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INDEX RANGE

Short Term Trend : Up
Medium Term Trend : Down
Long Term Trend : Down

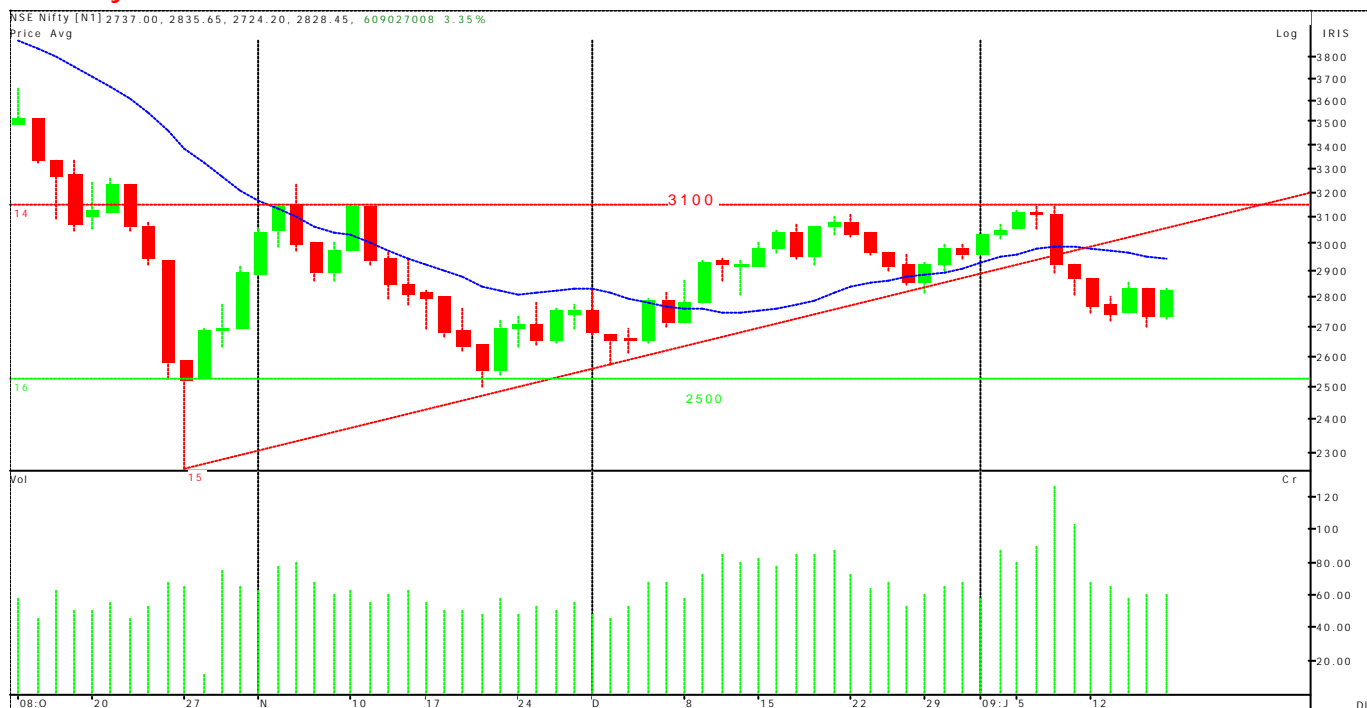
Weekly closing levels : 9343/2928
20 days simple moving average : 9650/2940
50 days simple moving average : 9510/2880
200 days simple moving average : 13250/3940

Major supports : 9250/9120/8950/8785/8650/8465/8310
Major Resistance : 9350/9415/9530/9630/9745/9885/
9990/10150

Daily Equilibrium Level : 9265/2795
Weekly Equilibrium Level : 9295/2800
Monthly Equilibrium Level : 9580/2895

Likely range for the week: Nifty: 2920 and 2720

"To get where you never have been before, you must do what you have never done before."

NSE daily chart**The week past and expected**

General Perspective: In the last week the market remained highly volatile between the wide range of 2900 and 2700. Even though it opened weak on Thursday it has managed to recover to neutral level of 2850/60 by the end of the week. However, we feel that the current recovery is a pull back to the previous vertical fall of nearly 450 points on nifty and at major resistance levels the strategy should be to reduce trading long positions or search an opportunity for short selling in selective stocks.

As per overall formation of the market we may say that the market is forming "Rectangle consolidation" between the broader range of 3050/3150 on the higher side and 2500/2550 on the lower side (8400 and 10400 Sensex). Currently the market is placed in the middle of the broader range at 2800/9300 levels and may be that is the reason the market is spending time before reaching to the lower boundary which is at 2500/8400. The most interesting observation is that the market sustained well above the level of 2700/8900 and bears have to do a lot to break the same during the market hours. As the medium term trend is down it may be even difficult task for bulls to hold the market for more time at higher levels.

In the near term the market may trade between the range of 2920 and 2720 (8900 and 9300 Sensex). Any likely close below 2720 may lead to quick sell off to the levels 2500/2550 levels and in that case long traders should be cautious in keeping long positions. Short term traders may look for shorting opportunity below 2700 levels however; aggressive traders may short sell around 2920 levels in advance with minimal stop loss of nearly 60 points above the entry levels. For investors the advice is to look for investment opportunity in Index heavy weights around 2520 levels with a medium term view in mind and without any fear in the market.

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