

12 August 2010

India Morning Bell



All the latest research and data

Sensex: 18070

Nifty: 5421

- **Market Ownership Trends - Jun '10: Sectoral positioning largely sustained.** ▶
- **Bharti Airtel - Robust 1Q performance driven by domestic mobile business.** ▶
- **Motherson Sumi Systems - Sustains yoy growth momentum; Buy.** ▶
- **Nestlé India - Analyst meet takeaways; maintain Sell.** ▶
- **Amtek Auto - Growth momentum, margins maintained; retain Buy.** ▶
- **Derivatives view.** The likely scenario playing out is consolidation within 5350-5500 band. Expect 5350 would act as a key intermediate support which has held over past one month. ▶

Markets

	11 Aug 10	1 Day	YTD
Sensex	18070	-0.8%	3.5%
Nifty	5421	-0.7%	4.2%
Dow Jones	10379	-2.5%	-0.5%
S & P 500	1089	-2.8%	-2.3%
FTSE	5245	-2.4%	-3.1%
Nikkei*	9105	-2.0%	-13.7%
Hang Seng*	21083	-1.1%	-3.6%

Volumes (US\$m)

	11 Aug 10	1 Day	Avg '10
Cash BSE	1,182	10.8%	1,008
Cash NSE	3,398	3.8%	3,012
Derivatives (NSE)	19,569	18.5%	38,556

Flows (US\$m)

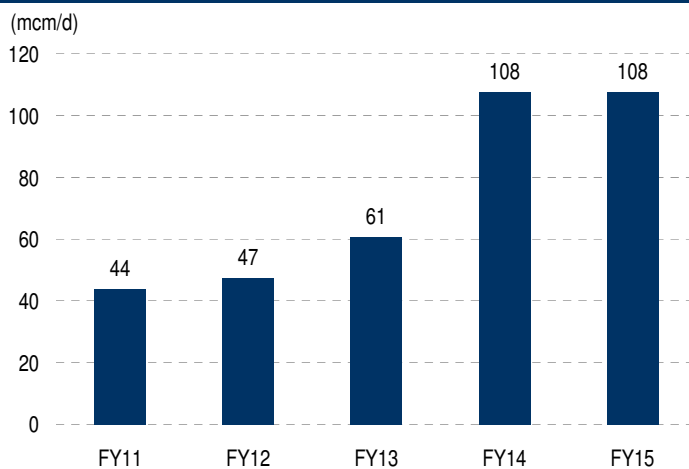
	11 Aug10**	MTD	YTD
FI - Cash			
Buy	669	4,213	87,408
Sell	541	3,383	76,216
Net	128	830	11,307
FI - Derivatives			
Buy	2,126	11,756	306,885
Sell	2,015	10,213	289,390
Net	112	1,543	17,316
DII - Cash			
Buy	228	849	20,655
Sell	344	1,043	23,472
Net	-116	-193	-2,831

Others

	11 Aug 10	1 Day	YTD
Oil Brent (US\$/bbl)*	76.8	-1.0%	-6.3%
Gold (US\$/oz)*	1,199.0	0.1%	9.3%
Steel (US\$/MT)	545.0	-3.5%	7.9%
Rs/US\$	46.70	0.0%	-0.4%
US\$/Euro*	1.29	-0.1%	11.2%
Yen/US\$*	85.06	0.3%	9.4%
Call Rate	5.75%	25bps	240bps
10-year G-Secs	7.84%	0bps	25bps
EMBI spreads	275bps	6bps	1bps

*@7:30am **Provisional Source: BSE, Bloomberg

India: Gas requirement for fertiliser industry (million cubic metre / day)



Source: Parliament question

Anand Rathi Financial Services, its affiliates and subsidiaries, do and seek to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Disclosures and analyst certifications are located in Appendix 1.

Market Data

Large Caps

(>US\$1bn)

Price Performance

Top 5 Gainers

Company Name	CMP	1 W %	1 Mth%
GODREJ PROPERTIE	744	7.1	15.7
KSK ENERGY VENTU	169	6.6	1.3
SHREE CEMENT	1,921	6.4	(2.8)
SHREE GLOBAL TRA	290	6.3	19.0
EIH LTD	133	6.3	9.4

Top 5 Losers

Company Name	CMP	1 W %	1 Mth%
KGN INDS LTD	229	(15.3)	(19.0)
HMT LTD	75	(10.4)	6.1
INDIABULLS FINAN	157	(7.6)	(3.0)
JAI CORP LTD	269	(6.6)	6.2
BRITANNIA INDS	2,081	(4.2)	9.5

Volume

Volume Spurts

Company Name	CMP	1 W Avg	1 / 4 W%
KGN INDS LTD	229	4,287	197.2
RELIGARE ENTERPR	431	452,176	183.7
KSK ENERGY VENTU	169	874,487	145.9
DISH TV INDIA	49	9,315,472	144.2
BRITANNIA INDS	2,081	108,433	142.4

Technicals

Above 200 DMA

Company Name	CMP	200D Avg	%
MAHINDRA & MAHIN	623	386	61.5
UCO BANK	97	66	46.5
EMAMI LTD	451	313	44.2
BGR ENERGY SYS	793	573	38.3
GILLETTE INDIA	1966	1485	32.4

