



## Equity Market Overview

3<sup>RD</sup> September 2010 5:30pm, Indian Standard Time (GMT+5:30 hrs.)

Market Scan					3 <sup>RD</sup> sept, 2010				
<b>Benchmark Indices</b>					<b>Nifty Top Gainers</b>				
	Current	Δ%	High	Low		LTP	Δ%	High	Low
SENSEX	18,217.26	-0.12	18,316.3	18,207.9	UNITECH	81.3	3.3	81.7	79.05
NIFTY	5,474.20	-0.21	5,510.40	5,473.65	HEROHONDA	1735.1	2.32	1747.8	1701
BSE-500	7,436.85	0.18	7,458.90	7,427.77	RANBAXY	513.8	1.94	515	502.05
MIDCAP	7,857.16	0.94	7,878.37	7,801.49	RELINFRA	1035.2	1.92	1038	1012.8
SMLCAP	9,906.96	0.88	9,930.93	9,847.37	BHARTIARTL	340.45	1.9	341.4	335
<b>Advance/Decline BSE Cash</b>					<b>Nifty Top Losers</b>				
	Advance (%)	Decline (%)				LTP	Δ%	High	Low
AUTO	8,967.81	0.87	8,987.73	8,931.66	SUZLON	50.15	-2.24	51.95	48.3
BANKEX	12,462.3	0.11	12,514.4	12,411.0	JINDALSTEL	687.5	-1.59	701	686.1
PSU	9,804.26	0.33	9,848.14	9,785.95	JPASSOCIAT	113.05	-1.40	116	112.5
IT	5,459.11	0.23	5,518.09	5,452.27	HINDALCO	171.4	-1.30	174.7	171.15
					BPCL	769	-1.28	782.9	766
<b>FII/MF Activity (Net Inflow in Rs. Cr)</b>					<b>Currency Derivative</b>				
					<b>Contract</b>				
					LTP				
					Vol.				
					Open Int.				
					USDINR 280810				
					USDINR 280910				
					<b>Commodity Market</b>				
					<b>Commodity</b>				
					Gold (USD/t oz)				
					Silver (USD/t oz)				
					Crude (USD/Bbl)				
					<b>Debt/Forex</b>				
					Rs/USD				
					10 Yr G sec Yield				

### CORPORATE NEWS

- CPCL (CMP-239.90); lines up Rs 7,000-cr projects** Chennai Petroleum Corporation Ltd (CPCL) plans to build a 20-inch interconnecting crude oil pipeline between Karaikal port and its Chidambaranar oil jetty. Indian Oil Corporation, the holding company of CPCL, has been engaged as EPCM (engineering, procurement, construction management) contractor for executing the project, which is expected to be completed by March 2011. This is part of several projects currently on or are to be taken up this year with a total investment of Rs 7,763.69 crore, according to the company's annual report. The ongoing projects include a Rs 2,615.69-crore auto-fuel quality up gradation project, which was taken up to meet the revised specifications of motor spirit (MS) and high-speed diesel (HSD). This project includes a diesel hydro-treating unit, NHT/ISOM unit, utilities and off sites and hydrogen generation unit. The construction of these units is in advanced stages. Among the oil PSU's projects for this year is the replacement of the pipeline which connects its Manali refinery with Chennai port with an investment of Rs 65 crore.
- Cipla (CMP-308.45); to buy 25% in S Africa unit-** Cipla, the largest player in the domestic drug market, could play white knight for Cipla Medpro, South Africa's third-largest drug maker and a key ally of the Indian company. Cipla is looking to acquire around 25 per cent in the manufacturing division of Cipla Medpro, where it does not hold any stake at present. The deal size could not be ascertained, but it will be the first overseas acquisition by 75-year-old Cipla in any pharmaceutical company. Recently, it acquired a 25 per cent stake in a Hong Kong-based biotech company with manufacturing units in Shanghai.



## ECONOMIC NEWS

- Productivity and Costs**-Due to the slowdown in output and businesses already having cut labor costs to the bone, productivity fell notably in the second quarter. Nonfarm business productivity declined an annualized 1.8 percent in the second quarter after a 3.9 percent advance in the prior quarter. The market had forecast a 1.9 percent dip in productivity. Unit labor costs rebounded an annualized 1.1 percent in the second quarter, following a drop of 4.6 percent in the first quarter. The median forecast was for a 1.2 percent boost in labor costs. The drop in productivity reflected in part a slower 1.6 gain in nonfarm business output after a 5.0 percent jump in the first quarter. Also, hours worked jumped to a 3.5 percent pace from 1.1 percent in the first quarter. Year-on-year, productivity was up 3.7 percent in the second quarter-down from 6.3 percent in the previous quarter. Year-ago unit labor slipped to an annualized minus 2.8 percent from minus 2.9 percent in the first quarter. While the latest productivity report is not as favorable for profits as the recent string of gains, the good news is that companies may have pressure to start hiring. Any notable and apparently sustainable boost in company demand should result in additions to payrolls. Economic uncertainty, of course, will dampen hiring enthusiasm. Today's numbers are close to expectations.
- Jobless Claims**-Initial jobless claims may be edging down, at least they have the past couple of weeks. Initial claims for the August 28 week came in at 472,000 compared with a revised 478,000 in the prior week and the 2010 peak of 504,000 the week before that. The four-week average fell 2,500 to 485,500 yet is still about 25,000 higher than a Continuing claims fell 23,000 to 4.456 million in data for the August 21 week. Here the four-week average, at 4.485 million and down more than 100,000 from a month ago, probably offers a positive indication for tomorrow's report. Note that a month ago, which is not a positive indication for tomorrow's employment report. Decline in continuing claims reflects both hiring but unfortunately also reflects the expiration of benefits. The unemployment rate for insured employees is unchanged at 3.5 percent. There are no special factors in today's report, a report that probably won't affect expectations for tomorrow's data. The job sector is flat at best, a description that likewise fits consumer spirits and consumer spending.

## GLOBAL MARKET

### Global Indices

	Date	Close	Δ%
Dow Jones	2SEPT	10320.10	0.49
NASDAQ	2SEPT	2200.01	1.06
FTSE	3SEPT	5384.52	0.25
Hang seng	3SEPT	20971.50	0.49
Nikkei	3SEPT	9114.13	0.57

**Wheat Advances as Russia Extends Export Ban, FAO Calls Meeting**- Wheat climbed after Russia, the third-largest grower last year, extended a ban on exports into next year after a drought destroyed crops, tightening global supplies. The United Nations' Food and Agriculture Organization called a special meeting to address the global grains situation. The December-delivery contract gained as much as 1.4 percent to \$7.2375 a bushel in Chicago, after surging as much as 2 percent yesterday when Prime Minister Vladimir Putin announced the extension. Russia accounted for 14 percent of the global exports of wheat, flour and related products in the year to June 30.

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