

ABSTRACT

MARKETS CONTINUE TO FALL; SHORT AND INTERMEDIATE TREND REMAINS DOWN; NIFTY CLOSES AT 8550, WITH NEXT SUPPORT LEVEL AT 8350; MAINTAIN SHORT POSITIONS; DO NOT GO FOR ANY BARGAIN HUNTING NOW, BUYING NOT SUGGESTED.

Decline continues in Bank Nifty. The index has broken down from a bearish head & shoulder suggests lower levels are ahead. Look for a shorting opportunity in Banking Sector. CNX IT has seen a breakdown from its tight trading range inside 12275 – 12550. Avoid trading in IT Sector.

We have ELECTRICAL in Sector Focus. Trend is sideways in this sector. We will discuss the current scenario of Electrical Stocks. Stock in focus includes BANK BARODA, JSW STEEL, TITAN and TVS MOTOR. For each of these stocks, we analyse their technical picture; identify trades with stop loss and targets. We track GOLD, SILVER and EURINR today with a trade in EURINR.

MARKET TODAY

Another narrow and choppy day in the market came to an end. Nifty started the session with a gap up of 21 points at 8591.55. At first, it went up to touch a high of 8608.35 and then saw a fall from those highs. It started trading narrow and slowly came down to touch a low of 8540.55 in the last hour. After that, it traded near the lows of the day for remaining session and closed at 8550.90 with a loss of 20 points. Nifty traded in the low range of just 68 points. Among the major indices, CNX BANK and CNX IT closed with a loss of nearly 1 percent while CNX FMCG and CNX PHARMA remained unchanged. Market breadth was negative today with 308 advancing and 874 declining on NSE.

TRADING

Intraday price action was very narrow today. Bears had the upper hand until the last hour. Today's open with a gap up and then falling to close at the lows shows the strength that bears have in this market. Every up move should be used to further short the markets. We have been downbeat in this market. As we suggested yesterday that, the correction is still not over and there is more to come, therefore we should continue look for shorting opportunities in the Nifty as well as the Bank Nifty.

There is possibility that this correction may take markets further down. For the Nifty, a pattern target of 8350 is visible, the pattern being a bearish head and shoulder. Therefore, we advise traders to add to their short positions with failure of any intraday rally.

ACTIVE INVESTING

ICICI Bank has fallen almost 20% from its Highs, but is again breaking a significant support level. Avoid buying. Professional traders can consider going short on rallies.

NIFTY WATCH

Short Term

This is now a sell on rallies market so our bias remains on the downside and traders should continue holding their shorts with a revised stop, which now stands, just above 8700 level.

Intermediate Term

Intermediate term trend continues to be down. Traders should hold their shorts with a revised stop, which now stands, just above 8780 level.

STOCK MARKET – SPOT PRICE (NIFTY: 8550.95, SENSEX: 28,192.02)



TAKING A SWING TRADE

CFDs in Swing Trading

We had suggested four long trades in our newsletter dated 12 March 2015. Trade was to go long in AUROPHARMA, EXIDEIND, GODREJIND, and MCLEODRUSS.

In AUROPHARMA, we have stopped out from our trade but after we were stopped out, a sharp upside rally took our prices to cross our target price. It suggests that the trend was up in this particular stock but we have to follow a stop-loss, which have decided earlier.

Price opened with a big gap up in EXIDEIND but after that, a sharp downfall took prices below our stop loss. It defines the volatility in the market that forced prices to fluctuate deliberately.

Price did not executed in GODREJIND and MCLEODRUSS as prices seen a decline which brings down the price from our entry point.

When many people start trading the markets they have the idea of swing trading in mind, whether or not they know it by that name. It is probably the most popular way of trading, as it does not require you to be constantly sitting by your computer, but still provides action and profits within a reasonable time. Usually when trading, it is considered a safer practice to follow the trend since if you don't you are essentially betting against the market and swing trading aims to take advantage of this coupled with the leverage that CFDs allow to maximize profits.

