



Monday, September 24, 2012



## MARKET OUTLOOK

The Indian stock markets were up on hopes of more policy reforms by the Union government. The formal notification by the Government on allowing Foreign Direct Investment (FDI) in multi brand retail and aviation improved investor sentiments. Global stock markets witnessed a mixed performance previous week.

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

	S2	S1	PIVOT	R1	R2
NIFTY	5517.65	5604.40	5662.20	5748.95	5806.75
SENSEX	18221.29	18487.06	18676.96	18942.73	19132.63

	CLOSE	CHNG	% CHNG
NIFTY	5691.15	+136.90	+2.46
SENSEX	18752.83	+403.58	+2.20

## IN FOCUS

	CLOSE	CHNG	% CHNG
Nasdaq	3,179.96	4.00	0.13
Dow Jones	13,579.7	-17.46	-0.13
Nikkei 225	9,050.35	-59.65	-0.66
ST Times	3,060.02	-18.21	-0.60
Hang Seng	20,601.8	-133.12	-0.65
FTSE	5,852.62	-2.02	-0.03
CAC	3,530.72	20.80	0.59
DAX	7,451.62	62.13	0.83

Industry seeks FDI in retail e-commerce: Encouraged by the government's decision to allow foreign direct investment (FDI) in multi-brand retail, the industry has stepped up its demand for opening retail e-commerce to foreign investment to bring the policy in line with international practices.

FinMin cuts tax on foreign borrowings, clears RGESS : Continuing the slew of reforms initiated by the United Progressive Alliance (UPA) government, Finance Minister P Chidambaram on Friday cut the withholding tax on overseas borrowings to 5 per cent from 20 per cent and approved the Rajiv Gandhi Equity Scheme to attract more investment and suppress demand for gold.

Mahindra to produce 2,500 units of Quanto in: Auto major Mahindra & Mahindra today said it is expecting to produce 2,500 units of its latest compact sports utility vehicle Quanto in October.

Final GAAR report by end of the month: The Parthasarathi Shome panel, which is looking into the taxation issues relating to GAAR (general anti-avoidance rules), is likely to submit its final report by end of the month.

'Diesel price hike may push up inflation in short run': The hike in diesel price may push up inflation in the short run but the government's move is expected to help contain fiscal deficit, leading to gains in the long run, Prime Minister's Economic Advisory Council Chairman C Rangarajan said here today.

Chidambaram abolishes duty on non-subsidised LPG : Govt abolished import & excise duties on LPG they buy beyond 6 per annum quota of subsidised cooking gas & asked state govts to subsidise requirements.

Airline industry expecting positive response: A day after notifying a policy measure to allow foreign airlines pick up 49 per cent stake in Indian carriers, Indian govt said industry was in an upbeat mood.

FM announces steps to revive investments: Moving ahead with steps to revive investor sentiment & curb demand for gold, FM cut withholding tax on overseas borrowings to 5 per cent from 20 pc & approved RGESS.

	PURCH	SALE	NET
FII	6806.02	4478.2	2327.82
DII	1758.29	2885.57	-1127.28

### VOLATILITY

VIX	18.93	+1.66%
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TOP GAINERS	CLOSE	% CNG
RELINFRA	544.70	9.86
AXISBANK	1,125.00	7.72
SAIL	92.50	7.62
BHEL	232.30	7.47
JINDALSTEL	430.00	7.34

TOP LOSERS	CLOSE	% CNG
TCS	1,306.75	-1.15
DRREDDY	1,649.00	-0.96
INFY	2,594.85	-0.85
CIPLA	360.50	-0.11

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## ADVANCES Vs DECLINE



## Global Watch

**Negotiators struggle to agree on funds release for Greece:** Greece's creditors said they are close to a deal that would permit the next phase of a financial rescue, but a few key issues remain to be resolved. Some proposals offered by the Greek government were rejected by representatives of the EU, the European Central Bank and the International Monetary Fund.

**Banking union could cause rift among nations, EBA says:** Andrea Enria, chairman of the European Banking Authority, said the downside to a banking union is that it could create a divide between countries in the eurozone and those outside. The problem is that eurozone nations would have one set of rules, while other EU states would adhere to rules that vary by country.

