



# GUINNESS

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## WEEKLY NEWSLETTER

Saturday, 11 April 2009

### MARKET WATCH

#### INDICES THIS WEEK

INDICES	02-Apr-09	09-Apr-09	% Ch.	
BSE SENSEX	10348.83	10803.86	4.40	▲
CNX NIFTY	3211.05	3342.05	4.08	▲
CNX MIDCAP	3546.70	3687.05	3.96	▲
BSE BANKEX	4822.39	5045.27	4.62	▲
BSE PSU	5503.80	5696.51	3.50	▲
BSE AUTO	3166.92	3294.69	4.03	▲
BSE IT	2454.72	2499.34	1.82	▲
BSE METAL	6224.19	6801.56	9.28	▲

#### MF/FII position this month

MUTUAL FUND*	GROSS PURCHASES	GROSS SALES	NET	
EQUITY	1952.90	1914.50	38.30	(+)
<b>FII **</b> (Rs. Cr)				
EQUITY	12514.30	11458.30	1056.10	(+)
DEBT	2293.00	1672.30	620.70	(+)
	*(As on 06/04/09)	** (As on 09/04/09)		

#### World indices this week

INDICES	03-Apr-09	09-Apr-09	% Ch.	
DOW 100	8017.59	8083.38	0.82	▲
NASDAQ	1621.87	1652.54	1.89	▲
FTSE 100	4029.67	3983.71	1.14	▼
HANG SENG	14545.69	14901.41	2.45	▲
NIKKEI	8749.84	8964.11	2.45	▲



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Domestic indices boosted for the fifth week in a row with revival in global risk appetite and expectations of the struggling world economy may have bottomed out. Both the Indices gathered more than 4% in a holiday shortened week. The 30-share BSE Sensex jumped 455.03 points or 4.40% to 10,803.86, in the week ended Thursday, 9 April 2009. The broader 50-issue Nifty jumped 131 points, or 4.07% to 3342.05 in the week. The top-30 Sensex has climbed 32.39% from a low of 8160.40 on 9 March 2009. Falling inflation was another booster for the market besides positive global cues. As the provisional data released by the stock exchange, foreign funds bought shares worth a net Rs 573.33 crore on Wednesday, 8 April 2009. Foreign funds bought shares worth Rs 1103.40 crore in three trading sessions from 1 April 2009 and 6 April 2009. The inflow followed heavy sales in the preceding three trading sessions. Foreign funds dumped stocks worth a net Rs 1266.70 crore in three trading sessions from 27 March 2009 to 31 March 2009. Before the selling, foreign institutional investors had mopped up stocks worth Rs 3635 crore in a short span from 17 March 2009 to 26 March 2009.

India's largest private sector company by market capitalization and oil refiner Reliance Industries (RIL) rose 4.24% in the week. The company started pumping gas from the Krishna Godavari (KG) which is estimated to add close to \$2 billion to the company's profit at peak production levels. Metal stocks extended gains as global metal prices rose. Hindalco Industries (up 4.44%), Steel Authority of India (up 3.45%), Sterlite Industries (up 6.35%), National Aluminum Company (up 9.62%) and Tata Steel (up 16.17%), rose. Steel ropes maker Usha Martin surged 12.24% on reports the European Union scrapped a 23.8% tariff on steel ropes. Rate sensitive real estate shares rose on hopes lower rates will spur housing demand. DLF (up 9.29%), Indiabulls Real Estate (up 25.43%), Unitech (up 12.13%). Most of the realty deals including sale of commercial property and housing sales is driven by bank finance. Banking stocks rose on hopes falling interest rates will boost lending growth. India's largest private sector bank by net profit ICICI Bank rose 10.40%. ICICI Bank's advance tax payment remained unchanged at Rs 250 crore in Q4 March 2009 when compared to Q4 March 2008.

On **Monday**, the Indices opened on a firm note tracking strong Asian markets and pared gains in mid-morning trade with profit booking in Index pivotal. But buoyant opening of the European markets again gathers momentum in the market. The BSE 30-share Sensex jumped 186.04 points, or 1.8%, off close to 110 points from the day's high and up close to 120 points from the day's low. It opened on a buoyant note, with a gain of 172.95 points, at 10,521.78 on Monday and gained further strength touching a high of Rs 10,654.89. Later, it pared some of its gains touching a low of 10,410.44. The S&P CNX Nifty was up 45.55 points or 1.42% to 3,256.60 its highest closing since 16 October 2008. Consumer durables, metal, auto and realty stocks led the advances, while FMCG stocks declined.

The markets were closed on **Tuesday** on account of Mahavir Jayanthi.

