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NIFTY



This week has been encouraging for the bulls as the domestic market brushed off the previous week's losses, ignoring the disappointment from the Union Budget and the fear of corona virus.

Technically, the recent fall towards 11,600 was in line with the expected impact of the weekly and monthly negative divergence in Nifty's RSI.

Nifty 50 on daily chart has witnessed its downward sloping trend line breakout which was connected by joining the highs of 20th Jan and 30th Jan 2020 on daily time frame.

When we shift our attention towards weekly chart it can be observed that nifty 50 is closely following its upward rising trend line which is connected with a rising channel pattern. This week candle has formed Bullish Piercing Pattern which shows significant recovery towards the end of the week.

Despite the bearish pattern setup in terms of monthly candle stick, overall structure didn't seem to change much as nifty 50 continues to trade in higher high higher low formation on monthly time frame.

As market are inching higher there is up shift in support level which is placed at 11700 levels, which is supported with a Horizontal trend line. A breach of 11700 mark will test an upward rising trend line support near 11500 level. While Fibonacci projection suggests 12475 will be next resistance to watch out for the February month expiry.

BANK NIFTY



In the weekly chart, Bank nifty has engulfed previous week candle and the banking index has closed above its previous week high, which shows significant recovery towards the end of the week.

Overall chart structure looks promising as bank nifty index is trading in higher high higher low formation on the weekly chart. Index is also trading above its small degree trend line support which could lead to positive momentum. 50 days simple moving average is acting as a support that is placed at 29985 in the weekly time frame.

The RBI kept the policy repo rate unchanged at 5.15 percent consequently, the reverse repo rate under the liquidity adjustment facility (LAF) remains unchanged at 4.90 percent and the marginal standing facility (MSF) rate and the Bank Rate at 5.40 percent.

Technically, the short-term trend remains positive and is likely to continue in the near term. The 29740 level should be strong support for the index. Trading above the same, we can expect uptrend continuation wave up to 32000 level.

Sector Look: NIFTY MIDCAP100 INDEX



On the Weekly chart, NIFTY MIDCAP100 INDEX has given trend line breakout within a border falling wedge pattern. Prices have completed it's through the back near the trend line support and is ready to move upside.

50 days simple moving average is acting as strong support which is placed at 17008.60 on the daily time frame. Moreover on the weekly time frame, 50 and 100 days Exponential moving average is acting as an anchor point placed at 17100 and 17250 level. Overall sentiments look positive as the index has shown strong strength towards the upside.

Momentum Oscillator RSI (14) is reading above 50 levels. MACD indicator is reading above its line of polarity with positive sentiments.

On the lower end supports are seen at 17000/ 15500 on the weekly chart. On the higher end break of 18500 will open the gate for 21600 levels in the coming weeks.

Weekly Stock Idea: RADICO



After consolidating in a broad range of 260-340 prices has moved above the 'Downward Sloping Trend line' which suggests buying in stock on the weekly timeline. On the weekly chart, RADICO has given a breakout of "Falling wedge pattern" on 24TH Jan 2020. Currently, prices are trading above its trend line support which is placed at around 360. A current spurt in prices has witnessed a follow-up buying in stock.

A strong reversal in Momentum oscillator RSI (14) from 55 level has set up a strong base for the stock and currently reading above 65 level with positive crossover on the weekly horizon.

MACD indicator on the other hand is nicely poised above its line of polarity and currently is in a positive crossover on a weekly interval.

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.



Weekly Market Strategy

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