



NIRMAL BANG
a relationship beyond broking

October 2010

Nirmal Bang Research Monthly Report

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Monthly Report – October 2010

ROAD AHEAD....

Market Outlook for October 2010:

We had seen market moving out of the range of 4800-5500 wherein it was trading for almost last 1 year. This was mainly driven by liquidity flow from FIIs. The gain seen in September was not limited to India but across various equity markets and even in some commodities as well.

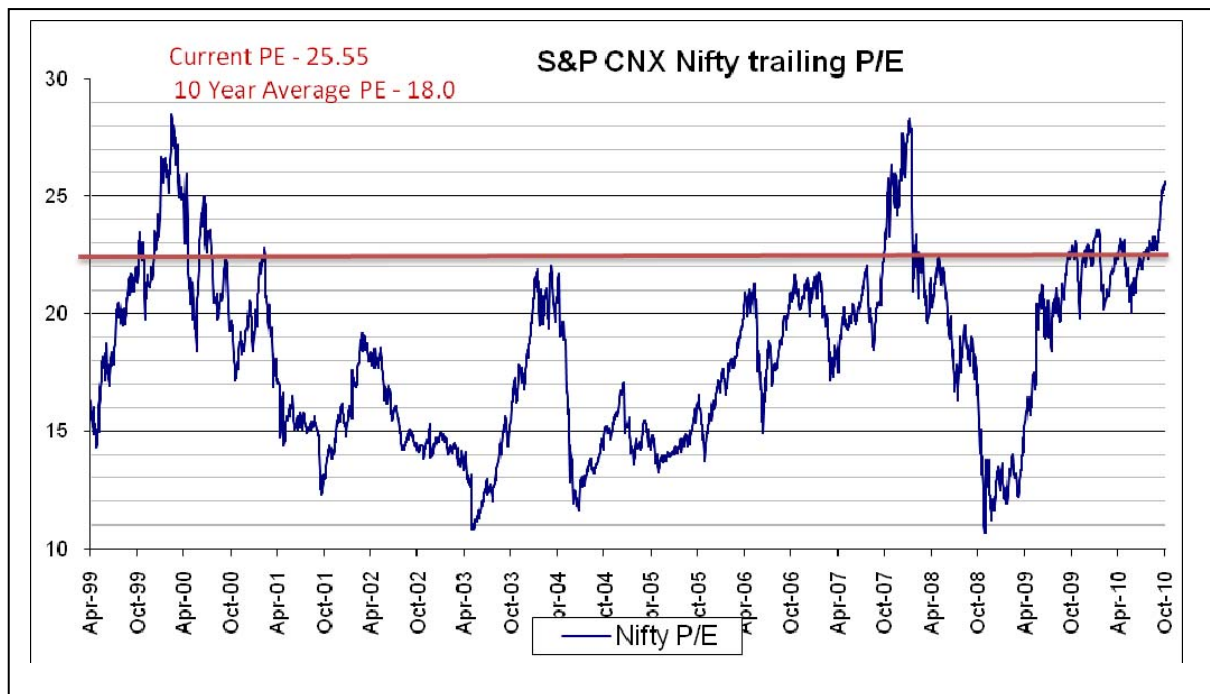
So it's not that Indian equity market is moving alone or India has de-coupled from other markets. In fact money has moved into riskier asset from non riskier assets like bonds.

This move has again taken valuation for toss and we heard from street that "market is driven by liquidity

When the markets are driven by liquidity the concern of bubble being formed emerges. Right now though the rally is driven by liquidity but other parameter to prove bubble, like over leveraging, retail participant, penny stocks movements etc are not visible. Apart from this September quarter results are expected to be good. As such we feel the momentum can still continue for some more time.

One needs to be very careful in these types of runaway rallies. We feel the fresh position can only be taken with short term view and that to with strict stop loss

Country	Index	31-Aug-10	6-Oct-10	Change
India	Sensex	17971	20408	13.6%
US	NASDAQ	2114	2400	13.5%
UK	FTSE 100 Index	5225	5636	7.9%
Germany	CAC 40 Index	3491	3732	6.9%
Indonesia	Jakarta Composite	3082	3591	16.5%
Philippine	PSEI - Philippine SE IDX	3566	4172	17.0%
Sri Lanka	Colombo All sh	5658	6991	23.6%
Aluminum(\$/MT)		2058	2380	15.6%
Silver (\$/Ounce)		19.42	22.93	18.1%
Oil (\$/bbl)		71.92	82.53	14.8%



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Sectoral Overview

During the month of October 2010, we believe that the following sectors could outperform Sensex.

Metals:- We expect steel companies to perform going forward as the international steel prices are moving northward leading the domestic companies to increase their prices by Rs. 1200-1500 per ton. We expect steel prices to gradually move upwards on account of reduction in production and export from China which is healthy for global steel prices. Also demand from construction sector will pick up momentum due to the end of rainy season. Steel companies will also experience increase in demand from Auto and White Goods sector due to the festive season coming. NMDC has reduced the iron ore prices by 5% for the domestic companies, which will further boost up the operating margins for the company.

Real Estate:- We expect realty sector to witness uptrend in October 2010 on account of higher sales due to festive season. Also real estate companies are expected to report strong quarterly numbers during the month.

