



Market Forecast for September 13, 2010



Good Monsoon brought a fresh breeze of bullishness with it. Nifty maintained positive momentum throughout the week & gained more than 160 points. Nifty sustained above - 5600 level for first time since January 18, 2008 & closed at 5640. FIIs continued to be net buyers as they are bullish on India's growth story along with domestic institutions. Markets are doing well on the back of liquidity. High liquidity is fuelling speculation that the RBI would hike policy rates by 25 basis point at its meeting on Thursday, September 16. *The moot question is where market is heading.* Nifty made a life time high in Jan 2008 at 6357 & we are 717 point short of all time high. If the ongoing rally crosses the 6357, then we have a strong bullish signal as new highs are signs of strength & an indication of higher prices to come. However bull market is interrupted by frequent corrections & investor must be prepared for the same. Many of these will be severe & almost smell like a bear market. You must have the mental strength to overcome these correction which will be easier if you have invested in value. Stay invested, buy value on corrections. Carrying on with a fear of another crisis can lead you to miss out on the great India Story on which our foreign friends are pouring lot of money.

Forex reserves continued to rise for the 2nd consecutive week, jumping by \$2.49 billion to \$285.33 on the back of a healthy increase in foreign currency assets & gold reserves. Forex reserves stood at \$282.84 billion in previous week, as per reign currency assets, a major component of the country's forex reserves, grew a healthy \$1.73 billion to \$258.38 billion for the week ended September 3, from \$256.64 billion the week earlier. Forex assets expressed in US\$ terms include the effect of appreciation or depreciation of the non-US currencies, such as the euro, pound and yen, held in the reserves, the apex bank said. Meanwhile, gold reserves jumped \$730 million to \$4.63 billion for the reporting week.

In the domestic market, growth in economy is quite strong since last few months & concerns on inflation are also coming down. Good monsoon has further reduced fears of food prices-driven inflation. Analysts believe the RBI will maintain a tough stand against inflation & will tighten policy rates on 16th Sept. Liquidity has remained quite **good**. A lot of fresh FII's money is coming as the economy has completely recovered from the slowdown & our markets are expected to do well due to robust demand at the domestic level. However, investors should remain cautious as they have already gone up quite significantly.

NO TRADE ZONE FOR NIFTY TODAY	TARGETS ABOVE 5660 (UTR)	TARGETS BELOW 5620 (LTR)
5620-5660	5675/5690/5700/5715	5605/5590/5575/5560

PERFORMANCE OF SEPT 9			NIFTY MOVEMENT	
ACC	2nd LTR ACHIEVED	4/5	OPEN	5608
ICICIBANK	2nd UTR ACHIEVED		HIGH	5647
HEROHONDA	2nd UTR ACHIEVED		LOW	5608
SUNPHARMA	REMAIN IN NO TRADING ZONE		CLOSE	5640 (+32)
TISCO	2nd UTR ACHIEVED		PREVIOUS	5608

HOW TO USE THIS TABLE

- Do not trade in No Trading Zone.
- In Buy above level bulls have upper hand & so we advice to **BUY**
- In Sell below level bears have upper hand & so we advice to **SELL**
- Strictly use Stop Loss as provided.

DAY TRADE RECOMMENDATION FOR TO-DAY > LOOKING FOR PARTNERS partner@chuknoo.com

STOCK	LOWER TARGET (LTR)	Stop LOSS	Sell BELOW	No Trading Zone	Buy ABOVE	Stop LOSS	UPPER TARGET (UTR)
BHARTI	328/332/335/338/341	350.1	345	345-355	355	350.1	358/361/365/368
BHEL	2410/21/30/40/2448	2477.2	2457	2457-2492	2492	2477.2	2502/10/20/32/545
HDFCBANK	170/84/92/200/208/17	2244.85	2227	2227-2260	2260	2244.85	2270/80/90/300/10
M&M	630/34/37/40/44/647	655.6	651	651-660	660	655.6	665/70/74/78/684
TISCO	570/575/578/581/584	593.65	588	588-600	600	593.65	604/608/613/618

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