Profit Control
We Manage Money, We Manage Profits

Tricks Of The Trade
Weekly E-Newsletter for Equities & Commodities

Issue 1, December 2009.

Binoy Momaya
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" When you combine ignorance and leverage , you get some pretty interesting results. "

Dear Readers ,

I feel happy and pleased to mark and announce the launch of the weekly E-Newsletter named " Tricks of the Trade " on the Indian Stock and Commodity markets. *ProfitControl* brings you the unmatched advantage of real time information through research information and on-time support. The dedicated team of financial advisors at *ProfitControl* is focused on understanding your needs. We try to connect the market opportunities to your expectations and balancing the gains with risks.

When it comes to investing in stock market and commodity market, you'll be confronted by large choices, limitless information where you have to choose to put your resources for the future returns. This weekly E-newsletter will help you to choose the trading stock picks, IPO's , Mutual funds and thus will help you to take the most appropriate decision.

Our experts will guide you through the right direction of the markets by suggesting the weekly recommendations and will diversify the high risk to the maximum possible extent.

I hope the readers will feel more connected, informed and will be benefited by the E-newsletter and share it in and around the traders and investor world so that most get benefited.

Binoy Momaya

In This Issue

News

Now, telcos may need DoT nod to buy equipment

The Department of Telecommunications (DoT) has amended licence conditions for purchase of telecom equipment, sources say that the licence was amended on December 3. The decision has been taken due to security concerns. This is a new amendment that has been communicated to all Indian telecom service providers. This basically does two things. It makes it mandatory for all Indian companies to apply for a prior mandatory security clearance for all the equipment that they propose to use in their network.

JSW Energy fixes IPO price band at Rs 100-115/sh

JSW Energy, a part of Sajjan Jindal-led JSW Group, has fixed the price band between Rs 100 and Rs 115 per equity share for an initial public offering (IPO) of equity shares of Rs 10 each for cash at a price to be decided through a 100% book-building process and aggregating up to Rs 2,700 crore. The issue will open for subscription on December 7, 2009 and close on December 9, 2009.

Reliance Power's Dadri setback:Farmers can regain proj land

In a setback to Reliance Power's Dadri project, the Allahabad High Court has upheld Section 4 of the Land Acquisition Act and restored farmers' rights to protest against the land acquisition. It also ruled that those farmers who had received compensation earlier can return the money for their land. To rewind, in 2004, the Samajwadi Party had taken away the rights of farmers to protest against the land acquisition at Dadri. However, company sources say this does not mean that land acquisition per se has been quashed. Reliance Industries and Reliance Natural Resources are currently fighting in the Supreme Court for gas supply to Dadri.

Corus to partially shut down UK plant; 1700 jobs to go

Tata Steel's European subsidiary Corus has said it would partially 'mothball' — shut down in common parlance — some of its facilities belonging to the Teesside Cast Products (TCP) business in northeast England by end of January 2010. Tata attributed the mothball, which was originally proposed in May this year, to a breakdown in a contract with what it said was an international consortium.

Volkswagen Beetle launched in India; costs Rs. 21 lakh

Beetle is a very popular car. It has finally been launched in India. It will give competition to the Fiat 500, which has received with quite a good response with the consumers now. We were expecting the Beetle to be priced anywhere between Rs 15-20 lakh. It is priced at Rs 21 lakh for Delhi. However, it would costlier in Mumbai. The Company Volkswagen has also surprised us with another launch which is of the Touareg SUV. It will cost about Rs 52 lakh ex-showroom Delhi. Hence, there are two big launches coming in from Volkswagen. They are betting big as far as the numbers are concerned.

Equities

It was another sideways session in the market to end up the week. The market witnessed 3% gain on weekly basis. Telecom stocks are now actually witnessing buying at the lower levels. Bharti and Idea did well. Though it breached many times in the week but the nifty is still struggling to cross the 5150 mark convincingly. We have seen selling at higher levels and the sentiments are getting stock specific at the highs.

The Week Ahead [07.12.2009 - 11.12.2009]

The long dead aviation space saw a breakthrough. The cut in ATF (Air Turbine Fuel) prices has given a trigger to the dead Aviation space. Most of the airline carriers have seen 15% growth in airline travel. We may see a very volatile session for the sector this week. Jet airways gained around 10-12 % this week and it wouldn't be advisable to comment that it may continue the same in the coming week.

Reality is a sector with good momentum where we witnessed the steep fall and then good recovery in stocks like HDIL, Nagarjuna constructions, Ajmera Reality and India Bulls Real Estate. Banking space gained considerably throughout the week but closed at almost same level to wrap up the weekly trade.

The telecom sector witnessed the huge volatile sessions as the tariff wars seem to be never ending with 6 -7 players stepping in the cut throat business. We have seen good interest in telecom stocks like Rcom, Bharti and Idea at lower levels but nothing can be said about the telecom sector for next six months.

Metals had a fair session where we saw good buying even though worst then expected results of Tata Steel.

The IT pack had a great momentum through out the week but finally closed almost near to last week.

This week's decent figures were: Sensex up 3%, Nifty up 3.5%. BSE Midcap index was up 4.5%, BSE Smallcap index up 6.5% over the week. All sectoral indices ended in the positive this week. BSE Realty index was up 9.5%, BSE Metal index up 7.3%, BSE Auto index up 4.6%, BSE Oil & Gas index up 3.7% and BSE Bankex index up 3.3%.

