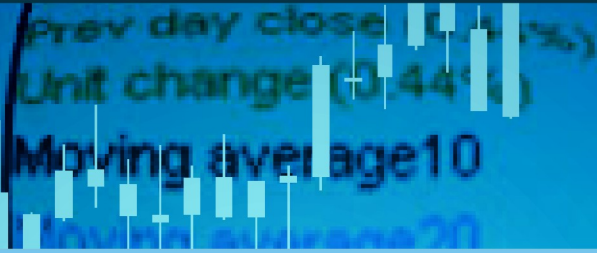


HEAD & SHOULDER

VOLUMES

PRICE PATTERN



# Technical & Derivative ANALYSIS



BAR CHARTS

MOMENTUM OSCILLATOR

CANDLESTICK CHARTS

RELATIVE STRENGTH INDEX



STRANGLE

STRADDLE

CALL OPTION

PUT OPTION



## Bulls cautious near 200-Day SMA

### Sensex (17563) / Nifty (5284)

On Monday, markets opened on a quiet note and registered a weekly high of 17702 / 5360. As stated in our previous report, indices faced resistance near to 200-Day SMA resistance of 18020 / 5410 level. Further, as expected, indices corrected during the week after the violation of 17671 / 5322 (low of October 28, 2011) and filled the downside gap area of 17671 to 17350 / 5322 to 5219 created on October 28, 2011. Friday's session began on an optimistic note, but then markets lost their early gains as the day progressed and closed marginally below the 17600 / 5300 mark. On the sectoral front, the Auto, Metal and Oil & Gas sectors remained under pressure, whereas the FMCG and Midcap sectors closed marginally in the positive territory. The Sensex ended with a nominal loss of 1.36%, whereas the Nifty lost 1.43%, vis-à-vis the previous week.

### Pattern Formation

- On the Weekly chart, the "Downward Sloping Trend Line" is now placed around the **18100 / 5450** level
- The Daily "200 SMA" is placed at **18000 / 5400** level
- The "20 EMA" on the Daily and Weekly chart is placed at **17165 / 5165** and **17300 / 5200**, respectively.
- The positive crossover in the Weekly ADX (9) indicator is still intact.

### Future Outlook

Going forward, indices are likely to face resistance near the "Downward Sloping Trend Line" level of **18100 / 5450** and "200-Day SMA" which is placed at **18000 / 5400** level. However, the impact of positive crossover in the Weekly ADX (9) indicator would come into action if indices manage to break the **18100 / 5450** level. In this scenario, we may witness a strong buying interest, which would push indices higher to test the next resistance level of **18300 - 18440 / 5500 - 5550**. On the downside, our benchmark indices have a decent support in the

Exhibit 1: Sensex weekly chart



Source: Falcon

Exhibit 2: Sensex daily chart



Source: Falcon

range of **17300 - 17165 / 5200 - 5160**. These levels coincide with the "20 EMA" on the Weekly as well as Daily chart. A breach of **17165 / 5160** level may attract selling pressure, which may then drag indices lower to test crucial support levels of **16900 - 16669 / 5085 - 5011**. Broadly speaking, indices are trading in the range of **18100 to 17165 / 5450 to 5160**. A breakout from this range on either side would set the direction for our benchmark indices.

**Therefore, we reiterate our view that traders should stay light on positions and continue to adopt a stock - specific approach.**

