

Date: 1ST DEC 2020

NIFTY



It was a volatile week for the Nifty where the index swings both ways throughout the week and finally closed with a marginal gain of less and one percent.

In terms of candlestick benchmark index has formed a long-legged Doji candlestick pattern on the weekly time frame. Long-legged Doji may also mark the start of a consolidation period, where the price forms one or more dojis before moving into a tighter pattern or breaks out to form a new trend.

Almost since 9th Nov, momentum oscillator RSI (14) was reading above 70 levels which is an overbought zone. But currently, the oscillator is reading below 70 levels with negative crossover. When such technical change occurs we can expect some more extended profit booking sessions.

Markets are in no mood to correct significantly unless there is a negative trigger causing a global meltdown.

As of now, strong support comes at 12800; if the index breaks this support then further downside would be there up to 12550 levels which are supported with a 21-day exponential moving average on a daily scale. While upside resistance comes at 13150 levels.

BANK NIFTY



Since Bank Nifty has formed a bearish ABCD harmonic pattern on daily time frame prices are hovering within the range of its potential reversal zone (PRZ). This week's candle indicates indecision among the traders and the candle consists of long wicks on both sides.

Markets will first react to the GDP numbers next week. Besides, the auto sales number and upcoming RBI policy meet would be on the radar.

The banking index is trading above its exponential moving averages (50 & 100) on the weekly chart. Momentum Oscillator RSI (14) is reading above 60 levels with positive crossover, which is positive for the counter. The MACD indicator is reading above its line of polarity with positive sentiments.

While analyzing daily RSI (14) one can find a divergence near overbought levels (80) so one should not be surprised if we witness a sharp profit booking in the coming weeks.

Current chart formation suggests Bank nifty may find major support at around 27750 - 27600 levels however, on the higher side, the index will continue to face hurdles around the 30200 - 30350 level.

Sector Look: NIFTY METAL



Since the index has given breakout of downward slopping trend line on 14th Nov 2020, the index continues to trade above its trend line and looking strong at the current juncture in weekly chart.

On the weekly time frame, index is trading between 100-200 week simple moving average that is placed at around 2491.70 – 2970.24 level.

Nifty METAL has closed 5.44 % higher at 2925.75 level in the weekly time frame. The Index has closed above its previous week high, which shows significant recovery towards the end of the week.

The majority of indicators and oscillators are showing a positive trend for the current scenario on the daily time frame. RSI (14) has drifted near 70 level on weekly time frame.

On the higher end resistance is seen at the 3080/3180 level on the weekly chart. On the lower end support for the coming weeks is seen 2779/2700 levels.

Weekly Stock Idea: GODREJPROP



GODREJPROP on the weekly chart is moving in the range from past few weekly trading sessions and made an attempt to move higher. Stock has closed 9.70% higher at 1165.45 level in the weekly time frame. The stock has closed above its previous week high, which shows significant recovery towards the end of the week.

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 in a higher low higher high formation which is near to 65 levels with positive crossover on the cards.

On the weekly chart, the MACD indicator is showing positive bias, reading above its line of polarity with positive crossover.

On the higher end resistance is seen at the 1190/1280 level on the weekly chart. On the lower end support for the coming weeks is seen 1050/ 1000 levels.



Weekly Market Strategy

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