

Morning Coffee with GEPL



Date: January 25, 2011

Market Update

Indices	Close	% Chg	% YTD
Indian Markets			
Sensex	19151.28	0.76%	(7.42%)
Nifty	5743.25	0.82%	(6.57%)
Global Markets			
DJIA	11980.50	0.92%	3.44%
Nasdaq	2717.55	1.04%	2.91%
FTSE	5943.85	0.81%	0.78%
Emerging Markets			
HangSeng	23801.80	(0.31%)	0.64%
Nikkei	10345.10	0.69%	(0.61%)

BSE Sectoral Indices	Latest	% Chg	% YTD
Auto	9387.88	0.84%	(7.44%)
Banks	13645.88	2.40%	(4.31%)
Capital Goods	13668.85	0.97%	(11.64%)
Comm & Teck	3896.19	0.16%	(3.59%)
Con. Durables	6171.12	1.93%	(3.39%)
FMCG	3547.07	0.12%	(5.59%)
Healthcare	6533.23	(0.03%)	(4.31%)
IT	6645.58	0.23%	(1.93%)
Metals	16823.71	0.54%	(5.70%)
Oil & Gas	9725.14	(0.21%)	(10.22%)
Power	2805.02	0.61%	(6.78%)
Realty	2517.59	0.91%	(10.81%)
Midcap	7252.35	0.84%	(7.53%)
Smallcap	9016.54	0.79%	(5.71%)

Bulk Deals (BSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
24-Jan-11	Cable Corp	Rhodes Diversified	Buy	3655000	22.70
24-Jan-11	KSK Energy	KSK Energy Company	Buy	8000000	108

Bulk Deals (NSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
24-Jan-11	India Infoline Ltd.	India Infoline Ltd.	Buy	1499381	80.15
24-Jan-11	Mahindra Lifespace	Capital Grp.-Small	Buy	268183	331.28

Fund Flows (₹bn)	Latest	MTD	YTD
Flls	0.53	74.60	74.60
MFs	3.57	355.13	355.13

Corporate News

- **Jindal Steel and Power Ltd** reported 54.14% jump in the stand-alone net profit for Q3FY11 at Rs 5,019.3 mn.
- **Amara Raja Batteries Ltd** reported a marginal decline in its net profit for Q3FY11 at Rs 396.5 mn against Rs 398.6 mn in the same period last fiscal. Net sales were at Rs 4,249.2 mn, as against Rs 3,668.4 mn in the year ago period, up 15.83%.
- **EIH's** net is up 27% for the three months ended Decemembr 31,2010 vs the same period a year earlier. Net profit was Rs 283.9 mn as against Rs 223.3 mn while the net sales was Rs 2,818.5 mn vs Rs 2,220.4 mn.
- **Idea Cellular's** consolidated net profit stood at Rs 2,430.5 mn for Q3FY11. The company had a net profit of Rs 1,701.1 mn in the October-December quarter last year, its total income stood at Rs 39,556.1 mn for the reported quarter as against Rs 31,494.7 mn for the same quarter last year. .
- **SKS Microfinance** reported a 38.41% decline in its net profit at Rs 341.5 mn for the October-December period owing to higher provisioning and bad loan write-offs .The total provisioning and write-offs for Q3 FY11 was Rs 1,007.5 mn.
- **ICICI Bank** posted a whopping 77.5 % jump in its consolidated net profit at Rs 20.4 bn for the quarter ended December 31, 2010.
- **Asian Paints** said its net profit rose by 15% to Rs 20,660 mn for the third quarter ended December 31, 2010. Net sales of the company rose to Rs 17,542.2 mn in the October-December, 2010, quarter from Rs 12,777.1 mn in the same period of the previous fiscal.

Economy News

- The Centre has completed nearly 89% of its Rs 44.70 bn market borrowing for 2010-11 by mid-January, indicating more funds would be available for corporate in the remaining period of the fiscal..
- Tax collections during the current fiscal are likely to exceed the budgetary target by about Rs 370 bn, at Rs 7820 bn, in light of robust growth of the economy.
- Iron ore exports in December have gone down by 24.64% to 9.69 mn tonnes, continuing its declining trend for the sixth consecutive month.
- India's tax-to-GDP ratio is expected to be marginally lower at 10.6% in the current fiscal year to March, from the budget estimate of 10.8% because of inflation.

Global News

- A Chinese government think tank has forecast that nation's economy will grow around 9.8% this year, with inflation likely to come in at 3.7%.
- Spanish Finance Minister Elena Salgado said the amount needed to recapitalize the country's banking system won't exceed 20 billion euros (\$27 billion) and "all or part" of that sum will come from financial markets.

