

India Technical Research Weekly

Consolidation

- **Nifty** — The index witnessed a sharp decline (2 April 2007) towards the 200dma at 3630, post which it saw a pullback for the next three trading sessions and ended the week down 70 points.
- **200Day Moving Average** — The index over the last 23 trading sessions has repeatedly tested support at the 200dma; it tested support at the 200dma on four occasions and bounced back. The 200 dma (3643) should be considered a significant support level. Fig 3.
- **Bollinger Bands** — Post the decline from the high of 4245 (8 February 2007), the bands have narrowed as nifty is seen consolidating in the 3555-3902 range of the last 23 trading sessions. The upper B.band is at 3885 and the lower B.band is at 3591. Prices trading within the band suggest that range bound moves are likely to continue for the current week. Fig 3.
- **Resistance \ Support** — Resistance levels for the week are **3794** (62% retracement level of the decline from the high of 3902 (23 March 2007) to the recent low of 3617 (2 April 2007), **3883** upper end of the Bollinger band and **3902** high of 23 March 2007). Support is around **3643** (200dma) and **3555** low (5 March 2007).
- **Conclusion** — Nifty is likely to move up from current levels towards 3794-3883, at which level resistance can be expected; on the downside, support is around the 200dma at 3643.

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Figure 1: India Technical Research — Index Snapshot

Indices	Last Week Close	Current Week Close	Weekly Change(Points)
Sensex	13072	12856	-216
Nifty	3822	3752	-70
Nifty Futures: Current Month	3800	3723	-77

Source: Citigroup Investment Research

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

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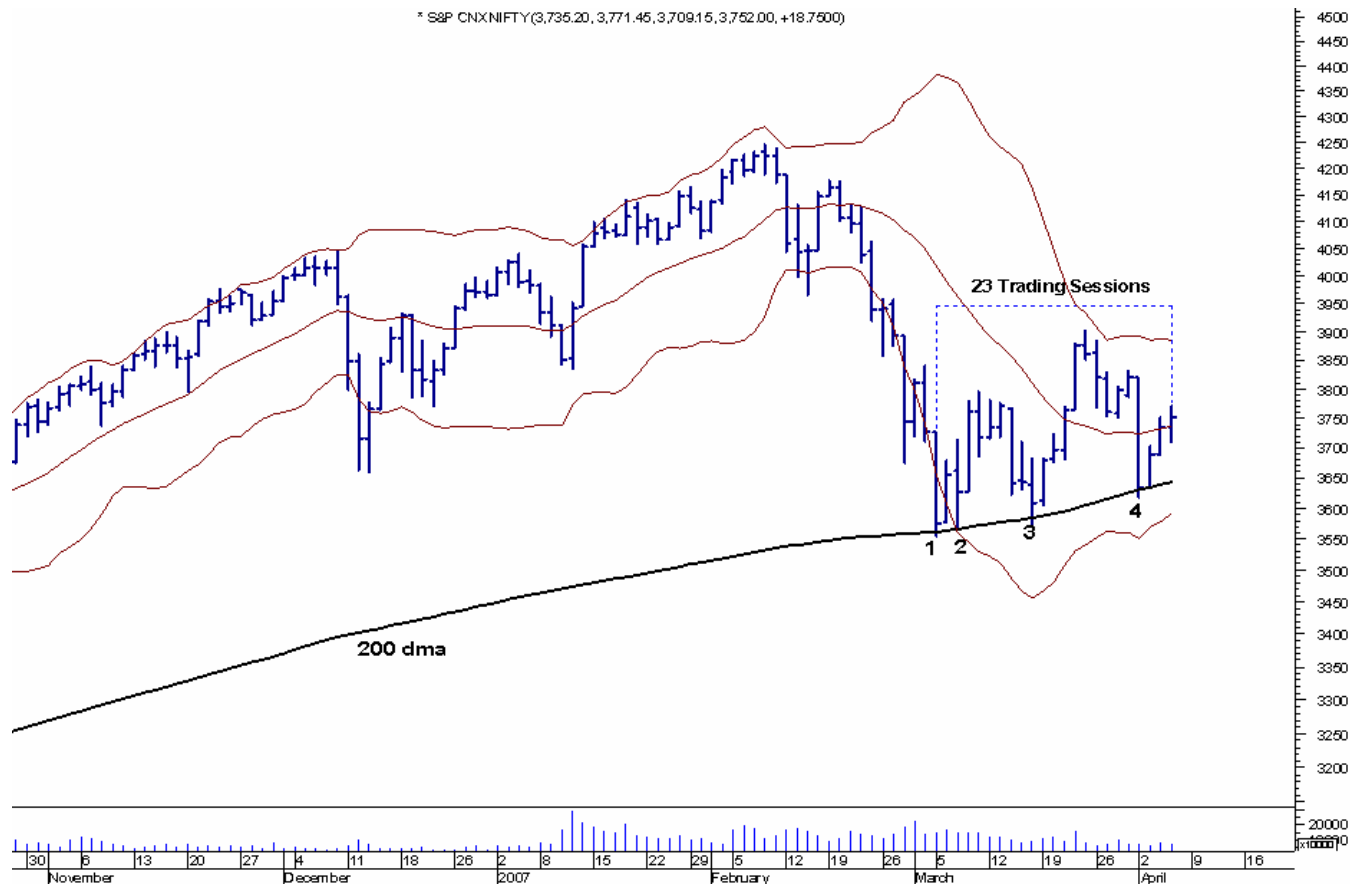
¹Citigroup Global Market India Private Limited

