

### Buying Opportunities in Corrective Uptrend of Nifty Futures

Nifty Futures from its all time high 4240, exhibited a sharp downtrend and formed a low at 3515 thereby losing 725 points in just 25 trading sessions. Generally, in Indian Stock Market the intermediate downtrend lasts for 25 to 34 days and then a corrective uptrend is seen. The corrective uptrend travels 50% to 62% retracement levels of entire fall.

Considering the current phase of the market, the important observations are as follows:

1. High trading volumes are seen at the bottom level below 3600 on weekly chart suggesting a strong uptrend reversal.
2. A strong bullish candle is seen on the weekly chart showing strength in the market.
3. Many of the F&O stocks are turned upwards from their strong support / retracement levels and can move upwards up to their higher resistance levels.
4. DOW & Nasdaq on weekly charts are indicating a completion of downward correction.
5. The oscillators of Nifty & Sensex on daily charts are turning upwards confirming the counter trend of the previous fall.

By concluding the above data, the intermediate trend of the Nifty Futures can be assumed to be turned

upwards but of a corrective nature. The 50% retracement level is at 3880 and 62% retracement level is at 3970. Nifty Futures is expected to test 4000 level. The extension of this corrective uptrend may move near the intermediate high of 4189. To encash this corrective uptrend, some of the stocks from F&O segment are selected for positional buy calls with a dip stop loss and risk-reward ratio of 1:1.75. These calls are expected to achieve the target in next 1 to 1½ months.

#### Positional Buy Calls in F&O segment

Stocks	CMP	Buy near	Stop Loss*	Target
Bajaj Auto	2581	2560	2460	2735
BEL	1522	1500	1440	1630
Canara Bank	209	200	185	230
IDFC	88	86	80	97
IOC	419	410	390	445
IVRCL	301	295	270	345
M&M	778	760	720	830
Parshvanath	282	270	240	330
Reliance	1374	1350	1300	1435
Tata Power	516	510	480	560

\* Follow the Stop Loss STRICTLY

**NOTE:** Exit all the buying positions if 3660 level of Nifty Futures is breached on closing basis and book profits at Nifty Futures 4050 level in all the stocks irrespective of the targets.

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