



## MARKETS TODAY

We expect markets to open flat but expect to see some profit booking with lower volumes. Based on fresh writing in 5100 call, we see 5100 as important resistance area whereas important support is seen at 5080, so watch out for move on either side to initiate trade. Important results today are TCS, TV 18 and Ultratech. Watch out for Bank of Japan's monthly economic report for global trigger. We continue to expect defensive sectors to outperform as investors have started churning their portfolio from high beta sectors. Dollar weakness continues which will lead to positive sentiments in cyclical stocks like Metals whereas IT is expected to underperform.

## KEY OVERNIGHT DEVELOPMENTS

The U.S markets closed up on Thursday with boost from energy stocks, also data of weekly jobless claims dropped to their lowest levels since Jan to 5.15 lakh jobs.

## WORLD INDICES & INDIAN ADRs (US\$) 15-Oct-09

	Latest	Points	% Chg.
NIKKEI 225 *	10230.3	(8.3)	(0.1)
HANG SENG *	21964.6	(34.5)	(0.2)
DOWJONES	10062.9	47.1	0.5
NASDAQ	2173.3	1.1	0.1
INFY	48.5	(0.4)	(0.9)
SATYAM	6.6	0.2	3.5
HDFC BANK	126.8	3.5	2.9
ICICI BANK	40.7	(0.0)	(0.0)
TATA MOTORS	12.6	(0.2)	(1.4)
WIPRO	18.8	0.0	0.1
TATA COMM.	20.9	(0.2)	(1.0)

\* At 09:30 a.m. on 16-Oct-09

## MUST KNOW....

- India's holding of US treasury securities marginally declined to \$38.9 bn in Jul'09, as against \$39.3 bn in Jun'09.
- The annual rate of inflation stood at 0.92% for the week ended October 3, 2009, as against 0.7% for the previous week and 11.49% in the year-ago week.
- The Union Cabinet has approved a proposal, as per which Andrew Yule & Company would offload 26% equity held in Phoenix Yule to Continental Conti Tech for a total consideration of Rs. 62.82 crore.
- The car sales in India climbed to 129,683 cars in Sept'09, as against 107,517 units in Sept'08, registering a rise of 21% on YoY basis, while the car exports from India jumped by 35.73% in H1FY10.
- Merck KGaA** has announced the acquisition of Bangalore Genei (India) by its WOS in India from the Sanmar Group.
- NPCIL has tied up funds for its Rs. 330 bn nuclear power project in Maharashtra to be set up under the Indo-French civil nuclear cooperation.
- Petronas** has bought 2.3% stake in Cairn India for \$240 mn (Rs. 11 bn) to raise its holding in the company.
- Hindustan Zinc** has hiked prices of zinc and lead by Rs. 2,800 per tonne and Rs. 1,500 per tonne, respectively, while reducing silver rates by Rs. 182 per kg to Rs. 27,640 a kg.
- Cognizant** has signed a definitive agreement to acquire UBS Group's Hyderabad-based captive services provider UBS India Service Centre.
- Kemrock Industries & Exports** has signed an MoU with Saertex GmbH to set up a 50:50 JVC in India.
- Polaris Software Lab** has signed a definitive agreement with Laser Soft to acquire 100% stake in the latter for Rs. 52 crore all in cash.
- HCL Infosystems** has opened its Rs. 5 bn equity share issue today for the Qualified Institutional Buyers (QIBs).
- Bajaj Auto** is planning to hike production capacity of its entry-level bikes by Jan'10, on the back of buoyant sales witnessed after its re-entry in the 100 cc segment.
- Gail India** has formed its first foreign JV with China Gas Holdings for taking up the projects in various cities of China.

EQUITY	15-Oct-09			
	Latest	1 Day	YTD	P/E*
SENSEX	17,195.2	(0.2)	73.6	24.2
NIFTY	5,108.9	1.1	68.4	24.3
CNXMIDCAP	7,033.4	2.6	84.4	19.9

\*As taken from NSE, BSE

COMMODITIES	Latest	Points	% Chg.
GOLD	1050.2	(12.2)	(1.2)
CRUDE OIL	77.6	2.4	3.2

FII ACTIVITIES IN DERIVATIVES	15-Oct-09		
	FII Net Buy (Rs. Crs)	Open Interest	Ch. in Open Int. (DOD)
Index Futures	(294.9)	12408.5	(0.1)
Index Options	1015.3	33124.8	2.2
Stock Futures	(751.1)	26943.3	3.3
Stock Options	3.1	635.8	0.9

