Market Research Report

9th December, 2013
Weekly

Pawankumar Parmeshwarlal
Eminence in Unison

Nifty levels this week

Date	Open	High	Low	Close	% Change	Shares Traded	Turnover (Rs. Cr)
02-Dec-13	6171.15	6228.7	6171.15	6217.85	0.68	145948276	5294.15
03-Dec-13	6204.25	6225.4	6191.4	6201.85	-0.26	156852586	5474.29
04-Dec-13	6187.95	6209.15	6149.9	6160.95	-0.66	186169067	5561.95
05-Dec-13	6262.45	6300.55	6232	6241.1	1.30	186060466	7519.34
06-Dec-13	6234.4	6275.35	6230.75	6259.9	0.30	158539890	5692.11

Market trends:

Indian markets ended the first trading week of December on a positive trend as we have seen heavy buying in the markets due to positive supports from global and local cues. GDP data came as per the markets expectation was also the reason for the up movement of markets. Markets were jittery on Wednesday, however post the Opinion/Exit polls coming out in favour of BJP in 4 out of 5 states the markets cheered with a big gap up opening. And the markets witnessed a smart rally ahead of State Election results which to be declared on 8th December 2013. In the Exit poll the strong support for the main opposition party {BJP}, out of five states in four states the power of BJP will come. **Finally over the weekend the results are in line with what the exit polls predicted, i.e a thumping win for BJP in Rajasthan, Madhya Pradesh, a small victory in Chattisgarh, and a leading party in the crucial Delhi.**

Continued FII's buying has also supported Indian markets. FII's were buyers of 11.51 billion rupees worth of shares on Thursday, taking total inflows for the year to over Rs. 1 lakh crore.

India's economy grew 4.8 per cent in the three months ended September 30 as agriculture and factory output improved. The Indian rupee also staged a modest recovery during the week.

The HSBC Service Purchasing Manager Index (PMI) inched up to 47.2 in November from 47.1 in October. This was the fifth sub-50 reading in as many months. A reading below 50 shows contraction. Five of the six broad sectors covered by the survey recorded lower business activity, the exception being Post & Telecommunication.

The HSBC India Composite Output Index, which maps both services and manufacturing activity, grew to 48.5 in November from 47.5 in October, but remained below the 50-mark. It happened even as HSBC PMI for manufacturing climbed to 51.3 in November from 49.6 in October.

Pick-up in exports and decline in gold imports are likely to keep the country's Current Account Deficit lower during the rest of the fiscal as compared to the same period last year. India Ratings expects the CAD to be lower in the remaining quarters of the FY14 than the corresponding quarters in FY13 in view of a pick-up in exports and a significant drop in gold imports.

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On the macro front, the government will unveil industrial production data for October 2013 on Thursday, 12 December 2013. Index of industrial production (IIP) rose 2% in September 2013, showing increase in growth from 0.4% growth recorded in August 2013.

Our Expectations:

The Five State Election results have created hopes of a Modi led BJP Government to come to power at the Center in the 2014 General Elections. We expect the markets to cheer the assembly elections and scale new highs in the coming week, unless there is some negative global trigger. FED Tapering is one of the news flow which could be expected and that could create ripples across the markets globally.

Technically 5950 on the Nifty would now act as a very strong support level and could be a base for the next uptrend. We advise holding on to positions and buying selective stocks.

Weekly Top Gainers:

Company Name	High	Low	Last Price	Prv Close	Change	% Gain
Tata Power	89.9	83.5	88.4	83.5	4.9	5.87
NTPC	149.8	143.9	148.95	143.85	5.1	3.55
Coal India	293	279.35	289.55	279.95	9.6	3.43
Axis Bank	1,289.00	1,232.25	1,279.75	1,241.50	38.25	3.08
PNB	603	573.1	596.9	582.15	14.75	2.53
Hero Motocorp	2,118.00	2,059.00	2,095.10	2,050.50	44.6	2.18
Bank of Baroda	688.7	663.2	683.95	669.65	14.3	2.14
BPCL	365.6	357.6	364.3	358.35	5.95	1.66
HCL Tech	1,133.00	1,104.00	1,126.60	1,108.70	17.9	1.61
Grasim	2,742.00	2,670.00	2,728.30	2,696.85	31.45	1.17
Larsen	1,100.00	1,081.60	1,096.40	1,086.45	9.95	0.92

