



Friday, September 14, 2012



MARKET OUTLOOK

Indian equity markets began the day's proceedings on a cautious note. While the morning session saw the indices notch gains and inch upwards, most of these gains were pared in the afternoon session as selling pressure intensified. Given that competition has intensified in the global generics market, generic companies are increasingly looking to challenge patents to get the 180 day exclusivity or launch niche products.

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

	S2	S1	PIVOT	R1	R2
NIFTY	5409.28	5422.31	5434.88	5447.91	5460.48
5307	17933.64	17977.40	18020.04	18063.80	18093.89

	CLOSE	CHNG	% CHNG
NIFTY	5435.35	+4.35	+0.08
SENSEX	18021.16	+21.13	+0.12

IN FOCUS

	CLOSE	CHNG	% CHNG
Nasdaq	3,155.83	41.52	1.32
Dow Jones	13,539.6	206.51	1.53
Nikkei 225	9,133.44	138.29	1.51
ST Times	3,067.67	37.53	1.22
Hang Seng	20,534.9	487.35	2.37
FTSE	5,819.92	37.84	0.65
CAC	3,502.09	-41.7	-1.19
DAX	7,310.32	-33.21	-0.45

4 mines can be de-allocated: Inter-Ministerial Group on coal blocks allocation recommended de-allocation of four mines allotted to private firms and encashment of bank guarantee of three others.

Govt expects good response to spectrum auction: The government today said it is expecting a good response in the upcoming auction of airwaves as there will be more clarity and transparency for investors with the new Unified Licencing regime being put in place.

Centre urges states to create land banks for NIMZs: Worried over declining growth in manufacturing, the Centre today urged state governments to create land banks for setting up manufacturing zones for boosting industry and promoting job creation.

Wheat rises on increased offtake by flour mills: Wheat prices rose by Rs 20 per quintal in the wholesale grains market today due to increased offtake by flour mills.

SpiceJet in talks with Gulf airline for investment: SpiceJet has held "preliminary discussions" with a Gulf airline for potential investment in the Indian budget carrier, a news report has said.

CCEA to take up FDI issue in civil aviation : The government is expected to take a decision tomorrow on the issue of allowing foreign airlines to buy up to 49 per cent stake in cash-starved Indian carriers.

Several policy measures on anvil to boost investments: Amid declining industrial growth, the government today said that several policy measures will be taken to arrest the slowdown and boost investments.

Govt redesigning urban renewal mission: The government is in the process of redesigning JNNURM - a programme aimed at improving living standards in urban areas - to make it more effective, Union Minister Kumari Selja said today.

IMG on coal told to give report at the earliest: Inter Ministerial Group (IMG) on coal block allocation has been asked to conclude its work without delay and give its recommendations at the earliest.

	PURCH	SALE	NET
FII	2001.61	1640.13	361.48
DII	851.95	1008.00	-156.05

VOLATILITY

VIX	15.67	+4.19%
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TOP GAINERS	CLOSE	% CNG
BPCL	354.50	2.00
HEROMOTOCO	1,822.00	1.95
BHEL	200.50	1.49
BAJAJ-AUTO	1,712.50	1.13
HINDUNILVR	547.00	1.11

TOP LOSERS	CLOSE	% CNG
BHARTIARTL	252.85	-3.03
CIPLA	369.10	-2.74
RANBAXY	5510	-1.87
SIEMENS	666.60	-1.86
TATAMOTORS	258.60	-1.77

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ADVANCES Vs DECLINE



Global Watch

Investors are relieved as German court clears way for ESM: Eliminating a key question hanging over the European Stability Mechanism, the German Federal Constitutional Court ruled in favor of the rescue facility but required that Germany retain some control. The ruling, which was expected, was also a victory for Chancellor Angela Merkel. Meanwhile, Germany objected to the European Commission's proposal to grant the European Central Bank supervisory power over all eurozone banks.

