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Dr. Reddy's Lab tumbles

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<http://www.thehindubusinessline.com/2010/07/26/stories/2010072651610400.htm>

Thanks to better-than-expected results from big US companies, including American Express and Verizon Communications, and the European banks' stress tests, the benchmarks ended with over 3 per cent gains.

Domestic bourses retraced the February 2008 highs on the back of continuous foreign institutional buying. The Sensex moved up 0.98 per cent and the NSE's S&P CNX Nifty gained 1.02 per cent.

Indian ADRs surged with the general positive sentiment.

However, the ADR of Dr. Reddy's Laboratories crashed 7.9 per cent at \$28.73 against the previous week close of \$31.2 after the pharma major reported a drop in net profit.

Dr. Reddy's posted a 14 per cent drop in first-quarter profit on weaker revenue from North America and Europe. Its net income fell to Rs 210 crore from Rs 244 crore a year earlier.

However, thanks to strong number from Wipro and TCS, IT counters – that were down after Infosys reported lower profits – recovered sharply.

The ADR of Wipro jumped 7.45 per cent at \$13.26 (\$12.34), Infosys rose 3.2 per cent at \$60.18 (\$58.31) and Patni Computer rose 6.3 per cent at \$24.07 (\$22.64).

However, Mahindra Satyam (erstwhile Sataym Computer) slipped marginally to \$5.01 (\$5.03).

HDFC Bank and ICICI Bank ADRs surged 5.96 per cent and 4.5 per cent respectively after the former reported a 34 per cent surge in its June quarter net profit.

This week's biggest gainer was Sterlite Industries.

The ADR jumped 10.2 per cent at \$15.11 (\$13.71) as metal prices remained firm at the LME.

The ADR of Tata Motors moved up by 4.4 per cent at \$18.87 (\$18.07) and Tata Communications inched up 1.5 per cent at \$12.23 (\$12.04).

It was a mixed show by Internet majors. While Rediff.com surged 7.4 per cent at \$1.88 (\$1.75), Sify.com slipped 3.5 per cent at \$1.35 (\$1.4).