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NIFTY



In the previous week chart, Nifty has formed a bullish piercing line while Bank Nifty has formed a bullish engulfing candlestick pattern. Both of these candlestick patterns are having bullish reversal implications and should not be ruled out even after their recent spike.

Daily structure on nifty has certainly created a bearish outlook for the short term but the weekly outlook is still unchanged and looking strong to unfold higher.

Nifty has formed a 'Doji Candlestick Pattern' on a weekly timeline which indicates tug of war between Bull and Bears with some supply at higher zones.

When we shift our attention towards the weekly chart it can be observed that nifty 50 is closely following its upward rising trend line which is connected with a rising channel pattern.

Despite the bearish pattern setup in terms of the daily candlestick, the overall structure didn't seem to change much as nifty 50 continues to trade in higher high higher low formation on the weekly time frame.

Intermediate support for nifty is placed at around 11950 level, immediate breach of that support will extend the fall till 11800 odd levels. Near term resistance for benchmark index is currently placed at 12250 level.

BANK NIFTY



The recent prices dragged the index towards Rs 30,800 level. Since the last couple of months, the index has been underperforming the benchmark index, while Nifty also indicates a lack of strength.

The market is expected to trade sideways with a negative bias on account of the continued impact of China issue. The daily structure on nifty Bank has certainly created a bearish outlook for the short term but the weekly outlook is still unchanged and looking strong to unfold higher.

Overall chart structure looks promising as bank nifty index is trading in higher high higher low formation on the weekly chart. Index is also trading above its small degree trend line support which could lead to positive momentum.

20 days simple moving average is acting as a support that is placed at 30828.30 in the weekly time frame.

Banks stocks will be under pressure given high inflation and RBI is unlikely to cut rates in the near-term. Indian market is impacted due to a fall in the global market due to an increase in coronavirus cases.

Technically, the short-term trend remains positive and is likely to continue in the near term. The 30600 level should be strong support for the index. Trading above the same, we can expect uptrend continuation wave up to 32000 level.

Sector Look: NIFTY IT INDEX



On weekly chart, NIFTY IT INDEX has given a breakout of “Falling wedge pattern” on 20TH December 2019 and still continues to stand stronger on all time frames. The index closed 1.05 % higher at 16642.70 on the weekly chart.

50 days simple moving average is acting as strong support which is placed at 15730.50 on the weekly time frame. Moreover on the weekly time frame, 50 and 100 days Exponential moving average is acting as an anchor point placed at around 15500 and 15000 level. Overall sentiments look positive as the index has shown strong strength towards the upside.

Momentum Oscillator RSI (14) is reading above 50 levels. MACD indicator is reading above its line of polarity with positive sentiments.

On the lower end supports are seen at 16000/ 15700 on the weekly chart. On the higher end break of 16850 will open the gate for 17760 levels in the coming weeks.

Weekly Stock Idea: LUXIND



In the weekly chart, LUXIND has given a classical breakout above its 'Horizontal Trend line'. Currently, prices are trading in a higher high higher low formation on the weekly chart. 20 days simple moving average is acting as a support that is placed at around 1347.88 level on the weekly timeline.

Currently, prices are trading above its 50 & 100 Simple moving averages, which are positive for near to midterm.

Momentum Oscillator RSI (14) inching towards 70 level showing strong momentum to unfold.

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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