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**FOR PRIVATE CIRCULATION**
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## Weekly Technical Update

### Equities

#### The week past and expected

During the last week, on Monday itself, the market completely failed to fulfill the necessary conditions of filling the gap (between 10680 and 10720) to close above the strong falling trend line. As it failed to fulfill the technical conditions for bull markets, the market went down significantly. It had given a very clear sell signal on the daily charts (breaking out of the bearish triangle).

#### Technical perspective

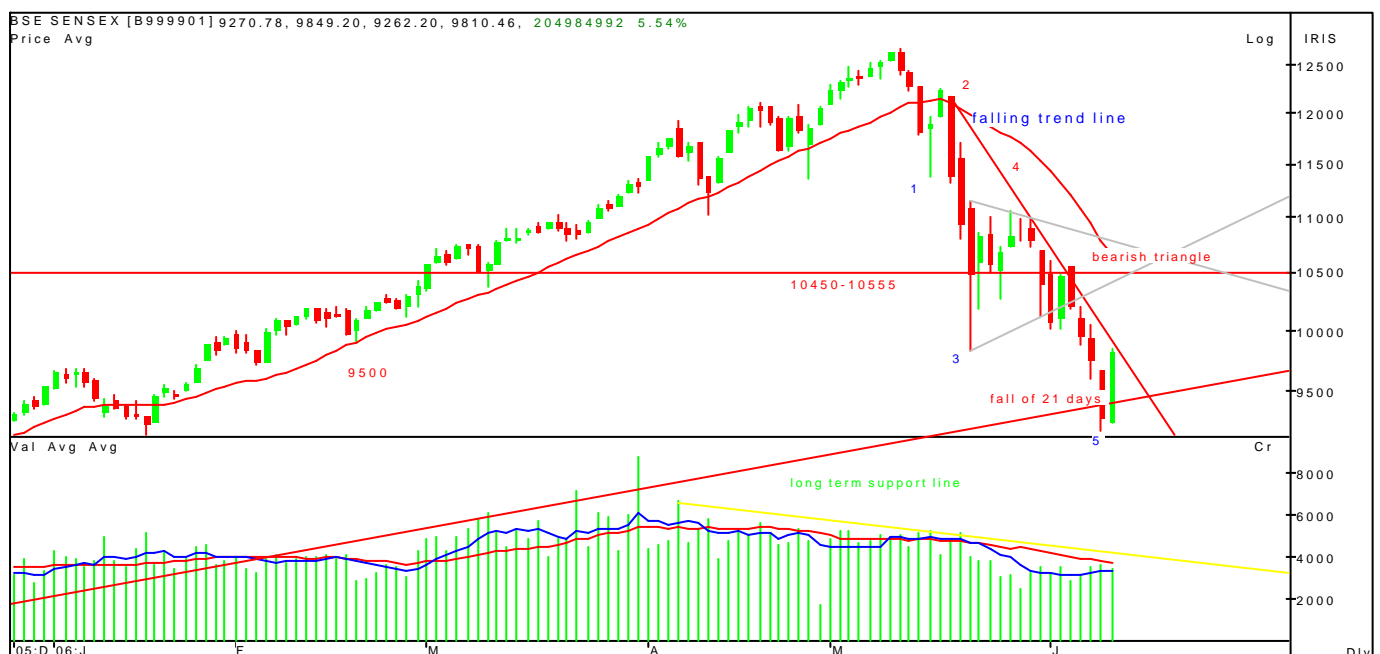
According to Fibonacci ratios, the market has completed the current fall on the 21st day from the top of 12670 and on the 22nd day it had reversed the short-term trend by closing above the previous day's high of 9665/2860 (bullish engulfing pattern). This might offer some stability to the market. The next important thing we have to observe is whether the market passes the acid test of closing above falling trend line or not (9850/2875).

If it is able to close above the falling trend line on a daily basis then we might say the market has absorbed the selling pressure. In that case, we might observe a bearish upward rally up to 10350 or 10550 (3080 or 3125 - Nifty). On the downward side, the market should hold the levels of 9450/2770. If it fails to hold on to these levels then we might observe a further decline.

#### Weekly strategy for positional traders

If the market closes above the falling trend line (9850/2875) on a daily closing basis, then traders can plan their strategy to enter into long positions on minor dips with the protective stop-loss below 9450/2770 and with upward targets of 10400/3080.

#### BSE SENSEX DAILY CHART



## Weekly strategy for aggressive traders

If the market comes around 9400/2750, go long with the final stop loss below 9200/2680. Another option is to trade short between 10450 or 10500 (3090 and 3100 for the NSE) with the final stop loss above 10555/3125.

### NSE WEEKLY CHART



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