KHANDWALA SECURITIES LIMITED

# Market Today

*May 21, 2009*

| | Sensex Close | | | |
|---|---|---|---|---|
| Current Week: 08 | ▲ | 7 | ▼ | 0 |
| Today: 31 | ▲ | 18 | ▼ | 12 |

## Markets at a Glance:

| | | % Change | | |
|---|---|---|---|---|
| | 20-May | 1-Day | 1-Mth | 3-Mths |
| BSE Sensex | 14,061 | -1.7 | 29.0 | 55.5 |
| S&P Nifty | 4,270 | -1.1 | 26.9 | 53.1 |
| BSE MidCap | 4,674 | 6.0 | 32.7 | 64.7 |
| BSE Small Cap | 5,208 | 8.9 | 29.3 | 62.0 |
| BSE Auto | 4,517 | 4.7 | 34.2 | 75.5 |
| BSE Bankex | 7,920 | -2.4 | 49.0 | 77.8 |
| BSE Cap Goods | 11,412 | 1.5 | 46.5 | 88.0 |
| BSE FMCG | 2,112 | 0.0 | 0.4 | 4.9 |
| BSE Healthcare | 3,331 | 1.9 | 9.2 | 26.8 |
| BSE IT | 2,854 | 0.0 | 17.9 | 36.2 |
| BSE Metals | 9,907 | 5.2 | 44.9 | 105.5 |
| BSE Oil & Gas | 9,608 | -2.1 | 22.4 | 56.0 |
| BSE Power | 2,742 | 1.3 | 30.3 | 56.7 |
| BSE PSU | 7,427 | 2.9 | 25.8 | 47.2 |
| BSE Realty | 3,361 | 0.4 | 49.4 | 126.8 |
| **World Indices** | | | | |
| Dow Jones | 8,422 | -0.6 | 5.7 | 12.8 |
| Nasdaq | 1,728 | -0.4 | 5.1 | 19.8 |

## Institutional Trends:

| INR Cr | | | Cash | |
|---|---|---|---|---|
| | Cash | F&O | MTD | YTD (FY) |
| FIIs | N.A. | N.A. | 10,324 | 16,832 |
| MFs | -1,720 | - | -627 | -586 |

## Currencies/Commodities:

| INR | Rate/ Unit | Change Abs | % |
|---|---|---|---|
| Re/US ($) | 47.49 | 0.3 | -0.6 |
| Re/UK (£) | 73.64 | 0.2 | -0.3 |
| Re/Euro (€) | 64.98 | 0.1 | -0.2 |
| Brent ($/Bbl) – Crude Oil | 59.13 | 0.8 | 1.3 |
| Gold 99.90 (10 Grm) | 14,400 | 30.0 | 0.2 |
| Silver .999 (1 Kg) | 22,520 | 285.0 | 1.3 |

## Interest Rates (%):

| | Last | 1-Mth ago | 3-Mth ago |
|---|---|---|---|
| Call | 3.20 | 3.55 | 4.05 |
| 91 Day T-Bills | 3.25 | 3.58 | 4.68 |
| 1 Year G-Sec | 3.02 | 3.78 | 4.77 |
| 9 Year G-Sec | 6.37 | 6.39 | 6.09 |

## ADR/GDRs:

| Company | Price ($) | % Chg | Prem/Disc |
|---|---|---|---|
| Dr. Reddy's | 12.9 | 3.8 | -2.7 |
| HDFC Bank | 90.3 | -1.7 | 4.0 |
| ICICI Bank | 28.4 | -2.9 | -4.9 |
| Infosys | 32.2 | -2.5 | -0.3 |
| MTNL | 3.6 | 3.1 | -4.7 |
| Tata Motors | 8.9 | -1.0 | -41.9 |
| Tata Comm. | 26.0 | -0.6 | 1.2 |
| Wipro | 11.1 | -0.7 | 33.3 |

## Strategy for the Day:

- ✓ The stocks are likely to extend yesterday's fall and pare more of Monday's 'circuit' gains as smart traders press sell button to convert profits into cash. Some index heavyweights in IT and FMCG have already erased all of Monday's gains.
- ✓ FIIs sold heavily on the last two days as gains increased on stock appreciation and dollar depreciation over the last week.
- ✓ Global recession is running deeper as Asia goes through double-digit contraction in several countries' GDP. Singapore GDP shrank 14.6% after 15.2% cut in Japan's in 1QCY09.
- ✓ Asians markets are in the red. Hang Seng -1.3%, Nikkei -1.3%, Shanghai -1.1%, Kospi -1.1%, Shanghai -0.8% and Taiwan -0.4%.

