

### Market Overview

The impact of the S&P downgrading the US long term debt rating to AA+ continued to take its toll on the markets with the key benchmark indices losing over a percent and half at close. The markets witnessed broad based selling with IT and Realty stocks facing the major brunt. The BSE Sensex closed at 16990.18 down 315.69 points while the NSE Nifty dropped 92.75 points to close at 5118.50. The market breadth remained overtly negative. Prominent gainers among the Nifty stocks include AMBUJACEM, ACC and BAJAJAUTO while the losers were DLF, CAIRN and GAIL.

### Corporate News

- Tractor and utility vehicle maker Mahindra & Mahindra on Monday reported a net profit of Rs 605 crore for the quarter ended June 30 at a standalone level, a growth of 7.55 per cent, even as higher commodity costs dented margins. The growth beat street expectations, primarily on the back of strong volume growth. The Mumbai-based company had posted a net profit of Rs 562 crore during the same quarter last year. Auto sector volumes during the quarter grew 20.9 per cent. In the utility vehicle segment, where it sells the Xylo, Scorpio and Bolero, M&M saw growth of 14.3 per cent, at 44,407 units.
- HDFC Property Fund, sponsored by the country's largest mortgage lender HDFC, will exit two of its investments soon, which will fetch the fund Rs 630 crore, said a senior executive. The fund will sell its 21 per cent stake in Manyata Business Park, a 7.7 million square feet infotech special economic zone in Bangalore, to the Embassy Group for Rs 540 crore. It had bought the property five years ago for Rs 210 crore. The second is a partial exit, whereby the fund will redeem the compulsorily convertible debentures issued by property developer Ozone Group in a residential project called Metrozone in Chennai. BS
- The insurer AIG is suing Bank of America (BoFA) to recover more than \$10 billion of losses from a "massive fraud" on mortgage debt, deepening the morass of litigation faced by the largest US bank. American International Group (AIG), still largely owned by taxpayers after \$182.3 billion of government bailouts, is the latest of a growing number of investors filing lawsuits to hold banks responsible for losses on soured mortgages that contributed to the financial crisis. BS

Index	Close	Chg (%)	Chg 5D(%)	P/E
NIFTY	5,118.50	(1.78)	(6.20)	15.00
SENSEX	16,990.18	(1.82)	(6.18)	15.56
CNX 500	4,150.50	(1.66)	(5.52)	14.06
BSE MCAP	6,488.60	(1.52)	(4.69)	13.65
BSE SCAP	7,641.08	(2.23)	(6.40)	10.58

Index	Close	Chg (%)	Chg 5D(%)	P/E
DOW	10,809.85	(5.55)	(10.90)	11.63
NASDAQ	2,357.69	(6.90)	(14.10)	18.17
BOVESPA	48,668.29	(8.08)	(16.86)	7.54
FTSE	5,068.95	(3.39)	(12.22)	10.30
CAC	3,125.19	(4.68)	(12.90)	9.07
DAX	5,923.27	(5.02)	(14.82)	9.52
NIKKEI	8,770.90	(4.19)	(11.46)	16.56
HANGSENG	19,207.52	(6.68)	(14.72)	9.31
STRAITS	2,884.00	(3.70)	(9.23)	8.26
KOSPI	1,726.23	(8.74)	(19.57)	11.34
SHANGAI	2,498.94	(1.17)	(6.79)	13.85

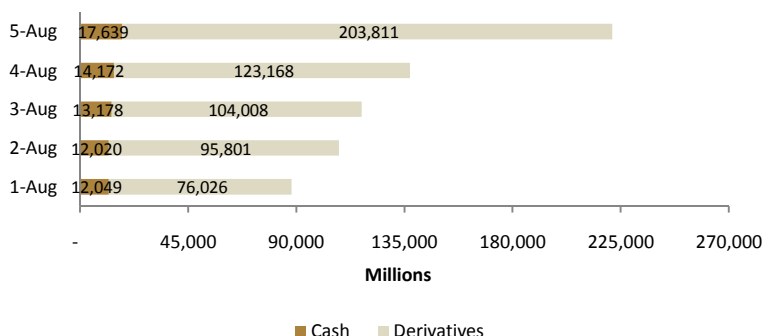
Commodity (In \$)	Close	Chg (%)	Chg 1M(%)
BRENT CRUDE	100.77	(3.07)	(14.56)
GOLD	1,756.57	2.03	13.62
SILVER	39.13	0.17	6.48
LME ALUMINIUM	2,353.75	(0.82)	(6.04)
LME COPPER	8,759.75	(2.85)	(9.17)
<b>INDIA</b>			
MCX GOLD (Rs)	24,915.00	1.98	13.11
MCX SILVER (Rs)	59,418.00	2.44	11.31

