

SEP 09, 2009

MARKET WATCH



Market Activity

8-Sep	Close	Points	%
BSE	16123	107	0.67
NSE	4805	22	0.47
BSE-METAL	13315	325	2.51
BSE-OIL&GAS	10129	199	2.01
BSE-AUTO	6167	-60	-0.97
BSE-FMCG	2557	-29	-1.15

Moving Avg	Sensex	Nifty
13 Day EMA	15668	4664
50 Day EMA	15099	4493
200 Day EMA	13344	4005

Sensex	Support	Resistance
16123	16300	15660

TECHNICAL VIEW

NIFTY WATCH

Nifty maintained its upstreak for yet another day and surged higher as the session progressed. However it closed off its day's high at 4805 adding 22 points to its value. The market breadth despite the rise was negative at 3:4 and the volumes recorded were above average. The BSE Metal and Oil & Gas indices registered outperformance; whereas BSE FMCG and Auto indices remained under selling pressure.

Nifty opened positive and steadily inched higher as the session progressed, however it met with resistance near the mentioned level of 4841 and retraced some of its gains to end the day off it's high and gave a close at 4805, adding 22 points to its value. Nifty has formed "Shooting Star" pattern on the daily chart. Yesterday it gave move beyond the "Upper Trend Line" of the earlier mentioned "Diagonal Triangle" pattern and thus registered a "Throw Over", thus completing the five wave pattern comprised of three legs each forming since the level of 3537 ever since May 09. A "Throw over" typically moves to around 138.20 % extension of the previous fall, however it may not be limited to 138.20% extension and may even surge higher. For our calculation though we will aim at a maximum level of 4875 where this last leg of upmove has a high degree of probability to get exhausted. Thus a possibility of testing 4875 still remains despite the bearish pattern formed today on the daily chart if Nifty moves beyond 4842. However we advice high caution near the range of 4842 to 4875 and suggest traders to book profits in long positions and wait on the sidelines and look out for any early signs of trend reversal pattern forming in next two to three sessions. The "Negative Divergence" registered by the "MACD" indicator as well as "RSI" oscillator on the weekly chart (a combination earlier witnessed only at the peak level of Nifty – 6357) also indicates a highly overbought position. On the daily chart the momentum oscillators are also fast approaching overbought territory. However a confirmation of bearishness would come only on a breach of the crucial support level of 4570, in that case Nifty would breach an important "Trend Line" support – Trend Line connecting the lows of 2539 to 3918. In that case we may see further selling pressure which may have bearish implications for weeks ahead. Diagonal Triangles typically are followed by a faster retracement of the entire move since the pattern development, thus the downside may be severe on a breach of 4570. Support level for intraday trade is placed at 4780 and below that at 4742. A move below 4742 may induce further weakness and in that case the level of 4680 is possible. Resistance levels for intraday trade are placed at 4819 and higher up at 4842. Beyond which the level of 4875 may serve as a stiff resistance.

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TECHNICAL CALLS (BUY)

DATE Of Reco	Reco. Price	COMPANY	CMP	RECOMMENDATION
28/08/2009	102	Praj Ind	104.20	Call closed at 104

TECHNICAL CALLS (SELL)

26/08/2009	168.50	Yes Bank	171.75	Sell with a s/l of 180, target is 121.
31/08/2009	4660	Nifty	4805	S/L triggered call closed
03/08/2009	46.70	GVK Power	44.60	Sell with a s/l of 50.50, target is 36

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Technical Model Portfolio

Buy Calls

S.No.	Date	Scrip	Quantity	Buy Rate	Stop Loss	Investment	Last Price	Return(Rs.)	Return(%)
		Total				0		0	0.00%

Sell Calls

S.No.	Date	Scrip	Quantity	Sell Rate	Stop Loss	Investment	Last Price	Return(Rs.)	Return(%)
1	27-Aug-09	Yes Bank	8800	168.5	180.00	444840	171.75	-28600	-6.43%
3	3-Sep-09	GVK Power	23750	46.7	50.50	332737.5	44.60	49875	14.99%
		Total				777578		21275	2.74%

Model Portfolio Performance

Initial Capital	10000000
P/L (Booked Profit)	12501683
Invested Capital	777578
Balance Capital	21724106
Unrealised Profit	21275
Total Profit(MTM)	12522958

Comparison	Return	2-Jun-08	Current
Portfolio	125.23%	10000000	22522958
Nifty	0.91%	4739.60	4782.90
BSE Midcap	-9.36%	6584.19	5967.77
Sensex	-0.29%	16063.18	16016.32
BSE Small Cap	-9.67%	7959.51	7189.47

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	16123.67	16532.00	16330.40	16227.03	16128.80	16025.43	15927.20	15725.60
Nifty	4805.25	4929.13	4869.58	4837.42	4810.03	4777.87	4750.48	4690.93
ACC	796	850.53	825.73	810.87	800.93	786.07	776.13	751.33
Bharti	424	442.47	432.87	428.43	423.27	418.83	413.67	404.07
BHEL	2241.9	2290.05	2264.30	2253.10	2238.55	2227.35	2212.80	2187.05
Century tex	471.1	505.53	487.03	479.07	468.53	460.57	450.03	431.53
GMR Infra	137.15	149.65	144.05	140.60	138.45	135.00	132.85	127.25
ICICI brk	789.95	842.32	817.52	803.73	792.72	778.93	767.92	743.12
Infosys	2203.8	2296.68	2255.03	2229.42	2213.38	2187.77	2171.73	2130.08
LNT	1617.5	1687.50	1652.50	1635.00	1617.50	1600.00	1582.50	1547.50
MNM	838.15	917.55	882.65	860.40	847.75	825.50	812.85	777.95
Maruti	1517.75	1652.08	1593.18	1555.47	1534.28	1496.57	1475.38	1416.48
RELIANCE	2075.6	2236.55	2147.50	2111.55	2058.45	2022.50	1969.40	1880.35
ROOM	304.5	336.75	322.50	313.50	308.25	299.25	294.00	279.75
REL Energy	1204.65	1325.72	1262.82	1233.73	1199.92	1170.83	1137.02	1074.12
REL Cap	912.05	984.85	951.95	932.00	919.05	899.10	886.15	853.25
SBI	1894.05	2057.90	1965.95	1930.00	1874.00	1838.05	1782.05	1690.10
Suzlon	101.3	110.77	106.57	103.93	102.37	99.73	98.17	93.97
TCS	554.65	599.97	579.12	566.88	558.27	546.03	537.42	516.57
Tata Motors	565.75	619.17	590.82	578.28	562.47	549.93	534.12	505.77
Tata Steel	456.5	496.67	475.97	466.23	455.27	445.53	434.57	413.87
ZEE tele	218.25	231.53	224.78	221.52	218.03	214.77	211.28	204.53

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.