

Morning Coffee with GEPL Capital



Date: June 07, 2012

Market Update

Indices	Close	% Chg	% YTD
Indian Markets			
Sensex	16,454.30	2.71%	6.47%
Nifty	4,997.10	2.75%	8.06%
Global Markets			
DJIA	12,414.79	2.37%	1.61%
Nasdaq	2,844.72	2.40%	9.20%
FTSE	5,384.11	2.36%	(3.38%)
Emerging Markets			
HangSeng	18,520.53	1.43%	0.47%
Nikkei	8,533.53	1.81%	0.92%

BSE Sectoral Indices	Latest	% Chg	% YTD
Auto	9066.68	3.86%	11.33%
Banks	11218.78	3.01%	22.56%
Capital Goods	9227.77	3.63%	14.38%
Comm & Teck	3258.05	1.83%	(3.62%)
Con. Durables	6063.08	2.14%	14.74%
FMCG	4603.5	2.95%	14.08%
Healthcare	6615.55	1.05%	12.69%
IT	5638.81	1.48%	(1.97%)
Metals	10135.61	2.92%	9.07%
Oil & Gas	7699.15	1.74%	2.26%
Power	1843.09	3.49%	2.62%
Realty	1593.31	2.65%	15.82%
Midcap	5932.3	1.78%	15.53%
Smallcap	6284.62	1.48%	13.23%

Bulk Deals (BSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
06-June-12	Media Matrix	Arena Textiles & Industries Ltd.	Buy	1,328,000	5.00
06-June-12	Media Matrix	Pawantar Agro Agencies Pvt. Ltd.	Sell	1,328,721	5.00

Bulk Deals (NSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
06-June-12	Jindal Southwest Hold Ltd.	Swiss Finance Corporation (Mauritius) Ltd.	Sell	99,000	562.20
06-June-12	Lanco Infratech Ltd.	Sunteck Wealth-max Capital Pvt. Ltd.	Buy	19,097,255	12.86

Fund Flows ('bn)	Latest	MTD	YTD
Flls	(17.61)	(30.94)	613.66
MFs	12.78	107.32	1,964.44

Corporate News

- **Tata Motors'** Dharwad plant for small CVs is now operational and has begun to produce the Tata Ace Zip and the Tata Magic IRIS.
- **Coal India** informed power producers that it can assure only 60% of supply & would gradually reach the 80% mark in coming years.
- **L&T's** infra arm, L&T Infrastructure Development Projects inked pact with NHA for 2 contiguous road projects worth Rs48 bn.
- **GVK Power & Infrastructure** won approval from Australian state of Queensland for a proposed 500-km rail line, clearing another hurdle for its \$10 bn Alpha coal project.
- **Maruti Suzuki** cut production of some petrol models, including the Alto, as sales of such cars have declined due to high fuel costs.
- **Ashok Leyland** bagged the 1st overseas order worth \$6 mn for its vestibule buses from Bangladesh Road Transport Corporation.
- **KEC International** got orders for Rs3.91bn for transmission & telecom business from Tamil Nadu Transmission & Power Grid.
- Automobile dealers in US has filed a lawsuit against **Mahindra & Mahindra**, accusing fraud, misrepresentation and conspiracy.
- **Coal India** posted 5.6% rise in production & 6.2% growth in off-take in the first 2 months of FY13 producing 69.4MT coal; 1% above target. It has set output target of 615MT of coal by FY17.

Economy News

- As per TRAI, telecom towers are using up diesel subsidy worth Rs43 bn per year due to higher dependence on diesel generators.
- India's gross direct tax collection rose by 13.02% to Rs5.90 tn in FY12 against Rs5.22 tn in FY11.
- India-focused funds witnessed outflows of \$455 mn in May, 2012 amid concerns over domestic economic growth & depreciating Re.
- The Prime Minister set investment target of Rs2 tn for core sector projects in FY13 in a bid to revert to 9% economic growth.

Global News

- German industrial output declined by 2.2% in April, 2012 against a 2.2% gain in March, 2012 and vs median forecast of a 1% drop.
- Spanish industrial output fell 8.3% in April, 2012; the most in 2 years, against median forecast for a 6.5% contraction.
- Euro Area GDP was unchanged in Q1CY12 vs 0.3% decline in Q4CY11. Exports rose 1% & corporate investment dropped 1.4%.
- Australia added 38,900 jobs in May, 2012; the 3rd straight monthly increase whereas jobless rate rose to 5.1% vs 5% in April, 2012.
- ECB left interest rates at 1%, dashing market expectations that it might move quickly to combat fears about health of the euro zone.

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Debt Market Snapshot

Market Turnover	₹ bn	% Chg
BSE	20.60	13.19
NSE	116.79	36.01
Derivatives (NSE)	1088.48	48.59

Market Breadth	Adv	Dec	A/D
BSE	1168	319	3.66
NSE	1849	894	2.07

Forex Rates	Latest	% Chg	% YTD
Rs / US\$	55.3648	-0.51	3.71
Euro / US \$	0.8010	-0.45	3.48
Yen / US\$	79.1510	1.15	2.79

Particulars	Latest	Previous	Chg(bps)
5 Year GOI Bond	8.29%	8.25%	(0.04)
10 Year GOI Bond	8.37%	8.33%	(0.04)
15-Year GOI Bond	8.46%	8.47%	0.01
Call Money (WAR)	8.12%	8.15%	0.03
CBLO (WAR)	8.05%	8.03%	(0.02)
US 10 Year	1.59%	1.53%	(0.06)
Crude Oil (in \$/bl)	84.29	83.98	(0.31)
Inflation (Monthly)	7.23%	7.23%	-

Government Security Market:

- The Inter-bank call money rate traded in the range of 8.00% - 8.25% on Wednesday, ended at 8.15% .
- Total Borrowings From RBI's Repo with banks Taking Rs.872300 mn on Wednesday Rs.77,8900 mn on Tuesday .
- The benchmark 8.79% GOI 2021 bond closed at 8.3712% on Wednesday Vs. 8.3317% on Tuesday .

