



Market History:

The stock markets across the globe staged tremendous rally, on back of the news that the trouble hit Greece will be saved from a debt default. They will be extended financial aid for reviving their current economic situation - following the Greek parliament's decision to adopt the austerity bill, by which they will cut the spending and raise the domestic taxes to handle the current state of affair. The Greek stock market index – Athens General – appreciated 5.37%.

NSE Nifty appreciated 155 points (+2.85%) and closed at 5627.20; BSE Sensex rose 522 points (+2.86%) to 18762.80. The sentiment remained the same in the Midcap and Smallcap segments also each appreciating 3.45% and 3.81% each to end the week's trading at 6901.67 and 8224.41 respectively.

Despite of the initial rally, the domestic market erased a portion of the gains on some negative news flows. The Auto sales number released by the auto companies, especially car sales, for the month of June disappointed the market. This along with the negative shock from the June factory PMI (Purchase Managers' Index) which came at 55.3% compared to the 57.5% in the previous month, triggered profit booking in the last trading day of the week.

The last week rally was tremendously contributed by the FII buying. They remained net buyers for the last week for Rs. 4600.60 crore, taking the net investment for the whole year to Rs. 2053.50 crore.

July 2, 2011

Indian Market Indices

Index	Last Close	Change	% Change
S&P CNX NIFTY	5627.2	155.95	2.85%
SENSEX	18762.8	522.12	2.86%
S&P CNX 500	4522.05	129.85	2.96%
BANK NIFTY	11255	400.5	3.69%
BSE MID-CAP	6901.67	229.97	3.45%
BSE SMALL-CAP	8224.41	302.03	3.81%
BSE AUTO	8782.23	221.81	2.59%
BSE-CG	13882.93	524.74	3.93%
BSE-CD	6601.17	103.48	1.59%
BSE-FMCG	4048.44	164.79	4.24%
BSE-HC	6376.5	132.3	2.12%
BSE-IT	6147.98	156.22	2.61%
BSE METALS	15148.11	574.77	3.94%
BSE OIL & GAS	9038.53	-4.86	-0.05%
BSE POWER	2623.42	85.54	3.37%
BSE REALTY	2080.7	79.99	4.00%
BSE-PSU	8571.06	173.52	2.07%

NSE Nifty Top Gainers

Index	Last Close	Change	% Change
IDFC	135.05	10.9	8.78%
HINDALCO	187	14.15	8.19%
RELIANCE CAPITAL	582.45	41.55	7.68%
POWER GRID	110.25	6.6	6.37%
STERLITE P	170.1	9.6	5.98%

NSE Nifty Top Losers

Index	Last Close	Change	% Change
AMBUJA CEMENTS	129.45	-3.55	-2.67%
A C C	955.2	-22.5	-2.30%
BHARTI AIRTEL	383.45	-8.45	-2.16%
RANBAXY LAB	527.15	-8.2	-1.53%
RELIANCE	861.95	-9.45	-1.08%

Global Majors

Country	Index	Last Close	Change	% Change
US	DJ INDU AVERAGE	12582.77	648.19	5.43%
	S&P 500 INDEX	1339.67	71.22	5.61%
UK	FTSE	5945.70	248.00	4.35%
RUSSIA	RTS INDEX	1938.88	88.09	4.76%
FRANCE	CAC 40 INDEX/d	4007.35	222.55	5.88%
GERMANY	XETRA DAX PF/d	7419.44	298.06	4.19%
JAPAN	NIKKEI 225 INDEX	9868.07	189.36	1.96%
KOREA	KOSPI	2125.74	34.93	1.67%
HONGKONG	HANG SENG INDE/d	22398.10	226.15	1.02%
CHINA	SSE COMPOSITE/d	2759.36	13.15	0.48%
TAIWAN	TAIWAN WEIGHTED	8739.82	206.99	2.43%
ARGENTINA	BUSE MERV AL IN/d	3396.00	108.38	3.30%
BRAZIL	BVSP BOVESPA IND	63394.34	2377.62	3.90%
MEXICO	MXSE IPC GRAL /d	36800.72	1452.87	4.11%
SPAIN	IBEX 35 INDEX	10492.00	679.30	6.92%
GREECE	Athens General/d	1308.48	75.88	6.16%
HUNGARY	BUDAPEST SE INDX	22830.37	451.58	2.02%
PORTUGAL	PSI 20 INDEX/d	7332.74	340.74	4.87%
SAUDI ARABIA	TASI/d	6576.00	126.51	1.96%
KUWAIT	KSE Index	6211.70	-52.20	-0.83%
DUBAI	DFM GENERAL IDX	1516.93	-20.55	-1.34%

