

# Morning Coffee with GEPL Capital



Date: July 06, 2012

## Market Update

Indices	Close	% Chg	% YTD
<b>Indian Markets</b>			
Sensex	17,538.67	0.43%	13.48%
Nifty	5,327.30	0.47%	15.20%
<b>Global Markets</b>			
DJIA	12,896.67	(0.36%)	5.56%
Nasdaq	2,976.12	0.00%	14.24%
FTSE	5,692.63	0.14%	2.16%
<b>Emerging Markets</b>			
HangSeng	19,809.13	0.50%	7.46%
Nikkei	9,079.80	(0.27%)	7.39%

BSE Sectoral Indices	Latest	% Chg	% YTD
Auto	9530.52	0.61%	17.03%
Banks	12243.6	1.01%	33.76%
Capital Goods	10257.03	0.87%	27.14%
Comm & Teck	3362.38	(0.04%)	(0.53%)
Con. Durables	6519.24	0.04%	23.37%
FMCG	4877.68	1.03%	20.87%
Healthcare	6942.34	0.46%	18.26%
IT	5700.05	0.02%	(0.90%)
Metals	11122.59	(0.39%)	19.69%
Oil & Gas	8089.21	(0.14%)	7.44%
Power	2028.06	0.86%	12.92%
Realty	1765.8	(0.43%)	28.36%
Midcap	6349.26	0.90%	23.65%
Smallcap	6836.54	1.64%	23.18%

### Bulk Deals (BSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
05-July-12	India Cements	Aspdin Ltd.	Sell	8,136,669	86.01
05-June-12	Gujarat Ambuja Exports	Reliance Capital Trustee Co. Ltd.	Sell	6,411,397	19.05

### Bulk Deals (NSE)

Date	Scrip Name	Client Name	Buy/Sell	Quantity	Price
05-July-12	Kingfisher Airlines Ltd.	Transglobal Securities Ltd.	Sell	4,422,760	12.17
05-July-12	Hitachi Home And Life Solutions India Ltd.	Crosseas Capital Securities Pvt. Ltd.	Sell	120,665	153.16

### Fund Flows ('bn)

	Latest	MTD	YTD
Flls	4.29	18.49	394.56
MFs	(2.03)	(13.56)	(205.25)

## Corporate News

- The undersea cable unit of **Reliance Communications** filed a prospectus for an IPO in Singapore to raise about \$1 bn.
- Alstom Projects India Ltd.** bagged a Rs5.30 bn contract from **BHEL** for supplying supercritical boiler equipment.
- Mahindra Satyam** is looking at acquisitions in South/Central America & Eastern Europe.
- India Cements** promoters have increased stake in the company up to 28.24% from the open market from 25.77% previously.
- Union Bank of India** announced [interest rate](#) cut for various categories under [agriculture](#) by up to 175 basis points.
- Lupin** received approval from the USFDA to market generic version of Lyrica which had sales in the US of \$1.8 bn in FY12.
- Bank of India** slashed interest rate on fixed deposits by 25 bps on select maturities.
- Bajaj Auto** has cut prices of its products in Sri Lanka to bring back the volumes lost post the excise duty hike in the country.
- L&T** arm, L&T Metro Rail has got 5 years to complete the 71 km Hyderabad Metro Rail Project.

## Economy News

- Iron ore exports to fall to 40MT in FY13 from 60MT in FY12 due to ban on mining activities & higher export duty & rail freight charges.
- The overall Indian market for cloud-- both public & private -- has grown steadily to reach \$860-- 912 mn in CY11.
- Detailed exploration of 54 coal mines to be allocated, through auction & government dispensation routes, is to begin in 2 months.
- Corporate debt restructuring grew 3 fold in FY12 to Rs6.80 tn from Rs2.30 tn of debt to be referred to the CDR.
- The Department of Posts registered highest deficit decline in a decade at Rs5.51 bn in FY12 and a revenue increase of 13.62% to Rs79.10 bn in FY12 against Rs69.62 bn in FY11.
- An inter-ministerial panel will meet later this month to sort out issues impeding big-ticket investments in the steel sector.

## Global News

- UK house prices rose 1% in June, 2012; the 2<sup>nd</sup> month in a row against price rise of 0.4% in May, 2012.
- German factory orders unexpectedly rose by 0.6% in May, 2012 against a decline of 1.4% in April, 2012.
- China cut benchmark interest rates by 31bps; the 2<sup>nd</sup> time in a month & allowed banks to offer bigger discounts on lending costs.
- Bank of England restarted bond purchases 2 months after halting stimulus expansion raising asset purchase tgt by £50bn to £375bn.

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## Debt Market Snapshot

Market Turnover	₹ bn	% Chg
BSE	21.05	1.25
NSE	100.08	(6.53)
Derivatives (NSE)	729.55	1.94

Market Breadth	Adv	Dec	A/D
BSE	1102	416	2.65
NSE	1946	957	2.03

Forex Rates	Latest	% Chg	% YTD
Rs / US\$	54.95	0.84	2.99
Euro / US \$	0.80	1.06	3.93
Yen / US\$	79.78	(0.07)	3.56

Particulars	Latest	Previous	Chg(bps)
5 Year GOI Bond	8.22%	8.18%	(0.04)
10 Year GOI Bond	8.18%	8.16%	(0.02)
15-Year GOI Bond	8.44%	8.42%	(0.02)
Call Money (WAR)	8.05%	8.16%	0.11
CBLO (WAR)	7.93%	7.64%	(0.29)
US 10 Year	1.61%	1.63%	0.02
Crude Oil (in \$/bl)	87.66	87.66	
Inflation (Monthly)	7.55%	7.55%	-

## Government Security Market:

- The Inter-bank call money rate traded in the range of 7.95% - 8.15% on Thursday, ended at 8.10% .
- Total Borrowings From RBI's Repo with banks Taking Rs. 146600 mn Thursday Vs. Rs. 483650 mn on Wednesday.
- The benchmark 8.15% GOI 2022 bond closed at 8.1750% on Thursday Vs. 8.1590% on Wednesday .

