If it took nine trading days and Rs 2,844 crore from foreign institutional investors (FIIs) for the first surge from 19,000 to 20,000 in December 2007, it took only six this time, with the FIIs putting in as much as Rs. 11,476 crore.

Looking back if one goes to see, the downfall of the Sensex had begun in middle of January 2008, as the sub-prime crisis in the US, had brought about a global meltdown, not sparing the Indian markets too. As a consequence, the foreign fund flow into Indian markets had been hampered. The Indian stock markets got a big blow on January 21, 2008, when a tsunami wave of selling caused the Sensex to crash by 1408 points.

To cite a yet another eventful session in 2008, on September 15, Monday, Sensex had fallen by 469.54 points or 3.35% to close at 13,531.27, on news of emergence of major financial crisis in the US. The investment bankers, Lehman Brothers Holdings had filed for bankruptcy and Merrill Lynch & Co`s forced sale to Bank of America. Also American International Group (AIG), the world`s largest insurance company, had asked the U.S. Federal Reserve for an emergency funding, prior to its announcement of major restructuring plan.

During the year 2008, the Sensex witnessed the biggest ever bear market in the history of the entire world. The Bombay Stock Exchange (BSE) 30-share Sensitive Index lost more than half it value, its worst ever performance. The index plunged 52.5% or 10,640 points, as overseas funds dumped emerging market assets, including Indian equities.

Though the Sensex, began the year 2009, on an optimistic note, in the first few trading sessions, the controversial and shocking disclosure made by the Satyam Chairman, B. Ramalinga Raju, about financial irregularities on the part of the company for the past few years, caused the stock market to crash severely on January 7. The 30-share benchmark index plunged 750 points in that session.

Citing few eventful sessions for the Indian stock markets during the year 2009...On May 4 investors across Asian markets went on a buying spree, on hopes global economy would soon be back on track. Indian Bulls, not letting go the opportunity elevated the Sensex by 6.4% or 732 points on that day.

On May 18, the Sensex witnessed a yet another eventful day. The Indian bulls ignored the weak global cues, and went for the stocks, on expectations the new government would bring reforms in financial and insurance sectors, and expedite divestment. Sensex remarkably ended the day with a gain of 2,111 points, whilst the Nifty closed higher by 652 points that day.

On November 27, 2009, the Dubai World debt concerns rocked the Indian markets, with the Bombay Stock Exchange 30-share benchmark index, Sensex ending the day with a loss of 223 points, or 1.32% at 16,632.

However, on the whole the year 2009 proved to be a spectacular year for equity markets across the globe, especially emerging markets like India, leaving behind the worst ever 2008. During the year Sensex gained more than 80%, whilst Nifty gained over 75% respectively.

Sensex after beginning the first few session with modest gains in the year 2010, witnessed a significant fall, later in January, on aggressive selling on the part of foreign institutional investors (FIIs), China`s monetary tightening and US banks regulations.

Subsequently, the Union Budget declared by the Finance Minister on February 26, gave fillip to the market sentiments, and as a consequence the 30 share index, Sensex climbed 237.92 points, or 1.47%, to 16,429.55 for the week ended Feb. 26, 2010.

For the next few weeks the markets gained consistently on account of FII buying and encouraging advance tax figures of Indian corporate for Q4 and supportive global cues.

Then again in May the Sensex witnessed a downward trend on global uncertainties, European debt debacle and China monetary tightening concerns. Sensex tumbled 548.99 points, or 3.23%, to 16,445.61 for the week ended May 21,2010.

Sensex registered modest gains in June 2010 on promising global cues, while in July concerns of global meltdown on Chinese economic crisis, deterred the bullish market sentiments. The markets were overall volatile during July.

In August strong FII buying coupled with strong positive global cues lifted the Sensex above 18,000 level, but towards the end of August, weak global cues took a toll on Indian markets, and the benchmark index tanked over 2% for the week ended August 27.

