



November 26, 2008

Domestic Indices	Chg%	(Pt)	(Close)
SENSEX	(2.3)	(207.6)	8696
Nifty	(2.0)	(54.3)	2654
MIDCAP	(1.0)	(29.7)	2873
SMLCAP	(0.9)	(30.5)	3333
BSE-500	(1.8)	(59.9)	3199
BSE-100	(2.1)	(92.9)	4436
Nifty Junior	(0.8)	(31.3)	3782

Gainers / Losers (BSE 200)					
Gainers			Losers		
Company	Price (Rs)	% chg	Company	Price (Rs)	% chg
EDUCOMP SOLN	2021	9.9	DECCAN CHR	42	(10.2)
SESA GOA	69	9.6	INDBUL REAL	87	(9.5)
TATA TEA	492	8.8	SUZLON ENE	42	(9.5)
GVK POWER	16	8.3	BAJ HOLD	280	(9.3)
DABUR INDIA	81	7.5	BEML LTD	290	(9.2)

Global Indices	Chg%	(Pt)	(Close)
Dow Jones	0.4	36.1	8479
NASDAQ	(0.5)	(7.2)	1464
FTSE	0.4	18.3	4171

Asian Indices*	Chg%	(Pt)	(Close)
Nikkei	(1.3)	(108.2)	8215
Hang Seng	2.5	324.4	13203
Straits Times	0.6	9.4	1665

* at 8.30 a.m. IST (GMT +5.30)

Volumes			
Rs cr	BSE	NSE	NSE F&O
25 November	3196	8463	44612

Net Inflow			
Rs cr	24 Nov.	MTD	YTD
FII	(311)	(3346)	(55800)
Dom MFs	104	(1373)	12616

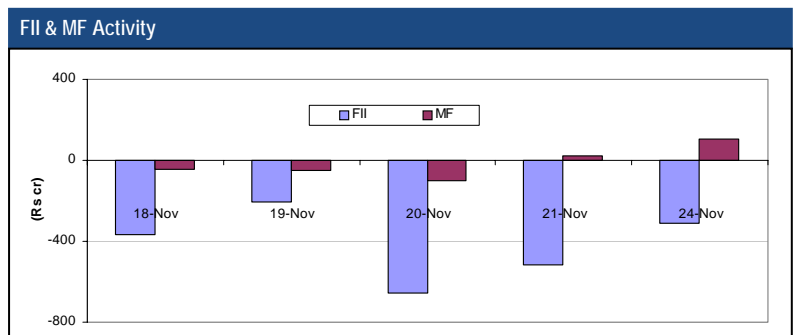
FII activity in derivative 25-November		
Rs cr	Index	Stocks
Net buying	374	158
Open Interest	8670	10522
Chg in open int.(DoD)	286	(274)

Bond Markets		
	Closing	Chg
10 yr bond	7.21	(1.03)
Interbank call	6.68	(0.28)

Advances / Declines		
	BSE	NSE
Advances	995	447
Declines	1442	729
Unchanged	87	58

Wall Street posted gains for the third consecutive day. The Dow closed up 36 pts mainly on the announcement of two new massive bailout plans totaling \$800 bln. Well, this time it's directly aimed at individuals, SME's and homeowners. This is the common mans TARP and aims at helping the masses pay their credit card debts, home mortgage, car loans, student loans etc and also to keep the SME's afloat. So the Fed is now oiling the nuts and bolts of the US economy and making sure that its citizens have more access to credit. It remains to be seen as to how the Fed is going to provide for this package...our guess is print more dollars. Meanwhile the US GDP declined in the 3rd qtr and was revised to .5%. The dollar lost ground against major currencies and set the stage for rise in commodities as gold rallied for the 5th straight day. But global economic worries pared gains in base metals and crude which slipped by around \$3 to close round \$51. In emerging markets Russia posted a gain of 10% on the back of rise in crude oil. Most Indian ADR's ended lower with Sify falling 40% and Infosys down 7.3%. This morning Asia opened flat and is trading with a negative bias.

Sesa goa which has been added in the MSCI Index saw a gain yesterday largely on sentiment but iron ore prices heading southward and weakening steel demand are likely to weigh on the stock price. Today Tech stocks are likely to trade weak. Banks are expected to continue to remain weak as cracks seem to develop in their loan portfolio, some PSU banks to have high exposure to the weak sectors and this can lead to a sharp rise in NPA. Also short plays can emerge still in Real estate, Banks, Construction, CV's makers and sugar. Expect markets to be volatile as we near expiry of Nov month F&O contracts.





