

August 4, 2008

GEPL Investment Research | Morning Note

## Market Statistics

Indices	Current Close	Previous Close	Abs. Change	% ch.
BSE	14657	14356	301	2.10
NSE	4414	4333	81	1.86
DJIA	11326.3	11378	-51.7	-0.45
Nasdaq	2311.0	2326	-14.59	-0.63
S&P 500	1260.3	1267	-7.07	-0.56
Nikkei 225	12961.1	13095	-133.53	-1.02
Hang Seng	22631.7	22863	-230.88	-1.01

\* as on 9.05 am IST

## Top 5 Gainers

Stock	Current Close	% Change
PNB	483.7	7.07
SUZLON	238.8	7.04
SBIN	1504.55	6.16
HDFC	2401.75	5.46
GAIL	390.65	4.01

## Top 5 Losers

Stock	Current Close	% Change
RCOM	436	-12.91
TATAPOWER	1116.4	-3.57
MARUTI	562.15	-2.35
TATAMOTORS	395.25	-2.04

## Forex Update

Currencies	Current price	% Change
USD/INR	42.47	0.00%
GBP/USD	1.98	-0.05%
EUR/USD	1.56	0.18%
USD/JPY	107.7	0.01%

\*Updated as at 9.10 am

## Debt Market Update

G-Sec Quotes	Price	Yield
Call	0	7.38
5.87% 2010	95.49	9.25
7.55% 2010	97.14	9.28

## Derivative Update

FII open interest as on	1-Aug-08
	Open Interest
INDEX FUTURES	20365.77
INDEX OPTIONS	25079.17
STOCK FUTURES	17883.21
STOCK OPTIONS	1258.36

## News at Glance

### Economic

#### ✓ Cement firms unlikely to hike prices

Cement companies, which agreed in May to hold prices for three months to help the government contain inflation, could find it difficult to raise rates when the moratorium ends on August 14. Top producers say the current market condition is not buoyant enough to absorb a price hike. This means the cement industry may have to continue absorbing the input cost for a major period of the current quarter.

#### ✓ Industrial production to grow 10% in FY'09: CMIE

The slowdown in the industrial growth is a short-term phenomenon and the country is expected to record a 10 per cent growth in industrial production during the current financial year (2008-09), as against 8.3 per cent in the previous fiscal according to the Centre for Monitoring Indian Economy (CMIE).

### Corporate

#### ✓ Punjab & Sind Bank may sell 30% to raise Rs 1k cr

Punjab & Sind Bank is set to dilute 25-30 per cent stake through private placement of equity by October for raising Rs 1,000 crore to finance its expansion. The private placement of shares is likely to be with public sector companies Life Insurance Corporation, UTI and Small Industries Development Bank of India but private sector participation is not completely ruled out.

#### ✓ Areva T&D draws up Rs 500-cr capex plan

Areva T&D India Ltd, has capex plans of Rs 500 crore for the current financial year. In the next financial year, it would be investing another Rs 200 crore. The company is keen to expand its footprint in the rapidly expanding power transmission and distribution sector.

#### ✓ MRPL phase III expansion to be over by 2011

The third phase expansion project of Mangalore Refinery and Petrochemicals Ltd (MRPL) is likely to be completed by the end of 2011. The third phase of the project envisages increased capacity of crude throughput from 9.69 million tonnes annually (mtpa) to 15 mtpa, addition of secondary processing unit for increasing the distillate yield by about 10 per cent, and capacity to process high tan crude.

#### ✓ RCom launches GSM service in Delhi

RCOM has become the first company in India to offer both CDMA and GSM services. RCom has been offering CDMA-based mobile service throughout the country and has recently been allowed by the government to start GSM service simultaneously. The company has chosen the national capital to start its services under the dual technology licence.

#### ✓ No change in the Renault alliance: M&M

The partnership between Mahindra & Mahindra and French automaker Renault SA may not be facing dissolution, but then neither partner seems very happy with their local progeny, the Logan. Besides, as per the initial terms of the joint venture, the two sides were also supposed to make a 7-seater vehicle or the "R 90" version of the Logan, over which no decision has been reached yet.

#### ✓ Hero Honda to increase production capacity at Haridwar

Hero Honda plans to raise daily production from its Uttarakhand factory nearly four-fold by the end of this fiscal to derive tax exemption benefits the state offers to investing companies. But despite realizing higher earnings, the company has ruled out any major discount schemes in the upcoming festival season in October.

## Key Rates %

Bank Rate	6.00%
Repo Rate	9.00%
Reverse Repo Rate	6.00%
CRR	8.75%
SLR	25.00%
PLR	12.75%-13.25%
Savings Bank Rate	3.50%
Deposit Rate	7.5%-9.60%

## Institutional Activities

Rs.Crs		
FII as on	31-Jul-08	597.00
MF as on	30-Jul-08	690.30
Rs.Crs	FII	MF
July-08	597	1,223.80
June-08	-10,577.70	2896.4
May-08	-4,917.30	64.00
April-08	979.00	128.60
Apr 07 - Mar 08	47695.4	13878.7
March-08	124.40	-1,847.60
February-08	5,419.90	514.00
January-08	-17,226.90	5,567.60
December-07	4,896.70	3,201.30
November-07	-5,100.20	2,169.30
October-07	15,577.6	-1715
September-07	18,948.5	-761.2
August-07	-7526.8	4093.9

### ✓ ITC to expand hotel business

ITC is ramping up its hospitality business with new hotels in Chennai and Kolkata. Company would build a 1.2 million sq ft hotel in Kolkata at an estimated investment of Rs 860 crore and has already started work on the 600-room property 'Grand Chola' in Chennai. Besides, ITC has bought land for building hotels in Ahmedabad and Hyderabad and would construct another just outside Delhi

### ✓ NTPC wants to fast-track its gas case against RIL

National Thermal Power Corporation (NTPC) wants its case against Reliance Industries (RIL) to be heard on a fast-track basis. The company is likely to file a petition soon in the Bombay High Court for speedy hearing of its case, which relates to a dispute over gas supplies. A related case between RIL and Reliance Natural Resources (RNRL), which is also about gas supply, is being heard on a fast-track basis in the Bombay HC.

