



Market Musing

December 8, 2006

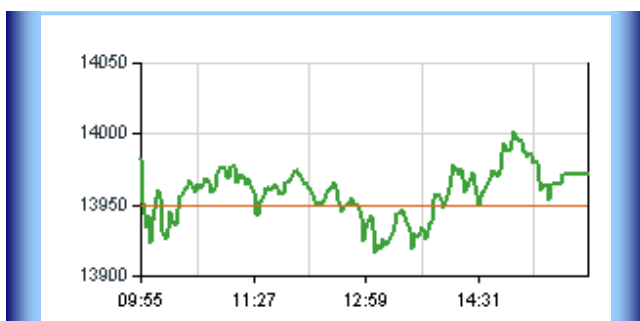
Indices	Current	Prev close
Sensex	13972	13949
Nifty	4015	4015
Nasdaq - Composite	2428	2446
Dow Jones	12278	12309
FTSE - 100	6131.5	6090

Money Market	Current	Prev Close
Re/US \$	44.64	44.7
Call Money Rate	6.15	6.15
7.59% 2016 G-Sec yield	7.39	7.39

Top Gainers		
Company	Cl. Price	% Ch
Igate Global	260.1	7.28
Indus Ind bank	48.4	6.02
ABB Ltd	3887	5.6
Adani Ent	232.5	4.99
Bharat Elec	1241	4.78

Top Losers		
Company	Cl. Price	% Ch
Sterl Biotec	176.05	-4.01
Indo rama	51.05	-3.68
Tata Elxsi	250.3	-3.21
Asian Paints	700	-2.63
Nestle	1108	-2.39

ADRs				
Company	Price (\$)	% ch	Prem/Disc (%)	2 months Avg. P/D
	16.95	(0.53)	5.13	16.95
	75.55	(1.11)	1.55	75.55
	39.96	2.07	2.27	39.96
	54.65	(1.05)	13.12	54.65
	6.13	(1.13)	(0.08)	6.13
	23.58	(3.44)	25.78	23.58
	19.76	(1.40)	0.33	19.76
	15.70	(2.00)	(40.26)	15.70



Market Review

In a volatile trading session market ended with marginal gain. The benchmark index ended up by 23 points to 13972 and Nifty was down by 0.60 points to 4015. During the power equipment makers remain in the limelight. ABB surged by 6% to Rs.3905, Areva T&D by 5% to Rs.1033.05, Alstom Projects up by 3.4% to Rs.461, EMCO gained by 3% to Rs.734 and Siemens rose by 2.5% to Rs.1190. During the day Foreign Institutional Investors (FIIs) were net sellers to the tune of Rs.281.17 crore in the futures & option segment. Selective buying in capital goods and banks helped sustain the market, the capital goods and banks index gained by about 1.14 per cent and 0.8 per cent respectively

The rupee strengthened by almost four paise against the dollar on back of strong dollar inflow in the market. The rupee ended at 44.65, against the previous day close of 44.69.

Crude oil prices edged higher on account of violence in Nigeria and concerns that OPEC may reduce output when it meets next week. Crude oil prices are hovering above US \$ 62 per barrel mark.

Technology shares slumped, dragging down the broader market at the end of a confused session dominated by concerns about the November employment report, due today. The Dow Jones industrial average was down by 32.13 points to 12277 and Nasdaq ended lower by 14.44 points to 2431. Indian ADRs ended on a mixed note. Asian markets are trading weak in the early morning trade.

Market is expected to remain volatile. The Sensex faces resistance at 14041 levels while support exists at 13869 levels. NIFTY faces resistance at 4041 levels while support exists at 3988 levels.

Sectoral Indices (BSE)			
Indices	Current	Prv Cls	Change %
BSE AUTO	5,479.85	5,460.58	0.35
BSE BANKEX	7,253.80	7,197.00	0.79
BSE CG	9,474.50	9,367.76	1.14
BSE FMCG	2,050.12	2,053.98	-0.19
BSE HC	3,744.92	3,759.65	-0.39
BSE IT	5,161.13	5,193.61	-0.63
BSE METAL	9,201.12	9,143.94	0.63
BSE OIL&GAS	6,233.37	6,184.92	0.78

