

Date: 28<sup>th</sup> FEBRUARY 2022

**NIFTY**



Volatility was at its peak for this entire week where Nifty50 witnessed carnage selling on 24th Feb and witnessed its highest intraday loss due to the geopolitical crises between Russia & Ukraine. On the weekly chart, the benchmark index close below 3.50 percent and formed a tall red candle which indicates a seller-dominated week.

Due to a sharp recovery on the 25th of Feb, prices were successfully able to protect their 50-week exponential moving average on the weekly chart which is placed at 16430 levels. Indian bourses have also formed a bullish ABCD Harmonic Pattern on the weekly chart and its prices have closed above the PRZ (potential reversal zone).

While coming to a daily chart prices have breached its horizontal trend line support which was placed at 16800 levels and also confirmed a consolidation break down. Momentum oscillator RSI (14) has drifted below 50 levels with negative crossover on the weekly interval.

Currently, support for the Nifty is placed near 16400 and 16200 levels, and breaking below these levels will open the gate for 15800 levels in the coming weeks. The upper band is capped near 17100 and once the gap gets filled then the range might extend till 17400 levels.

**BANK NIFTY**



Bank Nifty traded lower for the third straight week and has given a rising wedge pattern breakdown on the weekly chart with closing below three percent. On the 24th Feb banking index closed below its 50-week exponential average but a sharp recovery on 25th Feb has protected its 50 EMA levels which are placed at 35660 levels.

The momentum oscillator RSI (14) has formed a double top pattern near 58 levels and has drifted below 50 levels with negative crossover on the weekly time frame. On the daily chart Bank, Nifty has witnessed a head & shoulder pattern breakdown and a pullback on 25th Feb can be considered as a retest of the neckline.

The indicators and Oscillators are indicating a bounce back, where else prices are still below their important averages on the daily time frame. The higher high higher low formation is well intact in the banking index until and unless prices are above below 34000 levels on the weekly closing basis.

Currently, support for the Bank Nifty is placed near 35000 and 34000 levels, and breaking below these levels will open the gate for 33000 levels in the coming weeks. The upper band is capped near 37300 and once the gap gets filled then the range might extend to 38600 levels.

**Sector Look: NIFTY MID CAP 100 INDEX**



Index has been witnessing a correction phase since mid of January 2022 and has given a bearish signal by giving a negative crossover of 21 & 50 day EMA as well as 50 & 100 day EMA. Currently it is trading at 27,953 and is at 50 weekly EMA support. A break below 28,440 has already signalled a possible move towards 26,000-26,800 zone which is also a bearish head and shoulder breakdown.

A lower high lower low formation is visible and the trend is likely to continue for some time as sellers are becoming aggressive at every rise. This was the 3rd consecutive week where the index has witnessed sell off. Going forward, Major supports lie at 26,800, further at 24,800 respectively and Major resistance is at 28,400, above which the index can retest 30,450 levels.

On the indicator front, Weekly RSI is forming a lower high lower low formation and Weekly MACD too is showing weakness, and is likely to breach the centreline. Weekly ADX which shows the strength of the trend has also started to give an uptick showing a reading of 20.79 with negative DMI moving up gradually.

**Weekly Stock Idea: SALASAR**



The stock has given a falling trend line breakout with more than above average volumes and is likely to continue the momentum on upside. The stock has taken support from its 100 weekly EMA which is placed at 208 and is trading above its major moving averages.

Important supports are placed at 210-220 levels and on the upside resistance can be faced near 290-300 levels

On the indicator front, weekly RSI has formed a double bottom pattern and MACD starting to give an uptick. Still ADX which shows the strength of the trend has not given indication of strengthening of the trend but the positive DMI moving up is indicating a fresh up move.



## Weekly Market Strategy

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