

## Business Standard - Money & Markets

### 'Sensex at 19-20k by 2010-end'

With growing uncertainty over the recovery of developed economies, and China's measures to curb the potential asset bubbles adding to the global concern, DIPEN SHAH tells Puneet Wadhwa how the Indian markets are likely to stay volatile in the near term. Excerpts:



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MARKET VOICE

Dipen Shah

Senior vice-president, PCG Research, Kotak Securities

#### How do you see global and Indian equity markets performing this year?

We expect the global, and consequently, the Indian markets to remain volatile at least in the near-term. There is uncertainty over the recovery in developed economies like Eu-

rope. On the other hand, China's measures to curb the growth rate and potential asset bubbles also lend uncertainty to the global economic scenario. On the domestic side, we have to get more comfort on monsoons and on inflation/interest rates.

With more clarity on the above-mentioned factors and on FY11 earnings, we expect markets (Sensex) to steadily move up to 19,000-20,000 levels by December 2010.

**The markets seem to have factored in most of the positives from the results of India Inc. What are the likely triggers now for them to**

#### move up?

The triggers for the markets to move up from the current levels are a good monsoon and stability in the global economy. These factors will likely lead to increased fund flows into the markets.

#### Which sectors are you bullish on and which ones would you avoid?

We are positive on capital goods, construction, banks/NBFCs, logistics, media, and select stocks in IT and auto spaces. Though we don't cover consumer durables sector actively, it should also do well. However, we are cautious on cement and metals.

#### High inflation in India coupled with rising crude oil prices. Do you think this poses a big risk to India's growth story? If so, how serious is this risk?

Yes, we see this as a potential risk. If crude price moves up sharply, it may increase inflation in India and also pose a risk to our deficit situation.