

Date: 24<sup>th</sup> MAY 2021

**NIFTY**



On Friday Indian equity benchmarks, after two-day of losses, made an optimistic start mirroring favourable global cues. A decrease in daily Covid cases also supported market sentiment. In the afternoon session, Indian equity benchmarks continued to trade in positive terrain. Nifty started the week with a gap-up opening and managed to cross the higher side of the trading range between 14200-14950 which hold for more than 13 weeks.

The Benchmark index on the daily has witnessed a breakout of a downward falling channel pattern which was placed near the 15100 levels. Within the channel, the pattern index had also formed a rising wedge pattern, and currently, prices have halted near the upper band of the wedge pattern.

Indian bourses on the daily chart are trading above their 21 & 50-day exponential moving average which is placed near the lower band of the wedge pattern acting as a crucial support zone for the index.

The Nifty50 index is holding the key support zone, but the chart pattern suggests that there might be some action expected in the index if the price remains above the support zone or breaks the crucial resistance zone which rests at 15250 levels in the coming trading sessions. Support for the index is placed near 14820 levels which are clubbed with a 21 DEMA.

**BANK NIFTY**



Bank Nifty finally breaks its consolidation range in which it was trading since past three weeks and closed the week with a massive gain of 7.58 percent.

Bank Nifty on the weekly chart has witnessed a breakout of downward sloping trend line and manages to close above the 50 percent retracement from its previous intermediate low.

Momentum oscillator RSI (14) has also given a range breakout above the 50 levels with positive crossover on the cards. MACD indicator is also reading above its line of polarity which indicates bullish momentum is intact on the broader time frame.

The index price is trading above its parabolic SAR indicator, acting as a crucial support zone at the 30405 level.

Currently, the prices has formed bullish belt hold pattern on the weekly chart and the low of the pattern will act as an important support zone which is placed at 32500 levels. Resistance is capped near 36500 levels.

**Sector Look: NIFTY PHARMA INDEX**



PHARMA INDEX traded in a downtrend for more than 3 months with the lower tops and lower bottoms formation and price corrected -16 percent from January 2021 high to march 2021 low. However, the prices recovered from the lower levels after forming a Bullish Harami (bullish reversal) candlestick pattern with the above-average volumes and post that it delivered a decent gain of almost 16 percent in just one month.

The index has broken out its Pole flag pattern on the weekly chart. After consolidating for more than 10 weeks in a flag pattern, the pharma index registered a decisive breakout that suggests a change in the trend from sideways to upward.

In addition, the momentum oscillator RSI (14-period) is reading at 66 levels and is forming a negative divergence on the weekly chart, indicating that a correction or a profit booking from here may drift the price lower towards the 21-period EMA support level which is placed at 13650.

Based on the above chart analysis and technical outlook, the pharma index seems to be in the control of bulls. The Pharma index is holding the key support zone, but the chart pattern suggests that there might be some action expected in the index if the price remains above the support zone or breaks the crucial resistance zone which rests at 14500 levels in the coming trading sessions.

**Weekly Stock Idea: ACC**



The prices has witnessed a multiyear trendline breakout on the weekly chart and currently trading above the same.

ACC has given a decisive break out of a symmetrical triangle pattern and currently hovering above the upper band of the symmetrical triangle pattern on the daily interval.

Prices on the weekly chart are trading in a higher high higher bottom formation since March 20 which indicates bulls are dominating the counter.

When we observe volume activity there has been above-average volume set up for the past few days. Momentum oscillator RSI (14) has given a trend line breakout which was placed above 50 levels and currently indicator is reading at 61 levels.

Based on the above Technical studies we can come out with a view that the price may move towards lower levels over a short period.

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