

*Weekly Technical Outlook On
Various Asset Classes (May 02, 2011)*

SYNOPSIS (As on May 02, 2011)

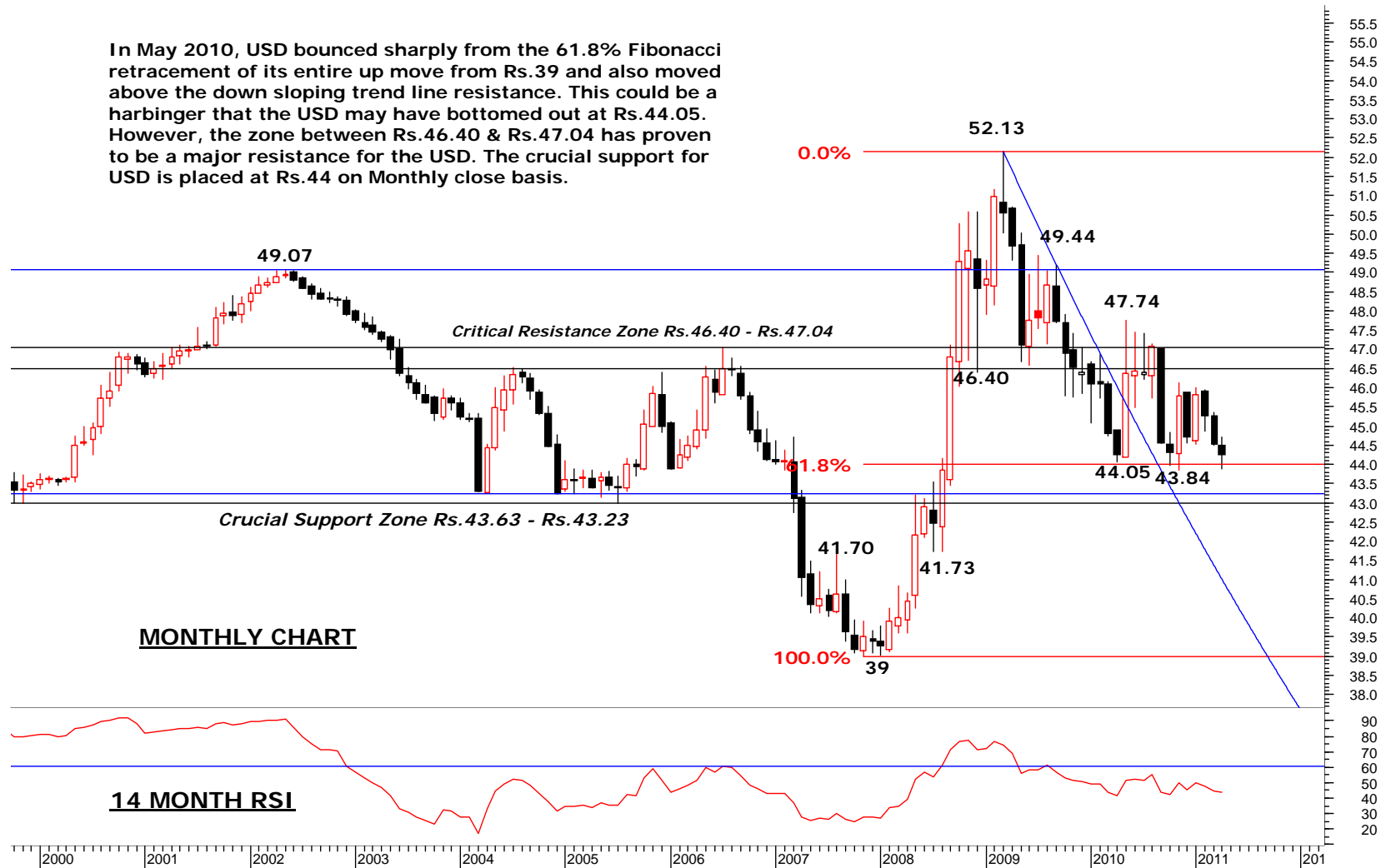
1. **USD - INR (Rs.44.24)** : USD is currently placed near its crucial support placed around Rs.44 where buying is likely to emerge.
2. **Euro – USD (\$1.4799)** : As expected, a move past the previous high of \$1.4281 led to continuation of its up-move. The Euro is now approaching the target placed at \$1.5160 (the 161.8% Fibonacci retracement of the entire fall from \$1.4281). Immediate support is placed at \$1.4488 on daily closing price basis.
3. **Light Crude (\$113.93)** : The ongoing up-move is likely to remain intact so long as it trades above \$113 on a weekly closing price basis. Light Crude prices are likely to target \$123. Key support is placed at \$104.
4. **Gold (\$1556.40)** : Gold prices have negated their retracement pattern with a Monthly Close above \$1498. However, selling is likely to be witnessed around \$1600 levels. In that scenario key trendline support is placed around \$1426.
5. **Silver (\$48.59)** : Risk-reward ratio remains unfavorable for investments. A Daily Close below \$44.61 would trigger a downward corrective process in the near term.
6. **US Dollar Index (73.10)** : The index has breached the support zone placed in the zone between 74.96 & 74.21. A failure to move past the said zone is likely to result in a test of April 2008 low of 71.
7. **Indian Ten Year GOI Yields (8.13%)**: Negotiating past the Weekly Middle Bollinger Band (current value – 8.04%) negated medium-term weakness in the yields. It is now the key support (for the yields) on a Weekly Close basis. Immediate up-move of the yields would remain intact so long as the low of 8.07% holds on a Daily Close basis. Once the yields decisively negotiate past 8.13%, they could retest 8.26%.

SYNOPSIS (As on May 02, 2011)

8. **BSE Sensex (18998.02):** Medium-term corrective process would be expected to accelerate on a Weekly Close below 18877. Only a Weekly Close above 19652 would negate near term weakness.
9. **Dow Jones Industrial Average (12810.50):** Weekly Close above 12544 suggests resumption of the medium-term up-move. The February 2011 Weekly Closing Peak of 12391 now assumes importance as the key medium-term support on a Weekly Close basis.
10. **US Ten Year Treasury Yields (3.30%):** Yields are likely to test 3.20% or lower if they fail to move past and sustain above 3.42%.

