

MAY 26, 2010

MARKET WATCH

NSE Nifty [N59901] 4944.30, 5029.55, 4787.45, 4806.75, 1136804992 -2.52%
Price



Market Activity			
25-May	Close	Points	%
BSE	16022	-447	-2.71
NSE	4807	-137	-2.78
BSE-HC	5224	-47	-0.89
BSE-POWER	2886	-70	-2.36
BSE-CD	4385	-204	-4.45
BSE-METAL	13972	-750	-5.1

Nifty Intern. Levels	Nifty Intraday Supports	Nifty Intraday Resistance
5100 (UP)	4750	4860
4650 (DOWN)	4675	4910

Sensex	Support	Resistance
16022	15600	16600

TECHNICAL VIEW

NIFTY WATCH

Nifty opened negative and slid further lower as the session progressed. It ended with a massive loss of 137 points at 4806. The market breadth was in the favour of bears at almost 1:4. All the sectoral indices gave a negative close. The BSE Metal and CD indices were the weakest in today's trade.

A negative opened was followed by further selling pressure which dragged the Nifty down to an intraday low of 4787 which is marginally above our mentioned level of 4770. It marginally bounced back towards close and ended the day with a loss of 137 points at 4806. With today's close it has further drifted down below a "Trend Line" support placed at 4826 (Trend Line connecting the lows of 4538 to 4675) and this turned further bearish as in the process it has also given a break down of a "Down Sloping Trend Channel" on the intraday hourly price chart. It has been trending lower in this mentioned "Channel" since 19th April '10. It continues to appear weak on the chart as every fall reaffirms the bearish view and today's break down of the mentioned "Down sloping Trend Channel" has opened the possibility of further potential downsides for Nifty over the course of next few days. The target of the above mentioned "Channel" break down works out to 4626; which is well below the major swing low of 4675. However in the immediate term it has support placed at 4770 and below that 4726 is the next support level for Nifty. If Nifty manages to sustain above the support range of 4725 to 4675 then there is a possibility of a bounce back till 4931 which is the 23.60% Fibonacci retracement level of the entire fall from 5399 till now. Nifty has completed a five wave impulse on the downside which gives us early indication that any counter trend bounce back may not be sustainable. Thus such a bounce back would not be sustainable and has very high probability of fizzling out and giving way to a further sell off, which would eventually breach the level of 4675 and retrace at least 38.20% of the entire rally from 2539 to 5399. The retracement level works out to 4307, which would be our target for Nifty over the course of next one month. . Nifty has been drifting lower ever since it reached a high of 5399 last month and has been forming "Lower Top - Lower Bottom" on the daily chart. We continue to maintain a bearish view for Nifty based on the multitude of technical Indicators all depicting further weakness, like the formation of "Lower Top Lower Bottom" on the daily chart since the high of 5399, formation of "Evening Star" pattern on the monthly chart, the "ADX" is indicating a strong down trend on the daily chart along with the 13,21 and 50 averages which have registered a bearish crossover. The "MACD" on the daily chart continues to drift lower while it quotes well below the "Zero Line" additionally the "MACD" on the weekly chart too has completely negated a buy signal generated in the beginning of April'10 and has now given a bearish crossover - a very bearish sign. All this evidence lined up in the favour of further down sides indicate further bearishness over the course of next few weeks. Yesterday's high of 5029 would serve as a severe resistance on any bounce back attempts. Only a close above 5203 would bring in the possibility of a sustained up move and reverse the bearish view. Till then the trend continues to remain down decisively.

