

Date: 06<sup>th</sup> DEC 2021

**NIFTY**



Another volatile week for the Indian bourses where we witnessed major swings on both sides and the market kept swinging like a pendulum. Index manages to close above 17100 with a gain of one percent on the weekly time frame. On the 03rd Dec prices have retraced more than 70 percent of its previous day's candle and have formed a bearish dark cloud cover candlestick pattern.

In terms of the candlestick, prices have formed a bullish harami pattern and prices have been able to close just near their 21-week exponential moving average on the weekly interval. The bullish harami candlestick pattern requires confirmation in the coming weeks with closing above the pattern.

Nifty50 on the daily chart continues to trade in a lower low lower high formation since 19 Oct and the current chart formation indicates a bear favor trend. Even momentum oscillator RSI (14) is reading near 54 levels with bearish crossover and continues to read in a lower low formation.

The Benchmark Index is facing a strong resistance of a moving average cluster on the daily chart where 21 & 50 DEMA are placed near 17521 & 17563 levels respectively. And the support for the index is placed at 16800 levels for this coming week.

**BANK NIFTY**



The nifty bank has been witnessing selling pressure since last month and there is no respite seen whatsoever. All the rallies are being sold into and a bearish crossover is seen of 21 days and 50 day EMA which indicates weakness in the near term.

Currently, the index is trading at 36,197 and had taken support of 200 days EMA earlier in this week. The index is also near its long-term trend line and it will be interesting whether this trend line is respected or not. A breach of this trend line will mean that selling can persist in upcoming trading sessions.

Indicators are suggesting that the index is oversold where RSI is showing a reading of 34 and a weekly MACD bearish divergence is spotted. MACD has made a lower high and prices had made a new high which tells us that price will tend to revert back to its mean. The daily ADX is showing a reading of 33 and is rising which means the trend is still strong and is likely to continue.

Important supports are placed at 35,300-35,700 and Resistance is placed near 36,500-36,800. The 21 Day EMA is at 37,420 and 50 Day EMA is at 37,770 which will be a key resistance zone in the near term.

**Sector Look: NIFTY MIDCAP 100 INDEX**



Nifty Midcap 100 index is trading in a downward channel making lower highs and lower lows. The index is trading at 30,293 below its 21 and 50 Day EMA which means that price action is suggesting a retracement of the existing rally. As per Fibonacci retracement, index has retraced back from 61.8 % which is 29,200 and the pullback is set to continue till 30,750

Important supports are placed at 29,700-30,000. A breach of this level will take the index down to 28,800-29,000. On the upside, 30,700-31,100 will be key area, where the sellers have been active previously.

On the indicator front, RSI is mimicking the price, thereby confirming the price action. MACD is showing signs of weakness with bearish crossover and ADX is rising with a reading of 26.6 which means that strength of trend is likely to continue.

**Weekly Stock Idea: KIMS**



The prices were trading in a consolidation for the past two months and have formed a trend line resistance at 1310 levels. Prices have also witness a downward sloping trend line breakout on the weekly time frame.

KIMS has broken out of a horizontal trend line at 1339 levels on 03rd Dec and the prices have registered a decisive breakout that suggests a change in the trend from sideways to upside. Stock is trading above its 21, 50 & 100- day exponential moving averages on the daily time frame, which is positive for the prices in the near term.

The MACD indicator is reading above its centreline with a positive crossover above its signal line. Momentum oscillator RSI (14) is reading above 60 levels which indicates positive momentum will like to continue ahead.



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*SEBI Regn. No.: INZ000212137*

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