

Day Trading Picks for 17 May 2011

Name	Close	Trend	RS	Volatility	%Volatility	Resistant Band 2		Resistant Band 1		Pivot	Support Band 1		Support Band 2	
						RR4	RR3	RR2	RR1		SS1	SS2	SS3	SS4
* BSE - SENSEX	18345.03	NEUTRAL	-1.00	16.00	1.49	18684.08	18591.93	18534.97	18478.01	18385.86	18293.71	18236.75	18179.79	18087.64
* CNX BANK INT	10912.35	NEUTRAL	-1.00	22.00	1.89	11164.11	11089.31	11043.08	10996.84	10922.04	10847.25	10801.01	10754.78	10679.98
* CNX IT INDEX	6564.05	NEUTRAL	0.00	14.00	1.36	6674.22	6644.94	6626.83	6608.73	6579.44	6550.16	6532.06	6513.95	6484.67
* S&P CNX NIFT	5499.00	NEUTRAL	-1.00	16.00	1.49	5598.03	5570.67	5553.75	5536.84	5509.48	5482.12	5465.20	5448.29	5420.93
AXIS BANK	1224.40	NEUTRAL	-1.00	31.00	2.68	1266.78	1254.81	1247.42	1240.02	1228.06	1216.10	1208.70	1201.31	1189.35
BHARTI AIRTEL	371.20	BULLISH	0.00	28.00	1.84	379.74	376.82	375.01	373.20	370.28	367.35	365.55	363.74	360.81
BHEL	2050.85	NEUTRAL	0.00	25.00	2.08	2090.79	2077.18	2068.77	2060.35	2046.75	2033.14	2024.72	2016.31	2002.70
CAIRN INDIA	334.95	BEARISH	-1.00	21.00	2.21	344.73	342.30	340.80	339.30	336.88	334.45	332.95	331.46	329.03
DLF	226.20	NEUTRAL	1.00	33.00	3.09	235.03	232.78	231.40	230.01	227.76	225.52	224.13	222.74	220.49
HDFC BANK	2253.05	NEUTRAL	0.00	25.00	2.00	2303.78	2287.72	2277.80	2267.87	2251.81	2235.75	2225.83	2215.90	2199.84
HDFC LTD	634.00	BEARISH	-2.00	26.00	2.46	654.15	648.97	645.77	642.57	637.40	632.22	629.02	625.82	620.64
HERO HONDA	1862.85	BULLISH	3.00	42.00	4.10	1912.36	1888.54	1873.83	1859.11	1835.30	1811.48	1796.76	1782.05	1758.23
HINDALCO INDS	194.90	BEARISH	-2.00	32.00	3.35	202.15	200.02	198.71	197.39	195.26	193.13	191.82	190.50	188.37
HOUSING DEV &	160.70	BULLISH	2.00	52.00	4.83	168.19	165.71	164.18	162.65	160.18	157.70	156.17	154.64	152.17
ICICI BANK	1057.75	BEARISH	-1.00	28.00	2.57	1091.05	1081.41	1075.45	1069.49	1059.84	1050.20	1044.24	1038.28	1028.64
IDFC	129.25	BEARISH	-2.00	32.00	2.88	133.90	132.66	131.89	131.12	129.88	128.64	127.87	127.10	125.86
IFCI LTD	49.15	NEUTRAL	-1.00	40.00	2.24	50.62	50.21	49.96	49.71	49.29	48.88	48.63	48.38	47.97
INFOSYS TECHI	2850.40	BEARISH	-1.00	15.00	1.46	2900.93	2887.13	2878.59	2870.05	2856.25	2842.44	2833.90	2825.36	2811.56
ITC LTD	186.10	NEUTRAL	0.00	28.00	2.72	192.76	191.12	190.10	189.09	187.44	185.80	184.79	183.77	182.13
JAIPRAKASH AS	84.65	NEUTRAL	-1.00	40.00	4.24	89.81	88.61	87.88	87.14	85.95	84.75	84.01	83.28	82.08
JSW STEEL	922.50	NEUTRAL	1.00	33.00	3.61	962.73	951.96	945.31	938.65	927.88	917.11	910.45	903.79	893.02
LARSEN & TOU	1516.85	NEUTRAL	-1.00	30.00	2.40	1562.45	1550.05	1542.38	1534.71	1522.31	1509.91	1502.24	1494.58	1482.17
LIC HOUSING FI	217.10	NEUTRAL	1.00	39.00	3.21	227.34	224.95	223.48	222.00	219.61	217.22	215.75	214.27	211.88
MAHINDRA & M	672.65	BEARISH	-2.00	32.00	2.88	699.13	692.24	687.99	683.73	676.85	669.96	665.70	661.45	654.56
ONGC CORPN	296.95	BEARISH	-1.00	34.00	3.00	310.52	307.37	305.42	303.48	300.33	297.18	295.23	293.29	290.14
PUNJ LLOYD	61.10	NEUTRAL	-2.00	39.00	3.31	63.97	63.25	62.81	62.36	61.64	60.93	60.48	60.04	59.32
RELIANCE CAP	515.70	NEUTRAL	-1.00	34.00	2.78	534.68	529.51	526.31	523.12	517.95	512.77	509.58	506.38	501.21
RELIANCE COM	89.35	NEUTRAL	-2.00	41.00	3.19	93.30	92.29	91.66	91.04	90.03	89.02	88.39	87.77	86.76
RELIANCE INDS	945.00	NEUTRAL	-1.00	20.00	1.69	962.70	957.53	954.34	951.15	945.98	940.81	937.62	934.42	929.25
RELIANCE INFR	598.75	NEUTRAL	-1.00	36.00	3.26	621.15	614.65	610.64	606.62	600.13	593.63	589.62	585.60	579.11
SHR RENUKA S	60.15	BEARISH	-5.00	34.00	4.55	63.07	62.28	61.79	61.30	60.51	59.72	59.23	58.74	57.95
STATE BANK	2616.30	NEUTRAL	-1.00	27.00	2.02	2690.12	2670.88	2658.99	2647.10	2627.86	2608.62	2596.73	2584.84	2565.60
TATA MOTORS	1215.75	NEUTRAL	1.00	34.00	3.08	1247.65	1235.05	1227.26	1219.48	1206.88	1194.28	1186.49	1178.70	1166.11
TATA STEEL	577.80	BEARISH	-1.00	20.00	2.33	596.35	592.04	589.37	586.71	582.40	578.08	575.42	572.75	568.44
TCS	1131.10	NEUTRAL	0.00	29.00	2.61	1163.06	1153.72	1147.94	1142.17	1132.83	1123.49	1117.71	1111.94	1102.60
TITAN INDS	4025.05	BULLISH	1.00	43.00	2.07	4108.18	4076.56	4057.01	4037.46	4005.85	3974.23	3954.68	3935.14	3903.52

