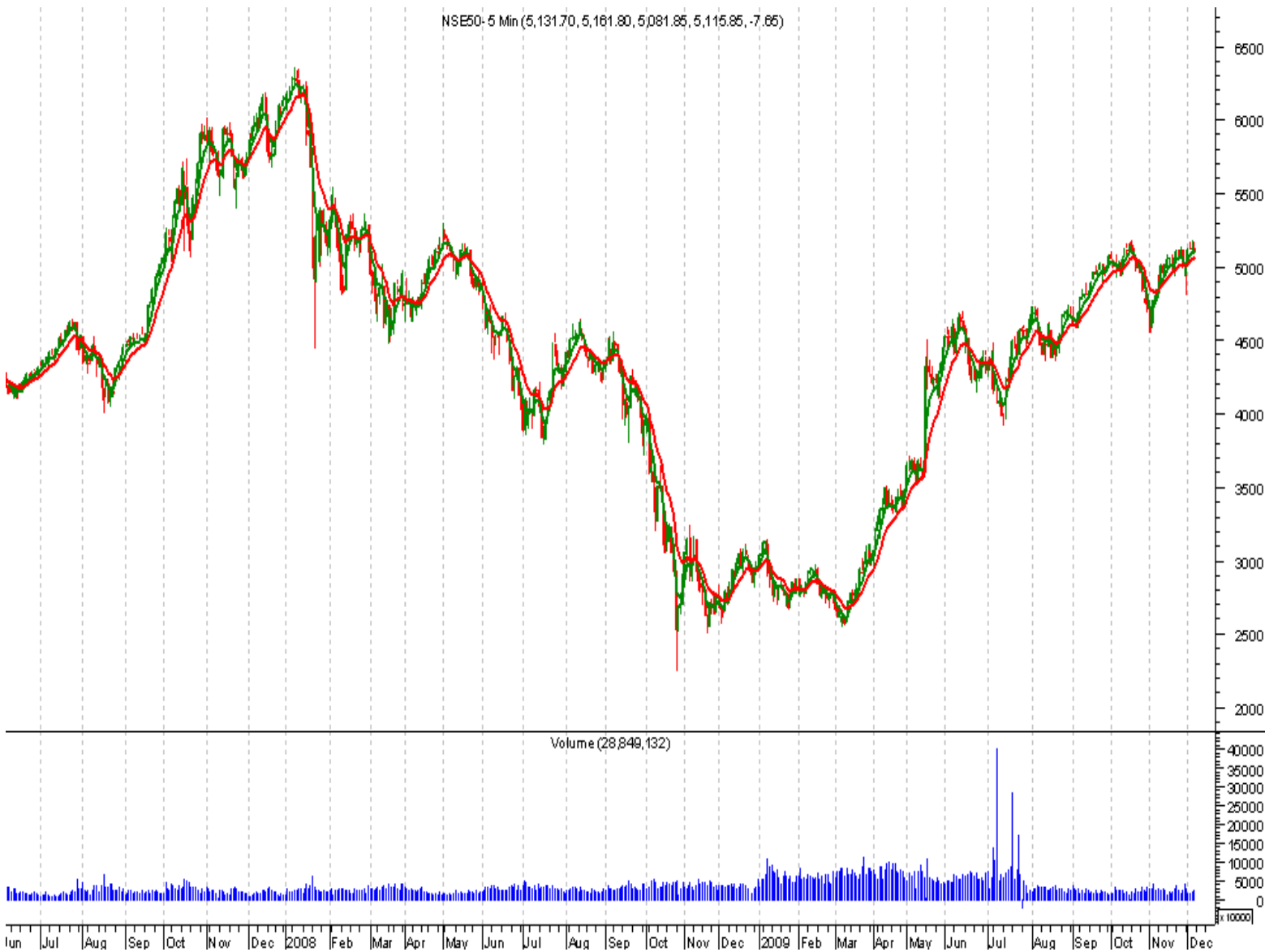




Technical Analysis

Correction is expected

Nifty commenced the week on a positive note opening around 53 points higher than the previous week's closing and ended on a flat note holding on to the 5,100 levels. However, it consolidated within a range of 5000-5180 throughout the week and was struggling to find direction on either side. Also, volatility was the order of the week on the back of mixed global cues. Nifty is expected to correct in the coming week as the bulls tried to breach the higher levels many times this week but failed to carry the momentum further. The F&O data is also supporting this view as maximum OI built up in the 5000 Put indicating a small range of correction with current VIX of 26.14. However, the movement of the global markets will remain the key factor in deciding the trend in the Indian markets. Nifty is likely to face stiff resistance at 5180-5200 levels and on downside the support is at 5075-5000 levels. If it moves downwards and break the support at 5075-5000 levels, it could further be dragged to 4950 levels. Buying could be witnessed in FMCG and Power stocks while selling pressure is likely to emerge in Realty, Pharma and Metal stocks.





