



Market Musing

December 1, 2006

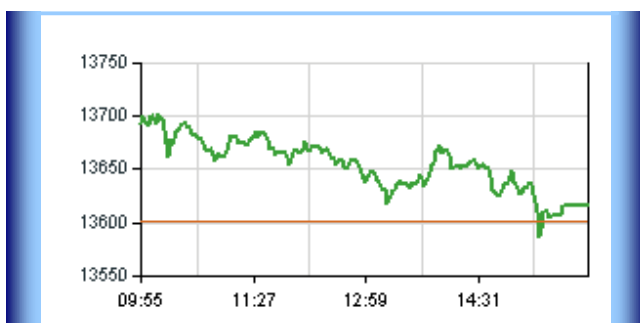
Indices	Current	Prev close
Sensex	13696	13616
Nifty	3954	3928
Nasdaq - Composite	2431	2432
Dow Jones	12222	12226
FTSE - 100	6049	6084

Money Market	Current	Prev Close
Re/US \$	44.74	44.69
Call Money Rate	6.2	6.2
7.59% 2016 G-Sec yield	7.43	7.36

Top Gainers		
Company	Cl. Price	% Ch
Dena Bank	36.45	4.89
Gail India	267.15	4.7
ICI India	400.35	3.78
Alok Industries	70.2	3.54
Aventis Pharma	1513	3.45

Top Losers		
Company	Cl. Price	% Ch
FDC	37.8	-5.14
Ramco Systems	198.2	-4.99
Bongaigon R	48.45	-4.81
Mangalore Refineries	40.35	-4.61
Indian Oil	444.3	-4.11

ADRs				
Company	Price (\$)	% ch	Prem/Disc (%)	2 months Avg. P/D
Dr. Reddy	16.70	1.58	(0.49)	5.13
HDFC Bank	76.01	0.84	1.37	1.64
ICICI Bank	38.91	0.41	(0.12)	2.49
Infosys	53.53	0.39	9.84	13.70
MTNL	5.93	0.85	(0.97)	(0.13)
Satyam	23.45	0.34	14.22	25.14
VSNL	19.06	(0.73)	(0.12)	0.30
Wipro	15.68	2.35	(41.44)	(40.39)



Market Review

Market remained firm on the last day of derivative expiry. The benchmark index ended up by 80 points to 13696 and Nifty by 26 points to 3954. As per reports, NSE F&O Open Interest had shot up by Rs.1008 crore to Rs.60719 crore. The market sentiment remains bullish due to strong FII inflow. The BSE Small-Cap index closed at 6647.08, with a gain of 12 points while the BSE Mid-Cap index lost 6 points. IT shares witnessed renewed buying, with the BSE IT index being the top gainer among sectoral indices. During the day oil & refinery stocks continue to remain under pressure as the government has cut retail prices of diesel and petrol by Re 1 and Rs 2, respectively. This move will further hurt OMC profitability.

In the second quarter of current financial year GDP showed a rise of 9.2% and 9.1% for the first half of the current fiscal. Manufacturing registered a growth of 11.9% in the second quarter as against 8.1% in the corresponding period last year. The overall growth rate for the sector is in line with the booming corporate results. In the second quarter 2006-07, trade and communications has grown the fastest at 13.9%, construction by 9.8% and electricity and gas by 7.7% and agriculture by 1.7% over the corresponding period of the previous year.

The Dow Jones industrial average was marginally down by 4.8 points to 12222 and Nasdaq ended lower by 0.46 points to 2432. Asian markets are trading mix in the early morning trade.

Prices of natural rubber are likely to come under pressure during December-January as production is projected to outstrip demand. The prices for ribbed smoked sheet (RSS) 4 could slip to Rs.70 per kg in coming months. The lower price of rubber is expected to give benefit to the tyre manufacturer in the coming months, which is a major raw material for them.

The Sensex faces resistance at 13804 levels while support exists at 13576 levels. NIFTY faces resistance at 3996 levels while support exists at 3908 levels.

