, which are likely to be weak owing to pricing pressure witnessed during the quarter. Sustained weak outlook for pricing of the commodity will add to the pressure.
- Shares of Ambuja Cements may buck the trend and gain as the company is expected to report relatively better quarterly earnings. The Holcim Group-controlled ACC and Ambuja Cements will detail their Apr-Jun earnings Thursday.
- ACC is seen reporting a 23% on-year fall in net profit for the quarter at 3.73 bln rupees. Net sales is seen falling 1% to 20.53 bln rupees.
- Ambuja Cements, however, is likely to report 27% on-year rise in Apr-Jun net profit at 4.13 bln rupees. Net sales for the quarter is estimated to be at 20.55 bln rupees, up 11%.
- Both the large cement makers are seen showing divergence in their quarterly performance on account of their market mix.

### IT Stocks Outlook

- Sentiment for shares of information technology companies is likely to stay buoyant next week following better-than-expected Apr-Jun earnings from Tata Consultancy Services.
- TCS had Thursday reported a 25% year-on-year increase in net profit to 19.06 bln rupees, aided by robust growth in volume.
- At a time when bellwether Infosys Technologies remained cautious on pricing and said it expects the same to fall by 2% in 2010-11 (Apr-Mar), TCS sees an up tick, which indicates positive outlook for its business.
- TCS has shown improvement across all its operating parameters, scaling up utilisation, shifting more work offshore and cutback in general & administration expenses.
- Market participants expect the upside in shares of TCS to continue for a few more sessions, with some recommending buying the stock on every dip.
- While the market gave a thumbs up to Infosys Technologies' full-year revenue guidance, its lower-than-expected Apr-Jun net profit had knocked down its shares.
- Despite an upbeat guidance, Chief Executive Officer S. Gopalakrishnan, in keeping with classic Infosys conservatism, said, "There are some distant clouds in the horizon. We don't know whether they are simple rain clouds or there is a cyclonic storm ahead."
- Infosys met its guidance by reporting a net profit of 14.88 bln rupees, but fell short of analysts' estimates of 15.44 bln rupees. The software major revised upwards its revenue guidance for 2010-11
- (Apr-Mar) to \$5.72 bln-\$5.81 bln.
- While good volume growth momentum helped Infosys post better revenues, falling margins, pricing pressure and volatility in currency movements overshadowed the buoyancy.

- Some analysts expect the stock to remain weak given the high expectations and negative surprise on margin and believe that volume momentum is already factored in the share price.
- We believe that valuations already factor in the volume momentum and see no upside to the stock over the next 6-9 months. With consensus estimates already at 122-125 rupees/share, we see no room for EPS upgrades post this quarter.
- After Infosys and TCS results, investors' focus will now shift to Wipro that will detail its earnings next week. Poll sees the soap-to-software conglomerate reporting Apr-Jun net profit of 12.25 bln rupees, up 21% year on year on net sales of 71.97 bln rupees, up 14%.

### Telecom Stocks Outlook

- Telecommunications service providers' stocks are expected to hold on to current levels next week after two weeks of contradictory movements.
- Last week, Bharti Airtel Ltd and Idea Cellular Ltd had gained 16.6% and 15%, respectively, from their close on Jul 2. Other shares had gained 1-7%.
- However, in the trading week concluded, all but one ended in the red, declining 2.5-4.5% from last Friday. Tata Communications Ltd, the sole exception, gained 5%. The broad market gained less than 1%.
- Though there are issues surrounding 2G spectrum including its pricing to be resolved, no new triggers are expected any time soon. The impact of competition on the incumbents has largely been priced in.
- Industry players will keenly watch the telecom regulator's movements next week as it gets ready to announce its recommendations on ways to price 2G spectrum.
- A recent report by Credit Suisse said the largest incumbent, Bharti, had lost more in terms of subscriber market than revenue market share, a comforting thought for investors in India's largest mobile service company by revenues and subscribers.
- Industry insiders are also betting on Etisalat surrendering spectrum. The company has launched services in all the 15 circles where it has licences.
- However, industry players over the numbers being revealed by the company are not those of commercial subscribers but those "under test." Etisalat is also rumoured to be in talks to pick up 26% stake in Reliance Communications.
- If the company does surrender spectrum, it may act as a short-term trigger for the shares as it would indicate availability of one slot of spectrum in each of those 15 circles but the enthusiasm could also die soon as there are more new players in queue waiting to get the spectrum which will only add to the
- Competition.
- Analysts said with earnings of Reliance Communications and Idea coming up in the last week of this month, their share movement could centre around expected earnings.
- Bharti is expected to delay its earnings announcement to next month, a first for the company, as it consolidates Zain Africa's numbers with self.