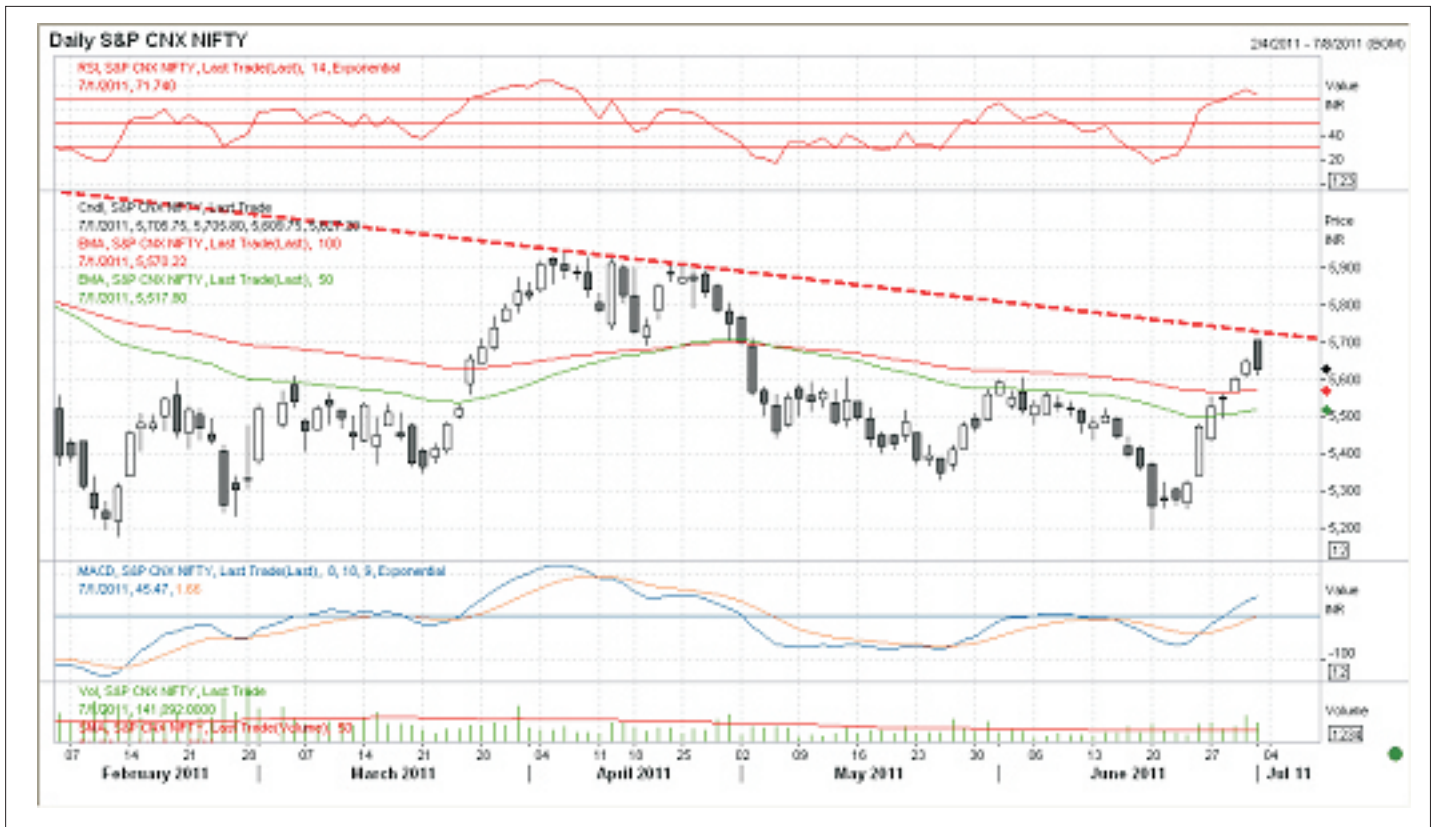
Technical Outlook :

The Indian equity market continued the rally, stretching the recovery to the second consecutive week. Even though the last day's selling can be regarded only as a profit booking ahead of the weekend, the pattern the general market indices – NSE Nifty and BSE Sensex – formed is quite interesting. This, along with the fact that the technical momentum indicators are trading in the overbought region, will make the 100-days Moving Average a critical support for the market direction in the week ahead.

The MACD is continuing in the positive side with better momentum. However, the RSI and Stochastic Oscillator are in the overbought zone, which can be risky for the continuation of the current bull-run, before (atleast) a small correction. The pattern of the sell-off which occurred in the last day is also adding to the concerns.

Considering all these facts, the 100-days moving average which is trading at 5570 for NSE Nifty, will become critical for the market direction – on a closing basis. The trend is expected to remain intact as long as the index manages to close above this. However a failure can possibly stretch the downside further with first support at 5495, followed by 5420.

However, if the index manages to hold the critical support mentioned above, the first and major resistance for the week ahead is seem at 5720 – any short-term upside will pan-out only after a close above this level. Even then, a sustained upside can be an extreme expectation for the market.



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