

WEEK

4th Jan 10 - 8th Jan 10

Weekly Markets

Sensex	17540	0.43%
Nifty	5245	0.85%
Gold(US\$/oz)	1138.4	3.85%
Re/US\$	45.46	-2.47%
Dow	10,618	1.82%
Nasdaq	2,317	2.12%
FX Res (US\$ Bn)	283.52	0.01%

NET FII/DII Equity Activity (Rs Cr)

Upto 08.01.10	FII	DII
Total Jan 10	2,405.85	2399.51
Total 2010	2,405.85	2,399.51

Source: bseindia.com

Weekly Sector Movement

Sectors	Close	%
IT	4,956	-4.45%
FMCG	2,849	2.07%
CG	14,286	1.20%
CD	3,915	3.42%
Healthcare	5,136	2.34%
PSU	9,727	2.05%
Bankex	10,152	1.20%
Auto	7,396	-0.53%
Metal	18,091	3.97%
Realty	4,074	5.65%
OilGas	10,718	2.36%

SNAPSHOT

The key benchmark indices in India edged lower extending losses for the second straight day, defying gains in global stocks and US index futures ahead of the release of the US non-farm payrolls data for December 2009 later in the global day. IT pivotals extended recent losses on concerns arising from the rupee's recent strength against the dollar. Metal and banking stocks also fell. But, realty stocks rose. The BSE 30-share Sensex fell 75.43 points or 0.43%, up close to 30 points from the day's low and off 115 points from the day's high. Index heavyweight Reliance Industries edged lower in volatile trade. There was plenty of action in the side market indicated by strong market breadth. The Sensex had lost 75 points or 0.43% to settle 17,540 on Friday, 8 January 2010. .



WEEK GONE BY

The market closed the first week of 2010 on a positive note. The key benchmark indices touched 22-month highs as investors bet on strong Q3 December 2009 results. The gains were, however, unable to sustain at higher level and weak global markets encouraged investors to lock in profits in the last two trading sessions of the week. The selling was confined to some frontline counters, while undertone in the market was still bullish following positive comments from the Finance Minister and the Prime Minister. The BSE 30-share Sensex rose 75.48 points or 0.43% to 17,540.29 in the week ended Friday, 8 January 2010. The S&P CNX Nifty rose 43.7 points or 0.84% to 5244.75 in the week. The BSE Mid-Cap index outperformed the Sensex, rising 3.40% to 6,946. The BSE Small-cap index, too, outperformed the Sensex, rising 4.07% to 8,697.64 in the week. Trading began at 9:00 IST from Monday, 4 January 2010 as the stock exchanges decided to extend trading hours by 55 minutes. Index heavyweight Reliance Industries (RIL) rose 1.15% in the week. As per reports, the company has sweetened its offer to buy a controlling stake in bankrupt LyondellBasell Industries. Reliance's new offer has pushed its valuation of Lyondell to about \$13.5 billion, up from \$12 billion in an initial bid made in November 2009. Software pivotals fell on expectations the Indian rupee may rise further this year. The partially convertible rupee rose to a high of 45.55 per dollar on Thursday, 7 January 2010, its strongest level since

WEEK AHEAD

The market may see stock-specific action next week as third quarter result season kicks off. Besides corporate results, market participants will be keenly watching India's industrial production data and monthly inflation data. Government data on industrial performance for November 2009, as measured by the index of industrial production (IIP), will be unveiled on 12 January 2010. Inflation data for December 2009 is due on 14 January 2010. also The Reserve Bank of India (RBI) will hold the third quarter review of the monetary policy on 29 January 2010, when it is widely expected to hike the cash reserve ratio or the percentage of amount banks park with the RBI to absorb excess money from the system. Meanwhile, Nifty January 2010 futures were at 5,256.25, at a premium of 11.50 points as compared to the spot closing of 5,244.75. Turnover in NSE's futures & options (F&O) segment was Rs 48,481.59 crore, lower than Rs 53,412.08 crore on Thursday, 7 January 2010. Conclusively we expect more of a range bound scenario in upcoming sessions between 5130-5330. Moreover we believe domestic indices should witness some sort of profit booking in upcoming sessions however 5130 seems to be a vital support. Any drift below this, further spoil the current momentum and we might see 5000 in a specific time frame where suggestive buying opportunities shouldn't be rule out. On the flip side 5370 going to be a major hurdle for any substantial upside.