USD / INR - Rs.44.24 (April 29, 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.44.24 (April 29, 2011)

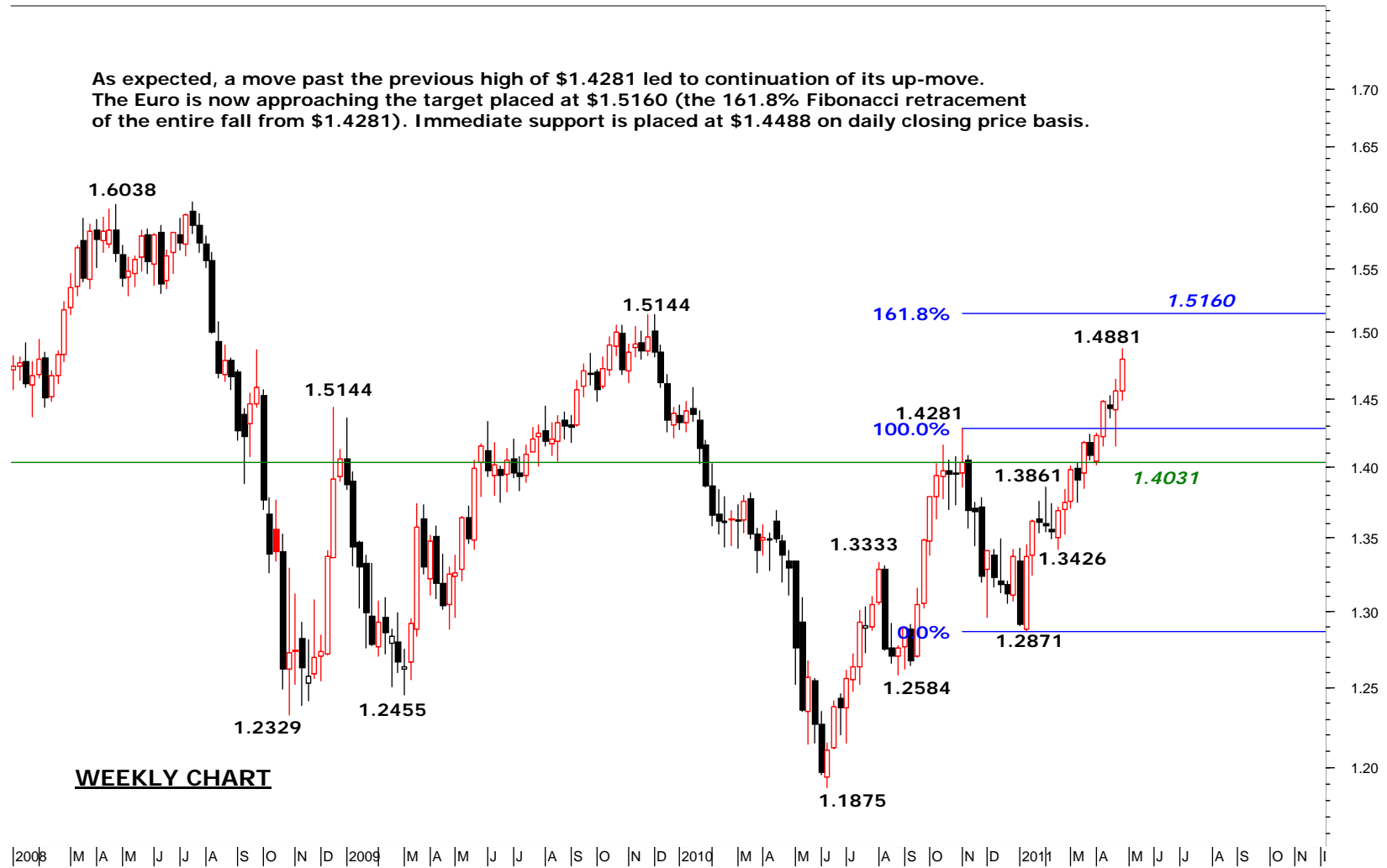


Euro Dollar – \$1.4799 (April 29, 2011)



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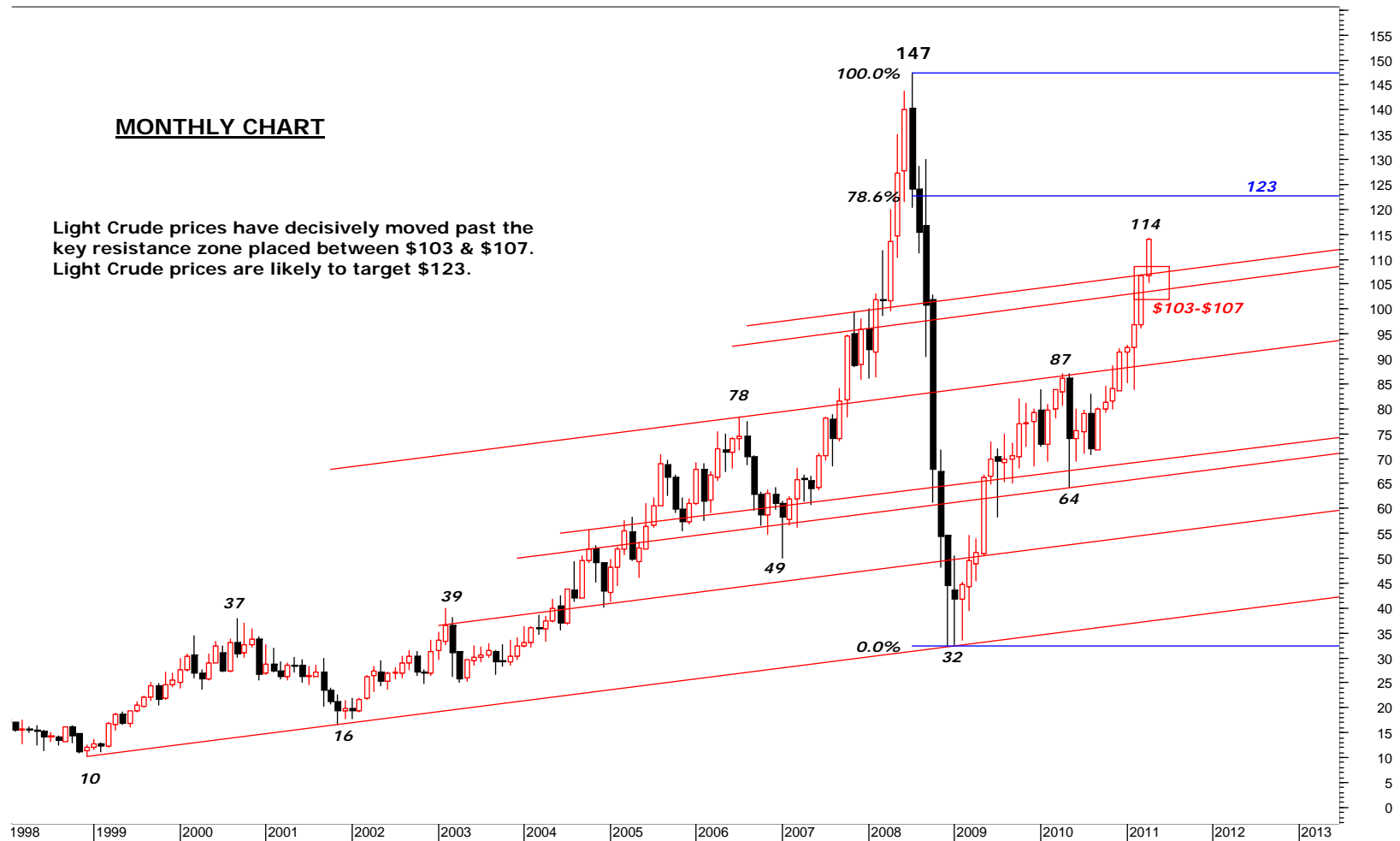
As expected, a move past the previous high of \$1.4281 led to continuation of its up-move. The Euro is now approaching the target placed at \$1.5160 (the 161.8% Fibonacci retracement of the entire fall from \$1.4281). Immediate support is placed at \$1.4488 on daily closing price basis.



