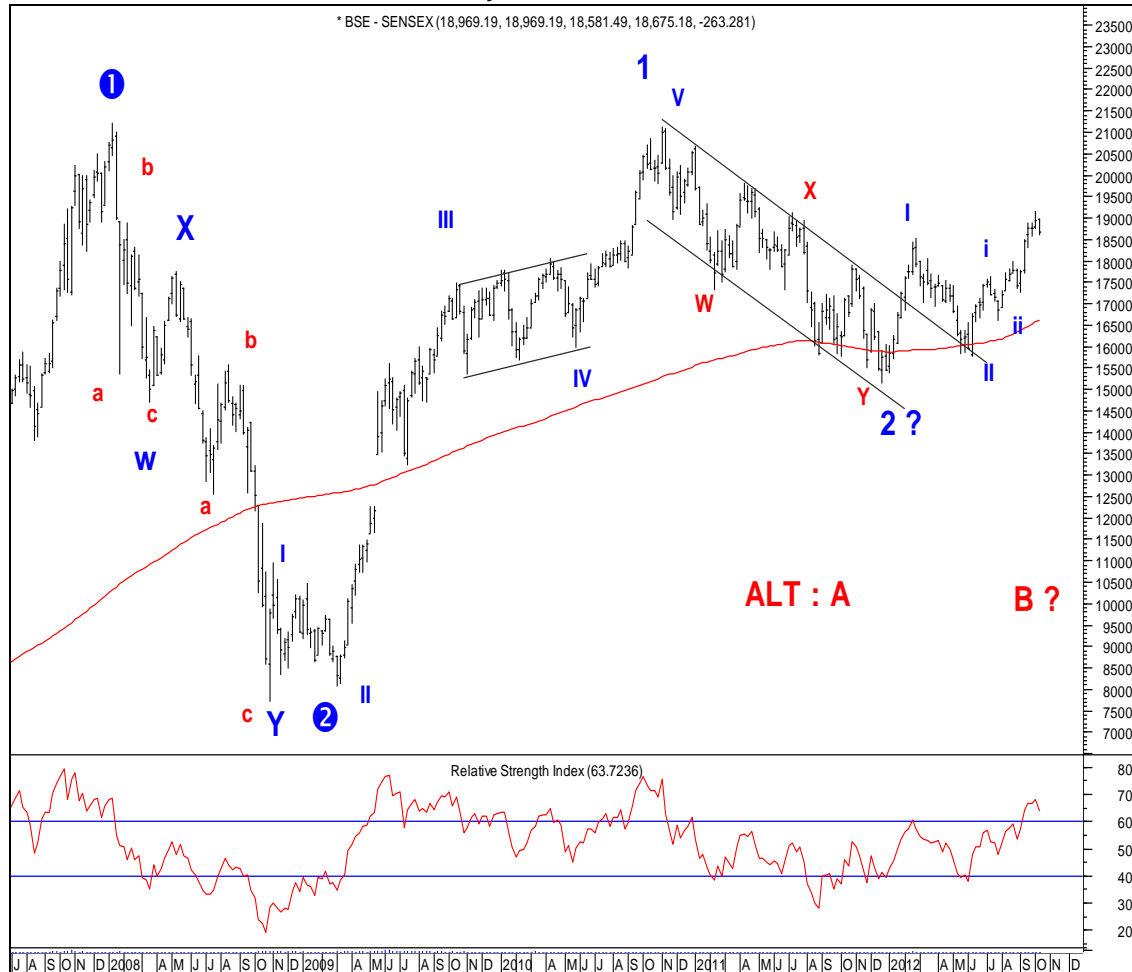




Oct 23, 2012

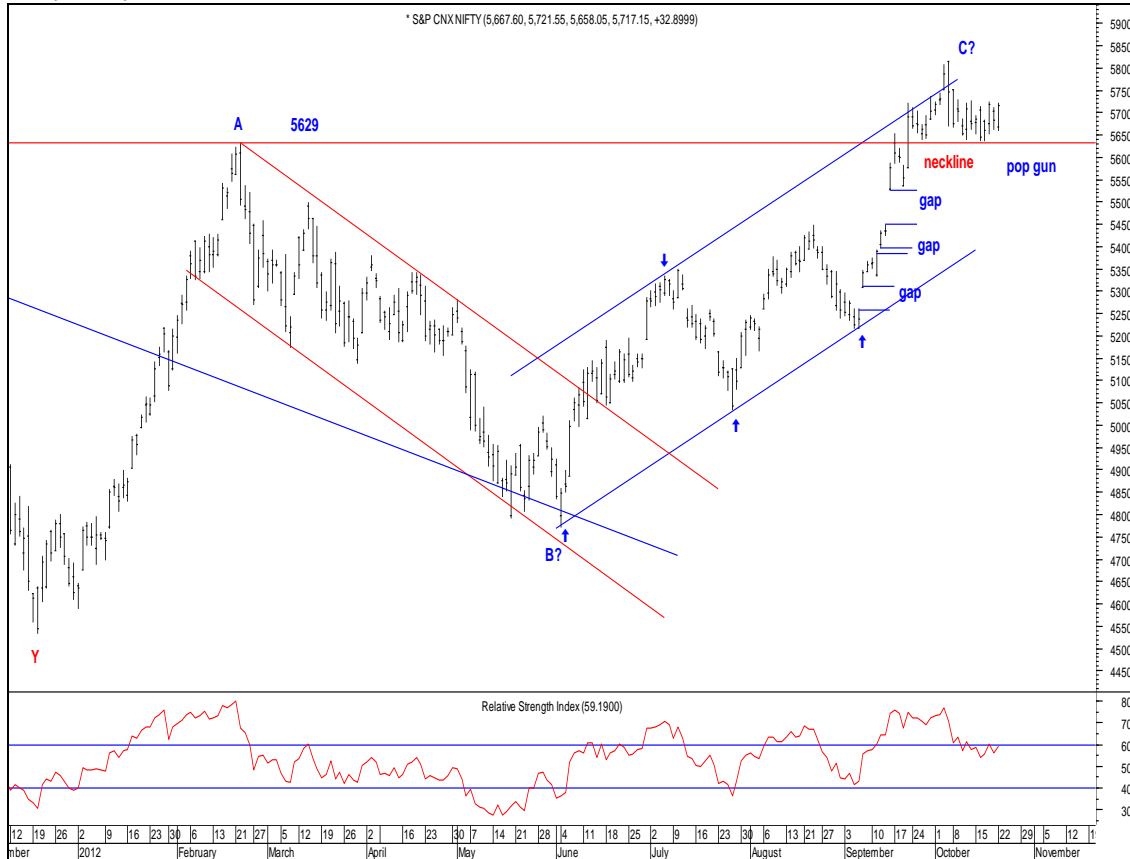
Bottom Line: Sideways consolidation continues. 5630 holds the key on the downside for Nifty.

SENSEX Medium term Wave Count Daily chart:





Nifty Daily chart: Alternate Bearish Wave Count



Wave Analysis:

Nifty Index prices have been range bound for the entire October series between 5630-5740 levels. The sideways consolidation can continue for another week. However we expect a trending move on the Index for the November series. The Index in yesterday's trading session has formed a pop-gun pattern (inside bar followed by outside bar pattern) where immediate support lies at 5650 levels.

The Bank Nifty time cycle coincides with RBI monetary policy. A break of either of support or resistance level will set the next leg for the Index. This week we would advise to have minimum position ahead of the Bank holiday & the expiry around we can expect choppy price action with rise in volatility. The daily RSI has moved below the 60 levels.

A close below 5630 would be the first negative confirmation & suggest the current up move has stalled & we could see a corrective down leg towards 5500 levels.

On the upside it is important for the Index to sustain above 5720 to regain the momentum. Time wise we can expect choppy prices action for another week.

For now 5630 should act as make or break level as long as it is protected on the downside room for wave 'C' on the upside is still open till 5820-5880 levels.



