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FINANCIAL MARKETS IN MOTION

16th September, 2014



Market Summary

Markets ended lower with the Sensex recording its highest single day fall since August 8 after sluggish July domestic industrial growth and weaker-than-expected economic data from China raised concerns over slowdown among the world's largest economies. Further, investors also turned cautious ahead of the US Federal Reserve's two-day policy meet which begins on Tuesday. The 30-share Sensex ended down 245 points at 26,816 and the Nifty gave off 63 points to close at 8,042. Even as the benchmark indices slipped by nearly a percent each, there was no sign of weakness in the broader markets. The smallcap index rallied by 0.6% and the midcap index was up 0.1%, continuing its outperformance. On the sectoral front, Health Care and Realty were the only pockets to close in green with gains of 0.2% and 0.04% respectively. Oil & Gas, Metal, Capital Goods and Consumer Durables indices down 1-2% were the sectoral draggers. Metal shares declined on weak Chinese economic data. China's factory output grew at the weakest pace in nearly six years in August raising fears the world's second-largest economy may be at risk of a sharp slowdown. Hindalco, Tata Steel and Sesa Sterlite down 1.7-3.3% were among the top Sensex losers.

Index	Value	Change (%)
Nasdaq	4518.90	-1.08
Nikkei	15895.32	-0.33
Straits Times	3296.37	-0.49
Hang Seng	24356.99	-0.98
FTSE 100	6804.21	-0.04
DAX	9659.63	0.09

NIFTY GAINERS (As on 15.09.2014)

Symbol	LTP (Rs)	Prev	%
LUPIN	1418.00	1359.00	4.34
MCDOWELL-N	2357.00	2295.35	2.69
CIPLA	627.00	612.75	2.33
PNB	997.20	984.35	1.31
HEROMOTOC	2791.00	2758.55	1.18

NIFTY LOSERS (As on 15.09.2014)

Symbol	LTP (Rs)	Prev	%
JINDALSTEL	224.40	236.15	-4.98
HINDALCO	163.20	168.60	-3.20
AMBUJACE	210.30	214.80	-2.09
KOTAKBANK	1046.95	1069.15	-2.08
ULTRACEMC	2585.00	2639.35	-2.06

Buzzing News for the day

- ✓ August trade deficit falls to \$10.83 billion
- ✓ Axis Bank launches e-surveillance facility for ATMs
- ✓ Cognizant to buy IT services provider Trizetto for \$2.7 billion
- ✓ Dabur India announces 125% interim dividend
- ✓ HMSI ties-up with PNB for vehicle finance
- ✓ JSW Steel plans to acquire Italy's Lucchini for sub \$100 million
- ✓ L&T Construction bags Rs 2,050-crore contracts
- ✓ Rs. 20,000-cr boost for small units in capital goods sector
- ✓ Sebi renews MCX-SX licence with riders
- ✓ Zydus gets Gilead licence for Hepatitis C treatment

FII & DII (NSE, BSE & MCX-SX AS ON 15.09.2014) (RS. Cr)

	BUY	SELL	NET
FII/FPI	3035.25	3109.84	-74.59
DII	1504.75	1579.24	-74.49
		Advances	Decline
NSE		851	731
BSE		1762	1302

POLICY RATES (%) (As on 15.09.2014)

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 (August)	7.80
Monthly Inflation (August)	3.74
IIP (July)	0.50

Forex & Commodity Market Updates

FOREX RATES as on 15.09.2014 AT 5 PM

Dollar	61.13
Euro	78.96
UK Pound	99.32
Japanese ¥	0.57
Singapore \$	48.32
Renminbi	9.91
Taiwan \$	2.03

COMMODITIES as on 15.09.2014 AT 5 PM

Gold (MCX) (RS./10G)	27,042.00
Silver (MCX) (RS./KG)	41,468.00
Crude Oil (BARREL)	5,605.00
Aluminium (RS./KG)	121.30
Copper (RS./KG)	421.30
Nickel (RS./KG)	1,118.50
Zinc (RS./KG)	138.00

