

# Industry Trends Report

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## A Technical Perspective - Ready Reckoner

Almost all the indices break through the bottoms of last two-three weeks before staging a technical pull back arising out of an oversold situation on near term basis. All the indices without any exception have turned **RED** with either an **S1** or **S2 CODE**. Volatility has been abnormal and more particularly in the broad based indices which signals large scale deliveries being offloaded in the market. Bears have succeeded in getting the acid test in their favor and now it is for the Bulls to reassert their control on the proceedings of the market. STOP LOSS levels will be extremely crucial for the Bulls to reestablish their hold on the market. Crucial Resistance Levels **CR** will have to be crossed first. Failure to cross the resistance will trigger next round of fall in indices. A decline of more than 3 per cent in all the indices, from the current closing level, cannot be ruled out in this week

Index	Close	Code	Stop Loss	Range	Comment
S&P Nifty	4146	S1	4266	260	CR 4190, CS 3928
Nifty Junior	7284	S1	7564	510	CR 7328, CS 6740
CNX Midcap	5244	S1	5485	320	CR 5295, CS 4885
CNX 500	3403	S1	3520	170	CR 3434, CS 3220
BSE SENSEX	14355	S1	14790	740	CR 14530, CS 13635
BSE 500	5428	S1	5645	290	CR 5521, CS 5115
BSE Auto	5635	S1	5822	360	CR 5765, CS 5280
BSE Bankex	7182	S1	7800	570	CR 7685, CS 6640
BSE CDS	3939	S1	4036	280	CR 3950, CS 3625
BSE CGS	9639	S1	10051	760	CR 9946, CS 8935
BSE FMCG	1892	S2	1968	72	CR 1920, CS 1830
BSE Health	3803	S2	3942	210	CR 3835, CS 3630
BSE IT	5565	S1	5642	260	CR 5610, CS 5255
BSE Metal	8876	S2	9519	720	CR 9080, CS 8190
BSE Oil& Gas	6705	S1	6842	230	CR 6745, CS 6440
BSE PSU	6188	S1	6446	290	CR 6320, CS 5965
BSE Teck	3923	S1	4001	220	CR 3935, CS 3670

### Glossary

B1- Bottoming out situation of BEAR PHASE

B2- Rally in BEAR PHASE

B3- Change in direction from BEAR to BULL PHASE

B4- End of reaction in BULL PHASE

B5- Continuation of BULL PHASE

S1-Top out situation in BULL PHASE

S2- Reaction in BULL PHASE

S3- Change in direction from BULL to BEAR PHASE

S4-End of recovery in BEAR PHASE

S5 Continuation of BEAR PHASE

## BSE AUTO

## Sell on rise

LTP: Rs.5635.00

**BSE AUTO**, after declining from a high of 5843 to a low of 3959, has moved up to a level of 5881 slightly above its previous top. **It has, after forming a long upper shadow in the previous week, dropped sharply to a low of 5379, a level below its 5 week low of 5435.** At the current quote of 5635 it is trading in **1A ZONE** i.e. all the averages are in **BULL PHASE** and the current price is above all the averages. It is advisable to book profit/Sell on further rise around 5750 with a **stop loss above 5822** for a **conservative lower target of 5380** and a **pessimistic lower target of 5130.**

Holding period can be 3-4 weeks.

**It is advisable to select stocks from this sector with a stop loss of about 3-4 per cent for a decline of 8-9 per cent.**



## BSE CGS

## Sell on rise

LTP: Rs.9639.00

**BSE CGS**, after declining from a high of 9103 to a low of 5674, bounced back with a full force to score a decisive **NEW HIGH** of 10148. **It has, after forming a long upper shadow in the previous week dropped sharply to a low of 9134, a level below its 4 week low of 9170.** At the current quote of 9639, it is trading in **1A ZONE** i.e. all the averages are in **BULL PHASE** and the current price is above all the averages. It is advisable to book profit /Sell on further rise around 9850 with a **stop loss above 10050** for a **conservative lower target of 9130** and a **pessimistic lower target of 8670.**

Holding period can be 3-4 weeks.

**It is advisable to select stocks from this sector with a stop loss of about 2.5 to 3 per cent for a decline of 7-8 per cent**



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