

18th May 2012

Morning Report

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INDEX	POINT	Chg.
NIFTY	4870.20	+11.95
SENSEX	16070.48	+40.39
Hang Seng	18790.20	-410.73
NIKKEI	8669.30	-207.29
US DJIA	12449.49	-156.09
Nasdaq	2813.69	-60.35

Domestic stock indices are seen opening more than 1% down today, with the Nifty likely to slip below the 4800-point mark taking bearish cues from US and Asian equities.

Support @ 4720 Resistance @ 4936

MARKETS YESTERDAY

Negative cues from European markets took their toll yesterday and the indices shed all the morning gains in the afternoon. FMCG, realty and metal outperformed all other sectors and closed with substantial gains while capital goods, consumer durables and auto lost significantly. The Sensex closed at 16070, up 40 points from its previous close, and the Nifty shut shop at 4870, up 12 points.

MARKET NEWS

- Nifty companies detailing Jan-Mar earnings: State Bank of India (Net profit seen 35.74 bln rupees): Tata Steel (Consol net profit seen 8.28 bln rupees, down 80% on year)
- RBI: The Reserve Bank of India's central board will discuss next week the high levels of un hedged foreign currency exposure of private and state-owned companies.
- TAX: The General Anti-Avoidance Rules will be part of the Direct Taxes Code Bill, to be tabled in the monsoon session of Parliament.
- POWER: Nearly 20% of India's total installed power generation capacity has been shut down due to various reasons such as lack of fuel, equipment failure, and lower demand from distribution companies.
- DLF: Interested parties offer the company 29 bln rupees to buy its 17-acre plot in Lower Parel in Mumbai. :: The company is in advanced talks with some parties to sell its stake in luxury hospitality chain Aman Resorts to raise 25 bln rupees.
- RELIANCE INDUSTRIES: Law ministry sees no legal hurdle in raising the price of gas produced from the company's KG-D6 block but oil ministry may oppose the same.
- MANGALORE REFINERY & CHEMICALS: To complete refining capacity expansion for 10% lower than the estimated cost.
- IPCA LABORATORIES: Has merged pharmaceuticals manufacturer Tonira Pharma, in which it held 32.3% stake, with itself.
- BHARTI AIRTEL: Cut tariff for third generation mobile telephony "non-pack" users by 70% from Thursday.
- HOUSING DEVELOPMENT & INFRASTRUCTURE: Is close to selling its 14-acre plot in Bengaluru to GODREJ PROPERTIES for around 1 bln rupees.

MARKETS TODAY

- The SGX NIFTY is trading at 4765 down by 76 points.
- US: Indices on the Wall Street ended 1-2% down Thursday due to disappointing US economic data, and speculation Moody's Investors Service may downgrade the ratings of some Spanish banks. After market hours, Moody's slashed the ratings of 16 Spanish banks
- ASIA: Indices fell 1-3% today due to weak cues from the US, and the rating downgrade of 16 Spanish banks by Moody's.

NIFTY SUPPORT AND RESISTANCE LEVELS FOR THE DAY

Supports — 4790, 4751, 4720 Resistances — 4875, 4910, 4936

YESTERDAY VOLUMES	
BSE CASH (Cr)	1847.18
NSE CASH (Cr)	9737.46
NSE F&O (Cr)	114385.69
TOTAL (Rs. Cr)	
INSTITUTIONAL ACTIVITY	
FII (Rs. Cr)	-546.85
DII (Rs. Cr)	+171.83
PRECIOUS METALS	
GOLD	Rs.28547
SILVER	Rs. 53174
COMMODITIES	
CRUDE OIL	\$107.16
RBI REFERENCE RATE	
INR/1USD	54.2925
INR/1EURO	68.8719
INR/100 JAP.YEN	67.5700
INR/1GBP	86.6074

TECHNICAL OUTLOOK

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- ⇒ Doji candle has formed on daily chart of Nifty which shows indecisiveness of trend.
- ⇒ MACD has remained in negative convergence momentum trade which shows negative trend ahead.
- ⇒ Price ROC has trading below the zero-bas line with negative divergence momentum trade both confirm a negative swing on coming sessions.
- ⇒ Today, the Nifty may expect a gap-down opening and high changes of hold Nifty near psychological mark of 4800 range and some kind of short covering may emerged around 4800 level.

R1	4875	R2	4910	R3	4936
S1	4790	S2	4751	S3	4720

Events to watch today

◆ OVERSEAS

GERMANY PPI for Apr. 1130 IST.

◆ From India

> CPI FOR RURAL, URBAN AREAS AND COMBINED for Apr, to be detailed by CSO.

> CPI FOR RURAL AND FARM LABOURERS for Apr, to be detailed by Labour Bureau.

> WMA AND FOREX RESERVES as on May 11, by the RBI.

Corporate Actions update

◆ Results

Coal India, Hindustan oil, Karnataka Bank, Manappuram Finance, SBI, Tata Steel, Torrent Power, Deepak Fertilizers,

◆ Interim dividend

Shree Cement Ltd (Rs.6/Share)

India infoline Ltd (Rs.1.50/Share)

KPR Mill (Rs.3/Share)

IPO Updates

Speciality Restaurants is entering in the capital markets with an initial public offering, IPO of 11,739,415 Equity Shares of Rs 10 each with a Price band of Rs.146 to Rs. 155(Offer Opens at 16-05-12 and Offer Closes at 18-05-12)

Asian Paints Ltd (ASIANPAINT)

Positional Call (Short)

Asian Paint very short term view is in negative mode. It may go down to 3550 levels. So aggressive traders can go short in futures with Target of 3550 range.



- A Doji candle followed by negative with Bearish Engulfing pattern has formed on daily both indicates a negative reversal signal.
- William %R has reversed from the overbought zone which indicates a profit booking may expect in this stock.
- Stochastic Oscillator are also reversed from the overbought zone which confirm a negative rally ahead.
- Overall, the Asian Paints may expect a profit booking after a long upside rally hold to take profits from this counter and negative reversal rally ahead..

Call type	Sell	Contract / Duration	1 Lot	Lot size / Margin Amount	125 QTY
Sell below	3710	Target	3550	Stop Loss	3810

Max Gain : 20000; Max Loss : 12500(Profit or Loss based on 1 LOT)

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