Stocks to Watch

INDIAN OIL CORPORATION FUTURES (Buy)

Particulars	Rs.
CMP	309.9
Target Price	330
Stop Loss	299
Support-Resistance	290/328

Comment

- The stock has rebounded after undergoing a deep correction and has breached its resistance at 300 levels with good volumes indicating that it will move upwards from here.
- It has also confirmed its upward move as per the weekly chart. It formed a Doji candlestick last week which has been confirmed by a bullish candle this week.



RANBAXY (Sell)

Particulars	Rs.
CMP	504.4
Target Price	470
Stop Loss	521
Support-Resistance	465/540

Comment

- Its momentum indicators are supporting its downturn. It's RSI and Stochastic are in the overbought zone at 81 and 93 levels respectively.
- The stock has been rising steeply over the past few sessions and the correction in it is long overdue.





Indian Equity Market

Domestic bourses began the week on a cheerful note backed by favorable cues from the Asian markets and strong GDP numbers. Asian markets rose putting Dubai debt crisis behind after UAE central bank offered additional liquidity to local and international banks in the UAE. Better-than-expected GDP data also lifted the market mood. India's economy grew by 7.9% during the second quarter ended September 2009, from 7.1% in the previous year. Robust November 2009 sales numbers from auto majors such as Hero Honda and Maruti Suzuki also added to the positive sentiment. Market saw some marginal losses during the week on the back of profit taking. Indices remained flattish after economic adviser, C. Rangarajan and data showing a surge in food price inflation reinforced market expectation of a hike in cash reserve ratio by the central bank to suck out excess liquidity in the banking system. Market lost ground on the last day of the week on intense profit booking after a sharp rise in the last few sessions. Depressing cues from the US markets weighed on the sentiments. Anxiety over economic recovery after disappointing economic data by the US contributed to the downward journey. Key benchmark indices concluded the week posting sizeable gains. Sensex closed the week gaining 469.53 points (2.82%) at 17,101.54 and Nifty at 5,108.90 up by 167.15 points (3.38%).

FII's for December 2009 (till December 04, 09) were net buyers of Rs 4,950.50 crores. For the month of November 2009, FII's were net buyers to the tune of Rs 5,497 crores.

Nifty Top Gainers

Company	% Return
Ranbaxy	13.92
Tata Motors	12.76
Cipla	12.03

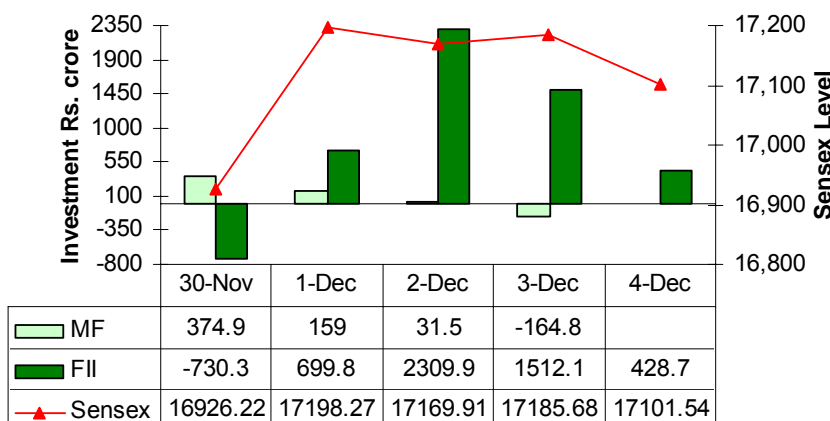
Nifty Top Loser

Company	% Return
Hero Honda	(4.68)
Hind. Unilever	(4.34)
BHEL	(0.86)

