

“A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty” - Winston Churchill

Headlines

- Sensex ends down 124 points on late selling
- Govt should free diesel prices immediately: Adviser
- April-June fiscal deficit at \$8.64 bln: govt
- IRDA hopeful of early resolution of cashless treatment row
- June fuel sales up on higher auto fuel demand
- SEBI to ban non-PAN demat accts



Quick Glance

INDICES

Name	Closed at	+/- Points	% Change	Name	Closed at	+/- Points	% Change
BSE Sensex	17868.29	-123.71	-0.69	BSE Auto	8424.20	-9.75	-0.12
NSE Nifty	5367.60	-41.30	-0.76	BSE TECK	3400.59	-42.14	-1.22
NSE 500	4475.15	-15.25	-0.34	BSE Bankex	11539.55	-16.08	-0.14
BSE 100	9556.67	-61.25	-0.64	BSE Metal	15399.81	-92.44	-0.60
BSE Midcap	7407.91	25.82	0.35	BSE Oil&Gas	10166.13	-21.15	-0.21
BSE Small cap	9348.97	19.00	0.20	BSE Healthcare	5597.19	-14.47	-0.26
CNX Midcap	8415.30	35.00	0.42	BSE Realty	3372.93	-47.99	-1.40
CNX Nifty Jr.	11564.25	-42.00	-0.36	BSE FMCG	3229.86	-24.88	-0.76

DEBT MARKET

CP Rates % (3M)	7.14	7.80 GS 2020* %	7.80
Call Rates %	4.90 - 5.00	8.20 GS 2022* %	8.10
7.17 GS 2015* %	7.63	*G-Sec Yields	

FOREX (Currency Rates in Rs.)

1 US \$	46.40
1 EURO	60.43
100 YEN	53.68
Brent Crude (\$/Bbl)	77.14
GOLD (\$/oz)	1170.6

Market Commentary

EQUITY

Scripts: Index wise (BSE 30) Gainers and Losers

Top Gainers	Closing Price	% Change	Top Losers	Closing Price	% Change
MAH. & MAH.	661.50	2.70	BHARTI AIRTEL	306.90	-3.17
SBI	2503.80	1.24	HERO HONDA	1815.40	-2.95
HDFC BANK	2127.45	1.22	DLF LTD.	301.30	-2.59
TATA STEEL	537.15	0.68	ICICI BANK	904.45	-2.38
HDFC LTD.	2981.25	0.22	TATA MOTORS	846.15	-2.26

- BSE Sensex opened negative and closed down by 0.69%. The markets ended the session with a loss due to selling by funds and retail investors amid weak global cues. Stocks from the IT and realty sectors were among the worst performers.
- Tyre major Apollo Tyres closed with a gain. This was despite a poor set of numbers announced by the company. On a consolidated basis, its first quarter profits were almost flat. While the topline came in higher by 11%, it was the fall in operating margins that affected its bottomline. Bottomline suffered a fall of 57% as extreme movement in rubber prices and a lockout in one of its factories in Kerala impacted growth.
- The country's largest steel-maker, Steel Authority of India (SAIL), sees steel prices firming up on the back of demand from construction and automobile firms and may revise the rates for its products in the next few months. Any price change by SAIL, which has a domestic market share of about 20 per cent, is generally followed by other producers like JSW Steel, Tata Steel and Essar Steel, among others.
- Smallcap as well as Midcap stocks out performed the frontline stocks. BSE Smallcap closed up 0.20% and CNX Midcap closed up 0.42%, while BSE 100 closed down 0.64% and NSE 50 closed down by 0.76%.
- All the major Asian indices ended on a weak note. The markets of Japan (-1.64%) and Indonesia (-0.89%) were among the major losers, while market of Malaysia (+0.18%) closed higher.
- FII were net buyers in equity with 4438.4 crs, while MFs were net sellers with 636.4 crs as on Thursday, July 29.

At BSE 1325 stocks advanced while 1592 stocks declined. The market movement in short-term will depend on factors such as RBI action, domestic inflation, FII flows and global market developments.

DEBT

- Indian federal bond yields inched up further in afternoon trade on Friday on concerns of sharper monetary action going ahead following hawkish comments by a central bank official on Thursday.
- Call money rate at 4.90-5.00%, higher from its previous close of 4.50-4.60%.

FOREX

- The Indian rupee retreated from fresh one-month highs on Friday afternoon as weak domestic shares weighed on sentiment but the dollar's defensiveness against major currencies continued underpin sentiment.
- Sterling rose against the euro but turned weaker against the dollar on Friday, tracking a drop in euro/dollar, in cautious trade ahead of U.S. GDP data.

INDUSTRY & ECONOMY

- The government should free diesel prices immediately as global crude prices are stable, and could slap a windfall tax on producers if crude surged beyond \$80 a barrel, a senior government adviser said. Bal Krishna Chaturvedi, the Planning Commission's member in charge of energy, said he hoped oil retailers would be allowed to set diesel prices based on market rates within months, adding that such a move would have a minor impact on inflation. Chaturvedi, who is also in charge of infrastructure, said India's infrastructure spending would rise to 10 per cent of GDP in 2012-2017, or roughly \$1 trillion, from around 6 per cent currently, and would include adding 100,000 megawatts of power generation capacity.
- India's fiscal deficit for the April-June quarter touched 401.96 billion rupees (\$8.64 billion), or 10.5 percent of the full-year target, mainly due to receipts of about 1 trillion rupees from sale of radio spectrum, the government said. The fiscal deficit during the first quarter in the 2009/10 fiscal year stood at 31 percent of the full-year's revised gross domestic product estimates. Tax receipts were 839.94 billion rupees and total expenditure was 2.42 trillion rupees for the first three months of the 2010/11 fiscal year. In February 2010, the government had forecast a fiscal deficit of 3.81 trillion rupees, or 5.5 percent of gross domestic product for the current financial year.
- Insurance regulator IRDA expressed hope that the row over withdrawal of the cashless treatment facility at select hospitals by public sector insurance companies will be sorted out shortly. Premiere hospitals and insurance companies are meeting to sort out the issue. They can come up with the solution soon, IRDA Chairman J Harinarayan has said. Representatives of four public sector companies and private hospitals are holding a meeting to sort out the problems following withdrawal of the cashless treatment facility by PSU insurers.
- India's annual domestic oil product sales rose 1.8 per cent in June, its highest jump since October, to 12 million tonnes on higher demand for auto fuels, government data showed. Auto fuel sales, including gasoline and diesel, rose as dealers stocked the fuel in anticipation of a hike in prices. India ended government control on retail prices of petrol and raised the prices of diesel, cooking gas and kerosene in late June. The International Energy Agency expects India's fuel demand to rise to 2 per cent in 2010 from a year ago and 3.2 per cent in 2011.
- Demat accounts of investors, who have not furnished their permanent account numbers (PAN), will become inoperative from August 16, the SEBI said. The market regulator had already 'suspended for debit' (selling of shares) the demat accounts for which PAN details have not been verified. From August 16, it plans to make them even 'suspended for credit' (buying of shares). In order to ensure better compliance with the Know Your Client (KYC) norms it has been decided that with effect from Aug 16 such PAN non-compliant demat accounts shall also be 'suspended for credit' other than the credits arising out of automatic corporate actions.

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