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NIFTY



Nifty50 continued its bearish trend and the sell-on-rise strategy was valid for the entire week. Prices drift for a second consecutive week with a fall of more than three and a half percent for the week. Nifty has fallen almost 15 percent in the last six weeks from 18110 to 15780 levels.

The Benchmark index has formed a double bottom pattern on the daily chart and the momentum oscillator RSI (14) has also drifted near its oversold (below 30) with a bearish crossover. Prices continued to trade below their (21, 50 & 100) and days exponential moving averages on the daily time frame.

Prices have made a Bullish bat harmonic pattern near 16100 levels but eventually failed with a strong selloff. Normally in technical analysis whenever a bullish pattern fails we see a strong bearish trend continuation for that limited period.

The sharp and instant bounce back at current levels cannot be ruled out due to the oversold condition in the majority of the indicators. The immediate support for the Nifty is placed near 15650 - 15500 levels and the upper band of the index is capped at 16200 levels if the index is closed above the said levels then the gate for the prices is open till 16400 levels.

BANK NIFTY



Bank Nifty is trading in a lower high lower low formation and the two continuation gap created on the daily time frame is still unfilled indicates a strong bearish trend.

The Bank Nifty is trading below all its important averages (21, 50, 100) on the daily time frame and gap between the closest moving average and price is getting wider which indicates a probability of a short term spurt in the prices.

The oscillator on the daily chart has drifted below oversold levels while on the weekly chart oscillator has closed at 38 levels which are close to the oversold terrain.

If we draw an upward rising trend line on the weekly chart then the closest support for the Bank Nifty is placed at 33100 levels and the upper band of the index is most likely to be capped near 35000 levels.

Sector Look: NIFTY REALTY INDEX



Nifty Realty Index has given a bearish cup and handle pattern breakdown and prices are trading below its trend line resistance on the weekly interval. Index closed in the red for the 6th straight week and lost almost 23 percent and closed below 400 levels.

Prices continue to trade below its (50 & 100) week exponential moving averages which indicates a bearish in the REALTY Index. The momentum oscillator RSI (14) has triggered a new lower low below 40 levels with bearish crossover on the weekly time frame.

The immediate support for the Nifty Realty index is placed at around 360 levels and the upper band of the index is capped at 420 levels if the Realty index is closed below the said levels then the gate for the prices is open till 350 levels.

Weekly Stock Idea: GUJGAS LTD



After a series of lower high lower low prices consolidated for almost one month and formed a basing pattern. Prices on the daily chart have given a double bottom pattern breakout on 12th May at 567 levels.

In this overall bearish market scenario GUJGAS has outperformed the benchmark index on the absolute basis in the relative strength analysis. Prices have also closed above its 21 & 50 day exponential moving averages on the daily interval.

The pattern breakout is on a huge increase in volumes and a wide ranged candle. Price also gapped above the neckline. The RSI (14) has also given a horizontal trend line breakout which is placed at 50 levels.

Prices are most likely to trade higher due to this multiple bullish conditions.



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