Daily Movement of Nifty

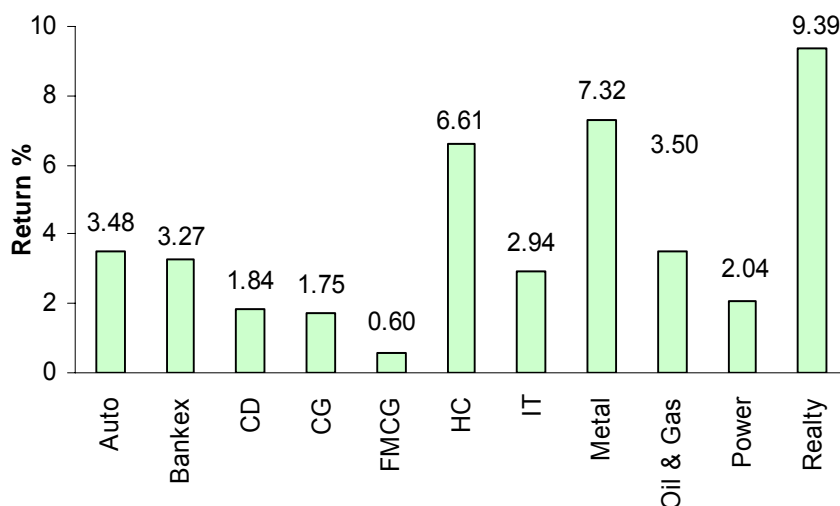


Daily Movement of Sensex, Net FIIs & MF investment



Source for FII & MF: Sebi

Weekly return on BSE Sectoral Indices



Weekly Price Movement of GDR

Security Name	Price (USD) as on 03-12-09	% change from 26-11-09
L&T	35.27	1.06
RIL	47.94	5.36
SBI	102.00	6.81

Weekly Price Movement of ADR

Security Name	Price (USD) as on 03-12-09	% change from 26-11-09
ICICI bank	37.50	-2.42
Infosys	51.99	-1.23
MTNL	3.17	-1.55
Rediff	2.58	-13.13
Sify	1.86	-2.62



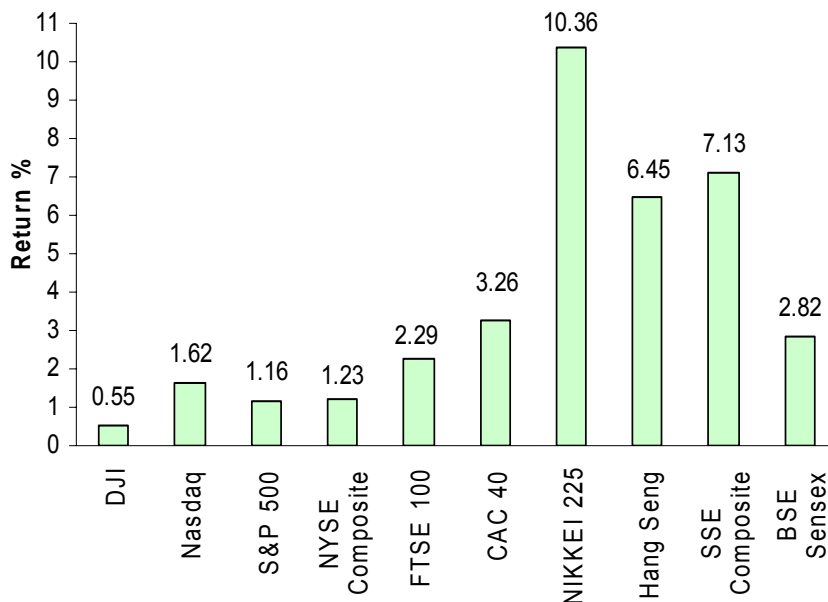
Global Equity Markets

US markets gained during the week (till Thursday) with assurance from the Central Bank of the United Arab Emirates that it would extend additional funds for local and foreign banks to cope with the financial crisis and a silver lining in the mixed economic data fueling the rally. Also, the Fed released its latest Beige Book report indicating that economic conditions generally improved by modest margins in recent weeks. However, investor's sentiment was deflated by November's comparable store sales data from the nation's largest retailers. Investors bought into stocks after the mixed economic data including jobless claims, pending home sales, activity in the manufacturing sector and service sector.