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

Indices	Support	Resistance
Sensex	12658-12574-12344	12984-13111-13387
Nifty	3700-3643-3555	3794-3883-3902
Nifty Futures: Current Month	3683-3639-3515	3780-3830-3904

Source: Citigroup Investment Research

Figure 3. India Technical Research –Nifty Daily Chart



Source: Reuters Metastock

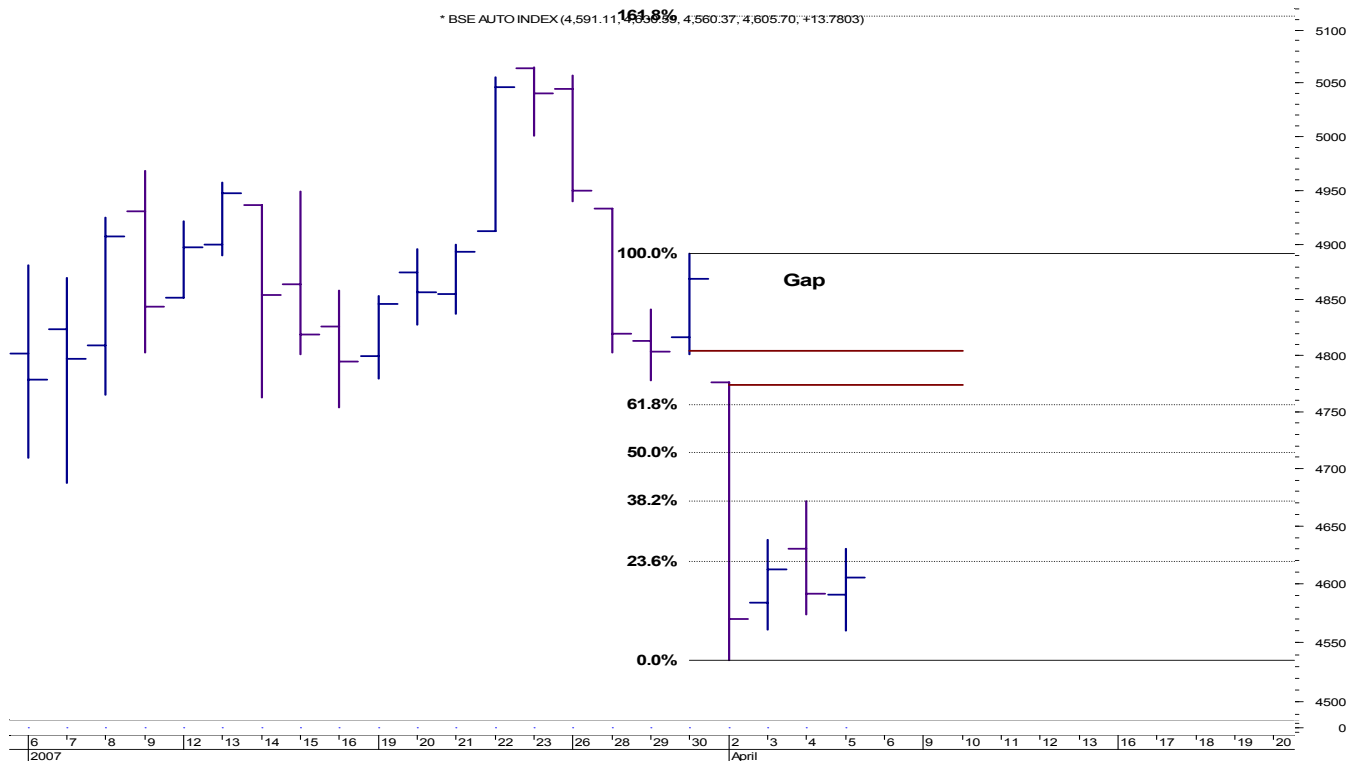
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BSE: AUTO INDEX :(4606).

