

## Daily Market Review Aug 7, 2009

### Indices

BSE Sensex	15514.0	-390.8	-2.4%
Nifty	4585.5	-108.6	-2.3%
FTSE 100	4690.5	-43.4	+0.9%
NASDAQ	1972.8	-20.0	-1.0%
DJIA	9256.2	-24.7	-0.2%
Nikkei	10388.0	+135.5	+1.3%
Hang Seng	20899.2	+404.4	+1.9%

### Top Gainers for the Day

Roman Tarmat Ltd.	+19.4%
Jindal Photo Limited	+16.5%
TVS Electronics Ltd	+16.3%
Hindustan Oil Exploration Company Ltd	+14.4%
Cinevistaas Limited	+14.1%

### Top Losers for the Day

REI Six Ten Retail Ltd.	-16.5%
Subros Ltd.	-10.7%
Rane Holdings Ltd.	-9.6%
Pratish Nandy Communications Ltd.	-8.8%
India bulls Real Estate Ltd.	-7.9%

### Currency Market

\$/Re	47.59	47.41	+0.4%
US\$/EURO	0.6958	0.6939	+0.3%

### Commodity Market

Crude oil	\$71.8	-0.1	-0.2%
Gold	\$965.7	-0.6	-0.1%

### Net Inflows/Outflows (Rs in Crores)

	Buy	Sell	Net Value
FII	2509.1	2880.5	-371.4
MFs	1524.0	1266.6	257.4

### Debt

	Yield
10 yr bond yield	7.0%
Call Rate	3.2%

### Daily Market review

Markets closed in red, due to heavy selling in the last hour. Sensex lost 390 points and closed at 15514, while Nifty lost 108 points and closed at 4585. BSE Small-cap and Mid-cap lost 2.4% and 1.3% respectively. Indian markets were the biggest losers among Asian markets followed by China down by 2.1%.

All the BSE sector indices finished in red. Auto and Reality were the top losers down by 4.4% and 3.6% respectively.

### News Headlines: Corporate

#### Indian companies to see capex drop 25%

According to the survey of 500 industrial projects covering 11 sectors conducted by Crisil, Indian companies will see 25% drop in planned capital expenditure for the next three years.

The survey said companies will invest Rs.10.05 lakh crore in expansion in the next three years against announced capital spending plans of Rs.13 lakh crore.

It is expected that, investments in sectors like Textiles, metal, Auto and Oil refining will be weak. But investments in power sector may rise to 30-40% over the next three years. investment in Gas transmission and distribution is also expected to double.

#### Maruti royalty fees to parent rises with its sales

Maruti Suzuki is expected to pay a higher royalty fee to its Japanese parent, Suzuki Motor Corporation, for the financial year 2010.

The company's royalty outgo was Rs.672 crore 34% growth over the previous financial year. Percentage to net sales royalty fees were 3.3%, it is expected to rise to 3.6% for the current financial year.

According to company sources, reason for rise in fee is mainly on account of increase in contribution from new royalty paying models like A-Star and the Ritz to the sales mix.

### **BSNL-MTNL merger only after BSNL listing**

According to Media sources, two state-owned entities, Bharat Sanchar Nigam Ltd. (BSNL) and Mahanagar Telephone Nigam Ltd merger will take place only after BSNL listing.

While the merger is on the agenda of government, concrete decision has not been taken yet. The government is also planning to discuss with the employee unions regarding the IPO. A few steps were taken to improve the PSU's profits.

### **L&T to soon have separate railway unit**

Larsen & Turbo is planning to invest Rs.2000 crore this year, with a joint venture of Mitsubishi of Japan to make power equipment.

It is also going to strengthen its railway business by setting up a new entity within the company, to be soon made as separate entity.

According to the management, it has brought down its investment plan at Ennore, near Chennai, where the company is setting up its shipbuilding facility and a port with a cost of Rs.1000 crore and concentrate on defense equipment.

### **Rs.2546 crore subsidy for textile sector**

The government announces a subsidy of Rs.2546 crore under the Technology Upgradation Fund Scheme. According to the Textile minister, the funds will be transferred to financial institutions in 72 hours.

Under this scheme, the government provides 5% subsidy to industries for modernization and installation of new upgraded machinery. This will help mills to meet its working capital requirements.

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