Upcoming Reports

Transport Corporation of India (TCI)

TCI is India's leading integrated supply chain and logistics solutions provider and a pioneer in the sphere of cargo transportation. TCI handles over 4 million tons of cargo annually. It operates a mammoth fleet of over 3000 trucks moving 15000 consignments daily. Company's top-line has witnessed strong growth and going forward the company expects a robust top-line growth from some segments like TCI Seaways and TCI Supply Chain Solutions. Moreover, the de-merger of Real estate and Warehouse division to form new entity 'TCI Developers' is expected to create value for the company in the long term. (CMP Rs. 144)

Titagarh Wagons (TWL)

TWL is one of the leading private sector wagon manufacturers in India. It also caters to the Defense products for Ministry of Defense. Company has recently acquired France based AFR, which has given TWL an additional capacity of 5,000 wagons. The Acquisition has given ready access to European & African Regions. (CMP 485)

Commodity

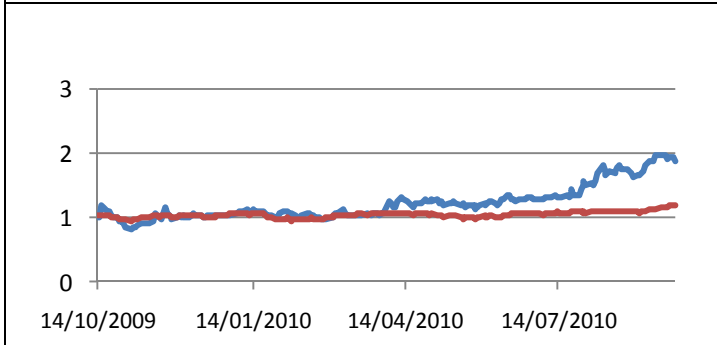
Commodities have remained robust during last month not because of fundamentals but because of collapse in US dollar. Dollar Index has remained and continues to remain weak, boosting prices of commodities denominated in dollar. US Federal Reserve's hint of further quantitative easing has triggered upside in all risky asset classes. Excess money seems to be chasing commodities and we expect this hot money to remain in commodities until we get any trigger that US will not do quantitative easing. Gold, Silver have remained strong and likely to continue their upward journey mainly on account of currency war going amongst developed nations. Crude oil caught up with other commodities and supply concerns coupled with weak dollar can take oil to \$85/barrel.

Currency

The Indian rupee emerged as the best performer among the Asian currencies in September boosted by robust portfolio investments and tracking broad losses in the dollar versus major currencies overseas. The partially convertible rupee settled at 44.47/48 per dollar after hitting 44.46, its strongest since April 30. Robust foreign fund inflows coupled with strong auto sales drove Indian shares to 33-month highs on Friday. Net equity inflows in 2010 now stand at a record \$19.2 billion, above last year's \$17.5 billion. Going forward, we expect rupee to test the level of 44.00 against the US dollar. However, there could be some importers and corporate covering in between but the overall bias is on the downside in USDINR pair. On the other hand, India's current account deficit widened in the June quarter from the previous three months due to higher merchandise trade gap and lower earnings through services which is likely to limit the strength in the rupee in the medium term.

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Recommendation	BUY		
CMP (06/09/2010)	Rs. 121		
Sector	Auto Ancillary		
Stock Details			
BSE Code	522241		
NSE Code	MMFL		
Bloomberg Code	MMFG IN		
Market Cap (Rs. cr)	139.88		
Free Float (%)	39.6%		
52- wk HI/Lo	128.0/50.5		
Avg. volume BSE/ NSE (Monthly)	33,581		
Face Value	Rs.10		
Dividend payout (FY 2010/09)	15%		
Shares o/s (Cr)	1.21		
Relative Performance	1Mth	3Mth	1Yr
MM Forgings	3.7%	48.5%	96.1%
Sensex	9.5%	15.3%	19.8%



Shareholding Pattern as of 30/06/2010	
Promoters Holding	60.99%
Institutional (Incl. FII)	12.01%
Corporate Bodies	2.55%
Public & others	24.45%
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Snapshot

MM Forgings (MMFL) was incorporated in 1946 as Madras Motors Limited as dealers of the Royal Enfield. MMFL forayed into the forging business with a forge shop in Singampunari, Tamil Nadu in 1974 with a capacity of 780 MT per annum. By mid eighties, company's forging business expanded steadily and capacity reached 3000 MT per Annum. Since then MMFL has grown its capacity by leaps and bounce. MMFL closed its dealership business in year 1990 to focus in forging business. In year 1991, the company launched a new state of the art forging facility at Viralmalai, Tamilnadu with a capacity of 3000 MT per annum.

Company renamed itself as "MM Forgings Limited" in year 1993. MM as Madras Motors stands to show the company's roots. In year 1994, MMFL had a major capacity addition at Viralmalai plant (Plant 2) to 12000 MT per annum with funding from the initial public offering and financial participation from major financial institutions. The company also got certified to ISO 9002:1994 in the same year by NQA, UK.

MM Forgings derives approximately 50-60% of its total revenues from the export markets primarily catering to the automotive space. With the economic environment improving globally, the company is expected to improve its operational efficiency. We expect the company to operate at a utilization rate of 75% of FY11 & at 86% for FY12.

