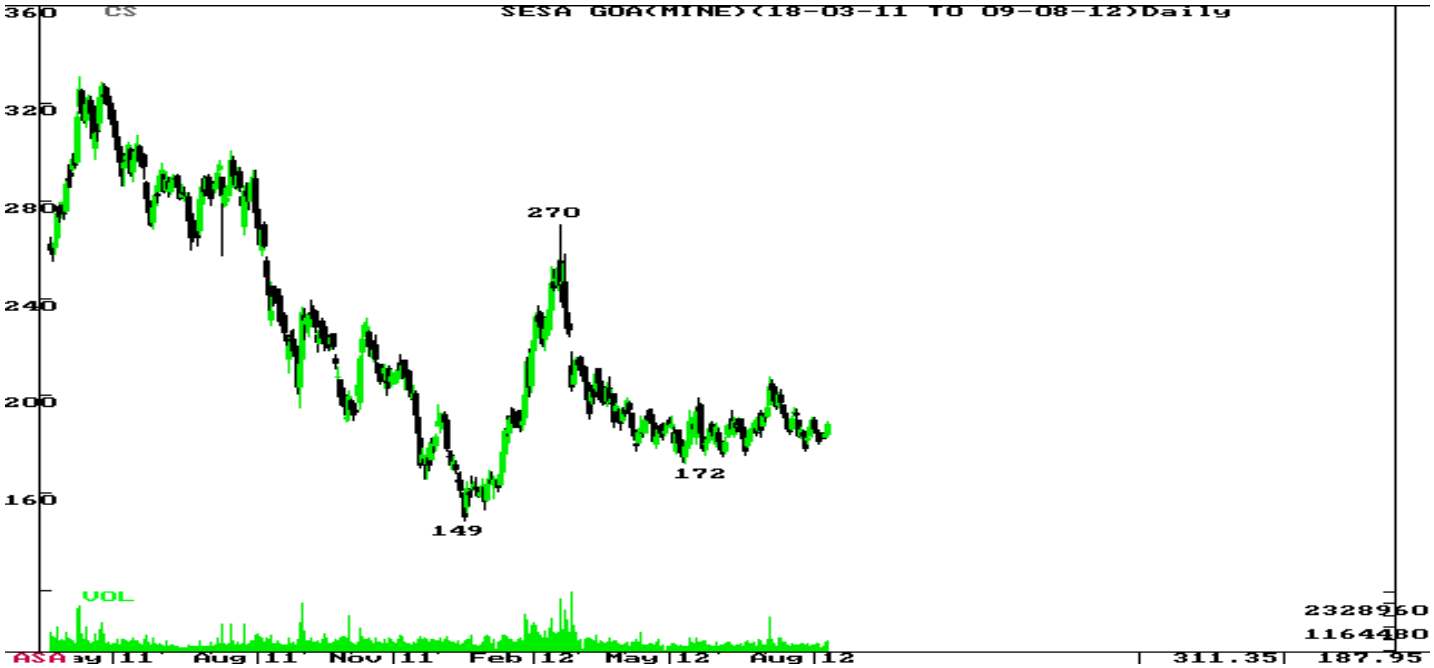
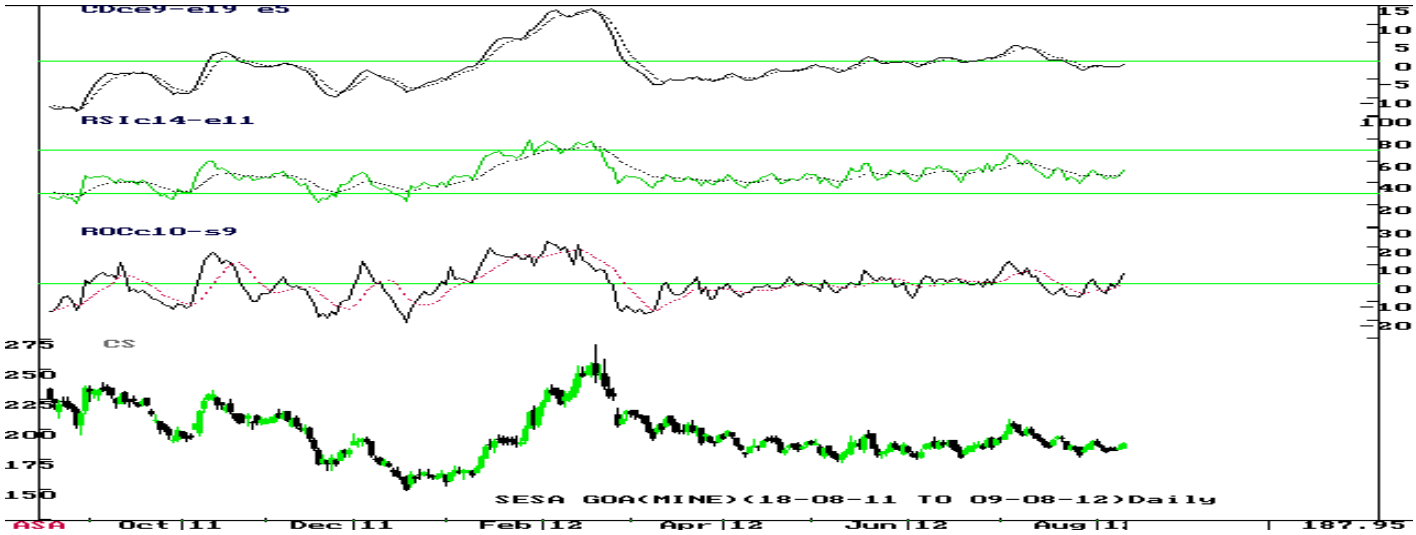
Stock	CMP	Recommended Action	Target	Stop Loss	Time Horizon
Sesa Goa	Rs.189.60	Buy between Rs 189 – Rs 185	Rs.200	183	7 days

Sesa Goa made its all time high at Rs.494 in the April 2010, and if we take the ratio of 61.8% from this all time high, it comes to Rs.188. 61.8% ratio has got immense importance in technical analysis and specially when it is from its all time high.



Sesa Goa made an intermediate bottom at Rs.149 in the month December 2011 and there onwards it had started rising. In the next 43 trading sessions, it made an intermediate high at Rs.270 as marked on the chart above. For the last 121 trading sessions it had corrected the previous rise of Rs.149 to Rs.270 by 81%. The time taken is almost 3 times than the time taken to move in the upward direction.

At the same time it has formed a base around Rs.172. We feel time and price wise correction in this stock is over and change in the trend from sideways to up is expected after the current sideways movement for last 64 trading sessions.



Oscillator	Current value	Average value
MACD – 9days	-1.09	-1.45
RSI – 14 days	51.43	47.23
ROC – 10days	5.35	-0.64

As can be seen from the chart and table above oscillators have already started generating buy signals in this stock.

Buy Sesa Goa between Rs.189 and Rs.185 for a price target of Rs.200 in 7 days; keep a stop loss of Rs.183 on closing basis.

Note: Once the market opens for trade, the analyst will review it and decide to give the call through an internal mail/SMS at the same or different levels of entry, target and stop loss or not give the call at all or give a call in Futures/call/put. Clients could get in touch with the analyst through their designated dealers to check about this.

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