



Punter's Call

Follow-up selling

Markets on October 6: Neckline break

Sensex opened with a downside gap of around 100 points and went beyond the lows of 2007. Thereafter the index went down due to consistent selling at higher end and held the opening gap without a single intra-day bounce. Further on today's close, Sensex has surpassed the neckline of head-and-shoulders pattern on a strong note. So in the coming session the market should breach the neckline and consistently sustain above this level if the bulls plan to overcome the bears. On candlestick charts, Sensex has formed a black opening Marubozu candle (a bearish candle with no upper shadow), which is a bearish candle and a sign of caution for bulls. On daily chart, the momentum indicator KST is still in the negative mode, making lower tops and lower bottoms. Market breadth was pathetic as only 69 shares advanced as against 1,174 shares that declined for the day.

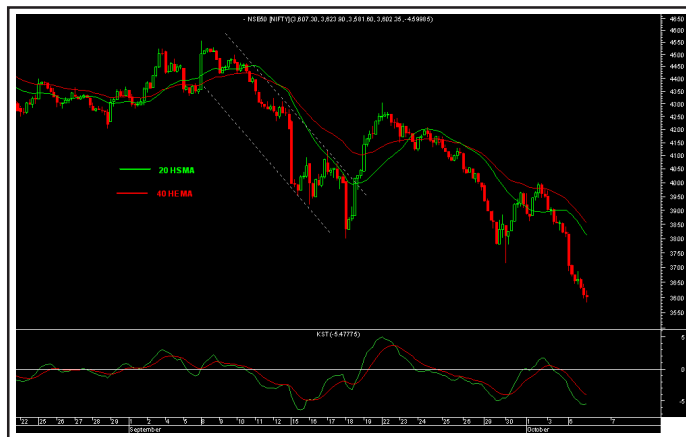
On hourly chart, the momentum indicator KST is still riding its negative crossover with no signs of reversal. We are revising down our short- and mid-term biases for the target of 3,550 and 3,350 respectively with the short- and mid-term reversal at 3,800 and 4,001 respectively.

Sensex and Nifty ended the day with a loss of 724 and 215 points respectively. Selling was witnessed across all the sectors with the consumer durables, realty and metal leading the fall. Among the 30 stocks of Sensex Sterlite Industries, Reliance Infrastructure, Jaiprakash Associates, DLF and Tata Power led the pack of losers.

Nifty chart: 3,602



60 minute chart



Market Breadth

	BSE	NSE
Advances	281	69
Declines	2,369	1174
Unchanged	27	12
Volume (Rs)	4,003cr	10,343cr

Short Term Trend

	Target	Trend	Reversal	Support/Resistance
Sensex	11600	↓	Up above 12400	11600 / 12400
Nifty	3550	↓	Up above 3800	3550 / 3800

Medium Term Trend

	Target	Trend	Reversal	Support/Resistance
Sensex	11000	↓	Up above 13205	11000 / 13205
Nifty	3350	↓	Up above 4001	3350 / 4001

Icon guide

 Up	 Down	 Downswing matures	 Upswing matures
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Trendy Levels

Sensex		Nifty	
Support	Resistance	Support	Resistance
11650	12000	3550	3650
11500	12150	3500	3700
11300	12300	3450	3750
20DSMA	40DEMA	20DSMA	40DEMA
13565	13814	4104	4169
BSE Sensex: 11,801		Nifty: 3,602	

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
26-09-08	Syndicate Bank	Sell	-	70.6	67.1	61.5	9%	60-53
26-09-08	Hero Honda	Sell	-	901.0	848.3	857.1	-1%	786-711
26-09-08	SBI	Sell	-	1,541.0	1,456.0	1,434.0	2%	1,380-1,301
26-09-08	Cipla	Sell	-	245.6	225.3	218.6	3%	201-181
11-09-08	HUL	Sell	-	262.6	245.8	249.7	-2%	225-205

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
Reliance Industries	Buy	03-10-08	Stopped out	1,793.0	1,759.0	1,830.0	1,840.0

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 October 07, 2008

Scrip Name	Support Levels		Close (Rs)	Resistance Levels		Action
	S1	S2		R2	R1	
NIFTY Futures	3550	3600	3639.0	3700	3760	Buy above R2/Sell below S2.
INR	47.20	47.50	47.81	48.00	48.20	Buy above R2/Sell below S2.
Adlabs Film	272	277	285.0	292	297	Sell on rise at R2.
Century Text	250	256	262.6	267	272	Buy above R2/Sell below S2.
DLF	293	297	301.0	308	314	Sell on rise at R2.
HUL	244	247	249.5	252	255	Sell below S2.
ICICI Bank	475	478	490.0	498	505	Buy above R2/Buy on decline at S2.
Infosys	1280	1300	1318.0	1345	1362	Sell on rise at R2.
J P Associates	95	98	100.0	103	105	Sell on rise at R2/Sell below S2.
Maruti	635	645	659.0	666	680	Sell on rise at R2/Sell below S2.
Reliance Capital	945	965	977.0	1000	1020	Sell below S2/Sell on rise at R2.
Reliance	1600	1632	1641.0	1686	1700	Sell below S2/Sell on rise at R2.
Reliance Comm	290	295	299.0	306	310	Sell below S2.
SAIL	105	107	109.0	111	114	Buy above R2.
SBI	1380	1410	1433.0	1445	1501	Buy above R2.
Satyam	286	291	294.0	297	304	Buy on decline at S2.
Tata Motors	300	308	314.0	318	324	Sell on rise at R2.
Tata Steel	338	345	350.0	356	365	Buy above R2/Sell below S2.

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

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