

19th May, 2007

NSE Weekly Chart



Indices	Previous week	This week	% chg
Sensex	13,796	14,303	3.67
Nifty	4076	4214	3.39
S&P CNX 500	3378	3503	3.70
BSE 500	5,321	5,530	3.93
BSE Mid-Cap	5,851	6,089	4.07
BSE Small-Cap	6,984	7,220	3.38
BSE Auto	5,022	4,910	-2.23
BSE Health	3,679	3,733	1.47
BSE FMCG	1,798	1,873	4.17
BSE IT	4,924	4,923	-0.02
BSE PSU	6,394	6,698	4.75
BSE Bankex	6,905	7,603	10.11
BSE Oil & Gas	7,188	7,603	5.77
BSE Metals	10,065	10,242	1.76
BSE Cons Dur	3,774	3,892	3.13
BSE Cap Good	9,871	10,135	2.67
Levels to Watch			
	Sensex	Nifty	
Week High	14352	4232	
Week Low	13885	4072	
34 DMA	13718	4041	
55 DMA	13621	3996	
Swing High	14383	4232	
Swing Low	13554	3981	

It's been a very positive week for the Nifty as it opened strong on Monday and continued with its uptrend throughout the course of the week. We witnessed a minor correction on Tuesday but the Nifty continued with its upstreak for the remainder of the week. It closed with a gain of 3.39% on a W-o-W basis at 4214. The Advance Decline ratio remained pretty even for most of the days during the week but for two days when it was slightly negative. The BSE Bankex appreciated by more than 10% this week and outperformed the other indices. The BSE Mid Cap, BSE Oil & Gas, BSE PSU and BSE FMCG indices too registered outperformance, however the BSE Auto index closed negative along with the BSE IT index which also gave a marginally negative close.

Sectoral Speak

The **BSE Bankex** outperformed the broader markets and was up more than 10% this week at 7603. This index continues to look strong on the chart and we maintain the immediate target of 7763 and the short term target of 8082 for it, however the all time high of 7653 will play as a resistance for this index.

The **BSE PSU** index was up by 4.75% and closed at 6698 this week. It has closed above its all time high of 6690 and made a new high of 6763. We maintain a bullish view for this index for the medium as well as long term, with a long term target of 8896. Whereas in the medium term it can test 7752. The short term target of 6988 also remains intact. However, this index has formed "**Dark Cloud Cover**" pattern on the daily chart, thus in the immediate term it may correct the recent rally from 6257 to 6763 and come down to 6570 which is the 38.20% retracement level of the mentioned rally, however such correction may be utilized as an opportunity to buy.

The **BSE Oil & Gas** remained an outperformer this week as it added more than 5% to its value and closed at 7603 this week, a new all time closing high. It continues to appear bullish on the chart and may test our earlier mentioned target of 7713 in the immediate term.

The **BSE FMCG** index remained an underperformer in the first quarter of this year, thereafter it recovered some lost ground and turned sideways. This index has already retraced 50% of the fall from 2108 to 1645 and closed with a gain of 4.17% at 1873 this week, above its 200 EDMA. We maintain our target of 1912 and above that it can test the level of 1931.

The **BSE Auto** index was an underperformer as it lost 2.23% on a W-o-W basis and closed at 4910. After making a low of 4535, this index rallied up to 5151 this week but faced resistance near its 200 EDMA, thereafter it corrected and broke an important support level of 4918 this week, thus correcting 38.20% of the above mentioned rally. This index may correct further and come down to 4843, which is the 50% retracement level of the aforesaid rally as the stochastic oscillator has given a sell on the weekly chart.

Outlook for next week

The Nifty opened positive this week and maintained its upstreak for the rest of the week. It closed strong with a gain of 3.39% at 4214 on a w-o-w basis. We maintain a bullish view for the Nifty for short as well as medium term and the target of 4336 in the immediate term and above that it may test the 4454 level in the short term. However, the all time high of 4245 will play as a resistance for the Nifty. The level of 4177 will now act as support for the Nifty. On Monday it may face resistance at 4232 and above that at the all time high of 4245. The intraday support levels are placed at 4197 and below that 4177.

Strategy:

- ❑ One should keep close watch on select Banking, Oil & Gas and FMCG stocks.
- ❑ Very short-term traders can keep a stop loss of 3981 for the Nifty.

Action Points	Nifty	Action
Current Close	4214	
Immediate Resistance	4245	
Immediate Supports	4177	
Further Downsides	4136	
Further Upside	4336	

Recommendations

Date	Stock	Action	Recommendation Price	Stop-loss	Target	Current price	Comment
13-04-07	KPIT Infosys	Buy	141.00 - 138.00	131.30	160.00	145.25	
19-04-07	BOC	Buy	142.00 - 135.00	128.60	160.00	137.10	
20-04-07	Bharti Airtel	Buy	840.00 - 820.00	782.30	925.00	852.75	
23-04-07	Amar	Buy	38.00 - 35.00	33.10	47.50	35.25	
23-04-07	Torrent Power	Buy	69.50 - 67.50	62.90	80.50	70.75	
01-05-07	JSW Steel	Buy	606.00 - 595	569.30	700.00	597.00	
04-05-07	INOX	Buy	126.00 - 120.00	110.60	150.00	136.00	
04-05-07	LITL	Buy	169.00 - 162.00	153.30	205.00	166.40	
07-05-07	Akruti	Buy	400.00 - 385.00	367.30	460.00	388.15	
14-05-07	Triveni	Buy	55.50 - 51.50	47.30	71.50	54.60	
14-05-07	Hanung Toys	Buy	156.00 - 150.00	141.60	185.00	174.00	
15-05-07	Petronet	Buy	49.00 - 46.00	44.10	56.50	51.90	
15-05-07	3I Infotech	Buy	327.00 - 315.00	309.30	375.00	311.95	
16-05-07	Titan	Buy	1047.00 - 1030.00	989.30	1200	1116.00	
17-05-07	Arvind Mills	Buy	48.50 - 46.50	43.90	56.50	47.60	
17-05-07	Parsvnath	Buy	344.00 - 336.00	331.30	390.00	344.50	
17-05-07	ACC	Buy	890.00 - 870.00	854.30	960.00	877.00	
17-05-07	Karnataka Bank	Buy	179.50 - 176.50	171.90	193.00	179.35	
18-05-07	ITC	Buy	168.00 - 162.00	158.60	188.50	167.10	
18-05-07	Mysore Cement	Buy	42.00 - 39.00	36.60	54.50	42.35	

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