QuickGains

Post 8000,

Boom or Doom???

Technical View on Indian Stock Markets

by N.S. Fidai

History Repeats Itself!

- What we Learn from History is “That we do not LEARN from History”

"I believe the future is only the past again, entered through another gate."

Sir Arthur Wing Pinero, 1893

Primary Trends cannot be Manipulated.

- INDIA Story
  - Services & Global Economy
    - Crude Oil & Inflation

INDIA Story

- India in 2000s is what USA was in 1960s
  &
- Japan in 1980s

Labour – till yesteryears was INDIA's weakness, will be the driving force in the future.

Services to buffer Global Economies

- There is a relentless shift in global GDP from Mfg. to Services. 57% in 1990 to 64% in 2000.
- Sub-Saharan Africa crossed 53% in 2000.

Since, Services are not material intensive It is buffering the effect of skyrocketing material prices.

Crude Oil & Inflation

- Y-o-Y inflation rates have halved - 6.5% to 3.08%.
- While oil prices have increased from $45 to $70.
- Competition & Innovation putting downward pressure on prices.
- Increasing productivity & outsourcing are enabling growth without inflation.

Price of PCs have crashed from 1lac to 10k while quality has risen tenfold!!!

Averages Discount Everything

- Market reflects all available information.
  - Prices represent sum total of all hopes, fears and expectations of all participants.
    - The unexpected will occur, but usually will affect the short-term trend. The primary trend will remain unaffected.

13 year ITCH!!!!!

SENSEX Levels from

April1979 – 122.85 to

April1992 – 4546.58

Net Gain of 4423.73 an astounding 36 times growth in just 13 years!!!!!


BSE Sensex 30 Co (7,818.90, 8,521.75, 7,818.90, 8,222.59, +417.160)
SENSEX
april 1979 ➜ 122.85
april 1992 ➜ 4546.58
36 times
in just 13 years!!!!
10000
5000
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992

13 year ITCH - 2

SENSEX Levels from

April1992 – 4546.58 to

April 2005 – 6649.42

Consolidation Phase with just 2102.84 being added, a miniscule growth of 46.25% in 13 long years !!!!!

BSE Sensex 30 Co (7,818.90, 8,521.75, 7,818.90, 8,222.59, +417.160)
SENSEX
april 1992
4546.58
april 2005
6649.42
46.25%
in 13 long years
30000
25000
20000
15000
10000
5000
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006

13 year ITCH – 3 ???