Sectoral Indices (BSE)

Indices	Current	Prv Cls	Change %
BSE AUTO	5,321.85	5,337.35	-0.29
BSE BANKEX	7,179.71	7,088.37	1.29
BSE CG	8,943.28	8,945.12	-0.02
BSE FMCG	2,018.52	2,014.94	0.18
BSE HC	3,720.61	3,720.64	0.00
BSE IT	5,107.22	5,037.74	1.38
BSE METAL	8,879.95	8,981.10	-1.13
BSE OIL&GAS	6,078.18	6,093.62	-0.25

FII's / MF's (30/11/2006)

	Gross Purchases	Gross Sales	Net (Rs. Cr)
FII's	1,907.60	1,970.60	-63.00
MF's	643.71	527.24	116.47

Advances / Declines (BSE)

	No. Of Scripts	% Of Total
Advances	1,225	46.61
Declines	1,337	50.88
Unchanged	66	2.51

BSE Delivery Positions

Company	CI Price	Traded Qty	% of Del
BHARTI ARTL	630.20	1,370,823	100
ACC LTD	1,132.65	112,004	100
STATE BANK O	1,314.00	61,088	100
LOK HOUSI CO	317.65	207,411	100
SH.PRECOATED	561.40	112,506	100

FII Transactions

	Volume		Open Interest (Cr)	
	Qty	%Ch	Val	%Ch
Nif Fut	160151	-16.62	9726.97	-5.09
Nif Op	3605	-67.50	7442.21	2.10
Equ Fut	182318	27.82	17455.29	1.43
Equ Op	109	-25.34	268.95	-1.05

Block Deals (NSE & Bse)

Stock	Name	B/S	Qty	Avg Pr
INFRA DEVFIN	UTI MUTUAL	S	5900000	78.8
K S OILS	GRANTHAM AC	B	554700	212.04

Networth Sectoral Outlook

Sector	Outlook	Sector	Outlook
Auto	Overweight	IT	Overweight
Banking	Overweight	Oil & Gas	Neutral
Cement	Overweight	Pharma	Overweight
FMCG	Overweight	Steel	Neutral
Sugar	Underweight	Shipping	Neutral
Textiles	Neutral	Telecom	Overweight
Media	Neutral	Paper	Overweight

Jet Airways (Rs.673.9)

The company has entered into a special code sharing (SPA) agreement with the world's largest carrier American Airlines for India-US flights. The fleet of American Airlines, including its regional airlines, numbers more than 1,000 aircraft. This will also boost sales of both Jet Airways and American Airways. Passengers traveling to US will be able to avail of more alternatives. Moreover, the fall in ATF prices and the hike in airfares in the busy season will improve the margins of the company in the forthcoming quarter. We maintain 'Accumulate' on the stock.

Uttam Galva Steel (Rs.32)

The company has tied up with Steel Summit International, the US arm of Japan's Sumitomo Corporation, to supply value-added construction grade steel to American retail giant Home Depot. Home Depot operates a chain of 2,000 retail stores, selling a variety of building material to the US, Canada, and South America. Uttam recently signed a MoU with the Orissa Government for setting up a 3 million tonne steel plant and a 210-MW power plant at a total investment of Rs 8,987 crore. Among its other expansion plans, the company is tripling its auto grade cold rolled steel from 60000 tonnes and doubling its cold rolled steel capacity in order to cater to the export demand in 120 countries of its reach. We recommend 'Accumulate' on the stock.

What's hot...
PSL Ltd (Rs205)

PSL Ltd has bagged a prestigious contract for supply of Carbon Steel Barc Line Pipes valuing Rs 308 Crores for meeting the requirements of BINA Refinery. The contract in question is related to supply of pipes for a total length of 600 Kms. to BINA Refinery (Vadinar-Bina Pipeline) Project of Bharat Oman Refineries Ltd which is to be completed within a year's time. We recommend investors to Accumulate the stock.

CORPORATE NEWS:

L&T Ltd has picked up a 9.99 per cent stake in City Union Bank for Rs 45 crore. The bank on Thursday announced that its board of directors had approved a preferential allotment of 26.65 lakh shares to L&T at a price of Rs 169 a share.

