

Morning Coffee with GEPL

Date: January 12, 2011



Market Update

Indices	Close	% Chg	% YTD
Indian Markets			
Sensex	19196.34	(0.14%)	(6.35%)
Nifty	5754.10	(0.15%)	(6.55%)
Global Markets			
DJIA	11671.90	0.30%	11.23%
Nasdaq	2716.83	0.33%	19.60%
FTSE	6014.03	0.97%	11.53%
Emerging Markets			
HangSeng	23760.30	0.99%	0.40%
Nikkei	10510.70	(0.29%)	1.08%

BSE Sectoral Indices	Latest	% Chg	% YTD
Auto	9318.54	0.37%	(8.30%)
Banks	12288.49	1.24%	(6.35%)
Capital Goods	14196.83	0.22%	(8.09%)
Comm & Teck	3872.27	(1.27%)	(4.20%)
Con. Durables	5907.07	(0.09%)	(7.94%)
FMCG	3588.37	(0.08%)	(4.46%)
Healthcare	6525.98	0.05%	(4.34%)
IT	6562.65	(1.60%)	(3.78%)
Metals	16527.40	0.12%	(7.62%)
Oil & Gas	10117.21	(0.85%)	(5.76%)
Power	2835.15	(2.87)	(5.74%)
Realty	2500.61	(2.74%)	(12%)
Midcap	7247.07	(0.67%)	(7.72%)
Smallcap	9019.13	(0.87%)	(8.5%)

Bulk Deals (BSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
11-Jan-11	Zuari Indus.	Reliance Mutual Fund	Buy	150000	645
11-Jan-11	Bampsl Sec	Surendra Ku Gupta	Buy	1261607	2.96

Bulk Deals (NSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
11-Jan-11	Kiri Dyes	Crosseas Capital	Buy	186500	370.39
11-Jan-11	Jupiter Bioscience	Transfinancial Resources	Sell	1857953	41.76

Fund Flows (₹bn)	Latest	MTD	YTD
FIs	(3.7)	14.7	14.7
MFs	70	233	233

Corporate News

- Singapore Telecommunications has paid S\$39 million (\$30 million) for 4.07 million shares in **Bharti Airtel Ltd**, pushing up its stake in the Indian firm to 32.15% from 32.04% previously.
- **Parsvnath Developers Ltd** has signed an agreement with SUN-Apollo India Real Estate Fund LLC, for an investment in a residential project at Ghaziabad, Uttar Pradesh. SUN-Apollo will invest upto Rs 1 bn for a 49.9% stake in the project's SPV, Parsvnath Buildwell Pvt Ltd.
- **SKS Microfinance** has reduced interest rates from 26.69 % to 24.55 %. The change would apply uniformly across the country, with effect from January, 2011.
- **Tata Steel** has registered 4.8 % dip in sales for the third quarter (Q3) this fiscal, to 5.9 million tonnes, mainly on seasonal demand slow-down in Europe.
- **Maruti Suzuki India** expects to manufacture 1.2 million vehicles in the current fiscal as compared to 1 million vehicles produced in FY10.
- **Reliance Venture Asset Management (RVAM)** is set to acquire a minority stake in AllGreen Energy Ltd.
- **Pfizer's** net profit rose by 71.1% to Rs 435.8 mn for the fourth quarter ended November 30, 2010, over the same period in the last financial year
- **Aurobindo Pharma Ltd (APL)** has agreed to divest more than 80 % stake in its loss-making Chinese subsidiary, Aurobindo (Datong) Bio Pharma Ltd (ADBPL), to China's largest pharmaceutical and health-care group, China National Pharmaceutical Group (Sinopharm).

Economy News

- Indian Railways have carried 673.3 million tonnes of revenue earning freight traffic during April-December 2010. This is an increase of 3.1 per cent over the corresponding period a year ago, when the freight carried was 652.6 million tonnes.
- Of the overall budgetary support of Rs 12,410 bn envisaged at the beginning of the 11th Plan, Rs 8680 bn has already been utilized in the first four years (2007-08 to 2010-11), leaving Rs 3730 bn 2011-12. Gross budgetary support (GBS) — is likely to rise by 18% over last year, assuming that the 11th Plan would have achieved% of initial projections in real terms.

Global News

- China Currency Reserves rose by \$199 to Record \$2.85 Trillion, the biggest quarterly gain since 1996. Full- year yuan-denominated lending stood around 7.95 trillion yuan (\$1.2 trillion) compared with a target of 7.5 trillion yuan.

