

MORNING NOTES

Date: 25.01.2010



MAIN INDICES

SENSEX	16852.59	-198.55
NIFTY	5029.65	-64.50
NASDAQ	2205.29	-60.41
DJIA	10172.98	-216.90

BSE SECTOR INDICES

Name	Prev-Close	Close	% Change
Bankex	9965.73	9810.38	-1.56
Cons. Durable	3919.61	3875.57	-1.12
Capital Goods	13501.46	13322.21	-1.33
FMCG	2735.41	2772.07	1.34
Healthcare	4919.99	4857.36	-1.27
IT	5274.34	5189.62	-1.61
PSU	9734.49	9769.38	0.36
TECK	3333.92	3294.23	-1.19
Auto	7441.79	7401.97	-0.54
Metal	17496.81	17305.48	-1.09
Oil & Gas	10165.60	10077.19	-0.87
Realty	3820.93	3756.16	-1.70

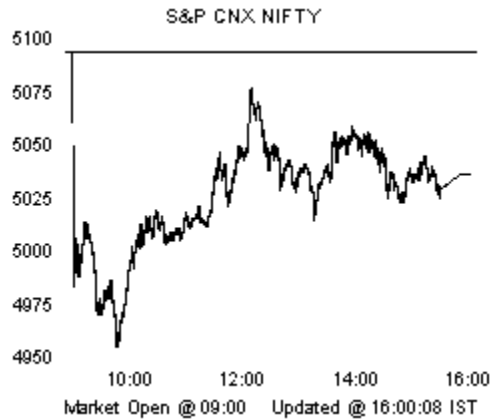
NIFTY TOP GAINERS

Company	Current Price	Previous Close	% Change
IDEA CELL	62.05	57.85	7.26
B H E L	2380.15	2292.15	3.84
H C L TECH	382.65	370.50	3.28
I T C	249.10	244.50	1.88

NIFTY TOP LOSERS

Company	Current Price	Previous Close	% Change
RANBAXY LAB.	466.20	489.40	-4.74
SUZLONENERGY	79.40	82.80	-4.11
NATION ALUM	421.05	437.40	-3.74
TATA STEEL	624.55	648.00	-3.62

MACRO VIEW



Continuing losses by more than 1%, the domestic market ended below the yesterday's close tracking negative cues from the Asian markets on fears that China may further tighten its monetary policy. Large sell-off by foreign funds also contributed to the decline. Market extended losses also on subdued opening of European stocks. In addition, investors booked profit in several frontline stocks since morning. However, stocks were trying to recover and came off the day's low during mid trade, as according to the economic advisor of India's finance ministry, 9% growth rate is seen for the next financial year. BSE Sensex ended below 16,900 level and NSE Nifty closed below 5,100 level.

Market opened lower on 22.01.2010 (Friday) tracking weak cues from the global markets. The Asian markets were trading with a deep cut. Besides, on Thursday, the US stock market tumbled sharply on the back of U.S. President Barack Obama proposed tough restrictions on banks saying that banks should no longer be allowed to own, sponsor or invest in hedge funds for proprietary profit. This move is likely to constrict profits. Meanwhile, initial jobless claims reported rise last week as it grew by more than expected to 482,000. Further, Indian stocks continued to trade lower on concerns about China's economic growth would result in policy tightening. Going ahead market was continual to trade in red though tried to recover during mid trade, as according to the economic advisor 9% growth rate is seen for the next financial year. Market came off the day's high also on better than expected results from the India's largest private refiner Reliance Industries. However, rebound was brief and benchmark indices once again extended losses during last trading hours on account of all round selling. From the sectoral front, Realty, IT, Bank, Capital Goods, Pharma and Metal stocks witnessed most of the selling from these baskets. BSE Midcap and Smallcap stocks also remained on seller's radar. However, FMCG stocks were able to gain favour from the market.

