

India Technical Research Weekly

Toward 4000

- **Nifty** — The index ended the first trading session (9 April 2007) of the week on a strong note; mid-week it consolidated in the 3876-3811 band and saw a strong rally toward the closing session of the week — last Friday, Nifty ended the week up 165 points.
- **Higher Highs -Higher Lows** — The index, after posting a low at 3555 (5 March 2007), is exhibiting a sequence of Higher Highs and Higher Lows (High Tops and Higher Bottoms). This suggests a positive trend. (Figure 3)
- **Moving Averages** — The index is trading above its Short-Term and Long-Term Moving Averages. The 10 dma and 20 dma crossover is positive (i.e., the 10 dma has cut the 20 dma from below). The last trading session on Friday (13 April 2007) saw Nifty closing above its 50 dma. The index has closed above the 10 dma (3793), 20 dma (3772), 50 dma (3883) and 200 dma (3666). Intra-week dips should find support around the 10 dma and 20 dma. (Figure 4)
- **Oscillator Study** — The MACD on the daily chart is in Buy mode and around the zero line. RSI (14) – Relative Strength Index on the daily chart is at 57.78; a reading of 70 signifies overbought. The Oscillators are positive and suggest Nifty should move up from current levels.
- **Price Behavior** — Price Behavior from the low at 3555 (5 March 2007) and during the last 27 trading sessions is – The index (Nifty) during the upswings makes a high around the Fibonacci Retracement Levels [38%, 50%] (from high of 4245 (8 February 2007) to the low of 3555 (5 March 2007) and lows are seen around 200 dma. (Figure 5)
- **Higher Levels** — The index should test higher levels around 3982 (62% Fibonacci Retracement level from (from high of 4245 (8 February 2007) to the low of 3555 (5 March 2007) or 4022.
- **Support Levels** — The support levels during the week are around the 10 dma (3793), 20 dma (3772). [dma = daily simple moving average]
- **Conclusion**- Nifty can rise toward higher levels around 3982-4022.

Hitesh Chotalia¹

+91-22-6611-2664

hitesh.chotalia@citigroup.com

See Appendix A-1 for Analyst Certification and important disclosures.

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Figure 1: India Technical Research — Index Snapshot

Indices	Last Week Close	Current Week Close	Weekly Change(Points)
Sensex	12856	13384	+528
Nifty	3752	3917	+165
Nifty Futures: Current Month	3722	3897	+175

