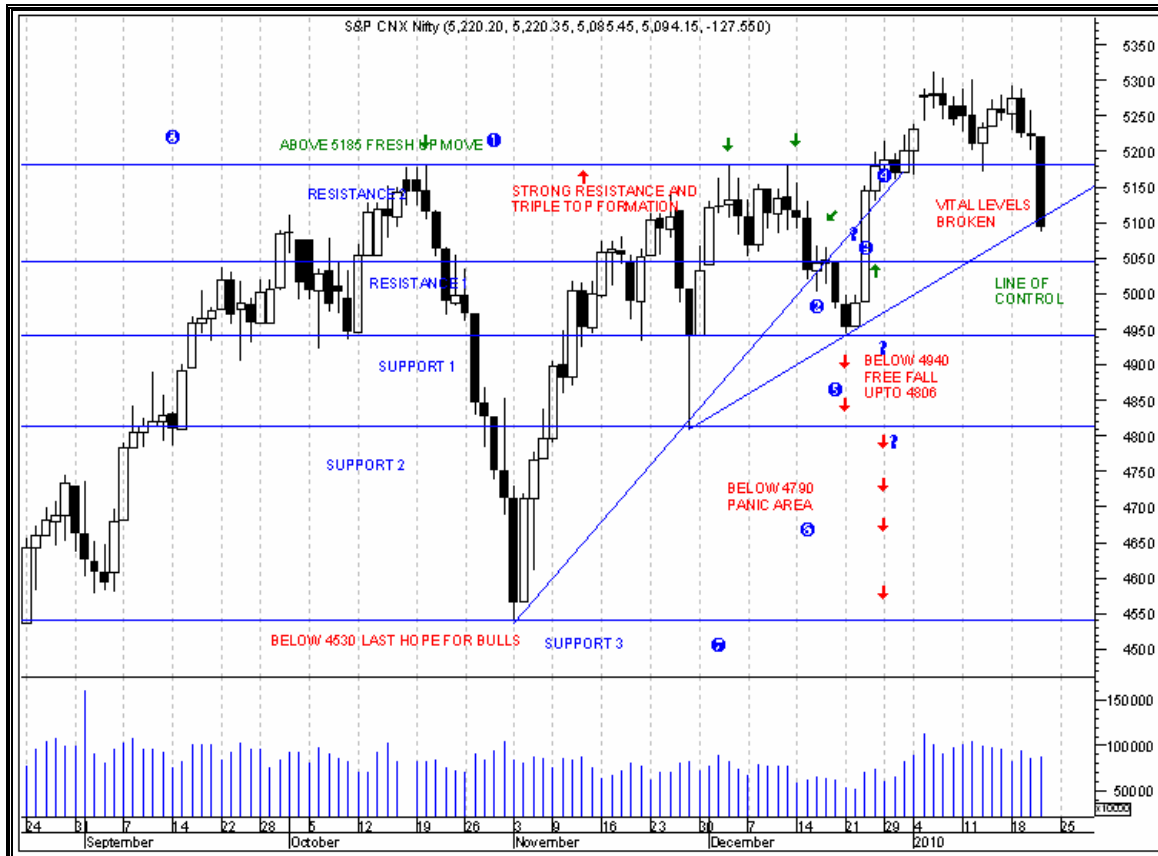


NIFTY STUDY 25.01.2010

(TODAY'S CLOSING IS VERY VITAL)



NIFTY (5036)- IN THE LAST WEEK NIFTY WAS IN A RANGE OF 5293 TO 4954 AND HUGE PROFIT BOOKING SEEN IN THE MARKET.WE HAVE TOLD IN THE PREVIOUS JOURNAL THAT IT IS REQUIRED A DIPS TO GET THE MARKET MOMENTUM.BUT MARKET BROKEN SOME VITAL SUPPORTS AND LOTS OF QUESTIONS COME IN OUR MIND.

SO WE TRY TO FIND OUT THE ANSWER OF THESE QUESTIONS TO UNDERSTAND THE MARKET.

QUESTION -1) IS THIS CORRECTION ?

ANSWER – NO,IT IS NORMAL PROFIT BOOKING **AS OF NOW** AND WE ASSUME THAT AS THE MARKET WAS OVERBOUGHT AND MARKET WAS TIRED IN HIGHER LEVELS,NORMAL PROFIT BOOKING SEEN IN THE MARKET.

QUESTION -2) WHEN YOU CONSIDER IT AS CORRECTION ?

ANSWER – WE CONSIDER IT AS A MEDIUM TERM CORRECTION AS AND WHEN NIFTY CLOSES BELOW 4938.

QUESTION -3) IS IT BUYING OPPORTUNITY ?

ANSWER – MARKET CLOSED AROUND 5036 LEVELS AND OUR LAST HOPE FOR MARKET IS 4938, SO WE WILL BUY ON DIPS AROUND 4990-4978 KEEPING A STOP LOSS OF 4938 AND WE MUST TAKE THE RISK OF 50 POINTS BECAUSE IF MARKET BOUNCE BACK THIS IS THE LAST SUPPORT WHERE FROM NIFTY/MARKET MUST HAVE TO BOTTOM OUT TO CONTINUE ITS UPTREND.

