

*Weekly Technical Outlook On
Various Asset Classes (March 05, 2011)*

SYNOPSIS (As on March 05, 2011)

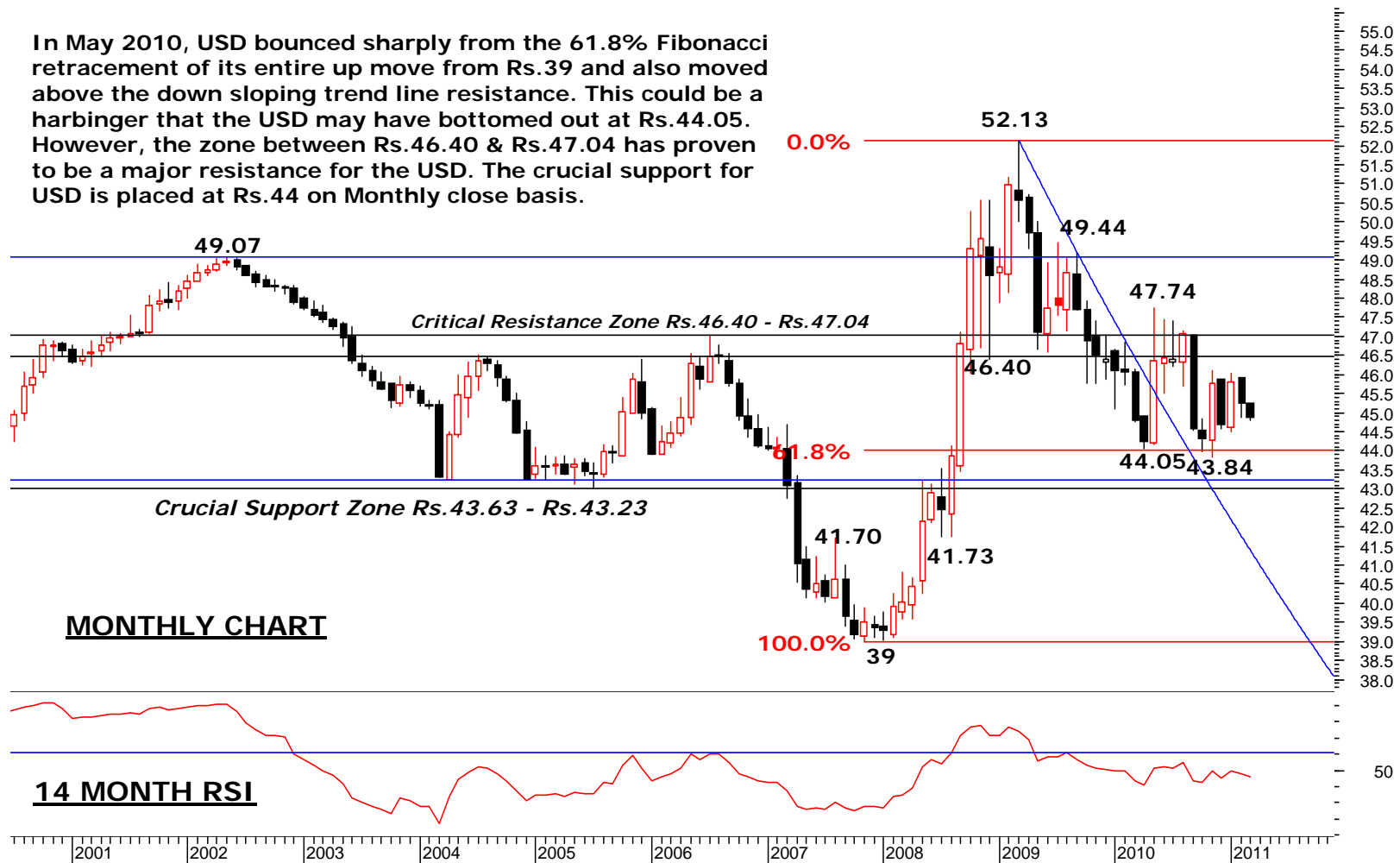
1. **USD - INR (Rs.44.89)** : USD appears to be range-bound between Rs.46.11 & Rs.44.57 in the short term.
2. **Euro – USD (\$1.3982)** : The Euro is approaching key resistance area placed between \$1.4157 & \$1.4281.
3. **Light Crude (\$104.42)** : Light Crude prices are testing the key resistance zone placed between \$103 & \$107. A near term reaction in Light Crude cannot be ruled out. Short-term support is placed around \$100.
4. **Gold (\$1428.60)** : Gold prices are now approaching their key resistance level placed around \$1500. Hence, the risk-reward equation for Gold is turning unfavourable.
5. **Silver (\$35.33)** : As expected, Silver prices have tested its target placed at \$34.10. Key resistance is placed around the highest monthly close of \$35.75. Hence, caution must be exercised since the risk-reward equation is not favourable.
6. **US Dollar Index (76.41)** : Breach of the up-sloping trendline support (current value – 76.81) suggests weakness in the near term. A failure to recover past the same could lead to a gradual drift towards \$75.04.
7. **Indian Ten Year GOI Yields (7.93%)** : The yields have achieved the Double Top pattern Target of 7.94% & are now testing their support area between 7.92% & 7.87%. Sustaining above 7.87% on a Weekly Close basis is critical to avoid medium-term weakness (in the yields). Immediate resistance (for the yields) is placed at 7.98%. However, a Weekly Close above 8.07% is required to negate potential medium-term weakness (in the yields).

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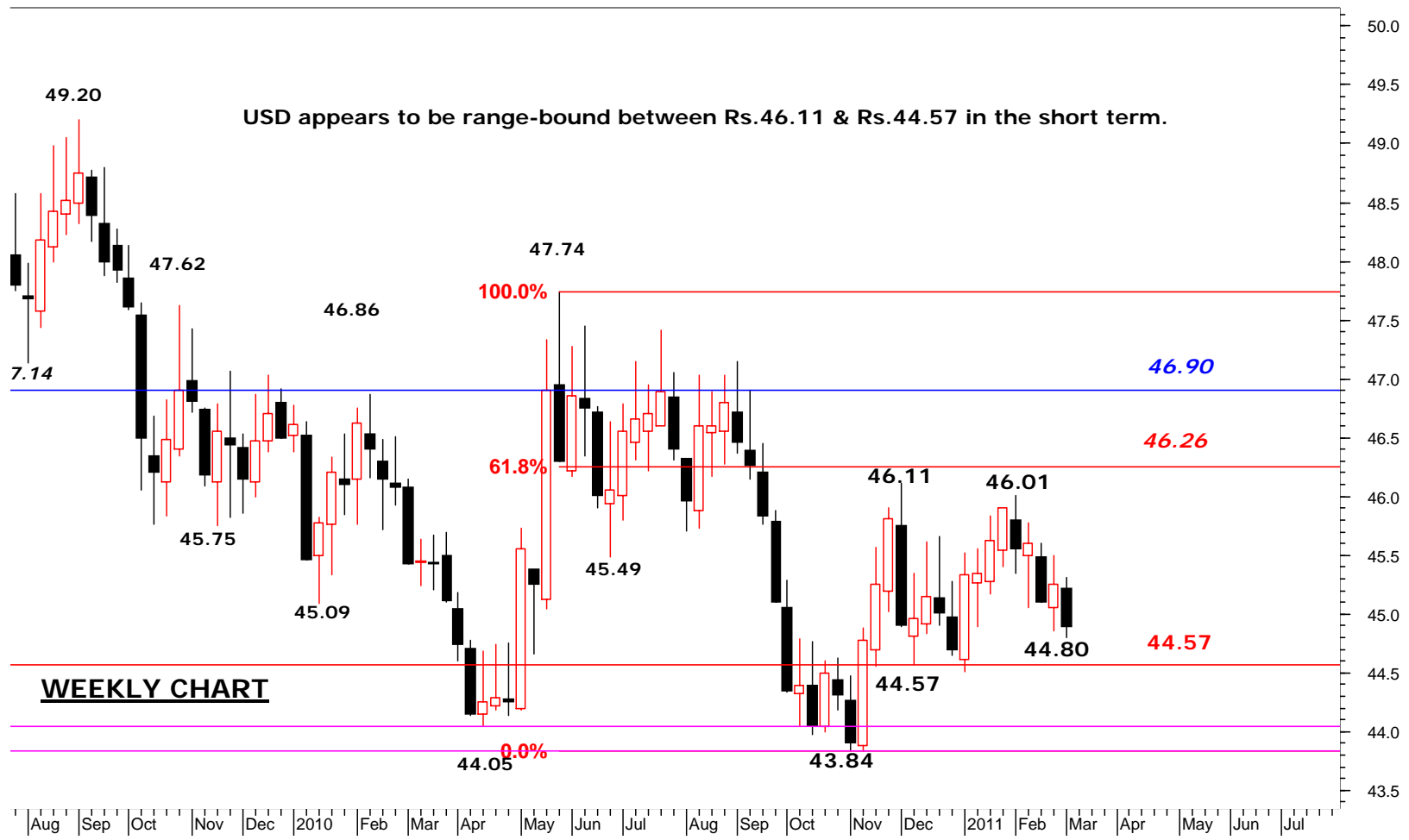
8. **BSE Sensex (18486.45):** Sensex is testing its short-term resistance area placed between 18507 & 18691 and hence could witness some selling pressure. Nevertheless, the short-term outlook remains positive. Immediate support is placed between 18211 & 18148. The Sensex is expected to test the 19136 – 19378 zone.
9. **Dow Jones Industrial Average (12169.90) :** The DJIA is again testing the key resistance zone placed between 12246 & 12544 where it is facing selling pressure. A breach of 11983 would confirm that a short-term down-trend is underway.
10. **US Ten Year Treasury Yields (3.49%):** The yields have tested their resistance zone placed between 3.54% & 3.58%. A Daily Close above 3.58% remains important to negate immediate weakness in the yields. Else, the yields could initially drop to 3.25%

