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FINANCIAL MARKETS IN MOTION

7th December, 2012



Market Summary

The Nifty ended at a 20-month high on Thursday on expectations that the FDI in multi-brand retail will be approved by the Rajya Sabha tomorrow after the Bahujan Samaj Party decided to vote in favour of the government. After making a higher opening, markets turned weak led by weakness among IT, Banking and Capital Goods shares. However, during end-session, markets once again regained strength. The Sensex ended at 19,487 up 95 points or 0.49% and the Nifty ended at 5,931 up by 30 points or 0.52%. On the sectoral front, BSE Realty index surged by almost 2% followed by counters like Power, Banks, Consumer Durable, Oil & Gas, PSU, Auto, Metal, Capital Goods and FMCG, all gaining by 1% each. However, BSE IT and TECK indices declined by 1% each. Shares of IT companies were under pressure for second day in a row after Cognizant Technology Solutions said that it expects 16% revenue growth in 2013 as against its projected 20% growth for the current year 2012. The broader markets outperformed the benchmarks indices. The BSE Midcap and Smallcap indices gained 0.5-1%.

Index	Value	Change
Dow Jones	13,074.00	0.30%
Nasdaq	2,989.27	0.52%
Nikkei	9,566.71	0.23%
Hang Seng	22,293.70	0.20%
FTSE 100	5,901.42	0.16%
DAX	7,534.54	1.07%

Buzzing News for the day

- ✓ Coal Min deallocates mine in Odisha allotted to 4 PSUs
- ✓ Credit Suisse cuts India FY13 growth forecast
- ✓ Govt to divest minority stake in 10 PSUs: FinMin
- ✓ GM India unit to hike car prices by 1-3% from Jan 2013
- ✓ IndusInd Bank to allot equity shares to QIBs
- ✓ Maruti to hike car prices by up to Rs 20,000 from Jan
- ✓ NTPC raises Rs 600-cr term loan
- ✓ PFC plans to raise up to Rs 4,590 cr via tax-free bonds
- ✓ SKF bags contract from Audi

NIFTY GAINERS (06.12.2012 AT 4 PM)

Symbol	LTP (Rs)	Prev	%
JPASSOCIAT	104.80	100.70	4.07
AXISBANK	1,376.85	1,334.70	3.16
RELINFRA	515.00	500.65	2.87
BHEL	243.65	237.45	2.61
TATAMOTORS	281.25	274.95	2.29

NIFTY LOSERS (06.12.2012 AT 4 PM)

Symbol	LTP (Rs)	Prev	%
HCLTECH	623.25	639.00	(2.46)
BHARTIARTL	323.80	330.40	(2.00)
INFY	2,339.00	2,382.50	(1.83)
TCS	1,279.05	1,297.90	(1.45)
RANBAXY	509.10	513.70	(0.90)

ECONOMIC INDICATORS

PERCENT

Retail Inflation (Oct)	9.75
Monthly Inflation (Oct)	7.45
IIP (Sep)	-0.4

FII & DII (NSE & BSE AS ON 06.12.2012) (RS. Cr)

	BUY	SELL	NET
FII	2,855.57	2,017.43	838.14
DII	1,029.28	1,692.02	(662.74)
		Advances	Decline
NSE		817	647
BSE		1699	1502

POLICY RATES (%)

(As on 06.12.2012)

Bank Rate	9.00
Repo Rate	8.00
Reverse Repo Rate	7.00
CRR	4.25
SLR	23.00
MSF	9.00

Forex & Commodity Market Updates

FOREX RATES as on 06.12.2012 AT 4 PM

Dollar	54.10
Euro	70.73
UK Pound	87.16
Japanese ¥	0.66
Singapore \$	44.40
Renminbi	8.69
Taiwan \$	1.86

COMMODITIES as on 06.12.2012 AT 4 PM

Gold (MCX) (RS./10G)	30,962.00
Silver (MCX) (RS./KG)	61,811.00
Crude Oil (BARREL)	4,777.00
Aluminium (RS./KG)	113.40
Copper (RS./KG)	442.35
Nickel (RS./KG)	954.10
Zinc (RS./KG)	109.45

Board Meeting

Company	Purpose	Date
Vardhman Polytex Limited	Allotment of Securities	7-Dec-12
XL Energy Limited	Audited Financial Results	7-Dec-12

