



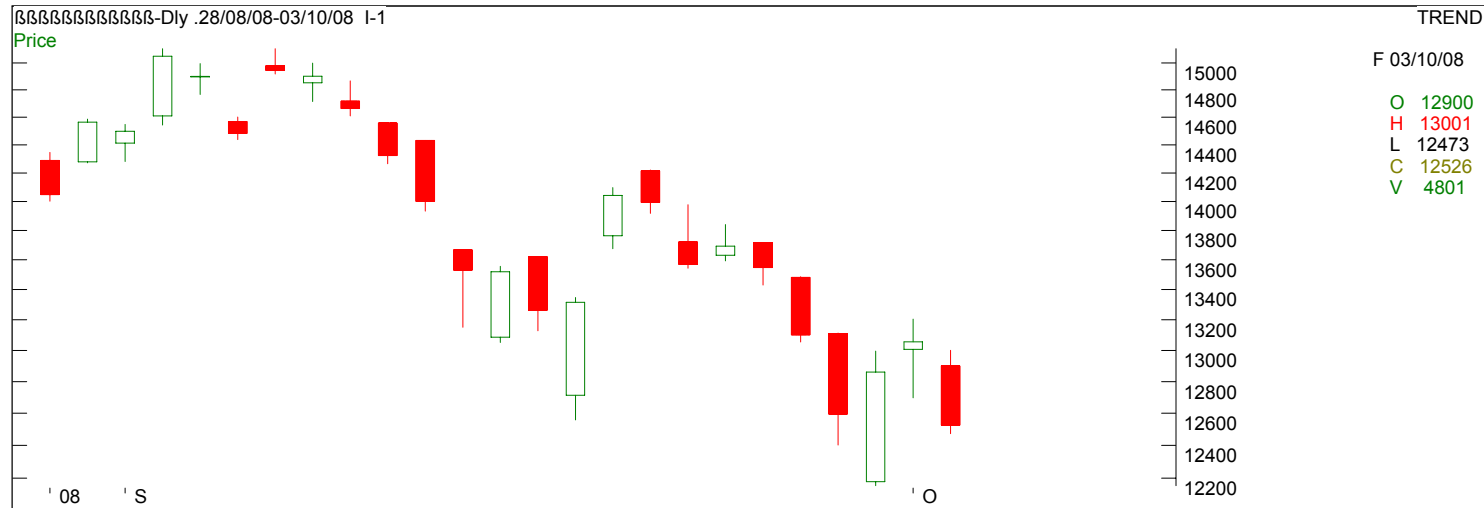
Monthly Report

October 2008

Table of Contents

Title	Slide No.
▪ Monthly Equity Commentary	03
– Fund Activity	06
– Comparison of Equity Returns in various emerging markets	07
– Outlook Going Forward	09
▪ Technical Commentary	14
▪ Learning Technical Analysis	18
▪ Derivatives Commentary	20
▪ Learning Derivatives	22
▪ Call Tracker	25
▪ Forthcoming Board Meetings	26
▪ Forthcoming Book Closure/Record Date	29
▪ FII & Mutual Fund Flow during September 2008	30
▪ Gainers & Losers - September 2008	31
▪ Disclosure	33

Monthly Equity Commentary



- The Indian markets ended the month of September 2008 lower in line with its global peers. The crisis in the financial markets which began when **prices started declining in the US real estate markets** has taken its toll on the world's financial markets. After ending on a flat note during the month of August, the Sensex started the month of September on a positive note. The Sensex touched a high of 15,106 on 2nd September, 2008 on the back of falling commodity prices, especially oil and then started its southward journey.
- A rise in the **US jobless claims data**, worries over the solvency of America's biggest mortgage lenders, Fannie Mae and Freddie Mac and moves by the **ECB** to tighten its criteria for taking assets as collateral for short term loans triggered a sell-off. The Sensex opened with a downward gap on Friday, 5th September, 2008 (14,766 - 14,601).
- On Monday, 8th September, 2008 the markets opened with an upward gap (14,601 - 14,917) on the back of positive news of India receiving the **Nuclear Suppliers Group** approval for the nuke-deal and the announcement of a bail out package for **Fannie Mae and Freddie Mac** from the US government. Thereafter, the Sensex slowly started falling but remained above the 14,000 mark.

Monthly Equity Commentary

contd...

- On Monday, 15th September, 2008, the Sensex opened with a downward gap (13,934 - 13,666) as the financial woes in the US continued to increase. After failing to find a buyer, **Lehman Brothers** filed for Chapter 11 bankruptcy protection. The collapse of Lehman Brothers set off a **domino effect** amongst banks and credit availability in developed markets. Emerging markets are not immune from this and thus also headed lower as one bank after another in the US was either taken over or nationalized.
- In the days to follow, **Merrill Lynch** was acquired by Bank of America; the US Government had to bail out insurance giant, **AIG** for \$85 billion; the last two standing investment banks, **Morgan Stanley** and **Goldman Sachs**, converted to bank holding companies; the Fed seized **Washington Mutual** in the largest-ever US bank failure and even **Wachovia** teetered on the verge of collapse and was on the look out for a buyer (Citigroup and Wells Fargo are in the race). On 18th September, 2008 the Sensex made a low of 12,558.
- On 19th September, 2008, the White House requested a **\$700-billion bailout plan** from the Congress for all financial firms with bad mortgage securities to free up the tightening credit flow. Also, the US market regulator, the SEC, **halted short-selling** of financial stocks in the US along with its British counterpart, the FSA. Ireland and Switzerland also took similar actions. The Sensex opened with an upward gap on 19th September, 2008 (13,347 - 13,675). However, the recovery could not be sustained and after touching a high of 14,221 in the next two trading sessions, the Sensex once again headed lower.
- News of the credit crunch further deepening in Europe drove the markets lower. Britain nationalized **Bradford & Bingley**; the Belgian, Dutch and Luxembourg governments agreed to inject 11.2 billion euros (\$16.4 billion) into banking and insurance company **Fortis** and Germany threw a lifeline to cash-strapped lender **Hypo Real Estate** by agreeing to provide the bulk of 35 billion euros (\$50 billion) in credit guarantees on Monday (29th September, 2008). Further, on Tuesday (30th September, 2008) Belgian, French and Luxembourg governments and shareholders pledged 6.4 billion euros (\$9.2 billion) for **Dexia**, the world's largest lender to municipalities, to boost its capital and attempt to restore confidence. In a similar move, the governments of Denmark and Iceland also stepped up to support various banks.
- The Sensex touched a low of 12,154 on 30th September, 2008, and finally closed the month at 12,860, down 11.7% MoM. The Nifty closed the month at 3,921, down 10.1% MoM.

Monthly Equity Commentary

contd...

- Given below is a summary of the fall of global markets during September, 2008

Indices	29-Aug-08	30-Sep-08	% Chg
US - Dow Jones	11543.6	10850.7	-6.00%
US - Nasdaq	2367.5	2082.3	-12.00%
UK - FTSE	5636.6	4902.5	-13.00%
Japan - Nikkei	13072.9	11259.9	-13.90%
Germany - Dax	6422.3	5831	-9.20%
Brazil - Bovespa	55680	49541	-11.00%
Singapore - Straits Index	2740	2358.9	-13.90%
India - Sensex	14564.5	12860.4	-11.70%
India - Nifty	4360	3921.2	-10.10%
Indonesia - Jakarta Comp	2165.9	1832.5	-15.40%
Chinese - Shanghai Comp	2397.4	2293.8	-4.30%

- Average daily volumes on the BSE during the month of September 2008 rose 8.2% MoM as markets remained volatile and headed southward. (NSE daily average volumes were up 29.3% MoM - this suggests that investors stayed away from smallcaps and midcaps and thus BSE volumes rose by a smaller percentage). Mutual funds turned net buyers of Rs. 2,265 cr in the month of September 2008 after being net sellers of Rs. 361.6 cr during the month of August. **FII's were net sellers of Rs. 7,937 cr** in the month of September 2008, being net buyers in only 6 out of 21 sessions. FIIs have been net sellers in Indian equities to the extent of Rs. 25,275 cr in H1FY09. Derivatives volumes increased 25.1% MoM reflecting higher activity levels from FIIs, higher volatility in markets and the fact that the need to hedge in volatile markets also increased.
- All the BSE indices ended the month of September in the red. The BSE FMCG (down 2.5%) and Oil & Gas lost the least (down 6.4%). A fall in crude prices provided some respite to the oil marketing companies. **The BSE IT, Consumer Durables, Metals and Realty indices lost more than 20% each.** IT companies may not meet their dollar revenue guidance and are uncertain with respect to future revenue visibility as most of their BFSI clients are caught in the financial crisis. Metal companies continue to underperform as commodity prices continue their downtrend. **Copper is currently at a 19 month low and aluminum at a 31 month low.** The BSE Realty (down 29.8%) was the worst performer of the pack as property developers witness slowdown in demand amid tight inter-bank liquidity and prevailing high interest rates.
- Gainers amongst the F&O stocks included KSK Energy Ventures (up 34.9%), HPCL, BPCL, Tata Communication and Syndicate Bank that surged more than 10% each. Losers from the F&O pack included Ranbaxy Lab (down 52.4%), Srei Infrastructure Finance (down 45.4%), NIIT Ltd (down 42.7%) and IRB Infrastructure Developers Ltd (down 41.2%).

Monthly Equity Commentary

contd...

