

MARKET SENTIMENTS CONTINUE TO BE POSITIVE

Indian bourses bounced back again as sustained buying was seen in consumer durables, healthcare, oil & gas and metal stocks. Strong global markets and heavy buying by foreign funds improved sentiments of the market. Reflecting the buoyancy in the markets, the benchmark indices saw increased volatility with an upward bias with the NIFTY ending the week with a healthy gain of almost 4% to close at 5884.95 level.

Due to good earnings growth in banks, financial services and manufacturing firms, companies have paid on an average 15% higher advance tax in the June-September 2010 quarter over the year-ago period. Amongst the notable corporates which paid higher advance taxes included Mahindra & Mahindra, HDFC, HDFC Bank, Reliance Ind and Larsen and Toubro.

During the week RBI also released its mid term credit policy on Sept 16th which raised both the repo and reverse repo rates which was essentially done to control inflation which still continues to remain high and is the single most concern for the government presently. While the move of the RBI is likely to make interest rates go up and make housing and car loans expensive, we do not expect the profitability of banks to be impacted significantly as this move was already anticipated by the markets and more notably there is sufficient liquidity with banks and hence this move should not impact credit growth in the coming months.

In specific large cap stocks during the week Reliance Industries (RIL) surged as there were reports that it was in talks with US based Chesapeake Energy to buy a stake in Eagle Ford shale gas project in the US.

Also Metal and mining stocks jumped as investment shifted towards them due to dollar decline. Ispat Industries spurted as the company entered into a strategic co-operation agreement with Stemcor, the world's largest independent steel trader.

FII flows have continued to consistently come in quite sizeably during the week and in most likelihood Sept 2010 is expected to be a record month for FII flows.

We reiterate that the technical outlook on the market continues to be positive. And while the possibility of running into a correction is not ruled out in the near term considering the fact that Nifty has run up nearly 10% in last 13 sessions, but since the NIFTY has decisively crossed a big resistance portrays a very bullish picture for the medium term.

Going forward 5740 levels the erstwhile resistance, will now act as a meaningful support on the downside. On the upside, the immediate target would be 5994. Traders are advised to ride their trading long positions with a stop loss of 5815 levels.

MARKET INDICATORS

Indices	17.09.10	09.09.10	Chg(Pts)	%Chg
NIFTY	5884.95	5640.04	244.91	4.34
SENSEX	19594.75	18799.66	795.09	4.23
BSEMIDCAP	8104.28	8050.73	53.55	0.67
BSESMLCAP	10238.91	10249.25	-10.34	-0.10
BSE-100	10446.96	10052.62	394.34	3.92
BSE-200	2494.48	2409.09	85.39	3.54
BSE-500	7881.77	7638.87	242.90	3.18
BSE IPO	2316.65	2284.30	32.35	1.42

SECTORAL INDICES

Indices	17.09.10	09.09.10	Chg(Pts)	%Chg
BSE BANKEX	13744.71	12984.19	760.52	5.86
BSE OIL&GAS	10736.07	10175.11	560.96	5.51
BSE REALTY	3712.71	3553.50	159.21	4.48
BSE CONS DURA	6154.17	5909.50	244.67	4.14
BSE IT	5843.80	5664.43	179.37	3.17
BSE HEALTH CARE	5842.24	5679.04	163.20	2.87
BSE CAP GOODS	15511.40	15094.78	416.62	2.76
BSE FMCG	3563.10	3467.60	95.50	2.75
BSE TECK	3656.04	3563.32	92.72	2.60
BSE METAL	16489.16	16131.46	357.70	2.22
BSE AUTO	9275.97	9096.55	179.42	1.97
BSE PSU	10242.43	10053.16	189.27	1.88
BSE POWER	3163.55	3121.31	42.24	1.35

WEEKLY SENSEX GAINERS & LOSERS

Top Gainers			Top Losers		
Company	Price	Gain%	Company	Price	Loss%
DLF	352.20	9.43	BHEL	2444.45	-1.36
HDFC	684.10	8.48			
SUN PHARMA	1874.30	7.35			
RELIANCE	1026.75	7.18			
HDFC BANK	2399.65	7.11			

WEEKLY: A - GROUP GAINERS & LOSERS

Top Gainers			Top Losers		
Company	Price	Gain%	Company	Price	Loss%
GODREJ CONS	459.35	15.20	GSPL	109.05	-5.67
BHUSHAN STEEL	2114.80	12.78	KOUTONS RET	298.10	-5.65
LIC H. FINAN	1317.95	12.04	PTC	120.15	-5.17
CORPN. BANK	709.10	11.60	GVK POWERINF	48.30	-4.92
ISPAT	23.75	10.98	JUB.ORG	345.30	-4.65

