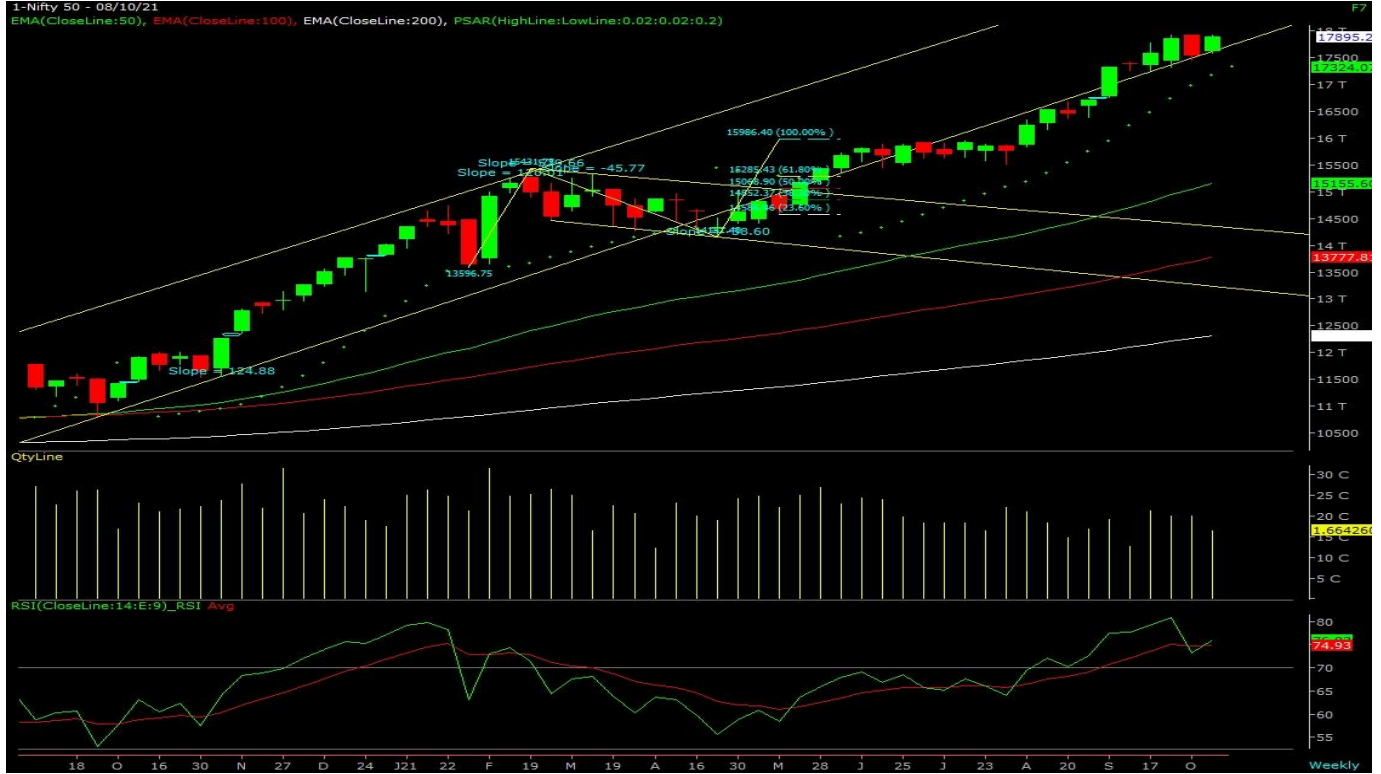


Date: 11<sup>th</sup> OCT 2021

**NIFTY**



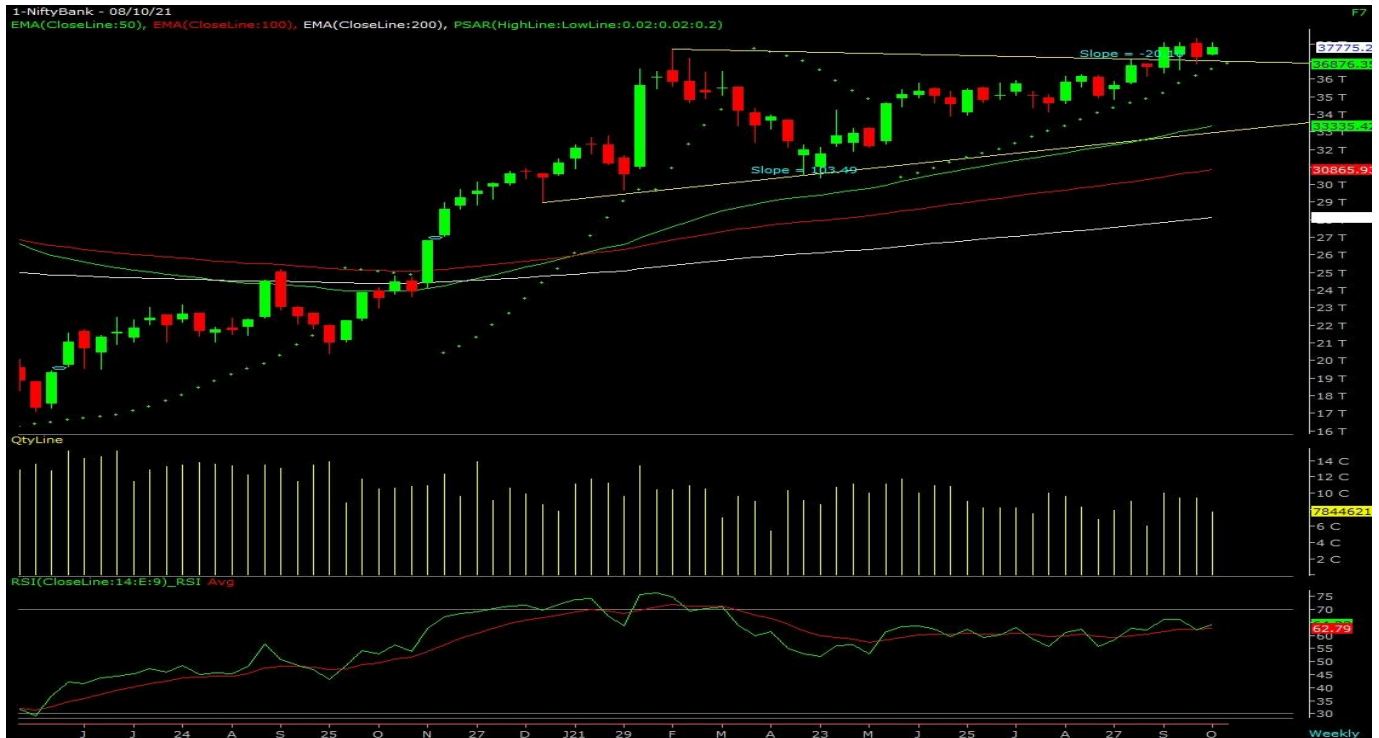
The previous week we saw that Nifty50 witnessed a breakdown of its rising channel pattern and taken strong support near its 21-day exponential moving average. This week we witnessed a smaller degree V shape reversal pattern on the daily time frame and prices were able to close above 17800 levels.

