

PRECARIOUSLY POISED

Markets traded with a negative bias in the week gone by and closed in red on weekly basis, breaking a 3 week winning streak. Benchmark indices, on all the five sessions of the week, could not cross previous sessions' high and broke previous session's low as shown in the chart below, clearly indicating dominance of bears. Nifty, in fact, briefly broke the last week's low of 5353 by touching an intraday low of 5349 on Friday and finally settled at 5367.6, down 1.5% week-on-week.

As you might remember, we had turned bullish on Nifty ever since the benchmark crossed the previous top of 5030 on 28th May, 2010, negating the bearish lower-top lower-bottom formation. Subsequently Nifty rallied smartly to touch a high of 5477 on 23rd July. Throughout this rally, the benchmark maintained the higher-top higher-bottom formation. But now, this bullish formation is under threat as Nifty, by touching an intraday low of 5349 on Friday, broke the previous bottom of 5353 as shown in the chart below. A sustained trading below 5353 will open up the possibility of the bigger retracement of the up move from the bottom of 4786 to the top of 5477. The 38.2%, 50% and 61.8% retracement of this up move are placed at 5213, 5131 and 5050 respectively. In light of this, market participants are advised to cut/hedge their long positions if Nifty breaks and sustains below Friday's low of 5349.



ECONOMY NEWS
The RBI has raised the rates as follows

Key Rate	Current	Previous
CRR (unchanged)	6.00 %	6.00 %
Repo (25 bps hike)	5.75%	5.50%
Reverse Repo (50 bps hike)	4.50%	4.00%

Policy Highlights:

On the growth front, based on the strong performance observed in the industry and services sector, the real GDP growth projection for the FY 2011 is revised to 8.5% from 8.0%, whereas on the inflation front, the benchmark WPI rate has been revised upwards to 6.0% from 5.5%. A close observation of the performance of monsoon in the South-West region, volatility in the global energy & commodity prices and the effect of domestic prices in a range of sectors as a result of the respective import-export scenario will determine the inflation outlook in the future.

CORPORATE NEWS
Maruti Suzuki skids in June, net profit down 20% to Rs. 465 crore

Country's largest passenger car maker Maruti Suzuki is heading for tougher times after posting a decline in net profit for the quarter ended June over the year ago period and the pressure on bottomline is expected to continue in the current fiscal due to increased local competition, declining exports and higher raw material costs. Maruti Suzuki's net profit shrunk 20% to Rs 465.36 crore for the three months to end June, declining the first time in last five quarters. Maruti officially preferred to remain silent on the issue but senior executives said that they expect the current fiscal to be difficult. Profits shrunk largely due to higher commodity prices that bloated its input costs bill almost 25% besides higher royalty payment to parent Suzuki Motor and drop in export income from Europe due to weakening of the Euro. Royalty payment to Japanese parent totaled Rs 188.7 crore including Rs 65.15 crore for the period December 16, 2009, to March 31, 2010. Its other income more than halved to Rs 100.2 crore for the quarter that took out the cushion from the earnings performance. The total income from operations, increased 26.78% to Rs 8,231.53 crore from Rs 6,493 crore in the year-ago period. Although car sales grew 23% to 242,887 units for the quarter, it was not enough and the company's market share fell below the 50% mark for the first time in its 26-year operations in India. During the quarter, Maruti's market share declined to 47.59% from over 55% in the local market.

Wipro Q1 net up 31% on outsourcing recovery

Wipro delivered a thumping verdict for recovery in the outsourcing sector with a robust growth forecast and better-than-expected earnings for the first quarter to end-June as spending of clients on technology began to swell. The country's third-biggest software services exporter said it expects revenues to rise between 4.1% and 6.1% in the next quarter on the back of increased spending by corporates that slashed budgets to the bone during the financial crisis. Net profit in the first quarter grew 31% to Rs 1,319 crore on revenues of Rs 7,236 crore. Bangalore-based Wipro joins larger rivals Tata Consultancy Services and Infosys in handing out an upbeat outlook for the outsourcing industry, helping to erase some of the anxieties gnawing at it, including a sliding euro and rising wages. The soap-to-lighting company's revenues from software services met expectations with a 14% rise to Rs 5,500 crore but the growth was softer than what TCS and Infosys reported earlier this month. Wipro's revenues from IT products shot up 13% while those from consumer care and lighting were up 23%. Wipro shares rose to Rs 433 before ending lower at Rs 412 on the Bombay Stock Exchange on Friday.

