

Technical Analysis

Anything changed ?

India Outlook

We had stated earlier that the Nifty appears to be in a corridor of uncertainty between the level of 4750 and 5250. As long as the Nifty remains in this trading zone, no clear medium term trend can emerge since the earlier trend for the last few weeks has remained down. The medium term trend of the Nifty remains weak by default till an upside breakout above 5250 happens. But inside this broad range of 4750 and 5250, the Nifty has witnessed a passing of the baton from the bears to the bulls. What appeared like a pullback rally from around 4730 turned out to be the advent of something bigger and stronger. The Nifty first attempted a higher top-bottom in the short term charts by breaching the zone of 4950 and then continuing to make a higher top on the daily charts by decisively closing above the level of 5030. All this points out to the possibility of further advances in the coming week towards the resistance of 5200-5250 provided the level of 5000 doesn't get breached on the downside.

In the medium term however, 5250 remains an important resistance. The larger structure of the medium term trend remains tilted to weakness and until this structure does not change we remain neutral to negative. The bulls are attempting to come back after this week of strong upmove. The downsides for the Nifty below 4700 seems to have been arrested atleast in the near term.

The Midcap Index also bounced back smartly and has closed above the psychological level of 7000. It will continue to lag but emulate the broad direction of the Nifty in the coming week.

Key Indices

Index	Close	WoW change	Short-term outlook	Key support	Key resistance
BSE Sensex	17082	5.24%	Neutral/Positive	16000	17200
NIFTY	5132	4.99%	Neutral/Positive	4700	5200
CNX Defty	3625	5.29%	Neutral	3300	3900
BSE PSU	7460	2.14%	Neutral/Positive	7000	8000
BSE Bankex	11064	6.93%	Neutral/Positive	10000	11300

Global Outlook

Commodities: Metals remain subdued and should face headwinds at higher levels. In bullion, Gold and Silver should face resistance at higher levels. Brent Crude is now in an uptrend.

Currencies: USD/INR's continues to be in consolidation. Euro/Dollar faces resistance at 1.3900. Dollar/Yen remains listless as long as it trades below 78.00. DXY can remain subdued and could slide towards the level of 76.00.

Global equity indices: Trends of key indices are given below.

Country	Index	Closing	Key comments
USA	S&P500	1164	Resistance at 1225
China	Shanghai	2431	Positive to Neutral
Hong Kong	Hang Seng	18501	Sideways to Positive
Japan	Nikkei	8747	Neutral
MS Emerging Mkt	MSCI	930	Positive

Sadanand Rajee

sadanand.raje@pinc.co.in
+91-22-6618 6366

C Krishnamurthy

krishnamurthy.c@pinc.co.in
+91-22-6618 6747

Index Watch

NIFTY (5132)

Gain/Loss over the week: up 244 points
(4.99%)

Outlook for next week: Neutral/Positive

Our tools: We have used a weekly candestick chart along with momentum

Support	5050	5000	4900
Resistance	5150	5200	5250

Negative Crossover of Indicator: The weekly oscillator, which was earlier exhibiting negative cross over, is now on the verge of turning positive.

Resistance @ 5200: The charts below clearly illustrate that the level of around 5200 is significant for the Nifty. By acting as a resistance in earlier attempts, this level could hold key for the Nifty in the days ahead.

Outlook:

In the short term, the Nifty has exhibited buying vigour that could have possible positive repercussion in the near future. One will have to wait and watch how the Nifty behaves at higher resistance levels. That could possibly give us signals whether any modification of our earlier view needs to be considered in the medium term. The weekly technical indicator (chart) is still negative and a significant resistance exists at higher levels around 5200-5250.

All this points out to an interesting week ahead.