Valuation & Recommendation

We expect MMFL's sales to grow at a CAGR of 32% over a next two years whereas net profit is expected to grow at a higher CAGR of 53% during the same period, on account better utilization of capacity. We expect the company to earn an EPS of Rs. 18.07 in FY 2011 and Rs. 19.97 in FY 2012. At the CMP of Rs. 115 per share, MMFL is currently trading at a PE of 6.40x FY11E and 5.79x FY12E EPS and looks very attractive. The company has historically traded in the range of 6-10 except during the financial turmoil. Therefore, we believe that MMFL should be valued on a PE multiple of 9.0x. Based on our EPS of Rs. 18 for FY 2011 and a target multiple of 9.0x we arrive at target of Rs. 163. Consequently, we recommend a BUY rating on the stock with a target price of Rs. 163, indicating a potential upside of 35%.

Year	Net Sales (RS. Crs)	Growth %	EBITDA (Rs. Crs)	Margin %	PAT (Rs. Crs)	Margin %	EPS (Rs.)	P/E (x)	P/BV (x)
FY 2009	206.81	8.3%	31.74	15.3%	10.17	4.9%	8.40	14.41	1.54
FY 2010	158.44	-23.4%	22.46	14.2%	10.42	6.6%	8.61	14.07	1.41
FY 2011E	237.50	49.9%	43.88	18.5%	21.87	9.2%	18.07	6.70	1.19
FY 2012E	275.86	16.2%	51.65	18.7%	24.16	8.8%	19.97	6.06	1.02

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FLASH BACK....

Market Analysis

The market continued its upward trend in the month of September 2010 as well. The indices began the month on a firm note and keep touching new highs throughout the month. Sensex appreciated 11.6% in the month of September 2010 as it got support from recovery in the global markets after the fears of double dip recession eased out. It outperformed Mid Cap and Small Cap index in the month after being outperformed by the Mid Cap Index for last three month prior to September 2010. The Midcap Index gained 6.45% in the month while the Small Cap index grew around 7.4% during the same period.

Index PE	30-Sept	31-Aug	Year Low	Year High
SENSEX P/E	23.80	21.44	19.09	23.93
NIFTY P/E	25.46	22.73	19.81	25.48

International Markets

Markets across the world performed splendidly during the month amid speculation that the world's largest economy "US" will slip back into recession. Dow and Nasdaq were up by 7.72% and 12.04% respectively on back of better than expected economic numbers. US economy grew at a 1.7% in the second quarter against 1.6% previously estimated and Initial jobless claim also decreased. The economic data of US has lead to surge in Asian markets. Taiwan and Hang seng closed up by 7.77% and 8.65%.

The intervention in the foreign exchange market by the Japanese government has helped to soothe fears about a further advance in the yen. The government stance towards easing policy has led the Nikkei to close up by 6.58%.

World Markets	30-Sept	31-Aug	Var(%)
Dow	10,788.1	10,014.7	7.72%
Nasdaq	2,368.6	2,114.0	12.04%
FTSE	5,548.6	5,225.2	6.19%
Nikkei	9,453.1	8,869.7	6.58%
Hang Seng	22,358.2	20,578.4	8.65%
Straits Singapore	3,104.7	2,970.0	4.54%
South Korea	1,880.6	1,759.5	6.88%
Taiwan	8,242.8	7,648.6	7.77%
Mexico Bolsa	33,330.3	31,679.9	5.21%
Brasil Bovespa	69,429.8	65,145.4	6.58%

Fund Activity

FII's were net buyers for the month of Sept with Rs. 23612 Crs. driving the markets. While the DII's continued to be net sellers for Sept month and sold stocks to the tune of Rs. (12921) Crs.

FII (BSE + NSE) (Rs in Crs)			
Month	BUY	SELL	NET
Jun-10	51878	44164	7714
Jul-10	53449	45129	8321
Aug-10	59760	52499	7261
Sep-10	78498	54886	23612
Total	243585	196677	46908
DII (BSE + NSE) (Rs in Crs)			
Month	BUY	SELL	NET
Jun-10	23549	28326	(4777)
Jul-10	25349	31672	(6323)
Aug-10	26294	30808	(4514)
Sep-10	25011	37931	(12921)
Total	100203	128738	(28535)

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Sector Analysis

Banking

Banking sector took cues from strong IIP numbers and improved outlook for India's GDP. Increase in Capital expenditure from corporate has increased the credit demand visibility for the banks resulting in upsurge of stock prices

Metals

All steel companies have increased the prices of their products by Rs 1500-2000/T. Also demand from auto as well as white goods sector will give a push to the sales of companies due to the festive season coming. Raw material prices have also stabilized at current levels helping companies in maintaining their operating margins.

Realty

Being festive season around the corner, companies are expecting uptick in sales. On back of that real estate companies are expected to report better revenues in coming month.

IT: Concerns about double dip recession in matured markets have been put to rest providing better earnings visibility for the IT companies.

Capital Goods: Positive signals from IIP, GDP and credit growth indicated strong demand in industrial capex thus pushing the capital goods sector as whole.