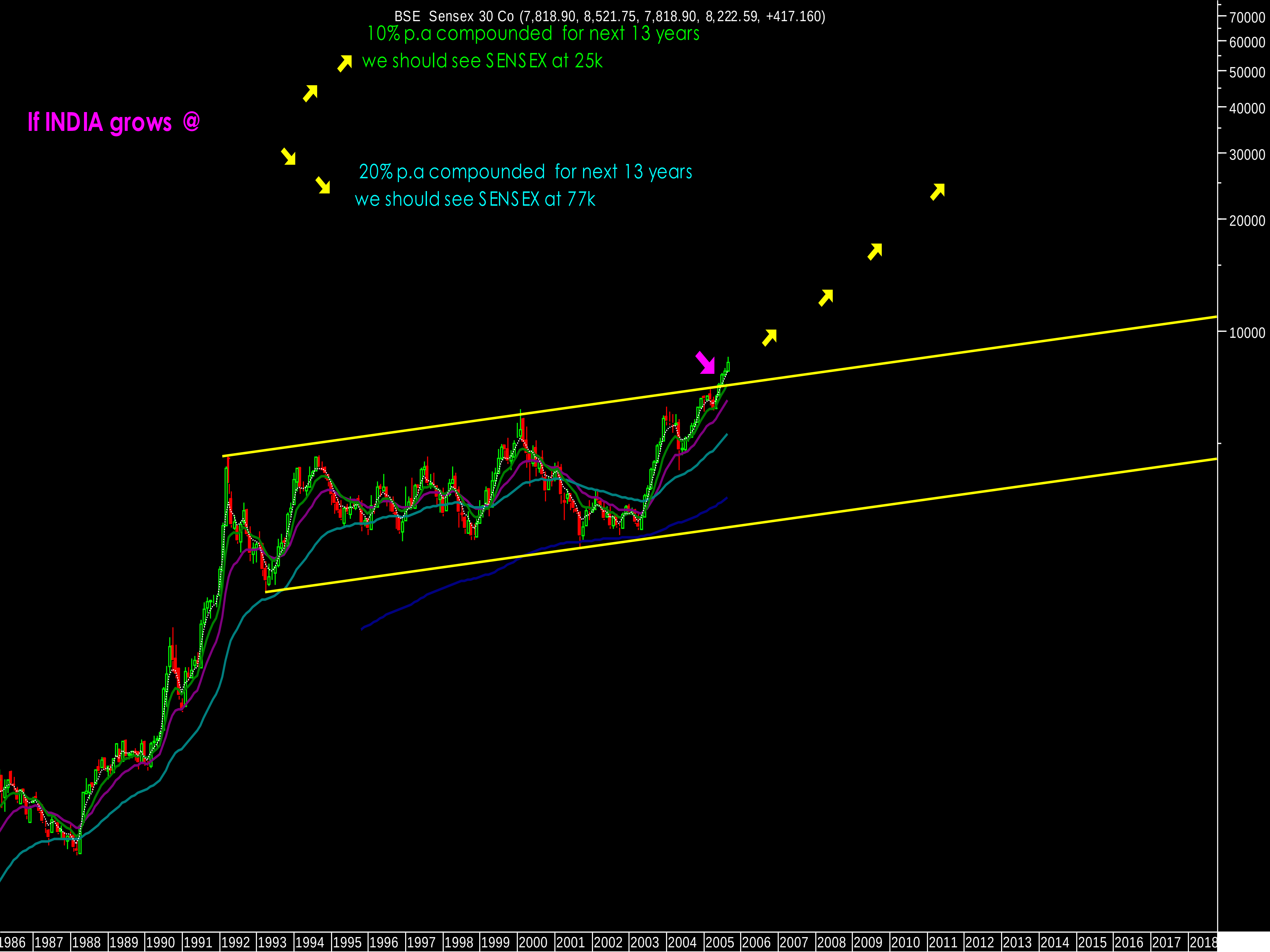
SENSEX Levels from

April 2005 – 6649.42 to

April 2018 –10k / 20k / 40k…

Guess???

