

Nifty Roundup

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The roll of the juggernaut is relentless. Despite Infosys coming off sharply, the market showed no signs of any wilt as it powered its way yet higher towards new all time highs. The higher it goes, the more fearful everyone turns. The more fearful people are, the higher the market goes. This is a market paradox that many fail to understand and appreciate.

Where is all this buying coming from? Is it only the FII? If one takes a look at the delivery statistics, one finds that FIIs and domestic funds account for only about 50% of the daily deliveries. Which would then mean that locals are buying the balance 50%. Hence there is clearly a large segment of local players who are active in the market.

The situation with the traders is slightly different, though. They are all trading long in stock futures while shorting the Nifty! How can one expect a reaction in the Nifty (i.e. the overall market) when the stocks are doing very well? The Nifty future has been outperforming the Sensex consistently for the past few days. This can only mean that day traders are consistently shorting the nifty only to cover it back the following day. Yesterday the futures ended at 21 points premium (after being nearly 50 points above at one stage!).

Pitch fork resistances are quite nearby— around 5575 levels. It is also a Friday— when weekly traders will close out trades. So at higher levels one may expect some supply. No call to short. Only to take some profits if the resistance around 5575 is not taken out. However, if it is, then interpret that there is still lots of shorts in index as well as stock futures that may come in for covering. On the lower side 5475-25 would be support.



Source : Advanced GET

Day Trading Table For Futures (Near Month)

Future Contract	Stop loss	Buy Around	Last Close	Likely Target	Take Profit	Weekly Pivot
ACC	1178.7	1224.3	1270.0	1303.3	1336.7	1217.0
BANKOFIND	292.3	300.1	307.9	312.6	317.2	290.8
CENTEX	939.7	961.1	982.4	997.9	1013.3	934.8
GMRINFRA	165.4	170.9	176.4	180.5	184.6	169.6
HINDALCO	165.6	170.5	175.3	178.1	180.8	169.6
HINLEV	220.8	223.7	226.6	228.4	230.2	223.3
ICICI BANK	1050.7	1070.3	1090.0	1102.3	1114.7	1060.0
INDCEM	275.8	284.7	293.7	299.4	305.1	283.3
ITC	181.7	185.7	189.8	192.3	194.8	184.5
JETAIR	924.2	938.3	952.5	968.3	984.2	940.8
LARTOU	3275.4	3387.3	3499.3	3563.8	3628.4	3333.6
MARUTI	1061.0	1092.0	1123.0	1147.0	1171.0	1086.3
PUNLLO	333.7	344.2	354.7	362.0	369.3	335.5
POLARIS	114.7	117.7	120.6	124.9	129.1	121.0
RANLAB	417.8	424.4	431.1	435.4	439.7	424.0
RELCAP	1701.7	1777.6	1853.6	1901.9	1950.3	1773.1
RELIND	2566.3	2608.7	2651.0	2681.7	2712.3	2571.0
RCVL	717.1	732.1	747.1	759.0	770.9	707.7
SATYAM	418.9	435.1	451.4	478.8	506.3	463.2
SBI	1903.0	1930.0	1957.0	1976.0	1995.0	1891.7
SUZLON ENERGY	1678.8	1732.5	1786.3	1827.5	1868.8	1741.8
SAIL	201.0	213.5	226.0	234.9	243.9	214.1
STERLITE	738.3	783.3	828.4	859.1	889.9	797.7
TELCO	781.3	808.7	836.0	852.7	869.3	806.7
TISCO	830.7	843.3	856.0	866.3	876.7	828.7
VIDSAN	479.1	511.7	544.4	567.3	590.3	516.1
ZEETEL	325.4	337.6	349.9	358.0	366.1	336.9
BANK NIFTY	7946.0	8058.0	8170.0	8236.0	8302.0	7962.2
CNX IT	4779.2	4863.1	4947.1	5068.0	5189.0	4994.0
NIFTY FUT	5377.0	5461.0	5545.1	5594.0	5643.0	5374.4

How to use this Table

- The **Closing price** is given in the center of the table.
- The **two levels to the left** of the closing price are the **support zones**. One should **buy dips down into those two levels** with the stop loss placed below the second support as shown.
- The **two levels to the right** of the closing price are the **target prices**. The first column is the immediate targets during a rise while a rise to the second price target given should be **used to take profits on positions**.
- Sometimes, prices will quickly break the stoploss levels or the take profit levels. In such cases, it should be concluded that some bigger and more forceful trend is in progress and one should avoid trading against the trend at such times.
- The last column is the **Weekly Pivot**. This can be used as a **Trend Indicator for the stock**. If prices are above the weekly pivot then consider the stock to be in a strong position. Vice versa, if the prices remain below the weekly pivot, then the stock should be considered to be in a weaker position.
- All levels given above are indicative and readers should use their judgment while taking trades.

Trading Pointers For Today

NIFTY FUTURES

Buy on dips to 5475 with stop 5425 and target of 5535

NIFTY STOCKS

*Buy Aditya Birla around 1790 with stop at 1775 for a rise to 1820 / 1840
Buy Divis Lab around 1440 with a stop at 1425 for a rise to around 1485 / 1500*

OPTION TRADES

Buy Bharat Forge 300 calls around 10 with stop of 5.

Note:

- >> Stock is to be BOUGHT only if the prices remain HIGHER than the last close.
- >> If stop is triggered and prices climb above the buy trigger, then buy again.
- >> Take some profits at Target 1 and hold balance for Target 2 (if any).
- >> If prices gap past the last close, then adjust the stops accordingly by similar amount
- >> Take the trades only when risk to reward ratio is at least 1:1 (minimum). else skip.

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