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Index Composition	
Date	08.01.10
NIFTY	
Jan Fut	5258
Feb Fut	5264
Jan OI	2415600
Feb OI	784050
BANK NIFTY	
Jan Fut	9165
Feb Fut	9168
Jan OI	1106100
Feb OI	12750
CNX IT	
Jan Fut	5630
Jan OI	33600

INDEX - TECHNICAL STAND POINT



TREND LINE CONJECTURE:-

We have projected a trend line by joining the significant previous tops of 16002 and 17196. The value for this upper trend line stood at 17,500 and where the Sensex have found stiff level of resistance as it could make a high of 17,493. This week sensex shattered this trend line decisively and continued to stay above these levels which might be a bullish indicator in short term. In addition to that a diagonal pattern joining 15600 and 17493 seems to be shaping at this point. Hence we expect more positivism in the indices with medium target at around 19750 however it should be more confirmed in later part of 1st half of 2010. On the flip side there would be possibility of technical correction between 38 to 50% from current levels in the upcoming sessions though it might be a profit booking rather than any substantial correction.

In Nifty trend line drawn from the lows of 3918 providing good support at this juncture. Value for this trend line stood at 4800 level. Moreover trend line adjoining tops of 4693 and 5181 seems to be determining new diagonal pattern in upcoming sessions however such possibility looks illusive at this point. Hence for upcoming sessions range bound scenario between 5000-5370 looks more prominent and worthy.

ELLIOTWAVE CONJECTURE:-

Remember we have already determined 'X2' wave of this diametric formation shaped in benchmark indices with nearby target at around 4900 in 11-18 trading sessions. Now with above the target levels, 'X2' wave continued to show strength however advance decline ratio displays lack of conviction around these levels. As we have assumed that we may be into 'C' wave of the A-B-C pattern from 17493. Since last Wednesday, the Index has been forming 'HIGHER TOP' formation, which continues the optimistic preconceived notion. As in the previous A-B-C move, entire move from the lows of 15331 treated as a "b" leg, conceivably waiting 'Oct high of 17493 to be near term top decisively. *During the nutshell the perfidious wave marked as corrective 'B' wave, 86% up-move originated 8047 (6th March'09) to 14931 (19th May'09) adage FII inflows of only Rs.25000 crs. Since 19th May, the FII inflows encompass explode by further Rs.62000 crs, in response to which, market moved barely 16%.*

Beneath this bullish unusual composition, a Complex insider wave has been shaping from March lows in 2009. Within this, the 1st move ended at 17493 as a Diametric formation, and 2nd corrective move now seems to shaping from last week lows as domestic indices manages to past 17493 on the last day of 2009 though index unable to sustain these levels on closing basis. **Under this alternative, the 2nd counteractive move if it possible mostly a diagonal move, which can triggered the Sensex ahead of 17500. If it's a Diametric, the size of the 2nd corrective would be about 6-7 months with a value target of 61.8% of the 1st corrective move mentioned earlier. This would gauge to 19700 on Sensex (preferably in June-Sept 2010).** Well let's wait and watch if Sensex remain constraint between 15330-17500 or goes in for a decisive surge above 17800 to reap new highs of 2010.