Maruti Suzuki Weekly (Semi-log) chart:



Waves Analysis:

For Maruti we have shown wave labeling on the weekly semi-log chart since 2003. The upmove from (July 2003- Feb 2004) 160-588 levels is in the form of wave '1' of primary degree. Wave '2' retraced 61.8% of wave 1 & completed at 300 levels.

The upmove from (May 2003- May 2006) 300-975 levels is in the form of wave '3' of primary degree which happens to be 1.618* wave '1'. Wave '4' retraced 38.2% of wave '3' & completed at 715 levels. Thereafter the upmove from 715-1248 levels is in the form of wave '5' of primary degree where wave '5' attained equality with wave '1' (wave '5'=wave '1'). The entire upmove from (July 2003-Nov 2007) 160-1248 is in the form of wave (1) of cycle degree.

The decline from (Nov 2007- Dec 2008) 1248-433 levels is in the form of wave (2) of cycle degree. Wave (2) of cycle degree completed at 433 levels.

The upmove from (2008 lows- 2009 highs) 433-1237 levels is in the form of wave 1 of wave (3) cycle degree.



The decline from (Oct 2009-Dec 2011) 1737-900 is a three wave corrective structure in W-X-Y formation.

Wave 'Y'= wave 'W'. Wave '2' of primary degree retraced 61.8% of wave '1' & completed at 900 levels.

The upmove from (Dec 2011- Mar 2012) 900-1428 is in the form of wave 'i' of intermediate degree. Thereafter wave 'ii' retraced 61.8% of wave 'i' & completed near 1051 levels.

The current upmove is in the form of wave 'iii' of '3' where we expect prices to rally towards 1600 levels.

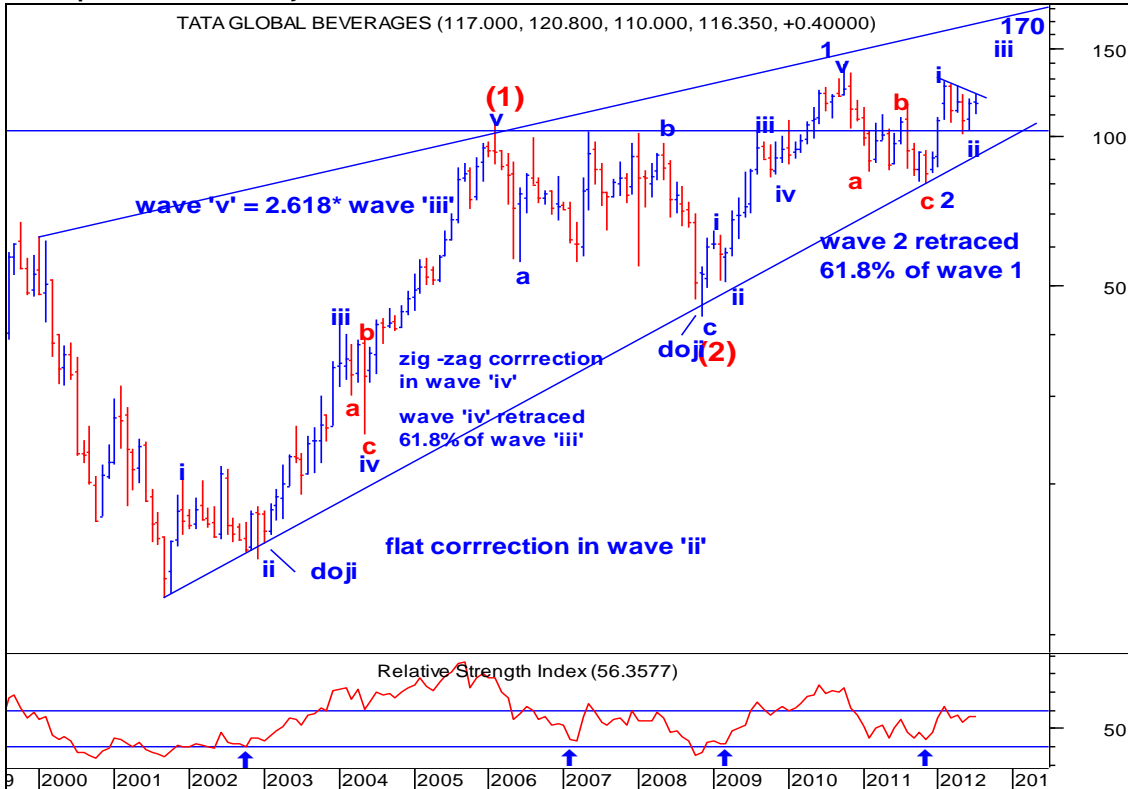
The projection target for wave (3) of cycle degree is near 2200 levels. Long term support for the stock is now at 1050 levels for upside target near 2200 levels which would take time to unfold.

