TECHNO
Science of Finance

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TECHNO
SHARES & STOCKS LTD.

The Weekly Edition (06.02.2010)

TECHNO TECH

INDEX -IN OVERSOLD CONDITION

Daily MACD chart is again in SELL mode and 14 days RSI and ROC charts are giving negative divergence. Short term oscillators charts also giving negative divergence but are in SELL mode.

Weekly MACD chart is in SELL mode and 14 weeks RSI and 12 weeks ROC charts is giving negative divergence
AFTER much range bound movement with high intra day volatility and choppiness .market started downward break-out and breach imp. Support level of sensex and nifty both .market was in oversold condition and we may see corrective rally any time now

Sensex now has good support at **15250** & **15550** and Nifty at **4650** and **4550** levels. If market goes below this level and then we will see start of intermediate down trend.

Sensex is now facing strong resistance at 16500 and then 16750 levels and nifty at **4950** and 5050 levels.
One can buy only after this intermediate down trend ends with long term view with good fundamental stocks
SHORT TERM VIEW: Daily short term stochastic chart is in BUY mode also, short term oscillators are showing negative divergence but in oversold condition. BUY at every fall with stop loss of Sensex at 15500 and Nifty at 4650 on closing basis is mantra for traders and short term investors.

Sensex has short term support at **15750, 15550 & 15250** levels and resistant at **16250, 16550** & 16850 levels and Nifty has short term support at 4700, 4650 & 4550 levels and resistance at 4850, **4950 & 5050** levels.

MARKET MANTRA: (February 05,2010) : Sensex closed at 15,790

For the week ended February 5, 2010 market closed at 15790 losing 3.47% (3.06%) w-o-w. The Sensex closed at 15,790 (16,358) losing 567 points (502) w-o-w, whereas Nifty lost 190 points (154) to close at 4692 (4883).

During the week, the best performing index was the BSE Consumer Durables Index, which increased by 2.91 % to close at 3910 (3799) buoyed by up swing in Titan Ltd and Blue Star ltd. And the worst performing index was the BSE Realty, which was at 7.98% to close at 3206 (3500). Followed by BSE Sensex Index, which decreased by 3.47% to close at 15790 (16358).

As per the available data, FIIs were net buyers of equities for the week February 5, 2009 to the extent of Rs.603 cr. and domestic MFs were net sellers to the tune of Rs.139 cr.

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SENSEX SWINGERS

	Gainers	05-Feb Close	29-Jan Close	% Chg
1	GAIL	415.90	394.05	**5.54**
2	BPCL	568.15	540.85	**5.05**
3	HERO HONDA	1585.40	1559.00	**1.69**
4	HDFC	2389.80	2383.85	**0.25**
5	SUNPHRMINDS	1473.90	1473.05	**0.06**

	Losers	05-Feb Close	29-Jan Close	% Chg
1	RANBAXY LABS	403.95	454.25	**-11.07**
2	JAIPRAK ASSO	124.80	137.80	**-9.43**
3	SBI	1897.80	2056.60	**-7.72**
4	SUZLON	71.40	77.25	**-7.57**
5	DLF	308.70	333.65	**-7.48**

SENSEX TREND

	F 29-Jan	M 01-Feb	T 02-Feb	W 03-Feb	Th 04-Feb	F 05-Feb
Open	16,253.8	16339.32	16368.44	16,210.25	16,500.29	16,222.56
High	16,390.3	16422.40	16525.98	16,552.99	16508.22	15,986.37
Low	15,982.1	16160.80	16129.11	16,210.25	16188.80	15,725.43
Close	16,358.0	16356.03	16163.44	16,496.05	16224.95	15,790.93
Day's Chge	**51.1**	**-1.93**	**-192.59**	**332.61**	**-271.10**	**-434.02**

