



# GoodEvening KRC

Post Market Analysis and Action Guide for Tomorrow

May 22<sup>nd</sup>, 2007

## • Market Commentary

### Market Activity:

Markets traded weak in opening trade despite positive global cues. But rupee appreciation (40.60/\$) and upward journey of Crude Oil (\$66.2/bbl) raised some concern. Nifty fell marginally after hitting a new lifetime high of 4277.80 in opening trade. Sensex and Nifty have gained 3.5% over the last four sessions. However, concerns over sustainability of the rise and a mixed trend in Asian markets also kept investors wary. At 10:30AM, Sensex was 14371.20, down 47.40 points or 0.3%. Nifty was at 4249.85, down 11.05 points or 0.3%. The CNX Midcap and S&P CNX 500 indices were down marginally. On the BSE, there were nearly as many advances as declines in the morning session. The worst hit frontline stocks were oil retailers BPCL, down 1.8% at Rs 386, and HPCL, down 1.6% at Rs 300. Oil marketing companies are likely to stay weak as crude oil is trading above \$66 a barrel on NYMEX and is seen staying firm on worries that a report due later this week will show a fall in US gasoline inventories. Technology shares were among laggards, as the rupee remained strong against the dollar, currently trading at Rs 40.60 to \$1. Infosys Technologies was down 1.2% at Rs 1,937, and HCL Technologies, down 1.2% at Rs 344. Sun Pharmaceutical Industries, up 3% at Rs 1,098, was the biggest Nifty gainer, extending Monday gains as the Rs 18.6 bn buy of Israel's Taro Pharmaceutical Industries is seen without equity dilution. Other gainers included Zee Entertainment Enterprises, up 3% at Rs 308, BHEL, up 1.8% at Rs 2,682, Tata Steel, and up 1.3% at Rs 631.

	No. of Scrips	Value (Cr.)
Advances	539	8024
Declines	518	3373
Unchanged	26	7
Total	1083	11404

In the mid trading session, indices were flat amid choppy trade on profit sales after four sessions of gains. Sensex was at 14410.89, down 7.71 points, or 0.1%. Nifty was at 4262.70, up 1.80 points, or 0.1%. Zee Entertainment, up 3%, was the top Nifty gainer. Sentiment for media shares was up amid positive news flows and as valuations are attractive. Raj TV touched upper circuit of 10% at Rs 26. Bajaj Auto, down 3% at Rs 2,178, was the worst hit on Nifty. Deutsche Bank Securities has downgraded the stock "sell" on lower valuations for its insurance segment. Marico was up 0.2% at Rs 60.50. 47 lakh shares changed hands in a block deal on BSE, NSE at Rs 60/sh. We also saw no of block deals in this counter. Spicejet was up 2.6% at Rs 46.70. The company expects to be breakeven in Apr-June 2007 quarter and plans to fly to 6 new destinations and to operate 150 flights/day by the end of this fiscal. It is also planning to acquire 8 Boeing aircrafts in FY08. Reliance Capital surged 5% to Rs 1,018 on reports it has made a profit of Rs 3.5 bn by selling its entire 5.79% stake in Reliance Energy for Rs 7.25 bn to promoters of Reliance Energy on Monday. Reliance Communications shares were trading 3% up at Rs 522 on a report on



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CNBC-TV18 that the company has cut its roaming rates by 70%. Bharat Forge was up 1.7% at Rs 341. In Q4, the company reported standalone net profit of Rs 64.3 cr Vs Rs 53 cr YoY. Whereas net sales stood at Rs 510 cr Vs Rs 438.4 cr. Mukand Ltd declined 5% at Rs 90.50 on bad quarter results. In Q4, the company reported net profit down at Rs 22 Vs Rs 27 cr.

Nifty closed at a record high for the second straight session, settling marginally higher than Monday's finish, as investors were cautious due to worries over long-term sustainability of recent gains. Trade today was volatile due to alternate bouts of bottom fishing and profit sales. Firmness in other Asian markets provided support to key indices. After opening at all-time high, the Nifty succumbed to profit sales as some investors opted to stay on the sidelines. Sensex ended at 14453.72, up 35.12 points or 0.2%, after touching a low of 14348.26 and a high of 14483.59 intraday. Nifty ended at 4278.10, up 17.20 points or 0.4%. It moved between a low of 4234.10 and an all-time high of 4281.60 in the session. The combined turnover on the two exchanges was Rs 166 bn. CNX Midcap Index ended up 0.6% and S&P CNX 500 Index up 0.3%. The biggest sectoral gainer was BSE Capital Goods Index, up 0.6%. Media stocks took centre stage in today's trade amid some news-driven, stock specific activity. Zee Entertainment, up 4.5% at Rs 312, was the top Nifty gainer. Sentiment for media shares was up amid positive news flows and as valuations was attractive. Zee Entertainment gained on reports Telecom Regulatory Authority of India will review tariff of non-CAS (conditional access system) areas. Balaji Telefilms, up 2% at Rs 245, extended gains for second straight session. NDTV was up 2.4% at Rs 428. Shares of TV18 group companies hit upper circuit after the parent announced a 50-50 joint venture with Viacom Inc. called Viacom18. TV18 ended up 2.4% at Rs 868, Global Broadcast News up 5% at Rs 780, and Network 18 Fincap up 5% at Rs 601. Other Nifty gainers included Housing Development Finance Corp., up 4.3% at Rs 1,793, Reliance Communications, up 3.1% at Rs 523, and VSNL, up 2.9% at Rs 473. Reliance Communications gained on reports the company will add 20,000 towers in 2007-08 (Apr-Mar) and is also close to selling stake in its tower business. There is talk that the company will announce a 70% cut in its roaming rates. Reliance Capital rose 5.3% to Rs 1,020 on reports it has made a profit of Rs 3.5 bn by selling its entire 5.79% stake in Reliance Energy for Rs 7.25 bn to promoters of Reliance Energy on Monday. ABB ended up 2% at Rs 4,361 after winning a Rs 2.89 bn order from Delhi Metro Rail. Bajaj Auto, down 2.3% at Rs 2,196, was the worst hit in the Nifty, extending losses, as worries persist over the valuation of the company's stake in the insurance joint ventures with Allianz. SBI ended down 1.7% at Rs 1,326. Information technology shares were also weak, as the dollar remained weak against the rupee. Other losers included GACL, down 2% at Rs 116, and HPCL, down 1.7% at Rs 300. Shares of oil retailers fell as crude oil prices are holding above \$66 a barrel on New York Mercantile Exchange. Everest Kanto Cylinder, which fell early today on a 50% on year decline in Jan-Mar net profit to Rs 51.2 mn, ended 1% up at Rs 1,155.

