

Date: 23TH DEC 2019**NIFTY**

Four out of five trading days benchmark index shut the shop in green, which calls for positive optimism among the traders. Fifty pack has closed above the Bearish engulfing Candlestick Pattern which was formed on first week of December. A failure of a bearish pattern signifies continuous of bullish trend. A recent up move in index has forced prices to scoop above the horizontal trend line resistance on weekly chart. The index formed a Doji candle on December 20 and a bullish candle on the weekly chart.

In a pre-Budget meeting with Finance Minister Nirmala Sitharaman, the corporate leaders highlighted several issues, including certain income tax matters which were coming in the way of mergers and acquisitions or slowing them down and roles that need to be played by state businesses to prosper at the ground level.

Nifty metal index on daily chart has witnessed strong breakout of a consolidation zone and poised to outperform the benchmark index in coming sessions. Meanwhile Nifty IT has given fresh breakout of its downward falling trend line on daily interval indicates strong surge in prices.

As market are trading at all time high levels, base support for nifty is inching higher, which is placed at around 12050 levels which is supported by a Continuation gap on daily time frame and horizontal trend line on weekly interval. A breach of 12050 mark on closing basis will drift nifty lower towards 11800 level.

The current bullish momentum could take the index towards 12,360-12,450 levels which is concluded by the Fibonacci ratios.

BANK NIFTY



After three weeks of consolidation nifty bank has scoop out of its range and given a positive breakout on weekly time frame. Banking index closes at all time high level and manages to sustain above 32000 mark. Private sector banking index continues to outperform PSU banking index on week on week basis.

Private sector banks have closed at all time high while PSU bank index is trading in a lower high formation on monthly time frame. This chart comparison clearly shows out performance of private banks.

Higher high Higher Low formation is well intact on Momentum Oscillator RSI (14) with positive crossover on the cards. MACD is reading above zero line with positive crossover, which is bullish sign.

Ongoing rally has basically changed the sentiment for the banking stocks as supports are shifting bit higher on weekly time line. In the near term, 31000 is an immediate support zone. In any case if there is breach of 31000 on closing basis then we may again check 29500 levels. 32400 levels are near term resistance, breach of that level on higher side will open the gate for the new high in banking index.

Sector Look : NIFTY METAL



On the Daily chart NIFTY METAL INDEX has given trend line breakout of “Falling channel pattern” on 13th Dec 2019. Index closed 3.07 % higher at 2707.50 and formed a bullish candle on the weekly chart. Currently prices are trading above its trend line support and have closed above its previous week high. Moreover on weekly time frame, 20 days simple moving average is acting as a support which is placed at 2466.23 level. Overall sentiments looks positive as index has shown strong strength towards upside.

Momentum Oscillator RSI (14) is reading above 50 levels with positive crossover, which is positive for the index. Since 23rd Aug 2019 is trading in higher high higher low formation on daily time frame, which indicates continuation of bullish trend.

On the lower end supports are seen at 2600/ 2470 on weekly chart. On the higher end break of 2750 will open the gate for 2860 levels in coming weeks.

Weekly Stock Idea: WIPRO



Wipro after a prolong correction has witnessed a breakout above its “Falling Wedge Pattern” on daily time frame. On weekly chart, Trend line is acting as a support which is placed around 235 and stock bounce back from this level and breaks its previous week high. Moreover on weekly time frame, 50 days simple moving average is acting as a support which is placed at 243.50 levels.

Prices are currently trading between 50 and 100 days simple moving averages in weekly time line. On weekly chart, Momentum Oscillator RSI (14) is reading above 50 levels with positive crossover. On previous two occasions whenever RSI (14) has drift near 30 levels sharp reversal in prices has been seen in daily chart.

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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