

Date: 16th July 2018

NIFTY



The Nifty, which reversed its downwards trend in the previous week has continued rallying during the last week. Moreover, the Index has given a trend-line breakout on the weekly chart which implies the positive in shift the previous falling trend. A move above the consolidation pattern on the weekly chart suggests growing optimism among the participant.

Momentum oscillator, RSI (14) is in bullish crossover which suggests index momentum to remain on the positive side.

The index is hovering within rising wedge on the daily chart with price sustaining above the previous swing high which shows the resilience of the uptrend. In the previous few weeks, market has been bought at the lows which indicate existence of demand at the lower levels whereas in the recent move sellers at the higher levels were absorbed by the growing bullishness among the market participants. The trend is expected to get rolled over into the next week. Buying at the lower levels is expected to continue during the next week, which may take the Nifty towards 11200 and higher.

Indices	Close	S3	S2	S1	R1	R2	R3	Trend
NIFTY	11018.90	10800	10880	11940	11080	11120	11172	Positive

NIFTY BANK



Bank Nifty, has been so far has been trading within a bigger rising channel since the starting of the previous year. On the higher end the upper band is acting as resistance. In its recent move the index has moved above the falling trend line on the weekly chart which signifies growing optimism among the traders of banking counters. Bullish crossover of 21 EMA and 50 EMA is indicative of positive trend for the short term. Positive crossover in the weekly RSI is indicating bullishness in the momentum for the short term.

Going forward, the index is expected to move higher as major indicators and pattern are bullish. On the higher end the index is expected to move towards the previous swing high of 27650. On the lower end crucial support is pegged at 26600.

Indices	Close	S3	S2	S1	R1	R2	R3	Trend
BANK NIFTY	26935.95	26000	26350	26600	27200	27600	28000	Positive

Sector Look: NIFTY MIDCAP 50



During the last week Nifty Midcap stocks witnessed unwinding as traders concentrated more on the large cap stocks and remained away from small and midcap stocks. On weekly chart the index has given a trend-line breakdown, which suggests the growing pessimism among the traders. Selling in the mid cap space has been prolonged for the last several weeks which continued during the last week. RSI on the weekly chart is in descending pattern which indicates deteriorating momentum. In addition, the index has so far sustained below the 50 EMA on the weekly chart.

The weakness in the index is expected to continue in the next week too as long as the index is sustaining below the rising trendline. On the lower end the index is expected to find support at 4600 which is swing low on the weekly chart. A fall below 4600 may trigger another round of selling in the midcap space.

Indices	Close	S3	S2	S1	R1	R2	R3	Trend
NIFTY MIDCAP50	4864.55	4450	4600	4740	5050	5125	5220	Negative

Weekly Stock Idea: ABB



The stock has found support at the medium term rising trendline on the weekly chart. Price on the weekly chart has posted a green candle with decent volume. Weekly RSI is in inverse Head and Shoulder formation which suggests positive reversal in the price momentum. In addition, RSI is in bullish crossover and rising. Moreover, on the daily chart a bullish divergence is visible in RSI.

After a steep correction, the stock is currently in a consolidation phase. Now, if the stock manages to give a breakout on the higher end of the price consolidation we may witness a greater price action in the near to short term. On the higher end 1300-1320 which is previous swing high may act as initial resistance for the rising price. Sustained trades above 1320 may induce strong up move in the stock price. On the lower end recent lowest closing of 1150 is expected to act as support on closing basis.

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