Source: Citigroup Investment Research

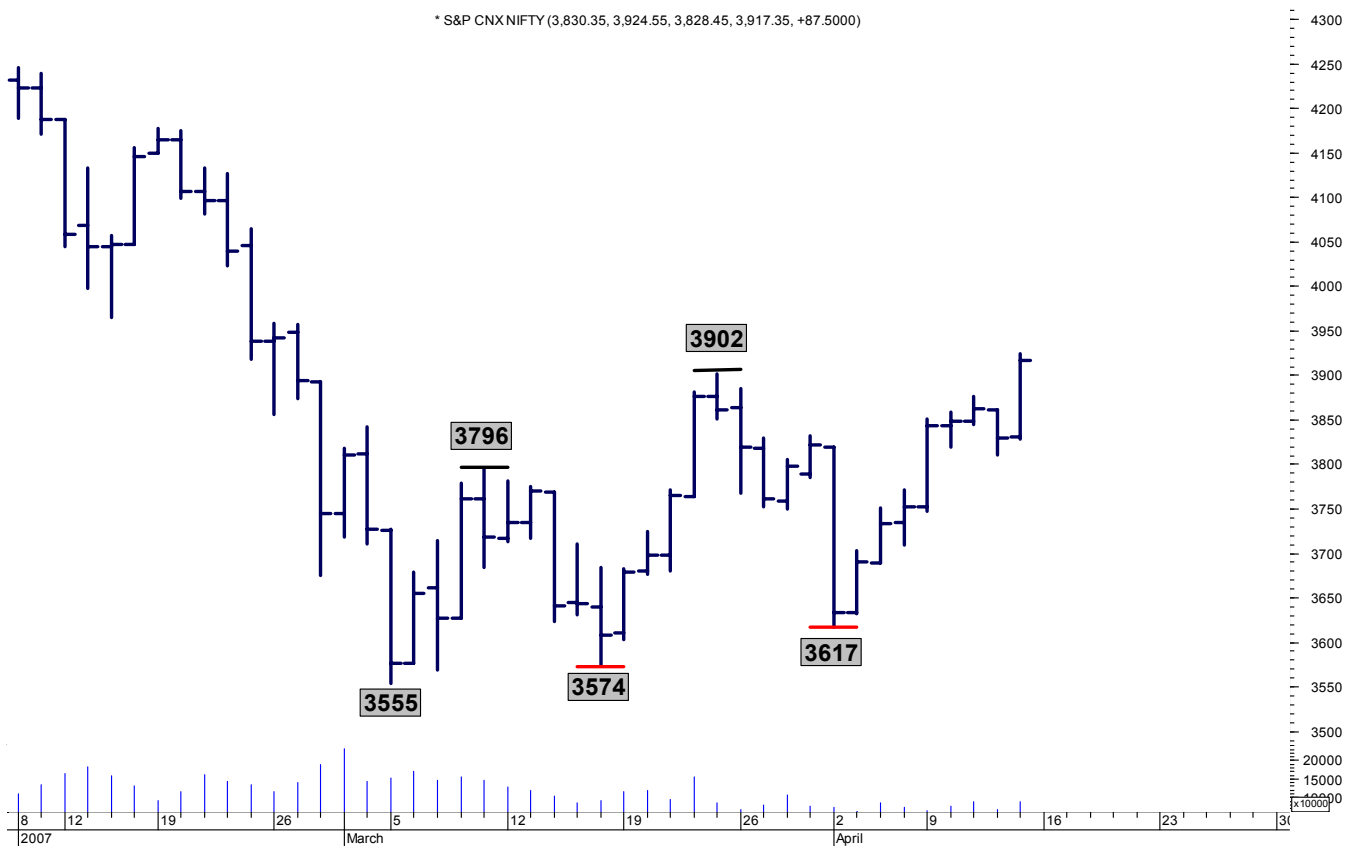
Figure 2: India Technical Research — Support and Resistance (Weekly)

Indices	Support	Resistance
Sensex	13146-12984-12934	13528-13720-13806
Nifty	3795-3772-3750	3959-3983-4022
