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NIFTY



Benchmark index slipped 150 points after the budget session was over. Gold prices rallied sharply after 2.5% hike in import duty. Long upper wick with small body near its low indicates selling from the higher levels. Index is still hovering near its trendline resistance with narrow movement from past couple of weeks. Higher high higher low formation is still intact on weekly time line. The momentum indicator RSI is near 60 and is hovering around 55 to 65 range. MACD is in a positive crossover and is able to cross above zero line.

However overall sentiment is cautious, still our view remains positive until nifty breaches till importance support level of 11600. Drift below 11600 may seen further correction till 11400 in coming trading session. Going forward, resistance is pegged at 11900/12000 levels for coming weeks.

NIFTY BANK



Bank nifty clearly out-performed the benchmark index nifty for this week. FM Nirmala sitharaman announces PSU bank recapitalisation of Rs 70,000 cr. So Hence, State run banks were the main attraction for this week. As can be seen on weekly chart this week candle has closed above the previous week candle. Spinning top candle stick pattern is visible on daily chart with long wicks on both the sides. Index is trading above all its major exponential moving average. Momentum indicator RSI (14) is reading above 60 levels with bullish range shift.

However overall bias remains positive for banking stocks has index is holding a strong support of runaway gap. On the lower end support is seen at its horizontal trendline & run away gap which is placed at 30000/29500; a breakdown below the trendline is likely to trigger a bigger correction towards 28500. On the other hand sustained trades above the trendline may induce rally towards 31900.

Sector Look: NIFTY IT INDEX



NIFTY IT Index has got the maximum betting this week and closed -2.42% down for the week. Index this week drift below its rising trendline and shown a clean breakdown of “Descending Triangle Pattern”. On higher time frame (monthly) IT index has completed its one leg of impulse wave and corrective wave is due.

Momentum indicator RSI (14) has drift below 60 levels and is slanting downwards with negative crossover. Index is trading below its 21 day exponential moving averages on weekly chart.

Based on the above technical set up we can come out with a view that the IT sector stocks may show weakness in coming days. On the lower end supports are seen at 15100/14700. On the higher end the index may face resistance at 16000/16400.

Weekly Stock Idea: CANBANK



No surprise as CANBANK will be our stock pick for the week. As PSUBANK sector was only ruler of the market for this entire week. Stock has given breakout of a Falling trend line on weekly chart and stock closed comfortably above its trendline. Stock is showing optimism after a prolong consolidation.

Majority of indicators and oscillators are showing positive trend for current scenario. Furthermore prices have sustained above all its major exponential moving averages.

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



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