

Indices	22-Feb	21-Feb	% Chg.
SENSEX	18,145	18,429	-1.54%
S&P CNX NIFTY	5,505	5,607	-1.82%
MIDCAP	6,376	6,604	-3.46%
SMLCAP	6,969	7,202	-3.24%

BSE Sectoral Indices			
REALTY	2,023	2,170	-6.77%
CD	6,528	6,866	-4.93%
OIL&GAS	8,773	8,842	-0.78%
POWER	2,297	2,386	-3.75%
CG	10,940	11,204	-2.35%
BANKEX	12,349	12,839	-3.82%
PSU	7,753	7,969	-2.71%
METAL	12,115	12,658	-4.29%
TECK	3,680	3,703	-0.62%
FMCG	4,144	4,168	-0.58%
AUTO	10,171	10,330	-1.55%
HC	6,328	6,379	-0.80%
IT	6,285	6,257	0.45%

Major Indices	22-Feb	21-Feb	% Chg.
FTSE 100 Index	5,917	5,928	-0.20%
Dow Jones Industrial Aver	12,939	12,966	-0.21%
CAC 40 Index	3,447	3,465	-0.52%
Nasdaq Composite Index	2,933	2,949	-0.52%
DAX Index	6,844	6,908	-0.93%

Major Asian Indices	22-Feb	21-Feb	% Chg.
Taiwan SE Weighted Inde:	8002	7922	1.01%
Nikkei Stock Average 225	9554	9463	0.96%
Shanghai Composite Inde:	2404	2381	0.93%
Hang Seng Index	21549	21479	0.33%
KOSPI Index	2029	2024	0.22%

Commodities (MCX)	22-Feb	21-Feb	% Chg.
Aluminium (29 Feb)	110	109	1.42%
Copper (29 Feb)	417	416	0.36%
Crude Oil (19 Mar)	5,243	5,219	0.46%
Gold (5 Apr)	28,646	28,380	0.94%
Silver(5 Mar)	57,257	57,157	0.17%

FII's & DII's in equity				Rs.Crs		
22-Feb	Buy	Sell	Net			
FII' Investments	4033	3204	830			
DII's Investments	1215	2548	-1333			
<i>FII's contribution to the total turnover</i>				32%		
<i>DII's contribution to the total turnover</i>				17%		

FII's in Derivatives					Rs.Crs	
22-Feb	Index Fut	Index Opt	Stock Fut	Stock Opt		
Net	-347	644	-696	-12		
OI	22165	51404	32720	1772		
<i>Chg.OI</i>	3611	1340	-1552	-108		
<i>FII's contribution to the total Derivatives turnover</i>					32%	

Forex				22-Feb			21-Feb			% Chg.		
Rs/\$	49.23	49.31	-0.16%									
Rs/Euro	65.17	65.20	-0.05%									
Rs/Yen (100 Yen)	61.33	61.93	-0.97%									

Top Gainers CNX Nifty				
Company	LTP	Chg	% Chg	
SUNPHARMA	549	6	1.1	
ITC	209	2	0.8	
TCS	1246	9	0.7	
ONGC	293	1	0.3	
INFY	2945	7	0.2	

Top Losers CNX Nifty				
Company	LTP	Chg	% Chg	
RCOM	97	-10	-9.5	
SBIN	2253	-200	-8.1	
DLF	240	-18	-7.0	
STER	120	-8	-6.5	
AXISBANK	1208	-80	-6.2	

Top Gainers BSE 100				
Company	LTP	Chg	% Chg	
BPCL	625	12	1.9	
Essar Oil	69	1	1.5	
TCS	1252	18	1.5	
Indian Oil Corp	276	4	1.3	
Sun Pharma	549	7	1.2	

Top Losers BSE 100				
Company	LTP	Chg	% Chg	
United Spirits	571	-95	-14.3	
GMR Infra	29	-4	-11.5	
REC	217	-24	-10.0	
ADANI POWER	83	-8	-9.2	
Reliance Comm	98	-9	-8.7	

Top Gainers BSE Midcap				
Company	LTP	Chg	% Chg	
Tata Comm	254	16	6.7	
Shree Global Trd	167	8	4.8	
Responsive Inds	103	4	4.2	
IPCA Lab	330	11	3.5	
Hindusthan Nat-\$	190	6	3.5	