In the past, three to four occasions whenever the prices enter into a correction mode 21-day exponential moving average has acted as an anchor point for the index. On the open interest front, good participation and open interest addition were seen in the 18000 Call and 17800 – 17700 Put contracts. Thus, we can expect the broader range of the index to 17700 – 18000 levels.

And recently index has whipsawed its bearish engulfing candlestick pattern on the daily chart and has successfully closed above the high of the pattern. Whenever we saw a failure of a bearish pattern in the index he has witnessed a much stronger trend on the higher side.

As the index is on the verge of the breakout every dip should be utilized as a buying opportunity. If Nifty50 breaks above 18000 levels then the gate for the prices will be open till 18350 – 18500 levels. Strong support is placed near 17600 – 17550 levels near its 21 DEMA.

## BANK NIFTY



Bank Nifty continues to trade above 37000 levels from the last four weeks and has also been able to close above its horizontal trend line support on the weekly time frame.

After forming a bullish hammer candlestick pattern on the daily chart prices have never retested the low of the pattern and traded higher amid volatility on the daily time frame.

Banking Index continues to trade within the rising channel pattern with the higher top higher bottom formation. The index was also able to close above its 21-day exponential moving average which is positive for the prices.

RBI lowers the FY22 inflation forecast to 5.3% from an earlier estimate of 5.7%. RBI maintains FY22 GDP growth at 9.5% with growth estimates for Q2 and Q3 being raised from earlier estimates. RBI's Monetary Policy Committee decides to maintain the Repo Rate at 4% in October policy.

The Momentum oscillator RSI (14) is also sustaining above 60 levels with bullish crossover indicates upside momentum may resume soon. Currently, the Banking index is trading above its Parabolic SAR indicator on the weekly chart which is placed near 36900 levels. Major resistance is placed near 38200 levels & on the downside; if prices break below 36900 then we may test 36000 levels.

**Sector Look: NIFTY ENERGY INDEX**



The Nifty energy index is moving in a typical higher top higher bottom formation from the beginning of its March 2020 lows and this type of move is likely to sustain in upcoming trading sessions too.

On the weekly charts, an inverse head and shoulder pattern was clearly visible which is a bullish sign and the probable targets which can be gauged after the breakout from its neckline is near 23800 levels which has been achieved by far.

The index took support multiple times of its weekly trend line where a confluence of 21 Days exponential moving average is also visible. Now since the index is trading at all time high levels, based on Fibonacci extensions, the next probable targets are 25000 levels.

A meaningful retracement is expected for investors to take new positions. Supports are placed at 20800-21075 and if these levels are breached, we may see index coming down at 21 weekly EMA.

On the indicator front, the weekly RSI plotted shows a reading of 79 which means that the index is at overbought zone. The MACD indicator is showing no signs of weakness. ADX is at 27 and rising which means the strength of the trend is strong.

**Weekly Stock Idea: TITAN**



The stock has made a fresh all time high on the back of strong quarterly updates lead to a buying in jewellery names. Since the stock is trading in an uncharted territory, based on Fibonacci extensions, the probable targets arrive near 2560.

The trend is extremely positive and more importantly it is likely to continue as indicated by ADX reading. Stock is trading well above its 21 Days EMA which is placed at 2117.

Stock is trading above its 21, 50 & 100- day exponential moving averages on a daily time frame, which is positive for the prices in the near term. When we observe volume activity there has been above-average volume set up from the past couple of weeks on the daily chart.

MACD is showing no signs of weakness, although RSI has reached overbought levels so some amount of profit booking can be visible in coming trading sessions.

**Technical Research Analyst****Mr. Rohan Patil****Mr. Harsh Parekh****Disclosure:**

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