Currency	Close	Chg(%)	Chg 1M(%)
USD-INR	45.34	(0.80)	(1.88)
GBP-INR	74.04	(0.88)	(4.53)
EUR-INR	64.53	(0.60)	(2.95)
JPY-INR	0.59	(1.67)	(5.85)
GBP-USD	1.63	0.09	2.67
EUR-USD	1.42	0.41	1.48
JPY-USD	0.01	(0.83)	(3.90)

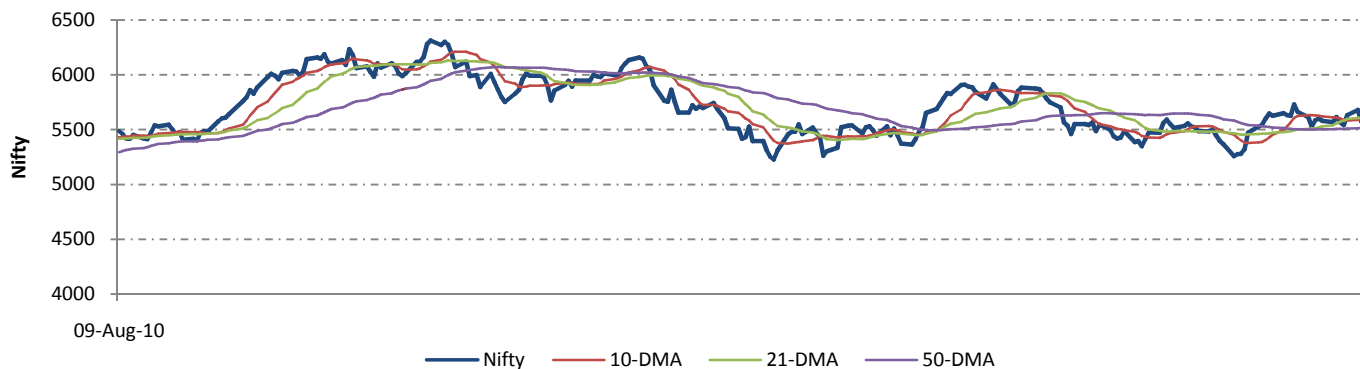
Turn Over	Buy Value	Sell Value	Net Value
FII's	2,189.10	3,798.60	(1,609.50)
DII's	2,620.30	1,299.92	1,320.38
CLIENT	1,966.76	1,994.55	(27.79)
PROPRIETARY	665.55	666.21	(0.66)
NRI	3.47	1.31	2.16

Advances/Declines	NSE	BSE
ADVANCES	262	661
DECLINES	1,236	2,199
UNCHANGED	20	82
AD RATIO	0.21	0.30

### Turnover Analysis



Nifty Chart



**Nifty Technical Outlook**

The Nifty Index opened gap down and registered fresh yearly lows and finally closed at 5118.50. The Index recorded an intraday low of 5054.05 the lowest since June 2010. The Nifty breadth remained weak with 13 advances to 37 declines. Crucial support for the Index is at 5085 and 5050 while the resistance is at 5180 and 5205.

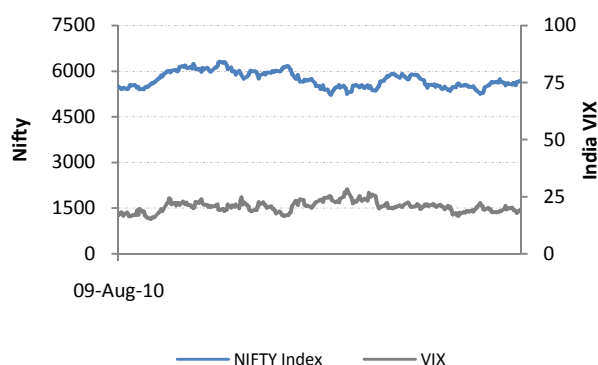
The Index is in a sell off mode registering lower lows for the fifth consecutive trading session. The 14D RSI is at 26.65 for the Index. Other momentum oscillators too are in the oversold territory. With the Index breaking down the range and registering fresh yearly lows the intermediate trend for the Index has turned negative with a downside target of 4700 in the medium term. However with the Index continuing to remain oversold expect the Index to pull back to 5350 levels in the near term.

