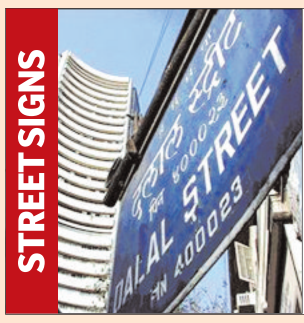
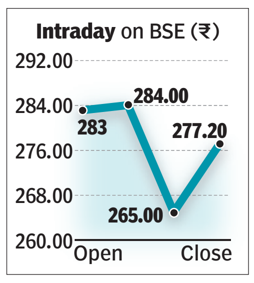
STREET SIGNS

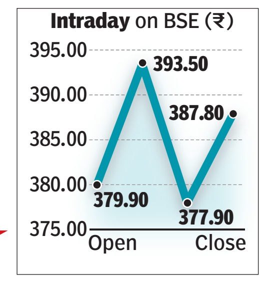




CAIRN INDIA

Stock dips following a more than $6 decline in Brent prices in 3 days

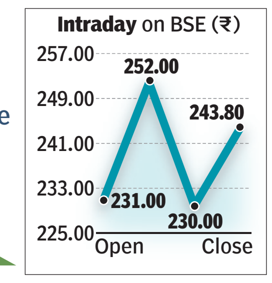
Close 277.20 | % ch 2.75



HCL TECH

Scrip gains after co announces opening of a US global delivery centre

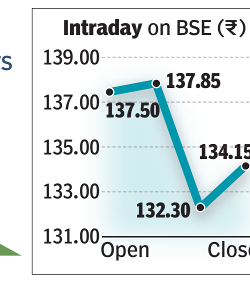
Close 387.80 | % ch 1.40



UNION BANK

Counter up after RBI says bank's FII holding is below trigger limit

Close 243.80 | % ch 3.90



HINDALCO

Share declines following fall in prices of base metal to a 1-year low

Close 134.15 | % ch 3.77

WORDS THAT MATTER

"Global financial system risks repeating the crisis of 2008 if Europe's debt crisis escalates and spreads to the US banking industry...The markets have taken the latest FOMC move rather badly. It's the first time since the global rally started in early 2009 that the markets have rejected a Fed easing"

JIM O'NEILL,
Chairman, Goldman Sachs Asset Management

Quick view

Yet to decide on SBI rights offer: Mittal

India's government is yet to decide on State Bank of India's proposal to sell shares to holders, banking secretary DK Mittal said in New Delhi on Friday. The government may infuse capital into the state-run lender in two tranches, Mittal said. State Bank chairman Pratip Chaudhuri didn't answer two calls made to his mobile phone for a comment.

Swajas Air charters sets IPO price band at ₹90-100

Swajas Air Charters has fixed the price band at ₹90-100 per share for the ₹37.5-crore initial public offer, which opens on Monday. "The company proposes to enter the capital markets on September 26 with a public issue ... has fixed the price band at ₹90 to ₹100 per equity share of ₹10 each," Swajas Air Charters said. The issue will close on September 28. The company proposes to utilise the net proceeds of the issue to part finance the fleet expansion, finance the setting up of MRO/Hangar facility, finance the purchase of office building/space, meet the working capital requirements and general corporate purposes.

Elder Pharma promoters pledge 10 l more shares

Drug firm Elder Pharmaceuticals said its promoters have pledged 10 lakh more shares of the company, taking the quantum of such shares of the firm to 9.46%. Semit Pharmaceuticals Chemicals Pvt Ltd, a part of the promoter group has pledged ten lakh shares of the company on September 19, 2011, Elder Pharmaceuticals said. Based on the closing share price of ₹375.65 per share on the BSE on the day, the shares are worth around ₹37.56 crore.

ICICI Sec downgrades Thermax to reduce

ICICI Securities has downgraded Thermax Ltd to 'reduce' from 'hold' and cut its target price to ₹475 rupees from ₹605. ICICI expects things to worsen for the power equipment maker in terms of order inflows and execution. Rising interest rates, issues related to coal availability for its clients and concerns over economic slowdown were the main reasons for the downgrade.

