

30 August 2010

- Stock Markets:** Sensex snaps three-week rise on weak global stocks. Markets across the globe were gripped under selling pressure on worries about the pace of the economic recovery in the US, the world's biggest economy. The Sensex declined in three out of the five trading days of the week. The BSE Sensex fell below the psychological 18,000 mark while the S&P CNX Nifty retraced from 31-month high.
- FII Activity:** Foreign funds continue to pump in Indian stocks. Foreign funds have bought shares worth a net INR 14,834M last week, absorbing selling by domestic institutional investors.
- Inflation:** Food inflation declined further in the middle of this month even as prices of fuels remained steady. Inflation in the Food Articles group stood at 10.05% for the week ended 14 August 2010, versus 10.35% in the previous week. Inflation in the Primary Articles group stood at 14.75% in the week under review as against 14.85% in the week ended 7 August 2010. Inflation in the Fuel & Power group was unchanged at 12.57%. But, inflation in the Non-food Articles group rose to 22.20% from 21.70% in the preceding week.
- Crude oil:** Crude oil futures ended higher on Friday, gaining for the third consecutive day and ending the week on the plus side for the first time in three weeks, after markets were reassured by comments from Federal Reserve Chairman Ben Bernanke that the central bank was prepared to act if needed to bolster slowing economic growth. For the week, Crude gained \$1.71 or 2.33%, after two consecutive weeks of losses.
- Gold:** COMEX Gold October futures finished the week at 1236.60/oz with 0.73% gains. The metal posted a fourth straight week of increase as recent weak economic data boosted its safe-haven appeal.

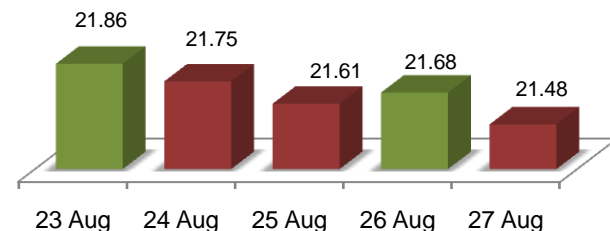
### Sectoral Indices in the week

Consumer Durable	1.42%	Realty	8.53%
		Metal	3.34%
		Bankex	2.49%

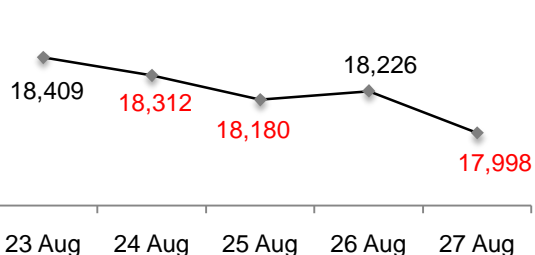
### Currencies Against Rupee

	USD	EUR	GBP	JPY
	46.82	59.51	72.78	0.55
Change (%)	1.0%	0.1%	0.6%	2.6%

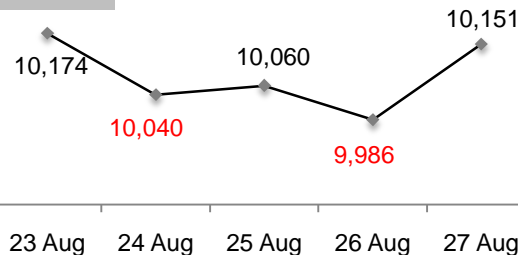
### BSE Sensex P/E



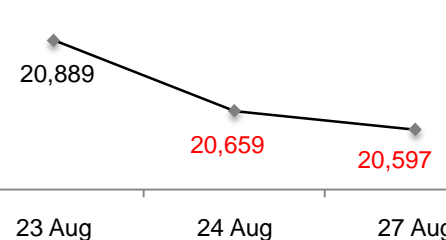
### BSE Sensex



### Dow Jones



### Hang Seng



BSE: 17998		DJI: 10,151		Nasdaq: 2,154		S&P 500: 1,065		HIS: 20,597		FTSE: 5,202		Nikkei: 8,991	
(403)	(-2.19%)	(62)	(0.62%)	(26)	(1.20%)	(7)	(0.66%)	(384)	(1.83%)	6	0.12%	(188)	(2.05%)

