



# Morning Journal

## MARKETS TODAY

Share indices are seen opening weak mirroring the trend in overseas equities. Trade expected to remain volatile due to expiry of Sep fut contracts. Resistance is seen at 4964 levels & support is seen at 4930 levels. Stocks to watch: GAIL, Jindal Steel, NTPC, Tata Metaliks. Data watch: India Inflation, IMD rain data, US GDP estimate, US weekly jobless claims, US natural gas stocks, Eurozone retail PMI.

## KEY OVERNIGHT DEVELOPMENTS

Wall street accelerated their losses in the final hour trading to finish near session lows Wednesday amid ongoing concerns over the global economy and as investors cautiously waited for further developments in the euro zone. On the economic front, durable goods orders slipped slightly in Aug amid weak demand for autos. Gold prices slumped near \$1,620 an ounce as investors booked profits after the precious metal's rebound rally in the previous session. Copper prices plunged more than 5%.

## WORLD INDICES & INDIAN ADRs (US\$) 28-Sep-11

	Latest	Points	% Chg.
NIKKEI 225 *	8531.0	(84.6)	(1.0)
HANG SENG *	18011.1	(119.5)	(0.7)
DOWJONES	11010.9	(179.8)	(1.6)
NASDAQ	2491.6	(55.3)	(2.2)
SGX NIFTY FUT*	4922.0	(19.0)	(0.4)
INFY	50.8	(0.4)	(0.7)
HDFC BANK	29.4	(0.7)	(2.4)
ICICI BANK	35.6	(1.0)	(2.6)
TATA MOTORS	15.5	(0.5)	(3.4)
WIPRO	9.5	(0.3)	(3.3)
TATA COMM.	7.7	(0.2)	(2.4)

\* At 08:20 a.m. IST on 29-Sep-11

EQUITY	28-Sep-11			
	Latest	1 Day	P/E*	P/B*
SENSEX	16,446.0	(0.5)	14.7	2.7
NIFTY	4,945.9	(0.5)	14.2	2.5
CNXMIDCAP	7,109.2	(0.8)	10.7	1.6

\*Source: Bloomberg

NET INFLOWS (Rs. Crs.)	27-Sep-11		
	NET	MTD	YTD
FII	88.8	(1088.4)	(1160.2)
MF	194.5	(573.7)	5800.5

\*YTD From January till date

FII ACTIVITIES IN DERIVATIVES	28-Sep-11		
	FII Net Buy (Rs. Crs)	Open Interest	Ch. in Open Int. (DOD)
Index Futures	(58.4)	19288.7	11.1
Index Options	429.4	58170.6	(2.2)
Stock Futures	16.9	30602.3	0.1
Stock Options	27.8	1433.6	(7.1)

COMMODITIES	Latest	Points	% Chg.
GOLD	1608.9	(38.1)	(2.3)
CRUDE OIL	81.2	(3.2)	(3.8)

EXCHANGE RATE	28-Sep-11	
	Closing	% Chg.
Rs. / \$	49.1	(0.78)
Rs. / EURO	66.5	(0.63)
Rs. / UK Sterling	75.9	(1.03)

