



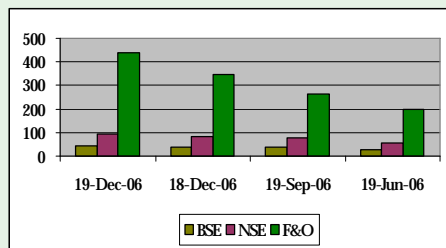
20 December 2006

Indices	% Change			
	18-Dec-06	1mth	3mth	6mth
Sensex	13,731	1.7	13.7	38.9
Nifty	3,929	1.3	12.5	35.9
CNX Midcap	5,664	1.5	25.0	53.2
Banking	7,057	(2.2)	24.7	60.9
Capital Goods	9,196	4.3	12.3	39.2
IT	5,204	4.6	20.0	51.4
Healthcare	3,739	(1.0)	2.8	22.6
NASDAQ	2,436	(0.6)	8.9	14.3
Dow Jones	12,441	1.1	7.7	13.0

Net Inflows

Rsbm	19-Dec-06	18-Dec-06	19-Sep-06	19-Jun-6
BSE	42	38	37	27
NSE	91	82	75	57
F&O	439	347	263	195

Turnover



Commodity & Currency % Change

	19-Dec-06	1mth	3mth	6mth
Crude (US\$/barrel)	63.3	7.3	2.6	(8.3)
Gold (US\$/Oz)	623.2	0.2	8.6	10.2
US\$	44.8	(0.4)	(2.7)	(2.4)
Euro	58.7	2.1	0.5	1.6

Debt

%	19-Dec-06	1mth	3mth	6mth
RBI Reverse Repo	6.0	6.0	6.0	5.8
10 yr G-Sec yld	7.6	7.5	7.8	7.8
Spread 1 & 10 yr G-Sec	0.6	0.5	0.9	0.9
US 10 yr treasury	4.6	4.7	4.8	5.1
Surplus liquidity (Rsbn)	(83.2)	51.4	41.3	388.2

Tata Steel (Rs455) BUY Target Price 671
JSW Steel (Rs332) BUY Target Price 468

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International Steel Prices remain stable

BaoSteel, China's biggest steelmaker and the fifth largest in the world, has rolled over the price of HR Coil and CR Coil without any reduction for the January 2007-March 2007 quarter. In dollar terms, the price works out to US\$475 per ton of HR Coil and US\$584 per ton of CR Coil. Bao Steel's decision to keep the prices unchanged indicates that the global steel prices should not come under pressure. Earlier, it was being feared that the increasing Chinese steel exports would spoil the party for steel makers across the world.

China's steel exports are being subsidized by its government through export incentives of 8%. However, the Chinese government plans to reduce it to 3% from January 2007. As a result, the current net steel exports of 27 mn ton in CY06 (exports of 46 mn ton and imports of 19 mn ton) is unlikely to go up substantially in CY07. Moreover, most of the Chinese steel exports are of long products, which are mainly used by the construction industry. Tata Steel and JSW Steel, the two companies under our coverage, derive bulk of their revenues from flat steel sales, which is mainly used for making automobiles and household appliances.

Tata Steel	Y/E March (Rs. Mn)	FY2005	FY2006	FY2007E	FY2008E	FY2009E	
Reuters / Bloomberg code TISC.BO / TATA @ IN	Revenues	144,989.1	151,393.9	177,160.5	177,957.1	225,642.9	
Market cap (Rs. Bn)	18,223.6	Operating Profit	60,453.7	59,315.1	69,217.1	69,647.9	94,280.4
Market cap (US\$ mn)	404,969.8	Net Profit	35,647.0	35,591.5	41,857.0	42,824.1	57,526.5
Shares outstanding (mn)	36,229.9	EPS (Rs.)	64.4	64.3	72.1	73.7	99.1
52 - week High / Low (Rs.)	679/338	EPS growth (%)	26.3	(0.2)	12.1	2.3	34.3
		Operating margin (%)	41.7	39.2	39.1	39.1	41.8
Major shareholders (%)		PER (x)	7.2	7.2	6.5	6.3	4.7
Promoters	30.3	EV / EBITDA (x)	4.4	4.3	3.7	3.4	2.2
Fils	21.5	Price / Sales (x)	1.8	1.7	1.5	1.5	1.2
Banks / MFs / Fis	19.5	Dividend yield (%)	2.8	2.8	3.0	3.0	4.3
Public	28.7	RoCE (%)	38.8	31.1	29.6	25.1	42.0
		RoE (%)	63.6	43.5	37.7	29.9	31.7