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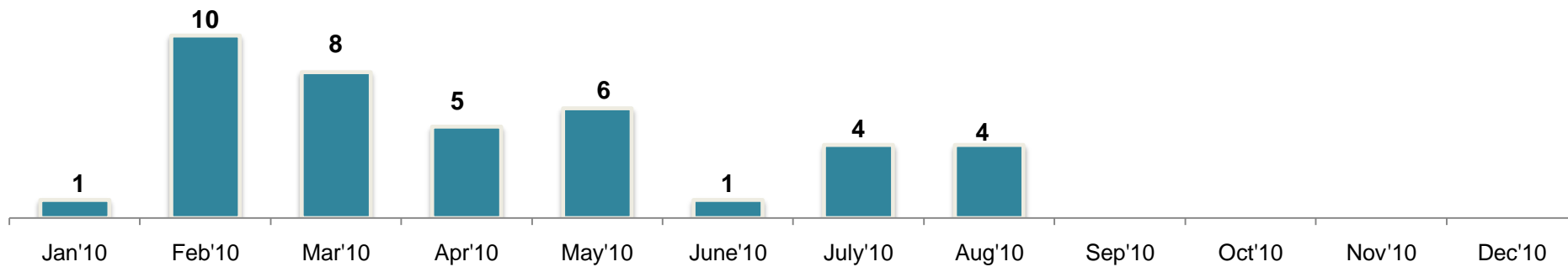
## Latest IPO Listings

Listing Date	Company Name	Industry	IPO Price	Listing Price (INR)	Closing on 27 Aug (INR)	Change on IPO Price
25 Aug'10	ParkashSteelage	Steel	110.00	118.55	219.95	100.0%
18 Aug'10	Bajaj Corp	FMCG	660.00	730.00	729.20	10.5%
16 Aug'10	SKS Microfinance	Finance	985.00	1,036.00	1,165.92	18.4%
04 Aug'10	Midfield Industries	Steel	133.00	159.40	202.25	52.1%

## DRHPs Filed

Company	Date of Filing
Future Ventures India	26 Aug'10
Galaxy Surfactants	25 Aug'10

## Listings in 2010 till date



CY Q1 March'10 :- 19

CY Q2 June'10 :- 12

CY Q3 September'10 :- 8

CY Q1 March'09 :- 1

CY Q2 June'09 :- 1



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## In Focus

### The Union Cabinet approved new Direct Taxes Code

The Union Cabinet on 26 August 2010 approved a new set of direct tax rules. The much-awaited Direct Taxes Code, or DTC, Bill, which seeks to replace the nearly 50-year-old income tax law, is likely to be introduced in Parliament on Monday, 30 August 2010, and may then be referred to a select committee of members of both houses of Parliament. The basic exemption limit is proposed to be raised to 2 lakh from the current 1.6 lakh and corporate tax rate for both domestic and foreign companies is proposed at 30%. Senior citizens and women will enjoy a higher exemption of up to 2.5 lakh. There will be no surcharge or cess on companies, thereby bringing the corporate tax rate to 30% from present 34%. The new changes in the tax rates, expected to come into effect from 1 April 2011, could lead to some loss in revenue and raise the government's deficit. However, the government proposes to raise the minimum alternate tax (MAT) on book profits to 20% from current 18%. The move will be a big blow for Reliance Industries (RIL) and a host of IT and infrastructure companies that pay MAT.

### India's lower house of parliament passes foreign nuclear power plants bill

The lower house of parliament approved a landmark nuclear power bill to open up the country's \$150B nuclear power market. The bill was initially opposed by the opposition Bharatiya Janata Party as inadequate in terms of accident compensation and too soft on private firms. But, the party came around after the Congress party-led coalition agreed to several amendments.