FIIs / MFs (07/12/2006)			
	Gross Purchases	Gross Sales	Net (Rs. Cr)
FIIs	2,119.20	1,875.10	244.20
MFs	394.81	572.18	-177.37

Advances / Declines (BSE)		
	No. Of Scripts	% Of Total
Advances	1,302	49.02
Declines	1,293	48.68
Unchanged	61	2.30

BSE Delivery Positions			
Company	CI Price	Traded Qty	% of Del
ICICI BANK L	878.20	399,516	100
GRASIM INDUS	2,748.30	52,005	100
UNION BANK	129.35	1,000,000	100
ACC LTD	1,133.44	83,068	100
ANDHRA BANK	89.90	818,818	100

FII Transactions				
	Volume		Open Interest (Cr)	
	Qty	%Ch	Val	%Ch
Nif Fut	34951	47.50	8335.17	3.40
Nif Op	8248	-12.10	5437.15	5.22
Equ Fut	23183	-7.92	16918.58	0.67
Equ Op	423	-47.91	151.77	11.11

Block Deals (NSE & Bse)				
Stock	Name	B/S	Qty	Avg Pr
ALLIANZ SECU GLOBAL VECT	SURUCHI AGRO	B	500000	52.29
	OPG SECUR	B	256669	220.75

Networth Sectoral Outlook			
Sector	Outlook	Sector	Outlook
Auto	Overweight	IT	Overweight
Banking	Overweight	Oil & Gas	Neutral
Cement	Overweight	Pharma	Overweight
FMCG	Overweight	Steel	Neutral
Sugar	Underweight	Shipping	Neutral
Textiles	Neutral	Telecom	Overweight
Media	Neutral	Paper	Overweight

UTV Software Communications (Rs277)

UTV is now making strides into gaming and has acquired a controlling stake in Ignition Entertainment (Ignition) — UK-based console gaming company — and in Indiagames a mobile and broadband gaming company in India, for Rs 128 crore. UTV's acquisition of 51% equity stake in Indiagames, known as the largest gaming company in India, for Rs 68 crore, will make it one the largest players in the local gaming space. Indiagames reported annual revenue of around \$5 million for the last fiscal and houses close to 270 employees. In the other deal, UTV bought 70% equity stake in the UK-based Ignition for around Rs 60 crore. The revenue of this 100-employee strong company is expected to be about \$15 million for the calendar year ending December 2006. With the acquisition of controlling interests in Indiagames in India and Ignition in the UK, UTV plans to capture world markets and intends building efficiencies through cross synergies in game acquisition for global markets. We recommend to accumulate the stock.

Lupin Ltd (Rs545)

Lupin Ltd has announced that it has got approval from Drugs Controller General (India) (DCGI) to conduct Phase-III Clinical Trials for its Anti-Migraine compound LLL-2011 (Amigra). Lupin intends to begin Phase-III clinical trials in at least 10 centres across the nation. The total market for Migraine is estimated to be more than US\$ 2 billion. We recommend to buy the stock on declines.

KEI Industries Ltd (Rs 466)

KEI Industries Ltd is planning to set up a New Project at Chaupanki, Near Bhiwadi District Alwar (Rajasthan) for the manufacture of Low Tension power cables for which it has already acquired land and started the construction of buildings thereon. The cost of the New Project is estimated to be Rs 30-35 Crores. The Company is expecting Rs 150-200 Crores of turnover from this new project, which is expected to be operational by April 2007. We recommend to accumulate the stock.

Satyam (Rs.466.55)

Satyam Computer Services goes ahead with its global delivery centres by expanding its stature in Malaysia to establish a 2000-seater facility within 4 years. It currently employs 150 people, two-thirds of whom are Malaysian locals. This will serve the customers around ASEAN, US and West Asia. The growing business orders flowing in Satyam's order books also ensures that Satyam looks on track to meet its guidance as promised of 30% revenue growth year-on-year. We recommend our investors to accumulate the stock.

CORPORATE NEWS:

Dr Reddy's Laboratories has teamed up with the researchers at the University of Auckland to initiate global trials to test the capability of its new fixed dose combination (polypill) to prevent strokes and heart attacks. Polypill consists of four commonly used drugs to treat heart disease. The Health Research Council of New Zealand has invested NZ \$350,000 to support overall co-ordination of the trial. Dr Reddy's contributions will be \$7.5 million in developing the polypill and providing supplies for clinical trials globally.

