



Weekly Market Strategy

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Technical View: Cash Market

Nifty has good support in 5600-5625 area and resistance in 5730-5750 area. Volatility may be seen in this range. However, if Nifty manages to show strength above 5750 levels then good buying interest may be seen. On maintaining below 5600 levels, selling pressure till 5450-5350 may also be seen.

For trading during the coming sessions, trend deciding level is 5700-5750. If Nifty shows strength above 5750 levels then we may see rally to 5875/5950/6050 levels. If Nifty doesn't sustain above 5700-5750 levels then selling pressure till 5600/5550/5450 may also be seen.

Recommendation for Monday- Intra Day Trading

Scrip (LTP)	Action	At Price	For Target of	Stop Loss	Duration
M&M (770.20)	BUY	ABOVE 770	790	755	1 day
ALOK TEXTILE(26.25)	BUY	ABOVE 26	28	25	1 day

Technical View: NIFTY Future

Duration	Action	Entry Zone	For Target of	Stop Loss
For Monday	Buy	5670-5700	5750/5770	5640
For the Week	Buy	5650-5680	5750/5790/5815	5610

Fundamental Call

Company	Recommendation	Buy Range(Rs)	Target(Rs)
Oriental Bank of Commerce	Buy	359	400

News Roundup

- India's benchmark indices ended the week on positive note. Both Sensex and Nifty closed with gains of 0.98% and 0.74% at 19046.54 and 5696.50 respectively. Among sectoral indices, Banking, IT and Metal were the top performers.
- Food price index rose 15.52% on annual basis during week-ended Jan 8, vis a vis 16.91% recorded in the previous week. The index for food goods declined considerably by 1.2% to 190.6 from 192.9 for the previous week, mainly due to lower prices of fish, poultry and fruits & vegetables.
- Following the sharp increase in headline inflation in the month of December, the Prime Minister's Economic Advisory Council (PMEAC) has further upwardly revised its March-end inflation forecast to 7% from 6.5% estimated earlier. The PMEAC is also in favor of the RBI further tightening its monetary policy in order to tackle the increasingly sticky looking inflation.
- RBI, which had left benchmark policy rates unchanged in the mid-quarterly review in December, is under pressure to tighten the stance of monetary policy further in the January review scheduled to be released on January 25. The central bank had itself said recently that upside risk on inflation remained strong in wake of sticky food prices that the economy is currently witnessing.
- Indirect tax revenue collections during the April-December'10 have expanded by robust 42.8% amidst surging sales of consumer durables like automobiles and white goods. Total excise and service taxes mop up over first eight months of the fiscal has reached Rs 2372 billion vis a vis Rs 1661 billion achieved during the same period in 2009-10.
- India's foreign exchange reserves increased by \$3.41 billion during the week ended January 14 to \$297.42 billion against \$294.01 billion in the previous week.
- Most of the Asian stocks fell, amid concern that China will take more steps to restrain its economy. The markets are worried that growth in China has been too strong and that officials may need to tighten policy further to prevent the economy overheating. Since China is one of the few growth engines in the world right now, markets have sold off amid fear of slow down.
- Germany's economy expanded a record 3.6 percent last year as rising employment encouraged consumers to spend more and companies increased investment to meet export demand. German growth is driving the recovery in the 17-nation euro area as countries such as Ireland, Greece, Portugal and Spain introduce austerity measures to rein in budget deficits amid a sovereign debt crisis.
- U.K. retail sales dropped the most ever for a December as snowfall and higher prices undermined Britons' holiday shopping. Retailers may face further pressure from a government increase in value added tax on sales as inflation at an eight-month high crimps Britons' spending power.
- Oil rebounded a little from its lows on Friday as growing confidence in the economic recovery made price slump appear excessive. Gold prices fell as signs of economic recovery in the U.S. and European Union reduced the precious metal's appeal as a safe haven. Silver slipped to a seven-week low
- The euro rose against all its major counterparts as speculation increased that the European policy makers will craft a long-term approach to handle the region's sovereign-debt crisis. The U.S. dollar fell against the euro before a Federal Reserve policy meeting next week. Asian currencies fell this week on speculation overseas funds are shifting money from the region as inflation gathers pace.
- The results of Reliance Industries and SBI announced after the last trading session would influence the opening of the market on Monday. The Credit policy due on 25th is being watched with a keen interest. The expiry of the derivative contracts is due on 27th. The important results due next week are ONGC, HUL, ICICI Bank and Idea. The market is expected to be volatile next week.

