

**NIFTY (WEEKLY)**



**The Week That Went By:**

Ahead of Gujarat and Himachal Pradesh vote count, D-street started the day on a very volatile note as Nifty kicked off the day with a cut of 70 points and continued to slide to retest previous bottom of 10,500 levels. Nifty immediately recovered from the lower level with the support of Metal and PSU Banking stocks. On day2, Benchmark Index started the day on a firm note with a 20-25 points gap-up opening. Index remained in the tight narrow range before breaching 10430. Auto and Metal stocks provided support to the Index to come out from the consolidation. On Wednesday, continuing the positive momentum, Nifty opened on a new lifetime high level of 10494.40. Auto stocks continued to deliver support to the Index. Late profit booking from higher level resulted in a wipe out of its gains. On Thursday, post the good opening, Nifty remained in the range of 10455-10430 throughout the day. Metal sector continued to shine. Profit booking in Auto stocks dragged the sector. On the last day of the week, Nifty started the day on a positive note and continued to soar higher with the help of IT stocks and ended the day on a new lifetime high level of 10493. Broader Market outperformed the Major Indices.

**Nifty 50=10493.00 BSE Sensex30=33940.30 Nifty Midcap 100=20834.00 Nifty Smallcap100=8928.30**

**MARKET OUTLOOK**

Post the consolidation over 1 month, Nifty50 came out from the falling wedge formation indicating a further rise is on the card. Auto sector has also breached its consolidation zone and bounced from lower trend line of higher top higher bottom formation. IT and Metal sector continued its outperformance and likely to maintain the same.

Nifty has immediate resistance of 10590. On the downside 10450 & 10400 will hold as an immediate support. Bank Nifty has resistance of 25770 & 25965 whereas support is placed around 25550 & 25460

### SECTORAL GAINERS



Continuing its outperformance Nifty Metal sector ended the week with a robust gain of 4.5% whereas Nifty50 gained only 1.50% and outperformed. Top gainer from sector was Hindalco with the gain over 9% followed by Vedanta with 5.86% gain. Other stocks such as JSW Steel, Hind Zinc, Sail gained 5.14%, 4.92% and 8.48% respectively. Two week ago Hidden Bullish Divergence has been spotted and sector performed as per line. Sector is in higher top higher bottom formation and is anticipated to continue its outperformance. Sector needs to cross its previous high to avoid a possible bearish head and shoulder formation.

With the Market sentiment being Bullish all the sectors have ended the week on a positive note.

**CMP- Rs 1950**

**CEAT Limited**

**Horizon: 6-9months**

**Target Price Rs2090-2230**

**Overview:** Mumbai head-quartered CEAT, the flagship company of the Rs 22,000-crore RPG Enterprises, was established in 1958. CEAT is one of India's leading tyre manufacturers and has strong presence in global markets. CEAT produces over 15 million tyres a year and manufactures world-class radials for: heavy-duty trucks and buses, light commercial vehicles, earthmovers, forklifts, tractors, trailers, cars, motorcycles and scooters as well as auto-rickshaws.

### SNAPSHOT

Market Cap (Cr)	7888
52 week H / L (Rs)	1992.95/1060.30
BSE Code	500878
NSE Code	CEAT



**Investment Rationale:** CEAT Limited came out from a continuation pattern i.e. Symmetrical triangle pattern. Price and Volume breakout has been witnessed. RSI has also given a breakout from falling trend line. Trend following Indicator i.e. MACD has given a buy signal. +DMI is placed well above ADX indicating a further rise is on the card. Stock price is well above all leading moving averages.

**Recommendation:** We recommend a BUY on the company at current market price of Rs 1950 or decline up to Rs 1900 with the closing stop loss of Rs 1640 with the Target of Rs2090-Rs2230 with the perspective of 6-9 months.

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