

CAPSTREND

WEEKLY

**Weekly Market Perspective**11th September 2010

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Indices hit 31 month High !

last week 30 share index, Sensex surged 578.23 points, or 3.17%, to 18,799.66 for the week ended Sep. 09, 2010. On the other hand, the broad based NSE Nifty gained 160.65 points, or 2.93%, to 5,640.05. The BSE Small-Cap & Mid-Cap index outperformed the Sensex, galloping 3.39% & 2.43% in the week. India's largest steel maker by sales Tata Steel was the top gainer in the Sensex. Cement maker ACC was the second biggest Sensex gainer. Cement stocks saw an across the board surge last week on reports cement makers have raised prices in South India. All sectoral indices traded in green during the week. Major gainers were Realty, which shot up 5.11% followed by Bankex (4.11%), IT and Teck up over 3% each, PSU and CG gained over 2%. Moreover Realty, Power, Auto, Consumer durable, Healthcare and FMCG moved up from 1.88%-0.3%. Food inflation went up to 11.47% for the week ended August 28, on the back of increase in prices of cereals, fruits and milk. The government will unveil inflation data for August 2010 on Tuesday, 14 September 2010. Another major event is a mid-term monetary policy review by the central bank on Thursday, 16 September 2010.

U.S. stock market looks for firmer view of economic recovery

The less-dark view was illustrated on Wall Street, where the major stock indexes on Friday eked out a second consecutive week of gains, supported by reports that U.S. wholesale inventories rose the most in two years and that Japan's growth slowed less than forecast, brightening prospects for the global recovery. The Dow Jones Industrial Average 10,463, +0.46% added 47.53 points, with the blue-chip index ending back in the black for the year for the first time in the holiday-shortened week. The S&P 500 Index (SPX 1,110, +0.49%) added 5.37 points, or 0.5%, to 1,109.55, leaving it up 0.5% for the week, while the Nasdaq Composite.

MARKET SYNOPSIS**WEEKLY INDICES CHANGE**

BSE	18,799.66	▲ 578.23
NSE	5,640.05	▲ 160.65

INSTITUTIONAL INVESTMENTS

DATE	FII (Net) ₹ Crs	MF (Net) ₹ Crs
06/09	+486	+354
07/09	+1040	+31
08/09	+201	-105
09/09	+463	NA

CORPORATE ACTIONS

Ex-Date	Company	Corporate Action
14/09	Gillanders Arb	Bonus 1: 2
14/09	Gujarat Alk	Div ₹ : 3
14/09	Godawari Power	Div ₹ : 2.50
15/09	Astral Poly	FVsplit ₹10 To ₹ 5
15/09	Resurgere Mines	Bonus 2 : 1 FVsplit ₹10 To ₹ 1
15/09	Aban Offshore	Div ₹ : 3.60
16/09	BGR Energy	Div ₹ : 7
16/09	Jindal Poly	Div ₹ : 20
16/09	Karur Vysya	Bonus 2: 5
16/09	Oil India Limited	Div ₹ : 16
16/09	Nahar Capital	Div ₹ : 1.50
17/09	DLF Limited	Div ₹ : 2

DATA TO BE WATCHED

14/09	Retail sales	US
14/09	Inflation	India
15/09	Industrial production	US
16/09	Initial job less claims	US
16/09	Producer price index	US
16/09	RBI Review	India
17/09	Consumer price index	US

Technical Outlook- Nifty

NSE Nifty [NSE9001] 5639.20, 5735.55, 5639.20, 5732.75, 312958400 1.64%
Price



- Last week Indian markets had reached new 31 months high. Moreover the breakout from the channel inside which index was trading for past 9 months was breached and also an authorized trading was happened for proving the breakout to be valid.
- Indices are regularly forming higher top and higher bottom formation on the charts which indicates the underlying primary trend to be bullish.
- Moreover index is trading above almost all the trendlines which had acted as the resistance.
- The upper band of the channel which was breached by Nifty during the previous week would aid nifty around 5580-5600 levels if some downsides happen.
- The bullish momentum existing can carry market towards 5850 levels.
- The MACD oscillator which is moving with the positive crossing is displaying more strengthen signal as MACD line had drifted moderately above the signal line.

- In the weekly chart is also MACD is ongoing with the positive crossing over the signal line indicting medium term bullishness prevailing.
- But the concern is the negative divergence exhibiting by the stochastic oscillator. While index forming the higher tops the indicator is forming lower tops hence suggesting the chances for downsides.
- Hence indicators are showing diverse signals indicating dilemma ruling these phase of the market. However bulls would prefer some consolidated move at these peaks.
- The Fibonacci retracement sketched from the previous significant top & bottom suggests the next target to be 5755 levels which is the 127 % significant projection level.
- The weekly candle pattern was almost a Marubazu indicating the bull ruling over the market.
- Among the sectoral indices Bankex is the most performing one and it is trading almost in a peak. However chances for profit booking in this sector can be expected as it had already entered the overbought zone.
- CNX IT index is also witnessing some strength; anyhow 6346 levels might face some resistance ahead.
- The upside targets for the week is around 5575 -5830 levels & downside might limits to be 5580-5550 levels.

Options Strategy

Calendar Spread

An options or futures spread established by simultaneously entering a long and short position on the same underlying asset but with different delivery months. Sometimes referred to as an interdelivery, intramarket, time or horizontal spread.

In simplest terms, a long calendar spread involves buying an option with a longer expiration and selling an option with the same strike price and a shorter expiration.

Reliance industries (975)

Lot size 250

margin:60000/-

Time: 1pm, 13/09/2010

SELL reliance industries 1000 September call@10.75
 BUY reliance industries 1000 October call @25.50
 SELL reliance industries 1040october call @14

Maximum profit 10000 when reliance industries closes below 1000 on September expiry and closes above 1040 @October expiry.

Maximum loss unlimited when reliance rise beyond 1054 on September expiry.
There is no downward loss

STRATEGY FOLLOW UP

Ranbaxy strategy follow up (03/9/2010 on caps trend weekly)
lot size 500

Ranbaxy 520 call sell profit	Ranbaxy 540 call buy loss	Ranbaxy 500 put sell profit	Ranbaxy 480 put buy loss	Total profit
+5	-3	+1	0	1500

Risky traders can hold the position till expiry
Attingal capstocks 9961072257

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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.

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