Index Watch

NSE Midcap (7135)

Gain/Loss over the week: up 241 points
(3.50%)

Outlook for next week: Neutral/Positive

Our tools: We have used a weekly candlestick chart along with momentum

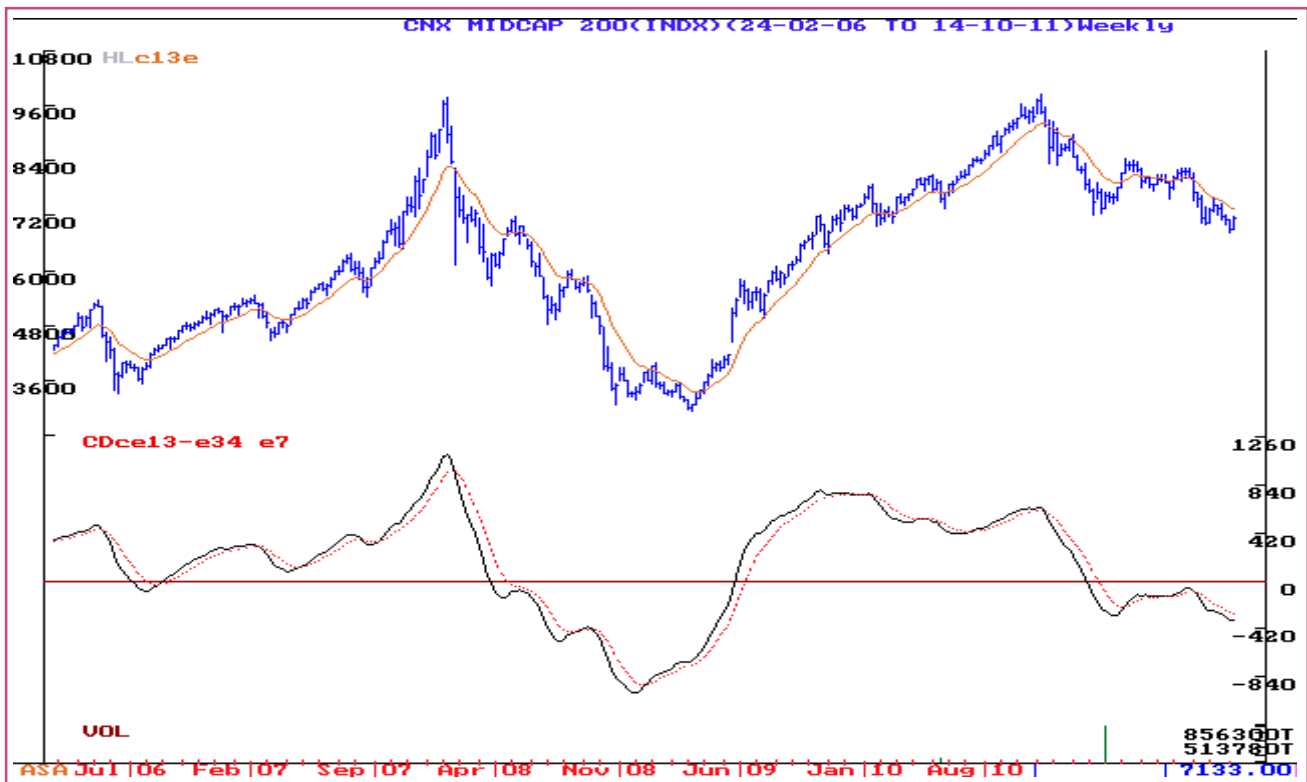
Support	7000	6800	6600
Resistance	7250	7500	7600

Negative cross over : The weekly oscillator is currently exhibiting a negative crossover but could be on the cusp of a reversal.

Resistance @ 7500: The key level for CNX Midcap is 7500. On earlier occasions, this index has seen supply pressure emerging around this level.

Outlook :

The Midcap Index has bounced sharply from the lows of around 6800. Even though this index has underperformed the Nifty during the last few weeks, the direction of this index has remained in line with Nifty. Any further buying can see it reach near the resistance zone of 7500. The technical Indicator and resistance at 7500 points out that the buyers could have a lot of work to do to breach past any more headwinds. The coming week promises to test the mettle of the bulls due to the above stated reasons.



