

Daily Technical Analysis

23rd December, 2010

- The Nifty closed marginally negative after three days of gains due to selling pressure on the failure to overcome the overhead resistance around 6050.
- The weekly uptrend is intact as the Nifty recovered intraday from the previous Friday closing of around 5950.
- The Nifty is in a sideways consolidation between the 50dma (6025) and the 10dma(5915).

Technical Idea of the Day:

Buy SBI above 2800 with stop loss at 2650

Sell Sun Pharma below 423 with stop loss at 440

Nifty Daily Chart



Daily Derivatives

23rd December, 2010

Derivatives Last Session

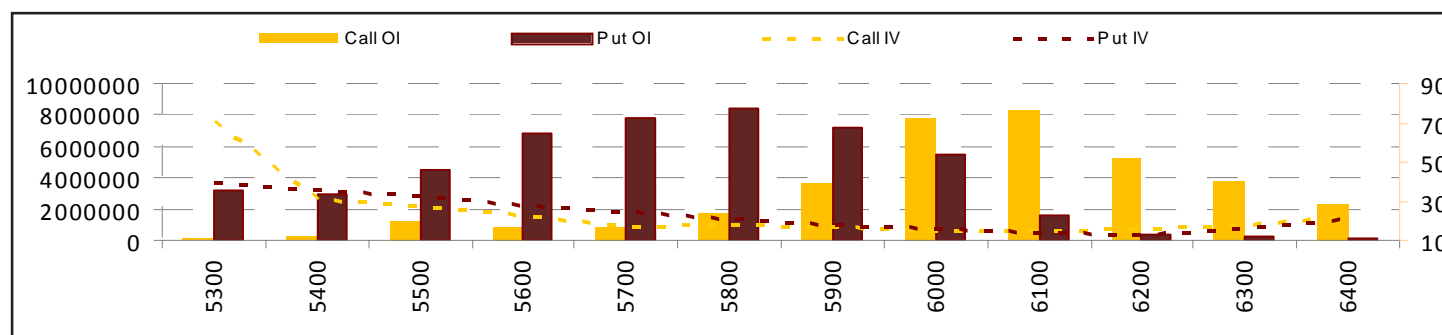
Nifty	VIX	19.5	Spot	5984 (-16)	Near Month	12 (-5)	Mid Month	37 (-8)
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Futures

Nifty futures open interest remains almost changed at 28.6mn shares.

Stock futures open interest stands unchanged at 2.1bn shares. Among sectors major additions were seen in Realty stocks.

Nifty Options



Instrument	Index Fut	Index Opt	Stock Fut	Stock Opt	Total
Open Interest*	196.8	747.5	411.9	86.9	1443.1
FII **	Buy 1.4	Buy 3.4	Buy 3.1	Sell 0.1	Buy 7.8
FII O I (#Contracts)	622423	1898861	1317663	27583	

₹ in bn

Cumulative FII positions as on Dec 21, 2010 is 35.22%

Outlook for Today

Nifty futures saw no major change despite of the choppiness indicating longs came in last few sessions are still hanging on.

Stock futures continue to remain light. It is prudent to take stock specific approach, we like Unitech & Strelite for going long.

Nifty December series Options are attracting higher Open Interest in strikes around current levels indicating expectation of the range bound movement to continue.

Heaviest Build-Up in Nifty Options	Call	6100	OI 8288000	Put	5800	OI 8426450
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*Open Interest excludes LEAPS worth ₹ 149.9bn ** FII data for DEC 21

