

JAN 20, 2010

MARKET WATCH



Market Activity

19-Jan	Close	Points	%
BSE	17486	-155	-0.88
NSE	5225	-49	-0.93
BSE-REALTY	4006	-71	-1.75
BSE-IT	5342	-91	-1.68
BSE-CD	3993	29	0.74
BSE-BANKEX	10205	44	0.44

Nifty Intern. Levels	Nifty Intraday Supports	Nifty Intraday Resistance
5400 (UP)	5220	5280
4950 (DOWN)	5180	5330

Sensex	Support	Resistance
17486	17400	17800

TECHNICAL VIEW

NIFTY WATCH

Nifty opened positive but came under selling pressure as the session progressed; It ended the day with a loss of 49 points at 5225. The market breadth turned bearish and stood at almost 4:9. The BSE CD and Bankex indices outperformed the broader market and closed in the green, whereas BSE Realty and IT indices lost the most.

Despite a positive opening Nifty was unable to surpass the resistance level of 5310 for yet another session and succumbed to selling pressure as the session progressed. It drifted lower and ended the day with a loss of 49 points at 5225 near the support of its 13 Day EMA. The range of 5310 to 5330 continues to remain as a stiff resistance for Nifty. On the downside the range of 5200 to 5169 is the immediate support for Nifty. We would await sustenance beyond 5330 for any further bullish cues in the immediate term. If Nifty manages to clear a very stiff resistance of 5330 then the bullish sentiment may even scale the index up to the level of 5427 in next few sessions. Such a rise would complete a "Rising Wedge" pattern on the weekly chart and if the pattern we are anticipating is correct; then it would warrant profit booking and staying on the sidelines near the most probable target range indicated above as a completion of such a pattern is followed by a corrective trend. Thus we advise caution near the most probable target range mentioned above and taking some profit off the table. Alternatively one may place a stop loss of 5150 for Nifty long positions. As a breach of 5150 would negate the short term trend and warrant further downside. The 49 Day "Time Cycle" that we have been following since past few months; already indicates that the recent high of 5310 may be a difficult level to cross; however the level of 5150 has now emerged as a support for immediate term. As long as Nifty trades above 5150 any reversal cannot be confirmed. Expectedly, we have already seen out-performance by the Mid-Cap and Small-Cap stocks; it's a trend which is evident since past many sessions. A breach of 5150 should be taken as initial sign of weakness; in which case Nifty may come down to 5083 which is the support offered by 61.80% Fibonacci retracement of the recent rise from 4943 to 5310. If Nifty trades below 5080 consistently then we may anticipate further selling pressure in next few days. The level of 4930 has emerged as a strong support for Nifty for medium term and the medium term uptrend would only be threatened if Nifty breaches this level. Intraday support for tomorrow's session is placed at 5200 and below that at 5169. Resistance levels for intraday trade are placed at 5246 and 5264. The level of 5280 may serve as a stiff hurdle to cross in intraday.

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Technical Model Portfolio

Buy Calls

S.No.	Date	Scrip	Quantity	Buy Rate	Stop Loss	Investment	Last Price	Return(Rs.)	Return(%)
1	4-Jan-10	Reliance Capital	2760	877	840	2420520	906.25	80730	3.34%
2	15-Jan-10	OCL	9116	137.6	126	1254361.6	130.1	-68370	-5.45%
3	15-Jan-10	SeaMec	8812	232	220	2044384	232.7	6168	0.30%
4	18-Jan-10	HDFC	2115	2550	2500	5393250	2510.5	-83543	-1.55%
5	18-Jan-10	PBA Infra	14486	77.8	70.5	1127010.8	76.1	-24626	-2.19%
6	18-Jan-10	Ruchi Soya	13557	101.8	94	1380102.6	96.5	-71852	-5.21%
Total						13619629		-161492	-1.19%

Sell Calls

S.No.	Date	Scrip	Quantity	Sell Rate	Stop Loss	Investment	Last Price	Return(Rs.)	Return(%)
1	29-Dec-09	Tisco	1528	624	685	286041.6	637.65	-20857	-7.29%
Total						286042		-20857	-7.29%

