

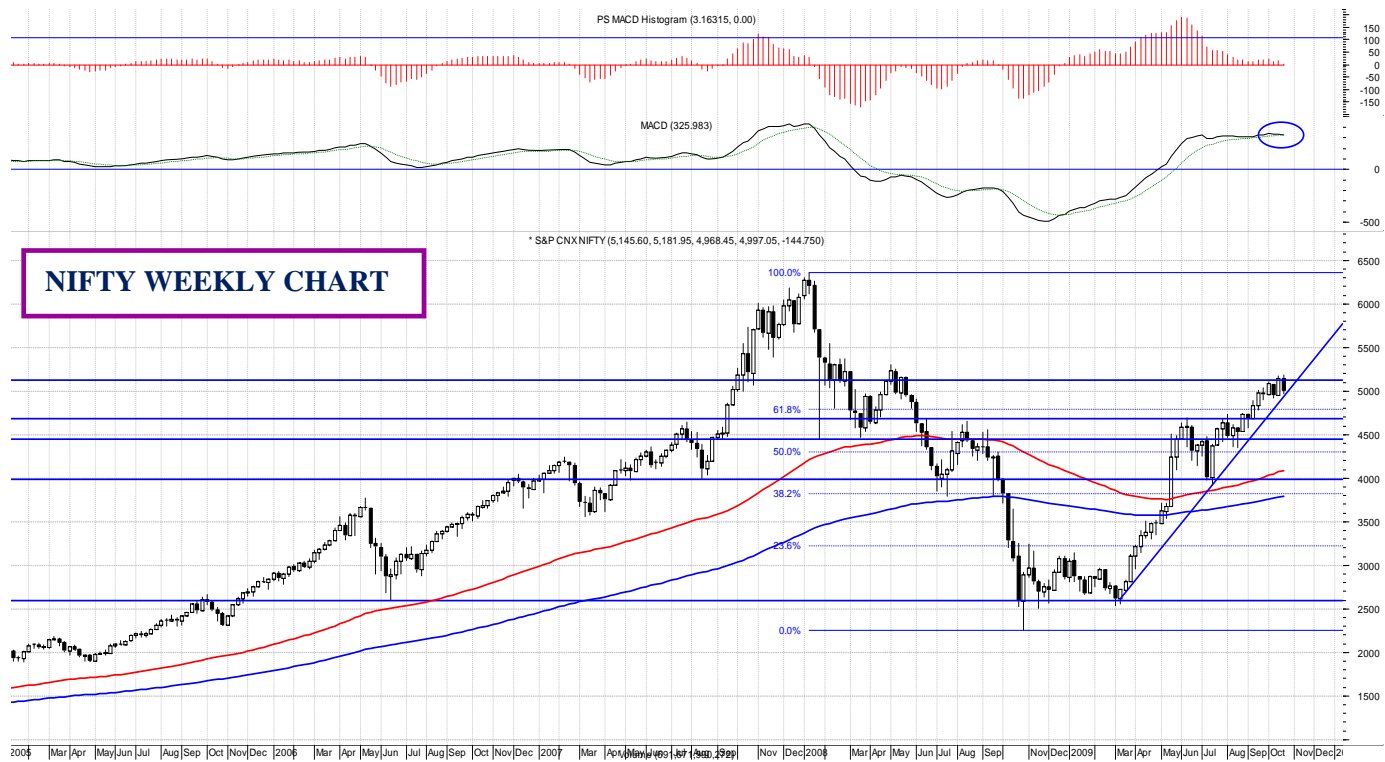


# GUINNESS

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## MARKET THIS WEEK

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The major event next week is the quarterly review of the monetary policy by the Reserve Bank of India (RBI) on Tuesday, 27 October 2009. The RBI is expected to keep its benchmark lending and borrowing rates unchanged on Tuesday. The RBI pumped in massive liquidity in the banking system in the past one year or so to help revive the domestic economy in the aftermath of the global financial crisis. While as exit from the loose monetary policy is imminent, speculation on the bourses is centred around the timing of the exit policy.

The whole price index (WPI) is expected to gallop in coming months as the statistical base effect becomes unfavorable and an economic recovery spurs demand for manufactured products. The Consumer Price Index is already in double digits.

Liquidity holds key for stocks after most Q2 results announced so far exceeded market expectations. A number of companies are yet to announce Q2 results. Most of the remaining Q2 results will be out next week, the deadline for the results being 31 October 2009, as per the listing norms.

Among the major results, car major Maruti Suzuki will announce Q2 results on Saturday, 24 October 2009. Ranabxy, Tata Motors, Idea Cellular and Tata Communications, are set to announce results on Monday, 26 October 2009. Tata Steel, Hindustan Unilever, Wipro, HCL Technologies and Reliance Power, unveil results on Tuesday, 27 October 2009. ACC, Cipla, Sun Pharma, GAIL India, Power Grid Corporation and Ambuja Cements, will declare results on Wednesday, 28 October 2009.

M&M, ONGC, Tata Power, BPCL, Cairn India, Grasim, Reliance Industries (RIL), DLF and Punjab National Bank, will come out with Q2 results on Thursday, 29 October 2009, to be followed by ABB, Sterlite Industries, ICICI Bank, National Aluminium Company, Bharti Airtel, Reliance Communications, Reliance Capital and Steel Authority of India on Friday, 30 October 2009. Hindalco, Jindal Steel & Power, State Bank of India, Reliance Infrastructure, Suzlon Energy and Unitech, will unveil Q2 results on Saturday, 31 October 2009.

The results announced so far have been mostly stronger than expected. The management guidance has been mixed. L&T said the company is likely to see order inflows rise over 30% in the financial year ending March 2010 and sales rise of 15%. The recent surge in crude oil prices may boost orders from the hydrocarbon sector, it said. The company said revival of infrastructure development in the Gulf augurs well as the company has a significant presence in the region.

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