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Technical View: Cash Market

After making Doji candlestick previous week, Nifty showed selling pressure, which shows Bears are having control at the moment. However, Nifty is still trading above its important support at 4940 levels. As long as 4940 levels are intact, volatility and range bound scenario in 4940-5050 may take place. On breakdown of 4940 levels, selling pressure may accelerate. On short term basis, Nifty is trading below 4990 levels, which shows short term down trend is on.

For trading during the coming trading sessions, trend deciding level is 4990. If Nifty shows strength above 4990 levels then we may see rally to 5050/5090/5150. If Nifty doesn't sustain above 4990 then decline to /4950/4850/4790 may be seen.

.Recommendation for Monday- Intra Day Trading

Script (LTP)	Action	At Price	For Target of	Stop Loss	Duration
MPHASIS (725.60)	BUY	ABOVE 726	742	716	1 day
DLF (357.40)	SELL	BELOW 357	350	363	1 day

Technical View: NIFTY Future

Nifty December Future opened at 5105, touched the high of 5167.50 and then due to profit taking at higher levels tested the low of 4972.10 & closed at 4986.80. The main point to be noted is that Nifty future is making lower bottoms & lower tops. Even nifty future failed to cross the high of previous week. Nifty future is broadly range bound in 5150-4950 levels. If Nifty future decline below 4950 levels then selling pressure till 4870 -4820-4770 levels may also be seen.

Trading strategy for Medium term Traders: On Medium term basis, Nifty has resistance zone of 5150-5200. Medium term support zone is 4700-4800. Selling on rallies may be considered around 5050-5100 level with the short term SL of 5150 for the target of 4980-4920-4850.

Trading strategy for Short term Traders: Short term trend of Nifty is range bound & selling on rallies may be considered around 5035-5070 level with the SL of 5110 for the target of 4950-4920-4880. If Nifty trades below 4950 in coming few sessions, then it may test the levels of 4920-4880-4850.

For day-trading purposes on Monday: Sell positions may be taken in Nifty Futures on intraday rally in the zone of 5035-5050 with the SL of 5075, for likely target of 4980-5000.

Fundamental Call

Company	Recommendation	Buy Range	Target
Lloyd Elec. & Engg. Ltd	Buy	Rs 60	Rs 70
Mukund Ltd	Buy	Rs 60	Rs 72

News Roundup

- India's benchmark index, Nifty closed down 2.54% for the week ended 18th Dec 09. The NIFTY closed down at 4987.7.
- The Indian economy could grow more than 7.75% in the fiscal year to March 2010, the finance ministry said in a report to parliament. The ministry said the Economic Survey 2008/09 in July had projected GDP growth could be around 7%, with an allowance of 0.75 percentage points on either side.
- All the state governments, excepting two, have refused to sign on to the government's plan for rolling out the goods and services tax or GST in April. Barring Kerala and Jammu and Kashmir, other states want GST be rolled out in 2011. The Constitutional Amendment Bill necessary for implementing GST will not be tabled in the ongoing winter session of parliament.
- New data on Monday showed India's wholesale price index had shot up 4.78% in November compared to a year earlier. Food inflation surged to 19.95% from 19.05% in the week ended on 28th Nov 09. India's wholesale food prices rose at the fastest pace in eleven years suggesting a change in monetary stance.
- A white paper on performance of the railways indicated that the finances of railways are not as strong as was being believed.
- Rice plunged the most in seven months on forecasts for a bigger crop in India and as a stronger dollar curbs demand for U.S. grain. India will produce 71.65 million metric tons of monsoon-sown grain, 3.2 percent more than forecast last month, as rain in August and September boosted crop prospects in Uttar Pradesh, the main growing state, the farm ministry said.
- Advance tax payments for the third quarter came in on Tuesday. All Indian direct tax collection for both companies and individuals increased 8.1% to Rs227,000 crore so far this year. Among companies, State Bank of India was Mumbai's biggest taxpayer, coughing up Rs1,795 crore for the quarter. And India's biggest company, RIL paid Rs834 crore for the same period
- Figures released by the commerce ministry show India got \$17.65 billion in foreign investment in the period from April to October of 2009. The country received \$18.71 billion of foreign investment in the same period last year.
- Corporate borrowing costs may rise next year in Europe as governments and central banks seek to rein in stimulus measures used to ease the global recession, driving up yields from close to record lows.
- The dollar touched a three-month high against the currencies of major U.S. trading partners as the Federal Reserve said the economy improved. The commodities market is expected to be volatile in the coming days due to strength of USD.
- Euro-region banks may have to write down an additional 187 billion euros (\$268 billion) as loans to property companies and eastern European nations threaten the recovery in financial markets, the European Central Bank said
- German business confidence increased to the highest level in 17 months in December as the global recovery sparked a revival in exports and manufacturing growth. The Munich-based Ifo institute's business climate index rose to 94.7 from 93.9 in November. That's the highest since July 2008 and exceeded the 94.5 median forecasts of 33 economists in a Bloomberg News survey.
- The U.S. economy remains mired in a recession, prospects for next year are weak and home prices may resume declines, Harvard University economics professor Martin Feldstein said. Unemployment decreased in 36 U.S. states in November, with Kentucky and Connecticut posting the biggest declines from a month earlier.
- Russia's unemployment rate jumped to a four-month high in November even after the government said the job-cutting "trend" was over and the central bank lowered borrowing costs to help companies stay in business.
- RNRL-Reliance Industries Case outcome would also influence the markets
- The Indian Market would be influenced by global cues and government announcements..

