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FOR PRIVATE CIRCULATION

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Index view

The markets on 24 Jan: Supporting an ascending triangle formation (bullish consolidation)

LOOKING AHEAD: The market opened higher due to strong global equity and metals cues. However, as usual it failed to encash on initial gains and started to trade lower. The unique part of the day was that the Sensex has taken support at the major level of 14045, which was earlier a major resistance for the market.

If the market settles here then we may say the market is supporting the bullish consolidation of 'ascending triangle'. The implication and target of the pattern as we discussed in our weekly update may be in the range of 15000/4400 in the coming few weeks.

Till Wednesday afternoon we were unsure of whether the metal sector (particularly) would be able to replace the cement sector or not as it has the same characteristics as the cement sector. A variety of stocks, that is, enough large cap and mid cap stocks with huge liquidity are available for trade.

They also have high momentum beta that may keep sentiments healthy for day and positional traders. It may be early to say metals will replace the cement sector in the medium-term but chart formations are strengthening and buying with tight stop losses may yield decent gains in the medium term.

According to daily closings, it seems the market may continue the current uptrend. The levels of 14250/4115 may act as the next hurdle for the market, above which it may even flare up to 14500/4200.

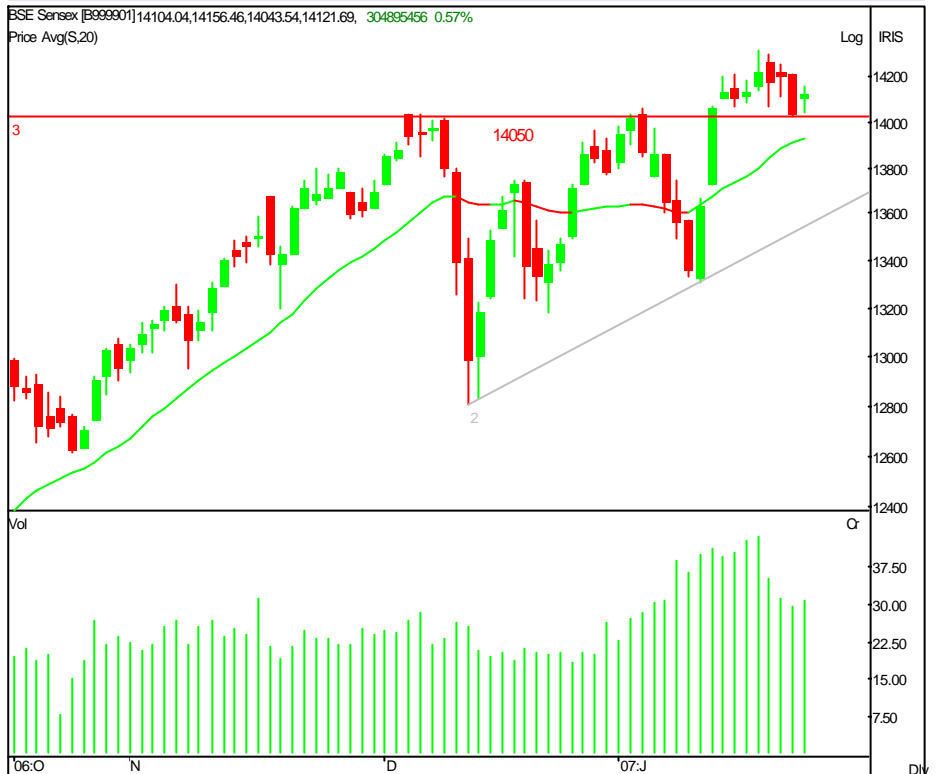
Search for buying opportunities in metal stocks on declines, as they are looking less leveraged.

Index range

NIFTY : 4090
Range : 4020-4140
Resistance : 4115-4140-4160-4185
Support : 4055-4020-3980-3950

Sensex : 14110
Range : 13900-14350
Resistance : 14250-14335-14430-14550
Support : 14040-13900-13800-13700

BSE daily chart



Trading calls

Stock	Recommendation
HDFC BANK	Buy in the range of Rs.1055-1060. Target: Rs.1135.00 Stop loss below Rs.1040.00 (positional trade) CIs: Rs.1057.00

These trading calls are based on cash but clients can trade in futures also with the support of the above mentioned prices.

Trading Tool

Stock	Extreme	Probable	Achievable	Closings	Achievable	Probable	Extreme	Final Stop Loss
NIFTY (FEB-F)	4050	4070	4082	4107	4132	4144	4164	4063
RELIANCE	1318	1334	1353	1370	1387	1406	1422	1350
SAIL	99.1	101.4	102.4	104.35	106.3	107.3	109.6	95
TISCO	462	468	475	480.8	487	493	499	465
HDFC	1578	1600	1621	1641	1661	1682	1704	1595
ONGC	878	889	902	913	924	937	948	885
HERO HONDA	692	700	710	719	728	738	746	715
BAJAJ AUTO	2636	2669	2707	2741	2775	2813	2846	2720
M&M	873	884	897	908	919	932	943	890
MARUTI	898	910	922	934	946	958	970	915
TELCO	881	892	905	916	927	940	951	908
REL CAPITAL	600	612	616	624	632	648	663	614
SRF	176	179	182	186	188	193	199	185
TITAN	873	883	894	909	920	944	973	900
VSNL	463	468	475	481	487	494	515	464
PUNJ LLOYD	967	979	1005	1031	1057	1070	1095	1015
L&T	1486	1543	1564	1584	1604	1625	1682	1525
SBIN	1114	1142	1159	1173	1187	1204	1232	1145
PNB	466	486	497	512	527	538	558	510
HCL TECH	636	648	653	661	669	674	686	635
INFOSYS	2149	2189	2206	2234	2262	2279	2319	2185
SATYAM	453	462	465	471	477	480	489	460
TCS	1257	1281	1291	1307	1323	1333	1357	1290
WIPRO	609	620	625	633	641	646	657	610
ACC	988	1006	1014	1027	1040	1048	1066	1019
GACL	129.2	130.9	134.3	137.75	141.2	143.0	146.3	135
GRASIM	2682	2733	2755	2789	2823	2845	2896	2775
BHEL	2278	2321	2339	2368	2397	2415	2458	2270
REL	487	496	500	506	512	516	525	501
NTPC	129.4	132.3	133.6	136.2	138.8	140.1	143.0	134
TATAPOWER	581	592	597	604	611	616	627	565

- Achievable** = which is achievable if the stock trades above or below the closing price. (Trade as per the trend of the market)
- Probable** = which is probably achievable if the stock trades above or below the closing price.
(If the prevailing trend of the market is in force)
- Extreme** = Here traders can go short (higher side) or long (lower side) with minimal stop loss.

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