

NSE Weekly Chart

NSE Nifty [N1] 3888.20, 3934.00, 3768.80, 3871.80, 1363095936 -0.43%
Price



Indices	Previous week	This week	%chg
Sensex	13,614	13,471	-1.05
Nifty	3888	3871	-0.44
S&P CNX 500	3235	3208	-0.83
BSE 500	5,178	5,130	-0.93
BSE Mid-Cap	5,661	5,648	-0.23
BSE Small-Cap	6,667	6,721	0.81
BSE Auto	5,262	5,345	1.58
BSE Health	3,701	3,745	1.19
BSE FMCG	1,952	1,902	-2.56
BSE IT	5,181	5,055	-2.45
BSE PSU	5,967	5,916	-0.85
BSE Bankex	6,994	6,829	-2.36
BSE Oil & Gas	5,973	6,126	2.56
BSE Metals	8,802	8,837	0.40
BSE Cons Dur	3,403	3,419	0.47
BSE Cap Good	9,224	8,917	-3.33

Levels to Watch

	Sensex	Nifty
Week High	13748	3934
Week Low	13182	3768
34 DMA	13406	3854
55 DMA	13163	3794
Swing High	13748	3934
Swing Low	12801	3657

Despite a positive close on Monday, the Nifty corrected the recent pull back for the next two days and bounced back again for the last two days of the week. However, on an intraday basis the markets remained highly volatile and stock specific moves were witnessed for most days of the week. It finally closed at 3871, with a loss of 0.44% on a w-o-w basis. The Advance Decline ratio remained very bearish on the days of correction but was marginally positive on other days of recovery. There was lot of buying interest witnessed in the Mid Cap IT space. Amongst the sectoral indices the BSE Oil & gas index outperformed the markets whereas the BSE CG index was the worst performer on a w-o-w basis. The BSE Auto and BSE HC indices too, gave a positive close on a w-o-w basis. The BSE FMCG, BSE IT and BSE Bankex indices, all lost value on a w-o-w basis.

Sectoral Speak

The **BSE Auto** index gave a closing against the general market trend at 5345 gaining 1.58% in value this week. Last week the Auto index made a low of 4969 and retraced 38.20% of the rally from 4073 to 5567. Now, this index has resistance at 5355, above which will become bullish for the short term and may come up to 5449 above that it may test 5543. It will further turn bullish for the medium term on a close above the high of 5567. A few stocks like **M & M**, **Bajaj Auto**, **Punjab Tractors** and **Hero Honda** are looking strong in this index.

The **BSE Oil & Gas** index outperformed the broader market this week and closed at 6126, gaining 2.56% on a w-o-w basis. On the weekly chart the stochastic oscillator is giving buy signal. It now has resistance at 6173. On a move above that it may come up to 6299 and above that, it may test the high of 6384, however it may face some resistance at the 6259 level. **ONGC**, **Aban Offshore**, **IOC** and **GAIL** are a few stocks that look strong on the charts in this index.

The **BSE HC** index closed at 3745 gaining 1.19% on a w-o-w basis. It may now test 3838, however this index has resistance at 3815. Stocks like **Glenmark, Cipla, Sterling Biotech, Matrix Lab and Nicholas Piramal** are looking strong on the charts

The **BSE CG** index lost the most this week and closed at 8917 shedding 3.33% in value. On Friday it retraced 38.20% of the recent fall from 9306 to 8709. Looking at the pattern it can give a bounce back and it can test 9008 and above that 9078, which are the 50% and 61.80% retracement levels of the above mentioned fall. Now, the recent low of 8709 will play as an important support level for this index and if it breaks this support then it will become weak and can test 8559.

Outlook for next week

The Nifty bounced back in the last two days of the week after correcting for the first half of the week. It gave a negative close on a w-o-w basis after a very volatile week of trade at 3871, losing 0.41% in value. After Friday's move the RSI oscillator has given a buy on the daily chart. The Nifty now has resistance in the range of 3885 to 3890 and now it will turn bullish for the short term only if it closes above 3890. In that case it can test 3944 and above that 4003. The Nifty may face resistance in the range of 3885 to 3890 on Monday. If it is able to sustain above the resistance levels then it may test 3934. The support levels for Monday are 3836 and below that 3823. The 3768 level will now play as an important support level for the Nifty and it will become weak for short term only if it breaks 3768.

Strategy

- Long-term investors are advised to keep the stop loss of 3651 on Nifty for all the long positions.
- Short term traders are advised to keep the stop loss of 3768 on Nifty for all the long positions.

Action Points	Nifty	Action
Current Close	3871	
Immediate Resistances	3890	
Immediate Supports	3768	
Further Downsides	3657	
Further Upside Targets	4004	

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Recommendations

Date	Stock	Action	Recommendation price	Stop-loss	Target	Current price	Comment
21-12-06	Bhushan Steel	Buy	359.00 – 350.00	334.30	402.50	368.45	
21-12-06	Matrix Lab	Buy	209.00 – 200.00	195.30	240.00	213.55	
22-12-06	Parsvnath	Buy	436.00 - 430.00	423.10	460.00	437.70	

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