

Morning Coffee with GEPL Capital



Date: July 18, 2012

Market Update

Indices	Close	% Chg	% YTD
Indian Markets			
Sensex	17,105.30	0.01%	10.68%
Nifty	5,192.85	(0.08%)	12.29%
Global Markets			
DJIA	12,805.54	0.62%	4.81%
Nasdaq	2,910.04	0.45%	11.70%
FTSE	5,629.09	(0.59%)	1.02%
Emerging Markets			
HangSeng	19,455.33	1.75%	5.54%
Nikkei	8,755.00	0.35%	3.54%

BSE Sectoral Indices	Latest	% Chg	% YTD
Auto	9125.74	(1.28%)	12.06%
Banks	12135.36	(0.09%)	32.58%
Capital Goods	9872.98	(0.79%)	22.38%
Comm & Teck	3131.88	(0.27%)	(7.35%)
Con. Durables	6295.02	0.26%	19.13%
FMCG	4939.19	0.96%	22.40%
Healthcare	7045.65	0.71%	20.02%
IT	5209.36	(0.50%)	(9.43%)
Metals	10413.65	(0.16%)	12.06%
Oil & Gas	8002.65	(0.39%)	6.29%
Power	1924.93	(1.09%)	7.18%
Realty	1676.48	(1.24%)	21.87%
Midcap	6158.24	(0.82%)	19.93%
Smallcap	6638.1	(0.86%)	19.60%

Bulk Deals (BSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
17-July-12	Upsurge Invest	Prime Housing & Finance Pvt. Ltd.	Buy	300,000	53.74
17-June-12	Walchandnagar	Crosseas Capital Pvt. Ltd.	Buy	269,086	96.14

Bulk Deals (NSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
17-July-12	Kingfisher Airlines Ltd.	Transglobal Securities Ltd.	Sell	4,887,276	9.82
17-July-12	RPG Life Science Ltd.	Summit Securities Ltd.	Buy	405,574	84.01

Fund Flows ('bn)

	Latest	MTD	YTD
Flls	(2.50)	84.85	722.40
MFs	(1.81)	110.43	2,766.94

Corporate News

- **RIL & BP** have warned that KG-D6 gas fields will stop producing in CY15 unless govt. approves investments needed to keep it alive.
- **Coal India**, on 31st July, 2012 may finalize a Rs17 bn contract for procuring explosives for its mining needs.
- **Tata Power** is seeking higher tariff for power generated from its 4,000MW Mundhra plant to offset losses due to imported coal.
- **Grasim Industries** is setting up a \$500 mn plant in Turkey for producing VSF; a raw material used for making apparels & textiles.
- **JSPL** has terminated its \$2.1 bn mining & steel venture in Bolivia due to non-investor friendly attitude of the Bolivian government.
- **Welspun India** promoters have increased their stake by 11.50% to 59.56% through acquisition of shares worth Rs5,530 mn.

Corporate Results

Company	Particulars (Rs mn)	Jun-12	Jun-11	YoY Chg	Mar-12	QoQ Chg
Axis Bank	Sales	78,184	77,777	0.5%	76,479	2.2%
	PAT	11,535	1,622	611.2%	9,424	22.4%
Bajaj Finserv	Sales	9,275	6,126	51.4%	17,516	(47.0%)
	PAT	1,952	1,287	51.7%	8,808	(77.8%)
GIC Housing	Sales	1,319	1,026	28.6%	1,191	10.7%
	PAT	220	176	25.4%	200	10.2%
Bajaj Finance	Sales	7,013	4,497	56.0%	6,189	13.3%
	PAT	1,387	908	52.7%	1,083	28.1%

Economy News

- Indian cement makers have stopped sharing monthly sales as an implication of the CCI order of a hefty penalty of Rs63bn in June12
- The Government is eyeing a bailout for state electricity distributors saddled with Rs1.9 tn in debt.
- The Power Minister asked Planning Commission to provide sum of Rs500 bn for the govt's flagship rural electrification scheme.
- The total PE deals in India in H1CY12 amounted to \$3.8 bn against \$5.5 bn in H1CY11; a slump of 45% YoY.
- The Finance Ministry has asked PSU banks to refrain from giving collateral-free short term loans to corporate.
- India's consumer confidence index fell for the 1st time in 9 quarters to 119 in Q2CY12 against 123 in Q1CY12.
- ADB has included the Re for its Trade Finance Program.

Global News

- German investor confidence index declined for a 3rd month in July, 2012 to (-19.6) from (-16.9) in June, 2012.
- UK inflation fell to the lowest level in 2.5 years rising 2.4% YoY in June12; the least since November, 2009 vs a 2.8% gain in May12
- Chinese holding of US treasuries rose 0.4% in May12 to \$1.17 tn.

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Debt Market Snapshot

Market Turnover	₹ bn	% Chg
BSE	17.50	(4.79)
NSE	84.27	5.63
Derivatives (NSE)	1083.69	0.68

Market Breadth	Adv	Dec	A/D
BSE	429	1050	0.41
NSE	1044	1763	0.59

Forex Rates	Latest	% Chg	% YTD
Rs / US\$	55.0452	(0.51)	3.15
Euro / US \$	0.8143	(0.85)	5.06
Yen / US\$	79.0978	0.07	2.73

Particulars	Latest	Previous	Chg(bps)
5 Year GOI Bond	7.97%	7.97%	-
10 Year GOI Bond	8.09%	8.05%	(0.04)
15-Year GOI Bond	8.37%	8.35%	(0.02)
Call Money (WAR)	8.08%	8.11%	0.03
CBLO (WAR)	7.98%	8.01%	0.03
US 10 Year	1.48%	1.47%	(0.01)
Crude Oil (in \$/bl)	88.43	86.08	(2.35)
Inflation (Monthly)	7.25%	7.25%	

