

Date: 23rd Sept 2019

NIFTY



Benchmark index rallied more than 5% on Sept 20th, 2019 in a single day which is a highest gain since past 10 years. All the sectoral indices ended in green except IT, after Finance Minister Nirmala Sitharaman announced cut in corporate tax rate to 25 percent from 35 percent.

Buying commenced the moment the FM initiated her speech and it went to a different level for the next couple of hours. Finally, this became the historical day for our markets as we clocked the biggest ever intraday gain to take a giant leap from 10,700 levels.

Since past six weeks benchmark index was trading in a narrow range of 11200 to 10800, which was bounded between 50 & 100 EMA on weekly interval. On Sept 20 session extra ordinary movement has formed the prices to break its upper resistance of 11200. Buying is advisable at current levels and more on declines at around 11100/11000 which would be a major near term support.

Any sustainable move above 11200 may open a gate for 11550 levels in coming weeks. Going ahead 11550/11650 will be a crucial resistances to watch out. On lower side intermediate support is seen at

NIFTY BANK



Sensex & Nifty posted their biggest single-day gains in 10 years. Nifty Bank & Midcap Index posted their biggest-ever one-day gains.

Another big announcement was the rollback of enhanced surcharge announced in Budget on capital gains arising on sale of any securities including derivatives in the hands of foreign portfolio investors, and on sale of equity share in a company.

Technically, Indian banking index has breached its band range on the higher side in Friday's trading session. Banking index was trading in a range of 28500 & 27000 which was bounded with 50 & 100 EMA on weekly interval. After a block buster move on Friday currently banking index is sailing above 50 & 100 EMA on weekly time frames.

Banking index faces major resistance or some profit booking at 31000 which is supported by previous swing high on weekly chart. In the near term, 28500 is a support zone. Trader should continue to have a long position with buy on dips strategy in the upcoming session.

Sector Look: NIFTY METAL



NIFTY METAL INDEX after a prolong correction has formed bullish AB = CD harmonic pattern at 2174.10 levels on weekly interval. The coordinates of which are as follow:

XA of the leg from 3776.05 to 2649.25, BC of the leg completed at 3177.40 (i.e 50% of XA leg), CD of the leg completed at 2174 (i.e 200% Fibonacci projection of AB leg).

In weekly chart, 'Three white soldiers candle stick pattern' which is formed after prolonged correction. Whenever this pattern is formed near bottom it normally acts as an bullish reversal. Double bottom reversal pattern is spotted on weekly RSI (14). Currently RSI (14) is reading above 35 levels with positive crossover.

On the lower end supports are seen at 2300/2200 on weekly chart. On the higher end the index may face resistance at 2650 /2790 levels for next couple of weeks.

Weekly Stock Idea: NIITECH



On the Weekly chart NIITECH has given a breakout of “Symmetrical Triangle Pattern”. Trend line of this pattern is acting as a support which is place at 1340 levels. In daily chart, it’s taken a support of 50days SMA and gave closing above the previous week high.

In terms of candle stick Dragon Fly Doji pattern is formed on weekly time frame, which is bullish reversal in nature. Momentum Oscillator RSI (14) is reading above 55 levels with positive crossover. Currently RSI is in a bullish range shift mode.

On the lower end supports are seen at 1340/1270. On the higher end the stock may face resistance at 1460 / 1550 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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