

Date: 22nd Oct 2019

NIFTY



Benchmark indices continued their upward momentum for the six consecutive days with Nifty ended above 11650 levels. Current ongoing formation in nifty suggests V shape reversal pattern which will likely get complete near around 11700 levels. In weekly chart, a strong bullish candle with 3% gains creates shift of momentum for the index. Market is approaching near double top formation which likely gets completed near 11700 levels, so profit booking at current stage cannot be ruled out.

Index closed above its horizontal trend line support on weekly interval which is supported with a cluster of (20, 50, 100) exponential moving averages on daily interval. EMA cluster will now act as a point of polarity for the benchmark index. Momentum indicator RSI (14) has currently shifted above 50 levels with positive crossover.

Previous two week rally has basically change the sentiment in the market as supports are shifting bit higher on weekly time line. In the near term, 11300 is an immediate support zone. In any case if there is breach of 11300 on closing basis then we may again check 11000 levels. If Nifty surpassed 11700 then new high in benchmark index cannot be ruled out.

NIFTY BANK



Banking index outperformed benchmark index nifty for this particular week with closing almost 4% higher on weekly chart. 28500 was a major hurdle for the banking index which was taken out this week, which is positive sign. On daily chart prices have witnessed a bullish pennant breakout and currently prices are trading above its trendline resistance.

In weekly chart, Momentum Oscillator RSI (14) is currently forming higher low formation which rightly reading above 50 levels with positive crossover. MACD is reading above zero line with positive crossover, which is bullish sign. Higher high Higher Low formation is still intact on weekly time line.

Previous week rally has basically changed the sentiment for the banking stocks as supports are shifting bit higher on weekly time line. In the near term, 28000 is an immediate support zone. In any case if there is breach of 28000 on closing basis then we may again check 27000 levels. 30800 is near term resistance breach of that level will open the gate for the new high.

Sector Look: NIFTY AUTO



On the Weekly chart NIFTY AUTO INDEX has given a breakout of “Falling wedge Pattern” on 20th Sep 2019. A recent throughback has completed near its trend line support which is placed at 7200 level on daily time frame. Currently prices are trading above its trend line support and have closed above its previous week high. On weekly time line Double Bottom pattern is observed near horizontal trendline support which adds more confirmation to the index. This week’s candle has engulfed previous three weeks candle with tall green candle on cards.

In weekly chart, it’s traded above 50 days and 100 days Simple Moving Average. Momentum Oscillator RSI (14) is reading above 50 levels with positive crossover. Currently on weekly RSI (14) we have observed bullish divergence as prices are claiming lower low while RSI is making higher low.

On the lower end supports are seen at 7600/7400 on weekly chart. On the higher end the index may face resistance at 8100 /8250 levels for next couple of weeks.

Weekly Stock Idea: VOLTAS



On the Weekly chart VOLTAS has given a breakout of “Symmetrical Triangle Pattern” on 20th Sep 2019. 50 days and 100 days Simple moving average is acting as a strong support near at 590 levels on weekly time frame. In monthly time frame, stock has absorbed a selling pressure, which is visible by a rounding formation on chart. The stock closed 2.25 % percent higher at 691.70 and formed a bullish candle on the daily scale.

In weekly chart, it's traded above 50 days and 100 days Simple Moving Average. Momentum Oscillator RSI (14) is reading above 50 levels with positive crossover.

On the lower end supports are seen at 645/600. On the higher end the stock may face resistance at 710 / 780 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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