Market Indices

SECTORAL INDICES				
INDICES	11-Dec-09	18-Dec-09	Change (%)	Difference
BSE				
Sensex	17119.03	16719.83	-2.33	-399.2
Bankex	10106.17	9542.94	-5.57	-563.23
IT Index	4900.47	5046.65	2.98	146.18
Metal Index	16419.26	16226.29	-1.18	-192.97
FMCG Index	2848.82	2755.94	-3.26	-92.88
Cap. Goods Index	13877.95	13686.33	-1.38	-191.62
Realty Index	3922.62	3708.76	-5.45	-213.86
Consumer Durables Index	3549.43	3530.78	-0.53	-18.65
Healthcare Index	4932.29	5117.57	3.76	185.28
PSU Index	9306.83	9083.13	-2.40	-223.7
Mid-Cap Index	6574.49	6470.58	-1.58	-103.91
NSE				
S&P CNX Nifty	5117.30	4987.70	-2.53	-129.60
Bank Nifty	9097.20	8599.95	-5.47	-497.25
CNX IT Index	5521.05	5682.80	2.93	161.75
S&P CNX 500	4242.90	4153.05	-2.12	-89.85

GLOBAL INDICES				
INDICES	11-Dec-09	18-Dec-09	Change (%)	Difference
US Market				
NASDAQ	2190.31	2211.69	0.98	21.38
Dow Jones	10471.50	10328.89	-1.36	-142.61
S & P 500	1106.41	1102.47	-0.36	-3.94
European Market				
FTSE 100	5261.57	5196.81	-1.23	-64.76
CAC 40	3803.72	3794.44	-0.24	-9.28
Asian Market*				
Nikkei	10107.87	10142.05	0.34	34.18
Strait Times	2800.75	2802.59	0.07	1.84
Hang seng	21902.11	21175.88	-3.32	-726.23
Shanghai Comp.	3247.32	3113.89	-4.11	-133.43

Institutional Activity (Equity)

INSTITUTIONAL ACTIVITY (Equity)

Day Wise	Purchase	Sale	Net
(Rs. In Cr)			
FII Activity			
Friday	2167.80	1825.70	342.10
Monday	1830.10	1655.60	174.50
Tuesday	2295.40	2181.40	114.00
Wednesday	2215.10	2354.40	-139.30
Thursday	2534.60	2045.50	489.10
Friday (provisional)	2227.95	2434.80	-206.85
Total	13,270.95	12,497.40	773.55
DII Activity			
Friday	1523.92	1531.09	-7.17
Monday	1212.42	1103.50	108.92
Tuesday	1273.19	1234.50	38.69
Wednesday	1381.57	1106.65	274.92
Thursday	1225.62	1092.34	133.28
Friday (provisional)	1391.31	1060.36	330.95
Total	8008.03	7128.44	879.59

Weekly Sectoral Roundup

Out performer	Under performer	Neutral
HEALTHCARE (+3.76%)	BANK (-5.57%)	
IT (+2.98%)	REALTY (-5.45%)	
AUTO (+0.21%)	OIL&GAS (-4.08%)	
CAPITALGOODS (-1.38%)	FMCG (-3.26%)	
METAL (-1.18%)		

Weekly Top Gainers

Name	close	pclose	%change
DR.REDDY	1207.05	1103.05	9.43
RANBAXY LAB.	530.35	497.75	6.55
A.C.C.	861.65	816.75	5.50
ASIAN PAINT	1800.05	1707.35	5.43
HCL TECHNOLO	365.30	347.50	5.12

