

## *IFIN's* Diwali Stock Picks

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**08 November 2012**

## Technical Corner – NIFTY

(5738.75)

### Key Statistics

Turnover in Cr.	%Change	Momentum		Moving Average		Bollinger Band	
11069.79	17.07%	14 Day RSI	58.66	20 day EMA	5683	B. Upper	5762
<b>India VIX</b>	<b>% Change</b>	MACD	-3.68	50 day EMA	5594	B. Lower	5608
14.22	-1.99%	Stoch	84.75	200 day EMA	5353	Band Width	0.03

### Weekly Chart



### Is NIFTY looking for 6000+...?

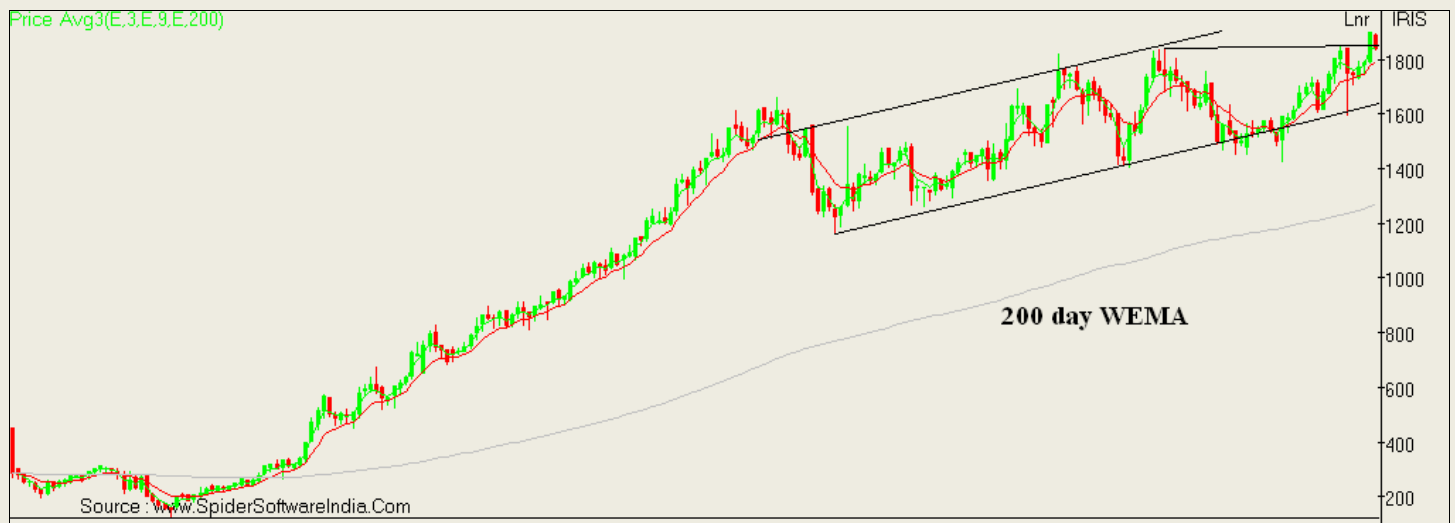
**Most probably..**, we expect the NIFTY to be anywhere between 5950 and 6020 in near term. **Technically speaking**, after six weeks range bound trading session, NIFTY firmly placed above the key resistance level of 5750 on 07<sup>th</sup> November 2012 due to strong buying support from index heavyweight stocks. On the weekly chart, the NIFTY has been forming 'rounding bottom reversal pattern' or 'V shaped recovery' since second week of February 2012 which is a bullish continuation pattern. This indicates there are more buying than selling in the market. If NIFTY breaks/closes above 5750 levels on weekly basis, the rounding bottom reversal pattern indicating that fresh buy signal and highly optimistic short term target of 5870/5950 levels on the upside. More over the upward trend line on weekly chart is indicating that NIFTY is likely to test 6020 levels in short term to medium term scenario. On the downside, the ceiling of the upward price channel formed on weekly chart at 5630/5580 and this will act as a strong short term support and move below this level is needed before traders can initiate fresh short positions. If 5580 support level is broken we will advise to exit all long positions.

