

*Weekly Technical Outlook On
Various Asset Classes (April 25, 2011)*

SYNOPSIS (As on April 25, 2011)

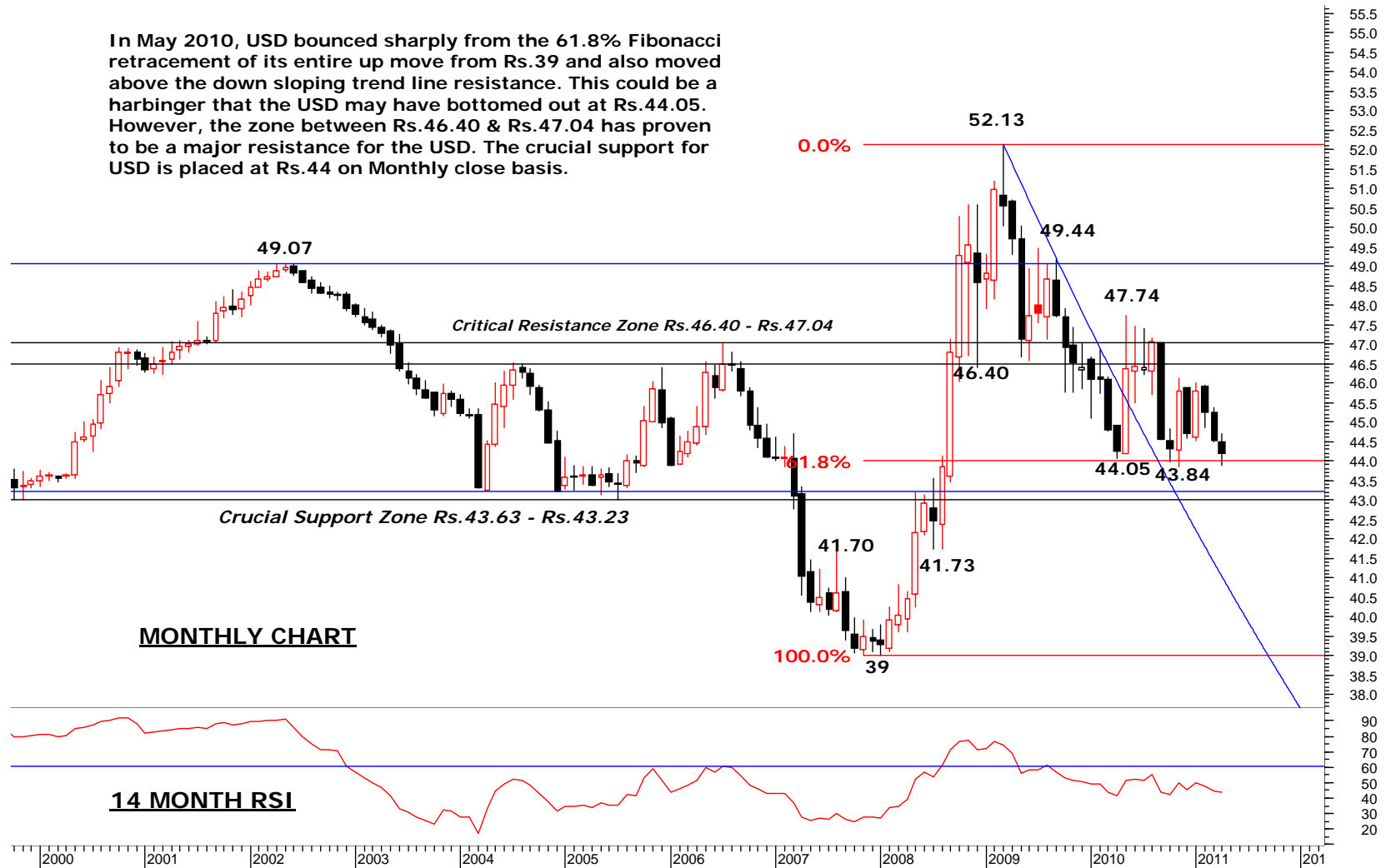
1. **USD - INR (Rs.44.18)** : USD is currently placed near its crucial support placed around Rs.44 where buying is likely to emerge.
2. **Euro – USD (\$1.4555)** : The Euro has decisively moved past its previous peak of \$1.4281. Sustaining above \$1.4031 (Weekly Close) could lead to test of \$1.5160.
3. **Light Crude (\$112.29)** : Light Crude prices could target \$123 if they sustain above \$104 on a Weekly Closing Price basis.
4. **Gold (\$1503.80)** : Gold prices are testing the key resistance level placed around \$1500. Hence, the risk-reward equation for Gold is unfavorable.
5. **Silver (\$46.06)** : Silver is trading above its all-time high of \$41.50. However, the Monthly RSI is testing its overbought levels while the Silver prices are testing key Fibonacci retracement level placed at \$46.62 . Hence, risk-reward ratio is not favourable for investments.
6. **US Dollar Index (74.18)** : Sustaining above 74 & a decisive move past 77 is required to avoid further weakness.
7. **Indian Ten Year GOI Yields (8.12%)**: Negotiating past the Weekly Middle Bollinger Band (8.03%) negates medium-term weakness in the yields. Key support (for the yields) is placed between 8.03% & 8.01%. Once the yields negotiate past 8.13%, they could retest 8.26%.

SYNOPSIS (As on April 25, 2011)

8. **BSE Sensex (19584.31)**: Sensex is expected to face selling pressure at current levels since it is testing its key immediate resistances (19652 – 19811). A Daily Close below 19484 would confirm near term weakness while a decisive Weekly Close below the Weekly Middle Bollinger Band (current value - 18909) would accelerate the medium-term corrective process.
9. **Dow Jones Industrial Average (12506.00)**: The DJIA has made a strong recovery after a failed breakdown below 12239. Sustaining above 12426 (Daily Close) would allow for the immediate bullishness to remain intact. Nevertheless, a Weekly Close above 12544 remains important for the medium-term up-move to resume.
10. **US Ten Year Treasury Yields (3.40%)**: Breach of the low of 3.40% suggests further downsides for the yields in the near term. Immediate upsides are likely to be capped around 3.46%. Failure to negotiate past the same could lead to an initial test of 3.20%.