What is Day Trading?

Day Trading involves taking a position in the markets with a view of squaring that position before the end of that day. A day trader typically trades several times a day looking for a few points per trade, but who close out all their positions by day's end. The goal of a day trader is to capitalize on price movement within one trading day. Unlike investors, a day trader may hold positions for only minutes, but never overnight.

How to use the TradersEdgeIndia.com Day Trading Picks?

Always trade in the most active stocks (highest volumes) and in the direction of the current market trend. If the current market trend is "BULLISH" trade securities that have "BULLISH" or "NEUTRAL" under the "Trend" column. Alternatively if the current market trend is "BEARISH" trade securities that have "BEARISH" or "NEUTRAL" under the "Trend" column.

How to identify the current market TREND: You can identify the current market trend by observing the major indices like BSE SENSEX, NSE 50 NIFTY, etc. If the indices above their day's previous close and rising then the current market trend is BULLISH. Alternative if the indices are below their previous day's close and falling then the current market trend is BEARISH.

How to Select the Most Active Stocks: You can get a list of the most active stocks from your brokers trading terminal or from the nseindia.com or bseindia.com website.

How to Day Trade by buying first to sell later at a higher price for profits.

How to identify the best stocks to BUY: Select the most active stocks with a BULLISH TREND, HIGH %VOLATILITY reading and a POSITIVE RS.

When to BUY (go long): If the current market trend is BULLISH, BUY the moment the security crosses above any of its support levels (SS4, SS3, SS2, SS1) or Pivot. Once long in a trade keep the LOW of the day as your stoploss. Book profits at any of the next higher level (above your buying price) as mentioned in the newsletter.

How to Day Trade by selling first to buy later at a lower price for profits.

How to identify the best stocks to SELL: Select the most active stocks with a BEARISH TREND, HIGH %VOLATILITY reading and a NEGATIVE RS.

When to SELL (go short): If the current market trend is BEARISH, SELL the moment the security falls below any of its resistance levels (RR4, RR3, RR2, RR1) or Pivot. Once short in a trade keep the HIGH of the day as your stoploss. Book profits at any of the next LOWER level (BELOW your SELLING price) as mentioned in the newsletter.

Neutral Trend

If the trend is Neutral it means that the security is in a stage of sideways consolidation. As there is no trend, you can go either long or short using the rules mentioned above ignoring the trend condition.

Terminology

RS: This indicates the **Strength** of the security when compared to the overall market. Securities with a higher RS indicate that they are out performing the market, alternatively securities with a lower RS indicate that they are under performing the market. Preferably one can go BUY those stocks with a positive RS and sell short those stocks with a negative RS.

Volatility: This is a measure of the difference or widening of the range between a day's highs and lows. Generally stocks with higher volatility are more suitable for day trading as there is a greater price movement between their intra-day highs and lows.

%Volatility: This is the daily average of the intra-day price movement in percentage (%).

Pivot: This is the balance point of the day. It acts as a demarcation value between the bulls and the bears.

Ideally one should **BUY** into stocks that have a high %volatility and a higher positive RS. Alternatively one should short **SELL** stocks with high %volatility and a negative RS.

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