

# Morning Coffee with GEPL Capital



Date: July 05, 2012

## Market Update

Indices	Close	% Chg	% YTD
<b>Indian Markets</b>			
Sensex	17,462.81	0.21%	12.99%
Nifty	5,302.55	0.28%	14.67%
<b>Global Markets</b>			
DJIA	12,943.82	0.56%	5.94%
Nasdaq	2,976.08	0.84%	14.24%
FTSE	5,684.47	(0.06%)	2.01%
<b>Emerging Markets</b>			
HangSeng	19,709.75	(0.13%)	6.92%
Nikkei	9,104.17	0.41%	7.67%

BSE Sectoral Indices	Latest	% Chg	% YTD
Auto	9472.41	0.49%	16.32%
Banks	12120.86	0.50%	32.42%
Capital Goods	10168.23	0.63%	26.04%
Comm & Teck	3363.71	0.21%	(0.49%)
Con. Durables	6516.95	0.68%	23.33%
FMCG	4827.94	(0.47%)	19.64%
Healthcare	6910.77	(0.08%)	17.72%
IT	5698.74	(0.38%)	(0.92%)
Metals	11166.44	2.12%	20.16%
Oil & Gas	8100.86	(0.56%)	7.59%
Power	2010.78	0.61%	11.96%
Realty	1773.34	1.91%	28.91%
Midcap	6292.88	0.87%	22.55%
Smallcap	6726.55	0.88%	21.20%

### Bulk Deals (BSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
04-July-12	Swarnasarita Gems Ltd.	Niraj Realtors & Shares Pvt. Ltd.	Buy	129,189	24.05
04-June-12	Kanchan International Ltd.	GFL Financials (India) Ltd.	Buy	24,500	61.27

### Bulk Deals (NSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
04-July-12	Jindal South West Holdings Ltd.	Swiss Finance Corporation (Mauritius) Ltd.	Sell	209,587	554.21
04-July-12	3i Infotech Ltd.	Transglobal Securities Ltd.	Buy	2,452,295	12.06

Fund Flows ('bn)	Latest	MTD	YTD
FIs	6.11	53.54	691.09
MFs	(1.86)	(1.86)	2,652.39

## Corporate News

- DGH rejected the price RIL had proposed for CBM gas saying the process followed was not in conformity with oil ministry guidelines.
- **NHPC** witnessed a 5-10% drop in generation in the past 10 days, due to scarce rainfall in the northern part of India.
- **Indian Oil Corp** has built up a foreign currency loan portfolio of \$7 bn to meet its capital requirements.
- **ONGC** is in final-stage talks to purchase a stake in some of Canadian oil sands assets owned by Houston-based Conoco Phillips.
- **Videocon Industries'** Rs15 bn manufacturing plant in Tamil Nadu would begin production in next 3-4 months.
- The government is planning to launch the IPO of RINL by 2<sup>nd</sup> or 3<sup>rd</sup> week of July, 2012 as per the Disinvestment Secretary.
- **Mahindra & Mahindra** announced launch of the 'New Bolero Maxi Truck', an addition to its 'pick-up' portfolio, priced at Rs 4,08,000.
- **KEC International** bagged orders worth Rs 7.95bn across transmission & power segments in domestic & international markets.
- Indian Farmers Fertiliser Cooperative Ltd has postponed the launch of the Rs6 bn IPO of its Chhattisgarh power project.
- **Reliance Infra** commissioned transmission lines between Solapur & Kolhapur through its subsidiary Western Region Transmission.
- **Bharat Forge, Triveni Engg, Elecon Engg** & a Belgian gear box producer are in race to buy controlling stake in **Shanthi Gears**.
- **Deccan Chronicle Holdings** debt has been downgraded to default grade by CARE as it has defaulted on its debt obligations.

