



CHARTS FOR THE WEEK 31-08-2015 TO 04-09-2015

Before reading this weeks write up it would be very significant to understand the context in which we are writing and why. Readers who have been tracking our technical view would have understood that our view is mostly contrary to the general perception in markets.

For your reference you “may” read the links below of how these markets have been **book copy** in **making a top in January 2015** with the leaders of the bull run facing a selloff, **bouncing back sharply giving a false sense of a new leg starting** with under owned stocks & mid caps and subsequently correcting further.

End of January 2015 there were signs of a topping out

<http://www.nayanmvala.com/pdf/CHARTS%20FOR%20THE%20WEEK%2026-01-2015%20T0%2030-01-2015.pdf>
<http://www.nayanmvala.com/pdf/CHARTS%20FOR%20THE%20WEEK%2016-02-2015%20T0%2020-02-2015.pdf>

Why Nifty can bounce back but 8600 range will act as a significant resistance.

<http://www.nayanmvala.com/pdf/CHARTS%20FOR%20THE%20WEEK%2011-05-2015%20T0%2015-05-2015.pdf>
<http://www.nayanmvala.com/pdf/CHARTS%20FOR%20THE%20WEEK%2008-06-2015%20T0%2012-06-2015.pdf>
<http://www.nayanmvala.com/pdf/CHARTS%20FOR%20THE%20WEEK%2015-06-2015%20T0%2019-06-2015.pdf>

Larger framework is negative

<http://www.nayanmvala.com/pdf/CHARTS%20FOR%20THE%20WEEK%2006-07-2015%20T0%2010-07-2015.pdf>
<http://www.nayanmvala.com/pdf/CHARTS%20FOR%20THE%20WEEK%2013-07-2015%20T0%2017-07-2015.pdf>
<http://www.nayanmvala.com/pdf/CHARTS%20FOR%20THE%20WEEK%2003-08-2015%20T0%2007-08-2015.pdf>

A break below 8300 range will create panic /Small cap index dangerously poised / global markets charts precariously poised

<http://www.nayanmvala.com/pdf/CHARTS%20FOR%20THE%20WEEK%2017-08-2015%20T0%2021-08-2015.pdf>
<http://www.nayanmvala.com/pdf/CHARTS%20FOR%20THE%20WEEK%2010-08-2015%20T0%2014-08-2015.pdf>



NIFTY – WEEKLY

Having peaked out in Jan ‘15 around 9000, it has a classic lower top around 8600. In the current week despite having broken the low of 7950 -8000 intra week, it managed to close above it marginally, thus not giving a clear short term direction.

HOWEVER SENSEX IN DOLLAR TERMS HAS BROKEN DOWN CLEARLY



**DOLLEX 30-
WEEKLY**

SENSEX in dollar terms has broken below the post election results low of 3357 in May 2014.

“Implying that any FI who has invested in India in SENSEX post the election results in May 2014 is incurring a loss”

Can the NIFTY bounce back to levels of 8200 ???..... Always possible



**BANK NIFTY –
WEEKLY**

Bank Nifty has given the lowest weekly close since November 2014 and in the current week has a huge break down of trend

This breaking of a significant trend is also the case with many other indices



CNX MID CAP – WEEKLY

This index too though having recovered sharply intra week did break the trend.

Even when the markets move up some set of stocks do very badly and some set of stocks do very well and vice versa. Selecting the wrong set of stocks may be disastrous.

- *Like buying PSU banks / Infra/ Power etc post the election results in May 2014*
- *Buying Metals in Oct / Nov 2014*
- *Buying Pvt banks In Jan 2015 when Bank Nifty was at 20000 -20500 range*
- *May be buying some of the mid cap and small cap stocks which have moved up abnormally in the past 1 year is something that needs to be avoided.*

**From NAYAN M. VALA SECURITIES PVT.LTD.RESEARCH
By Dharmesh N. Vala**

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