

Daily Market Review

1st July, 2011

Indices

BSE SENSEX	18845.87	152.01	0.80%
NIFTY	5647.40	46.95	0.83%
FTSE 100	5945.71	89.76	1.53%
NASDAQ	2773.52	33.03	1.21%
S&P	1320.64	13.23	1.01%
NIKKEI	9876.45	60.36	0.61%
HANG SENG	22398.1	336.92	1.53%

Top Gainers for the Day (BSE 100)

Reliance Comm	3.55%
IVRCL	2.87%
Asian Paints	2.72%
ONGC	2.57%
Gail India	2.04%

Top Losers for the Day (BSE100)

Bharti Airtel	2.29%
Cairn India	1.14%
Maruti Suzuki	0.99%
Idea Cellular	0.88%
HUL	0.86%

Currency Market

\$/Re	44.70	-0.16	0.37%
Euro/Re	64.68	0.20	0.10%

Commodity Market

Crude Oil	\$113.02	3.40	3.10%
Gold	\$1500.59	-12.60	0.83%

FII ACTIVITY

Rs. Crore	Buy	Sell	Net
FII	5361.85	3770.51	1591.34

News Headlines

Sensex gains 0.8%

Markets were up on the back of reviving Greece's austerity plan and an expectation of good monsoon for the season. The broad-based index, Nifty gained 0.83% to 5647 for the session. The index has risen 6.5% in the past five days, bounced back from its 6-months low. The bullion prices lost 0.83% to 1501. Oil prices plunged by 3.1% to \$113.4.

Current account deficit stands at 1.1% of GDP in 4th quarter

India's current account deficit narrowed to 1.1% of gross domestic product (GDP) in the fourth quarter of 2010-2011 from 3.05% of GDP during the same period a year ago, aided by the robust performance of both merchandise and service exports. In absolute terms, the deficit shrunk to \$5.4 billion in Jan-Mar from \$12.8 billion previous year.

IOB to raise lending rates

Public sector lenders, Indian Overseas Bank (IOB) and Corporation Bank raised their base rate by 25 basis points (bps) and 35 bps, respectively to 10.25%. IOB also raised its benchmark prime lending rate by 25 bps to 14.5%.

Cairn-Vedanta deal gets CCEA approval

The Cabinet committee of economic affairs (CCEA) approved Vedanta Resources Plc's proposed acquisition of a majority stake in Cairn India Ltd., with riders to protect the interest of Cairn's state-owned partner, Oil and Natural Gas Corp. Ltd. (ONGC), which may lead to the 10-month deadlock over the deal. The royalty on the Cairn-ONGC oil fields in Rajasthan will be treated as cost recoverable and the ongoing arbitration case on cess will be withdrawn. Vedanta currently holds an 18.5% stake in Cairn India after its subsidiary Sesa Goa Ltd. picked up a 10.4% stake in Cairn India from Malaysia's Petronas International Corp. Ltd. and a further 8.1% through an open offer from other shareholders closed on April 30, 2011.

Air India to spin off

Air India Ltd., state owned airline, plans to spin off its engineering and ground handling units pending government clearance, as a turnaround strategy. The Company wants the government to invest Rs. 1500 crores in each of the new companies created. The move will reduce the number of employees in the Company from 28500 to 7000. Air India has seen its debt balloon and losses swell on account of its incomplete integration and a bloated workforce. The Company has a debt of around Rs.42,570 crores and posted a loss of Rs.22,000 crores as on 31st March, 2011.

Our Team

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