

TMF Weekly

MARKET UPDATES



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6th May 2011 - 13h May 2011

TODAY

Market Snapshot:

The favorable outcome in assembly state election helped allay fears of a political uncertainty and build optimism that the ruling government may push pending reforms like fuel prices hike and a land acquisition bill for farmers and industry. Volatility was high. The Global cues were mixed with European and US index futures trading firm while Asian equities ended mixed.

Results of the 2011 assembly poll in Tamil Nadu, Puducherry, Kerala, Assam and West Bengal trickled in reportedly showed Mamata Banerjee and Jayalalithaa secured landslide victories and the Congress triumphed in Kerala and Assam.

The market breadth was positive. The 50-unit Nifty had surged past the psychological 5,500 mark in morning trade. Today's rally was broad based with all the 13 sectoral indices and 29 stocks from the 30-member Sensex pack logging gains

Interest rate sensitive banking and software stocks gained on fresh buying. Metal stocks rose as bargain hunting after Thursday's steep slide.

The BSE Mid-Cap index rose 0.85% and the BSE Small-Cap index rose 0.39%. Both these indices underperformed the Sensex.

Foreign institutional investors (FIIs) sold shares worth Rs 420.03 crore and domestic funds bought shares worth Rs 312.44 crore on Thursday, 12 May 2011 as per provisional figures on stock exchanges.

India's exports rose 34.4% to \$23.9 billion in April 2011 from April 2010 while imports grew 14.1% to \$32.8 billion, resulting in a trade deficit of \$8.9 billion. Exports increased 37.55% to \$246 billion in the year ended March 2011 over the year ago.

The corporate results announced so far have been good. The combined net profit of a total of 1452 companies rose 17% to Rs 56666 crore on 23.3% rise in sales to Rs 526729 crore in the quarter ended March 2011 over the quarter ended March 2010.

US crude futures were up \$1.06 or 1.07% at \$100.03 a barrel on Friday. India imports majority of its crude oil requirements and high oil prices have raised concerns about widening current account deficit (CAD). High oil prices raise concerns about higher oil subsidy bill for the government and its negative impact on the government's fiscal position.

THIS WEEK

Market comment & outlook

- Sensex witnessed an upside of 2 points and Nifty witnessed a downside of -6 points, respectively, during the week (As on 09-May - 13-May'10).
- On Monday, the Sensex ended the day with an upside of 0.1% at 18529. The broad-based NSE Nifty ended the day with a downside of -0.01% at 5551.
- On **Tuesday**, the Sensex ended the day with a downside of -0.09% at 18513. The broad-based NSE Nifty ended the day with a downside of -0.18% at 5541.
- On **Wednesday**, the Sensex ended the day with an upside of 0.39% at 18585. The broad-based NSE Nifty ended the day with an upside of 0.43% at 5565.
- On **Thursday**, the Sensex ended the day with a downside of -1.34% at 18336. The broad-based NSE Nifty ended the day with a downside of -1.42% at 5486.
- On **Friday**, the Sensex ended the day with an upside of 1.07% at 18531. The broad-based NSE Nifty ended the day with an upside of 1.07% at 5545.

Stock markets trends

Indian markets	Close	% chg Fortnight	% chg Week	% chg YTD*
BSE Sensex	18,531	1.8	-1.4	-9.6
S&P CNX Nifty	5,545	1.6	-1.7	-9.6
CNX Midcap	8,035	2.6	-11.6	-9.3
CNX Nifty Jr	11,185	3.8	-9.0	-8.6
BSE IT	6,040	1.5	6.6	-11.5
BSE Oil & Gas	9,769	-0.1	-4.0	-7.9
BSE FMCG	3,803	5.2	9.7	3.2
BSE Auto	9,222	3.2	1.4	-9.9
BSE Bankex	12,590	3.1	-3.0	-5.9
International				
Dow Jones	12,696	-0.2	28.0	7.9
Nasdaq	2,863	1.2	25.9	6.1
FTSE	5,993	1.2	9.1	1.6
HangSeng	23,276	5.2	10.0	1.0

*Note: YTD from 1 January 2011. *Source: Bloomberg, BSE

Mutual Fund investment are subject to market risks, read the Scheme Information Document carefully before investing.