Top Losers BSE Midcap				
Company	LTP	Chg	% Chg	
Lanco Infra	20	-4	-16.8	
VIP Inds-\$	111	-14	-11.2	
IRB Infra	186	-23	-10.8	
Voltas	103	-12	-10.5	
GVK Power	18	-2	-10.4	

Top Gainers BSE Smallcap				
Company	LTP	Chg	% Chg	
Intellivave Cap	108	5	5.0	
PFL Infotech	39	2	4.9	
Neha Intl	41	2	4.9	
Eveready Inds	29	1	4.5	
KGN Inds	27	1	4.4	

Top Losers BSE Smallcap				
Company	LTP	Chg	% Chg	
Deccan Chron	48	-5	-10.1	
3I Infotech	19	-2	-9.9	
United Brew Hldg	85	-9	-9.7	
Mercator-\$	30	-3	-9.7	
Jindal South	896	-95	-9.6	

## Domestic Market View

### Markets likely to get a soft-to-cautious start on F&O expiry day

The Indian markets witnessed sharp correction in last session after a series of good show; traders opted to book profit on concerns of global economic recovery. The rate sensitives' were the main culprit, dragging the markets lower by over one and half a percent. Today is the expiry of February F&O series and more volatility is expected, the start is likely to be soft but some recovery too can be expected in first part of the trade. Markets are likely to be jittered with one of the Deputy Governors of RBI stating that the apex bank does not expect the economic growth to have a spectacular turnaround next fiscal. He also pointed out that the country's current account deficit has to be brought down, and "we have to find ways to use gold more efficiently". Meanwhile in a positive development,

Finance Minister Pranab Mukherjee has said that India will soon roll out an IT platform to integrate central and state indirect taxes regime. An IT network called GSTN is being created to ensure integration of the tax systems of the centre and the states. There will be lots of scrip specific actions to keep the markets buzzing, South Africa-based Econet Wireless is seeking at least \$3.1 billion in damages from Bharti Airtel in a dispute over ownership of Airtel Nigeria, while Kingfisher and other cash-strapped airlines will now be allowed to import fuel directly on actual user basis against licences issued by DGFT. All licenses will come with a validity period and will become invalid if an airline is not able to import within the prescribed period.

**Domestic Market Overview**

**Indian benchmarks capitulate as Realty and Metal counters drag**

After the recent sharp rally in Indian stock markets, some sense of weakness finally got trickled in as investors showed genuine signs of profit booking a day ahead of February series futures and options contract expiry. The frontline indices failed to extend the gaining momentum and halted the two session gaining streak after getting butchered by close to a percentage points on extremely large volumes. Sanguine sentiments led to initial upmove in local markets despite weakness across Asia but the psychological 5,600 (Nifty) and 18,400 (Sensex) levels proved as stern resistance levels for the markets to hold. The frontline indices could not hold on to those levels for long and witnessed abrupt selling pressure in mid noon trades as investors chose to take hefty profits off the table after the recent sharp upmove in domestic markets which have skyrocketed over 18 percent in 2012, thanks to hefty buying from foreign funds who pumped in over \$4.4 billion so far this year.

The heavy pounding for the local markets came on a day when Prime Minister's Economic Advisory Council affirmed that Indian economy is expected to grow at 7.1% in FY12, marginally higher than the 6.9% projected by CSO advance estimates, as slight improvement in growth numbers is expected to come from the agriculture and construction sectors. The PMEAC has projected growth to be around 7.5-8% in FY'13 if the global environment turns favorable. The high beta Realty pocket, which skyrocketed in the recent past, got slaughtered in the session by close to seven percent after heavyweights like DLF and HDIL nosedived. The Metal and Banking pockets too were not spared either as they went home with nasty cuts of around four percent. However, information technology counter shrugged the pessimism prevailing across the sectoral space and climbed by around half a percent, thanks to the gains in bellwethers like TCS and Infosys.

**Global Market Overview**

**Asian markets snap Wednesday's session on a mixed note**

Asian stock markets snapped Wednesday's trading session on a mixed note with the Chinese markets surging around a percent after reports showed that China manufacturing activity improved from 48.8 in January to 49.7 in February. However, the number was still below the 50-level that signifies expansion, indicating that the Chinese central bank will have to employ policy measures to spur growth. The benchmark in Japan too went home with gains of around a percent led by energy shares after international crude oil prices rallied near their nine month high levels while the depreciation in yen spurred buying interests in export oriented stocks.