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Debt Market Snapshot

Market Turnover	₹ bn	% Chg
BSE	29.06	(4.34)
NSE	115.48	(0.43)
Derivatives (NSE)	1333	14.22

Market Breadth	Adv	Dec	A/D
BSE	1685	1202	1.40
NSE	812	560	1.45

Forex Rates	Latest	% Chg	% YTD
Rs / US\$	46.2252	0.58	1.01
Euro / US \$	0.7349	(0.48)	(1.70)
Yen / US\$	82.6931	0.35	1.02

Particulars	Latest	Previous	Chg(bps)
5 Year GOI Bond	8.15%	8.13%	(0.02)
10 Year GOI Bond	8.17%	8.16%	(0.01)
17-Year GOI Bond	8.52%	8.51%	(0.01)
Call Money (WAR)	6.64%	6.69%	0.05
CBLO (WAR)	6.25%	5.96%	(0.26)
US 10 Year	3.40%	3.45%	0.04
Crude Oil (in \$/bl)	90.86	88.86	(2.00)
Inflation (Monthly)	8.43%	8.43%	-

Derivatives Snapshot

	Nifty Spot	Nifty Futures	Nifty Futures Prem. / Disc	Nifty Futures Basis	Nifty Futures Change in OI	Nifty Futures Volume (₹ in cr.)	Total Market F&O Open Interest (₹ in bn)	Nifty Open Interest (OI) PCR	Nifty Volume PCR	NSE VIX
Current	5743.25	5740.45	(2.80)	20.40	(3074600)	1.86	1661	0.68	0.92	20.17
Previous	5696.50	5700.60	4.10	28	634200	2.27	1621	0.64	0.91	21.03
change	46.75	39.85	(6.90)	(7.60)	(3708800)	(0.41)	40	0.04	0.01	(0.86)
% Change	0.82	0.79	-	-	-	-	-	-	-	(4.09)

Snapshot

- From the options data, 5900 put added more than 1.5 million shares indicating Nifty to expire above 5700, whereas 5900 call added more than 3 lakh shares indicating possibility of Nifty arriving at 5800 levels before expiry.
- The IV's stood in between 18% to 22% with NSE VIX index ending 4.09% lower at 20.17 levels.
- Long positions were witnessed in stocks like IDEA, ASHOKLEYLAND, BPCL, COREPROJ, EDUCOMP, RUCHISOYA, HDFCBK AND SBIN.
- Short positions were witnessed in stocks like WIPRO, FINTECH, SESAGOA, DRREDDY AND ASIANPAINTS.

FII Derivatives Statistics

	Buy (₹ in Cr.)	Sell (₹ in Cr.)	Open Interest at the end of the day (₹ in Cr.)	Open Interest as on 21-Jan-2011 (₹ in Cr.)	Change in open Interest (₹ in Cr.)	Net Buy / Sell (₹ in Cr.)
INDEX FUTURES	5863.33	6124.32	15002.02	13388.86	1613.16	(261.00)
INDEX OPTIONS	5967.92	5784.57	51654.85	51389.16	265.69	183.36
STOCK FUTURES	7711.82	7163.04	34563.97	33915.75	648.22	548.78
STOCK OPTIONS	450.11	490.21	688.84	719.71	(30.87)	(40.09)

Government Security Market:

- Inter-bank call money rate traded in the range of 5.50%-6.75% on Monday & ended at 6.10% compared to 6.60% on Friday.
- Borrowing from RBI's Repo continued to remain high, with banks taking 1134250 mn on Monday vs. 1154050 mn on Friday .
- CBLOs ended at a weighted average rate of 6.25% on Friday compared with 5.96% on Friday .
- The benchmark 7.80% GOI 2020 bond closed at 8.1743% on Monday compared with at 8.1310% on Friday .

Global Debt Market

- US Treasuries advanced, pushing the two year yield to 0.62%.
- US 10 year Benchmark Yield trading at 3.40% vs. 3.45% & 30 Year Yield trading at 4.56% vs. 4.61%.

10 Year Benchmark Technical View:

Yield likely to move in the range of 8.14-22 level on Tuesday.

Recent Public Issue : BONDS

- REC / IDFC Infrastructure Bond (min application: 2 Bond face value of **5000** , Buyback option after 5 years with 8% Coupon, 8.10% for non buyback option , **TAX SAVING BONDS u/s 80CCF of Income Tax Act,1961**).

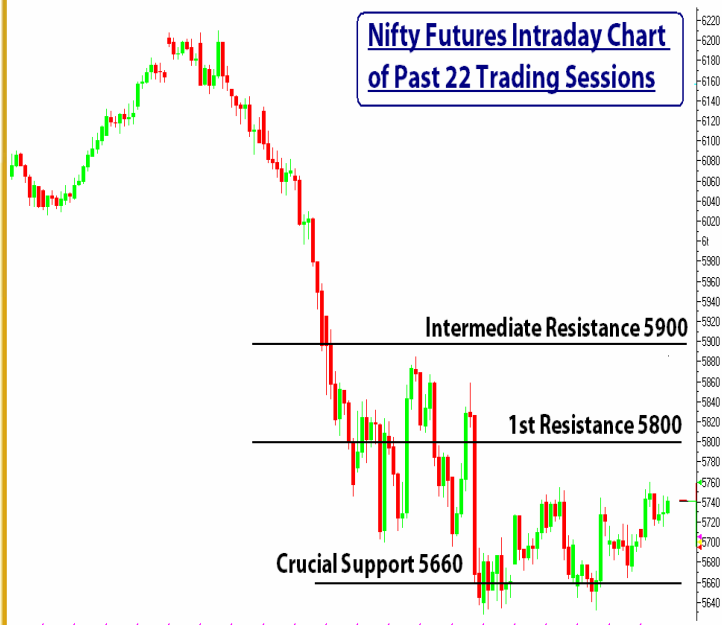
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Technical Snapshot

