

**DECEMBER 22, 2008**

**KEY INDICES**

INDEX	CURR	PRE	Chg%
Sensex	10099	10076	0.23
Nifty	3077	3060	0.56
Midcap	3263	3204	1.84
Smallcap	3744	3711	0.89

**VALUE TRADED (Rs Crs)**

	19.12.08	Chg%
BSE	5066	(0.57)
NSE	13245	(0.88)

**NET INFLOWS (Rs Crs)**

Prov	19.12.08	YTD
FII	378.43	(60,748.83)
DII	410.85	32,594.25

**FII OPEN INTEREST**

	19.12.08	Chg%
FII Index Futures	9,850	1.67
FII Index Options	15,310	3.89
FII Stock Futures	12,314	2.28
FII Stock Options	431	2.07

**World Indices 19.12.08 Chg %**

Dow Jones	8579	(0.29)
Nasdaq	1564	0.77
FTSE 100	4286	(1.02)
Crude Oil (US\$/bl)	33.87	(6.49)
Gold (US\$/oz)	837.4	(2.63)

Key benchmark indices may extend gains on a likely second government stimulus to pump prime the ailing economy and on expectations of a further fall of key policy rates with the inflation rate dropping to a nine-month low. However, the market may be volatile as derivative contracts for December 2008 series expire on Wednesday, 24 December 2008. It will be a truncated trading week as the market remains closed on Thursday, 25 December 2008 on account of Christmas. Volatility is expected to rise as derivative contracts for December 2008 series expire on Wednesday, 24 December 2008. As per reports, rollover of Nifty positions from December 2008 series to January 2009 series stood at 23.2% as of Thursday, 18 December 2008. Shares of auto ancillary companies are expected to rise, on account of US government's bailout package for troubled auto giants as US auto giants contribute a large chunk to their revenues.

the extent of the decline in global crude prices carries significance for India, because of its impact on inflation and interest rates. In India, inflation declined to a ninemonth low, a week after the government cut administered auto fuel prices, sparking hopes of further interest rate cuts by the central bank soon.

With the Nifty crossing 3000 level, the Nifty is now likely to move up to 3110-3170 in coming days, however, some amount of profit-taking cannot be ruled out. On the upside, Nifty is likely to face resistance around 3170, while on the downside, the index is likely to find support around 3030-2950. The Sensex is likely to find support around 9930-9785, while resistance on the upside would be around 10200-10400. The index appreciated more than 1 per cent last week compared with the Sensex. While the Sensex was up 4.23 per cent, the Nifty gained 5.35 per cent. Hence, the Nifty was able to scale past the 3,040-level, while the Sensex ended at 10,100.

The Wall Street ended on a mixed note on 19th December 2008. The Dow Industrial Average index was down 26 points at 8,579. The Nasdaq was up 12 points at 1,564. The Indian ADRs, too, ended on a mixed note.

Index	Support 2	Support 1	Previous Close	Resistance 1	Resistance 2	Trend
SENSEX	9785	9930	10099	10200	10400	Mod. Bullish
NIFTY	2950	3030	3077	3110	3170	Mod. Bullish

**"NSE" Predictions For 22nd December 2008**

Scrip	Close	Trend	Trigger	Target 1	Target 2	Stop Loss	Duration
OBC	154	Rangebound	Buy Near 150	165	175	144	1-2 DAYS
CIPLA	192	Rangebound	Buy Near 190	200	205	183	1-2 DAYS
GTLINFRA	34	Rangebound	Sell Near 36	30	25	40	1-2 DAYS
VOLTAS	58	Rangebound	Buy Near 54	62	68	48	1-2 DAYS
ADLABS	187	Rangebound	Buy Near 180	198	208	169	1-2 DAYS

Please refer to important disclosures at the end of this report

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## CORPORATE NEWS

Mukesh Ambani-led **Reliance Retail** plans to set up 100 Reliance Trends outlets by 2010-11, besides making a foray into furniture segment and adding more stores for home furnishings.

The domestic **shipping industry** may abandon its expansion plans, at least partially. The shipping companies, which have placed orders for new vessels worth \$1.3 billion in the past two years to jack up their fleet size, are likely to cancel orders if the gloom in the commodity markets continues for a few more months.

The Liberian government has invited **Tata Steel** to join the bidding process for the \$1.6-billion Western Cluster iron ore project, after clearing the Indian steelmaker of all allegations of wrongdoing.

The Reserve Bank of India (RBI) has asked the Anil Dhirubhai Ambani Group firm, **Reliance Energy** (now Reliance Infrastructure), to pay just under Rs 125 crore as compounding fees for parking its foreign loan proceeds worth \$300 million with its mutual fund in India for 315 days, and then repatriating the money abroad to a joint venture company. These actions, according to an RBI order passed on August 27, violated various provisions of the Foreign Exchange Management Act (FEMA).

**Infosys Technologies** is said to be leading the race for an outsourcing deal worth around \$100 million from Australian phone firm Telstra.

**MRF** reported a 19% drop in net profit at Rs 144.56 crore in the accounting year ending September 30, 2008 against Rs 171.78 crore in the previous year. Total income grew 13% to Rs 5,756.35 crore (Rs 5,060.92 crore). Net sales after excise duty went up by 14% to Rs 5,042.34 crore (Rs 4,406.55 crore).

**Ranbaxy Laboratories**, India's largest drugmaker, is planning to sell three plants in China, Malaysia and Vietnam as part of a strategy to rationalise its business portfolio and cut costs.

The country's largest cement maker, **ACC**, has indefinitely put on hold the Rs 600-crore expansion programme of its ready-mix concrete business due to poor demand in the domestic market.

**Reliance Industries (RIL)** is expected to produce natural gas from its Krishna-Godavari (KG) basin by February next year. Reliance Industries has received a grant of \$600,000 (Rs 2.8 crore) for its proposed coal-to-liquid fuel project.

**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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