



Punter's Call

Nifty's started its down move

Market today: Correction to strengthen below 4040

The Nifty opened in negative territory but bounce back after taking support around 4085 levels in the morning session. After bouncing back into green the index faced selling pressure at around 4140 levels and drifted again into negative zone in the latter half of the day. It finally closed below its strong support of 4085. On intra-day basis, the Nifty traded with high volatility. It was a see-saw between negative and positive, and back to negative territory. As expected the Nifty faced stiff resistance around 4140-4160 levels and traded with high volatility.

In the short term, the Nifty will continue its downward journey that started last week and on any rise or pull-back it will face resistance at 4085-4100 levels. On the downside, the Nifty would find support at 4040 (the break-out point) and 4029 (the 20-day moving average). On breaking below these levels the Nifty can target 4000 levels. Even on momentum indicators on the daily chart, KST (Know Sure Things) has turned into sell mode. It has been in sell mode for the last couple of trading sessions and we had expected Nifty to get into correction mode. Today we saw the beginning of big profit booking. As long as the KST does not show any improvement, the Nifty could see some more downside towards 4000 level. On the upside, the Nifty will face resistance above 4100 in the 4150-4180 range and as long as it closes and sustains below this level, our bias remains down with the short-term target of 4000.

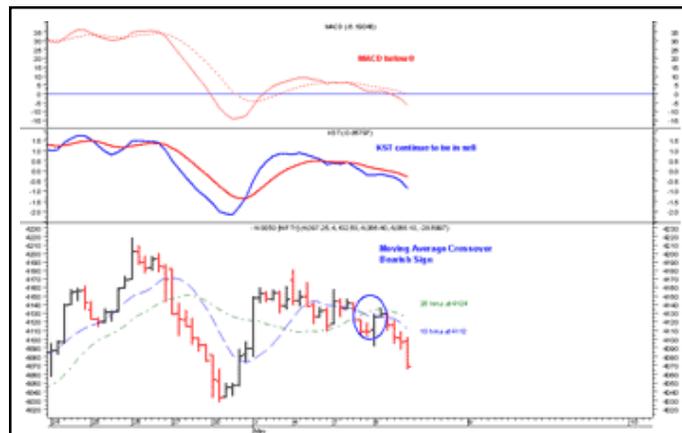
On intra-day or hourly chart, the Nifty could not sustain above the 4150-4180 range and on intra-day basis the rally fizzled around these levels. This led to profit booking. On intra-day chart yesterday, the Nifty had the hourly moving averages cross over as 10-hour moving average crossed the 20-hour moving average from the upside, signaling a bearish view. Even today the 20-hour moving average maintained above the 10-hour moving average, pointing to further weakness in the market in the days to come. On the momentum indicators, KST and Moving Averages Convergence Divergence (MACD) have remained the key drivers of this fall, just as they had indicated to us earlier by moving against the Nifty (divergence) at the recent high around 4180-4217 levels. And in today's session, on the hourly chart, the MACD fell below the '0' mark, suggesting more bearishness.

SCI should test Rs218 with stiff resistance at Rs228. SBI may face resistance at Rs1,110 and find support at Rs1,060. PNB looks weak, it can test Rs470 and face resistance at Rs500.

Nifty chart: 4077



60 minute chart



Market Breadth

	BSE	NSE
Advances	873	425
Declines	1,692	1,035
Unchanged	70	30
Volume (Rs)	4,140cr	9,038cr

Short Term Trend

	Target	Trend	Reversal	Support/Resistance
Sensex	13600	↓	Up above 14100	13700 / 14100
Nifty	4000	↓	Up above 4180	4040 / 4130

Medium Term Trend

	Target	Trend	Reversal	Support/Resistance
Sensex	14400	↑	Down below 13600	13700 / 14300
Nifty	4220	↑	Down below 4000	4040 / 4200

Icon guide

 Up	 Down	 Downswing matures	 Upswing matures
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SENSE the indEX

Date	Recommendation	Stop Loss/ Reversal (Intra-day)	Stop Loss/ Reversal (Closing)	Sell Price	Closing Price	Potential % P/L at CMP	Targets
08-05-07	Sensex Spot	-	14,020	13,850	13,765	1%	13,500
08-05-07	Nifty Spot	-	4,165	4,100	4,077	1%	3,980

Smart Charts Portfolio

Date	Recommendation	Action	Stop Loss/ Reversal (Intra-day)	Stop Loss/ Reversal DCL	Buy/Sell Price	Closing Price (CMP)	Potential % P/L at CMP	Targets
17-04-07	Dabur	Buy		92.8	95.8	94.7	-1%	105
14-03-07	Dr Reddy	Sell		742.4	700.0	691.3	1%	610
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Momentum Calls > I (Only Long calls)

For the short term—1 to 5 days

Stock	Action	Action date	Stop loss	Price	Closing price	Target
Jindal Stainless	Long	04-05-07	Exit	159.0	156.5	171
Jet Airways	Long	04-05-07	Exit	725.0	728.0	765
M&M	Long	03-05-07	Exit	789.0	774.0	829
Cash						
Cash						

NOTE: Kindly note that all stop losses in Momentum Calls are on an intra-day basis.

Momentum Calls > II (F&O stocks Long / Short calls)

For the short term—1 to 5 days

Stock	Action	Action date	Stop loss	Price	Closing price	Target
IPCL	Sell	08-05-07	324.0	319.0	317.3	306.0
Mphasis	Sell	07-05-07	Profit booked	329.0	313.0	313.0
MTNL	Buy	07-05-07	Stopped out	152.3	148.8	159.5
Alok Industries	Buy	04-05-07	Book Profit	64.2	67.0	68
ITC	Buy	03-05-07	Stopped out	162.0	160.4	169

NOTE: Kindly note that all stop losses in Momentum Calls are on an intra-day basis.

Trendy Levels

Sensex		Nifty	
Support	Resistance	Support	Resistance
13700	13820	4065	4085
13600	13900	4040	4100
13550	14020	4020	4145
20DSMA	40DEMA	20DSMA	40DEMA
13723	13559	4029	3967
BSE Sensex: 13765		Nifty: 4077	

Day Trader's HIT List

For May 09, 2007

Scrip Name	Support Levels		Close (Rs)	Resistance Levels		Action
	S1	S2		R2	R1	
NIFTY Futures	3997	4029	4056	4080	4111	Go long above R2. Go short below S2.
Bharti Airtel	801	809	816	823	827	Sell on rise to R2.
Century Text	552	561	566	576	585	Go long above R2. Go short below S2.
Gujarat Ambuja	117	119	120	121	123	Go long above R2. Go short below S2.
Infosys	1966	1980	2002	2017	2058	Sell on rise to R2.
ICICI Bank	827	834	841	848	855	Buy on decline to S2.
Maruti	787	796	800	806	814	Go long above R2. Go short below S2.
ONGC	904	914	922	929	935	Sell on rise to R2.
Reliance	1569	1582	1594	1602	1611	Sell on rise to R2.
Reliance Capital	755	767	773	778	793	Go long above R2. Go short below S2.
SAIL	132	134	136	137	139	Go long above R2. Go short below S2.
Satyam	446	453	457	463	475	Go long above R2. Go short below S2.
Sterlite	529	536	541	546	554	Go long above R2. Go short below S2.
Zee Entertain	277	283	286	291	297	Go long above R2. Go short below S2.

*Note: Closing price of Nifty futures is last traded price of Nifty futures on NSE

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