Below 200 DMA

Company Name	CMP	200D Avg	%
RELIANCE NAT RES	39	62	(36.8)
KGN INDS LTD	229	293	(22.0)
FINANCIAL TECHNO	1,260	1,419	(11.2)
PATNI COMPUTER	452	508	(11.0)
EDUCOMP SOLUTION	620	677	(8.4)

Mid Caps

(US\$250m-1bn)

Price Performance

Top 5 Gainers

Company Name	CMP	1 W %	1 Mth%
RAYMOND LTD	322	37.9	32.5
GITANJALI GEMS L	208	18.0	43.4
EDELWEISS CAPITA	60	14.8	24.1
BERGER PAINTS	91	14.1	17.1
TATA INV CORP	553	13.1	10.0

Top 5 Losers

Company Name	CMP	1 W %	1 Mth%
IVRCL INFRASTRUC	158	(10.3)	(17.7)
BF UTILITIES LTD	910	(8.8)	28.0
DEWAN HOUSING	264	(8.2)	7.2
NAGARJUNA CONST	161	(7.8)	(13.4)
HIMADRI CHEMS	511	(7.4)	2.5

Volume

Volume Spurts

Company Name	CMP	1 W Avg	1 / 4 W%
RAYMOND LTD	322	4,624,260	247.7
TATA INV CORP	553	283,781	232.1
GRAPHITE INDIA	98	3,121,183	223.4
ANANT RAJ INDUS	132	3,452,864	219.8
AVENTIS PHARMA	1,825	23,319	196.5

Technicals

Above 200 DMA

Company Name	CMP	200D Avg	%
MONEY MATTERS FI	648	346	87.3
BANK RAJASTHAN	190	102	86.2
GITANJALI GEMS L	208	124	67.6
MANAPPURAM GEN	118	71	67.0
TVS MOTOR CO LTD	140	85	64.2

Below 200 DMA

Company Name	CMP	200D Avg	%
PUNJ LLOYD LTD	119	170	(30.3)
WNS HOLDINGS-ADR	418	602	(30.3)
REI AGRO LTD	22	31	(29.3)
BAJAJ HINDUSTHAN	118	159	(25.4)
ABAN OFFSHORE	859	1,101	(22.0)

Small Caps

(US\$100m-250m)

Price Performance

Top 5 Gainers

Company Name	CMP	1 W %	1 Mth%
DPSC LTD	1,534	46.3	108.4
TIDE WATER OIL	9,561	36.3	53.7
REI SIX TEN RETA	75	27.9	29.9
GIC HOUSING FIN	140	23.0	24.3
TILAKNAGAR INDS	234	21.4	49.2

Top 5 Losers

Company Name	CMP	1 W %	1 Mth%
RESURGERE MINES	93	(22.7)	(20.4)
WELL PACK PAPERS	93	(22.5)	10.3
HBL POWER SYSTEM	28	(11.6)	(16.0)
ASIAN HOTELS NOR	442	(11.6)	(3.2)
PI INDUSTRIES	523	(10.1)	18.8

Volume

Volume Spurts

Company Name	CMP	1 W Avg	1 / 4 W%
SANGHI INDUS LTD	28	2,102,483	264.7
REI SIX TEN RETA	75	369,894	253.6
BOMBAY BURMAH TR	664	1,340,672	252.0
TIDE WATER OIL	9,561	133,765	246.2
RAIN COMMODITIES	155	1,366,224	236.4

Technicals

Above 200 DMA

Company Name	CMP	200D Avg	%
WELL PACK PAPERS	93	39	135.7
DPSC LTD	1,534	692	121.6
NEWTIME INFRASTR	23	19	106.5
VENKY'S (INDIA)	738	358	106.1
OCL IRON AND ST	76	37	105.9

Below 200 DMA

Company Name	CMP	200D Avg	%
SIGRUN HOLDINGS	19	43	(68.8)
ASIAN HOTELS NOR	442	705	(37.4)
RUCHI INFRASTRUC	38	50	(24.8)
SEAMEC LTD	148	194	(23.9)
LAKSHMI ENERGY	98	126	(21.9)

Source: Bloomberg

11 August 2010

Market Ownership Trends

Sensex: 18070

Nifty: 5421

Jun '10: Sectoral positioning largely sustained

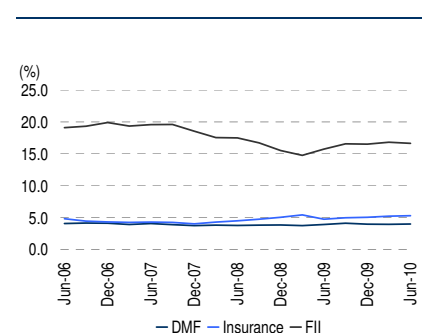
- FII maintain stronghold.** Institutional ownership stood at 25.9% (FIIs: 16.6%; Insurance: 5.3%; and MF: 4%) in Jun '10 as against 26.0% in Mar '10 and 24.4% in Jun '09. FII ownership has increased 91bps since Jun '09.
- FII increase OW position in Financials!** FIIs have increased OW position in financials by 103bps over the past quarter, to 585bps at present. Further, FIIs hold OW stance on Industrials and Telecom. On the other hand, Energy, Materials and Utilities remain their biggest UW sectors.
- Little change in domestic institutions' sector positioning.** There were no meaningful changes in sectoral positioning of MFs and Insurance in the Jun '10 quarter. Both are OW on Staples and Utilities; and UW on Energy and IT Services. MFs and Insurance have contrary views and positioning on Financials, Industrials, Materials and Healthcare.
- Takeaways.** Top OW holdings of FIIs are the least in domestic institutions. Sectoral positions are mostly maintained by all institutional categories. FIIs have changed their position in IT Services from marginal UW to marginal OW. Where as in case of discretionary, they have changed from marginal OW to UW.

