



Frontline equity indices took an astonishing U-turn from day's low in the noon deals to snap second consecutive session on a sanguine note. Mostly positive close of Asian stocks coupled with surprising positive India manufacturing PMI data mainly buoyed the sentiment of Indian equity markets. Manufacturers in India reported a further increase in new business received during January. The rate of expansion accelerated for a second month running, and was the fastest in eight months. The seasonally adjusted HSBC Purchasing Managers Index (PMI) a headline index designed to measure the overall health of the manufacturing sector registered 57.5 in January, up from 54.2 in December. The latest reading pointed to the strongest improvement in business conditions since May 2011. A better-than-expected Chinese manufacturing index for January, issued by a government federation, fueled an early rally in most markets across Asia. But that evaporated after the release later in the morning as unexpected growth in Chinese manufacturing stoked speculation the mainland may not ease lending curbs. However, bout of volatility witnessed in the trade was only for the benchmark indices to end on a positive note. Meanwhile, opening of the European market too offered impetus to the equity markets across the globe. European stocks rose for a second day as Greece approached a debt-swap agreement with its private creditors. US equity futures erased losses, while oil and copper advanced.

Back home, telecom stocks descended under intense selling pressure as the telecom ministry issued show-cause notices to five private operators including, Bharti Airtel, Vodafone and RCom, for under reporting revenues, as per a special audit report, for assessment years 2006 to 2008. Additionally, PSU OMCs fell after jet fuel prices were slashed by over 3% on an appreciating rupee, which made imports cheaper. The price of aviation turbine fuel (ATF), or jet fuel, in Delhi was cut by Rs 1,974 per kilolitre (kl), or 3.02%, to Rs 62,908 per kl with effect from midnight tonight. Conversely, three aviation shares rose after state-run oil marketing companies slashed jet fuel prices. However, the gains were suggestively led by index heavyweight-Reliance Industries - as the company's share buyback programme started from today, 1 February 2012. The company proposes to buy-back up to a maximum of twelve crore shares and a minimum of three crore shares. The last date for the buy-back is 19 January 2013.

The BSE 30-share Sensex was up 107 points or +0.62% at 17300 while NSE 50-share Nifty ended the day at 5236 up 37 points or +0.70%.

## Stocks Performance

**Auto Stocks:** Ashok Leyland (+4.2 %), Hero MotoCorp (+3.5%), M&M (+2.3%), Maruti (+2.2%)

Maruti Suzuki total sales rose 5.2% y-o-y to 1.15 lakh units in January 2012. Domestic sales rose 0.6% to 1.01 and exports jumped 54.3% to 14,386 units. M&M's total automotive sales rose 22% at 44,717 in January 2012. The company's domestic sales stood at 41,369 as against 34601 units, an increase of 20%. Exports jumped 95% at 3,348 units while the 4-wheeler commercial segment which includes the passenger and load categories registered a growth of 35% at 13,725 units.

## F&O Update

The benchmark Nifty gained 37 points. VIX stood at 22.9 increasing 1% from Tuesday's level. PCR (open interest) for Option series is at 1.28 with substantial increase in Put side and Call side open interest (OI). On put side Maximum OI is at 5000 strike while 5000 strike saw maximum addition in open interest today. We can expect 5000 Level to act as support in near term. February series Call side has maximum OI at 5300 with 5500 strike call saw maximum increase in OI today which indicate resistance at 5300. February Nifty futures closed at 35 points premium to the spot. Markets recovered after RBI cut CRR by 50bps, easing EU debt crisis, slowing inflation, policy action, Q3 earnings and rupee appreciation. The market is in intermediate uptrend. Sensex has moved above 16000 (200 week moving average) after taking support at crucial psychological levels of 15000.

### Top 3 Sensex Gainers:

Jindal Steel (+6.4%),  
Tata Power (+6.0%),  
Hindalco (+4.2%)

### Top 3 Sensex Losers:

Coal India (-2.6%),  
ICICI Bank (-1.5%),  
ONGC (-1.3%)

### Top 3 Sectoral Gainers:

METAL (+3.0%),  
CG (+2.3%),  
AUTO (+2.0%)

