

DAILY | FUNDAMENTAL



OUR REPORTS

Fundamental

Company Report
Sector Report
Theme Based Report

Daily & Weekly

Fundamental Market Update
Technical Market Update
Derivative Market Update
Currency Report
Debt Mutual Fund Report

Monthly

India Strategy Report
IIP Report
Auto Sector Update
Cement Sector Update
Metal Sector Update
Telecom Sector Update
Insurance and Mutual Fund Report
Inflation Report
Exports-Imports Report

Quarterly

India and Global Strategy Report
India Economy Report
Company Result Expectation
Company Result Analysis

Others

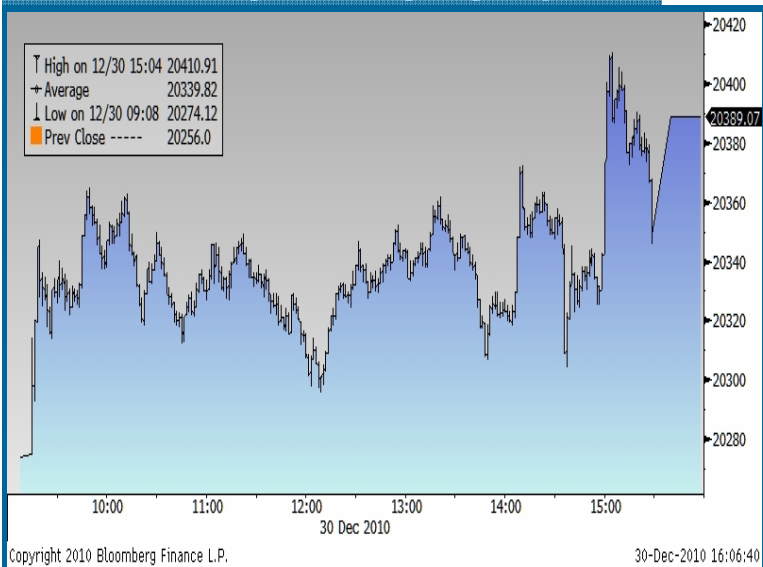
Event Based Report
RBI Monetary Review Report
Annual Budget Expectation Report
Annual Budget Review Report

December 31, 2010

Sutapa Roy

E-mail: s-roy@microsec.in

INTRA DAY CHART OF SENSEX



Indian stock market edged higher in early trade, extending Wednesday's rally. It remained volatile throughout the session due to the futures & options (F&O) expiry. Market extended gains in second half of trade and ended the session on a strong note, where, Nifty closed above 6,100 mark.

India's food inflation accelerated further to 14.44 percent in the week ended December 18, 2010 from a year earlier against 12.13 percent in the previous week.

Nifty closed at 6,101.85, up by 41.50 points or 0.68 percent over the previous day closing of 6,060.35, after witnessing a low of 6,062.35 and a high of 6,106.40. Sensex closed at 20,389.07, up by 133.04 points or 0.66 percent over the previous day closing of 20,256.03. It touched an intraday low of 20,274.12 and high of 20,410.91.

MARKET TURNOVER (Rs.Cr)

NAME	LAST	PREVIOUS DAY
NSE CASH	15279.47	9536.40
NSE F&O	169305.31	125045.95
BSE TOTAL	2946.15 (29/12)	2708.45 (28/12)

The markets' breadth was positive. Out of 3,022 stocks traded, 1,645 stocks advanced, 1,217 stocks declined and 160 stocks remained unchanged. In Sensex, 25 stocks advanced and 5 stocks declined.

Among the sectors, BSE Consumer Durables, BSE Realty and BSE IT were the main gainers of the day, which increased by 1.32 percent, 1.26 percent and 1.04 percent respectively.

NIFTY TOP TURNOVERS

COMPANY	LAST PRICE	SHARE TRADED	TOTAL TURNOVER (Rs. Cr)
PSB	126.40	56675232	742.96
SBIN	2748.80	2106254	581.24
ICICIBANK	1132.00	3741694	424.95
INFOSYSTCH	3446.20	1123961	386.51
TATAMOTORS	1298.05	2887614	372.71

In BSE Consumer Durables sector, Rajesh Exports, Whirlpool and Bajaj Electricals increased by 10.00 percent, 2.14 percent and 1.62 percent respectively. In BSE Realty sector, Indiabulls Real Estate, Parsvnath Developers and Sobha Developers increased by 5.70 percent, 4.41 percent and 3.21 percent respectively. In BSE IT sector, Core Projects, Financial Tech and Infosys increased by 2.89 percent, 2.15 percent and 1.21 percent respectively.