The index has been trading sideways for the last three sessions; pullback will face resistance around 4671-4714 (38% and 50% retracement level of the decline from high of 4892, 30 March 2007) to the low of 4535 (2 April 2007). Support is around 4535, break of which will see it decline towards 4385.

Conclusion: The index can see a bounce towards 4700 levels.

Figure 4. India Technical Research -BSE:AUTO INDEX



Source: Reuters Metastock

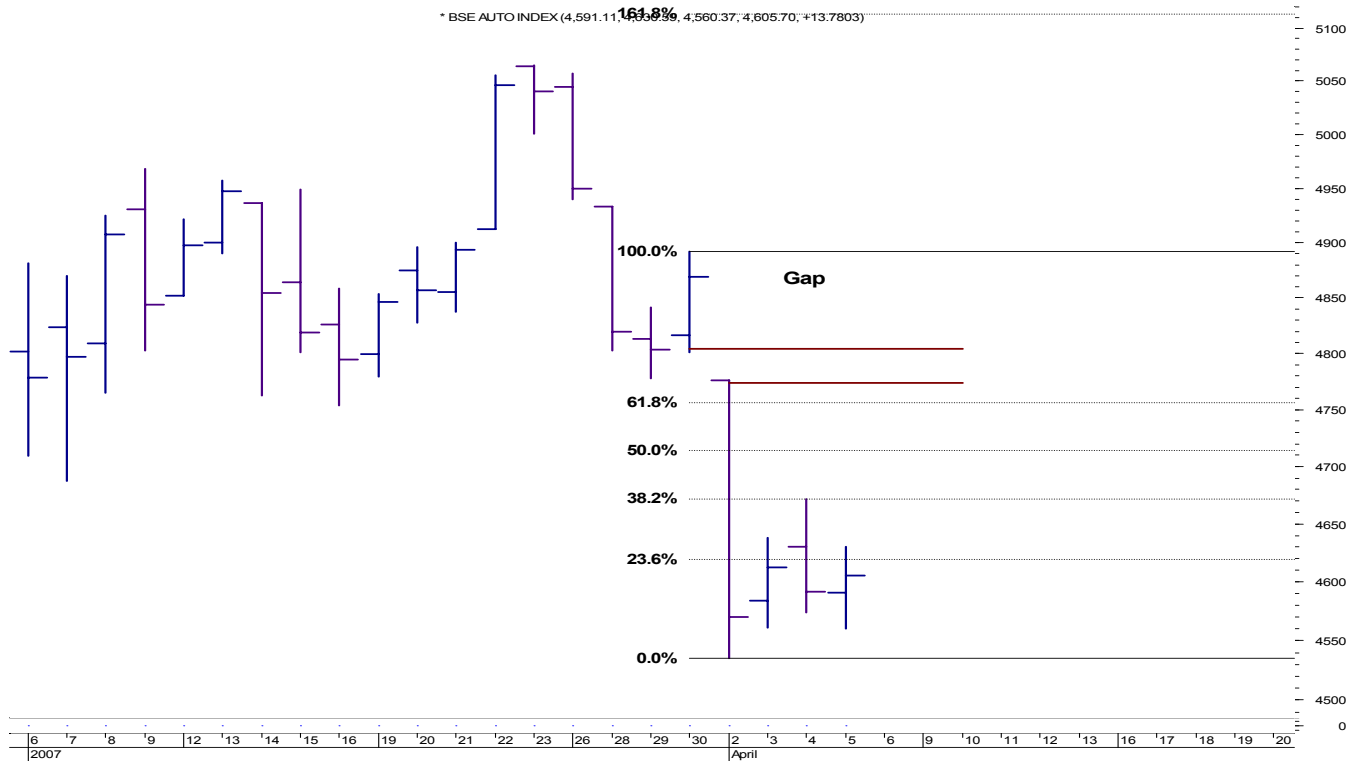
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CNX BANK INDEX:(5129).