Currency Fluctuations

The Indian rupee emerged as the best performer among the Asian currencies in September boosted by robust portfolio investments and tracking broad losses in the dollar versus major currencies overseas. The rupee made a high of 44.25 against the US dollar. Net equity inflows in 2010 now stand at a record \$19.2 billion, above last year's \$17.5 billion. India's August trade deficit widened to a 23-month high and the trade secretary raised his projection for the full-year figure, but said the bulging deficit was not yet a problem and could be finance

Currency Exchange Rate	30-Sept	31-Aug	Var(%)
Rs./ \$ rate	44.94	47.06	(0.05)
Rs./ Euro	61.29	59.52	0.03
Rs./ Chinese Yuan	6.70	6.89	(0.03)
Yen / \$ rate	83.52	84.41	(0.01)
\$ US/Euro	1.37	1.27	0.08

BSE Index Watch	30-Sept	31-Aug	Var(%)
NIFTY	6,030	5,402	11.62%
SENSEX	20,069	17,971	11.67%
MIDCAP	8,084	7,597	6.41%
SMLCAP	10,246	9,541	7.39%
AUTO	9,528	8,814	8.10%
BANKEX	14,025	12,191	15.05%
Capital Goods	15,995	14,525	10.13%
FMCG	3,720	3,385	9.88%
Health Care	5,996	5,544	8.15%
IT	5,947	5,376	10.63%
METAL	16,865	14,978	12.60%
Oil & Gas	10,447	9,921	5.31%
Power	3,235	3,033	6.66%
Realty	3,727	3,332	11.86%

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BSE 500 Review

Gainers

Shree Ashtavinayak Cine Vision

Boosted by the success of the latest Salman Khan starrer movie 'Dabang', the stock of Shree Ashtavinayak Cine Vision gained 75.53% during the month of September 2010.

Shree Renuka Sugar

Shree Renuka Sugar climbed 37.96% during the month. The stock prices climbed due to a rally in global sugar prices on the back of lower than expected production from Brazil, world's largest producer and exporter of sugar, due to adverse weather conditions.

Info Edge (India) Ltd

The company's share prices rose by 36.92% during the month. It was on the back of increased hiring estimates by Indian corporate. The company's job portal Naukri.com enables it to benefit from strong hiring sentiments.

Wockhardt

Wockhardt's share prices surged by 34.27% during the month. The stock price climbed on the back of the company receiving its shareholder approval for preferential issue of upto 40 crore convertible/non-convertible redeemable preference shares of Rs. 5 each. This paves the way for its corporate debt restructuring.

BASF India

BASF India Ltd share prices rose 32.14% during the month of September 2010. The share prices climbed after its board approved the merger of BASF Coatings, BASF Construction Chemicals and BASF Polyurethanes India with BASF India.

Gainers	30-Sept	31-Aug	Var(%)
Sh.Ashtavinayak	33.35	19.00	75.53%
Sh.Renuka Sugar	87.95	63.75	37.96%
Info Edg. (India)	702.15	512.83	36.92%
Wockhardt	294.45	219.30	34.27%
BASF India	669.05	506.30	32.14%

Losers

Koutons Retail

The company's share prices fell by 43.41% during the month. The prices plunged after credit rating agency ICRA suspended Koutons' LB+/A4 ratings assigned to Rs. 300-crore fund based facilities of the retailer.

Shree Global Tradefin Ltd

The share prices declined by 32.31% during the month.

Financial Technologies

Financial Technologies share prices declined by 14.95% during the month. The stock prices took a hit after SEBI rejected the plea of MCX Stock Exchange Ltd (MCX-SX), promoted by Financial Technologies, for full-fledged bourse status.

Pipavav Shipyard

The company's share prices declined by 11.27% during September 2010. Share prices declined in expectation of selling pressure from lock in share holders, which are getting free in October month.

Noida Toll bridge

The company's stock prices fell by 10.23% during the month. The stock prices were declaration of lower than expected dividend.

Losers	30-Sept	31-Aug	Var(%)
Koutons Retail	172.70	305.20	-43.41%
Sh.Global Tradefin	208.15	307.50	-32.31%
Financial Tech.	1154.25	1357.20	-14.95%
Pipavav Shipyard	94.45	106.45	-11.27%
Noida Tollbridge	31.60	35.20	-10.23%

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Economic Activity for the month of August 2010

The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of July 2010 stood at 192.6, 360.1, and 244.1 respectively, with the corresponding growth rates of 9.7%, 15% and 3.7% as compared to July 2009. The cumulative growth during April-July' 2010-11 over the corresponding period of 2009-10 in the three sectors have been 10%, 12.2% and 5.2% respectively, which moved the overall growth in the General Index to 11.4%.

The WPI inflation as per the new index with the base year of 2004-05 stood at 8.51% for the month of August. It stood at 9.50% as per the old index. Food inflation accelerated to 15.46% for the week ended September 11th from 15.10% for the week ended September 4th.

India's fiscal deficit during April-August 2010 was Rs.1,51,425 crore and represented a decline of 16.93% over the fiscal deficit of Rs.1,82,290 crores in April-August 2009. The fiscal deficit during accounted for 39.70% of the budgeted estimates of Rs.3,81,408 crore for 2010-11. India's exports grew by 22.50% to US\$16.64 billion during August 2010 as against US\$13.59 billion in August 2009. Imports grew by 32.20% to US\$29.68 billion as against US\$22.45 billion in August 2009. Trade deficit during April-August 2010 stood at US\$56.62 billion as against US\$40.28 billion in April-August 2009.