NIFTY TOP GAINERS

COMPANY	LAST PRICE	CHANGE	% CHANGE
SUZLON	54.85	3.10	5.99
TATAPOWER	1368.00	26.55	1.98
TATAMOTORS	1298.05	24.20	1.90
HINDUNILVR	310.00	5.30	1.74
NTPC	201.00	3.10	1.57

OUTLOOK

Towards end of the calendar year, Indian market may close towards the upper range. It has been observed that markets usually tend to close firm or have gained 4% from lows in the last five trading sessions as recorded in the last five years. By that account Nifty may close the year near to 6220 levels. Undisputedly, large caps such as HDFC Ltd, ICICI Bank, Hind Lever, RIL, are short term bets if we target the above mentioned Nifty level.

NIFTY TOP LOSERS

COMPANY	LAST PRICE	CHANGE	% CHANGE
HDFCBANK	2294.00	-33.80	(1.45)
BPCL	660.50	-8.60	(1.29)
PNB	1211.00	-12.90	(1.05)
KOTAKBANK	445.35	-3.55	(0.79)
ACC	1075.00	-8.30	(0.77)

DOMESTIC INDICES

NAME	LAST PRICE	CHANGE	% CHANGE
SENSEX	20389.07	133.04	0.66
NIFTY	6101.85	41.50	0.68
BSE MID-CAP	7714.61	56.16	0.73
BSE SMALL-CAP	9552.61	41.37	0.43
NSE CNX MIDCAP INDEX	8751.85	47.45	0.55

SECTORAL INDICES

NAME	LAST PRICE	CHANGE	% CHANGE
AUTO	10140.90	86.61	0.86
CAPITAL GOODS	15346.18	122.69	0.81
FMCG	3673.37	17.35	0.47
METAL	17508.83	169.62	0.98
OIL & GAS	10553.19	-6.70	(0.06)
HEALTHCARE	6698.30	27.17	0.41
POWER	2968.16	28.10	0.96
REALTY	2789.34	34.81	1.26
CONSUMER DURABLES	6311.48	82.40	1.32
BANK	13195.21	28.02	0.21
IT	6827.59	70.12	1.04

GLOBAL INDICES

NAME	LAST PRICE	CHANGE	% CHANGE
DOW JONES	11585.38	9.84	0.09
NASDAQ	2666.93	4.05	0.15
S&P 500	1259.78	1.27	0.10
FTSE	5999.60	3.24	0.05
CAC	3875.67	-14.98	(0.39)
DAX	6981.30	-14.28	(0.20)
MEXICO BOLSA	38230.20	82.69	0.22
BRAZIL BOVESPA	68952.42	911.48	1.34
RUSSIAN RTS	1765.26	-2.49	(0.14)
NIKKEI 225	10228.92	-115.62	(1.12)
HANG SENG	22999.34	30.04	0.13
TAIWAN TAIEX	8907.91	41.56	0.47
SHANGHAI	2759.58	8.05	0.29
KOSPI	2051.00	7.51	0.37
FTSE BURSA MALAYSIA KLCI	1518.91	-5.43	(0.36)
JAKARTA COMPOSITE	3703.51	4.30	0.12
PSEi - PHILIPPINE SE	4201.14	1.83	0.04
STOCK EXCH OF THAI	1032.76	-1.83	(0.18)

INDUSTRIAL METALS & ENERGY MARKETS

NAME	LAST PRICE	CHANGE	% CHANGE
COPPER (USD/T)	9510.00	110.00	1.17
ALUMINUM (USD/T)	2455.00	0.00	0.00
ZINC (USD/T)	2423.00	24.00	1.00
LEAD (USD/T)	2545.50	15.50	0.61
OIL (USD/BBL)	91.02	-0.10	(0.11)
NATURAL GAS (USD/MMBTU)	4.33	0.04	0.89

PRECIOUS METALS

NAME	LAST PRICE	CHANGE	% CHANGE
GOLD (USD/OZ)	1411.63	-0.13	(0.01)
SILVER (USD/OZ)	30.84	0.25	0.82

INDUSTRY INDICES

NAME	LAST PRICE	CHANGE	% CHANGE
BALTIC DRY INDEX	1773.00	-22.00	(1.23)
BBG WORLD IRON/STEEL IDX	310.54	0.38	0.12

CURRENCIES

NAME	LAST PRICE	CHANGE	% CHANGE
USD-INR	44.90	-0.15	(0.33)
EUR-INR	59.53	0.43	0.73
GBP-INR	69.47	-0.27	(0.38)
INR-JPY	1.81	0.00	0.11

INSTITUTIONAL FLOW IN Cr (29/12/2010)

INSTRUMENT	PURCHASE	SALE	NET
FII (P)	1768.8	1221.22	547.58
DII	803.82	974.16	(170.34)
MUTUAL FUND (28/12)	271.20	504.70	(233.50)

FII DERIVATIVE SEGMENT IN Cr (29/12/2010)

INSTRUMENT	PURCHASE	SALE	NET
INDEX FUTURE	5660.65	4167.09	1493.56
INDEX OPTION	5393.05	4382.03	1011.01
STOCK FUTURE	7269.60	7704.25	(434.65)
STOCK OPTION	222.05	231.02	(8.97)

