

OCTOBER 08, 2008

Market Outlook

The Sensex opened with a positive gap of 266 points yesterday at 12,068 following the two positive moves by the regulators. The Sebi chief removed crubs on P-notes, and the RBI head cut cash reserve ratio by 50 basis points. The index soon touched a high of 12,181, but could not hold gains. Selling pressure at higher levels forced the index slip into the negative zone. The index, thereafter, exhibited high volatility throughout the day amid alternate bouts of buying and selling. The index touched an intra-day low of 11,502 - down 679 points from the day's high. The Sensex finally ended with a loss of 106 points at 11,695.

The coming session is likely to witness a range of 3,750 on advances and 3,500 on declines. The outlook for the markets on Wednesday is that of extreme cautious as a short squeeze is ruled out as the overseas cues are not positive.

The US indices ended deeply in red on the back of fears that credit crises could lead the economy into deep recession. The Dow Industrial Average index plunged 508 points to 9,447. The Nasdaq shed 108 points at 1,745. The Indian ADRs, too, ended with deep cuts. MTNL nose-dived 19% to \$3. Wipro plunged 14.5% to \$7.62. Infosys, Genpact, Sterlite, Satyam, Patni Computers, HDFC Bank, Tata Motors, Dr.Reddy's and Tata Communications were down around 5-10% each.

THE rupee fell past the 48-mark against the dollar on Tuesday, for the first time since December 2002, as the dollar strengthened overseas and the domestic stock markets fell further. However, heavy intervention from the central bank propped up the local unit. The rupee finally ended the day at 47.91/93 against the dollar, weakening from its previous close of 47.80/81.

ECONOMY

BANKERS are betting on Rs 1,00,000-crore inflows into the banking system easing liquidity pressures by November. According to bankers, about Rs 20,000 crore will be released in the next couple of days on account of the cash reserve ratio cut. Another Rs 25,000 crore will be the inflow due to farm loan waiver.

It is also believed that the auction of government bonds worth Rs 17,000 crore this week will take away most of the Rs 20,000 crore funds released by the cash reserve ratio (CRR) cut announced on Monday. The central bank will auction Rs 7,000 crore of treasury bills with two separate tenures on Wednesday, and Rs 10,000 crore of two government securities on Friday.

KEY INDICES			
INDEX	CURR	PRE	Chg%
Sensex	11695	11801	(0.90)
Nifty	3606	3602	0.11
Midcap	4257	4344	(2.00)
Smallcap	4423	5086	(13.04)

VALUE TRADED (Rs Crs)		
	07.10.08	Chg%
BSE	4741	18.79
NSE	12804	23.52

NET INFLOWS (Rs Crs)		
Prov	07.10.08	YTD
FII	(680.0)	(48,940.84)
DII	548.00	22,426.00

FII OPEN INTEREST		
	07.10.08	Chg%
FII Index Futures	9,963	1.40
FII Index Options	19,013	3.13
FII Stock Futures	13,794	1.70
FII Stock Options	866	1.05

World Indices 07.10.08		
	07.10.08	Chg %
Dow Jones	9447	(5.10)
Nasdaq	1754	(5.80)
FTSE 100	4605	0.35
Crude Oil (US\$/bl)	89.66	0.83
Gold (US\$/oz)	884	2.47

TECHNICAL TRENDS FOR 08th OCTOBER 2008

SCRIP/INDEX NAME	CMP	200 DAY EMA	RECOMMENDATION	STOP LOSS	TIME FRAME	TARGET
Nifty	3606	4184	Sell	3750	2-3 days	3500/3430
Network 18	124	170	Sell	142	2-3days	100
Tata power	769	1012	Sell	826	3-4 days	650
Brfl	246	333	Sell	265	3-4 days	223
Patel Eng.	240	482	Sell	254	3-4 days	220
Union Bank	148	142	Buy	141	3-4 days	165
LITL	178	264	Buy	166	3-4 days	193