ADVANCE - DECLINE

BSE 30 Companies	
Positive	29
Negative	01
Unchanged	00
Total	30

A GROUP COMPANIES	
Positive	136
Negative	61
Unchanged	1
Total	198

WORLD INDICES

Index	17.09.10	09.09.10	Chg(Pts)	% Chg
NIFTY	5884.95	5640.04	244.91	4.34
SENSEX	19594.75	18799.66	795.09	4.23
DJIA	10607.85	10462.77	145.08	1.39
NASDAQ	2315.61	2242.48	73.13	3.26
FTSE	5508.45	5501.64	6.81	0.12
NIKKEI	9626.09	9239.17	386.92	4.19
BOVESPA	67089.12	66806.79	282.33	0.42
SHANGHAI	2598.69	2663.21	-64.52	-2.42
KOSPI	1827.35	1802.58	24.77	1.37
HANG SENG	21970.86	21257.39	713.47	3.36
STRAITS TIMES	3076.37	3022.28	54.09	1.79

BSE 200 GROUP

Scripts	CMP(Rs)	Weekly % Chg
Gainers		
EDELWEISS	57.95	13.07
BHUSHAN STEEL	2114.80	12.78
LIC HOUSING	1317.95	12.04
INDUSIND BANK	262.60	11.74
ISPAT	23.75	10.98
Losers		
GUJ PETRONET	109.05	-5.67
GSPL	109.05	-5.67
PTC	120.15	-5.17
GVK POWER	48.30	-4.92
JUB.ORG	345.30	-4.65

US LISTINGS

Scripts	Close (\$)	Weekly % Chg
NYSE		
Dr Reddy	31.61	2.96
HDFC Bank	182.11	8.04
ICICI Bank	47.82	4.78
MTNL	2.79	-2.45
Patni	19.57	1.45
Satyam	5.12	-2.10
SLT	14.76	4.46
Tata Motors	23.30	2.42
TCL	14.34	-3.50
WIPRO	13.77	4.16
NASDAQ		
Infosys	65.07	4.40

A BLOW OUT RALLY

It was a blow out rally for Indian markets as benchmark indices surged more than 4% in the week gone by to close at the highest level after 11th January 2008 on weekly basis. The special thing about this week's trading was the successful crossover of the resistance of the rising trend line adjoining tops of October 2009 and January 2010 as shown in the weekly and monthly chart below. Almost for past one year, Nifty was trading in the rising channel as shown in the weekly and monthly chart below. There was a tough resistance of the upper line of this rising channel around 5740 this time around. Nifty crossed this key resistance by closing at 5760 on the very first day of the week. On the subsequent sessions of the week, benchmark extended the gains by touching a high of 5901.65 on Thursday and finally settled at 5885, gaining 245 points or 4.34% on weekly basis. This was the highest weekly gain for Nifty after the week ended 28th August 2009.

The technical outlook on market continues to be positive. While the possibility of running correction is not ruled out in the near term considering the fact that Nifty has run up nearly 10% in last 13 sessions, the fact that the benchmark has decisively crossed a big resistance as mentioned above, portrays a very bullish picture for the medium term. 5740, the erstwhile resistance, will now act as a meaningful support on the downside. On the upside, extension tool gives an immediate target of 5994. Traders are advised to ride their trading long positions with the stop loss of 5815, which is Thursday's low, the day on which markets saw sharp intraday profit booking and closed in red for the first time after 7 consecutive up days.

Daily Chart of Nifty



Weekly Chart of Nifty



Monthly Chart of Nifty



SUPPORT-RESISTANCE LEVELS FOR FORTHCOMING WEEK (Next Week)