Market Indices

SECTORAL INDICES				
INDICES	14-Jan-10	21-Jan-10	Change (%)	Difference
BSE				
Sensex	18860.44	19007.53	0.78	147.09
Bankex	11850.60	12348.97	4.21	498.37
IT Index	6439.06	6630.33	2.97	191.27
Metal Index	16371.60	16734.02	2.21	362.42
FMCG Index	3586.01	3542.86	-1.20	-43.15
Cap. Goods Index	13818.04	13538.18	-2.03	-279.86
Realty Index	2524.31	2494.77	-1.17	-29.54
Consumer Durables Index	5957.52	6054.34	1.63	96.82
OIL & GAS	9978.14	9745.48	-2.33	-232.66
AUTO	9259.02	9309.41	0.54	50.39
Healthcare Index	6483.49	6535.00	0.79	51.51
PSU Index	8735.97	8792.04	0.64	56.07
Mid-Cap Index	7223.78	7191.87	-0.44	-31.91
NSE				
S&P CNX Nifty	5654.55	5696.50	0.74	41.95
Bank Nifty	10432.90	10889.40	4.38	456.50
CNX IT Index	7068.20	7249.80	2.57	181.60
S&P CNX 500	4566.75	4592.70	0.57	25.95

GLOBAL INDICES				
INDICES	14-Jan-10	21-Jan-10	Change (%)	Difference
US Market				
NASDAQ	2755.30	2689.54	-2.39	-65.76
Dow Jones	11787.38	11871.84	0.72	84.46
S & P 500	1293.24	1283.35	-0.76	-9.89
European Market				
FTSE 100	6002.07	5896.25	-1.76	-105.82
CAC 40	3983.28	4017.45	0.86	34.17
Asian Market				
Nikkei	10499.04	10274.52	-2.14	-224.52
Strait Times	3245.96	3184.60	-1.89	-61.36
Hang seng	24283.23	23876.86	-1.67	-406.37
Shanghai Comp.	2790.68	2715.95	-2.68	-74.73

Institutional Activity (Equity)

INSTITUTIONAL ACTIVITY (Equity)

(Rs. In Cr)			
Day Wise	Purchase	Sale	Net
FII Activity			
Friday	2018.10	2712.70	-694.60
Monday	2682.00	2735.70	-53.70
Tuesday	2695.40	2519.00	176.40
Wednesday	3179.00	3387.00	-208.00
Thursday	2725.90	3560.20	-834.30
Friday (Provisional)	2461.85	2829.85	-368.00
Total	13300.40	14914.60	-1614.20
DII Activity			
Friday	1381.90	1091.79	290.11
Monday	1067.54	707.72	359.82
Tuesday	1149.84	1176.04	-26.20
Wednesday	1540.76	1052.23	488.53
Thursday	1432.83	1176.51	256.32
Friday	1061.92	838.78	223.14
Total	7634.79	6043.07	1591.72

Weekly Sectoral Roundup

Out performer	Under performer	Neutral
BANK (+4.21%)	OIL & GAS (-2.33%)	HC (+0.79%)
IT (+2.97%)	CG (-2.03%)	PSU INDEX (+0.64%)
METAL (+2.21%)	FMCG (-1.20%)	AUTO (+0.54%)
CD (+1.63%)	REALTY (-1.17%)	

Weekly Top Gainers

Name	close	pclose	%change
LICHSGFIN	194.05	158.30	22.58
ORCHIDCHEM	320.25	284.10	12.72
OPTOCIRCUI	258.30	231.2	11.72
BRFL	229.30	205.50	11.58
CANBK	607.05	546.95	10.99