Light Crude Continuous -\$113.93 (April 29, 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.



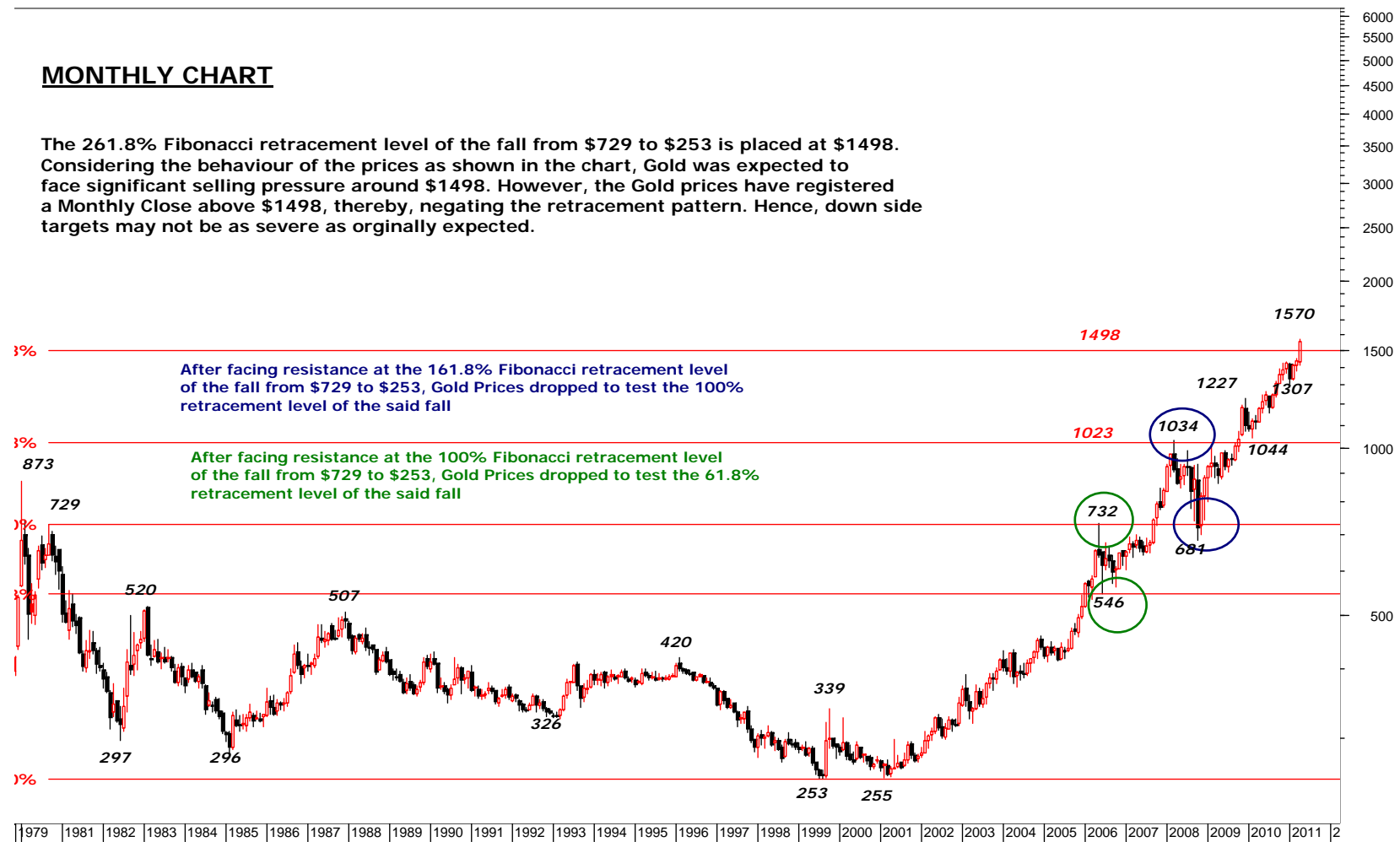
Light Crude Continuous -\$113.93 (April 29, 2011)



Gold Continuous-\$1556.40 (April 29, 2011)

MONTHLY CHART

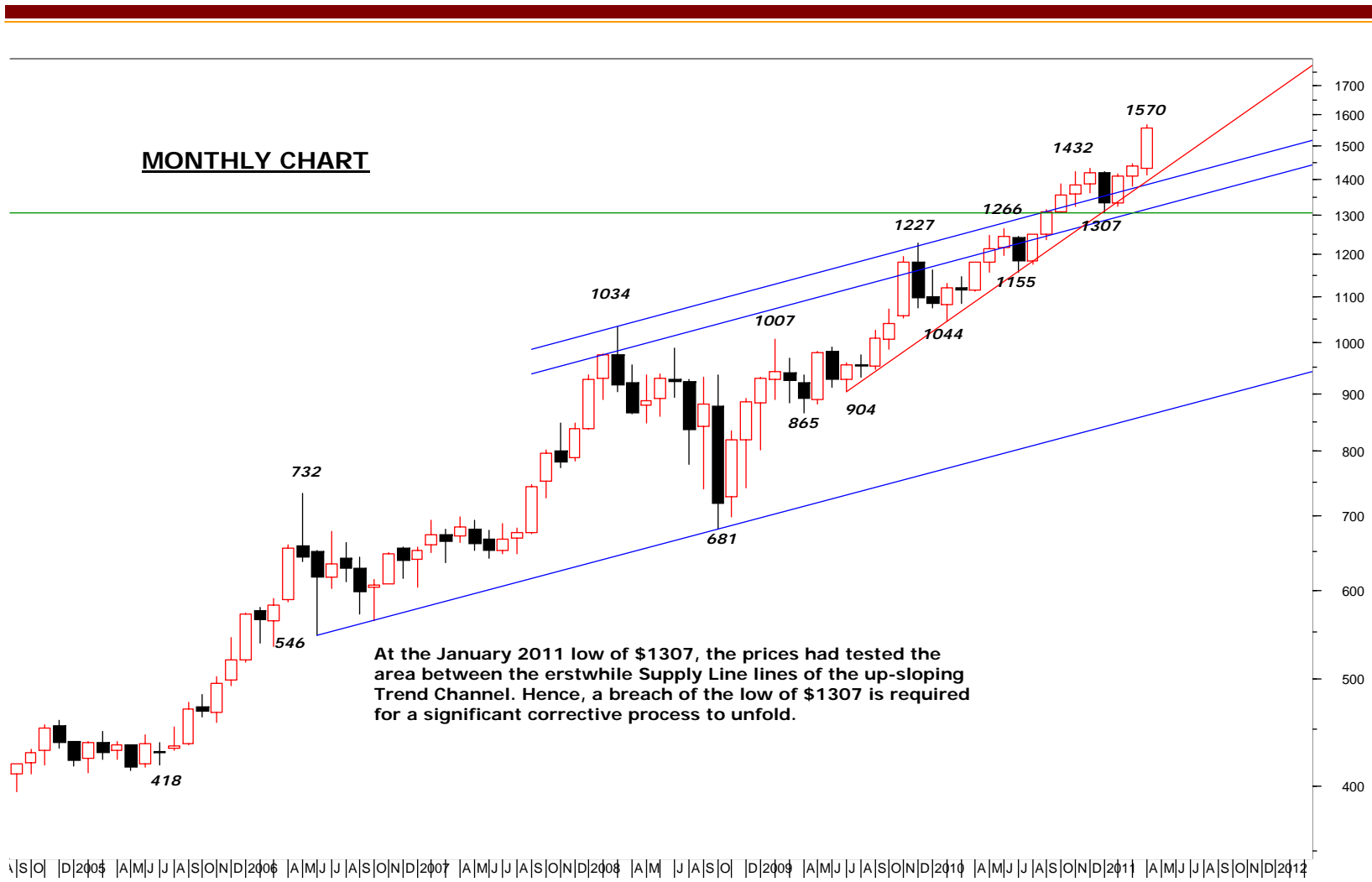
The 261.8% Fibonacci retracement level of the fall from \$729 to \$253 is placed at \$1498. Considering the behaviour of the prices as shown in the chart, Gold was expected to face significant selling pressure around \$1498. However, the Gold prices have registered a Monthly Close above \$1498, thereby, negating the retracement pattern. Hence, down side targets may not be as severe as originally expected.