Asian markets posted noticeable gains during the week. Markets started the week on a buoyant note sidelining the worries related to Dubai's debt problem after UAE central bank said that a special liquidity scheme would be available to overseas banks. Meanwhile, Bank of Japan's emergency meeting came up with the decision to provide 10 Trillion yen to make three month loans at 0.1% interests in order to support economy. Expansion in Chinese manufacturing sector also helped to push the markets sentiments higher. Further, positive cues from the US markets and rising crude oil prices took the markets higher. However, markets shed some points on last day of the week led by commodity and resources shares.

European markets belled the week on a downbeat note in continuation with Dubai woes. Energy share were among the biggest losers despite some recovery in oil prices. However, markets recovered very next day and notched up biggest one day gain strongly backed by positive macroeconomic data from US while Dubai worries receded. Further, mining stocks helped the markets to extend gains with surging metal prices but weak cues from the US markets after US services sector contracted unexpectedly in last month capped market gains. Meanwhile, disappointing signals from the European Central Bank after bank kept its main policy rate unchanged at 1.0% indicating an exit from the measures taken to combat the credit crisis.

Weekly return on major Global Indices



Data of US markets taken from November 27 to December 03 2009
Data of European markets taken from November 26 to December 03, 2009

Weekly Change in the Composites of S&P 500

Industry	Adj. Market Cap as on 03-12-09	Adj. Market Cap as on 27-11-09	% Change
Energy	11,51,641	11,59,857	(0.71)
Materials	3,48,273	3,42,385	1.72
Industries	10,06,556	9,98,835	0.77
Consumer Discretionary	9,17,249	9,12,489	0.52
Consumer Staples	11,36,818	11,36,272	0.05
Health Care	12,51,663	1,242,752	0.72
Financials	13,66,164	1,357,946	0.61
IT	18,44,445	1,819,823	1.35
Telecom Services	3,07,911	301,410	2.16
Utilities	3,62,302	347,376	4.30



Key Events

Global Key Events

- Manufacturing in the US expanded in November for a fourth consecutive month, propelled by gains in orders and exports that signal growth will be sustained. The Institute for Supply Management's manufacturing index fell to 53.6 from October's three-year high of 55.7.
- The number of US workers filing new applications for jobless insurance unexpectedly fell last week to the lowest level in more than 14 months, pointing to a moderation in the pace of job losses.
- Construction spending in the US was unchanged in October after declining five straight months as rising office and retail vacancies deterred the building of commercial projects. Spending in September, previously reported as an increase, fell 1.6%.
- Service industries in the US unexpectedly contracted in November, contributing to concerns that mounting unemployment will hurt sales. The Institute for Supply Management's index of non-manufacturing businesses fell to 48.7 from 50.6 in October.
- European consumer prices increased for the first time in seven months in November led by energy costs. Prices in the 16-nation euro region rose 0.6% from a year earlier after falling 0.1% in October.
- Europe's manufacturing industry grew for a second month in November. An index of manufacturing in the 16-nation euro area rose to 51.2 from 50.7 in October.
- Japan's export-driven economy contracted 3.5% in the fiscal year that ended in March, the largest annual fall on record and bigger than the previous estimate of a 3.2% fall.

