

Dealer's Diary

The key benchmark indices edged lower, snapping the last two days' gains on weak global stocks, which fell after Federal Reserve Chairman commented that the US economic recovery was proving to be "uneven" and "frustratingly slow". The market trimmed losses after a subdued start. The key benchmark indices held the negative zone after recovering from initial lows to hit fresh intraday highs in morning trade. The market moved in a narrow range in early afternoon trade before hitting a fresh intraday low in afternoon trade after the European market opened lower. The Sensex and Nifty closed with losses of 0.6% and 0.5%, respectively. The mid-cap index closed flat, while the small-cap index closed with gains of 0.2%. Among the front runners, RCOM, HUL, NTPC, ITC and BHEL gained 0–2%, while Hero Honda, ONGC, Hindalco Inds, HDFC and Bajaj Auto lost 2–4%. Among mid caps, DB Realty, Motherson Sumi, Whirlpool, Indian Metals and Tata Global gained 4–7%, while Tecpro Systems, KGN Inds, India Infoline, Purvankara Projects and SKS Microfinance lost 3–6%.

Markets Today

The trend deciding level for the day is 18,422/5,533 levels. If NIFTY trades above this level during the first half-an-hour of trade then we may witness a further rally up to 18,478–18,561/5,551–5,574 levels. However, if NIFTY trades below 18,422/5,533 levels for the first half-an-hour of trade then it may correct up to 18,338–18,283/5,509–5,491 levels.

Indices	S2	S1	R1	R2
SENSEX	18,283	18,338	18,478	18,561
NIFTY	5,491	5,509	5,551	5,574

News Analysis

- Infosys buys Gen-i's software solutions biz
- ICRA downgrades RCOM debt rating

Refer detailed news analysis on the following page

Net Inflows (June 7, 2011)

₹ cr	Purch	Sales	Net	MTD	YTD
FII	2,013	1,976	36	361	(997)
MFs	313	286	27	(194)	2,108

FII Derivatives (June 8, 2011)

₹ cr	Purch	Sales	Net	Open Interest
Index Futures	1,007	1,276	(268)	16,926
Stock Futures	930	1,200	(270)	30,099

Gainers / Losers

Gainers			Losers		
Company	Price (₹)	chg (%)	Company	Price (₹)	chg (%)
United Breweries	585	6.8	India Infoline	80	(4.1)
Tata Global	98	4.2	Hero Honda	1,768	(3.6)
IVRCL Ltd	75	3.9	REC	207	(3.4)
Bajaj Finserv	561	2.7	Financial Tech	845	(3.3)
Biocon	371	2.6	Mangalore Ref	75	(3.1)

Domestic Indices	Chg (%)	(Pts)	(Close)
BSE Sensex	-0.6%	(101.3)	18,394
Nifty	-0.5%	(29.3)	5,527
MID CAP	0.0%	(2.2)	6,930
SMALL CAP	0.2%	13.1	8,320
BSE HC	-1.0%	(65.0)	6,358
BSE PSU	-0.1%	(10.0)	8,538
BANKEX	-0.7%	(88.5)	12,323
AUTO	-0.7%	(61.8)	8,712
METAL	-0.7%	(105.0)	15,003
OIL & GAS	-0.7%	(65.0)	9,490
BSE IT	-0.4%	(23.2)	6,104
Global Indices	Chg (%)	(Pts)	(Close)
Dow Jones	-0.2%	(21.9)	12,049
NASDAQ	-1.0%	(26.2)	2,675
FTSE	-1.0%	(55.8)	5,809
Nikkei	0.1%	6.5	9,449
Hang Seng	-0.9%	(207.0)	22,662
Straits Times	-0.4%	(13.0)	3,103
Shanghai Com	0.2%	6.0	2,750

Indian ADRs	Chg (%)	(Pts)	(Close)
Infosys	-0.8%	(0.5)	\$63.7
Wipro	0.4%	0.1	\$13.9
ICICI Bank	-1.2%	(0.6)	\$46.6
HDFC Bank	0.0%	(0.1)	\$163.4

