

December 10, 2008

Domestic Indices	Chg%	(Pt)	(Close)
BSE Sensex	▲ 2.2%	197.4	9,163
Nifty	▲ 2.6%	69.6	2,784
MID CAP	▼ -0.3%	(7.9)	2,885
Small Cap	▲ 0.6%	19.7	3,343
BSE HC	▼ -0.1%	(2.0)	2,821
BSE PSU	▲ 1.6%	74.8	4,636
BANKEX	▲ 1.7%	80.4	4,788
AUTO	▲ 1.4%	32.2	2,280
METAL	▲ 3.0%	141.5	4,781
OIL & GAS	▲ 0.5%	26.3	5,522
BSE IT	▲ 1.2%	28.6	2,386

Global Indices

Dow Jones	▼ -2.7%	(242.9)	8,691
NASDAQ	▼ -1.6%	(24.4)	1,547
FTSE	▲ 1.9%	81.2	4,381
Nikkei	▲ 0.8%	66.8	8,396
Hang Seng	▼ -1.9%	(291.7)	14,753
Straits Times	-	-	1,756
Shanghai Com	▼ -2.5%	(53.0)	2,038

Indian ADRs

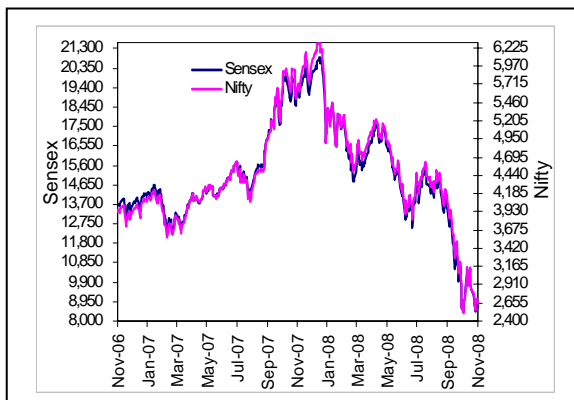
Infosys	▼ -3.7%	(1.0)	\$24.9
Wipro	▼ -1.2%	(0.1)	\$8.5
Satyam	▼ -1.6%	(0.2)	\$12.2
ICICI Bank	▼ -3.3%	(0.5)	\$15.7
HDFC Bank	▼ -4.4%	(2.8)	\$61.1

Advances / Declines

	BSE	NSE
Advances	1,393	706
Declines	1,018	478
Unchanged	80	52

Volumes (Rs cr)

BSE	3,243
NSE	9,419


Dealers Diary

After an initial surge triggered by the fiscal stimulus package by the government and rate cut by the central bank, both, announced over the weekend, the market soon cut gains as the fiscal stimulus package fell short of market expectation. The market firmed up again later in mid-afternoon trade, tracking higher US index futures and on a likely firm opening of European markets. However, in late trade, doubts as to how much stimulus the already stretched government budget will be able to finance, pulled the market sharply off the higher level. The BSE 30-share Sensex rose 2.2% while Nifty gained 2.6%. The BSE Mid Cap Index was down 0.3% whereas Small Cap Index was up 0.6%, underperforming the Sensex. Among the front liners DLF, Tata Steel, Bharti Airtel, HDFC and RCom gained 5-9% whereas M&M, Tata Motors and Satyam lost 0.3-1.6%. In the Midcap segment, ENIL, Puravankara Projects, EID Parry, Amtek Auto and Matrix Laboratories gained 7-17% whereas EIH, Kalpataru Power, Allied Digital, Motherson Sumi and Rolta India lost 7-9%.

Markets Today

The trend deciding level for the day is 9,230 / 2,787 NIFTY trades above this level during the first half-an-hour of trade then we may witness a further rally upto 9,365 / 2,859. However, if NIFTY trades below 9,230 / 2,787 for the first half-an-hour of trade then it may correct up to 9,028 / 2,712.

Indices	S 2	S 1	R 1	R 2
SENSEX	8,894	9,028	9,365	9,567
NIFTY	2,640	2,712	2,859	2,934

News Analysis

- Cement companies cut prices
- RCOM to buy back FCCBs
- McAfee ties up with Wipro Technologies
- Hero Honda and Bajaj announce rate cuts

Refer detailed News Analysis in following page

Net Inflows (December 5, 2008)

Rs cr	Purch	Sales	Net	MTD	YTD
Flls	1,182	1,131	51	(153)	(55,968)
MFs	215	410	(195)	(407)	13,210

FII Derivatives (December 8, 2008)

Rs cr	Purch	Sales	Net	Open Interest
Index Futures	601	862	261	6,127
Stock Futures	334	516	182	9,144

Gainers / Losers

Gainers			Losers		
Company	Price (Rs)	% chg	Company	Price (Rs)	% chg
DLF	221	8.7	Glenmark Pharma	282	-10.0
Amtek Auto	53	7.5	EIH Ltd	113	-9.2
Neyveli Lignite	56	7.5	Rolta India	134	-7.3
Tata Steel	196	7.2	GE Shipping	146	-4.7
Ambuja Cement	58	7.1	Essar Shipping	29	-4.4