NET INFLOWS (Rs. Crs.)	14-Oct-09		
	NET	MTD	YTD
FII	1582.5	4619.8	65508.3
MF	(14.0)	(2688.2)	(342.0)

\*YTD From January till date

EXCHANGE RATE	15-Oct-09	
	Closing	% Chg.
Rs. / \$	46.2	0.21
Rs. / EURO	68.8	(0.02)
Rs. / UK Sterling	74.9	1.63

G.SEC. YEILD	15-Oct-09	
	Rate	Yield (%)
GS CG2018 8.24%	104.6	7.5

## CORPORATE ANNOUNCEMENTS

- **Sterlite Industries (India) Ltd.** has announced a 400 KTPA Brownfield copper smelter expansion project at Tuticorin in India, together with an associated 160-MW (2X80 MW) captive power plant. The total investment in this project is estimated at around Rs. 23 bn (US\$500 mn).
- The Board of Directors of **Hindalco Industries Ltd.** has approved the proposal to raise long-term finance by way of QIP/GDRs or any other suitable means with or without Green Shoe Option up to Rs. 29 bn instead of earlier approval of Rs. 24 bn. Its Board has also approved the proposal to raise the investment limit of Foreign Institutional Investors (FIIs) to 40%, subject to necessary approval.
- **NDTV Ltd.** has agreed (through its subsidiary NDTV Networks BV) with NBC Universal to buy-back NBC Universal's 26% stake in its subsidiary NDTV Networks Plc, to further consolidate its position.
- **Petron Engineering Construction Ltd.** has received Letter of Intent from Noida-based Utility Energytech & Engineers for erection of boiler package of Rosa, Phase-II, for a contract value of Rs. 38.28 crore.
- The Board of Directors of **Jindal Saw Ltd.** has decided to subdivide the face value of equity shares of Rs. 10 each into Rs. 2 per equity share, subject to necessary approvals.
- The Board of Directors of **Valson Industries Ltd.** has recommended the issue of bonus shares in the ratio of 1:1 for 1 (One) bonus share of Rs. 10 each fully paid up for 1 existing equity share of Rs. 10 each.
- Reacting to a news item brought out in some section of media under the title "GVK Power & Infra planning to increase stake in Mumbai Airport to 50%; to acquire 13% stake from Bidvest Grp, its consortium partner," **GVK Power & Infrastructure Ltd.** has clarified that as of date, the Company has not entered into any purchase contract for acquiring the stake in Mumbai International Airport. Further, the Company has clarified that the Company is not aware of the source of this information.
- **Sarda Plywood Industries Ltd.** has started trial production with effect from October 14, 2009 at the newly set up plywood manufacturing factory at Jeypore, Assam.
- **Farmax Retail (India) Ltd.** has successfully expanded its vermicelli production capacity from 468 tonne to 1188 tonne per month by inaugurating a new fully automated machine at its Plant-I at Bowrampet. With this capacity addition, the Company has become the second largest Company in terms of installed capacity in India. The operations from the said machinery are going to start from October 19, 2009.
- **MindTree Ltd.** has announced the launch of its Bluetooth health device solution on the Android platform.
- **Tata Teleservices Ltd.** has launched of Photon Plus (Mobile Broadband Internet Device) in Chandigarh.
- The shareholders of **UTV Software Communications** have approved the proposed merger of UMP Plc and UTV Motion Pictures (Mauritius) with itself. As per the arrangement, the assets and businesses of UMP Plc and UTV Motion Pictures (Mauritius) would be transferred to UTV Software Communications.

## FINANCIAL SCOREBOARD

**Bajaj Auto Ltd.** has posted Rs. 4,028.3 mn net profit (*Unaudited*) in Q2FY10, as against Rs. 1,849.1 mn net profit in Q2FY09. Its total income has increased to Rs. 29.09 bn (*Unaudited*) in Q2FY10, as against Rs. 25.41 bn in Q2FY09.

**UCO Bank** has posted Rs. 2,077.2 mn net profit (*Unaudited*) in Q2FY10, as against Rs. 1,500.9 mn net profit in Q2FY09. Its total income has increased to Rs. 26.09 bn (*Unaudited*) in Q2FY10, as against Rs. 21.87 bn in Q2FY09.