Corporate tax collections declined 8% in August 2010, to Rs 6,123 crore (Rs 6,654 crore). However, the personal income-tax collections (including Securities Transaction Tax, residual Banking Cash Transaction Tax and Fringe Benefit Tax) grew 14.76% to Rs 8,277 crore (Rs 7,212 crore). In the five months till August, the government raised RS 100,112 crore from direct taxes, up 14% from the corresponding period a year ago. Tax collections could beat budget estimates of Rs 746,000 crore for 2010-11. India's holding of US Treasury Securities at the end of July 2010 stood at \$39.4 billion vis-à-vis \$36.4 billion at the end of June 2010.

Highlights of the Mid-Quarter Monetary Policy Review:
The Reserve Bank of India (RBI) increased repo and reverse repo rates by 25 and 50 basis point respectively to 6% and 5.0% respectively with immediate effect. Meanwhile SLR, CRR and bank rate have been left unchanged.

As per RBI the expected outcomes of the actions are:

- Inflation will be contained without disrupting growth.
- Volatility in overnight call money rate would be reduced.
- To continue the process of normalization of the monetary policy instruments.

International Economy

The Federal Open Market Committee while maintaining the target range for the federal funds rate at 0.00-0.25% signaled its willingness to ease monetary policy further, adding that too-low inflation, in addition to sluggish growth, would warrant taking action. Fed Chairman Ben Bernanke said that the damage from the financial crisis has left the US economy growing at a slower pace than the policy makers want even as the central bank's more than \$1 trillion in bond purchases have reduced interest rates. Bank of Japan officials flagged rising risks to the nation's growth as the yen climbed in the aftermath of the U.S. Fed Reserve signaling willingness to consider more monetary stimulus. Japan intervened in the foreign exchange market for the first time since 2004 after a surge in the yen to the strongest against the dollar in 15 years threatened to stunt the nation's economic recovery. FDI in China rose 1.4% in August from a year earlier to \$7.6 billion. Consumer prices jumped 3.5% from a year earlier in August. The China's purchasing managers' index rose to 51.7 in August from 51.2 in July. China's GDP grew at 10.3% in second quarter, however lower than the rate of 11.9% in January to March. The ADB raised its 2010 economic growth forecast for Asia excluding Japan to 8.2% from 7.5% estimated in April and said governments should sustain the expansion by refraining from tightening fiscal and monetary policies too quickly. Moody's downgraded Spain's local and foreign currency government bond rating one notch from Aaa to Aa1 citing the nation's "weak" economic outlook.

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Technical View

Road ahead Oct' 2010

The Oct series opened at 64,208 cr. as against 63,436 cr. last month, wherein the Nifty future was 21,711 cr. and Stock futures were 42,497 cr. The positive global sentiment and the FII liquidity have driven the Indian market to a new calendar high. Going forward from the current levels of Nifty @ 6,150 we see that Indian markets are technically well shaped from a medium to long term perspective but from a very short term view we believe that markets have entered into extremely overbought zone as the RSI on the daily chart is at 80 and on the weekly chart is at 77 which signifies that markets could take a pause going forward. The trend is very strong and buying is seen mainly in the large caps and quality stocks which signify that the downtrend from current levels is limited to the extent of 5,885 and any sharp decline should be used as a buying opportunity.

The trend is continuously up but there is no kind of great optimism or euphoria seen in the streets. This 16% move on the Index have been clearly of the Institution play and the retails have largely left-out as the broader indices have not shown great significant move. On the F&O front, the Oct series is trading with heavy premiums stating that still lot of shots are there in the system to be covered.

The PCR is at 1.36 which also signifies that markets are not yet overbought or there is not much leveraged position seen and hence chances of market rallying further is very high. On the option series we are seeing huge addition on the 6,100 & 6,000 Put series which is providing huge support at lower levels.

India's medium term outlook remains promising and from here on markets will continue to take cues from global markets and also keep a close track on the FIIs fund flows and the major trigger will be the result season. From a trading perspective it seems that we are in the last leg of this spectacular rally and one should be very cautious while taking position in the market. The current trend is positive and major breakdown could be seen in the Nifty only below 5,885, so any decline is a buying opportunity. Going forward chances are that nifty could hit 6,350.

For the Oct series we believe that profit booking around

6,250 - 6,300 levels cannot be ruled out at higher levels and hence remain very stock specific and work with strict stop losses on all positions. Traders should look forward to buy into quality mid-cap stocks which are trading slightly above their support levels and with higher volumes as the nifty could consolidate after a huge non-stop rally. The 5-DMA (6,096) could act as an important support for the market in the near term and a break of this moving average could create slight weakness in the ongoing trend. And from a trading perspective stop-loss of 6,070 can be placed for the Nifty and ride the uptrend.

Flashback Sept' 2010

The Sept series opened at 63,436 cr. as against 56,326 cr. last month, wherein the Nifty future was 21,075 cr. and Stock futures were 42,361 cr. The first week of the Sept series showed great weakness due to global uncertainty and after a long time of consolidation, Nifty on 31st Aug closed near to its 50-DMA creating a big concern of a downtrend happening.

