

Market Outlook: Indian markets likely to open flat to negative terrain today on the back of negative sentiments from the global peers. Technically 5400 is achievable and there exists a strong support near 5265. The crucial support on the downside for the Nifty is 5265 and resistance at 5393-5417.

Global Events to watch for today:

⇒ **Bill Auction**

Global indices Update @ 8:

Dow Jones	: 10293	(- 148.8)
NASDAQ	: 2261	(- 27.29)
Nikkei 225	: 9942	(- 170.7)
Hang seng	: 20830	(+11.29)
SGX CNX Nifty	: 5300	(- 25.50)
INR / 1 USD	: 46.04	

Stocks in action for the day : RIL, RCom, Shree Cement, Bank of Rajathan, MTNL, Kansai Nerolac

China Ministry Of Finance ((Steel stocks to benefit)): Eliminating VAT rebate of certain export products -Eliminating 9% export rebate primarily flat products & long products w.e.f July 15

GST - Petro, Gas, Alcohol, Octroi likely out of GST net: Sources -Electricity duty likely out of GST net: sources

Bank of Rajathan CEO We are awaiting legal opinion, to see if legal process can reach a conclusion -Interested in complying with majority shareholders' decision

MTNL – Sources -MTNL pays up Rs 4,534 crore for BWA spectrum -Entire amount raised from 3 banks ((ICICI Bank, Central Bank & Yes Bank))

Ex-Dates today -Kansai Nerolac Paints : Ex-Bonus 1:1 -Genesys International : Ex-Split 2:1 -UCO Bank : Ex-Dividend @ Rs 1.5/share -United Bank of India : Ex-Dividend @ Rs 2/share

Insurance update -May industry premium collections up 61% at Rs 13,963 crore (YoY) -LIC May new premium up 88% at Rs 10,081 crore (YoY) -Private companies' May new premium up 17% at Rs 3,882 crore (YoY) -SBI Life May new premium down 19% at Rs 627 crore (YoY) -ICICI Pru May new premium up 58% at Rs 761 crore (YoY)

PMO gives a push for FDI in **airlines**

Shree Cement lines up Rs 4.5 bn for expansion: Shree Cement, the Rs 36.4 billion companies that runs the single-largest integrated cement factory in north India, will invest Rs 4.5 billion this year to set up a 1.5 million tonne clinker and a grinding units in Rajasthan, said a senior company executive. ``We will fund these projects by internal accruals,`` said managing director HM Bangur. ``We expect a surge in demand early next year by when these units will be functional.`` Shree Cement had cash reserves of Rs 20 billion in the year ended March 2010. The cement from these two units will cater to the north India market, which has been witnessing a 10% annual growth in consumption of key building material. Shree Cement now produces 12 million tonne a year.

BoR management seeks legal advice on validity of EGM The management of the Bank of Rajasthan has sought legal opinion from Fox Mandal on whether an extraordinary general meeting (EGM) conducted by shareholders to approve the bank`s merger with ICICI Bank should be

considered valid despite a legal notice restraining them from holding the meeting. On Monday, the management of Bank of Rajasthan received a legal notice from Kolkata's City Civil Court, restraining them from holding the EGM on Monday afternoon. Following this, MD and CEO G Padmanabhan, in consultation with its solicitor Fox Mandal, decided not to go ahead with the EGM.

RIL to pick up 45% in Texas shale gas field for Rs 65 bn Reliance Industries (RIL) will make its second investment in two months in a large shale gas field in the US, as it tries to cash in on a boom in a vast new energy resource that is threatening to change the global energy balance. The company is close to buying a sizeable minority stake in a shale gas field in Texas from US-based Pioneer Natural Resources, people close to the development said. India's largest company will buy 45% in the Eagle Ford shale gas field for about Rs 65 billion. It will make an up-front payment of nearly Rs 14 billion and the balance in the next four years, said a person close to the matter.

Vivendi seen leading race for 26% stake in Rcom French media and telecom giant Vivendi is negotiating with Reliance Communications (RCom) to buy a 26% stake in the firm, as the Anil Ambani-led company seeks to bring down the level of debt. The two companies have been talking for a month and ``discussions are now at an advanced stage``, said a person with direct knowledge of the negotiations. A top Vivendi team was in Mumbai last week to settle the contours of the deal. Another person close to the negotiations told ET that Vivendi is the front-runner in RCom's quest for a strategic partner, in which the UAE-based telecom service provider Etisalat is believed to be another contender.

Bharti to invest USD 100 mn in Malawi India's Bharti Airtel will spend USD 100 million in the next three years on network expansion in Malawi, after sealing a deal that puts the Indian wireless phone operator in 15 African countries. Bharti this month completed its USD 9 billion acquisition of African operations from Kuwait's Zain, making it the world's fifth-largest mobile phone operator by subscribers. ``We plan to invest USD 100 million in Malawi in the next three years to improve coverage and reach out to Malawi's rural farmers ... and help the country's economy grow,`` Manoj Kohli the chief executive officer of Bharti Africa told a news conference.

Patent expiry may open up USD 90-bn market for Dr Reddy's Laboratories Dr Reddy's Laboratories may be the biggest beneficiary among Indian generic-drug makers as USD 157-billion worth medicines, including Eli Lilly & Co's Zyprexa, lose patent protection within five years, according to HDFC Securities. Dr Reddy's has 73 applications awaiting approval with the US Food and Drug Administration, said S Rajan, Dr Reddy's spokesman. If approved, the Hyderabad-based company will be able to supply generic versions of medications that generated about USD 90 billion in US sales in 2008, said Ranjit Kapadia, an analyst at HDFC in Mumbai.

Wockhardt promoters pledge 61.87% stake Debt-ridden drug firm Wockhardt today said its promoters had pledged 67 million shares, representing 61.87% holding in the company. The company, however, did not disclose to whom the shares had been pledged or the reason behind it. In a filing to the Bombay Stock Exchange, the Mumbai-headquartered drug major said its promoter firm, Khorakiwala Holdings and Investments Private, on June 7, had pledged 62.9 million shares, representing a holding of around 61.47% in the company. In addition, Wockhardt Chairman H F Khorakiwala has also pledged his entire holding of 442,000 shares, representing around a 0.4% stake in the company.

Reliance to spend over USD 3 bn in fertilizer push Reliance Industries plans to invest more than USD 3 billion over the next four to five years to build capacity for its entry into the fertilizer sector, a source with direct knowledge of the plan said. The move is related to Chairman Mukesh Ambani's announcement on Friday to set up a giant coke gasification project at Jamnagar, where Reliance's two refineries are located. Reliance's refining complex, the largest in the world, can process 1.24 million barrels of crude a day. ``The entire project right from coke gasification to urea production will need an investment of over USD 3 billion,`` the source, who declined to be

named, said, adding: ``Reliance can also gasify coal in the same plant, in case there is a shortage of petcoke``.

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