Swing trading is about avoiding choppy markets, which are not trending, and instead, focusing on the ones that are trending in a specific direction. For a swing trading, trading CFDs is all about digging out stocks, which have the potential to move by a sizable amount in a relatively short space of time. Swing trading in essence uses technical analysis to identify the financial securities that are likely to move in price, and provides timing and target values for entering and leaving the trade. The trader is likely to hold the position for a period from days to several weeks.

Naturally it is not always possible to pick the top and bottom of every up and down swing in the market and should there be no movement during your original planned trade timeframe, the signals were probably wrong, and it is best to move on to a more active stock.

METALS WATCH

METAL	CURRENT PATTERN (if any)	TIME FRAME	TRADE			PREVIOUS PATTERN	TIME FRAME
			ENTRY PRICE	STOP	TARGET		
GOLD MINI	Resistance at 26600	EOD	NA	NA	NA	Trading Range inside 25600 - 26000 Broken on upside	EOD
SILVER MINI	Resistance at 39000	EOD	NA	NA	NA	Trading Range inside 35000 – 36100 Broken on upside	EOD

IT IS ABOUT BANKS! [Bank Nifty (Spot Price): 18442.30]

Trend is down and choppy for the Bank Nifty.

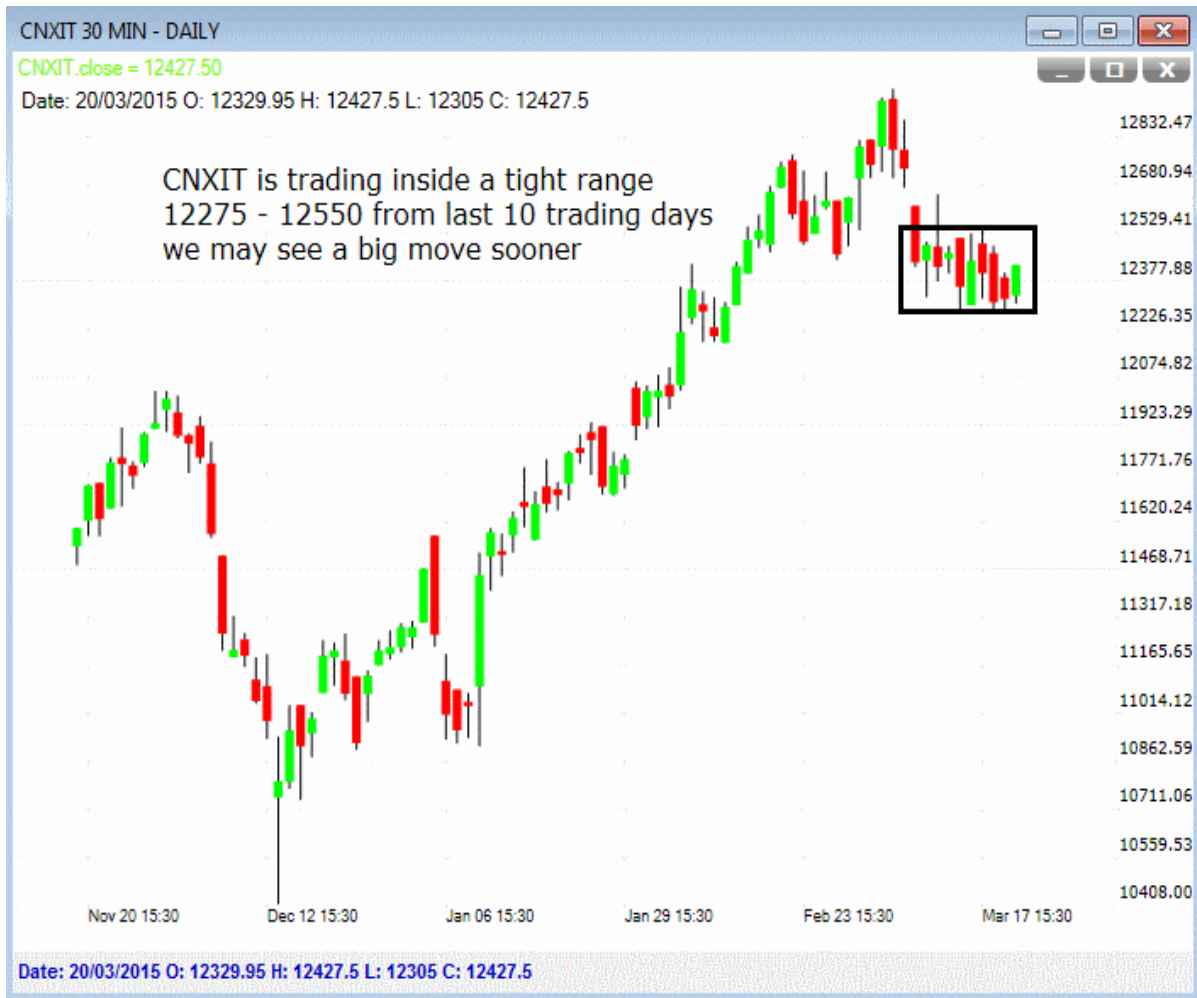
A bearish head and shoulder in the Bank nifty has been confirmed. The technical evidence suggests lower levels are coming in. A possible target for this pattern comes near 16900 – 17000 zones. The target may or may not meet but it tells us that lower levels are ahead.

