

# Morning Coffee with GEPL Capital



Date: July 19, 2012

## Market Update

Indices	Close	% Chg	% YTD
<b>Indian Markets</b>			
Sensex	17,185.01	0.47%	11.19%
Nifty	5,216.30	0.45%	12.80%
<b>Global Markets</b>			
DJIA	12,908.70	0.81%	5.66%
Nasdaq	2,942.60	1.12%	12.95%
FTSE	5,685.77	1.01%	2.04%
<b>Emerging Markets</b>			
HangSeng	19,239.88	(1.11%)	4.37%
Nikkei	8,726.74	(0.32%)	3.21%

BSE Sectoral Indices	Latest	% Chg	% YTD
Auto	9179.79	0.59%	12.72%
Banks	12184.41	0.40%	33.11%
Capital Goods	9978.36	1.07%	23.68%
Comm & Teck	3146.22	0.46%	(6.92%)
Con. Durables	6288.26	(0.11%)	19.00%
FMCG	4938.22	(0.02%)	22.38%
Healthcare	7030.25	(0.22%)	19.76%
IT	5233.65	0.47%	(9.01%)
Metals	10567.63	1.48%	13.71%
Oil & Gas	7984.75	(0.22%)	6.05%
Power	1934.82	0.51%	7.73%
Realty	1692.01	0.93%	23.00%
Midcap	6190.76	0.53%	20.56%
Smallcap	6657.53	0.29%	19.95%

### Bulk Deals (BSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
18-July-12	Future Ventures	BNP Paribas Arbitrage	Buy	69,000,000	9.50
18-June-12	RS Software	Crosseas Capital Services Pvt. Ltd.	Buy	135,497	113.20

### Bulk Deals (NSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
18-July-12	RS Software	Gajanan Enterprises	Sell	76,926	115.29
18-July-12	RS Software	Transglobal Securities Ltd.	Sell	80,048	117.75

### Fund Flows ('bn)

	Latest	MTD	YTD
FIs	6.81	91.66	729.21
MFs	2.85	113.27	2,764.11

## Corporate News

- **Dr. Reddys' Labs** launched Atorvastatin (generic Lipitor) tablets in the US market with potential US market sales of \$8.07 bn.
- **Bajaj Finserv** will be raising Rs 10 bn by December through rights issue.
- Irish buildings materials group, CRH is planning to buy **Jaiprakash Associates'** cement plants in Gujarat & A.P. for Rs80-90bn.
- **Tata Steel** Group's plant capacity will go up to 33.5 mtpa by CY14 from current 28 mtpa.
- Guardian Point, Taro's minority shareholder asked **Sun Pharma** to revise its \$24.5/share price offered by Sun to buyout remaining 34% stake in Taro
- One person was killed and 40 injured in a clash between workers & managerial staff at **Maruti Suzuki's** plant at Manesar.
- Employee unions of **MTNL** will go on protest from 24<sup>th</sup> July, 2012 demanding that the government bear the complete cost of pension.
- **JSPL** is in advanced stages of discussions to acquire a controlling stake in Canada's CIC Energy for about Rs18 bn.
- **MMTC** plans to invest Rs184 mn in its JV with Swiss firm PAMP for setting up a plant for minting and refining gold and silver.

## Corporate Results

Company	Particulars (Rs mn)	Jun-12	Jun-11	YoY Chg	Mar-12	QoQ Chg
Bajaj Auto	Sales	48,657	47,063	3.4%	46,514	4.6%
	PAT	7,184	7,111	1.0%	7,720	(6.9%)
Bajaj Holdings & Investments	Sales	724	785	(7.8%)	638	13.4%
	PAT	3,491	3,297	5.9%	6,290	(44.5%)
Shalimar Paints	Sales	1,224	1,014	20.8%	1,484	(17.5%)
	PAT	31	23	35.5%	60	(47.8%)
Infotech Enterprises	Sales	4,564	3,467	31.6%	4,173	9.4%
	PAT	647	269	141.0%	698	(7.3%)
Honeywell Automation India	Sales	3,866	3,478	11.2%	4,127	(6.3%)
	PAT	118	258	(54.5%)	166	(29.0%)

## Economy News

- FM has asked cash-rich PSUs to utilize surpluses for expansion & overseas acquisitions in order to promote investments & growth.
- CCEA will consider proposal to increase sugarcane price that mills are required to pay to farmers by 17% to Rs170/quintal in FY13.
- The government is likely to take up the issue of levying about 21% duty on imported power equipment.
- CPI fell marginally in June, 2012 to 10% from 10.4% in May, 2012. Food inflation rose to 10.8% from 10.5% during the same period.

## Global News

- UK unemployment fell to a 9 month low of 8.1% in the Mar-May, 2012 quarter against 8.3% in the Feb-April, 2012 quarter.
- US new home construction rose 6.9% in June, 2012 to a 760,000 annual pace; the highest level in 4 years.

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## Debt Market Snapshot

Market Turnover	₹ bn	% Chg
BSE	20.83	19.03
NSE	88.16	4.62
Derivatives (NSE)	1144.57	5.62

Market Breadth	Adv	Dec	A/D
BSE	745	731	1.02
NSE	1404	1374	1.02

Forex Rates	Latest	% Chg	% YTD
Rs / US\$	55.0452	0.00	3.15
Euro / US \$	0.8174	0.38	5.42
Yen / US\$	78.9848	-0.14	2.59

Particulars	Latest	Previous	Chg(bps)
5 Year GOI Bond	7.96%	7.97%	0.01
10 Year GOI Bond	8.07%	8.09%	0.02
15-Year GOI Bond	8.34%	8.37%	0.03
Call Money (WAR)	8.08%	8.08%	-
CBLO (WAR)	7.98%	7.98%	-
US 10 Year	1.49%	1.48%	(0.01)
Crude Oil (in \$/bl)	89.22	88.43	(0.79)
Inflation (Monthly)	7.25%	7.25%	

## Government Security Market:

- The Inter-bank call money rate traded in the range of 7.90% - 8.10% on Wednesday, ended at 8.10% .
- Total Borrowings From RBI's Repo with banks Taking Rs.518400mn on Wednesday Vs. Rs. 664950 mn on Tuesday .
- The benchmark 8.15% GOI 2022 bond closed at 8.0663% on Wednesday Vs. 8.0908% on Tuesday.