But on 31st Aug we saw the US markets recovering from their lows and ending positive giving boost to Indian markets which rallied very strong on 01st Sept to close at 5,470. So Indian markets managed to hold its 50-DMA and started moving strongly. India's medium term outlook was promising amid gloomy world outlook as the Indian markets have not made a lower bottom even after some much negativity. On the long term chart nifty was continuously making a higher top which was indeed a very big positive indication from a long term view.

From the first week of Sept Indian markets continued to make a new high of 6,073 on 27th Sept, showing huge optimistic moves on strong FIIs liquidity flows. During the Sept series we have seen buying across all sectors. Banks, Pharma, FMCG, Real estate, Sugar & Cement counters have shown tremendous buying throughout the series.

Bank stocks have been an outperformer while Reliance Industries along with the ADAG group continued to

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have also shown a decent rally from the start of Sept'10, like the Dow Jones rallied (7%), Nasdaq (14.70%), S&P 500 (10%), Hang Seng (10.50%), Nikkei (7%), Shanghai Comp index which is still trading flat and not participated with the global rally and the FTSE up (8%) has given spectacular rally. So technically speaking the global and Indian markets are currently looking positive and chances are that Indian markets could continue to head further in the medium term if the global markets continue to remain firm. For the September month the FIIs have remained institutions were net sellers of Rs. 12,920 cr. For the Sept series Spot

remain under pressure even after 16.25% move seen on the Nifty from the start of Sept'10. The global indices

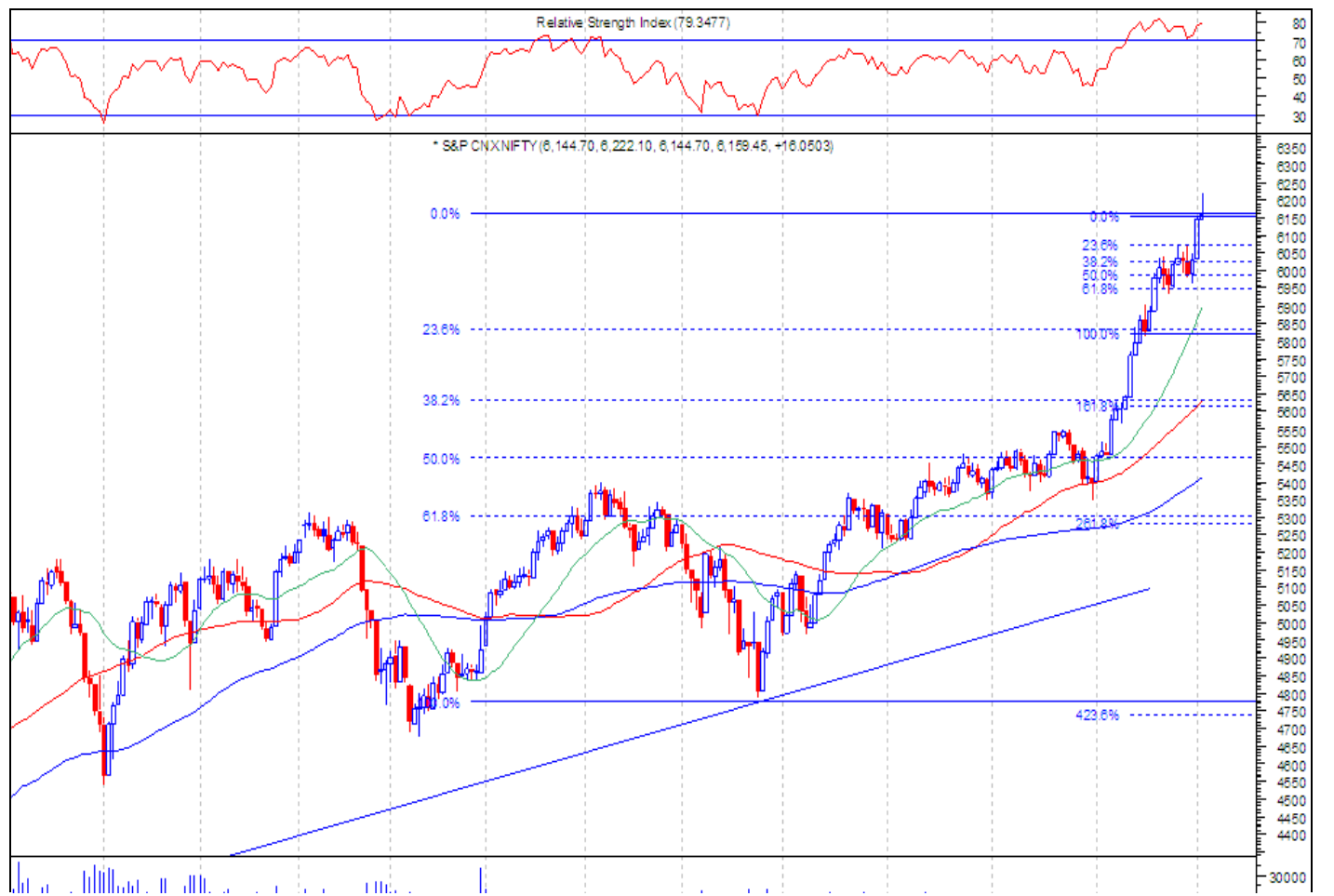
Nifty was up 552 points or 10.1%. the foreign institutions were net buyers of Rs.7,261 cr. and the domestic players were sellers of Rs. 4,514 cr.

