

**Indices**

	18/02	% Change			
		1D	1M	3M	6M
Sensex	18048	-0.4	-5.1	-8.4	27.6
Nifty	5277	-0.5	-7.5	-10.7	28.5

**Global Indices**

	Last	% Change			
		1D	1M	3M	6M
DJIA	12348	-0.2	2.1	-6.3	-5.6
NASDAQ	2322	-0.5	-0.8	-12.0	-7.3
FTSE	5947	2.7	0.8	-2.8	-1.9
NIKKEI	13711	0.6	-1.1	-8.9	-10
HK	24183	1.8	-4.0	-11.9	18.6
KOREA 200	218	1.1	-1.0	-9.2	4.4

**Turnover (Rs. Bn)**

	15/02	14/02	% Change		
			1D	1W	1M
Sensex	64.2	57.4	11.8	1.1	-35.8
Nifty	141.7	135.3	4.7	3.8	-26.2

**Currency Movement**

	Last	% Change		
		1D	1M	YTD
INR/USD	39.8	-0.2	-1.2	11.0
USD/EUR	0.7	-0.3	0.1	10.1

**Commodities**

	USD	% Change		
		1D	1M	YTD
OIL WTI (\$/bbl)	95.5	0.0	3.9	-0.5
OIL Brent(\$/bbl)	95.5	0.5	6.8	1.7
Gold (\$/oz)	905.1	0.3	2.5	35.3
Silver (\$/oz)	17.1	-0.1	5.7	15.4
Steel (\$/MT)	700.0	0.0	34.6	40.0
Copper (\$/lbs)	352.5	0.1	9.3	16.3
Alum (cents/lb)	124.8	1.2	14.5	16.6
Lead (\$/mt)	2979	-1.5	12.6	16.8
Tin (\$/mt)	16812	-1.1	4.8	3.3
Nickel (\$/mt)	27405	-1.0	-3.1	4.6
Zinc (\$/mt)	2295.5	-1.6	0.2	-2.8
Indian Basket of Crude Oil(\$/bbl)	92.6	0.1	8.6	1.6

**Net Inflows/ Outflows**

(In Rs. Bn)	13Feb	MTD	YTD
FII's	3.5	31.1	-141.1
Domestic MF	0.07	-7.6	69.2

**FII Derivatives Activity (14/02/08)**

(In Rs. Bn)	Index	Stocks
Net Buying / Selling	25	4.7
Open Position	345.6	275.7
Chg in open int. (DoD)	16.3	19

**Market Overview**
**Yesterday's closing: Flat ending**

The broader markets languished in the red throughout the session yesterday. Despite sporadic attempts of recovery mid-way through the day's proceedings, the indices remained below Friday's closing levels. However, the lack of investor interest was restricted to the frontline stocks. Both the BSE Midcap as well as the BSE Smallcap indices, closed higher by nearly 1%. The overall market breadth was negative with losers outnumbering gainers by a ratio of 2:1 on the Sensex. M&M, ITC (both up 4%) and Hindalco (up 3%) led the pack of gainers on the Sensex yesterday, while Satyam (down 3%) and Tata Motors (down 2%) led the pack of losers.

The BSE Sensex closed at 18,048 (down 67 points), while the NSE Nifty closed at 5,277 (down 26 points). The rupee was trading at 39.71 to the dollar. The BSE Midcap ended at 7,641 (up 49 points) and the NSE Midcap ended at 7,220 (up 4 points).

**Today's outlook: Positive opening**

The markets are expected to open on a positive note on account of sound global cues. Asian markets are trading higher. Hong Kong's Hang Seng has surged 1.61% or 382.65 points at 24,141.90. Japan's Nikkei has risen 0.55% or 75.45 points at 13,710.85. Taiwan's Taiwan Weighted has gained 1.11% or 87.38 points at 7,978.28. South Korea's Seoul Composite is up 1.18% or 20.10 points at 1,716.34. Singapore's Straits Times has shot up 0.56% or 17.34 points at 3,100.68. Due to President's day in the US, all the equity and bonds markets were closed. With the re-opening of the markets today, the US treasury department will carry out its weekly auction of three and six month's bills and the announcement of 4-week bills.