### Steel Stocks Outlook

- Steel stocks are expected to advance further next week on hopes that prices might start rising from next month. Over the past two months, a surge in cheap imports from China has stymied domestic prices.
- Things may start changing now, although slowly. In August, we are hopeful of a small price increase.
- Some analysts agree with this official. They cite the improving situation in Europe to bolster their argument. There is a growing feeling that Europe is on the path of recovery. That should help demand.
- Steel Authority of India Ltd Chairman C.S. Verma said steel prices in India have bottomed out. He added that European steel prices are set to rebound as the economic situation in the region begins to improve. Tata Steel, which has two-third of its capacity in Europe, is likely to emerge as the biggest beneficiary.
- Investors may not be as bullish on companies making long steel, fearing the onset of monsoons might crimp demand for these products.
- Demand for steel bars and structurals normally comes down during rainy months when construction activity slows down.
- Some experts suggest that weak global markets may prove to be a blessing in disguise for Indian companies, which could see rise in mergers and acquisition proposals from companies in Europe, US and Japan.
- The focus on a number of small Indian steel companies is going to remain for some time as companies in the developed world try to grab a share of the growing Indian market.
- Plans of large steel makers, such as POSCO and ArcelorMittal, to set up steel plants in India have made a snail-paced progress because of delay in land purchase and allocation of mines.

### FMCG Stocks Outlook

- A build-up of long positions in most fast-moving consumer goods shares in the past one week has led dealers and analysts to believe the sector will likely show a further upside next week.
- Weekly technical readings also show that FMCG shares such as Hindustan Unilever, ITC, and Dabur will outperform the broad market.
- However, dealers also said that despite the positive outlook, individual shares may react to their Apr-Jun earnings that will be detailed over the course of the next two weeks.
- For instance, shares of Colgate-Palmolive rose after the toothpaste maker reported an 18.7% year-on-year rise in its net profit in Apr-Jun on a net sales growth of 13% at 5.29 bln rupees. The company's shares later ended lower following profit sales.
- Analysing the results, Indiabulls Securities' sector analyst Anand Mour said the results surprised with the expansion in operating margins despite revenue growth being entirely volume-led.
- The biggest surprise comes from operating margin of 29.1%, which is the highest ever, expanding 384 basis points year-on-year. This was led by gross margin expansion of 646 bps due to integration benefits with third-party manufacturer Professional Oral Care Products, a 100% subsidiary.
- Amalgamation with another subsidiary CC Healthcare Products Pvt Ltd is yet to be effected during the year.
- Analysts say the key benefit of the amalgamation would be the tax savings on manufacturing charges, and thereby a sustainable gross margin.
- Nomura Financial Advisory and Securities (India) on the other hand has a reduce recommendation on the stock as it says the stock is over-valued at current price.
- Though its long-term view on the stock remains positive, it recommends caution at current levels due to Colgate's limited pricing amidst rising competition.

