

Date: 27<sup>th</sup> SEPT 2021

**NIFTY**



Since the start of the week from 20th Sept, the benchmark index was gripped in volatility and we witnessed a tug of war between bulls and bears in the initial days of the trading week.

The Nifty continued to trade within the rising channel pattern and has taken strong support near the lower band of the channel pattern and witnessed a sharp rally and registered its new lifetime high levels of 17947.65 on 24th Sept.

On Friday the 24th Sept, benchmark index witnessed a gap up opening following its global peers and after registering its new lifetime high levels of 17947.65 and prices continued to drift lower their after. As we are approaching near the upper band of the channel pattern index may witness some profit booking or consolidation in the coming trading session.

To conclude, we believe that the bullish trend will be continued in the large-cap space. We can expect Nifty to take a breather as we are approaching near the upper band of the rising channel pattern. A dip of a couple of percents would be a good opportunity for traders to enter. The immediate resistance is capped near the 18000 mark and the support for the index is placed near 17600 – 17500 levels.

## BANK NIFTY



Last week, Bank nifty had given a breakout and posted a record high of 38112 but this week saw some profit booking in the index and was unable to continue the momentum on the upside. Though there was no follow-through buying, the index witnessed some volatile trading sessions owing to the FOMC meeting and strengthening of USD against INR.

On the weekly charts, Bank nifty has given a breakout above 37700 which was the intermediate top made in February, and after 7 months of consolidation, it is likely that a fresh-up move will begin taking the index at higher levels. Some important levels will be seen in the coming week if the index manages to sustain above 38150.

On the upside, 38500 will hold key resistance based on Fibonacci extension targets. On the downside, weakness can be seen if the index starts to trade below 37200 taking it further down to 36550 levels.

The index is trading well above its 21 weekly EMA which is placed at 35420. On the indicator front, the weekly RSI (14) is at 66 and has still not reached overbought levels which tell that there is still upside potential. The ADX is at 19.11 and is rising which means that the trend is beginning to strengthen and is likely to gain momentum in upcoming trading sessions. The overall setup looks promising and it is very likely that banks can give outperformance.

## Sector Look: NIFTY ENERGY INDEX



Nifty energy index closed at the all time high levels at 21716. The index is making a higher high higher low formation from its March 2020 lows and is on its way for a breakout above 22000 levels. During the week it surpassed the breakout level by making a high of 21993 and has able to sustain the momentum. This was particularly seen because of one of its major constituent (RELIANCE) which is having the highest weightage in the index.

The Energy index is trading in a rising channel pattern and has also given a horizontal trend line breakout within the rising channel pattern. Index continues to trade above their 21 & 50 day exponential moving averages which is positive for the index.

On the indicator front, the ADX on weekly timeframe is currently exhibiting strength and is showing reading of 25. From here on, it is to be seen whether the index can gather strength in the momentum or not. The RSI too has reached 70 which are overbought levels. MACD is about to give positive crossover which is a bullish signal.

The immediate resistance is capped near the 22500 mark and the support for the energy index is placed near 21000 – 20700 levels.

**Weekly Stock Idea: COAL INDIA**



The prices were trading in a symmetrical triangle formation for the past nine months and have formed a trend line resistance at 160 levels.

COAL INDIA has broken out of a symmetrical triangle pattern at 166 levels on 23rd Sept and the prices have registered a decisive breakout that suggests a change in the trend from sideways to upside.

Indicators and oscillators like RSI & MACD have been showing strength on the daily and weekly charts. Prices are trading above their 21 & 50-day exponential moving averages and based on the price action analysis on the short and the medium timeframes; we can say that the medium-term trend of the stock remains bullish.

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

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