**Stocks to watch today**

Stock	Outlook
Reliance Industries	Positive
NALCO	Positive
Bajaj Hindustan	Positive

**Turnover Highlights**

Name	Last price	Net Chng	Vol traded	Avg. Vol 1 wk	% YTD
ACC LIMITED	756.05	-2.5	72153	152993	-25.959
AMBUJA CEMENTS LIMITED	115.05	-0.8	98928	161980	-20.458
BAJAJ AUTO LIMITED	2199.9	25.15	9449	19838	-16.781
BHARAT HEAVY ELECTRICALS	2216.2	-45.15	103562	99941	-12.098
BHARII AIRTEL LIMITED	880.5	-1.1	182799	390419	-11.357
CIPLA LTD	184.8	0.95	80741	347445	-13.523
DR. REDDY'S LABORATORIES	535.65	-8.1	17363	28391	-26.056
GRASIM INDUSTRIES LTD	2787.35	-26.85	16570	15196	-22.932
HDFC BANK LIMITED	1557	-7.1	21172	287492	-9.474
HERO HONDA MOTORS LIMITED	718.95	-12.15	43872	71635	4.795
HINDALCO INDUSTRIES LIMITED	184.1	5.6	1374606	616352	-16.919
HOUSING DEVELOPMENT FINANCE	2900.95	-20.4	12926	44119	1.702
ICICI BANK LTD	1208.1	16.95	476758	717953	-3.347
INFOSYS TECHNOLOGIES LTD	1553.1	-11.65	66589	263174	-11.516
IITC LTD	209.6	6.6	944377	703960	-3.471
LARSEN & TOUBRO LIMITED	3508.7	-28.25	118075	221201	-15.219
NIPCO LIMITED	204.8	0.8	2457522	4600695	-17.389
OIL & NATURAL GAS CORP LTD	1020.8	-12.5	140241	329781	-16.433
RANBAXY LABORATORIES LTD	396.35	0.2	149761	360111	-6.996
RELIANCE COMMUNICATIONS LTD	612.7	1	1507897	3422994	-18.058
RELIANCE ENERGY LTD	1696.95	-12.55	842788	1590670	-19.915
RELIANCE INDUSTRIES LIMITED	2552	-38.55	452853	863120	-10.083
SATYAM COMPUTER SERVICES LTD	426	-12.2	140452	559913	-2.438
STATE BANK OF INDIA	2254.95	-43	221007	333491	2.721
TATA CONSULTANCY SVS LTD	851.95	-19.55	68486	161235	-19.277
TATA MOTORS LTD	732.55	-18.55	129997	114617	1.213
TATA STEEL LIMITED	821.25	2.75	970279	690951	-12.441
WIPRO LTD	414.55	-5.7	82691	158525	-20.044

**ADR/ GDR (US\$)**

(In Rs. Bn)	Latest	1D % chg
Dr Reddy's	13.8	-0.6
HDFC Bank	117.1	0.6
CICI Bank	59.4	2.0
ITC	5.1	0.0
Infosys	41.2	-0.9
Satyam	26.2	2.7
Ranbaxy	10.0	1.5
Reliance	128.8	-0.6
Wipro	11.5	-2.1
SBI	130.0	0.0
Tata Motors	18.5	0.4

