

NIFTY (Weekly)



The week that went by:

The spectacular year for the equity market came to an end with the truncated week. D-street started the week on Tuesday while continuing the positive momentum of the previous week. Post the good opening, Index remained in a narrow range of 10495-10480 before breaching the same in last hour due to short covering. With the support of heavyweights stocks such as Reliance, Cipla and Vedanta, Index gained over 50 points and ended the day on a new high of 10531.50. On Wednesday, Index remained range bound for most of the trading session until the sell-off in the last hour on the news of borrowing by Government to meet CAD. Pharma stocks provided support but Banking heavyweights dragged the Index lower. On F&O expiry day, Nifty opened marginally higher and remained range bound for most of the trading session. Wild swings on the both side has been witnessed in the last session. Metal stocks continued to deliver support but PSU banks remained underperformers and dragged the Index lower. On the last day of the year, Nifty opened marginally higher. Index continued to surge higher with the support provided by the IT stocks and ended the day on a high note. Broader Market outperformed the Major Indices.

Nifty 50=10530.70 BSE Sensex30=34056.83 Nifty Midcap 100=21133.50 Nifty Smallcap100=9093.25

MARKET OUTLOOK

Nifty50 has made a DOJI candlestick pattern which represents indecisiveness between bulls and bears. Activity of the upcoming week will determine the winner of the battle. With the bullish chart pattern set-up in Pharma sector, the same is likely to remain in focus. With the spectacular run by Metal stocks, minor correction might be seen in the form of profit booking. IT sector is also likely to continue its outperformance whereas PSU banking sector will remain laggard.

Nifty has immediate resistance of 10530 & 10700. On the downside 10475 & 10400 will hold as an immediate support. Bank Nifty has resistance of 25760 & 25990 whereas support is placed around 25430 & 24940.

SECTORAL GAINERS / LOSERS

GAINER



Underperformer of the year i.e. Pharma sector ended the year on a high note with 3.05% gains and outperformed the Nifty50 Index. Sector heavyweight i.e. Sun Pharma gained over 7.0% and outperformed the sector and Index. Other components such as Glenmark, Dr Reddy's Labs gained over 4.50%, 3.30% respectively. As Pharma sector is in last lag of bottoming out process, one should look at Pharma stocks. +DMI gave positive crossover to ADX suggesting a further rise in on the card.

LOSER



From the last couple of weeks Nifty PSU Banking sector was an underperformer and it continued its underperformance. Sector ended the week with a loss of (3.21%) and underperformed the Benchmark Index. Heavyweight losers were Bank of Baroda and SBI with the loss of (4.57%) and (3.21%). PSU Banking sector likely to continue its underperformance.

CMP: 718

Persistent Systems Limited

Target Price: Rs780- Rs835

Overview: Persistent Systems is a technology services company which was incorporated on 16 May 1990 as Persistent Systems Private Limited. Persistent Systems Limited is engaged in the business of building software products. The Company's segments include Infrastructure and Systems, Telecom and Wireless, Life science and Healthcare, and Financial Services.

NAPSHOT	
Market Cap (Cr)	5748
52 week H / L (Rs)	722.10/558.05
BSE Code	533179
NSE Code	PERSISTENT



Investment Rationale:

Persistent Systems Limited exhibiting a classic bottom out pattern i.e. Inverted Head and Shoulder. Stock has been underperformer for the year along with the sector. Stock has made a top around 960 and continued to slide lower and lower. Pattern breakout is also confirmed with **breakout in RSI**. MACD has given a buy signal. +DMI has given a positive crossover to ADX and confirming a current move. Stock price has also breached 150 and 200 WMA (weekly moving averages) suggesting a change in trend.

Buy **Persistent Systems Limited** at current market price of Rs 718 or decline up to Rs 690 with a closing stop loss of Rs610 for a target of Rs780-Rs835 with a perspective of 6-7 months.

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