Gold Continuous-\$1556.40 (April 29, 2011)

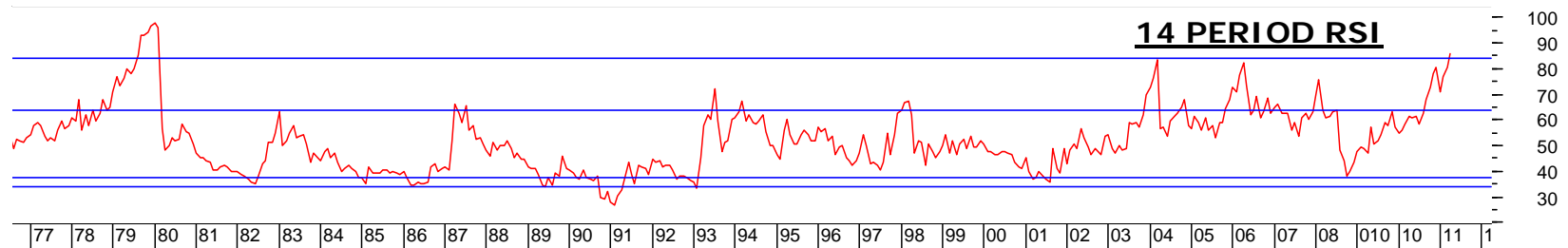


Gold Continuous-\$1556.40 (April 29, 2011)



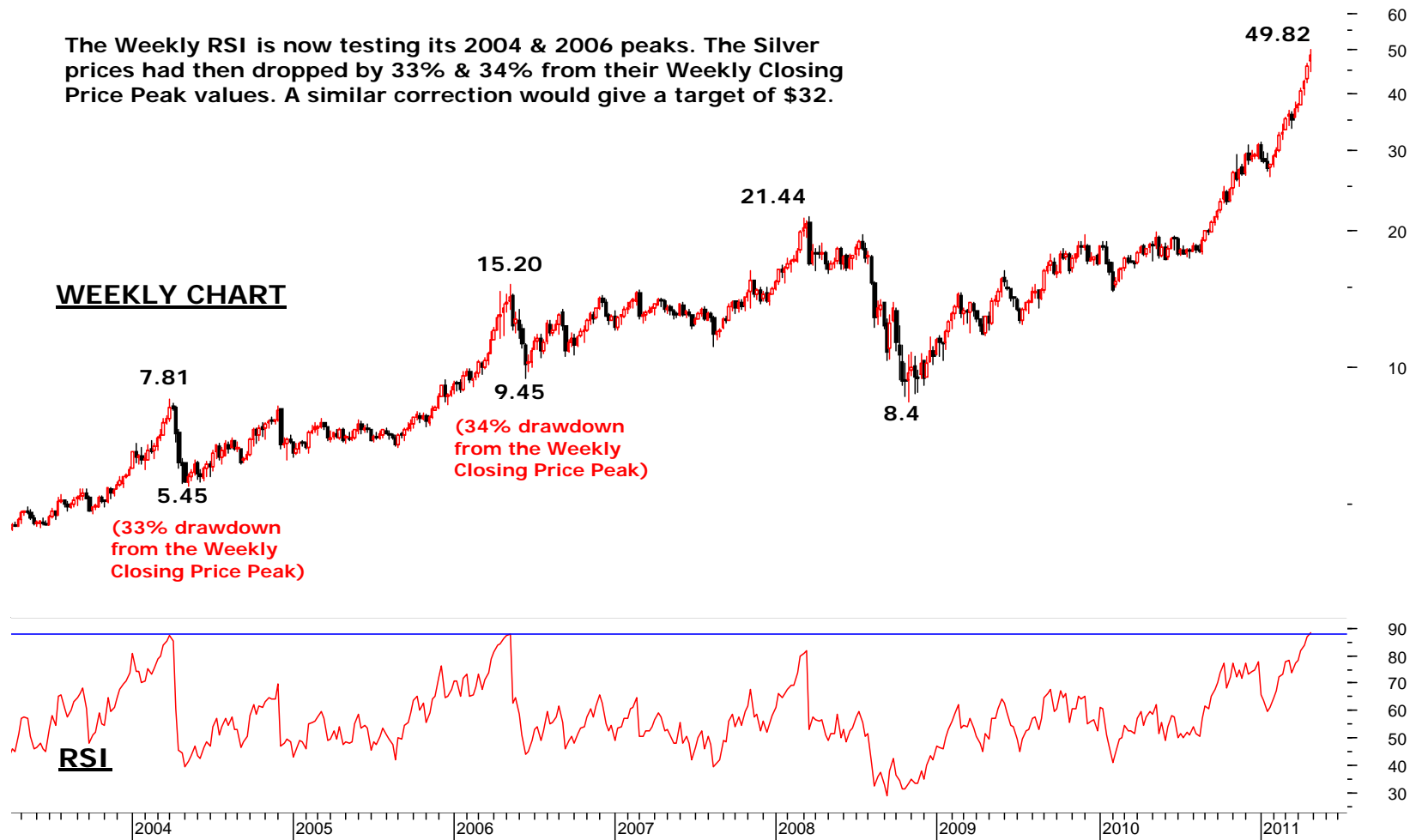
Silver Continuous - \$48.59 (April 29, 2011)

Silver prices have registered a Monthly Close above their all-time high of \$41.5. They have also negotiated past the potential Fibonacci resistance level placed at \$46.67. However, the Monthly RSI is at its overbought levels. Hence, the risk-reward ratio is not favourable for investments.



Silver Continuous - \$48.59 (April 29, 2011)

The Weekly RSI is now testing its 2004 & 2006 peaks. The Silver prices had then dropped by 33% & 34% from their Weekly Closing Price Peak values. A similar correction would give a target of \$32.