**Sectoral Indices**

	18/02	% Change			
		1D	1M	3M	6M
Bse 100	9610.1	-0.3	-7.6	-8.3	32.3
Bsesmall	9755.4	1.4	-19.8	-6.0	26.8
Bsemid	7641.5	0.7	-14.1	-10.2	22.1
Bank	10944.9	0.6	-3.8	-0.5	48.9
Healthcare	3678.3	-0.4	-8.6	-5.3	5.5
FMCG	2258.3	2.3	-1.9	1.2	24.7
Auto	4789.1	0.4	-7.0	-9.4	5.0
PSU	8572.4	0.2	-11.3	-18.9	31.0
Cap gds	16322.7	-0.6	-11.0	-20.9	35.7
Metal	16247.2	0.5	-5.9	-7.1	65.6
Oil	11172.9	-0.9	-11.3	-10.5	50.4

**Corporate News**

- The Anil Ambani-promoted **Reliance Power** said it has decided to issue bonus shares to all categories of shareholders, excluding the promoters. It may be for the first time in the history of global capital markets that a company is issuing free shares to its retail and institutional shareholders.
- **Larsen & Toubro (L&T)** said it won an Rs 12.5bn oil-platform order from **ONGC**.
- Printing inks maker **Micro Inks** has announced a net profit of Rs 666.3mn for the financial year ended December 31, 2007.
- State-run **Syndicate Bank** has reduced its lending rates on housing loans, consumer credit and loans to women entrepreneurs.
- **Tata Investment Corporation Ltd** has informed the BSE that pursuant to the acquisition of 50 lakh equity shares of the company by **Tata Sons Ltd** from **Tata Chemicals Ltd** (an inter se transfer amongst promoters), Tata Sons Ltd now holds 54.98% of the paid-up capital of the Company and the company has become a subsidiary of Tata Sons Ltd.
- Shares of infrastructure project development company **KNR constructions** on Monday got listed on the BSE at Rs 180, a premium of nearly six per cent over its issue price of Rs 170.
- **Barat Heavy Electricals (BHEL)** has bagged a Rs 6.5bn contract from **General Electricity Company of Libya** for setting up a 300 Mw gas turbine-based power plant on engineering, procurement and construction (EPC) basis.
- **Mahindra Defence Systems** has entered into a strategic alliance with **Whitehead Alenia Sistemi Subacquei** of Italy to utilise the industrial and operational capabilities of **Mahindra & Mahindra**.
- Education services firm **Educomp Solutions Ltd** plans to invest up to 8 billion rupees to set up 150 schools
- **Reliance Industries** has completed 94% of drilling for production of natural gas from its eastern offshore KG-D6 block in the third quarter of 2008.
- **Era Infra Engineering Ltd** said that it has got an order worth Rs 1.2bn for the construction of a building in New Delhi. The duration of the contract is 24 months
- Russian steel stockist **StalPromyshlennaya Kompania (SRK)** is planning to enter the Indian steel service centre market and is negotiating with a number of domestic companies in Delhi for the same.
- **Aditya Birla Group**, the country's second largest non-ferrous producer, is likely to enter into alloy steel production with a two million tonne per annum plant through its company Vikram Ispat.
- **Bharat Sanchar Nigam (BSNL)** has awarded Oracle a contract comprising Oracle Applications, Oracle Database and Oracle Fusion Middleware, which will drive BSNL's aggressive growth plans and enhance customer service delivery, manufacture and sell automotive components.

**Economics & Sector News**

- India has been ranked 25th in terms of economic transformation, way ahead of world's fastest growing economy China, which has been placed at the 85th position by a German foundation.
- Fertiliser is creating a Rs 500bn subsidy stink. The increase in the bill is primarily due to higher costs of both feedstock and imports of raw materials. Politically, in fact, it may have paid better dividends for the UPA to stress efficient delivery of fertiliser subsidies to needy farmers, instead of targeting subsidy trimming alone.