CHART OF THE DAY

STOCK PLEDGING

Sectors	No of cos	Total value of stock pledged ($mn)	Share in total pledged value (%)	Value of pledged as % of market cap
Consumer discretionary	196	5,509	16	9.7
Consumer staples	65	2,352	7	10.4
Energy	8	736	2	15
Financials	66	2,615	8	16.4
Health Care	48	2,212	7	8.2
Industrials	90	4,944	15	8
Information technology	54	4,773	14	8.3
Materials	213	4,535	14	7.1
Telecom	14	446	1	12.1
Utilities	14	5,272	16	21.8
Total	768	33,392	100	9.9

Note: Pledged share as on quarter ended June 2011; market cap as on September 20
Source: Morgan Stanley

New takeover guidelines hike open offer trigger to 25%

fe Bureau
Mumbai, Sept 23

THE threshold for making a mandatory open offer to minority shareholders has been upped to 25% and the acquirer will need to make an offer for at least an additional 26% of the equity of the company, according to the new takeover code. Earlier the trigger for making an open offer to small shareholders was 15% with the buyer offering to buy at least 20% of the outstanding equity. The new takeover code exempts inter se transfers of shares amongst promoters from making an open offer.

The substantial acquisitions of shares and takeovers 2011, notified on Friday by the Securities and Exchange Board of India (Sebi) stipulates that open offer for acquiring shares, to be made by the acquirer and persons acting in concert with him, shall be for at least 26% of the total shares of the target company.

The new norms also do away with the non-compete fee buyers earlier payed to the seller. The notification states the price paid for shares of the target company shall include any price paid to gain control

On competing offers, the new code says that any person, other than the acquirer who has announced an open offer, shall be entitled to make a competing open offer within fifteen working days of the date of the detailed public statement made by the original acquirer. Moreover, the competing offer has to be for a number of shares which when taken together with shares held by the rival acquirer, shall be at least equal to the holding of the original acquirer, including the number of shares proposed to be acquired by him under the offer and any underlying agreement for the sale of shares of the target company pursuant to which the open offer is made.

NEW RULES

- Norms do away with non-compete fee, which buyers were earlier allowed to pay to the seller
- On competing offers, the new code says any person, other than the acquirer who has announced an open offer shall be entitled to make a competing open offer within 15 working days of the date of the detailed statement made by original acquirer
- On creeping acquisitions, the new code allows stakeholders with an equity holding of between 25% and 75% to acquire 5% of the firm's equity in a financial year

Any stakeholder with a holding of between 25% and 75% can voluntarily make an open offer ensuring that the minimum public float in the company remains at 25%.

An acquirer shall not be entitled to acquire any shares of the target company for a period of six months after completion of the open offer, except through another voluntary open offer. However, such a restriction should not prevent the acquirer from making a competing offer in the target company.

The new code exempts acquisition pursuant to an inter se transfer of shares amongst immediate relatives, persons named as promoters for not less than three years prior to the proposed acquisition. It also exempt a company, its subsidiaries, its holding company, other subsidiaries of such a holding company, persons holding not less than 50% of the equity shares of such company, other companies in which such persons hold not less than 50% of the equity shares, and their subsidiaries subject to control over such qualifying persons being exclusively held by the same persons.

Exemptions are also allowed to persons acting in concert, for not less than three years prior to the proposed acquisition, and disclosed as such pursuant to filings under the listing agreement. On creeping acquisitions, new code allows stakeholders with an equity holding of between 25% and 75% to acquire 5% of the company's equity in a financial year. The new code says that during the open offer no person representing the acquirer or any person acting in concert with him shall be appointed as director on the board of the target company, whether as an additional director or in a casual vacancy. This would be possible only if the acquirer deposits the full consideration payable in an escrow account.

IDR rights disclosure norms issued

Mumbai, Sept 23: Market regulator Sebi on Friday said companies offering IDRs through rights issue have to file offer document as per the prevailing norms in the country.

Through a notification, Sebi on Friday amended the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, by adding a chapter relating to rights issue of Indian Depository Receipts (IDRs).

"Every listed issuer offering IDRs through a rights issue shall prepare offer documents in accordance with the home country requirements," Sebi said. IDRs are the instruments through which a foreign company raises capital in the country by offering underlying shares to domestic investors. So far Standard Chartered is the only foreign company which has come out with a IDR issue and the Sebi circular would provide them with guidelines for coming out with a rights offer.

EVERY LISTED ISSUER OFFERING IDRS VIA A RIGHTS ISSUE SHALL PREPARE OFFER DOCUMENTS IN ACCORDANCE WITH THE HOME COUNTRY REQUIREMENTS, SAYS SEBI

Sebi further said that if the issuing company is in breach of the IDR listing agreement then it cannot come out with a rights offering. The issuing company would have to inform the stock exchange where its existing IDR is already listed, about the rights issue. Further, the IDRs issued by way of rights issue would have to be listed on one of those stock exchanges in the country.