USD / INR - Rs.44.89 (March 04, 2011)

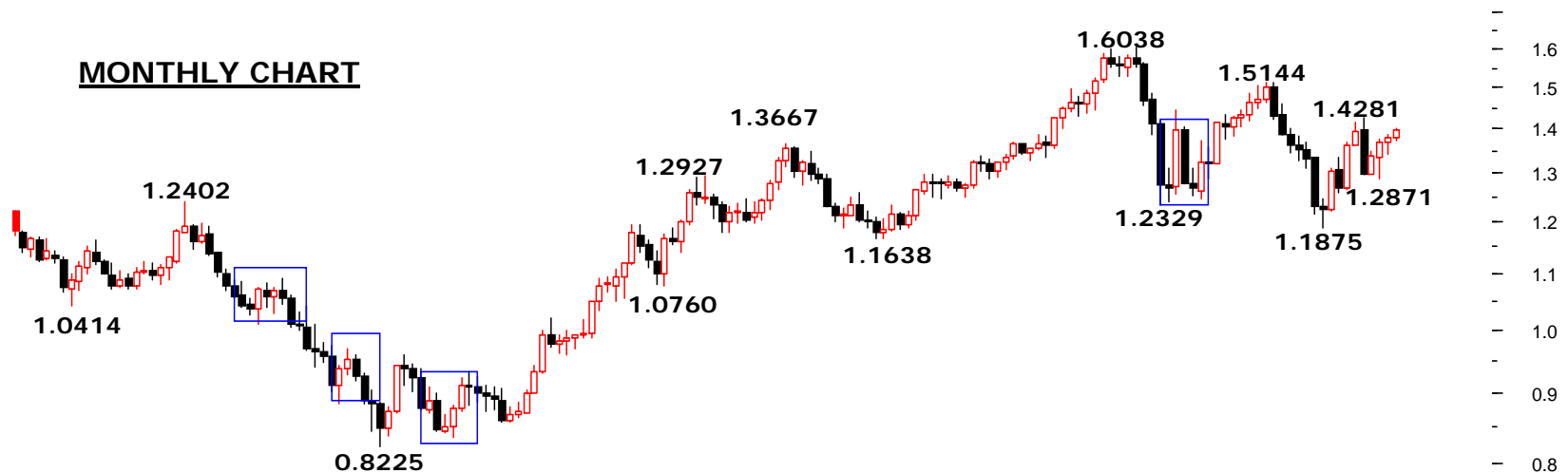
In May 2010, USD bounced sharply from the 61.8% Fibonacci retracement of its entire up move from Rs.39 and also moved above the down sloping trend line resistance. This could be a harbinger that the USD may have bottomed out at Rs.44.05. However, the zone between Rs.46.40 & Rs.47.04 has proven to be a major resistance for the USD. The crucial support for USD is placed at Rs.44 on Monthly close basis.



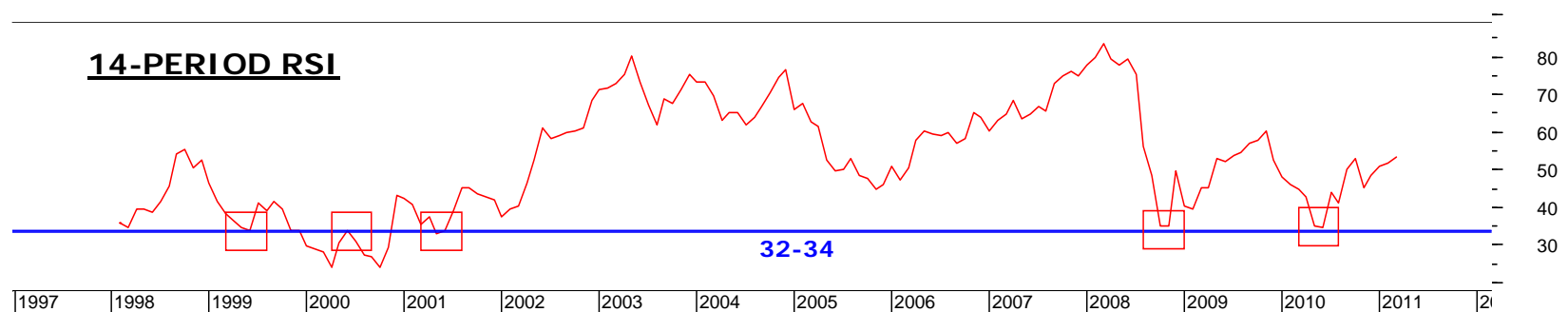
USD / INR - Rs.44.89 (March 04, 2011)



Euro Dollar – \$1.3982 (March 04, 2011)



In the past, Euro bounced after the RSI tested its potential support zone (32-34). In line with this observation, Euro rallied from \$1.1875 to \$1.4281. It could remain bound between \$1.4281 & \$1.2871 for several weeks/months.



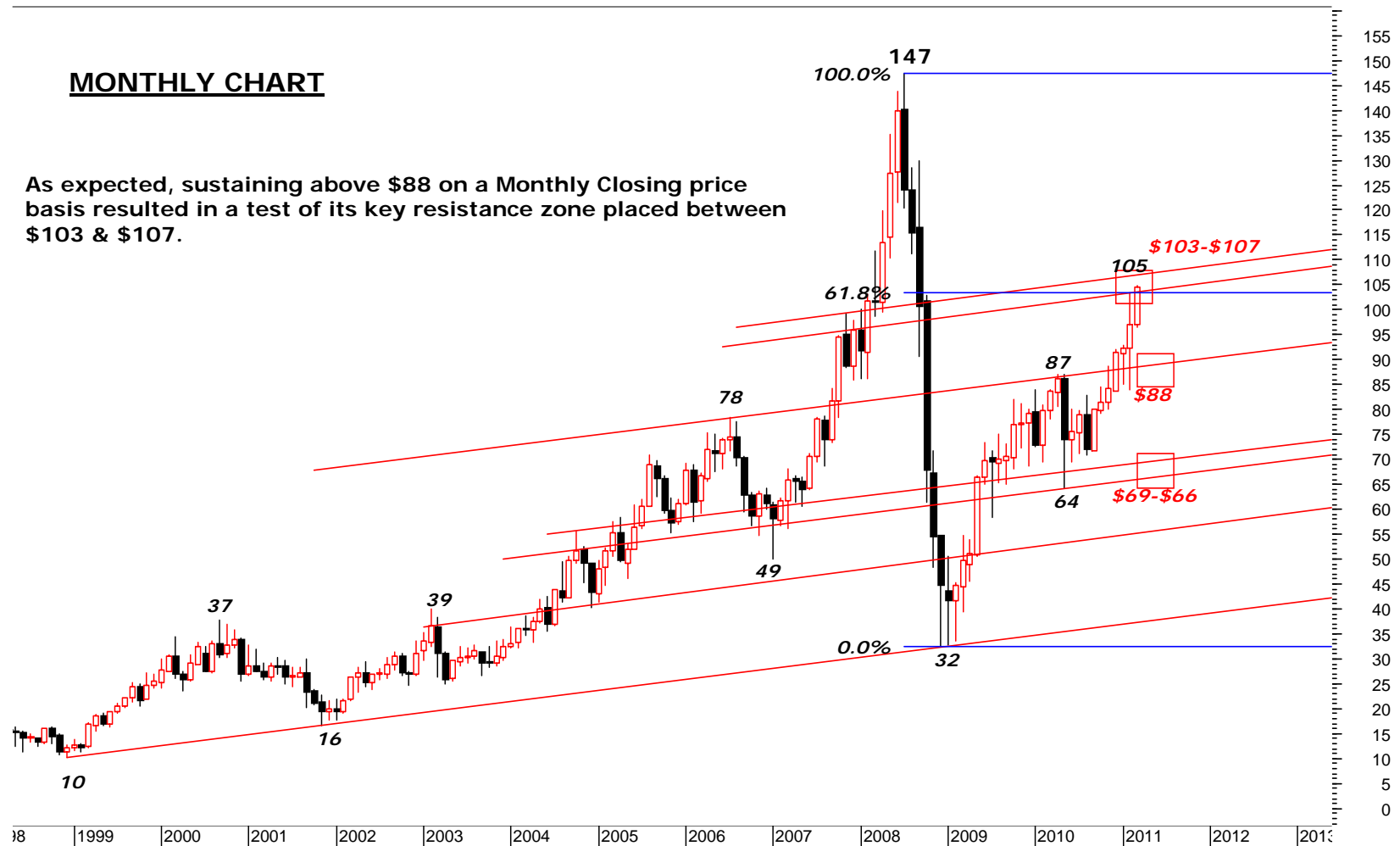
Euro Dollar – \$1.3982 (March 04, 2011)