Corporate Action

Company	Purpose	Ex-Date
EL Forge Limited	Annual General Meeting	7-Dec-12
Shree Ganesh Forgings Limited	Annual General Meeting	7-Dec-12
Varun Shipping Company Limited	Annual Book Closure	7-Dec-12
Jai Balaji Industries Limited	Annual General Meeting	11-Dec-12
Moser-Baer (I) Limited	Annual General Meeting	11-Dec-12
Consolidated Construction Consortium Limited	General Corporate Purposes	12-Dec-12
Krishna Engineering Works Limited	Annual General Meeting	12-Dec-12
Maral Overseas Limited	Annual General Meeting	12-Dec-12
Nestle India Limited	2nd Interim Dividend	12-Dec-12
Reliance MediaWorks Limited	Annual General Meeting	12-Dec-12
IDFC Limited	Interest Payment	13-Dec-12
JIK Industries Limited	Annual General Meeting	13-Dec-12
Kaushalya Infrastructure Development Corporation Limited	Annual General Meeting	13-Dec-12
Pioneer Embroideries Limited	Annual General Meeting	13-Dec-12
Prakash Constrowell Limited	Face Value Split From Rs 10 To Re 1	13-Dec-12
Sundaram Finance Limited	Bonus 1:1	13-Dec-12
Usher Agro Limited	AGM & Dividend Rs.1.50 Per Share	13-Dec-12

NEWS UPDATES

CORPORATE NEWS

GM India unit to hike car prices by 1-3% from Jan 2013

General Motors Co's Indian unit said it will increase the price of cars it sells in the country by 1 percent to 3 percent from January 2013 due to high input costs and currency fluctuation. The price hike by General Motors comes after market leader Maruti Suzuki and Hyundai Motor Co's Indian unit raised prices in October due to rising costs despite a slowdown in the car market in Asia's third-largest economy.

IndusInd Bank to allot equity shares to QIBs

IndusInd Bank Ltd said the finance committee of its Board of Directors has approved the allotment of 5.21 crore equity shares at a price of Rs 384 per equity share (including a premium of Rs 374 per equity share) aggregating to Rs 2,000.63 crore to qualified institutional buyers.

Kingfisher extends flight cancellation till January 15

Kingfisher Airlines has extended flight cancellation till January 15, 2013, from December 15, 2012. The airline has been grounded since October 1 and its licence was suspended on October 20 as it failed to meet the guidelines set down by the Directorate-General of Civil Aviation. Late on Wednesday the airline paid its employees for May, which had been promised earlier. The airline has run up huge losses and has not posted a profit since it took to the skies. The airline runs the risk of its operating licence being cancelled by the end of this month when it is due to lapse. The airline was one of the largest operators in domestic skies till it began to shrink its operations from early this year.

Maruti to hike car prices by up to Rs 20,000 from Jan

Maruti Suzuki India will increase the vehicle prices across all models by up to Rs 20,000 from January due to increasing pressure on margins due to currency fluctuation. "There will be a hike in the prices of our products. Quantum will vary depending on models, but it can be up to Rs 20,000," Maruti Suzuki India Chief Operating Officer (Marketing & Sales) Mayank Pareek said. The company currently sells a variety of models starting from the M800 to imported Kizashi at a price range starting from Rs 2.09 lakh to Rs 17.52 lakh (ex-showroom Delhi). During the second quarter of this fiscal, the company had posted a 5.41 per cent fall in net profit at Rs 227.45 crore, hit by an unprecedented violence at its Manesar plant and low sales and currency fluctuation.

Maldives to take back Male airport project

In a blow for the Bangalore-based GMR Group, a Singapore court has ruled that the Maldives Government has the authority to take back the Male International Airport which was being modernised by a joint venture led by the Indian company. Confirming the development, Masood Iman, Press Secretary to the Maldives President, said that the Singapore court was of the opinion that the contract allowed Maldives Airports Company Ltd to take back the airport from the GMR-led joint venture consortium. "We will pay compensation to GMR. This will be decided by a court in Singapore. We have heard figures of \$700 million, \$550 million, \$350 million and also \$220 million. Let the Singapore court decide and we will abide by the judgment. The modernisation of Male airport will now be taken up MACL. The Maldives Government will again float the tender and get more parties in to take the work forward. The tender will be floated by the Maldives Government in a transparent manner and after consulting investors. The mistakes made during the float of the tender which has been cancelled will not be repeated," Masood said.

NTPC raises Rs 600-cr term loan

NTPC has raised Rs 600-crore term loan from The Jammu & Kashmir Bank Ltd. The funds would be used to part-finance the capital expenditure of its projects. "The loan facility has been extended at the base rate of the bank, which is the bare minimum rate at which a bank can lend. This loan has a door-to-door tenure of 15 years and will be utilised to part-finance the capital expenditure of NTPC," the public sector power producer said. NTPC said that it has been raising debt from Indian banks and financial institutions since November 1999. Till now, it has signed loan agreements for Rs 57,629.35 crore. Of these, loans worth Rs 41,404.35 crore have been utilised.

