

OGDC – Medium trend down trend exhaustion signal expected

April 06, 2007



The narrow width of the Bollinger Bands of OGDC suggests that there is a high probability of volatility increasing in the near-term. Although the Bollinger bands have been indicating the same for the past six trading sessions now, however no other positive trading signal were witnessed previously. The medium term downtrend of OGDC still requires positive trading signals in the coming trading sessions before an exhaustion of the down trend can be confirmed.

The initial signal that we are expecting to be triggered today is overcoming of the 30DMA on a closing basis supported by 20 to 30% above average volumes which in the current scenario would be 12M to 13M shares traded. Although comfortable long positions should be built if OGDC manages to close above the April 04 high of Rs 119.60 which we expect will be the case today, however crossing above it on an intraday basis should be considered a positive signal for building aggressive trading positions. Major resistance should be expected at the falling trend line resistance of Rs 121.60 which currently coincides with the 100DMA. (Payout Adjusted Chart)

Buy with stop close below 118.00; Enter Above 119.60; Target 123.00

Current Supports and Resistances					
3 rd Support	2 nd Support	1 st Support	1 st Resistance	2 nd Resistance	3 rd Resistance
116.75	117.60	118.25	119.60	120.40	121.60

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