India - Institutional OW/UW relative to Benchmark / BSE 500

As on Jun-10(bps)	FII	MFs	Insurance
Consumer Discretionary	(141)	124	(99)
Consumer Staples	(154)	256	340
Energy	(495)	(308)	(262)
Financials	585	(538)	225
Health Care	47	144	(87)
Industrials	288	812	(349)
IT Services	37	(262)	(394)
Materials	(214)	(267)	285
Telecom	186	(46)	51
Utilities	(139)	85	290

Source: Capitaline, Anand Rathi Research

India – Institutional Ownership trend.



Source: Capitaline, Anand Rathi Research

Anand Rathi Financial Services, its affiliates and subsidiaries, do and seek to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Disclosures and analyst certifications are located in Appendix 1.

11 August 2010

Bharti Airtel

Robust 1Q performance driven by domestic mobile business

- **Robust 1QFY11.** Bharti's consolidated IFRS revenue/EBITDA came in 1.2%/1.9% ahead of our estimates, driven by India wireless business and towers (BIL/Indus). However, PAT was 7.7% below est. due to higher FX/derivative loss of Rs2.16bn. Starting Apr'10, Bharti has moved to IFRS from US GAAP reporting—key impact being proportionate (42%) consolidation of Indus, as against 'equity' accounting previously. Further, Zain Africa was consolidated for 23 days in 1Q, post deal consummation
- **Volume led surprise.** India wireless revenues were up 4.7% qoq, driven by 10.2% surge in minutes; ARPM drop of 5% was a tad higher. Mgmt attributed robust minutes-growth to continued pull-back of traffic from rivals, as well as elasticity among low usage and rural subs. Indus/BIL continue to do well—tenancy ratios up to 1.75x/1.65x from 1.71x/1.62x.
- **Margins largely stable despite higher spectrum usage fee.** Wireless EBITDA margin for India + South Asia (including Warid/SL) was down only 42bps qoq, despite a 118bps hit (Rs1.04bn) from higher spectrum fee provision. Bharti has merged its captive NLD network into wireless, causing EBITDA to shift from Enterprise segment to Wireless segment.
- **Other segments in line.** EBITDA from Telemedia, Africa and Others (Corp./DTH) segments was practically in line with our estimates. Africa EBITDA margin was 27.4%. Excluding one-off acquisition costs, EBIT contribution from Africa was positive. However, PAT contribution was negative Rs1.33bn, due to interest expenses and FX/derivative losses.
- **Capex and net-debt.** Excluding 3G/BWA spectrum fee and Africa, 1Q capex of Rs17.4bn was just 19% of our FY11 forecast, due to delays in security clearance; our forecast is at lower end of US\$2.0-2.3bn guidance. Further, Bharti expects to incur US\$800m capex in Africa, well below our US\$1.2bn assm. Consolidated net-debt stood at Rs602bn (US\$13bn).
- **Our view.** Bharti's wireless business is back on the growth path, as evident in robust volume growth and moderation in ARPM decline. We expect moderate upgrades to our/consensus estimates. Retain Buy.

Bharti Airtel: Consolidated 1QFY11 results (IFRS)

Year end Mar, Rsm	4QFY10	1QFY11	% qoq	1QFY10	1QFY11	% yoy
Sales	107,491	122,308	13.8	104,143	122,308	17.4
EBITDA [a]	41,340	45,122	9.1	42,974	45,122	5.0
EBITDA margin (%)	38.5	36.9	(157)bps	41.3	36.9	(437)bps
Net Interest expense	356	(4,198)		1,284	(4,198)	
Depreciation	(16,953)	(19,467)	14.8	(14,753)	(19,467)	32.0
Other income, XO	(331)	(739)		(21)	(739)	
PBT	24,412	20,719	(15.1)	29,484	20,719	(29.7)
Tax	(3,415)	(3,750)		(4,305)	(3,750)	
Effective tax rate (%)	14.0	18.1		14.6	18.1	
PAT	20,443	16,816	(17.7)	24,745	16,816	(32.0)

Source: Company [a] Excluding acquisition related costs, which are included in other income

Anand Rathi Financial Services, its affiliates and subsidiaries, do and seek to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Disclosures and analyst certifications are located in Appendix 1.