Only Options

Sell Nifty 5900 PE MSP 26 SI 40

Sell SBI 2600 PA MSP 12 SI 18

Buy Gail 500 CA MBP 11 SI 5

Buy IDBI 170 CA MBP 2.6 SI 1.2

Follow Up - Open Recommendation

23rd December, 2010

Date	Scrip	Reco	Price	Lot	Close	Target	Stop Loss	MTM +/-
BTST/STBT								
23-Dec-10	VIJAJAYA BANK	BUY	99.15	4000	99.4	104	97	1,000
Positional Call								
3-Dec-10	INFOSYS	BUY	3131	125	3342	3425	3295	26,375
13-Dec-10	ONGC	BUY	1325	250	1305.2	1445	1265	(4,950)
13-Dec-10	TATA STEEL	BUY	630.5	500	673.5	700	667	21,500
14-Dec-10	BIOCON	BUY	408	1000	404.7	445	388	(3,300)
14-Dec-10	PNB	BUY	1235	250	1201.1	1325	1185	(8,475)
14-Dec-10	TATA CHEMICAL	BUY	368	500	389	405	381	10,500
15-Dec-10	SAIL	BUY	182	1000	195.4	200	192	13,400
16-Dec-10	BHARTI AIRTEL	BUY	344.5	1000	343.7	380	327	(800)
21-Dec-10	BHUSHAN STEEL	BUY	464.5	625	462.1	490	468.5	(1,500)
21-Dec-10	ANDHRA BANK	BUY	155.25	2000	154	170	147	(2,500)
21-Dec-10	TECH MANINDRA	BUY	679	250	698	720	693	4,750
21-Dec-10	STERLITE	BUY	175	1000	178.6	192	166	3,600
21-Dec-10	SUN PHARMA	SELL	427	625	433.1	385	451	(3,813)
21-Dec-10	RELIANCE	BUY	1070	250	1056	1125	1038	(3,500)
23-Dec-10	UNITECH	BUY	64	4000	63.3	84	58.5	(2,800)
Pair Trade								
13-Dec-10	INFOSYS	BUY	3110	250	3342	2140	2010	58,000
13-Dec-10	TCS	SELL	1058	750	1156			(73,500)
Option Strategy								
13-Dec-10	NIFTY 10DEC 5800 PE	BUY	73	50	13	5580	6000	(3,000)
13-Dec-10	NIFTY 10DEC 5700 PE	SELL	47	100	7.6			3,940
15-Dec-10	NIFTY JAN 6400 CE	SELL	22	50	17.6	90	0	220
15-Dec-10	NIFTY JAN 5400 PE	SELL	34	50	16			900
21-Dec-10	NIFTY JAN 6400 CE	SELL	22.5	50	17.6	5	85	245
21-Dec-10	NIFTY JAN 5600 PE	SELL	34.5	50	32			125
LONG SHORT								
6-Dec-10	ILFS INVT MANAGERS	BUY	43	4600	41.5	58	35	(6,900)
6-Dec-10	TULIP TELE	BUY	180	1250	176.5	215	159	(4,375)
6-Dec-10	STRIDES ARCOLAB	BUY	440	450	422.3	550	328	(7,965)
Postional Closed								
14-Dec-10	MPHASIS	BUY	626.5	500	661	700	661	17,250

* Trailing Stop Loss, SL - Stop Loss Triggered; TSLT - Trailing Stop Loss Triggered; BP - Booked Profits; BL - Booked Loss;
SQF - Squared Off; TA - Target Achieved ; PPT - Protect Profit Triggered

Please Watch for Followup Alerts provided on the Trading Screen / Call your MOSL Advisor