BULK & BLOCK DEALS

http://www.bseindia.com/mktlive/market_summ/bulk_deals.asp

http://www.bseindia.com/mktlive/market_summ/block_deals.asp

- ◆ Larsen & Toubro secured orders aggregating to INR11.64 billion by its metallurgical, material handling and water operating company, a part of its construction division, from various customers.
- ◆ HCL Infosystems signed the Share Purchase Agreement (SPA) to acquire 20 percent equity stake in Techmart Telecom Distribution FZCO, a Dubai-based partner of Nokia Corporation through its Singapore-based SPV. In addition to the 20 percent equity stake, HCL Infosystems will be providing consultancy and operational services to Techmart Telecom, leveraging company's expertise in the telecom distribution space. Techmart Telecom is the distributor for Nokia smart phones in the Middle East and Africa. With this strategic development, HCL Infosystems will now expand its global distribution footprint in the emerging markets of Middle-East and Africa.
- ◆ Suven Life Sciences has been granted two product patents from Indian Patent Office for the treatment of disorders associated with neurodegenerative diseases and these patents are valid until 2027.
- ◆ Steel Strips Wheels started the regular production and supply of steel wheel rims to Tata Motors from its new facility at Jamshedpur. The unit has production capacity of 1 million tube type and tubeless wheels per annum.
- ◆ Pratibha Industries secured two projects for construction of residential complexes in Mumbai.
- ◆ Lanco Infratech emerged as successful bidder for 2 Laning with paved shoulders of Aligarh to Kanpur Section of NH-91 from KM 140.000 to KM 418.162 in Uttar Pradesh on design, build, finance, operate and transfer (DBFOT) on Toll Basis of National Highways Authority of India (NHAI). The scope of work involves 2 laning with paved shoulders of existing road, repair, widening and reconstruction of 3 major and 29 minor bridges, construction of 5 new Rail-over-Bridges, 4 toll plazas and other wayside amenities. The project involves an investment of around INR10 billion. The Grant from NHAI would be INR2.88 billion. The concession period for the project is 12 Years including a construction period of 18 months. The concessionaire will have the right to collect toll over the entire concession period starting from the commercial operations date of the project.
- ◆ Godawari Power and Ispat will set-up 50 MW solar thermal power project awarded under Jawaharlal Nehru National Solar Mission Scheme through its 100 percent subsidiary Godawari Green Energy. The Board also approved the investment in the equity share capital of the Godawari Green Energy as and when required for setting up the project. The project cost is estimated to be INR700 crores approx which will be financed through mix of debt equity capital.
- ◆ France agreed to lend 70 million euros (USD93 million) to the state-owned Indian Renewable Energy Development Agency to finance clean energy projects. The line of credit will allow IREDA to extend loans of as much as 15 million euros each to at least 10 small and medium-sized projects. The loan will have a 20-year term and a five-year grace period. Wind, solar, energy efficiency projects, as well as projects that produce power from plant materials and animal waste are among those eligible for funding. IREDA which typically provides loans of as long as 10 years, will set interest rates. Developers are expected to provide financing to cover 30 percent of the project's total cost. The French Development Agency will also provide 300,000 euros to IREDA for technical assistance, such as developing expertise in evaluating renewable technologies, especially in solar energy.
- ◆ RPP Infra Projects, primarily engaged in the business of infrastructure development such as highways, roads and bridges plans to enter into Solar Power project. The company plans to set - up a plant of 5 MW to generate electricity from non-conventional sources as solar power with the total investment of INR800 million. The company plans to commence the operation in the financial year of March 2011 - 2012.

CORPORATE ACTION BONUS / RIGHTS / STOCK SPLIT / ADR & GDR / FCCB / M&A / WARRANTS ETC.

COMPANY	RECORD DATE	Ex-DATE	DETAILS
LIC Housing Finance Limited	31/12/2010	30/12/2010	Face Value Split from INR10 to INR2
Astra Microwave Products Limited	31/12/2010	30/12/2010	Bonus 1:2
KEC International Limited	31/12/2010	30/12/2010	Face Value Split from INR10 to INR2

OTHER EVENT

- ◆ India's Current Account Balance data for the quarter ended September 2010.

Disclaimer

The investments discussed or recommended in this report may not be suitable for all investors. Investors should use this research as one input into formulating an investment opinion. Additional inputs should include, but are not limited to, the review of other. This is not an offer (or solicitation of an offer) to buy/sell the securities/instruments mentioned or an official confirmation. Microsec Capital Limited is not responsible for any error or inaccuracy or for any losses suffered on account of information contained in this report. This report does not purport to be offer for purchase and sale of share/ units. We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation discussed herein or act as advisor or lender I borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. The same persons may have acted upon the information contained here. No part of this material may be duplicated in any form and/or redistributed without Microsec Capital Limited' prior written consent.