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MOVING AVERAGES AND THE CANDLE STICK PATTERN:

The short term moving average is an indicator of the trend in the near future. The value for the short term moving average (20 DMA) is at 5135 and medium term moving average (50 DMA) is at 5032. Presently, the Nifty trading above 50 DSMA and 20 DSMA which conveys bullish signal in near term. As long as Nifty continues to trade above these moving averages, bulls will hold the grip.



RETACEMENT AND GAP CONJECTURE:-

As marked on the chart above, on 24 Aug 09, Sensex formed a gap up of 122 points (market as GG) which might be an exhaustive one, having upper and lower values of 15,362 and 15,240 respectively. As per Japanese candle stick theory, any gap is an incitement for bulls/bears to get their positions in order to fill such gaps. As this gap was created on last to last August, the Sensex has already consumed more than 60 trading sessions and the gap has not filled yet. Unless this gap is filled, the Sensex will continue to move in upward trajectory in near term.

RETACEMENT				COUNTER RETACEMENT			
HIGHS	LOWS	POINTS	DAYS	LOWS	HIGHS	POINTS	DAYS
15600	13320	2280	21	13320	16002	2682	14
16002	14684	1318	11	14684	15958	1274	7
15958	15357	601	5	15357	16435	1078	3

Analyzing above table we scrutinize that there is continuous faster retracement taking place in the Sensex, which is an optimistic signal. There are three downward moves.

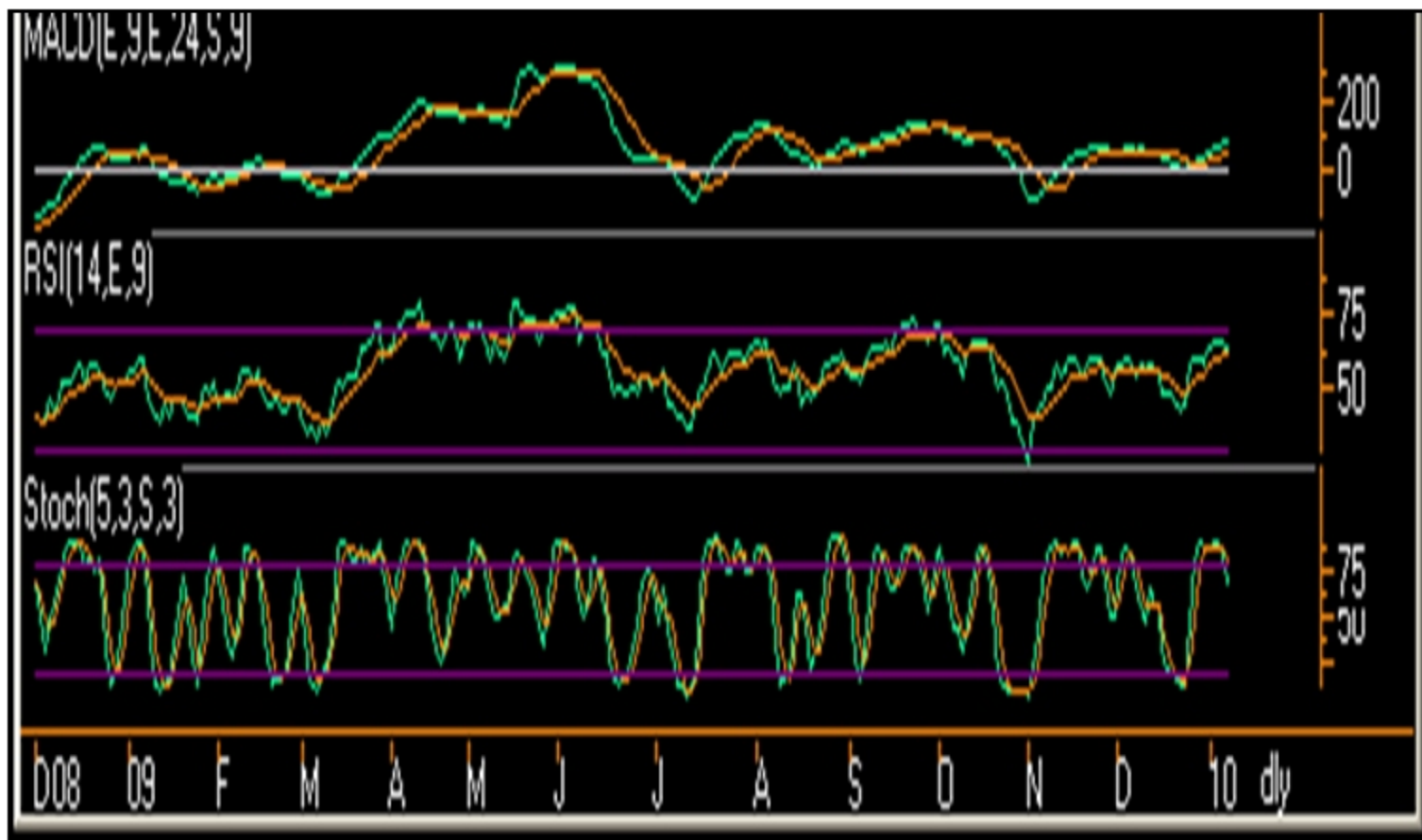
- The move from 15,600 to 13,220 took 21 days and it got retraced in 14 days.
- The move from 16,002 to 14,684 took 11 days and it almost got retraced in 7 days.
- The move from 15,958 to 15,357 took 5 days and it got fully retraced in just 3 days.

