MARKET WATCH

	14-02-2018	% CHANGE
Sensex	34,156	-0.42
US Dollar	64.09	0.36
Gold	31,300	0.00
Brent oil	62.22	-1.64

NIFTY 50		
	PRICE	CHANGE
Adani Ports		
Ambuja Cements		
Asian Paints		
Aurobindo Pharma	602.10	-5.20
Axis Bank		
Bajaj Auto		
Bajaj Finance		
Bharti Airtel	434.80	10.40
Bosch		
BPCL	460.10	7.45
Cipla		
Coal India		
Dr Reddys Lab	2183.30	20.95
Eicher Motors		
GAIL (India)		
HCL Tech	937.80	-1.35
HDFC	1814.00	8.55
HDFC Bank	1883.15	6.50
Hero MotoCorp		
Hindalco	243.25	0.00
HPCL	382.65	-8.80
Hind Unilever	1349.40	4.95
Indiabulls HFL	1348.20	33.35
ICICI Bank	318.95	7.30
IndusInd Bank	1694.45	6.65
Bharti Infratel	327.40.	-10.85
Infosys	1097.75	-5.05
Indian OilCorp	377.35.	-1.70
ITC	266.50	3.35
Kotak Bank	1042.45	-0.50
L&T	1361.20	10.70
Lupin	827.60	12.85
M&M	746.95	0.95
Maurti Suzuki	9001.60	-116.25
NTPC	162.95	-1.95
ONGC	185.75	-5.25
PowerGrid Corp	195.45	-3.05
Reliance Ind		
State Bank		
Sun Pharma	574.80	-14.35
Tata Motors		
Tata Steel		
TCS	2911.80	-55.50

EXCHANGE RATES				
Indicative direct rates in rupees a unit except yen at 4 p.m. on February 14				
CURRENCY	TT BUY	TT SELL		
US Dollar	63.89	64.21		
Euro	78.90.	79.30		
British Pound	88.53	88.98		
Japanese Yen (100)	59.51	59.81		
Chinese Yuan	10.07	10.13		
Swiss Franc	68.46	68.81		
Singapore Dollar	48.42	48.66		
Canadian Dollar	50.81	51.07		
Malaysian Ringitt	16.29	16.41		
Source:Indian Bank				

Tech Mahindra

UltraTech Cement

611.50 21.15 4175.50 -24.80

. 0.20

..-15.05

. 4175.50.

315.75.

293.45

February 14 rates in rupees with previous

Retail Silver (1g)...

Mid, small caps rule as investors hunt value

BSE MidCap, BSE SmallCap have outpaced Sensex in Feb.

ASHISH RUKHAIYAR

On Wednesday, even as the benchmark Sensex ended the day in the red, the broader BSE MidCap and BSE SmallCap indices gained ground, mirroring a trend that is being seen quite often in the recent past.

Market participants say the mid-cap and small-cap segments are seeing a rally as many investors, especially retail, are once again selectively buying into stocks that had corrected significantly in the recent past and are now available at attractive valuations.

While the Sensex has lost more than 5% this month, the BSE SmallCap index has dropped only 1.2%.

The BSE MidCap index has declined less than 3% till date in February.

Further, in the 12-month period ended January, the mid-cap and small-cap indices had gained 35% and 45% respectively, while the Sensex had added 30% in the same period.

'Corrected a lot'

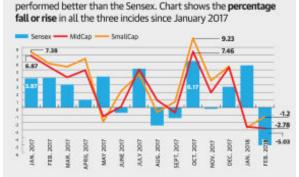
"The mid-cap universe has corrected a lot and many good quality stocks are now available at levels that are way below the highs they touched early this year," said Siddhartha Khemka, Head of Research (Retail), Motilal Oswal Financial Services.

"Investors are still cautious but are selectively buying into this space. They may feel that the market has not yet touched the bottom but are buying since they look attractively valued at current levels," Mr. Khemka added.

In most of the recent months, the broader indices

Small is smart

The BSE MidCap and SmallCap indices have consistently performed better than the Sensex. Chart shows the percentage fall or rise in all the three incides since January 2017





AMARJEET MAURYA

had outperformed the gains of the benchmark and even in months when the Sensex fell sharply, these indices managed to restrict their

Incidentally, on many days in the recent past when the Sensex ended in the red, the market breadth was positive as many of the side counters managed to gain

On February 7, when the Sensex lost 113 points, the market breadth was strong with more than 2,000 stocks gaining ground as against 757 declines on the BSE with the SmallCap index climbing almost 2%.

