

## MARKET COMMENTARY: -

The market may extend recent strong rally on firm Asian stocks. Trading of S&P CNX Nifty futures on the Singapore stock exchange indicates a gain of 15.50 points at the opening bell.

HDFC Bank, India's second biggest private sector bank in terms of branch network, has reduced lending rates by 20 basis points with effect from Friday, 30 June 2012. The bank has cut base rate to 9.8% from 10% and the benchmark prime lending rate (PLR) to 18.3% from 18.5%.

State Bank of India, the country's biggest commercial bank in terms of branch network, has raised interest rate by 25 basis points to 9% on fixed deposits for the tenure of three years to less than five years with effect from Sunday, 1 July 2012. This is applicable for deposits below Rs 15 lakh.

On the macro front, the manufacturing Managers' Index (PMI) for June 2012 will be out today, 2 July 2012.

The next major trigger for the stock market is Q1 June 2012 corporate earnings, which will start trickling from the second week of July 2012. A deceleration in top line growth of India Inc amid economic slowdown and slowdown in investment cycle will weigh on bottom line growth in Q1 June 2012 as the core operating profit margin could be negatively impacted by deceleration in top line growth.

## BSE WEEKLY GAINERS: -

Company	Group	Prev Close (Rs)	Current Price (Rs)	% Change
Manappuram Finance	A	24.6	31.35	27.44
Tata Power Co.	A	94.4	104.7	10.91
GMR Infrastructure L	A	22.7	25.15	10.79
Muthoot Finance	A	122.95	135.35	10.09
United Phosphorus	A	114	125.4	10
Mahesh Agri.Imp.	B	11.24	16.47	46.53
Hind. Motor	B	8.68	12.67	45.97
Elnet Technologi	B	35.3	50.55	43.2
PVP Ventures Ltd.	B	4.2	6.01	43.1
Cinemax Properties	B	12.9	18.05	39.92

## BSE WEEKLY LOSERS: -

Company	Group	Prev Close (Rs)	Current Price (Rs)	% Change
Cairn India Ltd.	A	326	307.5	-5.67
Guj. Fluorochemi	A	414.65	397	-4.26
Jaiprakash Power Ven	A	35.9	34.8	-3.06
Ruchi Soya Inds.	A	91.5	89	-2.73
Indian Bank	A	180	175.2	-2.67
Zylog Systems	B	623.95	310.95	-50.16
Aadi Industries Ltd.	B	7.61	5.9	-22.47
Alchemist Corporatio	B	9.27	7.2	-22.33
Sugal & Damani Share	B	14.4	11.22	-22.08
OnMobile Global Ltd.	B	39.15	30.55	-21.97

## INDICES

SENSEX	17429.98 (+439.22)
NIFTY	5278.90 (+129.75)
DOWJONES	12880.10 (+277.83)
S&P 500	1362.16 (+33.12)
NASDAQ	2935.05 (+84.56)
FTSE 100	5571.15 (+78.09)
DAX	6416.28 (+266.37)
NIKKEI	9006.78 (132.67)
HANSENG	19441.50 (+116.19)

## COMMODITIES

WTI CRUDE FUT (USD/BBL)	84.960 (+7.270)
BRENT CRUDE FUTR (USD/BBL)	97.800 (+6.440)
COPPER FUTURE (USD/LB)	349.65 (+16.50)
GOLD 100 OZ FUT (USD/TOZ)	1604.20 (+53.80)
SILVER FUTURE (USD/TOZ)	27.690 (+1.040)

## CURRENCY

INR/ 1 USD	55.6100
INR/ 1 EURO	70.4102

## TOP GAINERS

	Change (%)
GMR INFRA	+9.11%
JINDAL ST & PWR	+8.74%
LANCO INFRATECH	+7.40%
ORACLE FIN SERV	+7.01%

## TOP LOSERS

	Change (%)
CAIRN INDIA	-6.11%
MUTHOOT FIN	-2.91%
MOTHERSON SUMI	-2.83%
MANAPPURAM FIN	-2.34%

## TURNOVER

	29 <sup>th</sup> June 2012	28 <sup>th</sup> June 2012
NSE	13143.73 CR	11332.1 CR
F&O	102978.12 CR	213032.69 CR