- Next week, United Spirits and ITC are expected to report their Apr-Jun earnings.
- United Spirits, the maker of Signature and McDowell whiskies, is likely to report first quarter net profit at 1.19 bln rupees, up 12.9% on year, and net sales at 14.77 bln rupees, up 19%. For ITC, the tobacco-to-hotels-to-FMCG conglomerate, 15.2% on-year rise in net profit at 10.12 bln rupees, on net sales growth of nearly 12% at 46.15 bln rupees is expected.
- Hindustan Unilever is also looking positive both on technical and based on futures position.

### Oil Stocks Outlook

- Shares of oil marketing companies are likely to mostly track broad market movement next week in the absence of any sector specific developments. There are no triggers for the oil sector in the near term and performance of shares could be in line with the market.
- However, investors continue to seek greater clarity over the fuel subsidy sharing mechanism, after the government only de-regulated petrol price in June and linked it to market price.
- The government raised price of diesel by 2 rupees per ltr, kerosene by 3 rupees per ltr and LPG prices by 35 rupees per 14.2 kg cylinder.
- We believe clarity on subsidy sharing mechanism will be the main driver for oil marketing company stocks...the government has not yet formalized a sharing mechanism for eventual under-recoveries on cooking fuels.
- Thursday, Petroleum Secretary S. Sundaresan said while the government will bear 50% of the subsidy bill for the current year, upstream oil companies, including Oil and Natural Gas Corp Ltd and Oil India Ltd, will pay for 33% of the gross revenue loss.
- However, there is no clarity so far on who will bear the remaining 17% revenue loss. Based on current crude oil prices, revenue losses arising due to subsidised sale of petroleum products is pegged at 520 bln rupees.
- In 2009-10 (Apr-Mar), the government paid cash compensation for revenue losses incurred on cooking fuels, whereas state-owned upstream companies shouldered the entire burden on revenue loss arising from subsidised sale of auto fuels.
- On the other hand, with petrol price decontrolled, all state-owned oil-marketing companies will review petrol prices towards the end of this month and change the prices through mutual consensus.
- At present, there will be a uniform mechanism for the next three months for petrol price revision.

### Capital Goods Stocks Outlook

- Pre-earnings optimism will keep shares of capital goods and engineering companies in positive territory next week, with investors eyeing sector major Bharat Heavy Electricals Ltd's results due Thursday. Power equipment maker BHEL is seen reporting net profit of 6.8 bln rupees in Apr-Jun, up 45% year-on-year on sales of 70.70 bln rupees, up 26% on year.
- Bombay Stock Exchange's Capital Goods Index rose 2.4% this week as against less than a 1% rise in key indices, despite India's industrial growth retracting sharply to 11.5% in May from 16.5% in the previous month.
- On Monday, the Central Statistical Organisation detailed industrial growth data, which saw capital goods growing 34.3% in May, suggesting rising investment demand.
- We do not anticipate any major negative surprises in the sector, we believe margins are likely to remain soft during the quarter. The quarter will be more important for the outlook it provides on order flows in H2FY11.
- In our view, positive surprises on order flows can be forthcoming from power transmission equipment players in H2FY11. Shares of companies operating in the power transmission space that will be in focus on hopes of order inflows are--ABB Ltd, Siemens Ltd, Crompton Greaves Ltd, Jyoti Structures Ltd, Kalpataru Power Ltd, KEC International Ltd, and Siemens Ltd.
- Crompton Greaves is expected to report consolidated net profit of 1.71 bln rupees in Apr-Jun, up 6.4% on year. The company will detail its earnings for the quarter on Monday. Consolidated net revenue is seen at 23.88 bln rupees in Apr-Jun, up 8.7%. While European revenues could be a drag for Crompton Greaves, its domestic revenues are likely to report healthy growth.
- Thermax Ltd is likely to report net profit of 621 mln rupees in Apr-Jun, up 33% on year, driven by better sales execution. The Pune-based company, which reports its earnings on Wednesday, may post a 39% year on year rise in net sales at 7.28 bln rupees on improvement in industrial capital expenditure.
- Shares of Suzlon Energy may move sideways despite recent order wins as large overseas orders continue to evade the company.
- Shares of the sector may continue to have positive bias but major upside is unlikely as they may not get support from broad market.