Bank Nifty traded narrow and choppy throughout the day. A strong support at 18500 has been broken on downside and index closes just below to it. As of now we should trade on short side in the bank index with a stop loss of 19100.



IT WATCH [CNX IT (Future Price): 12427.50]

Choppy and narrow trading continues in CNX IT. From the last 10 trading days price are trading inside a tight range 12275 – 12550. This narrow price action tells us that sooner or later we may see a big directional move in this sector. Look for a buying if index closes above 12550. As far prices trading inside the support and resistance levels, we should avoid trading in this sector.



SECTOR FOCUS [ELECTRICAL]

Short term Trend is now sideways in ELECTRICAL Sector. An upside rally is now stalling and prices are consolidating & trading range bound at its top. The sector is offering us some mixed opportunity buying as well selling. Trend is down in CROMPGREAV and TITAN. A trading range in both the stocks has broken on downside. Traders should look for a shorting opportunity in these stocks. HAVELLS has come out from a large consolidation. Look for buy on dips opportunity in this stock. Avoid trading in SIEMENS and VOLTAS.



SWING TRADES

“Trades which last from few days to a week or more”

Charts and levels discussed are for equity instruments. If you trade the corresponding futures, please track the levels on the equity and take appropriate positions on futures.

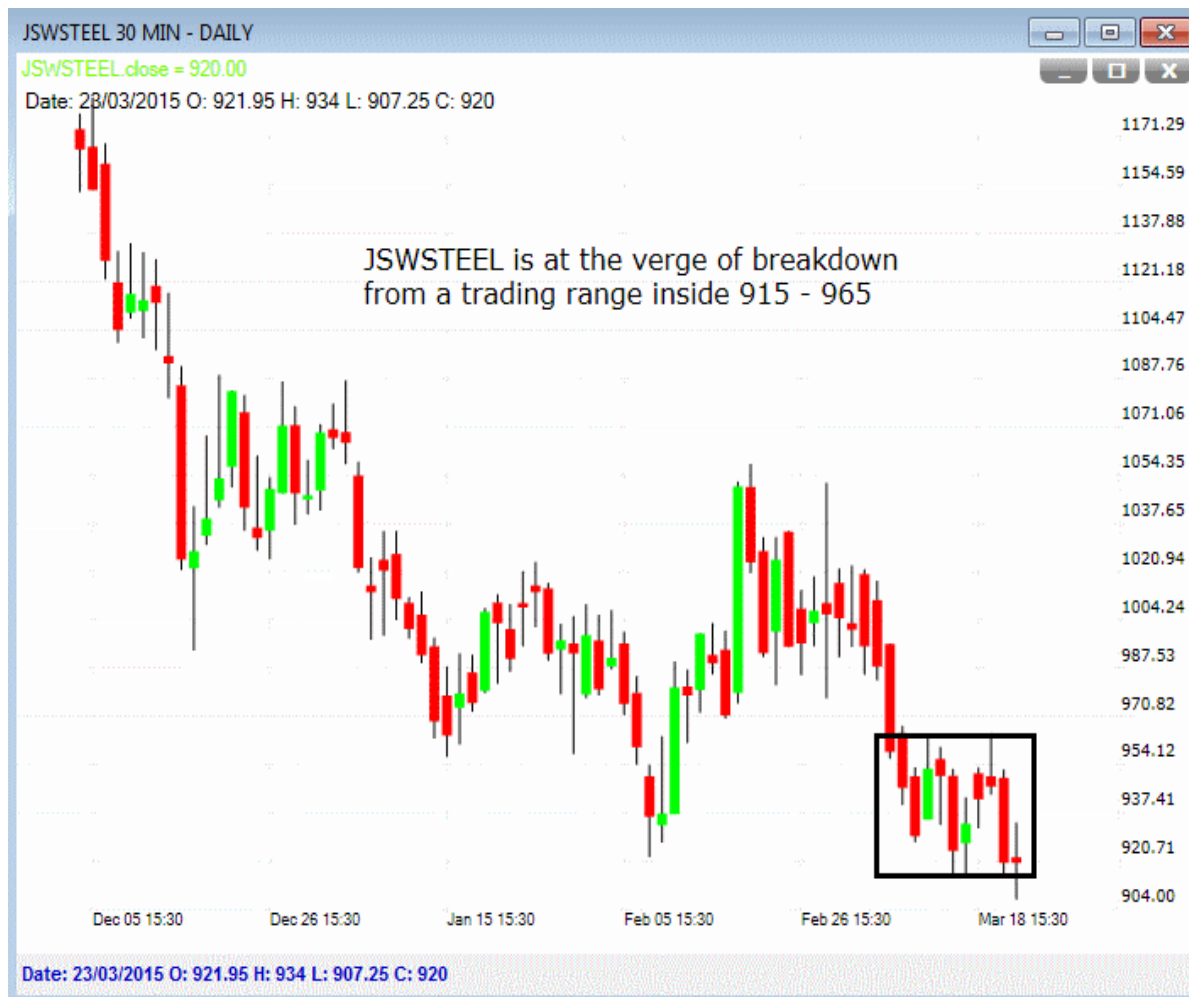
BANKBARODA – [Close (Spot Price): 169.15] – SELL

Trend is down in BANKBARODA. Prices have seen a sharp fall and then went into a trading range. Prices have broken below from the support of this range at 172. This suggests that the decline may continue. Sell this stock below 169. If this trade executes then place your stop just above 171 with a target near 165.



