

MORNING NOTE

June 27, 2011

Equity Market Outlook

- Nifty (+2.84%) and Sensex (+2.89%) ended positive on strong FII buying. BSE midcap was up 2.26% and Smallcap was up 1.80%.
- Sesagoa (+6.10%), SBI (+5.91%), Hero Honda (+5.71%), Ranbaxy (+5.15%), HDFC (+4.65%) were the Nifty gainers, while Rel Infra (-0.91%), Reliance (-0.23%) were the losers. Among the BSE sectoral indices Realty (+3.76%), Metal (+3.40%), IT (+3.37%), CG (+3.32%), Bankex (+3.25%), Teck (+3.09%), Auto (+3.00%), PSU (+2.81%) ended positive, while CD (-2.24%) ended negative.
- NSE cash turnover was Rs 12392 cr. FIIs were net buyers of Rs 890 cr and DIIs were net sellers of Rs 487 cr.
- Government finally bit the bullet and increased diesel, LPG prices and tinkered with the duty structures to reduce the impact on consumers. On the infrastructure front too, we have continued to see positive policy action. On the global front, picture remains murky with euro debt zone concerns continuing. FII flows in domestic market turned smartly positive and that should lend some confidence for market participants which will help the market hold up in the near term.

Technical Market Outlook

- Nifty closed positive at 5471, up by 151 points. BSE Midcap index closed positive by 0.226%, Small cap closed positive by 1.80%. The market sentiment was positive with advances at 1164 against declines of 309 on the NSE. Technically Nifty spot on daily chart has formed bullish candle stick pattern, which indicates sideways to positive sentiment on candle pattern and nifty would take good support at **5426-5400** and resistance at **5505-5540** levels. Nifty spot on daily chart opened low at 5343.40, made a high at 5478, and finally settled at 5471 with sideways to positive sentiment. For short term trading long positions, stop loss 5390 is advisable. One can long nifty around 5426-5415 with stop loss of 5390 for targets 5506-5540. Bank nifty has resistance at **10960-11065-11260** and supports at **10660-10470-10362**.

Advisory Calls



- **Marathon Calls: Large Caps** - BHEL, Nestle India, L&T, ONGC, Tata Steel, TCS; **Mid Caps** - Aurobindo Pharma, Biocon, BGR Energy, CESC, Coromandel, Diamond Power, Ganesh Poly, Hathway, HSIL, IDBI, Kajaria Ceramics, Optpcircuits, Shree Cement, Unity Infra, UTV, Yes Bank.

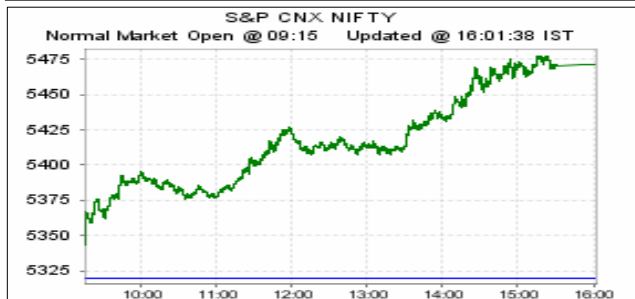


- **Technical Call:**
BUY SREINFRA AT CMP AND DECLINES 40.50, SL 38.90 CLOSING BASIS, TGT 44.
BUY BANK BARODA AT CMP AND DECLINES 862, SL 850 CLOSING BASIS, TGT 895.

Derivative Market Outlook

- Derivative turnover was Rs 197863 cr. Nifty Index PCR was 0.93.
- FIIs were net buyers of Index futures of Rs 2287 cr and net buyers of stock futures of Rs 482 cr.
- **F&O Gainers** – Jet Airways, Sobha, Onmobile, IVRCL Infra, KFA, Sintex, Pantaloon, Hindpetro.
- **F&O Losers** – LITL, Titan, India Cements, TechM, Concor, Rel Infra, NCC, Jain Irrigation.
- **OI Gainers** – BPCL, Sesagoa, LT, Titan, ICICI Bank.
- **OI Losers** – Tata Steel, SBI, Unitech, PunjLloyd, Suzlon.
- **Stockwatch** – BPCL, Sesagoa, LT gained OI with positive price change.

Intraday NIFTY



Source: NSE

Please refer to important disclosures at the end of this document
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Email: wealthproducts@uniconindia.in

Index	Closing	Change
Nifty	5,471.25	2.84%
Sensex	18,240.68	2.89%
Banknifty	10,854.50	3.12%
CNX 100	5,389.35	2.72%
CNX 500	4,392.20	2.84%

World Index	Closing	Change
Dow Jones	11,934.60	-0.96%
Nasdaq	2,652.89	-1.26%
S&P 500	1,268.45	-1.17%
CAC	3,784.80	-0.08%
DAX	7,121.38	-0.39%
FTSE	5,697.72	0.41%
Hangseng	21,987.60	-0.83%
Nikkei	9,595.18	-0.86%

