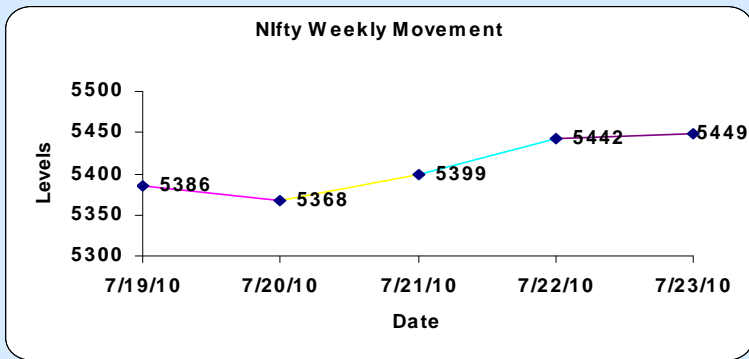




Nifty Movement



Institutional Activities (Rs Cr)

Date	FII	DII
19-Jul-10	153.79	-261.3
20-Jul-10	297.07	-104.26
21-Jul-10	362.44	-302.68
22-Jul-10	174.68	-512.19
23-Jul-10	711.08	-101.56

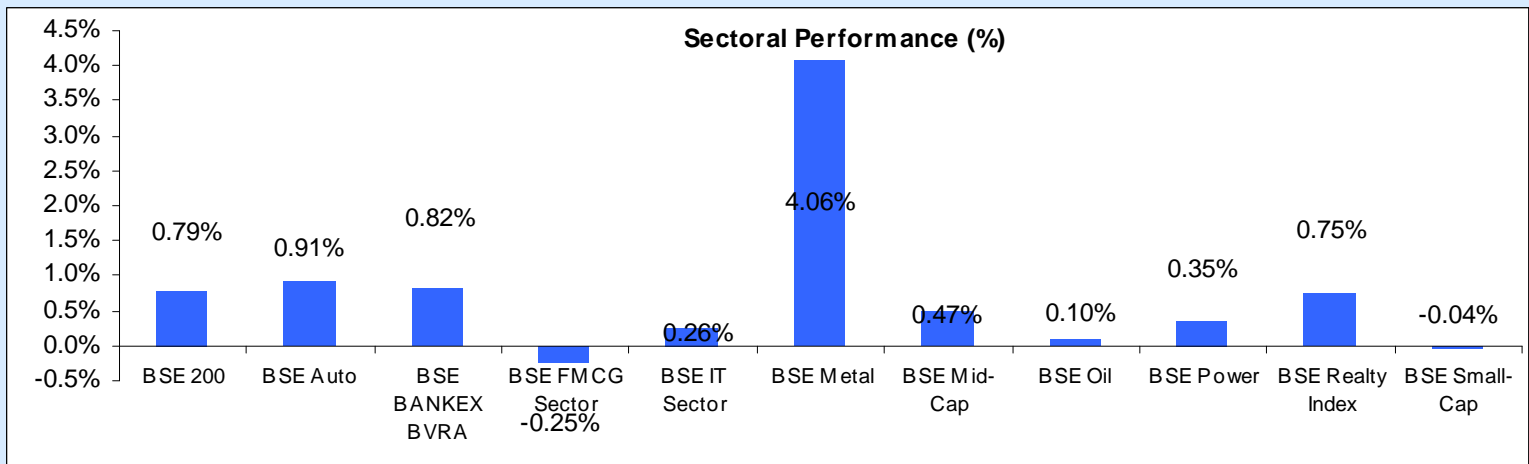
Top Weekly Gainers (NSE)

Gainers (NSE)	Price (Rs)	Change (%)
CENTRAL BK	157.8	10.89
ALSTOM POWER	704.65	10.68
MINERAL&METL	30,012.95	9.60
JSWSL	1,194.65	8.53
UCOBANK	91.1	8.19

