

## **ABSTRACT**

**QUITE MARKETS AFTER BIG DECLINES; A PROCESS OF CONSOLIDATION MAY BE STARTING; AVOID SHORT TERM POSITIONS DURING TRUNCATED TRADING DAYS NEXT WEEK; PHARMA, IT MAY BE STARTING A CORRECTION**

Bank Nifty traded very choppy today. The index closed above 18000. Support comes at 17400 whereas resistance comes at 18250. Traders should take partial profits from their short position. CNX IT has also traded very choppy today and closed with some gains. Intermediate and short term trend is now down.

We have MEDIA in Sector Focus. Trend is sideways in this sector. We will discuss the current scenario of MEDIA Stocks. Stock in focus includes HDFC, HDIL, PFC and ZEEL. For each of these stocks, we analyse their technical picture; identify trades with stop loss and targets. We will discuss a trade in GOLD and SILVER. Our trade in USDINR and EURINR has been closed now as prices met with our target.

## **MARKET TODAY**

A Volatile day in the market ends where; Nifty started the session nearly 54 points higher at 8396. Prices made a high of 8413.20 before turning lower to the day's low at 8269.15. Nifty traded near yesterday's close for most of the time and closed almost where it closed yesterday at 8341.40. Overall Nifty traded in a wide range of 143 points today. Gains in the index were contributed mainly by Banking and Financials (1.21%) whereas CNX FMCG (-0.91) and CNX PHARMA (-0.80) were the drags of the market. Overall market breadth was negative with 711 declining and 460 advancing stocks.

## **TRADING**

After steady decline from past few sessions, markets are now in a consolidation phase and nothing much can be derived from today's movement of the index. It may continue to trade choppy in a narrow range for next few sessions. Ideally traders should remain light while the Nifty moves in the range of 8200 to 8380.

## **What to Do Tomorrow?**

Expectedly it was a pause day for the index and from Monday it may even attempt a bounce back which may take Nifty 1-2% higher from present level. Nimble traders can now play the up move at least on intraday basis with lower volumes and wider stops to compensate for intraday volatility and choppiness.

## **ACTIVE INVESTING**

Yesterday, we suggested buying in Financial stocks. Invest only a small portion of your planned investment at this time.

## **NIFTY WATCH**

Nifty started the session in the green with a gap up of nearly 54 points but could not sustain at higher levels and fell till mid-day to touch day's low of 8269.15. From there is staged a smart recovery of almost 100 points and closed nearly flat with just a 0.75 points loss. In what could be the first sign of relief for bulls Nifty today closed well above its low of the day after 7 trading sessions.

On the daily charts theoretically it was 8th straight session of loss for the index though today's loss was of less than a point. On the candlestick charts Nifty has made a hammer pattern which often signals a short term low. Also Nifty is

now approximately 2% above its 200 day moving average which may act as a major support for the index. All this does not mean that we should now enter long positions in the market what we mean is that now traders should be cautious with their short positions by booking partial profits and/or tightening their stops.

### Short Term

We were stopped out of our short positions for this time frame when Nifty traded above our stop of 8370 level intraday. We are now neutral for the short term and wait patiently for fresh signal. Nifty sustaining below today's low of 8269 will be a signal to re-enter shorts again.

### Intermediate Term

We remain bearish for the intermediate term and advise traders to hold their short position with the 8450 stop level in the cash Nifty.

**STOCK MARKET – SPOT PRICE (NIFTY: 8348.05, SENSEX: 27,458.64)**



### TAKING A SWING TRADE

We had suggested four trades in our newsletter dated 18 March 2015 in both sides of the market. Trade was to go long in MARUTI and SKSMICRO and short in JUBLFOOD and CROMPGREAVE for selling.

In our long trades MARUTI and SKSMICRO, prices have stopped out after executing. It went in our favor initially but then a decline took prices below our stop loss. There are few stocks which are in continuous uptrend from long term and trending strongly upward and MARUTI is also one of them. So if we get stopped out from any of these kinds of stocks, then we should try to be long again on that stock. But it does not mean that we should not follow our rules and ignore stop loss or entry price. The motive is to define that, in long trending stocks we look for buying opportunity in every dip and stops are used to limit our losses. If we stopped out, then it does not mean the trend is changed.