## INSTITUTIONAL ACTIVITY

Prov FII (29 <sup>th</sup> June 2012)	Net Buy Rs 3046.76 Cr
Prov DII (29 <sup>th</sup> June 2012)	Net Sell Rs 250.71 Cr

## VIX INDEX

	CURRENT	PREVIOUS	%CHANGE
VIX	19.08	20.62	-7.47%

## Advance

	Advance	Decline	Unchanged
BSE	2035	1220	174
NSE	1094	379	104

## IN F&O BAN: -

- NIL

## Stocks in News: -

### **GVK expects to tie up funds for Alpha coal project by March**

GVK Power & Infrastructure Limited, part of Hyderabad-based GVK Group, today said the financial closure for its \$10-billion Alpha coal and rail project in Queensland, Australia, was expected by March 2013, as opposed to the original deadline of December 2012.

The financial closure was getting deferred due to delays in receiving necessary environmental clearances from the local authorities, said Sanjay Reddy, vice-chairman, GVK Group.

Last month, GVK had received environmental clearance for the Alpha coal mine project that included constructing a railway line to port from the Queensland province. However, objections were raised by the federal government.

Last year, GVK paid \$1.26 billion to buy the coal assets and related logistics infrastructure in Australia from Hancock, through a group company GVK Coal Developers (Singapore). The Alpha project, which is expected to generate 4,000 jobs at peak, is being run by Hancock Coal, in which 79 per cent is owned by GVK and the rest by Gina Rinehart, chairman, Hancock Prospecting Pty Limited.

### **SAIL to invest Rs 3,000 cr to raise Gua mine capacity**

Steel Authority of India (SAIL) will invest Rs 3,000 crore to quadruple capacity of its Gua iron ore mine in Jharkhand to 10 million tonnes per annum (mtpa) and set up a 4 mtpa pelletisation plant. "This will cost the company Rs 2,087 crore. At the same time, a 4 mtpa pellet plant will also be set up with an investment of Rs 865 crore," a steel ministry source said. The official said techno-commercial discussions were in progress now for increasing the capacity at the mine and the contracts for developing the mine were likely to be finalised by October this year.

### **RIL to reopen 50 fuel pumps in Gujarat**

Reliance Industries (RIL) has decided to reopen over 50 fuel pumps in Gujarat from tomorrow.

"We are reopening over 50 fuel pumps across Gujarat from July 1. We would sell petrol at price parity with public sector oil companies. Also, we will sell auto LPG (liquefied petroleum gas) at these pumps," an RIL spokesperson said on Saturday.

A couple of years earlier, the absence of subsidy to private fuel retailing companies had prompted RIL to shut most of its pumps in Gujarat. "Earlier, we were at a disadvantage, as RIL was not covered under government subsidy. Now, there is a level playing field, and petrol at RIL pumps would be sold at the same price as those of PSUs," the spokesperson said.

### **IFC mulls \$50 million debt for IDFC PE clean tech arm**

World Bank's private equity arm International Finance Corporation (IFC) is considering a \$50 million debt funding for Delhi-based Green Infra Limited, a firm promoted by IDFC Private Equity. IDFC Private Equity, which has committed over \$200 million for clean tech, founded Green Infra in 2008 to develop renewable energy projects of all types - wind, solar, hydro and biomass. In the last two years, Green Infra has built an operational capacity of 238 MW spread across Maharashtra, Tamil Nadu, Karnataka, Rajasthan and Gujarat. The company plans to expand its portfolio to 4,000 MW in 4-5 years. It currently has 286 MW worth of projects under development. IDFC Private Equity is a 100% subsidiary of IDFC and presently manages assets of around US\$ 1.3 billion through three infrastructure funds.

### **Mukesh Ambani to meet Montek Singh Ahluwalia on Monday over oil and gas exploration projects**

RIL Chairman Mukesh Ambani is scheduled to meet Planning Commission Deputy Chairman Montek Singh Ahluwalia on Monday. "Reliance Industries (RIL) Chairman and Managing Director Mukesh Ambani will meet Planning Commission Deputy Chairman Montek Singh Ahluwalia in the morning on Monday," an official told PTI. The meeting comes at a time when RIL is facing hurdles in getting clearances for its oil and gas exploration projects. Also, it is facing resistance for approval of its gas price. RIL is also seen as a bidder in the forthcoming auction of telecom spectrum.

