



Market Activity			
27-Jan	Close	Points	%
BSE	16289	-490	-2.92
NSE	4853	-155	-3.09
BSE-REALTY	3357	-290	-7.97
BSE-METAL	16050	-991	-5.82
BSE-AUTO	6897	-346	-4.78
BSE-BANKE	9296	-406	-4.19

Nifty Intern. Levels	Nifty Intraday Supports	Nifty Intraday Resistance
5400 (UP)	4810	4910
4950 (DOWN)	4760	4950

Sensex	Support	Resistance
16289	15900	16900

TECHNICAL VIEW

NIFTY WATCH

Nifty opened negative and remained under selling pressure for the entire session to end the day with a loss of 154 points at 4835. The market breadth was heavily skewed in the favour of bears at almost 1:25. All the sectoral indices gave a negative close. The weakest amongst them were BSE Realty and Metal.

Nifty opened weak and breached the important support level of 4930 after a while. It remained under the grip of bears, in line with our bearish view for most of the session and finally ended the day with a loss of 154 points at 4853. It continues to remain in a downtrend based on the earlier mentioned Time cycle study and a decisive break down of a multi month "Trend Line" connecting the lows of 2539 and 4538. The mentioned multi month "Trend Line" has been now adjusted thrice on the long term chart of Nifty. Once it registered a break down in the month of June 09, the second time it was in Oct '09 and this is the third time we have a break down of the long term "Trend Line". It has also given a break down of an important medium term support of 4930 and now quotes below its 50 Day EMA. Additionally on the weekly chart it has given a break down of a "Rising Wedge" pattern along with high volumes registered on the day of the breakdown. At this juncture we would like point out similarities between the "Wedge" pattern on Nifty weekly chart and the "Ending Diagonal" pattern on the daily chart formed since Oct '07 to Jan '08. – Graph included on next page. The structure appears similar; but for one difference that the "Ending Diagonal" back then had registered a "Throw Over" but this time around Nifty has not tested the upper Trend line of the "Wedge" on the weekly chart. We had already anticipated a swift correction beginning this week and our view gets further validated by the breach of the support level of 4930. If the pattern we are anticipating is correct then there is an imminent threat of a very swift and violent correction within next two to three sessions. The momentum oscillators on the weekly chart also support the bearish view, additionally the "MACD" indicator on the daily as well as weekly charts have registered a sell already after registering "Negative Divergence". Also the "Directional Movement Index – ADX" has given a sell on the daily along with the weekly chart. All the above factors are weighted heavily in the favour of further downside. Thus we yet again reiterate that the best strategy for the time being is to refrain from taking fresh long positions, till Nifty trades below the level of 5100. Nifty may now come down to 4806 and below that 4717 is a possibility. Further downside is also a distinct possibility, in which case Nifty may come down to its 200 Day EMA placed at 4633 and the earlier swing low of 4538. However, the downside might not be limited to the mentioned level as a typical downside target of a wedge pattern is its point of origin which is 3918. In view of the pattern formed on the weekly chart we issue a warning of an imminent downside reversal. The view holds as long as Nifty trades below 5100. Intraday resistance for tomorrow's session is placed in the range of 4900 to 4915. Beyond that the level of 4960 may serve as a stiff intraday resistance. Important support level of tomorrow is placed at 4806.

TECHNICAL CALLS

Sr. No	Date	Action	Company	Reco. Price	Stoploss	Target 1	Target 2	CMP	Remarks
1	29-Dec-09	Sell	Tisco	624	685	545	470	559.65	
2	21-Jan-10	Sell	BHEL	2312	2405	2195	2150	2343.1	
3	25-Jan-10	Sell	Yes Bank	255	267.8	243	226	235.85	Call closed, profit booked @ 235.5.
4	25-Jan-10	Sell	Nifty-50	5030	5175	4945	4805	4853	Part profit booked @ 4950.
5	27-Jan-10	Sell	Educomp Ltd	695	722	658	633	645	Call closed, profit booked @ 659.
6	27-Jan-10	Sell	IDFC	147	160	139	131	145.6	
7	27-Jan-10	Sell	Jindal St&Power	664	710	632	587	645.6	
8	27-Jan-10	Sell	Hindalco	154.9	169	137	123	150.05	
9	27-Jan-10	Sell	HDFC Bank	1605	1712	1470	1365	1597.2	
				Open Positions Buy 0 & Sell 7.					



