



**Below 4500 Nifty may hold around 4250 level only**

Anyone who thought that holiday on Monday would save the bulls was in for a rude shock. It was an absolute carnage on Dalal Street after an extended weekend. All hopes of a rebound after last week's decline were completely shattered amid concerns that the nascent economic recovery could stall as central banks start reversing the stimulus. Australia's central bank today raised interest rates for the second time in as many months even as UBS posted a higher than expected loss. Savage all round selling dragged the NSE Nifty below the 4,600 mark for the first time since September 3. It was an outright bear assault as the 100 DMA which has acted as a strong support for the index seemed to have lost its significance. What was even worse about today's bloodbath was that it came on higher volume and turnover. Market breadth was highly in favour of the bears.

The Sensex dropped to its lowest level in more than two months and the Nifty closed below the 4,600 mark for the first time since September 3. The Sensex is down 12% from its recent Muhurat trading high of 17,493. The markets have now extended their losses for the sixth consecutive trading day. Reliance Industries alone was responsible for a loss of 122 points on the Sensex. Infosys wiped 43 points off the index and SBI was responsible for a decline of 33 points. Among the Sensex losers, Hindalco shed 10% at Rs 109, DLF weakened by 9% to close at Rs 336 and Jaiprakash Associates lost 7% to end at 194. Sterlite and ACC lost 6% each to end at Rs 722 and Rs 701 respectively. The stocks to buck the weak trend were Bharti (stronger by 2% at Rs 299) and Maruti (higher by 1% at Rs 1,418).

The market breadth turned substantially negative at close, with 4 declining stocks behind every advancing stock. Out of 2,759 stocks traded on the BSE, there were 2,167 declining stocks as against 536 advances.

INDICES					
Index	S2	S1	PIVOT	R1	R2
Sensex	15102	15499	15728	16125	16354
Nifty	4419	4492	4611	4683	4802

STOCK TECHNICALS						LAST WEEK	
Scrip	S2	S1	PIVOT	R1	R2	HI	LOW
RELIANCE	1725.95	1772.20	1848.50	1894.75	1971.05	2068.00	1927.00
INFOSYSTCH	2056.20	2099.55	2173.45	2216.75	2290.65	2299.95	2142.15
SBIN	2029.65	2066.30	2126.65	2163.30	2223.65	2373.90	2116.65
JINDALSTEL	579.90	598.65	618.80	637.55	657.65	724.00	632.60
RELINFRA	923.25	957.30	1009.05	1043.10	1094.85	1245.00	1045.00
RELCAPITAL	646.40	669.50	704.20	727.30	762.00	889.00	722.05
BHEL	2073.00	2113.50	2181.75	2222.25	2290.50	2388.00	2182.55
ICICIBANK	744.95	765.55	794.65	815.25	844.30	920.00	756.65
TATASTEEL	418.30	431.75	453.50	466.95	488.70	553.35	462.20
DLF	308.65	322.05	344.45	357.90	380.25	459.00	367.05
HDIL	268.30	280.00	299.95	311.65	331.55	382.00	310.10
BHARTIARTL	267.50	283.90	296.40	312.75	325.25	335.65	290.10
RCOM	155.20	160.50	167.25	172.55	179.30	233.00	175.00
SESAGOA	264.55	273.55	289.00	298.00	313.45	325.70	266.35
JPASSOCIAT	176.50	185.40	199.40	208.30	222.30	238.40	208.00
RANBAXY	358.25	368.00	383.85	393.60	409.45	409.00	362.05
RENUKA	168.25	175.55	185.55	192.85	202.85	217.90	183.25
LITL	424.70	442.70	469.85	487.85	515.00	525.50	477.65
PUNJLLOYD	177.50	183.50	193.00	199.00	208.50	256.25	197.15

**SDEV** is an equity research analyst who believes in fundamental analysis and his primary focus is in covering strong companies that are undervalued which would prove to be low risk and high reward investments for long term. He can be reached on [sdev@callsteam.com](mailto:sdev@callsteam.com) if you have any suggestions, queries or criticism.

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