G.SEC. YEILD	28-Sep-11	
	Rate	Yield (%)
GS CG2021 7.80%	96.5	8.3

## MUST KNOW....

- **Acropetal Technologies Ltd's** promoter T. Mohan Reddy sold his entire 0.93% stake in the company for Rs.5.4 mn through inter-se transfer. Reddy transferred 360,000 shares of Acropetal Technologies in the transaction.
- **Godrej Industries Ltd** has cut its stake in **Godrej Properties Ltd** to 69.49% from 70.63% through inter-se transfer. Godrej Industries transferred 790,000 shares or 1.13% stake to a promoter group for Rs.497.7 mn.
- **NMDC Ltd** expects to sign a joint venture agreement with Russia's OJSC Severstal by Dec to set up a 3 mtpa steel plant at Bailadila, Karnataka, Chairman and MD Rana Som said. "We have already requisitioned around 2,800 acres for the project," he said, adding that the water resource for the Rs.150-bn project had been identified. The two companies had signed a memorandum of understanding for the project in Dec.
- **Nissan Ashok Leyland Powertrain Ltd** launched a new light commercial vehicle Dost, priced between Rs.379,000 and Rs.437,000, ex showroom, Mumbai. Nissan Ashok Leyland Powertrain is a joint venture between Ashok Leyland Ltd and Japan's Nissan Motor Co. The diesel-powered Dost has a payload capacity of 1.25 tn and is powered by a 1.5 ltr, three cylinder engine that develops 55 horsepower and 150 newton meter of torque. The company has launched the vehicle in Tamil Nadu, Karnataka, Andhra Pradesh, Kerala, and Maharashtra. A pan-India launch will follow in the next six months
- **Punj Lloyd Group** said it was won an Rs.11.95-bn order from Haldia Energy Ltd, a wholly-owned subsidiary of CESC Ltd. Under the agreement, Punj Lloyd will provide balance of plant equipment for Haldia Energy's thermal power project that will boost the power supply in Kolkata and its suburbs. The project is scheduled to be commissioned by 2014. "Based in Haldia, the scope of work for the 2X300 MW capacity power plant entails balance of plant supply & services and BTG (boiler, turbine, generator) erection," Punj Lloyd said.

## CORPORATE ANNOUNCEMENTS

- **Steel Authority of India Ltd** is scouting for a foreign company to operate its mines at Chiria, Jharkhand. "We would like to choose a global partner to be able to bring in best available technology and mining practices at Chiria," the report quoted S.N. Singh, director in-charge of SAIL's raw materials division and chief executive officer of Rourkela Steel Plant as saying.
- **Eon Electric** will buy back up to 6.45% of the company's paid-up capital or a minimum of 450,000 equity shares at a price not over Rs.130 per share via open market purchase. The company will start buying back the shares from Oct 10 to Jul 08, 2012 and will extinguish the shares that are bought back. Eon Electric has earmarked Rs.231.9 mn for the buyback. The buyback move is aimed at improving the company's earnings per share, and return on net worth. Haryana-based Eon Electric manufactures lighting products, wires, cables and energy meters.
- **Bangalore Metro Rail Corp Ltd** invited initial bids for developing property around metro terminus at Baiyappanahalli in the city. The last date for submitting request for proposals through an international competitive bidding process is Dec 30. The metro authority is planning to develop the property on a design-finance-build-operate-transfer model. The project will include developing business centre, corporate offices, mall, auditoriums, hotel, convention spaces etc. Bangalore Metro Rail Corp is a joint venture between Karnataka and central government.
- **Nitesh Estates Ltd** has informed that Nitesh Urban Development Private Limited, a subsidiary of Nitesh Estates Limited, on Sep 28, 2011, has launched the Green Residential Project of 417 units named NITESH CAPE COD at Marathahalli - Sarjapur Outer Ring Road, IT hub of Bangalore. This Project will yield a total revenue of Rs.300 Cr over next 30 Months adding significant income on consolidated basis to the Company.
- **Power Grid Corp of India Ltd**, which also owns a large telecommunication infrastructure across the country, has invited bids from mobile service providers and telecom infrastructure operators to lease out 29,800 telecom towers in four states, officials familiar with the development told. The four states are Haryana, Rajasthan, Uttar Pradesh and Uttarakhand. Power Grid's infrastructure comprises 83,000 circuit km of power transmission lines, 135 power sub-stations and 21,000-km long broadband optical fibre network. The power lines are installed on towers of varying height and can serve the dual purpose of carriage of power conductors as well as telecom infrastructure such as GSM/CDMA/Wimax antennas, the three technologies being used for mobile voice and data carriage.
- **Datamatics Global Services Ltd** plans to set up a 700-seat delivery centre in Puducherry in Oct. The new centre will be the company's fifth in the country, and third in the south after Chennai and Bengaluru. The knowledge process outsourcing company will mainly deliver digital publishing, online content services, content management, web application and analytics, mobile applications development, and e-commerce solutions from the Puducherry centre.
- **L&T Finance Holdings Ltd** believes that the opportunity to get a banking licence can't be ignored, but the norm to open at least 25% branches in the unbanked rural areas may prove to be a stumbling block, and hence must be evaluated.
- **Hero MotoCorp Ltd** has said demand for automobiles would be dampened in 2011-12 (Apr-Mar) if interest rates remained high. "...there is little doubt that if high interest rates persist, they will start eating into demand and private consumption expenditure in the coming fiscal," the company said in its annual report for 2010-11.