Spentex Industries is looking at three more acquisitions after acquiring three companies in the current financial year. The company has acquired the immovable assets of "Farg'ona Ip-Gazlama Ishlab Chiqarish" in Uzbekistan to set up a processing project for dyeing finished fabric through its Dutch subsidiary in technical and marketing collaboration with British Millerrain, UK.

Bharti Airtel announced the launch of its inbound international calling service aimed at 2.5 million non-resident Indians based in the US. The service called Airtel CallHome will charge at 7.9 cents a minute to the users in the US to call in India.

Jet Airways has signed a contract with Canada-based simulation and training company, CAE, for supply of Boeing 777-300ER and Airbus A330 simulators as part of preparedness for the induction of these wide-bodied aircraft into its fleet next year. In addition, CAE will provide a Simfinity integrated procedures trainer (IPT) for Boeing 777-300ER aircraft as well as a Simfinity maintenance flight training device (MFTD) for the A330 aircraft.

Lupin has received approval from the Drugs Controller General of India to conduct phase-III clinical trials for its new anti-migraine compound LLL-2011, named Amigra, in the country. The company intends to begin the trials in at least 10 centres. The total market for migraine drugs globally is estimated to be more than \$2 billion.

ITC Ltd will set up a five star hotel in Ahmedabad under the banner of ITC-Welcomgroup chain of hotels. The proposed deluxe hotel will have a capacity of 250 to 300 rooms and will cost ITC Rs 300 crore. The hotel will be located in the central area of the city. The project will begin in 2007 and construction will be completed by 2010.

Shreyas Shipping is exploring the idea of raising up to Rs 150 crore for potential acquisitions in India and abroad.

Siyaram Silk Mills is foraying into specialised retailing overseas in the first quarter of next fiscal. The company will open five retail stores selling garments and fabrics in the Middle East. It is also looking for joint ventures with big retailers abroad. It is planning to enter the technical textile market as well.

INDUSTRY NEWS:**DoT seeks duty cuts for telecom gear, software**

The Department of Telecom has recommended a number of initiatives as part of its pre-Budget proposals submitted to the Finance Minister. It has backed the industry demand to remove the eight per cent counter veiling duty (CVD) on software used in telecom equipment. The DoT has also pushed for an excise duty cut on wireless data card and modems, which will make broadband services cheaper. Another important proposal is to reduce the licence fee revenue share for telecom operators to a uniform six per cent. Currently, operators pay between six per cent and 10 per cent of their annual revenues as licence fee.

Domestic majors dominate bids for ultra-mega power projects

Domestic power sector biggies, including NTPC Ltd, Reliance Energy and Tata Power, are among the 16 bidders in the race for the first two 4,000-MW ultra-mega power projects for which bidding closed on Thursday. Major foreign players, including China Light and Power (in a consortium with GMR Group) and AES Corporation, are among the companies that have dropped out of the race.

India to face \$105 bn demand for aircraft

Predicting robust growth in the India civil aviation sector European aerospace major Airbus today said the country would require passenger and freight aircraft, valued at 105 billion dollars, to serve the strong demand by 2025. According to the latest Airbus global market forecast India will become the fastest growing country for air travel demand for the next decade.