Weekly Top Losers

Name	close	pclose	%change
ICSA	166.10	184.80	-10.12
ANDHRA BANK	102.45	113.85	-10.01
MCDOWELL	1227.35	1358.90	-9.68
LITL	536.40	586.90	-8.60
BALRAMPUR C.	132.80	144.80	-8.29

Outlook for the Week

Nifty opened the week on a negative note at 5117.45 levels and after making initial high at 5156.70, showed selling pressure during the week. Nifty made low of 4979.05 levels and closed the week in red at 4987.70 levels with 2.53% loss. Volumes were at par with previous session. **After making Doji candlestick previous week, Nifty showed selling pressure, which shows Bears are having control at the moment. However, Nifty is still trading above its important support at 4940 levels. As long as 4940**

levels is intact, volatility and range bound scenario in 4940-5050 may take place. On breakdown of 4940 levels, selling pressure may accelerate. On short term basis, Nifty is trading below 4990 levels, which shows short term down trend is on.

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NIFTY Futures View

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Nifty Trend Watch

Date	Nifty	Cash	Future
18-12-09	Close Today	4987.70	4986.80 (Disc 0.90)
Week Beginning 21-12-2009	R2	5150	5150
	R1	5050/5090	5050/5090
	Weekly Trend Deciding	4990	4990
	S1	4950/48500	4950/48500
	S2	4790	4790

Nifty Weekly

NSE Nifty [N1] 5117.45, 5156.70, 4979.05, 4987.70, 3207691776 -2.53%
 Price



Investment Ideas

Lloyd Electric & Engineering Ltd.
(High Risk-High Return)

Buy

CMP: - 61.7
Date: 17thDecember 2009

Company background

Lloyd Electric and Engineering Ltd (LEEL) is engaged in the business of condenser coils and evaporator coils. The products of the company are used as original equipment in window, package, automotive and split air Conditioners. It also supplies to OEMs such as Samsung, LG Electronics, Carrier, Haier, Voltas, Blue Star and Indian Railways, etc. The company has five plants, three domestic and two international:-

1. Bhiwadi Distt. Alwar,Rajasthan.
2. Sirmour, Nahan Himachal Pradesh.
3. Selakui Dehradun,Uttranchal.
4. Radotin Vrazaska, Prague, Chez republic (Owned by Subsidiary).
5. Ras Al Khaimah United Arab Emirates (Owned by Subsidiary).

Installed Capacity

Type	Capacity
Condensing & Evaporator Coil Set (Tonne)	12,25,000
Fan coil units /Cooling Unit	10,000
All types of air conditioners up to 15 ton capacity	4,02,000
Sheet Metal (for mfg. coil)	3,00,000
Parts of air conditioner/cooling	10,000

Investment Rationale

- **Sales on the re-bound:** - The Company had reported a drop in sales in FY09 over FY08. The drop was nearly 12%. This was primarily due to the melt down global market. In H1FY10; the company has reported an increase in sales by 12%. Its PAT has also increased by 10% over H1FY09. Going forward, we expect the company to post increase in revenue for H2FY10 too. The company would be able to maintain its PAT for H2FY10 too.
- **Demand for products also picking up:** - The year 2008-09 was a challenging year with global recession casting its shadow on the Indian economy, resulting in sharp contraction of demand, pressures on liquidity and adverse consumer sentiments. India remains a growth economy with demand for consumer durable robust. Increase in Urbanization across the cities would result in increase in demand for Luxury goods such as Air-conditioning. Demand for AC from transport segment is also picking up. The analysis sales for the company for products indicates that the company had witnessed drop in volume and price for its products in FY09 over FY08, however, we believe that the situation is reversing as the company has reported better sales and profits in the last two quarters.

Type Sales Per Unit	FY09			FY08			Var (%)
	Qty	Sales(Rs Cr)	Sales Per Unit	Qty	Sales(Rs Cr)	Sales Per Unit	
Condensing Coil(Tonne)	509,857	24.67	483.82	559,549	3200.51	571.98	-8.88
Evaporator Coil(Tonne)	283,707	14.57	513.79	380,022	2059.48	541.94	-25.34
Air conditioners(Units) (RMPU/WAC/IDU/ODU)	271,616	215.00	7915.83	262,805	20810.3	7918.53	3.35
Sheet Metal (P & C in Mt)	74,110.28	303.82	40996.46	142,232.40	39945.7	28084.81	-47.89