Thereafter, on February 9, the Sensex lost more than 400 points but the market breadth was only slightly negative with 1,403 stocks declining as against 1,369 gain-

Again, the BSE SmallCap along with some of the other broader indices posted advances on that day.

While the mid-cap space spans across several sectors, analysts say that the current buying activity is mostly limited to infrastructure, capital goods, auto & auto ancillaries and companies dependent on a rural recovery and consumer spending.

'Gaining momentum'

Amarjeet Maurya, Assistant Vice President - Research (Midcap), Angel Broking, is of the view that mid caps are in the limelight as the market seems to be gaining momentum and investors believe that such stocks will outperform the large caps over a longer period of time. "Some of the domestic

concerns related to earnings

and demand growth seem to

have subsided as the last

quarter saw many mid caps

reporting strong corporate

numbers. In some cases, the

quantum of earnings growth

in the December quarter

was not seen in the previous

4-5 quarters. This is leading

to increased buying in the

mid-cap space with con-

sumption theme getting spe-

cial attention," said Mr. Mau-

"The companies were

"The board of directors said in regulatory filing. Bharti Airtel operates in

14 African countries.

Harley tariff cut 'not enough': Trump

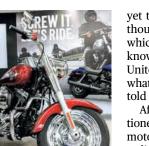
Wants India to reduce import duty on motorcycle to zero, or face 'reciprocal tax'

VARGHESE K GEORGE WASHINGTON

> President Donald Trump on Tuesday cited the level of customs duty levied in India on Harley-Davidson motorcycle imports as an example of unfair trade and threatened to increase the import tariff on "thousands and thousands" of Indian motor cycles shipped to the U.S.

Mr. Trump had flagged Harley-Davidson in his maiden address to U.S. Congress in March 2017, and several administration officials have subsequently cited the issue as an example in discussions on the 'America First' policy.

The Indian government's recent decision to reduce the tariff on high-end motorcycles from 75% to 50% was not enough, the U.S. president said and sought "zero tax" on the import of motorcycles, since the U.S does



not impose any tariff on motorcycles from India.

"We have so many countries... we pay a tremendous tax to get into their countries... Harley Davidson it goes into a certain country; I won't mention the fact that it happens to be India, in this case," Mr. Trump told members of Congress during a discussion on the steel industry. "If you are Harley Davidson, you have 50 to75% tax, tariff to get your motorcycle, your product in. And yet they sell thousands and thousands of motorcycles, which a lot of people don't know, from India into the United States. You know what our tax is? Nothing," he told the lawmakers.

After Mr. Trump had mentioned the tariff on high-end motorcycles in March, the Indian government had worked on reducing it.

On February 12, India announced a reduction in tariffs on high-end motorcycles, a move that was in contrast with duty increases on several items announced in this month's Budget.

Mr. Trump indicated he had been informed about the decision by Prime Minister Narendra Modi even before it was announced.

"A great gentleman called me from India and he said, we have just reduced the tariff on motorcycles, reduced

it down to 50% from 75, and even 100%," Mr. Trump said, in an apparent reference to his conversation with Mr. Modi, which was on February 8. The Central Board of Excise and Customs (CBEC) announced the decision to slash customs duty on motorcycles to 50%. Earlier, it was up to 75% for new bikes with engines exceeding 800cc capacity and 100% for used motorcycles.

'Very unfair'

But Mr. Trump expressed his dissatisfaction with the duty.

"I say we should have reciprocal taxes for a case like that. I'm not blaming India. I think it's great that they can get away with it. I don't know why people allowed them to get away with it. But there's an example that's very unfair. And I think we should have a reciprocal tax."

Bharti mulls listing Dutch unit BAIN BV

SPECIAL CORRESPONDENT NEW DELHI

Telecom firm Bharti Airtel is in discussions with consultants and intermediaries for listing shares of its Netherlands-based unit, BAIN BV, that controls the firm's Africa operations, on a global stock exchange.

of BAIN BV on February 12, has authorised its management to initiate non-binding exploratory discussion with various banks/intermediaries to explore possibility/feasibility of listing of its shares on an internationally recognised stock exchange," Bharti Airtel

U.K.'s Liberty House bids for Bhushan assets

Existing bidders cry foul over 'post-deadline' bid

PIYUSH PANDEY

U.K.-based Liberty House Group has emerged as the new bidder for all Bhushan assets, including Bhushan Power and Steel, a move that left existing bidders fuming as the London-based firm showed interest after deadline for the bidding ended.

A Liberty House Group spokesperson in an e-mail reply to query by The Hindu said, "Yes, we are bidding for Bhushan Power and Steel and Bhushan assets." JSW Steel and Tata Steel

had submitted bids for Bhushan assets. JSW Steel's bid of ₹28,000 crore for



Bhushan Steel was reportedly higher than Tata Steel's.

