

Markets Weekly Roundup 20th June, 2011

Indices	13/06/2011	17/06/2011	%Ch
BSE Sensex	18266.02	17870.53	2.16%
BSE Small Cap	8313.32	8174.49	1.66%
BSE Mid-cap	6917.65	6814.79	1.48%
BSE 500	7156.92	7010.89	2.00%
NIFTY	5469.85	5366.4	1.89%
Nifty Junior	11291.65	11051.25	2.12%
CNX Mid-cap	7992.15	7921.51	0.88%

Markets

During the week, benchmark indices broke their previous lows to fall further. Sensex ended at 17870.53 and Nifty ended at 5366.40 for the week. Sensex lost 2.16% and CNX S&P Nifty shed almost 1.89% on the back of selling pressure from foreign investors and weak sentiments among investors. Central Bank, RBI increased repo and reverse repo by 25 bps. Reliance industries hit 52-week low during the week and lost about 9%.

Sector Indices

Sector Indices	13/06/2011	17/06/2011	%Ch
BSE FMCG	3852.31	3854.65	0.06%
BSE OIL&GAS	9358.14	8974.97	4.09%
BSE IT	6092.40	5818.66	4.50%
PSU	8472.91	8367.89	1.23%
BSE Capital. Goods	13356.61	13178.77	1.33%
BSE Bankexs	12236.82	12091.58	1.18%
BSE Auto	8651.70	8463.99	2.16%
BSE Realty	2137.95	2103.97	1.58%
BSE Health care	6343.86	6294.82	0.77%
BSE Metal	14738.07	14448.61	1.96%
BSE CD	6865.67	6682.33	2.67%

The broader index BSE Small Cap was down by 1.66% and BSE Mid Cap lost 1.48%. At NSE, CNX Midcap witnessed marginal decline of 0.88% and stood at 7921.51, however, Nifty Junior lost 2.12%. On sector basis, BSE IT sector lost the maximum to the tune of 4.5%, on rising concern on Greece debt defaults and slower recovery from US. BSE Oil and Gas followed the IT and was down by 4.09%.

Fixed Income

The wholesale price index stood at 9.06% and consumer price index stayed at 9.10%. RBI revised its LAF rates, Repo at 7.5% and reverse repo at 6.5%. 10 year G-sec yield went up by 4.5bps from 8.23 to 8.275. RBI announced rate of interest on floating rate bonds, applicable for half year from June 21, 2011 to Dec 20, 2011 as 8.23%.

Commodity	13/06/2011	17/06/2011	%Ch
Crude oil	\$119.43	\$113.67	4.8%
Gold	\$1519.86	\$1539.00	1.2%

Gold & Crude Oil

Global commodity showed some easing during the week and so did crude oil. Crude eased by 4.8%, and ended at \$113.67. Gold continued to shine and advanced 1.2% during the week and ended at \$1539.

Weekly Highlights

RBI Monetary Policy Review

Rising inflation and high commodity prices forced RBI to once again harden the policy rates. RBI increased its lending rates to banks by 25 bps to 7.5% in recent monetary policy review on 16 June, 2011.

Reverse repo rate was also raised by 25 bps to 6.5%. It is one of the initiative taken by the Central Bank to tame inflation.

Strike at Maruti Suzuki ended

13 day Strike at Maruti Suzuki's Manesar Plant ended late night on 16 June, which resulted in revenue loss to the tune of Rs.4.2 bn to the Company and production loss of 12000 units.

Corporate Snapshots

Swiss firm to supply 75 trainer jet to IAF

Swiss aviation firm, Pilatus Aircraft Ltd. is poised to enter into their biggest contract ever of supplying 75 trainer jets at a cost of \$1 billion to Indian Air Force.

FDI in retail

Centre is considering allowing 51% FDI in the retail sector with the rider that state governments should grant permission to open store. This could further complicate the entry for big retail hoses like Wal Mart, Metro AG and Carrefour SA that have been waiting to enter into Indian markets.

Our Team

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