Nifty Futures: Current Month	3792-3756-3712	3904-3966-4035

Source: Citigroup Investment Research

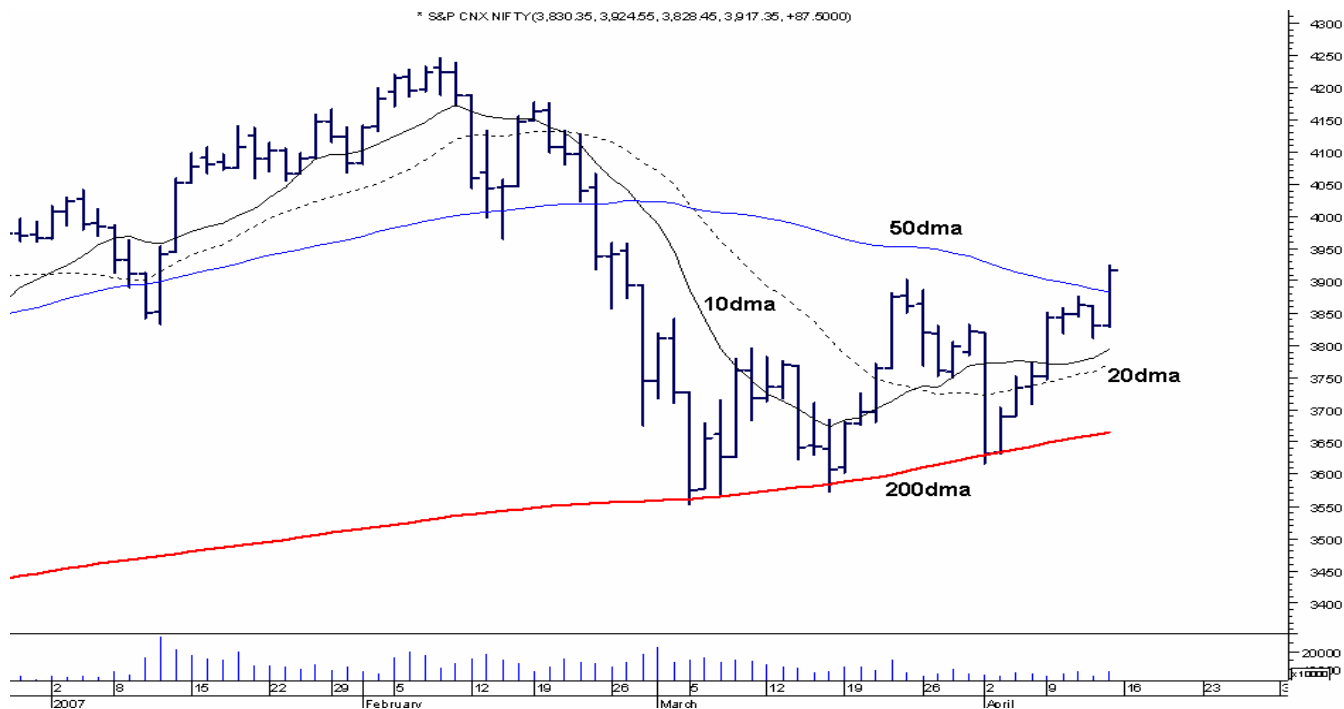
Figure 3. India Technical Research –Nifty Daily Chart: Higher Highs and Higher Lows

