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FOR PRIVATE CIRCULATION

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Index view

The markets on 16 Apr: Extraordinary openings lift indices above psychological resistance of 4000

LOOKING AHEAD: On Monday, most market participants felt the current rally was artificial in nature and may be rigged by a few players. However, in our opinion, the market has broken the upward level of rectangle consolidation that may trigger medium-term bullish sentiment in the market. Also, inflation figures are in favor of the economy and the guidance of index giant Infosys also met our expectations. This is quite adequate. It may be too early to worry about dollar weaknesses, as we have observed that all currencies take time to settle at any specific levels. We may again see the rupee reverting to its average levels of 43.00/43.50 before settling at any specific levels.

Global markets are booming and after entering a comfort zone we may also expect our markets to rally in the same direction (towards new highs). They have done well even before the resumption of our rally. The out performance of our markets may remain a concern.

In brief, we are in a comfort zone. Contrarian calls are best avoided. Use dips to accumulate selective stocks instead of selling short. The levels of 13400/3880 may act as a major support for the market. Metal stocks and PSU banking stocks may attract fresh buying on declines.

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