

# Daily Market Outlook



6<sup>th</sup> Jan '2011

Global Equity Indices		
World Indices	Last Traded	Change
BSE Sensex	20,301.10	-0.96%
S&P Nifty	6,079.80	-1.08%
Dow Jones	11,691.18	0.18%
Nasdaq	2,681.25	-0.38%
S&P 500	1,270.20	-0.13%
FTSE 100	5,980.56	-0.55%
CAC 40	3,862.98	-1.35%
Nikkei 225	10,380.77	-0.17%
Hang Seng	23,757.82	0.38%
Shanghai	2,838.59	-0.49%
Taiwan Taixex	8,846.31	-1.68%

## Market Summary

Indian market faced sharp decline on account of heavy selling pressure from Banking and Realty stocks. Auto stocks also appeared weak while IT and FMCG maintained some strength. Sensex closed at 20301, down 197 points from its previous close, and Nifty shut shop at 6079, down 66 points. The CNX Midcap index was down 1.2% and the BSE Smallcap index was down 1.1%. The market breadth was negative with advances at 295 against declines of 1015 on the NSE. The top Nifty gainers were HCL Tech, Sesa Goa, GAIL and HUL and prime losers included Bajaj Auto, Hero Honda, DLF and IDFC. **The FII's were net buyers with investment worth Rs 717.76 Cr (prov. cash market fig)**

## Market Outlook

In the next session, 6029 may act as a strong support for NIFTY while 6110-6130 may act as a resistance zone. Traders are suggested to sell at rise as long as nifty is unable to stay above 6130. Banking stocks may face selling pressure at higher levels; Realty and AUTO again appear weak along with Capital Goods. IT, PHARMA and FMCG may maintain strength.

BSE Sector Indices		
Indices	Last Traded	Change
AUTO	9,964.24	-1.95%
BANKEKX	12,833.69	-2.19%
Con. Durables	6,402.33	-0.22%
Capital Goods	15,198.77	-1.60%
FMCG	3,782.88	0.72%
HealthCare	6,812.54	-0.14%
IT	6,843.58	0.34%
METAL	17,781.96	-0.61%
OIL&GAS	10,688.10	-0.44%
POWER	2,991.02	-0.56%
PSU	9,361.88	-1.05%
REALTY	2,780.89	-2.03%
TECK	4,038.76	-0.08%

	LTP	S3	S2	S1	R1	R2	R3
NIFTY	6079	6000	6029	6060	6110	6130	6170
SENSEX	20301	19880	20000	20240	20444	20666	20900



## Trading Strategy

S.N.	TRADE	SCRIP SYMBOL	ENTER	STOP LOSS (Rs)	TARGET (Rs)
1	Sell	Banknifty Fut	Below 11325	Above 11375	11275-11220
2	Sell	Nifty Fut	Below 6095	Above 6125	6065-6035
3	Sell	ICICI Bank Fut	Below 1070	Above 1081	1056-1042
4	Sell	HDIL Fut	Below 185	Above 188	182-178
5	Sell	Maruti Fut	Below 1410	Above 1423	1397-1388
6	Sell	BPCL (Rs.)	Below 723	Above 736	710-700
7	Buy	Jindal Saw (Rs.)	Around 200-202	Below 195	212-216
8	Sell	ABGSHIP (Rs.)	Below 414	Above 420	407-400

Note: \*\* Follow all calls after 5 minutes from opening bell.

\*\*Traders are suggested to follow strictly the stop loss given in each call

## FII's and DII's Activities (in Rs Cr.)

Date	FII's & DII Flow (BSE+NSE)		
	FII's	DII's	Net Inflow
3-Jan-11	427.5	-124.01	303.49
31-Dec-10	616.7	-121.77	494.93
30-Dec-10	2352.7	-848.29	1504.41
29-Dec-10	605	-170.34	434.66
28-Dec-10	149.4	-265.36	-115.96
27-Dec-10	266.3	-113.89	152.41
24-Dec-10	35.6	-296.56	-260.96

## Expected Bullish Stocks

Tatapower	Suzlon	Jindalsaw	APIL	Ntpc	JINDALSAW
Tcs	Mphasis	Wipro`	Hcltech	Reliance	Drreddy
Hul	GLENMARK	ITC	Ranbaxy	Mundraport	Geship

## Expected Bearish Stocks

ALBK	BAJAJ-AUTO	MARUTI	ABB	HDIL	DLF
HINDOIL	HDFC	RECLTD	OPTOCIRCUI	HPCL	IOC
BANKBARODA	IDEA	UNIPHOS	ZEEL	Ongc	Jindalswh

## Follow-up for Technical Calls given as on 5<sup>th</sup> Dec'10

S.N.	TRADE	SCRIP SYMBOL	ENTER	STOP LOSS	TARGET	RESULT
1	Sell	Banknifty fut	Below 11570	Above 11630	11510-11450	Both target hit
2	Buy	Nifty Fut	Around 6110	Below 5990	6140-6175	Stop loss Triggered
3	Sell	Hdfcbank Fut	Below 2338	Above 2358	2318-2300	Both target almost hit
4	Sell	Bajaj-auto Fut	Below 1429	Above 1450	1409-1392	Both target hit
5	Buy	APIL Fut (Rs.)	Above 733	Below 722	744-759	1 <sup>st</sup> target hit
6	Sell	BPCL (Rs.)	Below 750	Above 761	739-722	1 <sup>st</sup> target hit
7	Sell	Jetairways (Rs.)	Below 743	Above 755	731-722	Stop loss Triggered
8	Buy	Reliance (Rs.)	Around 1070	Below 1057	1088-1100	1 <sup>st</sup> target hit

## Fundamental Picks

Investors with a horizon of 6-12 months can consider following scrips for their investment. These companies have potential to give higher returns than index over a long term.

