

Date: 01<sup>st</sup> February 2021

## NIFTY



Previous week Nifty registered its lifetime high levels at 14753.55 levels and after its immediate week, sharp profit booking dragged the Benchmark index five percent lower from its previous week's close.

Since 3rd November 2020, Nifty50 was trading well above its 21-day exponential moving average on the daily time frame. But on 27th January 2021, the benchmark index witnessed a negative opening below its 21-day EMA and continues to trade below the same. Furthermore, the benchmark index witnessed a negative breakdown of a rising channel pattern on a daily interval.

The correction seems to be broad-based as the midcap, small-cap and most of the sectoral indices seem to be moving lower with the benchmark index.

On the daily chart, INDIA VIX is on a verge of giving breakout above its trend line resistance placed near 25.50 levels. Incase the VIX index break above the 26 levels then we may witness an increase in the volatility with negative bias.

Support for the Nifty is placed near 13500 levels and resistance is capped near 14000 levels.

**BANK NIFTY**



BANK NIFTY has witnessed a four months long rising channel pattern breakdown on the daily interval and the price has closed below its 21-day exponential moving average.

Moreover, prices have formed a bearish Double top pattern on the weekly time frame which indicates we may witness a sharp profit booking in the coming sessions if prices don't close above the pattern.

Two consecutive tall red candles on the weekly chart after registering its lifetime high levels indicates some profit booking or sideways consolidation can be extended in the coming trading session.

Momentum Oscillator RSI (14) has drifted below 70 levels (overbought zone) with negative crossover on the weekly time frame.

A combination of the bearish pattern along with RSI below 70 with negative crossover indicates bears would dominate the banking index.

Support for the Bank Nifty is placed near 29000 levels and resistance is capped near 31500 levels.

**Sector Look: NIFTY MIDCAP100**



Nifty midcap100 index has paused the positive momentum after a strong rally of last ten months from 11282 to recent lifetime high of 22504.60 levels.

Midcap100 Index started to form lower top lower bottom on a daily scale and bounces are being sold which indicates that upside hurdles are already marked before Budget 2021.

However, the major trend of the Nifty Midcap100 index remains bullish but the short-term trend has taken a pause and profit booking decline is already seen from the last five trading sessions.

Momentum Oscillator RSI (14) has drifted below 70 levels (overbought zone) with negative crossover on the weekly time frame.

Midcap100 index has closed below its 21-day exponential moving average on the daily chart.

On the lower end supports are seen at 20500/20200 on a weekly chart. The higher-end break of 21500 will open the gate for 22500 levels in the coming weeks.

**Weekly Stock Idea: BANDHAN BANK**



On the Daily chart BANDHAN BANK has completed 'Bullish Bat Harmonic pattern'; the coordinates of which are:

XA leg is from 279 to 430.70

AB from 430.70 to 367.50 (which is 38.20% of XA leg),

BC leg is from 367.50 to 424.90 (which is 88.60% of the AB leg) and

CD leg is 424.90 to 297 (which is 224% projection of BC leg & 88.60% retracement of XA leg).

Daily RSI (14) has seems to have bottom out near 20 levels and can expect sharp bounce back from the current levels.

Prices have seems to form a Bullish hammer candlestick pattern on the weekly interval near its price retracement level.

Counter has taken support at 50 percent retracement from its previous intermediate low on the weekly time frame.

Based on the above Technical studies we can come out with a view that the price may move towards higher levels over a short period.



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