

The Sensex gained 477 points (2.9%) to close 16-month high at 16741. The Sensex gained over 1000 points on two consecutive weeks. Nifty has also touched 5000 mark since May 23rd, 2008. Higher advanced tax payment numbers this week created an expectation of better earnings growth, which boosted the market sentiment. Auto and Cement stocks witnessed biggest gains as now cumulative monsoon deficiency stands at just 21% below normal from the peak of 29%. Metal stocks recorded smart gains. After Corus' announcement of hike in steel price, Tata Steel witnessed major gains this week. Many mid-cap Realty and Construction stocks rose backed by pick up realty prices. PSU Banking stocks recorded smart gain on account of 10-year bond yield dropping to 1-month low and attractive valuation. However PSU oil marketing companies witnessed profit booking after crude oil prices rising above \$72 a barrel. Precious metal gold touched 18-month high and base metals like Copper, Aluminum and Zinc also gained on LME. Few stocks like LIC Housing, Sobha, Axis Bank and Hindalco witnessed heavy buying interest on news of fund rising through the QIP. We expect rally may continue on recovery in the global market. US advanced retail sales are at 2-year high and initial jobless data is better than expectation.

In our top picks among the large caps we have M&M, Bharti Airtel and Axis Bank. Among the mid-caps and small caps, we like GVK Power, Anant Raj Industries and Union Bank.

Our top picks next Week(Most3x3) :

Large Cap	Mid Cap
M&M	Union Bank
Bharti	Anant Raj Industries
Axis Bank	GVK Power

Week on Week Indices :

Index	%Chg	Points	Index	%Chg	Points
Sensex	2.9	477.2	Nifty	3.0	146.5
BSE Capital Goods	2.4	322.5	Realty	5.3	226.4
BSE Consumer Durable	3.2	107.5	BSE-200	3.4	68.3
BSE Metal	7.8	1055.7	BSE PSU	2.0	167.5
BSE IT	4.3	187.2	BSE Bank	4.6	412.7
BSE Mid-cap	4.2	249.6	BSE Oil & Gas	-1.1	-109.1
BSE FMCG	0.9	23.6	BSE Auto	9.5	572.7
BSE Small-Cap Index	3.7	266.3	BSE Pharma	2.3	91.2

Corporate Updates:
Orders:

- Sadbhav wins order worth Rs2.25bn from Mahanadi Coal fields
- Infosys wins BP contract worth \$116mn
- Oncor signs multi-year deal with HCL for information technology WORTH \$110mn
- Areva T&D wins local order worth Rs760mn
- Thermax win 270MW power plant order worth Rs10bn
- Alstom SA and its partners won a 92mn-euro contract from the Bangalore Metro Rail Corp. to supply control systems for two subway lines. Alstom's share of the contract is worth 57mn euros
- Petron Engineering wins order worth Rs1.54bn

News:

