

INDICES

	Today	Prev.	Change
BSE	17570.82	17064.95	505.87
NSE	5262.60	5119.35	143.25
DJIA	10450.64	10211.07	239.57
NASDAQ	2309.80	2243.60	66.2
FTSE	5250.84	5163.68	87.16
DAX	6216.98	6047.83	169.15
CAC	3687.21	3555.52	131.69

ACTIVITY INDICATORS**Market Breath (BSE)**

Number of Advance	1057
Number of Declines	1791
Unchanged	134
Total Trades	2982

BSE GAINERS (TOP 5)

Company	Today	Prev.	%Change
EMAMI PAPER	52.3	43.6	19.95
Allied Comp	0.5	0.42	19.05
Austin Engineering	110.6	93.65	18.1
Mega Corp	1.92	1.63	17.79
Khoday India	64.45	55.3	16.55

BSE LOSERS (TOP 5)

Company	Today	Prev.	%Change
Vintron Info	4.25	4.76	-10.71
Jeyapore Sugar	162.75	181.7	-10.43
Bajaj Finserv	404.35	449.25	-9.99
Vapi Paper	7.42	8.24	-9.95
Sir Shadi Lal	95.15	105.65	-9.94

INSTITUTIONAL ACTIVITY

(Rs in Crs)

	BUY	SELL	NET
FII's (NET)	11568.82	9036.61	2532.21
DII's (NET)	4570.16	5538.87	-968.71

CURRENCIES & BOND MARKET

	Today	Prev.
Rs/ US \$	46.16	46.83
Rs/ Euro	57.14	56.55
Euro/US \$	1.2384	1.2096

COMMODITIES

	Today	Prev.
Nymex Oil (US\$/bbl)	76.42	74.1
Gold (US\$/oz)	1256.95	1219.45

Market News➤ **Sensex slips...weak end to a winning week**

The BSE 30-share Sensex slipped 73 points to close at 17,544 and NSE Nifty fell 12 points and ended at 5,263. The Indian markets snapped its longest winning streak in over 10-months on Friday. After surging for seven straight trading sessions markets ended in the red on account of subdued cues from the US and the Asian markets.

Among the BSE sectoral indices, BSE Metal index was the top loser, down 1.3% followed by BSE Oil & Gas index, it was down 1.2% and BSE Realty index down 0.8%. Even the BSE Mid-Cap index and the BSE Small-Cap index lost 0.6% each. Outside the frontline indices, the big losers in the broader market were Bosch, M&M Fin, GTL Infra, TTML and GVK Power. On the other hand, gainers included JP Hydro, Moser Baer, Financial Tech and Max India.

➤ **Asian Stocks have biggest weekly advance this year on U.S. data**

Asian stocks rose this week, driving the MSCI Asia Pacific Index up the most since December, as U.S. economic reports eased concern that deficits in Europe will slow a global recovery and brokerages boosted investment ratings. The MSCI Asia Pacific Index rose 3.3 % this week, the most since the period ended Dec. 4. It has lost 3.6 % this year on concern Greece and other European countries will struggle to curb their budget deficits and repay debt. Japan's Nikkei 225 Stock Average rose 3 % this week, South Korea's Kospi Index climbed 2.2 %, Hong Kong's Hang Seng Index gained 2.1 %, and Taiwan's Taiex index increased 2.7 %. China's Shanghai Composite Index declined 2.2 % in a two-day week shortened by holidays.

World News➤ **Greece Program On Track- EU & IMF**

A joint statement from the European Central Bank, European Commission and International Monetary Fund said the economic program for Greece is on track. Fiscal developments are positive with central government revenue coming in closely as expected and with firm expenditure control in the state budget. Based on preliminary cash data, through end-May, the state budget deficit was lower than was projected in the program. The pension reform is advanced and agreement has been reached on many key parameters as envisaged in the memorandum of understanding. Structural reforms are progressing, and good progress is being made on a financial stability fund. Liquidity in the banking sector is adequate, the institutions said. The three teams will return to Athens toward the end of July to conduct a comprehensive review under the program.



➤ **Global Financial Sector reforms losing momentum says IMF**

World economy's commitment to global reforms of the financial sector is losing momentum, IMF head Dominique Strauss-Kahn stated, according to media reports. He noted that previously leaders were very committed to do something in the financial sector but as the crisis vanished, most of them are more concerned by domestic question. Governments in the United States and Europe have been scrambling to revamp and adapt banking rules since the collapse of US investment bank Lehman Brothers in September 2008 sparked a global credit crunch. The IMF however has said that more direct measures than those proposed so far are needed, such as levies tied to risk presented by individual banks or limits to the size of their business.