Highest bidder JSW Steel had emerged as

the highest bidder for Bhushan Power and Steel by agreeing to pay ₹13,000 crore while Tata Steel's bid was said to be less than

₹12,000 crore "The deadline has got over. What prevented them (Liberty House) from submitting bids within the prescribed deadline? They now know our bids and so shouldn't be allowed to bid," an official of a steel firm, which had submitted its bids, told *The Hindu*.

A Liberty House Group official said, "We have been invited to bid and we will submit a viable resolution plan for Bhushan assets in a couple of weeks. Our bidding will comply [with] all guidelines of the regulators and will be in [the] best interest of all the stakeholders, especially the lenders."

+ Grasim to invest \$1 bn in viscose, chemicals

Q3 profit falls 17% on loss from units

PIYUSH PANDEY

Kumar Mangalam Birla-led Grasim Industries is planning to invest more than \$1 billion in capacity expansion of its viscose and chemicals businesses. "The investments will

help the company to scale up its viscose capacity by 58% to 788 ktpa (kilo tonne per annum) and chemicals capacity to 1.14 mtpa (million tonne from annum) from 854 ktpa," Sushil Agarwal, whole-time director, Grasim, told The Hindu.

Internal accruals "All the investments will be

funded through internal accruals of the company," he said. Grasim reported a 17% fall in its third quarter consolidated net profit to ₹786.9 crore due to loss



Kumar Mangalam Birla

from subsidiaries. Revenue rose 78% to ₹15,523 crore as the company merged Aditya Birla Nuvo with itself. The cement assets of Jaypee Group were also merged with the firm.

"Of the ₹6,440 crore, investments, ₹5,260 crore will be invested for viscose business and ₹646 crore towards chemicals business," Dilip Gaur, MD, Grasim Industries, told The Hindu.

Fraud-hit PNB warns

'Rivals' foreign branches also to blame'

iraud, Punjab National Bank reached out to alert other lenders to the perpetrators' modus operandi, while at the same time apportioning a share of the blame to its competitors' overseas branches. In a letter dated February

12, to the CEOs of other banks, PNB said it was found that the SWIFT system had been misused by a junior-level branch official, who had fraudulently issued letters of undertaking (LoUs) on behalf of some companies for availing buyers' credit from overseas branches of Indian banks. The SWIFT network and identification codes are most commonly used for in-

maintaining only current ac-Reeling from a ₹11,500-crore count with the branch and were not enjoying any fund or non-fund based limits. None of the transactions were routed through the CBS [core banking solution] system, thus avoiding early detection of fraudulent activity," PNB wrote. In one instance, LoUs were opened in favour of overseas branches of Indian banks for import of pearls for a period of one year, for which as per RBI norms, the total time period allowed is 90 days from the date of shipment.

"This stipulation was overlooked by overseas branches of Indian banks, who are required to follow RBI guidelines," PNB said, adding none of them had

peers about LoUs

MANOJIT SAHA

ternational wire transfers.

shared any information.

India initiates review of anti-dumping duty on Chinese steel wheel imports

In 2013, India imposed duty of up to \$613 per tonne on the imports for 5 years

SPECIAL CORRESPONDENT

India has initiated a review of anti-dumping duty on flat base steel wheels from China to take a call on "the need for continued imposition of the duties in force."

The Directorate General of Anti-dumping and allied Duties (DGAD) has initiated the review investigation "to examine whether the expiry of such duty (on imports of flat base steel wheels from China) is likely to lead to continuation or recurrence of dumping and injury to the domestic (Indian) industry."

Huge trade deficit

The move comes in the backdrop of India's huge trade deficit with China (\$51.1 billion in FY'17).

Kalyani Maxion Wheels



Pvt. Ltd. and Wheels India sequent injury to the domes-Ltd. have filed an application tic industry." "alleging likelihood of continuation or recurrence of

They have sought a review and continuation of the antidumping of the subject dumping duties, imposed on such imports. "The Authorigoods, originating in or exported from China and conty (DGAD) has considered

to September, 2017 as the period of investigation. The injury investigation period has however, been considered as the period 2014-15, 2015-16, 2016-17 and the period of investigation," the DGAD said.

India had in 2013 imposed duty up to \$613 per tonne on import of the product from China for five years. As per the World Trade Organisation, if a company exports a product at a price lower than the price it normally charges on its own home market, it is said to be "dumping" the product.

The global body has also said that the WTO agreement allows governments to act against dumping where there is genuine ("material") injury to the competing domestic industry.