CORPORATE NEWS

RIL posts best Q1 nos.; Net jumps 32% to Rs. 4,851 crore

Reliance Industries (RIL) today reported the best-ever quarterly profit and revenue numbers with a 32.3 percent rise in profit and massive 85 per cent jump in revenues in the quarter to June, helped by robust performance of its refining and petrochemicals businesses. While the company saw its net profit touching Rs4,851 crore, which is a 32.32 rise over the year-ago period, its net turnover zoomed nearly 85 per cent to Rs58,950 crore in the reporting quarter. The Mukesh Ambani-led corporate giant saw robust gains in its earnings from oil and gas production and exploration business, helping it achieve its highest-ever quarterly net profit and revenue figures. The company has a net profit of Rs 3,666 crore in the June 2009 quarter, RIL said in a statement. The total income rose by 85 per cent to Rs 58,950 crore for reporting quarter from Rs 31,896 crore in the same quarter year-ago period. Excluding duties and taxes, turnover rose by 88.1 per cent to Rs61,007 crore, from Rs 32,441 crore in year-ago period. RIL said its strong financial growth was supported by rise in volumes as well as prices, while its exports more than doubled to Rs 32,849 crore, from Rs 16,145 crore. The net capex towards projects for the quarter was Rs 3,628 crore (\$781 million).

India to consider ONGC, IOC stake sales in FY11

India will consider selling stakes in explorer Oil and Natural Gas Corp and oil retailer Indian Oil Corp Ltd in the current fiscal year to end-March, Disinvestment Secretary Sumit Bose said on Tuesday. Bose said the government expects to meet the fiscal year 2010/11 target of raising 400 billion rupees (\$8.6 billion) from sales in government companies.

Reliance Mediaworks offers to buy majority stake in Inox Leisure

Reliance MediaWorks has offered to buy a majority stake in multiplex operator Inox Leisure in an attempt to end a prolonged tussle between the two companies over a smaller cinema chain. Two persons close to the development said the company, owned by billionaire Anil Ambani, has offered Rs 120 for every share to the owners of Inox, valuing the company at a little over Rs 740 crore. But the two sides were still talking about valuation and a final agreement had not been reached, the people close to the deal said. The owners of Inox — the Delhi-based Jain family who also own Gujarat Fluorochemicals — are holding out for a higher price, said to be around '140, they said. The Jain family owns just under 67% of Inox. Reliance MediaWorks and Inox have been battling each other for months over another multiplex operator, Fame. Both have offered to buy out minority shareholders, though the rival offers are yet to be cleared by the Securities and Exchange Board or Sebi, the regulator of capital market. Inox already owns 51% of Fame but Reliance MediaWorks has bitterly contested that acquisition on the ground that a higher bid from it was wrongly rejected. It has complained to Sebi about a transaction in which the promoters of Fame sold a 43.5% stake to Inox.

ONGC net drops 24% to Rs.3,661 crore

State-owned Oil and Natural Gas Corp (ONGC) on Thursday reported a 24.5 per cent fall in net profit, at Rs3,661.14 crore, for the quarter ended June 30, as its fuel subsidy payout jumped nearly 12-fold. The company had reported net profit of Rs 4,847.92 crore in the corresponding period last financial year. "We paid Rs5,515 crore towards fuel subsidies in the April-June quarter, against Rs 429 crore in the year-ago period," ONGC CMD R S Sharma said. Upstream firms like ONGC and OIL meet a third of their revenue by selling petrol, diesel, domestic LPG and PDS kerosene, below cost. They extend discounts on crude oil and LPG to Indian Oil, Bharat Petroleum and Hindustan Petroleum to subsidise fuel. The company paid Rs 11,554 crore fuel subsidy throughout 2009-10. ONGC sold crude oil at \$80.80 (Rs 3,760) a barrel, but its net realization after subsidy discount was \$48.04 (Rs 2,235) per barrel, Sharma said. But for the subsidy payout, net profit would have been higher by Rs 3,119 crore. Sharma said the coming quarters would be better as the company will be able to realise a higher price for gas.