Name	R2	R1	Pivot	S1	S2
ABB LTD.	4,088.37	3,986.73	3,798.37	3,696.73	3,508.37
ACC	1,166.32	1,149.78	1,138.47	1,121.93	1,110.62
ALLHABAD BNK	94.55	93.95	93.35	92.75	92.15
ALOK INDS	72.67	71.63	70.87	69.83	69.07
ANDHRA BANK	91.23	90.77	90.13	89.67	89.03
ARVIND MILLS	55.70	54.75	54.15	53.20	52.60
ASHOK LEYL	46.52	45.73	44.67	43.88	42.82
AUROBINDO PH	683.88	673.77	656.88	646.77	629.88
BAJAJ AUTO	2,741.55	2,723.40	2,701.75	2,683.60	2,661.95
BALLARPUR IN	119.07	116.83	114.17	111.93	109.27
BANK OF BARO	269.17	266.43	263.77	261.03	258.37
BANK OF IND.	209.85	207.80	205.45	203.40	201.05
BHARAT ELEC.	1,295.35	1,268.30	1,219.65	1,192.60	1,143.95
BHARAT FORGE	364.72	360.03	357.02	352.33	349.32
BHARAT PETRO	343.73	339.57	335.83	331.67	327.93
BHARTIARTL	662.50	650.20	641.60	629.30	620.70
BHEL	2,697.85	2,670.90	2,638.55	2,611.60	2,579.25
BONGAIGAON R	48.07	47.78	47.52	47.23	46.97
CANARA BANK	316.18	311.02	307.63	302.47	299.08
CENTURY TEXT	707.55	699.60	694.00	686.05	680.45
CESC LTD	345.93	341.92	338.98	334.97	332.03
CHAMBAL FERT	36.88	36.57	36.03	35.72	35.18
CIPLA	252.25	250.40	248.95	247.10	245.65
COLGATE	390.30	384.60	381.30	375.60	372.30
CORPN. BANK	382.78	373.02	367.08	357.32	351.38
CUMMINSIND	284.03	279.92	272.53	268.42	261.03
DABUR INDIA	146.93	145.87	144.93	143.87	142.93
DIVIS LAB	2,941.33	2,901.67	2,858.33	2,818.67	2,775.33
DR.REDDY	777.93	767.37	758.68	748.12	739.43
ESCORTS	122.37	119.93	118.02	115.58	113.67
ESSAR OIL	50.87	50.38	49.97	49.48	49.07
FEDERAL BANK	235.60	232.40	228.70	225.50	221.80
GAIL	273.05	268.45	265.40	260.80	257.75
GESHIP	235.88	231.42	228.33	223.87	220.78
GLAXO SMITHK	1,236.20	1,224.50	1,207.30	1,195.60	1,178.40
GMRINFRA	406.93	400.37	391.93	385.37	376.93
GRASIM IND.	2,782.88	2,766.17	2,748.08	2,731.37	2,713.28
GUJ AMB CEME	143.55	142.25	140.65	139.35	137.75
GUJ.NARMADA	107.65	106.25	104.40	103.00	101.15
HCL TECHNOLO	653.17	642.48	635.32	624.63	617.47
HDFC BANK	1,129.92	1,118.03	1,103.02	1,091.13	1,076.12
HERO HONDA	779.48	764.97	755.48	740.97	731.48
HIND.LEVER	245.43	242.92	239.98	237.47	234.53
HIND.PETROL	291.43	284.77	280.98	274.32	270.53
HINDALCO	188.25	185.80	181.45	179.00	174.65
HOUS DEV FIN	1,603.92	1,584.93	1,571.02	1,552.03	1,538.12
ICICI BANK	897.75	888.45	874.95	865.65	852.15
IDBI	85.50	84.55	83.55	82.60	81.60
IDFC	80.57	79.63	79.07	78.13	77.57
I-FLEX	1,787.88	1,766.37	1,753.48	1,731.97	1,719.08
INDIA CEMENT	235.67	233.13	230.87	228.33	226.07
INDIAN HOTEL	165.65	162.70	160.85	157.90	156.05
INDIAN OIL	468.48	457.22	436.73	425.47	404.98
INDUS IND BK	51.30	49.85	47.45	46.00	43.60
INDUST.FIN.C	12.87	12.73	12.62	12.48	12.37



