

Date: 30th MAY 2022

NIFTY



For the second consecutive week Nifty weekly candle closed in green and has formed a bullish hammer candle stick pattern on the weekly time frame. We have seen a strong reversal from the 15900 levels when prices reached near the lower band of the flag pattern and then prices reverse sharply and have almost given breakout on the daily chart.

Benchmark index has given a more than two percent return in last two days of the week and index has closed near its 21-day exponential moving average. The momentum oscillator RSI (14) has given a bounce back from the oversold levels and has closed above 40 levels with bullish crossover on the daily scale.

The multiple bullish candle stick formation is formed on the daily as well weekly time frame which indicates a bullish confirmation in the immediate next week adds lots of importance for the validity of the candle stick pattern.

The immediate support for the Nifty is placed near 16100 and below that 15900 will act as a major support for the Nifty. The immediate resistance for the Nifty is placed at 16700 levels where 50- day exponential moving average is settled.

BANK NIFTY



Bank Nifty outperformed the benchmark index for this particular week and has given weekly return of almost 4 percent and closed convincingly above 35000 mark. Banking index on the daily chart has given a flag pattern breakout and closed above its trend line support.

Bank Nifty for the initial days of the week shown the strength and was continuously taking support near its lower levels and at that time Nifty was underperforming the Banking index. And later on Bank Nifty taken the charge and broke the flag pattern and given a strong breakout above its 21-day exponential moving average.

In the previous week Banking Nifty shown a positive divergence and it continued to trade higher in the immediate week. Currently the oscillator has closed above 50 levels with positive crossover and the indicator has given early signs of reversal from the lower levels.

The immediate support for the Bank Nifty is placed near 35000 and below that 34500 will act as a major support for the Bank Nifty. The immediate resistance for the Bank Nifty is placed at 36000 levels where 100- day exponential moving average is settled.

Sector Look: NIFTY AUTO INDEX



Nifty AUTO index has given a breakout of rectangle pattern on the daily chart and has given a weekly return of more than 3 percent and closed above 11000 levels.

Nifty Auto has been the outperformer compared to its other peers and has continuously traded with a bullish bias. In these recent rises, the Auto index has closed above all its important averages on the daily time frame and the recent throwback has found the support near its moving average cluster.

Indicators and oscillators are also indicating an uptrend for the short to medium term in the counter. The multiple bullish candle stick formation is formed on the daily as well as the weekly time frame, which indicates a bullish confirmation. In the immediate next week, adds lots of importance for the validity of the candle stick pattern.

The immediate support for the Nifty Auto index is placed at around 10850 levels and the upper band of the index is capped at 11600 levels. If the Auto index is closed below the said levels, then the gate for the prices is open till 12000 levels.

Weekly Stock Idea: ICICI PRU



The prices were trading in a basing pattern formation since last one month and formed a base support near 490 levels. Prices have formed a falling channel pattern formation on the daily chart where upper and lower band are locked within the range of 40 points.

Counter on the 25th May has given a falling channel pattern breakout above its trend line resistance which is placed at around 512 levels on the daily time frame.

In this recent uptrend from 500 to 515 prices close closed above its 21 & 50 – day exponential moving averages on the daily scale. Indicators and oscillators are also indicating an uptrend for the short to medium term in the counter.

Prices have closed above the upper band of the Bollinger band indicator which indicates a likely continuation of the positive breakout. Counter on the weekly chart has given a 61.80 percent Fibonacci retracement at 484 levels from its previous intermediate low.

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