	Sensex	Nifty
10 DMA	17,971.12	5,413.11
20 DMA	18,279.60	5,501.35
50 DMA	18,336.77	5,510.52
RSI - 14D	25.00	25.67

**BSE Sectoral Watch**

INDICES	CLOSE	CHG(%) - 1D	CHG(%) - 5D	CHG(%) - 1M	P/E
AUTO	7,972.17	(0.75)	(6.04)	(9.36)	10.45
BANKEX	11,362.05	(1.03)	(4.54)	(9.35)	14.14
CD	6,211.51	(0.33)	(4.58)	(7.31)	21.27
CG	11,857.24	(0.92)	(5.94)	(12.66)	20.95
FMCG	3,805.12	(0.80)	(3.91)	(3.91)	32.60
HC	6,007.44	(0.72)	(4.52)	(4.08)	10.58
IT	4,978.85	(4.33)	(9.92)	(15.76)	18.96
METAL	12,123.72	(3.50)	(7.23)	(15.76)	-
OIL & GAS	8,401.73	(0.57)	(3.22)	(4.80)	11.57
POWER	2,242.85	(1.62)	(6.25)	(12.10)	16.48
PSU	7,961.52	(0.53)	(2.09)	(5.14)	12.34
REALTY	1,739.12	(4.46)	(10.12)	(19.03)	13.17
TECH	3,167.70	(3.60)	(8.47)	(11.64)	22.65

Nifty Vs India VIX



Technical Picks

PFC: SELL (171.35)



The stock has been trading a long term downtrend and has registered fresh yearly lows. The stock has been trading below its key short and long term moving averages. The stock has broken down its major short term support levels and we expect the stock to continue trading weak in the short term. We recommend shorting the stock futures at current levels for a target of 153 and a SL of 184 in the next 8 to 10 trading sessions.

