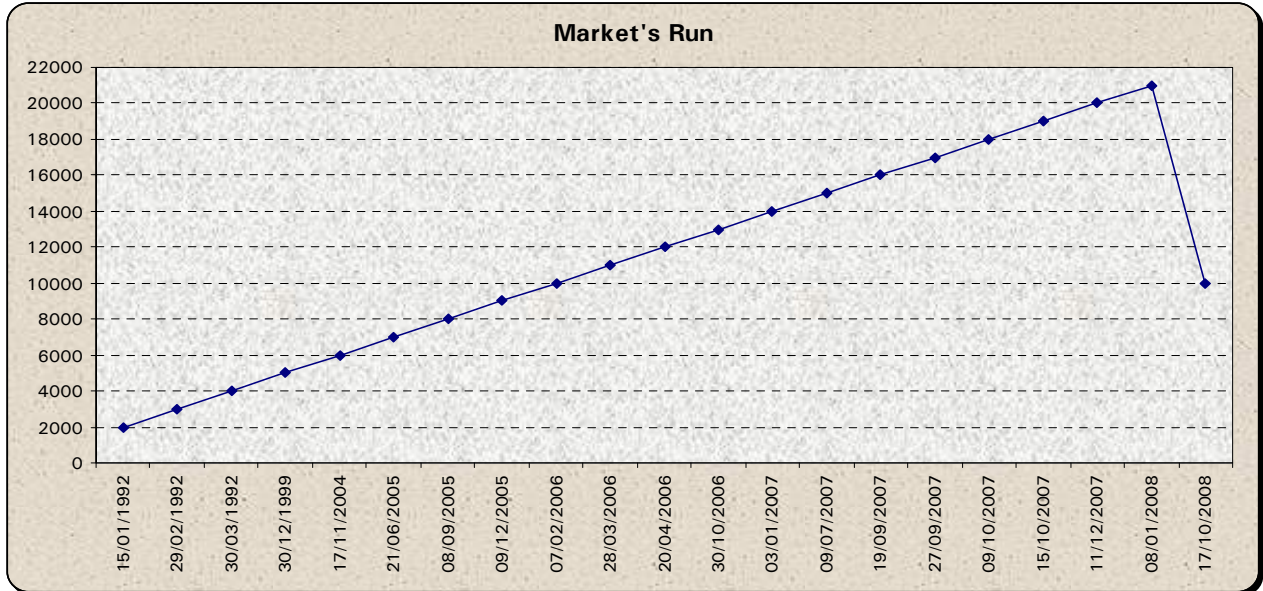




**Sub-Prime (USA) & India**

The effect of Sub-Prime in USA has been felt in India.

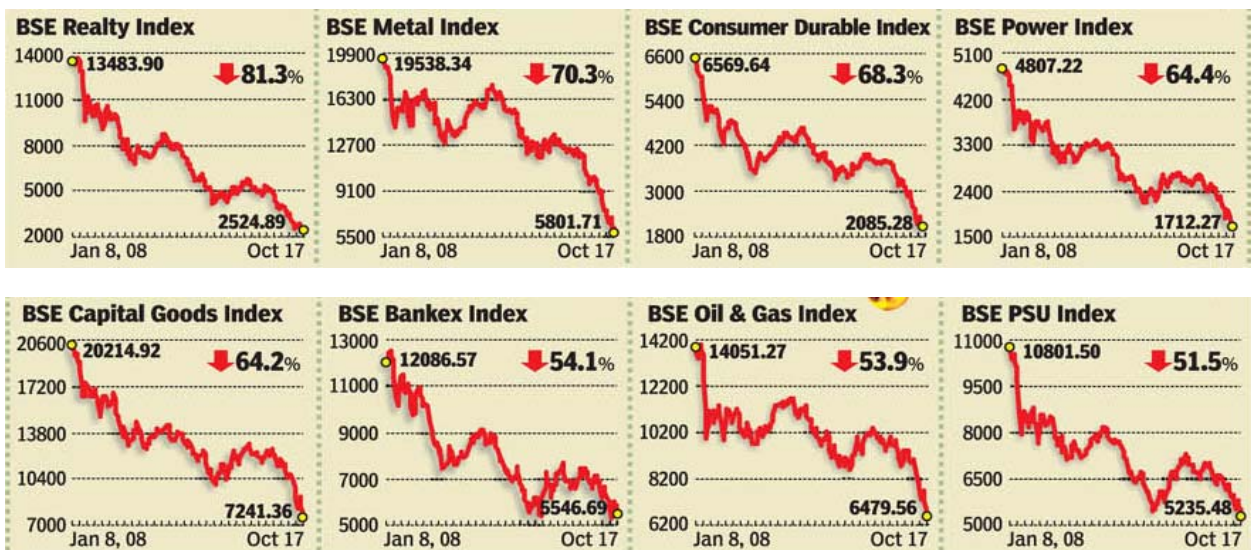
It started with stock market on peak in January 2008 and then after tumbling down it was worst affected on 17<sup>th</sup> October 2008 when index from 20873 came down to 9975.



