



Market Musing

December 11, 2006

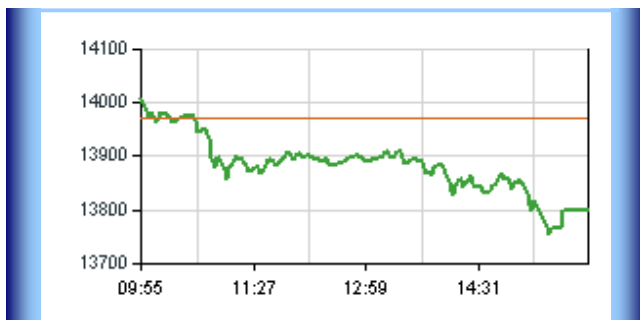
Indices	Current	Prev close
Sensex	13799	13972
Nifty	3962	4015
Nasdaq - Composite	2437	2428
Dow Jones	12307	12278
FTSE - 100	6152	6131.5

Money Market	Current	Prev Close
Re/US \$	44.74	44.64
Call Money Rate	6.20	6.15
7.59% 2016 G-Sec yield	7.38	7.39

Top Gainers		
Company	Cl. Price	% Ch
I-Flex	2048.80	17.01
Polaris	147.45	8.74
Geometric Soft	121.05	7.08
Rolta	263.65	4.29
Gujarat Ind Power	58.00	3.66

Top Losers		
Company	Cl. Price	% Ch
Igate	249.20	-4.19
Torrent Power	205.80	-3.92
Century Textiles	665.20	-3.68
UTI Bank	465.00	-3.57
Moser Baer	247.10	-3.38

ADRs				
Company	Price (\$)	% ch	Prem/Disc (%)	2 months Avg. P/D
Dr. Reddy	17.13	1.06	(1.15)	5.17
HDFC Bk	75.27	(0.37)	3.45	1.64
ICICI Bk	38.77	(2.98)	(1.07)	2.25
Infosys	55.03	0.70	12.05	12.94
MTNL	6.03	(1.63)	0.25	(0.02)
Satyam	23.62	0.17	15.70	25.93
VSNL	19.30	(2.33)	1.37	0.40
Wipro	15.79	0.57	(38.79)	(40.19)



Market Review

On Friday domestic market followed weak Asian market. Domestic market ended on a weak note due to profit booking at the higher levels. The benchmark index ended down by 172 points to 13799 and Nifty was down by 53 points to 3962. During the day metal stocks remain under pressure. Sugar companies remain in limelight on the hopes that sugar export ban may be lifted soon.

India's wholesale price index rose 5.30% in the 12 months to 25 November, lower than the previous week's annual rise of 5.45% due to a fall in food and energy prices. The annual inflation rate was 4.48% during the corresponding week of the previous year.

The Reserve Bank of India increased the cash reserve ratio (CRR) by 50 bps in two stages. The hike, which comes after over two years, will suck out a total of Rs.13500 crore from the banking system. The move is expected to impact negatively to the banking sector.

The Dow Jones industrial average was up by 29 points to 12307 and Nasdaq ended higher by 9.67 points to 2437. During the day ADRs ended on a weak note. Asian markets are trading with gain of 0.5% in the early morning trade.

Market is expected to remain under pressure on the back of profit booking at the higher levels. Fed meet is scheduled this week. The Sensex faces resistance at 14107 levels while support exists at 13603 levels. NIFTY faces resistance at 4022 levels while support exists at 3888 levels.

