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NIFTY

Since the past four months, Benchmark Index is trading in a rising channel formation and within that period prices have respected its lower band of the channel almost three times and successfully rallied higher.

Nifty50 tested the support range of 10880 level at the start of the week and witnessed a sharp follow up buying from the lower levels. Liquidity driven rally has almost completed 78.60 percent retracement at 11341.60 of the entire downswing seen from January 2020 top to March 2020 bottom.

The positive chart pattern like higher tops and bottoms continued on the daily timeframe chart of the recent swing high of 11340 of July 29 and it could now be considered as a new higher top of the sequence.

Since the past couple of weeks, INDIA VIX seems to have flattened out and blocked in a range of 26 -23 levels. One of the positive aspects since the past couple of months Nifty50 is closely trading above its 21 & 50 – day exponential moving averages which is a major technical supporting factor.

Immediate support for nifty is coming near 11000 -10950 zone and resistance is formed near 11350 -11400 zone. If the next impulse up-move unfolds the way it should, then we expect Nifty50 price to rally towards 11600 in the coming weeks.

BANK NIFTY



It was a narrow range trading week for the banking index with a hint of bearish tilt. For the last five weeks, Bank Nifty is blocked in a range of almost 2000 points from 21000 to 23000 levels.

Banking index closed above its 50-day exponential moving average on daily intervals but still, it's underperforming the benchmark index nifty 50 which is visible on the Relative Strength (RS) indicator on a daily chart.

Reserve Bank of India (RBI) kept the repo rate unchanged at 4 percent and post that volatility grips the banking index. The banking space has been the weakest link and the way it is placed, the directional move in the benchmark would mainly be triggered by the banking stocks only.

We expect some consolation at the current level with time-wise correction. The breakdown below the 21000 zone could trigger a further supply. Momentum oscillator RSI (14) is reading in a 45 – 55 range, we are in two minds whether to go with the theoretical characteristic of this level or the practical one.

Support for Nifty bank is coming near 21000 – 20500 zone and resistance is coming near 23000 -23200 zone, a break of this level will open the gate for 25000 in the banking index.

Sector Look: NIFTY PHARMA INDEX



The index moved up in the last week's session bringing some comfort to the market participants.

On a daily chart after prolonged consolidation prices have broken its resistance and currently trading above the same. The NIFTY PHARMA index witnessed a sharp up move from the support level of 9600 with broad-based momentum across the stocks.

Nifty Pharma has closed 1.65% higher at 11333.00 and formed a bullish candle in the weekly time frame. On the daily chart, the 21-days simple moving average is acting as a support that is placed at around 10551.65 level, is ready to move upside.

The majority of indicators and oscillators are showing a positive trend for the current scenario on the daily time frame. RSI(14) is reading near to 68 on a weekly timeline.

On the higher end resistance is seen at the 11500/11680 level on the weekly chart. On the lower end support for the coming weeks is seen at 11050/ 10860 levels.

Weekly Stock Idea : BBTC



On the Weekly chart, BBTC has given a breakout of the “Consolidation Pattern”. Prices are firmly holding the support near the 50 and 100-week simple moving average which is formed at around 1123.31 and 1052.96 levels on the weekly time frame. Today’s candles have cut the previous weeks high which is a positive sign for the stock.

The stock has closed 8.08% higher at 1360.50 level on the weekly chart. A bullish candle is formed on a weekly time frame and has closed above its previous several weeks’ high.

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 the lower end supports are seen at 1240/1170. On the higher end, the stock may face resistance at 1450/1530 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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