

10th January, 2007

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Market Statistics

Index	Closing	1 Day (%)	3 M (%)	6 M (%)
Sensex	13566	(0.6)	9.7	29.1
Nifty	3911	(0.6)	9.7	27.2
Sectoral Indices				
Mid-Cap	5882	(0.5)	11.0	35.9
Small-Cap	7212	(0.5)	12.6	37.6
Auto	5485	(0.7)	(0.1)	18.1
Health	3791	(1.0)	4.2	22.4
FMCG	1850	0.0	(8.7)	(4.7)
IT	5161	(0.9)	16.4	39.4
PSU	6077	(0.8)	3.6	24.0
Bankex	7017	(0.9)	15.7	60.6
Oil & Gas	6349	0.5	9.6	22.7
Metal	8775	(0.4)	1.1	5.8
Capital Goods	8976	(1.4)	7.8	30.8
World Indices	Closing	1 Day (%)	3 M (%)	6 M (%)
NASDAQ	2444	0.2	5.5	15.4
DOW	12417	(0.1)	4.6	11.8
Nikkei	17238	0.9	4.9	12.6
Hang Sang	19898	(0.7)	12.6	20.9
Indian ADR's	(USD)	1 Day (%)	3 M (%)	6 M (%)
VSNL	19.30	(0.9)	3.1	15.2
Infosys	54.60	(0.7)	11.0	42.9
Wipro	15.76	(0.1)	15.0	25.9
Satyam	23.09	(2.5)	16.1	39.5
Dr Reddy's Lab	17.87	(1.3)	16.8	26.6
Value Traded (Rs Cr)	9Jan07	(%)		
Cash BSE	5166.8	38.1		
Cash NSE	8806.5	15.6		
Derivatives	28151.8	11.7		
Net Inflows (Rs Cr)	8Jan07	MTD	YTD	
FI	(3075.7)	224.1	19026.2	
Mutual Fund	(148.3)	31.6	13034.3	
Advances/Declines (BSE)				
9Jan07	A	B1	B2	Total
Advance	65	227	443	735
Decline	148	419	389	956
Unchanged	1	12	19	32
Commodity	9Jan07	1 Day (%)	3 M (%)	6 M (%)
Crude (USD/Bbl)	54.8	(0.1)	(7.3)	(23.7)
Gold (USD/OZ)	612.8	(0.1)	6.9	(1.8)
Silver (USD/OZ)	12.5	(0.3)	11.5	12.4
Debt/Forex Market Closing	1 Day (%)	3 M (%)	6 M (%)	
Re/USD	44.38	0.3	3.0	3.8
10 yr Gsec Yield	7.49	0.1	(2.0)	(8.8)

Source : Bloomberg

Corporate Snippets

- Jet Airways, which is involved in a tussle with its failed takeover target Air Sahara, failed to get respite from the Arbitration Tribunal on its plea for refund of Rs 500 crore paid as advance along with interest. –BS
- Praj Industries posted eight fold increase in net profit at Rs 33.64 crore for the quarter ended December 31, as against Rs 3.70 crore in the previous year. –BL
- Sadbhav Engineering's joint venture with SREI Infrastructure Finance Ltd has secured a highway construction and maintenance project worth Rs 510 crore. –BL
- Unity Infraprojects's joint venture with BSEL Infrastructure Realty Ltd had been awarded land to build an information technology park in the state of Goa. –BL
- Lanka IOC, an Indian Oil Corp subsidiary, gets Rs 215cr in settlement from Sri Lankan govt as compensation for incurring losses due to under-realisation in sale of petroleum products in the island nation. –BS
- US-based Mylan Laboratories Inc has completed its acquisition of approximately 51.5% of Hyderabad-based Matrix Laboratories' outstanding shares for Rs 306 per share in cash pursuant to a share purchase agreement (SPA) with certain selling shareholders. –BS
- Cairn India Ltd will invest \$1.5 billion in exploration and development activities in India over the next three years. –ET
- Punj Lloyd, along with its offshore engineering arm - PT Sempec Indonesia - has secured its largest offshore platform project to re-develop the Heera oil field on an EPC basis from ONGC. –BS
- Honda Motor Company will introduce a premium hatchback in the Indian market in the next 2-3 years as it eyes sales of 1.5 lakh units by 2010. –BS
- Four bomb explosions inside the fenced area of the acquired land for the Tata Motors' small car project were recorded last night. –BS
- Dabur Pharma has acquired the entire oncology (anti-cancer) sales & distribution business from its partner, Biosciences Company, in Thailand for an undisclosed amount. –BS

Macro Economic & Geo-Political News

- Organised retail in India would grow into a Rs 2,00,000-crore business by 2010 in terms of value and generate 10 million to 15 million jobs over the next 5 years - Retail Report 2007. –ET

Top Five Gainers (NSE)	Price	Chg (%)	Vol (Mn)
GAIL India Ltd	285	3.7	1.4
Jet Airways India Ltd	629	2.2	0.5
Gujarat Ambuja Cements Ltd	139	1.7	1.6
Tata Tea Limited	726	1.2	0.2
Tata Consultancy Svs Ltd	1256	1.0	1.0

Top Five Losers (NSE)	Price	Chg (%)	Vol (Mn)
Satyam Computer Services Ltd	468	(3.8)	4.4
State Bank Of India	1175	(3.2)	1.5
Oriental Bank Of Commerce	223	(3.1)	0.5
Suzlon Energy Limited	1250	(2.9)	0.2
Punjab National Bank	496	(2.9)	0.6

