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NIFTY



Nifty has been travelling in a lower high lower low fashion since the time it has reached its all time high levels. This week was quiet volatile where it touched its 4 month low of 16,410 and thereafter a sharp bounce back again hitting an intra week high of 17,151.

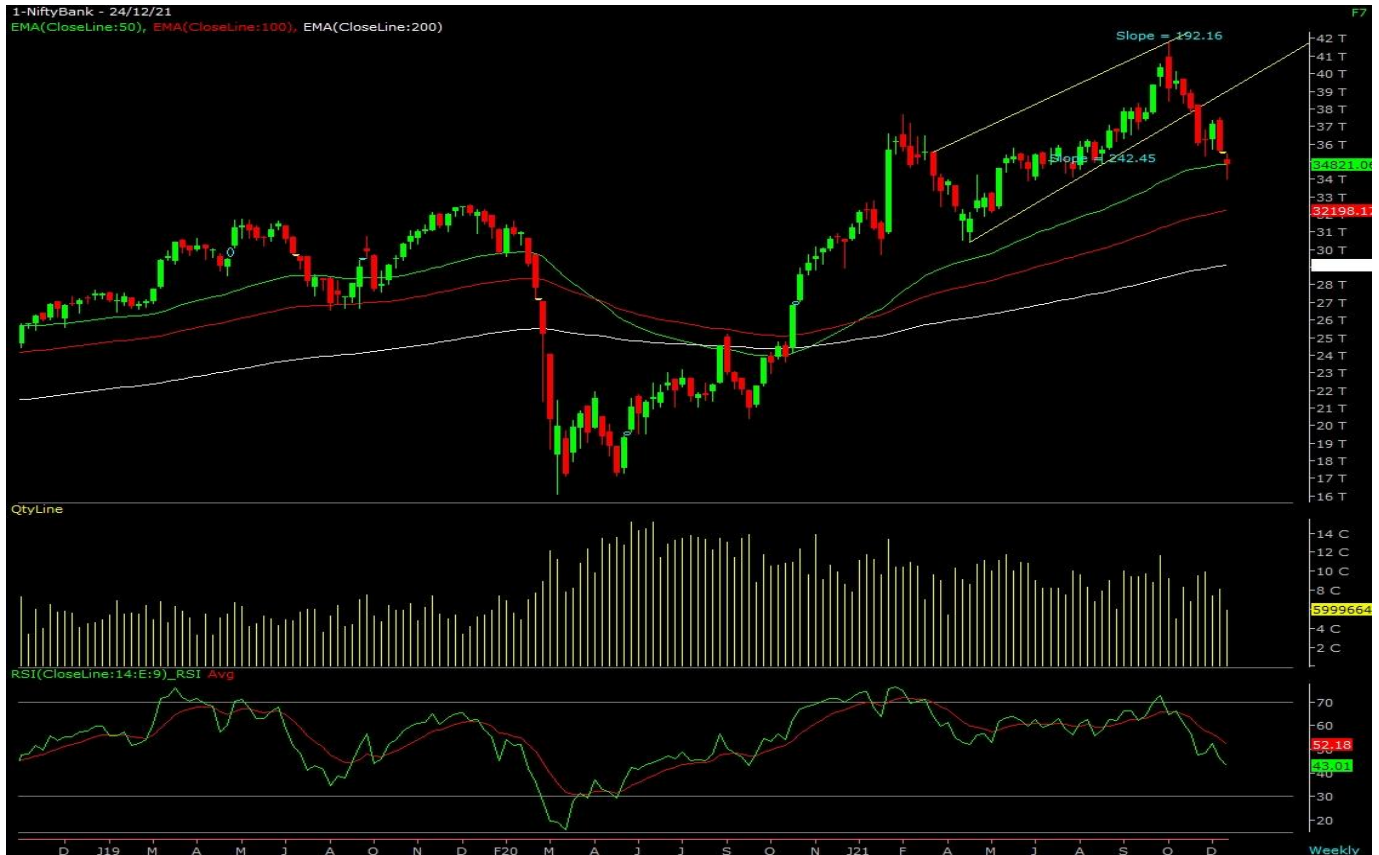
Index on the daily chart showcased bullish RSI divergence which indicated a pullback. But this should still not be considered as a reversal since there is still no strong confirmation.

Expect the index to move in a range from 16,850-17,250. These two levels hold strong supports and resistance going forward. A break and a convincing close above or below these levels will decide further trajectory of the index.

The index still trades below its 21 weekly EMA which is placed at 17,140 and above its 50 weekly EMA which is at 16,000.

On the indicator front MACD is showing a sign of weakness coupled with lack of strength in ADX. The structure appears to be in near term consolidation before a big move happens.

BANK NIFTY



Bank nifty has been a major underperformer amongst all indices in recent fall registering a 19 % drop from its all time high levels of 41,830 to recent lows of 34,018. Currently the index is trading at 34,880 levels which is just at its 50 weekly EMA.

This week it witnessed almost 1500 points swing and closed near to 35000 levels which appears to be a psychological mark. The selling persisted earlier this week with weakness in both PSU and pvt sector basket. The index is nearing to its oversold zones which it hasn't been ever since march 2020 lows.

Important supports for the index lies near 34000-34200 and on the upside 35200-35500 remains major hurdle. Index tried to surpass and close above 35200 but sellers have been active at these zones indicating strong resilience.

On the indicator front ADX which shows the strength of trend has given further given a downtick and is showing a reading of 23.78 which indicates consolidation to negative trend in near term.

Sector Look: NIFTY IT



Nifty IT index has been an outperformer this week too. Index has been in a consolidation mode since mid of september after a massive rally since march 2020 and is set to breakout from its range. Currently the index is trading at 37,708 slightly below its all time high of 37,823. As we head into january series soon, IT co's are set to be in focus with their earnings for this quarter.

Index is exactly at the horizontal trend line resistance and trying to break it for further up move. On the indicator front, weekly RSI is at 68 which has improved from prev week and currently mimicking the price action. The momentum is on the upside but a final resistance will have to be taken out. Prices are trading above all its major averages. Weekly ADX which shows the strength is at 55.30 and giving a downtick which means the index is to consolidate in near term till a decisive breakout doesn't happen.

Important supports are near 36400-36600 and currently it is at its resistance level of 37500-37800.

Weekly Stock Idea: INFY



Prices are trading in a rising channel pattern ever since march 2020 lows and has never closed below its 21 weekly EMA. The momentum is extremely bullish and will continue to do so. This week Infosys has recorded an all time high level of 1872 and more importantly closing near to its high.

On the indicator front, RSI is still not reached overbought levels indicating more steam left on the upside. Weekly ADX is showing a reading of 49, although has given a downtick but still lacks strong confirmation on a week on week basis.

MACD indicator is about to give a bullish crossover with its signal line and trading above its 0 line indicating momentum to continue on upside.

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Weekly Market Strategy

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