Stock Idea:

BGR Energy, Century Textile, IDBI, IRB Infra, JSW Energy, Punj Lloyd, Man Infra, Reliance Industries, Reliance Capital, Surya Pharma, Tata Elxsi and EKC can be considered as a strong buy on corrective phase from an investment perspective.

Nifty Daily Chart:

As shown below on the weekly chart nifty is well trading above all its trend line point and chances are that it could rally further up to 6,350 in the near term. The RSI is extremely in the overbought zone and chances are that markets could correct or consolidate from here onwards. Major fall seen only if trades below 6,070 - 6,040 till then markets continue to remain positive and any sharp decline is a buying opportunity



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Commodity View

Commodity Market Overview

Precious prices made fresh highs on Indian and international bourses. Fresh round of further Quantitative Easing (QE2) by major developed nations like Japan and US led to a weakness in the US dollar thus, increasing fresh buying interest in bullions. Silver was an outperformer with prices touching Rs. 35000/Kg in physical markets.

Base metals prices too were supported by the weakness in the dollar to a great extent. Fresh round of Quantitative easing have raised the growth expectations in major consuming areas. Also, robust PMI numbers from China and US supported the prices of base metals. Fresh supply concerns have helped copper reach above \$8000 and Nickel above \$25000 on LME.

Crude oil prices were seemed to be not over-reacting to the weakness in the US dollar. High level of inventory in major ports has kept a check on the upside in crude oil prices.

Top Gainers in August

Commodity	Aug10 close	Sep10 close	% Growth
Mentha Oil	784.9	874.7	11.44
Silver	13084	13656	4.37
Gold	4593	4754	3.50
Zinc	2236	2289	2.37
Copper	2021	2064	2.12

Top Losers in August

Commodity	Aug 10 close	Sep10 close	% Fall
Natural Gas	1379.6	1070.5	-22.41
Gaur Gum	19896	18881	-5.10
Gaur Seed	182.2	174.1	-4.44
Jeera	2031.5	2018.5	-0.63
Turmeric	1233.8	1233.2	-0.04

Mentha Oil:-



Observations:

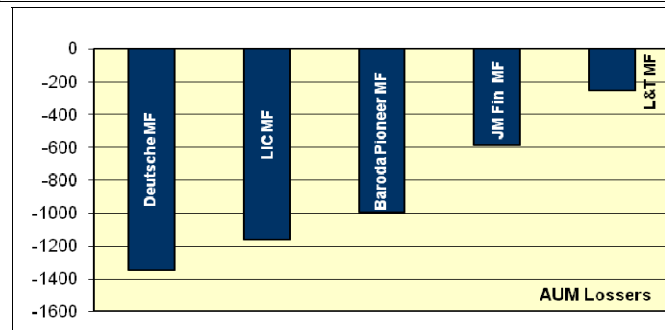
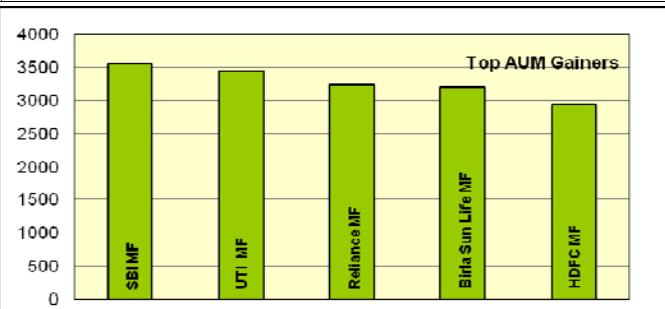
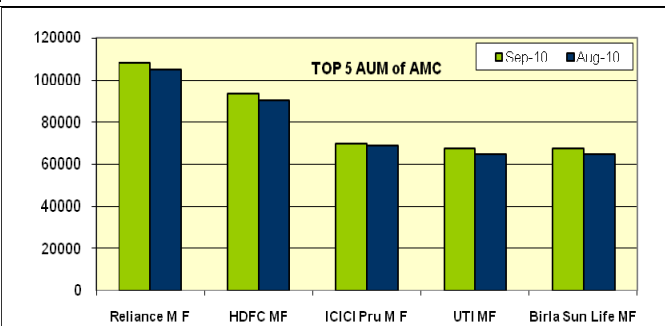
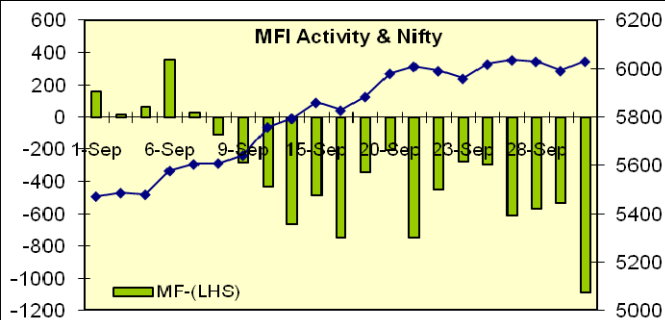
- Above is the monthly chart of Mentha Oil and has breached the channel and likely to trade positive in the near term.
- Major Resistance is around 940-945 levels and looking at all the oscillators the counter is likely to breach the same and hit the new of 970-1000
- MACD and ADX both are supporting the near term positive momentum in the counter. RSI too has more room to rise further.