Finally, in the month of September 2010, the markets consolidated the most with the Sensex re-attaining its January 2008 levels. On September 21, Sensex closed the day`s session on a 32-month high breaching 20,000 level, which was mainly on account of Bullish market sentiments, strong global cues, intense buying on the part of FIIs, and strong IIP no’s for August.

Sensex is still hovering around 20,000 level...On September 28, at the close, the 30-share benchmark index, BSE Sensex ended flat with a decline of 12.52 points or 0.06% at 20,104.86, 15 components posting drop.

Lets have a comparative glance into the different shares and stocks to know where they stand.

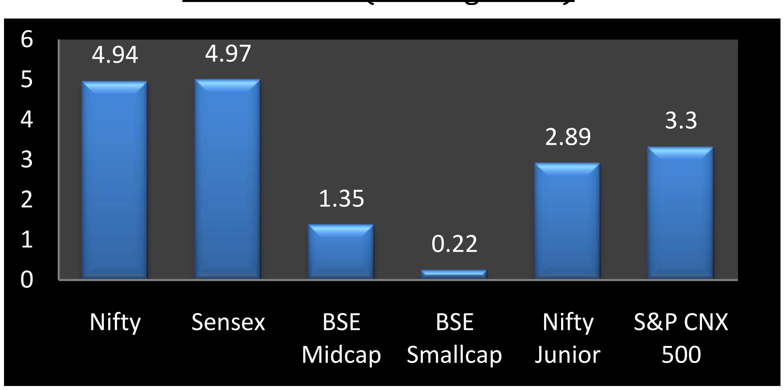
**Sensex 2008-2010**

| SENSEX | | | |
|---|---|---|---|
| **Months/Years** | **2008** | **2009** | **2010** |
| **January** | 17648.71 | 9424.24 | 16429.55 |
| **February** | 17578.72 | 8891.61 | 17527.77 |
| **March** | 15644.44 | 9708.5 | 17527.77 |
| **April** | 17287.31 | 11403.25 | 17558.71 |
| **May** | 16415.57 | 14625.25 | 16944.63 |
| **June** | 13461.6 | 14493.84 | 17700.9 |
| **July** | 14355.75 | 15670.31 | 17868.29 |
| **August** | 14564.53 | 15666.64 | 17971.12 |
| **September** | 12860.43 | 17126.84 | 20001.55 |
| **October** | 9788.06 | 15896.28 | |
| **November** | 9092.72 | 16926.22 | |
| **December** | 9647.31 | 17464.81 | |

**Nifty 2008-2010**

| NIFTY | | | |
|---|---|---|---|
| **Months/Years** | **2008** | **2009** | **2010** |
| **January** | 5137.45 | 2874.8 | 4882.05 |
| **February** | 5223.5 | 2763.65 | 4922.3 |
| **March** | 4734.5 | 3020.95 | 5249.1 |
| **April** | 5165.9 | 3473.95 | 5086.3 |
| **May** | 4870.1 | 4448.95 | 5312.5 |
| **June** | 4040.55 | 4291.1 | 5367.6 |
| **July** | 4332.95 | 4636.45 | 5402.4 |
| **August** | 4360 | 4662.1 | 6009.05 |
| **September** | 3921.2 | 5083.95 | |
| **October** | 2885.6 | 4711.7 | |
| **November** | 2755.1 | 5032.7 | |
| **December** | 2959.15 | 5201.05 | |

**Indian indices (% change 2010)**



**NIFTY 2008-2010**

NSE's Nifty 50 was up 0.48 per cent at 6,009.05 points gaining 28.60 points. Nifty 50 had last crossed 6,000 level on 8th January 2008. As the indices zoom past 20K and 6K, NSE said 70 stocks were reported to be at all-time high prices.

On 20th September, foreign institutional investors net-purchased shares worth $411.9 million, taking 2010's tally to $16.23 billion. Indian equities have outpaced other Asian shares like in 2008 boom period.