**Eastern Silk Industries Ltd.** has posted Rs. 28.86 mn net profit (*Unaudited*) in Q2FY10, as against Rs. 111.29 mn net profit (*Unaudited*) in Q2FY09.

**Motilal Oswal Financial Services Ltd.** has posted Rs. 173.9 mn net profit (*Unaudited & Standalone*) in Q2FY10, as against Rs. 96.9 mn net profit (*Unaudited*) in Q2FY09. The Company has posted Rs. 486.8 mn net profit (*Unaudited & Consolidated*) in Q2FY10.

**Aditya Birla Money Ltd.** has posted Rs. 25.79 mn net profit (*Unaudited*) in Q2FY10, as against Rs. 10.28 mn net profit (*Unaudited*) in Q2FY09. The Company has posted Rs. 33.99 mn net profit (*Unaudited & Consolidated*) in Q2FY10.

**Parsvnath Developers Ltd.** has posted Rs. 571.5 mn net profit (*Unaudited*) in Q2FY10, as against Rs. 228.59 mn net profit (*Unaudited*) in Q2FY09. The Company has posted Rs. 620.07 mn net profit (*Unaudited & Consolidated*) in Q2FY10.

**Ashapura Minechem Ltd.** has posted Rs. 184.64 mn net loss (*Unaudited & Standalone*) in Q2FY10, as against Rs. 188.77 mn net loss (*Unaudited*) in Q2FY09. The Company has posted Rs. 89.53 mn net loss (*Unaudited & Consolidated*) in Q2FY10.

**Shyam Star Gems Ltd.** has posted Rs. 10.84 mn net loss (*Unaudited*) in Q2FY10, as against Rs. 65.29 mn net profit (*Unaudited*) in Q2FY09.

**Nilkamal Ltd.** has posted Rs. 131.32 mn net profit (*Unaudited*) in Q2FY10, as against Rs. 46.62 mn net profit (*Unaudited*) in Q2FY09.

**Gandhi Special Tubes Ltd.** has posted Rs. 72.02 mn net profit (*Unaudited*) in Q2FY10, as against Rs. 37.25 mn net profit (*Unaudited*) in Q2FY09.

**Grub Finance Ltd.** has posted Rs. 105.9 mn (*Unaudited*) net profit in Q2FY10, as against Rs. 82.1 mn (*Unaudited*) net profit in Q2FY09.

**KCP Sugar & Industries Corporation Ltd.** has posted Rs. 170.21 mn net profit (*Unaudited*) in Q2FY10, as against Rs. 54.78 mn net profit (*Unaudited*) in Q2FY09.

**Kohinoor Broadcasting Corporation Ltd.** has posted Rs. 301 mn net profit (*Unaudited & Consolidated*) in Q2FY10.

**Bajaj Finserv Ltd.** has posted Rs. 134.9 mn net profit (*Unaudited & Standalone*) in Q2FY10, as against Rs. 142.3 mn net profit (*Unaudited*) in Q2FY09. The Company has posted Rs. 525.7 mn net profit (*Unaudited & Consolidated*) in Q2FY10.

**Rallis India Ltd.** has posted Rs. 457.1 mn net profit (*Unaudited*) in Q2FY10, as against Rs. 415.9 mn net profit (*Unaudited*) in Q2FY09.

**State Bank of Bikaner & Jaipur** has posted Rs. 901.3 mn net profit (*Unaudited*) in Q2FY10, as against Rs. 1,140.6 mn net profit (*Unaudited*) in Q2FY09.

**ANG Auto Ltd.** has posted Rs. 13.69 mn net profit (*Unaudited*) in Q2FY10, as against Rs. 25.33 mn net profit (*Unaudited*) in Q2FY09.

**Merck Ltd.** has posted Rs. 261.6 mn net profit (*Unaudited*) in Q2FY10, as against Rs. 175.88 mn net profit (*Unaudited*) in Q2FY09.

**Alembic Ltd.** has posted Rs. 118.4 mn net profit (*Unaudited & Standalone*) in Q2FY10, as against Rs. 150.4 mn net profit (*Unaudited*) in Q2FY09. The Company has posted Rs. 132.9 mn net profit (*Unaudited & Consolidated*) in Q2FY10.

