

**INDICES**

	Today	Prev.	Change
BSE	17937.20	17833.54	103.66
NSE	5383	5352.45	30.55
DJIA	10216.27	10198.03	18.24
NASDAQ	2198.36	2196.45	1.91
FTSE	5167.02	5105.45	61.57
DAX	6077.19	6065.24	11.95
CAC	3567.66	3554.48	13.18

ACTIVITY INDICATORS**Market Breath (BSE)**

Number of Advance	1567
Number of Declines	1320
Unchanged	126
Total Trades	3013

BSE GAINERS (TOP 5)

Company	Today	Prev.	%Change
UMESL	47.25	38.25	23.53
Industrial Invest	96.9	80.75	20
Kadamb Constr	80.4	67	20
Mindteck India	32.7	27.25	20
VAX Housing	12.78	10.65	20

BSE LOSERS (TOP 5)

Company	Today	Prev.	%Change
Novagold Petro	4.69	5.21	-9.98
Mangalam Drugs	17.99	19.98	-9.96
Brilliant Sec	18.05	20	-9.75
TELE TECHNO	1.87	2.07	-9.66
Invicta Meditek	6.69	7.38	-9.35

INSTITUTIONAL ACTIVITY**(Rs in Crs)**

	BUY	SELL	NET
FII's (NET)	3246.86	2245.11	1001.75
DII's (NET)	1152.76	1445.81	-293.05

CURRENCIES & BOND MARKET

	Today	Prev.
Rs/ US \$	46.76	46.67
Rs/ Euro	58.66	58.90
Euro/US \$	1.2572	1.2622

COMMODITIES

	Today	Prev.
Nymex Oil (US\$/bbl)	75.02	75.51
Gold (US\$/oz)	1198.25	1208.95

Market News➤ **Nifty closes at new 30-month high; financials, tech lead**

The benchmark Nifty rallied for third consecutive day and closed at 30-month high, led by buying interest in technology, financial, realty, metal and select capital goods companies' shares. It was the highest closing for Nifty since February 5, 2008. Index touched psychological 5400 level and Sensex tested 18000 mark in an intraday trade; this rally was led by oil & gas stocks while metal companies' shares underperformed. But profit booking & disappointing industrial production numbers wiped out about 73 points from day's high of 18,010.07 and 23 points from Nifty's day high of 5,402.70. India is among the first markets to trade above recent highs, Market internals are looking very strong and relative outperformance is more satisfying than breakout. Many Nifty stocks like Infosys are trading above recent highs." The 30-share BSE Sensex closed at 17,937.20, up 103.66 points or 0.58% and the 50-share NSE Nifty rose 30.55 points or 0.57% to settle at 5,383.

➤ **Asian markets...Japan falls, China gains**

Japan's stock market erased earlier gains in the wake of an election setback for the country's ruling party. The Nikkei Stock Average and the broader Topix each ended down about 0.4% each to close at 9548 and 857, respectively. The yen weakened to a two-week low against the dollar on concern that efforts to cut Japan's government debt will slow after the ruling party lost control of the upper house. The MSCI Asia Pacific Index dropped 0.3% to 115.84 as of 4:53 p.m. in Tokyo. The benchmark has slumped 10% from its high this year on April 15. Stock benchmarks rose elsewhere in Asia, except for Taiwan, which finished little changed at 7639. China's Shanghai Composite Index rose 0.8% to end at 2490 after starting the day in red. The Shanghai Composite climbed 3.7% last week, the most this year. It has slumped 24% in 2010. The Hang Seng in Hong Kong rose 88 points or 0.4% at 20,467 while the Kospi in Seoul gained 11 points at 1734. The S&P/ASX 200 index in Sydney advanced 13 points to 4409 and the Straits Times in Singapore was up 8 points at 2925.

➤ **Wall Street ends flat; Crude slips on profit booking**

US markets ended Monday's trade flat; trading volume was light with just over 850 million shares changing hands on the New York stock exchange. The Dow closed at 10,216, the S&P 500 at 1,079 and the NASDAQ shut shop at 2,198. Crude prices fell after advancing for three sessions, as traders turned cautious ahead of the earnings season. Traders also took some profits after last week's hefty gains. And in base metals, copper ended lower snapping a five-day rally, after the world's top metals consumer China disappointed investors with an unexpected drop in copper imports for a third straight month in June. Other metals like aluminium and zinc also shed weight.



