

### NSE Weekly Chart



Indices	Previous week	This week	% chg
<b>Sensex</b>	12,430	13,285	6.88
<b>Nifty</b>	3608	3861	7.01
<b>S&amp;P CNX 500</b>	2993	3168	5.85
<b>BSE 500</b>	4,735	5,014	5.89
<b>BSE Mid-Cap</b>	5,235	5,401	3.17
<b>BSE Small-Cap</b>	6,274	6,456	2.90
<b>BSE Auto</b>	4,794	5,039	5.11
<b>BSE Health</b>	3,459	3,574	3.32
<b>BSE FMCG</b>	1,625	1,689	3.94
<b>BSE IT</b>	4,879	5,067	3.85
<b>BSE PSU</b>	5,443	5,879	8.01
<b>BSE Bankex</b>	6,107	6,822	11.71
<b>BSE Oil &amp; Gas</b>	6,049	6,434	6.36
<b>BSE Metals</b>	8,071	8,453	4.73
<b>BSE Cons Dur</b>	3,476	3,567	2.62
<b>BSE Cap Good</b>	8,334	9,129	9.54

#### Levels to Watch

	Sensex	Nifty
<b>Week High</b>	13386	3901
<b>Week Low</b>	12426	3602
<b>34 DMA</b>	13256	3837
<b>55 DMA</b>	13390	3870
<b>Swing High</b>	13386	3901
<b>Swing Low</b>	13316	3573

After closing negative for the past five weeks, the Nifty retraced some of its losses this week as it staged a bounce back and closed with a gain of 7.01% W-o-W at 3861. It closed positive for the first four days during the week but for the last trading day. The Advance Decline ratio was negative on Friday. The volumes remained thin for the first few days but picked up towards the end of the week. The sectoral indices too bounced back and all of them closed positive. The BSE Bankex, BSE CG and BSE PSU indices were all outperformers this week.

### Sectoral Speak

The **BSE Bankex** was the star performer this week as the bounce back that we witnessed in this index was the sharpest. On Tuesday, it inched up and closed above its 200 EDMA and as it cleared the resistance level of 6605 it moved up further. Finally it closed with a gain of 11.71% at 6822. This index has already retraced 50% of the fall from 7653 to 6047. Though the stochastic oscillator has given a buy on the weekly chart and the index is looking good on the chart, it will gain further upward momentum only if it is able to sustain above 6904, in that case it may test 7040, which is the 61.80% retracement of the above mentioned fall. However, we continue to advice caution at higher levels.

This week the **BSE CG** index cleared the resistance level of 8864 and we witnessed a further bounce back in this index. On Friday it tested our mentioned level of 9169 and close with a gain of 9.54% on a w-o-w basis at 9129. The Stochastic oscillator has given a buy signal on the weekly chart, thus it may now test the 9400 mark which is the 61.80% retracement level of the fall from 10148 to 8190. However, one should remain cautious at higher levels.

The **BSE Auto** index retraced 61.80% of the entire rally from 3957 to 5881 and made a low of 4687 a few days back. It then started moving very sideways within a 300 point range. It gave a break out above this range this week and closed with a gain of 5.11% at 5039. This index may now come up to 5143 and if it able to sustain above that then it may test 5284, these are the 38.20% and 50% retracement levels of the fall from 5881 to 4687.

A sharp bounce back was also witnessed in the **BSE PSU** index this week and it appreciated by 8.01% to close at 5879. It has already retraced 50% of fall from 6447 to 5366. It may now face resistance at 5935 and if it is able to sustain above this level then it may test 6034, which is the 61.80% retracement level of the fall from 6447 to 5366.

## Outlook for next week

The Nifty bounced back this week after remaining negative for the past five weeks. After a sharp fall, it retraced some of its losses this week and as it cleared an important resistance level of 3795, it gained further. It remained positive for the first four days of the trading week but gave a negative close on Friday as it met with resistance near the 50% retracement level of the fall from 4245 to 3554 and finally ended the week with a gain of 7.01% at 3861. The 3901 level will continue to play as a resistance for the Nifty. However, if it is able to close and sustain above that then it may continue its bounce back and test the 3981 mark, which is the 61.80% retracement level of the above mentioned fall. Although the stochastic oscillator is giving a buy on the weekly chart, on Monday, if it breaks the support level of 3850 then it will become weak and may come down to 3776 in a few days which is the 38.20% retracement level of the present bounce back from 3573 to 3901. We continue to maintain a cautious view at higher levels.

## Strategy :

- ❑ **One should remain Cautious at higher levels**
- ❑ **Short term traders can keep a stop loss of 3550 for the Nifty**

Action Points	Nifty	Action
Current Close	3861	
Immediate Resistance	3901	
Immediate Supports	3850	
Further Downsides	3776	
Further Upside	3981	

**Manas Jaiswal**  
*Technical Analyst*  
 manas.jaiswal@emkayshare.com  
 +91 22 66121274

**Rajesh Manial**  
*Associate Technical Analyst*  
 rajesh.manial@emkayshare.com  
 +91 22 66121275

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C-6, Ground Floor, Paragon Center, Pandurang Budhkar Marg, Worli, Mumbai – 400 013.  
 Tel No. 66121212. Fax: 66121299; **E-mail:** marketing@emkayshare.com; **Website:** www.emkayshare.com  
 Regn.Nos.PMS-INP 00000779; BSE (Cash) INB 010901838; BSE (Derivative) INF 010901838;  
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**Call (Tollfree) 1-600-223-434 / 1-800-223-434**