In our short trades JUBFOOD and CROMPGREAVES, prices went upward in the beginning but then slowly but steadily it came down to cross our entry price. It didn't take much time to achieve our target price in both these stocks. We should follow the trend and try not to over purchase or oversold a particular stock so that you can limit your losses.

Secret to winning in stock market is to lose the least amount when trade move in opposite direction. Ratio between Risk and Return should be well managed. Return should be higher than the risk. This will give us an edge in the market.

#### METALS WATCH

METAL	CURRENT PATTERN (if any)	TIME FRAME	TRADE			PREVIOUS PATTERN	TIME FRAME
			ENTRY PRICE	STOP	TARGET		
<b>GOLD MINI</b>	Coming out from a consolidation	EOD	27050	26600	28000	Resistance at 26600	EOD
<b>SILVER MINI</b>	Coming out from a consolidation Resistance at 39000	EOD	39050	38400	40400	Trading Range inside 35000 – 36100 Broken on upside	EOD

#### IT IS ABOUT BANKS! [Bank Nifty (Spot Price): 18067]

Bank Nifty has seen an up move after six days of continuous decline. The index has seen more up's & down's today but at the end closed above 18000.

Support for the Bank Nifty comes at 17400 and resistance at 18250. The advice to look for shorting in this sector continues today.

Traders should trade on the downside of the index with lower than normal volume.



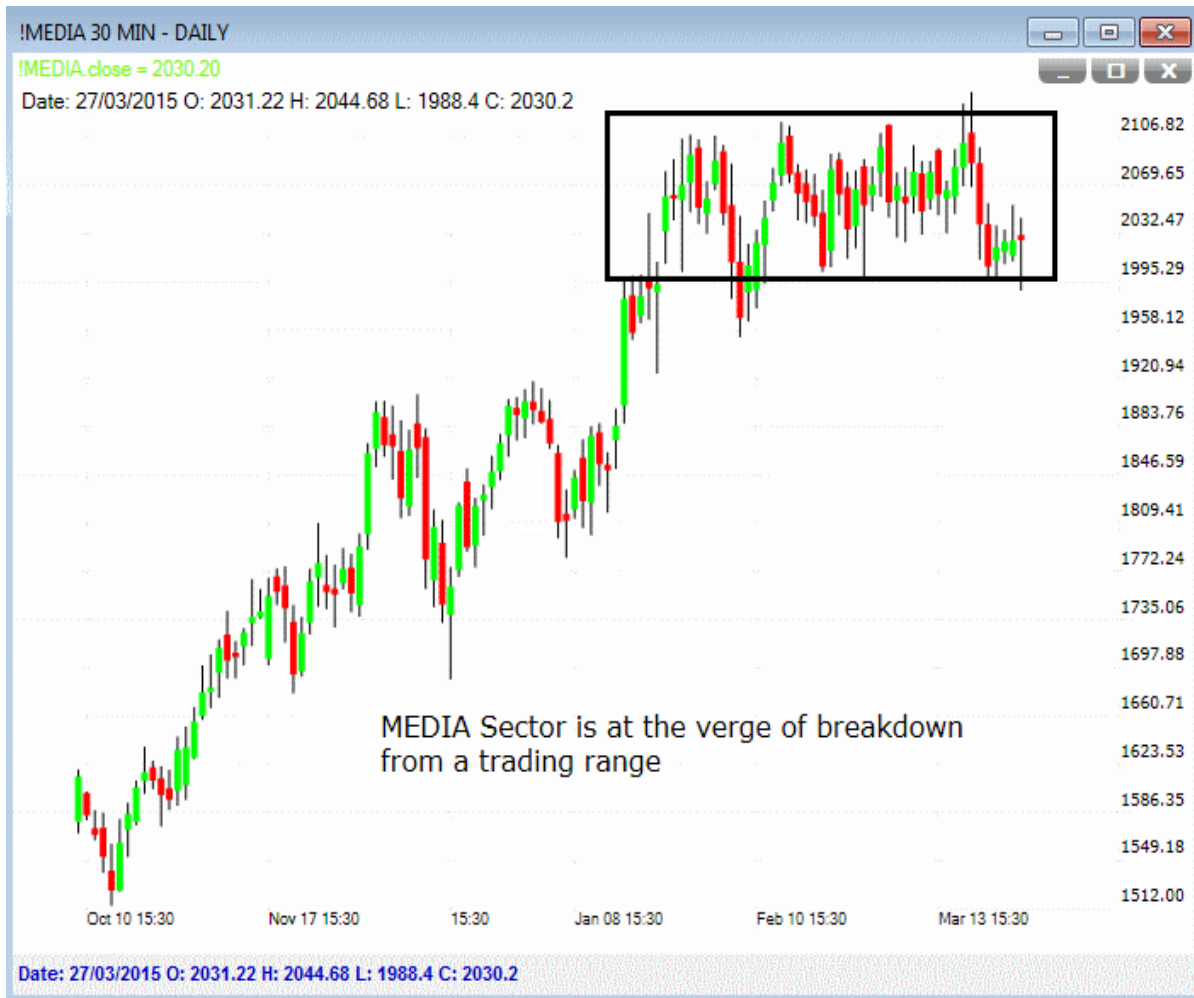
#### IT WATCH [CNX IT (Future Price): 12108.70]

