

The Indian EXPRESS

WILL THIS RALLY SUSTAIN?

The current market rally is the result of sentiments improving in the West, FIIs regaining their confidence and investing in emerging markets like India. But since economic fundamentals have yet to improve, it is far from certain if this rally will sustain

Year	FII's net investment*
Jan-08	(1,216.3)
Feb-08	4,482.7
Mar-08	2,284.0
Apr-08	375.7
May-08	4,072.0
Jun-08	(1,177.7)
Jul-08	(2,812.8)
Aug-08	2,367.0
Sep-08	2,047.0
Oct-08	(2,148.5)
Nov-08	2,067.0
Dec-08	5,176.4
Jan-09	(2,218.2)
Feb-09	(1,495.7)
Mar-09	(2,588.0)
Apr-09	1,619.0
May-09	7,487.0
Jun-09	89.3
Jul-09	4,882.0
Aug-09	1,171.0
Sep-09	3,822.0
Oct-09	1,132.0
Nov-09	3,822.0
Dec-09	476.0
Jan-10	2,218.0
Feb-10	2,218.0
Mar-10	2,218.0
Apr-10	2,218.0
May-10	2,218.0
Jun-10	2,218.0
Jul-10	2,218.0
Aug-10	2,218.0
Sep-10	2,218.0
Oct-10	2,218.0
Nov-10	2,218.0
Dec-10	2,218.0
Jan-11	2,218.0
Feb-11	2,218.0
Mar-11	2,218.0
Apr-11	2,218.0
May-11	2,218.0

Year	Credit deposit ratio (%)
Jan-08	52.21
Feb-08	51.91
Mar-08	52.00
Apr-08	51.80
May-08	52.00
Jun-08	51.70
Jul-08	52.00
Aug-08	51.70
Sep-08	51.70
Oct-08	51.80
Nov-08	51.80
Dec-08	51.80
Jan-09	51.80
Feb-09	51.80
Mar-09	51.80
Apr-09	51.80
May-09	51.80
Jun-09	51.80
Jul-09	51.80
Aug-09	51.80
Sep-09	51.80
Oct-09	51.80
Nov-09	51.80
Dec-09	51.80
Jan-10	51.80
Feb-10	51.80
Mar-10	51.80
Apr-10	51.80
May-10	51.80
Jun-10	51.80
Jul-10	51.80
Aug-10	51.80
Sep-10	51.80
Oct-10	51.80
Nov-10	51.80
Dec-10	51.80
Jan-11	51.80
Feb-11	51.80
Mar-11	51.80
Apr-11	51.80
May-11	51.80

UP 50 PER CENT IN TWO MONTHS

Key drivers

After a significant fall, a bounce back in the form of what is known as a bear market rally was inevitable. No fundamental reasons can explain the current rally; it is merely being fuelled by technical factors. The rally began due to factors covering the back of short-term market participants' behavioural choices.

Current scenario

In the US, efforts are being made by the government to revive the economy through budget packages and stimulus. The markets are reacting to these efforts and are showing signs of improvement. The rally is expected to continue for the month of March 2009 after falling continuously since October 2008. This indicates that the market is healthy and is showing signs of improvement. The rally is expected to continue for the month of March 2009 after falling continuously since October 2008. This indicates that the market is healthy and is showing signs of improvement.

Financial Services: Most of the stocks that led the rally belonged to sectors that lack strong fundamentals, such as realty and new-media sectors, which are bearish.

Key drivers: After a significant fall, a bounce back in the form of what is known as a bear market rally was inevitable. No fundamental reasons can explain the current rally; it is merely being fuelled by technical factors. The rally began due to factors covering the back of short-term market participants' behavioural choices.

What should you do: Investors need to cover the market when it is at a historical high and exit when it hits a low, when they should be doing the opposite if they want to build wealth.

Retail investors missing: Most retail investors are not participating in the current rally. They are not aware of the current rally and are not participating in it. They are not aware of the current rally and are not participating in it.

© Indian Express

Page 1/1

www.indianexpress.com