SENSEX	
26-Jul-10	18,020.05
27-Jul-10	18,077.61
28-Jul-10	17,957.37
29-Jul-10	17,992.00
30-Jul-10	17,868.29

MARKET INDICATORS

Indices	30.07.10	23.07.10	Chg(Pts)	%Chg
NIFTY	5367.60	5449.10	-81.50	-1.50
SENSEX	17868.29	18130.98	-262.69	-1.45
BSEMIDCAP	7407.91	7433.24	-25.33	-0.34
BSESMLCAP	9348.97	9439.32	-90.35	-0.96
BSE-100	9556.67	9668.74	-112.07	-1.16
BSE-200	2281.63	2304.98	-23.35	-1.01
BSE-500	7205.22	7276.57	-71.35	-0.98
BSE IPO	2137.02	2131.44	5.58	0.26

SECTORAL INDICES

Indices	30.07.10	23.07.10	Chg(Pts)	%Chg
BSE CAP GOODS	14591.67	15331.18	-739.51	-4.82
BSE OIL&GAS	10166.13	10534.08	-367.95	-3.49
BSE REALTY	3372.93	3485.59	-112.66	-3.23
BSE POWER	3110.24	3167.45	-57.21	-1.81
BSE METAL	15399.81	15515.62	-115.81	-0.75
BSE HEALTH CARE	5597.19	5629.25	-32.06	-0.57
BSE TECK	3400.59	3419.34	-18.75	-0.55
BSE IT	5474.84	5473.39	1.45	0.03
BSE AUTO	8424.20	8413.35	10.85	0.13
BSE FMCG	3229.86	3216.46	13.40	0.42
BSE BANKEX	11539.55	11490.73	48.82	0.42
BSE CONS DURA	5294.49	5270.42	24.07	0.46
BSE PSU	9576.60	9526.51	50.09	0.53

Rs.Cr.

MF/FII-NET EQUITY FLOW		
	FII	MF
26-Jul-10	845.3	-549.8
27-Jul-10	472.5	-50.2
28-Jul-10	81.5	-578.1
29-Jul-10	653.3	-636.4
30-Jul-10	4438.4	NA

WEEKLY SENSEX GAINERS & LOSERS

Top Gainers			Top Losers		
Company	Price	Gain%	Company	Price	Loss%
M & M	661.50	5.50	MARUTI	1198.15	-11.79
HDFC BANK	2127.45	4.34	JP ASSO	118.25	-8.05
ITC	308.75	2.68	HERO HONDA	1815.40	-7.28
SUN PHARMA	1770.70	1.69	L & T	1797.10	-7.24
HINDALCO	160.30	1.46	DLF	301.30	-6.53

WEEKLY: A - GROUP GAINERS & LOSERS

Top Gainers			Top Losers		
Company	Price	Gain%	Company	Price	Loss%
MMTC	1741.65	16.06	EVEREST KANT	117.15	-13.00
IRB INFRA	292.85	12.50	MARUTISUZUKI	1198.15	-11.79
ORINTAL BANK	403.30	10.77	INDIAN BANK	224.35	-10.80
JET AIRWAYS	678.85	10.54	JP ASSO	118.25	-8.05
LIC H. FINAN	1136.45	9.78	INDIA INFO	90.90	-7.72

ADVANCE – DECLINE

BSE 30 Companies	
Positive	13
Negative	17
Unchanged	0
Total	30

A GROUP COMPANIES	
Positive	70
Negative	125
Unchanged	1
Total	196

WORLD INDICES

Index	30.07.10	23.07.10	Chg(Pts)	% Chg
NIFTY	5367.60	5449.10	-81.50	-1.50
SENSEX	17868.29	18130.98	-262.69	-1.45
DJIA	10465.94	10424.62	41.32	0.40
NASDAQ	2254.70	2269.47	-14.77	-0.65
FTSE	5258.02	5312.62	-54.60	-1.03
NIKKEI	9537.30	9430.96	106.34	1.13
BOVESPA	67515.40	66322.99	1192.41	1.80
SHANGHAI	2637.50	2572.03	65.47	2.55
KOSPI	1759.33	1758.06	1.27	0.07
HANG SENG	21029.81	20815.33	214.48	1.03
STRAITS TIMES	2987.70	2973.47	14.23	0.48

BSE 200 GROUP

Scripts	CMP _(RS)	Weekly % Chg
Gainers		
MMTC	1741.65	16.06
IRB INFRA	292.85	12.50
ORIENTAL BANK	403.30	10.77
LIC HOUSING	1136.45	9.78
BAJAJ AUTO	2688.05	8.87
Losers		
MARUTISUZUKI	1198.15	-11.79
TANLA SOLU	30.95	-10.94
INDIA BANK	224.35	-10.80
PATNI COMP	469.15	-9.35
JP ASSO	118.25	-8.05

US LISTINGS

Scripts	Close (\$)	Weekly % Chg
NYSE		
Dr Reddy	28.91	0.63
HDFC Bank	164.58	7.77
ICICI Bank	38.91	-1.04
MTNL	2.98	3.83
Patni	22.07	-8.31
Satyam	4.95	-1.20
SLT	15.11	0.00
Tata Motors	18.91	0.21
TCL	11.89	-2.78
WIPRO	13.60	2.41
NASDAQ		
Infosys	60.48	0.50

