

Daily Market Review 9th January, 2012

Indices

BSE Sensex	15848.80	-18.93	-0.12%
Nifty	4746.90	-7.20	-0.15%
FTSE 100	5649.68	25.42	+0.45%
NASDAQ	2674.22	4.36	+0.16%
DJIA	12359.92	-55.78	-0.45%
Nikkei	8390.35	-98.36	-1.17%
Hang Seng	18,446.00	-147.1	-0.80%

Top Gainers for the Day

DLF	+1.20%
GAIL	+0.60%
Reliance Comm	+0.52%
Maruti Suzuki	+0.51%
Coal India	+0.47%

Top Losers for the Day

Jaiprakash Associates	-2.54%
ICICI Bank	-0.86%
Cipla	-0.78%
Hindalco	-0.67%
Kotak Mahindra	-0.62%

Currency Market

US\$/Re	52.72	-0.26	-0.49%
US\$/EURO	0.7873	0.008	+1.03%

Commodity Market

Crude oil	\$113.04	-0.02	-0.02%
Gold (Rs)	27765	10.00	+0.04%

Net Inflows/Outflows (Rs in Crores)

	Buy	Sell	Net Value
FII	3.65	32.38	-28.63

Debt

	Yield
10 yr bond yield	8.25%
Call Rate	8.50%

News Headlines: Corporate

Sensex ends in red after special trading session

The Indian market ended flat after the special trading session for 90 minutes on Saturday with Sensex closing at 15848.80, down 18 points and Nifty at 4746.90, down 7 points from the previous trading session. Power, IT, Consumer Goods, PSU indices are the gainers while FMCG, Bankex, Auto and Metal indices are the losers. The market breadth was positive with advances at 845 against declines of 338 on the NSE. The large cap stocks did not witness much demand from the investors. However, the mid-cap and the small-cap stocks saw some demand. The retail stocks were the star performers as the government announced its intentions on allowing FDI in multi brand retail. The overall market breadth was positive as 1,570 stocks advanced against 652 declining ones, on the BSE.

A tough week ahead: Uncertainty still looms the Indian market

In a recent conference, the Prime Minister stressed that the economic fundamentals are strong and the GDP is projected to grow at 7% this year. The foreign institutional investors have pumped in Rs 6,500 crore in the first week of this year. This earnings season begins with the declaration of results by Infosys, which is expected to be good on account of depreciating rupee. A recent government initiative that allows qualified foreign investors, including foreign individual investors to directly invest in the Indian market, is expected to bring more overseas funds and also reduce market volatility. The Q3 FY12 results are expected to be muted and in some cases quite disappointing. The RBI review meeting later this month can lead a much awaited interest-rate cut that can significantly alter market sentiments. With also a few state elections round the corner, markets are expected to remain quite volatile for the next few weeks.

Is PPF no longer a safe bet?

Public Provident Fund, the most preferred safe and investment option can no longer guarantee assured returns over the long term as the PPF is now being market linked, meaning you can't predict the annual returns. The annual ceiling on investment in the Public Provident Fund (PPF) scheme has been increased to Rs 1 lakh from

Rs.70,000. Also, the interest rate has been hiked to 8.6 per cent from the present 8 per cent. While a tax free rate of 8.6% spells good news for investors, this rate is applicable only for the current financial year. From here on the rate of interest on PPF shall be aligned with the rate of return on government securities with a spread of 25 basis points. Investors must be aware that the rate of return on PPF is now floating and the applicable rate will be notified in the beginning of each financial year.

DGCA pulls up Indigo, Air India Express for poor safety record

The country's most profitable airline Indigo came under the DGCA scanner for flouting safety norms on a number of occasions. The breaches, some of which are very serious may halt the Airline's expansion plans. The low cost arm of the state owned Air India, Air India Express is also believed to have flouted safety norms. The exercise was primarily carried out by the DGCA to see whether the financial strain was causing the airlines to reduce spending on safety. The report has also indicated serious flaws in other carriers including Jet, Spice Jet and Go Air but the problems in Air India Express and Indigo are considered more serious. The surprising finding of this assessment was there was no safety related lapse of serious nature reported in the case of cash-strapped and most financially troubled airline, Kingfisher Airlines.

Our Team

Mrunmay Das	mrunmay@dascap.com	Ph:91-80-25460501	<i>Mob: 91-9845026333</i>
Arun Thirumalai	arun@dascap.com	Ph:91-80-25460501	<i>Mob: 91-9740077809</i>

Disclaimer

This report is not directed to, or intended to or use by, any person or entity who is a citizen of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Das Capital Management and Advisors Pvt Ltd to any registration or licensing requirements within such jurisdiction. This report is provided for information purposes only. The report is based on information generally available and is deemed reliable but no assurance is given as to its accuracy or completeness. Das Capital Management and Advisors Pvt Ltd is not accountable for any decision based on the contents of this report. Neither the information nor the opinions contained are to be construed as an offer to buy and sell securities mentioned above. This report is not to be relied upon in substitution for the exercise of independent judgment. Investors should judge the suitability of the securities to their needs. Das Capital Management and Advisors Pvt Ltd makes no representation that the preparation or distribution of this report is in compliance with the legal requirements or regulations of any jurisdiction, and it disclaims all liability in case the preparation or distribution of this report is found to be non-compliant with any such legal requirements or regulations. Das Capital Management and Advisors Pvt Ltd may, to the extent permitted by law, act upon or use the information or opinions presented herein, or the research or analysis on which they are based, before the material is published.