Please refer to important disclosures at the end of this report

For Private circulation Only

For Our Clients Only

DERIVATIVE STRATEGY 08th OCTOBER 2008					
Asset	Mkt Price	Strategy	Stop Loss	Target	Time Frame
Rel Capital	1008	BUY Rel Cap 1080 PA@ 136.15 SELL Rel Cap 990 PA @70	1035	970	2-3 DAYS

CORPORATE NEWS

SWISS processing and packaging major **Tetra Pak International SA** will invest Rs 500 crore in its Indian operations to set up its second plant in the country, in Maharashtra. Tetra Pak India's biggest clients include Parle, Amul, Dabur, PepsiCo and Coca-Cola.

SPANCO BPO and the Omnia BPO Services of **Spice Televentures** have merged to form a 50: 50 joint venture for domestic BPO. The new BPO will rank along the top five domestic BPOs in the country in terms of size.

TATA Sons, the Tata Group's holding company, sold 1% stake in India's largest software exporter, **Tata Consultancy Services**, last week for Rs 701 crore. A banker said Tata Sons is raising funds so that it can subscribe to the Tata Motors rights issue. Tata Sons would require around Rs 911 crore to subscribe to its 22% entitlement to TML's rights issue.

A joint venture between oil major **ONGC** and L N Mittal group – is planning to set up its first refinery in Nigeria with an investment of around \$4 billion.

Essar Steel Algoma, part of \$5-billion Essar Steel Holdings (ESH), plans to invest close to Rs 1,200 crore in expanding its steel capacity and setting up a power plant. It will also upgrade air pollution control technology over the next 18 months. The expansion would be primarily funded through internal accruals. At the same time, the firm is scouting for acquisition of coal and iron ore blocks in Africa, Indonesia, Middle East and North America to meet its raw material requirement.

Chennai-based construction company, **Consolidated Construction Consortium Limited (CCCL)**, has bagged a Rs 1,212-crore order from the Airports Authority of India (AAI) for the expansion of Chennai airport terminal. CCCL will execute the project with Canada-based Herve Pomerleau International, which will be its technological partner. The project is scheduled to be completed in 26 months. Apart from the Chennai airport project, the company has bagged a Rs 41-crore construction order for the second phase expansion of Thiruvananthapuram airport terminal in Kerala.

State owned power equipment manufacturer **Bharat Heavy Electricals limited (BHEL)**, eastern region will execute 38 projects totalling 13828 MW in the Eleventh Plan period. Nationally, BHEL is committed to add 78000 MW during the same period. It is executing all the three projects identified by the Central government in the eastern region for uninterrupted power supply during the upcoming Commonwealth Games in October 2010. On commissioning, the project is expected act as a major boost to the power and industrial scenario in the North-Eastern states.

Additional Information with respect to the securities referred in our technical and derivative calls is uploaded on our website.

Please note that our technical calls are totally independent of our fundamental calls

Technical Trends calls are based on momentum, Investors/Traders are requested to observe following discipline to take maximum advantage of the products

- Entry/exit will be on the basis of price or time priority
- Use strict stop loss at 15% from your average acquisition price

This report is prepared for the exclusive use of Mansukh Group clients only and should not be reproduced, recirculated, published in any media, website or otherwise, in any form or manner, in part or as a whole, without the express consent in writing of Mansukh Securities and Finance Ltd. Any unauthorized use, disclosure or public dissemination of information contained herein is prohibited.

This data sheet is for private circulation only and the said document does not constitute an offer to buy or sell any securities mentioned herein. While utmost care has been taken in preparing the above, we claim no responsibility for its accuracy. We shall not be liable for any direct or

Analyst Name	Tel No	Email ID
Vishwesh Shrivastava	011-32502192	vishwesh@moneysukh.com
Ekta Setia	011-32502192	ektasetia@moneysukh.com
Ajay Lakra	011-32502192	ajaylakra@moneysukh.com