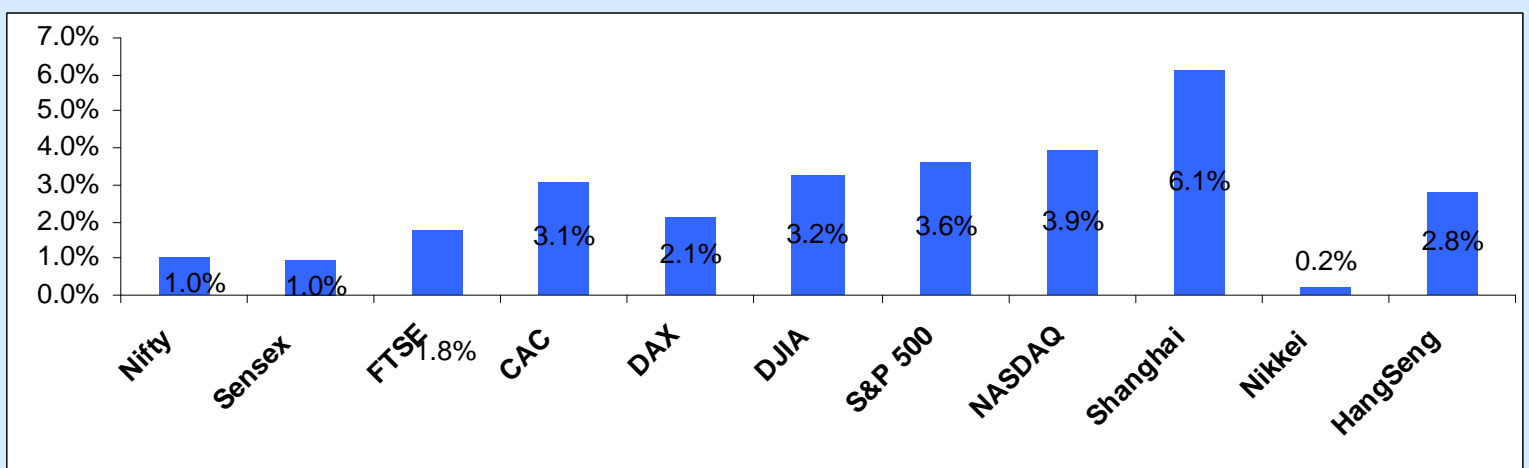
Top Weekly Losers (NSE)

Gainers (NSE)	Price (Rs)	Change (%)
DR.REDDY'S	1,364.90	-7.7
IRB INFRA	260.3	-6.06
GTL LTD.	432.15	-6.03
RENUKA SUGAR	65.85	-5.39
ZEE ENTER	298	-4.85

Sectoral Performance



Global Performance



Market Weekly Review

India's benchmark index, the BSE-Sensex ended the week higher by 1% on the back of positive global sentiments coupled with good set of June quarter numbers from select heavyweights.

Moving on to the sectoral indices in India – Metal stocks led the gains this week with the BSE-Metal Index ending higher by 4% on the back of higher commodity prices. Stocks from the capital goods and the consumer durables spaces also had a good week with BSE-Capital Goods and the BSE-Consumer Durables indices ending higher by about 2% each. Stocks from the pharmaceutical and FMCG spaces recorded losses as the BSE-Healthcare and the BSE-FMCG indices ended lower by 2% and 0.3% respectively. Stocks from the smallcap space remain flat after rising higher by about 2% during the preceding week.

Moving on to key corporate developments during the week, a handful of large companies announced their results for the quarter ended June 2010 this week. We have highlighted some of the key ones below.

Engineering major, BHEL announced its numbers for the quarter ended June 2010 yesterday. The company reported a revenue growth of 16% YoY. However, profits grew at a much quicker pace of 42% YoY. The key reason for the same was a strong operating performance, wherein operating profit grew by 63% YoY.

Prime Minister's Economic Advisory Council C. Rangarajan said fertilizer subsidy bill must come down and diesel prices could be freed once inflation begins to come down.

The Reserve Bank of India (RBI) said that it will allow take-out financing through external commercial borrowing for refinancing of rupee loans availed from domestic banks. Refinancing of domestic rupee loans with external commercial borrowings is not permitted, Reserve Bank of India said.

The key near term event is the Reserve Bank of India's quarterly policy review on Tuesday, 27 July 2010. Analysts expect another 25 basis points rate hike aimed at anchoring inflation expectations. The Reserve Bank of India (RBI) on 2 July 2010, hiked the repo rate by 25 basis points to 5.5% from 5.25%, with immediate effect. It also hiked the reverse repo rate, at which it absorbs excess cash from the banking system, by an equal 25 basis points to 4% from 3.75%. The central bank said the latest rate hike was a part of the calibrated exit from the expansionary monetary policy.