Source: ET = Economic Times, BS = Business Standard, FE = Financial Express, BL = Business Line, ToI = Times of India, BSE = Bombay Stock Exchange

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Stock details

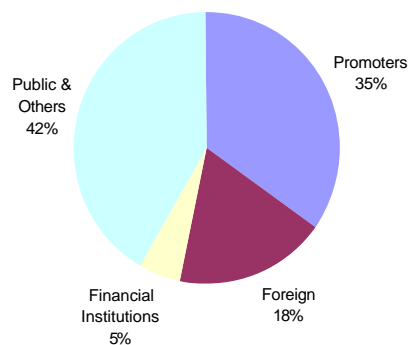
BSE Code	532790
NSE Code	TANLA
Market Cap (Rs bn)	19.8
Free Float (%)	42
52-wk Hi/Lo (Rs)	395/365
Avg Daily Vol (BSE)	3265404
Avg Daily Vol (NSE)	6472632
Shares o/s (mn) FV Rs 2	100.0

Source: Company Emkay Private Client Research

Summary table

Rs mn	FY06A	FY07E	FY08E	FY09E
Sales	630.2	2053.0	3129.3	4430.2
Growth %	181.5	225.8	52.4	41.6
EBITDA	350.9	1024.8	1531.1	2127.6
EBITDA margin %	55.7	49.9	48.9	48.0
Net Profit	302.5	833.5	1238.6	1720.5
EPS (Rs)	8.9	16.7	24.8	34.4
CEPS (Rs)	9.1	17.0	25.5	35.4
ROE %	102.9	29.3	21.5	24.6
ROCE %	115.4	35.5	26.1	29.8
EV/Sales (x)	31.1	7.2	4.6	3.0
EV/EBITDA (x)	55.8	14.5	9.4	6.3
P/E (x)	44.5	23.7	15.9	11.5
P/CEPS (x)	43.4	23.2	15.5	11.2
P/BV (x)	31.0	3.8	3.2	2.5

Source: Company Emkay Private Client Research

Shareholding pattern (08 Jan. 2007)

Source: Company and Emkay Private Client Research

FROM OUR RESEARCH DESK**Tanla Solutions****Price: 395****RECOMMENDATION: BUY****Target Price: 613**

Tanla Solutions Limited (TSL) is the provider of integrated telecom infrastructure solutions and products space. TSL's head office and delivery centres are located in Hyderabad, India and its UK offices leads its international marketing. TSL commenced its commercial activities in the product areas of telecom signaling solutions, in the year 2000 and specializes in providing SS7 (Signaling System 7) messaging infrastructure software products including Short Messaging Service Centres (SMSCs), High Density Media Servers (HDMSSs), Optimal Routing Solutions, Welcome Roamers, Voice Mail Servers and Caller Ring Back Tone Servers.

However, TSL's main growth comes from the Aggregator Services (messaging applications & billing services), which accounted for around 68% of its revenue for H1FY07, with the acquisitions of Mobizar Limited (now known as Tanla Mobile Limited) which provides aggregator services in the UK, as a 100% wholly owned subsidiary in the year 2005, which also translates in strong traction to TSL's offshore development services (ODC) including software development, infrastructure management services and technical support services.

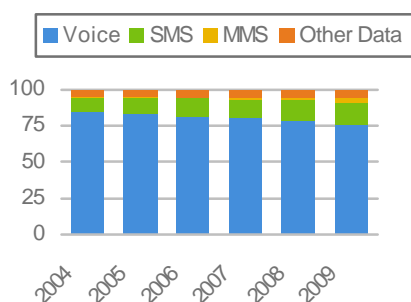
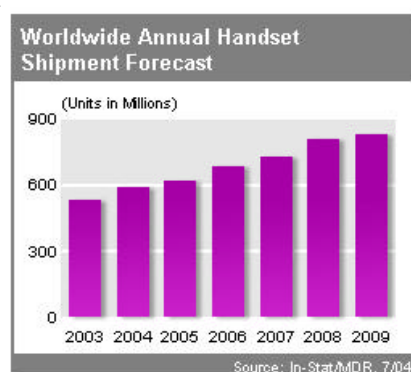
TSL has got strong domain expertise in the non-voice Mobile telephony industry; the company business is mainly targeted at exponentially growing non-voice mobile messaging and Data Services market, TSL's offering is divided into three different line of business in the non-voice space, that is the Aggregators business, Telecom Signaling Solutions (Product space) and Offshore Development Services (Services Space). In FY06, Aggregators business constitutes 53% of the revenue and for H1FY07 it constitutes 68% of the revenue, whereas Telecom Signaling Solutions and offshore Development Services contributed 35% and 12% in FY06 and for H1FY07, 21% and 11% respectively.

TSL has got a diversified and marquee clients base, which includes Vodafone, 3 Services, Virgin Mobile, O2, Orange, T-Mobile, Skype, Cricinfo etc.

Over the years, with TSL's strong domain focus and enriching client's relationships has reflected in the impressive financials and operational performance, with standalone revenue CAGR growth of 169% and net profit growth of 191% to Rs 414 mn and Rs 257 mn respectively over FY04-06A. On the other hand, on a consolidated basis revenues grew by 182% to Rs 630.2 mn and 342% in net profits to Rs 302.5 mn for FY06 as compare to corresponding period previous year.

We believe that TSL enjoys a impressive business model and coupled with robust industry environment and also with its future plans to enter newer geographies and extending the services and product offering, would reflect in a CAGR of 92% in revenue to Rs 4430 mn over FY06A-09E, with net profits to grow at a CAGR of 79% to Rs 1720.5 mn in the same period.

