

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

Headlines

- Sensex ends up 173 Points
- Services sector expands at fastest pace in 6 months
- Global M&A deal value at \$148.2 bn in Jan, lowest since Aug '09
- Govt to infuse Rs 18,000 cr in 12 PSU banks
- Outlook for IT services sector in 2012 stable: Fitch
- Dr Reddy's Q3 net up 88% at Rs 513 cr



Quick Glance

INDICES							
Name	Closed at	+/- Points	% Change	Name	Closed at	+/- Points	% Change
BSE Sensex	17604.96	173.11	0.99	BSE Auto	9523.22	74.55	0.79
NSE Nifty	5325.85	55.95	1.06	BSE TECK	3569.28	23.91	0.67
NSE 500	4188.45	41.90	1.01	BSE Bankex	11643.84	163.46	1.42
BSE 100	9185.35	86.47	0.95	BSE Metal	11874.99	-131.10	-1.09
BSE MidCap	6046.10	76.34	1.28	BSE Oil & Gas	8689.19	97.30	1.13
BSE SmallCap	6686.55	77.58	1.17	BSE Healthcare	6411.72	106.74	1.69
CNX Midcap	7324.15	98.25	1.36	BSE Realty	1784.17	37.48	2.15
CNX Nifty Jr.	10035.90	40.30	0.40	BSE FMCG	4120.75	58.45	1.44

DEBT MARKET				FOREX (Currency Rates in Rs.)	
CP Rates % (3M)	10.25	8.79 GS 2021* %	8.16	1 US \$	48.96
Call Rates %	8.70-8.80	8.13 GS 2022* %	8.25	1 EURO	64.40
7.59 GS 2016* %	8.19	*G-Sec Yields		100 YEN	64.24
				Brent Crude (\$/Bbl)	112.49
				GOLD (\$/oz)	1760.00

Market Commentary

EQUITY					
Scripts:		Index wise (BSE 30) Gainers and Losers			
Top Gainers	Closing Price	% Change	Top Losers	Closing Price	% Change
NTPC	176.30	2.71	Hindalco Incls	152.65	-3.08
Hindustan Unilever	400.70	2.69	Jindal Steel	555.90	-2.66
Sun Pharma	556.25	2.38	Tata Steel	467.25	-1.56
DLF	230.30	1.97	Sterlite Incls	122.75	-0.97
BHEL	263.80	1.93	Hero MotoCorp	1955.90	-0.69

- Indian shares posted their fifth consecutive weekly rise on Friday, their best run in more than a year, bolstered by hopes of interest rate cuts by the central bank, positive economic data and increased foreign fund inflows.
- Japan Bank for International Cooperation (JBIC) & Sumitomo Mitsui Banking Corp (SMBC) completed a \$300 million loan deal for ICICI Bank, JBIC said in a statement. JBIC is providing \$180 million, while SMBC and Bank of Tokyo-Mitsubishi UFJ are funding \$120 million. The commercial portion is guaranteed by JBIC, it said. JBIC and SMBC were the arrangers to the deal. The funds will be used to support renewable energy and energy efficiency projects in India. In March 2011, the borrower got 15.3 billion yen loan and a \$200 million loan from Japan.
- Fertiliser-maker Zuari Industries Ltd reported a 14% decline in net profit to Rs 31.38 crore for the quarter ended Dec 31, 2011. The company, a part of the Adventz Group, had reported a net profit of Rs 36.57 crore for the corresponding year-ago period. Net sales of the company rose by 22% to Rs 1,856.19 crore in the third quarter of the current fiscal from Rs 1,524.06 crore in the same quarter of the previous fiscal. Zuari had last year in Dec announced a JV with Mitsubishi Corporation to form MCA Phosphates Pte Ltd.
- Smallcap stocks as well as Midcap stocks out performed the frontline stocks. BSE Smallcap closed up 1.17% & CNX Midcap closed up 1.36%, while BSE 100 closed up 0.95% & NSE 50 closed up 1.06%.
- All major Asian indices ended on a mixed note. The markets China (0.77%) & Thailand (0.67%) were among the major gainers while the makets of Philippines (-1.32%) & South Korea (-0.60%) were among the major losers.
- At BSE **1717** stocks advanced, while **1166** stocks declined.

