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NIFTY



The Benchmark index continued its rally for the second consecutive week and closed above 4 percent on a weekly closing basis. The index has closed above its previous months high and looking strong to accelerate further.

Indian bourses have neglected their lower low lower high formation on the daily chart and witnessed a positive breakout above 11780 levels. The current reversal is quick but is a very narrow rally.

Among sectors, Nifty IT, Bank, and Auto are the outperformers while Energy & FMCG are the laggards in the current momentum.

Due to the recent breakout in NIFTY, its key technical indicators are in favor of bulls, hence our bullish view will remain intact, but due to a stellar rally profit booking at the current stage cannot be ruled out before reaching a 12000 - 12050 levels. The index is nicely poised above its 20, 50, 100 exponential moving averages (EMA) on a daily interval which is positive for the Indian bourses.

In case NIFTY violates 11,600 – 11550 levels, higher-level profit booking will take place, where the index will find support around its trend line (placed around 11,400 mark). On the higher side, the index will face a major hurdle at around 12,000 - 12100 levels.

BANK NIFTY



Finally, Bank Nifty has come out of a shell and outperformed the Nifty50 for two consecutive weeks.

Weekly formation suggests prices are trading in the higher low formation and once the Banking Index crosses above 25250 levels higher high will be confirmed.

Bank Nifty on the daily chart is trading above its (21, 50 & 100) EMA meanwhile on the weekly chart index still floats below its said averages. This indicates one needs to cross the 25000 mark on the broader time frame to change the trend from sideways to bullish.

The RSI (14) is also quoting above 50 levels with positive crossover on the cards on a weekly interval. Due to the worldwide concerns over the COVID-19 & USA election both domestic and international are likely to trade with super volatility.

It can get follow-through buying on a close above 50-DMA standing around 24100, which can push the banking index towards the upper band placed at around 25200 levels.

Sector Look: NIFTY AUTO INDEX



NIFTY AUTO INDEX has closed 2.73 % higher 8183.70 level. Index has witnessed breakout of its downward slopping trend line on weekly time line.

On the weekly time frame, 100 week simple moving average is acting as a support that is placed at around 7675.86 level.

The Index has given a trend-line breakout on the weekly chart which implies the positive in shift the previous falling trend. A move above the trend line on the weekly chart suggests growing optimism among the participant.

The majority of indicators and oscillators are showing a positive trend for the current scenario on the daily time frame. RSI (14) is reading near to 60 on a weekly timeline.

On the higher end resistance is seen at the 8230/8460 level on the weekly chart. On the lower end support for the coming weeks is seen 7730/7669 levels.

Weekly Stock Idea: HEROMOTOCO



HEROMOTOCO has closed 4.05% higher at 3327.40 level on the weekly chart. A bullish candle is formed on a weekly time frame and has closed above its previous several weeks' high.

On the daily chart, HEROMOTOCO has given a breakout of the "Consolidation Pattern". Prices are firmly holding the support near the 200-week simple moving average which is formed at around 3033.05 levels.

Due to a strong positive opening and a closing above the previous day's high market breadth remained in favour of bulls.

Currently stock is trading above all the major simple moving average on the weekly timeline.

The majority of indicators and oscillators are showing a positive trend for the current scenario on the daily time frame.

The momentum oscillator RSI (14) on the weekly chart is reading near to 65 levels.

On the higher end resistance is seen at the 3380/3665 level on the weekly chart. On the lower end support for the coming weeks is seen 3030/2990 levels.



Weekly Market Strategy

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