

Technical Analysis

Stock of the Week

Siemens: Rs786

Trend : Positive

Period 3 - 4 months

Target : Rs900 - 925

On course.

India Outlook

Equity indices: The Nifty has extended its run after its bullish break out. This week over week rise is unfolding very much as expected. The technical target for the Nifty is now placed at 6250 - 6300 and we expect this level to be reached by the Nifty in the short / medium term. The Midcap index continues its upward movement and is making a bullish break out in its charts. The target level for this index is indicated at 10,150. We continue to remain firmly bullish on the prospects of the index and expect it to advance to 6300 levels.

Key Indices

Index	Close	WoW change	Short-term outlook	Key support	Key resistance
BSE Sensex	20045	+2.3%	Positive	19600	20400
NIFTY	6018	+2.3%	Positive	5800	6150
CNX Defty	4601	+3.4%	Positive	4400	4700
BSE CG	15842	+2.1%	Positive	15300	16000
BSE Bankex	13913	+1.3%	Positive	13300	14400

Global Outlook

Commodities: Metals have begun moving up precisely as we had expected them to. The momentum is quite good and some more appreciation in the metal prices is on the cards. Gold and Silver retain their positive trends. They can rise further. Crude has been listless for a while and does not exude any strength. Its trend remains weak.

Currencies: The USD/INR has weakened in line with our bias. The momentum is weak and further drops are expected. The Euro could now consolidate but retains a positive bias. Ditto for the USD/JPY. DXY has hit 80 as we expected. The overall trend remains weak.

Global equity indices: Trends of key indices are given below.

Country	Index	Closing	Key comments
USA	S&P500	1125	Can consolidate
CHINA	Shanghai	2591	Positive medium term trend
HONG KONG	Hang Seng	22119	Wait & watch. Positive bias.
Japan	Nikkei	9471	Can consolidate
MS Emerging Mkt	MSCI	1031	Bias positive

Index Watch

NIFTY (6018)

Gain/Loss over the week: up 133 points (+2.3%)

Outlook for next week: Positive

Our tools: We have used a weekly bar chart along with momentum

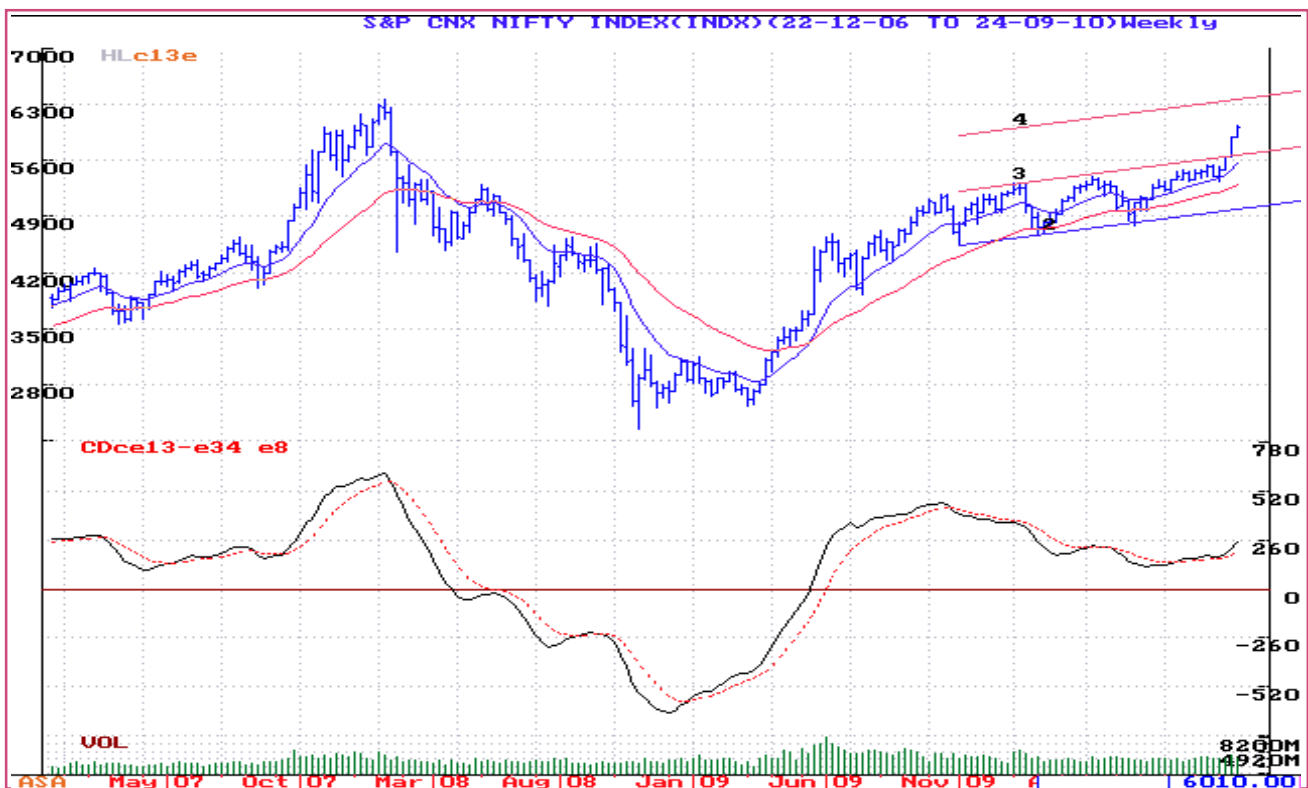
Support	5925	5875	5800
Resistance	6050	6075	6150