Board Meeting

Company	Purpose	Date
GMR Infrastructure Limited	Rights Issue	16-Sep-14
Goenka Diamond and Jewels Limited	Others	16-Sep-14
HIL Limited	Dividend	16-Sep-14
Indiabulls Housing Finance Limited	Board Meeting Postponed	16-Sep-14
Mahindra Lifespace Developers Limited	Dividend	16-Sep-14
Usha Martin Limited	Raising of Funds	16-Sep-14

Corporate Action

Company	Purpose	Ex-Date
Hindustan Motors Limited	Annual General Meeting	16-Sep-14
ITI Limited	Annual General Meeting	16-Sep-14
JK Paper Limited	Annual General Meeting	16-Sep-14
MSP Steel & Power Limited	Annual General Meeting	16-Sep-14
CEAT Limited	Annual General Meeting And Dividend Rs.10/- Per Share	17-Sep-14
Cox & Kings Limited	Annual General Meeting And Dividend Re.1/- Per Share	17-Sep-14
Sun TV Network Limited	Annual General Meeting / Final Dividend - Rs 2.25/- Per Share	17-Sep-14
Super Forgings & Steels Limited	Annual General Meeting	17-Sep-14
The Great Eastern Shipping Company Limited	Annual General Meeting / Final Dividend - Rs 5/- Per Share	17-Sep-14

NEWS UPDATES

CORPORATE NEWS

Ford launches refreshed Figo, priced up to Rs 6.09 lakh

Ford India launched a refreshed version of its compact car Ford Figo priced up to Rs Rs 6.09 lakh (ex-showroom Delhi) ahead of the upcoming festival season. The refreshed Ford Figo will be available at Rs 3.87 lakh to Rs 5.14 lakh for petrol variant and Rs 4.83 lakh to Rs 6.09 lakh (ex-showroom Delhi) for the diesel option, the company said in a statement. "With the refreshed look, we are adding even more style to the Figo, which is highly regarded as a reliable vehicle with an outstanding value-for-money proposition," Ford India Executive Director (Marketing, Sales and Service) Vinay Piparsania said. The new look Ford Figo will have a smoky stealth finish exterior styling elements, including 14 inch alloy wheels, fog lamp bezels and rear bumper valance.

GVK faces Oct deadline for \$560 mn final payment for Australia coal assets

GVK Group faces an October deadline to pay a final \$560 million to billionaire Australian miner Gina Rinehart for coal assets it bought in 2011 and has yet to develop in Australia's outback. The looming payment is the latest headache for GVK on three projects it took over at the height of the coal boom, which industry experts see as uneconomic with coal prices mired at 5-year lows and unlikely to be developed for several years. GVK bought 79% stakes in the Alpha and Alpha West coal projects and a 100% stake in the Kevin's Corner project from Rinehart's Hancock Prospecting for \$1.26 billion, agreeing to pay the sum in three stages, with the final payment of \$560 million no later than three years after the deal closed.

Hero MotoCorp plans to invest Rs 1,600 crore in new plant

Hero MotoCorp Ltd plans to invest Rs 1,600 crore (\$262 million) to set up a new manufacturing plant in southern India, a source directly involved in the matter said. Hero has signed a preliminary agreement with the Andhra Pradesh state government to set up the plant, to be spread across 600 acres, which can produce upto 1.8 million vehicles annually, the source said. Hero, which has three operational plants and one under construction across India, did not have an immediate comment. The company also plans to set up a plant in the western state of Gujarat, where construction is expected to begin soon.

PNB inks retail finance pact with Honda Motorcycle & Scooter India

Two giants in their respective sectors have come together to woo two-wheeler buyers across the country. Punjab National Bank (PNB) has tied up with Honda Motorcycle & Scooter India (HMSI) to provide attractive retail finance for the latter's two-wheeler customers. The Memorandum of Understanding (MoU) was exchanged between S.S. Bhatia, General Manager-Retail Assets, PNB, and Yadvinder S Guleria, Vice-President, Sales & Marketing, HMSI. With this MoU, two-wheeler customers can now buy a Honda two-wheeler at the industry's lowest finance rate of 12.25 per cent (with daily reducing interest), Guleria said. The loan amount could be up to 90 per cent of the two-wheeler value and the extended repayment tenure could be up to five years.

