

Major indices movements

Major indices	Clsq	1d (%)	3m (%)	6m (%)
BSE Sensex	19,799	0.5	2.3	14.2
Nifty	5,944	0.6	2.6	14.4
Dow	11,477	0.4	9.0	12.6
Nikkei	10,313	(0.0)	8.4	4.3
Hang Seng	23,295	(0.6)	7.2	16.1
Brasil Bovespa	68,743	(0.6)	1.6	8.2
Mexico Bolsa	37,901	0.0	14.7	17.6

Turnover

Value Traded (Rs bn)	14 Dec 2010	% Chg	52 Wk Hi	52 Wk Lo
Cash BSE	33.3	(0.9)	105.2	19.1
Cash NSE	131.3	(1.5)	298.5	18.2
Total	164.6			
Del.(%)	39.9			
F&O	898.6	(28.1)	2525.1	226.0
Total Trade	1063.1			

Fund Activity

Net Inflows				
(Rs bn)	Purch	Sales	Net	YTD
13 Dec 2010				
FII's	24.6	(27.0)	(2.4)	233.4
Domestic Funds	7.0	(3.7)	3.3	98.8
14 Dec 2010				
Cash Provisional			(1.3)	
F&O - Index	58.6	(68.6)	(10.0)	(27.6)
F&O - Stock	15.9	(18.6)	(2.7)	(11.6)

Advances/declines BSECash

14 Dec 2010	A	B1	B2	Total
Advance	154	1270	283	1,707
Decline	48	580	131	759

Commodity Prices

Commodity	15 Dec 2010	1d (%)	3m (%)	6m (%)
Crude (USD/Bbl)	90.6	(0.4)	14.9	18.4
Copper(usd/t)	9,165	(0.7)	19.7	37.6
Aluminum H.G.(usd/t)	2,351	0.9	8.8	17.9
Zinc(usd/t)	2,300	(0.9)	5.7	28.0

Debt/Forex Mkt	Clsq	1d (%)	3m (%)	6m (%)
Re/USD	44.96	0.4	3.3	3.4
10 yr Gsec Yield	8.10	(0.3)	2.0	5.5

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News clippings

- **Bajaj Auto** will raise prices across its range of motorcycles by up to 1,000 rupees starting January 2011 to compensate for continued rising cost of raw material inputs.
- Shareholders of Vedanta Resources Plc have approved the proposed acquisition of majority stake in **Cairn India** for up to USD 9.6 billion. The shareholders approved the transaction at an extraordinary general meeting (EGM) in London.
- **Power Grid Corp of India** board has on December 13 approved investing Rs 5,540 crore on five projects across the country. These include an investment of Rs 2,743 crore to set up a transmission system in phase I of a generation project in Orissa with a commissioning schedule of 36 months from the date of investment approval.
- **TVS Motor Company** plans to ramp up its manufacturing facility at Hosur in Tamil Nadu as part of meeting the "huge" demand for its scooterette Wego.
- **JSW Infrastructure** will sell a 10 per cent stake in the company to the US based Eton Park for about \$125 million. Eton Park will invest up to \$125 million in our company. The proceeds will be used for expansion of JSW's Ports business.
- **Garware Offshore Services** said that its wholly owned subsidiary, Global Offshore Services B.V., The Netherlands has taken the delivery of the platform Supply Vessel, viz., MV Beaucephalus.
- The oil ministry gave the three companies a go-ahead to raise petrol prices after international crude oil prices touched \$90 per barrel. Bharat Petroleum Corp (BPCL) hiked petrol prices by about Rs 2.96 a litre effective midnight, and other state-owned oil companies IOC and HPCL will follow suit from tonight.
- India's wholesale price index (WPI) rose an annual 7.48 per cent in November, in line with analysts' forecast.

