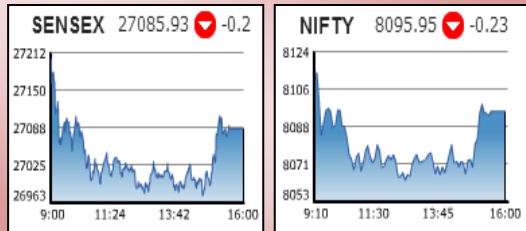


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FINANCIAL MARKETS IN MOTION

05th September, 2014



Market Summary

Markets finally took a breather with the Sensex snapping its nine-day winning streak on profit taking after sharp gains in the previous few sessions which had lifted the benchmark share indices to successive record highs. Further, investors are awaiting the outcome of the European Central Bank meeting. The Sensex lost 54 points to end at 27,086 and Nifty shed 19 points to close at 8,096. On the sectoral front, BSE Realty index was the top loser down 4.4% followed by Metal, Capital Goods, Bankex, Oil and Gas, Power, IT and Auto among others. However, Consumer Durables, Healthcare and FMCG indices ended their session in the positive territory up between 0.1-0.5%. In the capital goods segment, BHEL ended 4.7% lower on 'sell' call by a foreign brokerage while L&T ended down 0.6%. IT stocks which had gained post upbeat US economic data witnessed profit taking. TCS, Wipro and Infosys lost between 0.4-0.8%. In the financial segment, banks which had earlier gained on firm economic data also witnessed profit taking in trade. ICICI Bank, HDFC Bank and SBI lost between 0.3-0.5%.

Index	Value	Change (%)
Dow Jones	4562.29	-0.23
Nasdaq	4073.25	0.04
Nikkei	15702.48	0.17
Hang Seng	25186.66	-0.44
FTSE 100	6877.97	0.06
DAX	9724.26	1.01

NIFTY GAINERS (As on 04.09.2014)

Symbol	LTP (Rs)	Prev	%
BAJAJ-AUTO	2306.55	2225.85	3.63
HEROMOTOC	2833.00	2766.00	2.42
POWERGRID	134.20	132.75	2.09
NTPC	142.20	139.70	1.79
HDFC	1079.50	1062.70	1.58

NIFTY LOSERS (As on 04.09.2014)

Symbol	LTP (Rs)	Prev	%
DLF	168.00	182.90	-8.15
BHEL	226.70	236.85	-4.29
JINDALSTEL	228.75	238.10	-3.93
HINDALCO	169.35	175.10	-3.28
TATASTEEL	510.45	526.00	-2.96

Buzzing News for the day

- ✓ CCI begins public scrutiny of Sun-Ranbaxy deal, seeks comments
- ✓ DCM Shriram buys back 34 lakh shares for Rs. 30 cr
- ✓ Fund mop-up via pref issue drops 34% in July
- ✓ Kotak Securities to increase footprint in smaller towns
- ✓ Land Rover to launch Freelander 2 Sterling at Rs. 44.41 lakh
- ✓ M&M eyes higher horsepower market
- ✓ Providence sells 2.4% stake in Idea for Rs. 1,414 crore
- ✓ Royalty to Suzuki will now be paid in Indian rupee: Maruti
- ✓ Tata Value Homes sells 85 houses worth Rs 40 cr on Snapdeal
- ✓ Tata's Mundra UMPP gets green certification

FII & DII (NSE, BSE & MCX-SX AS ON 04.09.2014) (RS. Cr)

	BUY	SELL	NET
FII/FPI	5458.31	3760.57	1697.74
DII	1172.65	1727.88	-555.23
		Advances	Decline
NSE		537	1016
BSE		1209	1752

POLICY RATES (%) (As on 04.09.2014)

Bank Rate	9.00
Repo Rate	8.00
Reverse Repo Rate	7.00
CRR	4.00
SLR	22.00
MSF	9.00

ECONOMIC INDICATORS PERCENT

Retail Inflation (July)	7.96
Monthly Inflation (July)	5.19
IIP (June)	3.40

Forex & Commodity Market Updates

FOREX RATES as on 04.09.2014 AT 5 PM

Dollar	60.42
Euro	79.31
UK Pound	99.38
Japanese ¥	0.58
Singapore \$	48.26
Renminbi	9.79
Taiwan \$	2.02

