



Wednesday, August 01, 2012



MARKET OUTLOOK

As we were trying to figure out yesterday whether the penetration of the 33% retracement level of its previous up move and close at 5200 after breaching the prevailing downtrend line is a sign of trend reversal for Nifty, we got answer in affirmative as even with no significant goodies from the central bank's policy yesterday, markets managed to remain firm. We believe that the market will continue with the uptrend further.

The trend deciding levels for the markets are expected to be the following:

	S2	S1	PIVOT	R1	R2
NIFTY	5125.36	5177.18	5205.86	5257.68	5286.36
SENSEX	16915.06	17075.62	17164.64	17325.20	17414.22

IN FOCUS

Status quo on rates, RBI focus back to inflation: For 2nd consecutive time, RBI Governor D Subbarao left key interest rate unchanged to fight inflation, & lowered growth projection for current fiscal to 6.5 pc.

Maruti reaches out to other HR heads over Manesar violence: Hit by unprecedented violence at its Manesar plant, Maruti Suzuki India has reached out to top human resource heads of India Inc, as it seeks to avoid a repeat of the July 18 incident, in which one senior official was killed, elsewhere.

India plans shale gas blocks auction by 2013 end: India plans to launch its first auction of shale gas block by 2013-end on terms that are likely to be remarkably different from those offered in bid rounds for oil and gas blocks.

Over 20 states in power crisis as 3 grids collapse: Triggering a major power crisis, three electricity grids connecting more than 20 states and the national capital collapsed on Tuesday.

'Monsoon deficit likely to impact kharif output, prices': Expressing concern over the weakest monsoon since 2009, the Reserve Bank today said rainfall deficit of 21 per cent is likely to hit production of kharif crops, mainly coarse cereals and pulses, and could put pressure on prices of these commodities.

Jury out for Rs 1 million Skoda Art Prize: Bangalore-artist Sheela Gowda together with art collector Anupam Poddar and critic-historian Geeta Kapur are now on the three-member jury for the Rs 10 lakh Skoda Prize for Indian contemporary art, which would be announced in February next year.

Remove non-tariff barriers for Indo-Pak trade: CUTS: India and Pakistan should work together in eliminating barriers such as lack of transport infrastructure and procedural problems to boost bilateral trade, economic think-tank CUTS today said.

	CLOSE	CHNG	% CHNG
NIFTY	5229.00	+29.20	+0.56
SENSEX	17236.18	+92.50	+0.54

	CLOSE	CHNG	% CHNG
Nasdaq	2,939.52	-6.32	-0.22
Dow Jones	13,008.8	-64.33	-0.49
Nikkei 225	8,601.63	-93.43	-1.09
ST Times	3,031.41	-4.99	-0.16
Hang Seng	19,734.9	-61.91	-0.31
FTSE	5,635.28	-58.35	-1.04
CAC	3,291.66	-29.05	-0.88
DAX	6,772.26	-1.80	-0.03

	PURCH	SALE	NET
FII	2940.75	2060.79	879.96
DII	827.81	1321.29	-493.48

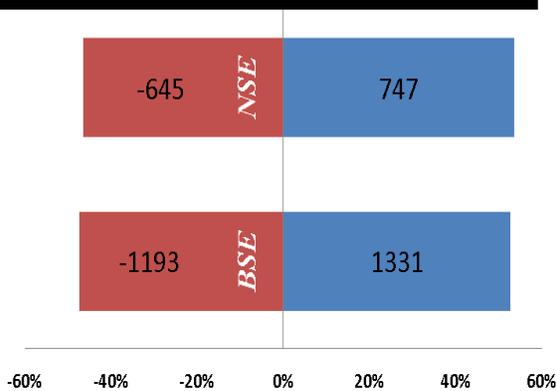
VOLATILITY		
VIX	16.01	-3.55%

TOP GAINERS	CLOSE	% CNG
GRASIM	2,877.85	3.96
ONGC	287.40	3.83
DLF	209.00	3.62
STER	107.50	3.17
ACC	1,331.70	2.61

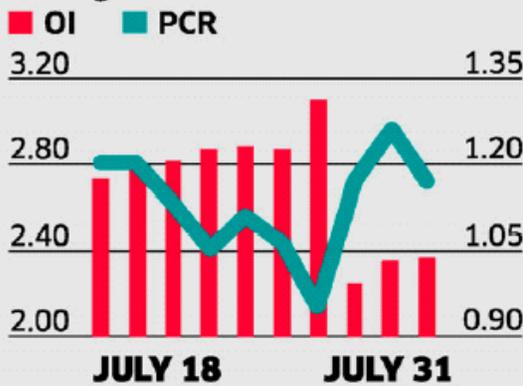
TOP LOSERS	CLOSE	% CNG
BHARTIARTL	300.80	-2.70
BANKBARODA	654.55	-2.65
HEROMOTOCO	2,005.00	-1.30
JINDALSTEL	398.50	-1.21
RELINFRA	494.00	-1.18

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ADVANCES Vs DECLINE



Nifty OI vs PCR



Global Watch

U.K. warns criminal charges await bankers who rigged Libor: Criminal charges and prison sentences might await bankers who manipulated the London Interbank Offered Rate, the U.K. Serious Fraud Office said. Existing law is sufficient to prosecute those responsible, Director David Green said.