CNX IT traded very choppy today and closed near its day open. Today the index opened above 12000 and remained above to it. Intermediate and Short Term Trend is down in this sector. Below the next support comes at 11550 – 11600. TCS and TECH M are now offering us a shorting opportunity. Traders can look for a shorting opportunity in these two stocks. Avoid buying in this sector.



### SECTOR FOCUS [MEDIA]

Trend is sideways in MEDIA Sector. Prices have seen a rally and now trading inside a range. As of now, the sector is trading near its support level. We may see a breakdown soon in this sector. As of now we should look for short selling only in this sector. A consolidation has seen a breakdown in ZEEL. Look for a shorting opportunity in this stock. Avoid the rest of the stocks in this sector.



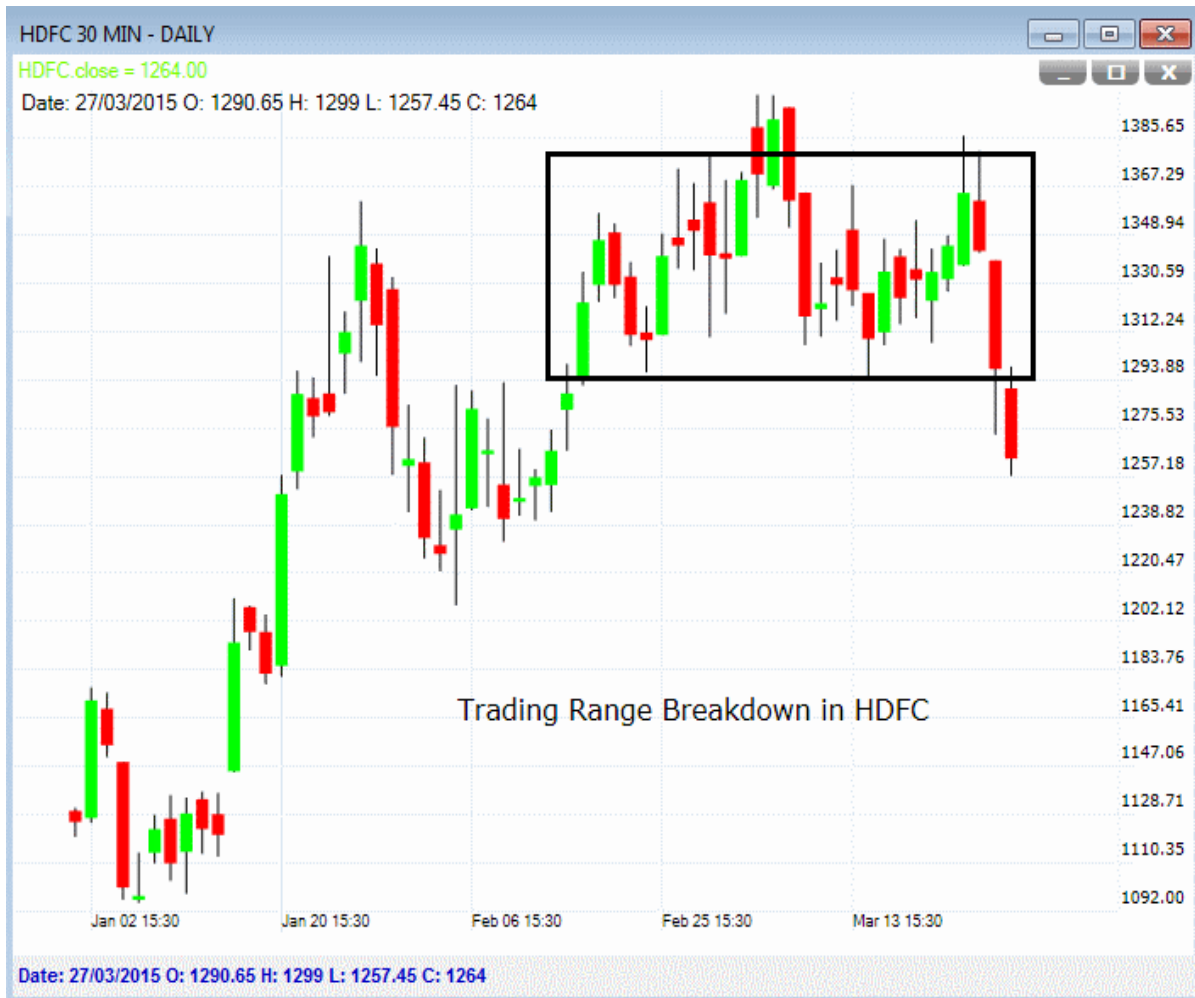
## SWING TRADES

*"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.

### **HDFC – [Close (Spot Price): 1264] – SELL**

Intermediate and short term trend is down in HDFC. Prices have seen an upside rally and then went into a consolidation. Prices have seen a breakdown from the support at 1290. Sell this stock below 1260. If this trade executes then place your stop just above 1280 with a target near 1220.