JSW Steel	Y/E March (Rs. Mn)	FY2005	FY2006	FY2007E	FY2008E	FY2009E	
Reuters / Bloomberg code JNDL.BO / JDVS @ IN	Revenues	66,793.6	61,801.0	85,545.3	106,089.0	110,184.0	
Market cap (Rs. Bn)	53.4	Operating Profit	22,863.7	16,843.2	25,048.4	31,038.4	32,417.2
Market cap (US\$ mn)	1,186.1	Net Profit	8,734.4	4,950.9	11,409.7	13,433.8	13,964.3
Shares outstanding (mn)	157.0	EPS (Rs.)	67.4	54.6	69.6	78.1	81.2
52 - week High / Low (Rs.)	372/184	EPS growth (%)		(19.1)	27.5	12.3	3.9
		Operating margin (%)	34.2	27.3	29.3	29.3	29.4
Major shareholders (%)		PER (x)	5.0	10.6	4.8	4.3	5.8
Promoters	45.4	EV / EBITDA (x)	3.3	5.4	3.8	2.9	3.5
Fils	19.3	Price / Sales (x)	0.6	0.9	0.6	0.5	0.7
Banks / MFs / Fis	10.0	Dividend yield (%)	1.5	2.4	3.1	3.5	2.6
Public	25.3	RoCE (%)	16.6	9.3	14.2	13.0	11.0
		RoE (%)	34.7	15.7	26.0	23.5	19.9

Source: Company and Karvy Estimates

While Tata Steel's sales mix is around 70:30 in favour of flat steel, JSW is entirely into flat steel products with no revenue from long products. Even Tata Steel's revenue from long steel products is largely insulated from the vagaries of steel price fluctuation as its branded specialty products fetch a premium price with a good chunk of it coming from term contracts. As far as flat steel realization is concerned, the current realization for Tata Steel and JSW Steel is at a marginal premium over the landed cost. Since BaoSteel has kept the flat product prices unchanged, we expect the domestic price premium over landed cost to continue at least for one quarter except for some minor discount adjustments.

We maintain our EPS estimates and Positive view on Tata Steel and JSW Steel.

BULK DEALS ON NSE - 19 Dec 2006

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
PIONEEREMB	PIONEER EMBROIDERIES LTD	SUNIL CAPITAL AND SECURITIES P	BUY	53,301	222.7
VIVIMEDLAB	VIVIMED LABS LIMITED	NAKAMICHI SECURITIES LTD	BUY	50,000	212.1
GLOBALVECT	GLOBAL VEC HELICORP LTD	TATA TDWATERHOUSE TRUSTEE CO.PL	BUY	100,000	235.5
TELEDATAIN	TELEDATA INFORMATICS LTD	URMILA DOSHI	BUY	1,482,171	26.6
IFCI	IFCI LTD	JAYPEE CAPITAL SERVICES LTD.	BUY	3,586,264	11.0
TELEDATAIN	TELEDATA INFORMATICS LTD	VIVEK MEHROTRA	BUY	1,025,000	26.5
DAAWAT	LT OVERSEAS LIMITED	RIDDHI PAJWANI	BUY	288,864	55.7
DAAWAT	LT OVERSEAS LIMITED	ABHISHEK RATHORE	BUY	290,789	57.0
DAAWAT	LT OVERSEAS LIMITED	VRAJLAL TALAKSHI GALA	BUY	120,651	56.4
DAAWAT	LT OVERSEAS LIMITED	NEPTUNE FINCOT PVT LTD	BUY	145,515	55.7
ACE	ACTION CONST EQUIP LTD	ASIT C MEHTA INVESTMENT INTERRM	BUY	147,144	324.2
PTC	PTC INDIA LIMITED	UBS SECURITIES ASIA LTD A/C SWI	BUY	855,000	51.6
VIVIMEDLAB	VIVIMED LABS LIMITED	SEARCH FINVEST PVT. LTD.	BUY	338,381	212.0
PIONEEREMB	PIONEER EMBROIDERIES LTD	SEARCH FINVEST PVT. LTD.	BUY	154,560	220.7
DAAWAT	LT OVERSEAS LIMITED	LATIN MANHARLAL SECURITIES PVT.	BUY	273,558	55.4
PIONEEREMB	PIONEER EMBROIDERIES LTD	SAVITRI MINERALS PVT LTD	BUY	64,591	222.5
VHL	VARDHMAN HOLDINGS LIMITED	PRINCIPAL MFTRUST CORPUS	BUY	17,959	366.0
RPGTLTD	RPG TRANSMISSION LTD	BSMA LIMITED	BUY	100,000	165.0
PIONEEREMB	PIONEER EMBROIDERIES LTD	SUNIL CAPITAL AND SECURITIES P	SELL	53,551	222.8
TELEDATAIN	TELEDATA INFORMATICS LTD	URMILA DOSHI	SELL	1,532,169	26.5
TELEDATAIN	TELEDATA INFORMATICS LTD	CHIRIPAL ENTERPRISE LTD	SELL	1,155,195	26.5
IFCI	IFCI LTD	JAYPEE CAPITAL SERVICES LTD.	SELL	3,806,678	11.0
SAKHTISUG	SAKTHI SUGARS LTD	PRUDENTIAL ICICI M.F.DYNAMIC	SELL	163,300	111.9
VIVIMEDLAB	VIVIMED LABS LIMITED	D K JAIN.	SELL	45,000	212.1
GOLDTECH	GOLDSTONE TECHNOLOGIES LTD	D K JAIN.	SELL	70,000	55.7
DAAWAT	LT OVERSEAS LIMITED	RIDDHI PAJWANI	SELL	288,864	55.1
DAAWAT	LT OVERSEAS LIMITED	ABHISHEK RATHORE	SELL	290,789	56.7
DAAWAT	LT OVERSEAS LIMITED	VRAJLAL TALAKSHI GALA	SELL	114,651	56.5
DAAWAT	LT OVERSEAS LIMITED	NEPTUNE FINCOT PVT LTD	SELL	145,515	55.9
ACE	ACTION CONST EQUIP LTD	ASIT C MEHTA INVESTMENT INTERRM	SELL	147,100	323.7
VIVIMEDLAB	VIVIMED LABS LIMITED	SEARCH FINVEST PVT. LTD.	SELL	325,587	211.3
PIONEEREMB	PIONEER EMBROIDERIES LTD	SEARCH FINVEST PVT. LTD.	SELL	127,560	223.0
DAAWAT	LT OVERSEAS LIMITED	LATIN MANHARLAL SECURITIES PVT.	SELL	273,558	55.5
PIONEEREMB	PIONEER EMBROIDERIES LTD	SAVITRI MINERALS PVT LTD	SELL	64,591	219.0
NANDAN	NANDAN EXIM LIMITED	AMRABATHI INVESTRA PVT LTD	SELL	1,269,971	7.5

