

OCTOBER 03, 2008

Market Outlook

KEY INDICES			
INDEX	CURR	PRE	Chg%
Sensex	13055	12860	1.52
Nifty	3950	3921	0.74
Midcap	4824	4798	0.54
Smallcap	5606	5577	0.52

VALUE TRADED (Rs Crs)		
	01.10.08	Chg%
BSE	4356	(15.89)
NSE	10793	(27.04)

NET INFLOWS (Rs Crs)		
Prov	01.10.08	YTD
FII	(274.0)	(45,430.84)
DII	48.65	21,160.76

FII OPEN INTEREST		
	01.10.08	Chg%
FII Index Futures	9,968	(2.70)
FII Index Options	18,639	4.67
FII Stock Futures	14,692	1.27
FII Stock Options	912	2.47

World Indices 02.10.08		
	02.10.08	Chg %
Dow Jones	10482	(3.39)
Nasdaq	1976	(5.09)
FTSE 100	4870	(0.65)
Crude Oil (US\$/bl)	93	(8.26)
Gold (US\$/oz)	844	(4.31)

The BSE 30-share Sensex advanced 195.24 points. With today's rise, Sensex has gained 459.82 points in last two trading sessions. IT pivotals surged as the rupee dropped to a fresh five-year low against the dollar. Banking stocks gained. The BSE 30-share Sensex rose 195.24 points or 1.52% to 13,055.67. The index shed 163.13 points at the day's low of 12,697.30, hit in mid-morning trade. The Sensex rose 343.43 points at day's high of 13,203.86, in mid-afternoon trade. The S&P CNX Nifty was up 29.55 points or 0.75% to 3,950.75. The BSE Sensex is down 7,231.32 points or 35.64% in the calendar year 2008 so far from its close of 20,286.99 on 31 December 2007. It is 8,151.10 points or 38.43% below its all-time high of 21,206.77 struck on 10 January 2008. As per the provisional figures on BSE, the foreign institutional investors (FII)s sold shares worth Rs 274.90 crore and domestic funds bought shares worth Rs 48.65 crore today, 1 October 2008.

Senate approval of the rescue plan, which is expected to have a smooth sail in the House of Representatives, would boost Indian markets. Further, with the Indo-US nuke deal receiving the green signal from American lawmakers, the domestic sentiments are expected to be boosted in the coming days.

Asian markets are in negative territory this morning following negative cues from the US markets. The Hang Seng has plunged 374 points to 17,837. The Nikkei has dropped 158 points to 10,997. The Shanghai Composite index is down four points at 2,294.

Higher jobless claims and low factory orders in the US pulled down the Dow and European stocks, even though there is a feeling that the \$700-billion bailout package, with new sops thrown in, may get passed when the US House of Representatives votes on Friday. The Dow Jones industrial average fell 348 points, recovering a bit from a drop of 391 points earlier. The Standard & Poor's 500) index lost 4% and the Nasdaq composite lost 4.5%. Oil prices continued to retreat on bets that slower global growth will keep slowing demand for oil. U.S. light crude oil for November delivery fell \$4.56 per barrel to settle at \$93.97 a barrel on the New York Mercantile Exchange. COMEX gold for December delivery fell \$43 to settle at \$844.30 an ounce.

TECHNICAL TRENDS FOR 03rd OCTOBER 2008						
SCRIP/INDEX NAME	CMP	200 DAY EMA	RECOMMENDATION	STOP LOSS	TIME FRAME	TARGET
Nifty	3950	4274	Buy	3860	2-3 days	4060
wel spun guj	249	300	Buy	232	2-3 days	285
Tata motors	339	410	Sell	355	3-4 days	300
Infosys	1449	11625	Buy	1414	2-3 days	1505
Parsavnath	91	116	Sell	95	3-4 days	80
SBI	1504	1468	Buy	1475	3-4 days	1620
Mah life	320	428	Sell	335	4-5 days	270

Please refer to important disclosures at the end of this report

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DERIVATIVE STRATEGY 03rd OCTOBER 2008

Asset	Mkt Price	Strategy	Stop Loss	Target	Time Frame
SBI	1493	BUY SBI OCT 1500 CA @ 63 SELL SBI OCT 1620 CA @ 35	1500 CA @ 40	1500 CA @ 90	2-3 DAYS

CORPORATE NEWS

UK-BASED SAP consultancy Axon Group on Thursday said it will recommend **HCL Technologies'** £441.1-million buyout offer to its shareholders, withdrawing its earlier recommendation of Infosys' £407-million offer. HCL would now make a formal offer for the acquisition, after which the Axon board would issue its recommendation.

GERMAN auto major Daimler, which is exiting its investments in other large auto companies, will retain its 6.64% shareholding in **Tata Motors** as it expects major growth from component supply to the Indian company's recently acquired Jaguar & Land Rover brands. As per current valuations, Daimler's stake in Tata Motors is worth nearly Rs 900 crore. Tata Motors had an alliance with Daimler-Benz more than 50 years ago for the Benz technology for trucks. Although Daimler's stake in Tata Motors has fallen from 10% to 6.64%, the German company currently has no plans to revise its equity stake in India's largest vehicle maker and wants to remain as a dormant investor.

SUN Pharmaceutical will extend its tender offer for all outstanding shares of Israel's Taro Pharmaceuticals. Priced at \$7.75 a share, the tender offer, if fully subscribed, will scale up Sun's equity interest in Taro to 48% against the existing 36%. However, it will hike Sun's voting rights to 60% from 24% now.

TNT India Pvt Ltd, a wholly-owned Indian subsidiary of the Dutch firm TNT N.V., a global logistics and express company, is expanding its express delivery network in India, in line with its global strategy of focussing on building quality network in emerging markets.

Bangalore-based **Britannia Industries** is planning to expand its dairy business arm with an investment of Rs 150 crore. The company is also mulling to buy out its New Zealand-based partner Fonterra Co-operative's stake in the joint venture, which was set up in 2002.

Technology solutions and engineering design services provider, **Infotech Enterprises Limited (IEL)**, is all set to acquire a German auto engineering company. Acquisition of the German company is expected to strengthen IEL's automobile vertical, which has an addressable market of \$30 billion in Europe, Japan and the US.

JSW Steel, India's third-largest producer, may cut prices for a second month because of a decline in global costs of the alloy. The company, the world's biggest steel mill, said last month it may reduce production by 15 per cent in Europe and the US to support prices.

Additional Information with respect to the securities referred in our technical and derivative calls is uploaded on our website.

Please note that our technical calls are totally independent of our fundamental calls

Technical Trends calls are based on momentum, Investors/Traders are requested to observe following discipline to take maximum advantage of the products

- Entry/exit will be on the basis of price or time priority
- Use strict stop loss at 15% from your average acquisition price

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