Weekly Top Losers:

Company Name	High	Low	Last Price	Prv Close	Change	% Loss
HDFC	829.5	810.05	813.75	827.45	-13.7	-1.66
Ranbaxy Labs	447.7	426.2	434.15	440.3	-6.15	-1.4
Hindalco	122.45	119	120.5	121.75	-1.25	-1.03
HUL	571.4	558.5	559.65	565.35	-5.7	-1.01
Bharti Airtel	336	331	332.4	335.35	-2.95	-0.88
HDFC Bank	689.6	678.25	682.7	688.1	-5.4	-0.78
Infosys	3,349.00	3,318.20	3,325.80	3,351.30	-25.5	-0.76
Kotak Mahindra	769	751.65	757.85	761.95	-4.1	-0.54
Reliance	874.65	861.2	866.7	871	-4.3	-0.49
Ambuja Cements	186.75	184	185.1	185.9	-0.8	-0.43
Jaiprakash Asso	55.55	54.1	55.25	55.35	-0.1	-0.18
IDFC	113.4	110.4	112.65	112.8	-0.15	-0.13

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FII's & DII's Trading Activity During the Week

	FII (Rs. Crore)			DII (Rs. Crore)		
Dates	**Gross Purchase**	**Gross Sales**	**Net Purchase/Sales**	**Gross Purchase**	**Gross Sales**	**Net Purchase/Sales**
06-Dec-13	3111.35	2247.58	863.77	946.59	1690.52	-743.93
05-Dec-13	3925.95	2774.44	1,151.51	1138.04	1812.06	-674.02
04-Dec-13	2340.77	2288.66	52.11	1034.55	1052.6	-18.05
03-Dec-13	2538.4	2021.81	516.59	883.29	1554.55	-671.26
02-Dec-13	2247.86	1456.89	790.97	692.3	1310.5	-618.2
Total	**14,164.33**	**10,789.38**	**3,374.95**	**4,694.77**	**7,420.23**	**-2,725.46**

Key Events for the Coming weeks

National Events

1. Manufacturing Production YoY on 12th December, 2013
2. Industrial Production YoY on 12th December, 2013
3. Indian CPI YoY 12th December, 2013 on 12th December, 2013
4. WPI Inflation Rate YoY on 16th December, 2013
5. RBI Interest Rate Decision on 18th December, 2013

Global Market

Canada posted its first trade surplus in almost two years in October, although analysts were quick to note that the surprise reversal after a string of 22 consecutive deficits did not signal a long-awaited turnaround in the export sector. The tiny $75 million surplus from a revised $303 million deficit in September was achieved primarily because of a 1.2 per cent decline in imports.

China's manufacturing sector expanded at a better-than expected rate in November, reinforcing signs of a pick-up in economic growth in the world's second-largest economy. However, the rate of expansion eased slightly from October. Index (PMI) dipped to 50.8 in November, beating the flash estimate of 50.4.

Australia saw a seasonally adjusted merchandise trade deficit of A$529 million in October. That missed forecasts for a shortfall of A$350 million following the upwardly revised deficit of A$271 million in September (originally called a deficit of 284 million).

Sales of all new vehicles by all automakers rose 8.9% from the year-ago November, and 3.1% from October. The number of Americans applying for unemployment benefits tumbled 23,000 last week to 298,000, nearly a six-year low that shows companies is lying off fewer workers.

The Bloomberg Consumer Comfort Index increased to minus 31.3 in the period ended Dec. 1, its highest since Oct. 6, from minus 33.7, almost erasing declines caused by the 16-day partial federal government shutdown in October.

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The US trade deficit narrowed in October as exports hit a record high, pointing to a pick-up in global demand that should help to support domestic growth in the fourth quarter.