Sector Watch

CNX Defty (3625) up 182 points (2.14%):

CNX Defty		
Supports	3500	3400
Resistances	3630	3700

CNX Defty rebounded strongly after testing lows of near 3300. The pull back has been strong enough to take it closer to 3600 levels. Any further upmove could be challenged around the zone of 3700 - 3750. On the downside, a move below 3500 should lead to further declines.

CNX Defty

BSE PSU (7460) up 156 points (2.14%):

BSE PSU		
Supports	7400	7300
Resistances	7600	7800

BSE PSU attempted a high at around 7600 thereby making conditions conducive for a trend change. A change of trend is confirmed only above 7600 but the good upmove of last week means that there is minimal downsides for the index in the coming weeks.

BSE PSU

BSE Bankex (11064) up 6.93 points (6.93%):

BSE Bankex		
Supports	10750	10500
Resistances	11100	11400

BSE Bankex has bounced back smartly from around 10000 levels. It is currently at the cusp of resistance and any continuing advance can see its positive momentum being prolonged in the week ahead.

BSE Bankex

BSE IT (5698) up 457 points (8.72%):

BSE IT		
Supports	5400	5300
Resistances	5750	6000

BSE IT witnessed a breakout inspite of shuttling in a positive trading range for the last couple of weeks. This breakout means that this index can now advance towards 6000 level.

BSE IT

BSE Cap Goods (11042) up 220 points (2.03%):

BSE Cap Goods		
Supports	10750	10500
Resistances	11100	11250

BSE Capital Goods has consolidated with a positive bias during last week. This action is likely to persist in the coming week.

BSE Cap Goods

BSE Auto (8849) up 362 points (4.27%):

BSE Auto		
Supports	8700	8600
Resistances	8800	9000

The BSE Auto continues to move in a trading range. This sideways move is likely to continue as long as it stays below 9000 level.

BSE Auto

Commodities

Aluminium (\$2207)

Aluminium		
Supports	2200	2150
Resistances	2300	2400

Aluminium continues to be weakly biased. Its trend still remains down and a breakdown below 2200 can lead to further declines.

Aluminium

Zinc (\$1923)

Zinc		
Supports	1800	1750
Resistances	2000	2100

Zinc has dilly dallied and moved sideways with a positive bias. This doesn't suggest any reversal of its ongoing downtrend yet. Its trend will continue to remain negative as long as it stays below \$2000.

Zinc

Copper (\$7310)

Copper		
Supports	7000	6500
Resistances	7500	7750

Copper's movement has also continued to be in line with other metals. The level of \$7750 is an important resistance below which Copper should continue to remain negatively biased for now.

Copper

Gold (\$1664)

Gold		
Supports	1625	1550
Resistances	1700	1750

Gold appears to be currently experiencing a pull back in a downtrend. There is a good chance that it should counter headwinds at higher levels. A break below \$1625 should lead to further declines.

Gold

Silver (\$31.69)

Silver		
Supports	30.00	28.00
Resistances	33.00	35.00

The structure of the move for the last week suggests that Silver could be preparing for its next leg of decline sooner or later. A break below the level of \$31.00 can lead to further weakness in its existing downtrend.

Silver

Brent Crude (\$105.95)

Crude oil		
Supports	107.50	105.00
Resistances	110.00	115.00

Brent crude after breaching the level of \$107.50 is now in a positive momentum. It has expectedly advanced towards \$110. There is a good chance that it can further advance towards level of \$115.00 in the coming weeks.

Crude Oil

Currencies

Dollar/Rupee (49.12)

Dollar/Rupee		
Supports	48.90	48.00
Resistances	50.00	51.00

USD/INR persists with its sideways move and our outlook remains the same as last week. Since the rally from 44.00 to around 50.00 has been quite unidirectional, there is a fair chance that USD/INR could continue to shuttle in a sideways range in the near future.

