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## NIFTY



A bear tightens its grip for the second consecutive week closed almost three percent down in the current week and lost more than six percent in the last two weeks.

From the last three trading days, prices have successfully sustained below their 100-day exponential moving average and also closed below it's all the medium averages on the daily interval, which is a negative sign for the index.

In the coming week if the prices closed below 16800 levels then we will witness a failed bullish pole flag pattern on the weekly chart. And whenever there is a failure of a bullish or bearish pattern breakout on either side of the stock or an index we see a strong reaction on the opposite side of a breakout. Currently as per the Fibonacci retracement study prices have found support near the 61.80 percent retracement on the weekly chart which is placed near 17127 levels.

From here on 16800 levels will act as immediate support for the Nifty50 and if prices are breached below this level then 16400 will be the next support zone for the index. The upper band is capped near 17400 – 17500 zones a strong bounce-back above this will open the gate for the 17800 mark.

**BANK NIFTY**



It was a very volatile week for the Bank Nifty where prices traded on both sides and formed a long-legged Doji candlestick pattern on the weekly time frame.

Prices recovered sharply on 26th & 27th Jan and manage to close above their 21 & 50 – day exponential moving averages on the daily interval. As per the Fibonacci retracement study prices are facing a strong resistance near 61.80 percent from their previous down move which is placed near 38845 levels.

As per the weekly chart, study prices have never closed below their 50-week exponential moving average since 30th Oct 20 and currently, the 50-week moving average is placed at 35300 levels.

Indicators in the short term are not able to show a clear picture of the future trend as they are hovering near 50 levels. On the daily chart, prices are facing a strong hurdle near 38850 levels once breakout above this level will confirm the bullish breakout in the prices. The supports are placed near 37000 and below those 36400 levels.

**Sector Look: NIFTY METAL INDEX**



This index has been trading in a tight range and consolidating for almost 9 months by keeping intact the 21 weekly EMA. Before this consolidation, it saw a stellar rally on the back of increase in commodity prices making it attractive for investors to bet their money. Currently the index is trading at 5,466 and had witnessed consecutive 2 weeks of selling pressure.

It is seen that buyers come in command whenever the index sees a marginal dip towards 4,865 - 5,170 levels. This tells us that this is a crucial support area. Whereas on the upside, index needs to break 5,930-6,300 zone for its move northwards.

On the indicator front, momentum oscillator weekly RSI is showing a negative divergence i.e price action is consolidating or making higher highs whereas, RSI is making lower lows. This indicates that index can continue to move to lower levels.

MACD is showing signs of weakness and a negative crossover is witnessed on daily charts, as well as ADX is showing a reading of 16.7 & starting to rise which means a trend is set to begin.

**Weekly Stock Idea: MARUTI**



The stock has been Nifty's weekly top gainer and has more room left on the upside with a bullish setup in the offing. It had been trading in the range since 2019 between 6,400-8,400 and has now moved out of that range with a potential to move up 10-15%.

On weekly timeframe, the stock has given a inverse head and shoulder breakout but still it has to breach all time high levels in order to achieve the price objective. This pattern is said to be one of the reliable patterns to indicate a bullish reversal is set to happen. Price of the stock is above all major moving averages with technical indicators also pointing towards the same direction affirming the trend.

Momentum oscillator RSI(14) is showing a reading of 67 which is near to overbought zones which means that the stock can pullback to support areas on account of profit booking. MACD is showing strength with a positive crossover and hovering above centreline. ADX which shows the strength of the trend is also giving a uptick and showing a reading of 23.25 with +DMI also moving up confirming the strength of the trend.

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