COMMODITIES as on 04.09.2014 AT 5 PM

Gold (MCX) (RS./10G)	27557.00
Silver (MCX) (RS./KG)	41800.00
Crude Oil (BARREL)	5771.00
Aluminium (RS./KG)	126.10
Copper (RS./KG)	426.10
Nickel (RS./KG)	1171.60
Zinc (RS./KG)	145.20

Board Meeting

Company	Purpose	Date
Bharati Shipyard Limited	Results	05-Sep-14

Corporate Action

Company	Purpose	Ex-Date
Bharat Heavy Electricals Limited	Annual General Meeting / Final Dividend - Rs 1.52/- Per Share	08-Sep-14
Jindal Stainless Limited	Annual General Meeting	08-Sep-14
Pidilite Industries Limited	Annual General Meeting / Dividend - Rs 2.70/- Per Share	09-Sep-14
Essar Shipping Limited	Annual General Meeting	10-Sep-14
Power Finance Corporation Limited	Annual General Meeting / Final Dividend - Re 0.20/- Per Share	10-Sep-14
Gillette India Limited	Annual General Meeting / Dividend - Rs 15/- Per Share	11-Sep-14
Multi Commodity Exchange of India Limited	Annual General Meeting And Dividend Rs.3/- Per Share	11-Sep-14
NHPC Limited	Annual General Meeting / Final Dividend - Re 0.30/- Per Share	11-Sep-14
Oil & Natural Gas Corporation Limited	Annual General Meeting And Dividend Re.0.25 Per Share	11-Sep-14

NEWS UPDATES

CORPORATE NEWS

Infosys bags new multi-year contract from BP

Infosys said that it has signed a five-year group-wide IT outsourcing services contract with BP (formerly British Petroleum). The scope of the engagement will include application support, development as well as enhancing business applications for all of BP's key IT operations. Although the company did not disclose the value of the contract, industry experts believe it is an extension of the existing contract Infosys signed with BP with some new elements of engagements. In 2009, BP had awarded a five-year IT outsourcing contract worth of around \$1.5 billion which was split between six vendors including TCS, Infosys, Wipro, IBM and Accenture.

Jakson Power plans Rs. 700-cr investment in solar energy projects

Jakson Power outlined the company's plans to invest about Rs. 700 crore in setting up solar power farms, taking the company's installed capacity to 200 MW over the next two years. Jakson Power, which is engaged in the manufacture of diesel gensets, solar energy-based products, solar power farms and the hospitality sector, announced the setting up of their office in Telangana to market their products and services. "The company, which had a turnover of Rs. 1,500 crore last fiscal, is aiming at revenues of about Rs. 2,500 crore over the next two years. This growth will be fuelled by the gen-sets business, expansion in the solar power generation capacity and the hospitality business," Sameer Gupta, Managing Director of Jakson Group, said.

Maruti to pay Suzuki royalties in rupees for future models

Maruti Suzuki India Ltd said it would make royalty payments due to parent Suzuki Motor Corp for all future models in rupees to limit risks from foreign exchange fluctuations. "On all future models the royalty will be expressed in rupees and not (in) the yen so that we are not exposed to the variation in the exchange rate which has been happening in the past," Maruti Chairman R C Bhargava said.

NLC workers on indefinite strike, power generation unaffected

Over 10,000 contract workers of Neyveli Lignite Corporation have begun an indefinite strike demanding regularisation of services even as NLC said it has not affected power generation and lignite production. Power generation of the three thermal power stations was 2330 MW, NLC Chairman-cum-Managing Director B Surender Mohan said. The total capacity is 2490 mw. Two 150 MW thermal units of the first thermal station have been taken for overhaul and repair works. All the three lignite mines at Neyveli were producing lignite as per target, he said, adding, surplus lignite has been stocked in the stocking yard for emergency needs.

Siemens delivers 1200 kV transformer to Power Grid Corporation

Siemens Limited said it has delivered 1200 kilovolts transformer to central transmission utility Power Grid Corporation for the latter's test station at Bina in Madhya Pradesh. Spanning over long distances and with a transmission capacity of 8,000 megawatts (MW), the new 1200 kV system will have low transmission losses, Siemens said in a statement. Power Grid plans to move country's transmission system to 1200 kV, the highest capacity power transmission system voltage in the world, by year 2017.