PFC plans to raise up to Rs 4,590 cr via tax-free bonds

Power Finance Corp plans to raise up to Rs 4,590 crore through tax free bonds by March next year. The proposed issue is part of its plan to garner Rs 5,000 crore by way of issuing tax free securities in the current fiscal (2012-13). Out of the total target, Rs 410 crore has already been raised. The company, which is engaged in financing power generation and transmission projects, said that bonds would be issued in one or more tranches through non-convertible debentures (NCD) route, according to draft prospectus file with SEBI. The funds would be utilised towards lending purposes, debt servicing and working capital requirements.

SKF bags contract from Audi

SKF has signed contracts with Audi for the delivery of SKF components for use on a range of vehicle models. The contracts, estimated at nearly SEK 1 billion, include the delivery of four different versions of wheel bearing units for the wheel-ends and a range of bearings for the new double clutch transmission. The SKF wheel bearing units include an active ABS system and the flexible design provides a cost-effective solution for a range of vehicles, from compacts to SUVs, using Audi's new modular MLB Evo-platform. The transmission and clutch bearings are designed to meet Audi specific double clutch transmission requirements.

TVS to set up '3S' facilities in semi-urban, rural areas

TVS and Sons have proposed to set up '3S' (sales, service and spares) facilities in semi-urban and rural areas. TVS and Sons is the authorised dealer for retailing medium and commercial vehicles of Hinduja Group company, Ashok Leyland in Tamil Nadu, Kerala, Karnataka, Madhya Pradesh, Uttar Pradesh and Uttarakhand. "TVS and Sons and Ashok Leyland cherish a long term relationship and mutual respect for each other's business. Going forward, we would be looking to establish more facilities in tier II and III locations within a grid of 50 to 100 kms", TVS and Sons, President, N Krishnamoorthy said, after inaugurating the third 3S facility of Ashok Leyland in Chennai.

ECONOMY

BSE picks 14 banks for IPO in 2013

BSE has chosen 14 banks for its initial public offering planned for the first half of 2013, its chief executive said. The company is seeking an offering that would value it at about \$1 billion, Ashishkumar Chauhan said. Bank of America Merrill Lynch, JPMorgan, Barclays Capital, UBS and the arms of Indian banks Kotak Mahindra Bank and ICICI Bank are among the lead managers of the planned IPO. "The process is on. We are targeting a launch in the first half of next year," Chauhan said. Founded in 1875, the BSE, formerly known as Bombay Stock Exchange Ltd, has long considered an IPO. India's capital markets regulator in April approved listing of local stock exchanges, subject to some conditions.

Coal Min deallocates mine in Odisha allotted to 4 PSUs

The Coal Ministry has decided to deallocate a coal block in Odisha jointly allocated to four PSUs, including Odisha Mining Corp and Assam Mineral Development Corp for delays in production. "The recommendation of IMG (Inter-Ministerial Group) has since been considered and accepted by the government. Accordingly, Mandakini B coal block...is deallocated," Coal Ministry said in a letter dated December 5 to the PSUs. The ministry also said in the letter that Bank Guarantee (BG) to the extent of Rs 48.7 crore i.e. 50 per cent of the BG related to the development of the coal block be invoked and deposited with the government. Other PSUs to which the coal block was allotted are Meghalaya Mineral Development Corp and Tamil Nadu Electricity Board. Mandakini B coal block was allotted in 2007 to the PSUs to meet the coal requirement of their respective proposed power plants.

Credit Suisse cuts India FY13 growth forecast

Credit Suisse cut its FY13 growth estimate for the country by a notch to 5.9% attributing it to delay by the Reserve Bank in cutting rates to prop up growth. The brokerage also lowered its FY14 growth forecast to 6.9% from the earlier 7.2%. "This largely reflects the delayed RBI rate response, although we continue to stress that our projections are above those of the consensus," the firm said in a note on the reasons for lowering the 2012-13 estimate by 10 basis points. In the first half of the fiscal, the economy grew by 5.4%. The government has projected growth between 5.5 and 6% this fiscal. Credit Suisse expects the RBI, which has been holding on to its elevated rates despite concerns over growth, citing the high inflation, to cut rates by 0.50% only in January and not in the upcoming mid-quarter policy review on December 18, the note said. Credit Suisse also said it expects further rate cuts of up to 0.75% by next July, post the rate cut in January.

Govt to divest minority stake in 10 PSUs: FinMin

The government said it has decided to divest stake in 10 companies, including Oil India, SAIL and Hindustan Aeronautics. The government has decided to disinvest its stake in some of the public sector undertakings, Minister of State for Finance S S Palanimanickam said in a written reply to the Rajya Sabha. "The realisation would depend upon prevailing market conditions and investor interest at the time of actual disinvestment," he said. As per the plan, the government will sell 10 per cent stake each Rashtriya Ispat Nigam Ltd (RINL), Hindustan Aeronautics Ltd (HAL), Oil India and NMDC. Besides, it plans to offload 12.15 per cent in NALCO, 10.82 per cent in SAIL, 9.50 per cent in NTPC and 9.33 per cent in MMTC.

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