Tata Motors global sales down 10% in August

Tata Motors reported an 9.7% decline in global sales to 73,524 units in August. The company had sold 81,457 units in the same month last year. In the passenger vehicles category, the global sales last month were at 42,988 units, as against 43,474 units in August 2013, down 1.11%, Tata Motors said in a statement. Sales of luxury brand Jaguar Land Rover rose 2.44% to 31,650 units in August, compared to 30,895 units in the same month last year. Sales of commercial vehicles declined 19.6% in August to 30,536 units from 37,983 units a year ago.

Wipro bags deal from Saudi Electricity Company

Wipro Arabia, a subsidiary of Wipro, has bagged a contract from Saudi-based Saudi Electricity Company (SEC) for implementing and rolling out plant maintenance and project system functionality of SAP ERP application. No financial details were disclosed. SEC is the largest power utility company in the Middle East serving approximately five million customers in the Kingdom of Saudi Arabia (KSA).

ECONOMY NEWS

August WPI inflation falls to 5-year low of 3.74%

The wholesale price index (WPI)-based inflation fell substantially to a five-year low of 3.74% in August from 5.19% in July as all broad categories showed decline in the rate of price rise over this period. The inflation rate, which stood at 6.99 per cent in August, 2013, is well below RBI's comfort zone of 5% and will likely trigger calls from industry for a cut in the repo rate. Data released last week on Friday show that retail inflation, as measured by the Consumer Price Index, also declined marginally to 7.8% in August, and is below the 8% target the central bank has set for January, 2015. However, the central bank is widely believed to keep its policy rate intact, since the risks to consumer price food inflation still exist due to a weak monsoon.

Central govt announces Rs 2,700 crore aid for Cochin Shipyard

The Union minister for Shipping and Transport Nitin Gadkari on Sept 15 announced financial aid of Rs 2700 crore for the development and modernization of the 42-year-old Cochin Shipyard Limited [CSL]. Of this, Rs 1200 crore aid will be used for setting up a new dry dock yard. CSL will construct an LNG carrying vessel for the first time in India, for which Rs 1,500 crore will be allocated, as part of Prime Minister Narendra Modi's 'Make in India' call. The country will make three such vessels indigenously in all. The yard will also manufacture dredgers, the minister announced.

India Inc wants RBI to slash interest rates

With inflation plunging to nearly five-year low of 3.74 per cent in August, India Inc nudged the Reserve Bank of India to slash the interest rates and lower the cost of capital in its upcoming monetary policy review. "The industry is severely impacted by high interest rate regime coupled with increased cost of raw materials and wage rate spirals. "At this juncture, it becomes inevitable to ease the monetary policy stance in terms of a cut in repo rate to facilitate business sentiments and to put the industry on the growth trajectory," President of PHD Chamber Sharad Jaipuria said. The Reserve Bank is scheduled to unveil the fourth bi-monthly monetary policy review on September 30.

Need to eliminate diesel subsidies: Raghuram Rajan

The Reserve Bank of India (RBI) governor Raghuram Rajan said that there is a need to eliminate diesel subsidies. "In the short run lower oil prices are helping consuming countries like us. Lower oil price means lower Current Account Deficit (CAD), lower oil subsidies and lower inflation. We need to seize this moment to eliminate diesel subsidies completely. We should take this moment to eliminate diesel subsidies as soon as possible," said Rajan. According to Rajan there are geo-political risks like the Ukraine, the Middle East and the worry is that lower oil prices may be a temporary phenomena. Rajan also believes that the government's steps to curtail fiscal deficit is helping the central bank.

PSBs against increase in ATM interchange fee

With most public sector banks unwilling to increase the interchange or the interbank ATM usage fee, the charges are likely to stay at Rs. 15 per transaction. In effect, banks may not pass on charges to their customers. On asking if the Reserve Bank of India is not keen on the increase in interchange fee by banks, a senior RBI official said "it is absolutely wrong information". The central bank does not intervene on the interchange fee and it is up to the banks to decide on increasing the charges, the official said. Interchange fee is the amount charged if a consumer uses the Automated Teller Machine (ATM) of the non-home bank, that is, the bank, whose ATM is being used, charges the card-issuing bank. At present, the fee is Rs. 15 per financial transaction. This has been recommended to be revised to Rs. 16.50, plus service tax (12 per cent), taking the amount to Rs. 18.48.