**US market closed lower on weak economic data and European concern**

The US markets closed lower on Wednesday, weaker-than-estimated economic data from China and Europe and domestic home sales in January that even though rose at the fastest pace since May 2010 but remained lower than anticipated. The National Association of Realtors reported existing-home sales rose 4.3% in January to a seasonally adjusted annual rate of 4.57 million. Meanwhile, the President Barack Obama's administration took aim at so-called corporate tax havens in a broad proposed overhaul that would lower the tax rate for companies and encourage job creation in the United States. Treasury Secretary Timothy Geithner expressed disdain for the current business tax system, calling it uncompetitive, unfair and inefficient and stating that it's riddled with special favors. The Obama administration proposed cutting the US corporate rate to 28% from 35% while eliminating dozens of tax breaks. Also, the newly formed Consumer Financial Protection Bureau began an inquiry into overdraft fees, a multibillion-dollar business for US financial institutions.

The European services and manufacturing output shrank in February, according to Markit Economics. Investors were cautious on speculation that whether Greece will be able to fulfill the conditions set by its lenders. Eurozone finance ministers agreed a €130bn rescue plan for Greece to avert a messy default, including a bond swap to shave €100bn off Greece's debt burden.

The Dow Jones Average closed lower by 27 points, or 0.21 percent, at 12,939. The S&P 500 lost 4.55 points, or 0.33 percent, at 1,358, while the Nasdaq was down by 15 points, or 0.52 percent, at 2,933.



**Index Futures**

(OI in '000 Shares)	Future	Chg	Spot	Chg	Prem /	Total Open Interest	
	22-Feb	(%)	22-Feb	(%)	Disc	22-Feb	Chg (%)
NIFTY	5518	-1.85	5505	-1.82	13	37567	18.9
CNXIT	6738	0.33	6719	0.22	20	15	0.3
BANKNIFTY	10772	-3.84	10747	-3.79	25	1724	-6.9

**Increasing OI, Increasing Delivery Qty & Increasing Price in Stock Futures (Open Interest in '000 Shares)**

Symbol	Total OI		Del Qty Cash Market		Prev % Del.	Increase Del Qty	Spot (Rs.)	Fut (Rs.)	Spot Chg (%)	Fut Chg (%)	Prem / Disc	Events
	22-Feb	% Chg.	22-Feb	% Del.								
ESSAROIL	13988	36%	3,615,571	16%	17%	1,886,589	69	70	1.4%	1.2%	0.4	
BPCL	1280	14%	1,126,364	60%	61%	732,673	624	623	1.6%	1.3%	-0.5	
HINDPETRO	5318	12%	962,689	39%	47%	647,833	288	289	0.2%	0.2%	0.9	
INFY	3939	10%	810,216	56%	58%	333,567	2952	2961	0.5%	0.7%	8.8	
TCS	5257	8%	980,136	55%	54%	251,049	1252	1256	1.2%	1.2%	3.2	
TATACOMM	3026	1%	635,754	13%	51%	494,588	254	254	6.4%	5.9%	-0.3	

**Increasing OI, Increasing Delivery Qty & Decreasing Price, (Open Interest in '000 Shares)**

Symbol	Total OI		Del Qty Cash Market		Prev % Del.	Increase in Del Qty	Spot (Rs.)	Fut (Rs.)	Spot Chg (%)	Fut Chg (%)	Prem / Disc	Events
	22-Feb	% Chg.	22-Feb	% Del.								
ADANI PORTS	8392	26%	742,978	32%	#DIV/0!	742,978	144	144	-5.8%	-6.1%	0.5	
MCDOWELL-N	2810	21%	2,748,185	30%	27%	2,290,736	574	573	-13.6%	-14.2%	-0.8	
STER	30626	16%	17,578,579	57%	42%	9,260,898	120	120	-6.8%	-6.7%	0.7	
GSPL	7612	14%	3,717,696	60%	66%	808,090	76	76	-6.2%	-6.6%	0.1	
RECLTD	4476	14%	2,489,658	43%	62%	268,843	218	218	-9.9%	-10.0%	0.6	
GAIL	4029	14%	911,213	66%	62%	54,840	375	376	-1.5%	-1.7%	0.8	
BANKBARODA	4645	13%	486,218	56%	42%	332,568	818	821	-5.8%	-5.9%	3.8	
ACC	1197	12%	754,996	81%	78%	263,100	1325	1329	-3.3%	-3.2%	4.2	
GRASIM	534	11%	41,378	46%	46%	5,331	2791	2800	-2.0%	-2.3%	8.9	
DCB	10424	10%	1,766,439	34%	26%	747,586	46	46	-8.3%	-8.9%	0.0	