Stock	Close	Pivot Avg.	Res.1	Res.2	Support-1	Support-2
ABB	845.50	826.02	871.43	897.37	800.08	754.67
ACC	997.85	988.23	1026.47	1055.08	959.62	921.38
AMBUJACEM	142.55	140.60	146.25	149.95	136.90	131.25
AXISBANK	1506.50	1471.83	1557.67	1608.83	1420.67	1334.83
BHARTIARTL	358.85	354.98	364.87	370.88	348.97	339.08
BHEL	2443.60	2468.00	2501.00	2558.40	2410.60	2377.60
BPCL	765.90	762.13	783.27	800.63	744.77	723.63
CAIRN	342.10	341.00	356.10	370.10	327.00	311.90
CIPLA	308.90	309.48	314.42	319.93	303.97	299.03
DLF	352.50	344.38	366.77	381.03	330.12	307.73
GAIL	480.35	478.33	493.97	507.58	464.72	449.08
HCLTECH	419.25	407.52	437.58	455.92	389.18	359.12
HDFC	683.65	674.77	718.33	753.02	640.08	596.52
HDFCBANK	2400.60	2358.20	2468.40	2536.20	2290.40	2180.20
HEROHONDA	1745.15	1742.35	1772.70	1800.25	1714.80	1684.45
HINDALCO	189.05	188.30	193.60	198.15	183.75	178.45
HINDUNILVR	281.80	280.50	285.30	288.80	277.00	272.20
ICICIBANK	1114.20	1097.77	1140.43	1166.67	1071.53	1028.87
IDEA	77.15	76.80	80.35	83.55	73.60	70.05
IDFC	193.45	194.52	199.93	206.42	188.03	182.62
INFOSYSTCH	2970.15	2970.72	3059.43	3148.72	2881.43	2792.72
ITC	168.35	166.52	171.23	174.12	163.63	158.92
JINDALSTEL	708.40	708.58	722.82	737.23	694.17	679.93
JPASSOCIAT	122.30	123.28	126.72	131.13	118.87	115.43
KOTAKBANK	473.25	471.52	507.73	542.22	437.03	400.82
LT	1963.15	1942.72	1990.43	2017.72	1915.43	1867.72
M&M	680.00	672.55	693.45	706.90	659.10	638.20
MARUTI	1388.35	1372.23	1430.32	1472.28	1330.27	1272.18
NTPC	206.35	206.00	209.85	213.35	202.50	198.65
ONGC	1397.25	1405.67	1444.98	1492.72	1357.93	1318.62
PNB	1285.85	1279.63	1333.72	1381.58	1231.77	1177.68
POWERGRID	105.25	105.90	107.25	109.25	103.90	102.55
RANBAXY	534.00	520.07	550.13	566.27	503.93	473.87
RCOM	166.75	164.42	171.23	175.72	159.93	153.12
RELCAPITAL	809.90	802.33	833.67	857.43	778.57	747.23
RELIANCE	1027.35	1008.03	1050.72	1074.08	984.67	941.98
RELINFRA	1061.55	1054.42	1090.13	1118.72	1025.83	990.12
RPOWER	160.90	158.67	164.13	167.37	155.43	149.97
SAIL	201.65	202.57	205.93	210.22	198.28	194.92
SBIN	3092.75	3083.27	3175.48	3258.22	3000.53	2908.32
SIEMENS	753.20	745.95	779.70	806.20	719.45	685.70
STER	173.60	171.63	177.62	181.63	167.62	161.63
SUNPHARMA	1874.10	1835.03	1930.07	1986.03	1779.07	1684.03
SUZLON	54.45	54.73	58.72	62.98	50.47	46.48
TATAMOTORS	1035.50	1043.93	1070.57	1105.63	1008.87	982.23
TATAPOWER	1264.60	1268.20	1281.40	1298.20	1251.40	1238.20
TATASTEEL	604.80	604.25	616.40	628.00	592.65	580.50
TCS	913.80	899.23	933.97	954.13	879.07	844.33
UNITECH	87.95	86.77	91.18	94.42	83.53	79.12
WIPRO	420.25	417.58	434.57	448.88	403.27	386.28

Disclaimer

This document has been prepared by Anagram Capital Ltd (Anagram). Anagram, its holding company and associate companies are a full service, brokerage group. This document does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. The information contained herein is from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such. Anagram or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors. We and our affiliates, group companies, officers, directors, and employees may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as advisor or lender/borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Anagram and affiliates/ group companies to any registration or licensing requirements within such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law, and persons in whose possession this document comes, should inform themselves about and observe, any such restrictions. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. Anagram reserves the right to make modifications and alterations to this statement as may be required from time to time. However, Anagram is under no obligation to update or keep the information current. Nevertheless, Anagram is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Neither Anagram nor any of its affiliates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. Past performance is not necessarily a guide to future performance. The disclosures of interest statements incorporated in this document are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. Anagram Capital Limited generally prohibits its analysts, persons reporting to analysts and their dependents from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report. Pl. note that Mutual Fund Investments are subject to market risks, read the offer document carefully of the respective schemes before investing for full understanding and detail. Kindly read the Risk Disclosure Documents carefully before investing in Equity Shares, Derivatives, Commodities or other instruments. The information provided in these reports remains, unless otherwise stated, the copyright of Anagram. All layout, design, original artwork, concepts and other Intellectual Properties, remains the property and copyright Anagram and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the copyright holders.

To unsubscribe, send a mail to unsubscribeanagram@gmail.com

Copyright in this document vests exclusively with Anagram Stock broking Limited