- **Stabilizing Operating Profits:** - The Company has reported an improvement of 126 Bps in PBDIT margins QoQ and 240 Bps YoY for the Q2FY10. We expect the company to maintain these margins in the coming quarters.
- **Growing organically and inorganically:** -In FY09, the company acquired **Luvata Czech s.r.o.**, a manufacturer of customized finned pack heat exchangers coils in Prague, Czech Republic through its special purpose vehicle (SPV) namely Lloyd Coils Europe s.r.o, a subsidiary company. The company has recently acquired the assets of Janka Radotin, manufacturer of the products in the field of Air Handling Units, major components of HVAC system (Heating, Venting, and Air Conditioning systems). It is well positioned to cater to European markets and significant upside in its top line and bottom-line can be expected in the coming years.
- **Lloyd Coils Europe**, a subsidiary of LEEL, has reported losses in tunes of Rs 19 Cr in FY09. The global economic conditions last year resulted in tough economic conditions for manufacturers across the globe. The company had acquired **Luvata Czech s.r.o.** through debt and GDR route and the financing cost resulted the company in reporting a loss of Rs 19cr (TCZK 7.44 Cr), although the operating loss for the company was at Rs 1.04 Cr. (TCZK 44 Lakh). We expect the subsidiary to do well in the current financial year and limit the losses in bottom-line.
- The company had not given dividend last year on account of slowdown. But with improving profitability the company can re-commence dividend payment to its shareholders. We have projected that the company can pay 10% dividend to its shareholders in FY10. However, the quantum of dividend would be influenced by losses of subsidiaries and acquisitions.
- The current order-book for the company is at Rs 400-500 Cr that is executable over the next twelve months.

Peer-set Comparison

FY09(Rs Cr)	Blue Star	Hitachi Home	Lloyd Electric
Net Sales	2552.29	466.64	585.32
Total Income	2574.03	477.13	587.9
Total Expenditure	2296.38	439.74	537.81
PBIDT	277.65	37.39	50.09
APAT	180.29	21.07	20.37
EPS	20.04	9.18	6.57
Equity (FV)	17.99(2)	22.96(10)	31(10)
PBIDTM (%)	10.88	8.01	8.56
PATM (%)	7.06	4.52	3.48
Cmp (Rs)	359.2	136.3	61.7
P.E(x)	17.92	14.85	9.39

The peer set is not strictly comparable

Financial Results

In Rs Cr(Standalone)	Q2FY10	Q2FY09	VAR [%]	Q1FY10	Var (%)	H1FY10	H1FY09	VAR [%]	FY09	FY10E	Var (%)
Total Income	159.44	122.2	30.5	187.16	-14.8	346.61	309.75	11.9	587.9	680	15.67
Total Expenditure	141.05	111.04	27	167.93	-16	308.98	275.64	12.1	537.81	605	12.49
PBIDT	18.39	11.16	64.8	19.23	-4.37	37.63	34.11	10.3	50.09	75	49.73
APAT	9.5	3.23	194.1	10.3	-7.77	19.8	17.86	10.9	20.37	37	81.64
PBDITM (%)	11.53	9.13		10.27		10.86	11.01		8.52	11.03	
PATM (%)	5.96	2.64		5.50		5.71	5.77		3.46	5.44	
Equity(FV 10)	31										
EPS	3.06	1.04		3.32		6.39	5.76		6.57	11.94	
CMP	61										
PE	4.98	14.64		4.59		4.78	5.29		9.28	5.11	

Risk and Concern

- The company's raw material cost constitutes a high percentage of its expenditure. Copper is the chief raw material for the company. Any increase in raw material cost would adversely affect its profitability.
- Sharp increase in interest rates, dwindling demand for various products impacting inventory levels and higher credit risks for the company also exist.
- Economic condition and its consequent impact on customer's demand can affect Lloyd Electric's sales and profitability.
- The company has been growing inorganically and acquired assets recently too. We have considered that the subsidiary of the company would be limiting its losses in this financial year. But incase this does not happen our projections can be skewed downwards.

Valuation and Recommendation

The company is rebounding from a tepid FY09 and has posted good results in H1FY10. The company reported improvement in sales by 12% in H1FY10 versus H1FY09. We expect the company to report good result in the coming quarters that would be a marked improvement over H2FY09. We have projected that the company would report an EPS of 11.88 for FY10. At CMP the scrip is trading at an earning multiple of 5.22x. We have not taken into account the losses at company's subsidiary, incase the subsidiary accrues similar losses the company's bottom-line can be skewed downwards. We recommend investors to buy the stock at Rs 60 with a medium term target of Rs 70. However, due to market volatility a potential downside of 10-15% cannot be ruled out.