At the current valuation of 16x FY08E and 11.5x FY09E earning and 9.4 xFY08E and 6.3x FY09E EV/EBITDA, we rate the TSL stock a BUY with a target price of Rs 613 based on the DCF approach.



Industry

Investment Highlights –

Robust Industry Environment: The global Wireless (Non-Voice) market is growing at a scorching pace, which is largely attributed to growing numbers of Mobile users, and text messaging for business communication is now recognised and full-fledged business adoption has begun. The total worldwide wireless market revenue was close to around \$566 bn in 2006.

One trillion SMS (short message service) text-messages were sent worldwide in 2005. The continued growth of non-voice activity, for personal and business use, is critical area of sustained focus for network operators. The effectiveness of text to instantly alert, inform, or act as a call-to-action to large numbers in one swift operation has seen its validation for business. Large organisations in the public and private sectors now have the ability to implement SMS technologies into their own in-house systems, while smaller businesses are equally capable of installing a piece of mobile messaging software to their office PC.

Wide-scale acceptance of SMS is unlikely to slow down with the arrival of new mobile technologies. Independent predictions suggest that by 2011 all non-voice, non-SMS messaging technologies combined - such as pictures, music and video - will still be worth less than half the value of the SMS market. According to the GSM Wireless Business Review, SMS accounts for 25-30% of mobile operators' revenues, and by 2010 will account for \$70 billion of a global messaging market totaling \$120 billion.

Strong business foothold with diversified clients base: TSL is a complete end-to-end providers of Wireless Messaging solutions, with its offering in Products and Services space. Its marquee cliental includes Vodafone, 3 Services, Virgin Mobile, O2, Orange, T-Mobile, Skype, and Cricinfo etc. Going forward, TSL is planning to expand its offering in the newer services and products offering in the Wireless Telephony space coupled with expanding its foothold in the newer geographies like US and Asia-Pacific region, which augur well for the TSL to derisk its exposure to single geography i.e. UK.

Aggregators the future business driver: The ongoing growth of mobile non-voice market will see a surge of further experimentation with forms of interactivity, and potential boosts in gaming and other high end non-voice services. Businesses in Western Europe will spend around \$12.7 billion on wireless data services by 2010, according to a recent study by Strategy analytics.

The report claims that SMS is the most used wireless enterprise offering in Western Europe, with 9 out of 10 business cellular users and UK businesses predicted to spend \$1.3 billion on SMS by 2010. Once such penetration levels have accelerated to match Western European rates, and the proportionate population of mobile phones to people is also equaled aided by a uniform of currently fragmented operator systems then it is no exaggeration to speculate on an American market size of approximately £4 billion pounds for business use of text-messages.

The estimated sales generated by organisations active in the UK non-voice mobile sector grew from £24 million in 2000, to £429 million in 2005: a five-fold increase since 2001. The main drivers for growth have been consumer demand for mobile entertainment, personalization and information alerts, with business adoption still yet make a significant contribution.

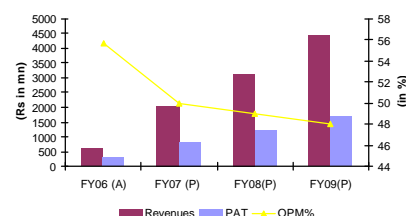
In this scenario, TSL's aggregators business is well poised in the UK market and already gained acceptability of prominent players, which is very important for the scalability in the aggregators business, currently where TSL market share is close to 1-2%, among 13-14 aggregators in UK. Going forward with robust growth expected in the non-voice traffic in the UK region this augurs well for the TSL to improve its market share, which inherently translates into strong revenue visibility for the coming years.

Home

Risks & Concerns-

TSL's business is largely focused in UK market, with majority of company's revenues coming UK region. This makes TSL vulnerable to any slowdown in the non-voice market in the UK region, on the other hand TSL business entirely focus in the Telecom Industry, which also expose it to single industry risk, any slow down happen in the Telecom industry could trigger a major setback to TSL growth visibility.

Impressive Growth Ahead



Source: Company Emkay Private Client Research

Business Outlook and Valuation – On an exponential growth trajectory

Tanla Solutions stock trades at 16x FY08 and 11.5x FY09 and EV/EBITDA of 9.4x FY08E and 6.3x FY09. We expect TSL to grow at a CAGR growth of 91% and 79% in revenue and net profits likely to touch Rs 3129 mn and Rs 4430 mn and net profits estimated at Rs 1239 mn and Rs 1721 mn respectively over FY08E and FY09E.

On the other hand, TSL is also planning to enter newer geographies like US and Asia Pacific region, through both organic and inorganic route, which will give a further fillip to the growth visibility of the company in the coming year. However, our estimates does not factor any inorganic growth initiatives.

We initiate a BUY on the stock with a price target of Rs 613 based on the DCF approach, at our target price the stock will be valued at 18x for FY09E, since we believe that TSL is the only Indian company to get a foothold in the high growing UK aggregators market coupled with its high EBITDA margin of close to 50%, with no comparable Indian competitor. This is without considering any kind of inorganic growth initiatives, as company has a cash kitty close to Rs 265 crore kept for acquisitions plans. This we believe would give further scope for a positive earnings surprise and be EPS accretive provided TSL's acquisition plans frucify meaningfully.