Dollar/Rupee

Euro/Dollar (1.3768)

Euro/Dollar		
Supports	1.3700	1.3500
Resistances	1.3800	1.3900

Euro/Dollar has attempted a smart and a swift pull back from 1.3200 levels. This indicates that it could have minimal downsides going forward. A breakout past 1.3900 will further confirm this possibility in the coming week. In the short term, the uptrend continues to remain in force.

Euro/Dollar

Dollar/Yen (76.91)

Dollar/Yen		
Supports	76.00	75.00
Resistances	77.00	78.00

Dollar/Yen continues to remain dull. Even though it attempted a spurt last week, the rally fizzled around 77.50 levels. We reiterate that its sideways to neutral move can prolong as long as it trades below 78.00.

Dollar/Yen

Dollar Index DXY (77.08)

Dollar Index - DXY		
Supports	76.00	75.00
Resistances	78.00	79.00

DXY has cooled off for the last two weeks after testing a high of around 80.00. There is a good chance that it can slide towards 76.00 level in the coming week which is a strong area of support.

Dollar Index - DXY

Global Equities

S&P 500 (1203)

S & P 500

S&P 500		
Supports	1175	1120
Resistances	1220	1250

S&P 500 has attempted a smart come back from the lows of around 1080. Its current short term trajectory remains up but it is currently hovering around an area of resistance. Its positive momentum should continue only if it breaches the resistance zone of 1220-1230 in the coming week.

Brazil (54601)

BOVESPA

Brazil		
Supports	53000	52000
Resistances	55000	56000

Bovespa has scaled towards our projected upside target of 54000. The level of 55000 is another short term resistance beyond which it can target higher levels.

China (2431)

Shanghai SE Composite

China		
Supports	2400	2350
Resistances	2450	2500

SSE has advanced last week towards the area of resistance of 2450. Any further upmove and a breach of 2500 shall wrest the control of the trend firmly with the buyers.

Hong Kong (18501)

Hang Seng

Hong Kong		
Supports	18000	17500
Resistances	19000	20000

Hang Seng attempted a U-turn from around 16500. It has also managed to breach the resistance of 18000 last week. The trend is likely to remain positive as long as it sustains above 18000.

Japan (8747)

Nikkei

Japan		
Supports	8500	8400
Resistances	8750	8900

Nikkei remained sideways with a positive bias for last week. Its brief uptrend from around 8400 could be losing steam. A breakdown below 8600 should lead to weakening of the trend.

United Kingdom (5430)

FTSE

United Kingdom		
Supports	5400	5200
Resistances	5600	5700

FTSE almost had a V-shaped recovery when it rallied smartly from the lows of around 4900. The upmove has been quite encouraging and it has attempted to lurk its head above 5400 as well. Continuing to stay above 5400 should result in further advances in the coming week.

MS Emerging Markets (930)

MSCI - EMI

MS Emerging Markets		
Supports	900	880
Resistances	950	980

MSCI EMI has breached the level of 900 with a strong momentum. This indicates that the index could have minimal downsides from hereon. Any further buying support could result in the index targetting higher level of 950 and 980.

T E A M

EQUITY DESK

Sadanand Raje	Head - Institutional Sales Technical Analyst	sadanand.raje@pinc.co.in	91-22-6618 6366
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RESEARCH