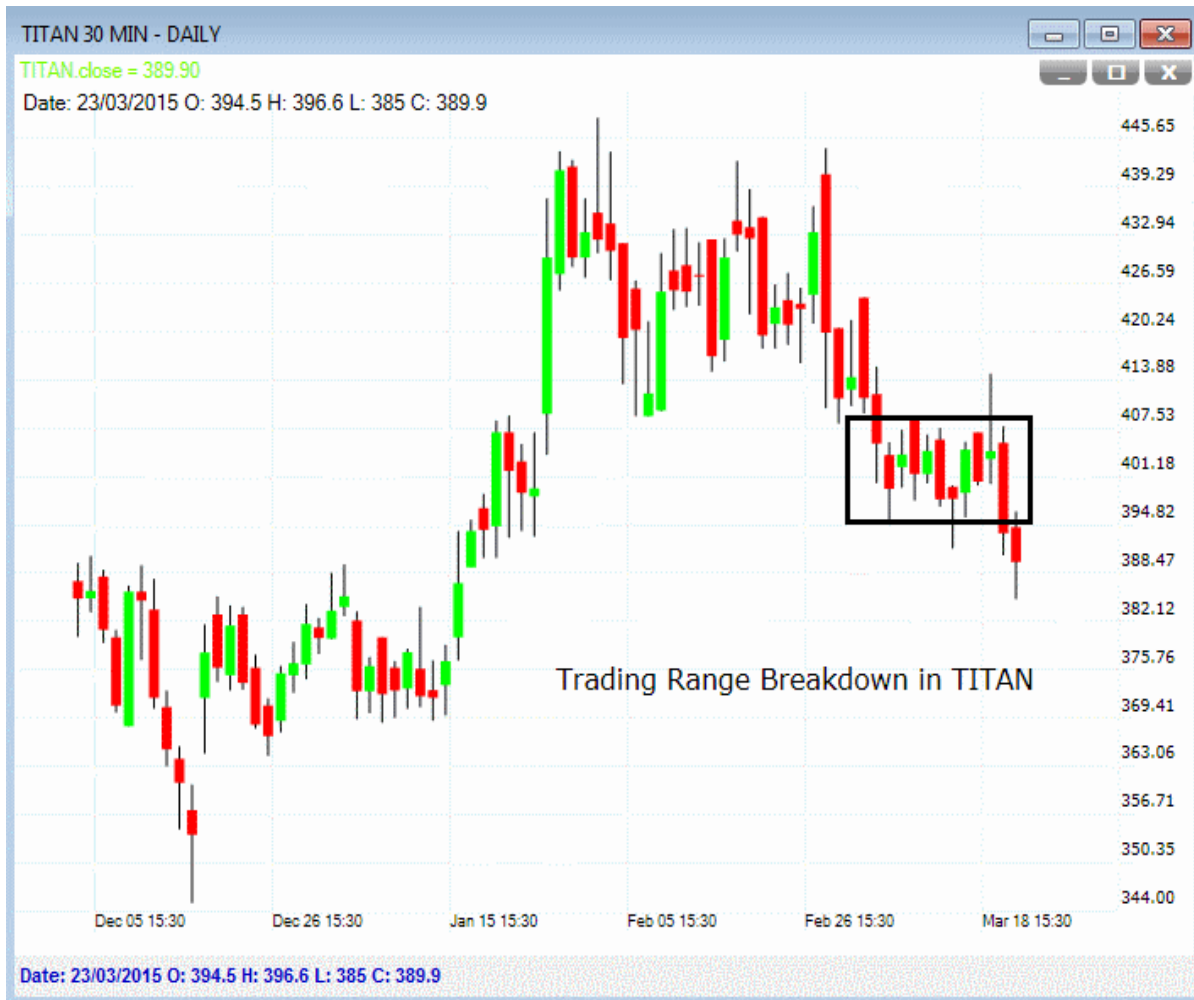
JSWSTEEL – [Close (Spot Price): 920] – SELL

Trend is down in JSWSTEEL. Prices are trading inside a narrow range 915 – 965 and now at the verge of breakdown. We may see a decline in this stock. Sell this stock below 915. If this trade executes then place your stop just above 935 and a target near 870.