FROM OUR TECHNICAL DESK



Indices	Previous close	Today's close	% chg
Sensex	13,652	13,566	-0.63
Nifty	3933	3911	-0.56
S&P CNX 500	3286	3264	-0.69
BSE 500	5,247	5,214	-0.63
BSE Mid-Cap	5,912	5,882	-0.50
BSE Small-Cap	7,250	7,211	-0.53
BSE Auto	5,526	5,485	-0.75
BSE Health	3,827	3,791	-0.95
BSE FMCG	1,849	1,849	0.03
BSE IT	5,204	5,160	-0.85
BSE PSU	6,126	6,077	-0.80
BSE Bankex	7,082	7,016	-0.94
BSE Oil & Gas	6,319	6,349	0.47
BSE Metals	8,814	8,775	-0.45
BSE Cons Dur	3,706	3,740	0.94
BSE Cap Good	9,099	8,976	-1.35
Levels to Watch			
	Sensex	Nifty	
Day's High	13,748	3963	
Day's Low	13,493	3890	
13 DMA	13748	3944	
34 DMA	13585	3904	

There was no respite from the selling pressure yesterday for the fourth day in a row. The Nifty remained under selling pressure as it opened for trade and corrected further as the trading day progressed. It made lower tops and lower bottoms during the day and finally ended the day with a loss of 22 points at 3911. The Advance Decline ratio also took a knock yesterday and turned bearish during the latter half of the session, it finally quoted at almost 1:2. Most of the sectoral indices too were seen closing in the negative, however, the BSE CD index gave a positive close and made an all time high yesterday. The BSE Oil & Gas and BSE FMCG indices too gave a positive close. The BSE CG index lost more than 1% in value yesterday.

Market Perspective

The Nifty remained under selling pressure for yet another day yesterday. It kept on losing ground throughout the session, however, we saw some recovery at the end of the session and it closed at 3911, with a loss of 0.56%. Yesterday, it took support near the 50% retracement level of the rally from 3768 to 4011 and made a low of 3890. Now, the range between 3890 and 3872 will be an important support for the Nifty and if today it is able to sustain above 3931 then it may test 3963. It may face some resistance near 3966. However, if it clears this resistance then it may scale upwards and test 3987. Our bullish view for the Nifty remains intact for the medium term.

Sectoral Speak:

The **BSE CD** index achieved our target of 3753 and made a new all time high of 3758. It closed with a gain of 0.94% at 3740. Now, on a close above the 3753 level, this index will retain its upward momentum and will strengthen further for the medium term.

The **BSE CG** index lost more than a percent in value yesterday and closed at 8976. This index now has support at 8931, which is the 61.80% retracement level of the recent rally from 8709 to 9286. If it breaches 8931 then it may come down to 8709, which is its recent low.

Recommendations

Date	Stock	Action	Recommendation Price	Stop-loss	Target	Current price	Comment
21-12-06	Matrix Lab	Buy	209.00 - 200.00	195.30	240.00	215.45	
27-12-06	Ranbaxy	Buy	400.00 - 390.00	382.10	440.00	416.80	
03-01-07	L & T	Buy	1479.00 - 1450.00	1426.30	1625.00	1430.95	Stop loss triggered
04-01-07	HMT	Buy	83.00 - 80.00	76.30	94.50	78.65	
05-01-07	Rico Auto	Buy	67.00 - 64.00	60.60	77.50	66.05	
08-01-07	NDTV	Buy	300.00 - 290.00	273.30	350.00	298.00	
08-01-07	APIL	Buy	488.00 - 470.00	459.30	565.00	472.35	Stop loss triggered

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FROM OUR DERIVATIVES DESK

Nifty Snapshot

Nifty: 3911.40 (-0.56%)				Open Interest (No. of Shares)		Change in OI		PUT CALL RATIO (PCR-OI)		
LTP	08.01.07	09.01.07	Basis	08.01.07	09.01.07		Nifty	08.01.07	09.01.07	Change
Nifty Spot	3929.80	3920.00	-	-	-	-	Call OI	9171400	10129900	+958500
Jan Futures	3921.00	3909.70	-10.30	37013200	36681600	-331600	Put OI	14402100	14724200	+322100
Feb Futures	3925.00	3910.05	-9.95	898500	1259300	+360800	PCR	1.57	1.45	-0.12
Total (Jan+Feb+Mar)				38197900	38318600	+120700				

FII's Derivative Statistics for 08.01.07

	Buy		Sell		Open Interest as on 08.01.07		Open Interest as on 05.01.07		Change in FIIs Open Interest	
	No. of Contr.	Amt in Crs.	No. of Contr.	Amt in Crs.	No. of Contr.	Amt in Crs.	No. of Contr.	Amt in Crs.	No. of Contr.	Amt in Crs.
Index Futures	22311	875.96	42600	1674.83	333005	13076.38	310598	12358.86	22407	717.52
Index Options	6888	259.24	1641	64.02	113124	4449.62	104941	4180.22	8183	269.40
Stock Futures	6653	235.77	16268	561.59	409683	14538.49	401712	14445.66	7971	92.83
Stock Options	1	0.05	644	28.06	1691	61.61	1046	34.85	645	26.76
TOTAL						32126.10		31019.60		1106.51

Source: NSE

Nifty opened strong and rallied during first hour of trade but turned weak and slipped to 3890 levels where it took support and bounced back during last hour of trade and closed at 3911 with a loss of 22 points. Among the major gainers were JSW Steel, Bata, BEML, GAIL, Sesa Goa, GE Shipping, Punj Lloyd, Jet Airways etc. Major losers were Corporation Bank, BOB, BOI, OBC, Satyam, Polaris, Canara Bank, SBI, IOB etc.