Pivot Table

23rd December, 2010

Co. Name	Close	Low	S2	S1	PP	R1	R2	High
Nifty	5,984	5,958	5,923	5,954	5,989	6,019	6,055	6,024
Sensex	20,016	19,931	19,813	19,914	20,033	20,134	20,253	20,151
ACC	1,080	1,066	1,055	1,067	1,078	1,091	1,102	1090
AMBUJACEM	139	138	136	138	139	141	142	140.4
AXISBANK	1,317	1,304	1,291	1,304	1,317	1,329	1,342	1330
BAJAJ-AUTO	1,445	1,438	1,421	1,433	1,450	1,463	1,480	1468
BHARTIARTL	343	333	329	336	340	347	351	344
BHEL	2,321	2,312	2,299	2,310	2,323	2,334	2,348	2337
BPCL	696	676	665	680	692	707	719	703
CAIRN	331	330	326	328	333	336	341	338
CIPLA	361	357	351	356	362	367	373	368
DLF	285	283	280	282	286	289	292	289.45
DRREDDY	1,678	1,616	1,574	1,626	1,668	1,721	1,763	1711
GAIL	510	506	504	507	509	512	515	512
HCLTECH	450	443	439	444	449	454	459	453
HDFC	700	694	690	695	699	705	709	704
HDFCBANK	2,177	2,170	2,126	2,151	2,196	2,221	2,265	2240
HEROHONDA	1,928	1,917	1,887	1,908	1,938	1,958	1,988	1967.7
HINDALCO	238	233	231	234	237	240	242	239
HINDUNILVR	293	293	291	292	294	295	297	296
ICICIBANK	1,133	1,120	1,108	1,120	1,133	1,145	1,158	1145
IDFC	178	176	173	175	179	181	184	182
INFOSYSTCH	3,327	3,314	3,288	3,308	3,334	3,353	3,380	3359.7
ITC	168	166	165	166	168	169	170	169
JINDALSTEL	697	688	684	690	695	701	705	698.9
JPASSOCIAT	103	102	100	102	104	105	107	105.4
KOTAKBANK	454	451	447	451	455	458	463	459
LT	1,952	1,945	1,918	1,935	1,962	1,979	2,006	1989.3
M&M	758	752	746	752	758	765	771	765
MARUTI	1,390	1,384	1,355	1,373	1,402	1,419	1,449	1431
NTPC	193	192	191	192	193	194	195	194
ONGC	1,303	1,303	1,292	1,298	1,308	1,313	1,323	1318
PNB	1,197	1,192	1,171	1,184	1,205	1,218	1,239	1226
POWERGRID	98	97	97	97	98	98	99	98
RANBAXY	571	563	558	564	570	576	582	575
RCOM	128	128	126	127	129	130	131	130
RELCAPITAL	634	632	621	628	638	645	655	648.9
RELIANCE	1,056	1,048	1,033	1,044	1,060	1,071	1,086	1075
RELINFRA	791	790	772	781	800	809	828	818
RPOWER	148	148	145	147	149	151	153	152

Pivot Table

23rd December, 2010

Co. Name	Close	Low	S2	S1	PP	R1	R2	High
SAIL	195	192	191	193	194	197	198	195.9
SBIN	2,743	2,730	2,696	2,719	2,754	2,777	2,812	2788
SESAGOA	305	302	298	301	305	308	312	309
SIEMENS	781	776	766	774	783	790	799	791.8
STER	178	176	173	175	179	181	185	182
SUNPHARMA	431	430	427	429	432	434	438	435.5
SUZLON	49	49	48	49	50	51	52	51.2
TATAMOTORS	1,362	1,347	1,336	1,349	1,360	1,373	1,385	1371
TATAPOWER	1,295	1,283	1,273	1,284	1,294	1,305	1,316	1305
TATASTEEL	674	667	659	666	675	682	690	683
TCS	1,151	1,138	1,121	1,136	1,153	1,167	1,184	1169
WIPRO	478	474	468	473	479	484	490	485

Pivot Point: Intra-Day Trading tool.

PP : Pivot Point : This is trigger point for Intra Day buy/sell based on the price range of the previous day.

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 PP and keep the stop loss of PP and the first target would be R1. If R1 is crossed then R2 becomes the next target with the stop loss at R1.

Similarly if price goes below PP the trader should SELL and keep the PP 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 S1.

This is an intra-day tool. The key to use of this tool is the use of STOP LOSS.

Intra-Day Trading : In general people on the street want to make big bucks overnight and resort to day trading. Day trading is like fighting a battle and to win a battle you need to be equipped with the winning tools. Here we present some of the rules one must adhere to win or to survive.

- Determine the amount one can afford losing in a day.
- Do not bet entire amount on a single trade. Divide the amount you can lose in few equal numbers of trades.
- Stop trading for the day if you have lost the entire amount you allocated for the day.
- Keep reasonable profit to loss ratio. Profit expected from the trade must be higher than the amount you are ready to lose on the trade. The ratio of 1.5 to 2 is advisable. Do not enter the trade if this condition is not satisfied.
- Always trade with the trend. Never enter into a trade which is against the larger trend. Avoid trading for the minor pullback or correction.
- Keep reasonable stop loss levels and follow them very strictly.
- Never let a profit turn into losses, means keep trailing stop loss.
- Do not get emotional with the fundamentals in day trading.

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