Rating: **Buy**

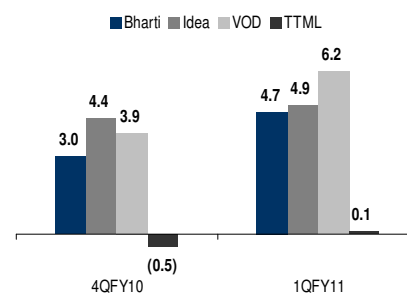
Target Price: Rs350

Share Price: Rs320

Key data	BHARTI IN/ BRTI.BO
52-week high/low	Rs467 / Rs230
Sensex/Nifty	18070 / 5421
3-m average daily volume	US\$50.9m
Market Cap	Rs1214bn / US\$26bn
Shares outstanding	3798m
Promoter holding (%) [a]	67.9
Free float (%)	32.1
- Foreign institutions	16.7
- Domestic institutions	8.8
- Others	6.6

[a] Promoters include Mittal family and Singtel

QoQ wireless revenue growth (%)



Source: Company, Anand Rathi Research

11 August 2010

Motherson Sumi Systems

Sustains yoy growth momentum, outlook robust; Buy

Rating: Buy

Target Price: Rs192

Share Price: Rs177

- SMR turnaround, low base drives 1Q growth.** The SMR turnaround 2HFY10 onwards and the lower base of 1QFY10 drove MSS's 1Q profit growth. As a result, consolidated profit grew 162.4% yoy (though 34.7% lower qoq). The performance would have been even better if not for unfavourable currency movement and higher deferred tax charge. We re-iterate a Buy.
- Good standalone performance.** Standalone revenue rose 58.5% yoy, while the EBTDA margin improved 30bp yoy to 14.4%; EBITDA growth was 61% yoy. Higher tax outflow on account of charge of deferred tax to the P&L account (on FCCB conversion) resulted in adjusted profit increasing by 43.1% yoy.
- SMR drives ahead steadily.** SMR sustained its recovery; but the EBITDA margin, at 7.2%, was 150bp lower qoq. Growth outlook is good; implementation of new orders is set to begin in CY11. Revenue growth was however impacted by unfavourable currency movement. MSS's share of SMR profit in 1Q was Rs127m. Overall consolidated profit rose 162.4% yoy to Rs624m.
- Valuation.** We expect MSS to benefit from the earnings-growth trajectory (a two-year 47.4% CAGR), full FCCB conversion, high possibility of new orders at SMR, and continuing domestic growth. We maintain a Buy, with a target price of Rs192. Risks: uncertainty in Europe, which may impact demand, currency risk and the complicated company structure.

Key data	MSS IN /MOSS.BO
52-week high/low	Rs184/Rs72
Sensex/Nifty	18046/5413
3-m average volume	US\$1.7m
Market cap	Rs68.6bn/US\$1.5bn
Shares outstanding	387.5m
Free float	34.81%
Promoters	65.19%
Foreign Institutions	8.20%
Domestic Institutions	10.16%
Public	16.45%

Consolidated quarterly results

Year end 31 March	1QFY10	1QFY11	% yoy	FY09	FY10	% yoy
Net Sales (Rsm)	14,421	19,049	32.1	26,397	69,240	162.3
EBITDA (Rsm)	862	1,899	120.2	3,278	6,301	92.2
EBITDA margin (%)	6.0	10.0	400bps	12.4	9.1	-330bps
Interest (Rsm)	133	115	-13.7	354	620	75.0
Depreciation (Rsm)	571	582	2.0	979	2,601	165.7
Other income (Rsm)	16	31	91.4	50	129	159.5
Extraordinary income	-159	-38	-76.0	566	219	-61.3
PBT (Rsm)	16	1,195	7,324.8	2,560	3,428	33.9
Tax (Rsm)	145	475	228.2	349	1,094	213.6
Adjusted PAT (Rsm)	238	624	162.4	1,310	2,252	71.9

Source: Company, Anand Rathi Research

Consolidated financials

Year end 31 March	FY11e	FY12e
Sales (Rsm)	81,536	102,221
Net profit (Rsm)	3,714	4,892
EPS (Rs)	9.6	12.6
Growth (%)	64.9	31.7
PE (x)	18.5	14.0
PBV (x)	5.4	4.1
RoE (%)	35.0	36.0
RoCE (%)	24.5	28.1
Dividend yield (%)	1.1	1.3
Net gearing (%)	74.6	71.7

Source: Bloomberg, Anand Rathi Research

Anand Rathi Financial Services, its affiliates and subsidiaries, do and seek to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Disclosures and analyst certifications are located in Appendix 1.

11 August 2010

Nestlé India

Analyst meet takeaways; maintain Sell

Rating: **Sell**

Target Price: Rs2416

Share Price: Rs2840

- **Reiterate Sell.** Though Nestlé reported strong volume growth in 1HCY10 and is likely to benefit from lower food prices, we believe valuations are expensive and do not expect the premium to expand. We reiterate Sell, with target price of Rs2,416/share.
- **Double-digit volume growth in major segments.** Management indicated that volumes of the three main segments (ex milk products and nutrition) increased over 25%. Domestic and exports volumes grew 17.9% and 29.3% respectively. Overall, the company achieved volume growth of 18.4% in 1HCY10.
- **Sharper focus on chocolates.** Nestlé has intensified focus on chocolates and launched new variants and SKUs in the segment. It re-launched two brands – Bar One and Milky Bar – and resumed advertising for these after five years. It targets investing in kiosks in general & modern trade, and expand its distribution network.
- **Lower ad spend not reflective of brand-building activities.** Management indicated that some expenses such as extra grammage are reflected in raw materials; and others such as price-offs, and distributor and retailer schemes are reduced from revenues. As advertising infant food (30% of sales) is not permitted, ad spend-to-sales is lower than peers.
- **Valuation.** We retain Sell on Nestlé, with target price of Rs2,416, based on target CY12e P/E of 25x. Our target P/E is at 65% premium to the 12-month forward Nifty P/E (average past 10-year premium is also 65%.) Current premium stands at 103%.