Date	Investment (Equity)	Purchases (Cr)	Sales (Cr)	Net (Cr)	February Cum. (Cr)
02/02/12	FIIIs	5124.80	2989.90	2134.90	4872.60
02/02/12	MFs	802.70	915.50	-112.80	71.70

DEBT

- Indian federal bond yields ended up on Friday after falling for four days in a row, as higher-than-expected yield cut-offs at a scheduled government debt auction spooked sentiment.
- The call money rates were 8.70/8.80 percent, marginally lower than Thursday's close of 8.75/8.85.

FOREX

- The Indian rupee posted its fifth straight weekly gain on Friday, aided by a gush of foreign funds as investors bet on a monetary easing to boost growth in Asia's third-largest economy.
- The dollar hovered near three-month lows versus the yen on Friday, with the risk of a move towards record lows mounting before U.S. jobs data, keeping alive the threat of official intervention to weaken the Japanese currency.

INDUSTRY & ECONOMY

- India's services sector grew at its fastest pace in six months during January as new business swelled, extending the previous couple of months' positive trend into the new calendar year, a survey showed. The HSBC Business Activity Index, compiled by Markit and based on a survey of around 400 firms, bounced to 58.0 in January from 54.2 in December. "Activity in the services sector rebounded in January at the fastest pace since July 2011 led by the financial intermediation and hotels and restaurant sub-sectors, and new business also flowed in at a faster pace," said Leif Eskesen, economist at HSBC.
- The value of global merger and acquisition deals fell to USD 148.2 billion in January this year, the lowest monthly total since August 2009, according to global deal tracking firm Dealogic. Total M&A value in the first month of 2012 stood at USD 148.2 billion, a decline of 45 per cent from the corresponding period a year ago, when it stood at USD 268.5 billion. The year 2012 witnessed the "slowest start to a year since January, 2003, when USD 91.6 billion was recorded," Dealogic added. The United States was the most targeted nation, attracting deals worth USD 57.8 billion, and Canada was the second-most targeted nation, with transactions worth USD 12.8 billion.
- The finance ministry will be infusing Rs 18,000 crore in the current financial in 12 banks, including the State Bank of India (SBI), and will be seeking supplementary grants from Parliament in the Budget session. Besides SBI, other lenders that would be given capital support in the fiscal include Punjab National Bank, Central Bank of India and Bank of Baroda. The government would seek supplementary demands for grants to the tune of Rs 14,000 crore for recapitalising PSU lenders in the Budget session, which is likely to begin sometime next month.
- Fitch has affirmed a stable outlook for the India IT services sector in 2012 on account of its strong liquidity position, even though it warned that revenue growth of the segment may moderate this year. The revenue growth may decline from a slowdown in the demand for IT services because of uncertainty regarding economic growth in the key markets of US & euro zone. According experts, the total Indian IT industry is worth over \$70 bn. Fitch said that hiring by the IT services industry increased in 2011 in anticipation of improving demand in the sector & this resulted in higher wage costs and a negative impact on EBIDTA margins in the April-Dec period of 2011.
- Drug firm Dr Reddy's Laboratories said its consolidated net profit rose by 87.80% to Rs 512.96 crore in the third quarter ended Dece 31, 2011, vis-a-vis the corresponding year-ago period. The company had posted a net profit of Rs 273.14 crore for the corresponding period of the previous fiscal, Dr Reddy's Laboratories said in a filing to the BSE. The Hyderabad-based firm's net income from sales and services rose to Rs 2,769.19 crore in the third quarter ended Dec 31, 2011, from Rs 1,898.51 crore for the same period last fiscal.

DISCLAIMER

This e-mail message may contain confidential, proprietary or legally privileged information. It should not be used by anyone who is not the original intended recipient. If you have erroneously received this message, please delete it immediately and notify the sender. The recipient acknowledges that NJ IndiaInvest or its subsidiaries and associated companies, as the case may be, are unable to exercise control or ensure or guarantee the integrity of/over th contents of the information contained in e-mail transmissions and further acknowledges that any view expressed in this message are those of the individual sender and no binding nature of the message shall be implied or assumed unless the sender does so expressly with due authority of NJ IndiaInvest or its subsidiaries and associated companies, as applicable. Any action taken on the basis of any information/data stated is at the recipient's own risk and the company cannot be held responsible for the same. The message is not intended as an offer or solicitation for the purchase or sale of any financial instrument/security or as an official confirmation of any transaction. Before opening any attachments please check them for viruses and defects.