Research views

Petron Engineering – Management meet update

We met the Managing Director of Petron Engineering and the key takeaways of the meeting are

- Order backlog has grown significantly- order backlog as on November 2010 stood at Rs17 bn versus Rs10 bn in June 2010. This translates into visibility of 3X FY10 revenues.
- Order backlog is dominated by Oil & Gas at 60% followed by Power at 30%.
- Outstanding tenders awaiting finalization stood at Rs30bn. Considering 20% strike rate, promises further order inflows worth Rs7-8 bn in next 6-9 months.
- Satisfactory progress and execution in large orders - especially Rs4.0 bn EPC order from Paradip refinery.
- Kaztroy Group (Promoters of Petron Engineering) has made good progress on Indian soils. In 3 years of operations in India, Kaztroy Group (includes Kaztroy India, Petron Engineering & Petron Civil) has achieved revenues of Rs20 bn and order backlog of Rs50 bn.
- Kaztroy Group current progress in India, would benefit Petron Engineering - in terms of joint bidding in few projects, sub-contracting jobs, etc.
- To maintain growth momentum Petron Engineering is eyeing EPC jobs in Fertilizer, Cement and BOP. This would be a break-away from preference or psyche for labor jobs.
- No change in guidance- expects revenues of Rs6.0 bn in FY11E and Rs8.0 bn in FY12E. Reiterated 11% EBIDTA margins in FY11E and FY12E.
- Rough-cut earnings estimates are Rs48.8/Share and Rs64.8/Share in FY11E and FY12E. At CMP of 350/Share, Petron Engineering is trading at 7X FY11E and 5X FY12E earnings.

Dealer Comments

Market Summary: The markets did start the day's session on a positive note with almost 65 odd point's upward gap tracking subdued cues from the global markets particularly the mixed Asian counterparts. Post good opening markets exhibited a very range bound movement till almost noon time with indices trading around the dotted lines. Post eased inflation figure at 7.5% for the month of November 2010, good buying emerged in the markets particularly the banking stocks as fears of further rate tightening by RBI in its review meeting on Thursday 16th eased out and focus on loosening of cash crunch. Even hopes of better Q3 advance tax figures by corporates tomorrow further aided the buying momentum in the markets. Once again the broader markets outperformed the major indices showing that still bargain hunting is still on post good rundown in last so many trading sessions. Today markets saw good buying in the Metal space for second day in a row on hopes of steel price hike buzz and demand to remain robust going ahead. Going ahead markets will continue to be driven by the news of the day, sometimes positive and sometimes negative but the only console is that the underlying sentiment and the outlook growth story shall continue to remain positive. Finally the markets closed the day on a positive note towards the end near almost day's highs with Sensex gaining 107 points or 0.55% higher to settle at 19799 levels while Nifty gained 36 points or 0.62% higher to settle at 5944 levels. The overall market breadth indicating the strength of the market was strong as broader markets witnessed good buying action with Midcap index and Smallcap index gaining almost 1.6% each and was at almost 2 x. Among the sectoral indices except for the Auto and FMCG index all of them posted gains with Consumer Durables, Metal, PSU, Realty, Capital Goods and Oil & Gas out performing the most. Among the index heavy weights which gained the most were Reliance Ind, L&T, SBI, Tata Motors and Tata Steel while Hero Honda, M&M, Axis Bank, JSPL and Hind Unilever were and ended as losers. Among the midcap space stocks, which saw good buying action were Bharat Fert, ABG Shipyard, Marg Ltd, Arvind Ltd, MSK Projects, Eveready Ind, VIP Ind, Prakash Ind, UFlex, Hanung Toys, Financial Tech, jubilant Foods, Hind Const, GSFC and DCHL and were up in the range of 7-15%.

The overall traded volumes were quite lower compared to the earlier day by almost 26% and were at Rs 1059 bn. While delivery based volumes were almost flattish compared to the earlier day at 38.1% of the total traded turnover.

Among the Fund activities FII's were net sellers to the tune of Rs 2.48 bn while Domestic Funds were net buyers to the tune of Rs 3.26 bn on 13th December 2010. While on 14th December 2010 FII's were net buyers to the tune of Rs 0.33 bn in the cash segment while in the F&O segment FII's were net sellers to the tune of Rs 12.72 bn while Domestic Funds were net buyers to the tune of Rs 3.49 bn.