Steel magnate Mr L.N. Mittal, and a wholly owned unit of San Francisco based Farallon Capital, the world's largest investment fund, have together acquired a 13.33 per cent stake in **Indiabulls Infrastructure Development Ltd (IIDL)**, for Rs 447 crore. Indiabulls Infrastructure was a 100% subsidiary of Indiabulls Financial Services before the transaction. Its stake in the company will now drop to 86.7%.

SpiceJet Ltd will launch two daily flights to Jaipur and Hyderabad from here beginning December 18.

Bharti Airtel and Google on Thursday announced a strategic partnership that will enable Google search on handsets for Airtel users. As part of the agreement, Airtel will bring Google search to the Airtel Live mobile WAP portal.

Dr Reddy's Laboratories announced the issuance of an additional 1,800,000 American depository shares (ADS) to underwriters at a public offer price of \$16.00 per ADS to cover over-allotments.

Shoppers' Stop Ltd has formed a 50:50 joint venture firm with Switzerland-based The Nuance Group, a global market leader in the airport retail space, to operate duty-free shops at international airports in India. The venture has been awarded concession by the Bangalore International Airport Ltd (BIAL) to operate a shop at the airport from April 2008.

INDUSTRY NEWS:**Shortage of 1.5 lakh hotel rooms, says government**

The country faces a shortage of 1.5 lakh hotel rooms and efforts are underway to address this issue to promote tourism, government told the Lok Sabha today. Pointing out that India was gearing up to host Commonwealth Games in Delhi in 2010 and Asian Games in 2014 besides preparing to bid for Olympic Games, she said in this direction new hotels were being built in the capital and Noida.

Truck rentals may come down by 2.5-3%

With the reduction in diesel prices, truck rentals should come down by 2.5-3 per cent at least on trunk routes, says a research body. Due to the weighted impact of the reduction in diesel price by Re 1 per litre, the truck rentals should come down by a minimum of 2.5-3 per cent on trunk routes, said the Indian Foundation of Transport Research and Training (IFTRT) in a statement.

GSM players' cartel against BSNL, MTNL: Trai

Telecom regulator Trai has said private GSM operators were acting as a "cartel" against MTNL and BSNL and charging higher tariffs from customers for calls terminating in the networks of the two state-run companies. The Telecom Regulatory Authority of India's contention came before the tribunal TDSAT on the case over the issue of differential tariff being charged by GSM operators for calls in four networks where direct connectivity has been allowed.

Borrowing norms eased for NBFCs

The Reserve Bank of India (RBI) has withdrawn the leverage ratio norm for systematically important non-deposit taking non-banking finance companies (SI-ND-NBFC), while continuing with the capital adequacy ratio requirement in its second revised draft guidelines for the sector. The revised guidelines defined SI-ND-NBFC as one with an asset size of Rs 100 crore and more as per their last audited balance sheet.