Weekly Top Losers

Name	close	pclose	%change
EXIDEIND	135.90	156.20	-13
JETAIRWAYS	589.50	663.5	-11.15
IVRCLINFRA	99.15	109.90	-9.78
FINANTECH	710.90	785.50	-9.50
STRTECH	62.20	68.15	-8.73

Outlook for the Week

Nifty opened the week on positive note at 5648.80 levels and after making initial weekly low at 5624.15 levels, Nifty showed some strength and made weekly high at 5747.65 levels. Some selling pressure was seen from week's high, But Nifty closed in green at 5696.50 levels with 0.74% gains. Volumes were lower than previous week. Bulls and bears have been indecisive throughout the week. Nifty has good support in 5600-5625 area and resistance in 5730-5750 area. Volatility may be seen in this range.

However, if Nifty manages to show strength above 5750 levels then good buying interest may be seen. On maintaining below 5600 levels, selling pressure till 5450-5350 may also be seen.

For trading during the coming sessions, trend deciding level is 5700-5750. If Nifty shows strength above 5750 levels then we may see rally to 5875/5950/6050 levels. If Nifty doesn't sustain above 5700-5750 levels then selling pressure till 5600/5550/5450 may also be seen.

NIFTY Futures View

Nifty Jan Future opened at 5640 tested the low of 5628.65 then due to mild short covering touched the high of 5753.95 & closed at 5700.60. Technically speaking 5610 mark would act as a support for the coming week. Possible resistance would be around 5800.

View for Medium term Traders: On Medium term basis, Nifty has support around 5600 mark. Medium term resistance would be around 5835.

Trading strategy for Short term Traders: We are recommending buying strategy for the short term traders. Long position may be taken in the zone of 5650-5680 with the SL of 5610 for the target of 5750/5790/5815.

For day-trading purpose on Monday: Long position may be taken in the zone of 5670-5700 with the SL of 5640 for the target of 5750/5770.

Nifty Trend Watch

Date	Nifty	Cash	January Future
21-01-2011	Close Today	5696.50	5700.60
Week Beginning 24-01-2011	R2	6050	6050
	R1	5875/5950	5875/5950
	Weekly Trend Deciding	5700-5750	5700-5750
	S1	5600/5550	5600/5550
	S2	5450	5450

Nifty Weekly

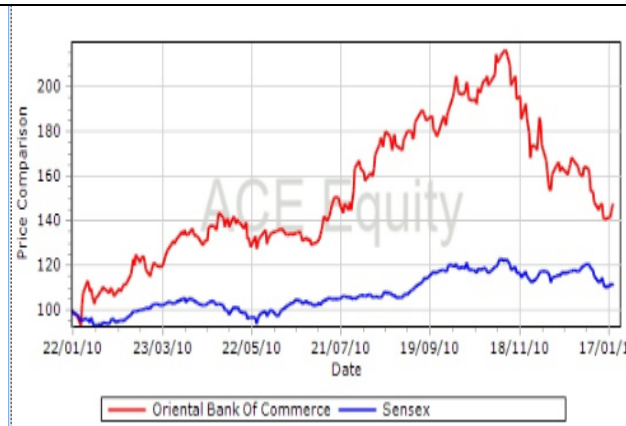


Investment Idea

Oriental Bank of Commerce (Medium Risk-Medium Return)

Buy

CMP: - 359
Date: 21st Jan, 2011



Key Details (Rs)

CMP	359
Face value	10
52 week high/low	545-224.5
M. cap (In crores)	9127.16
BASIC EPS(TTM)	54.58
P/E ratio(X)(TTM)	6.57
P/BV ratio(X)	1.23

