

CAPSTREND

WEEKLY

CAPSTOCKS
CAPSTOCKS & SECURITIES (INDIA) PVT. LTD.**Weekly Market Perspective**06th March 2010

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MARKET WITNESS STRONG POST-BUDGET RALLY

Last week Key benchmark indices rose more than 3% in the week ended 5 March 2010. The BSE Mid-Cap and Small-Cap index rose 5.28%, 5.36% respectively. Both these indices outperformed Sensex. Food price index rose 17.87% in the 12 months to 20 February 2010, faster than the annual rise of 17.58% in the previous week. Exports rose an annual 11.5% in January 2010 to \$14.3 billion, the third consecutive rise after 13 straight months of decline. Auto and Realty stocks rise as the government has given some relief in budget. A thrust on infrastructure and higher rural spending also augur well for the auto sector. Realty shares outperformed newly listed ARSS Infrastructure clocked the highest turnover of Rs 568.68 cr on BSE. Indian stocks may eye global cues in the absence of major domestic triggers as market enters a consolidation phase after a strong post-budget rally. The government will announce the IIP data for the month of January 2010 on Friday, 12 March 2010.

NASDAQ at 18 month High

After a strong rally in 2009, stocks have been volatile this year as investors look for evidence that an economic recovery is taking hold, above and beyond the considerable government stimulus that has been put into play. Stocks jumped Monday, as investors welcomed AIG's asset sale. Stocks were set for a higher start Tuesday, as investors took heart from European market stability (Greece approved a package to save about \$6.52 billion in budget costs and cut the country's ballooning deficit). Wall Street ended little changed on Wednesday as investors remained cautious over the jobs outlook and the strength of the recovery. The stocks ended a volatile session higher Thursday as investors welcomed improved retail sales and a report showing that the pace of job losses is slowing, confirming by the government's report of employers cut fewer positions last month than had been expected, in the latest sign that the pace of job cuts is slowing. Due to this, the stocks boomed on Friday and closed at 18 months high.

MARKET SYNOPSIS**WEEKLY INDICES CHANGE**

BSE	16994.49	▲ 564.94
NSE	5088.70	▲ 166.40

INSTITUTIONAL INVESTMENTS

DATE	FII (Net) Rs Crs	MF (Net) Rs. Crs
02/03	+1095	-179
03/03	+1535	+83
04/03	+1013	-351
05/03	+692	NA

ADVANCE DECLINE- NSE (05/03/10)

ADVANCE	DECLINE
773	549

CORPORATE ACTIONS

Ex-Date	Company	Corporate Action
08/03	Britannia Industries	bonus debenture 1:1
08/03	Crompton Greaves	Bonus 3:4
09/03	Sterlite technologies	Bonus 1:1, split Rs.5 to Rs.2
10/03	GSK Pharma	Div Rs : 30
12/03	CRISIL Limited	Div Rs : 25
15/03	Shree Renuka Sugar	Bonus 1:1
15/03	Pidilite Industries	Bonus 1:1
15/03	Hindustan Dorr-Oliver	Bonus 1:1

DATA TO BE WATCHED

09/03	Consumer confidence	US
09/03	Crude oil Inventory	US
10/03	Mortgage Applications	US
11/03	Trade Balance	US
11/03	Job less claims	US
12/03	Retail Sales	US
12/03	Consumer Sentiment Index	US
12/03	IIP data	India

Technical Outlook- Nifty

NSE Nifty [NIFTY] 5080.55, 5118.65, 5068.05, 5088.70, 792133760 0.17%
Price



- Last week Indian markets had a bull run for the consecutive trading days which had relocate the momentum back to the bulls.
- Nifty starts forming higher top higher bottom indicating bullishness in the index.
- Nifty had this up move within a channel for the past 20 trading days and on Wednesday it had breached above the upper band of this channel. Index succeeded in holding above this band and now this upper band might provide support around 5070 levels in the coming trading sessions.
- The target of the ‘Inverse Head and Shoulder’ pattern formed on Nifty is around these 5180-5200 regions. Tough resistances around those levels are also indication hurdles for bulls around those regions.
- Now the trend line joining the neckline of the ‘Inverse Head and Shoulder’ might now start acting as a strong support from deep downsides.
- Higher levels seem to be tough resistance zone in Nifty and minor profit booking might be visible around those regions.
- 5170-5180 which was the previous multiple resistance zones might furthermore start acting as a hurdle and an authentic crossing over that can carry Nifty to 5310.
- Nifty had given positive crossing over all the major moving averages and presence of 100 Day Moving Average (DMA) and 50 DMA around 5010-5020 regions might succeed in sealing index from deep downside by providing support around those regions.

- Golden crossing (short-term moving average having a positive crossing above long-term moving average) is also present indicating underlying bullishness.
- A positive breaching on the upper Bollinger band is suggesting further upsides on Nifty.
- Moving Average Convergence Divergence (MACD) oscillator continues with the positive crossover with positive value suggesting underlying trend to be bullish.
- Rate of Change (ROC) oscillator had given a positive crossing over its respective average in Nifty indicating the positive momentum existing.
- Relative Strength Index and stochastic oscillators had entered overbought zone which might trigger chances of some profit booking, but the optimistic symbol for these indicators are that they are forming higher tops and higher bottoms.
- The most favorable scenario for the bulls can be generated by having a consolidation around these regions before next leap.

Housing Development and Infrastructure Limited (HDIL) CMP: 321.80



HDIL on the charts had given a triangular breakout in the last week with increasing volume. The breakout was so bullish and had started this up move after 24 trading sessions. The scrip had took 13 trading sessions to move from 316 to the previous low of 290 but this move was retraced back within 7 days i.e. within minimum trading sessions. It indicates the positive momentum and this is known as “Faster Retracement” moreover a very bullish signal. The scrip has also given a positive crossing over 200 Day Moving Average (DMA) and this will now provide support from further downside. MACD oscillator had given a positive crossing indicating that the underlying trend to be positive. Moreover Rate of Change (ROC) oscillator is also ongoing with a positive crossing over its respective average indicating the positive momentum existing in the scrip. Investors can buy this scrip with a medium term perspective. The target can be determined at 357-392-410.

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For more and clear information on the movement of stocks technically, we have included a new feature named charting corner. It can be viewed in the **Corporate Info** menu by giving the scrip name & selecting **Charting Corner** in the pull down menu & then click GO. You can select the desired chart type 'Intra day or End of Day. You can also apply technical Tools and studies by clicking the indicator and studies respectively and also do comparison.

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