**HDIL – [Close (Spot Price): 101] – SELL**

Short Term Trend is down in HDIL. Prices have seen a sharp fall and then went into a narrow trading range. We may see a breakdown soon from this narrow price action. Sell this stock below 99. If this trade executes then place your stop just above 101 and a target near 95.



**PFC – [Close (Spot Price): 266.15] – SELL**

Intermediate and Short Term Trend is down in PFC. Prices have been consolidating inside a large range from last 5 months. This range has seen a breakdown today. Sell this stock below 265. If this trade executes then place your stop just above 270 and a target near 255.





**ZEEL – [Close (Spot Price): 338] – SELL**

Trend is down in ZEEL. Prices have been trading inside a range. That range has seen a breakdown today. We may see lower levels in this stock. Sell this stock below 335. If this trade executes then place your stop just above 340 with a target near 325.



#### CURRENCY TRACKER

SCRIPT	CURRENT PATTERN (if any)	TIME FRAME	TRADE			PREVIOUS PATTERN	TIME FRAME
			ENTRY PRICE	STOP	TARGET		
GBPINR	NA	NA	NA	NA	NA	Trading range breaks up 92.10 – 93.40	EOD
USDINR	Support at 62.40	EOD	Executed @ 62.60	NA	Met with target @ 63.10	NA	NA
EURINR	Resistance at 69	EOD	NA	NA	NA	Trading Range inside 66.20 – 67.50 Breaks upside	EOD

## Final Words

Traders should be cautious with their short positions by booking partial profits and/or tightening their stops.

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