Mukand Ltd.
(High Risk-High Return)

Buy

CMP: - 61 (FV 10)
Date: 17th December 2009

Mumbai based Mukand was started in 1937 by prominent industrialist of Pre-Independent era, Late Sh. Jamlal Bajaj. He founded the [Bajaj group](#) of companies. The group now has 24 companies. Besides Bajaj Auto Ltd, the other major companies in the group include Bajaj Finserv Ltd, Bajaj Electricals Ltd , Mukand Engineers Ltd and Bajaj Hindustan Ltd (Bajaj Hindusthan has separated from the group).

The major activities of the company include:

Steel Alloys

It manufactures a wide variety of steel and steel alloys like Carbon alloy steel, free-cutting steel, semi free-cutting steel, cold heading quality steel including boron steel, austenitic, ferritic and martensitic stainless steel, spring steel including chrome vanadium steel, high carbon steel, electrode quality steel, boiler quality steel etc.

It products meet various international specifications like Japanese (JIS), German (DIN) American (AISI/SAE) and Indian standards (BIS) etc.

Its products are used by a host of industries like surgical instruments, stainless steel for industrial applications, in passenger cars and commercial vehicles, seamless tubes, consumer durables, bearings, making springs for railway freight cars, components for textile machinery, components for military hardware etc.

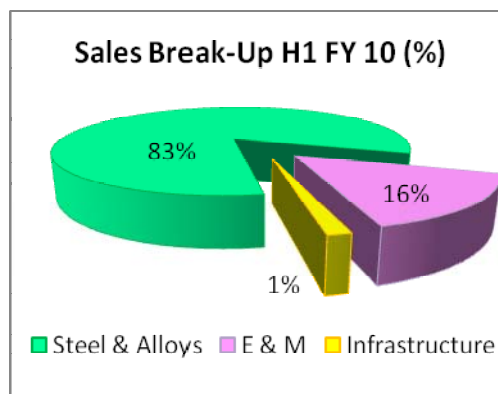
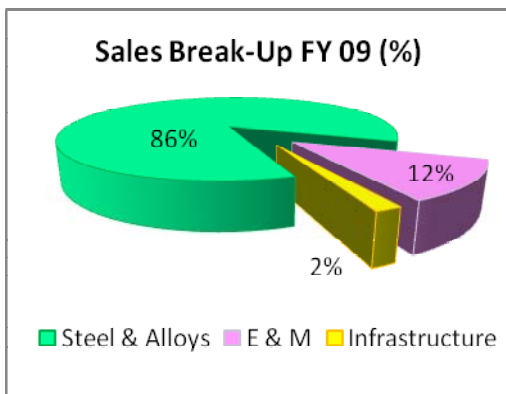
Engineering & Machinery (E&M)

It makes engineering products like Electric Overhead Travelling (EOT) cranes, Electrical Level Luffing crane, Gantry crane, container handling crane. Bulk Material Handling Equipment, Process Plant equipments etc. used in Steel plants, Cement plants, Aluminum plants, Copper plants, Power plants, Defense, Textile etc.

Infrastructure & Trunkey Projects

Company is also constructing roads, highways, building civil, structural and mechanical work at steel plants, power plants, service structure for assembly of augmented satellite launching vehicle (ASLV) for Indian Space Research Organization (ISRO) etc.

The sales break-up of the company stands as:



PBIT Margins stand as:

PBIT (Rs. Crore)	FY 09	H1 FY10	FY 09 (%)	H1 FY10 (%)
Steel	-109	74	-5.87	8.61
E & M	70	39	26.22	24.22
Infra	-30	-6	-78.95	-40.00

Investment Rationale

- After sharp slow down during the H2 FY09 and early part of H1 FY10, there is good revival in global economies, from the mid of FY10.
- Indian economy is also back on its long term growth trajectory.
- India is emerging as a major hub for a host of global industries like Automobile, which would create demand for steel.
- The Govt is spending good funds for infrastructure development of the country, Roads, City Transportation, Power, Oil & Gas etc.
- Indian railways and Defense are also spending huge amount on hardware.
- After slow down in past 1 years, reality sector is also witnessing demand revival.
- Besides, it also provides Engineering services and products for diverse applications.
- Infrastructure division has very small share in overall business, good order inflows can be expected as Govt is giving more orders for infra projects.
- The company in JV with Vini Iron has been allotted a Coal block of 10.05 Million Tonnes. Mukand has 48.8% stake in JV Mukand Vini Minerals (P) Ltd.
- The company has expanded capacity of its plants at Kalwe-Thane and Gimigeria(Karnataka).
- It has an order book of Rs.580 Crore for Engineering & Machinery division as on 30 Sept 2009.
- It has hiked prices of alloy steel products by 5%-7% in October.
- The joint venture of the company with M/s Bekaert, Belgium (74% stake) for the manufacture of stainless steel wires has already commenced production in the month of July 2009. Mukand has 26% stake in 6000 Tonnes a year capacity, which is being further expanded to 12000 Tonnes/Year.
- There was sharp increase in Commodities prices in FY09, followed by slump in demand for finished products, which resulted in losses to the company. The company has shown good turn around after showing losses in FY09. It is able to improve its PBIT margins in H1 FY10, compared to FY09.

