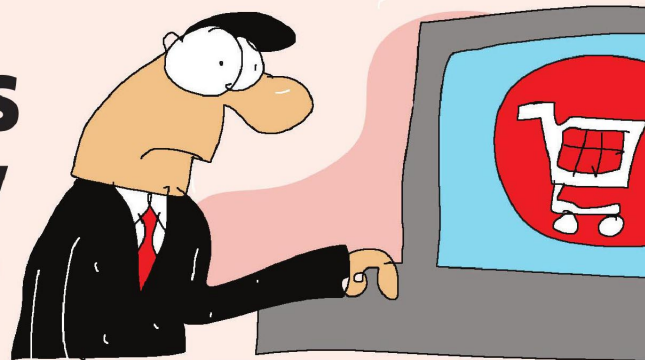


TECH VIEW | BUT AVOID TRADING AGGRESSIVELY, ADVISE EXPERTS

Use All Dips in Nifty as a Buying Opportunity

With momentum indicators showing an upward trend for Nifty, technical analysts recommend buying at all dips with a stop below 10400 for targets of 10650 levels. They advise investors to take long positions on infra and agriculture stocks in the run-up to the Union Budget



JK JAIN

HEAD OF EQUITY RESEARCH,
KARVY STOCK BROKING

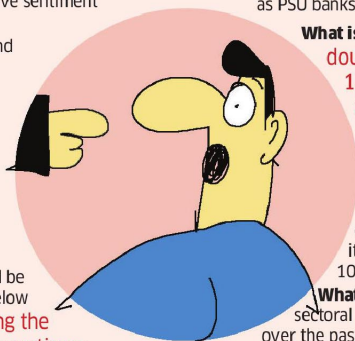
Where are we: Markets are trading at lifetime high levels, with Nifty shyng around 10,500. **The index taken support at**

10,050 on the day of Gujarat Verdict and seen Sharp bounceback after BJP managed to win the election.

The breadth of the market remained strong with mid-cap index making new highs for last four consecutive days. Also, the strong global markets has provided positive sentiment in our markets as well.

What is in store: With truncated week and derivatives expiry, we expect market to remain choppy and head into an uncharted territory. Also, with Christmas and New Year holiday, we can see the volumes dry up in the coming trading sessions. So, we expect the index to trade with the thin margin.

What could investor do: With Nifty trading at all-time high and momentum indicators showing upwards, we recommend any small dip in index should be used at opportunity to buy with a stop below 10400 for targets of 10650 levels. **Among the sectors, banking and auto sector to continue the out-performance. We also recommend taking long positions on infra and agriculture stocks,** as they can remain focused before the Union Budget on February 1. Our top picks for the week would be Maruti, TVS Motors, IRB, L&T, Jain Irrigation and UPL.



VIKAS JAIN

SENIOR ANALYST,
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Where are we: Nifty closed at all-time high after an initial knee-jerk selloff in early hours on Monday. But it recovered sharply with clarity emerging on BJP's victory in Gujarat assembly elections. There was a broad-based movement in midcaps and small caps with the IT sector leading the pack to 52-week high followed by some recovery in metals and auto. Bank Nifty is trading 2% away from its all-time high as PSU banks are underperforming the broader markets.

What is in store: **The formation of important double bottom range in region of 10,000-10,100 levels along with other positive technical evidences like holding the 100-day averages and breakout above 10,400 levels confirms a strong uptrend with a target of around 10,750 on Nifty.** However, in case of any decline, Nifty will find strong support around its long-term 20-week average placed near 10,125 levels.

What could investor do: We have witnessed sectoral shift of preference to IT and pharma sector over the past few weeks and the sectors continues to look promising even from the current levels. **PSU Banks should lead the up move for Bank Nifty to hit all-time high. Among individual stocks, we are positive on Tech Mahindra, Kajaria Ceramics, Sun Pharma, Tata Motors and JSW Steel.**



SAMEET CHAVAN

CHIEF ANALYST - TECHNICAL &
DERIVATIVES, ANGEL BROKING

Where are we: Barring the first couple of days in the week, the index did nothing for the remaining part of the session as we saw interest getting shifted to the boarder market post the Gujarat Assembly election verdict and ahead of Christmas. Eventually, **some buying towards the fag end pushed the Nifty towards its yet another milestone of 10500.**

What is in store: Historically, we do witness such kind of moves towards the tail end of the calendar year as the domestic institutions become more active for their adjustments. Technically speaking, we see a trading range of 10500-10370 for the index and a sustainable move outside the range would trigger some momentum. A breakout in upward direction would extend the rally towards 10600 - 10640; whereas a slide below the lower range would trigger some weakness.

What could investors do: We generally see good rally in midcap basket during the last week of calendar year, termed as 'Santa Rally'; but, now, we do not want to be in such bandwagon as we are seeing some cautionary signs on charts. The daily chart exhibits a 'Wolfe Wave' along with '3-point Negative Divergence' in 'RSI-Smoothened' oscillator. The said structure is considered as a contrarian play and thus, sometimes it works on assumptions. Hence, **we advise traders to be very selective while picking up the stock, do not trade aggressively and follow strict stop losses.**