- Annualized COC of Nifty January futures is negative 6.39% against negative 5.11% the previous day.
- Nifty January futures traded at a discount of 6-10 points throughout the day which was trimmed to 2-3 points during the last hour of trade.
- Total Turnover for NSE F&O Segment was Rs.28,152 Crores.

Open Interest Analysis:

Bullish: ICICI Bank (10%)

Long positions were seen in **ICICI Bank** as OI has increased with lots of strength in stock price and we expect an upside move in the stock. Remarkable build up of positions is seen in **BOI (12%) & Corporation Bank (19%)** with positive CoC indicating that players are taking interest in the stocks at lower levels and we may see a bounce back in these stocks. Short positions were seen in **RCOM** as OI increased by 15% with downside move in stock price and we may see further downside in the stock.

Nifty took support at 3890 near our mentioned support level of 3900 wherefrom we witnessed bounce back and discount in Nifty futures dropped to 2-3 points compared to 6-8 points in the first half of session indicating short covering of intraday positions. Therefore, we expect a further bounce back in the markets today. However, the Implied volatility of Nifty has continued to remain at high levels of 26-27% indicating volatility to continue in the coming days.

Put Call Ratio Analysis:

PCR (OI) of Nifty dropped to 1.45 compared to 1.57 the previous day. Nifty Call options added 9.5 lakh shares (+10.4%) and Nifty Put options added 3.2 lakh shares (+2.2%). Nifty 3900 Call added 4.1 lakh shares whereas 3950 & 4000 Call added 1.8-2 lakh shares in OI. Nifty 3800 Put added 1.6 lakh shares in OI. We maintain 3900 levels as support level for Nifty.

Cost of Carry:

Turned Positive: Kotak Bank, Suzlon.

Turned Negative: Cipla.

Home

Bank Nifty: 5875.30 (-1.56%)						CNX IT: 5356.15 (-0.26%)							
	LTP			Open interest (No. of shares)		Chg in OI		LTP			Open interest (No. of shares)		Chg in OI
	08.01.07	09.01.07	Basis	08.01.07	09.01.07			08.01.07	09.01.07	Basis	08.01.07	09.01.07	
Spot	5963.35	5877.15	-	-	-	-	Spot	5377.65	5361.80	-	-	-	-
Jan Futures	5960.00	5860.00	-17.15	122000	139900	+17900	Jan Futures	5383.00	5365.00	+3.20	35600	34100	-1500
Total (Jan+Feb+Mar)				122600	140500	+17900	Total (Jan+Feb+Mar)				35600	34150	-1450

Top traded stock futures		Most active stock options				
Scrip	No. of Contracts	Scrip	Expiry	Strike Price	Option Type	No of Contracts
CAIRN	22570	CAIRN	JAN	140	CA	971
RELIANCE	21143	RELIANCE	JAN	1290	CA	828
RCOM	18056	RANBAXY	JAN	390	PA	639
SBIN	11084	INFOSYSTCH	JAN	2250	CA	639
INFOSYSTCH	10437	CAIRN	JAN	130	CA	603
IVRCLINFRA	9810	INFOSYSTCH	JAN	2310	CA	490
PRAJIND	8853	INFOSYSTCH	JAN	2340	CA	397
SATYAMCOMP	8451	MTNL	JAN	160	CA	367
RELCAPITAL	8363	INFOSYSTCH	JAN	2370	CA	360
CENTURYTEX	7571	CAIRN	JAN	150	CA	356

Derivative Strategy Recommendations

Date	Scrip	View	Strategy	Action	Maximum Profit	Maximum Risk	Current Price	Profit/ Loss (Rs.)	Remarks
23.12.06	MTNL	Bullish	Bull Call Spread	Buy 140 CA @ 7.50 Sell 150 CA @ 4.00	10400.00	5600.00	140 CA @ 13.50 150 CA @ 6.25	+6000.00	Profit Booked (03.01.07)
30.12.06	Satyam	Bullish	Buy Call Option	Buy 480 CA @ 27.00	Unlimited	16200.00	480 CA @ 40.00	+7800.00	Profit Booked (02.01.07)
02.01.07	Tata Motors	Bullish	Buy Call Option	Buy 920 CA @ 38.00	Unlimited	15656.00	920 CA @ 55.50	+7210.00	Profit Booked (04.01.07)
02.01.07	Infosys	Bullish	Buy Call Option	Buy 2280 CA @ 92.00	Unlimited	18000.00	2280 CA @ 62.00	-6000.00	Hold
04.01.07	Reliance Cap.	Bullish	Buy Call Option	Buy 640 CA @ 27.00	Unlimited	14850.00	640 CA @ 19.25	-4262.50	Hold
05.01.07	ITC	Bearish	Buy Put Option	Buy 165 PA @ 4.05	Unlimited	4556.25	165 PA @ 6.85	+3150.00	Hold
06.01.07	ONGC	Bullish	Buy Call Option	Buy 900 CA @ 23.00	Unlimited	10350.00	900 CA @ 35.55	+5647.50	Hold

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[Home](#)

FROM OUR DEALING DESK

Dealing News

Market News & Gossip

Market View: Cautious

We maintain our cautious view on the market as we have witness huge selling since last few days. Infosys results are on 11th Jan, 2007. This will be a huge trend setter for the sector as a whole. Since results season are about to start at the same time looking at the market trend we are of the opinion that market to witness huge volatility during this week. Our short term support levels are between 3890-3872 levels

We continue on our previous recommendation like : [Magalam Cement](#), [Ratnamani Metals](#) and [Deccan Chronicle](#).

