

### Market Overview

It was yet another negative day of trade for the Indian markets which wilted under severe selling pressure with the key benchmark indices closing with negative gains of nearly 2 percent. Almost all the sectoral Indices closed in the red. The BSE Sensex dropped 332.76 points to close at 17993.33 while the NSE Nifty closed at 5386.55 down 99.80 points. The overall market breadth remained weak. Prominent gainers among the Nifty include GAIL, ITC and AMBUJACEM while the losers were BHEL, SESAGOA and IDFC.

### Corporate News

- Johnson & Johnson (J&J) will acquire over-the-counter Russian brands of Mumbai-based JB Chemicals & Pharmaceuticals (JBCPL) for about \$260 million. The deal, expected to close by the middle of this year, is being struck through J&J's wholly-owned Cilag GmbH International. BS
- UB Group-controlled Kingfisher Airlines managed to narrow its losses by 38 per cent to Rs 1,027 crore in 2010-11 from Rs 1,647 crore in the previous year. It posted 23 per cent growth in top line at Rs 6,496 crore on the back of higher demand, stable yields and higher aircraft utilisation. BS
- Kohlberg Kravis Roberts & Co LP and International Finance Corporation (IFC) have invested Rs 440 crore in Magma Fincorp, a non-deposit taking non-banking finance company (NBFC). The capital infusion would be used to support Magma's expansion plans. BS
- Gammon Infrastructure is planning to sell stake in two infrastructure projects for raising equity funding to meet expansion plans. The company hopes to raise around Rs 300 crore through this route, in addition to Rs 200 crore it plans to raise through a rights issue. BS
- The government will divest five per cent equity in state-run Bharat Heavy Electricals Ltd (BHEL) as part of its plan to raise Rs 40,000 crore from disinvestment in the current financial year. The company's board has approved the proposal. The government currently holds 67.7 per cent equity in BHEL, which will come down to 62.7 per cent following the disinvestment. BS
- A month after Kanoria Chemicals sold its chloro chemicals business to Aditya Birla Group for Rs 830 crore, Siddharth Shriram-controlled Mawana Sugars has initiated the process for selling its chemical business. The proceeds would be used to bring down the company's debt, currently at Rs 470 crore, to below Rs 200 crore. BS

Index	Close	Chg (%)	Chg 5D(%)	P/E
NIFTY	5,386.55	(1.82)	(0.96)	15.90
SENSEX	17,993.33	(0.82)	(1.92)	16.11
CNX 500	4,338.25	(1.67)	(1.31)	15.08
BSE MCAP	6,661.47	(0.80)	(2.75)	14.94
BSE SCAP	8,057.02	(1.09)	(3.00)	10.62

Index	Close	Chg (%)	Chg 5D(%)	P/E
DOW	12,381.26	(1.05)	(1.33)	13.59
NASDAQ	2,758.90	(1.58)	(0.84)	23.21
BOVESPA	62,345.18	(0.40)	(0.77)	9.49
FTSE	5,835.89	(1.89)	(1.48)	14.11
CAC	3,906.98	(2.10)	(2.08)	11.64
DAX	7,121.52	(2.00)	(3.60)	12.29
NIKKEI	9,452.53	(0.09)	(1.20)	16.78
HANGSENG	22,690.01	(0.10)	(0.92)	11.95
STRAITS	3,108.53	(0.06)	(0.88)	10.65
KOSPI	2,054.98	(0.09)	(2.31)	12.70
SHANGAI	2,755.67	(0.61)	(3.33)	15.43

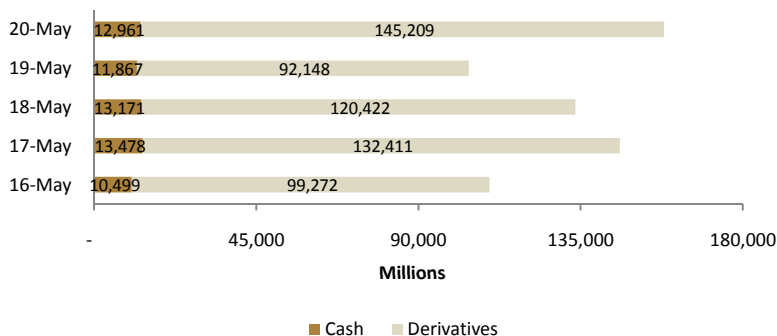
Commodity (In \$)	Close	Chg (%)	Chg 1M(%)
BRENT CRUDE	110.69	0.54	(10.47)
GOLD	1,517.43	0.04	0.72
SILVER	35.25	0.57	(25.34)
LME ALUMINIUM	2,462.00	(1.10)	(9.95)
LME COPPER	8,776.00	(3.02)	(9.35)
<b>INDIA</b>			
MCX GOLD (Rs)	22,202.00	0.89	2.13
MCX SILVER (Rs)	52,820.00	(0.54)	(22.11)