Share Holding pattern as on Sep'10

Promoter %	51.09
FII%	16.70
others%	32.21

Particular	Sep-10	Sep-09	%chg	Jun-10	%chg
Rs in Cr					
Int. Earned	2992	2496	19.9	2831	5.7
Int. exp	1915	1935	-1.0	1774	8.0
Total exp	2400	2296	4.5	2223	8.0
PBT&Prov.	806	505	59.6	822	-2.0
provision	226	55	310.4	228	-0.7
Tax	182	179	1.7	231	-77.9
EPS(Rs)	63.49	43.23	46.8	58.00	72.1

Oriental Bank of Commerce (OBC) is one the largest public sector banks catering to all kind of banking activities. Currently it is working with 1500 pan India branches and 1000 ATM counters with 100% CBS.

Investment rationale

- During the period FY06-FY10, advances and deposits grew at a CAGR of 20% and 19% respectively. The management is expecting 22%-23% business growth in FY11.
- OBC has a CASA of 25% as on Q2FY11 and is in line with its peers. The CASA deposits growth has outpaced the overall deposits growth. CASA deposits grew by 25% YoY as against 16.6% growth in deposits in Q2FY11.
- Key parameters like NII and NIM have improved significantly. In Q2FY11 NII grew by 92% y-o-y on account of higher CASA ratio and re pricing of deposits. NIM improved from 2.02% to 3.3% y-o-y. Management is expecting a 3%+ NIM in FY11.
- Cost to income ratio reduced to 37.1% in Q2FY11 from 41.7% in Q2FY10. OBC has been expanding and adding manpower.
- GNPA at 1.67% and NNPA at 0.7% are lower compared to the previous quarter.
- OBC has a comfortable provision coverage ratio of about 81% well above the stipulated 70%.
- The bank's capital adequacy ratio stands at 12.8% in Q2FY11 with Tier-I ratio at 9.4%.

Investment concerns

- Hardening of interest rates may cause deterioration in asset quality further as well as reduce NIM.
- The Government holding is 51% thus the OBC cannot raise funds through dilution as

NII	1077	561	92.0	1057	1.9	<p>that entail Government's holding falling below minimum stipulated by it.</p> <p>Recommendation: At CMP Rs 359 stock is looking attractive with 1.1x P/BV (BV as on Q2FY11) as compared to its peers. Investors can buy at this range for a target of Rs 400 in medium term.</p>
GNPA	1.7	1.5	8.4	1.74	-4.0	
NNPA	0.7	0.7	6.1	0.72	-2.8	
BV	323	279	23.6	307	5.6	
CMP(Rs)	359	359	0.0	359	0.0	
P/BV(x)	1.12	1.28	-19.1	1.17	-5.3	
P/E(x)	5.7	8.3	-31.9	6.1	-41.9	