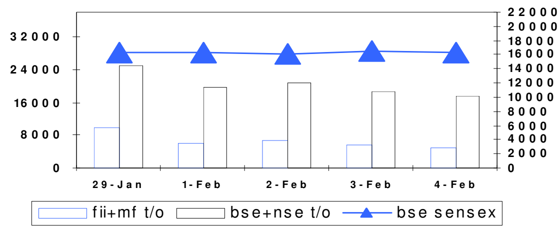
NIFTY TREND

	F 29-Jan	M 01-Feb	T 02-Feb	W 03-Feb	Th 04-Feb	F 05-Feb
Open	4866.2	4882.05	4907.85	4831.00	4931.30	4,845.35
High	4893.7	4918.80	4951.15	4949.15	4931.30	4,819.65
Low	4766.0	4827.15	4814.10	4831.00	4832.35	4,827.00
Close	4882.5	4899.70	4830.10	4931.85	4845.35	4,692.35
Day's Chge	**15.3**	**17.20**	**-69.60**	**101.75**	**-86.50**	**-153.00**

INSTITUTIONAL ACTIVITIES

Date	Purchase		Sales		Net	
	FII	MF	FII	MF	FII	MF
29-Jan	3940.00	1330.00	3743.00	696.00	197.00	634.00
1-Feb	2346.00	595.00	2394.00	563.00	-48.00	32.00
2-Feb	2810.00	418.00	2799.00	665.00	11.00	-247.00
3-Feb	2374.00	762.00	1889.00	746.00	485.00	16.00
4-Feb	1742.00	562.00	1784.00	858.00	-42.00	-296.00
Feb-10	9272.00	2337.00	8866.00	2831.00	406.00	-494.00

SENSEX V/S BSE+NSE T/O V/S FII+MF T/O



TECHNO ROUND UP

- The rupee depreciated by 15 paise to close at Rs.46.52 against the dollar for the week ended February, 2009 as compared to Rs.46.37 last week.
- Oil prices marginally decreased to 72.94 USD/barrel on the New York Mercantile Exchange, against 73.90 USD/barrel level recorded last week.
- Annual inflation in food articles rose to 17.56 per cent for the week ended January 23 from 17.4 per cent in the previous week,
- According to tea board of India, all India tea production for month of Nov-09 increased by 1% y-o-y to 90531 thousand kgs as against 89656 thousand kgs recorded in the corresponding year ago period. Whereas tea production for the period Jan-Nov 09 was flat as compared to corresponding year ago period.
- Domestic air passenger numbers continued to soar in December 2009, ending the year with an annual growth of 7.86% as airlines collectively flew 445.13 lakh fliers in 2009 against 412.71 fliers in 2008, according to the statistics put by the Ministry of Civil Aviation. On month-on-month basis, the climb in air passenger traffic was a whopping 34.8% as local carriers ferried 11.74 lakh more passengers in December at 44.47 lakh passengers compared to 33.73 lakh in November.
- Indian ports have registered a growth of 5.14 per cent in the period from April to December 2009 compared to the same period in 2008. The 12 major ports, six each on the west and the east coast handled 72 per cent of the total port traffic while 28 per cent of the port traffic was handled by 66 non-major ports.

BUDGET TRADE OFFS

Budget is not just a simple accounting statement. The global financial crisis of 2008-09 has changed many things. So, in a time of uncertainty, the budget has once again become the place to look for policy direction. In setting the framework for this year's budget, finance minister Pranab Mukherjee will have to deal with several tradeoffs in an environment where a large number of factors many of which may be beyond his control will come into play. At the core is ensuring that India's growth momentum does not suffer.

The tradeoffs can be summarised as follows: domestic versus global conditions, growth versus inflation; managing government expenditure versus increasing tax revenues; and fiscal prudence versus retaining stimulus packages. The choices that the budget makes will demonstrate whether the optimism can be sustained. The global environment is still shaky. The unemployment numbers in the US show little sign of improvement. For emerging markets, including China and India, while many think capital flows will remain strong, others do not agree. In the UK, retail sales slowed in December, suggesting that despite the holiday season, consumption is yet to pick up. It is the same in Japan despite the economic stimulus that the government injected through its version of the 'cash for clunkers' programme that the US initiated last year.

In such circumstances, any growth impetus for India must come from the domestic market where consumption demand seems to be leading the way. Increased demand also pushes up the pricing power of industrial producers. For example, prices of cars and other products like consumer durables that lead to producer price inflation, or wholesale price inflation. Growth has also been driven by easy monetary conditions. But this has driven inflation up to a greater-than-anticipated degree, both for consumers and producers. Food price inflation persists despite an increase in food supply to rural markets. Increased government transfers through programmes such as the National Rural Employment Guarantee Scheme (NREGS) have only added to the demand.