Losers from the BSE Sensex pack are Tata Steel (3.67%), L&T Ltd (3.41%), DLF Ltd (2.83%), Sun Pahrma (2.69%), JP Associates (2.62%), ONGC Ltd (2.21%), ACC Ltd (2.02%), TCS Ltd (1.99%), Grasim Industries (1.97%), HDFC Bank (1.90%), Infosys (1.84%), Tata Power (1.66%), SBI (1.59%), HDFC (1.56%) and RCom (1.54%). Gainers from the BSE Sensex pack are BHEL (3.26%), ITC (2.13%), and Herohonda Motors (1.11%).

TOP NEWS LEADS.....

MACRO

- ✓ **Oil prices dipped below \$76** in Asian trade today, extending losses on data showing weaker demand in the United States, the world's biggest energy-consuming nation. New York's main contract, light sweet crude for March delivery, tumbled 25 cents to \$75.83 a barrel. Brent North Sea crude for delivery in March shed 13 cents to \$74.45. "The DoE report was not very bullish. The refineries' capacities were down at around 78 per cent and that was their lowest in the two decades," said Serene Lim, a Singapore-based oil analyst with the ANZ bank.

COMPANY

- ✓ **GAIL** India's principal natural gas company, has completed the route survey for its 1,400 kms Dabhol- Bengaluru gas pipeline project for supplying natural gas to Karnataka. GAIL is currently implementing 1,386 km, 30 inch diameter Dabhol- Bengaluru pipeline at an investment of Rs 45.43 billion with a design capacity of 16 mmscmd.
- ✓ **Jay Shree Tea** announced that it has entered into an agreement with Assam Tea Corporation for purchase of green leaf of Longai & Ishabheel Tea Estates and to operate its Longai Tea Factory having a capacity to manufacture around 1 million kg of tea per annum w.e.f. the season commencing March, 2010. The company has also entered into a memorandum of understanding (MoU) to acquire company w.e.f. Apr. 01, 2010 which owns and operates tea factory near Makum, Tinsukia, Assam with annual production capacity of around 1.1 million kg per annum.
- ✓ **Biocon** signed a memorandum of understanding (MOU) with Malaysia's Biotechnology Corporation (BiotechCorp) to explore collaboration and potential investment in Malaysia's biotechnology industry. Biocon is in talks with BiotechCorp to manufacture Biopharmaceutical products and formulation, within Malaysia's Nusajaya, Iskandar Malaysia, called the Bio-XCell Ecosystem. Biocon is also developing biotechnology infrastructure in the Bio-XCell Ecosystem Project.
- ✓ **Aban Offshore**, provider of oil field services for offshore exploration and production of hydrocarbons to the oil industry in India and abroad, today announced that the Semisubmersible Rig Aban Pearl owned by the wholly owned subsidiary has commenced its drilling operations on Jan. 19, 2010. It is India's largest offshore drilling entity in the private sector where its American partner provides technical know-how.
- ✓ **Larsen & Toubro**, country's largest engineering company, along with its Malaysian partner SapuraCrest Petroleum has bagged orders worth \$500 million to undertake installation of platforms and pipelines in offshore. The joint venture partners have invested \$175 million to acquire a vessel to execute the orders. Speaking to reporters at Chennai A M Naik, Chairman and Managing Director, L&T said that the company along with SapuraCrest Petroleum Berhad, Malaysia floated a company Offshore International FZC in 2007. While L&T has 60 per cent equity in the JV, SapuraCrest Petroleum holds 40 per cent stake. The purpose of JV is to take up installation platforms and pipelines.
- ✓ The country's leading telecom operator, **Bharti Airtel**, is looking at listing one of its tower units — Bharti Infratel or Indus — in the next fiscal. It is possible that we could look at the Initial Public Offer of Infratel or Indus next fiscal looking at their financial fundamentals," Bharti Enterprises Group CFO Manik Jhangiani said here. Bharti Infratel is a wholly-owned subsidiary of Bharti Airtel, while Indus Towers is an independent tower company floated by Bharti Airtel, Vodafone and Idea to share passive infrastructure with all telecom players.