Derivatives Statistics

SYMBOL	PREV. WEEK	PCR OI		% CHANGE	TOTAL FUTURES OI		% CHANGE
		CURR. WEEK			OI PREV. WEEK	OI CURR WEEK	
BANKNIFTY	0.35	0.43	22.86		1,383,550	1,201,200	-13.18
MININIFTY	0.22	0.26	18.18		1,514,700	1,344,540	-11.23
NIFTY	0.9	0.89	-1.11		24,507,350	25,937,500	5.84
ACC	0.52	0.38	-26.92		2,236,250	2,506,750	12.10
AMBUJACEM	0.25	0.35	40.00		11,494,000	11,590,000	0.84
AXISBANK	0.48	0.69	43.75		2,451,500	2,638,500	7.63
BAJAJ-AUTO	0.16	0.16	0.00		2,285,500	2,026,000	-11.35
BHARTIARTL	0.44	0.44	0.00		8,230,000	8,993,000	9.27
BHEL	0.23	0.23	0.00		2,585,750	2,726,375	5.44
BPCL	0.35	0.25	-28.57		2,558,000	2,565,000	0.27
CAIRN	0.30	0.36	20.00		12,230,000	13,655,000	11.65
CIPLA	0.20	0.23	15.00		4,068,000	3,344,000	-17.80
DLF	0.31	0.30	-3.23		16,057,000	16,778,000	4.49
DRREDDY	0.66	0.63	0.00		1,328,750	1,375,750	3.54
GAIL	0.29	0.19	-34.48		1,773,000	2,772,000	56.35
HCLTECH	1.41	1.21	-14.18		1,758,000	2,047,500	16.47
HDFC	0.21	0.25	19.05		7,098,500	8,703,000	22.60
HDFCBANK	0.39	0.45	15.38		2,411,375	2,775,625	15.11
HEROHONDA	1.08	0.74	-31.48		2,488,875	2,535,250	1.86
HINDALCO	0.50	0.64	28.00		14,916,000	17,048,000	14.29
HINDUNILVR	0.47	0.46	-2.13		13,534,000	16,792,000	24.07
ICICIBANK	0.30	0.36	20.00		9,915,500	10,755,250	8.47
IDFC	0.16	0.18	12.50		20,508,000	20,220,000	-1.40
INFOSYSTCH	0.57	0.60	5.26		2,853,375	3,084,625	8.10
ITC	0.38	0.28	-26.32		12,892,000	20,478,000	58.84
JINDALSTEL	0.45	0.44	-2.22		2,763,500	2,610,000	-5.55
JPASSOCIAT	0.22	0.21	-4.55		48,778,000	49,204,000	0.87
KOTAKBANK	0.63	0.62	-1.59		2,567,000	2,545,000	-0.86
LT	0.23	0.23	0.00		4,463,750	5,711,875	27.96
M&M	0.53	0.62	16.98		3,916,000	4,345,500	10.97
MARUTI	0.54	0.37	-31.48		2,012,250	2,017,250	0.25
NTPC	0.20	0.20	0.00		17,067,000	18,913,000	10.82

ONGC	0.29	0.25	-13.79	2,330,000	2,914,250	25.08
PNB	0.87	0.78	-10.34	1,251,000	1,597,750	27.72
POWERGRID	0.14	0.15	7.14	31,386,000	29,380,000	-6.39
RANBAXY	0.28	0.24	-14.29	2,183,500	2,383,000	9.14
RCOM	0.32	0.32	0.00	28,458,000	28,482,000	0.08
RELCAPITAL	0.29	0.27	-6.90	6,991,000	7,013,000	0.31
RELIANCE	0.29	0.26	-10.34	14,068,250	15,956,750	13.42
RELINFRA	0.21	0.31	47.62	7,163,750	7,727,250	7.87
RPOWER	0.27	0.29	7.41	23,328,000	27,626,000	18.42
SAIL	0.23	0.28	21.74	10,888,000	10,286,000	-5.53
SBIN	0.29	0.33	13.79	5,555,875	4,917,750	-11.49
SESAGOA	0.41	0.46	12.20	10,881,000	14,524,000	33.48
SIEMENS	0.11	0.33	200.00	943,500	968,500	2.65
STER	0.28	0.29	0.00	15,280,000	16,316,000	6.78
SUNPHARMA	0.96	0.92	-4.17	1,740,000	1,923,125	10.52
SUZLON	0.20	0.20	0.00	84,884,000	95,592,000	12.61
TATAMOTORS	0.27	0.35	29.63	10,567,000	11,503,250	8.86
TATAPOWER	1.04	1.15	10.58	1,329,500	1,351,250	1.64
TATASTEEL	0.37	0.41	10.81	21,544,500	25,938,500	20.39
TCS	0.42	1.46	247.62	3,341,750	3,722,500	11.39
WIPRO	0.47	0.29	-38.30	3,281,500	3,789,000	15.47

Nifty Stock Level (Cash)