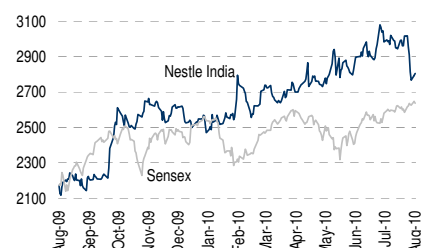
Key data	NEST IN/NEST.BO
52-week high/low	Rs3300/Rs2082
Sensex/Nifty	18070/5413
3-m average volume	US\$1.9m
Market cap	Rs27bn/US\$6bn
Shares outstanding	96m
Free float	38.1%
Promoters	61.9%
Foreign Institutions	10.6%
Domestic Institutions	9.3%
Public	18.2%

Key financials

YE 31 Dec	CY07	CY08	CY09	CY10e	CY11e
Sales (Rsm)	35,044	43,242	51,294	60,436	71,114
Net profit (Rsm)	4,292	5,539	6,851	7,974	9,319
EPS (Rs)	44.5	57.4	71.1	82.7	96.7
Growth (%)	36.0	29.1	23.7	16.4	16.9
PE (x)	63.8	49.4	40.0	34.3	29.4
PBV (x)	61.2	53.7	44.6	37.3	29.4
RoE (%)	100.4	115.7	122.0	118.4	111.8
RoCE (%)	147.5	167.6	171.0	164.4	155.3
Dividend yield (%)	1.2	1.2	1.7	2.1	2.3
Net gearing (%)	(21.7)	(49.2)	(34.8)	(33.8)	(28.9)

Source: Company, Anand Rathi Research

Relative price performance



Source: Bloomberg

Anand Rathi Financial Services Limited does and seeks to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Disclosures and analyst certifications are located in Appendix 1

11 August 2010

Amtek Auto

Growth momentum, margins maintained; retain Buy

Rating: Buy

Target Price: Rs254

Share Price: Rs183

- **Qoq recovery trend sustains.** Amtek continued on the recovery path, with sales and profit growing for the third consecutive quarter. Sales grew 29.6% yoy and 2.6% qoq to Rs9.6bn, driven by domestic demand. We expect domestic demand to be the key driver for Amtek going forward as well. Maintain Buy.
- **Domestic operations driving growth.** Good domestic auto demand sustained performance of the company's Indian operations. Both Amtek Auto (standalone) and Ahmednagar Forgings recorded good qoq and yoy revenue growth, while sustaining decent EBITDA margins.
- **Overseas performance – Mixed trend.** Amtek's overseas operations – GWK, Smith Jones and Zelter – continued to witness pressure on profitability, although Zelter witnessed sequential recovery in EBITDA margin.
- **Positives ahead.** Amtek's EBITDA margin sustained at 22.5% (flat qoq and up 30bps yoy). Lowering costs at overseas operations carried out in FY10 would continue to garner benefits for the company in FY11 as well.
- **Valuation.** We retain our positive stance on Amtek Auto. The stock trades at 12.3x FY11e. Risks are a delayed recovery in overseas demand and lower domestic auto sales.

Key data	AMTK IN / AMTK.BO
52-week high/low	Rs239/Rs133
Sensex/Nifty	18220/5461
3-m average volume	US\$2.0m
Market cap	Rs35.9bn/US\$0.8bn
Shares outstanding	201.7m
Free float	68.62%
Promoters	31.38%
Foreign Institutions	35.35%
Domestic Institutions	13.12%
Public	20.15%

Consolidated Quarterly results

Year end 30 June	4Q FY09	4Q FY10	% yoy	FY09	FY10	% yoy
Sales (Rsm)	7,379	9,562	29.6	33,211	35,405	6.6
EBITDA (Rsm)	1,642	2,155	31.3	5,891	7,555	28.3
EBITDA margin (%)	22.2	22.5	29bps	17.7	21.3	360bps
Interest (Rsm)	428	539	25.8	1,523	1,928	26.6
Depreciation (Rsm)	796	809	1.7	2,728	3,098	13.6
Other income (Rsm)	329	386	17.4	685	1,480	116.0
Extraordinary income	-490	112	-122.9	-490	112	-122.9
PBT (Rsm)	1,237	1,082	-12.6	2,814	3,897	38.5
Tax (Rsm)	442	394	-10.9	849	1,243	46.4
Adjusted PAT (Rsm)	255	669	162.7	1,299	2,425	86.7

Source: Company

Consolidated Financials

Year end 30 June	FY11e	FY12e
Sales (Rsm)	41,563	52,581
Net profit (Rsm)	3,012	4,477
EPS (Rs)	14.9	22.2
Growth (%)	24.2	48.6
PE (x)	12.3	8.2
PBV (x)	1.0	0.9
RoE (%)	9.9	13.6
RoCE (%)	10.4	14.0
Dividend yield (%)	0.6	0.7
Net gearing (%)	49.0	48.3

Source: Anand Rathi Research

Anand Rathi Financial Services, its affiliates and subsidiaries, do and seek to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Disclosures and analyst certifications are located in Appendix 1.

