

Market Outlook: Indian markets are expected to open in positive momentum on the back of healthy recovery seen on the US and Asian counters. The crucial support for the Nifty is 5380 and strong resistance at 5550. Looking at the FII flow into Indian markets we believe India has been the in the favorites investment space in the Asian markets, the data shows that Last month, foreign institutional investors (FIIs) net bought nearly Rs 17,000 cr of shares, inclusive of public issues. This is the highest since September last year when foreign funds mopped up nearly Rs 20,000 crore of equities. We still see India has fared better than most emerging markets as its economy's growth prospects appear brighter and that is prompting many foreign investors to allocate a higher portion of their money to India.

Results Today: Hindalco, Punj Lloyd, NDTV, Swaraj Engines, Welspun India, Shiv Vani Oil

Global events to watch:

- ⇒ **Motor Vehicle Sales**
- ⇒ **ICSC-Goldman Store Sales**
- ⇒ **Personal Income and Outlays**
- ⇒ **Factory Orders**
- ⇒ **Pending Home Sales Index**

Global indices Update @ 8:

Dow Jones	: 10674	(+208.4)
NASDAQ	: 2295	(+40.66)
Nikkei 225	: 9687	(+117.1)
Hang seng	: 21554	(+141.5)
SGX CNX Nifty	: 5460	(+20.00)
INR / 1 USD	: 46.19	

Stocks in action for the day: ADAG cos, Rel Infra, JSW Steel, Adani Enterprises, Nestle, SBI, Tata Steel, Maruti, ITC, NMDC

SEBI issues show-cause notices to ADAG cos: The Securities and Exchange Board of India (SEBI) has issued a show-cause notice to two of Anil Dhirubhai Ambani Group (ADAG) companies—Reliance Natural Resources (RNRL) and Reliance Infrastructure and asked the two to appear for a personal hearing on September 3. It also summons Anil Ambani and four other directors.

Rel Infra may demerge its EPC biz: Sources: leading infrastructure company Reliance Infrastructure is considering demerging its engineering, procurement and construction (EPC) business. The demerged entity, sources say will also be listed and will execute Reliance Power projects, where Reliance Infrastructure holds 45% stake. that Reliance Infra is targeting EPC order book of Rs 50,000 crore which currently has been pegged at Rs 21,000 crore by Edelweiss. The company currently has five road projects in Tamil Nadu, the Mumbai sea link and the Delhi Airport Expressway.

JSW Steel's Vijaynagar plant to up output to 11mtpa by 2011: With investments of over Rs 25,000 crore, JSW Steel's Vijaynagar plant is emerging as India's largest integrated plant in a single location with its production capacity to go up to 11 million tonne per annum by 2011. With the steel sector poised to grow by 12-13% this year, JSW Steel has enhanced its expansion plans. The company's Vijaynagar plant saw production grow by 68% in financial year 2010. Now the company has commissioned its second hot strip mill with a capacity of 5 million tonne per year at full capacity. The steel major wants to triple capacity to 32 million tonne in the next 10 years by building new facilities in Jharkhand and West Bengal to make specialised steel used for automobiles.

FIIs pump in Rs 2,700 crore in Adani QIP: Leading foreign funds, led by Morgan Stanley, Merrill Lynch and Janus together, have invested Rs 2,700 crore to buy 8% equity in Adani Enterprises through qualified institutional placement (QIP) closed recently. Two other overseas funds — Europacific Growth Fund and Emerging Markets Growth Fund — also picked up stakes in the flagship company of the Adani Group.

Power, mining to drive Adhunik's numbers: The stock of Kolkata-based steelmaker Adhunik Metaliks has outperformed the Sensex over the past one year. It gained 23% compared with a 17% return of the Sensex during the period. In the past, the company recorded an impressive growth fuelled by the strong demand from the automobile sector, its key user segment. The company is trading at 23.5 times its FY10 earnings. Though this seems to be higher than P/E of 14-16 for most of its peers, the premium can be attributed to Adhunik's high growth prospects.

HRD ministry looks at more avenues for FDI in education: The HRD ministry is pushing for ways to encourage foreign direct investment (FDI) in education. It is setting guidelines to increase joint ventures and collaborations by involving corporates to tie up with foreign universities. For instance, sources indicated that big names like HCC, ADAG, Godrej, HUL and even HCL might be in talks to bring universities to India. Sources say that HCC is in talks with Oxford, Philadelphia and Yale University for setting up a joint venture at Lavassa.

July Cement sales numbers -AV Birla Group July cement sales at 2.92 mt -JP Associates July cement sales up 60% at 1.22 mt (YoY) -Ambuja Cements July cement sales at 1.42 mt versus 1.44 mt (YoY) -ACC July sales at 1.56 mt versus 1.78 mt (YoY)

Tata Steel -In talks with Thailand-based SSI for selling Teeside -Talks in final stages; MoU likely to be signed next few days Alert: Corus hired Citigroup in March 2010 to advise Teeside sale

NMDC Q1 Sales at Rs 2517 crore versus Rs 1278 crore ((YoY)) -PAT at Rs 1504 crore versus Rs 773 crore ((YoY))

Ex-Dates: **ITC** :Ex-Bonus 1:1

Maruti hikes car prices by Rs 2,000-7,500

Lok Sabha passes State Bank of India Amendment Bill 2010, Bill will allow **SBI** to raise capital via rights issue

Hero Honda July total sales at 4.27 lakh units versus 3.66 lakh units (YoY)

Zenith Birla approved to raise funds worth Rs 350 crore

Oriental Hotels: Board approved stock split in ratio of 10:1
Malaysia's Astro to increase stake in **Sun Direct** – FE

Indian banks hit hard by Zoom Developers' delinquency, banks collectively owe Rs 2650 crore – Mint (SBI and its subsidiaries have exposure to the company)

Nestle India Q2 Net profit at Rs 195 crore versus Rs 163 crore (YoY) -Net sales at Rs 1,467 crore versus Rs 1,210 crore

Madras Cement Q1 Net sales at Rs 697.2 crore versus Rs 768.4 crore (YoY) -Net profit at Rs 72.6 crore versus Rs 138.4 crore (YoY)

Gulf Oil Q1 -Sales at Rs 232.5 crore versus Rs 239 crore ((YoY)) -PAT at Rs 9.3 crore versus Rs 20.9 crore ((YoY))

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