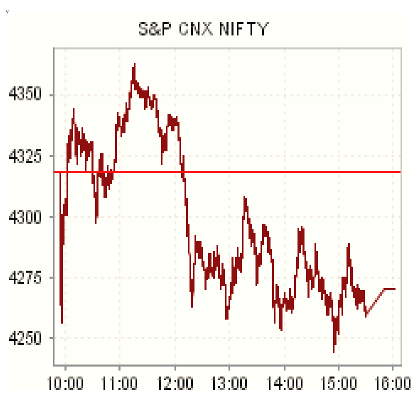
## Action Ideas Today:

| | Bias | Support | | Resistance | |
|---|---|---|---|---|---|
| | | S2 | S1 | R1 | R2 |
| Sensex | Neutral | 13,719 | 13,890 | 14,319 | 14,577 |
| Asian Paints | Positive | 980 | 1,000 | 1,035 | 1,050 |
| Axis Bank | Negative | 670 | 699 | 774 | 820 |
| Bharat Forge | Negative | 142 | 151 | 177 | 193 |
| Bharti Airtel | Negative | 805 | 832 | 897 | 935 |

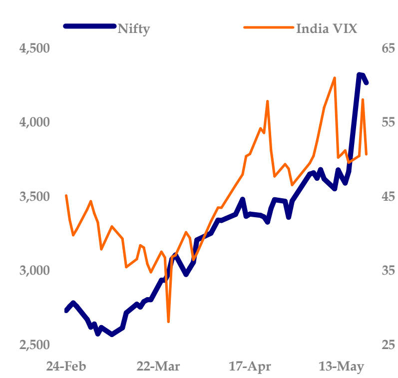
## Turnover Data:

| INR Cr | | % Change | | |
|---|---|---|---|---|
| | Last | 1-Day | 1-W Avg | 1-M Avg |
| BSE Cash | 8,415 | -28.6 | 72.6 | 67.9 |
| NSE Cash | 28,399 | -29.3 | 135.7 | 95.4 |
| NSE F&O | 70,571 | -33.4 | 57.8 | 18.8 |
| Nifty Index Future | 16,920 | -45.6 | 34.4 | 3.4 |
| Nifty Index Future OI | 15,612 | -15.0 | 5.5 | 19.6 |
| NSE Market Cap | 4,241,120 | 1.3 | 13.9 | 21.4 |

## Intraday:




## Nifty & India VIX - 3 mths:



## Derivatives:

| Rise in Open Interest | % Chg | Future Price (INR) Close | % Chg | Fall in Open Interest | % Chg | Future Price (INR) Close | % Chg |
|---|---|---|---|---|---|---|---|
| PTC India | 329.6 | 80.0 | 5.6 | HCL Infosys | 40.0 | 120.0 | 12.9 |
| Federal Bank | 151.5 | 241.2 | 3.2 | TV 18 | 33.3 | 136.7 | 2.9 |
| Crompton Greav | 124.5 | 254.0 | 13.5 | Hero Honda | 26.2 | 1,303.6 | -3.2 |
| Karnataka Bank | 104.6 | 114.6 | 8.4 | Power Finance | 23.0 | 216.0 | 7.4 |
| NIIT | 83.2 | 34.8 | 12.6 | GMR Infra | 20.9 | 159.6 | 4.3 |

## BSE Top Movers & Shakers:

| Gainers | Close Price (INR) Day | Prev. | % Chg | Losers | Close Price (INR) Day | Prev. | % Chg |
|---|---|---|---|---|---|---|---|
| HCC | 104.2 | 84.0 | 24.1 | DLF | 354.8 | 384.7 | -7.8 |
| Tulip Tele | 765.8 | 630.9 | 21.4 | Rel Capital | 846.1 | 910.2 | -7.0 |
| MMTC | 23,627.3 | 19,722.0 | 19.8 | ICICI Bank | 708.8 | 758.6 | -6.6 |
| Tata Motors | 363.9 | 305.5 | 19.1 | Bharti Airtel | 859.3 | 914.7 | -6.1 |
| Moser-Baer | 83.4 | 71.6 | 16.5 | BHEL | 2,040.5 | 2,164.9 | -5.7 |