Fund Activity

FII activity	Net Buy/Sell-	Net Buy/Sell	Open Interest	Open Interest
Rs. Cr.	Sep-08	Aug-08	Sep-08	Aug-08
Equities (cash)	-7,937	-2,066		
Index Futures	-828	677	9,969	13,105
Index Options	3,859	5,225	18,640	19,856
Stock Futures	-1,141	-4,211	14,692	17,318
Stock Options	778	494	912	377

- FIIs unwound some of their long positions in Index Futures segment, while continuing to be large buyers in Index options and Stock options segment. In the stock futures segment, selective cash-futures arbitrage opportunities led to net selling in that segment.
- The **Rupee** continued to slide during the month of September 2008, slumping to a **5 year low** against the USD. The Rupee closed at 46.97 against the USD for the month of September 2008 (after crossing the 47 mark) compared to the opening levels of 43.93, losing about 6.9% during the month. This weakness was on the back signs that the US economy is headed for a recession that may dampen global growth. **Capital inflows** into India's economy have **slowed** amid the global financial crisis. Also, the **current- account deficit is widening**. During the first five months of the current fiscal (April - August), India's trade deficit has shot up to \$49.1 bn from a level of \$34.5 bn in the corresponding months of the previous fiscal. A weaker Rupee impacts inflation as **imports become costlier** though it helps export oriented sectors.
- **Crude oil** prices fell to as low as \$87.5 a barrel during the month of September 2008 and finally closed the month at about \$94.25 a barrel, down 17.3% from the start of the month. Concerns that a worsening financial crisis in the **US is crimping energy demand**, **European consumption is falling** rapidly and at the same time fields in Saudi Arabia, Qatar and elsewhere in the OPEC nations are set to increase capacity within the exporting group, drove oil prices lower. **Oil prices are more volatile** than at any time since 1991 as is evident from the fact that during the month of September, oil futures jumped 16% in one day and the week later dropped 9.8% in one day.
- **Gold** fell during the month of September 2008 and touched a low of \$740 / Oz due to dollar strength and then saw some recovery as risk averse investors started to invest in the precious metal. Gold closed the month of September at \$884.64 an ounce, up 6.1% against the close of \$833.56 an ounce at the end of August 2008.
- **Bond yields** continued to fall during the month of September 2008 as crude oil prices fell and inflation showed signs of softening during the month. Yields fell to as low as 8.09% during the middle of the month. Inflation for the week ended 20th September, 2008 came in at 11.99% falling below the 12% mark for the first time in 3 months. Bond yields closed the month at 8.64%, down from 8.71% at the end of August.

Monthly Equity Commentary

contd...

Comparison of Equity Returns in various markets - MSCI Indices in US\$

Market	Last	Monthly Returns (%)	3 Months Returns (%)	YTD Returns (%)	1 Year Returns (%)	Market	Last	Monthly Returns (%)	3 Months Returns (%)	YTD Returns (%)	1 Year Returns (%)
Emerging Markets - Standard - International						Emerging Markets - Standard - Asia					
BRIC	253.7	-21.9	-33.4	-42.7	-37.5	CHINA	45.8	-20.9	-25.7	-46.0	-48.0
EM (EMERGING MARKETS)	786.9	-17.7	-27.6	-36.8	-34.7	INDIA	334.0	-18.5	-14.4	-50.1	-38.5
EM ASIA	301.3	-16.8	-24.0	-41.4	-41.3	INDONESIA	436.2	-20.8	-27.0	-35.6	-24.4
EM EASTERN EUROPE	221.9	-21.4	-39.6	-42.0	-34.3	KOREA	262.7	-10.6	-24.3	-40.0	-42.7
EM EMEA	300.5	-17.7	-29.1	-34.4	-28.7	MALAYSIA	269.7	-9.2	-18.7	-34.0	-26.4
EM EUROPE	475.1	-20.5	-36.3	-41.6	-34.3	PAKISTAN	94.2	-4.4	-37.0	-49.7	-48.7
EM EUROPE & MIDDLE EAST	385.6	-18.6	-33.4	-37.8	-30.6	PHILIPPINES	226.1	-6.4	2.0	-37.8	-33.2
EM FAR EAST	263.5	-16.6	-25.3	-39.7	-41.7	TAIWAN	198.5	-19.1	-28.1	-32.5	-37.6
EM LATIN AMERICA	3186.4	-19.7	-32.9	-27.6	-23.0	THAILAND	181.9	-12.8	-23.7	-32.0	-28.2
EM ex ASIA	1654.8	-18.6	-31.0	-31.3	-26.1	Emerging Markets - Standard - Europe, Middle East & Africa					
Emerging Markets - Standard - Latin America						CZECH REPUBLIC	662.4	-16.8	-26.9	-20.1	-8.2
ARGENTINA	2341.9	-24.7	-44.1	-19.8	-28.7	EGYPT	880.8	-17.4	-28.3	-31.4	-15.0
BRAZIL	2652.1	-23.1	-38.2	-31.4	-22.7	HUNGARY	800.9	-17.7	-20.3	-29.6	-33.9
CHILE	1534.3	-10.5	-10.5	-14.9	-16.6	ISRAEL	233.9	-8.3	-15.7	-11.4	-6.8
COLOMBIA	551.6	-12.4	-9.1	-10.9	-7.8	ISRAEL - DOMESTIC	335.5	-8.5	-16.4	-11.9	-5.1
MEXICO	4806.2	-11.5	-19.2	-19.8	-22.4	ISRAEL - NON DOMES	63.1	-6.5	-5.9	-3.9	-20.6
PERU	860.1	-15.3	-34.9	-31.1	-34.8	JORDAN	248.5	-10.1	-13.2	-1.7	22.0
						MOROCCO	520.3	-14.2	-22.1	-0.2	1.8
						POLAND	1079.5	-13.5	-17.2	-28.1	-26.9
						RUSSIA	815.8	-23.7	-45.4	-46.9	-37.7
						SOUTH AFRICA	367.3	-15.6	-17.6	-27.8	-27.2
						TURKEY	439.9	-14.4	-0.7	-41.4	-38.0

Figures in US\$, Returns are annualized

Monthly Equity Commentary

contd...

Comparison of Equity Returns in various markets – MSCI Indices in US\$ terms

- **Emerging markets as a whole were down 17.7% in September 2008.** The BRIC index was down by 21.9% as all the 4 markets ended lower. Russia and Brazil lost 23.7% and 23.1%, followed by China that was down 20.9% and lastly India, down 18.5%. The BRIC nations lost the most, followed by Eastern Europe that fell 21.4%. The market that fell the least was the Far East (down 16.6%).
- Within Asia, all the indices ended lower. China (down 20.9%), Indonesia (down 20.8%) were followed by Taiwan (down 19.1%) and India (down 18.5%). Given **China's export driven model**, China's economy stands to hurt the most if the US slips into a recession. The main worry is that U.S. consumers are tapped out and they may stop buying Chinese goods (Chinese milk scare adding to the worries) and there is a slim possibility that China's domestic demand can take up that slack. **The odds of a mild U.S. slowdown are declining.** Even with hundreds of billions of dollars worth of Wall Street bailouts; consumption could decrease and big job cuts could probably intensify. China's mercantilist model makes the most populous nation dangerously dependent on consumers in the biggest economy. **Growth in Asia will experience quite a setback** if the U.S. enters a prolonged period of weakness. In order to revive the Chinese stock markets, the Government announced a slew of policy measures including a state buyback, a proposal to permit margin trading and a proposal to allow the short selling of stocks. Also, in September, 2008, the Government decided to scrap the stamp tax on stock purchases in order to boost the equities market.
- Europe, Middle East and Africa, also put up an abysmal performance. Russia (down 23.7%) was the biggest loser. This was followed by Hungary (down 17.7%), Egypt (down 17.4%) and Czech Republic (down 16.8%). **The root of the problems in Russia are mixed** - partly political (war in Georgia and subsequent recognition of South Ossetia and Abkhazia), partly due to the spread of the financial crisis and partly due to the massive drop in commodity prices.
- Within Latin America, it was a sea of red. Argentina (down 24.7%), Brazil (down 23.1%) and Peru (down 15.3%) were amongst the biggest losers. Latin America's fastest economic expansion in 30 years may be coming to an end as the global credit crunch stunts investment and squeezes demand for the region's commodities. The region's growth in 2009 may be cut to less than 3.3% from 4.6% this year, according to economists at Barclays Capital. Further, these markets are also victims of the unwinding of carry trade positions as commodity rich markets no longer offer good returns. **The big question for Latin America and Russia (to a certain extent) is how long and deep is the cyclical downturn going to be, and how much is it going to reduce commodity prices.**



Monthly Equity Commentary

contd...

Outlook going forward

- In order to arrive at the possible outlook for the Indian Markets we have looked at the current happenings in the world's major economies and some key macro / micro economic indicators.

US

- On Friday (3rd October, 2008), the **House of Representatives voted in favor of the Treasury's \$700 billion plan** to buy up troubled assets from financial institutions. Even if the bailout ultimately works to unlock credit markets, it would potentially take time. Institutions that sell their bad assets to the Government may have to sell those securities at a huge discount, resulting in large write-downs. As a result, it may be months after the legislation is enacted until banks start to see some relief on the liquidity front.
- For the week ended 27th September, 2008, unemployment in the US rose to 497,000 - the highest since late September 2001. The **unemployment rate held steady at a five-year high of 6.1%**.
- Inflation in the US - Bureau of Labor Statistics (BLS) reported that the Consumer Price Index (CPI) for August 2008 was 4.7% higher than August 2007.
- **Orders for manufactured goods decreased by 4% for the month of August 2008**, following a sharp, downwardly revised 0.7% increase in July 2008.

