

**September 18, 2008**
**Dealers Diary**

Global financial turmoil continues to haunt the Indian markets as the markets closed in the red for seventh consecutive session. The market started in the positive territory with the boost from RBI measures meant for supporting the depreciating rupee against dollar. However, the same could not be sustained as the markets succumbed to heavy selling pressure across the sectors. Banking and Realty were the worst hit sector following the global financial sector meltdown. The only silver lining among the trading session was the crude prices which have sustained below \$95/barrel mark. BSE Sensex and NSE Nifty both were down by 1.9% and 1.6% respectively. BSE Mid Cap and Small Cap index were also down by 1.5% and 1.2%, respectively. European and Asian markets were trading mixed. Among the frontliners, Infosys, ACC, Wipro, ONGC and Tata Motors gained between 1-5% whereas HDFC Bank, ITC, ICICI Bank, Ranbaxy and Sterlite Industries lost between 3.5-8%. In the Midcap segment, Brigade, Akruiti City, Shree Precoated, Thomas Cook and Anant Raj Industries gained between 7-14% whereas Tanla, Gujrat Flouro, Orbit Corporation, NIIT and BF Utilities lost between 7.5-10%.

**Markets Today**

The trend deciding level for the day is 13,337 / 4,033. NIFTY trades above this level during the first half-an-hour of trade then we may witness a further rally upto 13,546 / 4,092 .However, if NIFTY trades below 13,337 / 4,033 for the first half-an-hour of trade then it may correct upto 13,054 / 3,950.

Indices	S 2	S 1	R 1	R 2
NIFTY	3,891	3,950	4,092	4,175
SENSEX	12,844	13,054	13,546	13,830

**News Analysis**

- Banks hike NRI deposit rates
- Satyam bags SAP contract from top Oman conglomerate
- TCS signs 5-year deal with Ericsson
- Ranbaxy - USFDA bans import of 30 products

*Refer detailed News Analysis in following page*

**Net Inflows (September 17, 2008)**

Rs cr	Purch	Sales	Net	MTD	YTD
FIs	3,092	4,333	(1,241)	(5,406)	(35,674)
MFs	964	722	242	621	10,886

**FII Derivatives (September 17, 2008)**

Rs cr	Purch	Sales	Net	Open Interest
Index Futures	1,682	2,744	(1,062)	12,586
Stock Futures	1,023	988	35	20,323

**Gainers / Losers**

Gainers			Losers		
Company	Price (Rs)	% chg	Company	Price (Rs)	% chg
Tata Motors	418	4.8	BF Utilities	1,636	-10.0
Cairn India	208	4.8	NIIT	65	-8.8
Indian Bank	130	4.1	Unitech	128	-8.8
ONGC	979	2.8	Sterlite Industries	439	-8.0
Petronet LNG	55	2.5	Mundra Port	495	-7.8

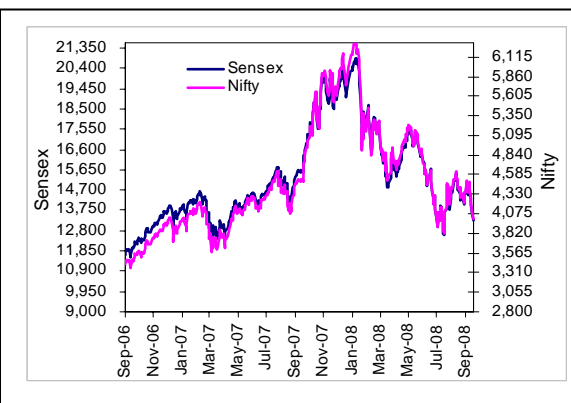
Domestic Indices	Chg%	(Pt)	(Close)
BSE Sensex	▼	-1.9%	(255.9) 13,263
Nifty	▼	-1.6%	(66.7) 4,008
MID CAP	▼	-1.5%	(77.6) 5,140
Small Cap	▼	-1.2%	(74.7) 6,215
BSE HC	▼	-1.9%	(76.0) 3,865
BSE PSU	▼	-1.8%	(118.9) 6,342
BANKEX	▼	-3.8%	(259.5) 6,593
AUTO	▼	-0.1%	(2.1) 3,878
METAL	▼	-3.6%	(361.6) 9,815
OIL & GAS	▼	-1.8%	(161.9) 8,766
BSE IT	▼	-0.6%	(20.7) 3,524

