Technical Picks – Stocks   September 29, 2009

Sr. No	Stock	Current Market Price (CMP)	Recommended Action	Entry Band	Target	Stop Loss	Time Horizon
1.	Aurobindo Pharma	758.8	Buy	730-742	820	712	1-2 weeks
2.	Madhucon Projects	267.8	Buy	252-262	300	246	1-2 weeks

1. **Aurobindo Pharma** – Buy Aurobindo Pharma on dips between Rs. 730 – 742 for a price target of Rs.820 in 1-2 weeks. Stop Loss = Rs.712 on closing basis.

Aurobindo Pharma took 20 trading sessions (Fibonacci time period, 21 minus 1) to fall from Rs.722 to Rs.672.This entire move was retraced completely in 3 days (again a Fibonacci time period). The previous upmove has been hardly retraced and the stock was consolidating for the last 4 weeks. However, on Friday the stock has given an upward breakout. The 25-days exponential moving average is acting as a support for the stock.
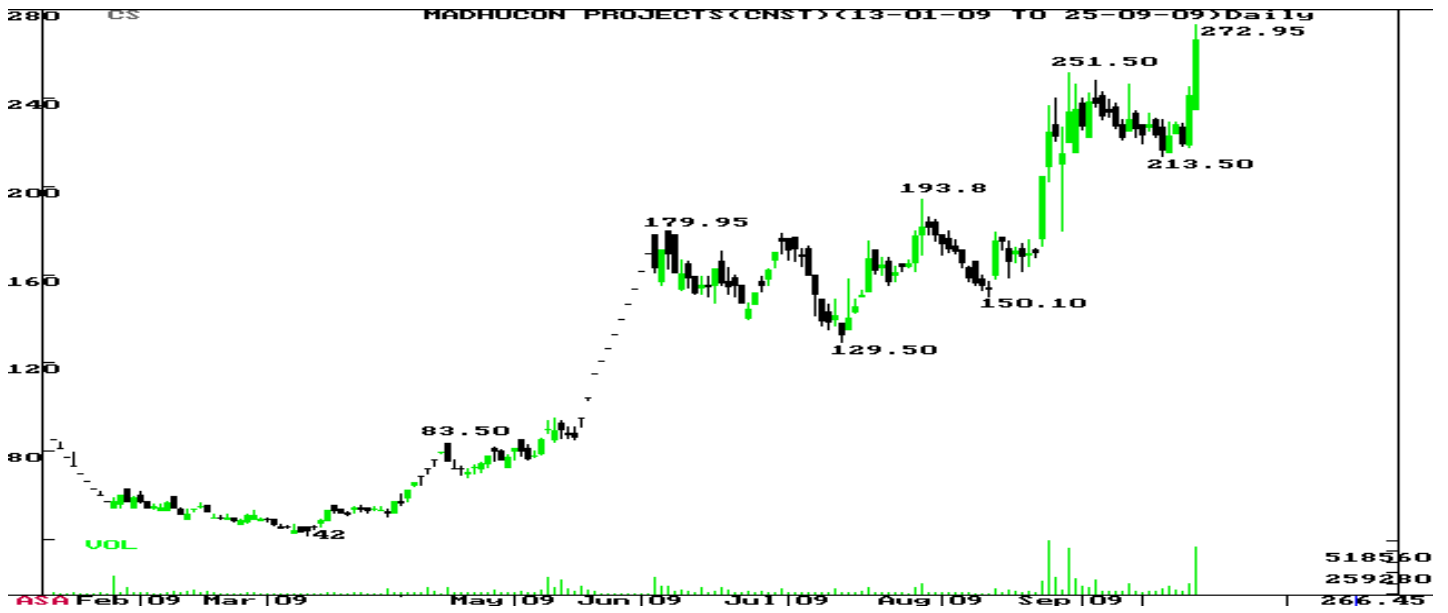

