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MARKET COMMENTARY

Market witnessed selling in the later half as Nifty closed below 5250. IT stocks were at the forefront of profit taking as all heavyweights closed lower. Zee was the biggest loser amongst the A- group as it lost more than 5% post results. RIL also dragged the indices lower, losing around 1.5%. Other prominent losers were HCC, IVRCL, Sugar heavyweights, DrReddy's, Suzlon, Nagarjuna Constructions, ACC, Century and Gail. The PSU counters however, remained in the limelight though it were different set of stocks that zoomed higher. The Fertilizer stocks were the most active and were also amongst the biggest gainers. Stocks like NFL, FACT and RCF hit 20% upper circuit. Buying was seen in banking counters too. Yes Bank hit new high while gains were also seen in Andhra Bank, IOB, Indusind Bank and BOB. Few others that bucked the overall trend were Voltas, Bajaj Auto, Titan, Patel Engg, REC, Sintex, IDFC and EKC.

Nifty has again come back from around 5280 and could test 5170-80 again. Close below 5170 could attract more selling and might take Nifty further lower to around 5050. Banking stocks are showing positive bias and as mentioned earlier that augurs well for the market as a whole. Indusind Bank could seek higher levels of around 165-170 in coming days while others like Dena Bank, Canara Bank, Allahabad Bank and OBC could also move higher. Patel Engg is looking good and sustained trades above 485 could take it higher to around 520-525. JSPL has strong support around 660-665 and a rebound to around 710 is likely from around these levels. Others that are likely to show positive bias are GSPL, Bhel, JSW Steel, Crompton, Rolta, HDIL and Biocon.

Nifty has support around 5190-5200 and then around 5160-70 while resistance is seen around 5280-85.

Getting to know the management of a company is like getting married. You never really know the girl until you live with her. Until you've lived with a management you don't really know them. - Phil Fisher

DERIVATIVE PICK

MEDIUM RISK / MEDIUM RETURN

NOTE : IN CASES WHERE CASH LEVELS ARE GIVEN, BUY/SELL FUTURES WHEN THE CASH PRICE CROSSES THE BUY ABOVE/SELL BELOW LEVEL IN CASH

ALLAHABAD BANK (CASH – Rs. 141.05) : The stock has shown a lot of strength and the 14 day RSI is supporting the current upmove. Buying is advised above Rs.143 for a target of Rs.147 and Rs.152. Stop Loss of Rs.135.75 should be kept. Higher target of Rs.156-158 is also possible.

STOCKWATCH

LOW RISK / MEDIUM RETURN

ORBIT CORP (Rs.331.50) : The stock is in a very strong uptrend and is giving fresh buy signals both in the daily and weekly charts. Buying is advised above Rs.332 for a target of Rs.346 and Rs.362. Higher target of Rs.375-385 is also possible. Once it crosses the level of Rs.346, the upmove would be explosive. The time frame for the trade would be around 15-16 trading days. Investors having the patience to hold the stock for six months plus can expect target of Rs.450-500.

JUBILANT (Rs.344) : The stock is moving up in a slow and steady manner. Buying is advised above Rs.346 for a target of Rs.357 and Rs.369. Higher target of Rs.381-384 is also possible. The time frame of the trade is would be around 7-8 trading sessions.

Note: In case of any problem in receiving NEWSLETTER, kindly contact Mr Devesh Chauhan at 9350171231

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