

NSE Weekly Chart

NSE Nifty [N1] 3852.65, 3976.80, 3794.30, 3948.10, 1625831808 2.47%
Prices



Indices	Previous week	This week	%chg
Sensex	13429	13,703	2.04
Nifty	3852	3950	2.54
S&P CNX 500	3200	3291	2.84
BSE 500	5108	5,235	2.49
BSE Mid-Cap	5501	5,654	2.78
BSE Small-Cap	6359	6,523	2.58
BSE Auto	5211	5,339	2.46
BSE Health	3706	3,743	1.00
BSE FMCG	2005	2,000	-0.25
BSE IT	4949	5,156	4.18
BSE PSU	6139	6,289	2.44
BSE Bankex	7124	7,150	0.36
BSE Oil & Gas	6167	6,178	0.18
BSE Metals	8789	9,015	2.57
BSE Cons Dur	3206	3,305	3.09
BSE Cap Good	8780	8,991	2.40

Levels to Watch

	Sensex	Nifty
Week High	13790	3976
Week Low	13200	3794
34 DMA	13042	3774
55 DMA	12712	3685
Swing High	13790	3976
Swing Low	13200	3794

The Nifty gave a break out this week and ended the week with a gain of 2.54%. Although we did see it opening in the negative territory on Monday, it staged a smart recovery from lower levels and thereafter it has been north bound through out the week. The Advance Decline ratio was very much flat for the entire week except for Tuesday. While all the sectoral indices closed positive, the BSE FMCG index closed in the red. The BSE IT and BSE CD indices outperformed the broader markets this week.

Sectoral Speak

The **BSE IT** index was the star performer this week as it appreciated by more than 4.18% to close at 5156. It achieved our short term target of 5175 this week. This index continues to appear bullish on the chart and we now have upgraded our short term target for this index to 5475. Further, our long term target of 5670 also remains intact for this index. **Infosys, Satyam, Wipro** and **TCS** are a few IT stocks that look strong on the charts.

The **BSE CD** index also outperformed the market this week as it gained more than 3.09% and closed at 3305. After a rally last month from 2985 to 3457, it has been moving in a sideways range, this index now has resistance at 3334. It has formed "Engulfing Bullish" pattern on the weekly chart. However, it will become strong for short as well as medium term only above the 3457 level. **Titan** and **Lloyd Electric** are a couple of stocks that look good in this index.

The **BSE PSU** index surpassed the resistance level of 6235 and gave a positive close at 6289. It added more than 2% to its value this week. It may now test the 6459 level in a short span of time. Some PSU Banking stocks like **SBI, PNB, Canara Bank, BOB, BOI** and **IOB** are looking good on the charts. Other PSU stocks like **NTPC, BHEL, BEL, SCI** and **RCF** are also showing strength on the charts.

The **BSE Auto** index ended the week with a gain of 2.46% and closed at 5339. This index has made “**Piercing**” pattern on the weekly chart and the stochastic oscillator is giving a buy signal on the weekly chart, both of which are bullish for this index. We had indicated a pull back for this index in our daily report. It achieved our target of 5289 this week. However, it has resistance at 5403 level and above that 5551 is another strong resistance as it is its recent top. It will turn bullish for the near as well as the medium term only above that 5551 mark. **Maruti, Tata Motors, Bajaj Auto, Punjab Tractors** and **Apollo Tyres** are a few auto stocks that look good in this index for a bounce back.

The **BSE Bankex** closed at 7150 this week after modest gains of 0.36%. We wish to reiterate our bullish view for this index and we maintain our target of 7748 for it.

Outlook for next week

The Nifty gave a very positive close on a W-o-W basis as it added more 2.54% to its value to finally close at the 3950 level. Though it opened weak on Monday it took support at 3794 which is almost 61.80% retracement level of the rally from 3737 to 3900. After that it bounced back sharply and broke an important resistance level of 3900 and finally closed at 3950. We maintain a bullish view on the Nifty and the short term target of 4006 and medium term target of 4224 for it. For Monday, the Nifty has strong support at 3928. In case if it breaks 3928, it can come down to 3907 which is the 38.20% retracement of the recent rise from 3794 to 3976, which would serve as a buying opportunity for medium as well as short term. It may face some resistance at 3965 and above that at 3975 levels. Above 3975, it can test our mentioned short-term target of 4006.

Strategy

- Long-term investors are advised to keep the stop loss of 3651 on Nifty for all the long positions.
- Short-term investors are advised to keep the stop loss to 3794 on the Nifty for all the long position.

Action Points	Nifty	Action
Current Close	3950	
Immediate Resistances	3975	
Immediate Supports	3928	
Further Downsides	3907	
Further Upside Targets	4006	

Manas Jaiswal
 Technical Analyst
 manas.jaiswal@emkayshare.com
 +91 22 66121274

Rajesh Manial
 Associate Technical Analyst
 rajesh.manial@emkayshare.com
 +91 22 66121275

Recommendations

Date	Stock	Action	Recommendation price	Stop-loss	Target	Current price	Comment
16-10-06	South India Bank	Buy	74.50 – 71.50	68.30	89.50	74.50	
15-11-06	PNB	Buy	539.00 – 530.00	516.60	590.00	546.80	
22-11-06	Satyam	Buy	465.00 – 450.00	449.30	504.00	462.45	
22-11-06	SRF	Buy	217.00 – 212.00	205.60	235.00	212.00	
23-11-06	Rico Auto	Buy	63.00 – 61.00	58.60	74.50	61.10	
23-11-06	India Cement	Buy	230.00 – 225.00	216.30	259.50	229.35	
23-11-06	Fedder Lloyd	Buy	134.00 – 127.00	119.30	160.00	138.05	
23-11-06	GDL	Buy	186.00 – 180.00	174.60	210.00	186.35	
24-11-06	Jyouti Structures	Buy	130.00 – 125.00	123.30	144.50	129.10	

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Emkay Share and Stock Brokers Ltd.

Member: The Stock Exchange, Mumbai (BSE) and The National Stock Exchange (NSE).

C-6, Ground Floor, Paragon Center, Pandurang Budhkar Marg, Worli, Mumbai – 400 013.

Tel No. 66121212 Fax: 66121299; e-mail: marketing@emkayshare.com;

Regn.Nos.PMS-INP 00000779; BSE (Cash) INB 010901838; BSE (Derivative) INF 010901838;

NSE (Cash) INB 230901838; NSE (Derivative) INF 230901838; DP CDSL IN-DP-CDSL-58-2000

Call (Tollfree) 1-600-223-434 / 1-800-223-434