



Punter's Call

A correction is around the corner

Market today: Stiff resistance at 4300

The Nifty opened on a firm note after yesterday's late surge and made an all-time high of 4325. But it could not sustain at the high level and slipped below 4300 on profit booking. It closed the session on a flat to positive note, below the psychological mark of 4300.

For the last couple of trading sessions the Nifty has been unable to breach 4300 on a closing basis, which suggests the market is facing stiff resistance at this level. Only on closing above this hurdle can one expect the Nifty to march higher to levels of 4350 and 4385. Till the index holds below 4300 on a closing basis, it can move into consolidation mode in the 4150-4325 range.

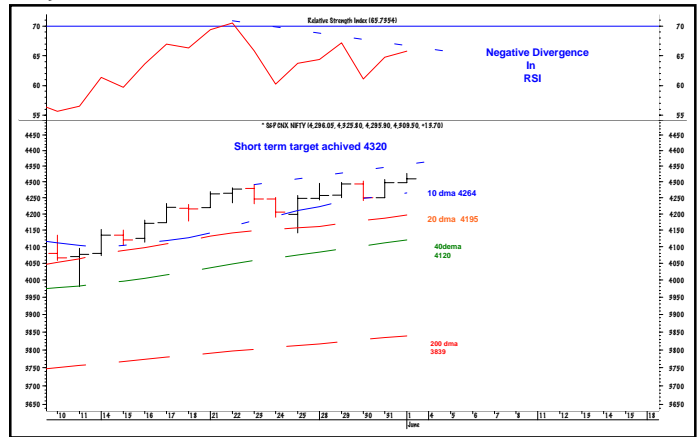
On the daily charts, momentum indicator Relative Strength Index is showing negative divergence as prices are running up and indicators are moving down. This suggests that once again prices have run up faster than expected and this can lead to a short-term correction.

On the downside, the Nifty can target its support at the 10-day moving average at 4264 and 4220 below that. We are changing our bias from Up to Upswing matures with the Nifty targeting 4240 and reversal point at 4320. Only on a close above the 4300-4320 range, the trend will change back to Up. And on closing below 4240 the bias will turn to Down.

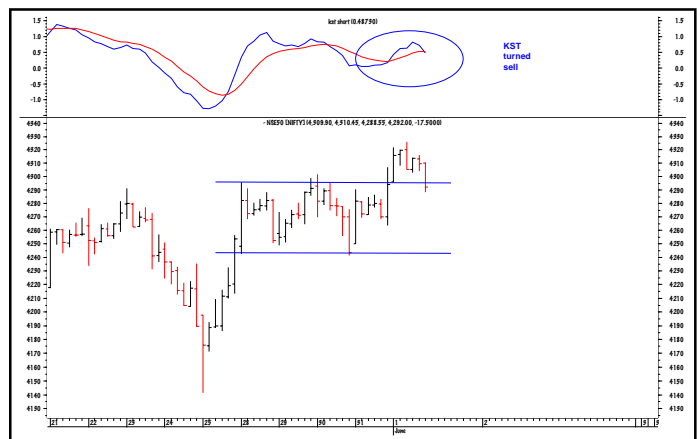
On intra-day basis, the Nifty had seen a break-out yesterday above 4295. Today it made a new high at 4325 but could not sustain at that level and closed below 4300. For the last couple of weeks the Nifty has been consolidating in the 4150-4300 range and today it again closed in this range, indicating that we might see a bigger consolidation in the Nifty in the coming days. Once the Nifty closes above 4300-4320, it may target higher levels. Intra-day momentum indicator KST signaled the sell in today's session and as long as the Nifty closes below 4300, it can correct with downside support at 4240.

Cummins can test Rs325 with support at Rs308. CESC looks good and should test Rs374 with support at Rs358. Wipro has support at Rs540 and can test Rs555 in the short term.