* S&P CNX NIFTY (3,830.35, 3,924.55, 3,828.45, 3,917.35, +87.5000)



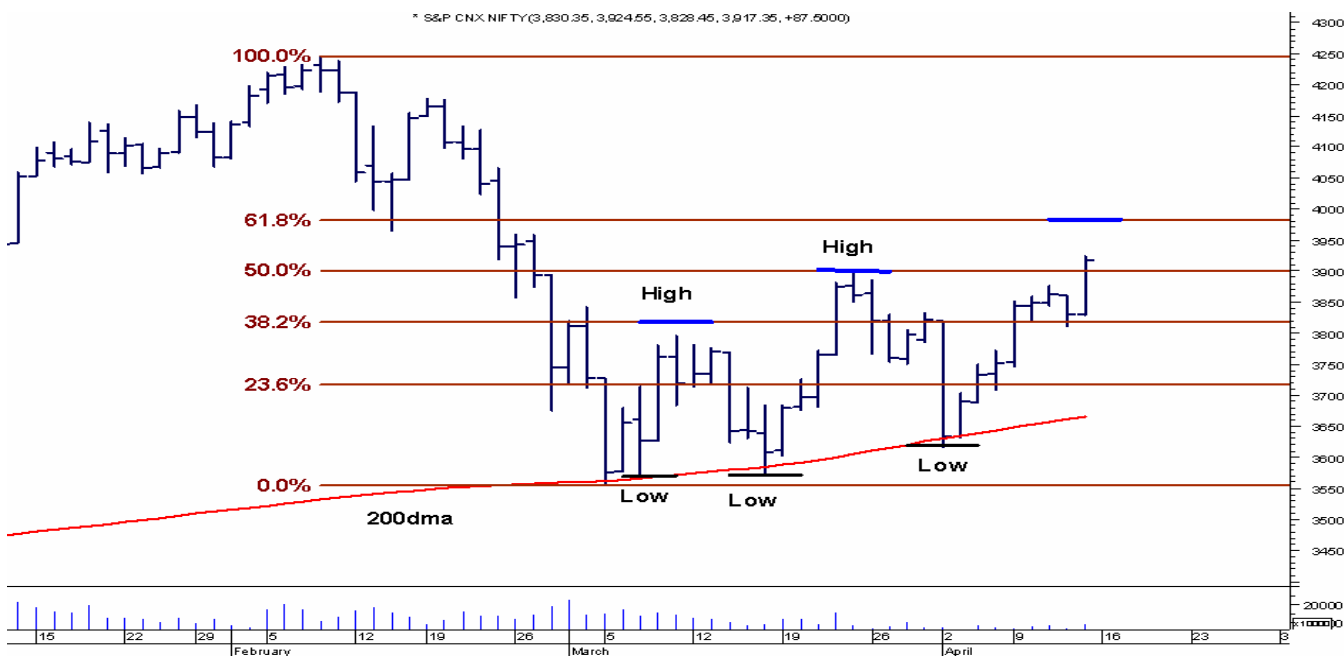
Source: Reuters Metastock

Figure 4. India Technical Research –Nifty Daily Chart: Moving Averages



Source: Reuters Metastock

Figure 5. India Technical Research –Nifty Daily Chart



Source: Reuters Metastock

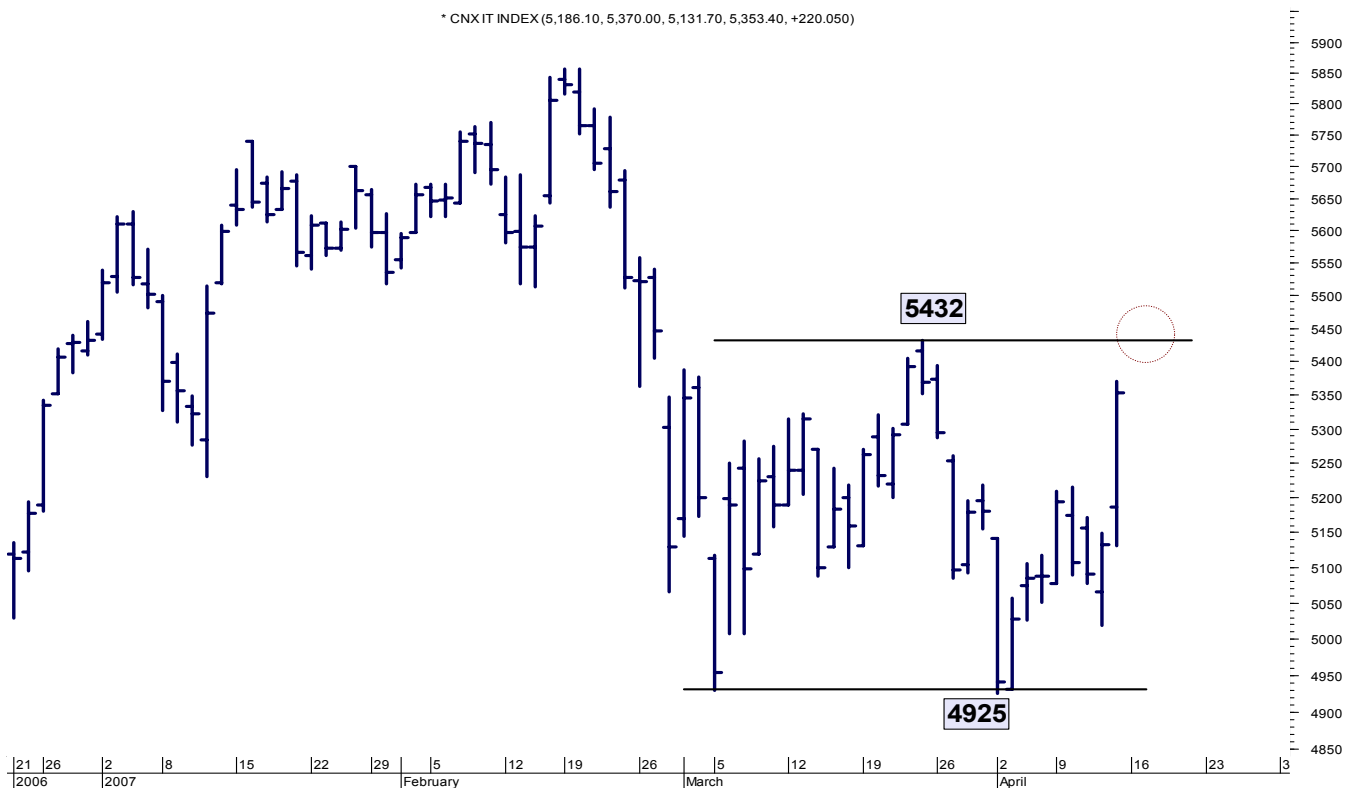
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CNX I.T Index (5353)

- CNX I.T Index is witnessing consolidation in the 5432-4925 range for the last 28 trading sessions. Break of the range on the upside will see the index rise toward the 5652 level (78% retracement of the decline from 5857 (19 February 2007) to the low of 4930 (5 March 2007). Support can be seen around the 5215 (High of 10 April 2007) and 10 dma (5120).

- **Conclusion:** Breakout above 5432 will see the index exhibit strength.

