

13th July, 2007

NSE Weekly Chart



Indices	Previous week	This week	% chg
Sensex	14,964	15,272	2.06
Nifty	4384	4504	2.74
S&P CNX 500	3672	3780	2.94
BSE 500	5,881	6,032	2.57
BSE Mid-Cap	6,620	6,795	2.64
BSE Small-Cap	7,904	8,216	3.95
BSE Auto	4,903	5,058	3.16
BSE Health	3,820	3,848	0.73
BSE FMCG	1,855	1,864	0.49
BSE IT	4,950	4,897	-1.07
BSE PSU	6,800	7,098	4.38
BSE Bankex	8,123	8,281	1.95
BSE Oil & Gas	7,621	7,819	2.60
BSE Metals	10,775	12,000	11.37
BSE Cons Dur	4,183	4,180	-0.07
BSE Cap Good	12,776	13,059	2.22

Levels to Watch

	Sensex	Nifty
Week High	15330	4513
Week Low	14829	4344
34 DMA	14539	4291
55 DMA	14346	4228
Swing High	15330	4513
Swing Low	13946	4100

The Nifty surged for yet another week and closed firm with gains of 2.74% on a w-o-w basis. Though it opened positive on Monday, it corrected for the next couple of days but surged past previous highs in the last two days of the week to give a very strong close. The Advance Decline ratio remained positive for most of the days during the week, even on the day the Nifty corrected. Amongst the sectoral indices the BSE Metal index was the star performer as it appreciated by more than 10% this week. The BSE PSU, BSE Auto and BSE Small Cap indices too were seen outperforming the broader markets. The BSE IT index was seen closing in the negative and underperformed this week.

Sectoral Speak

The **BSE Metal** index outperformed all other indices this week and closed with a gain of 11.37% at 12000, thus attaining our mentioned target of 11958 this week. This index surpassed its previous high of 11402 this week and has given a close above it. It still appears bullish on the chart and now the target of the recent break out works out to 13890, which it may achieve in the medium term and in the long term this index may even test the level of 16379.

The **BSE Auto** index outperformed the broader markets for yet another week and appreciated by 3.16% to close at 5058. It attained our mentioned level of 5056 this week and still appears strong on the chart. It may now test the 5151 mark in a short span of time.

The **BSE PSU** index was another market outperformer this week as it ended with w-o-w gains of 4.38% at 7078. It attained our target of 6982 this week. It still appears bullish on the chart and may now test the level of 7752 in the medium term and we maintain the long term target of 8896 for it. It may rally to 7329 in a short time span.

The **BSE Oil & Gas** index appreciated by 2.60% this week to close at 7819, thus gave a breakout of a sideways move on the daily chart. This index may now come up to 8658 in the medium term. However, it may face resistance at the 7880 level.

Outlook for next week

The week began on a positive note but the Nifty corrected for the next couple of days. However, we witnessed a sharp bounce back and a run away rally in the last two days of the week. The Nifty closed strong on a w-o-w basis with gains of 2.74% at 4504, thus achieving our earlier mentioned short term target of 4490. We maintain our revised short term target of 4524 for this week. We also reiterate the earlier mentioned long term target of 4950 for the Nifty. The support levels for Monday are placed at 4490 and below that at 4479. The level of 4344 will play as an important support for the short term.

Strategy:

- ❑ **Very short-term traders can keep a stop loss below 4344 for the Nifty on a closing basis.**

Action Points	Nifty	Action
Current Close	4504	
Immediate Resistance	-	
Immediate Supports	4490	
Further Downsides	4446	
Further Upside	4524	

Recommendations

Date	Stock	Action	Recommendation Price	Stop-loss	Target	Current price	Comment
20-04-07	Bharti Airtel	Buy	840.00 - 820.00	782.30	925.00	881.55	Profit booked at 887.45
25-05-07	RCOM	Buy	502.00 - 490.00	479.60	583.00	554.15	Profit booked at 565.00
30-05-07	BEL	Buy	1825.00 - 1775.00	1729.30	2050.00	1820.00	
30-05-07	Jindal Photo	Buy	117.00 - 110.00	99.60	160.00	118.00	
08-06-07	Mphasis	Buy	333.00 - 320.00	299.30	395.00	299.15	Stop loss triggered
20-06-07	Sterlite Ind	Buy	580.00 - 560.00	535.30	685.00	667.00	Profit booked at 682.00
20-06-07	GDL	Buy	188.00 - 180.00	178.60	220.00	188.40	
21-06-07	Rajesh Exports	Buy	537.00 - 520.00	507.30	600.00	541.00	
22-06-07	Gammon India	Buy	416.00 - 405.00	382.30	495.00	459.95	Profit booked at 461.00
27-06-07	3I Infotech	Buy	310.00 - 305.00	299.30	340.00	305.05	
28-06-07	India Cement	Buy	200.00 - 190.00	185.10	232.00	226.10	Profit booked at 222.30
03-07-07	Nifty Future	Buy	4339.00	4303.30 *	4524.00 *	4488.00	* Spot Prices Profit booked at 4484
09-07-07	Gitanjali	Buy	209.00 - 200.00	190.60	245.00	205.50	
09-07-07	Karnataka Bank	Buy	181.00 - 175.00	169.60	205.00	179.40	
10-07-07	Bank Of India	Buy	240.00 - 230.00	218.10	272.00	271.00	Profit booked at 261.50
12-07-07	RNRL	Buy	42.50 - 40.50	36.60	55.00	40.95	
13-07-07	SAIL	Buy	150.00 - 140.00	135.30	175.00	161.80	

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