Cement companies cut prices

Major cement manufacturers, including ACC, Ambuja Cements and Shree Cement announced price cuts by up to Rs7/bag in response to the government's move to reduce CENVAT by 4%. ACC cut the prices by up to Rs5/bag, while Ambuja Cements reduced by up to Rs6/bag at different places across the country. The companies, however, have not passed on the entire benefit of excise duty cut due to hike in railway freight by about 8%. The Indian Railways have increased the freight tariff by changing the classification for cement which is expected to push the prices of cement up by Rs1.5 to Rs2/bag. After factoring in the increased railway tariff, the price of cement is expected to go down by Rs4 to Rs6/bag. We believe that this is a Neutral step and will not impact the profitability of the companies. However, reduction in cement prices would help to support cement consumption, which has fallen to around 6-7% so far in FY2009 from 10-11%, during the same period last year. **We remain Neutral on cement sector.**

RCOM to buy back FCCBs

The Anil Ambani-promoted Reliance Communications (RCOM) is set to be the first company to buy back foreign currency convertible bonds (FCCBs) after the Reserve Bank of India (RBI) allowed premature buyback of such bonds through rupee resources as well. The company had issued zero-coupon FCCBs in February 2007 to raise US \$1bn. The bonds are now trading at a 35% discount to the issue price. At this price, RCOM has to spend US \$650mn. The RBI has allowed FCCB buybacks through rupee resources provided the amount of the buyback is limited to US \$50mn and the resources are drawn out of the company's internal accruals. The company has over Rs10,000cr in cash reserves (US \$2bn). This includes about US \$600mn worth of investments in mutual funds overseas. RCOM's move will help it reduce the liability and forex exposure. **We maintain a Buy on the stock.**

McAfee ties up with Wipro Technologies

Security solutions provider McAfee Inc has announced a global alliance with Wipro Technologies. Under the alliance, Wipro would resell McAfee's products globally and also be a managed security services partner. The market for managed security systems is estimated to be over US \$3bn and is growing at 15% annually. As part of the alliance, Wipro has set up a Centre of Excellence for McAfee to enhance the competencies of over 300 consultants a year across the McAfee product portfolio. In related news, Wipro Infotech, the India and Middle East IT business of Wipro, has launched the disaster recovery assurance service to achieve quicker through automated processes. **We maintain a Buy on the stock, however, with the caveat that in the short-term, given the worsening global business environment, medium-term stock performance is likely to be muted.**

Hero Honda and Bajaj announce rate cuts

Hero Honda and Bajaj Auto announced to cut rates of their vehicles following the government announcement of cutting Cenvat duty by 4%. While the reduction among Hero Honda products (motorcycles and scooters) will be in the range of Rs1,000-2,000, Bajaj Auto, has announced a cut of Rs2,100-4,400. This reduction is mainly to pass on the excise cost benefit to the customers, which in turn will help in boost up the depleting two wheeler sales. **We maintain Accumulate on Hero Honda and Buy on Bajaj Auto with a Target Price of Rs855 and Rs620 respectively.**

Economic/Political News

- Scope for another fuel price cut, says oil ministry
- FMCG cos turn the heat on retailers
- Debt funds suffer from single entity exposure: Crisil
- HFCs to set small-ticket loans at lower rates
- Fresh WTO talks proposals fail to convince govt

Corporate News

- HDFC Bank, Union Bank cut rates by 50bps and 75bps respectively
- SpiceJet overhauls top management
- Logan to get cheaper by Rs60,000
- OVL submits open offer to acquire Imperial

Source: Economic Times, Business Standard, Business Line, Financial Express

Events for the day

Sujana Universal Industries	Results
-----------------------------	---------



Angel Broking Limited

Research Team Tel: 4040 3800

E-mail: research@angeltrade.com

Website: www.angeltrade.com

DISCLAIMER: This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.

Opinion expressed is our current opinion as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true and are for general guidance only. While every effort is made to ensure the accuracy and completeness of information contained, the company takes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information as the basis for any claim, demand or cause of action.

Recipients of this material should rely on their own investigations and take their own professional advice. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions - futures, options and other derivatives as well as non-investment grade securities - involve substantial risks and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

We do not undertake to advise you as to any change of our views expressed in this document. While we would endeavor to update the information herein on a reasonable basis, Angel Broking, its subsidiaries and associated companies, their directors and employees are under no obligation to update or keep the information current. Also there may be regulatory, compliance, or other reasons that may prevent Angel Broking and affiliates from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.

Angel Broking Limited and affiliates, including the analyst who has issued this report, may, on the date of this report, and from time to time, have long or short positions in, and buy or sell the securities of the companies mentioned herein or engage in any other transaction involving such securities and earn brokerage or compensation or act as advisor or have other potential conflict of interest with respect to companies mentioned herein or inconsistent with any recommendation and related information and opinions.

Angel Broking Limited and affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.

Sebi Registration No : INB 010996539