

Date: 19<sup>th</sup> Oct 2020

## NIFTY



Markets took a breather after yesterday's fall and managed to close half a percent higher at 11762.45 level. Despite mixed global cues, the benchmark witnessed a positive start, followed by the range-bound move till the end.

On Friday's session, Indian equity benchmark opened on positive start after a sharp fall in the previous session, on the back of short-covering.

Bulls remained in control in four out of the last five trading sessions but rising fears of a second wave of lockdown in advanced economies fuelled risk-off sentiment which triggered a round of profit-taking in equity markets across the globe.

The index is trading above its 21, 50, 100 simple moving averages (EMA) on a daily and weekly 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



Bank Nifty took the support of 200 days simple moving average that is placed at 23624.83 level on the daily time frame.

Weekly formation suggests prices are trading in the higher low formation and once the Banking Index crosses above 25235 levels higher high will be confirmed.

Bank Nifty is trading between its (21, 50) SMA on the weekly time frame. This indicates one needs to cross the 25000 mark on the broader time frame to change the trend from sideways to bullish.

Bank Nifty retraced sharply from its 200-day simple moving average on a closing basis, witnessing a sharp selloff from the recent highs of 24,100.

The RSI (14) is also quoting near to 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

On the downside, multiple supports are placed at 22,970-22,540 levels. On the higher side, the index will face a major hurdle at around 25230 - 25565 levels.

**Sector Look: NIFTY METAL INDEX**



NIFTY METAL INDEX has closed 3.05% higher 2329.85 level on the weekly time frame. Index has witnessed breakout of its downward sloping trend line on daily chart.

On the weekly time frame, 50 week simple moving average is acting as a support that is placed at around 2245.85 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 54 on a weekly timeline.

On the higher end resistance is seen at the 2520/2760 level on the weekly chart. On the lower end support for the coming weeks is seen 2100/1960 levels.

## Weekly Stock Idea: HINDUNILVR



HINDUNILVR has given breakout from the downward sloping trend line from the highs of 9th April and 9th October 2020 on the weekly time line.

On the daily chart, Post breakout of downward sloping trend line stock is consolidating just above the trend line. The chart is showing a bullish higher high and higher low formation.

The stock has closed 0.51% higher at 2150.55 level on the weekly chart. A Doji kind of candle is formed on a weekly time frame and has closed above its previous several weeks' high.

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 daily chart is reading near to 53 levels.

On the higher end resistance is seen at the 2205/2350 level on the weekly chart. On the lower end support for the coming weeks is seen 2080/2000 levels.



# Weekly Market Strategy

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