BUSINESS THIS WEEK - India

Strategies for your Success

11 October 2010

- **Stock Markets:** Despite the investment from the foreign institutions, the stock market declined during the week ending Oct 8'10. The decline was attributed to the lack of trading at the higher level and heavy sell-off on the last day of the week due to poor opening of the European markets. Markets closed with BSE down by 0.95% over the week.
- **FII Activity:** Foreign Institutional investors remained net buyers for the week ended Oct 8'10, investing a total of $1.98B in the week, up by $0.14B compared to previous week. A total of $3.04B have been invested by FII in Oct'10.
- **Inflation:** Food inflation fell 0.20% points to 16.24% during the week ended Sep 25, from 16.44% in the previous week on improved supplies and declining prices of certain vegetables. Food prices are expected to remain sticky for some time, as the demand supply imbalance continues. Although farm output is high when compared to last year, it is much lower from the peak production of the last five years.
- **Crude oil:** Crude oil futures rose as USD weakened and regional equity markets strengthened, with investors betting the Federal Reserve would announce fresh measures to stimulate the U.S. economy at its next meeting. Prices increased 1.3% last week in third consecutive weekly gain, the longest stretch since June. Futures have risen 15% in past year. Crude oil for November delivery closed at $82.67 a barrel.
- **Gold:** Gold climbed to an all-time high of ₹19,900 per 10 grams in the domestic markets influenced by firm global prices. Import of gold zoomed 30% to 34.8 tonne in Sep over the previous month. Demand has gone up on back of the ongoing festive season. In the global markets, gold touched an all-time high of $1,366 an ounce.

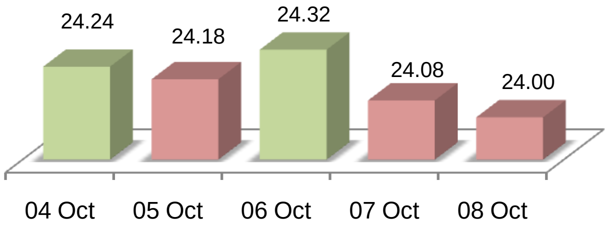
Sectoral Indices in the week

Realty	6.17%	Auto	1.20%
Oil & Gas	1.35%	Metal	1.35%

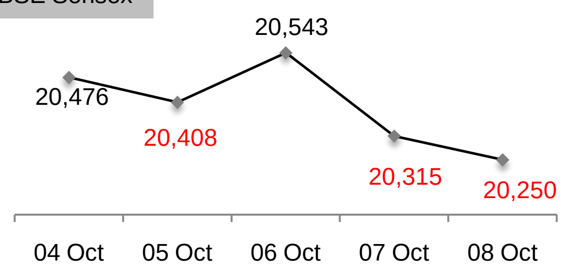
Currency

	USD	EUR	GBP	JPY
10 Oct'10	45.045	62.805	71.926	0.554
Change (%)	(0.75%)	0.31%	0.15%	0.73%

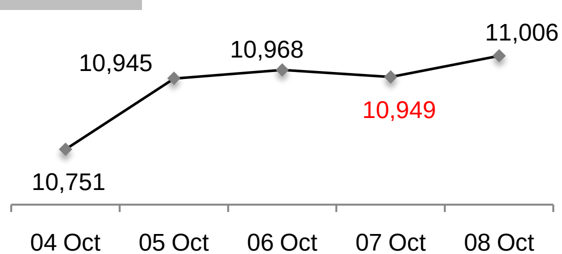
BSE Sensex P/E



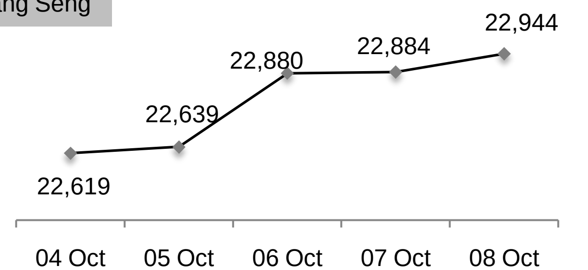
BSE Sensex



Dow Jones



Hang Seng



BSE: 20,250		**DJI**: 11,006		**Nasdaq**: 2,027		**S&P 500**: 1,165		**HSI**: 22,944		**FTSE**: 5,658		**Nikkei**: 9,589	
(195)	(0.95%)	177	1.63%	30	1.52%	19	1.65%	586	2.62%	65	1.16%	185	1.96%