Global Debt Market:

US Treasury, declined for a third day as speculation European Central Bank policy makers will today signal they are accelerating steps to counter the debt crisis damped demand for the safety of U.S. government debt.

10 Year Benchmark Technical View:

10 year yield likely to move in the range of 8.32% - 8.37% level on Thursday.

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

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	4997.10	4978.60	(18.50)	17.25	16980650	8813.21		1.53	1.03	24.90
Previous	4863.30	4846.30	(17.00)	15.75	16998750	6225.44		1.45	0.98	25.26
change	133.80	132.30	(1.50)	1.50	(18100)	2587.77		0.08	0.05	(0.36)
% Change	2.75	2.73			(0.11)	41.57				(1.43)

Snapshot

- From the options data, 4800 put has added more than 6lakh shares suggesting that level of 4800 is likely to act as positional support for Nifty futures.
- The open interest put call ratio for Nifty futures stood at 1.53 vs. 1.45 levels.
- The IV's stood in between 20% to 24% with NSE VIX index ending 1.43% lower at 24.90 levels.
- Long positions were witnessed in stocks like PFC, SUZLON, CESC, LT.
- Short positions were witnessed in stocks like BPCL, IOC, GSPL, BALRAMCHINI.

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	1778.36	1818.63	7776.56	7666.62	109.94	(40.26)
INDEX OPTIONS	17404.74	16491.02	37672.82	37061.72	611.09	913.72
STOCK FUTURES	1856.06	1277.78	21664.07	20372.52	1291.55	578.29
STOCK OPTIONS	847.35	865.18	829.76	712.34	117.41	(17.83)

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Technical Snapshot



Stocks to watch

LITL (+) Jet Airways (+) Rel Infra (-) IOC (-) Balram Chini (-)

Closing of Nifty Futures above 4920

Key Highlights

- Nifty Futures closed at 4979 which is 133 points higher than its previous close of 4846.
- Nifty Futures opened with 36 points upward price gap and rallied throughout the day to test intraday high at 4989 levels.
- Nifty Futures not only managed to surpass crucial resistance of 4920; but also close 50 points above this level; suggesting strong breakout.
- The level of 5020 is an immediate resistance but the positional target remains at 5100 mark.
- The previous weekly high is seen at 5011 and sustaining above this level will indicate beginning of corrective uptrend.
- The earlier resistance of 4920 will now provide strong support if intraday correction is seen.
- The timing cycle day on 6th June is suggesting high probability of temporary bottom formation at 4760.
- The intermediate trend of Nifty Futures is in downward direction and reversal will be confirmed above 5300 levels on closing basis.
- The intraday resistance levels for Nifty Futures are placed at 5060 & 5100 and support levels are placed at 4980 & 4920 respectively.

Trading Calls for the day

Stock	Buy / Sell	Segment	Type of Call	Reco. Price	Stop Loss	Target 1	Target 2
Mcdowell	Buy	Futures	One Day	620	590	650	-
Hind Petro	Sell	Futures	One Day	304	309	299	-

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	28.75	
2	10-Feb-12	Buy (P)	Dredging Corp Cash	317.5	287.5	347.5	377.5	266.4	
3	10-Feb-12	Buy (ST)	Dish TV Cash	67	60	74	81	57.6	
4	15-Feb-12	Buy (P)	India Cem Cash	98	75	121	144	76.3	
5	16-Feb-12	Buy (P)	GMDC Cash	196	196*	211	226	173.05	Part profit booked @ 211 Rev SL 196
6	6-Mar-12	Buy (P)	Reliance Cash	804	754	854	904	714	
7	21-Mar-12	Buy (ST)	Delta Corp Cash	74	71			61.3	
8	5-Jun-12	Buy (D)	Nifty Fut 4800 Put	101 - 103	80	125	140	54.5	S/L Triggered. Call Closed.
9	6-Jun-12	Buy (ST)	Lupin Cash	548.5	531	566	583	553	
10	6-Jun-12	Buy (ST)	Jet Airways Cash	328	312	345	355	333.25	
11	6-Jun-12	Buy (ST)	PFC Cash	151	143	159	165	150.55	

Open Positions Buy 10 & Sell 0

*- Revised Stop Loss

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Commodities Snapshot

Commodity	Month	Trend	Support 1	Support 2	Resistance 1	Resistance 2	Trading calls for the day
Gold	Aug	Up	30068	29962	30288	30400	-
Silver	July	Up	55021	53934	56736	57366	-
Crude Oil	June	Up	4707	4665	4782	4815	-
Natural Gas	June	Up	133.70	131.40	138.30	140.60	-
Copper	June	Up	406.75	403.15	413.60	416.80	-
Nickel	June	Up	884.60	874.90	906.50	918.70	-
Aluminium	June	Up	107.40	106.50	109.50	110.60	-
Lead	June	Up	105.20	104.80	106.50	107.30	-
Zinc	June	Up	103.50	102.95	105.10	106.10	-
Gold \$	Spot	Up	1623.04	1608.43	1646.68	1655.71	-
Silver \$	Spot	Up	28.87	28	30.23	30.72	-

*Figures in INR unless indicated otherwise

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