Source: NSE

BULK DEALS ON BSE - 19 Dec 2006

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity/Traded	Price
532762	ACTION CONST	SAM GLOBAL SECURITIES LIM	B	95,875	319.2
532762	ACTION CONST	SAM GLOBAL SECURITIES LIM	S	95,875	319.7
504629	ANIL SP STEL	MAYANKJAIN	B	50,000	15.0
504629	ANIL SP STEL	RAJESH BHATIA	S	83,267	15.1
517565	ASHCO INDUST	PRITI ANIL GANDHI	B	100,000	37.2
517565	ASHCO INDUST	FLASH SEC.PVT LTD	S	100,000	37.2
530619	ASIA CERC IN	SFV SELVARAJ	B	51,548	147.5
523850	AXTEL INDUSR	AJAY NALIN PARIKH	B	79,009	11.5
590059	BIHARTUBES	MOTILAL G SHARMA	B	50,000	106.7
511742	CHOKHANI SEC	CHOKHANI FIN AND INVEST	B	140,000	11.1
511742	CHOKHANI SEC	R R CHOKHANI STOCK BROKE	S	140,000	11.1
522295	CONTROL PRIN	IDBI LTD	S	55,000	57.9
532542	CREW BOS	VOLGA INTERNATIONAL LTD	S	67,084	237.1
532783	DAAWAT	H.J.SECURITIES PVT.LTD.	B	203,946	56.0
532783	DAAWAT	AMU SHARES AND SEC LTD	B	349,982	55.3
532783	DAAWAT	H.J.SECURITIES PVT.LTD.	S	203,946	56.0
532783	DAAWAT	AMU SHARES AND SEC LTD	S	349,982	55.4
517973	DMCVAULTS	SUMAN KOHLI.	B	50,000	34.0
531863	GEEKAY FINAN	S K PANDEY	B	40,000	13.3
531137	GEMSTONE INV	BHAVESH PRAKASH PABARI	B	35,000	11.2
531137	GEMSTONE INV	MRADULAVIJAYKUMAR SHAH	S	50,000	11.3
531929	INNOCORP L	N.C.JAIN	B	42,587	23.3
531929	INNOCORP L	RUBY LADHA	B	45,000	24.3
531929	INNOCORP L	ASHOK MALHOTRA	B	59,985	22.5
531929	INNOCORP L	ASHOK MALHOTRA	S	59,985	23.4
522183	ITL INDUSTRI	HITESH JHAVERI	B	47,995	52.3
522183	ITL INDUSTRI	JMP SECURITIES PVT. LTD.	B	42,615	47.0
522183	ITL INDUSTRI	V.N.DOSHI	B	51,465	51.8
522183	ITL INDUSTRI	HITESH JHAVERI	S	59,122	50.0
522183	ITL INDUSTRI	JMP SECURITIES PVT. LTD.	S	39,615	48.0
522183	ITL INDUSTRI	V.N.DOSHI	S	51,465	51.9
512413	KHAITAN WVG	NUTAN HASMUKH MEHTA	S	4,600	58.5
531373	KOTAWALA()	KIRAN DARAK	B	100,000	55.1
515093	MADHAV MAR G	V AND U CAPLEASE PVT LTD	S	90,000	140.6
531497	MADHUCON PRO	SUNDARAM BNP PARIBAS MUTU	B	741,980	303.0
531497	MADHUCON PRO	BSMA LIMITED	B	350,000	317.0
531497	MADHUCON PRO	MERRILL LYNCH CAPITAL MAR	S	444,139	303.0
531497	MADHUCON PRO	PASSPORT INDIA INV	S	375,000	316.5
514380	MAIKAA FIBRE	SHALINI JALAN	S	90,000	10.5