USD / INR - Rs.44.18 (April 22, 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.44.18 (April 22, 2011)



Euro Dollar – \$1.4555 (April 22, 2011)



Euro Dollar – \$1.4555 (April 22, 2011)

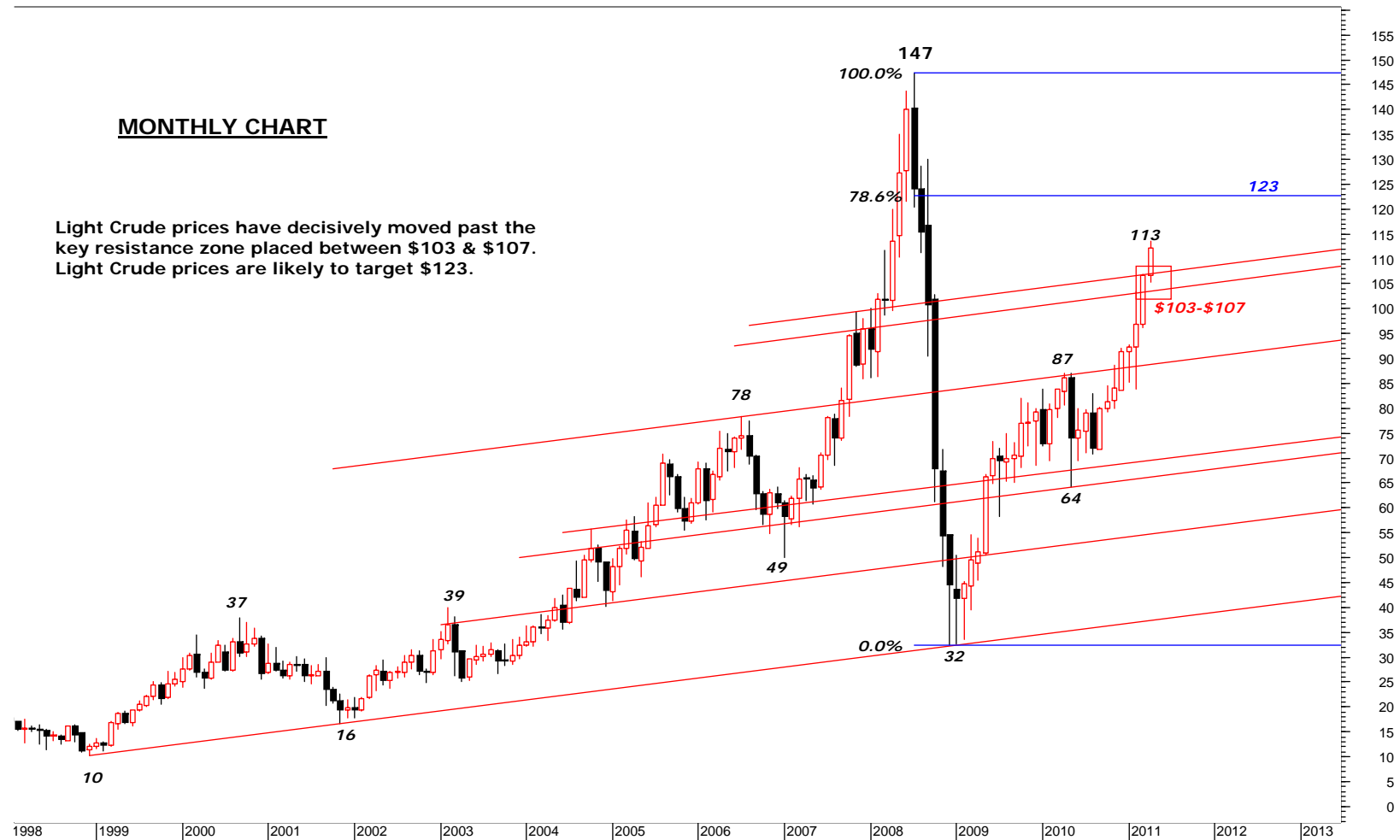
Euro has negotiated past the previous peak of \$1.4281. Sustaining above \$1.4031 (Weekly Close) would keep the medium term outlook positive for the Euro. The Euro could then ultimately target \$1.5160 (the 161.8% Fibonacci retracement of the entire fall from \$1.4281). Immediate support is placed at \$1.4281.



Light Crude Continuous -\$112.29 (April 21, 2011)

MONTHLY CHART

Light Crude prices have decisively moved past the key resistance zone placed between \$103 & \$107. Light Crude prices are likely to target \$123.



Light Crude Continuous -\$112.29 (April 21, 2011)

