

Trendwatch Daily Hotline

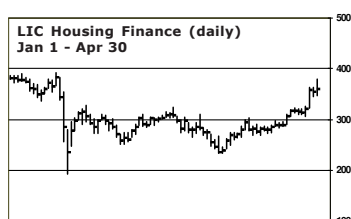


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Strong rally expected



LIC Housing closed at a three month high, and could make further gains today with stocks expected to go up with the rest of Asia.

There are a handful of buying recommendations and one short sale. The buys are safer as the intermediate trend remains up, and another global rally is under way.

BUYS	BUY BELOW	STOP LOSS
HDIL	770.00	760.00
LIC Housing Fin ★	362.50	357.50
Motilal Oswal ★	820.00	805.00
Reliance Capital	1510.00	1497.50
Sasken Comm Tech	180.00	177.00
SHORT SALES	SELL ABOVE	STOP LOSS
ONGC	1035.00	1047.50

The top picks from the above are marked with a star.

Today's trading considerations:

- MOST EUROPEAN MARKETS WERE CLOSED LAST NIGHT, WHILE THE US MARKETS RALLIED STRONGLY. ASIAN MARKETS ARE ALSO UP SHARPLY THIS MORNING, AND ANOTHER STRONG GLOBAL RALLY IS UNDER WAY. WE CAN EXPECT GOOD GAINS AS A RESULT.
- A MAJORITY OF GLOBAL MARKETS ARE STILL IN MAJOR (LONG-TERM) DOWNTRENDS NOW, BUT THE GLOBAL BEAR PHASE COULD END IF THE CURRENT RALLY PERSISTS.

Market Summary:

WE ARE CURRENTLY IN A BEAR MARKET. THE SENSEX WOULD HAVE TO CLOSE ABOVE 19,000 (FIGURE ROUNDED UPWARDS) TO START A NEW BULL MARKET.

OUR INDICES ARE IN THE INTERMEDIATE UPTRENDS. MOST GLOBAL MARKETS ARE BACK IN INTERMEDIATE UPTRENDS NOW.

Open Positions

LONGS	ENTRY DATE	ENTRY PRICE	LAST PRICE	RETURN	SENSEX RETURN	TRAILING STOP
Lanco Infratech	Apr 29	491.00	537.70	+9.51%	-0.52%	527.00
Infosys	Apr 30	1,750.00	1,753.75	+0.21%	+0.00%	1,737.00
Polaris Software	Apr 30	105.50	106.20	+0.66%	+0.00%	105.50
Renuka Sugars	Apr 28	130.00	131.00	+0.77%	+1.59%	
Bombay Rayon	Apr 29	382.00	386.00	+1.05%	-0.52%	
Selan Explore	Apr 29	247.50	252.00	+1.82%	-0.52%	
Adlabs Films	Apr 30	767.50	760.00	-0.98%	+0.00%	
Essar Oil	Apr 30	283.00	279.00	-1.41%	+0.00%	
HDIL	Apr 30	782.50	767.50	-1.92%	+0.00%	
McLeod Russel	Apr 30	101.50	99.50	-1.97%	+0.00%	
Sasken Comm Tech	Apr 30	183.00	181.00	-1.09%	+0.00%	
Wipro	Apr 30	477.50	472.40	-1.07%	+0.00%	
SHORTS						
Tata Comm	Apr 30	502.50	499.15	+0.67%	+0.00%	505.00
GAIL	Apr 30	440.05	443.50	-0.78%	+0.00%	

The market's two-way swings stopped out all but three of the long positions, and all three short positions.

Intermediate uptrend continues



The market's long-term (major) trend has still to turn up, as the indices show falling intermediate tops and bottoms.

The sensex and the nifty re-entered intermediate uptrends about two weeks back. The CNX Midcap had been in an intermediate uptrend well before them.

The intermediate uptrend is being seen as having started on March 18 when the sensex hit a low of 14,677. A downtrend was signalled after that, but it did not last long enough nor cause enough damage to be treated as one, and is being ignored.

The levels below which the uptrend would end remain at 16,589 for the sensex, 4,991 for nifty, and 6,797 for the CNX Midcap.

The Dow had been rallying strongly, closing at a fresh three-month high on Friday. It is just under its 200-day moving average, and its long-term (major) trend could also turn up.

For the moment though, most global markets are still in major downtrends.

All our indices are also in major (long-term) downtrends, which is equivalent to saying that the bear market is not known to be over yet.

The major downtrend (bear market) would end if the sensex closes above its last intermediate top of 18,895, the nifty above 5,545 and the CNX Midcap 7,814.

The major trend of Bombay Dyeing turned up on Wednesday.

Stocks dip

Stocks fell on Wednesday, with the sensex down 91.15 points (0.52%) at 17,287.31, the Nifty 29.60 points (0.57%) at 5,165.90, and the CNX Midcap 6.30 points (0.09%) at 7,004.80.

The breadth was poor, with declines outnumbering advances 1.13 times on the BSE and 1.23 times on NSE.

The volume in advancing issues was 47.8% (78.2%) on the BSE, and 50.7% (74.6%) on the NSE, while that in declining ones was

49.6% (20.8%) on the BSE, and 49.2% (25.1%) on the NSE.

The normalised TRIN was mildly bullish at +0.08 on the BSE, after a bullish +0.61 a session earlier. It was bullish at +0.21 on the NSE, after a bullish +0.47.

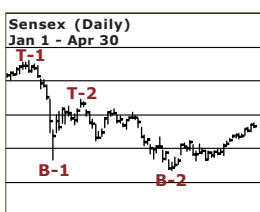
Hotline stocks at 200-day highs remained four, and 200-day lows one. 5-day highs fell from 120 to 87, while 5-day lows rose from 17 to 34. The 240 stocks averaged a gain of 0.11%.

The nifty opened higher and rallied briefly till it topped out for the day at 1025. It then followed a declining trend and closed around its low. The CNX Midcap followed a similar course, but suffered a smaller loss.

The FIIs bought \$85.6 million of stocks on Tuesday, and the MFs acquired \$94.5 million. The FIIs are averaging daily sales of \$0.7 million over the last five sessions, while the MFs are buying at a rate of \$11.7 million.

"Our moves have tended to mirror global trends. Most global markets are back in intermediate uptrends with the current rally."

Global markets rallying strongly



The sensex is best seen as continuing in the same intermediate uptrend that started on March 18 when it hit a low of 14,677 (B-2). The current bear market has started from T-1.

Most European markets were closed last night, while the US markets rallied strongly.

Asian markets are also up sharply this morning, and another strong global rally is under way.

Most global indices are in intermediate uptrends. The Dow closed at its best since early January.

However, most major trends remain down.

The Dow rose 189.87 points (1.48%) to 13,010.00, and the NASDAQ composite went up 67.91 points (2.81%) to 2,480.71.

Infosys was up 1.26% at \$44.24, Satyam Computers rose 1.25% to \$26.00, Wipro gained 1.38% at \$13.18, Tata Motors gained 2.72% at \$16.99, ICICI Bank went up 2.60% to \$45.75, HDFC Bank rose 4.53% to \$117.91, Dr Reddy's Labs gained

1.83% at \$15.55, MTNL rose 0.36% to \$5.59, Patni went up 0.07% to \$13.43, Rediff.com lost 2.02% at \$8.73 and Satyam Infoway fell 2.55% to \$4.97.

The Nikkei went down 83.13 points (0.60%) to 13,766.86. The Hong Kong exchange was closed yesterday.

Jun Gold was down \$14.20 (1.64%) at \$850.90, and Jul Silver down 39 cents (2.35%) at \$16.210.