Silver Continuous - \$48.59 (April 29, 2011)

DAILY CHART

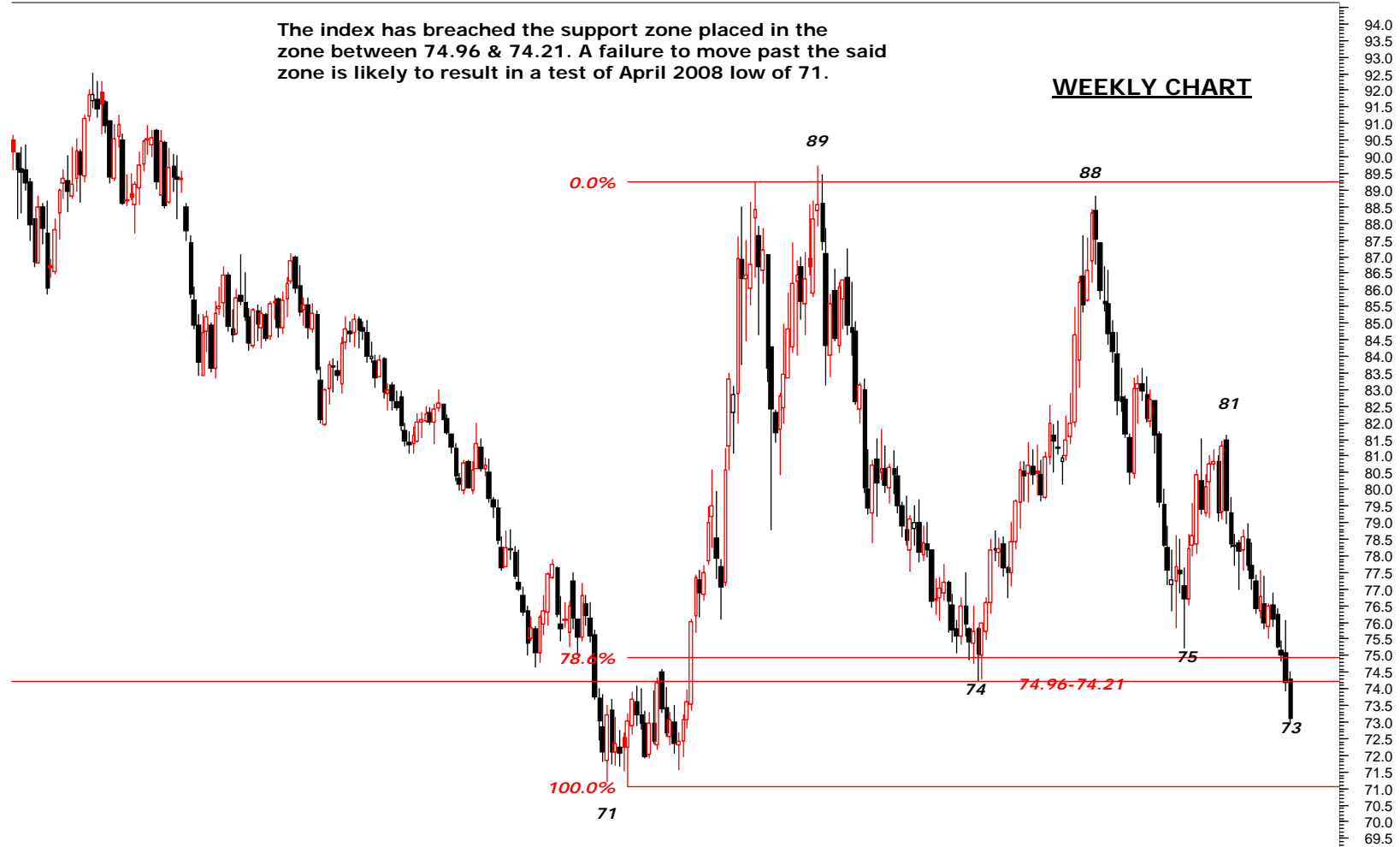
A decisive Daily Close below the low of \$44.61 would trigger a corrective process in the near term.



US Dollar Index Continuous – 73.10 (April 29, 2011)

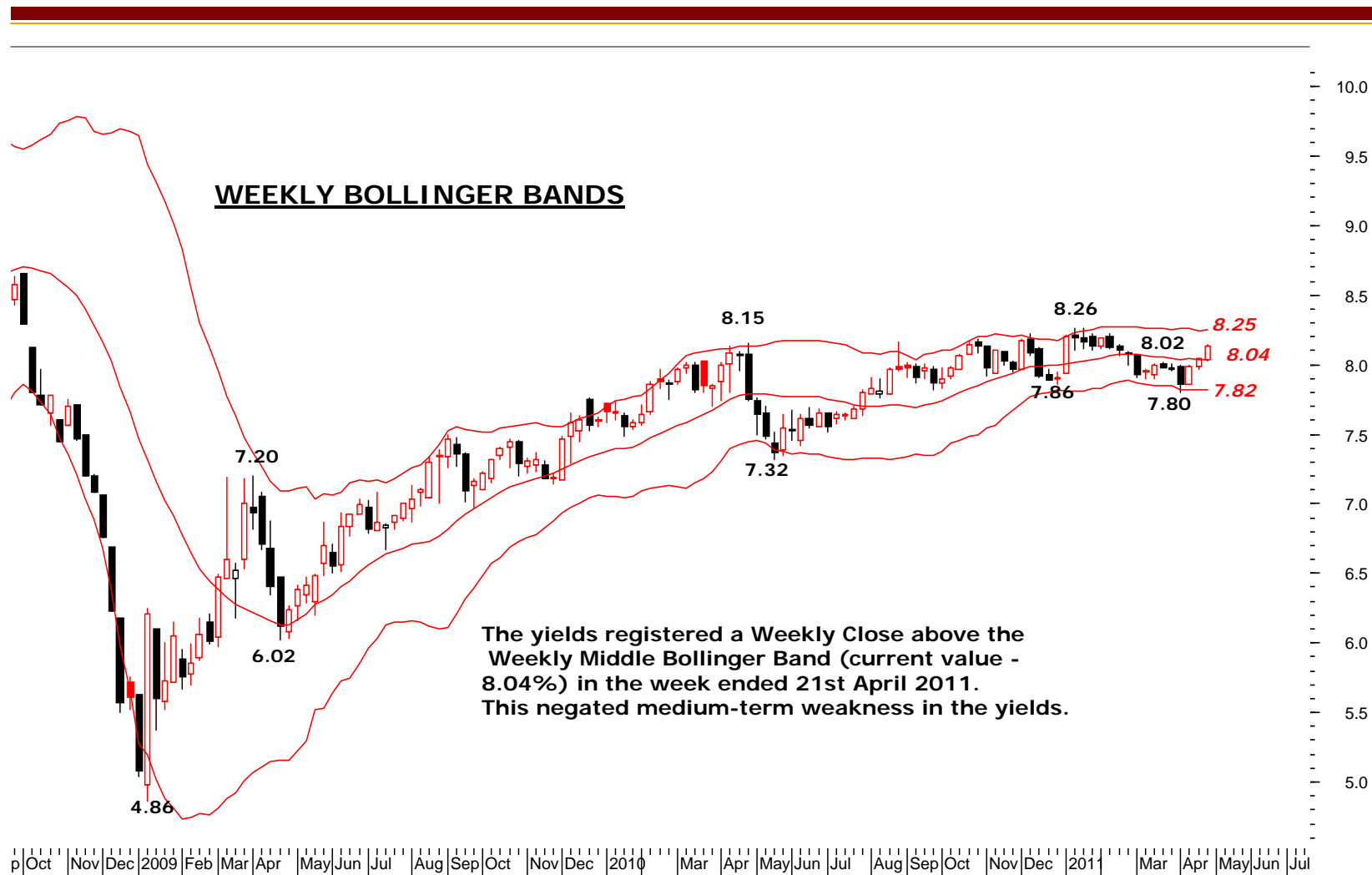
The index has breached the support zone placed in the zone between 74.96 & 74.21. A failure to move past the said zone is likely to result in a test of April 2008 low of 71.