Indices

Indices	Today's close	% chg
Sensex	19,799.19	0.55
Nifty	5944.10	0.62
S&P CNX 500	4808.80	0.91
BSE 500	7,756.42	0.80
BSE Mid-Cap	7,651.27	1.52
BSE Small-Cap	9,282.59	1.62
BSE Auto	9,961.45	-0.20
BSE Health	6,632.90	0.77
BSE FMCG	3,567.09	0.31
BSE IT	6,302.19	0.48
BSE PSU	9,460.56	0.97
BSE Bankex	13,140.16	0.37
BSE Oil & Gas	10,657.73	0.92
BSE Metal	16,588.42	1.60
BSE Cons Dur	6,207.39	3.14
BSE Cap Good	15,449.14	0.93
BSE Realty	2,845.11	0.95
BSE Power	2,947.87	0.42

Levels to watch

	Sensex	Nifty
Day's High	19,836	5,953
Day's Low	19,621	5,888
21 EDMA	19,787	5,943
55 EDMA	19,780	5,945

Trend Tracker

	Up/ Down	Sensex/ Nifty	Sensex/ Nifty
		Target	Reversal
Short Term*	↑	20217/6069	19,070/5720
Mid Term*	↑	20217/6069	19,070/5720
ST: 0-14 Days		MT: 14-45 Days	

