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NIFTY



Benchmark index witnessed a sharp up move from the support level of 8950 with broad-based momentum across sectors and stocks. Nifty on daily chart has given breakout of a smaller degree downward slanting trend line.

On previous week Index has formed Bullish Hammer candle stick pattern and seems to have made short term bottom at 8800 level. This week's tall green candle has given confirmation of the said bullish candle stick pattern.

Nifty50 has gained by more than 5 percent while midcaps and small caps gained by more than 4 percent each for the week.

Momentum oscillator RSI (14) has shoot up from an oversold zone and currently reading near 40 level with positive crossover on the cards. Furthermore on 29th May Nifty50 on daily chart has crossed above its 50 day exponential moving average, which is positive for the index in the short term.

The surging volumes along with rising prices can add further follow up buying in the Nifty. We remain positive on market with higher targets of 9800 for the coming week. On the downside initial support is placed at 9200 level which is supported by 21 day exponential moving average.

BANK NIFTY



Since 4th May Bank Nifty was continuously trading below its 21 day exponential moving average, but previous two days rally has witnessed breakout above the said average after a span of almost a month.

Banking index has witnessed sharp oversold rally of almost 11 percent for the week. Majority of State Run banks are in extreme oversold zone so a sharp rally at this level is not a surprise.

The Broader structure remains weak as banking index is under performing Nifty and trading below its major averages.

Momentum oscillator RSI (14) has shoot up from an oversold zone and currently reading near 35 level with positive crossover on the cards. Mean while MACD indicator is likely to reverse and seems to have bottom out for the short term on weekly scale.

We remain positive on Bank nifty with higher targets of 22000 for the coming weeks. On the downside initial support is placed at 17100 level which is supported by a classical double bottom formation on weekly interval.

Sector Look: NIFTY METAL INDEX



After consolidating in a broad range of 1641-1872, prices have witnessed a positive strength on the weekly timeline. In the previous week, the index witnessed profit booking but this counter gave a bullish strength with above-average volume, which indicates optimism towards the prices.

The Nifty Metal Index reversed from its low of 1480.70 level. On the weekly chart, Index has closed 9.90% higher at 1879.85 level and formed a bullish candle.

Prices are firmly holding the support near the 21 and 50-day simple moving average which is formed at around 1738.51 and 1690.78 levels on the daily time frame.

Weekly Momentum oscillator RSI (14) has bounced back strongly from around 22 level and in its recent move, RSI (14) found support at around 22 and moved to 43. On the previous two occasions whenever RSI(14) has drifted near 22 level sharp reversal in prices has been seen.

On the higher end resistance is seen at the 1950/2098 level on the weekly chart. On the lower end support for the coming weeks is seen at 1783/1640 levels.

Weekly Stock Idea: HINDUNILVR



HUL has closed 3.49% higher at 2057.35 and formed a bullish candle in the weekly time frame. The stock has closed above its previous week high, which shows significant recovery towards the end of the week.

On the daily chart, stock after several days of consolidation moved above from the range which suggests bullish strength in the counter. The stock has given a breakout of 'Symmetrical Triangle' and closed above 21 days simple moving average.

On a weekly time frame, 50 DSMA is acting as a support that is placed at around 2013.43 levels. Today's candles have cut the previous week high which is a positive sign for the stock. The stock is trading between 21 and 50 DSMA that is placed both at around 2141.50 and 2013.43 level.

Momentum Oscillator RSI (14) is reading near 51 levels in the weekly timeline.

On the lower end supports are seen at 1950/1900. On the higher end, the stock may face resistance at 2119/2141 430 levels.

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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