Figure 6. India Technical Research –CNX I.T Index :Daily Chart



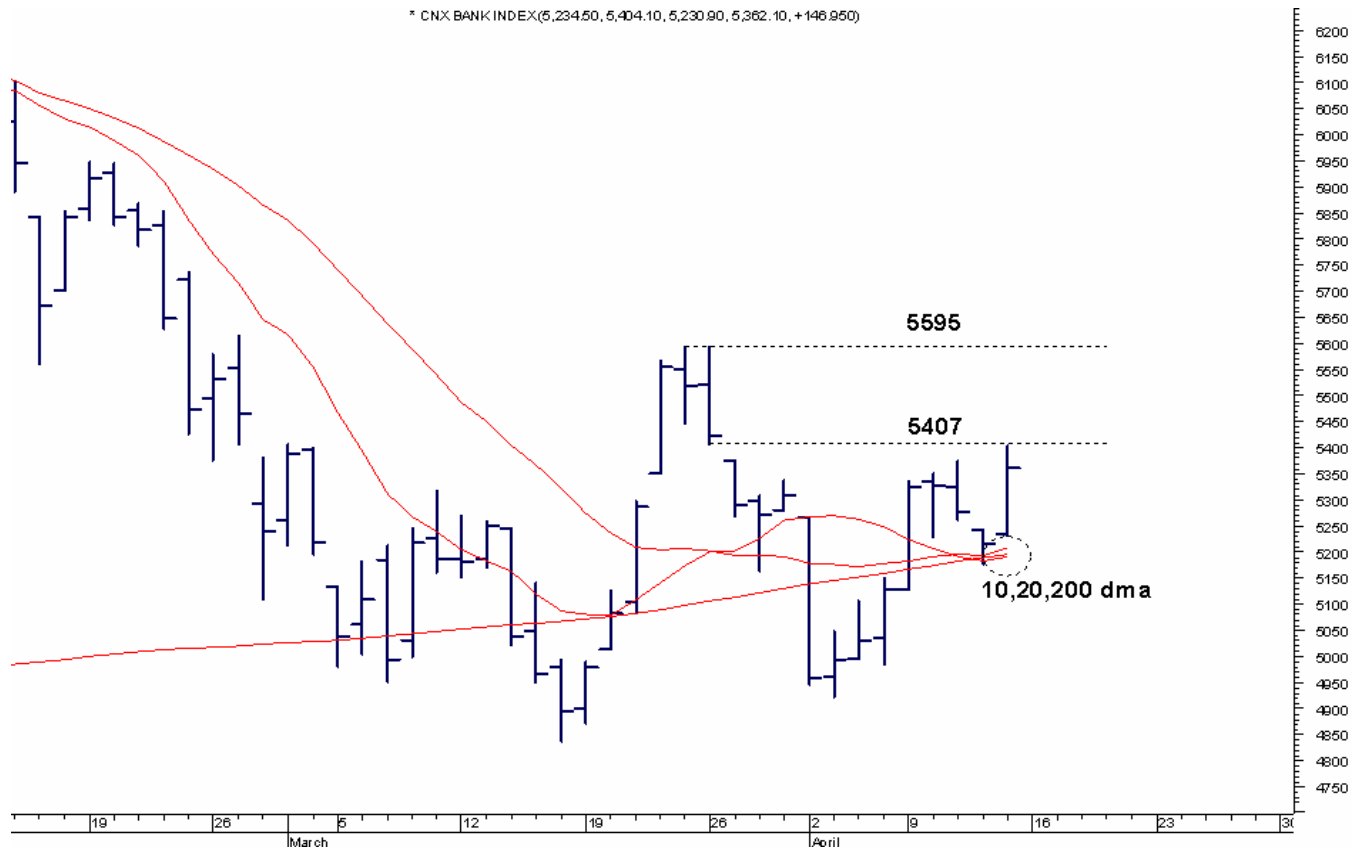
Source: Reuters Metastock

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CNX Bank Index (5362)

- Support: The index has support around the 5193 level .The moving averages are clustered around the 5193 level. 10 dma (5193), 20 dma (5210), 200 dma (5197).
- Resistance: The index is trading around the gap level at 5407; cross above the 5407 will see the index test higher levels around 5595 (high of 23 March 2007).
- Conclusion: The index can test 5595 levels on the upside.