The government data released on 22 July 2010 showed the fuel price index rose 14.27% in the year to 10 July 2010, unchanged when compared to previous week's rise of 14.27%. The food price index climbed 12.47%, lower than previous week's annual rise of 12.81%. The primary articles index was up 16.48%, compared with the previous week's reading of 16.25%.

The inflation rose lower-than-expected 10.55% in June 2010. The rate of increase was higher than May's rise of 10.16%. Inflation for April 2010 was revised upwards to 11.23% from 9.59%.

During the week, there was news of the IMF estimating India to record a growth rate of 9.4% for 2010. This is relatively much higher as compared to the Finance Minister's estimate of 8.5%. On the other hand, the Asian Development Bank (ADB) expects India to grow at a slower pace of 8.2% during the year. The ADB, however, has raised the growth prospects of the Asian economies to 7.9% from 7.5%. Factors that have led the ADB to revise its estimates are better-than-expected results in the first quarter driven by buoyant exports. In addition, strong private demand as well as sustained stimulus policy effects also played their part. All said and done, healthy monsoons this year will be critical for the economic growth to reach above 8%.

On the corporate front, the combined net profit of a total of 339 companies rose 25.5% to Rs 22428 crore on 17.8% rise in sales to Rs 152120 crore in Q1 June 2010 over Q1 June 2009.

The BSE Sensex rose by 175 points or 1% to 18131 in the week ended 24 July 2010. The S&P CNX Nifty rose by 55 points or 1% to 5449 in the week.

International

The past week was a good one for the global markets as the key indices ended the week on a positive note. While interest in Asian stocks increased on the back of higher commodity prices, the US markets also moved up as companies raised profit forecasts.

Ending higher by 6%, Brazil led the pack of gainers this week. It was followed by China and US which ended higher by 6% and 3% respectively. France, UK and Hong Kong followed suit with gains of about 3% each. Japan (up 0.2%) and Singapore (up 0.5%) were amongst the lowest gainers this week.

In Wall Street among the major earning reports expected for the day, UPS bested expectations for the bottom line, and also came out with an increased outlook. Dow components 3M and Caterpillar also reported better-than-expected bottom line results. 3M also issued upside guidance, while Caterpillar raised its forecast so that it is in step with what Wall Street has forecast.

European policy makers said the results of bank stress tests highlight the strength of their financial systems and rejected criticism the probes were too soft as 92 percent of the lenders passed. Seven European banks would not be strong enough to withstand another recession and would face a capital shortfall of 3.5 billion euros (\$4.5 billion), tests run in an attempt to revive investor confidence showed on Friday.

Five of Spain's smaller regional lenders, known as cajas, failed the test and their recapitalization is likely to speed a restructuring of the troubled sector.

Outlook

The results of stress tests on 91 European banks have been announced by the Committee of European Banking Supervisors (CEBS). European stress test organizers have said that 7 out of 91 banks have failed the test. It shows that French Banks are the healthiest banks in Europe. However, parameters chosen in the test are not adequate enough to show clear picture of Europe economy.

Back home, investors will watch for any surprises in central bank's monetary policy review on Tuesday, 27 July 2010. The market has already discounted a 25 basis points rate hike in key short term rates by the Reserve Bank of India.

Volatility may rise as traders roll over positions in the derivatives segment from the near-month July 2010 contracts to August 2010 contracts ahead of the expiry of the near-month July 2010 derivatives contracts on Thursday, 29 July 2010.

Among the key corporate results, Maruti Suzuki India will announce its Q1 result on Saturday, 24 July 2010. Sterlite Industries and NTPC will announce Q1 results on Monday, 26 July 2010. Larsen & Toubro, Reliance Industries and Hindustan Unilever's Q1 results are due on Tuesday 27 July 2010. DLF, Mahindra & Mahindra and Jindal Steel & Power's Q1 results are due on 28 July 2010. Hero Honda Motors and ONGC will be announcing Q1 result on Thursday, 28 July 2010.

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