



February 2, 2011

Steel Authority of India (SAIL)

LTP: ₹ 160.15

Company Details

Exchange	NSE
Scrip Code	SAIL - EQ
52-Week High	₹ 258.45
52-Week Low	₹ 155.35

Steel Authority of India Ltd. (SAIL) has been in the downtrend since last one year. Within the period of 56 weeks, the scrip has fallen nearly 42%. SAIL is understood to have reached a major support level; some pull-back (atleast), is expected to emerge in the counter.

Strategy Summary

Entry Rate: ₹163 and ₹154

Target: ₹171, ₹185, ₹196

Support: ₹144

Technical Indications

200 Days EMA: ₹ 191.60

200 Days SMA: ₹196

MACD: Yet to signal Bullish

RSI: Positive

Stochastic Oscillator: Bullish

Volume: Weak



Rationale for Recommendation

Despite of the general bull-run the Indian markets underwent in the year-2010, SAIL failed to make any remarkable recovery. In the present scenario, the counter is understood to be near a major support level, which if sustains, can help a trend reversal in the days to come.

The recovery in the momentum in MACD and the 'positive divergence' in the Stochastic Oscillators and RSI is adding to the optimism.

₹ 154 is the next major support for SAIL. Fresh buying can be initial if the scrip remains above this level, eventhough a close above ₹ 163 will be critical for further upside. In which case, the possible first target / resistance will be ₹ 171, followed by ₹ 185 in the medium-term. On downside ₹ 144 is a major support for the counter. Holding the scrip if closes and remains below this, is not advisable for investments with short-term outlook.

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Short-term
Technical
Notes

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