**Sector Focus/ News Focus/ Event Update**

**NEWS FOCUS: PHARMACEUTICAL SEEKS EXPORT INCENTIVES, R&D TAX SOPS**

- The pharmaceutical industry wants the forthcoming federal budget to grant incentives to boost exports and extend the scope of tax breaks given for research and development work.
- Last year's budget extended tax breaks of up to 150 percent of a firm's research expense by five years to 2012. Currently, only companies doing in-house research are eligible for this. These sops should be extended by another five years to 2017.
- Tax breaks should also be given to drug firms involved solely in R&D and should cover all expenses incidental to basic research, including clinical trials, done in India or abroad.
- This will catalyse the R&D industry, the innovation-based industry, which is completely lacking in India. Pharma spends 10 times as much as the IT or auto industry and the research takes 10-12 years.
- So five years is not enough in an industry where 10-12 years is the gestation period. Most of the top Indian drug firms, including Ranbaxy, Dr. Reddy's, Sun Pharmaceutical, Nicholas Piramal and Wockhardt, have either spun off or are planning to spin off their R&D wings into separate entities.
- The domestic pharmaceutical industry, being a net exporter, has also taken a beating due to the rupee's rise, which gained more than 12 per cent against the dollar in 2007.
- The industry is hoping for some exemptions for export activities as tax breaks for export-oriented units, which were set up to encourage exports, are set to expire in 2009. The industry is also seeking reduction of excise duties on drugs to 8 percent from 16 percent now. The federal budget will be presented at the end of February.

Feb 19 2008

INDIA DAILY MORNING CALL

Gainers & losers of the day

Sensex (18/02/2007)

Leaders			Laggards		
	Day Close	%Change		Day Close	%Change
M&M	640.00	3.48	SATYAM	427	-2.56
ITC	210.00	3.45	TATA MOTORS	733	-2.41
HINDALCO	184.00	3.08	DLF LIMITED	858	-2.38
HIND. UNILEVER	216.70	2.60	SBI	2250	-2.09
ICICI BANK	1211.00	1.67	TCS	853.9	-2.02

Nifty (18/02/2007)

Leaders			Laggards		
	Day Close	%Change		Day Close	%Change
NALCO	390.00	7.44	UNITECH	399.50	-4.22
ITC	211.00	4.02	IDEA CELLULAR	109.00	-3.37
M&M	643.00	3.53	SUZLON	322.05	-3.24
HINDALCO	184.20	3.31	STERLITE IND.	785.00	-2.63
SIEMENS	1611.00	3.03	TATA MOTORS	732.30	-2.60

Forthcoming Events

Company	Date	Events
Ranbaxy Laboratories Ltd.	19/02/2008	Scheme of Arrangement
Roopa Industries Ltd.	19/02/2008	Others
Gennex Laboratories Ltd.	19/02/2008	To consider Allotment Equity Shares
Allcargo Global Logistics Ltd.	19/02/2008	To consider raising of funds
Mahalaxmi Rubtech Ltd.	19/02/2008	Amalgamation
Malar Hospitals Ltd.	19/02/2008	Audited Results
Lanxess ABS Ltd.	19/02/2008	Audited Results & Dividend
Castrol India Ltd.	19/02/2008	Audited Results & Final Dividend
ABB Ltd.	19/02/2008	Audited Results & Dividend
Kirloskar Ferrous Industries Ltd.	20/02/2008	Interim Dividend
Webel SL Energy Systems Ltd.	20/02/2008	Others
S&S Power Switchgear Ltd.	20/02/2008	Audited Results & Others
Wockhardt Ltd.	20/02/2008	Audited Results & Final Dividend
SKF India Ltd.	20/02/2008	Audited Results & Dividend
Ishwar Bhuvan Hotels Ltd.	20/02/2008	Others
Gujarat Gas Company Ltd.	20/02/2008	Audited Results & Dividend
Clariant Chemicals (India) Ltd.	21/02/2008	Dividend
Mysore Cements Ltd.	21/02/2008	Audited Results
Bosch Chassis Systems India Ltd.	21/02/2008	Audited Results
Hexaware Technologies Ltd.	21/02/2008	Audited Results & Final Dividend
Aventis Pharma Ltd.	21/02/2008	Audited Results & Final Dividend
Parle Software Ltd.	21/02/2008	Quarterly Results

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