

CAPSTREND

WEEKLY



Weekly Market Perspective

12th December 2009

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MARKET REMAINS RANGE BOUND

Indian markets last week remains range bound where benchmark index Nifty traded between 5050 - 5183. Action was seen in small cap stocks where individual stocks rising by unusual 20 to 30 percent. The market made a 52 week high at 5,182.5. The BSE Mid-Cap index underperformed the Sensex, falling 0.40% to 6,574.49, while the BSE Small-cap index outperformed the Sensex, rising 1.48% to 7,968.65. Index of Industrial production (IIP) increased for the month of October 2009 from 0.1% last year to 10.3%. IIP was at 9.10% in the previous month. The IIP numbers failed to meet the market expectation and indices closed down for the day. Cox and Kings (India), got listed on Friday. The shares of the company settled at Rs 430, at a premium of 30.30% against its issue price of Rs 330. The telecom, railway and midcap IT stocks show some strength in this week. The food inflation rose above 19% for the fourth week of November raised concerns. Realty stocks slipped on profit taking. Banking shares fell on a likely monetary tightening of the monetary policy by the RBI.

DOW IN CONSOLIDATION

Benchmark indices in US remain range bound ahead of Year end. For the week S&P500 remain unchanged whereas DOW up by 0.8% and tech index NASDAQ Composite down by 0.2%. Dollar index remain strong due to strong November non farm pay rolls. Next week's economic data includes November industrial production, leading indicators and housing starts. Industrial production numbers are set for release on Tuesday, along with the November Producer Price Index; housing starts are due on Wednesday, along with a reading on the November Consumer Price Index. Stocks should hold in a narrow range until the Fed releases its statement on Wednesday at the end of a two-day policy meeting.

MARKET SYNOPSIS

WEEKLY INDICES CHANGE

BSE	17119.03	▲ 17.49
NSE	5117.30	▲ 8.40

INSTITUTIONAL INVESTMENTS

DATE	FII (Net) Rs Crs	MF (Net) Rs. Crs
07/12	+444.90	-358.00
08/12	-2.90	-229.50
09/12	+994.90	-463.90
10/12	-296.90	-58.40

ADVANCE DECLINE- NSE (11/12/09)

