

FINANCIAL CHRONICLE

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 Headline : N_deal fires up power scrips
 Event : Press conference to announce the launch of Artha Money and Products offered
 Location : Chennai

N-deal fires up power scrips

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 Mumbai

NEVER found wanting in smelling out opportunities, howsoever distant, investors on Wednesday rooted for stocks of capital goods companies that have the potential of getting a slice of the nuclear power equipment market.

A day after UPA government won the trust vote, shares of power equipment makers led by Bharat Heavy Electricals (Bhel), engineering major Larsen & Toubro (L&T), Siemens and Areva T&D, gained handsomely on hopes that these companies would benefit from orders for nuclear plant equipment once the deal with the US is sealed.

Shares of Bhel, India's biggest power equipment manufacturer, surged 10.92 per cent to Rs 1,772 on Wednesday, when Sensex gained 5.94 per cent. This was the biggest single-day rise the stock has seen in five months. On July 8, when the Samajwadi Party announced its support to the UPA, the stock was quoting at Rs 1,498. The trust vote also buoyed up L&T, which gained 7.58 per cent at Rs 2,766.65, up from the July 8 level of Rs 2,400.

CAPITAL GAIN		
	Gain (%)	Price (Rs)
Bhel	▲ 10.92	1,772
L&T	▲ 7.58	2,766.65
Siemens	▲ 11.48	556.35
ABB	▲ 3.61	918.65
NTPC	▲ 2.84	190.25

Rise in shares on July 23

Turn to P5

Day trading saw rise in the number of shares transacted

From P1

"Till yesterday, the stocks had been rising steadily but slowly due to short covering. What we saw today was delivery-based buying, especially by foreign institutional investors," said Jignesh Desai, head of institutional sales at SBI Capital Markets.

"We believe Bhel, ABB, Siemens and other capital goods stocks will benefit from the nuclear deal in the long run," he said.

Likewise, Siemens, too, gained 11.48 per cent at Rs 556.35 and ABB traded 3.61 per cent higher at Rs 918.65.

NTPC, the country's biggest power producer, rose 2.84 per cent to Rs 190.25 at the end of the day. But earlier in the day, the share had gained as much as 7 per cent before profit booking eroded most of the gain.

A significant feature of the day's trading was the rise in the number of shares transacted.

For instance, the Bhel counter saw 1.043 million shares change hands, compared to the last two-week average of only 5.14,000 shares. Similarly, the trading volume in L&T was 8.74,000 shares, compared to the previous two weeks' average of 5.93,000 shares.

"The rally was news driven. Bhel and other capital goods stocks gained on that momentum," said Mallinath Madineni, chief investment officer at Artha Money, a financial services firm.

"The markets was expecting a rally if the UPA government survived the trust vote," he added.

Experts said Areva SA, the world's biggest maker of nuclear power plants, and General Electric, Siemens and ABB may win orders for reactors once India is allowed to import technology and fuel. Their Indian arms will also become secondary beneficiaries.

L&T/BSE	Rs 2,766.65 ▲
BHEL/BSE	Rs 1,772 ▲
ABB/BSE	Rs 918.65 ▲
SIEMENS /BSE	Rs 556.35 ▲
NTPC/BSE	Rs 190.25 ▲

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