### Pharma Stocks Outlook

- Pharmaceutical counters may remain slightly defensive next week amid choppy broad market conditions, but action will mostly be stock specific with preference skewed towards some large and mid-cap stocks.
- Also though most of the majors in the sector are not reporting Apr-Jun earnings next week, some smaller players are, and those will be keenly watched.
- The market sentiment will be dominated by earnings now. Pharma is a defensive bet and may find favour in a volatile market.
- Drug price regulator, National Pharmaceutical Pricing Authority, is also expected to revise the price of four to five bulk drugs, which will benefit some companies such as Cipla.
- Dr Reddy's Laboratories is the only big company coming out with numbers next week and the market is eyeing it keenly on talk its promoters are looking to divest stake or sell a business unit.
- Bio-pharmaceuticals major Biocon will also announce its results next week and is likely to trade positive as it is expected to report significant growth in sales and improvement in margins.
- Orchid Chemicals and Pharmaceuticals, Panacea Biotec, Aventis, Unichem Laboratories, and Indoco Remedies are the others reporting their Apr-Jun numbers.
- On an average, Indian pharma companies are expected to report 17-20% growth in revenue for the current quarter, while their margins are likely to improve.
- Most brokerages recommend buying mid-caps such as Lupin and Glenmark Pharmaceuticals ahead of the earnings. Among the big ones, Sun Pharmaceutical Industries is tipped to outperform.

## Commodity Outlook

## LME Prices

Particular	16 <sup>th</sup> July 10	Chg % 5D	Chg % 1M
LME ALUMINIUM 3MO (\$)	1978.00	(1.30)	(1.35)
LME COPPER 3MO (\$)	6485.00	(4.07)	(2.48)
LME ZINC 3MO (\$)	1796.50	(5.65)	(1.78)
LME LEAD 3MO (\$)	1770.00	(4.07)	0.57
LME NICKEL 3MO (\$)	18950.00	(2.82)	(5.44)

## LME Inventory

Particular	16 <sup>th</sup> July 10	Chg % 5D	Chg % 1M
LME ALUMINUM	4375150.00	(0.52)	(2.51)
LME COPPER	426425.00	(2.40)	(7.13)
LME ZINC	617725.00	0.19	0.05
LME LEAD	186975.00	(1.08)	(2.46)
LME NICKEL	119070.00	(1.32)	(9.60)

NAME	16 <sup>th</sup> July 10	Chg % 5D	Chg % 1M
Gold Spot \$/OZ	1193.00	(1.54)	(2.93)
Gold Index	18300.00	(0.47)	(2.01)
Silver Spot \$/OZ	17.85	(1.57)	(3.33)
MCX Silver	28760.00	(0.00)	(1.68)
NYMEX Crude	76.01	(0.11)	(2.14)
Crude Oil Index	3557.00	0.34	(1.19)
Baltic dry index	1720.00	(9.57)	(40.55)
Baltic clean tanker ix	837.00	2.95	27.98
Baltic dirty tanker ix	832.00	4.52	(9.37)

*Crude*

**Crude oil** fell for a third day in New York on speculation that the U.S. economic recovery is slowing, reducing fuel demand in the world's biggest energy-consuming country. Oil slipped 0.8 percent and equities tumbled after a preliminary index of consumer sentiment declined to the lowest level since August. Prices retreated yesterday as manufacturing in New York and Pennsylvania dropped, part of a nationwide decline in factory production of 0.4 % in June.

*Precious Metals*

**Gold** futures fell the most in two weeks as the euro's rebound reduced demand for the precious metal as a haven against European-debt concerns. Gold rose to a record \$1,266.50 an ounce on June 21 and surged to all-time highs in euros, U.K. pounds and Swiss francs last month amid Europe's fiscal crisis. Gold rose to a record \$1,266.50 an ounce on June 21 and surged to all-time highs in euros, U.K. pounds and Swiss francs last month amid Europe's fiscal crisis.

