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NIFTY



It was a very volatile week for the Indian bourses as well as for the entire global market. Every alternate day Nifty changes its candles colour and the major gap up and gap down was the main pain for the benchmark index.

Till the last day of the trading week index was showing negative return for the week but a surprise gap up opening on the Friday's session led to a strong buying and Nifty closed the week with a three percent gain.

Nifty has formed a double bottom pattern on the daily chart and the momentum oscillator RSI (14) has shown a bounce back from the oversold levels. The overall structure for the Nifty still remains bearish as prices are well sustained below its (21, 50, &100) – day exponential moving averages.

The immediate support for the Nifty is placed near 16000 and below that 15800 will act as a major support for the Nifty. The immediate resistance for the Nifty is placed at 16450 levels where 21- day exponential moving average is settled.

BANK NIFTY



Like Nifty the Banking index was too under pressure and volatility was at its peak. On the weekly chart Bank Nifty gained above 3 percent gain and closed above 34000.

From the last couple of weeks prices are finding support near its 100- week exponential moving average which is placed at 33618 levels. The Momentum oscillator RSI (14) has shown a positive divergence at oversold levels on the weekly scale. In this case indicator made a new low but prices has defended its previous low.

The Bank Nifty on the daily chart has made a flag like formation whose upper band is formed at 34800 levels and the lower band of the pattern is form 33400 levels. The overall structure for the Bank Nifty still remains bearish as prices are well sustained below its (21, 50, &100) – day exponential moving averages.

The immediate support for the Bank Nifty is placed near 33300 and below that 32500 will act as a major support for the Bank Nifty. The immediate resistance for the Bank Nifty is placed at 34800 levels where 21- day exponential moving average is settled.

Sector Look: NIFTY METAL INDEX



Nifty METAL index on the weekly chart has rallied more than 7 percent after continues four weeks of fall and has formed a bullish harami candle stick pattern.

Prices have taken support near its upward rising trend line which is hovering near its 50- week exponential moving average. The momentum oscillator RSI (14) has triggered a new lower low below 40 levels and formed a divergence on the weekly time frame.

The immediate support for the Nifty Metal index is placed at around 5300 levels and the upper band of the index is capped at 6000 levels if the Metal index is closed below the said levels then the gate for the prices is open till 5000 levels.

Weekly Stock Idea: ITC



ITC is giving a consolidation breakout which has been making since last six weeks and sustaining at multi - -year high indicating positive undertone of the market. On the daily charts, the stock is forming big bullish candle with huge volumes confirmations.

On the indicator front, the RSI plotted on all the time frame is sustaining above 60 levels which shows strong positive momentum.

Earlier stock has given breakout 6 weeks prior and prices consolidated above its trend line support without disturbing its bullish technical factor.



Weekly Market Strategy

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