



Wednesday, September 12, 2012



## MARKET OUTLOOK

Indian equity markets began the day's proceedings in the red but gained in the subsequent hours as buying activity intensified across index heavyweights. However, the sector is cyclical and while these are near term headwinds, the long term growth prospects of the sector remain intact.

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

	S2	S1	PIVOT	R1	R2
<b>NIFTY</b>	5310.56	5350.28	5371.81	5411.53	5433.06
<b>5307</b>	17608.92	17730.93	17799.39	17921.40	17989.86

	CLOSE	CHNG	% CHNG
<b>NIFTY</b>	5391.55	+28.10	+0.52
<b>SENSEX</b>	17852.95	+86.17	+0.49

## IN FOCUS

	CLOSE	CHNG	% CHNG
<b>Nasdaq</b>	3,104.53	0.51	0.02
<b>Dow Jones</b>	13,323.6	69.07	0.52
<b>Nikkei 225</b>	8,933.56	126.18	1.41
<b>ST Times</b>	3,029.47	13.07	0.43
<b>Hang Seng</b>	20,054.3	196.45	0.98
<b>FTSE</b>	5,792.19	-1.01	-0.02
<b>CAC</b>	3,537.30	31.25	0.88
<b>DAX</b>	7,310.11	96.41	1.32

India, Czech to double trade to USD 2 bn in 3 years: Commerce and Industry Minister Anand Sharma, who was here for a three-day visit, met Czech Minister of Trade and Industry M Kuba and discusses ways to enhance economic engagement between the nations.

CCPA meeting postponed; no new date fixed: A meeting of the CCPA, which could have decided on raising diesel & cooking fuel prices, was postponed even as S Jaipal Reddy said price increase was "unavoidable".

Telecom tariff war to end in 3 years: Trai Chairman: The cut-throat predatory pricing of mobile call rates, which has weighed on the profitability of telecom companies, may end in 3-5 years, sector regulator TRAI Chairman has said.

Mahindra Satyam launches 'HealthConnection': IT service provider Mahindra Satyam today announced the launch of "HealthConnection", a health insurance exchange (HIX) solution that complies with US Affordable Care Act requirements for establishing health insurance exchanges for businesses, employers and individuals by January 1, 2014 deadline.

NIIT, Microsoft partner to offer cloud computing: IT education provider NIIT today said it has signed a pact with Microsoft Corporation to make available one lakh cloud-ready professionals over the next three years.

Godrej Properties to invest Rs 600cr on new project: Godrej Properties Ltd today said it would invest up to Rs 600 crore in developing a residential complex in Gurgaon over the next five years.

Cottonseed oilcake futures down over 2.5 pc: Cottonseed oilcake prices fell by Rs 37 to Rs 1,438 per quintal in futures trading today following heavy selling by traders on the back of weak spot markets cue.

Ravimohan appointed RBI nominee director of BOI: Government has nominated the Regional Director, Reserve Bank of India, Bhopal, P R Ravimohan as the RBI nominee director of Bank of India (BOI) with immediate effect.

ONGC assures Tripura on gas-based thermal project: ONGC has assured Tripura that the 726 MW gas-based thermal power project at Palatana in Gomati district, set up by ONGC?Tripura Power Corporation, would start generation within the next few weeks.

Fuel price hike not on CCPA agenda : An increase in diesel, LPG and kerosene price is "unavoidable", Oil Minister S Jaipal Reddy said but indicated that hike may not be decided by CCPA at its meet later.

	PURCH	SALE	NET
<b>FII</b>	1735.72	1312.13	423.59
<b>DII</b>	711.27	1077.07	-365.80

### VOLATILITY

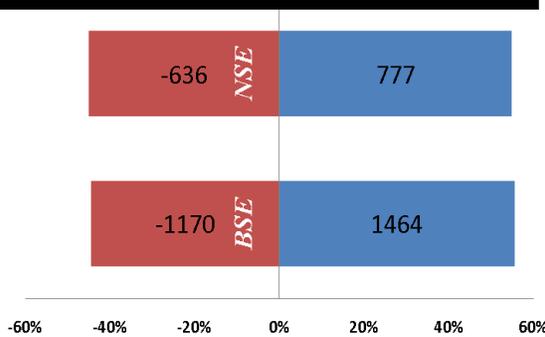
<b>VIX</b>	15.38	+0.72%
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TOP GAINERS	CLOSE	% CNG
<b>SIEMENS</b>	700.10	3.80
<b>IDFC</b>	131.80	3.21
<b>BPCL</b>	350.95	2.47
<b>HDFC</b>	758.00	2.27
<b>KOTAKBANK</b>	584.00	2.21