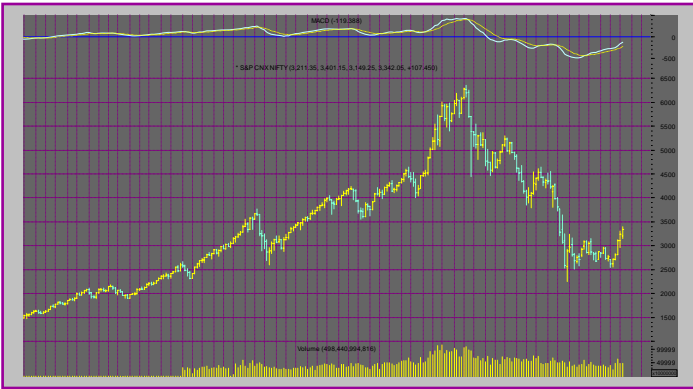
**Wednesday** was highly volatile for the domestic Indices. The 30-share index, opened with a loss of 251.29 points, at 10,283.58 and plunged further touching a day's low of 10,171.91 on weak overseas markets. Later in the noon trades, the index recovered and jumped to the positive terrain, touching a high of 10,778.11 to finally close on a strong note. Finally it ended on a buoyant note on sustained buying seen in front liners. It rose 207.47 points or 1.97% to 10,742.34 registering its highest closing in nearly six months. The S&P CNX Nifty gained 86.35 points or 2.65% to 3,342.95. Long only funds were buyers in large cap stocks while some buying was also seen from FIIs. Realty, capital goods, FMCG and IT stocks, led the rally. Index heavyweight Reliance Industries extended recent gains.

On **Thursday**, Markets ended the session with on a flat to positive note. The Sensex ended the choppy session on a positive terrain led by realty, metal, banking and consumer durables stocks. It belled the day on a firm note, with a gain of 133.81 points, at 10,876.15 and after few minutes of trading it slipped into the negative terrain due to profit booking. The markets witnessed volatility through the day. The inflation and IIP data was out in the noon trades. The benchmark index Sensex touched a high of 10,932.12 and low of 10,655.96. The 50-share NSE Nifty shut shop almost flat at 3342.05, down just 0.03% or 0.9 points, but it did touch the 3400 mark and a high of 3401.15.

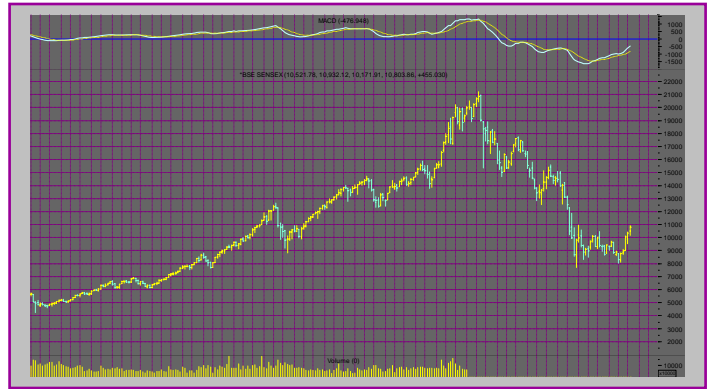
The markets were closed on **Friday** on account of Good Friday.



## MARKET FORECAST



**Nifty weekly chart**



**Sensex weekly chart**

*This week was good for the benchmark as well as broader indices and it was a truncated week. The Sensex was up 4.4% and Nifty went up 4.08% this week. Buying by foreign funds and expectations of a further easing of the monetary policy by the central bank may help domestic bourses extend recent solid gains. The Q4 March 2009 results of India Inc would start trickling in soon and investors will closely watch IT bellwether Infosys Technologies guidance for the full year will come out on Wednesday, 15 April 2009 and it might be an important event for the market. There are other important earnings locally as well. In the US, earnings season is on in full tilt and there is lot of economic data and earnings corporate data which will be out next week and might have a bearing on whether the global or the local equity rally might progress next week.*

*Signs of an improvement in the Indian economy triggered a solid rally on the domestic bourses in the past few days. The rally was also a part of a sharp surge in global equities triggered by hopes the worst of the global economic recession may be over. From a 3-year closing low of 8,160.40 on 9 March 2009, the Sensex jumped 2,643.46 points or 32.39% to 10,803.86 on 9 April 2009, its highest closing since 15 October 2008. The rally was broad-based with stocks across market-cap and sectors surging.*

*Foreign funds have resumed buying of Indian stocks. Foreign funds bought shares worth Rs 1103.40 crore in three trading sessions from 1 April 2009 and 6 April 2009. The inflow followed heavy sales in the preceding three trading sessions. Foreign funds dumped stocks worth a net Rs 1266.70 crore in three trading sessions from 27 March 2009 to 31 March 2009. Before the selling, foreign institutional investors had mopped up stocks worth Rs 3635 crore in a short span from 17 March 2009 to 26 March 2009. Domestic institutional investors had absorbed heavy selling by foreign funds witnessed in first two months of calendar year 2009*

