

Date: 3<sup>th</sup> Sep 2018

**NIFTY**



Indian stocks started off on a positive note and remained volatile throughout the day on the last trading session. Nifty has found support at the lower band of the rising channel which it has been trading within. On the last of the week on daily chart a doji has formed which signifies indecisiveness. Overall, the index has continued its run within the rising channel which is expected to continue till there is a breakdown below the channel. This is a market where dips are bought. No major breakdown is visible on the chart.

On the daily chart the index has held above all the major averages. Going forward, the index is expected to consolidate till there is breakdown on the lower end. Due to ascending movement in the market the support level has raised to 11600 whereas on the higher end resistance is visible at 11800 above which next round of rally is likely.

Indices	Close	S3	S2	S1	R1	R2	R3	Trend
NIFTY	11680.50	11300	11410	11500	11770	11850	11950	Positive

**NIFTY BANK**



Bank Nifty index has been consolidating for the last four weeks as the index remained in the range of 27700 and 28350. On the weekly chart, a dark cloud cover is visible which suggests waning bullishness in the banking space.

On a smaller degree view we can observe that the index has given a rising trend line breakdown which supports a reversal of the previous rally. Also, a double top is visible on the daily time frame. On the lower end previous swing low may act as support for the falling index; a decisive break down below the swing low may induce a strong downside in the banking space.

Daily strength index RSI (14) has been in a bearish crossover and falling which suggest the bearish momentum in the days to come.

The trend is expected to remain bearish as long as the index trades below 28100. On the lower end Bank Nifty may fall towards 27700; sustained trades below 27700 may trigger a correction towards 27450. On the other hand 28100 may act as crucial resistance for the week.

Indices	Close	S3	S2	S1	R1	R2	R3	Trend
BANK NIFTY	28061.75	27250	27500	27700	28200	28400	28600	Positive

**Sector Look: NIFTY PHARMA**



On the weekly chart the nifty pharma index has formed a bearish Nen Star pattern which is expected to induce pullback in the pharma space in the next week. However, the trend remains upward and may see some more upsides during the first two session of the next week. However, on the higher end resistance seen at 10550-10650.

Failure to move above 10650 may attract selling pressure and the index value may fall towards 10000. On the other hand a decisive breakout above 10650 may take the index towards 11000.

Indices	Close	S3	S2	S1	R1	R2	R3	Trend
NIFTY PHARMA	10390.25	9650	9800	10000	10650	11000	11200	Consolidation

**Weekly Stock Idea: MGL**



After a steep correction in the previous several days the stock is trying a reversal. On the daily chart price has formed a rounding bottom. Also, price has moved above its recent consolidation. Daily RSI is in bullish crossover and rising.

The stock price may move towards 900-910 in the short span of time. On the lower end support is visible at 848 below which the stock is likely to lose momentum.



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