

The Indian equity markets showed a resilient performance to continue their unabated run for yet another day. The benchmark indices got a gap-up start on the back of supporting global cues as the US markets surged overnight, while the Asian markets showed jubilation with the good manufacturing numbers across the globe. Though, the European debt crisis lingered but the better economic data from the world's largest economy boosted the morale of the investors across the globe. Back home, the domestic markets started adding strength to the tremendous comeback of last session supported by the initial gains in the capital goods, power and commodity stocks. Auto stocks too extended their gains as the car sales in the country accelerated for the third straight month in January, indicating that sales in the next fiscal year could be robust. Also, India's manufacturing sector activity surged to an eight-month high in January as factories stepped up production on increased demand according to HSBC Holdings Plc and Markit Economics.

The trade was going smooth, then during the mid morning the much talked about judgment of Supreme Court in the 2G scam case arrived. The apex court quashed the 122 licences granted by former telecom minister A Raja, holding that the scandal-tainted 2008 sale was conducted in "totally arbitrary and unconstitutional" manner. Though, Union Home Minister P Chidambaram got relief as the SC directed the trial court to examine his alleged role in the grant of spectrum. Licences held by five companies were cancelled in the verdict, while a fine of Rs 5 crore each on three telecom companies was imposed who offloaded their shares after getting the licences. Further, it was directed that the current licences will remain in place for four months, in which time the government should decide fresh norms for issuing licences. The markets shocked with the news slipped, touching the lowest point of the day but the jitters were short lived and the markets recovered in no time, though the banking stocks came under pressure due to the exposure to the telecom sector, at once the largest public sector lender SBI slumped over 5 percent but recovered as the management said that bank is not worried about the companies whose licences have been cancelled as they may bid again. On the other hand the verdict proved a blessing in disguise to some other telecom companies like Bharti Airtel and Idea who are likely to get benefited more largely on account of shift in subscriber base and cut in competition. There were some good earnings announcements that too supported the markets upmove. Finally the technology sector turned out to be the best performer, while by the end the defensive sector health care and FMCG turned out to be laggards of the day.

The BSE 30-share Sensex was up 131 points or +0.76% at 17432 while NSE 50-share Nifty ended the day at 5270 up 34 points or +0.65%.

## Stocks Performance

**Cement Stocks:** ACC (+5.0%), Ambuja Cement (+3.3%), India Cement (+4.5%)

Cement stocks rose after monthly dispatches data. Jaiprakash Associates cement dispatches rose 27% to 1.96 million tonnes in January 2012 over January 2011. ACC cement dispatches rose 8.78% to 2.23 million tonnes in January 2012 over January 2011. The stock hit a 52-week high of Rs 1239 today. ACC's cement production rose 9.22% to 2.25 million tonnes in January 2012. Ambuja Cements cement dispatches rose 3.8% to 1.91 million tonnes in January 2012.

## F&O Update

The benchmark Nifty gained 34 points. VIX stood at 23.7 increasing 3.5% from Wednesday's level. PCR (open interest) for Option series is at 1.34 with substantial increase in Put side and marginal increase in Call side open interest (OI). On put side Maximum OI is at 5000 strike while 5200 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 5700 strike call saw maximum increase in OI today which indicate resistance at 5300. February Nifty futures closed at 4 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:

Bharti Airtel (+6.9%),  
DLF (+4.1%),  
Sterlite (+3.9%)

### Top 3 Sensex Losers:

Cipla (-2.5%),  
ITC (-1.4%),  
Jindal Steel (-1.0%)

### Top 3 Sectoral Gainers:

TECK (+2.1%),  
IT (+1.5%),  
METAL (+1.4%)

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