

Daily Nifty Observer

Issue - 705

July 20, 2012

Nifty Outlook

....on last trading day of the week 5231 levels will set tone for next week, closing above it will open for 5370 else consolidation around current level likely to continue....

Support

5231/5206/5195

Resistance

5245/5257/5280

Market Strength Indicators

14 days RSI - Up by 2.74 points at 55.3 levels

14 days SchRSI - Up by 13.37 at 25.7 levels

Stochastic - Up by 21.76 points at 37.63 levels

TSI - Down by 0.66 points

Market Intensity Indicator

NFP - At premium of 14.3 from premium of 7.25 earlier

Advance - 794

Decline - 661

Volatility - Unchanged at 0.12 levels from previous

Moving Average Indicator

20 days SMA - 5235.16

50 days SMA - 5080.08

200 days SMA - 5097.29

Bollinger Band - Trading around Middle Band

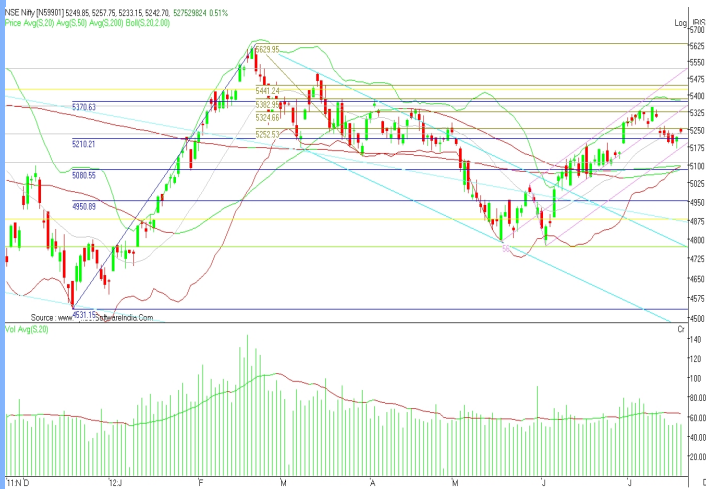
Other Indicators

FII's Spot - Positive

DII's Spot - Negative

F&O - Positive

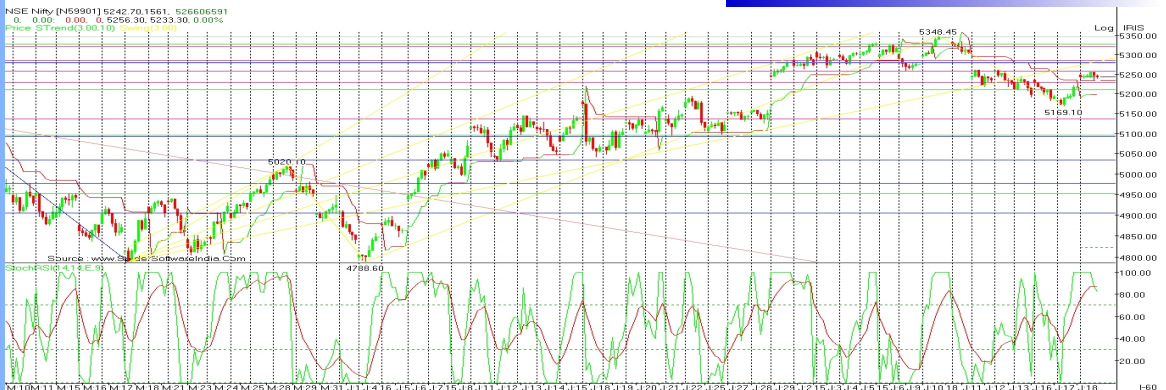
Spot Nifty Daily Chart Analysis



Spot Nifty closed at 5242.70 up 0.50 % after ranging trading session with fall in volume which was below its 20 period SMA. It made a high of 5257.75 and low of 5233.15 levels in intraday. Nifty closed below its 20 period, above its 50 periods and above its 200 periods SMA. Momentum oscillator is indicating that Nifty is trading around its over sold zone on intraday chart. **After trading in short term bear zone for almost 3 trading days Nifty today closed in bull zone. Continuation of trading above its 20 period SMA will be short to mid term bull phase for Nifty.**

For friday, 5235 levels will give immediate support to Nifty, trading above it will only ensure for above 5257 levels else probability to breach 5200 levels again on intraday will increase. Closing above 5235 levels on weekly basis will confirm for movement towards 5370 levels or above next week.

