

Daily Trading Strategy

Friday, December 03, 2004

Nifty (2000.45): The index is heading for a new high now. Every thing is looking bright as more money is coming into action. Our view however, still remains unchanged. It took only five days for the nifty to come to 2000 levels from the level of 1900 and this is making the index more vulnerable, day-by-day. Even after that we don't want to preempt the market-so long as it goes up we should maintain our long positions. But fresh positions at these levels should be taken with due caution. Existing positions should still be held now with a stop below 1979. Below that, however, 1973-1967 would be the major support area.
Support: 1995, 1979, 1973, 1967 and 1957
Resistance: 2000.30 and 2014.....

ACC (294.25): As anticipated, this scrip did show a bounce back. Hence, maintain long positions with a trailing stop in place. We expect this scrip to head for a new high (highest ever) now.
Support: 293, 291, 288.50-287.50, 286 and 282
Resistance: 295, 298, 301-302 and 308.40

Infosys (2079.70): The IT major has continued to fall in line with the other IT stocks. Now that it has closed around its major support level chances are we might see a bounce back. However, don't buy it right away. Wait and see whether it bounces back from this level or not. If it does that then only go for it else forget about it because if it were to maintain below 2080, it might go all the way down to 2050 again.
Support: 2069, 2154, 2141 and 2133
Resistance: 2080, 2088, 2097-2100, 2113, 2122.50 and 2133

Maruti (425.50): As anticipated, this scrip, too, did not go lower and hence the bounce back. We would maintain our stance even now. Maintain long positions. Upside target is 438-440. It can go even further.
Support: 422-420, 416, 412-410, 406 and 401.50-400
Resistance: 426, 429, 434, 437 and 440

Reliance (543.05): This scrip has gone up once again. Maintain long positions with trailing stops in place. On the upside, however, crossing 545-552-range might be a little difficult.
Support: 540, 536, 532, 530 and 527-526
Resistance: 544, 551, 555, 560 and 563.50

Satyam (425.00): This scrip did not stay at the days high. Hence we would maintain our view even now. It seems 422-417-level is going to be retested now. Long positions, taken recently, should not be retained if it were to maintain below 416.
Support: 425, 422, 416-415, 411 and 409
Resistance: 428, 432, 435, 439-441, 445 and 448

SBI (584.15): The scrip has continued to go up on the back of good volume. This pace may take it further up. Maintain long positions with trailing stops in place.

Support: 582.40, 578, 573, 569-567 and 561-559
Resistance: 586, 590, 592, 595 and 600

Tata Motors (490.50): This scrip has moved up as anticipated. It is likely to move up even further. Any intraday decline in this scrip could be taken as a buying opportunity now. Upside target would be 510-515. Maintain existing positions.

Support: 486, 483.50, 481 and 475-473
Resistance: 491, 494.50, 499, 504, 507 and 511

TISCO (331.45): The scrip has continued to move up. Hence, we would maintain our stance even now. Technically, it is still positive and further upward levels may still be expected. On the upside, 334 would be the immediate hurdle. Above that it would be even better. Its strength would still be intact so long it maintains above 324. Maintain long positions placing a strict stop below 324.

Support: 330, 327, 324, 319, 316, 313-311, 309-308 and 305.50
Resistance: 334, 338, 342 and 347

Notes:

- All prices relate to the NSE spot market, unless otherwise mentioned.
- All closing prices in brackets are normally real time closing prices at 3.30 p.m. on the last trading session.
- Calls are based on the previous day's price activity.
- The call is valid for the next trading session only unless otherwise mentioned.
- Stop-loss levels are given so that there is a level below/above, which the market will tell us that the call has gone wrong. Stop-loss is an essential risk control mechanism; it should always be there.
- Trading involves considerable risk. Trade at your own risk to the extent you are comfortable. The analyst shall not be responsible for any losses incurred for acting on these recommendations.

Trade Well,

Rajat K Bose