Index makes a bullish break out from trendchannel in its weekly chart: The Nifty has been trading in a trendchannel since November 2009. The trend has firmly broken out from this channel during the last two weeks. The measuring implication of the channel suggests a target of 6250 - 6300 for this trend.

Moving average crossover: The combination of medium and long term MAs used for tracking the trend are in positive positions, suggesting a bullish medium term trend.

Medium term momentum remains firm: The medium term momentum (MACD) remains positive and above its trigger line. This suggests that the bullish trend can sustain through time.

Outlook: The trend in Nifty remains bullish in the medium term charts. The Nifty has made a bullish break out from its channel and the target for it is now indicated at 6250 - 6300. Given the technicals, we expect the Nifty to hit this target. We remain firmly positive.



Index Watch

NSE Midcap (9229)

Gain/Loss over the week: up 67 points (+0.7%)

Outlook for next week: Positive

Our tools: We have used a weekly bar chart along with momentum

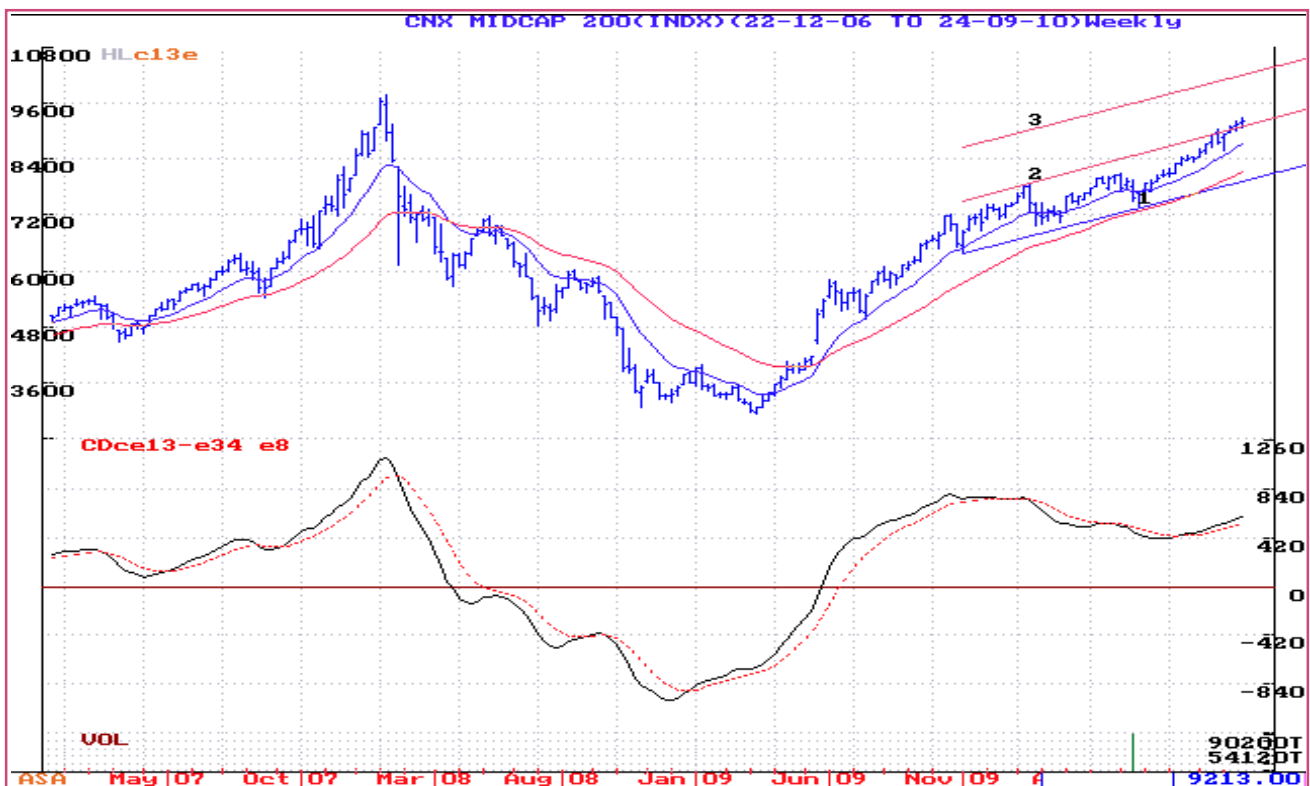
Trendchannel: The index is trading within a rising trendchannel over the last few months. The upper resistance line of the trendchannel is presently reading at 9075. A decisive break out above this level yields a target of 10150 for the NSE Mid Cap index. The index is now beginning to make a bullish break out from this channel and therefore opens the potential for the index to reach this level.