CBOE Vix

- The Chicago Board Options Exchange (CBOE) developed an index many years ago to measure volatility on broadly based U. S. equities. The CBOE volatility index became known as the VIX index. The index measures the implied volatility of S&P 500 listed options.
- The VIX index is better known as "**the fear index**." The index spikes when panic hits the stock market. Spikes to 35% or higher are rare and are registered only when a fearful event occurs. Events that have triggered spikes since 1997 include the Asian financial crisis in 1997, liquidation of Long Term Capital Management in October, 1998, response to the 9/11 attacks in September, 2001, the bankruptcy filing by WorldCom in 2002, the first wave of subprime lending fears in August, 2007, the second wave of subprime lending fears in January, 2008, and the credit crisis in September and October, 2008. On Monday (29th September, 2008), the index reached a high of 48.4% when the US House of Representatives defeated the \$700 bn bailout package.
- Once again, the VIX has reached a rare, but important level tied to a period of panic or capitulation in the US equity markets. When the panic subsides, US equity markets have a history of moving significantly higher during the next three to four months.



Monthly Equity Commentary

contd...

Europe

- The Euro continues to slide against the US Dollar, losing 4.3% during the month of September 2008.
- **Manufacturing contracted in the U.K.** at the fastest pace in 16 years in September, while European retail sales fell an annual 1.8% rate in August and **France slipped into a recession** in the third quarter, the first in 15 years.
- The credit crisis as explained above has spread to Europe as well, with various governments stepping in to support the falling banks.

Japan

- The country's jobless rate climbed to 4.2% in August 2008.
- Japan's **household spending slumped 4% in August 2008**, the most since September, 2006.
- Consumer prices excluding fresh food climbed 2.4% in August 2008.
- Auto sales for the first half of the fiscal slumped to the lowest in 34 years
- **The Tankan survey** for the three months to September 2008 showed that sentiment among large manufacturers deteriorated for the fourth quarter in a row, turning negative for the first time since 2003.
- Meanwhile the consumer sentiment diffusion index fell to minus 80.4 in September, the lowest since March 1996. It stood at minus 67.3 in the last survey in June.

World Manufacturing scenario - the Purchasing Managers' Index

- India's **manufacturing output expanded at its slowest pace in 14 months** in September as domestic demand cooled in the face of seven-year high interest rates. The drop in the ABN AMRO Bank purchasing managers' index (PMI) also showed that a slow down in global demand was starting to bite into exports even though the rupee has dropped 16% this year against the dollar. The PMI, based on a survey of 500 companies, fell to a seasonally adjusted 57.3 in September 2008 down from 57.9 in August 2008. The reading was the lowest since July 2007.
- The September PMI reading for the US (43.5) is the lowest since October 2001; Eurozone (45.0), the lowest since December 2001 and Japan (44.3), it is the lowest in the last six and a half years.
- **Global PMI (44.2), the lowest since November, 2001**
- Thus, PMI readings suggest that global manufacturing growth prospects are currently around the level they were at in 2001, the same time the world economy slipped into a recession after the tech bubble burst in 2001-02. In comparison, Indian manufacturing has so far remained quite resilient.

Monthly Equity Commentary

contd...

Commodities and the BDI

- If global equity markets continue to trend lower, most commodities are likely to suffer as **demand destruction and economic contraction** become paramount. Futures measured by the Reuters/Jefferies CRB Index of 19 raw materials tumbled 10% during the week ended 3rd October, 2008, the most since at least 1956.
- While inflation is still a concern for many policy makers only months after oil and food prices peaked, the risk is that if their patchwork of rescue and stimulus packages fail, prices could start to fall throughout the broader economy and stoke a phenomena referred to as '**deflation.**'
- The **Baltic Dry Index (BDI)**, the index covering dry bulk shipping rates and widely perceived as a leading indicator of global economic growth has dropped 75% from its high created in May 2008 as raw-material demand from China's steelmakers weakened. The index touched a high of 11,793 in May 2008 and is now at about 3,000. The fall in demand and drop in commodity prices are doubly impacting freight rates.
- **Other economies like China, India, South Korea, Indonesia** etc stand to be impacted by the US slowdown due to their trade linkages with the world's biggest economy and a tightening credit market worldwide. FII, FDI, PE fund flows and other funding routes will also be impacted. Worries about a possible deflation across many parts of the world have started to emerge.

Credit Spreads, Liquidity and Interest Rates

- One of the main problems faced by central banks world over is that of liquidity.
- The **3-month Libor rate** (daily average of what banks charge other banks to lend money in London) and **TED spread** (measures the difference between 3-month Libor and the yield on the 3-month Treasury) have been widening as a result of the credit crisis. This in turn puts pressure on borrowing rates.
- Liquidity needs to be infused into the system. The US has almost reached the limit of monetary easing and rumors that another Fed cut is due during its next policy meet on October 29th, 2008 continue to circulate.
- RoW is yet to aggressively ease monetarily, after which will come the fiscal easing. Taiwan, Australia, New Zealand and China have already cut rates.
- However, the Bank of England kept its benchmark interest rate unchanged at 5% at its September meeting. The ECB also held interest rates steady at 4.25% at its policy meet on Thursday, 2nd October, 2008.
- Libor's surge means rising costs and reduced availability of credit for Indian companies.
- **India** is suffering from a severe **downturn in liquidity** driven by a near doubling in the reserve requirement ratio to 9% since 2007 and a flight to quality away from emerging markets by international investors. Foreign fund flows have been negative since the start of CY09.

Monthly Equity Commentary

contd...

India

- Given its integration with global financial markets, **India is not insulated from the current turmoil**. The economy is experiencing a **rising current account deficit**, financed in part by volatile short-term capital flows; the **monetary policy is too restrictive** for an economy facing a sharp slowdown and **foreign capital is fleeing** the economy, as is reflected in foreign portfolio fund flows and fall in foreign exchange reserves. However, the direct impact of the current turmoil is limited and would depend on timely policy response in areas such as easing capital account norms and reduction in SLR/CRR to ensure that adequate credit is available.
- The RBI recognizing this has already taken a step in this direction ahead of its monetary policy meet on 24th October, 2008. On 6th October, 2008, the **RBI has decided to reduce the Cash Reserve Ratio (CRR)** by 50 basis points to 8.5% of net demand and time liabilities (NDTL) from its current level of 9.0% of NDTL. The change will come into effect from the fortnight beginning 11th October, 2008. As a result of this reduction in the CRR, an amount of about Rs. 20,000 crore would be released into the system. This measure is ad hoc, temporary in nature and will be reviewed on a continuous basis in the light of the evolving liquidity conditions. To have a meaningful impact, a series of such measures may be necessary.
- **What is the RBI likely to do next?** The New RBI Governor faces major challenges and the monetary policy due on 24th October, 2008 could determine the direction of the India growth story. Duvvuri Subbarao faces significant challenges, the biggest of which is the choice between killing the economy via high interest rates or focusing on growth via interest rate cuts and accepting an inflationary adjustment. In India, call money market rates touched an intra-day high of 17.5% during the last week of September due to advance tax outflows.
- Over the last few years, in a bid to control dollar inflows, policy makers tightened the norms pertaining to capital inflows. Given the changed market environment from a year ago, authorities are likely to reconsider easing some of the regulations on the capital account. However, despite the measures authorities could consider taking, flows will likely increase only once risk aversion subsides. These measures include increasing the attractiveness of NRI deposits, raising debt FII limits, easier ECB norms, more overseas borrowing by banks and reversal or easing of the P Notes usage guidelines.
- Liquidity can also be infused into the system via the unwinding of the market-stabilization bonds and a reduction in the SLR given that the pressure on the fisc seems to be easing on the back of lower oil prices. In addition, domestic savings, are currently at 34.8% of GDP and foreign currency reserves at a comfortable US\$289 bn.