BAE Systems, EADS plan merger to create aerospace giant: Britain's BAE Systems and Airbus owner EADS said they are negotiating the final details of a merger that would create an aerospace giant that would dwarf America's Boeing, based on worldwide sales. Under the terms negotiated so far, BAE shareholders would have 40% ownership of the merged entity, and EADS equity investors would get 60%. Shares would trade in London and the Netherlands.

Analysis: "Bad banks" are useful but rarely profitable: Promises, such as the one Spanish Finance Minister Luis de Guindos made that the "bad bank" Spain is creating won't lose money, are hard to keep and probably not even worth making, according to the Economist. "[B]ad banks may be judged successful even if they incur large losses," the magazine notes. "Rather than promising profits, Mr de Guindos might do well to start reminding people of that."

Debt auction brings down Italy's 1-year borrowing costs: Italy's auction of one-year debt brought the cost of borrowing down to a level that most analysts see as sustainable. The 12-month yield fell to 1.69%, compared with nearly 4% in mid-June.

Investment banks trigger shake-up in aluminum market: Alcoa, United Company Rusal and other producers involved in the aluminum market are changing their business practices as the industry evolves due to the participation of investment banks.

Gap increases between America's rich and middle class: The income of middle-class and working-age Americans declined last year, while it rose for the highest earners and senior citizens, the Census Bureau reported. The typical U.S. household took in less money in 2011 than it did in 1996. Median household income fell 1.5% in 2011, while income for the wealthiest 5% -- who make at least \$186,000 -- rose 5.3%.

More Americans are breaking up with banks: Americans increasingly have little or no contact with banks, turning instead to payday lenders and check-cashing services to meet personal financial needs, according to a study by the Federal Deposit Insurance Corp. The regulator found that 821,000 households cut all ties to the banking system between 2009 and 2011.

Brazil reportedly will add 10 industries to payroll-tax cut: Pharmaceutical companies and paper producers are among 10 industries in Brazil to benefit from a broadened payroll-tax cut, a government official said. The move aims to stimulate the economy and will be announced Friday by Finance Minister Guido Mantega, the official said.

Regulators examine ways to head off high-speed trading catastrophe: Stock exchanges and regulators in the U.S. are studying circuit breakers and other measures to bring markets back under control after a major computer failure disrupts trading. Kevin Murphy, head of U.S. option electronic execution at Citigroup Global Markets, said there is discussion of creating "speed bumps" that would shut down orders from one market maker.

U.S. panel reportedly will discuss how computers interact in markets: A panel of the U.S. Senate banking committee plans to discuss computer-driven trading and how it affects market stability, sources said. The panel reportedly also will consider the influence of high-frequency traders.

Currency	PRICE	% CNG
INR/USD	55.43	+0.36
INR/EUR	71.56	+0.45
INR/GBP	89.25	+0.31
INR/JPY	0.7143	+0.69

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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Research Desk

Abhisek Bhutra
+91-33-22254840
abhisek@Kejriwalgroup.in

Mukesh Yadav
+91-33-22544841
mukesh@Kejriwalgroup.in

Shradha Mimani,
+91-33-39837700
shradha@Kejriwalgroup.in

Dealing Desk

Vishal Agarwal
+91-22-22021707

Ram Chander Yadav
+91-22-22831632

Mukesh Kumar
+91-33-39837786

Marketing and Corporate Communication

Brajesh Dhandhanian
+91-33-39837760

Seema Pasari
+91-33-39837742

Saumitra Mukherjee
+91-33-39837749

Santosh Kumar Kejriwal Securities Pvt. Ltd.

Kolkata (Registered Office)

6th Floor, Govind Bhavan

2, Brabome Road, Kolkata • 700001

Voice: 2225 4840, 3983 7700

Fax: +91 33 3983 7741

Mumbai Office

714, Raheja Centre, 7th Floor

214. Nariman Point,

Mumbai400021

Voice: 2202 1707, 2283 1632

Fax: +91 222204 0657

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