We have observed the sub-prime effect on Indian economic also. The growth of GDP has come down vis-à-vis Industrial Sector, Service Sector & Agriculture Sector has been affected. This has also affected Indian Rupee very badly against US Dollar. (However, it may be a good news for NRI)

	As on 8 <sup>th</sup> Jan 2008	As on 21 <sup>st</sup> Oct 2008
Exchange Rate for USD 1.00 =	INR 39.30500	INR 50.30304

**REVERSE SWEEP: Most sectoral indices have fallen over 50% from their January peaks; Sensex slips below 10K**

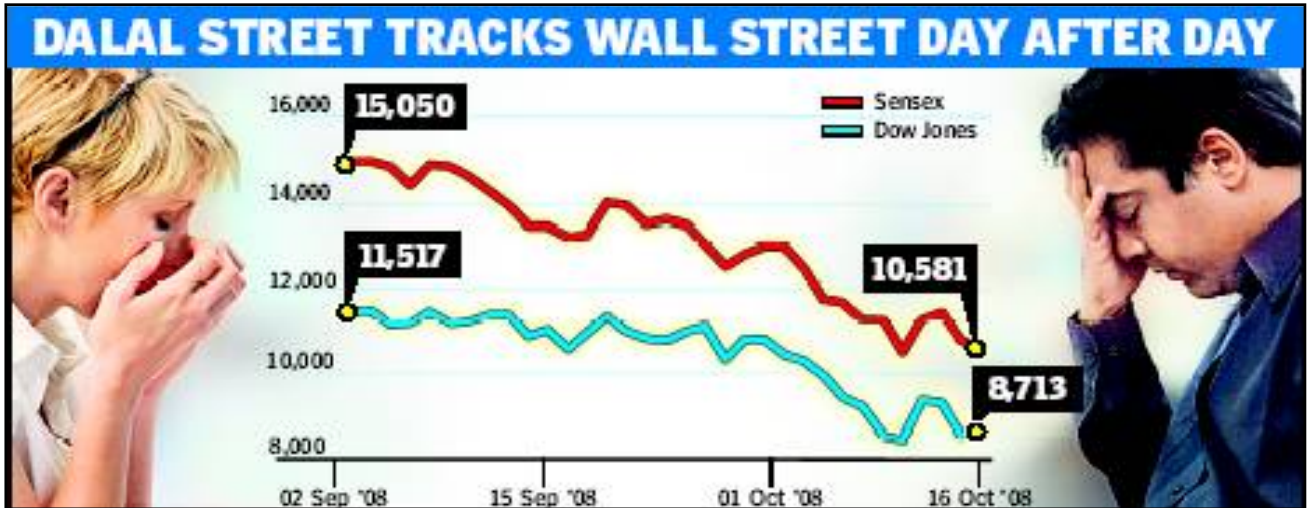


Telephone : +91 (22) 6734 0000 / 2509 3509 ● Fax : +91 (22) 2516 6259 / 2510 6259

Website : <http://www.interlinkre.com>

Email : [intlink@bom5.vsnl.net.in](mailto:intlink@bom5.vsnl.net.in)

[harshad.parekh@interlinkre.com](mailto:harshad.parekh@interlinkre.com)



From the above graph it will be observed that Dow Jones and BSE are running parallel.

<b>THE PULL DOWN EFFECT</b>				
Date	Sensex Move	Gain / Loss	Net FII in Flow	Per Point Investment
<b>UPWARDS</b>				
Feb 7, 2006 To Jan 10, 2008	10082 To 20582	10499	INR 1,009.51 bln	INR 961 mln
<b>DOWNWARDS</b>				
Jan 10, 2008 To Oct 16, 2008	20582 To 9975	10606	INR 472.99 bln	INR 446 mln

<b>Rising From 10K To 21K</b>			
<b>Top Sensex Gainers During Bull Run</b>			
Scrip	Feb 6, '06	Jan10, '08	% change
RIL	720	3027	<b>320</b>
Reliance Infra	602	2455	<b>310</b>
L&T	563	2104	<b>273</b>
Sterlite	290	1015	<b>250</b>
Tata Power	491	1498	<b>205</b>
<b>Top Non-Sensex Group A Gainers</b>			
Scrip	Feb 6, '06	Jan10, '08	% change
Jai Corp	6	1282	<b>22080</b>
Unitech	11	518	<b>4609</b>
Adani Ent	60	1130	<b>1796</b>
Educomp	271	4379	<b>1517</b>
India Infoline	31	344	<b>999</b>
*No sensex losers during this period			

