



GoodEvening KRC

Post Market Analysis and Action Guide for Tomorrow

May 9th ,2007

● Market Commentary

Market Activity:

Key indices were down nearly 1% early today in line with weak Asian markets amid caution ahead of US Federal Reserve's decision on interest rates. The Fed is widely expected to keep interest rates steady but investors will focus on its accompanying statement that will give cues on its stance on inflation and whether a cut in rates is in the offing later this year. At 10:35AM, Sensex was 13656.79, down 108.67 points or 0.8%. Nifty was at 4044.90, down 31.75 points or 0.8%.CNX Midcap Index and S&P CNX 500 Index were down 1% each. On BSE, declined outnumbered advances 2:1 in the morning session. Fortis Healthcare debuted at Rs 106 on NSE and Rs 109 on BSE against issue price of Rs 108. At 10:35AM, the stock was at Rs 105 on NSE. GAIL India, down 3% at Rs 284, was the worst hit on Nifty on profit sales. The company Tuesday reported 66% on year rise in Jan-Mar net profit to Rs 6.80 bn. ONGC fell 2% to Rs 900 despite reports that a consortium of its arm ONGC Videsh and IOC has found oil in the Persian Gulf. Indian Oil shares were, however, up 2% at Rs 463. Dena Bank surged 6% to Rs 37 on reports Canara Bank has appointed Ernst & Young to explore the possibility of a buyout. Canara Bank shares rose 1% to Rs 218.50. Hero Honda, up 1% at Rs 688, was the top Nifty gainer. The company is negotiating for lower royalty on new models with parent Honda to tide over rise in interest rates and commodity prices. MTNL was up 0.6% at Rs 149 on a newspaper report that the company is likely to provide enterprise communication solutions to Reliance Industries.

	No. of Scrips	Value (Cr.)
Advances	464	5237
Declines	586	3100
Unchanged	25	75
Total	1075	8412

In the mid trading session, indices were down nearly 1% as investors booked profits ahead of outcome of the US Federal Reserve's meet on interest rates. Weak cues from Asian markets also hit sentiment. Volumes were thin on absence of any new triggers as the earnings season was drawing to a close. Sensex was at 13682.41, down 83.05 points or 0.6%. Nifty was at 4052.30, down 24.70 points or 0.6%. BPCL rose 2% to Rs 349 as crude oil prices eased slightly on NYMEX. GAIL India fell for the second consecutive session. The stock was down 3% at Rs 284.Syndicate Bank rose 2% to Rs 78 after it Tuesday reported Jan-Mar net profit at Rs 1 bn, up 10 times from a year ago, on the back of higher net interest income. Suzlon was up 2.1% at Rs 1235 as the Board of Approvals (BoA) cleared its SEZ plan. Reliance Ind was down 0.5% at Rs 1585 after the BoA deferred its decision on Navi Mumbai SEZ. Gail was down 4% at Rs 285. The PSU announced Rs 2777 cr capex plan for next year. The company will raise fund through selling its 2.4% stake in ONGC. Deccan Aviation shares were up 3.5% at Rs 108.25 on a report in Business Line today, that its low cost airline Air Deccan was in the process of rationalizing its routes, with the aim of becoming profitable