Comment on Finances of the Company

- The company was incurring losses and was declared sick in FY 2003.
- It returned to profitability in 2004 and showed profits till FY 2008.
- It paid dividend in FY 2007 & 2008.
- The company ran into losses in FY2009 and had to skip dividend.
- It has reported profits in Q1 & Q2 FY 2010.
- Company is able to meet its interest costs out of current income from operations.
- The company's Debt Equity Ratio as on 31 March 2009 was 0.8:1. The ratio had improved due to addition of Rs.12 Billion in Networth and Fixed Assets due to revaluation of land. Without revaluation, Debt-Equity Ratio is 2.73:1.
- Company plans to sell a part of the land at deghe, Thane for Rs.700 Crore and utilize the proceeds to retire debt. A net realization of Rs.500 crore is assumed in FY2011..
- The Debt , which stood at Rs. 1471 Crore on 31 March 2009, is likely to be reduced by Rs.500 Crore.
- Its interest cost can be reduced by Rs.60 Crore due to the reduction of Debt by Rs.500 Crore. In FY2010, interest cost is estimated to be Rs.153 Crore.

- We expect the company to shown good results and return to dividend list in FY2011.

Financial Highlights (Standalone)

Rs. Crore	Q2 FY 09	Q2 FY 10	% Y-o-Y	Q1 FY10	% Q-o-Q	H1 FY09	H1 FY10	% Chng	FY 09	FY 10E	% Chng
Net Sales	596	523	-12.25	441	18.59	1159	964	-16.82	1919	2072	7.97
Other Income	1		-100.00	1	-100.00	2	1	-50.00	30	3	-90.00
Total Income	597	523	-12.40	442	18.33	1161	965	-16.88	1949	2075	6.46
Raw Material	329	258	-21.58	200	29.00	636	458	-27.99	1223	1057	-13.60
Employee Exp.	23	23	0.00	23	0.00	45	46	2.22	88	95	7.95
Other Expenses	193	172	-10.88	154	11.69	364	326	-10.44	691	651	-5.79
Operating Exp.	545	453	-16.88	377	20.16	1045	830	-20.57	2003	1803	-10.00
PBDIT	52	70	34.62	65	7.69	116	135	16.38	-54	272	604.22
Depreciation	15	15	0.00	14	7.14	29	29	0.00	58	60	3.45
Interest	37	39	5.41	36	8.33	71	75	5.63	135	153	13.33
PBT	0	16		15	6.67	16	31	93.75	-247	59	124.00
Tax	-1			0		3			-58		100.00
Net Profit	1	16	1500.00	15	6.67	13	31	138.46	-189	59	131.37
Equity	73	73		73		73	73		73	73	
EPS (Rs.)	0.14	2.19		2.05		1.78	4.25		25.89	8.12	
CMP (Rs.)	61	61		61		61	61		61	61	
PE (X)											
Annlzd	111.33	6.96		7.42		17.13	7.18		-2.36	7.51	
PBDIT (%)	8.72	13.38		14.74		10.01	14.00		-2.81	13.14	
NPM (%)	0.17	3.06		3.39		1.12	3.21		-9.70	2.86	

Note: In FY09, there was loss of Rs.22 Crore due to Forex Transaction. Tax Liability is likely to be Nil in FY10, as Company has accumulated losses of last Year to set-off.

