

Date: 21st Sep 2020

NIFTY



Indian markets began this week on a positive note and bulls were able to keep control over the markets with mixed bias and taking clues from the global markets.

The previous week benchmark index has formed a bullish hammer candlestick pattern near its upward rising trend line support which is likely to call as an initial anchor point for the index.

With the derivative expiry next week, we expect the market to trade volatile with rollover movement in individual sectors and stocks. On the higher side, 11600 CE has the highest OI while 11500 PE strike has an OI of 34.8 lakh shares.

The index is trading above all its crucial short-term exponential moving averages (21 & 50) which are positive for the near term.

There are multiple pieces of evidence that suggests that Nifty is likely to find support around 11200 levels and unless it closes below this level, the uptrend will remain intact.

As we mentioned in the previous week's report, Nifty has formed bearish bat harmonic pattern and it will be neglected only above 11900 levels. Any big move on the higher side should be expected only above 11900 levels.

BANK NIFTY



As mention in the previous weeks update, trend for Bank Nifty is mixed with bearish bias. Prices moved perfectly in line with our expectation hitting the resistance and then declining from there.

We saw prices finding good resistance near 22800 levels and it shows a bearish bias presently after the last session U turn.

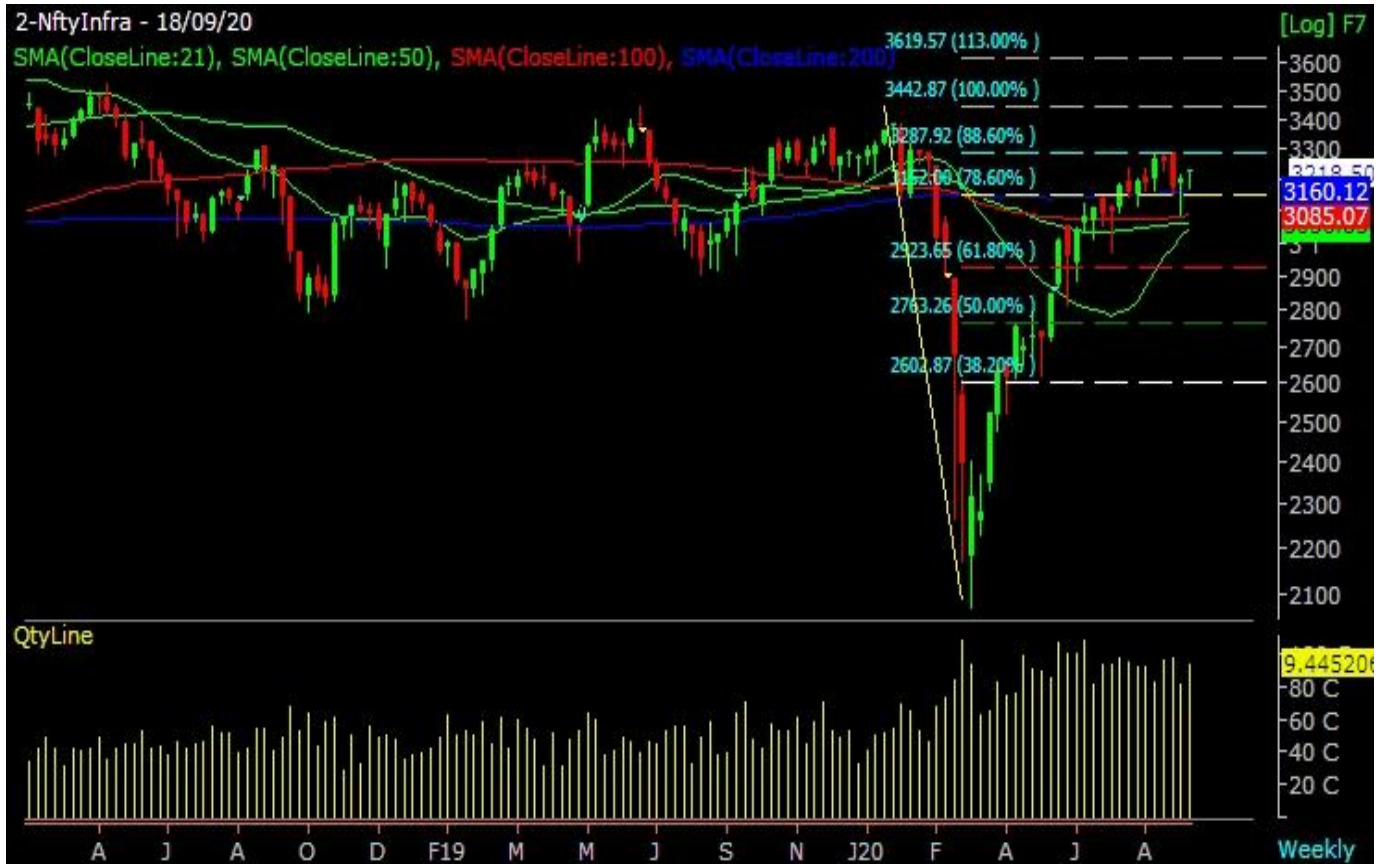
For this week Bank Nifty closed below its (21, 50 & 100) DEMA on daily chart confirming a bearish breakdown meanwhile double confirmation get clubbed when Banking index breach its upward slanting trend line on the daily interval.

Momentum oscillator RSI (14) on the daily chart has witnessed a sharp reversal from 70 levels and currently settled near 45 levels with negative crossover.

IT and Pharma counters outperformed the markets while banking stocks still feeling pressure. One should still continue with slightly cautious stance because the uncertainty is still hanging over.

A break below 21500 will witness a breakdown in the daily time frame and this could drag Bank Nifty towards 21000 mark meanwhile resistance is placed at 22750 levels.

Sector Look: NIFTY INFRA INDEX



On the weekly time frame, V shape reversal rally has almost completed 88.60 percent retracement of the entire downswing seen from January 2020 top to March 2020 bottom.

On the Daily chart, index after several days of consolidation moved above from the range which suggests bullish strength in the counter. Index has given a breakout of the “Consolidation Pattern”.

NIFTY INFRA has closed 0.53 % higher 3218.50 and formed a DOJI candle in the weekly time frame. The Index has closed above its previous week high, which shows significant recovery towards the end of the week.

The weekly chart is currently providing strong evidence for further prospects meanwhile 21 and 100 Week simple moving average on the daily chart is acting as an anchor point for the benchmark index. RSI (14) is reading near to 60 on a weekly timeline.

On the higher end resistance is seen at the 3375/3415 level on the weekly chart. On the lower end support for the coming weeks is seen 3217/3170 levels.

Weekly Stock Idea: AJANTAPHARM



AJANTAPHARM on the daily chart is moving in the range from past few trading sessions and made an attempt to move higher.

On the daily time line, index after several days of consolidation moved above from the range which suggests bullish strength in the counter. Index has given a breakout of the “Consolidation Pattern” on daily time line.

Currently stock is trading above all the major simple moving average on the weekly timeline.

The majority of indicators and oscillators are showing a positive trend for the current scenario on the daily time frame. RSI (14) is reading near to 59 on a weekly timeline.

On previous week stock has formed doji candlestick pattern and in this week gave upside breakout and took a support of 21 days simple moving average that is placed at 1516.80 on weekly time frame

On the higher end resistance is seen at the 1680/1750 level on the weekly chart. On the lower end support for the coming weeks is seen 1516/1425 levels.

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