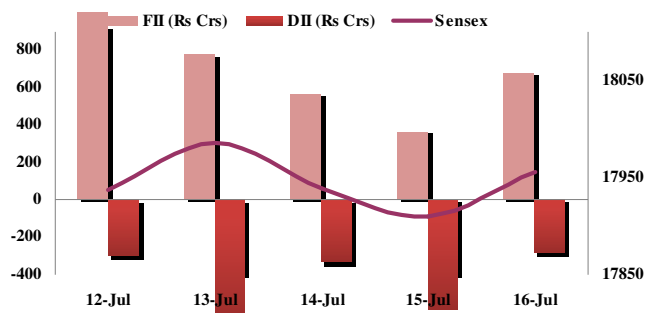
*Base Metals*

**Copper** futures in New York fell the most in two weeks on concern that a slowing global economy will limit demand for metal used in homes, cars and appliances. U.S. manufacturing contracted in June by the most in a year, and second-quarter growth slowed in China, according to separate reports this week. China and the U.S. are the world's top metals users. Copper prices have slumped 12 % this year.

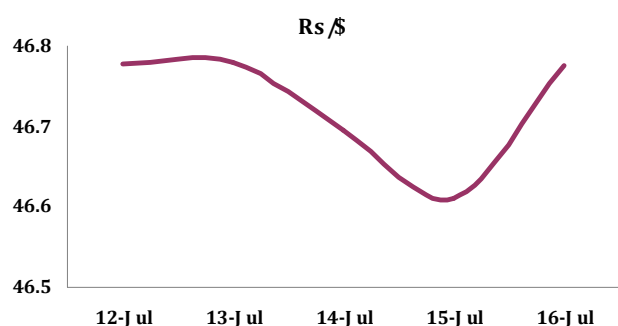
*Agri*

A near-term shortage of **Sugar**, rising demand and an export bottleneck in Brazil have created a bubble, lifting prices to the highest level in three months, according to Nick Penney, a trader with Sucden Financial Ltd. Raw-sugar prices fell from a three-month high as slumping U.S. equities revived concern that a slowing economy will limit demand for commodities. Cotton and orange juice climbed.

Currency Outlook



Name	16 <sup>th</sup> July 10	12 <sup>th</sup> July 10	% Chg
Indian rupee spot	46.78	46.69	0.20
Japanese yen spot	86.57	88.61	(2.30)
Euro spot	1.29	1.47	(11.99)
British pound spot	1.53	1.60	(4.19)
Eur-Gbp x-rate	0.85	0.92	(8.16)
Aud-Jpy x-rate	75.22	78.96	(4.74)