Nifty chart: 4297





60 minute chart





Market Breadth

	BSE	NSE
Advances	1,369	602
Declines	1,190	488
Unchanged	96	39
Volume (Rs)	4,669cr	9,760cr

Short Term Trend

	Target	Trend	Reversal	Support/Resistance
Sensex	14300		Up above 14650 and Down below 14300	14400 / 14600
Nifty	4240		Up above 4320 and Down below 4240	4260 / 4300

Medium Term Trend

	Target	Trend	Reversal	Support/Resistance
Sensex	14700		Down below 13900	14100 / 14700
Nifty	4350		Down below 4100	4220 / 4320

Icon guide

 Up	 Down	 Downswing matures	 Upswing matures
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Date	Recommendation	Stop Loss/ Reversal (Intra-day)	Stop Loss/ Reversal (Closing)	Sell Price	Closing Price	Potential % P/L at CMP	Targets
30-05-07	Sensex Spot	Stopped Out	-	14420	14616.0	-1%	14200-14040
30-05-07	Nifty Spot	Stopped Out	-	4250	4309.0	-1%	4200-4150

Smart Charts Portfolio

Date	Recommendation	Action	Stop Loss/ Reversal (Intra-day)	Stop Loss/ Reversal DCL	Buy/Sell Price	Closing Price (CMP)	Potential % P/L at CMP	Targets
31-05-07	Deccan Aviation		-	126.9	144.5	145.2	0%	199
30-05-07	Hindustan Oil Exploration		-	89.4	110.5	122.2	11%	180
29-05-07	Ultratech Cement		-	754.4	816.1	836.0	2%	1034
28-05-07	Fedders Lloyd		-	128.4	146.0	150.4	3%	228
25-05-07	United Phosphorus		-	281.4	294.0	292.3	-1%	324
18-05-07	Bajaj Hindustan		-	167.8	173.8	175.0	1%	193
18-05-07	Gujarat NRE coke		-	41.9	53.3	60.1	13%	100
	Cash							
	Cash							
	Cash							

Momentum Calls > I (Only Long calls)

For the short term—1 to 5 days

Stock	Action	Action date	Stop loss	Price	Closing price	Target
Cummins India	Long	01-06-07	302.0	310.0	313.4	326
CESC	Long	01-06-07	362.0	358.0	363.0	377
Mcleod russel	Long	30-05-07	63.25	65.0	65.4	68.5
Wipro	Long	29-05-07	541.0	540.0	544.2	564
Godrej Consumers	Long	28-05-07	Stopped Out	145.0	140.1	153

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

Momentum Calls > II (F&O stocks Long / Short calls)

For the short term—1 to 5 days

Stock	Action	Action date	Stop loss	Price	Closing price	Target
Satyam	Buy	01-06-07	467.4	478.0	478.5	488-498
Infosys	Buy	01-06-07	1,922.0	1,944.0	1,940.0	2,008
Sterlite Optics	Buy	01-06-07	205.0	210.4	211.3	221
Reliance	Sell	30-05-07	1,781.6	1,749.0	1,750.4	1,720-1,695
Alstom Projects	Buy	30-05-07	Book profit	575.0	595.0	587-599
Grasim	Buy	29-05-07	2,470.0	2,502.0	2,520.0	2,590

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

Trendy Levels

Sensex		Nifty	
Support	Resistance	Support	Resistance
14519	14625	4283	4311
14454	14680	4269	4326
14400	14725	4255	4340
20DSMA	40DEMA	20DSMA	40DEMA
14191	13994	4195	4118
BSE Sensex: 14571		Nifty: 4297	

Day Trader's HIT List

For June 04, 2007

Scrip Name	Support Levels		Close (Rs)	Resistance Levels		Action
	S1	S2		R2	R1	
NIFTY Futures	4242	4275	4286	4298	4333	Go long above R2. Go short below S2.
Century Text	600	607	612	618	624	Sell on rise to R2.
ICICI Bank	919	924	928	934	945	Buy on decline to S2.
Infosys	1924	1931	1940	1958	1969	Buy on decline to S2.
M&M	749	758	762	766	776	Go long above R2. Go short below S2.
Reliance	1733	1740	1750	1756	1769	Buy on decline to S2.
Reliance Capital	957	964	971	977	984	Buy on decline to S2.
Reliance Comm	495	503	506	508	516	Go long above R2. Go short below S2.
SAIL	136	138	139	140	142	Go long above R2. Go short below S2.
Satyam	469	475	479	488	492	Buy on decline to S2.
SBI	1356	1364	1378	1386	1391	Buy on decline to S2.
Siemens	1269	1280	1292	1302	1317	Buy on decline to S2.
Tata Motors	736	743	747	751	760	Go long above R2. Go short below S2.
Tata Steel	620	631	635	639	649	Go long above R2. Go short below S2.
Unitech	554	566	569	572	584	Go long above R2. Go short below S2.

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

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