

Nifty Roundup

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Nothing much was expected for the day and nothing much happened. Some small rally was certainly on the cards and most of that seems to have been consumed by the opening gap, leaving very little on the table for the day trader. As a result, one had to run all over the place to find something to make profits. There were some pockets no doubt but volatility continued to make life difficult. A late session spurt could be handiwork of day traders squaring up their position. Did we get the requisite amount of leadership, volume, breadth, momentum? Answer on all those counts is a NO. Hence we have to presume that the market is still staging its efforts to just get back on feet. This does not mean that we cannot get a 100 point move in the Nifty- that is par for the course for daily moves. It cannot, however be misconstrued for a trended move. Everyone wants to identify 'the' low but that would be silly and we all know it also. By the time we will know with some reasonable confidence that the trend has changed, the market would have already moved. One should not have unrealistic expectations from markets or their analysis.

In yesterday's letter we had remarked on the aspect of the sharp liquidation in the options. We had not checked on the IV reading and the explanation really lay there. A sharp decline in IV levels was the reason. All Volatility traders chose to take their money as they had shorted high Vols and buy back when Vols drop. IV continued to lose ground yesterday and we began to see prices of straddles and strangles shrinking now. The weekly pivot is around 5775 and if the rise continues today then this level will come for a challenge. If prices move beyond it then one may expect IVs to drop further. Lack of directional bias is being exhibited by option traders by the fact that yesterday's action

shows building of 5500-5900 strangles. Additions to OI was marginal only yesterday. Cnx IT continued to add OI as prices moved higher. Component stocks are in good form and show bullishness so traders should continue to concentrate on this index and sector for day as well as positional plays. Few of them have become active in options as well.



Source : ASA

Trading Pointers For Today

NIFTY FUTURES

Buy Nifty above 5780 with stop below 5750 for a rise to 5850.

Buy Nifty on dips to near 5675 with stop below 5655 for rise to 5730.

STOCK FUTURES

Buy TCS around 1195-1205 stop 1185 for 1230

Sell OnMobile around 250-253 stop 254 target 242

Note:

- >> Wait for SMS before executing any trade.
- >> Any change will be intimated through SMS.

Day Trading Table For Futures (Near Month)

<i>Future Contract</i>	<i>Last Close</i>	<i>Second Support</i>	<i>First Support</i>	<i>Weekly Pivot</i>	<i>First Resistance</i>	<i>Second Resistance</i>
NIFTY FUT	5732.4	5646.1	5689.2	5715.5	5758.7	5785.0
BANK NIFTY	10638.5	10456.4	10547.4	10623.6	10714.6	10790.8
CNX IT	7354.8	7157.6	7256.2	7313.6	7412.2	7469.7
ABAN OFF	721.7	702.6	712.1	722.6	732.1	742.5
ACC	1025.9	994.6	1010.3	1019.6	1035.3	1044.6
AXIS BANK	1280.1	1214.0	1247.0	1272.0	1305.1	1330.1
BHEL	2197.3	2175.8	2186.5	2195.8	2206.5	2215.8
BANIND	438.1	427.9	433.0	437.7	442.8	447.4
BHAPET	590.3	578.5	584.4	589.7	595.6	600.9
BHARTI	345.5	339.9	342.7	347.1	349.9	354.2
CENTURY	360.6	350.1	355.3	362.1	367.3	374.0
DLF	249.8	239.9	244.8	249.3	254.2	258.7
IFCI	57.2	55.6	56.4	56.9	57.7	58.2
GAIL	478.8	459.6	469.2	480.3	489.9	501.1
HDFC BANK	2111.6	2018.1	2064.9	2091.7	2138.5	2165.3
HDFC	660.3	641.6	650.9	660.4	669.7	679.2
H P C L	359.9	349.7	354.8	359.3	364.4	369.0
ICICI BANK	1015.4	989.9	1002.6	1014.9	1027.6	1039.9
INFOSYS	3322.5	3217.5	3270.0	3301.5	3354.0	3385.5
KOTAK BANK	406.6	395.6	401.1	407.5	413.0	419.5
LARTOU	1685.5	1651.2	1668.3	1685.2	1702.3	1719.1
MARUTI	1278.3	1256.2	1267.2	1276.0	1287.0	1295.8
NEYLIG	122.7	120.8	121.7	122.4	123.3	124.0
PUNJAB NB	1139.8	1108.7	1124.2	1135.5	1151.1	1162.4
PUNJ LLOYD	99.4	97.1	98.2	99.3	100.5	101.6
RANBAXY	582.9	559.0	570.9	579.0	590.9	599.0
RELIANCE CAP	579.8	559.3	569.5	578.7	589.0	598.2
RELIANCE	998.2	978.9	988.5	999.2	1008.8	1019.5
RELIANCE MEDIA	183.2	175.1	179.1	182.8	186.9	190.6
REL COMM	132.6	128.8	130.7	132.4	134.3	135.9
SUN PHARMA	485.1	461.0	473.0	480.0	492.0	499.0
S B I	2561.1	2517.0	2539.0	2552.0	2574.0	2587.0
SAIL	162.2	155.2	158.7	160.9	164.4	166.6
STERLITE	177.9	167.0	172.4	175.6	181.0	184.2
TECH MAH	696.2	669.9	683.0	693.5	706.6	717.1
TISCO	632.5	619.5	626.0	630.5	636.9	641.4
WIPRO	477.7	465.9	471.8	476.9	482.8	487.8

OPTIONS

Nil

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.

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