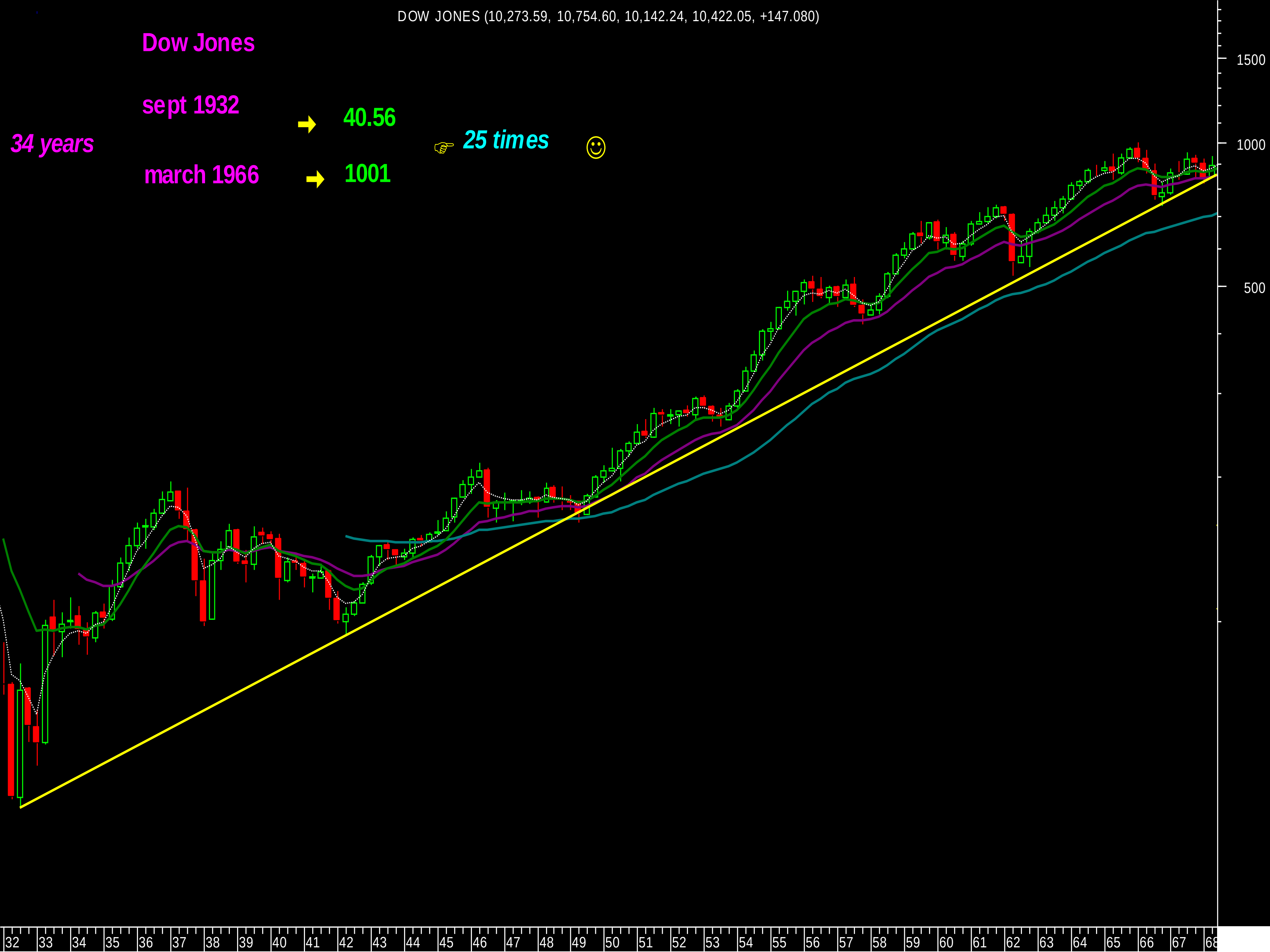
SENSEX has just given a breakout from long term sideways consolidation pattern of 13 years in the month of June 2005. By closing at 7193.85.

