



GoodEvening KRC

Post Market Analysis and Action Guide for Tomorrow

May 10th ,2007

● Market Commentary

Market Activity:

Key indices gained over 1% early today in line with the firm overnight close on Wall Street after U.S. Federal Reserve left interest rate unchanged Wednesday. Technology shares reversed weakness seen in sector so far this week as the dollar gained overnight following the Fed's rate decision. Wipro was up 2.4% at Rs 564 and HCL Technologies gained 2% at Rs 334. At 10:40AM, Sensex was 13931.44, up 149.93 points or 1.1%. Nifty was at 4124.00, up 44.70 points or 1.1%. The CNX Midcap Index and S&P CNX 500 Index were up over 1% each. On BSE, advances led declines 4:1 in the morning session. Tata Steel, up 3% at Rs 577, was the top Nifty gainer amid speculation steel firms are readying for another price hike, as the promised timeframe to hold the prices ends this month. SAIL was up 2% at Rs 136. ONGC was up 2% at Rs 1,267 and GAIL India was up 1% at Rs 284 on reports the government has lowered subsidy share of upstream oil companies by Rs 35 bn for 2007-08 (Apr-Mar). Reliance Industries was up 0.4% at Rs 1,605 on a newspaper report the company would raise \$100 bn through a mix of convertible bonds and treasury shares. Bajaj Auto was up 2% at Rs 2,615 on talk the company is likely to soon announce plans to develop a special economic zone. BPCL was up 2% at Rs 358 as crude oil prices Wednesday fell to \$61.55 a barrel on NYMEX due to a build-up in U.S. inventories. Tata Power Supply, down 0.5% at Rs 585, was the worst hit on Nifty. However, the stock was off early lows of Rs 581 on news the Central Electricity Commission may give approval for its Mundra project in Gujarat by May-end. Tata Power plans to borrow \$600 mn overseas to partly fund its acquisition of two Indonesian coalmines. Hero Honda was down 0.2% at Rs 699 ahead of its Jan-Mar earnings Friday. The company is expected to report 22% on year drop in Jan-Mar net profit. Reliance Industries was up nearly 1% at Rs 1,608 on report the company is planning to raise Rs 100 bn through combination of convertible bonds and treasury shares.

In the mid trading session, indices were up 1% on across-the-board buying triggered by firm cues from overseas markets. Sentiment was up as National Council of Applied Economic Research today said the Indian economy is likely to grow 8.3% in 2007-08 (Apr-Mar). At around 2.10PM; Sensex was at 13922.95, up 142.76 points, or 1.0%. Nifty was at 4113.85, up 34.15 points, or 0.8%. HDFC, up 6% at Rs 1,681, was the top gainer as sentiment for bank shares was up after U.S. Federal Reserve left key interest rates unchanged Wednesday. Tata Power was down 2% at Rs 577 after rating agency Standard and Poor's put it on credit watch with negative implications. ONGC and GAIL India were up 2% each on a newspaper report the government has decided to reduce the subsidy share of

	No. of Scripts	Value (Cr.)
Advances	502	4954
Declines	542	4248
Unchanged	31	6
Total	1075	9208

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upstream oil companies by nearly Rs 50 bn for 2007-08 (Apr-Mar). Hindustan Motors was up 3.6% at Rs 34.50. The company today announced that suspension of work at Uttarpada plant had been withdrawn by workers effective from today. NTPC was down 2.3% at Rs 151. The company submitted nuke power plan to Power Ministry today. It will foray into nuke power segment as a utility company.