12 August 2010

Derivatives

- Index.** Spot collapsed post noon trade reacting to the sell-off in European indices for the second consecutive day. NMF basis was beaten down to a discount was trading at a premium. Trading activity was largely F&O based as volumes spiked up to *Rs914bn* (up 18%).
- Nifty Futures.** Participation remained robust at *20m shares* (up 25%) as traders turned active. Futures added *1m shares* in OI.
- Nifty Options.** The A-T-M 5400CE (+*1.1m shares*) and the deep O-T-M 5600CE (+*1m shares*) were written aggressively. On the other hand O-T-M 5200PE (+*0.7m shares*), 5300PE (+*0.5m shares*) and 5100PE (+*0.4m shares*) saw additions. Surprisingly, the PCROI remained stagnant at 1.40 despite the selloff. Positions are high in the Aug 5500-5600CEs (*8m shares & 10m shares respectively*) and the 5300-5400PEs (*11.3m shares & 8.3m shares*).
- Institutional Activity.** Both FIIs and DFIs activity was negligible; FIIs were net sellers of *Rs0.9bn*, while DFIs were net buyers of *Rs0.2bn* in the provisional cash segment. FII's index futures activity saw fresh shorts (*-0.9m shares*) and long closures (*-0.6m shares*).
- Index View.** The likely scenario playing out is consolidation within 5350-5500 band. Expect 5350 would act as a key intermediate support which has held over past one month (*supported Nifty on three different occasions*).

Futures Open Interest

Rs685bn

Index Highlights

Nifty	11-Aug	10-Aug
Spot	5420.6	5460.7
Near Fut.	5411.9	5461.0
Mid Fut.	5419.8	5465.7
Near Basis	-8.7	+0.3
Mid Basis	-0.9	+5.0
Near OI (m sh)	33.4	32.5
Mid OI (m sh)	2.5	2.4

Sentiment Indicators

Particulars	11-Aug	10-Aug
PCR OI	1.4	1.4
PCR Vol.	1.1	1.2
Historical Volt.	14.0	13.9
IV Call	14.4	13.7
IV Put	17.4	17.4

Nifty Open Interest Gainers

Symbol	Price (%)	Fut OI (%)
Idea	0.8	16.9
Ambuja	0.7	14.4
Tata Motors	5.2	10.6
BHEL	0.0	10.3
IDFC	-2.6	10.2

Nifty Open Interest Losers

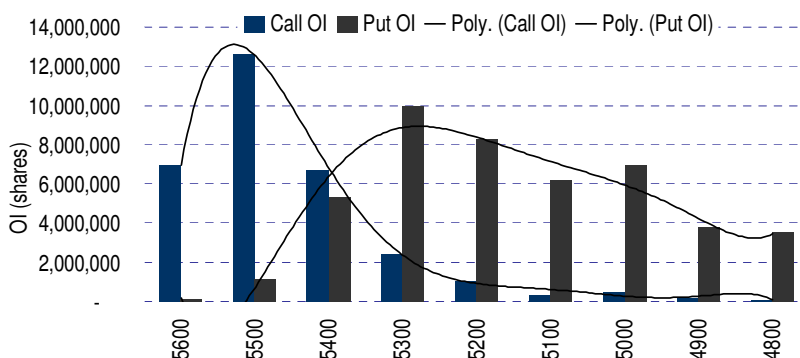
Symbol	Price (%)	Fut OI (%)
Jindal Steel	3.3	12.1
GAIL	1.2	9.0
HCL Tech	-1.5	2.8
M&M	-2.2	2.1
DLF	-1.5	2.1

FII F&O Net Activity (Rs bn)

Symbol	11-Aug	10-Aug
Ind. Futures	-8.4	-3.3
Ind. Options	17.4	4.9
Stk. Futures	-2.8	0.5
Stk. Options	-1.0	-0.6
Net (Rs bn)	5.2	1.5

Source: NSE

Nifty Option O.I. Distribution



Source: NSE, BSE, Anand Rathi Research

Anand Rathi Financial Services, its affiliates and subsidiaries, do and seek to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Disclosures and analyst certifications are located in Appendix 1.