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Debt Market Snapshot

Market Turnover	₹ bn	% Chg
BSE	35.17	0.45
NSE	60.82	(10.80)
Derivatives (NSE)	1727	8.22

Market Breadth	Adv	Dec	A/D
BSE	1051	1872	0.56
NSE	444	949	0.47

Forex Rates	Latest	% Chg	% YTD
Rs / US\$	45.8412	(0.43)	0.82
Euro / US \$	0.7723	(0.27)	3.26
Yen / US\$	83.0775	0.05	2.08

Particulars	Latest	Previous	Chg(bps)
5 Year GOI Bond	8.09%	7.98%	(0.11)
10 Year GOI Bond	8.20%	8.22%	0.02
17-Year GOI Bond	8.48%	8.46%	(0.02)
Call Money(WAR)	6.30%	6.31%	0.01
CBLO (WAR)	6.21%	6.20%	(0.01)
US 10 Year	3.38%	3.32%	(0.06)
Crude Oil (in \$/bl)	89.25	88.03	(1.22)
Inflation (Monthly)	7.38	7.38	-

Derivatives Snapshot

	Nifty Spot	Nifty Futures	Nifty Futures Prem. / Disc	Nifty Futures Basis	Nifty Futures Change in OI	Nifty Futures Volume (₹ in cr.)	Total Market F&O Open Interest (₹ in bn)	Nifty Open Interest (OI) PCR	Nifty Volume PCR	NSE VIX
Current	5754.10	5770.30	16.20	30.35	(3450)	3.33	1447	0.81	0.84	23.16
Previous	5762.85	5766.30	3.45	29.30	533700	3.15	1422	0.89	0.85	20.82
change	(8.75)	4	12.75	1.05	(537150)	(0.29)	25	(0.08)	(0.01)	2.34
% Change	(0.15)	0.07	-	-	-	-	-	-	-	11.24

Snapshot

- From the options data, 5600, 5700 and 5800 put added more than 1 million shares each indicate bearish sentiment, whereas from the call side 5800 call added almost 3 million shares indicating 5800 to act as immediate resistance.
- The open interest put call ratio for Nifty futures stood at 1.38 vs. 1.35 levels.
- The IV's stood in between 20% to 24% with NSE VIX index ending 11.24% higher at 23.16 levels.
- Long positions were witnessed in stocks like ACC, HCC AND PATNI.
- Short positions were witnessed in stocks like BANKNIFTY, HDIL, PRAJIND, RENUKA, MCDOWELL, SYNDICATEBK, SBIN, ADANIEN, SINTEX, JSWSTEEL, LT, EDUCOMP AND BHEL.

FII Derivatives Statistics

	Buy (₹ in Cr.)	Sell (₹ in Cr.)	Open Interest at the end of the day (₹ in Cr.)	Open Interest as on 09-Jan-2011 (₹ in Cr.)	Change in open Interest (₹ in Cr.)	Net Buy / Sell (₹ in Cr.)
INDEX FUTURES	3005.53	3530.86	12214.94	12511.17	(296.23)	(1229.64)
INDEX OPTIONS	14144.28	12058.70	41634.04	38382.67	3251.37	1880.60
STOCK FUTURES	2053.29	1590.83	34410.32	34745.94	(335.63)	(627.82)
STOCK OPTIONS	562.72	572.77	453.85	423.24	30.61	(41.79)

Government Security Market:

- Inter-bank call money rate traded in the range of 4.50%-6.35% & ended at 6.20% on Tuesday compared 6.35% on Monday .
- Borrowing from RBI's Repo continued to remain high, with banks taking 489600 mn on Tuesday vs. 431850 mn on Monday.
- CBLOs ended at a weighted average rate of 6.21% on Tuesday compared with 6.20% on Monday.
- The benchmark 7.80% GOI 2020 bond closed at 8.2051% on Tuesday as compared with at 8.1986% on Monday .

Global Debt Market

- US Treasuries advanced, pushing the two year yield to 0.56%.
- US 10 year Benchmark Yield trading at 3.38% vs. 3.32% & 30 Year Yield trading at 4.46% vs. 4.48%.

10 Year Benchmark Technical View:

Yield likely to move in the range of 8.16-22 level on Wednesday.