Domestic Key Events

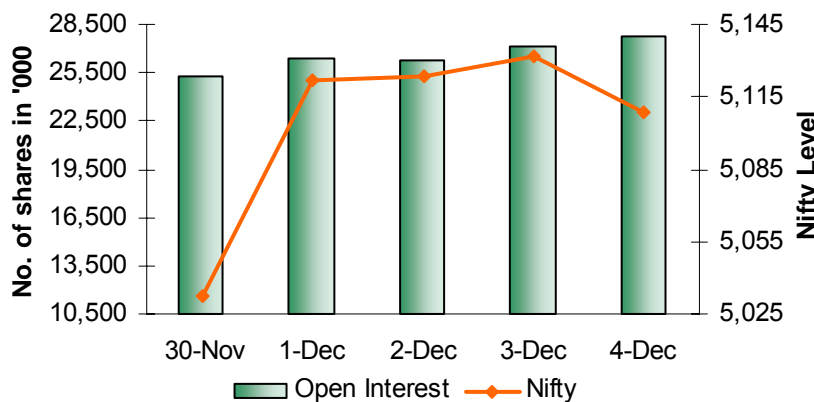
- Indian economy grew by 7.9% in the second quarter of this fiscal, up from 6.1% in the previous quarter, essentially due to a good showing by the industry and the services sector. Financing, Agriculture and Real estate, each grew by 7.7% in Q2. The surge in GDP numbers was helped by the Manufacturing sector, which grew 9.2% in the second quarter vis-à-vis 5.1% a year earlier. Financing, Insurance, Real Estate, and Business Services rose by 7.7% against 6.4%. Construction rose by 6.5%, down over 9.6% a year ago.
- India's exports fell 6.6% in October and extended the decline for the 13th month in a row, but the downward trend has slowed down amid some revival in demand in the overseas markets. According to official foreign trade data that was recently released, exports in October were valued at USD 13.19 bn, down from USD 14.13 bn during the same month last fiscal.
- Government's direct tax collections increased by a marginal 3.7% to Rs 0.18 mn in the first eight months of this fiscal compared to the same period a year ago.
- India's iron ore exports more than doubled to 9.3 million tonne in October this year as compared to 4.4 million tonne in the same month a year ago on the back of increase in demand from Chinese steel producers, as per a joint study by a group of iron ore exporters.
- Minister of State for Road Transport and Highways RPN Singh said that Highway projects worth about Rs 1,10,000 crore, aggregating to 15,911 km, will be executed in the country over the next three years.
- After surging 23% in the first quarter of FY10, the tobacco business again grew by 21%, during the second quarter of FY10 to Rs 2199.69 cr compared to a year ago
- Larsen and Toubro (L&T) has planned to increase its power generation capacity to 7000 MW in the near future. The company will embark on power generation projects to reach a capacity of 5,000 MW thermal power and 2000 MW hydro power within five years.
- The Indian pharmaceutical industry, now over one lakh crore (USD 20 billion) industry, has become the third largest in the world in terms of volume and 14th by value thereby accounting for around 10% of the world's production by volume and 1.5% by value.



Derivatives

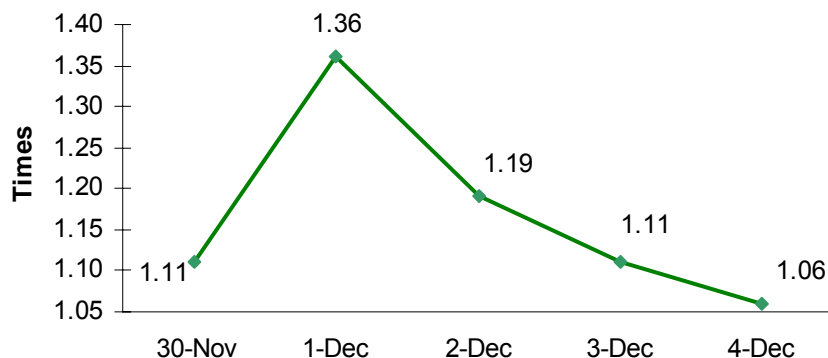
- On December 04, Nifty future (near month) closed with the premium of 21.1 points at 5,130.

Open Interest in Nifty Future vis-à-vis Nifty



- From last week, the put-call ratio decreased by 11 basis points to 1.06 times.

Put-Call Ratio



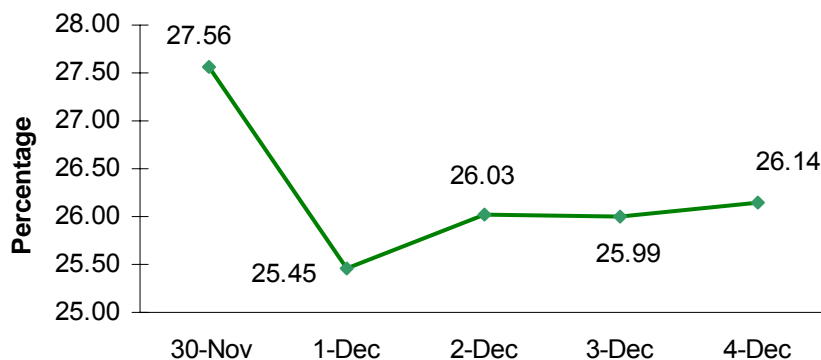
- Average Cost of Carry of the week increased to 1.26%.

Cost of Carry

Week Ended	CoC (%)
13-Nov	0.52
20-Nov	3.14
27-Nov	0.93
04-Dec	1.26

- India VIX (Volatility Index) is at 26.14%, decrease of 392 basis points from previous week.

Volatility Index



- FIIIs turned out to be net buyers in the last 5 trading days.

