



Have guts to buy on major declines

Shrikant Chouhan

THE most important thing is not to be impatient while trading or investing. The reason is that the market is still volatile and is likely to remain so till global markets stabilise. In the meantime, our market will offer a lot of opportunities to buy at dips and sell at highs. After the steep fall in stock prices in October, a look at the broad market reveals that the damage to individual stocks is severe and that has killed purchasing power drastically. In such type of scenario, I don't think insiders may

adopt rising bottom falling top approach to consolidate (symmetrical triangle). The ideal formation should be falling top falling bottom (falling wedge) or flat bottoms and falling tops (ascending triangle) to consolidate or prepare for the next up move. The average-traded volumes should come down to extreme levels that will indicate diminishing interest of selling force in the market.

For investors, our advice is to have guts to buy on major declines and sell back the same at major resistance levels. For traders, our advice is same; follow

major levels to trade without any specific view of bullish or bearish.

The level of 2860/9700 may act as a concrete support for the market and breach of the same may invite further sell-off to the levels 2650/8900, or may be even up to 2580/8720. However, a close below 2580/8720 may empower bears and in that case

retesting of previous lows is not ruled out. On the higher side, sustenance of the market above 3050/10450 may lift the sentiment and in that case the

market may even surge to 3250/10900. However, weekly close above 3170/10800 may lift the market to even 3400/11600.

- Sell Wipro around Rs 270.00
- Stop Loss above Rs 294 is a must
- CMP: Rs 260.50
- Target: Rs 235/Rs 205.00
- Buy Hero Honda around Rs 745.00
- Stop loss below Rs 720 is a must
- CMP: Rs 753.00
- Target: Rs 779/Rs 795.00

The writer is vice-president (Technical Research) of Kotak Securities

technically