Investment idea for the Day:

ISMT LTD

- ISMT is India's largest and fully integrated seamless tube player which enjoys strong competitive strengths like size and scale, excellent customer relationship with large OEM's
- We expect CAGR of 30% yoy in the net profits over FY 06-08 E
- ISMT is focusing more on cost cutting and productivity improvement continues
- Exports offer significant potential
- Our EPS for FY 07 is Rs 10 while for FY 08 is Rs 13.5
- We maintain a buy on the stock with a target price of Rs 139.

Active F&O Calls

On Tuesday Over all OI (only Futures) UP by Rs.55 cr.

NF = OI Up by Rs.22 cr. (shed 0.50 lc NF)

SF = OI Up by Rs.43 cr. (mainly in Rcom, ICICI Bank, Cairns, Infosys, SBI)

Overall OI is @ Rs 41719 cr. (NF 15082 cr + SF 26637 cr)

FII's OI (only Futures) as on 4th Jan stood at Rs.27615 cr. (ie 33%)

TRADERS DELIGHT

The following are the active trading delight calls.

Reco Date	Scrip	CMP(Rs.)	Entry Level	Target	Stop Loss	Remarks
2/Jan/07	KRBL	170.70	156.00	185.00	146.00	Intra Week

Source: Company

TRADE DETAILS OF BULK DEALS

Bulk Deals	Deal Date	Scrip Name	Client Name	Deal Type *	Quantity	Price **
	9-Jan-07	Adhunik Met	Deevee Commercials Ltd	S	1053000	37.93
	9-Jan-07	Ads Diagonis	Nirmaladevi	S	20000	3.46
	9-Jan-07	Anil Sp Stel	Rathi Krishna Kumar Shrin	S	45000	17.04
	9-Jan-07	Arvind Prod	Icici Bank Ltd	S	961104	9.5
	9-Jan-07	Ashco Indust	Pavan Anil Gandhi	B	48938	50.31
	9-Jan-07	Ashco Indust	Saboo Capital And Securit	B	50000	51.9
	9-Jan-07	Ashco Indust	Pavan Anil Gandhi	S	43000	51.89
	9-Jan-07	Asian Oilfie	Nucleus Securities Limite	B	50000	40.55
	9-Jan-07	Bcc Fuba Ind	Hitesh Jhaver	B	41710	18.8
	9-Jan-07	Bhagya Inl	Bsma Limited	B	500000	40.1
	9-Jan-07	Bihar Tubes	Motilal G Sharma	S	17315	117.01
	9-Jan-07	Clutch Auto	The India Fund Inc Ac Bla	B	151400	142.85
	9-Jan-07	Donear Indus	Kuvera Capital Partners	B	260000	228
	9-Jan-07	Educomp Soln	Morgan Stanley And Co Int	B	100000	1038
	9-Jan-07	Educomp Soln	Ward Ferry Management Ltd	S	100000	1038
	9-Jan-07	Gujarat Ambuja	Holderind Investments Lim	B	2.3E+07	136.65
	9-Jan-07	H.S.India	Chetan Dogra	S	100000	22.15
	9-Jan-07	Hanjer Fibre	S.P.J. Stock Brokers Pvt	B	54000	4.73
	9-Jan-07	Karuna Cable	Surendra Singh Bengani	B	375000	17.53
	9-Jan-07	Kedia Infote	Nitesh Vijayvargiya	S	400000	1.08
	9-Jan-07	Malu Paper	Manmohan Damani	B	100000	39.19
	9-Jan-07	Mefcom Agr I	Cosmo Corporate Services	B	71495	206.56
	9-Jan-07	Mefcom Agr I	Isf Securities Ltd	B	27350	206.75
	9-Jan-07	Mefcom Agr I	Kalpna Madhani Securitie	B	30000	206.75
	9-Jan-07	Mefcom Agr I	Arya Investments	B	15000	206.75
	9-Jan-07	Mefcom Agr I	Master Finlease Ltd	S	66995	206.75
	9-Jan-07	Mefcom Agr I	Isf Securities Ltd	S	27350	206.75
	9-Jan-07	Mefcom Agr I	Kalpna Madhani Securitie	S	27000	206.53
	9-Jan-07	Mefcom Agr I	Arya Investments	S	15000	206.75
	9-Jan-07	Mittal Sec.	A.S.R Krishna Prasad	S	15000	10.61
	9-Jan-07	Modison Meta	Prism Impex Pvt Ltd	B	104000	418.24
	9-Jan-07	Modison Meta	Accord Capital Markets Lt	B	25000	418.25
	9-Jan-07	Modison Meta	Himanshu Ajmera Huf	B	25000	418.24
	9-Jan-07	Modison Meta	Modison Pvt Ltd	S	70000	418.25
	9-Jan-07	Modison Meta	Chandramanidevi Modi	S	60000	418.25
	9-Jan-07	Pentium Inft	Jmp Securities Pvt. Ltd.	B	1653803	3.7
	9-Jan-07	Pentium Inft	Corporate Strategic Allia	S	600000	3.31
	9-Jan-07	Pentium Inft	Jmp Securities Pvt. Ltd.	S	1730856	3.71
	9-Jan-07	Pondy Oxides	Purshottam Khandelwal	B	913274	6.8
	9-Jan-07	Pondy Oxides	Jmp Securities Pvt. Ltd.	B	779403	6.97
	9-Jan-07	Pondy Oxides	Jmp Securities Pvt. Ltd.	S	418903	6.98
	9-Jan-07	Pondy Oxides	Purshottam Khandelwal	S	1213770	6.84
	9-Jan-07	Pyramid Saim	Uttam Financial Services	B	149576	187.62
	9-Jan-07	Pyramid Saim	Jmp Securities Pvt. Ltd.	B	260751	196
	9-Jan-07	Pyramid Saim	Bengal Finance And Invest	B	220025	178.97
	9-Jan-07	Pyramid Saim	Vivek Mehrotra	B	179596	186.01
	9-Jan-07	Pyramid Saim	Uttam Financial Services	S	149576	187.97
	9-Jan-07	Pyramid Saim	Jmp Securities Pvt. Ltd.	S	280263	196.5
	9-Jan-07	Rap Media	Paragraph Securities Priv	S	25000	419
	9-Jan-07	Repro India	Rama Jain	B	54894	149.47
	9-Jan-07	Repro India	Asit C Mehta Investment I	B	90301	151.54
	9-Jan-07	Repro India	Rama Jain	S	54894	148.91
	9-Jan-07	Repro India	Asit C Mehta Investment I	S	90301	151.26
	9-Jan-07	Rock Hard Pe	Sunita Rani Garg	B	100000	15.67
	9-Jan-07	Rock Hard Pe	Vijay Soni	B	176914	15.56
	9-Jan-07	Rock Hard Pe	Radhaben Patel	S	82575	15.48