SUPPORT-RESISTANCE LEVELS FOR FORTHCOMING WEEK (Next Week)

Stock	Close	Pivot Avg.	Res.1	Res.2	Support-1	Support-2
A.C.C.	831.00	826.97	853.93	876.87	804.03	777.07
ABB LTD.	811.45	831.40	864.55	917.65	778.30	745.15
AMBUJACEM	117.80	118.10	121.70	125.60	114.20	110.60
AXISBANK	1343.45	1359.07	1381.13	1418.82	1321.38	1299.32
BHARAT PETRO	641.55	639.25	657.10	672.65	623.70	605.85
BHARTIARTL	306.80	312.10	319.10	331.40	299.80	292.80
BHEL	2437.90	2435.60	2481.20	2524.50	2392.30	2346.70
CAIRN	334.35	331.65	341.65	348.95	324.35	314.35
CIPLA	326.30	327.82	332.28	338.27	321.83	317.37
DLF	301.40	308.97	317.83	334.27	292.53	283.67
DR.REDDY	438.50	448.35	460.15	481.80	426.70	414.90
GAIL	1834.05	1841.58	1867.17	1900.28	1808.47	1782.88
GRASIM IND.	392.20	386.02	402.03	411.87	376.18	360.17
HCL TECHNOLO	2126.90	2099.35	2164.55	2202.20	2061.70	1996.50
HDFC BANK	1814.85	1856.78	1923.07	2031.28	1748.57	1682.28
HERO HONDA	160.35	159.45	163.80	167.25	156.00	151.65
HINDALCO	251.45	255.68	261.77	272.08	245.37	239.28
HINDUNILVR	2980.25	2960.67	3041.33	3102.42	2899.58	2818.92
HOUS DEV FIN	904.90	911.72	925.18	945.47	891.43	877.97
ICICI BANK	70.60	69.52	72.18	73.77	67.93	65.27
IDEA	185.95	188.38	193.07	200.18	181.27	176.58
INFOSYS TECH	2788.40	2796.13	2832.27	2876.13	2752.27	2716.13
ITC	308.75	306.87	313.78	318.82	301.83	294.92
LT EQ	622.45	625.47	640.93	659.42	606.98	591.52
MAH & MAH	118.10	121.90	126.00	133.90	114.00	109.90
MARUTI	1794.30	1845.37	1899.63	2004.97	1740.03	1685.77
NATION ALUMI	661.50	648.30	678.10	694.70	631.70	601.90
NTPC EQ	1198.60	1214.32	1301.78	1404.97	1111.13	1023.67
ONGC CORP.	198.75	200.42	202.83	206.92	196.33	193.92
PNB	1240.70	1246.80	1273.60	1306.50	1213.90	1187.10
POWERGRID	1070.45	1059.55	1088.80	1107.15	1041.20	1011.95
RANBAXY LAB.	100.40	100.92	102.08	103.77	99.23	98.07
RCOM	449.70	448.78	456.57	463.43	441.92	434.13
REL EQ	178.70	182.15	187.00	195.30	173.85	169.00
REL.CAPITAL	783.55	788.97	799.58	815.62	772.93	762.32
RELIANCE	1009.65	1030.18	1053.12	1096.58	986.72	963.78
RPL	1108.60	1123.95	1145.65	1182.70	1086.90	1065.20
SIEMENS	163.80	167.22	170.98	178.17	160.03	156.27
STATE BANK	699.45	709.47	724.48	749.52	684.43	669.42
STEEL AUTHOR	2502.90	2475.17	2549.73	2596.57	2428.33	2353.77
STER EQ	204.00	204.67	210.13	216.27	198.53	193.07
SUN PHARMA.	174.85	175.07	179.03	183.22	170.88	166.92
SUZLON	1768.60	1782.87	1825.73	1882.87	1725.73	1682.87
TATA POWER	56.50	57.68	59.17	61.83	55.02	53.53
TATA STEEL	1320.95	1323.75	1345.15	1369.35	1299.55	1278.15
TATACOMM	537.00	513.60	567.20	597.40	483.40	429.80
TATAMOTORSEQ	846.35	844.57	871.03	895.72	819.88	793.42
TCS EQ	839.80	844.87	854.73	869.67	829.93	820.07
UNITECH LTD	81.15	82.55	84.20	87.25	79.50	77.85
WIPRO	412.30	413.90	419.30	426.30	406.90	401.50

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