FIIIs investment in Derivatives

Particulars	Net Investment (Rs. Crore)
Index Futures	(204.83)
Index Options	852.87
Stock Futures	694.46
Stock Options	29.12
Total*	1,371.61
In this month	105.81
Last month	7,105.99

*From November 27 to December 03 (Source: NSE)



Debt

- The Call money rates were little changed during the week. During the past two months call rates have remained close to 3.25% mark.

Call Rates

Date	Rate (%)
27-Nov	3.23
30-Nov	3.23
1-Dec	3.21
2-Dec	3.19
3-Dec	3.19

- After remaining net sellers in the previous weeks, FIIIs turned net buyers in the debt market while Mutual funds continued to pour funds in the market. FIIIs bought securities worth Rs 439.2 crore compared Rs 692 crore sell in the previous week. On the other hand, Mutual funds invested Rs 1,943.5 crore in the market as against Rs 2,509.7 crore investments during the last week.

FIIIs & MFs investment in Debt Market

Period	FIIIs Net Investment (Rs. Crore)	MFs Net Investment (Rs. Crore)
27-Nov	833.9	-180
30-Nov	-252	344.2
1-Dec	328.7	411.1
2-Dec	-194.4	486.8
3-Dec	-277	881.4
Total	439.2	1,943.5
This Month	-142.7	1,779.3

(Source: SEBI)

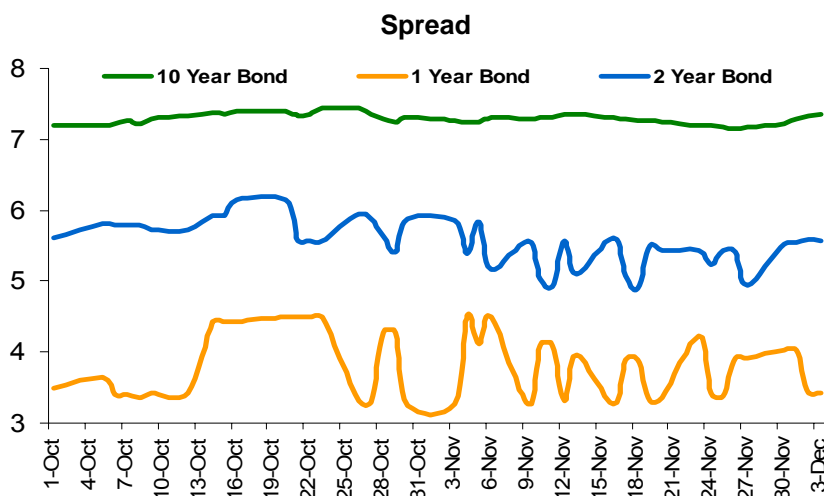
- The yields on 10 year benchmark 6.90% CG 2019 bond rose during the week as investors are speculating rise in CRR post on of a top economic advisor said high inflation would require liquidity tightening. C Rangarajan, chairman of the Prime Minister's Economic Advisory Council, said inflation would require monetary action on liquidity and food prices must be controlled through supply side measures.

Bond Yield (6.90% CG 2019)

Date	LTP (Rs.)	YTM (%)
27-Nov	98.01	7.1746
30-Nov	97.67	7.2281
1-Dec	97.55	7.2769
2-Dec	97.01	7.3398
3-Dec	96.97	7.3550

- The spread between the yields on 10 year and 1 year bond increased during the week, while that of between 10 year and 2 year bond remained flat.

- During the week, RBI sucked Rs. 5,23,395 crore from the system under Liquidity Adjustment Facility (LAF) window while Repo transaction remained nil. On 27th November 2009, Government of India announced auction of 7.02% GS 2016 worth Rs. 3,000 crore, 6.90% GS 2019 worth Rs. 4,000 crore and 8.28% GS 2032 worth Rs. 3,000 crore to be held on 4th December 2009. On 2nd December 2009, RBI auctioned 364-day Treasury Bills worth Rs. 1,000 crore and 91-day Treasury Bills worth Rs. 4,500 crore. On 3rd December 2009, 9 states announced auction of State Development Loans 2019 worth Rs. 6,007.19 crore to be held on 8th December 2009.