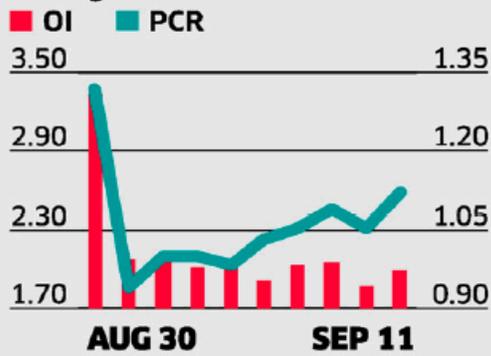
TOP LOSERS	CLOSE	% CNG
<b>SESAGOA</b>	159.65	-5.95
<b>STER</b>	94.75	-3.81
<b>JINDALSTEL</b>	334.00	-2.98
<b>HEROMOTOCO</b>	1,793.00	-1.51
<b>POWERGRID</b>	120.75	-0.98

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## ADVANCES Vs DECLINE



## Nifty OI vs PCR



## Global Watch

**Legal challenge could delay ECB's bond-buying plan:** A legal challenge in Germany could force the European Central Bank to postpone a plan to buy bonds of troubled eurozone countries. The German Federal Constitutional Court said it might delay a ruling on the legality of Europe's bailout fund, in response to a complaint by German lawmaker Peter Gauweiler, who is a member of Chancellor Angela Merkel's governing coalition.

**China's new bank lending surged to record high for August:** New local-currency lending by banks in China soared to \$111 billion last month, the highest figure for any August on record, as the government rolls out projects and policies aimed at reversing the economic slowdown. Net issuance of corporate bonds was more than double the figure for August 2011.

**Bonds from troubled eurozone countries pay off for funds:** Funds are posting dramatic gains on contrarian bets on bonds issued by Portugal, Ireland, Italy and Spain. Portuguese bonds are up more than 32% since April, and Irish bonds are generating similar returns. Italian and Spanish debt has rallied in recent weeks.

**Chinese companies might revive Hong Kong's IPO market:** Zhengzhou Coal Mining Machinery Group and Shanghai Fosun Pharmaceutical aim to raise a combined \$1.1 billion by going public on Hong Kong's stock exchange, sources said. The city ranks fifth in the world in initial public offerings and new listings this year, after ranking first in the past three years.

**Analysis: Small investors can cash in on the way Washington works:** A paper by two university researchers says that by analyzing voting patterns, ordinary investors who play no part in steering legislation through Congress can benefit from laws that give favored companies and industries an advantage over the rest of the economy, according to The Economist. "Whatever the explanation, a clever observer of Washington, DC, has 60 trading days to front-run the broader market," the magazine notes. "At least, he did until the paper was published."

**More income stagnation awaits middle-income workers, study finds:** After enduring a "lost decade" of stagnant wages, the outlook for U.S. middle-income workers remains grim, according to a study by the Economic Policy Institute. With the jobless rate forecast to remain unusually high for years, employers have little reason to increase wages, the study found.

**U.S. consumer borrowing decreased again in July:** The amount of money borrowed by U.S. consumers dropped for the second consecutive month in July, the Federal Reserve said. Borrowing reached a seasonally adjusted \$2.705 trillion, down \$3.3 billion compared with June.

**Governments use low rates to impose hidden tax, economists say:** Savers worldwide are subsidizing government borrowing without even knowing it, as countries keep interest rates low, economists say. The practice has been described as a hidden tax on personal wealth.

**Advisers favor ETFs over mutual funds when going alternative:** Financial advisers pursuing an alternative strategy are showing a strong preference for exchange-traded funds over mutual funds, according to Cogent Research. Among advisers with \$5 million or more under management, use of alternative ETFs is set to increase 17% during the next two years, compared with 9% for alternative mutual funds.

**Central banks plan to investigate Libor issues:** After a meeting of central bankers at the Bank for International Settlements, Bank of England Governor Mervyn King said there will be a joint investigation into issues related to the London Interbank Offered Rate. "The BIS governors have agreed to set up a group of senior officials to take forward examination of these issues and to consult with the market in order to provide input into the wider official debate coordinated by the Financial Stability Board," King said.

**Bankers and lawmakers continue to question Volcker rule:** U.S. regulators were expected to respond to JPMorgan Chase's large trading loss in the spring by implementing a strong Volcker rule, banning proprietary trading by major banks. However, many banking associations and lawmakers continue to express concern about the rule.

**Speculation mounts that Schapiro will leave SEC:** Regardless of who wins the U.S. presidential election, speculation is mounting that Mary Schapiro will leave as chairman of the Securities and Exchange Commission -- likely of her own accord. "Who could blame her for leaving?" said Barbara Roper of the Consumer Federation of America. "She's operating under incredible pressure, and I think she'd be the first to say she's disappointed with her legacy."

Currency	PRICE	% CNG
INR/USD	55.34	-0.18
INR/EUR	70.76	+0.03
INR/GBP	88.70	+0.07
INR/JPY	0.7101	+0.26

MARKET	PE
INDIA(SENSEX)	13.77
USA(DOW JONES)	13.88
UK(FTSE 100)	11.97
CHINA(SSEA)	11.14
BRAZIL(BOVESPA)	9.71
RUSSIA(MCX)	4.68
FRANCE(CAC40)	11.33
HONG KONG(HANG SANG)	9.81
SOUTH KOREA(KOSPI)	9.56

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