Information of Bulk Deals-14<sup>th</sup> October, 2009 on BSE

Scrip name	Name of Client	BUY (B) / SELL (S)	Quantity Shares	Trade Price/ W Avg. Price
Accent Tech	Sundariyer	B	75000	127.5
<b>Anant Raj In</b>	<b>Copthall Mauritius Investment Limited</b>	<b>S</b>	<b>2017807</b>	<b>139.18</b>
Chan Guide I	Altra Clean Operations	B	41500	88.34
Chan Guide I	Ami Securities	B	31400	88.69
<b>Dish Tv</b>	<b>Goldman Sachs Investments Mauritius I Ltd</b>	<b>B</b>	<b>2192706</b>	<b>47.4</b>
<b>Euro Multi</b>	<b>Credo Fund Mgmt Ltd A/C India Thematic Fund Ltd</b>	<b>S</b>	<b>400000</b>	<b>80</b>
Euro Multi	Deepakpopatlalvora	S	128679	61.73
Euro Multi	Epoch Synthetics Pvt Ltd	B	256511	54.13
<b>Euro Multi</b>	<b>India Max Investment Fund Ltd</b>	<b>S</b>	<b>274269</b>	<b>79</b>
Euro Multi	Rikhav Securities Ltd	B	173859	57.01
<b>Euro Multi</b>	<b>Standard Chartered Bank (Mauritius) Emerging Ind</b>	<b>S</b>	<b>200000</b>	<b>80</b>
Euro Multi	Unique Commodities Limited	B	290000	79.71
<b>Greycells En</b>	<b>India Max Investment Fund Ltd</b>	<b>B</b>	<b>69900</b>	<b>61</b>
Greycells En	Neeta Tulsidas Goyal	B	25000	64.99
Greycells En	Prime Broking Company (India) Limited - Pwm	B	22000	62.69
Greycells En	Vinayak Narayan Poi	S	101884	62.05
J L Moriso I	Jaideephalwasiya	S	29123	391.3
J L Moriso I	Ratnabali Capital Markets Limited	B	29348	391.3
Kaman Hsg	Nisha Sumanjain	B	151000	54.25
Kaman Hsg	Rameshjayantilalpatel	S	99000	54.29
Liberty Phos	Hiteshsha Shikantjhaveri	S	129626	38.68
Liberty Phos	Rahuljain	B	67942	38.46
Lumax Auto	Sanjiv Kanwal Chainani	S	100000	50.4
Omkar Overse	Champalal Gopiram Agarwal	S	100000	73.55
Omkar Overse	Prafulbhai Ashishbhai Patel	B	50000	76
Prem Explosi	Gandhi Securities & Investment Pvt Ltd	B	41000	79.8
<b>Silverline T</b>	<b>Copthall Mauritius Investment Limited</b>	<b>S</b>	<b>1870000</b>	<b>6.94</b>
Sujanatower	Eureka Credit Finance Private Limited	B	276000	50.13
Well Pack Pa	Buniyad Chemicals Ltd	S	27000	271.26
Well Pack Pa	Pandya Yaminiben M	B	29354	271.54

Information of Bulk Deals-14<sup>th</sup> October, 2009 on NSE

Scrip name	Name of Client	BUY (B) / SELL (S)	Quantity Shares	Trade Price/ W Avg. Price
Anant Raj Industries	Citigroup Global Mkts Mauritius Pvt Ltd- Sell Code	S	1979000	141.77
Anant Raj Industries	Copthall Mauritius Investment Ltd	S	1542372	141.22
Dewan Housing Fin Co	Hamon Asset Mgmt Ltd Asian Market Leaders Fu	B	450000	199.32
Dishman Pharm & Che	Birla Sun Life Insurance Company Limited	B	435150	230.53
Euro Multivision Ltd	Credo Fund Mgmt India Thematic Fund Ltd	S	386668	80
Euro Multivision Ltd	Emerging India Focus Funds	S	200000	80
Euro Multivision Ltd	India Max Investment Fund Ltd	S	274270	78.8
Euro Multivision Ltd	Tejal Merchantile Private Limited	S	346819	54.88
Lumax Auto Techno	Primore Solutions Pvt.Ltd	B	99858	50.75
Lumax Auto Techno	Sanjiv Kanwal Chainani	S	133808	50.75
The Oudh Sugar Mills	New India Retailing & Investment Limited	S	125000	71.79
XI Telecom & Energy	Sansar Capital (Mauritius) Limited	S	99400	43.65