Medium term traders can buy on sustained move above 1410 for upside target near 1600 levels. Immediate support lies at 1310 on closing basis.

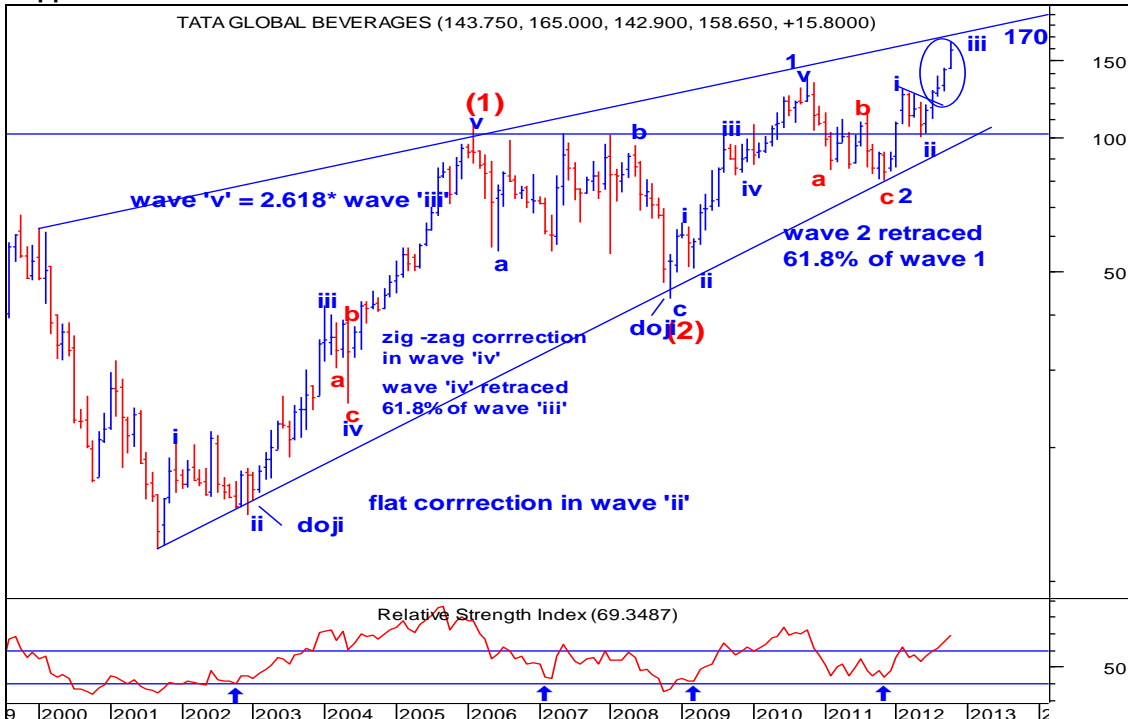
The stock is in a long term structural uptrend. Break above the bearish downtrendline from 1737 should be considered as a buying opportunity. A close above 1410 would give a strong positive confirmation.



