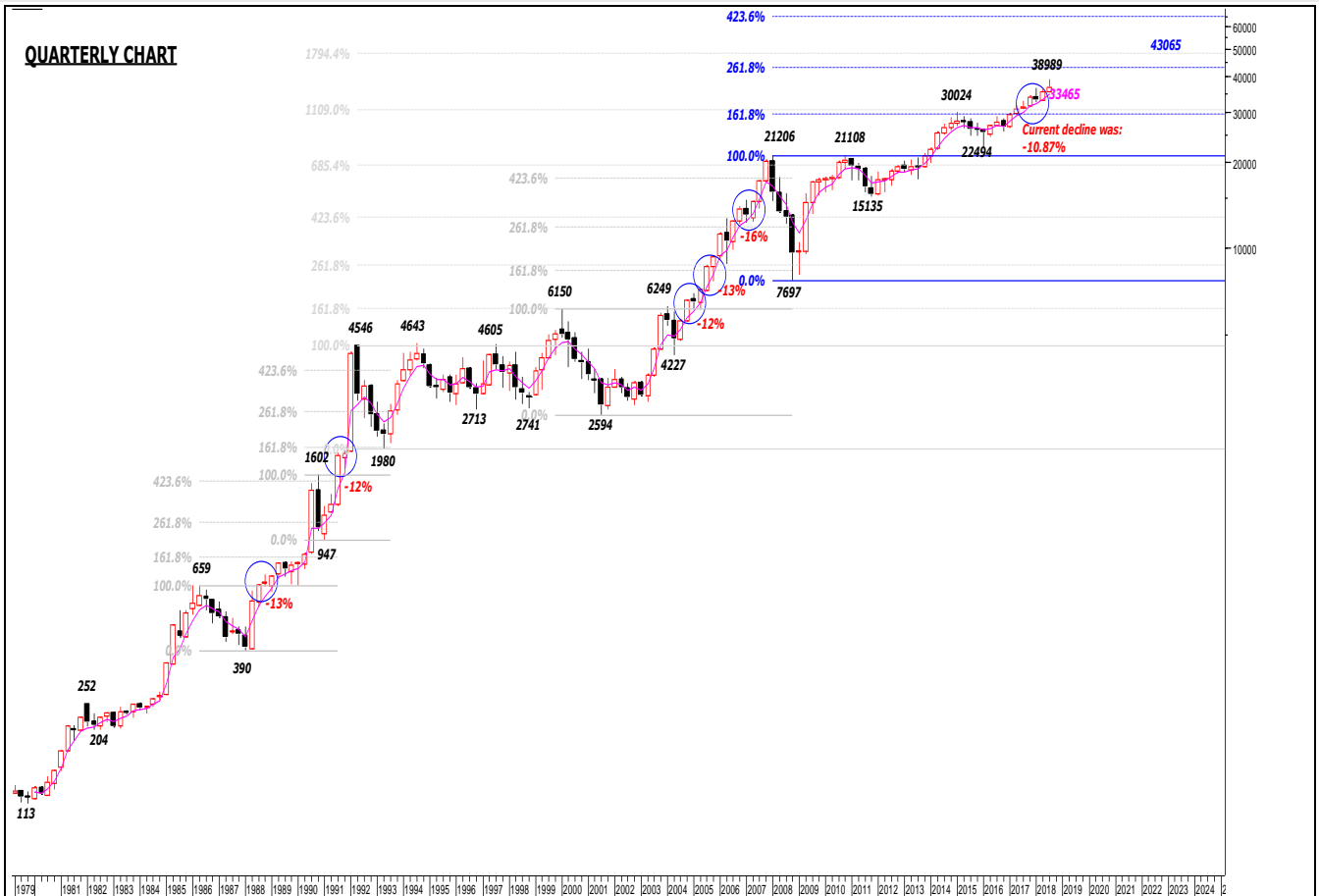


Support: 36444 (Monthly Close)

Resistance: 37491 – 37845, 38989



Last week, we had said that sustaining above 37774 (Weekly Close) would allow for the upside momentum to remain intact. However, the Sensex has continued its near-term corrective process and is now testing its key support placed at 36444 (January 2018 High). Sustaining above the same on a Monthly Close basis is key for the medium-term strength in the Sensex to remain intact.

Immediate resistance zone is placed between 37491 & 37845 (50% & 61.8% Fibonacci retracement levels of the recent decline). A decisive Daily Close above 37845 would indicate culmination of the short-term corrective process.

The Sensex would then revisit its recent high of 38989, a Weekly Close above which would trigger continuation of its larger up-move. The Sensex would then test its initial target placed at 43065 (261.8% Fibonacci retracement level of the January 2008 – October 2008 fall). Long term targets for the Sensex are placed at least in the 65000 & 75000 zone (423.6% Fibonacci retracement level of the January 2008 – October 2008 fall is placed at 64923 while the 500% retracement level of the said fall is placed at 75244).

To summarize, sustaining above 36444 on a Monthly Close basis is key for the medium-term strength to remain intact. Immediate resistance zone is placed between 37491 & 37845. A Daily Close above 37845 would indicate culmination of the short-term corrective process. The Sensex would then revisit the high of 38989, a Weekly Close above which would trigger resumption of the larger up-move. The Sensex would then initially test the target placed at 43000. Nevertheless, our long-term targets for the Sensex are placed at least in the 65000 & 75000 zone.

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