## Global Debt Market:

US Treasuries rose, pushing 10-year yields toward a record low amid speculation the U.S. economic recovery is faltering. U.S. government securities are in demand as European governments struggle to find ways to pay their debts, the U.S. economy slows and Chinese output weakens. The benchmark 10-year yield declined two basis points, or 0.02 percentage point, to 1.49.

## 10 Year Benchmark Technical View:

10 year yield likely to move in the range of 8.03% - 8.08% 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	5216.30	5223.55	7.25	22.75	27413850	6208.41		1.20	0.93	17.44
Previous	5192.85	5198.65	5.80	23.80	27570800	5881.44		1.15	0.81	17.78
change	23.45	24.90	1.45	(1.05)	(156950)	326.97		0.05	0.12	(0.34)
% Change	0.45	0.48			(0.57)	5.56				(1.91)

## Snapshot

- From the options data, 5300 call has added more than 4 lakh shares suggesting that level of 5300 is likely to act as positional resistance for Nifty futures.
- The open interest put call ratio for Nifty futures stood at 1.20 vs. 1.15 levels.
- The IV's stood in between 14% to 20% with NSE VIX index ending 1.91% lower at 14.44 levels.
- Long positions were witnessed in stocks like TTK PRESTIGE, ADANI ENT, FINANTECH, BOMBDYEING.
- Short positions were witnessed in stocks like DRREDDY, CANBANK, BANKBARODA, PNB.

## 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	1208.70	1481.45	15321.46	15376.54	(55.08)	(272.76)
INDEX OPTIONS	10105.47	10083.86	44127.99	43326.38	801.61	21.62
STOCK FUTURES	1776.18	2046.36	26898.43	26382.23	516.20	(270.19)
STOCK OPTIONS	1123.99	1131.05	1958.24	1946.99	11.25	(7.06)

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## Technical Snapshot

**Nifty Futures Intraday chart of past 26 trading sessions**



### Stocks to watch

Fintech (+) Pantaloon (+) Century Tex (+) Jindal saw (-) Ranbaxy (-)

### Trading Calls for the day

Stock	Buy / Sell	Segment	Lot Size	Type of Call	Reco. Price	Stop Loss	Target 1	Target 2
Voltas	Buy	Futures	2000	One day	114	110	118	-
Jindal Saw	Sell	Futures	2000	One Day	127	131	123	-

### 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	254.9	
3	15-Feb-12	Buy (P)	India Cem Cash	98	75	121	144	82	
4	6-Mar-12	Buy (P)	Reliance Cash	804	754	854	904	715.8	
5	21-Mar-12	Buy (ST)	Delta Corp Cash	74	71			63.4	
6	29-Jun-12	Buy (P)	IFCI Cash	39	35	43	47	40	
7	5-Jul-12	Buy (P)	India Bulls Cash	241	217	265	289	248.55	
8	11-Jul-12	Buy (D)	ITC 250 Put	2.8	1	5	7	1.35	
9	11-Jul-12	Buy (P)	Power grid Cash	114.35	107.5	121.5	128	111.2	
10	13-Jul-12	Buy (P)	Nifty 5200 Put	36	20	60	70	34	Part profit booked @ 54
11	18-Jul-12	Sell (P)	Ranbaxy Aug Fut	493	510	476	459	494.6	

Open Positions Buy 11 &amp; Sell 0

\*- Revised Stop Loss

## Corrective bounce may face resistance near 5260 - 5280

### Key Highlights

- Nifty Futures closed at 5224 which is 25 point higher than its previous close of 5199.
- Nifty Futures opened above 5200 but immediately fell down to form a fresh low at 5177 and 60 points intraday uptrend was seen surpassing 5230 mark.
- The 200 days EMA of Nifty Futures near 5170 provided a strong support where intraday rally was seen due to fresh buying as well as short covering.
- Now the immediate resistance zone to watch is placed between 5260 - 5280 and Nifty Futures needs to surpass this range for generating the positive momentum.
- The level of 5190 is still a trend deciding level as closing below this level may trigger a sharp sell off till 5130 mark.
- The price gap of 32 points seen on daily chart between 5312 - 5280 is a strong hurdle for Nifty Futures and only after surpassing 5312 strength will be seen in the rally.
- 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.
- The intraday resistance levels for Nifty Futures are placed at 5260 & 5300 and support levels are placed at 5180 & 5135 respectively.

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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	29146	29097	29268	29341	-
Silver	Sept	up	52526	52338	52909	53106	-
Crude Oil	July	up	4909	4856	4997	5032	-
Natural Gas	July	Up	156	150.10	165.60	169.30	-
Copper	Aug	Down	423.85	421.95	426.95	428.15	-
Nickel	July	Down	890.40	886.70	897.60	901.10	-
Aluminium	July	Down	104.20	103.70	105.10	105.50	-
Lead	July	Down	104.50	103.95	105.40	105.75	-
Zinc	July	Down	103.25	102.95	103.80	104.05	-
Gold \$	Spot	Down	1566.69	1558.09	1584.90	1594.53	-
Silver \$	Spot	Down	26.91	26.67	27.38	27.61	-

\*Figures in INR unless indicated otherwise

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