On fast track issue, Sebi said if the issuer had no disagreement with the stock exchange on the provisions of deposit agreements and listing agreements for at least 3 years, without any pending show-cause notices, the issuer can get approval for the same. *PTI*

ADAG, DLF mcap among worst hit

PK Dey

Mumbai, Sept 23: Promoters wealth of top 25 industrial houses decreased by 18.3% (₹ 2.29 lakh crore) to ₹10.26 lakh crore on September 22. During this period, Sensex fell -20.4% to 16,361.15 from the level of 20,561 reached on January 3 this year.

Among the promoter houses, ADAG, DLF, Om Prakash Jindal, Jaiprakash Gaur, UB, Wipro and Vedanta showed significant fall in market capitalisation since the start of the year. The market capitalisation of ADAG group, which fell the most, decreased by 47.1% from ₹75,339 crore as of January 3 to ₹39,881 crore on September 22.

Sanjeev Zarbade, VP, Kotak Securities said, " The Fed says significant risks remain in place for the global economy and has decided against the QE3. This spooked the US markets". He added, "Given the negative global cues emerging from the US, Europe and Asian markets, the Indian markets also continued to lose ground."

The recent fall has come as market felt that Fed's $400-billion package may not be sufficient to solve the crisis. "The rumours that European insurance company Lloyds is pulling out the bank deposits from the European banks added to the nervousness," said DK Aggarwal, CMD , SMC Investments & Advisors. He said that current rupee weakness is expected to add up to the inflationary pressure on the economy. For instance, commodity imports could become costlier in rupee terms which in turn could be passed on to Indian consumers.

The lowest decrease among the promoters was registered in the case of Aditya Birla, Mahindra and Murugappa Group during the period of study. Promoter of Tata group showed 18.7% decrease in wealth as of September 22 while it was a 37.2% fall for the Vedanta Group.

Interestingly, an increase in promoters mcap was seen in the case of Bharti, Bajaj, Munjal Hero, Godrej, Cadila, Dabur and Gujarat Ambuja.

Sensex sheds 199 points on global cues, ends week in red

fe Bureau

Mumbai, Sept 23: Weak cues from the global markets and selling from the foreign funds dragged Indian equity markets for its first weekly loss (4.6%) in the last four weeks. On Friday, amid intense volatility some recovery was seen during the intra-day trading session, but finally the Sensex ended the day in losses.

The 30-share Sensex lost 199.09 points or 1.22% to end the day at 16,162.06. While the broader S&P CNX Nifty closed the day at 4,867.75 down by 55.90 points or 1.14%. According to provisional figures furnished by the BSE, foreign institutional investors (FII) sold stocks worth over ₹1, 270 crore on Friday while domestic institutional investors (DII) bought stocks worth ₹765 crore. In the current calendar year, FIIs have turned net sellers to the tune of ₹332 crore in the Indian equity markets.

Deven Choksey, MD of KR Choksey Securities said, "The fall in the market during last week was not only due to the

global uncertainty but also due to deprecation in rupee.

With rupee weakening against dollar, we have seen some selling not only from the long-only funds, but also from exchange traded funds (ETFs) of foreign funds."

The benchmark ended down 4.56 % in the week, its worst week since the first week of August. On Thursday, benchmark indices had slumped by 4.1% which was its biggest one-day fall in more than two years.

"We believe that, currently markets are oversold and there are chances that it might witness some bounce-back in the days to come. With most negative news already factored in, we need some stability in rupee for markets to move upwards," added Choksey. Vikas Khemani, president & head, Institutional Equities at Edelweiss said, "Outlook for the coming days remains uncertain and the market would largely be guided by developments in the global economy following European crisis."

Barring FMCG all the sectoral indices ended the day on negative note with capital goods, metals and auto being the worst performer of the day.

On Friday, most Asian markets ended the day with huge losses, Hang Seng Composite was down by 1.44% and Kospi Index saw a fall of 5.73% while Shanghai Se Composite was marginally down at 0.41%.

The NSE's derivatives segment reported a turnover of over ₹1.99 lakh crore surging by 6.17% compared to the previous session, while the average daily turnover in the last six months stood at approximately 1.26 lakh crore. The turnover in the cash segment on the NSE was approximately at over ₹12,000 crore up by 15.54 % over Thursday's volumes.