Currency	Close	Chg(%)	Chg 1M(%)
USD-INR	45.24	(0.48)	(1.65)
GBP-INR	72.82	0.05	0.67
EUR-INR	63.40	0.98	2.57
JPY-INR	0.55	(0.22)	(1.70)
GBP-USD	1.61	(0.05)	(2.32)
EUR-USD	1.41	0.12	(3.55)
JPY-USD	0.01	(0.25)	(0.03)

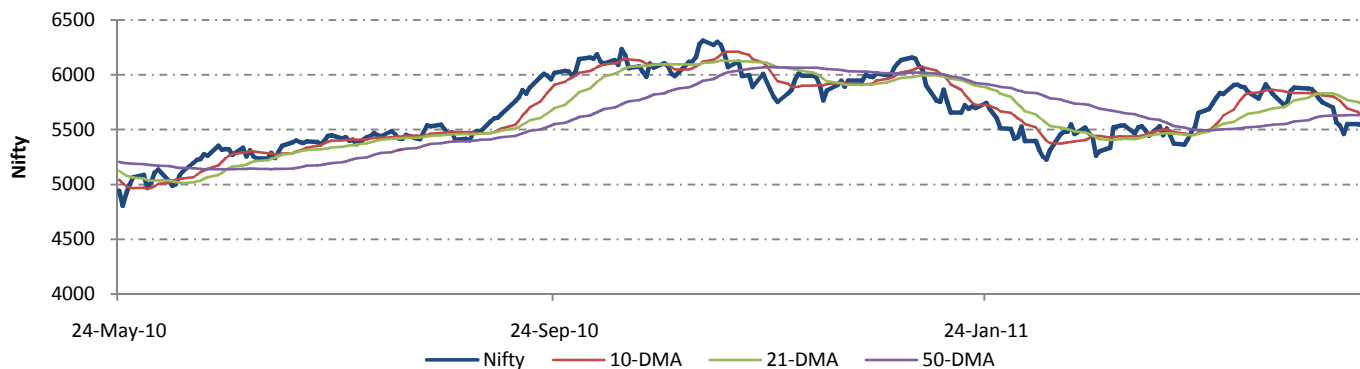
Turn Over	Buy Value	Sell Value	Net Value
FII's	2,239.60	2,314.70	(75.10)
DII's	1,070.00	875.78	194.22
CLIENT	1,604.53	1,593.82	10.71
PROPRIETARY	509.66	526.89	(17.23)
NRI	0.77	0.23	0.54

Advances/Declines	NSE	BSE
ADVANCES	260	801
DECLINES	1,167	1,973
UNCHANGED	41	124
AD RATIO	0.22	0.41

### Turnover Analysis



Nifty Chart



Nifty Technical Outlook

The NSE Nifty tumbled lower on the back of heavy selling pressure registering sharp cuts. It was one of the lowest closes for the Index in recent times. The Index registered an intraday high of 5456.70 and a low of 5373 and finally closed at 5386.55 down 99.80 points. Among the Nifty stocks 46 of them closed on the declining side while only 4 of them closed in the green. Crucial support for the Index is at 5360 and 5328 while the resistance is at 5418 and 5445.

The Index has been trading with a strong downward bias. Yesterday's sell off led the Index close below the sub 5400 levels. The Index has been making lower highs and lower lows on the daily chart. Oscillators on the daily charts too continue to give a sell signal. However we could witness a pullback from the lows with the hourly oscillators for the Index being in oversold region. Any upside rally on the Index could be used as an opportunity to short until the Index moves past the 5650 levels on a convincing note.