The unprecedented pick-up in bull run is wholly attributed to massive inflows of dollars via foreign institutional investors.

Analysts point out that Reliance Industries Limited has lion's share in propelling the recent rally. Others to follow are HDFC, HDFC Bank, ICICI Bank, ITC and L&T.

While automobile, FMCG and IT have grown strongly, real estate, oil and gas and capital goods have yet to reach their past levels.

| S.No. | Company/Indices | 8th January 2008 | 9th January 2009 | 21st September 2010 | %change between 2008 & 2010 |
|---|---|---|---|---|---|
| 1 | Hero Honda Motors Ltd | 691.3 | 799.8 | 1809.05 | 161.69% |
| 2 | Dr Reddy's Laboratories Ltd | 704.65 | 459.9 | 1490.9 | 111.58% |
| 3 | Glaxosmithkline Pharmaceuticals India Ltd | 1085.15 | 1125.95 | 2070.25 | 90.78% |
| 4 | Punjab National Bank | 682.35 | 485.65 | 1271.14 | 86.29% |
| 5 | Infosys Technologies Ltd | 1662.25 | 1203.4 | 3059.15 | 84.04% |
| 6 | Colgate-Palmolive India Ltd | 474.55 | 391.4 | 859.5 | 81.12% |
| 7 | Sun Pharmaceutical Industries Ltd | 1108.5 | 1099.45 | 1930.75 | 74.18% |
| 8 | Bharat Petroleum Corporation Ltd | 490.9 | 380.65 | 792.2 | 61.38% |
| 9 | Tata Iron & Steel Company Ltd | 891.3 | 215 | 616.35 | -30.85% |
| 10 | Indian Hotels Company Ltd | 157.45 | 44.15 | 104.35 | -33.72% |
| 11 | Asea Brown Boveri Ltd | 1498.65 | 439 | 856.85 | -42.83% |
| 12 | Shipping Corporation of India Ltd | 303.2 | 81.8 | 163.4 | -46.11% |
| 13 | Videsh Sanchar Nigam Ltd | 683.35 | 488.75 | 327.9 | -52.02% |
| 14 | Reliance Energy Ltd | 2541.2 | 508.15 | 1076.65 | -57.63% |
| 15 | Bharti Tele-ventures Ltd | 975.9 | 638 | 368.15 | -62.28% |
| 16 | Bajaj Auto Ltd | 2538.05 | 241.3 | 870.85 | -65.69% |
| 17 | Reliance Industries Ltd | 3054.65 | 1153.25 | 1035.14 | -66.11% |
| 18 | Mahanagar Telephone Nigam Ltd | 197.65 | 74.6 | 63.7 | -67.77% |
| 19 | Britannia Industries Ltd | 1532.85 | 1265 | 434 | -71.69% |
| 20 | Housing Development Finance Corporation Ltd | 3080.5 | 1643.7 | 721.6 | -76.58% |
| 21 | Satyam Computer Services Ltd | 424.4 | 23.75 | 95.2 | -77.57% |
| 22 | Tata Tea Ltd | 941.4 | 613.75 | 122.5 | -86.99% |
| 23 | NIFTY | 6287.85 | 2873 | 6009.05 | |

## Sensex 2008-2010

BSE's 30-share Sensitive Index ended at 20,001.55 points on 21st September 2010, up 0.48 per cent or 95.45 points. Sensex regained 20K level after 8th January 2008.

Companies in the software and IT sector led the sensex as it breached past the 20000 mark on 21st September 2010, there have been certain sectors that have lagged significantly in the Sensex move from 20K in 2008 to 20K now.

The rally was clearly at the top of the market as the mid-cap and small-cap indices at the BSE fell by 1 percent and 1.3 percent respectively. The sensex closed with a 0.5 percent gain. The sensex, after falling a little from the 20000 mark, crossed the big mark again.