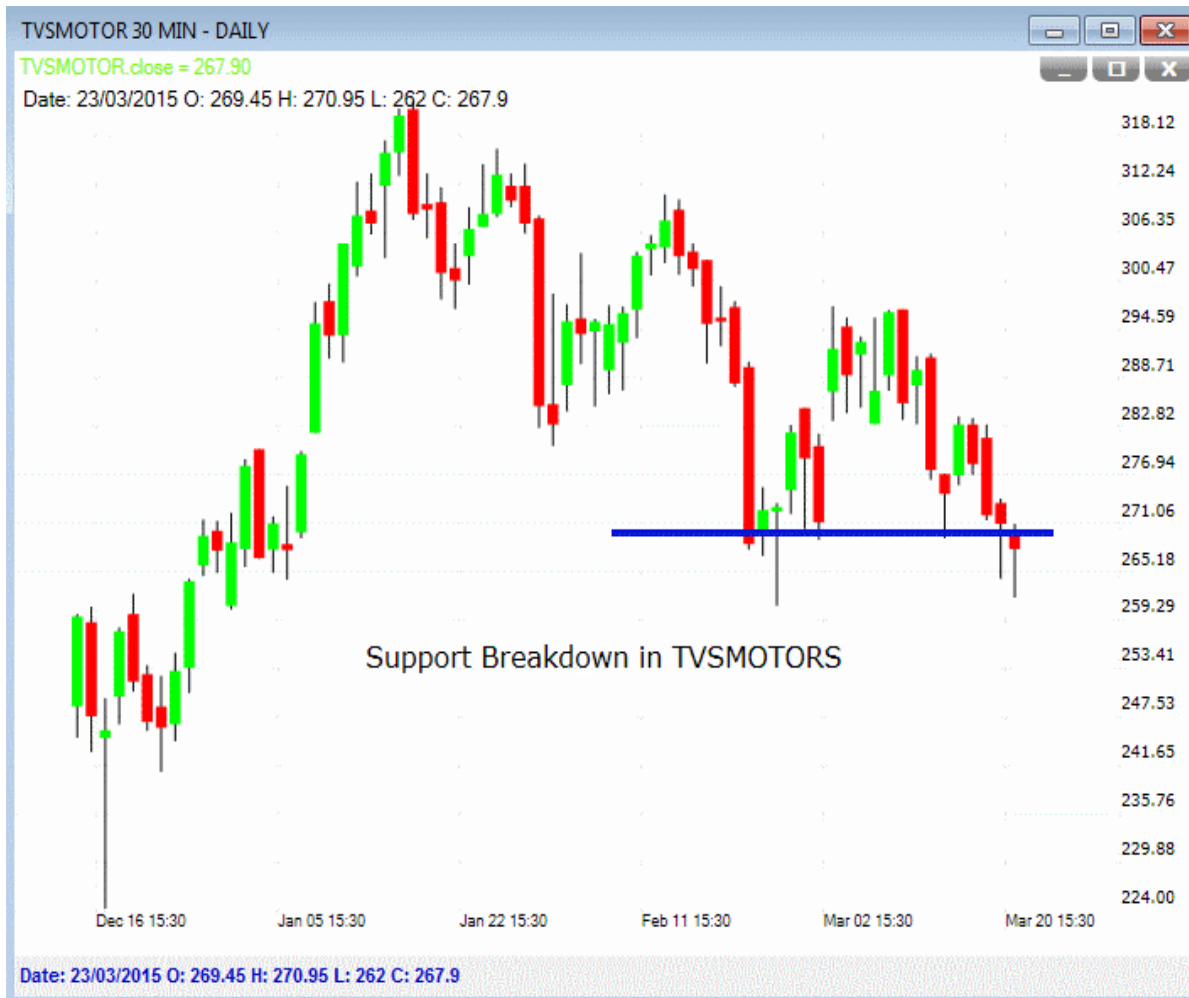
TITAN – [Close (Spot Price): 389.90] – SELL

Trend is down in TITAN. Prices were trading inside a narrow range 395 – 410. This range has seen a breakdown and prices closed below to it. This suggests that the decline may continue. Sell this stock below 388. If this trade executes then place your stop just above 392 and a target near 380.