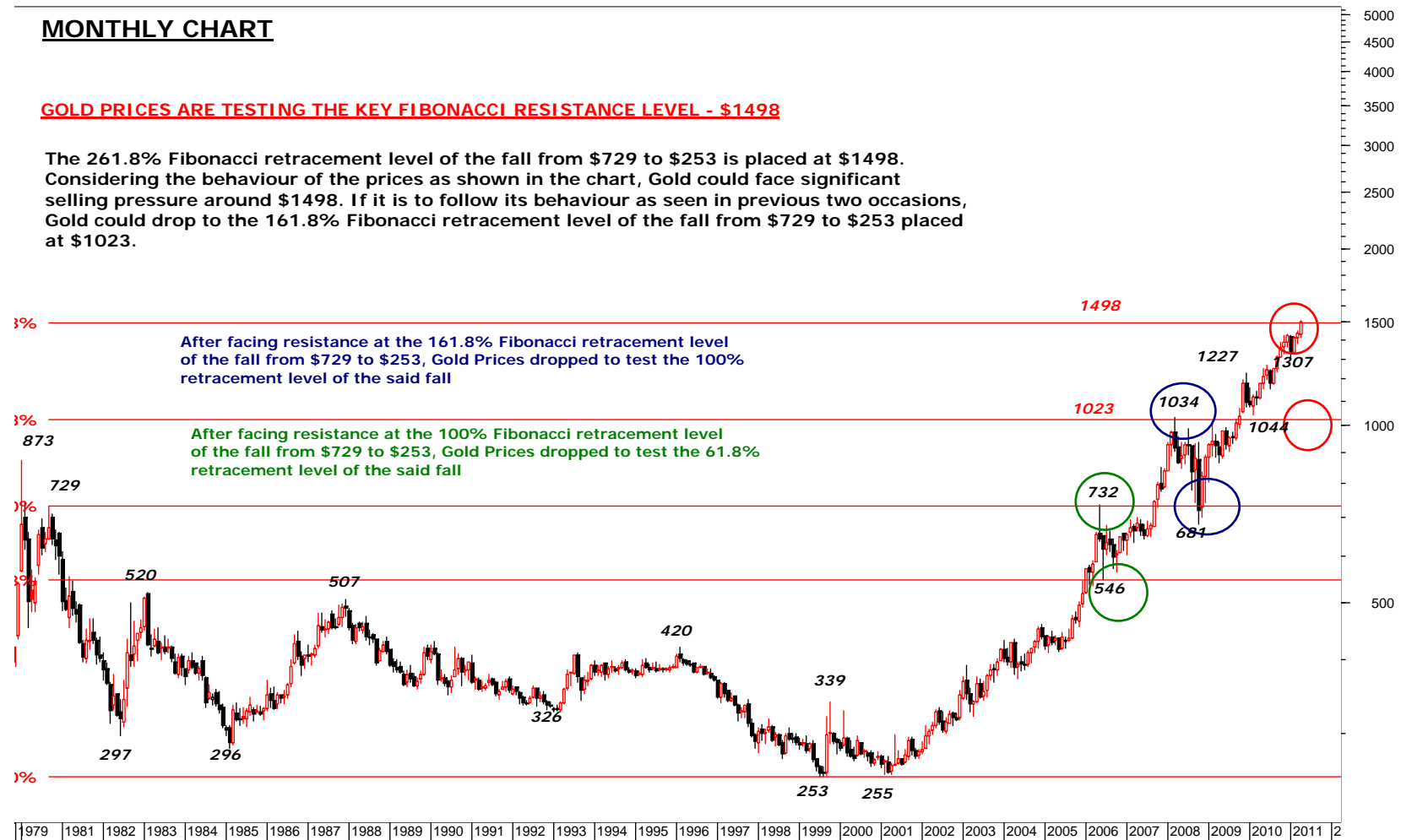


Gold Continuous-\$1503.80 (April 21, 2011)

MONTHLY CHART

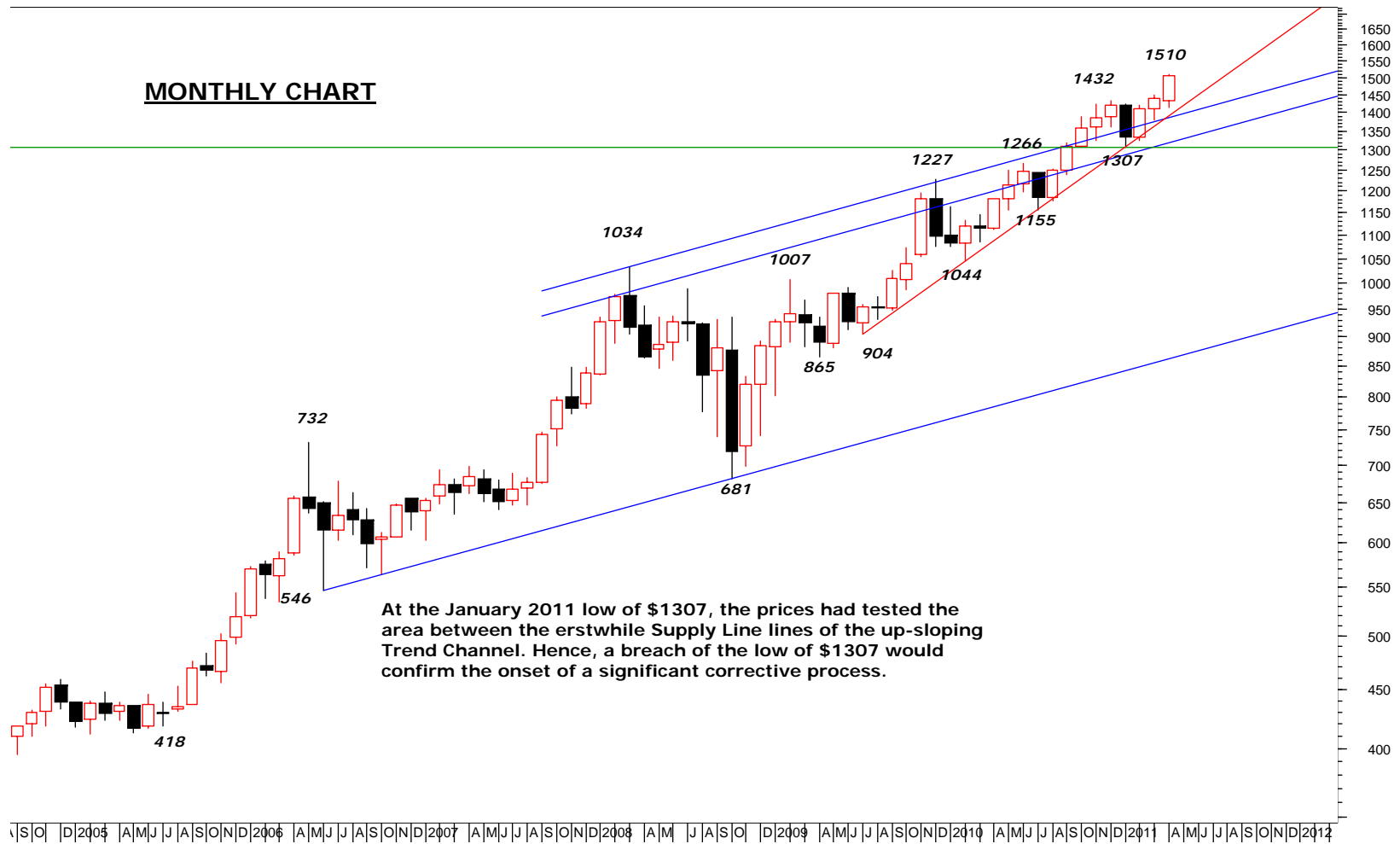
GOLD PRICES ARE TESTING THE KEY FIBONACCI RESISTANCE LEVEL - \$1498

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-\$1503.80 (April 21, 2011)

MONTHLY CHART



Silver Continuous - \$46.06 (April 21, 2011)

Silver prices are trading above their all-time high of \$41.5. However, the Monthly RSI is at its overbought levels. The Silver Prices are testing the 685.4% Fibonacci retracement level of the last leg of 1980 - 1991 bearish phase (\$46.62). Hence, the risk-reward ratio is not favourable for investments.