Overall in September, FII inflows have topped Rs.16,037 crore. The rally which is even making the brokers and fund manager anxious has taken everyone by surprise with no brakes seen. The sensex has gained 2000 points this wet September, with FIIs raining money.

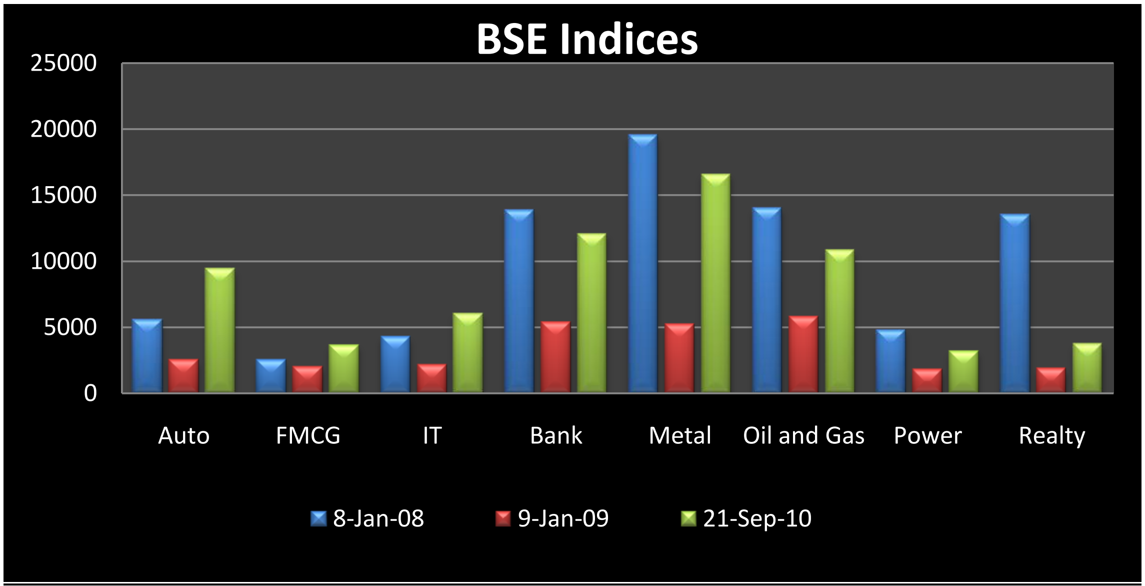
| S.No. | Company/Indices | 8th January 2008 | 9th January 2009 | 21st September 2010 | %change between 2008 & 2010 |
|---|---|---|---|---|---|
| 1 | Hero Honda Motors Ltd. | 691.3 | 799.8 | 1807.3 | 161% |
| 2 | Bajaj Auto Ltd. | 604.5 | 425.85 | 1,456.20 | 141% |
| 3 | Dr. Reddy's laboratories Ltd. | 702.6 | 461.25 | 1487.7 | 112% |
| 4 | Infosys Technologies Ltd. | 1662.15 | 1195.1 | 3058.15 | 84% |
| 5 | Cipla Ltd. | 209.15 | 187.9 | 320.75 | 53% |
| 6 | Maruti Suzuki Ltd. | 938 | 583 | 1413.95 | 51% |
| 7 | HDFC Bank Ltd. | 1716 | 1013 | 2470 | 44% |
| 8 | National Thermal Power corp. Ltd. | 265.25 | 178.1 | 206.9 | -22% |
| 9 | ITC Ltd. | 230.7 | 169.5 | 172.75 | -25% |
| 10 | Tata Steel Ltd. | 889.05 | 212 | 615 | -31% |
| 11 | Grasim Industries Limited | 3405 | 1353.45 | 2226 | -35% |
| 12 | Larsen & Toubro | 4334.95 | 723 | 2034.75 | -53% |
| 13 | Reliance Infrastructure Ltd | 2535 | 500 | 1073 | -58% |
| 14 | Reliance Industries Ltd | 3055 | 1145 | 1032.9 | -66% |
| 15 | HDFC | 3,064.25 | 1,647.35 | 720 | -77% |
| 16 | Satyam Computer Services Ltd | 424.5 | 23.85 | 95.25 | -78% |
| 17 | SENSEX | 20873.33 | 9406.7 | 20001.55 | |

