

# Morning Coffee with GEPL Capital



Date: July 12, 2012

## Market Update

Indices	Close	% Chg	% YTD
<b>Indian Markets</b>			
Sensex	17,489.14	(0.73%)	13.16%
Nifty	5,306.30	(0.73%)	14.75%
<b>Global Markets</b>			
DJIA	12,604.50	(0.38%)	3.23%
Nasdaq	2,887.98	(0.49%)	11.07%
FTSE	5,664.48	0.01%	1.66%
<b>Emerging Markets</b>			
HangSeng	19,419.87	0.12%	5.35%
Nikkei	8,851.00	(0.08%)	4.68%

BSE Sectoral Indices	Latest	% Chg	% YTD
Auto	9420.67	(1.18%)	15.68%
Banks	12322.47	(0.31%)	34.62%
Capital Goods	10239.01	0.37%	26.91%
Comm & Teck	3336.06	(0.42%)	(1.31%)
Con. Durables	6448.55	(0.04%)	22.03%
FMCG	4909.15	(1.14%)	21.65%
Healthcare	6943.84	(0.15%)	18.28%
IT	5674.14	(0.21%)	(1.35%)
Metals	10876.57	(1.05%)	17.04%
Oil & Gas	8005.6	(1.05%)	6.33%
Power	1992.76	(0.51%)	10.96%
Realty	1732.75	(1.06%)	25.96%
Midcap	6298.96	(0.12%)	22.67%
Smallcap	6789.08	(0.24%)	22.32%

### Bulk Deals (BSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
11-July-12	Infotech Enterprises Ltd.	First Carlyle Ventures Mauritius	Buy	3,400,599	190
11-July-12	Infotech Enterprises Ltd.	Kotak India Focus Fund	Sell	1,500,000	190

### Bulk Deals (NSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
11-July-12	Infotech Enterprises Ltd.	American Funds Insurance Series Global Small Cap.	Sell	1,034,968	190
11-July-12	Infotech Enterprises Ltd.	Small Cap. World Fund Inc.	Sell	4,883,032	190

Fund Flows ('bn)	Latest	MTD	YTD
FIs	10.49	71.40	708.95
MFs	(11.48)	135.05	2,798.67

## Corporate News

- **HDFC** reported 18.6% rise in net profit at Rs 10.02 bn during the April-June quarter.
- **JSW Steel** reported 27% growth in production for the April-June quarter to 2.14 MT over the same quarter a year ago.
- **Cox & Kings** has partnered with Abacus International for distribution of services.
- **Reliance Power** has tied up loans of \$1.1 bn from 3 Chinese banks for its upcoming 3,960 MW Sasan ultra mega power project.
- **Essar Ports** for the coal berth at its Paradip Port has received approval from the Environment and Forests Ministry.
- **SpiceJet** will start flights to six new foreign destinations, including Afghanistan, China and Hong Kong.
- **Jindal Group** plans to set up a Rs 15 bn technical textile unit in Nashik in North Maharashtra.
- First Carlyle Ventures Mauritius acquired 11 mn shares of **Infotech Enterprises** for Rs 2.11 bn through open market transactions.
- CMC posted 67.5% rise in net profit at Rs 584 mn for the quarter ended June 30, 2012.
- **Hindustan Motors** announced the launch of its upgraded mid-size sedan 'Cedia Select 2012'.
- Banks have mobilised more than \$10 bn through nonresident rupee deposit schemes.

## Economy News

- The survey of 30 economists showed wholesale prices rising by an annual 7.62% in June 2012, slightly up from 7.55% in May 2012.
- Monsoon hits all parts of India but still 23% below normal levels.
- Planning Commission today approved Goa's annual Plan of Rs 47 bn for 2012-13, which is about 41% higher than last fiscal.

## Global News

- US Trade deficit narrowed from \$50.6 bn in April 2012 to \$48.7 bn in May 2012 as falling crude oil prices and weakening demand for consumer goods.
- Australia unemployment rate rises to 5.2% in June 2012 from 5.1% in May 2012.
- US wholesale inventories increase 0.3% in May 2012 to \$484.1 bn.
- Spain announced another round of austerity package of eur 65 bn to meet deficit goals.

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## Debt Market Snapshot

Market Turnover	₹ bn	% Chg
BSE	20.88	4.19
NSE	101.05	6.21
Derivatives (NSE)	876.26	(12.72)

Market Breadth	Adv	Dec	A/D
BSE	546	942	0.58
NSE	1211	1617	0.75

Forex Rates	Latest	% Chg	% YTD
Rs / US\$	55.6281	0.38	4.17
Euro / US \$	0.8157	0.20	5.22
Yen / US\$	79.2333	(0.31)	2.89

Particulars	Latest	Previous	Chg(bps)
5 Year GOI Bond	8.18%	8.20%	0.02
10 Year GOI Bond	8.14%	8.15%	0.01
15-Year GOI Bond	8.41%	8.42%	0.01
Call Money (WAR)	8.11%	8.12%	0.01
CBLO (WAR)	7.99%	7.96%	(0.03)
US 10 Year	1.52%	1.53%	0.01
Crude Oil (in \$/bl)	83.91	85.99	2.08
Inflation (Monthly)	7.55%	7.55%	-

## Government Security Market:

- The Inter-bank call money rate traded in the range of 8.00% - 8.20% on Thursday, ended at 8.10% .
- Total Borrowings From RBI's Repo with banks Taking Rs. 502350 mn on Wednesday Vs. Rs. 492350 mn on Tuesday.
- The benchmark 8.15% GOI 2022 bond closed at 8.1423% on Wednesday Vs. 8.1513% on Tuesday .

