

**NOVEMBER 07, 2008**

## KEY INDICES

INDEX	CURR	PRE	Chg%
Sensex	9734	10120	(3.81)
Nifty	2892	2994	(3.41)
Midcap	3318	3394	(2.24)
Smallcap	3880	3964	(2.12)

## VALUE TRADED (Rs Crs)

	06.11.08	Chg%
BSE	4010	(19.53)
NSE	10894	(16.46)

## NET INFLOWS (Rs Crs)

Prov	06.11.08	YTD
FII	(511.0)	(56,915.78)
DII	351.00	29,621.71

## FII OPEN INTEREST

	06.11.08	Chg%
FII Index Futures	8,564	4.50
FII Index Options	13,037	4.05
FII Stock Futures	10,084	(0.97)
FII Stock Options	146	(10.98)

## World Indices 06.11.08 Chg %

Dow Jones	8695	(4.86)
Nasdaq	1608	(4.34)
FTSE 100	4272	(5.70)
Crude Oil (US\$/bl)	60.77	(6.94)
Gold (US\$/oz)	732.2	(1.55)

**Sensex yesterday** opened with a negative gap of 365 points at 9755 on account of weak cues from the other markets. Aggressive selling was witnessed in Metal sector. The BSE Metal Index was down 8.5% to 4993 and the Oil and Gas Index was down 4.8% at 5817 whereas IT index slipped over 4% to 2618. Key European markets fell despite rate cuts announced by the Bank of England and the European Central Bank. The Bank of England on Thursday unexpectedly lowered its key rate by 1.5 percentage points to 3%, the lowest rate since 1955.

**Indian markets** may trade negative today following the global cues. Technically, we are expecting further corrections with first support of 2830 for the Nifty. Index has strong support at 2748. On closing below this level, we could expect Nifty to drift down to 2500 levels. The coming sessions is likely to witness a range of 2975 on advances and 2748 on declines. Mirroring the weak cues from the US markets, Asian markets are all down this morning.

**US Stocks** declined for a second straight session Thursday, bringing the Dow's losses to 929 points since Election Day. The Dow Jones industrial average lost around 443 points, or 4.9%. European markets also closed with big losses. The dollar rallied against the euro and the pound after monetary policy makers in Europe cut interest rates in response to growing economic weakness. Gold for December delivery fell \$10.20 to settle at \$732.20 an ounce. U.S. light crude oil for December delivery fell to a 19-month low, sinking \$4.53 to settle at \$60.77 a barrel on the New York Mercantile Exchange.

## ECONOMY

As many as 30 **proposals** involving **foreign investment** of over Rs 6,000 crore through holding companies have been cleared by the Foreign Investment Promotion Board (FIPB) in the past couple of months. The move is significant since it could boost FDI inflows at a time FII money worth \$12 billion has left the bourses. The clearance of such proposals increased at least 50% this year compared to last year.

The government on Thursday said it is not considering a **cut in fuel prices** at the moment as oil companies continue to make losses on the sale of diesel, kerosene and domestic LPG.

After declining for five weeks, **inflation** inched up marginally to 10.72% for the week ended October 25 from 10.68% the week before that. The marginal increase in the wholesale price index (WPI)-based inflation was due to upward movement of primary article prices, which has a weight of 22.02% in the index.

Index	Support 2	Support 1	Previous Close	Resistance 1	Resistance 2	Trend
SENSEX	7600	8900	9734	10785	11870	↓
NIFTY	2748	2830	2893	2975	3010	↓

## "NSE" Predictions For 07th November 2008

Scrip	Close	Trend	Trigger	Target 1	Target 2	Stop Loss	Duration
PATNI	131	↓	Sell Near 135	120	110	146	1-2 Days
STERLITE	239	↓	Sell Near 250	220	210	263	1-2 Days
NALCO	150	↓	Sell Near 155	140	125	174	1-2 Days
AKRUTI	654	↓	Sell Near 660	630	620	670	1-2 Days
RAJESHEXP	31	↑	Buy Near 25	33	40	22	1-2 Days

## CORPORATE NEWS

**State Bank of India (SBI)**, lowered their prime lending rates (PLR) – the benchmark interest rate to which all loans are linked – by around 75 basis points. The move is expected to bring down deposit and lending rates, including home loan rates, across banks.

THE country's largest private airlines – **Kingfisher Airlines and Jet Airways** – are likely to cut fares by up to Rs 1,000 on domestic routes by December. The two carriers are under pressure to act as the aviation ministry wants them to pass on the benefits of a series of reliefs announced by the government to bail out the beleaguered industry.

Drug firm **Sun Pharmaceuticals** has received the approval US health regulator Food and Drug Administration (FDA) for marketing the generic version of Sinemet, carbidopa and levodopa tablets used in the treatment of Parkinson's disease.

**Oil & Natural Gas Corp (ONGC)** is looking at an initial public offering (IPO) of its subsidiary that is building a Rs 13,600-crore petrochemical plant at Dahej, closer to project completion in 2012. The offering may happen in 2010-11, or even closer to the project completion in 2012.

**RELIANCE Money**, the brokerage company of Reliance Capital, is in advanced stages of negotiations to pick a majority stake in an upcoming commodity and currency trading exchange in Nigeria. This comes close on the heels of a deal last month where the Reliance ADAG firm picked 15% equity stake in Hong Kong Mercantile Exchange (HKMEX).

HERBAL and nutritional products maker **Plethico Pharmaceuticals** is picking up around 20% stake in a UAE-based pharma retail chain, with operations in the CIS region, for around \$20-22 million. If the deal goes through, it will be also the first overseas acquisition by an Indian company in the pharma retail space.

**STEEL prices** globally are slated to come down further and likely to result in more production cuts in the domestic market. Earlier this month, primary steelmakers slashed prices of steel products by up to Rs 6,000/tonne. However, domestic prices are still \$100-150/tonne, higher than international prices.

**HINDALCO Industries**, the Aditya Birla group flagship, on Thursday raised \$982 million (nearly Rs 4,643 crore) through a foreign currency loan to pay back the bridge loan it had taken last year to part-fund the acquisition of Novelis.

**BHARTI Teletech**, the telecom equipment manufacturing and distribution company of the Bharti group, is likely to list on the bourses next year. Bharti Teletech assembles phones and other allied telecom products under the Beetel brand and also has strategic alliances with global players such as Motorola, Polycom, BlackBerry, Casio, Sanyo, Apple and Logitech to distribute their range of products in India.

Auto component maker **Bharat Forge** is going to form an energy joint venture with one of the companies of Europe-based Alstom Group. The two companies would sign the JV agreement in Delhi on November 10. The JV is expected to set up a manufacturing facility with an annual production capacity of 5,000 MW, Bharat Forge informed the Bombay Stock Exchange.

**Note: Please refer our Derivative Report for recommendation on OPTION STRATEGIES.**

**Additional Information with respect to the securities referred in our technical and derivative calls is uploaded on our website.**

Please note that our technical calls are totally independent of our fundamental calls

Technical Trends calls are based on momentum, Investors/Traders are requested to observe following discipline to take maximum advantage of the products

- Entry/exit will be on the basis of price or time priority
- Use strict stop loss at 15% from your average acquisition price

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