## Global Debt Market:

The European Central Bank cut interest rates to a record low and said it won't pay anything on overnight deposits as the sovereign debt crisis threatens to drive the euro region into recession. The ECB also cut its deposit rate to zero from 0.25 percent and its marginal lending rate to 1.5 percent from 1.75 percent.

## 10 Year Benchmark Technical View:

10 year yield likely to move in the range of 8.13% - 8.19% level on Friday.

## 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	5327.30	5344.50	17.20	29.40	25442350	5172.11		1.37	1.11	18.35
Previous	5302.55	5322.65	20.10	26.80	24814150	5785.12		1.36	1.06	18.27
change	24.75	21.85	(2.90)	2.60	628200	(613.01)		0.01	0.05	0.08
% Change	0.47	0.41			2.53	(10.60)				0.44

## Snapshot

- From the options data, 5200 put has added more than 5.6lakh 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 1.37 vs. 1.36 levels.
- The IV's stood in between 16% to 22% with NSE VIX index ending 0.44% higher at 18.35 levels.
- Long positions were witnessed in stocks like TATACHEM, IOB, SOUTHBANK, ROLTA.
- Short positions were witnessed in stocks like ONGC, JETAIRWAYS, COALINDIA, ASIANPAINTS.

## 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	938.08	814.08	13929.06	13000.59	928.47	123.99
INDEX OPTIONS	7612.78	7443.68	37747.75	35519.14	2228.61	169.10
STOCK FUTURES	963.31	1318.31	24940.33	23936.38	1003.95	(355.00)
STOCK OPTIONS	597.33	644.61	932.69	785.27	147.42	(47.28)

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## Technical Snapshot



### Stocks to watch

TVS Motor (+)    Rolta (+)    PFC (+)    ONGC (-)    Asian Paints (-)

### Trading Calls for the day

Stock	Buy / Sell	Segment	Lot Size	Type of Call	Reco. Price	Stop Loss	Target 1	Target 2
Dena Bank	Buy	Cash	-	Short term	101	97	105	108
Coal Ind	Sell	Futures	2000	One Day	354	360	348	-

### 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	31.6	
2	10-Feb-12	Buy (P)	Dredging Corp Cash	317.5	287.5	347.5	377.5	276.45	
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	86.35	
5	16-Feb-12	Buy (P)	GMDC Cash	196	196*	211	226	194.4	Part profit booked @ 211 Rev SL 196
6	6-Mar-12	Buy (P)	Reliance Cash	804	754	854	904	738.7	
7	21-Mar-12	Buy (ST)	Delta Corp Cash	74	71			70.25	
8	21-Jun-12	Buy (ST)	LNT Cash	1363	1363*	1423	1483	1428.5	Part profit booked @ 1427 Rev SL 1363
9	29-Jun-12	Buy (P)	GVKPIL Cash	15	13	17	19	16.25	
10	29-Jun-12	Buy (P)	IFCI Cash	39	35	43	47	40.05	
11	29-Jun-12	Buy (P)	HCC Cash	20.25	18.2	22.5	24.5	21.9	
12	4-Jul-12	Buy (D)	SBIN 2250 Call	51 - 52	30	75	90	53.6	
13	5-Jul-12	Buy (P)	India Bulls Cash	241	217	265	289	238.3	

Open Positions Buy 13 &amp; Sell 0

\*- Revised Stop Loss

## Nifty Futures needs to show positive weekly close above 5300

### Key Highlights

- Nifty Futures closed at 5345 which is 22 point higher than its previous close of 5323.
- Nifty Futures finally breached the consolidation phase and closed above 5330 which is high of past 3 trading sessions.
- The immediate resistance zone is placed between 5400 - 5450 where partial profit booking is recommended in long trading positions.
- After testing the zone of 5400 - 5450 Nifty Futures is expected to show a minor correction where 5300 would act as a strong support.
- Now the support zone to watch is placed between 5270 - 5250 which needs to remain intact for continuing the current rally.
- The previous weekly close is seen at 5297 and current weekly close above this level will continue the current positive momentum.
- Trend reversal and crucial support is still maintained at the level of 5090 in Nifty Futures considering current uptrend.
- The intermediate trend of Nifty Futures is in downward direction and reversal will be confirmed above 5300 levels on weekly closing basis.
- The intraday resistance levels for Nifty Futures are placed at 5360 & 5400 and support levels are placed at 5300 & 5250 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	29591	29467	29837	29959	-
Silver	Sept	up	53212	52800	54205	54787	-
Crude Oil	July	up	4774	4714	4895	4958	-
Natural Gas	July	Up	159.50	157.50	163.30	165.10	-
Copper	Aug	Down	426.10	423.30	431.70	434.60	-
Nickel	July	Down	922.20	914.70	942.30	954.90	-
Aluminium	July	Down	106.10	105.60	106.95	107.35	-
Lead	July	Down	103.95	103.25	105.50	106.30	-
Zinc	July	Down	102.95	102.25	104.50	105.50	-
Gold \$	Spot	Down	1594.32	1582.48	1620.99	1635.82	-
Silver \$	Spot	Down	27.34	26.99	28.21	28.73	-

\*Figures in INR unless indicated otherwise

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