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	5192.85	5198.65	5.80	23.80	27570800	5881.44		1.15	0.81	17.78
Previous	5197.25	5206.85	9.60	25.45	26826000	6155.50		1.20	0.95	18.77
change	(4.40)	(8.20)	(3.80)	(1.65)	744800	(274.06)		(0.05)	(0.14)	(0.99)
% Change	(0.08)	(0.16)			2.78	(4.45)				(5.27)

Snapshot

- From the options data, 5100 put has added more than 6lakh shares suggesting that level of 5100 is likely to act as positional support for Nifty futures.
- The open interest put call ratio for Nifty futures stood at 1.15 vs. 1.20 levels.
- The IV's stood in between 16% to 22% with NSE VIX index ending 5.27% lower at 17.78 levels.
- Long positions were witnessed in stocks like COLPAL, MCLEODRUSSEL, DRREDDY, SUNPHARMA.
- Short positions were witnessed in stocks like AXISBANK, BAJAJ-AUTO, RELINFRA, ADANIEN.

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	1271.58	1142.23	15376.54	14965.16	411.38	129.35
INDEX OPTIONS	8974.91	9062.45	43326.38	44118.40	(792.02)	(87.54)
STOCK FUTURES	1538.42	1949.74	26382.23	26294.85	87.37	(411.32)
STOCK OPTIONS	1173.36	1220.57	1946.99	1922.58	24.41	(47.21)

Government Security Market:

- The Inter-bank call money rate traded in the range of 7.95% - 8.10% on Tuesday, ended at 8.10% .
- Total Borrowings From RBI's Repo with banks Taking Rs. 664950 mn on Tuesday Vs. Rs. 562050 mn on Monday.
- The benchmark 8.15% GOI 2022 bond closed at 8.0908% on Tuesday Vs. 8.0456% on Monday .

Global Debt Market:

Highly-rated government bonds such as US.Treasury have rallied as reports showed global growth is slowing, raising the prospect of more central bank stimulus. The Federal Open Market Committee voted last month to extend a program swapping short-term securities for long-term bonds in the Fed's portfolio with the aim of bolstering a slowing U.S. economy and enlivening the job market.

10 Year Benchmark Technical View:

10 year yield likely to move in the range of 8.05% - 8.10% level on Wednesday.

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

Sun Pharma (+) Dr Reddy (+) Axis Bank (-) Bajaj Hind (-) L&T(-)

Trading Calls for the day

Stock	Buy / Sell	Segment	Lot Size	Type of Call	Reco. Price	Stop Loss	Target 1	Target 2
Tata Global	Buy	Futures	2000	One day	116	113.50	118.50	-
Yes Bank	Sell	Futures	1000	One Day	354	359	349	-

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	27.35	
2	10-Feb-12	Buy (P)	Dredging Corp Cash	317.5	287.5	347.5	377.5	256.85	
3	15-Feb-12	Buy (P)	India Cem Cash	98	75	121	144	81.35	
4	6-Mar-12	Buy (P)	Reliance Cash	804	754	854	904	719.35	
5	21-Mar-12	Buy (ST)	Delta Corp Cash	74	71			62.25	
6	29-Jun-12	Buy (P)	IFCI Cash	39	35	43	47	39.1	
7	5-Jul-12	Buy (P)	India Bulls Cash	241	217	265	289	245.9	
8	11-Jul-12	Buy (D)	ITC 250 Put	2.8	1	5	7	1.5	
9	11-Jul-12	Buy (P)	Power grid Cash	114.35	107.5	121.5	128	112.25	
10	13-Jul-12	Buy (P)	Nifty 5200 Put	36	20	60	70	52.5	Part profit booked @ 54

Open Positions Buy 10 & Sell 0

*- Revised Stop Loss

The level of 5190 continues to remain crucial level to watch

Key Highlights

- Nifty Futures closed at 5199 which is just 8 point lower than its previous close of 5207.
- It opened positive but failed to sustain at higher levels and at the end closed flat near its important support level of 5190 as mentioned in earlier report.
- Nifty Futures has formed rising channel on daily chart which is also offering support at 5190 making it trend deciding level for immediate term.
- The 200 Day EMA is placed at 5170, hence the range of 5170 - 5190 would act as a strong supportive zone for Nifty Futures if any corrective bounce is seen.
- If this range of 5170 - 5190 is not respected then immediate support is placed at 5135 which 38% Fibonacci retracement level of entire advance from 4761 till 5365.
- On the higher side the range of 5260 - 5300 continues to provide good resistance and upward momentum would be seen only above this zone.
- 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.

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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	29223	29115	29405	29479	-
Silver	Sept	up	52471	52070	53173	53474	-
Crude Oil	July	up	4833	4779	4931	4975	-
Natural Gas	July	Up	153	150.30	158.10	160.10	-
Copper	Aug	Down	420.75	418.45	426.60	430.15	-
Nickel	July	Down	891.60	889.20	897.40	900.80	-
Aluminium	July	Down	103.80	103.35	104.85	105.45	-
Lead	July	Down	104.10	103.70	104.90	105.30	-
Zinc	July	Down	103.10	102.80	103.95	104.50	-
Gold \$	Spot	Down	1574.93	1559.54	1602.36	1614.40	-
Silver \$	Spot	Down	26.88	26.40	27.73	28.10	-

*Figures in INR unless indicated otherwise

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