

Date: 21st DEC 2020

NIFTY



Bulls continue to dominate Dalal Street with a rise of almost two percent for the week and closed above 13700 mark for the first time.

There are more than half a dozen unfilled runaway gaps in the past one and half month which indicates a strong up trending market without much of a profit booking.

If we draw an upward rising trend line on the weekly chart connecting to the low of 7511.10 to its next connecting point of 10790.20, one can find a next trend line support near 12500 which is almost a thousand points down from the current level.

On the derivatives front, Put writers at 13500 strike were seen adding consistent open interest while Call writers at 13600 strike holds maximum open interest concentration.

The index remains in a strong intermediate uptrend as it has been making new all-time highs. With intermediate and long-term momentum readings like the 14 week and 14 month RSI in rising mode and not showing any signs of negative divergence, the intermediate uptrend is likely to continue.

Going forward, the trend in Nifty to remain bullish, on the higher end rally may extend towards 13925. On the lower end support is placed at 13600. Breach of 13600 level will extend the fall till 13450 levels.

BANK NIFTY



It was a flattish week for the bank nifty where index swing both the ways with mild volatility. The banking index traded with no specific bias for this particular week.

On a daily chart, an index is trading within a rising channel formation and is currently settled near the lower band of the channel. Momentum oscillator RSI (14) has flattened out near 70 odd range but momentum looking extremely strong to move further ahead.

In this week banking index witnessed sharp selling for two occasions but later on throughout the day entire selling fizzle out due to a strong buying demand shown by the traders.

The weekly candle gives a replica of the hanging man candlestick pattern but one needs to wait for the next week's candle for the confirmation.

Going forward, the trend in Bank Nifty to remain bullish, on the higher end rally may extend towards 31500. On the lower end support is placed at 30000.

Sector Look: NIFTY METAL



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

Nifty METAL has closed 2.24 % higher at 3216.60 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 weekly chart is currently providing strong evidence for further prospects meanwhile 200 week simple moving average on the weekly chart is acting as an anchor point for the benchmark index. RSI (14) is reading above 70 on a weekly timeline.

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

On the higher end resistance is seen at the 3300/3480 level on the weekly chart. On the lower end support for the coming weeks is seen 3140/2970 levels.

Weekly Stock Idea: LUXIND



LUXIND has closed 4.56 % higher 1621.35 level. Index has witnessed breakout of its downward slopping trend line on weekly time line.

On the weekly time frame, 21 Days simple moving average is acting as a support that is placed at around 1578.66 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 67 on a weekly timeline.

On the higher end resistance is seen at the 1670/1760 level on the weekly chart. On the lower end support for the coming weeks is seen 1570/1500 levels.



Weekly Market Strategy

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