



Punter's Call

Nifty cracks

Market today: Nifty below 4200

The Nifty opened down and continued to trade in negative territory in the morning session. It picked up momentum in the latter half but on the downside, which led to further selling, and the index closed the session below 4200 levels.

The Nifty started its southward march as for the last couple of weeks it had been trading in the 4250-4320 range on an intra-day basis. Today once the index broke the support and sustained below 4240, it was confirmed that the index is heading down.

On the daily chart, the Nifty had been forming the rising wedge pattern. Today as it closed below the 4240 mark, the break-out happened and the index got the confirmation for a major downside movement. If one looks at the daily chart, the Nifty breaks out from the rising wedge and whenever the pattern is broken or confirmed, the target is the starting point of the wedge, which is at 3980 currently.

But for the short term we are targeting around 4140, which is the 40-day exponential moving average, and 4100 levels below that. Today the Nifty closed below its 10-day moving average (4260) and 20-day moving average (4219), suggesting that on any intra-day rise it will face resistance around these averages.

Even momentum indicator KST has signaled a sell at last after much whipsawing in the last couple of trading sessions. This could lead to further selling pressure on the Nifty. As the market has broken downside supports, we are changing our bias from Upswing matures to Down with the short-term target of 4100 and reversal at 4240.

On intra-day basis, the Nifty had been consolidating in the 4240-4325 range and after the downside break, now the Nifty can target the lower levels of 4150-4100 and face resistance at 4220-4240 levels on the upside. Any intra-day rise should be used to exit long positions and to go short in the market with reversal at 4240 and target of 4100. The intra-day chart of the Nifty is showing that the index has lost the upward momentum and is in fact gaining downward momentum, indicating that a sharp fall can be expected in the market.

SBI can test Rs1,360 with stiff resistance at Rs1,410. Tisco is weakening and can target Rs590 with resistance at Rs635. Maruti looks weak and can target Rs755 with upside resistance at Rs785.

Nifty chart: 4198



60 minute chart



Market Breadth

	BSE	NSE
Advances	842	478
Declines	1,706	1,065
Unchanged	67	30
Volume (Rs)	5,290cr	10,225cr

Short Term Trend

	Target	Trend	Reversal	Support/Resistance
Sensex	13900	↓	Up above 14500	14100 / 14400
Nifty	4100	↓	Up above 4240	4160 / 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	14436	-	14499	14255.9	2%	14300-14100
04-06-07	Nifty Spot	4246	-	4268	4198.3	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	446.9	-5%	589
06-06-07	Mysore Cement	Buy	-	44.2	47.2	47.2	0%	55
06-06-07	Sterlite Optical	Buy	-	208.7	221.0	212.9	-4%	257
31-05-07	Deccan Aviation	Buy	-	126.9	144.5	143.0	-1%	199
30-05-07	Hindustan Oil Explor'n	Buy	-	89.4	110.5	114.2	3%	180
29-05-07	Ultratech Cement	Buy	-	754.4	816.1	820.0	0%	1,034
28-05-07	Fedders Lloyd	Buy	-	128.4	146.0	141.3	-3%	228
25-05-07	United Phosphorus	Buy	-	Stopped Out	294.0	281.4	-6%	324
18-05-07	Gujarat NRE coke	Buy	-	41.9	53.3	59.8	12%	100
	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
Redignton	Long	06-06-07	Stopped out	240.6	237.4	245-249
Reliance Petro	Long	05-06-07	Exit	100.0	99.0	106
Punjab National Bank	Long	05-06-07	Stopped out	538.0	527.0	560
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
Bank of India	Sell	06-06-07	213.6	209.3	207.4	204.5-200
Sterlite Optical	Buy	06-06-07	211.0	218.7	212.9	233
Bajaj Auto	Buy	05-06-07	2,210.0	2,250.0	2,218.3	2,370
Bank of India	Buy	05-06-07	Stopped out	215.0	221.0	223
Reliance Industries	Sell	30-05-07	Book profit	1,749.0	1,698.5	1,720-1,695

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

Smart Charts



Rolta India—Buy

CMP: Rs471.0

Buy Rolta India at the current market price of Rs471 with a stop loss of Rs444.4 for the target of Rs589. The stock has moved out of wave 4 triangle.

Trendy Levels

Sensex		Nifty	
Support	Resistance	Support	Resistance
14208	14393	4181	4214
14100	14477	4140	4232
14040	14570	4100	4248
20DSMA	40DEMA	20DSMA	40DEMA
14285	14054	4219	4137
BSE Sensex: 14256		Nifty: 4198	

Day Trader's HIT List

For June 07, 2007

Scrip Name	Support Levels		Close (Rs)	Resistance Levels		Action
	S1	S2		R2	R1	
NIFTY Futures	4133	4157	4171	4187	4212	Go long above R2. Go short below S2.
Century Text	572	584	591	597	609	Go long above R2. Go short below S2.
ICICI Bank	894	903	911	919	926	Sell on rise to R2.
Infosys	1918	1928	1939	1952	1966	Buy on decline to S2.
M&M	731	742	746	751	763	Go long above R2. Go short below S2.
Reliance	1661	1677	1687	1694	1710	Go long above R2. Go short below S2.
Reliance Capital	961	968	977	981	990	Sell on rise to R2.
Reliance Comm	506	511	516	524	531	Buy on decline to S2.
SAIL	130	131	133	135	136	Buy on decline to S2.
Satyam	454	460	465	472	481	Buy on decline to S2.
SBI	1356	1379	1388	1398	1406	Sell on rise to R2.
Siemens	1286	1299	1311	1323	1337	Buy on decline to S2.
Tata Motors	676	682	687	696	705	Buy on decline to S2.
Tata Steel	603	611	618	626	632	Buy on decline to S2.
Unitech	527	533	545	551	583	Go short with stop loss above R2.

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

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