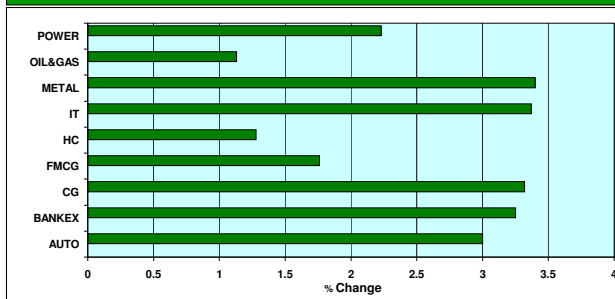
Sectoral Index	Closing	Change
AUTO	8,560.42	3.00
BANKEX	12,393.34	3.25
CG	13,358.19	3.32
FMCG	3,883.65	1.76
HC	6,244.20	1.28
IT	5,991.76	3.37
METAL	14,573.34	3.40
OIL&GAS	9,043.39	1.13
POWER	2,537.88	2.23

	Nifty	BankNifty
Bias	DOWN	DOWN
Closing	5,471.25	10854.5
Support 1	5,426	10,660
Support 2	5,400	10,470
Resistance 1	5,505	10,960
Resistance 2	5,540	11,065

	Closing	Previous Close
Dollar/Rs	44.99	44.89
Euro/Rs	63.85	64.65
Gold Rs	22,220	22,505
Crude \$/bbl	104.5	113.42

ADR	Closing	Change
Dr Reddys	33.16	0.00%
HDFC Bank	163.82	1.60%
ICICI Bank	46.34	1.71%
Infosys	62.36	0.26%
MTNL	1.87	0.00%
PATNI	15.10	3.02%
Sterlite	14.06	-0.28%
Tata Motors	21.33	1.71%
Wipro	12.87	-0.69%

BSE Sectoral Gainers and Losers



Open Interest Gainers

Symbol	OI	Change (OI)	Change (Price)
BPCL	1,850,000	21.23%	2.91%
SESAGOA	9,200,000	15.69%	5.83%
LT	3,237,875	10.80%	4.61%
TITAN	19,297,500	7.99%	-3.16%
ICICIBANK	9,084,750	7.18%	3.35%

Top Gainers F&O

Symbol	LTP	Change (Price)
JETAIRWAYS	468.00	13.32%
SOBHA	255.85	11.00%
ONMOBILE	107.00	8.96%
IVRCLINFRA	68.05	7.59%
KFA	38.55	7.53%

Fund Flows (Rs cr)

FII Cash (Prov)	890.44
DII Cash (Prov)	-486.85
Index Future FII	2787.01
Index Options FII	1582.96
Stock Futures	482.17
Stock Options	17.52

Most Active Calls (Stocks)

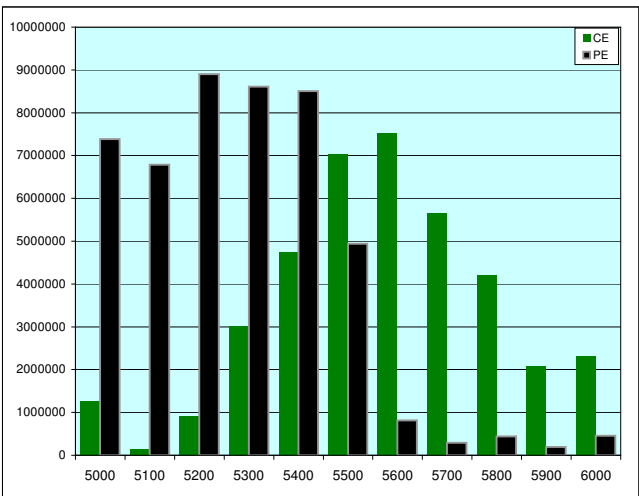
Symbol	Strike Price	Value (Rs. lk)	OI
SBIN	2,300	23,240.53	306,375
SBIN	2,250	18,018.89	123,875
SBIN	2,200	12,959.59	156,000
TATASTEEL	580	8,898.12	739,500
SBIN	2,350	8,798.62	339,000

Most Active Counters NSE

Name	Expiry Date	LTP	Contracts Traded	Open Interest	Value Of Underlying
SBIN	30-Jun-11	2,292.00	39,600	4,271,250	2,289.00
TATASTEEL	30-Jun-11	581.10	26,027	10,157,000	579.00
RELIANCE	30-Jun-11	871.00	32,002	11,730,500	868.50
ICICIBANK	30-Jun-11	1,064.00	23,532	6,270,500	1,061.70
TITAN	30-Jun-11	214.50	10,045	15,080,000	215.95

Derivative Market

- ▶ Nifty FUTIDX (30 June) closed at 5484.05 (Prev Close: 5316.20)
- ▶ Nifty Futures Open Interest Change: +9.52%
- ▶ June: Nifty Call Put Open Interest at different strike prices in chart.



