

Date: 28th MARCH 2022

NIFTY



It was a very narrow range week for the Nifty where prices traded within the limited range band of 17000 – 17300 and formed a small consolidation hub near the range. Not much progress has been seen compared to its previous week's close and we ended marginally lower with closing below 17200 levels.

We have seen an almost 1700 points rally in just two weeks so we are expecting a cooling down in the volatility and prices may trade within the narrow range until and unless some positive news flow does not get triggered.

Prices on the daily chart have filled its continuation gap formed on 17th March and have found strong support near its 50 percent retracement from its previous fall which is placed near 17000 levels. The volatility indicator India VIX is stuck in a broad range of 20.75 to 25 for the past few days. VIX needs to settle below 20 levels on the daily chart to witness some cool off in the volatility.

The range for the Nifty is extended on both sides; on the higher end of prices closes above 17450 levels then 17700 will be the next level to watch out for. On the flip side, 17000 levels are currently acting as immediate support for the index, if prices drift below this level then 16800 will be tested again on the lower side.

BANK NIFTY



The Banking index couldn't hold on to its early weeks gain and interrupted its two weeks winning streaks and closed below 35500 and drift almost 3 percent lower on the weekly time frame.

On the daily chart index has witnessed a gap down opening on 24th march and left that gap unfilled which will act as an immediate resistance for the index. On the weekly scale prices are hovering near its 21- week exponential moving average which is currently placed at 35595 levels.

On the daily scale prices are showing a negative stance as banking index is closed below its important exponential averages. The momentum oscillator RSI (14) is reading below 50 levels on the daily as well as weekly chart. The Banking index has also given an upward rising trend line breakdown on the daily chart and has closed below the same.

On the higher side 36800 is acting as a strong resistance for the Bank Nifty, if prices close above that level then there will be a breakout in the banking index. Meanwhile the immediate support for the banking index is placed at 34300 levels.

Sector Look: NIFTY IT INDEX



Nifty IT index is trading in a higher high higher bottom formation since last two years and has given approximately 300 percent returns in the mean time. From the last eight weeks IT index is consolidating in a defined range of almost 3500 points and has formed a cluster hub near 35500 levels.

The prices have also formed a horizontal trend line resistance on the weekly chart near 35950 levels. Previous week we have witnessed a strong breakout above its trend line resistance and have shifted a trend from side ways to positive.

Currently the IT index is sustaining above all its important exponential averages on the daily as well as the weekly time frame, which is positive for the IT pack. Momentum oscillator RSI (14) has found bottom near 45 levels and witnessed a sharp U turn from the lower levels.

On the higher side 37500 is acting as a strong resistance for the IT index, if prices close above that level then there will be a strong momentum in IT index. Meanwhile the immediate support for the IT index is placed at 35000 levels.

Weekly Stock Idea: DELTA CORP



The prices were trading in a rectangle pattern for the past six months and have formed a trend line resistance at 306 levels.

DELTACORP has broken out of a rectangle pattern at 312.75 levels on 21st March and the prices have registered a decisive breakout that suggests a change in the trend from sideways to upside. Stock is trading above its 21, 50 & 100 - day exponential moving averages on the daily time frame, which is positive for the prices in the near term.

The MACD indicator is reading above its centreline with a positive crossover above its signal line. Momentum oscillator RSI (14) is reading above 60 levels and has given a horizontal trend line breakout near 60 levels which indicates positive momentum will like to continue ahead.

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