Moving Average cross over: The combination of short and medium term MAs used for tracking the trend in the weekly charts remain in a bullish cross over.

Momentum: The MACD indicator used here is moving up. It is in its positive zone which is a bullish sign. The indicator continues to read above its trigger line. To that extent, the medium term momentum remains positive.

Outlook: The Midcap index, in its weekly charts remains in its bullish trend. Going by technicals, this trend looks sustainable. It is now making a bullish break out from the channel. This yields a target of 10150 for the index. We see a firm uptrend developing in this index.

Support	9000	8850	8650
Resistance	9300	9500	9700



Price: CMP Rs786

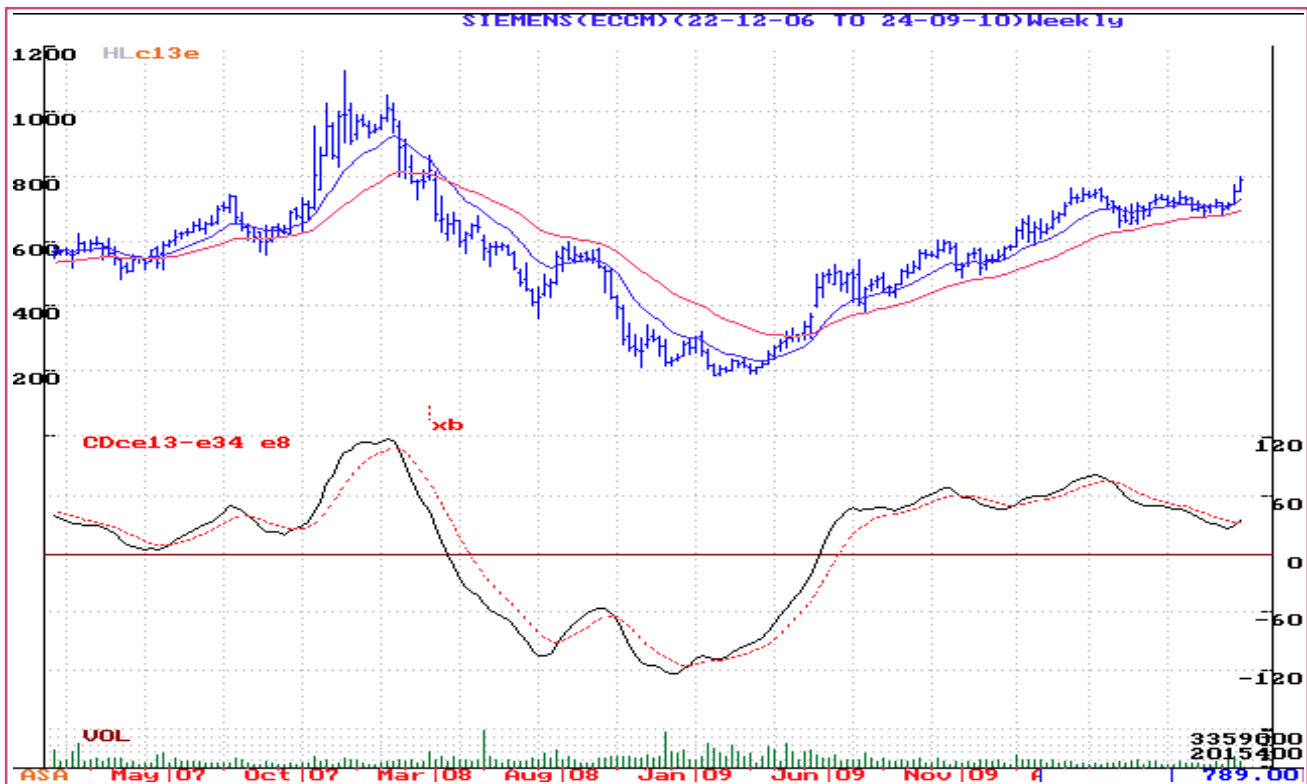
Outlook: Positive over the medium term.