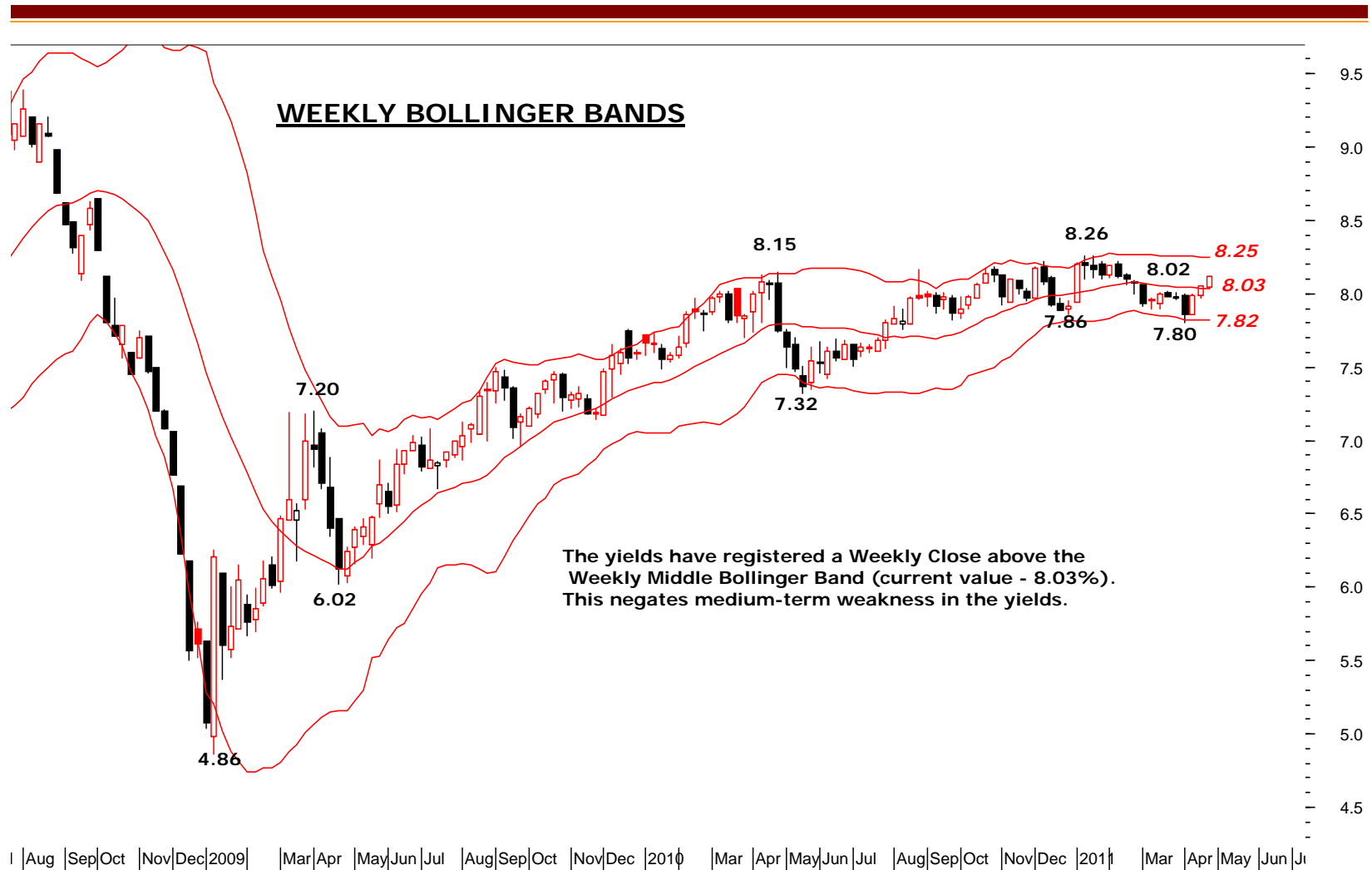


US Dollar Index Continuous – 74.18 (April 21, 2011)

The USD Index is currently testing the November 2009 low of 74. Sustaining above 74 and a decisive move past 77 is required to avoid further weakness.



Indian Ten Year GOI Yields – 8.11% (April 25, 2011)