Light Crude Continuous -\$104.42 (March 04, 2011)

MONTHLY CHART

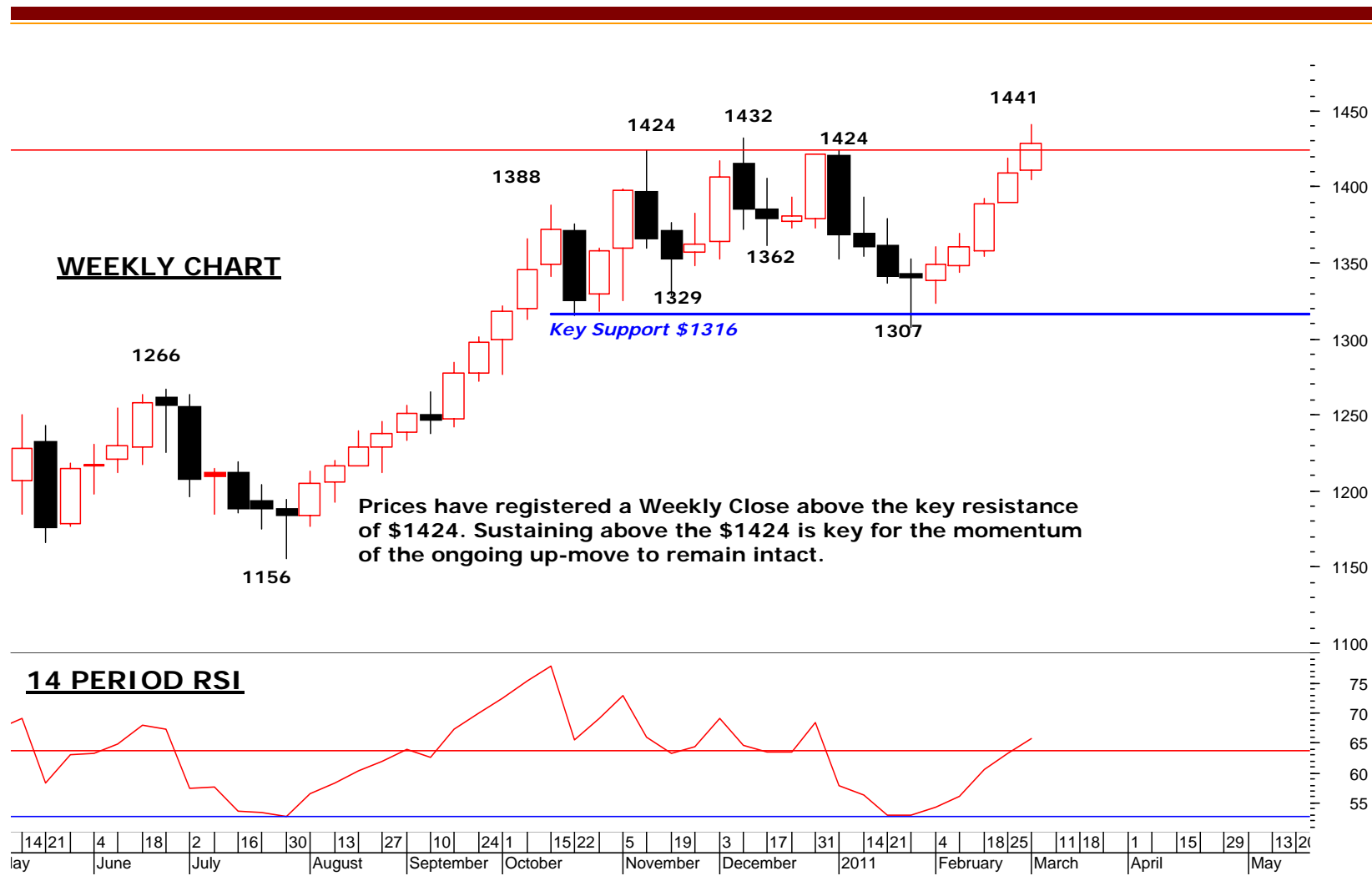
As expected, sustaining above \$88 on a Monthly Closing price basis resulted in a test of its key resistance zone placed between \$103 & \$107.



Light Crude Continuous -\$104.42 (March 04, 2011)



Gold Continuous-\$1428.60 (March 04, 2011)

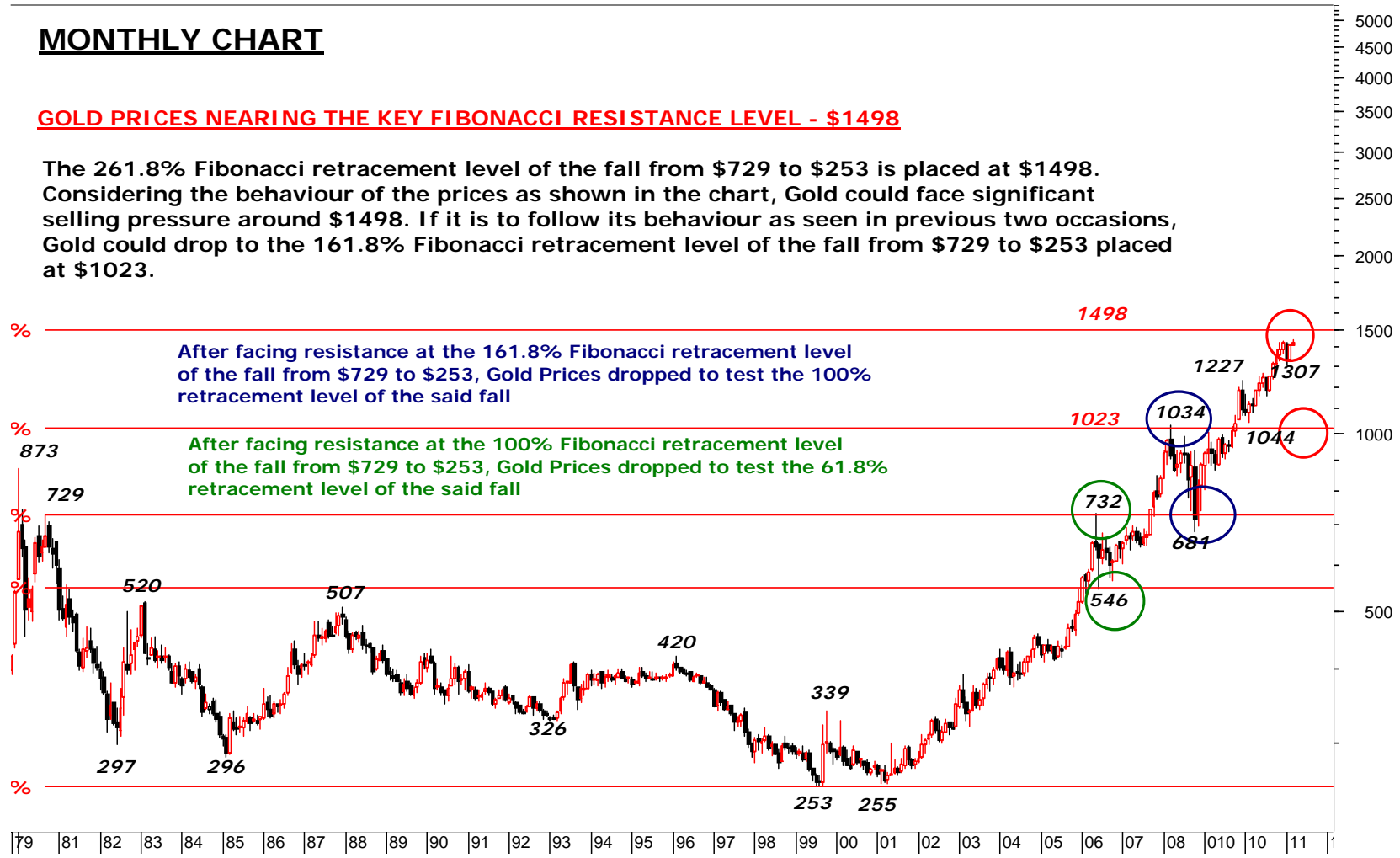


Gold Continuous-\$1428.60 (March 04, 2011)