Macro comments

- Food inflation fell to an 18-month low of 7.7% during the week ended 30 April on declining prices of pulses and vegetables; government, however, warned that price rise of non-food items would continue to pose problems in the days ahead..

Global News

- The Warner Music Group agreed to sell itself to the investment vehicle of Russian-born billionaire Len Blavatnik for about \$3.3bn, including the assumption of debt.
- Volkswagen plans to boost its holding in German truck maker MAN to as much as 40% to forge a truck alliance with Scania in Sweden that could save upwards of \$1.43bn in annual costs.
- Microsoft Corp plans to buy Internet phone service Skype for \$8.5bn in cash, a rich price as it seeks to regain ground on growing rivals such as Google Inc.
- China's trade surplus widened to \$11.4bn as exports surged to a record. Exports climbed 30% to \$156bn while import growth slowed to 22%.
- Japan's Takeda Pharma is in talks to buy privately-held Swiss rival Nycomed for more than \$12bn in a bid to extend its global reach into Europe and emerging markets.
- China raised banks' reserve requirements for the fifth time this year to restrain prices. Reserve ratios will increase 0.5% from 18 May, the People's Bank of China said.

Asian Markets				
	Close	% Chg Week	% Chg Fortnight	% Chg YTD*
Nikkei	9,648.8	-3.6	6.0	-5.7
Hang Seng	23,276.3	0.1	10.0	1.0
Shanghai	2,871.0	0.0	8.1	2.2
Straight times	3,163.7	1.7	4.7	-0.8
Taiwan	9,006.6	-0.1	14.9	0.4

Institutional activity for the week			
(₹ CRS)			
FII	13-May	6-May**	% Chng
Buy	8,399	12,248	-3.1
Sell	8,161	15,006	-4.6
Net	237	-2,758	-10.9

As on end of Thursday

*Source: SEBI, Bloomberg

^ 4 working days, ** 5 working days

Institutional activity for the week			
(₹ CRS)			
Mfs	13-May	6-May**	% Chng
Buy	2,330	2,531	-0.8
Sell	1,761	2,769	-3.6
Net	569	-238	-33.9

As on end of Thursday

*Source: SEBI, Bloomberg

^ 4 working days, ** 5 working days

Average turnover for the week ending		
(Rs Crs)	13-May*	6-May**
F&O (NSE)	107,992	118,776
Cash Market		
BSE	2,611	2,876
NSE	9,338	11,544

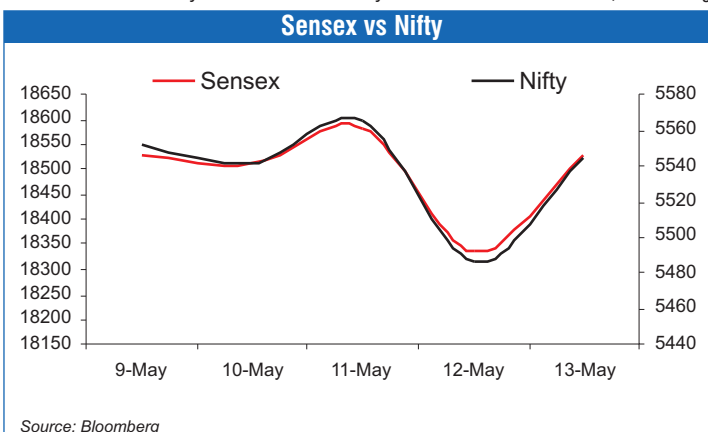
Note: * 5 working days, ** 5 working days

Note: Friday's closing price not included in the above table.

Macro Statistics				
Indian markets	Close	% chg Fortnight	% chg Week	% chg YTD*
₹/US\$	44.9	0.2	-3.5	-0.3
Euro/US\$	1.4	-1.7	12.5	6.7
10-yr G-Sec (%)	8.2	-0.7	4.3	3.9
Call Rate (%)	7.4	9.6	48.0	11.3
Brent-Spot (US\$/bbl)	114.9	3.0	48.2	20.3
WTI Spot (US\$/bbl)	99.0	-0.8	33.3	8.3

*Note: From 1 January 2011. As on Thursday

*Source: RBI, Bloomberg



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