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NIFTY



Nifty50 has almost reached close to the resistance of 78.60 percent retracement of the entire downswing seen from January 2020 to March 2020 bottom.

Benchmark Index has neglected its Bearish ABCD harmonic pattern which was placed at 10971 level and trading above its potential reversal zone (PRZ) on the weekly chart, which strongly indicates a sharp ongoing trend.

We expect some consolation at the current level with time-wise correction. The breakdown below the 200-day average could trigger a sharp profit booking.

Momentum oscillator RSI (14) is reading in a 60 – 70 range, we are in two minds whether to go with the theoretical characteristic of this term overbought or the practical one.

On the daily chart, Index is trading in rising channel patterns and currently trapped in the middle of the channel. On the lower side breach of the 10900 level which is 21 EMA will test the lower band of the channel which is placed at 10750. On the higher side upside is likely to cap near 11600 level which is the upper band of the rising channel pattern.

BANK NIFTY



The banking index was one of the major culprits for this week which witnessed some overextended selling pressure.

This week Bank nifty has formed bearish engulfing candlestick pattern and slides more than 4 percent on the weekly closing basis.

Banking index closed above its 50-day exponential moving average on daily intervals but still, it's underperforming the benchmark index nifty 50 which is visible on the Relative Strength (RS) indicator on a daily chart.

So, it is too early to consider it as a trend reversal signal on the Bank Nifty chart. However, we should not rule out the underperformance against the broader markets.

The Bank Nifty index has been a laggard in the current up move and it's likely to continue the same. One needs to jump above its major resistance zone of 23300 to flourish higher. Immediate support for Bank Nifty is coming near the 21000 level, breach of that will open the gate for 19500 levels.

Sector Look: NIFTY METAL INDEX



On a daily chart after prolonged consolidation prices have broken its trend line resistance and currently trading above the same. The NIFTY METAL index witnessed a sharp up move from the support level of 1450 with broad-based momentum across the stocks.

Nifty Metal has closed 2.86% higher at 2147.30 and formed a bullish candle in the weekly time frame. On the daily chart, the 21-days simple moving average is acting as a support that is placed at around 2092.35 level, is ready to move upside.

The counter is forming a base near 1450 levels since the last couple of months, which is supported by momentum oscillator RSI (14) which has rebounded from the oversold zone with positive crossover on a monthly interval.

The majority of indicators and oscillators are showing a positive trend for the current scenario on the daily time frame. RSI(14) is reading near to 50 on a weekly timeline.

On the higher end resistance is seen at the 2240/2340 level on the weekly chart. On the lower end support for the coming weeks is seen at 2050/2000 levels.

Weekly Stock Idea: SUNPHARMA



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, Sun pharma has given a breakout of the "Consolidation Pattern". Prices are firmly holding the support near the 21 and 100-week simple moving average which is formed at around 458.12 and 454.02 levels on the weekly time frame.

The stock has closed 9.49% higher at 531.70 level on the weekly chart. A bullish candle is formed on a weekly time frame and has closed above its previous several weeks' high.

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 470/430. On the higher end, the stock may face resistance at 560/610 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.

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