Peerset Comparison

Rs. Crore	Mukand	MUSCO	Uttam Galva
FY 09 Total Sales	1949	1075	4372
FY 09 PBDIT	-54	32	359
FY 09 Net	-189	-19	106
H1 FY10 Total Sales	965	493	2176
H1 FY 10 PBDIT	135	32	208
H1 FY 10 Net	31	-3	51
Equity (FV 10)	73	32	120
H1 FY 10 PBDIT (%)	14	6.49	9.56

H1 FY 10 NPM (%)	3.21	-0.61	2.34
H1 FY 10 EPS (Anlzd)	8.49	-1.88	8.50
CMP (Rs.)	61	52	118
PE X H1 EPS	7.18		13.88

Risks

- There is cyclicity in business. Company has suffered losses during down cycle.
- Production from company's ore mines stopped during FY09, it has to acquire Iron ore from the market. The production from this mine has not yet started. The ability of the management to acquire Iron Ore at appropriate prices will impact margins of the company.
- Company's new capacities will take some time, before they start yielding results.
- The company suffered Cash losses in FY09. It has tight Cash in hand situation.
- It is not a consistent dividend payer. During late 1990s, it became sick with the down turn in steel cycle. It recovered by 2004-05. It paid dividend in FY2007 & FY 2008, again skipped dividend in FY2009 as it went into losses.

Valuation & Recommendation: High Risk Long Term Investors may BUY.

Mukand Ltd is witnessing a turn around in performance in FY10, after dismal FY09. It is likely to report an EPS of Rs.8/Share and cash EPS of Rs.16/Share in FY10. At CMP Rs. 61/Share, it trades at 7.6 PE and 3.8 Cash PE on FY 10 estimates. We expect company to reduce its Debt burden significantly in FY11, by selling a part of land. High risk investors can BUY at CMP Rs.60, for a target of Rs.72 i.e. 9 PE and 4.5 Cash PE on FY 10 estimates. If Debt cost is reduced, it can show an EPS of Rs. 15 in FY 2011. At CMP Rs.61, it trades at just 4 PE on FY 2011 estimates post restructuring.

Derivatives Statistics

SYMBOL	PCR			December. 2009 OPEN INTEREST		
	PREV.WEEK	CURR. WEEK	%CHG	PREV. WEEK	CURR. WEEK	%CHG
ALL INDEX	0.8649	0.859	-0.68	28781056	26690264	-7.26
ALL STOCK	0.1526	0.1777	16.45	1369208140	1296697185	-5.30
NIFTY	0.8649	0.8591	-0.67	27458756	24984814	-9.01
RELIANCE	0.1669	0.1816	8.81	10536600	10078800	-4.34
SBIN	0.1954	0.1693	-13.40	3375372	3459456	2.49
ICICIBANK	0.1276	0.1923	50.71	12197850	9697450	-20.50
TATASTEEL	0.1606	0.1858	15.69	14014052	11873324	-15.30
BHARTIARTL	0.2603	0.2903	11.53	16780500	15346500	-8.55
DLF	0.1376	0.1784	29.65	10465600	11361600	8.56
SUZLON	0.1028	0.132	28.40	53730000	50487000	-6.04
UNITECH	0.1036	0.1558	50.39	56349000	59665500	5.89
IFCI	0.0799	0.1042	30.41	89721680	81944120	-8.67
RCOM	0.1276	0.1371	7.45	23067800	21071400	-8.65
INFOSYSTCH	0.3174	0.6519	105.40	2403800	2638800	9.78
SAIL	0.2962	0.3705	25.08	9069300	6836400	-24.60
TATAMOTORS	0.1842	0.248	34.64	14359050	11622050	-19.10
RNRL	0.0330	0.039	18.18	30696384	28246824	-7.98
IDBI	0.0540	0.0738	36.67	14704800	13833600	-5.92
IDFC	0.0389	0.0777	99.74	14269150	14929950	4.63
HINDALCO	0.1943	0.2408	23.93	24056084	20703430	-13.90
HDIL	0.0742	0.0882	18.87	6390918	6309648	-1.27
HINDUNILVR	0.1215	0.1834	50.95	13081000	7846000	-40.00
ORCHIDCHEM	0.0174	0.0573	229.30	7652400	7274400	-4.94
IDEA	0.2050	0.2483	21.12	28139400	31986900	13.67
JPASSOCIAT	0.0724	0.1267	75.00	10148625	13740320	35.39
ONGC	0.0841	0.0604	-28.20	1662525	1377225	-17.20
NTPC	0.0712	0.1235	73.46	14036750	11285625	-19.60
JINDALSTEL	0.0541	0.0528	-2.40	7107840	6360960	-10.50
BALRAMCHIN	0.0326	0.0416	27.61	18237600	18703200	2.55
ESSAROIL	0.0039	0.0063	61.54	18172440	18183736	0.06
ISPATIND	0.0589	0.0989	67.91	74774700	71575050	-4.28
LT	0.1205	0.2528	109.80	3799400	3639600	-4.21
RANBAXY	0.1207	0.1337	10.77	3584000	3040800	-15.20