Global equities drop 20%, into bear market

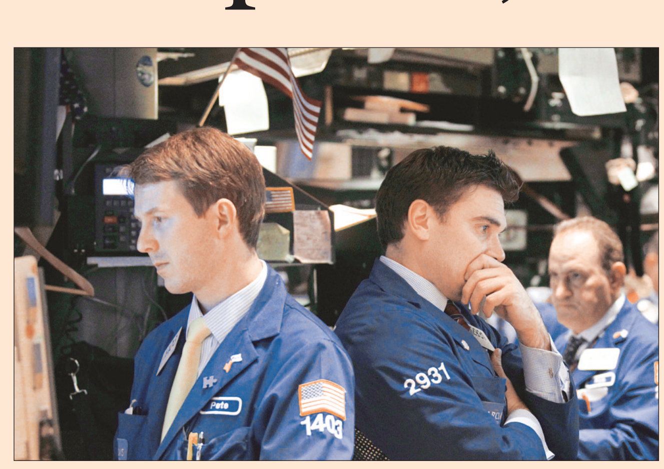
Sept 23: Stocks fell, pushing the MSCI All-Country World Index of 45 nations into a bear market for the first time in more than two years, after the worsening European debt crisis and threat of a US recession erased more than $10 trillion from equities since May.

The MSCI index, which slipped 0.3% as of 1:33 pm in Hong Kong on , has lost more than 20% since peaking on May 2, meeting the common definition of a bear market. It tumbled 4.5% to a 13-month low of 277.38 on Thursday. The MSCI World Index of shares in developed nations also fell into a bear market on Thursday, plunging 4.2%. The MSCI Emerging Markets Index reached the 20% threshold on September 13.

The world is poised for a financial crisis, Mohamed El- Erian, chief executive officer of Pacific investment management Co, said in Washington on Thursday. Finance chiefs from the Group of 20 nations pledged late on Thursday to address "heightened downside risks" to the global economy, echoing language used by the Federal Reserve on September 21 when it announced a $400 billion plan to spur growth as the recovery from the worst contraction since the Great Depression falters.

"The market is pricing in a recession," said Ng Soo Nam, the Singapore-based chief investment officer at Nikko Asset Management Co, which oversees about $154 billion. "Stocks are looking cheap, but it will take a lot of courage to believe that. Things could get worse. The risk of a sovereign-debt default in Greece is the most significant concern."

The MSCI All-Country World Index has retreated 19.8% since July 22. It fell after Standard & Poor's cut the US credit rating following a debate over raising the nation's borrowing limit, speculation Greece will default intensified, and Chinese inflation accelerated to a three-year high. The slump pushed the price-earnings ratio for the index down to 11.4, the lowest since March 2009 and 46% less than the 16-year average.



GLOBAL VILLAGE

The Standard & Poor's 500 Index extended its drop since its peak on April 29 to 17%. The gauge has retreated even as analysts raise projections for 2011 profit to a record $99.34 a share this year from $98.73 on April 29, according to the average analyst estimate in a Bloomberg survey.

Benchmark measures for five out of 24 developed markets haven't posted a 20% slump from their highs: the US, UK, Canada, Singapore and New Zealand, according to data compiled by Bloomberg. Eight out of 21 developing nations aren't in bear markets, including South Africa. The MSCI Emerging Markets Index has retreated 27% since its 2011 high on May 2.

The 15 national stock gauges with the biggest losses since the MSCI All-Country World peaked on May 2 are for European countries. Greece's ASE Index has lost 42%, Italy's FTSE MIB Index has plunged 40 % and Hungary's Budapest Stock Exchange Index has retreated 38%.

Policy makers are "committed to a strong and coordinated international response to address the renewed challenges facing the global economy,"

G-20 finance ministers and central bank governors said in a previously unplanned statement in Washington. Many urged Europe to implement a July promise to expand the powers of a rescue fund, Japanese Finance Minister Jun Azumi said.

The Euro Stoxx 50 Index has tumbled 28% since July 22 as Greece edged closer to defaulting on its sovereign debt and the cost of insuring western European countries' loans rose to records. The MSCI Asia Pacific Index has fallen 19.7% since its 2011 high on May 2. China's Shanghai Composite Index has tumbled 23% since its peak in November, and Japan's Topix has slumped 25% since April 2010. "Europe is going to continue to unwind and eventually end up badly for the global economy," Matt McCormick, a money manager at Cincinnati-based Bahl & Gaynor, which oversees $4 billion, said in an interview.

The 20% decline in global equities ended the bull market that began in March 2009. The MSCI All-Country World Index climbed as much as 107% during the rally. The measure avoided a bear market in 2010, when it fell 16% between April 15 and July 5. Financial stocks, which posted the biggest losses in the last bear market, are leading declines again amid growing concern that European banks will have to write down their holdings of government debt. *Bloomberg*