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NIFTY



Initially in the start of the week Nifty50 witnessed a strong gap up opening and has given a consolidation breakout above 16350 levels. Then later on as the week progressed index consolidated in a very narrow range above its breakout levels.

On the Friday's session Benchmark index witnessed a massive gap up opening above its consolidation range but couldn't hold on to its early gains and lost more than 150 points from the day's high and closed 1 percent higher on the weekly chart.

The momentum oscillator RSI (14) on the monthly has made a top near 80 levels and since then it decline lower below 65 levels. The oscillator on the monthly scale has made a topping formation and indicates a momentum can drift lower.

Nifty faced a strong resistance near 16800 levels and witnessed a sell off from its prior trend line resistance. In case prices break above 16800 levels then strong momentum can be seen in the prices. The immediate support for the Nifty is placed near 16445 and below that 16300 will act as a major support for the Nifty.

BANK NIFTY



Same like Benchmark index Bank Nifty too witnessed a strong gap up opening in the start of the week but traded with a negative bias through the week and closed 1 percent lower on the weekly chart.

Bank Nifty on the daily chart has faced at strong resistance near its 100 – day exponential moving average which is placed at 35950 levels. The Banking index is currently trading within the band of 21 & 100 DEMA and is acting as a strong anchor point for the index.

The momentum oscillator is reading in a higher high higher low formation on the daily chart and has sustained near 50 levels. The MACD has given crossover above its line of polarity on the daily chart and the trend still indicates upward bias.

The immediate support for the Bank Nifty is placed near 34800 and below that 34500 will act as a major support for the Bank Nifty. The immediate resistance for the Bank Nifty is placed at 35950 levels where 100- day exponential moving average is settled.

Sector Look: NIFTY AUTO INDEX



Nifty AUTO index which previous week had given breakout channel pattern has retested its trend line after registering a high of 11682 on the 31st May. We are expecting uptrend in the auto stocks to be continued as it has given breakout on the broader time frame also.

Nifty Auto has been the outperformer compared to its other peers and has continuously traded with a bullish bias. In these recent rises, the Auto index has closed above all its important averages on the daily time frame and the recent throwback has found support near its moving average cluster.

Indicators and oscillators are also indicating an uptrend for the short to medium term in the counter. The multiple bullish candlestick formation is formed on the daily as well as the weekly time frame, which indicates a bullish confirmation in the immediate next week adds lots of importance for the validity of the candlestick pattern.

The immediate support for the Nifty Auto index is placed at around 11000 levels and the upper band of the index is capped at 11600 levels. If the Auto index is closed below the said levels, then the gate for the prices is open till 12000 levels.

Weekly Stock Idea: UNION BANK



UNION BANK consolidated for more than three weeks within the range of 35 – 37.50 levels and formed a basing formation and created an accumulation pattern. The prices witnessed a consolidation range breakout on 30th May and closed above its trend line resistance.

On the 03rd June prices fell two percent and has completed its throwback of the bullish breakout pattern on the daily chart. On the weekly chart prices have given a more than 7 percent return which indicates a strong reversal from the lower levels.

Momentum oscillator RSI (14) witnessed a sharp reversal from the oversold levels and since then was hovering within the 35 – 45 levels. Recently the RSI has also witnessed a range breakout above 50 levels with positive crossover on the daily time frame.

The MACD indicator has shown an early reversal by crossing above its signal line which is below its line of polarity. The prices are also sustained above its 21-day exponential moving average. The counter is also trading near the upper band of the Bollinger band indicates a possible continuation of the uptrend after the recent consolidation.



Weekly Market Strategy

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