## Economy News

- Govt asked PSU banks to limit bulk deposits & CDs to 15% of total
- At auction for high yielding government bonds, only 72% bonds worth Rs2.05 tn received bids from FIIs out of total Rs2.85 tn.
- Power Ministry floated fresh proposal for imposing higher duty on imported power gear & is to be taken up by Cabinet in 2-3 weeks.
- The government approved a proposal for reimbursing the freight on distribution of de-controlled phosphatic and potassic fertilisers.
- India's service sector PMI dropped to 54.3 in June, 2012 from 54.7 in May, 2012; indicating 8<sup>th</sup> straight month of expansion.
- Multi-brand retail FDI may be discussed after Presidential election

## Global News

- Euro Area Services & Manufacturing output index rose to 46.4 in June, 2012; the 5<sup>th</sup> monthly contraction vs estimates of 46.
- France announced €7.2 bn of tax increases to meet deficit reduction goals and avoid bond market punishment.
- As per analysts, Denmark could swing from deficit to surplus in CY13, 7 years earlier than the government has projected.

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## Debt Market Snapshot

Market Turnover	₹ bn	% Chg
BSE	20.79	0.78
NSE	107.07	3.31
Derivatives (NSE)	715.68	(15.43)

Market Breadth	Adv	Dec	A/D
BSE	956	525	1.82
NSE	1771	1121	1.58

Forex Rates	Latest	% Chg	% YTD
Rs / US\$	54.4900	0.22	2.17
Euro / US \$	0.7962	0.12	2.90
Yen / US\$	79.8408	0.14	3.63

Particulars	Latest	Previous	Chg(bps)
5 Year GOI Bond	8.18%	8.23%	0.05
10 Year GOI Bond	8.16%	8.18%	0.02
15-Year GOI Bond	8.42%	8.45%	0.03
Call Money (WAR)	8.16%	8.21%	0.05
CBLO (WAR)	7.64%	7.79%	0.15
US 10 Year	1.63%	1.59%	(0.04)
Crude Oil (in \$/bl)	87.66	83.75	(3.91)
Inflation (Monthly)	7.55%	7.55%	-

## Government Security Market:

- The Inter-bank call money rate traded in the range of 7.05% - 8.30% on Wednesday, ended at 7.05% .
- Total Borrowings From RBI's Repo with banks Taking Rs. 483650 mn on Wednesday Vs. Rs. 979150 mn on Tuesday .
- The benchmark 8.15% GOI 2022 bond closed at 8.1590% on Wednesday Vs. 8.1784% on Tuesday .

## Global Debt Market:

The European Central Bank may take a giant leap in monetary policy tomorrow for limited economic gain. ECB officials meeting in Frankfurt will not only take the benchmark interest rate below 1 percent for the first time to a record low of 0.75 percent, they will also cut the deposit rate to zero.

## 10 Year Benchmark Technical View:

10 year yield likely to move in the range of 8.12% - 8.16% 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	5302.55	5322.65	20.10	26.80	24814150	5785.12		1.36	1.06	18.27
Previous	5287.95	5305.75	17.80	25.45	24075450	6508.47		1.34	1.03	18.56
change	14.60	16.90	2.30	1.35	738700	(723.35)		0.02	0.03	(0.29)
% Change	0.28	0.32			3.07	(11.11)				(1.56)

## Snapshot

- From the options data, 5200 put has added more than 5.76lakh shares suggesting that level of 5200 is likely to act as positional support for Nifty futures.
- The open interest put call ratio for Nifty futures stood at 1.36 vs. 1.34 levels.
- The IV's stood in between 16% to 21% with NSE VIX index ending 1.56% lower at 18.27 levels.
- Long positions were witnessed in stocks like VOLTAS, GMDC, HINDZINC, BHUSANSTL.
- Short positions were witnessed in stocks like INDIACEM, WIPRO, APOLLOTYRE, DRREDDY.