	Sensex	Nifty
10 DMA	18,299.42	5,479.68
20 DMA	18,583.83	5,570.01
50 DMA	18,797.06	5,639.99
RSI - 14D	36.45	35.82

Top Nifty Gainers

Company	Close	Chg. %
GAIL IS Equity	435.25	2.12
ITC IS Equity	190.20	1.96
BPCL IS Equity	629.30	0.58
SIEM IS Equity	865.85	0.37
ACEM IS Equity	130.95	-

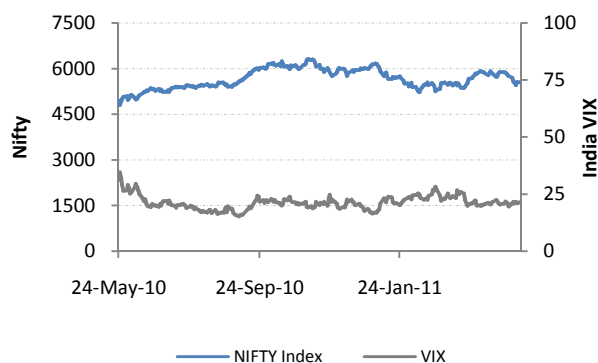
Top Nifty Losers

Company	Close	Chg. %
BHEL IS Equity	1,931.75	(7.04)
UT IS Equity	31.90	(5.76)
SUEL IS Equity	48.55	(4.24)
IDFC IS Equity	132.00	(3.86)
IDEA IS Equity	64.95	(3.71)

BSE Sectoral Watch

INDICES	CLOSE	CHG(%) - 1D	CHG(%) - 5D	CHG(%) - 1M	P/E
AUTO	8,944.29	(0.51)	(2.28)	(7.43)	10.45
BANKEK	11,812.60	(1.85)	(5.06)	(12.79)	15.28
CD	6,305.71	0.90	1.31	(2.74)	20.62
CG	12,806.09	(0.71)	1.42	(6.14)	23.84
FMCG	3,784.25	(0.26)	0.53	1.44	32.18
HC	6,031.31	(0.67)	(2.83)	(2.05)	10.21
IT	6,012.89	(0.41)	0.31	(3.18)	22.22
METAL	14,724.36	(1.70)	(3.00)	(11.61)	-
OIL & GAS	9,199.75	(1.00)	(4.90)	(10.76)	13.06
POWER	2,499.03	(1.63)	(3.29)	(8.42)	18.34
PSU	8,252.27	(1.91)	(5.76)	(9.68)	13.22
REALTY	2,028.36	(1.52)	(5.46)	(14.82)	15.06
TECH	3,605.05	(0.28)	(0.14)	(3.65)	24.28

Nifty Vs India VIX



Technical Picks

EICHERMOTORS: BUY (1320.20)



The stock has been trading in a short term uptrend recovering from its recent lows. The 10 DEMA has moved way above the 20 DEMA. The 14D RSI is at 61 while the hourly and daily oscillators are in buy mode. We expect the stock to continue its upward trend. We recommend buying the stock at current levels for a target of 1380 and a SL of 1288 in the next 7 to 8 trading sessions.