### ✓ ONGC gets shipping relief on \$8b offshore investment plan

The shipping ministry has granted relief to Oil and Natural Gas Corporation on the issue of the age of vessels it hires, saving the flagship explorer's \$8 billion investments planned to bring new offshore fields in the west and east coasts into production during the 11th five-year plan. The shipping ministry had recently issued guidelines for hiring of vessels and barred ships over 25 years from sailing in Indian waters. This threatened to ground ONGC's offshore activities as most of the 200 vessels deployed annually by the company are over 25 years old but certified fit and seaworthy.

### ✓ Hero Honda sales up 40%

Hero Honda on Friday reported a 39.8 per cent jump in sales in July at 281,317 units as against 2,01,191 units in the corresponding month last year. The company said cumulative sales for the April-July period this year crossed a million mark at 11,75,561 units as against 10,04,044 units in the corresponding period last year, reflecting a 17.08 per cent growth.

### ✓ Bajaj sales up 5.6% in July

Bajaj Auto reported a 5.6 per cent rise in its motorcycle sales in July at 1,68,836 units against that of 1,59,881 units in the same month last year. Total two wheelers sales during the month stood at 1,69,971 units, a jump of 4.4 per cent from that in corresponding month last year. The company had sold 1,62,801 units in the year-ago period.

### ✓ TVS Motor's two-wheeler sales jump 10 pc in July

TVS Motor reported a 10.09 per cent jump in two-wheeler sales during July at 1,16,000 units, compared to 1,05,366 units for the same month last year. During the month, motorcycle sales stood at 53,000 units as against 44,392 units last year, registering a growth of 19.39 per cent

### ✓ Maruti Suzuki July sales flat

Maruti Suzuki India's July sales remained almost flat at 58,543 units as against 57,909 units in the same month last year. The domestic sales stood at 52,911 units as against 52,839 units in the same month a year-ago, up 0.1 per cent. Exports, however, grew by 11.1 per cent at 5632 units as against 5070 units in the corresponding month last year.

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## Fundamental Recommendations

Script	Current Rating	CMP	Target Price	Recommendation Price
Mangalam	Hold	89	249	212
Hindustan Dorr Oliver	Buy	97	186	120
Tata Chemicals Ltd	Buy	331	375	351
Great Eastern Shipping*	Buy	420	680	445
Great Offshore Ltd	Buy	410	875	600
Bartronics India Ltd	Buy	179	269	188

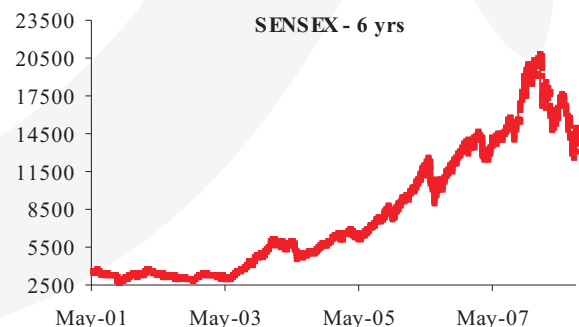
\*Call closed for Retail, Open for Institution

### Bulk Deals (BSE)

Date	Script Name	Client Name	Buy/Sell	Quantity	Price
1-Aug-08	YASHRAJ SECR	ROSY INVESTMENT CONS PVT LTD	SELL	275000	8.35
1-Aug-08	YASHRAJ SECR	GLORY INVESTMENT SERVICES P L	SELL	275000	8.42
1-Aug-08	BROADCAST	MERRILL LYNCH CAPITAL MARKET ESPANA S A	SELL	130000	34
1-Aug-08	GUJ.TOOLROOM	SVB	BUY	122500	10
1-Aug-08	KOFF BR PICT	NEHALBEN N VYAS	BUY	117976	20.94
1-Aug-08	GREMAC INFRA	LAXMI CAP BROKING PVT LTD	BUY	100001	88.12
1-Aug-08		HEMENDRA R SHAH	SELL		

### Bulk Deals (NSE)

Date	Security Name	Client Name	Buy/Sell	Quantity	Price
1-Aug-08	Shree Renuka Sugars Limit	MORGAN STANLEY INVESTMENTS MAURITIUS LIMITED	SELL	1465000	126.7
1-Aug-08	Balrampur Chini Mills	MORGAN STANLEY MAURITIUS COMPANY LTD	SELL	1400000	86.5
1-Aug-08	Goldstone Tech Ltd.	MADHUKAR CHIMANLAL SHETH	SELL	200000	113.9
1-Aug-08	SEL Manufacturing Company	B K SHAH CO KETAN BHAILAL SHAH	BUY	187080	693.8
1-Aug-08	Dwarikesh Sugar Industrie	SBI MUTUAL FUND A/C MIDCAP	SELL	98500	73.8



\*News Source: Economic Times, Business Standard, Business Line, Financial Express, Mint

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