➤ **Euro gains most since may 2009 as European Debt concern eases**

The euro rose the most this week against the greenback in more than year as an easing in concern over Europe's debt crisis spurred traders to end bets the shared currency would decline. The euro appreciated for a second week versus the yen, the first back-to-back weekly gains since March, as increased demand at a Spanish bond sale and an agreement by European Union leaders to disclose how banks perform on stress tests damped investor worries about the region's financial system. The dollar fell versus the yen as Japan's ruling party announced a deficit-cutting plan and disappointing U.S. data increased speculation the Federal Reserve would keep interest rates at a record low.

➤ **China to ensure stable Yuan Exchange Rate, PBOC says**

China said it will ensure the Yuan is kept stable this year as President Hu Jintao prepares to attend next week's meeting of the Group of 20 countries. The nation's central bank will keep the Yuan's exchange rate "basically stable" at a "reasonably balanced level," the People's Bank of China said in its 2009 annual report, posted to its website today. China will maintain the "continuity and stability" of its monetary policy, it said.

Economy News

➤ **May exports up 35% Y-o-Y: Trade secretary**

May exports rose an annual 35% to USD 16.1 Bn, flattered by low year-ago numbers, the trade secretary said on Friday. Imports for the month were at USD 27.4 Bn, Rahul Khullar said, widening the country's trade deficit to USD 11.3 Bn. Asia's third-largest economy is targeting close to 15% export growth in the current fiscal year, following an annual drop of 4.7% in the 2009/10 fiscal year as the global slowdown crimped demand. India has exported USD 33 Bn worth of goods in April and May, the first two months of the current fiscal year, he said. April exports had risen 36% to USD 16.9 Bn as demand picked up for India's gems and textiles, while imports rose 43% from a year earlier to USD 27.3 Bn and the trade deficit stood at USD10.4 Bn.

➤ **Subbarao: Will keep to calibrated policy exit**

India's inflation is getting more generalized and demand-side pressures are building, but a calibrated exit from loose monetary policy remains the Reserve Bank's stance for now, Governor Duvvuri Subbarao said on Friday. He was speaking to reporters on the sidelines of a conference in the southern Indian city of Hyderabad. On Thursday, Reserve Bank of India (RBI) deputy governor K.C. Chakrabarty and top government adviser C. Rangarajan had said they were concerned about soaring prices, moving bond yields off day lows as investors saw a greater chance of an early interest rate hike despite a slight easing in food and fuel price inflation.

➤ **Government to buy back USD 2.2 Bn bonds: RBI**

India will buy back up to Rs 100 Bn of bonds on June 21 to support liquidity conditions after a cash shortage sent overnight rates up near the central bank's main lending rate. After market hours on Friday, the Reserve Bank of India (RBI) said it will buy back the 12.25% bonds maturing in 2010, 11.30% 2010 and 6.57% 2011 bonds. The central bank had bought back Rs 83.07 Bn of bonds against a target of Rs 100 Bn on Friday.

➤ **New holding norms may force delisting of 13 PSUs**

About a dozen loss-making state-run firms including Hindustan Photo Films and Scooters India may be delisted from stock exchanges on absence of revival prospects and investor interest to meet the new listing norms. The companies that may be delisted include India Tourism Development Corp., Brahmaputra Valley Fertilizer Corporation, Scooter India, Hindustan Photo Films, Maharashtra Elektros melt, Hindustan Fluorocarbons, Kudremukh Iron Ore., HMT, ITI, and FACT. A stock exchange can delist a company if it has been making losses for three consecutive years or has a negative net worth. Most of these companies fall in that bracket.

➤ **Forex Reserves up USD 1.69 Bn**

India's foreign exchange reserves rose by \$1.69 Bn last week on the back of investment by foreign portfolio investors. Foreign exchange reserves now aggregate \$272.8 Bn, according to latest RBI data.

Corporate News

➤ **RIL bets big on power and telecom**

Further divulging on the plans, Ambani said that the company is looking to drill exploration wells in Iran and East Timor. He added that its tie-up with Atlas Energy will give them access to 13 tonne cubic feet gas in the US. According to him, the Shale gas deal will change the energy landscape. He said that the cancellation of the non-compete pact with ADAG has allowed RIL to foray in the power sector. On an optimistic note, Ambani said RIL's retail business is poised to grow 10 fold from its current revenue of Rs 4,500 Crs. It is planning to participate in value chain of power business both in the natural and synergetic. It is also looking at investing in hydel, solar and nuclear power projects.