QUESTION -4) WHAT IS THE RISK REWARD RATIO ?

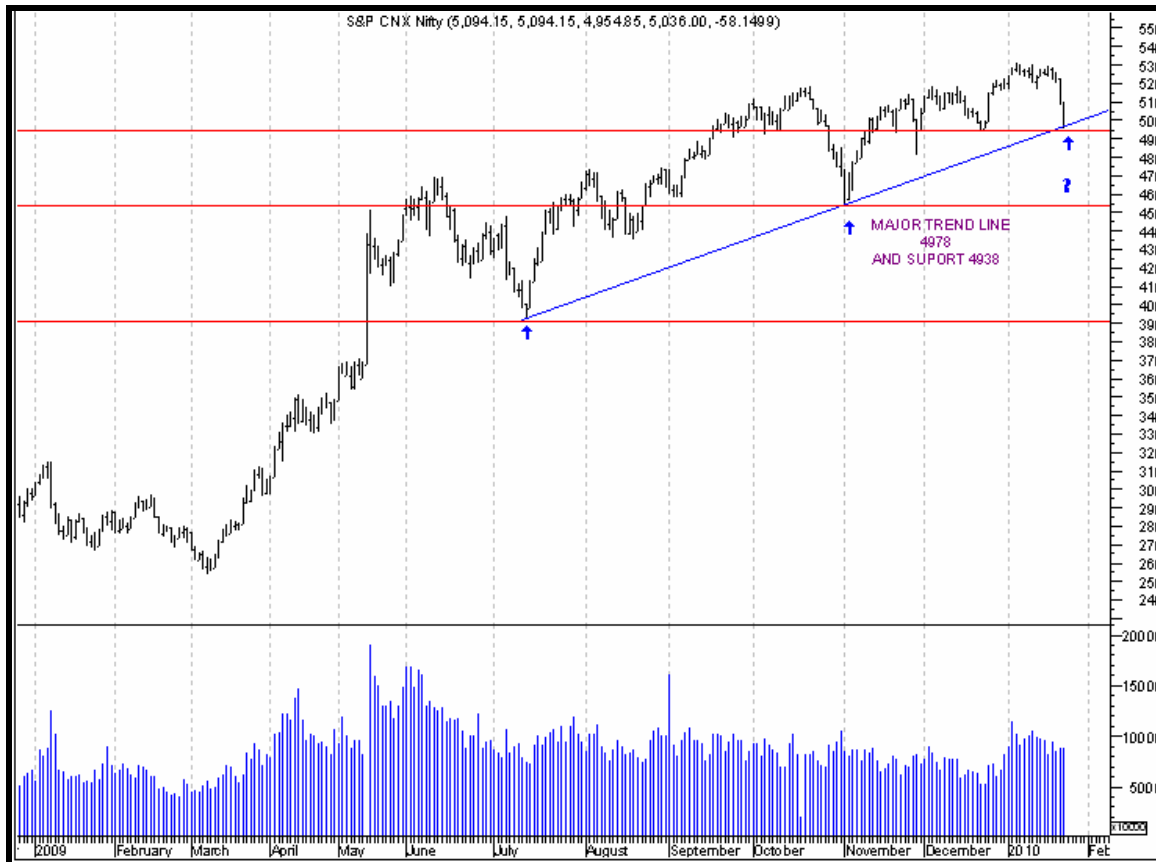
ANSWER – AS WE HAVE TOLD YOU WE WILL BUY AROUND (NIFTY/STOCKS) 4990-4978 KEEPING 4938 AS STOP LOSS .THEN OUR LOSS WILL BE 50 POINTS AND IF MARKET BOUNCE BACK WE WILL GET BOUNCE BACK UPTO 5129 LEVELS AND CLOSE ABOVE 5170 LEVELS WE AGAIN CREATE A NEW HIGH. SO OUR RISK REWARD RATIO IS 50 POINTS Vs 120 POINTS and 300 POINTS (if able to close above 5170 levels)

QUESTION -5) IF MARKET BREAKS/CLOSES BELOW 4938 THEN ?

ANSWER – IF MARKET CLOSES BELOW 4938 WE CAN EXPECT MORE LOWER LEVELS LIKE 4806/4538.??????

QUESTION -6) WHY 4938 IS VITAL LEVEL ?

ANSWER – 4978 IS THE VITAL TREND LINE AND 4938 IS VITAL SUPPORT OF BULL MARKET AND UP TREND LINE OF CONTROL. SO IF MARKET BREAKS THESE LEVELS THEN WE ASSUME MEDIUM TERM UP TREND/RALLY HAS STOPPED AND MARKET TRY TO COME MORE LOWER. FOR MORE DETAILS SEE THE CHART AS GIVEN BELOW-



QUESTION -7) WHAT SHOULD I DO AT THIS JUNCTURE ?

