

NIFTY (Weekly)



The week that went by:

With continuing its positive momentum, Index started the week on a firm note with 30-35 points gap-up opening, following SGX Nifty. Benchmark Index continued to soar higher as the support was provided by Pharma and IT stocks. On day 2, despite the good opening, Index failed to scale higher due to lack of follow through as profit booking in selective stocks dragged the Nifty lower whereas heavyweights such as ITC and Reliance provided support to retain its gains. On Wednesday, giving the early sign of exhaustion, Index opened on a flat note and erased its gains in the morning trade itself. During the mid-session, Index extended its losses but with the support of IT giants Nifty recovered its losses. On Thursday, nothing changed from the preceding day, as Index opened on a muted note and wiped out its gains. As a lender of last resort, IT stocks provided support but this time other heavyweights also participated. On the last day of the week, post the 30 points gap-up opening, Index dived to 10600 levels but recovered its losses till the end of trading hours to end the day on a new high of 10681.25.

Nifty 50=10681.25 BSE Sensex30=34592.39 Nifty Midcap 100=21694.55 Nifty Smallcap100=9559.15

MARKET OUTLOOK

Picture is now completely changed as Bulls won the fight. Nifty50 has convincingly breached the narrow range. IT sector was the outperformer and likely to continue the same. As mentioned in the last week about Media and Power sector, both has performed and will continue the same. As the result season kicked off volatility is likely to persist.

Nifty has immediate resistance of 10720. On the downside 10600 & 10560 will hold as an immediate support. Bank Nifty has resistance of 25760 & 25990 whereas support is placed around 25600 & 25475.

SECTORAL GAINERS / LOSERS

GAINER



As mentioned in the preceding week that Nifty IT has given a pullback post the breakout from crucial resistance zone. This week IT sector outperformed by a stellar performance of 3.84% whereas Nifty50 gained only 1.14%. Sector heavyweight i.e. Infosys gained over 6.00% followed by Tech Mahindra(+4.59%) and TCS(+3.13%).

LOSER



Nifty PSU Banking sector continued to remain underperformer as Nifty 50 ended in the green whereas sector ended the week with a cut over (-1.52%). Major losers were the midcap banking stocks such as Bank of India(-5.90%) and Union bank(-5.59%). PSU banking sector likely to continue its underperformance.

CMP: 1478

ABB India Limited

Target Price: Rs1640- Rs1800

Overview: ABB is a pioneering technology leader that works closely with utility, industry, transport and infrastructure customers in roughly 100 countries. With more than four decades at the forefront of digital technologies, they are a leader in digitally connected and enabled industrial equipment and systems with an installed base of more than 70,000 control systems connecting 70 million devices.

SNAPSHOT	
Market Cap (Cr)	31182
52 week H / L (Rs)	1619.45/1072.80
BSE Code	500002
NSE Code	ABB



Investment Rationale:

ABB India Limited has given a breakout from two pattern at a time **1) Symmetrical Triangle pattern 2) Range Breakout**. Stock price closely respected the converging trend line before breaching the same. Price breakout is confirmed by RSI breakout as RSI was also oscillating in the range as shown in the chart. MACD has also given a buy signal. Volume indicator i.e. On Balance Volume has breached the downward sloping trend line confirming the recent move. Stock price closely follow 50WMA; however it is above all leading moving average.

Buy **ABB India Limited** at current market price of Rs 1478 or decline up to Rs 1435 with a closing stop loss of Rs1260 for a target of Rs1640-Rs1800 with a perspective of 6-9 months.

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