



Deepak N. Lalwani OBE, FCSI, FCCA: Director- India E: dl@lalcap.com

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Source: chart & following table: Bloomberg

		Pts Chg	% Chg	2012/13	5 Yr	5 Yr	5 Yr
CLOSE: 8 June 2012	Index	Day	YTD	PER	PER Hi	PER Lo	Avg
<b>SENSEX 30</b>	16,718	<b>+70</b>	<b>+ 7.7%</b>	13.6x	25.0x	8.1x	18.4x
<b>NIFTY 50</b>	5,068	<b>+ 19</b>	<b>+ 9.2%</b>	13.1x	N/A	N/A	17.0x

## ECONOMIC NEWS

⇒ Following news last week that India's economic growth had slowed to a nine-year low of 6.5%, hopes have soared that the RBI will be forced to cut interest rates further on June 18. It last cut interest rates by a greater-than-expected 0.50% to 8% in April. However a lot depends on the inflation figure for May, due next week.

⇒ In an effort to revive economic growth the Indian Government wants to push ahead with major transport and power projects in this fiscal year to March 2013. Prime Minister Dr Singh said India aims to award 9,500 kms of road projects and commission three new airports. While these announcements helped lift infrastructure and other shares on the stock market some key points remain unanswered. Because the devil, in India, lies in the detail. In execution. Many ground realities, which have stalled existing projects, have not been resolved. Local media estimates that about \$ 27 bn of projects have stalled because of bottlenecks and hurdles that include slow land acquisition and environmental clearances. Decision making in Government has been paralysed because officials are afraid to clear decisions after a raft of corruption scandals have been exposed. Policy paralysis has contributed to the decelerating economic growth and holds back India from becoming an industrialised nation.

⇒ The twin hopes of Government announcements to spur infrastructure projects and a possible cut in interest rates to revive economic growth has cheered stock markets. This week recorded the largest weekly gain this year and the longest winning streak since January. Technically, some domestic technical indicators are turning more positive, with the NSE index breaking above the 200-day moving average. Despite recent negative news on India what is impressive is that the SENSEX has held above the 16,000 level. And not fallen to test the year's low of 15,517 seen on January 2. In the

## BOMBAY

INR ₹ /US\$ Rs 55.40  
 INR ₹ /GB£ Rs85.66  
 INR ₹ /EUR Rs69.33

The SENSEX rose 0.4% to keep the SENSEX well above the 16,000 level. Indian markets, despite recent negative comments are the best performing among BRIC economies. Interest rate cut hopes lift sentiment.

## LONDON / NEW YORK

More GDRs/ADRs in our table show gains rather than losses. L&T has surged in the last few days on hopes of increased infrastructure spending.

last few days investors have turned from being sellers on rallies to become buyers on every bout of profit taking.

## 2012 YTD PERFORMANCE OF ASIAN/WESTERN MARKETS:

Overall a tough Q2 as most equity markets surrender gains seen earlier in the year. The deepening Greek crisis, and fears of contagion spreading to weaker European economies, have soured sentiment. Many Asian markets just about remain in the black. Top 3 gainers in Asia are : Pakistan +21%, Philippines +15% and Thailand +9%. India is best performing BRIC market. In Western markets USA remains in the black, with NASDAQ up 9%.