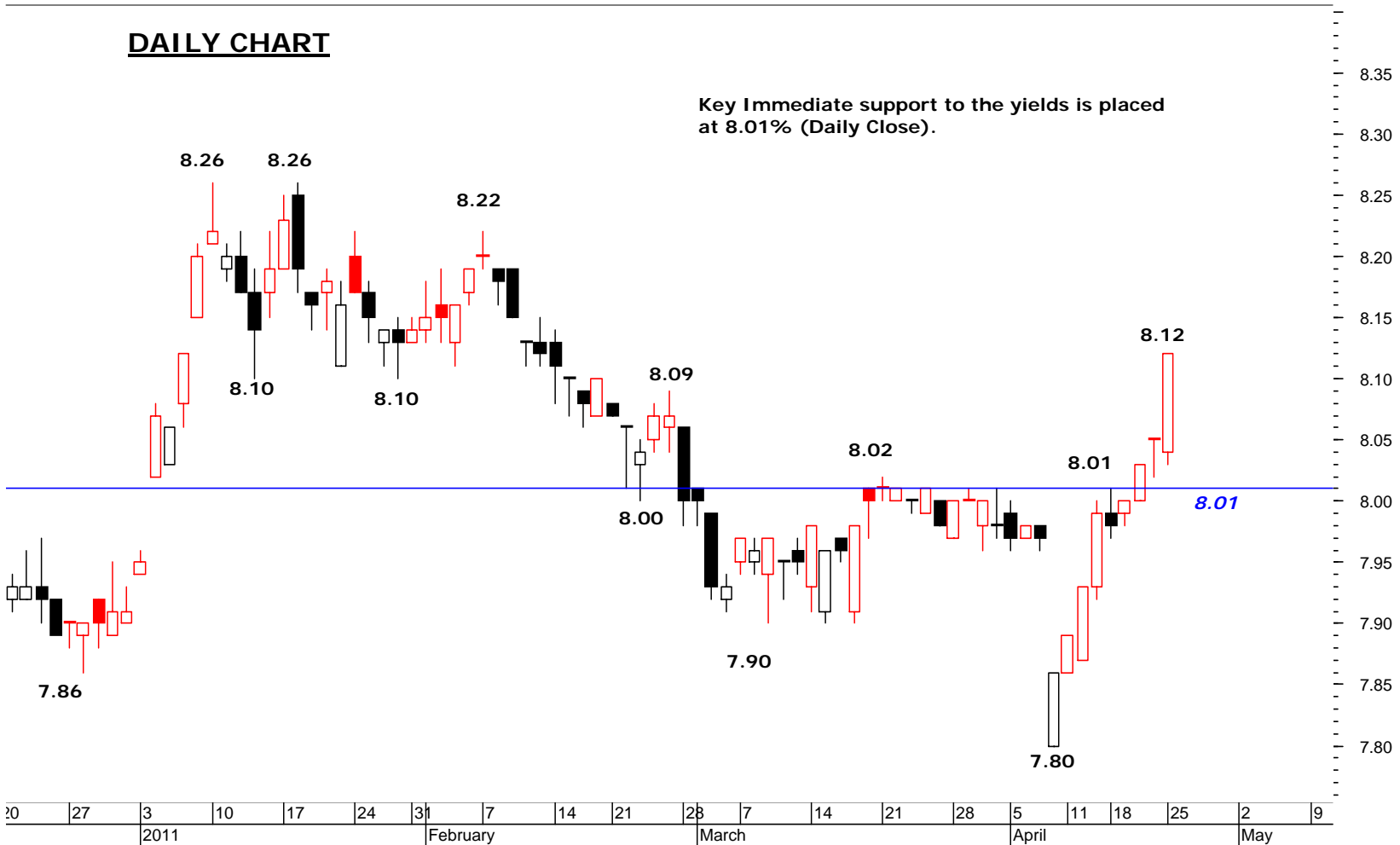
Indian Ten Year GOI Yields – 8.11% (April 25, 2011)

DAILY CHART

61.8% Fibonacci retracement level of the fall from 8.26% to 7.80% is placed at 8.08%. Horizontal resistance zone is placed between 8.10% & 8.13%. Hence, the area between 8.08% & 8.13% is a potential resistance zone for the yields. The yields are currently testing the said zone.



Indian Ten Year GOI Yields – 8.11% (April 25, 2011)



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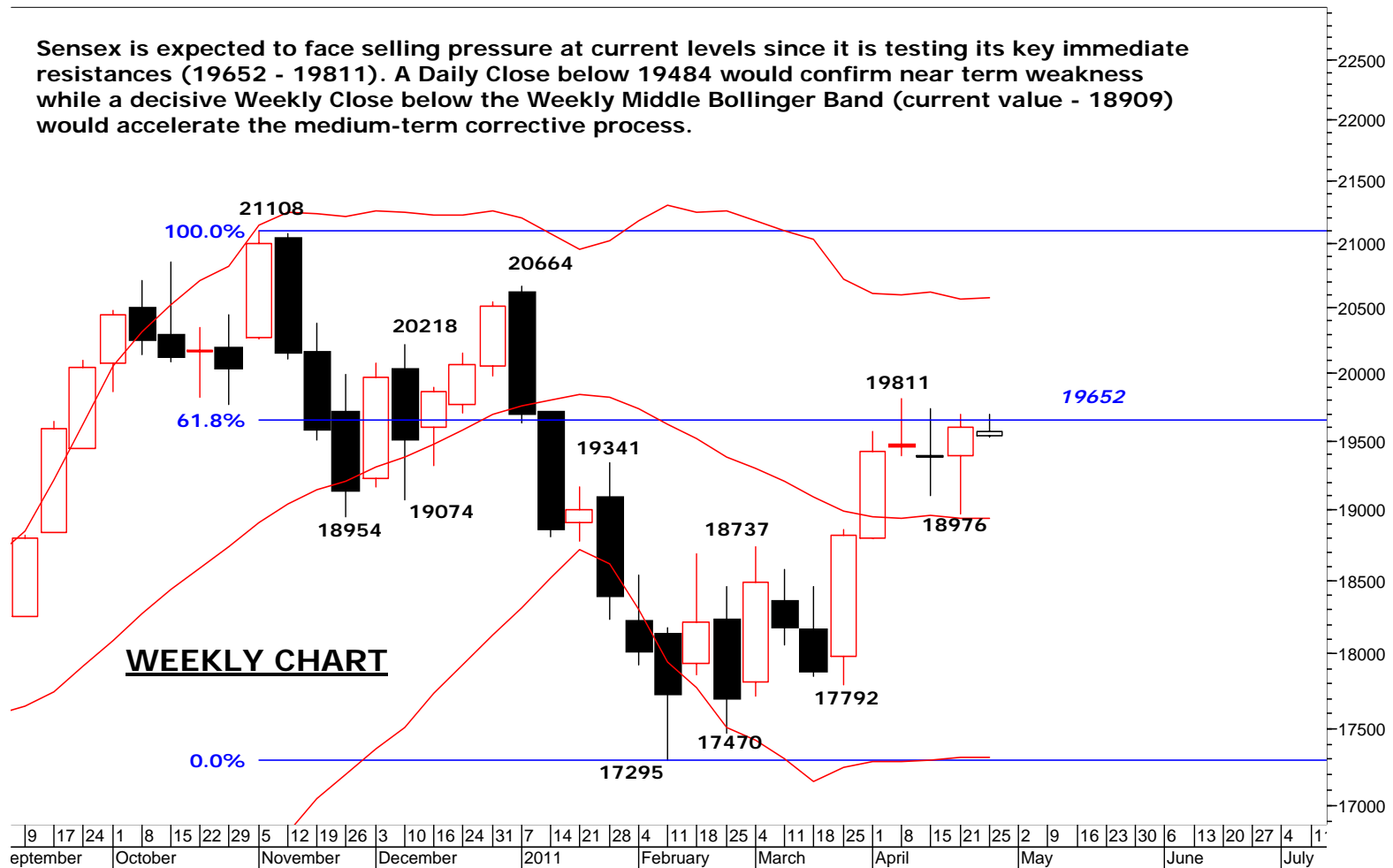
WEEKLY CHART