Conclusion:

We suggest buying Mentha Oil futures between 840 and 860 targeting 970 and 1000 in the near term with stop loss below 790 on closing.

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Mutual Fund Overview



MFI Sum Up

During the month of September Average Asset under Management (AAUM) has increased 3.74% to Rs.7.13 trillion. The Equity Market saw a net outflow of Rs.7,236Cr. from MFI and a net inflow of Rs.24,978.40Cr. from FII. The Debt market saw the FII net purchases of Rs.7,689.50Cr. and net purchases of Rs.20,307.50Cr. from MFI.

Top Performers across category :

Schemes	NAV*	1Yr Returns
Reliance Equity Opportunities Fund - G	39.5187	55.1278
HDFC Prudence Fund - G	221.6440	39.2546
Fortis Bond Fund - Regular - G	12.0174	8.5690
Reliance Banking Fund - G	114.9085	59.7617

Top Movers:

Schemes	NAV*	1 Month#
Reliance Quant Plus Fund - Ret - G	14.6389	13.7417
UTI Thematic Banking Sector Fund - G	49.1000	13.6311
Religare AGILE Fund - G	7.1900	13.0503
JM Financial Services Sector Fund - G	11.8755	12.9677
Sundaram BNP P Fin Ser Opp Fund -R- G	23.1602	12.8390

Laggards:

Schemes	NAV*	1 Month#
JPMorgan India Alpha Fund - G	11.3300	0.0795
Religare Arbitrage Fund - G	12.3763	0.3657
UTI Spread Fund - G	13.6677	0.4173
Birla Sun Life Enhanced Arbitrage Fund - G	10.3696	0.4349
Benchmark Eq & Derivative Opps Fund - G	11.7103	0.4357

New Fund Offerings:

Scheme Name	Close Date	Nature
DSP BlackRock FMP - 3 M - Sr 21	06/10/2010	Debt
HDFC D FMP - 100D – Sept 2010 (14) - 4	06/10/2010	Debt
HDFC FMP - 35D – Sept 2010 (14) - 2	06/10/2010	Debt
HDFC FMP - 35D - Sept 2010 (14) - 3	06/10/2010	Debt
Reliance Dual Advantage Fixed Tenure Fund I	07/10/2010	Debt
Reliance Arbitrage Advantage Fund	08/10/2010	Equity
Reliance Dual Advantage Fixed Tenure Fund B	12/10/2010	Debt
HDFC FMP - 100D - Sept 2010 (14) - 5	14/10/2010	Debt
HDFC FMP - 370D - Sept2010 (15) - 2	14/10/2010	Debt

Note: *As on 4th October 2010, # Absolute% (Point to Point)

Mr. Anish Arora

Head - Third Party Distribution 022 3027 4520/1/
7738380004

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Stocks under Coverage

Company	Recommendation	Target Price	Current Market Price
Auto			
Bajaj Auto Ltd	Hold	1255	1593
Maruti Suzuki Ltd	Hold	1303	1507
MM Forgings Ltd.	BUY	163	123
Steel Strips Wheels Ltd	Book Partial Profit	300	292
Banking			
ING Vysya Bank Ltd	Buy	450	402
Building Materials			
Astral Poly technik Ltd	Book Partial Profit	135	177
Engg & Construction			
Patel Engineering Ltd	Buy	575	396
Unity Infra projects Ltd	Hold	123	117
Elecon Engineering Ltd	Buy	121	93
UB Engineering Ltd	Book Partial Profit	230	213
FMCG			
ITC Ltd	Hold	148	177
IT & Telecom			
Polaris Software Ltd	Buy	240	172
Sasken Communication Ltd	Hold	232	202
Take Solution Ltd	Buy	50	36
Infosys Technologies Ltd	Hold	2964	3080
Metals			
Adhunik Metal Ltd	Hold	129	113
Pennar Industries	Book Partial Profit	55	52
IMFL	Buy	1040	743
Usha Martin Ltd	Book Partial Profit	119	96
Pharma			
Glenmark Pharmaceuticals Ltd	Hold	308	313
Vinati Organics Ltd	Buy	100	83
Cadila Health Care Ltd	BUY	790	690
Power			
Sterlite Technologies Ltd	Hold	121	100
Hospitality			
Royal Orchid Ltd	Hold	108	83

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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4 US Factory order US Pending home sales	5	6	7 US Jobless Claim UK IIP	8 US unemployment rate	9
10	11	12 Indian IIP UK CPI	13 US IIP UK Jobless claims	14 US Producer price index US Trade Balance Initial Jobless claims Indian WPI	15 US Consumer Price Index	16
17	18 US IIP	19	20 Initial Jobless Claims	21 US Initial Jobless claims China GDP China CPI China PPI China IIP	22 New Home Sales	23
24	25 US Existing home sales	26 US Consumer Confidence UK GDP	27 US New Home Sales	28 Initial Jobless Claims	29 US GDP	30

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NOTES

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