Monthly Equity Commentary

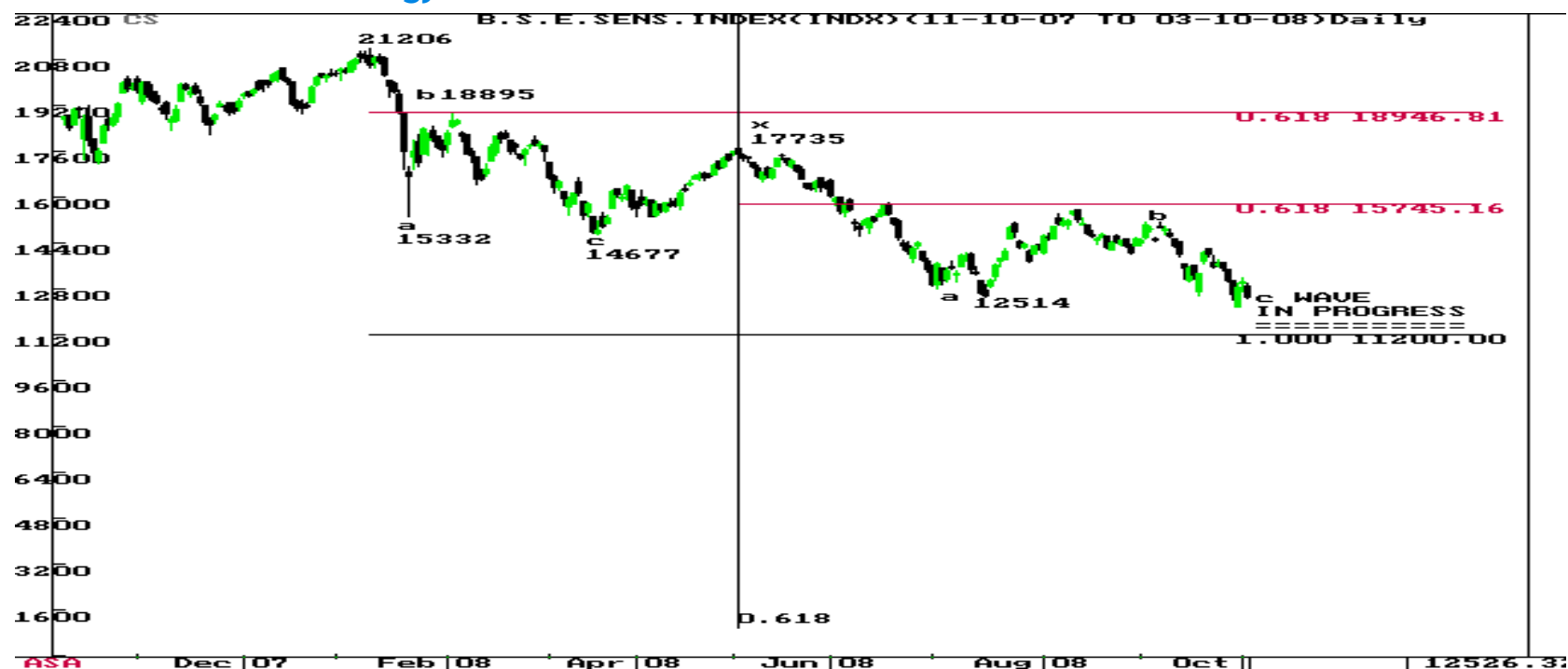
contd...

- On 6th October, 2008, SEBI already took a step in this direction and lifted the October 2007 restrictions on issue of participatory notes by foreign institutional investors with immediate effect, a move widely perceived to bring in more funds to lift the sagging capital markets.
- **Cutting interest rates is another option.** However, inflation is still a threat and while there are signs of moderation visible, **inflation is still much above RBIs comfort zone.** High credit growth and money supply is expected to increase in H2FY09 (H2 is generally the busy season). Pre-election spending and 6th Pay Commission award will further increase money supply making the RBI wary of a rate cut. However, higher interest rates could mean more pressure on Corporate India. India's capex cycle has put pressure on Corporate India's balance sheet. Apart from causing a relative rise in debt/equity and thus higher interest cost, the big capex cycle of the past two years has also elevated depreciation expense. The rise in average interest rates is putting further pressure on financial statements.
- If the RBI and SEBI do ease interest rates and capital inflow guidelines / procedures, one of the key factors that yet remains for the recovery of Indian equity markets, is **investor risk appetite.** Merrill Lynch's most recent survey of global fund managers found that they are now holding more bonds than normal for the first time in a decade indicating a **flight to safety.** They also have smaller positions in emerging market equities than at any time since 2001.
- If the crisis is limited to the next 2-3 quarters, India could be able to scrape through with minimum damage provided policy impetus is provided to attract inflows.
- The monetary policy to be announced by the RBI on 24th October, 2008 and the outcome of the Q2FY09 results season are the next keenly watched triggers for the Indian markets. Early previews for Q2FY09 suggest slowest growth in net profit in the last many quarters, with divergence in performance across sectors and stocks. Rupee depreciation could strain corporates who have foreign currency borrowings / FCCBs on their balance sheet apart from impacting importers.
- Other factors to be closely monitored are India's trade deficit and its impact of the fisc; FDI, PE and debt flows; and the movement of the INR versus the USD. India Inc could face a downgrade in earnings forecasts as well as a P/E de-rating as a result of which we feel that the Indian markets are yet to form a sustainable long term bottom and things could slowly improve from there on. Until then, we expect the markets to trade in a falling channel with bouts of upward and downward breakouts.



Technical Commentary

Market Outlook & Strategy



In order to have a long term view, we have examined the entire journey of the Sensex from 21,206 to 12,526 and noticed that:

- The move from 21,206 to 15,332 took 8 days
- The move from 15,332 to 18,895 took 9 days
- The move from 18,895 to 14,677 took 30 days

Such pattern of moves can be labeled as zigzag as no portion of the move could retrace 61.80% of the wave 'a'. It is a normal zigzag as per Elliot Wave theory.

Technical Commentary

contd...

- After such a zigzag, if the first corrective move which follows the zigzag could not cross 61.80% of the entire 'a-b-c' move and consumes less time than the time taken to form 'a-b-c', then such corrective move is labeled as wave 'x'.
- In our case above, the 'a-b-c' move took 47 trading sessions to form and the corrective 'x' wave (from 14677 to 17735) took 29 days. If we calculate 61.80% of 47 days (time consumed by move 'a-b-c') it exactly comes to 29 days (time taken by wave 'x').

Based on the above movements, we can estimate a similar scenario as follows:

- We have labeled the move from 17735 to 12514 as wave 'a'. As can be seen from the chart, no portion of wave 'a' is retracing more than 61.80% of the move 'a'. Now the move from 12,514 to 15,107 is labeled as wave 'b' and the structure of this wave 'b' is labeled as extracting triangle.

Presently wave 'c' is in progress. Length of wave 'c' can be projected as follows:

- As per chart 1 above, if we take the length of the move from 21,206 to 14,677 and if we project it from 17,755, the value comes to 11,200.

Technical Commentary

contd...



- Alternatively, as marked on chart 2, if we label the move from 17,735 to 12,514 as wave 'a' and the move from 12,514 to 15,107 as wave 'b', we can see that no portion of wave 'b' could cross 61.80% level (which is at 15,745) of wave 'a'.
- Now if we project 61.80% from 15,107, the value comes to 11,865.
- In both above cases 'b' wave has not retraced 61.80% of the length their respective wave 'a'.

Technical Commentary

contd...



The Month gone by:

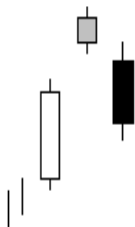
- During the month of September 2008, the equity markets witnessed a lot of volatility (mostly on the downside). The Sensex opened at 14,413, made a high of 15,107 and the went on to make a low of 12,514, which was new 52 week low and finally closed 12,860.
- The Sensex made a double top, as can be seen from the chart above on 2nd September 2008 and 8th September 2008 at the 15,107 level. From there onwards bears were in total control of the situation.
- In the month of September, 2008 there were 20 trading sessions. Barring two occasions on 18th and 19th September, 2008, where a bounce back 12,558 to 14,221 was witnessed, bears dominated the entire month.

Learning Technical Analysis

Bearish Evening Star

Definition:

This is a major top reversal pattern formed by three candlesticks. The first candlestick is a long white body; the second one is a small real body that may be white. It is characteristically marked with a gap in higher direction thus forming a star. In fact, the first two candlesticks form a basic star pattern. Finally we see the black candlestick with a closing price well within first session's white real body. This pattern clearly shows that the market now turned bearish.



Recognition Criterion:

1. Market is characterized by uptrend.
2. We see a long white candlestick in the first day.
3. Then we see a small candlestick on the second day with a gap in the direction of the previous uptrend.
4. Finally we see a black candlestick on the third day.

Explanation:

The market is already in an uptrend when the white body appears which further suggests the bullish nature of the market. Then a small body appears showing the diminishing capacity of the longs. The strong black real body of the third day is a proof that the bears have taken over. An ideal Bearish Evening Star Pattern has a gap before and after the middle real body. The second gap is rare, but lack of it does not take away from the power of this formation.

Important Factors:

- The stars may be more than one, two or even three.
- The color of the star and its gaps are not important.
- The reliability of this pattern is very high, but still a confirmation in the form of a black candlestick with a lower close or a gap-down is suggested.

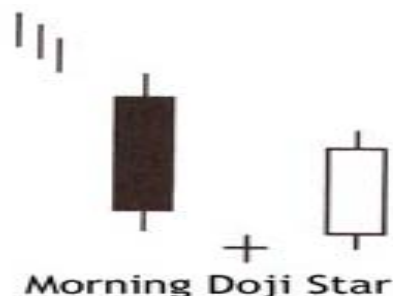
Learning Technical Analysis

contd...

Bullish Morning Star

Definition:

This is a three-candlestick formation that signals a major bottom. It is composed of a first long black body, a second small real body, white or black, gapping lower to form a star. These two candlesticks define a basic star pattern. The third is a white candlestick that closes well into the first session's black real body. Third candlestick shows that the market turned bullish now.



Recognition Criteria:

1. Market is characterized by downtrend.
2. We see a long black candlestick in the first day.
3. Then we see a small body on the second day gapping in the direction of the previous downtrend.
4. Finally we see a white candlestick on the third day.

Explanation:

We see the black body in a falling market suggesting that the bears are in command. Then a small real body appears implying the incapacity of sellers to drive the market lower. The strong white body of third day proves that bulls have taken over. An ideal Bullish Morning Star Pattern preferably has a gap before and after the middle candlestick. The second gap is rare, but lack of it does not take away from the power of this formation.

Important Factors:

- The stars may be more than one, two or even three.
- The color of the star and its gaps are not important.
- The reliability of this pattern is very high, but still a confirmation in the form of a white candlestick with a higher close or a gap-up is suggested.