**BAJAJ-AUTO**

**CMP: 1861.85**

Key Statistics		Momentum		Bollinger Band		Moving Average	
52 Week High	1906	14 days RSI	58.47	B. Upper	1888	20 Day EMA	1812
Low	1407.20	MACD	51.41	B. Lower	1711	50 Day EMA	1763
% Delivery Volume	46.82	Stoch	40.21	Band Width	0.10	200 Day EMA	1658

**Weekly Chart**



**Technical View**

The stock gave a breakout from the 'rounding bottom reversal pattern' on weekly chart which is a bullish continuation pattern. Moreover, the stock has given a break out from the upper range of 1843/1850 on last Friday with steady volumes. This suggests that, Baja Auto is well prepared for an up move and it can move towards 1980/2070 levels in near term. The stock has been moving in an upward sloping channel since January 2011 on the weekly chart and stabilized above its short term 20 days & 50 days EMAs on the daily chart indicates the stock is likely to remain positive trend in short term. Based on observation of positive crossover in RSI on the weekly chart, the stock is likely to continue its uptrend in the short term. One is advised to note that, the stock has been trading well above its long term 200 weekly EMA since April 2009. This indicates the long term trend on BAJAJAUTO is likely to remain positive. However, Bajaj Auto has got the support level of 1810/1758 on the downside.

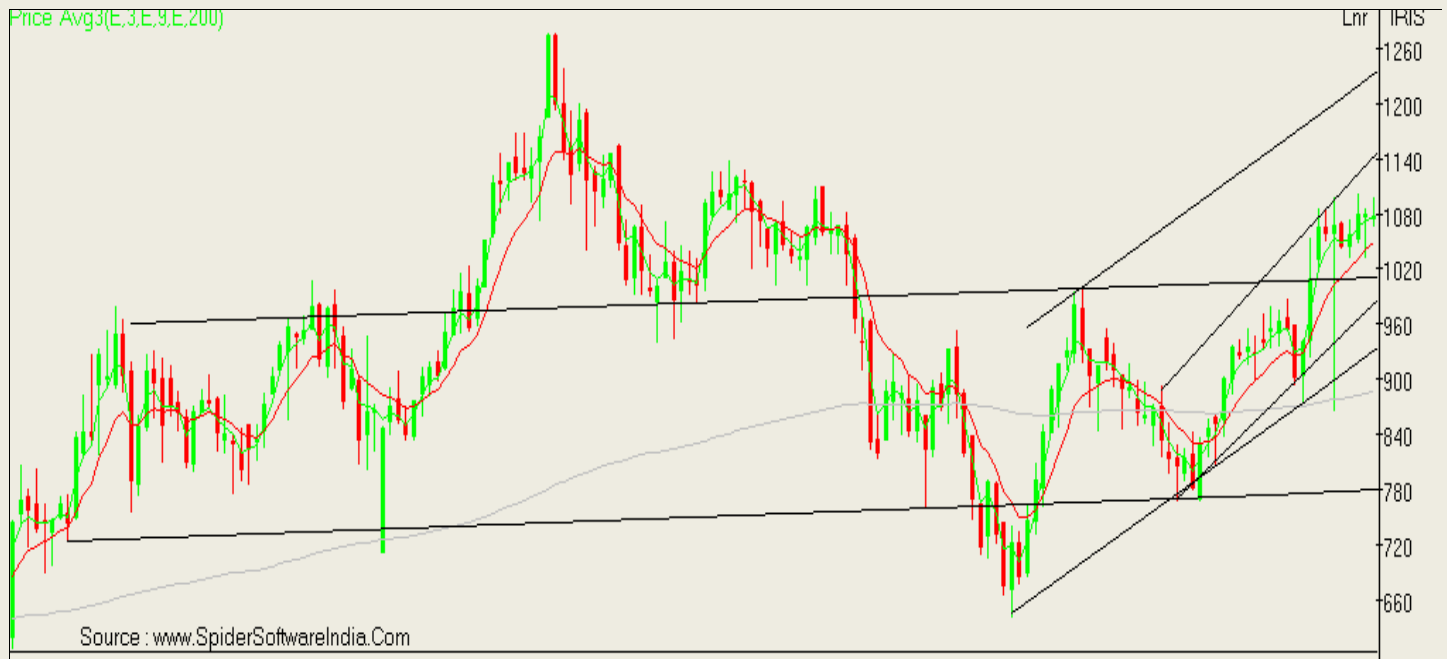
<b>Trading Strategy</b>	<b>Buy BAJAJAUTO at current levels and accumulate on every dips for the short to medium term targets of 1980/2070 with keeping stop loss of 1758.</b>
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**ICICIBANK**

