

Date: 20th JUNE 2022

NIFTY



The benchmark index witnessed a brutal selling and broke its important short term supports and closed with a loss of more than 5 percent on the weekly chart. Index closed below its 52-week low on the Friday's session and breaks its important support which is placed at 15400 levels.

For the first time since July 20, Nifty closed below its 100 – week exponential moving average and it's a bearish sign for the index. Prices have formed a bullish ABCD harmonic pattern at 15350 levels but the impact of selling was too forceful that prices closed below that level. We are still within the range of potential reversal zone and a sharp bounce back from the current level cannot be ruled out.

On the Friday's session there was indecision among the traders and a result of that is prices have formed a Doji candle stick pattern on the daily time frame. Prices on the daily chart has closed below its (21, 50 & 100) day exponential moving average.

As the indicator on the smaller time frame are extremely oversold so hence next session can belong to bulls but short term traders are advise to wait for more stability before initiating a trade. The immediate support for the index is placed at 15150 & 15000 levels and if prices sustain above 15400 levels than 15650 can be a possible upside levels for the index.

BANK NIFTY



Since the gap down opening on 13th June Bank Nifty never retested its higher levels and continues to trade lower for the entire week and closed 5 percent down on the weekly closing basis.

The Bank Nifty was trading in falling wedge formation combined with lower high pattern on the daily chart and in this brutal fall prices are approaching near its lower band of the pattern. Banking is also sustaining below its all the important averages on the daily chart which indicates a strong bearish trend is unfolding.

The momentum oscillator RSI (14) on the daily scale has formed a double bottom formation near oversold levels which indicates possibility of a pullback in the coming trading sessions. From last past few weeks we are experiencing a distribution pattern in the Banking index from 36000 to 34000 levels and prices have formed a small degree rounding top formations in the couple of occasions.

As the indicator on the smaller time frame are extremely oversold so hence next session can belong to bulls but short term traders are advise to wait for more stability before initiating a trade. The immediate support for the Banking index is placed at 32000 & 30500 levels and if prices sustain above 33600 levels than 35000 can be a possible upside levels for the index.

Sector Look: NIFTY METAL INDEX



Nifty METAL index on the weekly chart has given a horizontal trend line breakdown and has closed below its 100-week exponential moving average and closed 9 percent lower on the weekly basis.

Nifty Metal index on the daily chart is trading in a lower high lower low formation and every time the prices reach near its prior resistance the fresh round of supply pumps in. Three back to back negative closing on the monthly time frame indicates a bears are in control. The index on the daily chart has closed below its (21, 50 & 100) day exponential moving average.

The majority of the indicator and the oscillators are reading in the negative territory and a lower low formation is witnessed in their trend. On the daily chart RSI (14) has formed a bullish divergence so a pullback in the next couple of days cannot be ruled out.

The immediate support for the Nifty Metal index is placed at around 4600 levels and the upper band of the index is capped at 5000 levels if the Auto index is closed below the said levels then the gate for the prices is open till 5300 levels.

Weekly Stock Idea: SUNTV



After a steep fall prices have formed bullish engulfing candle stick pattern on the daily chart and prices have witnessed a strong rebound from the 163 levels and rallied more than 5 percent in a single day.

The prices have also made a double bottom formation on the daily chart and the recent rally has formed the counter to close above its 21-day exponential moving average. On the weekly time frame prices have formed long tail on the lower side and a tiny body on the higher side indicates a reversal from the lower levels might continue ahead.

Furthermore the Fridays candle has engulf its previous four days candle and have shown a strong basing formation near the lower levels.

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SEBI Regn. No.: INZ000212137

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

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