Derivatives Commentary



- The month of September saw the markets in decline mode, though it was punctuated by pullback rallies. The month however began with the Nifty moving up and making a high of 4558 before falling.
- Institutional activity was mixed. While domestic mutual funds were net buyers for the month of Sept 08 to the tune of Rs.2265crs., selling activity intensified amongst FIs as they were net sellers to the tune of Rs.7937crs.



Derivatives Commentary

contd...

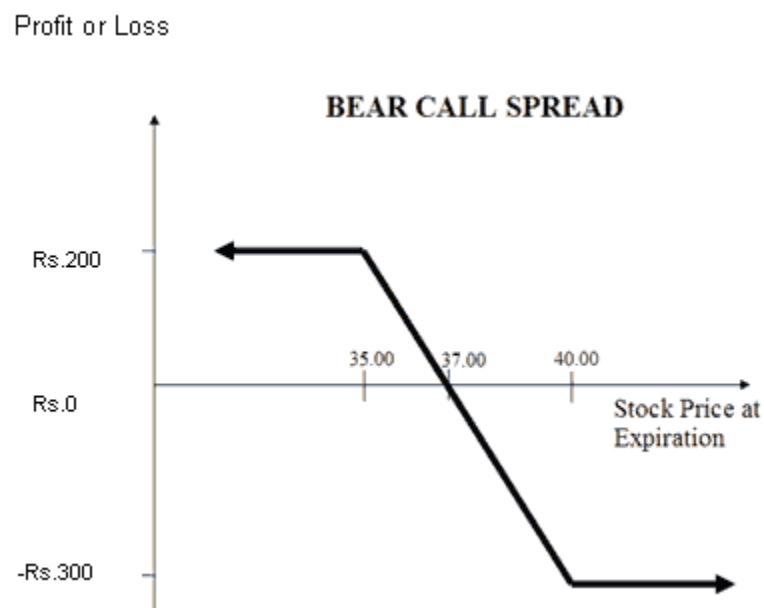
- Going by the activity being seen in the Oct series, it can be observed that the level of market participation has reduced compared to Sept 08. In terms of value, market wide OI was at Rs.53,050 crs. at the beginning of the Oct 08 series Vs. Rs.53,750 crs. at the beginning of the Sept 08 series.
- The rollovers to the Oct series too were lower. While Nifty rollover was at around 62-63% as against the three-month average of 70%, rollovers in stock futures was at around 77% as against the three-month average of 82%.
- Derivative indicators too are not showing any positive signals. The decline in the markets was accompanied with a decline in the Nifty Open Interest Put Call Ratio. The ratio declined from the 1.48 levels seen at the beginning of Sept 08 series to around 1.05 levels at the beginning of the Oct series. At 1.05, the ratio is not yet at oversold levels implying that markets have more downside. Markets usually bottom out when the Nifty OI PCR is at around 0.6-0.7.
- The month of Sept 08 saw the Nifty IV climbing steadily from the 30-32% levels to around the 40% levels as on 3rd Oct 2008. While this reflects increased volatility expectations, markets usually bottom out when the IVs are in the range of 45-50%.
- Coming to index option activity, we find that most of the Nifty Call options being traded are of the 3,800-4,000 strikes. This indicates that the Nifty could find it difficult to move above 4,000 in the short term. In the put option segment, most of the Nifty Puts being traded are of the 3,800-3,600 strikes. The Nifty could therefore trade between the 3,600-4,000 levels in the short term.
- With the markets falling like ninepins in the last few sessions, we believe the medium term and long term trend continues to remain down. However, we remain open to pullback rallies that could test the 3,800-4,000 levels on the Nifty. Traders can use these rallies to exit from longs entered into at higher levels and initiate fresh shorts.



Learning Derivatives

Bearish Options Trading Strategy

- Bear Call Spread - The bear call spread option trading strategy is employed when the options trader thinks that the price of the underlying asset will go down moderately in the near term. The bear call spread option strategy is also known as the bear call credit spread as a credit is received upon entering the trade.
- Bear Spread Action -
 - Buy 1 Out of the Money Call Option
 - Sell 1 In the money Call Option
- Bear call spreads can be implemented by buying call options of a certain strike price and selling the same number of call options of a lower strike price on the same underlying security expiring in the same month.



Learning Derivatives

contd...

Limited Profits

- The maximum gain attainable using the bear call spread options strategy is the credit received upon entering the trade. To reach the maximum profit, the stock price needs to close below the strike price of the lower striking call sold, at expiration date when both options would expire worthless.
- The formula for calculating maximum profit is given below:
- $\text{Max Profit} = \text{Net Premium Received} - \text{Commissions Paid}$
- Max Profit Achieved When Price of Underlying \leq Strike Price of Short Call

Limited Risk

- If the stock price rise above the strike price of the higher strike call at the expiration date, then the bear call spread strategy suffers a maximum loss that equals to the difference in strike price between the two options minus the original credit taken in when entering the position.
- The formula for calculating maximum loss is given below:
- $\text{Max Loss} = \text{Strike Price of Long Call} - \text{Strike Price of Short Call} - \text{Net Premium Received} + \text{Commissions Paid}$
- Max Loss Occurs When Price of Underlying \geq Strike Price of Long Call

Breakeven Point(s)

- The underlying price at which break-even is achieved for the bear call spread can be calculated using the following formula.
- $\text{Breakeven Point} = \text{Strike Price of Short Call} + \text{Net Premium Received}$



Learning Derivatives

contd...

Bear Call Spread Example

- Suppose XYZ stock is trading at Rs.37 in June. An options trader bearish on XYZ decides to enter a bear call spread position by buying a JUL 40 call for Rs.100 and selling a JUL 35 call for Rs.300 at the same time, giving him a net Rs.200 credit for entering this trade.
- The price of XYZ stock subsequently drops to Rs.34 at expiration. As both options expire worthless, the options trader gets to keep the entire credit of Rs.200 as profit.
- If the stock had rallied to Rs.42 instead, both calls will expire in the money with the JUL 40 call bought having Rs.200 in intrinsic value and the JUL 35 call sold having Rs.700 in intrinsic value. The spread would then have a net value of Rs.500 (the difference in strike price). Since the trader has to buy back the spread for Rs.500, this means that he will have a net loss of Rs.300 after deducting the Rs.200 credit he earned when he put on the spread position.



Call Tracker

Derivative Trading Calls

Date	B/S	Trading Call	Entry at	Sloss	Targets	Exit Price / CMP	Exit Date	% G/L	Comments	Time Horizon	Avg. Entry	Abs. Gain/Loss
01-Sep	B	Nifty Futures	4278 - 4260	4275	4360	4364	01-Sep	2.0	Target Surpassed	3 days	4276.5	87.5
05-Sep	B	Nifty Fut	4346 - 4335	4330	4400	4554	08-Sep	4.9	Target Surpassed	3 days	4340	214.0
10-Sep	B	Aptech Training Fut	248.7	242	258	242	11-Sep	-2.7	Stop Loss Triggered	1-3 days	248.7	-6.7
16-Sep	B	Nagarjuna Fertilizer Fut	31.3	30	34	33	17-Sep	5.4	Premature Profit Booked	1-3 days	31.3	1.7
22-Sep	B	RNRL Sept Fut	82.5	78.5	90	80.6	23-Sep	-2.3	Premature Exit	2-4 days	82.5	-1.9
23-Sep	S	Birla Corp Sept Fut	132.50 - 137	139	127	129.7	25-Sep	3.7	Premature Profit Booked	1-3 days	134.75	5.1
23-Sep	S	HDIL Sept Fut	213.8	222	200	206.3	25-Sep	3.5	Premature Profit Booked	1-3 days	213.8	7.6
23-Sep	S	Siemens Fut	479 - 501	523	433	486.5	24-Sep	0.7	Premature Profit Booked	3-5 days	490	3.5
26-Sep	B	Nifty Oct Fut	4070-4050	4049	4100/4150	4049	26-Sep	-0.3	Stop Loss Triggered	3 days	4060	-11.0
29-Sep	S	Rolta Oct Fut	261	271	245	248	29-Sep	5.0	Premature Profit Booked	2-5 days	261	13.0

Intra Day / BTST / STBT Trading Calls

Date	B/S	Trading Call	Entry at	Sloss	Targets	Exit Price / CMP	Exit Date	% G/L	Comments	Time Horizon	Avg. Entry	Abs. Gain/Loss
5-Sep	B	Akruti City	920 - 910	900	980	900	5-Sep	-1.6	Stop Loss Triggered	1-2 days	915	-15.0
9-Sep	B	Balrampur Chini	94 - 92	91	98	91	11-Sep	-2.7	Stop Loss Triggered	1-2 days	93.5	-2.5
15-Sep	B	Reliance Cap	1032 - 1010	999	1070	1062	15-Sep	3.1	Premature Profit Booked	1 day	1030	32.0
15-Sep	B	Bharti Airtel	752 - 742	740	770	772	15-Sep	2.8	Target Surpassed	2 days	751	21.0
18-Sep	B	Canara Bank	213.5	209	225	218.5	18-Sep	2.3	Premature Profit Booked	1-2 days	213.5	5.0
19-Sep	B	GE Shipping	320.5	302	350	326.5	22-Sep	1.9	Premature Profit Booked	1-2 days	320.5	6.0
24-Sep	B	Canara Bank	211 -205	204	225	204	24-Sep	-1.9	Stop Loss Triggered	2 days	208	-4.0
25-Sep	S	Suzlon	189.6	198	174	185.8	25-Sep	2.0	Premature Profit Booked	1-2 days	189.6	3.8
26-Sep	B	Sesa Goa	118.25 - 116.50	115	124	120.7	30-Sep	3.0	Premature Profit Booked	1-2 days	117.2	3.5
30-Sep	B	SBI	1402 - 1375	1352	1460	1456	30-Sep	4.7	Premature Profit Booked	2 days	1390	66.0

