

NSE Weekly Chart



Indices	Previous week	This week	% chg
Sensex	13,285	13072	-1.60
Nifty	3861	3821	-1.04
S&P CNX 500	3168	3145	-0.73
BSE 500	5,014	4955	-1.18
BSE Mid-Cap	5,401	5384	-0.31
BSE Small-Cap	6,456	6470	0.22
BSE Auto	5,039	4869	-3.37
BSE Health	3,574	3649	2.10
BSE FMCG	1,689	1739	2.96
BSE IT	5,067	4899	-3.32
BSE PSU	5,879	5921	0.71
BSE Bankex	6,822	6542	-4.10
BSE Oil & Gas	6,434	6419	-0.23
BSE Metals	8,453	8488	0.41
BSE Cons Dur	3,567	3570	0.08
BSE Cap Good	9,129	9074	-0.60

Levels to Watch

	Sensex	Nifty
Week High	13345	3885
Week Low	12832	3750
34 DMA	13207	3829
55 DMA	13336	3861
Swing High	13386	3901
Swing Low	12832	3750

The week started with weakness and the weakness continued till Wednesday, but after that on Thursday, Nifty took support at 3750 and bounced back sharply, the recovery continued on Friday also. Finally, Nifty ended the week with a loss of 1.04% w-o-w basis at 3821. In sectoral indices, the major losers were the BSE Bankex, BSE Auto and BSE IT; these indices lost more than 3% w-o-w basis. However, The BSE HC and BSE FMCG indices outperformed the broader markets and closed with almost 2% gain.

Sectoral Speak

In **BSE Auto index**, we witnessed lots of selling pressure this week; it recovered marginally on Friday and finally closed at 4869 with a loss of 3.37% w-o-w basis. It is still looking weak and now it has strong support at 4687, if it breaks that then we may see further fall in this index and it can 4498. It will turn bullish only if it closes above 5123, which is 200EDMA.

Last week, we witnessed sharp bounce back in **BSE Bankex** and it retraced 50% of the fall from 7653 to 6047. But this week this index faced lots of selling pressure and it lost around 4% w-o-w basis and closed at 6542, now this index has support in the range 6400 and 6375. If it breaks this support then it can come down 6286 and 6125. We may see further upside move in this index only if it breaks 6905.

The **BSE IT** index is still showing lots of weakness on the charts. It closed with a loss of 3.32% at 4899. Now, if it breaks the support level of 4712 then it may come down to 4620 and below that 4314, which are the 38.20% level of the entire rally from 3017 to 5611. This index will turn bullish only above 5135.

Outlook for next week

Last week, Nifty tested our mentioned level of 3899 and it retraced 50% of the fall from 4245 to 3554 and made a high of 3901. After that on Monday, we witnessed lots of selling pressure and Nifty made a low of 3750, which is very near to the 50% retracement level of the recent bounce back 3573 to 3901. In last two trading sessions, Nifty recovered some of its losses. Finally, Nifty closed at 3821 with a loss of 1.04% w-o-w basis. However, we maintain cautious view and Nifty will turn bullish for short term only if Nifty closes above 3901. Nifty has resistance in the range of 3830 – 3850 and the level of 3750 will play an important support for Nifty and if it breaks this support then it can come down to 3737 and below that 3699, which are 50% and 61.80% retracement levels of the recent bounce back from 3573 to 3901. For Monday, Nifty has resistance at 3832 and above that 3850 and the levels of 3785 and 3750 will play as important supports for Nifty.

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	3816	
Immediate Resistance	3901	
Immediate Supports	3750	
Further Downsides	3699	
Further Upside	3981	

Recommendations

Date	Stock	Action	Recommendation Price	Stop-loss	Target	Current price	Comment
30-03-07	ITC	Buy	151.00 - 148.00	145.10	160.00	151.00	
30-03-07	GT OFFSHORE	Buy	626.00 - 610.00	582.60	710.00	608.20	
30-03-07	Sobha	Buy	812.00 - 800.00	754.60	925.00	810.40	

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