## Global Debt Market:

US Treasury trimmed a four-day advance as the U.S. prepared to sell \$21 billion of 10-year securities today, the second of three auctions this week. Benchmark yields climbed from a five-week low after the term premium a model created by the Federal Reserve that includes expectations for interest rates, growth and inflation, showed Treasuries are the most expensive ever.

## 10 Year Benchmark Technical View:

10 year yield likely to move in the range of 8.11% - 8.15% 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	5306.30	5322.90	16.60	25.75	25441000	5437.11		1.38	1.17	18.39
Previous	5345.35	5358.15	12.80	26.80	25548450	7510.96		1.36	1.15	17.83
change	(39.05)	(35.25)	3.80	(1.05)	(107450)	(2073.85)		0.02	0.02	0.56
% Change	(0.73)	(0.66)			(0.42)	(27.61)				3.14

## Snapshot

- From the options data, 5400 call has added more than 2lakh shares suggesting that level of 5400 is likely to act as positional resistance for Nifty futures.
- The open interest put call ratio for Nifty futures stood at 1.38 vs. 1.36 levels.
- The IV's stood in between 16% to 22% with NSE VIX index ending 3.14% higher at 18.39 levels.
- Long positions were witnessed in stocks like GESHIP, KTKBANK, CHAMBLFERT, LT.
- Short positions were witnessed in stocks like WIPRO, RELIANCE, ITC, NMDC.

## 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	990.61	1141.13	14408.16	14436.63	(28.47)	(150.52)
INDEX OPTIONS	8346.35	8019.97	42826.17	42973.30	(147.13)	326.38
STOCK FUTURES	892.65	1314.82	26208.86	26009.66	199.20	(422.17)
STOCK OPTIONS	1282.75	1388.91	1699.88	1301.53	398.35	(106.16)

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## Technical Snapshot



Nifty Futures expected range 5350 - 5250 for next 2 - 3 days

### Key Highlights

- Nifty Futures closed at 5323 which is 35 point lower than its previous close of 5358.
- After a strong bullish candle on previous day Nifty Futures opened with 32 points downward price gap at 5326 and narrow range movement was seen throughout the day.
- On daily chart "Harami Pattern" is seen as per Japanese candlestick analysis suggesting indecisiveness in the market.
- For past 7 trading sessions Nifty Futures is moving in a 100 points range between 5350 - 5250 and this is likely to continue for next 2-3 trading sessions.
- In this range bound movement any fall in the range 5280 - 5250 will be a buying opportunity with a stop loss of 5090 and target of 5400 - 5450.
- We expect gathering of upward momentum in the market from next week onwards after gap up opening above 5350 levels.
- The short term trend will remain in upward direction till the time Nifty Futures trades above 5090 which is crucial level to watch.
- The intermediate trend of Nifty Futures is in upward direction and the intermediate trend reversal level is 5000 on weekly closing basis.

### Stocks to watch

L&amp;T (+) Kotak Bank (+) Ruchi Soya (+) Exide Ind (-) Polaris (-)

### Trading Calls for the day

Stock	Buy / Sell	Segment	Lot Size	Type of Call	Reco. Price	Stop Loss	Target 1	Target 2
GE Shipping	Buy	Futures	1000	One Day	263	257	269	-
Jet Airways	Sell	Futures	1000	One Day	382	390	374	-

### 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	29.85	
2	10-Feb-12	Buy (P)	Dredging Corp Cash	317.5	287.5	347.5	377.5	265.05	
3	15-Feb-12	Buy (P)	India Cem Cash	98	75	121	144	82.45	
4	16-Feb-12	Buy (P)	GMDC Cash	196	196*	211	226	194.3	Part profit booked @ 211 Rev SL 196
5	6-Mar-12	Buy (P)	Reliance Cash	804	754	854	904	725.65	
6	21-Mar-12	Buy (ST)	Delta Corp Cash	74	71			66.85	
7	21-Jun-12	Buy (ST)	LNT Cash	1363	1363*	1423	1483	1435.9	Part profit booked @ 1427 Rev SL 1363
8	29-Jun-12	Buy (P)	GVKPIL Cash	15	13	17	19	15.85	
9	29-Jun-12	Buy (P)	IFCI Cash	39	35	43	47	42.1	
10	29-Jun-12	Buy (P)	HCC Cash	20.25	18.2	22.5	24.5	20.85	
11	5-Jul-12	Buy (P)	India Bulls Cash	241	217	265	289	249.2	
12	9-Jul-12	Buy (D)	SBIN 2250 Call	37 - 38	20	55	65	36.75	Part profit booked @ 50.50 Rev SL 35
13	10-Jul-12	Buy (D)	Rpower 115 Call	2.5	1	5	6	1.3	
14	11-Jul-12	Buy (D)	ITC 250 Put	2.8	1	5	7	2.8	
15	11-Jul-12	Buy (P)	Power grid Cash	114.35	107.5	121.5	128	113.65	

Open Positions Buy 15 & 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	29198	29124	29373	29474	-
Silver	Sept	up	52449	52225	52905	53137	-
Crude Oil	July	up	4711	4652	4811	4851	-
Natural Gas	July	Up	152.40	149.40	157.30	159.20	-
Copper	Aug	Down	419.10	415.20	425.10	427.40	-
Nickel	July	Down	895.20	888.30	908	914.40	-
Aluminium	July	Down	104.50	104.10	105.40	105.90	-
Lead	July	Down	103.60	103.20	104.10	104.70	-
Zinc	July	Down	102.30	101.70	103.20	103.60	-
Gold \$	Spot	Down	1569.38	1562.76	1582.93	1589.86	-
Silver \$	Spot	Down	26.88	26.70	27.26	27.46	-

\*Figures in INR unless indicated otherwise

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