

Morning Coffee with GEPL Capital

Date: May 11, 2012



Market Update

| Indices | Close | % Chg | % YTD |
|-------------------------|-----------|---------|---------|
| Indian Markets | | | |
| Sensex | 16,420.05 | (0.36%) | 6.24% |
| Nifty | 4,965.70 | (0.18%) | 7.38% |
| Global Markets | | | |
| DJIA | 12,855.00 | 0.16% | 5.26% |
| Nasdaq | 2,933.64 | (0.04%) | 12.38% |
| FTSE | 5,543.95 | 0.25% | (0.51%) |
| Emerging Markets | | | |
| HangSeng | 20,227.28 | (0.51%) | 9.73% |
| Nikkei | 9,009.65 | (0.39%) | 6.56% |

| BSE Sectoral Indices | Latest | % Chg | % YTD |
|----------------------|----------|---------|---------|
| Auto | 9722.26 | (0.89%) | 19.38% |
| Banks | 10833.81 | (0.08%) | 18.36% |
| Capital Goods | 8893.85 | (0.15%) | 10.24% |
| Comm & Teck | 3237.44 | (0.13%) | (4.22%) |
| Con. Durables | 6643.51 | 0.31% | 25.72% |
| FMCG | 4677.21 | (0.25%) | 15.91% |
| Healthcare | 6706.5 | (0.33%) | 14.24% |
| IT | 5540.27 | (0.09%) | (3.68%) |
| Metals | 10226.83 | (1.02%) | 10.05% |
| Oil & Gas | 7585.09 | 0.62% | 0.74% |
| Power | 1848.75 | (0.75%) | 2.94% |
| Realty | 1567.34 | (0.11%) | 13.93% |
| Midcap | 5998.32 | 0.06% | 16.81% |
| Smallcap | 6454.2 | (0.24%) | 16.29% |

Bulk Deals (BSE)

| Date | Scrip Name | Client Name | Buy/Sell | Quantity | Price |
|-----------|-------------------------------|----------------------------------|----------|----------|--------|
| 10-May-12 | Ahlcon Parentals (India) Ltd. | Rajasthan Global Securities Ltd. | Sell | 51,786 | 427.50 |
| 10-May-12 | Welspun Global Brands Ltd. | Reliance Mutual Fund | Sell | 184,300 | 26.83 |

Bulk Deals (NSE)

| Date | Scrip Name | Client Name | Buy/Sell | Quantity | Price |
|-----------|----------------------------|---------------------------|----------|----------|-------|
| 10-May-12 | Aptech Ltd. | Royal Bank of Scotland NV | Sell | 978,500 | 70.25 |
| 10-May-12 | Welspun Global Brands Ltd. | Reliance Mutual Fund | Sell | 101,000 | 26.56 |

Fund Flows ('bn)

| | Latest | MTD | YTD |
|------|--------|---------|----------|
| Flls | (3.73) | 10.48 | 611.77 |
| MFs | 0.84 | (20.74) | 1,614.61 |

Corporate News

- Entertainment World Developers, partner of **Phoenix Mills** is looking to raise Rs2.50 bn by selling stake in the company to PE investors.
- Nearly 50 **Kingfisher Airline's** pilots from Delhi reported sick leading to cancellations of 14 flights.
- Bayer Pharma** has charged **Cipla** that it had breached its patent rights by slashing the price of life-extending Kidney and Liver cancer drug by 76% to Rs 1,710 "for a month's therapy" from Rs 6,990.
- Essar energy** signed a Power purchase Agreement with Noida Power Company Ltd. At a delivered levelised tariff, including transmission costs, of Rs 4.08 per kilowatt hour.
- Air India** sacked 9 more pilots on day three of their agitation which led cancellation of over 20 flights.