JAN 28, 2010

MARKET WATCH

Technical Model Portfolio

Buy Calls

S.No.	Date	Scrip	Quantity	Buy Rate	Stop Loss	Investment	Last Price	Return(Rs.)	Return(%)

Sell Calls

S.No.	Date	Scrip	Quantity	Sell Rate	Stop Loss	Investment	Last Price	Return(Rs.)	Return(%)
1	29-Dec-09	Tisco	1528	624	685	286041.6	559.65	98327	34.38%
2	21-Jan-10	BHEL	1137	2312	2405	788623.2	2343.1	-35361	-4.48%
3	25-Jan-10	Nifty-50	720	5030	5175	1086480	4853	127440	11.73%
4	27-Jan-10	IDFC	5900	147	160	260190	145.6	8260	3.17%
5	27-Jan-10	Jindal St&Power	1920	664	710	382464	645.6	35328	9.24%
6	27-Jan-10	Hindalco	7036	154.9	169	326962.92	150.05	34125	10.44%
7	27-Jan-10	HDFC Bank	800	1605	1712	385200	1597.2	6240	1.62%
						3515962		274359	7.80%

Model Portfolio Performance

Initial Capital	10000000
P/L (Booked Profit)	19300775
Invested Capital	3515962
Balance Capital	25784813
Unrealised Profit	274359
Total Profit(MTM)	19575133

Comparison	Return	2-Jun-08	Current
Portfolio	195.75%	10000000	29575133
Nifty	2.39%	4739.60	4853.10
BSE Midcap	-1.54%	6530.00	6429.16
Sensex	-6.84%	17486.06	16289.82
BSE Small Cap	-9.22%	8976.09	8148.82

Model Portfolio criteria:

- Portfolio was started with Capital of Rs 1 crore.
- Stocks will be bought based on better risk reward ratio.
- Each stock will have equal risk weightage in the portfolio.
- Calls with more than 8% return should be added to portfolio.
- Maximum number of stock will be limited to 20.
- Maximum value at risk will be limited to 10%
- Portfolio starting from 2nd June, 2008

PIVOT POINTS

Scrip	LTP	R3	R2	R1	Pivot	S1	S2	S3
Sensex	16289.82	17365.26	16887.51	16588.66	16409.76	16110.91	15932.01	15454.26
Nifty	4853.1	5249.12	5073.67	4963.38	4898.22	4787.93	4722.77	4547.32
ACC	881.1	953.70	919.70	900.40	885.70	866.40	851.70	817.70
Bharti	322.9	348.50	336.70	329.80	324.90	318.00	313.10	301.30
BHEL	2343.15	2470.72	2409.72	2376.43	2348.72	2315.43	2287.72	2226.72
Century tex	477.55	575.52	532.52	505.03	489.52	462.03	446.52	403.52
GMR Infra	59.4	66.60	63.40	61.40	60.20	58.20	57.00	53.80
ICICI brk	787.3	893.03	845.63	816.47	798.23	769.07	750.83	703.43
Infosys	2502.25	2604.48	2555.78	2529.02	2507.08	2480.32	2458.38	2409.68
LNT	1460	1562.75	1513.00	1486.50	1463.25	1436.75	1413.50	1363.75
MNM	1010.9	1184.63	1105.63	1058.27	1026.63	979.27	947.63	868.63
Maruti	1369.8	1582.43	1485.73	1427.77	1389.03	1331.07	1292.33	1195.63
RELIANCE	1027.55	1092.52	1062.52	1045.03	1032.52	1015.03	1002.52	972.52
ROOM	174.75	195.42	185.92	180.33	176.42	170.83	166.92	157.42
REL Energy	1032.6	1115.45	1077.20	1054.90	1038.95	1016.65	1000.70	962.45
REL Cap	788.6	967.90	888.60	838.60	809.30	759.30	730.00	650.70
SBI	1987.65	2203.65	2106.35	2047.00	2009.05	1949.70	1911.75	1814.45
Suzlon	73.2	86.17	80.27	76.73	74.37	70.83	68.47	62.57
TCS	743.3	786.82	767.27	755.28	747.72	735.73	728.17	708.62
Tata Motors	717.95	832.92	781.72	749.83	730.52	698.63	679.32	628.12
Tata Steel	559.65	677.77	625.32	592.48	572.87	540.03	520.42	467.97
ZEE tele	264.25	368.98	321.68	292.97	274.38	245.67	227.08	179.78

Pivot Point: Intra- Day trading tool applying stoploss based on NSE prices.

Pivot Point: This is trigger point for Intra Day buy/sell based on the price range of the previous day based on NSE prices.

R1: Resistance one: 1st Resistance over PP. **R2:** Resistance two: 2nd Resistance over R1.

S1: Support one: 1st support after PP. **S2:** Support two: 2nd support after S1.

As per the tool, the trader should take BUY position just above Pivot Point and keep the stop loss of S1 and the first target would be R1. If R1 is crossed then R2 becomes the next target with the stop loss at Pivot point.

Similarly if price goes below Pivot Point the trader should SELL and keep the R1 as Stop loss and the first target would be S1. If S1 is crossed then S2 becomes the next target with the stop loss at Pivot point.