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Open Interest Losers

Symbol	OI	Change (OI)	Change (Price)
TATASTEEL	15,999,500	-19.08%	4.03%
SBIN	5,115,375	-13.83%	5.70%
UNITECH	68,952,000	-8.74%	3.05%
PUNJLLOYD	28,618,000	-4.97%	5.08%
SUZLON	103,464,000	-4.44%	4.28%

Top Losers F&O

Symbol	LTP	Change (Price)
LITL	22.25	-11.71%
TITAN	215.95	-5.66%
INDIACEM	69.00	-1.50%
TECHM	693.00	-1.26%
CONCOR	1,063.60	-1.07%

Sentiment Indicators

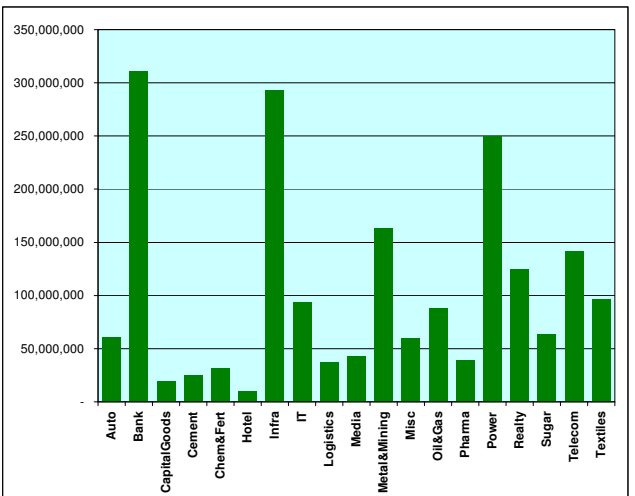
PCR	0.93
Volatility Index	19.32
Advances	1,984
Declines	852
NSE Cash Turnover (Rs Cr)	12,393
NSE F&O Turnover (Rs Cr)	197,863

Most Active Puts (Stocks)

Symbol	Strike Price	Value (Rs. lk)	OI
SBIN	2,200	9,832.85	221,500
RELIANCE	860	5,874.38	313,500
SBIN	2,150	5,505.82	144,000
TATASTEEL	560	5,082.66	713,500
SBIN	2,250	4,308.53	90,625

Sector-wise Open Interest Analysis

- ▶ Among the sectoral indices Bank, Infra, Power, Metal&Mining, Telecom sectors continue to have the high open interest.



NEWS

- ▶ The government today announced a 9-20 per cent increase in prices of diesel, liquefied petroleum gas (LPG) for domestic use and kerosene sold under the public distribution system. Simultaneously, it removed the 5 per cent Customs duty on crude oil, brought down the import duty on petrol and diesel from 7.5 per cent to 2.5 per cent and reduced the excise duty on diesel by Rs 2.6 to Rs 2 per litre.
- ▶ Australia-based Perdaman Chemicals and Fertilisers Pvt Ltd has taken Lanco Infratech to court seeking compensation of about Rs 16,733 crore (A\$3.5 billion) for alleged breach of a coal supply agreement. Perdaman had signed a 25-year deal with Griffin Coal, acquired by Lanco Infratech last year, for supply of 2.8 million tonnes coal every year. The coal was for Perdaman's upcoming Rs 18,167-crore (A\$3.8-billion) fertiliser and urea project.
- ▶ TTK Prestige has completed the acquisition of over 60 acres of land in Vadodara district and is in the process of necessary clearances and approvals for setting up manufacturing facilities. The company has also commenced the proposed development of residential cum office complex at Dooravaninagar in Bangalore
- ▶ Ispat Industries will be renamed as JSW Ispat Steel.
- ▶ Leading engineering company Larsen & Turbo (L&T) has planned to invest about Rs 85,000 crore in Orissa in aluminium, power and steel sectors.
- ▶ Fertiliser manufacturer Coromandel International (CIL) today said that it had bought 9% stake in Sabero Organics Gujarat (SOGL) through promoters.
- ▶ Tata Steel said it planned to increase its auto steel sales by 20% to 1.2 million tonne by end-this fiscal as the Indian automobile industry was growing at a fast pace.
- ▶ Thermax, Pune-based engineering and capital goods manufacturer is looking to buy a European company in the waste water management sector and the company is looking to spend up to \$100 million on the acquisition. Currently, the company has got cash reserves of \$150 million which will be used in funding the acquisition.
- ▶ Talwalkars Better Value Fitness, country's largest chain of health clubs has forayed into franchises business. The company is planning to open its first gym in Pune on franchisee basis under the brand name 'Hi-Fi'.
- ▶ Jyoti has received a prestigious order worth Rs 43 crore for Balance of Plant (BOP) package of 2 x 40 MW Koyna Left Bank Power Station from IVRCL, Hyderabad, who is the main contractor for electro mechanical works of Koyna HEP for Maharashtra Water Resources Department (GOMWRD). This is a 40MW Reversible Pump Turbine.
- ▶ Shriram Automall India, a subsidiary of the Shriram Transport Finance Company (STFC), is planning to establish 50 auto malls in the country. These auto malls are large-format sales outlets, offering transaction infrastructure for buying and selling of commercial vehicles initially and construction equipment later.
- ▶ SpiceJet, India's most preferred airline has sought the Reserve Bank of India's nod to raise \$270 million from Canada's export finance agency Export Development Canada (EDC) for investing in fleet expansion. It is reported that the company got the clearance to raise \$270 million from EDC, which is the equivalent of US Exim Bank, and RBI approvals are likely to come soon.

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