May 9th, 2007

Key indices recouped losses and ended marginally up on short covering and as expectations strengthened the US Federal Reserve may keep rates steady in its meet on interest rates later today. Earlier today, indices fell nearly 1% amid fears the ruling United Progressive Alliance had performed poorly in the elections in Uttar Pradesh after exit polls showed the state was headed for a hung assembly. Sensex ended at 13781.51, up 16.05 points or 0.1% from Tuesday. Intraday, it touched a low of 13612.04. Nifty ended at 4079.30, up 2.30 points or 0.1% after touching an intraday low of 4030.55. Turnover on both the exchanges was roughly Rs 123 bn, compared to 137.8 bn Tuesday. The CNX Midcap Index was up 0.5% and S&P CNX 500 Index ended up 0.2%. SBI, up 4% at Rs 1,126.5, was the top Nifty gainer. Hero Honda was up 3.7% at Rs 705 on a newspaper report the company is negotiating with parent Honda for lower royalty on new models to offset higher interest rates and commodity prices. Siemens India ended up 3% at Rs 1,249 amid talk its Germany-based parent Siemens AG may buy back shares. ICICI Bank ended up 1% at Rs 850. In the foreign institutional segment, 1 mn shares of the bank were bought at Rs 840 per share. Maruti Udyog was up 0.3% at Rs 803 after the government received bids for 35.9 mn shares of the company against 29.7 mn shares on offer. Fortis Healthcare shares ended at Rs 100 on NSE. It debuted at Rs 106 on NSE and Rs 109 on BSE against issue price of Rs 108. Dena Bank ended up 7% at Rs 37 on expectation of a favorable swap ratio on likely merger of the bank with Canara Bank. Canara Bank was up 2% at Rs 222. GAIL India, down 4% at Rs 281, was the worst performer during the day. GAIL today said it might sell its 2.5% stake in ONGC to partly fund its capital expenditure for the current financial year and 2008-2009 (Apr-Mar). ONGC declined 1% to Rs 909 despite reports that a consortium of led by its overseas arm, ONGC Videsh, had discovered oil in a block in the Persian Gulf. Technology shares extended declines from previous sessions on worries a stronger rupee may eat into companies' profitability. Rupee has appreciated over 8% since January this year. TCS was down 2% at Rs 1,239.5 and HCL Technologies was down 1.5% at Rs 327. Cipla shares ended down 2% at Rs 208. Brokerage UBS has downgraded Cipla to neutral and expects the stock to be range-bound for the next few months on no immediate catalyst.

Tech stocks ended down. Infosys was down at Rs 1980.60 with volumes of Rs 293.09 crs, TCS was down at Rs 1239.50 with volumes of Rs 145.72 crs, Satyam was down at Rs 452.60 with volumes of Rs 138.44 crs, and TechM closed down at Rs 1544.25 with volumes of Rs 91.35 crs.

Pharma stocks witnessed positive trend with exception. Dr Reddy was up at Rs 691.55 with volumes of Rs 54.04 crs, Cipla closed down at Rs 207.90 with volumes of Rs 48.17 crs, Ranbaxy was up at Rs 393.50 with volumes of Rs 25.35 crs, and Glenmark closed up at Rs 637.55 with volumes of Rs 15.80 crs.

Banking stocks showed buying opportunity. In the Public Sector banks SBI closed up at Rs 1122.90 with volumes Rs 203.01 crs & Bank Of India closed up at Rs 194.05 with volumes Rs 40.05 crs. In the private sector ICICI Bank closed up at Rs 849.35 with volume of Rs 137.09 crs & UTI Bank closed up at Rs 518.15 with volumes of Rs 63.88 crs.

Auto Stocks ended mixed trend. Tata Motors closed down at Rs 723.25 with volumes of Rs.85.72 crs & M&M closed down at Rs 757.25 with volumes of Rs 39.07 crs. While in the 2 wheeler segment stocks, Bajaj Auto closed up at Rs 2564.20 with volumes of Rs 72.78 crs & Hero Honda closed up at Rs 700.15 with volumes of Rs 12.87 crs.



May 9th, 2007

Cement Stocks ended up with exception. India Cement closed up at Rs 184.90 with volumes of Rs 55.87 crs, ACC closed down at Rs 874.50 with volumes of Rs 44.39 crs, GACL closed up at Rs 121.15 with volumes of Rs 23.71 crs and Birla Jute closed up at Rs 235 with volumes of Rs 1.24 crs.

Nifty ended at 4079 up by 2 points

			Cash	Derivative
Name	Close	%	NSE Volumes (Rs. Crs)	NSE F & O Volumes (Rs. Crs) May
Reliance	1598.25	0.32	366.16	930.84
IFCI	48.10	0.84	363.65	343.01
Infosys	1980.60	-1.08	293.09	279.99
Reliance Cap	795.70	2.86	229.80	885.33
Rcom	463.10	0.13	212.33	471.32



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Kisan Ratilal Choksey Shares and
Securities Pvt. Ltd. 1102, Stock
Exchange Tower, Dalal Street, Mumbai
400 001. Phone : 91-22-56338050 Fax :
5633 8060

Members: BSE &
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www.krchoksey.com