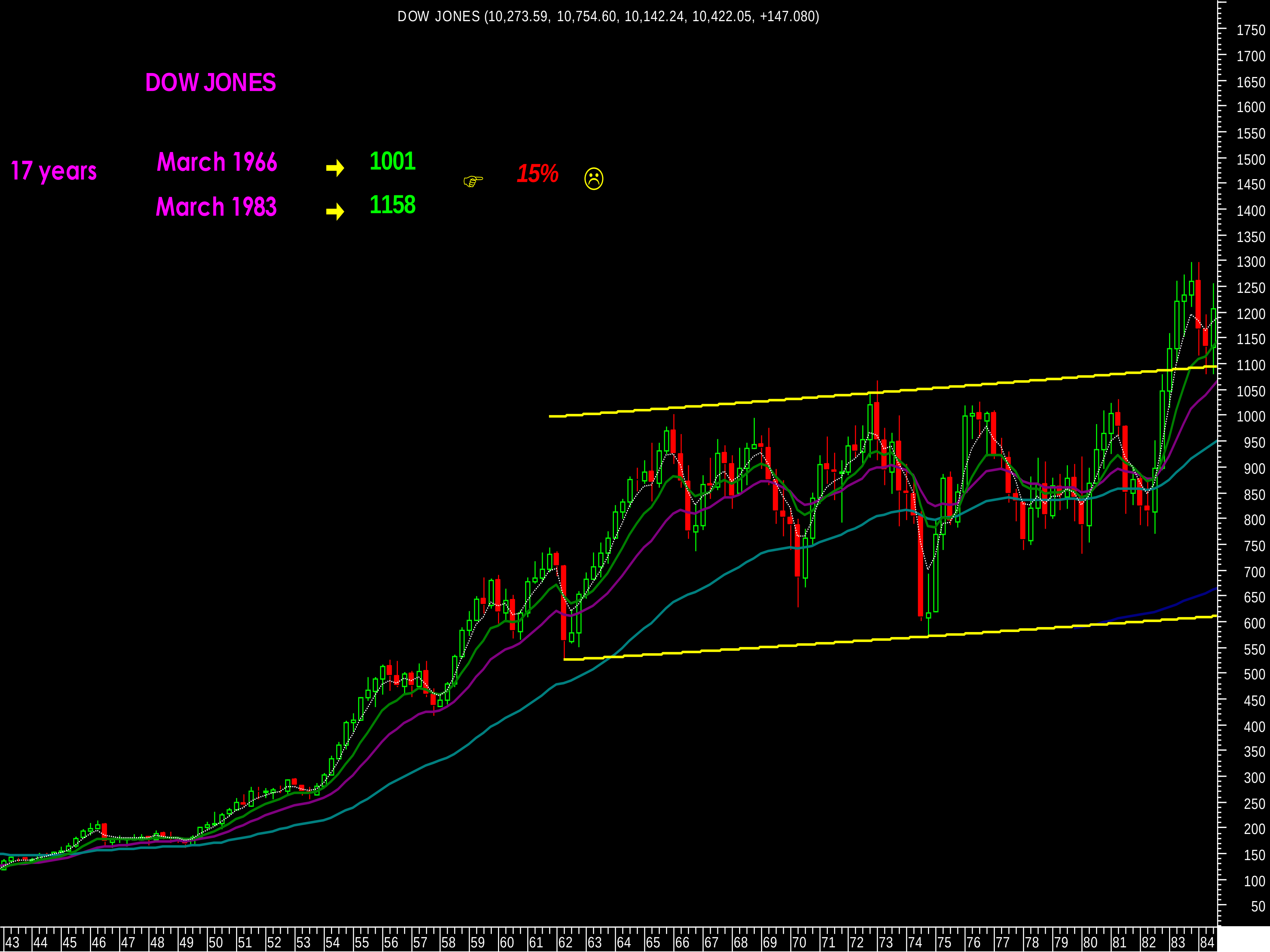


BSE Sensex 30 Co (7,818.90, 8,521.75, 7,818.90, 8,222.59, +417.160)
10% p.a compounded for next 13 years
we should see SENSEX at 25k
If INDIA grows @
20% p.a compounded for next 13 years
we should see SENSEX at 77k
70000
60000
50000
40000
30000
20000
10000
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018

Global Precedents to Justify our View

- Dow Jones - USA


DOW JONES (10,273.59, 10,754.60, 10,142.24, 10,422.05, +147.080)
Dow Jones
sept 1932
40.56
34 years
25 times
march 1966
1001
1500
1000
500
32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68