The yields broke down from their up-sloping Trend Channel. They also registered a Weekly Close marginally below the September 2010 Weekly Closing Trough of 7.87% which was a key horizontal support for the yields. These developments suggested weakness in the yields. However, after making a low at 7.80%, the yields have recovered above the trendline connecting the lows of 7.82% & 7.86%, leading to a failed breakdown below the Trend Channel. Once the yields negotiate past 8.13%, they could target 8.26%.

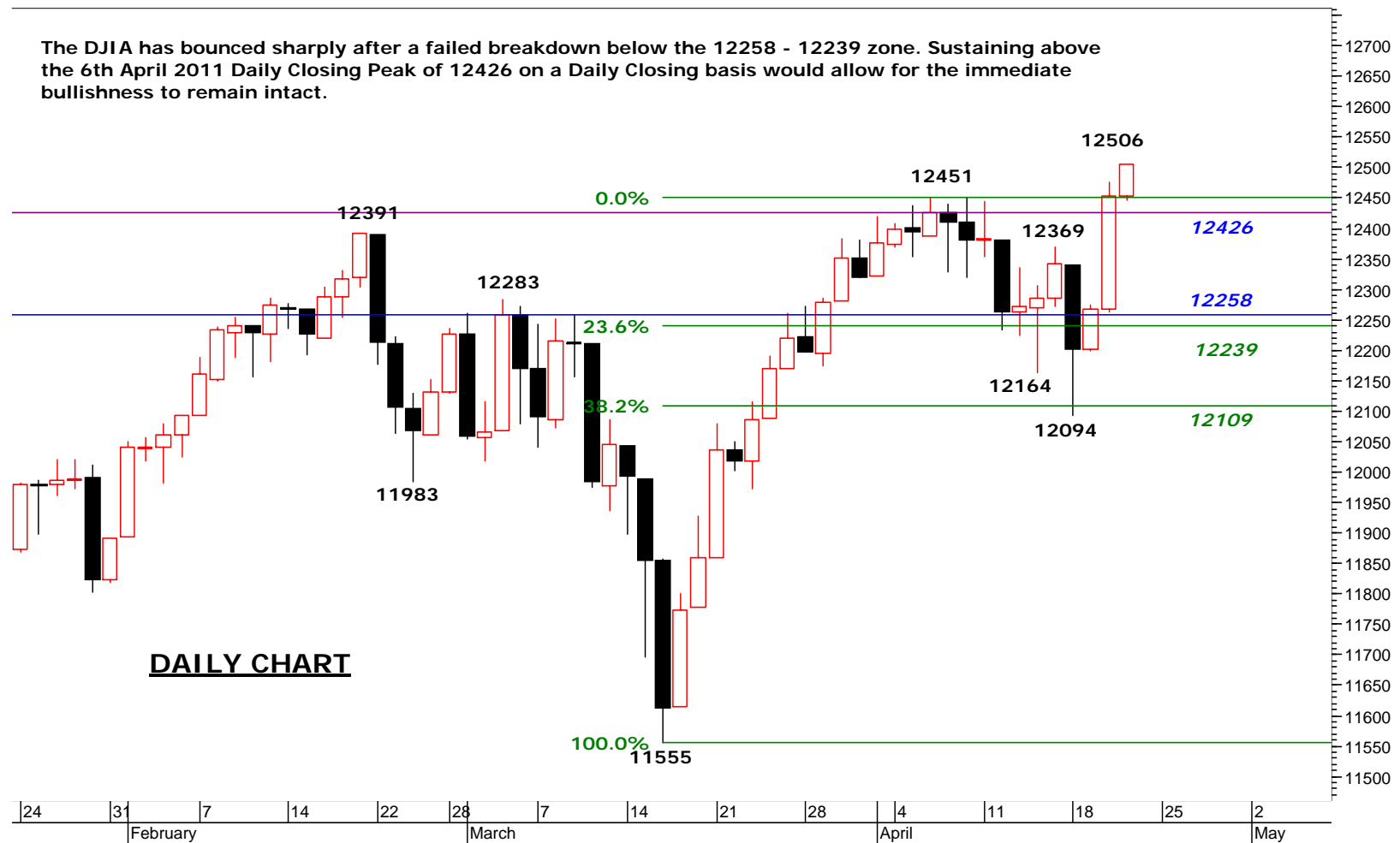
BSE Sensex – 19584.31 (April 25, 2011)

Sensex is expected to face selling pressure at current levels since it is testing its key immediate resistances (19652 - 19811). A Daily Close below 19484 would confirm near term weakness while a decisive Weekly Close below the Weekly Middle Bollinger Band (current value - 18909) would accelerate the medium-term corrective process.



