

**Market commentary:**

- Benchmark indices rallied to a 28-month high and the Bank Nifty shot up to a 30-month high in today's trade after RBI governor said that he has noted the fall in inflation, fuelling hopes for a further rate cut in the upcoming Policy. At the close, the Sensex was up 491 points or 2.5% at 20,213 and the Nifty gained 151 points or 2.5% at 6,147.
- In the broader markets, the midcap index gained 1.6% and the smallcap index added nearly 1%, both underperforming the Sensex which was up 2.5%.
- The RBI's shift in stance came in after the Wholesale Price Index (WPI) inflation for April 2013 moderated for the third straight month to 4.89%, below the comfort zone of the RBI, bolstering hopes of an interest rate cut by the central bank. RBI's comfort level for inflation is between 4% and 5%.
- Meanwhile in global markets, Europe was trading largely in the green with CAC and DAX up 0.2% while FTSE was flat with a negative bias.
- In Asia, Japan's Nikkei average rose 2.3%, breaking above 15,000 for the first time since January 2008. The other major gainers were Shanghai Composite, Hang Seng and Taiwan Weighted gaining 0.3-0.8%.
- Back home, all the sectoral indices registered over 1% gain except the IT index, which was up 0.4%.
- Rate sensitive like Realty, Bankex and Auto indices surged 2-4% along with Capital Goods, PSU, Oil & Gas, Health Care, Metal, Power, FMCG and Consumer Durables indices which moved up 1.5-3%..

**Stock Specific news:**

- DLF was up 5% at Rs 242 after the company received strong response from institutional investors for its share sale programme.
- Sun Pharma Advanced Research Company (SPARC) surged 13% to Rs 163, extending its previous day's 15% rally, after reporting net profit of Rs 44 crore for the fourth quarter ended March 31, 2013 on back of healthy growth in operational income.
- Vikas WSP gained 14% to Rs 33.05, on re-launching of futures trading of guar gum and seeds on commodity exchanges.
- Eicher Motors hit a new high in intra-day trades. At the close, the stock was up 4.1% at Rs 3,397, after the company has made an upward revision in its sales estimate for the current calendar year on back of strong demand for Royal Enfield products.
- IVRCL surged 6% to Rs 20.45 after the company announced that its various divisions have bagged fresh orders amounting to Rs 639 crore.
- Shares of IRB Infrastructure were up 6% at Rs 124 after the company announced robust fourth quarter earnings.

**Market Data:**

- Volumes on the NSE cash market were **12,876 cr vs 8922 cr** on the previous day while that in the NSE derivative market were **1,86,374 cr vs 1,33,115 cr** on the previous day.
- Unusual volumes (among the NSE 500 stocks) were seen in **SBI, HDFC & ICICI Bank**. Unusual price rise among these stocks was seen in **Sparc & Rei Agro**. Unusual price fall among these stocks was seen in **Arshiya & DCW**.
- Advance decline ratio on an overall basis on the NSE was **2.22:1**, This is against **1.00:1** on previous day. Advance decline ratio in Nifty 50 is **15.7:1**.
- Among NSE indices, the sector gainers were **CNX PSU Banks (4.32%), CNX Realty (4.31%)**

**Outlook for Tomorrow: Derivative and Technical outlook:**

- Today Nifty opened on a positive note with intraday up gap and continuously rose by making higher top higher bottom for intraday to close at 6146.75 up by 2.52% which is a 29<sup>th</sup> month high.
- In today's session Nifty rose by almost 2.52% which highest rise in recent times. Volume in today's session was on the higher side compared to previous few sessions.
- From last 15 days Nifty is moving in a channel line & which has taken support on lower band of channel line in yesterday's session & from that level it has risen. In coming sessions Nifty may face resistance at upper line of the channel line.
- If tomorrow Nifty manages to trade above 6150 level then Nifty may head towards 6187 level. Traders could keep a stoploss of 6120 level for all long positions.
- If tomorrow Nifty manages to trade below 6120 level then Nifty may head towards 6090 level. Traders could keep a stoploss of 6150 level for all long positions.
- A key momentum oscillator such as 14 day Relative strength index (RSI) is currently trading at 66.58. If in coming sessions Nifty continues to trade in positive territory then traders may see RSI heading towards overbought territory
- MACD in on the verge of crossing its slow MA by fast MA. If momentum in Nifty falls then traders may see average cutting each other which could be bearish indication.
- In today's session Nifty is trading above its 8, 21 & 100 DMA which is bullish indication.

- Nifty Call option saw build-up of new positions in 6300 & 6400 strike prices with flat IVs. If Nifty manages to trade and sustain above 6150 level in tomorrow's session then traders may see rise in IVs of these strike prices. The maximum OI is at 6200 level (near the strike price) where traders are expecting Nifty to face resistance in coming sessions.
- Nifty Put option saw built-up of new positions in 6000 to 6200 put options with rise in IV. Traders may expect Nifty to correct if Nifty breaches 6150 level in tomorrow's session. Traders may see rise in IVs of these puts options after breaching of 6150 level. The Nifty 5800 Put saw maximum OI outstanding.
- PCR currently is at 1.23 level compared to 1.14 level in yesterday's session.

Looking at derivative and technical data, it seems that if Nifty holds and crosses 6150 level in tomorrow's session then Nifty may head towards 6187 level followed by 6250 level.

### Sector view:

---

- **PSU Banks-** CNX FMCG today rose by 4.32% which is largest sector gainer in today's session. CNX PSU Bank also filled the down gap which was made on 21<sup>st</sup> February 2013. Now index may head towards 3475 level. In today's session index crossed 100 DMA with 8 days crossing 21 DMA from below which are bullish indication. All major PSU Banks saw buildup of long positions except syndicate Bank.
- **Bank Nifty:** Today Bank Nifty opened on a positive note with up gap and made a new high by crossing its earlier resistance level. In today's session Bank Nifty rose by making higher top lower higher formation on intraday basis. At 12800 level Bank Nifty had good support as per change of polarity principle. If Bank Nifty trades above 13050 level in tomorrow's session then traders may see Bank Nifty heading towards 13500 level. For all long positions in Bank Nifty traders could keep a stop loss of 12970 level.

---

**Analyst : Siddharth Deshpande** ([Siddharth.Deshpande@hdfcsec.com](mailto:Siddharth.Deshpande@hdfcsec.com))

---

HDFC securities Limited, I Think Techno Campus, Building 'B', "Alpha", Office Floor 8, Near Kanjurmarg Station,  
Opposite Crompton Greaves, Kanjurmarg (East), Mumbai – 400042, Fax: (022) 30753435

---

**Disclaimer:** This document has been prepared by HDFC Securities Limited and is meant for sole use by the recipient and not for circulation. This document is not to be reported or copied or made available to others. It should not be considered to be taken as an offer to sell or a solicitation to buy any security. The information contained herein is from sources believed reliable. We do not represent that it is accurate or complete and it should not be relied upon as such. We may have from time to time positions or options on, and buy and sell securities referred to herein. We may from time to time solicit from, or perform investment banking, or other services for, any company mentioned in this document. **This report is intended for non-Institutional Clients**

---