Corporate Results

| Company | Particulars (Rs mn) | Mar-12 | Mar-11 | YoY Chg | Dec-11 | QoQ Chg |
|-------------------------|---------------------|---------|---------|-----------------|---------|----------------|
| Apollo tyres | Sales | 32,314 | 2,795 | 1,056.0% | 32,282 | 0.1% |
| | PAT | 1,581 | 1,926 | (17.9%) | 984 | 60.6% |
| Canara Bank | Sales | 90,368 | 85,912 | 5.2% | 337,782 | (73.2%) |
| | PAT | 8,291 | 8,756 | (5.3%) | 8,989 | (7.8%) |
| Cipla | Sales | 18,656 | 16,677 | 11.9% | 17,595 | 6.0% |
| | PAT | 2,917 | 2,140 | 36.3% | 2,699 | 8.1% |
| NTPC | Sales | 163,619 | 155,973 | 4.9% | 155,434 | 5.3% |
| | PAT | 25,934 | 27,818 | (6.8%) | 21,304 | 21.7% |
| Cadila Healthcare | Sales | 13,980 | 12,133 | 15.2% | 13,832 | 1.1% |
| | PAT | 1,801 | 1,862 | (3.2%) | 1,566 | 15.1% |
| Jubilant Foodworks Ltd. | Sales | 2,832 | 1,937 | 46.2% | 2,770 | 2.2% |
| | PAT | 293 | 193 | 51.8% | 295 | (0.5%) |
| Lupin Ltd. | Sales | 19,239 | 15,405 | 24.9% | 18,189 | 5.8% |
| | PAT | 1,612 | 2,288 | (29.5%) | 2,406 | (33.0%) |
| Sintex Industries Ltd. | Sales | 10,237 | 14,639 | (31.0%) | 11,608 | (11.8%) |
| | PAT | 912 | 1,680 | (45.7%) | 822 | 11.6% |

Economy News

- Exports grew by 3.2% to \$24.5 bn in April 2012 while imports rose 3.8% to \$37.9 bn, leaving a trade deficit of \$13.4 bn.
- India's tea production declined by 13% to 82.29 mn kg in Q1CY12 against 94.39 mn kg produced in Q1CY11.
- RBI fixed intra-day open position limits at five times the net overnight open position limit for rupee trading. Reserve Bank of India said exporters will be required to convert 50% of their foreign exchange holdings into rupees.

Global News

- China's consumer prices rises 3.4% in the month of April 2012 after a 3.6% gain in the month of March 2012.
- US jobless claims dropped by 1,000 to 367,000 for period ended May 5.

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Debt Market Snapshot

| Market Turnover | ₹ bn | % Chg |
|-------------------|---------|---------|
| BSE | 19.42 | (6.14) |
| NSE | 96.93 | (11.99) |
| Derivatives (NSE) | 1107.23 | (4.74) |

| Market Breadth | Adv | Dec | A/D |
|----------------|------|------|------|
| BSE | 616 | 852 | 0.72 |
| NSE | 1239 | 1524 | 0.81 |

| Forex Rates | Latest | % Chg | % YTD |
|--------------|---------|-------|--------|
| Rs / US\$ | 53.3377 | -1.01 | 0.05 |
| Euro / US \$ | 0.7715 | -0.09 | (0.21) |
| Yen / US\$ | 79.7084 | 0.23 | 3.47 |

| Particulars | Latest | Previous | Chg(bps) |
|---------------------|--------|----------|----------|
| 5 Year GOI Bond | 8.39% | 8.40% | 0.01 |
| 10 Year GOI Bond | 8.56% | 8.56% | - |
| 15-Year GOI Bond | 8.80% | 8.81% | 0.01 |
| Call Money (WAR) | 8.34% | 8.37% | 0.03 |
| CBLO (WAR) | 8.10% | 8.19% | 0.09 |
| US 10 Year | 1.88% | 1.80% | (0.08) |
| Crude Oil (in \$/b) | 96.81 | 97.01 | 0.20 |
| Inflation (Monthly) | 6.89% | 6.89% | - |

Derivatives Snapshot

| | Nifty Spot | Nifty Futures | Nifty Futures Prem. / Disc | Nifty Futures Basis | Nifty Futures Change in OI | Nifty Futures Volume (in cr.) | Total Market F&O Open Interest (in bn) | Nifty Open Interest (OI) PCR | Nifty Volume PCR | NSE VIX |
|----------|------------|---------------|----------------------------|---------------------|----------------------------|-------------------------------|--|------------------------------|------------------|---------|
| Current | 4965.70 | 4966.80 | 1.10 | 15.75 | 22068000 | 8837.37 | | 1.04 | 1.10 | 22.72 |
| Previous | 4974.80 | 4983.95 | 9.15 | 16.45 | 21787650 | 9191.71 | | 1.06 | 1.07 | 23.04 |
| change | (9.10) | (17.15) | (8.05) | (0.70) | 280350 | (354.34) | | (0.02) | 0.03 | (0.32) |
| % Change | (0.18) | (0.34) | | | 1.29 | (3.85) | | | | (1.39) |

Snapshot

- From the options data, 5200 call has added more than 3.6lakh shares suggesting that level of 5200 is likely to act as positional resistance for Nifty futures.
- The open interest put call ratio for Nifty futures stood at 1.04 vs. 1.06 levels.
- The IV's stood in between 20% to 24% with NSE VIX index ending 1.39% lower at 22.72 levels.
- Long positions were witnessed in stocks like CANBK, BPCL, COLPAL, KOTAKBANK.
- Short positions were witnessed in stocks like HDIL, LUPIN, SBIN, ANDHRABANK.