ADVANCE	DECLINE
407	896

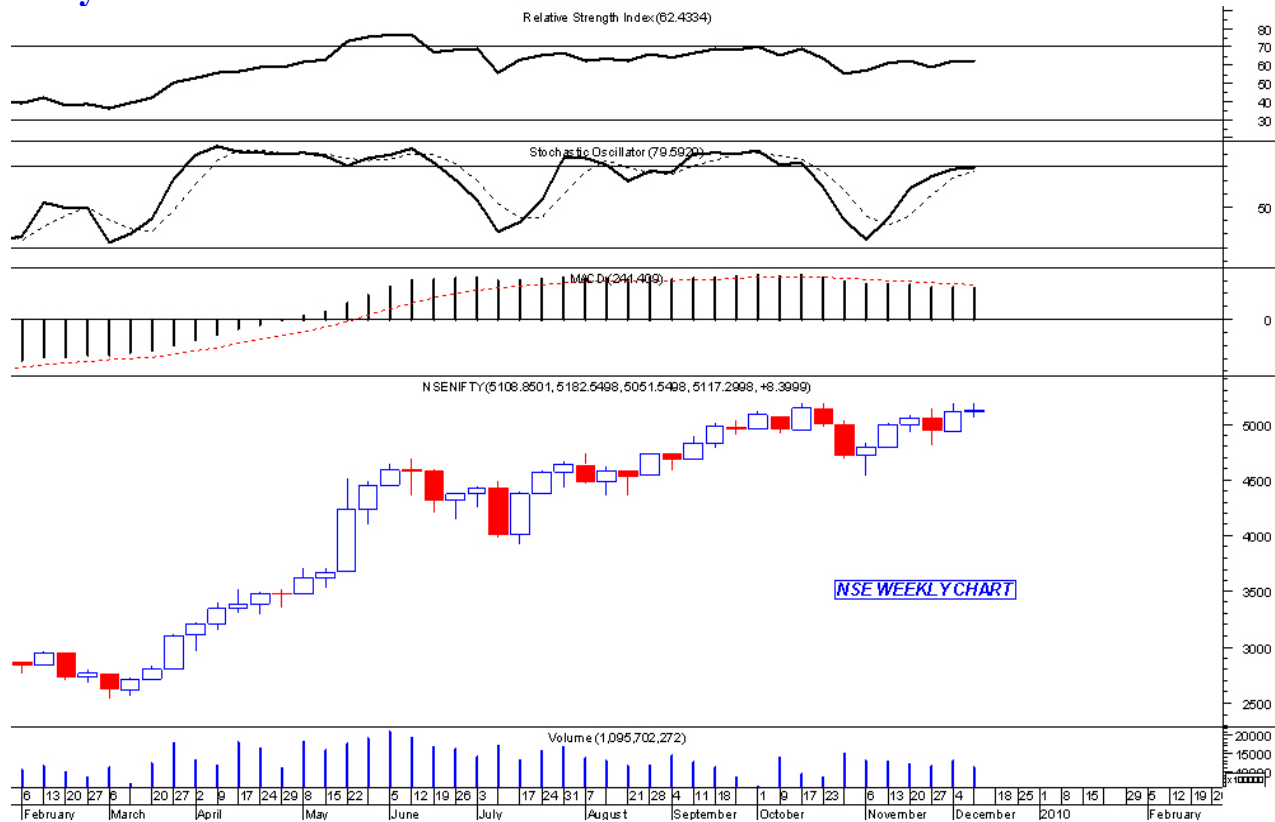
CORPORATE ACTIONS

Ex-Date	Company	Corporate Action
14/12	Cummins India	Interm div: Rs.6
14/12	Esab India	Intermdiv:Rs.20
16/12	Aurobindo Phar	Div : Rs 1.50
17/12	CNI Research	Bonus 1:1
17/12	JP Associates	Bonus 1:2
17/12	JK Lakshmi Cement	Stock Split Rs. 10/- to Rs. 5/-

DATA TO BE WATCHED

Dec14	INDUSTRIAL PRODUCTION	Europe
Dec15	INDUSTRIAL PRODUCTION	U.S
Dec15	MBA MORTGAGE APPLICATIONS	U.S
Dec15	CONSUMER PRICE INDEX	U.S
Dec16	HOUSING STARTS	U.S
Dec16	EIA CRUDE OIL STOCKS	U.S
Dec17	CONTINUING JOBLESS	U.S
Dec17	LEADING INDICATORS	U.S

Nifty Outlook:



The Nifty maintained its support of 5,080 and closed at 5,131 on short-covering at lower levels. The Nifty December futures, which saw more sell side-trades, closed at a discount to the spot and shed 678,300 shares in open interest, indicating profit-booking. The Nifty futures have not added fresh open interest since last week as traders are indecisive at current levels. This means if the Nifty closes below 5,050, bears will gain strength.

Options trades indicate the Nifty may slip below 5,000 in the near future if it closes below 5,050. This was indicated from 5,000 strike call options, which added 118,500 shares in open interest through sell-side trades despite a low volume 1.02 million shares. The 5,100 call saw change of hands through sell-side trades as open interest in this call rose by 40,450 shares despite a trading volume of 6.94 million shares. Resistance continues at 5,200 as this strike call holds the highest open interest among call options.

The 5,000 and 5,100 puts together added 266,700 shares in open interest, mostly through buy-side trades, despite a trading volume of 13.80 million shares. This means traders who wrote these puts earlier might have covered their positions on expectation of a correction in the near future. The 4,900 put saw change of hands as it added 50,450 shares in open interest despite a trading volume of 3.55 million shares.

We expect the Nifty to move in a narrow range of 5,100-5,150 with a lot of intra-day volatility. Technically, the bullish set-up has not changed as most technical indicators and moving averages remain intact. The recent range-bound activity can only be understood as a lull before the breakout. Immediate support for the Nifty is seen at 5,050. Only a close below this will lead to negative triggers. Nifty also closes below 5 day EMA(5118) and Weekly 5 EMA High(5131). New Buying will only suggest if nifty closes above 5131 on EOD Basis and a sharp correction is possible around 4,900 only if the index closes below 5,050.

New features in capstocks website

We are glad to inform you that, for easy and quick availability of market & stock related information and on the movement of stocks technically, we have introduced new facilities on our corporate website. Hope it will be more beneficial to you

Click the **Market Info** menu where a few sub menus will be displayed. By clicking each Submenu, you will be able to get more information

- News Analysis** **Corporate Actions**
- Derivatives Price** **Analysis**
- Insurance Other** **Markets**

For more and clear information on the movement of stocks technically, we have included a new feature named charting corner. It can be viewed in the **Corporate Info** menu by giving the scrip name & selecting **Charting Corner** in the pull down menu & then click GO. You can select the desired chart type 'Intra day or End of Day. You can also apply technical Tools and studies by clicking the indicator and studies respectively and also do comparison.

[For more information please visit market information at http://www.capstocks.com](http://www.capstocks.com)

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