**Central banks' easing boosts Asian-Pacific markets:** Asian-Pacific share markets advanced Friday as investors were encouraged by Japan's central bank joining the U.S. Federal Reserve and the European Central Bank in loosening monetary policy. Hong Kong's Hang Seng Index rose 0.7%. China's Shanghai Composite gained 0.1%. Japan's Nikkei 225 and Australia's S&P/ASX 200 each added 0.3%. South Korea's Kospi moved up 0.6%. India's Sensex was up 2.4% shortly after midday.

**Investors act ahead of any sovereign-rating downgrade:** Investors are selling bonds in anticipation of a credit rating downgrade of Spanish and Italian debt, despite a promise of help from the European Central Bank. Their fear is not entirely unfounded. Moody's Investors Service hinted that it would cut Spain's rating to high-yield status. The expectation is that if the sovereign rating is cut, the same could happen to banks and some corporations.

**Support grows for Fed stimulus targets:** Narayana Kocherlakota, president of the Federal Reserve Bank of Minneapolis, joined the growing number of officials calling for the central bank to announce specific targets for its stimulus program. Kocherlakota wants the Fed to commit to continuing its efforts to boost the U.S. economy until unemployment falls to 5.5% or inflation rises above 2.25%.

**Analysis: Bernanke can't save the U.S. economy alone:** Federal Reserve Chairman Ben Bernanke has done everything he can through monetary policy to boost the economy and now it is time for the politicians in Congress to step in and fix U.S. fiscal policies, according to The Economist. "Accomplishing this will require the Republicans to erase their red line against raising taxes, and the Democrats to erase theirs against touching Medicare benefits," the magazine notes. "If they do not agree to that, there is nothing Mr Bernanke can do to help them."

**Brazil's Rousseff backs business agenda to restore growth:** In a drive to get economic growth restarted, Brazilian President Dilma Rousseff has abandoned many of her party's long-standing policies and backed measures endorsed by businesses. She has implemented a long list of tax cuts and plans to offer private companies licenses to build airports and seaports.

**Nuclear giant leads campaign to end wind-energy tax credit:** Exelon, the biggest nuclear utility in the U.S., is heading up a massive lobbying effort to eliminate a tax credit for the wind-energy industry. The company spent \$5.1 million lobbying Congress in the first six months of this year.

**Experts: Advisers should simplify estate plan to keep family intact:** Financial advisers can help wealthy clients avoid an unnecessary family squabble over inheritance by keeping the estate plan as simple as possible, even if that means giving up a few opportunities for tax avoidance. "If the attorney or the adviser can't convey the document in ways the client can understand, then they don't understand it," lawyer Avi Kestenbaum said. "So how is the client supposed to?"

**U.S. Treasury proposes rules against money laundering:** The U.S. Treasury Department aims to expand anti-money-laundering requirements for the financial sector. In time, the rules could apply to other parts of the economy. The Treasury wants records kept that establish who truly controls financial accounts, even if they are held in a shell corporation.

**U.S. lawmakers lobby regulators behind the scenes on Volcker rule:** U.S. government documents show that some lobbying to influence regulators drafting the Volcker rule is being done by lawmakers and their staff. Nathaniel Hoopes, an aide to Sen. Scott Brown and a former employee of a Lehman Brothers Holdings unit, lobbied the Treasury Department and the Federal Reserve, records show.

Currency	PRICE	% CNG
INR/USD	53.37	-1.64
INR/EUR	69.25	-1.59
INR/GBP	86.69	-1.49
INR/JPY	0.6828	-1.54

MARKET	PE
 INDIA(SENSEX)	16.12
 USA(DOW JONES)	14.40
 UK(FTSE 100)	12.31
 CHINA(SSEA)	10.97
 BRAZIL(BOVESPA)	11.95
 RUSSIA(MCX)	5.34
 FRANCE(CAC40)	12.15
 HONG KONG(HANG SANG)	10.47
 SOUTH KOREA(KOSPI)	9.75

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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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