SCRIPS	LTP	R1	R2	S1	S2	trend
ACC	996.35	1023.00	1050.00	981.00	965.00	Downtrend
AMBUJACEM	126.55	131.00	136.00	123.00	119.00	Downtrend
AXISBANK	1287.05	1347.00	1408.00	1213.00	1139.00	Uptrend
BAJAJ-AUTO	1313.30	1362.00	1411.00	1244.00	1174.00	Uptrend
BHARTIARTL	336.05	349.00	362.00	327.00	317.00	Downtrend
BHEL	2207.25	2264.00	2321.00	2150.00	2092.00	Uptrend
BPCL	590.90	617.00	643.00	565.00	538.00	Downtrend
CAIRN	337.30	347.00	357.00	330.00	322.00	Uptrend
CIPLA	354.00	364.00	374.00	341.00	327.00	Uptrend
DLF	251.55	260.00	269.00	243.00	234.00	Downtrend
DRREDDY	1651.95	1687.00	1723.00	1619.00	1586.00	Uptrend
GAIL	453.00	480.00	508.00	437.00	421.00	Downtrend
HCLTECH	499.55	524.00	550.00	468.00	437.00	Uptrend
HDFC	651.20	668.00	685.00	636.00	620.00	Uptrend
HDFCBANK	2094.15	2138.00	2182.00	2048.00	2001.00	Uptrend
HEROHONDA	1753.25	1795.00	1838.00	1726.00	1699.00	Downtrend
HINDALCO	234.45	242.00	250.00	225.00	215.00	Uptrend
HINDUNILVR	298.20	304.00	311.00	294.00	290.00	Downtrend
ICICIBANK	1065.55	1093.00	1120.00	1016.00	965.00	Uptrend
IDFC	157.90	473.00	510.00	416.00	395.00	Uptrend
INFOSYSTCH	3243.85	3323.00	3402.00	3178.00	3111.00	Uptrend
ITC	168.90	176.00	184.00	164.00	159.00	Downtrend
JINDALSTEL	699.85	721.00	743.00	667.00	634.00	Uptrend
JPASSOCIAT	91.75	95.00	99.00	88.00	84.00	Downtrend
KOTAKBANK	413.60	425.00	437.00	398.00	382.00	Uptrend
LT	1649.45	1710.00	1771.00	1613.00	1576.00	Downtrend
M&M	770.20	788.00	806.00	741.00	711.00	Uptrend
MARUTI	1248.65	1277.00	1306.00	1229.00	1209.00	Downtrend
NTPC	189.95	193.00	196.00	186.00	181.00	Uptrend
ONGC	1105.55	1161.00	1217.00	1076.00	1046.00	Downtrend
PNB	1125.35	1161.00	1198.00	1094.00	1063.00	Uptrend
POWERGRID	98.85	101.00	103.00	96.00	92.00	Uptrend
RANBAXY	558.90	580.00	601.00	547.00	534.00	Downtrend
RCOM	136.40	140.00	144.00	130.00	123.00	Uptrend
RELCAPITAL	586.65	603.00	620.00	568.00	549.00	Downtrend
RELIANCE	986.80	1012.00	1038.00	958.00	929.00	Downtrend
RELINFRA	737.95	775.00	813.00	698.00	658.00	Downtrend
RPOWER	142.20	146.00	151.00	135.00	128.00	Downtrend
SAIL	167.70	174.00	182.00	158.00	149.00	Uptrend

SBIN	2596.90	2649.00	2701.00	2504.00	2410.00	Uptrend
SESAGOA	336.60	347.00	358.00	317.00	297.00	Uptrend
SIEMENS	731.20	755.00	779.00	713.00	694.00	Downtrend
STER	177.40	186.00	196.00	167.00	157.00	Uptrend
SUNPHARMA	485.35	501.00	517.00	466.00	446.00	Uptrend
SUZLON	52.85	54.00	56.00	51.00	49.00	Uptrend
TATAMOTORS	1187.40	1213.00	1238.00	1159.00	1129.00	Downtrend
TATAPOWER	1315.70	1358.00	1401.00	1283.00	1250.00	Downtrend
TATASTEEL	629.55	645.00	662.00	613.00	597.00	Uptrend
TCS	1211.65	1248.00	1285.00	1147.00	1082.00	Uptrend
WIPRO	455.95	476.00	496.00	445.00	433.00	Downtrend

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