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SENSEX SURGES 2.5% IN CHOPPY TRADE

Volatility ruled the roost on the bourses ahead of the outcome of the elections for the recently concluded parliamentary elections. The market sentiment was firm as foreign funds made heavy purchases. Blue chips witnessed intermittent rally and select non-Sensex stocks surged on hopes of a recovery in the second in the second half of the fiscal year ending March 2010.

Investors are bracing for wild swings on the bourses in the near term after the exit polls indicated a fractured mandate in the just concluded parliamentary election.

BSE 30-SHARE INDEX AND CNX NIFTY

The 30-share BSE Sensex jumped 296.99 points or 2.5% to 12,173.42 in the week ended 15 May 2009. The barometer index rose for the 10th week in a row, the longest winning streak in almost three years.

BSE SMALL & MID CAP INDEX

The BSE Mid-cap index rose 36.65 or 0.97% in the week. The BSE Small-cap index was almost unchanged for the week.

IIP NUMBERS

The industrial production figure for February 2009 was revised to a 0.7% drop from a preliminary estimate of a 1.2% decline. Industrial output rose 2.4% the 2008/09 fiscal year (April-March), down from a revised 8.5% in 2007/08.

INFLATION NUMBERS

The wholesale price index is more closely watched in India because it covers a higher number of products and is released weekly. Government data showed on Thursday 14 May 2009 the wholesale price index rose 0.48 % in the 12 months to 2 May 2009, below the previous week's annual rise of 0.7%.

India's consumer price index rose 8.03 % in March 2009 from a year earlier, lower than February 2009's annual rise of 9.63%, government data showed during trading hours on Friday, 15 May 2009. The consumer price index, which is published monthly, for industrial workers, remained steady at 148.

FOREX

GBP/\$	1.5170/1.5174	\$/Yen	95.0100/95.0400
EUR/\$	1.3554/1.3555	\$/INR	49.4800/4900

WEEK AHEAD: VOLATILITY MAY RISE

Investors are bracing for wild swings on the bourses in the near term after most exit polls predicted a badly fractured mandate in the just concluded parliamentary election. In the case of a fractured mandate, the government formation will take time causing volatility in share prices.

The counting of votes takes place on Saturday, 16 May 2009. A party/alliance needs 272 seats in the 543-member parliament to claim power at the Centre.

A coalition led either by the Congress or the BJP will be seen as a positive because they can both provide the impetus to boost sagging grow. Mutual funds which are sitting on a large cash pile are likely to step up buying if a coalition led either by the Congress or the BJP forms the next government at the Centre.