**Tech stocks** ended down. Infosys was down at Rs 1946.75 with volumes of Rs 462 crs, TCS was down at Rs 1230.65 with volumes of Rs 189.67 crs, Satyam was down at Rs 450 with volumes of Rs 177.30 crs, and Wipro closed down at Rs 532.20 with volumes of Rs 55.27 crs.

**Pharma stocks** witnessed positive trend with exception. Dr Reddy was down at Rs 662.40 with volumes of Rs 53.03 crs, Sun Pharma closed up at Rs 1090.40 with volumes of Rs 50.23 crs, Glenmark was up at Rs 681.15 with volumes of Rs 30.73 crs, and Ranbaxy closed up at Rs 399.75 with volumes of Rs 19.04 crs.



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**Banking stocks** ended mixed trend. In the Public Sector banks SBI closed down at Rs 1326 with volumes Rs 211.42 crs & Bank Of India closed up at Rs 213.10 with volumes Rs 48.06 crs. In the private sector ICICI Bank closed down at Rs 928.55 with volume of Rs 145.80 crs & Kotak Bank closed up at Rs 607.10 with volumes of Rs 93.75 crs.

**Auto Stocks** witnessed mixed trend. Tata Motors closed down at Rs 726.95 with volumes of Rs.129.55 crs & M&M closed up at Rs 734.10 with volumes of Rs 59.39 crs. While in the 2 wheeler segment stocks, Bajaj Auto closed down at Rs 2195.85 with volumes of Rs 244.35 crs & TVS Motor closed up at Rs 65.10 with volumes of Rs 11.24 crs.

**Cement Stocks** ended down with exception. GACL closed down at Rs 116.05 with volumes of Rs 62.23 crs, ACC closed up at Rs 890.55 with volumes of Rs 36.04 crs, India Cement closed down at Rs 190.50 with volumes of Rs 26.75 crs and Birla Jute closed down at Rs 255.35 with volumes of Rs 2.33 crs.

Nifty ended at 4278 up by 17 points

			Cash	Derivative
Name	Close	%	NSE Volumes (Rs. Crs)	NSE F & O Volumes (Rs. Crs) May
Reliance Cap	1020	12.68	790.24	3211.34
Reliance	1779.25	4.76	693.36	1211.92
Infosys	1946.75	-1.77	462	395.74
RCOM	523.30	5.48	426	1346.62
Bajaj Auto	2195.85	-3.96	244.35	195.07

● **Earning Idea**

BRITANIA IN	
Last Price	1450
13 day EMA	1430.88
50 day EMA	1294
200day EMA	1244.11
Support	1433
Resistance	1476
Comment	BUY

**[BRITANIA IN]**

The stock has closed at 1450. The support for the stock is at 1433 levels. The stock faces resistance at 1476 levels. Once past this resistance the stock will reach at 1497 levels. The MACD indicator for the stock is in the positive zone and moving downwards. The stock can be bought at current level.



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● **Market Action**

**HIND.ZINC (500188)**

The stock has closed at Rs 694.65. The support for the stock is at 685 on the lower levels and first resistance is at 719 levels. Once past this level the stock will reach at 735 on higher levels. The MACD Indicator is in the positive zone and moving sideways. The stock can be bought at current level.

**KEC INTERN (532714)**

The stock has closed at Rs 537. The support for the stock is at 525 on the lower level and first resistance is at 554 levels. Once past this resistance the stock will reach at 568 on higher levels. The MACD Indicator is in the negative zone and moving sideways. The stock can be bought at current level.

● **Derivative Call**

**INDHOTEL**

Closing : 144.60

Mkt Lot : 1750

Margin: Rs 40000

Outlook: Bullish

Buy May Fut. @ 144.60

Stop Loss: Rs 138

Target: Rs 156



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Nifty closed at 4278. The support on the lower side is at 4248 level and thereafter at 4217. The resistance exists at 4295 and there after at 4312.

	Today	Last Close	
BSE Sensex	14454	14419	+35
S&P CNX NIFTY	4278	4261	+17
Nifty Support	4248	Resistance	4295



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