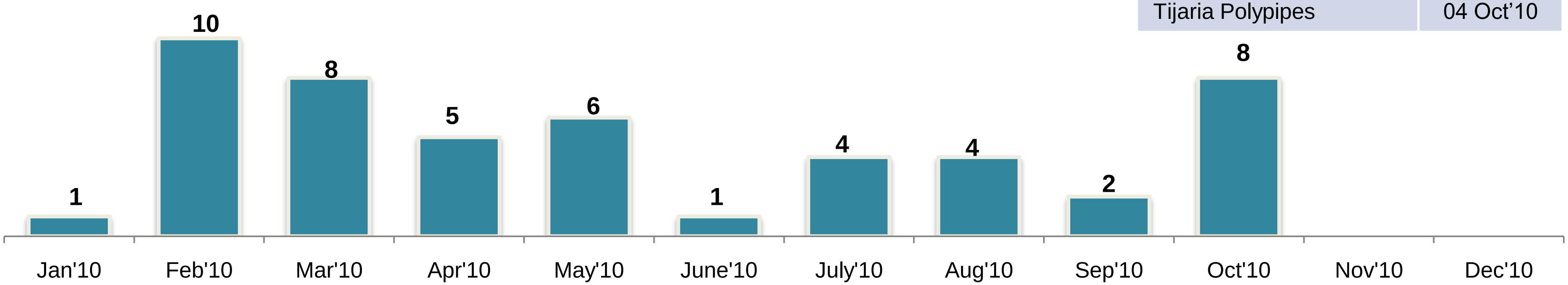
Latest IPO Listings

Listing Date	Company Name	Industry	IPO Price (₹)	Listing Price (₹)	Closing on 08 Oct (₹)	Change on IPO Price
08 Oct'10	Orient Green Power	Energy	55.0	45.70	46.35	16%
08 Oct'10	Ramky Infrastructure	Construction	468.00	450.0	393.50	16%
08 Oct'10	Electrosteel Steels	Steel	11.00	12.35	11.25	2%
08 Oct'10	Career Point Infosystem	Education	310.00	461.0	590.80	91%
06 Oct'10	Eros International	Media	175.00	213.35	187.90	7%
05 Oct'10	Microsec Financial	Finance	118.00	135.10	102.55	13%

DRHPs Filed

Company	Date of Filling
Innoventive Industries	05 Oct'10
Marck Biosciences	05 Oct'10
Nimbus Communication	05 Oct'10
Scotts Garments	05 Oct'10
Sonear Industries	05 Oct'10
Tara Jewels	05 Oct'10
Emaar MGF Land	04 Oct'10
Muthoot Finance	04 Oct'10
Pride Hotels	04 Oct'10
Tara Health Foods	04 Oct'10
Tijaria Polypipes	04 Oct'10

Listings in 2010 till date



CY Q1 March'10 :– 19	CY Q2 June'10 :– 12	CY Q3 September'10 :– 10	CY Q4 December'10 :– 8
CY Q1 March'09 :– 1	CY Q2 June'09 :– 1	CY Q3 Sep'09:– 8	CY Q4 Dec'09:– 7

Buzz of The Week

IPL rocked by major crisis

Indian Premiere League (IPL),one of the most lucrative and successful ventures in world cricket, was rocked by a major crisis after licences of two franchises were revoked by India's cricket board. The two revoked franchises are Rajasthan Royals and Kings XI Punjab. The Board of Control for Cricket in India (BCCI), which also owns the IPL brand, unanimously decided at an emergency meeting to revoke the licences of the two franchises after it obtained legal opinion regarding their alleged breach of agreement relating to ownership rules. The BCCI also warned the new Kochi club to resolve its ownership differences within 10 days or face action.

SKS Microfinance reshuffles top-level; Removes CEO Gurumani

Indian microfinance giant SKS Microfinance Ltd at its meeting which was adjourned and re-convened on Oct 4' 2010, passed a resolution terminating the appointment of Mr. Suresh Gurumani as Managing Director and Chief Executive Officer of the Company and withdrawn all powers and authorities granted to him or otherwise enjoyed by him in the Company as Managing Director and Chief Executive Officer of the Company, with immediate effect. The company has appointed Mr. M. R. Rao, Deputy CEO as the Managing Director & CEO for a period of 3 years with effect from Oct 04' 2010, subject to the completion of necessary statutory and other procedures.

Foreign investors buy into IPOs eyeing listing gains

Foreign institutional investors, often considered to be investing with a long-term perspective, have been offloading shares on listing day in the IPOs of the company. Since August, many companies as Prakash Steelage, Indosolar, Orient Green Power and Microsec Financial Services, saw some heavy offloading by FIIs, according to data on bulk deals furnished by stock exchanges. The FIIs acquired these stocks through IPO allotment is clear from the fact that their names did not figure in the offer document under the shareholding pattern.

Norms for setting up 'green' SEZs getting ready

Ministry of Commerce and Industry is developing guidelines for establishment of 'green' special economic zones (SEZs). Over two lakh hectares (ha) are being developed for industrial and mixed use through the proposed establishment of about 580 SEZs. As of now, 144 SEZs are in operation, with 3,048 industrial units representing a development of about 44,265 ha. 2 SEZs, including the 6,000-acre Sri City SEZ in Andhra Pradesh, about 100 km north of Chennai, have registered with the IGBC to conform to green ratings.