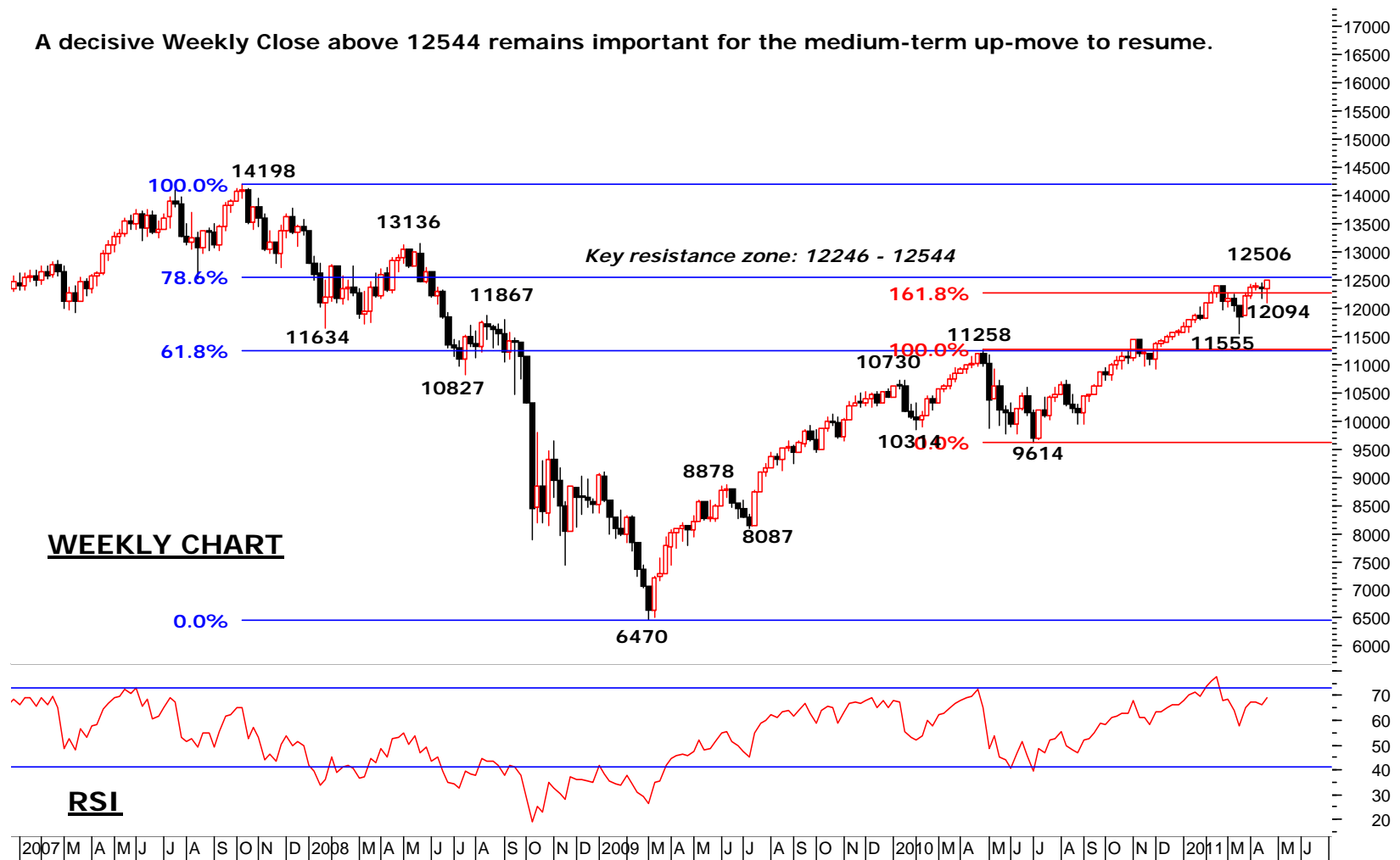
Dow Jones Industrial Average – 12506.00 (April 21, 2011)

The DJIA has bounced sharply after a failed breakdown below the 12258 - 12239 zone. Sustaining above the 6th April 2011 Daily Closing Peak of 12426 on a Daily Closing basis would allow for the immediate bullishness to remain intact.



Dow Jones Industrial Average – 12506.00 (April 21, 2011)

A decisive Weekly Close above 12544 remains important for the medium-term up-move to resume.

