



Punter's Call

### A sharp fall expected

#### Market today: Support at 4140

The Nifty opened in the negative territory and bounced back after finding strong support at its 40-day exponential moving average, which is at 4140. The Nifty closed in the red, below 4180, after trading with huge volatility.

As the Nifty has broken its key supports of 4240 and 4225 as well as broken out of the rising wedge, one can expect the market to see a sharp fall in the coming days. This fall can lead the Nifty to 4140-4100 levels.

As shown in the chart, the 40-day exponential moving average is very important—the market has always respected the key averages and bounced back from them. Once the Nifty breaks the 40-day exponential moving average, then the downward momentum will pick up and a freefall can be expected in the market.

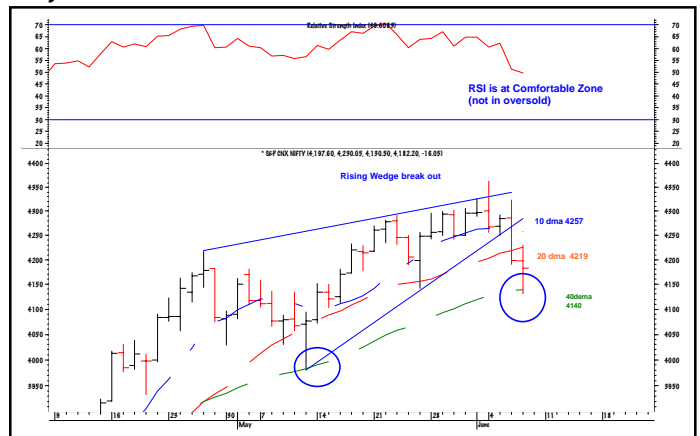
On any intra-day bounce the Nifty will face selling pressure at its 20-day moving average, which is at 4220. On any rise, one should exit any long position and go short with reversal point at 4240 on a closing basis, targeting 4140-4100 levels.

Momentum indicator RSI was showing a negative divergence for the past couple of trading sessions. It is still in comfortable zone which means that there is room for more downside in the market. Our bias remains Down till the index closes below 4240 with a target of 4100.

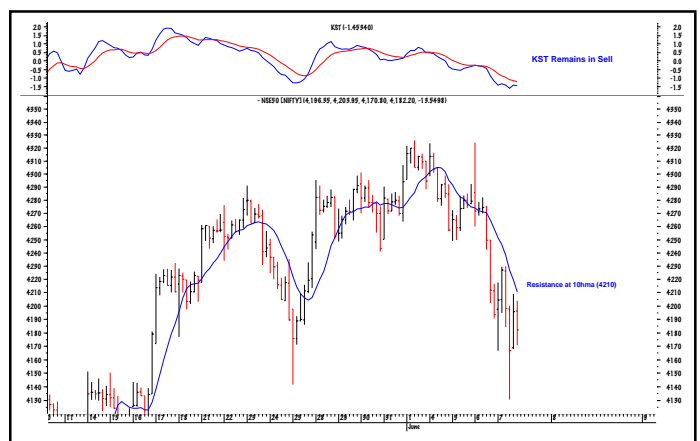
On intra-day basis, the Nifty opened down with a sharp gap and traded in a small range of 4180-4220 with huge volatility. In the coming days the Nifty could see further downside as it has closed below the support of 4180 with the next downside target at 4140. On any rise it would face stiff resistance at its 10-hour moving average at 4210.

Reliance can test Rs1,640 with stiff resistance at Rs1,680. Sterlite is weakening and can target Rs520 with resistance at Rs545. Reliance Capital looks weak and can target Rs965 with upside resistance at Rs990.

Nifty chart: 4180



60 minute chart



#### Market Breadth

	BSE	NSE
Advances	1,043	410
Declines	1,456	648
Unchanged	75	36
<b>Volume (Rs)</b>	<b>4,269cr</b>	<b>9,040cr</b>

## Short Term Trend

	Target	Trend	Reversal	Support/Resistance
Sensex	13900	↓	Up above 14500	14080 / 14400
Nifty	4100	↓	Up above 4240	4140 / 4220

## Medium Term Trend

	Target	Trend	Reversal	Support/Resistance
Sensex	14700	↑	Down below 13900	14100 / 14700
Nifty	4350	↑	Down below 4100	4140 / 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	Profit Booked	-	14499	14186.2	2%	14300-14100
04-06-07	Nifty Spot	Profit Booked	-	4268	4179.5	2%	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
06-06-07	Rolta India	Buy		444.4	471.0	448.2	-5%	589
06-06-07	Mysore Cement	Buy		44.2	47.2	49.6	5%	55
06-06-07	Sterlite Optical	Buy		208.7	221.0	218.9	-1%	257
31-05-07	Deccan Aviation	Buy		126.9	144.5	140.7	-3%	199
30-05-07	Hindustan Oil Explor'n	Buy		89.4	110.5	119.9	9%	180
29-05-07	Ultratech Cement	Buy		754.4	816.1	800.7	-2%	1034
28-05-07	Fedders Lloyd	Buy		128.4	146.0	141.3	-3%	228
18-05-07	Gujarat NRE coke	Buy		41.9	53.3	60.2	13%	100
	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
Cash						
Cash						
Cash						
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
Punj Loyd	Sell	07-06-07	Stopped out	238.0	242.0	227
Bank of India	Sell	06-06-07	Book profit	209.3	201.0	204.5-200
Sterlite Optical	Buy	06-06-07	Stopped out	218.7	211.0	233
Bajaj Auto	Buy	05-06-07	Stopped out	2,250.0	2,210.0	2,370
Cash						

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

## Trendy Levels

Sensex		Nifty	
Support	Resistance	Support	Resistance
14120	14278	4159	4200
14040	14362	4138	4216
13965	14450	4100	4240
<b>20DSMA</b>	<b>40DEMA</b>	<b>20DSMA</b>	<b>40DEMA</b>
14306	14061	4225	4140
BSE Sensex: 14186		Nifty: 4180	

## Day Trader's HIT List

For June 08, 2007

Scrip Name	Support Levels		Close (Rs)	Resistance Levels		Action
	S1	S2		R2	R1	
NIFTY Futures	4119	4151	4164	4177	4203	Go long above R2. Go short below S2.
Century Text	563	575	580	588	594	Sell on rise to R2.
ICICI Bank	896	902	909	915	923	Sell on rise to R2.
Infosys	1932	1946	1955	1972	1987	Buy on decline to S2.
M&M	724	731	740	746	756	Sell on rise to R2.
Reliance	1653	1661	1668	1676	1685	Sell on rise to R2.
Reliance Capital	964	975	979	983	993	Go long above R2. Go short below S2.
Reliance Comm	509	516	520	527	533	Buy on decline to S2.
SAIL	127	128	130	131	132	Go short with stoploss above R2.
Satyam	469	476	481	489	496	Buy on decline to S2.
SBI	1339	1354	1360	1368	1382	Go long above R2. Go short below S2.
Siemens	1272	1280	1288	1297	1304	Sell on rise to R2.
Tata Motors	661	666	677	682	689	Go short with stoploss above R2.
Tata Steel	606	611	615	623	629	Buy on decline to S2.
Unitech	527	532	540	544	550	Sell on rise to R2.

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

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