Model Portfolio Performance

Initial Capital	10000000
P/L (Booked Profit)	19051733
Invested Capital	13905671
Balance Capital	15146063
Unrealised Profit	-182350
Total Profit(MTM)	18869384

Comparison	Return	2-Jun-08	Current
Portfolio	188.69%	10000000	28869384
Nifty	10.26%	4739.60	5225.65
BSE Midcap	7.90%	6530.00	7045.91
Sensex	0.39%	17486.06	17554.30
BSE Small Cap	-0.06%	8976.09	8970.46

Model Portfolio criteria:

- Portfolio was started with Capital of Rs 1 crore.
- Stocks will be bought based on better risk reward ratio.
- Each stock will have equal risk weightage in the portfolio.
- Calls with more than 8% return should be added to portfolio.
- Maximum number of stock will be limited to 20.
- Maximum value at risk will be limited to 10%
- Portfolio starting from 2nd June, 2008

PIVOT POINTS

Scrip	LTP	R3	R2	R1	Pivot	S1	S2	S3
Sensex	17486.06	17940.39	17739.31	17612.69	17538.23	17411.61	17337.15	17136.07
Nifty	5225.65	5382.33	5313.18	5269.42	5244.03	5200.27	5174.88	5105.73
ACC	952.85	1034.17	996.22	974.53	958.27	936.58	920.32	882.37
Bharti	320.55	336.88	329.18	324.87	321.48	317.17	313.78	306.08
BHEL	2397.15	2519.48	2456.98	2427.07	2394.48	2364.57	2331.98	2269.48
Century tex	568.5	629.35	602.60	585.55	575.85	558.80	549.10	522.35
GMR Infra	66.25	71.20	68.95	67.60	66.70	65.35	64.45	62.20
ICICI brk	865.5	900.83	883.83	874.67	866.83	857.67	849.83	832.83
Infosys	2635.9	2770.47	2710.57	2673.23	2650.67	2613.33	2590.77	2530.87
LNT	1643.8	1710.93	1679.93	1661.87	1648.93	1630.87	1617.93	1586.93
MNM	1159.6	1233.47	1199.27	1179.43	1165.07	1145.23	1130.87	1096.67
Maruti	1419.3	1501.27	1464.37	1441.83	1427.47	1404.93	1390.57	1353.67
RELIANCE	1085	1138.03	1114.63	1099.82	1091.23	1076.42	1067.83	1044.43
ROOM	186.35	203.55	195.85	191.10	188.15	183.40	180.45	172.75
REL Energy	1123.2	1197.52	1164.87	1144.03	1132.22	1111.38	1099.57	1066.92
REL Cap	906.25	967.42	940.02	923.13	912.62	895.73	885.22	857.82
SBI	2173.1	2232.37	2202.37	2187.73	2172.37	2157.73	2142.37	2112.37
Suzlon	87.2	95.97	92.07	89.63	88.17	85.73	84.27	80.37
TCS	780.7	834.28	810.73	795.72	787.18	772.17	763.63	740.08
Tata Motors	806.7	842.68	825.93	816.32	809.18	799.57	792.43	775.68
Tata Steel	637.65	665.62	652.02	644.83	638.42	631.23	624.82	611.22
ZEE tele	270.95	319.45	297.85	284.40	276.25	262.80	254.65	233.05

Pivot Point: Intra- Day trading tool applying stoploss based on NSE prices.

Pivot Point: This is trigger point for Intra Day buy/sell based on the price range of the previous day based on NSE prices.

R1: Resistance one: 1st Resistance over PP. **R2:** Resistance two: 2nd Resistance over R1.

S1: Support one: 1st support after PP. **S2:** Support two: 2nd support after S1.

As per the tool, the trader should take BUY position just above Pivot Point and keep the stop loss of S1 and the first target would be R1. If R1 is crossed then R2 becomes the next target with the stop loss at Pivot point.

Similarly if price goes below Pivot Point the trader should SELL and keep the R1 as Stop loss and the first target would be S1. If S1 is crossed then S2 becomes the next target with the stop loss at Pivot point.