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TECHNICAL CALLS

Sr. No	Date	Action	Company	Reco. Price	Stop loss	Target 1	Target 2	CMP	Remarks	
2	17-May-10	Sell	IVRCL Infra	163.7	175	151	143	145	Target 2 almost achieved. Call Closed.	
2	18-May-10	Buy	Renuka	56.25	51	61.5	67	54.5		
3	19-May-10	Buy	Infosys Tech	2645	2575	2715	2785	2542	S/L Triggered. Call Closed.	
4	24-May-10	Sell	Canara Bank	410	423*	385	360	398.3	Part Profit booked at 393	
5	24-May-10	Sell	LIC Housing Fin	933	933*	890	850	884	Part Profit booked at 881. 1st TGT Achieved.	
6	24-May-10	Sell	SBI	2233-2255	2235*	2120	2012	2160	Part Profit booked at 2150	
				Open Positions Buy 1 & Sell 3.				* - Revised Stop Loss		

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Technical Model Portfolio

Buy Calls

S.No.	Date	Scrip	Quantity	Buy Rate	Stop Loss	Investment	Last Price	Return(Rs.)
1	18-May-10	Renuka Sugars	20142	56.25	51	1132987.5	55.95	-6043
		Total				1132988		-6043

Sell Calls

S.No.	Date	Scrip	Quantity	Sell Rate	Stop Loss	Investment	Last Price	Return(Rs.)
1	24-May-10	Canara Bank	4000	410	435	492000	407.9	8400
2	24-May-10	LIC Housing Fin	2125	933	977	594787.5	926.25	14344
3	24-May-10	SBI	1188	2233	2318	795841.2	2231.2	2138
		Total				1882629		24882

Model Portfolio Performance

Initial Capital	10000000
P/L (Booked Profit)	21538765
Invested Capital	3015616
Balance Capital	28523149
Unrealised Profit	18840
Total Profit(MTM)	21557604

Comparison	Return	2-Jun-08	Current
Portfolio	215.58%	10000000	31557604
Nifty	4.31%	4739.60	4943.95
BSE Midcap	2.45%	6530.00	6689.81
Sensex	-5.81%	17486.06	16469.55
BSE Small Cap	-5.67%	8976.09	8466.94

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

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PIVOT POINTS

Scrip	LTP	R3	R2	R1	Pivot	S1	S2	S3
Sensex	16022.48	17111.24	16626.82	16324.65	16142.40	15840.23	15657.98	15173.56
Nifty	4943.95	5176.92	5071.32	5007.63	4965.72	4902.03	4860.12	4754.52
ACC	842.3	864.90	854.00	848.15	843.10	837.25	832.20	821.30
Bharti	264.6	282.38	274.03	269.32	265.68	260.97	257.33	248.98
BHEL	2262.95	2342.52	2304.72	2283.83	2266.92	2246.03	2229.12	2191.32
Century tex	423.65	469.22	448.42	436.03	427.62	415.23	406.82	386.02
GMR Infra	54.35	61.30	58.25	56.30	55.20	53.25	52.15	49.10
ICICI brk	809.35	848.43	829.68	819.52	810.93	800.77	792.18	773.43
Infosys	2533.4	2696.95	2620.20	2576.80	2543.45	2500.05	2466.70	2389.95
LNT	1558.5	1702.33	1639.83	1599.17	1577.33	1536.67	1514.83	1452.33
MNM	515.95	583.07	551.82	533.88	520.57	502.63	489.32	458.07
Maruti	1198.75	1262.58	1229.18	1213.97	1195.78	1180.57	1162.38	1128.98
RELIANCE	985.65	1082.30	1040.05	1012.85	997.80	970.60	955.55	913.30
ROOM	138.9	161.35	151.40	145.15	141.45	135.20	131.50	121.55
REL Energy	1030.3	1101.45	1064.00	1047.15	1026.55	1009.70	989.10	951.65
REL Cap	647.6	707.53	680.53	664.07	653.53	637.07	626.53	599.53
SBI	2155.1	2335.03	2253.03	2204.07	2171.03	2122.07	2089.03	2007.03
Suzlon	58	62.63	60.43	59.22	58.23	57.02	56.03	53.83
TCS	699.55	746.60	724.15	711.85	701.70	689.40	679.25	656.80
Tata Motors	673.45	739.75	710.35	691.90	680.95	662.50	651.55	622.15
Tata Steel	476.65	523.47	502.72	489.68	481.97	468.93	461.22	440.47
ZEE tele	276.25	291.67	284.32	280.28	276.97	272.93	269.62	262.27

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.