<b>Going Down From 21K To 10K</b>			
<b>Top Sensex Losers During Bear Phase</b>			
Scrip	Jan 10, '08	Oct 17, '08	% fall
Reliance Infra	2455	491	<b>80</b>
DLF	1142	291	<b>74</b>
Sterlite	1015	272	<b>73</b>
ICICI Bank	1357	392	<b>71</b>
Tata Steel	854	248	<b>71</b>
<b>Top Non-Sensex Group A Losers</b>			
Scrip	Jan 10, '08	Oct 17, '08	% fall
United Breweries	1116	132	<b>88</b>
HDIL	1018	125	<b>88</b>
Indiabulls Fin	812	100	<b>88</b>
Adlabs	1533	201	<b>87</b>
Indiabulls Real Est.	731	100	<b>86</b>
*No sensex gainers during this period			

Telephone : +91 (22) 6734 0000 / 2509 3509 ● Fax : +91 (22) 2516 6259 / 2510 6259

Website : <http://www.interlinkre.com> Email : [intlink@bom5.vsnl.net.in](mailto:intlink@bom5.vsnl.net.in)

[harshad.parekh@interlinkre.com](mailto:harshad.parekh@interlinkre.com)

**The Bull Run is over. Fast and Furious Journey of Sensex from 10000 to 21000 remains A SWEET DREAM**

Company	Closing Price Oct 17, 2008*	Closing Price Jan 8, 2008*	Fall (in Rs)	Fall (in %)	Company	CLOSING PRICE Oct 17, 2008*	CLOSING PRICE Jan 8, 2008*	Fall (in Rs)	Fall (in %)
ACC	<b>489</b>	970	-481	<b>-50</b>	Maruti Suzuki	<b>640</b>	926	-285	<b>-31</b>
Bharti Airtel	<b>677</b>	973	-296	<b>-30</b>	NTPC	<b>150</b>	277	-127	<b>-46</b>
Bhel	<b>1195</b>	2444	-1249	<b>-51</b>	ONGC	<b>776</b>	1299	-523	<b>-40</b>
DLF	<b>291</b>	1169	-878	<b>-75</b>	Ranbaxy	<b>256</b>	412	-155	<b>-38</b>
Grasim Industries	<b>1293</b>	3451	-2158	<b>-63</b>	RCOM	<b>234</b>	821	-587	<b>-71</b>
HDFC Bank	<b>1024</b>	1745	-721	<b>-41</b>	Reliance Infra	<b>491</b>	2565	-2075	<b>-81</b>
Hindustan Unilever	<b>241</b>	234	-7	<b>-3</b>	RIL	<b>1305</b>	3032	-1727	<b>-57</b>
Hindalco	<b>64</b>	213	-148	<b>-70</b>	Satyam	<b>266</b>	428	-162	<b>-38</b>
HDFC	<b>1777</b>	3174	-1398	<b>-44</b>	SBI	<b>1414</b>	2463	-1049	<b>-43</b>
ITC LTD	<b>159</b>	228	-69	<b>-30</b>	Sterlite	<b>272</b>	1040	-768	<b>-74</b>
ICICI Bank	<b>392</b>	1310	-919	<b>-70</b>	Tata Motora	<b>243</b>	770	-527	<b>-68</b>
Infosys Technologies	<b>1203</b>	1656	-453	<b>-27</b>	Tata Power	<b>748</b>	1566	-817	<b>-52</b>
Jaiprakash Associates	<b>67</b>	466	-399	<b>-86</b>	Tata Steel	<b>248</b>	891	-642	<b>-72</b>
Larsen & Toubro	<b>799</b>	4330	-3530	<b>-82</b>	TCS	<b>454</b>	994	-540	<b>-54</b>
Mahindra & Mahindra	<b>441</b>	808	-367	<b>-45</b>	Wipro	<b>258</b>	491	-233	<b>-48</b>

**\*Sensex closed at 20,870 on Jan 8, 2008. It closed at 9,975 on Oct 17.**

**Conclusion:**

**"In the near future business activity will falter, unemployment will rise and headlines will continue to be scary." - Warren E. Buffett.**

However, it is felt (without any liability) that in the long term this is the best time to invest in property and stock market. Interlink feels that the stock market may go down further but not much as Government of India injecting lots of liquidity and we feel that the Government may give other incentives also. Compared to other countries, the Indian economy can resist well to this crises.

**A simple rule:**

**"Be fearful when others are greedy, and be greedy when others are fearful. And most certainly, fear is now widespread" - Warren E. Buffett.**

Interlink is not a Stock Brokers, however, we will be very happy to provide you more information if you need it for any reason (*Of course without assuming any liability*).