Nifty Futures Intraday Chart of Past 22 Trading Sessions



Key Highlights

- Nifty Futures closed at 5740 which is 40 points higher than its previous close of 5700.
- Nifty Futures are approaching the crucial resistance level of 5800 as the closing is seen near the 5740 level.
- Only in the case of a strong upward breakout above 5800 the corrective trend maybe seen in an upward direction.
- Caution is recommended till Nifty Futures trade above the 5660 level as a steep fall may be seen if this level is breached in a downward direction.
- The existing long positions should be held with the same stop loss of 5660.
- The spot and futures rate of Nifty are almost equal indicating a directionless trend in the current scenario.
- The intermediate resistance for Nifty Futures is placed at 5875 and Nifty Futures need to surpass the 5900 level to enter the bull orbit.
- If Nifty Futures breach 5660 then the next support levels are placed at 5628 and 5540 respectively.
- The intraday resistances for Nifty Futures are placed at 5750 and 5800 whereas the support levels are placed at 5710 and 5660.
- Among the sectoral indices, Banking, Consumer Durables and PSU sector stocks closed in the positive territory while Oil&Gas, and Healthcare sector stocks closed marginally negative.

Trading Calls for the day

Stock	Type of call	CMP	Stop Loss	Buy / Sell	Target 1	Target 2
Renuka	Short Term	90	85	Buy	95	100

Technical Calls for Retail Desk

Sr. No	Date	Action	Company	Reco. Price	Stop Loss	Target 1	Target 2	CMP	Remarks
1	26-Nov-10	Buy (P)	Indowind	26.4	20.8	37	53	26	
2	24-Dec-10	Buy (P)	Ispat	23.35	17.5	28.5	34	25.2	
3	4-Jan-10	Buy (P)	Geometric	83.5	69	95.5	110	80	
4	12-Jan-11	Buy (P)	Orchid Chem	292	292*	324	356	314.9	Part Profit Booked at 320. Stop Loss Revised to 292.
5	18-Jan-11	Buy (P)	L&T	1680	1575	1775	1875	1658.85	
6	18-Jan-11	Buy (P)	Opto Circuit	250	229	271	292	259.6	
7	18-Jan-11	Buy (ST)	JSW Steel	1005	1005*	1055	1105	1031.8	Part profit booked at 1042. Revised SL 1005.
8	18-Jan-11	Buy (O)	HDFC Bank Fut	2100	2045	2155	-	2148.75	Full Profit Booked at 2155. Call Closed.
9	19-Jan-11	Buy (ST)	STC India	295	278	312	329	288.1	
10	20-Jan-11	Buy (P)	FDC	107.25	99	118.5	128	108.9	
11	20-Jan-11	Sell (ST)	Aurobindo Ph Fut	1251	1282	1220	1190	1267	
12	20-Jan-11	Buy (O)	Hindalco Fut	239	232	246	-	232.35	Stop Loss Triggered. Call Closed.
13	21-Jan-11	Buy (O)	Century Text Fut	361.5	354.5	368.5	-	360.45	
14	24-Jan-11	Buy (ST)	Dish TV	62.2	58	66.4	70.6	62.45	

Open Positions Buy 11 & Sell 1.

*- Revised Stop Loss

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Commodities Snapshot

Commodity	Month	Trend	Support 1	Support 2	Resistance 1	Resistance 2	Trading calls for the day
Gold	February	Sideways	19950	19880	20150	20250	Buy at 20000 stop 19900 Target 20150
Silver	March	Sideways	42000	41600	43000	43400	-
Crude Oil	February	Sideways Up	3980	3940	4110	4160	Buy at 3990 stop 3940 Target 4080
Natural Gas	January	Sideways Up	210	204	220	224	-
Copper	February	Sideways	435	430	443	448	-
Nickel	January	Sideways Up	1180	1150	1210	1230	Buy at 1180 stop 1165 Target 1205
Aluminum	January	Sideways Up	108.5	107	110.50	111.50	Buy at 109 stop 108 Target 110.7
Lead	January	Sideways	111	110	115	116	Buy at 111 stop 110 Target 114
Zinc	January	Sideways Up	104	103	107	109	Buy at 104.5 stop 103 Target 106.5
Gold \$	Spot	Sideways	1335	1320	1358	1367	-
Silver \$	Spot	Sideways	27.30	27.00	28.10	28.40	-

*Figures in INR unless indicated otherwise

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