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*Routine consolidation***OUTLOOK FOR THE DAY**

Mildly Bullish

MARKET INDICESSensex : 12961
Nifty : 3744**LEVELS TO WATCH**Support : 3740, 3729
Resistance : 3760, 3770**STOCK MONITOR**[Hindustan Construction](#)
[ITC](#)
[Satyam Computers](#)
[Maruti Udyog Nov Future](#)

The Nifty lost 25 points over the day to close at 3744. The indices stated off on a bullish note yesterday as fresh life highs of 13075/3782 were registered after which they got into a corrective mode. The fall looks routine in nature thereby making it part of the uptrend. This is the kind of short consolidation that the markets have witnessed a number of times in the recent past. We continue to monitor the updated support levels of 12850/3710 and only on a close below the same does the set-up favor the bears, which is unlikely. The 13-EMA, which has played a crucial role in the last couple of months, presently stands at 3690 and would provide support in case of further weakness. The MACD indicator is back in buy mode while the DM indicator continues to favor the bulls. Despite the indices correcting yesterday a lot of stock specific action on the bullish side was witnessed indicating the underlying momentum. Overall, the indices are in a minor consolidation phase that is likely to end in the next couple of days after which the broad uptrend should accelerate.

Sector	Trend	Outlook
Technology	Upwards	Selective strength likely
PSU	Upwards	Far away from resistance
FMCG	Upwards	Playing catch-up
Healthcare	Upwards	Underperformer
Mid-cap	Upwards	Set-up remains bullish
Banking	Upwards	Overbought yet positive
Consumer Durables	Upwards	Close to major support
Capital Goods	Upwards	Remains in a strong uptrend

Exhibit 1

Nifty – Volume activity with the trend



Source : JM Morgan Stanley – Technical Analysis

Exhibit 2

ITC



Source : JM Morgan Stanley – Technical Analysis

Exhibit 3

Maruti Udyog



Source : JM Morgan Stanley – Technical Analysis

STRATEGIES FOR THE DAY

- **Hindustan Construction (Rs. 134)**

Buy only in the region 133-134 with a stop loss below 131 for an intra-day target of 141 and 145.

- **ITC (Rs. 190)**

Buy only in the region 189-190.5 with a stop loss below 187 for an intra-day target of 195 and 198.

- **Satyam Computers (Rs. 439.8)**

Buy only on a move above 442 with a stop loss below 433 for an intra-day target of 451.

- **Maruti Nov Future (Rs. 970)**

Buy only in the region 966-970 with a stop loss below 954 for an intra-day target of 984.

Technical Levels for the Day

Stock/Future (F)	Support I	Support II	Resistance I	Resistance II
Nifty (F)	3744	3735	3770	3781
ACC (F)	971	964	978	986
Andhra Bank	92	91	94.5	96
Arvind Mills (F)	61.5	60.8	64	65
Bank of Baroda	276	274	281	284
Bank Of India	172	169	178	183
Bharti Tele	526	519	535	543
BHEL	2415	2400	2430	2450
BPCL	397	393.5	403	409
Canara Bank	290	287	299	301
Cipla	260.5	258	264	267
GAIL	254	252	257	261.5
HLL	233.5	230	236.5	238.5
HPCL	323	320	326	330
ICICI Bank	773	760	785	793
Infosys	2085	2070	2105	2130
ITC	188.5	186	192	195
M & M	770	758	790	800
Maruti (F)	968	964	977	984
ONGC	810	810	820	828
Oriental Bank	255	252	260	265
Ranbaxy	395	392	403	406
Reliance	1220	1212	1229	1238
Reliance Com.	375	367	383	390
Satyam Comp.	437	433	442	451
SBI	1085	1074	1102	1114
Tata Power	541	536	545	549
TCS (F)	1081	1075	1099	1110
Tata Motors (F)	834	825	841	847
Tata Steel	487	484	492	498
Union Bank	129	127	131	133

Glossary (for the index) :

Bullish:	Expected gain > 1% for the day
Bearish:	Expected downside < 1% for the day
Mildly bullish:	Expected gain $\geq 0.5\%$ but $\leq 1\%$ for the day
Mildly bearish:	Expected downside $\geq 0.5\%$ but $\leq 1\%$ for the day
Sideways:	Expected movement between +/- 0.25% for the day
Volatile:	Expected movement between $\geq +/- 1\%$ for the day

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