

Date: 20<sup>TH</sup> APRIL 2020

## NIFTY



It was a super Friday as benchmark index closed 3 percent higher and confirmed its higher high higher bottom pattern on daily time line.

From the bottom of 7511 index witnessed a sharp rise till 9038 and again sided for almost 1000 points. This fall is almost 61.80% Fibonacci Retracement from low of 7511 to intermediate top at 9038. The current chart formation suggests the index is likely to complete its Bearish ABCD Harmonic pattern at 9646 which will be 161.80% retracement of 9380 to 8055 level.

Nifty Fifty is currently trading in a Bullish Zigzag formation which is volatile in nature. Though markets are passing through the phase of uncertainty about whether the recent recovery would sustain or not, there are some stocks and sectors, which are showing extraordinary strength in their price movements.

Momentum oscillator RSI (14) has shoot up from oversold zone and currently reading above 30 level with positive crossover on the cards. Similarly MACD on daily chart has shown early reversal indicator with positive crossover below zero line.

On the Higher side, Nifty will initially face a hurdle at around 9646 mark. However, in case of a major decline, support is placed around 8800 and then around 8400 levels for the index.

## BANK NIFTY



Bank nifty on daily chart has witnessed a pennant pattern breakout which is currently placed at 20681 level. Bullish pattern breakout is well supported its 21 day exponential moving average on daily scale.

RBI announced cut in reverse repo rate of 25bps from 4% to 3.75%. This can act as a liquidity buster for equity market.

Bank nifty on daily chart seems to have completed its intermediate 3rd wave at 16116 and currently we are on 4th wave which is likely in a Zigzag formation.

From the bottom of 16116 banking index witnessed a sharp rise till 21462 and again sided for almost 4000 points. This fall is almost 78.80% Fibonacci Retracement from low of 16116 to intermediate top at 21462. The current chart formation suggests the banking index is likely to complete its Bearish ABCD Harmonic pattern at 22637 which will be 127.20% retracement of 21462 to 17143 level.

Momentum oscillator RSI (14) has shoot up from oversold zone and currently reading just above 30 level with positive crossover on the cards. Similarly MACD on daily chart has shown early reversal indicator with positive crossover below zero line.

On the Higher side, Bank Nifty will initially face a hurdle at around 22650 mark. However, in case of a major decline, support is placed around 19500 and then around 18500 levels for the Banking index.

**Sector Look: NIFTY METAL INDEX**



The index moved up in the last two trading sessions bringing some comfort to the market participants.

The Nifty Metal Index reversed from its low of 1480.70 on the back of recovery across the globe. On the weekly chart, Index has closed 6.51% higher at 1816.50 level and formed a bullish candle. Since the gap up opening on 7th April 2020, the benchmark index continues to trade above its gap and looking stronger at the current juncture.

The index is trading above its horizontal trend line that is placed at around 1440 level in the weekly chart which signifies buyers are active.

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 33.57. 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 1925/ 2032 level on the weekly chart. On the lower end support for the coming weeks is seen at 1724 / 1660 levels.



**Weekly Stock Idea: ICICIPRULI**



ICICIPRULI has closed 8% higher at 395.95 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. Prices are firmly holding the support near the trend line which is formed at around 320 levels. Today's candles have cut the previous day high which is a positive sign for the stock. The stock has closed above 50 and 100 DSMA that is placed both at around 341.70 level.

Momentum Oscillator RSI (14) is reading near 40 levels in the weekly timeline.

On the lower end supports are seen at 317/299. On the higher end, the stock may face resistance at 391/430 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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