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9-Jan-07	Rock Hard Pe	Jignesh Dilipbhai Rangoon	S	40500	15.69
9-Jan-07	Royale M H I	Karnavati Dye Chem Pvt L	B	406809	43.69
9-Jan-07	Royale M H I	Karnavati Dye Chem Pvt Lt	S	406809	43.83
9-Jan-07	Sagar Cement	Morgan Stanley And Co Int	B	55100	151
9-Jan-07	Sarang Chemi	Prem Chand Gupta	S	22000	4.47
9-Jan-07	Shamke Multi	Ashok Kanayalal Madhani	S	120000	2.78
9-Jan-07	Shamrock Ind	Shamrock Exports Pvt Ltd	S	75000	5.61
9-Jan-07	Shiva Cement	Manmohan Damani	S	500000	8.55
9-Jan-07	Sql Star Int	Dhananjaya Money Manageme	B	84979	47.24
9-Jan-07	Sql Star Int	Findeal Investments Priva	S	94502	46.02
9-Jan-07	Sumeet Indus	Purshottam Khandelwal	B	591905	19.98
9-Jan-07	Sumeet Indus	Purshottam Khandelwal	S	397662	19.77
9-Jan-07	Supertex Ind	Icici Bank Ltd	S	1000000	1.72
9-Jan-07	Supertex Ind	Narottam Lal Mishra	S	800000	1.72
9-Jan-07	Suryajyoti S	Vishal Minda	B	92174	69.21
9-Jan-07	Today Writ	Karnavati Dye Chem Pvt Lt	B	133664	80.66
9-Jan-07	Today Writ	Karnavati Dye Chem Pvt Lt	S	133664	78.35
9-Jan-07	Tokyo PI Int	Pinki Pravin Patel	S	75244	10.41
9-Jan-07	Transpek Ind	Ruchit B Patel	B	34509	98.55
9-Jan-07	Unimer India	Suman Agarwal	S	100000	9.21
9-Jan-07	Vij.Shanti B	Lehman Lb Holdings Cayman	S	149795	157.7
9-Jan-07	Wall Stree F	Hitesh Jhaveri	S	29204	14.38
8-Jan-07	Abee Info Co	Urmila Doshi	B	90000	4.74
8-Jan-07	Abee Info Co	Urmila Doshi	S	55000	4.73
8-Jan-07	Choic Intern	New Era Advisors Pvt. Ltd	B	26792	7.94
8-Jan-07	Choic Intern	Rajendra R Shah	S	27804	7.95
8-Jan-07	Color Chips	Dynamic Stock Borking I P	B	181592	13.68
8-Jan-07	Color Chips	Dynamic Stock Broking I P	S	181592	13.96
8-Jan-07	Dynamic Indu	Rajul Atul Shah	S	22050	64.43

Source: BSE

COMPANY / MARKET**Forthcoming Events**

Effective Date	Summary	Action Type
10-Jan-07	AVT Natural Products Ltd	Listing
10-Jan-07	Bajaj Auto Finance Ltd	Delisting
10-Jan-07	JK Lakshmi Cement Ltd	Corporate Meeting
10-Jan-07	Panyam Cements & Minerals	Corporate Meeting
10-Jan-07	Shree Ashtavinyak Cine Vision Ltd	Listing
10-Jan-07	Shri Bajrang Alloys Ltd	Corporate Meeting
10-Jan-07	Spice Ltd/India	Listing
10-Jan-07	Wire and Wireless India Ltd	Listing
10-Jan-07	Zee News Ltd	Listing