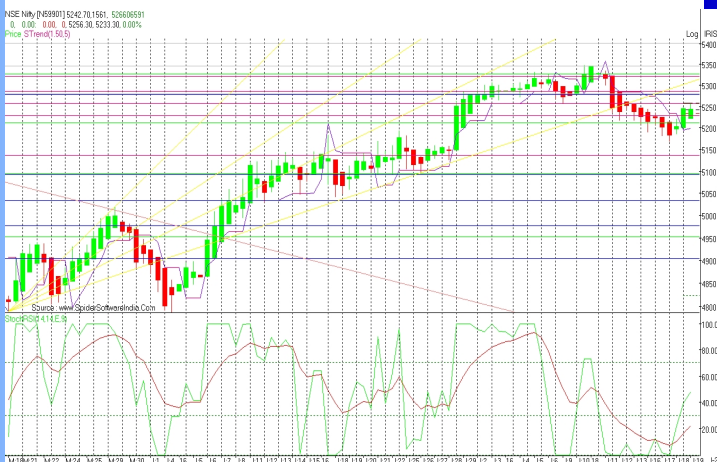
60 Minute Chart Analysis



14 days Schotestic RSI (60 minutes chart) closed at 81.76 levels & traded across its 9 period EMA for whole of the trading session and managed to close below it. On friday it may try to come below its 9 period EMA levels allowing Nifty to consolidate above 5200 levels.

On thursday nifty opened with gap and tested 5257 levels but failed to sustain it and closed below it. However Nifty sustained above 5231 levels. For friday sustaining above 5231 levels will open for 5257 levels and above else probability to move towards 5200 levels or below will increase.

240 Minute Chart Analysis



After five days in bear zone Nifty today moved in bull zone and closed above Super Trend, over 240 minutes Heikin Candle. Today also Nifty closed above 5200 levels .

After 28 consecutive closing above 4th speed line on 240 minute chart for 6th consecutive day it closed below it. Speed line is drawn from the low of 4789.15 (18/05/2012) and high of 5020.10 (29/05/2012).

In next few 240 minute Heikin candle if Nifty manages to close above 4th speed line then only probability to move towards 3rd speed line around 5450 levels will grow stronger with 5280/5320 levels as strong resistance zone. Else if Nifty breaks 4th speed line then it may move towards 5150 levels or below it in coming few 240 minutes candle whose probability seems to be low.

Note on Nifty Intraday Price,OI & Volume (19/07/2012)

On thursday rise in Nifty (0.50 %) was registered with rise in Nifty July 12 futures open position (5.49%) and fall in Nifty spot intraday volume (2.25 %).

Nifty rise with rise in OI and fall in volume suggesting that the market is attracting late buyers and early shorts; market is vulnerable to a sharp correction buy likely that correction will develop creating a sell point for downtrend.

Current rise of 0.50 % in Nifty was due to fresh long build up in Nifty July 12 series.

On thursday heavy fresh long build up in stocks future was seen. Along with it, both good amount of short covering and long liquidation initiated. Continuation of this trend will force Nifty to trade above 5231 levels on friday with 5210 levels as intraday support. Above 5231 levels Nifty will find immediate resistance at 5257 levels. However if fresh short build up initiates, may allow Nifty towards 5200 levels or below it may be towards 5150 levels.

Stocks Corner

Fresh Long

DISHTV	TTKPRESTIGMCDOWELL-N	HAVELLS	CAIRN
BPLCL	INFY	JISLJALEQS	MPHASIS
BHEL	STER	JSWSTEEL	BATAINDIA
OIL	TATAGLOBAL	TITAN	IOC
CNXIT	RELIANCE	APIL	HINDALCO
IGL	ESCORTS	SIEMENS	HINDPETRO
BOSCHLTD	YESBANK	HDFC	SUNTV
NMDC	POWERGRID	GLAXO	COLPAL
ULTRACEMCO	LUPIN	HDFCBANK	NFTVMCAP50
GAIL	CESC	OFSS	JPASSOCIAT
HINDUNILVR	NTPC	CNXINFRA	M&M
			BANKNIFTY

Long Liquidation

AMBUJACEM	ABAN	RELINFRA	CENTURYTEX
WELCORP	ANDHRABANK	SYNDIBANK	NCC
DABUR	SINTEX	JINDALSTEL	UCOBANK
ALOKTEXT	BAJAJHIND	VIPIND	ACC
VIJAYABANK	PIRHEALTH	RPOWER	BAJAJHLDNG
ADANIPOWER	DCB	JSWSPAT	INDIANB
BRFL	APOLLOTYRE	ARVIND	SKUMARSYNF
IVRCLINFRA	COREEDUTECH	EDUCOMP	DENABANK
FINANTECH	GMDCLTD	NAGAROIL	PANTALOONR
ORCHIDCHEM	ADANIPORTS		BALRAMCHIN
BIOCON	TVSMOTOR	BOMDYEING	GUJFLUORO
ADANIENT	INDIACEM	RCOM	CROMPGREAV
PFCL	UNIONBANK	TATACOMM	GODREJIND
			SREINFRA
			BHUSANSTL
			LICHSGFIN
			BAJAJHLDNG
			CANBK
			RELCAPITAL
			JETAIRWAYS
			PNB
			RAYMOND
			AUROPHARMA

