

Date: 7TH DEC 2020

NIFTY



After two weeks of consolidation index finally broke out of its 250 points range and manage to close near all-time high levels.

The advance-decline in the derivatives segments remained strong with 125 shares advancing and 14 declining for the current expiry month-till-date.

For this particular week, nifty traded in red in the initial trading hours, and later on as a day progresses index recovers the entire of its losses and closes near the day's high level in three out of four days. Such type of candles indicates bulls are very aggressive where every dip in the prices should be considered as a fresh buying opportunity in the market.

While analyzing through Elliot wave theory prices have completed its intermediate fourth wave and an ongoing rally can be considered as an intermediate fifth wave.

As the market is inching higher there is an upshift in support level which is placed at 12900 levels, which is supported with a 21-day exponential moving average. A breach of the 12900 mark will incur a serious profit booking in the index. While Fibonacci projection suggests 13450 will be the next resistance to watch out for in the coming trading sessions.

BANK NIFTY



This is a third consecutive week where Bank Nifty traded in a very narrow range but still was able to close in green. Since 18th November banking index is hovering within a thousand point range amid volatility. While coming to the weekly chart this is a fifth consecutive week where Bank Nifty has closed in green.

Prices are closely following its 21- day exponential moving average on the daily chart and the said average is also immediate support for the banking index.

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.

Since its lifetime of 32613 to its March month low of 16116 prices are likely to complete its 88.60 percent retracement which is the place at 30732 levels.

Current chart formation suggests Bank nifty may find major support at around 28900 - 28700 levels however, on the higher side, the index will likely face hurdles around the 30700 - 31000 level.

Sector Look: NIFTY METAL



Since the index has given breakout of downward sloping 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.

Nifty METAL has closed 6.85 % higher at 3161.35 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 daily 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 3260/3480 level on the weekly chart. On the lower end support for the coming weeks is seen 2970/2778 levels.

Weekly Stock Idea: BEML



BEML on the weekly chart is moving in the range from past few weekly trading sessions and made an attempt to move higher.

After consolidating in a broad range of Rs 580 – 650 for almost eight week, the stock has witnessed a breakout above its consolidation pattern on the weekly timeline.

The stock has closed 1.27 % higher at 739 level and formed a bullish candle in the weekly time frame. The Index has closed above its previous week high, which shows significant recovery towards the end of the week.

On the weekly time frame, stock is trading between 50-100 week simple moving average that is placed at around 683 and 792 level.

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 60 levels with positive crossover on the cards.

On the higher end resistance is seen at the 795/1005 level on the weekly chart. On the lower end support for the coming weeks is seen 680/650 levels.



Weekly Market Strategy

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SEBI Regn. No.: INZ000212137

BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836

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