TATA GLOBAL BEVERAGES Monthly chart (Semi-log)
Anticipated on 18th July



Happened



**Waves Analysis:**

On 18th July we mentioned *“For Tata Global Beverages we have shown the wave labeling on the Monthly (Semi-log) chart from the year 2001. In our view the upmove from 11.75-107.80 is wave (1) of larger degree. In the internal wave counts we can see wave ‘v’=2.618*wave ‘iii’. The decline from 107.80-43.30 levels is in the form of wave (2) of larger degree.*

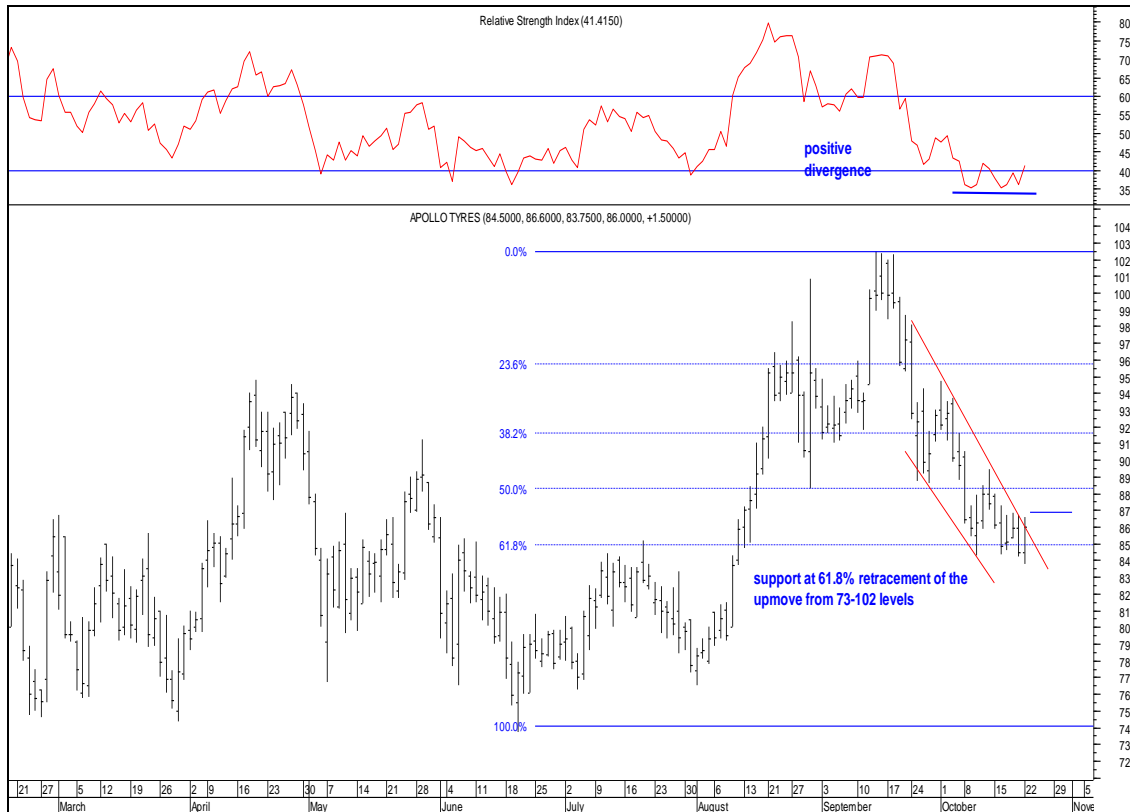
The upmove thereafter from 43 levels is in the form of wave (3) of larger degree in which wave ‘iii’ of minor degree is ongoing. Wave ‘ii’ of minute degree was completed near 100.45 levels. On the larger time frame a monthly break above 128 levels would give a strong positive confirmation for upside target towards 170 levels.”

As anticipated in our previous update prices have moved higher in form of wave ‘iii’ near 165 levels. In the short term we expect prices to test 172/180 levels where wave ‘iii’ could get completed & we could see a corrective in the form wave ‘iv’ till 148 levels & thereafter the next upleg where prices should eventually move above 180 & test 235 levels on the upside in the long term in the form of wave (3) of cycle degree.

The stock is in an uptrend & has relatively outperformed the midcap Index.



Apollo Tyres Daily chart:



Waves Analysis:

For Apollo Tyres as shown on the daily chart prices have taken support near the 61.8% retracement of the upmove from 73-102 levels.

The RSI has formed a positive divergence.
In the short term a break above the bearish down trendline at 87 we can expect prices to move higher near 94 levels.

As long as 83 is protected on the downside favored view would remain with a positive bias.

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