

Shrikant Chouhan
shrikant.chouhan@kotak.com
 +9122 66341439

The markets on April 9:

Extra push from short covering

Looking Ahead:

It was obvious in the morning that the opening would be much stronger. However, the most interesting part of the day was that follow-up buying remained in the system throughout the day. The rally was broad-based and volumes were nearing average volumes.

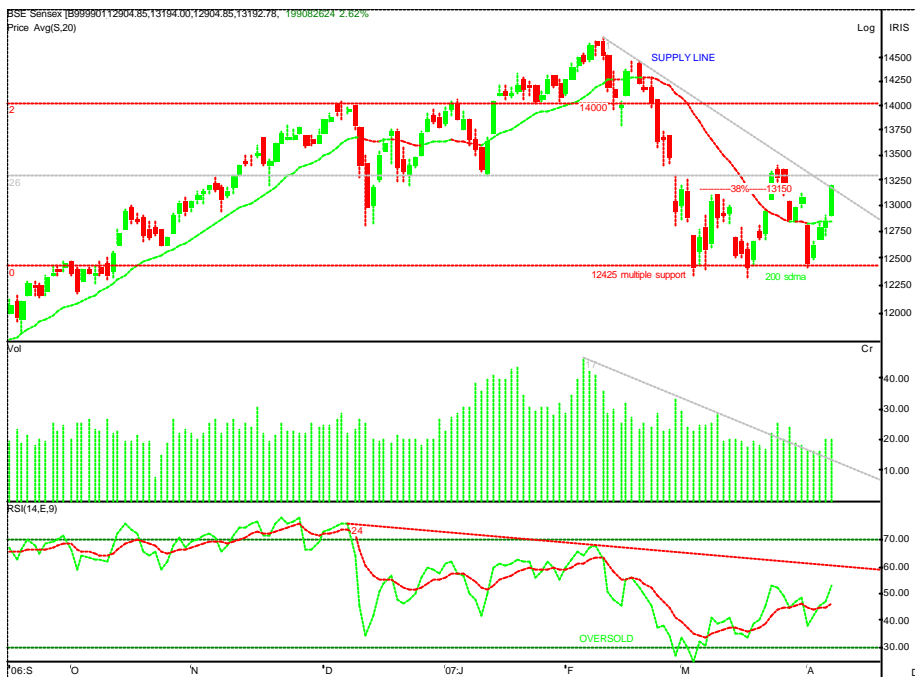
The market closed on Monday at the upper band of the rectangle consolidation. We cannot expect an easy break out of these levels. It may rally for sometime above 13400/3890 but sustenance above it seems difficult. An internal pullback is a must to sustain above it.

It may be advisable to raise the cash levels by reducing weak holdings around 13400/3890 levels, which we may utilize to park in selective value stocks in the pullback rally (Pullback to the 13400/12400 levels).

Index range	
NIFTY	: 3843
Range	: 3780-3890
Resistance	: 3855-3890-3910-3940
Support	: 3830-3800-3780-3755
SENSEX	: 13178
Range	: 13050-13400
Resistance	: 13400-13500-13600-13800
Support	: 13050-12900-12800-12650

Index view

BSE DAILY CHART



Nifty Directional Trade (This particular strategy is for Nifty Futures only)

The Nifty futures opened with a gap of 25 points and remained in a rising mode throughout the day. The breadth was extremely positive as out of the 50 stocks of the Nifty nearly 44 stocks turned positive for the day. This means the strike ratio was nearly 90%. The put-call ratio rose to the levels of 0.96. This hints at a reduction in long positions or creation of short/hedge positions by adding put options. The same equation is a must to balance the positions of bulls and bears in the market, which always provides an excellent place to trade on either side. As the Nifty moved up by 2.5% on Monday it seems the major activity is over and for Tuesday we may expect listless activity after a higher opening. The Nifty has its next immediate resistance at 3880, according to cash levels. Currently we are trending at 3845. In case the market opens higher, we should remain on the sidelines to see the activity near the major resistance or reversal level.

For the day the strategy should be to wait and watch in the initial hours of trading. We will decide the strategy for intra-day based on the initial hours of trading.

The trade of buying Nifty long was squared off at 3780, as it was an intra-day trade with the target nearing 3780 above 3758.