FIBONACCI RETACEMENT:-

Entire move from the highs of 17493 to 15330 exactly took 10 trading sessions while its retracement move also took 10 trading sessions to its 80% level at around 17060. From 17060 to 17530 Sensex entirely took more than 28 trading sessions which itself determines a consolidation on higher levels. Above these levels next resistance zone would be between 17800-18160-18470. Moreover such pull backs usually countered by small corrections. Hence we expect 16800 should act as a major support zone on lower side.

OSCILLATORS:

OSCILLATORS	CURRENT	AVERAGE
MACD (E9,E24,S9)	59.99	45.98
RSI (14,E9)	61.76	61.55
STOCHASTICS	%K= 67.39	%D= 78.82

**FINAL VERDICT:**

Remember we have said breakout above the Neckline of the suspected H&S formation has been proving elusive for the time being. This has been mainly on account lack of conviction shown by reduction in volumes. Also after clocking the highest-ever volume on the second day after election results, i.e. on 19th May'09, we have seen falling volumes on both positive as well as negative days. Moreover history suggests that market usually corrects after doubling. Now with illusive break out above 5200 levels, new trading range between 4900-5370 seems more prominent and worthy.

In addition to that At its highest level of 5200 on Nifty and above 17400 on Sensex, PE Ratio had reached 22+, which is the maximum figure of 22 seen under 'normal' circumstances. Only foams can push it higher towards 27-28. Such fizz happened during '2000 and '2008, which were 8-year cycle tops. Usually such higher valuations occurs in 8 years. Its never been in the history of Sensex to create such bubbles for two consecutive years. Hence we expect some sort of pause in Rupee valuation in upcoming months. Moreover low interest rates in US and constant appreciation of Rupee will support our argument in near term. There fore we might see some consolidation on higher levels though momentum might remain on buying side. On the positive note, if we totally relies on the current rally and consider this phase into new bullish one, we might see key benchmark indices to touch its previous highs of 2008 very soon. With such scenario key benchmark indices may shifts into long term consolidation of 10 years (similar to consolidation as seen in 1992-2003). This picture is self-illustrative. Investors may take their positions accordingly during the coming 2-4 years, and book profits or consider prevarication, as and when examined essential.