## 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	1219.53	970.58	13666.24	13000.59	665.64	248.95
INDEX OPTIONS	7754.59	7627.07	36413.77	35519.14	894.63	127.52
STOCK FUTURES	1187.01	1119.80	24349.65	23936.38	413.27	67.21
STOCK OPTIONS	750.80	770.04	842.22	785.27	56.95	(19.24)

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## Technical Snapshot



### Stocks to watch

Punjlloyd (+) JSW Steel (+) DCB (+) Sun TV (-) Essar Oil (-)

### Trading Calls for the day

Stock	Buy / Sell	Segment	Lot Size	Type of Call	Reco. Price	Stop Loss	Target 1	Target 2
IB Real	Buy	Futures	4000	One Day	64	62	66	-
Hexaware	Sell	Futures	2000	One Day	126	130	122	-

### 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	32.25	
2	10-Feb-12	Buy (P)	Dredging Corp Cash	317.5	287.5	347.5	377.5	272.9	
3	10-Feb-12	Buy (ST)	Dish TV Cash	67	60	74	81	69	
4	15-Feb-12	Buy (P)	India Cem Cash	98	75	121	144	85.95	
5	16-Feb-12	Buy (P)	GMDC Cash	196	196*	211	226	194.7	Part profit booked @ 211 Rev SL 196
6	6-Mar-12	Buy (P)	Reliance Cash	804	754	854	904	734.25	
7	21-Mar-12	Buy (ST)	Delta Corp Cash	74	71			68.8	
8	21-Jun-12	Buy (ST)	LNT Cash	1363	1303	1423	1483	1418.8	
9	21-Jun-12	Buy (ST)	HDIL Cash	79 - 78	72	84	90	92.35	Part profit booked @ 84 Entire profit booked at 90 Call closed
10	29-Jun-12	Buy (P)	GVKPIL Cash	15	13	17	19	16.15	
11	29-Jun-12	Buy (P)	IFCI Cash	39	35	43	47	40.85	
12	29-Jun-12	Buy (P)	HCC Cash	20.25	18.2	22.5	24.5	21.4	
13	2-Jul-12	Buy (D)	Ster 110 Call	1.7 - 1.9	1.8*	3.5	4.5	4.85	Part profit booked @ 3.2 Entire profit booked at 4.55 Call closed
14	4-Jul-12	Buy (D)	SBIN 2250 Call	51 - 52	30	75	90	53.6	

Open Positions Buy 12 &amp; Sell 0

\*- Revised Stop Loss

## Awaiting the breakout of 5350 in Nifty Futures

### Key Highlights

- Nifty Futures closed at 5323 which is 17 point higher than its previous close of 5306.
- After the break out of 5250 Nifty Futures is still trading below 5330 for past 3 trading sessions.
- For continuing the upward momentum Nifty Futures needs to give a breakout above 5350 which is eagerly awaited.
- Long positions can be held till Nifty Futures enters the zone fo 5400 - 5450 which is a positional target.
- Fresh long positions can be created either above 5350 or in the support zone fo 5250 - 5200 with a stop loss of 5090.
- On daily chart after the current rally from 5120 "Bullish Flag Pattern" is visible suggesting strong uptrend is in the offing.
- An upward price gap opening in Nifty Futures will be earlier sign of beginning of fresh uptrend.
- 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 5350 & 5400 and support levels are placed at 5270 & 5220 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	29481	29396	29638	29710	-
Silver	Sept	up	53621	53520	53827	53932	-
Crude Oil	July	up	4746	4725	4786	4805	-
Natural Gas	July	Up	158.40	155.40	163.20	165	-
Copper	Aug	Down	424	421.80	428	429.80	-
Nickel	July	Down	929.30	924.90	941.30	948.90	-
Aluminium	July	Down	105.95	105.55	107	107.65	-
Lead	July	Down	104.35	104.10	104.95	105.20	-
Zinc	July	Down	103.25	102.75	104.20	104.75	-
Gold \$	Spot	Down	1611.10	1606.99	1619.53	1623.85	-
Silver \$	Spot	Down	28	27.87	28.30	28.47	-

\*Figures in INR unless indicated otherwise

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