



#### Highlights:

##### US & EU Markets

Equities slip from a positive start to end the week and the month with a downbeat undertone. Weekly US data flow suggested rise in inflation with sharp contrast to lower growth is heading the US economy towards recession. Further, UBS's forecast for more than \$600 billion of losses in financial firms for the coming quarters owing to sub-prime crisis sent the market to post deeper cuts on Friday.

##### Asian Markets

Asian markets witnessed a positive close during the week amid speculation that rescue plan of bond insurers Ambac Financial will contain the credit market losses. S&P retaining AAA rating for MBIA and Ambac Financial also helped the market to advance higher.

##### Emerging Markets

Emerging markets recede to the US slowdown and posted sharp falls on Friday. Brazil's Cia.Vale do Rio Doce, the worlds largest iron ore producer met with downgrading after disappointing results scored vulnerability to US recession. Chinese markets were gaining grounds as the manufacturing activity in February got restored to a larger extent after the worst snowstorms.

##### Commodity

Inflation hedge and US Dollar weakness helps the hard assets to extend the biggest gains for a week. Oil tests another record high of \$103.05 after Equador shut a key export pipeline and fire at a European natural gas plant. Nickel climbed 11% as workers at a Colombian mine with 4% of global production capacity went on strike. Power tariffs were raised by 35% in Zambia which is forming a revised higher floor operating cost of production.

##### Currency and US Dollar Index

US Dollar continues to make new lows as the deteriorating economic activities in US highlights more pain ahead for the currency. Ben Bernanke in its testimony to the house warned for heightened downside risk led by housing correction and further deteriorating labour markets. An indication for 75 basis point rate cut in Fed's March 18<sup>th</sup> meeting stands at 100% in the Fed Fund futures on the Cbot while for a 1 % rate cut stands at 75%. The coming week is due to give direction on the US ISM Manufacturing Index and the Employment situation during February. Another week of extended dollar weakness is the most likely scenario.

Global Markets	Weekly Difference	
US & EU Market	Pts	%
Dow Jones	-115	-0.93
Nasdaq	-32	-1.38
S&P 500	-22	-1.66
FTSE 100	-4	-0.07
<b>Asian Market</b>		
Japan (Nikkei)	103	0.76
Hong Kong (Hang Seng)	1027	4.41
Singapore (Straits Times)	-22	-0.73
Taiwan (Taiwan Wghtd)	304	3.75
Korea (Seoul Composite)	25	1.49
<b>Emerging Markets</b>		
Brazil (Bovespa)	-1120	-1.73
Russia (RTS)	-16	-0.76
China (Shanghai Comp)	-22	-0.50
Mexico (Bolsa)	-610	-2.07
India (Nifty)	113	2.21
India (Sensex)	230	1.32
<b>Commodity</b>		
Oil	3.03	3.07
Gold (Spot \$/Troy Oz)	28.965	3.06
Natural Gas	0.22	2.41
Silver (Spot \$/Troy Oz)	1.79	9.93
Copper (USD/MT)	100	1.20
Aluminium (USD/MT)	186	6.37
Zinc (USD/MT)	241	9.64
Nickel (USD/MT)	3100	10.92
<b>Top Gainers (NSE)</b>		
Glaxosmithkline Pharma	1111.15	16.51%
Punjab Tractors	281.6	15.50%
Maruti Udyog	868.2	13.29%
National Aluminium	464.15	11.48%
Sun Pharmaceuticals	1227	11.10%
<b>Currencies</b>		
USD- Yen (Jpn)	103.74	-3.29
USD- Aud (Australia)	0.9308	-0.76
USD-CAD (Canada)	0.9879	-2.53
EUR-USD (Euro)	1.5180	-2.37
USD-INR (India)	40.01	0.06
<b>US Dollar Index (Spot)</b>		
	73.71	-2.39



## Domestic News

The whole-sale price index (Inflation) for the week ending February 16<sup>th</sup> soared to one year high of 4.89 against an expected 4.70% reading.

**DTH service providers** have urged the government to drop the clause that requires DTH set-top boxes to be compatible with all service providers from the licensing norms .

**Reliance Power Ltd** will issue free shares in a ratio of three shares for every five held to compensate investors for the slump in the stock price after listing.

**Bharat Heavy Electricals Ltd (Bhel)** and **Nuclear Power Corporation of India (NPCIL)** are planning to float a joint venture to take up construction activities for nuclear power plants.

The race for billion-dollar systems integration contract (SI) of Germany-based T-Systems is in the last stage and is down to **Tata Consultancy Services (TCS)** and **Cognizant**, and may be decided this week.

An empowered committee of secretaries (ECS) has cleared **Cairn India's** proposal to recover the cost of the \$700-million pipeline from its Rajasthan fields to the Gujarat coast through sale of crude oil from the field.

**HDFC Bank** on Monday approved the acquisition of Centurion Bank of Punjab (CBoP) for Rs 9,510 crore in the largest merger in the financial sector in India. However, the merged entity would still be two-fifth the size of the country's second largest lender, ICICI Bank. CBoP shareholders will get one share of HDFC Bank for every 29 shares held by them.

**Reliance Energy Ltd**, which owns 45% of Reliance Power, said its board would meet on 5 March to consider a buyback of equity shares.

France Telecom-owned **Orange Business Services** has finalised a joint venture partnership with Indian storage devices manufacturer **Moser Baer Ltd** to foray into the long distance telephony segment. The company is awaiting clearance from the Department of Telecom for obtaining the licence.

In order to meet the growing demand for auxiliary equipment used in power plants, Hyderabad-based infrastructure company **Nagarjuna Construction Co. Ltd (NCC)** is planning to enter the segment with an overseas partner.

In a new twist to the controversy over issuing licences to new players, the **Telecom Dispute Settlement Appellate Tribunal** has given an interim order asking the **Department of Telecom** to give licences on a first-come-first-served criteria based on the date of application instead of the date of paying the entry fee.

**The Centre has increased the excise duty on sugar by Rs 9 a quintal.** The levy will come into effect from March 1 and has nothing to do with the Budget being presented in Parliament on Friday.

**LIC Housing Finance** is looking to combine its reverse mortgage plan with a whole-life annuity provided by a life insurer. This will allow home owners to use their property to generate income for life as against for only 15 years as provided under the present reverse mortgage schemes.

**Indiabulls Real Estate (IBREL)** will acquire its partner Dev Property Development (DPD) for Rs.1092Crore in an all-stock deal.

**Apollo Hospitals** and British American Investment Co will set up a joint venture in Mauritius to build and manage a 200-bed tertiary care for \$700 million, Dr Pratap C Reddy, chairman, said.

**Ashok Leyland** today announced a 2.5 per cent hike in prices of its medium and heavy duty commercial vehicles with immediate effect.



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**SUNIDHI SECURITIES & FINANCE LTD.**

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