## Weekly Pivot Levels For Nifty 50 Stocks

SCRIPS	R2	R1	PIVOT	S1	S2
SENSEX	18,086	17,824	17,551	17,289	17,016
NIFTY	5,441	5,362	5,282	5,204	5,124
BANKNIFTY	10,286	10,061	9,855	9,630	9,424
ACC	1,273	1,248	1,207	1,182	1,141
AMBUJACEM	169	165	158	154	147
AXISBANK	1,193	1,161	1,132	1,099	1,070
BAJAJ-AUTO	1,814	1,779	1,735	1,701	1,656
BHARTIARTL	411	404	394	387	376
BHEL	354	344	329	319	305
BPCL	657	641	628	611	598
CAIRN	316	311	303	298	290
CIPLA	306	300	293	287	280
DLF	263	255	244	236	224
DRREDDY	1,711	1,667	1,630	1,586	1,550
GAIL	440	432	425	417	410
HCLTECH	470	454	438	422	406
HDFC	705	695	684	674	664
HDFCBANK	504	493	483	472	462
HEROHONDA	2,268	2,191	2,113	2,036	1,958
HINDALCO	146	142	138	135	130
HINDUNILVR	419	399	374	354	329
ICICIBANK	994	939	899	844	805
IDFC	139	134	131	126	122
INFOSYSTCH	2,961	2,893	2,830	2,763	2,700
ITC	219	215	211	207	203
JINDALSTEL	609	594	566	551	524
JPASSOCIAT	84	82	78	76	72
KOTAKBANK	526	514	503	491	480
LT	1,462	1,428	1,395	1,360	1,327
M&M	894	865	846	817	798
MARUTI	1,204	1,163	1,112	1,071	1,019
NTPC	188	184	179	175	170
ONGC	292	284	278	270	264
PNB	1,068	1,023	986	941	904
POWERGRID	107	106	104	102	101
RANBAXY	529	517	507	495	486
RCOM	90	87	82	78	73
RELCAPITAL	398	386	370	358	341
RELIANCE	930	905	880	855	830
RELINFRA	492	474	457	440	422
RPOWER	105	103	98	95	90
SAIL	120	116	112	107	103
SBIN	2,045	2,005	1,942	1,902	1,839
SESAGOA	224	217	210	203	196
SIEMENS	892	877	857	842	822
STER	138	130	125	117	112
SUNPHARMA	527	520	509	502	491
SUZLON	40	39	37	36	34
TATAMOTORS	213	201	193	181	173
TATAPOWER	110	106	103	100	96
TATASTEEL	504	485	470	452	437
TCS	1,151	1,126	1,106	1,081	1,061
WIPRO	395	383	373	362	352

Technical Research Team



## Current pause seems to be consolidation; carry longs.

Nifty spot closed at 5284.20 this week, against a close of 5360.70 last week. The Put-Call Ratio decreased from 1.41 to 1.37 levels and the annualized Cost of Carry is positive 11.28%. The Open Interest of Nifty Futures decreased by 2.39%.

### Put-Call Ratio Analysis

PCR-OI has decreased from 1.41 levels to 1.37 levels last week. As market consolidates in narrow range and growing global concerns, call writers have become active in out-of-money strikes ranging from 5300 to 5600. However the quantum is not very significant. Same sort of activity is witnessed in puts ranging from 5000 to 5200. Statistically as of now it seems advisable to carry long positions.

### Open Interest Analysis

Total open interest of market has increased from ` 1,09,626.90 crores to ` 1,22,441.20 crores. Stock futures open interest has increased from ` 31,415/- crores to ` 33,043/- crores. Frontline counters which added considerable open interest are BANKBARODA, COALINDIA, HINDUNILVR, MARUTI and ITC. Open interest was shed in some liquid counters like JSWSTEEL, UNIONBANK, CENTURYTEX, JPASSOCIAT and AMBUJACEM.

### Implied Volatility Analysis

Implied Volatility (IV) has being increased from 19.05% to 20.52%. HV for BANKNIFTY is trading at 33.89%. Liquid counters having very high Historical Volatility are IVRCLINFRA, DCHL, JUBLFOOD, JSWSTEEL and KFA. Stocks where HV are on lower side are VIDEOIND, PIRHEALTH, ULTRACEMCO, POWERGRID and IOC.

### Cost-of-Carry Analysis

Nifty futures closed at a Premium of 32.65 points against the Premium of 24.80 points to its spot. Next month future is trading with premium of 57.55 points. Counters where CoC is high are TTML, JSWISPAT, TATACOMM, RUCHISOYA and UNITECH. Stocks with negative CoC are BRFL, PNB, SUNTV, RPOWER and ASHOKLEY.

## Derivative Strategy

Scrip : MARUTI		CMP : ₹1122.25		Lot Size : 250		Exercise Date (F & O) : 24th Nov, 2011		
View: Mildly Bearish			Strategy: Long Put				Expected Payoff	
Buy/Sell	Qty	Scrip	Strike Price	Series	Option Type	Buy Rate (₹)	Closing Price	Expected Profit/Loss
Buy	250	MARUTI	1100	NOV	PUT	20.00	1200	(₹20.00)
<b>BEP: ₹1080</b>							1150	(₹20.00)
<b>Max. Risk: ₹5000 /-</b> If MARUTI closes on or above the strike price.							1100	(₹20.00)
<b>Max. Profit: Unlimited</b> If MARUTI continues to move below BEP.							1050	₹30.00
<b>NOTE:</b> Profit can be booked before expiry if MARUTI moves in the favorable direction.							1000	₹80.00
							950	₹130.00

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### Ratings (Returns) :

Buy (> 15%)  
Reduce (-5% to -15%)

Accumulate (5% to 15%)  
Sell (< -15%)

Neutral (-5 to 5%)

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