Figure 7. India Technical Research –CNX Bank Index :Daily Chart



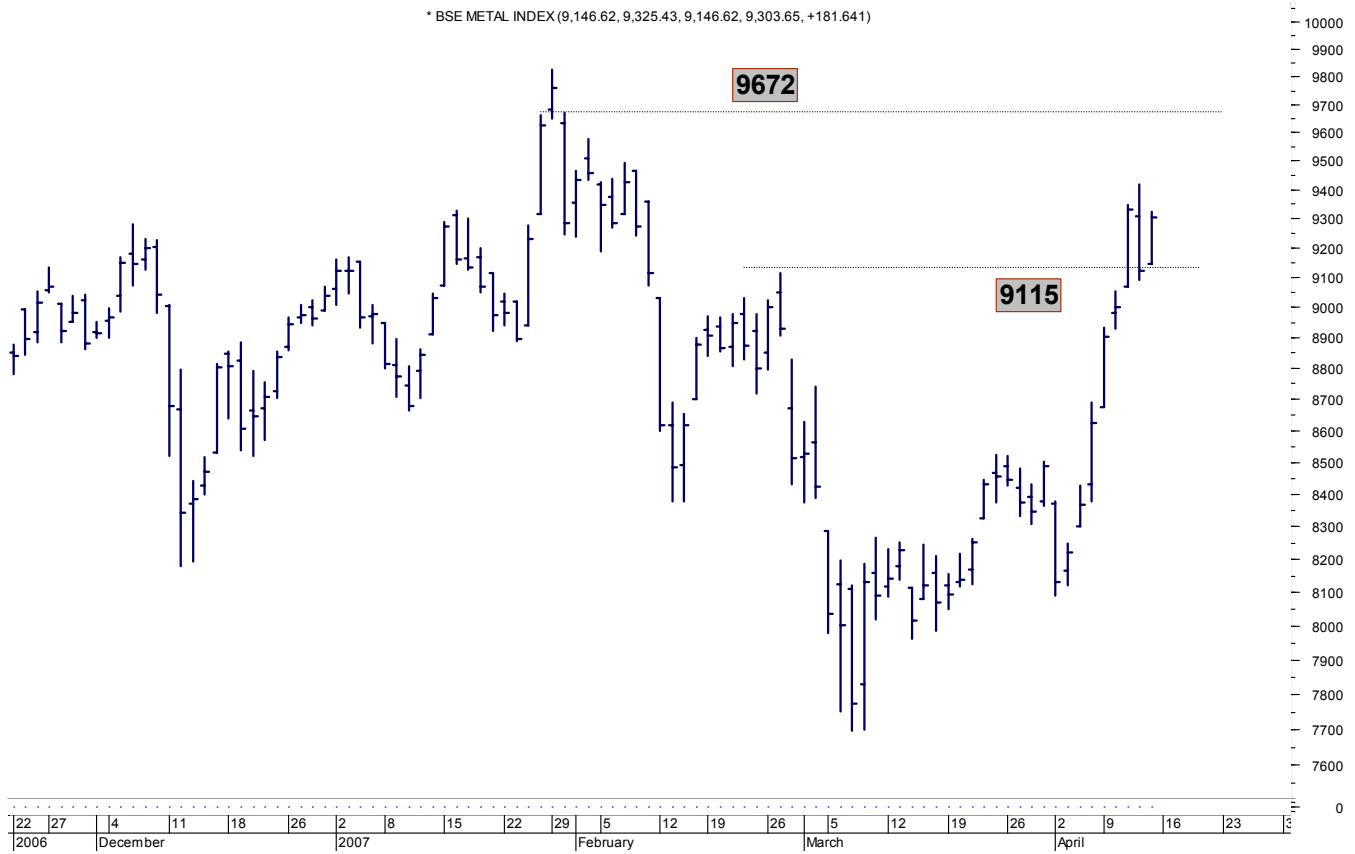
Source: Reuters Metastock

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BSE Metal Index (9304)

- The index has support in the 9115-8931 range. RSI (14) – Relative Strength Index on daily chart is at 66; a reading of 70 signifies overbought. The index is around the overbought zone. Resistance is around the 9672 level.
- **Conclusion:** The index can see a consolidation around the 9100 level.

Figure 7. India Technical Research –BSE Metal Index :Daily Chart



Source: Reuters Metastock

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Appendix A-1

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