511276	MEFCOM AGRI	MASTER FINLEASE LTD	B	69,664	109.7
511276	MEFCOM AGRI	MASTER FINLEASE LTD	S	58,164	109.8
532641	NANDAN EXIM	PILOT CONSULTANTS LTD	S	1,225,426	7.1
531791	OSIAN LPG BO	KIRIT SHANTILAL GANDHI	B	27,600	17.5
521153	PANTALOON IN	PAYASH SECURITIES PVT. LT	B	191,615	375.5
521153	PANTALOON IN	SHILODAYA INVEST AND FINA	B	34,950	379.3
521153	PANTALOON IN	JHAWAR COMMODITIES PVT LT	B	40,118	376.5
521153	PANTALOON IN	VIVEK MEHROTRA	B	50,000	376.0
521153	PANTALOON IN	CHARTERED TRADERS PVT.LTD	B	193,255	375.4
521153	PANTALOON IN	LAXMI S. MANKEKAR	S	180,000	275.3
521153	PANTALOON IN	AKASH BHANSHALI	S	191,615	375.5
521153	PANTALOON IN	AJAY UPADHYAYA	S	31,500	379.0
511411	PEERLES AB F	RUBY LADHA	B	75,000	18.9
514300	PIONER EMBRO	SAVITRI MINERALS PVT LTD	B	87,869	222.0
514300	PIONER EMBRO	JMP SECURITIES PVT. LTD.	B	145,704	115.0
514300	PIONER EMBRO	SEARCH FINVEST LIMITED	B	168,985	223.3
514300	PIONER EMBRO	SAVITRI MINERALS PVT LTD	S	87,869	220.9
514300	PIONER EMBRO	JMP SECURITIES PVT. LTD.	S	150,051	116.0
514300	PIONER EMBRO	SEARCH FINVEST LIMITED	S	118,985	220.5
532524	PTC INDIA	UBS SECURITIES ASIA LTD	B	801,000	51.5
524194	ROCK HARD PE	BHOLABHAI PATEL	B	42,289	8.3
590029	RPG TRANSM	BSMA LIMITED	B	104,497	165.0
590029	RPG TRANSM	TOP CITY MERCANTILE CO PV	S	71,770	165.2
590029	RPG TRANSM	PACIFIC CORPORATE SERVICE	S	75,000	165.0
531898	SANGUINE MD	NEIL INFORMATION TECHNOLO	B	50,500	42.5
506131	SHIVAJI SECU	SONIA AJAY GOYAL	S	74,000	62.2
514211	SUMEET INDUS	RAMNIKLAL KUNVERJI SHETHI	B	162,566	12.0
514211	SUMEET INDUS	PURSHOTTAM KHANDELWAL	B	863,134	11.9
514211	SUMEET INDUS	N.C.JAIN	B	199,728	12.0
514211	SUMEET INDUS	RAMNIKLAL KUNVERJI SHETHI	S	162,566	12.0
514211	SUMEET INDUS	PURSHOTTAM KHANDELWAL	S	800,249	12.0
514211	SUMEET INDUS	N.C.JAIN	S	199,728	11.9
532358	TELE DATA IN	JMP SECURITIES PVT. LTD.	B	2,692,595	24.0
532358	TELE DATA IN	JMP SECURITIES PVT. LTD.	S	2,609,085	25.0

Source: BSE

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Stock Ratings		Absolute Returns		Stock Ratings		Absolute Returns
Buy	:	> 25%		Market Performer	:	0 - 15%
Out Performer	:	16 - 25%		Under Performer	:	< 0%

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