Stock	Recommendation
NIL	

Trading Tool

STOCK	EXTREME	PROBABLE	ACHIEVABLE	CLOSINGS	ACHIEVABLE	PROBABLE	EXTREME
NIFTY (APR-F)	3780	3795	3805	3829	3853	3863	3882
RELIANCE	1331	1348	1367	1384	1401	1420	1437
SAIL	112.1	114.6	115.7	118	120.2	121.4	123.9
TISCO	474	480	487	493	499	506	512
HDFC	1498	1519	1538	1557	1576	1595	1616
ONGC	838	848	860	871	882	894	904
HERO HONDA	615	622	631	639	647	656	663
BAJAJ AUTO	2209	2237	2269	2297	2325	2357	2385
M&M	706	715	725	734	743	753	762
MARUTI	760	769	780	790	800	811	820
TELCO	676	685	694	703	712	721	730
REL CAPITAL	629	641	646	654	662	679	694
TECH MAHIND	1337	1361	1387	1415	1432	1469	1514
TITAN	874	884	895	910	921	945	974
VSNL	394	399	405	410	415	421	439
PUNJ LLOYD	150	152	156	160	164	166	170
L&T	1498	1555	1577	1597	1617	1639	1696
SBIN	940	963	977	989	1001	1015	1038
PNB	416	434	444	457	470	480	498
HCL TECH	283	288	290	294	298	300	305
INFOSYS	1969	2006	2022	2047	2072	2088	2125
SATYAM	444	453	456	462	468	471	480
TCS	1171	1193	1202	1217	1232	1241	1263
WIPRO	539	549	553	560	567	571	581
ACC	713	726	732	741	750	756	769
GACL	101.3	102.6	105.3	108	110.7	112.1	114.7
GRASIM	2121	2161	2178	2205	2232	2249	2289
BHEL	2331	2376	2394	2424	2454	2472	2517
REL	494	504	508	514	520	524	534
NTPC	151.1	154.4	156.0	159	162.0	163.6	167.0
TATAPOWER	489	498	502	508	514	518	527

Achievable= which can be achieved if the stock trades above or below the closing price. (Trade as per trend of the market)

Probable= which can be probably achieved if the stock trades above or below the closing price. (If the prevailing trend of the market is **in force**)

Extreme= Here traders can go short (higher side) or long (lower side) with minimal stop loss.

Final Stop Loss = It's a custom generated stop loss level which traders can use

Research Team

Name	Sector	Tel No	E-mail id
Dipen Shah	IT, Media, Telecom	+91 22 6634 1376	dipen.shah@kotak.com
Sanjeev Zarbade	Capital Goods, Engineering	+91 22 6634 1258	sanjeev.zarbade@kotak.com
Teena Virmani	Construction, Mid Cap, Power	+91 22 6634 1237	teena.virmani@kotak.com
Awadhesh Garg	Pharmaceuticals	+91 22 6634 1406	awadhesh.garg@kotak.com
Apurva Doshi	Logistics, Textiles, Mid Cap	+91 22 6634 1366	doshi.apurva@kotak.com
Saurabh Gurnurkar	IT, Media, Telecom	+91 22 6634 1273	saurabh.gurnurkar@kotak.com
Vinay Goenka	Auto, Auto Ancillary, Sugar	+91 22 6634 1291	vinay.goenka@kotak.com
Saday Sinha	Economy, Banking	+91 22 6634 1440	saday.sinha@kotak.com
Lokendra Kumar	Oil & Gas	+91 22 6634 1540	lokendra.kumar@kotak.com
Shrikant Chouhan	Technical analyst	+91 22 6634 1439	shrikant.chouhan@kotak.com
Kaustav Ray	Editor	+91 22 6634 1223	kaustav.ray@kotak.com
K. Kathirvelu	Production	+91 22 6634 1557	k.kathirvelu@kotak.com

Disclaimer

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.

This material is for the personal information of the authorized recipient, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients of Kotak Securities Ltd. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.

We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed. Neither Kotak Securities Limited, nor any person connected with it, accepts any liability arising from the use of this document. The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions - including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

Kotak Securities Limited has two independent equity research groups: Institutional Equities and Private Client Group. This report has been prepared by the Private Client Group. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, target price of the Institutional Equities Research Group of Kotak Securities Limited.

We and our affiliates, officers, directors, and employees world wide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions.

The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.