

Date: 29TH JUNE 2020

NIFTY



Nifty50 has completed its 61.80 percent retracement of the entire fall from January 2020 and scaled a new three-month high. This week's benchmark index again faced volatility and swing both the ways. We started the week with a positive note and later on reacted according to mixed global clues and ended the week with a flattish note.

This week's candle can also be called a spinning top pattern which calls for indecision among the traders. Nifty50 on the daily chart is trading in a rising channel formation meanwhile on the weekly chart Index has formed rising wedge formation.

Nifty closed above its 200-week exponential moving average for this week but still trading below its 100 & 50-week exponential moving averages.

Indian bourses are currently capped under the 50-week exponential moving average which is placed at around 10600 odd levels. Break of 10550 – 10600 level will open the gate for 11000 level in coming trading sessions. In case the index violates its 10000 level, a sharp decline will take place. This could drag the index towards 9700 – 9500 levels. We remain bullish towards Index for the next couple of weeks and today's fall can be said as a Removing the latecomer from the market.

However, the bias is likely to remain bullish for a coming couple of weeks and dip should be used to create fresh longs.

BANK NIFTY



In Bank nifty, after almost three months of consolidation prices witnessed breakout of a triangle pattern on 23rd June on a daily chart. Meanwhile, a sharp profit booking on June 24th formed a bearish engulfing candlestick pattern and price again drifts inside the pattern.

This week's candle can also be called a spinning top pattern which calls for indecision among the traders. It is always good to see when a rally is mainly propelled by the banking conglomerates because it generally provides credence to the move.

Momentum oscillator RSI (14) is reading near 50 level and sloping upward with positive crossover on the weekly chart. However, prices are trading near its two weeks high and currently sustaining above its 21 & 50 days exponential moving average on the daily scale.

Looking at Fridays close, the overall setup still looks promising, and ideally, we should make a move beyond highs of 22500 to test higher levels of 23300 – 24000 in the forthcoming week. In case the Banking index violates its 20700 level, a sharp decline will take place. This could drag the bank nifty towards the 19500 – 18500 levels.

Sector Look: NIFTY FINSER INDEX



On a daily chart after prolonged consolidation prices have broken its trend line resistance and currently trading above the same. NIFTY FINSER index witnessed a sharp up move from the support level of 8000 with broad-based momentum across the stocks.

Nifty Finser has closed 0.51% higher at 10588.40 and formed a 'DOJI Candlestick Pattern' in the weekly time frame. The doji candlestick chart pattern is a formation that occurs when a market's open price and close price are almost exactly the same. On the daily chart, the 21 and 50-week simple moving average is acting as a support that is placed at around 10260.30 level and 9788.46 level, is ready to move upside.

The counter is forming a base near 9600 levels since the last couple of days, which is supported by momentum oscillator RSI (14) which has rebounded from the oversold zone with positive crossover on a daily interval.

The majority of indicators and oscillators are showing a positive trend for the current scenario on daily time frame. RSI(14) is reading near to 46 on weekly time line.

On the higher end resistance is seen at the 10950/11050 level on the weekly chart. On the lower end support for the coming weeks is seen at 10350/10260 levels.

Weekly Stock Idea: NAM-INDIA



NAM-INDIA has reversed from its low of around 207 level. On the weekly chart, Index has closed 11.10% higher at 312.80 level and formed a bullish candle. On daily chart, stock has given a breakout of 'Ascending triangle pattern' on 22nd June 2020.

On the daily chart, stock after several days of consolidation moved above from the range which suggests bullish strength in the counter. Today's candles have cut the previous weeks high which is a positive sign for the stock.

On the Weekly chart, stock has given a breakout of the "Consolidation Pattern". Price of stock has closed above 21 and 50-days simple moving average that is placed at around 293.96 and 299.82 levels on the weekly time frame.

The majority of indicators and oscillators are showing a positive trend for the current scenario. Furthermore, prices have sustained above all its major simple moving averages.

On the lower end supports are seen at 275/255. On the higher end, the stock may face resistance at 330/355 levels.

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



Weekly Market Strategy

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Disclosure:

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