

21 March, 2007

**Sensex Preview**



**Correction to continue after a short rally!**

- Sensex correcting in five waves (Completing "A" wave 'first leg' of correction).
- Negative divergence on the top on Daily as well Weekly charts.
- Very high volume on before market crash.

**Short term rally on its way!**

- Positive divergence on the daily charts.
- Oscillators are entering oversold territory on the weekly charts.
- The long term support line is still intact.

Sensex has immediate resistance around 12800 levels (.618% of 5<sup>th</sup> wave from 13145 to 12316) and if broken expect the "B" wave to target 13300-13600 range.

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