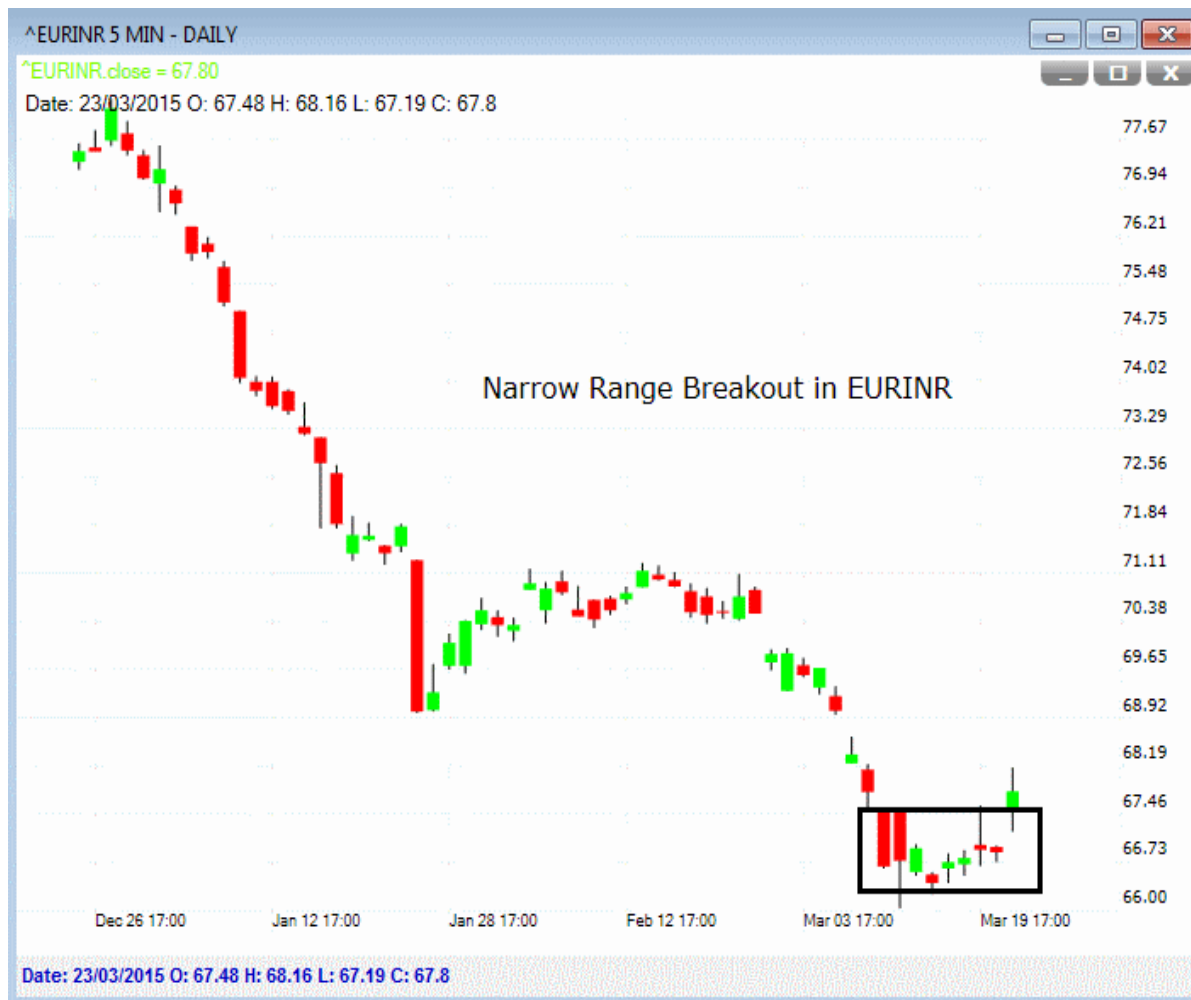
TVSMOTOR – [Close (Spot Price): 267.90] – SELL

Short Term Trend is down in TVSMOTOR. Prices have seen a sharp fall and broken below from its support near 270. This suggests that the decline may continue. Sell this stock below 267. If this trade executes then place your stop just above 270 with a target near 261.



CURRENCY TRACKER

SCRIPT	CURRENT PATTERN (if any)	TIME FRAME	TRADE			PREVIOUS PATTERN	TIME FRAME
			ENTRY PRICE	STOP	TARGET		
EURINR	Trading Range inside 66.20 - 67.50 Breaks upside	EOD	67.90	67.40	68.90	NA	NA



Final Words

The correction is still not over and there is more to come, therefore we should continue look for shorting opportunities in the Nifty as well as the Bank Nifty.

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