



EQUITY STRATEGISTS™

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MARKET COMMENTARY

Global buoyancy ensured a positive opening for the markets as Nifty opened closer to the 5300 mark. Metals were on fire as strong momentum was seen in many metal counters. Nalco was up more than 15% while JSW Steel and Hindalco shot up by more than 10% on huge volumes. Strong buying in JSW energy re-invigorated the power counters as stocks like Adani Power, Rpower, CESC and JP Hydro attracted lot of investor and trader interest. MTNL was the surprise package of the day as it zoomed higher by around 11%. Other big gainers included SCI, Tata Tea, JP Associates, Essar Oil, Indian Info, Uniphos and IDFC. Auto stocks were under pressure on account of profit taking as stocks like Maruti and Tata Motors slipped. Other losers were IB Real, Cipla, Lupin, ACC and Mphasis.

Markets continues to retain positive bias and Nifty could move to the technical targets of 5375-5400 in coming sessions. Strong momentum was seen in metals and one needs to be cautious now as frontline stocks notched up gains of more than 10% during the day. Infrastructure stocks are showing some positive momentum now and one could see higher levels in stocks like Punj, Nagarjuna, IVRCL and GVK Power. JP associates has some resistance around 165 and beyond that it could target 176-178. IDFC and ITC have given a breakout on daily charts and could move up to around 175 and 266-68 respectively. Others that look positive are SCI, BOI, Andhra Bank, Kotak, Rpower, Suzlon, Idea, Cairns and Financial Technologies.

Nifty has intraday support around 5210-20 while above 5285 it could target 5340-50.

Sell a stock only when you have found a new stock that is a 50 per cent better bargain than the one that you hold. - John Templeton

EQUI QUICKPICK

LOW RISK / LOW RETURN

NOTE : IN CASES WHERE CASH LEVELS ARE GIVEN, BUY/SELL FUTURES WHEN THE CASH PRICE CROSSES THE BUY ABOVE/SELL BELOW LEVEL IN CASH

SCRIP	STRATEGY	STOP LOSS	TARGET	HOLDING PERIOD
BAJAJ HIND CASH	BUY ABOVE Rs.232	218	242/253	6-7 DAYS
KOTAK BANK FUT	BUY ABOVE Rs.832	819	843/852	3-4 DAYS

DERIVATIVE PICK

MEDIUM RISK / MEDIUM RETURN

NOTE : IN CASES WHERE CASH LEVELS ARE GIVEN, BUY/SELL FUTURES WHEN THE CASH PRICE CROSSES THE BUY ABOVE/SELL BELOW LEVEL IN CASH

FINANCIAL TECHNOLOGIES (CASH – Rs.1473.95) : Buying is advised above Rs.1486 for a target of Rs.1510 and Rs.1532. Higher target of Rs.1554-1566 is also possible. Stop Loss of Rs.1449 should be kept. The time frame for the trade would be around 8-10 trading sessions.

STOCKWATCH

MEDIUM RISK / MEDIUM RETURN

IGL (Rs.200) : The stock is in steady uptrend and the weekly and monthly charts too are showing a lot of promise. Buying is advised above Rs.200 or on declines to Rs.190 for a target of Rs.214 and Rs.232. Higher target of Rs.252-255 is also possible. The time frame for this trade would be around 20-25 trading sessions.

ION EXCHANGE – (Listed in BSE - Rs. 147.70) : The stock has broken out of a bullish pattern in the and is headed for higher levels. Buying is advised above Rs.148 for a target of Rs.162 and Rs.178. Higher target of Rs.188-190 is also possible. The time frame for the trade would be around 20-25 trading sessions.

INVESTMENT PICK

LOW RISK / HIGH RETURN

JINDAL DRILLING

Present Price – Rs.541

Projected price – Rs.625-630

Jindal Drilling & Industries Ltd (JDIL) is a value & asset play in the domestic offshore oil drilling sector. It also operates in the fields of directional drilling and mud logging.

Jindal is among the pioneers in India who ventured into the high technology area of Offshore Drilling and over the last two decades have emerged as one of the major players in Indian Oil & Gas industry providing highest quality services and performance to the entire satisfaction of clients. Currently JDIL is operating five jackup rigs all on long term contract with ONGC.

The business is organized into following principal operating segments:

- ❖ Offshore Drilling for Oil & Gas
- ❖ Horizontal & Directional Drilling
- ❖ Mud logging Services

Offshore oil drilling business requires exceptional engineering skills and requires experience to handle critical project management skills. We believe that JDIL has developed these skill sets over a period of time. Exploration and Production (E&P) activity by several large oil majors have been announced with significant capital expenditure planned ahead due to sharp increase in oil prices and rising demand for oil.

The company has an Equity Capital of Rs.11.47 cr in which the promoter's hold 75%. The Book Value stands strong at Rs.118. Last paid dividend was 25%. We expect the company to report EPS of Rs.35 plus for FY11.

On the technical front, the stock is looking strong and is on the verge of a big breakout. Once it crosses the level of Rs.560, the stock can easily reach the level of Rs.625-630.

The time frame for the target of the stock would be around 2-3 months.

Note: In case of any problem in receiving NEWSLETTER, kindly contact Mr Devesh Chauhan at 9350171231

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