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## NIFTY



Indian bourses on the monthly expiry started with a sell-off and breached 15550 levels on 28th July in the intraday chart. Later on, as the week progressed prices witnessed a V reversal rally on 29 & 30 July and recovered almost 300 points, and closed above 15800 levels. On the daily chart, prices have made hammer candlestick formation on 28th July near the lower band of the channel pattern, which indicates buyers were able to overcome the sellers.

Prices have again touched its lower band of the channel pattern and witnessed a solid recovery. On a previous couple of occasions, prices have shown the same tendency of reversal from its lower point of the pattern. The lower band of the pattern is also supported with 50- day exponentials moving average which is acting as a strong anchor point for the index.

Momentum Oscillator RSI (14) is reading in the very narrow range between 65 – 70 levels and majority of indicator has turned flat, this indicates clue less behaviour from the indicators and oscillator.

In this kind of setup, we can expect the ongoing consolidation to end soon. The choppiness is expected to be there unless Nifty surpasses the levels of 16000 levels. Support for the index is placed near 15550 levels.

**BANK NIFTY**



Bank nifty started off with a gap-down opening and traded throughout the day in a range between 34450 to 34750. The afternoon session remained volatile and witnessed selling pressure near 34740 levels which is an intermediate supply zone.

Momentum oscillator daily RSI (14) reading is at 44.39 whereas weekly RSI (14) reading is well above 50. Normally in an uptrend, RSI tends to remain between 40 to 90 ranges with the 40-50 zone acting as a support. On the MACD (12, 26, 9) front, the indicator shows weakness, and the MACD line has surpassed 0 lines on the downside. Daily ADX (14) which helps to know the strength of the trend was showing a reading of 16.45 and moving in an upward direction indicating that the index may see a faster trend in the coming days.

Major support is placed near 33940, breaching which we can witness further selling pressure till 33270 levels. On the upside, Major resistance is placed near 35700 to 36000 levels. A meaningful upside in bank nifty can be witnessed above 34800-35000 zone.

**Sector Look: NIFTY IT INDEX**



Last week, Nifty IT traded in a broad range from 29510 to 30820, nearly 1300 points showing strength in the momentum week on week basis.

As per Fridays closing, Nifty IT formed an inverted hammer pattern indicating that sellers were active on higher levels and some amount profit booking was visible.

Currently nifty IT closed at 30480 which is well above 21 day Exponential moving average indicating strength in the move. On the indicators, Daily RSI (14) has negative divergence showing a sign of weakness whereas weekly RSI (14) showed a reading of 73.15 which is close to overbought levels.

The MACD (12, 26, 9) is indicating bullishness on daily charts. MACD line is well above its signal line which tells us that the bullish move is likely to continue. The daily ADX (14) shows a reading of 34 which tells us that the strength of trend on upside is intact.

Support for the IT Index is placed near 29450 & 29200 and resistance is capped near 30800 & 31300 levels.

**Weekly Stock Idea: JSW STEEL**



JSWSTEEL has witnessed a falling wedge pattern breakout on the daily time frame and the prices are trading above its trend line resistance.

On the weekly chart prices have formed a rounding bottom basing formation and prices have also witnessed a downward sloping trend line breakout, which is bullish structure for the counter.

When we observe volume activity there has been above-average volume on the day of the breakout which confirms price volume breakout on the daily time frame. Momentum oscillator RSI (14) is reading above 55 levels with positive crossover on the daily scale, which indicates uptrend may resume soon. MACD indicator is reading above its centreline with positive crossover above its signal line.

During this recent throwback, the stock took support near 23.60 percent Fibonacci retracement which is placed near 672 levels on the weekly time frame.

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