Post the sharp decline (2 April 2007) the index is witnessing a pullback. The gap in the 5268-5281 band is a stiff resistance for the week's trading. Support is in the 4921 (recent low) and 4837 low of (16 March 2007) range.

Conclusion: The index is likely to remain range-bound during the current week with pullback towards 5268-5281 band.

Figure 5. India Technical Research -CNX BANK INDEX



Source: Reuters Metastock

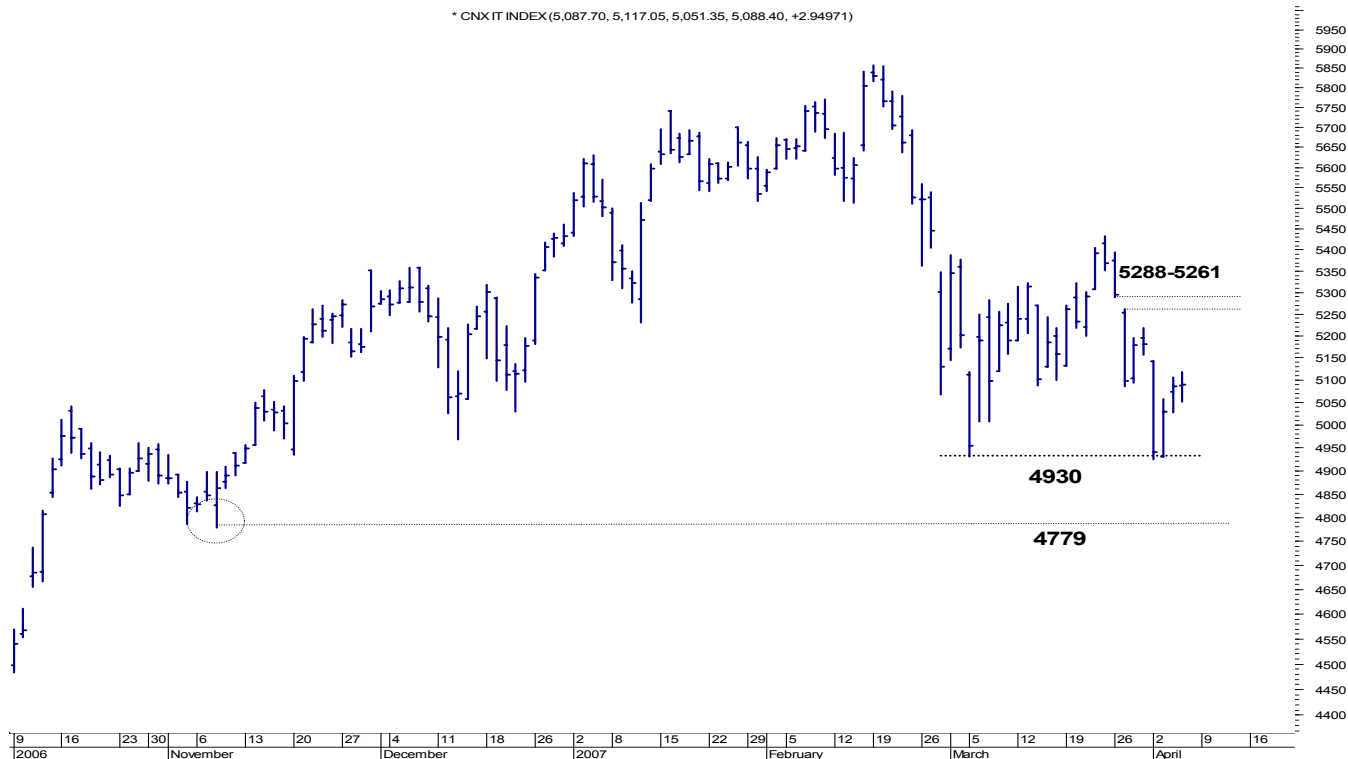
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CNX IT INDEX :(5088).

The index faces resistance around the 10dma (5167)-20dma (5193) and falling gap in the 5288-5261 band. Support is around the 4925 level (4929 low of 5 March 2007 and 4925-low of 2 April 2007). Break of support at 4925 will see the index exhibit weakness during the current week's trading and decline towards 4779 (low of 8 November 2006).

