

Date: 27<sup>TH</sup> APRIL 2020**NIFTY**

Eroding its previous days gain Benchmark index witnessed a sharp gap down opening on 24th April due to winding up of a few debt schemes by a large fund house in India added to the selling pressure witnessed in Banks and NBFC stocks.

It was a narrow range trading with volatility for the Benchmark Index. Nifty on the weekly chart has formed bearish Dark Cloud Cover candlestick pattern and if the index continues to drift lower will confirm the validation of the said bearish pattern.

Nifty Fifty is currently trading in a Bullish Zigzag formation which is volatile in nature. On Monday 20th April Nifty up move was capped at around 9390 level which is 38.20 percent Fibonacci retracement from an all-time high of 12430 to a recent intermediate low of 7511.

Overall Nifty is trading within the Ascending Triangle formation on a daily chart; breakout on either side will open a gate for the next range.

In case Nifty violates its upward rising trend line placed around 8800 mark undergoing sideways trend will shift its paddle to negative territory and on the higher side break of 9400 level will witness a breakout of Ascending Triangle pattern and will push nifty towards 9800 level.

**BANK NIFTY**



It was a volatile week for the banking index as prices continued to shuffle on the both the sides. Bank nifty on weekly chart has formed bearish Engulfing candle stick pattern and if banking index continues to drift lower will confirms the validation of the said bearish pattern.

Bank nifty continuous to underperform the Benchmark nifty on weekly time frame which can be identified by using the Relative Strength (RS) ratio.

Bank nifty on daily chart seems to have completed its intermediate 3rd wave at 16116 and currently we are on 4th wave which is likely in a Zigzag formation.

From the bottom of 16116 banking index witnessed a sharp rise till 21462 and again sided for almost 4000 points. This fall is almost 78.80% Fibonacci Retracement from low of 16116 to intermediate top at 21462. The current chart formation suggests the banking index is likely to complete its Bearish ABCD Harmonic pattern at 22637 which will be 127.20% retracement of 21462 to 17143 level.

Momentum oscillator RSI (14) has shoot up from oversold zone and currently reading just above 30 level with positive crossover on the cards. Similarly MACD on daily chart has shown early reversal indicator with positive crossover below zero line.

On the Higher side, Bank Nifty will initially face a hurdle at around 21500 mark. However, in case of a major decline, support is placed around 19000 and then around 17500 levels for the Banking index.

**Sector Look: NIFTY PHARMA INDEX**



The fifth straight week ended in green for the Pharma index indicates clear outperformance against other sectors. The index has managed to close above its horizontal trendline on weekly intervals.

On the weekly chart, Index has closed 3.94 % higher at 9518.45 level and formed a bullish candle. The index has witnessed a sweet rally from 6380 to 9638.70 in the previous five weeks. So some profit booking in the coming session cannot be ruled out.

After witnessing a breakout above the “Horizontal Trend line” that is placed at around 8541 level, the index has given closing above this trend line.

.The index is trading above its all the simple moving average (21, 50, 100) that is placed at around 8068.94, 8072.00, and 8636.66 level in the weekly chart which signifies buyers are active.

Weekly Momentum oscillator RSI (14) has bounced back strongly from around 32 level and in its recent move, RSI (14) found support at around 32 and moved to 65.56. On the previous two occasions whenever RSI(14) has drifted near 32 level sharp reversal in prices has been seen.

On the higher end resistance is seen at 9640/ 9890 level on the weekly chart. On the lower end support for the coming weeks is seen at 9250 / 9022 levels.

**Weekly Stock Idea: ASTRAZEN**



On the daily chart, stock after several days of consolidation moved above from the range which suggests bullish strength in the counter. Today's candles have cut the previous week high which is a positive sign for the stock.

ASTRAZEN has closed 5.23% higher at 2766.10 and formed a bullish candle in the weekly time frame. Prices are firmly holding the support near the 21-day simple moving average which is formed at around 2600.19 levels. The stock has closed above 50 and 100 DSMA that is placed both at around 2330.37 and 2016.64 level.

Momentum Oscillator RSI (14) is reading above 50 levels in the weekly timeline.

On the lower end supports are seen at 2559/2452. On the higher end, the stock may face resistance at 2830/ 2940 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.



## Weekly Market Strategy

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