

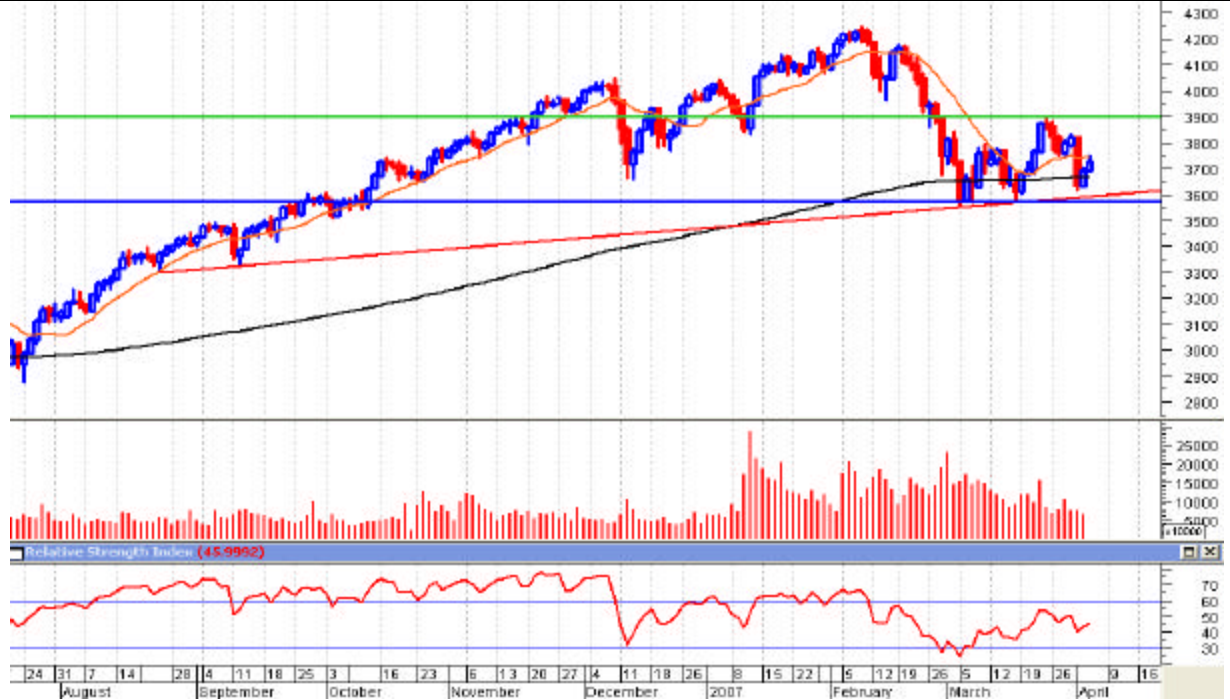
MARKET PULSE

A Technical Perspective

DAILY TECHNICAL REPORT

05 April, 2007

	Trend	Target	Reversal	Prev. Close	Support	Resistance
Sensex	Up	13400	12400	12787	12480-12690	12835-13000
Nifty	Up	3900	3590	3733	3630-3690	3750-3775



Markets ended higher for the second straight session on the back of buying seen in scrips across sectors. The Sensex closed up 162.19 points or 1.28% at 12786.77, while the Nifty was up 42.60 points or 1.15% at 3733.25. Broadmarket indices too ended with healthy gains. While the BSE Midcap Index ended 0.83% higher at 5,280.07, the BSE SmallCap Index ended 1.20% higher at 6,386.48. Market breadth was positive, as Advance Decline ratio was 1.72:1 on the BSE. Sectorally, barring the BSE Auto and FMCG indices, all the sectoral indices ended with gains. The outperformers of the day were the BSE Capital Goods and BSE Health Care Index.

Market Analysis and Outlook

Carrying on from Tuesday, markets continued to move higher and closed with gains for the second consecutive session. Volumes continued to be lower. However, broadmarket indices like the BSE Mid Cap and BSE Small Cap that lagged the main indices on Tuesday participated in yesterday's upmove. This augurs well for the current upmove to continue.

The main indices closed well off their highs as they found resistance at the 12835/3750 levels. The 13-day short term moving averages also acted as a resistance to the main indices (See the orange line in the chart above).

These are now the immediate resistance levels to be overcome for the upmove to continue. We believe these resistances will be overcome as the main indices attempt to test the March'07 highs of 13400/3900 (See the green line on the chart above). These are also now our revised targets (see table on the top). We continue with our selective buying approach.

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