GOOD STOCK STORY

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Larsen & Toubro, country's largest engineering company, along with its Malaysian partner SapuraCrest Petroleum has bagged orders worth \$500 million to undertake installation of platforms and pipelines in offshore. The joint venture partners have invested \$175 million to acquire a vessel to execute the orders. Speaking to reporters at Chennai A M Naik, Chairman and Managing Director, L&T said that the company along with SapuraCrest Petroleum Berhad, Malaysia floated a company Offshore International FZC in 2007. While L&T has 60 per cent equity in the JV, SapuraCrest Petroleum holds 40 per cent stake. The purpose of JV is to take up installation platforms and pipelines.

For the last 20 years L&T has been outsourcing this project to a third party. In 2007 it was decided to enter into the space along with a partner. The company, Offshore International FZC, currently have orders worth \$500 million (around Rs 2,300 crore), which will be executed in five years, said Nayak. The recent one was from Oil and Natural Gas Corporation (ONGC), which is valued around \$75 million.

Datuk Shahril Shamsuddin, president and chief executive officer, Sapura Group of Companies added that the JV partners have invested \$175 million to build, own and operate LTS 3000, a derrick lay vessel to undertake installation of platforms and pipelines. The investment was funded through Debt and Equity, out of 70:30 of the equity L&T has invested 60 per cent, while 40 per cent was from Sapura. **Accumulate.**

Biocon

Biocon signed a memorandum of understanding (MOU) with Malaysia's Biotechnology Corporation (BiotechCorp) to explore collaboration and potential investment in Malaysia's biotechnology industry.

Biocon is in talks with BiotechCorp to manufacture Biopharmaceutical products and formulation, within Malaysia's Nusajaya, Iskandar Malaysia, called the Bio-XCell Ecosystem. Biocon is also developing biotechnology infrastructure in the Bio-XCell Ecosystem Project.

Kiran Mazumdar-Shaw chairman and managing director (CMD), Biocon said, "Biocon is keen to explore Malaysia as a destination for our expansion. Malaysia and the BioXCell Ecosystem in Iskandar Malaysia are attractive propositions. We are interested in learning how we can leverage this offering with our commercial plans and look forward to formalizing our engagement with BiotechCorp further. **Accumulate.**

LOOKING GOOD TECHNICALLY

DRREDDY	TAKE DELIVERY FOR BTST/T+2 WITH TARGETS OF 1140-1150-1160 SL 1115
BHARATFORG	TAKE DELIVERY FOR BTST/T+2 WITH TARGETS OF 288-292-295 SL 279
ITC	TAKE DELIVERY FOR BTST/T+2 WITH TARGETS OF 252-256-260 SL 245
HERO HONDA	TAKE DELIVERY FOR BTST/T+2 WITH TARGETS OF 1650-1661-1675 SL 1615

MOST ACTIVE STOCKS PIVOTAL GUIDANCE

	Lower 2	Lower 1	Axis	Higher 1	Higher 2
BANK NIFTY	8263.19	8519.34	8775.49	9031.64	9287.80
RELIANCE	992.16	1022.91	1053.67	1084.43	1115.18
RCOM	170.96	176.26	181.55	186.85	192.15
RELCAPITAL	798.63	823.39	848.15	872.90	897.66
REL	997.85	1028.78	1059.71	1090.64	1121.58
LT	1385.50	1428.45	1471.39	1514.34	1557.29
STER	767.82	791.62	815.42	839.23	863.03
ICICIBANK	789.98	814.47	838.96	863.45	887.94
SBIN	1965.63	2026.56	2087.49	2148.42	2209.36
TATASTEEL	588.90	607.16	625.41	643.67	661.92
RNRL	64.40	66.40	68.40	70.39	72.39
TATAPOWER	1255.81	1294.74	1333.67	1372.60	1411.53
INFOSYSTCH	2426.10	2501.31	2576.51	2651.72	2726.93
BHEL	2224.07	2293.01	2361.96	2430.90	2499.85
ONGC	1048.92	1081.44	1113.95	1146.47	1178.98
ACC	872.05	899.08	926.11	953.14	980.18
PUNJLLOYD	176.63	182.10	187.58	193.05	198.53
HDFCBANK	1581.97	1631.01	1680.05	1729.09	1778.13
MARUTI	1355.58	1397.60	1439.62	1481.65	1523.67
AXISBANK	975.04	1005.27	1035.49	1065.72	1095.94
DLF	332.33	342.64	352.94	363.24	373.54
HDIL	330.68	340.94	351.19	361.44	371.69
IBREALEST	186.10	191.87	197.64	203.41	209.18
NIFTY	4737.25	4884.10	5030.96	5177.81	5324.66