## BSE INDICES

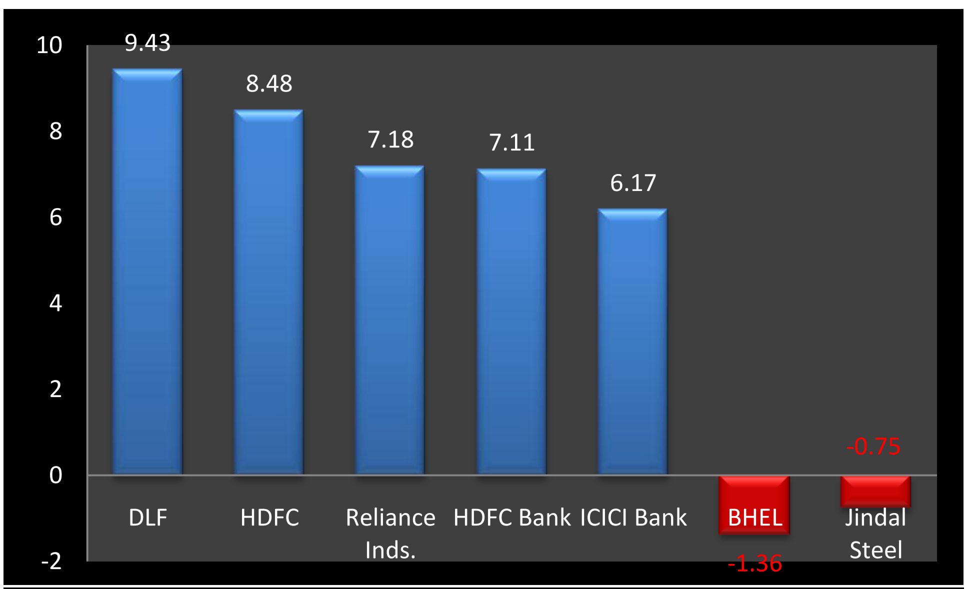
The key benchmark index BSE Sensex hit fresh 32 month highs and S&P CNX Nifty was hovering near its 32 month highs in afternoon trade supported by firm start for European stocks and as US index futures rose. The buying spree by foreign institutional investors and decent Q2 advance tax figures bolstered sentiment. The BSE 30-share Sensex was up 188.38 points or 0.96%, off close to 15 points from the day's high. Index heavyweight Reliance Industries extended initial gains.

The market breadth was strong. Except BSE banking index all the other sectoral indices on the BSE logged gains. FMCG stocks were in demand with cigarette major ITC striking lifetime high. Telecom, capital goods and consumer durables stocks also rose.

