



Mr. Ajmera's column as on Sept. 15, 2014

Indian bourses to take cue from US Monetary policy review..

Indian stock markets will take cues from the US Federal Reserve's monetary policy review. Trend in investment by overseas investors, movement of rupee against the dollar and crude oil price would continue to dictate trading in the stock market for the week.

Global markets will track US Federal Reserve's two-day meeting ending on Wednesday. Investors are keen on knowing the US interest rate trajectory as there are concerns that an early hike may lead to capital outflows from emerging markets.

Over the past week, the BSE Sensex gained 34.34 points to close at 27,061.04 and Nifty rose about 19 points to end at 8,105.50. Continuing to bet on the government's reforms agenda, overseas investors have pumped in a whopping Rs 17,000 crore in the Indian capital market since the beginning of this month.

Going ahead, investors will be taking note of advance tax payment by listed corporate which will provide clues about Q2 September corporate earnings. We believe, while global factors will be key, the local focus will also be on economic data as the RBI is set to review its monetary policy stance on September 30.

Ajcon's view:

While the market mood is positive, a flare-up of tension in the Middle East could hit sentiments. Overall markets look positive and trade positions, market activity, derivatives positions, sentiments - all indicate towards a healthy market movement in this week. Sudden tension in US-Syria, Iraq crisis led to downgrade in global risk appetite. We believe bulls would remain on a longer term basis and recommend investing stock specific basis. At current levels, we would recommend buying in stocks in sectors like Private Banking, NBFCs, Metals, Capital Goods and Infrastructure.

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