- **Asian currencies** recovered from losses after China’s economic growth exceeded 10 percent for a third quarter, damping concern a worsening outlook for the U.S. will derail the global recovery.
- Thailand’s baht topped gains in **Asian currencies** this week as the central bank joined India, South Korea, Malaysia and Taiwan in raising interest rates, boosting the yield advantage on the nations’ assets.
- **Euro** may reverse its recent advances against the dollar given the “slim” likelihood of a “very positive surprise” from European bank stress tests next week, UniCredit SpA said. By Chris Kay euro’s rise against the dollar indicates that investors are becoming more concerned about the U.S. economy and corporate earnings than they are about European sovereign debt, Deutsche Bank AG said in a note today.
- **Dollar** fell the most against the euro in 14 months and dropped to the lowest level this year versus the yen as economic reports added to evidence that the U.S. recovery is losing momentum.
- **Pound** fell against the euro for a third week, the longest losing streak since March, amid signs the euro area will contain the Greek debt crisis while the U.K. economic expansion slows.
- **Yen** rose toward its strongest level this year against the dollar as signs the U.S. economy is losing momentum added to speculation that the Federal Reserve will keep interest rates at almost zero this year.
- **Canada’s dollar** weakened the most this month versus the greenback and the yen as evidence of a slowing U.S. economic recovery made the currencies of countries reliant on commodity exports less attractive.
- **New Zealand’s dollar** fell for the first time in two weeks after a government report showed consumer prices rose at a slower pace than economists forecast, easing pressure on the central bank to raise interest rates.
- **China’s Yuan** is likely to track the euro more closely now that its peg to the dollar has been relaxed, said Albert Keidel, a former Treasury Department official and a senior fellow at the Atlantic Council.
- **Colombia’s peso** posted its first weekly drop since May after a report showed confidence among U.S. consumers slumped in July, signaling the biggest part of the world’s largest economy is losing momentum.
- **South Korea’s won** strengthened against the dollar after Spain attracted stronger demand at a government bond auction, easing concern Europe’s debt crisis will sap demand for 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	70.55	3.595	4679791	22.15	2.56	19.31	11.86	4.95	72.2	31.8
Hero Honda	2	1979.8	-1.556	216805.4	17.71	10.40	#N/A N/A	37.77	22.97	2070	1292.455
Maruti Suzuki	5	1374.1	-3.521	246243.6	15.12	4.15	9.28	13.49	9.18	1737.3	1148
M&M	5	603.95	-5.419	1591016	13.40	3.35	7.87	28.77	7.40	648	363.0614
Tata motors ltd	10	832.4	8.006	3668673	17.11	7.20	23.52	(34.23)	(4.62)	882.7	299.9
<b>Banking</b>											
Bank of India	10	395	5.544	1013348	11.61	1.44	#N/A N/A	12.72	0.71	474	301.3
ICICI bank ltd	10	902.4	3.025	2996137	21.52	1.96	#N/A N/A	9.52	0.96	1009.7	690.2
Kotak Mahindra	10	783.45	2.6	841767.6	20.79	3.42	#N/A N/A	17.93	2.74	879.8	615
State bank of India	10	2449	3.381	1368275	13.25	1.87	#N/A N/A	15.09	0.85	2630.1	1617
Yes bank ltd	10	299.45	4.813	1639557	19.14	3.29	#N/A N/A	20.27	1.61	301	139.5
<b>Oil &amp; Gas</b>											