MONTHLY CHART

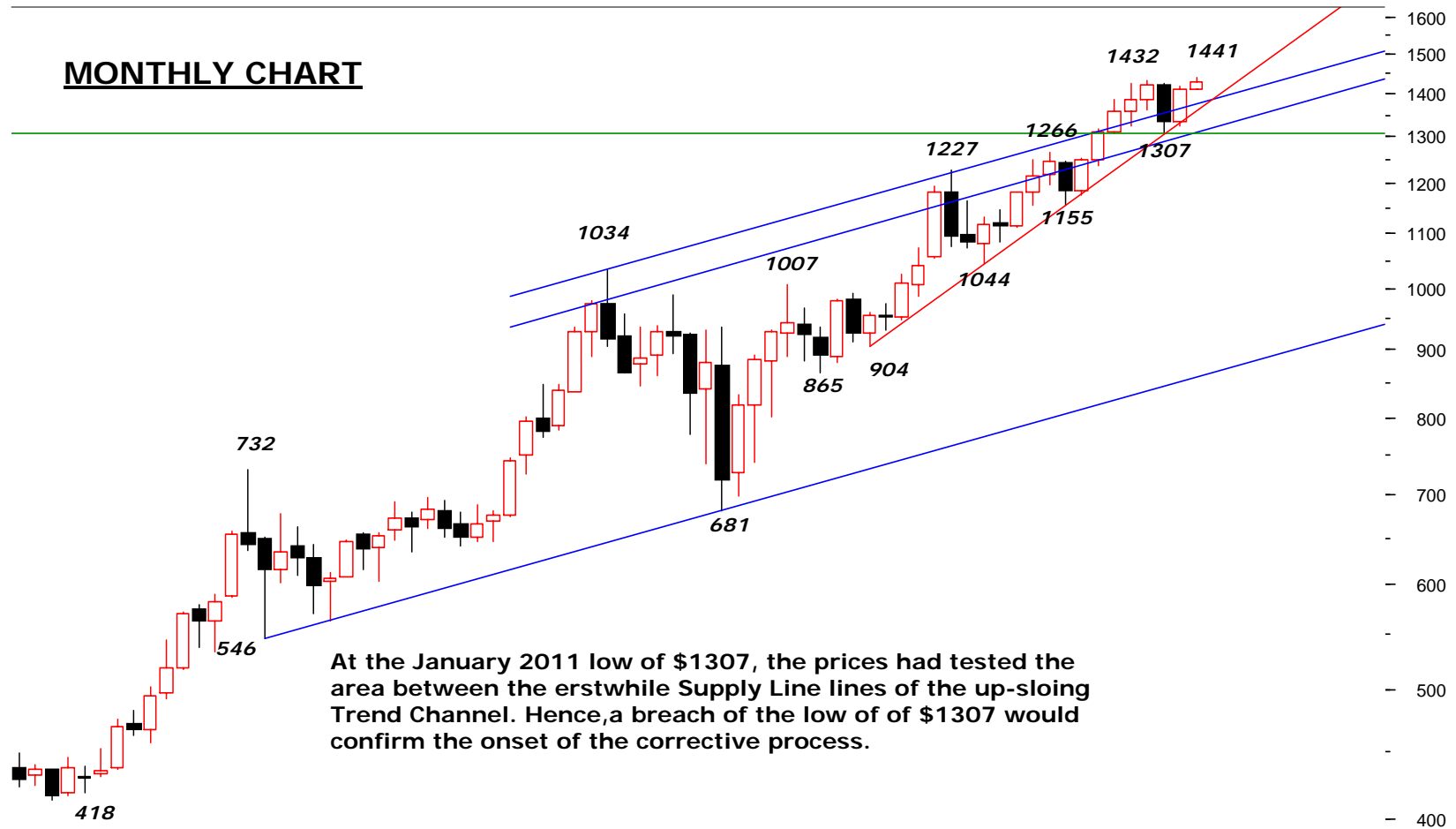
GOLD PRICES NEARING THE KEY FIBONACCI RESISTANCE LEVEL - \$1498

The 261.8% Fibonacci retracement level of the fall from \$729 to \$253 is placed at \$1498. Considering the behaviour of the prices as shown in the chart, Gold could face significant selling pressure around \$1498. If it is to follow its behaviour as seen in previous two occasions, Gold could drop to the 161.8% Fibonacci retracement level of the fall from \$729 to \$253 placed at \$1023.



Gold Continuous (Comex) - \$1428.60 (March 04, 2011)

MONTHLY CHART



2005 | A | M | J | A | S | O | N | 2006 | A | M | J | J | A | S | O | D | 2007 | A | M | J | A | S | O | N | 2008 | A | M | J | J | A | S | O | N | 2009 | A | M | J | A | S | O | D | 2010 | A | M | J | J | A | S | O | N | 2011 | A | M | J | A | S | O | D

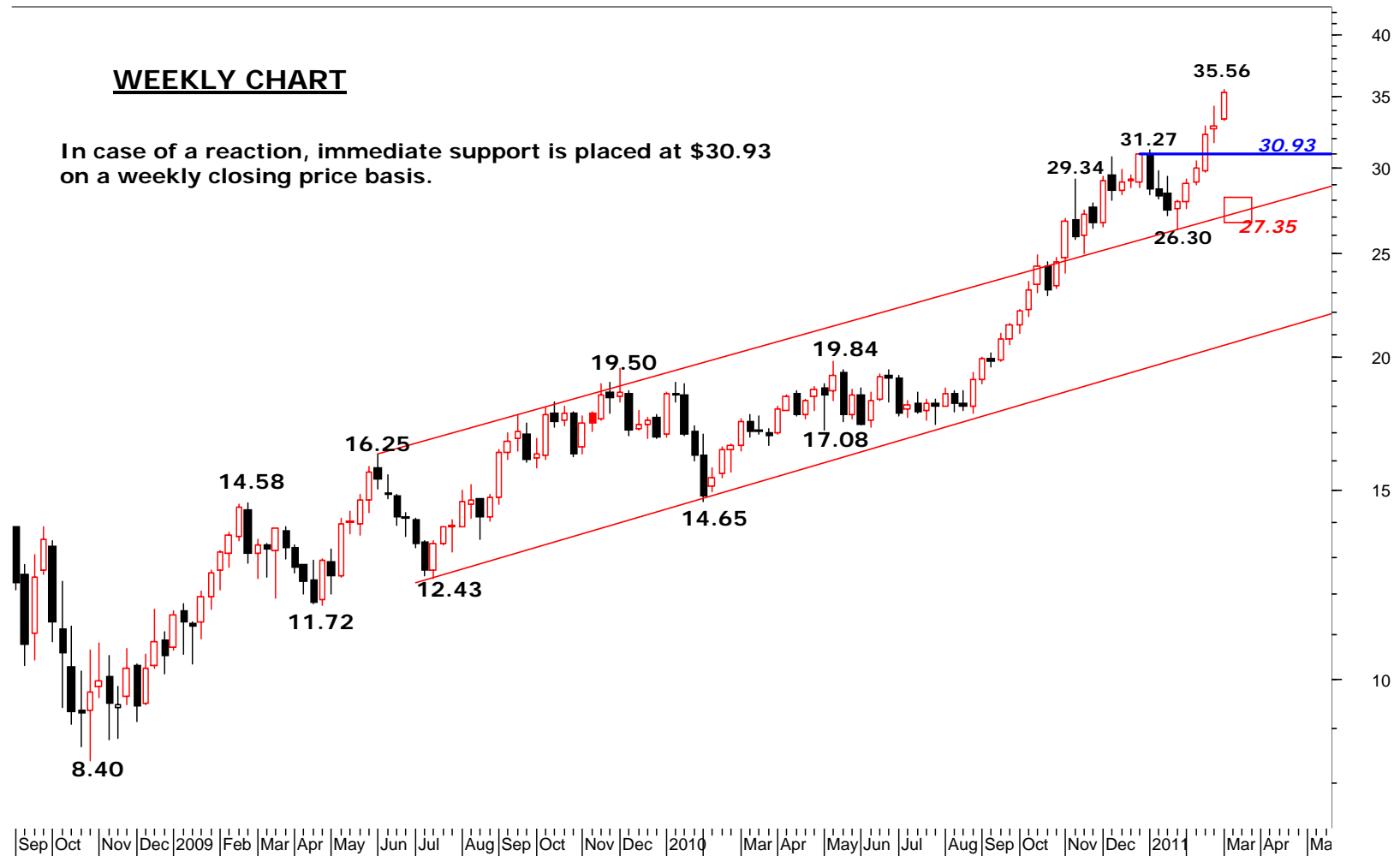
Silver Continuous - \$35.33 (March 04, 2011)