## Pivot Points

SCRIP	CLOSE	PIVOT POINT	S1	S2	S3	R1	R2	R3
ABB IS Equity	851.25	853.72	842.63	834.02	814.32	862.33	873.42	893.12
ACC IS Equity	969.20	973.92	958.03	946.87	919.82	985.08	1,000.97	1,028.02
ACEM IS Equity	130.95	130.10	128.00	125.05	120.00	133.05	135.15	140.20
AXSB IS Equity	1,188.00	1,196.35	1,174.65	1,161.30	1,126.25	1,209.70	1,231.40	1,266.45
BHARTI IS Equity	368.45	370.00	364.60	360.75	351.50	373.85	379.25	388.50
BHEL IS Equity	1,931.75	1,983.25	1,864.50	1,797.25	1,611.25	2,050.50	2,169.25	2,355.25
BPCL IS Equity	629.30	624.58	616.72	604.13	583.68	637.17	645.03	665.48
CAIR IS Equity	334.15	335.42	331.12	328.12	320.82	338.43	342.72	350.02
CIPLA IS Equity	310.10	310.40	304.80	299.50	288.60	315.70	321.30	332.20
DLFU IS Equity	223.10	224.02	220.43	217.77	211.52	226.68	230.27	236.52
GAIL IS Equity	435.25	428.90	419.00	402.75	376.60	445.15	455.05	481.20
GRASIM IS Equity	2,211.00	2,218.67	2,187.33	2,163.67	2,108.67	2,242.33	2,273.67	2,328.67
HCLT IS Equity	493.65	496.23	488.52	483.38	470.53	501.37	509.08	521.93
HDFC IS Equity	646.55	646.58	640.02	633.48	620.38	653.12	659.68	672.78
HDFCB IS Equity	2,264.70	2,269.82	2,240.83	2,216.97	2,164.12	2,293.68	2,322.67	2,375.52
HH IS Equity	1,788.85	1,784.90	1,763.45	1,738.05	1,691.20	1,810.30	1,831.75	1,878.60
HNDL IS Equity	188.60	189.10	186.85	185.10	181.10	190.85	193.10	197.10
HUVR IS Equity	304.00	305.50	301.05	298.10	290.70	308.45	312.90	320.30
ICICIB IS Equity	1,006.90	1,015.60	994.30	981.70	947.80	1,028.20	1,049.50	1,083.40
IDEA IS Equity	64.95	65.42	63.93	62.92	60.42	66.43	67.92	70.42
IDFC IS Equity	132.00	133.03	129.57	127.13	121.23	135.47	138.93	144.83
INFO IS Equity	2,837.05	2,839.23	2,825.67	2,814.28	2,789.33	2,850.62	2,864.18	2,889.13
ITC IS Equity	190.20	189.03	187.37	184.53	180.03	191.87	193.53	198.03
JPA IS Equity	79.65	80.02	78.78	77.92	75.82	80.88	82.12	84.22
JSP IS Equity	626.05	629.82	619.58	613.12	596.42	636.28	646.52	663.22
LT IS Equity	1,612.50	1,622.90	1,599.70	1,586.90	1,550.90	1,635.70	1,658.90	1,694.90
MM IS Equity	686.85	685.27	680.73	674.62	663.97	691.38	695.92	706.57
MSIL IS Equity	1,203.75	1,207.92	1,195.83	1,187.92	1,167.92	1,215.83	1,227.92	1,247.92
NATP IS Equity	-	-	-	-	-	-	-	-
ONGC IS Equity	267.40	269.08	262.47	257.53	245.98	274.02	280.63	292.18
PNB IS Equity	1,030.30	1,023.93	1,013.37	996.43	968.93	1,040.87	1,051.43	1,078.93
PWGR IS Equity	99.60	99.63	98.97	98.33	97.03	100.27	100.93	102.23
RBXY IS Equity	496.20	498.17	489.48	482.77	467.37	504.88	513.57	528.97
RCOM IS Equity	81.90	82.10	80.45	79.00	75.90	83.55	85.20	88.30
RELI IS Equity	548.20	552.42	539.78	531.37	510.32	560.83	573.47	594.52
RIL IS Equity	909.40	911.57	901.13	892.87	874.17	919.83	930.27	948.97
RPWR IS Equity	109.80	110.28	108.57	107.33	104.38	111.52	113.23	116.18
SAIL IS Equity	142.20	141.78	139.47	136.73	131.68	144.52	146.83	151.88
SBIN IS Equity	2,249.75	2,267.33	2,220.67	2,191.58	2,115.83	2,296.42	2,343.08	2,418.83
SIEM IS Equity	865.85	861.38	854.77	843.68	825.98	872.47	879.08	896.78
STLT IS Equity	162.65	164.03	160.37	158.08	152.13	166.32	169.98	175.93
SUEL IS Equity	48.55	48.40	46.30	44.05	39.70	50.65	52.75	57.10
SUNP IS Equity	424.85	428.40	419.10	413.35	398.30	434.15	443.45	458.50
TATA IS Equity	559.40	563.83	553.12	546.83	529.83	570.12	580.83	597.83
TCS IS Equity	1,166.55	1,162.35	1,154.20	1,141.85	1,121.35	1,174.70	1,182.85	1,203.35
TPWR IS Equity	1,210.95	1,214.38	1,196.77	1,182.58	1,150.78	1,228.57	1,246.18	1,277.98
TTMT IS Equity	1,129.45	1,135.52	1,117.03	1,104.62	1,073.72	1,147.93	1,166.42	1,197.32
UT IS Equity	31.90	32.43	31.17	30.43	28.43	33.17	34.43	36.43
WPRO IS Equity	440.05	439.02	436.03	432.02	425.02	443.03	446.02	453.02
NIFTY INDEX	5,386.55	5,405.42	5,354.13	5,321.72	5,238.02	5,437.83	5,489.12	5,572.82

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)