Advances / Declines	BSE	NSE
Advances	1,351	632
Declines	1,468	756
Unchanged	134	74

Volumes (₹ cr)	
BSE	2,602
NSE	8,901

Infosys buys Gen-i's software solutions biz

Infosys' Australia and New Zealand unit has acquired the software solutions business of New Zealand's Gen-i for an undisclosed amount. Infosys will take over 110 employees and contractors from Gen-i, which would raise its New Zealand staff strength to up to 150 people. The company also plans to add 15–30 new hires immediately. Gen-i is the corporate information communication technology (ICT) arm of Telecom New Zealand. As near-shore delivery from New Zealand for Australian clients and global delivery headed by local management are among the joint growth strategies planned, the partnership also has a significant potential to further grow New Zealand-based technology jobs. Infosys has announced that the current software solutions management team will continue to lead the New Zealand office of the company. This deal has no significant impact on the financials of the company. **Hence, we maintain our Buy recommendation on the stock with a target price of ₹3,435.**

ICRA downgrades RCOM debt rating

Rating firm ICRA has downgraded the long-term rating assigned to the ₹5,000cr non-convertible debenture and ₹28,116cr long-term fund based/non-fund based limits of RCOM from 'LAA+' to 'LAA'. The long-term rating continues to remain under watch with negative implications. This apart, ICRA also has an outstanding rating of A1+ against the ₹7,314cr short-term fund-based/non-fund based limits and ₹2,000cr commercial paper of RCOM. ICRA said that the rating action takes into consideration the delay in the proposed equity infusion and continuing regulatory uncertainties, which may impact the company's ability to deleverage its balance sheet. The company's management has maintained that the equity-raising plans are in progress and any such infusion would be used to deleverage the company. **We maintain our Neutral view on the stock.**

Economic and Political News

- Inflation should decelerate in 2HFY2012: RBI Deputy Governor
- OPEC talks collapse; No output hike deal
- Urea panel moots price hike by 10%
- Indian banks' asset quality to improve in FY2012: S&P
- Revenue target difficult to meet: Finance Secretary

Corporate News

- ONGC, GAIL eye part of Exxon stake in Kashagan field
- Bharti Airtel targets US\$5bn from Africa operations
- Tata Motors to raise up to US\$500mn overseas
- NTPC's 1,000MW plant to be functional by 2012
- Aurobindo Pharma will make panic disorder drug in the US

Source: Economic Times, Business Standard, Business Line, Financial Express, Mint

Research Team Tel: 022-3935 7800

E-mail: research@angelbroking.com

Website: www.angelbroking.com

DISCLAIMER

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Angel Broking Limited, its affiliates, directors, its proprietary trading and investment businesses may, from time to time, make investment decisions that are inconsistent with or contradictory to the recommendations expressed herein. The views contained in this document are those of the analyst, and the company may or may not subscribe to all the views expressed within.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Limited endeavours to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Angel Broking Limited and its affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.

Neither Angel Broking Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Limited and its affiliates may have investment positions in the stocks recommended in this report.

Ratings (Returns) :	Buy (> 15%)	Accumulate (5% to 15%)	Neutral (-5 to 5%)
	Reduce (-5% to -15%)	Sell (< -15%)	

Address: 6th Floor, Ackruti Star, Central Road, MIDC, Andheri (E), Mumbai - 400 093.
Tel: (022) 3935 7800

Angel Broking Ltd: BSE Sebi Regn No : INB 010996539 / CDSL Regn No: IN - DP - CDSL - 234 - 2004 / PMS Regn Code: PM/INP000001546
 Angel Capital & Debt Market Ltd: INB 231279838 / NSE FNO: INF 231279838 / NSE Member code -12798 Angel Commodities Broking (P) Ltd: MCX Member ID: 12685 / FMC Regn No: MCX / TCM / CORP / 0037 NCDEX : Member ID 00220 / FMC Regn No: NCDEX / TCM / CORP / 0302