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Technicals

SCRIP	UNITECH	CMP	86.6
Recommendation	BUY	Buy Price Between	84-86
Trend	BULLISH	Stop Loss Below	80
MACD	Buy mode	First Target	92
ROC	Buy mode	Second Target	96
RSI	Buy mode	Time Frame	Week
50 Days SMA	84.01		
200 Days SMA	79.89		

This stock is looking bullish as it is making higher top and higher bottom formation after getting support at 77 level. Currently this stock has broken stiff resistance level around 80-82 and tends to move in upward trajectory with nearby targets at Rs 96. Currently this stock is trading above all the three moving average (20 DSMA, 50 DSMA AND 200 DSMA) and the technical indicators RSI and MACD shows bullish momentum in near term. Hence we recommend BUY strategy in this stock.



SCRIP	HIND UNI	CMP	265.95
Recommendation	BUY	Buy Price Between	260,265
Trend	BULLISH	Stop Loss Below	250
MACD	Buy mode	First Target	275
ROC	Buy mode	Second Target	280
RSI	Buy mode	Time Frame	Week
50 Days SMA	272.35		
200 Days SMA	260.58		

After getting support at around 260 levels, stock seems to be in rebounding phase from lower levels. Currently stock has shown tremendous support around 200DSMA level and trading above the two moving averages 20 DSMA and 200 DSMA with all the daily indicators i.e. MACD and RSI seems to be in bullish shape. Hence we recommend 'BUY' strategy in this stock for the price target of 275-280 in near term.



SCRIP	HEG LTD	CMP	389.9
Recommendation	SELL	Sell Price Between	390-400
Trend	BEARISH	Stop Loss Above	410
MACD	Sell mode	First Target	375
ROC	Sell mode	Second Target	365
RSI	Sell mode	Time Frame	Week
50 Days SMA	311.28		
200 Days SMA	229.04		

This stock is currently in corrective arena after getting resistance around 400-410 levels. Currently this stock has broken good support at 390 and we expect further 10-15% fall in it. The technical indicators also generates bearish signal. Hence we suggest SELL strategy in this stock for the target of 375-365 in near term.



SENSEX 30-TECHNICAL LEVELS FOR THE UPCOMING WEEK ENDED 15th Jan 2010

SCRIP	SUPPORT			CLOSE PRICE 08.01.10	RESISTANCE			INCLINATION
	3rd	2nd	1st		1st	2nd	3rd	
ACC	884	900	906	911.6	921	931	946	Neutral
B H E L	2361	2393	2408	2423.2	2440	2457	2489	Neutral
Bharti Airtel	312	320	322	325.15	330	335	342	- ive
DLF	351	369	379	390.2	397	404	422	+ ive
Grasim Inds	2538	2636	2695	2754.5	2793	2832	2930	+ ive
H D F C	2460	2540	2570	2600.35	2650	2700	2780	Neutral
HDFC Bank	1669	1691	1702	1713.55	1724	1734	1756	Neutral
Hero Honda Motor	1541	1592	1620	1646.95	1671	1695	1746	Neutral
Hind. Unilever	260	263	264	266.05	267	269	271	+ ive
Hindalco Inds.	166	170	172	173.25	176	179	183	+ ive
ICICI Bank	838	858	866	873.8	886	898	918	Neutral
Infosys Tech.	2269	2385	2425	2464.45	2540	2615	2730	Neutral
ITC	251	254	255	256.45	258	260	263	+ ive
JP Associates	152	157	159	161.55	164	166	171	+ ive
Larsen & Toubro	1638	1660	1668	1676.7	1690	1703	1725	+ ive
M & M	1115	1135	1143	1151.7	1163	1175	1194	+ ive
Maruti Suzuki	1342	1391	1412	1432.85	1462	1490	1540	Neutral
NTPC	219	225	228	230.85	234	237	242	Neutral
O N G C	1168	1195	1206	1216.65	1233	1249	1276	+ ive
Rel. Comm.	172	177	179	180.7	184	187	192	Neutral
Reliance Inds.	1069	1087	1094	1101.95	1112	1122	1140	Neutral
Reliance Infra.	1120	1145	1155	1164.5	1180	1195	1220	Neutral
St Bk of India	2252	2271	2279	2287	2298	2309	2328	Neutral
Sterlite Inds.	864	886	897	907.25	918	929	950	Neutral
Sun Pharma.	1455	1515	1545	1574.55	1605	1635	1695	+ ive
Tata Motors	751	772	781	789.15	801	814	834	Neutral
Tata Power Co.	1391	1432	1453	1475.4	1494	1513	1553	+ ive
Tata Steel	610	631	640	650.25	661	672	692	+ ive
TCS	666	685	693	700.5	712	724	743	- ive
Wipro	638	656	662	669.1	680	691	709	- ive

