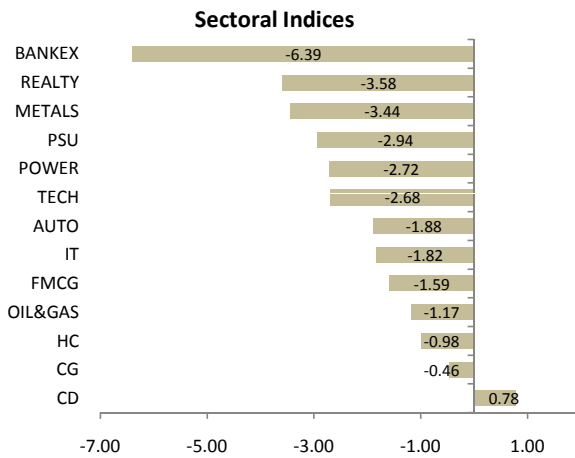


Indian markets recovered from its weekly lows on Friday with the key benchmark indices closing the week with losses of over a percent. Banking, Metals and Realty stocks witnessed huge selling pressure during the week. On the Global front, world indices recovered from its lows and closed the week with positive gains.

Sectoral Indices Performance



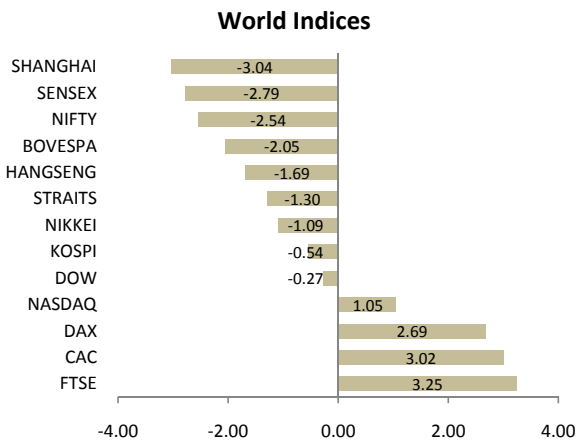
Highlights of the Week

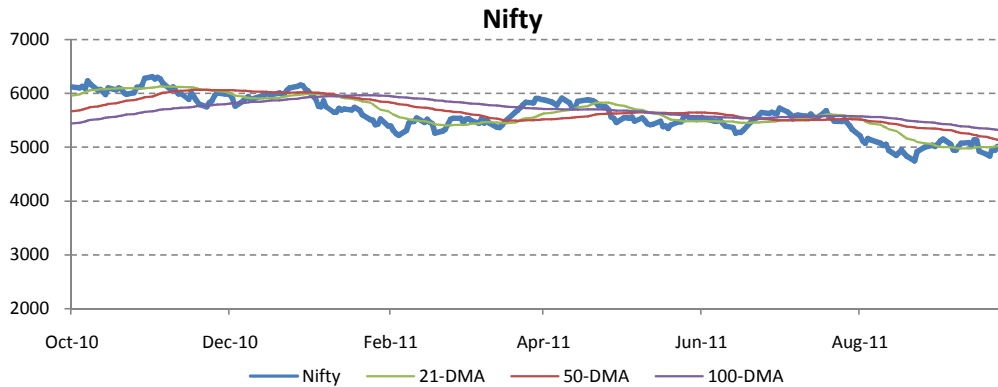
➤ Rating agency Moody's on Tuesday downgraded the country's largest bank State Bank of India sending the bank's stock plunging to a two-year low. Moody's cited the bank's capital situation and deteriorating asset quality as concerns. The bank's standalone rating, also called the Bank Financial Strength Rating (BFSR), was downgraded from 'C-' to 'D+'.

➤ Food inflation inched closer to the double digit mark in the third week of September, even as non-food articles eased sharply. The annual WPI-based inflation estimate for the week ended September 24 rose to 9.41 per cent, up from the 9.13 per cent year-on-year growth recorded in the previous reported week, according to data released by the Ministry of Commerce and Industry on Friday.

➤ According to data released by the Commerce Ministry on Monday, exports in August 2011 rose 44.25 per cent to \$24.31 billion, while imports increased by 41.82 per cent to \$38.35 billion. The trade deficit has also widened to \$14 billion.