- Orchid Chemicals has received an approval from the US Food and Drug Administration (US FDA) for its Abbreviated New Drug Application (ANDA) for Zaleplon Capsules, 5 mg and 10 mg.
- Punjab National Bank may acquire a stake in Kazakhstan's Metrokombank, the Kazakh lender said today on its Web site
- Axis Bank raised \$720mn in a share sale to institutional investors. The shares were sold for 906.70 rupees apiece
- Glenmark Pharma gets US approval for selling Verapimal tablets, Glenmark to immediately start selling Verapimal tablets in US
- JSW Energy said it started producing power at a station in the country's western state of Rajasthan. The first unit of the lignite-fired plant in Barmer will reach full capacity of 135MG next month
- RNRL has sought dismissal of a government petition that said the production-sharing contract with Reliance must prevail over any private arrangement for the sale of natural gas from the KG-D6 field.
- Hindalco board approves fund rising via QIP as much as \$500mn
- ACC to raise Rs3bn to repay some debt, ACC to spend Rs14bn in 2010 for ongoing project
- Reliance sold 15mn shares at Rs2,125 a share worth \$650mn
- BHEL to spend Rs15.90bn for expand capacity to 20000MW by March 2012
- Sobha Developers builds the largest Corporate Education Center in the world for Infosys
- Petronet LNG plans to raise Rs50bn in debt to build power plants, taking advantage of increasing availability of the fuel in the South Asian nation. The money will be borrowed from overseas and local banks by the end of 2010. Petronet may raise an additional Rs20bn in 2011, selling shares to existing investors.
- Monsoon rainfall was 41% below average in the week ended Sept. 16, Surinder Kaur, a director at the India Meteorological Department, said. The rainfall deficit for the season that started on June 1 widened to 21% as of yesterday.
- SBI plans to set up 40 branches overseas. The lender will add four branches in the U.K., where operations have grown 40% annually in the last two years.
- Raymond approves plans to start realty development business
- 10-year bond yield slips to 7.064%, lowest since August 14
- Orchid Chemicals has received 180 days approvals from the US FDA for its Abbreviated New Drug Applications (ANDAs) for Piperacillin and Tazobactam for Injection.
- Advance tax : Infosys Rs300cr vs Rs150cr, TCS Rs220cr vs Rs81cr, Reliance Infra Rs80cr vs nil, Asian Paints Rs 85cr vs Rs35cr (YoY), Bajaj Auto Rs170cr vs Rs90cr (YoY), Tata PowerRs75cr vs Rs14cr (YoY), YES Bank Rs58cr vs 33cr (QoQ), Century Texttiles Rs40 vs 14cr, Lupin Labs 49.7 vs 11.4 (QoQ), M&M Rs112cr (Rs17cr), BOB Rs412cr vs Rs255cr (QoQ), RIL Rs1157cr, Central Bank Rs79ce vs Rs58cr, Tata Steel Rs400cr vs Rs230cr
- LIC Housing Finance raised \$135mn selling shares to institutional investors. The company sold 10mn shares at Rs658 a piece.
- Supreme Court allows sale of TVS flame Motorcycle , Court refers Bajaj - TVS patent case for adjudication
- HDFC gets approval to issue 10.95mn warrants to QIBs overseas
- Gold climbed to an 18-month high at \$1017 in London on concern that a global economic recovery may stoke inflation and on a drop by the dollar that boosted demand for the metal as an alternative investment.
- Jindal Steel may sell shares in a unit to partly fund a Rs134bn(\$2.8 bn) plan to more than triple its electricity generation capacity in India.
- Corus to raise UK strip prices 30-50 pounds/ton from October. US raises hot rolled by 6.73% or \$35 to \$555 a ton and cold rolled by 8% or \$50 to \$675 a ton on 10th Sept.
- HDIL has no undisclosed income and has not been penalized by the income tax authorities. The company's Mumbai offices and homes of promoters were raided by the Income tax Department on Sept. 10 and Sept. 11, it said. There will be no 'substantial' change in the company's tax liability or income, it said

- Yes Bank said it raised \$20 million in subordinated debt from France's Proparco. Yes Bank plans to raise Rs5bn selling debt by March 2010
- S&P revises Tata Power outlook to positive
- Government will examine a proposal to raise the limit on government bonds banks keep under the held- to-maturity (HTM) category. A decision needs to be taken on the issue, the Reserve Bank of India official. Lenders are required to hold 25% of their government bond holdings until maturity.

The Highlight of the week:

- Inflation at 0.12% vs -0.12
- INifty touches 5000 mark since 23rd May 2008
- ICorus to raise UK strip prices 30-50 pounds/ton from October

Weekly gainers and losers (%)

Sesa Goa	14.80	BPCL	-2.70
Bank of India	14.50	Cipla	-2.30
Bajaj Auto	14.40	HPCL	-2.20
LIC Housing	13.80	Reliance	-2.00
JP Associates	12.60	ONGC	-1.30

FII's Activity for the week (net) (Cr.) :

- In Cash Segment : 5,316.00
- In Index Futures : -75.00
- In Stock Futures : 1,297.00

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