WEEKLY CHART

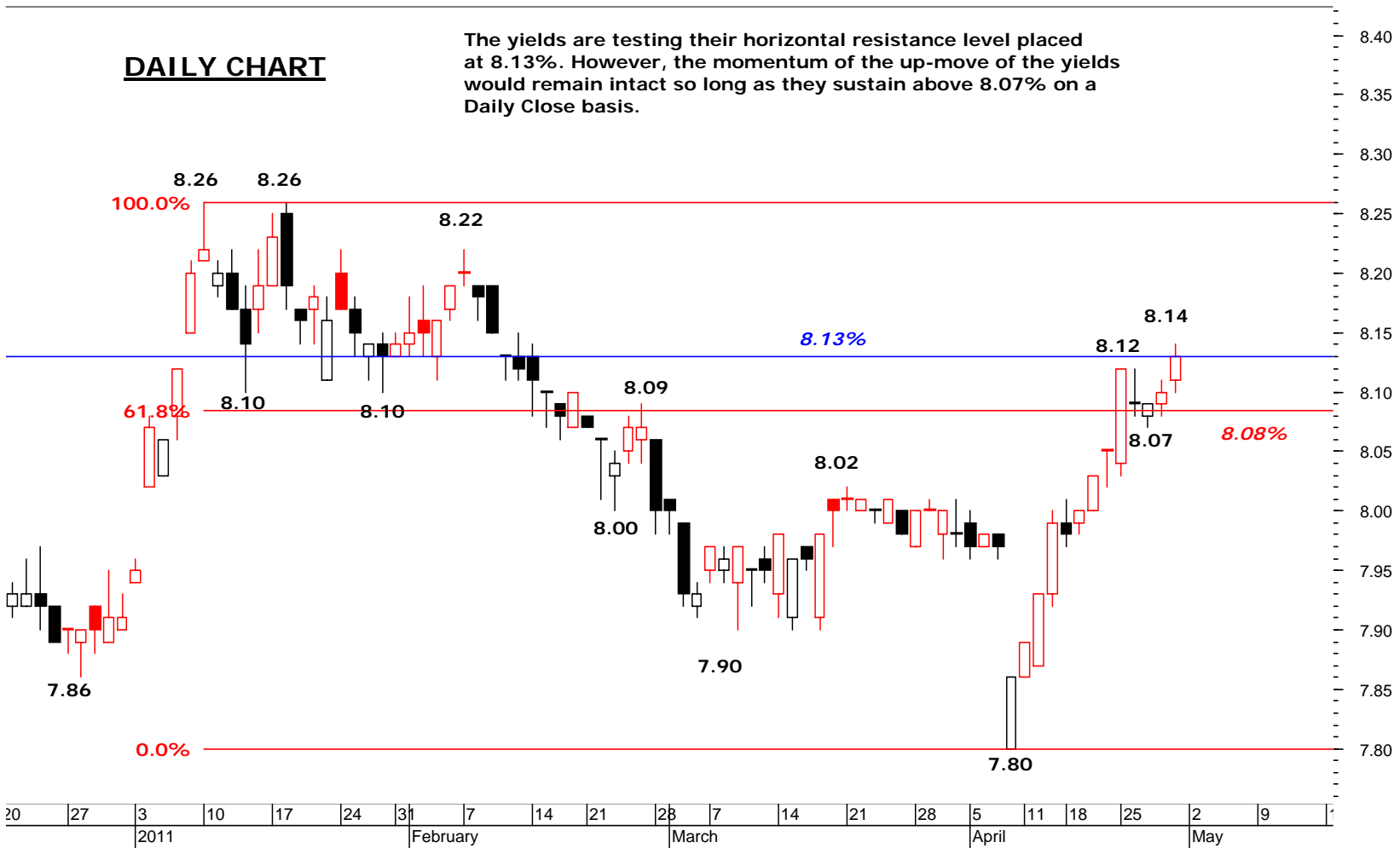


J | A | S | O | N | D | 2006 | A | M | J | J | A | S | O | N | D | 2007 | A | M | J | J | A | S | O | N | D | 2008 | A | M | J | J | A | S | O | N | D | 2009 | A | M | J | J | A | S | O | N | D | 2010 | A | M | J | J | A | S | O | N | D | 2011 | A | M | J | J

Indian Ten Year GOI Yields – 8.13% (April 29, 2011)