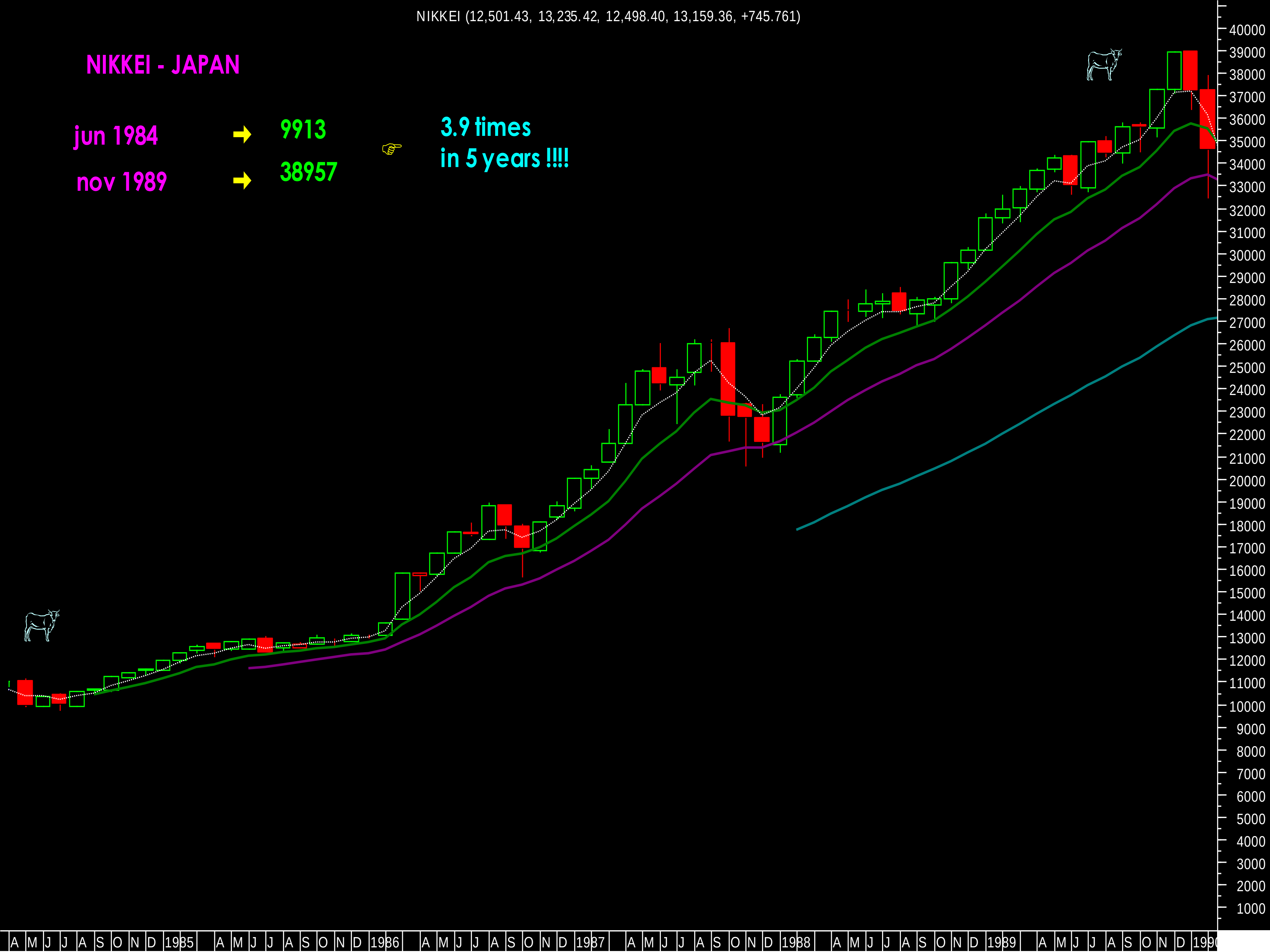

DOW JONES (10,273.59, 10,754.60, 10,142.24, 10,422.05, +147.080)
DOW JONES
17 years
March 1966
1001
March 1983
1158
15%
1750
1700
1650
1600
1550
1500
1450
1400
1350
1300
1250
1200
1150
1100
1050
1000
950
900
850
800
750
700
650
600
550
500
450
400
350
300
250
200
150
100
50
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84

DOW JONES (10,273.59, 10,754.60, 10,142.24, 10,422.05, +147.080)
DOW JONES
march 1983
1158
dec 1999
11658
10 times
in 16 years flat !!!
15000
10000
5000
1940
1950
1960
1970
1980
1990
2000

Familiar????? Above is Dow Jones and below is SENSEX

Global Precedents to Justify our View

- Nikkei - Japan



NIKKEI (12,501.43, 13,235.42, 12,498.40, 13,159.36, +745.761)
NIKKEI - JAPAN
jun 1984 → 9913
nov 1989 → 38957
3.9 times
in 5 years !!!!
40000
39000
38000
37000
36000
35000
34000
33000
32000
31000
30000
29000
28000
27000
26000
25000
24000
23000
22000
21000
20000
19000
18000
17000
16000
15000
14000
13000
12000
11000
10000
9000
8000
7000
6000
5000
4000
3000
2000
1000
A M J J A S O N D 1985 A M J J A S O N D 1986 A M J J A S O N D 1987 A M J J A S O N D 1988 A M J J A S O N D 1989 A M J J A S O N D

80:20 Ratio and Technical Analysis

- Losers outweigh Winners
    - Timing is Crucial

Be with Winners, Be with QuickGains!

THANK YOU