INDEX PERFORMANCE (source: Thomson Reuters)	Index at 8.6.12	2012 %Chg	2011 %Chg
<b>ASIA PACIFIC:</b>			
AUSTRALIA 200 INDEX	4,063	+1	-14
CHINA SHANGHAI COMP	2,281	+4	-23
CHINA SHENZHEN COMP	929	-1	-34
HONG KONG HANG SENG	18,502	+1	-20
INDIA NIFTY 50	5,068	+7	-25
INDIA SENSEX 30	16,718	+9	-25
INDONESIA JAKARTA COMP	3,825	n/c	+3
JAPAN NIKKEI 225	8,459	+2	-18
MALAYSIA K.L. COMP.	1,570	+3	n/c
PAKISTAN KSE 100	13,558	+21	-5
PHILIPPINES PSEi	4,994	+15	+4
SINGAPORE STI	2,737	+4	-16
SRI LANKA ALL SHARE	4,799	-22	-8
STH. KOREA KOSPI	1,835	+1	-11
TAIWAN TAIEX	7,000	n/c	-21
THAILAND SET INDEX	1,127	+9	-1
VIETNAM STOCK INDEX	433	n/c	n/c
<b>WESTERN:</b>			
UK FTSE 100	5,435	-2	-6
US D.J. IND	12,554	+2	+6
USA NASDAQ	2,858	+9	-2
BRAZIL BOVESPA	54,430	-5	-18
RUSSIA MICEX 10	3,121	-2	-19

**SELECTED SHARE PRICES****GDR OFFER PRICES (US\$) LONDON – 8 June 2012 : 1630 GMT**

Company	Day's Price	YTD % Change	Company	Day's Price	YTD % Change
L&T	\$23.50	+ 21%	SBI	\$ 78.70	+ 23%
M&M	\$12.38	- 6%	Suzlon Energy	\$ 1.42	n/c
Ranbaxy	\$ 9.06	+ 13%	Tata Power	\$ N/A	
Rel. Inds	\$26.11	- 1%	Tata Steel	\$ 7.32	+ 3%

Source : Thomson Reuters

**ADR OFFER PRICES (US\$) NEW YORK – 8 June 2012 : 1830 GMT**

Company	Day's Price	YTD % Change	Company	Day's Price	YTD % Change
Dr.Reddy	\$ 29.12	- 1%	Patni	\$18.60	+ 14%
HDFC Bank	\$ 30.25	+ 17%	Sterlite	\$ 7.20	+ 1%
ICICI Bank	\$ 30.22	+ 14%	Tata Com (ex VSNL)	\$ 7.91	N/C
Infosys	\$ 43.64	- 15%	Tata Motor	\$21.67	+ 28%
MTNL	\$ 0.81	+ 2%	WIPRO	\$ 8.90	- 12%

Source : Thomson Reuters

**AIM (LONDON): in GB p unless stated otherwise – 8 June 2012 : 1630 GMT**

Company	Day's Price	YTD % Change	Company	Day's Price	YTD % Change
Caparo (now Mytrah)	73	- 22%	Jubilant Energy	26	- 12%
DQE	40	- 4%	Kolar Gold	8	- 44%
Eros	197	- 21%	OPG Power	32	- 7%
Greenko	102	- 14%	Photon Kaathas	29¢	- 30%
HIRCO	48	n/c	SKIL Ports	118	- 27%
IEnergizer	345	+ 27%	Trinity Cap.	15	+ 2%
Indus Gas	850	- 23%	Unitech	30	+ 16%
Ishaan	34	- 7%	W. Pioneer	14	- 24%

Source : Thomson Reuters

**OTHER : in GB p unless stated otherwise – 8 June 2012 : 1630 GMT**

Company	Day's Price	YTD % Change	Company	Day's Price	YTD % Change
Essar Energy	116	- 27%	<u>Collective Funds</u>		
Vedanta Resources	933	- 5%	<u>London:</u>		
			Aberdeen New India	193	+ 1%
			JP Morgan India	325	+ 3%
			<u>New York:</u>		
			MS India	\$14.81	+ 5%
			The India Fund	\$19.47	+ 2%

Source : Thomson Reuters

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REGISTERED OFFICE: LALCAP LTD, LEVEL 7, TOWER 42, 25 OLD BROAD STREET, LONDON EC2N 1HN

REGISTERED IN ENGLAND NO: 07245357

**LALCAP:** E: [info@lalcap.com](mailto:info@lalcap.com)

**AUTHOR:** Deepak N. Lalwani OBE, FCSI, FCCA T: +44 (0)20 3519 0909

W: [lalcap.com](http://lalcap.com)

Director - India

E: [dl@lalcap.com](mailto:dl@lalcap.com)