

Date: 11TH NOV 2019

NIFTY



On 8th Nov Benchmark Index has witnessed a sharp inverse V shape fall on intraday day basis after posting intraday high at 12034 and closed a day at 11908.15 with loss of 103.90 points forming bearish candle. This week candle with a small body and long wicks indicates a range bound movement for the week.

Majority of sectoral indices are contributing to the move and we feel banking and Auto could outshine others in the near future.

Due to recent breakout in NIFTY, its key technical indicators are in favour of bulls, hence our bullish view will remain intact, but near-term consolidation cannot be ruled out before hitting a lifetime high. Index is nicely poised above its 20, 50, 100 exponential moving averages (EMA) on daily interval which is positive for the Indian bourses.

In case NIFTY violates 11,800 mark, higher level profit booking will take place, where the index will find support around its horizontal trend line (placed around 11,700 mark). On the higher side, the index will face major hurdle around its lifetime high 12100 mark. Once nifty sail above a lifetime high 12300 will be a new level to surf.



Bank Nifty continued its positive momentum for the fifth consecutive week by witnessing higher close than previous week closing on weekly time line with major support at around 30,000 levels. Nifty bank hit 31000 level for the first time since 8 July. The index closed 1.38 percent higher for the week and closed at 30749.40. On Fridays session consistence selling pressure was observed whenever banking index tried to stretched above 31000 mark. Banking index is trading in a higher high higher low formation which indicates strong ongoing trend.

In weekly chart, Momentum Oscillator RSI (14) is currently forming higher low formation which rightly reading above 55 levels with positive crossover. MACD is reading above zero line with positive crossover, which is bullish sign.

Previous two week rally has basically changed the sentiment for the banking stocks as supports are shifting bit higher on weekly time line. In the near term, 29500 is an immediate support zone. In any case if there is breach of 29500 on closing basis then we may again check 28400 levels. 31200 levels are near term resistance, breach of that level on higher side will open the gate for the new high in banking index.

Sector Look: NFPVT BANK



On the Weekly chart NFPVT BANK INDEX is trading in a “RISING CHANNEL Pattern”. Currently prices are trading above its trend line support and have closed above its previous week high. 50 days Simple moving average is acting as a strong support near at 16161.18 levels on weekly time frame. Overall sentiments looks positive as index has shown strong strength towards upside.

In weekly chart, index is reading above 50 days and 100 days Simple Moving Average. Momentum Oscillator RSI (14) is just holding above 50 levels with positive crossover.

On the lower end supports are seen at 15400/ 14700 on weekly chart. On the higher end break of 17000 will open the gate for 17750 levels in coming weeks.

Weekly Stock Idea: HINDALCO



On the Weekly chart HINDALCO has given a breakout of “Falling wedge pattern” on 8th Oct 2019. The stock closed 5.21 % percent higher at 203.85 and formed a bullish candle on the weekly chart. Currently prices are trading above its trend line support and have closed above its previous week high.

In daily chart, counter is trading above 50 days and 100 days Simple Moving Average. Momentum Oscillator RSI (14) is reading above 50 levels with positive crossover.

On the lower end supports are seen at 195/180. On the higher end the stock may face resistance at 210 / 220 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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