



Punter's Call

On a slippery wicket

Markets on Oct 05, 2009: Waning momentum

The domestic stock market opened in red on negative global cues and continued to face resistance on upside. It also failed to cross the high of the Doji candlestick pattern formed on Thursday. Nifty has been trading in an upward parallel channel with 4900 being a crucial support at the lower end of the channel and resistance at 5150 on the upper side of the channel. However, the weakening momentum is signaling that from here onwards the downtrend should ensue. So, 4900 on lower side should be watched for, as close below it will accentuate the selling pressure. Hence, we revise our short-term target to 4660 with reversal above 5150.

On the daily chart, Nifty is trading above its 20 daily moving average (DMA) and 40DMA at 4900 and 4773 respectively, which are crucial supports going forward. The momentum indicator (KST) has given negative crossover and is below the zero line. The market breadth was negative with 247 advances and 1,040 declines on the NSE and 824 advances and 2,033 declines on the BSE.

On the hourly chart, Nifty is trading below its 20 hourly moving average (HMA) and 40HMA at 5049 and 5013 respectively, which are now resistances in the short term. The momentum indicator (KST) has given negative crossover and trading below the zero line.

Nifty and Sensex closed in red losing 80 and 268 points respectively. Of the 30 Stocks of the Sensex Bharti Airtel (down 8.05%) and Reliance Communications (down 5.60%), Grasim Industries (down 7.10%) and Hindalco Industries (down 6.75%) were the top losers while ITC (up 2.58%) and Cipla (up 1.40%) were the top gainers.

Nifty chart: 5,003



60 minute chart



Market Breadth

	BSE	NSE
Advances	779	247
Declines	1,991	1040
Unchanged	63	19
Volume (Rs)	5,360cr	18,314cr

Short Term Trend

	Target	Trend	Reversal	Support/Resistance
Sensex	16250	↓	Up above 17200	16250/17200
Nifty	4660	↓	Up above 5150	4660/5150

Medium Term Trend

	Target	Trend	Reversal	Support/Resistance
Sensex	14300	↓	Up above 17200	14300/17200
Nifty	4230	↓	Up above 5100	4230/5100

Icon guide

 Up	 Down	 Downswing matures	 Upswing matures
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Trendy Levels

Sensex		Nifty	
Support	Resistance	Support	Resistance
16800	17050	4980	5091
16602	17200	4952	5120
16250	17500	4900	5150
20DSMA	40DEMA	20DSMA	40DEMA
16487	16067	4900	4773
BSE Sensex: 16,866		Nifty: 5,003	

Smart Charts

Date	Recommendation	Action	Stop Loss/ Reversal (Intra-day)	Stop Loss/ Reversal DCL	Buy/Sell Price	Closing Price (CMP)	Potential % P/L at CMP	Targets
05-10-09	RIL	Sell	-	2,301.0	2,134.0	2,137.1	0%	1950-1700
05-10-09	Punj Lloyd	Sell	-	272.0	263.0	260.5	1%	240-215

NOTE: Kindly note that all stop losses in Smart Charts Calls are on closing basis unless specified.

TPB: Trailing profit booked

Momentum Calls

For the short term—1 to 5 days

Stock	Action	Action date	Stop loss	Price	Closing price	Target1	Target2
Jindal Steel	Buy	01-10-09	Stopped out	597.0	589.0	610.0	622.0
Sesa Goa	Buy	30-09-09	Stopped out	266.7	262.9	272.0	277.0

NOTE: Kindly note that all stop losses in Momentum Calls are on an intra-day basis.

TPB: Trailing profit booked

NOTE : Action taken after market hours will be highlighted in blue colour.

For Oct 06, 2009

Scrip Name	Support Levels		Close (Rs)	Resistance Levels		Action
	S1	S2		R2	R1	
NIFTY Futures	4910	4970	5013	5055	5110	Go short below S2.
Axis Bank	935	953	969	985	1005	Go short below S2.
TCS	590	605	615	625	637	Go long above R2.
DLF	410	417	423	430	438	Go short below S2.
L&T	1600	1630	1655	1680	1710	Go long above R2.
ICICI Bank	880	898	911	925	940	Go short below S2.
Infosys	2240	2285	2319	2355	2400	Go long above R2.
J P Associates	222	227	231	235	240	Go short below S2.
Maruti	1540	1575	1599	1625	1655	Go short below S2.
Reliance	2070	2110	2137	2165	2200	Go short below S2.
Reliance Capital	870	885	898	912	930	Go short below S2.
Reliance Comm	288	295	300	305	312	Go short below S2.
SAIL	153	158	162	165	170	Go short below S2.
SBI	2065	2100	2132	2165	2200	Go short below S2.
Tata Motors	540	552	561	570	580	Go short below S2.
Tata Steel	480	490	497	505	515	Go short below S2.
Rel Infra	1175	1200	1221	1240	1265	Go short below S2.

*Note: Closing price of Nifty futures is last traded price of Nifty futures on NSE



Punj Lloyd–Sell

CMP: Rs263

Sell Punj Lloyd at the current market price of Rs263 with the stoploss of Rs272 for the targets of Rs240 and Rs215. The stock has formed an ending diagonal and has negative divergence on the daily chart.



RIL–Sell

CMP: Rs2,134

Sell Reliance Industries at the current market price of Rs2,134 with the stoploss of Rs2,301 for the targets of Rs1,950 and Rs1,700. The stock has completed its 61.8% retracement of the previous fall and is about to start a fresh leg in the downward direction.

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