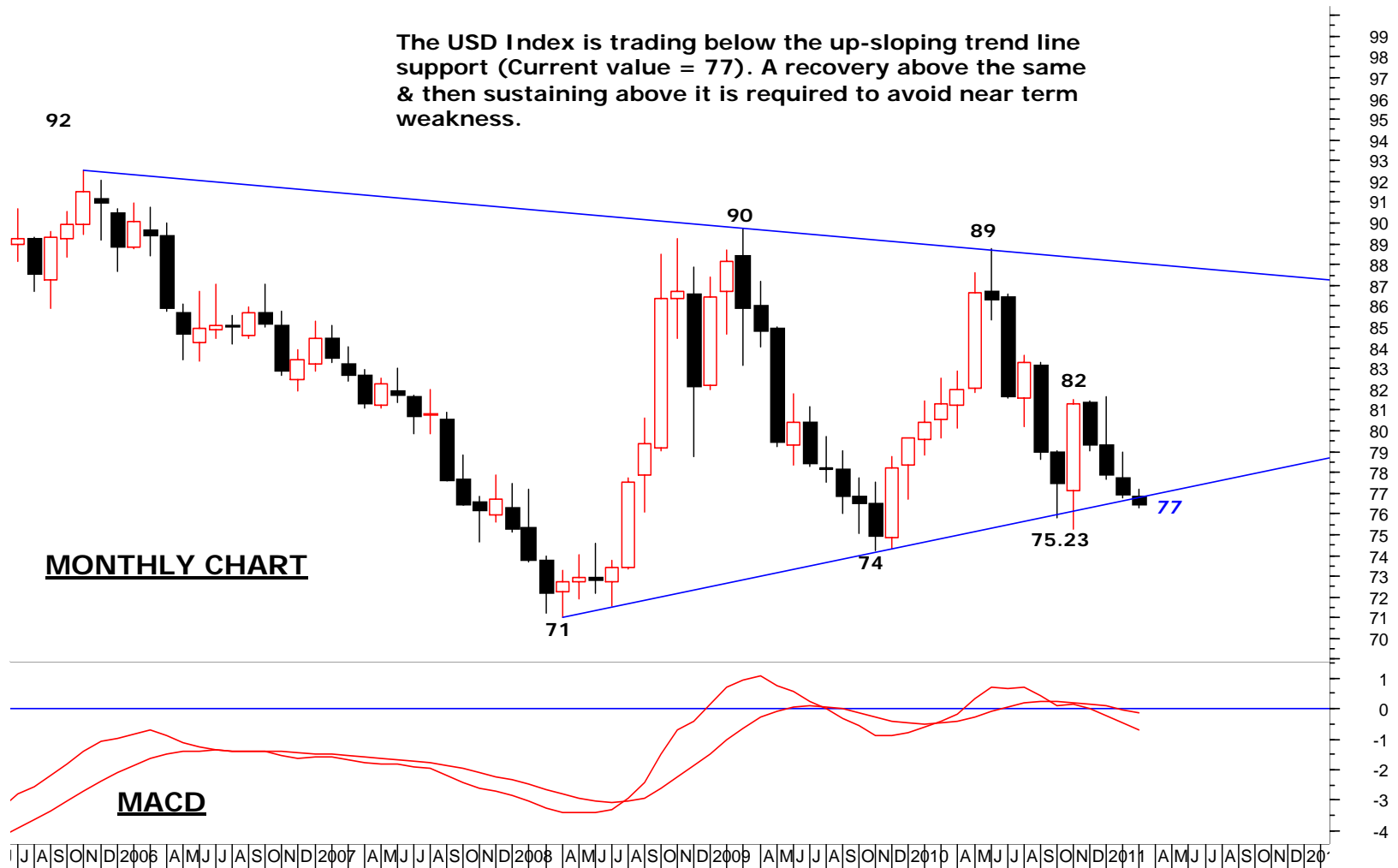
Silver Continuous - \$35.33 (March 04, 2011)

WEEKLY CHART

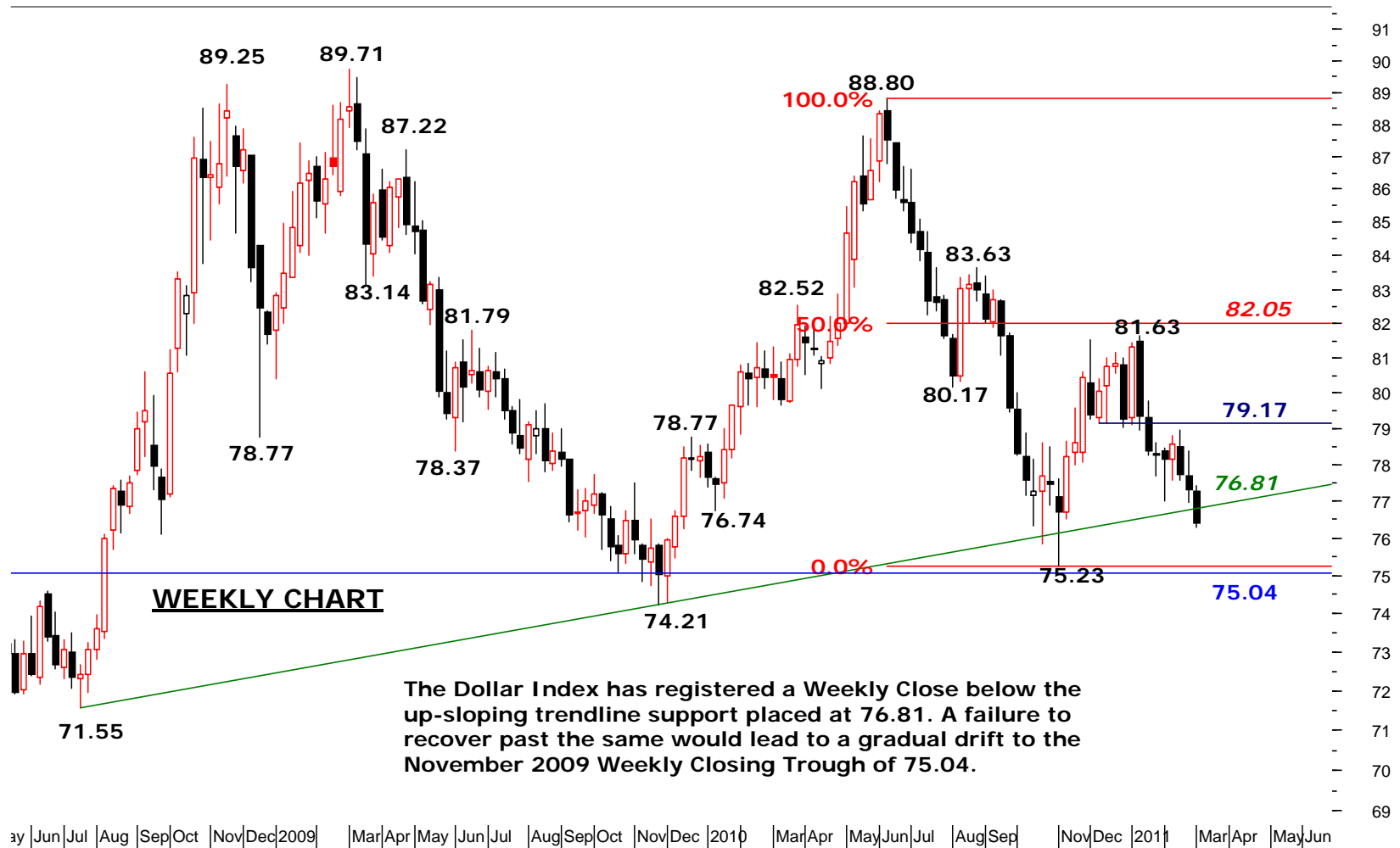
In case of a reaction, immediate support is placed at \$30.93 on a weekly closing price basis.



US Dollar Index Continuous – 76.41 (March 04, 2011)

