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NIFTY



Long lower tail on weekly candlestick chart itself indicates the volatility which benchmark index faced through its last five trading sessions. Generally this type of candle when formed near all time high level indicates exhaustion of selling.

Technically, Positive moment indicates a strong comeback of bulls and this pattern seems to have nullified the negative status created by the panic selling of 6th January, 2020. Heavy fall on the back of US-Iran tensions was arrested at 50-day exponential moving average (DEMA), where the bulls have shown active participation.

In the coming days, the volatility is likely to settle down and the Nifty could go sideways in the wide range of 12,285 and 11,920.

Gap support on the daily chart is placed at 12,130 and selling pressure could accelerate till 12,021 if the support level breaks. Medium term is still bullish and the higher top and higher bottom cycle is intact. We could see the extension of this rally till 12,300 if 12,400 trades on the higher side but profit booking at higher levels would not be ruled out.

BANK NIFTY



31000 marks again played a sheet anchor role and arrested the down move in banking index. Horizontal trend line acted a line of polarity on weekly time frame and formed long lower tail with a small green candle body.

When we come on weekly analysis, this week's candle has formed long lower tail and close the week in green this study indicates supply at lower level is getting exhausted and fresh demand may emerge soon.

The Bank Nifty, on the other hand, is likely to outperform the Nifty, where prices have bounced back from the important support levels and the RSI has formed double bottom reversal pattern on daily chart. Traders should adopt buy on dips strategy in the banking index till its trading above 31,680.

Higher high Higher Low formation is well intact on Momentum Oscillator RSI (14) with positive crossover on the cards. MACD is reading above zero line with positive crossover, which is bullish sign.

As banking index is at all time high level, base support for index is inching higher, which is placed at around 31000 levels which is supported by a horizontal trend line on weekly interval. A breach of 31000 marks on closing basis will drift banking index lower towards 30500 levels.

The current bullish momentum could take the nifty bank towards 33000 - 33200 levels which is concluded by the Fibonacci ratios.

Sector Look: NIFTY MIDCAP100



On weekly chart NIFTY MIDCAP100 INDEX has given trend line breakout on 29th Nov 2019 within a border 'Falling Wedge Pattern'. Prices have completed its through back near the trend line support and are ready to move upside. 50 days simple moving average is acting as a strong support which is placed at 16890.00 on weekly time frame. Moreover on weekly time frame, 200 days Exponential moving average is acting as an anchor point which is placed at 16400 levels. Overall sentiments looks positive as index has shown strong strength towards upside.

Momentum Oscillator RSI (14) is reading above 50 levels with positive crossover, which is positive for the index. MACD indicator is reading above its line of polarity with positive sentiments.

On the lower end supports are seen at 16800/ 16450 on weekly chart. On the higher end break of 17500 will open the gate for 18000 levels in coming weeks.

Weekly Stock Idea: M&M



Over the past few months, Mahindra & Mahindra has been hovering around Rs 500- 510 levels, which historically has been a psychological demand zone for the stock. M&M is trading above strong resistance line standing around 540 levels indicating strong bullish bias to continue further. The recent formation of **Cap and handle pattern** has given a breakout by trading above 540 marks which suggest buying in the stock for higher targets on daily time frame. Stock has formed 'double-bottom' pattern at the demand zone of 510–500 level, which indicates fresh buying interest.

In weekly time line, Stock is trading between the 20 and 100 days simple moving average which is placed at 528 and 547.

On the weekly chart momentum oscillator RSI (14), there is a positive divergence, which suggests a fresh upward move.

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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