Key indices erased gains in the last hour of trade and ended down 0.3% on weak cues from European markets, and as investors squared off positions ahead of results of elections in Uttar Pradesh. Uttar Pradesh is headed for a hung legislature, exit polls showed Wednesday. Elections in Uttar Pradesh, one of the biggest states in the country, are crucial as the government's ability to implement hard-line economic policy measures may be hit if it does not come to power there. Sensex ended at 13771.23, down 10.28 points or 0.1% from Wednesday. Intraday, it moved between a low and high of 13745.23 and 13976.79. Nifty ended at 4066.80, down 12.50 points or 0.3%. Intraday, it moved between 4057.55 and 4134.20. Turnover on both the exchanges was roughly Rs 129 bn, compared to Rs 123 bn Wednesday. The CNX Midcap Index was up 0.4% and S&P CNX 500 Index ended down 0.3%. National Council of Applied Economic Research today said it expects India's economy to grow 8.3% in 2007-08. Housing Development Finance Corp., up 6% at Rs 1,680, was the top Nifty gainer. The bank may raise Rs 1.5 bn through a 10-year bond issue next week. Shares of metal companies also gained. Sterlite Industries was up 3% at Rs 556 and Hindalco Industries was up 1% at Rs 147. Tata Steel rose 2% to Rs 576 amid speculation steelmakers are readying for another price hike, as the promised timeframe to hold prices ends this month. SAIL ended up 0.3% at Rs 134. Bajaj Auto gained 2% at Rs 2,607 amid talk the company may announce hiving off its financial business into a separate company soon. The company after market hours said it will consider demerger plans on May 17. BPCL and HPCL rose 1% each, to Rs 290 and 355, respectively as crude oil prices stayed below \$62 a barrel. Zee Entertainment, down 3% at Rs 278, was the worst hit on Nifty. Siemens India, which rose 3% in the previous session, ended down 3% at Rs 278. Tata Power Supply ended down 2% at Rs 574.5 on fears it might dilute equity to fund the ultra mega Mundra power project and also investment in coal mines in Australia. ONGC ended down 3% at Rs 888.50 on profit sales. ONGC gained 2% earlier today on a newspaper report the government has decided to reduce the subsidy share of upstream oil companies by nearly Rs 50 bn for 2007-08 (Apr-Mar).

Tech stocks ended mixed trend. Infosys was down at Rs 1974.20 with volumes of Rs 310.57 crs, Rolta was up at Rs 478.20 with volumes of Rs 253.16 crs, Wipro was up at Rs 552.75 with volumes of Rs 108.50 crs, and TCS closed down at Rs 1229.70 with volumes of Rs 94.13 crs.

Pharma stocks witnessed negative trend with exception. Cipla was up at Rs 208.10 with volumes of Rs 51 crs, Ranbaxy closed down at Rs 386.45 with volumes of Rs 17.04 crs, Glenmark was down at Rs 634.30 with volumes of Rs 15.89 crs, and Dr Reddy closed down at Rs 689.65 with volumes of Rs 13.47 crs.

Banking stocks ended up with exception. In the Public Sector banks SBI closed up at Rs 1123.30 with volumes Rs 178.02 crs & Bank Of India closed up at Rs 195.40 with volumes Rs 71.02 crs. In the private sector UTI Bank closed up at Rs 523.55 with volume of Rs 117.47 crs & ICICI Bank closed down at Rs 842.95 with volumes of Rs 95.76 crs.

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Auto Stocks ended mixed trend. Tata Motors closed down at Rs 714.85 with volumes of Rs.71.48 crs & M&M closed down at Rs 743.25 with volumes of Rs 70.18 crs. While in the 2 wheeler segment stocks, Bajaj Auto closed up at Rs 2609.45 with volumes of Rs 95.02 crs & Hero Honda closed up at Rs 706.95 with volumes of Rs 18.48 crs.

Cement Stocks witnessed mixed trend. GACL closed down at Rs 120.80 with volumes of Rs 60.88 crs, ACC closed up at Rs 874.90 with volumes of Rs 57.83 crs, India Cement closed down at Rs 184.40 with volumes of Rs 44.74 crs and Birla Jute closed up at Rs 240.70 with volumes of Rs 3 crs.

Nifty ended at 4067 down by 13 points

			Cash	Derivative
Name	Close	%	NSE Volumes (Rs. Crs)	NSE F & O Volumes (Rs. Crs) May
Tata Steel	576.40	2.50	375.63	993.43
Infosys	1974.20	-0.32	310.57	282.08
Reliance	1581.40	-1.05	289.20	937.64
Reliance Capital	780	-1.97	236.33	905.51
IFCI	47.20	-1.87	204.42	226.63



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