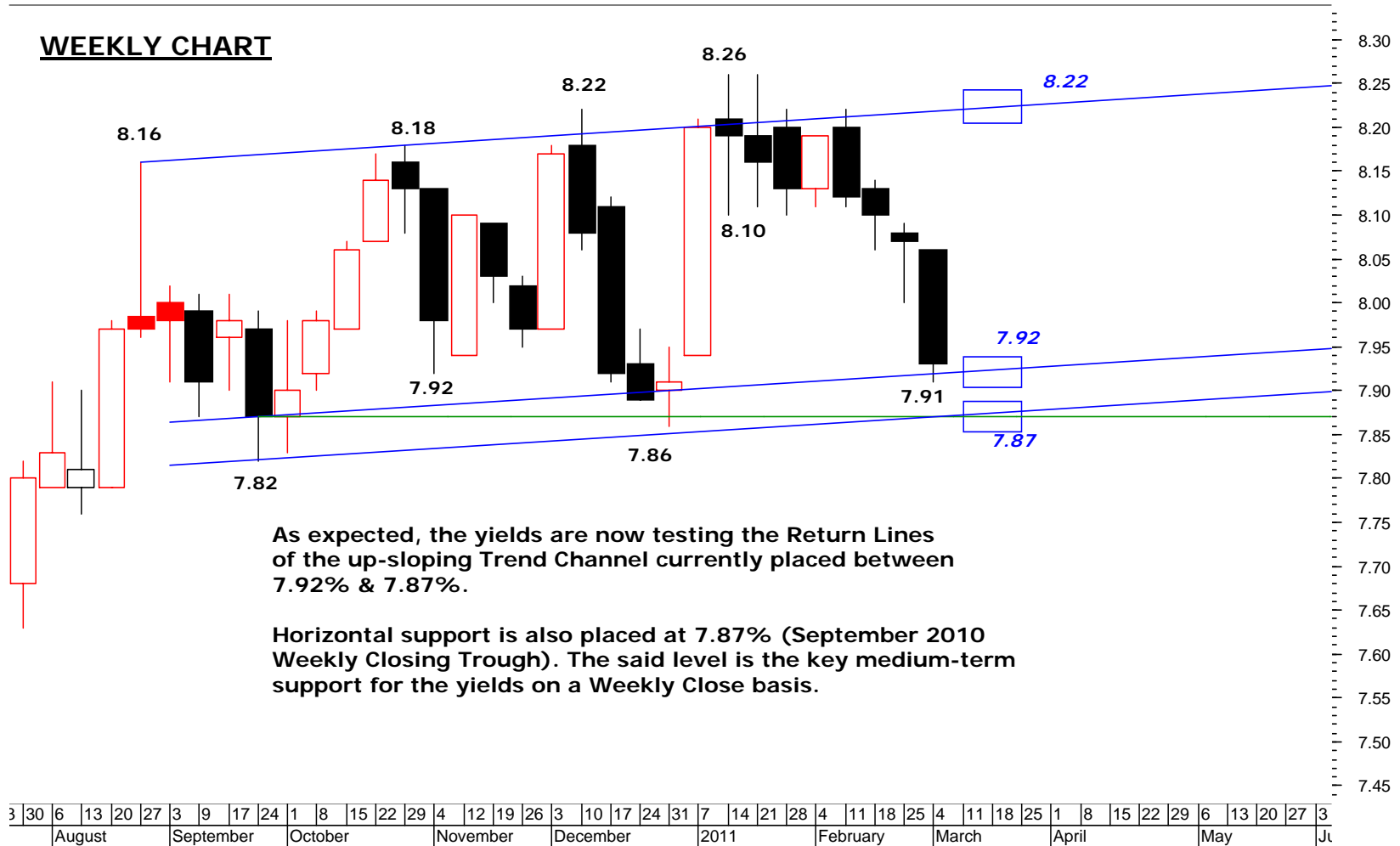


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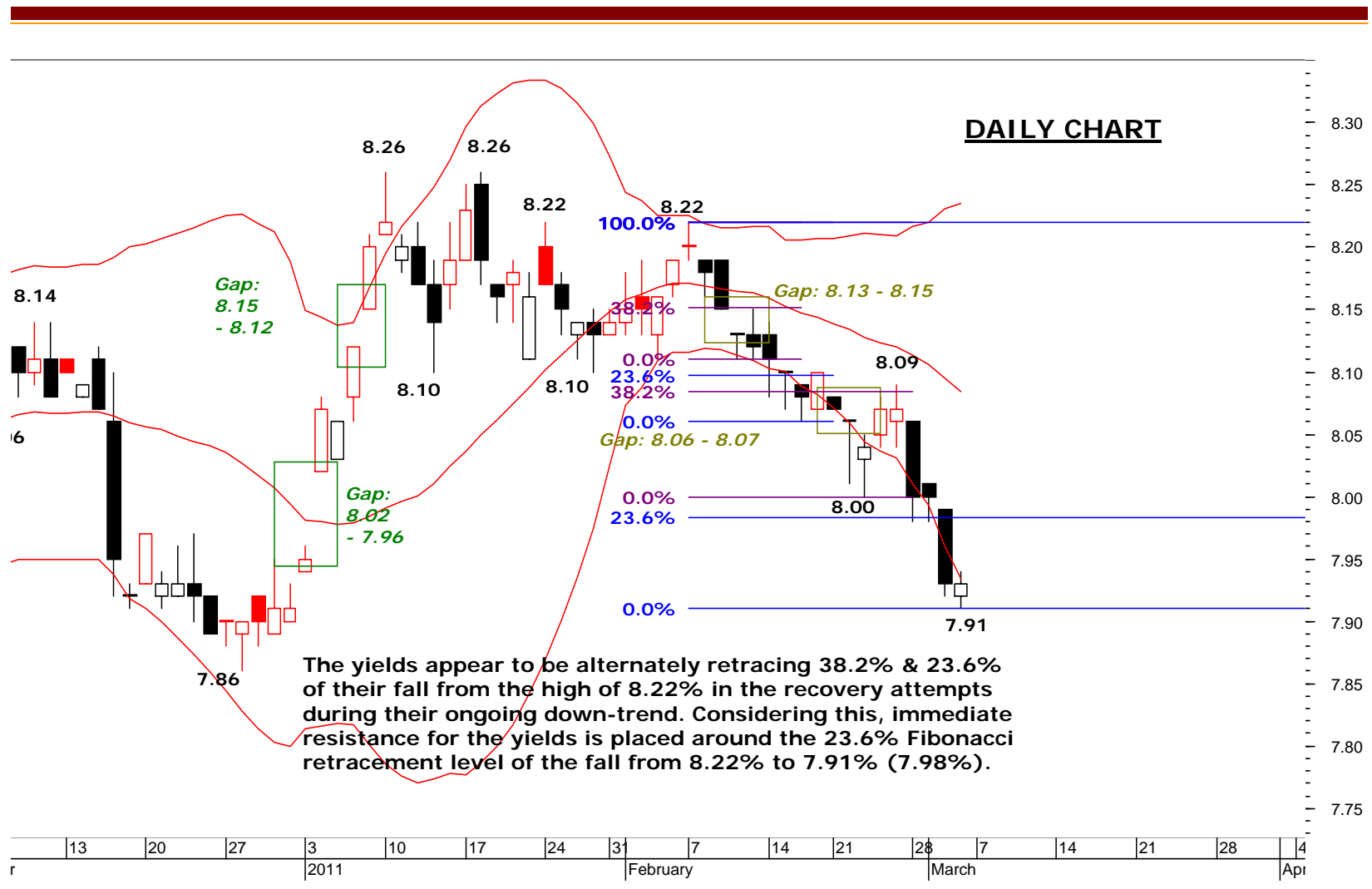


Indian Ten Year GOI Yields – 7.93% (March 04, 2011)

WEEKLY CHART



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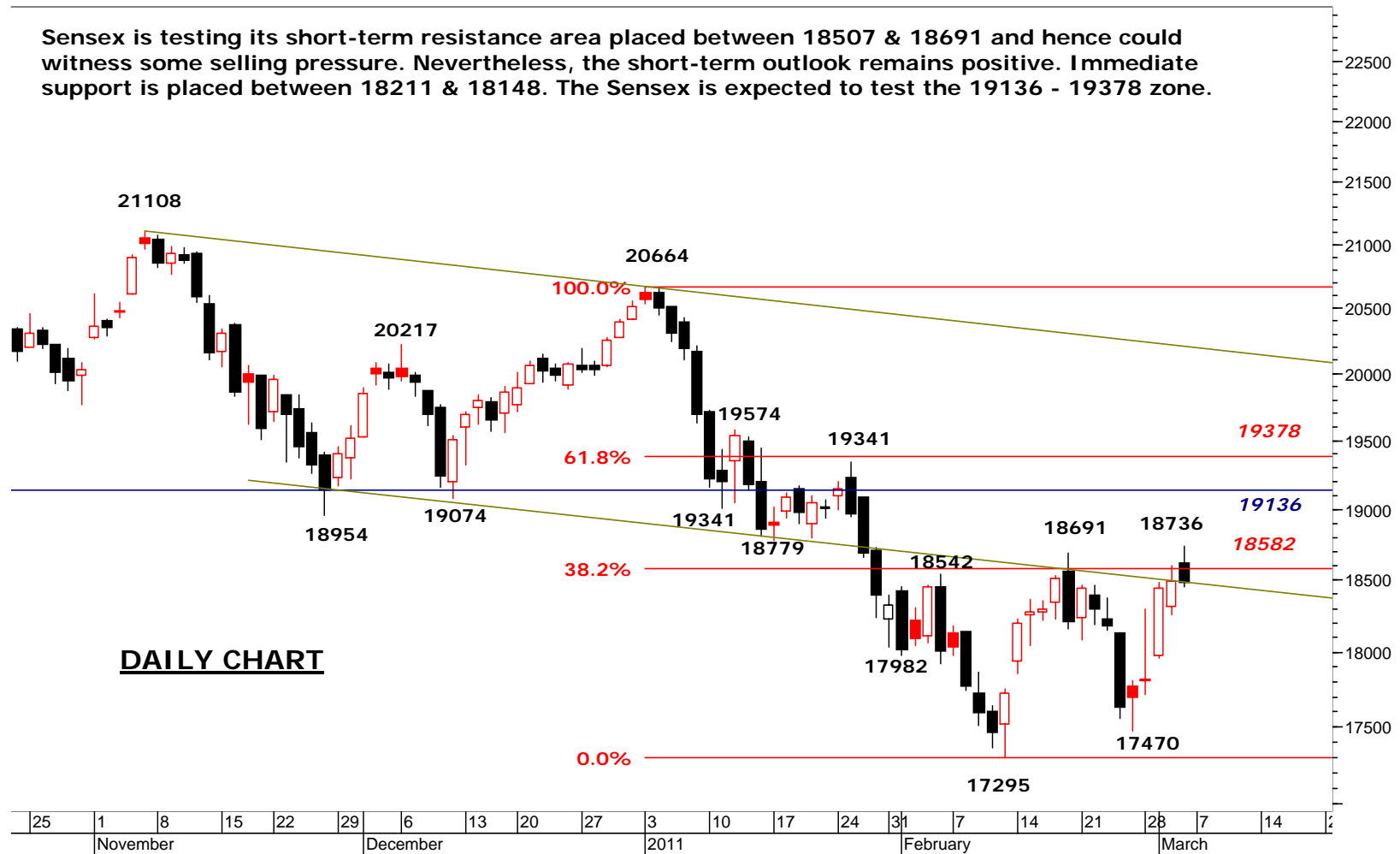


Indian Ten Year GOI Yields – 7.93% (March 04, 2011)



BSE Sensex – 18486.45 (March 04, 2011)

Sensex is testing its short-term resistance area placed between 18507 & 18691 and hence could witness some selling pressure. Nevertheless, the short-term outlook remains positive. Immediate support is placed between 18211 & 18148. The Sensex is expected to test the 19136 - 19378 zone.