Source: Bloomberg

Emkay's Network

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AHMEDABAD 079-26448727/29 ALLAHABAD 0532-2452388 ALWAR 9414454123 AURANGABAD 09860498897 BANGALORE Cunninghum Road 080-41220915 Malleswaram 080-23464173 Vijaynagar 9341327222 BHOPAL 09301189603 BARODA Alkapuri 0265 6640551 Sayaji Gung 0265-3918069 - 74 Karelibaug 0265-3918021 - 24 Manjalpur 0265-3206663 BHAVNAGAR 9898001945 CHENNAI Adyar 044-42300788 Anna Nagar 044-42127298 Ramarao Street 044- 42605604 T Nagar 044- 42605604 044-42024672 Gandhi Nagar 044-42607611 Thiruvannamiyur 044-42178646 Nanganallur 044-42056685 North Usman Road 044-45502496 Sowcarpet 044-30966268 CHANDIGARH 0172-5052424 Chandigarh - Sec47 0172-5072123 COCHIN 0484-3949749 COIMBATORE 100 Feet Rd 0422-2493536 R.S Puram 0422-4370489 DELHI Nehru Place 011-32474709 SSK 011 42267259 Barakhamba Road 11 43575757 Dehradun 9219698600 DIBRUGARH 0373-2322607 DIMAPUR 03862-225832 DINDORI 07644-234261 ERODE 0424-22212823 Brough Road 09894719071 FARIDABAD 0129-4068303 GANGANAGAR 9351793000	GOA 0832 - 6650770 GULBARGA 08472 321850 GUWAHATI 9954070377 GURGAON Old Railway Rd. 0124-3250629 Sheetla Mata Rd. 0124-4081346 HARYANA Rohtak 01262-268701 HOSHIARPUR 01882-326767 HYDERABAD Ameerpet 09346939076 Banjara Hill 040 6553 4261 HARIDWAR 01334-329563 INDORE Racecourse Road 0731-3918624/ 9893894415 R. N. T. Marg 0731-4068098 JABALPUR Agga Chowk 0761-4067239 Vikas Bazaar 0761-4031955 JAIPUR Bhawani Singh Lane 0141-2361438 JAIPUR 0141-2378661 Modi Nagar 0141-2811118, 2810501 Sardar Patel Marg 0141 2376886 JAMNAGAR 0288-2561522 JAMMU 0191-2454764 JHARIA 0326-2361720 JHARKHAND DHANBAD 0326 2361720 JODHPUR 0291-5101900 Jalori Gate 0291-2627749 Paota 0291-3209090 Mandore Mandi 0291-5121134 Mandore Mandi 0291-5100995 MORADABAD 05912424090 JUNAGADH 0285-2629489 KARNAL 9255248404 KOTTAYAM 04812563033/44 KARAIKUDI 04565-224221 KAYAMKULAM 0479-3953222 KOLKATA 033-39511666 C.B. Street 033-22428734 Weston Street 033-22118369 Tagore Street 033 - 22597938 Tarachand Dutta Street, 033- 26501114	Grant Lane 09830667686 Mukherjee Road 033 24668300 KOTA 0744-2502877 LUCKNOW 9839552211 MADURAI 0452-3018691/92/93/94/ 0452- 4379688 MYSORE 0821 4250696 MUMBAI Borivali 022-28334629 Borivali 022-56610312 Borivali 9867697105 Borivali 9867129422 Dadar 022-32605528 Dhobi Talao 022-56023723 Fort 022-22653471/22875805 Fort 022-22704710 Ghatkopar 022-25122448 Goregaon 022-28770991 J B Nagar 9892343344 Khar 022-26049302 Lokhandwala 022-56778638/39 Malad (E) 022-28820352 Malad (W) 022-28891770 Malad (W) 022-28777679 Masjid Bunder 022-56357597 Masjid Bunder 9224575600 Mulund 022-25614154 Mumbadevi 23460060 / 61 /62 Oshiwara 9821233777 Powai 022-28573098 Santacruz 9869102930 Santacruz (w) 26616085 / 7075 Ulhasnagar 95251-3952746 Versova 022-26360617-18 Vile Parle 022-26714805 NAGPUR 0712-2538191 NELLORE 0861-2330841 Sitabuldi 0712-2558455 NASHIK 0253-5607814/15 Gangapur Rd 9326173938 Raviwar Peth 0253- 3203888 60 ft. Rd 0253-2598310	NAMAKKAL 04286 - 275494/ 95 PANIPAT 0180-6451645 PERUMBAVOOR 0484-2640046 PUNE D.P. Road 9850818986 Karve Road 9325505031 Rasta Peth 020-26123351 Satara Rd. 9520-24220031 Sadashiv Peth 9520-30947224 Shaniwar peth 020- 255303387 RAJAHMUNDRY 9396456406 RAJKOT Dr. Yagnik Rd 0281 - 2464535 Phulchab Chowk 0281-2452875 Rampur 9837605847 RATLAM 07412-329878 SRINAGAR 9419074424/ 9906679327 SALEM 0427-2336881 SAGAR 0758-2401647 SANGLI 0233- 6616010/11 SARDARSHAHR 01564-512108 SONIPAT 9812059933 SIRSSA 09888333639 SURAT 0261-2369996 Ghod Dod Road 0261- 3993010 THENI 9362113579 TRICHY 0431- 4220713/14/15 Srirangam 0431-6454377/88/99 Thiruverumbur 0431-2511787 / 6453898 TIRUPUR 0421-4336995 THRISSUR Kokalai 0487 2428793 Patturakkal 0487 6450233 TRIVANDRUM 04713257010 UDAIPUR 0294-2415405 VISAKHAPATNAM 0891 2730730 VARANASI 0542-5521383 VIJAYAWADA 0866-2579266 WARANGAL 0870-6450793/94/95 YAVATMAL 09422892827
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Analyst's holding in the stocks mentioned in the report: **NIL**

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