NSE MIDCAP 30-TECHNICAL LEVELS FOR THE UPCOMING WEEK ENDED 15th Jan 2010

SCRIP	SUPPORT			CLOSE PRICE 08.01.10	RESISTANCE			Market Cap (Rs Crore)
	3rd	2nd	1st		1st	2nd	3rd	
Allahabad Bank	124	129	130	131.55	134	137	141	5876
Ashok Leyland	50	52	53	53.25	54	55	57	7084
CESC	389	407	413	419.85	431	442	459	5246
Cummins India	398	419	432	445.05	454	463	484	8812
Divi's Lab.	655	676	685	692.8	706	718	739	9058
Educomp Sol.	731	754	764	773.1	786	800	822	7337
GVK Power Infra.	45	47	49	50	51	52	54	7896
IDBI Bank	125	129	130	131.75	134	136	140	9550
Indian Bank	166	171	173	175.5	179	182	187	7542
Indian Hotels	97	100	101	101.55	103	104	107	7347
JSW Steel	1063	1091	1104	1117.05	1132	1148	1176	20894
Lanco Infratech	53	54	55	55.7	57	58	59	13411
Lupin	1231	1330	1385	1439.15	1484	1529	1629	12795
M T N L	78	81	82	83.55	85	87	91	5264
MphasiS	679	693	698	703.15	711	720	733	14742
Oracle Fin.Serv.	2233	2284	2305	2326.15	2356	2386	2437	19493
Petronet LNG	73	75	76	77.1	78	79	81	5783
Piramal Health	369	378	382	386.25	392	397	407	8073
Punj Lloyd	203	208	210	211.7	214	216	221	7030
Rel.Nat.Resour.	69	72	73	73.9	75	77	79	12069
S C I	155	159	160	161.6	164	166	169	6843
Tata Chemicals	296	308	313	317.1	325	332	344	7457
Tata Tea	984	1019	1033	1047.25	1068	1089	1124	6476
Tata Tele. Mah.	26	27	27	27.75	28	29	30	5265
Tech Mahindra	950	993	1020	1045.7	1063	1081	1125	12782
Titan Inds.	1400	1445	1470	1495.15	1515	1535	1580	6637
UltraTech Cem.	959	974	982	990.1	997	1003	1018	12326
United Phosp.	166	171	174	176.45	179	182	188	7756
Voltas	164	173	177	180.65	185	190	198	5978
Welsp.Guj.Stahl	261	270	275	280.65	285	289	298	5722

EQUITY CALLS PERFORMANCE FOR WEEK ENDED 08th Jan 2009

Total No. of Calls	Target Achieved	Profit Booked	Positional Calls	Exit/Stop Loss	Success Rate
72	19	38	7	8	87.69%

Research Desk	Phone: 011-30211872/73	Email: research@moneysukh.com
NAME	DESIGNATION	E-MAIL
Varun Gupta	Head - Research	varungupta@moneysukh.com
Pashupati Nath Jha	Research Analyst	pashupatinathjha@moneysukh.com
Ajay Lakra	Research Analyst	ajaylakra@moneysukh.com
Vikram Singh	Research Analyst	vikram_research@moneysukh.com



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