DERIVATIVES SNAPSHOT

Institutional Investment Trends

(in Crores) Jan 21

	Buy	Sell	Diff
INDEX FUTURES	2631.10	6512.88	-3881.79
INDEX OPTIONS	7007.35	4996.59	+2010.76
STOCK FUTURES	3934.61	4346.02	-441.40
STOCK OPTIONS	44.97	24.24	+20.73

- ✓ Nifty ended lower for the fourth consecutive day on the back of a selloff across most of the sectors. The main indices had opened on a weak note following weak global cues post President Barack Obama's proposal of new limits on the size and trading practices of big US banks. However, short covering and good results from heavyweights ITC, Reliance Industries & Bharti Airtel enabled the Nifty to recover more than 50% of the morning losses.
- ✓ The Nifty Jan Fut finally closed 70.65pts or 1.39% lower at 5013.90. The Nifty Jan Fut discount widened to 22.1pts from 9.15pts on Thursday. Total turnover in the F&O segment was higher at Rs.1,32,392crs. Vs. Rs.1,11,117crs. on Thursday.
- ✓ The biggest gainers in the F&O segment were Idea Cellular, McDowell, BHEL, HCL tech and LITL. The biggest losers were Punj Lloyd, IVRCL Infra, Ispat Ind, HCC and Financial tech. The most active stock fut contracts (In terms of value) were of Reliance, Tata Steel, Tata Motors, SBI and ICICI Bank

IMPORTANT PUT CALL RATIOS

Symbol	Expiry Date	Put	Call	Ratio
FINANTECH	28-Jan-10	38250	300	127.50
BEML	28-Jan-10	9750	375	26.00
FEDERALBNK	28-Jan-10	34891	2553	13.67
ACC	28-Jan-10	57528	19928	2.89
TRIVENI	28-Jan-10	50050	23100	2.17
ASHOKLEY	25-Feb-10	38200	19100	2.00
ABB	28-Jan-10	5000	3000	1.67
NIFTY	25-Feb-10	13853000	9653650	1.44
NIFTY	30-Dec-10	2793950	1950100	1.43
NIFTY	25-Mar-10	9519900	7493700	1.27
M&M	25-Feb-10	15288	12480	1.23
AXISBANK	28-Jan-10	83250	72450	1.15
NIFTY	24-Jun-10	2578400	2408050	1.07
BHEL	25-Feb-10	5250	5100	1.03
ABIRLANUVO	28-Jan-10	800	800	1.00
ACC	25-Feb-10	752	752	1.00

INSTITUTIONAL MOVEMENTS

Last 5 Sessions FII Investment Figures

Date	Purchase (Rs Crore)	Sale (Rs Crore)	Investment (Rs Crore)
22-Jan-2010	2698.60	3268.10	-569.60
21-Jan-2010	2711.70	2744.00	-32.30
20-Jan-2010	2123.70	2575.20	-451.50
19-Jan-2010	2619.90	2325.20	294.70
18-Jan-2010	1983.60	2873.40	-889.80

Last 5 Sessions Mutual Fund Figures

Date	Purchase (Rs Crore)	Sale (Rs Crore)	Investment (Rs Crore)
21-Jan-2010	798.10	1,260.90	-462.80
20-Jan-2010	722.70	919.70	-197.00
19-Jan-2010	505.60	1,004.20	-498.60
18-Jan-2010	506.50	621.50	-115.0
15-Jan-2010	713.60	602.90	110.60