Declaration made under SEBI (Insider Trading) Regulation 2002

Company Name	Name of Acquirer / Seller	Transaction Date	Buy / Sell	No. of Shares Transacted		Holding after Transaction	
				Qty	%	Qty	%
<b>3i Infotech Ltd</b>	<b>Life Insurance Corporation Of India</b>	<b>01/10/2009</b>	<b>S</b>	<b>4684237</b>	<b>2.78</b>	<b>14431659</b>	<b>8.57</b>
Aia Engineering Ltd	Arun Omprakash Jethalia	30/09/2009	S	4250	0.00	39467	0.04
Cg Vak Software & Exports	G Suresh	29/09/2009	B	24916		524426	10.36
Crompton Greaves Ltd	Gautam Thapar	30/09/2009	S	76500	0.02	0	0.00
Filmcity Media Ltd	Wellness Communications Ltd	30/09/2009	S	1000000	0.36	128014404	46.06
Gee Ltd	Vidya Finvest Pvt Ltd	05/10/2009	B	29762		4265973	22.53
Lupin Ltd	Nitin Vadia	25/09/2009	S	400		7805	
Lupin Ltd	Swathi Athmaram Patil	24/09/2009	S	500		2500	
Manaksia Ltd	Vineet Agrawal	06/10/2009	B	5000		2071995	2.98
Motor & General Finance Ltd	Gee Gee Holdings (P) Ltd	05/10/2009	B	5000	0.02	267972	1.38
Nicco Parks & Resorts Ltd	Rajive Kaul	29/09/2009	B	85		211000	4.51
<b>Shriram City Union Finance</b>	<b>Shriram Retail Holdings Pvt Ltd</b>	<b>29/09/2009</b>	<b>B</b>	<b>3114501</b>	<b>6.79</b>	<b>8556201</b>	<b>18.65</b>
Tainwala Chem & Plastics Ind	Dungarmal Tainwala	25/09/2009	B	17123		2285955	24.41
Uniphos Enterprises Ltd	Demuric Holdings Pvt Ltd	--	S	7951942	31.22	0	0.00
United Phosphorus Ltd	Demuric Holdings Pvt Ltd	--	S	58442700	13.29	0	0.00
United Phosphorus Ltd	Nerka Chemicals Pvt Ltd	--	B	58442700	13.29	64969530	14.77
<b>Venkys India Ltd</b>	<b>Venkateshwara Hatcheries Pvt Ltd</b>	<b>01/10/2009</b>	<b>B</b>	<b>6155</b>	<b>0.06</b>	<b>4662362</b>	<b>49.64</b>

## Rating Scale

This is a guide to the rating system used by our Equity Research Team. Our rating system comprises of six rating categories, with a corresponding risk rating.

### Risk Rating

Risk Description	Predictability of Earnings / Dividends; Price Volatility
Low Risk	High predictability/ Low volatility
Medium Risk	Moderate predictability / volatility
High Risk	Low predictability/ High volatility

### Total Expected Return Matrix

Rating	Low Risk	Medium Risk	High Risk
Buy	Over 15 %	Over 20%	Over 25%
Accumulate	10 % to 15 %	15% to 20%	20% to 25%
Hold	0% to 10 %	0% to 15%	0% to 20%
Sell	Negative Returns	Negative Returns	Negative Returns
Neutral	Not Applicable	Not Applicable	Not Applicable
Not Rated	Not Applicable	Not Applicable	Not Applicable

#### Please Note

- Recommendations with "Neutral" Rating imply reversal of our earlier opinion (i.e. Book Profits / Losses).
- \*\* Indicates that the stock is illiquid With a view to combat the higher acquisition cost for illiquid stocks; we have enhanced our return criteria for such stocks by five percentage points.

"Desk Research Call" is based on the publicly available information on the companies we find interesting and are quoting at attractive valuations. While we do not claim that we have compiled information based on our meeting with the management, we have taken enough care to ensure that the content of the report is reliable. Although we have christened the report as "Desk Research Calls" (DRC), we intend to release regular updates on the company as is done in our other rated calls.

"Early Signals Stock Pick" is a follow-up report on the stocks covered earlier in our product "Early Signals". While we do not claim that we have compiled information based on our meeting with the management, we have taken enough care to ensure that the content of the report is reliable. Although the stock is not covered as a part of our normal rated calls, based on our analysis of the company, we find the company interesting at the current valuations and believe it could give decent returns over the coming 12 to 18 months..

For any information or suggestion, please contact the below mentioned...

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