Dow Jones Industrial Average – 12169.90 (March 04, 2011)

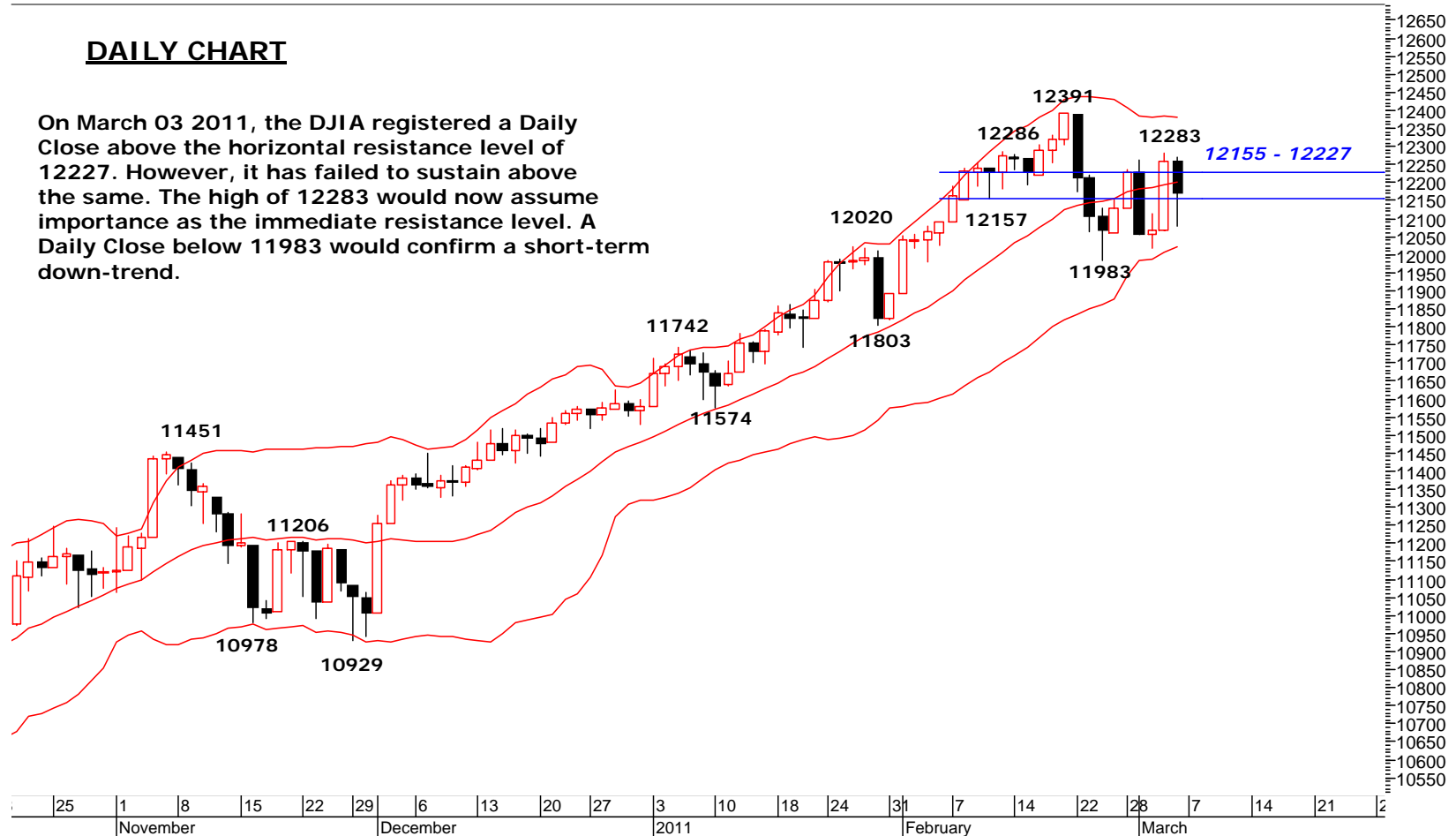
At the recent high of 12391, the DJIA has tested the potential resistance zone placed between 12246 & 12544. The 161.8% Fibonacci retracement level of the fall from 11258 to 9614 is placed at 12246. The 78.6% Fibonacci retracement level of the fall from 14198 to 6470 is placed at 12544. The Weekly RSI is testing its overbought levels. Hence, the index is likely to face selling pressure in the near term.



Dow Jones Industrial Average – 12169.90 (March 04, 2011)

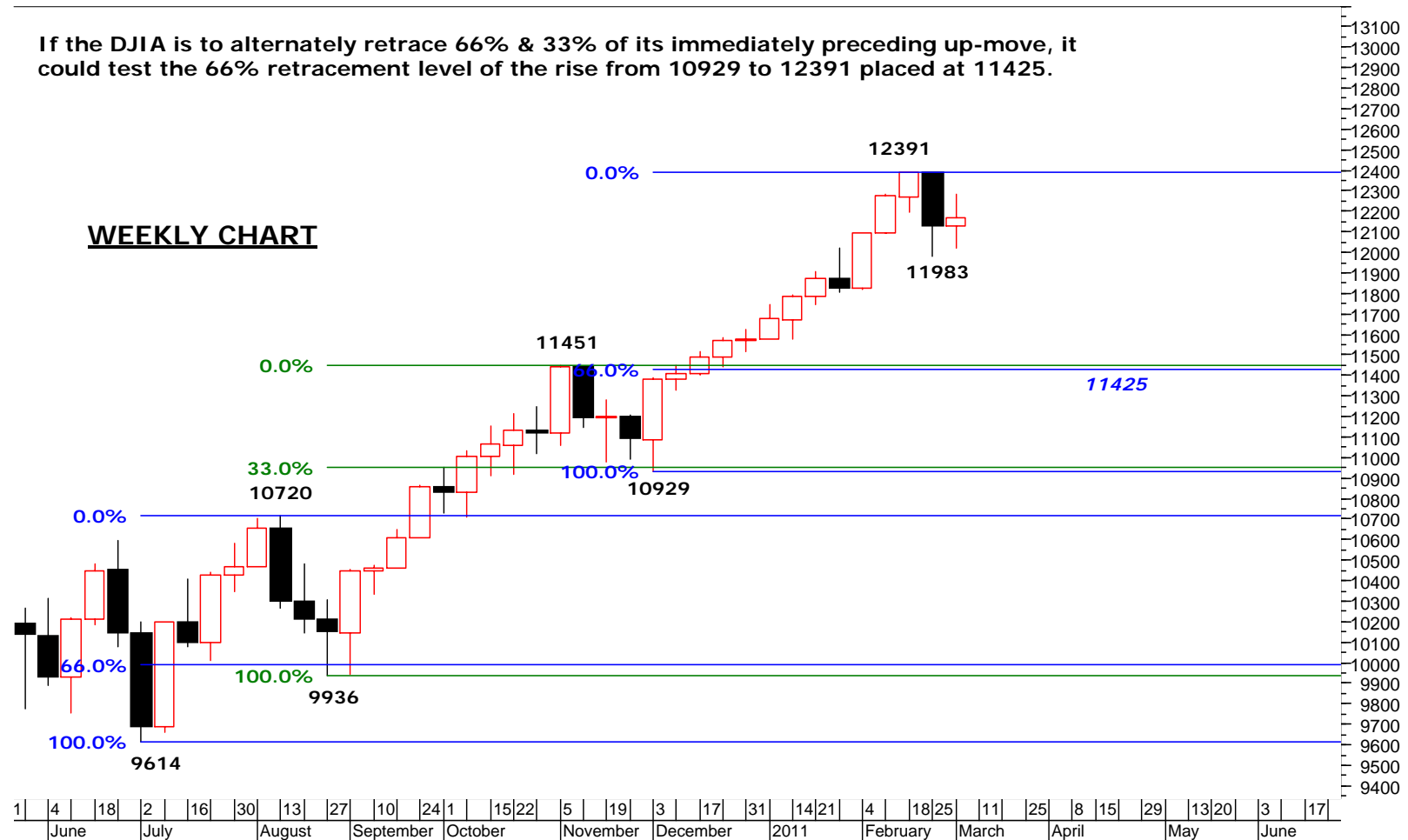
DAILY CHART

On March 03 2011, the DJIA registered a Daily Close above the horizontal resistance level of 12227. However, it has failed to sustain above the same. The high of 12283 would now assume importance as the immediate resistance level. A Daily Close below 11983 would confirm a short-term down-trend.