# News Today

## Economy

- ✓ **Petrol prices may be raised** by about Rs 2 per litre and diesel rates cut by Rs 0.30 a litre if a proposal to free auto fuel prices from state control is approved by the incoming Cabinet.
- ✓ Finance Ministry expressed hope that **banks will bring down their lending rates.**
- ✓ The **government has issued bonds worth Rs 103.05-bn for 2008-09** to the three state-owned oil marketing companies — IOC, HPCL and BPCL — partially compensating their revenue losses arising from the sale of fuel at government-determined rates, which are often below the cost.
- ✓ **India's imports from China** almost doubled to $24.16-bn in Apr-Dec 2008-09 from $12.64-bn in the comparable period of 2006-07, according to RBI.
- ✓ **The average inflation during 2009-10** is projected to remain negligible at just 0.1% as against 8.3% in 2008-09, CMIE said.
- ✓ The month of April, India saw **PE deals** worth $493.94-mn being announced taking the total number of such deal value during the first four months of this year to $1.31-bn, global consultancy firm Grant Thornton said.
- ✓ The government submitted there is a **conflict of opinion** over the powers of the Petroleum and Natural Gas Regulatory Board (PNGRB) to issue license to companies for retailing CNG and piped gas in cities.

## Corporate

- ✓ **Axis Bank** entered into a strategic alliance with **Motilal Oswal Securities** to facilitate online trading for the bank's 10 million customers.
- ✓ **Bajaj Auto Finance** said its PAT grew over three-fold during the 4QFY09, to Rs 150.6-mn over the same period a year ago.
- ✓ **Bharat Forge** reported a sharp decline of 68.03% in consolidated net profit to Rs 203.3-mn during 4QFY09.
- ✓ **Jain Irrigation** has bagged Rs 650-mn order of Balh Valley irrigation project in Himachal Pradesh.
- ✓ **Reliance Power Transmission** has tied-up Rs 9.7-bn for its first transmission utility project in the western region of the country.
- ✓ **Religare Enterprise** has joined hands with Australian bank **Macquarie** to buy out **AIG Investments**.
- ✓ **Mundra Port and SEZ** said its net profit grew 66% during 4QFY09 to Rs 1,512-mn over the corresponding period a year ago.
- ✓ **Punjab National Bank** reported a 59% jump in its 4Q net profit at Rs 8.65-bn on the back of high interest income.
- ✓ **Tata Steel** said that operations at its Teeside factory in England is going on as before and the company does not plan to sell its stake (in Teeside) to Italy's **Marcegaglia** and South Korea's **Dongkuk**.
- ✓ **Yash Birla Group** said that it has acquired **Melstar Information Technologies.**

## International

- ✓ **Aluminum Corp. of China**, may take a smaller stake in **Rio Tinto Group** to win approval for its $19.5-bn investment.
- ✓ **Barclays revised India's growth projection** for 2009-10 to 7% from the earlier forecast of 5.5% on the prospects of a stable government.
- ✓ **Novartis AG** is buying the injectable generic cancer drugs business of Austria's **EBEWE Pharma** for €925-mn ($1.3-bn) in cash.
- ✓ The pursuit of German carmaker **Opel** has narrowed to a three-way race between Italy's **Fiat**, Canadian-Austrian car parts group **Magna** and investment firm **RHJ International**.
- ✓ **Pfizer Inc** announced a marketing tie-up with India-based **Claris Lifesciences**, that specialises in injectables.
- ✓ Norway-based **Telenor** completed the acquisition for a 49% stake in India's **Unitech Wireless** as it paid Rs 11.3-bn in the second tranche for a further 15.5% stake in the company.
- ✓ **Temasek Holdings Pte** spent $600-mn to increase its stake in **China Construction Bank Corp.** after **Bank of America Corp.** reduced its investment in the lender.
- ✓ **World steel production** fell nearly 24% in April, reflecting the recessi-onary pressure in the West, but India bucked the trend recording about 3% growth in output of the key industrial intermediary.

# INDIA

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