Technical Positional Trading Calls

Date	B/S	Positional Call	Entry at	Sloss	Targets	Exit Price / CMP	Exit Date	% G/L	Comments	Time Horizon	Avg. Entry	Abs. Gain/Loss
1-Sep	B	Andhra bank	54.5 - 56.5	53.5	60 / 63	60.45	4-Sep	8.9	1st Target achieved	3-6 days	55.5	5.0
1-Sep	B	Srei Infra	108 - 112	105	121	105	10-Sep	-2.8	Stop Loss Triggered	3-6 days	108	-3.0
2-Sep	B	National Fertiliser	56 - 53	51	65 / 70	65.6	10-Sep	19.3	1st Target achieved	6 weeks	55	10.6
2-Sep	B	Everest Kanto Cylinders	303 - 295	290	330 / 350	290	5-Sep	-3.0	Stop Loss Triggered	6 weeks	299	-9.0
5-Sep	B	ABB	876.8	855	920	920	8-Sep	4.9	Target achieved	3-5 days	876.8	43.2
8-Sep	B	Anu Labs	312 - 300	295	338 / 350	336	17-Sep	7.7	Premature Profit Booked	6 weeks	312	24.0
9-Sep	B	Core Projects	292.8	286	307	286	10-Sep	-2.3	Stop Loss Triggered	3-5 days	292.8	-6.8
10-Sep	B	Axis Bank	717.4	693	760	693	12-Sep	-3.4	Stop Loss Triggered	1-3 days	717.4	-24.4
16-Sep	B	Alstom Projects	373- 365	359	400	392	19-Sep	5.4	Premature Profit Booked	7 days	372	20.0
19-Sep	B	Asian Electronics	68 - 69	65	75	70.8	22-Sep	3.4	Premature Profit Booked	2-3 days	68.5	2.3
22-Sep	S	Axis Bank	702.85 - 706	715	680	681.85	23-Sep	3.2	Premature Profit Booked	2-3 days	704.5	22.7
22-Sep	B	Praj Ind	152 - 145	140	173 / 185	140.0	25-Sep	-6.2	Stop Loss Triggered	2 weeks	149.27	-9.3
24-Sep	B	BPCL	331 -340	324	359	350.6	30-Sep	3.1	Premature Profit Booked	2-3 days	340	10.6
26-Sep	S	Axis Bank	710 - 716	724	688	690	29-Sep	3.2	Premature Profit Booked	3 days	713	23.0
29-Sep	S	Great Offshore	540 - 530	551	500	518	29-Sep	3.2	Premature Profit Booked	7 days	535	17.0



Forthcoming Board Meetings

Results

Date	Company	Date	Company	Date	Company
Audited Results					
10-Oct-08	INDUSFILA				
Quarterly Results					
7-Oct-08	GUJ COTEX	18-Oct-08	SESHA PAPER	23-Oct-08	SER INDUSTRI
8-Oct-08	GOA CARBON	18-Oct-08	ZUARI INDUST	23-Oct-08	ANDHRA PAPER
8-Oct-08	BIOPAC INDIA	18-Oct-08	S BK BIKANER	23-Oct-08	PRIME TEXTIL
8-Oct-08	INDBUL REAL	18-Oct-08	JHAGAD COP	23-Oct-08	SPEL SEMICON
8-Oct-08	SANGHI POLYE	18-Oct-08	YUKEN INDIA	23-Oct-08	SYLPH TECH
9-Oct-08	ODYSSEY TECH	18-Oct-08	ANDHRA PETRO	23-Oct-08	TANFAC INDUST
10-Oct-08	INFOSYS TECH	18-Oct-08	MANGALAM CEM	23-Oct-08	VIMAL OIL FOOD
10-Oct-08	MASTEK	18-Oct-08	FINELINE CIR	24-Oct-08	HIND CONSTN.
10-Oct-08	SINTEX INDUS	18-Oct-08	KANORIA CHEM	24-Oct-08	MEGHMANI
10-Oct-08	FICS CONSULT	18-Oct-08	KEWAL KIRAN	24-Oct-08	DISHMAN PHAR
10-Oct-08	KAMPANI CONSULT	18-Oct-08	ORICON ENT	24-Oct-08	BINANI INDU
10-Oct-08	MOTILAL OFS	18-Oct-08	SUNDARAM BRK	24-Oct-08	DJS STOCK SH
10-Oct-08	BHARAT BHUSH	19-Oct-08	ADARSH ENGN	24-Oct-08	SPEC. MARKET
10-Oct-08	ZENITH FIBRE	19-Oct-08	NUCLEU SOF E	24-Oct-08	CHOWGULE STE
11-Oct-08	GEOJIT BNP PAR	20-Oct-08	MRO-TEK LTD	24-Oct-08	EVEREDY INDL
13-Oct-08	BASF INDIA	20-Oct-08	ALFA TRANSFO	24-Oct-08	HEXAWARE TECH
13-Oct-08	AXIS BANK	20-Oct-08	MODERN SHARES	24-Oct-08	JSW SL
13-Oct-08	REPRO INDIA	20-Oct-08	ORIENTAL CAR	24-Oct-08	LIBORD INFO
13-Oct-08	ORBITCO	20-Oct-08	TITAN INDUST	24-Oct-08	LIBORDS SECU
13-Oct-08	DCM FIN SERV	20-Oct-08	CANARA BANK	24-Oct-08	YUKEN INDIA
13-Oct-08	NOVOPAN INDS	20-Oct-08	FERRO ALLO C	25-Oct-08	SOUTH ASIAPE
13-Oct-08	REFEX REFRIG	20-Oct-08	G.S. AUTO	25-Oct-08	UCO BANK
13-Oct-08	TATA INV COR	20-Oct-08	M M FORGINGS	25-Oct-08	BENGAL TEA F
14-Oct-08	SOUTH INDIA	20-Oct-08	SRI DIGV CEM	25-Oct-08	ASHIAN AGR I
14-Oct-08	GRUH FINANCE	21-Oct-08	SCHLAFHO ENG	25-Oct-08	BATA INDI LT
14-Oct-08	MODERN INDIA	21-Oct-08	HIND MOTORS	25-Oct-08	NETVISION WEB
14-Oct-08	NDTV LTD.	21-Oct-08	TATA SPONGE	25-Oct-08	SHRI. DINESH
14-Oct-08	SHREE RANI S	21-Oct-08	BONGAIGAON R	27-Oct-08	ARTHEON
14-Oct-08	JAYBH. MARUTI	21-Oct-08	BRIGADE	27-Oct-08	JM FINANCIAL
14-Oct-08	JUBILANT ORG	21-Oct-08	POWER FINAN	27-Oct-08	TATA POWER
15-Oct-08	JAYANT AGRO	21-Oct-08	XPRO INDIA-PMS	27-Oct-08	FUTUR POLY
15-Oct-08	ELECTROSTEEL	21-Oct-08	COSMO FILMS	27-Oct-08	GDL LEASING
15-Oct-08	C M C LTD	21-Oct-08	L I C HOUSING FIN	29-Oct-08	MAH & MAH
15-Oct-08	LARSEN & TOU	21-Oct-08	MANALI PETRO	29-Oct-08	CAIRN IND
15-Oct-08	BHARAT SEATS	21-Oct-08	MENON BEARING	30-Oct-08	DIC INDIA

Forthcoming Board Meetings

contd...