Aban Offshore	2	861.5	-0.772	992749	12.05	1.72	9.48	17.28	1.67	1682	636.05
BPCL	10	661.05	-6.999	2548904	14.64	1.80	15.58	4.83	1.25	718.9	435.25
HPCL	10	448.25	-8.277	4158596	10.29	1.36	8.55	6.91	1.64	495.5	292
ONGC	10	1258.7	-2.72	1206515	13.87	2.65	5.52	20.04	12.05	1346.9	934.25
RIL	10	1062.95	0.501	3027991	12.92	2.24	12.57	18.69	9.69	1149.9	901.125
<b>Capital Goods &amp; Engineering</b>											
ABB ltd.	2	872.7	1.318	152662.6	52.15	7.63	33.89	15.61	6.45	900	649
BHEL	10	2437.85	1.851	523466.8	27.58	7.51	17.44	30.03	9.58	2585	2103.05
Larsen & Toubro	2	1870.6	2.659	1314028	20.67	7.83	19.51	30.54	7.83	1897.8	1380
Punj Lloyd ltd	2	137.75	-0.649	2063593	#N/A N/A	1.68	#N/A N/A	(8.62)	(2.38)	298.8	112.85
Suzlon energy ltd	2	60	2.041	16068070	#N/A N/A	1.41	21.81	(12.90)	(2.93)	109	51.8
<b>Pharmaceuticals</b>											
Biocon Ltd.	5	314.9	-0.897	298166.6	20.89	3.58	#N/A N/A	17.94	10.70	331.2	200
Cipla ltd	2	330.6	-2.291	664732	24.15	4.49	19.53	21.11	15.28	363.5	251
Sun pharmaceutical	5	1740.25	-0.126	188272.6	26.69	5.12	24.75	30.20	25.35	1853	1117.05
Dr. Reddy's lab	5	1477.85	1.022	736725	70.93	6.61	17.42	9.63	4.79	1517	728.05
Ranbaxy laboratories	5	449.05	-3.097	537779.6	63.67	4.35	23.05	6.86	2.33	538.45	257.4
<b>Power</b>											
NTPC Ltd.	10	198.5	0.151	1719600	18.52	2.61	12.80	14.73	7.59	241.35	190.1
Power grid	10	100.35	-1.569	1772582	20.69	2.65	12.50	13.35	3.46	121.45	95.05
Reliance power ltd	10	174.45	-0.456	2974967	61.21	3.03	#N/A N/A	1.79	1.62	190	133
Siemens india ltd	2	733.45	1.769	407486.2	35.10	8.89	22.39	27.86	8.75	765.9	420.05
Tata power co ltd	10	1334.9	1.444	334503	16.10	3.43	11.90	14.98	4.47	1517.7	1087.2
<b>FMCG</b>											
Dabur India Ltd.	1	213.5	0.471	1633631	36.68	22.56	28.37	54.37	23.18	218.6	107.9
Hindustan unilever	1	266.15	1.429	1519469	26.91	21.76	19.72	#N/A N/A	#N/A N/A	306.7	218
ITC ltd	1	298.35	-0.666	3710473	27.09	7.88	17.00	29.26	18.97	307.9	210.5825
Colgate ndiaive (ndia)	1	845.6	-0.365	93384.8	26.49	34.82	22.64	159.16	51.58	867	567
Tata tea ltd	1	120.5	-0.578	877136.2	19.09	2.05	17.17	19.89	8.14	123.8	74.3
<b>Realty</b>											
DLF Ltd.	2	319.55	8.029	8447198	31.36	2.38	20.37	21.54	10.10	519.9	254.5
HCC	1	126.55	0.756	1338396	759.61	2.92	16.00	0.44	0.06	162.2	100
IVRCL infras	2	189.85	-0.862	1497374	67.80	2.03	16.30	9.04	3.16	212.5	144.1
Reliance infrae	10	1152.05	-1.753	1768210	17.09	1.54	21.78	8.14	4.44	1404.5	950.1
Unitech ltd	2	82.45	9.133	34741040	27.76	2.59	17.82	27.28	4.82	116.65	62.25
<b>Metal</b>											
Hindalco Ind. Ltd.	1	150.15	0.772	8231979	7.32	1.33	5.36	20.99	5.87	193	79.7
Jindal steel & power	1	624.45	-1.101	1032789	15.99	8.22	11.25	55.86	18.68	753.9	433.85
Sesa goa ltd	1	343.25	-2.569	6085965	10.59	3.60	7.51	41.62	31.60	495	208
SAIL	10	198.5	2.188	3465517	12.07	2.90	7.22	24.24	12.76	267	150.25
Tata steel ltd	10	508.75	4.23	6773350	#N/A N/A	1.98	11.48	(9.12)	(1.78)	739	376.75
<b>Information Technology</b>											
Infosys Tech Ltd.	5	2777	-3.368	1620681	25.28	6.91	20.79	30.34	25.11	2910	1802
Rolta India ltd	10	180.4	2.763	1042956	9.88	2.01	#N/A N/A	22.38	11.82	210.4	120
Financial techn	2	1340.5	-1.863	147876	43.95	3.61	#N/A N/A	15.34	10.11	1723	1150
Tata consultancy	1	833.65	7.644	3403649	23.36	8.88	17.60	41.12	27.92	838.5	415.60
Wipro ltd	2	402.25	0.262	1267502	21.10	5.39	16.01	29.06	15.32	453.5099	251.12

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