INFOSYS TECH	2,277.00	2,250.40	2,227.20	2,200.60	2,177.40
IOB	124.75	122.70	121.35	119.30	117.95
IPCL	297.57	293.58	288.92	284.93	280.27
ITC	190.60	188.70	187.35	185.45	184.10
IVRCL INFRAS	426.37	420.43	413.97	408.03	401.57
JAMMU&K BANK	560.00	555.60	550.60	546.20	541.20
JETAIRWAYSEQ	684.23	674.92	668.53	659.22	652.83
JIND STAINLE	133.90	128.35	121.50	115.95	109.10
JINDL STL&PO	2,323.82	2,267.63	2,233.82	2,177.63	2,143.82
JPHYDRO	31.60	31.25	31.00	30.65	30.40
KARNATAK BNK	129.32	126.83	124.22	121.73	119.12
LIC H.FINAN	173.45	172.30	170.65	169.50	167.85
LITL	260.57	253.63	247.77	240.83	234.97
LT EQ	1,516.55	1,493.10	1,466.55	1,443.10	1,416.55
MAH & MAH	859.15	853.65	844.50	839.00	829.85
MAH.SEAMLESS	473.37	466.88	462.52	456.03	451.67
MAHANGR TELE	137.72	136.68	135.97	134.93	134.22
MARUTI	959.92	952.83	946.92	939.83	933.92
MATRIXLABSEQ	284.75	277.85	265.05	258.15	245.35
MPHASISBFLEQ	264.63	257.67	252.58	245.62	240.53
MRPL	44.02	43.33	42.47	41.78	40.92
NAGAR.FERT	13.15	13.00	12.90	12.75	12.65
NATION ALUMI	221.68	219.67	216.88	214.87	212.08
NDTV EQ	233.75	230.90	228.25	225.40	222.75
NEYVELI LIGN	64.23	63.62	62.73	62.12	61.23
NICHOLAS PIR	254.28	249.67	244.33	239.72	234.38
NSE NIFTY	4,041.12	4,028.23	4,014.82	4,001.93	3,988.52
NTPC EQ	155.82	153.73	150.67	148.58	145.52
ONGC CORP.	870.52	866.03	861.02	856.53	851.52
ORCHID CHEM	209.45	208.40	207.70	206.65	205.95
ORIENT.BANK	255.50	253.10	250.10	247.70	244.70
PARSVNATH	528.82	523.63	518.82	513.63	508.82
PATNI EQ	416.65	409.95	403.10	396.40	389.55
PNB	567.00	561.40	554.30	548.70	541.60
POLARIS SOFT	140.33	137.92	134.98	132.57	129.63
PUNJLLOYD	1,088.98	1,069.37	1,047.18	1,027.57	1,005.38
RANBAXY LAB.	398.57	392.68	387.87	381.98	377.17
RCOM	473.42	464.93	459.52	451.03	445.62
REL EQ	553.17	547.63	543.37	537.83	533.57
REL.CAPITAL	624.75	618.70	612.85	606.80	600.95
RELIANCE	1,325.00	1,313.00	1,297.00	1,285.00	1,269.00
RPL	65.67	65.43	65.27	65.03	64.87
SATYAM COMP	476.42	472.13	465.57	461.28	454.72
SHIPP.CORPN.	170.58	169.17	166.83	165.42	163.08
SIEMENS	1,219.88	1,202.97	1,176.98	1,160.07	1,134.08
SRF LTD.	213.47	211.03	209.07	206.63	204.67
STATE BANK	1,371.27	1,359.53	1,345.27	1,333.53	1,319.27
STEEL AUTHOR	88.80	87.85	87.05	86.10	85.30
STER EQ	582.35	576.90	572.45	567.00	562.55
STRIDES ARCO	358.25	345.70	337.45	324.90	316.65
SUN PHARMA.	1,038.70	1,022.40	1,003.70	987.40	968.70
SUNTV	1,472.15	1,435.30	1,410.15	1,373.30	1,348.15
SUZLON	1,407.52	1,380.48	1,363.97	1,336.93	1,320.42
SYNDICATE BK	81.35	80.60	80.10	79.35	78.85
TATA CHEM	226.92	224.43	220.27	217.78	213.62
TATA POWER	619.10	606.95	591.10	578.95	563.10
TATA TEA	764.73	760.52	754.78	750.57	744.83



TATAMOTORSEQ	910.13	901.42	887.28	878.57	864.43
TATASTEEL	502.68	497.37	491.18	485.87	479.68
TCS EQ	1,252.63	1,223.47	1,205.28	1,176.12	1,157.93
TITAN IND.	820.55	810.10	799.05	788.60	777.55
TVS MOTOR	96.80	95.80	95.00	94.00	93.20
UNION BANK	133.07	131.33	129.67	127.93	126.27
UTI BANK	498.10	490.55	483.80	476.25	469.50
VIDESH SANCH	448.82	441.93	437.02	430.13	425.22
VIJAYA BANK	53.48	52.37	51.28	50.17	49.08
WIPRO	595.92	590.08	585.17	579.33	574.42
WOCKHARD LTD	384.57	379.88	377.07	372.38	369.57

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Networth Stock Broking Ltd. 143/B, Mittal Court, 'B' Wing, 224, Nariman Point, Mumbai – 400 021.