Date	Company	Date	Company	Date	Company
Quarterly Results					
15-Oct-08	CONTAIN CORP	21-Oct-08	SEAMEC LTD	30-Oct-08	NEELKANTH RO
15-Oct-08	N C L RESEARCH	22-Oct-08	BAJAJ AUTO F	30-Oct-08	DABUR INDIA LTD.
15-Oct-08	KAVERI TELE	22-Oct-08	BAJAJ FINSE	30-Oct-08	CMI FPE
15-Oct-08	L G BALAKRISHNAN	22-Oct-08	STOVEC INDUS	30-Oct-08	LAKSHMI MACH
15-Oct-08	LGB FORGE	22-Oct-08	TRANSPEK	30-Oct-08	SUPER SAL IN
15-Oct-08	SANAGROI	22-Oct-08	SUKHJIT STARCH	30-Oct-08	AMARA RAJA B
15-Oct-08	T T K PRESTIGE	22-Oct-08	3I INFOTECH	30-Oct-08	AREVA
16-Oct-08	H D F C BANK	22-Oct-08	CENTURY ENKA	30-Oct-08	INWINEX PH
16-Oct-08	SPAN DIAGNOS	22-Oct-08	SONA KOYO ST	30-Oct-08	KDDL LTD
16-Oct-08	MAFAT FINANC	22-Oct-08	CENTURY TEXTILES AND INDUSTRIE	30-Oct-08	SHARAT INDUS
16-Oct-08	OIL COUNTR T	22-Oct-08	INTER COMBUS	31-Oct-08	ARI.TOURNESO
16-Oct-08	INDO ASIAN	22-Oct-08	KIRL OIL	31-Oct-08	BANSISON TEA
16-Oct-08	MPHASIS LTD	22-Oct-08	L T OVERSEAS	31-Oct-08	BATA INDI LT
16-Oct-08	SCHRADER DUNCAN	22-Oct-08	MAHA SCOOTER	31-Oct-08	GSB FINANCE
16-Oct-08	ETC NETWORK	22-Oct-08	MAX INDIA L.	31-Oct-08	B & A LIMITE
16-Oct-08	FINOLEX CABL	22-Oct-08	NOCIL LTD	31-Oct-08	CHOKHANI SEC
16-Oct-08	INDAG RUBBER	22-Oct-08	COROMANDL FR	31-Oct-08	INDIA CEMENT
16-Oct-08	INDUSIND BK	22-Oct-08	G G DAND MA	31-Oct-08	M B PARIK FI
16-Oct-08	SR RAYAL ALK	22-Oct-08	GILLETTE INDIA	31-Oct-08	SUDAL INDUST
17-Oct-08	HOUS DEV FIN	22-Oct-08	INDRAPRAS MED	31-Oct-08	TEMPT.FOODS
17-Oct-08	ECLER SERV	22-Oct-08	SHYAM STAR	31-Oct-08	BACIL PHARMA
17-Oct-08	PANACEA BIOT	22-Oct-08	PODDAR DEV	31-Oct-08	CRAZY INFOTE
17-Oct-08	ST BK TRAVAN	23-Oct-08	BAJAJ AUTO	31-Oct-08	CUPID TRADE
17-Oct-08	ELANT BECK	23-Oct-08	BAJ HOLD INV	31-Oct-08	DHANALA RO S
17-Oct-08	F A G BRGS	23-Oct-08	PODDAR DEV	31-Oct-08	KANO HAR ELEC
17-Oct-08	RATNAMANI METALS	23-Oct-08	UNIABEX AL P	31-Oct-08	LAKSHMI ELEC
17-Oct-08	INE ABS L	23-Oct-08	MAHIN UGINE	31-Oct-08	MONOTONA SEC
17-Oct-08	SHUKR BULL	23-Oct-08	ACC LTD	31-Oct-08	MOT GEN FINA
17-Oct-08	SHUKRA JEW	23-Oct-08	SAMTEL COL	31-Oct-08	NEW MARKETS
17-Oct-08	JK PAPERS	23-Oct-08	EXIDE INDU	31-Oct-08	ROTAM COMM.
17-Oct-08	MIDPOINT SOF	23-Oct-08	WYETH LTD	31-Oct-08	SANMITRA COM
17-Oct-08	MYSORE CEM	23-Oct-08	AJANTA PHARM	31-Oct-08	TIDE WATER
17-Oct-08	PONNI ERODE	23-Oct-08	BINANI CEMENT	31-Oct-08	TIRUPATI SAR
17-Oct-08	PULSAR INTER	23-Oct-08	DEEPAK FERT	31-Oct-08	TUNI TEXTILE
17-Oct-08	TAM.JAI.MILL	23-Oct-08	INNOVA FOOD	31-Oct-08	VORA CONSTRU
17-Oct-08	GOA CARBON	23-Oct-08	SAKSOFT LTD	4-Nov-08	TIMEX GROUP
Quarterly Results & Interim Dividend					
7-Oct-08	PRISM CEMENT	16-Oct-08	FOSECO INDIA	24-Oct-08	GODREJ CONSU
14-Oct-08	SONAT SOFTWR	17-Oct-08	SATYAM COMP	24-Oct-08	GLAXOSMI CONS
15-Oct-08	H C L TECH	18-Oct-08	BALKRISH IND	25-Oct-08	PAGE INDUSTR



Forthcoming Board Meetings

contd...

Others

Date	Company	Purpose
7-Oct-08	D&H WELDING	To consider allotment of 2,50,000 (Two Lac Fifty Thousand) Equity Shares of Rs 10.00 each (Rupees Ten only) at a premium of Rs 12 (Rupees Twelve only) per share each issued to promoters on preferential basis in accordance with the SEBI Guidelines and Allo
7-Oct-08	MAHA RUBTECH	To enter into the Business of Power Generation by conventional, nonconventional methods including setting up of wind power projects for captive consumption or to sale and further to consider to make alteration in the main object clause of Memorandum of As
7-Oct-08	H S INDIA	Allotment of 54,38,000 convertible warrants on preferential basis to promoters and non-promoters group.
8-Oct-08	CKORAMAA CEM	Inter alia, to transact the following Business: 1. To Make the allotment of 20,00,000 Warrants of Rs 10/- each at a premium of Rs 230/- each to the promoters, convertible into 20,00,000 Equity Shares of Rs 10/- each at a later date. 2. To Consider the Pro
8-Oct-08	SUMEET IND	To fix "Record Date" for the purpose of Right Share entitlement and fix price for issue of Right Shares.
8-Oct-08	CONTECH SOFT	Inter alia, to consider the following: 1. To give authority to Board for making application with ROC for New Name. 2. To accept resignation of Shri. Arun Tulsian and Shri. Sunil Ranasia as directors of the company. 3. To appoint two new directors on the B
8-Oct-08	FUSION FITIN	To consider forfeiture of the partly paid up shares of the Company.
8-Oct-08	RAINBOW PAPER	To appoint Mr. Ashwin Goswami as an Additional Director and consider resignation of Mr. O P Goyal as a Wholtime Director.
10-Oct-08	JATIA FINANC	To Change of Object of the Company and diversify in the field of Information Technology and for that purpose comply with Postal Ballot Rules, Change of Name of the Company and Appoint Scrutinizer for Postal Ballot. 4. Calendars of event for Postal Ballot.
10-Oct-08	BINNY LTD.	To consider the Draft Demerger Scheme of the Company.
11-Oct-08	AMRUTANJ HEAL	To consider and approve, the proposal for buy-back of equity shares of the Company u/s 77A of the Companies Act, 1956 and Securities Exchange Board of India (Buy back of Securities) Regulations, 1998.
11-Oct-08	HIMALAYA INTL	To transact Preferential Allotment of 4 millions of Warrants and 4 millions of 12% Debentures, discuss and approve quarterly results of the Company as on September 30, 2008, Review of Program of Commencement of production of Appetizer Unit & Yogurt units,
11-Oct-08	TIRUMALA SEU	To consider, to pass Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 through postal ballot, appoint scrutinizer for conducting postal ballot process for the above matters, consider and approve calendar of events for conducting posta
13-Oct-08	EDUCOMP SOLN	To consider alternative modes for raising of funds & Employees Stock Option Plan and approve Educomp Employee Stock Option Scheme 2008.
14-Oct-08	BIRLA YAMAH	To consider and approve raising of funds by way of issue of equity shares, and / or securities convertible into equity shares through public issue, rights issue, Global Depository Receipts / American Depository Receipts, Foreign Currency Convertible Bonds
14-Oct-08	NEOGEM INDIA	To allot 15,65,000 (Fifteen Lacs Sixty Five Thousand) Fully Convertible Equity Share Warrants on Preferential Basis to the Promoters / Independent Investor as per the list approved by the shareholders
25-Oct-08	GANESH HOU C	To consider the proposal for buy-back of equity shares upto such amount of the aggregate of Company's paid up equity capital and free reserves as the Board may decide.
25-Oct-08	SHRI.DINESH	To fix Record Date for sub-division of Equity Shares from face value Rs 100/- per share to Rs 10/- per share.



Forthcoming Book Closure/Record Dates

SCRIP NAME	BC/RD FROM	PURPOSE
AADI INDUS L	13/10/2008	A.G.M.
DISH TV	16/10/2008	Right Issue of Equity Shares
DISH TV	16/10/2008	Right Issue of Equity Shares
EID PARRY	10/10/2008	200% Dividend
GILLETTE IND	11/10/2008	A.G.M., 125% Dividend
GILLETTE IND	11/10/2008	125% Dividend, A.G.M.
GUJARA LEA F	13/10/2008	A.G.M.
GUJARAT INVE	13/10/2008	A.G.M.
JAIHIND SYNT	13/10/2008	A.G.M.
ORIENTAL VEN	11/10/2008	General Annual Book Closure, A.G.M.
PRISM CEMENT	13/10/2008	Interim Dividend
AIAENGINEER	20/10/2008	Stock Split from Rs. 10/- to Rs. 2/-
AMARA RAJA	15/10/2008	1:2 Bonus issue
COUNTRY CLUB	22/10/2008	Stock Split from Rs. 10/- to Rs. 2/-
GREAVES COTT	17/10/2008	A.G.M.
KRYPTON INDU	17/10/2008	A.G.M.
SHREE RUBBER	27/10/2008	A.G.M., General Annual Book Closure
SHYAM SOFT I	22/10/2008	Scheme of Arrangement
SYLPH TECH	27/10/2008	A.G.M.
BIRLA COTSYN	20/10/2008	A.G.M., 0.58% Dividend
CAMBRIDGE	20/10/2008	A.G.M., 10% Dividend
GATI LIMITED	18/10/2008	A.G.M., 40% Dividend
GUJ MIN DEVL	17/10/2008	1:1 Bonus issue
INDIAN OVERS	17/10/2008	General
INDIAN OVERS	17/10/2008	General
INFOSYS TECH	17/10/2008	Interim Dividend
SATELLITE EN	19/10/2008	A.G.M.
SELAN EXPLO	18/10/2008	15% Interim Dividend
SOUTH INDIA	17/10/2008	0104 Bonus issue
SOUTH INDIA	17/10/2008	0104 Bonus issue
STANDARD IND	17/10/2008	10% Interim Dividend
VICTORY PROJ	20/10/2008	A.G.M.
GUJARA NRE C	20/10/2008	2:5 Bonus issue
PARSOLI CORP	21/10/2008	A.G.M.
SIB25AUG05	24/10/2008	Payment of Interest for Bonds
SONAT SOFTWR	20/10/2008	Interim Dividend