Nifty Stock Level (Cash)

SCRIPS	LTP	R1	R2	S1	S2	trend
ABB LTD.	762.70	770.00	778.00	751.00	739.00	Uptrend
A.C.C.	861.65	885.00	908.00	828.00	793.00	Uptrend
AMBUJACEM	98.30	101.00	104.00	96.00	93.00	Uptrend
AXISBANK	934.3	993.00	1053.00	895.00	856.00	Downtrend
BHARTIARTL	317.85	337.00	357.00	299.00	280.00	Downtrend
BHEL	2318.70	2399.00	2480.00	2269.00	2219.00	Downtrend
BHARAT PETRO	595.40	623.00	651.00	579.00	562.00	Downtrend
CAIRN	270.05	274.00	278.00	266.00	262.00	Uptrend
CIPLA	356.55	368.00	379.00	342.00	326.00	Uptrend
DLF	357.40	379.00	400.00	346.00	333.00	Downtrend
GAIL	401.50	420.00	438.00	390.00	377.00	Downtrend
GRASIM IND.	2402.00	2478.00	2554.00	2349.00	2295.00	Uptrend
HCL TECHNOLO	365.30	392.00	419.00	336.00	306.00	Uptrend
HDFC BANK	1664.10	1761.00	1858.00	1607.00	1549.00	Downtrend
HERO HONDA	1672.9	1701.00	1730.00	1642.00	1611.00	Downtrend
HINDALCO	142.85	147.00	152.00	139.00	135.00	Uptrend
HINDUNILVR	263.35	271.00	280.00	258.00	253.00	Downtrend
ICICI BANK	809.35	851.00	893.00	786.00	762.00	Downtrend
IDEA	56.95	60.00	63.00	54.00	50.00	Downtrend
IDFC	153.2	473.00	510.00	416.00	395.00	Downtrend
INFOSYS TECH	2525.95	2582.00	2638.00	2460.00	2393.00	Uptrend
ITC	247	253.00	260.00	243.00	239.00	Downtrend
JINDL STL&PO	707.65	735.00	762.00	693.00	677.00	Downtrend
JPASSOCIATEQ	147.40	154.00	161.00	142.00	136.00	Downtrend
LT EQ	1650.05	1700.00	1750.00	1622.00	1593.00	Downtrend
MAH & MAH	1054.65	1084.00	1113.00	1017.00	978.00	Uptrend
MARUTI	1548.80	1605.00	1662.00	1513.00	1477.00	Downtrend
NTPC EQ	207.30	210.00	213.00	205.00	202.00	Downtrend
ONGC CORP.	1185.25	1209.00	1233.00	1171.00	1156.00	Downtrend
PNB	887.7	918.00	949.00	864.00	840.00	Downtrend
POWERGRID	104.55	106.00	108.00	103.00	101.00	Downtrend
RANBAXY LAB.	530.35	545.00	560.00	505.00	479.00	Uptrend
RCOM	172	182.00	193.00	166.00	160.00	Downtrend
REL.CAPITAL	818.7	847.00	876.00	803.00	787.00	Downtrend
RELIANCE	1007.65	1060.00	1113.00	980.00	952.00	Downtrend
RELINFRA	1029	1080.00	1131.00	983.00	936.00	Downtrend
RPOWER	143.8	149.00	154.00	140.00	135.00	Downtrend
SAIL	213.1	219.00	225.00	207.00	200.00	Uptrend
STATE BANK	2145.35	2246.00	2347.00	2085.00	2024.00	Downtrend
SIEMENS	553.55	571.00	590.00	537.00	521.00	Uptrend
STEEL AUTHOR	213.1	219.00	225.00	207.00	200.00	Uptrend
STER EQ	818	846.00	875.00	795.00	772.00	Downtrend

SUN PHARMA.	1504.75	1538.00	1571.00	1457.00	1408.00	Uptrend
SUZLON	82.25	86.00	90.00	78.00	73.00	Downtrend
TATAMOTORSEQ	733.95	755.00	777.00	698.00	662.00	Uptrend
TATA POWER	1318.5	1360.00	1401.00	1293.00	1266.00	Downtrend
TATASTEEL	563.25	578.00	593.00	544.00	524.00	Uptrend
TCS EQ	727.5	741.00	755.00	704.00	681.00	Uptrend
UNITECH LTD	80.2	86.00	92.00	77.00	73.00	Downtrend
WIPRO	674.7	698.00	723.00	647.00	620.00	Uptrend

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