ANSWER – AS A NORMAL TRADER WE SIMPLY BUY ON DIPS UNLESS AND UNTIL NIFTY BREAKS 4938 LEVELS AND IF MARKET BREAKS 4938 THEN YOU HAVE TO REVERSE YOUR VIEW AND YOU HAVE TO BE NEGATIVE ABOUT THE MARKET AND IF NIFTY HOLDS 4938 THEN YOU HAVE TO WAIT FOR 5129 LEVELS AND HAVE TO BOOK YOUR PROFIT. IF CLOSE ABOVE 5129 THEN WAIT FOR HIGHER LEVELS.

QUESTION -8) WHAT ARE THE PRECAUTION WE HAVE TO TAKE?

ANSWER – WE DON'T KNOW WHETHER NIFTY WILL BREAK 4938 OR NOT? BUT WE STILL POSITIVE ABOUT THE MARKET AS STILL NIFTY ABOVE 4938 AND DII FUND INFLOW STILL INTACT (though FII selling still continued). BUT THE MAJOR ISSUE IS THAT RATE HIKE BY RBI. MARKET IS WAITING FOR THIS NEWS. THIS NEWS WILL BE MAJOR KEY FACTOR OF OUR NEXT TRADING SESSIONS.

SO WE WILL BUY ON DIPS WITH SMALL QUANTITY (UNLESS NIFTY CLOSE ABOVE 5129 AND 50 DMA MARKET IS IN DANGER ZONE) AND BOOK OUR PROFIT AS SOON AS WE WILL GET IT. UNLESS RBI NEWS WILL BE DISCOUNTED MARKET WILL NOT ABLE TO GO HIGHER.

STRATEGY FOR NIFTY TRADER

GOOD BUYING ZONE 4990 AND 4965 LEVELS

STOP LOSS BELOW 4938.

PROFIT BOOKING ZONE-5042.5072.CLOSE ABOVE 5072 NEXT TARGET 5095.5130.?

POSITIVE SIDE	NEGATIVE SIDE
1.STILL CLOSE ABOVE 4938	1.NIFTY BELOW 50 DMA
2.DII BUYING STILL INTACT	2.GLOBAL CUES NEGATIVE
3.RELIANCE RESULT PROMISING	3.FII SELLING CONTINUED
4.MARKET OVERSOLD	4.RBI POLICY NOT DISCOUNTED

SOME VITAL STOCKS VIEW

STOCKS IN UP TREND

STOCK	SUP-1	SUP-2	BREAKDOWN	RES-1	RES-2	BREAKOUT
RELIANCE	1029	1011	990	1077	1097	1106
TATASTEEL	623	615	606	632	641	646
JINDALSTL	666	655	648	678	684	686
KOTAKBANK	804	794	788	822	835	822
MPHASIS	688	671	662	699	720	700
SCI	159	153	150	165	171	172
RCOM	176	171	168	185	191	195
APTECH	174	167	160	187	194	201
NATIONALUM	409	399	388	434	442	434
AUROPHARMA	893	872	866	908	919	926

STOCKS IN DOWN TREND

STOCK	SUP-1	SUP-2	BREAKDOWN	RES-1	RES-2	BREAKOUT
LT	1450	1436	1606	1525	1575	1722
ONGC	1100	1072	1129	1129	1158	1180
PUNJLLOYD	185	176	208	195	208	225
DLF	346	325	365	358	374	395
SBIN	2050	1960	2112	2112	2160	2200
SUZLON	77	66	82	86	91	94

STOCK- BUYING IS NOT ALLOWED/EXIT AT EVERY HIGH

THESE STOCKS TECHNICALLY VERY WEAK AND OVERSOLD CONDITION.SOME SORT OF BOUNCE BACK EXPECTED AND THESE WOULD BE EXIT OPORTUNITY.WE EXPECT MORE LOWE LEVELS IN COMING DAYS.SO WE HAVE TO WAIT FOR DIPS.

**LT (CMP 1470) – OUR TARGET 1100
PUNJLLOYD (CMP 186) – OUR TARGET 136
SBIN (CMP 2087) - OUR TARGET 1715
ONGC (CMP 1115) - OUR TARGET 935**

STOCKS LOOKING HOT IN COMING DAYS

THESE STOCKS TECHNICALLY VERY STRONG.SOME SORT OF BOUNCE BACK EXPECTED AND THESE WOULD BE GOOD TRADING STOCKS.WE EXPECT HIGHER LEVELS IN COMING DAYS.

HINDCOPPER	LITL	STCINDIA
DREDGECORP	STAR	NMDC
IDEA	TCI	NATIONALUM
LANCOIN	HAVELLS	ONMOBILE

**(SELECTIVE STOCKS OUT OF ABOVE WILL BE SENT BY SMS
AS BUYING LEVELS IS MORE LOWER FROM CUREENT PRICE)**