

Market Outlook

FOR PRIVATE CIRCULATION ONLY

11 November 2008



Nifty Futures (Front month series):(3160.5)

In line with expectations, Nifty Futures opened on a bullish note on positive global cues and moved up in a steady swing that gained momentum and volumes towards the last half an hour and closed the day on a strong note, near the high with a gain of 174.7 points. Most of the sectors closed in the positive, the better performers being the Banking, Metals and Capital goods Oil and gas and Power sectors. As per the provisional data, FII and DII were buyers on the bourses on Friday. The world markets reacted positively to the \$586 billion stimulus plan by China to sustain global growth. It said that it would adopt a moderately easy monetary policy and a proactive fiscal policy. Asia closed the day with gains, Europe opened in the positive and US markets opened in the green but the rally fizzled out soon enough as negative news inundated investors and it closed in the red on economic anxieties. Gloomy US company news reinforced worries about the economic slowdown and Asia has opened the day in the negative as the euphoria of the China stimulus plan continues to be weighed down by harsh economic realities. Nikkie has strengthened. Oil has slipped. Technically, nifty future crossed the strong resistance in the 3130-3150 region on closing basis and signaled fresh bullish momentum. Today is the critical day since it must sustain above 3130 level on closing basis for confirmation of the breakout. A decisive breach of this level will, however, negate the bullish signal. Its immediate resistance is in the 3190-3200 region above which it may move up to the 3300 level which could offer tough resistance since the earlier swing was aborted in that region. Below 3100 it may move down to 3050, 2990-3000 level. If, however, 3000 is broken decisively, it could lead to unwinding of long positions and short positions build up. We may expect range bound movement and some consolidation once the sharp swings are arrested and fresh lows are no longer posted on downswings. Markets are likely to open in the negative on unfavourable global cues and then chart their own course as the day progresses. Volatility may remain high so make the best of it.

Resistance: 3190-3200, 3290-3300, 3335, 3400

Support: 3150-3130, 3100, 3075, 3020, 3000, 2925, 2900 2855-2845, 2800

ICICI Bank (471.85): Long position may be taken in this counter on dips preferably in the 440 region with a stop if prices move decisively below 420 for a target of 490 and 500.

Resistance: 480, 490, 500, 515

Support: 440, 425, 412, 406, 400

TATA power (807.5): It has given a bullish break out above 775 and long position may be taken in this region if it holds on dips for a retest of the trendline with a stop below a decisive breach of 750 for a target of 840-845. Fresh bullish momentum will be signaled above 850.

Resistance: 825, 840-845, 850, 864, 890, 900

Support: 800, 790, 775, 750, 730, 710

Note: All prices relate to NSE spot prices unless otherwise stated. Stop loss is a risk control mechanism and should always be there since it is a level which breached signals that the call has gone wrong and steps must be taken to put a stop to further loss. It also quantifies the risk.

Disclaimer

This document has been prepared by Religare Securities Limited (Technical Research Department). This is not an offer to buy or sell or the solicitation of an offer to buy or sell any security or to participate in any particular trading strategy or as an official confirmation of any transaction. The views expressed are those of analyst. The information contained herein is from publicly available data or other sources believed to be reliable or developed through analysis. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. Religare accepts no obligation to correct or update the information or opinions in it. Religare may discontinue research coverage of a subject company or change the opinion(s) without notice. The investment discussed or views expressed may not be suitable for all investors and certain investors may not be eligible to purchase or participate in some or all of them. Religare recommends that investors independently evaluate particular investments and strategies. The user assumes the entire risk of any use made of this information. Neither Religare nor any of its affiliates, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. Religare and its affiliates, officers, directors, and employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or act as advisor or lender / borrower to such company (ies) or have other potential conflict or interest with respect to any recommendation and related information and opinions. The recipient should take this into account before interpreting the document. This report is not directed or intended for distribution, publication, availability or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication availability or use would be contrary to law regulation or which would subject Religare and affiliates to any registration or licensing requirements within such jurisdiction, persons in whose possession this document comes, should inform themselves about and observes, any such restrictions. **Copyright in this document vests exclusively with Religare.** This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose, without prior written permission from Religare. We do not guarantee the integrity of any e-mails or attached files and are not responsible for any changes made to them by any other person.