Recent Public Issue : BONDS

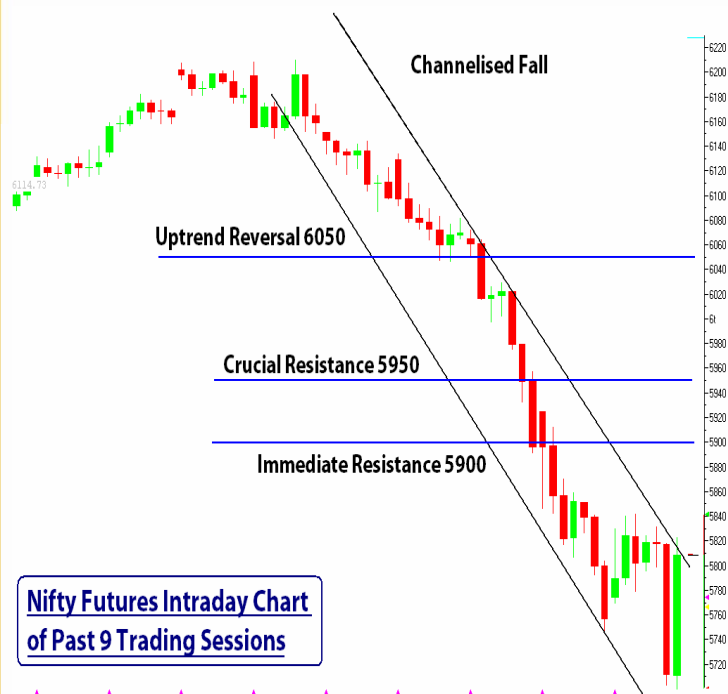
- IFCI Infrastructure Bond (mini application: 1 Bond face value of ₹ 5000 , Buyback option after 5 years with 8% Coupon, 8.25% for non buyback option , **TAX SAVING BONDS u/s 80CCF of Income Tax Act, 1961, Last submission date 12th January, 2011**).

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Technical Snapshot



Key Highlights

- Nifty Futures closed at 5808 which is 42 points higher than its previous close of 5766.
- Nifty Futures moved down after opening and formed the intraday low at 5700.
- Near the closing, a sharp bounce back of 122 points was seen from the low of 5700 and Nifty Futures finally closed near the 5800 level.
- After a massive fall for 5 consecutive trading sessions, Nifty Futures closed in a positive territory showing completion of the fall.
- A corrective trend is expected with an initial target of 5900 and the crucial resistance is placed at 5960.
- On the downside, the zone of 5700-5650 is expected to provide strong support if any further fall is seen.
- Nifty Futures may trade in a consolidation zone of 300 points from 6000-5700 for some more time.
- The short term RSI on the daily chart, though entering an oversold zone, is still in the negative territory.
- The intraday supports for Nifty Futures are placed at 5780 and 5740 whereas the resistance levels are placed at 5850 and 5900.
- The intermediate trend reversal level is placed at 5600 on closing basis.
- The breadth of the market was largely negative as out of 1438 stocks traded in the NSE segment, 444 stocks advanced, 949 stocks declined whereas 45 stocks remained unchanged.

Trading Calls for the day

Stock	Type of call	CMP	Stop Loss	Buy / Sell	Target 1	Target 2
Bank of Baroda Fut	One Day	859	834	Buy	884	-

Technical Calls for Retail Desk

Sr. No	Date	Action	Company	Reco. Price	Stop Loss	Target 1	Target 2	CMP	Remarks
1	26-Nov-10	Buy	Indowind	26.4	20.8	37	53	24.90	
2	24-Dec-10	Buy	Ispat	23.35	17.5	28.5	34	22.30	
3	4-Jan-10	Buy	Geometric	83.5	69	95.5	110	74.40	
4	6-Jan-10	Sell	GMR Infra Fut	46.1	46*	44	41.8	40.10	Full Profit Booked at 42. Part Profit booked at 44. Call Closed.

Open Positions Buy 3 & Sell 0.

*- Revised Stop Loss



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Commodities Snapshot

Commodity	Month	Trend	Support 1	Support 2	Resistance 1	Resistance 2	Trading calls for the day
Gold	February	Sideways	20300	20200	20530	20620	-
Silver	March	Sideways	44500	44000	45300	45700	-
Crude Oil	January	Sideways Up	4060	4000	4150	4180	Buy at 4060 stop 4010 Target 4150
Natural Gas	January	Sideways Up	195	191	205	209	Buy at 196 stop 192 Target 205
Copper	February	Sideways	425	421	436	440	Sell at 435 stop 439 Target 427
Nickel	January	Sideways Up	1090	1070	1130	1150	Buy at 1105 stop 1085 Target 1134
Aluminum	January	Sideways Up	111	110	114	115	-
Lead	January	Sideways	117	115	121	122	-
Zinc	January	Sideways Up	108	107	111	113	Buy at 108.10 stop 107 Target 110
Gold \$	Spot	Sideways	1370	1355	1394	1403	-
Silver \$	Spot	Sideways	29.10	28.70	29.90	30.30	-

*Figures in INR unless indicated otherwise

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