This leaves the government in a dilemma whether to continue its fiscal stimulus through social welfare programmes and keep growth going and hope for the best on inflation or withdraw the stimulus packages to stave off inflation and political unrest, and sacrifice some measure of growth in the bargain. That choice may be constrained by the government's fiscal position. Should the budget focus on managing expenditure or try to increase tax revenues? Much of the growth achieved in the past five years has resulted in high tax revenues. Excise duty revenues have not been good. Part of the stimulus package was the reduction in excise duties on a number of items. The government had then indicated that the reductions were temporary. However, raising the excise duty back to pre-crisis levels now could hit consumption and growth.

Tax collections depend on corporate performance, which, for the September-December 2009 quarter, was mixed profits have been good, even stellar in some cases, but revenues have not grown as well. Greater productivity cost cutting and efficiency gains can only do so much. Then, there is the question of tax reform that has been hanging fire, impeded by the poor condition of states' finances. This has pushed the implementation of the goods and services tax (GST) back. Whatever choice the government makes, it appears that its borrowing programme will only get bigger. The effects of the Sixth Pay Commission, and interest costs on its large borrowing to fund the fiscal stimulus, will be an additional Rs 25,000 crore. And if exports don't grow, many subsidies like the interest subvention will have to stay. The fiscal problem will also affect the risk appetite of global investors. The last thing the Indian economy needs is a combination where the global situation hits the demand in domestic consumption, reduces tax revenues and increases deficit. That would send fiscal prudence for a toss.

Also, credit growth has been weak in recent times — it grew by just 14 per cent from April 2009 till mid-January this year, compared to over 21 per cent in the corresponding period last year. In the same period, the corporate sector has raised nearly Rs.50,000 crore from non-bank sources, through initial public offerings, commercial paper issues, external commercial borrowing and foreign direct investment. For the next two quarters at least, it might have to be government expenditure that keeps the growth momentum going. If investment in infrastructure nears what is envisaged, 8 per cent growth may still be possible. Revised growth forecasts for 2009-10 are already at that level, even as worries about the inflationary consequences of government spending remain.

The challenges for finance minister Pranab Mukherjee are to be able to sustain growth while keeping inflation and the government's borrowing under control, and be able to raise enough taxes to keep fiscal prudence on track — a tall order under any circumstances.

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NFO NOTE

BHARTI AXA FOCUSSED INFRASTRUCTURE FUND

NFO Opens: 20th January 2010 **NFO Closes: 15th February 2010**

Investment Objective:

The Scheme seeks to generate long term capital appreciation through a portfolio of predominantly equity related securities of companies engaged in infrastructure and infrastructure related sectors.However, there can be no assurance that the investment objectives of the scheme will be realized. The Scheme is not providing any assured or guaranteed returns.

Asset Allocation Pattern of the Scheme:

Type of Instruments	Indicative Allocation % of netasset	
	Minimum	Maximum
Equity and equity related securities of companies engaged in infrastructure and infrastructure related sectors.	65%	100%
Debt & money market securities / instruments	0%	35%

Fund Type: A Open Ended Equity fund
Minimum Investment: Rs. 5000/- (Plus in multiple of Rs.1/- therof)

SIP : Daily Rs.300 and in multiple of Rs. Rs.100/- thereafter. Monthly Rs.1000/- and in multiple of Rs. Rs.100/- thereafter

Plans / Options: Growth & Dividend Option Reinvestment and Payout
Cheque in favour of : "Bharti AXA Focussed Infrastructure Fund"

Load:
Entry Load – NIL
Exit Load: - 1% if units are redeemed / switch-out on or before 1 year from the date of allotment

Benchmark: BSE 100 Index
Name of Fund Manager: Mr. Prateek Agrawal

Contact Details
We shall be glad to assist you in your investment decisions: In case of any clarification kindly Contact us on 40278900 (Extn. 191 to 197 / 231).

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