Vineet Hetamasaria, CFA	Head of Research, Auto, Cement	vineet.hetamasaria@pinc.co.in	91-22-6618 6388
Nikhil Deshpande	Auto, Auto Ancillary, Cement	nikhil.deshpande@pinc.co.in	91-22-6618 6339
Tasmai Merchant	Auto, Auto Ancillary, Cement	tasmai.merchant@pinc.co.in	91-22-6618 6377
Vinod Nair	Construction, Power, Capital Goods	vinod.nair@pinc.co.in	91-22-6618 6379
Ankit Babel	Capital Goods, Engineering	ankit.b@pinc.co.in	91-22-6618 6551
Hitul Gutka	Power	hitul.gutka@pinc.co.in	91-22-6618 6410
Subramaniam Yadav	Construction	subramaniam.yadav@pinc.co.in	91-22-6618 6371
Madhura Joshi	Power	madhura.joshi@pinc.co.in	91-22-6618 6395
Satish Mishra	Fertiliser, Natural Gas	satish.mishra@pinc.co.in	91-22-6618 6488
Urvashi Biyani	Fertiliser, Natural Gas	urvashi.biyani@pinc.co.in	91-22-6618 6334
Naveen Trivedi	FMCG	naveent@pinc.co.in	91-22-6618 6384
Rohit Kumar Anand	IT Services	rohit.anand@pinc.co.in	91-22-6618 6372
Namrata Sharma	Media	namrata.sharma@pinc.co.in	91-22-6618 6412
Sakshee Chhabra	Media	sakshee.chhabra@pinc.co.in	91-22-6618 6516
Bikash Bhalotia	Metals, Mining	bikash.bhalotia@pinc.co.in	91-22-6618 6387
Harleen Babber	Metals, Mining	harleen.babber@pinc.co.in	91-22-6618 6389
Dipti Vijaywargi	Metals, Mining	dipti.vijaywargi@pinc.co.in	91-22-6618 6393
Sushant Dalmia, CFA	Pharma	sushant.dalmia@pinc.co.in	91-22-6618 6462
Poonam Sanghavi	Pharma	poonam.sanghavi@pinc.co.in	91-22-6618 6709
Suman Memani	Real Estate, Mid caps	suman.memani@pinc.co.in	91-22-6618 6479
Abhishek Kumar	Real Estate, Mid caps	abhishek.kumar@pinc.co.in	91-22-6618 6398
C Krishnamurthy	Technical Analyst	krishnamurthy.c@pinc.co.in	91-22-6618 6747

SALES

Rajeev Gupta	Equities	rajeev.gupta@pinc.co.in	91-22-6618 6486
Ankur Varman	Equities	ankur.varman@pinc.co.in	91-22-6618 6380
Himanshu Varia	Equities	himanshu.varia@pinc.co.in	91-22-6618 6342
Shailesh Kadam	Derivatives	shaileshk@pinc.co.in	91-22-6618 6349
Ganesh Gokhale	Derivatives	ganeshg@pinc.co.in	91-22-6618 6347

DEALING

Mehul Desai	Head - Sales Trading	mehul.desai@pinc.co.in	91-22-6618 6303
Naresh Panjnani	Co-Head - Sales Trading	naresh.panjnani@pinc.co.in	91-22-6618 6333
Amar Margaje		amar.margaje@pinc.co.in	91-22-6618 6327
Ashok Savla		ashok.savla@pinc.co.in	91-22-6618 6321
Sajjid Lala		sajjid.lala@pinc.co.in	91-22-6618 6337
Raju Bhavsar		raju@pinc.co.in	91-22-6618 6322
Kinjal Mehta		kinjal.mehta@pinc.co.in	91-22-6618 6333
Chandani Bhatia		chandani.bhatia@pinc.co.in	91-22-6618 6324
Hasmukh D. Prajapati		hasmukhp@pinc.co.in	91-22-6618 6325
Kamlesh Purohit		kamlesh.purohit@pinc.co.in	91-22-6618 6357

SINGAPORE DESK

Amul Shah	amul.shah@sg.pinc.co.in	65-6327 0626
-----------	--	--------------

DIRECTORS

Gaurang Gandhi	gaurangg@pinc.co.in	91-22-6618 6400
Hemang Gandhi	hemangg@pinc.co.in	91-22-6618 6400
Ketan Gandhi	ketang@pinc.co.in	91-22-6618 6400

COMPLIANCE

Rakesh Bhatia	Head Compliance	rakeshb@pinc.co.in	91-22-6618 6400
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