Investor's lawsuit accuses major banks of Libor manipulation: An investor, 33-35 Green Pond Road Associates, sued Bank of America, Credit Suisse, Barclays and other banks, alleging manipulation of the London Interbank Offered Rate. Green Pond Road said in a complaint filed in U.S. court that it had purchased an interest-rate swap with a floating rate linked to the U.S. dollar Libor. The firm aims to represent other investors that bought similar derivatives starting in 2007.

Draghi's pledge to save euro divides ECB officials: The European Central Bank Governing Council is in disagreement about a pledge by President Mario Draghi to do "whatever it takes to preserve the euro." Many members said they knew nothing of the commitment until they heard Draghi's public announcement.

ICE will turn cleared OTC energy swaps into futures next year: IntercontinentalExchange plans to restructure all cleared over-the-counter energy contracts into futures contracts, to avoid increased cost and complexity imposed by rules for swaps trading. The change, coming in January, applies to swaps contracts for refined and crude oil, electric power, natural gas and natural gas liquids.

U.S. drought drives corn prices to record high: Corn prices reached a record high as the U.S. suffers the worst drought in 50 years. The Agriculture Department said nearly 90% of land that produces corn is in a drought-ravaged area.

U.S. Treasuries benefit from Draghi's promise to save euro: When European Central Bank President Mario Draghi took a stand to secure the euro, through buying bonds, U.S. Treasuries strengthened. Also driving the resurgence, marked by the largest single-day sell-off, is a possibility that the Federal Reserve will ease monetary policy.

Analysis: High-flying commodity prices come in for landing: China is cautiously cooling off its economy. As growth declines, so does consumption of a wide range of commodities, taking the heat off global prices, according to The Economist. "Even if the [commodity] supercycle is drawing to an end, China will still be a huge market with enormous influence over prices," the magazine notes. "But the sheen may be fading, as on a lump of steel left out in the rain."

Schaeuble is against Germany buying troubled countries' bonds: Despite an appeal by U.S. Treasury Secretary Timothy Geithner, German Finance Minister Wolfgang Schaeuble opposes having Germany buy bonds of eurozone countries that are struggling to meet debt obligations. After Schaeuble and Geithner met, the German Finance Ministry said the two agreed on a "necessity of continued international cooperation" to deal with the debt crisis.

Deal would fund U.S. government through first half of fiscal 2013: U.S. lawmakers are close to a temporary spending deal to let the government continue operating through the first six months of fiscal 2013. The compromise would allow agencies' spending to increase no more than \$1.047 trillion, a cap that Republicans and Democrats accepted in last summer's deal.

China aims to account for 13% of U.K. oil production: If given U.K. approval, deals by two Chinese state-controlled oil companies will make China a major oil producer in the North Sea and owner of 13% of U.K. oil production. The same day that China's CNOOC announced its intention to buy Canada's Nexen, the second-biggest North Sea oil producer, Chinese refiner Sinopec said it will pay \$1.5 billion for a 49% stake in the British unit of Canada's Talisman Energy, a top 10 North Sea oil and gas producer.

Survey: Retailers are set to benefit from back-to-school sales: Data suggest that Americans don't plan to reduce back-to-school spending, despite a lackluster economy. A survey by Deloitte found that nearly 90% of consumers plan to spend the same amount as they did last year or increase spending.

Indian central bank cuts growth forecast for fiscal 2012: The Reserve Bank of India raised its inflation target for this fiscal year from 6.5% to 7% and cut its projection for gross domestic product growth from 7.3% to 6.5%. The central bank left its benchmark lending rate unchanged at 8%.

Fed adopts final rule for financial-market utilities: The Federal Reserve gave final approval to a rule governing financial-market utilities. The regulation sets risk-management standards for clearing, payment and settlement, with some exceptions.

Currency	PRICE	% CNG
INR/USD	55.66	+0.39
INR/EUR	68.33	+0.55
INR/GBP	87.20	+0.14
INR/JPY	0.7119	+0.38

MARKET

PE

	INDIA(SENSEX)	13.89
	USA(DOW JONES)	13.80
	UK(FTSE 100)	10.99
	CHINA(SSEA)	11.35
	BRAZIL(BOVESPA)	8.89
	RUSSIA(MCX)	4.65
	FRANCE(CAC40)	10.11
	HONG KONG(HANG SANG)	9.35
	SOUTH KOREA(KOSPI)	9.69

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