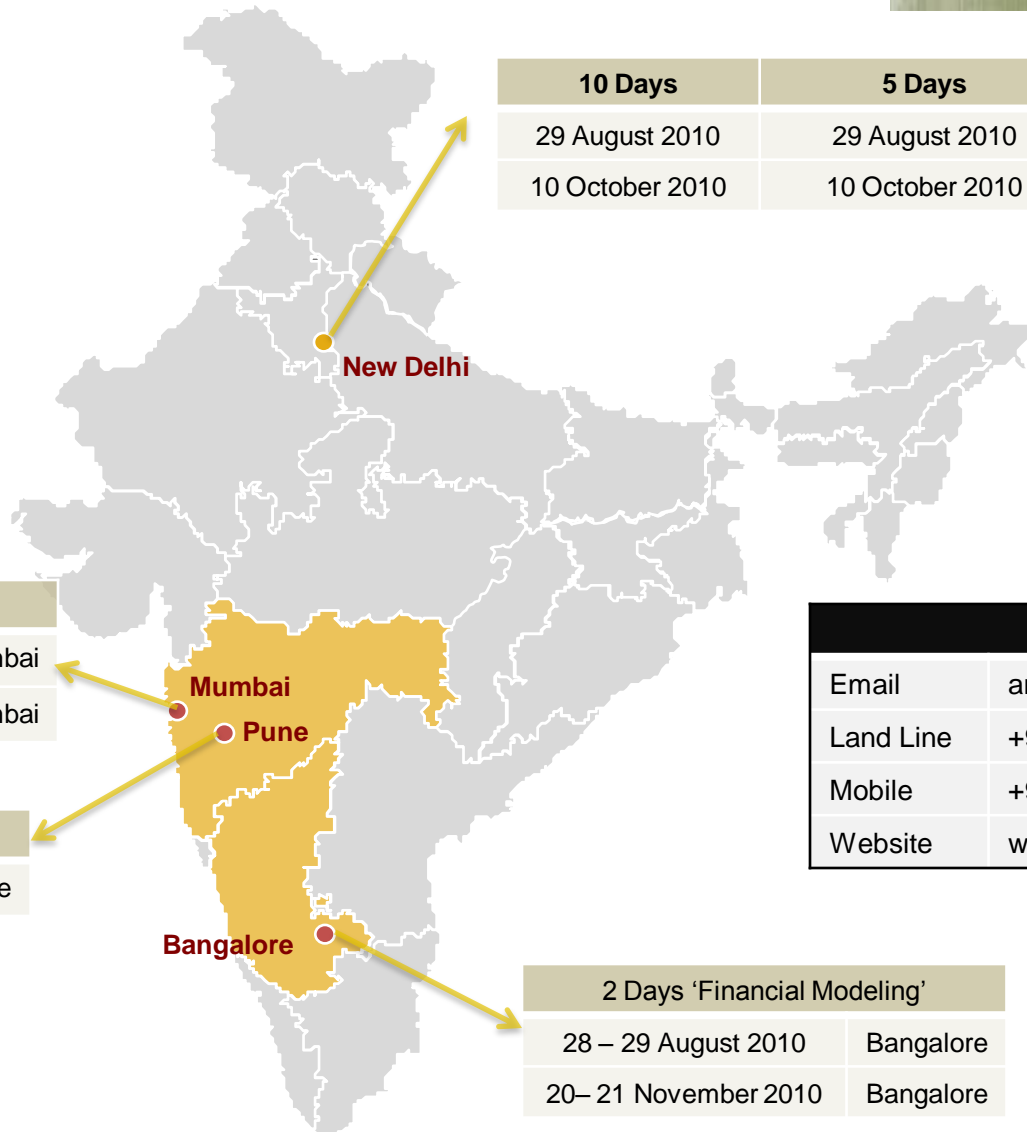
### India's trade deficit for the current fiscal year is expected to be at least \$120B

"India's trade deficit for the current fiscal year that ends in March 2011 is expected to be at least \$120B. Any deficit of the order of \$120B is serious, but as long as it does not go over the top it can be financed", Rahul Khullar, Trade Secretary. The trade deficit for July 2010 is seen at \$12.93B.

### Economists give thumbs up to 8.6% GDP growth in Q1

The economy may have expanded at close to 9% in the three months to June, its fastest pace in more than two years, driven by high industrial growth and increased private investments. An ET poll of six senior economists revealed that the economy may have surpassed the 8.6% growth rate, recorded in the three months to March. The official growth figures for first fiscal quarter ended June will be released on Tuesday. The government has already factored in high growth in the first quarter. The government expects the economy to grow by 8.5% in the current fiscal, after growing at 7.4% in 2009-10. The Reserve Bank of India has pegged the real GDP growth in the first quarter of 2010-11 at 8.7%, up from its earlier forecast of 8.1%.

**Training the Capital Markets Aspirants and Participants**



10 Days	5 Days	6 Weeks
29 August 2010	29 August 2010	6 September
10 October 2010	10 October 2010	11 October 2010

2 Days 'Financial Modeling'	
07 – 08 August 2010	Mumbai
23 – 24 October 2010	Mumbai

2 Days 'Financial Modeling'	
9 – 10 October 2010	Pune

2 Days 'Financial Modeling'	
28 – 29 August 2010	Bangalore
20– 21 November 2010	Bangalore

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