**Open Interest Break-up**

(Rs. in Cr.)	22-Feb	21-Feb	Change in OI	% Chg
INDEX FUTURES	23,804	21,095	2,709	12.84
INDEX OPTIONS	87,403	85,183	2,220	2.61
TOTAL INDEX	111,206	106,278	4,928	4.64
STOCK FUTURES	36,624	37,812	-1,188	-3.14
STOCK OPTIONS	10,264	10,242	21	0.21
TOTAL STOCKS	46,888	48,054	-1,166	-2.43
GRAND TOTAL	158,094	154,332	3,762	2.44
FII's	108,060	104,768	3,291	3.14
Others	50,035	49,564	470	0.95

## Corporate News

- **IL&FS Investment Managers**, the private equity investment unit of IL&FS, is reportedly in talks to buy out Hershey Company's 51% stake in its Indian joint venture with Godrej Group. The joint venture, which is likely to be valued around Rs 550 - Rs 600 crore, is likely to fall apart due to differences between the two partners over business strategy.
- The government-owned **State Bank of India (SBI)** has reportedly extended a relief package amounting to Rs 1,500 crore to the cash struck Kingfisher Airlines, in a move that amounts to throwing good money after bad. Post this arrangement, SBI's exposure to Kingfisher Airlines now adds up to Rs 3,100 crore, which includes Rs 1,457 crore, Rs 182 crore of equity and Rs 1,500 crore of fresh bailout.
- **Essar Shipping** has inducted into its fleet the second minicape MV 'ARUN', a bulk carrier of 105,000 dead weight tonnage (DWT). It is the second vessel in a series of six sisters that the company will be adding to its fleet.
- **Indian Overseas Bank (IOB)** will be receiving capital infusion aggregating to the worth of Rs 1977.63 crore from Government of India (GOI) and Life Insurance Company (LIC), out of which the former will infuse capital to the tune of Rs 1,675 crore and the later would infuse Rs 302.63 crore respectively. The bank against this capital infusion will be issuing equity shares up to 1712,32,876 equity shares to GOI and 3,09,37,467 equity shares to LIC, at fixed price of Rs 97.82 per equity share (including premium of Rs 87.82).
- **Jubilant Life Sciences'** subsidiary Jubilant HollisterStier's Contract Manufacturing & Services division has recently secured contracts with four innovator life science companies for the commercial manufacturing of sterile parenteral products for sale in the United States and Europe.
- **TT**, cotton textiles manufacturer and exporter is likely to increase domestic sales of branded knitwear and casual wear during the next two years. Currently company's exports of yarn and fabric account for 65-70% of the company's top-line.
- **Reliance Communications (RCOM)**, India's biggest mobile phone carrier is likely to acquire network equipment worth \$600 million from Huawei and ZTE as these two Chinese vendors assisted the telecom operator to secure loan from various Chinese banks. Earlier, RCom had announced an agreement with Export Import Bank of China, China Development Bank and Industrial and Commercial Bank of China for a loan of \$1.18 billion.
- **Tata Motors** is planning to launch 230 showrooms for its cheapest Nano car in the next 12 months. At present, the company has 120 exclusive Nano showrooms.
- **Dewan Housing Finance Corporation** has sold 0.58% stake in Dhanlaxmi Bank on February 21, 2012 at the NSE. It sold 0.49 million shares of the bank at an average price of Rs 65.01 a share amounting to Rs 3.21 crore.
- **Mahindra & Mahindra (M&M)**, India's leading SUV manufacturer is planning to assemble its products in Russia through the distributor of its South Korean subsidiary SsangYong in the next two years. The company is in discussion with the Russian distributor of SsangYong on assembling products there. The discussion is in initial stage as it is deciding on what products to be assembled.
- **Jubilant Life Sciences'** subsidiary - Jubilant Biosys has entered into drug discovery collaboration with Mnemosyne Pharmaceutical Inc, Providence, Rhode Island that will seek to identify preclinical candidates in the area of neuropsychiatric diseases. The collaboration will focus on developing subunit selective NMDA receptor modulators (SNRMs) that Mnemosyne has identified. The alliance shall initially span a period of 2 years and may be extended on mutual consent across other therapeutic programs as well.
- **UCO Bank** is likely to issue 3.13 crore equity shares to Life Insurance Corporation of India (LIC) on preferential basis. The board of directors of the bank has decided to issue these shares at a price as determined in accordance with Securities Exchange Board of India (ICDR) Regulations 2009 at a meeting in Kolkata.
- State-run, **Rural Electrification Corp (REC)** has received the Finance Ministry's approval to raise Rs 3,000 crore through issue of tax-free bonds this fiscal. The company has been authorized to issue, through a public issue, during the financial year 2011-12, tax-free, secured, redeemable, non-convertible bonds of Rs 1,000 each, aggregating to Rs 3,000 crore.
- **Panacea Biotec**, India's leading vaccine manufacturer has launched Polprotec, an enhanced potency, inactivated poliovirus vaccine in Nigeria in collaboration with Emzor Pharma, Nigeria.
- State-owned, **Bank of India (BoI)** is planning to raise Rs 2,776.20 crore. In this regard, the bank will issue 70 million fresh equity shares on preferential basis to the government of India and Life Insurance Corporation of India (LIC). The bank also got its board approval for the same.