Sectoral Indices (BSE)

Indices	Current	Prv Cls	Change %
BSE AUTO	5,393.16	5,479.85	-1.58
BSE BANKEX	7,213.74	7,253.80	-0.55
BSE CG	9,353.83	9,474.50	-1.27
BSE FMCG	2,020.63	2,050.12	-1.44
BSE HC	3,724.95	3,744.92	-0.53
BSE IT	5,130.24	5,161.13	-0.60
BSE METAL	9,041.19	9,201.12	-1.74
BSE OIL&GAS	6,095.46	6,233.37	-2.21

FII's / MF's (08/12/2006)

	Gross Purchases	Gross Sales	Net (Rs. Cr)
FIIs	1,657.50	1,647.40	10.10
MFs	487.84	483.65	4.19

Advances / Declines (BSE)

	No. Of Scripts	% Of Total
Advances	1,011	38.08
Declines	1,586	59.74
Unchanged	58	2.18

BSE Delivery Positions

Company	CI Price	Traded Qty	% of Del
GRASIM INDUS	2,758.00	144,312	100
UNION BANK	127.95	1,000,000	100
SH.PRECOATED	608.40	127,156	100
BHARTI ARTL	633.20	333,755	99.93
EMAMI LIMITE	264.20	303,785	94.92

FII Transactions

	Volume		Open Interest (Cr)	
	Qty	%Ch	Val	%Ch
Nif Fut	9865	-71.77	8439.04	1.25
Nif Op	362	-95.61	5422.77	-0.26
Equ Fut	16444	-29.07	17193.95	1.63
Equ Op	502	18.68	165.81	9.25

Block Deals (NSE & Bse)

Stock	Name	B/S	Qty	Avg Pr
INFOTECH ENR MALU PAPER	FRANKLIN	B	1100000	312
	JMP SECURIT	B	427945	43.7

Networth Sectoral Outlook

Sector	Outlook	Sector	Outlook
Auto	Overweight	IT	Overweight
Banking	Overweight	Oil & Gas	Neutral
Cement	Overweight	Pharma	Overweight
FMCG	Overweight	Steel	Neutral
Sugar	Underweight	Shipping	Neutral
Textiles	Neutral	Telecom	Overweight
Media	Neutral	Paper	Overweight

Camlin Ltd (Rs.187)

Camlin has entered into an export pact with US based Kemin Industries to supply key synthetic antioxidants from its Tarapur unit. The move is expected to boost its exports from the fine chemical division which now getting separated into a different company. The de-merger ratio has been decided at 1:1 for the Camlin shareholders. The de-merger is likely to unlock value for the shareholders. We recommend investors to Buy the stock.

What's Hot...
Spicejet (Rs. 53.45)

Tata group has picked up a 7.5 percent stake in Spicejet for less than 100 crore. The stake is acquired through one of Tata group's financial investment arms.

MRPL (Rs.41.85) & Chennai Petroleum (Rs.213.80)

Oil marketing companies are in the process of returning the discount of about Rs 900 crore collected in the H1FY'07 to standalone private and public sector refiners. This development would impact positively the financials of MRPL (Rs142.88cr) and Chennai Petroleum (Rs110cr).

CORPORATE NEWS:

Tata group has picked up a 7.5% stake in Delhi-based budget carrier **SpiceJet** for less than Rs 100 crore. The stake is being acquired through one of the group's financial investment arms.

Infosys Technologies has become the first Indian company to book a place in the reputed Nasdaq-100 Index, after the annual re-ranking of the Nasdaq-100 Index, to be made effective from December 18.

Pantaloon's food division is planning to increase the number of its Food Bazaar outlets from the current 60 to 135 by December 2007. Pantaloon is planning to open 4,000 stores across all its formats by 2010, including 1,000 in its food division.

GAIL, in consortium with Singapore's Silver Wave Energy, has signed a deal with Myanmar to drill for oil and gas in the country's west coast. According to the deal, GAIL will own 30 per cent of the assets, while Silver Wave will be the operator of the block with 70 per cent stake. GAIL did not disclose the financial details of the deal for the new A-7 block.

Ceat will invest Rs 200 crore over the next four years to enhance radial capacity at its Nashik plant to 2,50,000 tyres a month from the current level of 65,000. The company has planned a phased increase of car radial capacity which will take place from 40,000 tyres to 1,00,000 tyres per month in two phases and is likely to cost about Rs 25-50 crore per year. It will utilise part of the proceeds of its 10 million dollar worth of external commercial borrowings for the purpose.