Name	R2	R1	Pivot	S1	S2
ABB LTD.	3,577.97	3,537.93	3,508.97	3,468.93	3,439.97
ACC	1,170.27	1,149.63	1,132.87	1,112.23	1,095.47
ALLHABAD BNK	96.17	93.88	92.22	89.93	88.27
ALOK INDS	73.40	71.85	69.70	68.15	66.00
ANDHRA BANK	92.78	90.92	89.73	87.87	86.68
ARVIND MILLS	54.78	53.67	52.58	51.47	50.38
ASHOK LEYL	44.48	43.47	42.88	41.87	41.28
AUROBINDO PH	640.43	630.87	617.43	607.87	594.43
BAJAJ AUTO	3,127.88	2,887.17	2,756.08	2,515.37	2,384.28
BALLARPUR IN	120.28	116.57	114.28	110.57	108.28
BANK OF BARO	273.85	267.30	263.35	256.80	252.85
BANK OF IND.	204.87	202.83	200.37	198.33	195.87
BHARAT ELEC.	1,219.77	1,179.63	1,154.87	1,114.73	1,089.97
BHARAT FORGE	379.00	371.20	366.60	358.80	354.20
BHARAT PETRO	358.30	351.30	346.90	339.90	335.50
BHARTIARTL	648.57	639.63	626.07	617.13	603.57
BHEL	2,548.12	2,526.93	2,496.57	2,475.38	2,445.02
BONGAIGAON R	57.80	53.10	50.60	45.90	43.40
CANARA BANK	305.83	301.97	299.03	295.17	292.23
CENTURY TEXT	667.87	656.93	649.07	638.13	630.27
CESC LTD	359.45	350.60	343.85	335.00	328.25
CHAMBAL FERT	36.85	36.20	35.60	34.95	34.35
CIPLA	261.08	257.97	254.48	251.37	247.88
COLGATE	400.47	390.18	382.62	372.33	364.77
CORPN. BANK	400.67	397.48	394.52	391.33	388.37
CUMMINSIND	286.48	280.02	275.53	269.07	264.58
DABUR INDIA	152.12	150.13	146.82	144.83	141.52
DIVIS LAB	3,114.87	3,059.93	2,999.97	2,945.03	2,885.07
DR.REDDY	770.08	760.42	749.83	740.17	729.58
ESCORTS	125.02	121.23	119.12	115.33	113.22
ESSAR OIL	53.13	50.97	49.63	47.47	46.13
FEDERAL BANK	221.87	219.28	217.42	214.83	212.97
G.E.SHIPPING	360.07	348.33	341.07	329.33	322.07
GAIL	277.67	272.38	264.37	259.08	251.07
GLAXO SMITHK	1,199.42	1,185.13	1,172.72	1,158.43	1,146.02
GMRINFRA	386.93	378.57	371.53	363.17	356.13
GRASIM IND.	2,846.15	2,814.55	2,787.30	2,755.70	2,728.45
GUJ AMB CEME	152.20	148.30	145.75	141.85	139.30
GUJ.NARMADA	103.48	101.62	100.38	98.52	97.28
HCL TECHNOLO	662.17	646.33	630.17	614.33	598.17
HDFC BANK	1,146.40	1,134.10	1,114.10	1,101.80	1,081.80
HERO HONDA	771.18	756.72	741.53	727.07	711.88
HIND.LEVER	241.73	238.47	236.23	232.97	230.73
HIND.PETROL	295.33	288.57	283.33	276.57	271.33
HINDALCO	180.25	176.70	173.95	170.40	167.65
HOUS DEV FIN	1,698.25	1,672.60	1,643.30	1,617.65	1,588.35
ICICI BANK	891.68	882.07	868.68	859.07	845.68
IDBI	78.30	76.05	74.60	72.35	70.90
IDFC	81.72	79.98	78.87	77.13	76.02
I-FLEX	1,650.28	1,622.57	1,602.28	1,574.57	1,554.28
INDIA CEMENT	247.90	241.55	237.35	231.00	226.80
INDIAN HOTEL	154.65	152.60	150.55	148.50	146.45
INDIAN OIL	473.90	457.80	446.90	430.80	419.90
INDUS IND BK	47.40	45.90	45.00	43.50	42.60
INDUST.FIN.C	13.63	13.27	13.03	12.67	12.43