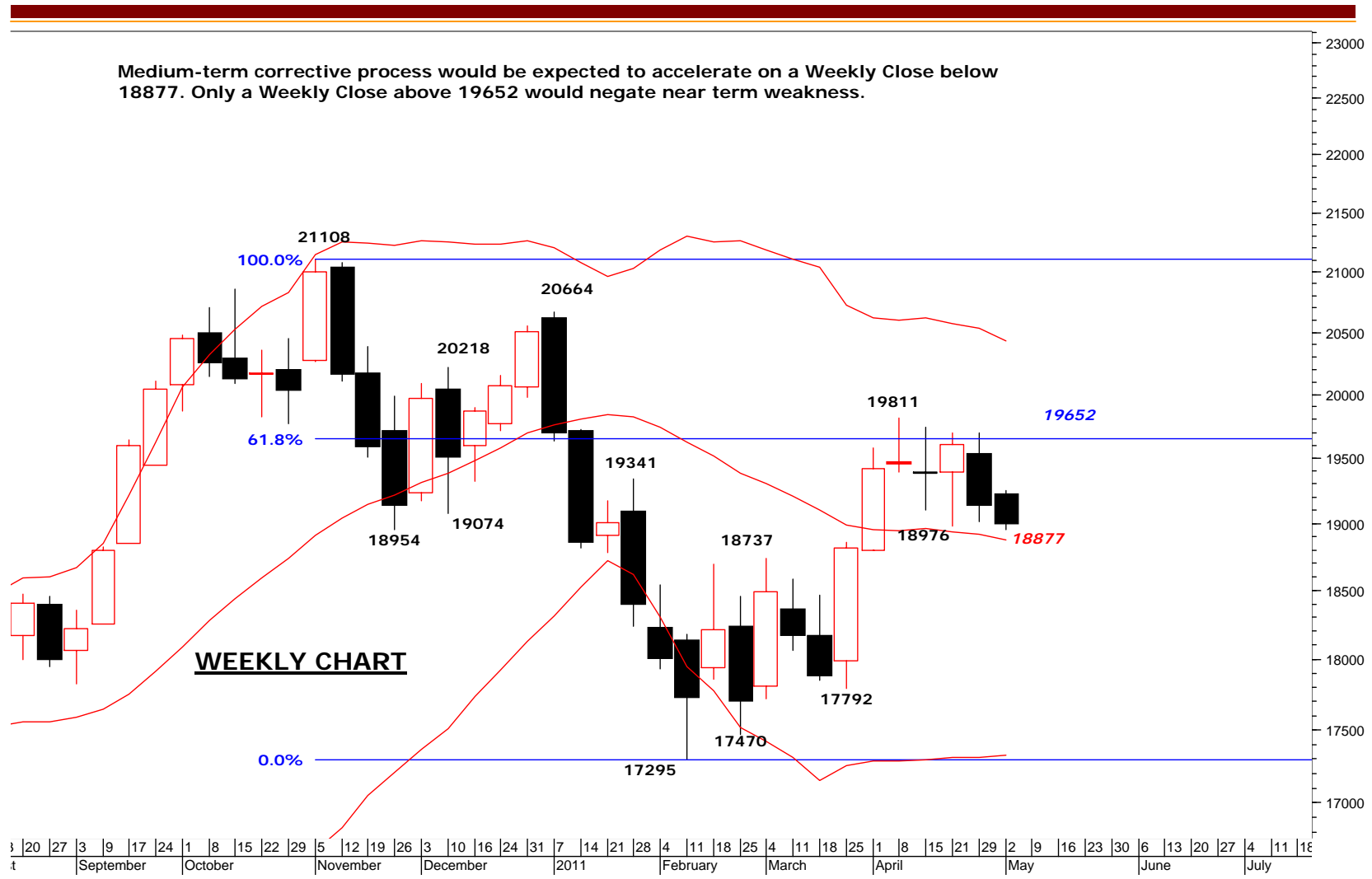
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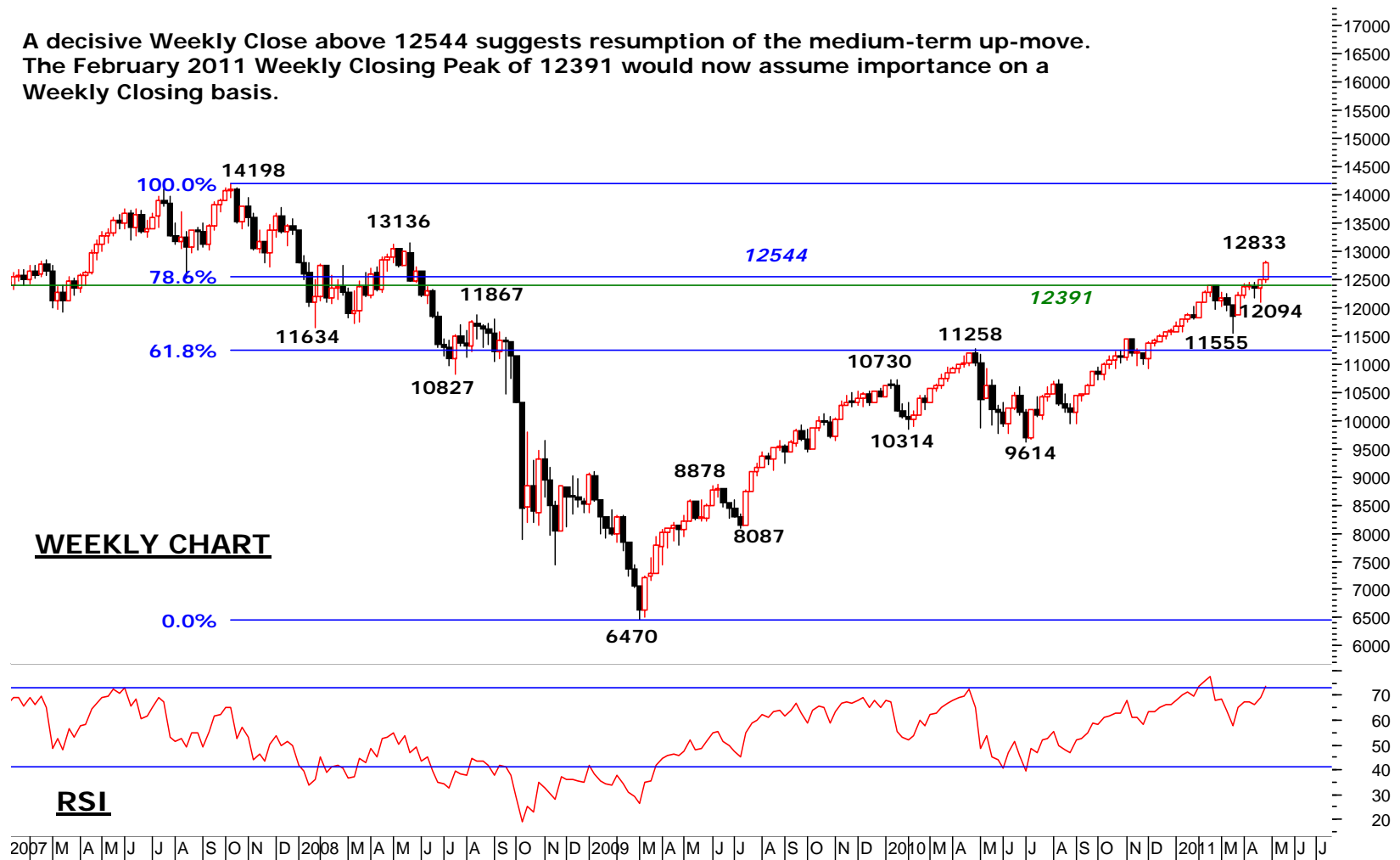


BSE Sensex – 18998.02 (May 02, 2011)



Dow Jones Industrial Average – 12810.50 (April 29, 2011)

A decisive Weekly Close above 12544 suggests resumption of the medium-term up-move. The February 2011 Weekly Closing Peak of 12391 would now assume importance on a Weekly Closing basis.