ICICI Bank on Saturday approved the merger of the Sangli Bank Limited with itself - a move that would enhance its presence in rural and small and medium enterprises banking space. The board of the Sangli Bank also separately approved the all-stock amalgamation with ICICI Bank.

Tata Steel is agreed to an increased Corus acquisition at a price of 500 pence in cash per Corus Share. The terms of the revised acquisition value the entire existing issued and to be issued share capital of Corus at approximately £4.7 billion.

Board of directors of **Shri Bajrang Alloys** has passed the resolution to issue bonus shares in the proportion of 2

equity shares for every 1 equity shares held by share holder on the record date.

Aftek's board of directors has approved a scheme of amalgamation of C2Silicon Software Solutions Pvt Ltd and Elven Micro Circuits Pvt Ltd, into the company.

INDUSTRY NEWS:**Banks to take call on rate hike soon**

Banks are likely to take a final view on raising interest rates on loans as well as deposits by the end of this week or early next week. The biggest pressure is expected to be felt by home loan borrowers as banks seek to target the customer segments that enjoy rates below prime lending rates (PLRs). Home loan borrowers are the most vulnerable because the weighted average interest rate for this segment is around 9 per cent, against the weighted average of around 13 per cent for the aggregate loan portfolio of the banking sector.

Automobile industry crosses 10-mn-unit bar

Output of passenger cars grew by 18.59 per cent. The automobile industry is operating at full throttle, with production crossing the 10-million-vehicle mark in the first 11 months of the calendar year. Growing at an impressive 16.82 per cent over last year, the industry produced 10,031,886 vehicles till November this year, as against 8,587,131 in 2005. The passenger segment, which constituted about 13.6 per cent of the total production, clocked 1,100,799 units, growing at 16.38 per cent. The production of passenger cars grew by 18.59 per cent, while that of multi-utility vehicles grew by 9.24 per cent.

CII study pushes up growth target to 8.6%

Taking into account the buoyant performance of the Indian economy in the first half of the current financial year, the Confederation of Indian Industry (CII) has revised its GDP growth estimate for the year from around 8 per cent to 8.6 per cent. In its State of the Economy report, CII has pointed out that industry and the services sector had grown much faster than expected.