BSE 17101	NSE 5108	Hangseng 22498	Straits 2791
Nikkei 9992	Dow Jones 10388	Nasdaq 2194	CAC 3846
DAX 5817	FTSE 5322	Dollar / INR 46.29	Gold 17600

See what our Equity Experts have in store for you,

Weekly Stock Recommendations from the Equity Research Desk

Bijoy Momaya
Team ProfitControl

Markets last week witnessed huge volatility. Nifty showed good strength for first two days of the week and formed resistance at 5180 levels. At these levels, we saw good amount of profit booking across the counters and Nifty could not cross its recent intermediate high. Banking Stocks and Realty Stocks led the fall and Nifty closed at 5109.

In the near term, Nifty may find support at 4850/4820/4780 levels where as the resistance can be formed at 5180/5220 levels.

Sell Nifty Futures at 5150-5180 levels with SL of 5250 for targets of 5020/4980/4920.

Buying may initiate only above 5250 levels which may mark the start of new trading range of 5250-5450.

Weekly Recommendation in Stocks

1. Buy RCOM only above 182 with strict SL of 178 for targets of 186/188/190.

2. Buy Mahindra Satyam at 93-95 levels with SL of 88 for targets of 107/110/112.

3. Sell Bank India at 395 – 397 with SL of 404 for targets of 388/385.

4. Buy Reliance Capital near 830 levels with SL 800 for targets of 860-880.

5. Buy HDIL near 335-340 levels with SL of 325 and targets of 360-370 levels.

Commodities

India has been the biggest profit maker in the recent Gold Game. In just three weeks after India bought the gold, The Reserve Bank of India was benefited by almost $ 800 million on the investment of $ 6.5 billion which it made to buy 200 tones from IMF. This was the third IMF sale in the month. Further, the sources say that India is set to buy another 200 tones in coming days which trends the yellow metal to new highs of $1280 - $1330. It would be very difficult to comment on the near future of the gold as we have to see if Gold still moves further on the news of India buying it or weather it gives up its gains as gold has pushed itself into critically overbought territory.

Oil declined after the U.S. Energy Department reported crude supplies rose 2.09 million barrels to 339.9 million, the highest level since August. Crude oil fell for a third day after a report showed service industries in the U.S. unexpectedly contracted in November, raising concern fuel demand may be slow to recover from the worst recession period.

The base metals all finished lower on Thursday as the momentum earlier in the week appeared to fade. The more liquid contracts of aluminum, copper and zinc generally traded sideways before coming under pressure towards the close, while the likes of lead and nickel came under steady and sustained selling pressure throughout the day.

Turmeric crop in growing region is in no harms of rains. This good condition may drag back turmeric prices upwards. Sources estimates say that we may have 53 lakh bags in comparison to 45 lakh bags last year. Demand from the overseas in small quantity is being placed. Demand from the north India has reduced. Domestic consumption of turmeric stands at around 3.5 lakh bags.

In spite of the burst of activity seen in aluminum over the course of this week, with 3-month prices rallying as much as 7% at times, the forward curve has remained remarkably stable. The impetus for aluminum's move over the past week looks to have been a combination of speculative buying activity and a more supportive macro view, as fears over Dubai World eased.

Significant volumes were seen however, suggesting it wasn't purely oneway traffic and that the rally also attracted decent selling interest. Ordinarily, any emergence of large amounts of producer selling activity would usually be expected to result in the farther forward portion of the curve flattening. This has not been the case this time, with nearby portion of the curve moving in parallel, and the far dated spreads actually widening slightly. This suggests the activity was perhaps focused on the nearby portion of the curve, pointing to just how bullish the market appears to have become.

From Commodity Research Desk

Vinay Kumtakar
Team ProfitControl

Gold: The immediate support for Gold stands at 17250-17300 levels. We would see some short covering and fresh buying for the yellow metal at these levels, if the 17250 mark is broken then the further downside visible would be around 17000-16850. Resistance stands at 18000-18250 levels, a break through above this would lead the prices towards 18390-18500 mark.

Silver: Silver now would rest its fall around 28050-28200 level. While we would see the resistance at 29100-29250 mark. Below the 28000 mark prices would tank towards 27500 mark, whereas above 29900 we would see momentum upto 30280 level.

Crude: It seems crude will have a bearish outlook in the week ahead. Below 3700 we can see the price fall upto 3400 mark and above 3785 we can see the oil trending towards 3865-3950 mark.

Copper: Copper has now a support of 288-305 level below that we could see a steep fall upto 275. Whereas above 320 the prices would trend towards 329-338 levels.

Nickel: Support for Nickel rests around 730-680 level. Above 802 we can see a good rally upto 845 levels. 800 will be the pivot level for the metal.

Lead: Support stands at 100-98, resistance seen at 115-118 level. 107 would be the crucial decider level.

Zinc: The level of 93-101 will form a good support for the metal. Resistance will be seen around 110-118 level.

Natural Gas: The level of 195-200 will be a good buying side level which could resist upto 225-238 levels. 220 is the major crucial level.