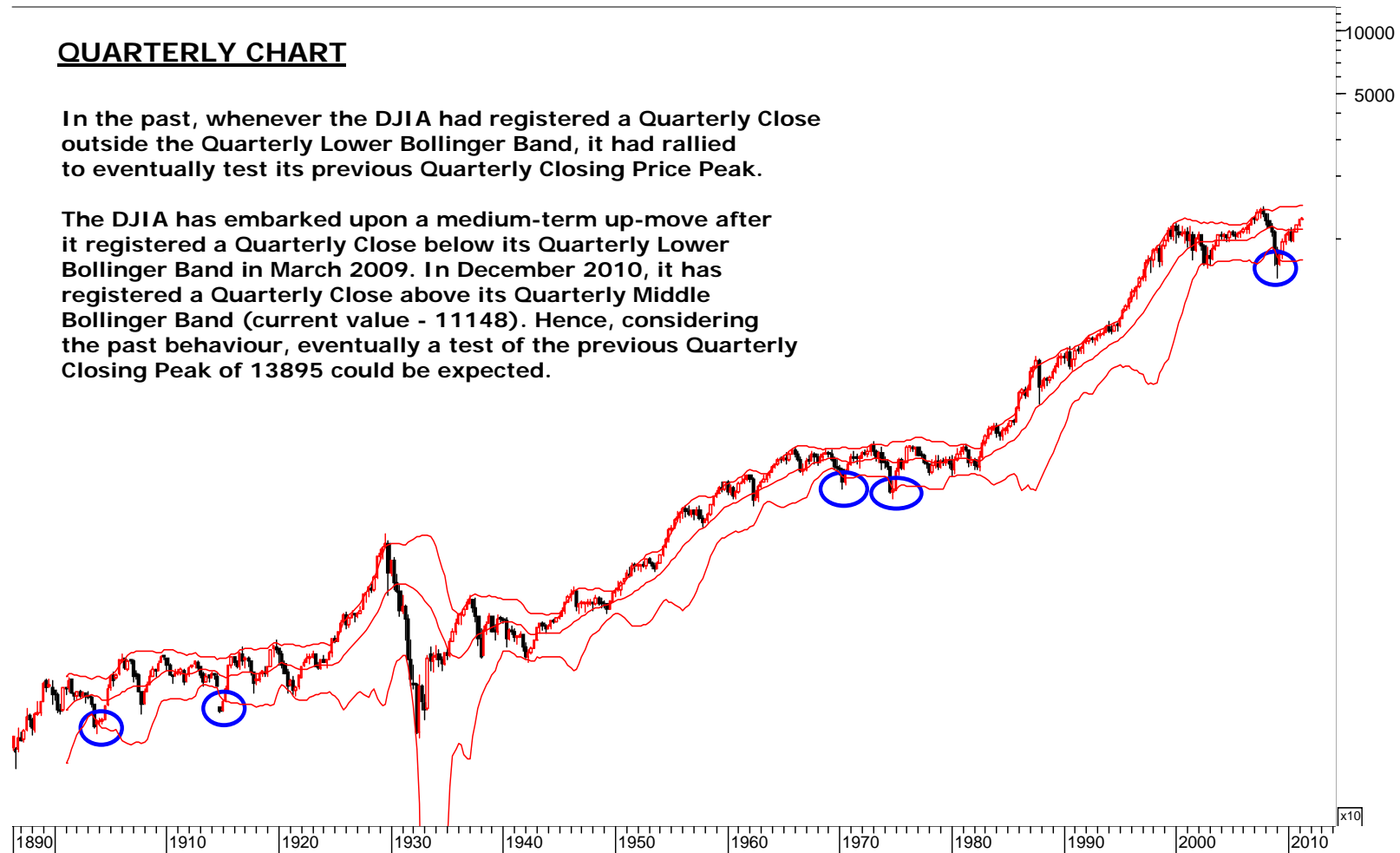


Dow Jones Industrial Average – 12506.00 (April 21, 2011)

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.

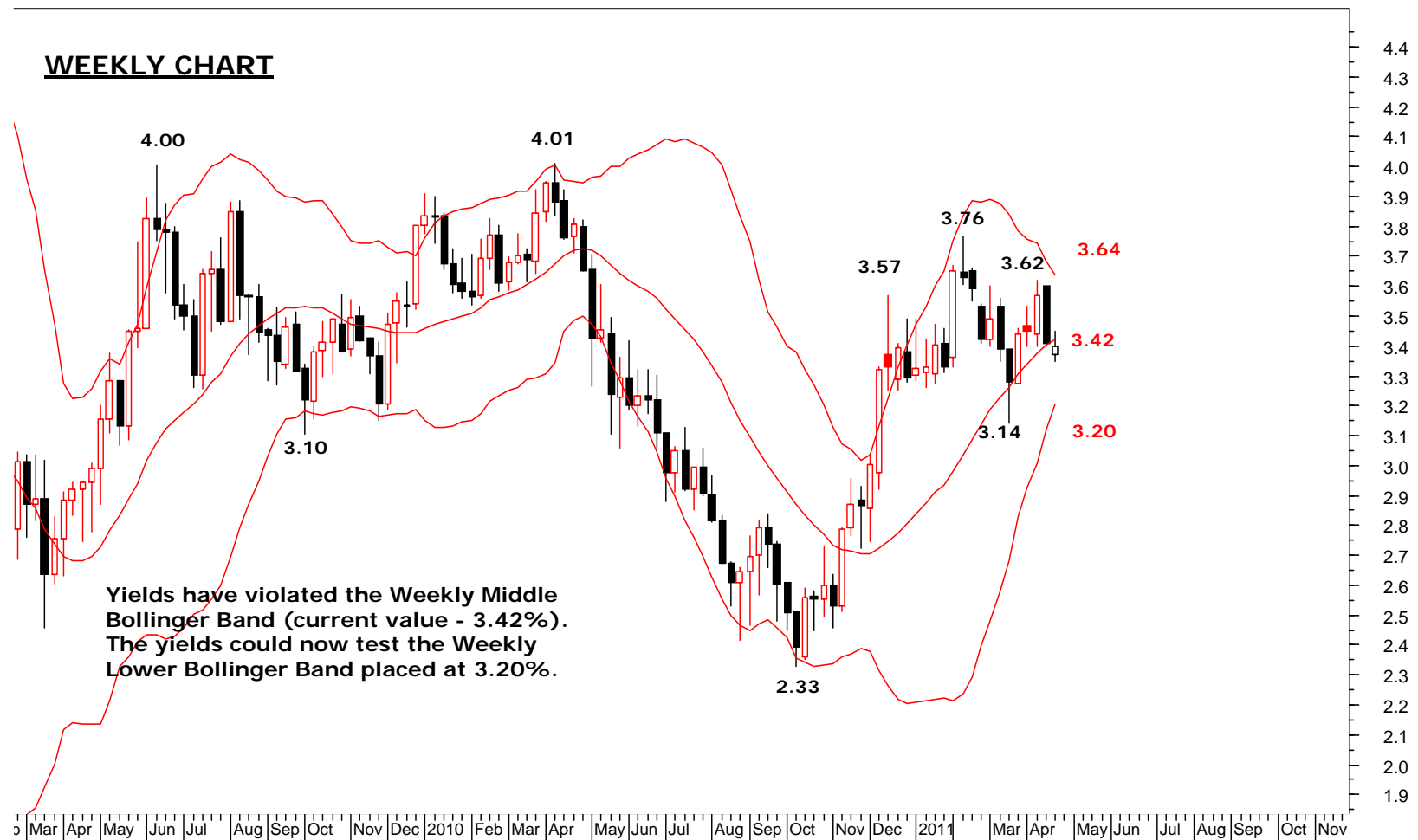
The DJIA has embarked upon a medium-term up-move after it registered a Quarterly Close below its Quarterly Lower Bollinger Band in March 2009. In December 2010, it has registered a Quarterly Close above its Quarterly Middle Bollinger Band (current value - 11148). Hence, considering the past behaviour, eventually a test of the previous Quarterly Closing Peak of 13895 could be expected.



US Ten Year Treasury Yields – 3.40% (April 21, 2011)



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