SCRIP NAME	BC/RD FROM	PURPOSE
MIDA PHARMAS	27/10/2008	Reduction of Capital
HCL TECH	23/10/2008	150% Dividend, A.G.M.
HCL TECHNO	23/10/2008	A.G.M., 150% Final Dividend
IDBI05URRB2	28/10/2008	Payment of Interest for Bonds
IDBI2005U	28/10/2008	Payment of Interest for Bonds
AREVA	29/10/2008	Stock Split from Rs. 10/- to Rs. 2/-
HARVI MAN SE	24/10/2008	A.G.M.
KENNAMETAL	24/10/2008	A.G.M.
KONKAN TYRES	24/10/2008	A.G.M.
SUNIL INDUS.	03/11/2008	General Annual Book Closure
AFTEK LTD	27/10/2008	A.G.M., 25% Dividend
BALKRISH IND	24/10/2008	First Interim Dividend
FOSECO INDA	24/10/2008	Third Interim Dividend
INFOQU SOFTW	27/10/2008	General Annual Book Closure
KESAR ENTERP	27/10/2008	A.G.M., 5% Dividend
JPTSECURITIE	29/10/2008	A.G.M.
SYNERG LOGIN	29/10/2008	A.G.M.
INDO PAC SOF	30/10/2008	A.G.M.
LINKHOUS IND	30/10/2008	A.G.M.
GLAXOSMI CON	31/10/2008	Interim Dividend
GLAXOSMI CON	31/10/2008	Interim Dividend
HCL INFOSYS	03/11/2008	A.G.M., 100% Dividend
HCL INFOSYS	03/11/2008	A.G.M., 100% Dividend
JYOTHY LAB	01/11/2008	A.G.M., 200% Dividend
SHIPPING COR	31/10/2008	1:2 Bonus issue
SHIPPING COR	31/10/2008	1:2 Bonus issue
TIME TECHNO	06/11/2008	Stock Split from Rs. 10/- to Re. 1/-
UNITED PHOSP	31/10/2008	0101 Bonus issue
UNITED PHOSP	31/10/2008	0101 Bonus issue
GODREJ CONS	03/11/2008	Second Interim Dividend
GODREJ CONS	03/11/2008	Second Interim Dividend
OPTO CIRCUIT	04/11/2008	0710 Bonus issue
PAGE INDUSTR	04/11/2008	Second Interim Dividend
AXIS24NOV06	11/11/2008	Payment of Interest
RATNAMA META	14/11/2008	Stock Split from Rs. 10/- to Rs. 2/-
TECHNOCRAFT	08/11/2008	A.G.M., 10% Dividend
XL TEL ENE	08/11/2008	A.G.M., 15% Dividend
SRI NACH COT	11/12/2008	A.G.M.





FII & Mutual Fund Flow during September 2008

Total FII Inflows/Outflows during the month of September 08. (All figures in Rs. Cr.)				
Week Ended	Buy	Sold	Net	Cumulative
05 09 2008	8524.0	9494.3	-970.3	-970.3
12 09 2008	13012.0	15577.2	-2565.2	-3535.5
19 09 2008	23322.5	25956.7	-2634.2	-6169.7
26 09 2008	15573.4	17812.1	-2238.7	-8408.4
30 09 2008	7597.7	7126.3	471.4	-7937.0
Total	68029.6	75966.6	-7937.0	
Total MF Inflows/Outflows during the month of September 08. (All figures in Rs. Cr.)				
Week Ended	Buy	Sold	Net	Cumulative
05 09 2008	2510.5	2439.7	70.8	70.8
12 09 2008	2706.2	2545.5	160.7	231.5
19 09 2008	4978.5	3097.2	1881.3	2112.8
26 09 2008	2996.8	3211.4	-214.6	1898.2
30 09 2008	1529.7	1162.9	366.8	2265.0
Total	14721.7	12456.7	2265.0	



Gainers & Losers - September 2008

Top Gainers From F&O

	Price	Price	
	09/30/2008	08/29/2008	% chg
KSK	237.4	176.0	34.9%
HIND.PETROL	242.3	201.5	20.2%
BHARAT PETRO	360.3	302.8	19.0%
TATACOMM	472.4	414.6	13.9%
SYNDICATE BK	65.5	59.4	10.2%
A.C.C.	615.0	562.4	9.4%
MOSER-BAER	109.6	101.8	7.7%
BANK OF IND.	285.3	267.6	6.6%
MARUTI	690.2	649.6	6.3%
HERO HONDA	872.3	828.7	5.3%

Top Losers From F&O

	Price	Price	
	09/30/2008	08/29/2008	% chg
RANBAXY LAB.	247.1	518.8	-52.4%
SREI INT.FIN	60.1	110.1	-45.4%
NIITLTD EQ	51.5	89.8	-42.7%
IBREALEST	169.8	288.7	-41.2%
HDIL	170.2	288.3	-41.0%
RAJESH EXPOR	28.3	47.8	-40.7%
BAJAJHIND.LT	103.3	170.8	-39.5%
KPIT INFOSYS	35.2	57.8	-39.0%
3IINFOTECH	68.7	112.5	-38.9%
KLG SYSTEL	242.7	397.1	-38.9%

Top Gainers From CNX 500

	Price	Price	
	09/30/2008	08/29/2008	% chg
HIND.PETROL	242.3	201.5	20.2%
BHARAT PETRO	360.3	302.8	19.0%
VIDESH SANCH	472.4	414.6	13.9%
SYNDICATE BK	65.5	59.4	10.2%
A.C.C.	615.0	562.4	9.4%
MOSER-BAER	109.6	101.8	7.7%
M&MFIN	259.8	242.0	7.4%
BANK OF IND.	285.3	267.6	6.6%
MARUTI	690.2	649.6	6.3%
HERO HONDA	872.3	828.7	5.3%

Top Losers From CNX 500

	Price	Price	
	09/30/2008	08/29/2008	% chg
RANBAXY LAB.	247.1	518.8	-52.4%
SREI INT.FIN	60.1	110.1	-45.4%
GUJ.MINERAL	141.7	248.2	-42.9%
GUJNRECOKEEQ	61.1	105.0	-41.8%
IBREALEST	169.8	288.7	-41.2%
RAJESH EXPOR	28.3	47.8	-40.7%
BAJAJHIND.LT	103.3	170.8	-39.5%
KPIT INFOSYS	35.2	57.8	-39.0%
ASIAN ELECTR	53.9	88.2	-38.9%
LITL	181.4	292.7	-38.0%



Gainers & Losers - September 2008

contd...

BSE Indices moves

Indice	Price	Price	% Chg	Indice	Price	Price	% Chg
	09/30/2008	08/29/2008			09/30/2008	08/29/2008	
BSE SENSEX	12860.4	14564.5	-11.7%	BSE - Metals	8992.1	12348.0	-27.2%
BSE-MIDCAP	4798.3	5742.3	-16.4%	BSE - Oil & Gas	9039.3	9659.5	-6.4%
BSE-SMALLCAP	5577.5	6891.6	-19.1%	BSE - Bankex	6478.9	7009.7	-7.6%
BSE - 500	4897.6	5631.5	-13.0%	BSE - Health	3672.2	4311.7	-14.8%
BSE - 200	1555.7	1782.1	-12.7%	BSE - PSU	6246.0	6747.1	-7.4%
BSE - 100	6691.6	7621.4	-12.2%	BSE - FMCG	2160.8	2215.6	-2.5%
BSE - IT	3095.1	3966.8	-22.0%	BSE - Auto	3675.0	4001.2	-8.2%
BSE - Cons. Dur	2929.2	3840.8	-23.7%	BSE - Cap Goods	10581.1	11886.6	-11.0%
BSE - Realty	3508.8	4995.3	-29.8%	BSE - Power	2260.3	2604.1	-13.2%



RETAIL RESEARCH TEAM

Head of Research

Deepak Jasani

Technical/Derivatives Analyst

Adwait Sapre

Subash Gangadharan

Aditi Junnarkar

Siddharth Deshpande

Fundamental Analyst

Mehernosh Panthaki

Prashant Kutty

Bhavna Jagwani

Sneha Venkatraman

Tiju K Samuel

HDFC Securities Limited, Trade World, C. Wing, 1st Floor, Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013 Phone: (022) 66611700 Fax: (022) 2496 5066

Disclaimer: This document has been prepared by HDFC Securities Limited and is meant for sole use by the recipient and not for circulation. This document is not to be reported or copied or made available to others. It should not be considered to be taken as an offer to sell or a solicitation to buy any security. The information contained herein is from sources believed reliable. We do not represent that it is accurate or complete and it should not be relied upon as such. We may have from time to time positions or options on, and buy and sell securities referred to herein. We may from time to time solicit from, or perform investment banking, or other services for, any company mentioned in this document. **This report is intended for Retail Clients only and not for any other category of clients, including, but not limited to, Institutional Clients**