Dow Jones Industrial Average – 12169.90 (March 04, 2011)

If the DJIA is to alternately retrace 66% & 33% of its immediately preceding up-move, it could test the 66% retracement level of the rise from 10929 to 12391 placed at 11425.

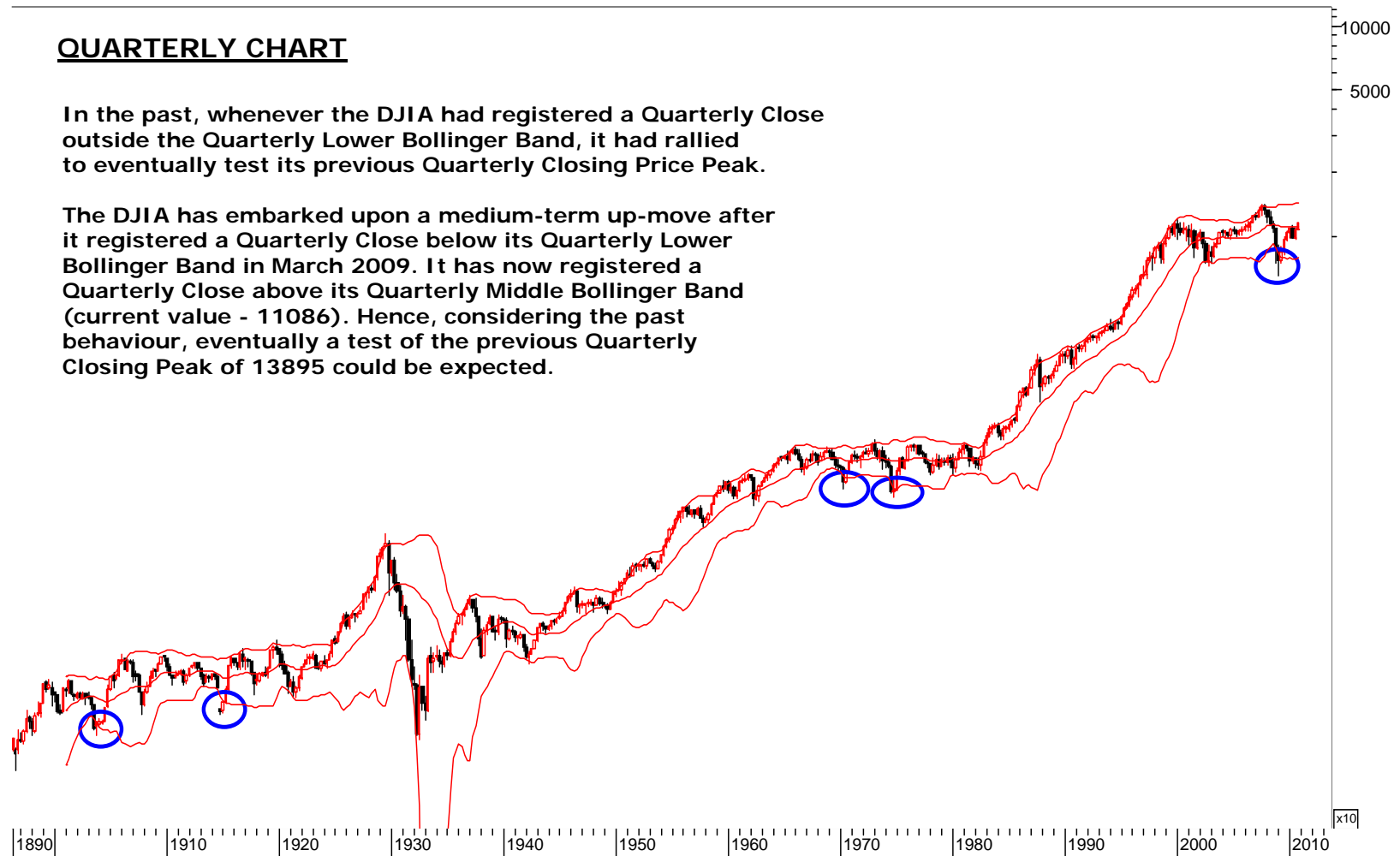


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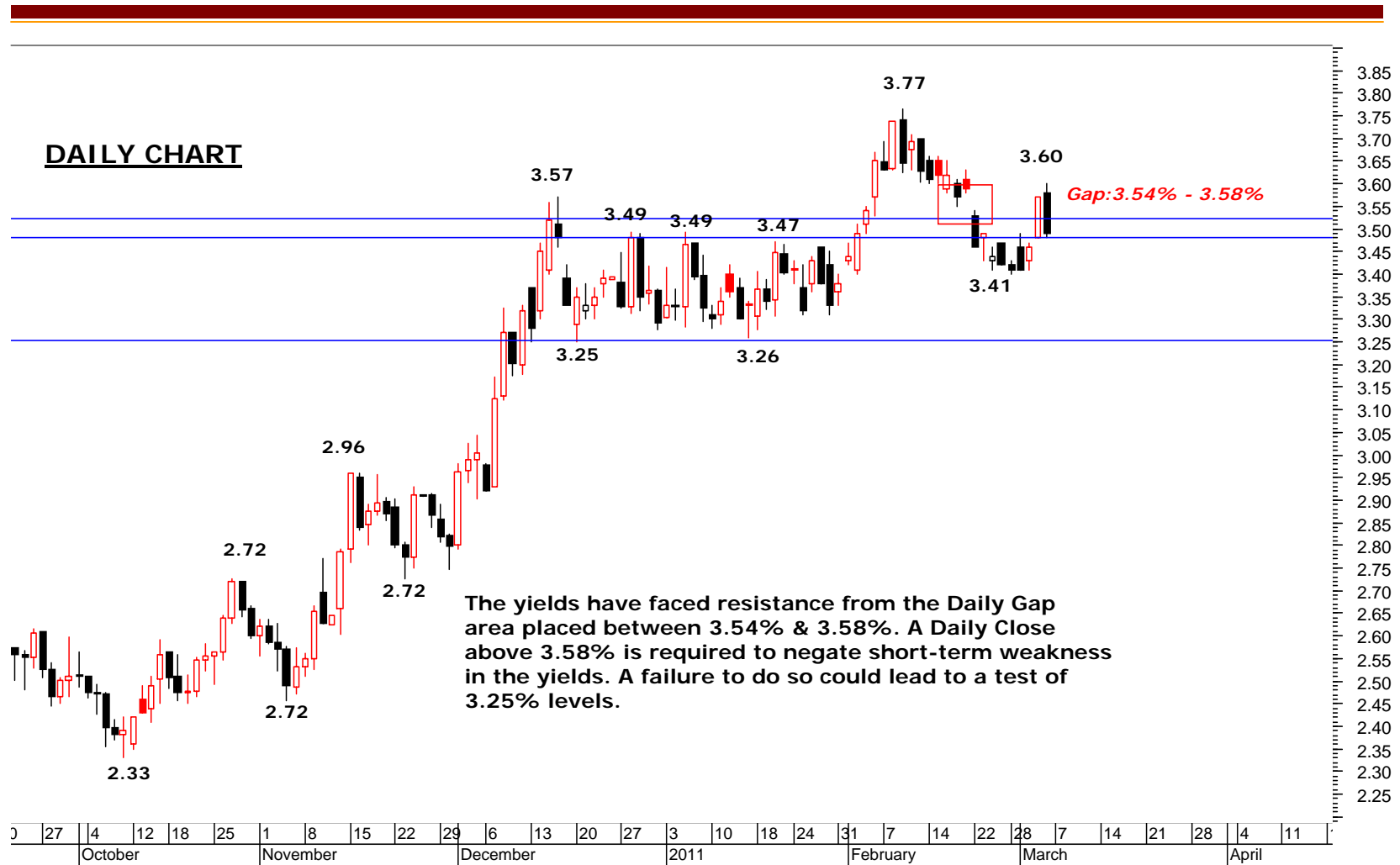
QUARTERLY CHART

In the past, whenever the DJIA had registered a Quarterly Close outside the Quarterly Lower Bollinger Band, it had rallied to eventually test its previous Quarterly Closing Price Peak.

The DJIA has embarked upon a medium-term up-move after it registered a Quarterly Close below its Quarterly Lower Bollinger Band in March 2009. It has now registered a Quarterly Close above its Quarterly Middle Bollinger Band (current value - 11086). Hence, considering the past behaviour, eventually a test of the previous Quarterly Closing Peak of 13895 could be expected.



US Ten Year Treasury Yields – 3.49% (March 04, 2011)



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The Weekly RSI appears to be topping out in its resistance area. Hence, a medium-term corrective / consolidation process in the yields appears to be underway. Medium-term support for the yields is placed at the Weekly Middle Bollinger Band (current value - 3.18%).



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