

Date: 17th JANUARY 2022

NIFTY



On the daily chart, prices have given a falling wedge pattern breakout on 3rd Jan 2022 and have given a return of 3.60 percent to date without a meaningful correction. Meanwhile on the broader time frame (weekly) prices have given a bullish flag pattern breakout and prices are inching near their previous lifetime high levels which are placed at 18600 levels.

The structure of the index was in favor of bulls and market breadth for the entire week has remained at 2:1. The prices on the daily chart are trading in a higher top higher bottom formation.

In the recent price correction momentum oscillator RSI (14) dipped to 50 levels and has formed a double bottom formation on the weekly time frame. After a double bottom formation in the oscillator, both prices and indicator headed towards the south and has also given a positive crossover by closing above its 21DMA.

Nifty50 is most likely to cap near its previous resistance zone which is placed at 18600 and if the index manages to cross above the said level then 19000 will be on the cards soon. The immediate support for the index is placed near 18000 & 17900 levels.

BANK NIFTY



It's a third straight week where banking index closed in the green and has given a 10 percent return in the last three weeks which indicates a strong turn around in the overall banking space.

Prices have retraced 61.80 percent from the top of 41829 to the recent low of 34018.45 levels. 61.80 percent retracement at current level indicates a short term or an immediate resistance for the bank nifty.

After a nine consecutive days of Bull Run prices mark its first red candle on 13th Jan and has closed its runaway gap created on 12th Jan indicates a temporary topping out structure in the daily time frame.

Bank Nifty after forming a hammer candlestick pattern on the weekly chart prices have shown a strong reversal on the higher side and have taken support at its 21-week exponential moving average on the weekly chart. Important supports are now at 37600-37200 and resistance is placed near 39200-39500.

Sector Look: NIFTY COMMODITY INDEX



Nifty Commodities on the weekly chart has formed 2 back to back bullish candles indicating good momentum on the upside. Currently it is trading at 6024 and previously it had taken support near its 50 weekly EMA. There hasn't been an instance that it has broken its long term trend line since March 2020 lows.

Important supports are placed at 5600-5620 and on the upside, resistance is at 6200-6250 following which it can travel to new highs till 6640. Currently the index is trading above all its major moving averages. The 21 day weekly EMA lies at 5614 which will be crucial in upcoming trading sessions.

On the indicator front, RSI is mimicking the price action and is showing a reading of 64.85 and MACD is yet to give a bullish crossover but the weakness which was visible earlier tends to slow down. ADX which showcases the strength of the trend has given an uptick and is showing a reading of 26.57 with positive DMI moving up. Overall the setup seems to be in favour of bulls for upcoming trading sessions.

Weekly Stock Idea: BIRLACORP



The stock has been trading in a tight range since July 2022 onwards and is on the verge of giving a breakout.

It had earlier reached its previous all time high of 1653 in November 2021 following which it had corrected back to 1211 levels which was exactly the 200 day EMA.

Going ahead, the stock can retest the previous all time highs as indicators are suggesting momentum on the upside.

Momentum oscillator RSI and ADX are pointing upwards showing reading Of 67 and 17.50 respectively indicating the strength of the trend is here to remain for upcoming trading sessions

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SEBI Regn. No.: INZ000212137

BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836

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