6 Months Trailing NSE Gainers

Company	Latest Close	Compared To	Absolute Change	% Change
TATA MOTORS	778.05	374.10	403.95	107.98
HINDALCO	161.35	93.10	68.25	73.31
RANBAXY LAB.	466.20	274.05	192.15	70.11
H C L TECH	382.65	238.90	143.75	60.17
TCS	757.85	480.30	277.55	57.79
WIPRO	700.05	460.30	239.75	52.09
NATION ALUM	421.05	302.80	118.25	39.05
MAH & MAH	1133.10	816.60	316.50	38.76
TATA STEEL	624.55	458.80	165.75	36.13

6 Months Trailing NSE Losers

Company	Latest Close	Compared To	Absolute Change	% Change
REL COM	181.55	281.90	-100.35	-35.60
VIDESH SANCH	340.40	481.40	-141.00	-29.29
SUZLONENERGY	79.40	106.40	-27.00	-25.38
BHARTI TELE	322.15	423.50	-101.35	-23.93
IDEA CELL	62.05	79.95	-17.90	-22.39
DLF LTD	352.75	411.40	-58.65	-14.26
HIND LEVER	257.95	299.65	-41.70	-13.92
RPOWER	150.50	173.95	-23.45	-13.48

DIVIDEND & OTHER INFORMATION

Edelweiss Capital Limited has informed the Exchange that the Board of Directors at their meeting held on January 22, 2010 have declared an interim dividend Rs 2 /- per equity share of the face value of Rs. 5/- each for the year 2009-10.

Gandhi Special Tubes Limited has informed the Exchange that the Board of Directors of the Company at their meeting held on January 21, 2010 has declared a normal Interim Dividend at 50% (Rs.2.50 p. per share) and a Special Interim Dividend of 50% (Rs.2.50 p. per share) on account of Silver Jubilee year aggregating to Rs.5/- per share (100%) on equity shares of Rs.5/- each for the financial year ending March 31, 2010 and the both Interim Dividends will be paid on February 16, 2010.

Transport Corporation Of India Limited has informed the Exchange vide its letter dated January 22, 2010, that the Board of Directors at its meeting held on January 22, 2010 has interalia approved / recommended the following matters: (1) Payment of Interim Dividend @ 20% (Rupee 0.40 per share of face value of Rs. 2/- each). The Record Date for the purpose of Interim Dividend is February 04, 2010; (2) The Board of Directors has changed the name of "Real Estate" division of the Company, to be henceforth known as "Real Estate & Warehousing" division with the immediate effect.

Jayshree Tea & Industries Ltd has informed the Exchange vide its letter dated January 22, 2010 that: (1) The Company has entered into an agreement with Assam Tea Corporation Limited for purchase of green leaf of Longai & Ishabheel Tea Estates and to operate its Longai Tea Factory having a capacity to manufacture around 10 lac kg of tea per annum w.e.f. the season commencing March 2010. (2) The Company has entered into a MOU to acquire a company w.e.f. April 01, 2010 which owns and operates a tea factory near Makum, Tinsukia, Assam with annual production capacity of around 11 lacs kg. per annum. (3) The Company entered into a consortium agreement with a Rwandan tea company which has submitted its bid for acquisition of tea estates owned by OCIR-THE, Government of Rwanda producing around 41 lacs kgs. of tea per annum. The outcome of the bid is awaited. (4) The Company is in the process of acquisition of shares in its proposed wholly owned subsidiary Birla Holdings Limited, Dubai, which has been formed to explore opportunities for overseas acquisitions and investments.

Foseco India Ltd has informed the Exchange that the Board of Directors in its meeting held on January 20, 2010 has recommended a final dividend for the year 2009 of Rs.7/- which is subject to the approval of the shareholders in the AGM. Further the Board of Directors have decided to hold the Annual General Meeting on April 21, 2010.

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