Target Price: Rs900 - 925 in 3- 4 months.

Moving Averages crossover: The combination of medium and long term Moving Averages used to track the trend in Siemens is in a bullish position. This is indicating that the major trend in the stock is bullish.

Momentum gains upward bias: The medium / long term momentum (MACD) has started moving up. It has also begun moving above its trigger line which confirms a positive trend. The uptrend can be sustainable.

Recommendation: The momentum in the trend of Siemens is gaining firm positive strength. The present move is beginning a break out into fresh price territory. Technicals suggest that this uptrend is sustainable. We expect the price to rise to Rs900 - 925 in the next 3 - 4 months. Any decline in prices should be used to enter on the buy side.



Sector Watch

CNX Defty (4601) up 152 points (+3.4%):

CNX Defty

CNX Defty		
Supports	4475	4400
Resistances	4600	4700

The Defty has sustained the bullish break out from its trading range. The overall trend remains positive. The index can reach 4800 - 4850 in the medium term.

BSE PSU (10312) up 70 points (+0.7%):

BSE PSU

BSE PSU		
Supports	10100	9900
Resistances	10450	10700

The PSU index has broken out from its trading range. Medium term technicals continue to be positive and we expect the index to continue improving over a period of time. The index can reach 10950 - 11000.

BSE Bankex (13913) up 168 points (+1.2%):

BSE Bankex

BSE Bankex		
Supports	13600	13300
Resistances	14000	14400

The trend in the Bankex has retained its bullish nature during the week. Medium term indicators remain positive. We are bullish on the overall prospects of this index.

BSE IT (5973) up 129 points (+2.2%):

BSE IT

BSE IT		
Supports	5800	5675
Resistances	6000	6225

The IT index has broken out of its sideways range. Medium term signals have turned bullish and further advances can now be expected in this index.

BSE Cap Goods (15842) up 331 points (+2.1%):

BSE Cap Goods

BSE Cap Goods		
Supports	15600	15300
Resistances	15900	16000

The Cap Goods is now making a bullish break out from its trading band. The underlying medium term momentum in the trend is positive. We expect the index to rise to about 16500.

BSE Auto (9508) up 232 points (+2.5%):

BSE Auto

BSE Auto		
Supports	9375	9100
Resistances	9500	9600

The Auto index remains in a positive trend. Its medium term indicators remain in a firm position and we continue to expect more upside to the index from here. There are no signs of fatigue as yet.

Commodities

Aluminium (\$2292)

Aluminium		
Supports	2225	2160
Resistances	2325	2375

Aluminium prices moved up this week. It has crossed \$2200 as we expected. A further upmove to \$2400 looks possible now.