Global Indices Performance





Nifty Technical Outlook

The NSE Nifty Index traded in the negative for most part of the week on the back of weak global cues and negative news flows in the banking sector. However the recovery during the end of the week helped the Index erase major loss and eventually close with a loss of 55 points on a WoW basis. The Index registered a low of 4728 and a high of 4922 during the week.

The momentum oscillators on the hourly and daily charts are clearly in favour of a downtrend for the Index. Expect the Index to continue witnessing downward pressure during the week ahead. On the upside, expect the Index to face resistance around its 20 DMA of 4972 and 50 DMA of 5081 in the near term. On the contrary the Index is likely to find support around the 4830 and 4780 levels on the downside.

Reversal from key resistance levels could result in the Index retesting recent lows. With the IIP numbers and the second quarter earnings release commencing this week expect the Index to witness high bout of volatility. Also the Index could take cue from the equity markets movement in the US and Europe.

NIFTY

Weekly High	4,922.60
Weekly Low	4,728.30
20 DMA	4,972.70
50 DMA	5,081.67
100 DMA	5,295.63
RSI (14)	36.99

SENSEX

Weekly High	16,347.48
Weekly Low	15,745.43
20 DMA	16,546.82
50 DMA	16,905.31
100 DMA	17,629.53
RSI (14)	36.99

Top Nifty Gainers

Company	Close	Chg. %
RANBAXY LABS LTD	517.20	4.74
SESA GOA LTD	205.00	4.67
BHARAT PETROL	669.25	4.59
IDFC LTD	116.40	4.30
JAIPRAKASH ASSOC	72.90	4.14

Top Nifty Losers

Company	Close	Chg. %
RELIANCE CAPITAL	321.55	(12.85)
STATE BANK IND	1,752.30	(11.02)
RELIANCE COMMUNI	72.85	(7.20)
JINDAL STEEL & P	483.20	(6.93)
BHARTI AIRTEL	354.80	(6.45)

Technical Picks for the Week

TATAMOTORS: BUY(159.15)



The stock is in a continuous down trend for the past few months. In the short term the stock has just closed above its key short term moving averages. Momentum oscillators on the hourly charts have just rolled towards the positive territory. The 14D RSI at 52.95 is pointed higher. We expect the stock to move higher from current levels in the short ter. We recommend buying the stock at current levels for a target of 172 and a SL of 152 in the next few trading sessions.

Technical Picks for the Week

CAIRNINDIA: SELL(270.25)



The stock is in a continuous down trend for the past five months. In the short term the stock is trading below its key short term moving averages and is in a short term down trend. The 14D RSI for the stock is at 43.36. Oscillators on the hourly and daily charts continue to hover around the negative zone reflecting bearishness in the near term. We recommend selling the stock at current levels for a target of 252 and a SL of 281 in the next few trading sessions.

Sujayalakshmi Krishna, CFTe
sujaya.lakshmi@o3securities.com

Manjunath R
manjunath.r@o3securities.com

Disclaimer

This Newsletter has been prepared by o3 Securities Private Limited (o3 Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated companies solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of o3 Securities. This report has been prepared independently of the companies covered herein. o3 Securities and/or its affiliated entities are a multi-service, integrated investment banking, investment management and brokerage group. o3 Securities and/or its affiliated company(ies) might have lead managed or co-managed a public offering for the company(ies) covered herein in the preceding twelve months and might have received compensation for the same during this period for the services in respect of public offerings, corporate finance, investment banking, mergers & acquisitions or other advisory services in a specific transaction. o3 Securities and/or its affiliated company(ies) may receive compensation from the company(ies) mentioned in this report within a period of three to six months' time following the date of publication of this Newsletter for rendering any of the above services. Research analysts and Sales Persons of o3 Securities may provide important inputs into the investment banking activities of its affiliated company(ies) or any other firm or company associated with it.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and o3 Securities does not warrant its accuracy or completeness. o3 Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not intended to be and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and o3 Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

o3 Securities and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have other potential conflict of interests with respect to any recommendation and other related information and opinions.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject o3 Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.



o3 House
27, Magrath Road,
Bangalore – 560001
Board: +91 80 4241 0000
Fax: +91 80 4241 0022
Website: www.o3securities.com