



Sell Glenmark; Switch over from Nagarjuna Construction

Glenmark Pharmaceuticals.

Glenmark Pharma could be sold at the current rates and one could expect a lower price of Rs.125 in a one-year term.

Deteriorating credit cycles appear to be the principal risk at the current price level. CRISIL has recently downgraded the company's credit rating.

The stock is currently valued at 14.1 P/E of FY09 earnings and at 19.3P/E of FY10 earnings.

Nagarjuna Construction

Considering the risk – reward scenario, it looks better to switch over from Nagarjuna Construction to IVRCL Infrastructure Ltd.

Besides disappointing performance for FY09, Nagarjuna had to cancel two orders worth Rs. 1570 crore during the earlier quarter.

One may hold the stock with a long-term view but the valuation appears to be on the higher side at the current level. From the recent price of RS.130, the stock may move down to Rs. 123 range within the next one year.

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