

End of rally or Correction?

27th May, 2014

The recent fall in equities, which started on PM's oath taking day, has no rationale to indicate end of this rally. The portfolio of ministers has been designed in a well-balanced manner and country should look forward to progressive governance. Technically, Nifty is in a strong uptrend which will end only if it falls below 6700. But we do not expect it to reach that level, Nifty has immediate supports at 7280 and 7210 (38.2% retracement) below which it may fall to 7000. Though 7210 is a strong support and will not be broken easily. And even if it is broken, Nifty will find it difficult to go below 7000. Consider it as an opportunity to buy stocks in infra, banking, capital goods, and consumption sectors. One may focus on good midcaps in these sectors that have fallen significantly.



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