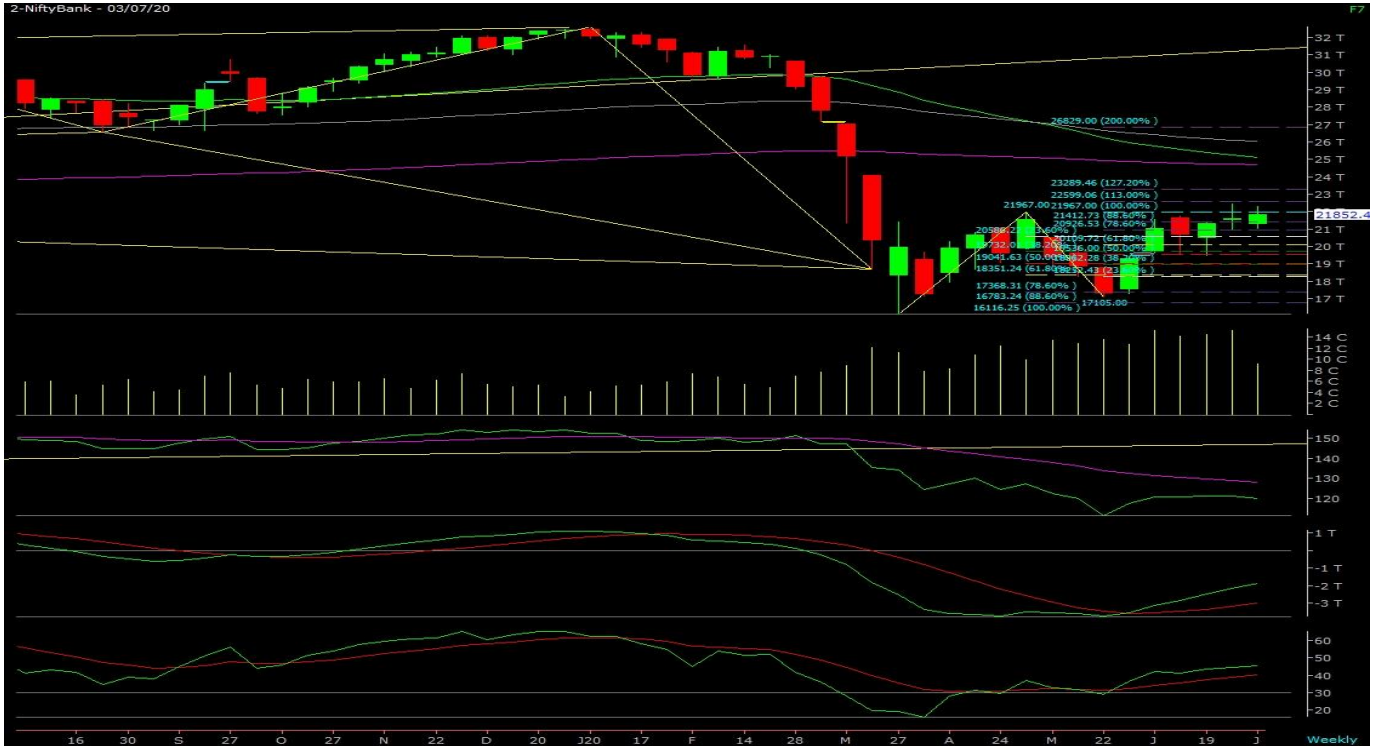


BANK NIFTY



Last week Bank Nifty created a whipsaw after witnessing breakout on the daily time frame. After a breakout on 23rd June banking index formed bearish engulfing candlestick pattern which drifts price below the consolidation range.

Instead of trading lower Bank Nifty firmly hold support near its 21 & 50-day exponential moving averages which are placed near 21000 level on the daily chart.

On 1st July strong move in Bank Nifty has again given a consolidation breakout. This breakout appears to stronger as nifty formed basing range near 21000 level.

Momentum oscillator RSI (14) is reading above 40 level on the weekly chart with positive crossover on the cards. Meanwhile, the MACD indicator is likely to reverse and seems to have bottomed out for the short term on a weekly scale.

Strong resistance is capped near the 22500 level. Once we successfully jump above the hurdle 24000 will be on the cards. In case the Banking index violates its 21000 level, a sharp decline will take place. This could drag the Bank Nifty towards the 20000 – 19000 levels.

Sector Look: NIFTY AUTO INDEX



On daily chart Nifty Auto index continues to trade in a rising channel pattern. Overall pattern consists of higher high higher low formation.

After a week of consolidation, the Nifty Auto Index has finally witnessed a breakout of a range on 02nd July 2020. From the last four trading sessions, Auto index formed a basing pattern near the 6700 level and witnessed strong support.

Monthly auto sales numbers of June are encouraging after two months. Nifty Auto has closed 3.56% higher at 6971.05 and formed a bullish candle in the weekly time frame. On the daily chart, the 21 and 50-week simple moving average is acting as a support that is placed at 6700 level and 6500 level.

The majority of indicators and oscillators are showing a positive trend for the current scenario. Furthermore, prices have sustained above all its major simple moving averages on daily scale.

On the higher end resistance is seen at the 7300/7400 level on the weekly chart. On the lower end support for the coming weeks is seen at 6500 level.

Weekly Stock Idea: ASTRAL



On the weekly chart, ASTRAL has given a breakout of the smaller degree trend line. Prices are firmly holding the support near the 100 -day exponential moving average which is placed at around 955 levels on the daily time frame.

On the other hand Stock has witnessed a breakout of Inverted Head & Shoulder pattern, and sustained above its neckline support. We also witnessed above average volume activity during the breakout which adds more confirmation to the pattern.

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.

The stock has the potential to continue the current up move and will test higher levels.

On the lower end supports are seen at 955/930. On the higher end, the stock may face resistance at 1040/1080 levels.

Based on the above Technical studies we can come out with a view that the price may move towards higher levels over the short period.

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