**CMP: 1076.15**

Key Statistics		Momentum		Bollinger Band		Moving Average	
52 Week High	1102.80	14 days RSI	56.22	B. Upper	1096	20 Day EMA	1066
Low	641	MACD	4.97	B. Lower	1035	50 Day EMA	1033
% Delivery Volume	50.22	Stoch	74.60	Band Width	0.06	200 Day EMA	946

### Daily Chart



### Technical View

The stock has given a bullish breakout from the level of 998 on second week of September 2012 on weekly chart. After given a bullish break out on the weekly chart, the stock has been consolidating in a narrow range between 1030 and 1100 levels with good volumes. One is advised to note that the stock has been trading above its all short, medium and long term moving averages over the past eight weeks trading sessions. This indicates the stock may continue to trade its rising upward trend and if the stock breaks/closes above 1100 on weekly basis, the rising upward trend line in the near term which gives an immediate target of 1140 and 1170. Above 1170 levels we could see the stock testing 1202 levels. However, on the downside, 1030 is acting a strong short term support for ICICIBANK. Breakout of 1030 levels would change our bullish view and then 998 are possible.

<b>Trading Strategy</b>	<b>Investors may buy the stock at current levels for upside targets of 1170&amp;1202 in the short to medium term. Cut loss if the stock trades below 1030 levels.</b>
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**RAYMOND**

**CMP: 404.75**

Key Statistics		Momentum		Bollinger Band		Moving Average	
52 Week High	439.40	14 days RSI	72.65	B. Upper	401	20 Day EMA	386
Low	299.10	MACD	8.65	B. Lower	363	50 Day EMA	376
% Delivery Volume	22.73	Stoch	84.96	Band Width	0.10	200 Day EMA	371

**Weekly Chart**



**Technical View**

RAYMOND eventually approved the bullish breakout from the downward price channel on the weekly chart as new buying comes in. This suggesting the stock is projected the medium term target of 424/440 levels. After testing the high of 440 on April 2012, the stock has tested the upward trend line low of 327 on monthly chart. In this context, the lower level buying helped to break the downward price channel levels of 394/398 which is favorable signal for short to medium term buyers and this suggest the stock can extend the rally towards 458 levels. The 14 day RSI on daily chart is indicating that buy signal. The bullish support line continues to remain intact on the weekly chart which suggests buying pressure in the stock during dips. However, 394/380 is the short to medium term key support level for RAYMOND.