Name	R2	R1	Pivot	S1	S2
ABB LTD.	3,960.18	3,893.37	3,852.18	3,785.37	3,744.18
ACC	1,163.68	1,134.37	1,115.68	1,086.37	1,067.68
ALLHABAD BNK	95.77	94.93	94.02	93.18	92.27
ALOK INDS	73.03	72.12	71.18	70.27	69.33
ANDHRA BANK	91.92	91.03	90.32	89.43	88.72
ARVIND MILLS	55.28	54.42	53.53	52.67	51.78
ASHOK LEYL	45.82	45.18	44.67	44.03	43.52
AUROBINDO PH	702.67	690.58	671.92	659.83	641.17
BAJAJ AUTO	2,750.17	2,696.83	2,663.57	2,610.23	2,576.97
BALLARPUR IN	117.72	115.63	114.32	112.23	110.92
BANK OF BARO	269.67	265.78	263.02	259.13	256.37
BANK OF IND.	211.57	208.23	205.92	202.58	200.27
BHARAT ELEC.	1,282.22	1,246.53	1,222.32	1,186.63	1,162.42
BHARAT FORGE	365.25	357.10	352.05	343.90	338.85
BHARAT PETRO	341.92	337.03	334.02	329.13	326.12
BHARTIARTL	649.67	642.03	636.27	628.63	622.87
BHEL	2,679.62	2,659.33	2,644.72	2,624.43	2,609.82
BONGAIGAON R	48.33	47.47	46.93	46.07	45.53
CANARA BANK	313.23	308.77	305.53	301.07	297.83
CENTURY TEXT	711.98	689.27	676.18	653.47	640.38
CESC LTD	349.30	340.90	334.55	326.15	319.80
CHAMBAL FERT	37.38	37.07	36.53	36.22	35.68
CIPLA	252.05	249.65	247.60	245.20	243.15
COLGATE	389.72	381.63	376.82	368.73	363.92
CORPN. BANK	379.30	369.95	363.15	353.80	347.00
CUMMINSIND	285.32	281.63	276.82	273.13	268.32
DABUR INDIA	147.95	145.40	143.20	140.65	138.45
DIVIS LAB	2,983.67	2,924.88	2,880.22	2,821.43	2,776.77
DR.REDDY	800.08	787.27	770.18	757.37	740.28
ESCORTS	120.75	117.40	115.00	111.65	109.25
ESSAR OIL	54.42	53.03	51.02	49.63	47.62
FEDERAL BANK	236.53	232.12	228.68	224.27	220.83
GAIL	270.38	266.32	262.83	258.77	255.28
GESHIP	231.95	227.35	222.45	217.85	212.95
GLAXO SMITHK	1,253.97	1,221.93	1,196.97	1,164.93	1,139.97
GMRINFRA	402.27	393.63	387.37	378.73	372.47
GRASIM IND.	2,830.43	2,794.52	2,763.88	2,727.97	2,697.33
GUJ AMB CEME	144.27	142.73	141.07	139.53	137.87
GUJ.NARMADA	107.25	104.30	102.55	99.60	97.85
HCL TECHNOLO	641.93	632.82	626.88	617.77	611.83
HDFC BANK	1,113.95	1,099.90	1,091.95	1,077.90	1,069.95
HERO HONDA	759.12	752.23	746.12	739.23	733.12
HIND.LEVER	246.40	240.15	236.65	230.40	226.90
HIND.PETROL	284.15	279.05	275.80	270.70	267.45
HINDALCO	187.93	183.67	180.83	176.57	173.73
HOUS DEV FIN	1,596.37	1,573.88	1,557.22	1,534.73	1,518.07
ICICI BANK	901.78	891.07	880.78	870.07	859.78
IDBI	86.68	85.67	84.68	83.67	82.68
IDFC	80.28	79.27	78.38	77.37	76.48
I-FLEX	2,168.68	2,107.37	2,028.68	1,967.37	1,888.68
INDIA CEMENT	237.55	234.15	231.60	228.20	225.65
INDIAN HOTEL	162.62	160.33	158.72	156.43	154.82
INDIAN OIL	462.60	449.10	440.50	427.00	418.40
INDUS IND BK	51.98	50.92	49.33	48.27	46.68
INDUST.FIN.C	12.87	12.68	12.57	12.38	12.27