FII Derivatives Statistics

| | Buy (in Cr.) | Sell (in Cr.) | Open Interest at the end of the day (in Cr.) | Open Interest as on 10-FEB-2011 (in Cr.) | Change in open Interest (in Cr.) | Net Buy / Sell (in Cr.) |
|---------------|--------------|---------------|--|--|----------------------------------|-------------------------|
| INDEX FUTURES | 1671.56 | 1717.10 | 10106.38 | 9813.61 | 292.77 | (45.54) |
| INDEX OPTIONS | 17653.59 | 18024.60 | 37120.14 | 36044.93 | 1075.21 | (371.00) |
| STOCK FUTURES | 1313.32 | 1152.79 | 20676.63 | 20574.48 | 102.15 | 160.52 |
| STOCK OPTIONS | 807.10 | 777.94 | 1027.90 | 1006.08 | 21.82 | 29.16 |

Government Security Market:

- Inter-bank call money rate traded in the range of 8.15% -8.40% on Thursday ended at 8.20%.
- Total Borrowings From RBI's Repo with banks Taking Rs.1,25,065 mn on Thursday Vs. Rs.1,17,925 mn on Wednesday.
- The benchmark 8.79% GOI 2021 bond closed at 8.5620% on Thursday Vs. 8.5605% on Wednesday.
- Global Debt Market:**
US Treasuries fell, with yields climbing from a three-month low, as the government prepared to sell \$16 billion of 30-year securities today in the third auction of coupon-bearing debt this week, US Treasury 10 Year yields climbed 1 basis point to 1.87 percent, after dropping to 1.79 percent yesterday, the lowest level since Jan 31.

10 Year Benchmark Technical View:

10 year yield likely to move in the range of 8.52% - 8.57% level on Friday.

Bonds on Sale:

| | Coupon | Maturity | Min Quantum (in Rs.) |
|--|--------|--|----------------------|
| 11.80% TATA STEEL PERPETUAL BOND | 11.80% | PERPETUAL CALL OPTION 18-MARCH-2021 | 1000000 |
| 11.40% TATA MOTOR PERPETUAL BOND | 11.40% | PERPETUAL CALL OPTION 2-June-2021 | 1000000 |
| 11.35% TATA MOTOR FINANCE LTD PERPETUAL BOND | 11.35% | PERPETUAL CALL OPTION 23-Nov-2020 | 500000 |
| NHAI Tax Free Bond | 8.20% | 25-Jan -2022 | 500000 |
| PFC Tax Free Bond | 8.20% | 1-Feb-22 | 500000 |

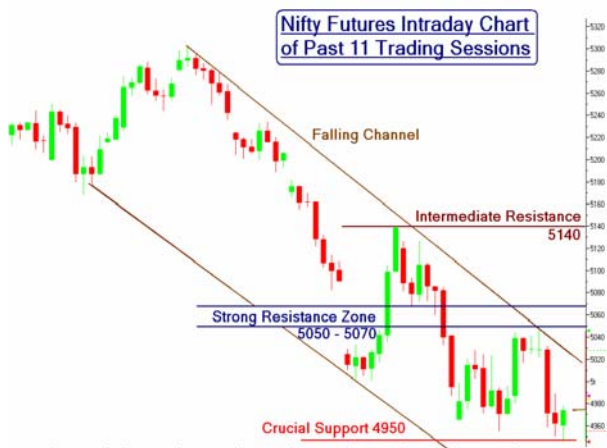
For Further Bond Details Please Contact GEPL Debt Desk

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Technical Snapshot



Stocks to watch

Hexaware (+) BPLCL (+) Maruti (-) Alok Text (-) IVRCL Infra (-)

Trading Calls for the day

| Stock | Buy / Sell | Segment | Type of Call | Reco. Price | Stop Loss | Target 1 | Target 2 |
|-------------|------------|---------|--------------|-------------|-----------|----------|----------|
| Tata Chem | Buy | Futures | One Day | 342 | 336 | 348 | - |
| LIC Housing | Sell | Futures | One Day | 245 | 255 | 235 | - |

