

**DECEMBER 10, 2008**

## KEY INDICES

| INDEX    | CURR | PRE  | Chg%   |
|----------|------|------|--------|
| Sensex   | 9162 | 8965 | 2.20   |
| Nifty    | 2784 | 2714 | 2.58   |
| Midcap   | 2885 | 2892 | (0.24) |
| Smallcap | 3343 | 3323 | 0.60   |

## VALUE TRADED (Rs Crs)

|     | 08.12.08 | Chg%    |
|-----|----------|---------|
| BSE | 3243     | (13.64) |
| NSE | 9418     | (3.22)  |

## NET INFLOWS (Rs Crs)

| Prov | 08.12.08 | YTD         |
|------|----------|-------------|
| FII  | 350.34   | (62,520.65) |
| DII  | (617.05) | 32,382.46   |

## FII OPEN INTEREST

|                   | 08.12.08 | Chg%  |
|-------------------|----------|-------|
| FII Index Futures | 6,697    | 9.32  |
| FII Index Options | 11,704   | 5.73  |
| FII Stock Futures | 9,734    | 6.46  |
| FII Stock Options | 203      | 27.67 |

## World Indices 09.12.08 Chg %

|                     |       |        |
|---------------------|-------|--------|
| Dow Jones           | 8691  | (2.72) |
| Nasdaq              | 1547  | (1.53) |
| FTSE 100            | 4381  | 1.88   |
| Crude Oil (US\$/bl) | 42.07 | (3.73) |
| Gold (US\$/oz)      | 774   | 0.26   |

Despite the government's fiscal stimulus package and the Reserve Bank of India's (RBI) interest rate cuts announced over the weekend to shield the domestic economy from the global economic slowdown, the Indian market underperformed its global peers which put up a strong show.

Technically, Nifty is captured in the trading range between 2600-2885/2900; break away on either side will take nifty further in the respective direction. The hurdle of 2885/2900 is important to the extent that if it doesn't get taken, bears might attack again. However breakaway above 2900 will only be favourable condition for bulls. The positive news announcements in and around the market is only able to hold the market in the above mentioned range till now, and not providing the big boost, for most of it seem to have discounted before. Nifty has resistance near 2885/2910 and Support @ 2700/2600.

The Nikkei average gained 1.1 percent in today's morning trade, helped by gains in exporters such as Tokyo Electron, as the yen softened.

Oil fell below \$43 on Tuesday after the US government predicted world oil consumption would shrink this year and next, marking the longest demand contraction in three decades.

### Economy

The Indian government on 7 December 2008 unveiled a Rs 30,700-crore fiscal stimulus package mainly comprising additional spending and excise duty cuts aimed at boosting consumption. The stimulus package has Rs 20,000 crore in additional expenditure, an across-the-board 4% excise duty cut amounting to Rs 8,700 crore and benefits worth Rs 2,000 crore for exporters. The government will also take steps to ensure that already budgeted expenditure of Rs 300000 crore will actually be spent over the next four months of the current fiscal to end-March 2009.

Indian Railways has hiked the freight rates for cement, coal and coke by 7-8% per tonne from Monday. The Railways' move would increase the input cost for housing, power and steel sectors that have been identified for special focus by the government.

| Index  | Support 2 | Support 1 | Previous Close | Resistance 1 | Resistance 2 | Trend      |
|--------|-----------|-----------|----------------|--------------|--------------|------------|
| SENSEX | 8245      | 8760      | 9163           | 9341         | 9432         | Rangebound |
| NIFTY  | 2600      | 2700      | 2784           | 2885         | 2910         | Rangebound |

### "NSE" Predictions For 10th December 2008

| Scrip      | Close | Trend      | Trigger       | Target 1 | Target 2 | Stop Loss | Duration |
|------------|-------|------------|---------------|----------|----------|-----------|----------|
| ABB        | 460   | Rangebound | Buy Near 450  | 480      | 500      | 430       | 1-2 DAYS |
| BHARTI     | 701   | ↑          | Buy Near 665  | 720      | 730      | 644       | 1-2 DAYS |
| GESHIPPING | 145   | ↓          | Sell Near 150 | 137      | 127      | 164       | 1-2 DAYS |
| RPL        | 74    | Rangebound | Buy Near 74   | 82       | 89       | 68        | 1-2 DAYS |
| TCS        | 522   | Rangebound | Sell Near 535 | 497      | 460      | 554       | 1-2 DAYS |

Please refer to important disclosures at the end of this report

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## CORPORATE NEWS

**Bhushan Steel** is planning to acquire majority stake in Australian coal and mineral exploration firm Bowen Energy for close to \$20 million, the firm in which the Indian company is already the single largest shareholder with 19.9% stake. The acquisition, which will be funded through a mix of debt and internal accruals, will increase Bhushan Steel's access to coal and coking coal, key raw materials for power and steel.

Cars makers **Maruti Suzuki**, Hyundai, Mitsubishi and Toyota have cut prices by 3-3.5% signalling a drop of Rs 6,500 for small cars M-800 and Santro, Rs 24,000 for the SX 4 sedan and Rs 40,750 for Toyota Corolla Altis.

Indian auto companies are likely to take a hit of Rs 1,000 crore on unsold cars, trucks, buses and two-wheelers because of the 4% excise duty cut. **Maruti Suzuki India (MSI)**, Tata Motors, Ashok Leyland, Hyundai Motor India (HMIL), Honda Sael Cars, Mahindra & Mahindra and others had built up huge inventories in the last several months due to a drop in sales.

A few cement makers have decided to reduce cement prices in order to pass on the benefits of 4% cut in central excise to the customers while most of the companies, especially the bigger ones, are either undecided or reluctant to follow suit. **Dalmia Cement** Bharat, a leading cement maker in South India, has decided to slash prices by Rs 5-6 per bag from next week.

Few Steel makers are ready to pass on the reduction in excise duty to user industries, a move that holds promise of an overall price reduction in the economy. **SAIL, JSW Steel, Essar Steel, and Ispat Industries**, which are facing a demand slump both in the domestic and export markets, hope the price cut up to Rs 1,600 per tonne would boost consumption.

Abolition of import duty on naphtha has come as a much-awaited breather for **power projects** running on dual-fuel. Lifting of 10% import duty on naphtha is likely to reduce production cost by \$1.5 per million British thermal unit (mmBtu).

**DLF**, India's biggest real estate firm, has dropped its plans to set up an IT Special Economic Zone (SEZ) in Delhi. The company cited the global slowdown as the reason behind the move. DLF is the largest commercial real estate player with around 38 million sq ft of ongoing projects and a total development potential of 164 million sq ft.

Mumbai based drugmaker **Wockhardt** is in discussions with ICICI Venture, ChrysCapital and other private equity firms to divest a 15% stake. The country's sixth-largest drug maker by revenue wants to raise funds to pay off investors in its \$110-million foreign currency convertible bonds (FCCB) issue, which comes up for redemption next year.

**Note: Please refer our Derivative Report for recommendation on OPTION STRATEGIES.**

**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

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