Liquidity Adjustment Facility

Date	Reverse Repo (Rs. Crore)	Repo (Rs. Crore)
27-Nov	94,070	0
30-Nov	88,680	0
1-Dec	96,260	0
2-Dec	1,18,465	0
3-Dec	1,25,920	0
This month	3,40,645	0

Commodity

Crude oil prices rose in international markets by 2.57% (w-o-w) on Thursday. Prices fell as the debt concerns in Dubai further troubled investors. However, oil prices pulled out of its previous day slump boosted by upbeat economic reports at US and China, continuing weak dollar. Again, prices came under pressure with the energy department reported unexpected rise in crude inventories for last week showing less demand for crude and crude products. Further, oil prices extended its slump following weaker than expected set of economic reports. Domestic prices of crude oil also moved in line with the international prices and shed 0.95% (w-o-w).

Weekly change in Crude prices per Barrel

	03-Dec	26-Nov	Change (%)
Intl Crude Oil Prices in USD	78.36	76.40	2.57
Domestic Price in Rs.	3,618.20	3,584.08	0.95

Inventories (weekly change)

Week ended	Change	Total Inventory
27-Nov-09	2.1 mn barrels	339.9 mn barrels

Gold prices continued their surge, posting new highs, on the back of weakness in dollar and fresh demand from central banks world. Expectation of price rise got credence from the decision of RBI and Sri Lankan central bank to buy gold from IMF. In the international markets yellow metal prices crossed USD 1,200 while in domestic it reached Rs 18,000 marks. Moreover, investment interest in gold remains firm, with the world's largest gold-backed exchange-traded fund, SPDR Gold Trust, saying its holdings rose 0.61 tonnes or 0.05%.

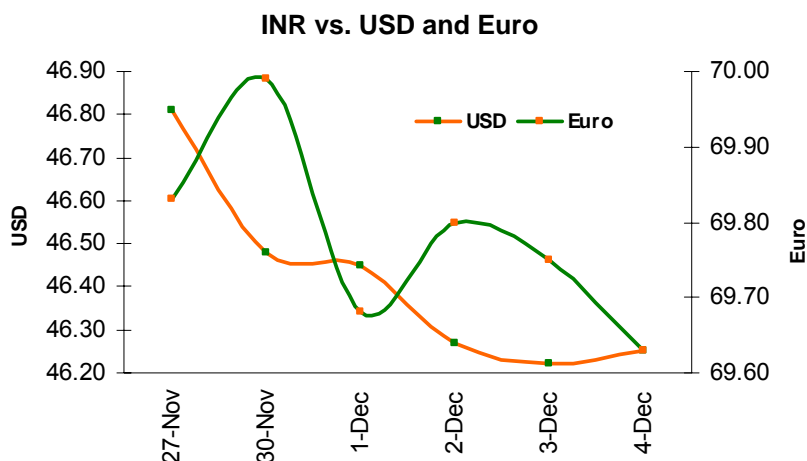
Weekly change in Gold prices in Rs/10gms

	03-Dec	26-Nov	Change (%)
London pm fix (USD/troy oz)	1,218.25	1,182.75	3.00
Mumbai (Rs/10gms)	18,272.10	17,900.00	2.08



Forex

Rupee appreciated by 1.20% to 46.25 per USD w-o-w basis. The rupee strengthened against dollar boosted by hopes for inflows into the Equity market with a broad dollar drop versus majors also underpinning market sentiment. Stronger than expected second quarter GDP number fueled optimism for inflows into the local share market. Further, dollar dipped against the yen as traders took profits on the greenback's sharp rebound from a recent 14-year trough ahead of the US government's monthly employment report, also boosted Rupee.



India's foreign exchange reserves for the week ended November 27, 2009 increased by USD 1.38 bn to touch USD 286.72 bn.

Weekly change in INR

INR/	4-Dec	27-Nov	%Change
USD	46.25	46.81	-1.20
EURO	69.63	69.83	-0.29
YEN	52.44	54.38	-3.57



Economy

Indicators	Latest	Previous	Change
Investment Deposit Ratio (%)	32.52 (Nov 20)	32.73 (Nov 06)	▼
Credit Deposit Ratio (%)	69.25 (Nov 20)	69.39 (Nov 06)	▼
Money Supply (%)	18.40 (Nov 20)	17.80 (Nov 06)	▲
Bank Credit (%)	10.10 (Nov 20)	9.80 (Nov 06)	▲
Aggregate Deposits (%)	19.00 (Nov 20)	18.60 (Nov 06)	▲
Forex Reserves USD bn	286.72 (Nov 27)	285.34 (Nov 20)	▲

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