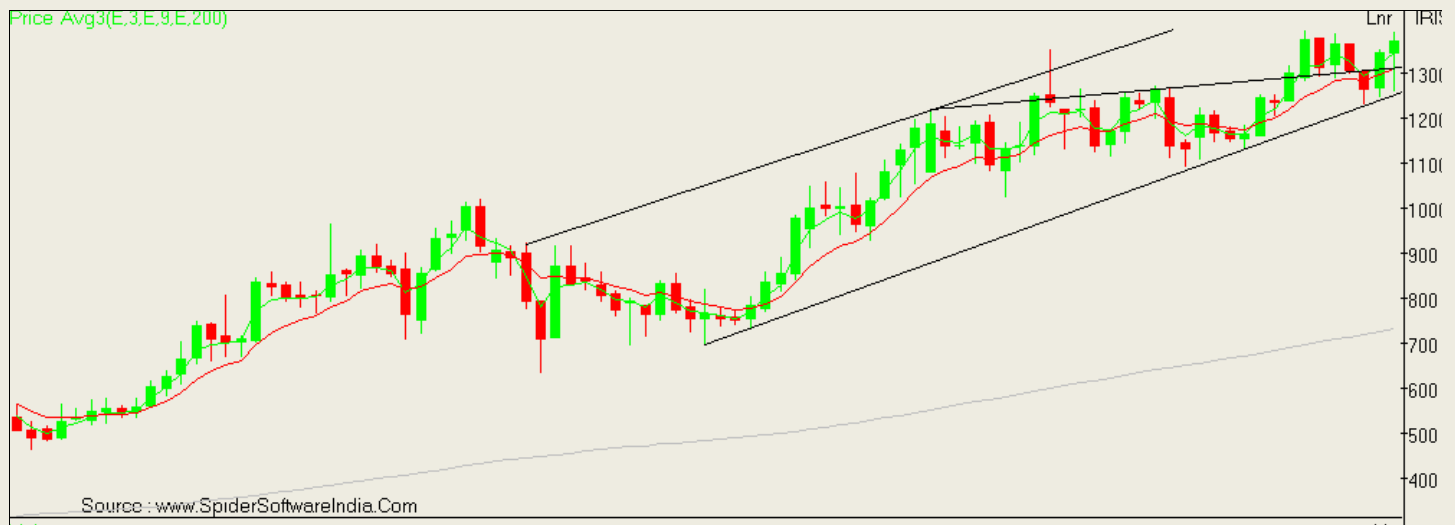
<b>Trading Strategy</b>	<b>Technically break out of 394/398 levels would invite strong buying and then the stock may face the upside targets of 440/458 in medium term. Keep stop loss at 380. Buy RAYMOND for short term gains.</b>
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**JUBLFOOD**

**CMP: 1370.70**

Key Statistics		Momentum		Bollinger Band		Moving Average	
52 Week High	1397.40	14 days RSI	60.97	B. Upper	1375	20 Day EMA	1306
Low	696.40	MACD	-4.79	B. Lower	1239	50 Day EMA	1284
% Delivery Volume	4.73	Stoch	60.12	Band Width	0.10	200 Day EMA	1154

**Daily Chart**



**Technical View**

The stock has been trading in upward sloping channel since Oct 2011 on the weekly chart suggesting that buyers are accumulating the stock at lower levels. Recently, after testing the low of 1232, the stock witnessed buying pressure at bottom level with huge volumes. The candlestick pattern on JUBLFOOD is suggesting that buyers are accumulating the stock at lower levels. The weekly STOCHASTIC is indicating that the prices are set to rally from the current levels in short term. The long term trend on JUBLFOOD is likely to remain uptrend as the stock has been trading above its respective long term 200 day WEMA (731) since March 2010. We expect positive trend in the counter to continue with immediate resistance placed at 1410 and 1470 levels. If it sustains this pressure, buyers would take the stock at 1540 levels in medium term scenario. On the lower side, the support will be at 1260 and 1232 levels.

<b>Trading Strategy</b>	<b>Buy JUBLFOOD at current levels for the short to medium term targets of 1470/1540 with keeping stop loss of 1260.</b>
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**BIOCON**

**CMP: 300.05**

Key Statistics		Momentum		Bollinger Band		Moving Average	
52 Week High	349.50	14 days RSI	72.80	B. Upper	291	20 Day EMA	275
Low	207.90	MACD	5.40	B. Lower	250	50 Day EMA	268
% Delivery Volume	28.12	Stoch	87.77	Band Width	0.15	200 Day EMA	264

### Weekly Chart



### Technical View

After testing an all time high of 472, the stock has been trading within downward pricing channel since October 2012. However, the stock has just given an upside breakout from downward pricing channel recently which is indicating bullish signal. The technical oscillator, Stochastic also continue to remain in the positive zone indicating that the buying pressure can be witnessed on every dips. The short term trend on BIOCON is likely to remain strong and breakout of 301 levels would indicate that buyers may be strengthening its bullish trend and then we could see the medium term resistance level of 332/340. On the downside, the downward price channel line on BIOCON is suggesting that the stock has support at 279/272 levels. If it sustains this pressure the stock could test its medium term support level of 261. In terms of long term perspective, the stock had just started to trade above its 200 day long term WEMA (279) which is a bullish signal for long term. Moreover, breakout of 332/340 levels could see strong momentum on monthly chart and then 392/427 are possible.

<b>Trading Strategy</b>	<b>Investors are advised to buy BIOCON above 301 for the medium term gains of 332/340 with keeping stop loss of 280.</b>
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