

Date: 29th July 2019

NIFTY



Nifty last week opened with gap and the same do not get filled throughout the week. In process Nifty lost 1.16 %. 133 points fall in benchmark index has witnessed breach of its trend line support on daily chart. Nifty has made low of 11210.05 and show small bounce back from there and moving towards the resistance zone near 11450. On weekly time frame 50 pack has given breakdown of rising channel pattern within the bigger channel pattern. Index closed below is 20 EMA on weekly time frame. Daily RSI (14) has drift near 32 levels with negative crossover.

Overall sentiments remain negative for now as Nifty has breached and sustaining well below crucial support of 11450. In bounce back we have witness immediate supply near to 11320-11361 levels. Stronger resistance will be seen near to 11450 which has worked as support in up move.

On lower side small support will be seen near to 11200-11180 range. On break of the same Nifty may rest last support level of 11108.

NIFTY BANK



Bank nifty slipped 1.49% for the week and underperformed benchmark nifty for this particular week. In daily chart banking index has shown lower low lower high formation. Major support of 29650 has been breached.

Simultaneously, Banknifty has also witnessed an 'Island Reversal Pattern' on weekly chart. Last week gap between 29770 and 29635 (135 points) had came between gap after exit polls out. So this 135 points gap is the gap where no trade has happened in last 11 weeks. Due to which the move of last 9 week is separated from the chart. Now, till the time this gap does not gap filled, area of 29770 and 29635 will work as major supply zone for Banknifty.

Support line from the low of 1st week of November 2019 has got breached at 29650. Weekly RSI is also started reading below 50. This is bearish in very short term. On down side support can be seen 28870 and 28560 levels.

Sector Look: NIFTY IT INDEX



NIFTY IT Index has breached its trendline support and currently sustaining below its trendline resistance. Since past couple of weeks IT index has shown very narrow range movement, but overall it has outperformed the benchmark index since past couple of weeks.

Momentum indicator RSI (14) had flattened near 45 levels and is slanting downwards with negative crossover. Index is sustaining above its 50 WEMA.

Based on the above technical set up we can come out with a view that the IT sector stocks may show bearish to sideways trend in coming days. On the lower end supports are seen at 15000/14500. On the higher end the index may face resistance at 15800/16200.

Weekly Stock Idea: RAYMOND



On the daily chart the stock has completed bullish Shark Harmonic pattern; the coordinates of which are: OA leg is from 627 to 843, XA from 843 to 733 (which is 50% of OA leg), AB leg is from 733 to 848 (which is 113% of the XA leg) and BC leg is 868 to 648 (which is 161.80% projection of BC leg & 88.60% OC leg).

Bullish piercing candle stick pattern is formed on daily chart with confirmation of positive close on next day candle. Momentum Indicator RSI (14) reversed from oversold zone and currently reading near 40 levels.

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



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