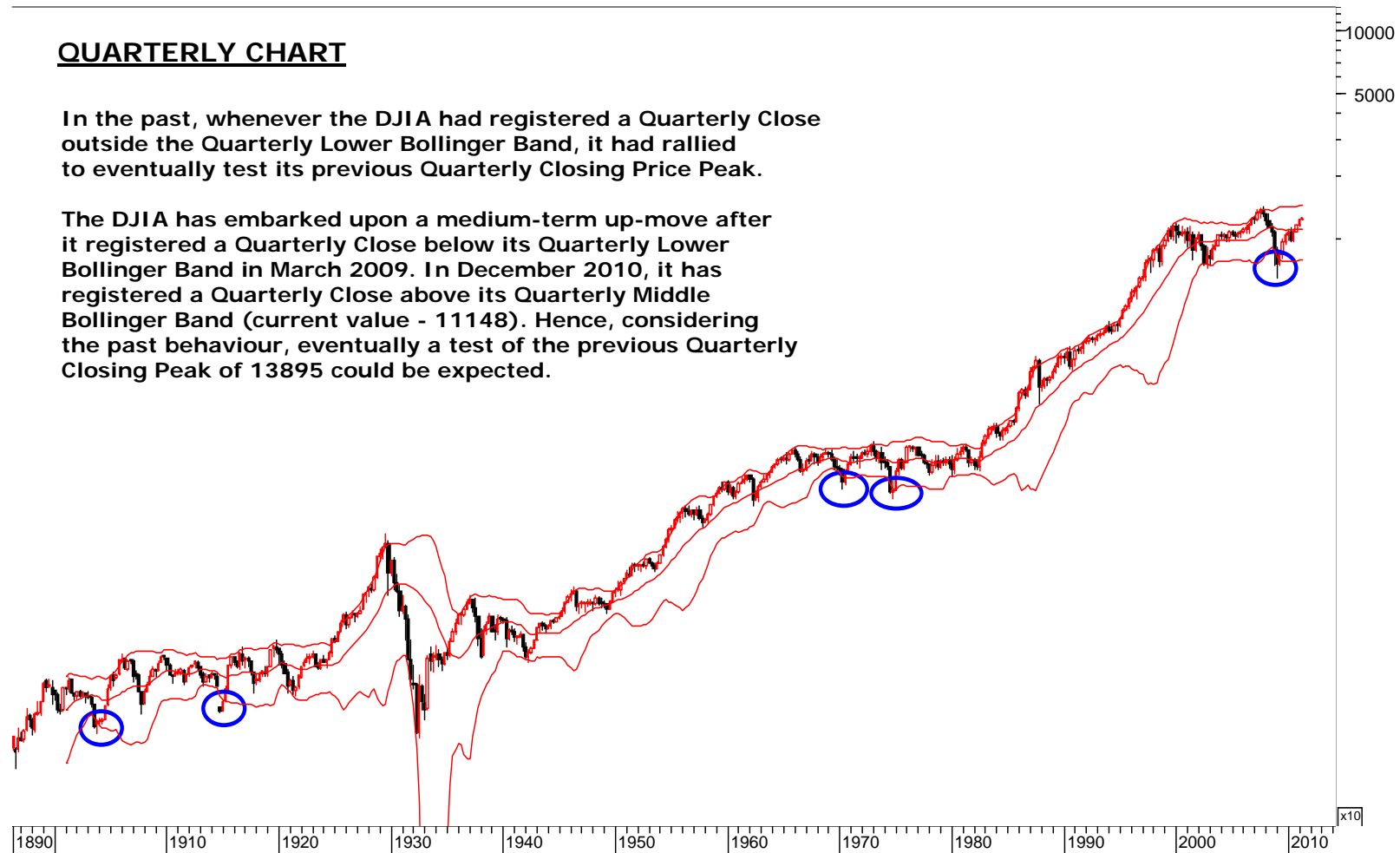


Dow Jones Industrial Average – 12810.50 (April 29, 2011)

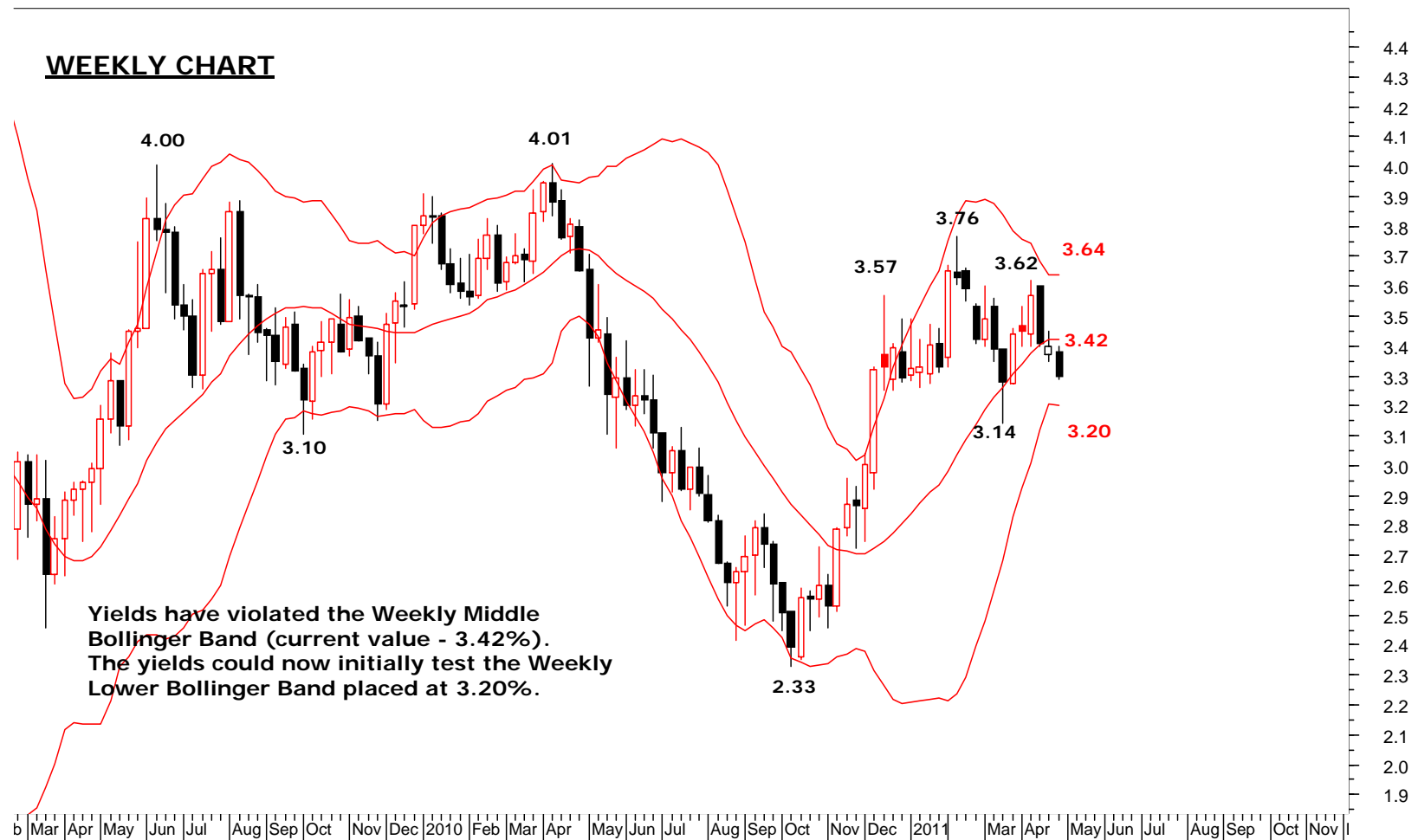
QUARTERLY CHART

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 – 3.30% (April 29, 2011)



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