Union Bank to raise Rs 1,386 cr through QIP

Union Bank of India (UBI) will raise Rs 1,386 crore through qualified institutional placement (QIP) this financial year, its chairman and managing director Arun Tiwari said. "We are planning to raise Rs 1,386 crore through QIP which we plan to raise in the second quarter of this fiscal. If not, then the money will be definitely raised by the end of this financial year", Tiwari said. The bank had already got the approval of the shareholders and RBI in this regard, he said. Stating that the bank's aim was to increase profitability and not just reducing NPAs, he said recovery had improved while incidences of bad assets had declined.

Yamaha launches two new models

Yamaha Motor India Sales launched its two new models to comprise its very successful FZ Series in the city. The company is selling around 18,000 units per month of the FZ series making it the second largest selling brand in the deluxe segment. With the launch of these two variants, it expects to increase the sales around 24,000 units per month, a company release said. Forty per cent of its total sales come from FZ alone. The new FZ version 2.0 is priced at Rs. 77,656, the FZ-S version 2.0 would be retailed at Rs. 79,692 and will be available across all Yamaha authorised dealers in the city.

ECONOMY NEWS

CCI clears Daido stake buy in Sunflag Iron and Steel

Fair trade regulator, Competition Commission of India (CCI) has approved Japan-based Daido Steel's proposed 10 per cent stake purchase in Sunflag Iron and Steel Company. In an order released, the CCI said that "the proposed combination is not likely to have an appreciable adverse effect on competition in India". Sunflag manufactures special alloy steel, stainless steel, micro alloyed steel, special carbon steel and bearing steel, while Daido is into making speciality steel, among others. As per a 'Share Subscription Agreement' entered on July 9, this year, Daido Steel Co would acquire 10 per cent stake in Sunflag 'on a fully diluted basis'.

Fund mop-up via pref issue drops 34% in July

Fund raising by issuance of shares to promoters and shareholders on preferential basis has plunged by 34 per cent to Rs. 2,159 crore in July as compared to the preceding month. However, fund raising through preferential allotment is expected to increase in the coming months as many companies have lined-up their plans. According to latest data available with the stock exchanges, funds garnered by companies via preferential allotments declined to Rs. 2,159 crore in July from Rs. 3,271 crore in June. Also, the number of preferential issues dropped to 29 in July from 44 in the previous month.

Govt approves 7% dearness allowance hike, effective from July 1

The Union cabinet cleared a seven% rise in dearness allowance (DA) for government employees iwth effect from July 1, taking it to 107% of their basic pay. The move benefits around three million employees and five mn pensioners. It will cost the exchequer Rs 5,127 crore in the rest of the current financial year and Rs 7,691 crore in a year. The increase is in accordance with the accepted formula, based on recommendations of the 6th Central Pay Commission. According to the formula, DA is calculated on the basis of the 12-month average of the Consumer Price Index for Industrial Workers. The average rate of retail inflation for industrial workers from July 1, 2013, to June 30, 2014, was 7.25%.

Power spot market sees rise in demand, prices in August

Power traded at the spot market increased last month to 2.5 billion units (BUs) due to high demand amidst weak monsoon and fuel shortages. "The electricity traded in the spot market at Indian Energy Exchange (IEX) increased in August to 2.5 BUs, almost 8 per cent higher than 2.3 BUs traded in the previous month and 7 per cent higher over 2.3 BUs traded in the same month last year," IEX said in a statement. As regards the demand and supply of power, the spot market received purchase bids worth 4.72 BUs while the sell bids were only 3.01 BUs, clearly indicating that demand surpassed supply this month, the statement said.

RBI sucks out liquidity worth Rs 48,387 cr

In the variable rate reverse repo auction held the Reserve Bank of India (RBI) sucked out liquidity worth Rs 48,387 crore from the system as against the notified amount of Rs 50,000 crore. The total amount of offers received were also 48,387 crore. The cut off rate was 7.99% for the auction. According to bank treasury officials the excess liquidity in the system was there because of recent government spending which RBI has been sucking out. So far this month RBI has sucked out liquidity over Rs 1 lakh crore. However, despite the drain in liquidity call money rates have been below the repo rate of 8% so far this month.

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