INFOSYS TECH	2,213.23	2,196.47	2,178.23	2,161.47	2,143.23
IOB	123.67	120.83	119.17	116.33	114.67
IPCL	287.75	280.45	275.75	268.45	263.75
ITC	189.47	187.28	184.82	182.63	180.17
IVRCL INFRAS	462.57	451.53	439.77	428.73	416.97
JAMMU&K BANK	573.92	551.98	536.07	514.13	498.22
JETAIRWAYSEQ	705.88	689.82	678.93	662.87	651.98
JIND STAINLE	124.20	122.30	120.50	118.60	116.80
JINDL STL&PO	2,199.93	2,177.87	2,147.93	2,125.87	2,095.93
JPHYDRO	32.62	32.13	31.82	31.33	31.02
KARNATAK BNK	133.60	131.50	128.25	126.15	122.90
KOCHI REFINE	172.93	168.17	164.73	159.97	156.53
LIC H.FINAN	177.55	175.10	173.55	171.10	169.55
LT EQ	1,413.25	1,388.90	1,374.35	1,350.00	1,335.45
MAH & MAH	838.88	830.02	820.13	811.27	801.38
MAH.SEAMLESS	462.97	453.03	446.02	436.08	429.07
MAHANGR TELE	137.47	135.53	134.07	132.13	130.67
MARUTI	944.72	935.43	927.72	918.43	910.72
MATRIXLABSEQ	279.65	277.60	275.85	273.80	272.05
MPHASISBFLEQ	279.78	271.27	264.28	255.77	248.78
MRPL	44.10	42.20	41.00	39.10	37.90
NAGAR.FERT	13.10	12.70	12.45	12.05	11.80
NATION ALUMI	228.82	222.93	219.02	213.13	209.22
NDTV EQ	260.62	247.53	236.92	223.83	213.22
NEYVELI LIGN	65.50	63.90	62.90	61.30	60.30
NICHOLAS PIR	243.73	239.47	235.53	231.27	227.33
NSE NIFTY	3,995.90	3,975.20	3,952.30	3,931.60	3,908.70
NTPC EQ	154.65	150.80	148.15	144.30	141.65
ONGC CORP.	890.52	876.43	860.72	846.63	830.92
ORCHID CHEM	213.90	210.95	209.05	206.10	204.20
ORIENT.BANK	257.20	251.50	247.75	242.05	238.30
PATNI EQ	412.83	406.77	402.88	396.82	392.93
PNB	555.27	550.13	546.12	540.98	536.97
POLARIS SOFT	125.35	123.45	122.10	120.20	118.85
PUNJLLOYD	1,089.33	1,061.67	1,044.33	1,016.67	999.33
RANBAXY LAB.	390.87	380.13	373.07	362.33	355.27
RCOM	437.38	432.67	427.28	422.57	417.18
REL EQ	545.25	536.90	530.05	521.70	514.85
REL.CAPITAL	636.60	615.20	597.60	576.20	558.60
RELIANCE	1,269.45	1,256.95	1,248.50	1,236.00	1,227.55
RPL	68.45	66.80	65.85	64.20	63.25
SATYAM COMP	489.67	474.58	462.92	447.83	436.17
SHIPP.CORPN.	180.57	173.13	168.07	160.63	155.57
SIEMENS	1,197.58	1,162.57	1,138.78	1,103.77	1,079.98
SRF LTD.	217.62	212.18	208.22	202.78	198.82
STATE BANK	1,334.08	1,325.57	1,315.28	1,306.77	1,296.48
STEEL AUTHOR	91.48	89.72	88.38	86.62	85.28
STER EQ	571.83	555.02	531.98	515.17	492.13
STRIDES ARCO	364.80	356.05	346.05	337.30	327.30
SUN PHARMA.	1,085.45	1,050.30	1,027.70	992.55	969.95
SUNTV	1,571.17	1,548.33	1,524.17	1,501.33	1,477.17
SUZLON	1,484.10	1,467.95	1,451.85	1,435.70	1,419.60
SYNDICATE BK	83.75	82.50	81.65	80.40	79.55
TATA CHEM	226.22	222.68	220.47	216.93	214.72
TATA POWER	594.23	587.77	582.93	576.47	571.63
TATA TEA	753.72	735.63	722.82	704.73	691.92
TATAMOTORSEQ	824.95	817.05	812.10	804.20	799.25



TATASTEEL	486.50	477.20	471.65	462.35	456.80
TCS EQ	1,228.93	1,213.87	1,189.93	1,174.87	1,150.93
TITAN IND.	789.90	774.80	764.90	749.80	739.90
TVS MOTOR	102.13	99.82	98.33	96.02	94.53
UNION BANK	133.45	130.95	128.25	125.75	123.05
UTI BANK	485.83	480.07	474.13	468.37	462.43
VIDESH SANCH	436.42	431.83	427.92	423.33	419.42
VIJAYA BANK	54.22	52.63	51.72	50.13	49.22
WIPRO	704.53	652.22	617.68	565.37	530.83
WOCKHARD LTD	391.23	381.47	375.13	365.37	359.03
ZEE TELEFILM	388.08	380.67	370.98	363.57	353.88

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