Quarterly Results Monitor

Company Name	Result Date	Est. PAT (Rsm)	YoY (% chg)	QoQ (% chg)	Act. PAT (Rsm)	Act/ Est (% chg)	Company Name	Result Date	Est. PAT (Rsm)	YoY (% chg)	QoQ (% chg)	Act. PAT (Rsm)	Act/ Est (% chg)
IndusInd Bank	7-Jul-10	1,171	35.4	19.6	1,186	1.2	Bank of Baroda	29-Jul-10	7,666	11.9	(15.4)	8592	12.1
Infosys Techn	13-Jul-10	15,730	3.0	0.9	14,880	(5.4)	C B I	29-Jul-10	2,998	12.4	74.6	3,369	12.4
HDFC	14-Jul-10	7,135	26.3	(23.0)	6,946	(2.6)	Elgi Equipments	29-Jul-10	149	52.3	39.0	192	28.9
Infotech Enterp	14-Jul-10	374	(19.1)	(27.1)	329	(12.1)	H C L Techn	29-Jul-10	3,288	(0.5)	(4.4)	3,418	4.0
South Indian Bank	14-Jul-10	677	12.6	75.3	584	(13.7)	HDIL	29-Jul-10	1,568	45.9	(11.8)	2,343	49.4
Axis Bank	15-Jul-10	6,650	18.3	(13.1)	7,419	11.6	Hero Honda	29-Jul-10	5,715	14.3	(4.6)	4,917	(14.0)
Polaris Software	15-Jul-10	467	46.8	2.2	466	(0.3)	ONGC	29-Jul-10	36,276	(25.2)	8.8	36,611	0.9
TCS	15-Jul-10	18,129	19.2	(6.1)	18,442	1.7	Petronet LNG	29-Jul-10	1,074	4.0	10.4	1,114	3.7
Canara Bank	17-Jul-10	6,499	17.0	29.2	10,134	55.9	Siemens	29-Jul-10	2,057	22.5	13.6	1,561	(24.1)
Colgate	17-Jul-10	1,149	11.8	0.4	1,220	6.2	UltraTech Cement	29-Jul-10	2,349	(43.8)	2.8	2,427	3.3
Crompton Greaves	19-Jul-10	1,735	8.2	(35.8)	1,909	10.0	A B B	30-Jul-10	1,418	69.7	96.5	540	(61.9)
H D F C Bank	19-Jul-10	8,078	33.3	(3.4)	8,117	0.5	BGR Energy	30-Jul-10	265	30.8	(75.6)	605	128.6
Birla Corp.	21-Jul-10	1,111	(28.5)	(19.2)	1,183	6.5	BPCL	30-Jul-10	4,217	(31.3)	(16.5)	(17180)	(507.4)
J Kumar Infra	21-Jul-10	161	30.0	(22.5)	158	(1.8)	Emami	30-Jul-10	153	666.7	(68.5)	353	130.2
TVS Motor	21-Jul-10	467	153.4	(13.0)	402	(13.9)	Hindustan Constr	30-Jul-10	287	(7.8)	(27.3)	312	8.8
Yes Bank	21-Jul-10	1,485	48.4	6.0	1,564	5.3	Orient Paper & Inds.	30-Jul-10	337	0.6	(38.6)	342.4	1.7
A C C	22-Jul-10	3,554	(26.8)	(12.3)	3,589	1.0	Pratibha	30-Jul-10	201	43.6	(4.1)	162	(19.2)
Ambuja Cements	22-Jul-10	4,140	27.5	(6.4)	3,912	(5.5)	Reliance Power	30-Jul-10	728	(72.3)	(21.2)	1,954	168.2
Bajaj Auto	22-Jul-10	5,823	87.6	3.4	5,902	1.4	Bank of India	31-Jul-10	5,952	1.9	39.1	7,251	21.8
IDBI Bank	22-Jul-10	2,384	38.8	(25.1)	2,509	5.2	Era Constructions	31-Jul-10	709	34.2	14.0	591	(16.6)
Idea Cellular #	22-Jul-10	1,970	(33.7)	27.4	2,014	2.2	Grasim Industries	31-Jul-10	5,926	(31.6)	(1.7)	5,305	(10.5)
P N B	22-Jul-10	10,367	24.6	(8.7)	10,683	3.0	I C I C I Bank	31-Jul-10	10,118	15.2	0.6	10,260	1.4
Areva T&D	23-Jul-10	595	13.4	1614.8	322	(45.8)	G A I L (India)	2-Aug-10	8,284	26.3	(9.1)	8,869	7.1
BHEL	23-Jul-10	5,972	26.9	(68.7)	6,677	11.8	GSK Consumer	2-Aug-10	641	16.2	(33.3)	78	(87.8)
HPCL	23-Jul-10	4,080	(37.1)	(46.1)	(18,843)	(561.8)	Nestle	2-Aug-10	1,814	9.3	(10.1)	1,948	7.4
Jaiprakash Associ	23-Jul-10	2,269	4.0	(7.6)	1,058	(53.4)	India Cements	3-Aug-10	310	(78.5)	(19.2)	108	(65.2)
JSW Energy	23-Jul-10	1,919	219.0	(6.3)	2,983	55.4	IDFC	4-Aug-10	3,277	20.3	43.7	3,197	(2.4)
Wipro Ltd.	23-Jul-10	12,119	19.9	(0.1)	13,185	8.8	Power Grid	6-Aug-10	4,883	(10.7)	(21.8)	7,032	44.0
IOC	24-Jul-10	12,905	(65.0)	(76.8)	(33,884)	(362.6)	GMR Infrastructure	7-Aug-10	126	(43.9)	(82.7)	280	121.5
Maruti Suzuki India	24-Jul-10	6,867	17.7	4.6	5,110	(25.6)	Tulip Telecom	9-Aug-10	769	2.5	(3.2)	642	(16.6)
I T C	25-Jul-10	9,305	5.9	(9.5)	10,703	15.0	IVRCL Infra	10-Aug-10	448	27.6	(47.5)	281	(37.3)
Marico	25-Jul-10	696	16.0	20.1	747	7.3	NCC	10-Aug-10	474	24.0	(23.8)	414	(12.6)
Hindustan Unilever	26-Jul-10	5,115	(4.7)	21.3	5,184	1.4	Relta India	10-Aug-10	691	(9.4)	3.0	691	0.0
HSIL	26-Jul-10	121	400.4	(61.0)	135	11.9	Bharti Airtel	11-Aug-10	19,603	(22.1)	(4.6)	19,048**	(2.8)
N T P C	26-Jul-10	23,929	9.1	18.6	18,419	(23.0)	Ranbaxy Lab	12-Aug-10	1,818	(73.8)	(35.3)		
Tech Mahindra	26-Jul-10	1,913	36.5	(15.7)	1,444	(24.5)	Tata Power Co.	12-Aug-10	4,811	(12.9)	4.0		
Union Bank	26-Jul-10	4,739	7.2	(20.1)	6,014	26.9	Mphasis	25-Aug-10	2,649	15.5	(0.9)		
Ashok Leyland	27-Jul-10	1,324	(451.7)	(40.6)	1,226	(7.4)	Ackruti City		748	646.6	38.1		
Cairn India	27-Jul-10	6,668	1366.4	171.9	2,814	(57.8)	Cipla		2,833	17.2	(3.2)		
Larsen & Toubro	27-Jul-10	6,603	16.0	(51.0)	6,662	0.9	Core Projects		511	26.6	(6.6)		
OIL India	27-Jul-10	6,892	(6.8)	59.9	5,011	(27.3)	Everest Kanto		88	(65.3)	(69.5)		
Reliance Industries	27-Jul-10	46,487	27.9	(1.3)	48,510	4.4	Nitin Fire		174	76.7	12.2		
Allied digital	28-Jul-10	320	40.7	3.2	331	3.4	Reliance Comm #		4,066	(58.4)	(17.8)		
Asian Paints	28-Jul-10	2,144	19.1	0.3	2,222	3.6	Sanghvi Movers		257	12.6	3.3		
D L F	28-Jul-10	4,010	5.5	(20.8)	4,056	1.1	Shree Cement		1,483	(49.1)	(307.7)		
Dabur	28-Jul-10	1,140	25.2	(14.3)	1,068	(6.3)	Simplex Infra		374	45.9	(18.5)		
Godrej consumer	28-Jul-10	852	22.2	(7.2)	861	1.1	State Bank Of India		24,472	5.0	31.1		
M & M	28-Jul-10	5,097	27.2	(11.0)	5,624	10.3	Suzlon Energy		459.3	(110.3)	(124.3)		
Patni	28-Jul-10	1,341	(2.0)	(10.4)	1,473	9.8	Tata Motors		3817.4	90.8	(17.0)		
Sun Pharma	28-Jul-10	3,931	165.2	3.6	5,643	43.6	Unitech		1781.6	12.9	(0.7)		
Welspun Corp	28-Jul-10	1,700	51.9	2.0	1,906	12.1							
Aban Offshore	29-Jul-10	1,482	79.2	731.7	-1,439	(197.1)							

