



Punter's Call

Nifty goes into consolidation once again

Market today: Support at 4220

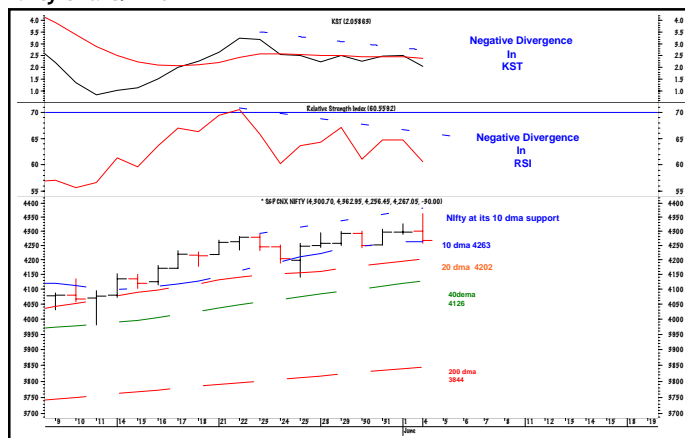
The Nifty opened on a firm note above 4300 but could not sustain at the higher level of 4325. On the back of profit booking the index slipped to negative territory and even closed in negative, near its 10-day moving average pegged at 4263. This is for the fourth consecutive session that the Nifty has failed to either sustain or close above the 4300 level. This level is acting as a stiff wall for the market. If the index fails to sustain above 4300 it could go back into consolidation mode, in the bigger range of 4150-4300.

On the downside, on a break below the 10-day moving average the next supports for the Nifty are at 4220 and at 4202, the 20-DMA, below that. On the daily chart, the momentum indicators Relative Strength Index and Know Sure Things are both showing a negative divergence as prices are rising and indicators are moving down. This suggests that once again prices have moved up faster than expected. Our bias for the short term remains Upswing matures till the Nifty trades between 4240 and 4320. Only on a close above the 4300-4320 level the trend will revert to Up and on close below 4240, the bias will turn to Down.

On intra-day basis, the Nifty continues to trade in a broader channel and is currently trading at the lower end of this channel. On any intra-day dip, the lower end of the channel (4245) could provide support but on a break below this level, the next support will be at the 100-hour moving average, which is at 4225. The Nifty has broken all key moving averages and even closed below the 10 & 20 hma and 40-hour exponential moving averages, signaling that on any rise the Nifty would face stiff resistance around these averages. KST continues to be in the sell mode, suggesting that some more downside is expected.

Tata Motors can test Rs690 with stiff resistance at Rs721. RCom is facing resistance at Rs520 and has support at Rs490. Bharti Airtel can see a dip towards Rs810 with upside resistance at Rs840.

Nifty chart: 4267





60 minute chart





Market Breadth

	BSE	NSE
Advances	1,182	585
Declines	1,388	894
Unchanged	84	35
Volume (Rs)	4,708cr	9,872cr

Short Term Trend

	Target	Trend	Reversal	Support/Resistance
Sensex	14300		Up above 14650 and Down below 14300	14400 / 14600
Nifty	4240		Up above 4320 and Down below 4240	4240 / 4300

Medium Term Trend

	Target	Trend	Reversal	Support/Resistance
Sensex	14700		Down below 13900	14100 / 14700
Nifty	4350		Down below 4100	4220 / 4320

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
04-06-07	Sensex Spot	14690	-	14499	14495.8	0%	14300-14100
04-06-07	Nifty Spot	4328	-	4268	4267.1	0%	4210-4150

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
31-05-07	Deccan Aviation		-	126.9	144.5	143.6	-1%	199
30-05-07	Hindustan Oil Exploration		-	89.4	110.5	116.3	5%	180
29-05-07	Ultratech Cement		-	754.4	816.1	837.9	3%	1,034
28-05-07	Fedders Lloyd		-	128.4	146.0	145.1	-1%	228
25-05-07	United Phosphorus		-	281.4	294.0	288.0	-2%	324
18-05-07	Bajaj Hindustan			Stopped out	173.8	165.7	-5%	193
18-05-07	Gujarat NRE coke		-	41.9	53.3	59.6	12%	100
	Cash							
	Cash							
	Cash							

Momentum Calls > I (Only Long calls)

For the short term—1 to 5 days

Stock	Action	Action date	Stop loss	Price	Closing price	Target
Gitanjali	Long	04-06-07	189.4	194.0	190.0	198.5-203
Cummins India	Long	01-06-07	Exit	310.0	305.0	326
CESC	Long	01-06-07	Exit	358.0	362.0	377
McLeod russel	Long	30-05-07	Profit booked	65.0	68.5	68.5
Wipro	Long	29-05-07	Exit	540.0	541.0	564

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
Satyam	Buy	01-06-07	Stopped out	478.0	467.5	488-498
Infosys	Buy	01-06-07	Stopped out	1,944.0	1,922.0	2,008
Sterlite Optics	Buy	01-06-07	Stopped out	210.4	205.0	221
Reliance	Sell	30-05-07	1,781.6	1,749.0	1,739.8	1,720-1,695
Grasim	Buy	29-05-07	Stopped out	2,502.0	2,520.0	2,590

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

Trendy Levels

Sensex		Nifty	
Support	Resistance	Support	Resistance
14450	14578	4252	4282
14362	14628	4236	4297
14300	14685	4222	4314
20DSMA	40DEMA	20DSMA	40DEMA
14222	14018	4193	4117
BSE Sensex: 14496		Nifty: 4267	

Day Trader's HIT List

For June 05, 2007

Scrip Name	Support Levels		Close (Rs)	Resistance Levels		Action
	S1	S2		R2	R1	
NIFTY Futures	4196	4224	4236	4254	4281	Go long above R2. Go short below S2.
Century Text	586	594	601	608	614	Sell on rise to R2.
ICICI Bank	921	928	933	939	946	Buy on decline to S2.
Infosys	1884	1904	1916	1931	1971	Buy on decline to S2.
M&M	731	745	751	754	768	Go long above R2. Go short below S2.
Reliance	1725	1732	1740	1751	1767	Sell on rise to R2.
Reliance Capital	965	978	981	985	996	Go long above R2. Go short below S2.
Reliance Comm	492	505	508	513	522	Buy on decline to S2.
SAIL	136	138	139	140	142	Go long above R2. Go short below S2.
Satyam	457	461	467	472	479	Buy on decline to S2.
SBI	1389	1401	1407	1411	1423	Go long above R2. Go short below S2.
Siemens	1277	1291	1308	1322	1332	Sell on rise to R2.
Tata Motors	702	708	711	719	726	Go long above R2. Go short below S2.
Tata Steel	628	632	637	645	653	Buy on decline to S2.
Unitech	551	558	563	574	579	Buy on decline to S2.

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

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