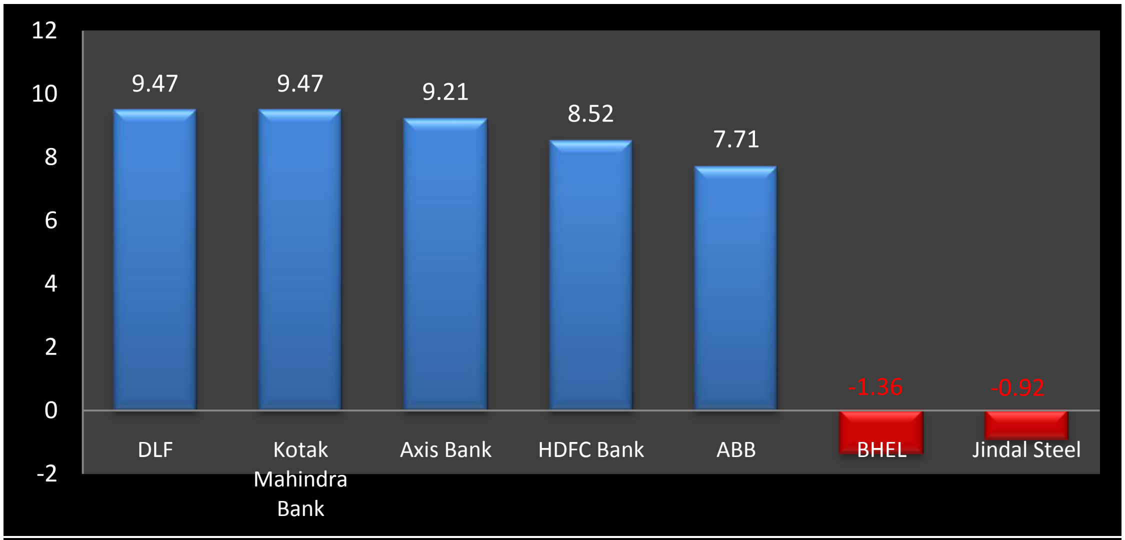
The 30-share BSE index rose 0.48 percent or 95.45 points to 20,001.55, with 14 of its components gaining. It rose as much as 0.9 percent to 20,088.96, its highest since January 2008. Six of the bluechips -- Tata Consultancy Services, Infosys Technologies, ITC, Tata Motors Mahindra & Mahindra(MAHM.BO) and HDFC Bank -- hit all-time highs.




**BSE Sensex Top Gainer & Losers (% Change)- September 2010**



## NSE NIFTY Top Gainers & Losers (% Change) - September 2010




## Contribution Status Of Different Stocks

Each stock's contribution to the rise or fall in the index is based on its weightage in that index, and is directly proportional to its free-float, non-promoter holding, market capitalisation. Free-float implies that portion of equity is available for trading in the stock market.

RIL topped the list of biggest contributors to the Sensex in most of the big rallies that happened in the past. The country's most-valued company added as much as 1,734 points during the 10,000-point rally in the Sensex between 2006 and 2008. The current year's rally, however, has seen the stock underperform most of its peers in other prominent sectors, particularly banking and IT, because of which it now figures much lower in the eighth position with 439 points.

RIL has been displaced by private sector banking giant ICICI Bank which now tops the ranking with the highest contribution of 1,050 points between April 2, 2009 and September 21, 2010, compared with the second slot with 1,140 points between June 21, 2006 and January 8, 2008. ICICI Bank is followed by Infosys which added 918 points compared with 232 points last time. The two stocks rose 206% and 109%, respectively, compared with a 20% rise in RIL. Telecom majors Bharti Airtel and RCOM have seen their contributions falling significantly to 46 points and negative 33 points, respectively, compared with 525 points and 559 points.

| | Between April 2, 2009 & September 21, 2010 | | Between June 21, 2006 & Jan 08, 2008 | |
|---|---|---|---|---|
| Stock | % Price Change | Contribution | % Price Change | Contribution |
| ICICI Bank | 206.3 | 1050.4 | 169.5 | 1130.9 |
| Infosys Tech. | 108.9 | 918.3 | 14 | 232.1 |
| L & T | 169.7 | 820 | 327.2 | 821.3 |
| SBI | 110.7 | 678 | 233.3 | 459.7 |
| HDFC Bank | 131.4 | 645.4 | 142.2 | 215.3 |
| HDFC | 118.3 | 609.3 | 200.2 | 434.8 |
| ITC | 10.6 | 494 | 36.7 | 279.7 |
| Reliance Ind. | 20.4 | 439.2 | 286.4 | 1734.5 |
| Bharti Airtel | 8.9 | 46.1 | 163.3 | 525 |
| Reliance Comm. | -19.4 | -33.4 | 232.1 | 559.2 |
| Sensex | | 9069 | | 10833 |

Sources: NSE, BSE, Bloomberg, Economic Times, Moneycontrol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|---|---|---|
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