

Industry Trends Report

FOR PRIVATE CIRCULATION ONLY

21 May 2007



A Technical Perspective - Ready Reckoner

All the indices registered a pullback within permissible limits. The movement in NIFTY and SENSEX was marked by major upside gap openings for two trading days in the last week. **With the exception of these two overnight gaps, the trading range has been extremely narrow.** A follow up buying after the upside gaps is, however, missing. In fact there is evidence of increased selling pressure at every rise in index. The week ahead, in all probabilities, will be marked by profit taking by the professional buyers in the market. The depth of reaction will be a guiding factor to the future course of action for the bench mark indices. **Avoid aggressive buying in any stock and focus on liquidating open long positions. High risk aggressive traders can initiate building up of short positions.**

Index	Close	Code	Stop Loss	Range	Comment
S&P Nifty	4214	B5	4045	220	CR 4281
Nifty Junior	7916	B5	7480	390	CR 8110
CNX Midcap	5536	B5	5243	240	CR 5655
CNX 500	3503	B5	3362	175	CR 3590
BSE SENSEX	14303	B5	13797	690	CR 14585
BSE 500	5530	B5	5297	240	CR 5630
BSE Auto	4910	B5	4938	230	CR 5265
BSE Bankex	7603	B4	6880	640	CR 7895
BSE CDS	3892	B4	3765	160	CR 3945
BSE CGS	10157	B5	9808	470	CR 10330
BSE FMCG	1873	B5	1790	75	CR 1890
BSE Health	3733	S1	3815	170	CR 3810
BSE IT	4923	S2	5020	280	CS 4830
BSE Metal	10242	B5	9811	510	CR 10670
BSE Oil& Gas	7603	B5	7092	385	CR 7780
BSE PSU	6698	B5	6356	330	CR 6925
BSE Teck	3722	S1	3820	180	CR 3795

Glossary

B1-Bottoming out situation of BEAR PHASE

B2- Rally in BEAR PHASE

B3- Change in direction from BEAR to BULL PHASE

B4- End of reaction in BULL PHASE

B5- Continuation of BULL PHASE

S1-Top out situation in BULL PHASE

S2-Reaction in BULL PHASE

S3- Change in direction from BULL to BEAR PHASE

S4-End of recovery in BEAR PHASE

S5 Continuation of BEAR PHASE

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