Corporate News

M&M sales dip 18 pc in November:

Auto-maker Mahindra and Mahindra today reported a 18 per cent decline in sales at 39,255 units in November and said it does not see any immediate turnaround unless some concrete measures are taken to revive the industry.

Parle eyes 10% addl mkt share with Tom & Jerry cream biscuits:

Parle Products, which has test launched a range of milky cream biscuits embossed with popular cartoon characters Tom & Jerry, expects to corner an additional 10 per cent of this segment over the next 2 years.

Godrej Prop net debt falls by 22 pc to Rs 1,260 cr:

Realty firm Godrej Properties'' net debt has fallen by 22 per cent to Rs 1,260 crore during the second quarter of this fiscal, mainly with the help of funds raised through rights issue.

Reliance, OVL bid for oil blocks in Myanmar:

Reliance Industries has bid for three oil and gas blocks and ONGC Videsh Ltd for two in Myanmar''s maiden offshore licensing round.

SpiceJet allots 1.5 crore shares to promoter Maran:

Low-cost carrier SpiceJet today alloted 1.5 crore equity shares to its promoter Kalanithi Maran after an equal number of warrants worth Rs 54.27 crore were converted.

GM India sales down 14.14 pc in November:

General Motors India today reported 14.14 per cent decline in sales at 6,214 units in November 2013.

Infosys expands Sydney operations; to hire 85 people:

Even as Infosys trims its overseas headcount to reduce costs, country's 2nd largest software services firm said it has opened a new branch office in Sydney & will hire 85 people.

Maruti sales down 10.7 pc in November:

The country''s largest carmaker Maruti Suzuki India today reported 10.7 per cent decline in its total sales at 92,140 units in November as against 1,03,200 units in the same month last year.

Bharti-Airtel again dials overseas bond market:

Bharti Airtel today mopped up euro 750 million from an international bond sale as it readies for the spectrum auction next month, merchant bankers said.

India motor vehicle exports to EU to be hit from Jan:

India''s motor vehicle exports to Europe, including passenger cars, are likely to be hit badly from January next year when the European Union raises customs duty for import of vehicles from 6.5 per cent to 10 per cent, engineering exporters'' body EEPC India has said.

Coal India signs fuel supply pacts for 71,500 MW:

State-owned Coal India has signed fuel supply agreements (FSAs) for capacity of 71,500 MW, a top company official said.

L&T Construction gets Rs 1,471-cr order:

L&T construction today said it has secured various orders aggregating to Rs 1,471 crore since November with the majority coming from the power transmission and distribution segment.

ONGC to appeal against Gujarat High Court order:

State-owned Oil and Natural Gas Corp (ONGC) said it will appeal against the Gujarat High Court order asking it to pay up to Rs 10,000 crore in past royalty dues

Bharti-Airtel raises 750 mn euro in bonds:

Country''s largest mobile operator Bharti Airtel today said it has raised Euro 750 million (about Rs 6,350 crore) in the first such bond issue by an Indian corporate and received bids worth Euro 3.8 billion.

SEBI exempts Govt. from open offer for United Bank:

Capital market watchdog Sebi has exempted the central government from making an open offer to shareholders of United Bank of India pursuant to equity infusion that would hike its stake in the lender to nearly 88 per cent.

Ashok offers VRS to 500 senior officials:

Hinduja Group flagship company Ashok Leyland has offered Voluntary Retirement service for 500 senior officials as on November 30, a top official said today.

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Sebi seeks clarification on Great Eastern Energy's IPO:

Market regulator Sebi has sought clarifications from the merchant banker of Great Eastern Energy Corp, a coal-bed methane explorer, regarding the company''s proposed initial public offering (IPO).

Mirc Electronics shares jump on fund raising plans:

Stock of Mirc Electronics today jumped nearly 5 per cent after the company said it would raise funds of up to Rs 33 crore by issuing equity shares to existing shareholders.

Jet stock surges 4% on buzz Sebi may take up issue:

Shares of Jet Airways today rose by almost 4 per cent amid reports that market regulator Sebi may again take up the open offer issue in the company''s deal with Abu Dhabi-based airline Etihad.

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