

Date: 16<sup>th</sup> AUGUST 2021

**NIFTY**



Nifty50 consolidated in the narrow range of 16200 – 16350 for six trading sessions and has given a breakout on the higher side and closed near its lifetime high levels on 13th August. On the weekly chart, prices have given a clean break out of a bullish pole flag pattern and prices were able to close above the upper band of the pattern.

RSI (14) plotted on the weekly time frame remains above the 65 mark and is drifting higher towards the overbought level, indicating that bulls are tempting to take control of the trend. Two back-to-back strong green candles on the weekly chart indicate an aggressive breakout in the Benchmark index.

Nifty FINANCIAL Index continued its bullish trend after a consolidation breakout and closed at 17350 levels with a gain of 1.25 percent on the weekly interval. Nifty IT index continues to rule the market on week on week basis and closed at 32678 levels with a gain of 4.39 percent on the weekly time frame.

To conclude, we believe that the choppy trend has ended in the large-cap space. We can expect Nifty to hit an upside target range of 16650 – 16700 in a short span of time. Dips should be utilized to create fresh longs in large-cap stocks.

**BANK NIFTY**



It was a very volatile week for the Bank Nifty where a price continues to trade in a stringent manner within the range of 35700 – 36150 levels. Prices on the daily chart are trading near the horizontal trend line resistance which is placed at 36250 – 36300 levels.

One of the positive aspect is prices are trading in a higher high higher bottom formation on the weekly interval. 21-day exponential moving average is reading near the continuation gap which is placed near 35500 levels.

Momentum oscillator RSI (14) on the daily chart has formed an inverted head & shoulder pattern and its neckline resistance is placed near 63 levels. On the indicator front, MACD has given a positive Crossover which indicates that the move is likely to continue northward. ADX (14) shows a reading of 17 and is rising which explains the strength of the trend will continue.

Bank Nifty is also seeing large put writing at 36000, this makes a good potential support for Bank Nifty followed by 35800 levels. Resistance is pegged near 36500 and 36900 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 move is likely to sustain in upcoming trading sessions too.

Currently the index is at 19677. On the weekly charts, an inverse head and shoulder pattern is 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. So a potential upside of 4000 points is still intact, giving a room to the investors to put their bet on this sector.

The index took support of its weekly trend line where a confluence of 20 Days exponential moving average is also visible. A bullish hammer candlestick pattern appeared in this week which tells that the bulls are still in control of this index and a meaningful buying from current levels can take place.

Moreover the index will have to move above 21095 mark which is also its all time high level to keep the structure intact. Important weekly supports are placed near 18950 -19120 levels.

**Weekly Stock Idea: BATA INDIA**



The prices were trading in an ascending triangle formation since past six months and have formed a trend line resistance at 1690 levels.

BATAINDIA has broken out of an ascending triangle pattern at 1693 levels on 10nd Aug and the prices have registered a decisive breakout that suggests a change in the trend from sideways to upside.

Stock is trading above its 21, 50 & 100- day exponential moving averages on daily time frame, which is positive for the prices in the near term.

MACD indicator is reading above its centreline with positive crossover above its signal line. Momentum oscillator RSI (14) is reading near 60 levels which indicates positive momentum will like to continue ahead.

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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## Weekly Market Strategy

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