Aluminium

Zinc (\$2250)

Zinc		
Supports	2200	2150
Resistances	2275	2325

Zinc prices have started moving up from its 200 DMA(\$2154). The present movements remain in line with our view. Our overall bias remains positive. The price can move up to \$2350.

Zinc

Copper (\$7885)

Copper		
Supports	7725	7600
Resistances	8000	8125

The price of Copper has broken out from its trading band on the upside. This is in line with our view. We continue with our positive bias on the metal. A move to \$8000 looks possible.

Copper

Gold (\$1299)

Gold		
Supports	1250	1220
Resistances	1300	1320

Gold price retains a bullish momentum and prices have risen further. The price is near \$1300 which is as per our view. The trend remains positive.

Gold

Silver (\$21.37)

Silver		
Supports	21.00	20.50
Resistances	21.50	22.00

The price of Silver continues to rise steadily. The trend can continue further over the short / medium term. We see the price reaching \$22.

Silver

Crude Oil (\$75.25)

Crude oil		
Supports	73.75	72.75
Resistances	75.25	76.00

The price of Crude Oil continues in a narrow range and also below its 200 DMA (77.41). It faced resistance at \$77 exactly as we had expected. The listless trend is likely to continue with a bias to weakness.

Crude oil

Currencies

Dollar/Rupee (45.30)

Dollar/Rupee

Supports	45.25	45.00
Resistances	45.80	46.00

The USD/INR has vigorously declined below 46. The negative bias we had on the trend has worked out but has been a bit faster than our expectation. A further decline to 45 cannot be ruled out now.

Dollar/Rupee

Euro/Dollar (1.3345)

Euro/Dollar

Supports	1.3275	1.3200
Resistances	1.3400	1.3500

The Euro remains firm and positive. The Euro can recover further over the medium term but may trade in a band in the immediate future.

Euro/Dollar

Dollar/Yen (84.31)

Dollar/Yen

Supports	84.00	83.50
Resistances	85.25	86.00

The USD/JPY declined a bit, but has picked up sharply again. This is reflecting our view that the trend lacks downward momentum. A sustainable recovery can be expected. The overall bias remains positive.

Dollar/Yen

Dollar Index DXY (80.17)

Dollar Index - DXY

Supports	80.00	79.25
Resistances	80.75	81.25

The DXY slipped to 80 as per our view. It is now well below its 200 DMA (81.92), which is a sign of weakness. The overall trend has weakened further as the trend has made a fresh low.

Dollar Index - DXY

Global Equities

S&P 500 (1125)

S & P 500

S&P 500		
Supports	1100	1070
Resistances	1140	1150

The SP500 fluctuated both ways but is trading flat at present. But the momentum remains quite encouraging. It did move to 1150 as we expected. In the near term a consolidation is likely to follow.

Brazil (68794)

BOVESPA

Brazil		
Supports	68400	68000
Resistances	69000	69450

The Bovespa moved up and nearly reached 70000 as we had expected. However, it is in a broad sideways trend and we do not see a sustainable uptrend developing in Bovespa.

China (2591)

Shanghai SE Composite

China		
Supports	2580	2550
Resistances	2625	2660

The SSE continues to trade in its sideways band but is trading at the lower end of the band. Medium term indicators remain positive. For the short term we would prefer a wait & watch stance, while we remain positive on the medium term trend.

Hong Kong (22119)

Hang Seng

Hong Kong		
Supports	21700	21300
Resistances	22100	22400

The HSI has firmed up again. The overall trend continues to be indecisive but is clearly gaining a positive bias. However, it may be some time before a decisive thrust develops.

Japan (9440)

Nikkei

Japan		
Supports	9400	9300
Resistances	9500	9575

The Nikkei trend has recovered from its bottom but remains erratic. The recovery is likely to gather some momentum after a short consolidation.

United Kingdom (5547)

FTSE

United Kingdom		
Supports	5500	5475
Resistances	5625	5670

The FTSE traded flat this week. It reached 5550 as per our view. It may recover some more from here perhaps after a short consolidation. But we do not expect the recovery to transform into a trend.

MS Emerging Markets (1047)

MSCI - EMI

MS Emerging Markets		
Supports	1020	1000
Resistances	1050	1080

The EMI recovered further. The move seems part of a sideways movement which is likely to continue over the coming weeks. The medium term bias remains positive.

T E A M

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