

Date: 15<sup>th</sup> July 2019

## NIFTY



From the past four weeks, the index was in a strong consolidation phase within a range of 11600 - 12000 level. But Bulls took a pause this week after Budget was announced and the Nifty closed the week at 11552.50 levels with a loss of 2.19% for this week. This week candle has closed below the previous week shooting star candlestick pattern which acts as a confirmation. Since 5th July Nifty corrected sharply on the daily time frame and violated its intermediate support of 11600 by witnessing breach of smaller degree trend line. Bulls made several attempts to surpass 12000 mark but were capped for the previous couple of occasion. Intermediate support for index is now at 11400- 11200 mark. Decisive break is needed that will could possibly trigger further weakness.

However overall sentiment is cautious, still our view remains positive until nifty breaches till importance support level of 11400. Drift below 11400 may seen further correction till 11100 in coming trading session. Going forward, resistance is pegged at 11700/11900 levels for coming weeks.

**NIFTY BANK**



Bank nifty slipped 2.78% for the week. As can be seen on weekly chart index is consolidating in a range of 30200 – 31500. Breakout on any side of the band may give us a clear indication about the range. Higher high higher low formation is still intact in banking index. Index is trading above all its major exponential moving average. Momentum indicator RSI (14) is sustaining near 60 levels with bullish range shift.

However overall bias remains positive for banking stocks has index is holding a strong support of runaway gap. On the lower end support is seen at its horizontal trend line & run away gap which is placed at 30000/29500; a breakdown below the trend line is likely to trigger a bigger correction towards 28500. On the other hand sustained trades above the trend line may induce rally towards 31900.

**Sector Look: NIFTY AUTO INDEX**



NIFTY AUTO Index plunge almost 2.50% for the week. Index is trading in a lower low lower high formation since registering its life time high on December 2017. Index has breached its five year trend line support on major time frame.

Momentum indicator RSI (14) has drift below 40 levels and is slanting downwards with negative crossover. Index is trading below its 50 & 100 day exponential moving averages on weekly chart.

Based on the above technical set up we can come out with a view that the AUTO sector stocks may show weakness in coming days. On the lower end supports are seen at 7000/6800. On the higher end the index may face resistance at 8500/9000.

**Weekly Stock Idea: CESC**



CESC has witnessed a breakout of “Ascending Triangle Pattern” on weekly time frame. Stock is sustaining above its trend line support inching higher. Prices are sailing above all the major exponential moving averages.

Majority of indicators and oscillators are showing positive trend for current scenario. Previous three week candle has shown enough optimism among the participants to move price higher above its trend line resistance.

Based on the above Technical studies we can come out with a view that the price may move higher over the short period.



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