FQ Eye

- ❖ **FED floats \$800 bn rescue package; move to infuse life into housing, credit markets**
- ❖ **Tata Chemicals in JV for Jatropha seedlings marketing**
- ❖ **Siemens Q4 net dips 27% on higher costs at Rs 2.25bn**

Corporate/Industry Snapshot's

BHP Billiton abandons Rio bid

BHEL plans Rs 30 billion for solar energy

Adlabs plans Rs 2 billion push for film services and exhibition business

Balrampur Chini Q4 net profit at Rs 146 million

Great Offshore leases two vessels for USD 22 million

Economic Events

Project worth Rs 760bn on hold; slowing economy and weak consumer demand to be blamed

Fuel price cut after state polls: Petroleum Ministry

Cement cos. may go in for output cut

Plant capacity, not out, may face excise duty

3G, Wimax spectrum to be auctioned in two phases

China GDP to grow 7.5% next year; slowest in 19 yrs: World Bank

US economy contracts 0.5% in Q3



Industry

Dumping duty on caustic soda to continue

The Commerce Ministry has recommended continuation of the existing definitive anti-dumping duty on caustic soda imports from China and South Korea. After a sunset review of the definitive anti-dumping duty on caustic soda from the subject countries, it is found that caustic soda originating in or exported from China has been exported to India below its normal value, resulting in dumping. Though the performance of the domestic industry has improved during the continuation of anti-dumping duty on the subject goods, any discontinuation of anti-dumping duties on the subject goods from China and South Korea is likely to recur injury to the domestic industry. Couple of years ago, both provisional and definitive dumping duty on imported caustic soda from the subject countries was imposed.

Caustic soda is an inorganic, soapy, robustly alkaline and odourless chemical that finds application in various fields like manufacture of pulp and paper, newsprint, viscose yarn, staple fibre, aluminium, cotton, textiles, toilet and laundry soaps, detergent, dyestuffs, drugs and pharmaceuticals, petroleum refining.

DoT may ease telcos' rollout obligations

The government has decided to relax the rollout obligation clause for telecom operators. So far, telcos had to cover at least 10% of each district headquarter in a circle (state or a metro city) within a year and 50% of the districts within three years of getting spectrum. The intermediary one-year rollout obligation is set to be removed now. The Department of Telecommunications (DoT) is consulting the industry for reviewing the rollout obligation clause. New telecom licensees such as Unitech, Swan and Datacom are expected to benefit from the new rollout obligation norms.

Source: Economic Times, Business-Standard, Financial Express & Business Line

**FED floats \$800 bn rescue package; move to infuse life into housing, credit markets**

The Federal Reserve announced two new efforts to unfreeze credit for homebuyers, consumers and small businesses, committing up to \$800 billion. The central bank will purchase as much as \$600 billion in debt issued or backed by government-chartered housing finance companies. It will set up a \$200-billion programme to support consumer and small-business loans. The Fed will purchase up to \$100 billion in direct obligations of Fannie Mae, Freddie Mac and the Federal Home Loan Banks and up to \$500 billion of mortgage-backed securities backed by Fannie, Freddie and Ginnie Mae.

Separately, under the new term asset-backed securities loan facility, the Fed will lend up to \$200 billion on a non-recourse basis to holders of AAA rated asset-backed securities backed by "newly and recently originated" loans, such as for education, automobiles, credit cards and loans guaranteed by the small business administration. The US Treasury will provide \$20 billion of "credit protection" to the Fed in the lending programme, using funds from the \$700-billion financial rescue package. The facility may expand over time and cover other assets, such as commercial and private residential mortgage-backed debt.

Tata Chemicals in JV for Jatropha seedlings marketing

Tata Chemicals has entered into a joint venture with Singapore-based Company JOil for marketing Jatropha's seedlings in India and East Africa. JOil is a Jatropha seedling company and has been set up by the Temasek Life Sciences Laboratory (TLL) along with some other investors. The Tata Group Company will be investing 25 million Singapore dollars for a 35% stake in the joint venture over a period of four years. TLL also has a process for rapidly replicating the seedlings through tissue culture and this technology would be available with JOil.

The advantage of the variety of seedlings developed by TLL is that it gives consistent outputs as against the ordinary one which gives variable yields. Tata Chemicals has done trials on Jatropha in Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh and Kenya and is assessing how plants grow in these climates. Jatropha is a non-edible oil with no use in food-based oil industry and does not affect the food-fuel balance. It can be grown on waste land.

Siemens Q4 net dips 27% on higher costs at Rs 2.25bn

Siemens net profit for the quarter ended Sep08 dropped 27% at Rs 2.25bn from Rs3.08bn from a year ago period. The fall in profit was due to higher expenses during the quarter and an exceptional income of Rs 524mn in the corresponding quarter of last fiscal, related to profit on sale of its automotive segment. The net sales during the qtr was Rs 24.21bn, up by 11% y/y.

For FY08 (Sep08 ending), its net profit was almost flat at Rs 5.93bn mainly due to additional cost impact in certain large projects. Sales turnover during the year was Rs 82.9bn, up by 7% y/y. The company has committed to a capital investment of Rs 2bn for the current year (Oct08 to Sep09), almost at the same level as the last year.

Thought for the Day:

"The way to develop self-confidence is to do the thing you fear."

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