INFOSYS TECH	2,242.08	2,218.82	2,204.53	2,181.27	2,166.98
IOB	124.37	121.98	120.52	118.13	116.67
IPCL	296.10	289.00	284.80	277.70	273.50
ITC	188.53	186.82	185.28	183.57	182.03
IVRCL INFRAS	426.82	414.83	407.02	395.03	387.22
JAMMU&K BANK	559.42	554.83	548.42	543.83	537.42
JETAIRWAYSEQ	681.23	667.92	659.48	646.17	637.73
JIND STAINLE	124.55	122.65	121.10	119.20	117.65
JINDL STL&PO	2,286.92	2,217.83	2,173.92	2,104.83	2,060.92
JPHYDRO	32.32	31.58	31.12	30.38	29.92
KARNATAK BNK	127.37	124.83	123.17	120.63	118.97
LIC H.FINAN	175.95	172.60	170.55	167.20	165.15
LITL	263.80	256.00	246.90	239.10	230.00
LT EQ	1,493.58	1,472.17	1,458.58	1,437.17	1,423.58
MAH & MAH	864.30	848.10	836.70	820.50	809.10
MAH.SEAMLESS	472.48	461.97	454.48	443.97	436.48
MAHANGR TELE	141.70	138.40	136.20	132.90	130.70
MARUTI	961.45	947.00	938.55	924.10	915.65
MATRIXLABSEQ	278.92	268.93	263.27	253.28	247.62
MPHASISBFLEQ	272.62	265.73	260.37	253.48	248.12
MRPL	43.35	42.60	42.05	41.30	40.75
NAGAR.FERT	13.15	12.90	12.75	12.50	12.35
NATION ALUMI	222.35	219.25	216.90	213.80	211.45
NDTV EQ	233.27	228.58	225.32	220.63	217.37
NEYVELI LIGN	64.72	63.43	62.62	61.33	60.52
NICHOLAS PIR	249.37	247.38	245.02	243.03	240.67
NSE NIFTY	4,084.00	4,023.00	3,985.85	3,924.85	3,887.70
NTPC EQ	155.93	153.97	152.53	150.57	149.13
ONGC CORP.	869.37	854.73	845.37	830.73	821.37
ORCHID CHEM	209.72	207.33	205.92	203.53	202.12
ORIENT.BANK	258.12	252.23	248.12	242.23	238.12
PARSVNATH	529.45	515.90	507.45	493.90	485.45
PATNI EQ	409.28	406.32	402.68	399.72	396.08
PNB	574.78	564.62	556.08	545.92	537.38
POLARIS SOFT	157.60	152.60	144.60	139.60	131.60
PUNJLLOYD	1,084.18	1,056.62	1,039.33	1,011.77	994.48
RANBAXY LAB.	394.73	391.17	387.18	383.62	379.63
RCOM	465.38	456.67	450.83	442.12	436.28
REL EQ	581.30	568.10	555.05	541.85	528.80
REL.CAPITAL	627.28	610.97	599.48	583.17	571.68
RELIANCE	1,319.72	1,294.43	1,279.72	1,254.43	1,239.72
RPL	65.68	65.27	64.98	64.57	64.28
SATYAM COMP	475.40	465.25	458.70	448.55	442.00
SHIPP.CORPN.	170.50	169.10	168.00	166.60	165.50
SIEMENS	1,222.10	1,195.80	1,178.40	1,152.10	1,134.70
SRF LTD.	212.10	209.20	207.10	204.20	202.10
STATE BANK	1,714.25	1,534.80	1,437.95	1,258.50	1,161.65
STEEL AUTHOR	88.78	87.77	86.93	85.92	85.08
STER EQ	582.33	569.67	561.33	548.67	540.33
STRIDES ARCO	349.90	340.80	333.90	324.80	317.90
SUN PHARMA.	1,034.10	1,014.35	999.95	980.20	965.80
SUNTV	1,447.93	1,420.87	1,397.93	1,370.87	1,347.93
SUZLON	1,380.73	1,365.47	1,354.73	1,339.47	1,328.73
SYNDICATE BK	82.30	81.15	79.75	78.60	77.20
TATA CHEM	224.47	221.33	219.67	216.53	214.87
TATA POWER	611.62	598.63	588.82	575.83	566.02
TATA TEA	759.45	754.60	749.05	744.20	738.65



TATAMOTORSEQ	905.43	886.12	874.68	855.37	843.93
TATASTEEL	500.23	492.47	485.23	477.47	470.23
TCS EQ	1,208.73	1,192.82	1,183.08	1,167.17	1,157.43
TITAN IND.	833.83	806.32	779.28	751.77	724.73
TVS MOTOR	96.62	95.23	94.32	92.93	92.02
UNION BANK	132.87	130.43	128.97	126.53	125.07
UTI BANK	503.38	484.17	472.88	453.67	442.38
VIDESH SANCH	443.73	434.77	428.63	419.67	413.53
VIJAYA BANK	52.33	51.67	51.28	50.62	50.23
WIPRO	589.12	583.03	578.17	572.08	567.22
WOCKHARD LTD	380.52	375.43	372.72	367.63	364.92

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