World News

➤ Euro slides on worries over bank stress tests

The euro fell against the dollar on Monday, pulling back from a two-month high as concerns about the results of stress tests on European banks prompted investors to trim long positions in the single currency. Market participants awaited second-quarter earnings results from U.S. firms, which kick off with Alcoa. A weak run of economic data has raised speculation the economic recovery may be losing momentum and stung the dollar. Many investors expect a solid earnings season. Investors were also waiting for more details of stress tests on 91 European banks -- the results of which are due on July 23 -- as the European Union seeks to restore confidence in the sector. The euro had fallen 0.6 percent on the day to USD1.2570, easing from USD1.2723 hit on Friday. Traders reported Asian demand around the day's lows at USD1.2550 with stops lurking below, ahead of stronger bids placed on the approach to USD1.2500. Some in the market said the euro had been knocked by a weekend German magazine report that stress tests would include a haircut on German sovereign debt under certain conditions, countering reports last week that the tests would exempt German haircuts.

Economy News

➤ May industrial productivity at 11.5% vs 16.5% MoM

Industrial productivity has maintained its double-digit run in May. The Index of Industrial Productivity (IIP) for May has come in at 11.5% as compared to 16.5% month-on-month. The April IIP has been revised to 16.5% from the provisional figure of 17.6%. The index had moved up by 2 ticks, indicating a month of sharp growth. Also, the infrastructure and auto numbers which had come earlier had not done too badly. Going forward, it is highly unlikely that the double-digit growth will sustain as the weak base has topped after May 2009. When compared to April, all sectors have seen de-growth. Mining sector growth stood at 8.7% as compared to 11.4% MoM. Similarly, manufacturing, capital goods, basic goods, and consumer durables grew at 12.3% (19.4%), 34.3% (72.8%), 7.9% (8.8%), and 23.7% (37%), respectively. Electricity space was the only positive with growth at 6.4% versus 6% MoM.

Corporate News

➤ Infosys Q1 net profit down 8% to Rs 1488 Crs (QoQ)

India's second largest IT services exporter - Infosys Technologies has announced its first quarter results of FY11. The net profit declined 7.98% to Rs 1,488 Crs as against Rs 1,617 Crs QoQ basis. Revenues jumped 4.27% to Rs 6,198 Crs from Rs 5,944 Crs. First quarter numbers of the company were below expectations. Numbers have not given any indication or signal for more optimistic view for full year forecast however wait for October quarter numbers for deciding FY12 numbers. In dollar terms, the company's revenue increased 4.8% to USD 1358 million versus USD 1296 million. Company has reported forex loss of Rs 20 Crs as against Rs 31 Crs of gain in previous quarter. Operation profit margin (OPM) improved to 28.31% from 27.66% (excluding unbooked revenues).

EPS was at Rs 26.05 which was below expected EPS of more than Rs 27. Infosys added 38 clients and 1026 employees in Q1. Banking, Financial Services and Insurance (BFSI) revenues went up to 36.1% of revenues as against 34.8% (QoQ). It has added two 100 million dollar clients in Q1. Top client increased to 4.9% versus 4.6% (QoQ). Revenues from European region declined 5.3% (QoQ) and 0.8% in constant currency. However, revenues from North America increased 6.8% and 6.9% in constant currency. **Guidance:** Infosys expects revenues for FY11 at USD 5.72 versus USD 5.81 billion, a growth of 19-21%. FY11 EPS is seen at USD 2.42-2.52/ADS, a growth of 5.22-9.6%. The company sees FY11 consolidated EPS at Rs 112.21-116.73/share and revenue at Rs 26,441-26,885 Crs.

➤ Post FIFA, clients flood Mahindra Satyam with order enquiries

It's not just Spain that is cheering after the FIFA 2010 World Cup. Mahindra Satyam, which was the official IT partner for FIFA World Cup 2010, has been flooded with enquiries from prospective clients across the board. It is being learnt that the company has got 40 expressions of interest (EoIs) from new clients across sectors and is bidding for three sporting projects post the World Cup. Though the current deal with FIFA would end post world Cup 2014, the company will continue branding with the football association and they are in talks with FIFA to work out a new deal.

➤ BGR Energy eyeing Rs 350cr via 5-6% stake sale

Chennai-based BGR Energy Systems is looking to raise around Rs 350 Crs by diluting 5-6% stake. The company it is learnt is in talks with FIIs for fund raising and is exploring stake dilution at a slight premium to the current market price. BGR Energy has just launched road shows to sell 5-6% stake. This could be done at a price above the current trading value possibly through preference shares or even through a stake sale by the promoter. This means it could raise over Rs 350 Crs from this proposed sale. The company has aggressive capex plans estimated to be anywhere between Rs 3000-3200 Crs. It is essentially for manufacturing supercritical boilers, turbines, and generators for the power sector. The company has a debt of about Rs 933 Crs sitting on its books and hence a bit of equity raising at this point would help BGR Energy. The promoter holding was at 81.31% and hence the dilution would help them be in line with the 25% minimum float.

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