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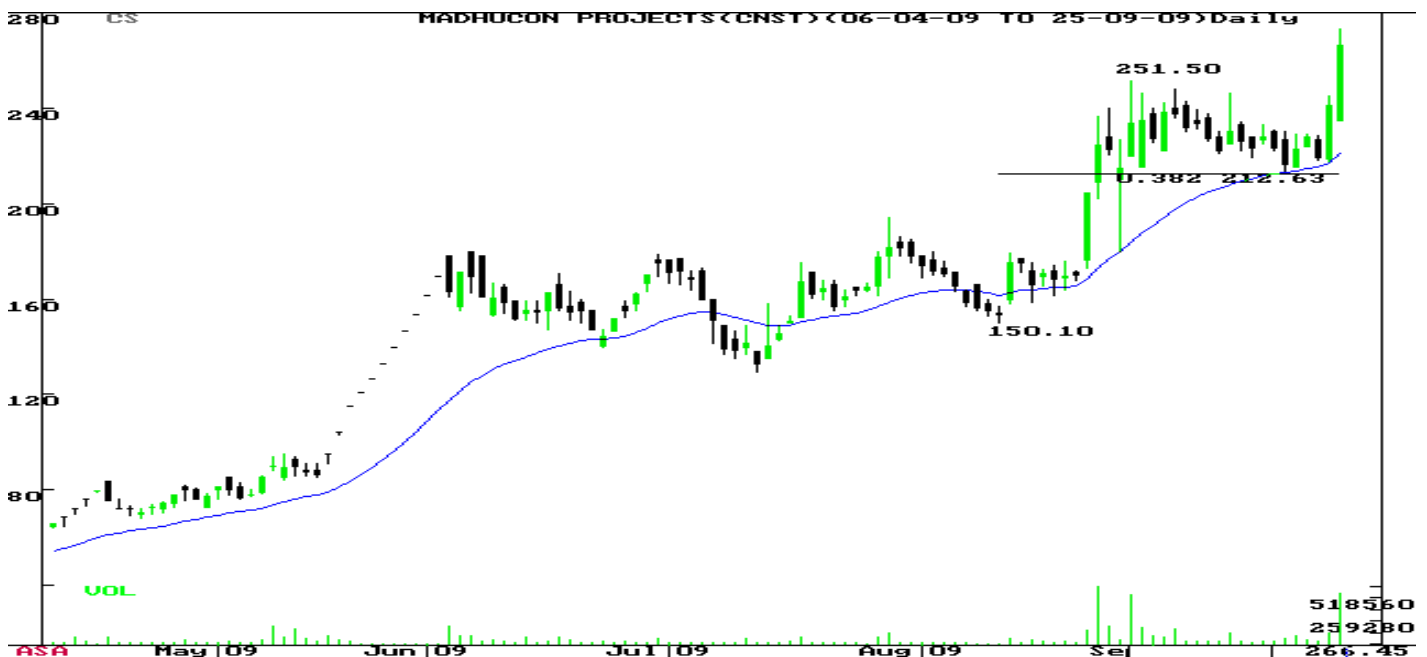All the oscillators are trading above their respective averages as shown in the table below:

Oscillator	Current	Average
14,11 RSI	70.40	60.81
10,9 RoC	5.68	0.00
9,19 MACD	7.80	6.36

These are bullish indications and we could see the stock moving higher. We recommend a "buy" on Aurobindo Pharma on dips between Rs. 730-742 for a price target of Rs.820 in 1-2 weeks. Stop Loss = Rs.712 on closing basis.

2. **Madhucon Projects** – Buy Madhucon Projects on dips between Rs. 252-262 for a price target of Rs.300 in 1-2 weeks. Stop Loss = Rs.246 on closing basis.


Madhucon Projects is making higher highs and higher lows since March 2009. This is a bullish Dow signal.

The 25-days exponential moving average is acting as a support for Madhucon Projects (as shown in blue in the chart above).