Short Covering

GMRINFRA	GVKPIL	PUNJLLOYD	BAJAJ-AUTO	VOLTAS	IBREALEST
HINDOILEXP	TATAMOTORS		KTKBANK	ROLTA	SESAGOA
TECHM	WIPRO	SCI	IDBI	UNITECH	BGREENERGY
JSWENERGY	ASHOKLEY	LITL	GRASIM	SRTRANSFIN	STRTECH
ESSAROIL	PETRONET	MTNL	CUMMINSIND		HEXAWARE
INDUSINDBK	HCLTECH	TATASTEEL	PTC	DLF	ABB
MCLEODRUSS		NHPC	CHAMBLFERT		ALBK
OPTOCIRCUITBEL		TCS	TATAMTRDVR		ABGSHIP
IOB	BEML	IFCI	PATELENG	ABIRLANUVO	
TTML	LT	RANBAXY	RENUKA	ONMOBILE	DELTACORP
SOUTHBANK	INDHOTEL	SAIL	BFUTILITIE	GESHIP	TATACHEM
VIDEOIND	IRB	TATACOFFEE			

Fresh Short

SUNPHARMA	COALINDIA	JPOWER	ONGC	RUCHISOYA	ITC
EXIDEIND	FORTIS	SUZLON	RECLTD	ZEEL	MAX
DRREDDY	MRF	JUBLFOOD	HEROMOTOCO		BANKINDIA
UNIPIHOS	SBIN	ASIANPAINT	FEDERALBNK		HDIL
INDIAINFO	GSPL	BHARATFORG			CENTRALBK
ORIENTBANK		BHARTIARTL			KOTAKBANK
IDEA	MARUTI				BANKBARODA

Performance Corner

Daily Calls Monitor

Buy MCDowell @ 792/794 sl 781 tgt 1008/1024 ; correction tgt for mcdowell is 808/824 and not 1008/1024; may book full profit in mcdowell intraday buy call (CMP - 809/815)
Buy Bajaj Auto @ 1537/1545 sl 1507 tgt 1570/1585; range (closing 1549)
Buy YesBank @ 354/355 sl 351 tgt 359; range (closing - 355)
Buy Jetairways @ 364/366 sl 361 tgt 370/374; sl triggered in jetairways intraday buy call
Buy Infy @ 2225/2232 sl 2209 tgt 2250; may book full profit in infy intraday buy call in the range of 2247/2250
Buy Nifty July 12 future @ 5242/5248 (spot) sl 5219 tgt 4274; range (closing - 5241.25)
Buy Axis Bank @ 1052/1055 sl 1035 tgt 1070; range (closing - 1055.70)
BUY Sesa Goa @ 193/194 sl 191.70 tgt 196/198.50; range (closing - 193.50)
Buy WockPharma @ 920/924 sl 911 tgt 935/942; sl triggered in wockpharma intraday buy call
Buy Bata India @ 901/907 sl 894 tgt 918; range (closing - 904.85)
Buy SBI @ 2172/2178 sl 2159 tgt 2199/2210; sl triggered
Buy JSWSteel @ 692/695 sl 686 tgt 710; sl triggered in jswsteel intraday buy call
Buy NIITech @ 293/295 sl 289 tgt 300/304; range (closing - 291)
Buy Heromotoco @ 2100 sl 2080 tgt 2127/2139; range (closing - 2099)

Short USDINR July 12 future in the range of 55.4450/55.4675 sl 55.6225 tgt 55.3450/55.2175; may book partial profit in usdinr intraday short call risky trader may hold for 2nd tgt with revised sl to cost (CMP - 55.3450); may book full profit in USDINR intraday short call (CMP - 55.2150)

Buy Copper Aug 12 future @ 429.60/430.10 sl 428.40 tgt 432.00/433.50
Buy Silver Aug 12 future @ 53050/52950 sl 52700 tgt 53450/53700

Analyst Certificate & Disclaimer

DISCLAIMER: The document is not for public distribution and has been furnished solely for information and must not be reproduced or redistributed to others. Opinion expressed is the current opinion as of the date appearing on the material only. Further, the information in the document has been printed on the basis of publicly available information; internal data and other reliable sources believed to be true and are for general guidance only but which may not be verified independently. While every effort is made to ensure the accuracy and completeness of information contained, the company takes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information as the basis for any claim, demand or cause of action. All investment information and opinion are subject to change without notice. Recipients of this material should rely on their own investigations and take their own professional advice. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment. This material is for personal information and none is responsible for any loss incurred based upon it. The investments discussed or recommended in this report may not be suitable for all investors. It should not be considered to be or taken as an offer to sell or a solicitation to buy/sell any security. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions - futures, options and other derivatives as well as non-investment grade securities - involve substantial risks and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on company's fundamentals. Analyst who has issued this report, may, on the date of this report, and from time to time, have long or short positions in, and buy or sell the securities of the companies mentioned herein or engage in any other transaction involving such securities and earn brokerage or compensation or act as advisor or have other potential conflict of interest with respect to company/ies mentioned herein or inconsistent with any recommendation and related information and opinions.