Source: Anand Rathi Research, *Bloomberg estimates # Adjusted PAT ** Excludes Zain Africa, Net Profit including Zain Africa was Rs16,816m

Appendix 1

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi Research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors, firm revenues and overall investment banking revenues.

Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps (>US\$1bn) and Mid/Small Caps (<US\$1bn) as described in the Ratings Table below.

Ratings Guide

	Buy	Hold	Sell
Large Caps (>US\$1bn)	>20%	5-20%	<5%
Mid/Small Caps (<US\$1bn)	>30%	10-30%	<10%

Anand Rathi Research Ratings Distribution (as of 20 July 10)

	Buy	Hold	Sell
Anand Rathi Research stock coverage (114)	66%	14%	20%
% who are investment banking clients	8%	0%	0%

Other Disclosures

This report has been issued by Anand Rathi Financial Services Limited (ARFSL), which is regulated by SEBI.

The information herein was obtained from various sources; we do not guarantee its accuracy or completeness. Neither the information nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities ("related investments"). ARFSL and its affiliates may trade for their own accounts as market maker / jobber and/or arbitrageur in any securities of this issuer(s) or in related investments, and may be on the opposite side of public orders. ARFSL, its affiliates, directors, officers, and employees may have a long or short position in any securities of this issuer(s) or in related investments. ARFSL or its affiliates may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. This research report is prepared for private circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report.

This document is intended only for professional investors as defined under the relevant laws of Hong Kong and is not intended for the public in Hong Kong. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. No action has been taken in Hong Kong to permit the distribution of this document. This document is distributed on a confidential basis. This document may not be reproduced in any form or transmitted to any person other than the person to whom it is addressed.

If this report is made available in Hong Kong by, or on behalf of, Anand Rathi Financial Services (HK) Limited., it is attributable to Anand Rathi Financial Services (HK) Limited., Unit 1211, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong. Anand Rathi Financial Services (HK) Limited. is regulated by the Hong Kong Securities and Futures Commission.

Anand Rathi Financial Services Limited and Anand Rathi Share & Stock Brokers Limited are members of The Stock Exchange, Mumbai, and the National Stock Exchange of India.

© 2010 Anand Rathi Financial Services Limited. All rights reserved. This report or any portion hereof may not be reprinted, sold or redistributed without the written consent of Anand Rathi Financial Services Limited.

Additional information on recommended securities/instruments is available on request.