August IIP data below estimates at 5.6% versus 10.6% YoY

After showing a robust growth of 13.8% in July, industrial production for August slipped to 5.6%, amid confusing signals of industrial activity in the economy. August consumer goods production was at 6.9% versus 7.8% MoM. Manufacturing growth was at 5.9%. Industrial output rose 10.4% in the 2009/10 financial year (Apr-Mar), faster than the 2.8% clocked in the previous fiscal year.

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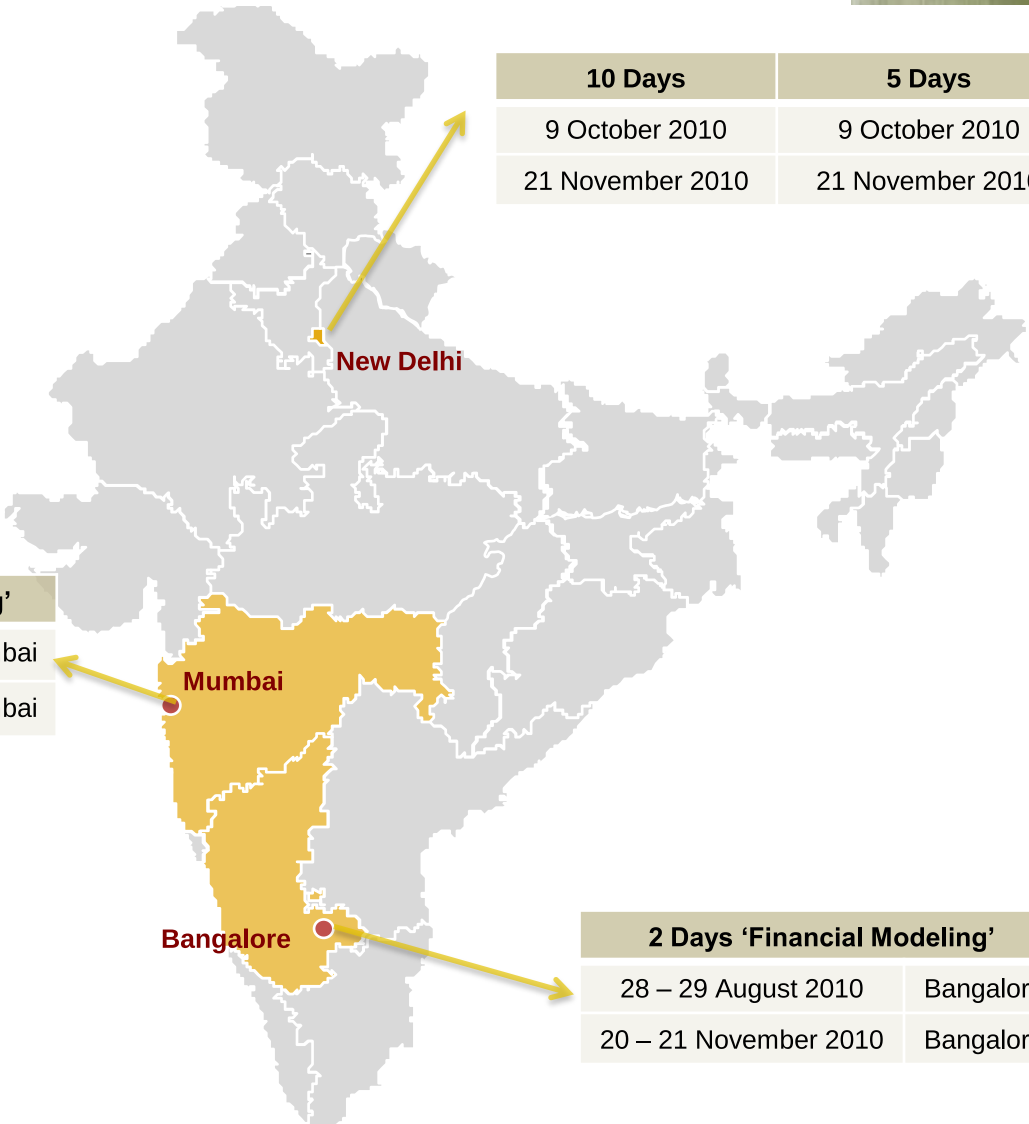

10 Days	5 Days	6 Weeks
9 October 2010	9 October 2010	11 October 2010
21 November 2010	21 November 2010	22 November 2010

2 Days 'Financial Modeling'	
07 – 08 August 2010	Mumbai
23 – 24 October 2010	Mumbai

2 Days 'Financial Modeling'	
28 – 29 August 2010	Bangalore
20 – 21 November 2010	Bangalore

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