Conclusion: The index can see a bounce towards 5200 level; crucial support is at 4925, break of which will see the index show weakness.

Figure 6. India Technical Research -CNX IT INDEX



Source: Reuters Metastock

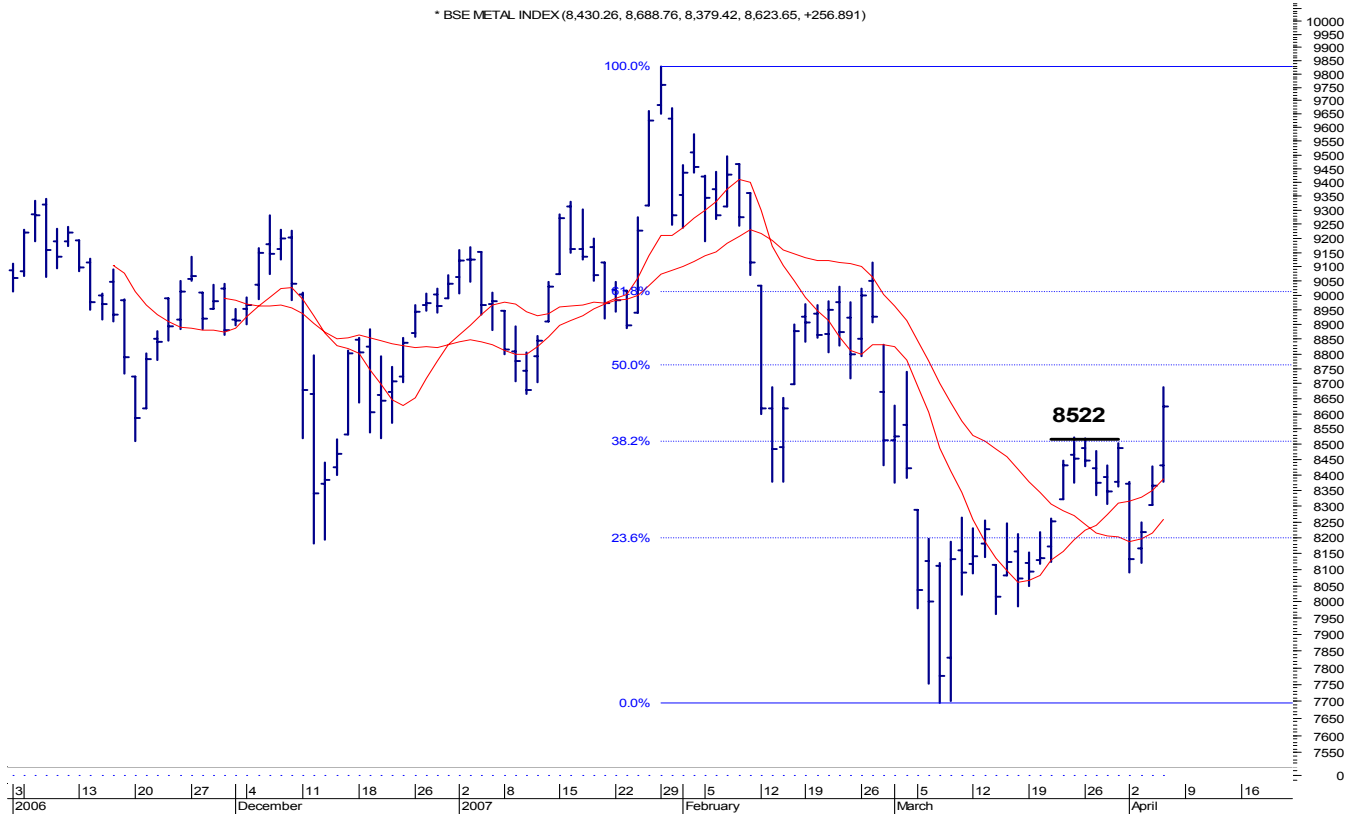
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BSE METAL INDEX :(8624).

The metal index is trading above the recent high at 8522 (23 March 2007) and the 10dma (8388) & 20dma (8259); pullback should find support around the 8500 levels. On the upside, the index can see a rise towards the gap area in 8830-8906 band.

Conclusion: The index can rise towards 8830-8906; support can be expected around 8500 levels.

Figure 7. India Technical Research -BSE METAL INDEX



Source: Reuters Metastock

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Appendix A-1

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