Global Indices	Chg%	(Pt)	(Close)
Dow Jones	▼	-4.1%	(449.4) 10,610
NASDAQ	▼	-4.9%	(109.1) 2,099
FTSE	▼	-2.3%	(113.2) 4,912
Nikkei	▲	1.2%	140.1 11,750
Hang Seng	▼	-3.6%	(663.4) 17,637
Straits Times	▼	-1.7%	(42.1) 2,419
Shanghai Com	▼	-2.9%	(57.6) 1,929

Indian ADRs	Chg%	(Pt)	(Close)
Infosys	▼	-5.6%	(2.1) \$34.4
Wipro	▲	0.1%	0.0 \$11.0
Satyam	▼	-6.6%	(1.2) \$17.0
ICICI Bank	▼	-7.7%	(1.9) \$23.3
HDFC Bank	▼	-5.3%	(4.3) \$77.0

Advances / Declines	BSE	NSE
Advances	858	368
Declines	1,767	846
Unchanged	85	27

Volumes (Rs cr)	BSE	NSE
BSE	5,813	
NSE		12,279



### **Banks hike NRI deposit rates**

Banks raised interest rates on Non-Resident Indians (NRI) deposits after the Reserve Bank of India (RBI) lifted the ceiling on rates by 50bp to attract more dollars into the country. However, many bankers feel that a 50bp hike may not be enough to draw non-residents who are likely to turn risk-averse.

Raising interest on NRI deposits was part of the package of measures announced by RBI to support the rupee, which threatened to fall below the Rs 47 mark against the dollar in the wake of the US financial crisis. Banks, which have hiked rates, include market major State Bank of India, Punjab National Bank, Bank of Baroda and Union Bank of India. The inflows through various NRI deposits schemes has dipped from around \$40 billion in end-December 2007 to around \$39 billion as of end July 2008. The RBI measures are believed to have positive impact and will help prop up the flows.

### **Satyam bags SAP contract from top Oman conglomerate**

Satyam Computer Services, India's fourth-largest software company, has bagged a SAP implementation contract from one of Oman's largest business conglomerates, Khimji Ramdas. According to the agreement signed between the two parties, Satyam will help Khimji Ramdas in standardizing and automating its business processes across its various divisions. The implementation of the project is already under way and features numerous SAP business solutions, including finance and controlling, treasury management, materials management, sales and distribution, project systems, customer service, HR payroll, HR administration, merchandising and assortment planning. **We maintain a Buy on the stock, with a Target Price of Rs530.**

### **TCS signs 5-year deal with Ericsson**

TCS, India's largest software company, has signed a five-year global contract with Ericsson to deliver application, maintenance and development services for Ericsson's internal IT operations. The software major has been selected as one of the two strategic partners that will deliver application maintenance services to Ericsson and a preferred supplier for application development services. The deal size was, however, not disclosed. **We maintain a Buy on the stock, with a Target Price of Rs1,037.**

### **Ranbaxy - USFDA bans import of 30 products**

In a disappointing move USFDA has blocked 30 drugs generic drugs being manufactured out of Ranbaxy's Dewas and Ponta Sahib facilities in India. The USFDA has been inspecting the Ponta Sahib facility for almost two years. According to USFDA, Ranbaxy has violated the procedural issues of manufacturing. Management is looking at addressing the concerns raised by USFDA. While it's difficult to ascertain the loss of sales of these products according to a rough estimate the removal of these products from the US would entail a loss of sales of around 6%-10% of the overall sales of the US markets and would not impact any of the FTF( First-To-File) launches of the company. **Accordingly we have downgraded our US sales and Target Price on the stock to Rs500.**

**Economic/Political News**

- Walk out of N-Deal, CPI(M) tells PM
- Centre announces Rs2,518cr debt relief to farmers in Kerala
- DoT leeway for foreign telcos in 3G bidding
- Differences crop up on 3G procedure; may delay rollout
- Financial markets cool down on RBI moves
- Labour ministry wants better returns on PF
- Check hoarding, streamline PDS, PM tells states
- Government acquires 2,000 hectares for renewable energy SEZ

**Corporate News**

- OVL to get 15% less oil from Russian field
- RIL gas output from November
- RIL moves court against SEZ referendum
- NTPC opts for bulk equipment sourcing
- Dhoots to buy Thomson's residual stake in Videocon
- Gujarat NRE plans rights issue to ward off takeover threat

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

**Events for the day**

HT Media

Dividend



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