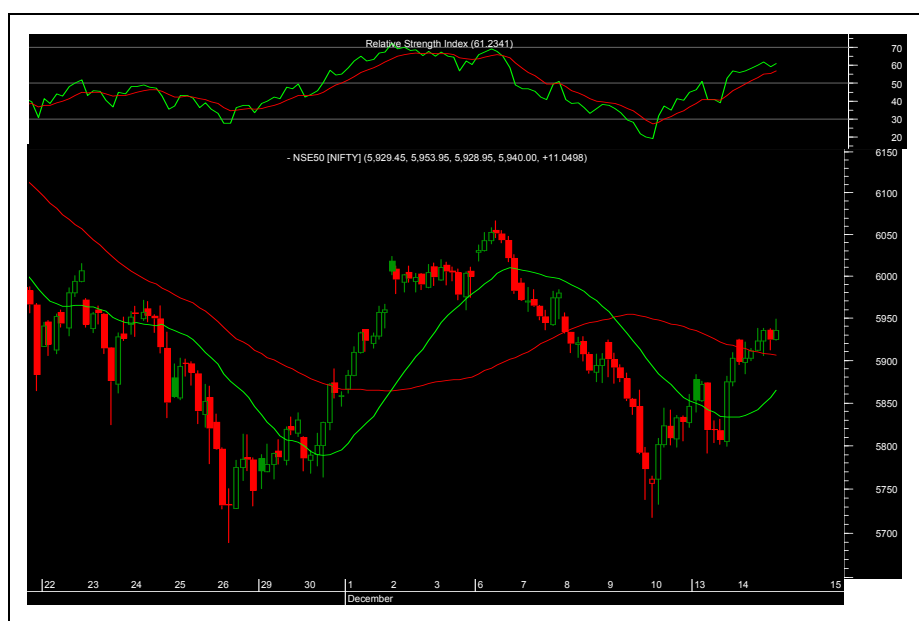
Nifty Intraday levels to watch

	Support	Resistance
Nifty	5909/5923	5954/5964

TechCheck

Nifty recovers 200 pts in 3 days

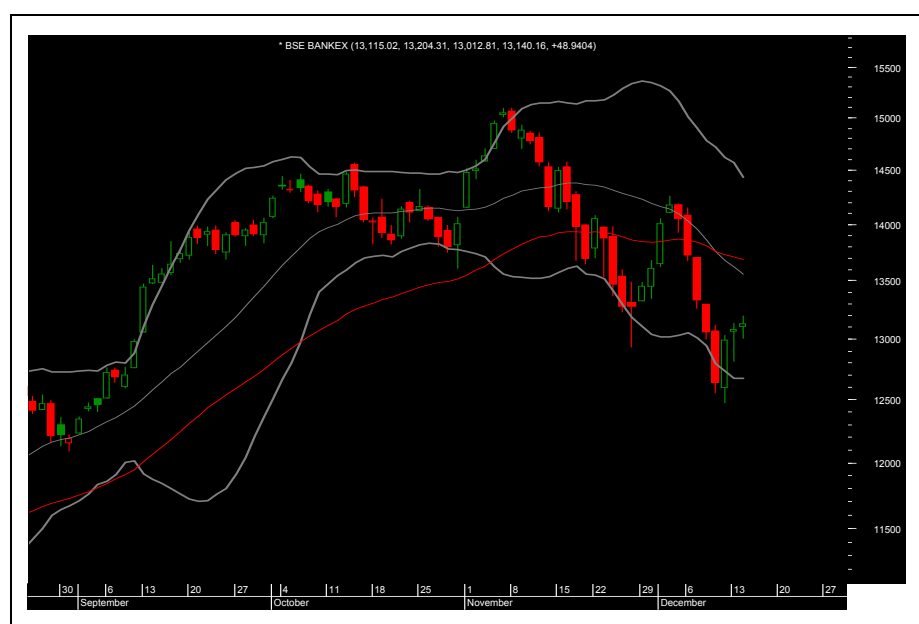
Nifty ended on a positive note after weak start in the opening bell. The pullback rally which started on Friday further gained strength today. Nifty is now slowly inching towards 6000 mark after testing lows of 5740 on Friday. However, in the range of 5940-5950, it is constantly facing some selling pressure. Hence that range needs to be monitor closely. Once the range is surpassed, we will be heading for our short term bias of 6069 level. Any dip toward 20-HSMA packed at 5876, should be used as a buying opportunity for the target of 6000 plus level.



Sectoral Speak

BSE Bankex:

BSE Bankex is struggling at the resistance of 50-HEMA and hence in the coming session we may see some profit booking activity in the banking stocks. The target of this index is packed at 11,300-level as of now.



Technical Recommendations

EPT Calls

Date	Stocks	Action	Reco. Price	Stop-loss	Target	Current price	% change	Comment
08.12.10	HPCL	Buy	403.00	378.40	427/457	401.10	-0.47	
09.12.10	Tata steel	Sell	615.00	636.60	585/561	643.80	-4.68	Exit
14.12.10	Bank Nifty	Sell	11,640.00	11,956.60	11,311/1,1011	11,574.00	0.56	
14.12.10	Bharat Forge	Sell	384.00	407.60	356/331	381.05	0.76	
14.12.10	ACC	Sell	1,060.00	1,136.60	986/926	1,063.02	-0.28	

Note: Kindly note that all stop losses for EPT calls are on daily closing basis (DCL), unless specified.

EMT Calls

Date	Stocks	Action	Reco. Price	Stop-loss	Target	Current price	% change	Comment
10.12.10	Axis bank	Buy	1,290.00	1,229.00	1,356/1400	1,327.00	2.86	Profit booked
10.12.10	SBI	Buy	2,730.00	2,630.00	2,850/2950	2,748.00	0.65	Exit
10.12.10	Bank Nifty	Buy	11,426.00	11,040.00	11,830/12010	11,555.00	1.12	Profit booked
10.12.10	Hindalco	Buy	215.00	206.80	225/235	221.00	2.79	Profit booked
10.12.10	M&M	Buy	779.25	750.00	810/840	758.00	-2.72	
14.12.10	DLF	Buy	294.35	283.00	307/318	292.00	-0.79	
14.12.10	Rel Cap	Buy	657.00	639.00	677/697	656.00	0.15	

Note: Kindly note that all stop losses for EMT calls are on intraday basis, unless specified.

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