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NIFTY



Despite of the volatility in the benchmark index, bulls find its way to control the trend and traded higher with a gain of more than two and half percent on the weekly chart with a closing above the 16100 levels. The Nifty is sustaining above its 4 weeks highs, which indicates positivity of the prices. On the daily chart too index is trading in a higher bottom higher top formation.

Index filled its entire gap which was created on 13th June and overlap its resistance levels which was placed within the range of 16000 – 16100 levels. Nifty on 8th July witnessed a gap up opening above its 50- EMA which is placed at 16150 levels.

The momentum oscillator RSI (14) on the daily chart has crossed above its previous high which is placed above 55 levels with positive crossover on the cards. Nifty has completed a bearish ABCD harmonic pattern at 16275 levels on the daily chart, so a nominal profit booking can be expected at these levels.

Nifty faced a strong resistance near 16300 levels and witnessed a profit booked near a prior trend line resistance. In case prices break above 16300 levels then strong momentum can be seen in the prices towards 16500 levels. The immediate support for the Nifty is placed near 16000 and below that 15900 will act as a major support for the Nifty.

BANK NIFTY



The Banking index rallied more than four and half percent for the week and has outperformed the Benchmark index on the weekly chart and closed above 35000 levels.

The Bank Nifty has closed above its four weeks high and has filled the gap which was formed on 13th June on the weekly and daily chart. Bank Nifty has completed a bearish ABCD harmonic pattern at 35250 levels on the daily chart and prices are trading within its PRZ levels.

On a weekly chart, BANKNIFTY has been trading in falling wedge pattern and has halted near the upper band of the pattern indicates an immediate resistance for the index. Moreover, at the same time the momentum indicator RSI (14) also gave breakout of its range after taken support of 40 levels, which point out a further acceleration in the index.

Bank Nifty is likely to face a strong resistance near 35500 levels near the upper band of the pattern. In case prices break above 35600 levels then strong momentum can be seen in the prices towards 36500 levels. The immediate support for the Bank Nifty is placed near 34600 and below that 34400 will act as a major support for the Bank Nifty.

Sector Look: NIFTY METAL INDEX



Nifty Metal index has given a horizontal trend line breakdown on the weekly chart and index is consolidating below the same. This week we have seen index rallied two percent and retested its trend line resistance which is placed at 5000 levels.

The prices are trading in a lower low lower high formation from past more than 4 weeks and continue to settle below its 50 & 100 week exponential moving averages on the daily as well the weekly charts.

The momentum oscillators too is reading in a lower bottom formation and indicating a weak momentum for the future trend. In the past two months Metal index has drift from 6300 to 4700 levels. After such strong fall in the index may witnessed a pullback in the coming trading sessions.

The immediate support for the Nifty Metal index is placed at around 4550 levels and the upper band of the index is capped at 5050 levels if the Metal index is closed below the said levels then the gate for the prices is open till 4400 levels.

Weekly Stock Idea: HEROMOTOCOP



The HEROMOTOCOP consolidated in broad range of 2500 - 2750 levels from the past one month and has formed an inverted head & shoulder with neck line resistance formed at 2780 levels on the daily time frame.

The prices formed a basing formation and a falling wedge pattern on the weekly time frame and have given a combined breakout of an inverted head & shoulder and falling wedge pattern on the daily and weekly charts.

Stock is trading above its 21, 50 & 100- day exponential moving averages on weekly & daily time frame, which is positive for the prices in the to the mid to long term.

MACD indicator is reading above its centreline with positive crossover above its signal line. Momentum oscillator RSI (14) on the weekly chart has given a trend line breakout which is placed near 55 levels with positive crossover.



Weekly Market Strategy

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