The upmove from Rs.150.10 to Rs.251.50 took 12 trading sessions and this move was retraced merely by 38.2% in the next 14 trading sessions (Fibonacci time 13 + 1). The downmove from Rs.251.50 to Rs.213.50 was retraced completely in the next 5 days (again Fibonacci time). This is a bullish indication.
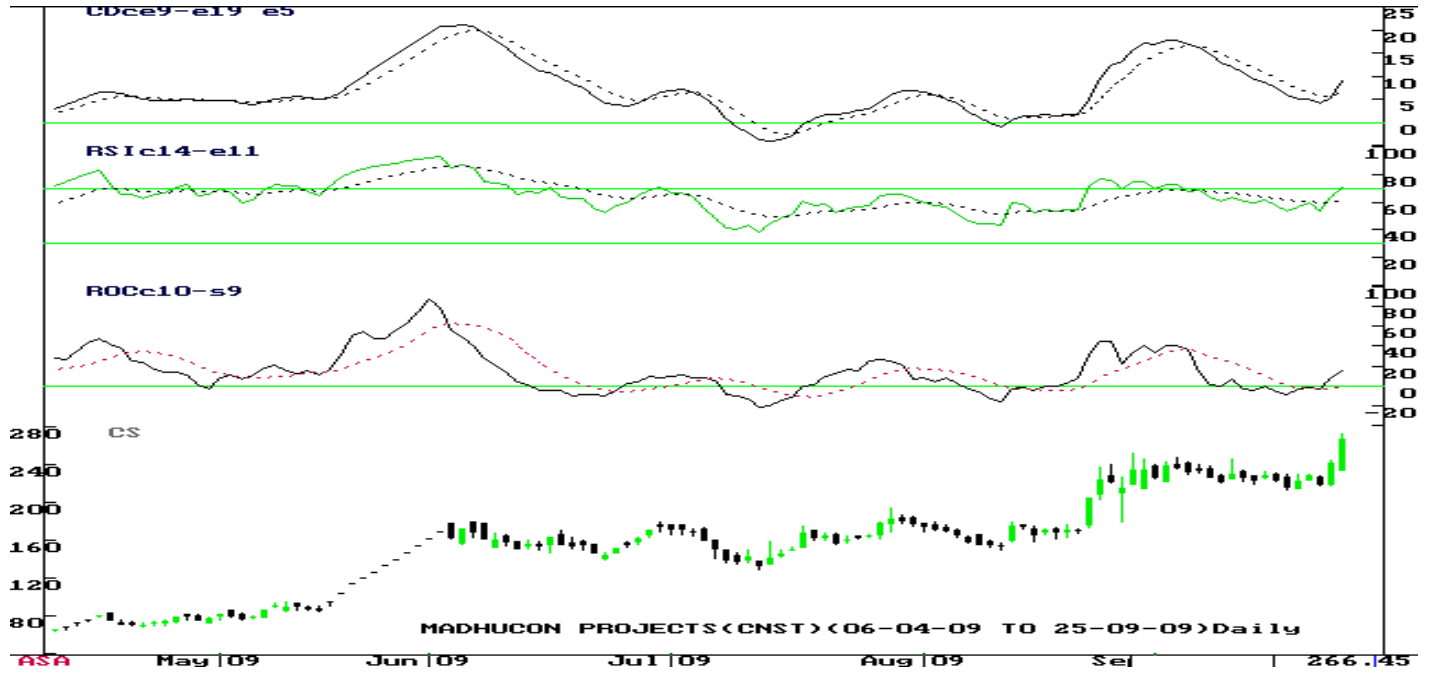
All the oscillators are trading above their respective averages as shown in the table below;

Oscillator	Current	Average
14,11 RSI	71.16	61.78
10,9 RoC	15.85	-0.55
9,19 MACD	8.80	6.66

We recommend a "buy" on Madhucon Projects between Rs. 252 – 262 for a Target of Rs.300 in 1-2 weeks. Stop Loss = Rs.246 on closing basis.

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