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### **MARKET DRIFTS LOWER ON PROFIT BOOKING**

Year-end profit taking pulled the key benchmark indices lower in the week ended Friday, 18 December 2009. Selling was mainly in the frontline counters with mid-and small-caps witnessing lesser slide.

The spotlight during the week was on the war between the BSE and NSE for implementing extended trade timings. The BSE and NSE postponed the implementation of new trade timings to 4 January 2010 from 18 December 2009, giving the broking fraternity some respite.

In trying to wrest volumes away from NSE, the BSE on Tuesday, 15 December 2009, announced advancement of trade timing by 10 minutes to 9:45 IST from 18 December 2009. In reaction, NSE said the next day it would start trading at 9:00 IST from 18 December 2009. However, the two stock exchanges' decision to extend trading hours immediately without giving a sufficient notice period to market participants met with strong opposition from the broking fraternity. Later, the two exchanges delayed the implementation of extended trading hours to 4 January 2010.

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

The BSE 30-share Sensex fell 399.20 points or 2.33% to 16,719.83 in the week ended 18 December 2009. The S&P CNX Nifty fell 129.60 points or 2.50% to 4987.70.

### **BSE SMALL & MID CAP INDEX**

The BSE Mid-Cap index outperformed the Sensex, falling 1.58% to 6,470.58. The BSE Small-cap index, too, outperformed the Sensex, falling 1.04% to 7,885.72.

### **FOREX**

GBP/\$	1.6210/1.6213	\$/Yen	90.3000/90.3500
EUR/\$	1.4387/1.4392	\$/INR	46.7800/8000

### **WEEK AHEAD: LOW VOLUMES MAY CAUSE VOLATILITY**

Low volumes may cause volatility on the bourses as 2009 draws to a close. US and other major overseas markets begin the year-end holiday season next week which means that the activity of foreign institutional investors will be low key. Expectations of good Q3 December 2009 results may cap downside on the bourses.