- **SRF Ltd** has been allotted 1,374,957 certified emission reductions or carbon credits, the UN Framework Convention on Climate Change said in a statement. Based on the settlement price of 11.02 euros (Rs.734) per carbon credit of the benchmark Dec contract on the European Climate Exchange, the carbon credits are valued at a little over Rs.1 bn. SRF manufactures chemical-based industrial intermediates for sectors such as textiles, chemicals, packaging films, and engineering plastics. The company has been awarded the certified emission reductions for reducing greenhouse gas emissions by thermal oxidation of the waste gas hydrofluorocarbon-23 during Jan-Mar 2011, the world body said.
- **Solix Technologies Ltd's** said that its parent company Solix Technologies Inc has entered into a partnership with SRA OSS Inc to jointly provide data management governance solutions in the US. The integrated data management platform used in sectors such as infrastructure, information technology, and wireless telecommunications, will lower operational cost and improve efficiency. Solix is headquartered at Santa Clara in the US, and has operations in India, China, and Brazil. It provides data management and application testing solutions. SRA OSS Inc, a subsidiary of SRA Inc, Japan, is a software solution provider.
- **Fiat India Automobiles Ltd** announced its plans to export the Linea sedan to Sri Lanka and also to various other right-hand-drive markets. "The first batch of cars which is set for the export comprises 72 cars of which 50 cars have been allotted to the Sri Lankan Air Force officials," the company said. "The car market size in Sri Lanka is around 20,000 units per annum. We have targeted to achieve 5% in the first year itself," the company said. Fiat India also said it has begun testing new growth opportunities overseas with a sharp focus on countries such as Bhutan and Australia, which are both right-hand-drive countries. Earlier this year, Fiat India began exports to South Africa and Nepal where it sells the Linea sedan and the Punto hatchback models. The company has already exported 4,000 units of the Linea and Punto.
- **Indian Overseas Bank** is scouting for consultants to advise on setting up a financial services subsidiary in the current financial year ending Mar, a source close to the development told. The subsidiary will be primarily positioned to offer equity broking to Indian and overseas customers, the source said.
- The consultant will help the bank identify the right business model for the proposed subsidiary, and identify an appropriate partner for the venture. "As a partner, IOB is open to consider existing domestic capital market players or even new international players eyeing an entry into India," the source said. In the near-term, the subsidiary's services will include stock broking, investment advisory, wealth management, private banking and capital market-related activities. Indian Overseas Bank later intends to function as a depository participant of National Securities Depository Ltd, Central Depository Services Ltd, distributor of mutual fund and insurance products, money changers, lease-hire purchase broker, primary dealership for government securities, custodial services, issue arranger, bankers to issue, debenture trustee and loan syndication.
- With reference to the earlier announcement dated May 07, 2010, **SRF Ltd** has now informed that Phase I of the project for Enhancement of Capacity of Coated Fabric by 72 lakh sqm (per annum) at Technical Textile Business Gummidipoondi (Tamilnadu) has been commissioned and capitalized.
- One of the promoters of **Future Ventures India Ltd**, Future Capital Investment Pvt Ltd, has raised its stake in the company to 3.08% from 3.00%. Future Capital bought 716,084 Future Ventures shares on Friday and 571,925 shares on Monday through the open market. Future Capital Investment now holds over 48.5 mn shares of the company.