➤ **ADAG stocks slide as RIL gives no details on reconciliation**

Shares of companies belonging to the Anil Dhirubhai Ambani Group fell across the board as Reliance Industries did not provide any details about its reconciliation with ADAG at its annual general meeting held today, 18 June 2010. Reliance Natural Resources (down 6.78%), Reliance Media Works (down 5.14%), Reliance Media World (down 3.43%), Reliance Communications (down 2.17%), Reliance Capital (down 1.93%), Reliance Infrastructure (down 1.87%) and Reliance Power (down 1.42%), declined. Mukesh Ambani, chairman of Reliance Industries (RIL), said at the company's AGM that RIL is ready to provide gas to power plants controlled by his brother Anil Ambani's Reliance ADAG and looks forward to a harmonious and constructive relationship with the ADAG.

➤ **Punj Lloyd Group wins contract worth Rs 1394 Crs**

Punj Lloyd Group subsidiary, Sembawang Engineers and Constructors (Sembawang), one of the leading engineering and construction companies in Southeast Asia and MENA (Middle East & North Africa) region has clinched a major contract worth Rs 1394 Crs (USD 419 Mn) from Singapore's landmark integrated resort Resorts World Sentosa, a subsidiary of Genting Group. The project entails the construction of the Equarius Hotel, a world-class spa, beach villas, an oceanarium, and a water theme park. With this contract, the order backlog for the Punj Lloyd Group on consolidated basis has gone up to Rs 29,256 Crs. This is the total value of unexecuted orders as on March 31, 2010 and new orders received after that day.

➤ **Expect to clock over 15% margins in Q1: VIP Industries**

After a dismal 2008-09, travel bags and luggage manufacturer VIP Industries has reported strong numbers in FY10. In Q4 of FY10, it has reported profit after tax (PAT) of Rs 9.9 Crs as against Rs 1 Crs, a growth of 800% (YoY). The company's topline grew about 25% in the last fiscal. It expects to grow 15% in sales year over year in FY11. However, it sees margins contracting marginally due to higher prices. Volume growth in its soft luggage segment has been faster over the last three years. Volume contribution of soft luggage stands at 50% and margins in the segment are a healthy 20%.

➤ **L&T bags new orders worth Rs 1440 Crs.**

Larsen & Toubro's (L&T) Buildings & Factories Operating company - part of its Construction Division - has secured orders aggregating to Rs 1440 Crs for the construction of residential towers, township and factory buildings. L&T has secured new orders aggregating to Rs 1294 Crs for the construction of residential towers and township from leading developers and esteemed clients. Majority of the above orders have been secured on a design and build basis. Further, orders worth Rs 146 Crs have been secured from various esteemed clients including add on orders from the ongoing factory jobs. These orders further enhance the order book of the company it has already secured for major design & build contracts in airports, IT parks and commercial space. L&T has a commanding market share in these segments.

➤ **Sun Pharma gets USFDA nod to market generic version of Xanax**

Sun Pharma announced that USFDA has granted an approval for its Abbreviated New Drug Application (ANDA) to market a generic version of Xanax, alprazolam tablets. These generic alprazolam tablets, equivalent to Pfizer's Xanax tablets, include four strengths: 0.25mg, 0.5mg, 1mg and 2mg. Annual sale in US for these strengths of branded and generic alprazolam tablets is estimated at USD145mn

➤ **Our views on Indian market**

We expect that Indian Equity markets will continue to rise in the coming week till Thursday on back of F&O Expiry and thereafter there could consolidate. We expect the market to cross 17500 to 17800 levels this week. We advise investors to book profits before F&O expiry for fresh buying.

**NVS BROKERAGE PRIVATE LIMITED**

Registered Office: 1 &1-A, 3rd Floor, Birla Mansion, 134, Nagindas Master Road, Fort, Mumbai- 400 023.

Corporate Office: 702/703, Embassy Centre, Nariman Point, Mumbai- 400 021.

EQUITY RESEARCH DESK

Boardline : 61539100

Mr Nalin Shah

Tel : 61539105 / 09 / 10

Mr Rau Thakur

Fax : 61539134-35 / 66315520

Ms Hiral Daiya

Email : nvsb.research@gmail.com

Web : www.nvsbrokerage.com

EQUITY DEALING DESK

Tel : 66348301 / 02

Mr Nalin Shah

: 61539101 / 110

Mr Rau Thakur

Fax : 61539134-35 / 66315520

Mr Tejas Dalal

Email : nvsb.research@gmail.com

Web : www.nvsbrokerage.com

Disclaimer: This document has been prepared by the Research Desk of M/s NVS Brokerage Pvt. Ltd. and is meant for use of the recipient only and is not for circulation. This document is not to be reported or copied or made available to others. It should not be considered to be taken as an offer to sell or a solicitation to support any security. The information contained herein is obtained and collated from sources believed reliable and we do not represent it as accurate or complete and it should not be relied upon as such. The opinion expressed or estimates made are as per the best judgment as applicable at that point of time and are subject to change without any notice. NVS Brokerage Pvt. Ltd. along with its associated companies/ officers/ employees may or may not, have positions in, or support and sell securities referred to herein.