- **Sasken Communication Technologies** a leading global embedded communications solutions company, has become a member of the Network Intelligence Alliance (NI Alliance), a new industry organization created for collaboration among the Network Economy's technology providers. Participation in the NI Alliance will help Sasken to build market innovative solutions for customers seeking to improve revenue streams through better Customer Experience Management.
- **Reliance Industries (RIL)** and SIBUR, Russia and Eastern Europe's largest petrochemical company, have agreed to form a joint venture (JV) named Reliance Sibur Elastomers to produce 100,000 tons of butyl rubber per year in Jamnagar, India. The JV will be the first manufacturer of butyl rubber in India and the fourth largest supplier of butyl rubber in the world.
- **HCL Technologies**, a leading global IT services provider, has won the ICD 10 transformation deal with Blue Shield of California whereby Blue Shield will leverage HCL's iCRM web based tool to complete its ICD 10 remediation to meet the compliance deadline of October 2013.
- **Redington India's** overseas arm - Redington International Mauritius (RIML), has completed acquisition of balance 216,965 shares constituting 14.50% of its subsidiary Redington International Holdings (RIHL) from Investcorp. With the purchase of shares, RIML holding in RIHL has been increased to 95.46% from 80.96%.
- **Shipping Corporation of India (SCI)** has given physical delivery of its one handymax bulk carrier m.v. 'Murshidabad' to its buyer. Recently, the company had signed the shipbuilding contract for acquisition of 6 nos. 80 Ton Bollard Pull Anchor Handling, Towing and Supply Vessels (AHTSVs), with ABG Shipyard.

## Economy

- **Economy to grow 7.5-8% in FY'13, if global cues turn favourable: PMEAC**

Indian economy is expected to grow at 7.1% in FY'12, marginally higher than the 6.9% projected by Central Statistical Organisation's (CSO) advance estimates, as per the Prime Minister's Economic Advisory Council (PMEAC). Further, growth in FY'13 has been projected to be around 7.5-8% if the global environment turns favourable. PMEAC, Chairman, C Rangarajan, while releasing the document 'Review of the Economy 2011-12', has stated that the slight improvement in growth numbers is expected to come from the agriculture and construction sectors, which are expected to perform better as compared to advance estimates.

- **FM reaffirms govt's commitment to bring 51% FDI in multi brand retail**

The Finance Minister, Pranab Mukherjee has reaffirmed his government's commitment to bring in 51% FDI in multi brand retail and has stated that a timeline for the same could be expected in the upcoming budget on March 16. The Minister has further said that his government is committed to the process of reforms is keen to see India on the path of double digit growth.

- **Petrol prices may be hiked; oil minister rules out any future reduction**

Any reduction in petrol prices has been ruled out by the Petroleum and Natural Gas Minister S Jaipal Reddy. The minister stated that it is not possible to reduce prices especially when oil marketing companies are suffering huge losses due to fluctuations in the prices of crude in the international market. The losses are estimated to be around Rs 1.50 lakh crore.

More Details click here

<http://www.lkpsec.com/news/corporate-news.aspx>

**Source:** Reuters, Ace Equity & LKP Research

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