- **JSW Steel Ltd** has increased the prices of its products across categories by up to Rs.750 a tn to pass on the surge in input costs and leverage the likely rise in demand in the festival season, Sharad Mahendra, senior vice president (sales), told. The company plans to hike product prices again in the first week of Oct. "The hike will be on similar lines or (a) little higher," Mahendra said.
- **Atul Auto Ltd** has extended the closing date of its rights issue to Oct 14 from Sep 29. The company is offering one equity share for every four held, at Rs.30 each, which includes a premium of Rs.20 per share, totalling 1.46 mn shares.
- **TTK Prestige Ltd** has informed that a meeting of the Board of Directors of the Company will be held on Oct 10, 2011, inter alia, to consider a scheme under Sec. 391-394 of Companies Act, 1956 - whereby the Kitchen Appliances division of an unlisted Company - Triveni Bialetti Industries Private Limited (TBI) is proposed to be demerged into TTK Prestige Ltd.
- **NTPC Ltd** said its arm, Kanti Bijlee Utpadan Nigam Ltd, has tied up Rs.23.41 bn loan from a consortium of Indian banks for the second stage of its 390 MW Muzaffarpur Thermal Power Project in Bihar. The consortium, led by State Bank of India, also includes Canara Bank Ltd, India Infrastructure Finance Co Ltd and United Bank of India Ltd. "The loan would be utilized for financing capital expenditure of its Stage-II of Muzaffarpur Thermal Power Project," NTPC said in a release today. NTPC, which has an installed capacity of 34,854 MW, is targeting 4,980 MW capacity addition for 2011-12 (Apr-Mar).
- **NMDC Ltd** is targeting iron ore production of 1 mn tn a month in Karnataka soon, a senior company official told. "Our current production in Karnataka is at 27,000 tn per day. It will reach around 33,000 tn soon. We are heading towards the target," the officials said. The Supreme Court recently allowed NMDC to continue mining operations in the Bellary region of Karnataka, and also permitted the state-owned miner to sell up to 1 mn iron ore per month from the state.

### Information of Bulk Deals – 28<sup>th</sup> Sep, 2011 on BSE

Scrip name	Name of Client	BUY (B) / SELL (S)	Quantity Shares	Trade Price/ W Avg. Price
<b>Aci Infocom</b>	<b>Barry Mercantile Private Limited</b>	<b>B</b>	<b>197700</b>	<b>54.05</b>
Aci Infocom	Sanjay Agarwal Huf	S	170000	54.05
<b>Claris Lifesciences</b>	<b>Tree Line Asia Master Fnd (Singpre) Pte Limited</b>	<b>B</b>	<b>400000</b>	<b>110</b>
<b>Claris Lifesciences</b>	<b>Wf Asia Fund Limited</b>	<b>S</b>	<b>934106</b>	<b>110.01</b>
Gflfin	Karunamoyee Trade Link Private Limited	B	20000	106.47
Gflfin	Minalben Rajeshkumar Shah	S	20000	106
<b>Gokaldas Expo</b>	<b>Claris Trading Private Limited</b>	<b>B</b>	<b>867000</b>	<b>95.8</b>
<b>Gokaldas Expo</b>	<b>Ssm Securities Pvt Ltd</b>	<b>S</b>	<b>867000</b>	<b>95.8</b>
<b>Lkp Fin</b>	<b>Evans Fraser And Company (India) Limited</b>	<b>B</b>	<b>300000</b>	<b>75.01</b>
<b>Lkp Fin</b>	<b>Kbs Realtors Private Limited</b>	<b>S</b>	<b>300000</b>	<b>75.01</b>
Madhur Inds	Balabhadrasingh Dilavarsinh Vaghela	S	20931	62.92
Madhur Inds	Nilesh Vasantbhai Patel	B	30000	62.51
Polytex India	Kiran Bhiku Bhanaes	B	77120	109.52
Provestment Serv	Mag Impex Private Limited	B	50000	59.45
<b>Rama Paper</b>	<b>Blue Peacock Securities Private Limited</b>	<b>S</b>	<b>63001</b>	<b>102.06</b>
Sky Inds	Vijay Jamnadas Vora	S	30000	57.8