## Pivot Points

SCRIP	CLOSE	PIVOT POINT	S1	S2	S3	R1	R2	R3
ABB IS Equity	807.05	803.75	788.40	769.75	735.75	822.40	837.75	871.75
ACC IS Equity	985.80	973.83	948.17	910.53	847.23	1,011.47	1,037.13	1,100.43
ACEM IS Equity	124.90	124.90	120.10	115.30	105.70	129.70	134.50	144.10
AXSB IS Equity	1,235.45	1,233.93	1,202.07	1,168.68	1,103.43	1,267.32	1,299.18	1,364.43
BHARTI IS Equity	408.35	406.17	397.48	386.62	367.07	417.03	425.72	445.27
BHEL IS Equity	1,710.55	1,699.90	1,671.00	1,631.45	1,563.00	1,739.45	1,768.35	1,836.80
BPCL IS Equity	702.95	705.13	695.82	688.68	672.23	712.27	721.58	738.03
CAIR IS Equity	277.70	278.53	273.07	268.43	258.33	283.17	288.63	298.73
CIPLA IS Equity	304.20	303.83	298.47	292.73	281.63	309.57	314.93	326.03
DLFU IS Equity	195.80	198.23	190.87	185.93	173.63	203.17	210.53	222.83
GAIL IS Equity	449.10	454.55	438.70	428.30	402.05	464.95	480.80	507.05
GRASIM IS Equity	2,094.90	2,075.78	2,034.12	1,973.33	1,870.88	2,136.57	2,178.23	2,280.68
HCLT IS Equity	419.25	418.02	406.03	392.82	367.62	431.23	443.22	468.42
HDFC IS Equity	646.75	651.32	636.43	626.12	600.92	661.63	676.52	701.72
HDFCB IS Equity	462.10	466.72	453.43	444.77	422.82	475.38	488.67	510.62
HH IS Equity	-	-	-	-	-	-	-	-
HNDL IS Equity	151.65	153.78	148.37	145.08	136.38	157.07	162.48	171.18
HUVR IS Equity	319.70	316.52	311.73	303.77	291.02	324.48	329.27	342.02
ICICIB IS Equity	950.90	953.10	931.20	911.50	869.90	972.80	994.70	1,036.30
IDEA IS Equity	95.55	95.05	93.50	91.45	87.85	97.10	98.65	102.25
IDFC IS Equity	122.15	121.50	118.65	115.15	108.80	125.00	127.85	134.20
INFO IS Equity	2,470.50	2,467.17	2,434.33	2,398.17	2,329.17	2,503.33	2,536.17	2,605.17
ITC IS Equity	195.00	194.15	190.50	186.00	177.85	198.65	202.30	210.45
JPA IS Equity	60.15	60.00	58.25	56.35	52.70	61.90	63.65	67.30
JSP IS Equity	525.00	525.83	514.17	503.33	480.83	536.67	548.33	570.83
LT IS Equity	1,631.25	1,630.12	1,586.13	1,541.02	1,451.92	1,675.23	1,719.22	1,808.32
MM IS Equity	668.25	660.25	640.60	612.95	565.65	687.90	707.55	754.85
MSIL IS Equity	1,191.75	1,187.47	1,167.38	1,143.02	1,098.57	1,211.83	1,231.92	1,276.37
NTPC IS Equity	171.15	169.68	166.47	161.78	153.88	174.37	177.58	185.48
ONGC IS Equity	283.10	279.32	272.88	262.67	246.02	289.53	295.97	312.62
PNB IS Equity	1,101.75	1,087.27	1,054.73	1,007.72	928.17	1,134.28	1,166.82	1,246.37
PWGR IS Equity	102.45	101.57	99.28	96.12	90.67	104.73	107.02	112.47
RBXY IS Equity	520.45	517.32	506.68	492.92	468.52	531.08	541.72	566.12
RCOM IS Equity	87.95	88.15	85.95	83.95	79.75	90.15	92.35	96.55
RELI IS Equity	491.95	498.73	480.47	468.98	439.23	510.22	528.48	558.23
RIL IS Equity	780.65	781.35	766.30	751.95	722.55	795.70	810.75	840.15
RPWR IS Equity	96.45	97.42	94.13	91.82	86.22	99.73	103.02	108.62
SAIL IS Equity	107.80	109.03	105.17	102.53	96.03	111.67	115.53	122.03
SBIN IS Equity	2,217.00	2,220.75	2,176.25	2,135.50	2,050.25	2,261.50	2,306.00	2,391.25
SIEM IS Equity	872.45	879.48	859.97	847.48	815.48	891.97	911.48	943.48
STLT IS Equity	136.60	137.18	132.87	129.13	121.08	140.92	145.23	153.28
SUEL IS Equity	45.25	45.92	44.38	43.52	41.12	46.78	48.32	50.72
SUNP IS Equity	497.25	494.88	485.97	474.68	454.48	506.17	515.08	535.28
TATA IS Equity	509.10	510.67	501.43	493.77	476.87	518.33	527.57	544.47
TCS IS Equity	1,005.35	1,011.77	990.18	975.02	938.27	1,026.93	1,048.52	1,085.27
TPWR IS Equity	1,206.15	1,212.45	1,192.90	1,179.65	1,146.85	1,225.70	1,245.25	1,278.05
TTMT IS Equity	827.70	841.15	810.30	792.90	744.65	858.55	889.40	937.65
UT IS Equity	28.35	28.55	27.80	27.25	25.95	29.10	29.85	31.15
WPRO IS Equity	357.85	351.75	343.10	328.35	304.95	366.50	375.15	398.55
NIFTY INDEX	5,118.50	5,125.58	5,046.97	4,975.43	4,825.28	5,197.12	5,275.73	5,425.88
SENSEX INDEX	16,990.18	16,999.17	16,750.46	16,510.75	16,022.33	17,238.88	17,487.59	17,976.01

Sujayalakshmi Krishna, CFTe  
sujaya.lakshmi@o3securities.com

Manjunath R  
manjunath.r@o3securities.com

## Disclaimer

This Newsletter has been prepared by o3 Securities Private Limited (o3 Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated companies solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of o3 Securities. This report has been prepared independently of the companies covered herein. o3 Securities and/or its affiliated entities are a multi-service, integrated investment banking, investment management and brokerage group. o3 Securities and/or its affiliated company(ies) might have lead managed or co-managed a public offering for the company(ies) covered herein in the preceding twelve months and might have received compensation for the same during this period for the services in respect of public offerings, corporate finance, investment banking, mergers & acquisitions or other advisory services in a specific transaction. o3 Securities and/or its affiliated company(ies) may receive compensation from the company(ies) mentioned in this report within a period of three to six months' time following the date of publication of this Newsletter for rendering any of the above services. Research analysts and Sales Persons of o3 Securities may provide important inputs into the investment banking activities of its affiliated company(ies) or any other firm or company associated with it.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and o3 Securities does not warrant its accuracy or completeness. o3 Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not intended to be and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and o3 Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

o3 Securities and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have other potential conflict of interests with respect to any recommendation and other related information and opinions.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject o3 Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

o3securities

o3 House  
# 27, Magrath Road,  
Bangalore – 560001  
Board: +91 80 4241 0000  
Fax: +91 80 4241 0022  
Website: [www.o3securities.com](http://www.o3securities.com)