

Sensex takes a breather, bias remains negative

8 June 2007

Pick of the Day

Scrip	Call	Range	SL	Target
SBI	Sell	1360	1380	1322-1310
-	-	-	-	-

Sensex - Daily

Resistance	14289	14362	14429
Support	14139	14046	13884

Nifty - Daily

Resistance	4209	4230	4246
Support	4162	4146	4130

Index - Trend

	Trend	SL	Target
Nifty Future	Negative	4213	4120-4100
CNX IT	Ranged	-	-
Bank Nifty	Negative	-	-

Index

	Sensex	Nifty
Last Close	14186.18	4179.5
Net. Chg	-69.75	-18.75
%Chg	-0.49%	-0.45%
Vol. (Rs Cr)	38,344	4,289

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Daily Chart: BSE SENSEX



Source: ASA

Markets out look flat to lower as it consolidates

Yesterday, it was a consolidation move and the bias was down against the steep fall recorded a day earlier, indicates the continuation of a down trend. The Sensex has given a negative close of 69 points at 14186.18.

Sensex takes a breather, bias remains negative

The Sensex traded in a range and the bias was down, on the daily chart it has formed a "Doji" with a long shadow on an upside, the formation of a "Doji" after a steep fall is not positive development, traders should remain cautious as this indicates the continuation of a down trend, investors should stay away from the market.

The Sensex yesterday's high of 14362 would be the trend change level, its failure to move above 14362 and break below yesterday's low of 14139 could lead to a target of 14046 which is a crucial level so far the Sensex short term and intermediate trend is concerned. The Sensex move below 14046 would turn the intermediate trend negative.

Alternatively, the Sensex move above yesterday's high of 14362 would restrict the down ward trend.

Wave count: 14046 make or break level for the Sensex.

The Second corrective rise from 13554, following wave-x, could either be a 7 legged (a-b-c-d?-e?-f?-g?) "Diametric" pattern or a 5 legged (a-b-c-d?-e?) "Extracting Triangle", an "Extracting Triangle" pattern would give a bearish down ward break out.

In case of a 7 legged Diametric pattern, the present down fall from 14683 would be a wave-d and should get restricted above 14046 and then an upward move wave-e and a small down ward move wave-f would follow, wave - e and wave-f would consolidate between 14046 and 14690 and then seventh leg wave-g would give an upward break out and could move up to 15000 levels.

Alternatively, based on time parameter, the Sensex failure to move above its all time high of 14724 last week indicates that the second corrective pattern would be an "Extracting Triangle" which will give a bearish down ward move. An "Extracting Triangle" pattern would be confirmed if the current down ward move wave-d decisively breaks below 14046, on its completion, the last leg wave-e could move up to 14300 to 14500 ranges and then the Sensex would witness a bigger down fall of an intermediate degree, the down ward target in this scenario would be between 13500 to 13300 range.

Daily Levels of Underlying Cash Stocks Traded

SCRIP NAME	S2	S1	LTP	R1	R2
A.C.C.	780.5	794	804	821	834.5
H.L.L	186.06	188.98	191.45	194.83	197.76
H.P.C.L	262.04	267.42	271.5	278.17	283.54
ICICI BANK	879.33	894.33	909	924.33	939.33
INFOSYS	1901.67	1926.67	1955	1976.67	2001.67
LARSEN	1851.67	1876.67	1897	1926.67	1951.67
MARUTI	738.33	751.33	761	777.33	790.33
M.T.N.L	152.47	155.57	158.15	161.77	164.87
O.N.G.C	832.5	845	855	870	882.5
RCOM	499.47	509.87	519.7	530.67	541.07
RELIANCE	1628.17	1650.67	1668	1695.67	1718.17
SATYAM	451.02	464.87	481.15	492.57	506.42
S.B.I	1316.83	1341.33	1360	1390.33	1414.83
TATA MOTORS	658.5	669	677	690	700.5
T.C.S	1184.9	1194.9	1206.35	1214.9	1224.9
TATA STEEL	593.57	604.57	614.85	626.57	637.57
V.S.N.L	455.22	464.07	471.65	481.77	490.62
ZEE TELEFILMS	276	282.05	287.35	294.15	300.2

Source : BRICS

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In the interest of timeliness, this note was not edited.

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