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**MARKETS DRIFTED LOWER ON LINGERING CONCERNS ABOUT THE ECONOMY**

Key benchmark indices drifted lower weighed by renewed concerns about the deteriorating state of the US economy and on selling pressure from foreign institutional investors. However the market cut losses in later part of the week on reports that the forthcoming interim budget may offer tax sops and sector-specific stimulus package. Market edged higher in three out of five trading sessions.

**BSE 30-SHARE INDEX AND CNX NIFTY**

The BSE 30-share Sensex fell 123.38 points or 1.31% to 9,300.86 in the week ended 6 February 2009. The S&P CNX Nifty shed 31.70 points or 1.10% to 2843.10 in the week.

**BSE SMALL & MID CAP INDEX**

The BSE Mid-Cap index slipped 58.67 points or 1.99% to 2,882.80 and the BSE Small-Cap index fell 59.81 points or 1.79% to 3,279.24 in the week.

**FII & DOMESTIC FUND ACTION**

Foreign institutional investors (FIIs) are in selling mode after an inflow of Rs.1319.10 cr in December 2008. FII outflow in calendar year 2009 totaled Rs.4,396.70 cr (till 5 February 2009).

**INFLATION NUMBERS**

Inflation based on the wholesale price index rose 5.07% in 12 months to 24 January 2009, below the previous week's annual rise of 5.64%, data released by the government on 5 February 2009, showed. It was the slowest annual rise since 9 February 2008 when inflation was at 4.98%. The Reserve Bank of India (RBI) said in its monetary policy review on 27 January 2009 it expected annual inflation to be below 3% by the end of the 2008/09 fiscal year in March 2009.

**FOREX**

GBP/\$	1.4661/1.4665	\$/Yen	91.2100/91.2500
EUR/\$	1.2808/1.2809	\$/INR	48.6800/6900

**WEEK AHEAD: HOPES FOR MORE ECONOMIC MEASURES FOR ECONOMY, INDUSTRY MAY KEEP MARKET BUOYANT**

Expectations of another stimulus package in the interim budget to boost the slowing economy and likely interest rate cuts from the central bank may keep the market firm. The BSE Sensex jumped 209.98 points, or 2.31% to 9,300.86 on Friday, 6 February 2009 boosted by reports the government's forthcoming interim budget on 16 February 2009 might offer tax sops and sector-specific stimulus package. However, global cues will also be closely watched. The index of industrial production (IIP) data for December 2008 will be released on 11 February 2009. The IIP for the November 2008 stood at 2.4%, compared to contraction of 0.4% in October 2008. The US Senate is debating a \$920 billion plan next week but it could shrink before being passed.

Year 2008 has been one of the worst year ever for the global equity market. In the first half of the year 2009 market will be volatile and will in the consolidation phase. If we consider 8 years cycle year 2009 is the best year for the investment. We suggest you to invest in fundamentally strong companies at an attractive price. Equity market will give highest return for the patient investors. Markets have lost 56% from it all time high. This is the best time to start with the investment in stocks.