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NIFTY



Benchmark indices have shed almost 50% of the losses made on previous week. Fridays candle represent almost identical wicks on both the sides, which indicates tug of war between bulls and bears. In terms of candlestick previous weeks “Evening Star candle Stick Pattern” stills validates as current week candle closed below the previous weeks high. Since 20th Sept when FM announced corporate tax rate cut banking index has witnessed 61.80% Fibonacci retracement. The S&P BSE Midcap and S&P BSE Small cap index traded flat with sharp volatility.

Index closed above its trendline support on weekly interval which is supported with a cluster of (20, 50, 100) exponential moving averages on daily interval. Momentum indicator RSI (14) is hovering near 50 levels with mix reactions.

Due to sharp correction in prices resistance has shift lower for this week which is placed at 11460/11550. In the near term, 11100 is an immediate support zone. In any case if there is breach of 11000 on closing basis then we may aspect sharp decline in benchmark index.

NIFTY BANK



Nifty bank traded with super volatility with a high jerk roller coaster ride for entire week. This week candle with small body and long wicks didn't indicate much except volatility. Banking index halted exactly at 78.60% retracement which is placed at 30665 levels from its previous swing high of 31783.60.

In terms of candlestick "Evening Star candle Stick Pattern" is still intact as this week's candle closed near the low of previous week candle. In weekly chart, Momentum Oscillator RSI (14) has drift below 50 levels with negative crossover. MACD Indicator is hovering below zero line with negative crossover. This week banking index closed below 50 EMA on weekly chart.

Due to sharp correction in prices resistance has shift lower for this week which is placed at 28850/29500. In the near term, 27000 is an immediate support zone where 100 EMA is placed. In any case if there is breach of 27000 on closing basis then we may aspect sharp decline in banking index.

Sector Look: NIFTY SMALL CAP 100



On the Weekly chart NIFTY SMALL CAP 100 INDEX has given a breakdown of “Consolidation Pattern”. A recent bull back has completed near its trend line resistance which is placed at 5670 level. Index is trading in a lower low lower high formation since registering its life time high on January 2018. Currently prices are trading below its trend line resistance and have closed below its previous week low.

In weekly chart, index is trading below 50 days and 100 days Simple Moving Average. Momentum Oscillator RSI (14) is reading below 40 levels with negative crossover. MACD Indicator is hovering below zero line with negative crossover which is bearish sign for the smicap 100 index.

On the lower end supports are seen at 5000/4300 on weekly chart. On the higher end the index may face resistance at 5870 /6310 levels for next couple of weeks.

Weekly Stock Idea: NIITECH



On the Weekly chart NIITECH has given a breakout of “Symmetrical Triangle Pattern” on 30th Aug 2019. A recent through back is completed near its trend line which is acting as a strong support near at 1340 levels on weekly time frame. The stock closed 2.33 % percent higher at 1412.10 and formed a bullish candle on the daily scale while Hammer pattern on a weekly scale.

In weekly chart, it’s traded 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 1340/1280. On the higher end the stock may face resistance at 1460 / 1540 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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