**Hindalco Industries planning to raise Rs 9,000 crore for Odisha greenfield project**

Hindalco Industries, AdityaBirla Group's flagship firm, is on an aggressive drive to raise funds for its biggest greenfield project in Odisha. The country's largest non-ferrous metals producer plans to tap about Rs 9,000 crore for the project, which is being re-configured mirroring the ambitions of its peer, Anil Agarwal's Vedanta Aluminium. "We are planning to raise up to Rs 9,000 crore for the Odisha project, but are yet to decide on the route, whether it will be a bank term borrowing or any other instrument," said one of the company officials directly involved in the exercise. Hindalco senior executives are scheduled to announce their plans at an investor meet scheduled later this week.

**Government plans to ease FDI in aviation, to introduce new law to facilitate investment flows**

The government is readying to bring in a new overarching law that will help ease investment flows into India's ailing civil aviation sector, while protecting interests of passengers and ensuring safety. The New Civil Aviation Act of 2012 will replace the Aircraft Act of 1934, which does not cover critical issues such as viability and security, and has been severely criticised in safety audits conducted by global aviation bodies. At a time when the ruling Congress party is seeking the support of its coalition partners to allow foreign airlines to invest in domestic carriers, the government also wants to ensure that prospective investors are not put off by the archaic law that has undergone numerous incremental amendments over the past 78 years.

**Digicable moves TDSAT against TRAI's revenue sharing model**

Digicable, one of the leading multi-system operators (MSO) in the country, has approached broadcast tribunal TDSAT opposing the regulator TRAI's new revenue sharing mechanism under the proposed digitalisation of the cable industry.

In its petition, Digicable has termed the new proposed tariff sharing mechanism as "unjust, unfair, unreasonable, arbitrary, irrational, discriminatory" and tilted towards the broadcasters and has requested the tribunal to strike down the revenue model.

Trai in its order on digitalisation had said that the subscription of paid channels or bouquet of paid channels shall be shared in the ratio of 65:35 between MSO and the local/area cable operator (LCOs) respectively.

**Future Group to exit stationery JV with Staples, sell for Rs. 170 cr**

Future Group is understood to have finalised plans to exit from stationery joint venture with US-based Staples by selling its entire stake to the partner for up to Rs. 170 crore. According to sources close to the development, Future Group and Staples Asia Investment have reached at an understanding and an announcement is likely to be made in about one month. "Future Group has decided to exit the joint venture with Staples. The foreign firm will buyout the Indian partner's entire stake for Rs. 150-170 crore," a source said. The group's retail holding firm Pantaloon Retail India holds 39.5% stake in the JV -- Staples Future Office Products (SFOP).

**ICICI Bank sells its entire debt exposure in KFA**

ICICI Bank likely to have sold its debt to SREI

ICICI Bank spokesperson

Have recovered the entire debt exposure of Rs 430 cr

Currently does not have any debt exposure to the airline.

## **AUTO SALES DATA (JUNE 2012): -**

Tata Motors total sales down 3% at 64,341 units (YoY)

TVS total sales at 1.65 lakh units vs 1.82 lakh units (YoY)

M&M total sales up 16% at 41,322 units (YoY)

M&M passenger vehicles sales up 23% at 19,792 units (YoY)

Toyota Kirloskar total sales up 22% at 14,700 units (YoY)

## **GLOBAL MARKET: -**

At 7: 49 am (IST), Asian markets were trading firm. China's Shanghai Composite was flat at 2,224.40.

Japan's Nikkei rose 0.32% or 28.48 points at 9,035.26.

Singapore's Straits Times was up 0.67% or 19.22 points at 2,897.67.

South Korea's Seoul Composite was up 0.15% or 2.86 points at 1,856.87.

Taiwan's Taiwan Weighted was up 0.56% or 40.65 points at 7,336.93.

Hong Kong's Hang Seng shut today.

**Sunteck Wealthmax Capital Pvt. Ltd.**

5th Floor, Sunteck Centre, 37-40, Subhash Road, Vile Parle (E), Mumbai:- 400057, India  
Tel: (91-22)26267800 Fax: (91-22) 26267876 [www.satgurucap.com](http://www.satgurucap.com)

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