Bhushan Steel	SAIL	TATA Steel	JSW Steel
McNally Bharat	Coal India	HCC	KPR Mills
Sangam India Ltd	Garware Polyester Ltd	TT Ltd	Kajaria Ceramics Ltd
Sutlej Textiles Ltd	Banswara Syntex Ltd	Orient Ceramics Ltd	Shivam Autotech Ltd
UTV Software Ltd	RSWM Ltd	Genus Power Ltd	United Phosphorus Ltd
Nahar Spinning Mills Ltd	MphasiS Ltd	Allied Digital Services Ltd	DIC India Ltd
Dena Bank Ltd	GEI Industrial Systems Ltd	TNPL	Indoco Remedies Ltd
JK Paper Ltd	Ballarpur Industries Ltd	Arti Drugs	Monnet Ispat
Biocon	Visaka Industries	Munjal Showa	Jindal Saw Ltd
TRIL			

Find the detailed report on - <http://www.fairwealth.in/Research.aspx?Type=Fundamental>

- TATA Steel has achieved its target of 708

## Corporate Highlights

- Indian automaker **Mahindra and Mahindra** will raise vehicle prices by an average 1% in the next 2-3 days. The increase will be across products and has become necessary to offset rising input costs.
- India's top engineering and construction company, **Larsen & Toubro**, has started a restructuring plan to split the conglomerate into nine companies. Each of the nine "independent companies" will manage its own profit and loss account and have a separate chief executive, chief financial officer and human resources head.
- In line with an up to Rs 200 hike in fuel surcharge on domestic travel by two private carriers, state-run **Air India** today increased the same across its domestic sectors by a similar amount. Air India has raised fuel surcharge by Rs 100 for travel up to 750 km and Rs 200 for flights over 750 km.
- Travel operator **Cox & Kings Ltd** expects to close out acquisitions of travel firms in the US and Europe by the end of this fiscal. The tour operator is sitting on liquid funds of over Rs 1,000 Crore predominantly marked for acquisitions.
- India's third largest private sector bank, **Axis Bank**, today announced the launch of AxisDirect, an online trading platform, marking their foray into retail broking business. AxisDirect is a product of Axis Securities and Sales, a 100% subsidiary of Axis Bank.

## Economic Updates

The Reserve Bank of India (RBI) is expected to raise key rates by at least 25 basis points by the end of this month to tackle rising inflationary pressures, while analysts expect a total of 75 basis points increase in rates in 2011. Median forecasts for January have been upwardly revised by 25 basis points since the last poll in mid-December as food and fuel prices push up inflation.

## Forthcoming Results

06-Jan-11	GM Breweries			
07-Jan-11	Innovative Tech	Kilburn Chem	Network	Wisec Global

## Forthcoming Corporate Actions

Scrip Name	Ex-Date	Purpose
Dynacons Sys	06 Jan 2011	Scheme of Arrangement
KMC Spec Hosp	06 Jan 2011	Right 12:1
Prism Info	06 Jan 2011	Stock Split from Rs. 10/- to Re. 1/-
Balaji Dist	07 Jan 2011	Scheme of Arrangement
Tulsi Extr	07 Jan 2011	BONUS 1:10
Sujana Towers	10 Jan 2011	Stock Split from Rs.5/- to Re.1/-
Elgi Rubber	11 Jan 2011	Amalgamation

## Forthcoming dividends

Scrip Name	Ex-Date	Amount
Esab India	06 Jan 2011	2nd Interim Dividend
Tata Coffee	06 Jan 2011	Interim Dividend
NELCO	07 Jan 2011	Dividend
NELCO	07 Jan 2011	Special Dividend

## Global Scenario: US Data

Date	Statistic	For	Actual	Market Expects	Prior	Remarks
3-Jan	Construction Spending	Nov	0.4%	0.20%	0.70%	Decreased
3-Jan	ISM Index	Dec	57	57.3	56.6	Increased
4-Jan	Factory Orders	Nov	0.7%	-0.40%	-0.90%	Increased
4-Jan	Auto Sales	Jan	-	3.7M	3.8M	-
4-Jan	Truck Sales	Jan	-	NA	5.5	-

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4-Jan	Truck Sales	Jan	-	5.3M	5.5M	-
5-Jan	MBA Mortgage Purchase Index	31-Dec	-	NA	-18.60%	-
5-Jan	Challenger Job Cuts	Dec	-	NA	-3.30%	-
5-Jan	ADP Employment Change	Dec	-	100K	93	-
5-Jan	ISM Services	Dec	-	55.7	55	-
5-Jan	Crude Inventories	1-Jan	-	NA	-1.26M	-
6-Jan	Initial Claims	1-Jan	-	405K	388K	-
6-Jan	Continuing Claims	25-Dec	-	4070K	4128K	-

Figures and information are taken from [www.bseindia.com](http://www.bseindia.com), [www.Bloomberg.com](http://www.Bloomberg.com) and [capitaline database](http://capitaline.com).

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