Technical Calls for Retail Desk

| Sr. No | Date | Action | Company | Reco. Price | Stop Loss | Target 1 | Target 2 | CMP | Remarks |
|--------|-----------|-----------|------------------------|-------------|-----------|----------|----------|--------|-------------------------------------|
| 1 | 10-Feb-12 | Buy (P) | DCHL Cash | 51.4 | 45.75 | 57 | 62.7 | 34.6 | |
| 2 | 10-Feb-12 | Buy (P) | Dredging Corp Cash | 317.5 | 287.5 | 347.5 | 377.5 | 241.85 | |
| 3 | 10-Feb-12 | Buy (ST) | Dish TV Cash | 67 | 60 | 74 | 81 | 57 | |
| 4 | 15-Feb-12 | Buy (P) | India Cem Cash | 98 | 75 | 121 | 144 | 84.3 | |
| 5 | 16-Feb-12 | Buy (P) | GMDC Cash | 196 | 196* | 211 | 226 | 171 | Part profit booked @ 211 Rev SL 196 |
| 6 | 6-Mar-12 | Buy (P) | Reliance Cash | 804 | 754 | 854 | 904 | 694.15 | |
| 7 | 21-Mar-12 | Buy (ST) | Delta Corp Cash | 74 | 71 | | | 53.1 | |
| 8 | 3-Apr-12 | Buy (P) | Tata Coffee Cash | 872 | 820 | 925 | 978 | 833.9 | |
| 9 | 24-Apr-12 | Buy (C) | USD INR 52.5 Put (May) | 0.35 - 0.40 | 0.1 | 0.75 | 1 | 0.16 | |
| 10 | 9-May-12 | Buy (D) | Reliance 700 PUT | 22 - 23 | 10 | 40 | 50 | 22 | |
| 11 | 9-May-12 | Buy (D) | Axis Bank 1000 Call | 26 - 28 | 19 | 42 | 52 | 32.95 | |
| 12 | 10-May-12 | Sell (ST) | Bata India Fut | 830 | 852 | 808 | 786 | 826 | |

Open Positions Buy 12 & Sell 0

*- Revised Stop Loss

4950 providing strong support to Nifty Futures

Key Highlights

- Nifty Futures closed at 4967 which is 17 points lower than its previous close of 4984.
- For last 3 trading sessions, Nifty Futures is closing below 5000 and not showing any strong recovery.
- The level of 4950 is providing support but downward breach and sustaining below this level may show strong sell off in the market.
- Short term trend will remain in downward direction till it trades below 5150.
- The previous weekly close of Nifty Futures is seen at 5098 and currently it is trading more than 100 points below from this level; hence there is high probability of negative weekly close for current week also suggesting strong bearish trend.
- Any gap down opening of Nifty Futures will be the earlier indication of strong downward wave in the market.
- The next Timing cycle on weekly chart is suggesting a probable trend reversal in 4th week of the May.
- The intermediate trend of Nifty Futures will remain in upward direction till it trades above 4880 levels.
- The intraday resistance levels for Nifty Futures are placed at 5040 & 5090 and support levels are placed at 4950 & 4890 respectively.

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Commodities Snapshot

| Commodity | Month | Trend | Support 1 | Support 2 | Resistance 1 | Resistance 2 | Trading calls for the day |
|-------------|-------|---------------|-----------|-----------|--------------|--------------|---------------------------|
| Gold | June | Up | 28298 | 28129 | 28638 | 28809 | - |
| Silver | Jul | Sideways Down | 54333 | 54036 | 54963 | 55296 | - |
| Crude Oil | May | Sideways Up | 5141 | 5101 | 5215 | 5249 | - |
| Natural Gas | May | Up | 128.80 | 126.20 | 134.20 | 136.80 | - |
| Copper | May | Up | 433 | 430.20 | 438.40 | 441 | - |
| Nickel | May | Sideways Up | 914.80 | 909.70 | 927.40 | 934.80 | - |
| Aluminum | May | Up | 107.50 | 106.85 | 109.10 | 110.05 | - |
| Lead | May | Up | 110.50 | 109.80 | 111.70 | 112.20 | - |
| Zinc | May | Up | 103.95 | 103.30 | 105.15 | 105.70 | - |
| Gold \$ | Spot | Up | 1587.47 | 1578.86 | 1603.20 | 1610.32 | - |
| Silver \$ | Spot | Sideways Down | 28.98 | 28.72 | 29.49 | 29.74 | - |

*Figures in INR unless indicated otherwise

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