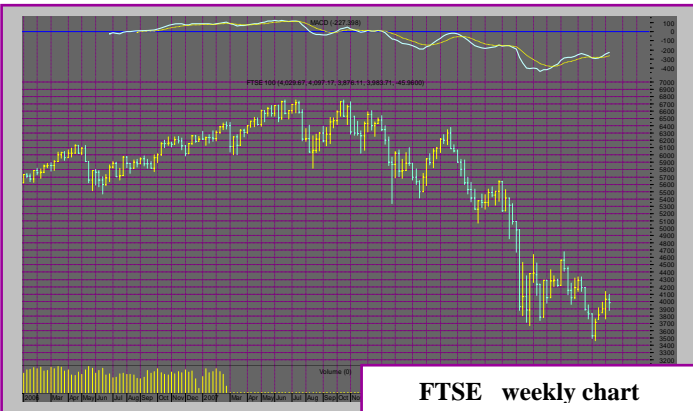
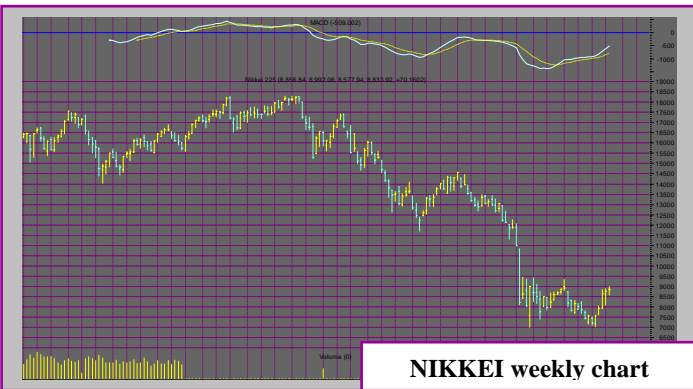
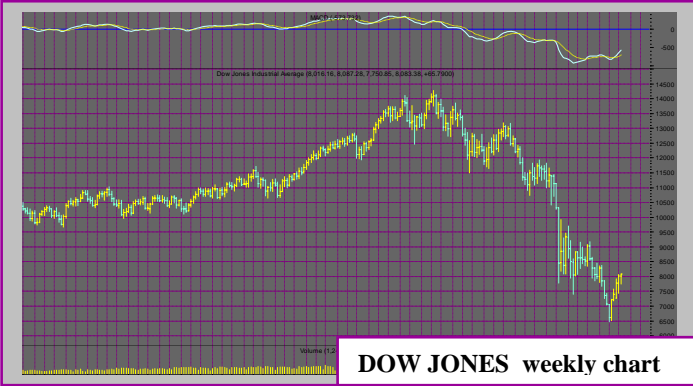


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**WORLD MARKET**



**US:**

Wall Street rose on a short holiday week, capping the steepest rally since 1933, as Wells Fargo & Co.'s higher-than-estimated earnings and speculation banks will pass government stress tests spurred optimism that the industry's slump is ending. The markets rallied on Thursday, with the Dow closing above 8,000 for the first time since last Friday, as they chalk up their 5th straight week of gains. A deal announced in the housing sector and positive reaction to a speculation over the U.S. Treasury extending the TARP funding to the insurance sector helped the U.S. markets overlook the still-fluid economic conditions. Among major economic news, new jobless claims fell more than expected last week and February trade deficit totaled \$26.0 billion, which was less than the \$36 billion deficit that was widely expected, and down from January's deficit of \$36.2 billion. For the week, financials were the big winner, jumping 9.5 percent. Telecoms were the worst-performing of 10 key S&P sectors, sliding more than 2 percent. For the week, the Dow rose 0.8 percent. The blue chips hadn't logged five straight weekly gains since Oct. 2007, the stock market's peak. The S&P 500 rose 1.7 percent for the week, while the Nasdaq added 1.9 percent.

Light, sweet crude rose \$2.86 to settle at \$52.24 on the New York Mercantile Exchange.

**ASIA:**

Asian markets climbed for a fifth week, the longest streak of gains since February 2007, as Japan proposed a \$154 billion stimulus package and investors speculated the global recession is abating. The central bank of South Korea kept the 7-day repo rate unchanged at 2.0% at the conclusion of the monthly policy meeting. Japan's corporate bankruptcies rose to a six-year high in March as companies struggled to obtain funds to close books in the final month of the fiscal year and machinery orders unexpectedly rose 1.4 percent for the first time in five months in February, adding to signs that the recession may be easing. China's exports fell for a fifth month in March, adding urgency to government efforts to stimulate domestic demand to revive growth in the world's third- biggest economy. For the week Japan's Nikkei 225 Stock Average gained 2.45 percent, South Korea's Kospi index added 4.1 percent, Hang seng index surge 2.45 percent, Shanghai Composite index soar 1 percent and Taiwan index rose 4.6 percent.

**EUROPE:**

European stocks climbed for a fifth straight week, the longest stretch of gains since October 2007, as speculation grew the worst of the credit crisis is over and government measures will succeed in reviving the global economy. The Bank of England left its benchmark interest rate unchanged at a record low of 0.5 percent and said it will keep buying government bonds to fight the deepest recession in a generation. The U.K. economy shrank 1.5 percent in the first quarter as the recession increasingly resembled the one that started in 1979 when Margaret Thatcher took power. National indexes rose in 14 of the 18 western European markets in the holiday-shortened trading week. Germany's DAX Index climbed 2.4 percent. France's CAC 40 added 0.5 percent, while the U.K.'s FTSE 100 slipped 1.1 percent.



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