

Dear well-wisher,

July 4th, 2015

As **NIFTY PUNCH ADVISORY SERVICES** commitment of uninterrupted service to the community, we take this opportunity to thank you for helping us succeeds of this accomplishment.

Here's sample copy of our research!

On balance volume:

OBV produces a curving line on the price carts. This line can be used either to confirm the quality of the current price trend or warn of an impending reversal by diverging from the price action.

The construction of the OBV line is simplicity itself. The total volume for each day is assigned a plus or minus value depending on whether prices close higher or lower for that day. a higher close causes the volume for that day to be given a plus value, while a lower close counts for negative volume. A running cumulative total is than maintained by adding or subtracting each day's volume based on the direction of the market close.

The OBV line should follow in the same direction as the price trend. If prices show a series of higher peaks and troughs, the OBV line should do the same. If prices are trending lower, so should the OBV line. It's when the volume line fails to move in the same direction as prices that a divergence exits and warns of a possible trend reversal.



The line along the bottom shows on balance volume (OBV) for the same Compaq chart of NIFTY. Notice how much easier it was to spot the support and Resistance confirmation by OBV and find the direction of market (Dec 2014 and June 2015).

Chart Patterns

The channel Line

The channel line is another useful variation of the trend line technique. Some time price trend between two parallel lines- the basic trend line and the channel line. It's helps to reader and should immediately see the value of such a situation. The basic up or down trend line can be used for the

intention of new long or short position. The channel line can be used for short term profit taking. As in case of the basic trend line, the longer the channel remains intact and more often it is successfully tested. The more important and reliable it becomes.

The breaking of the major trend line indicates an important change in trend but breaking of channel line has exactly the opposite meaning, and signals an acceleration of the existing trend.

Chart -1



Notice how prices fluctuated between upper and lower parallel line over a period of last 4. The march 2015, April 2015 and July 2015 tops occurred right at the upper basic line. May 2015 bottom bounced off the lower trend line.

Chart-2



Long term trend line along with the channel line since 2011

Volume and open Interest

In the financial market, multidimensional approach to market analysis by tracking the movement of three set of figures- PRICE, VOLUME and OPEN INTEREST. Price is by far most important. Volume and open interest are secondary in importance and use primarily as confirming indicator. Of those two, volume is more important.

The rules for the interpretation of volume and open interest generally combined because they are so similar. If volume and open interest are both increasing, than the current price trend will probably continue in its present direction (either up or down). If however volume and open interest are declining, the action can be viewed as a warning that current price trend may be nearing an end.



The daily chart of benchmark index NIFTY futures shows volume and open interest (OIF).

Conclusion: - On current scenario, pricing of benchmark index is their stress level as well as OBV. Open interest confirming the current down trend.

According to my observation, bench mark index can test lower trend line of long term basic trend line which is near to 7500 mark and will respect short term down trend channel. Above 8600, benchmark index nifty can make new high and can test long term channel upper trend line.

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