### Information of Bulk Deals – 28<sup>th</sup> Sep, 2011 on NSE

Scrip name	Name of Client	BUY (B) / SELL (S)	Quantity Shares	Trade Price/ W Avg. Price
<b>Educomp Solutions Limited</b>	<b>Citigroup Global Mrkts Mauritius Private Limited</b>	<b>B</b>	<b>628330</b>	<b>228.86</b>
<b>Excel Crop Care Limited</b>	<b>India Optima Fund</b>	<b>S</b>	<b>88304</b>	<b>163</b>
<b>Excel Crop Care Limited</b>	<b>Mitesh N Mehta</b>	<b>B</b>	<b>60000</b>	<b>163.39</b>
<b>Hsil Limited</b>	<b>California Public Employees Retirement System</b>	<b>S</b>	<b>459000</b>	<b>163</b>
<b>Hsil Limited</b>	<b>Commonwealth Equity Fund Limited</b>	<b>S</b>	<b>402265</b>	<b>163</b>
<b>Hsil Limited</b>	<b>India Equity Growth Fund Limited</b>	<b>B</b>	<b>670000</b>	<b>163</b>
<b>Innoventive Ind Ltd</b>	<b>India Max Investment Fund Ltd</b>	<b>S</b>	<b>325102</b>	<b>90</b>
<b>Jubilant Industries Ltd</b>	<b>Idfc Invstmnt Advisors Ltd ( Idfc Farm Oppor</b>	<b>S</b>	<b>40133</b>	<b>183.05</b>
<b>Jubilant Industries Ltd</b>	<b>Idfc Mutual Fund</b>	<b>B</b>	<b>40200</b>	<b>183.05</b>
<b>Pg Electroplast Ltd</b>	<b>Overall Financial Consultant Pvt Ltd</b>	<b>S</b>	<b>100000</b>	<b>391.05</b>
Rushil Decor Limited	Prakashbhai Ishwarbhai Rana	B	150000	196.03
Technofab Eng Ltd	Gammon India Limited	S	150000	136
Technofab Eng Ltd	M Power Trading Private Limited	B	150000	136

## Declaration made under SEBI (Insider Trading) Regulation 2002

Company Name	Name of Acquirer / Seller	Transaction Date	Buy / Sell	No. of Shares Transacted Qty%	Holding after Transaction Qty%
Capman Financials Ltd	Jagdishbhai K Bodra	20/09/2011	B	160000 4.54	1045806 29.68
<b>Future Ventures India Ltd</b>	<b>Future Capital Investment Pvt Ltd</b>	<b>22/09/2011</b>	<b>B</b>	<b>903607</b>	<b>104004518 6.60</b>
<b>Future Ventures India Ltd</b>	<b>Future Capital Investment Pvt Ltd</b>	<b>26/09/2011</b>	<b>B</b>	<b>1288009</b>	<b>48541267 3.08</b>
Gei Industrial Systems Ltd	Rishi Vijay Khanna	22/09/2011	B	6677	106917 0.64
Hdfc Bank Ltd	Ashok Khanna	20/09/2011	S	3000	15600
Hdfc Bank Ltd	Ashok Khanna	21/09/2011	S	1000	14600
<b>Ivrc Ltd</b>	<b>E Sudhir Reddy</b>	<b>20/09/2011</b>	<b>B</b>	<b>25000</b>	<b>14354792 5.38</b>
<b>Ivrc Ltd</b>	<b>E Sudhir Reddy</b>	<b>20/09/2011</b>	<b>B</b>	<b>25000</b>	<b>14379792 5.39</b>
Kohinoor Foods Ltd	Gurnam Arora	21/09/2011	B	96500 0.34	4626990 16.41
Lupin Ltd	Dilip G Saoji	21/09/2011	S	200	8200 0.00
Lupin Ltd	Sanjay P Yajnik	16/09/2011	S	350	16150 0.00
Lupin Ltd	Udayan S Ambegaokar	23/09/2011	S	750	41825 0.00
Rolta India Ltd	Kamal K Singh	22/09/2011	B	6000	467500 0.28
<b>Visa Steel Ltd</b>	<b>Visa International Ltd</b>	<b>20/09/2011</b>	<b>B</b>	<b>255600 0.23</b>	<b>23787833 21.62</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.

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