



Monday, August 06, 2012



MARKET OUTLOOK

With a rounding top kind of formation on the charts, we saw the market opening with a gap down on Friday. But as a sign of strength, markets gave a pullback eventually filling the gap after taking support at the level of ~5160 that is also the 33% retracement level for the previous up move. We believe that with positive cues from the global markets, 5250 is the next level for today. This can also be conformed to a positive breadth that the market projected on Friday. We believe that the market will continue with the uptrend further only because there is no strong case for the trend reversal for today.

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

	S2	S1	PIVOT	R1	R2
NIFTY	5144.63	5180.16	5200.18	5235.71	5255.73
SENSEX	16963.03	17080.48	17144.42	17261.87	17325.81

	CLOSE	CHNG	% CHNG
NIFTY	5215.70	-12.05	-0.24
SENSEX	17197.93	-26.43	-0.15

IN FOCUS

	CLOSE	CHNG	% CHNG
Nasdaq	2,967.90	58.13	1.96
Dow Jones	13,096.17	217.29	1.66
Nikkei 225	8,712.91	157.80	1.81
ST Times	3,079.53	28.20	0.92
Hang Seng	20,069.42	403.24	2.01
FTSE	5,787.28	124.98	2.16
CAC	3,374.19	141.73	4.20
DAX	6,865.66	259.57	3.78

Oil prices jump on US jobs data: Global oil prices rebounded sharply today as traders digested strong non-farm payrolls data in top crude consumer the United States and tracked ongoing tensions over Iran.

Technical textile market to touch 1.58 L cr by FY'17: With a compounded annual growth rate of 11 per cent, the technical textile market in India has grown to Rs 57,000 crore in 2011-12 from Rs 42,000 crore in 2007-08, and is expected to touch Rs 1.58 lakh crore by 2016-17, textile ministry officials said today.

PEC gets 15 bids, MMTC 5 bids for wheat exports: State-owned trading firm PEC has received 15 bids in a price range of USD 270-297 per tonne for its tender of 90,000 tonnes of wheat exports.

Bank of India to shift focus to retail and SME sectors: Bank of India today said it plans to shift its focus from large and mid-corporates to retail as well as small and medium enterprises (SME) sector.

IT spend in Indian mfg sector to double by 2016: IT spending by the manufacturing sector in the country is expected to grow at 14.5 per cent to touch USD 8.78 billion by 2016, driven by segments including automotive, chemicals and consumer products, research firm IDC today said.

Maruti Suzuki to scale up safety measures at Manesar: Hit by worst ever violence in its history, the country's largest car maker Maruti Suzuki today said it is considering to deploy advanced safety measures for its employees at the Manesar plant.

CERC orders investigation into failure of power grids: Central Electricity Regulatory Commission (CERC) has ordered a probe into the massive failures of power grids this week that affected more than half of the country's population.

EGoM announces 480 cr for drought relief in Guj: An Empowered Group of Ministers (EGoM) on drought headed by Sharad Pawar today sanctioned Rs 480 crore as immediate relief to Gujarat for rural drinking water and also announced increase of man days under MGNREGA from 100 to 150 per person.

Economic growth may be 6-6.2 pc this fiscal: India's economy is likely to grow by 6-6.2 per cent in the current fiscal, lower than 6.5 per cent in 2011-12 which itself was the slowest in nine years, according to a survey of economists and industry leaders.

	PURCH	SALE	NET
FII	1508.84	1300.15	208.69
DII	804.26	1238.91	-434.65

VOLATILITY		
VIX	16.12	-3.88%

TOP GAINERS	CLOSE	% CNG
ASIANPAINT	3,758.00	2.92
WIPRO	346.75	1.97
NTPC	166.40	1.77
ONGC	281.00	1.50
GAIL	357.00	1.46

TOP LOSERS	CLOSE	% CNG
STER	101.80	-2.82
JINDALSTEL	395.00	-2.51
TATASTEEL	395.90	-2.48
IDFC	130.20	-2.47
JPASSOCIAT	73.25	-2.33

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ADVANCES Vs DECLINE



Global Watch

ECB disappoints after previous signal to buy government bonds: The European Central Bank did not take additional steps to battle the sovereign-debt crisis, disappointing stock traders and triggering a worldwide sell-off. ECB President Mario Draghi said "the euro is irreversible" but that the central bank won't buy bonds of troubled countries until the permanent rescue fund is up and running and buying debt.

U.S. companies feel pain as Europe's debt crisis rages: Europe's financial turmoil is hurting revenue of U.S. corporations including Apple, Ford Motor, General Motors, Starbucks and Whirlpool. GM said it lost \$361 million in Europe in the second quarter, compared with a \$102 million profit in Q2 of 2011.

IMF and others want Greece to clarify €11.5B austerity plan: A senior Greek official said international creditors want Athens to detail a €11.5 billion austerity plan. Failure to do so could jeopardize funding.

BoE maintains monetary policy despite ailing economy: Despite a double-dip recession and a surprisingly steep economic pullback in the second quarter, the Bank of England Monetary Policy Committee elected to take no action during a meeting. The decision comes even as the bank is expected to sharply lower growth forecasts for 2012 and 2013.

U.S. sees fewer initial unemployment claims than expected: First-time unemployment claims increased 8,000 last week, to 365,000, the U.S. Labor Department said. Economists surveyed by Bloomberg News expected a total of 370,000.

U.S. retail sales in July topped analysts' forecasts: Strong performance by low-price and midprice stores last month helped U.S. retail-sales growth exceed analysts' expectations. A Thomson Reuters survey found that among stores open a year or more, sales volume increased 4.3%. A similar survey by the International Council of Shopping Centers put growth at 4.6%.

Rental investors help revive U.S. housing market: Investors who buy distressed single-family houses, put them into top condition and rent them out are playing a big part in reviving the U.S. housing market, according to The Economist. "This is a welcome change," the magazine notes. "Housing is typically one of the most powerful engines in the early stages of recovery, with purchases of homes revving up spending on furniture, carpets and garden landscaping."

Growth continues for Chinese services sector, 2 surveys show: China's services industry enjoyed healthy expansion last month, according to the National Bureau of Statistics. An index by HSBC Holdings confirmed growth but showed a slower rate than official data.

Women say financial advisers offer little guidance on medical costs: Financial advisers are far less likely to give useful guidance on medical expenses to women than men, according to a survey by Nationwide Finance and Harris Interactive. Only 10% of women said their financial adviser talked to them about late-life medical-care funding beyond Medicare, compared with 25% of men.

Reciprocal approach to FATCA could cause delay, experts say: The U.S. Foreign Account Tax Compliance Act requires non-U.S. banks to identify and report on American account holders, prompting foreign governments to seek a reciprocal agreement. Experts expect U.S. banks to push back on such a quid pro quo. "As U.S. financial institutions begin to realize the herculean tasks necessary to adopt global reporting systems and controls to be compliant with FATCA by 2013, they will likely seek out legislative solutions to alleviate these burdens or seek administrative deferrals of implementation dates," said Michael Silva, a tax partner at DLA Piper.

BoFA receives inquiries from investigators regarding Libor: Bank of America said it received requests for information and subpoenas from regulators and other authorities regarding possible manipulation of the London Interbank Offered Rate. The bank said it has been named as a defendant in investor lawsuits regarding Libor rigging. Bank of America also said it is cooperating with investigations.

Currency	PRICE	% CNG
INR/USD	55.76	-0.15
INR/EUR	69.07	+1.52
INR/GBP	87.20	+0.64
INR/JPY	0.7100	-0.48

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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